PL Capital
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Logistics

Jul-Sep'25 Earnings Preview

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Festive rush puts express players in the fast lane

For our coverage universe, we expect revenue growth of 14.0% YoY in 2QFY26E led by DELHIVER IN and MAHLOG IN. 2QFY26E would be the first quarter of consolidation of E-comm Express with DELHIVER IN. Thereby, B2C parcel volumes are likely to witness a significant uptick of 25.0% on a YoY basis. Even MAHLOG IN is expected to report healthy revenue growth as M&M's auto volumes are up 18.4% YoY in 2QFY26E. Nonetheless, TCIEXP IN's struggle for growth continues as B2B express volume and realization is expected to remain flat on YoY basis. On the operating profitability front, EBITDA of our coverage universe is likely to increase 62.6% YoY as DELHIVER IN's service EBITDA margin of PTL division is likely to be at 9.5% for the quarter versus 2.9% in 2QFY25. MAHLOG IN's operational performance is likely to be healthy led by EBITDA growth of 8.7% on YoY basis in standalone business and narrowing losses in the B2B express division. However, TCIEXP IN is likely to report a 6.8% YoY decline in EBITDA amid flat volume growth.

Consolidation of E-comm express to drive double digit growth in B2C volumes: DELHIVER IN's topline is expected to grow by 15.0% YoY to Rs25.2bn led by 19.9%/17.7%/5.0% YoY growth in B2C/PTL/FTL segments respectively. B2C/PTL volumes are anticipated to rise by 25.0%/16.0% YoY respectively. DELHIVER IN's EBITDA margin is expected to be at 5.9% with PAT of Rs567mn in 2QFY26E. We maintain "ACCUMULATE" on the stock with a TP of Rs519, (38x Sep-27E; target multiple reduced from 40x to 38x as we roll forward).

Volume troubles continue for TCI Express: TCIEXP IN is expected to report a flat volume growth of 0.3% YoY to 2.5 lac tonnes. Realization is also expected to remain flat at Rs12.5/kg. GM is expected to be at 29.2% for the quarter. EBITDA is expected to decline by 6.8% YoY to Rs355mn amid persistent volume growth challenges. Retain "HOLD" on the stock with a TP of Rs751 (21x Sep-27E EPS; target multiple reduced from 22x to 21x as we roll forward).

Core 3PL segment leads the way for MAHLOG IN: MAHLOG IN is expected to deliver a healthy quarter in terms of revenue led by robust performance in core 3PL segment. Consolidated revenue is expected to grow 15.4% YoY to Rs17.5bn, led by 12.5% growth in the 3PL segment. EBITDA margin is expected at 4.5% in 2QFY26E with a break-even at PAT level. We expect EBITDA losses in the B2B express segment to narrow from Rs124mn in 2QFY25 to Rs71mn in 2QFY26E. Nonetheless, we have cut our FY26E EPS estimates by 16.7% as funds from rights issue which were to be utilized for debt repayment were received towards the end of 2QFY26E. This is likely to result in an interest out-go of Rs80mn (excluding lease liability interest) in the quarter. With narrowing losses in B2B segment and strengthening of BS post rights issue, we upgrade our rating from "HOLD" to "ACCUMULATE" with a TP of Rs401 (23x Sep-27E EPS; target multiple reduced from 25x to 23x as we roll forward).

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
Delhivery	Acc	469	519
Mahindra Logistics	Acc	359	401
TCI Express	HOLD	712	751

Source: PL *Acc=Accumulate*

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Exhibit 2: Q2FY26 Result Preview (Rs mn)

Company Name		Q2FY26E	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Remark
Delhivery	Sales	25,182	21,897	15.0	22,940	9.8	For Delhivery, we expect revenues to increase by 15.0% YoY to Rs25,182mn led by strong growth in the B2C & PTL business. EBITDA margin is expected to be at 5.9% with a PAT of Rs567mn.
	EBITDA	1,486	573	159.4	1,488	(0.2)	
	Margin (%)	*5.9*	*2.6*	*328 bps*	*6.5*	*-59 bps*	
	PBT	567	151	276.0	972	(41.7)	
	Adj. PAT	567	102	455.3	910	(37.8)	
Mahindra Logistics	Sales	17,549	15,211	15.4	16,246	8.0	Mahindra Logistics is expected to report revenues of Rs17,549mn (up 15.4% YoY) with an EBITDA margin of 4.5% led by improved performance in the core 3PL segment and reducing losses in B2B segment. Consequently, we expect a break-even at the bottom-line level.
	EBITDA	790	664	19.0	763	3.6	
	Margin (%)	*4.5*	*4.4*	*14 bps*	*4.7*	*-19 bps*	
	PBT	22	(50)	NA	-58	NA	
	Adj. PAT	16	(108)	NA	-108	NA	
TCI Express	Sales	3,140	3,115	0.8	2,868	9.5	Revenue is expected to increase 0.8% YoY to Rs3,140mn as volume and realization is expected to be flat. GM is anticipated at 29.2% for the quarter. EBITDA/PAT is estimated to decline by 6.8%/6.9% YoY respectively to Rs 355mn/245mn given flattish volumes.
	EBITDA	355	381	(6.8)	281	26.5	
	Margin (%)	*11.3*	*12.2*	*-93 bps*	*9.8*	*152 bps*	
	PBT	329	350	(6.0)	263	25.1	
	Adj. PAT	245	263	(6.9)	195	25.9	

Source: Company, PL

Exhibit 3: Valuation Summary

Company Names	S/C	Rating	CMP (Rs)	TP (Rs)	MCap (Rs bn)	Sales (Rs mn)				EBITDA (Rs mn)				PAT (Rs mn)				EPS (Rs)				RoE (%)				PE (x)			
						FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
Delhivery	C	Acc	469	519	349.8	89,319	99,378	1,13,119	1,32,355	3,758	7,146	10,356	13,146	1,674	3,582	6,361	8,801	2.2	4.8	8.5	11.8	1.8	3.7	6.3	8.1	209.0	97.7	55.0	39.7
Mahindra Logistics	C	Acc	359	401	35.6	61,048	70,398	80,146	91,031	2,841	3,699	4,709	5,541	-358	662	1,517	1,935	-5.0	6.7	15.3	19.5	-7.7	8.0	11.8	13.5	-72.3	53.8	23.5	18.4
TCI Express	C	HOLD	712	751	27.3	12,083	12,326	13,386	14,946	1,247	1,455	1,769	2,142	858	998	1,233	1,509	22.3	26.0	32.1	39.3	11.7	12.5	14.0	15.3	31.9	27.4	22.2	18.1

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

Exhibit 4: Change in Estimates

	Rating		Target Price			Sales						PAT						EPS					
						FY26E			FY27E			FY26E			FY27E			FY26E			FY27E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
Delhivery	Acc	Acc	519	466	*11.2%*	99,378	99,378	*0.0%*	1,13,119	1,13,119	*0.0%*	3,582	3,582	*0.0%*	6,361	6,358	*0.0%*	4.8	4.8	*0.0%*	8.5	8.5	*0.0%*
Mahindra Logistics	Acc	HOLD	401	383	*4.7%*	70,398	70,398	*0.0%*	80,146	80,146	*0.0%*	662	795	*-16.7%*	1,517	1,517	*0.0%*	6.7	8.0	*-16.7%*	15.3	15.3	*0.0%*
TCI Express	HOLD	HOLD	751	707	*6.1%*	12,326	12,326	*0.0%*	13,386	13,386	*0.0%*	998	998	*0.0%*	1,233	1,233	*0.0%*	26.0	26.0	*0.0%*	32.1	32.1	*0.0%*

Source: Company, PL *Acc = Accumulate / C=Current / P=Previous*

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Chalet Hotels	BUY	1,071	882
2	Delhivery	Accumulate	466	430
3	DOMS Industries	BUY	3,087	2,503
4	Imagicaaworld Entertainment	BUY	74	56
5	Indian Railway Catering and Tourism Corporation	BUY	850	725
6	InterGlobe Aviation	BUY	6,517	5,740
7	Lemon Tree Hotels	BUY	170	142
8	Mahindra Logistics	Hold	383	408
9	Navneet Education	Hold	136	140
10	Nazara Technologies	Hold	252	279
11	PVR Inox	Hold	1,191	1,110
12	S Chand and Company	BUY	286	192
13	Safari Industries (India)	BUY	2,434	2,101
14	Samhi Hotels	BUY	300	205
15	TCI Express	Hold	707	693
16	V.I.P. Industries	Hold	455	450
17	Zee Entertainment Enterprises	BUY	161	113

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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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