

RESEARCH**BLUESTONE JEWELLERY & LIFESTYLE | TARGET: Rs 635 | +47% | BUY**

Management Meet: Business Update & Key Insights

REAL ESTATE (FLEX-WORKSPACE OPERATORS) | Q3FY26 REVIEW

Efficient utilisation and growth; AI cloud looms large

RENAISSANCE GLOBAL | NOT RATED

Analyst Day: Key Takeaways

SUMMARY**BLUESTONE JEWELLERY & LIFESTYLE**

- Targeting scale-up to ~700 stores (~20% CAGR), backed by strong unit economics (~40% store-level ROCE)
- Gold-led (~60–70%) price spike caused temporary assortment disruption; SSSG moderated to low-20% before recovering to ~30–35%
- Jewellery market is structurally well-positioned, expect stock re-rating basis earnings turnaround & working capital efficiency in coming qtrs.

[Click here](#) for the full report.

REAL ESTATE (FLEX-WORKSPACE OPERATORS): Q3FY26 REVIEW

- Flex-workspace operators grew operational leasable area to ~35msf (+13.1% YTD FY26, +4.6% QoQ); on track to add ~5.5msf/Y
- Occupancy improved to ~81.8% (+230bps YTD FY26, +130bps QoQ) driven by efficient leasing and a higher proportion of mature centres
- Growth to be driven by improved utilisation and measured growth, but AI led disruptions merit caution; cut EV/Adj. EBITDA multiple to 9.3x

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RENAISSANCE GLOBAL

- The company is shifting from a working-capital-heavy B2B model to a high-margin, brand-led D2C jewellery platform to drive profitability
- Premium brands and US store expansion are expected to accelerate revenue growth and improve blended margins
- Improving mix and a negative working capital cycle should support stronger earnings growth and ROE expansion

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BUY
 TP: Rs 635 | ▲ 47%

**BLUESTONE
 JEWELLERY &
 LIFESTYLE**

| Retail

| 26 February 2026

Management Meet: Business Update & Key Insights

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Omnichannel Model Built to Solve Structural Conversion Gaps: BLUESTON highlighted that jewellery is inherently an omnichannel category, as online conversion rates in the early years were structurally low at ~0.1–0.2% despite strong engagement. Unlike other e-commerce categories that see 2–8% conversion, jewellery purchases require trust, physical validation, resizing, servicing, and exchange assurance. This led to the company’s strategic pivot from pure-play online (launched in 2012) to offline expansion beginning FY18. Management emphasized that omnichannel is not optional but intrinsic to jewellery buying behaviour in India.

Clear Store-Level Economics with 700-Store Scalability Vision: Management indicated long-term potential to scale toward ~700 stores over the next few years, targeting ~20% annual distribution growth. Mature stores are expected to deliver Rs 120–140 mn revenue, ~30% contribution margins, ~Rs 26 mn store-level EBITDA (post ~Rs 10mn opex), and ~Rs 24mn EBIT. With ~Rs 60 mn capital employed per store, this implies ~40% store-level ROCE. At the company level, capital employed historically stood at ~Rs 15 bn, with net worth ~Rs 18 bn and net debt ~Rs 2 bn. Management signaled sufficient balance sheet headroom, maintaining a maximum 1:1 debt-to-equity comfort level, while internal cash generation (Rs 1,300 mn) supports expansion of 70–80 stores annually.

Repeat Metrics and Customer Acquisition Remain Healthy: Repeat revenue at 58% in Q3, while savings/investment schemes ~20% of revenue and gradually trending upward. Management emphasized cohort-based tracking internally rather than focusing solely on blended repeat percentage, as repeat ratio is influenced by both customer retention and pace of new customer acquisition. Moreover, Entry-level pricing remains critical for acquiring first-time buyers and enabling long-term customer compounding.

Outlook: The 20–25% correction has largely priced in near-term execution and profitability risks. We believe a sustained earnings turnaround, improving return ratios (RoE/RoCE), and tighter working capital discipline could drive a valuation re-rating. We have a BUY rating at 25x EV/EBITDA on Dec 27 (30% discount to titan).

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	BLUESTON IN/Rs 432
Market cap	US\$ 719.7mn
Free float	84%
3M ADV	US\$ 1.9mn
52wk high/low	Rs 793/Rs 400
Promoter/FPI/DII	16%/35%/32%

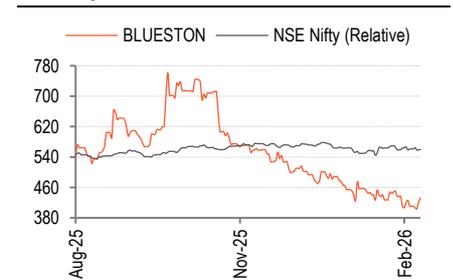
Source: NSE | Price as of 26 Feb 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	17,700	24,391	31,905
EBITDA (Rs mn)	751	3,489	4,494
Adj. net profit (Rs mn)	(2,197)	(459)	(33)
Adj. EPS (Rs)	(7.4)	(3.0)	(0.2)
Adj. ROAE (%)	(35.6)	(3.6)	(0.2)
Adj. P/E (x)	(58.4)	(142.7)	(1,974.3)
EV/EBITDA (x)	98.1	20.6	16.0
Adj. EPS growth (%)	45.3	(59.1)	(92.8)

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Efficient utilisation and growth; AI cloud looms large

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- Occupancy improved to ~81.8% (+230bps YTD FY26, +130bps QoQ) driven by efficient leasing and a higher proportion of mature centres
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Flex-workspaces operators expanded leasable area to ~35msf, on-track for stable growth of ~5.5msf/Y (in-line with 3Y avg.). Operators seem to have zeroed in on an appropriate size of centres for their individual strategies (average centre size of ~0.1msf) that optimize for presence in core markets and utilisation. Over FY26E-28E, we expect flex-workspace operators within our coverage, to expand operational leasable area at an annualised rate of 18.9% as they adjust growth to optimise utilisation of their workspaces.

Average blended occupancy improved to ~81.8% (+230bps YTD FY26, +130bps QoQ) helped by the efficient leasing of the new space added into the portfolio and a higher proportion of mature centres. Going forward however, we believe that the disruption in IT functions triggered by the advent of AI and its applications, is likely to affect leasing and occupancy negatively.

Revenue from operations increased 32.2% YoY (average) on the back of improved occupancy and increased contributions from VAS. We expect VAS to make up a bigger portion of operating revenues as operators expand their offerings and monetise their work-spaces more efficiently.

We estimate that the effective leasing by IT/ITeS tenants has been ~44% of total office leasing over CY18-CY25. Despite trending lower over the period, these tenants continue to be one of the major drivers of office leasing pan India. Outsourced roles have moved up the value chain, however, a majority of these outsourced roles still remain non-critical and ripe for elimination as a result of productivity gains from increasingly sophisticated AI applications. Though we remain up-beat about the overall demand for flex-workspaces and the management of these workspaces by operators, we build in some scepticism around the leasing demand from IT/ITeS companies and **adjust our EV/Adj. EBITDA multiple lower to ~9.3x (11.4x previously)**. Accordingly, we adjust 1Y TPs lower by an average of ~18%.

Recommendation snapshot

Ticker	Price	Target	Rating
AWFIS IN	298	335	HOLD
INDIQUBE IN	175	233	BUY
SMARTWOR IN	416	543	BUY
WEWORK IN	530	765	BUY

Price & Target in Rupees | Price as of 25 Feb 2026



NOT RATED
RENAISSANCE GLOBAL | Retail Jewellery

| 26 February 2026

Analyst Day: Key Takeaways

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Strategic Pivot Towards High-Margin D2C Model: We attended the Investor Day of Renaissance Global (B2B jewellery exports & D2C), where management articulated a clear strategic pivot from a working-capital-heavy B2B manufacturing model to a brand-led, asset-light D2C platform. While the legacy B2B business (~Rs16–17 bn) will remain stable, incremental growth and profitability will be driven by D2C. The company currently generates ~Rs 20–22 bn revenue, of which ~Rs 400 bn comes from D2C, which has recently turned profitable marking an inflection point for operating leverage and margin expansion.

Strong Brand Portfolio Anchored by Premium & Mid-Market Plays: The D2C portfolio is anchored by premium luxury brand Jean Dousset, mid-market online platform “With Clarity”, and the licensed fine jewellery business with Disney in North America. Jean Dousset operates at ~65–70% gross margins with strong store economics (sub-one-year payback), and management plans to scale from 2 stores to 15 stores over three years. “With Clarity” has scaled from ~Rs 0.4 bn at acquisition to ~Rs 2bn currently, operating on a made-to-order, negative working capital model. The Disney licensed business contributes ~Rs 4bn revenue and provides stable 20–25% organic growth visibility.

Lab-Grown Diamonds as Structural Growth Driver: Lab-grown diamonds account for ~90% of D2C revenue and 20–25% of B2B revenue, reflecting a structural shift in consumer preference, particularly in the US where penetration stands at ~30–40%. Moreover, the significant price differential versus natural diamonds continues to drive adoption. Management remains asset-light through an API-led sourcing model, reducing inventory risk and price volatility exposure. The D2C business operates on a negative working capital cycle, significantly improving capital efficiency compared to the traditional B2B model.

FY29 Vision: Margin Expansion & Return Ratio Improvement: Management guided for revenue of ~Rs 26bn by FY29, with D2C contributing ~Rs 10bn. Net income is expected to double from ~Rs 1bn to ~Rs 2 bn, and ROE is targeted to improve to ~16% over the next three years.



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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.

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