

Shubh Nivesh



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Lightweight jewellery to drive next growth wave...

About the stock: BlueStone Jewellery & Lifestyle Ltd. (BlueStone), founded in 2011, is an omnichannel, D2C jewellery retailer focused on contemporary lifestyle jewellery. It is the 2nd largest player in studded segment in India. The company operates on an omnichannel model with pan-India presence through 352 stores.

Investment Rationale:

- **Revenues to grow at a CAGR of 50% over FY26-30:** BlueStone has set an ambitious revenue target of Rs.12,000cr by FY30, implying a CAGR of ~50% over FY26-30, driven by strong same-store sales growth (SSSG) and sustained store additions. Stores opened in FY19/20 generate annualised revenue of ~Rs.14.1cr per store, while FY21/22 and FY23 cohorts generate ~Rs.9.8cr and ~Rs.8.3cr, respectively. With 54% of its network (185 stores) less than three years old, management expects these stores to mature towards a revenue run-rate of ~Rs.20cr per store by FY30, providing significant embedded growth potential. Mature cohorts have delivered blended SSSG of ~30% over FY22-26, with the Q1FY27 recording ~39%, reflecting robust demand, repeat purchases and strengthening brand equity. Additionally, the company plans to expand its store network from 340 in FY26 to 705 by FY30, implying a CAGR of ~20%. Management expects sustained 30%+ SSSG and store additions to support its Rs.12,000cr revenue target by FY30.
- **Pre-IND AS EBITDA margins to expand by 2x to 14.6% over FY26-30:** BlueStone's management outlined a roadmap to double EBITDA margins (Pre-IND AS) to ~14.7% in FY30 from 7.6% in FY26, driven by improved store productivity and operating leverage. Older store cohorts (opened in FY19/20) already deliver EBITDA margins of ~24%, compared to ~19-22% for relatively newer stores (opened in FY23 and FY21/22). With 54% of its store network less than 3 years old, a significant portion of stores is yet to achieve mature profitability levels. Store-level economics remain strong, with breakeven achieved within 3-4 months of opening at monthly revenue of Rs.25/30 lakh per store. As stores mature and fixed costs scale slower than revenue, store-level EBITDA margins are expected to improve to ~20.7% in FY30 from ~18.6% in FY26. Additionally, advertising and corporate overheads are expected to decline to 6.2% of revenues in FY30 from 11.2% in FY26. Overall, management expects ~215bps of margin expansion from store-level productivity and ~510bps from lower operating costs as a percentage of revenue, supporting margin expansion to 14.7% in FY30 from 7.6% in FY26.
- **Higher demand for diamond-studded jewellery to boost Bluestone's near-term performance:** Bluestone's revenues are expected to grow by close 40% in Q2FY27 driven by double digit SSSG and retail expansion through new store addition. Improved store fundamentals will help EBITDA to grow by 2.7x during the quarter. The studded jewellery segment is witnessing relatively faster growth amid the higher gold price environment, as consumers are increasingly opting for jewellery with lower gold content to manage overall ticket value. Diamond-studded jewellery is gaining strong traction, supported by relatively lower diamond prices and a shift towards lightweight, everyday-wear designs. We expect this trend will continue to build up momentum during the upcoming festive season. Overall, Bluestone is well poised to achieve revenue growth of 35%+ in FY27.

Rating and Target Price: We recommend Buy with a price target of Rs.945 (valuing it at 25x FY28E EV/EBITDA).

Key Financial Summary

Key Financials (Rs Crore)	FY24	FY25	FY26	2-year CAGR (FY24-26)	FY27E	FY28E	2-year CAGR (FY26-28E)
Revenues	1265.8	1770.0	2436.4	38.7	3518.4	4535.7	36%
EBIDTA	53.0	75.1	239.4	112.4	454.4	638.0	63%
EBIDTA Margins (%)	4.2	4.2	9.8		12.9	14.1	
Adjusted PAT	-142.2	-219.9	-95.2	-	49.7	182.1	-
EPS (Rs.)	-9.3	-14.4	-6.3		3.3	12.0	
PE (x)	-	-	-		239.4	65.4	
EV to EBITDA (x)	253.7	184.1	56.7		29.8	21.7	
RoE (%)	-	-	-		2.7	9.4	
RoCE (%)	-	-	2.2		6.1	9.0	

Source: Company, ICICI Direct Research

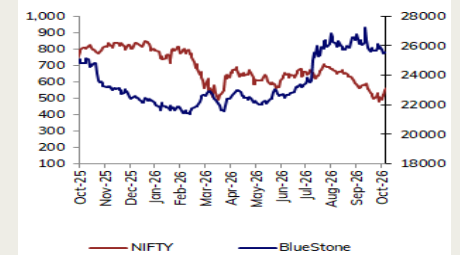
BUY

**Particulars**

Particular	Amount
Market Capitalisation (Rs crore)	11902
Debt (FY26) - Rs crore	2229
Cash (FY26) - Rs crore	555
EV (Rs crore)	13576
52-week H/L (Rs)	970 / 400
Equity capital (Rs crore)	15.2
Face value (Rs)	1

Shareholding pattern

	Sep-25	Dec-25	Mar-26	Jun-26
Promoters	16.4	16.4	16.3	16.3
FII	35.2	34.9	34.2	34.7
DII	32.5	32.5	33.9	32.5
Others	15.9	16.2	15.6	16.6

Price Chart**Key risks**

- Operates in highly competitive market.
- Fluctuation in gold and precious stones can impact the margins.
- Instability in macroeconomic and geopolitical environment can impact discretionary purchases.

Research Analyst

Kaustubh Pawaskar
kaustubh.pawaskar@icicisecurities.com

Abhishek Shankar
abhishek.shankar@icicisecurities.com

Sonal Rajpal
sonal.rajpai@icicisecurities.com

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Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research
Desk,
ICICI Securities Limited,
Third Floor, Brillanto
House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

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