DELHIVERY

Date: May 16, 2026

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 financial year ended March 31, 2026

Dear Sir/ Madam,

Please find enclosed herewith the letter to shareholders dated May 16, 2026 on the financial results for the quarter and financial year ended March 31, 2026 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 Vipin Rawat
Digitally signed by Madhulika Vipin Rawat
Date: 2026.05.16 16:59:50 +05'30'

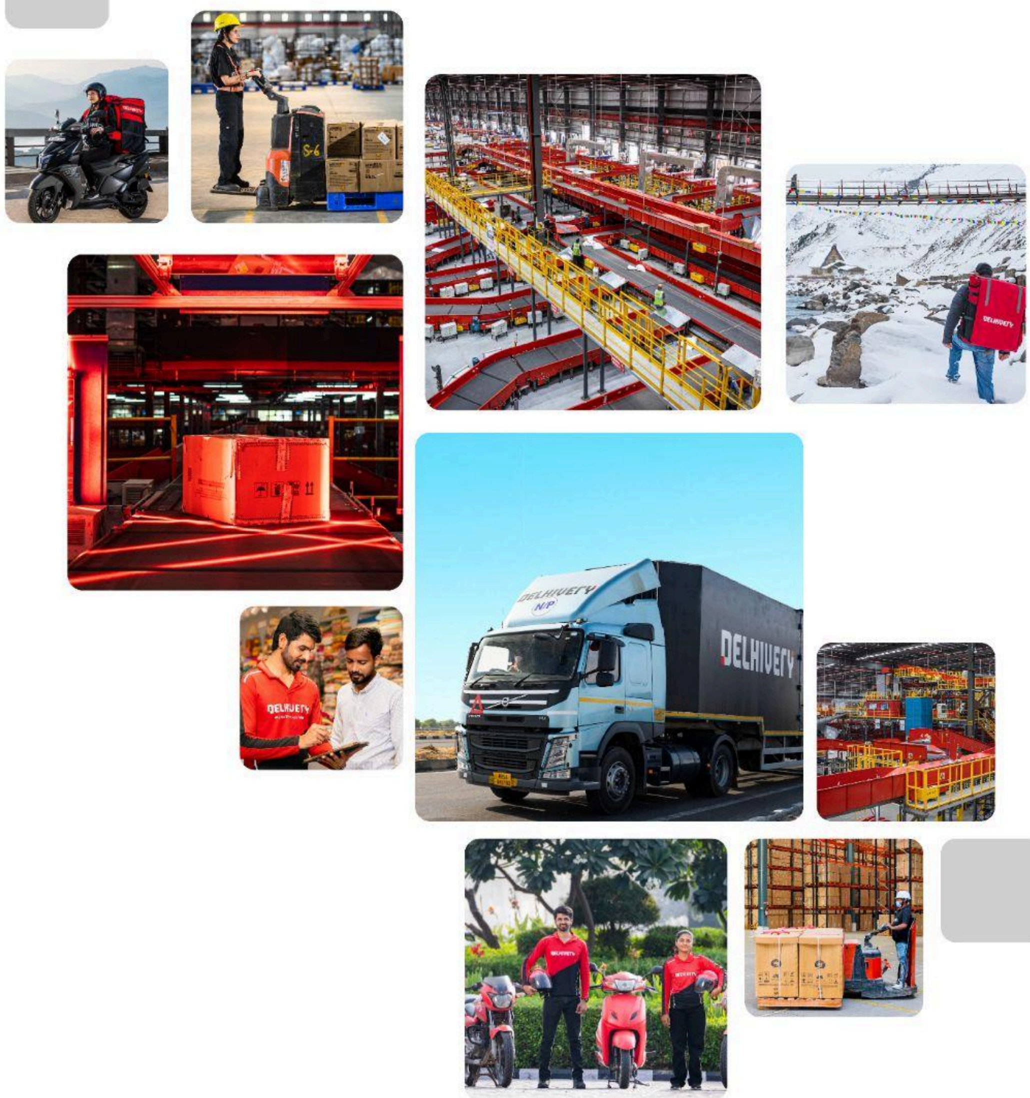
Madhulika Rawat
Company Secretary & Compliance Officer
Membership No: F8765

Encl.: As above

DELHIVERY

Letter to Shareholders

Q4FY26



Dear Shareholders,

We are pleased to present our results for Q4FY26 and FY26. We close FY26 on a strong note, with revenues of Rs.10,486 Cr. More importantly, Delhivery turned free cashflow positive, driven by volume growth, margin expansion through operating leverage and disciplined cost control despite an inflationary environment, and continuous reduction in capital intensity. Our team is proud of having delivered this milestone earlier than originally forecast and while simultaneously increasing investment intensity in our new businesses.

Delivering our first billion e-commerce orders took us 10 years since inception. We delivered over 1 billion e-commerce parcels and ~2 million metric tons of freight in FY26 alone, underscoring our market leadership and the sharp acceleration of our core Transport services over the last year.

Overall revenue from services stood at Rs.2,848 Cr in Q4FY26 (+30% YoY) with Adjusted EBITDA of Rs.151 Cr (5.3% margin), reported EBITDA of Rs.231 Cr (8.1% margin) and PAT of Rs.87 Cr prior to exceptional items and integration costs. Consolidated Q4FY26 PAT stood at Rs.72 Cr after accounting for Ecom Express related integration costs. FY26 revenue from services stood at Rs.10,486 Cr (+17% YoY) with Adjusted EBITDA of Rs.457 Cr (4.4% margin), reported EBITDA of Rs.764 Cr (7.3% margin) and PAT of Rs.347 Cr prior to exceptional items and integration costs. Consolidated PAT was Rs.153 Cr after accounting for Ecom Express related integration costs and exceptional items.

Notably, we delivered 306 million e-commerce shipments in Q4FY26, an encouraging sequential increase that stands in contrast to the usual trend of lower volumes seen post the festive Q3 period. We believe this is an indicator of the underlying service quality as well as the inherent, unique structural economics of our network that are particularly differentiated in volatile and inflationary environments. We also continued to be the fastest growing PTL network in the country, delivering a record 549K MT of freight (+20% YoY, +8% QoQ) in Q4FY26.

Q4FY26 Express Service EBITDA margin improved to 18.8% (v/s 15.9% in Q4FY25) - establishing firmly the structural margin potential in this business. PTL Service EBITDA continued its margin improvement trajectory to 13.4% (v/s 10.8% in Q4FY25). Overall Transport (Express + PTL) Service EBITDA margin expanded to 17.5% in Q4FY26 (vs 14.4% in Q4FY25). Our SCS business delivered significant margin improvement in FY26 and we commenced operations for two large clients in the consumer durables and engineering goods segments, apart from winning multiple mandates in the lifestyle and e-commerce segments. Our focus going forward is on monetizing our healthy pipeline of over Rs.1,800 Cr.

We have materially dialed up investments in technology, robotics and industrial automation in FY26 and expect this to further gather momentum in FY27. These investments are critical for us to maintain network quality and economics in the face of tightening labour markets and rising productivity-adjusted labour costs, rapidly changing regulations, volatile global energy markets and rising climate risks. Outside of driving improvements in operational efficiency in processes such as documentation, customer service and claims management, our technology teams' primary thrust remains the embedding of AI across our product development process, thereby reducing the time and cost of deploying new technology capabilities.

In summary, Q4FY26 bookends a strong year marked by an industry-defining acquisition and material improvements in financial and operating outcomes. While FY27 has started with significant geopolitical risk, we remain confident in our structural capabilities and long-term objectives. As always, we remain committed to being disciplined and thoughtful stewards of your capital and thank you for your continued trust and support.

We have addressed key questions about operational and financial performance in Q4FY26 and future outlook below.

Q4FY26		FY26	
Rs.2,848 Cr Revenue from services YoY: 30.0% / QoQ: 1.8%	**Rs.231 Cr / 8.1%** EBITDA / margin Q3FY26: Rs.234 Cr / 8.4% Q4FY25: Rs.119 Cr / 5.4%	**Rs.10,486 Cr** Revenue from services YoY: 17.4%	**Rs.764 Cr / 7.3%** EBITDA / margin FY25: Rs.376 Cr / 4.2%
Rs.57 Cr / 2.0% EBIT / margin Q3FY26: Rs.66 Cr / 2.4% Q4FY25: Rs.(23) Cr / (1.1)%	**Rs.87 Cr / 3.0%** PAT / margin Q3FY26: Rs.110 Cr / 3.8% Q4FY25: Rs.73 Cr / 3.1%	**Rs.119 Cr / 1.1%** EBIT / margin FY25: Rs.(159) Cr / (1.8)%	**Rs.347 Cr / 3.2%** PAT / margin FY25: Rs.167 Cr / 1.8%

16.0%	**Rs.89 Cr**	**Rs.4,555 Cr**
Transport ROIC(1) (FY26)	Free Cashflow(2) (FY26)	Mar'26 Cash Balance

Note - Excludes impact of Ecom integration costs and exceptional items;
(1) ROIC = Adjusted EBIT / Tangible invested capital. Refer FAQ #10 for details
(2) FCF = Cashflow from Operations - Capex outflow - Payment towards lease liabilities. Refer FAQ #1 for details

1. Delhivery turned free cashflow (FCF) positive in FY26. What has driven this and how do you think about the sustainability and trajectory of FCF generation from here?

We achieved the positive FCF milestone faster than originally forecast by 3-4 quarters. This has been underpinned by three key levers that our teams have been delivering consistently over the past few years:

a) Increasing operating scale driving margin expansion. Adjusted EBITDA has improved from 0.9% in FY24 to 4.4% in FY26
b) Reduction in capex intensity from 7.4% of revenues in FY24 to 4.7% in FY26, well in line with our overall guidance of stable capex intensity of ~4% of revenues in the long-term
c) Continuous improvement in our net working capital cycle from 28 days as of Mar'24 to 11 days as of Mar'26

Rs. Cr		FY24	FY25	FY26
Net Cash from Operating Activities	**A**	**472**	**567**	**911**
Cash generated from / (used in) operations		**510**	**593**	**935**
Operating Profit/ (loss) before working capital changes		*495*	*617*	*900*
Changes in Net assets		*15*	*(25)*	*35*
Direct taxes paid (net of refund)		*(37)*	*(25)*	*(23)*
Net Cash from / (used in) Investing Activities		**(99)**	**(104)**	**(479)**
Net Cash from Investing in treasury instruments		*444*	*372*	*1,215*
Net Cash used in capital expenditure	**B**	(468)	*(476)*	*(405)*
Net Cash used in M&A		*(75)*	*0*	*(1,288)*

Net Cash from / (used in) Financing Activities		**(366)**	**(432)**	**(532)**
Net Cash used in interest and principal portion of lease liabilities	**C**	(277)	*(343)*	*(417)*
Net Cash used in other financing activities		*(89)*	*(89)*	*(115)*
Net Change in cash		**7**	**31**	**(99)**
Net foreign exchange difference		*0*	*1*	*5*
Opening cash balance at the beginning of the period		**295**	**303**	**336**
Closing cash balance at the end of the period	**i**	**303**	**336**	**242**
Cash equivalents at the end of the period	ii	5,141	5,157	4,313
Cash & Cash equivalents at the end of the period	i+ii	**5,444**	**5,493**	**4,555**
Free Cashflow (FCF)	**A+B+C**	**(273)**	**(252)**	**89**
Adjusted EBITDA %		**0.9%**	**1.7%**	**4.4%**
Capex as % of revenue		**7.4%**	**5.2%**	**4.7%**
Net Working Capital days		**28**	**22**	**11**

With increasing volume scale and continued cost improvements, we expect overall Transport margins to continue to improve, especially in the PTL business. Adjusted EBITDA margin is expected to expand to 10%+ over the next 8-10 quarters. Steady-state capex is expected to settle at ~4% of revenue and we anticipate improvements in working capital to sustain. Given positive momentum on all three fronts, we do not expect deterioration in free cash-flow trajectory, even while continuing to fund investments in new areas and deepening investments in technology and engineering.

2. Q4FY26 Express volumes have hit a new peak this quarter. Historically Q4 volumes have been lower after the festive surge during Q3. What is the outlook for e-commerce volumes going forward?

While Express volumes typically moderate in Q4 following the festive peak of Q3, we delivered a record 306 million orders in Q4FY26. The operating environment in Q4 and going into Q1 has remained volatile and inflationary. Disruptions due to the Iran war have led to inflation in input energy costs, labour supply has tightened owing to state elections and labour costs continue to inflate with changes to minimum wages and regulation. Inflationary environments and increasing regulation have typically altered industry structure favorably for us in the past, with clients and partners both choosing to work with a stable, long-term network with structural speed, quality and financial advantages.

While quarterly volumes may vary in the short term, we remain confident of a sustained 15-20% annual growth trajectory over the medium term as long as we continue to maintain our unique combination of network speed, service quality and cost leadership.

3. Do you anticipate significant changes to yields going forward?

As highlighted previously, Express yield is driven by shifts in shipment mix during the quarter. This includes customer mix, shipment weight profile, origin–destination distribution of volumes (zone mix), average haul length, transport mode (surface v/s air) and payment type (prepaid vs COD). Average shipment weights have declined YoY by >10% and while absolute volumes have shown robust growth, overall share of Heavy volumes in the network has reduced after our acquisition of Ecom Express.

As we have demonstrated previously as well, yield movement has very limited impact on profitability, since weight and distance-linked costs adjust correspondingly. This is reflected in Q4FY26 performance, where despite a 4% QoQ decline in yield, Express Service EBITDA margins expanded to 18.8% (vs 18.1% in Q3FY26). For FY26, Express Service EBITDA margins have expanded to 17.2% (vs 16.2% in FY25), despite a 10% YoY decline in yield.

4. PTL volumes have consistently grown faster than other industry participants. What is driving the steady outperformance in PTL?

   Freight buyers are sensitive to delivery speed, delivery quality (damages, short deliveries) and network reach. Our focus has been on delivering best-in-class performance across all three dimensions, with our integrated network providing a structural advantage in solving for both speed and direct reach for freight clients. This is reflected in our PTL volumes growing from 384K MT in Q4FY24 to 549K MT in Q4 FY26: an increase of 43% in 2 years.

   In parallel, we continue to expand our direct sales and servicing footprint beyond metro cities, enabling customer acquisition in new geographies and diversifying our customer base. New business development is increasingly becoming a material proportion of our monthly growth, beyond SoW gains with existing customers owing to our consistent network speed and service quality. We remain confident of maintaining 20%+ annual growth in PTL volumes in the near and medium term.

5. PTL margins continue to expand in line with guidance. How soon do you expect to reach full potential margins?

   We have consistently guided to a 16-18% Service EBITDA margin across both Transport businesses. Our Express business already operates at this normative margin. PTL Service EBITDA has expanded from -8.5% in Q1FY24 to 13.4% in Q4FY26 - a massive improvement of 22% points over 12 quarters. In terms of absolute margin, PTL generated Rs.248 Cr of Service EBITDA (11.0% margin) in FY26 versus Rs.101 Cr in FY25 (5.4% margin).

   Margin expansion in the last 3 years has been a consequence of several deliberate actions. Our customer mix continues to improve, with increasing contribution from SME and retail customers. This has driven yield expansion and higher profitability. We continuously review and reprice unprofitable accounts and freight lanes and do not participate in unprofitable RFQs with enterprise clients who do not view supply chain as a strategic priority, irrespective of the volume opportunity. Expanding our sales team has also allowed us to develop business in previously under-utilized freight segments within our network, further driving operating leverage and margins. We do not anticipate any structural changes to this trajectory of margin improvement as we continue to gain market share.

6. While we have delivered significant margin expansion in SCS, what is the recent progress on the client pipeline? When do you expect revenue growth to revive in the SCS business?

   Following the exit from lower-margin contracts and end-client industries, our Supply Chain Services (SCS) business has seen expansion in Service EBITDA to Rs.79 Cr (10.9% margin) in FY26 from Rs.20 Cr (2.2% margin) in FY25. We have built up a strong pipeline of over Rs.1,800 Cr across consumer durables, auto, FMCG, lifestyle, chemicals and e-commerce clients. The typical conversion timeline for large-scale SCS mandates ranges between 2-3 quarters from the solution development to contracting stage, with an additional quarter for full-scale roll-out as technology integration and physical integration processes are executed.

7. How are the new businesses scaling up? What is the expected investment in new initiatives in FY27?

   Delhivery Local, our on-demand intra-city logistics service is operational in 6 cities. We closed FY26 with an annualized revenue run rate of ~Rs.60 Cr and improved contribution margins. We expect to cross Rs.200 Cr in annualized revenue run rate from this vertical in FY27, with deepening of the service in existing cities as well as new city launches.

Delhivery International, our economy Air Parcel service launched in December 2025, is live in 4 destination countries - offering both SMEs & enterprise customers an integrated, seamless and cost efficient service to US, UK, Canada, and Australia. While the Iran conflict has delayed our planned GCC expansion, our overall FY27 launch pipeline remains intact, with 10 destinations expected to be launched by Q2FY27.

Delhivery Financial Services (DFS) is in the process of developing a suite of financial services including insurance and lending to fleet owners and MSME shippers, who remain largely underserved by traditional financial institutions. This will enable bringing them into the larger Delhivery network as direct service providers to us or to our clients, via our FTL, SCS or TMS (OS1) businesses.

During FY26, we cumulatively invested Rs.76 Cr into the setup and launch of these new businesses. These investments will continue into FY27, with a planned investment outlay of ~Rs.130-160 Cr.

8. What has driven the increase in corporate overheads?

Corporate overheads in FY26 have increased in absolute terms over FY25, while it is stable YoY as a % of revenue. Increase in corporate costs has been driven by expansion of our regional sales teams, ongoing technology spends towards building infrastructure for the larger scale of our Transport business, business performance linked variable pay increases and investments in our AI initiatives (covered later). We have also pulled forward some spends, especially expansion of our sales teams, in line with our growth plans for FY27.

Overall, corporate overheads have reduced to 9.3% of revenue in FY26, from 10.6% in FY24. We expect overheads to stabilize overall at 6-7% of revenue in the medium term, as we have guided previously.

9. How should one interpret the business-wise Adjusted EBITDA disclosures versus Service EBITDA, which was the previously used metric?

Service EBITDA reflects operating performance of each business before allocation of corporate overhead costs. Our Transport businesses have achieved significant scale, with Express operating at steady-state Service EBITDA margins and PTL steadily approaching steady state margins as well. We believe both businesses are at a juncture where ROIC is the right performance metric. We have structured our businesses to deliver 25%+ ROIC in steady-state and in an endeavour to help investors understand the current and potential ROIC trajectory, we are initiating annual disclosure of Transport ROIC.

Towards this, we are also initiating disclosure of business-wise Adjusted EBITDA, which has been an internal measure to reflect fully-loaded business profitability. This is calculated after allocating corporate overheads to each business. In FY26, of the total Corporate Overheads of Rs.968 Cr, Rs.838 Cr (87%) was allocable to Transport, Rs.79 Cr (8%) was allocable to SCS and Rs.51 Cr (5%) was allocable to the FTL and Cross Border businesses.

Given the integrated nature of Express and PTL and their similar steady-state Service EBITDA margin profile, the two businesses are increasingly evaluated internally on a combined basis, with several of the network and resource allocation decisions now taken for the two as a whole. Therefore, we have provided a combined Transport Adjusted

EBITDA and over the next few quarters will consider it as a key profitability metric for our future disclosures, especially as PTL Service EBITDA profitability reaches its steady state target of 16-18%.

10. What are the key elements considered in calculating ROIC for the Transport businesses?

Transport ROIC has been calculated based on Adjusted EBIT and tangible allocable invested capital. The tangible invested capital includes net tangible assets, working capital, security deposits and other net assets on the balance sheet. It excludes only Right of Use (ROU) assets, Cash & equivalents and Intangible assets (including Goodwill).

The exclusion of ROU assets is deliberate and important. These are recognized under Ind AS 116 as the present value of future facility rent payments. These do not represent invested capital. It is important to note that capital actually deployed at these facilities, e.g. in-facility capex including racking, automation, fit-outs etc. and security deposits, remains within invested capital. Rent of these facilities is **fully** reflected as an operating expense in Adjusted EBIT.

Cash & equivalents are invested in treasury instruments, earning finance income (recognized below Adjusted EBIT). Intangible assets (including Goodwill) are created primarily on account of acquisitions, reflective of long-term strategic potential.

For FY26, the total tangible invested capital in the Transport business was Rs.1,925 Cr. With Adjusted EBIT of Rs.308 Cr, the Transport business delivered a healthy ROIC of 16.0% for FY26, a sharp improvement over FY25.

(Rs. Cr)	**Transport**	
	FY26	FY25
Net block (Tangible assets) (A)	1,507	1,122
Working capital (B)	135	324
Security deposits (C)	205	149
Other net assets (D)	78	34
Total tangible invested capital (E = A+B+C+D)	**1,925**	**1,630**
Adjusted EBITDA (F)	561	264
Depreciation on tangible assets (G)	252	179
Adjusted EBIT (H = F-G)	308	85
ROIC (pre-tax) (H/E)	**16.0%**	**5.2%**

As our execution on Transport has demonstrated, once critical scale is achieved, the margin and capital intensity profile of each of our newer businesses would lead to 20%+ ROIC as well. Some of our new businesses, particularly Delhivery Local, at scale, will have low balance sheet capital intensity and therefore will be highly accretive to overall ROIC.

11. How have recent geopolitical developments impacted the business? Have you seen any spillover from recent trade disruptions on underlying customer demand?

Despite energy disruptions owing to the conflict and disruptions to labour supply due to state elections, we have maintained high operational resilience through proactive fleet and staff capacity building. Fuel volatility and supply shortages (specifically for LNG and certain trucking consumables like AdBlue) previously caused localized delays and purchase caps in certain cities. We mitigated this through active route shuffling of fleet and rapid changes to our operational protocols to mandate odd-time refueling in order to avoid queuing. We have also built up a sufficient inventory buffer of essential consumables. Rising input costs are being actively managed through structured pass-through mechanisms - our fuel surcharge and Diesel Price Hike (DPH) indexing framework covers >90% of contracts across all businesses. This limits our exposure to any fuel-driven margin volatility.

Importantly, while the operating environment continues to remain uncertain, customer sentiment has remained positive in this period. As has been the case in the past, during challenging times for the industry, we are taking advantage of opportunities to deepen wallet share across key accounts and strengthen our relative competitive position, as other industry participants lack one or both of margin headroom and balance sheet strength to tide over volatility and structural inflationary pressures, while continuing to invest in service quality.

12. What are some of the strategic areas your technology teams are focussing on?

Our technology teams have deployed large language models and multimodal AI across almost all dimensions of operations: voice, vision, location intelligence, and real-time transaction processing. We have built SOP2Code and Spec2Code pipelines that allow business logic and software features to be deployed in hours instead of weeks - thereby dramatically compressing iteration cycles. An agentic harness, purpose-built for Delhivery, now enables fast and safe deployment of AI agents across our entire technology stack. The ultimate goal is to leverage fifteen years of proprietary shipment and telemetry data captured across a pan-India network to power in-house AI maps and move towards physical AI - autonomous systems that sense, decide, and act across our network in real-time, creating a compounding technology moat that is difficult to replicate.

Several AI-driven services, developed with the above framework, are already live across our network today. We have captured a few of them in the typical journey of any parcel in this video (Link).

In addition to the FAQs covered above specific to our performance in Q4FY26, we have previously shared updates about our core businesses, steady state margin aspirations, near-term plans for new initiatives, and overall capital intensity trajectory in the shareholders' letters for Q1FY26 (Link), Q2FY26 (Link) and Q3FY26 (Link).

Warm regards,
Delhivery Ltd.