Dated: 11th November 2025

Delhivery (DELHIVERY)-BUY

Company Update

Current Market Price (CMP)	Fair Value (FV)
Rs.428	**Rs.565**

Rationale:

- Key competitors of Delhivery appear to be grappling with difficult and potentially structural issues.
- Xpressbees has been stagnant on the scale for the past three year.
- Shadowfax is showing feeble and declining trends in profitability on incremental revenues.
- Flipkart's self-logistics arm had a cash loss of ~25% of the sales in FY2025.
- These data points reaffirm our thesis of Delhivery benefiting from the price hikes.
- We broadly retain estimates and Rs565 FV. BUY
- We expect earnings to grow by 155.4% in FY27E & grow by 115.5% in FY28E.
- Stock is currently trading at valuation of 50.5x P/E FY28E EPS.

Positives:

- We currently bake in a 2% additional price hike in FY2028, which may get upfronted.

Negatives:

- Xpressbees: Stagnated sales, high operating loss margin, depleting cash.
- Shadowfax: Low profitability on incremental sales, concentrated portfolio.
- Instakart: Cash loss of ~25% of sales, funding gap met by working capital loans.
- Potential risk of upfronted FY2028 price hike for Delhivery.

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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