November 20, 2026

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai - 400 001
Scrip Code: 544602

National Stock Exchange of India
Exchange Plaza, C-1, Block G,
Bandra-Kurla Complex, Bandra
(East), Mumbai – 400 051
Scrip Code: AGL

Dear Sir/Madam,

Sub: Transcript of Earnings Conference Call for the quarter and half year ended September 30, 2026

Pursuant to Regulations 30 read with Schedule III and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find enclosed herewith transcript of earnings conference call of Allcargo Global Limited for the quarter and half year ended September 30, 2026, held on Tuesday, November 17, 2026, at 11:00 a.m. (IST).

The transcript is annexed for your reference which can also be accessed on the Company's website from the below link:

https://www.allcargo.global/datafiles/2026/11/Transcript.pdf

Kindly take the above information on record.

Thanking you,

Yours faithfully
For **Allcargo Global Limited**

SWATI GOPAL SINGH

Digitally signed by: SWATI GOPAL SINGH
DN: CN = SWATI GOPAL SINGH C = IN O = Personal
Date: 2026.11.20 18:19:29 +05'30'

Swati Singh
Company Secretary and Compliance Officer
Membership No.: A20388

“Allcargo Global Limited

Q2 & H1 FY27 Earnings Conference Call”

November 17, 2026

MANAGEMENT: **MR. RAVI JAKHAR – GROUP CHIEF FINANCIAL OFFICER AND DIRECTOR – ALLCARGO GLOBAL LIMITED**
MR. STEPHEN DUNN – CHIEF FINANCIAL OFFICER – ALLCARGO GLOBAL LIMITED
MR. SANJAY PUNJABI – INVESTOR RELATIONS – ALLCARGO GLOBAL LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Allcargo Global Limited Q2 and H1 FY27 Earnings Conference Call. We have with us the senior management team of our Allcargo Global Limited, Mr. Ravi Jakhar, Group CFO and Director, Mr. Stephen Dunn CFO, and Mr. Sanjay Punjabi, Investor Relations.

Please note this call may contain some of the forward-looking statements, which are completely based upon company's beliefs, opinions and expectations of today. These statements are not a guarantee of the company's future performance and involves unforeseen risks and uncertainties. The company also undertake no obligation to update any forward-looking statements to reflect the developments that occur after the statement is made.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal for an operator by pressing star then zero on touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ravi Jakhar. Thank you and over to you, sir.

Ravi Jakhar: Thank you, and good afternoon, everyone. I welcome you to this earnings call for our company, Allcargo Global Limited for the second quarter of financial year '26-'27.

I would like to share a bit of a perspective on the macro environment and the industry outlook before I hand over to my colleague, Steve to take you through the detailed financial and business performance. Over the quarter ending September, we have witnessed the geopolitical uncertainties continue.

The supply chain disruptions have continued to create problems and it has led to trade flows being disrupted with several ports facing congestion and challenges around availability of inventory. All of these things have also contributed to higher freight rates.

So, while there could be a negative impact on the volumes due to some of these disruptions, in general, the freight rate increase more than offset that impact and creates a tailwind on the yield and profitability.

Now, we cannot comment on when the geopolitical uncertainty would end, but from a supply chain disruption perspective, we believe that the seasonal demands peak and then tend to slow down, and in line with that, with the capacity being available, we believe that the freight rates should start to soften gradually, and if compounded with an end to the West Asia crisis over the next two-three months, potentially in another three months post that, the situation could normalize.

So, that's a estimate linked to certain geopolitical developments, but in general, we expect some degree of softness with some restoration of normalcy on the container trade. On the business side our focus has been significantly on profitable growth over the last one year and that has been about focusing on improving gross profit with better trade lane management, focus on high

yield products, getting out of loss-making boxes, improved operational efficiency so that we could also negotiate better contracts, and all of those factors have helped us drive the uptick in gross profit compounded by the industry tailwinds as well.

On the cost side, we report in rupees and the costs appear flattish, but in reality, a lot of our payouts are across the world in dollars, euros, and other currencies which have actually appreciated against the Indian rupee, and therefore in actual payout terms in local currencies we have actually reduced the cost of doing business across the world.

And that I believe is a major achievement, and that was something which was our target as well, because with all the automation, outsourcing, and other cost initiatives kicking in, that has been the broad strategy, that while we cannot control the macro-outlook, we can control how business is operated. And thanks to advances in AI, we believe that the journey can be faster.

So, from here on, the focus remains the same, how we can chip in at the market share. Market can grow depending on the overall environment, but whatever the growth is, we would continue to beat that growth number across the main LCL product as well as emerging products such as air freight.

On the cost side, this continued focus to restrain would continue and we believe there is still a lot of room to automate and consolidate our operations and that's something which we believe should provide continued operating leverage and all the initiatives that we take on expanding gross profit should come down to the bottom line.

While Steve will take you through the detailed performance, I would like to also highlight that the business is a cash-generating business. We do not really have any significant capex. Most of the depreciation line items are around goodwill amortization and non-cash items. We have had some losses in the last year across some countries, which are now turning profitable and as we move forward we would utilize some of those past losses on the tax credit and therefore the actual cash payouts on taxes will also be lower than the reported taxes from an accounting standpoint.

So with all of these things happening, the business generating cash would take care of its own requirements and that's something which you would notice even in this quarter despite significant expansion in revenue on the back of freight rates, largely, we have maintained the net debt levels at almost flat numbers and that is primarily driven by the profits generated from the business in terms of the cash operating cash flows and also a much tighter control on the working capital management itself.

So, these endeavours would continue and that should lead to, perhaps you know, strong performance in the next couple of years. We had shared some broad ballpark guidance on how we expect the trajectory to look like. I would say maybe we are a couple of quarters ahead on that, but that's I would say that is largely contributed by the industry tailwinds. From our own perspective, we believe that the business initiatives are on track and as the industry tailwinds

wither away, we should be able to complement with the compounding business initiatives and maintain a good robust performance going into the next few years.

We have also been looking at the change in financial year and there could be some progress on that, because globally our business operates on a January to December calendar and we expect to you know go through the entire required approvals and other processes and we might then have a shorter year ending December 2026 and then getting into a normal January to December year for the entire company, which is already the operating business year for the business globally.

So on that note, before we get to the questions, I would request my colleague and the CFO for Allcargo Global, Stephen Dunn, to take you through some of the performance highlights. Over to you, Steve.

Stephen Dunn: Good afternoon everyone and thank you for joining us today. The second quarter of FY27 reflects a meaningful step forward in our financial performance and demonstrates the benefits of the actions that we have taken over the last several quarters to improve profitability, operational efficiency, and capital discipline.

While global trade conditions witnessed some improvement, the capacity constraints and peak season volumes kept freight rates elevated. For Q2 FY27, on a year-on-year basis, LCL volume declined 5.7%, FCL volume declined by 12%, and air volume declined by 10%. A part of the volume decline witnessed over the last year is due to the Middle East.

On a quarter-on-quarter basis, LCL volume increased 2.9%, FCL volume increased 1.3%, while air volume increased 16%. Consolidated revenue for Q2 FY27 stood at INR4,320 crores, representing growth of 27% year-on-year and 23% sequentially.

Gross profit increased to INR837 crores, up 21% compared to the same quarter last year and 14% higher than Q1 FY27. Most encouragingly, staff and admin costs remained largely flat, Q-On-Q and year-on-year, with the company's focus on cost.

Focus on cost, combined with disciplined trade lane monitoring, translated into a substantial improvement in profitability. EBITDA for the last quarter increased to INR122 crores compared to INR37 crores in Q2 FY26 and INR33 crores in Q1 FY27.

EBITDA margin improved to 2.8% compared to 1.1% in the corresponding quarter last year and 0.9% in the previous quarter. At the EBIT level, we reported a profit of INR71 crores compared to a loss of INR49 crores in Q2 FY26 and a loss of INR23 crores in Q1 FY27. Profit after tax for the quarter was INR32 crores compared to a loss of INR30 crores in Q2 FY26 and a loss of INR28 crores in Q1 FY27, marking our return to profitability. Looking at the first half of the year, consolidated revenue grew 17% year-on-year to INR7,842 crores while gross profit increased 11% to INR1,570 crores.

EBITDA improved significantly to INR155 crores compared to INR6 crores in H1 FY26. Profit after tax for H1 FY27 stood at INR4 crores against a loss of INR117 crores in the prior period. These results reflect the structural improvements being embedded across our organization.

From a balance sheet perspective, we continue to maintain a disciplined approach to capital allocation and liquidity management. Net debt stood at INR587 crores as of September 30, 26, compared to INR571 crores at the end of June 26. The modest increase was primarily driven by higher working capital requirements resulting from the elevated freight rates and increased business activity.

Encouragingly, cash and cash equivalents increased to INR412 crores from INR374 crores at the beginning of the year. While the external environment continues to present uncertainties, we are encouraged by the momentum in our financial performance. With that, we would happily take your questions.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Devraj an Individual Investor. Please go ahead.

Devraj: Namaste. Sir I just want to know about contract asset

Moderator: Devraj sir.

Devraj: Yes.

Moderator: We are not able to hear you clearly.

Devraj: Okay. Now am I audible?

Moderator: Yes, please go ahead.

Devraj: Namaste sir. Sir, I want to understand the contract assets. What actually is included in the contract assets? And second, is it on the receivable side, right? What is thae bad debt provision so means what we have provided the service and on its service, we don't receive that money, right? So, your thoughts on receivables and bad debts?

Stephen Dunn: I can talk on the contract assets there. So, the contract assets and the corresponding contract liabilities are an application of the IND AS accounting standards, whereby the revenues for a shipment that comes from an origin to a destination, from one from the origin country to the destination country, all that revenue is on the balance sheet.

And until it arrives at the destination where it can be qualified for revenue recognition. So, it's basically freight on the water revenues, and it goes up in line with the volumes and the revenue in the business. It's purely an accounting application. And I didn't quite catch the second question on the receivables and the bad debt it wasn't clear.

Devraj: So, that receivables right, how much it provides to our customers? And there is a bad debt provision in the cash flow statement. So, I just want to understand that how much we receive or when it is converted into cash and what is a bad debt provision?

Stephen Dunn: Yes, so our DSO is around about sort of 46-47 days. The receivables have increased in purely in correspondence to the increased volume and the increased freight rate environment and obviously we see the working capital, the supplier payments also deferred in there. The bad debt, really, it's just some historical items which have been cleaned up. The current level of bad debt in the P&L is not is not reflecting the true bad debt loss position of the business and we expect this level of bad debt provision to be finalized by the by the December quarter end and it will get back to more historical levels.

Devraj: Okay. And sir one, just one more question. It's regarding the ECU right. So, we are creating some moat with that platform and we will be creating some moat in the future through this model with respect to some smaller players in the industry?

Ravi Jakhar: Yes, I think, I will take that. I believe I mean while your voice is cracking a lot, I assume you are talking about the ECU 360 platform and the moat in the business. Am I correct?

Devraj: Yes.

Ravi Jakhar: Yes. So basically, as I explained, we have a very sharp focus on technology, and that's something which is helping us leverage the technology to our advantage. I would say that when we look around that is not necessarily the case with competition. And it's not just the platform, it's also the entire ecosystem built around it. So, we have one data lake which captures all the data and information from across all the systems. We work with one global operating system called Topaz which is in developed in-house with an IT firm.

We have one financial system, one payroll, one HRMS, and when you integrate all of these systems together, that's when you can automate better. You can easily outsource, you can easily consolidate, and that's something which we are finding that as we are trying to use various AI tools on operational aspects or we are trying to centralize some of the operations and functions.

This standardized approach is helping a lot, and the integration between the platform and the system helps us serve the customers better in ways that competitors cannot. To your specific point on smaller players, they have typically a singular presence in a one single country or at best in a couple of countries in a region. So, they naturally depend on 60-odd different countries served through agent partners working on different systems, and those time lags in coordination and the cost and effort involved, definitely puts them at a bit of a disadvantage.

So, in our business, technology should enable both, optimization on the cost side, it should also enable market share expansion by being able to service customers both efficiently and more effectively in terms of response time and the tools that we can offer to the customers.

Devraj: Okay. So the basically our expenses will get down, right? Will come down finally.

Ravi Jakhar: Yes, I mean, in a growing business with inflationary increases, I would say that intent is that whatever increments are to be done in terms of the cost over the years should all be taken care of by reductions through automation and other initiatives. So, intent is to retain the cost base as flat and expand the gross profit to drive profitability.

Devraj: All right, sir. Thank you. I will sign off.

Moderator: Thank you. The next question is from the line of Achal Lohade from Nuvama Institutional Equities. Please go ahead.

Achal Lohade: Yes, good morning team. Thank you for the opportunity. Sorry, I joined the call little late. Pardon me, so if I am asking some repetitive questions. So, in terms of the volume growth, if you could give us a sense in terms of, we have had a 5%, 5.5% kind of a decline Y-o-Y. Is that the industry-wide decline or is there any element of market share loss or is there any market share gain for us in the LCL volume? That's my first question. I will ask the follow-up. Thank you.

Ravi Jakhar: So volume decline is largely contributed to market decline, particularly in West Asia, and which is why you would find lesser decline in LCL and a higher decline in FCL and air business on a Y-o-Y basis because that's the market where we have higher contributions of FCL and air business as well.

In terms of the sequential performance, if you see we have grown across all products ranging from about 1.5% in FCL to 3% in LCL to over 15% in the air product. And whether we look at year-on-year basis or Q-on-Q basis, I would be quite confident in saying that we would have maintained or gained market share.

Achal Lohade: And any expectation of guidance here sir for FY27 and '28?

Ravi Jakhar: So there are two parts to it. One which is uncertain, which is when the geopolitical uncertainties and supply chain disruptions go away, so that is beyond control. But assuming that so that would create another fillip of say an additional tailwind of I would say a couple of percentage points on the LCL side and maybe up to 3%, 4% on the FCL side, but that's something which I said is beyond control.

On a normal status quo basis, we believe that we should see the normalized growth of about 3% to 4% in the industry in FCL, 5% to 6% in the LCL and for us, we should outgrow the market on the LCL and in the FCL given that our presence is small, we can have a slightly higher delta like we have had in the past as well. So, I think we can target mid-single-digit numbers 6% to 7% kind of growth on volume terms for both LCL and FCL.

And I'm also conscious that we are trying to be very sharply focused on profitability which means that we would continue to cut back on some of the boxes, some trade lanes which may be less profitable and therefore, a blended growth rate which is more conservative on the volume, but should be a higher impact on the profitability.

Achal Lohade: Understood. If you could help us understand, A in terms of how the tariff you know trends have been for our key sector key lanes; and B, how does it work in terms of the profitability for us? Is it fair to say that the pricing tariff is actually kind of little beneficial and a falling tariff could be a little negative impact?

Ravi Jakhar: Yes, so I think I would reiterate what I mentioned in the opening comments that we are possibly two to three quarters ahead on our guidance which is contributed by the industry tailwind, but the impact of our business transformational initiatives has been as profound as you would have wanted it to be.

So, if the market tailwinds were to disappear, we would possibly be still on track to be on our guidance. That's how I would put it. At this point in time, if you look at the gains, potentially 20%-30% of the gains are contributed by the industry tailwind, 70% is coming in from the business initiatives.

Achal Lohade: Understood. Sorry, my another question was with respect to, in terms of the tariff, how the ocean tariff have been behaving? What generally we pick up is that there is a sharp decline in tariff, ocean freight rates. So, if you could give us some sense how it is trending for our key lanes?

Ravi Jakhar: Yes, so I think, freight rates are a function of supply and demand like any other rate. On the demand side, the festive demand curve is now slowing down as we move towards the year-end. Supply chain disruptions continue. So, in a combination of the two, we were seeing freight rates rise rapidly which are now gradually declining.

Across the board, the freight rates have gone up, but there are more challenges in and out of the Middle East. So those lanes remain more impacted. On the larger transpacific or transatlantic routes, we believe that the rates have softened a bit. And, as I mentioned, we believe that the rates can continue to soften and normalize over the next four to five months.

And that's where our intent is that as the industry tailwinds disappear, the business, impact comes in and we possibly maintain a similar performance and remain in line with our planned performance two quarters down the line.

Achal Lohade: Got it. Sorry if this is a little repetitive question sir, and this is the last question. You know, Q2 FY27, should we assume that this is kind of a new normal and things can get better compared to this quarter on a sustained basis over, let's say, next couple of years?

Ravi Jakhar: So, I would say on the longer horizon, yes, we should be at par or ahead. In the immediate one or two quarters, with so much of uncertainty and volatility, if the freight rates were to go down, like I said, there is a good 20% to 30% contribution coming in from the freight rates. Now that's something which cannot be recouped in a single quarter.

So, there could be a bit of an up and down over the next one or two quarters. But like I said, so you assume you take away a part of the industry tailwinds and then build the organic path, so

we would possibly be, like I said, we are two to three quarters ahead on that curve. Anything which is that ahead on the curve is coming on account of the industry tailwinds.

So, if you're looking at beyond three quarters, the third quarter from here and beyond, I would say, yes, we should be at par or ahead of these numbers. Next couple of quarters could be, I would say, I mean, this quarter is likely to be still more on trend, we're already into November, so it's more visibility. Jan to March quarters typically have seasonality lows and still a bit too early to predict what Jan to March would look like.

Achal Lohade: Excellent. Thank you. Thank you for clarification and wish you all the best. Thank you.

Ravi Jakhar: Thank you. Thanks.

Moderator: Thank you. The next question is from the line of Gaurav Agrawal from Nine One Capital Limited. Please go ahead.

Gaurav Agrawal: Good morning, sir. Thank you for giving me the opportunity and congratulations on good numbers. Sir, I just want to figure out the revenue trends on a 3-year basis. What do you think is the possibility of us doing INR20,000 crores kind of a gross revenue in a 3-year period?

I know that you said mid-single digits, and if we analyse the current first half, we get to INR15,000 odd crores or maybe INR15,500 crores. And the ask rate is just 8.5% if we were to go to, let's say, INR20,000 crores revenue. So, in your opinion sir, is it like a very cautious expectation to have or something which is very realistic?

Ravi Jakhar: Yes, so I would want to highlight that in our business, revenue actually has a lesser relevance because revenue is an outcome of how the freight rates move. So even in a good strong quarter revenue go down and it could go up with the industry trends. The better number in this business to look at would be gross profit. Think of it almost as a net revenue in some sense, and that's what we focus on.

So the entire budgeting, the entire management on the ground is all done based on the volumes that we would do, the yield that we would generate. And yield, so unlike you know, we have access business in our group where yield means revenue per unit of volume. In this business, given the nature of the business, yield means gross profit per unit of volume.

So I would say that you should look at the gross profit trend and that's where the endeavour would be that okay, you know, we are at about INR837 crores of gross profit in this quarter, when can we get to…

Gaurav Agrawal: Yes, INR4,000 crores maybe.

Ravi Jakhar: INR900 crores to INR1,000 crores gross profit over the next couple of years. And that like I said, if we can maintain the cost advantage, that can all go down to the bottom line. So even 2

years down the line, if we are operating at about INR900 crores gross profit and we maintain the cost, then we're talking about much higher sustained EBITDA numbers. So that's where the…

Gaurav Agrawal: You are talking about INR900 crores per quarter which is like INR3,600 crores over a year?

Ravi Jakhar: Yes. That's what the number could look like a couple of years down the line I would say.

Gaurav Agrawal: Right. And sir, below that gross margin and all gross profit, you have employees salary which is around INR2,000 crores, other opex which is INR700 crores, I'm talking yearly figures. Is there a scenario where these two costs can at best go down on an absolute basis and maybe can remain flat from what we are doing on a yearly basis today?

So, say INR2,000 crores and INR700 crores, put together INR2,700 crores of operating expenses. Do you expect these two big cost items to remain flat over this time period, the next 2, 3 years or is there a scenario where they can also fall with AI and all the other cost initiatives that you have been undertaking?

Ravi Jakhar: Yes. So our strategy is to keep that flat because there's a downward pressure by using all the tools, technology, consolidation, and there's an upward pressure in terms of the inflationary adjustments, higher incentives and all of those things. So the idea is to keep it flat, that's what the strategy is so that all the gross profit drains can come down.

In terms of the numbers, I would say, in the blended basket of dollar, Euro, and Rupee, you would see that costs remain flat. In terms of the Rupee reported numbers, the costs could vary depending upon the currency ratios, but then the same impact, positive or negative, would show up in the gross profit as well.

So whatever trends you would see in the SG&A would kind of reflect on the gross profit as well based on how the dollar moves, because industry is largely dependent on dollar on the freight rates and a lot of costs as well. So in absolute terms, I mean, the numbers would move in sync, but in actual payout currencies, the intent is to grow gross profit and retain the cost levels.

Gaurav Agrawal: Got it. And sir, lastly, just help us with your depreciation rate, what it could be in FY28 or FY29 and interest rate, like what is the debt today and where will it see, like, 1.5 or half year period?

Ravi Jakhar: Yes. So on the depreciation, there's hardly any capex. Most of these depreciation items are towards goodwill amortization on some of the acquisitions that we've done, etcetera. We do not foresee any new acquisitions in near future, and therefore the depreciation number should only go downwards.

On the interest, as the business generates cash, the net interest-bearing debt should also continue to come down, and therefore that number should also continue to go down. On the tax side, you know, the effective tax rates had been higher over the last year or 2, I would say, because some of the geographies were profitable while some are loss-making, and we were ending up paying

taxes where we're making profit, but of course, you only get deferred credit in the loss-making offices.

As we move forward, now most of the offices have turned around, so effective tax rates should be lower, and also, like I mentioned earlier, the actual cash tax payout would be lower than the reported numbers given that we'd be using some of the losses in the last couple of years. So from a cash flow generation perspective, we should see good momentum.

Gaurav Agrawal: Right, right. I think, sir, the time is very ripe. Whatever numbers we are working on, whatever PAT we show today, it looks like a very small fraction of what we could do over a 2-to-3-year period. So I think my best wishes to you guys, and all the best for your endeavours to achieve that true potential in terms of your PAT.

Ravi Jakhar: Thanks.

Moderator: Thank you. The next question is from the line of Ranjay Popli from Banyan Capital Limited, please go ahead.

Ranjay Popli: Hi. Am I audible?

Ravi Jakhar: Yes, sir. Please go ahead.

Ranjay Popli: Congratulations on good numbers. Just a little extension on the questions of Mr. Gaurav. I wanted to ask, if you look at the SG&A cost, which is employee cost and other expenses, all the international peers such as DSV and others, they are able to reduce their employee costs substantially in this market. So, what is preventing us from doing that?

Ravi Jakhar: So, I am not sure you are talking about comparing with some of the freight forwarders on DSV and etcetera. Now, two points here. One, on our part, you know, we are into largely LCL consolidation business with select markets offering FCL and air products. So, the business model is slightly, you know, different.

Secondly, DSV as you know has been on a spree of massive global acquisitions and the strategy there is that they acquire the business and then they truncate the staff and admin costs to create synergies. That comes with some loss of business as well, but then the staff cost and the admin cost reductions are far more significant, and that's how they create value.

So, in their acquisitive model, naturally when they acquire a company like they acquired Schenker and then they downscale, that would have a downward impact on the SG&A. I am not exactly sure on the specifics of a few other companies as well. But like I mentioned, as far as our situation is concerned, at this point in time, we have actually seen a decline in the SG&A costs.

What you see as a flattish trend in INR is also partly accounted by the, you know, the currency changes as well, but the intent is we expect that the cost will also go up as we expand the

business, as we look at increments on inflations, we look at incentives going up as we make more profits, but the intent is all of those gains to be adjusted with the reductions.

That is where our internal target is to keep the cost base flat. We do see increments as well coming in with, you know, growth and other factors. So if I look at, for an instance, you know, the staff costs on in say dollar terms and you know the admin costs, I would say we were roughly about almost 8% lower than previous year. So we have already kind of you know, reduced quite a lot in the last year. And from here onwards the intent would be to look at maintaining.

So, when you are talking about these European companies, I am assuming that you are talking about the numbers reported in Euro. Now in our case I'm talking about the Dollar numbers, we reduced about 8% in Dollar terms on SG&A costs and we have to keep in mind that a lot of European payrolls which are also significant part of our business run in Euros which hasn't really gone down against the Dollar.

So we have had similar outcome driven by the initiatives, but from here on I would not want to say that we would want to you know, continue to go down from here. We would rather prefer to maintain and grow the business. That would be the broad strategy.

Ranjay Popli: Got it. And if you can quantify the bad debts within the other expenses, what would have been the trend for this quarter? And when can we see the entire bad debts to go away, which have been historical?

Ravi Jakhar: Yes, I think, you know, like Steve mentioned, there have been a couple of, you know, a bit of an encore businesses in Middle East, which have been shut down, which created this a bit of a situation, you know, that as the accounting policy takes about a year to fully clean up should be done by December. And we would also take a hard look at some of, you know, so while most acquisition and, you know, investments have worked, there have been one or two which have not worked. So we'll also re-evaluate where we stand on those.

And as I also mentioned earlier, we are likely to move towards the end of December year, which aligns with our operating business year globally. So intent would be that, you know, we try and, you know, look at everything in December quarter. And, you know, from January onwards, the bad debt should be normalized, which have been negligible historically in our business.

Ranjay Popli: So can we expect the FY27 bad debt number to be less than FY26 numbers?

Ravi Jakhar: I won't have the number. Maybe I'll ask, you know, our investor relation team to get back to you on more specifics on that.

Ranjay Popli: Alright. Thank you.

Moderator: Thank you. The next question is from the line of Devansh Mehta, an Individual Investor. Please go ahead.

Devansh Mehta: Hi, thank you for the opportunity. So, the company has turned profitable in Q2. Will this trend continue going ahead?

Ravi Jakhar: Yes, we expect to continue to remain profitable.

Devansh Mehta: So, the company has mentioned its aspirations on their analyst day. So, is the company on track to meet those targets?

Ravi Jakhar: I would say if you look at two-year out, assuming there are no geopolitical disruptions or things beyond our control, in a normal environment we should be on track to be there.

Devansh Mehta: Okay. So, what is the current cost of the company and how do you see the cost going ahead?

Ravi Jakhar: Sorry, what do you mean by the cost of the company? I mean I didn't hear you clearly, if you can be a bit more clear or elaborate. Are you talking about the operating cost?

Devansh Mehta: Hello.

Ravi Jakhar: Yes, are you talking about the operating costs? You are talking about the staff and admin costs?

Devansh Mehta: Sir, the operating cost.

Ravi Jakhar: The operating costs are linked to, you know, freight rates for substantial part, so they can be volatile and move in sync with the freight rates. The staff and admin costs are more predictable, consistent numbers which, like I mentioned, should remain flat. The operating costs will move in sync with the operating revenue but are strongly tied to the freight environment.

Devansh Mehta: Okay, so thank you so much, sir.

Ravi Jakhar: Thank you. The next question is from the line of Devraj, an Individual Investor. Please go ahead.

Devraj: Sir, I just want to know what we are trying to achieve? If you look at our EBITDA margins, it varies. So what is what can be the sustainable margin, right? In a normalized environment, maybe post two or three years?

Ravi Jakhar: So like I mentioned, the revenue number is a derivative number in our business and, therefore, the EBITDA is better to be looked at in whole numbers rather than in percentage terms. And we have, you know, provided guidance earlier of reaching to a INR500 crores consistent annualized EBITDA, you know, in the future, which you can refer back, and I can ask the analyst team to investor team to also share the presentation with you from the analyst day, which should also be available in public domain.

We are on track to be there. Like I said, we are possibly a bit ahead at this point in time, but we cannot predict the, you know, the timelines in terms of, you know, how the geopolitical impact will be, but I would say, for a normal course of business, we should be at the, we were supposed

to be at this current run rate by '27, which is the next year. We are a little ahead, given the industry tailwinds, but we should be on guidance next year and in the years to follow.

Devraj: Okay. So, I was talking to enter into the freight forwarding business. So, sir, what will be our mode with respect to port operator shipping?

Ravi Jakhar: So, one, we are not looking at entering into the forwarding business. We already do a lot of FCL business. We are doing almost 6,50,000 TEUs of FCL business. And when it comes to the port operators, they are not into the business.

It is the shipping lines that work directly in carrying the containers and the freight forwarders who do the FCL forwarding business. And our moat here is the same thing, which is our systems, network, and scale that creates an opportunity to sell reliable service at competitive rates.

Devraj: It's a platform, right? So basically, we will have more of fixed expenses, right, or warehouses, rent? How can we reduce our…

Ravi Jakhar: We don't have any capex. It's a completely asset-light business and the warehouses and CFS's that we operate are all asset-light, leased, or sometimes third-party contracted assets, which are primarily utilized in the LCL business. FCL business is more port-to-port. The mainstay LCL business, where we enjoy global market leadership, is where we have the utilization of warehouses on both origin and destination side.

Devraj: Thank you, and good luck.

Ravi Jakhar: Thanks.

Moderator: Thank you. We have the next follow-up question from the line of Gaurav Agrawal from Nine One Capital Limited. Please go ahead.

Gaurav Agrawal: Yes. Hi. Sorry, I was on mute. So, thank you, sir, for the follow-up again. So, what we guided for INR500 crores, let's say, a couple of quarters back. So, do you think that INR500 crores is a very conservative number? Because the calculations say a much bigger number.

Ravi Jakhar: No, I would not say that. Like I mentioned that we are perhaps a bit ahead because of the industry tailwinds that's something which is not predictable. And we for the 2027 year, which is January to December our guidance would remain same.

Gaurav Agrawal: Okay, thank you.

Ravi Jakhar: Thank you.

Moderator: As there are no further questions from the participants, I now hand the conference over to Mr. Ravi Jakhar for closing comments.

Ravi Jakhar: Yes. Thank you all for joining in, and you know, we always endeavour to provide as much information as we can to our investors and analysts for understanding the business better. So if you believe that there is any cutoff data or information that can help you understand the business better, please reach out to our investor relations team, and we'll be happy to consider those requests and amend our earnings presentation from time to time to accommodate such requests. Thank you all for joining in. Thanks.

Moderator: Thank you. On behalf of Allcargo Global Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.