



Date: October 19, 2022

**BSE Limited
Floor 25, P J Towers,
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: Q2 FY23 Business Update

Dear Sir/ Madam,

Please find enclosed an update on the business/operational trends witnessed during the quarter ended September 30, 2022. The same will also be made available on the website of the Company.

This will be followed by a detailed update once the Board of Directors of the Company approves the un-audited consolidated and standalone financial results for the quarter and half year ended September 30, 2022.

You are requested to take the above on records.

Thanking you,

Yours sincerely,

For Delhivery Limited

**Sunil Kumar Bansal
Company Secretary & Compliance Officer
Membership No: F4810**

Place: Gurugram

Encl: As above



Q2 FY23 Business Update

Dear Shareholders,

Our best wishes to you and your families for the festive season. This update provides a summary of our operating performance and key business and industry trends for the quarter ended September 30, 2022.

Market sentiment in Q2 continued to remain broadly unchanged from Q1. Consumer discretionary spending remained muted due to continuing high levels of inflation, with average user spends and total active shoppers remaining flat or lower during the ongoing festive season, as per the industry reports. Industrial output (IIP) also remained weak in the first 2 months of the quarter. In spite of the challenging market conditions, our market position remains strong owing to our structural cost advantages, network size and investments in capacity.

Express Parcel volumes remained stable in Q2 and picked up towards the end of the quarter, driven by festive season sales, especially in the Heavy Goods category. Overall service line volumes for the business grew in the high teens in Q2FY23 over a large base of the same quarter last year (Q2FY22). While the festive season sale surge in shipment volumes will spill over to Q3FY22 as well, we anticipate moderate growth in shipment volumes through the rest of the financial year.

Our Part Truckload (PTL) business faced operational challenges in Q1FY23 due to integration of Delhivery and SpotOn networks. However, the business is on a path to recovery and we recorded high teens growth in freight tonnage handled on a QoQ basis (Q2FY23 v/s Q1FY23). A majority of Delhivery and SpotOn's pre-integration customers have restarted shipping through the integrated network. We also successfully onboarded 200+ new customers in Q2FY23, driven by improving service metrics. We expect volumes to continue to show a gradual scale up through FY23.

Volumes in our Supply Chain Services (SCS) and Truckload (TL) businesses declined in Q2FY23 v/s Q1FY23 owing to the expected effects of seasonality in our customers' businesses. However, both businesses have shown substantial double-digit growth compared to Q2FY22. Our Cross-Border business also showed steady growth on a YoY basis despite a global slowdown and a decline in yields for both air and ocean freight.

Going forward we remain watchful of the market sentiments. We have made sufficient capacity investments in FY22 and early FY23 to sustain our current rate of growth and expect new mega-gateway and sorter decisions only by early FY24. As inflationary pressures and service disruptions due to monsoon ease across the country we expect improvement in volumes, revenue and service margins going forward.