

August 02, 2024

IPO ANALYSIS
Sector: Retail
Issue Price: INR 440 to INR 465
Issue Size: INR 4,057 to 4,193 Crores
Issue Opens/Closes: August 06 / August 08
IPO Basics
Promoters: NA
Selling Shareholders: SVF Frog (Cayman) Ltd, Mahindra & Mahindra Ltd, PI Opportunities Fund- 1, TPG Growth V SF Markets Pte. Ltd, NewQuest Asia Investments III Ltd, Apricot Investments Ltd, Satyadharm Investments and Trading Company Pvt Ltd, Schroders Capital Private Equity Asia Mauritius II Ltd, Sage Investment Trust, Pratithi Investment Trust
Lead Managers: Kotak Mahindra Capital, Morgan Stanley India, BofA Securities India, JM Financial, Avendus Capital
Registered Office: Pune
Registrar: Link Intime India Pvt Ltd
Listing: BSE and NSE

IPO Capital Structure	
Fresh Issue	3,58,34,699 equity shares upto INR 1,666 Cr
Offer for Sale	5,43,59,733 equity shares upto INR 2,528 Cr
Total Issue as % of total capital (Post-Issue)	17.37%
Employee Discount	INR 44 per share
Post Issue No. of Shares	51,91,84,169
Post Issue Market Cap	INR 22,934 – 24,142 Cr
Face Value	INR 2
Issue Route	Book Build Issue
All values calculated at upper band	

Financial Snapshot (INR in crs)			
Y/E Mar	FY22	FY23	FY24
Equity Share Capital	81.41	81.47	81.47
Reserves	3,446.53	3,374.79	3,089.24
Net worth	3,527.94	3,456.26	3,170.71
Revenue from Ops	2,401.29	5,632.54	6,480.86
Growth (%) YoY	-	134.56%	15.06%
EBITDA	(18.20)	(262.90)	70.49
EBITDA (%)	(0.76)%	(4.67)%	1.09%
Net Profit	(78.68)	(486.06)	(321.51)
Net Profit (%)	(3.28)%	(8.63)%	(4.96)%
Basic EPS	(1.74)	(9.97)	(6.20)
Diluted EPS	(1.74)	(9.97)	(6.20)
RONW (%)	(2.04)%	(12.76)%	(8.65)%
NAV (INR)	85.12	78.10	71.65
P/E (Based on Upper Band)			NA
Average Industry P/E			NA
P/B (Based on Upper Band)			6.49
Shareholding Pattern			
Holders	Pre-issue		Post Issue
Promoters	0.00%		0.00%
Public - Others	88.84%		89.61%
Non-Promoter Non-Public	11.16%		10.39%
Total	100.00%		100.00%

Particulars	Retail Category	NII bid between Rs 2 lakhs- Rs 10 lakhs	NII bid above Rs 10 lakhs
Minimum Bid Lot (Shares)	32	448	2,176
Minimum Bid Lot Amount (₹)	₹14,880	₹ 2,08,320	₹ 10,11,840
No of Applications for 1x	2,81,635	10,058	20,117

Brainbees Solutions Limited

Issue Highlights:

- Brainbees Solutions Pvt. Ltd., incorporated in Pune, Maharashtra, in 2010, transitioned to a public limited company and was rebranded as Brainbees Solutions Ltd. in 2023.
- As of FY2024, Brainbees Solutions stands as India's largest multi-channel retail platform for Mothers', Babies', and Kids' products by GMV, with an expanding presence in select international markets. The company operates in the retail sector, offering high-frequency consumables like diapers and baby products through its online platform and modern retail stores. Additionally, it runs a network of preschools across India.
- Brainbees Solutions offers products from home brands, third-party Indian brands, and global brands. It has developed trusted home brands, such as BabyHug, which is the largest multi-category brand in India for FY2024, demonstrating strong brand recognition and customer trust. The company leverages its management team's expertise, multi-channel distribution network, sourcing capabilities, supply chain infrastructure, and integrated technology ecosystem for growth and scalability.
- The company launched the online platform FirstCry in 2010, which serves as a comprehensive destination for parenting needs, encompassing commerce, content, community engagement, and education. It aims to foster a long-term relationship with parents, beginning from pregnancy and extending until their child reaches about 12 years of age.
- Internationally, Brainbees Solutions has established a presence in the UAE since 2019 and in Saudi Arabia since 2022. In both regions, it is the leading specialist online platform for Mothers', Babies', and Kids' products by GMV for FY2024.
- As of March 31, 2024, the company's integrated supply chain includes 80 warehouses and stockists across 47 Indian cities, with a capacity of 3.18 million sq. ft., supporting 1,063 modern stores and a distribution network comprising 567 distributors and 1,312 sub-distributors. This setup enables supply to 160,842 general and modern trade retailers.
- The company's revenue growth has been fueled by both organic expansion and the acquisition of Digital Age in May 2022. Revenues from operations rose from ₹2,401.29 Cr in FY2022 to ₹6,480.86 Cr in FY2024, with a gross margin increasing from 34.53% to 35.76%. The company has also improved capital efficiency, reducing its net working capital days from 102 to 53.

Key Risks:

- Locations for new stores and warehouses in India and Saudi Arabia are yet to be determined; Net Proceeds will fund these developments.
- Failure to retain existing third-party brand relationships or attract new ones may negatively impact the company's business.
- Home brand products involve risks such as reliance on third-party suppliers, product liability, and issues with unauthorized sellers.

Particulars	No. of shares at Lower band (Cr.)	No. of shares at Upper band (Cr.)	Issue Size Amount at Lower band (Rs. Cr.)	Issue Size Amount at Upper band (Rs. Cr.)	% Of Issue
QIB	6.91	6.76	3,041.12	3,143.05	75.00%
NIB	1.38	1.35	608.22	628.61	15.00%
-NIB2 (Bid above ₹ 10 Lakhs)	0.92	0.90	405.48	419.07	-
-NIB1 (Bid between ₹ 2 to 10 Lakhs)	0.46	0.45	202.74	209.54	-
Retail	0.92	0.90	405.48	419.07	10.00%
Employee	0.01	0.01	3.00	3.00	-
Total	9.22	9.02	4,057.83	4,193.73	100.00%

An Indicative Timetable Post Issue Closing	
Particulars	Tentative Date
Finalization of Basis of Allotment	August 09, 2024
Refunds/un-blocking of ASBA Accounts	August 12, 2024
Credit of Equity Shares to DP Ac	August 12, 2024
Trading Commences	August 13, 2024

Investors are advised to refer disclosures made at the end of the research report.

BACKGROUND**Brief Biographies of Directors**

Supam Maheshwari is the Managing Director and Chief Executive Officer and has been on the Board since incorporation. He is currently heading the company and is responsible for the overall management of the company. He was previously associated with Brainvisa Technologies Pvt. Ltd as a president.

Sanket Hattimattur is one of the Executive Directors and is the Chief of Staff. He joined the company on September 9, 2010. He is responsible for key initiatives in India business, strategy, M&A and overseeing international business expansion in the company. Previously, he has worked with Brainvisa Technologies Pvt. Ltd, Deutsche Bank Group - Global Markets Centre Pvt. Ltd and Tata AIG Life Insurance Co. Ltd.

Paul Davison is a Non – Executive Director of the company as a nominee of SVF Frog (Cayman) Ltd and has been on the Board since July 15, 2019. Previously he was associated with SB Investment Advisors (UK) Limited. He is currently associated with SB Investment Advisors (US) Inc.

Bala C Deshpande is an Independent Director of the company and has been on the Board since May 2, 2022. She was previously associated with Cadbury India Ltd, ICICI Venture Funds Management Co. Ltd and New Enterprise Associates (India) Pvt. Ltd. She is currently associated with MegaDelta Capital Asset Managers LLP.

Neeraj Sagar is an Independent Director of the company and has been on the Board since April 22, 2022. Previously he was associated with Egon Zehnder International Pvt. Ltd, Boston Consulting Group Inc. and McKinsey & Co. He is currently associated with Cognity Life India Pvt. Ltd.

Gopalakrishnan Jagadeeswaran is an Independent Director of the company and has been on the Board since May 2, 2022. He is currently associated with Shriram Properties Ltd as the executive director and group CFO. Previously associated with Reliance Industries, Aditya Birla Management Corporation Ltd, W.I. Carr Securities Pvt. Ltd, Canbank Investment Management Services Ltd., Canbank Mutual Fund, Cholamandalam Investment & Finance Co. Ltd, Dalal Consultants and Engineers Ltd and Jay Pee Technology Pvt. Ltd.

Sujata Vilas Bogawat is an Independent Director of the company and has been on the Board since May 2, 2022. She has founded Advantage Business Consulting Limited which provides financial consultancy. Previously, she has been associated with Thermax Instrumentation Ltd and with Baheti & Somani LLP, as a partner.

Gautam Sharma is the Group Chief Financial Officer. He joined the company on May 28, 2012. He is responsible for finance function, fund-raising, regulatory and strategic planning in the company. Previously, he has worked with Birla Ericsson Optical Ltd, Minda Valeo Security Systems Pvt. Ltd, Reliance Industries Ltd and Vindhya Telelinks Ltd.

Neelam Jethani is the Company Secretary and Compliance Officer. She joined the company on December 1, 2022. She is responsible for setting up a compliance framework to ensure regulatory and legal compliance, licensing, etc., and overseeing the governance structure in the company. Prior to joining the Company, she has worked with Schaeffler India Ltd, Persistent Systems Ltd and KPIT Technologies Ltd.

OBJECTS OF THE ISSUE

Objects	Amount (₹ Cr)
• Expenditure for (i) setting up new modern stores under the 'BabyHug' brand; and (ii) setting up a warehouse, in India	108.10
• Expenditure for lease payments for existing identified modern stores owned & operated by the company in India	93.10
• Investment in Subsidiary, Digital Age for (i) setting up new modern stores under the FirstCry brand and other home brands; and (ii) lease payments for existing identified modern stores owned and controlled by Digital Age, in India	299.60
• Investment in the Subsidiary, FirstCry Trading for overseas expansion by: (i) setting up new modern stores; and (ii) setting up warehouse(s), in KSA	155.60
• Investment in Subsidiary, Globalbees Brands towards acquisition of additional stake in step-down Subsidiaries	169.00
• Sales and marketing initiatives	200.00
• Technology and data science cost including cloud and server hosting related costs	57.60
• Funding inorganic growth through acquisition, other strategic initiatives and general corporate purposes	[•]
Total	[•]

OFFER DETAILS

Fresh Issue	No. of Shares	WACA per Equity Share (₹)
Fresh Issue (₹ 1,666 Cr)	Upto 3,78,71,212 -3,58,34,699 ^ Equity Shares	-

The Offer for Sale by:	No. of Shares	WACA per Equity Share (₹)
SVF Frog (Cayman) Ltd	Up to 20,318,050 shares	154.40
Mahindra & Mahindra Ltd	Up to 2,806,174 shares	77.96
PI Opportunities Fund- 1	Upto 8,601,292 shares	280.87
TPG Growth V SF Markets Pte. Ltd	Upto 3,899,525 shares	280.87
NewQuest Asia Investments III Ltd	Upto 3,014,233 shares	133.69
Apricot Investments Ltd	Upto 2,523,280 shares	280.87
Satyadharma Investments and Trading Co.	Upto 197,777 shares	196.38
Schroders Capital Private Equity Asia Mauritius II	Upto 3,802,210 shares	145.26
Sage Investment Trust	Upto 52,516 shares	280.87
Pratithi Investment Trust	Upto 224,712 shares	312.48

SHAREHOLDING PATTERN

Shareholders	Pre-offer		Fresh Issue and offer for sale shares^	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoter and Promoter Group	0	0.00%	0	0	0.00%
Public – Corporate Selling Shareholders	26,80,68,935	55.46%	4,68,14,458	22,12,54,477	42.62%
Public- Individual Selling Shareholders	16,13,37,605	33.38%	75,45,275	24,39,86,762	46.99%
Non-Promoter- Non Public (Employee Trust)	5,39,42,930	11.16%	-	5,39,42,930	10.39%
Total for Public Shareholder	48,33,49,470	100.00%	5,43,59,733	51,91,84,169	100.00%
Total Equity Share Capital	48,33,49,470	100.00%		51,91,84,169	100.00%

(^ at upper price band)

KEY OPERATING AND FINANCIAL METRICS

Operating metrics	Units	For the year ended March 31 st ,		
		2024	2024	2022
India business				
Annual Unique Transacting Customers	Million	8.68	7.72	6.68
Orders	Million	34.06	29.61	25.65
Average Order Value	₹	2,226	2,156	2,043
Gross Merchandise Value (GMV)	₹ Cr	7,582.74	6,383.10	5,238.95
GMV Y-o-Y Growth^	%	18.79	21.84	45.17
International business				
Annual Unique Transacting Customers	Million	0.43	0.26	0.18
Orders	Million	1.79	1.38	1.08
Average Order Value	₹	8,582	6,350	5,178
Gross Merchandise Value (GMV)	₹ Cr	1,538.39	874.53	560.52
GMV Y-o-Y Growth^	%	75.91	56.02	48.63
Consolidated				
Annual Unique Transacting Customers	Million	9.11	7.98	6.86
Orders	Million	35.85	30.99	26.73
Average Order Value	₹	2,544	2,342	2,170
Gross Merchandise Value (GMV)	₹ Cr	9,121.13	7,257.63	5,799.46
GMV Y-o-Y Growth	%	25.68%	25.14%	N/A

Source: RHP

Financial Metrics - Consolidated	Units	For the year ended March 31 st ,		
		2024	2023	2022
Revenue from Operations	₹ Cr	6,480.86	5,632.54	2,401.29
Revenue Growth	%	15.06%	134.56%	N/A
Materials Cost	₹ Cr	4,163.20	3,935.32	1,572.14
Materials Cost %	%	64.24%	69.87%	65.47%
Gross Margin	₹ Cr	2,317.66	1,697.22	829.15
Gross Margin %	%	35.76%	30.13%	34.53%
Direct Cost	₹ Cr	587.91	464.41	78.022
Direct Cost %	%	9.07%	8.25%	3.25%
Contribution Margin	%	26.69%	21.89%	31.28%
Adjusted EBITDA	₹ Cr	274.45	74.98	96.20
Adjusted EBITDA Margin	%	4.23%	1.33%	4.01%
Total Stores	Number	1,063	904	701
FOFO Stores	Number	628	618	575
BabyHug COCO Stores	Number	284	224	118
FirstCry COCO Stores	Number	151	62	8
Number of brands	Number	7,580	7,035	6,287
Number of SKUs	Million	1.65	1.29	1.27
Number of warehouses and stockists	Number	80	79	67
GMV from Online	₹ Cr	7,370.01	5,812.63	4,834.67
GMV from Offline	₹ Cr	1,751.12	1,445.00	964.79
GMV from Existing Customers	₹ Cr	6,587.81	5,296.32	4,073.70
GMV from New Customers	₹ Cr	2,533.32	1,961.31	1,725.76

Source: RHP

REVENUE FROM OPERATIONS

The company has organized its business into 4 reportable segments, India multi-channel, International, GlobalBees Brands and Others.

(₹ In Cr)

Segment-wise Revenue	As at March 31 st ,					
	2024	%	2023	%	2022	%
India multi-channel	4,579.48	70.66	4,280.87	76.00	1,973.26	82.18
International	753.72	11.63	487.48	8.65	352.04	14.66
Globalbees Brands	1,209.35	18.66	897.18	15.93	103.98	4.33
Others	33.355	0.51	22.961	0.41	7.881	0.33
Inter- Company Adjustments	(95.05)	(1.47)	(55.95)	(0.99)	(35.88)	(1.49)
Total	6,480.86	100.00	5,632.54	100.00	2,401.29	100.00

Source: RHP

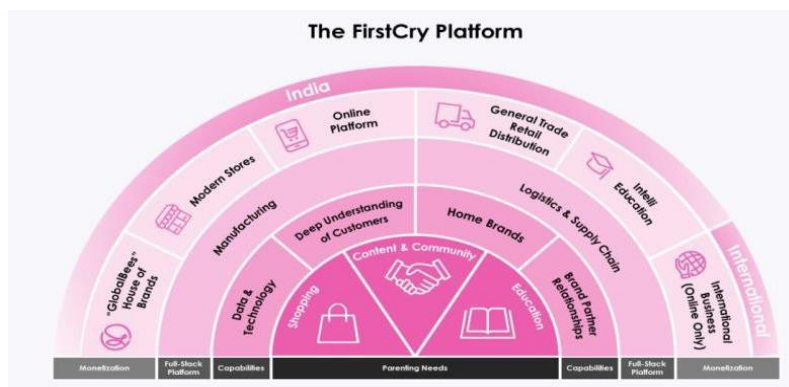
Revenues break-up of revenue generated from sale of products and internet display charges

(₹ In Cr)

Particulars	As at March 31 st ,					
	2024	%	2023	%	2022	%
Revenue generated from sale of products	6,325.51	97.60%	5,519.44	97.99%	2,323.50	96.76%
Revenue generated from internet display charges	92.58	1.43%	75.31	1.34%	63.514	2.64%

Source: RHP

The company addresses key parenting needs—shopping, community, and education—through its FirstCry platform across online, modern store, and retail channels in India, and online platforms in UAE and KSA. Its content strategy engages parents via the FirstCry.com YouTube channel. Additionally, the company operates and franchises preschools in India through the Edubees Educational Trust.



Brainbees Solutions leads in multi-channel retail for Mothers', Babies', and Kids' products in India through FirstCry's online platform, mobile app, and a mix of franchisee-owned (FOFO) and company-operated (COCO) modern stores, as well as general trade distribution. As of March 31, 2024, FirstCry COCO stores are managed by Digital Age. The company offers over 1.65 million SKUs from more than 7,580 brands. The FirstCry app in India has been downloaded over 127 million times as of March 31, 2024. Its network includes 1,063 outlets in 533 cities across 28 states and 5 union territories, totaling over 2.12 million square feet of retail space.

The key factors contributing to company's India multi-channel retailing business are:

- **Portfolio of Home Brands:** Through its deep understanding of customer requirements the company has created trusted home brands in the Mothers', Babies' and Kids' product categories. BabyHug is the largest Mothers', Babies', and Kids' products brand in the Asia Pacific region (excluding China) in terms of product assortment as of March 31, 2024.



- **Control over the Manufacturing and Retail Distribution Value Chains:** The company's home brands are manufactured by various contract manufacturers as per the company's design requirements and specifications. The company's home brand products (hard goods and consumables) are available in more than 160,842 third-party stores in India through the company's retail distribution network covering 567 distributors and over 1,312 sub-distributors across 1,164 cities, as at March 31, 2024. In addition, 3 of the company's Subsidiaries, Swara Baby, Swara Hygiene, and Solis Hygiene, manufacture diapers for the company's home brands and other third-party diaper brands.
- **Parenting Community and Content:** The FirstCry Parenting community offers parenting content, parenting tool kits and social features that are designed to increase engagement with the target group of young parents, along with the company's newly launched parenting generative pre-trained transformers (GPT). The platform provides comprehensive content and tips across the parenting journey, including insights and assistance across key parenting topics, delivered in a personalized manner to young parents. The platform also provides helpful tools to manage and celebrate key milestones for expecting mothers and toddlers.

Beyond its multi-channel retailing in India, the company has expanded FirstCry by launching daycare and preschools under the Intellitots brand, using an experiential teaching approach. As of March 31, 2024, there are 208 Intellitots centers in 107 cities across India. The company also extended its operations internationally, launching FirstCry in the UAE in October 2019 and in KSA in August 2022.

To leverage its expertise in scaling home brands, the company founded Globalbees Brands in 2021, a digital-first platform supporting D2C brands in India. The company owns a 50.23% stake in Globalbees Brands, which invests in and acquires D2C brands. Globalbees Brands products are available on 16 online marketplaces, including FirstCry, and cover categories such as home utilities, fashion, appliances, and beauty. As of March 31, 2024, Globalbees Brands offers over 218,000 SKUs from 74 brands.



DESCRIPTION OF BUSINESS

Established in 2010, FirstCry is a multi-channel retail platform for Mothers', Babies', and Kids' products, with its online platform launched in December 2010 and first modern store opened in June 2011. The company's revenue segments include

1. **India multi-channel segment:** this segment covers the online platform, modern stores as well as general trade retail distribution in India, covering both home brand and third-party products. Additionally, this segment also covers the company's own manufacturing operations in India;
2. **International segment:** this segment covers the company's operations in UAE and KSA;
3. **Globalbees Brands segment:** this segment covers GlobalBees Brands and its subsidiaries; and
4. **Others:** This segment covers other businesses which are currently not material (for example, the company's education business).

The company's revenue from operations consists of sales of products and other operating revenue. Sale of products relates to transactions where the company acts directly as the seller of goods it purchases from the suppliers or owned brands that it manufactures. The Other operating revenues consists of (i) internet display charges, which the company charges from brands for advertising on its platform and (ii) other operating revenue (including preschool revenue).

Mothers', Babies' and Kids' Products Offering: The company provides over 1.65 million SKUs from more than 7,580 brands across various categories such as clothing, toys, books, and more. This extensive portfolio includes home brands, domestic brands, and international premium brands, ensuring a wide range of options for customers.

FirstCry Online Platform: Launched in December 2010, the FirstCry online platform includes a mobile app, website, and mobile site. The app, as of March 31, 2024, boasts a rating of 4.6 on the Apple App Store and 4.4 on Google Play Store, offering a seamless shopping experience alongside valuable parenting content.

FirstCry Modern Stores: As of March 31, 2024, the company operates 1,063 modern stores across 533 cities, totaling over 2.12 million square feet of retail space. It holds the largest retail footprint among specialty retailers for Mothers', Babies', and Kids' products in India. All COCO stores are managed by Digital Age, with 149 new COCO stores opened in FY 2024.

FirstCry Home Brands: The company's home brands cover a range of products for children and mothers. **BabyHug** offers items for newborns to six-year-olds and is popular across India, UAE, and KSA. **CuteWalk** features the largest assortment of baby and kids' footwear in India. **Pine Kids** caters to ages four to twelve with clothing, footwear, and lifestyle products. **Babyoye** provides premium baby fashion with over 10,800 styles, including a footwear range launched in 2021.

Manufacturing: The company relies on over 900 contract manufacturers in India and internationally for its home brands, excluding those associated with Globalbees Brands. Its subsidiaries Swara Baby, Swara Hygiene, and Solis Hygiene also produce diapers for both its own brands and third-party brands.

Supply Chain: The company's integrated supply chain includes 80 warehouses across 47 cities in India, with a total capacity of 3.18 million square feet. It offers same-day delivery in 45 cities and next-day delivery in 1,043 cities, utilizing both in-house and third-party logistics providers as of March 31, 2024.

Technology and Applications: The company's technology infrastructure supports customer-facing applications like the mobile app and website, which facilitate shopping and content access. Internal applications streamline processes such as catalogue management, customer support, and warehouse operations for internal teams, franchisees, distributors, and partners.

FirstCry Education: Under the FirstCry.com Intelli Education brand, the company offers preschools, educational toys, and learning tools. These products are certified by BIS, ECA, and TUV Rheinland, and include a range of educational services and cognitive development programs.

Globalbees Brands: Holding a 50.23% stake, Globalbees Brands targets D2C brands in categories such as home utilities, fashion, appliances, and beauty. As of March 31, 2024, it offers over 218,000 SKUs across 74 brands through 13 warehouses, with high ratings as a "Premium" seller on Amazon and a "Gold" seller on Flipkart.

COMPETITIVE STRENGTHS

India's Largest Multi-Channel, Multi-Brand Retailing Platform for Mothers', Babies' and Kids' Products: The company is India's leading multi-channel retailer for Mothers', Babies', and Kids' products, with a GMV of ₹9,121.13 Cr for FY2024, up from ₹5,799.46 Cr in FY2022. Its model combines modern stores for a tactile shopping experience with the convenience of online ordering, catering to customers who prefer researching online and purchasing offline.

Particulars	As at March 31 st ,		
	2024	2023	2022
Total number of COCO Stores	435	286	126
Total number of FOFO Stores	628	618	575
Total number of modern stores	1,063	904	701

The Company's Platform Has Powerful Network Effects Driven by Content, Brands, and Data: The FirstCry.com platform leverages rich video and written content on parenting, created by both parents and specialists. This content attracts customers organically and enhances the transaction funnel through its flywheel effect—more engagement leads to more customers and transactions. As of March 31, 2024, the FirstCry app has been downloaded over 127 million times. Customers interacting with the parenting community purchase products twice as often as those who do not.

Brand Affinity, Loyalty, and Trust of Customers in the FirstCry Brand: The company has fostered strong brand affinity, increasing customer engagement and traffic. It offers complimentary gift hampers to new mothers through partnerships with hospitals and maternity clinics. As of March 31, 2024, over 18.5 million hampers were distributed across 19,000+ hospitals, helping build lasting connections with new parents and expanding the customer base.

Combination of Curating Growing Home Brands and Relationships with Third-Party Brands: The company provides a wide range of products, including global and domestic brands, mompreneurs' offerings, and its own home brands like BabyHug and Babyoye. This diverse portfolio has boosted revenue and operational efficiency. By curating high-quality and competitively priced products, the company leverages its expertise to stand out in the market and drive growth.

Particulars	As at March 31 st ,		
	2024	2023	2022
Brands added on FirstCry platform (in India, UAE and KSA)	1,125	2,250	2,235
Brands associated with the company FirstCry platform	7,580	7,035	6,287

Source: RHP

Technology and Data-Driven, Personalized Customer Journey Leads to Higher Customer Engagement: The company's online platform offers personalized shopping experiences based on data from customer profiles, interactions, and socio-economic factors. It provides tailored shopping suggestions and parenting content, allowing parents to create profiles for their children, enhancing convenience and efficiency. The data-driven merchandising approach ensures product relevance and alignment with market trends, giving the company a competitive edge. Centralized inventory management and auto-replenishment algorithms optimize stock across both online and offline channels.

Full-Stack Platform with Control Over Manufacturing and Supply Chain: In FY2024, the company utilized over 900 contract manufacturers in India and abroad for its home brands, including diapers produced by its subsidiaries Swara Baby, SwaraHygiene, and Solis Hygiene. The integrated supply chain includes 80 warehouses and stockists across 47 cities in India, with a total capacity of 3.18 million sq. ft. This network supports 1,063 modern stores and 567 distributors, enabling swift delivery to 160,842 retailers. Same-day delivery is available in 45 cities, and next-day delivery in 1,043 cities, through both in-house and third-party logistics.

Proven and Scalable Business Model: The franchisee model offers scalability and additional touchpoints with minimal extra cost, as franchisees handle store setup and operations. The company's revenue grew from ₹2,401.29 Cr in FY2022 to ₹6,480.86 Cr in FY2024, with a Gross Margin increase to 35.76% from 34.53%. The business model emphasizes capital efficiency, reducing net working capital days to 53 from 102.

KEY BUSINESS STRATEGIES

Grow the Customer Base by Continuing to Invest in Brand, Technology, Products, and Our Membership Program: The company has consistently invested in brand, technology, products, and the FirstCry Club membership program since June 2021, boosting its Annual Unique Transacting Customers from 5.38 million in FY2021 to 8.80 million by December 31, 2023. Future plans include enhancing brand awareness through promotions, expanding product ranges, and growing the FirstCry Club and parenting community. Recent expansions include products for children aged 6 to 12 years available on its website and in 5 COCO Stores. The company will also focus on expanding its network of third-party brands for a more comprehensive product assortment.

Particulars	As of March 31 st ,					
	2023		2022		2021	
	Amount (₹ Cr)	% of total GMV	Amount (₹ Cr)	% of total GMV	Amount (₹ Cr)	% of total GMV
GMV from new customers	2,533.32	27.77%	1,961.31	27.02%	1,725.76	29.76%
GMV from existing customers	6,587.81	72.23%	5,296.32	72.98%	4,073.70	70.24%

Source: RHP

Grow the Offline and Online Touchpoints to Strengthen the Multi-Channel Competitive Advantage: As of March 31, 2024, the company operates 1,063 modern stores with 2.12 million sq. ft. of retail space across India. Plans include adding new stores and formats in India and international markets, enhancing synergies between online and offline channels. This multi-channel approach aims to deliver superior operating margins and reinforce the company's competitive edge.

App Download	As at March 31 st , 2024	As March 31 st , 2023	As March 31 st , 2022
Mobile App -India	127 million	97 million	70 million
FirstCry Arabia-UAE & KSA	4.0 million	2.2 million	1.3 million

Source: RHP; note: the above data shows number of times app downloaded.

Continue to Expand Portfolio of Home Brands: The company develops its home brands by identifying market gaps and customer needs through insights. Future plans involve expanding the portfolio with innovative products, new price segments, and additional brands based on ongoing research and review across various business channels and geographies.

Expand General Trade Retail Distribution of the Home Brands: To increase the presence of its home brands in "mom-and-pop" stores, pharmacies, supermarkets, and hypermarkets, the company is building a distribution network across India. This expansion aims to boost the visibility and market penetration of its home brands beyond its online and modern store presence, including international markets.

Particulars	As at March 31 st ,		
	2024	2023	2022
General trade retail touch points	160,842	118,408	20,397

Source: RHP

Further Invest in Manufacturing in the Baby and Kids' Product Categories and Supply Chain Capabilities: The company plans to enhance its manufacturing capabilities for toys, diapers, and apparel in India by expanding its network of contract manufacturers and increasing subsidiary capacities. These investments will improve product quality, speed up design-to-delivery, ensure supply chain security, and increase gross margins. Additionally, the company will invest in more warehouses and last-mile delivery capabilities to enhance customer experience.

Selective Expansion in International Markets: Building on its success in India, the company aims to explore international expansion selectively. Criteria include favorable demographics, market size, growth potential, and competitive landscape. In FY2024, the company was the largest specialist online retailer for Mothers', Babies', and Kids' products in UAE and the largest online-first platform in KSA. The strategy involves replicating its successful India model in KSA.

Expand and Grow Globalbees House of Brands: The company continues to grow the Globalbees portfolio of D2C brands beyond the Mothers', Babies', and Kids' categories through strategic investments, acquisitions, and partnerships. This includes expanding online distribution, brand licensing, and OEM relationships.

COMPETITIVE ENVIRONMENT IN INDIA'S CHILDCARE MARKET AND FIRSTCRY'S POSITIONING

FirstCry competes primarily with organized players in the India Childcare Products market. These include horizontal online platforms such as Amazon, Flipkart, and Meesho, among others, vertical online platforms such as Hopscotch, Myntra, and Ajio, among others, and multi-brand and exclusive retailers such as Reliance Trends, and Gini & Jony, among others. There are no large, organised speciality vertical multi-channel players in India Childcare Products market.

Restated Consolidated Summary Statement of Profit and Loss

(₹ In Cr)

Particulars	As at March 31 st ,		
	2024	2023	2022
INCOME			
Revenue from operations	6,480.86	5,632.54	2,401.29
Other income	94.23	98.74	115.63
Total income	6,575.08	5,731.28	2,516.92
Expenses			
Cost of materials consumed	557.47	479.52	222.84
Purchases of stock-in-trade	3,889.89	3,117.18	1,754.46
Changes in inventories	(284.16)	338.62	(405.15)
Employee benefits expense			
- Employee benefits expense	508.42	408.39	246.72
- Employee share-based payment expense	178.06	361.44	92.13
Finance costs	115.36	71.57	37.68
Depreciation and amortisation expense	370.87	294.28	110.89
Other expenses	1,560.69	1,244.66	508.50
Loss from continuing operations before exceptional item and income tax	(321.52)	(584.39)	(51.14)
Exceptional items income (net)	-	54.37	-
Loss before tax	(321.52)	(530.02)	(51.14)
Tax expense	0.01	43.97	(27.54)
Loss for the year	(321.51)	(486.06)	(78.68)
Other comprehensive income	(0.66)	2.48	1.08
Total comprehensive loss for the year	(322.17)	(483.58)	(77.61)
Earning per equity share			
Basic & Diluted (₹)	(6.20)	(9.97)	(1.74)

Restated Consolidated Summary Statement of Assets and Liabilities

(₹ In Cr)

Particulars	As at March 31 st ,		
	2024	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	669.16	421.57	246.08
Capital work-in-progress	0.51	24.53	41.42
Right of use asset	900.88	711.66	324.21
Goodwill	778.15	775.84	641.78
Other intangible assets	1,519.77	1,624.08	1,000.49
Intangible assets under development	0.03	1.96	0.32
Financial assets			
(a) Investments	5.01	0.01	-
(b) Other financial assets	94.62	89.12	32.23
Deferred tax assets	189.74	162.79	113.00
Income tax assets (net)	32.50	27.34	13.99
Other non-current assets	266.50	278.04	82.35
Current assets			
Inventories	1,629.46	1,286.00	979.55
Financial assets			
(a) Investments	0.01	0.00	0.00

(b) Trade receivables	218.41	225.13	217.98
(c) Cash and cash equivalents	361.70	259.35	404.87
(d) Bank balances other than (c) above	312.09	920.02	1,863.31
(e) Loans	36.08	39.08	10.70
(f) Other financial assets	79.19	13.06	12.83
Other current assets	416.58	260.25	212.06
Total Assets	7,510.38	7,119.83	6,197.16
EQUITY AND LIABILITIES			
Equity			
Equity share capital	81.47	81.47	81.41
Equity component of compulsorily convertible preference shares	7.04	7.04	7.04
Other equity	3,082.23	3,367.75	3,439.49
Total Equity	3,170.74	3,456.26	3,527.94
Non-Controlling interests	620.72	743.44	760.10
Financial liabilities			
(a) Borrowings	229.46	55.04	51.10
(b) Lease liabilities	848.28	640.89	262.29
(c) Other financial liabilities	708.55	681.95	484.42
Provisions	24.94	18.75	13.48
Deferred tax liabilities	284.52	301.46	174.54
Other non-current liabilities	54.12	17.21	11.94
Current liabilities			
Financial liabilities			
(a) Borrowings	233.26	121.43	39.06
(b) Lease Liabilities	111.55	81.75	56.90
(c) Trade payables	907.95	737.87	528.91
(d) Other financial liabilities	126.82	115.99	211.78
Other current liabilities	178.25	139.69	65.93
Provisions	5.66	5.00	3.22
Current tax liabilities (net)	5.58	3.11	5.54
Total equity and liabilities	7,510.38	7,119.83	6,197.16

Restated Consolidated Summary Cash Flow Statement

(₹ In Cr)

Particulars	As at Dec 31 st , 2023	As at March 31 st ,	
		2023	2022
Restated Profit/(Loss) before tax	(321.52)	(530.02)	(51.14)
Adjustments Related to Non-Cash & Non-Operating Items	618.75	656.99	142.04
Operating Profits before Working Capital Changes	297.23	126.97	90.90
Adjustments for Changes in Working Capital	(292.80)	(552.70)	(197.12)
Net cash generated from operations before tax	4.43	(425.73)	(106.22)
Income tax paid – (net)	(46.50)	26.74	(25.51)
Net cash generated from operating activities (a)	(42.07)	(398.99)	(131.73)
Net cash used in investing activities (b)	62.94	304.09	(490.58)
Net cash used in financing activities (c)	81.47	(50.62)	644.38
Net (decrease) / increase in cash and cash equivalents during the period (a+b+c)	102.35	(145.52)	22.07
Cash and Cash Equivalents at Beginning of the Year	259.35	404.87	382.80
Cash and Cash Equivalents at End of the Year	361.70	259.35	404.87

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Systematix Shares and Stocks (India) Limited:

Registered and Corporate address: The Capital, A-wing, No. 603 – 606, 6th Floor, Plot No. C-70, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
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