Institutional Equities | Technology

Choice Institutional Equities

Q1FY27 Result Update

# NAZARA: Steady Execution; Global Gaming Accelerates

**August 07, 2026 | CMP: INR 353 | Target Price: INR 400**

**ADD**

**Expected Share Price Return: 13.4% I Dividend Yield: 0.0% I Potential Upside: 13.4%**

**Sector View: Positive**

| | |
|---|---|
| Change in Estimates | ✓ |
| Target Price Change | ✗ |
| Recommendation | ✓ |

| **Company Info** | |
|---|---|
| BB Code | NAZARA IN EQUITY |
| Face Value (INR) | 2.0 |
| 52-w High/Low (INR) | 362/216 |
| Mkt Cap (Bn) | INR 130.6/ $1.2 |
| Shares o/s (Mn) | 370.4 |
| 3M Avg. Daily Volume | 33,50,974 |

**Change in Estimates**

| | FY27E | | | FY28E | | |
|---|---|---|---|---|---|---|
| **INR Bn** | **New** | **Old** | **Dev. (%)** | **New** | **Old** | **Dev. (%)** |
| Revenues | 36.5 | 42.2 | -13.6% | 51.1 | 52.4 | -2.5% |
| EBITDA | 4.5 | 7.2 | -37.7% | 7.4 | 9.5 | -22.2% |
| EBITDAM % | *12.3* | *16.8* | (450 bps) | *14.5* | *18.1* | (360 bps) |
| EPS | 1.5 | 4.3 | -65.6% | 5.4 | 7.5 | -27.5% |

**Actual vs CIE Estimates**

| **INR Bn** | **Q1FY27A** | **CIE Est.** | **Dev.%** |
|---|---|---|---|
| Revenue | 4.3 | 4.4 | (2.7) |
| EBITDA | 0.4 | 0.5 | (12.1) |
| EBITDAM % | 10.8 | 12.0 | (120) bps |
| PAT | (0.8) | 0.3 | (925.5) |

**Key Financials**

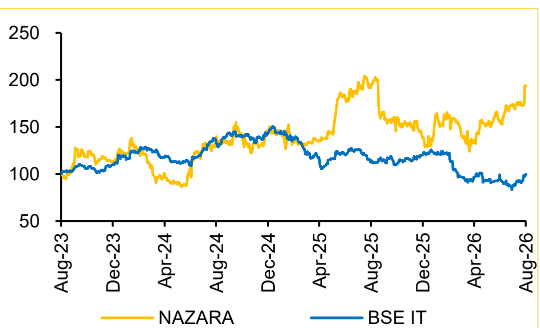
| **INR Bn** | **FY25** | **FY26** | **FY27E** | **FY28E** | **FY29E** |
|---|---|---|---|---|---|
| Revenue | 16.2 | 18.3 | 36.5 | 51.1 | 61.3 |
| YoY (%) | 42.7 | 12.6 | 99.4 | 40.1 | 20.0 |
| EBITDA | 1.5 | 2.5 | 4.5 | 7.4 | 9.2 |
| EBITDAM % | 9.4 | 13.9 | 12.3 | 14.5 | 15.1 |
| Adj PAT | 0.9 | 0.8 | 0.5 | 2.0 | 3.4 |
| EPS (INR) | 2.3 | 2.2 | 1.5 | 5.4 | 9.2 |
| ROE % | 3.0 | 2.3 | 1.1 | 3.7 | 6.1 |
| ROCE % | 0.1 | 0.7 | 1.3 | 3.5 | 5.3 |
| PE(x) | 150.2 | 159.7 | 238.4 | 64.9 | 38.5 |

**Shareholding Pattern (%)**

| | **Jun-26** | **Mar-26** | **Dec-25** |
|---|---|---|---|
| Promoters | 34.25 | 35.45 | 35.45 |
| FIIs | 13.23 | 13.30 | 11.98 |
| DIIs | 2.39 | 2.16 | 3.62 |
| Public | 50.13 | 49.08 | 48.95 |

**Relative Performance (%)**

| **YTD** | **3Y** | **2Y** | **1Y** |
|---|---|---|---|
| BSE IT | (0.3) | (25.6) | (11.5) |
| NAZARA | 93.9 | 38.6 | 1.4 |

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Q4FY26 Nazara Technologies Result Update

## Strong Gaming Execution; Acquisition-led Scale Improves Outlook

NAZARA delivered a resilient Q1FY27 despite near-term earnings volatility. Comparable revenue (ex-Nodwin) grew 9% YoY, while gaming revenue increased 14% YoY to INR 2.8bn, with EBITDAM remaining healthy at 19.5% despite elevated user acquisition spends. However, lower-than-expected margins, the deferment of Bluetile and BestPlay consolidation to Q2FY27, and the revised acquisition payout structure have altered the company's near-term earnings and cash flow profile. For now we model in cumulative INR 12.0 Bn preferential equity issuance (including the INR 7.35 Bn already announced) and INR 8.0bn of incremental debt to fund the acquisition with remaining from internal accruals. We will revisit these assumptions as management provides greater clarity on the final funding structure.

While the revised transaction structure changes the timing of cash outflows, NAZARA secures 100% ownership upfront, eliminates earn-out uncertainty, and enables full consolidation from Q2FY27, strengthening Nazara's international gaming franchise. The appointment of Raymond Stauffer as CEO from Sep'26, alongside Nitish Mittersain's transition to Executive Vice Chairman focusing on strategy, M&A and capital allocation, should further strengthen execution. Despite near-term funding and integration risks, we remain constructive on Nazara's long-term growth prospects driven by global gaming expansion, disciplined capital allocation and operating leverage. **We value the company on the SOTP method and arrive at a TP of INR 400 (maintained) and assign 'ADD' rating.**

### Revenue in line; PAT Impacted by Associate Losses and Impairment

- Revenue for Q1FY27 came in at INR 4,288 Mn, up 7.8% QoQ but down 14.0% YoY (vs CIE est. INR 4,409 Mn).
- EBITDA for Q1FY27 came in at INR 465 Mn, down 40.1% QoQ and 2.0% YoY (vs CIE est. of INR 529 Mn). EBITDAM came in at 10.8% for Q1FY27, down 870 bps QoQ but up 135 bps YoY (vs CIE est. of 12.0%)
- PAT for Q1FY27 stood at INR (800) Mn, down 270.2% QoQ and 249.5% YoY (vs CIE est. at INR 97 Mn),

### Core Gaming Momentum Intact; Acquisitions Expand Global Scale

NAZARA reported Q1FY27 revenue of INR 4.29 Bn (-14.0% YoY; +7.8% QoQ), impacted by the deconsolidation of Nodwin; however, comparable revenue (excluding Nodwin) increased ~9% YoY, reflecting healthy underlying demand. Gaming remained the key growth engine, with revenue rising 14% YoY to INR 2.75 Bn, supported by a strong performance from Kiddopia, Fusebox and Animal Jam, while all gaming businesses remained EBITDA positive. Management continues to invest in user acquisition to expand monetisation and engagement, while upcoming content launches across Fusebox and Curve Games provide additional growth levers. **We expect growth to accelerate from H2FY27, supported by Bluetile & BestPlay consolidation, expanding global gaming franchises and continued execution across the gaming portfolio.**

**Margin Impacted by Growth Investments; Strategic Reset Expected to Improve Earnings Quality:** EBITDA margin stood at 10.8%, reflecting elevated user acquisition spending and softer profitability in AdTech. Company registered PAT loss of INR 799 Mn, primarily due to the one-time write-down of the remaining RMG investment and lower associate income, with limited impact on the underlying operating business. The restructuring of the Bluetile & BestPlay acquisition into a 100% upfront acquisition (USD 303 Mn) removes earn-out uncertainty, simplifies ownership and strengthens earnings visibility from Q2FY27. **We believe improving scale, operating leverage and a richer mix of global gaming revenues should support gradual margin expansion, although acquisition integration and funding remain key near-term monitorables.**

| **Particulars (INR Mn)** | **Q1 FY27** | **Q1 FY26** | **YoY (%)** | **Q4 FY26** | **QoQ (%)** |
|---|---|---|---|---|---|
| Revenues (INR Mn) | 4,287.7 | 4,987.7 | (14.0) | 3,977.8 | 7.8 |
| EBITDA (INR Mn) | 464.8 | 474.4 | (2.0) | 776.2 | (40.1) |
| *EBITDA Margin (%)* | 10.8 | 9.5 | 133 bps | 19.5 | (867) Bps |
| PAT (INR Mn) | (799.2) | 534.6 | (249.5) | 469.6 | (270.2) |
| Basic EPS (INR) | (2.2) | 6.0 | (135.8) | 1.3 | (270.1) |

*Source: NAZARA,Choice Institutional Equities*

## Management Call – Highlights

**Portfolio Progress Overview**

- **Kiddopia (13% of revenue)**

Kiddopia recorded a revenue of INR 540 Mn, up 8.3% QoQ and 18.9% YoY in Q1FY27. Higher user acquisition investments were deployed towards improving unit economics, with the 24-month LTV/CAC improving to 2.08x, supporting sustainable subscriber growth despite a moderation in near-term EBITDAM

*Kiddopia: Revenue grew 8.3% QoQ; improved LTV/CAC supported sustainable subscriber growth despite lower margin*

- **Animal Jam (7% of revenue)**

Animal Jam, registered a revenue of INR 290 Mn, up 4.0% QoQ and 9.8% YoY in Q1FY27. Consistent content updates and continued growth investments supported user engagement, while new content launches are expected to sustain monetisation and franchise expansion, going forward

*Animal Jam: Revenue increased 4.0% QoQ; content updates and new launches supported engagement and future monetisation*

- **Curve Games - PC/Console Publishing (12% of revenue)**

Curve Games reported a revenue of INR 530 Mn, down 28.4% QoQ. The company continued investing aggressively in its release slate, allocating over 60% of development investments to new titles, with launches beginning in Q2FY27 which are expected to lift margin through the year

*Curve Games: Revenue declined 28.4% QoQ; heavy investment in new titles aims to improve margin*

- **Sportskeeda (7% of revenue)**

Sportskeeda reported revenue of INR 280 Mn, down 12.5% QoQ and 41.8% YoY in Q1FY27. It remained EBITDA positive on a leaner cost structure, while Pro-Football Network delivered its strongest Q1 with a 19% EBITDAM. Management estimates sequential revenue improvement from Q2, aided by commencement of the US sports season and benefits from cost-optimisation initiatives

*Sportskeeda: Revenue fell, but EBITDA stayed positive; US sports season expected to drive recovery*

- **Fusebox (19% of revenue)**

Fusebox posted a revenue of INR 820 Mn, up 5.8% QoQ and 12.3% YoY in Q1FY27, while maintaining EBITDA despite significantly higher user acquisition spending. The studio continued scale up Love Island, which ranked 1 in Free Apps and 5 in Top Grossing Apps in the US, while investing in Big Brother and upcoming Traitors franchise. Management sees these new IPs to provide a significant long-term growth runway

*Fusebox: Revenue rose 5.8% QoQ; expanding franchises expected to fuel long-term growth and profitability*

- **Funky Monkey (2% of revenue)**

Funky Monkey recorded a revenue of INR 80 Mn, up 33.3% QoQ for Q1FY27, driven by strong same-store sales and continued centre expansion. Management remains focussed on expanding the network through its proven operating playbook, while selective capital allocation continues to support rollout and scale

*Funky Monkey: Revenue jumped 33.3% QoQ, driven by same-store sales growth and centre expansion*

- **Smaaash (6% of revenue)**

The segment has recorded a revenue of INR 270 Mn, a growth of 42.1% QoQ. Management is prioritising product-market fit before committing incremental capital, with total offline gaming investment currently estimated at approximately INR 500 Mn

*Smaaash: Revenue increased 42.1% QoQ; management prioritises product-market fit before further investments*

- **Ad Tech (29% of revenue)**

The segment registered revenue of INR 1,260 Mn, recording a growth of 44.7% QoQ and 18.8% YoY. Management continues to pivot towards higher-margin proprietary products, such as Vizibl, expand international sales capabilities and leverage AI-led solutions, supporting margin improvement over the medium term

*Ad Tech: Revenue grew 44.7% QoQ; proprietary products and AI solutions support future margin expansion*

- **Nodwin (Reported as an Associate)**

Nodwin recorded a revenue of INR 1,160 Mn, down 9.4% QoQ and 9.3% YoY. The business is targeting 30%+ organic growth in FY27E, expanding Comic Con to 14 events in India along with international editions and continues progressing towards an independent IPO.

*Nodwin: Revenue declined; targeting 30%+ FY27 organic growth while progressing toward an independent IPO*

## Management Call – Highlights

*Raymond Stauffer appointed Nazara CEO from September 26, 2026, emphasizing AI, efficiency, and sustainable growth*

*Founder Nitish Mittersain shifts toward strategy, M&A, portfolio oversight, and global brand expansion*

*Nazara accelerated full acquisition of Bluetile and BestPlay for USD 303 Mn cash consideration*

*Revised acquisition structure enables immediate integration, with payments staggered through April 1, 2027*

*Acquisition funding may combine internal cash flows, debt, equity, and potential stake sales*

*Gaming revenue increased 14% YoY, while higher user acquisition spending temporarily moderated EBITDAM*

*Kiddopia achieved 19% YoY revenue growth, supported by improved unit economics and scalable acquisition strategies*

*Nazara expanded AI, AdTech, and offline gaming investments, including Vizibl and Smaaash 2.0 development*

### Leadership Transition

- **New CEO Appointment:** Raymond Stauffer, founder and CEO of Bluetile, has been appointed as the new CEO of Nazara Technologies, effective September 26, 2026. He brings expertise in AI-enabled development, operating discipline and capital-efficient growth
- **Role of Founder:** Nitish Mittersain will continue as Founder and MD, focusing on long-term strategy, portfolio direction and key relationships. He will transition from day-to-day operations to a role more involved in M&A and establishing the brand globally

### Strategic Acquisitions and M&A

- **Bluetile & BestPlay Acquisition:** Nazara accelerated the acquisition of 100% ownership of Bluetile and BestPlay for a fixed all-cash consideration of USD 303 Mn
- **New Deal Structure:** The new deal structure provides immediate operating integration and access to cash generated by the business. Payments are staggered, with USD 89 Mn at closing and the remaining USD 214 Mn due in tranches by April 1, 2027
- **Funding Strategy:** The company is considering multiple funding options for this acquisition, including internal cash flows, debt, equity and potential stake sales

### Segment Performance and Growth Outlook

- **Gaming Growth vs. Margin:** Gaming revenue grew 14% YoY, with all gaming businesses remaining EBITDA-positive. Management noted that while EBITDAM saw some near-term moderation due to increased user acquisition (UA) spend, this was a purposeful move to scale up profitably on the basis of improving unit economics and 24-month LTV/CAC trends
- **Kiddopia Turnaround:** A long-standing concern regarding stagnation has been addressed, with Kiddopia revenues growing 19% YoY as UA scaled on the back of better economics

### Technological and Operational Focus

- **AI and Data Analytics:** Nazara is leveraging **enhanced AI implementations** and data analytics to drive stronger performance and profitable UA scaling up across its gaming portfolio.
- **AdTech Scaling:** The focus is on higher-margin technology products like Vizibl (a DSP for mid-sized businesses) and expanding into new markets such as the UK.
- **Offline Gaming Evolution:** Management committed approximately INR 500 Mn to offline gaming, including the expansion of Funky Monkey and the development of the Smaaash 2.0 reimagined format, expected to launch in Mumbai by Q4FY27

## SOTP Valuation

| Segment | Valuation Method | Target Multiple | Enterprise Value (INR Mn) | Nazara's Share | Value ascribed to Nazara (INR Mn) | Per share value | Contribution to TP |
|---|---|---|---|---|---|---|---|
| **Nodwin** | EV/Sales | 8.0 | 68,213 | 48.0% | 32,742 | 88 | 22.1% |
| **Sportskeeda** | EV/Sales | 5.0 | 6,955 | 100.0% | 6,955 | 19 | 4.7% |
| **Gamified Learning (Kiddopia+ Animal Jam)** | EV/Sales | 10.0 | 40,717 | 100.0% | 40,717 | 110 | 27.5% |
| **Freemium (Fusebox + Zepto+ Nextwave)** | EV/Sales | 5.0 | 39,832 | 100.0% | 39,832 | 108 | 26.9% |
| **RMG (Moonshine)** | EV/Sales | 0 | 0 | 46.0% | - | - | 0.0% |
| **Curve games** | EV/EBITDA | 10.0 | 14,621 | 100.0% | 14,621 | 40 | 9.9% |
| **Offline Gaming (Funky Monkey+ Smaaash)** | EV/Sales | 3.0 | 1,555 | 100.0% | 5,582 | 15 | 3.8% |
| **Adtech (Datawrkz+ S&T)** | EV/EBITDA | 10.0 | 5,008 | 55.0% | 2,754 | 7 | 1.9% |
| **Bluetile & BestPlay** | EV/EBITDA | 8.0 | 30,880 | 100.0% | 30,880 | 83 | 20.9% |
| **Total** | | | **1,76,900** | | **1,74,083** | 470 | |
| **Less:** Holdco Discount (at 20%) | | | | | 34,817 | | |
| **Add:** Cash and Cash Equivalent (FY26) | | | | | 7,343 | | |
| **Less:** Minority Interest (FY26) | | | | | (139) | | |
| **Equity Value** | | | | | **1,46,749** | | |
| Shares O/S (Mn) | | | | | **370.0** | | |
| **12-month forward price target (INR)** | | | | | **400.0** | | |

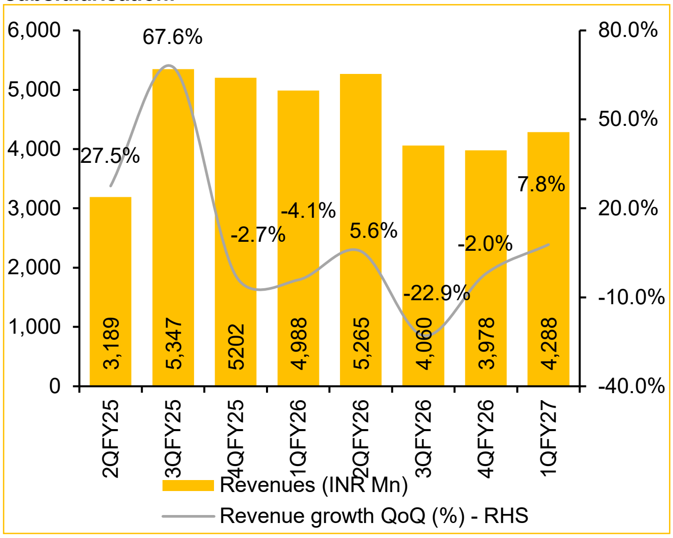
*Note: Given the company's acquisitive nature and multi-vertical structure, we believe a Sum-of-the-Parts approach is most appropriate. We have provided detailed justification for our segment-specific valuation multiples in our Initiation report, drawing on both public comparables and recent private transactions. Find Report here:. Link*

## Sequential Operating Performance

| | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 | 2QFY26 | 3QFY26 | 4QFY26 | 1QFY27 |
|---|---|---|---|---|---|---|---|---|
| **Income Statement** | | | | | | | | |
| Revenues (INR Mn) | 3,189 | 5,347 | 5202 | 4,988 | 5,265 | 4,060 | 3,978 | 4,288 |
| Gross Profit (INR Mn) | 1214 | 2769 | 2758 | 2703 | 2785 | 2489 | 2595 | 2808 |
| Gross Margin (%) | 38.1 | 51.8 | 53.0 | 54.2 | 52.9 | 61.3 | 65.2 | 65.5 |
| EBITDA (INR Mn) | 252 | 524 | 510 | 474 | 620 | 678 | 776 | 465 |
| EBITDA Margin (%) | 7.9 | 9.8 | 9.8 | 9.5 | 11.8 | 16.7 | 19.5 | 10.8 |
| PAT (INR Mn) | 238 | 259 | 159 | 535 | -294 | 99 | 470 | -799 |
| EPS (INR) | 3.1 | 3.3 | 0.4 | 1.5 | -0.8 | 0.3 | 1.3 | -2.2 |
| **Operating Metrics** | | | | | | | | |
| **Revenue mix by business verticals (%)** | | | | | | | | |
| Gaming | 35.6 | 28.9 | 30.1 | 48.3 | 56.2 | 63.3 | 70.0 | 64.1 |
| E sports | 56.8 | 43.5 | 41.7 | 30.9 | 16.6 | 8.4 | 8.0 | 6.5 |
| Ad Tech | 7.5 | 27.6 | 28.4 | 21.3 | 27.3 | 28.4 | 22.4 | 29.4 |
| **Geographic mix (%)** | | | | | | | | |
| North America | 39.0 | 35.0 | 39.0 | NA | NA | NA | NA | NA |
| India | 31.0 | 46.0 | 40.0 | NA | NA | NA | NA | NA |
| Rest of world | 30.0 | 19.0 | 21.0 | NA | NA | NA | NA | NA |
| **Businesses Growth QoQ (%)** | | | | | | | | |
| Kiddopia | -0.4 | -2.5 | -2.7 | -1.9 | 3.5 | 1.5 | 4.6 | 8.3 |
| Animal Jam | 1.7 | 27.1 | -12.1 | -1.5 | -9.1 | 21.3 | -4.2 | 4.0 |
| Fusebox | NA | NA | 33.2 | -7.7 | 52.1 | -49.3 | 37.6 | 5.8 |
| Curve Games | NA | NA | NA | NA | NA | NA | NA | NA |
| Freemium | 0.0 | 0.0 | 0.0 | 0.0 | -14.4 | -3.8 | 16.9 | 20.9 |
| Nodwin | 91.4 | 21.5 | -8.0 | -30.2 | 53.6 | 60.3 | -51.0 | -9.4 |
| Sportskeeda | -24.6 | 47.3 | -3.6 | -26.2 | -30.8 | 2.1 | -5.9 | -12.5 |
| Adtech | -6.2 | 513.7 | 0.0 | -28.3 | 36.8 | -20.3 | -24.7 | 44.7 |

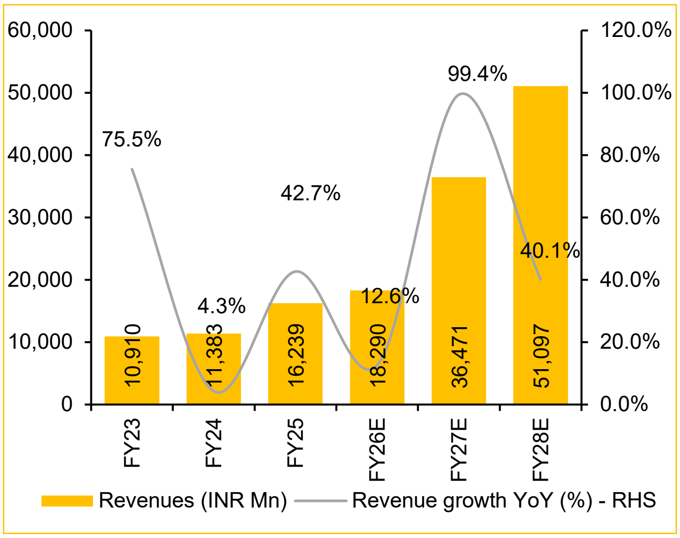
*Source: NAZARA,Choice Institutional Equities*

**Revenue grew QoQ but declined YoY due to Nodwin's de-subsidiarisation.**



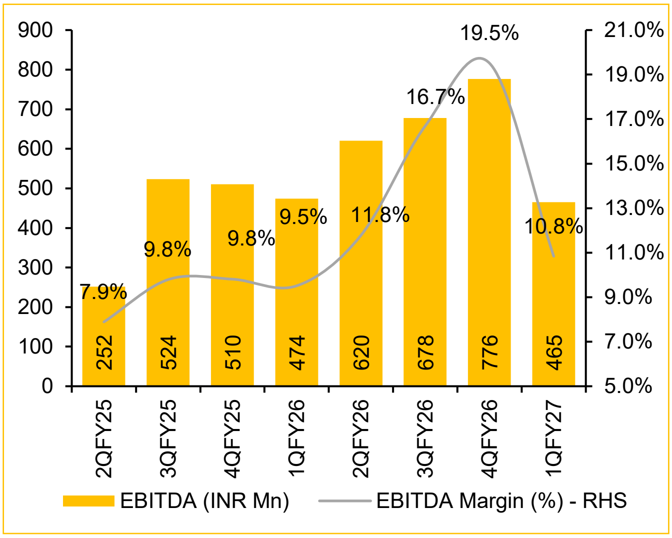

*Source: NAZARA,Choice Institutional Equities*

**Revenue expected to expand at 49.7% CAGR over FY26–29E**



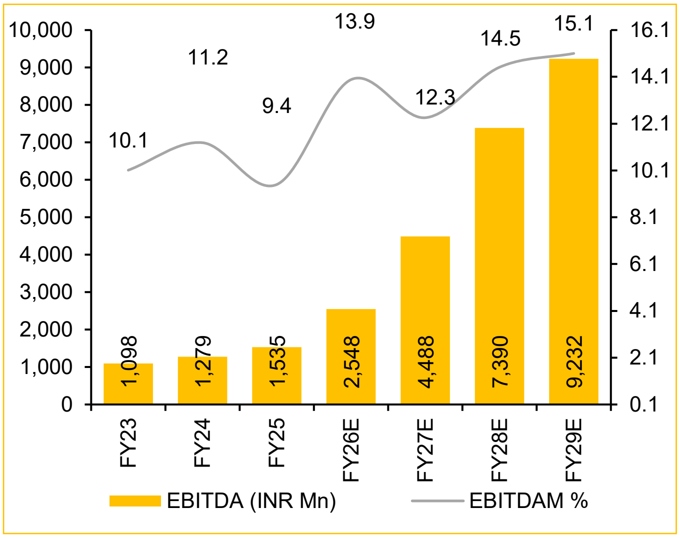

*Source: NAZARA,Choice Institutional Equities*

**EBITDAM declined to 10.8% QoQ due to higher UA expenses**



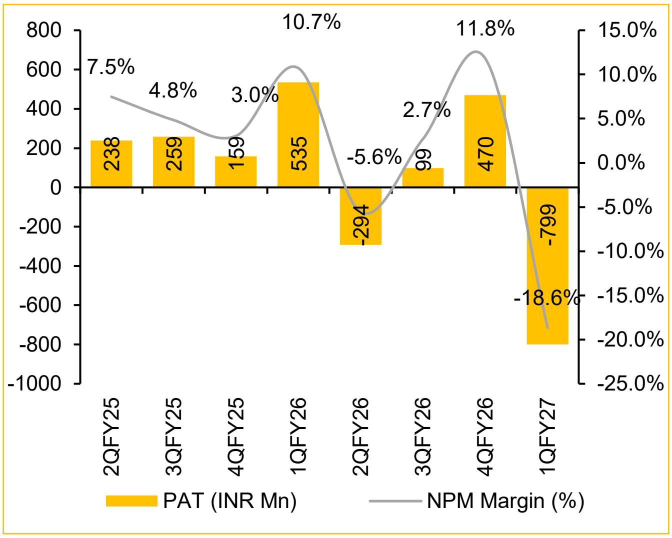

*Source: NAZARA,Choice Institutional Equities*

**EBITDA anticipated to expand at 53.6% CAGR over FY26–29E**



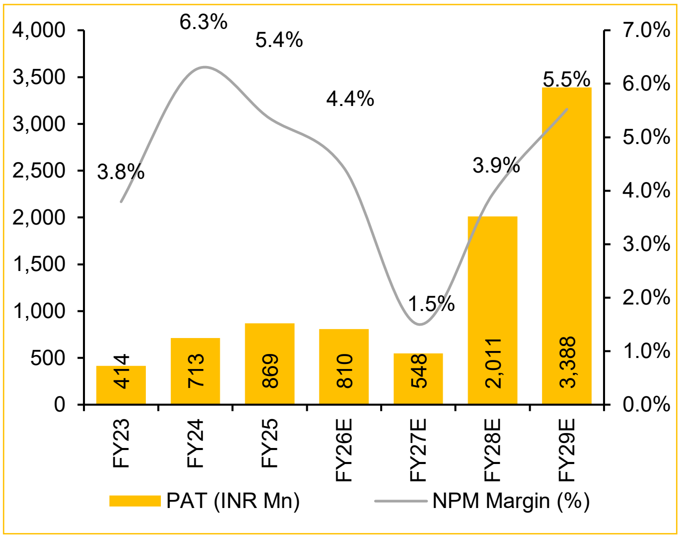

*Source: NAZARA,Choice Institutional Equities*

**Net Profit stood at INR -799 Mn owing to loss from subsidiaries**




*Source: NAZARA,Choice Institutional Equities*

**PAT Projected at 61.1% CAGR over FY26–29E**




*Source: NAZARA,Choice Institutional Equities*

## Income Statement (Consolidated in INR Mn)

| Particulars | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Revenue | 16,239 | 18,290 | 36,471 | 51,097 | 61,333 |
| Gross profit | 7,880 | 10,571 | 22,075 | 30,671 | 36,957 |
| EBITDA | 1,535 | 2,548 | 4,488 | 7,390 | 9,232 |
| Depreciation | 1,495 | 2,364 | 3,270 | 4,599 | 4,907 |
| EBIT | 40 | 184 | 1,218 | 2,791 | 4,325 |
| Other income | 915 | 12,436 | 404 | 797 | 834 |
| Interest expense | 99 | 225 | 615 | 888 | 671 |
| Adjusted PAT | 869 | 810 | 548 | 2,011 | 3,388 |
| EPS | 2.3 | 2.2 | 1.5 | 5.4 | 9.2 |

| Ratio Analysis | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| **Growth Ratios (%)** | | | | | |
| Revenues (INR Mn) | 42.7 | 12.6 | 99.4 | 40.1 | 20.0 |
| EBITDA | 20.0 | 66.1 | 76.1 | 64.7 | 24.9 |
| EBIT | -87.8 | 363.6 | 560.1 | 129.2 | 55.0 |
| **Margin Ratios (%)** | | | | | |
| EBITDA Margin | 9.4 | 13.9 | 12.3 | 14.5 | 15.1 |
| EBIT Margin | 0.2 | 1.0 | 3.3 | 5.5 | 7.1 |
| **Profitability (%)** | | | | | |
| ROE | 3.0 | 2.3 | 1.1 | 3.7 | 6.1 |
| ROIC | 0.2 | 0.9 | 1.7 | 4.0 | 6.4 |
| ROCE | 0.1 | 0.7 | 1.3 | 3.5 | 5.3 |
| **Valuation** | | | | | |
| OCF / EBITDA (%) | 42.7% | 58.3% | 138.7% | 107.0% | 100.8% |
| EV/ EBITDA (x) | 61.0 | 36.4 | 30.7 | 17.5 | 13.3 |

## Balance Sheet (Consolidated in INR Mn)

| Particular | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Tangible Fixed assets | 1,230 | 1,456 | 1,545 | 1,480 | 1,386 |
| Goodwill & ntangible assets | 16,219 | 13,282 | 41,091 | 39,058 | 36,744 |
| Investments | 11,174 | 15,845 | 15,845 | 15,845 | 15,845 |
| Cash & Cash equivalents | 4,582 | 2,551 | 2,075 | 7,323 | 10,238 |
| Other Non-current assets | 615 | 745 | 745 | 745 | 745 |
| Other Current assets | 10,535 | 9,833 | 9,328 | 12,652 | 16,080 |
| **Total Assets** | **44,355** | **43,712** | **70,630** | **77,101** | **81,038** |
| Shareholder's funds | 28,631 | 34,735 | 48,532 | 54,294 | 57,681 |
| Minority Interest | 3,743 | 782 | 782 | 782 | 782 |
| Borrowings | 1,413 | 1,115 | 9,115 | 6,569 | 4,786 |
| Other Non-current liabilities | 1,688 | 1,653 | 1,653 | 1,653 | 1,653 |
| Other Current liabilities | 8,881 | 5,427 | 10,547 | 13,804 | 16,136 |
| **Total Equity & Liabilities** | **44,355** | **43,712** | **70,630** | **77,101** | **81,038** |

| Cash Flows (INR Mn) | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Cash Flows from Operations | 655 | 1,486 | 6,223 | 7,910 | 9,307 |
| Cash Flows from Investing | -11,340 | -5,425 | -27,334 | -2,979 | -3,938 |
| Cash Flows from Financing | 8,049 | 3,609 | 20,635 | 316 | -2,454 |

| DuPont Analysis | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Net Profit Margin | 5.4% | 4.4% | 1.5% | 3.9% | 5.5% |
| Asset Turnover | 0.4 | 0.4 | 0.5 | 0.7 | 0.8 |
| Equity Multiplier | 1.5 | 1.3 | 1.5 | 1.4 | 1.4 |
| **ROE** | **3.0%** | **2.3%** | **1.1%** | **3.7%** | **6.1%** |

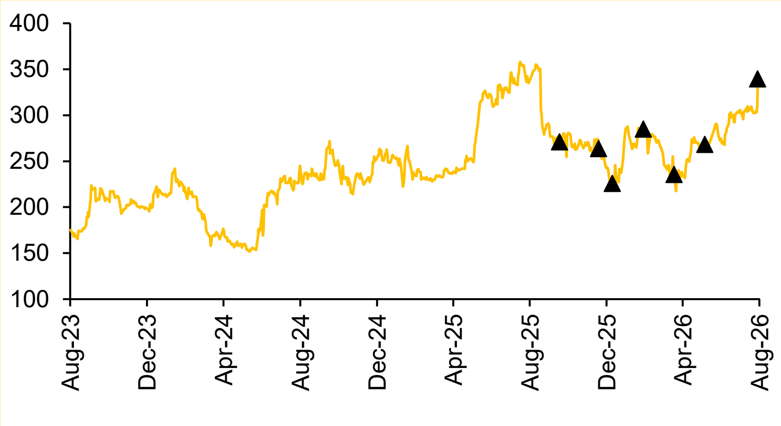
*Source: NAZARA,Choice Institutional Equities*

*Note: Bluetile & Bestplay financials are consolidated in Nazara books from Q2FY27 onwards.*

***Assumptions:***

1. *We assume the company will undertake a cumulative preferential equity issuance of INR 12.0bn over FY27, of this the company has already announced 7.35 Bn..*
2. *We have assumed an average USD/INR exchange rate of 95.0 for the USD 303mn repayment obligation.*
3. *We assume the company will take ~INR 8.0bn of debt during FY27 to fund acquisition.*

## Historical Price Chart: Nazara Technologies Ltd.




| Date | Rating | Target Price |
|---|---|---|
| September 02, 2025 | BUY | 350 |
| November 13, 2025 | BUY | 390 |
| December 30, 2025 | BUY | 390 |
| February 04, 2026 | BUY | 400 |
| April 16, 2026 | BUY | 400 |
| May 13, 2026 | BUY | 400 |
| August 07, 2026 | ADD | 400 |



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| CHOICE RATING DISTRIBUTION & METHODOLOGY | |
|---|---|
| **Large Cap*** | |
| BUY | The security is expected to generate upside of 15% or more over the next 12 months |
| ADD | The security is expected to show upside returns from 5% to less than 15% over the next 12 months |
| REDUCE | The security is expected to show upside or downside returns by 5% to -5% over the next 12 months |
| SELL | The security is expected to show downside of 5% or more over the next 12 months |
| **Mid & Small Cap*** | |
| BUY | The security is expected to generate upside of 20% or more over the next 12 months |
| ADD | The security is expected to show upside returns from 5% to less than 20% over the next 12 months |
| REDUCE | The security is expected to show upside or downside returns by 5% to -10% over the next 12 months |
| SELL | The security is expected to show downside of 10% or more over the next 12 months |
| **Other Ratings** | |
| NOT RATED (NR) | The stock has no recommendation from the Analyst |
| UNDER REVIEW (UR) | The stock is under review by the Analyst and rating may change |
| **Sector View** | |
| POSITIVE (P) | Fundamentals of the sector look attractive over the next 12 months |
| NEUTRAL (N) | Fundamentals of the sector are expected to be in stasis over the next 12 months |
| CAUTIOUS (C) | Fundamentals of the sector are expected to be challenging over the next 12 months |

***Large Cap: More Than INR 20,000 Cr Market Cap**
***Mid & Small Cap: Less Than INR 20,000 Cr Market Cap**

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