

August 31, 2026

Indian luxury fashion omni-channel retailer

About the Company: Purple Style Labs Ltd. (PSL) owns and operates Pernia's Pop-Up Shop (PPUS), a multi-brand luxury fashion retail platform offering designer clothing, occasion wear and bridal collections sourced from 1,109 Active Designer Brands, with presence in India and abroad (UK and USA). PSL opened its first flagship Experience Center in Juhu, Mumbai in 2018.

Key triggers/Highlights:

- PSL operates through an omni-channel model with its online platform and 14 experience centres (i.e. store) located majorly in Tier I cities, 12 of which are in India, one each in London, UK and New York, USA. Its store size ranges from 20,000 sq. ft. to 60,000 sq. ft. PSL opened 4 such stores in FY26.
- Revenue grew at CAGR of ~5% to Rs. 557.8cr in FY26 from Rs. 504.4cr in FY24 (GMV grew at CAGR of 7.7% to Rs.721.6cr over FY24-26). Womenswear contributed 77.7% to Gross merchandise value (GMV) while Menswear (18.3%), jewellery, accessories and kidswear accounted for the rest. India contributed 79.7% of total FY26 GMV while international markets account for 20.3% of total GMV in FY26.
- The company has shifted its product-mix towards more premium higher value assortment, resulting in decline in total no. of orders and customers. This led to increase in AOV to Rs.75,505 in FY26 from Rs.45,512 in FY24 (CAGR of ~30%) and ASP to Rs.47,051 in FY26 from Rs.26,936 in FY24 (CAGR of ~32%). AOV for store in India was Rs.90,651 vs Rs.38,753 for online business (~2.34 times higher than that of online).
- Gross margins declined by ~400bps YoY in FY26 due to various factors such as higher liquidation of old inventory at discount, impact of GST rate changes and the blended domestic-international revenue mix. Consequently, EBITDA margin declined to 3.8% in FY26 from 7.7% in FY25.
- PSL's adjusted loss has widened to Rs.167.5cr in FY26 from Rs.47cr in FY24. The company's interest cost has increased by more than 2x over the last 2 years. Accelerated store additions have led to rise in depreciation by ~3x over the last 2 years. These factors contributed towards widening losses. Overall Reported losses stood at Rs.285.4cr (after one-time exceptional items pertaining to ESOPs).
- Inventory turnover has remained stable at ~2x over FY24-FY26, with inventory days at ~170-200 days, indicating high inventory requirements to maintain a broad assortment of luxury products which leads to high working capital. This is partly mitigated by back-orders, where customer payments are collected upfront while supplier payments are made with a ~30-day lag.

Our View & Rating: The company has witnessed negative operating cash flows over the past 3 years. We believe it will take some time for the company to become cash flow positive considering sustained new store addition and higher inventory requirement per store. **We assign UNRATED rating to Purple Style Labs Ltd.**

Key risk & concerns

- Continued losses and negative operating cash flows raise concerns around sustainable profitability and cash generation.
- The company's growth depends on the addition of new Experience Centres to drive sales and profitability. However, if the new centres do not generate adequate revenue, it can lead to further losses.

Key Financial Summary

Financial Summary (₹ crore)	FY24	FY25	FY26	FY24-26 CAGR
Revenues	504.4	489.9	557.8	5.2%
EBIDTA	26.0	37.9	21.1	-9.8%
EBIDTA Margin (%)	5.1%	7.7%	3.8%	
Reported PAT	-47.7	-188.4	-285.4	-
EPS (Rs.)	-	-	-	
PE (x)	-	-	-	
EV to EBIDTA (x)	162.9	110.8	222.0	
RoE (%)	-	-	-	
RoCE (%)	-	-	-	

Source: RHP, ICICI Direct Research

UNRATED

PERNIA'S

POP-UP SHOP

PURPLE STYLE LABS LIMITED

IPO Details

Issue Details

Issue opens	31st August 2026
Issue closes	2nd September 2026
Issue size	Rs.680 crore
QIB (Institutional) Share	Not less than 75% of the Offer
Non- Institutional Share	Not more than 15% of the Offer
Retail share	Not more than 10% of the Offer
Issue Type	Fresh Issue
Price band (₹/share)	Rs.546- Rs.575/share
Market Lot	26 shares
Face value	10
Listing Market Cap @ Upper Price Band	Rs.4604 crore

Shareholding pattern

	Pre-Issue	Post-Issue
Promoters	28.3	24.1
Public	71.7	75.9
Total	100	100

Objects of the issue

Objects of the issue

To issue fresh capital wherein Net proceeds from the fresh issue will be utilized for expenditure towards lease liabilities related to Experience Centers and back-end offices in India (Rs.371.1cr), sales and marketing (Rs.138.9cr) and rest for general corporate purposes.

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Avoid: Do not apply for the IPO

Unrated: No view on applying for the IPO

Subscribe only for long term: Apply for the IPO only from a long-term investment perspective (>two years)

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