

Brainbees Solutions | BUY

Mixed quarter; outlook improving going ahead

FirstCry reported a mixed 2QFY26, with IMC GMV growing 12% YoY due to delayed consumption owing to GST reforms and slower offline business, whereas International GMV grew 8.9% YoY. GlobalBees revenue got dragged due to non-core brands leading to 14% YoY despite core brands growing 30% YoY. While consolidated gross margin declined 60bps YoY to 36.7% due to increased discounting in IMC; Adj. EBITDA margin improved 160bps YoY to 5.8% due to better operating leverage. While quarter's performance was impacted by GST reforms and GlobalBees drag, strong brand positioning, rising home brand salience, and omni-channel presence, coupled with store expansion plans, position the company for a healthier growth and margin expansion ahead. We maintain 'BUY' rating with revised SoTP-based Sep'26 TP of INR 480.

- **India Multi-channel (IMC) impacted by delayed consumption:** IMC segment saw GMV growth of 12% YoY (+11% QoQ), a miss on JMFe by 2%. Growth was driven by 12% YoY growth in transacting users, though order volume grew 7% only. The moderation in growth was mainly due to 1) delayed consumption in 2nd half of quarter due to GST reforms, 2) slowdown in offline business due to muted demand environment and closure of 38 COCO stores in 3Q. Revenue stood at INR 13.8bn, 7.9% YoY growth. While YoY growth has been muted, there has been improvement on sequential basis in both online and offline. We believe that moats for FirstCry remain intact with BabyHug being the largest childcare brand in the country and private labels accounting for c.55% of the GMV in FY25. Gross margin has declined 30bps YoY due to increased discounting to revive growth in late 2Q; however, Adj. EBITDAM saw a rise of 60bps YoY to reach 9.1% due to improved marketing efficiency. Management reiterated guidance of early-teens revenue growth in FY26 as 2H is expected to be much better. Growth is likely to be supported by store expansion in 2H as ~25 COCO stores have been added in 1H and management had guided for ~90-100 stores in FY26.
- **Profitable growth remains the key focus in International segment:** International segment saw a GMV growth of 8.9% YoY (+16.4% QoQ), a beat of c.2% on JMFe. Revenue stood at INR 2.4bn, +13.3% YoY (+13.7% QoQ). Management reiterated its focus on optimising topline mix to yield superior GMV-revenue conversion and margin improvement. As a result, adjusted EBITDA margin expanded 11ppts YoY (+240bps QoQ) to reach -8%. Management believes its existing moats (brand strength, customer trust, and network effects) will sustain its long-term positioning. Company is planning to replicate its omni-channel strategy of IMC to International as well with 1st COCO store being opened in KSA in Aug'25.
- **GlobalBees sees drag from 'Non-core' brands:** GlobalBees experienced slower revenue growth of 14% YoY to reach INR 4.9bn. Management has been deliberately reducing 'Other brands' to focus on 'Core categories', which have grown stronger at 30% YoY. However, rationalisation of 'Other brands' led to dragged margins with flattish Adj. EBITDAM at 2% resulting in Adj. EBITDA of INR 85mn. Adj. EBITDA from core brands has been at ~5% (post corporate expenses) in 1H. Rationalisation of brands is expected to complete in next couple of quarters post which growth and margins are expected to return to normalised levels. Others segment, which primarily includes Education, delivered INR 111mn in revenue, 22.3% YoY (+15.4% QoQ) growth.



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	480
Upside/(Downside)	43.0%
Previous Price Target	460
Change	4.3%

Key Data – FIRSTCRY IN

Current Market Price	INR336
Market cap (bn)	INR175.1/US\$2.0
Free Float	93%
Shares in issue (mn)	532.5
Diluted share (mn)	532.5
3-mon avg daily val (mn)	INR938.9/US\$10.6
52-week range	665/286
Sensex/Nifty	84,563/25,910
INR/US\$	88.7

Price Performance

%	1M	6M	12M
Absolute	-6.9	-1.3	-35.4
Relative*	-9.6	-5.1	-40.7

* To the BSE Sensex

Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	64,809	76,596	89,170	1,03,006	1,18,285
Sales Growth (%)	23.2	18.2	16.4	15.5	14.8
EBITDA	705	2,300	3,280	7,070	10,785
EBITDA Margin (%)	1.1	3.0	3.7	6.9	9.1
Adjusted Net Profit	-2,743	-428	-772	1,930	4,001
Diluted EPS (INR)	-5.5	-0.8	-1.4	3.6	7.5
Diluted EPS Growth (%)	0.0	0.0	0.0	0.0	107.3
ROIC (%)	-7.1	-2.7	-1.5	6.3	13.4
ROE (%)	-6.9	-0.9	-1.4	3.5	6.7
P/E (x)	-60.8	-417.9	-231.8	92.7	44.7
P/B (x)	4.3	3.3	3.2	3.1	2.8
EV/EBITDA (x)	264.7	77.3	54.2	25.1	16.3
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 14/Nov/2025

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

- **Margin and profitability:** In 2QFY26, gross margin (GM) declined to 36.7%, -60bps YoY (-180bps QoQ) due to increased discounts in IMC and drag from Non-core brands in GlobalBees. GM is expected to improve in coming quarters supported by an increase in home brands in overall mix, increase in share of Kids & Babies Fashion in GMV and rising home brand and 3rd party margins due to economies of scale. Despite GM decline, Adj. EBITDA margin improved 160bps YoY (+80bps QoQ) to 5.8%. As a result, Adj. EBITDA stood at ~INR 1.2bn in 2Q (c.51% YoY/+30% QoQ). Margin improvement was better operating leverage in IMC and reduced losses in international. Management noted that India Multi-channel is yet to reach its steady-state EBITDA margin, and margin expansion will continue over the next 4-5 years.
- **Maintain 'BUY' with Sep'26 TP of INR 480 (vs. INR 460 earlier):** Basis 2Q results, We lower revenue estimates marginally (0-2% over FY26-29E) considering improved focus on growth in International business being offset by drag from GlobalBees (non-core) brands. We don't see any change in growth trajectory for IMC business. We believe that losses in International segment have peaked now and hence should experience sharper margin recovery. Along with this, factoring in better operating leverage with controlled advertising and fulfilment costs, EBITDAM estimates increase of 10-40bps over FY26-29E. However, lower ESOPs costs result in lower Adj. EBITDAM expansion of 0-30bps over FY26-29E. PAT estimates are increased by 1-2% in FY26-29E due to higher than expected other income. We expect the company to deliver c.15% revenue growth over FY25-30, while Adj. EBITDA CAGR would be ~37%, driven by sustained margin expansion across segments. We now value India Multichannel / GlobalBees Brands / Others at 35x / 25x /15x Sep'27E Pre-Ind AS Adj. EBITDA (vs. 35x / 30x / 20x earlier factoring in slower profitability trajectory for GlobalBees and Others segment) while International segment multiple at 1.5x Sep'27E sales, resulting in increased Sep'26 TP of INR 480. We recommend 'BUY'.
- **Faster delivery initiative scaling rapidly:** Management highlighted strong traction in its faster-delivery initiative, supported by an in-house logistics network that has expanded from 4 to 13 cities over the last 6-7 months. This has improved delivery TAT, lifted growth in these cities, and enhanced overall customer experience. The company plans to scale this network further so that roughly half of shipments are fulfilled in-house by mid-next year. Importantly, this expansion has been achieved without meaningful gross-margin dilution, giving management confidence to step up marketing while maintaining healthy unit economics.
- **India Multi-Channel remains significantly undervalued:** While last few quarters have been undoubtedly a tough for FirstCry, its IMC segment still managed to deliver Adj. EBITDA growth of 15% in 2QFY26. With growth recovery likely in FY26 onwards, we expect the segment to deliver 3-year EBITDA CAGR of c.23%. As shown in [exhibit 1](#), at CMP, IMC only implies 26.0x Pre Ind AS Adj. EBITDA multiple, significantly lower than traditional retailers with lower growth and minimal margin expansion potential. Hence, the slightest hint of growth recovery could be a significant re-rating event for FirstCry.

Exhibit 1. CMP implies c.26x Pre IndAS Adj. EBITDA multiple for India Multi-Channel segment

Company in INR Mn	Revenue			Pre Ind AS Adj. EBITDA			EV at CMP (INR bn)	Implied Valuation multiples at CMP
	FY26	FY27	FY28	FY26	FY27	FY28		
FirstCry Consol.	79,837	91,782	104,985	4,380	5,311	7,927	172	
At CMP	2.2x	1.9x	1.6x	39.2x	32.3x	21.7x		
GlobalBees*	9,836	11,827	14,016	149	167	588	32	Valued at 2x of Sales, discount to c.4x multiples for brands
Intl.+ Others	10,548	12,188	14,026	-662	-470	57	-	Valued at zero considering high competitive intensity
FC India MC	59,453	67,767	76,944	4,892	5,615	7,282	146	Implied FC India Multi-channel Enterprise Value
At CMP	2.5x	2.2x	1.9x	29.8x	26.0x	20.0x		

Source: Company, JM Financial. Note: 80% FY27E lease rental allocated to India Multi-channel with remaining lease rental equally divided between GlobalBees and International + Others. *GlobalBees revenue and EBITDA adjusted for BrainBees Solutions' 51.51% stake in the entity. CMP as of 14th November 2025.

Exhibit 2. Key assumptions

Particulars	FY21	FY22	FY23	FY24	FY25	FY28E	FY30E	FY35E	CAGR FY25-30E	CAGR FY30-35E
India Multi-channel										
Annual unique transacting consumers (mn)	5.2	6.7	7.7	8.7	10.1	12.5	15.3	24.4	8.6%	9.8%
as % of population under 4	4.8%	6.3%	7.3%	8.3%	9.6%	11.9%	14.8%	24.7%		
Orders (mn)	18.7	25.7	29.6	34.1	39.5	49.1	60.9	101.5	9.0%	10.8%
Average order Value (AOV) (INR)	1,933	2,043	2,156	2,226	2,228	2,335	2,411	2,588	1.6%	1.4%
GMV (INR bn)	36	52	64	76	88	115	147	263	10.8%	12.3%
Revenue (INR bn)	22	31	39	46	53	68	87	156	10.5%	12.5%
Gross Margin	35.3%	33.8%	34.2%	35.1%	36.6%	38.9%	40.1%	41.1%	70bps	21bps
Adj. EBITDA Margin	NA	6.2%	6.2%	8.8%	9.5%	11.4%	13.4%	16.9%	78bps	70bps
International										
Annual unique transacting consumers (mn)	0.2	0.2	0.3	0.4	0.5	0.6	0.8	1.4	9.9%	11.5%
Orders (mn)	0.7	1.1	1.4	1.8	1.9	2.4	3.1	5.5	10.1%	12.2%
Average order Value (AOV) (INR)	5,311	5,178	6,350	8,582	9,205	9,154	9,454	9,941	0.5%	1.0%
GMV (INR bn)	4	6	9	15	18	22	29	55	10.6%	13.3%
Revenue (INR bn)	2	4	5	8	9	12	15	29	12.4%	13.6%
Gross Margin	25.3%	22.3%	22.9%	23.6%	23.3%	27.5%	29.7%	32.6%	129bps	58bps
Adj. EBITDA Margin	NA	-23.7%	-24.6%	-18.5%	-16.3%	-3.0%	4.4%	14.2%	413bps	197bps
GlobalBees										
Revenue (INR bn)	NA	1	9	12	16	23	32	61	15.3%	13.8%
Gross Margin	NA	46.4%	36.2%	44.7%	46.6%	44.8%	45.9%	46.9%	-14bps	21bps
Adj. EBITDA Margin	NA	-8.2%	-5.0%	0.2%	1.5%	3.6%	8.3%	11.7%	135bps	68bps
Others										
Revenue (INR mn)	NA	79	230	334	425	546	681	1,091	9.9%	9.9%
Gross Margin	81.6%	76.1%	62.8%	68.8%	70.6%	72.5%	74.2%	76.3%	73bps	41bps
Adj. EBITDA Margin	NA	-101.5%	-13.3%	17.5%	24.5%	28.0%	32.0%	39.2%	150bps	145bps
Group										
GMV (INR bn)	40	58	73	91	106	137	176	318	10.7%	12.5%
Revenue (INR bn)	25	36	53	65	77	103	135	248	12.0%	12.9%
Gross Margin	34.3%	33.1%	32.9%	35.8%	37.4%	39.1%	40.4%	41.7%	62bps	25bps
EBITDA Margin	1.9%	-0.5%	-6.0%	1.1%	3.0%	6.9%	10.8%	15.1%	156bps	86bps
Adj. EBITDA Margin	3.7%	2.6%	1.5%	4.2%	5.1%	8.1%	11.2%	15.4%	122bps	83bps

Source: Company, JM Financial estimates

Exhibit 3. FirstCry 2QFY26 vis-à-vis JMFe and consensus estimate

All numbers are in INR mn	2QFY26A	2QFY25A	Change (YoY)	1QFY26A	Change (QoQ)	Estimate (JMFe)	Variance (vs. JMFe)	Estimate (Visible alpha)	Variance (vs. Cons.)
Total GMV	28,192	25,286	11.5%	25,184	11.9%	28,655	-1.6%	28,704	-1.8%
India Multi-channel	23,629	21,095	12.0%	21,265	11.1%	24,188	-2.3%	24,038	-1.7%
International	4,563	4,191	8.9%	3,919	16.4%	4,467	2.2%	4,666	-2.2%
Revenue from operations	20,991	19,049	10.2%	18,626	12.7%	21,768	-3.6%	21,908	-4.2%
Gross Profit	7,701	7,110	8.3%	7,175	7.3%	8,422	-8.6%	8,395	-8.3%
Gross margin	36.7%	37.3%	-64bp	38.5%	-183bp	38.7%	-200bp	38.3%	-163bp
EBITDA	621	570	9.0%	331	87.6%	515	20.7%	464	34.0%
EBITDA margin%	3.0%	3.0%	-3bp	1.8%	118bp	2.4%	60bp	2.1%	84bp
Adjusted EBITDA	1,208	801	50.7%	927	30.2%	1,190	1.5%		
Adjusted EBITDA margin%	5.8%	4.2%	155bp	5.0%	77bp	5.5%	29bp		
Adj. PAT	-351	-502	30.2%	-464	24.5%	-513	31.6%	-391	10.4%
Diluted EPS (INR)	-0.95	-1.18	19.6%	-1.25	24.0%	-1.18	19.8%	-1.10	13.7%
Key Operating Metrics									
Annual Unique Transacting Customers (mn)									
India Multi-channel	10.50	9.40	11.7%	10.30	1.9%	10.55	-0.5%		
International	0.55	0.49	11.8%	0.50	9.6%	0.51	7.5%		
Orders (mn)									
India Multi-channel	10.20	9.52	7.2%	9.50	7.4%	10.59	-3.7%		
International	0.52	0.48	8.9%	0.47	11.1%	0.52	0.6%		
Average Order Value (INR)									
India Multi-channel	2,317	2,217	4.5%	2,238	3.5%	2,284	1.4%		
International	8,738	8,737	0.0%	8,336	4.8%	8,606	1.5%		

Source: Company, JM Financial, Visible alpha estimates

Exhibit 4. Key financials

Numbers in INR mn	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
GMV (INR mn)	20,857	27,547	22,936	23,183	25,286	31,240	26,146	25,184	28,192
Change (QoQ)	5.0%	32.1%	-16.7%	1.1%	9.1%	23.5%	-16.3%	-3.7%	11.9%
Change (YoY)				16.7%	21.2%	13.4%	14.0%	8.6%	11.5%
Revenue (INR mn)	15,069	19,002	16,669	16,521	19,049	21,723	19,303	18,626	20,991
Change (QoQ)	7.1%	26.1%	-12.3%	-0.9%	15.3%	14.0%	-11.1%	-3.5%	12.7%
Change (YoY)				17.4%	26.4%	14.3%	15.8%	12.7%	10.2%
Operating expenses	9,597	12,441	10,550	10,291	11,939	13,692	12,063	11,450	13,290
Gross profit	5,472	6,561	6,118	6,230	7,110	8,031	7,240	7,175	7,701
Gross margin	36.3%	34.5%	36.7%	37.7%	37.3%	37.0%	37.5%	38.5%	36.7%
Other operating expenses	5,528	5,975	5,787	5,738	6,540	6,952	7,081	6,844	7,080
EBITDA	(56)	586	331	492	570	1,079	159	331	621
EBITDA margin	-0.4%	3.1%	2.0%	3.0%	3.0%	5.0%	0.8%	1.8%	3.0%
Change (QoQ)	64.5%	NA	-43.5%	48.5%	16.0%	89.2%	-85.3%	108.5%	87.6%
Change (YoY)				NA	NA	84.0%	-52.0%	-32.6%	9.0%
Adj EBITDA	482	1,064	838	743	801	1,385	1,005	927	1,208
Adj EBITDA margin	3.2%	5.6%	5.0%	4.5%	4.2%	6.4%	5.2%	5.0%	5.8%
Depreciation & amortisation	888	959	1,027	955	980	1,036	1,075	1,011	985
EBIT	(944)	(372)	(695)	(463)	(409)	43	(917)	(679)	(363)
EBIT margin	-6.3%	-2.0%	-4.2%	-2.8%	-2.1%	0.2%	-4.7%	-3.6%	-1.7%
Net other income	(177)	(54)	177	(112)	(96)	21	108	81	(15)
Share of associate	-	-	-	-	-	-	-	-	-
Exceptional	-	-	-	123	10	(5)	367	65	34
PBT	(1,121)	(426)	(518)	(698)	(516)	69	(1,176)	(663)	(413)
Tax expenses	(73)	(58)	85	(59)	(113)	(216)	60	(2)	(93)
PAT	(1,194)	(484)	(433)	(757)	(629)	(147)	(1,115)	(665)	(505)
Change (QoQ)	-8.1%	59.5%	10.6%	-75.0%	17.0%	76.5%	-656.4%	40.4%	80.9%
Change (YoY)				31.5%	47.4%	69.5%	-157.8%	12.1%	19.6%
Adj. PAT (ex - minority)	(1,008)	(244)	(517)	(567)	(502)	(78)	(767)	(464)	(351)
Diluted EPS	(2.5)	(1.0)	(0.9)	(1.4)	(1.2)	(0.3)	(2.1)	(1.2)	(0.9)

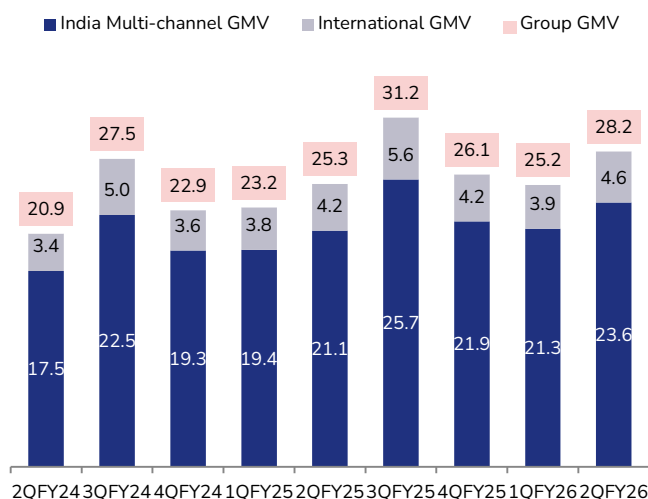
Source: Company, JM Financial

Exhibit 5. Key metrics

Particulars	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Physical Stores	1,063	1,083	1,124	1,136	1,156	1,169	1,199
Franchised stores	628	624	626	628	629	633	647
Company owned	435	459	498	508	527	536	552
FirstCry Stores	151	165	191	217	231	240	262
Babyhug exclusive stores	284	294	307	291	296	296	290
India Multi-channel							
Annual unique transacting consumers (in mn)	8.68	9.00	9.40	9.80	10.10	10.30	10.50
Orders (in mn)	8.70	9.00	9.52	11.13	9.90	9.50	10.20
Average order value	2,226	2,157	2,217	2,306	2,216	2,238	2,317
International							
Annual unique transacting consumers	0.43	0.44	0.50	0.48	0.49	0.50	0.55
Orders (in mn)	0.43	0.40	0.48	0.54	0.46	0.47	0.52
Average order value (INR)	8,582	8,669	8,737	10,157	9,069	8,336	8,738

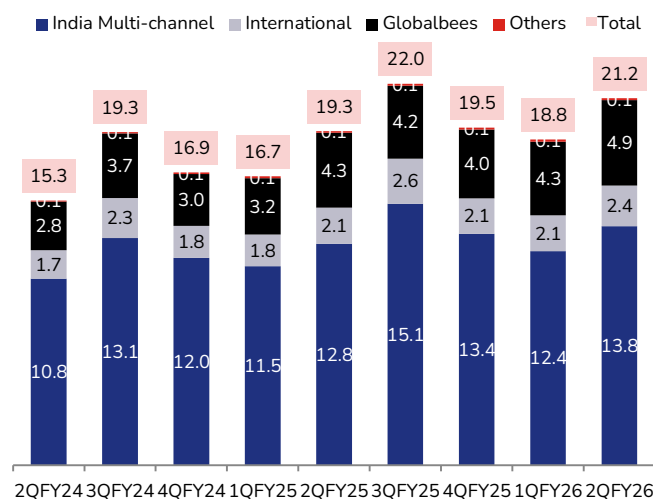
Source: Company, JM Financial

Exhibit 6. Gross Merchandise Value (GMV) trend



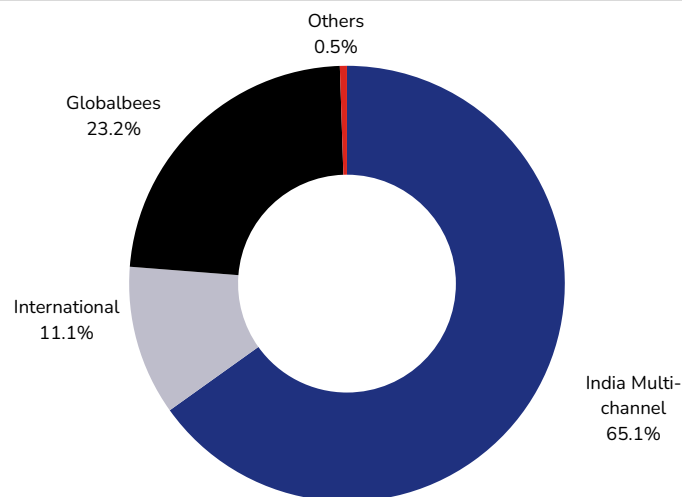
Source: Company, JM Financial

Exhibit 7. Group revenue trend



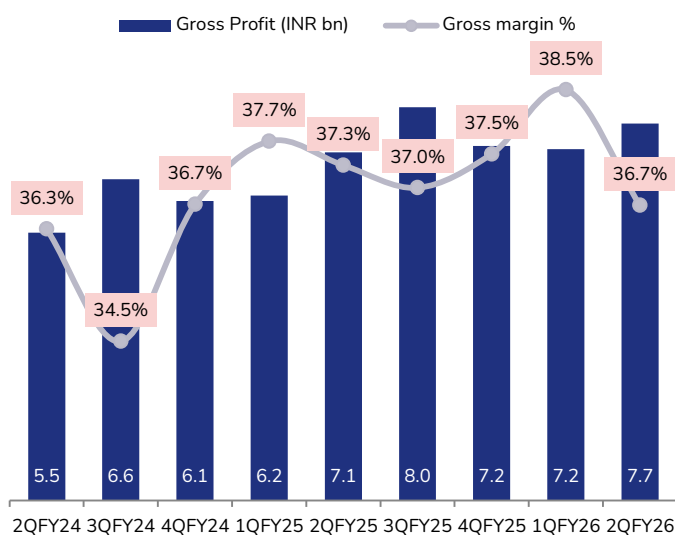
Source: Company, JM Financial

Exhibit 8. Revenue split (as of 2QFY26)



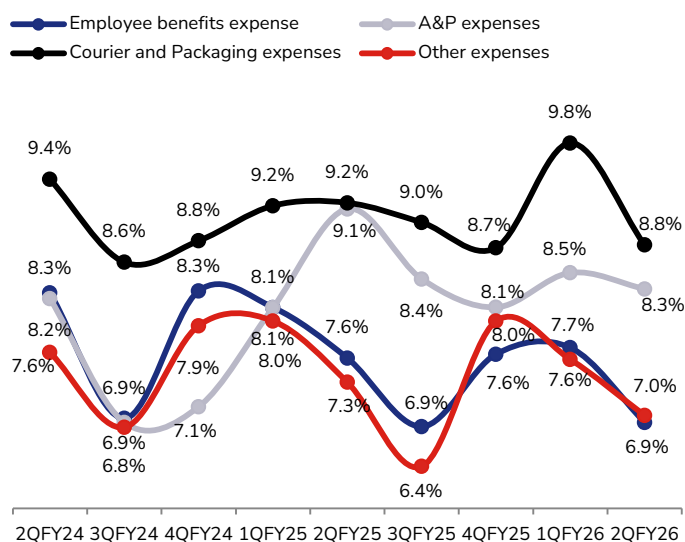
Source: Company, JM Financial

Exhibit 9. Gross margin trend



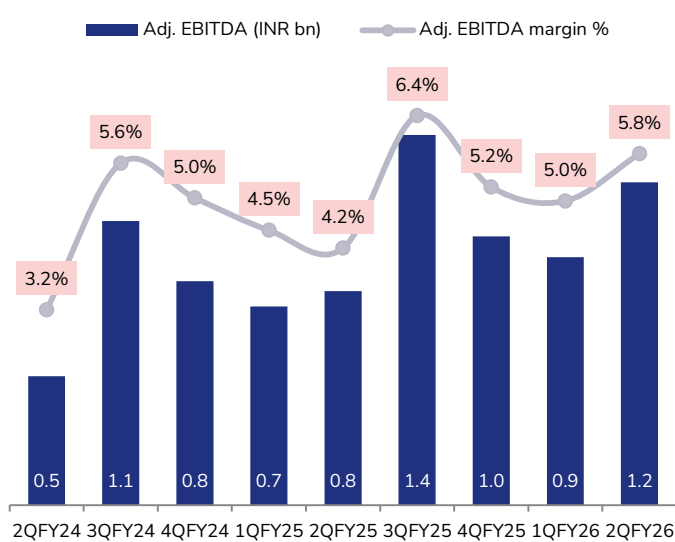
Source: Company, JM Financial

Exhibit 10. Expense trend



Source: Company, JM Financial

Exhibit 11. Adj. EBITDA trend



Source: Company, JM Financial

Maintain BUY; TP raised to INR 480

Exhibit 12. What has changed in our forecasts and assumptions?

Particulars	Old				New				Change			
	FY26E	FY27E	FY28E	FY29E	FY26E	FY27E	FY28E	FY29E	FY26E	FY27E	FY28E	FY29E
Group GMV (INR bn)	119.7	135.9	153.8	173.3	120.2	137.0	155.8	176.3	0.4%	0.9%	1.3%	1.7%
Consolidated revenue (INR bn)	89.5	104.0	120.3	138.3	89.2	103.0	118.3	135.0	-0.3%	-0.9%	-1.6%	-2.4%
Revenue growth rate (YoY)	16.8%	16.2%	15.6%	15.0%	16.4%	15.5%	14.8%	14.1%	-39bps	-70bps	-82bps	-86bps
Consolidated EBITDA (INR bn)	3.2	7.0	10.5	14.3	3.3	7.1	10.8	14.6	4.1%	0.7%	2.9%	1.7%
EBITDA margin	3.5%	6.8%	8.7%	10.3%	3.7%	6.9%	9.1%	10.8%	16bps	11bps	40bps	44bps
Adj. EBITDA (INR bn)	5.8	8.3	11.5	15.1	5.8	8.3	11.5	15.1	-0.4%	-0.3%	0.0%	-0.1%
Adj. EBITDA margin	6.5%	8.0%	9.5%	11.0%	6.5%	8.1%	9.7%	11.2%	0bps	5bps	16bps	26bps
EBIT margin	-1.1%	2.6%	4.8%	6.7%	-1.0%	2.7%	5.2%	7.1%	15bps	11bps	40bps	43bps
PAT (INR bn)	-1.1	1.8	4.1	6.9	-1.1	1.8	4.2	6.9	1.6%	1.0%	2.2%	0.9%
Diluted EPS (INR)	-2.11	3.36	7.76	12.88	-2.08	3.40	7.93	12.99	1.6%	1.0%	2.2%	0.9%

Source: Company, JM Financial

Exhibit 13. SoTP-based Sep'26 TP of INR 480, implying 43% upside after recent stock correction

SoTP valuation as on		15-Nov-25					
TP Date		30-Sep-26					
FirstCry Valuations	Valuation Metric	Target Multiple (x)	Metric	Sep'27E (INR bn)	Valuation (INR bn)	Per Share (INR)	Rationale
India Multi-channel	EV / Adj. EBITDA	35	Adj. EBITDA	6.1	213.6	400	Broadly in line with traditional retailers with lower growth and limited margin expansion potential
International	EV / Sales	1.5	Revenue	12.5	18.8	35	Discount to Global retailers
Globalbees	EV / Adj. EBITDA	25	Adj. EBITDA	1.2	15.9	30	In-line with fast growing branded players; adjusted for 51.51% stake
Others	EV / Adj. EBITDA	15	Adj. EBITDA	0.2	2.5	5	
Cash (Mar'26)		1	Net Cash	12.6	12.6	20	
Minority Interest (Mar'26)				-5.4	-5.4	-10	
Target Market Cap (INR bn)					258	480	
Outstanding shares (bn)					0.53		Fully diluted shares
TP (INR)					480		Fair value per share

Source: Company, JM Financial estimates.

Key Risks

- **Key upside risks** are: 1) Accelerated expansion of COCO stores, 2) Rapid premiumisation in childcare spending, 3) Faster than expected International business scale up and rapid margin expansion, 4) Rapid scaling of GlobalBees' D2C brands.
- **Key downside risks** are: 1) COCO physical store expansion cannibalising existing footprint, 2) execution challenges in International segment, and 3) sudden changes in competitive landscape with QC players or Meesho taking away market share.

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	64,809	76,596	89,170	1,03,006	1,18,285
Sales Growth	23.2%	18.2%	16.4%	15.5%	14.8%
Other Operating Income	0	0	0	0	0
Total Revenue	64,809	76,596	89,170	1,03,006	1,18,285
Cost of Goods Sold/Op. Exp	41,632	47,986	54,808	62,736	71,178
Personnel Cost	6,865	7,284	8,739	8,112	8,212
Other Expenses	15,607	19,026	22,343	25,088	28,111
EBITDA	705	2,300	3,280	7,070	10,785
EBITDA Margin	1.1%	3.0%	3.7%	6.9%	9.1%
EBITDA Growth	0.0%	226.2%	42.6%	115.5%	52.5%
Depn. & Amort.	3,709	4,046	4,155	4,327	4,627
EBIT	-3,004	-1,746	-874	2,742	6,158
Other Income	942	1,505	1,538	1,292	1,118
Finance Cost	1,154	1,583	1,651	1,617	1,633
PBT before Excep. & Forex	-3,215	-1,824	-988	2,418	5,643
Excep. & Forex Inc/Loss(-)	0	496	0	0	0
PBT	-3,215	-1,329	-988	2,418	5,643
Taxes	0	-328	-119	-608	-1,420
Extraordinary Inc./Loss(-)	0	496	0	0	0
Assoc. Profit/Min. Int.(-)	-472	-733	-334	-121	222
Reported Net Profit	-2,743	-924	-772	1,930	4,001
Adjusted Net Profit	-2,743	-428	-772	1,930	4,001
Net Margin	-4.2%	-0.6%	-0.9%	1.9%	3.4%
Diluted Share Cap. (mn)	496.7	532.5	532.5	532.5	532.5
Diluted EPS (INR)	-5.5	-0.8	-1.4	3.6	7.5
Diluted EPS Growth	0.0%	0.0%	0.0%	0.0%	107.3%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	-3,215	-2,320	-988	2,418	5,643
Depn. & Amort.	3,709	4,923	4,155	4,327	4,627
Net Interest Exp. / Inc. (-)	635	663	113	325	514
Inc (-) / Dec in WCap.	-2,928	-5,462	-1,202	-2,195	-1,995
Others	1,844	1,691	2,500	1,250	688
Taxes Paid	-465	-329	-119	-608	-1,420
Operating Cash Flow	-421	-834	4,460	5,517	8,057
Capex	-3,405	-2,056	-2,192	-2,231	-2,669
Free Cash Flow	-3,826	-2,891	2,268	3,285	5,387
Inc (-) / Dec in Investments	6,132	-11,517	8,201	0	0
Others	-2,097	-811	1,833	1,416	773
Investing Cash Flow	629	-14,384	7,841	-815	-1,896
Inc / Dec (-) in Capital	0	16,177	0	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	1,090	-1,284	-2,608	-2,749	-2,805
Others	-275	-580	-1,651	-1,617	-1,633
Financing Cash Flow	815	14,314	-4,259	-4,366	-4,437
Inc / Dec (-) in Cash	1,023	-905	8,042	336	1,724
Opening Cash Balance	2,594	3,617	2,712	10,754	11,089
Closing Cash Balance	3,617	2,712	10,754	11,089	12,813

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	37,915	52,802	54,196	57,255	62,166
Share Capital	815	965	965	965	965
Reserves & Surplus	37,100	51,837	53,231	56,290	61,201
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	14,225	15,699	15,724	15,778	16,166
Def. Tax Liab. / Assets (-)	623	4	-140	-140	-140
Total - Equity & Liab.	52,763	68,505	69,779	72,893	78,192
Net Fixed Assets	38,685	36,161	36,391	36,975	38,555
Gross Fixed Assets	9,588	11,216	12,958	15,190	17,859
Intangible Assets	31,988	28,796	28,150	27,941	28,456
Less: Depn. & Amort.	2,897	3,920	5,236	6,675	8,279
Capital WIP	5	68	519	519	519
Investments	3,171	14,394	6,193	6,193	6,193
Current Assets	31,025	35,883	48,269	53,648	60,791
Inventories	16,295	21,305	24,314	27,522	30,956
Sundry Debtors	2,184	2,825	3,167	3,651	4,185
Cash & Bank Balances	3,617	2,712	10,754	11,089	12,813
Loans & Advances	361	0	0	0	0
Other Current Assets	8,569	9,041	10,034	11,385	12,838
Current Liab. & Prov.	20,119	17,932	21,074	23,922	27,347
Current Liabilities	16,956	11,218	13,194	14,745	16,723
Provisions & Others	3,163	6,714	7,880	9,177	10,625
Net Current Assets	10,907	17,951	27,195	29,725	33,444
Total - Assets	52,763	68,505	69,779	72,893	78,192

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	-4.2%	-0.6%	-0.9%	1.9%	3.4%
Asset Turnover (x)	0.9	0.9	1.0	1.1	1.1
Leverage Factor (x)	1.8	1.8	1.7	1.7	1.7
RoE	-6.9%	-0.9%	-1.4%	3.5%	6.7%

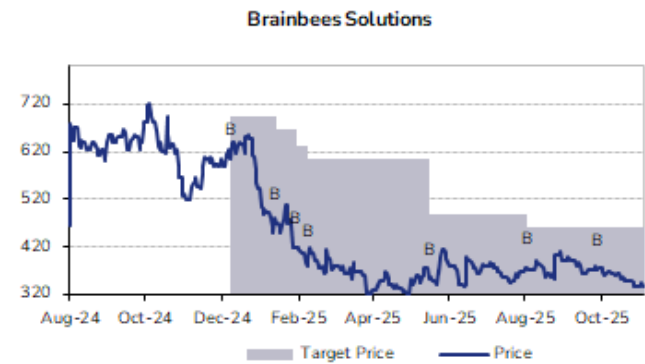
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	78.4	101.3	103.8	109.7	119.1
ROIC	-7.1%	-2.7%	-1.5%	6.3%	13.4%
ROE	-6.9%	-0.9%	-1.4%	3.5%	6.7%
Net Debt/Equity (x)	0.2	0.0	0.0	0.0	0.0
P/E (x)	-60.8	-417.9	-231.8	92.7	44.7
P/B (x)	4.3	3.3	3.2	3.1	2.8
EV/EBITDA (x)	264.7	77.3	54.2	25.1	16.3
EV/Sales (x)	2.9	2.3	2.0	1.7	1.5
Debtor days	12	13	13	13	13
Inventory days	92	102	100	98	96
Creditor days	52	46	44	44	44

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
19-Dec-24	Buy	692	
24-Jan-25	Buy	667	-3.7
9-Feb-25	Buy	632	-5.2
19-Feb-25	Buy	605	-4.3
27-May-25	Buy	488	-19.4
13-Aug-25	Buy	460	-5.7
8-Oct-25	Buy	460	0.1

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return \geq 15% over the next twelve months.
ADD	Expected return \geq 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return \geq -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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