

Baazar Style Retail Limited

22nd May 2026

Doubling the number of stores in next 3 years

In Q4 FY26, Baazar Style Retail Ltd (BSRL) delivered a performance largely in line with expectations with revenue growing 35% on a YoY basis. Private label contribution stood at ~51% in Q4 FY26 (vs 47% in Q4 FY25). During the quarter, EBITDA contracted by 121 Bps on a YoY basis, primarily on account of lower Gross margin (impacted due to discounts/provisioning of inventory). Key operating metrics remained optimum for the quarter, with ATV steady at Rs 991, bills issued saw a jump of 34% on a YoY basis, and units sold grew by 36% on a YoY basis. On the store expansion front, management has revised its store expansion target to 60–80 stores annually from FY27 (earlier 40–50 stores), aiming to scale the network to ~450-480 stores by FY 29.

Strategic investment & partnership [Cupid Ltd]

BSRL has secured investment of ~Rs. 3,315 Mn from Cupid Ltd through preferential issue upto 10.1 Mn warrants at Rs. 328.25 per warrant, convertible within 18 months. ~Rs. 1,800 Mn would be used for debt reduction and the balance for store expansion and infrastructure. The partnership also creates operational synergy, leveraging BSRL's 260+ store network to distribute Cupid's Personal Care portfolio while benefiting from Cupid's manufacturing expertise to strengthen the wellness category.

Exceptional Items: Insurance Claim Settlement

During Q4 FY26, BSRL recognised an exceptional loss of ~Rs 206 Mn on account of the final settlement of its inventory insurance claim, stemming from the fire that occurred at the Company's central warehouse in Hooghly, West Bengal on May 20, 2024. The insurer confirmed a settlement of ~Rs. 230 Mn against the outstanding insurance claim receivable, which was accepted and received by the Company on April 29, 2026, consequently, the balance receivable of ~Rs. 206 Mn was written off and recognised as an exceptional charge in Q4 FY26. Additionally, the PP&E insurance claim of ~Rs. 42 Mn was settled at ~Rs. 35 Mn in July 2025, resulting in an additional exceptional loss of ~Rs. 8 Mn recognised during FY26.

View & Valuation

Given BSRL's strong store expansion plans and increasing focus on private-label offerings, we project revenue for FY27 to grow at ~25%. This growth is expected to be supported by higher revenue per store and continued new store additions. Based on these factors, we have revised our estimates and revised our rating from BUY to NEUTRAL on BSRL, valuing the Company at 12x EV/EBITDA on FY27E, implying an upside potential of ~5.0%.

NEUTRAL

CMP Rs. 344

TARGET Rs. 361 (+5.0%)

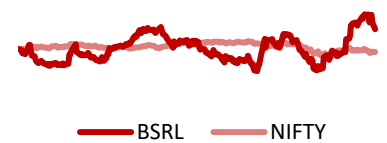
Company Data

Bloomberg Code	STYLEBAA IN
MCAP (Rs. Mn)	25,640
O/S Shares (Mn)	75
52w High/Low	427/230
Face Value (in Rs.)	5
Liquidity (3M) (Rs. Mn)	277

Shareholding Pattern %

	Mar 26	Dec 25	Sep 25
Promoters	45.71	45.71	45.71
FIIIs	1.68	2.40	3.13
DIIIs	6.65	8.65	10.31
Non-Institutional	45.96	43.24	40.84

BSRL vs Nifty



May, 25 Sep, 25 Jan, 26 May, 26

Source: Keynote Capitals Ltd.

Key Financial Data

(Rs Mn)	FY25	FY26	FY27E
Revenue	13,437	18,409	22,979
EBITDA	1,894	2,641	3,217
Net Profit	147	469	496
Total Assets	17,420	18,670	24,099
ROCE (%)	7%	7%	9%
ROE (%)	6%	11%	10%

Source: Company, Keynote Capitals Ltd.

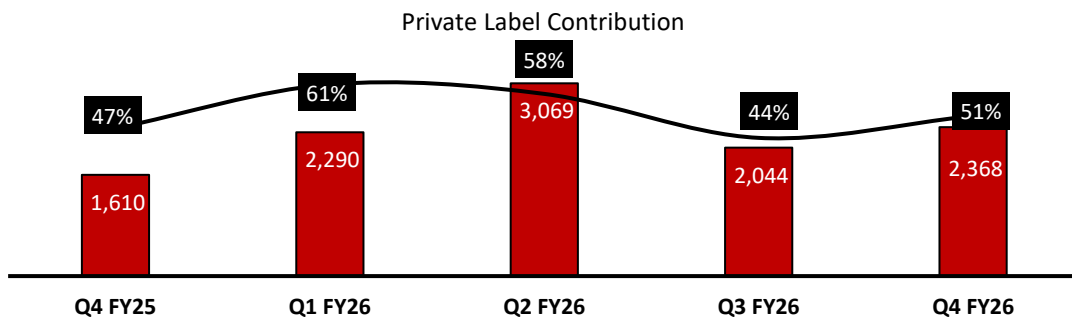
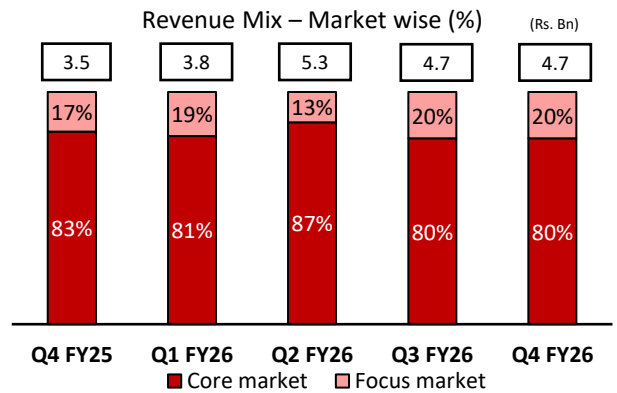
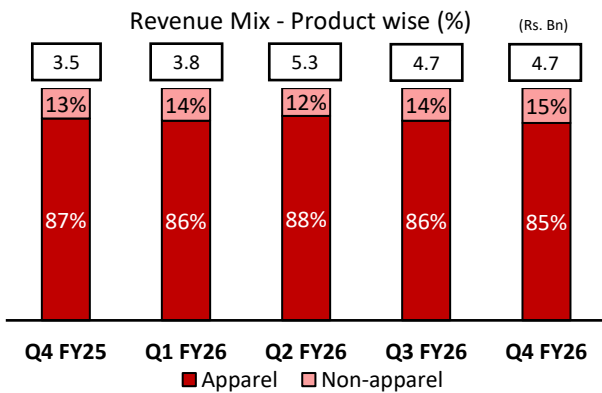
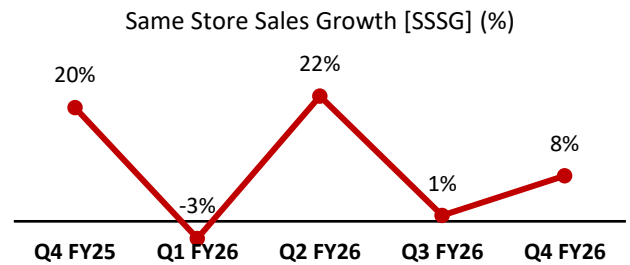
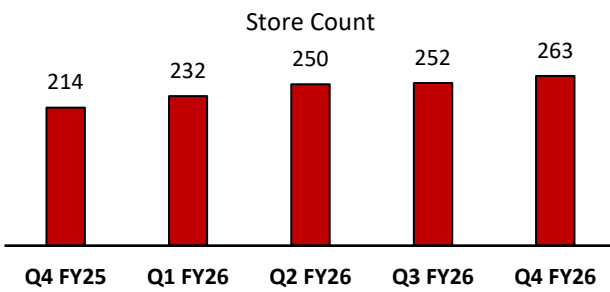
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Q4 FY26 Result Update

Result Highlights (Rs. Mn)

Particulars	Q4 FY26	Q4 FY25	Change % (Y-o-Y)	Q3 FY26	Change % (Q-o-Q)	FY26	FY25	Change % (Y-o-Y)
Revenue from Operation	4,657	3,454	35%	4,665	0%	18,409	13,437	37%
Gross Profit	1,405	1,143	23%	1,773	-21%	6,146	4,542	35%
Gross Profit %	30%	33%	-294 Bps	38%	-784 Bps	33%	34%	-42 Bps
Employee Cost	404	321	26%	405	0%	1,551	1,160	34%
Other Expenses	519	423	23%	474	10%	1,954	1,486	31%
EBITDA	482	399	21%	894	-46%	2,641	1,894	39%
EBITDA %	10%	12%	-121 Bps	19%	-882 Bps	14%	14%	24 Bps
Depreciation	477	294	63%	462	3%	1,701	999	70%
EBIT	4	105	-96%	432	-99%	940	897	5%
EBIT %	0%	3%	-296 Bps	9%	-918 Bps	5%	7%	-157 Bps
Finance Cost	177	217	-18%	186	-4%	768	690	11%
Other Income	19	18	9%	22	-14%	116	90	29%
Exceptional Items	-206	0	-	-13	-	325	-108	-
PBT	-360	-94	-	256	-	613	189	225%
Tax Expenses	-104	-30	-	66	-	144	42	242%
PAT	-256	-64	-	190	-	469	147	220%
EPS	-3.44	-0.86		2.54		6.28	2.02	

Source: Company, Keynote Capitals Ltd.



Source: Company, Keynote Capitals Ltd.

■ Private label (Rs. Mn) — Private label as a % of revenue

Financial Statement Analysis

Income Statement

Y/E Mar, Rs. Mn	FY24	FY25	FY26	FY27E	FY28E
Net Sales	9,729	13,437	18,409	22,979	28,658
Growth %		38%	37%	25%	25%
Raw Material Expenses	6,481	8,913	12,264	15,327	19,000
Employee Expenses	801	1,094	1,551	1,953	2,436
Other Expenses	1,029	1,537	1,954	2,482	3,095
EBITDA	1,418	1,894	2,641	3,217	4,127
Growth %		34%	39%	22%	28%
Margin%	15%	14%	14%	14%	14%
Depreciation	735	999	1,701	1,773	1,922
EBIT	684	895	940	1,444	2,205
Growth %		31%	5%	54%	53%
Margin%	7%	7%	5%	6%	8%
Interest Paid	491	688	768	933	1,055
Other Income & exceptional	99	-18	441	150	150
PBT	292	189	613	662	1,299
Tax	73	42	144	165	325
PAT	219	147	469	496	974
Others (Minorities, Associates)	0	0	0	0	0
Net Profit	219	147	469	496	974
Shares (Mn)	69.9	74.6	74.6	74.6	84.7
EPS	3.1	2.0	6.3	6.7	11.5

Balance Sheet

Y/E Mar, Rs. Mn	FY24	FY25	FY26	FY27E	FY28E
Cash, Cash equivalents & Bank	149	221	129	346	650
Current Investments	0	0	0	0	0
Debtors	0	0	0	0	0
Inventory	4,329	5,215	6,825	10,269	12,920
Short Term Loans & Advances	557	712	268	268	268
Other Current Assets	58	518	1,144	1,144	1,144
Total Current Assets	5,093	6,666	8,366	12,027	14,981
Net Block & CWIP	6,269	10,313	9,661	11,428	13,706
Long Term Investments	0	0	0	0	0
Other Non-current Assets	200	440	643	643	643
Total Assets	11,561	17,420	18,670	24,099	29,331
Creditors	2,618	3,108	3,943	6,007	6,928
Provision	119	3	9	9	9
Short Term Borrowings	1,491	1,488	3,151	3,151	1,651
Other Current Liabilities	629	915	1,531	1,531	1,531
Total Current Liabilities	4,857	5,514	8,634	10,698	10,119
Long Term Debt	291	177	326	326	226
Deferred Tax Liabilities	-159	-213	-156	-156	-156
Other Long Term Liabilities	4,421	7,904	5,364	7,404	9,854
Total Non Current Liabilities	4,553	7,868	5,534	7,574	9,924
Paid-up Capital	349	373	373	373	424
Reserves & Surplus	1,802	3,664	4,129	5,454	8,864
Shareholders' Equity	2,151	4,037	4,502	5,827	9,287
Non Controlling Interest	0	0	0	0	0
Total Equity & Liabilities	11,561	17,420	18,670	24,099	29,331

Cash Flow

Y/E Mar, Rs. Mn	FY24	FY25	FY26	FY27E	FY28E
Pre-tax profit	292	189	613	662	1,299
Adjustments	1,167	1,760	2,114	2,555	2,827
Change in Working Capital	-315	-1,299	-1,350	-1,380	-1,729
Total Tax Paid	-28	-123	-121	-165	-325
Cash flow from operating Activities	1,116	527	1,255	1,671	2,072
Net Capital Expenditure	-846	-1,028	-1,471	-1,500	-1,750
Change in investments	0	-1	0	0	0
Other investing activities	1	1	17	150	150
Cash flow from investing activities	-845	-1,027	-1,454	-1,350	-1,600
Equity raised / (repaid)	0	1,752	0	829	2,486
Debt raised / (repaid)	631	-119	910	0	-1,600
Dividend (incl. tax)	0	0	0	0	0
Other financing activities	-812	-1,092	-766	-933	-1,055
Cash flow from financing activities	-181	541	143	-104	-169
Net Change in cash	89	41	-56	217	303

Valuation Ratios

Y/E Mar, Rs. Mn	FY24	FY25	FY26	FY27E	FY28E
Per Share Data					
EPS	3.1	2.0	6.3	6.7	11.5
Book Value Per Share	31	54	60	78	110
Return Ratios					
Return on Assets (%)	2%	1%	3%	2%	4%
Return on Equity (%)	12%	6%	11%	10%	13%
Return on Capital Employed (%)	10%	7%	7%	9%	10%
Turnover Ratios					
Asset Turnover (x)	1.0	0.9	1.0	1.1	1.1
Sales / Gross Block (x)	1.3	1.2	1.3	1.5	1.7
Working Capital / Sales (x)	4%	5%	2%	2%	11%
Receivable Days	0	0	0	0	0
Inventory Days	211	195	179	204	223
Payable Days	102	107	93	97	109
Working Capital Days	109	89	86	107	114
Liquidity Ratios					
Current Ratio (x)	1.0	1.2	1.0	1.1	1.5
Interest Coverage Ratio (x)	1.6	1.5	1.4	1.7	2.2
Total Debt to Equity	0.8	0.4	0.8	0.6	0.2
Net Debt to Equity	0.8	0.4	0.7	0.5	0.1
Valuation					
Price to Sales (x)		1.3	1.1	1.1	0.9
Price to Book (x)		4.4	4.5	4.5	2.8
EV/EBITDA (x)		14.1	11.0	11.4	8.9
EV/Sales (x)		2.0	1.6	1.6	1.3

Source: Company, Keynote Capitals Ltd.

KEYNOTE Rating History

Date	Rating	Market Price at Recommendation	Upside/Downside
5 th March 2025	BUY	216	+53.0%
20 th May 2025	BUY	285	+15.5%
7 th August 2025	BUY	290	+24.1%
20 th November 2025	BUY	297	+24.0%
19 th February 2026	BUY	335	+16.1%
22 nd May 2026	NEUTRAL	344	+5.0%

Rating Methodology

Rating	Criteria
BUY	Expected positive return of > 10% over 1-year horizon
NEUTRAL	Expected positive return of > 0% to < 10% over 1-year horizon
REDUCE	Expected return of < 0% to -10% over 1-year horizon
SELL	Expected to fall by >10% over 1-year horizon
NOT RATED (NR)/UNDER REVIEW (UR)/COVERAGE SUSPENDED (CS)	Not covered by Keynote Capitals Ltd/Rating & Fair value under Review/Keynote Capitals Ltd has suspended coverage

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