

February 18, 2026

To

**National Stock Exchange of India Ltd
Exchange Plaza, C/1, Block G,
Bandra Kurla Complex,
Bandra (East) Mumbai – 400 051
NSE Symbol: SHADOWFAX**

**BSE Limited
P J Towers,
Dalal Street,
Mumbai – 400 001
BSE Scrip Code: 544685**

Dear Sir/ Madam,

Sub: Transcript of Earnings Conference Call held on February 12, 2026.

Ref: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“SEBI Listing Regulations”)

Pursuant to the provisions of Regulation 30 read with Part A of Schedule III of the SEBI Listing Regulations, please find enclosed the transcript of the Company’s Earnings Conference Call for Q3 FY 2025-26 held on February 12, 2026.

The above information is also being made available on the website of the Company at <https://www.shadowfax.in/investor-relations>

Kindly take the above information on record.

For Shadowfax Technologies Limited

Name: Krishnakanth Venkata Gangavarapu
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Shadowfax Technologies Limited

(formerly known as Shadowfax Technologies Private Limited)

CIN - U72300KA2015PLC150324

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Shadowfax Technologies Limited
Q3 FY '26 Earnings Conference Call
February 12, 2026



Morgan Stanley

NETROADSHOW

MANAGEMENT: **MR. ABHISHEK BANSAL – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER**
**MR. VAIBHAV KHANDELWAL – WHOLE-TIME
DIRECTOR AND CHIEF TECHNOLOGY OFFICER**
MR. PRAVEEN KUMAR KJ – CHIEF FINANCIAL OFFICER

MODERATOR: **MR. PRASHAM SHAH – MORGAN STANLEY**

Operator: Ladies and gentlemen, good evening, and welcome to Shadowfax Technologies Limited Q3 FY '26 Earnings Call hosted by Morgan Stanley. This event is not for members of the press. If you are a member of the press, please disconnect and reach out separately.

For important disclosures, please see the Morgan Stanley disclosure website at www.morganstanley.com/researchdisclosures. Please note that this call and your questions will be recorded and may, in certain circumstances, be distributed to clients and/or made publicly available. By participating in this event, you consent to such recording, distribution and publication. I now hand the conference over to Mr. Prasham Shah from Morgan Stanley. Thank you, and over to you, sir.

Prasham Shah: Thanks, Dru. I'd like to welcome the Shadowfax management for the first ever analyst call post listing. The management today is represented by Mr. Abhishek Bansal, Managing Director and Chief Executive Officer; Vaibhav Khandelwal, Whole-Time Director and Chief Technology Officer; and Mr. Praveen Kumar KJ, Chief Financial Officer. Handing it over to Abhishek, who will talk about the Q3 results. Abhishek, over to you.

Abhishek Bansal: Thank you, Prasham. Good evening, everyone. My name is Abhishek. I'm the Co-Founder and CEO of Shadowfax. It is my privilege here to welcome all of you to our first ever earnings call as a publicly listed company. We successfully listed on January 28, completing our INR 1,000 crores primary capital raise. This transition marks a new dawn of our growth story. Given this is our first ever call, we'll give a quick introduction to our business and take you through the quarterly results. And post that, we'll move directly into question and answers.

Shadowfax, we started in 2015. We are a new age technology-led third-party logistics company, enabling digital commerce penetration in this country. What we do is we serve all kinds of industries where delivery is happening to customer's doorstep, be it e-commerce or be it quick commerce, anything and everything that is getting delivered to customer's doorstep is something that we deliver and we fulfill. We are category agnostic, platform agnostic, and we are also the fastest-growing third-party logistics company in this country.

As you would have heard and seen in our shareholder letter, one of the things which has made us succeed over the years has been our entire moat around innovation. Over the years, we have built complex high retention services and built our leadership into some of those services, be it reverse logistics, be it same-day delivery or be it new age logistics like hyperlocal.

Today, we are the go-to partner for e-commerce marketplaces, D2C brands, horizontal quick commerce companies or the upcoming vertical quick commerce companies to create innovative solutions and to continuously raise the bar in

terms of how last mile logistics or how end customer fulfillment needs to happen. Crucially, large portions of our business thrive on doing what we call our value-added services, which remains our biggest differentiator and also the biggest margin protector that we have in the business.

Moving a bit into our quarterly performance. We'll first talk about our revenue trajectory. Historically, between FY '23 and FY '25, we were growing at about 32% CAGR for the last few years. FY '26 has been a landmark year for us. Every quarter for the last three quarters, we have been growing at a 65% plus year-on-year basis. Q3 was no different. We have seen a record 65% growth in terms of our revenues year-on-year.

In Q3 alone, we have delivered INR 20.6 crores orders to the end customers across hyperlocal and e-commerce logistics, generating INR 1,160 crores of revenue. As I said, we have been growing at an exceptional pace, beating our own internal expectations for the third quarter in a row. Now if we were to break down our business and understand where the growth is coming from, our business can be broadly divided into three large levers. The #1 and the most important business, which comprised of 75% of our business last quarter is what we call as express parcel.

This is typically the e-commerce intercity parcels where you pick it up from a seller doorstep or from a warehouse and deliver it to the end consumer. This also includes all businesses where we do same-day delivery, reverse logistics, exchange as a service and some of the other new age kind of services come in this. You would understand that in our sector, over the last three quarters, there's been active consolidation that has happened. Due to that, we have rapidly gained market share in the short term.

What we believe is that the next four to eight quarters, we will continue gaining market share. In the first three quarters, we were growing at north of 60% in this business. Q3 alone, we grew 72% year-on-year in terms of revenues in Express Parcel as a business. Given what we are hearing from our customers, given the kind of services and new customers we are acquiring; gaining market share in Express Parcel is going to be paramount strategy for us as a business unit. And we believe that our market share expansion will continue for the next six to eight quarters.

Moving over from Express Parcel business. Our second major line of business is hyperlocal, which typically comprises quick commerce and food delivery. Last quarter, this was about 17% of our business in terms of revenues. We grew in the last quarter at about 43% year-on-year pace. In hyperlocal, we service all kinds of hyperlocal companies, be it food delivery companies, be it quick commerce

companies, be it the new age vertical quick commerce, which is a very, very interesting segment that is coming up in our country.

Typically, in all these customer bases, we provide last mile as a service through our platform business. So any of these businesses can basically outsource their last mile fulfillment from a seller or from a dark store to the end customer. Just to give a view, we are the largest third-party operating in this space in this country. If you look at the nine-month figures, hyperlocal year-on-year is growing at about 66% pace, driven largely through the advent of quick commerce and our working relationship with almost every single customer in this space.

The third bucket, which is the smallest bucket in our business is what we call OLS, Other Logistics Services. This comprises of a small acquisition we made earlier last year. It deals with critical logistics, which is a small part of our business today, but a very fast-growing and an interesting bet that we have taken towards value-added services. OLS also includes a bunch of experiments that we keep on doing with our customers, which typically we do not categorize because they're in the early stage in either Express or hyperlocal as a business.

So OLS basically comprises about roughly 8% of our business. Thanks to the acquisition that we did, we grew about 65% year-on-year in that. Broadly speaking, again, last quarter has been quite interesting for us. And given we all went through the festive season, it was a very, very exciting quarter. We saw some new peaks, and we continue to grow really, really fast in this ecosystem. Now shifting gears from revenue to our margins and our profitability. Just to give some context, Shadowfax has been adjusted EBITDA positive consecutively for the last 11 quarters.

Q3 was no different. Q3, we saw significant margin expansion in our business, where we delivered an adjusted EBITDA of INR 49 crores. This was nearly INR 18 crores last year same time. Our margin has gone up to 4.3% at an adjusted EBITDA level. At an Ind AS EBITDA level, this is about 5.7% margin that we delivered in the last quarter. Again, we have gained 170 basis points improvement in our EBITDA during a very, very eventful year.

Now as you understand our margins, as you understand our business profitability, one needs to be really careful to also note that we are still a very young supply chain setup. We are still rapidly investing in pin code coverage. We are still investing in a lot of sort centers, that we have not even commissioned yet. So typically, when you're working with long-term projects, long-term sort centers, which are not commissioned, the rental and the cost start flowing into the P&L even before the operations go live.

Even today, every single month, we are launching 80 to 100 last mile facilities. Every time you launch a facility, a truck as part of our network will go to that facility and we will service that network. When you are looking at our profitability, our profitability includes the cost of all of this expansion. Another important point to note about our profitability is that a business like us has been built through enterprise customers, which still continue to give a majority of revenue to our businesses.

Now as a business, using our Prime services, using our new age services, as we are expanding into D2C brands, we believe some of these smaller customers, SMEs, D2C brands is where you have huge pricing benefit coming in. And typically, as those customers increase as a percentage of business, there is a natural EBITDA improvement that you will see in this. Using all these caveats and at the current scale of the business, we have generated an adjusted EBITDA of 4.3%.

If you look at our net profit margin, which is PAT, we have delivered a INR 35 crore PAT in the Q3 of this year, which roughly translates to about 3% PAT margin. As an organization, we continue staying extremely frugal, extremely efficient. That is the DNA of the organization. That is the culture we follow of capital efficiency - of questioning every rupee that we invest in the business as we went public, and as we have got capitalized - One thing which will remain constant about us is the way we drive efficiency as we continue scaling up.

There is a lot of operating leverage that is still to be unlocked in a business like ours. Now before we move on to the Q&A, a quick final comment on the operating model that Shadowfax runs. Shadowfax started in 2015. When we started, we started as a last mile only business. Over the subsequent few years, we built our entire competitive advantage on how we do last mile, and we built the largest crowdsourced network in the country in the 3PL ecosystem, which gives us a significant cost advantage.

From there, we went backwards and we created the entire network and the intercity commerce business that you see today. As part of our strategy, we believe in what we call as the right asset strategy. By that, what we mean is we continue to invest in assets in the business. And if you go through our presentation, there is a lot of details around the kind of Capex that Shadowfax invests in. But for everyone in this group who's attending this call, for Shadowfax, what matters is to own every element of the supply chain, which is happening under the roof.

So be it sort centers, be it last mile facilities, those are the Capex opportunities we continue to invest in. Today, Shadowfax leases and operates 4.5 million square feet of real estate across our sort centers and across our last mile facilities. We

continue strengthening our ownership of assets between these facilities because that is where you control the customer experience, you control the speed of the shipment and you can efficiently deploy your algorithms.

To close this conversation and before we move on to the Q&A, we have seen some explosive growth in the first three quarters of this year. As a team, we are completely energized as we enter into the public markets. We have gone from a lean strategy to where we want to lead now. We are very, very excited for the next few years to come as part of our business. Thank you.

Operator: Our first question today comes from Sachin Dixit from JM Financial.

Sachin Dixit: Congratulations on a great set of results and a successful listing. My first question is with regards to -- there's been this chatter about a large marketplace getting onboarded with you. If there is any update on that and as the orders have started manifesting, can you please share any details on this as well as the D2C side, if there are any wins?

Abhishek Bansal: Thank you, Sachin, for the question. On the large marketplace, which is coming in, it's a great question because that one large marketplace was one customer which we didn't have in our portfolio. And the reason for everyone's reference was because one of their core competitor used to be our strategic investors. Now with that competitor partially exiting in the IPO proceeds, the large customer has finally got onboarded. The good news is that across both quick commerce as well as e-commerce, the integrations are done.

On the e-commerce side, we are in the final phases of testing. On the quick commerce side, we have started scaling up the business. And all of that has happened over the last couple of months only. In Q3, you won't see any revenue benefit in the numbers that we are looking at. It won't have any meaningful revenue benefit in that quarter, but we expect subsequent quarters to have revenue benefit from that. On your second question around D2C, now that is the most important bet as an organization we are taking today.

We have created what we call as Prime delivery services, which is the fastest-growing vertical today for us as a company. Two years back, our market share in D2C was barely anything. Last year, it was in single digits. Today, it's become at an early preteen sort of a level. We are constantly onboarding new customers and gaining market share. D2C as a segment for us is growing at a triple-digit basis on a year-on-year basis. And the same-day delivery model and the next-day delivery model that we have cracked is something which is the fastest-growing vertical for us as an organization.

Operator: Our next question comes from Meet Mehta from Prasun Exponentials.

Meet Mehta: Congrats on the good set of numbers. So there are two questions that I want to ask. One is I want to understand about the seasonality of the business. And also, is the Q4 going to be much heavier than Q3? And what's the seasonality over there? And second question is about the Bharat Bandh. So will that have a negative effect on our business? So yes, that's two questions.

Abhishek Bansal: So I think on the seasonality front, if you look at our business today, we definitely see a seasonal jump. Last quarter was the festive season that we saw a major jump and it happens every year. Typically, the right way to think about e-commerce as a business is that, in e-commerce, post season, the subsequent quarter, you end up retaining anywhere between 90% to 92% kind of revenue. Hyperlocal and quick commerce is something which is actually quite interesting.

Hyperlocal business typically grows for us in Q4. Because of Valentine's Day and the entire February as a month, we typically see a sort of a jump versus Q3 in Q4. Q3 also in hyperlocal business because of the winter vacation, there is a mild dip that you start seeing in the business in the second half of it. Net-net, at a business level, we expect anywhere between 90% to 95% of the revenues coming in Q4 versus Q3.

On your second question on Bharat Bandh. See, typically, these kinds of aspects continue happening in our business. India is a complex nation, be it weather, demographic, be it some of these labor union issues keep happening over here. Our supply chains are fairly resistant to such kinds of localized changes, and that is something that has become a business as usual in terms of managing such crisis for us. Overall, the business does not have any sort of an impact through some of these things.

Operator: Our next question comes from Gaurav Rateria from Morgan Stanley.

Gaurav Rateria: Congrats on great numbers. I have a couple of questions. My first question is on your comment that you made on your continued confidence on market share expansion in the Express Parcel business over the next six to eight quarters. So if you could elaborate more on what are the drivers behind that and why you think the market share expansion will continue even when the consolidation activity is already done in the industry?

My second question is on your philosophy around the capital efficiency in the business. At some scale, would it make sense to invest behind your own assets and go from lease model to ownership model for vehicles and for other assets in order to gain more sort of a return on those investments.

And that basically means that the fixed cost structure of the business will go higher and the operating leverage of the model will increase. That's the second question. And third question is that we have seen significant increase in Capex this year. How should one think about where are we in the investment journey from a next two to three year point of view?

Abhishek Bansal: Thank you, Gaurav for such detailed questions. I'll try to answer them one by one, and some of those might require a bit of a detailed answer as well. Coming over to the market share expansion. Our customers, and that is what we continuously hear from them, want to diversify. If you look at logistics as a sector, this is not a winner-take-all market. Our customers don't like depending on any pin code, in any service line on one single large player anywhere. And this is true across large customers as well as very, very small customers.

Using this hypothesis, our key market share expansion strategies can be divided into three, four areas. Our most important strategy continues to be pin code expansion. Today, we are present in about 15,000-odd pin codes. India has about 19,000 pin codes. We believe we still do not serve about 15% to 16% of the customers, and that is an area where we are completely missing out on demand. Today, we are continuously investing into pin code expansion capabilities.

As I said earlier, 80 to 100 last-mile facilities, we are launching every single month. So we will continue to expand into newer geographies going into every single city where the customer is present. Our second large bucket of market share expansion is coming from new customer acquisition. As I said, D2C and SME remains the largest growing bucket for us. And primarily, it's not like the growth over there is going to come from existing customers.

We are heavily investing into basically building large sales teams, expanding our sales footprint in about 100-odd cities of this country and ensuring the smallest sellers, maybe even those selling on Instagram, getting access to Shadowfax. We are also launching some new age products, which will ensure that any seller can start placing an order on Shadowfax and have a nationwide access in about 30 minutes from knowing the name Shadowfax. Acquisition of these new customers is going to be a massive, massive driver.

We have built our network through anchor customers. We have achieved a stability and profitability through our anchor customers in the last few years. Now taking our existing service to new customers is a big market share expansion strategy that we are going after. Thankfully, our investment into interesting strategies like same-day delivery, prime services is a big, big driver and a catch for these new age brands to come and start working with us. The third important driver for our market share expansion is entering into newer service lines.

There are broadly two specific service lines that we are looking at to enter and to basically scale over the next couple of years. And this is something we have been doing for the last three quarters now. One of the most important strategy is about getting into volumetric shipments. So we've launched our volumetric supply chain about three quarters back. Today, only 20% of our pin codes are servicing volumetric. We are at a INR 50 crores sort of ARR in this business today, where using our existing set of networks, we have enabled volumetric shipments.

But we have not even scratched the surface over there. In FY '27, we are going to launch white goods as a category. So when I say volumetric, typically, we would be delivering suitcases, diapers, small furniture, electrical appliances. Delivering white goods is something now we are venturing into in the next couple of quarters. And large as a unit is a big, big category for us to grow. In this category, most of our growth is going to come from existing customers. So we don't even need new customers over here.

Our existing customers want to diversify, want to give us this growth. So at a very high level, these are the two, three large levers where we have a high confidence of market share expansion, and this is something that we have been seeing over the last couple of quarters as well.

Taking your second question around capital efficiency. See, we have built our entire network by first principle design. We have invested in areas where we believe we will have long-term operating leverage.

And that is why you see us disproportionately investing into sort centers and last mile facilities. If you think about our gross asset book, more than 80% of our gross asset is actually for elements which are under the roof. We believe in a country like India, having this kind of infrastructure, having this kind of a network design gives you long-term operating leverage. Coming over to, let's say, more specifically, what we do not do or what we don't intend to do is - buy trucks right now.

Based on whatever first principle analysis we have done, we don't foresee at least in our business model that buying trucks is going to help us create better operating margins. Having trucks is something that creates a poor ROCE business in a case like ours. I mean, India, if you look at it, has an abundance of truck supply. Today, till date, we have never faced any crunch in finding truck supply at the right cost.

With roads getting developed in a country, with average speed on the highways going faster, we view trucking abundance to only grow over a period of time. Coming to your third question on Capex intensity or Capex increase. Yes, this year, we have seen a higher Capex spend. While in the first nine months, you

would look at our Capex intensity as 4.5% of our revenues. But on a full year basis, it's going to be roughly about 4% odd as a number. Historically, our Capex intensity has been around 2% - 2.5%.

This year, because we had to grow so fast, we had to invest in capabilities ahead of time, specifically for this year. Again, if a year like this comes again, our Capex intensity might go up. But our view is - a business like ours over the next couple of years should be rightfully investing 2.8% to 3% over the next two years as a percentage of our revenues and gradually come down to anywhere between 2% to 2.5% in the long term. So that is the broad guidance that we can give as of now. I hope it answers the question.

Operator: Our next question is a follow-up from Sachin Dixit from JM Financial.

Sachin Dixit: Sorry, I got cut off. So my second question was on the lost shipment piece, right? So we saw that number had spiked probably because we got very rapid volumes in the earlier quarters of the year. But this quarter, despite servicing even a higher number of volumes, it still dipped from 8.6% last quarter to 6.3% this quarter. So if you can provide color around what drove this improvement? And should we be assuming this trend to continue in the coming quarters?

Praveen Kumar KJ: Yes. Sachin, see, historically, our lost shipments have been at around 5%. There are two components to this lost shipment that we had explained on our road shows as well. Roughly half of it is actually relates to our reverse product where we charge a premium for doorstep QC. And if we pick up a wrong product, we bear the cost of the shipment. So there is a corresponding revenue to that. There's a corresponding premium we collect and there's a cost associated with that.

So it's really wrong to call it as lost shipment, but it's actually the quality check cost. The other half of it is actually shipment debits. This happens largely because of the damages that happen in the network on the shipments or in some cases, the shipments get misrouted and things like that. During the first half of the year, we ventured into large category, volumetric category, and because of this, we had seen a higher incidence of shipments getting damaged.

But we started working on it as soon as we saw these incidents happening, right, from Q1. Q2, of course, the impact was not felt. But in Q3, we saw the results of the network changes that we had done to take care of these losses. And hence the losses have come down. In fact, 6.3% in our view is also high. We want to continue working on it. We continue to tweak our product, deploy multiple things in the network so that this cost as a percentage of revenue comes down in future.

Operator: Our next question comes from Nilesh Jain from Astute Investment Management CBT Limited.

Nilesh Jain:

Congratulations on listing and for the good results. My first question is I wanted to understand on the realization side. You mentioned, obviously, we now want to focus more on D2C side and SME clients. So broadly, can you help me understand what would be the realization difference catering to the anchor clients or enterprise clients versus D2C and SME?

And my second question is on the cost side. How do we plan to bring in more efficiency? And if you can talk about strategy in terms of which part of the cost is where we are going to drive efficiency? Because for the nine months, if I look at the numbers, the EBITDA margin improvement has largely come because of the higher realization per order what we have achieved.

And lastly, on the employee addition side, if you can talk about how should we look at it going forward this year because it's a higher growth, the employee side - there has been some investment. So broadly, if you can speak on these two questions.

Praveen Kumar KJ:

Yes. Thanks, Nilesh. So your first question on realization, right. So first half of the year, we had our realizations going up because we launched volumetric. But in quarter 3, what happened, the percentage of shipments of small parcels went up. It's not that we defocused on volumetric. We continue to focus on volumetric shipments, but the large part of the festive sales was driven by smaller shipments and hence, the mix changed. However, please note that there is no impact on profitability because of this.

Now coming to D2C. D2C today is still a very small percentage of our overall revenues. We are continuing to focus on it and grow this to further improve our market share. Now D2C and SME typically have about 20% to 25% higher yields than our regular large horizontal or vertical platforms. So as we gain market share in D2Cs and SMEs, our realization should go up.

And in line with that, our margins also should go up. In fact, not only that, as we focus and actually improve our market share in volumetric shipments and large parcels, our realizations will further grow up over the next few years. That was on the first question. Second, on the cost breakup, specific cost breakup like employee additions and where are the efficiencies coming from. So if you broadly look at it, between quarter-to-quarter, if you go to our Slide 24, you can see a nine-month comparison of this year versus last year.

The employee benefit expenses have come down from 9.4% to 8.8%. This quarter, while it has gone up, it is also due to specific incentive provisions that we have made because of higher performance in quarter 3. That's a onetime cost. But the employee cost will continue to kind of remain same as a percentage of

revenue for the next few quarters as we add teams that will work and build on these new categories that we are working on. The way to look at efficiencies, there are two, three buckets which will bring us efficiencies.

One, we already answered earlier to a question on lost shipments. We still believe that while we have brought down our lost shipments from 8.6% to 6.3%, we look at other benchmarks in the industry and, we feel there is still a lot juice left here. And as we improve our processes, this cost as a percentage of revenue should come down.

Transportation cost is another bucket where classic operating leverage plays out.

Today, the network is largely at a very high level divided into two different networks, the national network and the zonal network. National network is better utilized than the zonal network, but I think there is a lot of utilization still left to be captured in the national network. Zonal network is currently suboptimal as we continue to add pin codes, continue to expand our geographical presence. The trucks still run very sub optimally. So as densities increase, volumes increase, efficiencies will come in from the transportation cost.

But the largest cost line item is partner expense. So, our real differentiator here is technology-led gig management. We try and maximize rider earnings per day and not per order. So what happens is as densities improve, our routing and clustering algorithms optimize them automatically. So the rider ends up earning more, we end up paying less per order.

So, it's a win-win situation for both of us. We believe as densities improve, our partner expense as a percentage of revenue will come down. As you can see, in quarter 3 of FY '25, this was about 54.7% of our revenue. Again, as we have grown in the last few quarters at a very high pace, it has come down to about 52.3% of our revenues in this quarter.

Operator: Our next question comes from Dhruv Jain from Ambit.

Dhruv Jain: So, my first question is on CriticaLog, right? So, if you could just talk a little more about it? And how should we think about this offering of yours over the next few years? And what are the key challenges that you're trying to solve? So, if you could just talk about that a little bit.

Abhishek Bansal: Yes. This is Abhishek. I'll take this one. CriticaLog, we acquired in Q4 FY '25. The whole thesis of acquisition of CriticaLog was about getting into extremely high-value time-sensitive deliveries. CriticaLog is a very interesting asset through which we serve more than 500 customers today on a monthly basis, extremely small D2C brands and smaller customers. This category has a unique opportunity

where essentially you can now deliver right from jewellery to very, very expensive apparels to electronics.

We believe in India, either the growth and the penetration is coming at the bottom of the pyramid through value-driven commerce or completely at the top end of the pyramid, which is luxury-driven e-commerce. Acquisition of CriticaLog is giving us a head start into offering these luxury clients a pathway to deliver fast to their end customers. Now if you look at this segment, this is a massive, massive problem which exists in this industry.

If you want to deliver a mobile phone, there will be a few companies to deliver that. But if you want to deliver jewellery or, let's say, a gold coin, these are things which no supply chain or express parcel company in this country currently is doing. We wanted to tap into this gap. This is a massive market that we are looking at and something which again comes very well into our value-added services sector as a category to serve.

Operator: Our next question comes from Saisujith Vanimisetti from Stater. With adjusted EBITDA margins improving to 4% to 5% and free cash flow turning positive, what EBITDA margin range does management believe is sustainably achievable over the next three to five years at higher revenue scale?

Abhishek Bansal: That's a good question. Thank you for coming in with this. See, again, as we said earlier, we are still a very young network, and we are still investing a lot into building capacity, pin code reach and scale. Along with that, we are yet to, again, do a lot on the D2C side where the realization and margins are a lot higher.

Looking at express parcel companies globally, having a steady state early teen EBITDA margin is a realistic number to keep from a guidance standpoint. Having said that, given we will actively be investing over the next two years, one should assume for the next two years, our margins will only be going up by about 1% - 1.2% on a yearly basis. And post FY '28 is when we will see a rapid expansion in our margins towards the steady state.

Operator: Those are all the questions we have time for today. And so I'll hand the call back to Mr. Prasham Shah from Morgan Stanley.

Prasham Shah: Thank you. Thank you, Shadowfax management. Any closing comments from your side?

Abhishek Bansal: Thank you, first of all, for organizing this call. Again, as we think about our business, as we look at it, I think there are a lot of great opportunities that we are seeing in the sector. While in e-commerce, I think we all know about the great

story. I think one thing which keeps us really differentiated is our play in hyperlocal.

Hyperlocal and quick commerce continue being one of the fastest-growing areas of market penetration in this country as well as high-growth areas for us. If you think about hyperlocal, be it the Zeptos, the Blinkits or the Instamarts of the world, we continue seeing increased traction because each one of them is fighting for the right customer experience. It is impossible for any of the large platforms to be the best-in-class at every pin code every time of the day.

Having a player like us is enabling them to cut down their shutdowns, reduce their delays, which end up creating a great business for us as well as for them. One thing interesting we are seeing in India today is also the advent of the new age vertical quick commerce, which, again, it's still far away from the public markets, but the early traction is that the entire offline market is getting replicated online. We are today working and enabling players right from quick baby wear to quick apparel, to quick gourmet food.

You name a category; everyone is coming up with replicas of the offline world in this quick commerce enablement space. We believe, given our head start, some of these aspects will continue to keep us differentiated and continue to power a high-growth strategy for us as an organization. While we are profitable, we are lean, we continue to believe that we will grow through market share expansion, through exposure to these fast-growing categories.

We continue to believe that we will have a growth pace of anywhere between 25% to 30% year-on-year for the next couple of years while continuously expanding margins. As an organization, as a team, we are pretty excited by this thought. And we look to interact with each one of you as part of our public market engagement over the next few years. Really appreciate all of you joining in. Thank you. Thank you, everyone.

Operator: Thank you. On behalf of Morgan Stanley, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.

Note: 1. This document has been edited to improve readability