

## Mahindra Logistics Limited – Investment BUY Call – 6 Months Horizon

Dear Bajaj Capital Investors,

New Stock Recommendations for BUY on 24 April 2026

### **Proxy to Warehousing Sector growth of India**

CMP -> 443

Upside Potential-> 13%

Investment Horizon -> 6 Months

Target price -> 500

Mahindra Logistics Limited presents a compelling **BUY opportunity** driven by a clear turnaround in profitability and operating performance. After a prolonged downturn of ~11 consecutive loss-making quarters, the company has delivered **PAT-level profitability in both Q3FY26 and Q4FY26 on a consolidated basis**, marking a critical inflection point. This shift has been attributed to sharper execution, disciplined cost control, and a calibrated growth strategy. Importantly, **operating margins have shown consistent improvement over the last three quarters**, indicating that profitability is not one-off but supported by structural changes in the operating model.

The company's **balance sheet strengthening and deleveraging trajectory** further reinforces the investment case. With debt being reduced through a rights issue, interest costs have declined materially, improving overall financial health. As of December-end, the standalone entity is **debt-free**, while consolidated gross debt stands at a manageable level (~INR 64 crore). This reduction in leverage enhances earnings visibility and reduces financial risk, creating a more sustainable platform for future growth. Additionally, management's focus on **pricing discipline, contract repricing, and pruning non-profitable engagements** is expected to drive better return ratios going forward.

From a business fundamentals perspective, the company continues to benefit from its strong positioning in **contract logistics**, which contributes ~75% of consolidated revenue and remains the core growth engine. Its broader **supply chain management segment (over 90% of revenues)** provides diversified exposure across high-growth sectors such as automobiles, engineering, FMCG, and e-commerce. The ongoing **\*\*operating model reset—led by leadership stabilization, improved execution rigor, and enhanced customer responsiveness—\*\***is already reflecting in stronger client traction, new contract wins, and positive customer feedback. Coupled with progress in the Express business turnaround and rising presence in e-commerce and quick commerce, the company is well-positioned for **sustained earnings recovery and margin expansion**, supporting a constructive medium-term investment outlook.

## Q4FY26 Results: -

		YoY	QoQ	Mar 2026	Dec 2025	Mar 2025
Revenue Cr		14.1%	-5.6%	1,791	1,898	1,570
Operating Profit Cr	^	44.6%	9.3%	112	103	78
OPM %				6.3	5.4	5.0
PAT Cr	^	521.1%	272.1%	22	6	-5
NPM %				1.3	0.3	-0.3
EPS ₹		340.0%	518.2%	2.0	0.3	-0.8

Happy investing!

Thank you and best regards,

On behalf of Bajaj Capital's Research Team