

Rev. beat undermined by intense competition led higher losses

- Eternal (Zomato) reported Rev. growth of 7.9% QoQ (DE: 6.5%) at Rs. 58.3bn, driven by Blinkit & HyperPure biz, which grew 22%/10% QoQ. F.D biz. growth declined 1% QoQ due to sluggish demand.
- EBITDA margin at 1.2% was below estim. (DE: 3.5%), due to higher opex stemming from Blinkit's aggressive store expansion as well as higher growth investments in the Going out segments. Additionally, the Other segment, which consolidates new initiatives saw loss of Rs160mn. Multiple moving parts & expansion plans create uncertainty around margin improvement
- Maintaining and aggressively chasing market share would weigh on Eternal's path to profitability. Hence, we lower our earnings estimates by 25%/16% for FY26E/ FY27E. Noting potential risks to our estimates and steep valuations, we maintain 'SELL' rating with DCF based TP of Rs.170 (implies ~70x on FY27e EPS).

Food Delivery growth slows yet again

Eternal's food delivery biz. Rev/GOV was down 0.9%/1.4% on QoQ. GOV has been on a slowing YoY trend during FY25, which Co. attributed to demand sluggishness and a few temporary factors such as delivery partner shortage (down 8% QoQ), restaurant optimization (discontinued 19K deceptive restaurants in Q4), and Q.C (pack-food) competition in FD. While Co. is positive for 20% GOV CAGR over 4-5 year time-frame, we believe demand trends are peaking out; expect a slower growth rate (12-14%).

Quick commerce feels the heat of competition

Blinkit added a record 294 stores in Q4, taking the store count to 1,300+. Average GOV per day per store fell 3% QoQ to Rs. 942K, indicating a slowing of same-store sales growth. Mgmt acknowledged that Q.C faced competitive pressure at all ends – user preference, last mile delivery partner availability at competitive rates, right real estate, incentives and marketing costs. Competition heated up not just from existing Q.C players, but also from erstwhile Same-day delivery players (Big Basket, Flipkart, Jio, etc).

Path to profitability to see higher variability

F.D biz. displayed margin resilience despite dip in Revenue, but management commentary and outlook on other segments suggest greater variability in profit going forward: a) Hyperpure - greater investment to drive non-restaurant biz, b) Q.C - expansion plans, inventory model shift, maintaining market leadership, and c) Going out - improving user acquisition and tech spends, and d) Others -new initiative spends - Nugget, Bistro, etc.

Key Data

Nifty	24,334
Equity / FV	Rs 9,097mn / Rs 1
Market Cap	Rs 2,115bn
	USD 25.0bn
52-Week High/Low	Rs 305/ 146
Avg. Volume (no)	5,33,46,400
Bloom Code	ETERNAL IN

	Current	Previous
Rating	Sell	Sell
Target Price	170	170

Change in Estimates

(Rs.bn)	Current		Chg (%)/bps	
	FY26E	FY27E	FY26E	FY27E
Revenue	299	398	5.4	8.0
EBITDA	15	30	(22.7)	(1.7)
EBITDA (%)	5.1	7.5	(184)	(74)
APAT	12	22	(23.1)	(14.6)
EPS (Rs)	1.3	2.4	(23.6)	(15.2)

Valuation (x)

	FY25A	FY26E	FY27E
P/E	400.2	173.4	96.0
EV/EBITDA	326.4	136.4	68.5
ROE (%)	2.1	3.9	6.3
RoACE (%)	(1.0)	0.5	3.3

Q4FY25 Result (Rs Mn)

Particulars	Q4FY25	YoY (%)	QoQ (%)
Revenue	58,330	63.8	7.9
Total Expense	57,610	65.7	9.9
EBITDA	720	(16.3)	(55.6)
Depreciation	2,870	105	16.2
EBIT	(2,150)	LTL	LTL
Other Income	3,680	56.6	46
Interest	560	180	30.2
EBT	970	(39.8)	(21.8)
Tax	580	(514.3)	(10.8)
RPAT	390	(77.7)	(33.9)
APAT	390	(77.7)	(33.9)
		(bps)	(bps)
Gross Margin	72	(372)	(23)
EBITDA (%)	1.2	(118)	(176)
NPM (%)	0.7	(424)	(42)
Tax Rate (%)	N.M	N.M	737
EBIT (%)	(3.7)	LTL	LTL

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Exhibit 1: Quarterly performance versus estimates

Particulars (Rs mn)	Actual	Estimates		% Variation		Comment
		Dolat	Consensus	Dolat	Consensus	
INR Revenue	58,330	57,580	58,248	1.3	0.1	Beat led by Q.C biz.
EBIT	(2,150)	(516)	(1,734)	316.3	24.0	Higher than exp. loss in Q.C & Others biz. led OPM miss
EBIT, margin	(3.7)	(0.9)	(3.0)	(280 bps)	(70 bps)	
PAT	390	1,496	421	(73.9)	(7.4)	Due to weak op. perf.

Source: Company, Dolat Capital

Change in Estimates

For FY26E/FY27E – Noting Q4 top-line beat and aggressive Blinkit store expansion, we raise our revenue estimates by 5.4%/8%. However, continued store additions in existing & new cities for Q.C and overheads associated with events/ticketing business would see some cost pressures. Additionally, loss in the ‘Others’ vertical (for new ventures such as Bistro and Nugget), would limit margin improvement. Overall, earnings have been lowered by 23.1% /14.6%.

Exhibit 2: Change in Estimates

Particulars (Rs. mn)	FY24A	FY25A	FY26E			FY27E		
	Actual	Actual	Old	New	Chg %	Old	New	Chg.(%)
INR Revenue	1,21,140	202,430	283,912	299,219	5.4	368,917	398,374	8.0
YoY growth (%)	71.1	67.1	40.8	47.8	701 bps	29.9	33.1	324 bps
Food Delivery Revenue	63,610	80,800	96,265	95,073	(1.2)	112,592	112,719	0.1
Hyperpure Revenue	31,720	61,960	80,707	94,546	17.1	97,830	121,129	23.8
Others	2,790	7,610	11,510	11,960	3.9	13,260	15,280	15.2
Blinkit Revenues	23,020	52,060	95,430	97,639	2.3	145,236	149,246	2.8
EBIT	(4,840)	(2,260)	8,583	2,250	(73.8)	18,070	14,192	(21.5)
EBIT margin (%)	(4.0)	(1.1)	3.0	0.8	(227 bps)	4.9	3.6	(134 bps)
PAT	3,510	5,270	15,862	12,201	(23.1)	25,813	22,036	(14.6)
EPS (Rs)	0.4	0.6	1.8	1.3	(25.3)	2.9	2.4	(16.2)

Source: Company, Dolat Capital

Earnings Call KTAs

Food Delivery Business

- **Food Delivery business (40% of Rev):** Food Delivery business reported Revenue of Rs. 20.5Bn, down 0.9% QoQ and up 18.1% YoY.
- **GOV** stood at Rs. 98Bn, down 1.4% QoQ, while MTUs were up 2% QoQ to 20.9mn. For full-year FY2025, AOV stood at Rs. 453, up 5.8% YoY, while order volumes grew by 13.2% YoY, to 852.8mn.
- **Net Order Value:** Management introduced a new metric – Net Order Value, which is GOV minus discounts. Here, discounts include discounts funded by the Zomato/Blinkit platform or by its partners (brands, sellers, restaurants, among others).
- NOV for Food Delivery biz. in Q4 was at Rs. 82Bn, up 14.2% on YoY and down 2.8% QoQ. This implies that discounts as a % of GOV stood at 16%.
- **For Q4, on a YoY basis, GOV growth was at 15.9% YoY**, marking a continued trend of lowering growth. Management attributed weaker growth to multiple factors: a) Sluggish demand environment, b) Temporary shortage of delivery partners (down 8% QoQ) due to high demand of delivery partners in quick commerce given the rapid expansion of the industry in the last few months, c) Higher competition from quick delivery of packaged food from quick commerce leading to a drop in demand for food delivery from restaurants.

Exhibit 3: Food Ordering Metrics

Particulars	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Avg. MTUs (mn)	18.4	18.8	19.0	20.3	20.7	20.5	20.9
Avg. Monthly Active Food Delivery Restaurant Partners (000's)	238	254	270	276	292	306	314
Avg. Monthly Active Delivery Partners (000's)	410	419	418	469	498	480	444

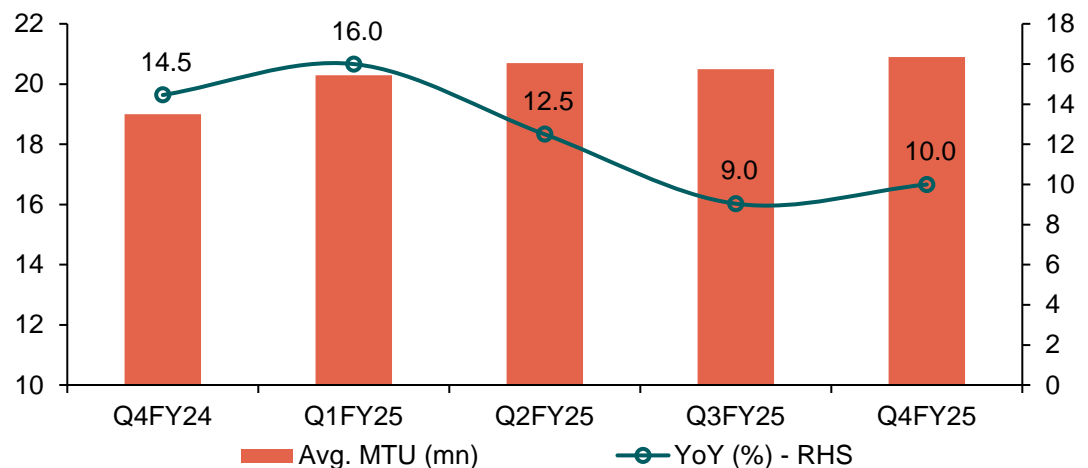
Source: Company

Exhibit 4: MTUs and Order Frequency Growing, AOV Relatively expanded

Particulars	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Avg MTU (Mn)	18.4	18.8	19.0	20.3	20.7	20.5	20.9
Orders (Mn) – calculated*	186.9	209.2	185.8	210	218	214	210
AOV (Rs) – calculated*	427	405	454	440	445	463	465
GOV (Rs bn)	79,800	84,860	83,390	92,640	96,900	99,130	97,780

Source: Company, * values are not given and rather derived based on available data

Exhibit 5: MTU improved slightly; from 20.5mn in Q3 to 20.9mn in Q4

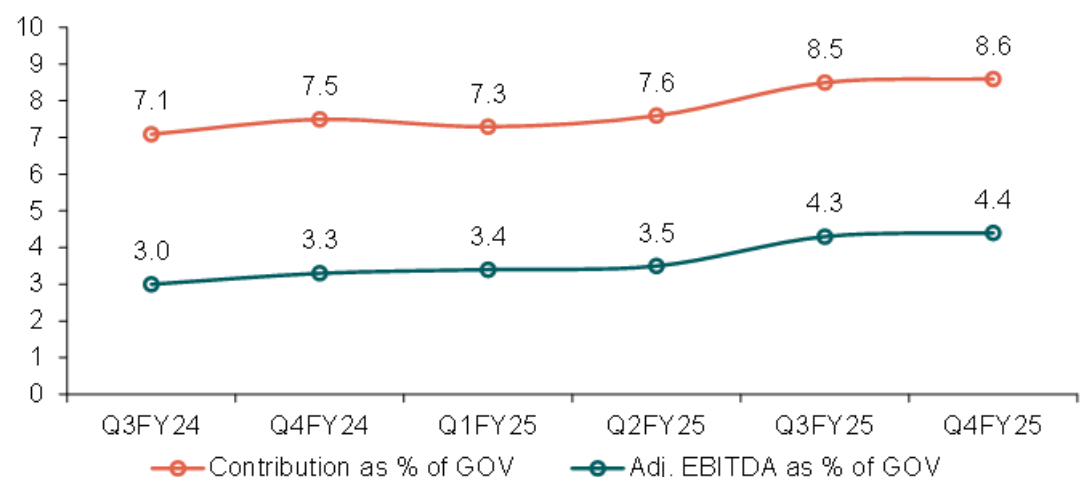


Source: Company, Dolat Capital

Key Points on Food-Delivery Segment’s Operational Performance:

- **Customer Delivery Charges** (not included in P&L but adjusted at revenue line) were up 2% QoQ, but down 11.5% YoY. For FY25, these charges have declined by 25.7% YoY, due to the continued impact of the Gold loyalty program.
- **Slowing orders affected Platform Fee growth**, growing by a slower 9% QoQ pace (Q3 and Q2 grew 33%/42% QoQ respectively), suggesting peaking out of the pace of fee growth.
- Food Delivery Contribution Margin (as a % of GOV) saw mild improvement to 8.6% in Q4’FY25 from 8.5% in Q3.
- **Adjusted EBITDA** stood at Rs. 4,280mn up 1.2% QoQ, while Adj. EBITDA Margin as a % of GOV/NOV was at 4.4%/5.2%. (Mild uptick vis-a-vis Q3 FY25: 4.3%/5%).

Exhibit 6: Improvement in Contribution/Adj.EBITDA as % of GOV



Source: Company, Dolat Capital

- **Growth impact:** Apart from factors like weak demand, shortage of delivery partners and higher competition from Q.C affecting food demand, 2 additional factors affected growth by nearly 200bps:
 - 1) Zomato delisted ~19,000 restaurants that either a) did not pass muster on hygiene standards based on severe customer escalations, or b) were mimicking

established brands and misleading customers, or c) operating multiple identical menu listings to hog more listing impressions.

2) There was one less day in Q4FY25 vs. Q4FY24 (FY'24 being leap year).

- Management stated that 20% growth in GOV was based on a 4-5 year CAGR, and some periods could see lower growth. Competition remains high in the F.D business, and it would work on innovating around 3 aspects: Wider assortment, better affordability and lower delivery time.
- Zomato also shut down Quick delivery (10 min) and Everyday (Homely meals), due to lack of sustainable profit path, kitchen infrastructure & proximity bottlenecks and insufficient ROI.

HyperPure Business

HyperPure (31% of Rev): HyperPure continued its strong run; delivering a new Revenue high of Rs. 18.4Bn, up 10% QoQ/93.5% YoY. Segment EBITDA loss, however, rose to Rs. 220mn (Q3: 190mn loss).

Exhibit 7: Revenue performance improves, while losses lower

Particulars (Rs. Bn)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
HyperPure Revenue	8.6	9.5	12.1	14.7	16.7	18.4
Cost of Goods Sold	8.9	9.7	12.3	14.9	16.9	18.6
Adj EBITDA	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)

Source: Company, Cost of Goods Sold is Purchase of stock in trade and Changes in inventories of traded goods

Exhibit 8: Hyperpure Mix of Restaurant and QC (B2B) biz

Revenue (Rs.mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Restaurant business	5,210	5,800	6,620	7,590	6,980
Non-restaurant business	4,300	6,320	8,110	9,120	11,420
Total	9,510	12,120	14,730	16,710	18,400
YoY % change (Restaurant business)	48.0	39.0	43.0	46.0	34.0
YoY % change (Non-restaurant business)	244.0	218.0	188.0	169.0	166.0
YoY % change (Total)	99.0	96.0	98.0	95.0	93.0
Adj. EBITDA					
Restaurant business	(200)	(150)	(200)	(160)	(210)
Non-restaurant business	(30)	(70)	(10)	(30)	(10)
Total	(230)	(220)	(210)	(190)	(220)

Source: Company, Dolat Capital

- Management provided further insights into Non-restaurant B2B biz. of Hyperpure which primarily involves B2B sales of mainly fresh food and staples to Blinkit's marketplace sellers. This business already operates at near break-even, but management has yet to figure out the true potential of long-term margins and sustainable profitability in this business.
- Over the last few quarters, Hyperpure has also been investing in multiple new offerings (new value-added product categories, express (<4 hour) deliveries, inter-city deliveries, 4P logistics services, etc.) to cater to the growing needs of our restaurant partners. This has potential to drive higher customer engagement (and eventually better profitability) over time, supported by good execution.

Quick Commerce Business

- **Quick Commerce (26% of Revenue):** Blinkit posted Revenue of Rs.17Bn for Q4FY25, up 22% QoQ.
- **GOV** stood at Rs. 94.2Bn, up 20.8% QoQ. Based on Revenue, the implied take rate now stands at 18.1%, (17.9% in Q3FY25). Orders increased to 142.3mn, up 28.5% QoQ.
- **NOV:** Similar to the Food Delivery business, Blinkit introduced the Net Order Value for Blinkit, which is GOV minus discounts. Discounts for Q4FY25 stood at Rs.21bn, or 22% of GOV (Q3 FY25: 22%). The mix of discounts funded by the platform vs. partners (brands, sellers, etc), however, is unavailable.
- **New Store Additions:** Blinkit added 294 net new stores this quarter, taking the total store count to 1,301 as at the end of the quarter. Average GOV per day, per store, lowered to Rs. 942K, down 3% QoQ, reflecting moderation in same-store sales growth caused due to increased store openings in the same market; also affected by aggressive new store launches.
- Management reiterated its target of 2,000 store count by the end of Dec-25, but indicated that plans beyond this target will be reviewed at the end of year.
- **Adjusted EBITDA margin (as a % of GOV)** weakened to -1.9% from -1.3% (loss of Rs. 1,780mn in Q4 vs. loss of Rs. 1,030mn in Q3. Higher loss was due to a conscious move to pull forward growth investments towards store additions, as well as some seasonal demand weakness. ~40% of 1301 stores were underutilized, and Blinkit also added 1mn sq. ft of warehousing space to support store expansion, which led to higher fixed costs.
- **Inventory ownership:** On 18th April, 2025, the Eternal (Zomato) board approved proposal to cap foreign shareholding at 49.5%. With this move, Zomato intends to gradually transition towards inventory ownership model (Vs Marketplace model at this point) in Blinkit. Management is positive that even owning 100% inventory (at FY25 base) would require less than Rs. 10Bn in working capital – implies inventory days of ~15. The company also clarified that it has no intent to get into Private labels and would stick to its core of being a Platform Play.
- **Competitive Pressure:** Compared to the previous quarter, management highlighted intensive competitive pressure in Q.C business and cautioned against further intensification for the near term. Apart from existing pure-play Q.C players, there is increased competition from next day delivery players transitioning to Q.C. Competition was visible across the business – be it from user end, availability of appropriate real estate at competitive prices, or availability of delivery agents.
- **Path to profitability uncertain for the near term:** Management also guided that setting a profitability goal or target at this point would be difficult, as the losses will increase/decrease depending on the pace of store expansion. Management shared that it would work to aggressively grow its market share and would not let any short-term profitability goals come in the way.

Exhibit 9: Blinkit Metrics

Particulars	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
KPIs									
Orders	39.2	36.8	45.5	55.8	65.3	78.8	92.9	110.3	141.7
AOV	522	582	607	635	617	625	660	707	665
MTU	3.9	3.9	4.7	5.4	6.4	7.6	8.9	10.6	13.7
Monthly order frequency per customer	3.4	NA	3.2	3.4	3.4	3.5	3.5	3.5	3.4
GOV per day, per dark store	625	620	757	889	920	956	981	970	942
Orders per day, per dark store	1197	NA	1217	1,360	1364	1355	1291	1,204	1197
Number of Dark Stores	377	383	411	451	526	639	791	1,007	1301
Key Financial Metrics									
GOV	20,460	21,400	27,600	35,420	40,270	49,230	61,320	77,980	73,620
Revenues	3,630	3,840	5,050	6,440	7,690	9,420	11,560	13,990	17,090
Contribution	(560)	(140)	360	860	1,580	1,990	2,340	2,320	2,890
Adj EBIDTA	(2,030)	(1,330)	(1,250)	(890)	(370)	(30)	(80)	(1,030)	(1,780)
Contribution margin (% of GOV)	(2.7)	(0.6)	1.3	2.4	3.9	4.0	3.8	3.0	3.90
Adj EBIDTA (% of GOV)	(9.9)	(6.2)	(4.5)	(2.5)	(0.9)	(0.1)	(0.1)	(1.3)	(1.90)
Derived metrics									
Take Rate/Commission rate	17.7	17.9	18.3	18.2	19.1	19.1	18.9	23.2	23.2
Rev/order	92.6	104.3	111.0	115.4	117.8	119.5	124.4	126.8	120.6
Cost total	5660	5170	6300	7330	8060	9450	11640	15020	18870
Cost/order	144	140	138	131	123	120	125	136	133
Contribution/order	(14)	(4)	8	15	24	25	25	21	20
OPH/Dark Store	201.8	179.7	205.0	229.1	229.9	228.4	217.5	202.8	201.7

Source: Company, Dolat Capital

Going Out Segment (4% of Rev): ‘Going Out’ reflects Dine-Out and Live Events biz. From 24th Aug, 2024 onwards, Zomato consolidated the events business acquired from Paytm. In Q4FY25, about one-third of the going-out GOV was transacted through the District App. Management expects to complete the full transition in the next couple of quarters, post which the company will make its offerings accessible only via the District app.

The business reported a GOV of Rs. 21.8Bn, down 12.5% QoQ and up 104% YoY. Revenues were down 11.6% QoQ at Rs. 2,290mn due to seasonal weakness. Gross Take rate improved to 10.5% in Q4 vs. 10.4% in Q3. Adjusted EBITDA loss was higher at Rs.470mn (vs. Rs.170mn) in Q3FY25. Management had guided in Q3 that the business would continue to be in loss, as it would continue investing in the new District app (team, marketing, tech costs), along with investments to drive customer growth and improve selection on the platform. The platform will continue to operate under losses for the next year.

Additional Points:

Cash Balance: Zomato's cash balance stood at Rs.188.2bn+ (Q3'FY25: Rs.192.3Bn).

OPM: On an overall basis, Zomato reported an OPM loss of 3.7% due to loss in Blinkit. OPM loss stood at Rs. 2,150mn (Q3'FY25: Rs. 850mn). The loss was also accentuated due to 'Others' vertical, which included newer initiatives like Bistro (quick food delivery in Blinkit, Nugget (software licensing biz). Others vertical had Revenue of Rs. 10mn but EBITDA loss of Rs. 160mn.

PAT: Profit for the quarter stood at Rs. 590mn; it was well below our estimate of Rs. 2.6Bn.

Exhibit 10: Quarterly and YTD Trend

Particulars (mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY (%)	QoQ (%)	FY24	FY25	YoY (%)
INR Revenue	35,620	42,060	42,060	54,050	58,330	63.8	7.9	121,140	202,430	67.1
Operating Exp.	34,760	40,290	40,290	52,430	57,610	65.7	9.9	120,720	196,060	62.4
Employee Exp.	4,810	5,290	5,290	6,890	7,500	55.9	8.9	16,590	25,580	54.2
as % of sales	13.5	12.6	12.6	12.7	12.9	(65 bps)	11 bps	13.7	12.6	(106 bps)
Other Expenses	29,950	35,000	35,000	45,540	50,110	67.3	10.0	104,130	170,480	63.7
as % of sales	84.1	83.2	83.2	84.3	85.9	183 bps	165 bps	86.0	84.2	(174 bps)
EBITDA	860	1,770	1,770	1,620	720	LTP	LTP	420	6,370	LTP
Depreciation	1,400	1,490	1,490	2,470	2,870	105.0	16.2	5,260	8,630	64.1
EBIT	(540)	280	280	(850)	(2,150)	LTL	LTL	(4,840)	(2,260)	LTL
Other Income	2,350	2,360	2,360	2,520	3,680	56.6	46.0	8,470	10,770	27.2
Finance Cost	200	250	250	430	560	180.0	30.2	720	1,540	113.9
Exceptional items	0	0	0	0	0	N.M	N.M	0	0	N.M
PBT	1,610	2,390	2,390	1,240	970	LTP	(21.8)	2,910	6,970	LTP
Tax	(140)	(140)	(140)	650	580	N.M	N.M	(600)	1,700	LTL
Reported PAT	1,750	2,530	2,530	590	390	LTP	(33.9)	3,510	5,270	LTP
MI	0	0	0	0	0	N.M	N.M	0	0	NM
PAT after MI	1,750	2,530	2,530	590	390	LTP	(33.9)	3,510	5,270	LTP
Reported EPS	0.2	0.3	0.3	0.1	0.0	LTP	(39.7)	0.4	0.6	LTP
Margins (%)							(bps)	(bps)		
EBIDTA	2.4	4.2	4.2	3.0	1.2	LTP	(176 bps)	0.3	3.1	LTL
EBIT	(1.5)	0.7	0.7	(1.6)	(3.7)	LTL	N.M	(4.0)	(1.1)	LTL
PBT	4.5	5.7	5.7	2.3	1.7	LTP	(63 bps)	2.4	3.4	LTP
PAT	4.9	6.0	6.0	1.1	0.7	LTP	(42 bps)	2.9	2.6	LTP
Effective Tax rate	(8.7)	(5.9)	(5.9)	52.4	59.8	N.M	N.M	(20.6)	24.4	N.M

Source: Company, Dolat Capital

What to expect next quarter

We expect revenue growth of 10.8% QoQ, led by Blinkit's rapidly expanded store base, followed by Food Delivery business and the Going out business. We expect some moderation in store addition run-rate for the next quarter (but still on track towards Dec-2025 target), while also improving operational performance on most businesses. Hence, OPM loss is expected to lower by 188bps QoQ.

Exhibit 11: What to expect next quarter

Particulars (Rs Mn)	Q1FY25E	Q4FY25	Q1FY25	QoQ (%)	YoY (%)
INR Revenue	64,618	58,330	42,060	10.8	53.6
EBIT	(1,168)	(2,150)	280	(45.7)	(517.1)
PAT	1,603	390	2,530	311.0	(36.6)
EPS (Rs)	0.2	0.0	0.3	341.8	(36.9)
EBIT Margin (%)	(1.8)	(3.7)	0.7	188 bps	(247 bps)

Source: Company

Valuation

Eternal (Zomato) is aggressively expanding its Quick commerce segment in India and maintains its leadership in food delivery, while the Going-out business is set to benefit from the integration of Paytm's Insider business and investment plans. We expect growth in all of the variables (orders, AOV, MTU, new user acquisition), but believe the path to profitability would be volatile, at least for the near term. We have currently factored in Revenue CAGR of ~32.3% over FY25-30E & expect it to be ~15% over FY30-40E in the second growth stage with an average EBIT Margin of ~7% over FY26-FY40E, Cost of Capital of ~11% and terminal growth rate of ~3%. Taking these assumptions and noting expensive valuations, **we maintain our 'SELL' rating on Zomato with TP of Rs.170 (implies ~4x on FY27E Sales or 70x of FY27E earnings).**

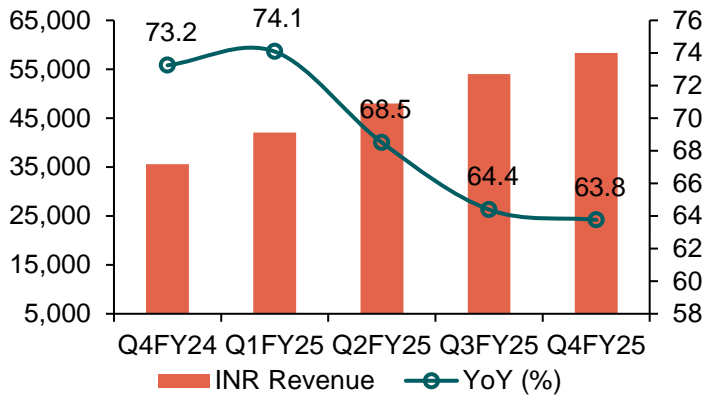
Exhibit 12: Key Assumptions In Our Estimates

Key Assumption	FY22	FY23A	FY24A	FY25A	FY26E	FY27E
Food Delivery Metrics						
GOV (Rs. Mn)	2,13,000	263,100	3,22,230	386,450	451,608	531,695
Orders (Mn)	535	646	753	853	955	1,081
AOV (Rs. Abs)	398.0	407.0	428.0	453.2	472.9	492.0
Net Take Rates (%)	16.0	17.2	19.7	20.9	21.1	21.2
Customer Delivery Charge (Rs. Abs, per order)	25.3	25.0	17.9	11.7	12.0	12.5
Food Delivery Revenue Growth (YoY)	141.7	32.8	40.3	15.7	17.4	18.0
HyperPure Metrics						
HyperPure Restaurants	16,984	40,750	41,125	56,250	63,063	72,141
Order value per restaurants (in Mn)	0.32	0.37	0.77	1.10	1.50	1.68
HyperPure Revenue Growth (YoY)	168.5	180.2	110.6	95.3	52.6	28.1
Company Level Assumptions						
INR Revenue Growth (YoY)	110.3	68.9	71.1	67.1	47.8	33.1
EBIT Margin (%)	(47.7)	(23.3)	(4.0)	(1.1)	0.8	3.6
Blinkit						
GOV (Rs. Mn)	NA	46,095	1,24,690	231,351	339,312	497,613
Orders (Mn)	NA	86.6	203.4	382.6	588.6	852.0
AOV (Rs. Abs)	NA	533	613	605	576	584
Net Take Rates (%)	NA	14.4	18.5	18.7	17.8	18.2

Source: Company, Dolat Capital

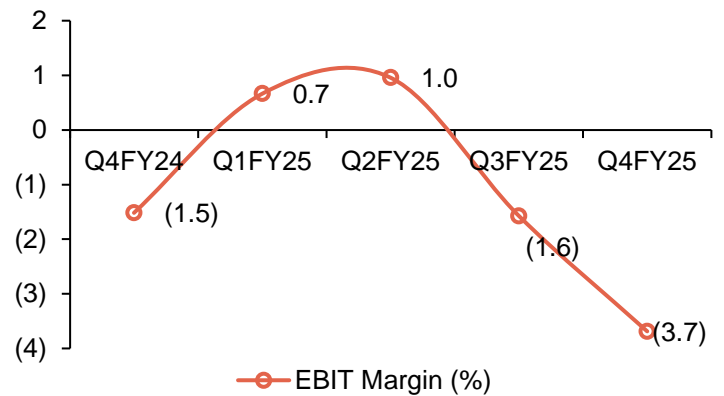
Story in Charts

Exhibit 13: Overall Revenue Grew 63.8% YoY



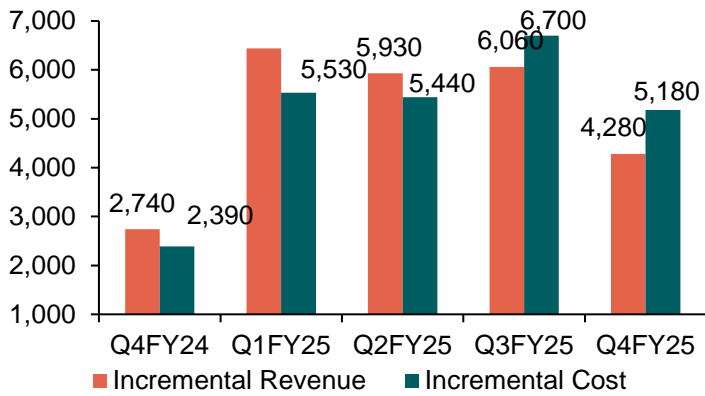
Source: Company, Dolat Capital

Exhibit 14: EBIT saw loss due to Q.C investment



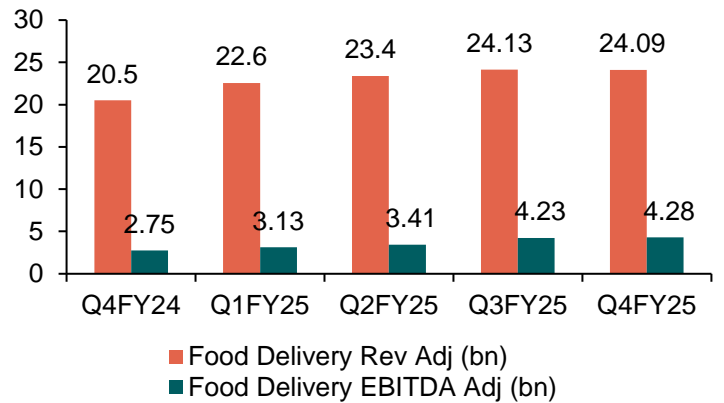
Source: Company, Dolat Capital

Exhibit 15: Incremental cost. trended above Rev



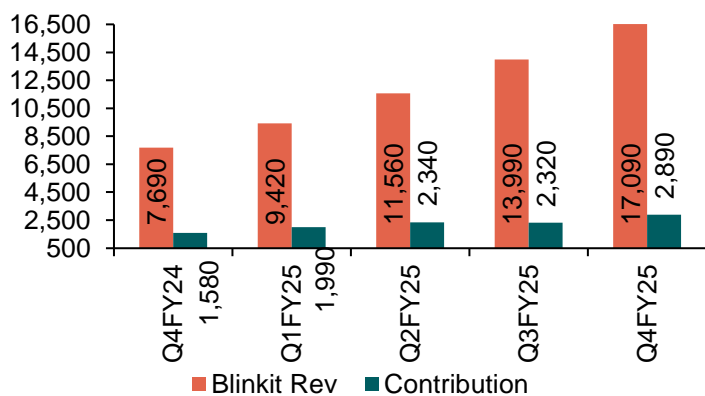
Source: Company, Dolat Capital

Exhibit 16: Adj. EBITDA in Food Delivery Improves



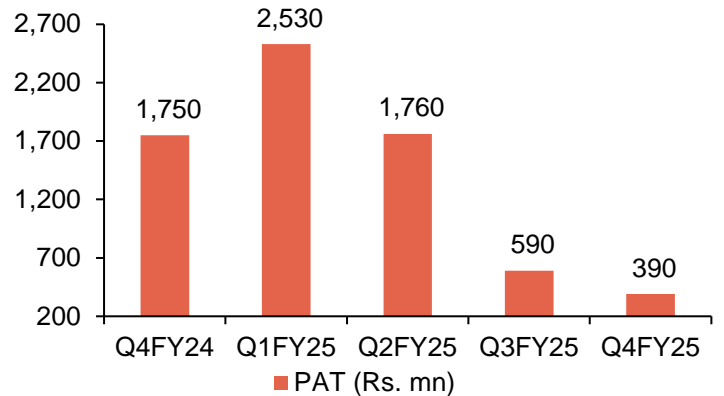
Source: Company, Dolat Capital

Exhibit 17: Blinkit's contribution improves



Source: Company, Dolat Capital

Exhibit 18: Q.C biz investments lowered PAT



Source: Company, Dolat Capital

Financial Performance

Profit and Loss Account

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
Revenue	1,21,140	2,02,430	2,99,219	3,98,374
Total Expense	1,20,720	1,96,060	2,84,077	3,68,486
COGS	28,820	55,650	84,546	1,08,324
Employees Cost	16,590	25,580	33,134	39,424
Other expenses	75,310	1,14,830	1,66,397	2,20,738
EBIDTA	420	6,370	15,142	29,889
Depreciation	5,260	8,630	12,891	15,697
EBIT	(4,840)	(2,260)	2,250	14,192
Interest	8,470	10,770	15,395	16,051
Other Income	720	1,540	2,394	2,698
Exc. / E.O. items	0	0	0	0
EBT	2,910	6,970	15,251	27,545
Tax	(600)	1,700	3,050	5,509
Minority Interest	0	0	0	0
Profit/Loss share of associates	0	0	0	0
RPAT	3,510	5,270	12,201	22,036
Adjustments	0	0	0	0
APAT	3,510	5,270	12,201	22,036

Balance Sheet

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
Sources of Funds				
Equity Capital	8,680	9,070	9,097	9,097
Minority Interest	(70)	(70)	(70)	(70)
Reserves & Surplus	1,95,450	2,94,100	3,21,039	3,54,850
Net Worth	2,04,130	3,03,170	3,30,135	3,63,947
Total Debt	0	0	0	0
Net Deferred Tax Liability	0	0	0	0
Total Capital Employed	2,04,060	3,03,100	3,30,065	3,63,877

Applications of Funds

Net Block	64,480	95,320	1,12,949	1,29,272
CWIP	180	510	510	510
Investments	1,16,450	1,31,920	1,32,220	1,33,320
Current Assets, Loans & Advances	52,450	1,28,480	1,49,463	1,77,650
Current Investments	0	0	0	0
Inventories	880	1,760	2,260	3,760
Receivables	7,940	19,460	27,053	32,743
Cash and Bank Balances	7,310	36,140	49,722	66,952
Loans and Advances	0	0	0	0
Other Current Assets	36,320	71,120	70,428	74,194
Less: Current Liabilities & Provisions	29,500	53,130	65,075	76,875
Payables	8,860	15,360	20,625	27,046
Other Current Liabilities	20,640	37,770	44,450	49,829
<i>sub total</i>				
Net Current Assets	15,640	39,210	34,665	33,823
Total Assets	2,04,060	3,03,100	3,30,066	3,63,877

E – Estimates

Important Ratios

Particulars	FY24A	FY25A	FY26E	FY27E
(A) Margins (%)				
Gross Profit Margin	76.2	72.5	71.7	72.8
EBIDTA Margin	0.3	3.1	5.1	7.5
EBIT Margin	(4.0)	(1.1)	0.8	3.6
Tax rate	(20.6)	24.4	20.0	20.0
Net Profit Margin	2.9	2.6	4.1	5.5
(B) As Percentage of Net Sales (%)				
COGS	23.8	27.5	28.3	27.2
Employee	13.7	12.6	11.1	9.9
Other	62.2	56.7	55.6	55.4
(C) Measure of Financial Status				
Gross Debt / Equity	0.0	0.0	0.0	0.0
Interest Coverage	(0.6)	(0.2)	0.1	0.9
Inventory days	3	3	3	3
Debtors days	24	35	33	30
Average Cost of Debt	4193.1			
Payable days	27	28	25	25
Working Capital days	22	33	42	31
FA T/O	1.9	2.1	2.6	3.1
(D) Measures of Investment				
AEPS (Rs)	0.4	0.6	1.3	2.4
CEPS (Rs)	1.0	1.5	2.8	4.1
DPS (Rs)	0.0	0.0	0.0	0.0
Dividend Payout (%)	0.0	0.0	0.0	0.0
BVPS (Rs)	23.5	33.4	36.3	40.0
RoANW (%)	1.8	2.1	3.9	6.3
RoACE (%)	(1.8)	(1.0)	0.5	3.3
RoAIC (%)	(2.5)	(1.0)	0.8	4.9
(E) Valuation Ratios				
CMP (Rs)	233	233	233	233
Mcap (Rs Mn)	21,15,176	21,15,176	21,15,176	21,15,176
EV	21,07,866	20,79,036	20,65,454	20,48,224
MCap/ Sales	17.5	10.4	7.1	5.3
EV/Sales	17.4	10.3	6.9	5.1
P/E	575.0	400.2	173.4	96.0
EV/EBITDA	5018.7	326.4	136.4	68.5
P/BV	9.9	7.0	6.4	5.8
Dividend Yield (%)	0.0	0.0	0.0	0.0
(F) Growth Rate (%)				
Revenue	71.1	67.1	47.8	33.1
EBITDA	(103.5)	1416.7	137.7	97.4
EBIT	(70.6)	(53.3)	(199.6)	530.7
PBT	(128.7)	139.5	118.8	80.6
APAT	(136.2)	50.1	131.5	80.6
EPS	(135.6)	43.7	130.8	80.6

E – Estimates

Cash Flow

Particulars	FY24A	FY25A	FY26E	FY27E
Profit before tax	2,910	970	15,251	27,545
Depreciation & w.o.	5,260	2,870	12,891	15,697
Net Interest Exp	(1,510)	(820)	(2,394)	(2,698)
Direct taxes paid	(1,050)	100	(3,050)	(5,509)
Change in Working Capital	1,180	(6,020)	4,545	842
Non Cash	(330)	220	6,716	4,407
(A) CF from Operating Activities	6,460	(2,680)	33,959	40,283
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(2,020)	(3,170)	(30,520)	(32,020)
Free Cash Flow	4,440	(5,850)	3,439	8,263
(Inc.)/ Dec. in Investments	(7,630)	(2,590)	(300)	(1,100)
Other	6,180	2,440	0	0
(B) CF from Investing Activities	(3,470)	(3,320)	(30,167)	(33,120)
Issue of Equity/ Preference	310	20	7,396	7,369
Inc./(Dec.) in Debt	(400)	0	0	0
Interest exp net	0	0	0	0
Dividend Paid (Incl. Tax)	0	0	0	0
Other	(1,980)	(1,450)	2,394	2,698
(C) CF from Financing	(2,070)	(1,430)	9,790	10,067
Net Change in Cash	920	(7,430)	13,582	17,230
Opening Cash balances	2,181	14,090	6,660	20,242
Closing Cash balances	3,101	6,660	20,242	37,472

E – Estimates

Notes

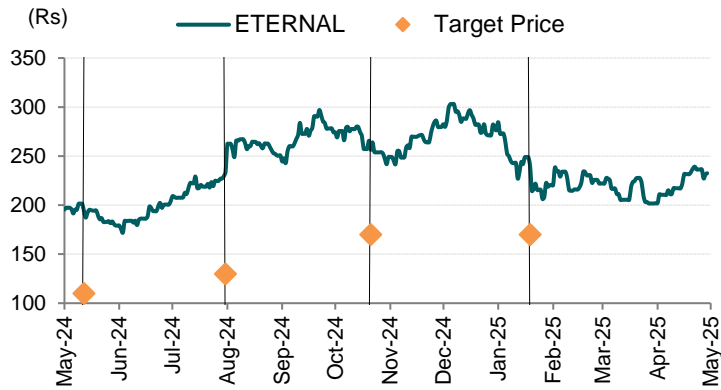
Stock Info and Rating History

Price Performance

Particulars	1M	3M	12M
Absolute (%)	15	6	19
Rel to NIFTY (%)	10	2	12

Shareholding Pattern

Particulars	Sep'24	Dec'24	Mar'25
Promoters	0.0	0.0	0.0
MF/Banks/FIs	17.3	20.5	23.5
FIIIs	52.5	47.3	44.4
Public / Others	30.2	32.2	32.2



Month	Rating	TP (Rs.)	Price (Rs.)
May-24	Sell	110	194
Aug-24	Sell	130	234
Oct-24	Sell	170	256
Jan-25	Sell	170	240

**Price as on recommendation date*

Notes

Dolat Rating Matrix

Total Return Expectation (12 Months)

Buy	> 20%
Accumulate	10 to 20%
Reduce	0 to 10%
Sell	< 0%

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