kotak Securities

Dated: 22 January 2026

Eternal (ETERNAL) - BUY

Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.284	**Rs.410**

Rationale:

- Blinkit's Q3FY26 NOV growth was 121% yoy/14% qoq, largely in line with estimates, with the segment achieving adjusted EBITDA breakeven ahead of expectations.
- It added 211 stores sequentially and will reach 3,000 stores by March 2027, with a further scale-up to 3,500-4,000 stores.
- Zomato's food delivery NOV growth was at 16.6% yoy and was higher than expected.
- Food delivery's EBITDA margin of 5.4% of NOV was its highest ever.
- We believe growth across business remains robust with progress in profitability for Blinkit and Hyperpure.
- We roll forward to March 2027 and retain BUY with a revised SoTP-based FV of Rs410 (Rs400 earlier).

(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, BPCL-Blink Commerce Private Ltd , MTU - Monthly Transacting Users)

Positives:

- Food delivery - CM, as a percentage of revenue, expanded 40 bps yoy to 10.4%, in line with our estimate.
- Adjusted EBITDA (as a % of NOV) was at 5.4%, expanding 10 bps qoq and 40 bps yoy.
- Zomato reported healthy MTU addition of 22% yoy.
- Blinkit - solid revenue growth with EBITDA breakeven.
- We estimate revenue CAGR of 99% over FY25-28E.

Negatives:

- Customer delivery take-rate of 3.1% in Q3FY26 was lower than estimates (versus 3.4% in Q3FY25).

Holding Period: 12 months

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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