

## Expect modest improvement in operating performance in 2Q

Our channel checks suggest macro pressures continued to weigh on demand for online food delivery in Sep-Q. Competitive intensity also appears to have picked up following Swiggy's (Unlisted) [announcement](#) of a shift in focus back to growth over profitability. During the quarter, we noted a sharp reduction in loyalty membership fees (for a select few users) by both Zomato as well as Swiggy. The latter also [launched](#) a co-branded credit card with a leading bank that is likely an attempt to acquire and retain high quality consumers. Our checks also suggest daily order volume for the ONDC network has not increased materially despite [continued incentives](#). Overall, we expect Zomato's sequential food delivery GOV growth in Sep- Q to be closer to mid-single digit (mid-teens growth on a YoY basis, broadly in-line 1Q). Blinkit, on the other hand, could report very strong high-teens sequential GOV growth led by robust increase in order volume. While we also anticipate sequential expansion in Adj. EBITDA margin (as % of GOV) in food delivery and Blinkit businesses, the quantum could be lower compared to the last 2 quarters due to increase in certain fixed costs.

- Take-rate expansion key to revenue as well as margin improvement in food delivery business:** Despite near-term macro challenges, we expect Zomato's food delivery GOV to grow at a CAGR of c.19% over FY23-26 basis the assumption that online food delivery industry would grow 1.2x-1.5x of the underlying organised food services industry. Here, we do note that reported revenue growth would be relatively higher than GOV growth due to the recent improvement in take-rates (reported revenue as % of GOV). While take-rate stood at 17.2% in FY23 (18.7% in 1QFY24), we expect it to improve to 20%+ in FY25. In our opinion, key drivers of this improvement would be a) restaurant commissions (as % of net sales value), b) ad income from restaurants, and c) platform/membership subscription fees. Further, in the absence of any direct associated cost, take-rate improvement should largely be a direct pass-through to EBITDA. Consequently, we believe take-rate (in addition to operating leverage) would be a key driver of adj. EBITDA margin (as % of GOV) expansion from 2.5% in 1QFY24 to 4-5% (management's medium-term guidance).
- Blinkit on track to achieve adj. EBITDA break-even by 1QFY25:** We expect Blinkit to report very strong GOV growth in the near to medium term on the back of improvement in order volume (that in turn would be driven by MTU increase). This is because we believe quick commerce platforms are steadily disrupting the unorganised retail industry in Tier 1/2 cities. Growth in our opinion would be a function of improvement in capacity utilisation rate of existing stores as well as addition of new stores (management guidance of ~100 net new store additions in FY24). From a profitability perspective, we see take-rates (function of product commissions, ad income and customer delivery/handling fees), store level operating leverage and corporate level operating leverage as key contributing factors to Blinkit reporting adj. EBITDA break-even by 1QFY25.
- 2QFY24 expectations summary:** We forecast 15% YoY (+4% QoQ) growth in Zomato's food delivery in 2Q, broadly in line with 14% YoY in 1Q. In Blinkit, we expect sequential

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### Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	115
Upside/(Downside)	8.9%
Previous Price Target	115
Change	0.0%

### Key Data – ZOMATO IN

Current Market Price	INR105
Market cap (bn)	INR906.0/US\$10.9
Free Float	100%
Shares in issue (mn)	8,579.2
Diluted share (mn)	8,579.2
3-mon avg daily val (mn)	INR7,618.4/US\$91.6
52-week range	106/44
Sensex/Nifty	65,512/19,529
INR/US\$	83.2

### Price Performance

%	1M	6M	12M
Absolute	8.3	102.7	70.1
Relative*	8.5	82.9	50.8

\* To the BSE Sensex

JM Financial Research is also available on:  
Bloomberg - JMFR <GO>,  
Thomson Publisher & Reuters,  
S&P Capital IQ, FactSet and Visible Alpha

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

Financial Summary					(INR mn)
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E
Net Sales	41,924	70,794	1,13,751	1,61,352	1,97,794
Sales Growth (%)	110.3	68.9	60.7	41.8	22.6
EBITDA	-18,508	-40,441	1,293	17,067	25,365
EBITDA Margin (%)	-44.1	-57.1	1.1	10.6	12.8
Adjusted Net Profit	-15,064	-38,046	2,092	14,505	21,936
Diluted EPS (INR)	-2.1	-4.6	0.2	1.7	2.6
Diluted EPS Growth (%)	0.0	0.0	0.0	593.4	51.2
ROIC (%)	-75.3	-76.3	-5.9	11.3	19.9
ROE (%)	-12.2	-21.2	1.1	6.9	9.5
P/E (x)	-50.4	-22.7	430.6	62.1	41.1
P/B (x)	4.6	4.4	4.5	4.1	3.7
EV/EBITDA (x)	-41.9	-19.4	601.0	44.4	28.8
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

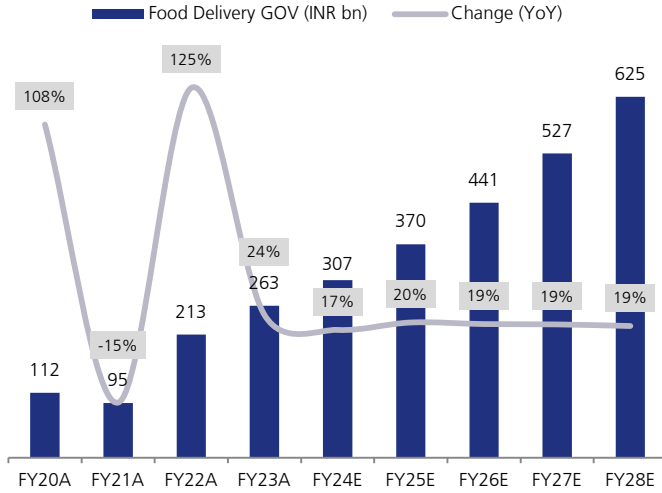
Source: Company data, JM Financial. Note: Valuations as of 03/Oct/2023

GOV growth of 17% QoQ (+68% YoY) due to robust increase in order volume. In terms of profitability, we expect sequential Adj. EBITDA margin (as % of GOV) improvement in food delivery as well as Blinkit to be relatively modest at 30bps/ 150bps, respectively, compared to 130bps/370bps sequential improvement in Jun-Q. Overall, while we continue to expect sequential improvement in Zomato's Consol. profitability in 2Q, the pace of improvement could be slower than in the past 2 quarters.

- **Key model changes:** We make minor tweaks to near to medium GMV/Revenue growth estimates in all four businesses of Zomato, leading to 1-2% increase in Consol. revenue over FY24-26E. However, we tone down our reported EBITDA estimates over FY25/26 by 8%/5%, respectively, as we factor in higher than earlier estimated employee expenses (due to salary hikes in July) and marketing expenses (due to reversal of certain marketing costs in Blinkit that were depressed in Jun-Q on account of business disruption).
- **Zomato - a long-term growth story, reiterate BUY:** We continue to be bullish on the company's long-term growth prospects in the hyperlocal delivery space as we believe it is well positioned to benefit from robust industry tailwinds such as improving tech penetration and rising income share of digitally native millennials / GenZ. Balance sheet remains strong with net cash of INR 115.7bn as of Jun'23. We continue to value the consolidated business using a 15-year DCF (WACC of 13% and Tg of 6%) to arrive at an unchanged Sep'24 FV for Zomato of INR 115.

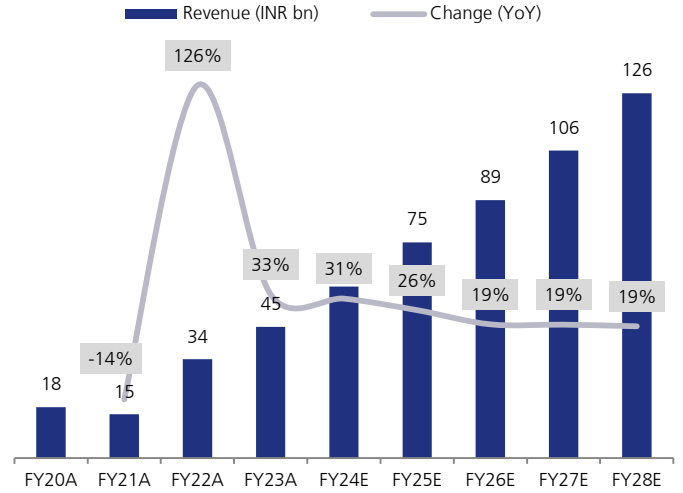
# Food delivery

**Exhibit 1. GOV trends**



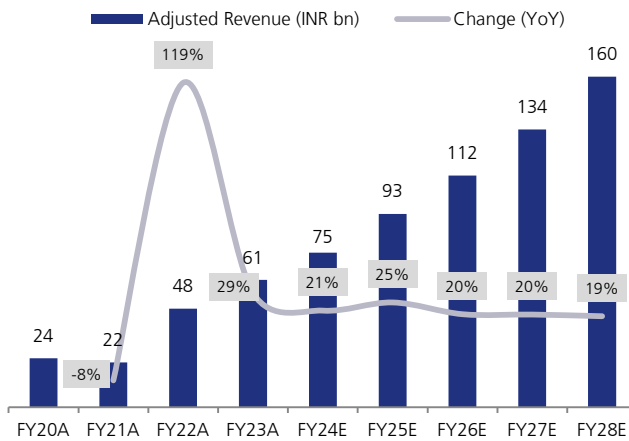
Source: Company, JM Financial estimates

**Exhibit 2. Reported Revenue trends**



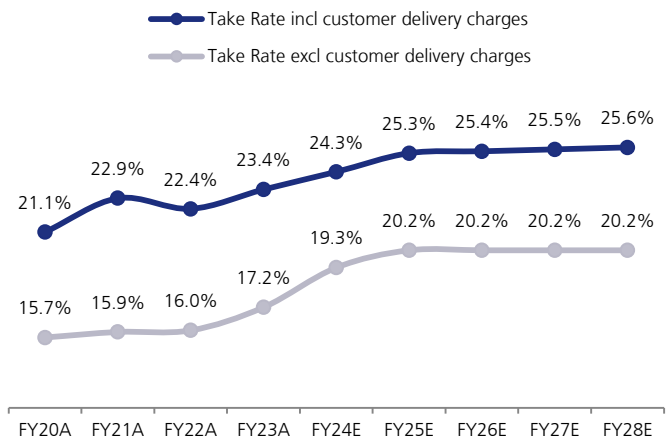
Source: Company, JM Financial estimates

**Exhibit 3. Adjusted Revenue trends**



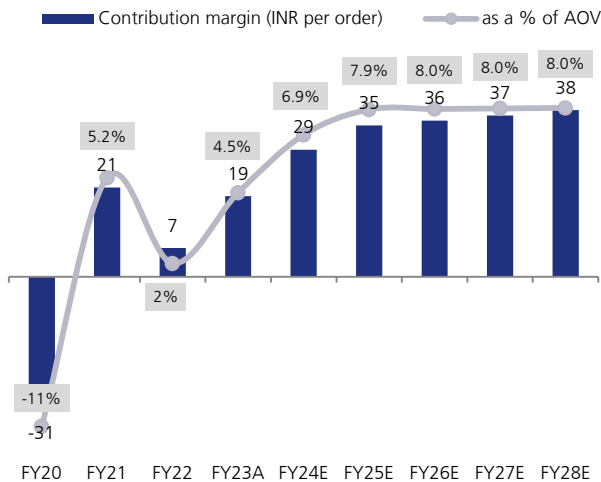
Source: Company, JM Financial estimates

**Exhibit 4. Take rate trends**



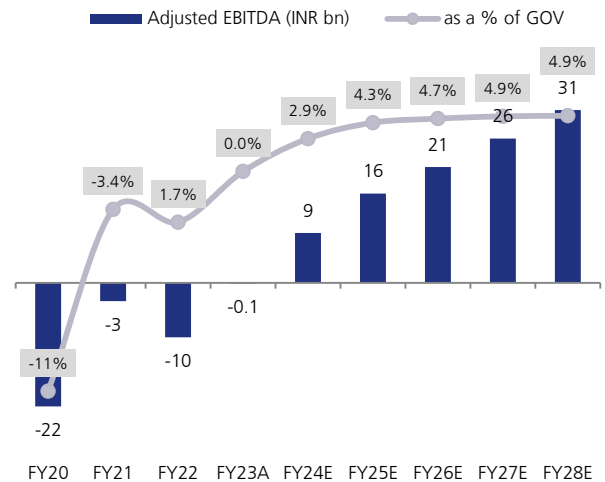
Source: Company, JM Financial estimates. Note: 'Take rate excl customer delivery charges' includes a) restaurant commissions (as % of net sales value), b) ad income from restaurants, and c) platform/membership subscription fees

**Exhibit 5. Contribution margin trends**



Source: Company, JM Financial estimates

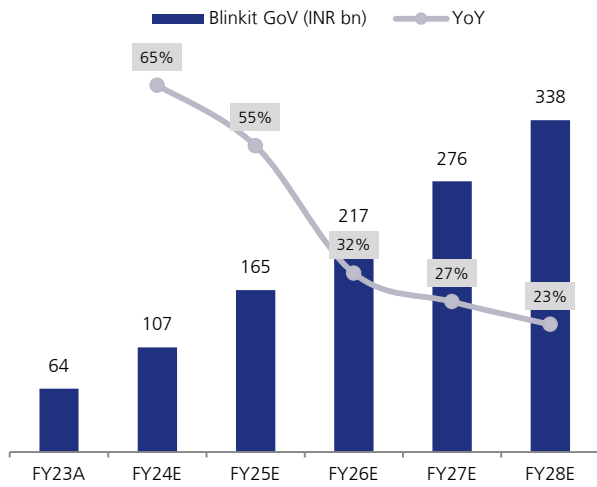
**Exhibit 6. Adjusted EBITDA trends**



Source: Company, JM Financial estimates

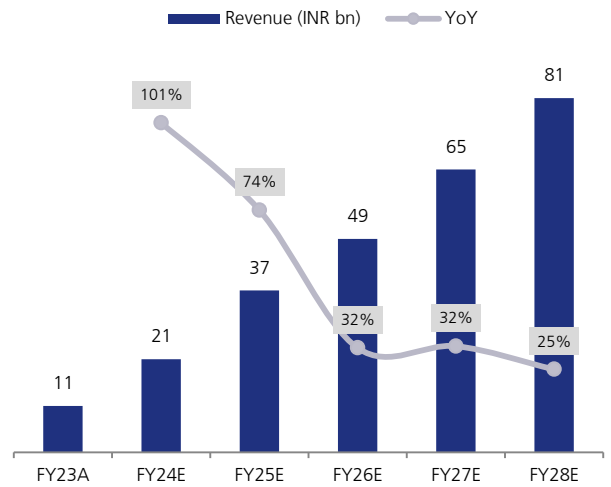
Quick Commerce

Exhibit 7. GOV trends



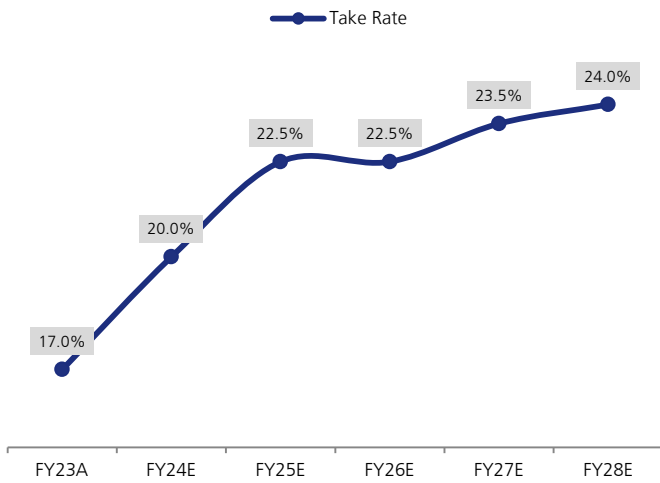
Source: Company, JM Financial estimates

Exhibit 8. Revenue trends



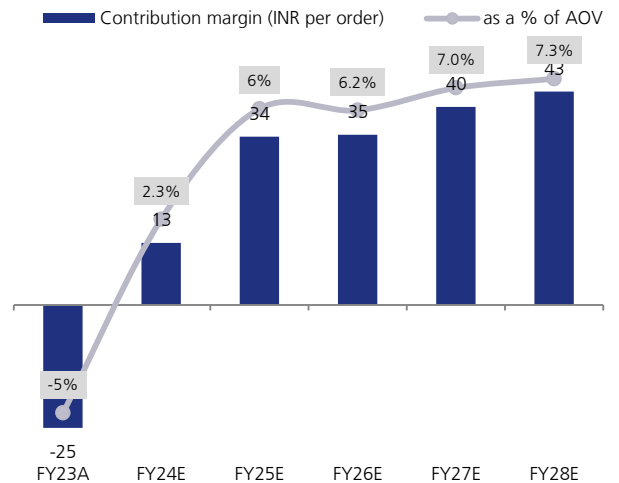
Source: Company, JM Financial estimates

Exhibit 9. Take Rate trends



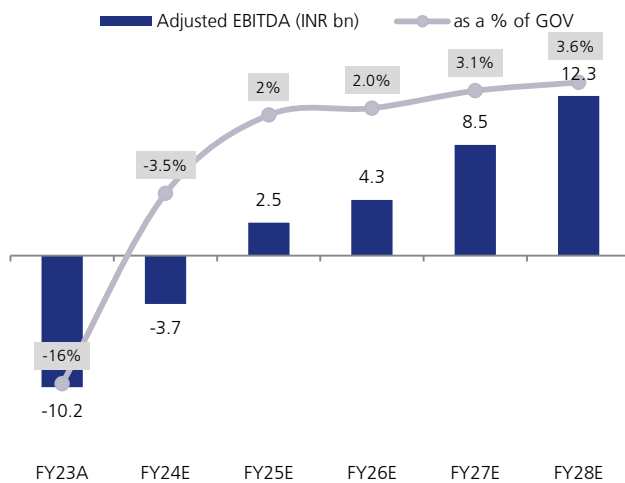
Source: Company, JM Financial estimates. Note: Take rate includes a) product commissions, b) ad income and c) customer delivery/handling fees

Exhibit 10. Contribution margin trends



Source: Company, JM Financial estimates

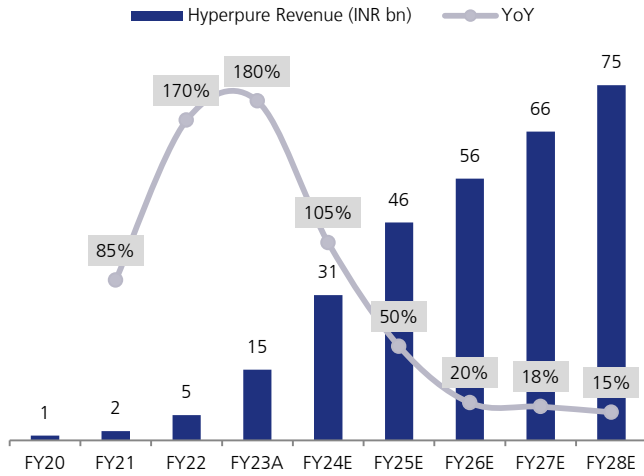
Exhibit 11. Adjusted EBITDA margin trends



Source: Company, JM Financial estimates

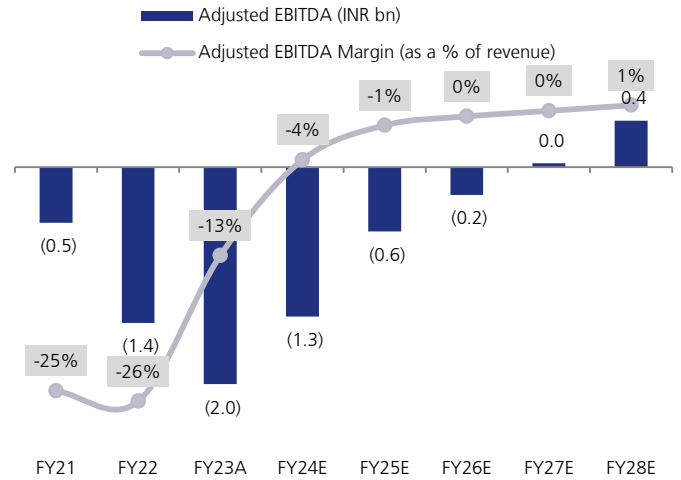
# Hyperpure

Exhibit 12. Revenue trends



Source: Company, JM Financial estimates

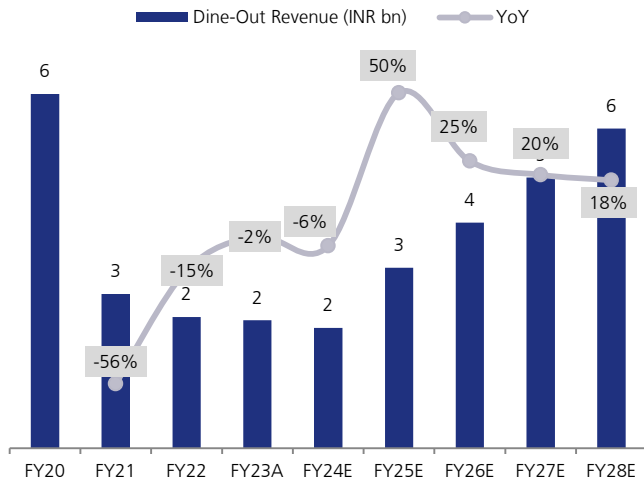
Exhibit 13. Adjusted EBITDA margin trends



Source: Company, JM Financial estimates

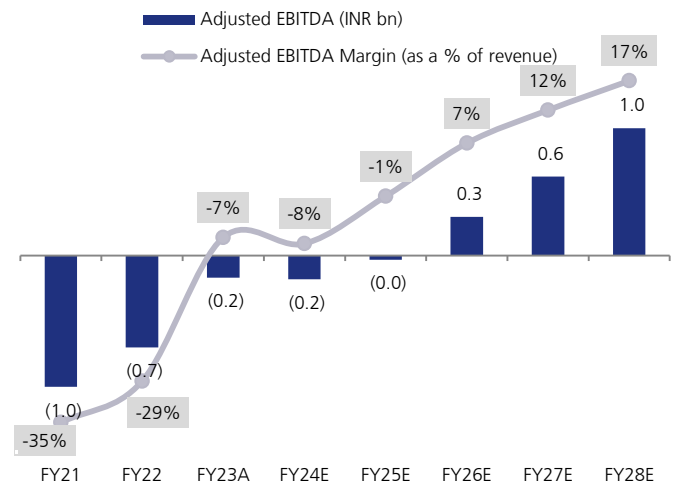
# Dining-out

Exhibit 14. Revenue trends



Source: Company, JM Financial estimates

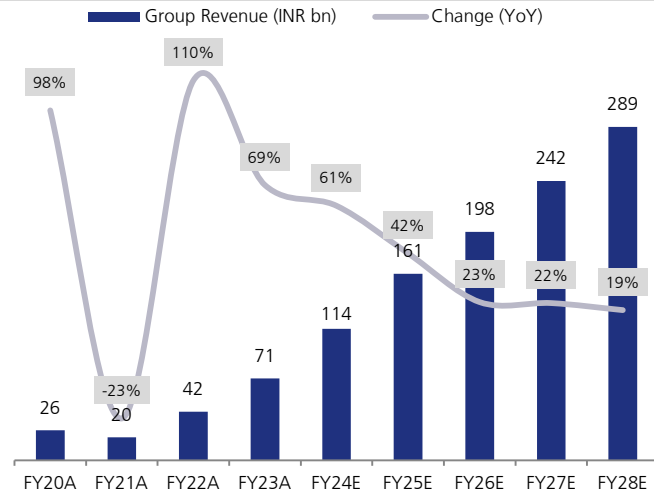
Exhibit 15. Adjusted EBITDA margin trends



Source: Company, JM Financial estimates

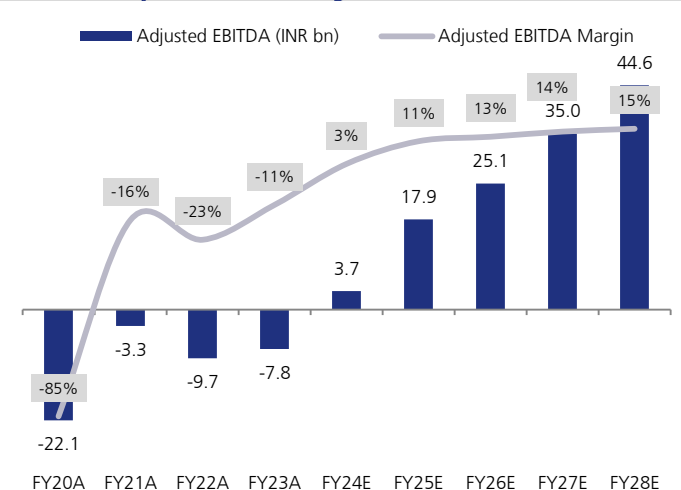
# Group

Exhibit 16. Revenue trends



Source: Company, JM Financial estimates

Exhibit 17. Adjusted EBITDA margin trends



Source: Company, JM Financial estimates

## DCF Valuation for Consolidate business

## Exhibit 18. Key Operating and Financial assumptions

Mar YE (INR bn)	FY22A	FY23A	FY24E	FY25E	FY26E	FY27E	FY28E	FY33E	FY38E	CAGR FY23-28E	CAGR FY28-33E	CAGR FY33-38E
<b>Food Delivery</b>												
Orders (million)	535	647	727	844	979	1,134	1,306	2,363	3,456	15%	13%	8%
AOV (INR)	398	407	423	438	451	464	478	554	643	3%	3%	3%
GOV (INR bn)	213	263	307	370	441	527	625	1,310	2,222	19%	16%	11%
Reported Revenue (INR bn)	34	45	59	75	89	106	126	265	449	23%	16%	11%
Take rate (revenue as a % of GOV)	16.0%	17.2%	19.3%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%			
<b>Contribution Profit food delivery</b>	<b>7</b>	<b>19</b>	<b>29</b>	<b>35</b>	<b>36</b>	<b>37</b>	<b>38</b>	<b>45</b>	<b>51</b>	<b>16%</b>	<b>3%</b>	<b>3%</b>
% of AOV	1.7%	4.5%	6.9%	7.9%	8.0%	8.0%	8.0%	8.0%	8.0%			
<b>Adj. EBITDA (INR bn)</b>	<b>-7.7</b>	<b>-0.1</b>	<b>8.9</b>	<b>16.0</b>	<b>20.7</b>	<b>25.8</b>	<b>30.9</b>	<b>65.9</b>	<b>110.2</b>			
% of GOV	-3.6%	0.0%	2.9%	4.3%	4.7%	4.9%	4.9%	5.0%	5.0%			
<b>Quick Commerce</b>												
Orders (million)		97	194	300	388	477	569	1,114	1,733	42%	14%	9%
AOV (INR)		545	550	550	561	577	595	713	868	2%	4%	4%
GOV (INR bn)		46	107	165	217	276	338	795	1,503	49%	19%	14%
Reported Revenue (INR bn)		8	21	37	49	65	81	197	380	59%	19%	14%
Take rate (revenue as a % of GOV)		17.5%	20.0%	22.5%	22.5%	23.5%	24.0%	24.8%	25.3%			
<b>Contribution Profit - Blinkit (INR bn)</b>		<b>(25)</b>	<b>13</b>	<b>34</b>	<b>35</b>	<b>40</b>	<b>43</b>	<b>55</b>	<b>69</b>		<b>5%</b>	<b>4%</b>
% of AOV		-4.6%	2.3%	6.2%	6.2%	7.0%	7.3%	7.8%	7.9%			
<b>Adj. EBITDA (INR bn)</b>		<b>-6</b>	<b>-4</b>	<b>3</b>	<b>4</b>	<b>9</b>	<b>12</b>	<b>37</b>	<b>72</b>		<b>25%</b>	<b>14%</b>
% of GOV		-12.2%	-3.5%	1.5%	2.0%	3.1%	3.6%	4.7%	4.8%			
<b>Hyperpure</b>												
Reported Revenue (INR bn)	5	15	31	46	56	66	75	129	175	38%	11%	6%
Adj. EBITDA (INR bn)	-1	-2	-1	-1	0	0	0	2	3		42%	7%
as a % of revenue	-26.0%	-12.9%	-4.4%	-1.2%	-0.4%	0.1%	0.6%	1.8%	1.9%			
<b>Dining Out and Others</b>												
Reported Revenue (INR bn)	2	2	2	3	4	5	6	11	16	20%	13%	8%
Adj. EBITDA (INR bn)	-1	0	0	0	0	1	1	3	4		24%	9%
as a % of revenue	-29.1%	-7.3%	-8.2%	-1.0%	7.1%	12.1%	16.6%	27.1%	28.1%			
<b>Group</b>												
Reported Revenue (INR bn)	42	71	114	161	198	242	289	602	1,019	32%	16%	11%
Adj. EBITDA (INR bn)	-10	-8	4	18	25	35	45	108	190		19%	12%
as a % of revenue	-23.2%	-11.1%	3.2%	11.1%	12.7%	14.5%	15.5%	18.0%	18.7%			
EBITDA (INR bn)	-19	-12	1	17	25	36	46	112	198		20%	12%
as a % of revenue	-44.1%	-17.1%	1.1%	10.6%	12.8%	14.8%	15.9%	18.7%	19.4%			

Source: Company, JM Financial

## Exhibit 19. DCF Assumptions

Mar YE (INR bn)	FY22A	FY23A	FY24E	FY25E	FY26E	FY27E	FY28E	FY33E	FY38E
<b>Cash flow analysis</b>									
EBIT - post tax	(11.2)	(10.0)	0.3	11.1	16.9	24.7	32.3	81.7	144.2
Depreciation & amortization	1.5	4.4	5.5	5.5	5.5	5.5	5.6	7.0	10.0
Capital expenditure	0.5	2.5	1.5	1.6	1.3	1.4	1.5	2.8	4.2
Change in working capital	2.7	(0.8)	(2.4)	(0.4)	1.6	0.2	2.3	1.3	4.2
<b>Free cash flow to firm</b>	<b>(7.5)</b>	<b>(9.0)</b>	<b>1.9</b>	<b>14.7</b>	<b>22.7</b>	<b>29.0</b>	<b>38.7</b>	<b>87.2</b>	<b>154.2</b>
DCF: 1-yr fwd	-	-	-	13.8	18.9	21.4	25.2	30.8	29.6
<b>Discount factor at WACC</b>	<b>0.74</b>	<b>0.83</b>	<b>0.94</b>	<b>1.06</b>	<b>1.20</b>	<b>1.36</b>	<b>1.53</b>	<b>2.83</b>	<b>5.21</b>

Source: JM Financial

**Exhibit 20. Valuation Methodology for Zomato**

<b>WACC</b>	<b>13.00%</b>
Revenue CAGR (FY23-28)	32%
Revenue CAGR (FY28-33)	16%
Revenue CAGR (FY33-38)	11%
EBITDA CAGR (FY28-33)	19%
EBITDA CAGR (FY33-38)	12%
Tax Rate	25.2%
<b>FCFF CAGR (2025-2038F)</b>	<b>19.8%</b>
NPV of cash flow (2024-2038F)	3,79,313
<b>Perpetual growth (%)</b>	<b>6.0%</b>
Implied Exit FCF multiple (X)	14.3x
Terminal value (INR mn)	4,47,997
<b>Enterprise value (INR mn)</b>	<b>8,27,310</b>
Terminal value as % of Enterprise Value	54%
Net debt (INR mn, Sep'24E)	-1,56,659
Minority Interest (INR mn, Sep'24E)	-66
<b>Equity value (INR mn)</b>	<b>9,84,035</b>
Number of shares outstanding (diluted, million)	8,579
<b>Equity value per share (INR)</b>	<b>115</b>

Source: JM Financial

**Exhibit 21. Sensitivity of Equity Value to WACC and Terminal Growth Rate**

		Sensitivity of Equity Value to WACC and Terminal growth rate				
		Terminal Growth Rate				
WACC		5.0%	5.5%	6.0%	6.5%	7.0%
	11.50%	134	140	147	155	166
	12.00%	124	129	134	141	149
	12.50%	115	119	124	129	135
	13.00%	108	111	115	119	124
	13.50%	101	104	107	110	115
	14.00%	95	98	100	103	106
	14.50%	90	92	94	97	99

Source: JM Financial

**Exhibit 22. What has changed in our forecasts and assumptions?**

	Old			New			Change		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Food delivery GOV (INR mn)	3,07,491	3,76,488	4,44,827	3,07,491	3,69,518	4,41,468	0.0%	-1.9%	-0.8%
Quick Commerce GOV	1,06,644	1,64,863	2,17,398	1,06,644	1,64,863	2,17,398	0.0%	0.0%	0.0%
Consolidated revenue (INR mn)	1,13,080	1,59,336	1,94,196	1,13,751	1,61,352	1,97,794	0.6%	1.3%	1.9%
Revenue growth rate (YoY)	59.7%	40.9%	21.9%	60.7%	41.8%	22.6%	95bp	94bp	71bp
EBITDA margin	2.5%	11.7%	13.8%	1.1%	10.6%	12.8%	-141bp	-110bp	-99bp
EBIT margin	-2.3%	8.2%	11.0%	-3.7%	7.2%	10.1%	-138bp	-106bp	-94bp
PAT (INR mn)	4,266	17,000	24,020	2,092	14,505	21,936	-51.0%	-14.7%	-8.7%
EPS (INR)	0.50	1.99	2.81	0.24	1.69	2.56	-51.1%	-14.9%	-9.0%

Source: Company, JM Financial

## Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Net Sales	41,924	70,794	1,13,751	1,61,352	1,97,794	
Sales Growth	110.3%	68.9%	60.7%	41.8%	22.6%	
Other Operating Income	0	0	0	0	0	
<b>Total Revenue</b>	<b>41,924</b>	<b>70,794</b>	<b>1,13,751</b>	<b>1,61,352</b>	<b>1,97,794</b>	
Cost of Goods Sold/Op. Exp	0	0	0	0	0	
Personnel Cost	16,331	14,650	15,090	15,316	16,235	
Other Expenses	44,101	96,585	97,368	1,28,969	1,56,194	
<b>EBITDA</b>	<b>-18,508</b>	<b>-40,441</b>	<b>1,293</b>	<b>17,067</b>	<b>25,365</b>	
EBITDA Margin	-44.1%	-57.1%	1.1%	10.6%	12.8%	
EBITDA Growth	0.0%	0.0%	0.0%	1,219.7%	48.6%	
Depn. & Amort.	1,503	4,369	5,450	5,495	5,485	
EBIT	-20,011	-44,810	-4,157	11,572	19,881	
Other Income	4,829	6,328	6,079	7,820	9,445	
Finance Cost	0	0	0	0	0	
PBT before Excep. & Forex	-15,182	-38,482	1,922	19,392	29,326	
Excep. & Forex Inc./Loss(-)	0	0	0	0	0	
PBT	-15,182	-38,482	1,922	19,392	29,326	
Taxes	20	-436	-170	4,887	7,390	
Extraordinary Inc./Loss(-)	-2,974	-1	0	0	0	
Assoc. Profit/Min. Int.(-)	-138	-6	0	0	0	
Reported Net Profit	-12,090	-38,045	2,092	14,505	21,936	
<b>Adjusted Net Profit</b>	<b>-15,064</b>	<b>-38,046</b>	<b>2,092</b>	<b>14,505</b>	<b>21,936</b>	
Net Margin	-35.9%	-53.7%	1.8%	9.0%	11.1%	
Diluted Share Cap. (mn)	7,237.7	8,232.7	8,579.2	8,579.2	8,579.2	
<b>Diluted EPS (INR)</b>	<b>-2.1</b>	<b>-4.6</b>	<b>0.2</b>	<b>1.7</b>	<b>2.6</b>	
Diluted EPS Growth	0.0%	0.0%	0.0%	593.4%	51.2%	
Total Dividend + Tax	0	0	0	0	0	
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Shareholders' Fund	1,65,055	1,94,598	2,01,117	2,18,979	2,43,572	
Share Capital	7,643	8,364	8,364	8,400	8,400	
Reserves & Surplus	1,57,412	1,86,234	1,92,753	2,10,579	2,35,172	
Preference Share Capital	0	0	0	0	0	
Minority Interest	-66	-66	-66	-66	-66	
Total Loans	0	404	404	404	404	
Def. Tax Liab. / Assets (-)	-670	-1,161	-1,865	-2,582	-3,165	
<b>Total - Equity &amp; Liab.</b>	<b>1,64,319</b>	<b>1,93,775</b>	<b>1,99,590</b>	<b>2,16,736</b>	<b>2,40,745</b>	
Net Fixed Assets	13,407	59,231	56,990	54,932	52,782	
Gross Fixed Assets	1,393	3,628	5,137	6,704	7,981	
Intangible Assets	12,892	57,071	54,071	51,271	48,751	
Less: Depn. & Amort.	884	1,543	2,293	3,118	4,026	
Capital WIP	6	75	75	75	75	
Investments	1,21,703	1,15,956	1,15,956	1,15,956	1,15,956	
Current Assets	37,490	39,639	48,446	73,002	1,01,676	
Inventories	397	827	1,638	2,031	2,333	
Sundry Debtors	1,599	4,569	5,342	8,716	8,517	
Cash & Bank Balances	3,923	2,181	7,863	27,186	55,028	
Loans & Advances	0	0	0	0	0	
Other Current Assets	31,571	32,062	33,603	35,068	35,799	
Current Liab. & Prov.	8,281	21,051	21,766	27,153	29,669	
Current Liabilities	4,994	14,003	15,402	18,772	19,791	
Provisions & Others	3,287	7,048	6,364	8,381	9,879	
Net Current Assets	29,209	18,588	26,680	45,848	72,007	
<b>Total - Assets</b>	<b>1,64,319</b>	<b>1,93,775</b>	<b>1,99,626</b>	<b>2,16,736</b>	<b>2,40,745</b>	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Profit before Tax	-12,205	-10,146	1,922	19,392	29,326	
Depn. & Amort.	1,503	4,369	5,450	5,495	5,485	
Net Interest Exp. / Inc. (-)	-3,849	-4,840	-6,079	-7,820	-9,445	
Inc (-) / Dec in WCcap.	2,483	-1,759	-4,066	-2,272	-441	
Others	5,330	4,244	4,428	3,321	2,657	
Taxes Paid	-192	-308	-534	-5,603	-7,973	
<b>Operating Cash Flow</b>	<b>-6,930</b>	<b>-8,440</b>	<b>1,120</b>	<b>12,513</b>	<b>19,607</b>	
Capex	-572	-1,014	-1,509	-1,567	-1,278	
Free Cash Flow	-7,502	-9,454	-388	10,946	18,329	
Inc (-) / Dec in Investments	-53,668	8,794	0	0	0	
Others	-25,138	-3,207	6,810	8,589	10,259	
<b>Investing Cash Flow</b>	<b>-79,378</b>	<b>4,573</b>	<b>5,301</b>	<b>7,022</b>	<b>8,981</b>	
Inc / Dec (-) in Capital	90,000	38	36	0	0	
Dividend + Tax thereon	0	0	0	0	0	
Inc / Dec (-) in Loans	-216	-884	-44	557	68	
Others	-2,286	-428	-731	-769	-814	
<b>Financing Cash Flow</b>	<b>87,498</b>	<b>-1,274</b>	<b>-739</b>	<b>-212</b>	<b>-746</b>	
<b>Inc / Dec (-) in Cash</b>	<b>1,190</b>	<b>-5,141</b>	<b>5,682</b>	<b>19,323</b>	<b>27,842</b>	
Opening Cash Balance	2,733	7,322	2,181	7,863	27,186	
Closing Cash Balance	3,923	2,181	7,863	27,186	55,028	

Source: Company, JM Financial

Dupont Analysis						
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Net Margin	-35.9%	-53.7%	1.8%	9.0%	11.1%	
Asset Turnover (x)	0.3	0.4	0.6	0.7	0.8	
Leverage Factor (x)	1.0	1.0	1.0	1.0	1.0	
RoE	-12.2%	-21.2%	1.1%	6.9%	9.5%	

Key Ratios						
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
BV/Share (INR)	22.8	23.6	23.4	25.5	28.4	
ROIC	-75.3%	-76.3%	-5.9%	11.3%	19.9%	
ROE	-12.2%	-21.2%	1.1%	6.9%	9.5%	
Net Debt/Equity (x)	-0.8	-0.6	-0.6	-0.7	-0.7	
P/E (x)	-50.4	-22.7	430.6	62.1	41.1	
P/B (x)	4.6	4.4	4.5	4.1	3.7	
EV/EBITDA (x)	-41.9	-19.4	601.0	44.4	28.8	
EV/Sales (x)	18.5	11.1	6.8	4.7	3.7	
Debtor days	14	24	17	20	16	
Inventory days	3	4	5	5	4	
Creditor days	26	22	27	28	25	

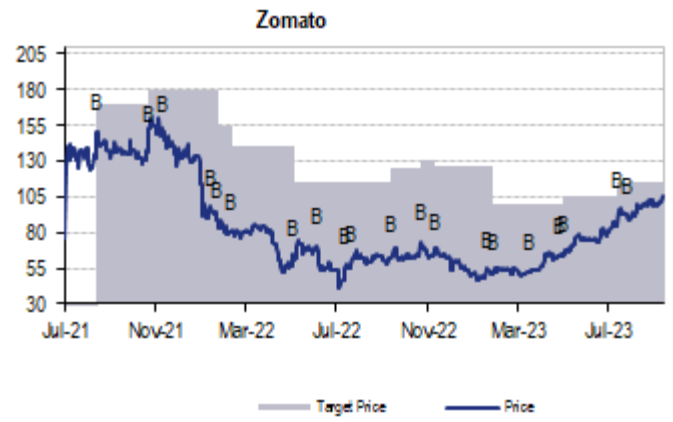
Source: Company, JM Financial



History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
3-Sep-21	Buy	170	
11-Nov-21	Buy	180	5.9
29-Nov-21	Buy	180	0.0
3-Feb-22	Buy	180	0.0
11-Feb-22	Buy	155	-13.9
2-Mar-22	Buy	140	-9.7
25-May-22	Buy	115	-17.7
26-Jun-22	Buy	115	0.0
2-Aug-22	Buy	115	-0.4
11-Aug-22	Buy	115	0.6
4-Oct-22	Buy	125	8.6
12-Nov-22	Buy	130	3.7
30-Nov-22	Buy	126	-3.2
10-Feb-23	Buy	126	0.0
16-Feb-23	Buy	100	-20.3
6-Apr-23	Buy	100	-0.5
17-May-23	Buy	100	0.0
21-May-23	Buy	105	5.6
4-Aug-23	Buy	115	8.8
17-Aug-23	Buy	115	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.

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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.
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\* REITs refers to Real Estate Investment Trusts.

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