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India | Equity Research | Company Update

Eternal

Internet

Staying constructive: FD and QC growth accelerates; 'going-out' outlook improves

Blinkit has continued to deliver strong growth, supported by dark-store expansion and increasing category penetration. It remains the only major quick commerce (QC) player to have achieved EBITDA-level profitability; and notably, has sustained profitability despite heightened competitive intensity. We think Blinkit's value proposition of convenience appears appealing and could improve further as its dark-store count nears ~3,000. We see limited near-term risk to the existing duopoly structure in food delivery. As both food delivery (FD) and QC turn into cash-generative engines, we see room for value discovery in 'going out'. Maintain **BUY**; TP revised to INR 425, rolling forward by six months.

Blinkit

We estimate Blinkit's NOV to grow 76% YoY in Q2FY27E, with adj. EBITDA at INR 1.5bn and an adj. EBITDA margin (% of NOV) at 0.8% (up 15bps QoQ). Blinkit remains the market leader and the only major QC player to have achieved EBITDA-level profitability. Despite increasing competitive intensity, the business has continued to deliver healthy growth while sustaining profitability, highlighting the strength of its market positioning. We expect Blinkit's NOV to expand at a 48.3% CAGR over FY26–29E driven by dark-store additions, wider geographic coverage and assortment expansion. We estimate EBITDA margin to improve to 3.1% by FY29E, supported by operating leverage, higher store productivity and improving store economics.

FD

We estimate the NOV in FD to grow by 21% YoY in Q2FY27, with adj. EBITDA at INR 6.4bn and adj. EBITDA margin (% of NOV) at 5.6%. We continue to view FD as a duopoly, with limited near-term risk to the existing market structure. NOV will likely grow at ~20% YoY over FY26–29E, supported by healthy order growth and gradual AOV expansion. We estimate the FD business to generate adj. EBITDA of INR 3.8bn by FY29E (~5.7% of NOV), providing a significant source of cash generation and supporting overall FCFF.

Financial Summary

Y/E March (INR mn)	FY25A	FY26A	FY27E	FY28E
Net Revenue	2,02,430	5,43,640	10,34,251	14,62,277
EBITDA	6,370	12,080	40,048	74,526
EBITDA Margin (%)	5.3	2.2	3.9	5.1
Net Profit	5,270	3,660	24,903	51,804
EPS (INR)	0.6	0.4	2.7	5.6
EPS % Chg YoY	46.3	(33.6)	580.4	108.0
P/E (x)	548.3	826.1	121.4	58.4
EV/EBITDA (x)	443.3	242.5	71.1	37.1
RoCE (%)	(0.6)	(0.7)	5.0	10.3
RoE (%)	2.1	1.2	7.6	13.9

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Market Data

Market Cap (INR)	3,177bn
Market Cap (USD)	330mn
Bloomberg Code	ETERNAL IN
Reuters Code	ZOMT BO
52-week Range (INR)	368 /213
Free Float (%)	75.0
ADTV-3M (mn) (USD)	110.2

Price Performance (%)	3m	6m	12m
Absolute	16.1	41.7	(1.8)
Relative to Sensex	22.8	43.1	8.8

ESG Score	2024	2025	Change
ESG score	68.2	70.3	2.1
Environment	51.3	53.5	2.2
Social	65.1	68.1	3.0
Governance	82.6	84.0	1.4

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Previous Reports

23-07-2026: [Q1FY27 results review](#)

29-04-2026: [Q4FY26 results review](#)

Other businesses

We estimate going-out's NOV to accelerate at a 38.1% CAGR over FY26–29, with revenue also growing at a similar rate. We estimate EBITDA margin to achieve break-even in FY28 and envisage it to be ~2.5% by FY29E. Management guides for USD 3bn in NOV and USD 150mn in adj. EBITDA for the going-out business.

Valuation

We maintain **BUY** on Eternal, basis a three-stage DCF-based revised target price of INR 425 (earlier INR 360).

Risks: Slowdown in discretionary spending; and negative externalities disrupting business operations.

Exhibit 1: Implied SoTP valuation

SoTP	EV (INR bn)	EV (USD bn)	1 yr Fwd EV/NOV	1 yr Fwd EV/EBITDA	Proportion	INR per share
Food delivery	1,348	14.2	2.2	40	34.5%	147
Blinkit	1,900	20.0	1.3	45	48.6%	207
Hyperpure	152	1.6	1.5	28	3.9%	17
Going out	329	3.5	1.5	106	8.4%	36
Cash	180	1.9			4.6%	20
Overall	3,907	41.1			100.0%	425

Source: I-Sec research, Company data

Exhibit 2: Shareholding pattern

%	Dec'25	Mar'26	Jun'26
Promoters	0.0	0.0	0.0
Institutional investors	68.7	68.4	68.3
MFs and others	28.3	30.7	33.6
FIs/Banks	0.8	1.3	1.4
Insurance	3.4	3.8	4.2
FIIIs	36.2	32.6	29.1
Others	31.3	31.6	31.7

Source: Bloomberg, I-Sec research

Exhibit 3: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 4: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Net Sales	2,02,430	5,43,640	10,34,251	14,62,277
Operating Expenses	1,40,410	2,29,890	9,27,261	13,05,755
EBITDA	6,370	12,080	40,048	74,526
EBITDA Margin (%)	5.3	2.2	3.9	5.1
Depreciation & Amortization	8,630	15,970	14,868	13,710
EBIT	(2,260)	(3,890)	25,179	60,816
Interest expenditure	1,540	3,920	5,171	7,311
Other Non-operating Income	10,770	13,960	13,196	15,568
Recurring PBT	6,970	6,150	33,204	69,072
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	1,700	2,490	8,301	17,268
PAT	5,270	3,660	24,903	51,804
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	5,270	3,660	24,903	51,804
Net Income (Adjusted)	5,270	3,660	24,903	51,804

Source Company data, I-Sec research

Exhibit 5: Balance sheet

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Total Current Assets	64,840	48,910	1,37,401	2,22,678
of which cash & cash eqv.	36,140	15,230	69,395	1,30,535
Total Current Liabilities & Provisions	29,350	49,130	1,07,541	1,47,412
Net Current Assets	35,490	(220)	29,860	75,266
Investments	29,940	79,330	1,08,524	1,29,632
Net Fixed Assets	95,830	1,28,110	1,26,687	1,31,255
ROU Assets	-	-	-	-
Capital Work-in-Progress	-	-	-	-
Total Intangible Assets	-	-	-	-
Other assets	1,65,620	1,51,010	1,51,010	1,51,010
Deferred Tax Assets	-	-	-	-
Total Assets	3,26,880	3,58,230	4,16,081	4,87,163
Liabilities				
Borrowings	-	-	-	-
Deferred Tax Liability	-	-	-	-
provisions	1,200	1,560	14,168	20,031
other Liabilities	2,130	1,020	14,168	20,031
Equity Share Capital	3,03,170	3,09,800	3,34,703	3,86,507
Reserves & Surplus	-	-	-	-
Total Net Worth	3,03,170	3,09,800	3,34,703	3,86,507
Minority Interest	(70)	(70)	7,122	14,674
Total Liabilities	3,26,880	3,58,230	4,16,081	4,87,163

Source Company data, I-Sec research

Exhibit 6: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Operating Cashflow	3,080	6,320	59,586	71,161
Working Capital Changes	(10,930)	(12,280)	20,647	6,352
Capital Commitments	(9,310)	(17,460)	(13,445)	(18,278)
Free Cashflow	(6,230)	(11,140)	46,140	52,883
Other investing cashflow	(65,290)	33,860	13,196	15,568
Cashflow from Investing Activities	(74,600)	16,400	(249)	(2,711)
Issue of Share Capital	85,010	-	-	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	-	-	-	-
Dividend paid	-	-	-	-
Others	(4,590)	(8,420)	(5,171)	(7,311)
Cash flow from Financing Activities	80,420	(8,420)	(5,171)	(7,311)
Chg. in Cash & Bank balance	8,900	14,300	54,165	61,139
Closing cash & balance	11,990	20,960	64,125	1,25,265

Source Company data, I-Sec research

Exhibit 7: Key ratios

(Year ending March)

	FY25A	FY26A	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	0.6	0.4	2.7	5.6
Adjusted EPS (Diluted)	0.6	0.4	2.7	5.6
Cash EPS	0.3	0.7	6.5	7.7
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	34.5	33.7	36.4	42.1
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	67.1	168.6	90.2	41.4
EBITDA	1,416.7	89.6	231.5	86.1
EPS (INR)	46.3	(33.6)	580.4	108.0
Valuation Ratios (x)				
P/E	548.3	826.1	121.4	58.4
P/CEPS	970.6	478.4	50.7	42.5
P/BV	9.5	9.8	9.0	7.8
EV / EBITDA	443.3	242.5	71.1	37.1
P / Sales	14.3	5.6	2.9	2.1
Dividend Yield (%)	-	-	-	-
Operating Ratios				
Gross Profit Margins (%)	72.5	44.5	93.5	94.4
EBITDA Margins (%)	5.3	2.2	3.9	5.1
Effective Tax Rate (%)	24.4	40.5	25.0	25.0
Net Profit Margins (%)	2.6	0.7	2.4	3.5
NWC / Total Assets (%)	-	-	-	-
Net Debt / Equity (x)	-	-	-	-
Net Debt / EBITDA (x)	-	-	-	-
Profitability Ratios				
RoCE (%)	(0.6)	(0.7)	5.0	10.3
RoE (%)	2.1	1.2	7.6	13.9
RoC (%)	2.5	2.0	8.8	15.4
Fixed Asset Turnover (x)	1.7	2.9	6.2	9.5
Inventory Turnover Days	3	15	18	18
Receivables Days	35	12	14	13
Payables Days	28	20	25	25

Source Company data, I-Sec research

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