kotak neo

Pick of the Week

ADD – FSN E-commerce Ventures (NYKAA)

CMP: ₹**319** as on 23 October 2026

Fair Value (FV): ₹370 | Time Period: **12 months**

Why Invest?

- Nykaa is a leading omnichannel beauty, personal care, and fashion retailer with a growing portfolio of owned brands.
- Nykaa delivered a strong Q2FY27 business update, with broad-based growth across Beauty and Fashion, reinforcing its healthy growth trajectory ahead of the festive season.
- Nykaa's key story is strong revenue growth combined with much faster profit growth.
- We model ~27% revenue CAGR over FY26–29, driven by continued BPC growth, rapid Fashion expansion, premiumization, owned brands and category expansion.
- We expect BPC segment to post revenue CAGR of 27% over FY26-29E.
- At the same time, operating leverage and improving margins should drive ~90% PAT CAGR, making earnings growth significantly faster than revenue growth.
- We remain positive on the stock and maintain our ADD rating, with a revised DCF-based fair value of Rs370 (earlier Rs340).

Maintain ADD with FV Rs- 370

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

Rating Scale (Private Client Group)

Definitions of ratings

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
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
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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.
UNDER REVIEW	–	Kotak Securities is reassessing the stock due to material developments or changes that may affect its investment case, valuation or financial outlook. During this period, the stock does not carry an active Buy, Hold, or Sell recommendation. The rating will be reinstated or revised upon completion of the review.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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