

Baazar Style Retail | BUY

Blockbuster performance

- **Robust revenue growth of 55% in Q4FY25:** Revenue grew 55% YoY to INR 3.5 bn in Q4FY25 (10% above our initial estimate), resulting in 38% YoY growth to INR 13.4 bn in FY25. SSSG stood at 20%/13% in Q4FY25/FY25.
- **Sales per sq ft continues to grow:** Sales per sq ft in Q4 grew 19% YoY to INR 679 per month, which is INR 8,148 on an annualised basis. On full year basis, company clocked sales per sq ft of INR 721 per month, which is INR 8,652 on an annualised basis.
- **Added 15 stores in Q4FY25:** Company added 15 stores in Q4FY25 to total 214 stores by the end of Mar-25 (3 stores less vs. our initial estimate). Total rental area stood at 1.9 mn sq ft as on 31st Mar-25. Average store size of new stores increased by ~12% to 8.7k sq ft in Q4.
- **We estimate ~110 bps YoY EBITDA margin (Pre Ind AS) expansion** in Q4 to 3.3% despite ~30bps YoY gross margin contraction led by better operating leverage. Accordingly, EBITDA (Pre Ind AS) is expected to grow ~135% YoY to INR 114 mn and report a PAT of INR 18 mn. EBITDA per sq ft is expected to grow by ~115% YoY to INR 77 per month.



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Exhibit 1. Consolidated quarterly performance

Particulars (INR mn)	Quarterly			Chg (%)		Full Year		Chg (%)
	Q4FY24	Q3FY25	Q4FY25	YoY	QoQ	FY24	FY25	YoY
Store Count (#)	162	199	214	52	15	162	214	52
SSSG (%)		-3%	20%			10%	13%	
Net operating revenues	2,235	4,116	3,456	55	(16)	9,729	13,439	38
Material cost	(1,510)	(2,563)	(2,344)	55	(9)	(6,471)	(8,929)	38
Gross Profit	726	1,553	1,112	53	(28)	3,258	4,511	38
Employee cost	(240)	(316)	(300)	25	(5)	(845)	(1,140)	35
Other expenses	(250)	(404)	(390)	56	(3)	(991)	(1,453)	47
Total expenditure	(1,999)	(3,283)	(3,034)	52	(8)	(8,307)	(11,521)	39
EBITDA	236	833	422	79	(49)	1,422	1,919	35
Other income	13	19	39	196	107	99	111	12
Interest	(139)	(173)	(202)	45	16	(494)	(675)	37
Depreciation	(197)	(271)	(278)	41	2	(735)	(983)	34
Pretax profits	(88)	408	(18)	(79)	(104)	292	372	27
Tax	23	(104)	28	22	(127)	(73)	(71)	(3)
Adj. PAT	(64)	304	10	(116)	(97)	219	301	37
Extraordinary items	-	-	-			-	(81)	
Net profit (reported)	(64)	304	10	(116)	(97)	219	221	1
Recurring EPS	(0.9)	4.1	0.1	(115)	(97)	3.1	4.0	29

Pre Ind AS 116

EBITDA	49	575	114	135	(80)	723	941	30
PAT	(30)	358	18	(160)	(95)	295	416	41
EPS	(0.4)	4.8	0.2	(156)	(95)	4.2	5.6	32

% of operating revenues

Gross margin	32.5	37.7	32.2	-29 bps	-555 bps	33.5	33.6	7 bps
EBITDA margin	10.6	20.2	12.2	165 bps	-804 bps	14.6	14.3	-34 bps
Material cost	67.5	62.3	67.8	28 bps	554 bps	66.5	66.4	-8 bps
Employee cost	10.7	7.7	8.7	-205 bps	101 bps	8.7	8.5	-21 bps
Other expenses	11.2	9.8	11.3	10 bps	147 bps	10.2	10.8	61 bps
Income tax rate (% of PBT)	26.6	25.4	155.7	12913 bps	13034 bps	24.9	19.0	-597 bps

Pre Ind AS Margins (%)

EBITDA margin	2.2	14.0	3.3	112 bps	-1067 bps	7.4	7.0	-44 bps
PAT Margin	-1.4	8.7	0.5	188 bps	-818 bps	3.0	3.1	6 bps

Source: Company, JM Financial

APPENDIX I

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