

# FSN E-Commerce Ventures

India | Consumer Discretionary | Result Update



8 November 2025

## Upside constrained

FSN E-Commerce Ventures' (NYKAA IN) Q2 was broadly in line, but a 21% rally in the stock price in the past three months (driven by revival in Fashion) has premiumized the core BPC valuation. With valuations now reflecting rebound in growth, thus room for disappointment is limited and vulnerable to a de-rating in case of any growth moderation (amid rising competition from quick commerce). Our FY27E-28E EBITDA/EPS estimates are largely unchanged. We roll forward to FY28E. So, we raise TP to INR 260. **Retain Accumulate.**

**BPC – Competitive intensity may weigh down growth:** NYKAA BPC enjoys premium margins (versus grocery) with lower returns. However, the competitive intensity in online BPC is expected to rise meaningfully as Flipkart and Amazon expand assortments and improve delivery speeds with quick commerce. This may pose a higher risk to NYKAA than to quick commerce incumbents, due to shorter lead times and wider product selection, which may prompt it to elevate promotional intensity and discounting to defend market share. Moreover, investment in Nykaa Now may drive higher fulfillment cost and cap margin gains. Ad revenue growth slowed to average c.12% in past three quarters. BPC EBITDAM was broadly flat in Q2, even as the share of private brands in BPC GMV was at c.18%.

**Fashion – Growth sustained:** GMV accelerated by 36.7% YoY (avg. 17.0% in past three quarters), primarily driven by quarterly UTC additions (up 33.3% YoY) amidst festivals. Profitability-wise, NYKAA's Fashion losses pared to INR 120mn (down 37% QoQ), led by operating leverage and calibrated marketing expenses (42.8% in Q2; average 49% in past three quarters). We expect EBITDA breakeven by FY26 on sustained momentum.

**Margin improves on lower losses in fashion:** Q2 EBITDAM rose to 6.8% (up 20bps QoQ) due to gross margin gains of 30bps QoQ. In BPC, despite the share of private labels rising to c.18%, EBITDAM was flat in Q2. Our expectation of margin expansion (9.0% by FY28E) in BPC is on lower eB2B losses and modest gain in core BPC which is largely driving headline EBITDA CAGR of 46% till FY28E (core BPC EBITDA CAGR to be at 30% on competition).

**Retain Accumulate; TP raised to INR 260:** The 21% surge in the stock price in three months was led by a revival in Fashion, but note that: **a)** this has premiumized core BPC valuations to 75x FY28E (sharing 75% of GMV; 92% of contribution profit), **b)** BPC reported the lowest take rate (60.0%) since listing, underscoring discounting and competition weight, **c)** despite better profitability in eB2B, BPC EBITDAM was flat. Our estimates model in mid-to-upper band of NYKAA's growth guidance (BPC: GMV CAGR 28%) and factors modest gain in core BPC margins. That said, amidst premiumized valuation, any moderation in growth/margins or surge in competition (entry of Flipkart and Amazon in quick commerce) may lead to sharp de-rating. For FY25-28E, our revenue CAGR of 28.1% limits a further rerating. We pare FY26E EBITDA estimates by 8% to factor in flat BPC margin in Q2. Growth acceleration is noteworthy, but elevated valuations may leave limited room for disappointment. We roll forward to FY28E and raise TP to INR 260 (from INR 225) – maintain **Accumulate**. We value BPC at 45x EV/EBIDTA, Fashion at 4x price-to-sales.

### Key Financials

| YE March (INR mn) | FY24    | FY25   | FY26E   | FY27E   | FY28E   |
|-------------------|---------|--------|---------|---------|---------|
| Revenue (INR mn)  | 63,856  | 79,498 | 101,744 | 130,897 | 167,009 |
| YoY (%)           | 24.1    | 24.5   | 28.0    | 28.7    | 27.6    |
| EBITDA (INR mn)   | 3,462   | 4,739  | 7,046   | 11,127  | 14,953  |
| EBITDA margin (%) | 5.4     | 6.0    | 6.9     | 8.5     | 9.0     |
| Adj PAT (INR mn)  | 397     | 721    | 2,354   | 5,493   | 8,202   |
| YoY (%)           | 89.6    | 81.3   | 226.7   | 133.3   | 49.3    |
| Fully DEPS (INR)  | 0.1     | 0.3    | 0.8     | 1.9     | 2.9     |
| RoE (%)           | 3.0     | 5.5    | 16.1    | 29.6    | 32.3    |
| RoCE (%)          | 6.4     | 9.7    | 16.3    | 28.2    | 32.2    |
| P/E (x)           | 1,769.2 | 975.8  | 298.7   | 128.0   | 85.7    |
| EV/EBITDA (x)     | 206.6   | 150.9  | 101.5   | 64.3    | 47.8    |

Note: Pricing as on 07 November 2025; Source: Company, Elara Securities Estimate

Rating: **Accumulate**

Target Price: **INR 260**

Upside: **6%**

CMP: **INR 246**

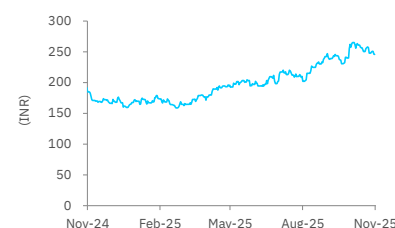
As on 07 November 2025

#### Key data

|                            |           |
|----------------------------|-----------|
| Bloomberg                  | NYKAA IN  |
| Reuters Code               | FSNE.NS   |
| Shares outstanding (mn)    | 2,862     |
| Market cap (INR bn/USD mn) | 704/7,935 |
| EV (INR bn/USD mn)         | 715/8,064 |
| ADTV 3M (INR mn/USD mn)    | 1,646/19  |
| 52 week high/low           | 268/155   |
| Free float (%)             | 48        |

Note: as on 07 November 2025; Source: Bloomberg

#### Price chart



Source: Bloomberg

|                  | Q3<br>FY25 | Q4<br>FY25 | Q1<br>FY26 | Q2<br>FY26 |
|------------------|------------|------------|------------|------------|
| Shareholding (%) |            |            |            |            |
| Promoter         | 52.2       | 52.2       | 52.1       | 52.1       |
| % Pledge         | 0.0        | 0.0        | 0.0        | 0.0        |
| FII              | 9.2        | 8.9        | 11.6       | 12.5       |
| DII              | 23.5       | 25.2       | 23.7       | 25.0       |
| Others           | 15.1       | 13.7       | 12.6       | 10.4       |

Source: BSE

| Price performance (%)   | 3M   | 6M   | 12M   |
|-------------------------|------|------|-------|
| Nifty                   | 3.6  | 4.4  | 5.3   |
| FSN E-Commerce Ventures | 17.1 | 25.7 | 28.4  |
| NSE Mid-cap             | 4.0  | 7.7  | 4.1   |
| NSE Small-cap           | 1.6  | 10.8 | (5.0) |

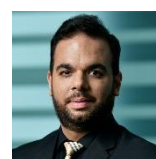
Source: Bloomberg

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## Financials (YE March)

| Income Statement (INR mn)           | FY24   | FY25   | FY26E   | FY27E   | FY28E   |
|-------------------------------------|--------|--------|---------|---------|---------|
| Total Revenue                       | 63,856 | 79,498 | 101,744 | 130,897 | 167,009 |
| Gross Profit                        | 27,392 | 34,772 | 45,641  | 58,844  | 75,133  |
| EBITDA                              | 3,462  | 4,739  | 7,046   | 11,127  | 14,953  |
| EBIT                                | 1,219  | 2,075  | 3,939   | 7,927   | 11,274  |
| Interest expense                    | 828    | 1,073  | 1,189   | 1,140   | 1,172   |
| Other income                        | 299    | 273    | 369     | 510     | 856     |
| Exceptional/ Extra-ordinary items   | -      | -      | -       | -       | -       |
| PBT                                 | 690    | 1,275  | 3,119   | 7,297   | 10,958  |
| Tax                                 | 253    | 538    | 749     | 1,788   | 2,739   |
| Minority interest/Associates income | (40)   | (16)   | (16)    | (16)    | (16)    |
| Reported PAT                        | 397    | 721    | 2,354   | 5,493   | 8,202   |
| Adjusted PAT                        | 397    | 721    | 2,354   | 5,493   | 8,202   |

We expect a revenue CAGR of 28.1% in FY25-28E.

| Balance Sheet (INR mn)                     | FY24          | FY25          | FY26E         | FY27E         | FY28E         |
|--|---------------|---------------|---------------|---------------|---------------|
| Shareholders' Equity                       | 12,622        | 13,013        | 15,367        | 20,860        | 29,063        |
| Minority Interest                          | 188           | 414           | 414           | 414           | 414           |
| Trade Payables                             | 3,867         | 6,348         | 7,378         | 9,081         | 11,327        |
| Provisions & Other Current Liabilities     | 8,118         | 6,746         | 7,159         | 7,701         | 8,372         |
| Total Borrowings                           | 6,804         | 9,614         | 9,614         | 9,614         | 9,614         |
| Other long term liabilities                | 2,407         | 3,661         | 2,707         | 2,517         | 2,785         |
| <b>Total liabilities &amp; equity</b>      | <b>34,006</b> | <b>39,795</b> | <b>42,639</b> | <b>50,186</b> | <b>61,574</b> |
| Net Fixed Assets                           | 3,462         | 4,075         | 4,168         | 4,168         | 3,689         |
| Goodwill                                   | 611           | 975           | 975           | 975           | 975           |
| Intangible assets                          | 237           | 336           | 336           | 336           | 336           |
| Business Investments / other NC assets     | 6,767         | 7,639         | 7,393         | 7,744         | 8,683         |
| Cash, Bank Balances & treasury investments | 758           | 1,249         | 3,327         | 6,208         | 10,643        |
| Inventories                                | 11,920        | 14,175        | 15,331        | 18,648        | 23,793        |
| Sundry Debtors                             | 2,416         | 2,466         | 2,230         | 3,228         | 4,576         |
| Other Current Assets                       | 7,835         | 8,880         | 8,880         | 8,880         | 8,880         |
| <b>Total Assets</b>                        | <b>34,006</b> | <b>39,795</b> | <b>42,639</b> | <b>50,186</b> | <b>61,574</b> |
| Cash Flow Statement (INR mn)               | FY24          | FY25          | FY26E         | FY27E         | FY28E         |
| <b>Cashflow from Operations</b>            | <b>(310)</b>  | <b>4,335</b>  | <b>6,097</b>  | <b>6,711</b>  | <b>7,951</b>  |
| Capital expenditure                        | (1,107)       | (1,272)       | (1,200)       | (1,200)       | (1,200)       |
| Acquisitions / divestitures                | -             | -             | -             | -             | -             |
| Other Business cashflow                    | 1,006         | (782)         | (1,631)       | (1,490)       | (1,144)       |
| <b>Free Cash Flow</b>                      | <b>(411)</b>  | <b>2,280</b>  | <b>3,266</b>  | <b>4,021</b>  | <b>5,607</b>  |
| Cashflow from Financing                    | 755           | (1,789)       | (1,189)       | (1,140)       | (1,172)       |
| Net Change in Cash / treasury investments  | 344           | 492           | 2,077         | 2,881         | 4,435         |
| Key assumptions & Ratios                   | FY24          | FY25          | FY26E         | FY27E         | FY28E         |
| Dividend per share (INR)                   | -             | -             | -             | -             | -             |
| Book value per share (INR)                 | 4.4           | 4.5           | 5.4           | 7.3           | 10.2          |
| RoCE (Pre-tax) (%)                         | 6.4           | 9.7           | 16.3          | 28.2          | 32.2          |
| ROIC (Pre-tax) (%)                         | 6.6           | 10.2          | 18.0          | 33.9          | 42.4          |
| ROE (%)                                    | 3.0           | 5.5           | 16.1          | 29.6          | 32.3          |
| Asset Turnover (x)                         | 19.0          | 21.1          | 24.7          | 31.4          | 42.5          |
| Net Debt to Equity (x)                     | 0.5           | 0.6           | 0.4           | 0.2           | 0.0           |
| Net Debt to EBITDA (x)                     | 1.7           | 1.8           | 0.9           | 0.3           | (0.1)         |
| Interest cover (x) (EBITDA/ int exp)       | 4.2           | 4.4           | 5.9           | 9.8           | 12.8          |
| Total Working capital days (WC/rev)        | -             | -             | -             | -             | -             |
| Valuation                                  | FY24          | FY25          | FY26E         | FY27E         | FY28E         |
| P/E (x)                                    | 1,769.2       | 975.8         | 298.7         | 128.0         | 85.7          |
| P/Sales (x)                                | 11.0          | 8.9           | 6.9           | 5.4           | 4.2           |
| EV/ EBITDA (x)                             | 206.6         | 150.9         | 101.5         | 64.3          | 47.8          |
| EV/ OCF (x)                                | (2,303.9)     | 165.0         | 117.3         | 106.5         | 89.9          |
| FCF Yield                                  | (0.1)         | 0.3           | 0.5           | 0.6           | 0.8           |
| Price to BV (x)                            | 55.7          | 54.0          | 45.8          | 33.7          | 24.2          |
| Dividend yield (%)                         | 69.3          | 69.6          | 61.3          | 63.3          | 69.1          |

Note: Pricing as on 07 November 2025; Source: Company, Elara Securities Estimate

**Exhibit 1: Quarterly performance**

| Consolidated (INR mn)  | Q2FY26 | Q2FY25 | YoY (%) | Q1FY26 | QoQ (%) | Elara Est. | Diff. (%) | Consensus | Diff. (%) |
|------------------------|--------|--------|---------|--------|---------|------------|-----------|-----------|-----------|
| Revenue                | 23,460 | 18,747 | 25.1    | 21,549 | 8.9     | 23,084     | 1.6       | 23,401    | 0.3       |
| EBITDA                 | 1,588  | 1,037  | 53.1    | 1,415  | 12.2    | 1,551      | 2.4       | 1,588     | (0.0)     |
| EBITDA Margin          | 6.8    | 5.5    | 123 bps | 6.6    | 20 bps  | 6.7        | 5 bps     | 6.8       | -2 bps    |
| Depreciation           | 799    | 636.2  | 25.6    | 761.4  | 4.9     | 770        | 3.8       |           |           |
| Interest Cost          | 315    | 242.3  | 29.9    | 301.6  | 4.3     | 305        | 3.2       |           |           |
| Other Income           | 80     | 54.5   | 47.3    | 93.3   | (13.9)  | 95         | (15.5)    |           |           |
| PBT                    | 554    | 213.3  | 159.9   | 445.4  | 24.4    | 571        | (2.9)     |           |           |
| Tax                    | 224    | 78.2   | 186.4   | 192.4  | 16.4    | 228        | (1.8)     |           |           |
| Effective tax rate (%) | 40.4   | 36.7   |         | 43.2   |         | 39.9       |           |           |           |
| PAT                    | 320    | 130    | 145.3   | 253    | 26.4    | 359        | (10.9)    | 414       | (22.7)    |
| Adj. PAT               | 330    | 130    | 153.3   | 253    | 30.6    | 343        | (3.7)     |           |           |
| Adj. EPS (INR)         | 0.11   | 0.05   | 145.3   | 0.09   | 26.4    | 0.12       | (6.8)     |           |           |

Source: Company, Bloomberg, Elara Securities Estimate

**BPC margin flat QoQ**

In Q2, overall BPC GMV was up 27.6% YoY. The early onset of the festival season was reflected in key metrics. Quarterly UTC surged 29.9% YoY to 4.5mn, though AOV was flat in the same period. The implied core BPC growth for Q2 was likely 27.8% YoY (eB2B up 25.0% YoY, sharing ~8% of GMV). User growth was driven by elevated A&P spending. Profitability-wise, take rates (as a percentage of NSV) pared to 60.0% (down 115bps YoY), on higher discounts in the festival season. However gross margin was flat to 42.5% (up 137bps YoY), while EBITDAM was at 8.3% in Q2, broadly flat QoQ.

**Q2FY26 results highlights**

- ▶ NYKAA's revenue grew 25.1% YoY (up 8.9% QoQ) to INR 23.4bn in Q2.
- ▶ Gross profit grew 28.3% YoY and 9.6% QoQ to INR 10.5bn and gross margin expanded by 111bps YoY and 30bps QoQ.
- ▶ EBITDA grew 53.1% YoY to INR 1.6bn in Q2. EBITDA margin rose 123bps YoY and 20bps QoQ to 6.8%. Net profit grew 145.3% YoY and 26.4% QoQ to INR 330mn.
- ▶ GMV of BPC grew 27.6% YoY to INR 35.5bn, with quarterly unique transacting customers up by 29.9% YoY to 4.5mn. The number of orders grew 21.7% YoY to 15.7mn in Q2. BPC's contribution margin (as a percentage of revenue) went down 50bps QoQ to 20.5% in Q2.
- ▶ GMV of the Fashion segment grew 36.7% YoY to INR 11.8bn and quarterly unique transacting customers rose to 0.9mn in Q2 (up 23.3% YoY). The number of orders in the Fashion segment was at 2.4mn, up 33.3% YoY. Contribution margin from the Fashion segment rose 101bps YoY to 16.4%, due to lower advertisement expenses.

**Q2FY26 conference call: Takeaways**

- ▶ NYKAA increased investments in customer acquisition during Q2FY26.
- ▶ The company conducted several engagement activities across colleges to enhance brand connect and target Gen-Z users.
- ▶ NYKAA operates 265 stores, all of which are tech-enabled to ensure faster deliveries.
- ▶ Approximately 70% of orders are delivered the next day, while the top seven cities enjoy 1-2 hour delivery timelines.
- ▶ NYKAA continues to focus on improving product discovery and enhancing the overall shopping experience.
- ▶ During Q2, NYKAA sold 70mn beauty products, with one in every three customers receiving a makeover at Nykaa stores.

### House of Nykaa

- ▶ The *House of Nykaa* annualized GMV run rate reached INR 29bn, up 54% YoY, with over 16mn customers served to date.
- ▶ Beauty brands contributed 70% of this GMV, totaling INR 6.3bn, up 74% YoY.
- ▶ Online channels accounted for 57% of *House of Nykaa's* GMV.
- ▶ *Dot & Key* has become an INR 15bn brand, delivering high-teen EBITDA margins and achieving ~60% customer retention. It remains among the top skincare brands on the Nykaa platform.
- ▶ *Nykaa Cosmetics* reported an annualized GMV run rate of INR 4bn, with 20% of revenue coming from newly launched products.
- ▶ *Kay Beauty* achieved an annualized GMV run rate of INR 3.5bn.
- ▶ In the fashion vertical, *House of Nykaa* continues to focus on the lingerie segment under the *Nykda* brand, which delivers strong gross margins.

### eB2B

- ▶ The number of transacting retailers increased 41% YoY to 332,000, while GMV grew 25% YoY, impacted by retailer purchase deferments ahead of GST 2.0 implementation.
- ▶ eB2B gross margin expanded 134bps YoY, and EBITDA margin improved 422bps YoY in Q2.
- ▶ Contribution margin contracted 62bps due to field force deployment.
- ▶ Around 40-50% of volumes were temporarily impacted by GST 2.0-related changes.

### Nykaa Fashion

- ▶ The fashion segment delivered strong performance with GMV up 37% YoY to INR 12bn.
- ▶ Underlying business trends remained healthy, with customer visits increasing 30% YoY.

### Others

- ▶ Fulfilment expenses in the beauty segment remained largely flat.
- ▶ NYKAA made incremental investments in performance and marketing, resulting in strong returns as reflected in new customer additions.
- ▶ The company invested INR 580mn in its own brands during the quarter.
- ▶ Net working capital stood at around 31 days.
- ▶ NYKAA highlighted its user funnel and marketplace strength as key competitive moats, providing confidence to scale growth across verticals.
- ▶ NYKAA continues to outperform the broader market, which itself is showing signs of recovery.
- ▶ Nykaa operates 53 rapid stores, enabling ultra-fast deliveries.
- ▶ Operating leverage is visible across key business segments, with each vertical showing improvement in operating profitability.
- ▶ The fashion business continues to strengthen with improving profitability.
- ▶ Management noted that India's beauty and personal care (BPC) penetration remains among the lowest globally, offering significant long-term growth opportunities.
- ▶ Regarding GST 2.0, management clarified that the changes primarily impacted personal products rather than beauty, resulting in a minimal impact (<1%) on NYKAA's core business. The deflationary effect from lower GST rates was also marginal.
- ▶ NYKAA expects BPC GMV momentum to sustain, supported by the Diwali-led surge in Q2 and further growth driven by the upcoming *Nykaa Land* event in Q3.
- ▶ *Kay Beauty's* UK debut has seen encouraging traction.

- ▶ The partnership with H&M is limited to online platform collaboration and does not include product sales through H&M's physical stores.
- ▶ Fragrance continues to be the fastest-growing category, driven by Gen-Z demand, and offers one of the highest product assortments across stores.
- ▶ The fragrance category is incremental and does not cannibalize the existing makeup segment. NYKAA continues to witness strong customer acquisition both online and offline.
- ▶ The fashion vertical is witnessing increased brand participation, supporting growth in marketing income.

## Exhibit 2: Quarterly metrics

| (INR mn)   | Q2FY24 | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Overall GMV                                      | 29,438 | 36,179 | 32,172 | 33,209 | 36,525 | 45,279 | 41,020 | 41,820 | 47,440 |
| YoY growth                                       | 25.5   | 29.4   | 31.6   | 24.5   | 24.1   | 25.2   | 27.5   | 25.9   | 29.9   |
| <b>BPC segment</b>                               |        |        |        |        |        |        |        |        |        |
| BPC GMV (mn)                                     | 21,559 | 25,696 | 23,390 | 25,429 | 27,833 | 33,899 | 30,580 | 32,080 | 35,510 |
| YoY growth (%)                                   | 32.3   | 35.1   | 43.6   | 27.7   | 29.1   | 31.9   | 30.7   | 26.2   | 27.6   |
| BPC visits (mn)                                  | 286    | 311    | 303    | 330    | 357    | 401    | 393    | 441    | 450    |
| YoY growth (%)                                   | 22.2   | 24.4   | 31.2   | 22.7   | 24.8   | 28.9   | 29.7   | 33.6   | 26.1   |
| BPC Monthly Average Unique Visitors (mn)         | 29     | 30     | 32     | 33     | 34     | 38     | 38     | 39     | 42     |
| YoY growth (%)                                   | 33.2   | 23.3   | 41.8   | 19.4   | 16.7   | 28.4   | 19.1   | 19.0   | 21.6   |
| BPC Orders (mn)                                  | 10.4   | 11.6   | 11.7   | 12.4   | 12.9   | 15     | 14.2   | 14.5   | 15.7   |
| YoY growth (%)                                   | 23.8   | 22.1   | 33.0   | 25.3   | 24.0   | 29.3   | 21.4   | 16.9   | 21.7   |
| BPC AOV (INR)                                    | 1,992  | 2,121  | 1,898  | 1,924  | 2,038  | 2,127  | 1,978  | 2,009  | 2,049  |
| YoY growth (%)                                   | 6.4    | 8.3    | 5.3    | 0.1    | 2.3    | 0.3    | 4.2    | 4.4    | 0.5    |
| BPC Annual Unique Transacting Customers (mn)     | 11.3   | 11.7   | 11.7   | 13.1   | 13.7   | 14.8   | 15.8   | 16.5   | 17.8   |
| YoY growth (%)                                   | 24.2   | 21.9   | 17.0   | 20.2   | 21.2   | 26.5   | 35.0   | 26.0   | 29.9   |
| BPC no. of stores                                | 165    | 174    | 187    | 200    | 210    | 221    | 237    | 250    | 265    |
| YoY growth (%)                                   | 36.4   | 28.9   | 29.0   | 31.6   | 27.3   | 27.0   | 26.7   | 25.0   | 26.2   |
| BPC owned brands contribution to BPC GMV         | 12.2%  | 13.3%  | 13.1%  | 13.4%  | 12.2%  | 13.8%  | 17.2%  | 18.0%  | 17.7%  |
| BPC contribution margin                          | 21.3%  | 19.2%  | 20.1%  | 20.3%  | 20.2%  | 19.4%  | 21.3%  | 21.0%  | 20.5%  |
| BPC ad revenue                                   | 1,129  | 1,264  | 1,214  | 1,240  | 1,368  | 1,784  | 1,378  | 1,414  | 1,509  |
| YoY growth (%)                                   | 11.9   | 11.3   | 28.0   | 43.7   | 21.2   | 41.1   | 13.5   | 14.0   | 10.3   |
| <b>Fashion segment</b>                           |        |        |        |        |        |        |        |        |        |
| Fashion GMV (mn)                                 | 7,872  | 10,465 | 8,760  | 7,741  | 8,633  | 11,299 | 10,370 | 9,640  | 1,180  |
| YoY growth (%)                                   | 31.4   | 44.5   | 31.9   | 14.5   | 9.7    | 8.0    | 18.4   | 24.5   | -86.3  |
| Fashion visits (mn)                              | 144    | 157    | 144    | 127    | 147    | 169    | 174    | 165    | 191    |
| YoY growth (%)                                   | 18.0   | 14.6   | 13.4   | 0.8    | 2.1    | 7.6    | 20.8   | 29.9   | 29.9   |
| Fashion Orders (mn)                              | 1.8    | 2.1    | 1.7    | 1.7    | 1.8    | 2.1    | 2.1    | 2      | 2.4    |
| YoY growth (%)                                   | 28.6   | 23.5   | 21.4   | 13.3   | -      | -      | 23.5   | 17.6   | 33.3   |
| Fashion AOV (INR)                                | 4,061  | 4,681  | 4,546  | 4,237  | 4,464  | 4,901  | 4,738  | 4,504  | 4,651  |
| YoY growth (%)                                   | 3.1    | 18.2   | 6.6    | 4.4    | 9.9    | 4.7    | 4.2    | 6.3    | 4.2    |
| Fashion Annual Unique Transacting Customers (mn) | 2.8    | 2.9    | 3.0    | 3.1    | 3.0    | 3.1    | 3.2    | 3.4    | 3.7    |
| YoY growth (%)                                   | 33.3   | 20.8   | 20.0   | 19.2   | 7.1    | 6.9    | 6.7    | 9.7    | 23.3   |
| Fashion owned brands contribution to Fashion GMV | 13%    | 12%    | 13%    | 12%    | 13%    | 11%    | 11%    | 10%    | 81%    |
| Fashion contribution margin                      | 9%     | 12%    | 14%    | 17%    | 15%    | 15%    | 6%     | 13%    | 16%    |

Source: Company, Elara Securities Research

## Exhibit 3: Valuation

| INR mn                 | FY28E           |
|------------------------|-----------------|
| <b>BPC Segment</b>     |                 |
| EBITDA                 | 14,841          |
| Multiple (x)           | 45              |
| EV                     | 6,75,110        |
| <b>Fashion Segment</b> |                 |
| Sales                  | 13,524          |
| Multiple (x)           | 4               |
| EV                     | 60,721          |
| <b>Total EV</b>        | <b>7,35,831</b> |
| Cash                   | 11,565          |
| Debt                   | 9,614           |
| <b>Equity Value</b>    | <b>7,37,783</b> |
| No. of shares          | 2,860           |
| <b>TP (INR)</b>        | <b>260</b>      |
| <b>CMP (INR)</b>       | <b>246</b>      |
| <b>Upside (%)</b>      | <b>6</b>        |

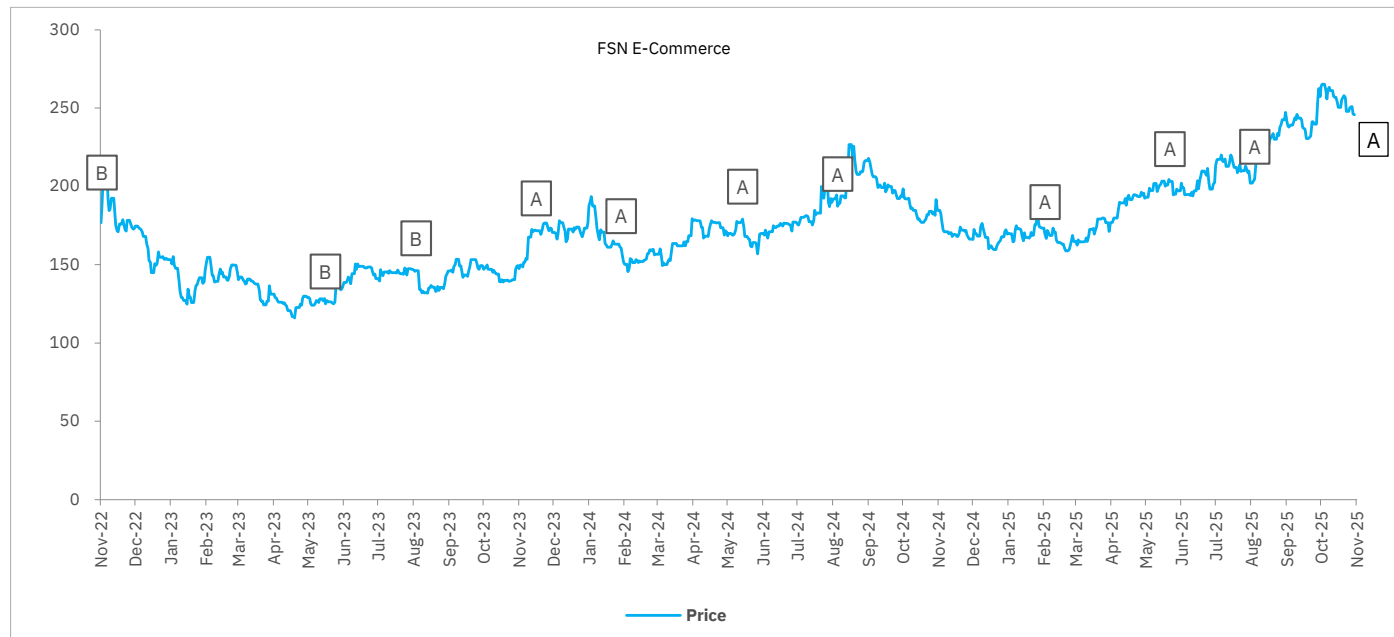
Source: Elara Securities Estimate

## Exhibit 4: Changes in estimates

| (INR mn)          | Old estimates |          |          | Revised estimates |          |          | Change (%)  |       |       |
|-------------------|---------------|----------|----------|-------------------|----------|----------|-------------|-------|-------|
|                   | FY26E         | FY27E    | FY28E    | FY26E             | FY27E    | FY28E    | FY26E       | FY27E | FY28E |
| Revenue           | 1,01,905      | 1,32,868 | 1,71,683 | 1,01,744          | 1,30,897 | 1,67,009 | (0.2)       | (1.5) | (2.7) |
| EBITDA            | 7,626         | 11,071   | 14,741   | 7,046             | 11,127   | 14,953   | (7.6)       | 0.5   | 1.4   |
| EBITDA Margin (%) | 7.5           | 8.3      | 8.6      | 6.9               | 8.5      | 9.0      |             |       |       |
| PAT               | 2,825         | 5,480    | 8,065    | 2,354             | 5,493    | 8,202    | (16.7)      | 0.2   | 1.7   |
| EPS (INR)         | 1.0           | 1.9      | 2.8      | 0.8               | 1.9      | 2.9      | (16.7)      | 0.2   | 1.7   |
| <b>TP (INR)</b>   | <b>225</b>    |          |          | <b>260</b>        |          |          | <b>15.6</b> |       |       |

Source: Elara Securities Estimate

## Coverage History



| Date        | Rating     | Target Price (INR) | Closing Price (INR) |
|-------------|------------|--------------------|---------------------|
| 10-Nov-2022 | Buy        | 239                | 188                 |
| 24-May-2023 | Buy        | 210                | 125                 |
| 11-Aug-2023 | Buy        | 200                | 146                 |
| 24-Nov-2023 | Accumulate | 200                | 172                 |
| 06-Feb-2024 | Accumulate | 185                | 160                 |
| 22-May-2024 | Accumulate | 195                | 179                 |
| 13-Aug-2024 | Accumulate | 210                | 187                 |
| 10-Feb-2025 | Accumulate | 195                | 169                 |
| 30-May-2025 | Accumulate | 215                | 203                 |
| 12-Aug-2025 | Accumulate | 225                | 205                 |
| 07-Nov-2025 | Accumulate | 260                | 246                 |

## Guide to Research Rating

|                       |                             |
|-----------------------|-----------------------------|
| <b>BUY (B)</b>        | Absolute Return >+20%       |
| <b>ACCUMULATE (A)</b> | Absolute Return +5% to +20% |
| <b>REDUCE (R)</b>     | Absolute Return -5% to +5%  |
| <b>SELL (S)</b>       | Absolute Return < -5%       |

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