

Eternal (ETERNAL) -BUY

Result Update

Current Market Price (CMP) Rs.262	Target Price Rs.280
---	-------------------------------

Rationale:

- Food delivery GOV growth came in at 16% yoy and was in line with estimates.
- Food delivery CM of 8.6% (versus 8.5% in Q3FY25) was in line with expectations.
- Blinkit's GOV grew solid 134%/8.5% yoy/qoq, higher than estimates with lower losses than expected.
- Near-term losses notwithstanding, Blinkit remains best positioned to capitalize on rising quick commerce penetration.
- Revised SoTP-based Fair Value of Rs280 (Rs270 earlier). Retain BUY.

(GOV -Gross Order Value, CM – Contribution Margin, SOTP - Sum of the Parts, CAGR - Compound Annual Growth Rate.)

Q4FY25 Earnings Update:

Positives:

- Blinkit: On track to expand to 2,000 dark stores by Dec 2025.
- Blinkit's CM was stable sequentially in Q4FY25.
- Consolidated adjusted revenue growth of 60% yoy driven by growth in Blinkit
- We model revenue CAGR of 45% over FY25-28E.

Negatives:

- Blinkit's profitability may remain subdued in the near term.

[Click here](#)

For detailed report dated 2 May 2025. Note: CMP & valuation may differ due to difference in dates.



This is a synopsis of the Research report issued by Kotak Securities Limited. This is not a comprehensive report and before taking any investment decision we request you to refer the detailed report including disclaimers by clicking here: <https://www.kotaksecurities.com/stock-research-recommendations/>. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 Months / Disclaimer: <https://www.kotaksecurities.com/disclaimer/research-v2/>