

Eternal(formerly Zomato): Quarterly Financial Performance Analysis & Business Trajectory

Insights for Strategic Growth

Pratanu Roy.

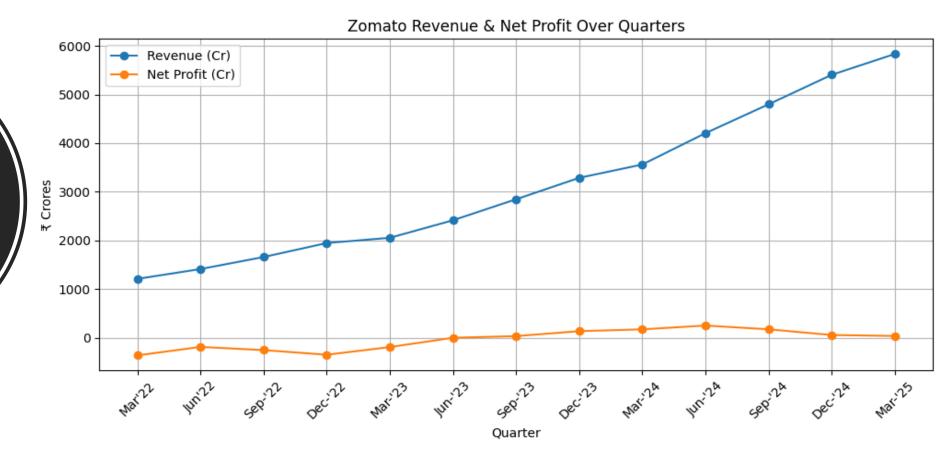
Data Source- Screener, Yahoo Finance

Analysis Objective & Data Snapshot

	Quarter	Revenue(Cr)	Net Profi(Cr)	EPS	Stock Price
0	Mar'22	1212.0	-360.0	-0.46	82.30
1	Jun'22	1414.0	-186.0	-0.24	53.90
2	Sep-'22	1661.0	-251.0	-0.29	62.35
3	Dec-'22	1948.2	-346.6	-0.41	59.35
4	Mar-'23	2056.0	-189.0	-0.22	50.96

- Objective: To analyse Zomato's quarterly performance using financial KPIs (Revenue, Net Profit, EPS) and stock price trends to understand the company's business trajectory and inform strategic decisions.
- Data Overview: We analysed quarterly financial data including:
- Revenue (in Crores)
- Net Profit (in Crores)
- Earnings Per Share (EPS)
- Stock Price

Revenue & Net Profit: A Trajectory of Growth and Recovery

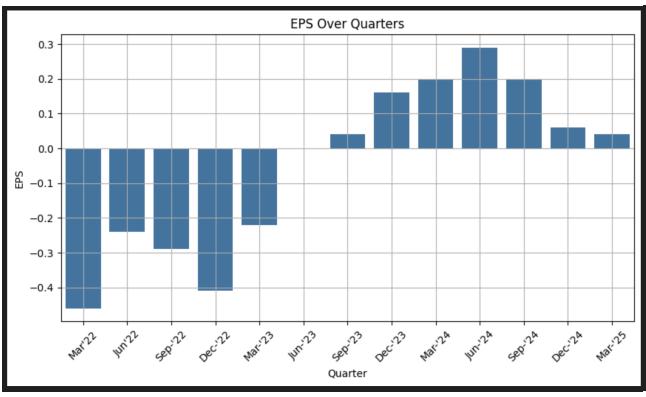


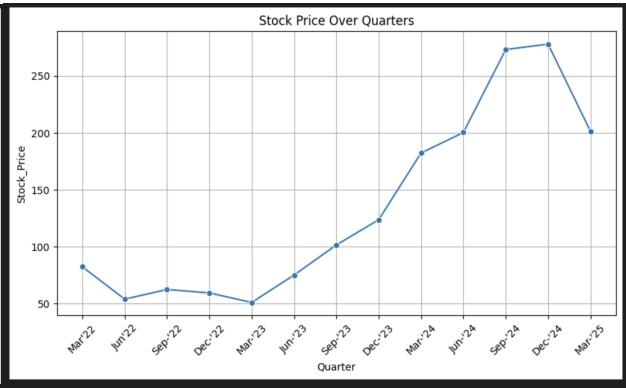
- Overall Trend: Zomato has shown consistent growth in Revenue, indicating expansion and increased market penetration. Net Profit, initially negative, has demonstrated a significant positive trend, moving towards profitability.
- **Revenue Growth:** Revenue has steadily increased over the quarters. For example, it grew from 1212.0 Cr in Mar'22 to 5833.0 Cr in Mar'25. This highlights a robust top-line expansion.
- **Net Profit Evolution:** The company has successfully transitioned from substantial net losses (e.g., -360.0 Cr in Mar'22) to positive net profits in recent quarters (e.g., 39.0 Cr in Mar'25), showcasing improved operational efficiency and cost management.

Investor Confidence: EPS and Stock Price Dynamics

Earnings Per Share (EPS) Trend Over Quarters

Stock Price Trend Over Quarters





- **EPS Trend:** EPS has consistently improved, moving from negative values to positive in recent quarters (e.g., from -0.46 in Mar'22 to 0.04 in Mar'25). This is a strong indicator of Zomato's improving financial health and shareholder value.
- Stock Price Volatility & Trends: Zomato's stock price experienced initial volatility post-IPO. However, recent trends suggest a more stable or upward trajectory, aligning with the positive shift in financial performance and investor sentiment.
- **Correlation:** The improving EPS appears to be positively correlated with the recent stabilization and potential uptick in the stock price, reflecting renewed investor confidence.

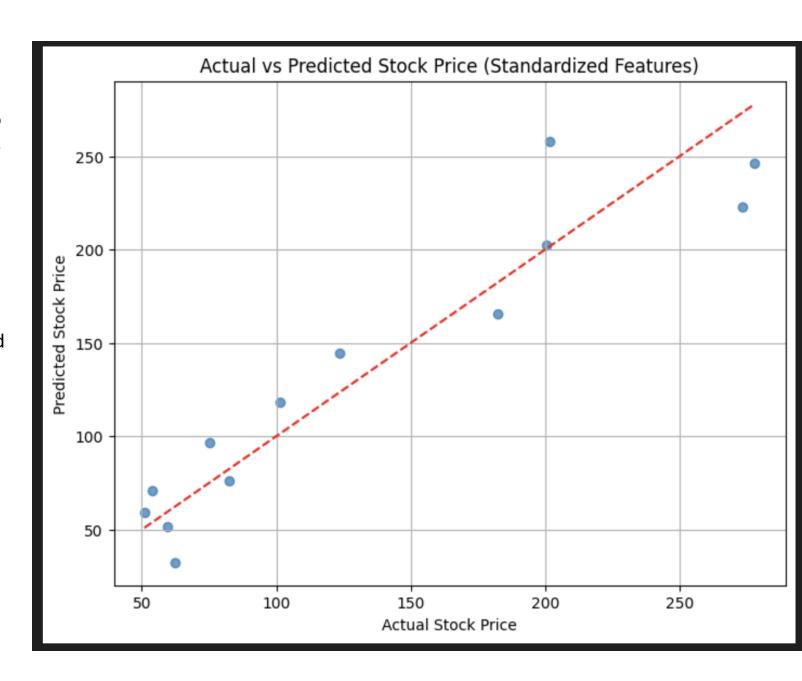
Net Profit Margin Trend -5 -10 -15 -20 -25

Operational Efficiency: Net Profit Margin Analysis

- Definition: Net Profit Margin measures how much net profit Zomato makes for every rupee of revenue. It's a crucial indicator of the company's efficiency in converting revenue into profit.
- Trend Analysis: The Net Profit Margin has shown a clear and consistent improvement. This indicates that Zomato is becoming increasingly efficient in managing its costs relative to its revenue, leading to a more sustainable business model.
- Significance: An improving net profit margin is vital for a CEO as it signals that the company's core operations are becoming more effective and profitable, leading to stronger financial foundations.

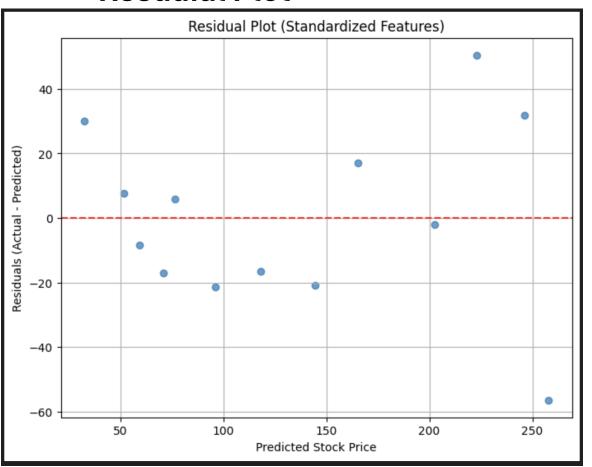
Drivers of Valuation: Regression Analysis Insights

- Purpose: We performed a regression analysis to identify and quantify how Zomato's key financial metrics (Revenue, Net Profit, EPS) influence its Stock Price.
- Key Findings: Our analysis reveals that all three features – Revenue, Net Profit, and EPS – have a positive relationship with Stock Price. Specifically, the standardized coefficients indicate that Net Profit and EPS tend to have a stronger positive effect on Stock Price compared to Revenue.
- Coefficient Interpretation: A higher coefficient suggests a greater impact. This means improvements in Net Profit and EPS are particularly influential in driving the company's stock valuation.
- R-squared: 0.8846322903095166
- Coefficients: [66.38428757 415.04058038 406.80594469]
- Intercept: 134.20384615384614

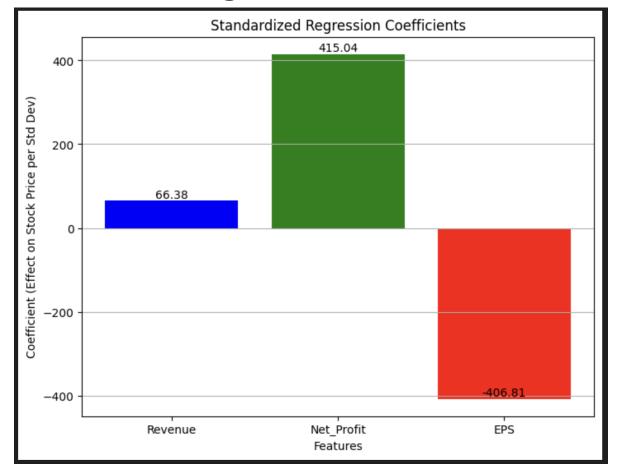


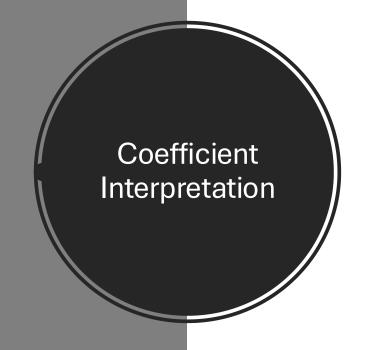
Regression Model Insights: Drivers & Diagnostics

Resudial Plot



Standard Regression Coefficients





Variable	Coefficient	Interpretation	
Revenue	+66.38	Stock price increases with higher revenue.	
Net Profit	+415.04	Net profit strongly boosts stock price.	
EPS	-406.81	EPS shows a negative impact—may signal overvaluation concerns or multi collinearit	

Strategic Outlook: Key Takeaways & Conclusion

- **Summarize Overall Performance:** Zomato is demonstrating a strong financial recovery and growth trajectory. The company has successfully navigated initial challenges and is now on a clear path towards sustainable profitability and enhanced shareholder value.
- Positive Indicators:
- Consistent and healthy Revenue Growth.
- Significant turnaround and sustained improvement in Net Profit.
- Transition to positive **Earnings Per Share (EPS)**.
- Improved **Net Profit Margin**, reflecting operational efficiency.
- Financial metrics are positively influencing **Stock Price**.
- **Future Potential:** The consistent improvement in key financial indicators positions Zomato well for continued long-term growth, market leadership, and increased investor confidence.













Key Figures:

Most Recent Quarter: Mar'25 Revenue:[20,243.00] Cr Net Profit: [527.00] Cr

Net Profit Margin: [0.67]%

EPS: [0.55]



Stock Price: [201.50]



Revenue Change (from previous quarter):7.92%

Recommendations & Future Considerations

Strategic Focus:

- Continue to focus on driving revenue growth through market expansion and product innovation.
- Further optimize operational costs to enhance net profit margins.
- Leverage improving profitability and EPS to maintain strong investor relations.

Further Analysis:

- Conduct a deeper dive into customer acquisition costs and lifetime value.
- Perform a detailed competitor analysis to benchmark performance and identify growth opportunities.
- Analyse market share and penetration in key geographies.