kotak Securities

Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

FSN E-Commerce Ventures (NYKAA)

Current Market Price	Fair Value (FV)
Rs.258	Rs.280

Date: 06 February 2026

Previous Rating: - Reduce **Current Rating:** ADD **Change:** - Upgrade

Ratings Rationale

- Nykaa posted revenue growth of 27% yoy, aided by 28% yoy growth in overall GMV.
- BPC reported 27% yoy growth in GMV and revenue growth of 27% yoy.
- Fashion reported 31% yoy growth in GMV and a lower 18% yoy revenue growth.
- BPC contribution margin/EBITDA margin expanded 133/133 bps yoy, despite aggressive investment in customer acquisition.
- Fashion EBITDA margin increased 564 bps yoy, as fixed costs in the business were controlled.
- We upgrade near-term EPS estimates by 4-8% and assume higher medium term growth for the fashion businesses.
- We roll forward to March 2028E with a revised DCF based FV of Rs280 (Rs215 previously). Upgrade to ADD.

(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)

Valuation

DCF based FV of Rs280.

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.
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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.

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