

Pick of *the week*

Delhivery

Recommendation: **BUY**

Target Price: **₹570**

Current Price: **₹457**

Time Period: **12 Months**

Date: **11th March 2024**



- Our assessment makes us more confident of increasing relevance of Delhivery.
- We build 5 yr period of overperformance, making Delhivery grow 1.2X sector.
- Ecommerce players realizing that there isn't another Delhivery.
- Its peers have not been able to meaningfully improve cost structure. Peers have limited tools from unrelenting pricing pressure of Delhivery.
- Delhivery business model will magnify gains from volume gains.
- We expect EPS of Rs 0.1 in FY25E & of Rs 2.4 in FY26E.

We arrive at Discounted Cash Flow (DCF) based Fair Value of Rs 570/share.

Note: The above is a brief note on the company, based on the inputs of KIE research report dated 5th March, 2024, which is available on our website at: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>.

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