

Pick of *the week*

Zomato

Recommendation: **BUY**

Target Price: **₹230**

Current Price: **₹197**

Time Period: **12 Months**

Date: **06th May 2024**



- Strong addition of eateries on to Zomato's food delivery platform as well as market share gains can drive food delivery GMV growth to 20%+ in the near term.
- Imposition of a platform fee to all customers coupled with new value-added services can drive up overall monetization and total take rate.
- Zomato has ramped up its net restaurant addition pace in 9MFY24.
- We expect earnings per share (EPS) Rs 2.2 in FY25E & Rs 4.2 in FY26E.
- Stock is currently trading at valuation of 46.6x P/E FY26E EPS. We roll forward to June 2025E to arrive at an SoTP-based FV of Rs230.

Note: The above is a brief note on the company, based on the inputs of KIE research report dated 3rd May, 2024, which is available on our website at: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>.

Disclaimer: <http://bit.ly/2n5AxIE>

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