

Growth Across Key Verticals; Competitive Intensity Remains

Est. vs. Actual for Q4FY26: Revenue – MISS; EBITDA – BEAT ; PAT – BEAT
Change in Estimates YoY post Q4FY26:

FY27E/FY28E: Revenue: 5%/5%; EBITDA: 1%/6%, PAT: 2%/2%

Recommendation Rationale

- **Quick Commerce and Food Delivery vertical to continue its Growth Trajectory:** In Quick commerce segment, the company recorded a Net Order Value (NOV) of Rs 14,386 Cr, reflecting a 95.4% YoY increase. Adjusted EBITDA improved significantly, turning positive at Rs 37 Cr, representing 0.3% of NOV. This was driven by assortment expansion, geographic coverage and demand densification. **Management provided a guidance of over 60% NOV CAGR for the next three years, anticipating the business to grow more than four times its current scale.** Food delivery NOV grew 18.8% YoY in Q4FY26, marking the third consecutive quarter of improved growth following the slowdown in Q1FY26. Adjusted EBITDA margin reached a record high of 5.5% of NOV (Rs 532 Cr). Growth was driven by initiatives such as reducing the Gold member minimum order value to Rs 99 from Rs 199, offering discounts to price-sensitive users, and expanding meal options priced below Rs 250. Average monthly transacting customers increased to 25.4 Mn.
- The company intentionally focused on lower-value orders; however, revenue per order and operating efficiency remained strong.
- **HyperPure and District (Going-Out) Business Building Strong Momentum:** HyperPure's restaurant supply revenue growth improved to 37% YoY. The overall adjusted revenue came in at Rs 978 Cr. The segment achieved a positive adjusted EBITDA of Rs 5 Cr (0.5% margin). Management emphasised that, despite being the smallest segment, Hyperpure will be a meaningful contributor to the overall company's \$1 Bn profit target. The going-out segment reported NOV of Rs 2,736 Cr in Q4FY26, growing 46.5% YoY. EBITDA losses reduced sharply to Rs 81 Cr from Rs 121 Cr in Q3FY26, while margins improved to -3.0% from -4.7%. For FY26, NOV increased 42% YoY. **The company has guided for \$3 Bn NOV and \$150 Mn EBITDA by FY30, implying strong 30%+ annual growth from current levels.** The District app now brings together restaurant bookings, movie tickets, concert tickets, sports events, and local retail discovery on a single platform. With every new service added, customer engagement has improved, and retention has strengthened.
- **AI Adoption to Provide Feasibility among Users:** Management views AI as a growth enabler rather than merely a cost-saving tool. Eternal is leveraging AI to make the platform more accessible for first-time users, non-English speakers, older customers, and users in Tier 2/3 cities. Features such as Zomato's Healthy Mode and Natural Language Search are aimed at enhancing customer experience and engagement. Management remains confident that regular, high-frequency users will continue to prefer dedicated apps over chat-based platforms.

Sector Outlook: Cautious on account of increased competitive intensity.

Company Outlook & Guidance: Short-term impact on the financial performance of the company may remain due to increased competitive intensity.

Current Valuation: SOTP

Current TP: Rs 360/share (Earlier TP: Unchanged)

Recommendation: The recent price correction has significantly enhanced the risk-reward profile, offering an attractive valuation. The long-term outlook remains strong. Therefore, **we continue to maintain our BUY rating on the stock.**

Financial Performance

In Q4FY26, Zomato reported revenue of Rs 17,292 Cr, up 196% YoY and 6% QoQ, led by growth across key verticals and partly due to the structural shift to an inventory ownership (1P) model in the quick commerce segment. EBITDA stood at Rs 486 Cr, up 575% YoY and 32% QoQ, driven by consistent margin improvement in the quick commerce business and stability in the food delivery segment. Net profit came in at Rs 174 Cr, up 346% YoY and 71% QoQ, respectively.

Key Financials (Consolidated)

(Rs Cr)	Q4FY26	QoQ (%)	YoY (%)	Axis Est.	Variance
Net Sales	17,292	6.0	197	18,127	-4.6
EBITDA	486	32.1	575	394	23.3
EBITDA Margin	2.8	55 bps	158 bps	2.2	64 bps
Net Profit	174	70.6	346	110	58.6
EPS (Rs)	0.2	70.6	369	0.1	58.6

Source: Company, Axis Securities Research

(CMP as of 28th April, 2026)

CMP (Rs)	253
Upside /Downside (%)	42%
High/Low (Rs)	368/213
Market cap (Cr)	2,48,352
Avg. daily vol. (6m) Shrs.	4,59,80,460
No. of shares (Cr)	965

Shareholding (%)

	Sep-25	Dec-25	Mar-26
Promoter	0.0	0.0	0.0
FIIs	39.0	36.2	32.6
MFs/UTI	24.7	26.7	28.9
Banks/FIs	0.0	0.0	0.0
Others	36.3	37.0	38.5

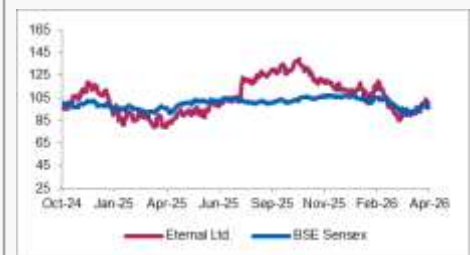
Financial & Valuations

Y/E Mar (Rs Cr)	FY26	FY27E	FY28E
Net Sales	54,364	77,269	1,22,945
EBITDA	1,208	4,233	6,615
Net Profit	366	2,611	4,067
EPS (Rs)	0.4	2.7	4.2
P/BV (x)	8.1	7.4	6.6
ROE (%)	1%	7%	8%

Change in Estimates (%)

Y/E Mar	FY27E	FY28E
Sales	5%	5%
EBITDA	1%	6%
PAT	2%	2%

Relative Performance



Source: Ace Equity, Axis Securities Research

Results Gallery

[Q3FY26](#)
[Q2FY26](#)
[Q1FY26](#)

Kuber Chauhan

Research Analyst
kuber.chauhan@axissecurities.in

Abhishek Bhalotia

Research Associate
abhishek.bhalotia@axissecurities.in

Outlook

From a long-term perspective, Eternal has built a resilient business model by securing multiple strategic verticals and delivering broad-based growth. However, near-term challenges, such as rising competitive intensity and rapid store expansion, are likely to keep profitability under pressure. **We maintain our BUY rating and value the stock at Rs 360/share based on an SOTP valuation, implying a 42% return from the CMP.**

Change in Estimates

(Rs Cr)

	New		Old		% Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Sales	77,269	1,22,945	73,837	1,16,784	5%	5%
EBIT	4,233	6,615	4,200	6,234	1%	6%
PAT	2,611	4,067	2,568	3,982	2%	2%

Source: Company, Axis Securities

Results Review

(Rs Cr)

Particulars (Rs Cr)	Q4FY25	Q3FY26	Axis Est.	Q4FY26	YoY growth (%)	QoQ growth (%)
Net Sales	5,833	16,315	18,127	17,292	196.5	6.0
COGS	1,632	9,801	11,205	10,340	533.6	5.5
Gross Profits	4,201	6,514	6,922	6,952	65.5	6.7
Gross Margin (%)	72.0	39.9	38.2	40.2	-3182 bps	28 bps
Staff costs	750	914	943	927	23.6	1.4
Ad spends & Delivery charges	2,186	3,313	3,410	3,543	62.1	6.9
Other operating expenses	1,193	1,919	2,175	1,996	67.3	4.0
EBITDA	72	368	394	486	575.0	32.1
EBITDA margin (%)	1.2	2.3	2.2	2.8	158 bps	55 bps
Depreciation	287	439	461	468	63.1	6.6
EBIT	(215)	(71)	(67)	18	(108.4)	(125.4)
Other Income	368	348	362	342	(7.1)	(1.7)
Interest Cost	56	107	112	132	135.7	23.4
PBT	97	170	183	228	135.1	34.1
Tax	58	68	73	54	(6.9)	(20.6)
PAT	39	102	110	174	346.2	70.6
EPS	0.04	0.11	0.12	0.19	368.5	70.6

Source: Company, Axis Securities Research

Financials (Consolidated)

Profit & Loss

(Rs Cr)

Y/E March	FY25	FY26E	FY27E	FY28E
Net sales	20,243	54,364	77,269	1,22,945
Other operating income	0	0	0	0
Total Income	20,243	54,364	77,269	1,22,945
Purchase of stock in trade	5,653	32,115	20,863	30,736
Change in inventories of traded goods	-88	-1,948	0	0
Employee benefits expense	2,558	3,536	13,677	25,818
Operating Expenses	11,483	19,453	38,497	59,776
Total Cost	14,041	22,989	73,036	1,16,331
EBITDA	637	1,208	4,233	6,615
EBITDA Margin (%)	3%	2%	5%	5%
Depreciation	577	1,597	1,757	2,196
Interest & Fin Chg.	154	392	404	420
Pre-tax profit	697	615	3,482	5,422
Tax provision	170	249	870	1,356
Profit after Tax	527	366	2,611	4,067
EPS Basic	0.61	0.38	2.70	4.21

Source: Company, Axis Securities Research

Balance Sheet
(Rs Cr)

Y/E March	FY25	FY26E	FY27E	FY28E
Sources				
Equity and Liabilities				
Equity Attributable to equity shareholders of the parent	30,317	30,980	33,591	37,658
Non-controlling interests	(7)	(7)	(7)	(7)
Total Equity	30,310	30,973	33,584	37,651
Lease Liabilities	1,654	3,833	600	600
Provisions	120	156	156	156
Deferred Tax Liabilities	212	102	102	102
Total non-current liabilities	1,987	4,091	863	863
Current Liabilities				
Lease Liabilities	391	759	115	115
Trade Payables	1,536	3,010	6,351	10,105
A] Total Outstanding Dues of micro-enterprises and small enterprises	75	232	232	232
B] Total Outstanding Dues of creditors other than micro-enterprises and small-enterprises	1,461	2,778	2,778	2,778
Other Financial Liabilities	913	1,105	1,105	1,105
Provisions	452	744	26	26
Other Current Liabilities	34	54	276	276
Total Current Liabilities	3,326	5,672	7,873	11,627
Total Equity and Liabilities	35,623	40,736	42,320	50,141
ASSETS				
Non-Current Assets				
Property, Plant and equipment	965	2,033	290	340
Right-of-use asset	1,918	4,294	4,294	4,294
Goodwill	5,737	5,737	5,737	4,717
Other intangible assets	912	611	991	991
Investments	10,920	9,742	9,742	2,280
Other Financial Assets	2,744	1,606	1,606	1,894
Other Non-Current Assets	546	675	675	675
Total Non-Current Assets	23,922	25,036	23,544	15,399
Current Assets				
Inventories	176	2,181	915	1,347
Investments	2,272	5,091	5,091	4,485
Trade Receivables	1,946	1,764	3,387	5,389
Cash and Cash Equivalents	666	996	3,444	18,813
Other Financial Assets	2,769	3,537	3,537	3,537
Other Current Assets	924	1,604	1,604	372
Total Current Assets	11,701	15,700	18,777	34,742
Total Assets	35,623	40,736	42,320	50,141

Source: Company, Axis Securities Research

Cash Flow
(Rs Cr)

Y/E March	FY25	FY26E	FY27E	FY28E
Cash Flow from Operating Activities				
Profit before tax	697	615	3,482	5,422
Depreciation	576	1,291	1,757	2,196
Changes in Working Capital	6,792	998	6,525	9,226
Cash Flow from Operating Activities	6,796	632	5,655	7,870
Capital expenditure	(936)	(1,751)	(1,743)	100
Cash flow from Investing	(7,993)	536	(1,743)	100
Equity Raised				
Debt Raised				
Cash flow from financing	(406)	(601)	(721)	(721)
Net Change in Cash	(1,603)	567	3,190	7,249

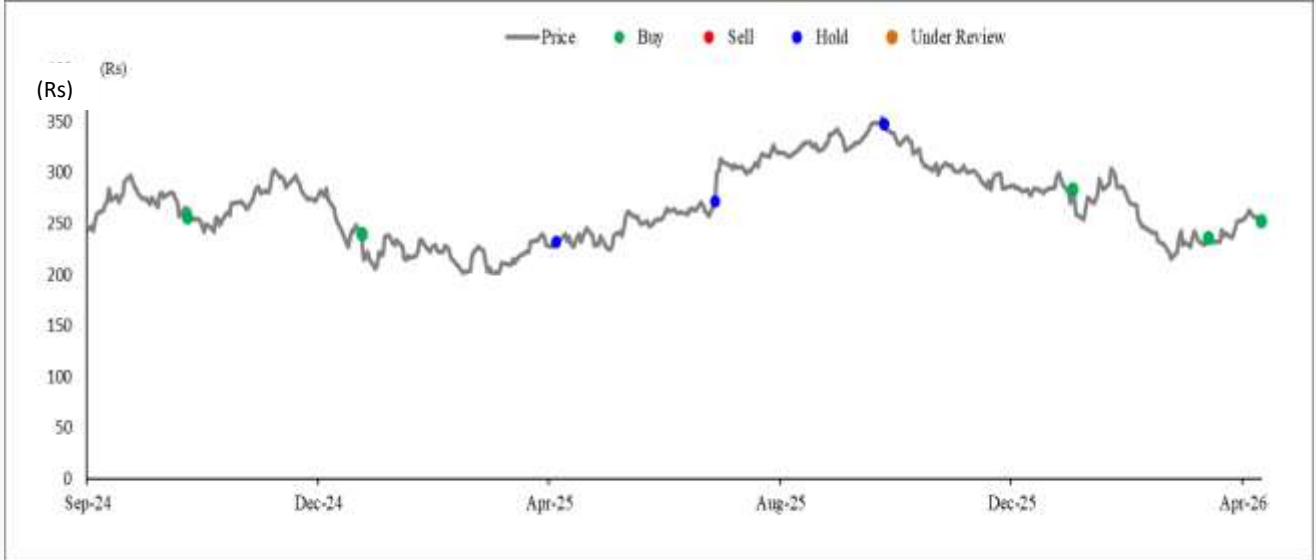
Source: Company, Axis Securities Research

Ratio Analysis
(%)

Y/E March	FY25	FY26E	FY27E	FY28E
Growth Ratio				
Net Sales Growth (%)	67%	169%	42%	59%
EBIT Growth (%)	1417%	90%	250%	56%
PAT Growth (%)	134%	18%	286%	50%
Adj. EPS Growth (%)	50%	-31%	614%	56%
	50%	-38%	614%	56%
Margin Ratios				
EBITDA Margin (%) (Core)	-	-	-	-
EBIT Margin (%)	3%	2%	5%	5%
Pre-Tax Margin (%)	4%	2%	5%	5%
PAT Margin (%)	3%	1%	5%	4%
	3%	1%	3%	3%
Efficiency Ratios				
Asset Turnover (x)	1	1	2	2
Receivable days	16	16	16	16
Inventory Days	16	16	16	16
Payable days	30	30	30	30
Financial Stability Ratios				
Total Debt/Equity (x)	-	-	-	-
Current Ratio (x)	2	2	2	2
Quick Ratio (x)	4	4	5	5
Interest Cover (x)	2	2	9	13
Operational & Financial Ratios				
Earnings Per Share (Rs)	0.6	0.4	2.7	4.2
Book Value (Rs)	35	32	35	39
Tax Rate (%)	24%	40%	25%	25%
Performance Ratios				
ROA (%)	2%	2%	11%	26%
ROCE (%)	3%	3%	10%	12%
ROE (%)	2%	1%	7%	8%
P/BV (x)	7.4	8.1	7.4	6.6

Source: Company, Axis Securities Research

Eternal Ltd Price Chart and Recommendation History



Date	Reco	TP	Research
31-Jul-24	BUY	280	Initiating Coverage
02-Aug-24	BUY	280	Result Update
23-Oct-24	BUY	350	Result Update
21-Jan-25	BUY	280	Result Update
02-May-25	HOLD	230	Result Update
22-Jul-25	HOLD	250	Result Update
17-Oct-25	HOLD	360	Result Update
22-Jan-26	BUY	360	Result Update
29-Apr-26	BUY	360	Result Update

Source: Axis Securities Research

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Compliance Officer Details: Name – Mr Rajiv Kejriwal, Tel No. – 022-68555574, Email id – compliance.officer@axisdirect.in;

Registered Office Address – Axis Securities Limited, Unit No.002, Building- A, Agastya Corporate Park, Piramal Realty, Kamani Junction, Kurla (W), Mumbai – 400070.

Administrative office address: Axis Securities Limited, Aurum Q Parc, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane – Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

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BUY	More than 10%
HOLD	Between 10% and -10%
SELL	Less than -10%
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