



**Date: May 22, 2026**

**BSE Limited**

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Dalal Street,  
Mumbai – 400 001  
India

**National Stock Exchange of India Limited**

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

**Scrip Code: 543529**

**Symbol: DELHIVERY**

**Sub: Transcript of Earnings Conference Call pertaining to the Financial Results for the quarter and financial year ended March 31, 2026**

Dear Sir,

This is in continuation to our earlier letter dated May 16, 2026, regarding audio recording of the Earnings Conference Call held on May 16, 2026, at 06:00 P.M. (IST) on the performance of the Financial Results of the Company for the quarter and financial year ended March 31, 2026.

Please find attached herewith the transcript of the above Earnings Conference Call.

The above disclosure is also being uploaded on the website of the Company at [www.delhivery.com](http://www.delhivery.com)

You are requested to take the same on your record.

Thank you.

**Yours sincerely,  
For Delhivery Limited**

**Madhulika Rawat  
Company Secretary & Compliance Officer  
Membership No: F 8765**

Encl: As above



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# **Delhivery Limited - Q4FY26 Earnings Conference Call**

## **May 16, 2026**

Management: MR. SAHIL BARUA, MD & CHIEF EXECUTIVE OFFICER  
MR. VIVEK PABARI, CHIEF FINANCIAL OFFICER  
MS. VANI VENKATESH, CHIEF BUSINESS OFFICER  
MR. VARUN BAKSHI, HEAD - PART TRUCKLOAD  
MR. NAVNEET KUMAR, HEAD - SUPPLY CHAIN SERVICES

Moderator: DHRUV JAIN, AMBIT CAPITAL

## **Dhruv Jain**

Hello everyone, welcome to the fourth quarter and FY26 earnings call of Delhivery Limited hosted by Ambit Capital. Before we start, Delhivery would like to point out that some of the statements made in today's call may be forward-looking in nature and a disclaimer to this effect has been included in the earnings presentation shared with you earlier. Kindly note that this call is meant for investors and analysts only.

If there are representatives from the media, they are requested to kindly drop off this call immediately. To discuss the results, I am pleased to welcome Mr. Sahil Barua, MD and Chief Executive Officer, Ms. Vani Venkatesh, Chief Business Officer, Mr. Vivek Pabari, Chief Financial Officer, Mr. Varun Bakshi, SVP and Head of Part Truck Load, Mr. Navneet Kumar, SVP and Head of Supply Chain Solutions. Thank you and over to you, sir, for your opening comments.

## **Sahil Barua**

Thank you, Dhruv. Thank you, Ambit team for hosting us this evening. Thank you all for joining our earnings call for Q4 FY26 and FY26 consolidated this evening on a Saturday.

Before I begin, I'd like to formally welcome Mrs. Neelam Dhawan as Chairperson of the Delhivery Board. Her long career in technology and technology services, of course, is unparalleled and we expect that under her leadership, Delhivery will go from strength to strength. I'd also like to welcome Mr. Kabir Ahmed Shakir to the Board of Directors of Delhivery. Kabir served as the CFO of Tata Communications prior to which he had a long stint at Unilever and then at Microsoft. With this, the exercise of reconstituting the Delhivery Board is now formally complete. I'd also like to place on record on behalf of the entire Management and Board of Delhivery, our thanks to Mr. Romesh Solti, who will be stepping down from the Board of Delhivery after five years, having joined us in 2021 and having played an enormous role in helping us take Delhivery public and shaping our strategy over the last five years. Before we begin, as usual, my colleague Vani Venkatesh will take us through the presentation after which we will take questions. But just quickly, in summary, FY26 has been a bellwether year for Delhivery in many ways. Of course, the headline was our completion of the acquisition of Ecom Express earlier in this financial year.

But just in terms of a quick headline summary, we closed the year with over 10,400 crores in revenue, delivered over a billion packages in the financial year. By way of context, it took us nearly 10 years to deliver our first billion packages since our inception. Also reached about 2 million metric tons of freight in our part truck load business.

Margins continue to expand. The express business remains firmly at the upper end of our normative margin guidance of 16 to 18%. PTL margins expanded again successively and have reached... [inaudible] ...on the back of a reduction in capital intensity to less than 5% of revenue and a massive reduction in net working capital days.

So, all in all, a very strong quarter, a very strong end to fiscal 26. The company continues to be extremely well capitalized with over 4,500 crores of cash on the balance sheet. And so, without further ado, Vani, please take us through the presentation.

## **Vani Venkatesh**

Thank you, Sahil. And thank you, Dhruv. I'll just run you through the presentation now.

So, in summary, FY26 was a very good record year, in fact, in volume, in profitability, in strategic progress. And let me just take you through what moved the needle. So firstly, on the core transportation side, we delivered a billion plus shipments this year.

It's been a year with about 40% growth. On PTL also, we've done about 2 million metric tons this year. And together, the two businesses expanded our service EBITDA by about 220 basis points to take us to 15.6% and this with an ROIC of 16%. These are, in fact, the returns that will be funding what comes next. Coming to supply chain solutions, supply chain solutions again turned the corner pretty decisively this year. We expanded our service EBITDA about four times to 79 crores.

The margin model here is established. The pipeline is healthy. We've signed and activated two mandates in the last quarter.

So that's on the supply chain, which is pretty much at an inflection point. This paves the way for new verticals to scale up. So, the cash flows from core transport are now being deployed with discipline into our next growth pillars.

So, as we mentioned last time, we've been investing in local, cross-border, rapid and financial services. These are, of course, long cycle bets we can now invest from in a position of strength. And underpinning all of this is, of course, our tech and engineering moat we've been building for years, leveraging AI across the network, facilities, automation, new trucking form factors and active R&D and robotics.

So, we continue to invest heavily so we can stay ahead as we scale. I'll quickly run through the financial highlights. Our revenue from services stood at about 10,486 crores, generating an EBITDA of 7.3%, that's 764 crores. PAT came in at 347 crores. That's a 3.2% margin. And this profitable growth helped us turn free cash flow positive this year at about 89 crores.

The quarter's revenue again came in at about 2,848 crores. PAT at about 3%, that translates to 87 crores. Core transport yielded 16% ROIC.

And our balance sheet continues to stay strong with over 4,500 crores of cash and cash equivalents. So, all in all, it's been a profitable quarter and a profitable year. I'll take you through a quick view of our segments.

Transport revenue for the quarter was at about 2,453 crores and that comes in at a 7.9% adjusted EBITDA, giving us about 194 crores of adjusted EBITDA. If you were to break this into the two segments, express revenue came in at about two thirds of this at 1,832 crores. That's a massive 46% YoY revenue growth and that's a 72-73% volume growth.

Note that the volumes this quarter were 306 million, pretty encouraging. In fact, it's been a sequential quarter increase even compared to the last quarter, which was a peak quarter. Likewise, PTL clocked in 20% growth in both revenue and volume terms, came in at 549 metric tons and giving us 622 crores of revenue.

Coming down to the supply chain. Let me just go back one page and also run you through the full year. I ran you through the quarter numbers.

So, if you look at it from a full year point of view, the revenue for transport has been 8,939 crores that came in with a margin of 561 crores at 6.3%. Express gave us about a billion parcels,

again a record this year, revenue of 6,685 crores. PTL was again record breaking this year. So, 2 million metric tons giving us a revenue of 2,254 crores.

So, both these segments, both Express and PTL have really delivered solid and strong, robust growth this year. A ton of structural cost advantages and operating leverage also driving the performance for these businesses. Coming back to the supply chain.

Supply chain, as I mentioned earlier, we decisively pivoted to profitability this year. Very sharp calls on businesses to stay in, businesses to see, to make sure we have a viable model that we can scale. As you can see, our revenue is at 729 crores.

The highlight is the turnaround in the service EBITDA from 2.2% last year, we've scaled it to 10.9% this year. So, the expanded service EBITDA gave us 79 crores of margin, which is four times last year. We also have a healthy pipeline here and we feel pretty ready to scale, given that we've established a viable, profitable model here.

As we bundle all of this performance into our segment P&L, you'll find that the transport adjusted EBITDA has expanded 260 basis points to 6.3%. I call your attention to the box on the extreme right. So that's about 6.3%. Again, if you were to look at supply chain services, that's gotten to breakeven levels. All of this translates to an overall percentage margin of about 4.4%. That gives us 457 crores of adjusted EBITDA on a revenue base of 10,486 crores. If you look at the box, that is the quarter box, again, the overall adjusted EBITDA percentage is...[inaudible].. a revenue of 2,848 crores, giving us an adjusted EBITDA of 151 crores. In addition to the profitable growth, our teams have focused with a sharp eye on capital efficiency. On the left side, ....[inaudible].. that's come down to 11 days, a very sharp drop in receivables.

This has been brought on with very disciplined and timely collections, including leveraging AI and automation on these. If you look at the page to the right, again, from a CapEx intensity point of view, CapEx as a percentage of revenue has been brought down diligently. We were at about 7.8% in FY23. That's come down all the way to 4.7% now. So, all of this capital efficiency has actually helped us from a ROIC point of view. And if you look at this, the margin expansion along with the reduction in capital intensity has really resulted in a sharp ROIC.

So, we're at 16%. This is up from 5.2% earlier. So, all the goodness in the transport businesses and other businesses that have generated margins, in addition to the disciplined manner in which capital spends have been made and working capital has been optimized, has resulted in this ROIC of about 16%.

And the margin expansion and the discipline and execution that we saw in the previous slides, it has helped us turn free cash flow positive. We have 89 crores of free cash flow this year and we're really happy about this. A couple of things, this is one year ahead of plan.

We'd given guidance of this coming up in the next year. So, this is one year ahead of plan and this despite all the integration expenses being factored in. So that again augurs well for how the business is positioned.

So, we continue to invest in our tech and AI that has been our moat and will continue to be ours. So, our tech and AI teams have actually deployed LLMs and multimodal AI across all dimensions of operations. So be it voice, be it vision, be it local intelligence, be it real-time transaction processing right across the board.

So, it's underpinned in all our processes from right from order manifestation to mid-mile to last-mile to post-delivery. I think embedding AI across a product development process, reducing the time and cost to deploy new tech has really benefited us as we scaled our operations significantly. And equally, we have dialed up our investments in robotics and industrial automation.

So, in-facility automation, be it autonomous mobile robots or automated storage and retrieval systems, 3D sorters. So be it in-facility or deliveries, be it drones. Being the first to get a road train in India after our last successful 46 feet tractor trailer launch.

So, we've been in the forefront of this, both in terms of infrastructure as well as engineering. We also continue to invest in Delhivery Labs to make sure we stay ahead and to make sure that we are able to continue to use our tech moat to differentiate and stay ahead. Investing in employee benefits and safety has always been paramount to us.

So, our philosophy is that we do well when our people do well, our packages are happy when our people are happy. So, from an employee benefits point of view, we've continued to accelerate our coverage, in terms of medical needs, medical incidents or any financial support during specific life events that our employees need. In addition, for some of our partners, an attractive vehicle ownership program for our riders or meals and accommodation provided at large facilities. We continue to make sure that our employee benefits keep our employees comfortable. From a fleet and rider safety point of view, again, we've been taking on a bunch of initiatives, be it fully GPS-enabled fleet, which ensures real-time visibility or structured driver training program, initiatives to reduce driver fatigue, etc. So again, we've been continuing to make sure that fleet and rider safety is of paramount importance and likewise under the roof safety.

So, certification in 100 plus gateways, AI-based camera sensing at mega gateways for real-time notifications. And then that is complemented with Delhivery academy training for making sure that all the safe practices are being used, early adoption of a LI battery. So, we've been doing all of that.

So, investing in employee benefits and safety, we continue to place utmost importance on this. I think in summary, before we get to the questions, we'd like to state that overall, if you look at the year, it's been a satisfying year. We've reinforced market leadership in core transport business, both Express and PTL, as you saw the profitable growth.

This has paved the way for new service build-out for deeper differentiation. We continue to focus on service to make sure that service excellence through targeted network and infra investments continue. We continue to solidify our proprietary tech and engineering moat so that we always stay ahead from a cost and service leadership point of view.

Financially, all of these, the profitable growth and the capital optimization has helped us make sure that this diligent cash flow accretion is driven by margin expansion and capital efficiency. We have a strong balance sheet, which enables disciplined organic and inorganic investments. And we continue to make sure that we have best-in-class welfare programs for our workforce and partner network.

So, in effect, we are signing off FY26 with strong fundamentals across every line of business. The core is profitable. The core is cash generative. SCS is pivoted. We have the balance sheet

and the conviction to build our next chapter. With that, I'll hand it over back to you, Dhruv, for questions and answers.

**Dhruv Jain**

Thanks, Vani. Anyone who wishes to ask a question may use the raise hand button on Zoom and I'll put you through. We'll wait for a moment till the queue assembles.

We have our first question from the line of Sachin Salgaonkar. Sachin, please state your organization name and request you to restrict your questions to two.

**Sachin Salgaonkar**

Thanks, Dhruv. This is Sachin Salgaonkar from Bank of America. Hi, Sahil and team, congrats on a great set of numbers.

I have a couple of questions. First question - would be great to understand what kind of an impact we could expect from an increase in fuel prices, both on consumption as well as cost. And we did see the comments from your shareholder letter.

But, Sahil, the question out here is, on the ground, we are picking up in certain areas, in certain pockets, Delhivery has increased pricing by rupees 1 to 2. So, I would love to get your thoughts on that. And the second question is, there are media articles about Amazon opening up its 3PL to get new customers.

We know Flipkart did that a few years back. So, I just wanted to understand what kind of an impact we could expect from this. Understand, these are not direct and big competitors at some level, but should we see an increased competitive intensity, especially with smaller customers like D2C brands and others, as in how Amazon and Flipkart look to scale up their 3PL business?

Thanks.

**Sahil Barua**

Thanks, Sachin. On the first one, on the impact of fuel prices on consumption and cost, first let's get to the price question. We have a natural pass-through process, where our prices are indexed to diesel prices at the pumps, especially in the PTL business.

This is an industry standard. And so, with the increase in the fuel prices, diesel price link contracts, obviously, we will see an inflation of price to our customers as well. This is a very standard mechanism.

It existed, you know, more or less since we began the PTL business, where the sensitivity to the increase in fuel price is higher than in the express business. In the e-commerce or express business, the relative sensitivity to increase in fuel prices is actually not as high. That said, we still are covered with DPH clauses, which are diesel price hike clauses with customers.

Those are evaluated on a customer-by-customer basis, really, looking at what our margins are, the volume share that we have with customers and so on. Where there are more direct pass-throughs, for example, our airlines had introduced a surcharge, obviously, with the cost of ATF going up. And those surcharges obviously got passed forward to customers.

So, I suspect the 1 to 2 rupees increase that you're seeing would have been immediately on our air shipping network. So, we continue to monitor this. There will be some impact, as pump prices have obviously gone up right now by about 3 rupees.

Those will get passed on to all of our customers. But there's no broad pricing increase that we have planned at the moment. The other is if you look at our margins in Q4, some of the increase in fuel prices had already begun to show up in Q4.

What we were able to do was to also organize further cost improvements in other areas of the network, which is why when you look at margins in Q4, overall margins in Q4 went up over Q3, which otherwise is sort of fairly unusual to see. So, we'll continue to find other areas to improve productivity, and continue to improve utilization of the network. And in cases where we're already covered, those prices will get passed on and all the others, we look at on a contract-by-contract basis.

In terms of the impact on consumption, it's too early for me to really comment here. There's been a 3 rupee increase in prices of the pumps. Obviously, there will be some headwinds on consumption.

But generally, the way I would look at it is that a more volatile, expensive environment is generally better for the market leader and generally better for Delhivery. Because what happens is that our relative cost advantages are larger. And so, as an example, when customers want to reduce their overall shipping bills, we've seen in the past that they would transition more volumes towards Delhivery.

So, hopefully, that will play out. But I think in terms of impact on consumption, etc., let things play out a little more over this quarter, and then I'll have a better answer for you. In terms of the second question, Amazon opening up 3PL, you've answered the question yourself, which is that this is old news, in a way, this has been tried before.

And I'm not really certain what strategic value it serves for anybody at all. Because the relative scale of Amazon's in-house operations compared to any client who onboards themselves onto Amazon Logistics is going to be absolutely minuscule, which is problem number one. So, how exactly do you get customer service at all?

The second is when it finally comes down to a process of deciding at the absolute last mile, which order has to be delivered when a rider has to make a choice and is running out of time. You know, the first party order is obviously going to get prioritized over any third-party order. That's the way first party logistics is designed.

And so, given the relative scale, it's never going to make any sense. And the other piece, of course, is that we mentioned this before. We've even published or we even put this out in the past, first party logistics is more expensive than third party logistics.

This is after factoring in the margins that we make. So, for most customers, I'm not entirely clear why they would willingly ship with any captive network, which is higher cost and does not have an ability to prioritize their interests. So, per se, I'm not really sure that this will make any difference.

I think this is just an old product in a new wrapper.

**Sachin Salgaonkar**

Got it, Sahil. Very clear. Just squeezing in a short question out here.

We heard a lot of comments in terms of AI, robotics, automation investments, what you guys are looking to make. Wanted to understand any impact on OpEx, either led by high inference cost on CapEx, we should expect on the back of this?

**Sahil Barua**

Not significant enough for us to have to report anything unusual. On the AI front, look, there's been a lot of, you know, people have been experimenting left, right and center across, variety of industries, even within logistics, but our approach has been more focused. One is our approach has been focused on making our technology teams themselves more productive outside of certain use cases within our operations.

So, the idea is that we can develop and deploy features internally faster than we ever used to in the past or something which would take, maybe three or four sprint cycles or five sprint cycles to do today can get done in one or two sprint cycles. Instead, that makes us more agile. So, that's been one key focus area from an AI standpoint specifically.

The other is we've used it very strategically in, for instance, in two areas. One is in reducing documentation. So, especially in PTL, when you want to manifest a consignment, there's a lot of paperwork that we need to go through and that's a productivity loss.

Now, that's an area where today most of it has become automated. Similarly, even communicating with end consignees, when you have scheduled deliveries to make or purchase orders that need to be relayed between the carrier and the consignee, all of those are now technology-led. And the other piece, of course, is in claims handling, where our overall claims handling process has become a lot more efficient.

We don't have to rely on human beings anymore to go through every claim that we receive. So, our productivity on claims handling, our accuracy of claims handling have both improved overall. So, that's been our focus from an AI standpoint.

No change in terms of the size of our, it's not like we need to increase the size of our technology team or our inference costs have gone up massively or anything of the sort. And what's happened is we've also been able to reduce the sizes of the teams that were earlier doing, for example, claims handling or certain parts of customer service and so on. On the industrial automation and robotics front, the key area that we are investing in, you know, there are several, but the one that I'd highlight the most is really AGVs within our mega gateways.

One of the reasons is, obviously, we've brought this up in the past. I think, you know, the labor situation in India continues to tighten. And our anticipation is that this will tighten further in the future.

And as a consequence of that, to maintain service reliability, the only option really for logistics companies, it doesn't matter whether it's Delhivery or anybody else, is really going to be the ability to have access to, high-grade industrial automation. And one of the areas where this is going to become particularly painful is in facility movement. I don't think we're getting to driverless vehicles or anything just yet.

So, it really is going to be in how you handle loads within hubs and how you load and unload large trailers. And that's where our investment focus has been. This has been done by an in-house team.

We launched Delhivery Labs about a year back. And we've gone from prototype to now being ready to scale up our AGV pilots. We have been doing this in Bombay so far.

This is going to be expanded to other mega gateways within this year. But again, it's not going to materially alter our overall guidance on CapEx. So, we've come down to 4.7% or thereabouts. We will get to our 4% target. At the moment, we're motoring a little ahead of the original plan. But neither the AI initiatives nor the robotics initiatives are going to materially alter our CapEx trajectory.

**Sachin Salgaonkar**

Super clear. Thank you and all the best. Thank you.

**Dhruv Jain**

Thanks. The next question is from Aditya Suresh. Aditya, please unmute your line and go ahead with your question.

**Aditya Suresh**

Hey, Sahil and team. Congratulations. So, the first one is on market share, right?

So, clearly, the sands have shifted compared to, say, 12, 18 months back. So, Sahil, I'd love to hear your thoughts and just zoom out, right? Like, one is broader market share, 1P versus 3P.

And then within 3P, kind of your own sense of where you stand at, even a broad range of how you think the market has evolved would be really interesting. That's the first question. The second is on your net working capital.

You've seen a really meaningful reduction there over the past, say, four years, and particularly in the past 12 months. What's been driving this, right? And particularly more recently, and what sort of impact is that having on your business?

Thank you.

**Sahil Barua**

Yeah, thanks, Aditya. Let me start at 30,000 feet and then see if I can work my way into the weeds. In terms of the overall market, after the Ecom acquisition, we had said at the time that the Ecom acquisition was happening that there were too many players in the express space.

So, the first thing I think is that overall, I think the markets are in a better place. It's more settled. What you're seeing is more stable, long-term competitive dynamics as opposed to short-term price gouging, which we were seeing, for a two-year period prior to this financial year.

So, definitely a better market structure for Delhivery overall. In terms of the shift from 3P to 1P, one of the large marketplaces which is now listed has anyway spoken about this publicly on their earnings call. I think the share of 1P has declined a little bit over the last year.

I have said this before, and I do maintain this, costs in 1P networks are higher than costs in 3P networks when fully loaded up. There's absolutely no question about that. The other thing to bear in mind in India is that we're seeing a raft of regulatory change.

You are seeing minimum wages going up. You are seeing gig worker laws coming into effect. We are seeing an interesting sort of moment in time when labor shortages and productivity-adjusted labor costs are inflating pretty fast.

And I don't think 1P networks are immune from that either. Earlier a lot of 1P networks would also get by outsourcing or outsourcing in inverted commas and therefore, regulatory being in a gray area. I think that also now disappears overall.

So, again, the cost pressures being what they are and with increasing fuel costs, the reality is that we should see a more benign structure for third-party logistics. Whether it's us or Shadowfax or Blue Dart or whoever, overall, we'll see a gradual shift towards 3P, which is what I've maintained for quite some time. In terms of the 3P market, I think we look at it two ways.

One is the key accounts or the three large marketplaces and then everybody else, which is the long tail of the market. Overall, as we look at the long tail of the market, our share of the market continues to be stable or actually probably has grown a little bit YoY. We are a dominant player in that segment and continue to be there.

And similarly, in different kinds of categories, which are important to us, for example, heavy shipping, which is something where, again, we have a fairly dominant market share. Within the three marketplaces, our share continues to be more or less stable. I know Shadowfax has declared pretty good numbers Q4 over Q4.

And I think that's down to large growth in a single account where we have certain caps. So, one of the things we do actively is to manage our relative client concentrations across the network for two reasons. One, obviously, is to make sure that we can deliver an absolutely consistent service level to all of our customers, because I've mentioned in the past that the big marketplaces tend to be pretty choppy in their volume profiles.

And therefore, we have certain mechanisms which allow us to meter their demand across our network so that we can maintain service quality not just for them, but also for our other customers. And that's something that has been very effective in Q3 and Q4, as a consequence of which our PTL volumes have grown very heavily. Because the more stable you maintain service levels across the entire network, the more your PTL and heavy and smaller customers reward you.

So, in terms of market share that really matters to us, I think we're absolutely fine. Overall market share, there may be minor shifts here and there, but nothing very significant. In terms of net working capital, I've spoken about this since the time Delhivery has gone public.

Our ambition has always been overall to reach free cash breakeven as soon as we can. I think original projections even internally suggested that we would be able to do this towards the end of fiscal 27. But this has been a key focus area for us across all our lines of business, Express, PTL, supply chain services and FTL.

There are multiple things that have driven this. One is again, the earlier question was around what we're doing from an AI standpoint. What we're doing, of course, is being able to bill extremely fast and extremely accurately, which we're able to do now, because our counter really begins, from the moment that a parcel is delivered.

So, all the way from billing efficiency to proper client selection over a period of time, the larger we've got, the more careful we've been with the clients we onboard. There are sometimes large RFQs that we don't participate in. For instance, in PTL or certain customers, we don't work with in Express, because we don't believe that their payment philosophies match Delhivery's requirements.

We've been more selective with that, and that has crunched working capital as well, overall. And with clients, we've also been able to work out arrangements where we bill them more than once a month in exchange, for either certain preferential pricing, which is net accretive to Delhivery. And so, all of these have contributed to the overall decline in NWC.

It's obviously very sharp. We're very happy with it, quite proud of it overall. And hopefully, we'll continue this into the next FY.

**Aditya Suresh**

Great. Thank you.

**Dhruv Jain**

Thanks.

The next question is from Vijit Jain. Please go ahead and unmute your line.

**Vijit Jain**

Yeah, thanks for the opportunity. So, first question, Sahil, just to build on the previous answer you gave on the D2C long tail side in Express Parcel. You said broadly stable market share here.

Would that be across, you know, your own direct efforts as well as the aggregator business that you get? And in general, you know, with all the investments that you're talking about making in product and everything, is there a path here for you to take your market share even higher than where it is right now?

**Sahil Barua**

Yeah, so it's across not just direct customers, but also aggregators. There's no question. We've gained a lot of share.

Growth in both those segments has actually been very high, whether customers come to us directly as SMEs or D2C brands or whether it's come via aggregators. And is there an opportunity for us to continue to gain market share within that segment? Absolutely.

One of the other ways that we have also gained market share with the SME segment specifically is with the Delhivery Direct application, where extremely small SMEs are shipping via Delhivery directly. So, this isn't even via the Delhivery One panel or via any direct integrations or so on.

**Vijit Jain**

Got it. And Sahil, second question on, you know, the working capital comment that you made. So, you know, as I think the slide mentions, when you get prepaid orders, when you get cash on delivery on them, that adjusts in your accounts receivable, right?

So, how much of the benefit this year has also been because, you know, the mix of prepaid orders that you may have been processing went up? And second, also because, you know, your supply chain services business obviously also has seen a lot of improvement. You've talked about shedding a lot of clients that were not accretive there.

So, how much of a role did these two things, you know, the client mix in supply chain and the client mix in Express played into this working capital improvement? And from a long-term point of view, is this 11 days broadly sustainable? That's my second question.

**Sahil Barua**

Yeah, I think 11 days is sustainable. I mean, it would be very difficult to crunch it precisely for one quarter, right? So, we are confident that it's quite sustainable.

Overall, net working capital improvements arise out of systemic investments in improving your billing, improving your collections processes, improving your relationships with your clients and your customers. It's not something that you can conjure up out of thin air. What you're seeing today is 11 days and it looks very impressive.

But I should, I'm duty bound to remind you that three years ago, this was 38 days. So it's been a long and arduous journey that our teams have been on over the last year.

It is something that we were pretty confident we would get to and here we are. Will it get better from here on? Hopefully, we continue to figure out ways of reducing NWC, which is billing faster, moving customers to prepaid.

But of course, there are limits to that because customers also want credit cycles. One of the things that we can, of course, do is potentially shift to weekly billing cycles with certain customers. But then at some point, the administrative costs of managing that become higher than the benefits that you can generate out of it.

So, we'll see. There are further benefits to be had overall for Delhivery as a business, of course, because our supply chain services business, even within our PTL business and our FTL businesses, total NWC days will continue to crunch over a period of time. We will do that.

In SCS, of course, it has been down to customer selection. But to be perfectly honest, the only big call that we took really was to not participate in mother warehousing for quick commerce. It's not like there were any other sort of major calls that we had to take.

We renegotiated contracts with a couple of existing clients, which has helped improve profitability as well. And also, in SCS, what's happened is as the business has matured, our own ability to bill accurately via our systems has improved. There's a period of time it takes while we integrate with a customer's billing processes.

When you go and do a hundred crore supply chain services contract with a customer, the reality is that integrating with their backend systems, their billing systems and so on takes a certain amount of time. So, what we're seeing really is the benefits of all of that accruing to the Delhivery now.

**Vijit Jain**

Thanks, Sahil. One last question, if we can squeeze in. So, you know, good to see supply chain services achieved breakeven in F26.

And you've talked about the pipeline going forward. So, this pipeline and the growth that you see from here, it would continue to be, would it continue to be service EBITDA margin accretive? And a related question, you know, in your new initiatives, you've talked about an investment of 130 to 160 crores over the next year.

Is this going to be all OpEx? And do you have a certain burn rate in mind for, you know, all of these initiatives outside of transportation and SCS? That's my last question.

Thank you.

**Sahil Barua**

Sure. I'll, you know, tee off the answer on SCS and then invite two of my colleagues to provide more color, which is Vani and Navneet who runs the SCS business. But the short answer to your question is the SCS pipeline margin accretive?

The answer is yes. There is an internal hurdle rate that every SCS project needs to pass. We do not pick up projects which do not meet that hurdle rate.

And we're now pretty accurate with our assessment of what the profitability of each SCS account is going to be. There may be a short-term impact on profitability when we start a customer up. Just a fundamental detail as an example, let's say for a customer, we need to create an 80,000 sqft site in some place, we may end up creating a 140,000 sqft site, because we anticipate another conversion from our pipeline.

And so, for a short period of time, that cost will appear on the SCS P&L. But individually, every client will meet their hurdle rate. That we're absolutely confident about.

And our pricing also, you have to understand as we've gained experience in sectors like consumer durables, auto, e-commerce and lifestyle, our ability to price accurately has also improved over time. And our ability to source transportation at the right prices has improved over time. So yes, the SCS business will continue to be margin accretive, which is one.

But Vani, Navneet, both of you are on this call. You know, Navneet, I think you're on this call. If you are, why don't you talk through the pipeline very briefly?

**Navneet Kumar**

Sure. Thanks, Sahil. So, as you pointed out, we've taken that journey to obviously improve our margins to where they are.

We will continue to maintain a disciplined approach in client selection and to make sure we manage our internal hurdles. And if you look at the pipeline as well, it's broadly in line with our focus sectors as well. So, we do expect and we will maintain that the pipeline and the sectors that we look at are going to be margin accretive.

**Vijit Jain**

Thanks. And if you can just talk about the new initiatives.

**Dhruv Jain**

Vijit, I'll request you to re-join the queue, please. Our next question is from Mukesh Saraf.

**Mukesh Saraf**

Yeah. Hi. Good evening.

Congratulations on the good numbers, Sahil and team. Sahil, my first question is on the comment you made about 1P to 3P. I mean, you've been telling this for quite some time that costs for 1Ps will be higher and probably we'll see, you know, 3Ps back or gaining back some wallet share.

I think in the fourth quarter we did see that happening. The question here is, you know, will you kind of continue to do, you know, what you're doing in terms of efficiencies and costs and wait for, you know, this phenomenon to continue to play out? Or will you try to kind of, you know, try and aggressively do this so that 3Ps continue to gain share, say, within Meesho, for example?

So, you know, will you just kind of wait for it to play out or will you look to try and get more there from, say, Valmo?

### **Sahil Barua**

Mukesh, you know, I think this question has been going on for a bit of time. Let me try and take a different tack to this. I think the problem is that when people look at the third-party logistics industry, I think Delhivery needs to be looked at a little differently, right?

First of all, there is no customer on whom we have a very significant dependence and therefore, we don't view our relationships with our customers as zero-sum games. And, you know, that doesn't matter whether it's Meesho or Flipkart or Amazon or whoever it is. I think they have their own reasons for ultimately continuing to persist with first-party logistics and their strategies change in response to the circumstances they face as they should, as does Delhivery's and everybody else's.

I think the reality is that first-party logistics does tend to be more expensive than third-party logistics. And over a period of time, one believes that if rational financial decision making is to be believed, people will move a certain amount of volume towards third-party logistics. Our job as Delhivery is merely to continue to do the best possible job that we can, which is reflected in our operating service levels, which is reflected in our operating efficiencies that we create over time.

And as we do that, customers reward us with their business. So, in some senses, I guess the question is sort of moot, there's no question of Delhivery either doing something violent to try and change a customer's mind or anything of this sort. I don't think that's possible.

I think customers make the right calls for their business. We are obviously very happy to be rewarded with the volume growth that we have seen. And with the additional volume that has shifted to us from the marketplace customers who run in-house logistics, we believe that it's a win-win for them as well, because we bring down their logistics costs, we provide a high-quality service to them and their customers, allow them to scale.

And not everything is about immediately just how do you pass a cost back, right? For if you're an e-commerce retailer, in fact, the reality is you're in a significantly more competitive environment than the third-party logistics industry, because you're all competing with each other for the same customer. And so, the person who delivers the best and highest quality experience at the lowest cost is the one who wins.

And so, in some senses, working with Delhivery is a win-win. And I think our big customers recognize that as well. So, we will continue to do what we are doing.

It doesn't make a very big difference to us, even if there are changes in their policies internally, quarter on quarter or, every six months or so. I think over the long arc of time, more volume will shift towards the third-party industry. It makes sense for that to happen organically over a period of time.

And also, you have to remember that at some point, all of our customers have to also think about where their capital is best put to use. The reality is that Delhivery is demonstrating that we have the ability to generate super normative returns on our investments in building hubs and building a line-haul network and integrating part-truck and express and so on. Now, I think our customers will over a period of time realize that it makes sense for them to reward us with that.

But I'll be honest, Mukesh, I've been saying this for three years now. I don't lose a lot of sleep over this and I don't think our customers do either.

**Mukesh Saraf**

Sure, sure, sure. Absolutely. I'll get that.

So, the second question is kind of related. You also kind of made a comment that the market is more settled right now. So, would we also kind of assume that further consolidation in the industry?

I mean, we did acquire Ecom Express, but if it's more settled, do you kind of, you know, kind of feel that now each of the players also now have strong, I mean, a decent footing and you'll probably not see any more consolidation in the industry? It will be more like an organic kind of an industry now, say, in the next couple of years or so.

**Sahil Barua**

I mean, I'm fairly sure you have a more specific question that you're trying to ask me, so might as well.

**Mukesh Saraf**

No, I mean, I mean, I mean, they're not too many other players. There's Xpressbees and there's maybe a couple of other smaller players. But just trying to understand, is there any more consolidation left in the industry, especially, you know, with your customers like Meesho, you know, looking at it more objectively between 1P and 3P.

So, then there will also be enough volumes for other 3Ps is what I'm trying to understand.

**Sahil Barua**

Yeah, look, the reality is that there are now three listed players in the express logistics space across ourselves, Blue Dart and ShadowFax. And we have maintained that that market structure seems sensible and appropriate. And we all also perform, for what it is worth. We are all inhabitants of the Express industry; we perform slightly different roles within that industry as well. But is there space for other players in this market? I've said this before, I don't think so.

I don't think Xpressbees has any structural advantages compared to the three listed players, and I don't see a reason for them to exist..

**Mukesh Saraf**

Got it. Got it. I got the answer.

Thanks a lot, Sahil. I'll get back in the queue.

**Dhruv Jain**

Thanks, Mukesh. The next question is from Aditya Mongia. Aditya, please go ahead.

**Aditya Mongia**

Hi, I hope I'm audible to you all.

**Sahil Barua**

Yeah, you are.

**Aditya Mongia**

Thanks, Sahil, for that.

So, Sahil, the first question I had was, as you've been talking on the call about there being room and the largest player, there's no concentration risk. Just want to kind of double click on that, as in last year, for the folio, it was about 16%, the single largest account for you in terms of revenues. Till what level is it okay for this number to go to? My sense is that this number would have crossed 20% in this year?

**Sahil Barua**

Yeah, I think it's a good question. Blunt answer, I think if any single customer were to cross 35% of revenues, and I don't really have a very scientific basis for that, to be honest, Aditya, but I think, let me put it this way, at the moment, while it's higher than the 16% that we were at last year, we are absolutely nowhere close to even my made up 35% threshold at this point in time. Okay.

So, it's not particularly worrying for us.

**Aditya Mongia**

And that's the right way to think about it, right? At the overall level and not at a segmented level, right? Or do you have a different view?

**Sahil Barua**

Yeah, the overall level is how we would look at it.

**Aditya Mongia**

Sure. So, the second question that I had was, on slide 8, wherein you talk about the ROICs, as in two parts to it. One is that there are different components beyond working capital.

So, are all of them kind of aligned to sales or how to think through them and related question if the 16%, as in, does it have a chance to go beyond 20% or not?

**Sahil Barua**

Yes, is the short answer. But Vivek, you're on the call. Do you want to go through this in some detail?

**Vivek Pabari**

Yes. Aditya, so, in terms of the other assets. So, the first is, the tax receivables will be a big amount here.

It is linked to sales. The security deposits are indirectly linked to sales because they correspond to our network facilities. And so, and then there will be a few large items which are more linked to corporate overheads.

So, they are, again, linked to sales. Everything is linked to sales at the end of the day, but not as directly linked as what say receivables is, payables is, or tax receivables is. Now, I think that was a factual question you asked, but did you have anything specific in mind when you said that they are linked to sales?

**Aditya Mongia**

One could see the working capital line items move fairly ferociously from 324 to 135. So, that's the question.

**Vivek Pabari**

Yeah. So, the things which are, say something like a security deposit, will also over a period of time improve as days of sales because as the network utilization increases, that number also goes down as a percentage of sales. The items which are linked to corporate overheads will certainly go down as a percentage of sales because corporate overhead themselves go down as a percentage of sales.

So, in a way, the capital intensity as a percentage of sales will go down for our transport business. Today, that capital invested is about 21.5% of revenue. I would think that this easily at least has a 2-3% points improvement potential on working capital as well as other line items.

The steady state ROICs, currently we are at 16%, but in a steady state, this number for our transport business can certainly go to 25% plus. A small contribution in that journey from 16 to 25% will come from this capital intensity improvement, which I said that 21.5% can go down by a couple of percentage points. But a big factor will be our overall profitability improvement.

The adjusted EBITDA, which is today at 6.3%, has a potential to go all the way up to at least 10%. And the drivers we have spoken about multiple times in the past, the Express and PTL service EBITDA getting closer to 18%. Express is already there, but PTL getting closer to 18%.

And the corporate overheads going down to, say, 7% of revenue, that takes the adjusted EBITDA to about 11% of revenue from the current 6%. So that will be the biggest driver of taking the ROICs from 16% currently to 25% plus for our transport business.

**Aditya Mongia**

Great to hear, those were my questions. Thanks for your response, Vivek.

**Dhruv Jain**

Thank you. The next question is from Abhishek Banerjee. Abhishek, please go ahead.

**Abhishek Banerjee**

Yeah, hi. Thanks for the opportunity and congratulations on a great set of numbers. So, first question is, sorry, I joined a bit late.

So, in case somebody else has asked it, please excuse me. But just wanted to understand, we are seeing this kind of growth in the industry. So, hello.

**Dhruv Jain**

Yes, Abhishek, we can hear you.

**Sahil Barua**

Please go ahead, Abhishek. We can hear you.

**Abhishek Banerjee**

Yeah, I'm saying we are seeing this kind of growth in the industry after a very long time, and the last time this kind of growth kind of happened, everybody kind of went into full CapEx mode, etc. And we saw what happened after that. Now, is there a chance of the CapEx intensity again increasing for the industry?

And how are you thinking about it going ahead?

**Sahil Barua**

I'm not sure what exactly you mean by everybody in the industry went into a CapEx intense mode.

**Abhishek Banerjee**

I am talking about, say, Ecom Express and XpressBees. We started really investing in CapEx. And I'm talking about FY23 or...

**Sahil Barua**

No, no, I don't think that's correct. I think they voluntarily set the balance sheets on fire, entirely separate circumstances. So that's a different issue.

I don't think anybody is going to get into an operating burn environment, which is what they did the last time around, and which is why one of them is no longer here with us. But if your question is broadly, because we are seeing growth in our Express network, is our capital intensity going to change? The short answer is no.

And the reason for that is that fundamentally, if you look at our CapEx, not that much of it is indexed to the Express business any longer. Our growth in tonnage from the PTL business and the heavy part of our Express network has been high. And that's been driving overall capital intensity.

And despite that, you can see that the trend of CapEx as a percentage of revenue has floated down from, I think, about, if I'm not mistaken, Vivek just help me out, 7.2% of revenue about three years ago to about 4.7% today.

**Vivek Pabari**

7.8 to 4.7

**Sahil Barua**

Sorry, 7.8 to 4.7. So absolutely no, we do not anticipate that because we are seeing larger volumes, there'll be a very big change in our capital intensity. I think we've learned how to improve our network utilizations.

That will continue, you know, and will we have to launch more mega gateways over a period of time? The answer is probably yes, but as a percentage of our base capacity, that's going to be now smaller and smaller than it was at the start. So that's one.

And in terms of whether other players in the industry will dial up their capital intensity,, I don't think that's very likely because most of them don't run integrated networks in the first place. I think there's some CapEx that will be required by players who want to enter the heavy space or who want to quickly ramp up overall sortation operations or so on. I'm not very sure.

But if your question is, are we going to see irrational pricing the way we saw three years ago or four years ago? I think the short answer to that is no, because everybody's seen that movie and knows how it ends.

**Abhisek Banerjee**

And you don't expect, say, Amazon also to get aggressive. I mean, given, you know, they did kind of do some press announcements, etc. You don't see any renewed threat from there, right?

**Sahil Barua**

You know, if only businesses could be built off press releases, but I don't think so.

**Abhisek Banerjee**

Got it. And just one last question. What do you think, you know, one should be building in for, you know, express growth over the next couple of years?

Because there seems to be some sort of bounce back in e-commerce, in the business overall, even, you know, if we net off the effect of insourcing going down. So, what is the right number two kind of thing from a medium-term perspective?

**Sahil Barua**

You know, on a much lighter note, I'm thrilled about the fact that we finally have a listed e-commerce company in India, who is much better positioned to answer what industry growth for e-commerce will look like over the short and medium term compared to the downstream beneficiaries of it like Delhivery. But, on behalf of our customers, I can tell you that we anticipate that they should see nothing less than 20% kind of growth rate, 15 to 20% growth rates for the industry as a whole. That's at least what our numbers seem to suggest.

You know, inter-se share of different customers keeps changing basis, whatever their objectives are for the financial year. But I think e-commerce as a whole growing at 15 to 20%, we've consistently maintained that we think that that in India is, is the likely growth rate into the medium term.

**Abhisek Banerjee**

Well, thank you so much. Thanks so much, Sahil.

**Dhruv Jain**

The next question is from Ankita Shah. Ankita, please go ahead.

**Ankita Shah**

Yeah, thanks for the opportunity. My question is on your planned investments on new businesses like Delhivery Direct, Delhivery Rapid, you know, how are you looking at the scale

up on those businesses and what kind of investment can we expect in the next couple of years? And how do you see it panning out in future?

**Sahil Barua**

Well, I mean, very optimistically, Delhivery Direct is our intracity on demand logistics service. Via the Delhivery application, we provide not just the intercity service, but also the intra-city service. The intra-city service is now live in six cities.

The intercity service has been live for a while. The intercity service, of course, is really no different from our parcel service, except it's targeted at very small businesses and consumers and is margin accretive. The reality is when combined with our intracity business Delhivery Direct actually, as a whole, is probably profitable.

But we report the intercity segment within our express vertical as a whole and intracity separately. Why we're doing intracity is pretty simple. It's the same logic as what we have used for all the businesses that we have built over time, which is that we look at whether Delhivery itself, first of all, is a large consumer of the service that we intend to launch.

And the answer over here is yes. Because we ourselves require on-demand logistics across our distribution centers, our service centers, our fulfillment centers when we're delivering, for example, for our SCS customers and so on. And so, it made sense for us to build the on-demand intracity logistics capability, which is what we're in the process of doing.

And then, of course, as we've done in the case of PTL in the past, in the case of FTL in the past, the idea is when a service reaches a certain amount of critical demand that we're convinced we can generate ourselves, we also externalize it and open it to external customers, which is what we're in the process of doing. At this point in time, I think in fiscal 26, we have invested about 76 crores, a large portion of which has been towards the on-demand intracity service. Our anticipation of the investment for fiscal 27 is broadly between about 130 and 160 crores that we've guided to in our shareholder letter as well.

I think this gets us to north of about a 200-crore run rate in terms of on-demand intracity logistics. This will, of course, not include the services that this division provides to Delhivery internally as well. So, this is purely the external GMV that we anticipate we will be able to generate.

So pretty optimistic. I think on-demand intracity is a very large space and it's a very underserved space. There are a few players in this.

Porter has obviously done a very good job servicing this space and there's room for Delhivery as well to play.

**Ankita Shah**

Would you be able to quantify how big would be the TAMs in this segment?

**Sahil Barua**

No, and I think as with all things in India, nobody really knows what all these TAMs actually are. I can just tell you that it's very, very large. There are millions of commercial vehicles that fly across all of these cities.

You can multiply them, whatever number you think is appropriate for the number of LCVs that are there in India multiplied by maybe 2000 rupees a day and that's going to end up being the TAM. But suffice to say, it's a very large, you know, sort of single, if not low double digit billion-dollar market.

**Ankita Shah**

Got it. Thank you so much. Thanks, and all the best.

**Sahil Barua**

Thank you very much.

**Dhruv Jain**

Thanks. The next question is from Atul Borse. Atul, please go ahead.

**Atul Borse**

Hi, team. Congrats on a good set of numbers. So, I have two questions specifically.

First, on the FCF positivity, I just wanted to know that while in OCF, there will be a benefit from Ecom acquisition. So just wanted to get a sense that if we exclude the benefit from this, will we still be FCF positive in FY26? That's my first question.

And the second question is on your fleet size, which has seen a drop on a Q&Q basis as well, despite we're doing a higher PTL tonnage. Is there like an increase in our tractor-trailer efficiency or is this deliberate like right sizing after the integration? Those are my two questions.

**Sahil Barua**

I'm not sure I understood your first question. Your first question is if Ecom Express acquisition, sorry, what impact does Ecom Express have on our platform?

**Atul Borse**

After consolidation, there will be a benefit from, let's say, the volume flowing and integration. If that would have not been there in the OCF, will we still be FCF positive that I wanted to know.

**Sahil Barua**

So, if I understand your question right, you're saying if we had done lesser volumes than we had done today, would we still be free cash positive? I mean, that has nothing to do with Ecom Express, right?

**Atul Borse**

Okay.

**Sahil Barua**

I mean, if we had done significantly lower volumes with significantly higher CapEx, we would not have been free cash positive. The important thing over here is that we are free cash positive.

**Atul Borse**

All right. And on the second...

**Vivek Pabari**

Sahil, if I may add here, Atul, actually the reality is the other way around. Ecom Express related cost we have incurred, the integration cost, the OCF has actually been brought down by those costs. Had there not been those costs, our actual core business free cash flow would have been meaningfully higher than the 89 crores number.

**Atul Borse**

Yeah, that's what I wanted to know actually, that the acquisition has been breaking down the cost or not. And thanks for that. And on the second question, like are you seeing any efficiency in tractor tailors or this is the like fleet size on a steady state basis?

**Vivek Pabari**

I'll take that. I think you are referring to the KPI slides in the appendix and you are referring to the fleet size daily average number going down from 21 to 20,000. This is just the vendor fleet that we use on a daily basis.

And we use two kinds of fleet. One is actually the contracted monthly fleet and then the other is a variabilized fleet where the partners bring their own vehicles and we pay them on a per kilo basis. This number includes only the first type of a fleet.

The mix between the two kinds of fleet keeps changing quarter on quarter depending on the geographical mix of volumes or depending on the client mix of volumes. And so, the only reason you see this fleet is going down is because the share of that per kilo fleet has actually gone up. It has nothing to do with our tractor trailers.

That's not included here. Our tractor trailer count has actually gone up QoQ.

**Atul Borse**

All right. Thank you. Thank you for the answer.

**Dhruv Jain**

Thanks. I'll ask a question, Sahil. So, you know, with, you know, crossing 10,000 crores in revenue now in this year and over the last three or four years, what we've seen is that you've really dominated the roadside of things.

Do you think the organization is, you know, or thinking about getting into other modes of transportation? We've seen that you made a, you know, entry into air, but is it the right time to get into maybe something beyond road in a big way? Or do you think that road still offers a very large opportunity?

**Sahil Barua**

It's a good question, Dhruv. I think road still offers a very large and untapped opportunity for Delhivery. You know, no matter which economy you look at around the world, road is the predominant sort of, you know, transportation option.

And specifically in India, the relative advantages of road are, let me put it this way, there's a general belief that as you sort of start getting to mid and long distances, for instance, that rail and air can become more competitive. The one of the advantages of India is that our distances are not large enough for alternate modes of transport, whether it's rail or whether it's air, to be very significant, you know, the trucking times themselves are actually not that long, you can truck from Delhi to Bombay, for example, on our tractor trailers within about sub 20 hours. And so relatively speaking, there's no massive incentive to move towards rail.

The other problem when you look at rail in India, and I'll go, I know you didn't ask the question specifically about rail, but I'll break it up as road, rail and air. So, when you come to rail, the other problem in India, of course, is the railway system and when you look at where railheads are, for the most part, they're not designed around a cargo carrying capacity. They're really designed to ferry passengers.

Of course, if you were doing things like commodities, or if you were doing agri, you know, a captive rail network is an entirely different proposition. But that's not a business that Delhivery is in. So, the business that we are in, you know, I think road is predominantly sort of going to continue to remain the focus.

In terms of air, it's an interesting question. I think Delhivery certainly does have the baseloads across our entire network to make a larger air network viable. We continue to fly commercial passenger belly.

And at the moment that continues to suit our overall requirements. Also, the problem in air, of course, is that running a subscale fleet of air freight doesn't make any sense. So, Delhivery by itself entering air freight would not be very sensible because, you know, the cost of running a four-plane network or whatever, or a six-plane network would be too high.

I think over a period of time, we will look at partnerships with airline companies and see if we can get them to work with us on strategic ventures in air cargo. And that's something that we continue to explore. Of course, in India, choices are relatively limited.

And of course, the reality is that right now, the airline industry has a lot to think about. So, it's not an immediate priority. We'll continue to do passenger belly.

And we continue to expand the routes that we operate in.

### **Dhruv Jain**

Okay. And my second question is, you know, is on the PTL side of things. So, over the last two or three years, we've seen that you've done extremely well in terms of gaining market share.

But there's still some gap between you and the number one player. So, you know, I just want to understand in terms of capability, in terms of positioning, do you think that now you have all the ingredients in place to kind of chase that? Or do you think that there are certain things that you'd still want to add?

### **Sahil Barua**

Well, I think, you know, the answer is in your question itself, right? The fact that we have everything that we need to achieve a leadership position in PTL is something that we've demonstrated over the last three years, both in terms of being the fastest growing player in our business. Again, Varun's on this call, so he'll talk through specifics.

But we've gone from about two and a half years back or two years back, maybe sub 300,000 tons of freight, something like 280,000-290,000 tons of freight to something like 550,000 tons of freight in this quarter. And our gross margins have gone from 14% to 28%. So, you know, we've doubled margins and grown the business 1.8 times over the last two and a half, three years. So obviously, the capabilities that we have are valuable to the market. We're pretty

confident that we will continue to be the fastest growing player in this space. But Varun's on this call, and this is an important business, and it's a good question.

So, he should certainly weigh in.

**Varun Bakshi**

So, I think Sahil, you have answered it. I think, Dhruv, on this, the playbook is there, right? The playbook, it's not a one or two quarter affair.

It's been two, two and a half, three years of us consistently doing that. We just have to keep on repeating that, get the BD guys at the right place, reach out to the right customer, keep on having those conversations, make sure a customer who, let's say, has 500 units of business to offer starts with 2, 3, 4, 5 units, whatever it is, increase your wallet there and get into that cycle with every possible customer who's out there. So, I think, in terms of product or service, whatever you want to call PTL as, I think there, we have a fair bit of control on what's happening.

We are able to gain share of wallet and do the right thing in terms of margins. At the same time, we just have to keep on doing what we have been doing over and over again at multiple geographical locations.

**Dhruv Jain**

Great. Thanks a lot, Varun and Sahil. That brings us to the end of the call.

So, Sahil, any closing comments?

**Sahil Barua**

No, thank you, Dhruv and the Ambit team for hosting us this evening. And thank you to everybody who's joined the earnings call. I know it's a Saturday evening.

So really appreciate everyone joining and for your questions. Overall, very satisfied with the closing to FY26. Getting past 10,000 crores is obviously one milestone.

The second was a billion orders in e-commerce. The other was 2 million tons of freight in PTL. And the biggest one that we're very happy about is having turned free cash positive.

So, several of the themes that we've been talking about over the last three years, hopefully, this is a culmination of all of those moves. And you can see that they've played out. So, we're well set up for fiscal 27.

I know it's been a volatile start. So, we'll see how it goes. Thank you.

**Dhruv Jain**

Thanks, Sahil. Everyone, you may now disconnect the call.

*Disclaimer: This transcript has been edited to remove any grammatical inaccuracies or other inconsistencies that might have occurred inadvertently while speaking.*