

DELHIVERY

RESULT UPDATE

KEY DATA

Rating	BUY
Sector relative	Outperformer
Price (INR)	321
12 month price target (INR)	430
52 Week High/Low	461/237
Market cap (INR bn/USD bn)	239/2.8
Free float (%)	0.0
Avg. daily value traded (INR mn)	1,243.4

SHAREHOLDING PATTERN

	Mar-25	Dec-24	Sep-24
Promoter	0%	0%	0%
FII	52.0%	53.8%	55.0%
DII	48.0%	46.2%	45.0%
Pledge	0%	0%	0%

FINANCIALS

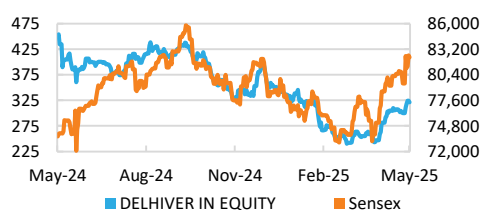
(INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue	89,319	99,754	112,484	127,483
EBITDA	3,759	6,476	9,256	12,441
Adjusted profit	1,622	2,491	3,929	6,355
Diluted EPS (INR)	2.2	3.4	5.3	8.6
EPS growth (%)	nm	53.6	57.7	61.7
RoAE (%)	1.7	2.6	4.0	6.1
P/E (x)	146.3	95.2	60.4	37.3
EV/EBITDA (x)	91.9	53.1	36.7	26.5
Dividend yield (%)	0	0	0	0

CHANGE IN ESTIMATES

	Revised estimates		% Revision	
Year to March	FY26E	FY27E	FY26E	FY27E
Revenue	99,754	112,484	(4.2)	(5.6)
EBITDA	6,476	9,256	7.8	9.4
Adjusted profit	2,491	3,929	13.7	14.6
Diluted EPS (INR)	95.2	60.4	13.7	14.6

PRICE PERFORMANCE



Margins surprise; right growth trajectory

Delhivery reported a robust 16% QoQ jump in Q4FY25 in EBITDA to INR1.19bn (42% above our estimates), largely led by PTL (188% above our estimates). PTL's revenue surged 24% (volume +19%; realisation +5%) with record EBITDA margins of 10.8% (versus 2.2% YoY) on the back of better yield, fleet utilisation and operating leverage. Express parcel revenue grew 3%, led by realisation (+2%) and volume (+1%).

Delhivery is well placed to benefit from i) consolidation in Express Parcel, more so with e-com Express acquisition (pending CCI approval); and ii) rapid scale-up in PTL along with margin expansion. We are raising EBITDA estimates by 8%/13% YoY, largely on PTL's business margins. We are raising TP to INR430 (earlier INR380); maintain 'BUY'.

Steady performance; robust margins in PTL

Delhivery reported revenue growth of 6% with profit of INR726mn in Q4 (FY25 profits of INR 1.7bn; first full year of profits). PTL's segment revenue grew 24% on the back of robust volume growth of 19% with EBITDA margins at record levels of 10.8% (versus 2.2% YoY). Express parcel segment revenue grew 3% (volume grew by 1%, despite overall 3PL facing headwinds) with EBITDA margin contraction of 170bp to 15.9%. FTL/Supply chain segment revenues declined 13%/2% YoY with cross border segment revenues growth by 10%. Consolidated EBITDA was 160% YoY with margins expanding 320bp to 5.4%. FY25 revenue grew 10% YoY while hurting first full year profits of INR1.6bn (versus losses YoY).

Better days ahead for express; PTL margin worry behind us?

Express Parcel segment has seen the impact of i) weak industry volume growth; ii) pricing pressure; and iii) high competitive intensity. However, this is likely to see a turnaround in the medium term with consolidation, particularly with acquisition of E-com Express by Delhivery. Delhivery has already started seeing larger monthly volumes since April, potentially driving market share gains as well as improved pricing, thus leading to recovery of margins to earlier levels (16% in FY25 versus 18.4% in FY24). PTL express continues to experience market leading volume growth (+19% YoY; the company expects to sustain this growth trend), with particularly improved yield, productivity gains and operating leverage (Delhivery already achieved, touching 10.2% in Q4).

Improving outlook; maintain BUY

Sustaining profitability, reduced capex spends, aggressively growing PTL with robust margins and acquisitions to boost future performance. We are increasing FY26E/27E EPS by 13.7%/14.6% in, yielding a TP of INR430 (earlier INR380); maintain 'BUY'.

Financials

Year to March	Q4Y25	Q4FY24	% Change	Q3Y25	% Change
Net Revenue	21,916	20,755	6.0	23,783	(8.0)
EBITDA	1,192	459	160.0	1,025	16.0
Adjusted Profit	726	(685)	NM	250	190.0
Diluted EPS (INR)	0.9	(0.7)	NM	250	190.0

Financial Statements

Income Statement (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Total operating income	89,319	99,754	112,484	127,483
Cost of Goods Sold	65,347	71,990	80,671	91,582
Employee costs	13,759	14,447	15,169	15,776
Other expenses	6,454	6,841	7,389	7,684
EBITDA	3,759	6,476	9,256	12,441
Depreciation	5,349	6,419	7,061	7,414
Less: Interest expense	1,258	1,384	1,522	1,674
Add: Other income	4,401	3,961	3,565	3,494
Profit before tax	1,623	2,623	4,226	6,834
Prov for tax	(50)	132	297	479
Less: Other adjustment	(51)	0	0	0
Reported profit	1,622	2,491	3,929	6,355
Less: Excp.item (net)	0	0	0	0
Adjusted profit	1,622	2,491	3,929	6,355
Diluted shares o/s	737	737	737	737
Adjusted diluted EPS	2	3	5	9
DPS (INR)	0	0	0	0
Tax rate (%)	3.1	5.0	7.0	7.0

Important Ratios (%)

Year to March	FY25A	FY26E	FY27E	FY28E
EBITDA margin (%)	4.2	6.5	8.2	9.8
PBT growth (%)	(173.8)	48.9	57.7	61.7
Net profit margin (%)	1.8	2.5	3.5	5.0
Revenue growth (% YoY)	9.7	11.7	12.8	13.3
EBITDA growth (% YoY)	196.7	72.3	42.9	34.4
Asset turnover (X)	74.0	79.4	84.5	88.6
Adj. profit growth (%)	nm	53.6	57.7	61.7
EBIT margin (%)	(1.8)	0.1	2.0	3.9

Assumptions (%)

Year to March	FY25A	FY26E	FY27E	FY28E
GDP (YoY %)	6.5	6.5	6.5	6.5
Repo rate (%)	5.3	5.3	5.3	5.3
USD/INR (average)	75.0	75.0	75.0	75.0

Valuation Metrics

Year to March	FY25A	FY26E	FY27E	FY28E
Diluted P/E (x)	146.3	95.2	60.4	37.3
Price/BV (x)	2.5	2.5	2.4	2.2
EV/EBITDA (x)	91.9	53.1	36.7	26.5
Dividend yield (%)	0	0	0	0

Source: Company and Nuvama estimates

Balance Sheet (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Share capital	746	746	746	746
Reserves	93,576	96,067	99,996	106,351
Shareholders funds	94,322	96,812	100,742	107,097
Minority interest	0	0	0	0
Borrowings	397	0	0	0
Trade payables	8,552	9,565	10,786	12,224
Other liab & prov	17,361	19,208	21,649	24,525
Total liabilities	120,631	125,585	133,177	143,846
Net block	11,846	15,715	19,418	22,939
Intangible assets	0	0	0	0
Capital WIP	329	500	500	500
Total fixed assets	12,175	16,215	19,918	23,439
Non current inv	32,504	32,504	32,504	32,504
Cash/cash equivalent	3,360	4,536	8,772	17,949
Sundry debtors	14,121	16,398	17,874	19,559
Loans & advances	16,315	17,956	17,997	17,848
Other assets	42,157	37,977	36,111	32,548
Total assets	120,631	125,585	133,177	143,846

Free Cash Flow (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Reported profit	1,571	2,635	4,238	6,846
Add: Depreciation	2,063	132	297	479
Interest (net of tax)	2,378	(2,577)	(2,043)	(1,819)
Others	163	4,199	1,890	3,590
Changes in WC	(249)	(1,077)	2,121	2,752
Operating cash flow	5,674	3,179	6,205	11,370
Less: Capex	(4,757)	(4,171)	(4,000)	(4,000)
Free cash flow	917	(992)	2,205	7,370

Key Ratios

Year to March	FY25A	FY26E	FY27E	FY28E
RoE (%)	1.7	2.6	4.0	6.1
RoCE (%)	3.0	4.2	5.8	8.2
Receivable days	58	56	56	54
Payable days	301	225	206	182
cash conversion cycle	nm	nm	nm	nm
Working cap (% sales)	52.3	43.7	35.2	26.1
Gross debt/equity (x)	0	0	0	0
Net debt/equity (x)	0	0	(0.1)	(0.2)
Interest coverage (x)	(1.3)	0	1.4	3.0

Valuation Drivers

Year to March	FY25A	FY26E	FY27E	FY28E
EPS growth (%)	nm	53.6	57.7	61.7
RoE (%)	1.7	2.6	4.0	6.1
EBITDA growth (%)	196.7	72.3	42.9	34.4
Payout ratio (%)	0	0	0	0

Q4FY25 earnings call key takeaways

- **E-com express**

- Delhivery has acquired a 99.4% stake in Ecom Express for a consideration of INR14.1bn. The company is currently awaiting approval from CCI.
- There is an integration cost of INR3bn, which will flow through the income statement.
- Delhivery is seeing some of Ecom Express customers already transitioning to its existing network, which in turn is improving Delhivery's market share. Furthermore, cost advantage will help improve performance given the highest number of fleets and efficient pricing it maintains.

- **Express segment**

- Overall market sentiment remained sluggish in FY25, with Delhivery reporting growth implies market dominance.
- Delhivery expects the industry to consolidate with it solidifying its market position
- Volumes in May are higher than April (which was higher than March) for Delhivery given its distinct market leadership and efficiency.

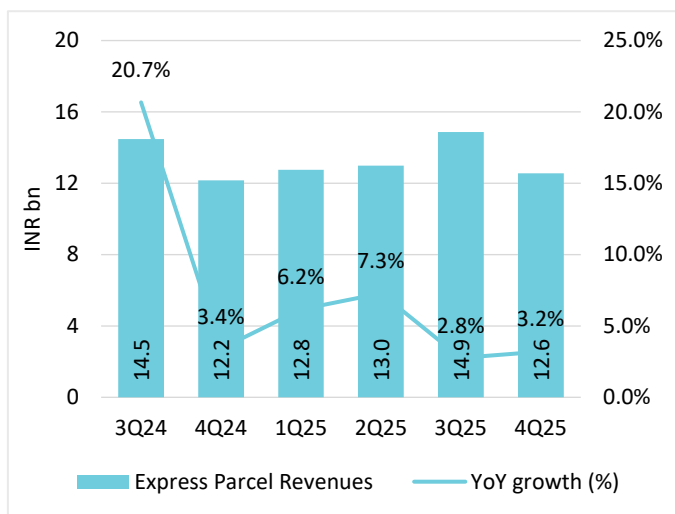
- **PTL**

- Robust revenue growth on the back of robust volumes, implies aggressiveness.
- The company reported incremental revenue of INR8bn during FY23–25, which is higher than standalone revenues of many players in the industry.
- The company expects to maintain similar growth rates and margins going ahead

- **FY25 performance**

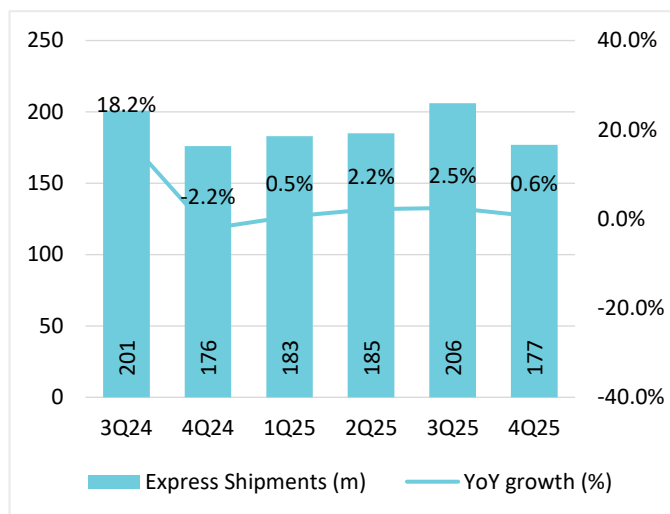
- Revenues grew 10% YoY with PAT of INR1.6bn (first year of profit)
- Net cash improved to INR35.5bn in FY25 (versus INR30.5bn in FY24)
- CFO stood at INR5.7bn in Mar-25 (versus INR4.7bn in Mar-24).
- Capex stood at INR4.8bn. Furthermore, capex is expected to be maintained at 3.5–4% of revenue (versus 5.2% in FY25 and 9% in FY19), given the bulk investments towards automation being completed.
- Net working capital days on an overall basis is likely to be reduced by one–two days (improvement mainly in supply chain segment).

Exhibit 1: Express parcel revenue trends



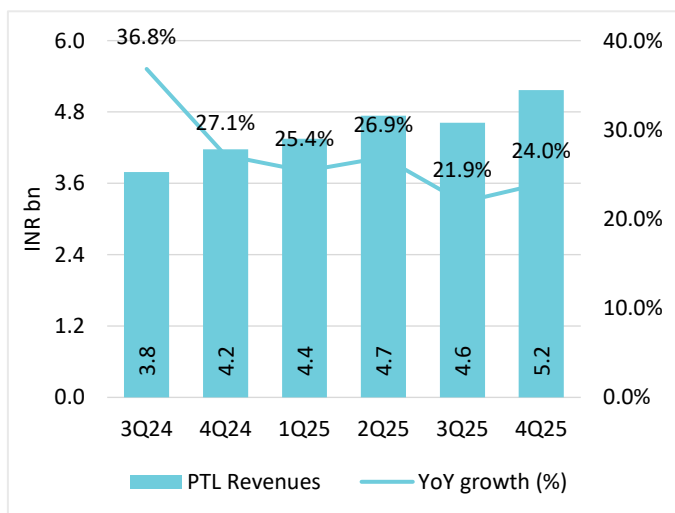
Source: Company, Nuvama Research

Exhibit 2: Express shipment trends



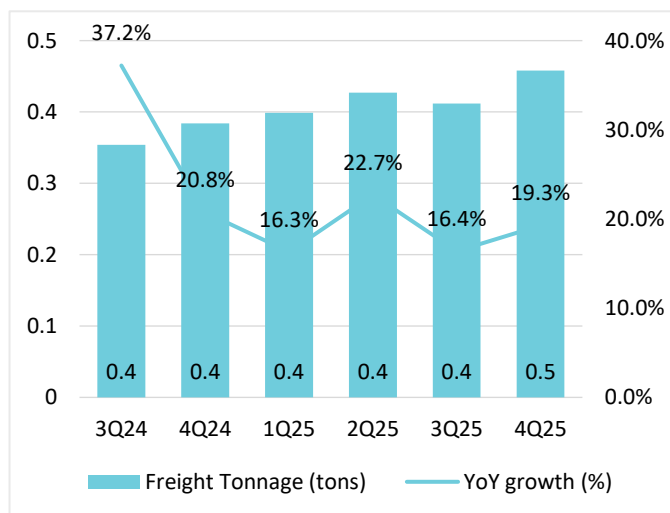
Source: Company, Nuvama Research

Exhibit 3: PTL revenues trends



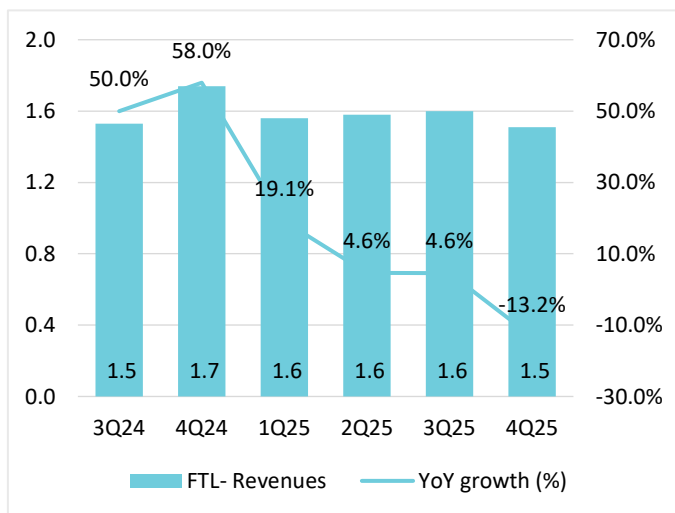
Source: Company, Nuvama Research

Exhibit 4: Freight tonnage trends



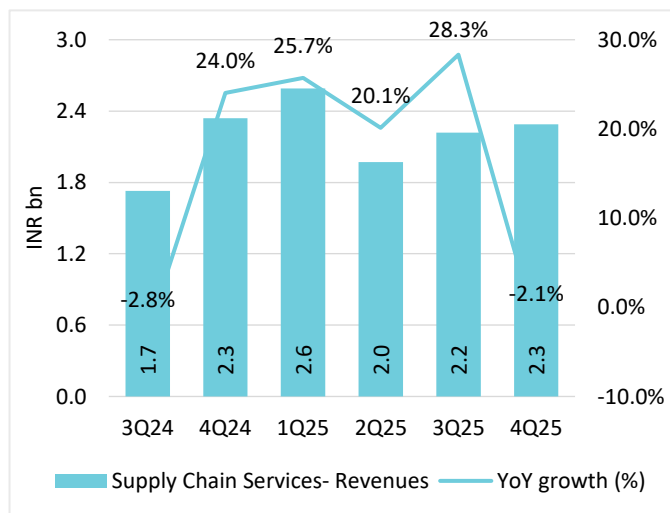
Source: Company, Nuvama Research

Exhibit 5: FTL revenue trends



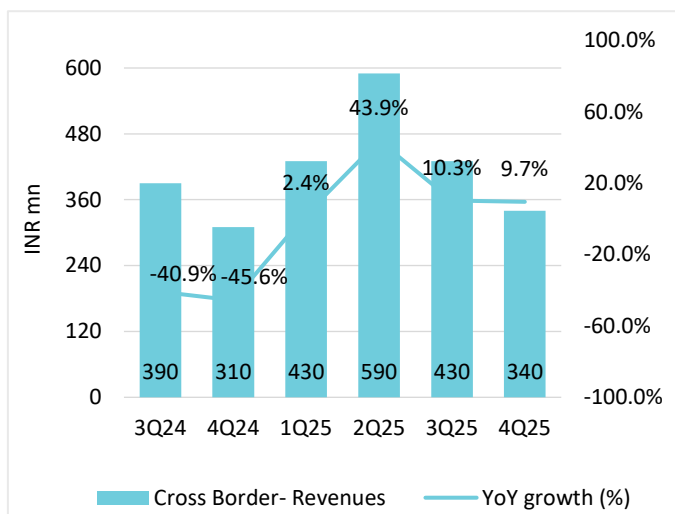
Source: Company, Nuvama Research

Exhibit 6: Supply chain revenues trends



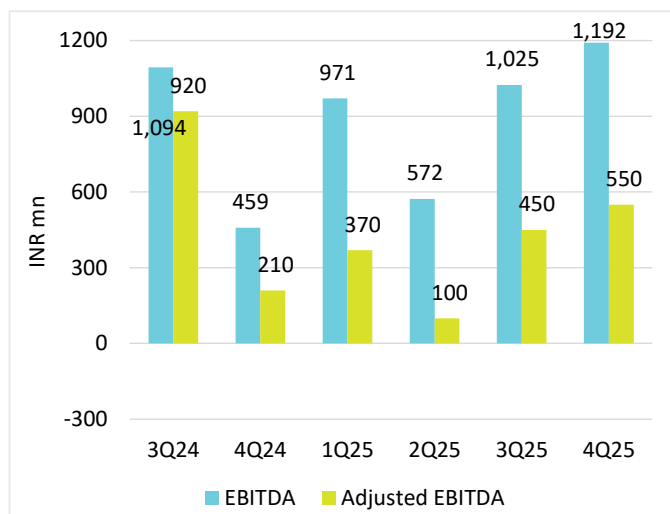
Source: Company, Nuvama Research

Exhibit 7: Cross border trends



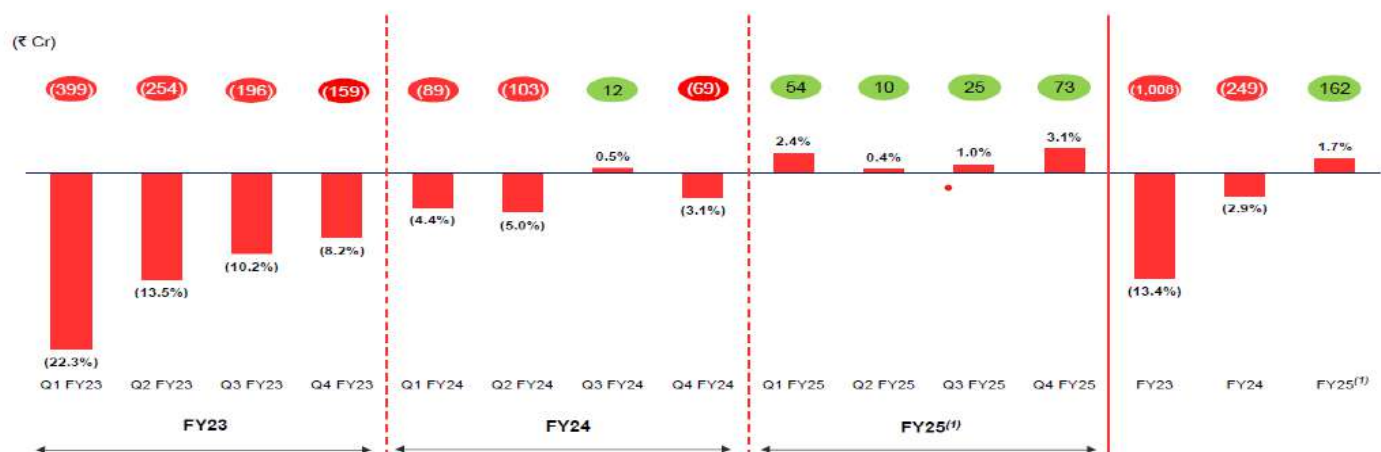
Source: Company, Nuvama Research

Exhibit 8: EBITDA and adjusted EBITDA trends



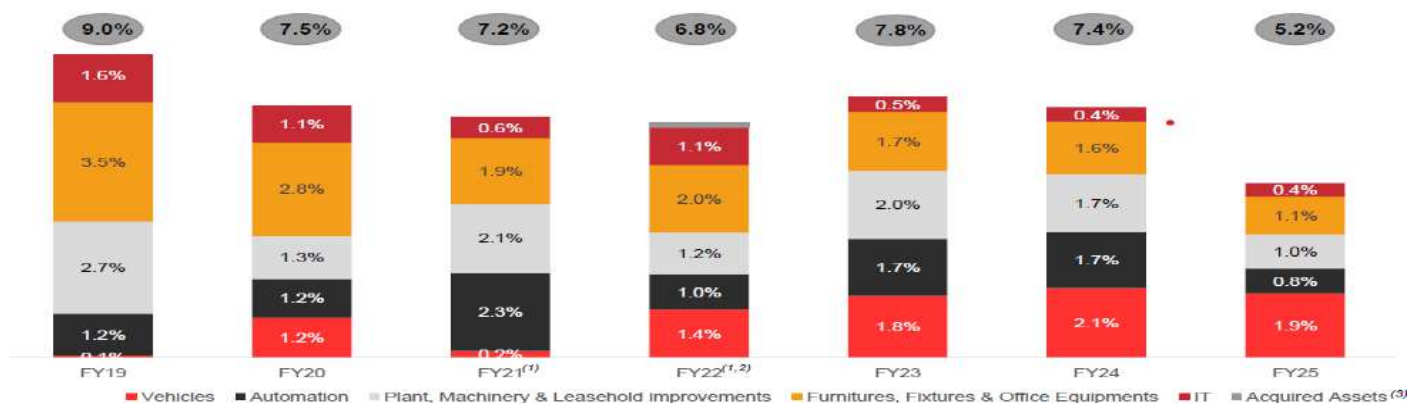
Source: Company, Nuvama Research

Exhibit 9: PAT trends



Source: Company, Nuvama Research

Exhibit 10: Capex as a percentage of revenue



Source: Company, Nuvama Research

Exhibit 11: Quarterly performance

INR mn	4Q24	4Q25	YoY	3Q25	QoQ	FY24	FY25	YoY
Revenue	20,755	21,916	6%	23,783	-8%	81,415	89,319	10%
Cost of RM Consumed	15,187	15,663	3%	17,508	-11%	59,707	65,347	9%
Gross Profit	5,568	6,253	12%	6,275	0%	21,708	23,972	10%
Gross margin	27%	29%	170 bps	26%	210 bps	27%	27%	20 bps
Employee Costs	3,572	3,375	-6%	3,562	-5%	14,368	13,759	-4%
% of sales	17%	15%	-180 bps	15%	40 bps	18%	15%	-220 bps
Other Expenses	1,537	1,686	10%	1,689	0%	6,074	6,454	6%
% of sales	7%	8%	30 bps	7%	60 bps	7%	7%	-20 bps
Total Expenditure	20,297	20,724	2%	22,758	-9%	80,148	85,560	7%
EBITDA	459	1,192	160%	1,025	16%	1,267	3,759	197%
EBITDA Margin	2.2%	5.4%	320 bps	4.3%	110 bps	1.6%	4.2%	270 bps
Depreciation	2,004	1,425	-29%	1,417	1%	7,216	5,349	-26%
EBIT	-1,545	-233	-85%	-393	-41%	-5,949	-1,590	NM
Other Income	1,193	1,119	-6%	987	13%	4,527	4,401	-3%
PBIT	-352	886	NM	594	49%	-1,422	2,811	NM
Interest	271	337	24%	333	1%	885	1,258	42%
Exceptional (Income)/Expense	147	0		0		224	51	
Profit Before Tax	-770	549	NM	261	110%	-2,531	1,502	NM
Tax Expense	-22	-8	-63%	-12	-29%	47	-50	NM
PAT (Before MI)	-747	557	NM	273	104%	-2,578	1,552	NM
Minority Interest	0	0		0		0	0	
PAT from associates	63	169	170%	-22	-860%	87	70	-19%
PAT	-685	726	NM	250	190%	-2,491	1,622	NM
Reported EPS (Basic)	2.04	0.99	-52%	0	190%	-3	2	NM
Adjusted Net Profit	-542	726	NM	250	190%	-2,263	1,675	NM
Adjusted EPS	(0.74)	0.99	NM	0.34	190%	(3.07)	2.27	NM

Source: Company, Nuvama Research

Company Description

Delhivery is India's largest fully-integrated logistics services provider. With its nationwide network covering over 18,850 pin codes, the company provides a wide range of logistics services such as express parcel transportation, PTL freight, TL freight, cross-border, supply chain, and technology services. Delhivery has successfully fulfilled over 3.6 billion shipments since inception and today works with over 44K+ customers, including large & small e-commerce participants, SMEs, and other enterprises & brands.

Investment Theme

High-quality aggregation capability gives Delhivery the 'Right to Win' in express delivery and PTL markets with its technology and 'mesh' acting as critical differentiators. It is not the size of the wide playfield – Indian logistics market – that excites us, but Delhivery's expanding presence, strong execution and dominant market shares in highest-potential categories in the logistics sector. India's ecommerce market has a long growth runway, and Delhivery's well-rounded business model and execution in e-commerce express delivery should drive up its market share—partly because competition has lagged.

Key Risks

Slowdown in e-commerce growth: Any significant slowdown in the growth of ecommerce market in India is likely to affect Delhivery's growth plans and hence investors' expectations. Furthermore, if growth slows down, the competitive landscape too is likely to become more intense. Poor execution: If Delhivery falls short of executing its core aggregation model with the same efficiency that it has so far, its unit economics and, as a result, ability to garner more market share would suffer. This would dent the company's margin expansion trajectory

Additional Data

Management

MD & CEO	Sahil Barua
CFO	Amit Agarwal
CTO	
CBO	
Auditor	S.R. Batliboi & Associates LLP (EY)

Holdings – Top 10*

	% Holding		% Holding	
SVF Doorbell Lt	9.53	Nippon Life Fun	2.03	
SBI Funds Manag	7.32	Alpha Wave Vent	1.94	
Mirae Fund	6.35	Sundaram MF	1.56	
HDFC Fund	5.08	Master Trust of	1.55	
Nexus Ventures	5.88	Steadview Capit	1.53	

*Latest public data

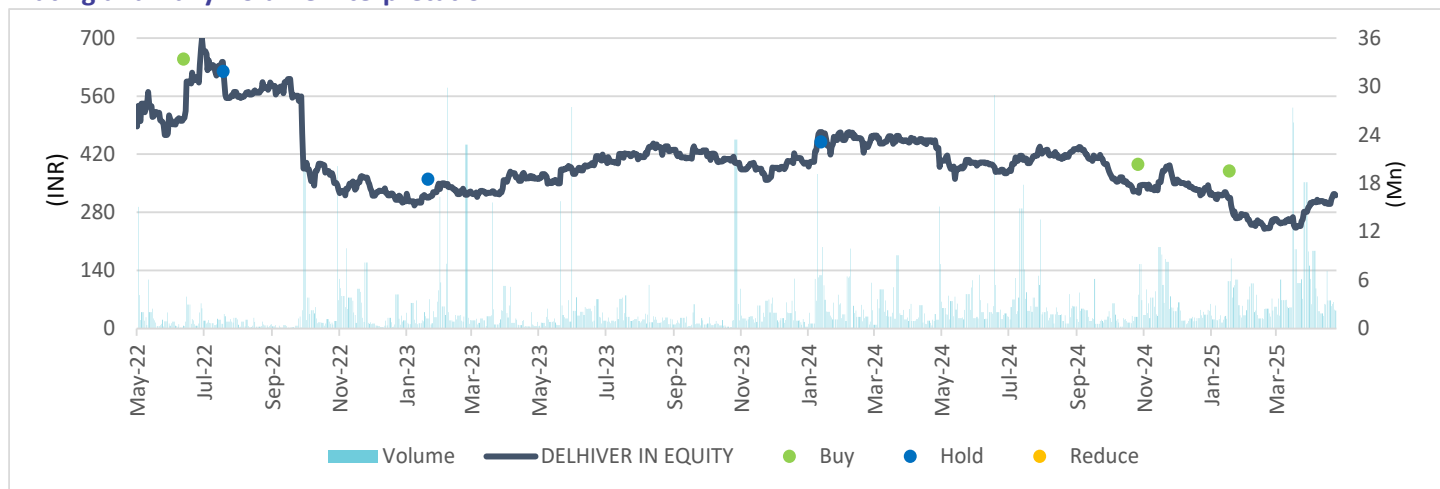
Recent Company Research

Date	Title	Price	Reco
08-Feb-25	Disappointing performance; <i>Result Update</i>	315	Buy
17-Nov-24	Delhivery (DELHIVER IN, INR 331, upgrade; <i>Result Update</i>	330	Buy
03-Aug-24	On the right path; <i>Result Update</i>	416	Hold

Recent Sector Research

Date	Name of Co./Sector	Title
21-Apr-25	Mahindra Logistics	Mixed performance; <i>Result Update</i>
09-Apr-25	Logistics	Steady quarter; <i>Sector Update</i>
04-Mar-25	Logistics	IR points to weak container growth trend; <i>Sector Update</i>

Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	205
Hold	<15% and >-5%	63
Reduce	<-5%	34

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