

Ebitdad Rajat



Trading Comps Valuation – Zomato Ltd.

Executive Summary

Based on the Analysis, Zomato Ltd is Overvalued based on the Trading Comps Valuation with the price range of INR Negative to 59.39 as on 26th March, 2024 compared to the current market price of INR 177. However, it is important to conduct further research and analysis before making any investment decision.

Details of Comparable Companies

Zomato Ltd.	Incorporated in 2010, Zomato Limited is one of the leading online Food Service platforms in terms of the value of food sold. Its offerings include food delivery, dining-out services, Loyalty programs, and others.
Jubliant Food Works Limited.	Devyani International Limited (DIL) is the largest franchisee of Yum Brands in India and is among the largest operators of chain quick service restaurants (QSR) in India. In addition, DIL is a franchisee for the Costa Coffee brand and stores in India.
Devyani International Limited	Mahindra & Mahindra Ltd is one of the most diversified automobile company in India with presence across 2-wheelers, 3-wheelers, PVs, CVs, tractors & earthmovers.
Westlife Food World Limited	Westlife Development Limited (WDL) focuses on establishing and operating McDonald's restaurants across West and South India, through its wholly owned subsidiary Hardcastle Restaurants Pvt Ltd (HRPL).
Sapphire Foods India	Sapphire Foods is one of the largest franchisees of Yum! Brands Inc. in the subcontinent, and operates more than 400 KFC, Pizza Hut, and Taco Bell restaurants across India, Sri Lanka, and the Maldives.
Info Edge (India) Ltd	Info Edge is India's premier online classified company with a portfolio of brands. It owns various brands in different fields like naukri.com (online recruitment), 99acres.com (online real estate), jeevansathi.com (online matrimonial) as well as shiksha.com (online education information services).

Source: Company Filings

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Trading Comps Valuation – Zomato Ltd.

Amt In INR (Rs)

Company Name	Ticker	CMP	Market Cap	Total Debt	EV	LTM Financials			FY24F Financials			FY25F Financials		
						Sales	EBITDA	Net Profit	Sales	EBITDA	Net Profit	Sales	EBITDA	Net Profit
Zomato	ZOMATO	178.00	156,996.00	521	156,379	7,761	-529.00	-971.00	9,806.00	-261.00	-488.00	12,555.00	16.00	200.00
Jubliant FoodWorks Ltd.	JUBLFOOD	455.00	30,030.00	2608	32,521	5,208	1,175.00	353.00	6,521.00	1,265.00	515.00	7,703.00	1,403.00	626.00
Devyani International Ltd	DEVYANI	154.00	18,634.00	1683	20,258	3,030	670.01	264.99	4,490.00	896.00	365.00	6,021.00	1,121.00	512.00
Sapphire Foods India	SAPPHIRE	171.00	10,128.30	1070	11,038	2,296.7	459.47	233.34	3,481.12	587.15	484.23	4,831.56	649.19	656.16
Westlife FoodWorld Ltd	WESTLIFE	757.00	11,809.20	1265	13,047	2,298.5	394.39	111.58	3,219.00	489.92	312.21	4,890.00	612.10	505.15
Info Edge (India) Ltd	NAUKRI	5189	66,938	274	67733.95	2738.54	231.97	-107.41	4,302.00	421.60	211.40	5,505.00	509.10	387.00

Company Name	Reported Currency	Exchange Rate	Credit Rating (LT)	Shares Outstanding	EPS	LTM Multiples (x)			FY24 Multiple (x)			FY25 Multiple (x)		
						EV/Sales	EV/EBITDA	Price/Earnings	EV/Sales	EV/EBITDA	Price/Earnings	EV/Sales	EV/EBITDA	Price/Earnings
Zomato	INR	1.00	-	882	-1.21	20.15x	-295.61x	-147.11x	15.95x	-599.15x	-304.93x	12.46x	9773.71x	744.04x
Jubliant FoodWorks Ltd.	INR	1.00	A1+/ Crisil	66	5.35	6.24x	27.68x	85.05x	4.99x	25.71x	58.29x	4.22x	23.18x	47.96x
Devyani International Ltd	INR	1.00	A-/ Care	121	2.20	6.69x	30.23x	70.03x	4.51x	22.61x	50.84x	3.36x	18.07x	36.24x
Sapphire Foods India	INR	1.00	A/ ICRA	6.37	36.75	4.81x	24.02x	4.65x	3.17x	18.80x	2.24x	2.28x	17.00x	1.65x
Westlife FoodWorld Ltd	INR	1.00	-	15.6	7.16	5.68x	33.08x	105.77x	4.05x	26.63x	37.80x	2.67x	21.32x	23.36x
Info Edge (India) Ltd	INR	1.00	-	1.32	101.24	24.73x	291.99x	51.25x	15.74x	160.66x	316.64x	12.30x	133.05x	172.97x
High						24.73x	291.99x	105.77x	15.95x	160.66x	316.64x	12.46x	9773.71x	744.04x
75th Percentile						16.78x	32.37x	81.29x	13.06x	26.40x	56.43x	10.28x	105.58x	141.71x
Average						11.38x	18.57x	28.27x	8.07x	-57.46x	26.81x	6.22x	1664.39x	171.04x
Median						6.46x	28.96x	60.64x	4.75x	24.16x	44.32x	3.79x	22.25x	42.10x
25th Percentile						5.82x	24.94x	16.30x	4.17x	19.75x	11.13x	2.84x	18.88x	26.58x
Low						4.81x	-295.61x	-147.11x	3.17x	-599.15x	-304.93x	2.28x	17.00x	1.65x

Source: Own Calculation

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Trading Comps Valuation – Zomato Ltd.

Valuation Metrics	Year	Total Debt	Implied EV	Implied Market Value	Equity Shares Outstanding	Implied Value Per Share
EV/Sales	LTM	521.00	50172.68	49,651.68	836.00	59.39
	FY24	521.00	46572.82	46,051.82	836	55.09
	FY25	521.00	47623.37	47,102.37	836	56.34

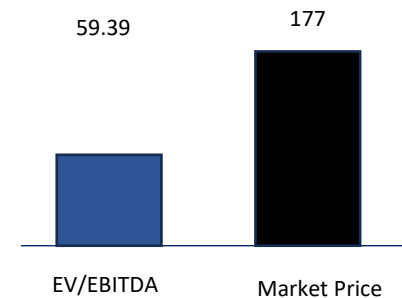
Conclusion

The Trading Comps Valuation suggest that Zomato stock is Overvalued in the market.

This shows that Zomato stock is trading the price range of Rs 59.39 of the EV/EBITDA Peer comparable companies in the industry.

Despite trading with over the price range of Peer Comparable Companies, Zomato' current market price of 177 showcases a notable investor optimism. Investors are evidently are paying premium for Zomato's shares, underscoring confidence in the company's future business prospects. The company is investing heavily in growth initiatives such as research and development, marketing, or expanding its operations. These investments can lead to negative earnings. This overvaluation is attributed to Zomato' robust Goodwill, Customer base, Technology, well-established Brand, and a track record of Consistent Revenue Growth..

Relative Pricing Analysis



Peer Comps

- General Information
- Enterprise Value
- LTM Returns on Investment Ratios
- Reported Income Statement
- Reported Cashflow Statement

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Peers Comps 1: Zomato Ltd

General Information

Company Name	Zomato
Ticker	ZOMATO
BSE Code	543320
Current Price	178
Reported Currency	INR
52-Week High Price	178
52-Week Low Price	50

Source: Screener

Enterprise Value

Per Share Price	178
Shares Outstanding	882
Market Capitalization	156996
Plus: Total Debt	521
Plus: Preferred Stock	0
Plus: Minority Interest	-6.6
Less: Cash and Cash Equivalents	1131
Enterprise Value	156379.4

Source: Tickertape

LTM Returns on Investment Ratios

Return on Invested Capital	-8.89%
Return on Equity	-5.91%
Return on Assets	-5.46%
Dividend per Share	Rs 2.

Source: Screener

Reported Income Statement

In INR (Rs)

Particulars	Historical			Projected	
	2021	2022	2023	2024	2025
Sales	2,118	5,010	7,761	9,806	12,555
EBITDA	-667	-1,058	-529	-261	16
Net Income	-812	-1,208	-971	-488	200
Debt	1	0	41	50	56
Shares Outstanding	207	764	836	836	836
EPS	-3.75	-2.49	-1.21	-0.58	0.24
PE	-47.47	-71.49	-147.11	-304.93	744.04

Source: Tickertape

Cash Flow Statement Data

In INR (Rs)

Particulars	2021	2022	2023
Cash Flow From Operations	-1,017.00	-693.00	-844.00
Capital Expenditures	10.40	59.00	103.00
% Sales	-100%	-99%	-99%
Free Cash Flow	-1,027.40	-752.00	-947.00
% Margin	101%	109%	112%
FCF/Share	-5.77	-4.22	-5.32
Depreciation & Amortization	129	133	140
% Sales	6.09%	2.65%	1.80%

Source: Screener, Company Filings

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Peers Comps 2: Jubliant FoodWorks Ltd.

General Information

Company Name	Jubliant FoodWorks Ltd.
Ticker	JUBLFOOD
BSE Code	533155
Current Price	455
Reported Currency	INR
52-Week High Price	581
52-Week Low Price	422

Source: Screener

Enterprise Value

Per Share Price	455
Shares Outstanding	66
Market Capitalization	30030
Plus: Total Debt	2608
Plus: Preferred Stock	0
Plus: Minority Interest	0
Less: Cash and Cash Equivalents	117
Enterprise Value	32521

Source: Tickertape

LTM Returns on Investment Ratios

Return on Invested Capital	15.50%
Return on Equity	18.10%
Return on Assets	7.10%
Dividend per Share (Last Year)	Rs. 79.2

Source: Screener

Reported Income Statement

In INR (Rs)

Particulars	Historical			Projected	
	2021	2022	2023	2024	2025
Sales	3384	4437	5208	6521	7703
EBITDA	844	1132	1175	1265	1403
Net Income	231	420	353	515	626
Debt	1620	2106	2554	2895	31055
Shares Outstanding	65.98	65.98	65.98	65.98	65.98
EPS	3.5	6.4	5.4	7.8	9.5
PE	129.96	71.48	85.05	58.29	47.96

Source: Tickertape

Cash Flow Statement Data

In INR (Rs)

Particulars	2021	2022	2023
Cash Flow From Operations	750.64	930.03	1,026.00
Capital Expenditures	218.59	458.40	842.03
% Sales	-94%	-90%	-84%
Free Cash Flow	532.05	471.63	183.97
% Margin	71%	51%	18%
FCF/Share	1.17	1.04	0.40
Depreciation & Amortization	367	383	475
% Sales	10.85%	8.63%	9.12%

Source: Screener, Company Filings

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Peers Comps 3: Devyani International Ltd

General Information

Company Name	Devyani International Ltd
Ticker	DEVYANI
BSE Code	543330
Current Price	154
Reported Currency	INR
52-Week High Price	224
52-Week Low Price	139

Source: Screener

Enterprise Value

Per Share Price	154
Shares Outstanding	121
Market Capitalization	18634
Plus: Total Debt	1683
Plus: Preferred Stock	0
Plus: Minority Interest	-6.16
Less: Cash and Cash Equivalents	53.2
Enterprise Value	20257.64

Source: Tickertape

LTM Returns on Investment Ratios

Return on Invested Capital	17.90%
Return on Equity	33.90%
Return on Assets	10.70%
Dividend per Share	Rs 0

Source: Screener

Reported Income Statement

Particulars	Historical			Projected	
	2021	2022	2023	2024	2025
Sales	1274.12	2103.38	3030.31	4490	6021
EBITDA	316.66	473.2	670.01	896	1121
Net Income	-55.21	156.33	264.99	365	512
Debt	1328	1254	1565	1672	1984
Shares Outstanding	115.36	120.47	120.5	120.5	120.5
EPS	-0.48	1.30	2.20	3.03	4.25
PE	-321.78	118.67	70.03	50.84	36.24

Source: Tickertape

Cash Flow Statement Data

Particulars	In INR (Rs)		
	2021	2022	2023
Cash Flow From Operations	239.56	450.59	637
Capital Expenditures	137.34	306.25	437.31
% Sales	10.78%	14.56%	14.43%
Free Cash Flow	102.22	144.34	199.69
% Margin	0.43	0.32	0.31
FCF/Share	0.66	0.94	1.30
Depreciation & Amortization	191	185	239
% Sales	14.99%	8.80%	7.89%

Source: Screener, Company Filings

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Peers Comps 3: Westlife FoodWorld Ltd

General Information

Company Name	Westlife FoodWorld Ltd
Ticker	WESTLIFE
BSE Code	505533
Current Price	757
Reported Currency	INR
52-Week High Price	988
52-Week Low Price	668

Source: Screener

Enterprise Value

Per Share Price	757
Shares Outstanding	15.6
Market Capitalization	11809.2
Plus: Total Debt	1265
Plus: Preferred Stock	0
Plus: Minority Interest	0
Less: Cash and Cash Equivalents	27
Enterprise Value	13047.2

Source: Tickertape

LTM Returns on Investment Ratios

Return on Invested Capital	12.3%
Return on Equity	21.7%
Return on Assets	5.7%
Dividend per Share	53.8

Source: Screener

Reported Income Statement

In INR (Rs)

Particulars	Historical			Projected	
	2021	2022	2023	2024	2025
Sales	1034.52	1604.23	2298.52	3219	4890
EBITDA	95.44	216.96	394.39	489.92	612.1
Net Income	-99.42	-1.67	111.58	312.21	505.15
Debt	968	1055	1203	1417	1590
Shares Outstanding	15.58	15.59	15.59	15.59	15.59
EPS	-6.38	-0.11	7.16	20.03	32.40
PE	-118.63	-7066.84	105.77	37.80	23.36

Source: Tickertape

Cash Flow Statement Data

In INR (Rs)

Particulars	2021	2022	2023
Cash Flow From Operations	129.24	170.58	348.52
Capital Expenditures	50.03	100.08	269.63
% Sales	4.84%	6.24%	11.73%
Free Cash Flow	79.21	70.5	78.89
% Margin	61.29%	41.33%	22.64%
FCF/Share	0.10	0.09	0.10
Depreciation & Amortization	0	0	0
% Sales	0.00%	0.00%	0.00%

Source: Screener, Company Filings

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Peers Comps 4: Sapphire Foods India

General Information

Company Name	Sapphire Foods India
Ticker	SAPPHIRE
BSE Code	543397
Current Price	1590
Reported Currency	INR
52-Week High Price	1589
52-Week Low Price	1165

Source: Screener

Enterprise Value

Per Share Price	1590
Shares Outstanding	6.37
Market Capitalization	10128.3
Plus: Total Debt	1070
Plus: Preferred Stock	0
Plus: Minority Interest	2244
Less: Cash and Cash Equivalents	2404
Enterprise Value	11038.3

Source: Tickertape

LTM Returns on Investment Ratios

Return on Invested Capital	10.60%
Return on Equity	21%
Return on Assets	9.87%
Dividend per Share	Rs. 0

Source: Screener

Reported Income Statement

In INR (Rs)

Particulars	Historical			Projected	
	2021	2022	2023	2024	2025
Sales	1081.24	1759.55	2296.66	3481.12	4831.56
EBITDA	186.02	343	459.47	587.15	649.19
Net Income	-98.47	46.47	233.34	484.23	656.16
Debt	645	789	963	963	963
Shares Outstanding	5.28	6.35	6.35	6.35	6.35
EPS	-18.65	7.32	36.75	76.26	103.33
PE	-85.26	217.27	43.27	20.85	15.39

Source: Tickertape

Cash Flow Statement Data

In INR (Rs)

Particulars	2021	2022	2023
Cash Flow From Operations	154.07	394.89	381.82
Capital Expenditures	73.98	285.27	384.15
% Sales	6.84%	16.21%	16.73%
Free Cash Flow	80.09	109.62	-2.33
% Margin	52%	28%	-1%
FCF/Share	0.05	0.07	0.00
Depreciation & Amortization	174	180	237
% Sales	16.09%	10.23%	10.32%

Source: Screener, Company Filings

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Peers Comps 5: Info Edge (India) Ltd

General Information

Company Name	Info Edge (India) Ltd
Ticker	NAUKRI
BSE Code	532777
Current Price	5189
Reported Currency	INR
52-Week High Price	5492
52-Week Low Price	3565

Source: Screener

Enterprise Value

Per Share Price	5189
Shares Outstanding	12.9
Market Capitalization	66938.1
Plus: Total Debt	274
Plus: Preferred Stock	0
Plus: Minority Interest	1027.85
Less: Cash and Cash Equivalents	506
Enterprise Value	67733.95

Source: Tickertape

LTM Returns on Investment Ratios

Return on Invested Capital	-9.33%
Return on Equity	-1.64%
Return on Assets	-1.35%
Dividend per Share	Rs. 245

Source: Screener

Reported Income Statement

Particulars	In INR (Rs)				
	Historical			Projected	
	2021	2022	2023	2024	2025
Sales	2711.51	1589.46	2738.54	4302	5,505
EBITDA	1657.96	14256.45	231.97	421.6	509.1
Net Income	1416.3	12759.56	-107.41	211.4	387
Debt	65	64	108	108	108
Shares Outstanding	12.85	12.87	12.9	12.9	12.9
EPS	110.22	991.42	-8.33	16.39	30.00
PE	47.08	5.23	-623.20	316.64	172.97

Source: Tickertape

Cash Flow Statement Data

Particulars	In INR (Rs)		
	2021	2022	2023
Cash Flow From Operations	275.7	706.75	520.7
Capital Expenditures	8.33	191.69	127.57
% Sales	0.31%	12.06%	4.66%
Free Cash Flow	267.37	515.06	393.13
% Margin	97%	73%	76%
FCF/Share	0.05	0.10	0.08
Depreciation & Amortization	44.28	40.06	44.74
% Sales	1.63%	2.52%	1.63%

Source: Screener, Company Filings



Trading Comps Valuation – Zomato Ltd.

Disclaimer

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