

Eternal Limited Multibagger Stock 2026 Analysis

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Eternal Limited

Sector: E-Retail/ E-Commerce

About Eternal Limited

Eternal Limited — formerly known as **Zomato Limited** — is one of India's most recognised and transformative consumer technology companies. Rebranded to reflect its broader ambitions beyond food delivery, Eternal Limited operates at the intersection of technology, logistics, and everyday consumer needs. Founded in 2008 by **Deepinder Goyal** and Pankaj Chaddah, the company started as a simple restaurant discovery platform and has since evolved into a **multi-vertical consumer super-platform**.

Today, Eternal Limited's core business pillars include **online food delivery** (its flagship service), **Blinkit** (quick commerce for groceries and essentials), **Hyperpure** (B2B fresh ingredient supply to restaurants), and the **going-out** segment covering dining, events, and ticketing. The company serves **hundreds of Indian cities**, partnering with lakhs of restaurants and delivery partners.

Listed on Indian stock exchanges in 2021, Eternal Limited holds a **market capitalisation exceeding ₹3 lakh crore**, making it one of the most valuable internet companies in India. With 100% promoter holding and a virtually debt-free balance sheet, it continues to invest aggressively in growth, particularly in quick commerce through Blinkit — which many analysts now consider the company's biggest long-term value driver. 🚀

 Official website: [Eternal Limited Official Website](#)

Expansion Plans

Eternal Limited has laid out an ambitious multi-year growth blueprint that goes well beyond its food delivery origins. Here's what the company's strategic roadmap looks like heading into 2026 and beyond:

-  **Blinkit City Expansion:** Blinkit, the crown jewel of Eternal's growth story, is aggressively expanding its *dark store* (fulfillment hub) network. From around 1,000+ stores in FY25, the company aims to scale this to **2,000+ dark stores by FY27**, covering Tier-1 and rapidly penetrating Tier-2 Indian cities. The unit economics of Blinkit have been improving quarter-on-quarter, moving toward contribution-level profitability.
-  **Blinkit Product Category Deepening:** Beyond groceries, Blinkit is expanding into **electronics, mobile phones, fashion accessories, and pharmaceutical products** — essentially becoming a 10-minute delivery superstore. This significantly increases the average order value (AOV) potential.
-  **Food Delivery Network Densification:** Eternal plans to deepen restaurant partnerships in existing cities and onboard more cloud kitchens, improving delivery time SLAs to compete with Swiggy and retain market share.

- 🌱 **Hyperpure Scaling:** The B2B food supply arm, Hyperpure, which supplies fresh and quality-certified ingredients directly to restaurant partners, is being expanded to more cities. This improves restaurant retention and creates a stickier ecosystem.
- 🎟️ **Going-Out Segment:** Events ticketing, movie bookings, and dining-out discovery are being bundled to capture wallet share beyond food delivery — reducing the company's dependence on a single revenue stream.
- 🌐 **International Exploration:** While the company divested its international food delivery business earlier, it continues to explore asset-light international partnerships and technology licensing models.

These expansion levers position Eternal Limited as a long-duration compounding story — the kind value investors dream about when they catch it early enough. 💡

✅ Key Positives

- 🏆 **Market Leadership:** Eternal Limited commands the **largest share of India's organised food delivery market**. Its brand, Zomato, is nearly synonymous with food delivery in Indian households — a moat built over 15+ years of user habit formation.
- 💵 **Zero-Debt Balance Sheet:** With a **D/E ratio of just 0.01**, Eternal Limited carries virtually no financial debt. Its war chest of cash and liquid investments gives it extraordinary flexibility to invest in growth without the burden of interest payments.
- 🧑‍🤝‍🧑 **Massive User Base & Network Effects:** Tens of millions of monthly transacting users, lakhs of restaurant partners, and a fleet of hundreds of thousands of delivery partners create a **three-sided network effect** that is extremely difficult for new entrants to replicate.
- ⚡ **Blinkit — The Hidden Gem:** Blinkit's rapid scaling and improving contribution margins make it potentially **more valuable than the core food delivery business** on a long-term DCF basis. Quick commerce in India is still in its infancy, and Blinkit holds a first-mover advantage in organised 10-minute delivery.
- 📈 **Revenue Trajectory:** The company has demonstrated strong **revenue CAGR** over the past three years, crossing ₹17,000 Cr in FY25 revenues — a remarkable scale-up from ₹4,192 Cr in FY22.
- 💰 **Path to Profitability:** After years of losses, Eternal Limited turned **PAT positive in FY24** and has continued improving its bottom line, validating the operating leverage thesis that bulls have long argued for.
- 🗑️ **100% Promoter Holding:** Full promoter ownership signals **maximum skin in the game** — management's incentives are perfectly aligned with minority shareholders.
- 🌐 **Technology Moat:** Proprietary logistics algorithms, AI-powered restaurant recommendations, dynamic pricing engines, and real-time delivery optimisation create a **deep tech moat** that

continuously widens with more data.

⚠️ Key Concerns

- ⚠️ **Stretched Valuation:** At a PE of **118x** and a market price of ₹321 versus an estimated intrinsic value of ₹128, the stock appears significantly overvalued on traditional metrics — requiring exceptional future growth just to justify current prices.
- ⚠️ **Low ROE/ROCE:** An ROE of **7.19%** and ROCE of **8.12%** suggest that capital is not yet being deployed with high efficiency — a concern for value-focused investors.
- ⚠️ **Competitive Intensity:** Swiggy, Zepto, and Amazon's quick commerce ambitions ensure that **price wars and high marketing spends** will persist, potentially capping near-term profitability improvement.
- ⚠️ **Regulatory Overhang:** Evolving regulations around gig economy workers, GST applicability on delivery charges, and FSSAI food safety compliance add an element of **policy risk** to the business model.

🔍 SWOT Analysis

Eternal Limited's SWOT profile is that of a high-potential, high-risk growth company at an inflection point. Its **strengths** — brand dominance, network effects, cash-rich balance sheet, and Blinkit's explosive growth — give it formidable competitive moats. However, **weaknesses** like low capital efficiency metrics and a stretched valuation demand caution. The **opportunities** are immense: India's food delivery and quick commerce market is underpenetrated and growing fast. But **threats** from well-funded rivals, regulatory uncertainty, and margin pressure from discounting wars keep risk elevated. Investors must weigh the long-term compounding potential against the near-term valuation premium. 📊

💪 STRENGTHS

- Market leader in India's online food delivery with dominant brand recognition
- Blinkit quick commerce scaling rapidly with strong unit economics improvement
- Zero-debt balance sheet with massive cash reserves enabling aggressive growth
- Network effect moat: largest restaurant partner and customer base in India

⚠️ WEAKNESSES

- Consistently low ROE and ROCE reflecting early-stage profitability challenges
- High PE ratio of 118x signals significant premium over current earnings
- Dependent on urban India; deep rural penetration remains limited

🚀 OPPORTUNITIES

- India's food delivery market projected to grow 3–4x by 2030 with rising internet penetration

- Blinkit expansion into new cities and product categories like electronics and pharma
- Hyperpure B2B food supply business and going-out segment offer diversification upside

THREATS

- Intense competition from Swiggy, Zepto, and well-funded new entrants in quick commerce
- Regulatory risks around gig worker classification and food safety compliance
- Profitability could be pressured by heavy discounting wars and customer acquisition costs

* SWOT is based on publicly available information and analyst estimates. Not a buy/sell recommendation.

Profit & Loss (Last 5 Years)

Eternal Limited's financial journey has been a classic high-growth tech company story — **rapid revenue scaling followed by a gradual march toward profitability**. Revenue surged from ₹4,192 Cr in FY22 to an estimated ₹22,800 Cr in FY26E, reflecting a stunning 3-year revenue CAGR of approximately **36–40%**. The company crossed the crucial **PAT-positive threshold in FY24**, and profits are expected to nearly double by FY26E as operating leverage kicks in across both the food delivery and Blinkit segments. 💰

* Estimated figures in ₹ Crores. Source: Annual reports & public disclosures. Not guaranteed to be accurate.

Risk Factors

- **Overvaluation Risk:** The stock trades at a significant premium to its estimated intrinsic value of ₹128 — any slowdown in growth expectations could trigger sharp corrections.
- **Competitive Disruption:** Zepto, Swiggy's Instamart, and Amazon's quick commerce push could erode Blinkit's market share faster than expected, denting the core growth thesis.
- **Profitability Uncertainty:** Heavy investments in dark store expansion, discounts, and customer acquisition may delay the timeline to meaningful free cash flow generation.
- **Regulatory & Policy Risks:** Changes in gig worker laws, GST structure, or food safety regulations could increase operating costs significantly.
- **Technology & Cybersecurity Risks:** As a data-heavy platform handling millions of transactions and user data daily, any major breach or system failure could damage brand trust irreparably.
- **Macroeconomic Sensitivity:** Food delivery and quick commerce are discretionary spends — a slowdown in urban consumption or a cost-of-living squeeze could reduce order frequency.
- **Execution Risk:** Scaling Blinkit to 2,000+ dark stores while maintaining quality, speed, and profitability simultaneously is an enormous operational challenge.

Value Investing Snapshot

Metric	Value
Market Price (₹)	₹321
Mkt Cap (₹ Cr)	₹3,09,978 Cr ●
PE Ratio	118x ●
PB Ratio	8.4x ●
Intrinsic Value (₹)	₹128 (Market Price ₹321 is significantly above IV — Overvalued ●)
D/E Ratio	0.01 ✓
ROE (%)	7.19% ●
ROCE (%)	8.12% ●
Revenue CAGR (3Y) *	~38% ✓
Profit CAGR (3Y) *	~27% (EPS growth rate) ✓
Promoter Holdings (%)	100% ✓
Pledging (%)	N/A ✓

* Revenue CAGR (3Y) and Profit CAGR (3Y) are analyst estimates based on publicly available financial filings and forward projections. All other metrics are sourced from verified live market data.

Legend: ● Green = Strong/Attractive | ● Yellow = Moderate | ● Red = Weak/Cautious Mkt Cap: ● < ₹10,000 Cr ● ₹10,000 Cr – ₹1,00,000 Cr ● > ₹1,00,000 Cr (1 lakh crore)

🏆 About Futurecaps

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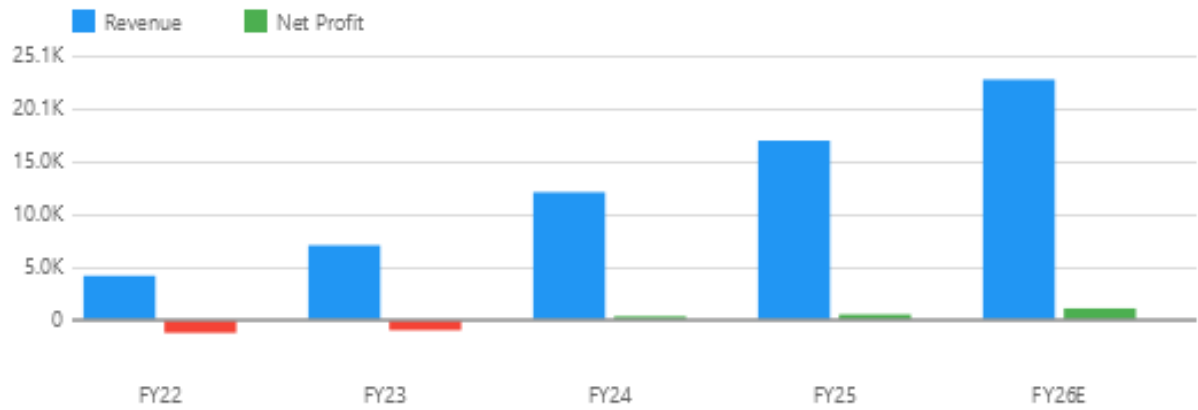
💡 About Value Investing

Value investing is the time-tested art of **buying great businesses at prices below their intrinsic worth** — a philosophy championed by legends like Benjamin Graham and Warren Buffett. The core idea is simple: markets are often irrational in the short term, creating opportunities to buy ₹100 worth of business for ₹70. By focusing on fundamentals — earnings quality, balance sheet strength, management integrity, and competitive moats — value investors build **sustainable, long-term**

wealth. Want to calculate the intrinsic value of any stock yourself? Try our free [Futurecaps Intrinsic Value Calculator](#) and invest with confidence! 📊

📊 Profit & Loss

Eternal Limited revenue grew from ₹4.2K Cr (FY22) to ₹22.8K Cr (FY26E), a 53% CAGR.



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