

# Brainbees Solutions | BUY

## Weak quarter; outlook improving going ahead

FirstCry reported a muted 1QFY26, with IMC GMV growth moderating to 9.7% YoY due to slower offline growth and operational disruptions, whereas International GMV grew only 3.3% YoY. GlobalBees remained a key growth driver with 31.4% YoY revenue growth led by core brands. Consolidated gross margin expanded 80bps YoY to 38.5% due to increased mix of home brands; however, adj. EBITDA margin inched up only 50bps YoY to 5.0% due to higher fulfilment costs driven by last-mile delivery investments. While quarter's performance was impacted by weaker offline performance amid discretionary slowdown, 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 Jun'26 TP of INR 460.

- **India Multi-channel (IMC) impacted by lower offline growth:** IMC segment saw GMV growth of 9.7% YoY, a miss on JMFe by 3%. Growth was driven by 14% YoY growth in transacting users, though order volume grew 6% only. The moderation in growth was mainly due to 1) challenges in last-mile delivery leading to bad customer experience, 2) slowdown in offline business due to muted demand environment, untimely rainfall and closure of 38 COCO stores in 3Q, and 3) operational disruptions due to geopolitical tensions. Revenue stood at INR 12.4bn, 7.5% YoY growth. 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 expanded 120bps YoY due to increasing home brands salience; however, Adj. EBITDAM saw a rise of just 30bps YoY to reach 8.6%. Management aims for early-teens revenue growth in FY26 as demand is improving in July'25. Company plans to add ~90-100 COCO stores in FY26.
- **Profitable growth the key focus in International segment:** International segment saw a GMV growth of 3.3% YoY (-6.9% QoQ), a miss of c.7% on JMFe. Revenue stood at INR 2.1bn, +12.8% YoY (+0.9% QoQ). Higher competitive intensity has continued but management reiterated its focus on sustainable growth and margin improvement. As a result, adjusted EBITDA margin expanded 700bps YoY (+450bps QoQ) to reach -10.4%. 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 1<sup>st</sup> store being opened in 2QFY26. Management aims for early to mid-teens revenue growth in FY26 by optimising top-line mix to yield superior GMV-revenue conversions and acquiring superior quality customers.
- **GlobalBees delivers robust growth led by 'Core' brands:** GlobalBees experienced strong revenue growth of 31% YoY to reach INR 4.3bn. Management has been deliberately reducing 'Other brands' to focus on 'Core categories', which have grown significantly faster at 40% YoY. However, rationalisation of 'Other brands' led to margin contraction with Adj. EBITDAM declining 40bps YoY to reach INR 41mn. Adj. EBITDA from core brands has been at ~4.5% (post corporate expenses). Others segment, which primarily includes Education, delivered INR 131mn in revenue, 9.4% YoY (+20.5% QoQ) growth.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	64,809	76,596	90,216	1,04,830	1,21,211
Sales Growth (%)	23.2	18.2	17.8	16.2	15.6
EBITDA	705	2,191	3,382	7,227	10,642
EBITDA Margin (%)	1.1	2.9	3.7	6.9	8.8
Adjusted Net Profit	-2,743	-537	-969	1,741	3,761
Diluted EPS (INR)	-5.5	-1.0	-1.8	3.3	7.1
Diluted EPS Growth (%)	0.0	0.0	0.0	0.0	116.0
ROIC (%)	-7.1	-3.0	-1.3	6.5	12.7
ROE (%)	-6.9	-1.2	-1.8	3.1	6.3
P/E (x)	-67.9	-372.1	-206.0	114.7	53.1
P/B (x)	4.8	3.7	3.6	3.4	3.1
EV/EBITDA (x)	294.2	90.6	58.7	27.5	18.5
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 13/Aug/2025



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### Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	460
Upside/(Downside)	22.6%
Previous Price Target	478
Change	-3.8%

### Key Data – FIRSTCRY IN

Current Market Price	INR375
Market cap (bn)	INR195.6/US\$2.2
Free Float	92%
Shares in issue (mn)	532.5
Diluted share (mn)	532.5
3-mon avg daily val (mn)	INR1,679.1/US\$19.2
52-week range	734/286
Sensex/Nifty	80,540/24,619
INR/US\$	87.4

### Price Performance

%	1M	6M	12M
Absolute	-1.3	-8.6	-44.8
Relative*	0.8	-13.8	-45.8

\* To the BSE Sensex

JM Financial Research is also available on:  
Bloomberg - JMFR <GO>,  
Thomson Publisher & Reuters,  
S&P Capital IQ, FactSet and Visible Alpha

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

- **Margin and profitability:** In 1QFY26, gross margin (GM) improved to 38.5%, 80bps YoY (+100bps QoQ) improvement. Growth was supported by an increase in home brands in overall mix, increase in share of Kids & Babies Fashion in GMV and rising home brand and third party margins due to economies of scale. However, Adj. EBITDA margin improved only 50bps YoY (-20bps QoQ) to 5.0%. As a result, Adj. EBITDA stood at ~INR 0.93bn in 1Q (24.8% YoY/-7.7% QoQ). Margin improvement was lower than GM expansion due to 1) increased fulfilment cost 2) investments done to improve last-mile delivery 3) revenue mix has shifted towards GlobalBees, which is a lower margin business vs. IMC business. 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 reduced Jun'26 TP of INR 460 (vs. INR 478 earlier):** We lower revenue estimates marginally (1-5% over FY26-29E) considering drag from International business and muted performance in IMC business since past few quarters. Estimate cut are not sharper because we believe IMC business to benefit from recovery of demand environment. We believe that losses in International segment have peaked now and hence should experience sharper margin recovery and hence we increase Adj. EBITDAM estimates for this business by 100-250bps over FY26-29E. However, IMC margins might see slower expansion and hence overall Adj. EBITDAM estimates cut is only 3-10bps. PAT estimates are increased by c.36% in FY26 due to higher than expected other income. We expect the company to deliver c.13% revenue growth over FY25-30, while Adj. EBITDA CAGR would be ~38%, driven by sustained margin expansion across segments. We continue to value India Multichannel / GlobalBees Brands / Others at 35x / 30x / 20x FY27E Pre Ind AS Adj. EBITDA while International segment multiple at 1.5x FY27E sales, resulting in reduced Jun'26 TP of INR 460. We recommend 'BUY'.
- **India Multi-Channel remains significantly undervalued for a 20%+ compounding play:** While last few quarters have been undoubtedly a tough for FirstCry, its IMC segment still managed to deliver Adj. EBITDA growth of 24% in FY25. With growth recovery likely in FY26 onwards, we expect the segment to deliver 3-year EBITDA CAGR of c.22%. As shown in [exhibit 1](#), at CMP, IMC only implies 31.3x 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.31x 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		
<b>FirstCry Consol.</b>	<b>80,266</b>	<b>92,443</b>	<b>106,098</b>	<b>3,122</b>	<b>5,241</b>	<b>7,919</b>	<b>194</b>	
At CMP	2.4x	2.1x	1.8x	62.0x	36.9x	24.4x		
<b>GlobalBees*</b>	<b>10,253</b>	<b>12,765</b>	<b>15,573</b>	<b>402</b>	<b>442</b>	<b>486</b>	<b>32</b>	Valued at 2.5x of Sales, discount to c.4x multiples for brands
<b>Intl.+ Others</b>	<b>10,158</b>	<b>11,450</b>	<b>12,852</b>	<b>-658</b>	<b>-391</b>	<b>554</b>	<b>-</b>	Valued at zero considering high competitive intensity
<b>FC India MC</b>	<b>59,855</b>	<b>68,228</b>	<b>77,672</b>	<b>3,378</b>	<b>5,190</b>	<b>6,879</b>	<b>162</b>	Implied FC India Multi-channel Enterprise Value
At CMP	2.7x	2.4x	2.1x	47.9x	31.1x	23.5x		

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' 50.73% stake in the entity. CMP as of 13<sup>th</sup> August 2025.

## Exhibit 2. Key assumptions

Particulars	FY21	FY22	FY23	FY24	FY25	FY28E	FY30E	FY35E	CAGR FY25-30E	CAGR FY30-35E
<b>India Multi-channel</b>										
Annual unique transacting consumers (mn)	5.2	6.7	7.7	8.7	10.1	12.7	15.7	25.7	9.2%	10.4%
as % of population under 4	4.8%	6.3%	7.3%	8.3%	9.6%	12.1%	15.2%	26.0%		
Orders (mn)	18.7	25.7	29.6	34.1	39.5	49.9	62.6	107.2	9.6%	11.4%
Average order Value (AOV) (INR)	1,933	2,043	2,156	2,226	2,228	2,318	2,386	2,554	1.4%	1.4%
<b>GMV (INR bn)</b>	<b>36</b>	<b>52</b>	<b>64</b>	<b>76</b>	<b>88</b>	<b>116</b>	<b>149</b>	<b>274</b>	<b>11.1%</b>	<b>12.9%</b>
Revenue (INR bn)	22	31	39	46	53	68	88	163	10.8%	13.0%
Gross Margin	35.3%	33.8%	34.2%	35.1%	36.6%	38.9%	40.1%	41.3%	70bps	25bps
<b>Adj. EBITDA Margin</b>	<b>NA</b>	<b>6.2%</b>	<b>6.2%</b>	<b>8.8%</b>	<b>9.5%</b>	<b>11.2%</b>	<b>12.9%</b>	<b>16.4%</b>	<b>69bps</b>	<b>69bps</b>
<b>International</b>										
Annual unique transacting consumers (mn)	0.2	0.2	0.3	0.4	0.5	0.6	0.7	1.1	7.6%	8.5%
Orders (mn)	0.7	1.1	1.4	1.8	1.9	2.3	2.8	4.3	7.7%	9.1%
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%
<b>GMV (INR bn)</b>	<b>4</b>	<b>6</b>	<b>9</b>	<b>15</b>	<b>18</b>	<b>21</b>	<b>26</b>	<b>43</b>	<b>8.3%</b>	<b>10.3%</b>
Revenue (INR bn)	2	4	5	8	9	11	14	23	9.8%	10.6%
Gross Margin	25.3%	22.3%	22.9%	23.6%	23.3%	26.4%	28.6%	31.5%	107bps	58bps
<b>Adj. EBITDA Margin</b>	<b>NA</b>	<b>-23.7%</b>	<b>-24.6%</b>	<b>-18.5%</b>	<b>-16.3%</b>	<b>-2.5%</b>	<b>6.3%</b>	<b>13.6%</b>	<b>451bps</b>	<b>147bps</b>
<b>GlobalBees</b>										
<b>Revenue (INR bn)</b>	<b>NA</b>	<b>1</b>	<b>9</b>	<b>12</b>	<b>16</b>	<b>25</b>	<b>37</b>	<b>78</b>	<b>18.5%</b>	<b>16.3%</b>
Gross Margin	NA	46.4%	36.2%	44.7%	46.6%	47.9%	49.1%	50.3%	50bps	25bps
<b>Adj. EBITDA Margin</b>	<b>NA</b>	<b>-8.2%</b>	<b>-5.0%</b>	<b>0.2%</b>	<b>1.5%</b>	<b>4.2%</b>	<b>7.6%</b>	<b>14.6%</b>	<b>122bps</b>	<b>139bps</b>
<b>Others</b>										
<b>Revenue (INR mn)</b>	<b>NA</b>	<b>79</b>	<b>230</b>	<b>334</b>	<b>425</b>	<b>546</b>	<b>681</b>	<b>1,091</b>	<b>9.9%</b>	<b>9.9%</b>
Gross Margin	81.6%	76.1%	62.8%	68.8%	70.6%	72.5%	74.5%	76.5%	78bps	41bps
<b>Adj. EBITDA Margin</b>	<b>NA</b>	<b>-101.5%</b>	<b>-13.3%</b>	<b>17.5%</b>	<b>24.5%</b>	<b>28.5%</b>	<b>32.5%</b>	<b>39.7%</b>	<b>160bps</b>	<b>145bps</b>
<b>Group</b>										
GMV (INR bn)	40	58	73	91	106	137	176	317	10.7%	12.5%
Revenue (INR bn)	25	36	53	65	77	105	139	265	12.7%	13.7%
Gross Margin	34.3%	33.1%	32.9%	35.8%	37.4%	39.9%	41.5%	43.3%	83bps	36bps
EBITDA Margin	1.9%	-0.5%	-6.0%	1.1%	2.9%	6.9%	10.3%	15.3%	150bps	99bps
<b>Adj. EBITDA Margin</b>	<b>3.7%</b>	<b>2.6%</b>	<b>1.5%</b>	<b>4.2%</b>	<b>5.1%</b>	<b>8.2%</b>	<b>10.9%</b>	<b>15.7%</b>	<b>116bps</b>	<b>95bps</b>

Source: Company, JM Financial estimates

## Exhibit 3. FirstCry 1QFY26 vis-à-vis JMFe and consensus estimate

All numbers are in INR mn	1QFY26A	1QFY25A	Change (YoY)	4QFY25A	Change (QoQ)	Estimate (JMFe)	Variance (vs. JMFe)	Estimate (Visible alpha)	Variance (vs. Cons.)
Total GMV	25,184	23,183	8.6%	26,146	-3.7%	26,167	-3.8%	26,619	-5.4%
India Multi-channel	21,265	19,389	9.7%	21,938	-3.1%	21,955	-3.1%	22,364	-4.9%
International	3,919	3,794	3.3%	4,208	-6.9%	4,212	-7.0%	4,254	-7.9%
<b>Revenue from operations</b>	<b>18,626</b>	<b>16,521</b>	<b>12.7%</b>	<b>19,303</b>	<b>-3.5%</b>	<b>19,093</b>	<b>-2.4%</b>	<b>19,418</b>	<b>-4.1%</b>
Gross Profit	7,175	6,230	15.2%	7,240	-0.9%	7,254	-1.1%	7,396	-3.0%
<b>Gross margin</b>	<b>38.5%</b>	<b>37.7%</b>	<b>82bp</b>	<b>37.5%</b>	<b>102bp</b>	<b>38.0%</b>	<b>53bp</b>	<b>38.1%</b>	<b>44bp</b>
EBITDA	331	492	-32.6%	159	108.5%	178	86.6%	331	0.0%
<b>EBITDA margin%</b>	<b>1.8%</b>	<b>3.0%</b>	<b>-120bp</b>	<b>0.8%</b>	<b>96bp</b>	<b>0.9%</b>	<b>85bp</b>	<b>1.7%</b>	<b>7bp</b>
Adjusted EBITDA	927	743	24.8%	1,005	-7.7%	978	-5.1%		
<b>Adjusted EBITDA margin%</b>	<b>5.0%</b>	<b>4.5%</b>	<b>48bp</b>	<b>5.2%</b>	<b>-23bp</b>	<b>5.1%</b>	<b>-14bp</b>		
Adj. PAT	-464	-567	18.1%	-767	39.5%	-1,117	58.5%	-783	40.7%
Diluted EPS (INR)	-0.96	-1.28	25.0%	-1.60	40.0%	-2.14	55.2%	-1.77	45.8%
<b>Key Operating Metrics</b>									
<b>Annual Unique Transacting Customers (mn)</b>									
India Multi-channel	10.30	9.00	14.4%	10.12	1.8%	10.42	-1.2%		
International	0.50	0.44	13.6%	0.49	2.0%	0.50	0.5%		
<b>Orders (mn)</b>									
India Multi-channel	9.50	9.00	5.6%	9.90	-4.0%	10.14	-6.3%		
International	0.47	0.44	7.4%	0.46	1.3%	0.47	0.6%		
<b>Average Order Value (INR)</b>									
India Multi-channel	2,238	2,154	3.9%	2,216	1.0%	2,165	3.4%		
International	8,336	8,669	-3.8%	9,069	-8.1%	9,016	-7.5%		

Source: Company, JM Financial, Visible alpha estimates

**Exhibit 4. Key financials**

Numbers in INR mn	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
<b>GMV (INR mn)</b>	<b>19,871</b>	<b>20,857</b>	<b>27,547</b>	<b>22,936</b>	<b>23,183</b>	<b>25,286</b>	<b>31,240</b>	<b>26,146</b>	<b>25,184</b>
Change (QoQ)		5.0%	32.1%	-16.7%	1.1%	9.1%	23.5%	-16.3%	-76.2%
Change (YoY)					16.7%	21.2%	13.4%	14.0%	8.6%
<b>Revenue (INR mn)</b>	<b>14,069</b>	<b>15,069</b>	<b>19,002</b>	<b>16,669</b>	<b>16,521</b>	<b>19,049</b>	<b>21,723</b>	<b>19,303</b>	<b>18,626</b>
Change (QoQ)		7.1%	26.1%	-12.3%	-0.9%	15.3%	14.0%	-11.1%	-75.7%
Change (YoY)					17.4%	26.4%	14.3%	15.8%	12.7%
Operating expenses	9,044	9,597	12,441	10,550	10,291	11,939	13,692	12,063	11,450
<b>Gross profit</b>	<b>5,025</b>	<b>5,472</b>	<b>6,561</b>	<b>6,118</b>	<b>6,230</b>	<b>7,110</b>	<b>8,031</b>	<b>7,240</b>	<b>7,175</b>
Gross margin	35.7%	36.3%	34.5%	36.7%	37.7%	37.3%	37.0%	37.5%	38.5%
Other operating expenses	5,182	5,528	5,975	5,787	5,738	6,540	6,952	7,081	6,844
<b>EBITDA</b>	<b>(157)</b>	<b>(56)</b>	<b>586</b>	<b>331</b>	<b>492</b>	<b>570</b>	<b>1,079</b>	<b>159</b>	<b>331</b>
EBITDA margin	-1.1%	-0.4%	3.1%	2.0%	3.0%	3.0%	5.0%	0.8%	1.8%
Change (QoQ)		64.5%	NA	-43.5%	48.5%	16.0%	89.2%	-85.3%	-84.9%
Change (YoY)					NA	NA	84.0%	-52.0%	-32.6%
<b>Adj EBITDA</b>	<b>361</b>	<b>482</b>	<b>1,064</b>	<b>838</b>	<b>743</b>	<b>801</b>	<b>1,385</b>	<b>1,005</b>	<b>927</b>
Adj EBITDA margin	2.6%	3.2%	5.6%	5.0%	4.5%	4.2%	6.4%	5.2%	5.0%
Depreciation & amortisation	836	888	959	1,027	955	980	1,036	1,075	1,011
<b>EBIT</b>	<b>(992)</b>	<b>(944)</b>	<b>(372)</b>	<b>(695)</b>	<b>(463)</b>	<b>(409)</b>	<b>43</b>	<b>(917)</b>	<b>(679)</b>
EBIT margin	-7.1%	-6.3%	-2.0%	-4.2%	-2.8%	-2.1%	0.2%	-4.7%	-3.6%
Net other income	(158)	(177)	(54)	177	(112)	(96)	21	108	81
Share of associate	-	-	-	-	-	-	-	-	-
Exceptional	-	-	-	-	123	10	(5)	367	65
<b>PBT</b>	<b>(1,150)</b>	<b>(1,121)</b>	<b>(426)</b>	<b>(518)</b>	<b>(698)</b>	<b>(516)</b>	<b>69</b>	<b>(1,176)</b>	<b>(663)</b>
Tax expenses	46	(73)	(58)	85	(59)	(113)	(216)	60	(2)
<b>PAT</b>	<b>(1,104)</b>	<b>(1,194)</b>	<b>(484)</b>	<b>(433)</b>	<b>(757)</b>	<b>(629)</b>	<b>(147)</b>	<b>(1,115)</b>	<b>(665)</b>
Change (QoQ)		-8.1%	59.5%	10.6%	-75.0%	80.5%	80.5%	-77.4%	40.4%
Change (YoY)					31.5%	47.4%	69.5%	-157.8%	12.1%
<b>Adj. PAT (ex - minority)</b>	<b>(901)</b>	<b>(1,008)</b>	<b>(244)</b>	<b>(517)</b>	<b>(567)</b>	<b>(502)</b>	<b>(78)</b>	<b>(767)</b>	<b>(464)</b>
<b>Diluted EPS</b>	<b>(2.3)</b>	<b>(2.5)</b>	<b>(1.0)</b>	<b>(0.9)</b>	<b>(1.4)</b>	<b>(1.2)</b>	<b>(0.3)</b>	<b>(2.1)</b>	<b>(1.2)</b>

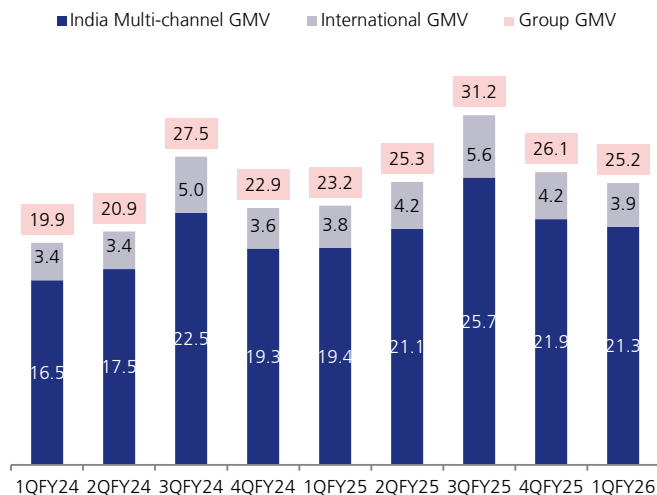
Source: Company, JM Financial

**Exhibit 5. Key metrics**

Particulars	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Physical Stores	1,018	1,063	1,083	1,124	1,136	1,156	1,169
Franchised stores	632	628	624	626	628	629	633
Company owned	386	435	459	498	508	527	536
FirstCry Stores	121	151	165	191	217	231	240
Babyhug exclusive stores	265	284	294	307	291	296	296
<b>India Multi-channel</b>							
Annual unique transacting consumers (in mn)	8.39	8.68	9.00	9.40	9.80	10.10	10.30
Orders (in mn)	9.82	8.70	9.00	9.52	11.13	9.90	9.50
Average order value	2,292	2,226	2,157	2,217	2,306	2,216	2,238
<b>International</b>							
Annual unique transacting consumers	0.41	0.43	0.44	0.50	0.48	0.49	0.50
Orders (in mn)	0.50	0.43	0.40	0.48	0.54	0.46	0.47
Average order value (INR)	10,033	8,582	8,669	8,737	10,157	9,069	8,336

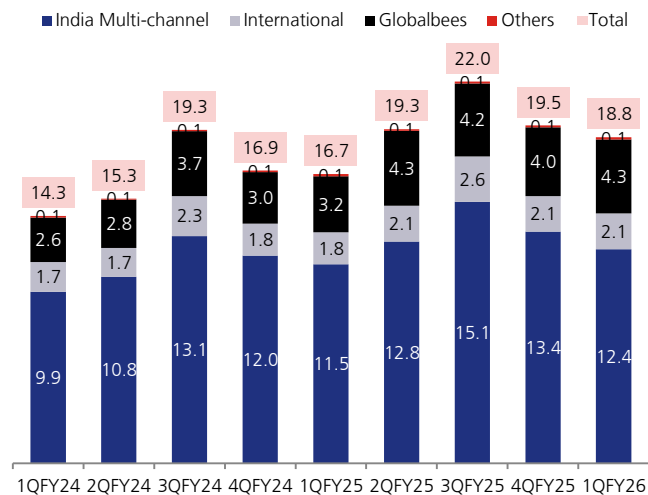
Source: Company, JM Financial

Exhibit 6. Gross Merchandise Value (GMV) trend



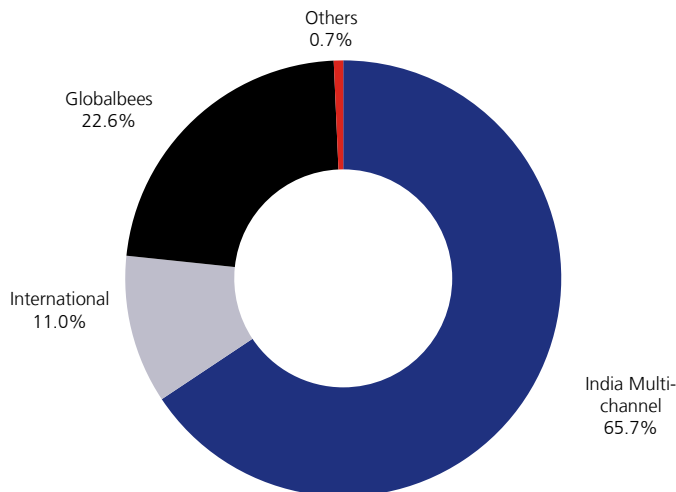
Source: Company, JM Financial

Exhibit 7. Group revenue trend



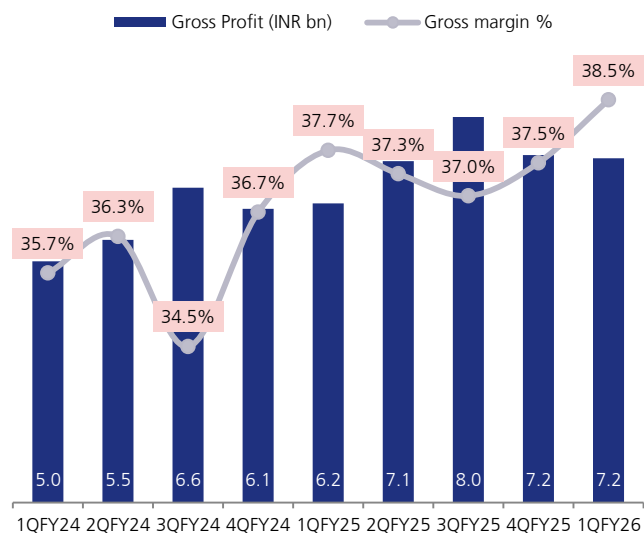
Source: Company, JM Financial

Exhibit 8. Revenue split (as of 1QFY26)



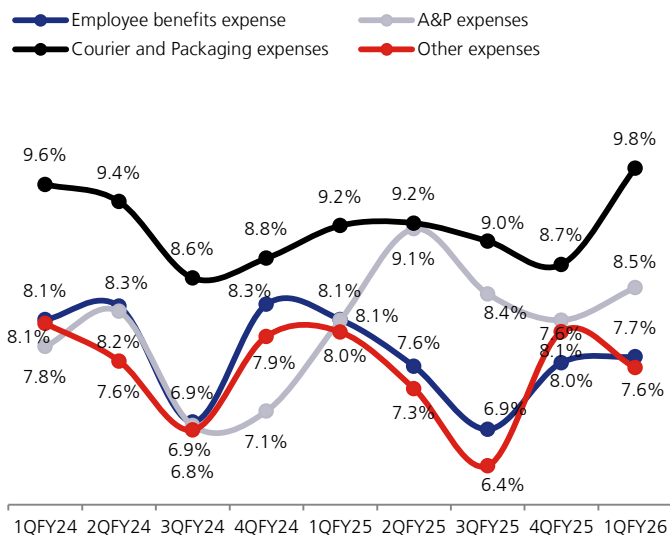
Source: Company, JM Financial

Exhibit 9. Gross margin trend



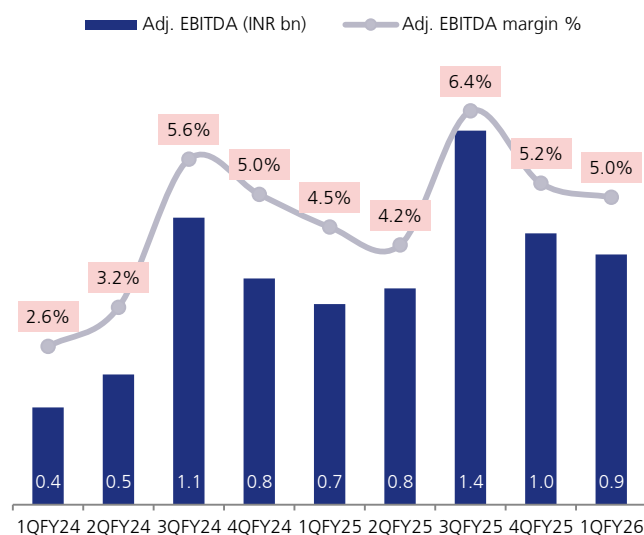
Source: Company, JM Financial

Exhibit 10. Expense trend



Source: Company, JM Financial

Exhibit 11. Adj. EBITDA trend



Source: Company, JM Financial

## Maintain BUY; TP reduced to INR 460

### 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)	123.5	144.8	168.8	195.4	120.4	136.8	155.3	175.7	-2.5%	-5.5%	-8.0%	-10.1%
Consolidated revenue (INR bn)	91.3	107.7	126.2	147.0	90.2	104.8	121.2	139.3	-1.1%	-2.7%	-4.0%	-5.2%
Revenue growth rate (YoY)	19.1%	18.0%	17.2%	16.5%	17.8%	16.2%	15.6%	15.0%	-137bps	-185bps	-153bps	-152bps
Consolidated EBITDA (INR bn)	3.4	7.5	11.2	15.2	3.4	7.2	10.6	14.4	-0.3%	-4.2%	-4.6%	-5.5%
EBITDA margin	3.7%	7.0%	8.8%	10.4%	3.7%	6.9%	8.8%	10.3%	3bps	-11bps	-6bps	-3bps
Adj. EBITDA (INR bn)	6.2	9.0	12.2	16.3	6.0	8.6	11.6	15.3	-3.3%	-4.6%	-4.9%	-6.2%
Adj. EBITDA margin	6.8%	8.3%	9.7%	11.1%	6.7%	8.2%	9.6%	10.9%	-15bps	-17bps	-9bps	-11bps
EBIT margin	-0.9%	2.9%	5.0%	6.8%	-0.9%	2.7%	4.9%	6.7%	-1bps	-19bps	-15bps	-11bps
PAT (INR bn)	-1.7	1.7	4.1	6.8	-1.1	1.8	4.1	6.8	35.6%	6.2%	1.4%	-0.6%
Diluted EPS (INR)	-3.13	3.24	7.65	12.85	-2.02	3.44	7.76	12.77	35.6%	6.2%	1.4%	-0.6%

Source: Company, JM Financial

### Exhibit 13. SoTP-based Jun'26 TP of INR 460, implying 19% upside

SoTP valuation as on		13-Aug-25										
TP Date		31-Jun-26										
FirstCry Valuations	Valuation Metric	Target Multiple (x)	Metric	Jun'27E (INR bn)	Valuation (INR bn)	Per Share (INR)	Rationale					
India Multi-channel	EV / Adj. EBITDA	35	Adj. EBITDA	5.7	197.8	371	Broadly in line with traditional retailers with lower growth and limited margin expansion potential					
International	EV / Sales	1.5	Revenue	11.2	16.9	32	Discount to Global retailers					
Globalbees	EV / Adj. EBITDA	30	Adj. EBITDA	1.2	18.6	35	In-line with fast growing branded players; adjusted for 50.73% stake					
Others	EV / Adj. EBITDA	20	Adj. EBITDA	0.2	3.3	6						
Cash (Mar'26)		1	Net Cash	13.7	13.7	26						
Minority Interest (Mar'26)				-5.4	-5.4	-10						
<b>Target Market Cap (INR bn)</b>					<b>245</b>	<b>460</b>						
Outstanding shares (bn)					0.5	Fully diluted shares						
<b>TP (INR)</b>					<b>460</b>	<b>Fair value per share</b>						

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	90,216	1,04,830	1,21,211
Sales Growth	23.2%	18.2%	17.8%	16.2%	15.6%
Other Operating Income	0	0	0	0	0
<b>Total Revenue</b>	<b>64,809</b>	<b>76,596</b>	<b>90,216</b>	<b>1,04,830</b>	<b>1,21,211</b>
Cost of Goods Sold/Op. Exp	41,632	47,986	55,107	63,002	71,800
Personnel Cost	6,865	7,393	8,962	8,308	8,704
Other Expenses	15,607	19,026	22,765	26,293	30,064
<b>EBITDA</b>	<b>705</b>	<b>2,191</b>	<b>3,382</b>	<b>7,227</b>	<b>10,642</b>
EBITDA Margin	1.1%	2.9%	3.7%	6.9%	8.8%
EBITDA Growth	0.0%	210.8%	54.4%	113.7%	47.3%
Depn. & Amort.	3,709	4,046	4,198	4,398	4,735
EBIT	-3,004	-1,854	-816	2,829	5,907
Other Income	942	1,505	1,545	1,255	1,276
Finance Cost	1,154	1,583	1,664	1,636	1,659
PBT before Excep. & Forex	-3,215	-1,933	-934	2,448	5,524
Excep. & Forex Inc./Loss(-)	0	496	0	0	0
PBT	-3,215	-1,437	-934	2,448	5,524
Taxes	0	-328	-140	-616	-1,390
Extraordinary Inc./Loss(-)	0	496	0	0	0
Assoc. Profit/Min. Int.(-)	-472	-733	-105	91	373
Reported Net Profit	-2,743	-1,032	-969	1,741	3,761
<b>Adjusted Net Profit</b>	<b>-2,743</b>	<b>-537</b>	<b>-969</b>	<b>1,741</b>	<b>3,761</b>
Net Margin	-4.2%	-0.7%	-1.1%	1.7%	3.1%
Diluted Share Cap. (mn)	496.7	532.5	532.5	532.5	532.5
<b>Diluted EPS (INR)</b>	<b>-5.5</b>	<b>-1.0</b>	<b>-1.8</b>	<b>3.3</b>	<b>7.1</b>
Diluted EPS Growth	0.0%	0.0%	0.0%	0.0%	116.0%
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	-934	2,448	5,524
Depn. & Amort.	3,709	4,923	4,198	4,398	4,735
Net Interest Exp. / Inc. (-)	635	663	118	381	383
Inc (-) / Dec in WCap.	-2,928	-5,462	-1,403	-2,328	-2,122
Others	1,844	1,691	2,650	1,325	994
Taxes Paid	-465	-329	-140	-616	-1,390
<b>Operating Cash Flow</b>	<b>-421</b>	<b>-834</b>	<b>4,489</b>	<b>5,608</b>	<b>8,124</b>
Capex	-3,405	-2,056	-1,848	-2,317	-2,795
Free Cash Flow	-3,826	-2,891	2,641	3,291	5,329
Inc (-) / Dec in Investments	6,132	-11,517	0	0	0
Others	-2,097	-811	1,763	1,274	803
<b>Investing Cash Flow</b>	<b>629</b>	<b>-14,384</b>	<b>-85</b>	<b>-1,044</b>	<b>-1,992</b>
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	-2,625	-2,792	-2,873
Others	-275	-580	-1,664	-1,636	-1,659
<b>Financing Cash Flow</b>	<b>815</b>	<b>14,314</b>	<b>-4,289</b>	<b>-4,428</b>	<b>-4,532</b>
<b>Inc / Dec (-) in Cash</b>	<b>1,023</b>	<b>-905</b>	<b>116</b>	<b>137</b>	<b>1,600</b>
Opening Cash Balance	2,594	3,617	2,712	2,828	2,964
Closing Cash Balance	3,617	2,712	2,828	2,964	4,564

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	37,915	52,802	54,378	57,535	62,662
Share Capital	815	965	965	965	965
Reserves & Surplus	37,100	51,837	53,413	56,570	61,697
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	14,225	15,699	15,843	15,960	16,429
Def. Tax Liab. / Assets (-)	623	4	4	4	4
<b>Total - Equity &amp; Liab.</b>	<b>52,763</b>	<b>68,505</b>	<b>70,225</b>	<b>73,499</b>	<b>79,096</b>
Net Fixed Assets	38,685	36,161	36,362	37,170	39,046
Gross Fixed Assets	9,588	11,427	13,275	15,592	18,387
Intangible Assets	31,988	28,796	28,481	28,436	29,160
Less: Depn. & Amort.	2,897	4,130	5,462	6,926	8,570
Capital WIP	5	68	68	68	68
Investments	3,171	14,394	14,394	14,394	14,394
Current Assets	31,025	35,883	40,783	46,276	53,729
Inventories	16,295	21,305	24,599	28,009	31,722
Sundry Debtors	2,184	2,825	3,204	3,716	4,288
Cash & Bank Balances	3,617	2,712	2,828	2,964	4,564
Loans & Advances	361	0	0	0	0
Other Current Assets	8,569	9,041	10,152	11,587	13,155
Current Liab. & Prov.	20,119	17,932	21,313	24,342	28,073
Current Liabilities	16,956	11,218	13,341	15,002	17,186
Provisions & Others	3,163	6,714	7,972	9,339	10,887
Net Current Assets	10,907	17,951	19,470	21,934	25,656
<b>Total - Assets</b>	<b>52,763</b>	<b>68,505</b>	<b>70,225</b>	<b>73,499</b>	<b>79,096</b>

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	-4.2%	-0.7%	-1.1%	1.7%	3.1%
Asset Turnover (x)	0.9	0.9	1.0	1.1	1.2
Leverage Factor (x)	1.8	1.8	1.7	1.7	1.7
RoE	-6.9%	-1.2%	-1.8%	3.1%	6.3%

Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	78.4	101.3	104.4	110.4	120.3
ROIC	-7.1%	-3.0%	-1.3%	6.5%	12.7%
ROE	-6.9%	-1.2%	-1.8%	3.1%	6.3%
Net Debt/Equity (x)	0.2	0.0	0.0	0.0	0.0
P/E (x)	-67.9	-372.1	-206.0	114.7	53.1
P/B (x)	4.8	3.7	3.6	3.4	3.1
EV/EBITDA (x)	294.2	90.6	58.7	27.5	18.5
EV/Sales (x)	3.2	2.6	2.2	1.9	1.6
Debtor days	12	13	13	13	13
Inventory days	92	102	100	98	96
Creditor days	52	46	44	44	44

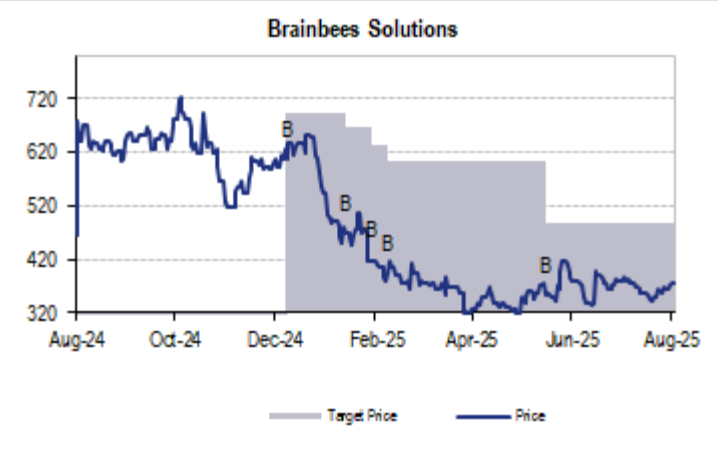
Source: Company, JM Financial



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

Recommendation History



## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

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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.
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\* REITs refers to Real Estate Investment Trusts.

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