

14 November 2025

India | Equity Research | Results update

Vishal Mega Mart

Consumer Staples & Discretionary

Superior growth performance to continue

VMM sustained its strong growth momentum (+22.4% YoY revenue growth), driven by 12.8% SSSG and healthy retail area expansion. Profitability surprised us positively, driven by better revenue mix (higher apparel sales), operational efficiencies and operating leverage. Management remains focused on disciplined expansion, value-driven pricing, and cost efficiency to sustain profitable growth in the near term. We expect VMM's outperformance to continue on the back its strategic pillars of: 1) "Open Price Point" delivering unmatched value proposition to consumers, 2) successful scaling-up of own brands and 3) deeper penetration in tier-2 and beyond cities. Maintain **BUY**.

Strong growth momentum sustained

Q2FY26 revenue grew 22.4% YoY (some impact of early Durga Puja) to INR 29.8bn, led by SSSG of 11.3% (adj. SSSG: 12.8%) and supported by continued store expansion. The quarter saw gross addition of 28 stores (net +25), taking the footprint to 742 stores across 493 cities. Average store size remained stable at ~17.7k sq. ft., with expansion continuing to be led by tier 2/3 cities (~73.5% store mix), in line with the strategy to serve value-conscious middle India.

Margin expansion aided by mix and operating leverage

Gross margin improved 6bps YoY to 28.3%, supported by better category mix and efficiencies. Adjusted EBITDA (pre-INDAS 116 and ESOP) grew 34.2% YoY to INR 2.5bn with margin at 8.5% (+80bps YoY). Reported EBITDA grew 30.5% YoY to INR 3.9bn (margin 13.2%, +81bps YoY). Adjusted PAT (pre-ESOP) increased 39.4% YoY to INR 1.6bn (margin 5.4%, +60bps YoY).

Omni-channel progress continues; GST reform is a positive

Quick commerce coverage expanded to 695 stores across 460 cities, with ~95% of gross revenue from loyalty customers (157mn registered base). Regional revenue mix remained diversified across North (37.6%), East (31.6%), South (22.6%), and West (8.2%). Own brands continue to contribute 73.6% of revenue, with portfolio strength aiding margin stability. Management expects GST reforms to spur consumer demand going ahead.

Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	107,320	129,999	155,242	182,195
EBITDA	15,459	18,899	22,886	27,225
EBITDA Margin (%)	14.4	14.5	14.7	14.9
Net Profit	6,477	8,407	10,442	12,951
EPS (INR)	1.4	1.8	2.3	2.8
EPS % Chg YoY	37.5	29.8	24.2	24.0
P/E (x)	98.1	75.5	60.8	49.0
EV/EBITDA (x)	40.5	32.8	26.7	22.0
RoCE (%)	11.9	13.2	14.4	15.2
RoE (%)	10.8	12.3	13.4	14.5

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Market Data

Market Cap (INR)	645bn
Market Cap (USD)	7,277mn
Bloomberg Code	VMM IN
Reuters Code	VSSL.BO
52-week Range (INR)	158 /96
Free Float (%)	45.0
ADTV-3M (mn) (USD)	32.1

Price Performance (%)	3m	6m	12m
Absolute	(4.2)	6.5	0.0
Relative to Sensex	(9.1)	2.4	0.0

ESG Score	2023	2024	Change
ESG score	NA	NA	NA
Environment	NA	NA	NA
Social	NA	NA	NA
Governance	NA	NA	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY26E	FY27E
Revenue	1.7	3.9
EBITDA	3.4	5.6
EPS	2.8	3.5

Previous Reports

14-08-2025: [Q1FY26 results review](#)

30-04-2025: [Q4FY25 results review](#)

Valuation and risks

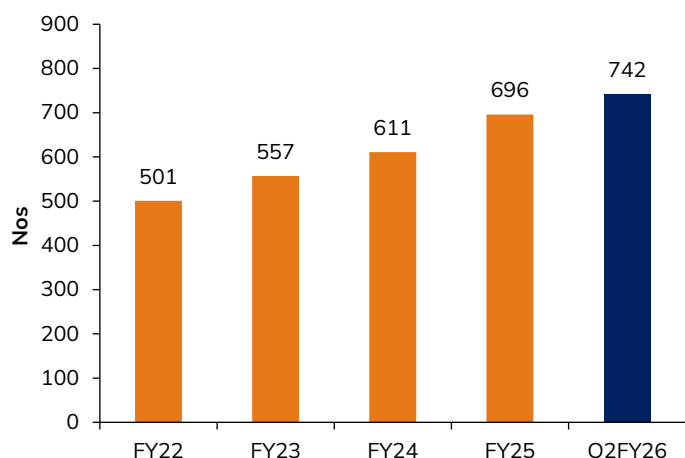
We increase our estimates by ~3% for FY26E/27E and introduce FY28 estimates. We model revenue/ EBITDA/PAT CAGR of 19%/21%/26% over FY25-28E. Maintain BUY with a DCF-based target price of INR 175 (was 180 earlier). Key risks: Slower-than-expected store addition and SSSG, exit of key managerial personnel and customer shifting towards convenience (quick commerce).

Exhibit 1: Q2FY26 result review

INR mn	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Net Revenues	29,815	24,362	22.4	31,403	(5.1)	61,218	50,325	21.6
COGS	(21,384)	(17,490)	22.3	(22,490)	(4.9)	(43,874)	(36,122)	21.5
Gross Profit	8,431	6,872	22.7	8,913	(5.4)	17,344	14,203	22.1
Staff cost	(1,761)	(1,525)	15.5	(1,711)	2.9	(3,472)	(3,024)	14.8
Other opex	(2,724)	(2,322)	17.3	(2,610)	4.4	(5,334)	(4,499)	18.6
Total expenditure	(25,869)	(21,338)	21.2	(26,811)	(3.5)	(52,681)	(43,645)	20.7
EBITDA	3,946	3,025	30.5	4,592	(14.1)	8,537	6,680	27.8
Other income	202	132	52.7	170	18.7	372	209	77.9
Finance cost	(412)	(342)	20.4	(411)		(824)	(684)	20.4
D&A	(1,691)	(1,405)	20.3	(1,591)	6.3	(3,282)	(2,789)	17.7
PBT	2,044	1,409	45.1	2,760	(25.9)	4,803	3,416	40.6
Tax	(521)	(369)		(699)		(1,219)	(875)	
Adj. PAT	1,523	1,040	46.5	2,061	(26.1)	3,584	2,541	41.0
EPS	0.3	0.2	41.7	0.4	(26.1)	0.8	0.6	36.4
% of revenues								
COGS	71.7	71.8	-7 bps	71.6	10 bps	71.7	71.8	-11 bps
Gross margin	28.3	28.2	6 bps	28.4	-11 bps	28.3	28.2	10 bps
Staff cost	5.9	6.3	-36 bps	5.4	45 bps	5.7	6.0	-34 bps
Other opex	9.1	9.5	-40 bps	8.3	82 bps	8.7	8.9	-23 bps
EBITDA margin	13.2	12.4	81 bps	14.6	-139 bps	13.9	13.3	67 bps
Income tax rate (% of PBT)	25.5	26.2	-72 bps	25.3	14 bps	25.4	25.6	-23 bps

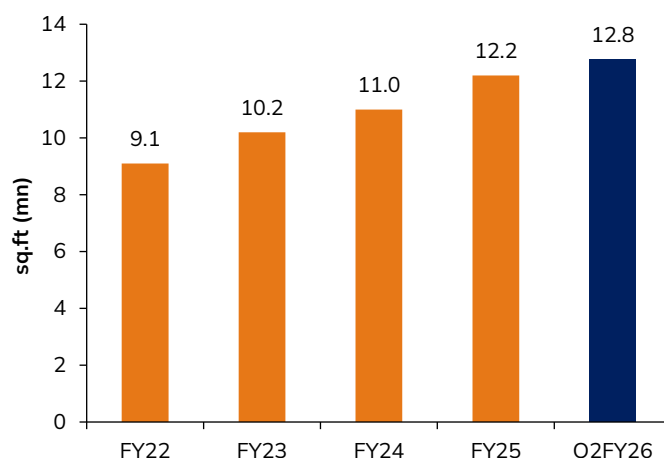
Source: Company data, I-Sec research

Exhibit 2: Store network

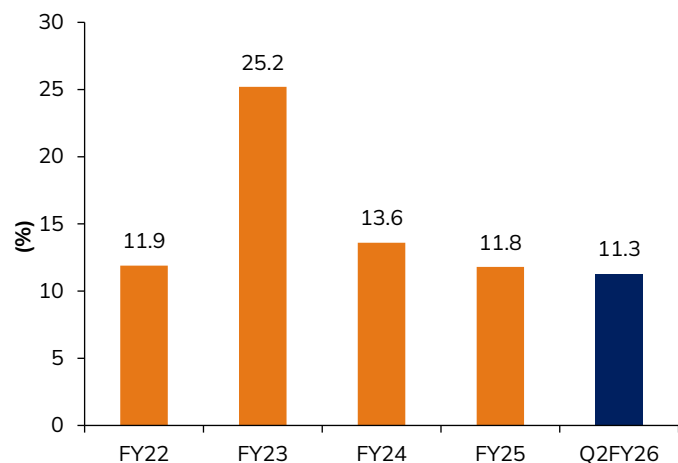


Source: Company data, I-Sec research

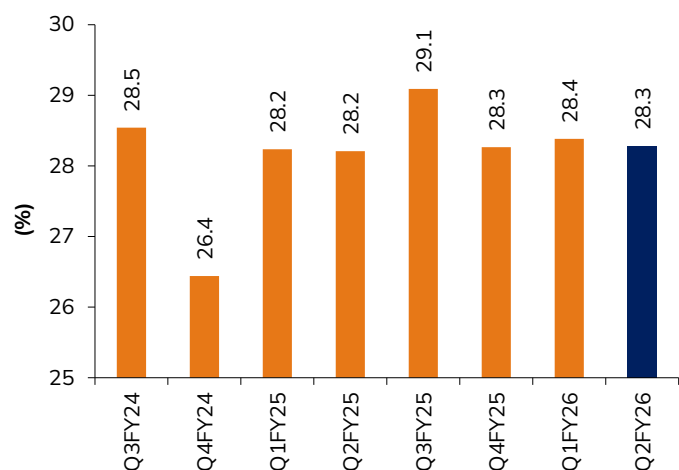
Exhibit 3: Retail space



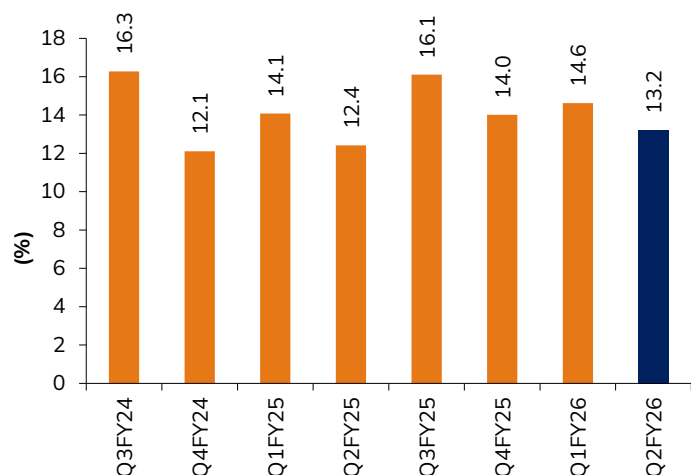
Source: Company data, I-Sec research

Exhibit 4: SSSG (%)

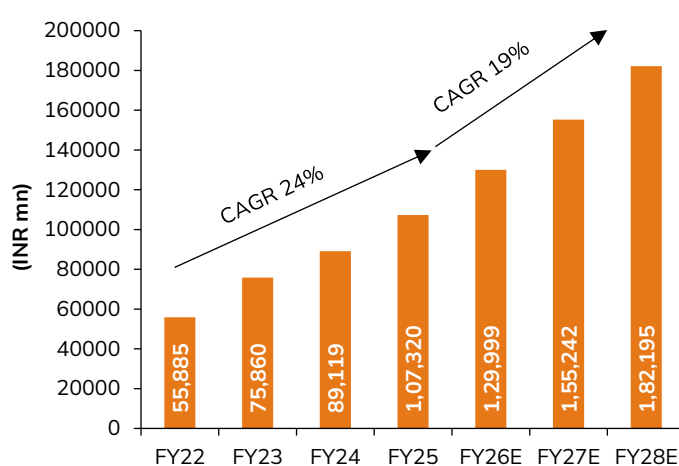
Source: Company data, I-Sec research

Exhibit 5: Gross margin

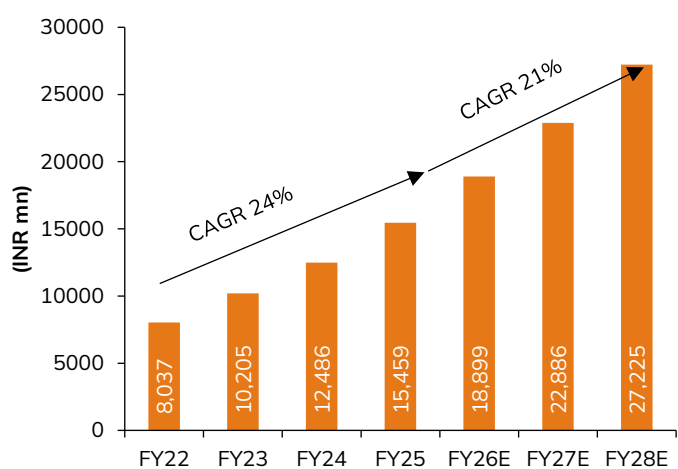
Source: Company data, I-Sec research

Exhibit 6: EBITDA margin

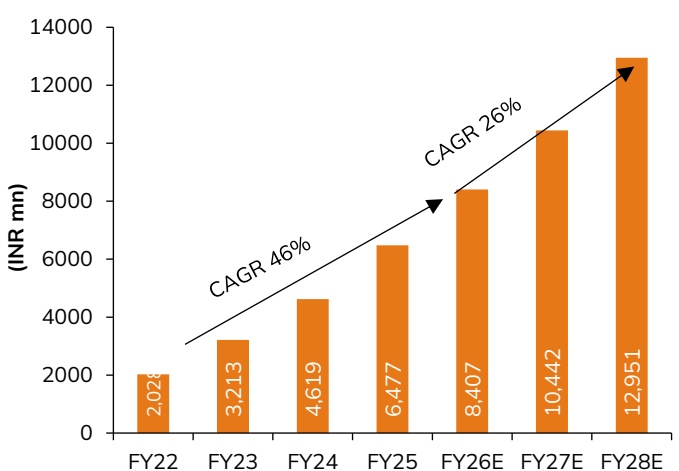
Source: Company data, I-Sec research

Exhibit 7: Revenue and growth rates

Source: Company data, I-Sec research

Exhibit 8: EBITDA and growth rates

Source: Company data, I-Sec research

Exhibit 9: PAT and growth rates

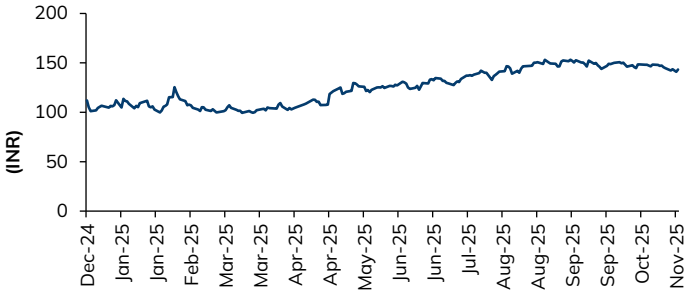
Source: Company data, I-Sec research

Exhibit 10: Shareholding pattern

%	Mar'25	Jun'25	Sep'25
Promoters	75.6	54.2	54.1
Institutional investors	19.2	40.2	40.8
MFs and other	11.4	25.7	23.8
Banks/ FIs	0.0	0.1	0.3
Insurance Cos.	0.6	1.3	1.3
FII's	7.2	13.1	15.4
Others	5.2	5.6	5.1

Source: Bloomberg, I-Sec research

Exhibit 11: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 12: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Net Sales	107,320	129,999	155,242	182,195
Operating Expenses	91,862	111,100	132,356	154,970
EBITDA	15,459	18,899	22,886	27,225
EBITDA Margin (%)	14.4	14.5	14.7	14.9
Depreciation & Amortization	5,902	6,829	7,971	9,059
EBIT	9,556	12,070	14,915	18,166
Interest expenditure	1,492	1,574	1,643	1,695
Other Non-operating Income	586	733	674	844
Recurring PBT	8,650	11,229	13,946	17,315
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	2,173	2,821	3,504	4,363
PAT	6,477	8,407	10,442	12,951
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	6,477	8,407	10,442	12,951
Net Income (Adjusted)	6,477	8,407	10,442	12,951

Source Company data, I-Sec research

Exhibit 13: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	23,804	35,204	47,183	65,093
of which cash & cash eqv.	4,637	11,986	19,457	32,553
Total Current Liabilities & Provisions	18,624	22,559	26,940	33,114
Net Current Assets	5,181	12,645	20,244	31,978
Investments	3,873	3,873	3,873	3,873
Net Fixed Assets	6,951	8,386	9,649	10,698
ROU Assets	15,457	13,534	13,522	11,990
Capital Work-in-Progress	136	136	136	136
Total Intangible Assets	42,941	42,941	42,941	42,941
Long Term Loans & Advances	1,160	1,406	1,679	1,970
Deferred Tax assets	-	-	-	-
Total Assets	81,307	89,714	100,156	113,108
Liabilities				
Borrowings	-	-	-	-
Deferred Tax Liability	-	-	-	-
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
Equity Share Capital	45,974	45,974	45,974	45,974
Reserves & Surplus	18,039	26,446	36,888	49,840
Total Net Worth	64,013	72,421	82,863	95,814
Minority Interest	-	-	-	-
Total Liabilities	81,307	89,714	100,156	113,108

Source Company data, I-Sec research

Exhibit 14: Quarterly trend

(INR mn, year ending March)

	Dec 24	Mar 25	Jun 25	Sep 25
Net Sales	31,359	25,479	31,403	29,815
% growth (YOY)	19.5	23.2	21.0	22.4
EBITDA	5,050	3,571	4,592	3,946
Margin %	16.1	14.0	14.6	13.2
Other Income	190	186	170	202
Extraordinaries	-	-	-	-
Adjusted Net Profit	2,627	1,151	2,061	1,523

Source Company data, I-Sec research

Exhibit 15: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Operating Cashflow	13,991	14,532	17,662	22,522
Working Capital Changes	7,897	6,125	7,220	9,571
Capital Commitments	13,123	(3,464)	(3,720)	(3,997)
Free Cashflow	27,114	11,068	13,942	18,525
Other investing cashflow	(19,228)	599	514	652
Cashflow from Investing Activities	(6,105)	(2,865)	(3,206)	(3,346)
Issue of Share Capital	897	-	-	-
Interest Cost	(1,492)	(1,574)	(1,643)	(1,695)
Inc (Dec) in Borrowings	-	-	-	-
Dividend paid	-	-	-	-
Others	-	(2,772)	(5,483)	(4,985)
Cash flow from Financing Activities	(4,786)	(4,346)	(7,126)	(6,679)
Chg. in Cash & Bank balance	3,100	7,321	7,330	12,497
Closing cash & balance	7,737	19,308	26,787	45,050

Source Company data, I-Sec research

Exhibit 16: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	1.4	1.8	2.3	2.8
Adjusted EPS (Diluted)	1.4	1.8	2.3	2.8
Cash EPS	2.7	3.3	4.0	4.8
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	13.9	15.8	18.0	20.8
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	20.4	21.1	19.4	17.4
EBITDA	23.8	22.3	21.1	19.0
EPS (INR)	37.5	29.8	24.2	24.0
Valuation Ratios (x)				
P/E	98.1	75.5	60.8	49.0
P/CEPS	51.3	41.7	34.5	28.9
P/BV	9.9	8.8	7.7	6.6
EV / EBITDA	40.5	32.8	26.7	22.0
P / Sales	5.9	4.9	4.1	3.5
Dividend Yield (%)	-	-	-	-
Operating Ratios				
Gross Profit Margins (%)	28.6	28.6	28.7	28.7
EBITDA Margins (%)	14.4	14.5	14.7	14.9
Effective Tax Rate (%)	25.1	25.1	25.1	25.2
Net Profit Margins (%)	6.0	6.5	6.7	7.1
Net Debt / Equity (x)	(0.1)	(0.2)	(0.3)	(0.4)
Net Debt / EBITDA (x)	(0.6)	(0.8)	(1.0)	(1.3)
Fixed Asset Turnover (x)	7.7	7.8	7.7	7.6
Working Capital Days	2	2	2	(1)
Inventory Turnover Days	74	75	75	74
Receivables Days	3	3	3	3
Payables Days	59	60	60	62
Profitability Ratios				
RoCE (%)	11.9	13.2	14.4	15.2
RoE (%)	10.8	12.3	13.4	14.5
RoIC (%)	12.6	14.1	15.0	15.9

Source Company data, I-Sec research

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