

BUY
TP: Rs 662 | ▲ 24%

**BLUESTONE
JEWELLERY &
LIFESTYLE**

| Retail

| 04 June 2026

Bluestone Investor Day: Growth and scale-up

- Targets ~20% annual store expansion; mature cohorts deliver ~25% store EBITDA margins and ~43% ROIC
- Customer acquisition, repeat purchases and AOV growth continue to drive strong store productivity and SSG
- Targets FY30 pre-IndAS EBITDA margin of ~14.7%; inventory turns guided at 1.7-1.9x

BLUESTON outlined its long-term vision of building a scaled omnichannel jewellery platform, supported by structural tailwinds from increasing affluence, rising participation of women in discretionary spending and continued shift towards organised jewellery retail. Management highlighted that consumers increasingly discover products online before transacting offline, positioning BLUESTON's integrated online-offline model favourably versus traditional retail formats.

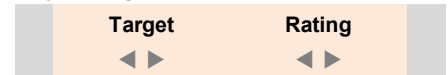
The company reiterated its focus on expanding the store network while maintaining healthy unit economics. Store count stood at 340 at FY26-end, with management targeting ~20% annual network expansion over the next four years. New stores are reaching operating breakeven within 3-4 months, while mature store cohorts continue to exhibit strong economics, with FY19-20 stores generating ~25% store EBITDA margins, ~2.0x inventory turns and ~43% store-level ROIC. Management believes the current store base remains relatively young, with over half the network less than three years old, providing scope for further productivity and profitability improvement as stores mature.

Management highlighted that growth is increasingly being driven by a combination of customer acquisition, repeat purchases and higher average order values. Total customers increased to 9.4 lakh from 2.6 lakh in FY22, repeat rates improved to 45% from 30%, while AOV increased to Rs 66,000 from Rs 28,060 in FY23. Older store cohorts continue to report ~30% SSG, suggesting limited evidence of maturity-related slowdown at this stage.

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Key changes



Ticker/Price	BLUESTON IN/Rs 535
Market cap	US\$ 851.0mn
Free float	84%
3M ADV	US\$ 2.9mn
52wk high/low	Rs 793/Rs 400
Promoter/FPI/DII	16%/35%/32%

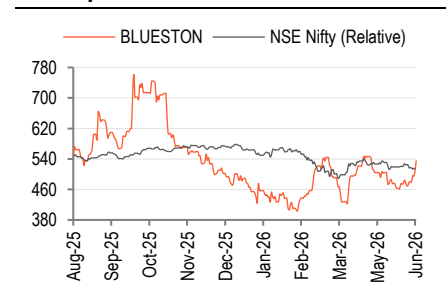
Source: NSE | Price as of 4 Jun 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	24,364	30,870	38,872
EBITDA (Rs mn)	3,895	3,972	5,944
Adj. net profit (Rs mn)	204	151	1,293
Adj. EPS (Rs)	1.3	1.0	8.5
Consensus EPS (Rs)	1.3	(1.3)	5.8
Adj. ROAE (%)	1.5	0.8	6.9
Adj. P/E (x)	399.5	538.5	63.0
EV/EBITDA (x)	22.6	21.0	13.5
Adj. EPS growth (%)	(118.1)	(25.8)	755.1

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



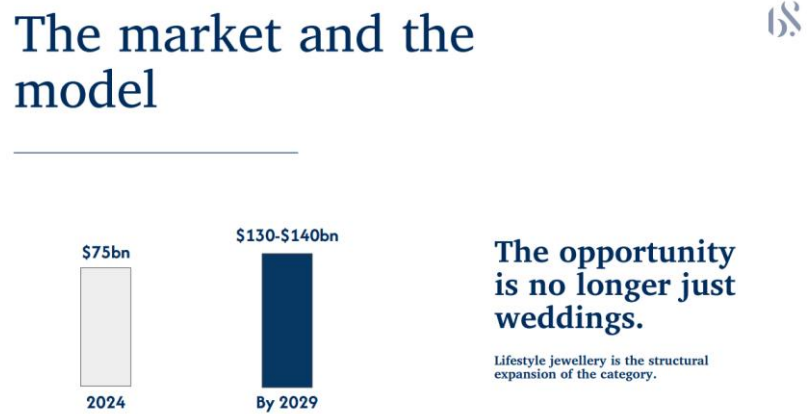
Source: NSE



Management also highlighted inventory efficiency as a key area of focus. Reported inventory turns of 1.13x in FY26 were impacted by elevated manufacturing inventory and sharp gold-price inflation. The company targets store-level inventory turns of 1.7-1.9x over the medium term while maintaining profitability and return metrics. The balance sheet strategy continues to focus on funding growth through a combination of internal accruals, customer advances, gold schemes and gold metal loans.

We believe BLUESTON remains well positioned for sustained growth, on the back of steady underlying demand, improving store cohort maturity, and a scalable omni-channel model. It's ability to recalibrate product portfolio in response to gold price volatility, along with emerging operating leverage, reinforces confidence in its execution capabilities, although margin stability will remain a key monitorable. We maintain BUY valuing the stock at 25x EV/EBITDA rolling forward to Mar'28EPS with a revised TP of Rs 662 with an upside of 24%.

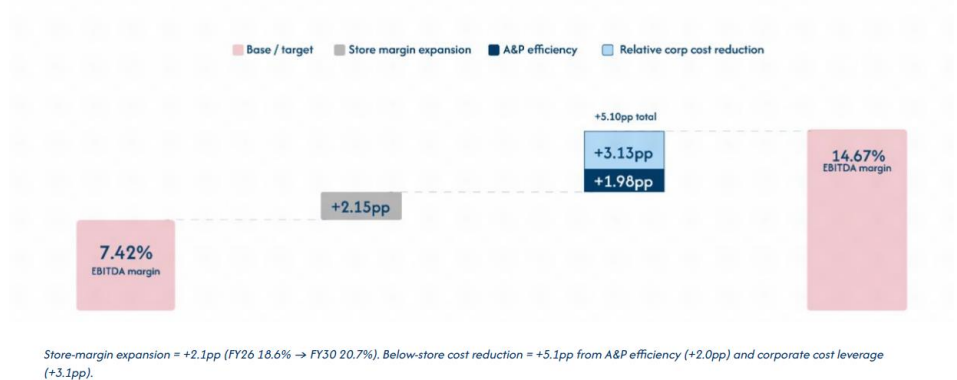
Fig 1 – Lifestyle – A Structural Expansion



Source: Bluestone Investor Presentation, BOBCAPS Research

Fig 2 – Margin Roadmap

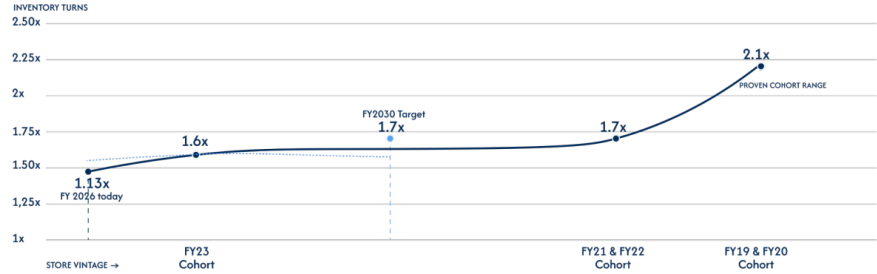
Margin Roadmap : Summary



Source: Bluestone Investor Presentation, BOBCAPS Research

Fig 3 – Inventory turns to be driven by vintage

Inventory Turns: Driven by Vintage

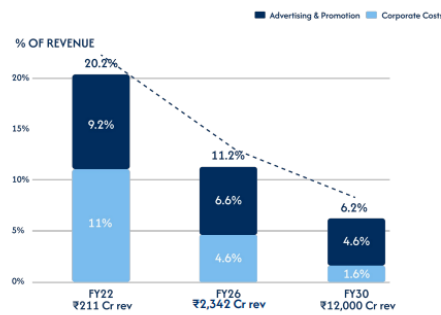


Note: inventory turns have been computed on opening inventory.

Source: Bluestone Investor Presentation, BOBCAPS Research

Fig 4 – Operating Leverage on below-store costs

Margin Roadmap : Operating Leverage on Below-Store Costs



ADVERTISING & PROMOTION

₹155 Cr → ₹552 Cr 3.6x in absolute spend
yet falls 6.6% → 4.6% of revenue

CORPORATE COSTS

₹108 Cr → ₹192 Cr 1.8x in absolute spend
yet falls 4.6% → 1.6% of revenue

THE MECHANISM

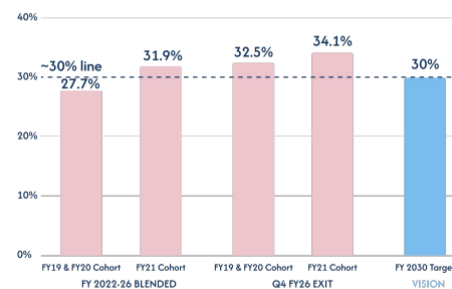
Revenue grows **5.1x**.
Costs grow far slower.
That gap is operating leverage.

Below-store costs as a % of revenue. Revenue base ₹2,342 Cr (FY26) → ₹12,000 Cr (FY2030). FY22 shown as proof that the decline is established: A&P 9.2% → 6.6%, corporate costs 11.0% → 4.6%.

Source: Bluestone Investor Presentation, BOBCAPS Research

Fig 5 – 2030 SSSG Target of 30%

2030 SSSG Target of 30% showcased by older cohort performance



Older cohorts grew at ~30%

FY 2022-26 blended SSSG

And continue to grow at 30%+

Q4 FY26 exit run rate

FY2030 target simply holds the line

Same trajectory, sustained

Note: FY19 & FY20 and FY21 refer to cohorts of stores opened in those years; FY 2030 is the target for that year. SSSG measured by year of opening; Q4 FY26 Exit = run-rate at the end of FY26.

Source: Bluestone Investor Presentation, BOBCAPS Research

Fig 6 – Cumulative A&P investments to be an SSSG driver

30% SSSG : Supported by cumulative A&P investments



Note: The figures represents cumulative marketing spends for the period

Source: Bluestone Investor Presentation, BOBCAPS Research

Fig 7 – Company targets to open 705 stores by FY30

BlueStone in FY30 : Distribution

Tier 1, 2 and 3 expansion with a proven playbook



Source: Bluestone Investor Presentation, BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	17,700	24,364	30,870	38,872	46,967
EBITDA	751	3,895	3,972	5,944	7,571
Depreciation	1,475	2,099	2,425	2,825	3,775
EBIT	(724)	1,796	1,547	3,120	3,796
Net interest inc./(exp.)	(2,075)	(2,104)	(1,765)	(2,019)	(2,075)
Other inc./(exp.)	600	496	424	496	520
Exceptional items	0	0	0	0	0
EBT	(2,199)	187	206	1,596	2,241
Income taxes	0	0	0	248	547
Extraordinary items	19	56	0	0	0
Min. int./Inc. from assoc.	2	17	(54)	(54)	(54)
Reported net profit	(2,217)	148	151	1,293	1,639
Adjustments	19	56	0	0	0
Adjusted net profit	(2,197)	204	151	1,293	1,639

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	1,647	1,604	2,032	2,559	3,092
Other current liabilities	6,156	11,347	11,347	11,347	11,347
Provisions	28	37	47	59	71
Debt funds	7,286	7,443	10,443	10,443	7,443
Other liabilities	7,231	8,301	8,301	8,301	8,301
Equity capital	30	15	15	15	15
Reserves & surplus	8,771	17,855	18,006	19,299	20,938
Shareholders' fund	8,840	17,893	18,044	19,337	20,977
Total liab. and equities	35,323	49,610	55,351	61,183	64,368
Cash and cash eq.	2,377	5,553	16,104	20,968	24,901
Accounts receivables	56	75	96	120	145
Inventories	16,525	26,718	23,313	26,081	27,532
Other current assets	2,339	3,265	3,265	3,265	3,265
Investments	186	0	0	0	86
Net fixed assets	2,660	2,662	1,238	(587)	(2,811)
CWIP	(6)	(7)	(7)	(7)	(7)
Intangible assets	738	858	858	858	858
Deferred tax assets, net	117	99	99	99	99
Other assets	3,639	2,499	2,499	2,499	2,499
Total assets	35,323	49,610	55,351	61,183	64,368

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	(871)	653	8,219	3,938	6,612
Capital expenditures	(5,641)	(3,287)	(1,000)	(1,000)	(1,550)
Change in investments	(86)	56	0	0	0
Other investing cash flows	(19)	(56)	(54)	(54)	(54)
Cash flow from investing	(5,746)	(3,287)	(1,054)	(1,054)	(1,604)
Equities issued/Others	18	(144)	0	0	0
Debt raised/repaid	2,423	(860)	5,152	4,000	1,000
Interest expenses	(2,075)	(2,104)	(1,765)	(2,019)	(2,075)
Dividends paid	0	0	0	0	0
Other financing cash flows	7,566	8,935	0	0	0
Cash flow from financing	7,931	5,826	3,386	1,981	(1,075)
Chg in cash & cash eq.	1,314	3,192	10,551	4,864	3,933
Closing cash & cash eq.	2,377	5,553	16,104	20,968	24,901

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	(7.5)	1.0	1.0	8.5	10.8
Adjusted EPS	(7.4)	1.3	1.0	8.5	10.8
Dividend per share	0.0	0.0	0.0	0.0	0.0
Book value per share	30.6	118.3	119.3	127.8	138.5

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	5.1	3.6	2.7	2.1	1.7
EV/EBITDA	119.4	22.6	21.0	13.5	10.4
Adjusted P/E	(72.2)	399.5	538.5	63.0	49.7
P/BV	17.5	4.5	4.5	4.2	3.9

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	99.9	108.9	73.6	81.0	73.1
Interest burden (PBT/EBIT)	303.8	10.4	13.3	51.2	59.0
EBIT margin (EBIT/Revenue)	(4.1)	7.4	5.0	8.0	8.1
Asset turnover (Rev./Avg TA)	50.1	49.1	55.8	63.5	73.0
Leverage (Avg TA/Avg Equity)	4.0	2.8	3.1	3.2	3.1
Adjusted ROAE	(24.9)	1.1	0.8	6.7	7.8

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	39.8	37.7	26.7	25.9	20.8
EBITDA	41.6	418.6	2.0	49.7	27.4
Adjusted EPS	45.3	(118.1)	(25.8)	755.1	26.7
Profitability & Return ratios (%)					
EBITDA margin	4.2	16.0	12.9	15.3	16.1
EBIT margin	(4.1)	7.4	5.0	8.0	8.1
Adjusted profit margin	(12.4)	0.8	0.5	3.3	3.5
Adjusted ROAE	(35.6)	1.5	0.8	6.9	8.1
ROCE	(0.8)	9.0	6.9	12.1	15.2
Working capital days (days)					
Receivables	1	1	1	1	1
Inventory	341	400	276	245	214
Payables	34	24	24	24	24
Ratios (x)					
Gross asset turnover	6.8	5.4	5.1	5.5	5.8
Current ratio	1.6	1.9	2.0	2.3	2.8
Net interest coverage ratio	(0.3)	0.9	0.9	1.5	1.8
Adjusted debt/equity	1.0	0.3	0.0	(0.1)	(0.2)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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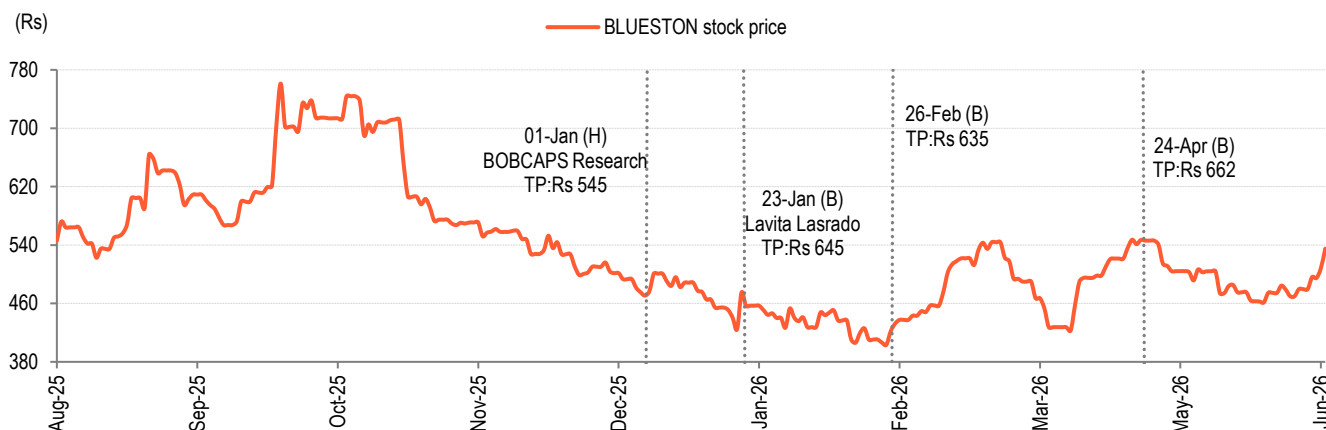
Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%
HOLD – Expected return from -6% to +15%
SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): BLUESTONE JEWELLERY & LIFESTYLE (BLUESTON IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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