

Metro Brands (METROBRAIN)

Q4FY26 Result Update

May 21, 2026

 Estimate Change | Target | Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	Accumulate		Accumulate	
Target Price	1,187		1,156	
Sales (INR mn)	34,299	40,593	33,681	39,995
% Chng.	1.8	1.5		
EBITDA (INR mn)	10,190	12,127	9,922	11,831
% Chng.	2.7	2.5		
EPS (INR)	16.8	20.1	16.4	19.6
% Chng.	2.4	2.6		

Key Data METB.BO | METROBRAIN

BSE Code	543426
NSE Code	METROBRAND
52-W High / Low	INR 1,340 / INR 883
Face Value	5
Sensex / Nifty	75,183 / 23,655
Market Cap	INR 302 bn / \$ 3,139 mn
Shares Outstanding	272.56 mn
3M Avg. Daily Value	INR 47.82 mn

Shareholding Pattern (%)

Promoters	71.80
FIs	3.77
Mutual Funds	7.20
Domestic Institutions	0.38
Public & Others	16.85
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	4.5	6.9	(3.2)	(6.2)
Relative	10.2	17.8	9.7	1.8

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	25,074	28,636	34,299	40,593
EBITDA (INR mn)	7,574	8,665	10,190	12,127
Margin (%)	30.2	30.3	29.7	29.9
PAT (INR mn)	3,506	4,107	4,543	5,459
EV (INR mn)	295,626	295,000	291,016	288,005
Total Debt (INR mn)	-	-	-	-
C&C Eq. (INR mn)	948	326	1,358	2,201
EPS (INR)	13.0	15.2	16.8	20.2
Gr. (%)	(14.6)	17.3	10.6	20.1
DPS (INR)	19.7	5.5	7.0	9.0
Yield (%)	1.8	0.5	0.6	0.8
RoE (%)	19.6	22.2	21.6	23.0
RoCE (%)	28.0	30.0	29.8	31.7
EV/Sales (x)	11.8	10.3	8.5	7.1
EV/EBITDA (x)	39.0	34.0	28.6	23.7
PE (x)	85.5	72.9	65.9	54.9
P/BV (x)	17.6	15.1	13.6	11.9

Steady demand outlook, cautious on store openings

Quick Pointers

- MBL guided for 15% revenue growth in medium term
- RM inflation seen at ~10%, the company holds ~6 months of inventory which will cushion margins in 1H27

We raise our FY27/FY28 EPS estimates by 2.4/2.6%, driven by: 1) resilient near-term demand outlook supported by premium customer base with limited inflation impact, 2) increasing focus on high-margin athleisure segment led by MetroActiv launch, and 3) improving store economics with sales/store growth of 7% YoY (highest in the last three years). We expect operating metrics to improve further led by 1) expansion across Tier-2/3 cities through Metro, Mochi and Walkway, 2) normalization of BIS-related issues by end-1HFY27 enabling faster Footlocker and FILA store additions, and 3) launch of Clarks EBOs in FY27.

MBL's growth plans remain on track, supported by 1) Entry into new cities. 2) Healthy online/omni-channel contribution, accounting for ~12% of total sales (53% YoY sales growth in Q4. 3) Accelerated store openings in Walkway format (12 in 4Q26) aimed at capturing the value-conscious consumer (Tier-2 cities) and positioning MBL as a comprehensive footwear destination. We see the key growth delta emerging from MetroActiv, Clarks, FILA and Foot Locker as MBL launches new EBO's and complements its product range. We estimate 15.4% EPS CAGR over FY26-FY28 and assign a DCF based target price of Rs1187 (Rs1156 earlier). We expect back ended returns given rich valuations of 54.9x FY28 EPS. Retain Accumulate.

Financial Highlights

- Consol Revenues grew by 20.3% YoY to Rs7.7bn. (Ple: 7.45) Gross margins expanded by 32bps YoY to 57.8%. EBITDA grew by 20.6% YoY to Rs2.4bn (Ple:Rs2.2bn). Margins expanded by 9bps YoY to 30.8%. (PLe:30.0%).
- Adj PAT grew by 23.1% to Rs1.16bn (Ple: 1.04bn)
- ASP grew by 3.2% YoY to Rs1600, while; sales/store witnessed healthy growth of 7.2% YoY to Rs7.6mn

Quarter Summary

Y/e Mar	Q4'26E	Q4'26A	% Var.	Q4'25A	YoY gr. (%)
Net Sales (INR mn)	7,454	7,730	4.0	6,428	20.0
EBITDA (INR mn)	2,236	2,379	6.0	1,972	21.0
Margin (%)	30.0	30.8	80 bps	30.7	10 bps
PAT (INR mn)	1,046	1,166	11.0	947	23.0

Source: Company, PL

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Conference Call Highlights

- Q4FY26 performance remained strong, led by festive and wedding season demand along with GST reduction on footwear priced below Rs2,500.
- E-commerce/omni-channel revenue grew 53% YoY, contributing 12.2% to sales vs 9.5% in Q4FY25 and company expects the contribution to remain in 12-15% range in medium term
- The company is investing in a new 200k sqft distribution center to support growth.
- BIS-related supply chain disruptions for select external brands led management to continue remain cautious on Footlocker store expansion.
- Clarks is facing less disruption due to BIS issue as majority of its production is being done in India
- Fila repositioning strategy remains underway, supported by sharper merchandise assortment and pricing initiatives
- Overall input cost has increased by ~10% with some category seeing even more than that
- No immediate price hike are likely in near term with some inventory front-loaded in anticipation of future price rise
- Demand is expected to remain largely unaffected, as the target consumer base is premium in nature, resulting in relatively lower sensitivity to inflation.
- FILA to start adding significantly to topline in next 18 months
- Management is monitoring the gulf crisis for input cost impact and it expect to mitigate the cost in near term
- There is an opportunity to open at least 50 stores across FILA, Footlocker, Clarks and MetroActiv in FY27
- Management guided for 15% revenue growth in near to medium term

Exhibit 1 : Net Revenue grew by 20.3% in 4QFY26; EBITDA Margin grew by 9bps to 30.8%

Y/e March (Rs mn)	4QFY26	4QFY25	YoY gr. (%)	4QFY26E	% Var.	3QFY26	FY26	FY25	YoY gr. (%)
Net Sales	7,730	6,428	20.3	7,454	3.7	8,113	28,636	25,074	14.2
Gross Profit	4,466	3,694	20.9	4,160	7.4	4,794	16,585	14,465	14.7
% of NS	57.8	57.5	31.6	55.8	2.0	59.1	57.9	57.7	0.2
Other Expenses	2,087	1,722	21.3	1,923	8.5	2,145	7,911	6,891	14.8
% of NS	27.0	26.8	22.2	25.8	1.2	26.4	27.6	27.5	0.1
EBITDA	2,379	1,972	20.6	2,236	6.4	2,649	8,674	7,574	14.5
Margins %	30.8	30.7	9.4	30.0	0.8	32.7	30.3	30.2	8.3
Depreciation	838	701	19.6	837	0.2	799	3,110	2,580	20.5
Interest	290	244	18.9	219	32.5	288	1,109	905	22.6
Other Income	314	231	35.9	282	11.1	161	1,042	930	12.1
PBT	1,564	1,258	24.3	1,463	6.9	1,723	5,497	5,019	9.5
Tax	389	309	25.9	411	(5.5)	423	1,354	1,491	(9.2)
Tax rate %	24.8	24.5	0.3	28.1	(3.3)	24.6	24.6	29.7	(5.1)
Share of JV/Associates	2	4	(53.5)			4	15	18	(15.8)
Non-controlling Interest	11	6	89.8	6		20	47	39	22.6
Adjusted PAT	1,166	948	23.1	1,046	11.5	1,284	4,112	3,508	17.2

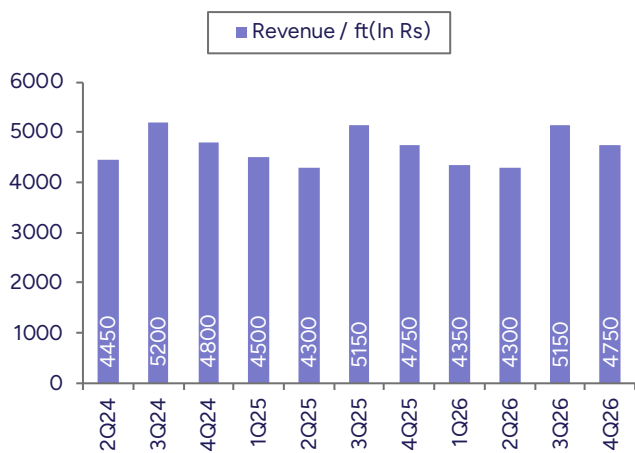
Source: Company, PL

Exhibit 2 : Share of >Rs3000 down by 100bps QoQ, while Rs1501-Rs3000 gained 100bps led by GST led price cut in shoes <Rs2500 range

Product Pricing wise Sales Mix (Rs)	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
>3,000	48%	49%	50%	54%	53%	54%	50%	56%	54%	55%	54%
1,501-3,000	38%	38%	37%	35%	34%	34%	37%	33%	34%	33%	34%
501-1,500	10%	9%	9%	6%	8%	8%	9%	6%	8%	8%	8%
<500	4%	4%	4%	5%	5%	4%	4%	5%	4%	4%	4%
Own Brands Contribution											
Own Brands	70%	72%	73%	73%	72%	72%	74%	72%	71%	73%	73%
Third Party	30%	28%	27%	27%	28%	28%	26%	28%	29%	27%	27%

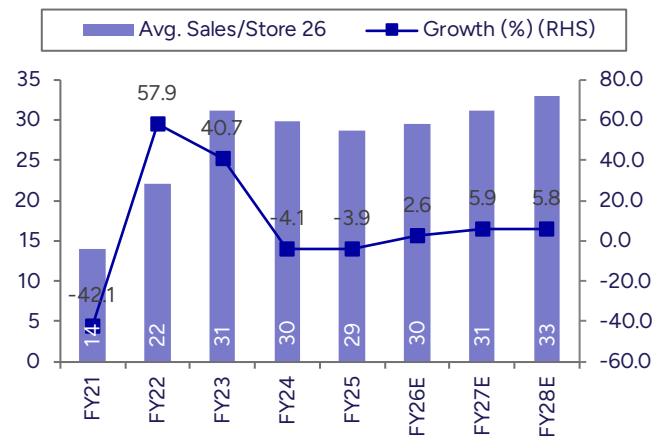
Source: Company, PL

Exhibit 3 : Revenue/sq.ft flat YoY



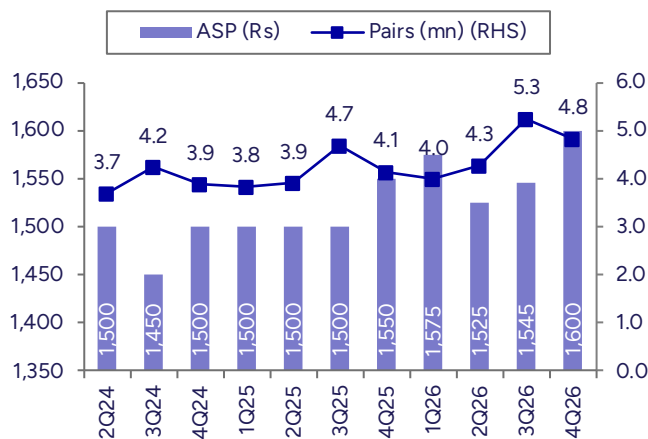
Source: Company, PL

Exhibit 4 : Sales/store to increase by ~4.0% over FY25-28



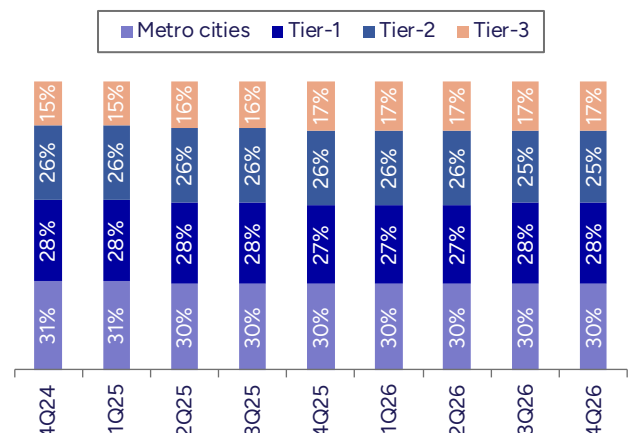
Source: Company, PL

Exhibit 5 : ASP at ~Rs1600 with 4.8 mn pairs sold in 4Q26



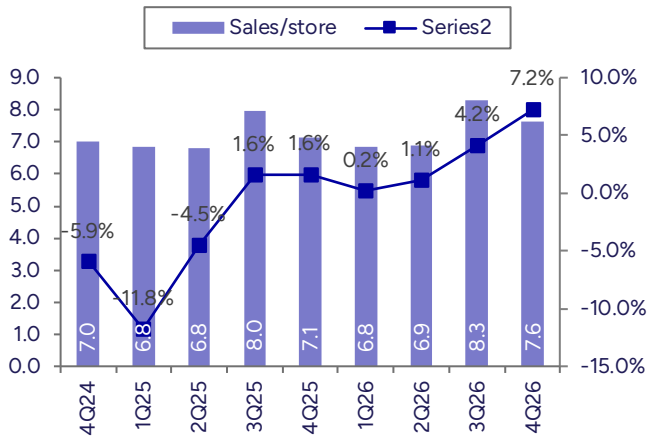
Source: Company, PL

Exhibit 6 : Saliency of metro cities stable at 30-31%



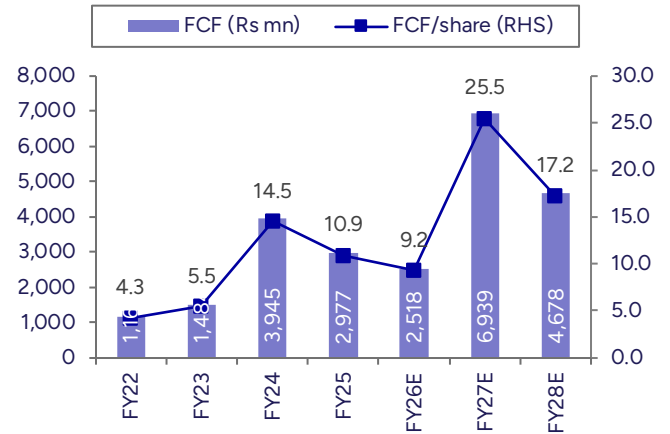
Source: Company, PL

Exhibit 7 : Sales/store increased by 7.2% YoY



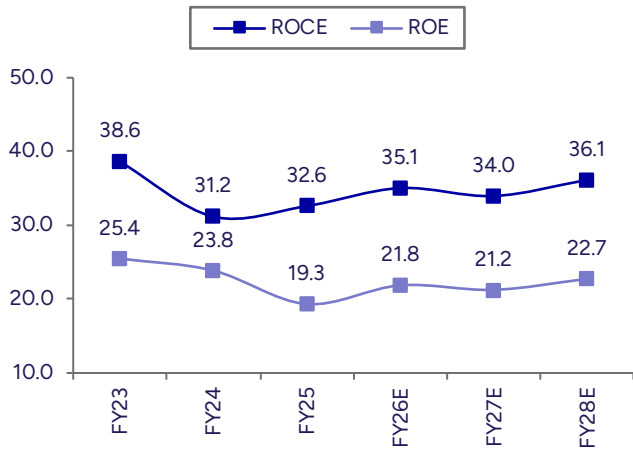
Source: Company, PL

Exhibit 8 : FCF shows healthy growth over long term



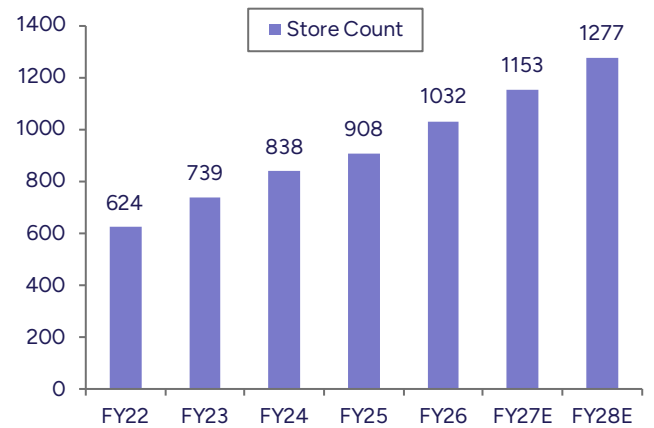
Source: Company, PL

Exhibit 9 : ROE & ROCE to stabilize at healthy levels



Source: Company, PL

Exhibit 10 : Store count to increase by 245 by FY28



Source: Company, PL

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	25,074	28,636	34,299	40,593
YoY gr. (%)	6.4	14.2	19.8	18.4
Cost of Goods Sold	10,609	12,051	14,508	17,211
Gross Profit	14,465	16,585	19,790	23,381
Margin (%)	57.7	57.9	58.0	58.0
Employee Cost	2,450	2,798	3,430	4,042
Other Expenses	4,441	5,121	6,171	7,212
EBITDA	7,574	8,665	10,190	12,127
YoY gr. (%)	8.3	14.4	17.6	19.0
Margin (%)	30.2	30.3	29.7	29.9
Depreciation and Amortization	2,580	3,110	3,907	4,606
EBIT	4,994	5,555	6,283	7,521
Margin (%)	19.9	19.4	18.3	18.5
Net Interest	905	1,109	1,190	1,417
Other Income	930	1,042	994	1,177
Profit Before Tax	5,019	5,488	6,087	7,281
Margin (%)	20.0	19.2	17.7	17.9
Total Tax	1,491	1,350	1,510	1,784
Effective Tax Rate (%)	29.7	24.6	25.0	25.0
Profit After Tax	3,528	4,138	4,578	5,498
Minority Interest	39	47	52	57
Share Profit from Associate	16	15	17	19
Adjusted PAT	3,506	4,107	4,543	5,459
YoY gr. (%)	(15.0)	17.1	10.6	20.2
Margin (%)	14.0	14.3	13.2	13.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	3,506	4,107	4,543	5,459
YoY gr. (%)	(15.0)	17.1	10.6	20.2
Margin (%)	14.0	14.3	13.2	13.4
Other Comprehensive Income	(2)	-	-	-
Total Comprehensive Income	3,504	4,107	4,543	5,459
Equity Shares O/s (mn)	272	272	272	272
EPS (INR)	13.0	15.2	16.8	20.2

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	7,413	8,873	10,092	11,585
Tangibles	5,880	7,310	8,498	9,959
Intangibles	1,532	1,564	1,594	1,626
Acc: Dep / Amortization	2,478	3,236	4,113	5,140
Tangibles	2,173	2,845	3,634	4,571
Intangibles	305	391	479	568
Net Fixed Assets	4,934	5,637	5,979	6,446
Tangibles	3,707	4,465	4,864	5,388
Intangibles	1,227	1,172	1,115	1,058
Capital Work In Progress	94	182	285	314
Goodwill	409	409	409	409
Non-Current Investments	1,136	1,319	1,443	1,623
Net Deferred Tax Assets	340	428	549	695
Other Non-Current Assets	10,748	13,884	15,124	16,581
Current Assets				
Investments	5,356	6,652	9,604	11,772
Inventories	6,369	8,560	8,575	10,148
Trade Receivables	912	998	1,222	1,501
Cash & Bank Balance	948	326	1,358	2,201
Other Current Assets	293	809	401	475
Total Assets	33,344	40,151	45,267	52,581
Equity				
Equity Share Capital	1,361	1,361	1,361	1,361
Other Equity	15,730	18,569	20,868	23,884
Total Networth	17,091	19,930	22,229	25,245
Non-Current Liabilities				
Long Term Borrowings	-	-	-	-
Provisions	8	9	11	12
Other Non Current Liabilities	10,545	13,547	14,446	17,206
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade Payables	2,258	2,782	3,715	4,414
Other Current Liabilities	3,154	3,548	4,529	5,366
Total Equity & Liabilities	33,344	40,152	45,265	52,579

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	5,019	5,488	6,087	7,281
Add. Depreciation	2,580	3,110	3,907	4,606
Add. Interest	905	1,109	1,190	1,417
Less Financial Other Income	930	1,042	994	1,177
Add. Other	873	2,676	713	2,450
Op. Profit before WC Changes	9,378	12,384	11,897	15,755
Net Changes-WC	(582)	(1,020)	2,713	(488)
Direct Tax	(1,494)	(1,350)	(1,510)	(1,784)
Net Cash from Op. Activities	7,302	10,014	13,101	13,483
Capital Expenditures	(3,794)	(7,037)	(5,648)	(6,573)
Interest / Dividend Income	-	-	-	-
Others	2,946	(1,240)	(2,952)	(2,168)
Net Cash from Inv. Activities	(848)	(8,276)	(8,600)	(8,741)
Issue of Share Cap. / Premium	287	194	(378)	(38)
Debt Changes	-	-	-	-
Dividend Paid	(5,362)	(1,493)	(1,901)	(2,444)
Interest Paid	(905)	(1,109)	(1,190)	(1,417)
Others	(5)	47	-	-
Net Cash from Fin. Activities	(5,985)	(2,362)	(3,468)	(3,899)
Net Change in Cash	469	(624)	1,032	843
Free Cash Flow	3,508	2,977	7,453	6,910

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Net Revenues	6,282	6,511	8,113	7,730
YoY gr. (%)	9.1	11.2	15.4	20.3
Raw Material Expenses	2,555	2,914	3,319	3,264
Gross Profit	3,727	3,598	4,794	4,466
Margin (%)	59.3	55.3	59.1	57.8
EBITDA	1,939	1,707	2,649	2,379
YoY gr. (%)	7.5	10.3	17.7	20.6
Margin (%)	30.9	26.2	32.7	30.8
Depreciation / Depletion	688	784	799	838
EBIT	1,251	923	1,850	1,541
Margin (%)	19.9	14.2	22.8	19.9
Net Interest	237	294	288	290
Other Income	286	282	161	314
Profit before Tax	1,300	911	1,723	1,564
Margin (%)	20.7	14.0	21.2	20.2
Total Tax	320	221	423	389
Effective Tax Rate (%)	24.6	24.3	24.6	24.8
Profit After Tax	979	689	1,300	1,176
Minority Interest	3	13	20	11
Share Profit from Associate	9	1	4	2
Adjusted PAT	985	677	1,284	1,166
YoY gr. (%)	7.4	(3.0)	35.7	23.1
Margin (%)	15.7	10.4	15.8	15.1
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	985	677	1,284	1,166
YoY gr. (%)	7.4	(3.0)	35.7	23.1
Margin (%)	15.7	10.4	15.8	15.1
Other Comprehensive Income	1	(1)	(3)	1
Total Comprehensive Income	986	676	1,280	1,167
Avg. Shares O/s (mn)	137	136	137	137
EPS (INR)	3.6	2.5	4.7	4.3

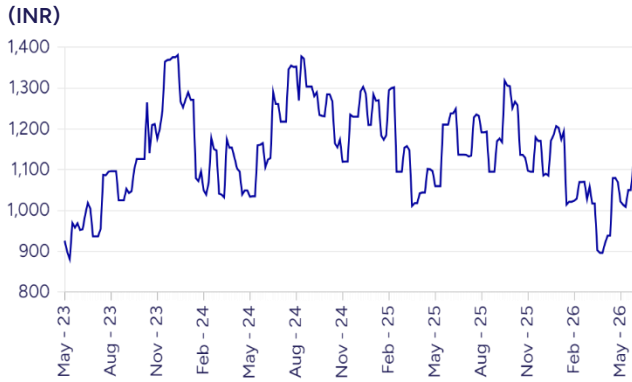
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	13.0	15.2	16.8	20.2
CEPS	22.4	26.5	31.0	37.0
BVPS	62.8	73.2	81.7	92.7
FCF	12.9	10.9	27.4	25.4
DPS	19.7	5.5	7.0	9.0
Return Ratio (%)				
RoCE	28.0	30.0	29.8	31.7
ROIC	18.5	16.7	18.3	19.5
RoE	19.6	22.2	21.6	23.0
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	73	86	65	65
Valuation (x)				
PER	85.4	72.8	65.8	54.8
P/B	17.6	15.1	13.5	11.9
P/CEPS	49.5	41.7	35.6	29.9
EV/EBITDA	39.0	34.0	28.5	23.7
EV/Sales	11.7	10.3	8.4	7.0
Dividend Yield (%)	1.7	0.4	0.6	0.8
FCFF Yield (%)	1.1	0.9	2.4	2.2
PEG Ratio	(5.9)	4.2	6.2	2.7

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	09-Apr-26	Accumulate	1156	997
2	28-Jan-26	Hold	1181	1026
3	08-Jan-26	Hold	1214	1156
4	17-Oct-25	Hold	1276	1203
5	08-Oct-25	Hold	1302	1267
6	25-Sep-25	Hold	1302	1281
7	08-Aug-25	Hold	1135	1095
8	09-Jul-25	Hold	1195	1167
9	23-May-25	Hold	1195	1211
10	09-Apr-25	Hold	1162	1046

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Asian Paints	Hold	2355	2270
2	Avenue Supermarts	Hold	4410	4586
3	Britannia Industries	Buy	6441	5520
4	Colgate Palmolive	Hold	2174	1907
5	Dabur India	Hold	491	470
6	Emami	Accumulate	484	419
7	Hindustan Unilever	Accumulate	2454	2251
8	ITC	Reduce	308	303
9	Jubilant FoodWorks	BUY	576	473
10	Marico	Accumulate	875	807
11	Metro Brands	Accumulate	1156	997
12	Nestle India	Accumulate	1504	1380
13	Pidilite Industries	Buy	1729	1476
14	Restaurant Brands Asia	Accumulate	76	67
15	Titan Company	Buy	5161	4509
16	Westlife Foodworld	Accumulate	552	501

PL's Recommendation Nomenclature (Absolute Performance)

BUY	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

Indian Clients

We/I Mr. Amnish Aggarwal MBA, CFA, Mr. Vishwa Solanki PGDM - Finance, Mr. Parth Thakker BFM, Passed CFA Level II Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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