Dated: 30 June 2026

FSN E-Commerce Ventures (NYKAA) - ADD

Company Update

Current Market Price (CMP)	Fair Value (FV)
Rs.311	**Rs 340**

Rationale:

- Nykaa's FY26 analyst meeting focused primarily on its platforms' improving penetration, assortment and tech innovations.
- BPC: Expects healthy GMV CAGR of 26-32% over FY26-30.
- Fashion business FY30 GMV to be 3.0-3.5X of FY26 GMV.
- Company-level EBITDA to be 4-5X of FY2026 level by FY30.
- We upgrade estimates but still maintain some buffer versus Nykaa's guidance.
- We upgrade our FY27-29 EPS estimates by 3-14%, resulting in a revised FV of Rs340 (Rs300 earlier). ADD.

Positives:

- Healthy BPC revenue growth performance, driven by customer addition.
- Fashion: Focus on profitable expansion.
- Expects strong growth in own brands; B2B to turn EBITDA break-even by FY30.
- We expect BPC segment to post revenue CAGR of 26% over FY26-29E.
- We model revenue CAGR of ~27% over FY26-29E.
- We expect Nykaa to show healthy EPS growth over FY27-29E.

Negatives:

- The Others segment continues to report EBITDA losses.

(EPS: Earnings Per Share, CAGR: Compound Annual Growth Rate, GMV-Gross merchandise value, CM- Contribution Margin, EBITDA - Earnings before Interest, Tax, Depreciation, and Amortisation, BPC - Beauty and Personal Care)

Holding Period: 12 months