

Bazaar Style Retail

Hitting the right notes



Huge Total Addressable
Market

High potential for
store expansion

Attractive valuation;
Initiate with BUY-TP INR 400

Bazaar Style Retail Hitting the right notes

Style Bazaar is a leading value fashion retailer with a strong presence in Eastern India offering a one-stop-shop family experience with comprehensive product offerings at affordable prices. The company was established in Jun'13 and has rapidly expanded its retail footprint to 199 stores covering over 1.8mn sqft across 170 cities as of Dec'24; 75%+ of its stores are located in Tier2/3/4 towns. It has product offerings in Apparels and General merchandise, with Apparels constituting ~85% of its overall offerings and a private label share of 40% in the overall mix.

We expect Style Bazaar to deliver Revenue/EBITDA/PAT (Pre Ind AS 116) CAGR of 30%/36%/50% over FY24-27E and RoE/ROIC to improve from 14%/11% in FY24 to 22%/19% by FY27 led by improving profitability and reducing working capital days. The EPS (Pre Ind AS 116) in FY25 is expected to increase by 32% to INR 5.4 vs. a 5% decline in Post Ind AS EPS due to (i) higher ROU depreciation and lease liability interest on aggressive store addition plans of ~55 stores in FY25 vs. only 15-30 stores earlier, and (ii) buyout of 3 lease stores in FY24 leading to lease reversal. We believe, this is also one of the key reason for Style Bazaar's low valuations as reported numbers optically look weak but are strong on Pre Ind AS basis. We initiate coverage on Style Bazaar Limited with a BUY rating and a TP of INR 400 (30x FY27 EPS – Pre Ind AS). The stock is trading at ~10x FY27 EV/EBITDA and ~17x FY27 EPS (Pre Ind AS 116) which is a discount of 20-65% and 40-70% on P/E and EV/EBITDA basis respectively. Consistent execution, improving profitability and working capital days can lead to further re-rating of the stock.

Strong growth potential in a huge, largely unorganised TAM

The value apparel market was worth INR 3.7trln in FY24. Of this, the organised market was INR 1.3trln and it is expected to grow at 17% CAGR over FY24-27 (19% over FY19-24) to INR 2.1trln in FY27 led by (1) better quality products at affordable prices, (2) shift from unbranded products to branded products, etc. The eastern value apparel market is expected to grow at a higher CAGR of ~15% vs. 12-13% for other regions over FY24-27E. Strong presence, huge TAM and high growth market places Style Bazaar in a favourable position to capitalise on this opportunity.

Robust execution- key enabler for growth in a competitive market

Style Bazaar offers a one-stop-shop solution to all family needs at affordable prices with repeat sale of ~68%+ showcasing strong execution. Its core strength lies in customising product assortment understanding the consumer preference. Its appealing store layout, strong merchandising and supply chain process, and targeted marketing have helped it attract new customers while retaining existing ones. It is also investing in the system and process automation software that will help increase pace of expansion, improve store level unit economics, reduce other costs.

High potential for store expansion led by strong unit economics

Style Bazaar, given its robust unit economics and lower penetration levels, has huge potential for store expansion not only in its focus markets but also in its core regions. As per our calculation, it has the potential to add at least ~265 stores considering the current economic and GDP/capita situation, which can only improve in future with increasing per capita income and development of cities. We expect the company to add 145 stores over FY25-27E.

Key risks: (i) High revenue concentration (80-90%) from its core markets (ii) Heavy reliance on apparel sales, (iii) Increased competition in value fashion retail, (iv) Unsuccessful launch of private labels, which may impact the business adversely, (v) Dependency on a few suppliers for procurement needs without any definitive agreements.

Recommendation and Price Target	
Current Reco.	BUY
Current Price Target (12M)	400
Upside/(Downside)	73.4%
Key Data – STYLEBAA IN	
Current Market Price	INR231
Market cap (bn)	INR17.2/US\$0.2
Free Float	30%
Shares in issue (mn)	74.6
Diluted share (mn)	74.6
3-mon avg daily val (mn)	INR105.8/US\$1.2
52-week range	431/181
Sensex/Nifty	74,170/22,509
INR/US\$	86.8

Price Performance			
%	1M	6M	12M
Absolute	20.0	-36.2	0.0
Relative*	22.9	-28.7	0.0

*To the BSE Sensex

Financial Summary						(INR mn)
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
Net Sales	7,879	9,729	13,112	17,107	21,204	
Sales Growth (%)	43.0	23.5	34.8	30.5	23.9	
EBITDA	1,015	1,421	1,826	2,576	3,290	
EBITDA Margin (%)	12.9	14.6	13.9	15.1	15.5	
Adjusted Net Profit	51	219	209	320	496	
Diluted EPS (INR)	0.7	2.9	2.8	4.3	6.6	
Diluted EPS Growth (%)	0.0	330.1	-4.6	53.0	54.9	
ROIC (%)	14.5	15.1	14.5	18.4	22.6	
ROE (%)	3.0	10.8	6.7	7.5	10.7	
P/E (x)	337.8	78.6	82.4	53.8	34.8	
P/B (x)	8.9	8.1	4.2	3.9	3.5	
EV/EBITDA (x)	18.2	13.3	9.9	7.1	5.4	
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	

Source: Company data, JM Financial. Note: Valuations as of 17/Mar/2025

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

You can also access our portal: www.jmflresearch.com

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

Gaurav Jogani
gaurav.jogani@jmfl.com
Tel: (91 22) 66303085

Mehul Desai
mehul.desai@jmfl.com
Tel: (91 22) 66303065

Tanuj Pandia
tanuj.pandia@jmfl.com
Tel: (91 22) 66303051

Table of Contents	Page No.
Focus charts	4
Investment thesis	6
Valuation summary	7
Company background	8
Board of Directors and Key Managerial Personnel	12
Strong growth potential in a huge unorganised TAM	13
Robust execution enabling growth in a competitive market	16
High potential for store expansion led by strong unit economics	24
Competition analysis	26
Financial summary	28
Key risks	35
Quarterly performance	36
Financials	37



Style Bazaar is a leading value fashion retailer with a strong presence in Eastern India offering a one stop-shop family experience with comprehensive product offerings in both Apparel and General merchandise categories at affordable prices. Its execution has been strong, which is evident from its positive SSSG and rising profitability. The potential for expansion is immense in both existing and new markets, and we believe Style Bazaar is well placed to grab the opportunity. We expect Revenue/ EBITDA/ PAT CAGR of 30%/36%/50% over FY24-27E.

RECENT INITIATIONS

Consumer Retail: Stepping it up

Company: Style Bazaar

Investment Thesis: Style Bazaar is a leading value fashion retailer with a strong presence in Eastern India offering a one stop-shop family experience with comprehensive product offerings in both Apparel and General merchandise categories at affordable prices. Its execution has been strong, which is evident from its positive SSSG and rising profitability. The potential for expansion is immense in both existing and new markets, and we believe Style Bazaar is well placed to grab the opportunity. We expect Revenue/ EBITDA/ PAT CAGR of 30%/36%/50% over FY24-27E.

Key Metrics:

Metric	2023	2024E	2025E	2026E	2027E
Revenue (₹ Cr)	1,200	1,560	2,016	2,621	3,407
EBITDA (₹ Cr)	180	248	326	424	551
PAT (₹ Cr)	60	81	107	139	181

Campus Activewear

Investment Thesis: Campus Activewear is a leading value fashion retailer with a strong presence in Eastern India offering a one stop-shop family experience with comprehensive product offerings in both Apparel and General merchandise categories at affordable prices. Its execution has been strong, which is evident from its positive SSSG and rising profitability. The potential for expansion is immense in both existing and new markets, and we believe Campus Activewear is well placed to grab the opportunity. We expect Revenue/ EBITDA/ PAT CAGR of 30%/36%/50% over FY24-27E.

Key Metrics:

Metric	2023	2024E	2025E	2026E	2027E
Revenue (₹ Cr)	800	1,040	1,368	1,778	2,312
EBITDA (₹ Cr)	120	160	211	275	357
PAT (₹ Cr)	40	54	71	92	119

Crompton Greaves Consumer Electricals

Investment Thesis: Crompton Greaves Consumer Electricals is a leading value fashion retailer with a strong presence in Eastern India offering a one stop-shop family experience with comprehensive product offerings in both Apparel and General merchandise categories at affordable prices. Its execution has been strong, which is evident from its positive SSSG and rising profitability. The potential for expansion is immense in both existing and new markets, and we believe Crompton Greaves Consumer Electricals is well placed to grab the opportunity. We expect Revenue/ EBITDA/ PAT CAGR of 30%/36%/50% over FY24-27E.

Key Metrics:

Metric	2023	2024E	2025E	2026E	2027E
Revenue (₹ Cr)	1,500	1,950	2,535	3,294	4,281
EBITDA (₹ Cr)	225	293	380	494	642
PAT (₹ Cr)	75	100	131	167	214

Consumer Durables

Investment Thesis: Consumer Durables is a leading value fashion retailer with a strong presence in Eastern India offering a one stop-shop family experience with comprehensive product offerings in both Apparel and General merchandise categories at affordable prices. Its execution has been strong, which is evident from its positive SSSG and rising profitability. The potential for expansion is immense in both existing and new markets, and we believe Consumer Durables is well placed to grab the opportunity. We expect Revenue/ EBITDA/ PAT CAGR of 30%/36%/50% over FY24-27E.

Key Metrics:

Metric	2023	2024E	2025E	2026E	2027E
Revenue (₹ Cr)	1,800	2,340	3,048	3,962	5,151
EBITDA (₹ Cr)	270	351	457	594	773
PAT (₹ Cr)	90	117	152	198	258

[Consumer Retail: Stepping it up](#)

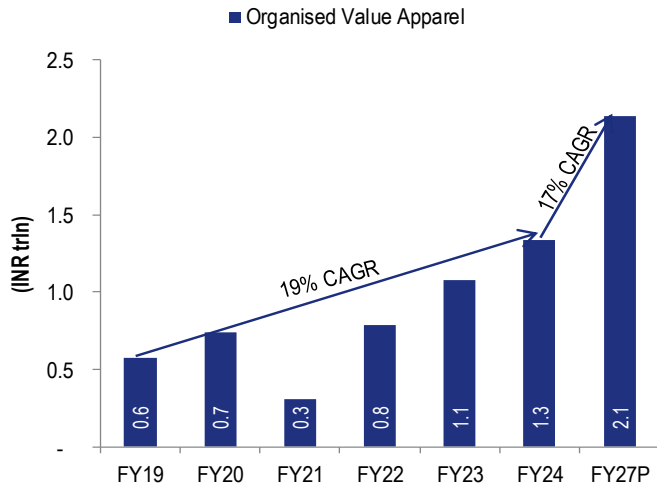
[Campus Activewear](#)

[Crompton Greaves Consumer Electricals](#)

[Consumer Durables](#)

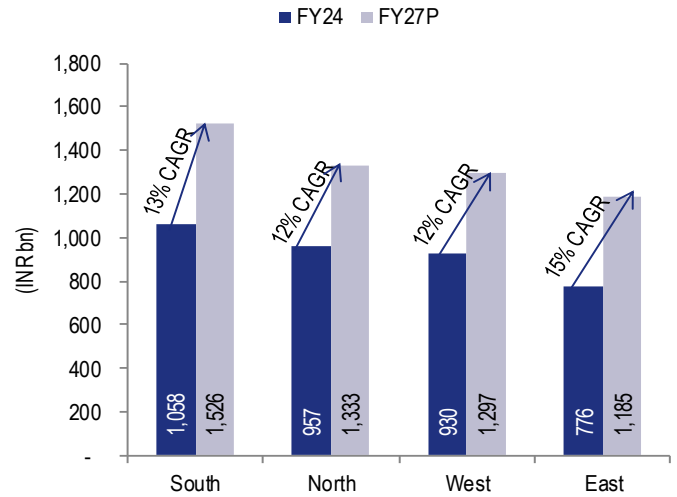
Focus Charts

Exhibit 1. Organised value apparel to grow at ~17% CAGR



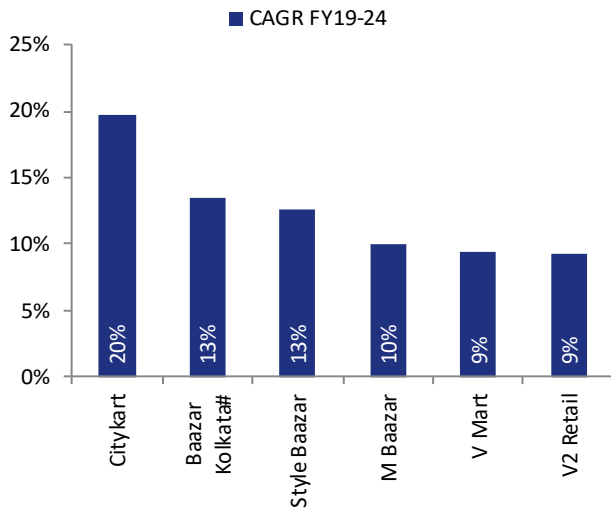
Source: Company, JM Financial

Exhibit 2. Eastern markets to grow at 15% CAGR over FY24-27E



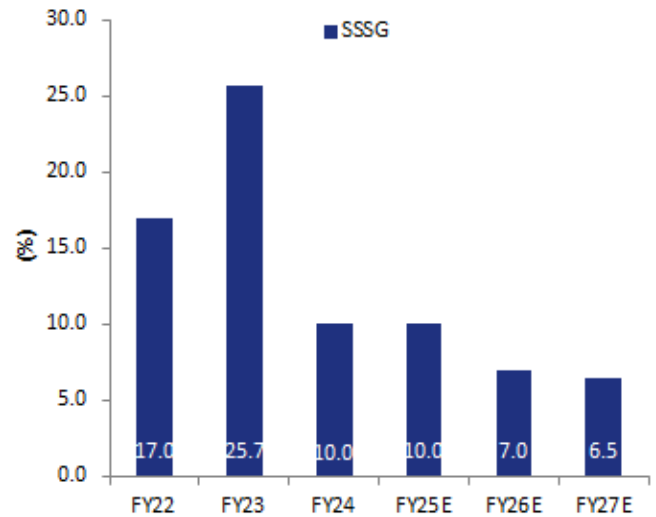
Source: Company, JM Financial; #Note: CAGR calculated for FY19-23

Exhibit 3. SB one of the leading value retailers in eastern region



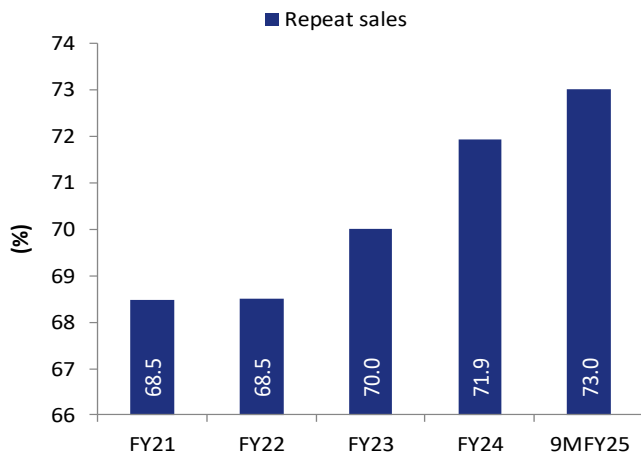
Source: Company, JM Financial; #Note: CAGR calculated for FY19-23

Exhibit 4. Strong double-digit SSSG over FY22-25E



Source: Company, JM Financial

Exhibit 5. Strong 68%+ repeat sales indicative of customer loyalty



Source: Company, JM Financial

Exhibit 6. SB store generates robust ~33% RoCE (pre tax)

Particulars	Style Bazaar
Store size (sq. ft)	9,000
Revenue per sq ft (INR)	7,500
INR mn	
Revenue	68
Gross Profit	22
Gross margin (%)	33
Pre Ind AS EBITDA	9
Pre Ind AS EBITDA Margin (%)	13.0
Depreciation	1
EBIT	8
EBIT Margin (%)	11
EBIT per sq ft (INR)	855
Total Investment (INR mn)	23
Total Investment per sq ft (INR)	2,600
RoCE (pre-tax) %	33

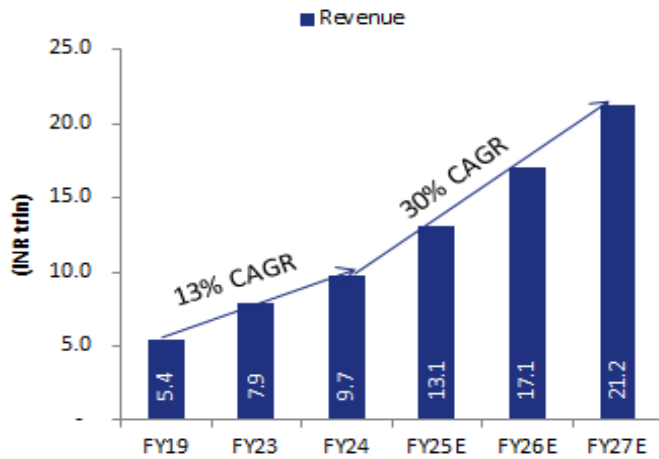
Source: Company, JM Financial

Exhibit 7. SB has potential to add ~265 stores in its existing markets alone

State	Addressable Population	Stores		Addressable Pop./store	Ideal pop. to be served/store	Stores		
		Style Baazar	Value Apparel players			Potential for Value players	Incremental Potential	Potential for SB (20%)*
Core markets								
Bihar	50.7	23	130	390,018	100,000	507	377	75
Orissa	30.1	33	180	167,108	100,000	301	121	24
West Bengal	64.4	71	387	166,420	100,000	644	257	51
Assam	23.2	32	127	182,783	100,000	232	105	21
Sub Total - (A)		159	824			1,684	860	171
Focus Markets								
Jharkhand	15.8	13	67	235,618	100,000	158	91	18
Arunachal Pradesh	1.1	1	6	182,233	100,000	11	5	1
Tripura	2.9	2	14	207,350	100,000	29	15	3
Uttar Pradesh	94.3	19	637	147,998	100,000	943	306	61
Andhra Pradesh	39.9	5	342	116,570	100,000	399	57	11
Sub Total - (B)		40	1,066			1,540	474	94
Total - (A+B)		199	1,890			3,224	1,334	265

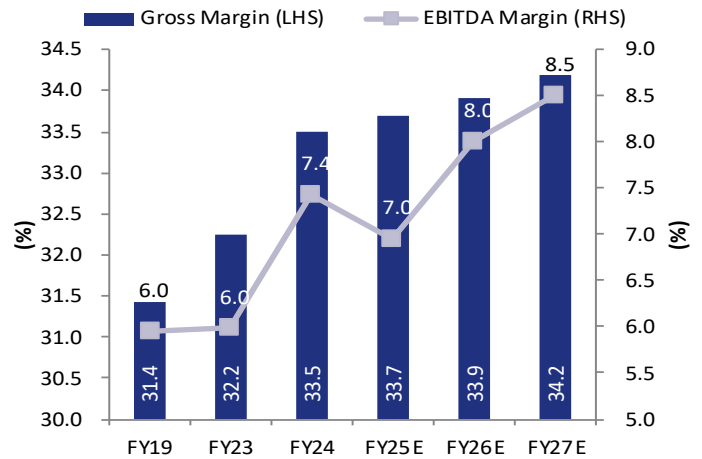
Source: Company, JM Financial; *Note: Style Baazar currently has 20% of the total value apparel stores in core markets, So assumed similar ratio for future potential also.

Exhibit 8. Revenue to grow at ~30% CAGR over FY24-27E



Source: Company, JM Financial

Exhibit 9. GM/EBITDAM to expand ~70/110 bps over FY24-27E



Source: Company, JM Financial; EBITDA is on Pre Ind AS basis

Key Investment thesis

Strong growth potential in a huge TAM that is largely unorganised

As per Technopak Analysis, the value apparel market was worth INR 3.7trln and constituted 54% of the overall apparel market in FY24 and is expected to reach INR 5.3trln by FY27. Organised value apparel grew at ~19% CAGR over FY19-24 to INR 1.3trln in FY24 and is expected to grow at 17% CAGR over FY24-27 to INR 2.1trln in FY27 led by (1) better quality products at affordable prices, (2) shift of consumers from unbranded products to branded products, (3) improved shopping experience, etc. We note that the value apparel market in the eastern and north-eastern region is expected to grow at a higher ~15% CAGR over FY24-27E to INR 1.2trln by FY27 (INR 776bn in FY24) vs. 12-13% CAGR for other regions. Style Baazar's (SB) presence in the East and the Northeast places it well to capitalise on this huge TAM and strong growth opportunity offered by the value apparel market in these regions.

Robust execution- key enabler for driving growth in a competitive market

Style Baazar is a value retailer that offers a one-stop-shop solution for all family needs at affordable prices. It has grown its revenue at a CAGR of 59% over FY14-24 to INR 9.7bn in FY24 and improved its profitability consistently during this period (ex-Covid times). A testament to the company's strong execution prowess is the high repeat percentage, which has consistently remained above 68% over the past many years, led by (i) consumer segmentation based on propensity to buy a large variety of products, price points, discounts, events, etc., (ii) understanding consumer preferences and customising product assortment accordingly, (iii) appealing store layout to enhance shopping experience for the consumer, (iv) strong merchandising and supply chain process, and (v) targeted marketing. All these factors have helped the company to have a store payback of ~3 years. In addition, the company is investing in process automation software and systems like Goldratt ARS and Infor WMS, which will help it (i) prepare itself for the next phase of expansion by strengthening its supply chain, (ii) improve store level unit economics, and (iii) reduce costs and drive higher operational efficiencies, some of which can be passed on to consumers to keep the value quotient high and drive higher footfalls.

High potential for store expansion led by strong unit economics

Style Baazar has robust unit economics with a store payback of ~3 years with RoCE (pre-tax) of 33%, and lower penetration in existing areas provides it a huge store expansion opportunity. It currently operates 199 stores spanning an area of 1.8mn sqft, with a presence in 170 cities in 9 states as of Dec'24. We believe that the potential for store addition is large for Style Baazar not only in focus markets but also in its existing core markets. We note that Style Baazar has only 1.2 stores per city, so not only can it enter new cities it can also penetrate deeper in existing cities. As per our calculation, the company can still add ~265 stores in its core and focus markets alone considering the current market size. Market size and store addition potential is expected to increase in future led by (i) increase in overall population, and (ii) increase in per capita income of the consumer, resulting in an increase in addressable population. We expect the company to add 145 stores (addition of ~1.3mn sqft area) over FY25-27E, on the base of 162 stores at the end of FY24, which is ~24% CAGR over FY24-27.

Attractive valuation and strong growth prospectus offers a good investment bet

Style Baazar offers investors a rare combination of strong growth and attractive valuations. It is trading at ~10x FY27 EV/EBITDA and ~17x FY27 EPS (Pre Ind AS 116) and is amongst the cheapest stocks in the consumer retail segment. It is expected to deliver Revenue/EBITDA/PAT (Pre Ind AS 116) CAGR of 30%/36%/50% over FY24-27E led by a combination of (1) Store additions – 145 stores to be added during this period, (2) EBITDA margin expansion of 110bps to 8.5% led by 70bps GM expansion, scale benefits and cost efficiencies, and (3) Reduction in net debt, which will lead to lower interest cost and higher other income. RoE/ROIC during this period is also expected to improve from 14%/11% in FY24 to 22%/19% by FY27 led by improving profitability and reducing working capital days.

Valuation: Initiate with BUY and target price of INR 400

We initiate on Style Baazar with BUY rating and target price of INR 400 (75% upside to the CMP), valuing the company at ~30x P/E (Pre Ind AS 116) Mar-27. The company currently trades at 17 P/E Mar-27. Our target price implies an EV/EBITDA (Pre Ind AS 116) multiple of ~17x FY27 EBITDA, which we believe is not high given the strong growth in revenue and profitability of ~30% and 50% respectively over FY24-27. RoE/ROIC are also expected to improve from 14%/11% in FY24 to 22%/19% by FY27 led by improving profitability and reducing working capital days.

The post Ind AS P/E ratio for Style Baazar is not directly comparable with its peers due to aggressive store addition on a low base, which has resulted into accelerated ROU depreciation and lease related interest. This has led to ~50% lower post Ind AS EPS of INR 2.8 in FY25 vs. Pre Ind AS EPS of INR 5.4. Difference between Pre and Post Ind AS APAT is expected to increase over FY25-27E owing to above reasons ([Refer Exhibit – 65,66](#))

Company trades at a steep discount of ~50-80% to other retail comp. on EV/EBITDA basis (Post Ind AS). On Pre Ind AS basis, the stock trades at a discount of 20-65% and 40-70% on P/E and EV/EBITDA basis. Consistent execution, improving profitability and tight leash of working capital will be key monitorables that could result in further re-rating of the stock.

Exhibit 10. Valuation Summary

Companies	Rating	Mcap (USD mn)	CMP (INR)	TP (INR)	Upside (%)	Revenue	EBITDA	EPS	EPS (INR)			PE (x)		
									CAGR FY24-27E	FY25E	FY26E	FY27E	FY25E	FY26E
Apparel Players														
ABFRL	HOLD	3,381	241	289	20	8%	18%	NM	(3)	0	2	NM	536	117
Go Fashion	BUY	416	670	1,160	73	13%	15%	20%	16	21	26	42	32	25
Style Baazar	BUY	198	231	400	74	30%	32%	31%	3	4	7	82	54	35
Page Industries*	Not Rated	5,135	40,050	NA	NA	13%	15%	16%	631	726	835	64	55	48
Vedant Fashions*	Not Rated	2,103	753	NA	NA	12%	12%	11%	17	20	24	44	37	32
Shopper's Stop*	Not Rated	612	485	NA	NA	15%	13%	27%	1	12	15	NM	40	33
Vmart*	Not Rated	635	2,788	NA	NA	18%	42%	NM	4	32	60	NM	87	46
V2 Retail*	Not Rated	675	1,699	NA	NA	49%	61%	112%	22	48	77	77	35	22
Other Players														
Titan Inds	HOLD	30,785	3,017	3,550	18	17%	19%	18%	37	53	64	82	57	47
Avenue Supermarts	HOLD	28,604	3,824	3,880	1	16%	16%	16%	46	54	65	83	71	59
Metro Brands	BUY	3,355	1,073	1,400	30	16%	18%	16%	14	19	24	79	56	45
Campus	BUY	854	243	340	40	13%	20%	32%	4	5	7	61	45	36
Bata India	HOLD	1,782	1,206	1,400	16	7%	10%	13%	18	25	33	66	49	37
Restaurant Brands	HOLD	343	60	85	42	14%	20%	7%	(2)	(1)	(2)	NM	NM	NM
Westlife Food	BUY	1,227	686	830	21	13%	19%	42%	1	7	12	NM	92	56
Devyani International	BUY	2,068	149	195	31	27%	30%	18%	1	1	2	NM	102	70
Sapphire Foods India	BUY	1,083	296	400	35	17%	19%	30%	1	2	4	NM	150	81

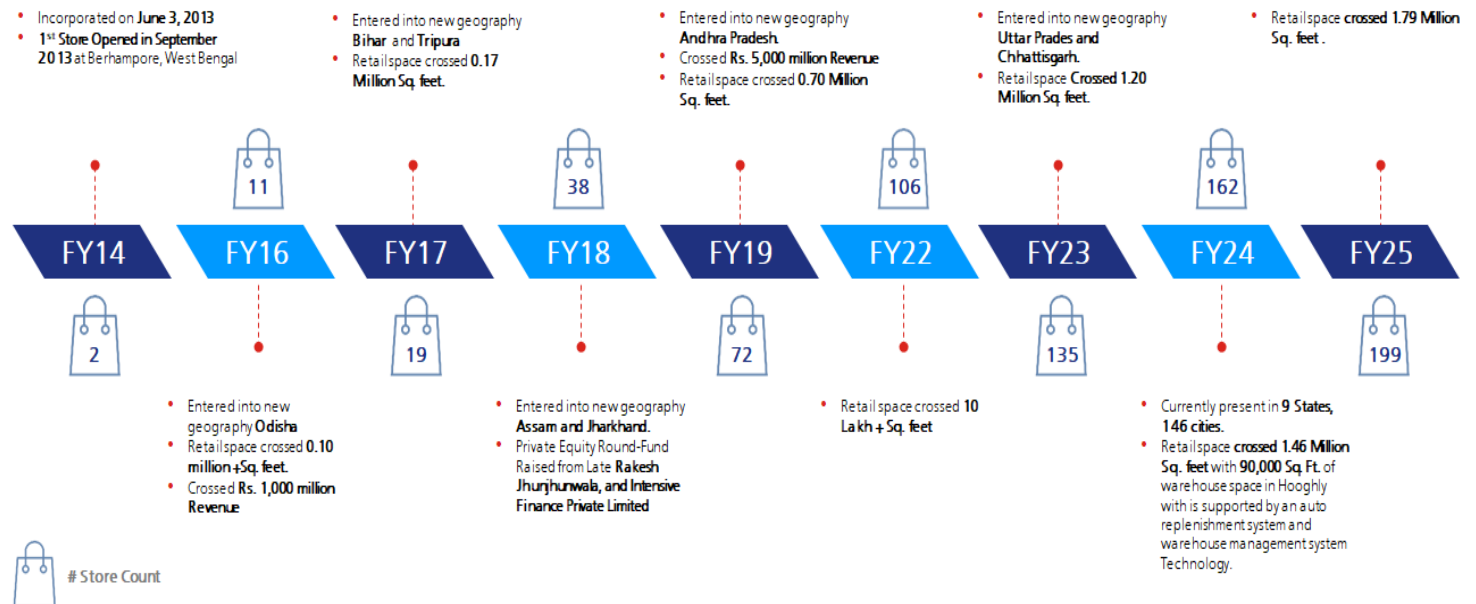
Companies	EV/EBITDA (x)			EV/Sales (x)			RoE (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Apparel Players									
ABFRL	16	13	11	2	2	2	-4	0	2
Go Fashion	13	10	9	4	3	3	13	15	16
Style Baazar	10	7	5	1	1	1	7	8	11
Page Industries*	42	37	32	9	8	7	43	44	45
Vedant Fashions*	26	22	19	12	11	9	24	24	25
Shopper's Stop*	8	6	5	1	1	1	0	32	38
Vmart*	15	11	9	2	1	1	1	8	13
V2 Retail*	23	14	10	3	2	2	23	36	38
Other Players									
Titan Inds	49	36	30	5	4	3	31	35	33
Avenue Supermarts	54	46	39	4	4	3	14	15	15
Metro Brands	38	29	24	11	9	8	17	23	24
Campus	31	24	20	5	4	4	18	20	22
Bata India	20	17	14	4	4	3	15	19	23
Restaurant Brands	11	9	8	2	1	1	NM	NM	NM
Westlife Food	33	22	17	4	4	3	2	17	24
Devyani International	21	16	13	4	3	2	11	19	22
Sapphire Foods India	19	15	12	3	3	2	5	7	11

Source: Bloomberg, JM Financial; *Note: Not under coverage, data as per Bloomberg estimates; Figures are post Ind AS - 116

Company Background

Style Baazar is a leading value fashion retailer with a strong presence in eastern India. The company was established in Jun'13, and it has rapidly expanded its retail footprint to 199 stores covering over 1.8mn sqft across 170 cities as of 31st Dec'24; 75%+ of its stores are located in Tier 2/3/4 towns. It offers a one-stop-shop family experience with comprehensive product offerings at affordable prices. It has product offerings in Apparels and General merchandise, with Apparels constituting ~85% of its overall offerings. The company targets India's aspiring middle-class households earning under \$5,000 annually, and caters to fashion-conscious, value-seeking youth and young families who drive the country's purchasing power. It offers affordable yet stylish fashion across men's, women's, and children's apparel, along with general merchandise, emphasising a family-oriented shopping experience

Exhibit 11. Journey of Style Baazar over the years



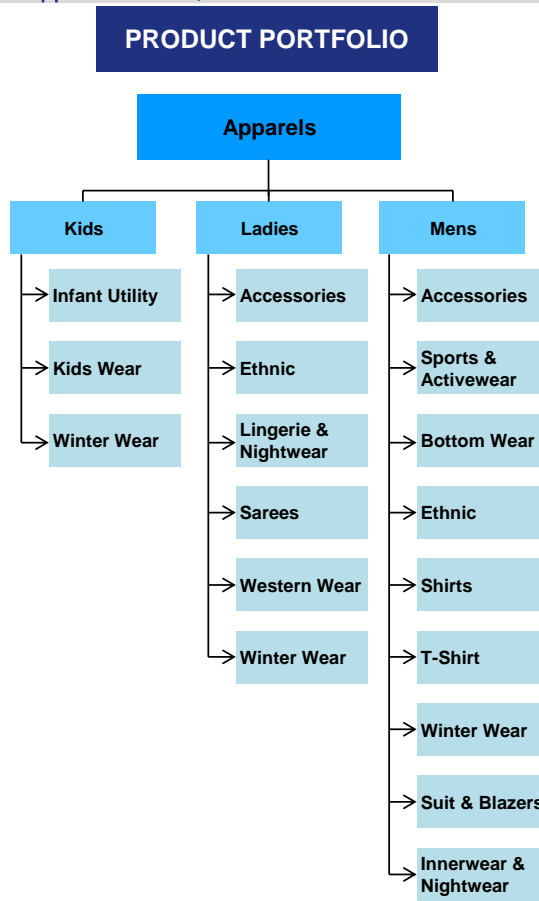
Source: Company, JM Financial; Note: FY25 indicates data till 9MFY25

It has a strong understanding of customer preferences enabling it to offer a comprehensive, targeted and affordable product mix, along with its private label brands, leading to high customer loyalty. The company attracts high footfalls with stores located in high-street areas, offering a mall-like appeal. It follows a cluster-based expansion model, enabling it to optimise supply chain efficiencies, enhance brand visibility, and reduce operational costs.

The company's offerings are divided into two key business verticals:

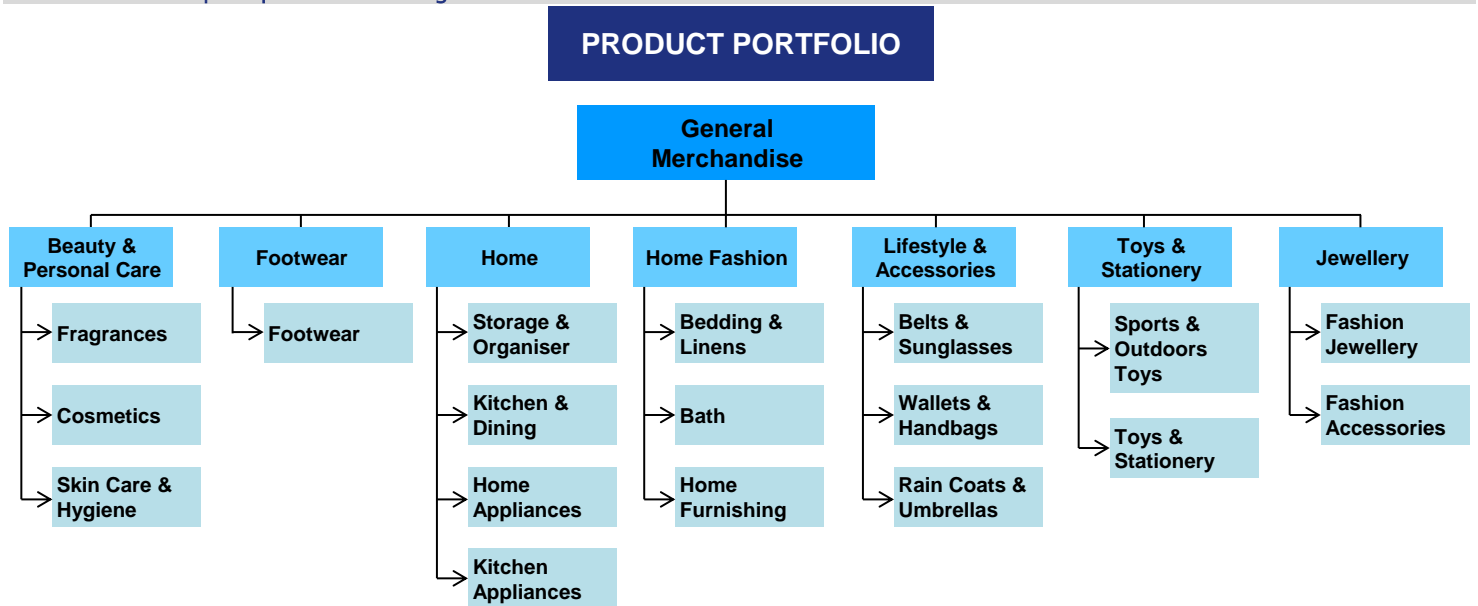
- **Apparel:** Includes a diverse range of garments for men, women, boys, girls, and infants.
- **General merchandise:** Covers non-apparel categories like home furnishings, accessories, and daily essentials.

Exhibit 12. Style Bazaar offers a wide range of apparels for kids, women and men



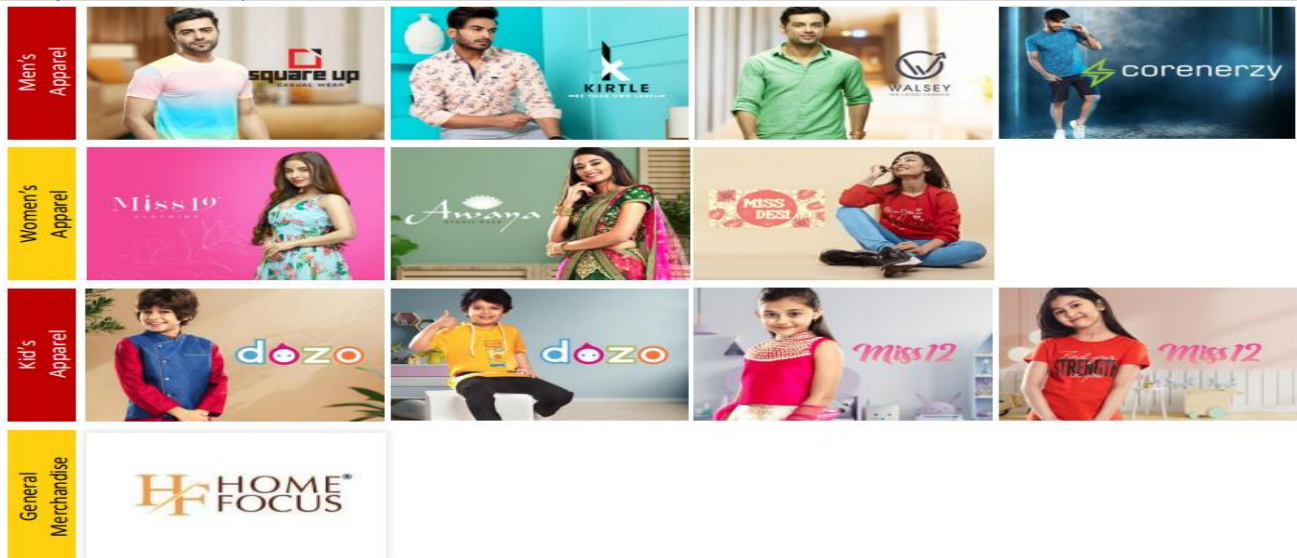
Source: Company, JM Financial

Exhibit 13. One-stop-shop solution for all general merchandise items



Source: Company, JM Financial

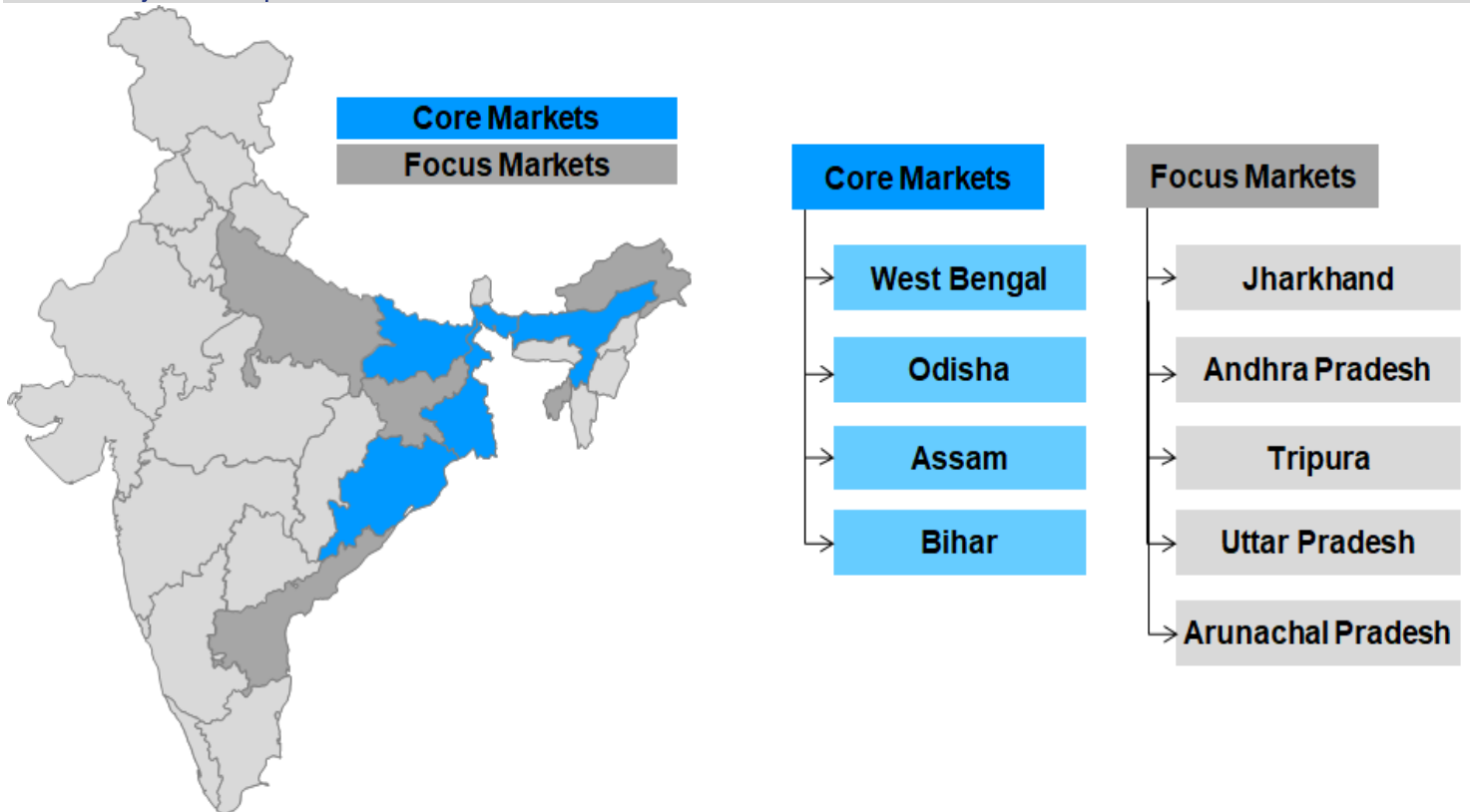
Exhibit 14. Style Bazaar has 10 private label brands



Source: Company, JM Financial

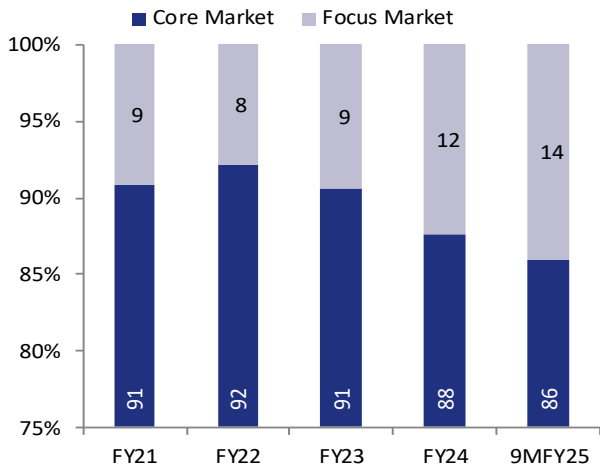
The company has now started adding stores aggressively in focus markets also. The share of revenue from focus markets has increased from 8% in FY22 to 14% in 9MFY25. This implies 33%/69% CAGR increase in revenue in core/focus markets over FY22-9MFY25. Apparel to General merchandise mix has been largely steady over that period at 87:13. The company has gradually increased private labels in the revenue mix from 16% in FY21 to 44% in 9MFY25, which can be seen through increase in repeat sales from 68.5% in FY21 to 73% in 9MFY5.

Exhibit 15. Style Bazaar operates in nine states bifurcated into core and focus markets



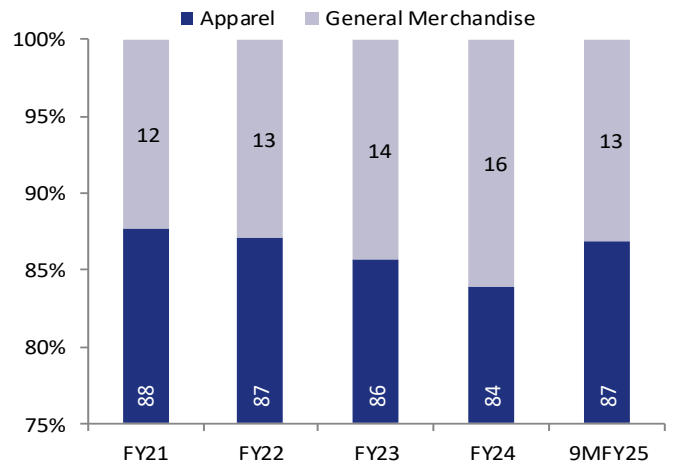
Source: Company, JM Financial

Exhibit 16. Majority revenue contribution from core eastern markets



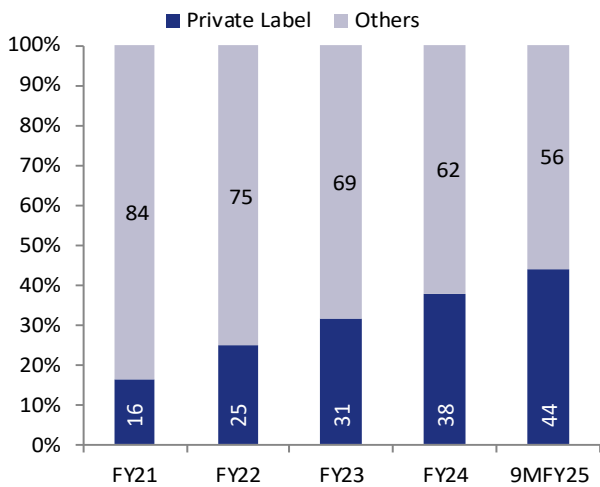
Source: Company, JM Financial

Exhibit 17. Apparel:GM mix largely stable



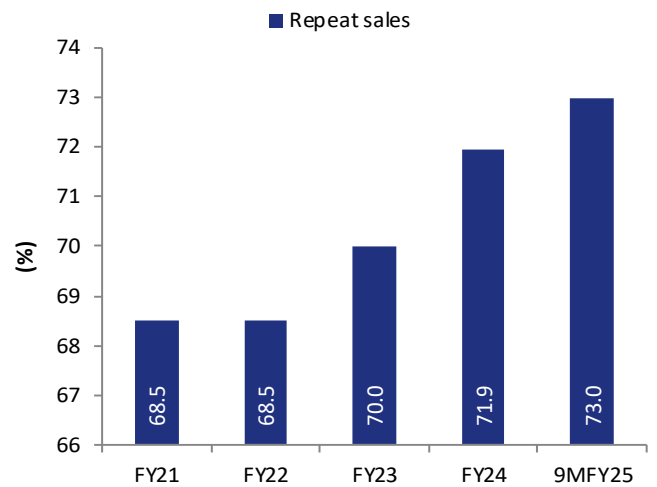
Source: Company, JM Financial

Exhibit 18. Private label mix increased to 44% by 9MFY25



Source: Company, JM Financial

Exhibit 19. Strong 68%+ repeat sales indicative of customer loyalty



Source: Company, JM Financial

Exhibit 20. Board of Directors

Board of Directors	Designation	Work Experience	Education
Pradeep Kumar Agarwal	Promoter, Chairman & Whole time director	Associated since Sep-17. Experience in the field of operations, sales and finance and is currently on the board of Sri Narshingh Infrastructure Private Limited and the Subsidiary company.	Holds a degree in law from University of Calcutta, and is CA and ICWA
Shreyans Surana	Managing Director	Associated since Sep-13. Experience in strategic planning. Earlier, he was associated with Zedd Retails Private Limited and Shreyans Creation Global Limited and is currently on their board.	He is an associate member of ICAI.
Rohit Kedia	Executive Director	Associated since incorporation and has experience in the garment industry. He is currently on the board of Flying Shuttle Private Limited.	Holds a bachelor's degree in commerce from the University of Calcutta
Bhagwan Prasad	Executive Director	Associated since Apr-17. Experience in the field of operations, sales and purchase activities. Currently on the board of Skylark Retails Private Limited and Medmax Multispeciality Hospital Private Limited.	Has completed his matriculation conducted by the Bihar School Examination Board, Patna
Ushma Sheth Sule	Non-Executive Non Independent Director	Experience in the field of portfolio management of various diversified sectors, in financial services and apparels and is currently on the board of HRS Insight Financial Intermediaries, Insight Asset Management (India), Kewal Kiran Clothing Limited and JCB Salons.	Has done B.Com from the Narsee Monjee College of Commerce & Economics, Mumbai and a MBA from the Kelly School of Business, Indiana University. She is also a CA
Dhanpat Ram Agarwal	Independent Director	Experience in the field of accountancy and taxation laws. Currently on the board of ITAG Business Solutions Limited, Kumpepar Construction Private Limited, Lucas Financial Services, ONGC Videsh Limited, Style Investment and Properties Private Limited and TCI Finance Limited.	Has done B.Com from the University of Calcutta and a Ph.D in economics from the University of North Bengal.
Richa Manoj Goyal	Independent Director	Experience in corporate law matters, trademarks and patents. Founder & managing partner of the law firm 'Richa Goyal and Associates'. Currently on the board of Ami Organics, Waaree Energies, Bikaji Foods International, Shahlon Silk Industries and Jainam Broking Limited.	Has done B.Com from Gujarat University and a bachelor's degree in law from Gujarat University and is a CS.
Prashant Singhania	Independent Director	Experience in the field of accountancy. He is currently on the board of Divinity Foundation.	Holds a degree in law from University of Calcutta, has cleared the examination conducted by ICWAI and ICAI
Saurabh Mittal	Independent Director	Experience in the field of wealth management and financial services. He was associated with Kotak Mahindra Bank Limited and Credit Suisse Securities (India) Private Limited.	Has done engineering from Jai Narain Vyas University, Jodhpur and PGDM from K.J Somaiya Institute of Management Studies and Research.
Rishabh Narendra Jain	Independent Director	Experience in the field of investment banking and finance. He was associated with Intensive Fiscal Services Private Limited.	Rishabh Jain holds a bachelor's degree in commerce from Veer Narmad South Gujarat University and is a CA.

Source: Company, JM Financial

Exhibit 21. Key Managerial Personnel

Key Managerial Personnel	Designation	Work Experience	Education
Nitin Singhania	Chief Financial Officer	Has previously been associated with Reliance Retail Ltd, Future Value Retail Ltd and SREI Infrastructure Finance Ltd.	Holds a bachelor's degree in commerce from the University of Delhi and is also a fellow member of ICAI.
Gaurav Kumar Saraogi	VP - Category Planning	Prior to joining the company, he was associated with Trent Ltd, Pantaloons Fashion and Retail Ltd and V Mart Retail Ltd.	He holds an MBA in retail management and marketing from ITM Global Leadership Centre
Hirak Banerjee	VP - Supply Chain Management	Previously associated with the Transport Corporation of India Ltd, Arambagh Hatcheries Ltd, Praxair India Ltd, Future Retail India Ltd, Spencer's Retail Ltd, Baazar Retail Ltd etc.	Holds a PG diploma in transport management from the Indian Institute of Social Welfare and Business Management, Calcutta.
Saurav Jhunjhunwala	SVP - Operations	Experience in department & store management, sales and operations. Earlier associated with Pantaloons Retail Ltd, Lifestyle International Pvt Ltd, Future Lifestyle Fashions Limited and Reliance Retail Ltd, etc.	MBA with a specialization in marketing management and retail management from the National Institute of Retail and Management.
Dipti Agarwal	Chief Risk Officer	Earlier associated with BSR and Associates LLP (KPMG Global Delivery Center) and a practicing Chartered Accountant till Oct'16	B. Com from the University of Calcutta, is a CA and CS
Avishek Prasad	Head - General Merchandise	He is involved in the purchase management along with general merchandise related business operational activities	B. Com from Janardan Rai Nagar Rajasthan Vidyapeeth University
Siddhant Khemani	Chief Marketing Officer	Prior to joining, he was associated with Tea Promoters Exports Pvt Ltd.	B. Com from Bhawanipur Education Society College, University of Calcutta.
Sushmita Banerjee	Chief Human Resource Officer	Previously, she was associated with Vikram Solar Pvt Ltd, Roofers Capital Management Ltd, Baazar Retail Ltd, and P. E. Erectors Pvt Ltd.	B.Sc, M.Sc in zoology from the University of Calcutta and an MBA from the Sikkim Manipal University of Health, Medical and Technological Sciences.
Abinash Singh	CS, Compliance Officer and Head - Legal and Compliance	Previously associated with Bengal Shristi Infrastructure Development Ltd, Arcee Finvest Ltd and Rohit-Ferro Tech Ltd.	B.Com from the University of Calcutta, a diploma degree in bachelor of laws from Utkal University, is a member of ICSI and ICWAI

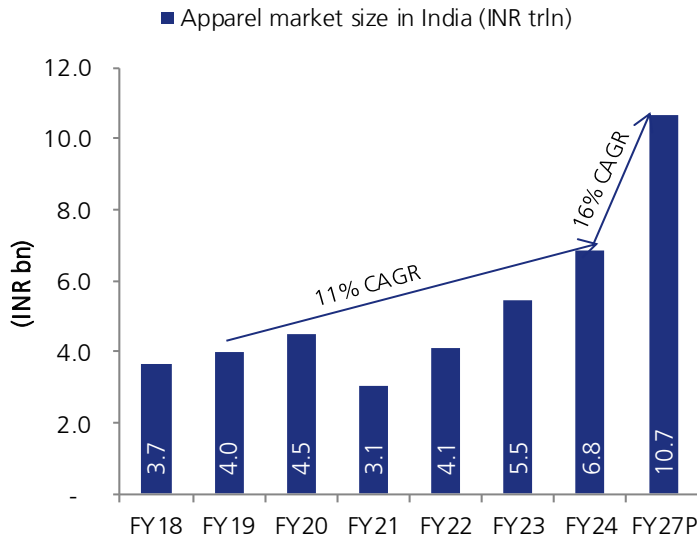
Source: Company, JM Financial

Strong growth potential in a huge unorganised TAM

As per Technopak Analysis, the value apparel market was worth INR 3.7trln and constituted 54% of the overall apparel market in FY24, and it is expected to reach INR 5.3trln by FY27. Organised value apparel has grown at ~19% CAGR over FY19-24 to INR 1.3trln in FY24 and is expected to grow at 17% CAGR over FY24-27 to INR 2.1trln in FY27 led by (1) better quality products at affordable prices, (2) shift of consumers from unbranded products to branded products, (3) improved shopping experience, etc. We note that the value apparel market in the eastern and northeastern region is expected to grow at an even higher ~15% CAGR over FY24-27E to INR 1.2trln by FY27 (INR 776bn in FY24) vs. 12-13% CAGR for other regions. Style Bazaar, with its strong presence in the East and the Northeast, is well placed to capitalise on this huge TAM and strong growth opportunity.

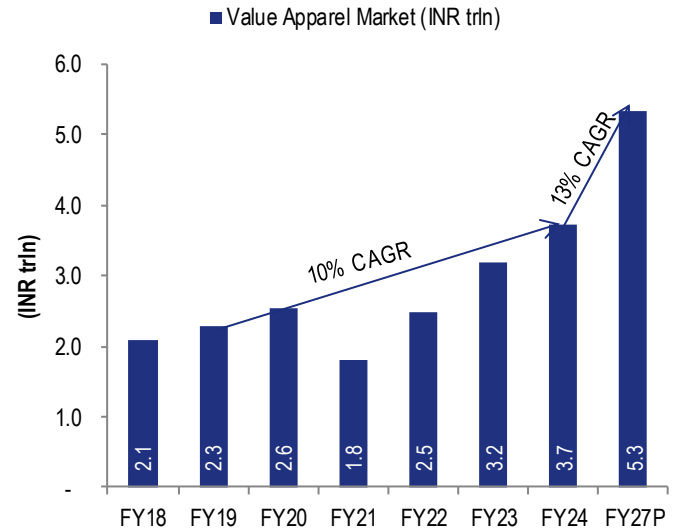
The apparel retail market in India has grown at a CAGR of ~11% over FY19-24 to INR 6.8trln in FY24 and is expected to grow at a CAGR of ~16% over FY24-27 to INR 10.7trln by FY27 led by (i) increasing trends of value fashion both in ethnic and western wear, (ii) evolving casual and comfort wear fashion trends, (iii) use of targeted marketing tools like digital marketing, (iv) omni-channel approach by brands, etc.

Exhibit 22. Apparel market to grow at ~16% CAGR over FY24-27E



Source: Company, JM Financial

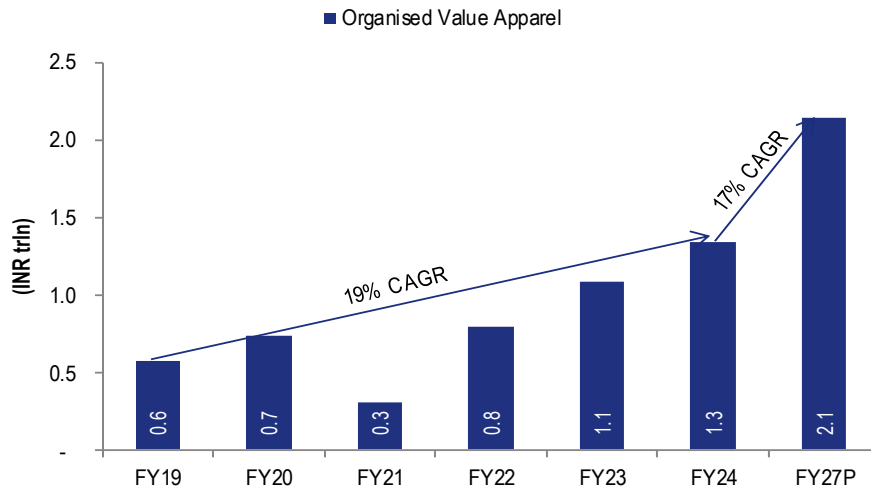
Exhibit 23. Value apparel to grow at 13% CAGR over FY24-27E



Source: Company, JM Financial

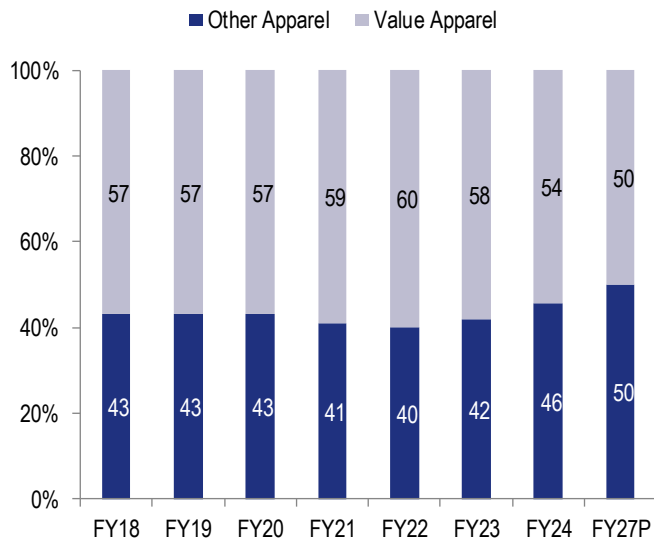
The value apparel market, which is a subset of the overall apparel market, was worth INR 3.7trln in FY24 and constituted 54% of the overall apparel market; it is expected to grow at ~13% CAGR to INR 5.3trln in FY27. Organised value apparel, however, has exhibited higher growth, and grew at 19% CAGR over FY19-24; it was valued at INR 1.3trln in FY24 and is expected to outgrow the value apparel market. The organised value apparel market is expected to grow at 17% CAGR over FY24-27 to INR 2.1trln led by (i) better quality products at affordable prices, (ii) shift of consumers from unbranded products to branded products, (iii) improved shopping experience for consumers, i.e., from road side vendors and small retailers to air conditioned shopping malls. The organised pie in the value apparel segment is expected to increase from 36% in FY24 (25% in FY19) to 40% in FY27.

Exhibit 24. Organised value apparel to grow at 17% CAGR over FY24-27E



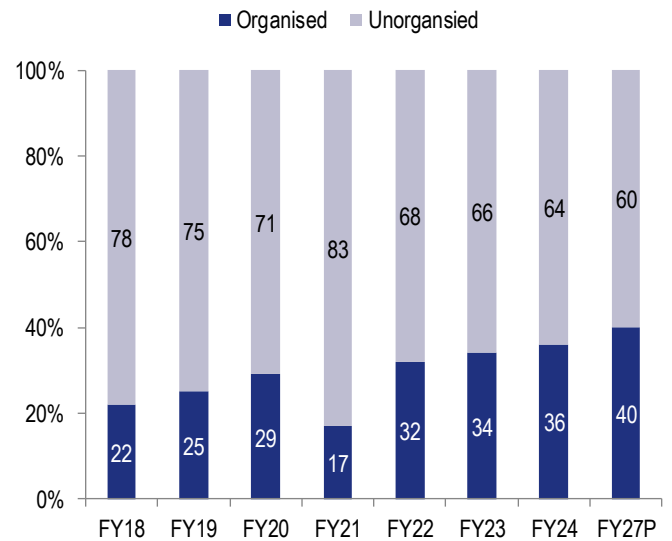
Source: Company, JM Financial

Exhibit 25. Value apparel constitutes 54% of apparel market in FY24



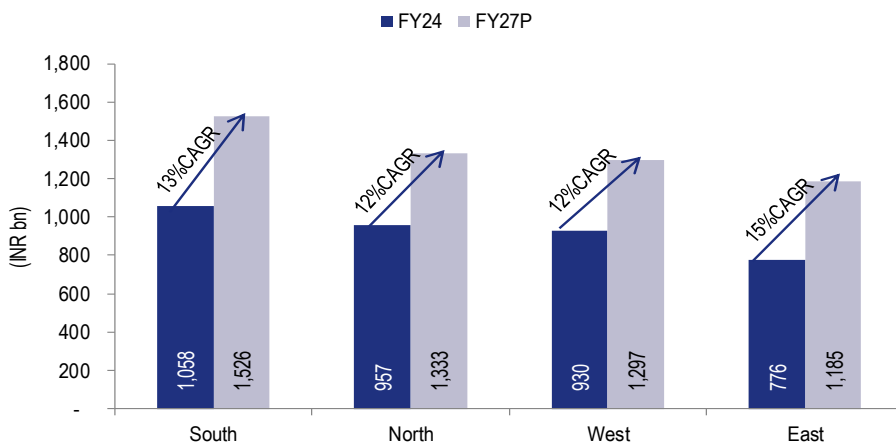
Source: Company, JM Financial

Exhibit 26. Organised mix to increase to 40% by FY27



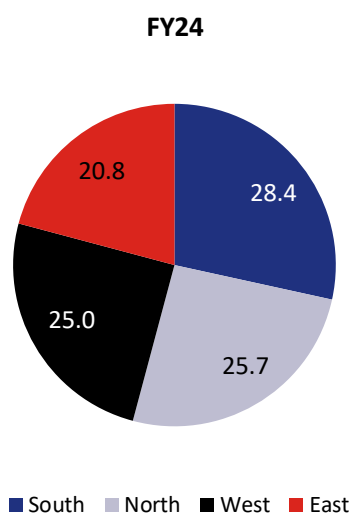
Source: Company, JM Financial

Exhibit 27. Eastern value apparel market to grow at ~15% CAGR over FY24-27E



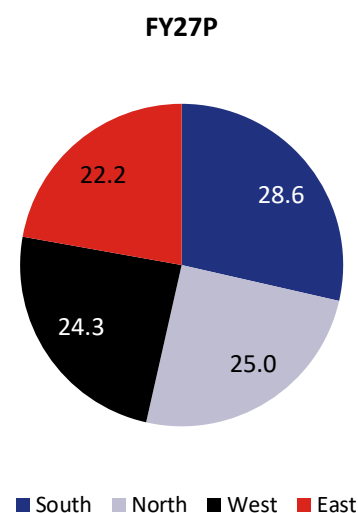
Source: Company, JM Financial

Exhibit 28. Mix of eastern region to increase from ~21% in FY24...



Source: Company, JM Financial

Exhibit 29. ...to 22% by FY27



Source: Company, JM Financial

Strong foothold in fast-growing Northeast and East

Style Baazar's geographical presence in the East also aids in higher growth as the value apparel market in the region is expected to grow at ~15% CAGR over FY24-27E to INR 1.2trln by FY27 while the other regions are expected to grow at 12-13% CAGR. It is one of the fastest-growing value retailers in the eastern region with 27%/13% revenue CAGR over FY17-24/FY19-24. The company's strategic store selection, variety of quality merchandise, deep penetration into the region and affordable product pricing have created a differentiated positioning for it in the eastern market. The increasing salience of the company's private label brand in the overall mix depicts consumer loyalty. Its targeted marketing and promotional activities have helped it expand in the region. The company has capitalised on its strong positioning in the market and has 88% of its total stores in the East alone.

Exhibit 30. Style Baazar is one of the leading value retailers in the eastern region

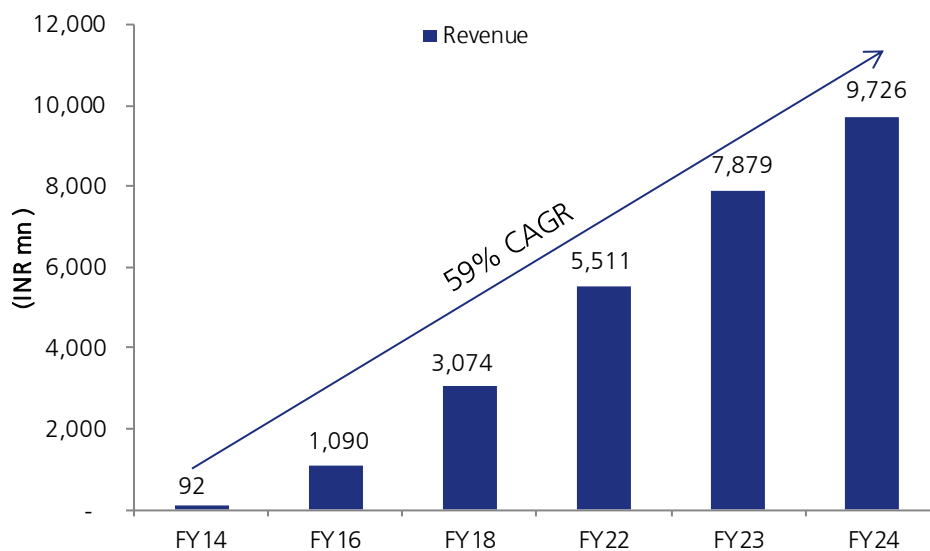
Company	FY17	FY18	FY19	FY20	FY22	FY23	FY24	CAGR	
								FY17-24	FY19-24
Style Baazar	1,843	3,069	5,382	6,293	5,511	7,879	9,726	27%	13%
Baazar Kolkata	3,971	5,040	5,889	6,512	6,421	9,746	NA	16%	13%
M Baazar	3,964	5,036	5,035	5,555	5,337	7,159	8,088	11%	10%
Citykart	1,474	1,875	2,556	3,587	3,749	5,237	6,266	23%	20%
V2 Retail	4,714	5,594	7,484	7,012	6,292	8,389	11,647	14%	9%
V Mart*	10,017	12,224	14,337	16,620	14,439	19,867	22,421	12%	9%

Source: Company, JM Financial; *Note – Revenue excludes inorganic acquisitions made by the company (Unlimited and Limeroad excluded); #Note: CAGR for Baazar Kolkata is for FY17-23 and FY19-23.

Robust execution enabling growth in a competitive market

Style Baazar is a value retailer that offers a one-stop solution for all family needs at affordable prices. It has grown its revenue at a CAGR of 59% over FY14-24 to INR 9.7bn in FY24 and has consistently improved its profitability during this period (ex-Covid times). A testament to the company's strong execution prowess is the high repeat percentage, which has consistently remained above 68% over the past many years, led by (i) consumer segmentation based on propensity to buy a large variety of products, price points, discounts, events, etc, (ii) understanding consumer preferences and customising product assortment accordingly, (iii) appealing store layout to enhance shopping experience for the consumer, (iv) strong merchandising and supply chain process, and (v) targeted marketing. All these factors have helped the company to have a store payback of ~3 years. In addition, Style Baazar is also investing in process automation software and systems like Goldratt ARS and Infor WMS, which will help it (i) prepare itself for the next phase of expansion by strengthening its supply chain, (ii) improve store level unit economics, and (iii) reduce costs and drive higher operational efficiencies, some of which can be passed on to consumers to keep the value quotient high and drive higher footfalls.

Exhibit 31. Style Baazar clocked 59% revenue CAGR over FY14-24



Source: Company, JM Financial

Style Baazar offers a one-stop-shop family experience with products for the entire family at affordable prices. Its product portfolio includes both apparel and general merchandise including cosmetics and imitation jewellery, consumer appliances, houseware products and bags. All its stores are air conditioned and have an appealing store layout, trial rooms, wide range of quality products, ambience and merchandising, and quality assurance. This enhances the shopping experience for customers, especially in Tier2/3/4 towns, which constitutes 75%+ of its total store network. These factors act as a great driver for acquiring new customers as well as retaining existing customers.

Exhibit 32. Appealing store layout and better product placement enhances shopping experience for consumers



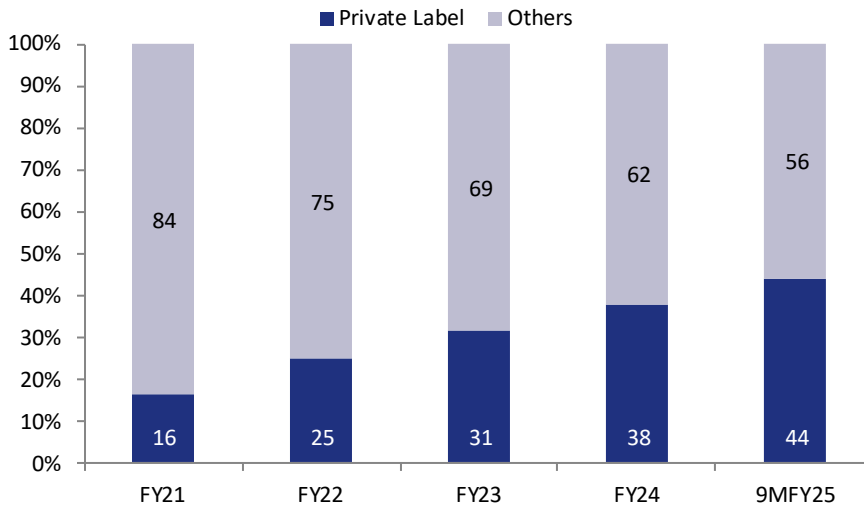
Source: Company, JM Financial

The company’s deep knowledge of clusters enables it to customise its product assortment as per local needs and respond to changing customer preferences and market demands, resulting in the second highest ATV of INR 1,039 (FY24) among listed value retailers.

Offering good quality products at great prices

The company had a wide network of 1,226 vendors and 641 suppliers as on 31st Mar’24, and it follows a robust vendor selection process with major focus on (i) order fulfilment capacity, (ii) product delivery time, and (iii) the quality of products offered by suppliers.

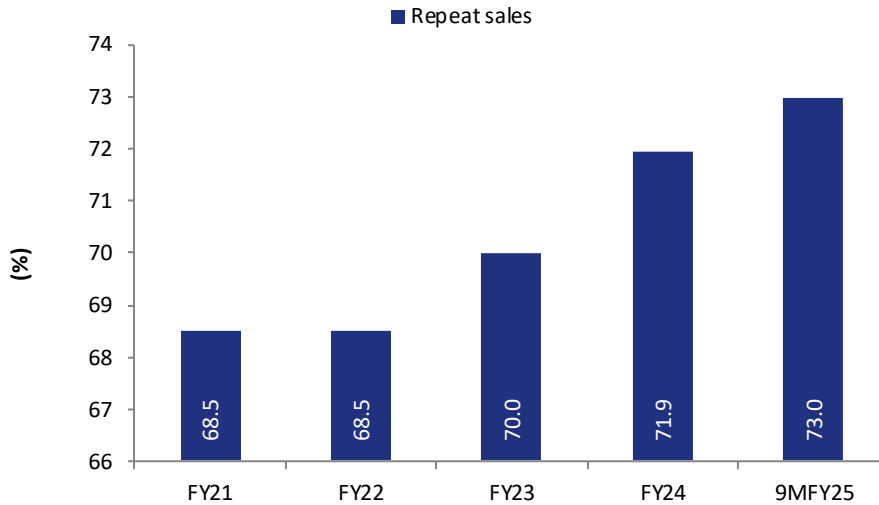
Exhibit 33. Continuous increase in private label share indicates product acceptance



Source: Company, JM Financial

Strong understanding of consumer preferences enables the company to maintain a healthy mix of both private label and third party brands. Private label brands contributed 38% of total revenue in FY24, and they help the company exercise higher quality control, create differentiation and enable greater control on overall product assortment. The top 3 private labels contributed ~25% of the total sales in FY24 depicting strong understanding of consumer preferences.

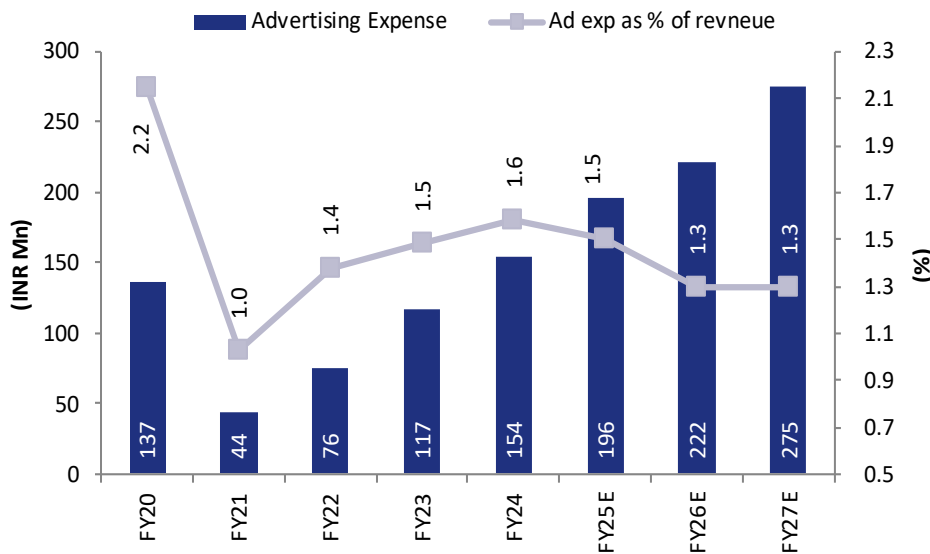
Exhibit 34. Strong repeat sales of 68%+ indicates customer loyalty towards brand



Source: Company, JM Financial

Focussed marketing - Strong knowledge of local markets has enabled the company to efficiently execute its marketing strategy. The company has a large database of customers with whom it engages through multiple channels like short messages, voice calls and social media engagements. The marketing strategy aims to increase the repeat sales from existing customers which can be seen through rising share of repeat sales (68%+).

Exhibit 35. Ad expense as % of sales is expected to decline due to scale-led benefits



Source: Company, JM Financial

IT- and consumer data-backed supply chain

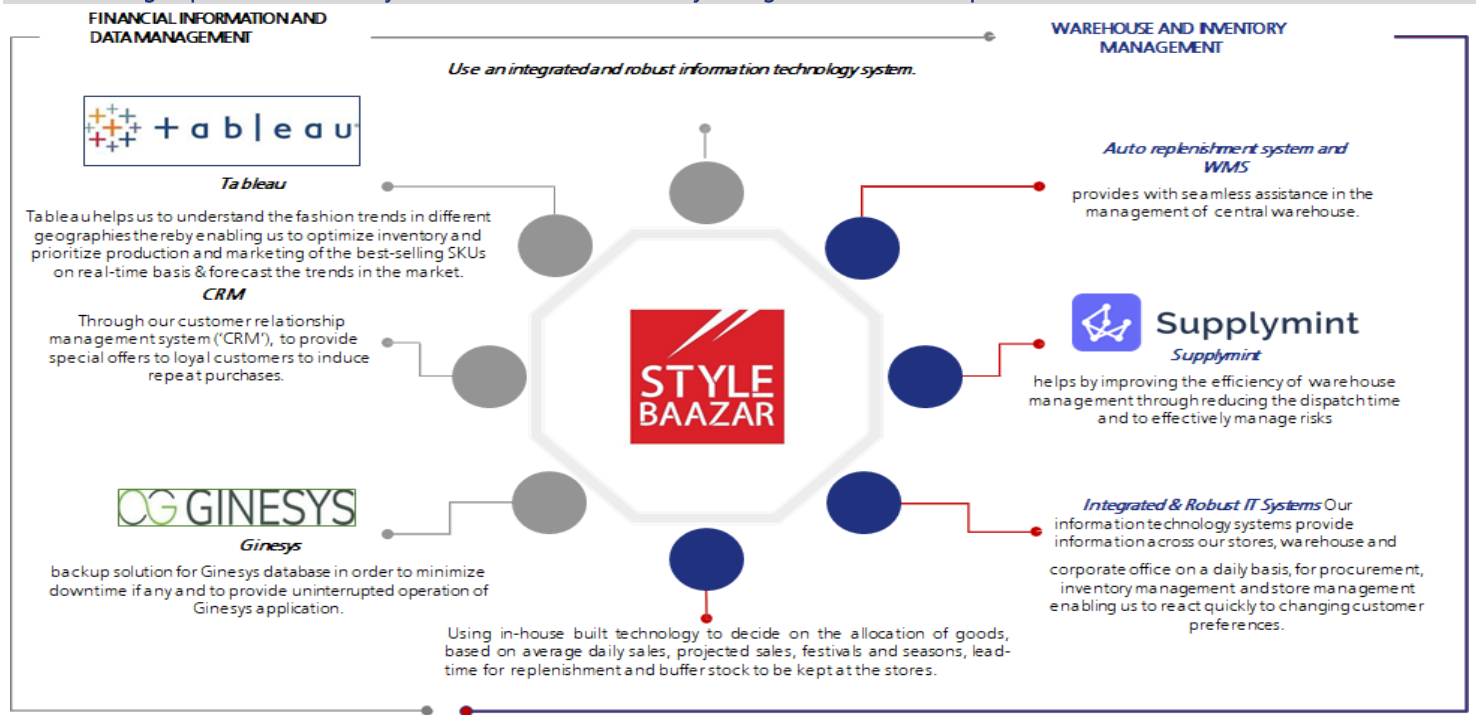
IT-enabled systems for procurement, inventory management and store management aid in operational efficiency and supply chain management of the central warehouse and reduce the transportation cost per product. Proactive technology adoption and improvement of data analytical capabilities help the company to analyse customer behaviour, identify trends, and optimise inventory levels and operational efficiency at the store and entity level with reduction in working capital days and increase in SSSG.

Supply chain process of Style Bazaar

- **Step 1:** The company places an order with its suppliers based on the results of its analysis of customer demand and product assortment requirements. Orders are placed based on data generated from the ERP coupled with current trends, seasonal requirements, forecasted and historical inventory and sales data.
- **Step 2:** The company uses an in-house built technology to decide on the allocation of goods, based on average daily sales, projected sales, festivals and seasons, lead-time for replenishment and buffer stock to be kept at the stores.
- **Step 3:** The orders are passed to the WMS through which the goods are picked, packed and dispatched to the stores, which leads to a reduction in the response time.

The inventory is managed at SKU level in the warehouse, which helps in end-to-end visibility of warehouse activities, facilitating timely escalation of possible stock shortages, enabling standardisation of processes across products, providing consistent and on-time and accurate product delivery.

Exhibit 36. High operational efficiency and lean cost structure led by strong focus on business process and automation



Source: Company, JM Financial

Strengthening supply chain to drive operational efficiencies

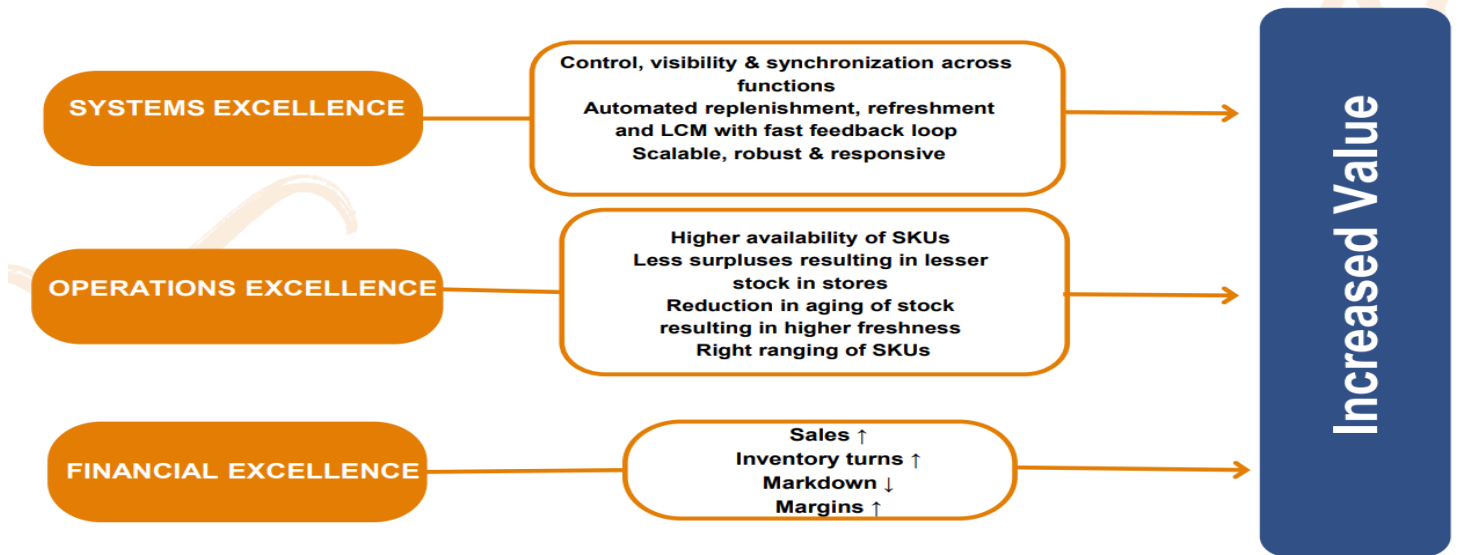
The company’s growth and profitability is a factor of high level of operational efficiency, and it targets to improve the supply chain by (i) refining store operating system based on store performance, (ii) strengthening relationships with suppliers through cooperation and coordination, and (iii) expanding and upgrading the existing distribution centre to improve efficiency of inventory and supply management.

Inventory optimisation is always a focus area for retail companies as any mismanagement in inventory levels can result in (i) increased carrying cost, (ii) stock-out situation, (iii) higher markdowns due to piling up of unsold inventory, etc. The company is investing in system and process automation to get ready for the next phase of expansion by strengthening its supply chain to reduce cost and increase efficiency. It has invested in system like:

- **Goldratt Auto Replenishment System** – The Goldratt ARS optimises inventory levels by focussing on actual demand and consumption to ensure that the stores are stocked with the right amount of inventory, reducing both overstock and stock-outs. This will eventually lead in lower carrying cost. It automatically triggers stock replenishment based on real time sales data, which will increase efficiency and reduce lead time. Automating the replenishment system will lead to (i) better inventory management, resulting in higher gross margin, (ii) increased sales growth led by improved product availability, (iii) reduced labour costs due to increased efficiency.

Exhibit 37. Goldratt ARS helps in optimising inventory levels and enhance supply chain efficiency

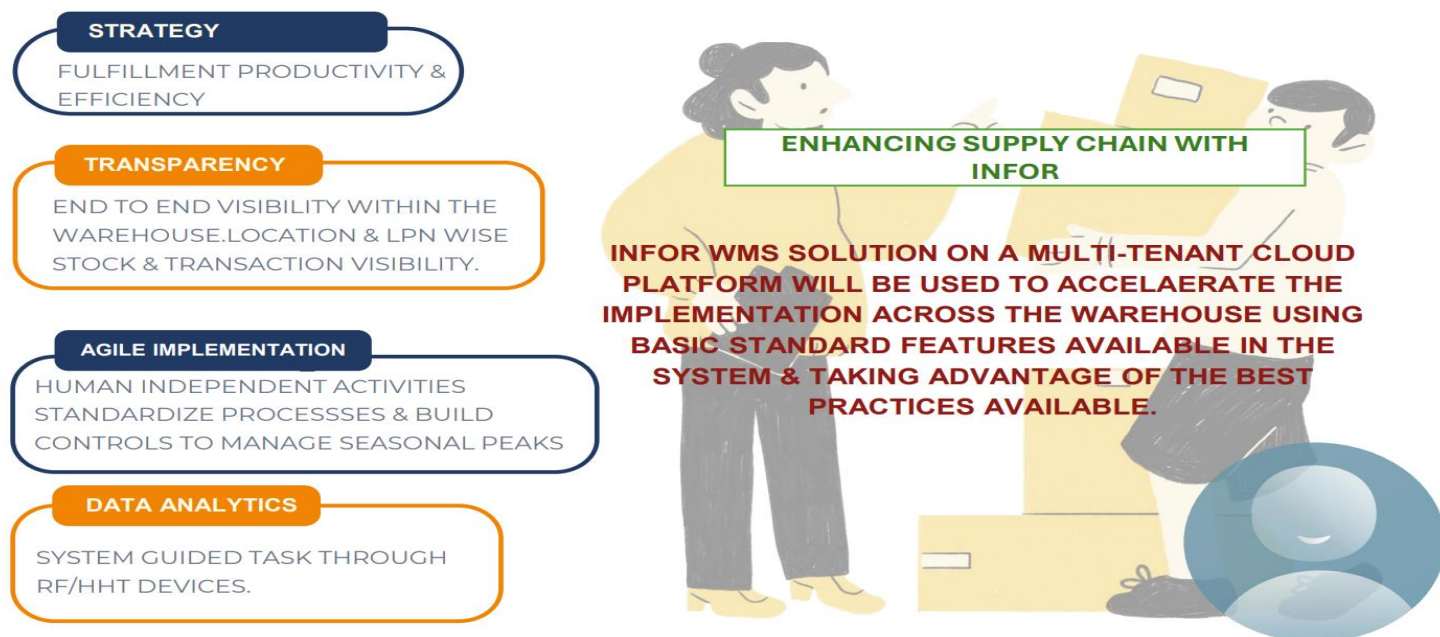
What does GOOD look like



Source: Company, JM Financial

- **Infor Warehouse Management System** - Infor WMS offers advanced tools for receiving, put-away, picking, packing, and shipping, enabling streamlining of warehouse operations and ensuring that products move efficiently through the supply chain. With real-time inventory tracking down to the bin level, Infor WMS ensures near-perfect order accuracy and reduce discrepancies along with improvement in fulfilment rates. It includes features like voice processing and task automation, which will enhance labour productivity and engagement. The system supports multi-owner, multi-facility operations, making it scalable as the business grows. It will help the company to (i) reduce operational cost, (ii) reduce lead time, (iii) handle increased volumes without performance degradation, (iv) increase labour productivity due to automation, and (v) increase accuracy rates in order fulfilment.

Exhibit 38. INFOR WMS solution to streamline warehouse operations and enhance supply chain



Source: Company, JM Financial

Style Baazar generates a robust 33% pre-tax RoCE, resulting in a payback period of ~3 years. Fast payback period provides room for further store expansion and makes the model highly scalable. Style Baazar continues to invest in the process and business automation, which will further drive improvement in its unit economics.

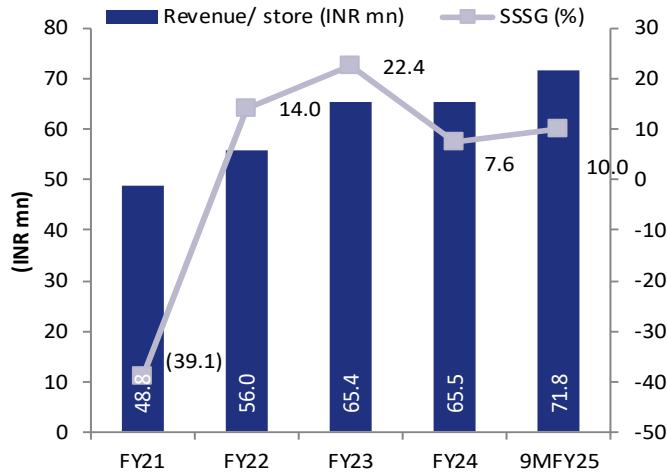
Exhibit 39. Indicative unit economics of value apparel players

Particulars	V2 Retail	Style Bazaar	Zudio	V-Mart
Store size (sq. ft)	10,000	9,000	10,000	8,500
Revenue per sq ft (INR)	11,000	7,500	20,000	8,000
INR mn				
Revenue	110	68	200	68
Gross Profit	31	22	80	23
Gross margin (%)	28	33	40	34
Pre Ind AS EBITDA	14	9	30	7
Pre Ind AS EBITDA Margin (%)	13.0	13.0	15.0	10.0
Depreciation	1	1	2	1
EBIT	13	8	28	6
EBIT Margin (%)	12	11	14	8
EBIT per sq ft (INR)	1,320	855	2,820	650
Total Investment (INR mn)	23	23	33	26
Total Investment per sq ft (INR)	2,300	2,600	3,300	3,000
Capex	1,100	1,200	1,800	1,500
Inventory & Others	1,200	1,400	1,500	1,500
RoCE (pre-tax) %	57	33	85	22

Source: Company, JM Financial estimates

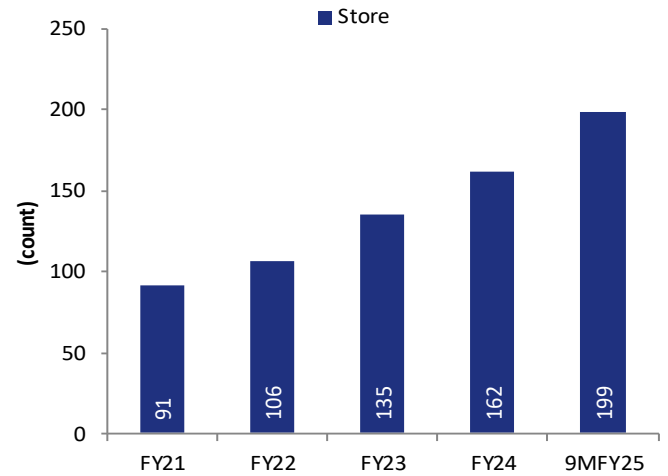
Revenue per store for Style Baazar grew 10% over FY22-9MFY25 despite addition of 93 stores during the period. This was led by double-digit SSSG during the period. The company has increased the entry price point SKUs in its portfolio as it has entered into new markets and penetrated deeply into existing markets in FY24-25. This led to 14% CAGR growth in the quantity sold per store over FY22-9MFY25 but led to a decline of 4% CAGR in ASP (excl. taxes). **Bill cuts/ store increased at 10% CAGR to 2.54 lakh bills per store (annualised for 9MFY25)**. Basket sizes increased at 3% CAGR while the average transaction value declined only by 1% CAGR during the period.

Exhibit 40. Revenue/ store grew 10% YoY with 10% SSSG



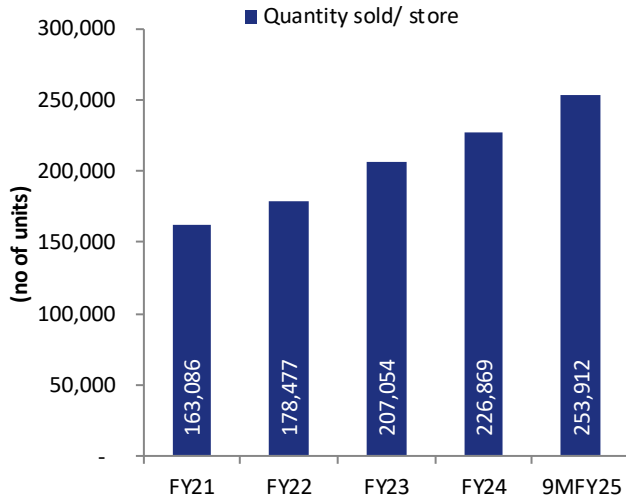
Source: Company, JM Financial; Annualised for 9MFY25

Exhibit 41. Style Bazaar added 93 stores over FY22-9MFY25



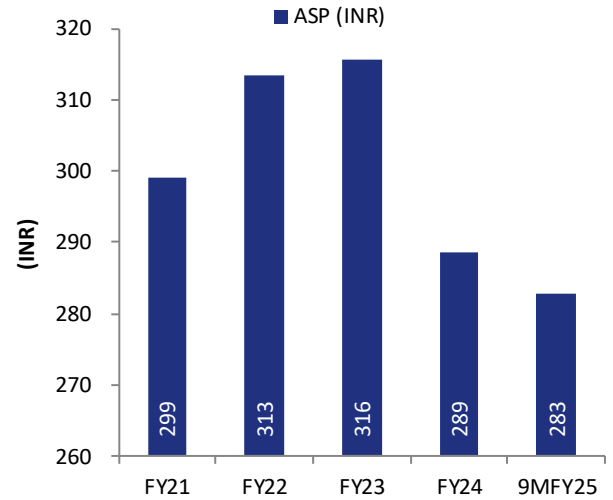
Source: Company, JM Financial

Exhibit 42. Qty sold/store increased at 14% CAGR over FY22-9MFY25



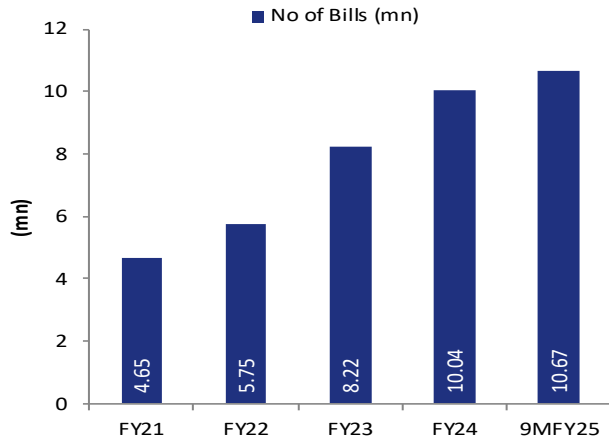
Source: Company, JM Financial; Annualised for 9MFY25

Exhibit 43. ASP declined at 1% CAGR over FY22-9MFY25



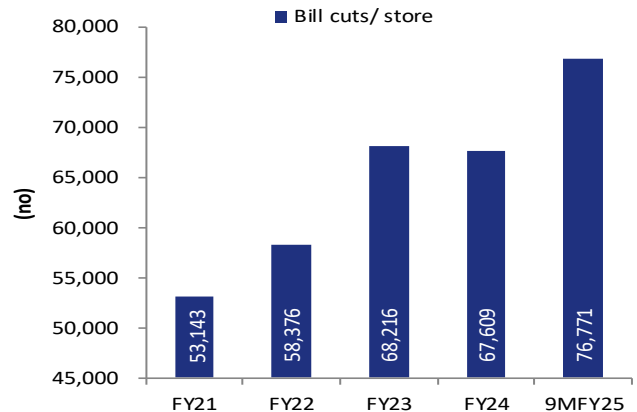
Source: Company, JM Financial; ASP is excluding taxes

Exhibit 44. Total bill cuts increased at 32% CAGR over FY22-24



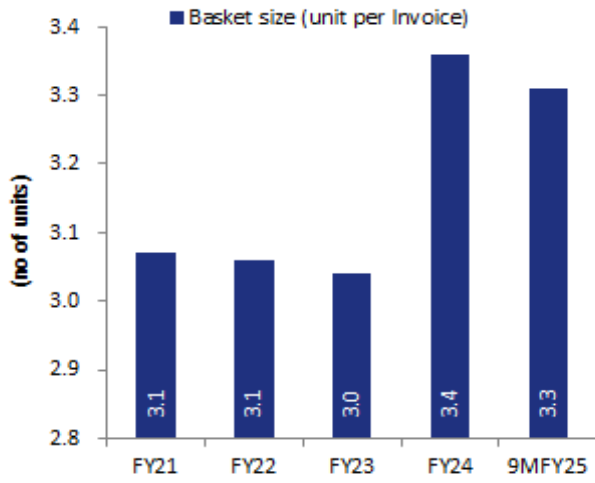
Source: Company, JM Financial;

Exhibit 45. Exhibit 48. Bill cuts/ store rose 10% CAGR over FY22-9MFY25



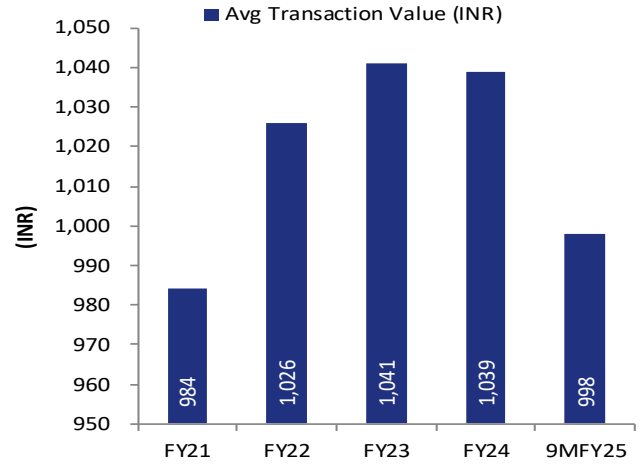
Source: Company, JM Financial;

Exhibit 46. Items/ basket increased 3% CAGR over FY22-9MFY25



Source: Company, JM Financial

Exhibit 47. ATV declined by 1% CAGR over FY22-9MFY25



Source: Company, JM Financial; ASP is excl. taxes

High potential for store expansion led by strong unit economics

Style Baazar has robust unit economics with a store payback of 3 years with RoCE (pre-tax) of 33%, and lower penetration in existing areas provides it with a huge store expansion opportunity. It currently operates 199 stores spanning an area of 1.8mn sqft with a presence in 170 cities in 9 states as of Dec'24. We believe that the potential for store addition is large for Style Baazar not only in the focus markets but also in its existing core markets. We note that Style Baazar has only 1.2 stores per city, so not only can it enter into new cities it can also penetrate deeper in existing cities. As per our calculation, the company can still add ~265 stores in its core and focus markets alone considering the current market size. Market size and store addition potential is expected to increase in future led by (i) increase in overall population, (ii) increase in per capita income of consumer, resulting in an increase in addressable population. We expect the company to add 145 stores (addition of ~1.3mn sqft area) over FY25-27E, on the base of 162 stores at the end of FY24, which is ~24% CAGR over FY24-27.

Value retailers normally strengthen their foothold regionally within the cluster before foraying into other regions. Style Bazaar has expanded its reach within the eastern market with a cluster-based expansion approach that has helped the company optimise its supplier base, fully utilise warehousing infrastructure and improve the ease of managing product offerings considering the regional nuances that vary every 100-150 km in the country. It will continue to penetrate its core markets (includes West Bengal, Odisha, Assam, Bihar) and at the same time also penetrate its focus markets (includes Jharkhand, Andhra Pradesh, Tripura, Uttar Pradesh, Arunachal Pradesh) to increase its presence in those regions. The company derived 86% of its 9MFY25 revenue from its core markets only.

Lower organised value apparel market share in existing regions; growth potential higher

We have calculated the market size of states in which the company operates by assuming an average spend of INR 1,000 per addressable customer. We have assumed the addressable population for the value apparel players as percentage of the total population excluding (i) consumers purchasing apparel of premium and above segment, and (ii) population segment below the poverty line. As per our analysis, on average a store generates yearly revenue of INR 55mn-60mn (8-9k sqft store operating at revenue per sqft of INR 6-7k). Organised value apparel players constitute ~30-40% in some of the regions where Style Baazar operates like Orissa, West Bengal, Assam, Arunachal Pradesh, and Tripura, while they account for only 15-25% in Bihar and Jharkhand.

Exhibit 48. Organised market share, as per our estimates is only 34% in the existing regions

State	Total Population (mn)	% addressed	Addressable Population	Spend per consumer (INR)	Market size (INR mn)	Total Value apparel stores	Yearly Revenue/store (INR mn)	Org. players Revenue (INR mn)	Org. Market share (%)
Core markets									
Bihar	126.8	40	50.7	1,000	50,702	130	60	7,800	15.4
Orissa	46.3	65	30.1	1,000	30,079	180	60	10,800	35.9
West Bengal	99.1	65	64.4	1,000	64,405	387	60	23,220	36.1
Assam	35.7	65	23.2	1,000	23,213	127	60	7,620	32.8
Sub Total - (A)					168,400	824		49,440	29.4
Focus Markets									
Jharkhand	39.5	40	15.8	1,000	15,786	67	60	4,020	25.5
Arunachal Pradesh	1.6	70	1.1	1,000	1,093	6	60	360	32.9
Tripura	4.1	70	2.9	1,000	2,903	14	60	840	28.9
Uttar Pradesh	235.7	40	94.3	1,000	94,275	637	60	38,220	40.5
Andhra Pradesh	53.2	75	39.9	1,200	47,840	342	60	20,520	42.9
Sub Total - (B)					161,898	1,066		63,960	39.5
Total - (A+B)					330,298	1,890		113,400	34.3

Source: Company, JM Financial; Note: Assumed INR 1,200 spend per customer in Andhra Pradesh considering its higher per capita income vs. other states.

Core and focus markets provide large potential for store addition

Style Baazar currently operates 199 stores spanning an area of 1.8mn sqft with a presence in 170 cities in 9 states as of Dec'24. We believe that the potential for store addition is large for Style Baazar even if it decides to expand only in its core and focus markets. We have mapped the stores of large value apparel players in the states where Style Baazar currently operates. We have assumed that there will be 20-25 unique footfalls in an hour for a store that operates for 12 hour a day and 365 days a year. This means that a store has a potential to serve ~1,00,000 unique customers in a year from its addressable population.

As shown in exhibit 50, incremental store potential for value fashion players in the market where Style Baazar already exists is more than 1,300 even after our conservative estimates. As per the current situation, Style Bazaar has 20% of the total value apparel stores from the organised pie in its core markets. Even if we assume no growth in relative market share for Style Baazar, the company still has the potential to add ~265 stores in its core and focus markets alone.

Exhibit 49. Style Baazar has the potential to add ~265 stores in its existing markets alone

State	Addressable Population	Stores		Addressable Pop./store	Ideal pop. to be served/store	Potential for Value players	Stores	
		Style Baazar	Value Apparel players				Incremental Potential	Potential for SB (20%)*
Core markets								
Bihar	50.7	23	130	390,018	100,000	507	377	75
Orissa	30.1	33	180	167,108	100,000	301	121	24
West Bengal	64.4	71	387	166,420	100,000	644	257	51
Assam	23.2	32	127	182,783	100,000	232	105	21
Sub Total - (A)		159	824			1,684	860	171
Focus Markets								
Jharkhand	15.8	13	67	235,618	100,000	158	91	18
Arunachal Pradesh	1.1	1	6	182,233	100,000	11	5	1
Tripura	2.9	2	14	207,350	100,000	29	15	3
Uttar Pradesh	94.3	19	637	147,998	100,000	943	306	61
Andhra Pradesh	39.9	5	342	116,570	100,000	399	57	11
Sub Total - (B)		40	1,066			1,540	474	94
Total - (A+B)		199	1,890			3,224	1,334	265

Source: Company, JM Financial; *Note: Style Baazar currently has 20% of the total value apparel stores in core markets, So assumed similar ratio for future potential also.

Store potential in these existing markets and market size of value apparel is expected to increase in the future led by (i) increase in the overall population, and (ii) increase in per capita income of consumer, resulting in an increase in addressable population.

Competition Analysis

Style Baazar has shown robust performance vs. other value apparel retailers operating in the eastern region. The company clocked higher revenue CAGR of 13%/18% vs. 9% revenue CAGR for V2 Retail and V-Mart over FY19-24. EBITDA CAGR remained even higher for Style Baazar at 18% over FY24-27E led by EBITDA margin expansion of ~130bps vs. 7%/-8% CAGR in V2 Retail/V-Mart (~60 bps/~530 bps margin contraction). V2 Retail and Style Baazar have shown robust 60% and 33% growth in 9MFY25 respectively while V-Mart has grown at 21% over the period.

Exhibit 50. Style Baazar clocked highest Pre Ind AS EBITDA margin among listed comparable peers

	Style Baazar				V2 Retail				V-Mart			
	FY19	FY23	FY24	9MFY25	FY19	FY23	FY24	9MFY25	FY19	FY23	FY24	9MFY25
Area (mn sq ft)	0.7	1.3	1.5	1.8	0.9	1.1	1.3	1.7	1.8	2.9	3.1	3.2
Store (#)	72	135	162	199	77	102	117	160	214	341	365	384
Average area per store (sq ft)	9,522	9,289	9,039	8,995	11,766	10,618	10,718	10,763	8,364	8,504	8,493	8,333
Revenue (INR mn)	5,382	7,879	9,729	9,983	7,484	8,389	11,647	13,860	14,337	19,867	22,421	20,505
Growth % (YoY)		43	23	33		33	39	60		19	13	21
CAGR FY19-24 (%)												
Revenue*			13.0				9.0				9.0	
EBITDA*			18.0				7.0				-8.0	
Gross Profit (INR mn)	1,691	2,540	3,241	3,399	2,421	2,434	3,197	3,857	4,635	6,994	7,731	7,177
Gross Margin (%)	31.4	32.2	33.3	34.0	32.3	29.0	27.4	27.8	32.3	35.2	34.5	35.0
Employee exp (INR mn)	362	685	854	840	748	817	926	997	1,257	2,066	2,309	2,215
Employee exp (as % of sales)	6.7	8.7	8.8	8.4	10.0	9.7	8.0	7.2	8.8	10.4	10.3	10.8
Rent (INR mn)	312	574	716	700	473	694	772	900	672	1,649	1,771	1,620
Rent (as % of sales)	5.8	7.3	7.4	7.0	6.3	8.3	6.6	6.5	4.7	8.3	7.9	7.9
Other expense (INR mn)	696	829	949	1,032	731	813	838	751	1,376	2,049	2,756	2,012
Other expense (as % of sales)	12.9	10.5	9.8	10.3	9.8	9.7	7.2	5.4	9.6	10.3	12.3	9.8
EBITDA (Pre Ind AS; INR mn)	320	452	722	827	469	110	660	1,209	1,329	1,230	894	1,330
EBITDA Margin (%)	6.0	5.7	7.4	8.3	6.3	1.3	5.7	8.7	9.3	6.2	4.0	6.5

Source: Company, JM Financial; *Note: V-Mart figures exclude Unlimited and Limeroad numbers (estimated)

Revenue/ sq ft for Style Baazar has declined by 2% CAGR over FY19-24 to INR 7,156, while it has declined by 1%/4% CAGR for V2 Retail and V-Mart. EBITDA/sqft, however, for Style Baazar has increased by 2% CAGR despite decline in revenue/sqft led by better operating leverage, while EBITDA/ sqft declined by 2%/18% CAGR for V2 Retail/V-Mart. V2 Retail has emerged as a leader in 9MFY25 performance with highest Revenue/EBITDA per sqft among the company's peers. Revenue/EBITDA per sqft of V2 Retail is 52%/60% higher vs. Style Baazar and 43%/92% higher vs. V-Mart.

Exhibit 51. Revenue/EBITDA per sqft of V2 Retail is 52%/60% higher vs. Style Baazar

	Style Baazar				V2 Retail				V-Mart*			
	FY19	FY23	FY24	9MFY25	FY19	FY23	FY24	9MFY25	FY19	FY23	FY24	9MFY25
Area (mn sq ft)	0.7	1.3	1.5	1.8	0.9	1.1	1.3	1.7	1.8	2.9	3.1	3.2
Store	72	135	162	199	77	102	117	160	214	341	365	384
Average area per store	9,522	9,289	9,039	8,995	11,766	10,618	10,718	10,763	8,364	8,504	8,493	8,333
Revenue/ sq ft (INR)	7,850	6,941	7,158	6,135	10,238	7,833	9,968	9,315	8,878	7,358	7,474	6,510
Gross Profit/ sq ft (INR)	2,466	2,238	2,385	2,089	3,312	2,272	2,736	2,592	2,870	2,590	2,577	2,278
Employee exp/ sq ft (INR)	529	603	629	516	1,024	763	793	670	778	765	770	703
Rent/ sq ft (INR)	455	505	527	430	647	648	661	605	416	611	590	514
Other exp/ sq ft (INR)	1,015	730	698	634	1,000	759	717	505	852	759	919	639
EBITDA/ sq ft (INR)	467	399	531	508	641	103	565	813	823	456	298	422

Source: Company, JM Financial; *Note: V-Mart figures exclude Unlimited and Limeroad numbers (estimated)

Closing inventory days for Style Baazar is higher at ~162 days in FY24 as the company stacks up inventory to meet Eid-related demand due to heavy store concentration in the eastern region. Core working capital days, however, for Style Baazar is lower at 65 days only (in line with V2 Retail) but is high vs. V-Mart (24 days). V2 Retail generates superior return ratios vs. Style Baazar led by better profitability.

Exhibit 52. Return ratios for V2 Retail remains robust

	Style Baazar			V2 Retail			V-Mart		
	FY19	FY23	FY24	FY19	FY23	FY24	FY19	FY23	FY24
Inventory (INR mn)	2,326	3,169	4,313	2,711	2,465	3,600	3,290	8,706	8,161
Receivables (INR mn)	-	-	-	-	1	1	-	-	-
Payables (INR mn)	1,652	1,660	2,569	1,394	940	1,594	1,483	4,883	6,337
Inventory/sq ft (INR)	3,393	2,527	2,945	2,992	2,276	2,871	1,838	2,353	2,114
Inventory days	158	147	162	132	107	113	84	129	107
Receivables days	-	-	-	-	0	0	-	-	-
Payables days	112	77	96	68	41	50	38	72	83
Core Working cap days	46	70	65	64	66	63	46	57	24
Net Debt (INR mn)	643	1,100	1,643	25	443	708	-455	1,191	781
Pre Ind AS 116 - OCF (INR mn)	-127	-242	344	-481	122	82	863	27	1,823
FCF (INR mn)	-692	-676	-428	-989	25	-204	317	-2,752	617
Pre IND AS									
ROE (%) - Avg	8.6	11.1	14.3	16.6	-1.9	15.2	18.9	3.2	-6.5
ROCE (%) - Avg	9.8	9.7	10.4	13.7	-2.3	13.8	21.5	1.1	-2.6
ROIC (%) - Avg	10.6	10.2	10.7	17.4	-2.2	13.6	18.9	1.2	-2.6

Source: Company, JM Financial; Note: V-Mart financials includes figures of Unlimited and Limeroad

Financial Summary

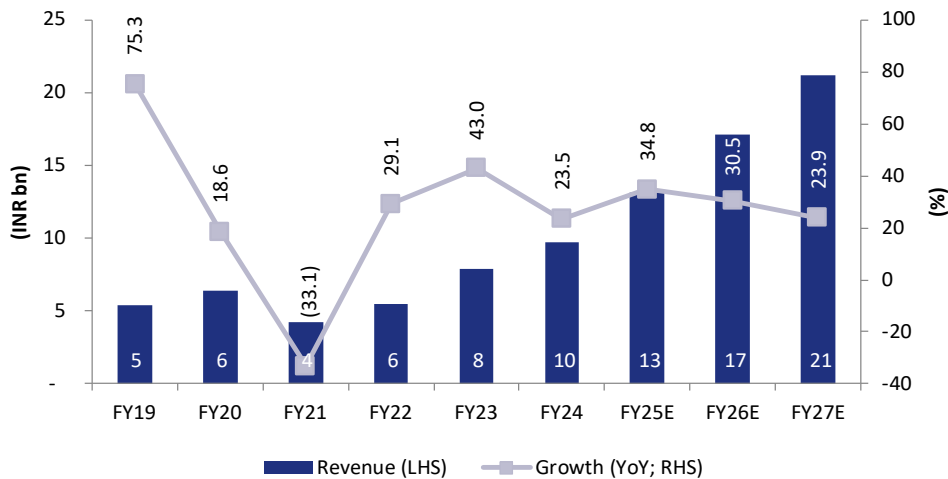
We expect revenue to rise by 30% CAGR, led by 23% area CAGR (addition of 145 stores - net) and 6% CAGR in sales/sqft, over FY24-27 to a modest level of INR 8.4k/ sqft by FY27. Pre-Ind As 116 EBITDA is expected to grow at a CAGR of 36% led by ~110bps expansion in EBITDA margin over FY24-27E to 8.5% primarily driven by ~70bps expansion in gross margin to 34.2% led by increase in private label and early payment to creditors. Better operating leverage partially offset by higher expected rental expense will aid EBITDA margin expansion. Lower interest cost and improved margins are expected to drive ~50% PAT CAGR over FY24-27E. We expect cumulative Pre Ind AS OCF of INR 2.5bn and FCF of -INR 427mn despite aggressive store opening plans over FY25-27E as Inventory/sqft is expected to decline by 4% CAGR over FY24-27E and net working capital days are expected to fall by 18 days to 47 days. OCF/EBITDA conversion is expected at 41% by FY27. We expect RoE/RoIC of the business to improve from 14/11% in FY24 to 22/19% in FY27E led by improving profitability trajectory and reduction in working capital.

Note – Financial analysis is based on Pre Ind AS 116 figures

Revenue CAGR of 30% expected, primarily driven by expansion

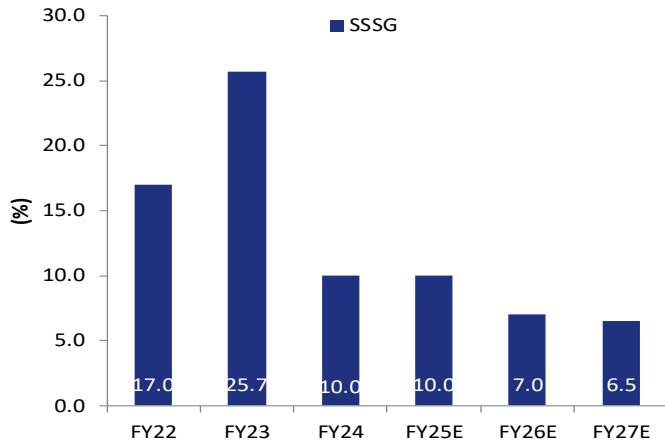
We expect robust 30% revenue CAGR over FY24-27E vs. 13% growth over FY19-24 as the company added only 90 stores over FY19-24 (average of 18 stores/year). With the inflow of IPO proceeds, the company has increased its pace of store expansion significantly and is expected to add 145 stores over FY25-27E, which will drive higher revenue CAGR of 30%. Apart from store expansion, (i) growing trend towards value fashion retailers and (ii) 6% CAGR in revenue per sqft led by better store productivity is expected to aid overall growth rates.

Exhibit 53. Revenue is expected to grow at a CAGR of ~30% over FY24-27E



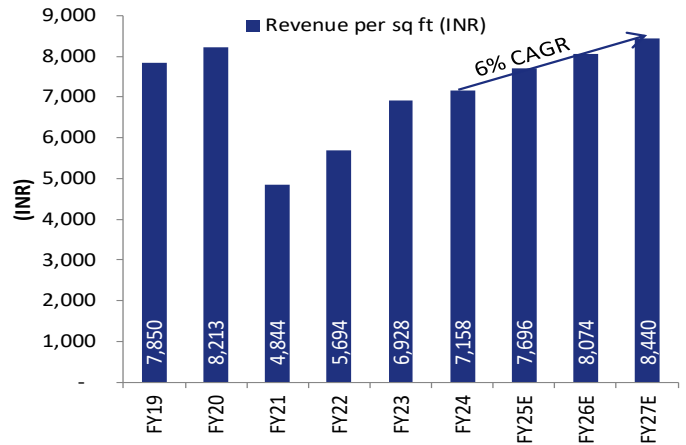
Source: Company, JM Financial

Exhibit 54. High single digit SSSG growth expected over FY24-27...



Source: Company, JM Financial

Exhibit 55. ...resulting in 6% CAGR in revenue/ sqft

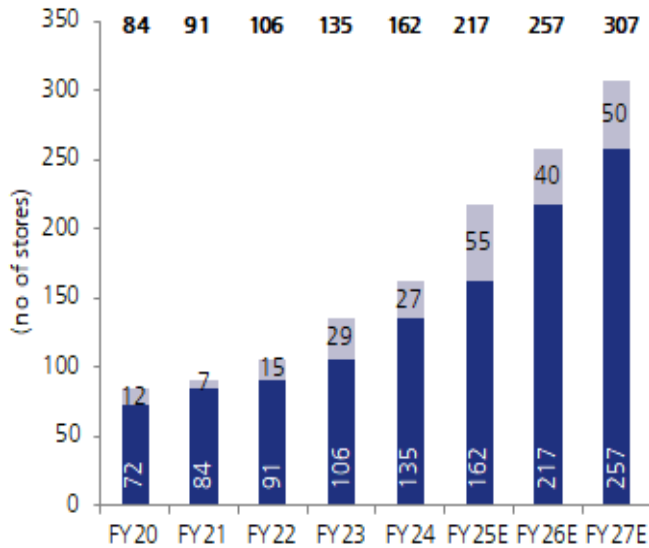


Source: Company, JM Financial

Aggressive store expansion to drive revenue growth

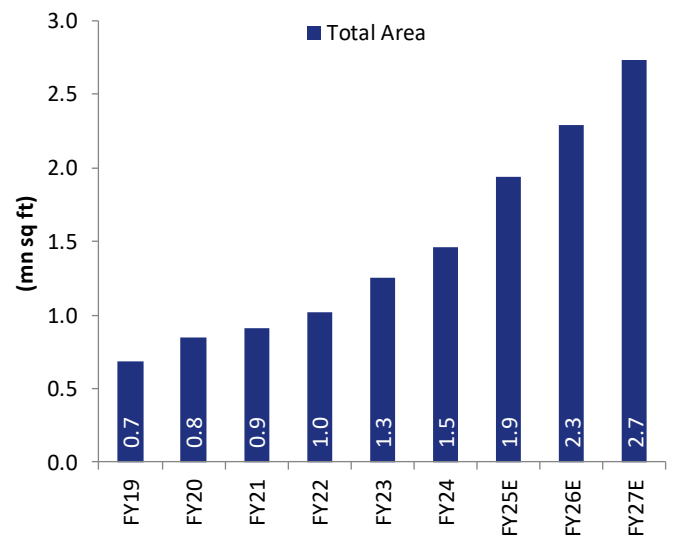
We expect the company to add 145 stores over FY25-27E to 307 stores by FY27 (~1.3mn sqft area addition). The company follows the cluster-based model of expansion and has a presence in the states of West Bengal, Odisha, Bihar, Assam (core markets), Jharkhand, Andhra Pradesh, Uttar Pradesh, Tripura and Chhattisgarh (focus markets).

Exhibit 56. Style Bazaar to add 145 stores over FY25-27E...



Source: Company, JM Financial

Exhibit 57. ...leading to area addition of ~1.3mn sqft

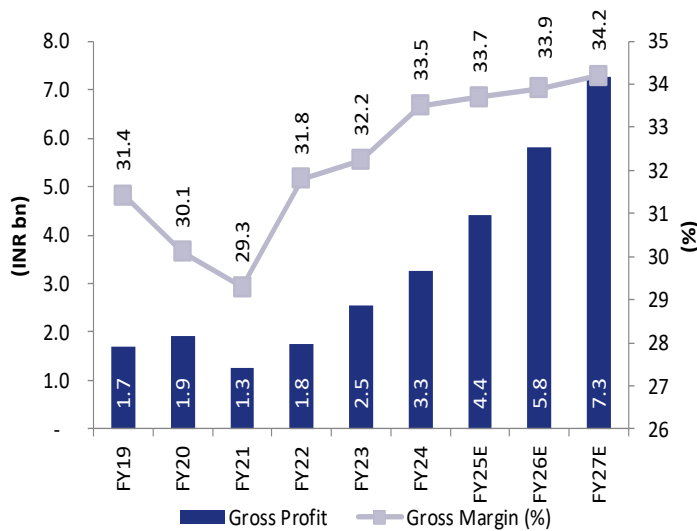


Source: Company, JM Financial

EBITDA CAGR of 36% led by ~110bps margin expansion over FY24-27E

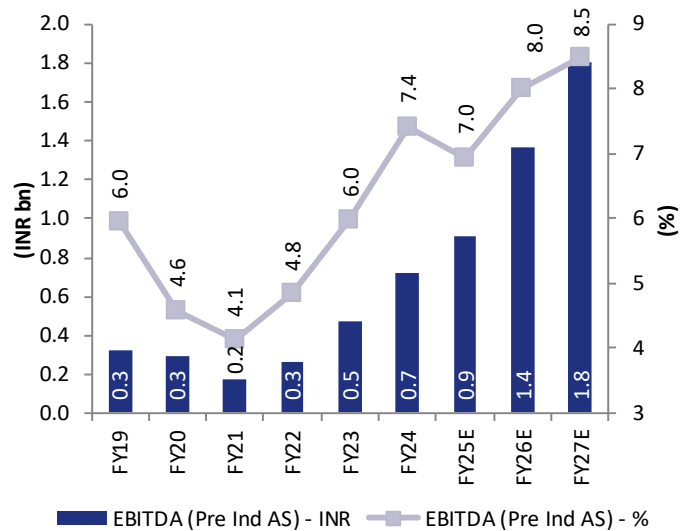
Pre Ind AS EBITDA is expected to grow at a higher CAGR of 36% vs. ~30% revenue CAGR as EBITDA margin is expected to expand ~110bps over FY24-27. We expect that higher share of private labels in the overall mix and early payment to suppliers from the IPO proceeds will drive gross margin expansion of ~70bps over FY24-27E. GM expansion along with (i) improvement in store level margins from 13.3% in FY24 to 14.2% in FY27 and (ii) reduction in corporate cost from 5.9% of revenue in FY24 to 5.7% in FY27 led by scale benefits will drive EBITDA margin expansion at the company level.

Exhibit 58. GM expansion of ~70bps over FY24-27E...



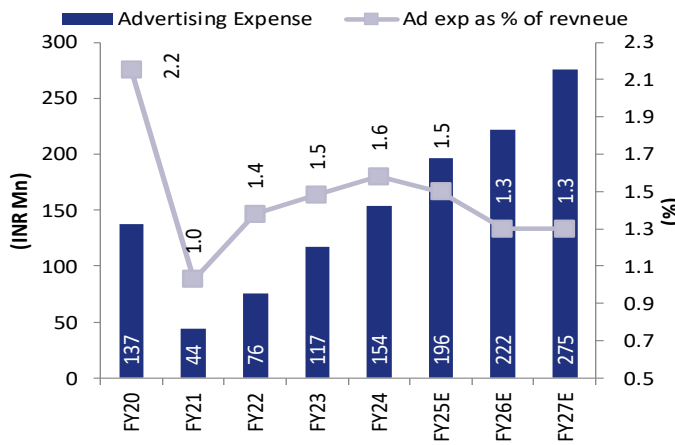
Source: Company, JM Financial

Exhibit 59. ...will primarily drive ~110bps EBITDAM expansion



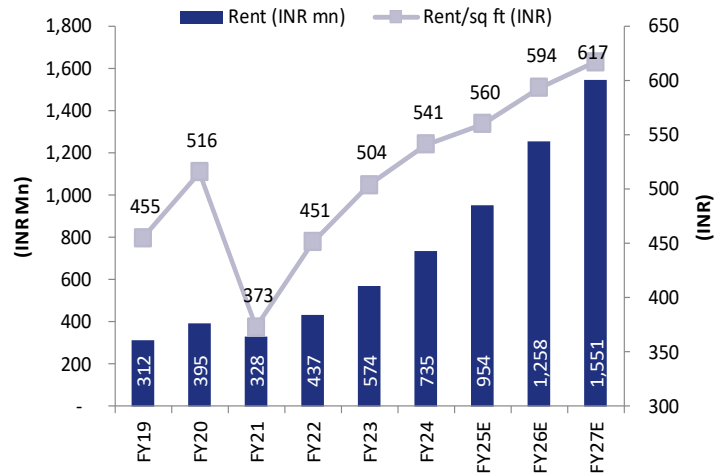
Source: Company, JM Financial; Note: Figures are Pre Ind AS 116

Exhibit 60. Ad exp. to contract by ~20bps over FY24-27E



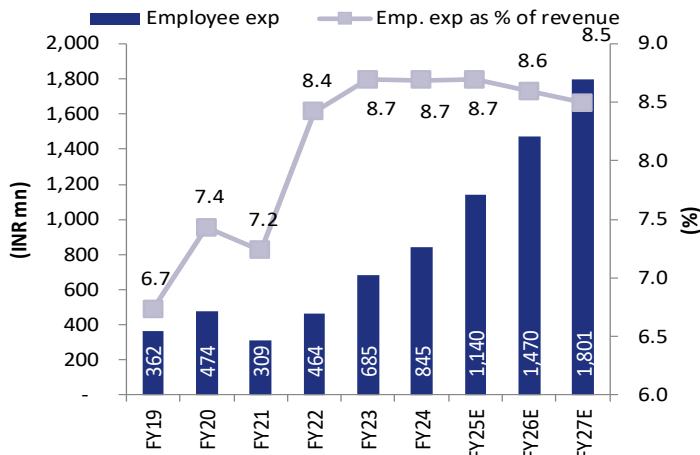
Source: Company, JM Financial

Exhibit 61. Rent/ sqft to increase by 4% CAGR over FY24-27E



Source: Company, JM Financial; Note: Figures are Pre Ind AS 116

Exhibit 62. Employee exp to contract ~20bps over FY24-27E



Source: Company, JM Financial

Exhibit 63. Corp cost to witness decline of ~20bps over FY24-27E

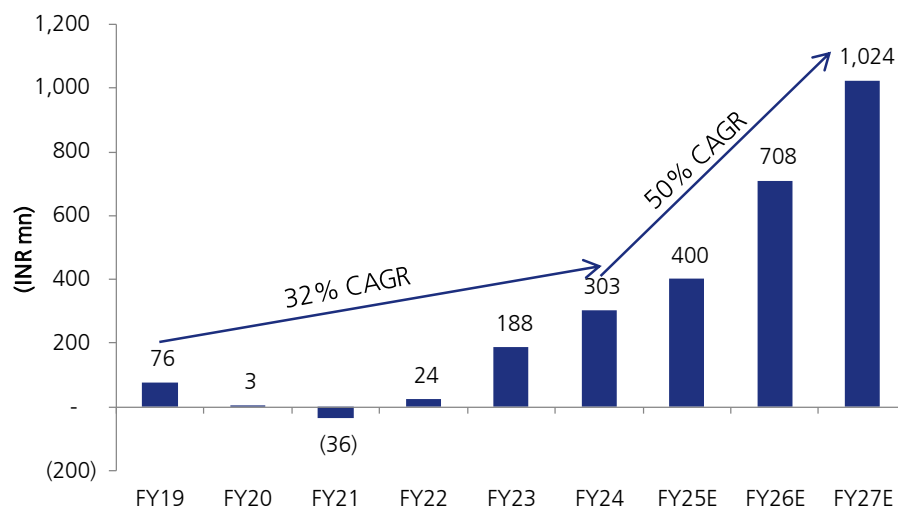
Particular (%)	FY24	FY25E	FY26E	FY27E
Store level EBITDA Margin	13.3	13.3	13.8	14.2
Corporate Cost	(5.9)	(6.3)	(5.8)	(5.7)
Company level EBITDA Margin	7.4	7.0	8.0	8.5

Source: Company, JM Financial

PAT CAGR of 50% expected over FY24-27E

PAT is expected to grow at ~50% CAGR over FY24-27E led by lower interest cost (IPO proceeds utilised for partial debt repayment) and operating scale-led benefits.

Exhibit 64. PAT expected to grow at 50% CAGR over FY24-27E



Source: Company, JM Financial; Note: Figures are Pre Ind AS 116

The difference between pre Ind AS PAT and post Ind AS PAT is expected to increase on account of acceleration in pace of store addition from addition of 15-30 stores per year earlier to ~50 stores per year now, which has resulted in higher ROU depreciation and lease liability interest.

Exhibit 65. Difference between Pre and Post Ind AS to accelerate led by store addition

Particular (INR mn)	FY23	FY24	FY25E	FY26E	FY27E
Post Ind AS APAT (A)	51	219	209	320	496
Pre Ind AS APAT (B)	188	303	400	708	1,024
Difference (B - A)	137	83	191	388	528

Source: Company, JM Financial

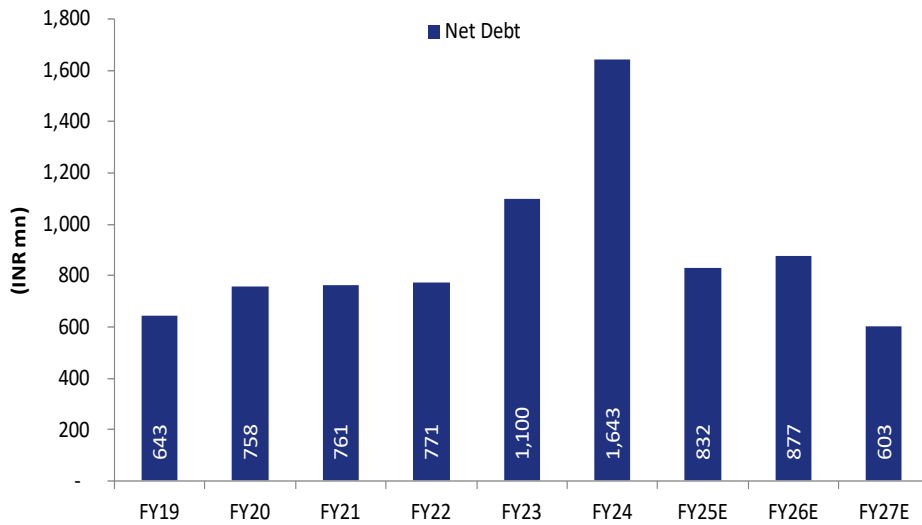
Exhibit 66. Higher Ind AS related depreciation and interest to impact reported PBT

Particular (INR mn)	FY23	FY24	FY25E	FY26E	FY27E
Dep - RoU	(425)	(515)	(699)	(952)	(1,220)
Interest - Lease Liability	(290)	(359)	(536)	(837)	(1,037)
Other Income Post Ind AS	65	99	111	131	164
Other Income Pre Ind AS	(38)	(35)	(47)	(66)	(100)
Rent not booked in P&L	543	694	915	1,207	1,488
Impact on reported PBT	(145)	(116)	(255)	(518)	(705)

Source: Company, JM Financial

Net debt is expected to decline from INR 1.6bn in FY24 to INR 603mn in FY27 led by repayment via inflow of IPO proceeds and operating cashflows. A fire broke out at the company's warehouse in Serampore, Hoogly (West Bengal) in 1QFY25, leading to a loss of Inventory and PPE amounting to INR 509mn and INR 42mn respectively. The company has filed a claim with the insurance company and provided for an estimated loss of INR 108mn in 1QFY25 as an exceptional item. Any kind of receipt of insurance claim is not accounted in our estimates and if received, will help in debt reduction and lower interest cost.

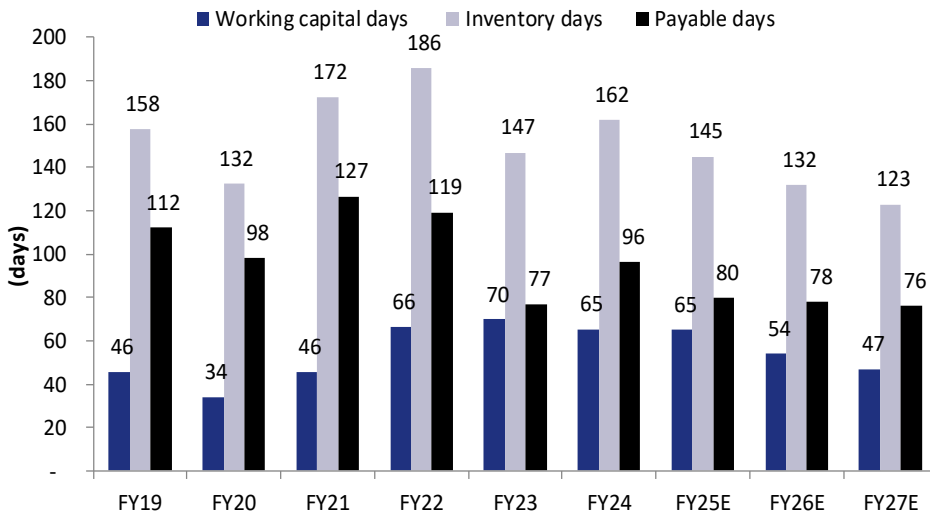
Exhibit 67. Net debt expected to reduce to INR 603mn by FY27



Source: Company, JM Financial

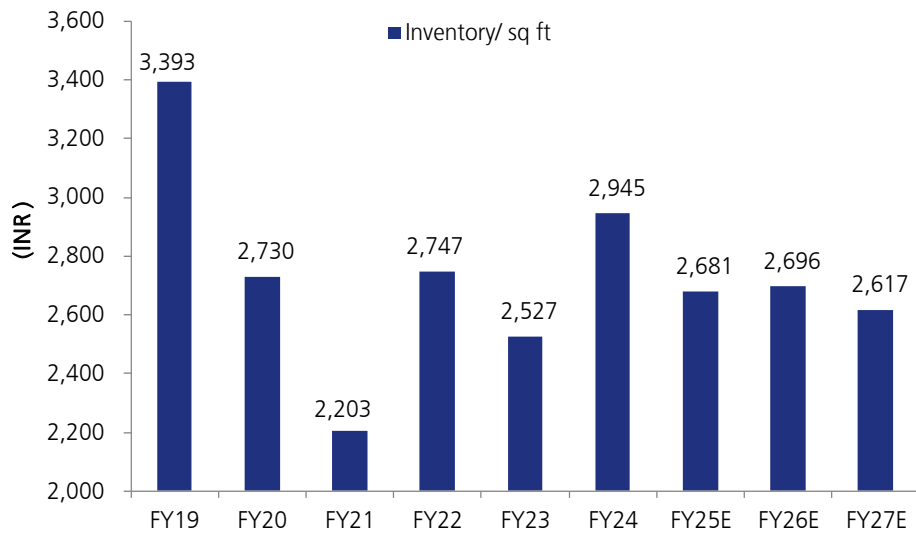
Cash conversion days for the company improved from 65 days in FY24 to 47 days in FY27 (18 days reduction) factoring in early payment to creditors from the IPO proceeds resulting a decline in creditor days from 96 in FY24 to 76 in FY27 (20 days reduction). The company is also focussing on optimising its store and warehouse level inventory resulting in lower inventory days from 162 in FY24 to 123 in FY27 (39 days reduction). Inventory per sqft is expected to decline by ~4% CAGR over FY24-27E to INR 2,617 by FY27.

Exhibit 68. Core working capital days to reduce by 18 days over FY24-27E to 47 days



Source: Company, JM Financial

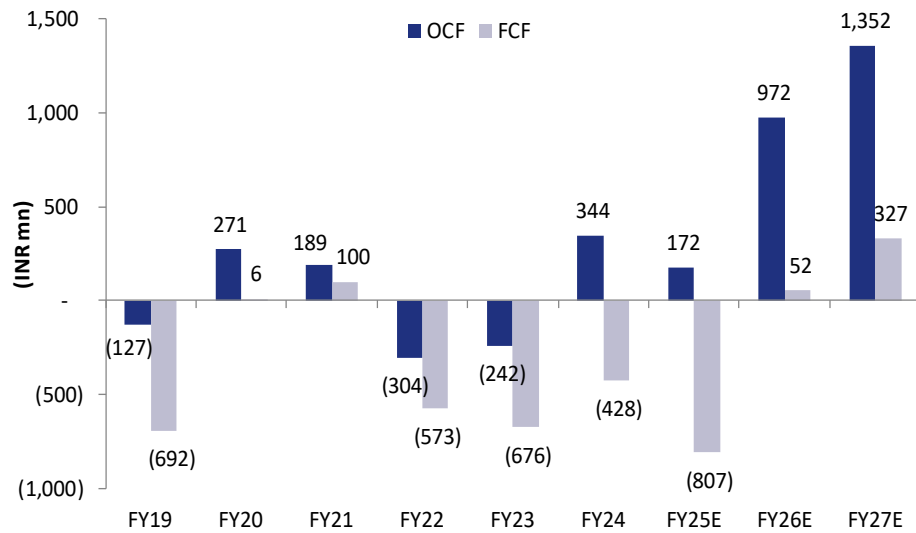
Exhibit 69. Inventory/ sqft to reduce by 4% CAGR over FY24-27E



Source: Company, JM Financial

We expect cumulative Pre Ind AS OCF of INR 2.5bn, and expect FCF to remain at – INR 427mn due to aggressive store opening plans over FY25-27E. OCF/EBITDA conversion is expected at 41% by FY27.

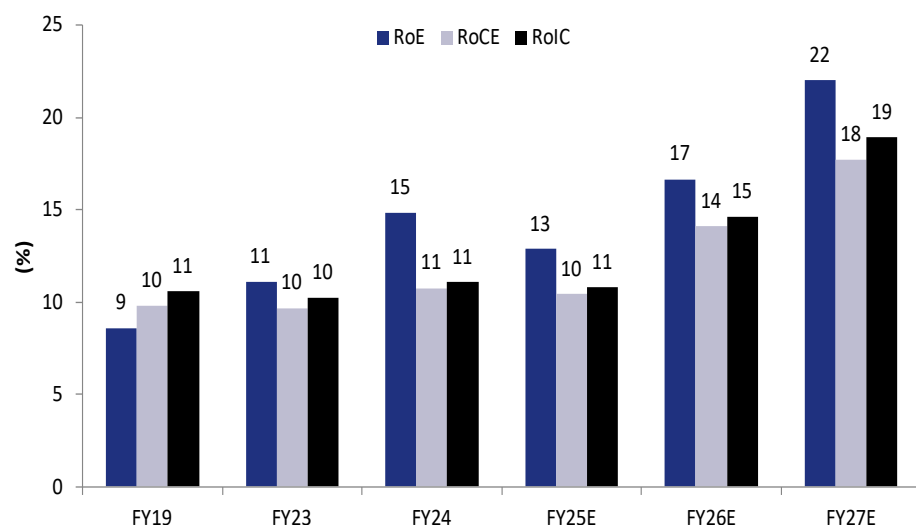
Exhibit 70. Cumulative OCF/FCF is expected at INR 2.1bn/- INR 764mn over FY24-27E



Source: Company, JM Financial

Return ratios are expected to improve owing to improvement in profitability over FY24-27E. Post the infusion of IPO proceeds in FY25, we expect RoE/RoIC to improve from ~15/11% in FY24 to ~22/19% in FY27.

Exhibit 71. RoE/RoIC are expected to improve to 22/19% by FY27



Source: Company, JM Financial

Exhibit 72. Better PAT margin to drive RoE improvement to 22% by FY27

DU Pont Analysis	FY19	FY23	FY24	FY25E	FY26E	FY27E
PAT Margin (%)	1.4	2.4	3.1	3.1	4.1	4.8
Asset Turnover (x)	3.8	1.3	1.2	1.3	1.4	1.5
Equity Multiplier (x)	1.6	3.7	3.8	3.2	2.9	3.0
RoE (%)	8.6	11.1	14.9	12.9	16.7	22.0

Source: Company, JM Financial

Exhibit 73. Key assumptions

Y/E March (INR mn)	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Key Assumptions							
Store count (#)	91	106	135	162	217	257	307
Addition (YoY) #	7	15	29	27	55	40	50
Area (mn sq ft)	0.9	1.0	1.3	1.5	1.9	2.3	2.7
SSSG (%)	(35.3)	17.0	25.7	10.0	10.0	7.0	6.5
Sales / sq ft (INR)	4,844	5,694	6,928	7,158	7,696	8,074	8,440
Depreciation (INR mn)	146	150	187	220	284	371	439
Interest (INR mn)	116	111	124	135	139	119	95
Capex (INR mn)	89	269	434	772	979	920	1,025
Inventory days (#)	172	186	147	162	145	132	123
Payable days (#)	127	119	77	96	80	78	76
Net Debt (INR mn)	761	771	1,100	1,643	832	877	603

Source: Company, JM Financial

Key Risks

- **Significant portion of revenue is derived from core markets:** The company follows a cluster-based expansion approach that leads to concentration of the business in a relatively small area. Hence, 87% of its revenue is from core markets. It will continue to add more stores in the eastern region. Existing and potential competitors may intensify their efforts in these states by launching aggressive promotional campaigns, which could reduce the market share of the company.
- **Heavy reliance on apparel sales:** The company operates under two business verticals, namely, apparels and general merchandise. It generated ~84% of its sales from the apparel segment in FY24, which is characterised by changing consumer preferences. The business is highly dependent on the company's ability to anticipate, gauge and respond to such changes in customer preferences and procure new products, approach other suppliers or hire different contract manufacturers. Any wrong decision by the management could severely impact the operations of the company.
- **Increased competition in value fashion retail:** The value fashion retail sector in India is facing heightened competition with the entry of new players and strategic expansions by established giants. Zudio, InTune, Style up, Yousta etc. are making significant inroads by offering trendy and affordable apparel. Reliance Retail is also intensifying competition through initiatives like 'Smart' and 'JioMart Fashion'. Increasing competition in the value apparel segment may result in market share loss if the company lacks in its execution capabilities.
- **Unsuccessful launch of private labels may impact the business adversely:** The company currently owns 10 private label brands that contributed ~38% of its revenue in FY24. It may launch additional brands and labels in the future across product categories. However, it cannot be assured that any new labels or brands launched by it will be preferred by its customers or retail partners over its existing products, or that it will be able to recover costs or achieve profitability associated with developing such labels and brands.
- **Dependency on few suppliers for procurement needs without any definitive agreements:** The company's failure to successfully leverage its supplier relationships and network or identify new suppliers could adversely affect its business. The ability to operate value retail stores for its customers is dependent on its relationships with its suppliers. It relies on third-party manufacturers, wholesalers and manufacturers for uninterrupted supply of products to it. In order to maintain flexibility in procurement options, it does not have a long-term supply arrangement with any of the suppliers, and it procures products through a purchase order, which contains the basic terms and conditions.

Quarterly Performance

Exhibit 74. Consolidated quarterly performance

Particulars (INR mn)	Quarterly			Chg (%)		Full Year		Chg (%)
	Q3FY24	Q2FY25	Q3FY25	YoY	QoQ	9MFY24	9MFY25	YoY
Store Count (#)	153	184	199	46	15	153	199	46
SSSG (%)	50%	41%	-3%			5%	10%	
Net operating revenues	3,332	3,109	4,116	24	32	7,494	9,983	33
Material cost	(2,093)	(2,170)	(2,563)	22	18	(4,961)	(6,585)	33
Gross Profit	1,239	939	1,553	25	65	2,533	3,399	34
Employee cost	(224)	(291)	(316)	41	9	(605)	(840)	39
Other expenses	(256)	(405)	(404)	58	(0)	(741)	(1,062)	43
Total expenditure	(2,574)	(2,866)	(3,283)	28	15	(6,308)	(8,487)	35
EBITDA	758	244	833	10	242	1,186	1,497	26
Other income	59	22	19	(68)	(13)	86	72	(16)
Interest	(114)	(159)	(173)	53	9	(355)	(473)	33
Depreciation	(192)	(225)	(271)	41	20	(537)	(705)	31
Pretax profits	513	(119)	408	(20)	(443)	380	390	3
Tax	(129)	29	(104)	(20)	(453)	(96)	(99)	3
Adj. PAT	383	(89)	304	(21)	(440)	284	291	3
Extraordinary items	-	-	-			-	(81)	
Net profit (reported)	383	(89)	304	(21)	(440)	284	211	(26)
Recurring EPS	5.5	(1.2)	4.1	(26)	(440)	4.1	3.9	(4)
Pre Ind AS 116								
EBITDA	573	32	575	0	1,690	675	827	23
PAT	374	(55)	358	(4)	(752)	326	398	22
EPS	5.4	(0.7)	4.8	(10)	(752)	4.7	5.3	14
% of operating revenues								
Gross margin	37.2	30.2	37.7	54 bps	752 bps	33.8	34.0	24 bps
EBITDA margin	22.8	7.8	20.2	-253 bps	1240 bps	15.8	15.0	-84 bps
Material cost	62.8	69.8	62.3	-55 bps	-753 bps	66.2	66.0	-25 bps
Employee cost	6.7	9.3	7.7	93 bps	-168 bps	8.1	8.4	33 bps
Other expenses	7.7	13.0	9.8	213 bps	-322 bps	9.9	10.6	74 bps
Income tax rate (% of PBT)	25.2	24.7	25.4	17 bps	70 bps	25.3	25.4	4 bps

Source: Company, JM Financial

- **Revenue** – Style Baazar reported strong revenue growth of 24% YoY (32% QoQ) in 3QFY25 to INR 4.1bn led by ~27% area expansion and ~2% growth in sales density (INR8,496 per sqft) while SSSG remained at -3% (due to Durga pooja being advanced by 11 days). Private label sales grew 35% YoY. SSSG stood at 7.5% for states excluding Bengal, Assam and Tripura.
- **Margin** - EBITDA grew only 10% YoY to INR 833mn as EBITDA margin contracted ~250bps YoY to 20.2% despite gross margin expansion of ~50bps YoY to 37.7% due to higher employee (~90 bps YoY) and other expenses (~210 bps YoY). **PAT** declined 21% YoY to INR 304mn due to 53%/41% higher interest/ depreciation expense and 68% lower other income.
- **Pre Ind AS EBITDA** was flat YoY at INR 575mn as Pre Ind AS EBITDA margin contracted ~320bps YoY to 14% due to ~70bps higher incremental rental cost (Non Ind AS Portion). Pre Ind AS adjusted PAT declined 5% YoY to INR 358mn in 3Q. 9MFY25 Pre Ind AS adjusted PAT was INR 398mn.
- **Corporate overheads** have increased to INR 650mn in 9mFY25 vs. INR 420mn-450mn in 9MFY24 due to increase in (i) warehouse capacity, (ii) office space, and (iii) manpower.
- **Store expansion** - The company added 15 new stores in 3QFY25, taking the total store count to 199 (retail area - 1.8mn sqft).
- **Balance sheet** - Inventory/sqft has reduced by INR 200 to INR 2,100 per sqft as on 31st Dec'24. Net debt was INR 1bn as on 31st Dec'24.
- Bill cuts per store increased by ~4% YoY to ~21k bill per store while the transaction value per bill declined ~9% resulting ~3% decline in items per basket. ASP declined ~7% YoY.

Exhibit 75. We expect revenue CAGR of 30% led by addition of 145 stores over FY24-27E

Y/E March (INR mn)	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Profit & Loss							
Revenue from operations	4,268	5,511	7,879	9,729	13,112	17,107	21,204
Less: Cost of Materials	(3,018)	(3,758)	(5,339)	(6,469)	(8,693)	(11,308)	(13,952)
Gross Profit	1,250	1,753	2,540	3,260	4,419	5,799	7,252
Less: Expenses							
- Employee benefit expenses	(309)	(464)	(685)	(845)	(1,140)	(1,470)	(1,801)
- Other operating expenses	(475)	(605)	(840)	(993)	(1,453)	(1,754)	(2,161)
EBITDA	466	684	1,015	1,421	1,826	2,576	3,290
Less: Depreciation and amortization expense	(482)	(530)	(612)	(735)	(983)	(1,322)	(1,659)
Less: Finance Costs	(342)	(354)	(414)	(494)	(675)	(956)	(1,132)
Add: Other Income	154	100	65	99	111	131	164
PBT	(204)	(100)	54	292	280	428	663
Less: Taxes	22	20	(3)	(73)	(71)	(108)	(167)
Minority Interest	-	-	-	-	-	-	-
Adj. PAT	(183)	(80)	51	219	209	320	496
Exceptional expense	-	-	-	-	(81)	-	-
Net Profit (reported)	(183)	(80)	51	219	129	320	496
Recurring EPS (INR)	(2.4)	(1.1)	0.7	2.9	2.8	4.3	6.6
Growth, YoY (%)							
Net revenues		29.1	43.0	23.5	34.8	30.5	23.9
EBITDA		46.7	48.5	40.1	28.5	41.0	27.7
PAT		(56)	(164)	330	(5)	53	55
Margin (%)							
Gross margin	29.3	31.8	32.2	33.5	33.7	33.9	34.2
EBITDA margin	10.9	12.4	12.9	14.6	13.9	15.1	15.5
PAT margin	(4.3)	(1.5)	0.6	2.3	1.6	1.9	2.3
Cost as % of revenues							
Cost of Materials	70.7	68.2	67.8	66.5	66.3	66.1	65.8
Employee benefit expenses	7.2	8.4	8.7	8.7	8.7	8.6	8.5
Other operating expenses	11.1	11.0	10.7	10.2	11.1	10.3	10.2
Effective tax rate (%)	10.6	20.3	5.6	24.8	25.2	25.2	25.2
Pre Ind AS (INR mn)							
EBITDA	177	267	472	722	912	1,369	1,802
PBT	(40)	30	199	403	535	946	1,368
APAT	(36)	24	188	303	400	708	1,024
EPS	(0.5)	0.3	2.5	4.1	5.4	9.5	13.7
Pre Ind AS Margin (%)							
EBITDA Margin	4.1	4.8	6.0	7.4	7.0	8.0	8.5
PBT Margin	(0.9)	0.5	2.5	4.1	4.1	5.5	6.5
APAT Margin	(0.8)	0.4	2.4	3.1	3.1	4.1	4.8

Source: Company, JM Financial

Exhibit 76. Balance sheet continue to strengthen with net debt reduction to INR 603mn by FY27

Y/E March (INR mn)	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Balance Sheet							
Total assets	6,018	7,542	8,671	11,549	14,528	16,992	20,210
Net fixed assets	954	1,052	1,346	1,828	2,523	3,072	3,659
Intangible assets	6	6	9	13	13	13	13
CWIP	17	26	15	60	60	60	60
Total NFA	977	1,085	1,370	1,901	2,596	3,145	3,732
Investment property	-	-	-	-	-	-	-
ROU Assets	2,422	2,806	3,327	4,277	5,376	5,945	7,024
Deferred tax assets	140	133	169	218	294	383	475
Long-term loans and advances	-	-	-	-	-	-	-
Non Current Investments	77	98	127	154	154	154	154
Other non-current assets	55	33	24	5	7	10	12
Total non-current assets	3,671	4,155	5,018	6,556	8,428	9,637	11,397
Cash and cash equivalents	55	245	51	143	168	223	497
Inventories	2,016	2,804	3,169	4,313	5,209	6,187	7,145
Receivables	-	-	-	-	-	-	-
Short-term loans and advances	38	33	42	46	62	81	100
Other current assets	238	305	390	491	662	864	1,071
Total current assets	2,346	3,387	3,653	4,993	6,100	7,354	8,813
Total liabilities	6,018	7,542	8,671	11,549	14,528	16,992	20,210
Short-term borrowings	567	845	971	1,493	1,000	1,100	1,100
Long-term borrowings	248	170	181	293	-	-	-
Total borrowings	815	1,016	1,152	1,786	1,000	1,100	1,100
Creditors	1,480	1,802	1,660	2,569	2,874	3,656	4,415
Provisions	0	1	1	1	2	2	3
Other current liabilities	147	188	150	243	327	427	529
Total current liabilities	1,628	1,990	1,811	2,813	3,203	4,085	4,947
Lease liabilities	2,665	3,079	3,751	4,784	6,203	7,354	9,203
Other LT liabilities	14	20	21	26	35	45	56
Deferred tax liabilities	-	-	-	-	-	-	-
Share capital	44	333	349	349	349	349	349
Reserves and surplus	852	1,105	1,587	1,790	3,738	4,058	4,554
Non-controlling interest	-	-	-	-	-	-	-
Total shareholders' equity	895	1,438	1,936	2,139	4,087	4,407	4,903

Source: Company, JM Financial

Exhibit 77. Style Baazar to generate cumulative OCF/FCF of INR 2.5bn/- INR 427mn over FY24-27E

Y/E March (INR mn)	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
CF from operating activities							
PBT	(204)	(100)	54	273	280	428	663
Depreciation	482	530	612	740	983	1,322	1,659
Interest/dividend income (Net)	336	345	406	485	657	934	1,091
Others	(90)	(69)	(14)	(55)	-	-	-
CFO before change in NWC	524	706	1,058	1,443	1,920	2,684	3,413
Change in NWC	(1)	(534)	(675)	(374)	(762)	(397)	(406)
CFO before taxes paid	523	173	383	1,069	1,157	2,287	3,007
Direct taxes paid	(1)	(17)	(54)	(32)	(71)	(108)	(167)
CF from operating activities	522	156	329	1,037	1,087	2,179	2,840
CF from investing activities							
Capex	(89)	(269)	(434)	(772)	(979)	(920)	(1,025)
Interest/dividend income	1	1	1	1	18	22	41
(Purchase)/sale of investment	0	3	3	-	-	-	-
CF from investing activities	(88)	(265)	(430)	(771)	(961)	(898)	(984)
CF from financing activities							
Issue of equity shares	-	622	448	-	1,739	-	-
Proceeds from borrowings	(3)	198	136	633	(786)	100	-
Payment of lease liabilities	(333)	(460)	(571)	(693)	(915)	(1,207)	(1,488)
Interest paid	(80)	(75)	(90)	(115)	(139)	(119)	(95)
Dividend paid	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
CF from financing activities	(416)	285	(77)	(175)	(101)	(1,225)	(1,582)
Net change in cash	17	176	(178)	91	25	56	273
Cash - EOP	54	230	51	143	168	223	497
OCF	189	(304)	(242)	344	172	972	1,352
FCF	100	(573)	(676)	(428)	(807)	52	327

Source: Company, JM Financial

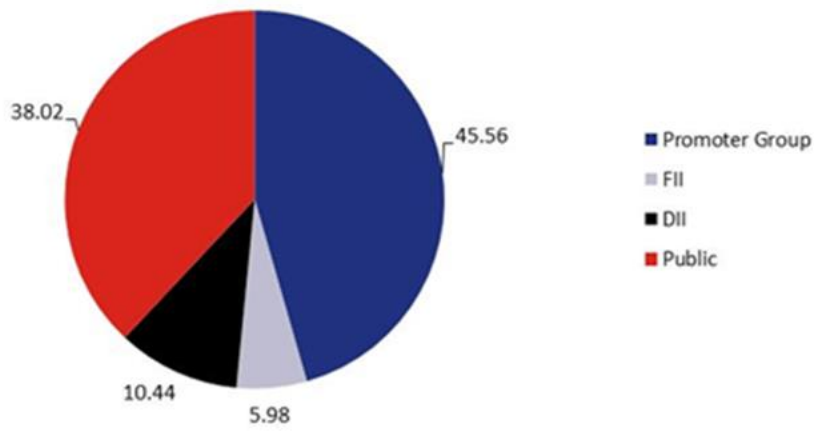
Exhibit 78. Cash conversion days to reduce by 18 days to 47 days in FY27 led by lower inventory days.

Y/E March (INR mn)	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Working capital (INR mn)							
Inventory	2,016	2,804	3,169	4,313	5,209	6,187	7,145
Receivables	-	-	-	-	-	-	-
Loans and advances	38	33	42	46	62	81	100
Other current/non current assets	293	338	415	497	669	874	1,083
Creditors	1,480	1,802	1,660	2,569	2,874	3,656	4,415
Other current liabilities	147	188	150	243	327	427	529
Provisions	0	1	1	1	2	2	3
Net working capital (ex-cash)	719	1,185	1,815	2,042	2,737	3,056	3,381
Cash Conversion	536	1,002	1,509	1,743	2,335	2,531	2,730
Working capital (days)							
Inventory	172	186	147	162	145	132	123
Receivables	-	-	-	-	-	-	-
Loans and advances	3	2	2	2	2	2	2
Other current/non current assets	25	22	19	19	19	19	19
Creditors	127	119	77	96	80	78	76
Other current/non current liabilities	13	12	7	9	9	9	9
Provisions	0	0	0	0	0	0	0
Net working capital (ex-cash)	61	79	84	77	76	65	58
Net working capital (% of sales)	17	22	23	21	21	18	16
Cash conversion	46	66	70	65	65	54	47
Cash conversion (% of sales)	12.6	18.2	19.2	17.9	17.8	14.8	12.9

Source: Company, JM Financial

Exhibit 79. Shareholding pattern as on 31st Dec'24

Shareholding Pattern



Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
Net Sales	7,879	9,729	13,112	17,107	21,204	
Sales Growth	43.0%	23.5%	34.8%	30.5%	23.9%	
Other Operating Income	0	0	0	0	0	
Total Revenue	7,879	9,729	13,112	17,107	21,204	
Cost of Goods Sold/Op. Exp	5,339	6,469	8,693	11,308	13,952	
Personnel Cost	685	845	1,140	1,470	1,801	
Other Expenses	840	993	1,453	1,754	2,161	
EBITDA	1,015	1,421	1,826	2,576	3,290	
EBITDA Margin	12.9%	14.6%	13.9%	15.1%	15.5%	
EBITDA Growth	48.5%	40.1%	28.5%	41.0%	27.7%	
Depn. & Amort.	612	735	983	1,322	1,659	
EBIT	403	687	844	1,253	1,631	
Other Income	65	99	111	131	164	
Finance Cost	414	494	675	956	1,132	
PBT before Excep. & Forex	54	292	280	428	663	
Excep. & Forex Inc./Loss(-)	0	0	0	0	0	
PBT	54	292	280	428	663	
Taxes	3	73	71	108	167	
Extraordinary Inc./Loss(-)	0	0	-81	0	0	
Assoc. Profit/Min. Int.(-)	0	0	0	0	0	
Reported Net Profit	51	219	129	320	496	
Adjusted Net Profit	51	219	209	320	496	
Net Margin	0.6%	2.3%	1.6%	1.9%	2.3%	
Diluted Share Cap. (mn)	74.6	74.6	74.6	74.6	74.6	
Diluted EPS (INR)	0.7	2.9	2.8	4.3	6.6	
Diluted EPS Growth	0.0%	330.1%	-4.6%	53.0%	54.9%	
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	FY23A	FY24A	FY25E	FY26E	FY27E	
Profit before Tax	54	273	280	428	663	
Depn. & Amort.	612	740	983	1,322	1,659	
Net Interest Exp. / Inc. (-)	406	485	657	934	1,091	
Inc (-) / Dec in WCap.	-675	-374	-762	-397	-406	
Others	-14	-55	0	0	0	
Taxes Paid	-54	-32	-71	-108	-167	
Operating Cash Flow	329	1,037	1,087	2,179	2,840	
Capex	-434	-772	-979	-920	-1,025	
Free Cash Flow	-105	266	108	1,259	1,815	
Inc (-) / Dec in Investments	0	0	0	0	0	
Others	4	1	18	22	41	
Investing Cash Flow	-430	-771	-961	-898	-984	
Inc / Dec (-) in Capital	448	0	1,739	0	0	
Dividend + Tax thereon	0	0	0	0	0	
Inc / Dec (-) in Loans	136	633	-786	100	0	
Others	-661	-808	-1,054	-1,325	-1,582	
Financing Cash Flow	-77	-175	-101	-1,225	-1,582	
Inc / Dec (-) in Cash	-178	91	25	56	273	
Opening Cash Balance	230	51	143	168	223	
Closing Cash Balance	51	143	168	223	497	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
Shareholders' Fund	1,936	2,139	4,087	4,407	4,903	
Share Capital	349	349	349	349	349	
Reserves & Surplus	1,587	1,790	3,738	4,058	4,554	
Preference Share Capital	3,751	4,784	6,203	7,354	9,203	
Minority Interest	0	0	0	0	0	
Total Loans	1,152	1,786	1,000	1,100	1,100	
Def. Tax Liab. / Assets (-)	-127	-154	-154	-154	-154	
Total - Equity & Liab.	6,712	8,555	11,136	12,707	15,053	
Net Fixed Assets	4,698	6,178	7,972	9,090	10,756	
Gross Fixed Assets	1,926	2,628	3,607	4,527	5,552	
Intangible Assets	9	13	13	13	13	
Less: Depn. & Amort.	580	800	1,084	1,455	1,893	
Capital WIP	3,343	4,337	5,436	6,005	7,084	
Investments	0	0	0	0	0	
Current Assets	3,846	5,216	6,401	7,747	9,300	
Inventories	3,169	4,313	5,209	6,187	7,145	
Sundry Debtors	0	0	0	0	0	
Cash & Bank Balances	51	143	168	223	497	
Loans & Advances	42	46	62	81	100	
Other Current Assets	584	715	963	1,257	1,558	
Current Liab. & Prov.	1,832	2,839	3,237	4,130	5,003	
Current Liabilities	1,660	2,569	2,874	3,656	4,415	
Provisions & Others	172	270	364	474	588	
Net Current Assets	2,014	2,377	3,164	3,617	4,297	
Total - Assets	6,712	8,555	11,136	12,707	15,053	

Source: Company, JM Financial

Dupont Analysis		FY23A	FY24A	FY25E	FY26E	FY27E
Y/E March						
Net Margin		0.6%	2.3%	1.6%	1.9%	2.3%
Asset Turnover (x)		1.3	1.2	1.3	1.4	1.5
Leverage Factor (x)		3.7	3.8	3.2	2.9	3.0
RoE		3.0%	10.8%	6.7%	7.5%	10.7%

Key Ratios		FY23A	FY24A	FY25E	FY26E	FY27E
Y/E March						
BV/Share (INR)		25.9	28.7	54.8	59.1	65.7
ROIC		14.5%	15.1%	14.5%	18.4%	22.6%
ROE		3.0%	10.8%	6.7%	7.5%	10.7%
Net Debt/Equity (x)		0.6	0.8	0.2	0.2	0.1
P/E (x)		337.8	78.6	82.4	53.8	34.8
P/B (x)		8.9	8.1	4.2	3.9	3.5
EV/EBITDA (x)		18.2	13.3	9.9	7.1	5.4
EV/Sales (x)		2.3	1.9	1.4	1.1	0.8
Debtor days		0	0	0	0	0
Inventory days		147	162	145	132	123
Creditor days		77	96	80	78	76

Source: Company, JM Financial

APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

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

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com

Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: sahil.salastekar@jmfl.com

Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: instcompliance@jmfl.com

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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.

Research Analyst(s) Certification

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

Additional disclosure only for U.S. persons: JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 28th Floor, Office No. 2821, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

Additional disclosure only for U.K. persons: Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Additional disclosure only for Canadian persons: This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.