

BILLIONBRAINS GARAGE VENTURES LTD

04-11-2025 TO 07-11-2025

Industry: Stockbroking & Allied

Recommendation: Subscribe for long term

Price Band: ₹ 95– 100

Post Implied Market Cap: ₹ 58,702 Cr - ₹ 61,736 Cr

Key Data

Issue Size (₹ Cr)	6,353 - 6,632
Fresh (₹)	1,060
OFS (₹)	5,572
No. of shares offered	10,60,00,000

Face Value (₹ /share)	2
Bid Lot	150

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	10-11-2025
Refunds/Unblocking ASBA Fund	11-11-2025
Credit of equity shares to DP A/c	11-11-2025
Trading commences	12-11-2025

Shareholding (No. of shares)

Pre-Issue	6,06,75,96,631
Post Issue (Lower price band)	6,17,91,75,578
Post Issue (Higher price band)	6,17,35,96,631

Shareholding Pattern

Promoter & Promoter Group :

Pre Issue	28.29%
Post Issue	27.81%

Investor Selling Shareholders:

Pre Issue	53.13%
Post Issue	43.19%

Public - Others:

Pre Issue	18.58%
Post Issue	29.00%

Issue Breakup

QIB	75%
NIB	15%
Retail	10%

Other Details

BRLMs: Axis Capital, Kotak Mahindra Capital, J.P. Morgan India, Citigroup Global Markets India, Motilal Oswal Investment Advisors

Registrar: MUFG Intime India Pvt. Ltd.

Listing: BSE & NSE

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About the Company

The Billionbrains Garage Ventures Ltd (Groww) is India's largest and fastest-growing digital investment platform, enabling users to invest and trade across multiple financial products, including stocks, IPOs, derivatives, mutual funds and bonds, through its intuitive app and website. Backed by robust in-house technology, the platform offers a seamless investing experience and serves a diverse customer base across 98% of India's pin codes as of June 30, 2025.

Investment Rationales

1) "Groww" is a well-known and preferred brand for investing across cities, towns and villages in India: Groww enjoys strong nationwide brand recognition, with active users across 98.36% of India's pin codes and ~81% of users from beyond the top 6 cities. It leads in search interest among major brokers (as per Google Trends, FY2025) and maintains high organic growth, with over 80% of customers consistently acquired organically.

2) High customer retention, engagement and price inelasticity: The company demonstrates strong customer engagement and retention, with 77.7% of users remaining active after three years and first-quarter retention between 84.8% and 93% since FY2022. In FY2025, active users spent an average of 65.5 minutes daily on the platform, reflected in a high DAU/MAU ratio of over 55%, underscoring deep user involvement and sustained platform loyalty.

3) In-house technology stack to deliver a differentiated experience at low cost: The company has developed most of its technology in-house, enabling high scalability (supporting ~50 million users and orders daily) and quick adaptability to regulatory changes. It integrates AI/ML across operations—powering seamless onboarding, in-house UPI payments (77.8% of deposits in Q1 FY2026), automated back-office system "ORBIT," and AI-driven customer support handling ~98,500 daily queries. Its disaster recovery tool "Groww Lite" ensures trading continuity. These innovations have enhanced efficiency, reducing "Cost to Serve" to around 12–15% of revenue.

4) Launch more products and services for both affluent and aspirational customers: Groww continues to expand its product suite to drive customer acquisition, monetisation, and retention. Recent launches include margin trading (MTF), commodity derivatives, API-based automated trading, and "W" — a wealth management platform for affluent users. It has also introduced loans against securities (LAS) and bond investing to enable credit access and portfolio diversification, strengthening its position as a comprehensive digital investment ecosystem.

5) Pursue strategic acquisitions and investments: The company actively pursues strategic acquisitions to expand its offerings, enter adjacent businesses, and enhance revenue per user. Key deals include acquiring Indiabulls AMC to launch Groww AMC, purchasing a wealth management firm under "W by Groww," and taking minority stakes in Digio (eKYC platform) and MSEI (currency derivatives broker) to strengthen its ecosystem.

Risk

- 1) Business operates in highly competitive environment.
- 2) High regulations and changes in rules.
- 3) Business is vulnerable to cyber-attacks, such as hacking, phishing and Trojans.

MView

We believe Billionbrains Garage Ventures Ltd IPO (Groww) brings investors an opportunity to invest in India's largest and fastest-growing digital investment platform, strategically positioned at the intersection of technology and finance. With a presence across 98% of India's pin codes and over 80% of users acquired organically, Groww's strong brand recall, deep customer engagement and robust retention rate (77.7% over three years) underscore its sustainable growth potential. We think the company's AI-driven, fully in-house technology infrastructure, efficient cost structure and diversified product suite — spanning wealth management, bonds, loans against securities and AMC operations — provide multiple levers for margin expansion and monetization. Strategic acquisitions including Indiabulls AMC and a wealth management firm under 'W by Groww', further strengthen its ecosystem depth and scalability. By looking at the financials, the company delivered strong revenue growth of 128.6% in FY2024 and 49.5% in FY2025, while net profit surged to ₹1,824 crore in FY2025 from a loss of ₹805 crore in FY2024, largely due to a one-time tax expense related to the amalgamation of the Company and Groww Inc. On valuation parse at the upper price band of ₹100/-, the issue is asking for a Market cap of ₹61736/- cr. Based on FY 2025 actuals and FY 2026 annualised earnings and fully diluted post- IPO paid up capital, the company is asking for a PE of 33.8x and 36.5x, which appears fairly priced versus the industry avg at ~35x. Given Groww's leadership position, strong customer stickiness, scalable business model and continuous innovation in India's rapidly expanding investment ecosystem, we recommend investors to "SUBSCRIBE" to the Billionbrains Garage Ventures Ltd IPO (Groww) for a long-term perspective.

CONSOLIDATED FINANCIAL TABLES

BASIC FINANCIAL DETAILS

Particulars ₹ (in Cr)	As at June 30		As at March' 31		
	2025 (03)	2024 (03)	2025 (12)	2024 (12)	2023 (12)
Share Capital	418.77	20.73	365.63	20.73	20.66
Net worth	5995.45	2886.28	4855.35	2542.64	3316.75
Total Borrowings	324.08	117.66	351.99	24.06	-
Revenue from Operations	904.4	1000.79	3901.72	2609.28	1141.53
Revenue Growth (%)	-9.63%	-	49.53%	128.58%	-
EBITDA	482.66	418.75	2371.01	-780.88	398.78
Adjusted EBITDA	507.2	583.67	2306.37	1470.92	416.3
Adjusted EBITDA Margin (%)	56.08%	58.32%	59.11%	56.37%	36.47%
Net Profit for the Year	378.37	338.01	1824.37	-804.94	457.66
Net Profit (%)	39.89%	32.27%	44.92%	-28.81%	36.30%
EPS - basic & Diluted (₹)	0.66	0.63	3.34	-1.5	0.86
RONW (%)	6.31%	11.71%	37.57%	-31.66%	13.80%
Net Asset Value (₹) as stated	10.47	5.39	8.89	4.75	6.2

Source: Company RHP

COMPARISON WITH INDUSTRY LISTED PEERS ₹ (IN CR)

Companies	Revenue from Operations (₹ in Cr)	Mcap (₹ in Cr)	FV	EPS	NAV (₹ Per Share)	P/B	P/E	RoNW
Billionbrains Garage Ventures	3,901.72	61,736	2	3.19	11.43	8.80	36.5	37.57%
Angel One	5,238.38	23,069	10	130.05	623.72	4.0	29.5	20.85%
Motilal Oswal Finance Service	8,339.05	59,547	1	41.83	185.24	4.7	29.4	22.64%
360 One WAM	3,295.09	43,777	1	27.14	188.89	6.1	38.8	14.37%
Nevada Wealth management	4,158.27	26,035	10	276.66	979.11	7.5	25.3	28.22%
Prudent Corporate Advisory Services	1,103.56	10,596	5	47.25	161.25	15.9	52.2	29.30%

Date as on 31st March 2025, Cline Mcap, PE, PB calculated as on 04-11-2025

Billionbrains Garage Ventures Ltd, EPS/PE,PB, NAV calculated on FY 2026 annualised basis post money



MSEARCH

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Msearch's Recommendation (Absolute Performance)

Buy: > 20% within the next 12 Months

Accumulate: 5% to 20% within the next 12 Months

Sell : < -20% within the next 12 Months

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