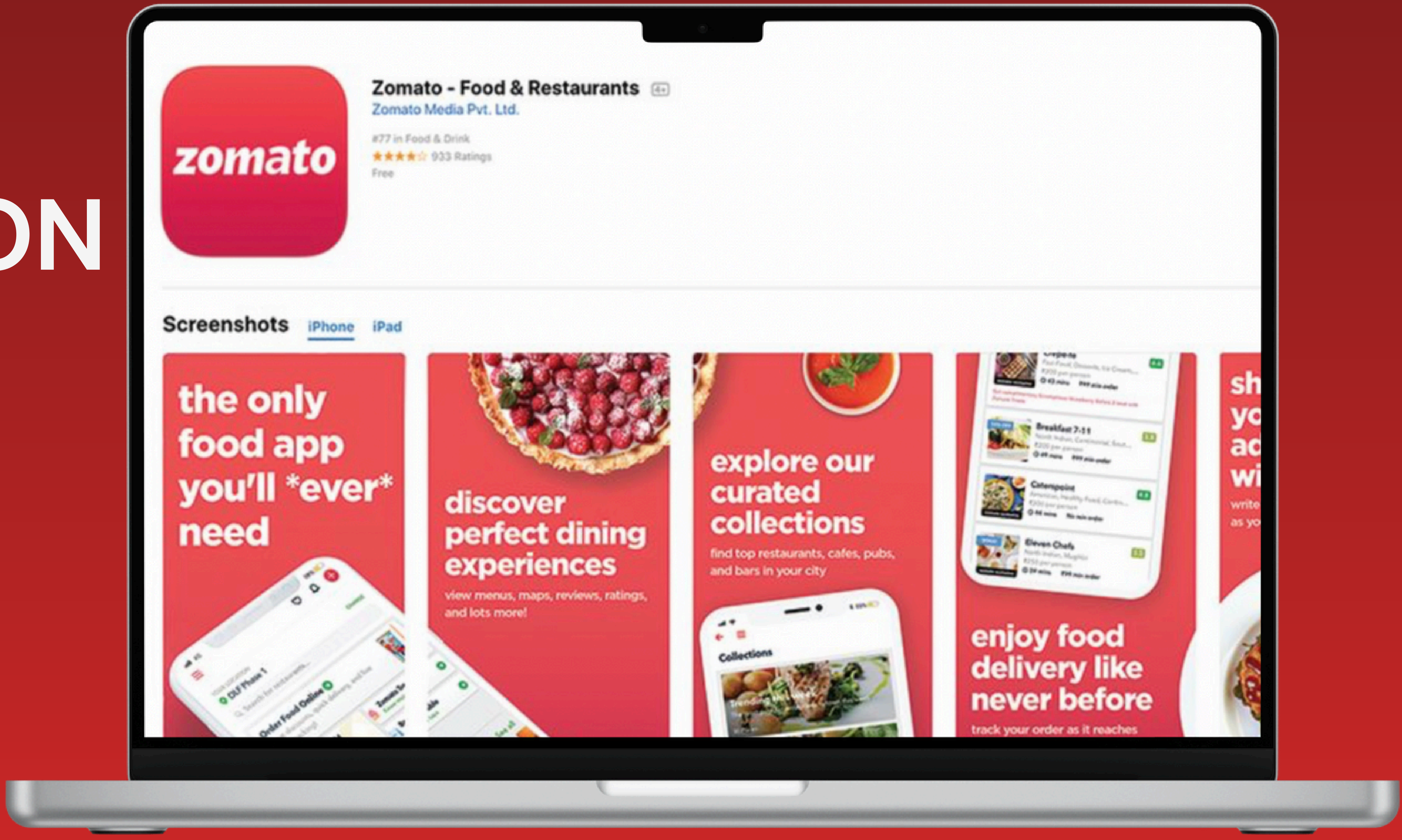
STRATEGIC & VALUATION ANALYSIS

Unlocking Long-Term Shareholder Value



"Profit is the applause you get for taking care of your customers and creating value."
— Ken Blanchard

Company Overview

- **FOUNDED**: 2008, INDIA'S LEADING ONLINE FOOD DELIVERY + QUICK COMMERCE (BLINKIT)
- **BUSINESS MODEL**: COMMISSION-BASED (TAKE RATE ~18–20%), DELIVERY FEES, ADVERTISING.
- **CURRENT MARKET CAP (2025):** ~₹2.8 LAKH CR
- **MARKET POSITION:** ~55–58% SHARE IN INDIAN ONLINE FOOD DELIVERY.

MARKET SIZE

INDIA ONLINE FOOD DELIVERY

(2024)

TAM (TOTAL ADDRESSABLE MARKET)

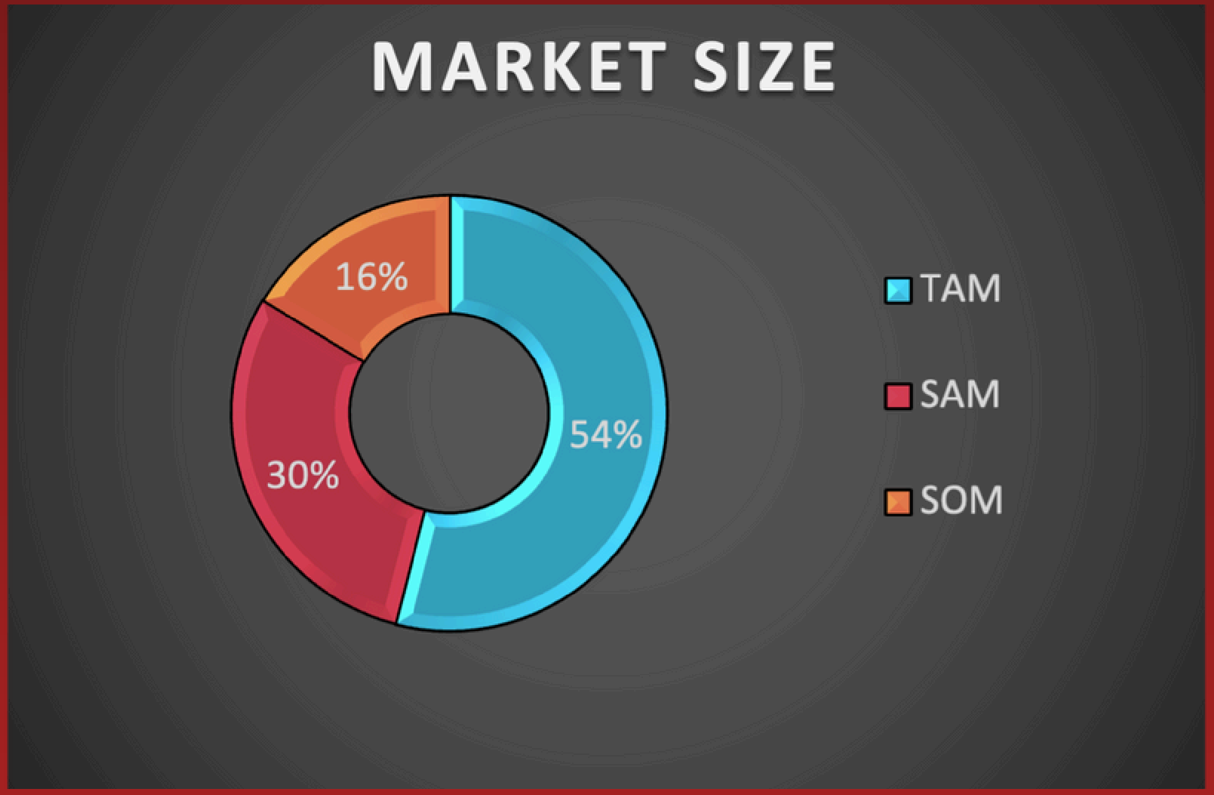
₹3.9 Lakh Cr

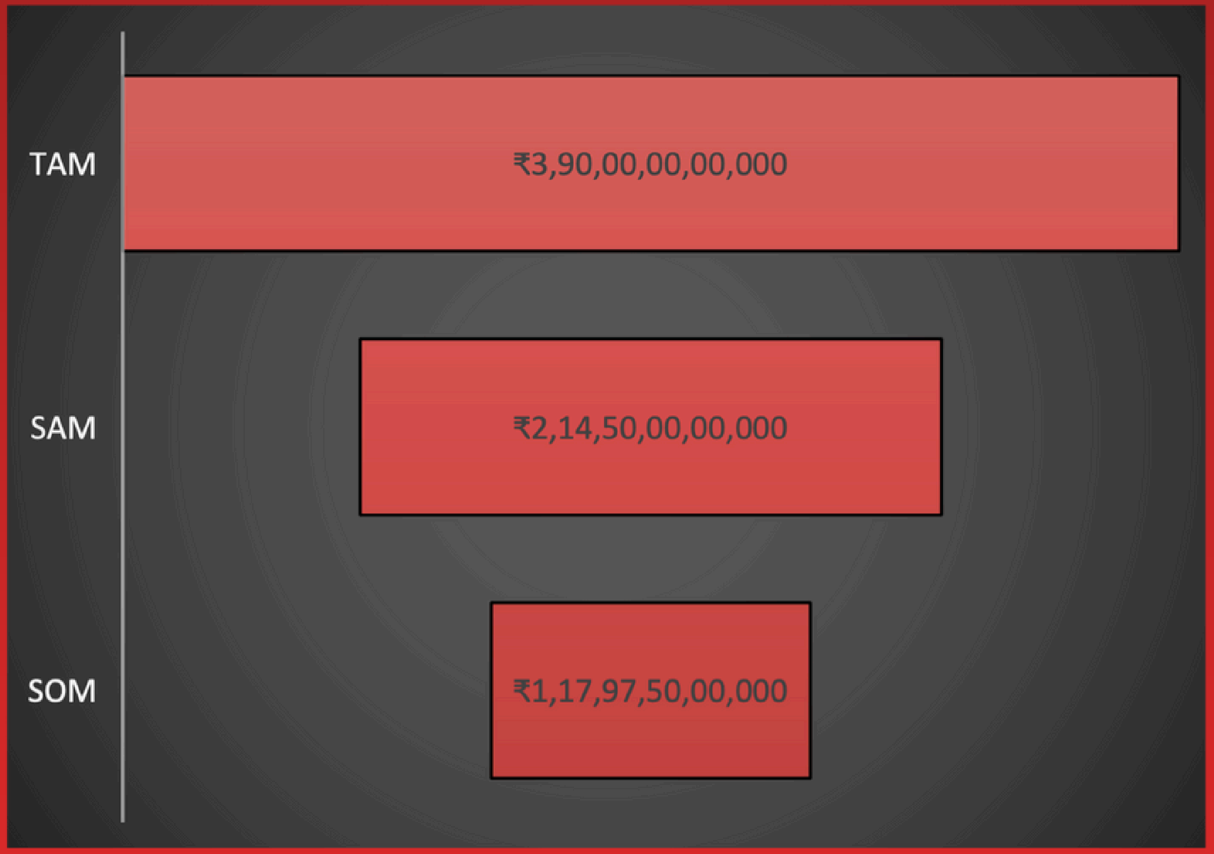
SAM (SERVICABLE AVAILABLE MARKET)

₹1.95–2.3 Lakh Cr

SOM (SERVICABLE OBTAINABLE MARKET)

₹1.1–1.3 Lakh Cr





FINANCIAL SNAPSHOT

	Mar-25A	Mar-26F	Mar-27F
Revenue	₹ 20,243.00	₹ 32,388.80	₹ 50,202.64
revenue growth%		60%	55.0%
EBIT	₹ 3,030.00	₹ 3,562.77	₹ 5,522.29
TAX RATE	25%	25%	25%
EBIT(1-T)=NOPAT	₹ 2,272.50	₹ 2,672.08	₹ 4,141.72
Depreciation	₹ 863.00	₹ 1,619.44	₹ 2,510.13
Capex	₹ (936.00)	₹ (1,619.44)	₹ (2,510.13)
Change in Net Working Capital	₹ (1,093.00)	₹ (1,619.44)	₹ (2,510.13)

Years	Mar-25	TRENDS	Mean
Sales Growth	67%		65%
EBITDA Growth	-100%		67%
EBIT Growth	-100%		-194%
Net Profit Growth	-100%		-205%
Gross Margins	66%		65%
EBITDA Margins	15%		-3%
EBIT Margins	11%		-8%
Net Profit Margins	9%		-9%
Sales Expense%sales	70%		75%
Depreciation%sales	4%		5%
Operating income%sales	15%		-3%

DCF VALUATION

DCF -ETERNAL LTD

Calculation of PV of FCFF	Mar-25A	Mar-26F	Mar-27F	Mar-28F	Mar-29F	Mar-30F
Revenue	₹ 20,243.00	₹ 32,388.80	₹ 50,202.64	₹ 74,467.25	₹ 1,05,495.27	₹ 1,47,693.38
revenue growth%		60%	55.0%	48.3%	41.7%	40%
EBIT	₹ 3,030.00	₹ 3,562.77	₹ 5,522.29	₹ 8,191.40	₹ 11,604.48	₹ 16,246.27
TAX RATE	25%	25%	25%	25%	25%	25%
EBIT(1-T)=NOPAT	₹ 2,272.50	₹ 2,672.08	₹ 4,141.72	₹ 6,143.55	₹ 8,703.36	₹ 12,184.70
Depreciation	₹ 863.00	₹ 1,619.44	₹ 2,510.13	₹ 3,723.36	₹ 5,274.76	₹ 7,384.67
Capex	₹ (936.00)	₹ (1,619.44)	₹ (2,510.13)	₹ (3,723.36)	₹ (5,274.76)	₹ (7,384.67)
Change in Net Working Capital	₹ (1,093.00)	₹ (1,619.44)	₹ (2,510.13)	₹ (3,723.36)	₹ (5,274.76)	₹ (7,384.67)
Free Cash Flow to Firm	₹ 1,106.50	₹ 1,052.64	₹ 1,631.59	₹ 2,420.19	₹ 3,428.60	₹ 4,800.03
Discounted FCFF		₹ 956.94	₹ 1,348.42	₹ 1,818.32	₹ 2,341.78	₹ 2,980.44

	ASSUMPTIONS
WACC	10%
Revenue Growth	60->40%
EBIT Margin	11%
Capex Margin	-5%
Depreciation Margin	5%
Net Working Capital Margin	-5%
Perpetual Growth Rate	5%

Terminal Value	₹ 1,00,800.73
Discounted TV	₹ 62,589.32

Enterprise Value	₹ 72,035.23
Equity Value	₹ 66,376.23

DCF VALUATION SUMMARY

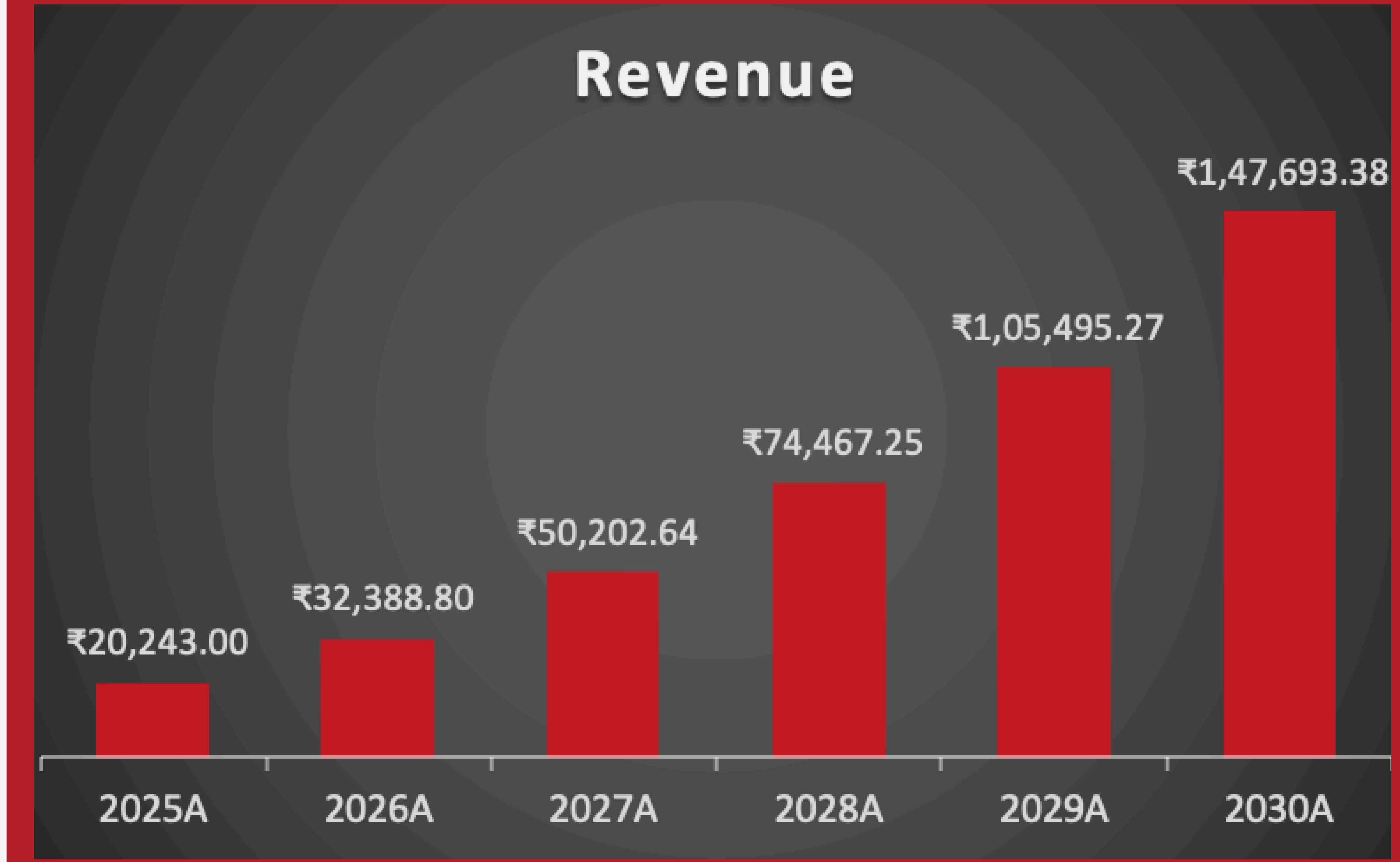
Enterprise Value:
₹72,035 Cr

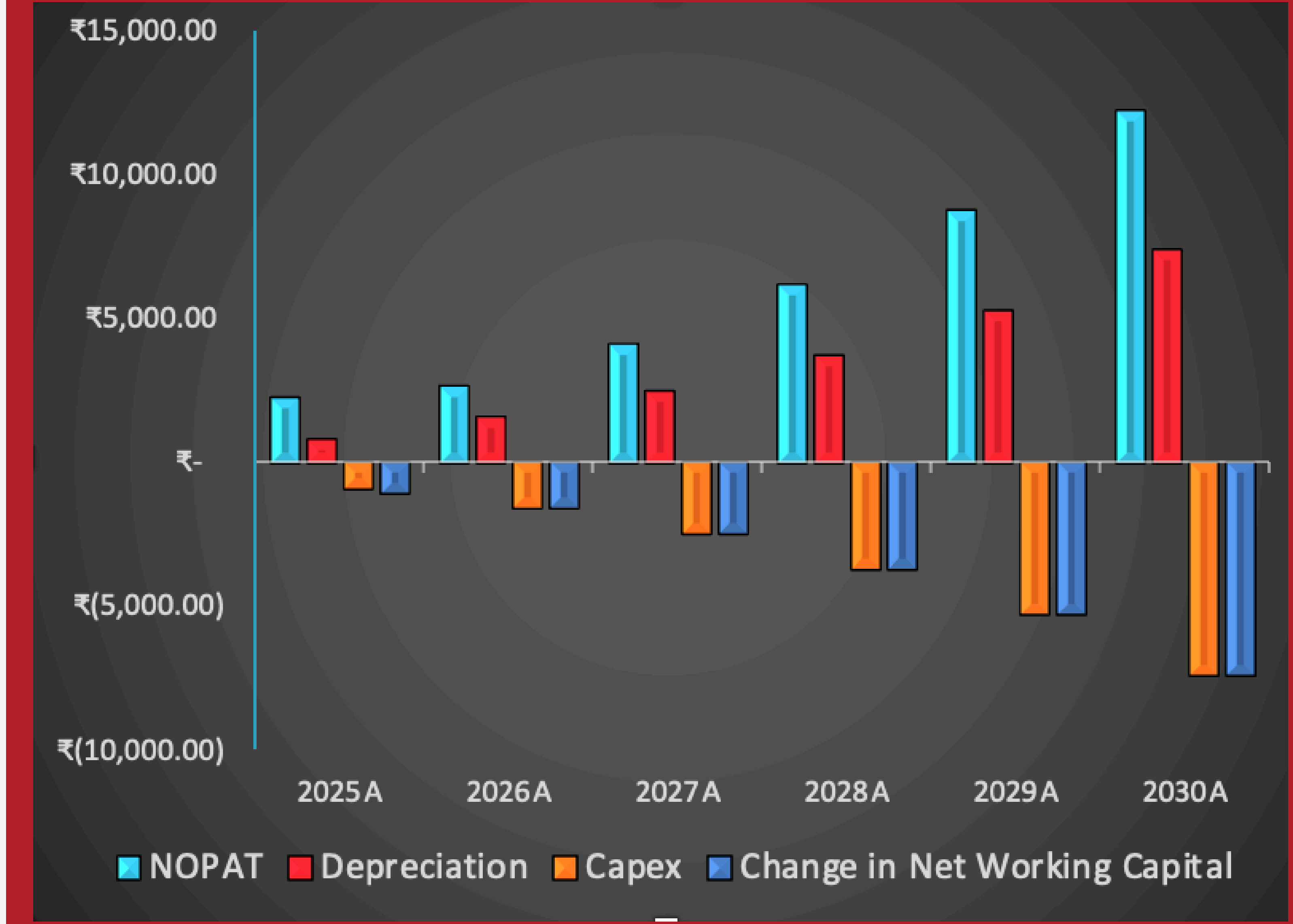
Equity Value:
₹66,376 Cr

DCF Basis:
WACC 10%, g = 5%

EBIT margin :
~11%

DCF vs Market:
Market trades at ~4.3x DCF value





COMPETITION ANALYSIS (ZOMATO VS SWIGGY)

Revenue Base:

Both players grew strongly, but Zomato captured profitability first.Swiggy still struggling with negative PBT (FY25: -20%) vs Zomato's breakeven (~3%).

Cost Efficiency:

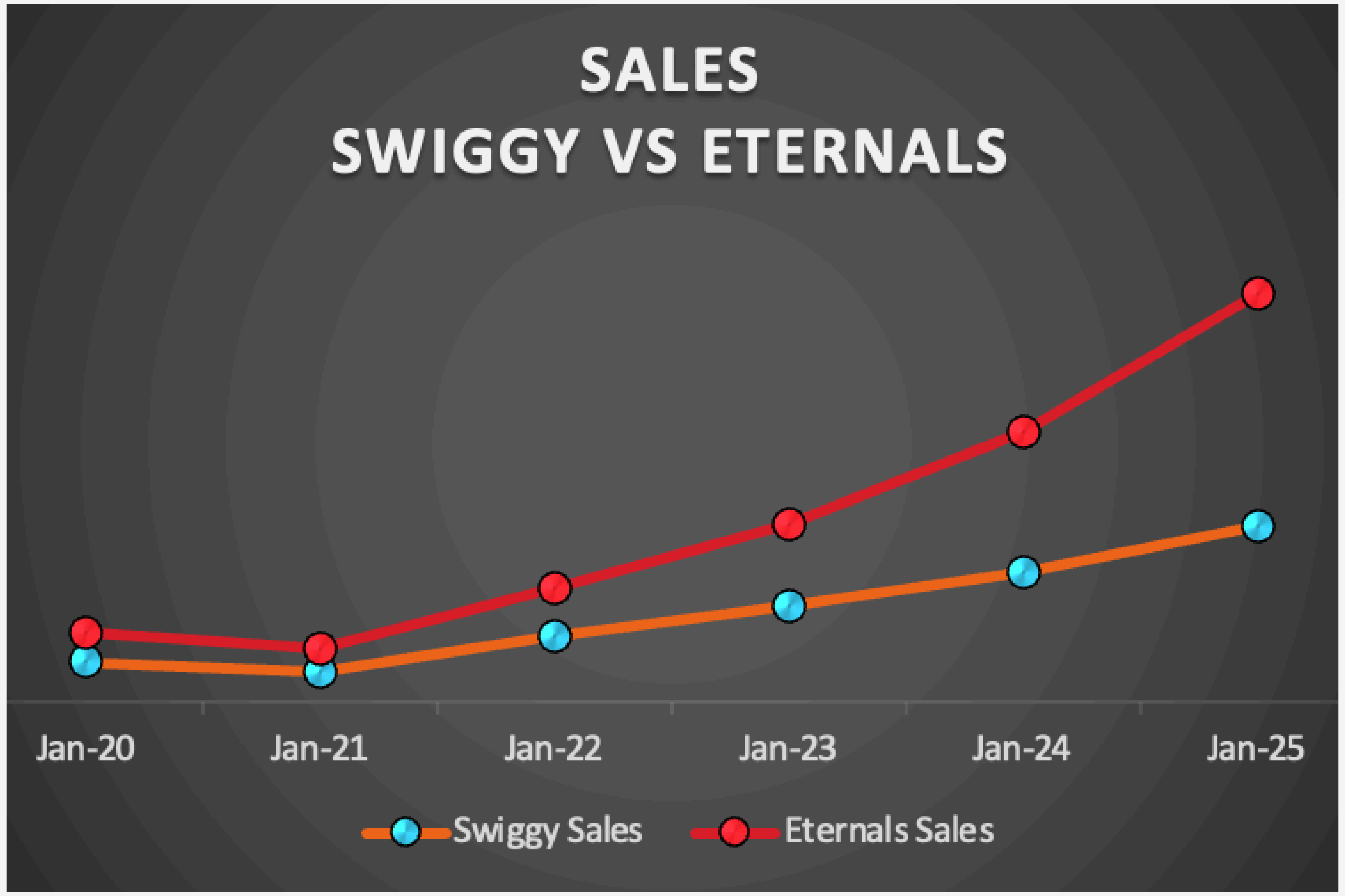
Swiggy cut from 43% → 17%, Zomato down to 13%.

Swiggy: >50% of sales consistently, showing customer stickiness challenges.

Profitability:

Zomato turned profitable (NP ~3%) while Swiggy remains deeply loss-making (-20%).

Swiggy is burning cash to chase market share → risky with investor sentiment.



COMPETITION ANALYSIS (COMMON SIZE STATEMENTS)

ETERNALS

COMMON SIZE INCOME STATEMENT -ETERNAL LTD			
Years	Mar-23	Mar-24	Mar-25
Sales	100%	100%	100%
Raw Material Cost	20%	24%	28%
Change in Inventory	1%	0%	0%
Power and Fuel	0%	0%	1%
Other Mfr. Exp	5%	4%	5%
Employee Cost	21%	14%	13%
Selling and admin	70%	57%	51%
Other Expenses	1%	1%	0%
Other Income	10%	7%	5%
Depreciation	6%	4%	4%
Interest	1%	1%	1%
Profit before tax	-14%	2%	3%
Tax	-1%	0%	1%
Net profit	-14%	3%	3%

SWIGGY

COMMON SIZE INCOME STATEMENT -SWIGGY LTD			
Years	Mar-23	Mar-24	Mar-25
Sales	100%	100%	100%
Raw Material Cost	41%	41%	39%
Change in Inventory	0%	0%	0%
Power and Fuel	0%	1%	1%
Other Mfr. Exp	6%	3%	5%
Employee Cost	26%	18%	17%
Selling and admin	73%	52%	52%
Other Expenses	6%	5%	4%
Other Income	5%	3%	3%
Depreciation	3%	4%	4%
Interest	1%	1%	1%
Profit before tax	-51%	-21%	-20%
Tax	0%	0%	0%
Net profit	-51%	-21%	-20%

STRATEGIC SCENARIOS

Scenario 1

GROWTH-FOCUSED (BLINKIT EXPANSION)

- Expand Blinkit aggressively into Tier-2/3 cities
- Maintain>40%revenue CAGR (2025–30E)
- Lower EBITDA margins due to logistics, infra, and discounts
- Valuation impact: Market premium sustained

Scenario 2

PROFITABILITY FIRST (CORE FOOD DELIVERY + HYPERPURE

- Focus on food delivery unit economics & Hyperpure scale-up
- Revenue CAGR slows to 20–25%
- EBITDA margin improves significantly
- Valuation impact: Stable cash flows, higher DCF alignment

Scenario 3

BALANCED PLAY (GROWTH + PROFITABILITY HYBRID)

- Controlled Blinkit expansion while ensuring food delivery breakeven
- Moderate revenue CAGR (30–35%)
- Gradual EBITDA margin improvement
- Valuation impact: Balanced DCF vs market multiples

Strategic Takeaways

Aggressive Growth

- Maximizes optionality & valuation upside
- But increases execution and funding risk

Profitability-First

- Secures fundamentals & sustainable cash flows
- But risks lower growth premium and re-rating

Balanced Play

- Middle ground between growth and profitability
- Aligns DCF valuation with investor sentiment

S	W	O	T
Strengths	**Weaknesses**	**Opportunities**	**Threats**
• Market leader: 55%+ food delivery, 50% Blinkit (quick commerce) • Profitable: FY25 PAT ₹527 Cr vs ₹351 Cr FY24 • Revenue ↑67% YoY (₹20,243 Cr FY25) • Cash reserves ₹12K Cr, minimal debt	• Thin EBITDA margin (3–5%) • Blinkit burn pressures cash flows • Heavy reliance on incentives/discounts • Limited Tier-3 penetration	• Quick commerce TAM $50–60B by 2030 • Cross-sell: Blinkit + Hyperpure + Going-out • Ad monetization & subscriptions • Market share gains vs Swiggy (still loss-making)	• Swiggy & Zepto competition • Cost shocks (fuel, rider incentives) • Regulatory risk: dark stores, gig laws • Consumer demand cycles

RECOMMENDATIONS

Balanced Growth Strategy (Core Recommendation)

Target 30–35% revenue CAGR with EBITDA margin >10% by FY28

Maintain food delivery dominance while scaling Blinkit with controlled burn

Strengthen Unit Economics

Reduce delivery costs via AI-driven route optimization

Scale Hyperpure to lower restaurant procurement costs

Monetize Ecosystem

Expand Gold/Pro memberships for stable recurring revenue

Boost ad monetization (~₹2,000 Cr TAM opportunity)

Expand Tier-2 & Tier-3 Presence

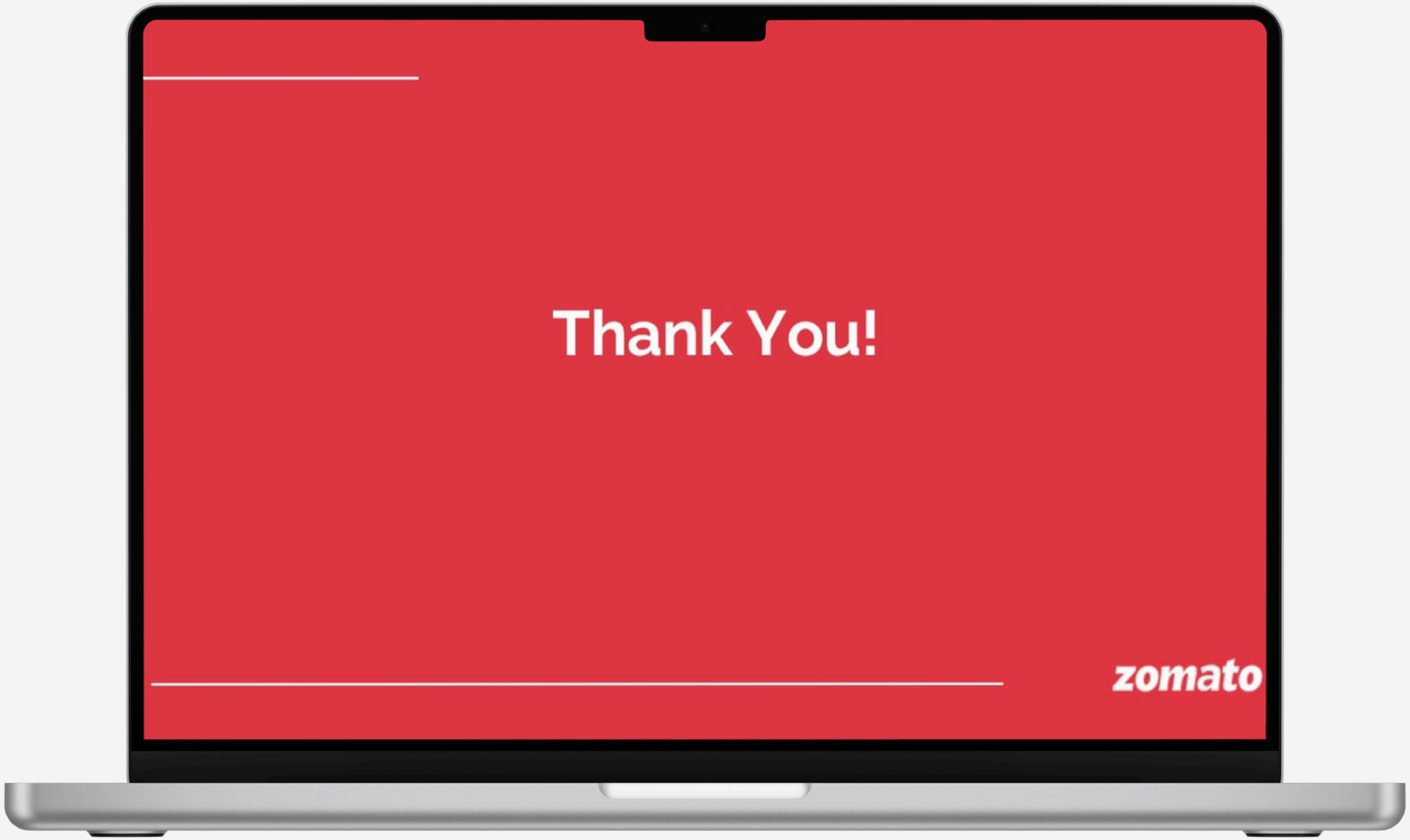
Capture untapped demand outside metros

Build lighter, asset-efficient dark stores for Blinkit

Mitigate Risks

Hedge regulatory exposure with diversified revenue streams

Build rider loyalty programs to reduce attrition


Thank You!
zomato