

Recommendation	Subscribe
Price Band	Rs. 846-890
Bidding Date	23 rd –25 th Sept
Book Running Lead Manager	Nuvama wealth Ltd, Motilal Oswal Inv
Registrar	Bigshare Services Private Limited
Sector	Education

Minimum Retail Application- Detail At Cut off Price

Number of Shares	16
Minimum Application Money	Rs. 14240
Payment Mode	ASBA

Consolidated Financials (Rs Cr)	FY24	FY25
Total Income	199	252
EBITDA	62	82
Adj PAT	38	52

Valuations (FY25)	UpperBand
Market Cap (Rs Cr)	1,972
Adj EPS	23
P/E	38
EV/Sales	24
Enterprise Value (Rs Cr)	1973

Post Issue Shareholding Pattern

Promoters	57.3%
Public	42.7%

Offer structure for different categories

QIB (Including Mutual Fund)	50%
Non-Institutional	15%
Retail	35%
Post Issue Equity (Rs. in Cr)	22.2
Issue Size (Rs in Cr)	450
Face Value (Rs)	10

Kavita Vempalli
Sr Research Analyst (022 62738034)

BACKGROUND

Incorporated in 2009, Jaro is an aggregator of online higher education and upskilling courses from various institutions like Symbiosis Intl, D.Y Patil Vidyapeeth, iFEEL, Bharti Vidyapeeth, etc. who act as partners in imparting classes online. Jaro caters to a total of 36 Partner Institutions with a pan-India presence in over 22 offices-cum-learning centres across major cities apart from 17 immersive tech studio set-ups in the campuses of various IIMs. These partner institutes benefit from marketing and promotion and student acquisitions and support from Jaro.

Details of the Issue

Jaro IPO is a book build issue of Rs. 450 cr. The issue is a combination of fresh issue of 0.19 cr shares aggregating to Rs.170 cr and OFS of 0.31 cr shares aggregating to Rs.280 cr.

Investment Rationale

1. Market leading position in online higher education and upskilling space with strong brand image and pan India presence.
2. High revenue predictability backed by long-lasting, robust client relationships.
3. Plan for expansion of geographical footprint in place.

Risks

1. Jaro may be adversely affected if its Partner Institutions start directly marketing their degree programs and certification courses.
2. Client Concentration Risks exist since 62% of revenues comes from Top 5 clients.

Valuation and Recommendation

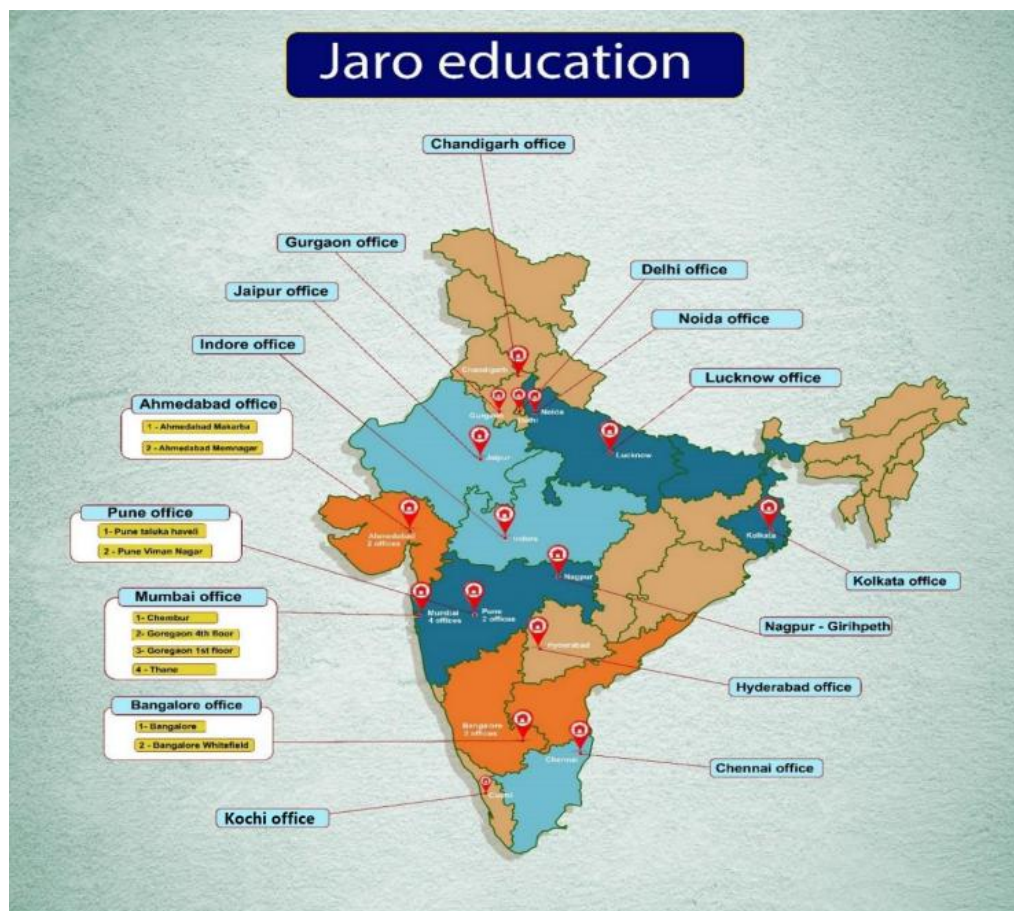
Jaro has emerged as a leading player in India's online higher education and upskilling platform. The Industry is expected to grow at a CAGR of 22% to reach Rs.0.85 lakh cr by FY28. Co successfully has developed partner relationships with leading Tier 1 and Tier 2 players and has plans to further capitalize on their trust by increasing geographical footprint along with introducing more courses grabbing immense opportunities unfolding in the industry. Moreover, Jaro has successfully taken fees hike share with its partners demonstrating its market leadership position. Co's revenues/ebitda have grown at a cagr of 44%/89% during FY23-25 and has healthy return ratios. Issue at Upper price band is available at a P/E of 38x FY25 earnings and We recommend '**Subscribe**' to the issue citing good future growth prospects.

Financials	FY23	FY24	FY25
Net Revenues	122	199	252
Growth (%)		63.0%	26.7%
Ebitda	23	62	82
Ebitda(Margin %)	18.9%	31.3%	32.4%
PBT	16	52	70
Adjusted PAT	11	38	52
EPS	5.16	17.16	23.32
ROCE	16.7%	39.9%	33.4%
P/E	172.64	51.88	38.17
EV/Sales	16.2	9.9	7.8
EV/ EBITDA	85.4	31.6	24.1

Company Background

Incorporated in 2009, Jaro Institute of Technology Management and Research Limited (Jaro) is an aggregator of online higher education and upskilling courses from various institutions like Symbiosis International (Deemed University), Dr. D. Y. Patil Vidyapeeth, iFEEL, Bharti Vidyapeeth, etc. who act as partners in imparting classes online. Jaro caters to a total of 36 Partner Institutions with a pan-India presence in over 22 offices-cum-learning centres across major cities for offline learning, apart from 17 immersive tech studio set-ups in the campuses of various IIMs. These partner institutes benefit from marketing and promotion and student acquisitions and support from Jaro.

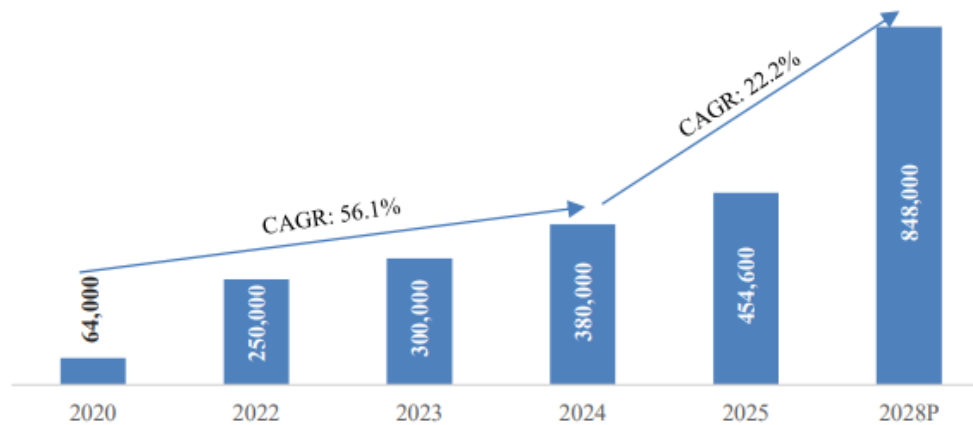
The company offers a total of 268 Degree programs and courses, including Doctor of Business Administration ("D.B.A."), Master of Business Administration ("M.B.A."), Master of Commerce ("M.Com."), Master of Arts ("M.A."), Post Graduate Diploma in Management ("P.G.D.M."), Master of Computer Applications ("M.C.A."), Bachelor of Commerce ("B.Com."), Bachelor of Computer Applications ("BCA") and other degree programs. Offers online, hybrid and in-person certification courses in management, fintech, data science, business analytics, design thinking and digital marketing. It has partnered with 36 Partner Institutions, comprising 16 Tier-1 universities and institutions in India, (including 7 IIMs, 7 IITs, and 15 Tier-2 Universities).



Industry Overview

The online education and upskilling market in India is expected to reach Rs. 0.85 lakh crore by FY 2028 from current market value of Rs. 0.3 lakh cr in FY 2024, growing at a CAGR of 22.2%. An integral sector within the online higher education and upskilling market is the online certification & upskilling segment. This category encompasses courses designed for skill development, a diverse array of certification programs affiliated with both Indian and international colleges and universities, language courses and certain courses are offered in partnerships with corporate. The online skilling and certification course market size in India is valued at Rs 1.32 Lakh Mn in FY 2024 and is projected to grow at a CAGR of 24.0% over the next four years, to reach a market size of Rs 3.13 lakh Mn by FY 2028.

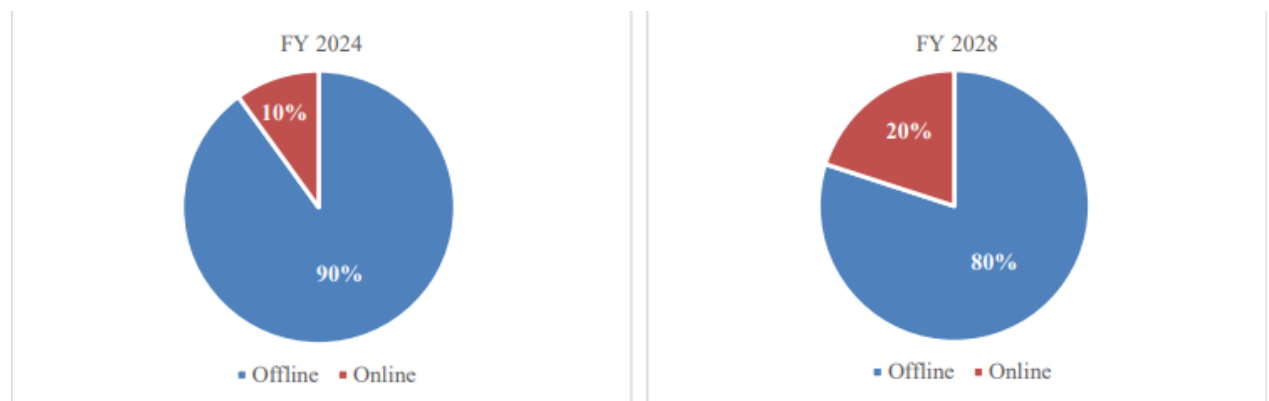
Online Education and Upskilling Market Size in India (Rs. Mn)



Source: NBRR, Technopark

As the sector continues to innovate, online higher education and upskilling platforms and entities are well-positioned to play a pivotal role in shaping the future of higher education, certification, and upskilling initiatives in India. Online Mode of education is anticipated to gain momentum going forward.

Offline-Online Share – Skilling and Certification Market



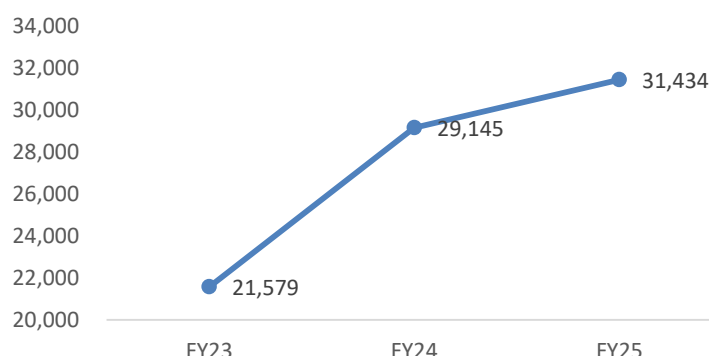
Source: NBRR, Technopark

Investment Rationale

Market leading position in online higher education and upskilling space with strong brand image and pan India presence

Since its launch in 2009, Jaro has established its position as one of the early movers in the industry with focus on delivering flexible and accessible learning solutions supported by collaborations and has positioned itself to capitalize on the significant potential of India's online higher education and upskilling market.

Number of Enrollments



High revenue predictability backed by long-lasting, robust client relationships

Online education platforms facilitate a global reach, enabling educational institutions to offer degree programs and certification courses to a broader audience. This leads to increased enrolment and revenue streams for universities and colleges. Backed by its deep market insights, Jaro has been successful in creating 243 successful degree programs and certification courses and has grown from 21 partnerships in FY22 to 36 in FY25.

Co designs and deploys dedicated program managers and support teams for smooth management of degree programs and certification courses. Jaro's top 5 Partner Institutions contribute 62.4% to revenue with whom it has long-term relationships ranging up to 7 years and provides a high degree of predictability of revenues. Moreover, Jaro has successfully taken fee rise from time to time from its partners. For instance, its fee sharing with DY Patil has increased from 55% in FY21 to 60% in FY23, while that of Bharti Vidhyapeeth's has gone up from 41% in FY22 to 50% in FY24.

University	Year of Commencement	No of Learners at Commencement	No of Learners in FY25	Cummulative No of Leaners
DY Patil	2021	1737	5478	21574
Symbiosis	2023	82	7037	11048
Bharti Vidhyapeeth	2020	2187	2589	14088
IIM Ahmedabad	2018	339	535	2720
IIM Tiruchirappalli	2019	504	604	3232
IIM Mumbai	2023	371	245	1500
IIM Indore	2022	62	154	433
Rotman, Toronto	2021	39	0	88

Source: NBRR, Co

The strength of Jaro's relationships with its Partner Institutions is evidenced by a strong, growing number of Tier1 university partners and pan-India presence with on-campus studios and off-campus learning centres at premier universities. The positive outcomes and exceptional performance have led prestigious institutions, such as IIMs, IITs, and other top-tier universities and institutions, to opt for renewal of their contractual arrangements with Jaro demonstrating the predictability and recurring nature of business and long-standing client relationships.

Expand geographical footprint by setting up additional offices, learning centres and immersive studios in locations across India and increasing outreach to Learners

Jaro's Partner Institutions are spread across India with 12 in the western region, 7 in the northern region, 11 in the southern region and 2 in the eastern region. Co plans to expand its geographical footprint across India, by setting up additional branch offices in both existing and new cities and towns across India. It further has plans to expand the portfolio of partnerships with top NIRF-ranked universities and institutions across India. Co plans to also tap into the latent potential of Tier-2 and Tier-3 markets, by setting up on-campus immersive tech studios and off-campus immersive tech learning centres across regions in India. This will enable it to localize degree programs and certification courses to cater to the specific needs and preferences of these markets and to implement marketing activities in such cities to widen the geographical outreach. Jaro also has plan to expand its roster of partnerships with global Partner Institutions, in order to leverage global networks of Learners, faculty, resources and industry alliances. This will enable it to not only strengthen its brand image abroad, but also offer its Learners a more diverse portfolio of degree programs and certification courses to choose from, as well as to upskill and explore advanced learning and career opportunities abroad.

Valuation and Recommendation

Jaro has emerged as a leading player in India's online higher education and upskilling platform. The Industry is expected to grow at a Cagr of 24.6% to reach Rs.4.15 lakh mn by FY28. Co successfully has developed partner relationships with leading Tier 1 and Tier 2 players and has plans to further capitalize on their trust by increasing geographical footprint along with introducing more courses grabbing immense opportunities unfolding in the industry. Moreover, Jaro has successfully taken fees hike share with its partners demonstrating its market leadership position. Co's revenues/ebidta have grown at a cagr of 44%/89% during FY23-25 and has healthy return ratios. Issue at Upper price band is available at a P/E of 38x FY25 earnings and we recommend '**Subscribe**' to the issue citing good future growth prospects.

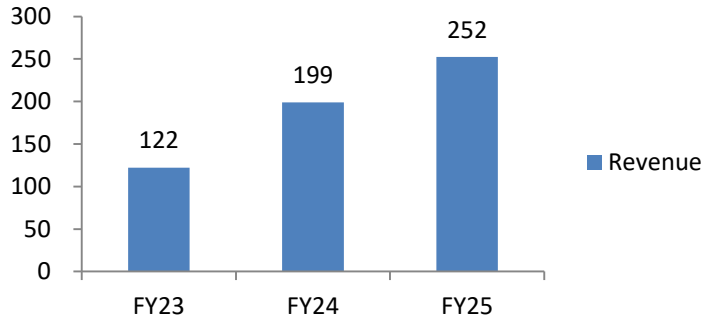
Company does not have any listed peers in this space. We are showing data of few unlisted players in this space.

Peer Comparison

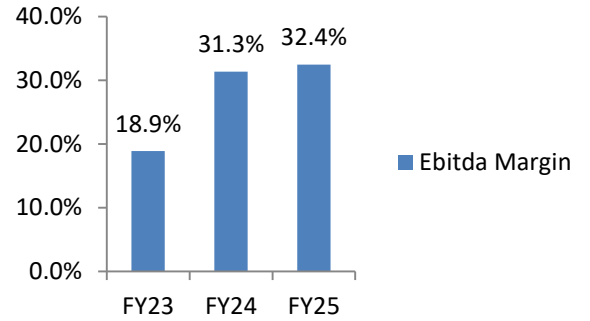
	Rev Cagr 2021-24	EBIDTA Margin %	ROE	ROCE
Jaro	55.40%	31.90%	37.80%	40.90%
Simplilearn	30.10%	-3.90%	-48%	-42.50%
Unext	165.50%	-58.70%	-91.10%	-1303.80%
UpGrad	70.10%	-21.00%	-951%	-124.30%

*Margins, ROE, ROCE are of FY24.

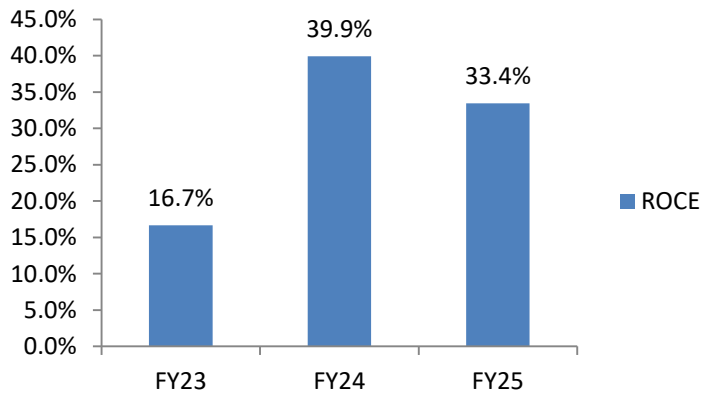
Revenue



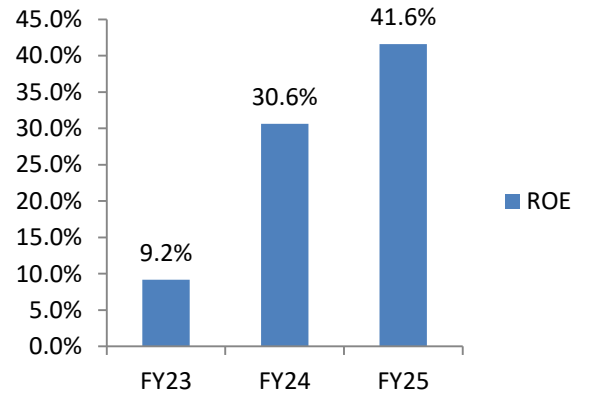
Ebitda Margin



ROCE



ROE



Financials

Consolidated

P&L (Rs. Cr)	FY23	FY24	FY25
Net Revenue	122	199	252
% Growth		63%	27%
Purchase in stock	0	0	0
% of Revenues	0.0%	0.0%	0.0%
Employee Cost	45	62	74
% of Revenues	36.7%	31.2%	29.3%
Other expenses	54	75	97
% of Revenues	44.4%	37.5%	38.3%
EBITDA	23	62	82
EBITDA Margin	18.9%	31.3%	32.4%
Depreciation	5	7	9
Other Income	2	4	2
Interest	5	5	4
Exceptional	0	-2	0
PBT	16	52	70
Tax	4	14	18
Tax rate	27%	27%	26%
PAT	11	38.0	51.7
Minority Int	0	0	0.00
Adj PAT	11.4	38.0	51.7
% Growth		233%	36%
EPS (Post Issue)	5.2	17.2	23.3

Ratios & Others	FY23	FY24	FY25
Debt / Equity	0.5	0.2	0.3
EBITDA Margin (%)	19%	31%	32%
PAT Margin (%)	9%	19.1%	20.5%
ROE (%)	9.2%	30.6%	41.6%
ROCE (%)	16.7%	39.9%	33.4%

Turnover Ratios	FY23	FY24	FY25
Debtors Days	24	21	52
Inventory Days	-	-	-
Creditor Days	59	38	19
Asset Turnover (x)	1.01	1.40	1.13

Valuation Ratios	FY23	FY24	FY25
Price/Earnings (x)	173	52	38
EV/ EBITDA (x)	85	32	24
EV/Sales (x)	16	10	8
Price/BV (x)	24	17	11

Source: Company Data, NBRR

Balance Sheet (Rs. Cr)	FY23	FY24	FY25
Share Capital	15	15	20
Other Equity	63	102	151
Non controlling Int	6	0	0
Networth	84	117	172
Total Loans	38	25	51
Lease Liabilities	16	16	13
Other non-curr liab.	3	11	22
Trade payable	20	21	13
Other Current Liab	16	12	6
Total Equity & Liab.	176	202	277
Property, Plant and Equipment	10	2	4
Capital work-in-progress/Investment proper	3	0	0
Goodwill/ Right of Use Assets /intangible ass	16	15	12
Non Currrent Financial assets	21	6	6
Other non Curr. assets	12	15	15
Inventories	0	0	0
cash and cash equivalents	7	18	5
Bank bal	6	0	0
Trade receivables(debtor)	8	12	36
Other Current assets	92	133	198
Total Assets	176	202	277

Cash Flow (Rs. Cr)	FY23	FY24	FY25
Profit Before Tax	16	52	70
Provisions & Others	12	11	14
Op. profit before WC	28	63	84
Change in WC	-17	-68	-101
Less: Tax	-8	-12	-6
CF from operations	3	-17	-23
Purchase of assets	-3	-0	-4
Sale of property	0	16	0
Dividend & Interest	0	25	0
Proceeds from Sale/Redemption of fixed dep	-5	6	0
CF from Investing	-8	47	-4
Payment of lease liabilities	-5	-9	-3
Proceeds/ Repayment Borrowings	13	-10	26
interest & div paid	-3	0	-9
CF from Financing	5	-19	14
Net Change in cash	-1	11	-13
Cash & Bank at beginning	8	7	18
Cash & Bank at end	7	19	5

Disclosure:

Research Reports that are published by Nirmal Bang Securities Private Limited (hereinafter referred to as "NBSPL") are for private circulation only. NBSPL is a registered Research Analyst under SEBI (Research Analyst) Regulations, 2014 having Registration no. INH000001766. NBSPL is also a registered Stock Broker with National Stock Exchange of India Limited, BSE Limited, Metropolitan Stock Exchange of India Limited, Multi Commodity Exchange of India Limited and , National Commodity and Derivative Exchange Limited in Capital Market , Equity and Commodities derivatives segments and Currency Derivatives Segment .

NBSPL has other business divisions with independent research teams separated by Chinese walls, and therefore may, at times, have different or contrary views on stocks and markets.

NBSPL or its associates have not been debarred / suspended by SEBI or any other regulatory authority for accessing / dealing in securities Market since last 20 years. NBSPL, its associates or analyst or his relatives do not hold any financial interest (Except Investment) in the subject company. NBSPL or its associates or Analyst do not have any conflict or material conflict of interest at the time of publication of the research report with the subject company. NBSPL or its associates or Analyst or his relatives may or may not hold beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of this research report.

NBSPL or its associates / analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months. NBSPL or its associates have not received any compensation or other benefits from the company covered by Analyst or third party in connection with the research report. Analyst has not served as an officer, director or employee of Subject Company. NBSPL / analyst has not been engaged in market making activity of the subject company.

Analyst Certification: The research analysts and authors of these reports, hereby certify that the views expressed in this research report accurately reflects my/our personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst(s) principally responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendation.

Disclaimer:

The Research Report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice. NBSPL is not soliciting any action based upon it. Nothing in the research report shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. In preparing the research report, we did not take into account the investment objectives, financial situation and particular needs of the reader.

The research report has been prepared for the general use of the clients of NBSPL and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient you must not use or disclose the information in the research report in any way. Though disseminated to all the customers simultaneously, not all customers may receive the research report at the same time. NBSPL will not treat recipients as customers by virtue of their receiving the research report. The research report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NBSPL & its group companies to registration or licensing requirements within such jurisdictions.

The report is based on the information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to-date and it should not be relied upon as such. We accept no obligation to correct or update the information or opinions in it. NBSPL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in the research report. NBSPL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of the research report should rely on their own investigations.

This information is subject to change without any prior notice. NBSPL reserves its absolute discretion and right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, NBSPL is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Before making an investment decision on the basis of research report, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. Opinions expressed are subject to change without any notice. Neither the company nor the director or the employees of NBSPL accept any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of the research report and/or further communication in relation to the research report. Here it may be noted that neither NBSPL, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profit that may arise from or in connection with the use of the information contained in the research report.

Copyright of this document vests exclusively with NBSPL.

Our reports are also available on our website www.nirmalbang.com

Registration granted by SEBI and certification from NISM in no way guarantee performance of NBSPL or provide any assurance of returns to investors.

Nirmal Bang Research (Division of Nirmal Bang Securities Pvt. Ltd.)

B-2, 301/302, Marathon Innova,
Opp. Peninsula Corporate Park
Off. Ganpatrao Kadam Marg
Lower Parel (W), Mumbai-400013
Board No. : 91 22 6723 8000/8001
Fax : 022 6723 8010