

Research Report

Delhivery Limited



Prepared By-

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About

They are India's largest fully integrated logistics provider. We aim to build the operating system for commerce, through a combination of world-class infrastructure, logistics operations of the highest quality and cutting-edge engineering and technology capabilities.

Since its inception in 2011, our team has successfully fulfilled over 2 billion orders across India. We have built a nation-wide network with a presence in every state, servicing over 18,600 pin codes. 24 automated sort centres, 94 gateways, 2880 direct delivery centres, and a team of over 57,000 people make it possible for us to deliver 24 hours a day, 7 days a week, 365 days a year.

Key Services

- Express Panel
- Warehousing
- Part Truckload
- Full Truckload
- Cross border
- Data Intelligence

Synopsis of Financials

- **Achieved EBITDA profitability for fiscal year '24, with an increase of Rs. 578 crores compared to the previous year.**
- **PAT losses reduced by 75% from the previous year.**
- **Service EBITDA of 18% for FY24 in line with long-term projections.**
- **Part Truckload business showed significant growth and profitability.**
- **Truckload business grew 40% year-on-year with improved service EBITDA profitability.**

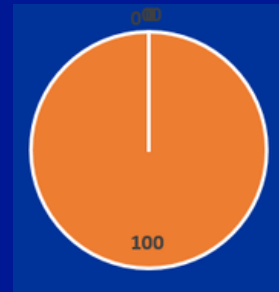
Stock data (as 5th August 2024)

Nifty Price	: 23,992.55
52 week High (in Rs.)	: 488
52 week Low (in Rs.)	: 354
Market Cap. (in Crore)	: 30,677
NSE Code	: <u>DELHIVERY</u>

Stock data



Shareholding Pattern (June 2024)



-PUBLIC GROUP

Financial Summary

Particulars	March 2024	March 2023	March 2022
Sales	8,142	7,225	6,882
Sales Growth %	12.68%	4.98%	88.74%
Expenses	8,015	7,677	7,357
Operating Profit	127	-452	-475
OPM %	2%	-6%	-7%
Net Profit	-249	-1,008	-1,011
EPS in Rs	-3.38	-13.83	-15.75

Quarterly Results



Particular	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Sales	1,796	1,824	1,860	1,930	1,942	2,194	2,076	2,172
Expenses	1,934	1,898	1,846	1,943	1,957	2,089	2,030	2,076
Operating Profit	-138	-75	13	-13	-16	105	46	96
OPM %	-8%	-4%	1%	-1%	-1%	5%	2%	4%
Other Income	95	94	75	108	101	123	111	105
Interest	24	21	19	20	20	22	27	28
Depreciation	200	207	242	167	171	183	200	119
Profit before tax	-266	-209	-173	-92	-105	23	-71	53
Tax %	-5%	-6%	-8%	-3%	-2%	50%	-3%	-3%
Net Profit	-254	-196	-159	-89	-103	12	-68	54

Source: Screener

Key Ratios

Particulars	March 31, 2023	March 31, 2022	% Change from March 31, 2022 to March 31, 2023
Current Ratio (refer note (i) below)	5.47	3.09	-77%
Debt equity ratio (refer note (i) below)	0.10	0.16	39%
Debt service coverage ratio (refer note (ii) below)	0.65	1.26	48%
Return on equity ratio (refer note (i) below)	(0.10)	(0.19)	46%
Inventory turnover ratio (refer note (iii) below)	298.29	230.97	-29%
Trade receivable ratio	8.31	8.77	5%
Trade payable Turnover ratio	8.01	9.02	11%
Net capital turnover ratio (refer note (iv) below)	1.20	2.26	47%
Net Profit Ratio	(0.12)	(0.15)	16%
Return on capital employed (refer note (i) below)	(0.16)	(0.22)	29%
Return on investments FD (refer note (v) below)	0.06	0.04	-53%
Return on investments MF	0.04	0.04	12%

Source: Annual Report

Yearly Results

Particulars	March 2024	March 2023	March 2022
Equity Capital	74	73	64
Reserves	9,071	9,104	5,893
Borrowings	1,169	923	1,102
Other Liabilities	1,139	1,066	1,192
Total Liabilities	11,453	11,166	8,251
Fixed Assets	3,354	2,995	3,052
CWIP	29	23	60
Investments	2,776	2,094	2,091
Other Assets	5,295	6,054	3,048
Total Assets	11,453	11,166	8,251

Synopsis Quater Results

Con-Call Q1 FY'24: Key Highlights

Operational Highlights:**

- Delivered Rs. 8,142 crores of revenue in fiscal '24, a growth of 12.7% compared to the previous year.
- Delivered 740 million Express Parcels and 1.4 million metric tons of Part Truckload freight in fiscal '24.
- Network stability with 18,793 pin codes served and over 220 countries serviced through partnership with FedEx.
- Infrastructure consolidation with 111 gateways, 29 automated sort centers, and 4,400 last-mile delivery centers.
- Continued focus on improving working capital position with a net working capital of 31 days.

Revenue Breakdown:**

- Express Parcel business accounted for 62% of revenue in fiscal '24.
- Part Truckload business revenue grew significantly from 16% to 19% of total revenue.
- Supply Chain Services business revenue remained flat at about 20% of total revenues.
- Cross Border services revenue declined due to focus on ocean freight over air freight.

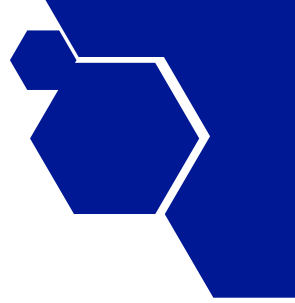
Adjusted EBITDA:**

- Turnaround in adjusted EBITDA from a loss of Rs. 404 crores in fiscal '23 to a profit of Rs. 76 crores in fiscal '24.
- Service EBITDA margins for Express Parcel business remained robust throughout the year.
- Part Truckload business achieved service EBITDA profitability for the first time in Q4 fiscal '24.
- Supply Chain Services business doubled service EBITDA between fiscal '23 and '24.

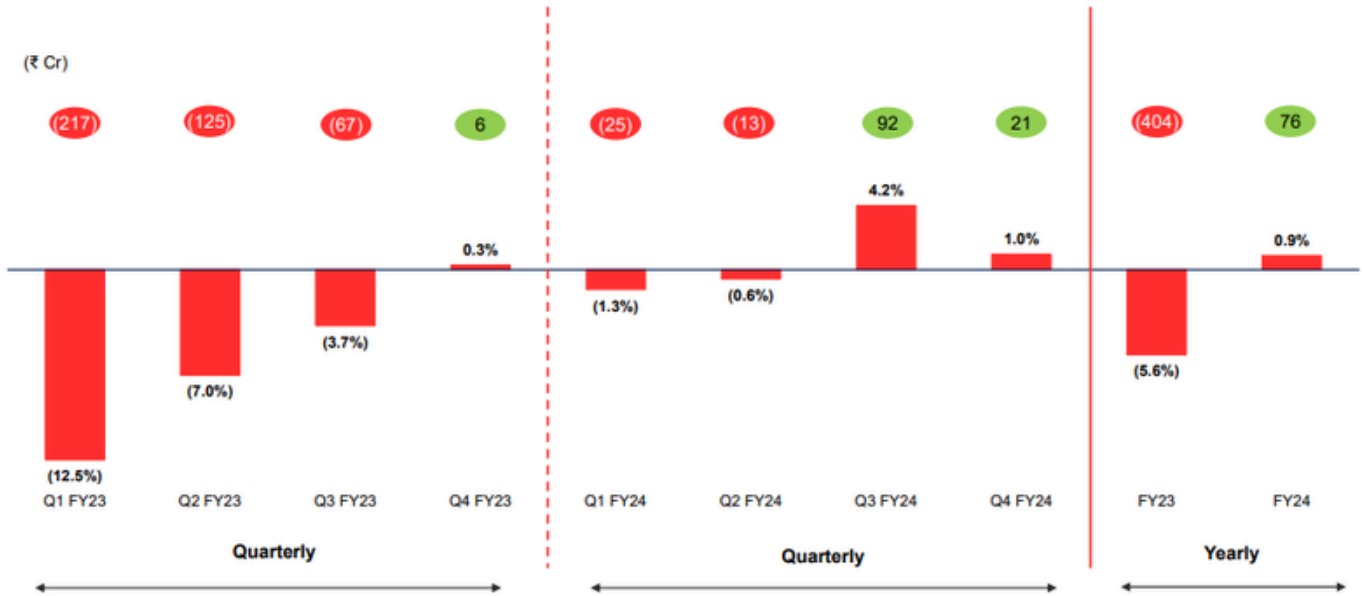
Future Outlook:**

- Expectation of maintaining margins in Express Parcel business in the 18% to 20% range.
- Plan to pass cost efficiencies back to customers and invest in further growth.
- Anticipate continued growth and profitability in Part Truckload and Supply Chain Services businesses.
- Capex expected to reduce in fiscal '25 with a focus on new infrastructure in Bangalore.
- Aim to drive growth in service EBITDA and improve overall profitability in the coming year.

Revenue Highlights

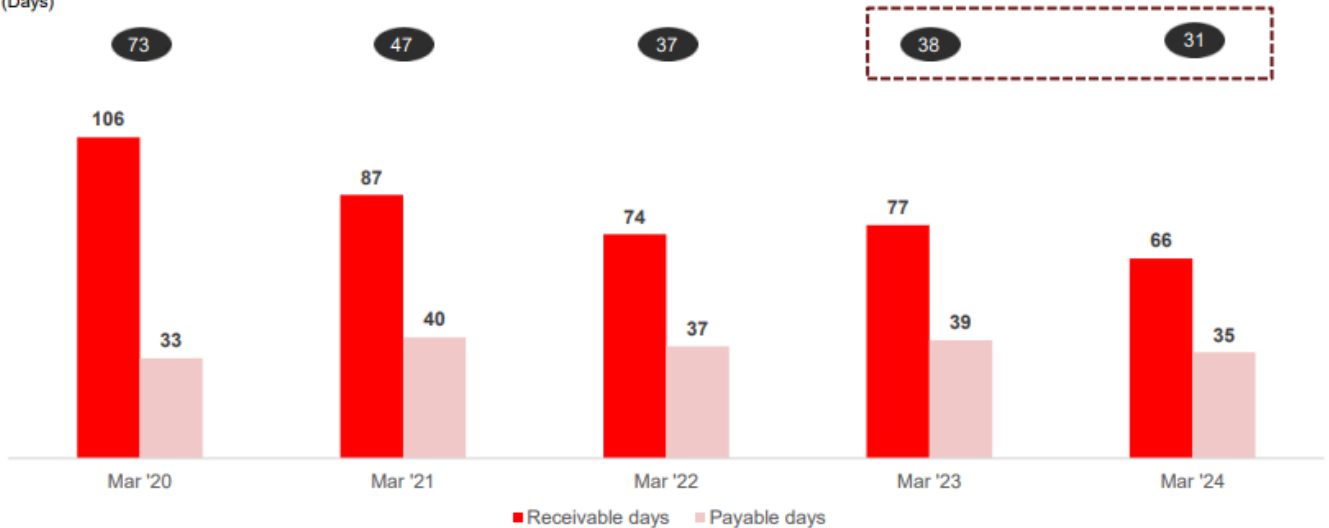


Adjusted EBITDA



Working capital position improving YoY

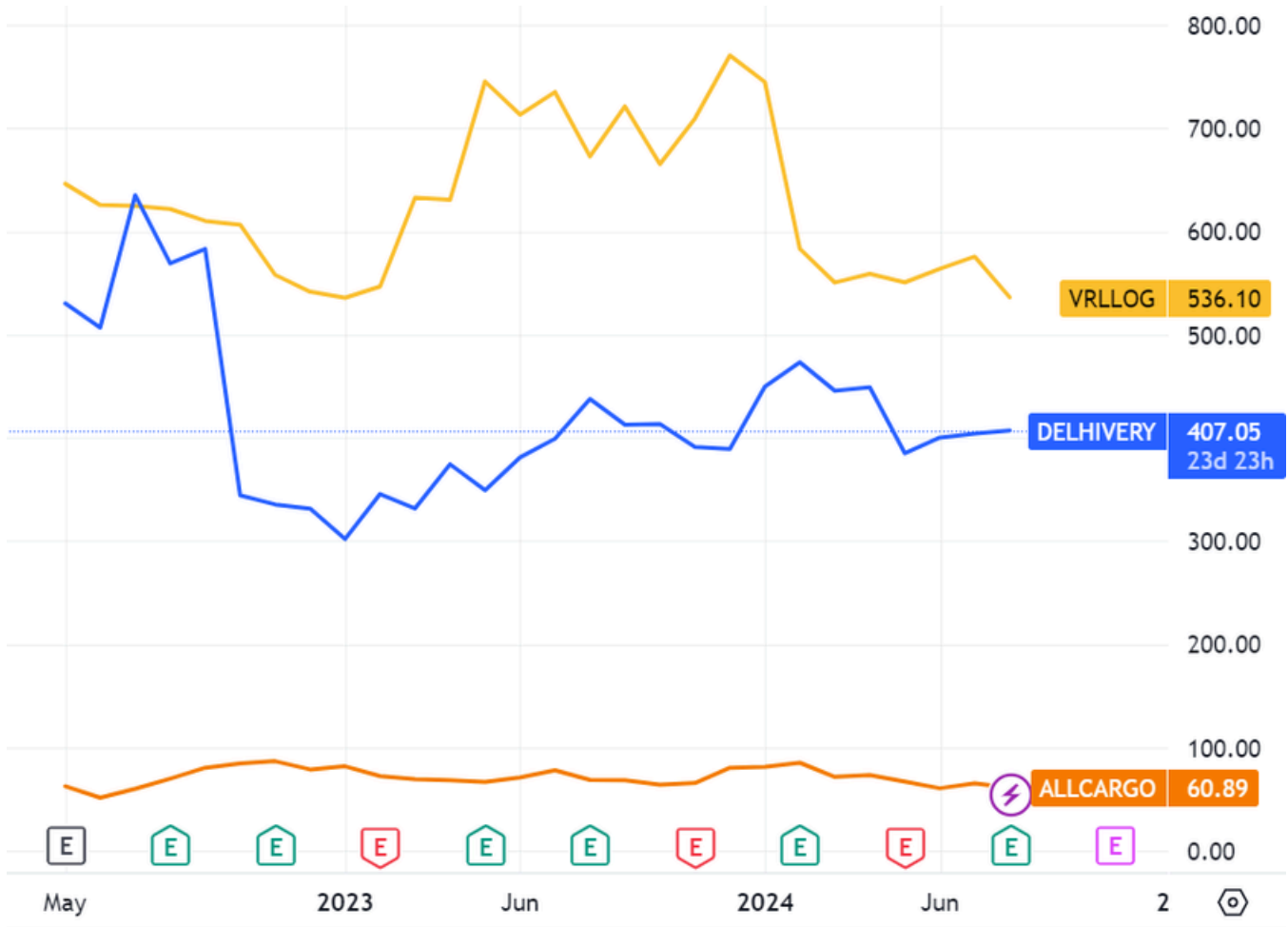
Net Working Capital (Days)



Peer Comparison



Peer Stock Performance Indexed



Source: Trading View

Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
Delhivery	407.05		30089.11	0.00	54.36	166.48	2172.30	12.57	-1.31
Allcargo Logist.	60.89	46.48	5984.11	1.34	-12.47	-110.91	3398.33	0.10	3.15
Gateway Distri	102.00	20.78	5096.44	1.90	51.55	-22.05	366.08	-0.43	12.53
VRL Logistics	536.10	68.77	4689.16	0.94	13.44	-60.41	727.21	7.86	10.70

Source: Screener

Final Outlook

DELHIVERY: BUY | LTP: 407

Delhivery has a good cash conversion cycle as compared to its peers thus its management of working capital is good. Delhivery company is experiencing a loss since the last one year which can be seen by scanning the profit loss statement. Delhivery also has very good debtor day ratio which means that the capacity to pay debtors in the company is high their creditability must be high. From my pov I would suggest the investors to not to invest in delivery as by analyzing the company its is experiencing losses and also not much revenue is being generated. Also by analyzing the graph of the stock price of delhivery over the 1 year we can see that the ipo was launched at Rs 540 and today the value of the share has not shown such drastic increase rather the value of the share is decreasing and also not rising at large scale so i would recommend the investors that I foresee a price drop in the near future so investing here can be a little risky.