

BrainBees Solutions (FIRSTCRY) - BUY

Q3FY26 Result Update

Current Market Price (CMP) Rs. 270	Fair Value (FV) Rs.430
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Rationale:

- FirstCry’s Q3FY26 revenue growth of 11.6% yoy was driven by (1) tepid 8.9% yoy growth in the Indian multichannel business, (2) 7.0% yoy growth in international and (3) 22% yoy growth in GlobalBees.
- Indian and international business growth was lower than expected, though it was partially offset by higher revenue growth of GlobalBees.
- India’s EBITDA margin contracted 122 bps yoy to 10.0%.
- We trim the FY26-28 Indian business’ revenue estimates by 3% and believe revenue growth is close to bottoming out.
- The earnings tweaks drive a revised SoTP-based FV of Rs430 (Rs470 earlier). Retain BUY

(CAGR - Compound Annual Growth Rate, EBITDA - Earnings Before Interest, Taxes, Depreciation, and Amortization, EPS- Earning Per Share, ATU - Annual unique transacting users)

👍 Positives:

- Revenue growth of 11.6% yoy; adjusted EBITDA growth of 12.9% yoy.
- ATU growth of 12% in Indian and international businesses.
- We estimate revenue CAGR of 16% over FY26-28E.

👎 Negatives:

- Higher losses in international.



The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

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BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
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NA	–	Not Available or Not Applicable. The information is not available for display or is not applicable
NM	–	Not Meaningful. The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

FUNDAMENTAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan Head of Research shrikant.chouhan@kotak.com +91 22 6218 5408	Arun Agarwal Auto/Auto Ancillary, Building Material Cement, Consumer Durable arun.agarwal@kotak.com +91 22 6218 6443	Amit Agarwal, CFA Transportation, Paints, FMCG agarwal.amit@kotak.com +91 22 6218 6439
Rini Mehta Research Associate rini.mehta@kotak.com +91 22 6218 6433	Sumit Pokharna Oil and Gas, Information Tech sumit.pokharna@kotak.com +91 22 6218 6438	K. Kathirvelu Support Executive k.kathirvelu@kotak.com +91 22 6218 6427
Pankaj Kumar Construction, Capital Goods & Midcaps pankajr.kumar@kotak.com +91 22 6218 6434	Amarjeet Maurya Internet Software & Services amarjeet.maurya@kotak.com +91 22 6218 6427	Veer Trivedi BFSI veer.trivedi@kotak.com +91 22 6218 6432

TECHNICAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan shrikant.chouhan@kotak.com +91 22 6218 5408	Amol Athawale amol.athawale@kotak.com +91 20 6620 3350	Sayed Haider sayed.haider@kotak.com +91 22 62185458
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DERIVATIVES RESEARCH TEAM (PRIVATE CLIENT GROUP)

Sahaj Agrawal sahaj.agrawal@kotak.com +91 79 66041701	Prasenjit Biswas, CMT, CFTE prasenjit.biswas@kotak.com +91 33 6638 8331	Karan Kulkarni karan.kulkarni@kotak.com +91 20 66203350
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