Retail Equity Research

Eternal Limited

Sector: Internet & Catalogue Retail

BUY

14th May, 2026

Q4FY26 Result Update

Key Changes	Target		Rating		Earnings
Stock Type	**Bloomberg Code**	**Sensex**	**NSE Code**	**BSE Code**	**Time Frame**
Large Cap	ETERNAL:IN	74,609	ETERNAL	543320	12 Months

Target	**Rs. 283**
CMP	**Rs. 238**
Return	**+19%**

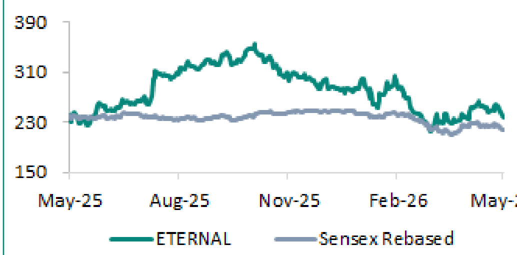
Data as of: 13-May-2026, 18:00 hrs

Company Data	
Market Cap (Rs.cr)	229,582
52 Week High — Low (Rs.)	368 - 213
Enterprise Value (Rs. cr)	231,678
Outstanding Shares (cr)	965.0
Free Float (%)	74.5
Dividend Yield (%)	-
6m average volume (cr)	4.8
Beta	1.0
Face value (Rs.)	1.0

Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	0.0	0.0	0.0
FII's	39.0	36.2	32.6
MFs/Institutions	30.1	32.7	36.0
Public	7.4	7.7	8.2
Others	23.4	23.3	23.2
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	-16.6%	-20.1%	2.7%
Absolute Sensex	-9.7%	-11.7%	-8.1%
Relative Return	-6.9%	-8.4%	10.7%

***over or under performance to benchmark index**



Y.E March (cr)	FY26A	FY27E	FY28E
Sales	54,364	96,021	140,852
Growth (%)	*168.6*	*76.6*	*46.7*
EBITDA	1,208	3,458	5,735
EBITDA Margin (%)	*2.2*	*3.6*	*4.0*
PAT Adjusted	366	1,771	3,340
Growth (%)	*-30.6*	*383.8*	*88.6*
Adjusted EPS	0.4	1.8	3.5
Growth (%)	*-33.3*	*383.8*	*88.6*
P/E	572.6	129.6	68.7
P/B	7.1	7.0	6.4
EV/EBITDA	184.9	67.0	40.4
ROE (%)	*1.2*	*5.4*	*9.3*
D/E	0.1	0.1	0.1

Higher store count, automation to drive revenue

Eternal Ltd, formerly Zomato Ltd, is an online food delivery operator that runs a B2C platform under the Zomato brand. It also operates Hyperpure and Blinkit, organises events, provides payment services and engages in investment activities.

- Eternal's FY26 consolidated revenue grew by ~169% YoY, to Rs. 54,364cr, primarily driven by the transition to an inventory-led first-party (1P) model in quick commerce.
- QC revenue surged to Rs. 37,779cr (vs. Rs. 5,206cr in FY25), largely reflecting the accounting impact of 1P model transition, excluding this impact underlying growth remained strong at ~126% YoY in Q4FY26.
- Food delivery's revenue rose 25.7% YoY to Rs. 10,159cr as net order value (NOV) growth, order frequency and traction among budget customers improved.
- B2C NOV increased to Rs. 95,959cr, supported by rapid dark-store expansion, new user additions, and wider category adoption.
- Adjusted EBITDA increased 10.2% YoY to Rs. 1,189cr, while margin contracted to 2.2%.
- Profit after tax (PAT) declined 30.6% YoY to Rs. 366cr.

Outlook & Valuation

The company delivered a healthy operational performance during the quarter, driven by sustained momentum in quick commerce, gradual recovery in food delivery, and continued expansion across geographies. The company continues to witness strong customer acquisition and engagement trends, supported by rapid dark-store additions, broader assortment availability, and deeper penetration beyond key metros. While competitive intensity in quick commerce remains elevated, management continues to prioritize sustainable and profitable growth, with improving operating leverage and demand density expected to support margin expansion over the medium term. However, considering the prevailing global macro uncertainty and moderation in our growth assumptions, we have revised our estimates. Accordingly, **we retain our BUY rating on the stock with a revised target price of Rs. 283, based on SOTP valuation.**

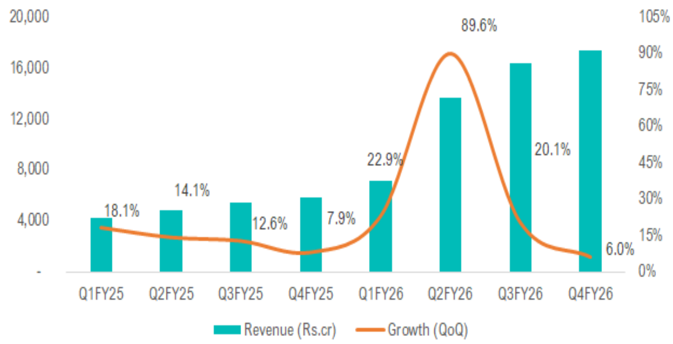
Quarterly Financial Consolidated.

Rs.cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Sales	17,292	5,833	*196.5*	16,315	*6.0*	54,364	20,243	*168.6*
EBITDA	486	72	*575.0*	368	*32.1*	1,208	637	*89.6*
Margin (%)	*2.8*	*1.2*	*160bps*	*2.3*	*50bps*	*2.2*	*3.1*	*-90bps*
EBIT	18	-215	*n.m.*	-71	*n.m.*	-389	-226	*-72.1*
PBT	228	97	*135.1*	170	*34.1*	615	697	*-11.8*
Rep. PAT	174	39	*346.2*	102	*70.6*	366	527	*-30.6*
Adj PAT	174	39	*346.2*	102	*70.6*	366	527	*-30.6*
Adj. EPS (Rs)	0.19	0.04	*375.0*	0.11	*72.7*	0.4	0.6	*-32.8*

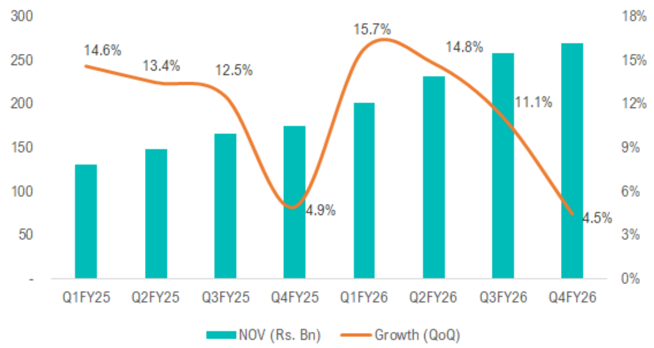
Key concall highlights

- NOV grew amid strong category additions: Up 18.8% YoY to Rs. 9,757cr for food delivery, up 95.4% to Rs. 14,386cr for quick commerce and up 46.5% to Rs. 2,736cr for going-out.
- The management said larger cities, including Delhi-NCR, are nearing the 5-6% steady-state margin, showing resilience despite competition on the back of improving throughput and retention. The company is increasingly confident of achieving its 5-6% EBITDA margin target, with only the speed of attainment remaining uncertain.
- The management highlighted that the company remains on track to achieve its March target of 3,000 stores and 60% compound annual growth rate in NOV, with no plans to offer further store addition guidance currently.
- The management noted that, based on experiences over 12–18 months, increases in the good and services tax rates were smoothly passed on to consumers with minimal effect on demand.
- The minimum order value for free delivery for Gold members was reduced to Rs. 99 from Rs. 199 from Q2FY26 onwards to improve affordability and drive traction among value-conscious customers.

Revenue



Net Order Value



Sum-of-the-part (SOTP) Valuation

Particulars	Basis	Multiple	Year	Value (Rs Cr)	Value/share (Rs)
Food delivery	EV/EBITDA	22.0x	FY28E	96,775	100
Quick commerce	EV/NOV	1.0x	FY28E	166,103	172
Hyperpure (B2B supplies)	EV/Sales	1.5x	FY28E	9,739	10
Going-out	EV/Sales	1.5x	FY28E	4,331	4
Others	EV/Sales	1.5x	FY28E	530	1
Enterprise Value				**277,478**	**287**
Net Debt				-4,035	-4
Equity Value				**273,443**	**283**

Change in Estimates

	Old estimates		New estimates		Change -%	
Year / Rs cr	**FY27E**	**FY28E**	**FY27E**	**FY28E**	**FY27E**	**FY28E**
Revenue	93,589	-	96,021	140,852	*2.6*	-
EBITDA	3,557	-	3,535	5,735	*-2.8*	-
Margins (%)	*3.8*	-	*3.6*	*4.1*	*-19bps*	-
Adj. PAT	2,331	-	1,771	3,340	*-24.0*	-
EPS	2.4	-	1.8	3.5	*-23.6*	-

Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Sales	**12,114**	**20,243**	**54,364**	**96,021**	**140,852**
% change	*71.1*	*67.1*	*168.6*	*76.6*	*46.7*
EBITDA	**42**	**637**	**1,208**	**3,458**	**5,735**
% change	*-100.1*	*n.m.*	*89.6*	*186.2*	*65.9*
Depreciation	526	863	1,597	1,830	1,823
EBIT	**-484**	**-226**	**-389**	**1,628**	**3,192**
Interest	72	154	392	419	445
Other Income	847	1,077	1,396	1,152	986
PBT	**291**	**697**	**615**	**2,361**	**4,453**
% change	*-128.7*	*139.5*	*-11.8*	*283.9*	*88.6*
Tax	-60	170	249	590	1,113
Tax Rate (%)	*-20.6*	*24.4*	*40.5*	*25.0*	*25.0*
Reported PAT	**351**	**527**	**366**	**1,771**	**3,340**
PAT att. to common shareholders	351	527	366	1,771	3,340
Adj.*	-	-	-	-	-
Adj. PAT	**351**	**527**	**366**	**1,771**	**3,340**
% change	*-136.1*	*50.1*	*-30.6*	*383.8*	*88.6*
No. of shares (cr)	882.0	965.0	965.0	965.0	965.0
Adj EPS (Rs.)	**0.4**	**0.6**	**0.4**	**1.8**	**3.5**
% change	*-134.2*	*46.3*	*-33.3*	*358.7*	*88.6*
DPS (Rs.)	-	-	-	-	-

Balance Sheet

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	731	3,614	1,523	2,100	2,468
Accts. Receivable	794	1,946	1,764	3,361	5,352
Inventories	88	176	2,181	3,912	5,402
Other Cur. Assets	3,845	5,965	10,232	11,198	13,305
Investments	10,365	10,920	9,742	9,839	9,938
Gross Fixed Assets	529	1,460	3,206	5,126	7,098
Net Fixed Assets	977	2,883	6,407	6,706	6,980
CWIP	18	51	56	62	68
Intangible Assets	5,471	6,649	6,348	6,708	7,208
Def. Tax -Net	-	-	-	-	-
Other Assets	1,067	3,419	2,483	1,873	1,494
Total Assets	**23,356**	**35,623**	**40,736**	**45,758**	**52,215**
Current Liabilities	2,083	3,326	5,672	8,517	11,227
Provisions	88	120	156	179	206
Debt Funds	588	1,654	3,833	4,216	4,596
Other Liabilities	191	213	102	102	102
Equity Capital	868	907	919	919	919
Res. & Surplus	19,545	29,410	30,061	31,832	35,171
Shareholder Funds	20,413	30,317	30,980	32,751	36,090
Minority Interest	-7	-7	-7	-7	-7
Total Liabilities	**23,356**	**35,623**	**40,736**	**45,758**	**52,215**
BVPS	23	31	32	34	37

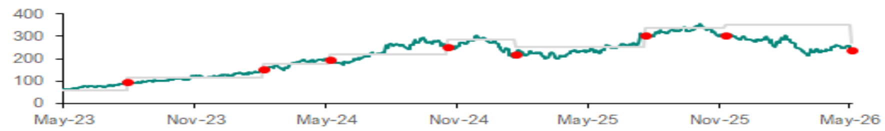
Cashflow

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	836	1,390	1,963	3,600	5,163
Non-cash adj.	-48	-506	-884	-1,256	-2,280
Other adjustments	-	-	-	-	-
Changes in W.C	-142	-576	-447	-599	-904
C.F. Operation	**646**	**308**	**632**	**1,745**	**1,979**
Capital exp.	-202	-931	-1,746	-1,920	-1,972
Change in inv.	4,073	-5,941	809	-51	-463
Other invest.CF	-4,218	-1,121	1,473	419	445
C.F - Investment	**-347**	**-7,993**	**536**	**-1,552**	**-1,990**
Issue of equity	23	8,501	-	-	-
Issue/repay debt	-40	-	-	383	379
Dividends paid	-	-	-	-	-
Other finance.CF	-190	-459	-842	-	-
C.F - Finance	**-207**	**8,042**	**-842**	**383**	**379**
Chg. in cash	92	357	326	577	368
Closing Cash	**731**	**3,614**	**1,523**	**2,100**	**2,468**

Ratio

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	0.3	3.1	2.2	3.6	4.1
EBIT margin (%)	-4.0	-1.1	-0.7	1.7	32.8
Net profit mgn.(%)	2.9	2.6	0.7	1.8	2.4
ROE (%)	1.7	1.7	1.2	5.4	9.3
ROCE (%)	-2.3	-0.7	-1.1	4.4	9.6
W.C & Liquidity					
Receivables (days)	23.9	35.1	11.8	12.8	13.9
Inventory (days)	11.1	11.5	26.4	25.6	24.8
Payables (days)	112.2	100.7	36.4	37.5	38.2
Current ratio (x)	2.6	3.5	2.8	2.4	2.4
Quick ratio (x)	1.3	2.4	1.5	1.2	1.2
Turnover &Leverage					
Gross asset T.O (x)	27.2	20.4	23.3	23.0	23.0
Total asset T.O (x)	0.5	0.7	1.4	2.2	2.9
Int. covge. ratio (x)	-6.7	-1.5	-1.0	3.9	8.8
Adj. debt/equity (x)	0.0	0.1	0.1	0.1	0.1
Valuation					
EV/Sales (x)	13.3	9.5	4.1	2.4	1.6
EV/EBITDA (x)	3825.7	302.2	184.9	67.0	40.4
P/E (x)	444.8	335.8	572.6	129.6	68.7
P/BV (x)	7.9	6.4	7.1	7.0	6.4

Recommendation Summary - last 3 years



Dates	Rating	Target
16-May-24	BUY	220
28-Oct-24	BUY	284
30-Jan-25	BUY	254
29-Jul-25	HOLD	337
18-Nov-25	BUY	350
14-May-26	BUY	283

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	**Upside is above 10%**	**Upside is above 15%**	**Upside is above 20%**
Accumulate	**-**	**Upside is between 10%-15%**	**Upside is between 10%-20%**
Hold	**Upside is between 0% - 10%**	**Upside is between 0%-10%**	**Upside is between 0%-10%**
Reduce/sell	**Downside is more than 0%**	**Downside is more than 0%**	**Downside is more than 0%**

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition: Upgrade No Change Downgrade

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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