



Date: November 05, 2025

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001, India

Scrip Code: 543529

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051, India

Symbol: DELHIVERY

Sub: Letter to Shareholders on financial results for the quarter and half year ended September 30, 2025

Dear Sir/ Madam,

Please find enclosed herewith the letter to shareholders dated November 05, 2025 on financial results for the quarter and half year ended September 30, 2025 in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”).

This disclosure will also be hosted on the Company’s website at www.delhivery.com as per the provisions of the SEBI Listing Regulations.

You are requested to take this on record.

Thank you.

Yours sincerely,

For Delhivery Limited

Madhulika Rawat

Company Secretary & Compliance Officer

Membership No: F8765

Encl. As above



Delhivery Limited

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Registered Office: N24-N34, S24-S34, Air Cargo Logistics Centre-II,
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DELHIVERY

Letter to Shareholders

Q2FY26



Dear Shareholders,

We are pleased to declare financial results for Q2FY26.

Q2 began with formal completion of our acquisition of Ecom Express in July. We also undertook preparations for the Diwali festive sales season starting early September. We clocked our highest ever volumes while dealing with challenging operating conditions such as excessive rainfall across the country, festival-related holidays and shifts in volume owing to the amendment in GST rates announced by the Government of India.

Overall volumes in September benefited from the broader uplift in consumption owing to the change in GST rates. This change also led to a shift in e-commerce and freight volumes to the last week of September, with a spillover into October. We are glad to report a large increase in Express Parcel shipment volumes, which grew to 246 million orders in Q2FY26, growth of 32% YoY and 18% QoQ (v/s 185 million orders in Q2FY25 and 208 million orders in Q1FY26 respectively). PTL volumes grew 12% YoY and 4% QoQ on sequential basis to 477K MT in Q2FY26 (v/s 427K MT in Q2FY25 and 458 K MT in Q1FY26 respectively) with continued improvement in yield as well, growing by ~3% QoQ, resulting in revenue growth of 15% YoY.

We achieved several important operational milestones in Q2. Our teams recorded our highest monthly order volumes of 100 million+ e-commerce and freight shipments in September as well as October, as well as our highest single day dispatch of 7.2 million orders. Improvements to our network protection algorithms enabled us to sustain industry-leading service levels across business lines, throughout this period and even during the heaviest festive sale days.

Overall revenue from services stood at Rs. 2,546 Cr in Q2FY26 (16.3% YoY growth) with EBITDA of Rs. 150 Cr and PAT of Rs. 59 Cr in Q2FY26, excluding the impact of Ecom Express acquisition. Overall integration related costs stood at Rs. 90 Cr in Q2FY26. We expect to remain within our original estimate of Rs.300 Cr in integration expenses. Service EBITDA margin for Transportation (Express + PTL) stood at 13.5% in Q2FY26 (versus 11.9% in Q2FY25 and 14.8% in Q1FY26). Overall volumes have continued to remain strong in October, and we anticipate overall peak period profitability expectations to be met between Q2 and Q3.

(1) Excluding impact of Ecom Express acquisition

<p>₹2,546 Cr Revenue from services¹ YoY: 16.3% / QoQ: 11.0%</p>	<p>₹2,638 Cr Total income¹ YoY: 14.2% / QoQ: 8.8%</p>	<p>₹150 Cr / 5.9% EBITDA / EBITDA margin¹ Q1 FY26: ₹149 Cr / 6.5% Q2 FY25: ₹57 Cr / 2.6%</p>
<p>₹59 Cr / 2.2% PAT / PAT margin¹ Q1 FY26: ₹91 Cr / 3.8 % Q2 FY25: ₹10 Cr / 0.4%</p>	<p>246 Mn Express Parcel shipments YoY: 32.5% / QoQ: 18.3%</p>	<p>477K Tons PTL freight tonnage YoY: 11.8% / QoQ: 4.3%</p>

We have addressed key questions about operational and financial performance in Q2FY26 and our outlook for the future below:

1. Express volumes have shaped up well in Q2FY26. How much of this has been driven by organic growth in e-commerce v/s systematic growth in market share after the acquisition of Ecom Express?

Express volumes grew to 246 million orders in Q2FY26, representing 32% YoY and 18% QoQ growth. Our industry-leading service precision and cost position have been strengthened with completion of the acquisition of Ecom Express, which in turn has led to increased share-of-wallet with key clients. In addition, our clients' organic business growth and festive demand have also contributed to increased volumes. While an exact breakup of inorganic v/s organic volume growth will be imprecise, a key indicator of organic growth comes from D2C and SME e-commerce volume, which has grown 40% YoY.

Overall share-of-wallet gains have exceeded our projections at the time of acquisition of Ecom Express. We have had a strong start to Q3FY26 with October volumes trending at 100 million+ transportation orders, and expect to retain these market share gains going forward.

2. Yield in Express has historically risen in the peak season. Why has yield in Express declined QoQ?

Ecom Express had a very low proportion of Heavy shipments in its overall volume mix. With the acquisition of Ecom Express, the overall share of Heavy shipments in our volume mix has reduced, resulting in a 11% QoQ decline in average weight per shipment, thereby reducing overall yield.

As we have stated previously, decline in yield has very limited impact on overall profitability as weight-related costs (first-mile, intra-city distribution, line-haul and in-facility handling) decline with a reduction in average weight per parcel as well. Going forward, yields will continue to reflect changes in our overall client and order mix, depending on average weight profile, origin/destination profile, travel distance & mode and payment mode.

3. Why have Express and PTL Service EBITDA margins declined QoQ? How do you expect these margins to change going forward?

There is no structural change to our margin expectations for Express and PTL businesses, as highlighted in our shareholder letter of 1QFY26 ([Link](#)).

We executed a temporary build-up of capacity for the festive volume surge during W1 and W2 of September. Festive sales originally expected to commence around 15 September were delayed by a week on account of the implementation of new GST rates. Client PTL ship-outs were also slightly delayed in the period between announcement of new GST rates and 22 September. This resulted in us having to carry the cost of temporary resources for one week more than originally planned. In addition, our integrated network, shared between Express and PTL, results in PTL absorbing some portion of peak related network costs.

Overall Express Parcel Service EBITDA margins are expected to return to 16-18% levels by the end of FY26 with increased volumes, improved network utilization and greater staffing productivity. We expect expansion in annual PTL profitability to continue with volume growth and expect steady-state Service EBITDA margins in a range of 16-18% in the next 24 months.

4. **What is the status of the Ecom Express integration? How much of the integration costs have been taken into the Delhivery P&L in Q2FY26 and what is the additional integration cost outlook for FY26?**

We formally completed the acquisition of Ecom Express in July 2025 after receiving approval from the Competition Commission of India (CCI). We have undertaken previously communicated steps for integration of clients, network and people. We incurred integration costs of Rs. 90 Crores towards shutdown of facilities, dismantling and transfer of automation equipment, exit from certain contractual arrangements and cost of exiting employees. As stated earlier in the FAQ document released at the time of announcement of the acquisition ([Link](#)), we expect aggregate integration costs to be within the Rs. 300 Cr envelope with balance integration costs incurred mainly during the remainder of FY26.

5. **Profitability of Supply Chain Services has improved significantly while revenue has declined YoY in H1FY26. How do you expect Supply Chain Services to perform in FY26 and going forward?**

Overall profitability of the Supply Chain Services business has expanded meaningfully this quarter. Service EBITDA in Q2FY26 stood at 12.8% v/s 7.2% in Q1FY26. Normalized margins excluding peak impact stood at ~10%, driven by engineering and technology-led operational improvement and re-negotiation of key client contracts.

From a growth standpoint, we expect expansion of existing client mandates in e-commerce and auto/auto-ancillaries segments. The launch of our new templatised solution with guaranteed next-day delivery (NDD), targeted at D2C e-commerce is expected to drive growth going forward. We are also in discussions with large, new accounts in consumer durables, industrial goods and the consumer products industries. Overall, we remain positive about the long term revenue scale and margin profile of this business as outlined in our shareholder letter of 1QFY26 ([Link](#)).

6. **Can you comment on corporate overheads and outlook for these costs going forward?**

Total wage costs have increased broadly in line with inflation with marginal increase in overall corporate headcount. ~Rs.4 Cr increase in management costs is due to the accounting impact of increase in gratuity provisions and an increase in provisioning for year end variable pay in line with business growth. ~Rs.15 Cr increase in corporate cost in Q2FY26 v/s Q1FY26 is on account of technology costs incurred towards the build-up of server capacity for the festive period (AWS) and on account of spends related to Artificial Intelligence (AI) tools (GCP). Overall corporate overheads stood at ~9.3% of revenue for Q2FY26 v/s 9.4% in FY25. As discussed in our previous shareholder letter, we expect reduction of corporate overhead cost by 0.5-0.7% of revenue annually, with costs stabilizing at 6-7% of revenue in steady state.

7. **How are the two new services (Rapid-commerce and Delhivery Direct) scaling up? Is there additional visibility on the likely investments required to grow these businesses?**

As discussed previously, we expect Rapid commerce to contribute revenues of Rs. 80-100 Cr in the near to mid-term. The business is currently at an overall annual revenue run-rate of ~Rs.12 Cr, with 20 dark stores across 3 cities. We will commence operations in NCR in Q3FY26. Based on client demand, we also plan to expand the service to B2B clients in Q3 and Q4FY26.

The Delhivery Direct on-demand intra-city service is active in three cities and has reached an annual revenue run-rate of ~Rs.28 Cr in Q2FY26 with improved contribution margin. The Delhivery Direct App for inter-city and intra-city on-demand shipping is now on over 4 million phones and available on Play Store and App Store. As discussed in our previous shareholder letter we expect to launch across key metros by the end of FY26.

We will continue to invest capital in Rapid commerce and Delhivery Direct in FY26, as both businesses are at nascent stages. Current cumulative investment level stands at ~Rs. 36 Cr till Q2FY26 and is expected to widen, especially in the case of Delhivery Direct, as the service is expanded to new cities. There are no material balance sheet investments (capex/working capital) required for either of these businesses.

8. What are the drivers of reduction in Profit After Tax in Q2FY26 from Q1FY26?

Our consolidated reported PAT of Rs. (50) Cr is impacted by the Ecom Express integration costs that were incurred during the quarter. Below table provides a management estimated adjusted view.

Rs. Cr	Q2FY26		Q1FY26
	Reported consolidated	Management estimate, excluding integration costs	Reported consolidated
Revenue from services	2,559	2,546	2,294
Other income	92	92	130
Total Income	2,652	2,638	2,424
Freight, Handling and Servicing Costs	1,843	1,814	1,638
Employee benefits expense	426	386	353
Other expenses	223	196	155
EBITDA	68	150	149
Finance costs	39	34	34
Depreciation & Amortisation expense	178	156	147
Total Expenses	2,708	2,586	2,327
Profit before tax	(57)	53	97
Share of (loss) / profit of associate (net)	3	3	(8)
Tax expense / (credit)	(3)	(3)	(1)
Profit after Tax	(50)	59	91

Adjusted for Ecom integration costs basis management estimates, PAT is lower QoQ by Rs. 32 Cr primarily due to finance income being lower by Rs. 48 Cr QoQ on account of lower cash balance during the quarter as Ecom Express acquisition proceeds of Rs. 1,369 Cr were paid out in July. Also, during Q1FY26 there were mark-to-market gains in our debt mutual fund portfolio of Rs. 68 Cr on account of interest rate movement post repo rate cut by RBI in June 2025, which increased other income during the quarter.

9. Net working capital days have reduced substantially, from 40+ days at the end of FY21 to ~20 days in FY25 and further to ~16 days in H1FY26. What is driving this reduction and how will this trend continue going forward?

The continued reduction in receivable days is in line with plans discussed in our shareholder letter of 1QFY26 ([Link](#)). This has been achieved through continued improvement in client selection, tighter credit controls, automation of billing processes and faster claims resolution (both key AI initiatives). The reduction in H1FY26 also reflects the change in proportion of different service lines in our revenue mix and also resolution of certain long standing payment disputes with clients that were favourably resolved during H1FY26.

10. Can you comment on capex (as % of revenue) in H1FY26 and going forward?

Capex incurred for network and fleet expansion is typically undertaken primarily during H1 of the FY to ensure that requisite capacity enhancements are in place and stabilised before the start of the festive season. H1 capex was at 6.6% of revenue while H2 capex was at 3.8% of revenue in FY25 as well, resulting in overall capex spend of 5.2% of revenue, which was meaningfully lower than FY24 levels (7.4% of revenue). We expect overall capital intensity of our business to continue to decline towards our long-term target of ~4% of revenue, as outlined in our shareholder letter of 1QFY26 ([Link](#)).

11. How does the recent change in GST tax rates impact Delhivery's multiple businesses?

86%+ of our 1QFY26 invoicing was billed at 18% GST rate and 6%+ was at Nil GST/Reverse Charge Mechanism based invoicing, which does not see any change on account of the recent GST amendments. Only ~8% of 1QFY26 Invoicing was billed at 12% GST rate, which was required to be shifted to 18% GST rate post the amendments. We have transferred this billing to 18% GST rate without any meaningful loss of business.

Our fleet vendors from whom we procure inter-city and intra-city fleet were previously billing us at 12% GST rate and a majority are now billing us at 18% GST rate post the amendment. We have managed to transfer these contracts to the new GST rate without any meaningful fleet vendor loss. Our fleet purchase, which was earlier at 28% GST is now at 18% GST rate post amendment.

We believe that the GST amendment does not post any material adverse risk to our P&L or to our competitive position. There would be some working capital impact, which will become clearer with time but we do not expect it to be meaningful given our scale and capital position.

Warm regards,
Delhivery Ltd.

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Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Company without necessary diligence and relying on their own examination of Delhivery Limited along with the equity investment risk which doesn't guarantee capital protection.