SECTOR RATING: Overweight

PL Capital
PRABHUDAS LILLADHER

Apr-Jun'26 Earnings Preview

Logistics

July 07, 2026

Coverage Universe

Name of the Company	Rating	CMP (INR)	TP (INR)
Delhivery	HOLD	518	534
Mahindra Logistics	BUY	392	504
TCI Express	BUY	503	575

Growth intact but mixed margin performance

Quick Pointers

- DELHIVER IN to face margin pressure amid wage & fuel price inflation
- TCIEXP IN to report mid-single-digit growth in volumes, while MAHLOG IN's EBITDA loss in B2B express division to compress to INR12mn

For our coverage universe, we expect revenue growth of 21.3% YoY in 1QFY27E led by DELHIVER IN. Volume trajectory for DELHIVER IN's B2C/PTL division is likely to mimic 4QFY26 performance, resulting in healthy growth of 47.0%/21.0% YoY. Even MAHLOG IN is expected to report healthy performance given M&M's auto volumes were up 21.1%, coupled with improving traction in the B2B express business. As for TCIEXP IN, growth momentum is likely to continue, and volumes are expected to increase by 6.5% YoY to 2.48 lakh tons. On the operating profitability front, EBITDA of our coverage universe is likely to increase by 40.8% YoY led by 1) healthy volume growth in DELHIVER IN's B2C/PTL division and 2) narrowing losses in the B2B express division for MAHLOG IN.

Top pick: MAHLOG IN remains our top pick in logistics space and we retain 'BUY' on the stock with TP of INR504 (14x FY28E pre-IND AS EBITDA; no change in target multiple), amid 1) anticipated turnaround in the B2B express business, 2) change of guard at the top level, and 3) improvement in BS health post rights issue.

DELHIVER IN's volumes to remain flat on sequential basis, but margin pressure likely: DELHIVER IN's topline is expected to grow by 28.5% YoY to INR29,474mn led by 47.0%/21.0% YoY growth in B2C/PTL segments. The B2C parcel volumes are expected to remain flat sequentially at 306mn, indicating consolidation in market share post-acquisition of Ecom Express and status quo in the insourcing trends (curbs were in place) by a large marketplace platform. Further, growth momentum in the PTL business is expected to continue with volumes anticipated to rise by 21.0% YoY to 5.5 lakh tons.

Nonetheless, on account of fuel & wage inflation, service EBITDA margin of B2C/PTL division is expected to be 16.5%/10.6% in 1QFY27E. The operating leverage benefit of network breadth is unlikely to prevail (volumes similar to 4QFY26, but margins likely to mimic 1QFY26) given the cost inflation. Consequently, we expect adjusted EBITDA margin of 3.9% in 1QFY27E (3.3%/5.3% in 1QFY26/4QFY26). Given 22% appreciation in stock price since our last upgrade note and pricey valuations (the stock trades at 51x/34x our FY27E/FY28E pre-IND AS EBITDA estimates), we downgrade DELHIVER IN to 'HOLD' (earlier 'BUY') with TP of INR534 (35x FY28E pre-IND AS EBITDA; no change in target multiple).

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Volume growth momentum continues for TCIEXP IN: The company is expected to report volume growth of 6.5% YoY to 2.48 lakh tons for the quarter. We expect TCIEXP IN to report mid-single-digit volume growth for the third consecutive quarter. Realization is expected to remain flat at INR12.3/kg, while EBITDA margin is likely to be at 10.1%. We maintain 'BUY' on the stock with TP of INR575 (19x FY28E EPS; no change in target multiple).

MAHLOG IN remains on the path of turnaround: The company is expected to report 13.8% YoY growth in topline led by steady performance in the core 3PL segment. Revenue from MLL mobility and B2B express businesses is expected to increase at a healthy pace, while the freight forwarding segment is set to face headwinds due to the Middle East crisis. We expect EBITDA losses in the B2B express division to narrow to INR12mn from INR25mn in 4QFY26. Consolidated EBITDA margin is expected to be at 6.5%. After turning black at the bottom-line level in 3QFY26, we expect MAHLOG IN to continue with the momentum and report PAT of INR242mn in 1QFY27E. We maintain 'BUY' on the stock with TP of INR504 (14x FY28E pre-IND AS EBITDA; no change in target multiple).

Exhibit 1: **Q1FY27 Result Preview (INR mn)**

Company Name		Q4FY26	Q4FY25	*YoY gr. (%)*	Q3FY26	*QoQ gr. (%)*	Remark
	Sales	29,474	22,940	*28.5*	28,500	*3.4*	
	EBITDA	2,063	1,488	*38.6*	2,142	*(3.7)*	For Delhivery, we expect revenues to increase by 28.5% YoY to INR29,474mn led by healthy growth in the B2C & PTL segments. However, EBITDA margin is expected to be at 7.0% with a PAT of INR902mn.
Delhivery	*Margin (%)*	*7.0*	*6.5*	*51 bps*	*7.5*	*-52 bps*	
	PBT	884	972	*(9.1)*	563	*57.0*	
	Adj. PAT	902	910	*(0.9)*	929	*(2.9)*	
	Sales	18,487	16,246	*13.8*	17,914	*3.2*	
	EBITDA	1,192	763	*56.4*	1,124	*6.1*	Mahindra Logistics is expected to report revenues of INR18,487mn (up 13.8% YoY) with an EBITDA margin of 6.5% led by healthy performance in the core 3PL segment and narrowing losses in B2B segment. Consequently, we expect PAT to be at INR242mn.
Mahindra Logistics	*Margin (%)*	*6.5*	*4.7*	*176 bps*	*6.3*	*18 bps*	
	PBT	353	(58)	*NA*	320	*10.3*	
	Adj. PAT	242	(108)	*NA*	202	*19.7*	
	Sales	3,063	2,868	*6.8*	3,281	*(6.6)*	
	EBITDA	309	281	*10.3*	315	*(1.9)*	Revenue is expected to increase 6.8% YoY to INR3,063mn as volume is expected to increase by 6.5% YoY. GM is anticipated to be at 28.6% for the quarter. EBITDA/PAT is estimated to increase/decline by 10.3%/3.5% YoY to INR309mn/188mn, respectively.
TCI Express	*Margin (%)*	*10.1*	*9.8*	*32 bps*	*9.6*	*49 bps*	
	PBT	252	263	*(4.1)*	248	*1.7*	
	Adj. PAT	188	195	*(3.5)*	179	*4.9*	

Source: Company, PL

Exhibit 2: Valuation Summary

Company Name	C/S	Rating	CMP (INR)	TP (INR)	Mcap (INR bn)	Sales (INR mn)				EBITDA (INR mn)				Adj. PAT (INR mn)				EPS (INR)				RoE (%)				PE (x)			
						FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E
Delhivery	C	HOLD	518	534	387.7	89,319	1,05,083	1,22,922	1,43,177	3,758	6,400	10,994	14,551	1,674	3,345	6,254	9,991	2.2	4.5	8.4	13.3	1.8	3.5	6.3	9.2	230.6	115.9	62.0	38.8
Mahindra Logistics	C	BUY	392	504	38.9	61,048	69,993	79,468	89,052	2,841	3,765	5,063	5,907	-358	47	1,196	1,705	-5.0	0.5	12.1	17.2	-7.7	0.6	9.8	12.7	-78.9	833.8	32.5	22.8
TCI Express	C	BUY	503	575	19.3	12,083	12,374	13,439	14,732	1,249	1,253	1,494	1,779	858	797	957	1,163	22.3	20.8	24.9	30.3	11.7	10.1	11.3	12.6	22.5	24.2	20.2	16.6

Source: Company, PL   *C=Consolidated / S=Standalone*

Exhibit 3: Change in Estimates

	Rating		Target Price			Sales (INR mn)						PAT (INR mn)						EPS (INR)					
						FY27E			FY28E			FY27E			FY28E			FY27E			FY28E		
	C	P	C	P	*% Chng.*	C	P	*% Chng.*	C	P	*% Chng.*	C	P	*% Chng.*	C	P	*% Chng.*	C	P	*% Chng.*	C	P	*% Chng.*
Delhivery	HOLD	BUY	534	534	*0.0%*	1,22,922	1,22,922	*0.0%*	1,43,177	1,43,177	*0.0%*	6,254	6,254	*0.0%*	9,991	9,991	*0.0%*	8.4	8.4	*0.0%*	13.3	13.3	*0.0%*
Mahindra Logistics	BUY	BUY	504	504	*0.0%*	79,468	79,468	*0.0%*	89,052	89,052	*0.0%*	1,196	1,196	*0.0%*	1,705	1,705	*0.0%*	12.1	12.1	*0.0%*	17.2	17.2	*0.0%*
TCI Express	BUY	BUY	575	575	*0.0%*	13,439	13,439	*0.0%*	14,732	14,732	*0.0%*	957	957	*0.0%*	1,163	1,163	*0.0%*	24.9	24.9	*0.0%*	30.3	30.3	*0.0%*

Source: Company, PL   *C=Consolidated / S=Standalone*

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Apeejay Surrendra Park Hotels	BUY	168	116
2	Chalet Hotels	BUY	994	785
3	Delhivery	BUY	534	476
4	DOMS Industries	Buy	2883	2330
5	Flair Writing Industries	Buy	411	295
6	Imagicaaworld Entertainment	BUY	64	48
7	Indian Railway Catering and Tourism Corporation	BUY	712	523
8	InterGlobe Aviation	HOLD	4724	4538
9	Lemon Tree Hotels	BUY	138	114
10	Mahindra Logistics	Buy	504	345
11	Nazara Technologies	BUY	343	299
12	PVR Inox	BUY	1309	1014
13	Safari Industries (India)	BUY	1953	1427
14	Samhi Hotels	Buy	230	150
15	TCI Express	BUY	575	491
16	V.I.P. Industries	Sell	245	303
17	Zee Entertainment Enterprises	Accumulate	117	102

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

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