Eternal | BUY

Prioritising long-term value creation over near term gains in QC

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Eternal's 2QFY26 results suggest that the management will henceforth be prioritising long-term value creation over near-term gains in quick commerce. The company delivered solid NOV growth in quick commerce (+137% YoY, +27% QoQ) and accelerated supply chain (dark store / warehousing densification) and MTU expansion to drive meaningful market share gains over the near to medium term, with 100%+ NOV growth now expected in FY27 as well. However, its absolute loss reduction was nominal as Adj. EBITDA loss stood at INR 1.56bn (below JMFe of INR 0.93bn) vs. INR 1.62bn in 1Q. Importantly, accelerated growth investments such as plans to expand dark-store network to 2,100 stores by Dec'25 and increased marketing spends (1.4x QoQ/~4x YoY in 2Q) are likely to push out the break-even in the business till 1QFY27. Nevertheless, we believe as and when management's focus shifts towards profitability, Eternal will deliver a sudden ramp-up in its absolute EBITDA profits. Accordingly, while we take sharp cuts in our Consol. FY26 EBITDA/EPS estimates, we raise our FY27/28 estimates. We reiterate Eternal as our preferred pick with a revised Sep'26 TP of INR 450 (NTM PER of 80x).

- **Blinkit – exponential growth trends to sustain in FY27 as well but break-even likely to get pushed to 1QFY27:** Blinkit's NOV grew a robust 137% YoY (+27% QoQ) to INR 116.8bn, broadly in-line JMFe. Growth was mainly driven by 140% YoY expansion in orders (+26% QoQ), which in turn was driven by strong MTU expansion to 20.8mn from 16.9mn/8.9mn in 1QFY26/2QFY25. NAOV was flattish (-1% YoY, +1% sequentially). Adj. EBITDA margin (% of NOV) stood at -1.3% (+42bps QoQ), a miss on JMFe by 56bps, due to sharp increase in marketing spends (~4x YoY, 1.4x QoQ). As a result, while Adj. EBITDA loss narrowed to INR 1.56bn from a loss of INR 1.62bn in 4QFY25, it was below JMFe of INR 0.92bn. During the quarter, the company added 272 stores (243/294 stores in 1QFY26/4QFY25), with total store count reaching 1,816. The management now expects to operate ~2,100 active stores by the end of Dec'25 vs earlier guidance of ~2,000 stores with a potential of expansion to 3,000 stores by Mar'27. The management highlighted that NAOVs across Tier-1 and Tier-2/3 cities are broadly similar, with margins in smaller cities currently a bit lower due to a narrower assortment (expected to improve as assortments deepen). On the inventory-led transition, in 2QFY26, about 80% of Blinkit's NOV was already on its own inventory, which is expected to reach a steady-state level of ~90% in the next quarter. As a result of this shift, net working capital (NWC) in the quick commerce business rose to ~12 days of annualised NOV, and the management continues to guide for NWC to remain below 18 days (~5% of NOV) once the transition fully stabilizes. It reiterated that the net margin uplift from the 1P model will be about +100bps, to be realised gradually over the next 4–6 quarters (a change from earlier expectation of 2-3 quarters), as brand contracts mature and supply chain efficiencies kick in. The step-change in revenue from the 1P transition is largely complete, and incremental gains will now be driven by mix improvement and operating leverage. Over the long term, the management continues to view the inventory-led model as highly capital efficient, with capex per store (including backend warehousing) at ~INR 10mn, and remains confident that this structure will support strong returns on capital and sustainable profitability as scale deepens.

Recommendation and Price Target	
Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	450
Upside/(Downside)	29.4%
Previous Price Target	400
Change	12.5%

Key Data – ETERNAL IN	
Current Market Price	INR348
Market cap (bn)	INR3,356.9/US$38.2
Free Float	73%
Shares in issue (mn)	9,650.4
Diluted share (mn)	9,650.4
3-mon avg daily val (mn)	INR14,799.3/US$168.5
52-week range	368/190
Sensex/Nifty	83,468/25,585
INR/US$	87.8

Price Performance

%	1M	6M	12M
Absolute	6.3	56.6	26.8
Relative*	5.3	47.4	23.1

** To the BSE Sensex*

Financial Summary (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,21,150	2,02,430	5,56,049	11,08,237	15,37,166
Sales Growth (%)	71.1	67.1	174.7	99.3	38.7
EBITDA	430	6,370	11,429	52,403	89,366
EBITDA Margin (%)	0.4	3.1	2.1	4.7	5.8
Adjusted Net Profit	3,520	5,270	4,142	39,716	68,188
Diluted EPS (INR)	0.4	0.6	0.4	4.1	7.1
Diluted EPS Growth (%)	0.0	41.9	-25.2	858.8	71.7
ROIC (%)	-7.3	-1.7	-1.9	18.5	30.9
ROE (%)	1.8	2.1	1.3	11.7	17.1
P/E (x)	860.7	606.6	810.7	84.6	49.3
P/B (x)	14.8	10.4	10.7	9.3	7.7
EV/EBITDA (x)	7,524.9	497.6	278.8	60.8	35.0
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 16/Oct/2025

- **Zomato (Food delivery) – Marginal miss on NOV but profitability above expectations:** Zomato's NOV grew ~14% YoY (+5% QoQ) to INR 94.2bn, marginally below JMFe by c.1%. The management again reiterated that YoY growth is likely to have bottomed out. Having mentioned that, in FY26, Food delivery NOV growth will be 15%+ instead of 20%, albiet long-term guidance of 20% is maintained subject to macro and quick commerce substitution headwinds. NOV expansion was largely driven by MTU expansion to 24.1mn from 22.9mn in 2QFY25 (22.9mn in 1QFY26). Take-rate (as a % of NOV) excluding customer delivery fees grew 116bps sequentially to 26.4%. Similarly, take rate (as a % of NOV) including delivery fees grew 75bps QoQ at 30.4%. Reported revenue was up 24% YoY (+10% QoQ) to INR 24.6bn. Contribution margin (% of NOV) grew ~49bps QoQ to 10.4% (JMFe of 10.1%) while Adj. EBITDA margin (as a % of NOV) also grew ~31bps QoQ to 5.3%, a beat on JMFe by 21bps. Overall, Adj. EBITDA in 2Q stood at INR 5.03bn vs. INR 4.51bn/INR 3.41bn in 1QFY26/2QFY25 respectively, and was a beat on JMFe by c.3%.

- **Hyperpure – likely to turn profitable over the next 2 quarters:** Revenue declined 55% QoQ (-31% YoY) to INR 10.2bn, but was ahead of JMFe of INR 8.8bn. The decline was on account of Blinkit transitioning to an inventory-led model, as a result of which the non-restaurant business of Hyperpure will be phased out completely in the coming quarters. However, the shift in Blinkit's business model will have no impact on Hyperpure's restaurant business. Hyperpure's Adj. EBITDA loss stood at INR 50mn vs. loss of INR 180mn in 1Q. Adj. EBITDA margin (as % of revenue) for this business stood at -0.5% vs. -0.8% in 1Q. Importantly, adjusted for non-resturant business, Hyperpure delivered 42% YoY revenue growth with losses coming down to INR 80mn from INR 180mn in 1Q. Management expects the core restaurant business of Hyperpure to deliver 40% YoY, with the business likely to turn profitable over the next 2 quarters.

- **Going-out (District app) – remains in investment phase:** Going-out NOV grew c.32% YoY to INR 20.6bn in 2QFY26 (2.5% QoQ). The segment reported Adj. EBITDA loss of INR 630mn vs. loss of INR 540mn in 1QFY26. The management highlighted that it will continue to invest in category building through FY26 and expects losses to remain range-bound around current levels. A turnaround in loss trajectory of this business is expected to start some time in FY27, as per management. It also mentioned that it has onboarded ~3.4k outlets across six cities and enabled 60k+ transactions till date. The management plans to scale the business continuously.

- **Other key takeaways from shareholders' letter:** 1) The company highlighted that the recent GST rate cuts (effective late 2QFY26) are expected to aid Blinkit's demand momentum from 3QFY26 onward, while food delivery growth could remain slightly subdued in the near term as the 18% GST on delivery charges—now being passed on to customers—may temper order frequency. 2) The company launched District in Dubai, expanding dining-out and live events offerings in the UAE — marking the first international rollout of the District platform. 3) The management reaffirmed NOV (Net Order Value) as its primary growth indicator, emphasising that GOV (Gross Order Value) can be misleading due to brand-funded discounts. This reinforces the company's intent to align performance tracking with actual value creation rather than promotional intensity.

- **Maintain 'BUY' on Eternal with a revised TP of INR 450:** We revise down our NOV estimates for Zomato (food delivery) by 1-4% over FY26-28 on the back of management commentary that growth is likely to be slower than earlier estimated. On the other hand we raise Blinkit's NOV estimates by 23-48% over FY27-28 to factor in very strong growth trends in the business, aided by accelerated store expansion. On the margins front, we raise Zomato's Adj. EBITDA margin by ~9-26bps (% of NOV). In quick commerce, we tone down our Adj. EBITDA margin (as % of NOV) estimates by 27-147bps over FY26-28 basis management commentary that it would prioritise growth and market share gains over near term profitability, Overall, our EPS estimates are cut in FY26 by c.66% while our FY27 and FY28 estimates are raised by 5-15%. We continue to assign a target multiple of 80x on Eternal's Sep'27 EPS to arrive at revised Sep'26 TP of INR 450. Eternal continues to be one of our preferred picks in the listed Internet space as we believe it is well positioned to benefit from robust industry tailwinds for the hyperlocal delivery businesses. Its balance sheet also remains strong with net cash of INR 183bn as of Sep'25 (INR 189bn in Jun'25). We maintain 'BUY'.

Exhibit 1. Consolidated key financials

Particulars	1QFY25	2QFY25	3QFY25	4QFY25	FY25	1QFY26	2QFY26
Food delivery NOV (INR mn)	**79,280**	**82,810**	**84,430**	**82,100**	**328,620**	**89,670**	**94,230**
Change (YoY)	*27.1%*	*21.4%*	*16.7%*	14.2%	19.6%	13.1%	13.8%
Quick Commerce NOV (INR mn)	**40,610**	**49,280**	**60,200**	**73,620**	**223,710**	**92,030**	**116,790**
Change(QoQ)	*21.7%*	*21.3%*	*22.2%*	22.3%		25.0%	+26.9%
Cons. revenue (INR mn)	**42,060**	**47,990**	**54,050**	**58,330**	**202,430**	**71,670**	**135,900**
Change (YoY)	*74%*	*69%*	*64%*	64%	67%	70%	183%
Total operating expense	40,290	45,730	52,430	57,610	196,060	70,520	133,510
Operating profit (EBITDA)	1,770	2,260	1,620	720	6,370	1,150	2,390
EBITDA margin	**4.2%**	**4.7%**	**3.0%**	**1.2%**	**3.1%**	**1.6%**	**1.8%**
Adj. EBITDA Margin	**7.1%**	**6.9%**	**5.3%**	**2.8%**	**5.3%**	**2.4%**	**1.6%**
Depreciation & amortization	1,490	1,800	2,470	2,870	8,630	3,140	3,760
EBIT	280	460	-850	-2,150	-2,260	-1,990	-1,370
EBIT margin	0.7%	1.0%	-1.6%	-3.7%	-1.1%	-2.8%	-1.0%
Net other income	2,110	1,910	2,090	3,120	9,230	2,870	3,520
Exceptional	-	-	-	-	-	-	-
Profit before tax	2,390	2,370	1,240	970	6,970	880	1,290
Income tax expense	-140	610	650	580	1,700	630	640
Minority Interest	-	-	-	-	-	-	-
Reported PAT	**2,530**	**1,760**	**590**	**390**	**5,270**	**250**	**650**
Change (YoY)	*12550%*	*389%*	*-57%*	*-77.8%*	49.7%	-90.1%	-63.1%
Adjusted PAT	**2,530**	**1,760**	**590**	**390**	**5,270**	**250**	**650**
Change (YoY)	*12550%*	*389%*	*-57%*	*-77.8%*	49.7%	-90.1%	-63.1%
Adjusted diluted EPS	**0.29**	**0.20**	**0.06**	**0.04**	**0.57**	**0.03**	**0.07**
Change (YoY)	*NA*	*376%*	*-60%*	*-79.2%*	41.9%	-91.0%	-66.2%

Comments

- Food Delivery Net order value (NOV) of INR 94.2bn, was up by 13.8% YoY (+5.1% QoQ), miss on JMFe of INR 95.3bn.
- Blinkit NOV stood at INR 116.8bn (+137% YoY), a slight miss on JMFe of INR 117.7bn.
- Revenue stood at INR 135.9bn, a beat of 33% on JMFe of INR 101.9bn.
- Food Delivery: Contribution margin (as % of NOV) stood at 10.4%, c.27bps ahead JMFe of 10.1% Take rate (as % of NOV) stood at 26.4% (vs. 25.2% in 1Q), below JMFe of 25.6%.
- Blinkit: Contribution margin (% of NOV) stood at 4.6% versus 3.9% last quarter, a beat on JMFe of 4.4%.
- Reported EBITDA margin stood at 1.8% in 2QFY26 versus 1.6% in 1QFY26.
- Adj. net profit (ex-minority and exceptional) in consolidated business stood at INR 650mn versus of INR 250mn in 1QFY26.

Source: Company, JM Financial

Exhibit 2. Key performance metrics – Food Delivery segment

Food Delivery	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
GOV (INR mn)	**79,800**	**84,860**	**84,390**	**92,640**	**96,900**	**99,130**	**97,780**	**107,690**	**114,357**
Change (YoY)	*20%*	*27%*	*28%*	*27%*	*21%*	*17%*	16%	11%	18%
NOV* (INR mn)	**68,190**	**72,340**	**71,890**	**79,280**	**82,810**	**84,430**	**82,100**	**89,670**	**94,230**
Change (YoY)				*27%*	*21%*	*17%*	14%	13%	14%
Adjusted Revenue (INR mn)	**19,380**	**20,620**	**20,500**	**22,560**	**23,400**	**24,130**	**24,090**	**26,570**	**28,630**
Change (YoY)	*23%*	*32%*	*34%*	*30%*	*21%*	*17%*	18%	18%	22%
Take rate (% of NOV)	*28.4%*	*28.5%*	*28.5%*	*28.5%*	*28.3%*	*28.6%*	*29.3%*	*29.6%*	*30.4%*
Reported Revenue (INR mn)	**15,460**	**17,040**	**17,390**	**19,420**	**20,120**	**20,720**	**20,540**	**22,610**	**24,850**
Change (YoY)	*36%*	*48%*	*48%*	*42%*	*30%*	*22%*	18%	16%	24%
Take rate (% of NOV)	*22.7%*	*23.6%*	*24.2%*	*24.5%*	*24.3%*	*24.5%*	*25.0%*	*25.2%*	*26.4%*
MTU (mn)	**18.4**	**18.8**	**19.0**	**20.3**	**20.7**	**20.5**	**20.9**	**22.9**	**24.1**
Change (YoY)	*5%*	*8%*	*14%*	*16%*	*13%*	*9%*	10%	13%	16%
Contribution Profit as % of NOV	**7.7%**	**8.3%**	**8.8%**	**8.5%**	**8.9%**	**10.0%**	**10.3%**	**9.9%**	**10.4%**
Adjusted EBITDA (as a % of NOV)	**3.0%**	**3.5%**	**3.8%**	**3.9%**	**4.1%**	**5.0%**	**5.2%**	**5.0%**	**5.3%**

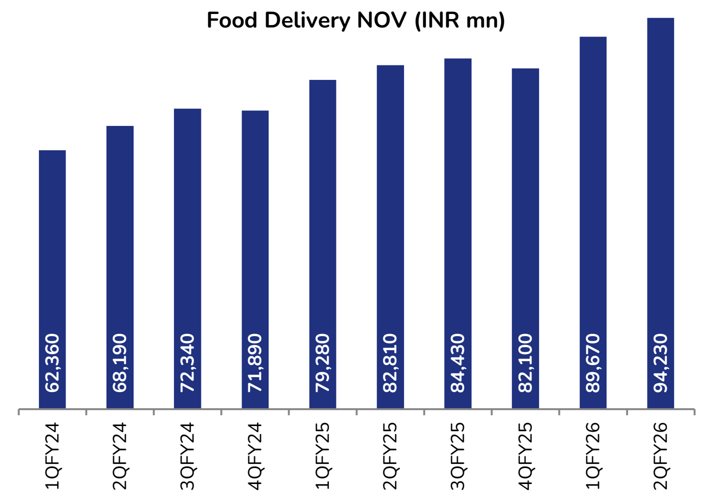
Source: Company, JM Financial. * Company has started disclosing NOV (Net order value). NOV = GOV minus all discounts (funded by restaurant, platform, bank, others).

Exhibit 3. Key performance metric – Quick Commerce segment

Quick Commerce	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
GOV (INR mn)	**27,600**	**35,420**	**40,270**	**49,230**	**61,320**	**77,980**	**94,210**	**118,212**	**153,671**
Change (YoY)	*86%*	*103%*	*97%*	*130%*	*122%*	*120%*	*134%*	140%	151%
NOV* (INR mn)	**23,780**	**29,130**	**33,360**	**40,610**	**49,280**	**60,200**	**73,620**	**92,030**	**116,790**
Change (YoY)				*116%*	*107%*	*107%*	*121%*	127%	137%
Reported Revenue (INR mn)	**5,050**	**6,440**	**7,690**	**9,420**	**11,560**	**13,990**	**17,090**	**24,000**	**98,910**
Change (YoY)	*114%*	*114%*	*112%*	*145%*	*129%*	*117%*	*122%*	108%	756%
Gross Profit Margin (as % of NOV)					*23.5%*	*23.2%*	*23.2%*	23.6%	26.8%
MTU (mn)	**4.7**	**5.4**	**6.4**	**7.6**	**8.9**	**10.6**	**13.7**	**16.9**	**20.8**
Change (YoY)	*81%*	*74%*	*64%*	*95%*	*89%*	*96%*	*114%*	90%	134%
Avg. monthly ordering frequency (x)	**3.23x**	**3.44x**	**3.40x**	**3.46x**	**3.48x**	**3.47x**	**3.45x**	**3.49x**	**3.57x**
Change (YoY)	*-4%*	*1%*	*2%*	*10%*	*8%*	*1%*	*1%*	0%	3%
Order volumes (mn)	**45.5**	**55.8**	**65.3**	**78.8**	**92.9**	**110.3**	**141.7**	**176.7**	**222.7**
NAOV (INR)	**523**	**522**	**511**	**516**	**531**	**546**	**520**	**521**	**524**
Change (YoY)	*7%*	*15%*	*18%*	*7%*	*9%*	*11%*	*8%*	1%	-1%
Contribution margin (as a % of NOV)	**1.5%**	**3.0%**	**4.7%**	**4.9%**	**4.7%**	**3.9%**	**3.9%**	**3.9%**	**4.6%**
Adjusted EBITDA (as a % of NOV)	**-5.3%**	**-3.1%**	**-1.1%**	**-0.1%**	**-0.2%**	**-1.7%**	**-2.4%**	**-1.8%**	**-1.3%**

Source: Company, JM Financial. * Company has started disclosing NOV (Net order value) from 4QFY24. NOV = GOV minus all discounts (funded by restaurant, platform, bank, others).

Exhibit 4. Food Delivery: NOV trend

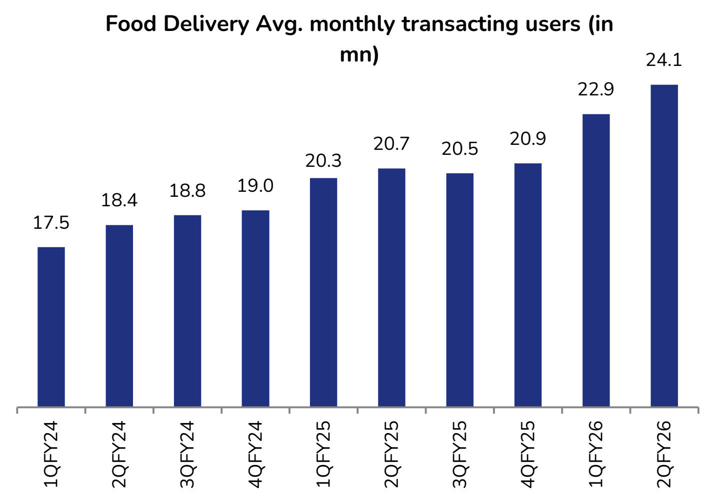


Source: Company, JM Financial

Exhibit 5. Food Delivery: Order volume trend

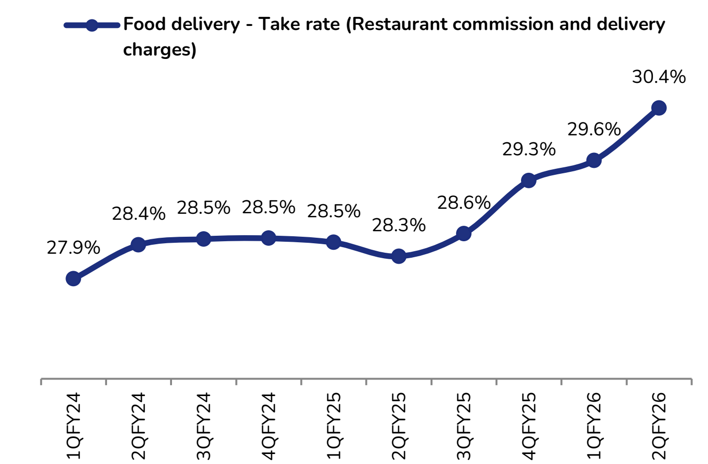
Source: Company, JM Financial estimates

Exhibit 6. Food Delivery: Avg. monthly transacting user trend



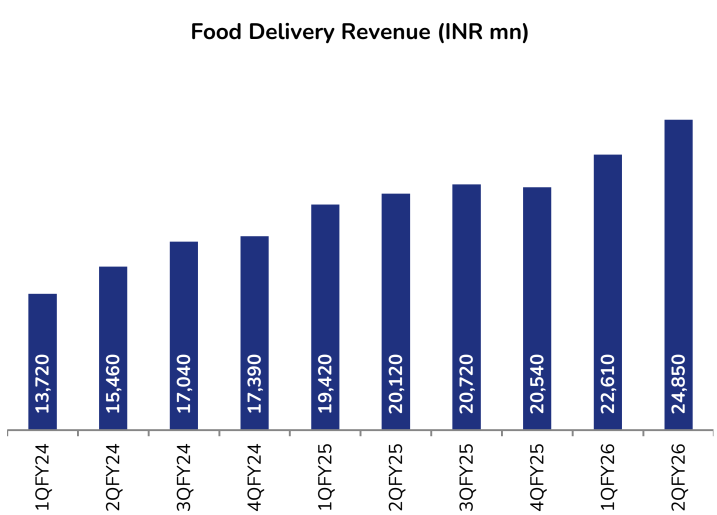
Source: Company, JM Financial

Exhibit 7. Food Delivery: Take rate as % of NOV (including delivery charges)



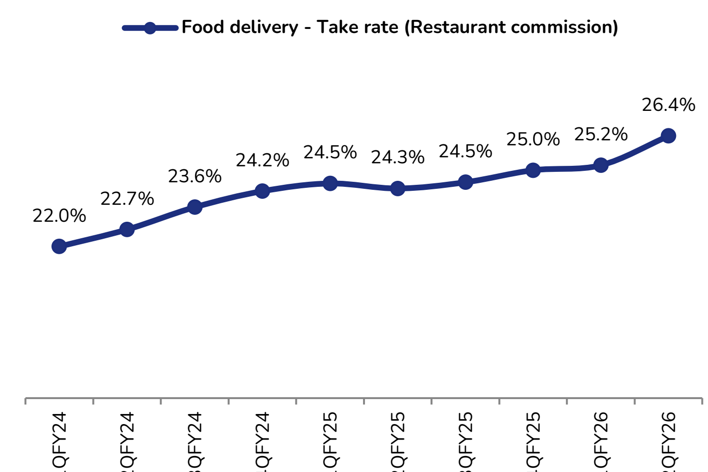
Source: Company, JM Financial estimates

Exhibit 8. Food Delivery revenue trend



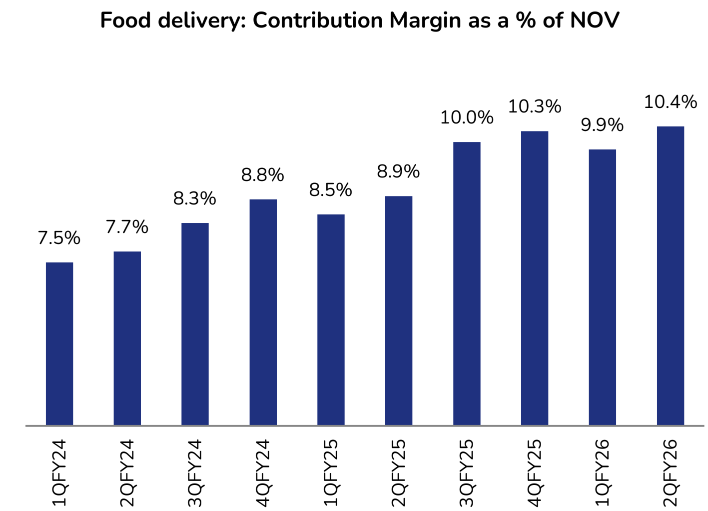
Source: Company, JM Financial

Exhibit 9. Food Delivery take rate as % of NOV(excluding delivery charges)



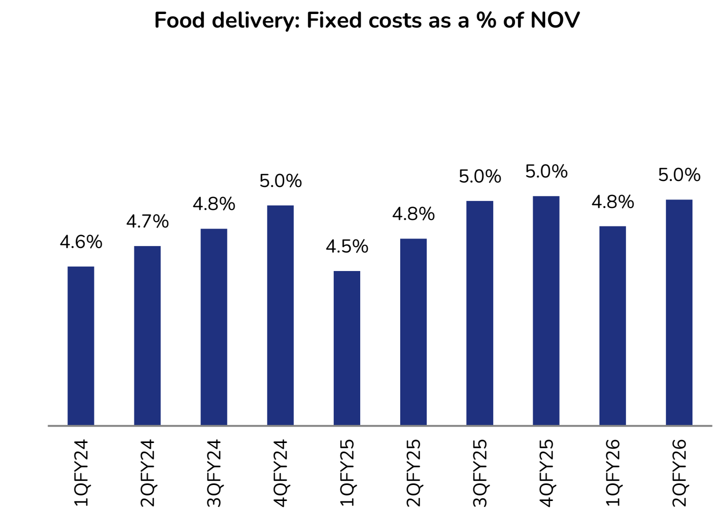
Source: Company, JM Financial

Exhibit 10. Food Delivery: Contribution margin as % of NOV



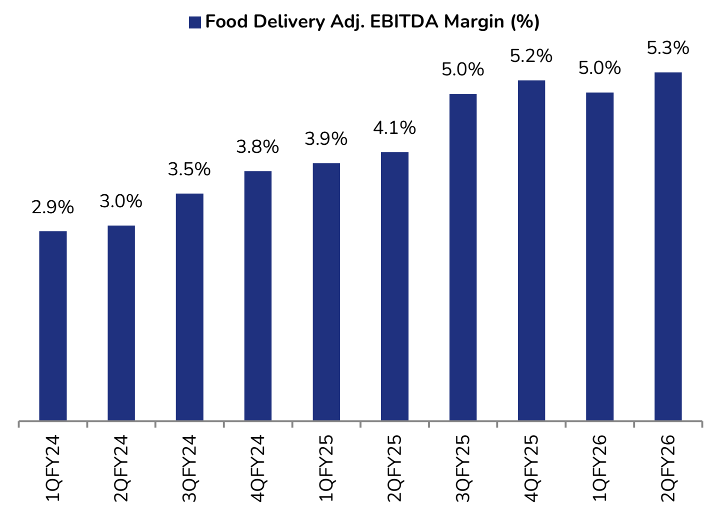
Source: Company, JM Financial.

Exhibit 11. Food Delivery: Fixed cost as a % of NOV



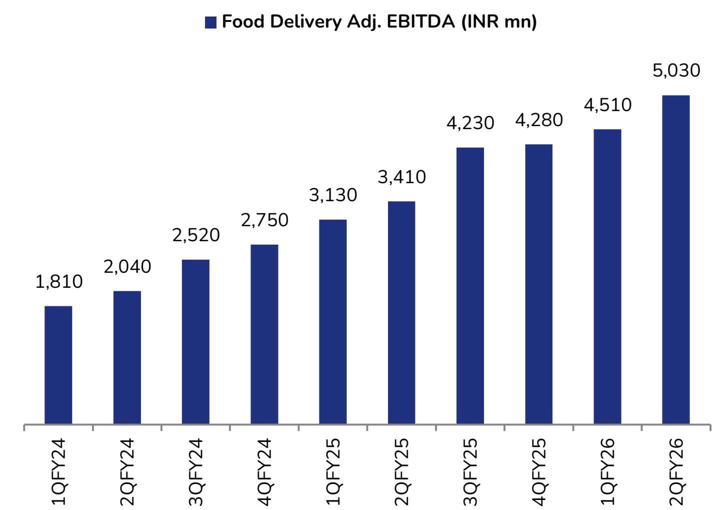
Source: Company, JM Financial. Fixed costs = Food delivery operating expenses minus food delivery related variable expenses.

Exhibit 12. Food Delivery: Adjusted EBITDA margin (as a % of NOV)



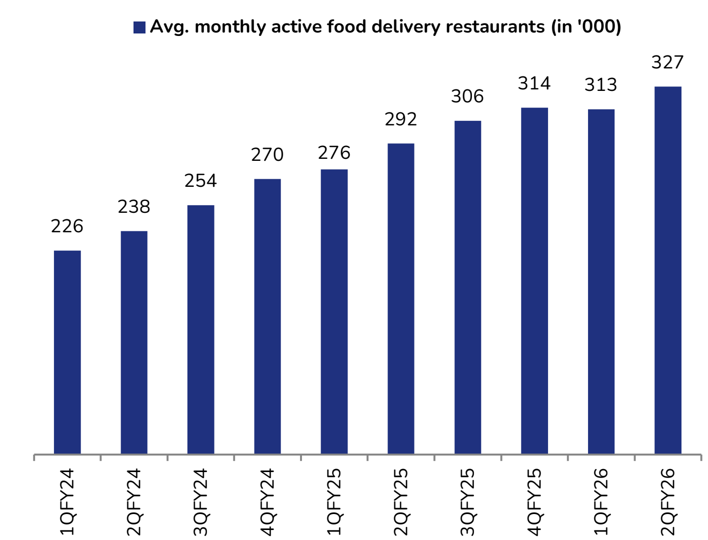
Source: Company, JM Financial

Exhibit 13. Food Delivery: Adjusted EBITDA



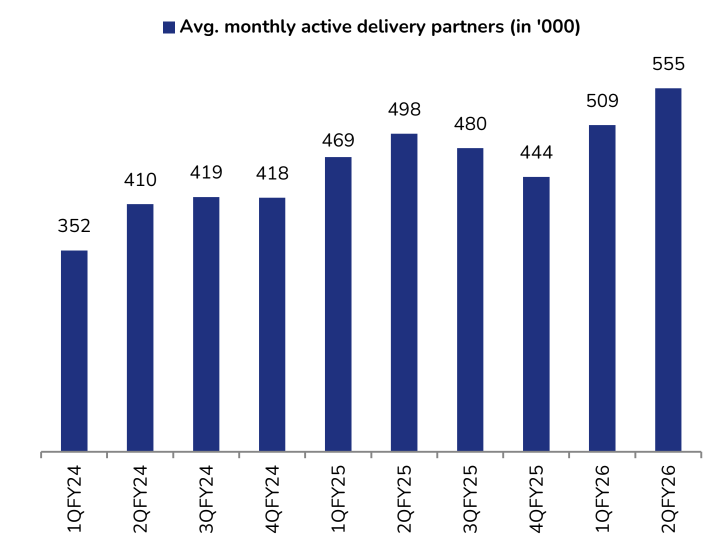
Source: Company, JM Financial

Exhibit 14. Food Delivery: Avg. monthly active delivery restaurants



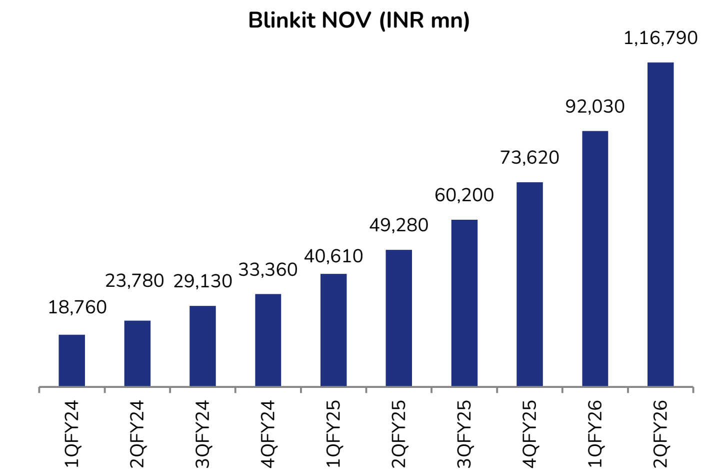
Source: Company, JM Financial

Exhibit 15. Food Delivery: Avg. monthly active delivery partners



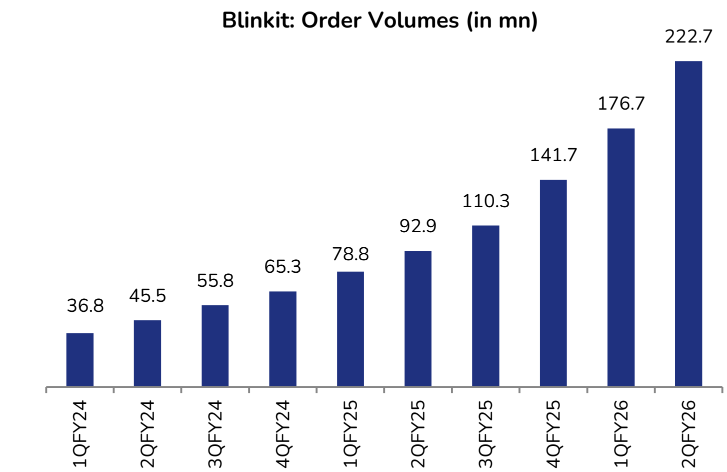
Source: Company, JM Financial

Exhibit 16. Blinkit: NOV trend (INR mn)



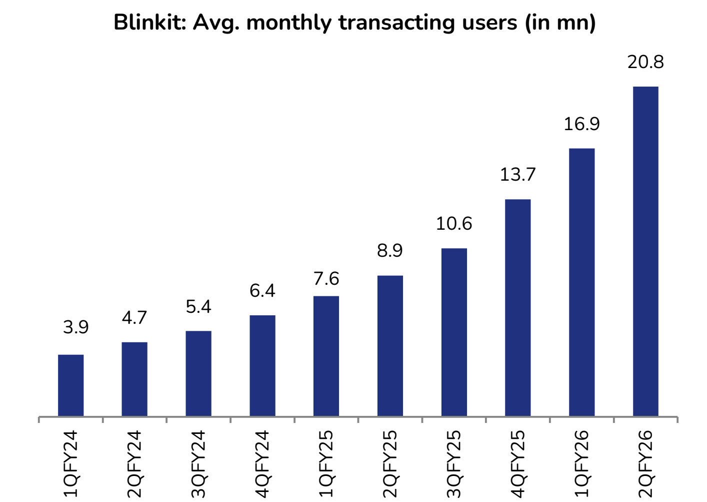
Source: Company, JM Financial

Exhibit 17. Blinkit: Order volumes trend



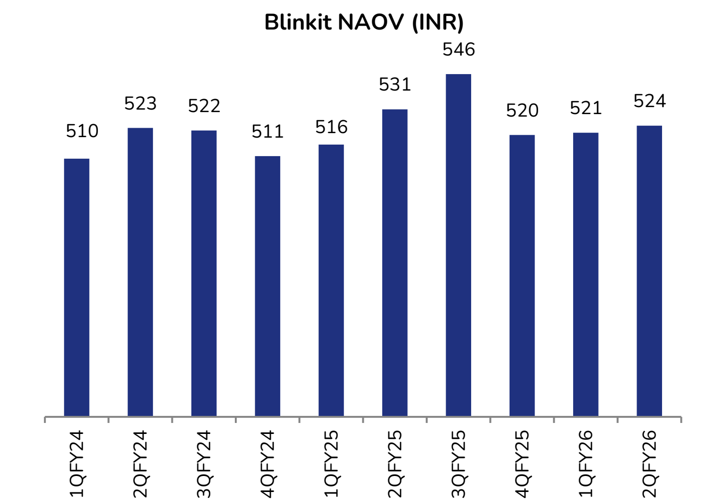
Source: Company, JM Financial

Exhibit 18. Blinkit: Avg. monthly transacting user trend



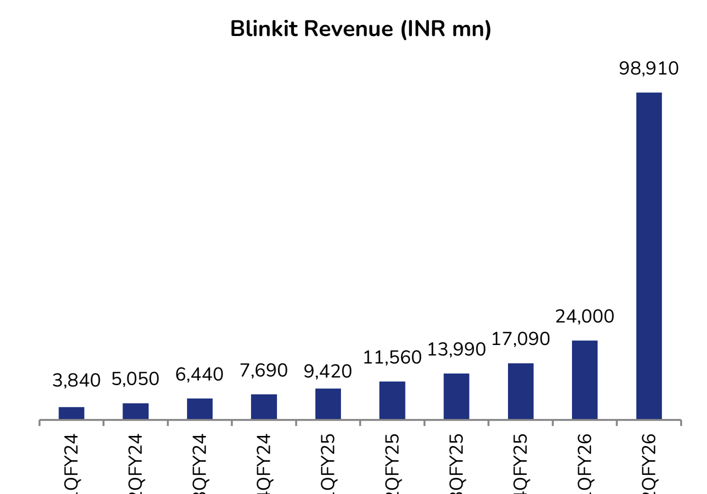
Source: Company, JM Financial

Exhibit 19. Blinkit: Avg. order value (AOV, INR)



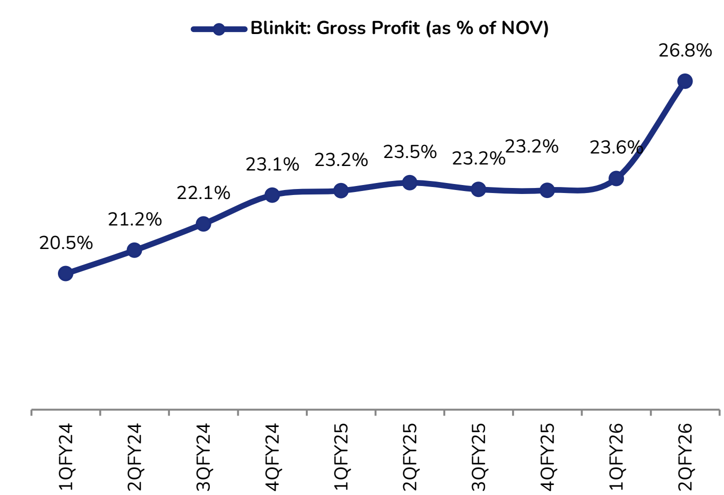
Source: Company, JM Financial

Exhibit 20. Blinkit: Revenue trend (INR mn)



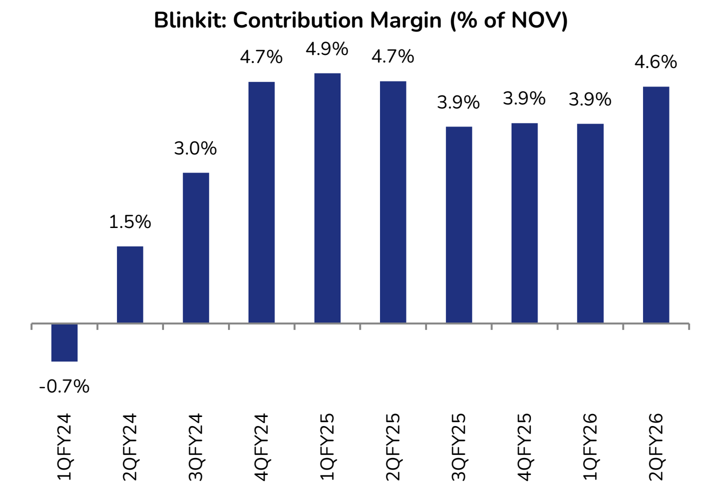
Source: Company, JM Financial. Note: In 1QFY26 onwards, Blinkit has partially moved to inventory-led model hence the latest quarter revenue is not comparable to previous quarters.

Exhibit 21. Blinkit gross profit (as % of NOV) trends



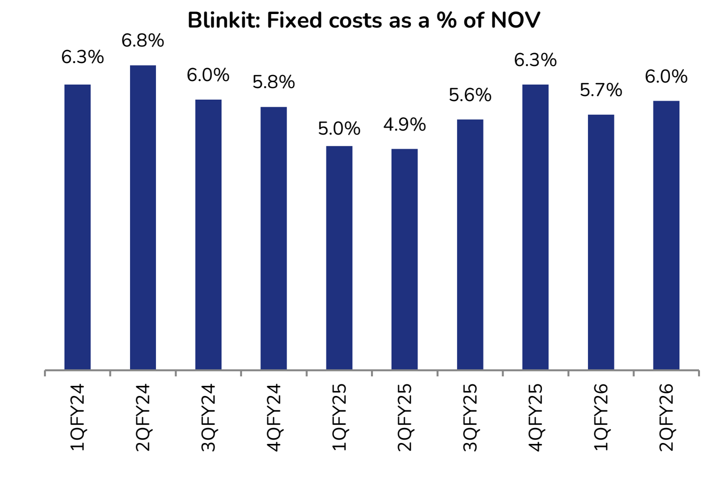
Source: Company, JM Financial

Exhibit 22. Blinkit: Contribution Margin as % of NOV



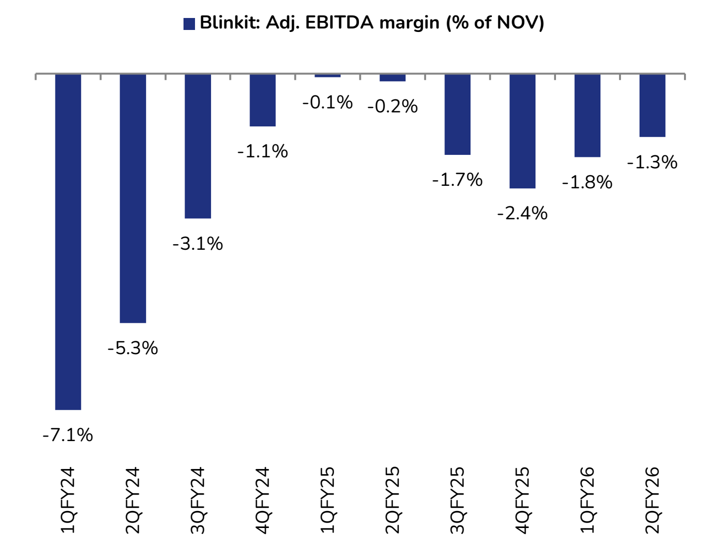
Source: Company, JM Financial

Exhibit 23. Blinkit: Fixed cost as a % of NOV



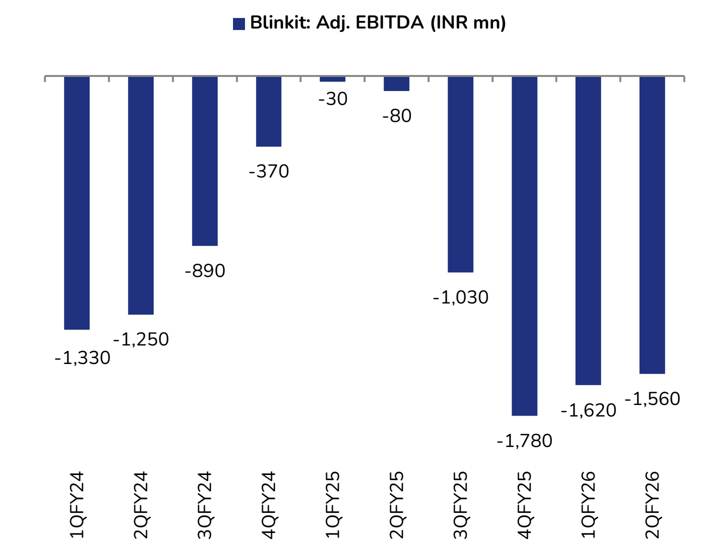
Source: Company, JM Financial

Exhibit 24. Blinkit: Adjusted EBITDA margin



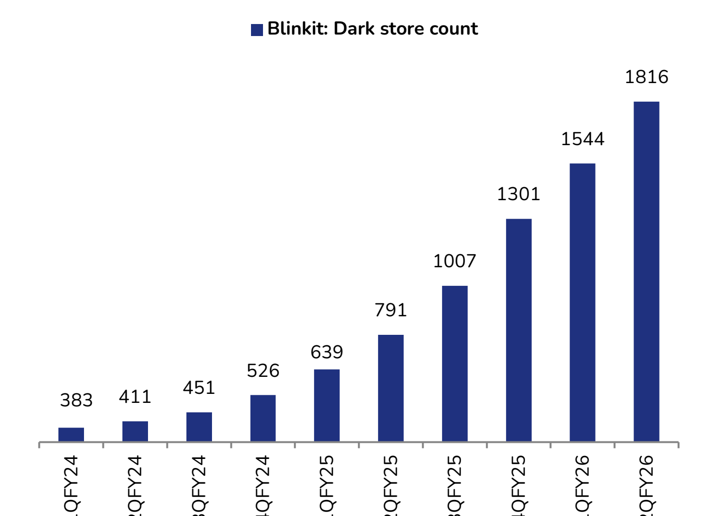
Source: Company, JM Financial

Exhibit 25. Blinkit: Adjusted EBITDA



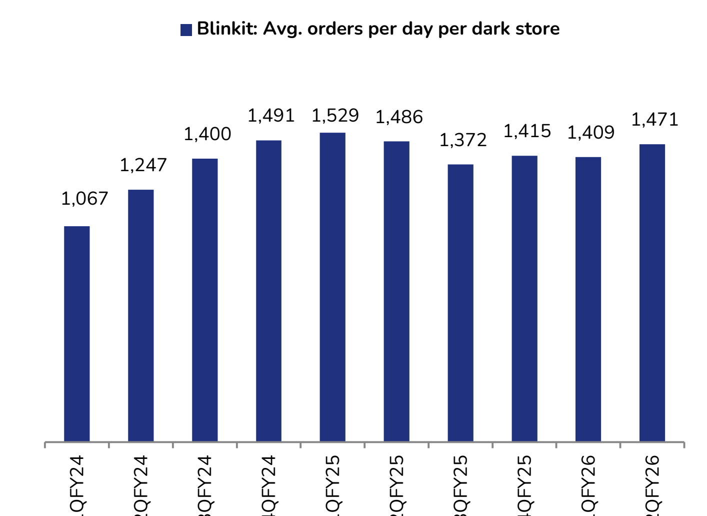
Source: Company, JM Financial

Exhibit 26. Blinkit: No. of dark stores



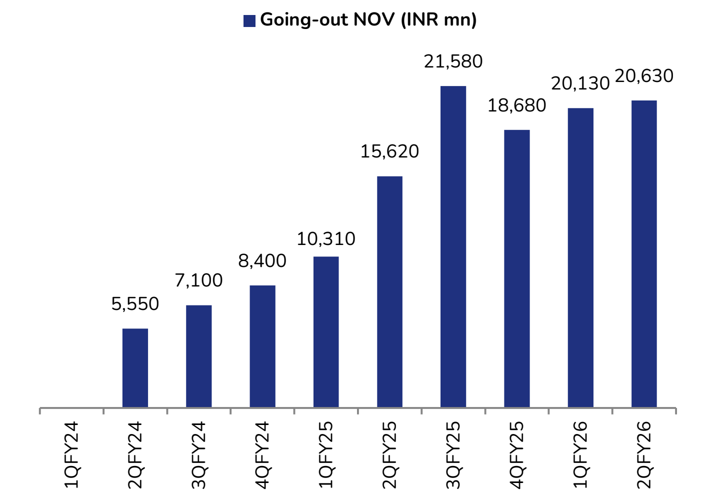
Source: Company, JM Financial

Exhibit 27. Blinkit: Orders per day per store



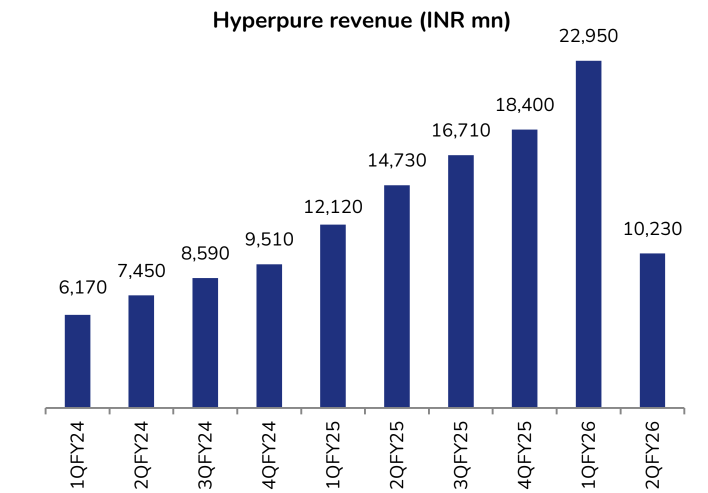
Source: Company, JM Financial

Exhibit 28. Going-out: Revenue trend



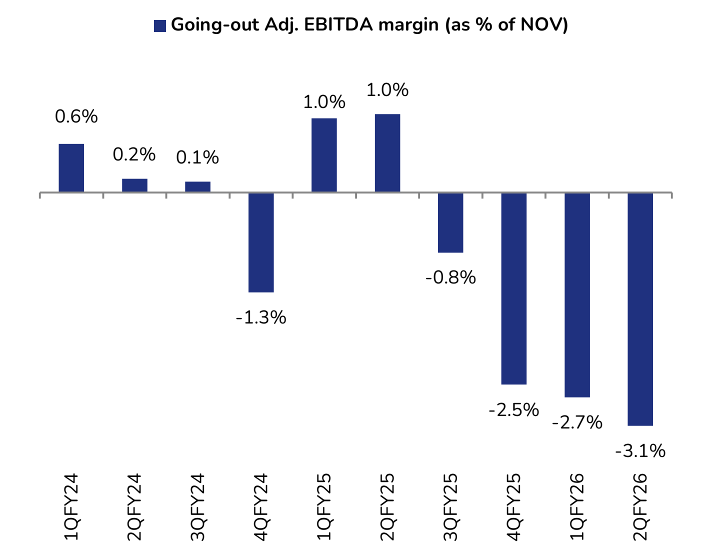
Source: Company, JM Financial. Note: Includes Paytm's ticketing business from 27th August 2024

Exhibit 29. Hyperpure: Revenue trend



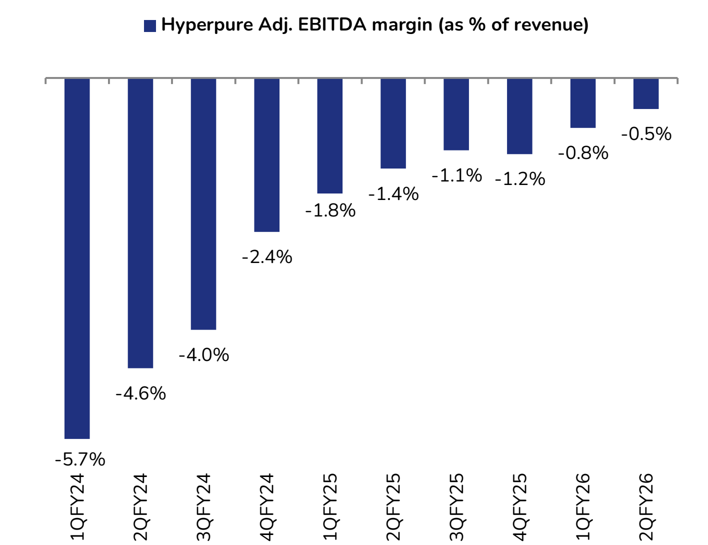
Source: Company, JM Financial

Exhibit 30. Going-out: Adj. EBITDA margin



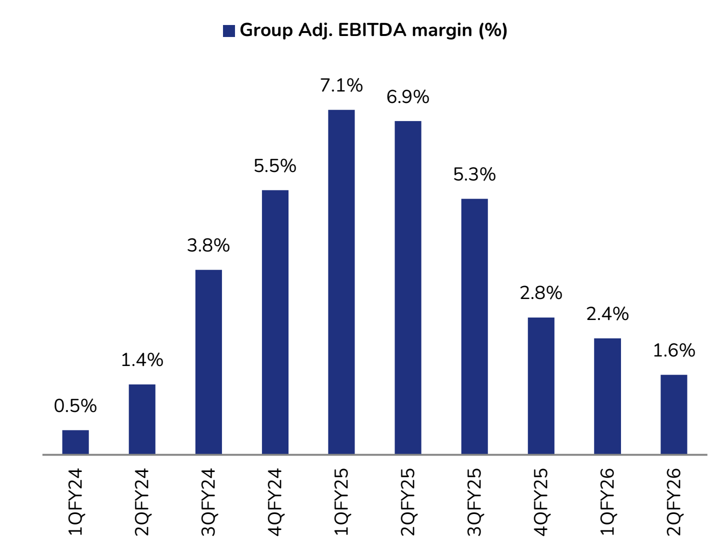
Source: Company, JM Financial. Note: Includes Paytm's ticketing business from 27th August 2024

Exhibit 31. Hyperpure: Adj. EBITDA margin



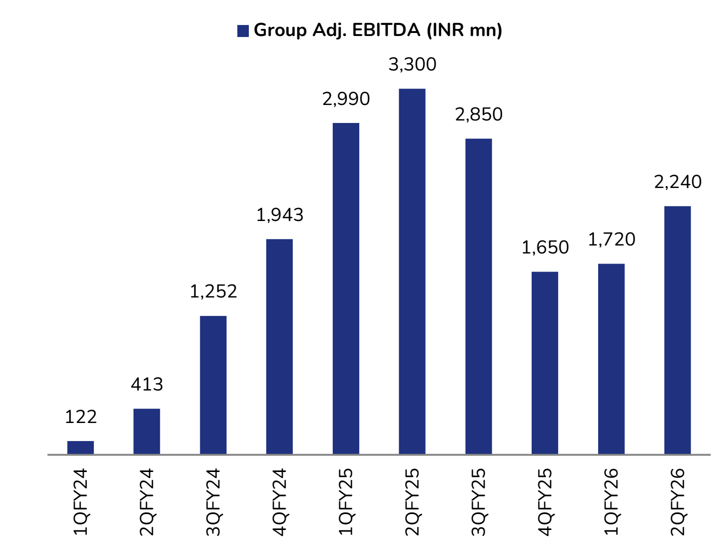
Source: Company, JM Financial

Exhibit 32. Group: Adjusted EBITDA margin trend



Source: Company, JM Financial

Exhibit 33. Group: Adjusted EBITDA



Source: Company, JM Financial.

Exhibit 34. Key operating metrics and financial assumptions

Mar YE (INR bn)	FY26E	FY27E	FY28E	FY29E	FY30E
Food Delivery					
Orders (million)	995	1,148	1,310	1,496	1,664
NAOV (INR)	379	392	405	420	434
NOV (INR bn)	377	450	531	628	723
Revenue (INR bn)	**99**	**120**	**141**	**167**	**192**
Take rate (% of NOV)	26.2%	26.6%	26.6%	26.6%	26.6%
Contribution Profit (INR per order)	**39.0**	**41.5**	**43.0**	**44.7**	**46.9**
% of NAOV	10.3%	10.6%	10.6%	10.7%	10.8%
Adj. EBITDA (INR bn)	**19.9**	**25.7**	**31.0**	**38.2**	**45.6**
% of NOV	5.3%	5.7%	5.8%	6.1%	6.3%
Blinkit					
Orders (million)	967	1,879	2,596	3,075	3,579
NAOV (INR)	531	547	564	581	598
NOV (INR bn)	**514**	**1,028**	**1,464**	**1,786**	**2,141**
Revenue (INR bn)	**398**	**930**	**1,324**	**1,615**	**1,937**
Contribution Profit (INR per order)	**24.7**	**36.1**	**40.6**	**43.6**	**46.1**
% of NAOV	4.6%	6.6%	7.2%	7.5%	7.7%
Adj. EBITDA (INR bn)	**-4.9**	**21.9**	**47.9**	**67.3**	**88.9**
% of NOV	-0.9%	2.1%	3.3%	3.8%	4.2%
Hyperpure					
Revenue (INR bn)	**50**	**40**	**48**	**55**	**62**
Adj. EBITDA (INR bn)	-0.3	0.1	0.5	0.7	1.0
% of revenue	-0.5%	0.2%	1.0%	1.3%	1.6%
Going-Out					
NOV (INR bn)	**93**	**126**	**151**	**178**	**210**
Adj. EBITDA (INR bn)	-2.4	2.4	4.6	6.8	8.7
% of NOV	-2.5%	1.9%	3.1%	3.8%	4.2%
Others					
Revenue (INR mn)	**192**	**576**	**864**	**1,296**	**1,503**
Adj. EBITDA (INR mn)	-1,824	-1,008	-648	-518	-376
% of revenue	-950%	-175%	-75%	-40%	-25%
Group					
Revenue (INR bn)	**556**	**1,108**	**1,537**	**1,867**	**2,226**
Adj. EBITDA (INR bn)	**11**	**49**	**83**	**112**	**144**
Adj. EBITDA margin (% of revenue)	1.9%	4.4%	5.4%	6.0%	6.5%
EBITDA (INR bn)	**11**	**52**	**89**	**120**	**153**
EBITDA margin (% of revenue)	2.1%	4.7%	5.8%	6.4%	6.9%
Depreciation & amortisation (INR bn)	16	19	21	23	25
EBIT (INR bn)	**-4**	**33**	**68**	**97**	**128**
PBT	**7**	**43**	**76**	**104**	**139**
PAT	**4**	**40**	**68**	**78**	**104**

Source: JM Financial

Maintain BUY; TP raised to INR 450

Exhibit 35. What has changed in our forecasts and assumptions?

	Old			New			Change		
All numbers are in INR mn except EPS	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Food Delivery									
NOV	382,837	461,204	551,199	376,764	449,734	531,055	-1.6%	-2.5%	-3.7%
Revenue	97,716	117,994	141,018	98,819	119,757	141,411	1.1%	1.5%	0.3%
Adj. EBITDA	19,882	25,184	31,298	19,887	25,717	31,049	0.0%	2.1%	-0.8%
Adj. EBITDA Margin (as % of NOV)	5.2%	5.5%	5.7%	5.3%	5.7%	5.8%	9bp	26bp	17bp
Blinkit									
NOV	520,190	831,593	989,175	513,798	1,028,348	1,463,502	-1.2%	23.7%	48.0%
Revenue	339,490	714,029	849,333	398,078	930,424	1,324,141	17.3%	30.3%	55.9%
Adj. EBITDA	2,701	19,991	36,676	-4,866	21,932	47,948	-280.1%	9.7%	30.7%
Adj. EBITDA Margin (as % of NOV)	0.5%	2.4%	3.7%	-0.9%	2.1%	3.3%	-147bp	-27bp	-43bp
Hyperpure									
Revenue	49,568	39,654	47,585	49,568	39,654	47,585	0.0%	0.0%	0.0%
Adj. EBITDA	-649	-361	-42	-270	63	454	58.4%	-117.4%	-1193.1%
Adj. EBITDA Margin (as % of revenue)	-1.3%	-0.9%	-0.1%	-0.5%	0.2%	1.0%	76bp	107bp	104bp
Dining-Out & Others									
NOV	96,014	139,221	167,065	93,043	125,608	150,730	-3.1%	-9.8%	-9.8%
Adj. EBITDA	-1,911	2,456	4,915	-2,362	2,369	4,617	23.6%	-3.6%	-6.0%
Adj. EBITDA Margin (as % of NOV)	-2.0%	1.8%	2.9%	-2.5%	1.9%	3.1%	-55bp	12bp	12bp
Others									
Revenue	192	576	864	192	576	864	0.0%	0.0%	0.0%
Adj. EBITDA	-1,478	-1,008	-648	-1,824	-1,008	-648	-23.4%	0.0%	0.0%
Adj. EBITDA Margin (as % of revenue)	-770.0%	-175.0%	-75.0%	-950.0%	-175.0%	-75.0%	-18000bp	0bp	0bp
Consolidated									
Revenue	582,980	1,011,473	1,205,865	639,700	1,216,019	1,664,731	9.7%	20.2%	38.1%
Adj. EBITDA	18,545	46,263	72,199	10,564	49,072	83,421	-43.0%	6.1%	15.5%
Adj. EBITDA Margin (as % of revenue)	3.2%	4.6%	6.0%	1.7%	4.0%	5.0%	-153bp	-54bp	-98bp
EBITDA	17,872	47,231	74,800	11,429	52,403	89,366	-36.1%	11.0%	19.5%
EBITDA Margin (as % of revenue)	3.1%	4.7%	6.2%	1.8%	4.3%	5.4%	-128bp	-36bp	-83bp
Adj. PAT	12,025	37,665	59,444	4,142	39,716	68,188	-65.6%	5.4%	14.7%
Diluted EPS (INR)	1.25	3.90	6.16	0.43	4.12	7.07	-65.6%	5.4%	14.7%

Source: JM Financial estimates

Key Risks

- **Key upside risks** to our price target are: (1) Sharp rise in transacting users driven by growing share of working age digitally native millennial/GenZ population; (2) Better-than- expected AOV growth; (3) Synergy benefits from rapid expansion of Hyperpure and dining-out businesses and (4) Significant value accretion from organic/inorganic expansion in adjacent verticals.
- **Key downside risks** are: (1) Slower-than-expected tech penetration in India; (2) Sharp increase in competitive intensity; (3) Continued stakeholder conflicts such as allegations of unfair trade practices from food services industry bodies such as NRAI, amongst others (4) Technology failures and data breaches (5) Regulatory risks: Uncertainty around the likely implications for tech-platforms such as Zomato if the new labour laws are implemented in India. (6) Organic/inorganic investments fail to deliver.

Financial Tables (Consolidated)

Income Statement (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,21,150	2,02,430	5,56,049	11,08,237	15,37,166
Sales Growth	*71.1%*	*67.1%*	*174.7%*	*99.3%*	*38.7%*
Other Operating Income	0	0	0	0	0
Total Revenue	**1,21,150**	**2,02,430**	**5,56,049**	**11,08,237**	**15,37,166**
Cost of Goods Sold/Op. Exp	0	0	0	0	0
Personnel Cost	28,820	55,650	2,97,593	7,32,714	10,34,743
Other Expenses	91,900	1,40,410	2,47,027	3,23,119	4,13,057
EBITDA	**430**	**6,370**	**11,429**	**52,403**	**89,366**
EBITDA Margin	*0.4%*	*3.1%*	*2.1%*	*4.7%*	*5.8%*
EBITDA Growth	*0.0%*	*1,381.4%*	*79.4%*	*358.5%*	*70.5%*
Depn. & Amort.	5,260	8,630	15,601	19,038	21,448
EBIT	-4,830	-2,260	-4,172	33,365	67,918
Other Income	7,750	9,230	11,076	9,805	7,847
Finance Cost	0	0	0	0	0
PBT before Excep. & Forex	2,920	6,970	6,904	43,170	75,765
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	2,920	6,970	6,904	43,170	75,765
Taxes	-600	1,700	2,762	3,454	7,576
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	3,520	5,270	4,142	39,716	68,188
Adjusted Net Profit	**3,520**	**5,270**	**4,142**	**39,716**	**68,188**
Net Margin	*2.9%*	*2.6%*	*0.7%*	*3.6%*	*4.4%*
Diluted Share Cap. (mn)	8,705.8	9,186.6	9,650.4	9,650.4	9,650.4
Diluted EPS (INR)	**0.4**	**0.6**	**0.4**	**4.1**	**7.1**
Diluted EPS Growth	*0.0%*	*41.9%*	*-25.2%*	*858.8%*	*71.7%*
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Balance Sheet (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	2,04,130	3,03,170	3,14,814	3,61,656	4,36,971
Share Capital	8,680	9,070	9,070	9,070	9,070
Reserves & Surplus	1,95,450	2,94,100	3,05,744	3,52,586	4,27,901
Preference Share Capital	0	0	0	0	0
Minority Interest	-70	-70	-70	-70	-70
Total Loans	0	0	0	0	0
Def. Tax Liab. / Assets (-)	-2,210	-1,290	-3,336	-6,649	-9,223
Total - Equity & Liab.	**2,01,850**	**3,01,810**	**3,11,407**	**3,54,937**	**4,27,678**
Net Fixed Assets	57,760	76,650	82,234	90,681	99,304
Gross Fixed Assets	5,290	13,450	25,916	41,632	58,167
Intangible Assets	54,710	66,490	63,190	60,219	57,249
Less: Depn. & Amort.	2,420	3,800	7,382	11,679	16,622
Capital WIP	180	510	510	510	510
Investments	1,19,320	1,81,760	1,61,760	1,61,760	1,61,760
Current Assets	54,270	96,530	1,67,081	2,59,623	3,80,633
Inventories	880	1,760	30,869	58,521	82,799
Sundry Debtors	7,940	19,460	41,477	79,974	88,483
Cash & Bank Balances	3,090	6,660	9,824	10,994	67,801
Loans & Advances	0	0	0	0	0
Other Current Assets	42,360	68,650	84,910	1,10,135	1,41,550
Current Liab. & Prov.	29,500	53,130	99,668	1,57,127	2,14,019
Current Liabilities	18,260	37,940	83,022	1,23,951	1,68,002
Provisions & Others	11,240	15,190	16,646	33,176	46,017
Net Current Assets	24,770	43,400	67,413	1,02,495	1,66,614
Total – Assets	**2,01,850**	**3,01,810**	**3,11,407**	**3,54,937**	**4,27,678**

Source: Company, JM Financial

Cash Flow Statement (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	2,20,434	2,73,178	6,904	43,170	75,765
Depn. & Amort.	30,035	32,566	15,601	19,038	21,448
Net Interest Exp. / Inc. (-)	-5,790	-6,470	-11,076	-9,805	-7,847
Inc (-) / Dec in WCap.	1,180	-10,930	-38,090	-60,019	-43,070
Others	-2,38,348	-2,84,084	7,501	7,126	7,126
Taxes Paid	-1,050	-1,180	-4,808	-6,767	-10,150
Operating Cash Flow	**6,460**	**3,080**	**-23,968**	**-7,256**	**43,272**
Capex	-2,020	-9,310	-12,466	-15,715	-16,535
Free Cash Flow	*4,440*	*-6,230*	*-36,435*	*-22,971*	*26,737*
Inc (-) / Dec in Investments	-7,630	-58,760	20,000	0	0
Others	6,180	-11,860	14,585	14,684	14,921
Investing Cash Flow	**-3,470**	**-79,930**	**22,118**	**-1,031**	**-1,614**
Inc / Dec (-) in Capital	220	84,470	0	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	-1,690	-2,580	8,523	14,336	22,223
Others	-600	-1,470	-3,509	-4,879	-7,075
Financing Cash Flow	**-2,070**	**80,420**	**5,014**	**9,457**	**15,149**
Inc / Dec (-) in Cash	**920**	**3,570**	**3,164**	**1,169**	**56,807**
Opening Cash Balance	2,170	3,090	6,660	9,824	10,994
Closing Cash Balance	3,090	6,660	9,824	10,994	67,801

Source: Company, JM Financial

Dupont Analysis

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	2.9%	2.6%	0.7%	3.6%	4.4%
Asset Turnover (x)	0.6	0.8	1.7	2.9	3.4
Leverage Factor (x)	1.0	1.1	1.1	1.1	1.1
RoE	1.8%	2.1%	1.3%	11.7%	17.1%

Key Ratios

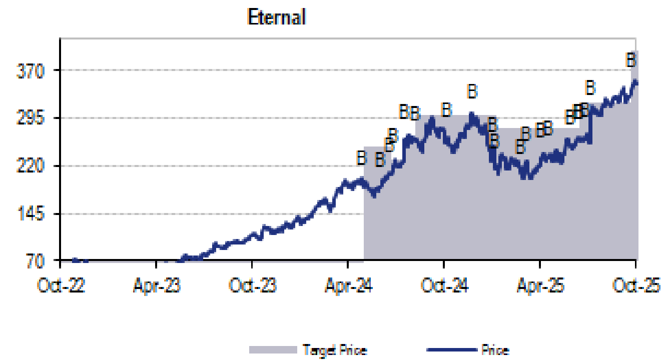
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	23.4	33.4	32.6	37.5	45.3
ROIC	-7.3%	-1.7%	-1.9%	18.5%	30.9%
ROE	1.8%	2.1%	1.3%	11.7%	17.1%
Net Debt/Equity (x)	-0.6	-0.6	-0.5	-0.5	-0.5
P/E (x)	860.7	606.6	810.7	84.6	49.3
P/B (x)	14.8	10.4	10.7	9.3	7.7
EV/EBITDA (x)	7,524.9	497.6	278.8	60.8	35.0
EV/Sales (x)	26.7	15.7	5.7	2.9	2.0
Debtor days	24	35	27	26	21
Inventory days	3	3	20	19	20
Creditor days	27	29	35	27	25

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
14-May-24	Buy	250	
17-Jun-24	Buy	250	0.0
3-Jul-24	Buy	230	-8.0
12-Jul-24	Buy	230	0.0
2-Aug-24	Buy	260	13.0
22-Aug-24	Buy	300	15.4
23-Oct-24	Buy	300	0.0
11-Dec-24	Buy	300	0.0
16-Jan-25	Buy	300	0.0
21-Jan-25	Buy	280	-6.7
12-Mar-25	Buy	280	0.0
21-Mar-25	Buy	280	0.0
18-Apr-25	Buy	280	0.0
2-May-25	Buy	280	0.0
16-Jun-25	Buy	280	0.0
27-Jun-25	Buy	280	0.0
2-Jul-25	Buy	320	14.3
13-Jul-25	Buy	320	0.0
22-Jul-25	Buy	320	0.0
8-Oct-25	Buy	400	25.0

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081
Member of BSE Ltd. and National Stock Exchange of India Ltd.
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New Rating System: Definition of ratings	
Rating	**Meaning**
BUY	Expected return >= 15% over the next twelve months.
ADD	Expected return >= 5% and < 15% over the next twelve months.
REDUCE	Expected return >= -10% and < 5% over the next twelve months.
SELL	Expected return < -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	**Meaning**
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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