

07 July 2025

India | Equity Research | Quarterly Results Preview

## Internet

### QC profitability to improve as competition eases and store expansion peak behind us

Our channel checks indicate price discounting has steadily decreased across platforms from April to June'. Performance marketing spends have remained comparatively muted. Store expansion has also receded from Q4FY25. We estimate Blinkit grew >25% QoQ and Instamart grew >22% QoQ in Q1FY26 while the sector grew <20%QoQ, implying both gained market share. We estimate adj. EBITDA loss of INR1.5bn for Blinkit (margin up 70bps QoQ) and INR9.1bn for Instamart (margin up 220bps QoQ). We estimate Swiggy should marginally gain share in food delivery business. Our channel checks indicate e-comm volume growth is accelerating from the lows of FY24/25. We think Delhivery is likely to be a key beneficiary of this trend. Eternal and Delhivery are key picks for Q1FY26. We remain bullish on Swiggy.

### Zomato

We estimate Zomato's food delivery GOV to grow 10.8% QoQ/17.0% YoY, with adjusted EBITDA at INR 4.6bn and adjusted EBITDA margin (% of GOV) of 4.2%. Blinkit's GOV may grow by 25.6% QoQ/140.3% YoY, with adjusted EBITDA at -INR 1.5bn and adjusted EBITDA margin (% of GOV) of -1.2% (up 66bps QoQ). Additionally, Hyperpure's business (B2B) adjusted revenue is estimated to grow by 8.0% QoQ/64.0% YoY in Q1FY26E.

Overall, we estimate adj. revenue growth of 14.4% QoQ/56.7% YoY. We estimate adj. EBITDA of INR 2.01bn in Q1FY26E (vs INR 1.7bn/INR 3.0bn in Q4FY25/Q1FY25). We estimate consol. PAT to be INR 277mn.

### Swiggy

We estimate Swiggy's food delivery GOV to grow 9.8% QoQ/18.5% YoY, with adjusted EBITDA at INR 2.2bn and adjusted EBITDA margin (% of GOV) of 2.7%. Instamart's GOV to grow by 22.6% QoQ/110.1% YoY, with adjusted EBITDA at -INR 9.1bn and adjusted EBITDA margin (% of GOV) of -15.8% (from adjusted EBITDA margin of -18.0% in Q4FY25). Additionally, Q1FY26E supply chain and distribution revenue is estimated to grow by 60.0% YoY.

Overall, we estimate adj. revenue growth of 8.0% QoQ/46.6% YoY. We estimate adj. EBITDA of -INR 7.9bn in Q1FY26E (vs - INR 7.3bn/-INR 3.5bn in Q4FY25/Q1FY25).

### Info Edge

We estimate Info Edge's revenue to grow 8.7% QoQ/16.9% YoY to INR 7.5bn. We envisage EBITDA to be INR 3.0bn, growing 14.5% QoQ/18.9% YoY with 65.6bps YoY expansion in margin to 39.7%. We expect recruitment solutions' revenue to increase 8.1% QoQ/17.2% YoY to INR 5.5bn; 99acres is likely to continue its strong growth trajectory (growing ~20.5% YoY). We estimate recruitment solutions' billing revenue to increase 59.6% YoY to INR 6.9bn. We estimate recurring PAT of INR 2.6bn (6.1% QoQ/13.0% YoY) in Q1FY26E.

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### Nykaa

We estimate beauty revenue to grow 3.8% QoQ/23.5% YoY to INR 19.7bn and fashion revenue to grow by 7.1% QoQ/16.1% YoY to INR 1.7bn in Q1FY26E. We estimate consolidated revenue to grow 4.1% QoQ/22.9% YoY. We estimate EBITDA to grow 6.3% QoQ/47.4% YoY to INR 1.4bn (EBITDA margin of 6.6%), while PAT is likely to be INR 301mn in Q1FY26E (PAT margin of 1.4% vs 1%/0.6% in Q4FY25/Q1FY25)

### Delhivery

In Q1FY26E, we expect the company's express parcel shipment volume to grow 15.8% QoQ/12.0% YoY. We estimate steady improvement (10.0% YoY) in PTL volume. Overall, we estimate revenue to grow 7.9% YoY/8.8% to INR 23.6bn and adj. EBITDA to increase by 96.4% YoY to INR 727mn (adj. EBITDA margin of 3.1% vs 2.5%/1.7% in Q4FY25/Q1FY25). We estimate net profit to increase to INR 593mn in Q1FY26E (vs INR 726mn/ -INR 544mn in Q4FY25/Q1FY25).

### IndiaMART

We expect Q1FY26E revenue to grow 3.3% QoQ/10.7% YoY to INR 3.7bn. We estimate subscriber addition at ~1.5K sequentially. We believe EBITDA margin may decline 193bps YoY to 34.1% in Q1FY26E due to ramp-up in marketing. Overall, we estimate EBITDA to decline sequentially by 4.0%, but grow 4.8% YoY to ~INR 1.3bn. We estimate net profit to increase 14.7% YoY to INR 1.3bn in Q1FY26E.

### JustDial

Overall, we estimate revenue to grow 5.0% QoQ/8.2% YoY in Q1FY26E. We estimate 1.3% QoQ/5.0% YoY growth in paid campaigns with net addition of ~8K QoQ/30k YoY paid campaigns. We believe EBITDA may grow 5.2% QoQ/12.3% YoY to INR 905mn in Q1FY26E.

### Blackbuck

We expect Q1FY26E revenue to grow 1.3% QoQ/33.9% YoY to INR 1.2bn. We believe EBITDA margin may be 31.5% in Q1FY26E vs 32.7% in Q4FY25/9.1% in Q1FY25. Overall, we estimate EBITDA to decline sequentially by 2.4%, but grow ~3.5x YoY to ~INR 389mn. We estimate net profit to decline 5.9% YoY to INR 305mn in Q1FY26E.

### Nazara

We estimate revenue to remain flattish sequentially, but grow 107.1% YoY to INR 5.2bn in Q1FY26E led by revenue accrual from recent acquisitions. We believe EBITDA margin may improve to 10.2% in Q1FY26E vs 9.8% in Q4FY25; overall EBITDA shall grow 111.9% YoY (up 3.5% QoQ) to INR 528mn and PAT may decline 8.9% QoQ/36.2 YoY to INR 144mn.

### Matrimony

We expect the company's matchmaking services' revenue to decline 10.0% YoY to INR 1.1bn. We estimate overall revenue to decline 10.4% YoY to INR 1.1bn. By our estimates, EBITDA could decline 55.1% YoY and PAT could decline 49.2% YoY in Q1FY26E.

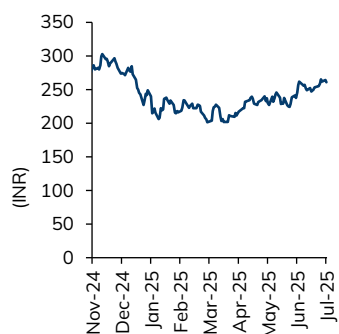
## Exhibit 1: Q1FY26 preview

INR mn	Q1FY26E	Q4FY25	QoQ	Q1FY25	YoY
<b>Zomato</b>					
Adjusted Revenue	70,812	61,880	14.4%	45,200	56.7%
Adjusted EBITDA	2,009	1,650	21.8%	2,990	-32.8%
Adj. EBITDA margin	2.8%	2.7%	17bps	6.6%	-378bps
PAT	277	390	-29.0%	2530	-89.1%
<b>Swiggy</b>					
Adjusted Revenue	50,977	47,180	8.0%	34,773	46.6%
Adjusted EBITDA	-7,875	-7,330	7.4%	-3,483	126.1%
Adj. EBITDA margin	-15.4%	-15.5%	9bps	-10.0%	-543bps
PAT	-10600	-10812	-2.0%	-6110	73%
<b>Info Edge</b>					
Revenue	7,470	6,871	8.7%	6,389	16.9%
EBITDA	2,966	2,589	14.5%	2,495	18.9%
Adj. EBITDA margin	39.7%	37.7%	201bps	39.0%	66bps
Recurring PAT	2,624	2,474	6.1%	2,323	13.0%
<b>Nykaa</b>					
Revenue	21,457	20,618	4.1%	17,461	22.9%
EBITDA	1,417	1,334	6.3%	961	47.4%
EBITDA margin	6.6%	6.5%	14bps	5.5%	110bps
PAT	301	203	48.2%	96	211.8%
<b>Delhivery</b>					
Revenue	23,637	21,916	7.9%	21,723	8.8%
Adj. EBITDA	727	550	32.1%	370	96.4%
Adj. EBITDA margin	3.1%	2.5%	56bps	1.7%	137bps
PAT	593	726	-18.2%	544	9.1%
<b>Indiamart</b>					
Revenue	3669	3551	3.3%	3313	10.7%
EBITDA	1252	1304	-4.0%	1195	4.8%
EBITDA margin	34.1%	36.7%	-258bps	36.1%	-193bps
PAT	1308	1806	-27.6%	1140	14.7%
<b>Just Dial</b>					
Revenue	3035	2892	5.0%	2805.7	8.2%
EBITDA	905	861	5.2%	806.4	12.3%
EBITDA margin	29.8%	29.8%	6bps	28.7%	108bps
PAT	1519	1576	-3.6%	1412.2	7.6%
<b>Nazara</b>					
Revenue	5179	5202	-0.4%	2501	107.1%
EBITDA	528	510	3.5%	249	111.9%
EBITDA margin	10.2%	9.8%	39bps	10.0%	23bps
PAT	144	159	-8.9%	226	-36.2%
	2.8%	3.0%		9.0%	
<b>Matrimony</b>					
Revenue	1081	1083	-0.2%	1206	-10.4%
EBITDA	91	71	28.1%	202	-55.1%
EBITDA margin	8.4%	6.5%	186bps	16.7%	-834bps
PAT	71	82	-13.2%	140	-49.2%
<b>Blackbuck</b>					
Revenue	1234	1218	1.3%	922	33.9%
EBITDA	389	398	-2.4%	84	365.4%
EBITDA margin	31.5%	32.7%	-118bps	9.1%	2,246bps
PAT	305	2858	-89.3%	324	-5.9%

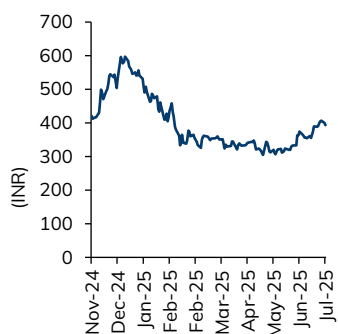
Source: I-Sec research, Company data

## Price charts

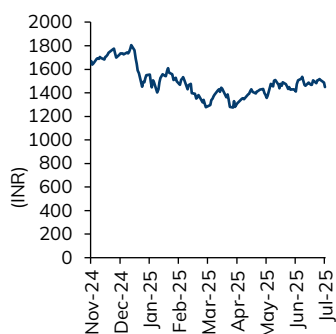
Zomato



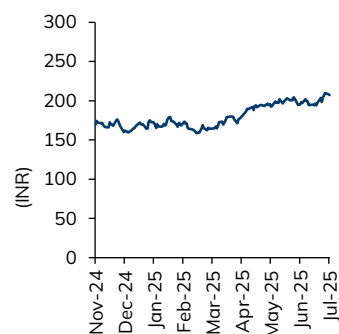
Swiggy



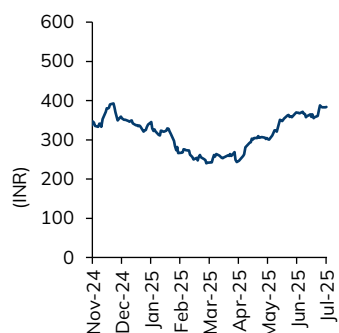
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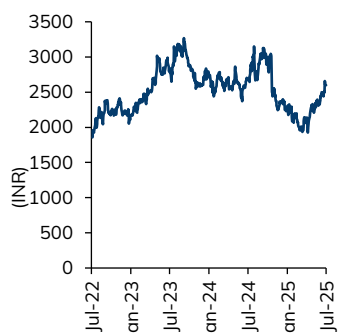
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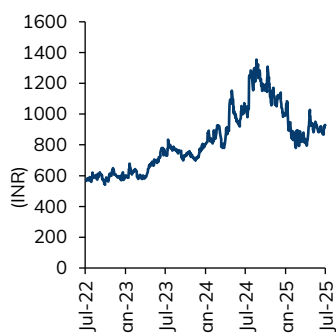
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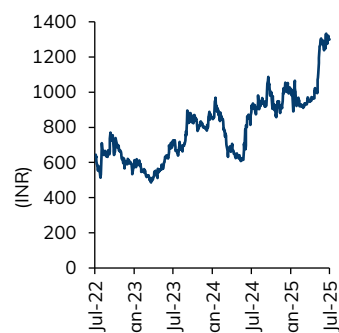
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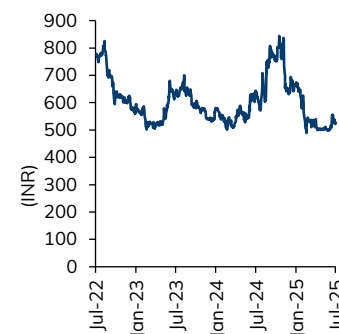
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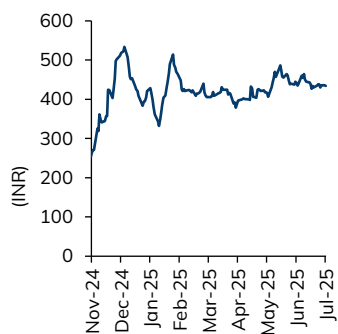
Nazara



Matrimony



Blackbuck



Source: Bloomberg

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