

## Delhivery (DELHIVER) - BUY

### Result Update

Current Market Price (CMP) <b>Rs.425</b>	Target Price <b>Rs. 560</b>
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### Rationale:

- Q1 beat helps allay the effect of Valmo on both revenue growth & profitability.
- There is a start of a good phase of margin uptick.
- We expect EPS of Rs 5.6 in FY26E & of Rs 9.9 in FY27E.
- Stock is currently trading at valuation of 42.9x P/E FY27E EPS.
- We value Delhivery using Discounted Cash Flow (DCF) methodology.

### Q1FY25 Earnings Update:

#### **Positives:**

- Delhivery reported an in-line and healthy 13% yoy growth in revenues.
- Delhivery reported a sharp 110 bps beat in adjusted EBITDA margins.
- Part truck load (PTL) & Supply Chain Services (SCS) revenues grew 25% yoy.
- Improved profitability in PTL at 3.2% service EBITDA margin, up yoy and qoq.
- Express parcel reported 4% sequential growth on an impacted Q4FY24.

#### **Negatives:**

- One-time ESOP expense write-back of Rs 18 cr and exceptional cost of Rs5.1 cr.

[Click here](#)

For detailed report dated 3<sup>rd</sup> August 2024. Note: CMP & valuation may differ due to difference in dates



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