



IPO DETAILS

#IPOlogy

# BRAINBEES SOLUTIONS LIMITED



 **ISSUE OPEN**

6th August, 2024

 **ISSUE CLOSE**

8th August, 2024

Min. Lot Size  
**32 shares**

Issue Price Band  
**₹440 - 465**

### Issue Size

Fresh Issue:  
3.58 Cr Eq shares  
(₹1,666.00 Cr)

OFS:  
5.44 Cr Eq shares  
(₹2,527.73 Cr)

### Face Value

₹2

### Industry

Childcare

### Listing at

NSE, BSE

RATING

**Subscribe**

**OPEN ACCOUNT**

**APPLY NOW**

#### Marwadi Shares and Finance Limited

**Corporate Office:** Marwadi Financial Plaza, Nana Mava Main Road, Off 150ft Ring Road, Rajkot - 360001, Gujarat.

**Registered Office:** X-Change Plaza, Office No. 1201 to 1205, 12th Floor, Building No. - 53E, Zone - 5, Road 5E, Gift City, Gandhinagar - 382355, Gujarat.  
0281 7174 100/0281 6192 100 **CIN of MSFL:** U65910GJ1992PLC017544

SEBI Reg. No. of MSFL for NSE, BSE, MCX, NCDEX: INZ000174730 | Membership No.: NSE:08760, BSE:0910, MCX:56410, NCDEX:1280 | SEBI Regn.No. of DP: IN-DP-476-2020 (NSDL DPID:IN300974) (CDSL DPID:12035100) | Research Analyst: INH 000002186 AMFI: ARN-42506 | PFRDA: POP07082018

**Disclaimer:** 'Investment in securities market are subject to market risks, read all the related documents carefully before investing'.

[For Facts & Figures](#)



## BRAINBEES SOLUTIONS LIMITED

### Rationale

- Considering the FY24 Sales of Rs 6,481 Cr, the company is going to list at a MCap/Sales of 3.72x with a market cap of Rs 24,142 Cr. There are no listed entities comparable with that of company's business.
- We assign "Subscribe" rating to this IPO as the company is India's largest multi-channel, multi-brand retailing platform for Mothers, Babies and Kids products. Also, it is available at reasonable valuation on an absolute basis.

### Objectives of the issue

- Expenditure by Company for: (i) setting up new modern stores under the "BabyHug" brand; and (ii) setting up a warehouse, in India;
- Expenditure for lease payments for existing identified modern stores owned and operated by the Company, in India;
- Investment in Subsidiary, Digital Age for: (i) setting up new modern stores under the FirstCry brand and other home brands of the Company; and (ii) lease payments for existing identified modern stores owned and controlled by Digital Age, in India;
- Investment in Subsidiary, FirstCry Trading for overseas expansion by: (i) setting up new modern stores; and (ii) setting up warehouse(s), in KSA;
- Investment in Subsidiary, Globalbees Brands towards acquisition of additional stake in step down Subsidiaries;
- Sales and marketing initiatives;
- Technology and data science cost including cloud and server hosting related costs; and
- Funding inorganic growth through acquisition and other strategic initiatives and general corporate purposes.

### Company Overview

- Brainbees Solutions Limited is India's largest multi-channel retailing platform for Mothers, Babies and Kids products, in terms of GMV, for the Financial Year 2024, with a growing presence in select international markets like UAE and KSA.
- The company offers everything needed for an infant up to the age of 12 via its online platform 'FirstCry', including apparel, footwear, baby gear, nursery, diapers, toys, and personal care, amongst others.
- The company's strong brand awareness and customer trust are reflected in the launch of BabyHug, one of the house brands. Its other key house brands include Pine Kids, Cute Walk by BabyHug, and Babyoye.
- The company offers more than 1.65 million SKUs from over 7,580 brands, including third-party Indian brands, global brands, and the company's home brands.
- The company's Segment-wise revenue from operations as a percentage of total revenue from operations for FY 2024 is as follows: India multi-channel – 70.66%, International – 11.63%, GlobalBees Brands – 18.66% and Others – 0.51%.
- The company address the needs of its customers across various channels: online platform, modern stores, and general trade retail distribution channels in India; and online platforms in UAE and KSA.
- As of March 31, 2024, out of a total 1,063 modern stores, 435 were COCO stores and 628 were FOFO stores.
- Company's home brand products are available in more than 160,842 third-party stores in India through retail distribution network of 567 distributors and over 1,312 sub-distributors across 1,164 cities, as at March 31, 2024.



#### FirstCry: Childcare Market Leader

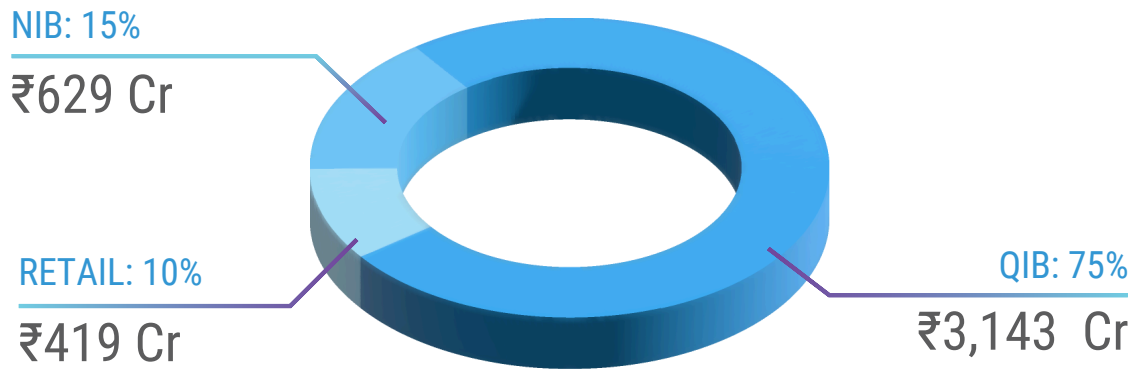
FirstCry enjoys a market share of 16-17% in the organized India Childcare products market as of the Financial Year 2024.



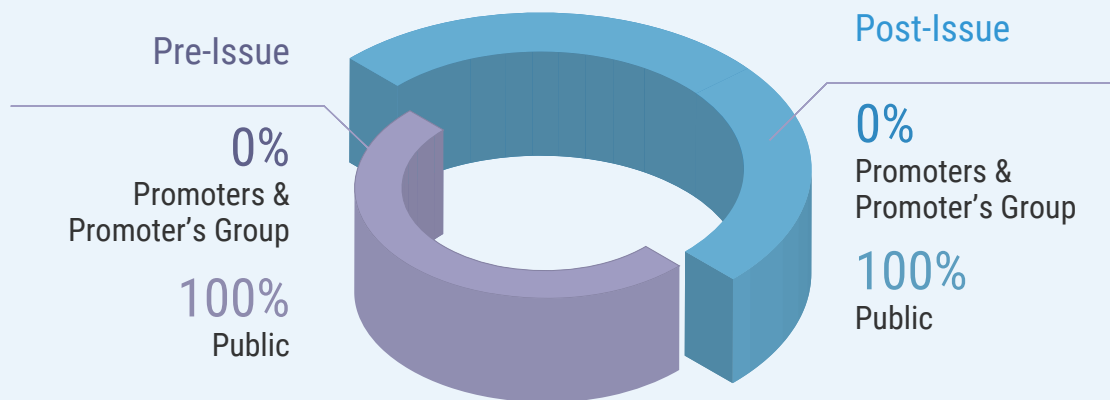
BRAINBEES SOLUTIONS LIMITED

# Issue Details

## Issue Break-Up



## Shareholding Pattern



## Capital Structure (in ₹ Cr.)



**110 Cr**

Authorized Equity Share Capital



**97 Cr**

Paid-Up Capital (Pre-Offer)



**104 Cr**

Paid-Up Capital (Post-Offer)



BRAINBEE SOLUTIONS LIMITED

# Valuations and Peer Comparison



Market  
Capitalisation

**₹ 24,142 Cr.**

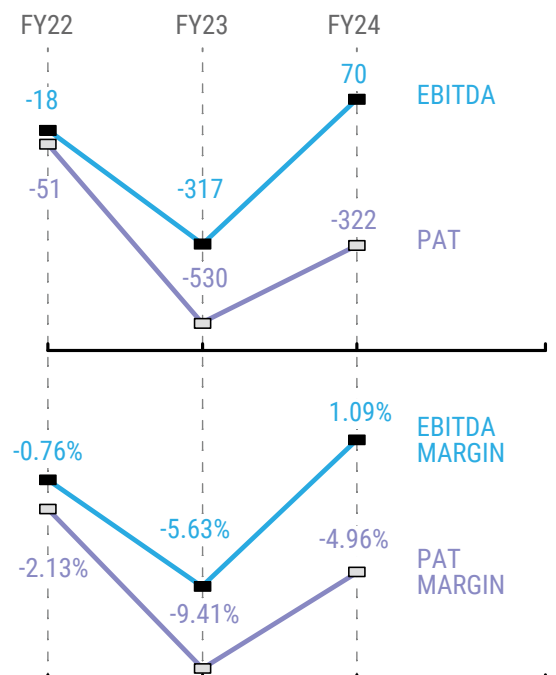
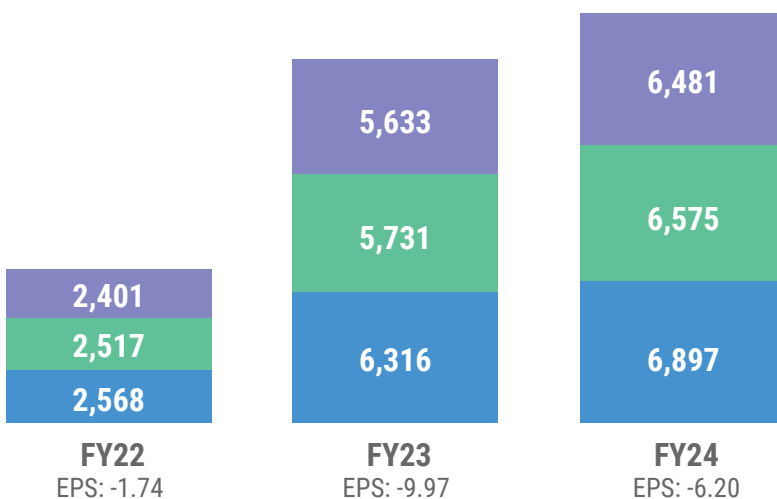
MCap/  
Sales

**3.72x**

There are no comparable listed companies in India or globally that engage in a business similar to that of the Company. Accordingly, it is not possible to provide an industry comparison in relation to the Company.

## Financial Snapshot (in ₹ Cr.)

- Revenue
- Total Income
- Total Expenses





## BRAINBEES SOLUTIONS LIMITED

# Business Insights



### Competitive Strengths

- India's largest multi-channel, multi-brand retailing platform for Mothers', Babies' and Kids' products.
- The company's platform has powerful network effects driven by content, brands and data.
- Brand affinity, loyalty and trust of customers in the FirstCry brand.
- Combination of curating growing home brands and relationships with third-party brands.
- Company's technology and data driven, personalized customer journey leads to higher customer engagement.
- Full-stack platform with control over manufacturing and supply chain
- Proven and scalable business model



### Business Strategy

- Grow customer base by continuing to invest in brand, technology, products and membership program.
- Grow offline and online touchpoints to strengthen multi-channel competitive advantage.
- Continue to expand portfolio of home brands.
- Expand general trade retail distribution of home brands.
- Further invest in manufacturing in the baby and kids' product categories, and supply chain capabilities.
- Selective expansion in international markets.
- Expand and Grow Globalbees House of Brands.



### Risks

- If the company fails to retain their relationships with third-party brands, or attract new relationships, the company's business, results of operations, financial condition and cash flows will be adversely affected.
- Company's business depends on the growth of the online commerce industry in India and Company's ability to effectively respond to changing customer behavior on digital platforms. If the online commerce industry in India does not further develop and grow and if the company is not able to effectively respond to changing customer behavior, results of operations could be adversely affected.

## Promoters and Management Details

Supam Maheshwari - Managing Director and Chief Executive Officer

Sanket Hattimattur - Executive Director and Chief of Staff

Paul Davison - Non-Executive Director

Puneet Renjhen - Non-Executive Director

Research Disclaimer <https://bit.ly/2RK2tzc>

