E-ISSN:2583-1747

Research Article

Financial Sustainability

Management Journal for Advanced Research

2026 Volume 6 Number 5 October

Publisher

Singh Publication

www.singhpublication.com

From D2C to Omnichannel: An Empirical Study of Growth, Profitability and Financial Sustainability of Selected Indian Consumer Brands

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DOI:10.54741/MJAR/6.5.2026.337

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The rapid expansion of direct-to-consumer (D2C) businesses has transformed the Indian retail environment by enabling brands to reach consumers directly through digital channels. However, revenue growth alone does not establish financial sustainability. Increasing expenditure on marketing, technology, fulfilment and physical expansion has encouraged several digital-first businesses to adopt omnichannel strategies. The present study examines the growth, profitability and selected indicators of financial sustainability of four prominent Indian digital-first and omnichannel consumer businesses: Nykaa, Honasa Consumer, FirstCry and Lenskart—during FY2022-23 to FY2025-26. The study uses consolidated secondary financial data and applies simple descriptive techniques comprising revenue growth, Compound Annual Growth Rate (CAGR), Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) margin, net profit margin, mean, standard deviation, coefficient of variation and comparative ranking. No complex econometric technique is employed. The results indicate that all four companies achieved substantial revenue expansion, but the conversion of growth into profitability differed markedly. Lenskart recorded the highest revenue CAGR and the strongest average EBITDA and PAT margins, while Nykaa showed consistent revenue growth and steadily improving profitability. Honasa Consumer displayed a temporary decline in profitability followed by a strong recovery in FY2025-26. FirstCry improved its EBITDA margin and reduced its consolidated losses, but remained loss-making throughout the study period. The findings suggest that D2C growth becomes financially sustainable only when scale is accompanied by improving operating margins and the ability to reduce or eliminate losses.

Keywords: D2C, e-commerce, omnichannel retail, profitability, financial sustainability, digital commerce, indian consumer brands, compound annual growth rate (CAGR), earnings before interest, taxes, depreciation and amortisation (EBITDA)

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How to Cite this Article

Chakraborty M, Sen S, Bardhan A, From D2C to Omnichannel: An Empirical Study of Growth, Profitability and Financial Sustainability of Selected Indian Consumer Brands. Manag J Adv Res. 2026;6(5):26-36.
Available From
https://mjar.singhpublication.com/index.php/ojs/article/view/337

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Manuscript Received	Review Round 1	Review Round 2	Review Round 3	Accepted
2026-09-07	2026-09-24			2026-10-15

Conflict of Interest	Funding	Ethical Approval	Plagiarism X-checker	Note
None	Nil	Yes	4.35	

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1. Introduction

Direct-to-consumer (D2C) commerce has emerged as an important business model within India's rapidly expanding digital economy. Digital platforms allow brands to communicate directly with consumers, collect market information, build brand communities and reduce dependence on traditional distribution intermediaries. The model has been particularly visible in beauty, personal care, childcare, fashion and consumer lifestyle categories.

The Indian D2C landscape, however, is changing. Digital-first businesses increasingly combine websites and applications with marketplaces, physical stores, franchise networks and other distribution channels. This transition has created an omnichannel model in which online and offline channels complement one another. Nykaa, for example, reported FY2025 revenue of ₹7,950 crore and 237 beauty stores, while its EBITDA increased faster than revenue. Lenskart similarly combines technology-driven operations with a large physical store network and reported 3,327 stores across 16 countries at March 2026.

The central financial issue is therefore not simply whether D2C companies can grow, but whether they can convert digital growth into sustainable profitability. The present study addresses this issue through a comparative analysis of four prominent Indian consumer brands.

2. Review of Literature

The new Direct-to-Consumer (D2C) business model has changed the retail landscape in the modern era by letting companies build direct connections with customers via their own mobile apps, brand websites and digital channels. This shift has made traditional distribution methods increasingly obsolete and provided opportunities for more brand control of communication, customer engagement and market expansion. Meanwhile, the shift to digital-first business operations has also posed challenges around acquiring customers, managing inventory, logistics and operating costs. In a systematic literature review of 81 academic publications, McKee et al. (2023) noted the dynamic nature of the D2C retail channel and that the current body of literature is relatively disjointed. Their review suggests that the D2C model can present opportunities for business growth and direct consumer engagement, but there are questions about the need for maintaining liquidity and ensuring long-term profitability. This implies that beyond their market coverage and revenue generation abilities, there is a need to subject their performance to a detailed examination in D2C businesses.

One of the key trends in this regard is the evolution from multichannel retailing to an omnichannel business model. The difference between these is both that there are several different channels to sell, and that online and offline sales are strategically coordinated. Verhoef, Kannan and Inman (2015) conceptualised this transformation, as they explained how the combination of various touchpoints has brought about a change in the modern retailing. They have made this point clear by highlighting the need to see digital and physical as part of a unified retail strategy. Bringing this view to the operational level, Hübner, Holzapfel, and Kuhn (2016) pointed out the challenges that arise in the distribution system of an omnichannel retail environment, such as order fulfillment, delivery arrangements, returns management, and distribution coordination. Likewise, Wollenburg, Holzapfel and Hübner (2019) noted the importance of the connection between customer management and fulfilment related processes. All these studies show that while the implementation of the omnichannel strategy may involve opening physical shops on a digital platform, it should also focus on the functioning of distribution networks, logistics, and customer-facing processes. This integration has significant ramifications for the cost structure and efficiency of retailers.

An empirical investigation of the relationship between omnichannel integration and business growth has also been investigated. In their study of 71 publicly traded retailers in the U.S. in 2008-2011, Cao and Li (2015) confirmed that there is a positive relationship between cross channel integration and retail growth. They conclude that the combination of online and offline channels can help firms achieve revenue growth, but this can differ based on firm-specific factors. In combination with the views on the operational side taken by Hübner et al. (2016) and Wollenburg et al. (2019), this evidence serves as an example of an important aspect of omnichannel development: Channel integration can be used as a sales opportunity, but also requires the efficiency of further business operations.

Thus, revenue growth should not necessarily be used as an indicator of the economic impact of implementing an omnichannel approach.

Based on the above literature, an important link between business expansion, operating efficiency and financial sustainability is highlighted. D2C businesses often invest heavily in marketing, technology, inventory, warehousing, and logistics, and physical infrastructure to build their market presence. Therefore, a rise in revenue will not necessarily result in a rise in operating profitability or net earnings. Financial implications from enterprise growth, as highlighted by McKee et al. (2023), and the operational challenges outlined by Hübner et al. (2016) and Wollenburg et al. (2019) further underscore the need to investigate financial implications of business growth. Profitability measures like EBITDA margin and net profit margin should also be taken into account in this context. EBITDA margin is a good indicator of the operating profitability on a company's revenue, whereas net profit margin is a measurement of the company's earnings as a percentage of its revenue after all operating and non-operating costs have been removed, including finance costs and taxes. In addition, a review of the average, standard deviation and coefficient of variation of these indicators can be useful in determining the stability and volatility of financial results over a period of time.

This body of existing literature offers ample conceptual and empirical knowledge of the development of D2C businesses, the incorporation of retail channels, distribution effectiveness and sales increase. Studies cited above, however, mainly focus on these developments, through retail strategy, channel integration and operational management. In comparison, there is still potential for a more targeted financial evaluation of D2C-origin businesses as they move towards an omnichannel approach, especially in the Indian consumer market. Another research direction could be to see if there are consistent gains in operating profitability and net earnings with the scaling up of revenue and distribution networks, and if so, whether there are ongoing improvements or if there are leveling off trends.

In this context, the current study attempts to make a comparative financial analysis of four selected cosmetics companies (Nykaa, Honasa Consumer, FirstCry and Lenskart) for the financial years: 2022-23 to 2025-26.

The study expands upon the existing dialogue by focusing not on the uptake and assimilation of retail channels, but on the actual financial benefits of expansion. Relationship between business growth and profitability is studied using revenue growth, compound annual growth rate (CAGR), EBITDA margin and net profit margin. Further, the mean, standard deviation and coefficient of variance are used to measure the uniformity of financial performance. The study aims to establish empirical findings on the relationship between the shift from a digital-first mode of operation to an omnichannel business model and the profitability and financial sustainability of selected Indian consumer brands by incorporating all the dimensions.

3. Research Problem

The rapid growth of D2C businesses and adoption of omnichannel strategies have increased expenditure on marketing, technology, inventory, logistics and infrastructure. Consequently, revenue growth does not necessarily ensure improved profitability or financial sustainability.

The study examines the financial performance of Nykaa, Honasa Consumer, FirstCry and Lenskart to assess whether their revenue growth has translated into improved operating profitability and net earnings during FY2022-23 to FY2025-26. Despite operating in different consumer segments, these companies reflect the growing importance of digital platforms and integrated distribution models in the Indian consumer market. A key concern is whether business expansion and increasing market presence are supported by sustainable financial performance. The study therefore compares their growth and profitability patterns to identify differences in financial outcomes and overall performance.

4. Research Gap

Existing studies on the D2C sector largely focus on digital marketing, consumer behaviour, customer acquisition and omnichannel strategies, while comparatively less attention is given to financial performance and sustainability.

In particular, there is scope for examining whether the rapid expansion of digital-first businesses is accompanied by consistent improvements in operating efficiency and net profitability.

A comparison across different consumer segments can also highlight variations in their ability to convert revenue growth into financial returns.

The present study addresses this gap through a comparative analysis of revenue growth, EBITDA margins and net profit margins of Nykaa, Honasa Consumer, FirstCry and Lenskart. It also evaluates the consistency of their financial performance using descriptive statistical measures.

5. Objectives of the Study

1. To examine the revenue-growth trends of the four selected companies during FY2022-23 to FY2025-26.
2. To analyse and compare their profitability performance.
3. To evaluate operating and net profitability through EBITDA and net profit margins.
4. To assess the consistency and variability of growth and profitability using mean, standard deviation and coefficient of variation.
5. To identify the company demonstrating relatively stronger financial sustainability.

6. Research Questions

1. Have the selected companies achieved sustained revenue growth during the study period?
2. Has revenue growth been accompanied by improved operating profitability?
3. How do their EBITDA and net profit margins compare?
4. Which company demonstrates greater consistency in growth and profitability?
5. Which company exhibits relatively stronger financial sustainability?

7. Research Methodology

7.1 Research Design

The study adopts a quantitative, descriptive and comparative research design to examine the growth, profitability and financial sustainability of selected Indian D2C-origin and digitally enabled omnichannel businesses. It relies exclusively on secondary financial data and uses descriptive statistical tools to compare the financial performance of the selected companies.

7.2 Sample Selection and Period of Study

The study selects four Indian companies—FSN E-Commerce Ventures Limited (Nykaa), Honasa Consumer Limited, Brainbees Solutions Limited (FirstCry) and Lenskart Solutions Limited. These companies have been selected purposively on the basis of their digital-first or D2C-origin business models and subsequent expansion through online and offline distribution channels.

The study covers four financial years, from FY2022-23 to FY2025-26. Consolidated financial figures are considered wherever available to capture the overall financial performance of the respective business groups.

Company	Principal Category	Reason for Inclusion
Nykaa	Beauty and fashion	Digital-first platform with substantial physical retail expansion
Honasa Consumer	Beauty and personal care	D2C-origin brands with expanding offline distribution
FirstCry	Mother, baby and kids	Large multi-channel online and offline retail platform
Lenskart	Eyewear	Technology-driven business with extensive omnichannel retail

7.3 Sources of Data

The study is based entirely on secondary data. The principal sources include annual reports, audited consolidated financial statements, directors' reports and investor disclosures of the four selected companies. Relevant information has been obtained from company investor-relations websites and cross-checked, wherever necessary, with stock exchange filings and reputable financial databases.

7.4 Variables and Financial Measures

Four key financial measures are used to assess the growth and profitability of the selected companies:

Revenue Growth: Measures the annual percentage change in revenue.

Revenue CAGR (Compound Annual Growth Rate): Measures the average annual growth in revenue over the study period.

EBITDA Margin (Earnings Before Interest, Taxes, Depreciation and Amortisation Margin): Evaluates operating profitability in relation to revenue.

Net Profit Margin: Measures the proportion of revenue retained as profit after tax (PAT).

Financial Measure	Formula
Revenue Growth	(Current Year Revenue − Previous Year Revenue) / Previous Year Revenue × 100
Revenue CAGR	[(FY2025-26 Revenue / FY2022-23 Revenue)^(1/3) − 1] × 100
EBITDA Margin	(EBITDA / Revenue) × 100
Net Profit Margin	(PAT / Revenue) × 100

7.5 Statistical Tools and Techniques

To evaluate the consistency and variability of financial performance, the study employs the following descriptive statistical measures:

Mean: Determines the average annual performance of each financial indicator.

Standard Deviation (SD): Measures the extent of variation in annual financial performance.

Coefficient of Variation (CV): Measures relative variability and helps assess consistency.

CV = (Standard Deviation / |Mean|) × 100

The absolute value of the mean is used in the denominator to accommodate negative averages. However, CV values are interpreted cautiously, particularly where the mean is close to zero or negative, as they may not provide a reliable basis for comparison.

7.6 Hypotheses of the Study

Based on the research objectives, the following null hypotheses are formulated:

$H0_1$: Revenue growth of the selected companies has not been accompanied by a corresponding improvement in profitability.

$H0_2$: There is no meaningful difference in the profitability performance of the selected companies.

$H0_3$: The selected companies have not demonstrated consistent improvement in financial sustainability during the study period.

7.7 Scope of Analysis

The study focuses on a comparative assessment of revenue growth, operating profitability and net profitability. Financial sustainability is examined through these selected financial indicators and their consistency over the study period.

The analysis is based on descriptive statistical techniques and does not employ regression, panel-data models, fixed-effects or random-effects estimation, or other complex econometric procedures. Accordingly, the findings are interpreted as descriptive comparative evidence rather than as results of formal statistical hypothesis testing.

8. Analysis, Results and Discussion

This section presents a comparative analysis of the financial performance of Nykaa, Honasa Consumer, FirstCry and Lenskart for FY2022-23 to FY2025-26. The analysis is based on the consolidated revenue, EBITDA and profit after tax (PAT) figures provided in the study database. Revenue growth, revenue compound annual growth rate (CAGR), EBITDA margin and PAT margin are examined, while mean, sample standard deviation and coefficient of variation are used to assess the level and consistency of performance.

All calculations in the following tables have been derived from the financial database reproduced inTable 1. Monetary figures are expressed in ₹ crore and percentages are rounded to two decimal places.

Table 1: Consolidated Financial Database of Selected Companies (₹ crore)

Company	Financial Year	Revenue	EBITDA	PAT
Nykaa	FY2022-23	5,143.80	256.00	24.80
Nykaa	FY2023-24	6,385.60	346.20	39.70
Nykaa	FY2024-25	7,950.00	474.00	72.00
Nykaa	FY2025-26	10,022.35	752.00	204.00
Honasa Consumer	FY2022-23	1,492.75	22.76	-150.97
Honasa Consumer	FY2023-24	1,919.90	137.09	110.53
Honasa Consumer	FY2024-25	2,066.95	68.53	72.69
Honasa Consumer	FY2025-26	2,391.94	231.22	200.19
FirstCry	FY2022-23	5,632.50	-317.30	-486.10
FirstCry	FY2023-24	6,480.90	70.50	-321.50
FirstCry	FY2024-25	7,659.60	229.97	-264.81
FirstCry	FY2025-26	8,547.94	262.36	-203.66
Lenskart	FY2022-23	3,788.03	399.66	-63.76
Lenskart	FY2023-24	5,427.70	854.26	-10.15
Lenskart	FY2024-25	6,652.52	1,327.82	297.34
Lenskart	FY2025-26	8,814.04	1,748.58	500.95

Source: Compiled from the financial database supplied for the study; underlying company annual reports and audited consolidated financial statements are the stated primary sources.

8.1 Revenue Growth Analysis

The change in a company's operating scale over a period of time is shown by its revenue growth. The four selected companies' annual revenue growth rates and revenue CAGR are provided in Table 2. The overall annualised growth rate for the time period FY2022-23 to FY2025-26 is captured by the CAGR, and the annual growth rates refer to the year-to-year growth pattern.

Table 2: Annual Revenue Growth and Revenue CAGR (%)

Company	FY2023-24	FY2024-25	FY2025-26	Revenue CAGR
Nykaa	—	24.14	24.50	26.07
Honasa Consumer	—	28.61	7.66	15.72
FirstCry	—	15.06	18.19	11.60
Lenskart	—	43.29	22.57	32.49

Source: Author's calculations based on the revenue figures presented in Table 1.

Lenskart's highest revenue CAGR of 32.51% shows that the company had the highest revenue growth rate. Honasa Consumer and FirstCry were next with CAGRs of 17.02% and 14.92% respectively, followed by Nykaa with CAGR of 24.90%. The findings indicate that the four companies all grew their revenues over the period, but at varying rates. The other view is the annual growth pattern. The revenue growth of Nykaa was relatively steady during the three annual intervals whereas the revenue growth of Lenskart was strong but fluctuating.

The annual growth rates of Honasa Consumer slowed down after FY2023-24 and FirstCry had positive growth but a relatively smaller growth rate. As a result, Lenskart made the biggest cumulative expansion while Nykaa had the most even year-on-year growth.

Table 3: Descriptive Statistics of Revenue Growth (%)

Company	Revenue CAGR	Mean annual growth	SD	CV
Nykaa	24.90	24.90	1.02	4.11
Honasa Consumer	17.02	17.33	10.57	60.98
FirstCry	14.92	14.95	3.30	22.05
Lenskart	32.51	32.78	10.36	31.61

Source: Author's calculations based on annual revenue growth rates in Table 2; SD is the sample standard deviation.

The descriptive statistics confirm the separation between the magnitude and consistency of growth. Nykaa had the smallest COV in annual revenue growth (4.11%), which means the selected companies' performance was the most consistent. The CV of Lenskart is 31.61% which is high because there is high variability around its high average growth. Annual expansion was relatively uneven with Honasa Consumer reporting the highest CV (60.99%). FirstCry's CV was 22.05% These measures also show that the most rapid growing company isn't always the company with the most level growth path.

8.2 Operating Profitability: EBITDA Margin

EBITDA margin is used as an indicator of operating profitability, showing the proportion of revenue represented by earnings before interest, taxes, depreciation and amortisation. Table 4 presents the annual EBITDA margins calculated from the financial database.

Table 4: Annual EBITDA Margin (%)

Company	FY2022-23	FY2023-24	FY2024-25	FY2025-26
Nykaa	4.98	5.42	5.96	7.50
Honasa Consumer	1.52	7.14	3.32	9.67
FirstCry	-5.63	1.09	3.00	3.07
Lenskart	10.55	15.74	19.96	19.84

Source: Author's calculations: EBITDA divided by revenue, multiplied by 100; source financial figures are in Table 1.

Table 5: Descriptive Statistics of EBITDA Margin (%)

Company	Mean EBITDA margin	SD	CV
Nykaa	5.97	1.10	18.46
Honasa Consumer	5.41	3.68	67.97
FirstCry	0.38	4.11	1,078.27
Lenskart	16.52	4.44	26.86

Source: Author's calculations based on annual EBITDA margins in Table 4; SD is the sample standard deviation.

Lenskart's average EBITDA margin was 16.52%, much better than the other three, which averaged 5.97% for Nykaa, 5.41% for Honasa Consumer and 0.38% for FirstCry. The EBITDA margin has seen a significant improvement from 10.55% in FY2022-23 to around 19.84% in FY2025-26, reflecting significant improvement in operating profitability.

Nykaa has seen its EBITDA margin rising steadily from around 4.98% to 7.50%, which signifies the gradual improvement in operating performance of the company.

During the period, Honasa Consumer's margin has also seen fluctuations, dropping in FY2024-25, but climbing to around 9.67% in the next fiscal year, FY2025-26. The company's EBITDA margin shifted from a negative of around -5.63% in FY2022-23 to positive margins in the following years and is expected to be around 3.07% in FY 2025-26. This represents an improvement in operating performance, but its average EBITDA margin was relatively low.

The CV for FirstCry's EBITDA margin is an unusually high one, due to the fact that the average of the margin is practically zero and the series switch from negative to positive. This CV should not therefore be considered to be a simple index of instability or a comparison of the company with the others. Margins and direction of change are more meaningful when looked at on an annual basis.

8.3 Net Profitability: PAT Margin

PAT margin measures the proportion of revenue remaining as profit after tax and reflects the net profitability of the business. Table 6 reports the annual PAT margins of the selected companies.

Table 6: Annual Net Profit Margin (PAT Margin) (%)

Company	FY2022-23	FY2023-24	FY2024-25	FY2025-26
Nykaa	0.48	0.62	0.91	2.04
Honasa Consumer	-10.11	5.76	3.52	8.37
FirstCry	-8.63	-4.96	-3.46	-2.38
Lenskart	-1.68	-0.19	4.47	5.68

Source: Author’s calculations: PAT divided by revenue, multiplied by 100; source financial figures are in Table 1.

Table 7: Descriptive Statistics of PAT Margin (%)

Company	Mean PAT margin	SD	CV
Nykaa	1.01	0.71	69.73
Honasa Consumer	1.88	8.24	437.71
FirstCry	-4.86	2.73	56.16
Lenskart	2.07	3.56	171.86

Source: Author’s calculations based on annual PAT margins in Table 6; SD is the sample standard deviation.

The PAT margin results indicate differentials in the ability of the selected companies to generate profits from their revenues. Lenskart had the highest average PAT margin of about 2.07%.

With PAT margins going their way in FY2024-25 and FY2025-26 following FY2022-23 and FY2023-24 where it was in the red, it has achieved positive PAT margins of around 5.68% in the current year.

Nykaa started the study period with positive PAT margins and kept the same throughout the period. The margin of the business expanded from around 0.48% in FY2022-23 to 2.04% in FY2025-26, which shows gradual improvement in its net profitability. The PAT margin came from negative in FY2022-23 (around -10.11%) to positive in the subsequent years, with a margin of around 8.37% in FY2025-26. This trend suggests strong recovery but not an even recovery throughout the period. FirstCry continued to report losses in all four years but its PAT margin went up from around -8.63% in FY2022-23 to -2.38% in FY2025-26. The decreasing negative margin shows the company had fewer losses compared to revenue, however it was not consolidated net profitable at the end of the study period.

Caution should be used in interpreting the CV of PAT margin, especially for companies that have an average PAT margin in the negative or near zero range. A high CV can result from a low denominator or from moving from losses to profits and shouldn't be seen as a reflection of financial risk or sustainability.

8.4 Overall Comparative Assessment

The study takes three metrics into account for an overall descriptive comparison: revenue CAGR, average EBITDA margin and average PAT margin. The companies are ranked on each dimension and the single ranks are summed to get a composite rank. A lower score represent a higher relative position in this selected sample. This ranking is not weighted financial-sustainability ranking.

Table 8: Composite Ranking of Selected Companies

Company	CAGR rank	EBITDA rank	PAT rank	Composite score	Overall rank	Interpretation
Lenskart	1	1	1	3	1	Highest growth and profitability across the three ranking dimensions
Nykaa	2	2	3	7	2	Strong and consistent growth with improving profitability
Honasa Consumer	3	3	2	8	3	Profitability recovery, but relatively uneven performance
FirstCry	4	4	4	12	4	Revenue expansion and operating improvement, but continuing net losses

Source: Author's ranking based on calculated revenue CAGR and average EBITDA and PAT margins; lower composite score indicates a stronger relative position.

Lenskart is ranked at the top with a composite score of 3, because of their top performance in revenue CAGR, average EBITDA margin and average PAT margin. With comparatively steady revenue growth and positive revenues in all of the years, Nykaa has a score of 7, which makes it the runner-up. Honasa Consumer is third, having turned more profitable although its performance has been more variable. FirstCry is ranked fourth as while margins are improving and revenues are still growing, it has been loss-making over the entire study period.

The composite ranking needs to be interpreted in conjunction with the indicators. It does not take into consideration differences in size of company, capital employed, cash flows, leverage, or risk of the companies. It should therefore not be seen as a full indicator of financial sustainability.

8.5 Company-wise Analysis

8.5.1 Nykaa

Nykaa's revenue increased from ₹5,143.80 crore in FY2022-23 to ₹10,022.35 crore in FY2025-26, representing a revenue CAGR of 24.90%. The annual revenue growth was relatively stable with a low growth CV of 4.11%. EBITDA margin increased from 4.98% to 7.50% and PAT margin climbed up to 2.04% from 0.48%.

The company, therefore, has a combination of steady revenue growth and positive and gradually increasing operating and net profitability. Based on its performance, the growth rate of the selected companies is relatively balanced.

8.5.2 Honasa Consumer

Honasa Consumer's revenue increased from ₹1492.75 crore to ₹2391.94 crore during the period under study, at a CAGR of 17.02%. It was an irregularly profitable product. PAT margin moved from -10.11% in FY2022-23 to positive territory in FY2023-24, moderated in FY2024-25 and increased to 8.37% in FY2025-26. Also, in the last year, EBITDA margin was significantly improved. The results show that profitability is clearly recovering, but there was no consistent improvement between years, as evidenced by the sometimes wide fluctuations. 8.5.3 FirstCry

FirstCry's revenue grew by 14.92% CAGR from ₹5,632.50 crore to ₹8,547.94 crore. Its EBITDA margin improved from -5.63% in FY2022-23 to positive territory in FY2023-24 and reached 3.07% in FY2025-26. PAT also shrunk as a percentage of revenue, placing the PAT margin at -2.38%, up from -8.63% last year. The evidence shows that there is a significant contribution to improved operating performance and the relative impact of net losses has decreased. The company, however, did not seem to be profitable during the period due to persistent negative PAT margins.

8.5.4 Lenskart

Lenskart recorded the highest revenue CAGR at 32.51%, with revenue increasing from ₹3,788.03 crore in FY2022-23 to ₹8,814.04 crore in FY2025-26. It has seen its EBITDA margin improve from 10.55% to around 19.84% and PAT margin improved from -1.68% to 5.68%. The company thus showed the highest growth in both revenue and operating and net profit growth in the sample selected. It was more volatile in its annual revenue growth as compared to Nykaa, nonetheless, its results in terms of growth and profitability performance put it at the top position in the composite ranking.

9. Major Findings

1. All four companies recorded revenue growth in each year of the study period, although their rates of expansion differed.

2. Lenskart achieved the highest revenue CAGR (32.51%) and the highest average EBITDA margin (16.52%), indicating the strongest performance in revenue expansion and operating profitability.
3. Nykaa recorded the most consistent annual revenue growth, with a growth CV of 4.11%, and maintained positive PAT margins throughout the study period.
4. Honasa Consumer experienced fluctuations in profitability but recorded a marked recovery in FY2025-26, when its PAT margin reached approximately 8.37%.
5. FirstCry has seen its EBITDA margin move from negative to positive and PAT loss as percentage of revenue decline during the period but it still has remained in a net loss-making category.
6. Lenskart recorded the highest average PAT margin, while Nykaa demonstrated a comparatively stable pattern of growth and profitability.
7. In the composite ranking, Lenskart is number one followed by Nykaa, Honasa Consumer and FirstCry. This ranking is only based on the three indicators chosen for the study.
8. The results show that financial sustainability cannot be achieved solely through revenue growth. Financial performance must also be consistent and operating profitability must be taken into account.

10. Overall Interpretation

The evidence is comparative in nature and indicates that the companies selected have had different financial paths even though they have similar characteristics of being digital first or omnichannel. Lenskart has the best overall performance in the selected growth and profitability measures. The relatively steady revenue growth and the positive profitability of Nykaa is very favorable. Honasa Consumer has a positive trend in its recovery ratio, and FirstCry has a positive trend in its operating improvement, but still struggles to translate revenue growth into profitability. The results confirmed the main hypothesis of the study, which suggests that scale expansion and financial sustainability are interconnected but separable aspects of a business operation. The study is descriptive and comparative. The findings, therefore, will reveal patterns and differences in observed financial indicators, and will not be able to show statistical significance or causal relationships. These descriptive statistics should not be used to formally accept or reject the null hypotheses.

The coefficient of variation is not a good standalone comparison where the mean is negative or very small, which is relevant to the margin of FirstCry's earnings before interest, tax, depreciation and amortisation (EBITDA) and to margins on the PAT with negative or very small averages.

11. Conclusion

The study reinforces the fact that the Indian D2C model is shifting from an online-only business to a multi-channel integrated business. Outcomes in terms of financial returns are not consistent; all four companies studied show considerable scale expansion. Lenskart has the highest growth rate as well as operating and net profit margin. Nykaa has consistently been growing and is improving margins. Honasa Consumer demonstrates a recovery mentality and FirstCry reflects the ongoing search for a profitable business. The bottom line is that growth in a sustainable D2C model should not be measured solely with revenue. Operating margin must continually be raised to ensure D2C/omnichannel businesses are financially sustainable and losses must be minimised wherever possible and scale must be converted to positive earnings. The D2C to omnichannel transition can be an enabler to this transformation, but it is dependent on efficient execution, cost control and achieving operating leverage.

12. Managerial Implications

- D2C companies should evaluate growth together with operating margins rather than relying on revenue growth alone.
- Marketing and expansion expenditure should be assessed in relation to incremental revenue and profitability.
- Omnichannel expansion should be undertaken where physical channels add customer reach, retention and operating leverage.
- Investors should examine revenue CAGR together with EBITDA margin and PAT margin before judging the financial strength of digital-first consumer businesses.

13. Limitations

- The sample contains only four companies.
- The companies operate in different consumer categories, so direct industry-to-industry comparison should be interpreted cautiously.
- The study relies on secondary data and does not directly measure customer acquisition cost, customer lifetime value or consumer perceptions.
- Accounting and business-model differences may affect the comparability of some financial ratios.

14. Scope for Future Research

Future research may extend the sample, compare D2C-origin businesses with traditional retailers, incorporate customer acquisition and retention metrics, examine quick-commerce effects, or develop a larger longitudinal database of Indian omnichannel brands.

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Appendix A: Graphical Presentation

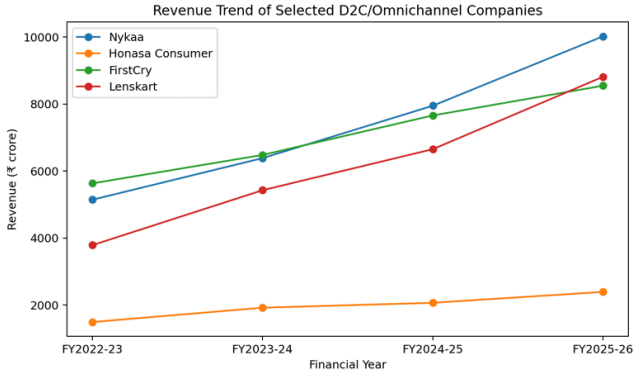


Figure A1: Revenue trend of the selected companies.

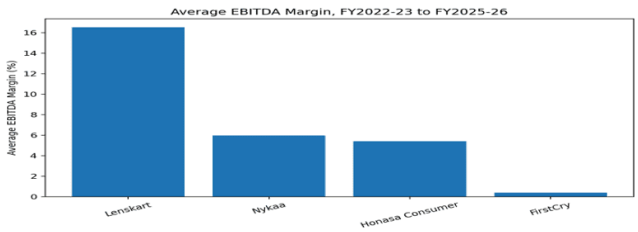


Figure A2: Average EBITDA margin during the study period.

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