

Delhivery | BUY

More than compensated for the miss last quarter

Delhivery reported INR 28bn (+17.9% YoY) revenue with a sharp rise in adjusted EBITDAM (excluding Ecom integration costs) to 5.3% (+340bps YoY). As highlighted in our [last result note](#), company did benefit from certain volumes (and hence margin) being pushed from 2Q, nullifying the miss on estimates in 2Q across EPS and PTL. Service EBITDA margins saw robust improvement as well at 280/250bps in EPS/PTL. Furthermore, management highlighted that Ecom integration costs are likely to be around INR 1.5-1.6bn only, roughly half of the guidance at the time of acquisition. We believe Delhivery is likely to be a key beneficiary of the consolidation in 3PL industry and the improving demand environment in Indian e-commerce. Hence, we retain BUY with Mar'27 TP of INR 570, expecting the stock to significantly outperform the broader market.

- Rampant performance in Express Parcel segment (EPS):** EPS revenue grew 23.6% YoY to INR 18.4bn (+14.1% QoQ), driven by strong shipments growth of c.43% YoY (+19.9% QoQ) to reach 295mn shipments. This growth was a mix of parcels pushed out from 2Q, lower insourcing at its biggest customer and robust festive season. However, yield per shipment declined to INR 62.3 (-13.7% YoY, -4.8% QoQ) due to higher mix of small parcels, which reduced the average shipment weight by 26% YoY in 3Q. As highlighted by the management previously, lower yields also deliver similar margin profile, evidenced by service EBITDA margin reaching 18.1% (15.6%/15.3% in 3QFY25/2QFY26), significantly better than JMFe/Consensus. While growth will remain robust in FY27 as well, we expect yields to remain flat YoY.
- Strong growth in PTL driven by pent-up demand post GST cuts:** PTL revenue grew 25.1% YoY to INR 5.8bn (+5.9% QoQ), driven by volume growth of c.23% YoY and realisation rising by c.2%. Growth has benefitted from pent-up demand from 2Q when GST rate cuts pushed consumption. Company has expanded sales team presence outside metro cities for geographical expansion. Service EBITDA margin improved 250bps QoQ (720bps YoY) to 11% because of 1) capacity investments done in 2Q getting utilised in 3Q, 2) re-pricing of loss making accounts and annual contractual price changes, and 3) higher network utilisation across line-haul, hubs and service centers. Management reiterated its guidance of c.20% growth with service EBITDA margin reaching ~16-18% in the next 5-8 quarters.
- Supply Chain Services (SCS) likely bottomed out; TL growth improved:** Supply Chain Services reported c.22% YoY decline with revenue at ~INR 1.7bn. Though growth remained flat QoQ, 9 new client mandates enable hopes of improved growth. Service EBITDA margin expanded to 13.0% (+20bps QoQ, 11pppts YoY) and is expected to expand further with pruning of QC warehousing service, pricing re-negotiations of key contracts and tighter warehouse integration. TL segment revenue grew 1.4% YoY (8.1% QoQ) to INR 1.6bn. Management plans to develop other revenue drivers in this segment in FY26 through VAS such as fuel discounts, WC/asset financing, on-road assistance and automated load matching for spot demand.
- Maintain 'BUY', Mar'27 TP unchanged at INR 570:** With robust volume growth, as anticipated by JMFe, we broadly retain our volume estimates. However, we were off on realisation and hence taper EPS yields, resulting in a marginal dip in revenue. This revenue dip in transportation segments along with rising investments in new initiatives and higher corporate overheads causes our FY27-FY28 adj. EBITDA estimates to drop 25-30bps. With improving conviction on Delhivery's medium to long-term trajectory, our DCF-based Mar'27 TP remains unchanged at INR 570, implying c.30x FY28E Adj. EBITDA multiple. BUY.



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	570
Upside/(Downside)	34.8%
Previous Price Target	570
Change	0.0%

Key Data – DELHIVER IN

Current Market Price	INR423
Market cap (bn)	INR316.5/US\$3.4
Free Float	100%
Shares in issue (mn)	745.6
Diluted share (mn)	801.1
3-mon avg daily val (mn)	INR1,152.6/US\$12.5
52-week range	490/237
Sensex/Nifty	82,270/25,321
INR/US\$	92.0

Price Performance

%	1M	6M	12M
Absolute	4.7	-0.5	31.7
Relative*	8.4	-2.6	24.1

* To the BSE Sensex

Financial Summary					
Y/E March	FY24A	FY25A	FY26E	FY27E	(INR mn)
Net Sales	81,415	89,319	1,02,961	1,21,223	1,42,288
Sales Growth (%)	12.7	9.7	15.3	17.7	17.4
EBITDA	1,266	3,758	6,320	12,998	18,862
EBITDA Margin (%)	1.6	4.2	6.1	10.7	13.3
Adjusted Net Profit	-2,268	1,724	1,639	6,390	10,116
Diluted EPS (INR)	-3.1	2.3	2.2	8.6	13.6
Diluted EPS Growth (%)	0.0	0.0	-4.9	289.8	58.3
ROIC (%)	-12.9	-3.2	-1.1	6.5	11.0
ROE (%)	-2.5	1.9	1.7	6.4	9.2
P/E (x)	-137.4	183.0	192.4	49.4	31.2
P/B (x)	3.7	3.6	3.5	3.3	3.0
EV/EBITDA (x)	233.1	79.5	49.5	23.9	16.2
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 30/Jan/2026

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

- **Updates on Ecom Express acquisition:** The integration of Ecom Express is almost complete, with client, tech and core operations fully merged in 2Q, and most redundant network infrastructure and contracts rationalised by 3Q, broadly in-line with management's integration roadmap. The limited set of legacy non-Express contracts (customers and facilities), are expected to run off by 1QFY27. On costs, Delhivery had earlier guided for one-time integration expenses of ~INR 3bn; however, actual integration costs are materially lower. The company incurred INR 900mn in 2Q and a further INR 350mn in 3Q, primarily towards facility shutdowns, dismantling and transfer of automation equipment, exit from select contractual obligations and employee transition costs. In 4Q, an additional INR 200-300mn is expected, post which no material integration costs are anticipated, resulting in total integration cost of ~ INR 1.5bn.
- **Updates on New launches:** (1) **Rapid Commerce (Delhivery Rapid)** has reached an annualised revenue run-rate of ~ NR 150mn, operating a network of 23 dark stores across 4 cities (Bengaluru, Hyderabad, Chennai, Delhi NCR), with strong traction from D2C and B2B clients. Management plans to expand the network to ~25 dark stores by end-FY26, while highlighting that the business has already turned gross-margin positive and is expected to benefit from higher utilisation and gradual integration with the broader Delhivery network. Costs are expected to decline sharply over the next few months as utilisation improves, with limited incremental capex required. (2) **Delhivery Direct**, which is a consumer platform for on-demand inter/intra-city delivery and is currently operational in 5 cities (Bengaluru, Hyderabad, Ahmedabad, Delhi NCR, Mumbai) with current annualised revenue run-rate of ~INR 400mn, with long-term potential of INR 1.5bn+. Over 200k shippers have used the service so far, with the 'Delhivery App' crossing ~5mn installs; the company plans to add 1-2 cities per quarter over the next 8 quarters. (3) **Delhivery International**, the newly launched economy air-parcel service, went live in Dec'25. The service is offered through an integrated global partner network covering airlines, clearance agents and overseas logistics providers, all orchestrated via the 'Delhivery One' platform. Management indicated that the business is profitable from inception, requiring minimal incremental investment, and complements the existing international express offering through FedEx and Aramex. Management plans to expand the offering to UK in 4Q, followed by the EU, GCC, Canada and Australia in FY27. As of 3QFY26, Delhivery has invested **INR 0.55bn** in these launches so far; management expects annual investments of INR 0.6-0.7bn depending on pace of expansion.
- **Deepening tech and data capabilities:** Delhivery continued to deepen its technology-led operating edge during 3QFY26 through multiple product and engineering launches. The company scaled its SaaS footprint on 'TransportOne TMS', on-boarding 12 clients. It also launched 'Freight Index One', an open, national freight index providing transparent access to FTL pricing for shippers, fleet owners and transporters, supported by historical data and forward price indicators. On the engineering front, Delhivery successfully completed its first field mission using autonomous VTOL drones, executing a 12km medical delivery in ~12mins, underscoring the company's in-house R&D capabilities and its focus on long-term automation, data science and network optimisation initiatives.

Exhibit 1. 3QFY26 results vs. JMFe and Cons.

Financial Performance (INR mn)	3Q26A	3Q25A	Change (YoY)	2Q26A	Change (QoQ)	Estimate (JMFe)	Variance (vs. JMFe)	Estimate (Cons)	Variance (vs. Cons.)
Express parcel Service	18,393	14,880	23.6%	16,114	14.1%	18,036	2.0%	17,721	3.8%
PTL Service	5,784	4,624	25.1%	5,464	5.9%	5,656	2.3%	5,520	4.8%
TL Service	1,624	1,602	1.4%	1,503	8.1%	1,533	5.9%	1,722	-5.7%
Supply Chain Service	1,714	2,220	-22.8%	1,704	0.6%	1,917	-10.6%	2,267	-24.4%
Cross Border Service and Others	334	457	-26.9%	384	-13.0%	365	-8.4%	655	-49.0%
Total Revenue	28,050	23,783	17.9%	25,593	9.6%	27,507	2.0%	27,601	1.6%
Gross Profit	8,254	6,275	31.5%	7,164	15.2%	7,984	3.4%	7,706	7.1%
Gross Profit margin	29.4%	26.4%	304bp	28.0%	143bp	29.0%	40bp	27.9%	151bp
EBITDA	2,088	1,024	103.8%	682	206.3%	1,595	30.9%	1,398	49.4%
EBITDA margin	7.4%	4.3%	314bp	2.7%	478bp	5.8%	164bp	5.1%	238bp
Reported PAT	396	250	58.4%	-505	NA	151	162.5%	205	93.5%
Diluted EPS (INR)	0.52	0.34	52.9%	-1.88	NA	0.20	157.7%	0.41	26.8%
Operational Metrics	3Q26A	3Q25A	Change (YoY)	2Q26A	Change (QoQ)	Estimate (JMFe)	Variance (vs. JMFe)	Estimate (Cons)	Variance (vs. Cons.)
Express Parcel Shipments (mn)	295	206	43.2%	246	19.9%	271	9.0%	262	12.4%
Express parcel Realisation (INR)	62	72	-13.7%	66	-4.8%	67	-6.5%	68	-7.8%
PTL freight handled (000's tonnes)	507	412	23.0%	477	6.3%	491	3.2%	483	4.9%
PTL Realisation	11,408	11,215	1.7%	11,455	-0.4%	11,512	-0.9%	11,417	-0.1%

Source: Company, JM Financial, Visible alpha estimates

Company Metrics

Exhibit 2. Key Financials

Particulars	3QFY24	4QFY24	FY24	1QFY25	2QFY25	3QFY25	4QFY25	FY25	1QFY26	2QFY26	3QFY26
Revenue (INR mn)	21,945	20,755	81,415	21,723	21,897	23,783	21,916	89,319	22,940	25,593	28,050
Change (YoY)	20.3%	11.6%	12.7%	12.6%	12.8%	8.4%	5.6%	9.7%	5.6%	16.9%	17.9%
Operating expenses	15,722	15,187	59,707	15,795	16,381	17,508	15,663	65,348	16,378	18,429	19,796
Gross profit	6,223	5,568	21,708	5,928	5,516	6,275	6,252	23,971	6,562	7,164	8,254
Gross margin	28.4%	26.8%	26.7%	27.3%	25.2%	26.4%	28.5%	26.8%	28.6%	28.0%	29.4%
Other operating expenses	5,133	5,109	20,441	4,957	4,943	5,251	5,062	20,213	5,074	6,483	6,166
EBITDA	1,090	459	1,266	971	573	1,024	1,191	3,758	1,488	682	2,088
Operating margin	5.0%	2.2%	1.6%	4.5%	2.6%	4.3%	5.4%	4.2%	6.5%	2.7%	7.4%
Adj. EBITDA (pre IND AS and Ex- Ecom express)*	920	207	758	371	98	448	554	1,470	754	832	1,473
Adj. EBITDA margin	4.2%	1.0%	0.9%	1.7%	0.4%	1.9%	2.5%	1.6%	3.3%	3.3%	5.3%
Depreciation & amortisation	1,826	2,004	7,216	1,194	1,313	1,417	1,425	5,349	1,475	1,781	1,866
EBIT	-736	-1,545	-5,949	-224	-740	-393	-234	-1,591	14	-1,099	222
EBIT margin	-3.4%	-7.4%	-7.3%	-1.0%	-3.4%	-1.7%	-1.1%	-1.8%	0.1%	-4.3%	0.8%
Net other income	1,086	922	3,642	817	891	653	782	3,143	959	534	399
Share of Associate	-42	63	87	-12	-64	-22	169	70	-76	34	19
PBT	308	-560	-2,220	581	86	238	717	1,623	897	-532	367
Tax expenses	117	-22	47	-14	-16	-12	-8	-50	-14	-27	-29
Adj. PAT	191	-538	-2,268	595	102	250	726	1,672	910	395	1,019
Diluted EPS	0.2	-0.9	-3.4	0.7	0.1	0.3	1.0	2.1	1.2	-0.7	0.5

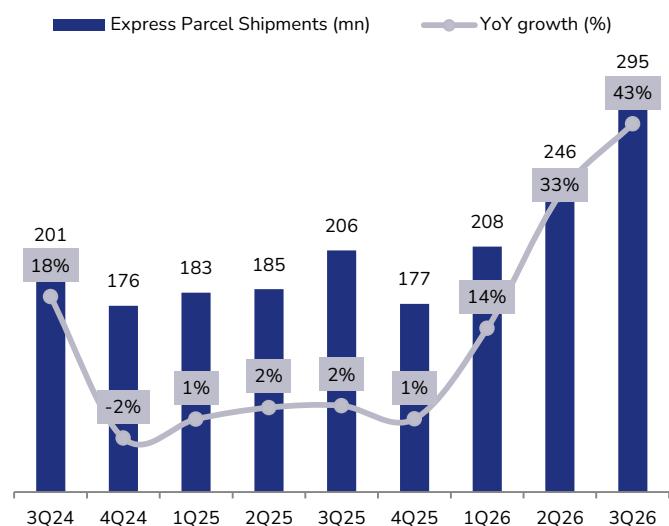
Source: Company, JM Financial. Note: * Both EBITDA and Adj. EBITDA for 2QFY26 is Ex of Ecom integration cost of INR 900mn

Exhibit 3. Key Operating Metrics

Particulars	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Express parcels shipped (mn)	183	185	206	177	208	246	295
PTL Freight handled ('000 tons)	399	427	412	458	458	477	507
Pin-code reach	18,783	18,775	18,780	18,833	18,857	18,830	18,838
Countries served	220+	220+	220+	220+	220+	220+	220+
No of customers	35,277	38,044	39,775	44,290	43,022	48,442	51,547
Infrastructure (mn sq. ft)	18.73	19.49	20.63	20.10	20.36	22.05	21.90
Gateways	112	119	112	111	119	123	123
Automated sort centres	42	45	45	45	45	50	49
Processing centres	162	159	159	158	161	160	163
Express delivery centres	3,567	3,645	3,599	3,647	3,607	3,863	3,881
Freight service centres	120	124	130	118	125	141	140
Partner centres (constellation/BAs)	834	853	862	905	853	887	849
Partner agents	35,522	41,656	40,901	41,549	52,225	64,620	67,479
Fleet size – daily average	15,832	16,357	16,733	16,677	17,509	18,612	21,226

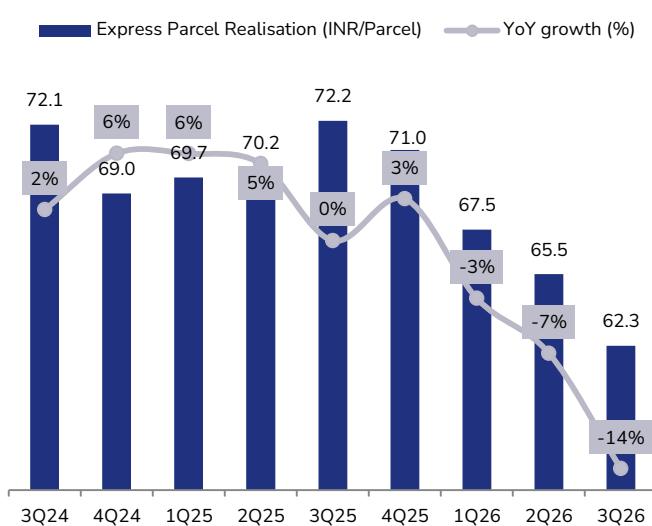
Source: Company, JM Financial.

Exhibit 4. Express parcel volume trend



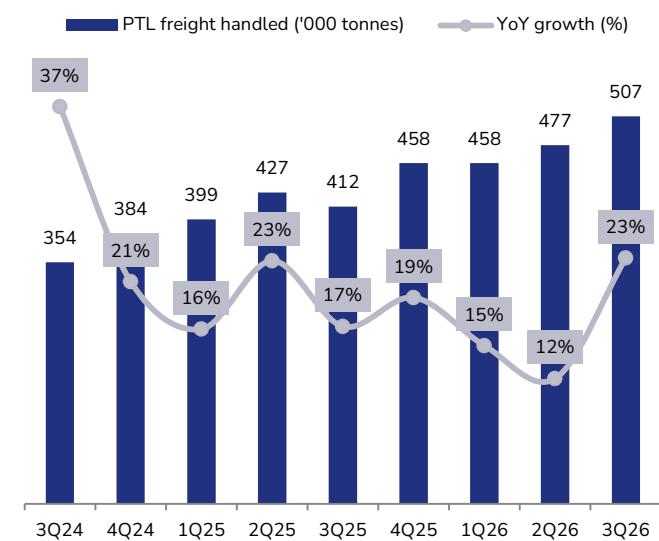
Source: Company, JM Financial

Exhibit 5. Express parcel realisation trend



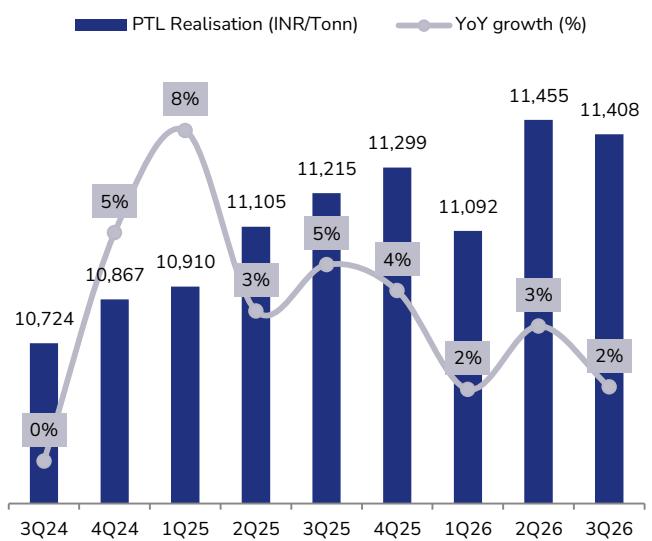
Source: Company, JM Financial

Exhibit 6. PTL volume trend



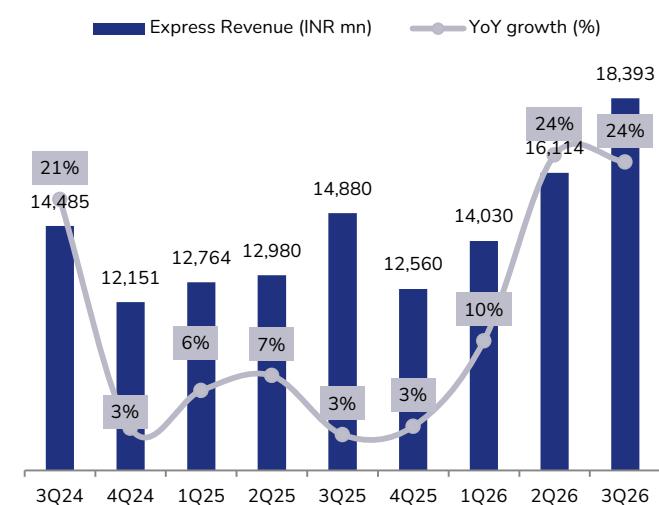
Source: Company, JM Financial

Exhibit 7. PTL realisation trend



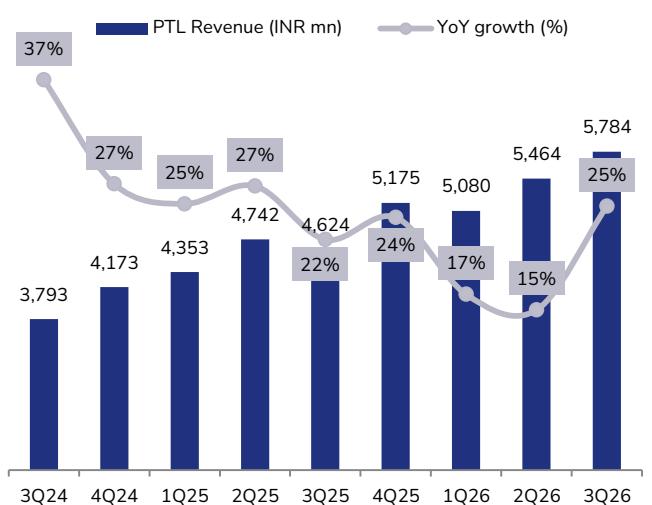
Source: Company, JM Financial

Exhibit 8. Express parcel revenue trend



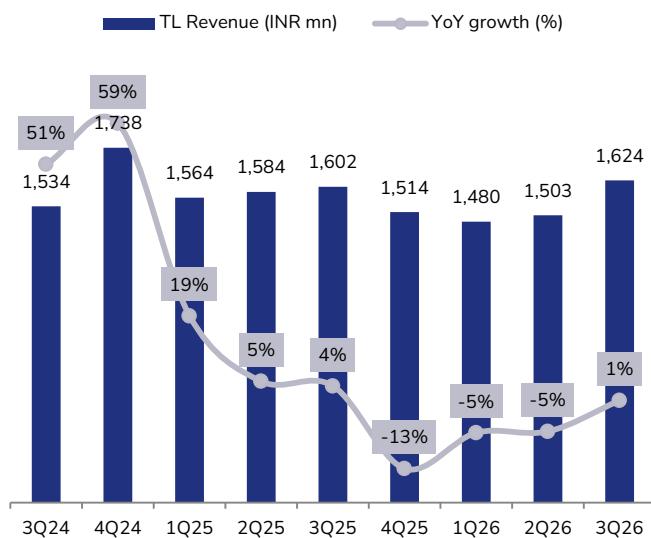
Source: Company, JM Financial

Exhibit 9. PTL revenue trend



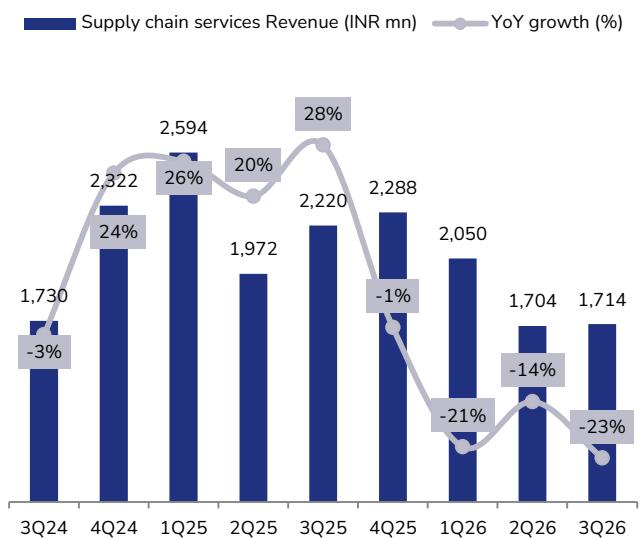
Source: Company, JM Financial

Exhibit 10. Truck load revenue trend



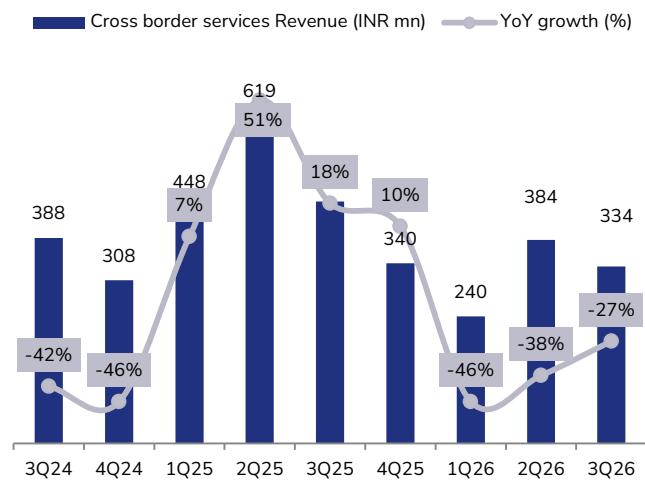
Source: Company, JM Financial

Exhibit 11. Supply chain services growth trend



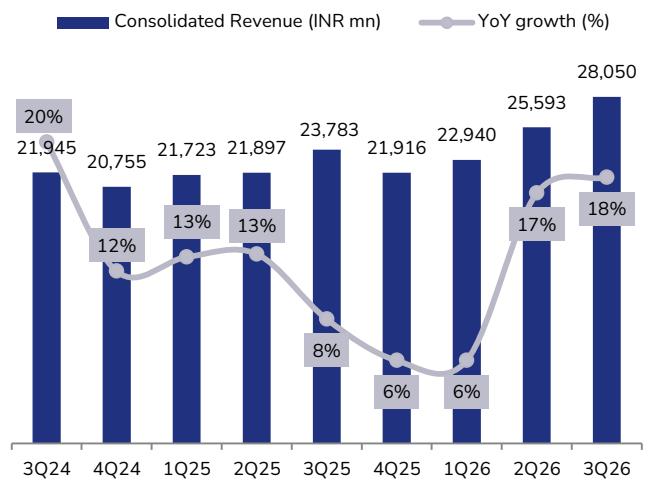
Source: Company, JM Financial

Exhibit 12. Cross border services revenue trend



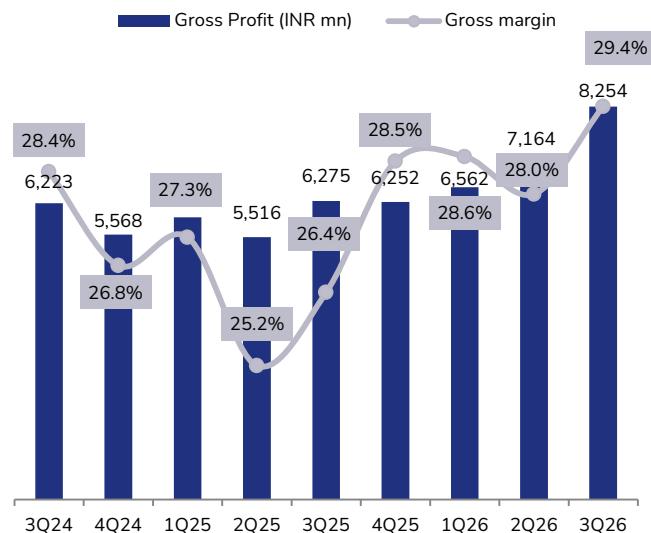
Source: Company, JM Financial

Exhibit 13. Consolidated revenue trend



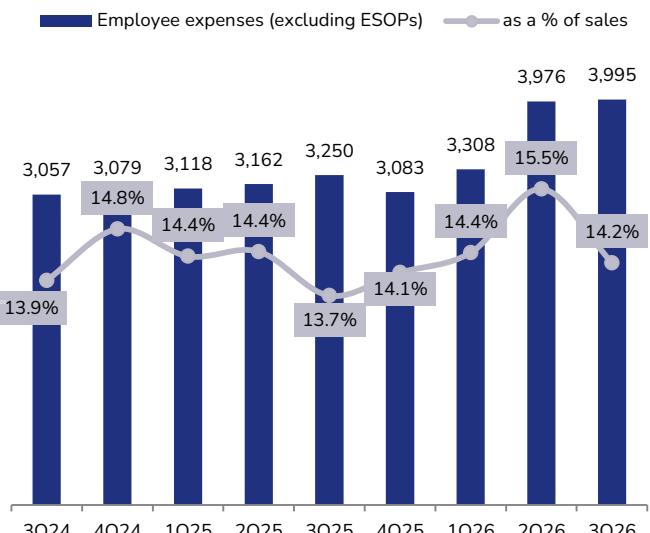
Source: Company, JM Financial

Exhibit 14. Gross Profit and margin trend



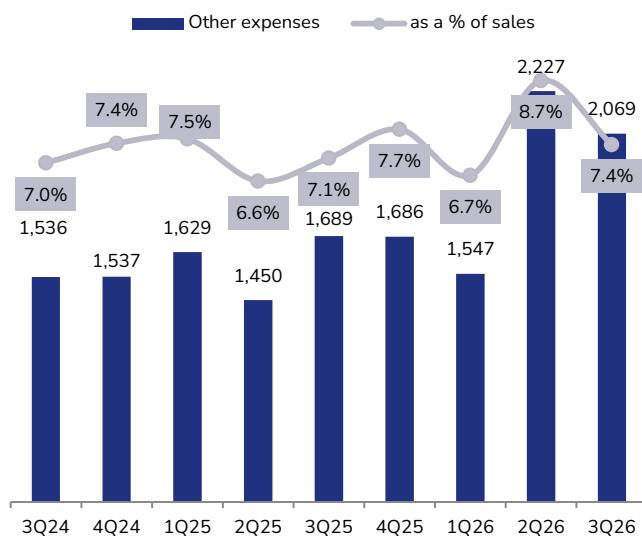
Source: Company, JM Financial

Exhibit 15. Employee expenses trend



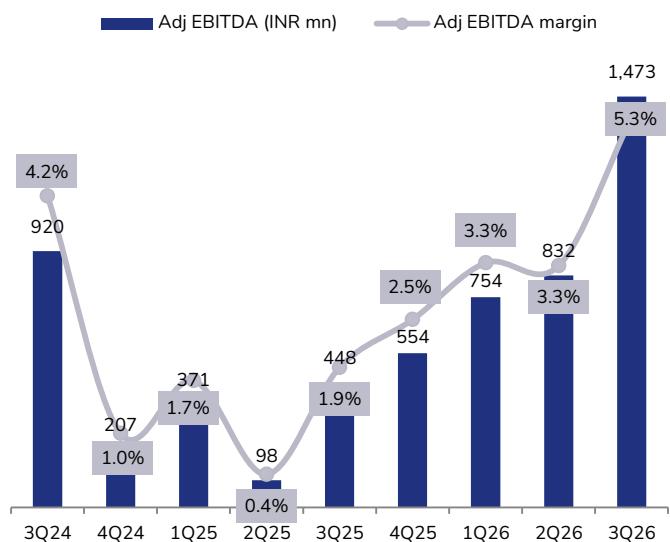
Source: Company, JM Financial

Exhibit 16. Other expenses trend



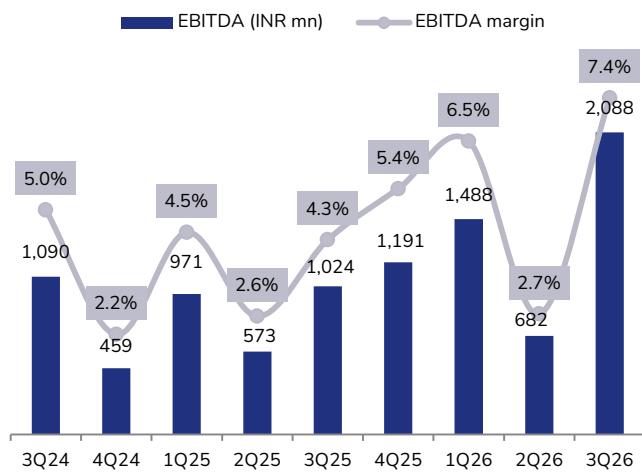
Source: Company, JM Financial

Exhibit 17. Adjusted EBITDA and margin (pre Ind AS) trend



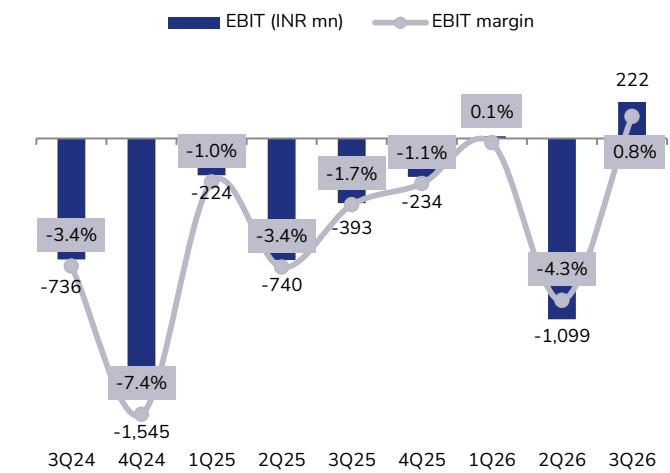
Source: Company, JM Financial

Exhibit 18. Reported EBITDA and margin trend



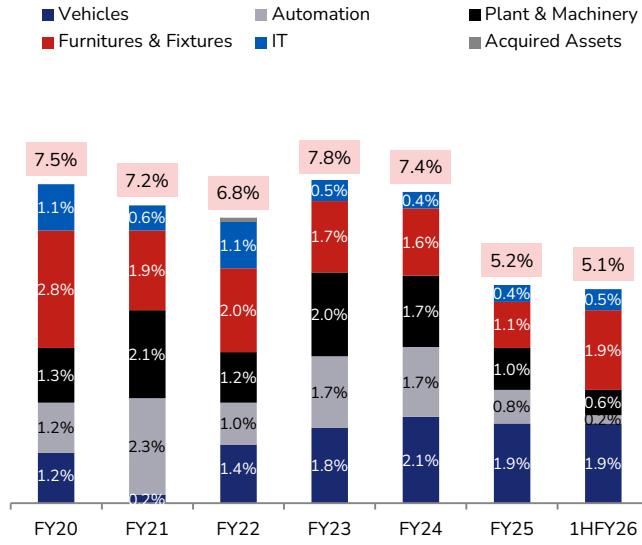
Source: Company, JM Financial

Exhibit 19. Reported EBIT and margin trend



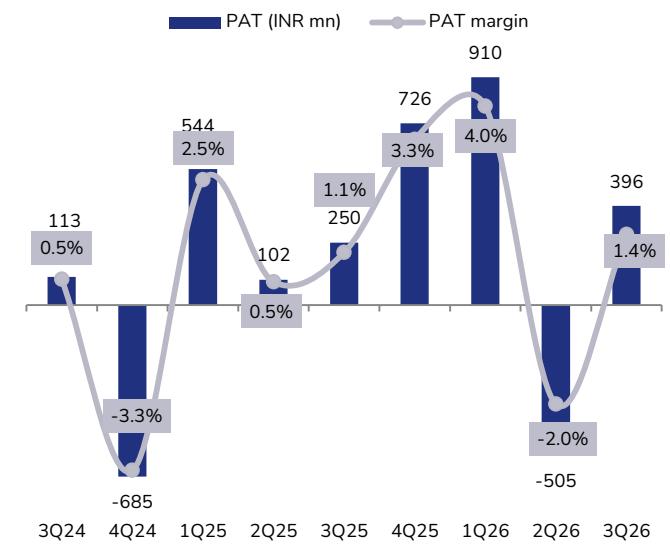
Source: Company, JM Financial

Exhibit 20. Capital expenditure trend



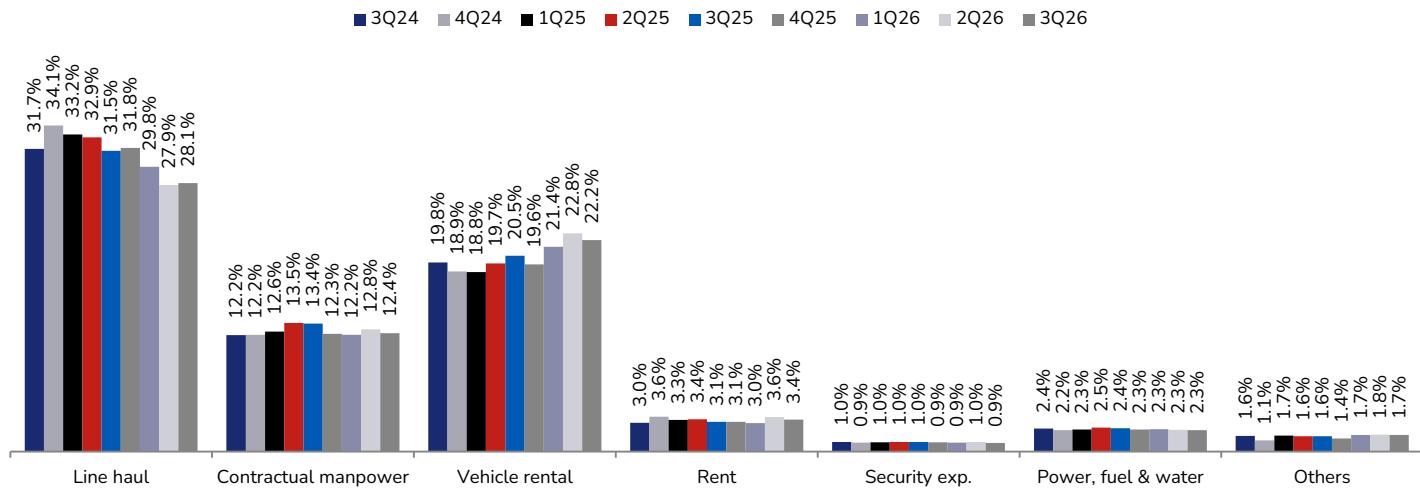
Source: Company, JM Financial

Exhibit 21. Reported PAT trend



Source: Company, JM Financial

Exhibit 22. Operating cost components for Delhivery



Source: Company, JM Financial

Maintain BUY; TP unchanged at INR 570

Exhibit 23. We incorporate slower topline growth across all segments with dip in margins due to lower operating leverage

Particulars	Old				New				Change			
	FY26E	FY27E	FY28E	FY29E	FY26E	FY27E	FY28E	FY29E	FY26E	FY27E	FY28E	FY29E
INR mn												
Consol. Revenue	103,639	121,415	142,746	167,514	102,961	121,223	142,288	167,216	-0.7%	-0.2%	-0.3%	-0.2%
Change (YoY)	16.0%	17.2%	17.6%	17.4%	15.3%	17.7%	17.4%	17.5%	-76bps	59bps	-19bps	17bps
Adj. EBITDA	4,810	9,422	14,062	19,649	4,623	9,062	13,628	19,138	-3.9%	-3.5%	-2.9%	-2.0%
Adjusted EBITDA margin	5.1%	7.8%	9.9%	11.7%	4.5%	7.5%	9.6%	11.4%	-63bps	-28bps	-27bps	-28bps
EBIT margin	-0.6%	4.3%	6.9%	9.0%	-0.7%	4.1%	6.9%	9.1%	-2bps	-16bps	2bps	11bps
PAT	1,674	6,566	10,291	12,911	1,639	6,390	10,116	12,836	-2.1%	-2.7%	-1.7%	-0.6%
EPS (Diluted)	2.09	8.20	12.85	16.12	2.05	7.98	12.63	16.02	-2.1%	-2.7%	-1.7%	-0.6%
Capex	-6,832	-5,352	-6,207	-7,162	-6,785	-5,481	-6,281	-7,303	-0.7%	2.4%	1.2%	2.0%

Source: Company, JM Financial

Valuation Methodology: DCF

Exhibit 24. Key DCF assumptions

WACC	12.5%
Revenue CAGR (FY25-30)	17.0%
Revenue CAGR (FY30-35)	15.2%
Revenue CAGR (FY35-40)	13.1%
EBITDA CAGR (FY25-30)	77.1%
EBITDA CAGR (FY30-35)	23.2%
EBITDA CAGR (FY35-40)	16.3%
Tax Rate	-3.1%
FCFF CAGR (2025-2040F)	na
NPV of cash flow (2025-2040F)	151,106
Perpetual growth (%)	5.0%
Implied Exit FCF multiple (X)	13.3x
Terminal value (INR mn)	261,708
Enterprise value (INR mn)	412,814
Terminal value as % of Enterprise Value	63.4%
Net debt (INR mn, Mar'26)	-44,841
Equity value (INR mn)	457,655
Number of shares outstanding (diluted, million)	801
Equity value per share (INR)	570

Source: JM Financial

Exhibit 25. Sensitivity of CMP to WACC and terminal growth rate

WACC	Terminal Growth Rate				
	4.0%	4.5%	5.0%	5.5%	6.0%
11.00%	670	710	750	790	850
11.50%	620	650	680	710	760
12.00%	570	590	620	650	690
12.50%	530	550	570	600	630
13.00%	490	510	530	550	570
13.50%	460	480	490	510	530
14.00%	430	450	460	470	490

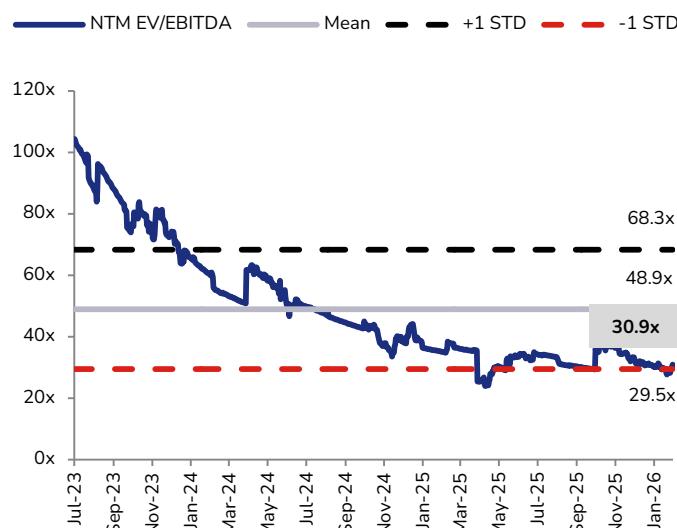
Source: Company, JM Financial

Exhibit 26. Sensitivity of CMP to JMFe revenue and margin estimate

EBITDA Margin (% of JMFe)	Revenue Growth (% of JMFe)				
	90.0%	95.0%	100.0%	105.0%	110.0%
85.0%	370	410	470	520	590
90.0%	390	450	500	560	630
95.0%	420	480	540	600	670
100.0%	450	510	570	640	710
105.0%	480	540	610	680	750
110.0%	510	570	640	720	800
115.0%	540	610	680	750	840

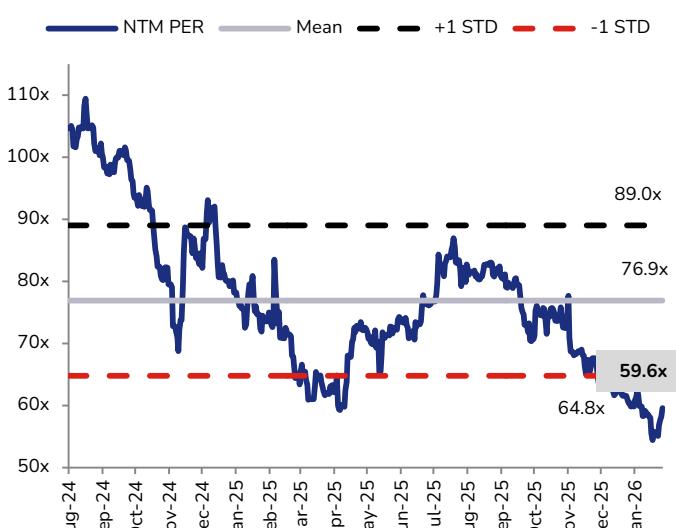
Source: Company, JM Financial

Exhibit 27. NTM EV/EBITDA



Source: JM Financial, Bloomberg

Exhibit 28. NTM PER



Source: JM Financial, Bloomberg

Exhibit 29. Valuation comps

Company	MCap (USD bn)	EV (USD bn)	EV / Revenue (x)			Rev CAGR 25-27E	EV / EBITDA (x)			EBITDA CAGR 25-27E	P / E (x)			EPS CAGR 25- 27E
			CY25/ FY26E	CY26E/ FY27E	CY27E/ FY28E		CY25/ FY26E	CY26E/ FY27E	CY27E/ FY28E		CY25/ FY26E	CY26E/ FY27E	CY27E/ FY28E	
Delhivery	3.5	3.4	3.1x	2.6x	2.2x	17.6%	49.7x	24.2x	16.7x	72.8%	192.3x	49.3x	31.2x	148%
India Road														
BlueDart	1.4	1.5	2.3x	2.0x	1.8x	11.5%	14.5x	12.8x	11.6x	11.7%	51.4x	36.4x	28.3x	35%
TCI Express	0.2	0.2	1.6x	1.5x	1.4x	6%	16x	13.0x	11.7x	16%	24x	20x	17.9x	16%
VRL Logistics	0.5	0.6	1.8x	1.6x	1.5x	9%	9x	9.1x	4.2x	46%	nm	nm	nm	nm
Allcargo logistics	0.2	0.3	0.2x	0.1x	0.1x	25%	7x	3.6x	1.0x	162%	36x	12x	4.9x	170%
Mahindra logistics	0.4	0.4	0.6x	0.5x	0.5x	15%	nm	9.1x	7.5x	nm	43x	25.1x	nm	
US Road Transport														
FedEx Corporation	75.8	107.0	1.2x	1.1x	1.1x	4%	10x	9.7x	9.1x	6%	17x	16x	14.4x	8%
United Parcel Service	90.1	112.8	1.3x	1.3x	1.2x	3%	9x	9.1x	8.5x	4%	15x	15x	13.2x	6%
XPO Logistics	17.4	21.2	2.6x	2.5x	2.4x	5%	17x	15.2x	13.5x	12%	41x	35x	27.0x	23%
C.H. Robinson Worldwide	23.0	24.3	1.5x	1.5x	1.4x	4%	26x	22.9x	20.1x	14%	38x	32x	27.3x	19%
J.B. Hunt Transport	19.3	20.8	1.7x	1.7x	1.6x	5%	13x	12.1x	10.8x	10%	33x	28x	23.0x	20%
Knight-swift	8.9	11.4	1.5x	1.5x	1.4x	6%	nm	8.9x	7.5x	nm	44x	29x	18.4x	54%
Landstar systems	5.1	4.8	1.0x	1.0x	0.9x	7%	19x	17.0x	14.4x	15%	39x	28x	22.4x	32%
China/HK/Japan Road														
ZTO Express	17.7	16.0	2.3x	2.1x	1.9x	10%	8x	7.0x	6.3x	11%	15x	13x	11.7x	12%
STO Express	2.8	3.8	0.5x	0.4x	0.4x	12%	7x	5.7x	5.1x	14%	15x	11x	9.5x	25%
YUNDA Holding	2.9	3.0	0.4x	0.4x	0.4x	7%	5x	4.2x	3.9x	12%	14x	11x	10.0x	20%
YTO Express Group	8.3	8.4	0.8x	0.7x	0.6x	10%	8x	6.5x	5.8x	14%	14x	12x	10.3x	15%
S.F. Holding	27.0	28.8	0.6x	0.6x	0.5x	9%	7x	5.9x	5.5x	9%	17x	15x	13.3x	14%
Deppon Logistics	2.8	2.7	0.4x	0.4x	0.4x	8%	11x	5.8x	4.7x	52%	138x	23x	17.0x	185%
JD Logistics	9.5	9.2	0.3x	0.3x	0.2x	11%	3x	3.2x	3.0x	7%	10x	9x	7.7x	14%
JD.com	41.8	30.0	0.2x	0.2x	0.1x	5%	10x	6.7x	4.1x	58%	13x	11x	7.7x	29%
Transfar Zhilian	2.7	4.3	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
SITC International	10.1	9.6	2.9x	3.0x	2.9x	-1%	7x	8.8x	9.1x	-11%	66x	84x	87.8x	-13%
Kerry Logistics Network	1.6	2.6	0.4x	0.4x	0.3x	5%	4x	4.3x	4.2x	3%	9x	9x	8.7x	4%
Yamato	4.7	4.9	0.4x	0.4x	0.4x	3%	9x	7.2x	6.3x	20%	28x	18x	13.5x	44%
CJ Logistics	1.6	4.2	0.5x	0.5x	0.4x	4%	6x	5.6x	5.4x	6%	9x	8x	6.8x	18%

Source: JM Financial, Bloomberg. CMP as of 31st January 2026.

Key Risks

Downside risks: **1) Slower-than-expected infrastructure network/quality expansion:** Any deficiency in India's road network, telecommunication, and internet or airport infrastructure could impact Delhivery's business and technology systems. **2) Dependence on e-commerce customers:** Despite a rise in diversification, e-commerce customers account for a significant portion of Delhivery's revenue and volume, and hence a decline or plateauing of e-commerce penetration in India or the customers diversifying to more 3PL partners can impact growth. **3) Inflationary pressures:** With an expansive operational network, rising fuel prices and inflation can impact the company's cash flows and profitability. **4) Competitive Intensity:** While Delhivery is trying to enhance its value proposition for customers, the 3PL sector still remains largely commoditised with competition emerging in geographic or service pockets, and further rise in competitive intensity can impact growth as well as margin expansion. **5) Negotiation power of customers:** India's e-commerce market sees almost 60-70% shipments come from the top 3 players, implying that they have a very strong position on the negotiating table and are unlikely to allow Delhivery a disproportionate share of margins. **6) Capacity expansion not getting utilised:** Considering the long gestation period, Delhivery continues to invest in capacity building as well as automation in advance. If the growth doesn't materialise, such investments can become significant drag on earnings.

Upside risks: **1) Faster-than-expected growth in express parcel shipments:** We are forecasting express parcel revenue growth of 15% CAGR over FY25-30, which is roughly in line with expected e-commerce shipments growth in India. However, there remains a possibility of Delhivery's target business models in e-commerce growing faster. **2) Higher-than-expected margin potential:** We are of the belief that Delhivery will end up sharing a large chunk of cost savings from incremental operational efficiencies with customers as they have a stronger seat on the negotiation table. However, lower customer concentration or faster / higher profitability of customers can help Delhivery enhance its bargaining power. **3) Faster shift to organisation in logistics:** Currently, India's logistics sector is largely unorganised; successful implementation and execution of National Logistics Policy can actually ramp up the mix of organised players, which would benefit Delhivery both in terms of revenue as well as lower expenses. **4) Consolidation in the sector:** Even among the organised players, there is significant fragmentation that results in cost-based competition. As seen in ride hailing and food delivery, a rise in consolidation can cause the bigger players to optimise revenue potential as well as costs to generate that revenue. **5) Decline in capital intensity while retaining the cost structure:** Company is expected to sustain capex investments but a faster utilisation or improvement in incremental margins can deliver higher earnings.

Financial Tables (Consolidated)

Income Statement (INR mn)						Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E	Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	81,415	89,319	1,02,961	1,21,223	1,42,288	Shareholders' Fund	91,446	94,322	96,893	1,04,063	1,14,765
Sales Growth	12.7%	9.7%	15.3%	17.7%	17.4%	Share Capital	737	746	747	747	747
Other Operating Income	0	0	0	0	0	Reserves & Surplus	90,710	93,576	96,145	1,03,316	1,14,017
Total Revenue	81,415	89,319	1,02,961	1,21,223	1,42,288	Preference Share Capital	0	0	0	0	0
Cost of Goods Sold/Op. Exp	59,707	65,348	72,731	83,395	96,986	Minority Interest	0	0	0	0	0
Personnel Cost	0	0	0	0	0	Total Loans	1,256	397	595	595	595
Other Expenses	20,441	20,213	23,909	24,831	26,440	Def. Tax Liab. / Assets (-)	-2,589	-2,877	-3,871	-3,871	-3,871
EBITDA	1,266	3,758	6,320	12,998	18,862	Total - Equity & Liab.	90,113	91,841	93,617	1,00,787	1,11,489
EBITDA Margin	1.6%	4.2%	6.1%	10.7%	13.3%	Net Fixed Assets	33,822	39,200	55,647	59,599	64,377
EBITDA Growth	0.0%	196.8%	68.2%	105.6%	45.1%	Gross Fixed Assets	31,475	39,176	48,166	55,707	64,426
Depn. & Amort.	7,216	5,349	7,004	8,020	9,022	Intangible Assets	14,334	14,030	24,145	23,581	23,031
EBIT	-5,949	-1,591	-684	4,978	9,840	Less: Depn. & Amort.	12,273	14,336	16,916	19,940	23,332
Other Income	4,527	4,401	3,819	3,408	3,540	Capital WIP	286	329	252	252	252
Finance Cost	885	1,258	1,475	1,659	1,879	Investments	53,056	51,576	39,710	39,710	39,710
PBT before Excep. & Forex	-2,307	1,552	1,659	6,727	11,502	Current Assets	25,063	26,973	29,475	35,910	45,725
Excep. & Forex Inc/Loss(-)	-224	0	0	0	0	Inventories	164	165	339	399	468
PBT	-2,531	1,552	1,659	6,727	11,502	Sundry Debtors	14,913	14,121	15,810	18,531	21,653
Taxes	47	-50	0	336	1,445	Cash & Bank Balances	3,032	3,360	3,899	7,553	14,176
Extraordinary Inc./Loss(-)	-224	-51	0	0	0	Loans & Advances	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	87	70	-20	0	60	Other Current Assets	6,954	9,328	9,428	9,428	9,428
Reported Net Profit	-2,492	1,672	1,639	6,390	10,116	Current Liab. & Prov.	21,828	25,908	31,215	34,432	38,323
Adjusted Net Profit	-2,268	1,724	1,639	6,390	10,116	Current Liabilities	19,191	23,196	28,209	31,426	35,318
Net Margin	-2.8%	1.9%	1.6%	5.3%	7.1%	Provisions & Others	2,636	2,712	3,006	3,006	3,006
Diluted Share Cap. (mn)	736.8	745.6	745.6	745.6	745.6	Net Current Assets	3,235	1,065	-1,740	1,478	7,402
Diluted EPS (INR)	-3.1	2.3	2.2	8.6	13.6	Total - Assets	90,113	91,841	93,617	1,00,787	1,11,489
Diluted EPS Growth	0.0%	0.0%	-4.9%	289.8%	58.3%						
Total Dividend + Tax	0	0	0	0	0						
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0						

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	-2,444	1,571	1,639	6,727	11,562
Depn. & Amort.	7,216	5,349	7,004	8,020	9,022
Net Interest Exp. / Inc. (-)	-1,801	-1,144	-2,344	-1,749	-1,662
Inc (-) / Dec in WCap.	151	-249	650	-796	-906
Others	1,976	398	930	780	585
Taxes Paid	-373	-252	-991	-336	-1,445
Operating Cash Flow	4,724	5,674	6,890	12,645	17,156
Capex	-5,650	-4,832	-19,633	-7,654	-8,891
Free Cash Flow	-926	842	-12,743	4,991	8,265
Inc (-) / Dec in Investments	1,293	1,677	12,602	0	0
Others	3,366	2,119	3,819	3,408	3,540
Investing Cash Flow	-991	-1,036	-3,213	-4,247	-5,350
Inc / Dec (-) in Capital	-23	39	2	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	-735	-857	2,154	1,232	1,605
Others	-2,903	-3,505	-5,293	-5,977	-6,787
Financing Cash Flow	-3,661	-4,323	-3,137	-4,745	-5,182
Inc / Dec (-) in Cash	75	315	539	3,654	6,623
Opening Cash Balance	2,955	3,030	3,360	3,899	7,553
Closing Cash Balance	3,032	3,360	3,899	7,553	14,176

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	-2.8%	1.9%	1.6%	5.3%	7.1%
Asset Turnover (x)	0.7	0.8	0.8	0.9	1.0
Leverage Factor (x)	1.2	1.3	1.3	1.3	1.3
RoE	-2.5%	1.9%	1.7%	6.4%	9.2%

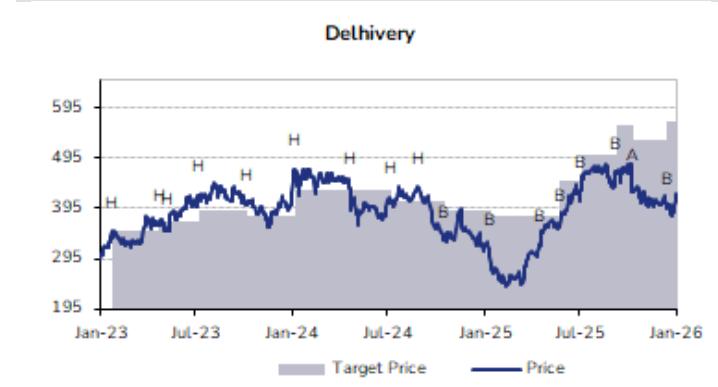
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	114.2	117.7	120.9	129.9	143.3
ROIC	-12.9%	-3.2%	-1.1%	6.5%	11.0%
ROE	-2.5%	1.9%	1.7%	6.4%	9.2%
Net Debt/Equity (x)	-0.5	-0.4	-0.3	-0.3	-0.3
P/E (x)	-137.4	183.0	192.4	49.4	31.2
P/B (x)	3.7	3.6	3.5	3.3	3.0
EV/EBITDA (x)	233.1	79.5	49.5	23.9	16.2
EV/Sales (x)	3.6	3.3	3.0	2.6	2.1
Debtor days	67	58	56	56	56
Inventory days	1	1	1	1	1
Creditor days	36	36	43	45	46

Source: Company, JM Financial

History of Recommendation and Target Price

Recommendation History

Date	Recommendation	Target Price	% Chg.
21-Feb-23	Hold	350	
21-May-23	Hold	370	5.7
6-Jun-23	Hold	370	0.0
5-Aug-23	Hold	390	5.4
5-Nov-23	Hold	380	-2.6
4-Feb-24	Hold	430	13.2
18-May-24	Hold	430	0.0
3-Aug-24	Hold	410	-4.7
25-Sep-24	Hold	410	0.0
15-Nov-24	Buy	390	-4.9
8-Feb-25	Buy	380	-2.6
17-May-25	Buy	380	0.0
23-Jun-25	Buy	450	18.3
2-Aug-25	Buy	500	11.2
8-Oct-25	Buy	560	12.0
6-Nov-25	Add	530	-5.4
12-Jan-26	Buy	570	7.5



APPENDIX I

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Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return $\geq 15\%$ over the next twelve months.
ADD	Expected return $\geq 5\%$ and $< 15\%$ over the next twelve months.
REDUCE	Expected return $\geq -10\%$ and $< 5\%$ over the next twelve months.
SELL	Expected return $< -10\%$ over the next twelve months.

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