

Pick of the Week

BUY – Eternal (ETERNAL)

CMP: ₹337 as on 19 September 2025

Fair Value (FV): ₹375

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Time Period: 12 months

Why Invest?

- Blinkit: Revenue increase, driven by higher commissions and ad income.
- Store-level fixed costs could drive future operating leverage.
- Both revenue and cost levers can drive margin improvement.
- CM (Contribution Margin) improvement in FY25 was driven by higher revenue per order.
- We model CAGR of 66% in Blinkit GOV (Gross Order Value) over FY25-28E.
- We believe there is potential for operating leverage to play out FY26 onward. Retain BUY.

Maintain BUY with

FVRs-375

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.
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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.

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