Retail Research	IPO Note
Sector: Capital Market	Price Band (Rs): 95 – 100
31st October 2025	Recommendation: SUBSCRIBE

Groww (Billionbrains Garage Ventures Ltd.)

Company Overview:

Billionbrains Garage Ventures Ltd. **(Groww)** is India's largest and fastest-growing broking platform by active users on NSE as of Jun'25. Groww had 12.6 mn NSE active users as of Jun'25. The number of active users on Groww's platform grew at a CAGR of ~53% between FY23 and 1QFY26. The company was founded in 2016 by four ex-Flipkart colleagues named Lalit Keshre, Harsh Jain, Ishan Bansal and Neeraj Singh. It offers a direct-to-customer digital investment platform to invest and trade in stocks, derivatives, bonds, ETFs, IPOs, and mutual funds (Groww Mutual Fund). It also offers value-added services, such as MTF (Margin Trading Facility) and credit solutions. As of Jun'25, the mutual fund assets held on Groww stood at Rs 1,39,544 cr, Broking ADTO (Average Daily Turnover) stood at Rs 10,674 cr, Derivatives Average Daily Premium Turnover stood at Rs 9,277 cr, Consumer Credit Book (Partners & Creditserv Technology) stood at Rs 564 cr and MTF (Margin Trading Facility) Book at Rs 1,036 cr. Furthermore, Groww has a 13% market share in SIP inflows (MF distribution) in India as of Jun'25 (vs ~6% in Jun'23 and ~11% in Jun'24).

Key Highlights:

1. Well-established pan-India presence: Groww is a well-known and preferred broking brand for investing across cities and towns in India. Approximately 81% active users are outside the top-6 cities as of Jun'25. The company's strong brand recall is also demonstrated by its organic customer acquisition. During FY24, FY25 and 3MFY26 ~81%, ~84% and ~83% of customers were acquired organically, respectively. This ensures the cost of acquisition remains lower for the company. It has a dominant presence among younger and first-time investors, with a median age of active users being ~31 years. ~45% of active users were below age 30 and ~21% of active users were between age 31-35 as of Jun'25.

2. High customer retention and engagement: Groww drives high customer engagement on its platform by providing relevant and easily accessible information reflected in a higher DAU (Daily Active Users)/MAU (Monthly Active Users) ratio of transacting users at ~55%/56% for FY24/FY25 respectively. Furthermore, the higher customer retention and engagement enable the company to cross-sell other services such as mutual funds and MTF offerings. The average 2-year retention for active user cohorts (between 1QFY22 to 4QFY25) who used two or more products was ~89% compared to 60% for active users who have used only a single product.

3. In-house technology stack: Groww is the largest and fastest retail broker with its in-house technology stack. With faster user onboarding and an intuitive customer interface coupled with efficient customer support, the company has been able to deliver a better customer experience, resulting in high transacting users. The company's app is the highest rated investing app in India with a rating of 4.6/5 on Google Play store as of Jun'25. Groww's investment in tech also translates into operating efficiencies driven by a reduction in the marginal cost of serving of incremental customers. The company's cost to serve (as a % of revenue from operations) has declined from 15.9% in FY23 to 12.6% in FY24 and 14.6% in FY25. The company's systems have the bandwidth to handle approximately 50 mn users simultaneously and execute approximately 50 mn orders per day. Additionally, Groww's peak transactions per second (TPS) were at par with the average TPS of UPI transactions as reported by NPCI in India during FY24.

Valuation: At the upper price band, the stock is trading at a P/E of 33.8x FY25 EPS and 40.8x 1QFY26 annualised EPS. Billionbrains Garage Ventures Ltd. stands out as a strong player in India's digital investing ecosystem. Its platform reach, product diversification and large user base offer a clear competitive edge. The Revenue/PAT has grown at a CAGR of 85%/100% over FY23-25. The broking industry is expected to grow at a CAGR of 14-16% over the period of FY25-30P. We believe the company's leadership in retail broking as well as its wealth tech ecosystem, is expected to benefit from sector tailwind. We recommend investors to SUBSCRIBE to the issue at the cut-off price.

Issue Details	
Date of Opening	04th November 2025
Date of Closing	07th November 2025
Price Band (Rs)	95 – 100
Issue Size (Rs cr)	~6,632
Fresh Issue (Rs cr)	1,060
Offer for Sale (Rs cr)	~5,572
No. of shares (@ upper band)	66,32,30,051
Face Value (Rs)	2
Post Issue Market Cap (Rs cr)	58,702 – 61,736
BRLMs	Kotak Mahindra Capital Company Ltd., JP Morgan India Pvt. Ltd., Citigroup Global Markets India Pvt. Ltd., Axis Capital Ltd., Motilal Oswal Investment Advisors Ltd.
Registrar	MUFG Intime India Pvt. Ltd.
Bid Lot	150 shares and in multiple thereof
QIB shares	75%
Retail shares	10%
NIB shares	15%

Objects of Issue

Particulars	Estimated utilization from net proceeds (Rs cr)
Expenditure towards cloud infrastructure	152.5
Brand building and performance marketing activities	225.0
Investment in one of the material subsidiaries, GCS, an NBFC, to augment its capital base	205.0
Investment in one of the material subsidiaries, GIT, for funding its MTF business	167.5
Funding inorganic growth through unidentified acquisitions and general corporate purposes*	-
Net proceeds from the issue	-

To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The cumulative amount to be utilised for funding inorganic growth through unidentified acquisitions and general corporate purposes shall not exceed 35% of the Gross Proceeds. The amount to be utilised for each of: (a) funding inorganic growth through unidentified acquisitions; and (b) general corporate purposes shall not exceed 25% of the Gross Proceeds.

Shareholding Pattern

Pre-Issue	No. of Shares	%
Promoter & Promoter Group	1,71,68,00,362	28.3
Public & Others	4,35,07,96,269	71.7
Total	**6,06,75,96,631**	**100.0**

Post Issue @Upper Price Band	No. of Shares	%
Promoter & Promoter Group	1,71,68,00,362	27.8
Public & Others	4,45,67,96,269	72.2
Total	**6,17,35,96,631**	**100.0**

Source: RHP, SSL Research

Shareholders Selling through OFS

Selling shareholders through OFS	Classification	Number of shares
Peak XV Partners Investments VI-1	Public	15,82,81,491
YC Holdings II, LLC	Public	10,54,81,609
Ribbit Capital V, L.P.	Public	6,56,68,147
GW-E Ribbit Opportunity V, LLC	Public	5,24,64,086
Internet Fund VI Pte. Ltd.	Public	5,18,42,810
Sequoia Capital Global Growth Fund III – U.S./India Annex Fund, L.P.	Public	1,47,23,398
Propel Venture Partners Global US, LP	Public	1,62,66,356
Kauffman Fellows Fund, L.P.	Public	2,75,05,088
Friále Fund IV LLC	Public	1,13,43,750
Alkeon Innovation Master Fund II, LP	Public	1,87,07,370
Alkeon Innovation Master Fund II, Private Series, LP	Public	1,74,53,620
Alkeon Innovation Master Fund, LP	Public	81,18,000
Alkeon Innovation Opportunity Master Fund, LP	Public	4,21,248
Nirman Investments, L.P.	Public	59,68,700
Nirman Holdings, L.P.	Public	29,84,378
Total		**55,72,30,051**

Source: RHP, SSL Research

Key Financials

Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
Revenue from operations	1,142	2,609	3,902	904
EBITDA	399	565	2,372	483
Adj. PAT	458	534	1,824	378
EBITDA Margin (%)	34.9	21.7	60.8	53.4
Adj. PAT Margin (%)	40.1	20.5	46.8	41.8
RoE (%)	13.8	21.0	37.6	25.2
RoCE (%)	15.3	28.8	49.7	33.7
P/E (x)*	133.9	114.7	33.6	40.5

Source: RHP, SSL Research

****Note: Pre-issue P/E (x) based on upper price band***

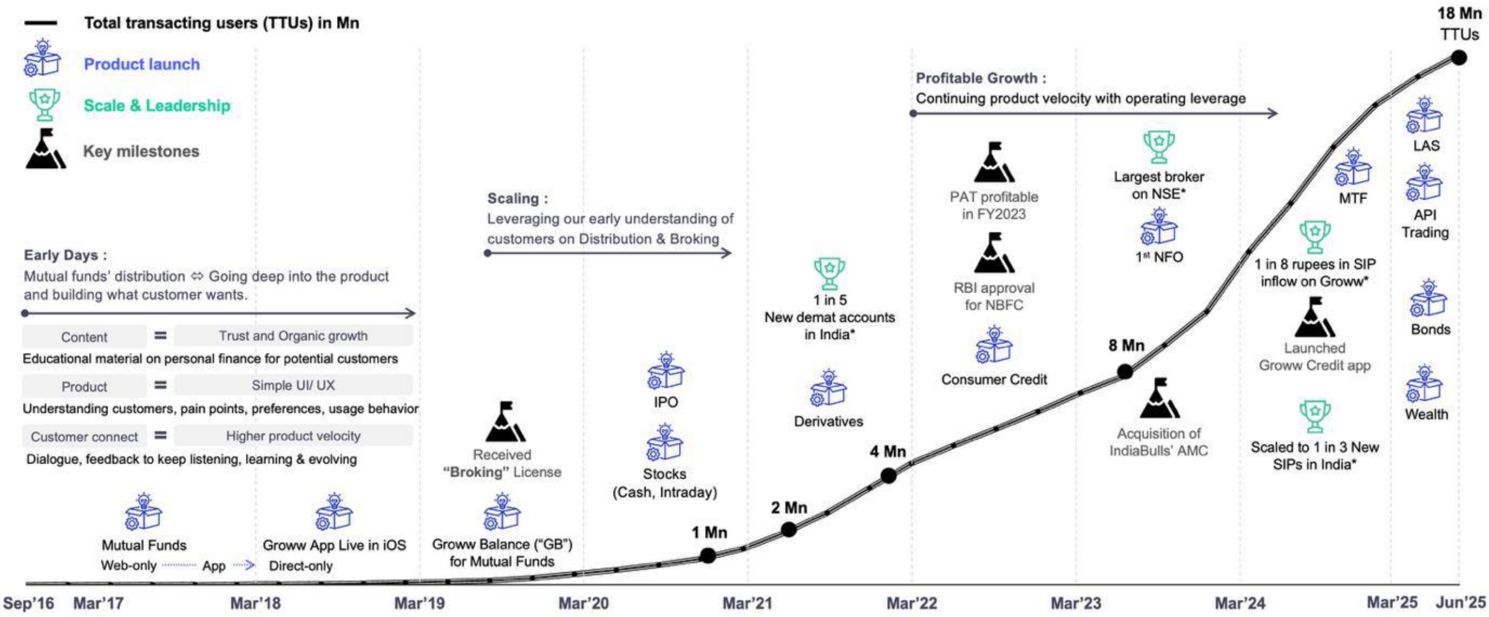
Risk Factors

- **Market Risk:** Any downturn or disruption in the financial markets, which are affected by general economic, policy and market conditions in India and globally, may have a material adverse effect on the business.
- **Regulatory Risk:** Any adverse regulations from the regulator like recent regulations, such as True-to-Label charges or indices expiry, may result in a decline in ADTO, affecting business operations.
- **Operational Risk:** Uninterrupted access to the technology platform is essential to Groww's business. System failures and interruptions could adversely affect the availability or performance of its website, mobile applications or platform, and thereby adversely impact the business, financial condition and results of operations.
- **Competitive Risk:** Inability to acquire and retain customers amid high industry competition might affect revenues.

Growth Strategies

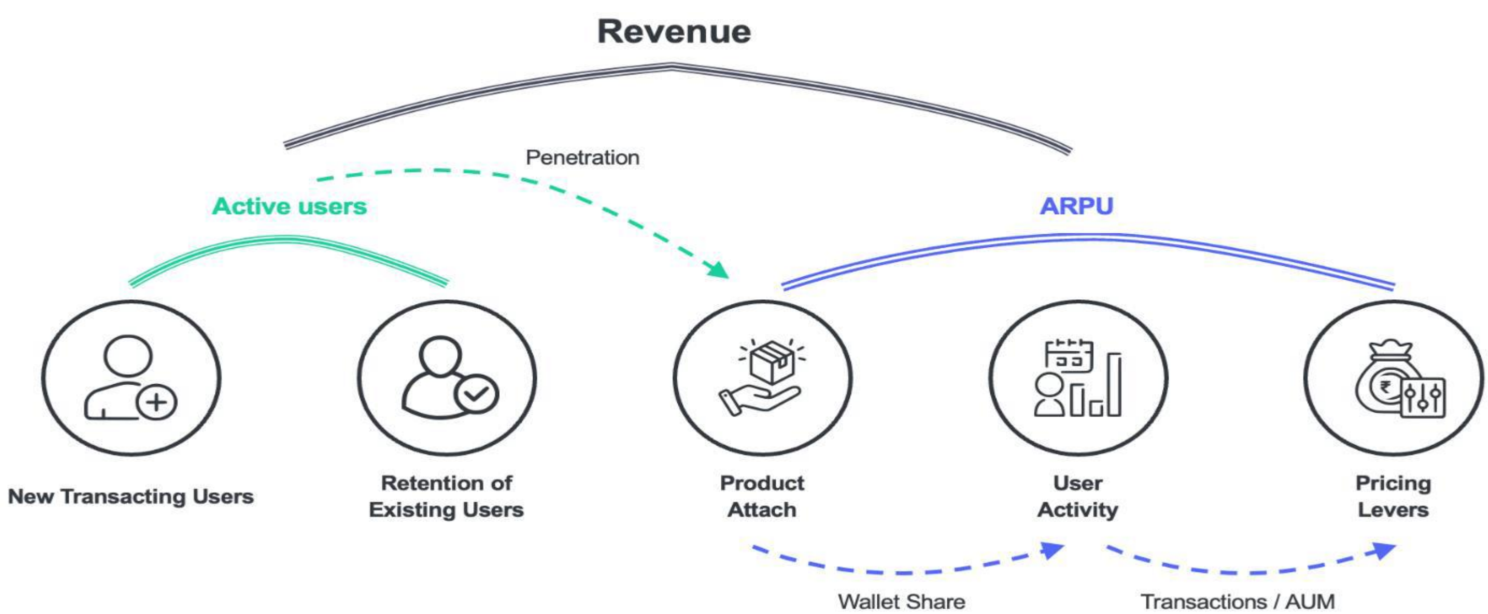
- Strengthen "Groww" brand and continue to grow market share.
- Launch more products and services for both affluent and aspirational customers.
- Continue to invest in its in-house technology stack to deliver a seamless investing experience to its customers.
- Pursue strategic acquisitions and investments.

Groww's Journey



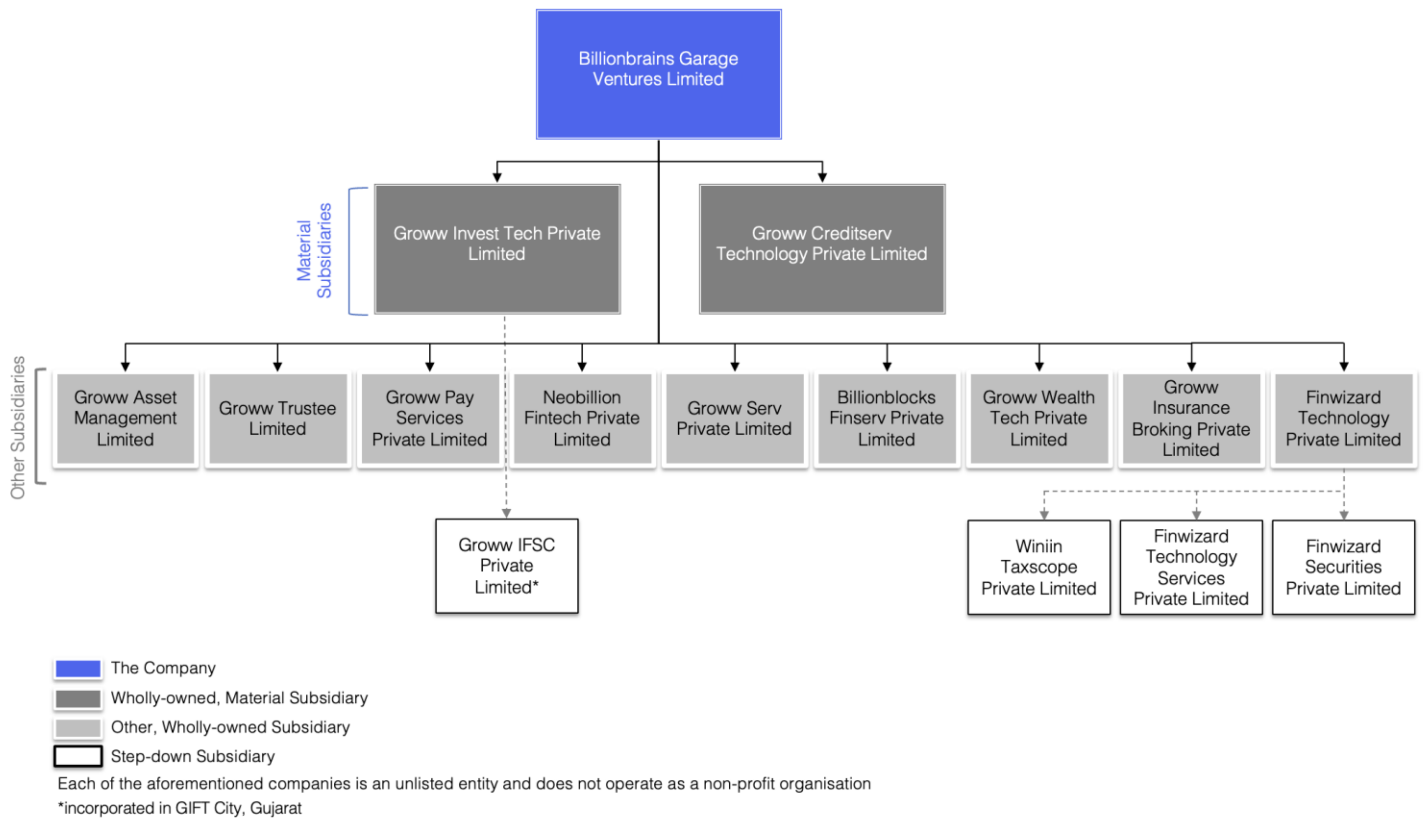
Source: RHP, SSL Research

Business Model



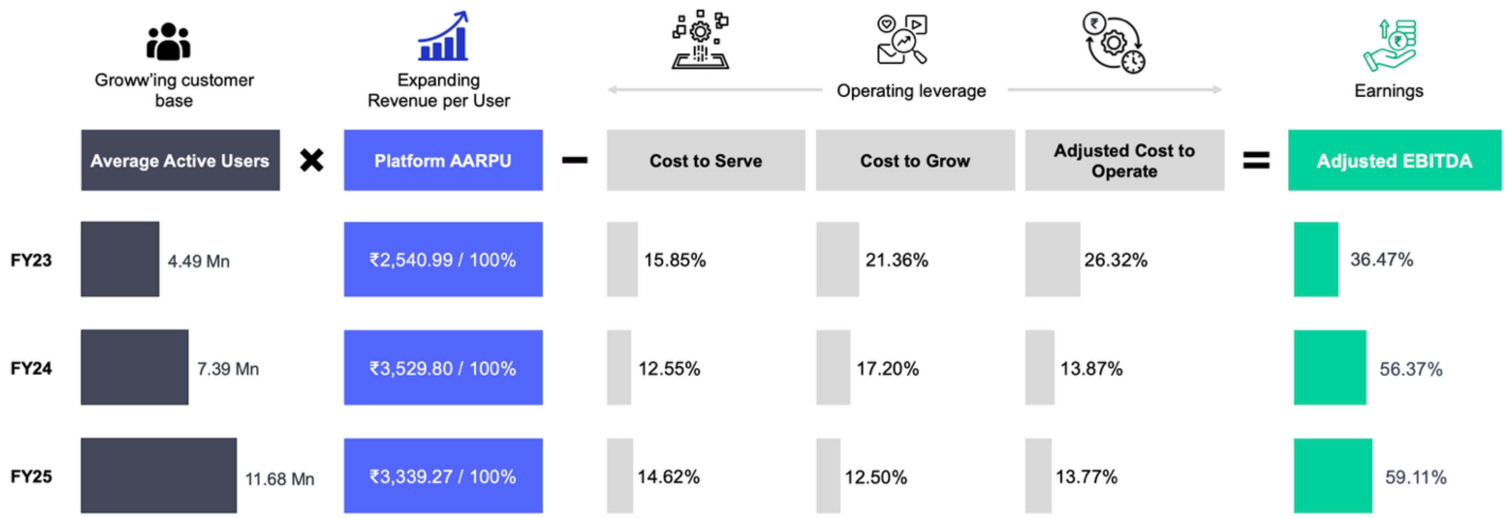
Source: RHP, SSL Research

Corporate Structure



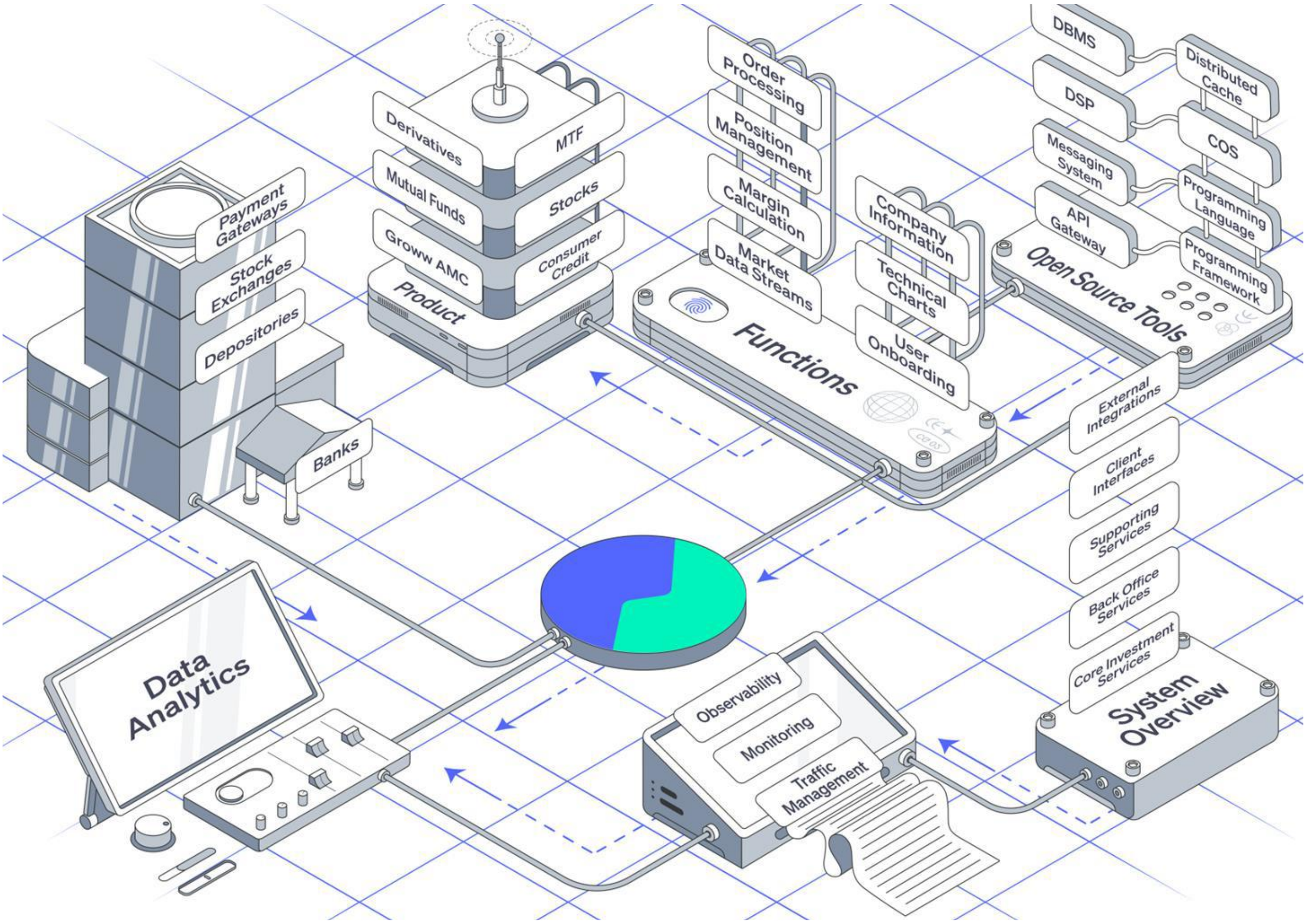
Source: RHP, SSL Research

Unit Economics



Source: RHP, SSL Research

Technology Ecosystem



Source: RHP, SSL Research

Operational KPIs

Particulars (in mn)	FY23	FY24	FY25	1QFY26
Total Transacting Users	6.5	11.3	17.3	18.1
Active Users	5.4	9.4	13.9	14.4
Growth in Active Users (%)	47.5	76.1	47.8	33.4
Average Active Users	4.5	7.4	11.7	12.6
NSE Active Clients	5.4	9.5	12.9	12.6
Growth in NSE Active Clients (%)	39.7	77.5	35.5	15.2
Total Customer Assets (Rs cr)	47,804	1,21,376	2,16,812	2,60,657
Platform ARPU (Rs)	2,541	3,530	3,339	-
MAUs (Monthly Active Users)	4.6	7.2	12.7	14.2
DAUs (Daily Active Users)	2.4	4.0	7.1	7.2

Source: RHP, SSL Research

Channel-wise Revenue Split

Particulars (in mn)	FY23	FY24	FY25	1QFY26
Mutual Funds				
MF Active Users	2.8	5.0	8.4	8.7
MF Assets held on Groww (Rs cr)	24,423	57,574	1,13,016	1,39,544
MF no. of SIPs	44.2	75.7	155.8	45.4
MF SIP Inflows (Rs cr)	7,991	15,037	34,028	10,020
Broking Services				
Transacting Users	5.5	9.9	13.5	6.1
Broking Orders	602	1,296	1,820	379
Stocks				
Active Users	3.8	7.0	10.1	10.3
ADTO (Rs cr)	2,389	4,523	9,172	10,674
Stocks' Assets held on Groww (Rs cr)	21,788	59,404	97,640	1,13,997
Derivatives				
Active Users	0.8	1.9	1.4	1.4
ADTO (Rs cr)	1,961	4,573	7,847	9,277
Consumer Credit				
Disbursements by Partners (Rs cr)	1,632	1,024	1,429	315
Disbursement by Groww Creditserv Technology (Rs cr)	0	915	1,261	249
Total Disbursements (Rs cr)	1,632	1,938	2,689	564
Margin Trading Facility				
MTF Active Users	-	-	0.04	0.1
MTF Book (Rs cr)	-	-	602	1,036

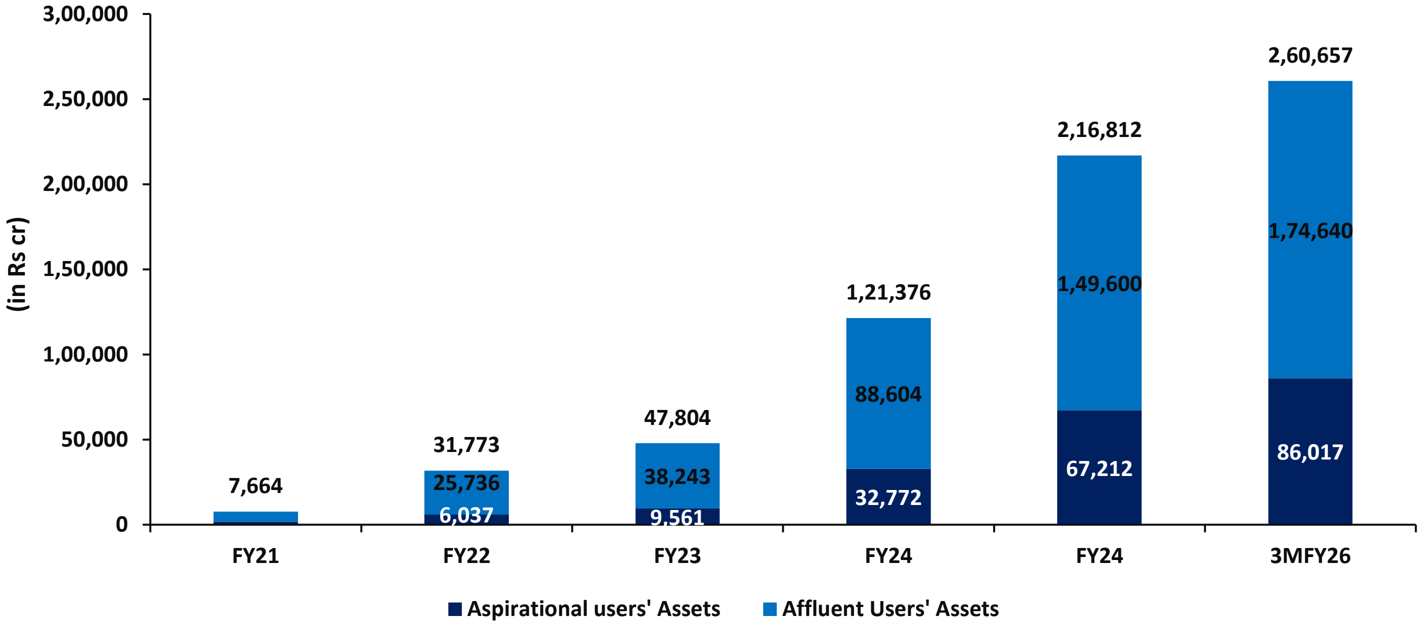
Source: RHP, SSL Research

Consumer Credit Segment KPIs

Particulars (in Rs cr)	FY23	FY24	FY25	1QFY26
Disbursement by Groww	0	915	1,261	249
Gross Loan Book	-	730	1,137	1,164
Gross NPA (%)	-	0.3	1.7	1.7
CRAR (%)	-	38.4	48.7	46.4
CRAR Tier-I capital (%)	-	37.2	48.5	46.2
CRAR Tier-II capital	-	1.3	0.2	0.2

Source: RHP, SSL Research

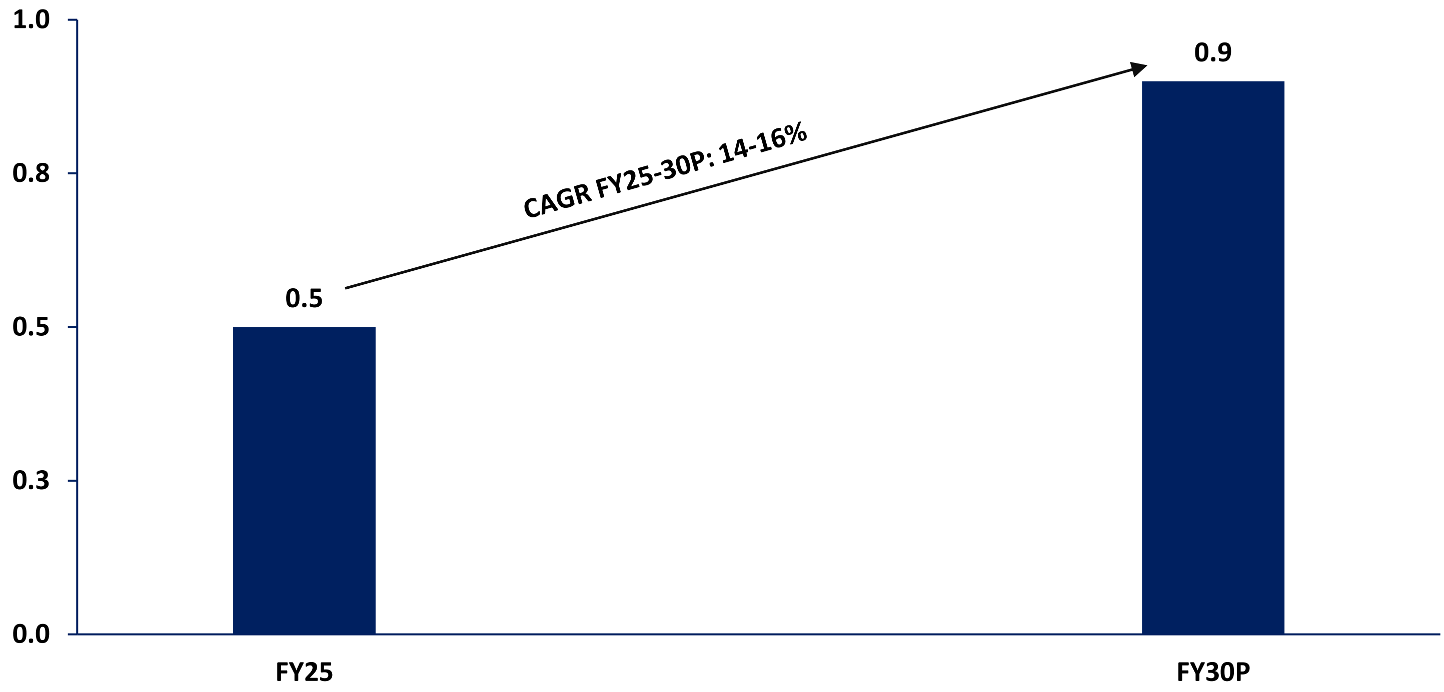
Groww's Total Customer Assets Trend



Source: RHP, SSL Research

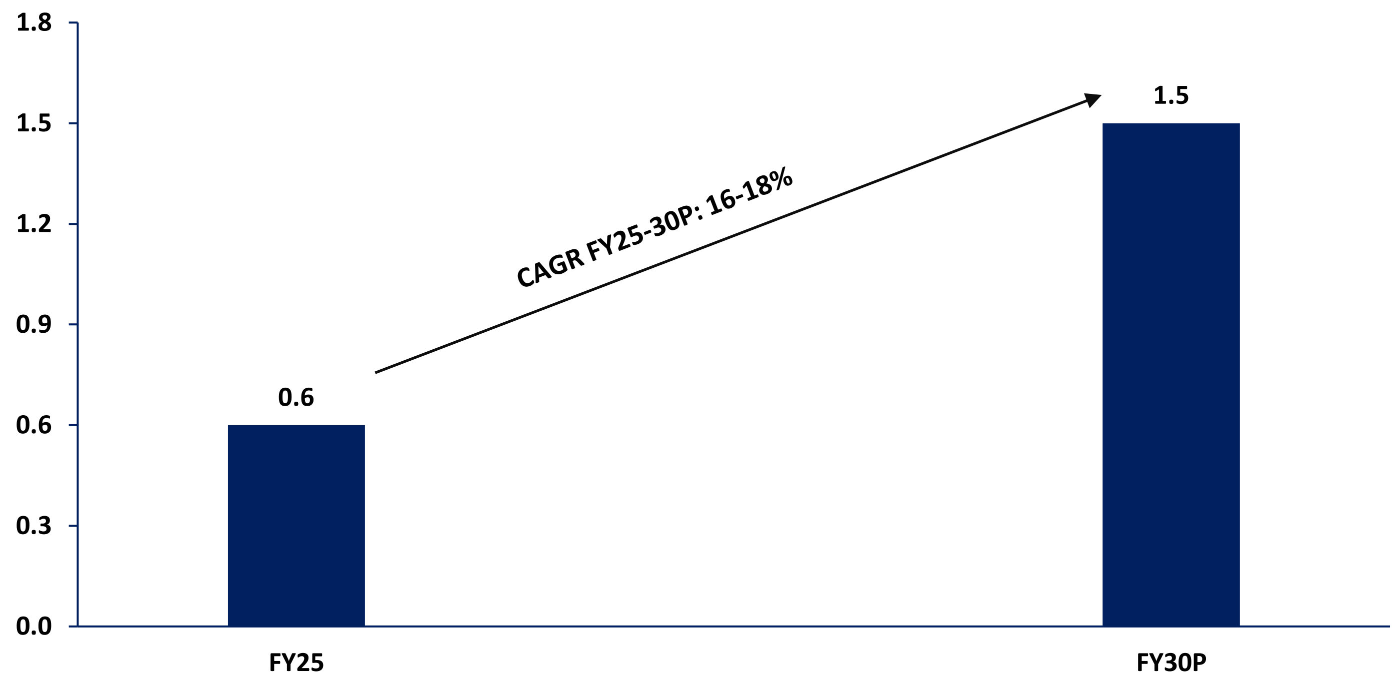
Industry Overview

Total Addressable Market for Indian Broking Industry (Rs tn)



Source: RHP, SSL Research

Total Addressable Market for Indian Wealth and Asset Management Industry (Rs tn)



Source: RHP, SSL Research

Financial Snapshot

INCOME STATEMENT				
Particulars (Rs cr)	**FY23**	**FY24**	**FY25**	**1QFY26**
Revenue from Operations	**1,142**	**2,609**	**3,902**	**904**
Fees and Commission Income	1,053	2,396	3,336	729
Interest Income	-	24	245	82
Other operating income	89	190	320	94
YoY growth (%)	-	***128.6%***	***49.5%***	***-9.6%***
Employee Cost	287	1,188	315	137
Other Operating Expenses	456	856	1,214	284
EBITDA	**399**	**565**	**2,372**	**483**
EBITDA margins (%)	***34.9%***	***21.7%***	***60.8%***	***53.4%***
Other Income	119	187	160	44
Interest Exp.	2	4	43	16
Depreciation	12	20	25	7
PBT	**504**	**728**	**2,465**	**504**
Exceptional item	-	(1,340)	-	-
Tax	46	187	639	125
Share of profit of associates and JVs	-	(7)	(1)	(1)
Minority Interest	-	-	-	-
PAT	**458**	**(799)**	**1,826**	**379**
PAT margin (%)	***40.1%***	***-30.6%***	***46.8%***	***41.9%***
EPS (Rs)	**0.7**	**(1.3)**	**3.0**	**0.6**
Adj. PAT	**458**	**534**	**1,824**	**378**
Adj. PAT margin (%)	***40.1%***	***20.5%***	***46.8%***	***41.8%***
Adj. EPS	**0.7**	**0.9**	**3.0**	**0.6**

BALANCE SHEET				
Particulars (Rs cr)	**FY23**	**FY24**	**FY25**	**1QFY26**
Assets				
Net Block	14	13	20	20
Capital WIP	0	-	-	-
Intangible Assets	0	44	44	44
Intangible Assets under development	-	-	-	-
Goodwill	277	319	319	319
Right of use assets	29	20	19	15
Other Non-current Assets	474	1,240	1,049	1,603
Current Assets				
Current Investment	891	710	1,526	2,282
Trade receivables	36	69	97	119
Cash and Bank Balances	1,661	3,682	4,256	5,129
Short-term loans and advances	-	269	1,055	1,489
Other Current Assets	1,425	1,651	1,693	1,693
Total Current Assets	**4,013**	**6,382**	**8,627**	**10,713**
Current Liabilities & Provisions				
Trade payables	1,373	3,916	4,595	6,095
Other current liabilities	73	1,395	46	90
Short-term provisions	9	3	4	4
Total Current Liabilities	**1,456**	**5,315**	**4,645**	**6,188**
Net Current Assets	**2,558**	**1,067**	**3,982**	**4,525**
Total Assets	**3,352**	**2,703**	**5,432**	**6,525**
Liabilities				
Share Capital	21	21	366	419
Reserves and Surplus	3,296	2,522	4,490	5,577
Total Shareholders' Funds	**3,317**	**2,543**	**4,855**	**5,996**
Minority Interest	-	-	-	-
Total Debt	-	24	544	501
Long Term Provisions	4	114	9	11
Lease Liabilities	31	23	22	17
Net Deferred Tax Liability	-	-	1	-
Total Liabilities	**3,352**	**2,703**	**5,432**	**6,525**

RATIOS			
Particulars	**FY23**	**FY24**	**FY25**
Profitability			
Return on Assets	9.5%	6.7%	18.1%
Return on Capital Employed	15.3%	28.8%	49.7%
Return on Equity	13.8%	21.0%	37.6%
Margin Analysis			
EBITDA Margin	34.9%	21.7%	60.8%
Net Profit Margin	40.1%	20.5%	46.8%
Long-Term Solvency			
Total Debt / Equity (x)	-	0.0	0.1
Valuation Ratios*			
P/E (x)	133.9	114.7	33.6
P/B (x)	18.5	24.1	12.6

****Valuation ratios are based on pre-issue capital at the upper price band***

Source: RHP, SSL Research

Peer Comparison – Financials (FY25)

Particulars (Rs cr)	Billionbrains Garage Ventures Ltd.	Angel One Ltd.	Motilal Oswal Financial Services Ltd.
CMP (Rs)	100	2,505	979
Sales	3,902	5,239	8,340
EBITDA	2,372	1,983	4,546
Net Profit	1,824	1,126	2,502
Mkt Cap.	61,736	22,725	58,730
Enterprise Value	55,723	10,921	48,232
EBITDA Margin (%)	60.8	37.9	54.5
Net Profit Margin (%)	46.8	21.5	30.0
P/E (x)	33.8	20.2	23.5
RoE	30.8	20.0	22.6
RoCE	41.1	33.6	40.8
EV/EBITDA (x)	23.5	5.5	10.6
EV/Sales (x)	14.3	2.1	5.8

For Billionbrains Garage Ventures Ltd., Market Cap, P/E(x), RoCE (%), RoE (%), EV/EBITDA (x), EV/Sales (x) are calculated on post-issue equity share capital based on the upper price band.

CMP of 31st October 2025 for peer companies

Source: RHP, SSL Research

SBICAP Securities Ltd.

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SEBI Registration No.: Stock Broker: INZ000200032 | CDSL: IN-DP-314-2017 | NSDL: IN-DP-NSDL-369-2014 | Research Analyst: INH000000602

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Monica Chauhan	C.A.	Research Analyst - Equity Fundamentals
Harsh Vasa	CA	Research Analyst - Equity Fundamentals
Sumeet Shah	B.E., CFA	Research Analyst - Equity Fundamentals
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Arnav Sane	BMS (Finance)	Research Associate - Equity Fundamentals
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