



CREDENCE
INVESTMENTS

Credence Investments

<https://Credenceinvestments/Boat>

Company Note as of 31st December 2024



COMPANY OVERVIEW

Metric	Value
ISIN	INE03AV01027
Face Value	1
Depository	NSDL & CDSL
PAN Number	AADC13821M
Market Capitalization (in cr)	₹ 16105
Total Shares Outstanding (96146300
Price-to-Earnings (P/E) Ratio	N/A
Price-to-Book (P/B) Ratio	34.08
Earnings Per Share (EPS)	-5.52
Sector	Consumer Durable
Category	Limited By Shares/ Non-Government Company
52-Week High	₹ 1675
52-Week Low	₹ 1395

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SNAPSHOT: BOAT

boAt, officially operated under the parent company **Imagine Marketing Limited**, is a prominent Indian consumer electronics and lifestyle brand established in **2014**. Headquartered in **New Delhi**, the company has positioned itself as a leading player in the **audio and wearable technology** space, known for its strong resonance with **urban youth and digital-native consumers**.

From inception, boAt adopted a **digital-first, direct-to-consumer (D2C)** business model, capitalizing on the exponential growth of online retail and digital engagement in India. This strategic approach allowed the company to build **brand loyalty and market penetration** rapidly through platforms like **Amazon, Flipkart**, and its own website. The D2C model also enabled better pricing, consumer feedback loops, and a deep understanding of evolving lifestyle needs.

boAt has also cultivated a **multi-channel distribution network**, expanding its presence across **offline retail outlets**, including large format electronics stores and local distributors, to reach a broader consumer base beyond metro cities.

Aligned with India's '**Make in India**' vision, boAt has increasingly focused on **domestic manufacturing partnerships**, working with contract manufacturers and OEMs to localize production and reduce reliance on imports. This step not only supports national manufacturing initiatives but also helps manage supply chain efficiency and cost competitiveness.

The company is backed by **notable investors**, including **Warburg Pincus, Qualcomm Ventures**, and **InnoVen Capital**, reflecting institutional confidence in boAt's long-term business potential and market leadership in the lifestyle electronics category.

Today, Imagine Marketing Limited stands as one of India's fastest-growing consumer tech companies, with a focus on branding, affordability, and aspirational value — serving a rapidly growing and tech-savvy customer base

BOAT – PRODUCTS & SERVICES

*boAt, under Imagine Marketing Limited, offers a diverse portfolio of consumer electronics and lifestyle technology products that blend **style, functionality, and affordability**. The brand primarily targets **millennials and Gen Z consumers**, catering to their **digital lifestyle needs** with trendy, tech-enabled accessories.*

◆ 1. Audio Products

- **Wired & Wireless Earphones:** Including **neckbands, wired earbuds, and Bluetooth earphones** designed for portability and daily use.
 - **True Wireless Stereo (TWS) Earbuds:** One of boAt's flagship categories, known for **compact design, voice assistance, and touch controls**.
 - **Headphones:** Over-ear and on-ear models with **noise isolation, long battery life, and bold aesthetics**.
 - **Wireless Speakers:** Portable and rugged designs ideal for **outdoor use, with water resistance and deep bass**.
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◆ 2. Wearables

- **Smartwatches & Fitness Bands:** Feature-rich devices with **heart rate monitors, SpO2 sensors, fitness tracking, Bluetooth calling, and multiple sport modes**, often integrated with boAt's **Crest App**.
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◆ 3. Personal Grooming Devices

- **Trimmers & Grooming Kits:** For men and women, focused on **affordability, ergonomic design, and USB charging**.
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◆ 4. Mobile Accessories

- **Charging Cables & Adapters:** Fast-charging solutions, including **Type-C, Lightning, and Micro-USB** cables with **braided durability**.
- **Power Banks:** Sleek, high-capacity units suitable for **on-the-go charging**.

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- **Car Accessories:** Chargers, phone holders, and other accessories for in-vehicle use.
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◆ 5. Gaming Gear

- **boAt Immortal Series:** A line of **gaming headsets** designed for **low-latency, immersive audio**, and **RGB lighting**, aimed at the **fast-growing gaming community**.
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◆ 6. Audio for Professionals

- **boAt Nirvana Series:** Premium audio products such as **ANC (Active Noise Cancellation) headphones**, tuned for **music lovers and professionals**.
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◆ 7. Lifestyle Services (Emerging Focus)

- **boAt Labs:** R&D initiative focused on **product innovation, acoustic engineering**, and **smart tech integration**.
- **boAt Hearables & Wearables Platform:** Integration with **boAt's Crest App** and ecosystem services for **data syncing, wellness tracking**, and **personalization**.

COMPANY OVERVIEW

boAt – Key Milestones & Achievements

◆ 2016 – Founding Year

- **boAt was founded** by **Aman Gupta** and **Sameer Mehta** with a mission to **make tech stylish and affordable** for Indian millennials.
 - Launched its first products focusing on **mobile accessories** like **durable charging cables** and **earphones**.
-

◆ 2018 – Rapid Growth in Audio Category

- Expanded into the **audio wearables market** with the introduction of **wireless speakers, earphones, and headphones**.
 - Reached **Rs. 100 crore in revenue** within 2 years of operations, signaling strong market traction.
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◆ 2020 – Market Leadership

- boAt became the **#1 audio brand in India** by volume in the **earwear** segment (as per IDC).
- Recognized among **India's top 5 wearable brands** by IDC and Counterpoint Research.
- Gained significant traction during the pandemic with rising demand for **WFH accessories**.

◆ 2021 – Strong Funding & Valuation

- Raised **₹50 crore from Qualcomm Ventures**, signaling a move towards **smart wearable innovation**.
- Surpassed **Rs. 1,500 crore in revenue**, showcasing its dominance in the lifestyle electronics space.
- Expanded into **smartwatches** and **personal grooming devices**.

◆ 2022 – IPO Filing & D2C Leadership

- Filed for an **₹2,000 crore IPO** with SEBI.
- Emerged as one of **India's top D2C (Direct-to-Consumer) brands**, shipping over **10,000 units daily**.
- Ranked among the **top 10 TWS brands globally**.

◆ 2023 – Strategic Partnerships & Innovation

- Collaborated with **Qualcomm, Dirac, and Dolby** to improve **audio quality** and **tech integration**.
- Introduced **boAt Labs**, its in-house **R&D center** focused on innovation and product design.
- Partnered with **Tata Group's Titan** for expanding wearable offerings.

◆ 2024 – Manufacturing Expansion

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- Made significant moves under the **Make in India** initiative by setting up **local manufacturing** with partners like **Dixon Technologies** and **Optimus Electronics**.
- Achieved over **50 million units sold** across product lines.
- Sustained market leadership in **earwear** and **wearables**, as per **IDC Q4 2023 report**.

INDUSTRY OVERVIEW

Industry Overview – Consumer Electronics & Wearables in India

Rapid Market Growth

- The **Indian consumer electronics and wearable technology industry** has witnessed **exponential growth** over the last few years, driven by **digital adoption**, **affordable internet**, and a **young tech-savvy population**.
- As of 2024, India is among the **top five global markets** for **smart wearables** and **audio accessories**.

Audio Wearables Segment

- The **earwear category** (headphones, wireless earbuds, etc.) is one of the **fastest-growing segments** in consumer electronics.
- As per IDC and Counterpoint Research:
 - India became the **largest market globally for TWS (Truly Wireless Stereo) shipments** in terms of growth rate.
 - Homegrown brands like **boAt**, **Noise**, and **Boult Audio** dominate the segment, outperforming global brands on **volume and affordability**.
- Growth is driven by the **rise in remote working**, **online education**, and **content consumption**.

Smart Wearables Segment

- The **smartwatch and fitness band** market in India has expanded significantly, with CAGR estimates of over **20%** in recent years.
- Wearables are now seen not just as lifestyle accessories but as **health and productivity tools**, with features like **heart rate monitoring**, **SpO2**, and **sleep tracking** becoming standard.

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Key Industry Drivers

- **Rising Disposable Incomes:** Increased spending on lifestyle and digital accessories.
- **Youth Demographics:** Over **65% of India's population is under 35**, forming a large base of potential tech adopters.
- **Affordable Pricing:** D2C brands like boAt have made **premium features accessible at competitive prices**.
- **Localization & Make in India:** Government initiatives like **PLI Scheme** are encouraging local manufacturing, reducing dependency on imports.

Emerging Trends

- **Integration of AI and IoT** in devices for smarter user experiences.
- Expansion into **smart home audio, gaming accessories, and hybrid fitness-tech gadgets**.
- Emphasis on **sustainability** in packaging and design.
- **Omnichannel Distribution:** Strong shift to a hybrid model combining **e-commerce, D2C platforms, and offline retail**.

Market Landscape

- The industry is marked by intense competition between **global giants** (e.g., JBL, Apple, Samsung) and **Indian disruptors** like boAt, Noise, and Fire-Boltt.
- Focus is shifting toward **R&D, brand positioning, and customer experience** to gain long-term loyalty.

The **Indian commodity derivatives market** has witnessed **substantial growth** since its inception, driven by **increasing awareness, broader participation, and strong regulatory support**. This expansion reflects the **growing sophistication** of India's financial markets and the rising demand for **risk management tools** in the commodity sector.

FINANCIAL HIGHLIGHTS FY 24:

- **Cost of Material Consumed** followed a similar trend, peaking in FY23 at ₹2,527 Cr, before reducing to ₹2,263 Cr in FY24.
- **Gross Margins** improved consistently over the years, rising from **4.49% in FY21** to **27.09% in FY24**, indicating an enhanced focus on profitability and operational efficiency.
- **EBITDA** remained positive in FY21 and FY22 (₹127 Cr and ₹130 Cr respectively), with a shift to marginal negative values in FY23 and FY24 (₹-81 Cr and ₹-3 Cr), accompanied by a corresponding shift in **Operating Profit Margins**.
- **Other Expenses** showed a steady increase until FY23 (₹748 Cr), followed by a slight reduction to ₹715 Cr in FY24.
- **EBIT** tracked a similar trend to EBITDA, with positive values in FY21–FY22, and a decline into negative territory in FY23–FY24.
- **Profit Before Tax (PBT)** and **Net Profit (PAT)** followed the same directional shift, with **positive earnings in FY21 and FY22**, turning negative in the following years.
- **Net Profit Margins (NPM)** declined from **6.54% in FY21** to **-1.71% in FY24**.
- **Earnings Per Share (EPS)** reflected this transition, moving from ₹9.2 in FY21 to ₹-5.52 in FY24.

boAt Financials Performance (INR Crores)

Metric	2021	2022	2023	2024
Revenue	1314	2873	3377	3104
Cost of Material Consumed	1255	2591	2527	2263
Gross Margins	4.49	9.82	25.17	27.09
Change in Inventory	-234	-245	84	32
Employee Benefit Expenses	15	56	99	97
Other Expenses	151	341	748	715
EBITDA	127	130	-81	-3
OPM	9.67	4.52	-2.4	-0.1
Other Income	7	12	21	18

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Finance Cost	12	34	78	63
D&A	3	9	25	22
EBIT	124	121	-106	-25
EBIT Margins	9.44	4.21	-3.14	-0.81
PBT	118	99	-163	-70
PBT Margins	8.98	3.45	-4.83	-2.26
Tax	32	30	-34	-17
PAT	86	69	-129	-53
NPM	6.54	2.4	-3.82	-1.71
EPS	9.2	7.19	-13.44	-5.52

boAt Financial Ratios

Key Ratios`	2021	2022	2023	2024
Operating Profit Margin	9.67	4.52	-2.4	-0.1
Net Profit Margin	6.54	2.4	-3.82	-1.71
Earning Per Share (Diluted)	9.2	7.19	-13.44	-5.52

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CONSOLIDATED FINANCIAL STATEMENTS

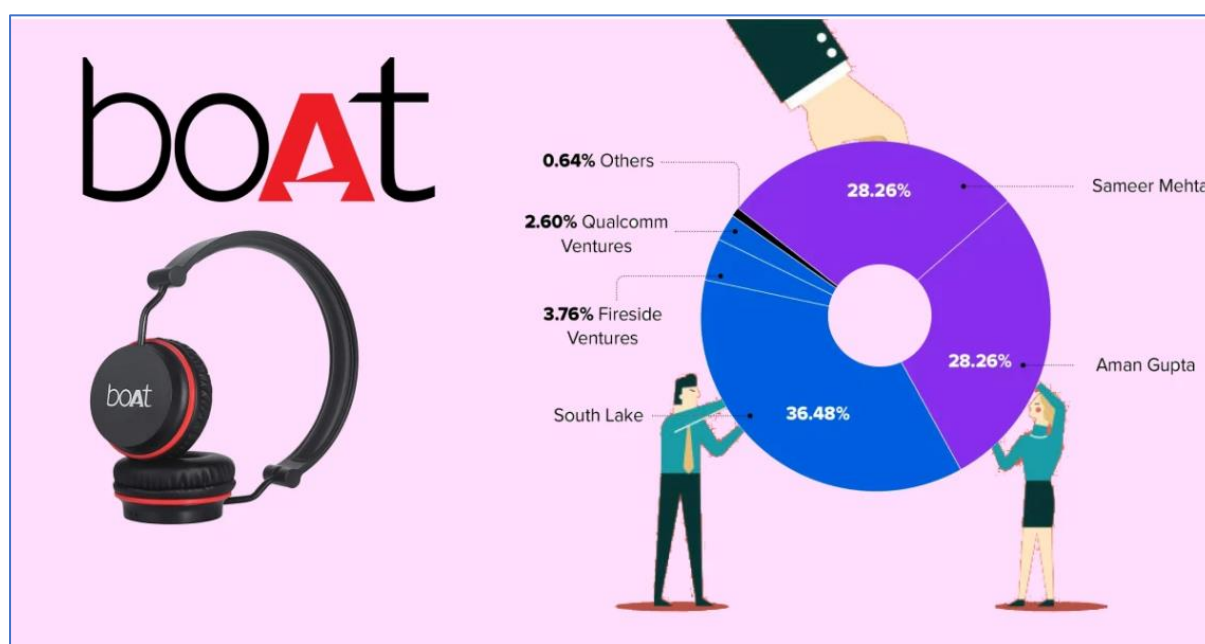
Financials: [Annual Report](#)

FINANCIAL PERFORMANCE

The standalone and consolidated financial performance highlights of the Company are as under:

PARTICULARS	Standalone (Amount INR in million)		Consolidated (Amount INR in million)	
	For the financial year ended 31.03.2024	For the financial year ended 31.03.2023	For the financial year ended 31.03.2024	For the financial year ended 31.03.2023
Total Income	31,216.04	32,847.62	31,353.46	34,031.84
Less: Total Expenditure	31,924.04	34,206.44	32,335.90	35,620.74
Profit / (Loss) Before Tax	(708.00)	(1,358.82)	(962.53)	(1,637.12)
Less: Current Tax	0.16	-	6.48	6.17
Tax related to Earlier Years	-	-	0.36	0.23
Deferred Tax	(172.23)	(348.36)	(172.53)	(348.98)
Profit / (Loss) after Tax	(535.93)	(1,010.46)	(796.84)	(1,294.54)
Other Comprehensive Income/(Loss)	2.97	(0.76)	(52.97)	72.95
Total Comprehensive (Loss)	(532.96)	(1,011.22)	(849.81)	(1,221.59)
EPS Basic	(5.54)	(10.46)	(8.24)	(13.40)
EPS Diluted	(5.54)	(10.46)	(8.24)	(13.40)

SHAREHOLDING PATTERN



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MANAGEMENT

Corporate Information

Board of Directors, Key Managerial Personnel & Senior Management Team

Mr. Sameer Mehta	: Whole-time Director & Chief Executive Officer (w.e.f. May 04, 2023)
Mr. Aman Gupta	: Whole-time Director
Mr. Vivek Gambhir	: Non-Executive Director (w.e.f. May 04, 2023)
Mr. Anish Saraf	: Non-Executive Director
Mr. Aashish Kamat	: Independent Director
Mr. Anand Ramamoorthy	: Independent Director
Mr. Deven Waghani	: Independent Director
Mrs. Purvi Sheth	: Independent Director
Mr. Rakesh Thakur	: Chief Financial Officer (w.e.f. December 12, 2023)
Mr. Shreekant Sawant	: Company Secretary (w.e.f. April 11, 2024)
Mr. Gaurav Nayyar	: Chief Operations Officer
Mr. Shashwat Singh	: Chief Information Officer
Mr. Prashant Kamal	: Head of India Manufacturing and Supply Chain

Bankers

1. The Hongkong and Shanghai Banking Corporation Limited
2. RBL Bank Limited
3. ICICI Bank Limited
4. Axis Bank Limited
5. HDFC Bank Limited
6. Standard Chartered Bank
7. Citi Bank N.A.
8. DBS Bank India Limited

IPO DETAILS

boAt is actively preparing to launch its Initial Public Offering (IPO) in the financial year 2025–26. The company plans to raise approximately **₹2,000** crore through the offering, which will include a ₹500 crore fresh issue, and a **₹1,500** crore offer for sale by existing shareholders. The targeted valuation at the time of listing is around **\$2** billion. To support this process, boAt has engaged ICICI Securities, Goldman Sachs, and Nomura as lead book-running managers.

This move marks a renewed attempt by the company to go public, following the withdrawal of its earlier IPO plans in 2022 due to unfavorable market conditions. The fresh funds raised are expected to be utilized for business expansion, product development, and reducing existing liabilities.

In terms of recent financial performance, boAt recorded a revenue of **₹3,104** crore in **FY2024**, slightly down from the previous year, while net losses reduced significantly, signaling improved cost management. Despite fluctuations in profitability, the company reported a marginally negative EBITDA for the year, showing resilience amid a challenging consumer electronics market. The IPO is positioned as a strategic step in enhancing the brand's visibility, expanding investor access, and accelerating future growth.

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NEWS

- https://www.business-standard.com/industry/news/aman-gupta-backs-piyush-goyal-s-push-for-deep-tech-focus-in-startups-125040600683_1.html
- https://www.business-standard.com/markets/news/tata-capital-boat-take-confidential-ipo-route-submit-drhps-to-sebi-125040700140_1.html
- <https://www.moneycontrol.com/technology/boat-leads-india-s-tws-market-boult-and-noise-closely-follow-article-12939284.html>

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