

Swiggy's 2QFY27 performance was broadly in line with expectations, but lagged Eternal's: Qcom NOV grew 13.4% qoq (Eternal: 22.2%), while Food Delivery (FD) GOV grew 17.7% yoy (Eternal NOV: 21.5%). FD adj EBITDA grew 41.8% yoy to Rs3.41bn, while InstaMart adj EBITDA losses rose to Rs8.95bn, from Rs7.78bn in 1Q. Management stated that adj EBITDA losses have peaked in this quarter and it would be able to breakeven at 2.3x the scale. We increase QCom FY27-28 adj EBITDA loss estimates by 4.6%/16.7% and believe scale, sustainable improvement in OPD per store, and take rates would be necessary to give value to the QCom business. Adj EBITDA losses in Platform Innovation business, which houses Toing, increased to Rs1.62bn from Rs1.31bn in 1Q. Management believes Toing is driving incremental category growth, but it needs another 1-2 quarters to assess the model's scalability and efficacy. With increasing QCom and Platform Innovation losses, we cut our TP by ~11% to Rs310 from Rs350, largely on cuts to QCom valuations; retain BUY.

FD – Margin catch-up continues; Toing still just an experiment

FD GOV grew 17.7% yoy to Rs100.5bn, trailing Zomato's 21.5% NOV growth, but adj EBITDA rose 42% yoy to Rs3.41bn against Zomato's 25%, a catch-up from a lower margin base. At 3.4% of GOV, margin sits ~160bp below management's 5% steady-state guidance; operating leverage and monetization are the levers to close it. Toing is the swing factor. Despite a 50+ city footprint, it remains an experiment: repeat-user unit economics turned positive only in select early markets, and management wants 1-2 more quarters to prove sustainability and scalability before scaling aggressively. Given Toing's scale and ongoing EBITDA losses, the street's focus is unit economics and cash burn.

QCom – Heartening operating recovery, but a long catch-up runway remains

Instamart's NOV growth accelerated to 13.4% qoq (vs 2.5% in 1Q), though it continued to lag Blinkit's 22.2% growth despite operating on a 3.2x smaller NOV base. Underlying operating metrics improved, with frequency rising ~4% qoq to 2.93x, OPD per dark store increasing 9.5% qoq to 1,192, and direct costs per order declining 1.5% qoq to Rs107. While the operational recovery is heartening, Instamart still lags Blinkit meaningfully. A 140bp qoq contraction in take rates led to 110bps contribution margin deterioration to -1.4% of NOV. We believe the market currently ascribes negligible value to Instamart, considering challenges in improving scale with profitability. We believe that improvement in OPD per store and take rate would be the key monitorables for a potential rerating.

Outlook and valuation – FD underpins valuation

We see Swiggy as a strong FD franchise with operating leverage and QCom as an optionality. We await sustained double-digit sequential NOV growth in Instamart, alongside improving customer retention, monetization, and store utilization, before assigning a higher valuation. We maintain BUY with a DCF-based TP of Rs310. We value FD at Rs578bn (Rs209/share), implying 33.7x FY28E EV/adj EBITDA, and QCom at Rs85bn (Rs31/share), implying 0.22x FY28E EV/NOV.

Target Price – 12M	Sep-27
Change in TP (%)	(11.4)
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	46.9

Stock Data	SWIGGY IN
52-week High (Rs)	435
52-week Low (Rs)	208
Shares outstanding (mn)	2,760.3
Market-cap (Rs bn)	584
Market-cap (USD mn)	6,154
Net-debt, FY27E (Rs mn)	(53,480.2)
ADTV-3M (mn shares)	18.1
ADTV-3M (Rs mn)	5,805.7
ADTV-3M (USD mn)	61.2
Free float (%)	0.5
Nifty-50	22,687.7
INR/USD	94.8

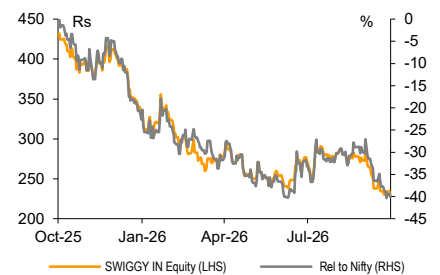
Shareholding, Sep-26

Promoters (%)	0.0
FPIs/MFs (%)	8.9/34.5

Price Performance

(%)	1M	3M	12M
Absolute	(25.6)	(19.9)	(51.1)
Rel. to Nifty	(23.5)	(15.3)	(44.2)

1-Year share price trend (Rs)



Swiggy: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	152,268	230,530	313,285	393,047	456,759
EBITDA	(27,856)	(32,310)	(26,414)	(15,890)	(2,818)
Adj. PAT	(31,049)	(41,430)	(33,363)	(26,150)	(14,001)
Adj. EPS (Rs)	(13.7)	(16.8)	(13.8)	(10.8)	(5.8)
EBITDA margin (%)	(18.3)	(14.0)	(8.4)	(4.0)	(0.6)
EBITDA growth (%)	0	0	0	0	0
Adj. EPS growth (%)	0	0	0	0	0
RoE (%)	(34.5)	(29.0)	(19.6)	(17.7)	(10.4)
RoIC (%)	(67.9)	(60.4)	(37.4)	(28.1)	(16.5)
P/E (x)	(15.4)	(12.5)	(15.3)	(19.5)	(36.5)
EV/EBITDA (x)	(15.9)	(13.7)	(16.7)	(27.8)	(156.9)
P/B (x)	4.7	2.8	3.2	3.7	3.9
FCFF yield (%)	(6.6)	(8.6)	(5.9)	(3.9)	0.3

Source: Company, Emkay Research

Pranav Kshatriya

pranav.kshatriya@emkayglobal.com
+91-22-66121350

Aryan Tripathi

aryan.tripathi@emkayglobal.com
+91-22-6612337

Samruddhi Athanikar

samruddhi.athanikar@emkayglobal.com
+91-22-66242429

Key exhibits

Exhibit 1: Swiggy's performance vs consensus and Emkay estimates

Rs mn						Consensus Estimates		Emkay Estimates	
	2QFY27	1QFY27	qoq	2QFY26	yoy	2QFY27E	Divergence	2QFY27E	Divergence
Revenue	75,710	68,120	11.1%	55,610	36.1%	73,360	3.2%	71,945	5.2%
EBITDA	-7,700	-6,500	NA	-7,980	NA	-5,947	NA	-7,059	NA
EBITDA Margin	-10.2%	-9.5%	-63bps	-14.3%	418bps	-8.1%	-206bps	-0	-36bps
EBIT	-10,780	-9,480	NA	-11,020	NA	-9,769	NA	-11,200	NA
PBT	-9,200	-7,900	NA	-10,910	NA	-8,713	NA	-10,274	NA
PAT	-9,220	-7,910	NA	-10,920	NA	-8,713	NA	-10,274	NA
PAT Margin	-12.2%	-11.6%	-57bps	-19.6%	746bps	-11.9%	-30bps	-14.3%	210bps
EPS (Rs)	-3.45	-2.96	NA	-4.59	NA	-3.27	NA		

QCom

GOV	92,300	79,070	16.7%	70,223	31.4%	92,164	0.1%	90,320	2.2%
NOV	65,940	58,512	12.7%	48,919	34.8%			66,955	-1.5%
Contribution Margin	-1.4%	-0.3%	-113bps	-3.7%	230bps	-0.48%	-92bps	-0.7%	-65bps
Adjusted EBITDA	-8,950	-7,780	NA	-8,491	NA	-8,184	NA	-8,604	NA
Adjusted EBITDA Margin	-13.6%	-13.3%	-28bps	-17.4%	379bps	-8.9%	-469bps	-9.5%	-405bps
NAOV	506	508	-0.4%	485	4.3%			514	-1.5%
#Avg MTUs	14.8	13.5	9.6%	12.0	23.6%			15	-1.2%
#Dark stores (exit)	1,240	1,171	5.9%	1,102	12.5%			1,254	-1.1%

Food Delivery

GOV	100,540	94,900	5.9%	85,424	17.7%	100,535	0.0%	100,889	-0.3%
Contribution Margin	7.7%	7.6%	10bps	7.3%	37bps	7.9%	-18bps	7.8%	-8bps
Adjusted EBITDA	3,410	2,920	16.8%	2,404	41.8%	3,549	-3.9%	3,449	-1.1%
Adjusted EBITDA Margin	3.4%	3.1%	31bps	2.8%	58bps	3.5%	-14bps	3.4%	-3bps
#Avg MTUs	19.8	19.2	3.1%	17.2	15.1%			20.3	-2.3%

Out-of-Home Consumption

GOV	15,080	15,290	-1.4%	11,184	34.8%			16,055	
Adjusted revenue	1,550	1,460	6.2%	947	63.7%	1,450	6.9%	1,479	4.8%
Contribution Margin	4.2%	4.50%	-30bps	4.3%	-14bps	4.76%	-56bps	5.1%	-89bps
Adjusted EBITDA	80	140	-42.9%	55	44.8%	203	-60.6%	175	-54.3%
Adjusted EBITDA Margin	0.5%	0.9%	-39bps	0.5%	4bps			1.1%	-56bps

Supply Chain and Distribution

Revenue	36,900	31,950	15.5%	25,602	44.1%	33,838	9.0%	31,950	15.5%
Adjusted EBITDA	-510	-480	NA	-456	NA	-415	NA	-111	NA
Adjusted EBITDA Margin	-1.4%	-1.5%	12bps	-1.8%	40bps	-1.2%	-16bps	-0.3%	-104bps

Platform Innovations

Adjusted revenue	1,380	690	100.0%	120	1047.5%			1,090	26.6%
Adjusted EBITDA	-1,620	-1,310	NA	-463	NA	-1,185	NA	-1,660	NA

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Quick Commerce – Performance

- NOV growth accelerated to 13.4% qoq (vs 2.5% in 1QFY27) to Rs65.9bn, although materially below Blinkit's 22.2% qoq growth despite Instamart operating on a 3.2x smaller NOV base. GOV increased 16.7% qoq to Rs92.3bn, marginally ahead of consensus expectations of Rs92.2bn.
- Order volumes grew 13.8% qoq to 130.3mn, while MTUs increased 9.6% qoq to 14.8mn, with the highest absolute MTU additions in five quarters. Monthly order frequency improved 3.8% qoq to 2.93x, while NAOV declined marginally by 0.4% qoq to Rs506. NOV growth was, thus, almost entirely volume-driven, reflecting improving customer engagement rather than basket-size expansion.
- Instamart added 69 net dark stores (vs 28 in 1QFY27), taking the network to 1,240 stores across 133 cities. OPD per store improved 9.5% qoq to 1,192, while NOV per dark store per day increased ~9% qoq to Rs603k, supported by higher throughput despite ongoing expansion. Blinkit's NOV per store per day stood at Rs896k, highlighting the substantial remaining productivity gap.
- Take rate declined by ~136bps qoq to 19.8% of NOV, with adjusted revenue growing only 6.1% qoq to Rs13.1bn against 13.4% NOV growth. The decline was primarily driven by targeted pricing investments to reactivate dormant cohorts and build purchasing habits, alongside an adverse customer/category mix.
- Contribution margin deteriorated by ~113bps qoq to -1.4% of NOV, with contribution losses widening to Rs923mn from Rs158mn in 1QFY27. Direct costs per order, however, declined 1.5% qoq to Rs107, reflecting improving fulfilment efficiencies and store utilization. Management attributed ~60bps of GOV margin benefit to operating leverage and cost efficiencies, partly offsetting ~140bps of pricing and mix-related headwinds.
- Indirect costs grew 5.3% qoq to Rs8.0bn, significantly slower than NOV growth, with indirect costs as a percentage of NOV declining by ~85bps to 12.2%. Despite this operating leverage, adjusted EBITDA margin contracted by ~20bps qoq to -13.6% of NOV, with absolute losses widening to Rs8.95bn from Rs7.78bn in 1QFY27.
- Management expects another quarter of double-digit sequential NOV growth in 3QFY27, accompanied by ~100bps qoq adjusted EBITDA margin improvement on GOV, before benefits from the transition to inventory ownership. Management believes absolute adjusted EBITDA losses have peaked in 2QFY27. The transition to inventory ownership is expected to add ~80bps to contribution margin on GOV when fully implemented.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquessolutions)

Exhibit 2: Quarterly results summary for the Qcom business (Instamart)

Rs bn, unless specified otherwise	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	qoq	yoy
Average Monthly Transacting Users (mn)	11.97	12.78	13.3	13.5	14.8	9.6%	23.6%
Monthly Frequency	2.81	2.78	2.82	2.83	2.93	3.8%	4.5%
Reported Total Orders (mn)	100.8	106.4	112.6	114.5	130.3	13.8%	29.3%
AOV	697	746	700	691	708	2.6%	1.7%
NAOV	485	513	504	508	506	-0.4%	4.3%
GOV	70.2	79.4	78.8	79.1	92.3	16.7%	31.4%
NOV	48.9	54.6	56.7	58.5	65.5	12.0%	34.0%
NOV as a % of GOV	69.7%	68.7%	72.0%	74.0%	71.0%	-300bps	134bps
Adjusted Revenue	10.38	10.52	10.90	12.32	13.07	6.1%	25.9%
Take Rate (% of GOV)	14.8%	13.3%	13.8%	15.6%	14.2%	-142bps	-63bps
Take Rate (% of NOV)	21.2%	19.3%	19.2%	21.1%	19.9%	-111bps	-128bps
Direct costs	12.19	12.50	12.32	12.48	13.99	12.1%	14.7%
Direct costs per order	121	117	109	109	107	-1.5%	-11.2%
Contribution	-1.81	-1.98	-1.42	-0.16	-0.92	NA	NA
Contribution Margin (as a % of GOV)	-2.6%	-2.5%	-1.8%	-0.2%	-1.0%	-80bps	158bps
Contribution Margin (as a % of NOV)	-3.7%	-3.6%	-2.5%	-0.3%	-1.4%	-114bps	229bps
Contribution profit per order	-18	-19	-13	-1	-7	NA	NA
Indirect costs	6.68	7.11	7.17	7.62	8.03	5.3%	20.1%
as a % of GOV	9.5%	9.0%	9.1%	9.6%	8.7%	-94bps	-82bps
as a % of NOV	13.7%	13.0%	12.6%	13.0%	12.2%	-78bps	-141bps
Adjusted EBITDA	-8.49	-9.08	-8.59	-7.78	-8.95	NA	NA
Adjusted EBITDA (as a % of GOV)	-12.1%	-11.4%	-10.9%	-9.8%	-9.7%	14bps	240bps
Adjusted EBITDA (as a % of NOV)	-17.4%	-16.7%	-15.1%	-13.3%	-13.7%	-36bps	370bps
Adjusted EBITDA per order	-84	-85	-76	-68	-69	NA	NA
Active Dark Stores (exit)	1,102	1,136	1,143	1,171	1,240	69	138
Orders/dark store/day (#)	1,035	1,056	1,098	1,100	1,192	9.5%	16.3%
Active Dark store area (mn sqft)	4.60	4.79	4.81	4.92	5.21	5.9%	13.3%

Source: Company, Emkay Research

Food Delivery – Performance

- Food Delivery GOV grew 5.9% qoq/17.7% yoy to Rs100.5bn, broadly in line with consensus estimate of Rs100.8bn. Growth continues to trail Zomato's reported 21.5% yoy NOV growth, albeit on different reported transaction-value bases. Management highlighted acceleration in Sep-26 to over 20% yoy and reiterated its FY27 guidance of 18-20% GOV growth, excluding Toing.
- Average MTUs increased 3.1% qoq/15.1% yoy to 19.8mn, with 0.6mn users added sequentially. Average monthly active restaurant partners remained largely flat qoq at ~266k.
- Take rate improved ~23bps yoy to 26.1% of GOV, supported by higher advertising-led monetization. Adjusted revenue grew 6.0% qoq/18.7% yoy to Rs26.2bn, marginally outpacing GOV growth.
- Contribution profit grew 7.3% qoq to Rs7.74bn, with contribution margin expanding by ~10bps qoq to 7.7% of GOV. Delivery cost efficiencies from higher order density and shorter-distance orders, aided by the increasing penetration of Bolt and 99-Store (collectively over 25% of FD volumes), supported profitability despite investments in affordability-led offerings.
- Adjusted EBITDA increased 16.8% qoq/41.8% yoy to Rs3.41bn, below consensus expectation of Rs3.59bn. Adjusted EBITDA margin improved by ~30bps qoq to 3.4% of GOV, supported by contribution margin gains and operating leverage, with indirect costs increasing by only ~1% qoq.
- Management reiterated its steady-state adjusted EBITDA margin guidance of 5% of GOV, highlighting that the margin trajectory is not expected to be compromised by emerging competition. Management considers Toing the primary vehicle for addressing affordability-led demand, allowing the core platform to maintain its growth and profitability trajectory.

Exhibit 3: Quarterly results summary for the Food Delivery business

Rs bn, unless specified otherwise	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	qoq	yoy
Average Monthly Transacting Users (mn)	17.2	18.1	18.3	19.2	19.8	3.1%	15.1%
Total Orders (mn)	177.6	183.7	182.1	189.2	197.7	4.5%	11.3%
AOV	481	488	495	501	508	1.4%	5.7%
GOV	85.4	89.6	90.1	94.9	100.5	5.9%	17.7%
Adjusted Revenue	22.1	22.8	23.0	24.7	26.2	6.0%	18.7%
Take Rate	25.8%	25.4%	25.6%	26.0%	26.0%	2bps	23bps
Adjusted revenue per order	124	124	127	131	132	1.5%	6.7%
Direct costs	15.80	15.93	16.02	17.49	18.45	5.5%	16.8%
Direct costs per order	89	87	88	92	93	1.0%	4.9%
Contribution Profit	6.26	6.85	7.02	7.21	7.74	7.3%	23.7%
Contribution Margin (as a % of GOV)	7.3%	7.6%	7.8%	7.6%	7.7%	10bps	37bps
Contribution per order	35	37	39	38	39	2.7%	11.1%
Indirect Costs	3.85	4.13	4.05	4.29	4.33	0.9%	12.4%
Adjusted EBITDA	2.40	2.72	2.97	2.92	3.41	16.8%	41.8%
Adjusted EBITDA (as a % of GOV)	2.8%	3.0%	3.3%	3.1%	3.4%	29bps	58bps
Adjusted EBITDA per order	14	15	16	15	17	11.8%	27.4%
Average Monthly Transacting Restaurant Partners (#)	263,665	270,163	275,400	265,800	265,900	0.0%	0.8%

Source: Company, Emkay Research

Out-of-Home Consumption – Performance

- GOV declined 1.4% qoq to Rs15.1bn following strong sequential growth of 22.8% in 1QFY27. On a yoy basis, GOV grew 34.8%, reflecting continued expansion of the Dineout and going-out franchise.
- Adjusted revenue grew 6.2% qoq/63.7% yoy to Rs1.55bn, despite the sequential decline in GOV. Adjusted revenue as a percentage of GOV increased by ~73bps qoq to 10.3%, indicating improved monetization.
- Contribution margin declined by 30bps qoq to 4.2% of GOV, as direct costs increased 18.7% qoq despite adjusted revenue growth of only 6.2%. Contribution profit declined 7.9% qoq to Rs633mn.
- Adjusted EBITDA declined 42.9% qoq to Rs80mn (street: Rs204mn), with adjusted EBITDA margin contracting by ~37bps qoq to 0.5% of GOV. The segment nevertheless remained adjusted EBITDA-positive for the seventh consecutive quarter.
- Average monthly active restaurant partners increased ~12% qoq to 66k. The divergence between restaurant additions and sequential GOV growth suggests that partner expansion is currently outpacing growth in transaction value per active restaurant.
- Management continues to expand the Dineout proposition through offerings such as Steal Deals, Digital Menu, Cine Dining, and Scenes, with the longer-term ambition of improving adjusted EBITDA margin to 5% of GOV.

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Exhibit 4: Quarterly summary for the Out-of-Home Consumption business

Rs bn, unless specified otherwise	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	qoq	yoy
GOV	11.18	12.25	12.45	15.29	15.08	-1.4%	34.8%
Adjusted Revenue	0.95	1.11	1.23	1.46	1.55	6.2%	63.7%
Take rate	8.5%	9.1%	9.9%	9.5%	10.3%	73bps	181bps
Direct costs	0.46	0.55	0.63	0.77	0.92	18.7%	98.8%
as a % of GOV	4.1%	4.5%	5.1%	5.0%	6.1%	103bps	196bps
Contribution	0.49	0.56	0.60	0.69	0.63	-7.9%	30.4%
Contribution Margin (as a % of GOV)	4.3%	4.6%	4.8%	4.5%	4.2%	-30bps	-14bps
Indirect costs	0.43	0.48	0.50	0.55	0.55	1.0%	28.5%
as % of GOV	4.1%	4.5%	5.1%	5.0%	6.1%	103bps	196bps
Adjusted EBITDA	0.06	0.08	0.10	0.14	0.08	-42.9%	44.8%
Adjusted EBITDA (as a % of GOV)	0.5%	0.7%	0.7%	0.9%	0.5%	-37bps	4bps
Average Monthly Active Restaurants (#)	44,377	48,173	53,000	59,000	66,000	11.9%	48.7%

Source: Company, Emkay Research

Platform Innovations – Performance

- Adjusted revenue doubled qoq to Rs1.38bn from Rs690mn in 1QFY27, reflecting the scaling up of Toing, Swiggy's standalone affordable food delivery proposition.
- Adjusted EBITDA losses widened to Rs1.62bn from Rs1.31bn in 1QFY27, substantially above consensus expectations of Rs1.1bn loss. However, adjusted EBITDA losses relative to adjusted revenue narrowed to 117% from 190% in the previous quarter, as revenue growth outpaced incremental losses.
- Two-thirds of Toing's users are either new to Swiggy or long-term dormant, suggesting incremental customer acquisition rather than pure cannibalization of the core FD business. Users transacting across both platforms exhibit ~25% higher combined order frequency than single-platform users, while customer retention on Toing is reportedly stronger than on the core Swiggy app.
- Toing has expanded to 50+ cities, with management estimating that ~70% of its user base is below 30 years of age. In certain cities, Toing volumes have reached 20-30% of core FD volumes, highlighting the potential to meaningfully expand the overall category.
- Management highlighted that repeat-user unit economics have turned positive in some of Toing's earliest launched cities. However, achieving sustainable economics across the network will depend on customer retention, acquisition costs, order density, and further optimization of delivery costs, particularly given substantially smaller basket sizes than in the core FD business.
- Management expects absolute investment outlay and losses to remain broadly range-bound in the near term while revenue continues to scale, potentially improving operating leverage. It expects another 1-2 quarters to assess business-model scalability and the sustainability of unit economics before deciding on a more aggressive rollout.

Supply Chain and Distribution – Performance

- Revenue grew 15.5% qoq/44.1% yoy to Rs36.9bn, exceeding consensus estimate of Rs33.9bn by 9.0%.
- Adjusted EBITDA loss widened marginally to Rs510mn from Rs480mn in 1QFY27, against consensus expectation of Rs415mn loss. Nevertheless, adjusted EBITDA margin improved by ~12bps qoq to -1.4% of revenue.
- Swiggy entered into an agreement to divest Lynks Logistics, which houses its B2B authorized distribution business, to Udaan's parent company for ~Rs5bn, along with a separate primary investment of Rs750mn, resulting in an ~3.2% stake in Udaan.
- Lynks' financials are included in the reported 2QFY27 numbers, but will be excluded from 3QFY27 onward. Management expects this divestment to improve segment adjusted EBITDA by ~Rs200mn per quarter from 3QFY27, while also reducing reported revenue. The transaction is aligned with management's strategic focus on consumer-facing businesses.

Exhibit 5: Quarterly summary for the Supply Chain and Distribution business

INR bn, unless specified otherwise	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	qoq	yoy
Revenue	25.6	29.8	31.4	32.0	36.9	15.5%	44.1%
Purchase of stock-in-trade (as mentioned in I/S)	91.0%	92.5%	92.5%	93.2%	93.3%	10bps	230bps
Indirect costs	2.76	2.67	2.78	2.65	2.98	12.5%	8.1%
as a % of revenue	10.8%	8.9%	8.9%	8.3%	8.1%	-22bps	-270bps
Adjusted EBITDA	-0.46	-0.42	-0.42	-0.48	-0.51	NA	NA
Adjusted EBITDA (as a % of revenue)	-1.8%	-1.4%	-1.3%	-1.5%	-1.4%	12bps	40bps

Source: Company, Emkay Research

Exhibit 6: Global DCF assumptions

Parameters	Value
Beta	1.00
Risk Free Rate (Rf)	6.9%
Market return (Km)	12.9%
Risk Premium	6.0%
Required Rate of Return (Cost of Equity)	12.9%
Cost of Debt	10.0%
Tax Rate	25.0%
After Tax Cost of Debt	7.5%
Total Debt	0%
Shareholders' Fund	100%
WACC	12.9%

Source: Company, Emkay Research

Exhibit 7: Our DCF-based valuation framework

(Rs bn)	PV of stage 0 (i)	Growth of stage 1	PV of stage 1 (ii)	Terminal growth rate	PV of terminal stage (iii)	EV (i+ii+iii)	EV (Rs/share)
Food delivery	150	12.0%	187	5.0%	240	578	209
QCom	-58	12.0%	63	5.0%	81	85	31
OOH	13	12.0%	14	5.0%	18	46	16
Supply chain	-4	12.0%	11	5.0%	14	20	7
Total	101		275	5.0%	353	729	264
Net cash						137	49
Target M-Cap						866	310

Source: Company, Emkay Research; Note: Stage 0 duration is 8 years; stage 1 duration is 10 years

Exhibit 8: Implied multiples for our projected segmental metrics

	EV/NOV			EV/Adjusted EBITDA		
	FY28E	FY29E	FY30E	FY28E	FY29E	FY30E
Food delivery*	1.19	1.02	0.88	33.7	28.0	23.3
QCom	0.22	0.18	0.15	-2.8	-3.4	-4.8
OOH*	0.58	0.48	0.42	35.3	26.2	20.5
Supply chain	0.11	0.10	0.09	-36.8	-14.5	-15.5

Source: Company, Emkay Research; Note: * GOV used instead of NOV

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Investment thesis

- **FD (high-value duopoly):** Currently, in its monetization phase, this core engine holds immense value, at 33.7x FY28E EV/adj EBITDA. Stable growth and an entrenched duopoly provide a clear runway for margin expansion, allowing the company to close the profitability gap with Eternal.
- **QCom (high-upside optionality):** Despite execution risks, this segment offers massive value-unlock potential. Backed by robust scale and unit economics, superior to all peers except Blinkit, successful execution, and margin turnaround will drive significant valuation upside.

Key risks to our estimates

- Heightened competitive intensity leading to market-share erosion or elevated cash burn.
- Execution failure in approaching QCom profitability milestones.
- Regulatory and labor headwinds.
- Uncertainty of cash burn in Toing and other platform innovations

Exhibit 9: Our assumptions and estimates for Food Delivery business

Rs bn, unless specified otherwise	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	FY30E
Average Monthly Transacting Users (mn)	11.6	12.7	14.7	17.5	20.2	22.7	25.4	28.5
Total Orders (mn)	516.9	577.7	628.9	714.3	800.9	911.3	1,028.8	1,146.8
AOV	416	428	458	484	511	531	551	571
GOV	215.2	247.2	287.8	345.9	408.9	483.8	566.4	654.5
Adjusted Revenue	51.8	60.8	72.6	88.7	107.0	127.9	150.5	174.7
Take Rate	24.1%	24.6%	25.2%	25.6%	26.2%	26.4%	26.6%	26.7%
Adjusted revenue per order	100	105	116	124	134	140	146	152
Direct costs	45.46	46.69	52.30	62.61	75.62	90.97	107.77	125.76
Direct costs per order	88	81	83	88	94	100	105	110
Contribution Profit	6.33	14.13	20.34	26.06	31.36	36.95	42.69	48.96
Contribution Margin (as a % of GOV)	2.9%	5.7%	7.1%	7.5%	7.7%	7.6%	7.5%	7.5%
Contribution per order	12	24	32	36	39	41	41	43
Indirect Costs	16.68	14.60	14.68	16.05	17.72	19.80	22.01	24.19
Adjusted EBITDA	-10.35	-0.47	5.66	10.01	13.63	17.15	20.68	24.77
Adjusted EBITDA (as a % of GOV)	-4.8%	-0.2%	2.0%	2.9%	3.3%	3.5%	3.7%	3.8%
Adjusted EBITDA per order	-20	-1	9	14	17	19	20	22
Average Monthly Transacting Restaurant Partners (#)	174,598	196,499	238,083	265,900	-	-	-	-

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Exhibit 10: Our assumptions and estimates for QCom business

Rs bn, unless specified otherwise	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	FY30E
Average Monthly Transacting Users (mn)	3.20	4.24	7.07	12.3	15.5	19.2	21.5	23.6
Monthly frequency	3.34	3.45	3.37	2.80	2.92	3.12	3.29	3.42
Reported Total Orders (mn)	128.5	175.5	285.5	411.8	543.2	717.3	848.6	968.1
AOV	398	460	514	692	709	735	758	783
NAOV	358	410	417	491	511	530	551	570
GOV	51.2	80.7	146.8	285.0	385.3	526.9	643.2	758.0
NOV	46.0	71.9	119.0	202.1	277.4	379.9	467.2	552.1
NOV as a % of GOV	89.9%	89.1%	81.0%	70.9%	72.0%	72.1%	72.6%	72.8%
Adjusted Revenue	5.47	10.88	22.52	40.39	57.47	81.93	104.84	128.91
Take Rate (% of GOV)	10.7%	13.5%	15.3%	14.2%	14.9%	15.5%	16.3%	17.0%
Take Rate (% of NOV)	11.9%	15.1%	18.9%	20.0%	20.7%	21.6%	22.4%	23.3%
Direct costs	17.5	15.7	28.4	48.2	58.5	76.7	91.4	106.0
Direct costs per order	136	90	100	117	108	107	108	110
Contribution	-12.05	-4.85	-5.91	-7.81	-1.03	5.23	13.4	22.9
Contribution Margin (as a % of GOV)	-23.5%	-6.0%	-4.0%	-2.7%	-0.3%	1.0%	2.1%	3.0%
Contribution Margin (as a % of NOV)	-26.2%	-6.7%	-5.0%	-3.9%	-0.4%	1.4%	2.9%	4.1%
Contribution profit per order	-94	-28	-21	-19	-2	7	16	24
Indirect costs	8.22	8.24	15.0	27.3	32.4	35.9	38.4	40.5
as a % of GOV	16.1%	10.2%	10.2%	9.6%	8.4%	6.8%	6.0%	5.3%
as a % of NOV	17.9%	11.5%	12.6%	13.5%	11.7%	9.4%	8.2%	7.3%
Adjusted EBITDA	-20.3	-13.1	-20.9	-35.1	-33.5	-30.6	-24.9	-17.7
Adjusted EBITDA (as a % of GOV)	-39.6%	-16.2%	-14.3%	-12.3%	-8.7%	-5.8%	-3.9%	-2.3%
Adjusted EBITDA (as a % of NOV)	-44.1%	-18.2%	-17.6%	-17.4%	-12.1%	-8.1%	-5.3%	-3.2%
Adjusted EBITDA per order	-158	-75	-73	-85	-62	-43	-29	-18
Active Dark Stores (exit)	421	523	1,021	1,143	1,358	1,501	1,540	1,612
Orders/dark store/day (#)	975	1,018	1,013	1,043	1,190	1,375	1,529	1,683
Active Dark store area (mn sqft)	-	1.52	3.97	5.21	-	-	-	-

Source: Company, Emkay Research

Exhibit 11: Our assumptions and estimates for Out-of-Home Consumption business

Rs bn, unless specified otherwise	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	FY30E
GOV	11.05	21.83	30.84	46.45	63.70	79.02	94.41	107.94
Adjusted Revenue	0.78	1.57	2.46	4.12	6.46	8.31	10.13	11.81
Take rate	7.0%	7.2%	8.0%	8.9%	10.1%	10.5%	10.7%	10.9%
Direct costs	0.65	1.04	1.25	2.01	3.29	4.12	4.93	5.63
as a % of GOV	5.9%	4.8%	4.1%	4.3%	5.2%	5.2%	5.2%	5.2%
Contribution	0.13	0.53	1.21	2.11	3.17	4.19	5.20	6.18
Contribution Margin (as a % of GOV)	1.2%	2.4%	3.9%	4.5%	5.0%	5.3%	5.5%	5.7%
Indirect costs	1.50	2.27	1.49	1.82	2.32	2.90	3.46	3.96
as a % of GOV	5.9%	4.8%	4.1%	4.3%	5.2%	5.2%	5.2%	5.2%
Adjusted EBITDA	-1.37	-1.74	-0.28	0.28	0.85	1.29	1.74	2.22
Adjusted EBITDA (as a % of GOV)	-12.4%	-8.0%	-0.9%	0.6%	1.3%	1.6%	1.8%	2.1%
Average Monthly Active Restaurants (#)	10,426	26,575	35,800	-	-	-	-	-

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

Exhibit 12: Our assumptions and estimates for Supply Chain and Distribution business

Rs bn, unless specified otherwise	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	FY30E
Revenue	32.9	47.8	64.2	109.4	151.1	187.0	206.6	225.4
Purchase of stock-in-trade (as mentioned in I/S)	100.5%	95.3%	93.3%	91.8%	94.6%	94.4%	95.3%	95.7%
Indirect costs	2.80	4.12	7.12	10.83	11.08	11.08	11.08	11.08
as a % of revenue	8.5%	8.6%	11.1%	9.9%	7.3%	5.9%	5.4%	4.9%
Adjusted EBITDA	-2.95	-1.87	-2.80	-1.92	-1.22	-0.55	-1.40	-1.30
Adjusted EBITDA (as a % of revenue)	-9.0%	-3.9%	-4.4%	-1.8%	-0.8%	-0.3%	-0.7%	-0.6%

Source: Company, Emkay Research

Exhibit 13: Change in our estimates

(Rs mn)	New			Old			Change		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue	313,285	393,047	456,759	292,196	349,356	417,442	7.2%	12.5%	9.4%
EBITDA ex ESOP	-18,922	-8,472	4,307	-13,950	-1,607	10,092	NA	NA	-57.3%
EBITDA	-26,414	-15,890	-2,818	-21,939	-9,664	2,353	NA	NA	-219.8%
EBIT	-38,678	-29,948	-17,588	-34,675	-24,720	-14,746	NA	NA	NA
PBT	-33,333	-26,150	-14,001	-30,213	-21,376	-11,644	NA	NA	NA
PAT	-33,363	-26,150	-14,001	-30,223	-21,376	-11,644	NA	NA	NA
QCom									
NOV	277,405	379,868	467,219	259,231	332,248	420,254	7.0%	14.3%	11.2%
Contribution Margin	-0.4%	1.4%	2.9%	-0.2%	2.1%	3.6%	-22bps	-69bps	-68bps
Adjusted EBITDA	-33,461	-30,647	-24,947	-31,999	-26,270	-20,434	NA	NA	NA
Adjusted EBITDA Margin	-12.1%	-8.1%	-5.3%	-12.3%	-7.9%	-4.9%	28bps	-16bps	-48bps
NAOV	511	530	551	518	535	553	-1.4%	-1.0%	-0.5%
#Avg MTU	15.5	19.2	21.5	14.3	16.6	19.1	8.2%	15.4%	12.3%
# of Dark Stores (exit)	1,358	1,501	1,540	1,334	1,457	1,578	1.8%	3.0%	-2.4%
Food Delivery									
GOV	408,922	483,758	566,382	410,376	481,842	559,288	-0.4%	0.4%	1.3%
Contribution Margin	7.7%	7.6%	7.5%	7.8%	7.9%	7.8%	-15bps	-23bps	-26bps
Adjusted EBITDA	13,634	17,154	20,681	14,205	18,125	21,628	-4.0%	-5.4%	-4.4%
Adjusted EBITDA Margin	3.3%	3.5%	3.7%	3.5%	3.8%	3.9%	-13bps	-22bps	-22bps
#Avg MTU	20.2	22.7	25.4	20.5	23.2	26.1	-1.7%	-2.2%	-2.6%
Out-of-Home									
GOV	63,697	79,025	94,409	66,184	91,435	118,958	-3.8%	-13.6%	-20.6%
Contribution Margin	5.0%	5.3%	5.5%	4.6%	4.7%	4.9%	35bps	62bps	63bps
Adjusted EBITDA	849	1,290	1,737	482	626	1,040	76.2%	106.0%	67.0%
Adjusted EBITDA Margin	1.3%	1.6%	1.8%	0.7%	0.7%	0.9%	60bps	95bps	97bps
Supply Chain									
Revenue	151,129	187,024	206,601	135,442	154,569	177,620	11.6%	21.0%	16.3%
Adjusted EBITDA	-1,219	-549	-1,397	-2,304	-2,745	-2,386	NA	NA	NA
Adjusted EBITDA Margin	-0.8%	-0.3%	-0.7%	-1.7%	-1.8%	-1.3%	89bps	148bps	67bps

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Earnings call highlights

Quick Commerce (Instamart)

- Management reiterated its guidance of double-digit sequential NOV growth in 3QFY27, following 13.4% qoq growth in 2Q. It expects an improvement of ~100bps in adjusted EBITDA margin (on GOV) in 3Q, excluding benefits from the transition to inventory ownership.
- Management highlighted that improving the quality of growth rather than pursuing aggressive geographical expansion remains its priority. 2Q growth was supported by 1.3mn MTU additions, ~4% improvement in order frequency, and improving retention. These improvements were attributed to cohort-specific pricing interventions, habit formation, and differentiated assortment, rather than indiscriminate customer acquisition.
- Management maintained its contribution margin guidance of 0% to -1% of GOV (equivalent to approximately 0% to -1.4% on the current NOV base). Having deliberately exited unprofitable customer cohorts over previous quarters, the company is now selectively reinvesting in customer acquisition and engagement while seeking to maintain the improvement in cohort quality. Management expects higher retention, order frequency, and store throughput to support the journey toward positive contribution margins.
- Management does not envisage near-term geographical expansion beyond its existing 133-city footprint, despite peers pursuing significantly more aggressive store and city additions. A large part of Instamart's growth continues to originate from larger cities, where management believes existing network coverage is sufficient to support sustained double-digit NOV growth. Expansion into newer Tier-3 cities is therefore not an immediate priority.
- Dark store additions will remain demand-led rather than guided by a predetermined network target. Management initiates the process of opening an incremental store in a locality once the existing store reaches ~2,000 OPD. Given the 2-3-month gestation period for opening a new store, the existing store typically reaches ~2,300-2,500 OPD by the time the incremental capacity becomes operational.
- Management indicated that ~5-7% of its store network approaches capacity constraints in a given quarter, necessitating incremental stores in those localities. The proportion is dynamic rather than a fixed set of mature stores. Management expects store additions to remain broadly linked to the pace at which double-digit sequential growth drives existing stores towards capacity limits.
- Despite the material gap in store productivity with Blinkit, management does not intend to modify its existing dark store configuration or accelerate expansion merely to narrow the network-size gap. The company believes higher store utilisation, improvements in assortment mix and greater order frequency can drive NOV per store and operating leverage without a commensurate increase in store count.
- When questioned on the widening execution gap with Blinkit despite Swiggy's healthy cash reserves, management acknowledged that Blinkit has built a strong, compounding operating flywheel. However, it emphasised that deploying capital into new markets before strengthening the economics of its existing business could be a greater lost opportunity. Management's immediate objective is to build a resilient franchise with clear visibility towards adjusted EBITDA breakeven, requiring approximately a doubling of the current business scale alongside better contribution economics.
- The improvement in store throughput is a central component of the profitability strategy. Management highlighted that OPD per store increased 9.5% qoq to 1,192, its highest-ever level, while NOV productivity per store improved by ~9%. As volumes increase faster than the store network, fixed and semi-variable costs get absorbed over a larger order base, improving store-level contribution and platform-level profitability.
- Differentiated assortment now features in ~20% of Instamart orders, with its Noice private brand present in roughly one in eight baskets. The company is building differentiated propositions through Noice, Nectr (fruits and vegetables) and brand

partnerships under Switch. Management believes these categories drive higher customer retention and establish differentiated consumer propositions that competitors cannot easily replicate.

- Management is focused on increasing monetisation through deeper engagement with brands and developing a higher-frequency customer base. Co-creating differentiated products with brand partners is expected to improve advertising and brand monetisation opportunities, while the evolution of consumer fee structures represents another lever. Management referred to ~10bps improvement in monetisation during 2Q and expects further gains as assortment differentiation and customer engagement improve.
- On the impact of pricing interventions, management highlighted that discounting is being targeted at specific customer cohorts and frequent-use categories such as fresh produce and staples to encourage habit formation. However, it did not quantify the respective contributions of discretionary pricing investments and structural improvements in assortment, retention and customer frequency towards the quarter's growth acceleration.
- Management reiterated that competitive intensity remains elevated and is unlikely to ease materially in the near term. While certain periods have witnessed some moderation in discounting, the entry of additional players and the festive season are expected to sustain competitive pressure. The company intends to continue prioritising customer retention, assortment differentiation and operating productivity rather than reacting to every competitive pricing intervention.
- Management reiterated that Instamart's next major milestone is adjusted EBITDA breakeven, with improving contribution economics and scale-led operating leverage being the principal drivers. It acknowledged that part of the operating efficiency gains achieved in recent quarters had been reinvested into restoring growth, with discretionary spending expected to be calibrated as the business progresses towards profitability.
- The transition to inventory ownership is expected to commence in mid-3QFY27 and be completed over the subsequent 2-3 quarters. Management clarified that the guided ~100bps sequential adjusted EBITDA margin improvement in 3Q does not incorporate benefits from this transition.

Food Delivery

- Management reiterated 18-20% yoy GOV growth guidance for the core Food Delivery business (excluding Toing), highlighting that growth accelerated to over 20% yoy in September. It remains confident that both growth and profitability can improve simultaneously despite increasing competition.
- Management maintained its steady-state adjusted EBITDA margin guidance of 5% of GOV, supported by continued take-rate expansion, delivery cost efficiencies, densification and operating leverage. With take rate having exceeded 26%, management indicated that the existing monetisation and cost-efficiency levers are sufficient to progress towards the margin target without diluting the core business's economics.
- Management clarified that 5% adjusted EBITDA margin does not represent a structural ceiling for Food Delivery profitability. Further gains from operating leverage, densification and cost synergies remain possible beyond this level, at which point management could evaluate reinvesting incremental profits to accelerate growth.
- In response to competition potentially capping margins and reinvesting in customer acquisition, management ruled out the need for near-term pricing cuts or margin dilution in the core Food Delivery business. Swiggy intends to address the affordability segment through Toing while preserving the profitability trajectory of its established Food Delivery platform.
- On competition from Rapido and Flipkart, management indicated that newer propositions had not yet reached significant public scale in the markets being discussed. It views Swiggy's existing platform and Toing as complementary responses to emerging competition, with Toing serving both as a defensive proposition and an opportunity to expand the addressable market.

Platform Innovations – Toing

- Management indicated that the combined Food Delivery marketplace (Swiggy + Toing) is currently growing closer to the lower end of its 25-30% potential growth range, compared with the standalone Food Delivery growth guidance of 18-20%. The company views Toing as a potential driver of incremental category expansion rather than merely a defensive response to new competitors.
- Management believes that Toing's overlap with Swiggy's core Food Delivery user base is declining as the platform scales, indicating greater incremental customer acquisition rather than cannibalisation. Around two-thirds of Toing users are new to Swiggy or have been dormant on its core platform for an extended period. Management sees this as evidence of a distinct affordability-led consumer segment being unlocked.
- Toing's customer retention metrics are currently superior to those of the core Swiggy app, according to management. Users transacting across both platforms exhibit ~25% higher combined order frequency than single-platform users. Management views this as evidence that Toing is creating additional consumption occasions rather than simply shifting existing orders from the core platform.
- Management estimated that ~70% of Toing's users are below 30 years of age, based on consumer research rather than comprehensive demographic collection. A meaningful proportion comprises students and consumers entering their first jobs. Management believes this represents an opportunity to acquire consumers early in their food-ordering lifecycle and benefit from their increasing purchasing power over the coming years.
- Management highlighted that repeat-user unit economics have turned positive in some of Toing's earliest launched cities, providing preliminary evidence of business-model viability. However, given that average order values are only a fraction of the core platform's, sustainable profitability requires significantly greater order density and a proportionately lower cost to serve.
- Toing leverages Swiggy's existing technology, restaurant relationships and delivery infrastructure, resulting in limited incremental fixed overheads. The majority of incremental expenditure is directed towards new-user acquisition and activation, which management considers discretionary and capable of being scaled up or reduced quickly.
- Management laid out three principal criteria for evaluating Toing's scalability: 1) incremental category expansion; 2) sustainable customer retention and frequency; and 3) improving unit economics. Within unit economics, particular focus remains on the sustainability of repeat-user profitability, customer acquisition costs as the platform scales, and opportunities to reduce delivery costs further.
- Management is not yet prepared to declare Toing's product and business model conclusively established, despite the encouraging initial metrics. It expects another 1-2 quarters of experimentation before gaining sufficient visibility on steady-state economics and the scalability of the proposition. Importantly, positive unit economics in repeat cohorts do not yet imply profitability for the overall Toing business.
- Management expects investments and absolute losses in Toing to remain broadly range-bound in the near term, while revenues continue to scale. This is intended to demonstrate operating leverage as the business grows. Management did not provide a specific revenue threshold or timeline for adjusted EBITDA breakeven.
- The company views Toing as insurance against disruption to the existing Food Delivery profit pool at a minimum, with the potential to unlock a substantially larger addressable market if the model scales sustainably. Management indicated that the platform could continue operating with limited incremental investments if the economics fail to justify further aggressive expansion.
- On the supply side, management highlighted growing relevance for Toing among restaurant partners, with the platform already contributing meaningful incremental volumes to certain restaurants in its operating markets. Management believes greater volume density can improve restaurant-level economies of scale, strengthening the overall value proposition of the platform.

Swiggy: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	152,268	230,530	313,285	393,047	456,759
Revenue growth (%)	35.4	51.4	35.9	25.5	16.2
EBITDA	(27,856)	(32,310)	(26,414)	(15,890)	(2,818)
EBITDA growth (%)	0	0	0	0	0
Depreciation & Amortization	6,123	12,170	12,264	14,058	14,769
EBIT	(33,979)	(44,480)	(38,678)	(29,948)	(17,588)
EBIT growth (%)	0	0	0	0	0
Other operating income	-	-	-	-	-
Other income	3,962	5,080	7,538	6,735	6,738
Financial expense	1,006	2,000	2,193	2,937	3,151
PBT	(31,023)	(41,400)	(33,333)	(26,150)	(14,001)
Extraordinary items	(117)	(100)	0	0	0
Taxes	0	0	0	0	0
Minority interest	-	-	-	-	-
Income from JV/Associates	(26)	(30)	(30)	0	0
Reported PAT	(31,166)	(41,530)	(33,363)	(26,150)	(14,001)
PAT growth (%)	0	0	0	0	0
Adjusted PAT	(31,049)	(41,430)	(33,363)	(26,150)	(14,001)
Diluted EPS (Rs)	(13.7)	(16.8)	(13.8)	(10.8)	(5.8)
Diluted EPS growth (%)	0	0	0	0	0
DPS (Rs)	0	0	0	0	0
Dividend payout (%)	0	0	0	0	0
EBITDA margin (%)	(18.3)	(14.0)	(8.4)	(4.0)	(0.6)
EBIT margin (%)	(22.3)	(19.3)	(12.3)	(7.6)	(3.9)
Effective tax rate (%)	0	0	0	0	0
NOPLAT (pre-IndAS)	(33,979)	(44,480)	(38,678)	(29,948)	(17,588)
Shares outstanding (mn)	2,271	2,463	2,418	2,418	2,418

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	(35,011)	(46,510)	(40,901)	(32,885)	(20,739)
Others (non-cash items)	12,008	10,280	7,642	7,417	7,125
Taxes paid	400	(220)	910	0	0
Change in NWC	(6,221)	(6,700)	61	(2,660)	(206)
Operating cash flow	(21,695)	(28,980)	(17,831)	(11,133)	4,101
Capital expenditure	(7,508)	(9,190)	(8,166)	(6,216)	(2,975)
Acquisition of business	26	38	30	0	0
Interest & dividend income	1,443	2,550	5,038	6,735	6,738
Investing cash flow	(13,724)	(49,830)	12,992	519	3,762
Equity raised/(repaid)	44,990	100,000	0	0	0
Debt raised/(repaid)	(1,643)	720	(1,000)	0	0
Payment of lease liabilities	(3,015)	(6,020)	(7,435)	(9,061)	(10,191)
Interest paid	(167)	(90)	(126)	(148)	(152)
Dividend paid (incl tax)	-	-	-	-	-
Others	(1,132)	(640)	10	0	0
Financing cash flow	39,034	93,970	(8,551)	(9,209)	(10,342)
Net chg in Cash	3,615	15,160	(13,390)	(19,823)	(2,479)
OCF	(21,695)	(28,980)	(17,831)	(11,133)	4,101
Adj. OCF (w/o NWC chg.)	(18,488)	(28,300)	(25,327)	(17,533)	(5,884)
FCFF	(29,203)	(38,170)	(25,997)	(17,348)	1,125
FCFE	(28,765)	(37,620)	(23,152)	(13,550)	4,712
OCF/EBITDA (%)	88.7	108.3	95.7	127.1	216.1
FCFE/PAT (%)	92.3	90.6	69.4	51.8	(33.7)
FCFF/NOPLAT (%)	85.9	85.8	67.2	57.9	(6.4)

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	2,286	2,610	2,620	2,620	2,620
Reserves & Surplus	99,908	180,530	154,669	135,937	129,061
Net worth	102,195	183,140	157,289	138,557	131,681
Minority interests	-	-	-	-	-
Non-current liab. & prov.	(1,252)	(1,610)	(740)	(740)	(740)
Total debt	282	1,000	0	0	0
Total liabilities & equity	118,292	207,410	191,555	178,411	174,554
Net tangible fixed assets	10,592	13,040	14,992	15,848	13,234
Net intangible assets	2,505	2,140	1,448	904	460
Net ROU assets	16,246	23,440	32,466	36,173	37,211
Capital WIP	-	-	-	-	-
Goodwill	6,965	6,960	3,150	3,150	3,150
Investments [JV/Associates]	578	540	510	510	510
Cash & equivalents	55,856	81,800	53,480	33,658	31,614
Current assets (ex-cash)	58,059	122,840	146,793	156,985	162,191
Current Liab. & Prov.	32,509	43,350	61,284	68,816	73,816
NWC (ex-cash)	25,550	79,490	85,509	88,169	88,375
Total assets	118,292	207,410	191,555	178,411	174,554
Net debt	(55,574)	(80,800)	(53,480)	(33,658)	(31,614)
Capital employed	118,292	207,410	191,555	178,411	174,554
Invested capital	45,611	101,630	105,098	108,071	105,219
BVPS (Rs)	45.0	74.4	65.1	57.3	54.5
Net Debt/Equity (x)	(0.5)	(0.4)	(0.3)	(0.2)	(0.2)
Net Debt/EBITDA (x)	2.0	2.5	2.0	2.1	11.2
Interest coverage (x)	(29.8)	(19.7)	(14.2)	(7.9)	(3.4)
RoCE (%)	(32.9)	(27.5)	(18.2)	(15.7)	(8.0)

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	(15.4)	(12.5)	(15.3)	(19.5)	(36.5)
EV/CE(x)	4.3	2.4	2.8	3.2	3.4
P/B (x)	4.7	2.8	3.2	3.7	3.9
EV/Sales (x)	2.9	1.9	1.4	1.1	1.0
EV/EBITDA (x)	(15.9)	(13.7)	(16.7)	(27.8)	(156.9)
EV/EBIT(x)	(13.0)	(9.9)	(11.4)	(14.8)	(25.1)
EV/IC (x)	9.7	4.4	4.2	4.1	4.2
FCFF yield (%)	(6.6)	(8.6)	(5.9)	(3.9)	0.3
FCFE yield (%)	(4.9)	(6.4)	(4.0)	(2.3)	0.8
Dividend yield (%)	0	0	0	0	0
DuPont-RoE split					
Net profit margin (%)	(20.4)	(18.0)	(10.6)	(6.7)	(3.1)
Total asset turnover (x)	1.7	1.6	1.8	2.6	3.3
Assets/Equity (x)	1.0	1.0	1.0	1.0	1.0
RoE (%)	(34.5)	(29.0)	(19.6)	(17.7)	(10.4)
DuPont-RoIC					
NOPLAT margin (%)	(22.3)	(19.3)	(12.3)	(7.6)	(3.9)
IC turnover (x)	3.0	3.1	3.0	3.7	4.3
RoIC (%)	(67.9)	(60.4)	(37.4)	(28.1)	(16.5)
Operating metrics					
Core NWC days	61.2	125.9	99.6	81.9	70.6
Total NWC days	61.2	125.9	99.6	81.9	70.6
Fixed asset turnover	6.3	7.2	8.2	9.0	9.5
Opex-to-revenue (%)	78.9	70.3	63.3	59.1	57.5

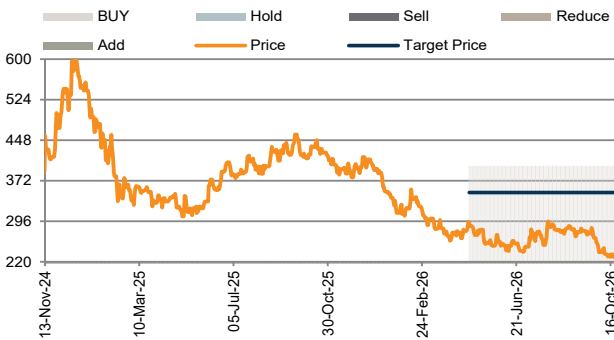
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
06-Aug-26	289	350	Buy	Pranav Kshatriya
31-Jul-26	285	350	Buy	Pranav Kshatriya
12-Jul-26	273	350	Buy	Pranav Kshatriya
14-Jun-26	250	350	Buy	Pranav Kshatriya
09-May-26	281	350	Buy	Pranav Kshatriya
23-Apr-26	293	350	Buy	Pranav Kshatriya

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

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