

Blinkit: Absolute losses peak; caution gives way to confidence

Eternal once again surprised us positively on Blinkit. This time though, the surprise was more on management commentary than the reported numbers, as it was quite a contrast to the cautious tone post 4QFY25 results. Remarks that stood-out were: 1) Adj. EBITDA losses in Blinkit have peaked out, not only in margin terms but also on an absolute basis; 2) a move to inventory-led model (over the next 2-3 qtrs) can expand margins by ~100bps (as % of NOV), while needing limited working capital investments (18 days or 5% of NOV); and 3) visibility to double dark store count from 1,544 currently to 3,000. In terms of reported numbers, Blinkit's GOV growth of c.140% YoY was ahead of JMFe of c.129% while Adj. EBITDA loss narrowed from INR 1.78bn in 4QFY25 to INR 1.62bn, albeit it was tad higher than JMFe of INR 1.54bn. There were however, a few misses as well - 1) food delivery Adj. EBITDA margin contracted for the first time (on a sequential basis) after 14 qtrs and 2) there was an unexpected rise in investments in 'Bistro' (operated by Blinkit). Having mentioned that, we believe the positives in Blinkit are likely to outweigh the misses in other businesses. We, reiterate Eternal as our preferred pick with an unchanged Jun'26 TP of INR 320 (PER of 75x).

- **Blinkit – absolute losses peak; transition to inventory-led model likely to ensure break-even by 3QFY26:** Blinkit's GOV grew a robust 140% YoY (+25% QoQ) to INR 118.2bn, a beat on JMFe of INR 112.6bn. Growth was mainly driven by 124% YoY expansion in orders (+25% QoQ), which in turn was driven by strong MTU expansion to 16.9mn from 13.7mn/7.6mn in 4QFY25/1QFY25. AOV too was up 7% YoY (+1% sequentially). Adj. EBITDA margin (% of GOV) stood at -1.4% (+52bps QoQ), in-line JMFe. As a result, Adj. EBITDA loss narrowed to INR 1.62bn from a loss of INR 1.78bn in 4QFY25, albeit it was a tad higher than JMFe loss of INR 1.54bn. During the quarter, the company added 243 stores (294/216 stores in 4Q/3Q), with total store count reaching 1,544. Blinkit also saw addition of 0.4mn sqft of warehousing space in 1Q (earlier it had added 1.3mn/1.0mn capacity in 3Q/4QFY25). Management re-iterated guidance of ~2,000 active stores by the end of CY25 with a potential of expansion to 3,000 stores eventually (though timeline was not shared). Management also noted that even in Tier 2+ cities, profitability looks promising as the difference in Net AOV (NAOV) of large and small cities is ~10% and hence after accounting for lower cost of operations in smaller cities, margins will be attractive even in smaller cities. Importantly, the company will almost entirely transition to inventory ownership model over the next 2-3 quarters, which in turn will lead to incremental margin improvement by ~100bps. In 1QFY26, about 3% of Blinkit's NOV was already on its own inventory (as a result revenue grew faster than its NOV at 155% YoY). Management expects net working capital (NWC) requirement to be ~18 days (~5% of NOV) once it fully transitions to inventory-led model whereas for the current marketplace model NWC is 3-4 days (~1% of NOV). Assuming, total investment of 9% of NOV (includes capex of ~4% of NOV and NWC of ~5% of NOV) and an EBIT margin of 4% of NOV, the inventory-led business model can generate ROCE of 40%, as per management. We believe the benefits of inventory-led model will start accruing immediately post implementation, and therefore remain confident that Blinkit will turn Adj. EBITDA break-even by 3QFY26 itself.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,21,150	2,02,430	3,23,324	4,24,323	5,31,321
Sales Growth (%)	71.1	67.1	59.7	31.2	25.2
EBITDA	430	6,370	17,344	43,557	69,050
EBITDA Margin (%)	0.4	3.1	5.4	10.3	13.0
Adjusted Net Profit	3,520	5,270	14,674	36,167	54,931
Diluted EPS (INR)	0.4	0.6	1.5	3.7	5.7
Diluted EPS Growth (%)	0.0	41.9	165.1	146.5	51.9
ROIC (%)	-7.3	-1.7	3.4	18.2	29.8
ROE (%)	1.8	2.1	4.7	10.4	13.6
P/E (x)	672.7	474.1	178.9	72.6	47.8
P/B (x)	11.6	8.1	8.0	7.1	6.0
EV/EBITDA (x)	5,819.3	382.5	140.1	55.1	33.8
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 21/Jul/2025

Swapnil Potdukhe
swapnil.potdukhe@jmfl.com | Tel: (91 22) 62241876

Sachin Dixit
sachin.dixit@jmfl.com | Tel: (91 22) 66303078

Atul Borse
atul.borse@jmfl.com | Tel: (91 22) 66303134

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	320
Upside/(Downside)	17.8%
Previous Price Target	320
Change	0.0%

Key Data – ETERNAL IN

Current Market Price	INR272
Market cap (bn)	INR2,622.0/US\$30.4
Free Float	100%
Shares in issue (mn)	9,650.4
Diluted share (mn)	9,650.4
3-mon avg daily val (mn)	INR12,215.1/US\$141.5
52-week range	305/190
Sensex/Nifty	82,200/25,091
INR/US\$	86.3

Price Performance

%	1M	6M	12M
Absolute	7.3	26.6	24.1
Relative*	7.5	17.7	21.6

* To the BSE Sensex

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

Exhibit 1. Net working capital for current marketplace model of Blinkit**Quick commerce net working capital (marketplace model)****Net working capital for last 5 quarters**

INR crore, unless otherwise mentioned

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
NWC balance as at end of period (a)	222	321	274	273	288
(Increase)/Decrease in NWC	-44	-98	47	1	-15
NOV for the quarter (Annualised)(b)	16,245	19,712	24,080	29,447	36,810
NOV days outstanding ((a)/(b)*365)	5.0	5.9	4.2	3.4	2.9

Source: Company

- **Zomato (Food delivery) – Marginal beat on GOV but profitability below expectations:** Zomato's GOV grew 16% YoY (+10% QoQ) to INR 107.7bn, marginally ahead of JMFe of 15% YoY. Management believes that YoY growth is likely to have bottomed out. Having mentioned that, in FY26, Food delivery NOV growth will be 15%+ instead of 20%. GOV expansion was largely driven by MTU expansion to 22.9mn from 20.3mn in 1QFY25 (20.9mn in 4QFY25). GOV-NOV conversion dipped 70bps QoQ to 83.3% in 1Q due to increase in restaurant funded discounts in response to sluggish demand environment. Take-rate excluding customer delivery fees remained flattish sequentially at 21.0%. Similarly, take rate including delivery fees too was flat QoQ at 24.7%. Reported revenue was up 16% YoY (+10% QoQ) to INR 22.6bn, ahead JMFe by 0.7%. Contribution margin (% of GOV) was down ~40bps QoQ to 8.2% (JMFe of 8.4%) while Adj. EBITDA margin also declined ~20bps QoQ to 4.2%, a miss on JMFe of 4.5%. Margins got impacted in 1Q due to lower availability of delivery partners and adverse weather conditions in different parts of the country. Overall, Adj. EBITDA in 1Q stood at INR 4.51bn vs. INR 4.28bn/INR 3.13bn in 4QFY25/1QFY25 respectively, and was below JMFe by c.5%.
- **Hyperpure – Inventory-led QC model will lead to decline in B2B business:** Revenue grew 25% QoQ (+89% YoY) to INR 22.9bn, ahead of JMFe of INR 20.6bn. Adj. EBITDA margin (as % of revenue) for this business stood at -0.8% vs. -1.2% in 4Q. Going-ahead, as Blinkit transitions to inventory-led model, Hyperpure revenue will decrease due to scale down of non-restaurant business as most of the B2B buyers in that business were sellers on Blinkit. However, this shift in Blinkit's business model will have no impact on Hyperpure's restaurant business. Hyperpure's Adj. EBITDA loss stood at INR 180mn vs. loss of INR 220mn in 4Q.
- **Going-out (District app) – currently in investment phase but could be a USD 150mn Adj. EBITDA opportunity:** Going-out GOV grew c.87% YoY to INR 23.7bn in 1QFY26 (c.9% QoQ). The segment reported Adj. EBITDA loss of INR 540mn vs loss of INR 470mn in 4QFY25. In 1QFY26, Going-out business had ~2mn average monthly transacting customers transacting two times a month on an average with a net AOV (NAOV) of INR 1,700+. Management believes that this business has the potential to scale to USD 3bn in annual NOV with USD 150mn of Adj. EBITDA over the next 5 years.
- **Others segment – losses will sustain in near term:** Other segment which primarily includes 1) Bistro – 10 minute food delivery service 2) Nugget – AI driven customer support platform 3) Greening India – agroforestry initiative, reported an increase in quarterly losses due to investments in Bistro. In Bistro, Blinkit operates the company owned kitchen infrastructure. It has 38 such kitchens live in Delhi-NCR and Bangalore currently. Management noted that it will continue to invest in Bistro expansion and it has budgeted INR 1.5bn of loss funding for FY26, across all the three businesses included in Others segment.
- **Other key takeaways from Shareholders' letter:** 1) Company will henceforth disclose only net order value (NOV) numbers while discounting GOV reporting. Here, NOV equals to GOV minus all types of discounts (funded by the platform or by partners like brands, sellers, restaurants, among others). 2) The company added ~ 1000 net new stores and ~2.5mn sq.ft. of warehouse capacity incurring a capex of INR 10bn in the last 5 quarters. 3) A large portion of Blinkit's business is already profitable with some cities at 2.5%+ Adjusted EBITDA margin (as a % of NOV). 4) Capex investments in Bistro kitchens and IT hardware and other requirements across businesses stood at INR 0.6bn.

- **Maintain 'BUY' on Eternal with an unchanged TP of INR 320:** We raise our GOV estimates for Zomato (food delivery) by 1-2% over FY26-28 on the back of management commentary that growth is likely to have bottomed out. Blinkit GOV estimates are also raised by 8-17% over FY26-28 to factor in very strong growth trends in the business, aided by accelerated store expansion. Importantly, our revenue estimates for Blinkit do not consider a change in business model to inventory led on account of various uncertainties associated with the business model change. We, however, make downward adjustments in Zomato's Adj. EBITDA margin by ~30-50bps (% of GOV) which leads to 6-9% cuts in food delivery Adj. EBITDA estimates over FY26-28. While Blinkit's Adj. EBITDA margin (as % of GOV) estimates remain broadly unchanged as we were already building incremental benefit of working on an inventory led model, higher growth assumptions leads to an increase in absolute Adj. EBITDA by 13-15% over FY27-28 (FY26 Adj. EBITDA is a bit lower due to miss on contribution margin in 1Q). Overall, our EPS estimates are cut in FY26 by 4.9% with only nominal changes in FY27 and FY28. We continue to assign a target multiple of 75x on Eternal's Jun'27 EPS to arrive at unchanged Jun'26 TP of INR 320. Eternal continues to be one of our preferred picks in the listed Internet space as we believe it is well positioned to benefit from robust industry tailwinds for the hyperlocal delivery businesses. Its balance sheet also remains strong with net cash of INR 189bn as of Jun'25 (INR 188bn in Mar'25). We maintain 'BUY'.

Exhibit 1. Consolidated key financials

Particulars	FY24	1QFY25	2QFY25	3QFY25	4QFY25	FY25	1QFY26	Comments
Food delivery GOV (INR mn)	322,230	92,640	96,900	99,130	97,780	386,450	107,690	■ Food Delivery Gross order value (GOV) of INR 107.7bn, was up by 16.2% YoY (+10.1% QoQ), beat on JMFe of INR 106.6bn (in-line consensus).
Change (YoY)	22.5%	27%	21.4%	16.8%	15.9%	19.9%	16.2%	
Quick Commerce GOV (INR mn)	124,690	49,230	61,320	77,980	94,210	282,740	118,212	■ Blinkit GOV stood at INR 118.2bn (+25.5% QoQ), a beat on JMFe of INR 112.6bn.
Change(QoQ)		22.2%	24.6%	27.2%	20.8%	200.1%	-58.2%	
Cons. revenue (INR mn)	121,140	42,060	47,990	54,050	58,330	202,430	71,670	■ Revenue stood at INR 71.7bn, a beat of 8% on JMFe of INR 661.2bn.
Change (YoY)	71%	74%	69%	64%	64%	67%	70%	
Total operating expense	120,720	40,290	45,730	52,430	57,610	196,060	70,520	■ Contribution margin (as % of GOV) stood at 8.2%, c.23bps below JMFe of 8.4% due to increase delivery ride costs on account of seasonality. Take rate stood at 21.0% (vs. 21.0% in 4Q), marginally below JMFe of 21.1%.
Operating profit (EBITDA)	420	1,770	2,260	1,620	720	6,370	1,150	
EBITDA margin	0.3%	4.2%	4.7%	3.0%	1.2%	3.1%	1.6%	■ Contribution margin (% of GOV) stood at 3.0% versus 3.1% last quarter, a miss on JMFe of 3.3%.
Adj. EBITDA Margin	3.1%	7.1%	6.9%	5.3%	2.8%	5.3%	2.4%	
Depreciation & amortization	5,260	1,490	1,800	2,470	2,870	8,630	3,140	■ Reported EBITDA margin stood at 1.6% in 1QFY26 versus 1.2% in 4QFY25.
EBIT	-4,840	280	460	-850	-2,150	-2,260	-1,990	
EBIT margin	-4.0%	0.7%	1.0%	-1.6%	-3.7%	-1.1%	-2.8%	■ Adj. net profit (ex-minority and exceptional) in consolidated business stood at INR 250mn versus of INR 390mn in 4QFY25.
Net other income	7,750	2,110	1,910	2,090	3,120	9,230	2,870	
Exceptional	-	-	-	-	-	-	-	
Profit before tax	2,910	2,390	2,370	1,240	970	6,970	880	
Income tax expense	-600	-140	610	650	580	1,700	630	
Minority Interest	-	-	-	-	-	-	-	
Reported PAT	3,510	2,530	1,760	590	390	5,270	250	
Change (YoY)	NA	12550%	389%	-57%	-77.8%	49.7%	-90.1%	
Adjusted PAT	3,510	2,530	1,760	590	390	5,270	250	
Change (YoY)	NA	12550%	389%	-57%	-77.8%	49.7%	-90.1%	
Adjusted diluted EPS	0.40	0.29	0.20	0.06	0.04	0.57	0.03	
Change (YoY)	NA	NA	376%	-60%	-79.2%	41.9%	-91.0%	

Source: Company, JM Financial

Exhibit 2. Key performance metrics – Food Delivery segment

Food Delivery	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
GOV (INR mn)	73,180	79,800	84,860	84,390	92,640	96,900	99,130	97,780	107,690
Change (YoY)	14%	20%	27%	28%	27%	21%	17%	16%	11%
NOV* (INR mn)				71,890	79,280	82,810	84,430	82,100	89,670
Change (YoY)								14%	8%
Adjusted Revenue (INR mn)	17,420	19,380	20,620	20,500	22,560	23,400	24,130	24,090	26,570
Change (YoY)	18%	23%	32%	34%	30%	21%	17%	19%	17%
Take rate (%)	23.8%	24.1%	23.9%	23.9%	24.4%	24.1%	24.3%	24.6%	24.7%
Reported Revenue (INR mn)	13,720	15,460	17,040	17,390	19,420	20,120	20,720	20,540	22,610
Change (YoY)	28%	36%	48%	48%	42%	30%	22%	18%	12%
Take rate (%)	18.7%	19.4%	20.1%	20.6%	21.0%	20.8%	20.9%	21.0%	21.0%
MTU (mn)	17.5	18.4	18.8	19.0	20.3	20.7	20.5	20.9	22.9
Change (YoY)	5%	5%	8%	14%	16%	13%	9%	10%	11%
Avg. monthly ordering frequency** (x)	3.38x	3.45x	3.46x	3.33x	3.48x	3.51x	3.53x	3.47x	3.41x
Change (YoY)	4.4%	9.3%	13.3%	4.2%	2.9%	1.9%	2.0%	3.9%	-1.7%
Order volumes* (mn)	178	190	195	190	212	218	217	217	234
Change (YoY)	9%	15%	22%	19%	19%	15%	11%	14%	9%
AOV* (INR)	412	419	435	444	437	444	457	450	460
Change (YoY)	4%	5%	4%	8%	6%	6%	5%	1%	2%
Contribution Profit as % of GOV	6.4%	6.6%	7.1%	7.5%	7.3%	7.6%	8.5%	8.6%	8.2%
Adjusted EBITDA (as a % of GOV)	2.5%	2.6%	3.0%	3.3%	3.4%	3.5%	4.3%	4.4%	4.2%

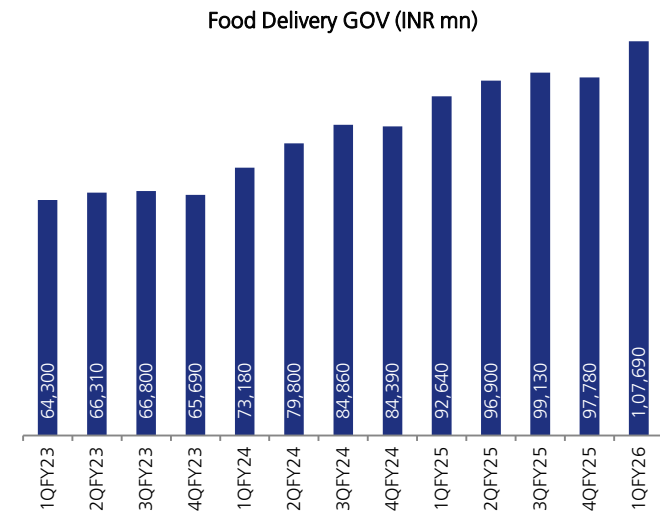
Source: Company, JM Financial. * Company has started disclosing NOV (Net order value). NOV = GOV minus all discounts (funded by restaurant, platform, bank, others). ** indicates JMFL estimates.

Exhibit 3. Key performance metric – Quick Commerce segment

Quick Commerce	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
GOV (INR mn)	21,400	27,600	35,420	40,270	49,230	61,320	77,980	94,210	118,212
Change (YoY)	83%	86%	103%	97%	130%	122%	120%	134%	93%
NOV* (INR mn)				33,360	40,610	49,280	60,200	73,620	92,030
Change (YoY)								121%	87%
Reported Revenue (INR mn)	3,840	5,050	6,440	7,690	9,420	11,560	13,990	17,090	24,000
Change (YoY)	134%	114%	114%	112%	145%	129%	117%	122%	108%
Take rate (%)	17.9%	18.3%	18.2%	19.1%	19.1%	18.9%	17.9%	18.1%	20.3%
MTU (mn)	3.9	4.7	5.4	6.4	7.6	8.9	10.6	13.7	16.9
Change (YoY)	77%	81%	74%	64%	95%	89%	96%	114%	90%
Avg. monthly ordering frequency (x)	3.15x	3.23x	3.44x	3.40x	3.46x	3.48x	3.47x	3.45x	3.49x
Change (YoY)	-6%	-4%	1%	2%	10%	8%	1%	1%	0%
Order volumes (mn)	36.8	45.5	55.8	65.3	78.8	92.9	110.3	141.7	176.7
AOV (INR)	582	607	635	617	625	660	707	665	669
Change (YoY)	10%	7%	15%	18%	7%	9%	11%	8%	1%
Contribution margin (as a % of GOV)	-0.7%	1.3%	2.4%	3.9%	4.0%	3.8%	3.0%	3.1%	3.0%
Adjusted EBITDA (as a % of GOV)	-6.2%	-4.5%	-2.5%	-0.9%	-0.1%	-0.1%	-1.3%	-1.9%	-1.4%

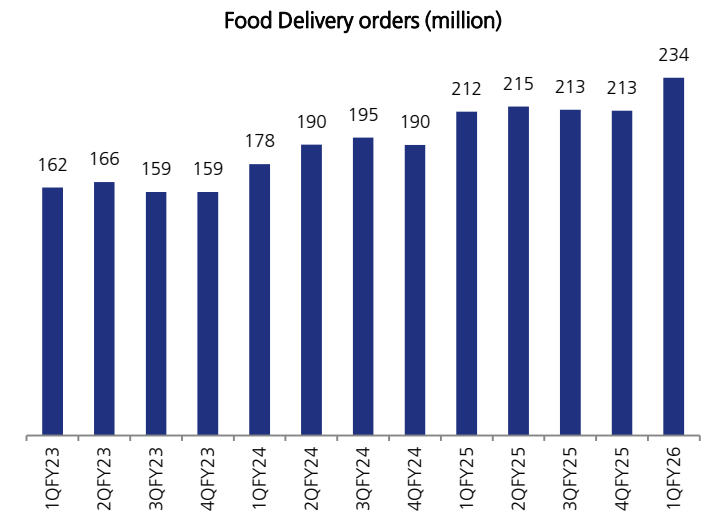
Source: Company, JM Financial. * Company has started disclosing NOV (Net order value) from 4QFY24. NOV = GOV minus all discounts (funded by restaurant, platform, bank, others).

Exhibit 4. Food Delivery: GOV trend



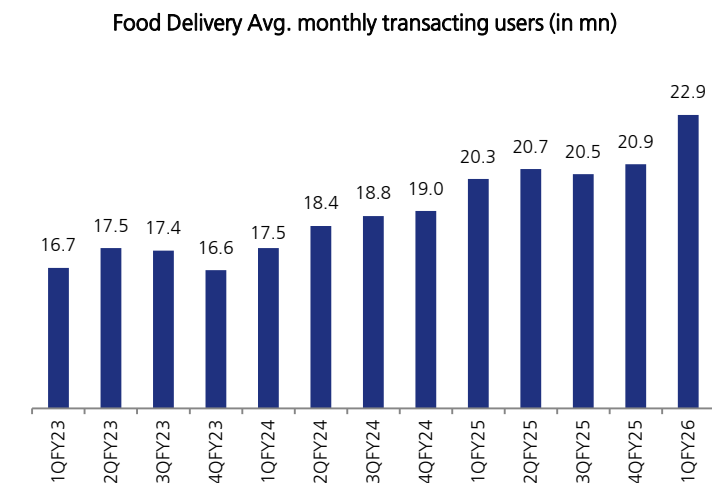
Source: Company, JM Financial

Exhibit 5. Food Delivery: Order volume trend



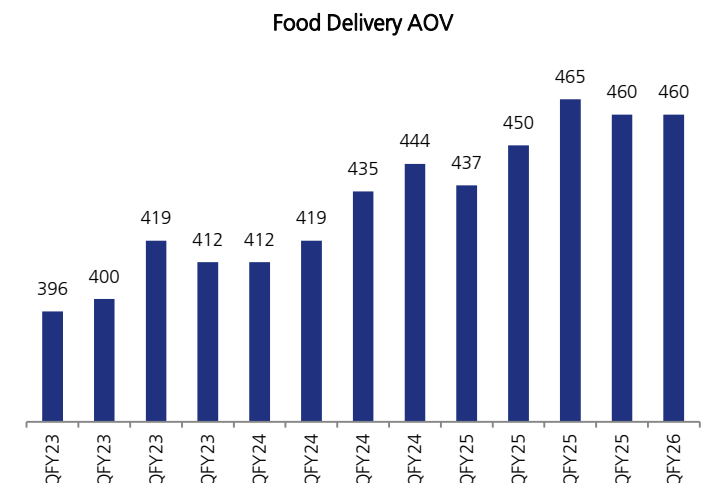
Source: Company, JM Financial estimates

Exhibit 6. Food Delivery: Avg. monthly transacting user trend



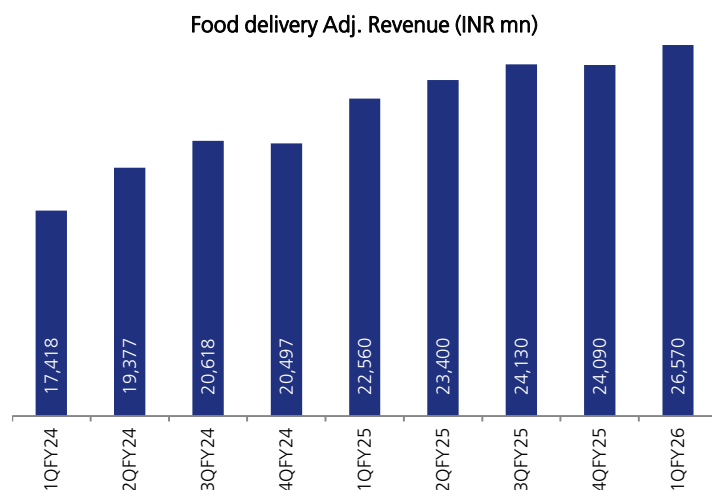
Source: Company, JM Financial

Exhibit 7. Food Delivery: Avg. order value



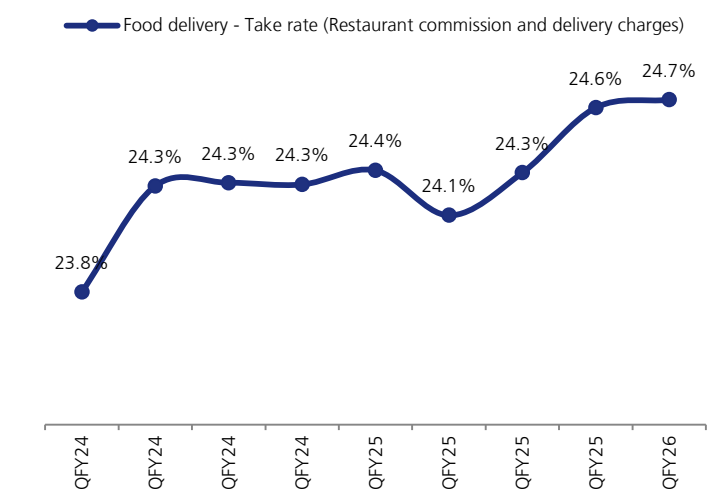
Source: Company, JM Financial estimates

Exhibit 8. Food Delivery: Adjusted revenue trend



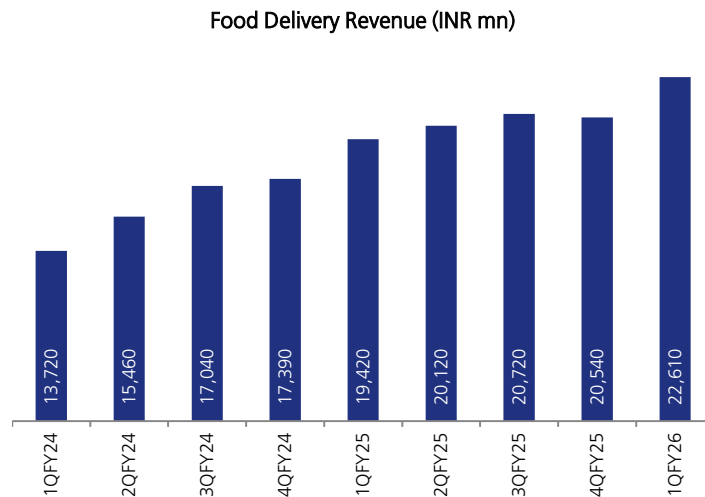
Source: Company, JM Financial. Note: Adjusted revenue = Revenue from operations + Customer delivery charges in case of Food Delivery.

Exhibit 9. Food Delivery: Take rate (including delivery charges)



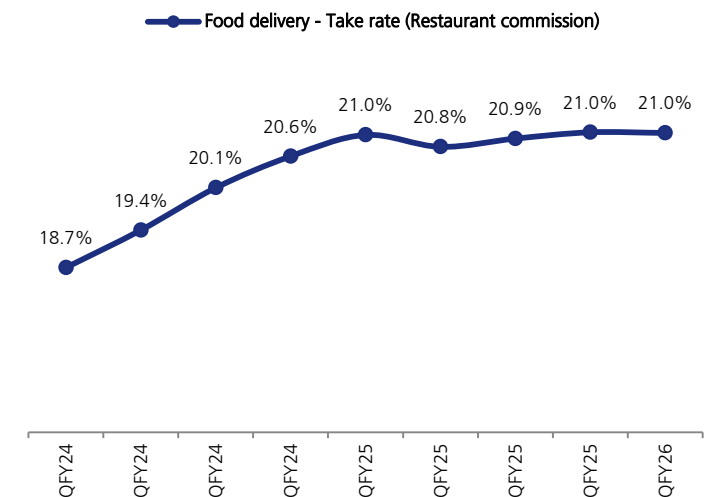
Source: Company, JM Financial

Exhibit 10. Food Delivery revenue trend



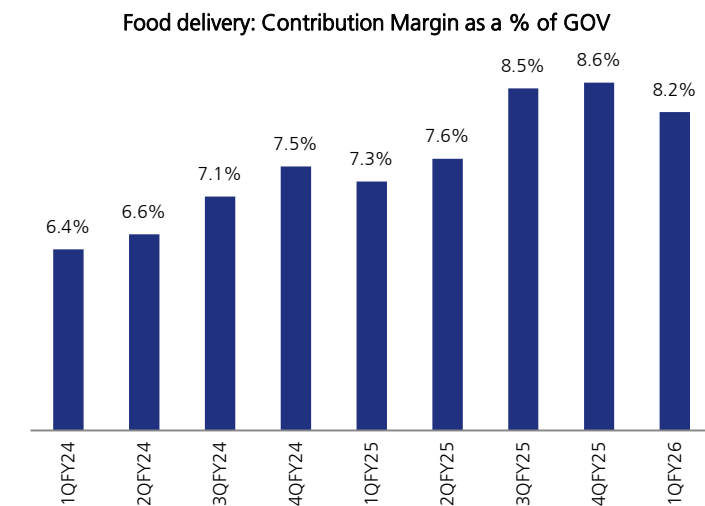
Source: Company, JM Financial

Exhibit 11. Food Delivery take rate (excluding delivery charges)



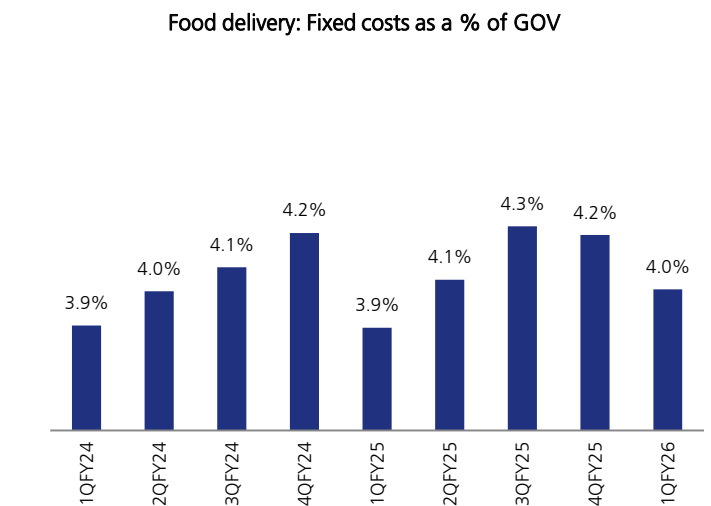
Source: Company, JM Financial

Exhibit 12. Food Delivery: Contribution margin as % of GOV



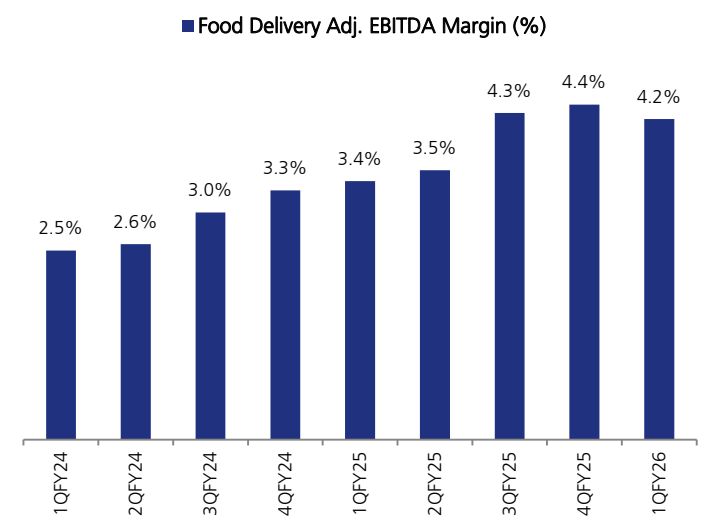
Source: Company, JM Financial.

Exhibit 13. Food Delivery: Fixed cost as a % of GOV



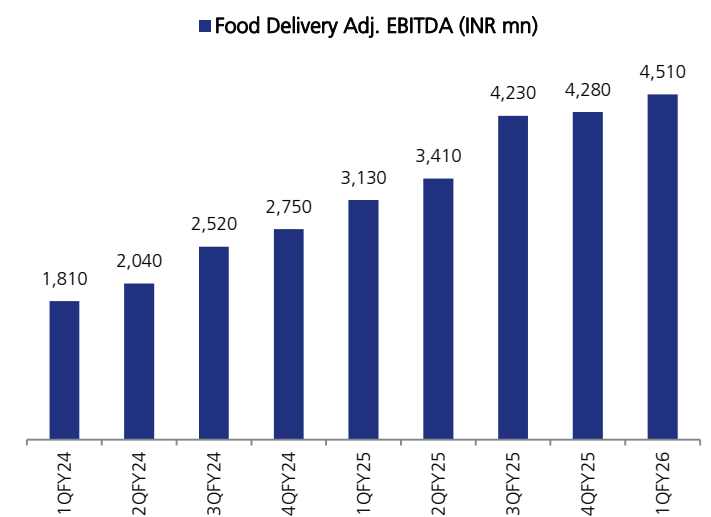
Source: Company, JM Financial. Fixed costs = Food delivery operating expenses minus food delivery related variable expenses.

Exhibit 14. Food Delivery: Adjusted EBITDA margin



Source: Company, JM Financial

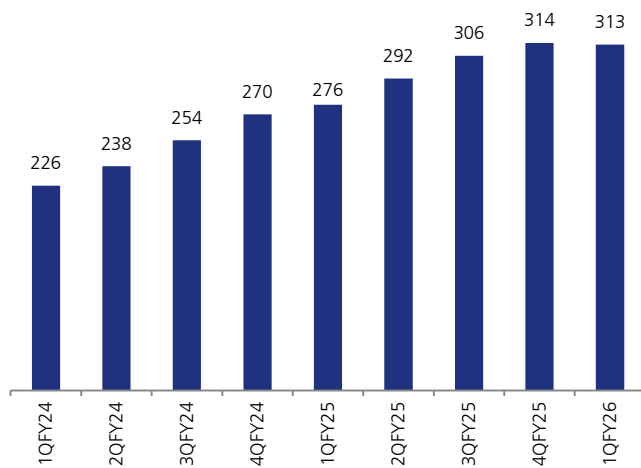
Exhibit 15. Food Delivery: Adjusted EBITDA



Source: Company, JM Financial

Exhibit 16. Food Delivery: Avg. monthly active delivery restaurants

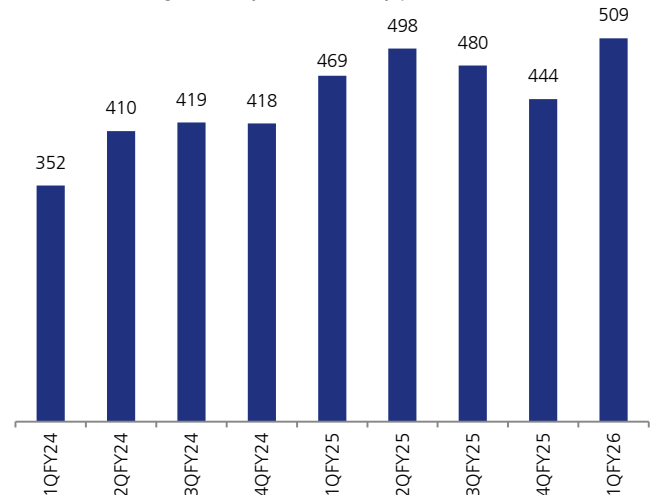
■ Avg. monthly active food delivery restaurants (in '000)



Source: Company, JM Financial

Exhibit 17. Food Delivery: Avg. monthly active delivery partners

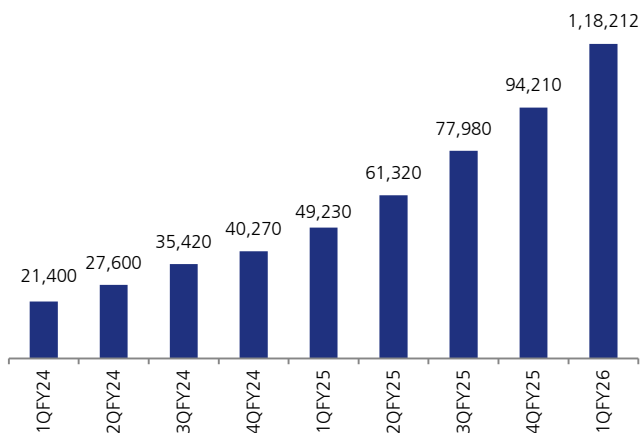
■ Avg. monthly active delivery partners (in '000)



Source: Company, JM Financial

Exhibit 18. Blinkit: GOV trend (INR mn)

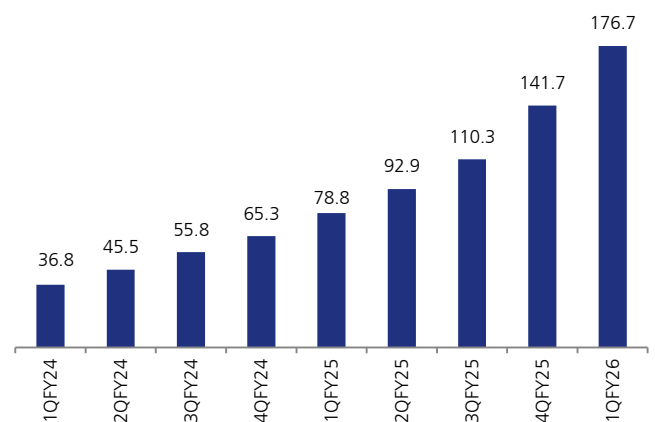
Blinkit GOV (INR mn)



Source: Company, JM Financial

Exhibit 19. Blinkit: Order volumes trend

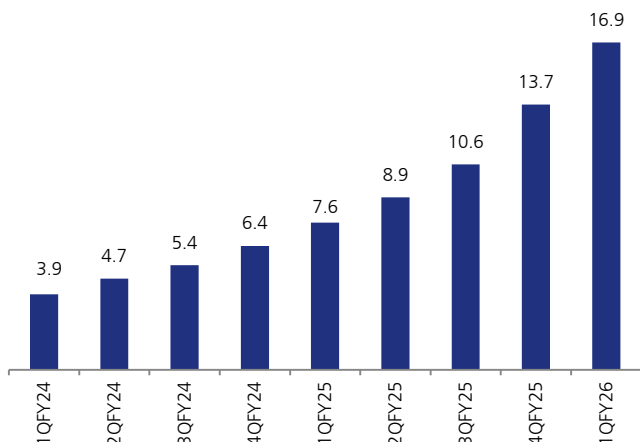
Blinkit: Order Volumes (in mn)



Source: Company, JM Financial

Exhibit 20. Blinkit: Avg. monthly transacting user trend

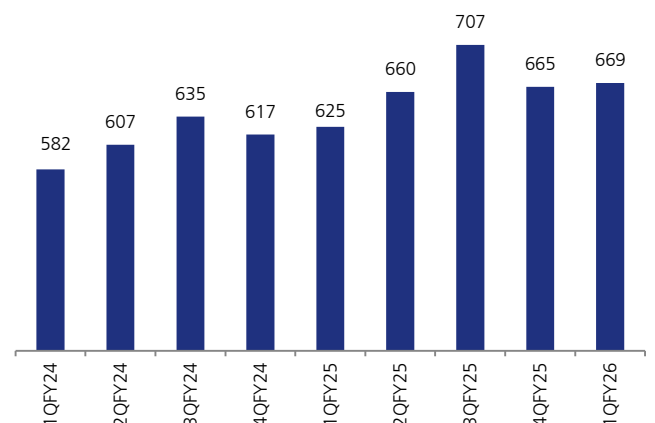
Blinkit: Avg. monthly transacting users (in mn)



Source: Company, JM Financial

Exhibit 21. Blinkit: Avg. order value (AOV, INR)

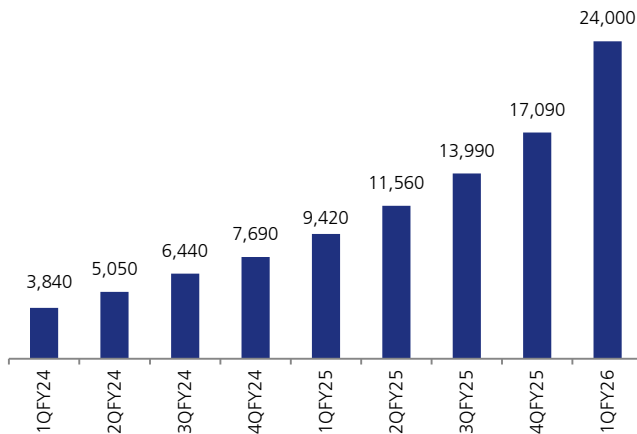
Blinkit AOV (INR)



Source: Company, JM Financial

Exhibit 22. Blinkit: Revenue trend (INR mn)

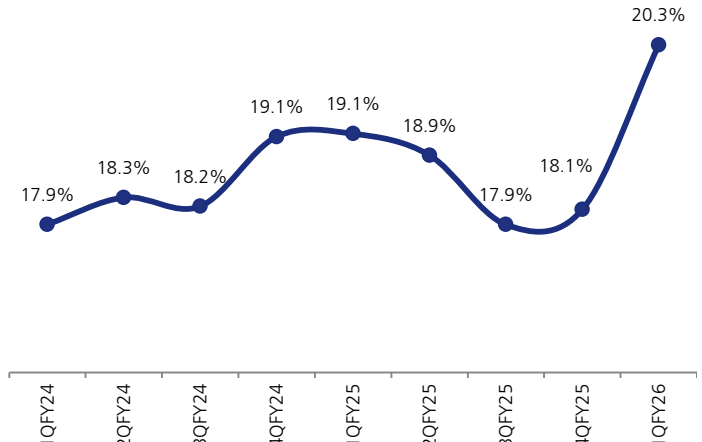
Blinkit Revenue (INR mn)



Source: Company, JM Financial. Note: In 1QFY26 onwards, Blinkit has partially moved to inventory-led model hence the latest quarter revenue is not comparable to previous quarters.

Exhibit 23. Blinkit take rate trend

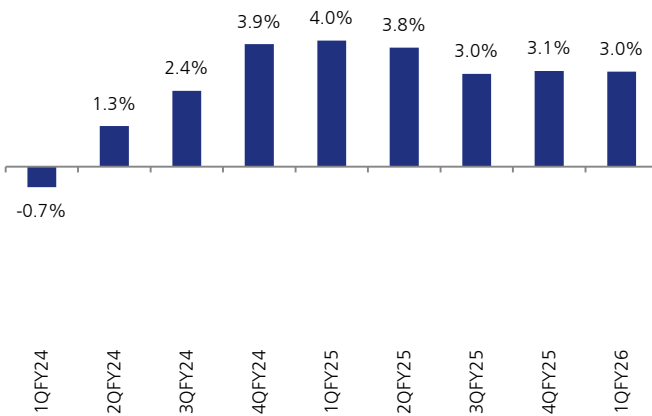
Blinkit: Take rate



Source: Company, JM Financial

Exhibit 24. Blinkit: Contribution Margin as % of GOV

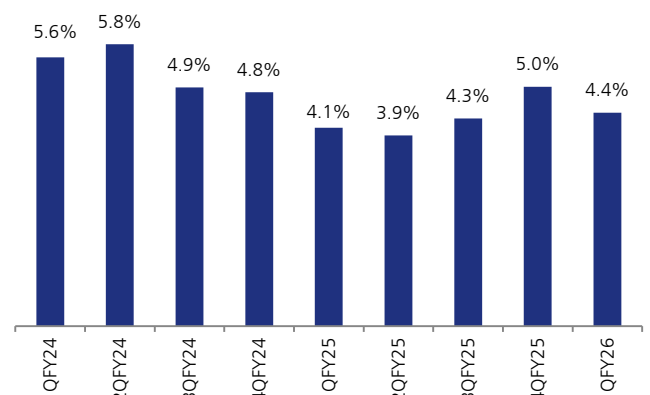
Blinkit: Contribution Margin (% of GOV)



Source: Company, JM Financial

Exhibit 25. Blinkit: Fixed cost as a % of GOV

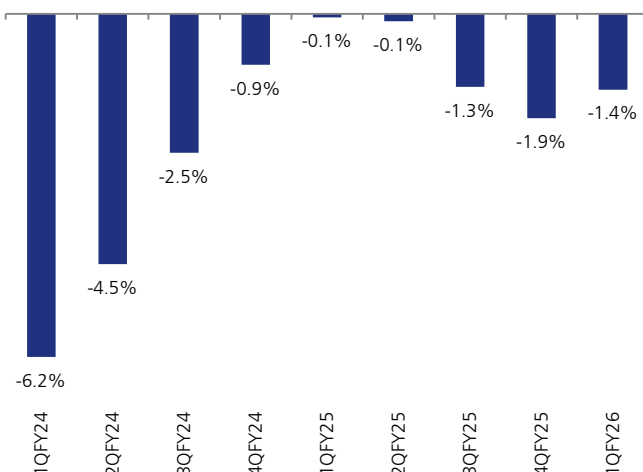
Blinkit: Fixed costs as a % of GOV



Source: Company, JM Financial

Exhibit 26. Blinkit: Adjusted EBITDA margin

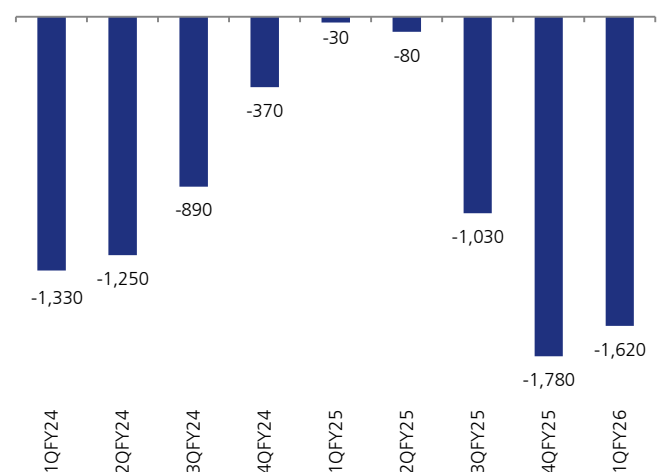
Blinkit: Adj. EBITDA margin (% of GOV)



Source: Company, JM Financial

Exhibit 27. Blinkit: Adjusted EBITDA

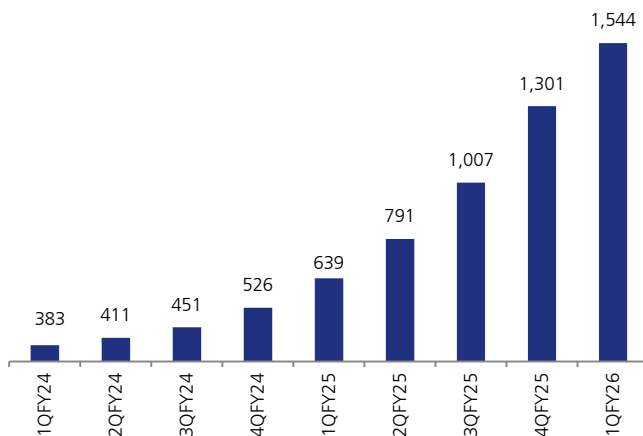
Blinkit: Adj. EBITDA (INR mn)



Source: Company, JM Financial

Exhibit 28. Blinkit: No. of dark stores

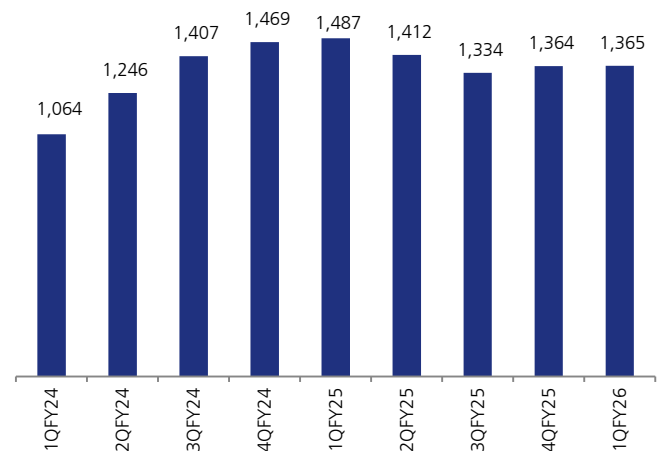
■ Blinkit: Dark store count



Source: Company, JM Financial

Exhibit 29. Blinkit: Orders per day per store

■ Blinkit: Avg. orders per day per dark store



Source: Company, JM Financial

Exhibit 30. Going-out: Revenue trend

■ Going-out revenue (INR mn)

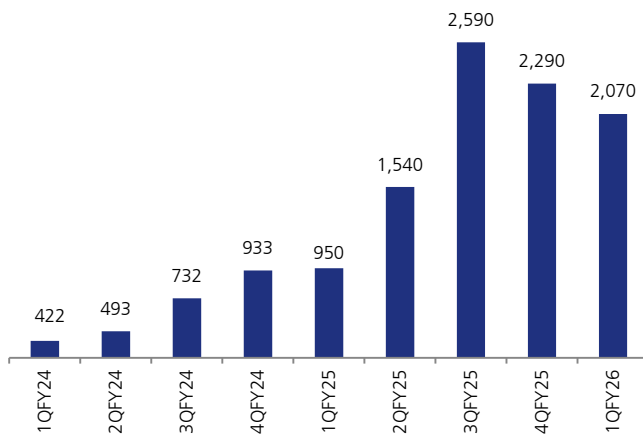
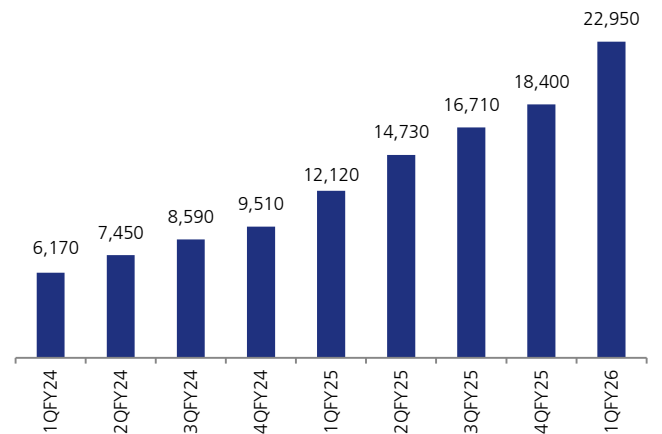
Source: Company, JM Financial. Note: Includes Paytm's ticketing business from 27th August 2024

Exhibit 31. Hyperpure: Revenue trend

Hyperpure revenue (INR mn)



Source: Company, JM Financial

Exhibit 32. Going-out: Adj. EBITDA margin

■ Going-out Adj. EBITDA margin (as % of revenue)

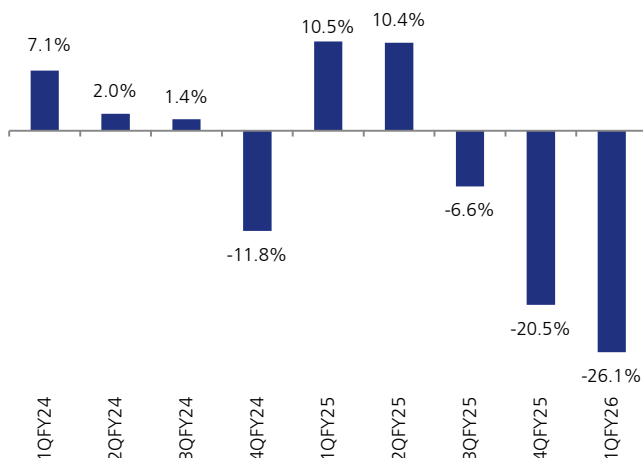
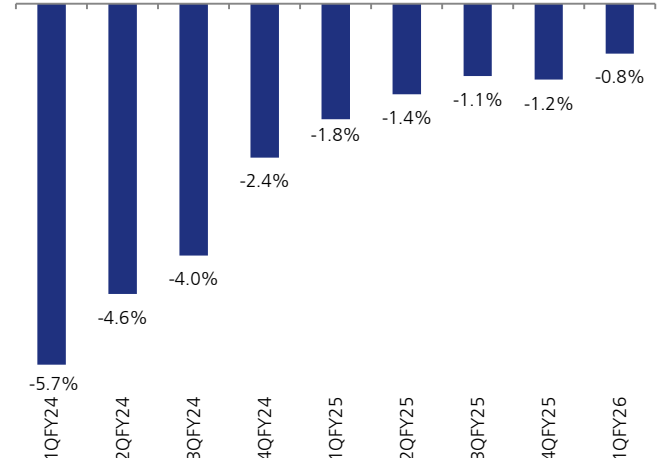
Source: Company, JM Financial. Note: Includes Paytm's ticketing business from 27th August 2024

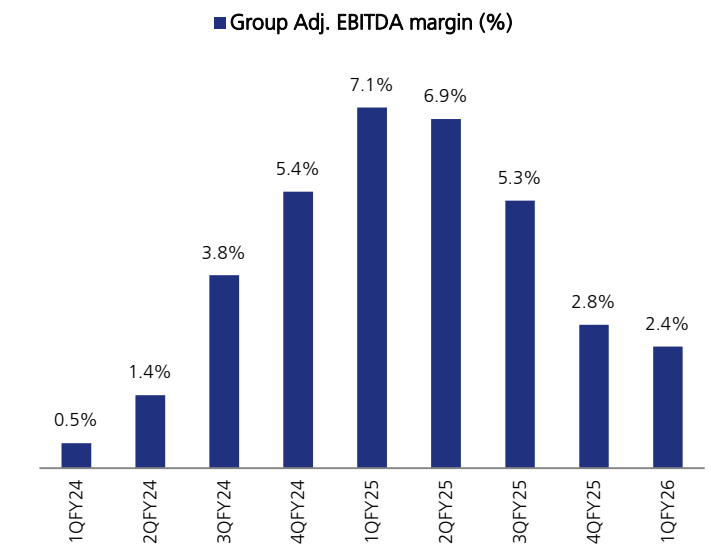
Exhibit 33. Hyperpure: Adj. EBITDA margin

■ Hyperpure Adj. EBITDA margin (as % of revenue)



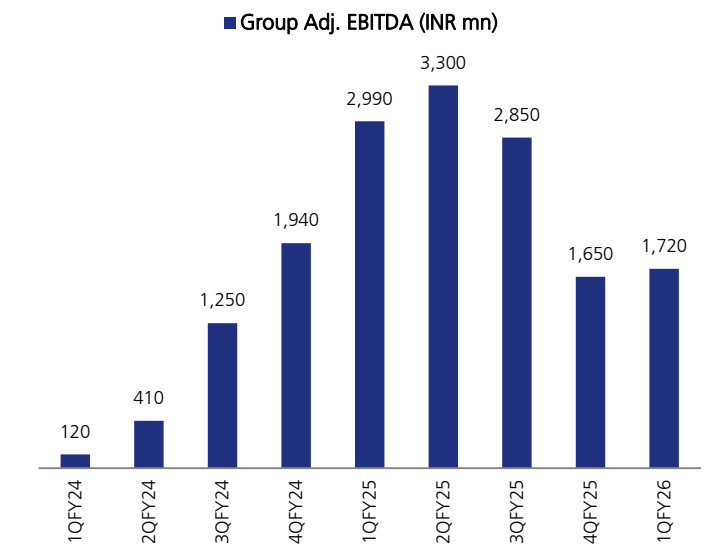
Source: Company, JM Financial

Exhibit 34. Group: Adjusted EBITDA margin trend



Source: Company, JM Financial

Exhibit 35. Group: Adjusted EBITDA



Source: Company, JM Financial.

Exhibit 36. Key operating metrics and financial assumptions

Mar YE (INR bn)	FY26E	FY27E	FY28E	FY29E	FY30E
Food Delivery					
Orders (million)	974	1,102	1,240	1,405	1,570
AOV (INR)	469	488	507	525	543
GOV (INR bn)	456	537	629	738	853
NOV (INR bn)	380	447	524	614	710
Revenue (INR bn)	96	112	131	154	178
Take rate (%)	20.96%	20.86%	20.86%	20.86%	20.86%
Contribution Profit (INR per order)	39.4	40.9	42.4	43.2	44.5
% of AOV	8.41%	8.40%	8.36%	8.24%	8.18%
Adj. EBITDA (INR bn)	19.8	23.9	28.4	33.2	38.6
% of GOV	4.33%	4.45%	4.51%	4.50%	4.53%
% of NOV	5.20%	5.34%	5.42%	5.41%	5.44%
Blinkit					
Orders (million)	898	1,234	1,543	1,780	2,054
AOV (INR)	694	722	751	781	812
GOV (INR bn)	624	891	1,158	1,390	1,667
NOV (INR bn)	485	693	902	1,082	1,298
Revenue (INR bn)	121	174	232	285	345
Take rate (%)	19.41%	19.51%	20.01%	20.51%	20.71%
Contribution Profit (INR per order)	29.4	38.8	45.0	52.5	58.1
% of AOV	4.23%	5.38%	5.99%	6.73%	7.15%
Adj. EBITDA (INR bn)	2.6	18.1	34.6	53.1	72.8
% of GOV	0.42%	2.04%	2.99%	3.82%	4.37%
% of NOV	0.54%	2.62%	3.84%	4.91%	5.61%
Hyperpure					
Revenue (INR bn)	94	118	142	163	184
Adj. EBITDA (INR bn)	-0.6	-0.2	0.1	0.3	0.5
% of revenue	-0.64%	-0.15%	0.06%	0.16%	0.27%
Going-Out					
GOV (INR bn)	113	164	197	232	274
Adj. EBITDA (INR bn)	-2.0	2.1	4.5	6.8	8.8
% of GOV	-1.75%	1.28%	2.28%	2.95%	3.22%
Others					
Revenue (INR mn)	192	576	864	1,296	1,503
Adj. EBITDA (INR mn)	-1,478	-1,008	-648	-518	-376
% of revenue	-770.00%	-175.00%	-75.00%	-40.00%	-25.00%
Group					
Revenue (INR bn)	323	424	531	634	746
Adj. EBITDA (INR bn)	18	43	67	93	120
Adj. EBITDA margin (%)	5.66%	10.13%	12.60%	14.64%	16.14%
EBITDA (INR bn)	17	44	69	96	125
EBITDA margin (%)	5.36%	10.27%	13.00%	15.18%	16.81%

Source: JM Financial

Maintain BUY; TP unchanged at INR 320

Exhibit 37. What has changed in our forecasts and assumptions?

Numbers are in INR mn	Old			New			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Food delivery GOV	453,756	529,269	617,863	456,451	537,423	629,059	0.6%	1.5%	1.8%
Quick Commerce GOV	578,694	810,023	990,509	623,558	890,607	1,158,451	7.8%	9.9%	17.0%
Consolidated revenue	309,283	401,402	489,930	323,324	424,323	531,321	4.5%	5.7%	8.4%
Reported EBITDA margin	18,246	43,769	66,370	17,344	43,557	69,050	-4.9%	-0.5%	4.0%
Reported EBIT margin	5.9%	10.9%	13.5%	5.4%	10.3%	13.0%	-54bp	-64bp	-55bp
PAT	15,434	36,145	53,725	14,674	36,167	54,931	-4.9%	0.1%	2.2%
Diluted EPS (INR)	1.60	3.75	5.57	1.52	3.75	5.69	-4.9%	0.1%	2.2%

Source: Company, JM Financial

Key Risks

- **Key upside risks** to our price target are: (1) Sharp rise in transacting users driven by growing share of working age digitally native millennial/GenZ population; (2) Better-than-expected AOV growth; (3) Synergy benefits from rapid expansion of Hyperpure and dining-out businesses and (4) Significant value accretion from organic/inorganic expansion in adjacent verticals.
- **Key downside risks** are: (1) Slower-than-expected tech penetration in India; (2) Sharp increase in competitive intensity; (3) Continued stakeholder conflicts such as allegations of unfair trade practices from food services industry bodies such as NRAI, amongst others (4) Technology failures and data breaches (5) Regulatory risks: Uncertainty around the likely implications for tech-platforms such as Zomato if the new labour laws are implemented in India. (6) Organic/inorganic investments fail to deliver.

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,21,150	2,02,430	3,23,324	4,24,323	5,31,321
Sales Growth	71.1%	67.1%	59.7%	31.2%	25.2%
Other Operating Income	0	0	0	0	0
Total Revenue	1,21,150	2,02,430	3,23,324	4,24,323	5,31,321
Cost of Goods Sold/Op. Exp	0	0	0	0	0
Personnel Cost	16,590	25,580	35,812	41,184	46,126
Other Expenses	1,04,130	1,70,480	2,70,169	3,39,582	4,16,145
EBITDA	430	6,370	17,344	43,557	69,050
EBITDA Margin	0.4%	3.1%	5.4%	10.3%	13.0%
EBITDA Growth	0.0%	1,381.4%	172.3%	151.1%	58.5%
Depn. & Amort.	5,260	8,630	12,486	13,336	14,813
EBIT	-4,830	-2,260	4,858	30,222	54,237
Other Income	7,750	9,230	12,185	12,834	14,426
Finance Cost	0	0	0	0	0
PBT before Excep. & Forex	2,920	6,970	17,043	43,056	68,663
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	2,920	6,970	17,043	43,056	68,663
Taxes	-600	1,700	2,369	6,889	13,733
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	3,520	5,270	14,674	36,167	54,931
Adjusted Net Profit	3,520	5,270	14,674	36,167	54,931
Net Margin	2.9%	2.6%	4.5%	8.5%	10.3%
Diluted Share Cap. (mn)	8,705.8	9,186.6	9,650.4	9,650.4	9,650.4
Diluted EPS (INR)	0.4	0.6	1.5	3.7	5.7
Diluted EPS Growth	0.0%	41.9%	165.1%	146.5%	51.9%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	2,920	6,970	17,043	43,056	68,663
Depn. & Amort.	5,260	8,630	12,486	13,336	14,813
Net Interest Exp. / Inc. (-)	-5,790	-6,470	-12,185	-12,834	-14,426
Inc (-) / Dec in WCap.	1,180	-10,930	205	-18,549	382
Others	3,940	6,060	8,459	8,797	9,149
Taxes Paid	-1,050	-1,180	-6,252	-8,505	-15,445
Operating Cash Flow	6,460	3,080	19,756	25,301	63,137
Capex	-2,020	-9,310	-17,412	-9,738	-11,840
Free Cash Flow	4,440	-6,230	2,344	15,563	51,297
Inc (-) / Dec in Investments	-7,630	-58,760	0	0	0
Others	6,180	-11,860	14,792	15,691	17,451
Investing Cash Flow	-3,470	-79,930	-2,620	5,954	5,611
Inc / Dec (-) in Capital	220	84,470	0	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	-1,690	-2,580	-8,320	1,136	972
Others	-600	-1,470	-2,606	-2,857	-3,025
Financing Cash Flow	-2,070	80,420	-10,927	-1,721	-2,053
Inc / Dec (-) in Cash	920	3,570	6,209	29,534	66,695
Opening Cash Balance	2,170	3,090	6,660	12,869	42,403
Closing Cash Balance	3,090	6,660	12,869	42,403	1,09,098

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	2,04,130	3,03,170	3,26,303	3,71,267	4,35,347
Share Capital	8,680	9,070	9,070	9,070	9,070
Reserves & Surplus	1,95,450	2,94,100	3,17,233	3,62,197	4,26,277
Preference Share Capital	0	0	0	0	0
Minority Interest	-70	-70	-70	-70	-70
Total Loans	0	0	0	0	0
Def. Tax Liab. / Assets (-)	-2,210	-1,290	-5,173	-6,789	-8,501
Total - Equity & Liab.	2,01,850	3,01,810	3,21,060	3,64,408	4,26,776
Net Fixed Assets	57,760	76,650	86,982	89,601	93,466
Gross Fixed Assets	5,290	14,570	31,982	41,719	53,559
Intangible Assets	54,710	66,490	64,917	64,131	63,438
Less: Depn. & Amort.	2,420	4,920	10,427	16,759	24,042
Capital WIP	180	510	510	510	510
Investments	1,19,320	1,81,760	1,81,760	1,81,760	1,81,760
Current Assets	54,270	96,530	98,696	1,45,744	2,16,331
Inventories	880	1,760	4,190	3,214	6,012
Sundry Debtors	7,940	19,460	15,973	30,528	27,699
Cash & Bank Balances	3,090	6,660	12,869	42,403	1,09,098
Loans & Advances	0	0	0	0	0
Other Current Assets	42,360	68,650	65,664	69,599	73,522
Current Liab. & Prov.	29,500	53,130	46,378	52,697	64,781
Current Liabilities	18,260	37,940	36,699	39,994	48,875
Provisions & Others	11,240	15,190	9,679	12,703	15,906
Net Current Assets	24,770	43,400	52,318	93,048	1,51,550
Total - Assets	2,01,850	3,01,810	3,21,060	3,64,408	4,26,776

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	2.9%	2.6%	4.5%	8.5%	10.3%
Asset Turnover (x)	0.6	0.8	1.0	1.2	1.3
Leverage Factor (x)	1.0	1.1	1.1	1.0	1.0
RoE	1.8%	2.1%	4.7%	10.4%	13.6%

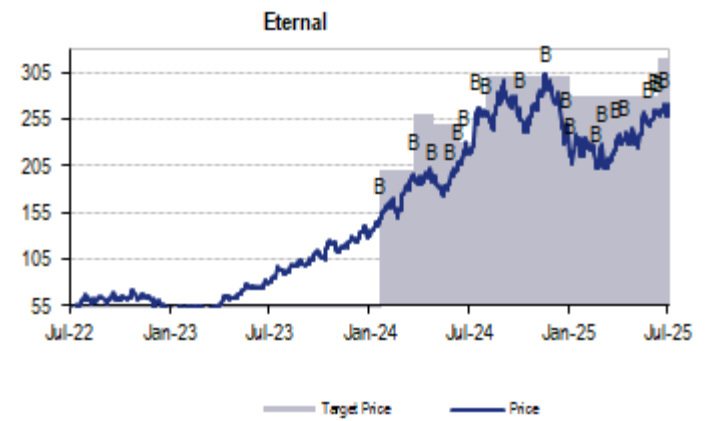
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	23.4	33.4	33.8	38.5	45.1
ROIC	-7.3%	-1.7%	3.4%	18.2%	29.8%
ROE	1.8%	2.1%	4.7%	10.4%	13.6%
Net Debt/Equity (x)	-0.6	-0.6	-0.6	-0.6	-0.7
P/E (x)	672.7	474.1	178.9	72.6	47.8
P/B (x)	11.6	8.1	8.0	7.1	6.0
EV/EBITDA (x)	5,819.3	382.5	140.1	55.1	33.8
EV/Sales (x)	20.7	12.0	7.5	5.7	4.4
Debtor days	24	35	18	26	19
Inventory days	3	3	5	3	4
Creditor days	27	29	27	24	26

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
9-Feb-24	Buy	200	
11-Apr-24	Buy	260	29.8
14-May-24	Buy	250	-3.8
17-Jun-24	Buy	250	0.0
3-Jul-24	Buy	230	-8.0
12-Jul-24	Buy	230	0.0
2-Aug-24	Buy	260	13.0
22-Aug-24	Buy	300	15.4
23-Oct-24	Buy	300	0.0
11-Dec-24	Buy	300	0.0
16-Jan-25	Buy	300	0.0
21-Jan-25	Buy	280	-6.7
12-Mar-25	Buy	280	0.0
21-Mar-25	Buy	280	0.0
18-Apr-25	Buy	280	0.0
2-May-25	Buy	280	0.0
16-Jun-25	Buy	280	0.0
27-Jun-25	Buy	280	0.0
2-Jul-25	Buy	320	14.3
13-Jul-25	Buy	320	0.0

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

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

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

Registered Office: 7th Floor, Chenergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.comCompliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: sahil.salastekar@jmfl.comGrievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: instcompliance@jmfl.com

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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.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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