Dated: 23 July 2026

Eternal (ETERNAL) - BUY

Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.284	Rs 395

Rationale:

- Blinkit's Q1FY27 NOV growth came in at 19%/86% qoq/yoy, in line with our estimates, a solid performance in a period of intense competition.
- Blinkit posted a 34 bps sequential EBITDA margin improvement.
- Zomato's food delivery NOV growth stood at 20% yoy and was higher than expected.
- Food delivery EBITDA margin of 5.6% of NOV was at its highest ever.
- We maintain EBITDA estimates for the core businesses.
- We reduce our FY27-28E EPS primarily on account of higher tax assumptions.
- Roll-forward to September 2027E drives a revised SoTP-based FV of Rs395 (Rs385 earlier). Retain BUY.

Positives:

- Dark store footprint increased to 2,443 from 2,243 stores in the previous quarter, implying addition of 200 new stores in the quarter.
- QC: Blinkit focusing on infrastructure expansion and profitable growth.
- Blinkit's quarterly MTU addition remains healthy.
- Strong growth momentum and improving visibility on profits.
- We expect GOV CAGR of 19% in food delivery and 44% in Blinkit over FY26-29E.
- We estimate revenue CAGR of 49% over FY26-29E.

Negatives:

- Competition remains high in QC Business.

(GMV -Gross Merchandise Value, GOV - Gross Order Value, NOV – Net Order Value, CM – Contribution Margin, SOTP - Sum of the Parts, CAGR - Compound Annual Growth Rate, EBITDA - Earnings Before Interest, Taxes, Depreciation, and Amortization, MTU - Monthly Transacting Users)

Holding Period: 12 months

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Rating Scale (Private Client Group)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
RS	–	**Rating Suspended.** Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.
NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

Fundamental Research Team (Private Client Group)

Shrikant Chouhan
Head of Research
shrikant.chouhan@kotak.com
+91 22 6218 5408

Arun Agarwal
Auto & Auto Ancillary, Building Material, Cement, Consumer Durable
arun.agarwal@kotak.com
+91 22 6218 6443

Amit Agarwal, CFA
Transportation, Paints, FMCG
agarwal.amit@kotak.com
+91 22 6218 6439

Rini Mehta
Research Analyst
rini.mehta@kotak.com
+91 22 6218 6433

Sumit Pokharna
Oil and Gas, Information Tech
sumit.pokharna@kotak.com
+91 22 6218 6438

Veer Trivedi
BFSI
veer.trivedi@kotak.com
+91 22 6218 6432

Pankaj Kumar
Construction, Capital Goods & Midcaps
pankajr.kumar@kotak.com
+91 22 6218 5498

Amarjeet Maurya
Internet Software & Services
amarjeet.maurya@kotak.com
+91 22 6218 6427

Gaurav Bhandari
Research Analyst
bhandari.gaurav@kotak.com
+91 22 6218 6440

Technical Research Team (Private Client Group)

Shrikant Chouhan
shrikant.chouhan@kotak.com
+91 22 6218 5408

Amol Athawale
amol.athawale@kotak.com
+91 20 6620 3350

Sayed Haider
sayed.haider@kotak.com
+91 22 62185458

Derivatives Research Team (Private Client Group)

Sahaj Agrawal
sahaj.agrawal@kotak.com
+91 79 66041701

Prasenjit Biswas, CMT, CFTe
prasenjit.biswas@kotak.com
+91 33 6638 8331

Karan Kulkarni
karan.kulkarni@kotak.com
+91 20 66203350

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