

Billionbrains Garage Ventures (GROWW) - BUY

Q4FY26 Result Update

Current Market Price (CMP) Rs.185	Fair Value (FV) Rs.220
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Rationale:

- Groww reported a strong Q4FY26 performance, with strong revenue acceleration (~25% qoq), driving strong Earnings Before Interest Tax Depreciation Amortization (“EBITDA”) and Profit After Tax (“PAT”) growth (25-20% qoq).
- Beyond the financials, the quarter underlined Groww’s business model strengths around high-volume, low-cost acquisition funnel, profitable monetization and an expanding product range.
- remain constructive on the business over the medium- to long term, even as the recent rally and supply risk could weigh on the stock in the near term.
- We expect Groww to continue compounding across broking and non-broking segments.
- We retain our BUY rating with a Fair Value of Rs220 (Rs190 earlier) implying ~37X March 2028E Earning Per Share (“EPS”).

👍 Positives:

- Overall active users grew 5% qoq to ~17 mn users.
- We expect EBITDA margin to reach ~65-67% in the medium term.
- Groww added ~40 Lakh transacting users in FY2026.
- Groww has gained active user market share and has reached to 28.3% in FY2026.
- Revenue diversification efforts to drive over ~20% revenue CAGR through FY2028E.
- MTF book grew 22% qoq to ~Rs2,700 crores.
- Revenue diversification efforts to drive over ~20% revenue CAGR through FY2028E.

👎 Negatives:

- Consolidated EBITDA includes ~Rs 30 crores loss in wealth and AMC units in Q4FY26.



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