

14th August 2025

To,
The Manager,
National Stock Exchange of India Limited
Listing Department, Exchange Plaza, C-1, Block - G,
Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.
Scrip Code: TOTAL

CIN: L63090MH1995PLC091063

Subject: Transcript of Earnings Conference Call held on Monday, 11th August 2025.

Dear Sir,

Please refer to our Earnings Conference Call scheduled for Monday, 11th August 2025 at 02:30 PM (IST), as intimated vide our letter dated 05/08/2025.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Q1 FY26 Earnings Conference Call transcript.

You are requested to take the same on record.

Thanking you.

Yours faithfully,

For Total Transport Systems Limited,

Bhavik Trivedi
Company Secretary & Compliance Officer

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Total Transport Systems Limited

Q1 FY26 Earnings Conference Call Transcript

Monday, 11th August 2025

MANAGEMENT:

- ◆ **Mr. Makarand Pradhan - Managing Director**
 - ◆ **Mr. Bhavik Trivedi - Company Secretary & Compliance Officer**
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Moderator:

Ladies and gentlemen, good afternoon and welcome to Total Transport Systems Limited. Q1 FY26 Earnings Conference Call.

We have with us today from the Management, Mr. Makarand Pradhan – our Managing Director, Mr. Bhavik Trivedi – Company Secretary and Compliance Officer.

As a reminder, all participants' lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing “*” then “0” on your touch-tone phone.

Before we proceed with this call, I would like to take this opportunity to remind everyone about the disclaimer related to this conference call. Today's discussion may be forward-looking in nature, based on management's current beliefs and expectations. It must be viewed in consumption with the risks that our business faces that could cause our future results, performance or achievements to differ significantly from what may be expressed or implied by such forward-looking statements.

I now hand over the conference to Mr. Makarand Pradhan for opening remarks. Thank you and over to you, sir.

Makarand Pradhan:

Hello, good afternoon and thank you all for joining the Total Transport Systems Limited Q1 FY26 Earnings Conference Call.

We appreciate your time and presence today. I trust you have reviewed the investor presentation and financial results available on the NSE website. To start, I will share a brief update on the current economic situation, followed by an overview of the latest trends in the logistics sector.

Economy and Sector Outlook:

The global economy is undergoing significant policy changes, influencing trade flows and supply chains. While trade tensions and tariffs add uncertainty, global freight volumes have seen only a limited impact so far.

India's logistics sector remains resilient, supported by GDP growth of 6.5% in the year 2025, with the same pace expected in the year 2026. A good monsoon is likely to boost agricultural produce demand, while strong activity in manufacturing, FMCG and e-commerce will further drive freight movement. However, tariffs imposed by the US will have some negative effects on certain industries.

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Government initiatives such as PM Gati shakti and the National Logistics Policy, along with sustained investment in road, rail and port connectivity, are improving efficiency and expanding capacity. These developments are enabling growth in transport, warehousing, integrated supply chain solutions and enhancing last-mile delivery services.

With inflation averaging 2.7% in Q1 FY26 and expected to stay well below the RBI's 4% target. A stable rupee, strong reserves and a current account surplus reinforce India's trade position and attract investment in the logistics infrastructure.

Technology adoption including AI, IoT, GPS tracking and warehouse automation is a factor that enhances speed and transparency, while sustainability measures such as electric fleets and renewable-powered warehouses are gaining traction. While high logistic costs and infrastructure gaps remain challenges, ongoing uncertainty in tariff policy remains to be addressed.

Looking ahead, the sector is expected to grow at 8% to 10% annually, driven by express parcels, integrated 3PL and cold chain services, with strong fundamentals and supportive policies positioning India's logistics industry for continuous expansion.

Operational performance of total transport:

In Q1 FY26, Total Transport Systems Limited maintained stable operations despite global trade headwinds and weaker LCL export demand. LCL consolidation volumes reached 98,700 plus CBMs, with imports of 40,456 CBMs and exports of 58,282 CBMs. FCL freight forwarding handled 4,542 TEUs, including 533 import TEUs and 4,009 export TEUs. Airfreight volumes improved to 368 tons in Q1 FY26 from 312 tons in Q1 FY25, supported by increased time-sensitive export shipments.

The company continued strengthening capabilities across LCL, FCL, Airfreight and last-mile delivery through investments in automation, digital platforms, and enhanced supply chain visibility. These initiatives supported efficiency gains and improved service quality across its domestic and global operations.

A key highlight was the performance of subsidiary One World Logistics Private Limited operating as Abhilaya, which turned profitable for the first time, posting a net income of ₹13.34 lakhs compared to losses in the prior year and preceding quarter. Abhilaya's revenue reached ₹2,605 lakhs, up by 6.5% sequentially and 3.5% year-on-year, aided by cost-discipline, route optimization, and expansion into Tier 2, Tier 3 and rural markets.

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The company's consolidated financial performance:

Total revenue of Q1 FY26 stood at ₹147.4 Cr, up by 1.0% year-on-year, despite a 5.6% sequential decline due to the current geopolitical situation, dropping freight levels and subdued LCL export volumes.

EBITDA increased to ₹4.4 Cr from ₹1.4 Cr in Q1 FY25, with margins expanded by 200 basis points to 3.0%, driven by operational efficiency improvements. Sequentially, EBITDA fell 20.4% due to lower freight levels and an unfavorable cargo mix.

Profit after tax rose sharply to ₹2.9 Cr from ₹0.2 Cr a year earlier, with PAT margins improving from 0.2% to 2.0%. Strong year-on-year profitability growth was supported by disciplined cost control, focus on higher-yield cargo segments, and the incremental contribution from the profitable last-mile delivery arm.

With this, I would like to conclude and open the floor for any questions.

Moderator: Thank you. We will now begin the question-and-answer session. The first question is from the line of Rishabh Sharma from BP Advisories. Please go ahead.

Rishabh Sharma: How do you plan to expand both freight and last-mile delivery businesses? What is your target margin range for Abhilaya over the next twelve to eighteen months?

Makarand Pradhan: Yes, these are two different types of business, so I will answer them separately. For total transport, we have our budget in place, and we expect a steady rise of 10% - 12% per annum for freight forwarding and LCL consolidation business. This is also seen in volumes as far as the LCLs are concerned. We have already grown at a rate of 13% in this quarter. Though, because of the freight levels being low, the figures do not show like that, but we have to do more business to maintain the same profitability. So, we have a very aggressive sales team and we are also tapping the freight forwarders or the custom house clearing agents who are our customers and we also offer our services to some of the global MNCs for the LCL and for the FCL, we only go on to the customers who are serviced by our counterparts in the international offices. This answers your question on how we do on total transport, and this performance has been very steady, and the growth has been good.

As far as Abhilaya is concerned, Abhilaya is the first time we have come into profits in this quarter. Otherwise, all these quarters, we have been losing money. What we have done to stop the losses is we have closed down the dark stores that we were operating, and we are concentrating on the last-mile delivery. This month, we have recently got a contract from Amazon for managing five of their warehouses. I do not know the actual revenue increase, but the profit will be at least three to four lakh rupees per month, additionally on this.

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Going further, at this point of time, we do not plan to increase the number of centres that do the delivery. We are consolidating our position to ensure that we get more dense deliveries, a larger number of deliveries in one area, so that we are able to capitalise it and increase our profit share. However, year-on-year, the volumes of Amazon go up, and we also plan to increase our volumes by about 20% in this financial year.

Rishabh Sharma: My next question is, how are you addressing high fuel costs and changing freight rates and manpower shortages while ensuring profitability?

Makarand Pradhan: In which business? Are you talking about the last-mile delivery business, or are you talking about LCL consolidation and freight forwarding business? Because the answers are going to be different.

Rishabh Sharma: I was talking about LCL.

Makarand Pradhan: LCL is less than container load business. The fuel cost does not make any difference unless the international fuel cost goes up and the freight levels come up. When the freight level comes up, then the fuel cost increase is not a problem because we overall get the benefit of that. When the freight levels are high, our profitability is high, both for LCL and FCL business. When the freight levels go down, that time even the fuel cost also goes down. So, these cannot be two at one time. It cannot be fuel, and it cannot be an increase in freight level and a drop in fuel cost. It has to be either or. So, these are the situations in which either the freight levels will go down, and the fuel cost will also go down, or the freight levels will go up, and the fuel cost will also go up. Because, to a certain extent, fuel is one of the components of building the freight. It very rarely happens that the freight goes down and the fuel cost goes up.

Rishabh Sharma: Thank you.

Moderator: Thank you. The next question is from the line of Madhu Sharma from SK Capital. Please go ahead.

Madhu Sharma: Good afternoon, sir. And thank you for the opportunity. Sir, my first question is what caused the sales drop compared to last quarter? And what is your outlook for demand and volume in Q2?

Makarand Pradhan: See, demand and volume. We had a 14% increase last quarter. We do not expect an increase of more than 5% to 6% in the full container load business and about 3% to 4% in LCL in this quarter. The causes of the drop in volumes or dropping trade levels are mainly because of the uncertainty of the US tariffs.

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The US is one of the major markets for India, China, and Southeast Asia. When there is uncertainty in the tariffs from the US, a lot of exporters hold back their shipments. And when they hold back their shipment, there is a lot of empty space on these routes. Then what happens is when there is empty space on the vessel, the freight levels will go down drastically. And when these go down, our margins also go down. Say, for example, on a full container load, if the freight level is \$2,000, I can make up to \$150. But when the freight level drops to \$800, my margin comes down to maybe \$30, \$40. So, this is the combination. When the freight levels are up, the profitability is better. When the freight levels go down, the profitability also goes down. At this point of time, nobody is certain about what the tariff situation is going to be for the whole rest of the world. And people are not able to predict either an increase or a decrease the volumes in this quarter. So, I would not be able to answer you this question in a pinpoint manner.

Madhu Sharma: Okay, sir. And sir second question is what factors have driven the strong profit and margin improvement, and can this be maintained through the year?

Makarand Pradhan: Strong profit margins are not only a product of good service, but also a product of a good cargo mix. We cannot be lucky every quarter that we get a very good cargo mix. For example, on LCL trade, the breakeven is at nearly 55 cubic meters, the breakeven is very high. When there is a good cargo mix, for example, I get 55 cubic meters, and my overall volume is, say 10,000 cubic meters or say 20,000 cubic meters. But if I get 20,000 cubic meters to the ports where I want, my profitability will be high. If I get scattered volumes in a week, my profitability for that week will be affected. We have tried many algorithms, but this has not worked completely. What we can save on is the leakages, or where we can save on is being proactive in giving the services, and we have revamped our department, we have trained our people to extend. We are also using bots wherever possible. And because of that, the efficiency has gone up, and that is being seen in the increase in profitability. We will be able to maintain it to a large extent. But at this point in time, I will not be able to tell you about the cargo mix. Everything put together, coming, always helping you is not going to be possible. Sometimes it is otherwise. But on average, yes, we will be able to maintain, should not be a problem.

Madhu Sharma: Okay, sir. Thank you.

Moderator: Thank you. The next question is from the line of Diva Mehta from AB Capital. Please go ahead.

Diva Mehta: Thank you for the opportunity, and congratulations to the management for making profits in Abhilaya. So, my question is, will this profit sustain? What is your outlook, and how do we see this planning out for FY26?

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- Makarand Pradhan:** I am very sure that profits will continue in One World - Abhilaya. There are two things, as I said. What we have done is we have very strict control over the cost. We have with our software aligned with the software of our customers; we have done the route optimisation. We are expanding into tier 2 and tier 3 cities, and also rural markets where the incomes are a little bit higher. We are not looking at adding the number of centers for deliveries. We are looking at adding a number of deliveries in that particular area. That helps us to have better profitability. We have stopped all the dark stores. At the same time, we have got five warehouse manning jobs from Amazon. This will also yield positive results. We expect about 3 to 4 lakh rupees a month. So, I am 101% sure that this profit will only go up in this quarter. That is my observation.
- Diva Mehta:** Okay. We hope the same for you, sir.
- Makarand Pradhan:** Thank you.
- Diva Mehta:** Sir, this was not the quarter where the festive season was there. So as the quarter progresses, we will have the festive season. So, I hope that if this continues, we will deliver a good profit for Abhilaya this year.
- Makarand Pradhan:** I would not know good profit or not, but better than what we did last quarter is sure.
- Diva Mehta:** Sir, now talking about the LCL and FCL business, seeing the global uncertainties, what is your view, and how do you see we will navigate through this situation currently? Other than you have explained that because of the tariff, that would impact the trade rates and that would impact the profitability. Other than that, what are the other uncertainties that you see around?
- Makarand Pradhan:** I honestly do not see any more uncertainties than the tariffs. The geopolitical situation, I am not a very good person to comment on, because nobody is correct in commenting on the situation and how it changes. It changes by the hour. But I do not expect too much uncertainty as far as India is concerned. I am sure even if there are global tariffs, the US puts on the tariffs, our people will find different markets. We do not expect the freight levels to go up, at least in the next six months. But I at least expect that at least steady freight levels will help us to at least plan something. And that is what is expected unless there's something very weird happening outside the country.
- Diva Mehta:** Understood, sir. Thank you so much for your time.
- Makarand Pradhan:** Thank you.

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Moderator: Thank you. As there no further questions, I now hand the conference over to Mr. Makarand Pradhan for closing comments. Over to you, sir.

Makarand Pradhan: Thank you. In closing, I thank our employees, shareholders, customers and partners for their steady support. At Total Transport Systems Limited, we are working together to improve, grow our place in the logistics market and create lasting value. We are confident that we will make the most of the opportunities ahead and keep moving forward. Thank you.

Moderator: Thank you. On behalf of Total Transport Systems Limited, we conclude this formal Q1 FY26 earnings conference call. We sincerely appreciate your participants in this event and we kindly request that you may now disconnect your lines. Thank you for your time and engagement. Thank you so much.

(This document has been edited for readability purposes.)

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