

# Eternal | BUY

## Playing in a league of its own

We believe Blinkit will continue to report meaningful market share gains (in NOV terms) in quick commerce in the near term on the back of its fast-growing quality customer base and accelerated pace of supply chain (dark stores + mother hubs) expansion across 100+ cities. The business also remains on track to break-even in 3QFY26 on the back of scale benefits and the recent shift to an inventory-led business model. In Zomato (food delivery) too, NOV growth seems to have bottomed out and YoY trends could see some acceleration 2QFY26 onwards on the back of an easing base. Further, food delivery margins are likely to be stable, within the sustainable range of 5-6% as % of NOV, as adverse impact of lowering of MOV will likely be offset by platform fee increase. Overall, we believe Eternal is likely to report improving trends across both its key businesses in the near term. We, therefore, reiterate our bullish view on Eternal with a revised Sep'26 TP of INR 400 that values its stock at 80x NTM EPS (75x earlier).

- **Blinkit to continue to gain market share:** Our recent checks suggest Blinkit remains on track to add 200-250 dark stores each quarter, which would ensure that the business will have ~2,000 operational stores by Dec'25 and 3,000 stores by end-FY27. Such accelerated supply chain (dark stores + mother hubs) investments could drive meaningful competitive benefits, especially at a time when its nearest competitors seems to have slowed down their network expansion plans to focus on profitability improvement. Blinkit also stands out due to the superior quality of its customer base that enables it to drive growth without having to compromise on profitability ([refer below for more details](#)). These factors make us believe that Blinkit will continue to gain significant NOV market share in the near term. The business also remains on track to break-even in 3QFY26 on the back of operating leverage and the recent shift to an inventory-led business model, in our opinion.
- **Zomato's NOV growth seems to have bottomed-out:** We believe Zomato will report sequential improvement in NOV growth trends (on a YoY basis) in 2QFY26, having earlier reported 4 consecutive quarters of moderating growth due to macro challenges. In fact, there could be further improvement in trends in 2H as the company lowered its MOV on subscription-based orders to INR 99 from INR 199 earlier sometime in Aug'25. Further, margins are likely to be stable, within the sustainable range of 5-6% as % of NOV, as adverse impact of lowering of MOV will likely be offset by platform fee increase.
- **Reiterate 'BUY' with a revised TP of INR 400:** We restructure our financial model as we move from GOV-driven forecasting to NOV forecasting in B2C businesses. We also factor in the impact of Blinkit's business model change. In our model, we raise NOV estimates for Blinkit by ~7%-20% and Zomato by ~1%-5% over FY26-28 due to the aforementioned reasons. While we have lowered Blinkit's Adj. EBITDA margin by 2-22bps (% of NOV) over FY26-28 to factor in accelerated growth investments, we raise Zomato's margin by ~12-26bps. While Consol. EBITDA estimates change by 3%/+8.4%/8.3% over FY26/27/28, respectively, lower treasury income expectations on account of higher working capital investments and capex lead to EPS cuts by ~18% in FY26. FY27 and FY28 EPS estimates however have been raised by 4-8%. We also raise our target PER multiple to 80x and roll-forward for a revised Sep'26 TP of INR 400.



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### Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	400
Upside/(Downside)	18.4%
Previous Price Target	320
Change	25.0%

### Key Data – ETERNAL IN

Current Market Price	INR338
Market cap (bn)	INR3,260.4/US\$36.7
Free Float	100%
Shares in issue (mn)	9,650.4
Diluted share (mn)	9,650.4
3-mon avg daily val (mn)	INR14,851.5/US\$167.3
52-week range	344/190
Sensex/Nifty	81,927/25,108
INR/US\$	88.8

### Price Performance

%	1M	6M	12M
Absolute	2.6	61.2	27.0
Relative*	1.2	46.0	26.5

\* To the BSE Sensex

### Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,21,150	2,02,430	4,98,896	8,92,010	10,64,476
Sales Growth (%)	71.1	67.1	146.5	78.8	19.3
EBITDA	430	6,370	17,872	47,231	74,800
EBITDA Margin (%)	0.4	3.1	3.6	5.3	7.0
Adjusted Net Profit	3,520	5,270	12,025	37,665	59,444
Diluted EPS (INR)	0.4	0.6	1.2	3.9	6.2
Diluted EPS Growth (%)	0.0	41.9	117.2	213.2	57.8
ROIC (%)	-7.3	-1.7	2.8	18.4	29.0
ROE (%)	1.8	2.1	3.8	10.9	14.7
P/E (x)	836.0	589.2	271.3	86.6	54.9
P/B (x)	14.4	10.1	10.1	8.8	7.5
EV/EBITDA (x)	7,300.5	482.5	172.4	64.9	40.1
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 07/Oct/2025

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

- **Preview for 2QFY26:** In **Zomato (FD)**, normal seasonality should play-out and hence we see sequential NOV growth of 6% with MTUs expanding to 23.2mn in 2Q versus 22.9mn in 1Q. On a YoY basis, NOV growth will be ~15%, slightly better than 13% reported in 1Q on account of an easing base. Take-rates (as % of NOV) are likely to improve to 25.6% from 25.2%/24.3% in 1QFY26/2QFY25, respectively, due to recent platform fee increase that in turn should drive revenue growth of 8% QoQ (+21% YoY). While contribution margin (as % of NOV) can improve ~20bps QoQ to 10.1%, Adj. EBITDA margin (as % of NOV) expansion will be limited to ~10bps due to wage hikes. In **Blinkit**, we expect sequential NOV growth of 28% led by robust increase of 23% in order volumes (that in turn should be driven by MTU increase to 20.0mn from 16.9mn in 1Q). Due to the recent pivot to inventory led model, we expect sharp jump in revenue by 175% QoQ (470% YoY). We see contribution margin expanding to 4.4% (as % of NOV) versus 3.9% in 1Q, on the back of scale benefits and the recent shift to an inventory-led business model. Adj. EBITDA margin (as % of NOV) can expand c.98bps sequentially to -0.8% due to contribution margin expansion as well as fixed cost leverage. At a **consolidated level**, we expect reported EBITDA to improve to INR 2.52bn vs. INR 1.15bn in 1Q whereas PAT is expected to improve to INR 784mn vs. INR 250mn in 1Q.

**Exhibit 1. Eternal: JMFe vs. Consensus (Qtrly)**

Food delivery	2QFY26E	2QFY25	YoY	1QFY26	QoQ	2QFY26 Cons.	JMFe vs Cons.
<b>NOV (INR bn)</b>	<b>95</b>	<b>83</b>	<b>15.1%</b>	<b>90</b>	<b>6.3%</b>	<b>na</b>	<b>na</b>
Adj. Revenue (INR bn)	28	23	20.9%	27	6.5%	29	-2.1%
Take-rate (% of NOV)	29.7%	28.3%	143bps	29.6%	6bps	na	na
<b>Reported Revenue (INR bn)</b>	<b>24</b>	<b>20</b>	<b>21.2%</b>	<b>23</b>	<b>7.9%</b>	<b>24</b>	<b>3.6%</b>
Take-rate (% of NOV)	25.6%	24.3%	130bps	25.2%	38bps	na	na
Contribution margin (% of NOV)	10.1%	8.9%	122bps	9.9%	22bps	8.2%	186bps
Adj. EBITDA (INR bn)	4.9	3.4	43.4%	4.5	8.4%	4.8	2.7%
<b>Adj. EBITDA margin (% of NOV)</b>	<b>5.1%</b>	<b>4.1%</b>	<b>101bps</b>	<b>5.0%</b>	<b>10bps</b>	<b>na</b>	<b>na</b>
Quick Commerce	2QFY26E	2QFY25	YoY	1QFY26	QoQ	2QFY26 Cons.	JMFe vs Cons.
<b>NOV (INR bn)</b>	<b>118</b>	<b>49</b>	<b>138.9%</b>	<b>92</b>	<b>27.9%</b>	<b>na</b>	<b>na</b>
<b>Reported Revenue (INR bn)</b>	<b>66</b>	<b>12</b>	<b>469.9%</b>	<b>24</b>	<b>174.5%</b>	<b>61.9</b>	<b>6.5%</b>
Take-rate (% of NOV)	56.0%	23.5%	3250bps	26.1%	2988bps	na	na
Contribution margin (% of NOV)	4.4%	4.7%	-35bps	3.9%	49bps	na	na
Adj. EBITDA (INR bn)	-0.9	-0.1	1047.3%	-1.6	-43.3%	-0.9	2.5%
<b>Adj. EBITDA margin (% of NOV)</b>	<b>-0.8%</b>	<b>-0.2%</b>	<b>-62bps</b>	<b>-1.8%</b>	<b>98bps</b>	<b>na</b>	<b>na</b>
Consol.	2QFY26E	2QFY25	YoY	1QFY26	QoQ	2QFY26 Cons.	JMFe vs Cons.
<b>Revenue (INR bn)</b>	<b>102</b>	<b>48</b>	<b>112.3%</b>	<b>72</b>	<b>42.2%</b>	<b>105</b>	<b>-3.0%</b>
Reported EBITDA (INR bn)	2.5	2.3	11.7%	1.2	119.6%	2.5	3.0%
Reported EBITDA Margin (as % of revenue)	2.5%	4.7%	-223bps	1.6%	87bps	2.3%	14bps
Adj. EBITDA (INR bn)	2.8	3.3	-14.6%	1.7	63.9%	2.9	-1.7%
<b>Adj. EBITDA Margin (as % of revenue)</b>	<b>2.8%</b>	<b>6.9%</b>	<b>-411bps</b>	<b>2.4%</b>	<b>37bps</b>	<b>2.7%</b>	<b>4bps</b>
Adj. PAT (INR bn)	0.8	1.8	-55.5%	0.3	213.5%	1.3	-37.3%
Diluted EPS (INR)	0.1	0.2	-59.2%	0.0	213.5%	0.1	-26.2%

Source: Visible Alpha, JM Financial

**Exhibit 2. Eternal: JMFe vs. Consensus (Annual)**

Particulars	JMFe			Cons.			JMFe vs Cons.		
Food delivery	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
NOV (INR bn)	383	461	551	na	na	na	na	na	na
Adj. EBITDA (INR bn)	20	25	31	20	27	33	-2.3%	-6.6%	-4.7%
Adj. EBITDA margin (% of NOV)	5.2%	5.5%	5.7%	na	na	na	na	na	na
Quick Commerce	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
NOV (INR bn)	520	832	989	na	na	na	na	na	na
Adj. EBITDA (INR mn)	3	20	37	-2	18	43	na	12.8%	-15.3%
Adj. EBITDA margin (% of NOV)	0.5%	2.4%	3.7%	na	na	na	na	na	na
Consol.	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
Revenue (INR bn)	499	892	1,064	489	965	1248	2.0%	-7.5%	-14.7%
Reported EBITDA (INR bn)	18	47	75	14	43	77	32.3%	10.5%	-3.3%
Reported EBITDA Margin (as % of revenue)	3.6%	5.3%	7.0%	2.8%	4.4%	6.2%	82bps	86bps	82bps
Adj. EBITDA (INR mn)	19	46	72	17	47	83	11.2%	-1.0%	-12.6%
Adjusted EBITDA Margin (as % of revenue)	3.7%	5.2%	6.8%	3.4%	4.8%	6.6%	31bps	34bps	16bps
Adj. PAT (INR bn)	12	38	59	9	25	54	38.0%	52.6%	9.5%
Diluted EPS (INR)	1.2	3.9	6.2	0.9	2.6	5.5	40.0%	52.5%	11.6%

Source: Visible Alpha, JM Financial

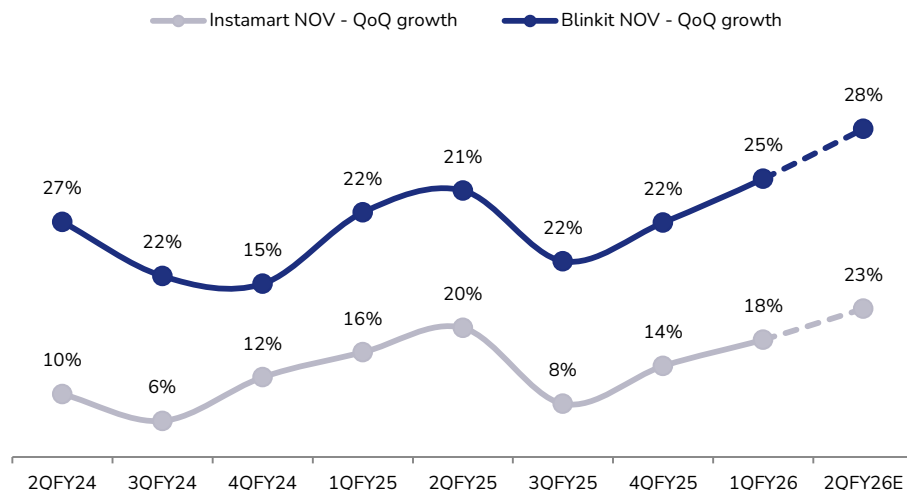
## Exhibit 3. Eternal: Key operating metrics and financial assumptions

Mar YE (INR bn)	FY26E	FY27E	FY28E	FY29E	FY30E
<b>Food Delivery</b>					
Orders (million)	971	1,131	1,306	1,492	1,658
NAOV (INR)	394	408	422	437	452
NOV (INR bn)	383	461	551	652	750
<b>Revenue (INR bn)</b>	<b>98</b>	<b>118</b>	<b>141</b>	<b>167</b>	<b>192</b>
Take rate (% of NOV)	25.5%	25.6%	25.6%	25.6%	25.6%
<b>Contribution Profit (INR per order)</b>	<b>39.8</b>	<b>41.3</b>	<b>42.8</b>	<b>44.5</b>	<b>46.7</b>
% of NAOV	10.1%	10.1%	10.1%	10.2%	10.3%
<b>Adj. EBITDA (INR bn)</b>	<b>19.9</b>	<b>25.2</b>	<b>31.3</b>	<b>38.4</b>	<b>45.8</b>
% of NOV	5.2%	5.5%	5.7%	5.9%	6.1%
<b>Blinkit</b>					
Orders (million)	953	1,478	1,707	2,022	2,354
NAOV (INR)	546	563	579	597	615
<b>NOV (INR bn)</b>	<b>520</b>	<b>832</b>	<b>989</b>	<b>1,207</b>	<b>1,447</b>
<b>Revenue (INR bn)</b>	<b>339</b>	<b>714</b>	<b>849</b>	<b>1,036</b>	<b>1,242</b>
<b>Contribution Profit (INR per order)</b>	<b>28.0</b>	<b>36.6</b>	<b>45.4</b>	<b>48.6</b>	<b>51.3</b>
% of NAOV	5.1%	6.5%	7.8%	8.1%	8.3%
<b>Adj. EBITDA (INR bn)</b>	<b>2.7</b>	<b>20.0</b>	<b>36.7</b>	<b>50.9</b>	<b>66.7</b>
% of NOV	0.5%	2.4%	3.7%	4.2%	4.6%
<b>Hyperpure</b>					
<b>Revenue (INR bn)</b>	<b>50</b>	<b>40</b>	<b>48</b>	<b>55</b>	<b>62</b>
Adj. EBITDA (INR bn)	-0.6	-0.4	0.0	0.1	0.4
% of revenue	-1.3%	-0.9%	-0.1%	0.2%	0.6%
<b>Going-Out</b>					
<b>NOV (INR bn)</b>	<b>96</b>	<b>139</b>	<b>167</b>	<b>197</b>	<b>233</b>
Adj. EBITDA (INR bn)	-1.9	2.5	4.9	7.4	9.4
% of NOV	-2.0%	1.8%	2.9%	3.7%	4.0%
<b>Others</b>					
<b>Revenue (INR mn)</b>	<b>192</b>	<b>576</b>	<b>864</b>	<b>1,296</b>	<b>1,503</b>
Adj. EBITDA (INR mn)	-1,478	-1,008	-648	-518	-376
% of revenue	-770%	-175%	-75%	-40%	-25%
<b>Group</b>					
<b>Revenue (INR bn)</b>	<b>499</b>	<b>892</b>	<b>1,064</b>	<b>1,290</b>	<b>1,534</b>
<b>Adj. EBITDA (INR bn)</b>	<b>19</b>	<b>46</b>	<b>72</b>	<b>96</b>	<b>122</b>
Adj. EBITDA margin (% of revenue)	3.7%	5.2%	6.8%	7.5%	7.9%
<b>EBITDA (INR bn)</b>	<b>18</b>	<b>47</b>	<b>75</b>	<b>100</b>	<b>127</b>
EBITDA margin (% of revenue)	3.6%	5.3%	7.0%	7.8%	8.3%
Depreciation & amortisation (INR bn)	13	15	16	17	19
<b>EBIT (INR bn)</b>	<b>4</b>	<b>33</b>	<b>59</b>	<b>83</b>	<b>109</b>
<b>PBT</b>	<b>15</b>	<b>42</b>	<b>70</b>	<b>96</b>	<b>126</b>
<b>PAT</b>	<b>12</b>	<b>38</b>	<b>59</b>	<b>72</b>	<b>94</b>

Source: Company, JM Financial estimates

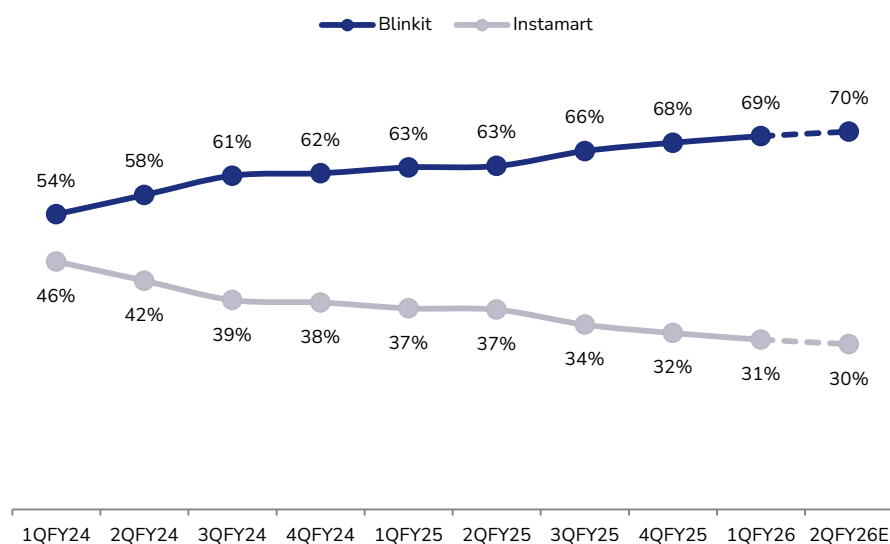
- **Blinkit's quality of growth is much superior to Instamart:** Since 4QFY24, Blinkit reported NOV CQGR of 22.5% on the back of robust expansion of its customer base. Its MTU expanded to 16.9mn from 6.4mn in 4QFY24, translating to a CQGR of 21.4%. Importantly, despite such accelerated expansion in its transacting base, the business did not see any dilution in average NOV as well as average ordering frequencies, both of which have improved marginally during this period (refer exhibit 7 and 9). On the other hand, despite Instamart reporting decent MTU CQGR of 18.7% along with NOV expanding on average to INR 455 from INR 411; its NOV CQGR was just 15.3% during the comparable period. This is primarily because there has been significant dilution in ordering frequencies of Instamart during this period from 3.56x to 2.77x. Here, it is also pertinent to note that Blinkit's outperformance vs. Instamart continues despite per order loss (Adj. EBITDA) increasing marginally from INR 6 in 4QFY24 to INR 9 as of 1QFY26 compared to Instamart's per order loss, which jumped from INR 61 to INR 97. Put together, these trends suggest the quality of Blinkit's growth is much superior to that of Instamart.

**Exhibit 4. Blinkit has outperformed Instamart in all reported qtrs. till now**

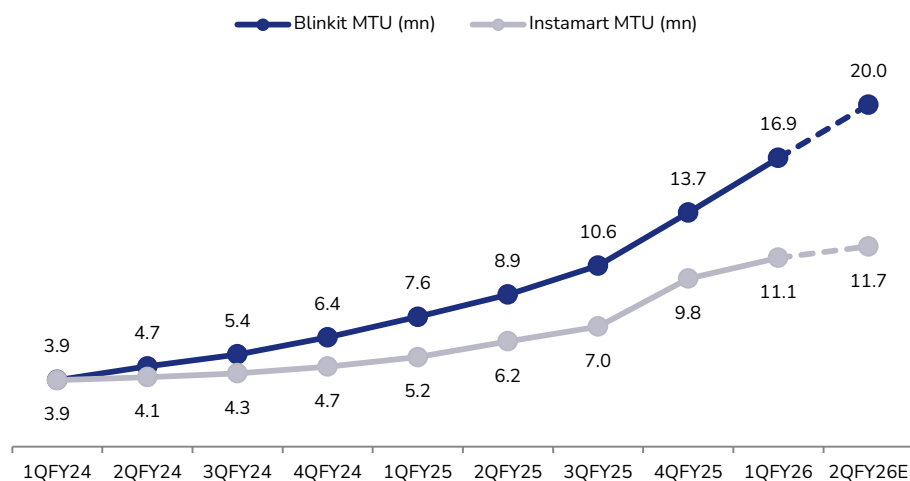


Source: Company, JM Financial estimates

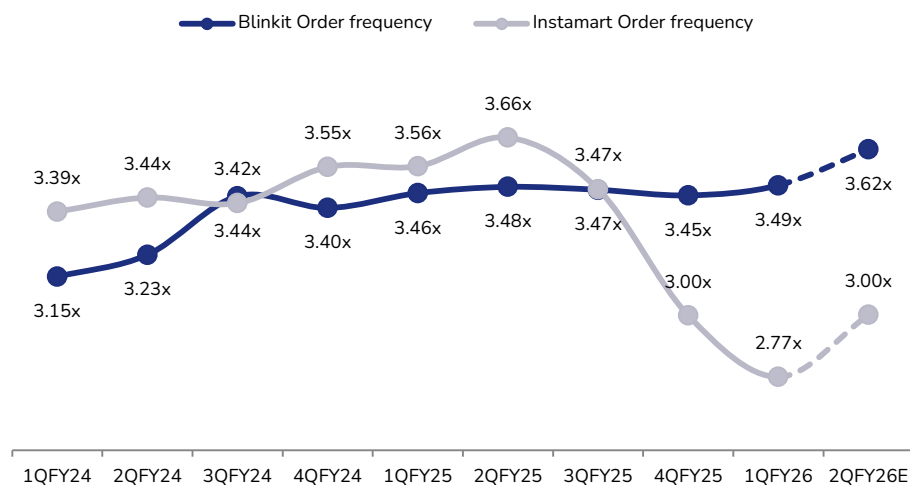
**Exhibit 5. Blinkit has consistently been gaining relative market share from Instamart, on NOV basis**



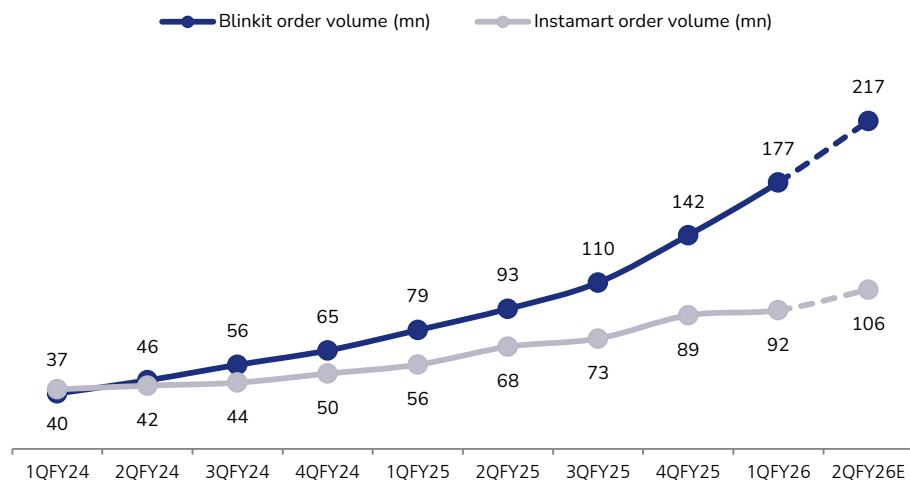
Source: Company, JM Financial estimates

**Exhibit 6. Blinkit vs Instamart MTU gap continues to expand**


Source: Company, JM Financial estimates

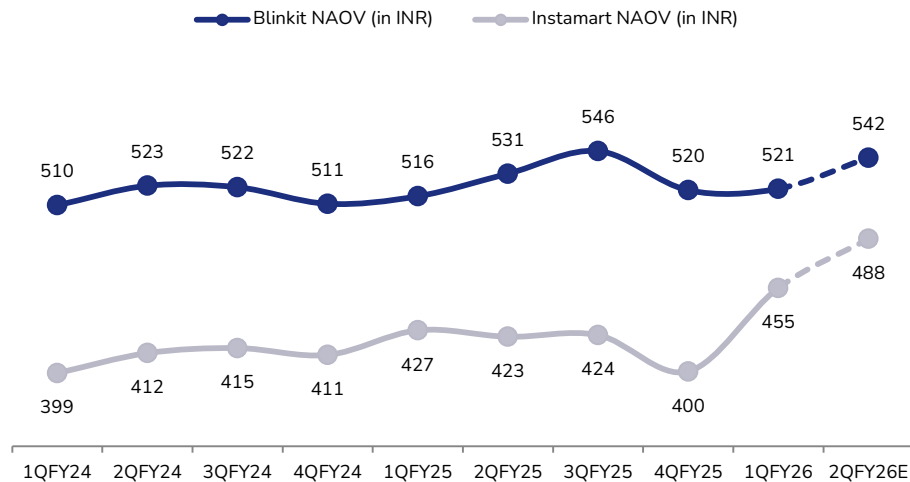
**Exhibit 7. While Blinkit has seen marginal improvement in ordering frequencies in recent qtrs. despite sharp increase in its MTU base, Instamart's order frequency have deteriorated**


Source: Company, JM Financial estimates

**Exhibit 8. Blinkit order volumes gap between Instamart continues to widen**


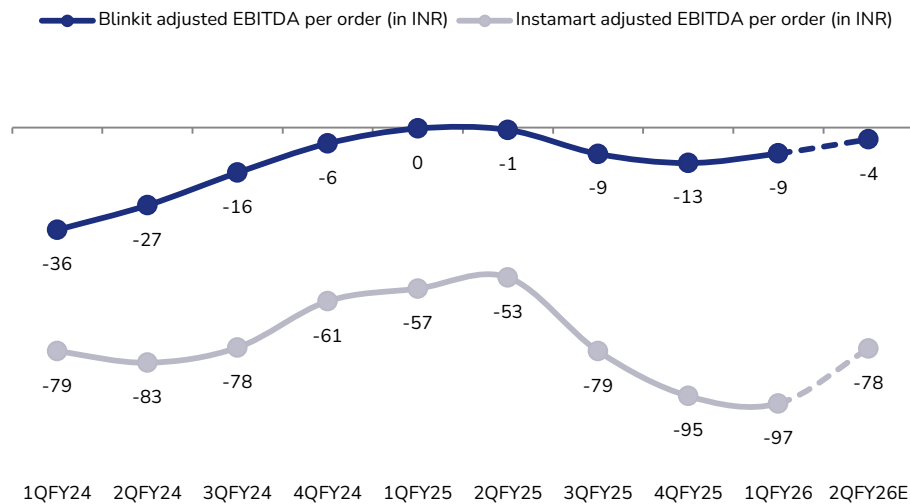
Source: Company, JM Financial estimates

**Exhibit 9. Instamart has narrowed down NAOV gap with Blinkit, albeit it has affected its volume growth**



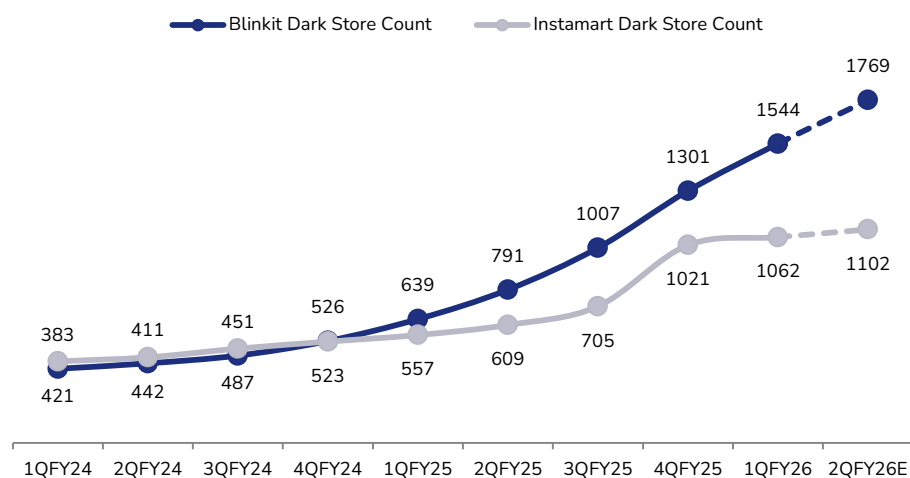
Source: Company, JM Financial estimates

**Exhibit 10. Blinkit adjusted EBITDA per order has been significantly better than Instamart**



Source: Company, JM Financial estimates

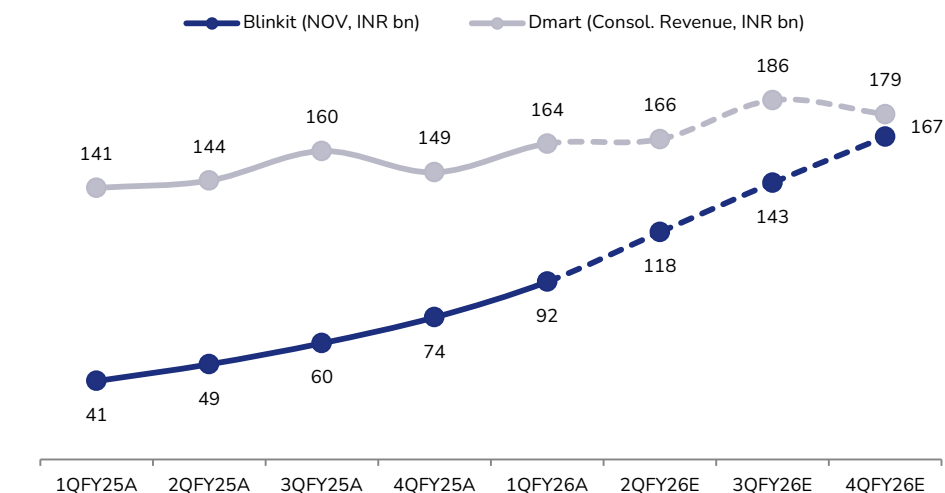
**Exhibit 11. With Instamart slowing down its supply chain network expansion, Blinkit will likely continue to gain relative market share in forthcoming quarters**



Source: Company, JM Financial estimates

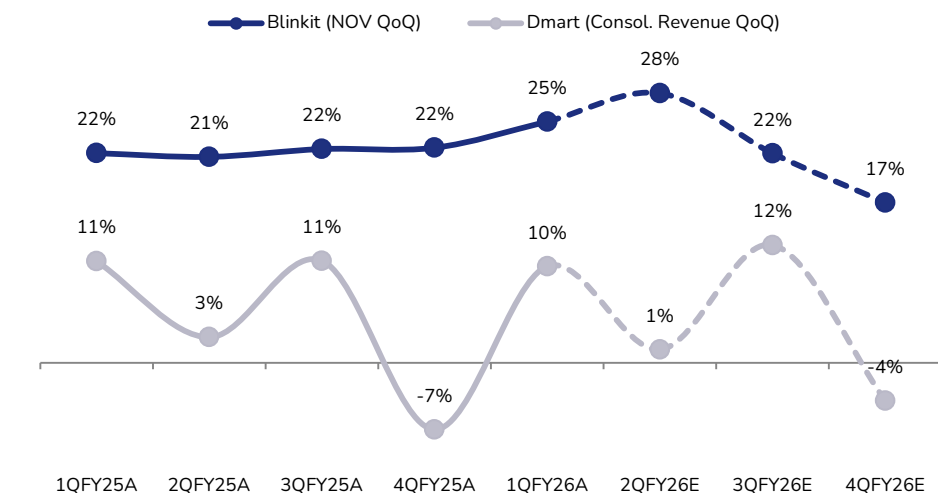
- **Blinkit will soon be bigger than DMart as well:** We expect Blinkit's exponential NOV growth to sustain over the medium term on the back of continued expansion of its MTU base and accelerated pace of supply chain (dark stores + mother hubs) expansion across 100+ cities. Accordingly, we forecast the business to report NOV CQGR of ~20%+ between 1QFY26 and 1QFY27. This means that not only Blinkit is on track to extend its lead over other incumbent quick commerce platforms, it could outsize DMart's Consol. revenue by 1QFY27 itself.

**Exhibit 12. Blinkit's NOV will soon catch the DMart's Consol. Revenue**



Source: Company, DMart estimates basis Bloomberg Consensus, Blinkit estimates as per JM Financial

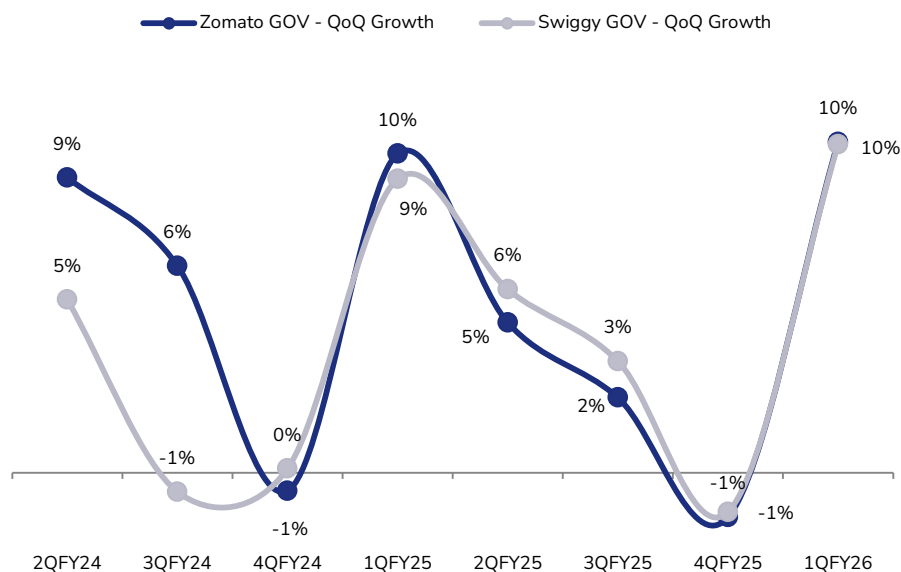
**Exhibit 13. Blinkit's NOV QoQ growth rates vs DMart's Consol. Revenue QoQ growth rates**



Source: Company, DMart estimates basis Bloomberg Consensus, Blinkit estimates as per JM Financial

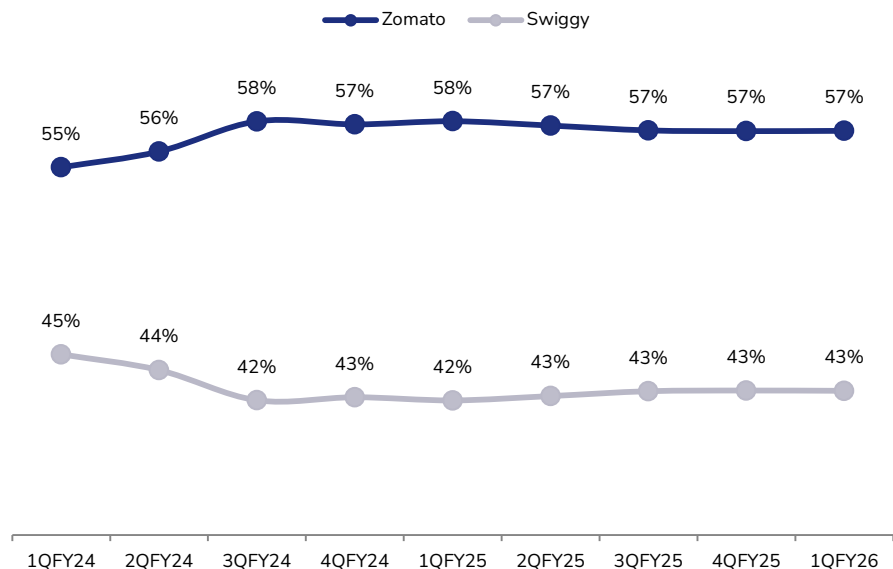
- **Zomato continues to dominate food delivery market:** Food delivery market continues to be stable duopoly between Zomato (57% relative market share as of 1QFY26 on GOV basis) and Swiggy (~43% share). Going ahead, the market share comparison will be difficult as Zomato will only report NOV, whereas Swiggy does not report NOV for its food delivery business.

**Exhibit 14. Sequential GOV growth trends in recent quarters have broadly been similar for Zomato as well as Swiggy over the last couple of quarters**



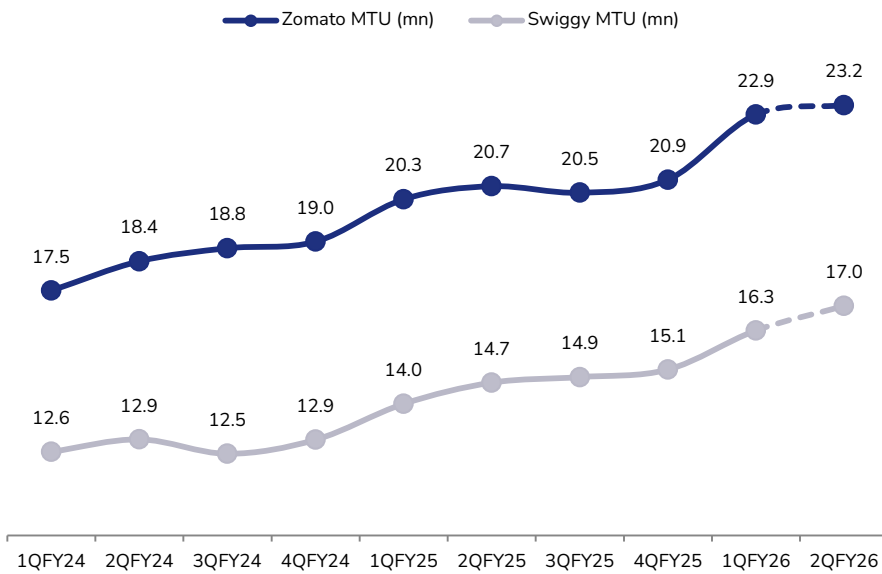
Source: Company, JM Financial estimates

**Exhibit 15. Relative market share between Zomato and Swiggy has broadly been stable in recent quarters, on GOV basis**

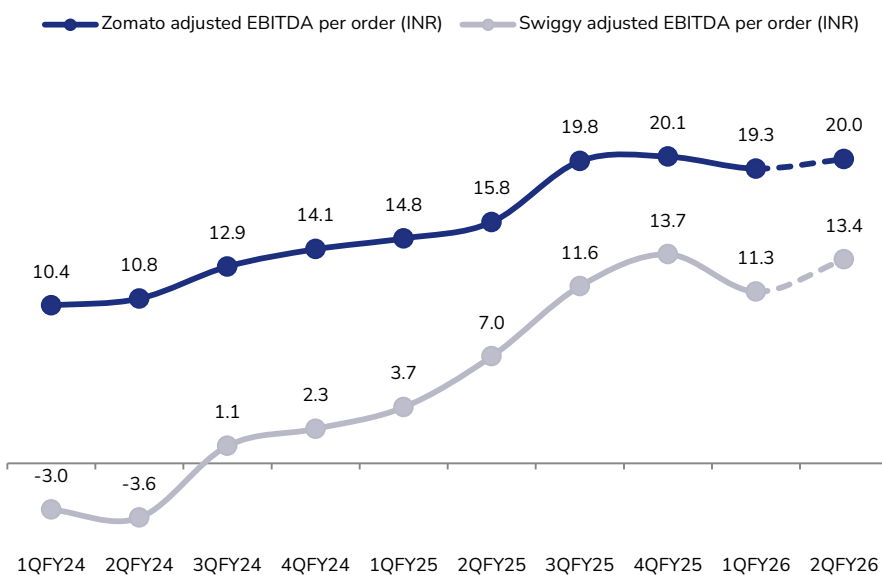


Source: Company, JM Financial estimates



**Exhibit 16. Zomato continues to hold an edge in terms of MTU's as well**

Source: Company, JM Financial estimates

**Exhibit 17. Zomato's adjusted EBITDA per order continues to be better than Swiggy, albeit the latter has narrowed the gap in recent quarters**

Source: Company, JM Financial estimates

**Exhibit 18. Our current TP for Eternal stands at INR 400 basis 80x Sept FY27 PER. However, if were to value Eternal on SOTP basis our FV would have been INR 430 as shown below**

Eternal Valuations	Valuation Metric	Target Multiple (x)	Metric	Sept'27 Estimate (INR bn)	Valuation (INR bn)	Per Share (INR)	Rationale
Zomato	EV/EBITDA	45x	Adj. EBITDA	28	1,271	132	Deserves premium valuations to listed QSRs due to negligible capex and negative working capital cycle business model. In addition, Zomato is a diversified play on the entire food services industry whereas QSR's are a play on just two or three cuisines. We also expect the company to grow 1.2x-1.5x of the underlying QSR industry over a sustainable period of time.
Blinkit	EV/NOV	2.75x	NOV	910	2,504	259	Blinkit due to its marketplace model operates on negative working capital cycle compared to other retailers. The business is also well-diversified as the NOV mix has a decent proportion of non-grocery. We see a long growth runway for the business as retail purchases will continue to move from unorganised to organised channels. We value the company at 2.75x NOV but see significant re-rating potential once it starts reporting meaningful profitability.
Going-out	EV/NOV	1x	NOV	153	153	16	Could be a 5-6% Adjusted EBITDA as % of NOV business when operating at scale
Hyperpure	EV/Sales	1x	Sales	44	44	5	Low margin trading business, will at best make mid-single digits EBITDA margin
Cash		1x	Net Cash	180	180	19	Book value (Mar'26)
<b>Target Market Cap (INR bn)</b>					<b>4,151</b>	<b>430</b>	
Current Market Price (INR)					338		
<b>Upside from CMP (%)</b>					<b>27.3%</b>		
Outstanding shares (bn)					9.65	Fully diluted shares including ungranted and unvested portion	
<b>TP (INR)</b>					<b>430</b>	<b>Fair value per share</b>	

Source: Company, JM Financial

**Exhibit 19. Valuation comps: Eternal and Swiggy vs. leading internet peers/ QSRs/ retailers**

Company	Country	MCap (USD bn)	EV (USD bn)	EV / Revenue (x)			Rev CAGR  26- 28E	EV / EBITDA (x)			EBITDA CAGR  26-28E	P / E (x)			EPS CAGR  26-28E
				FY26E	FY27E	FY28E		FY26E	FY27E	FY28E		FY26E	FY27E	FY28E	
Food tech															
Zomato	India	36.7	34.7	6.2x	3.5x	2.9x	46%	172x	65x	41x	105%	271x	86x	54x	122%
Swiggy	India	11.8	11.3	4.4x	3.6x	3.0x	21%	nm	nm	nm	nm	nm	nm	nm	nm
Internet Peers															
Nykaa	India	8.5	8.5	7.5x	6.0x	4.8x	25%	100x	64x	43x	52%	312x	141x	78x	100%
Firstcry	India	2.2	2.2	2.2x	1.9x	1.6x	16%	58x	27x	18x	77%	nm	116x	54x	nm
PB Fintech	India	9.1	8.7	11.7x	9.2x	7.4x	26%	136x	68x	44x	76%	126x	75x	52x	56%
Delhivery	India	3.9	3.7	2.9x	2.5x	2.2x	16%	30x	21x	16x	38%	60x	41x	30x	42%
Mean				6.1x	4.9x	4.0x	21%	81x	45x	30x	61%	73x	93x	53x	66%
QSR															
Jubilant Foodworks	India	4.6	5.1	4.9x	4.3x	3.7x	14%	25x	21x	19x	15%	107x	77x	60x	34%
Sapphire Foods	India	1.1	1.0	2.8x	2.4x	2.1x	16%	17x	13x	11x	28%	309x	96x	54x	140%
Westlife Foodworld	India	1.2	1.2	3.9x	3.4x	2.9x	16%	26x	19x	15x	30%	177x	74x	46x	95%
Devyani	India	2.3	2.4	3.7x	3.1x	2.6x	19%	22x	17x	13x	31%	355x	98x	57x	150%
Mean				3.8x	3.3x	2.8x	16%	22x	18x	14x	26%	237x	86x	54x	105%
Retailers															
Dmart	India	31.5	31.4	3.8x	3.5x	2.9x	14%	44x	45x	37x	8%	68x	74x	61x	6%
Trent	India	18.8	18.9	7.8x	6.2x	5.1x	24%	47x	37x	30x	25%	84x	65x	52x	27%
Titan	India	34.2	34.3	4.4x	3.8x	3.3x	16%	39x	34x	29x	16%	63x	52x	44x	20%
Mean				5.3x	4.5x	3.8x	18%	43x	39x	32x	17%	72x	64x	52x	18%

Source: Bloomberg consensus estimates for Jubilant Foodworks and Trent , JM Financial estimates for rest of the companies. Valuations are as of 7<sup>th</sup> Oct'25.

## Maintain 'BUY'; TP raised to INR 400

### Exhibit 20. 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
<b>Food Delivery</b>									
NOV	380,072	447,495	523,797	382,837	461,204	551,199	0.7%	3.1%	5.2%
Revenue	95,664	112,097	131,211	97,716	117,994	141,018	2.1%	5.3%	7.5%
Adj. EBITDA	19,756	23,904	28,381	19,882	25,184	31,298	0.6%	5.4%	10.3%
Adj. EBITDA Margin (as % of NOV)	5.2%	5.3%	5.4%	5.2%	5.5%	5.7%	0bp	12bp	26bp
<b>Blinkit</b>									
NOV	485,459	693,364	901,889	520,190	831,593	989,175	7.2%	19.9%	9.7%
Revenue	121,049	173,781	231,837	339,490	714,029	849,333	180.5%	310.9%	266.3%
Adj. EBITDA	2,601	18,149	34,641	2,701	19,991	36,676	3.8%	10.1%	5.9%
Adj. EBITDA Margin (as % of NOV)	0.5%	2.6%	3.8%	0.5%	2.4%	3.7%	-2bp	-21bp	-13bp
<b>Hyperpure</b>									
Revenue	94,489	118,111	141,734	49,568	39,654	47,585	-47.5%	-66.4%	-66.4%
Adj. EBITDA	-608	-172	81	-649	-361	-42	-6.8%	110.0%	-151.5%
Adj. EBITDA Margin (as % of revenue)	-0.6%	-0.1%	0.1%	-1.3%	-0.9%	-0.1%	-67bp	-76bp	-14bp
<b>Dining-Out &amp; Others</b>									
NOV	95,976	139,164	166,997	96,014	139,221	167,065	0.0%	0.0%	0.0%
Adj. EBITDA	-1,980	2,092	4,477	-1,911	2,456	4,915	-3.5%	17.4%	9.8%
Adj. EBITDA Margin (as % of NOV)	-2.1%	1.5%	2.7%	-2.0%	1.8%	2.9%	7bp	26bp	26bp
<b>Others</b>									
Revenue	192	576	864	192	576	864	0.0%	0.0%	0.0%
Adj. EBITDA	-1,478	-1,008	-648	-1,478	-1,008	-648	0.0%	0.0%	0.0%
Adj. EBITDA Margin (as % of revenue)	-770.0%	-175.0%	-75.0%	-770.0%	-175.0%	-75.0%	0bp	0bp	0bp
<b>Consolidated</b>									
Revenue	407,370	543,730	672,643	582,980	1,011,473	1,205,865	43.1%	86.0%	79.3%
Adj. EBITDA	18,291	42,965	66,932	18,545	46,263	72,199	1.4%	7.7%	7.9%
Adj. EBITDA Margin (as % of revenue)	4.5%	7.9%	10.0%	3.2%	4.6%	6.0%	-131bp	-333bp	-396bp
EBITDA	17,344	43,557	69,050	17,872	47,231	74,800	3.0%	8.4%	8.3%
EBITDA Margin (as % of revenue)	4.3%	8.0%	10.3%	3.1%	4.7%	6.2%	-119bp	-334bp	-406bp
Adj. PAT	14,674	36,167	54,931	12,025	37,665	59,444	-18.1%	4.1%	8.2%
Diluted EPS (INR)	1.52	3.75	5.69	1.25	3.90	6.16	-18.1%	4.1%	8.2%

Source: Company, JM Financial

## 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	4,98,896	8,92,010	10,64,476
Sales Growth	71.1%	67.1%	146.5%	78.8%	19.3%
Other Operating Income	0	0	0	0	0
<b>Total Revenue</b>	<b>1,21,150</b>	<b>2,02,430</b>	<b>4,98,896</b>	<b>8,92,010</b>	<b>10,64,476</b>
Cost of Goods Sold/Op. Exp	0	0	0	0	0
Personnel Cost	28,820	55,650	2,60,243	5,70,417	6,78,637
Other Expenses	91,900	1,40,410	2,20,781	2,74,362	3,11,039
<b>EBITDA</b>	<b>430</b>	<b>6,370</b>	<b>17,872</b>	<b>47,231</b>	<b>74,800</b>
EBITDA Margin	0.4%	3.1%	3.6%	5.3%	7.0%
EBITDA Growth	0.0%	1,381.4%	180.6%	164.3%	58.4%
Depn. & Amort.	5,260	8,630	13,462	14,506	15,875
EBIT	-4,830	-2,260	4,410	32,724	58,925
Other Income	7,750	9,230	10,435	9,596	10,599
Finance Cost	0	0	0	0	0
PBT before Excep. & Forex	2,920	6,970	14,845	42,320	69,525
Excep. & Forex Inc/Loss(-)	0	0	0	0	0
PBT	2,920	6,970	14,845	42,320	69,525
Taxes	-600	1,700	2,821	4,655	10,081
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	3,520	5,270	12,025	37,665	59,444
<b>Adjusted Net Profit</b>	<b>3,520</b>	<b>5,270</b>	<b>12,025</b>	<b>37,665</b>	<b>59,444</b>
Net Margin	2.9%	2.6%	2.4%	4.2%	5.6%
Diluted Share Cap. (mn)	8,705.8	9,186.6	9,650.4	9,650.4	9,650.4
<b>Diluted EPS (INR)</b>	<b>0.4</b>	<b>0.6</b>	<b>1.2</b>	<b>3.9</b>	<b>6.2</b>
Diluted EPS Growth	0.0%	41.9%	117.2%	213.2%	57.8%
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

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	1,94,361	2,38,587	14,845	42,320	69,525
Depn. & Amort.	21,874	23,589	13,462	14,506	15,875
Net Interest Exp. / Inc. (-)	-5,790	-6,470	-10,435	-9,596	-10,599
Inc (-) / Dec in WCap.	1,180	-10,930	-35,402	-39,610	-16,097
Others	-2,04,115	-2,40,516	8,219	8,466	8,720
Taxes Paid	-1,050	-1,180	-4,524	-7,014	-11,116
<b>Operating Cash Flow</b>	<b>6,460</b>	<b>3,080</b>	<b>-13,834</b>	<b>9,072</b>	<b>56,307</b>
Capex	-2,020	-9,310	-10,561	-11,776	-9,604
Free Cash Flow	4,440	-6,230	-24,396	-2,704	46,703
Inc (-) / Dec in Investments	-7,630	-58,760	20,000	0	0
Others	6,180	-11,860	13,500	13,703	15,815
<b>Investing Cash Flow</b>	<b>-3,470</b>	<b>-79,930</b>	<b>22,939</b>	<b>1,927</b>	<b>6,211</b>
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	5,545	8,864	10,521
Others	-600	-1,470	-3,065	-4,108	-5,216
<b>Financing Cash Flow</b>	<b>-2,070</b>	<b>80,420</b>	<b>2,480</b>	<b>4,756</b>	<b>5,306</b>
<b>Inc / Dec (-) in Cash</b>	<b>920</b>	<b>3,570</b>	<b>11,584</b>	<b>15,755</b>	<b>67,824</b>
Opening Cash Balance	2,170	3,090	6,660	18,244	34,000
Closing Cash Balance	3,090	6,660	18,244	34,000	1,01,824

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	2,04,130	3,03,170	3,23,414	3,69,545	4,37,709
Share Capital	8,680	9,070	9,070	9,070	9,070
Reserves & Surplus	1,95,450	2,94,100	3,14,344	3,60,475	4,28,639
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	-2,993	-5,352	-6,387
<b>Total - Equity &amp; Liab.</b>	<b>2,01,850</b>	<b>3,01,810</b>	<b>3,20,351</b>	<b>3,64,123</b>	<b>4,31,252</b>
Net Fixed Assets	57,760	76,650	80,329	84,837	86,528
Gross Fixed Assets	5,290	13,450	24,011	35,788	45,391
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	1,65,384	2,41,514	3,24,302
Inventories	880	1,760	31,220	47,740	56,809
Sundry Debtors	7,940	19,460	35,214	62,541	54,114
Cash & Bank Balances	3,090	6,660	18,244	34,000	1,01,824
Loans & Advances	0	0	0	0	0
Other Current Assets	42,360	68,650	80,707	97,233	1,11,556
Current Liab. & Prov.	29,500	53,130	87,123	1,23,988	1,41,339
Current Liabilities	18,260	37,940	72,188	97,285	1,09,473
Provisions & Others	11,240	15,190	14,935	26,703	31,866
Net Current Assets	24,770	43,400	78,261	1,17,525	1,82,963
<b>Total - Assets</b>	<b>2,01,850</b>	<b>3,01,810</b>	<b>3,20,351</b>	<b>3,64,123</b>	<b>4,31,252</b>

Source: Company, JM Financial

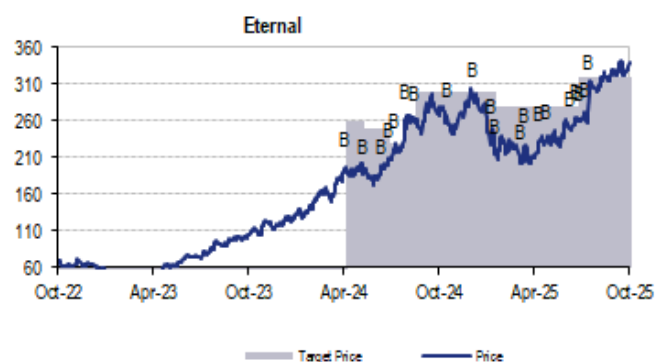
Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	2.9%	2.6%	2.4%	4.2%	5.6%
Asset Turnover (x)	0.6	0.8	1.5	2.4	2.4
Leverage Factor (x)	1.0	1.1	1.1	1.1	1.1
RoE	1.8%	2.1%	3.8%	10.9%	14.7%
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	23.4	33.4	33.5	38.3	45.4
ROIC	-7.3%	-1.7%	2.8%	18.4%	29.0%
ROE	1.8%	2.1%	3.8%	10.9%	14.7%
Net Debt/Equity (x)	-0.6	-0.6	-0.6	-0.5	-0.6
P/E (x)	836.0	589.2	271.3	86.6	54.9
P/B (x)	14.4	10.1	10.1	8.8	7.5
EV/EBITDA (x)	7,300.5	482.5	172.4	64.9	40.1
EV/Sales (x)	25.9	15.2	6.2	3.4	2.8
Debtor days	24	35	26	26	19
Inventory days	3	3	23	20	19
Creditor days	27	29	33	26	23

Source: Company, JM Financial

## History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
11-Apr-24	Buy	260	
14-May-24	Buy	250	-3.8
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

## Recommendation History



## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return $\geq$ 15% over the next twelve months.
ADD	Expected return $\geq$ 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return $\geq$ -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

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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All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

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