

January 28, 2026

Q3FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	HOLD		HOLD	
Target Price	1,181		1,214	
Sales (Rs. m)	33,681	39,995	33,467	39,742
% Chng.	0.6	0.6		
EBITDA (Rs. m)	9,922	11,831	9,833	11,725
% Chng.	0.9	0.9		
EPS (Rs.)	16.5	19.7	16.2	19.4
% Chng.	1.6	1.6		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	25,074	28,360	33,681	39,995
EBITDA (Rs. m)	7,574	8,532	9,922	11,831
Margin (%)	30.2	30.1	29.5	29.6
PAT (Rs. m)	3,506	3,996	4,462	5,328
EPS (Rs.)	13.0	14.8	16.5	19.7
Gr. (%)	(14.6)	13.9	11.7	19.4
DPS (Rs.)	19.7	6.5	8.5	10.5
Yield (%)	1.8	0.6	0.8	1.0
RoE (%)	19.6	22.0	22.0	23.6
RoCE (%)	28.0	29.9	30.7	33.0
EV/Sales (x)	11.4	9.9	8.3	6.9
EV/EBITDA (x)	37.6	33.0	28.2	23.5
PE (x)	82.6	72.5	64.9	54.4
P/BV (x)	17.0	15.2	13.6	12.2

Key Data METB.BO | METROBRA IN

52-W High / Low	Rs.1,340 / Rs.890
Sensex / Nifty	81,857 / 25,175
Market Cap	Rs.292bn / \$ 3,178m
Shares Outstanding	272m
3M Avg. Daily Value	Rs.84.08m

Shareholding Pattern (%)

Promoter's	71.83
Foreign	3.82
Domestic Institution	7.51
Public & Others	16.84
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(6.6)	(12.1)	(9.7)
Relative	(2.9)	(12.5)	(16.9)

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Macro tailwinds improve demand outlook

Quick Pointers:

- Launched MetroActiv with 3 stores carrying leading global brands (Nike, Adidas, Skechers, ASICS).
- Management guided for 15% revenue CAGR in medium term with 10% sales from older stores and 5% from stores opened in current year

We increase our FY27/FY28 EPS estimates by 1.6%/1.6% driven by 1) Healthy demand outlook 2) Focus on high margin athleisure segment with launch of MetroActiv and 3) Improving store economics with sales/store up by 4% YoY (highest growth is last 2 years). We believe operating parameters to further improve in coming quarters led by 1) expected expansion in Tier-2 and Tier-3 cities with Metro, Mochi and Walkway. 2) Normalization of BIS-related issues by end of 1HFY27 resulting in faster store expansion in Footlocker and FILA and 3) launch of Clarks EBO's 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 (24% YoY sales growth). 3) 100bps increase in share of products priced above ₹3,000 now making up ~55% of total sales. 4) Accelerated store openings in Walkway format (7 in 3Q26) 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 15.5% EPS CAGR over FY26-FY28 and assign a DCF based target price of Rs1181 (Rs1214 earlier). We expect back ended returns given rich valuations of 54.4x FY28 EPS. Retain Hold.

Consol Revenues: Grew by 15.4% YoY to Rs8.1bn. Gross margins expanded by 45bps YoY to 59.1%. EBITDA grew by 17.7% YoY to Rs2.6bn (PLe:Rs2.5bn). Margins expanded by 65bps YoY to 32.7%. (PLe:31.5%). Adj PAT grew by 35.7% YoY.

Concall highlights: 1) Q3 saw strong demand led by festive and wedding season and reduction in GST rate for footwear <Rs2500. 2) January month has almost zero wedding days thus December sales remained impacted. 3) MBL does not use average store count for calculation of sales/sqft which impacts ratio. 4) Ecommerce sales grew by 24% and now contributes 12% to overall revenue vs 11% in Q3FY25. 5) MBL launched MetroActiv (3 stores), which will sell global brands such as Nike, Adidas, sketchers, Basics etc. 6) Company has introduced Clark's Cloudstepper ladies' range in ~ 200 MBOs and have observed good customer response. 7) Clarks will get complete product range supply by Q2FY27, MBL expects to open Clarks EBO by Q3FY27 post stabilization of supply chain 8) Global brands have begun receiving BIS approvals for overseas manufacturing units but expect supply chain stabilization to be delayed from Q4 FY26 to Q2 FY27. 9) Company plans to launch 2-3 new FILA EBO's in current quarter. 10) Once FILA stabilizes then GM are expected to be in line with company average

MBL's launch of MetroActiv marks a strategic expansion into the high-growth sports performance retail segment, diversifying its portfolio beyond core categories. By aggregating leading global brands (Nike, Adidas, Puma etc) under a single, curated platform, the company is well positioned to capitalize on rising athleisure adoption and increasing fitness awareness. We view MetroActiv as a scalable format that enhances MBL's premium positioning while broadening its addressable market across India.

Exhibit 1: Consol revenue up by 15.4% YoY, margins up by ~65bps YoY

Y/e March (Rs mn)	3QFY26	3QFY25	YoY gr. (%)	3QFY26E	% Var.	2QFY26	9MFY26	9MFY25	YoY gr. (%)
Net Sales	8,113	7,031	15.4	7,945	2.1	6,511	20,907	18,646	12.1
Gross Profit	4,794	4,123	16.3	4,608	4.0	3,598	12,119	10,772	12.5
% of NS	59.1	58.6	45.3	58.0	1.1	55.3	58.0	57.8	0.2
Other Expenses	2,145	1,873	14.5	2,105	1.9	1,890	5,823	5,169	12.7
% of NS	26.4	26.6	(19.6)	26.5	(0.1)	29.0	27.9	27.7	0.1
EBITDA	2,649	2,250	17.7	2,503	5.9	1,707	6,296	5,602	12.4
Margins %	32.7	32.0	64.9	31.5	1.2	26.2	30.1	30.0	6.7
Depreciation	799	655	22.0	810	(1.3)	784	2,272	1,879	20.9
Interest	288	235	22.8	260	10.8	294	819	661	24.0
Other Income	161	232	(30.6)	225	(28.4)	282	729	699	4.2
PBT	1,723	1,593	8.2	1,658	3.9	911	3,933	3,762	4.6
Tax	423	649	(34.7)	439	(3.6)	221	965	1,182	(18.4)
Tax rate %	24.6	40.7	(16.2)	26.5	(1.9)	24.3	24.5	31.4	(6.9)
Share of JV/Associates	4	7	(39.1)			1	13	14	(4.3)
Non-controlling Interest	20	5	304.0	10		13	36	33	10.4
Adjusted PAT	1,284	946	35.7	1,208	6.2	677	2,946	2,561	15.0

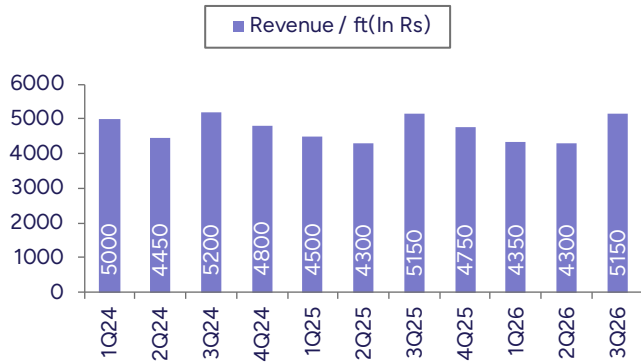
Source: Company, PL

Exhibit 2: >Rs3000/pair share in sales mix up 100bps YoY

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

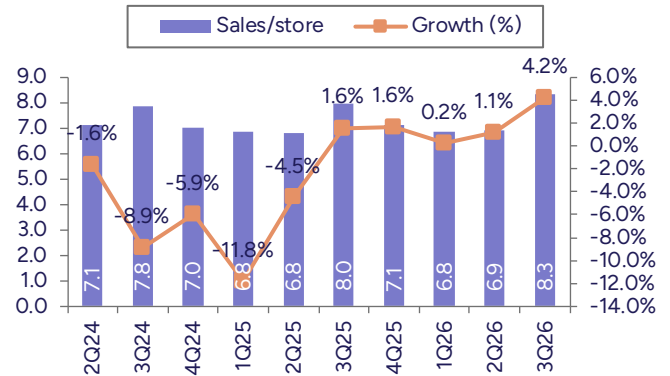
Source: Company, PL

Exhibit 3: Revenue/sq.ft flat YoY



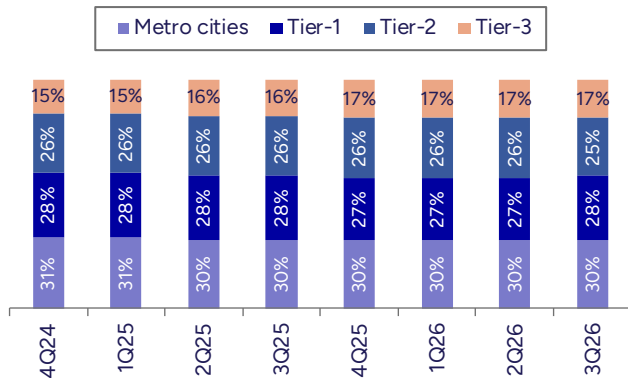
Source: Company, PL

Exhibit 4: Sales/store increased by 4.2% YoY



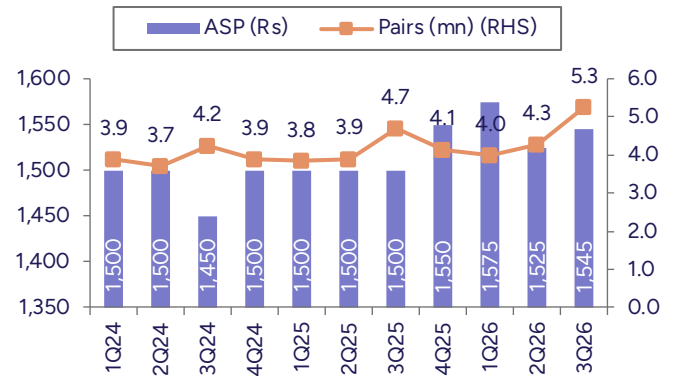
Source: Company, PL

Exhibit 5: Saliency of metro cities stable at 30-31%



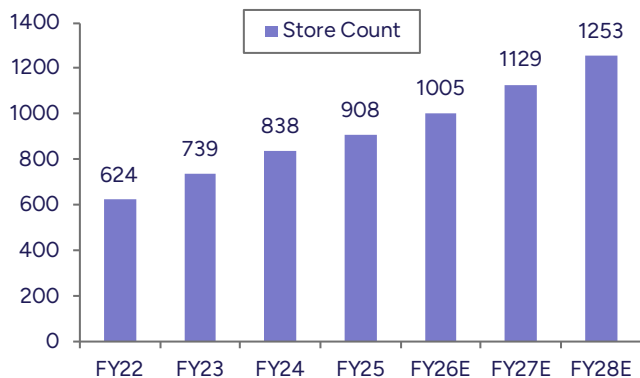
Source: Company, PL

Exhibit 6: ASP at ~Rs1545 with 5.3 mn pairs sold in 3Q26



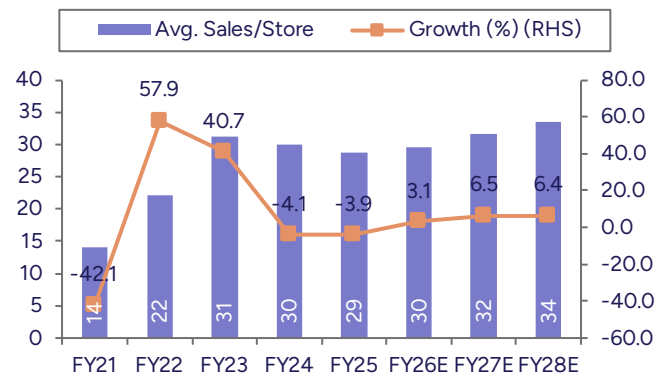
Source: Company, PL

Exhibit 7: ~248 stores to be added over FY26-FY28



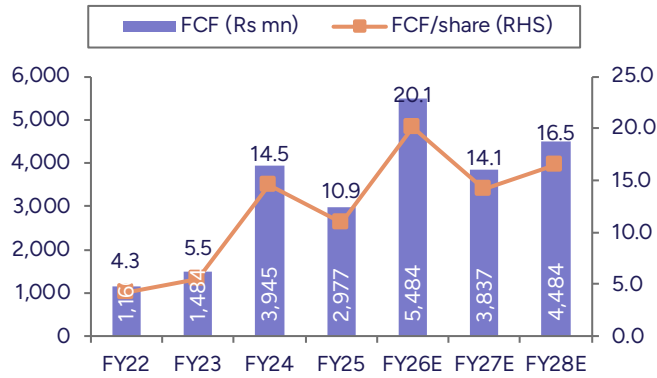
Source: Company, PL

Exhibit 8: Sales/store to increase by ~6.4% over FY26-28



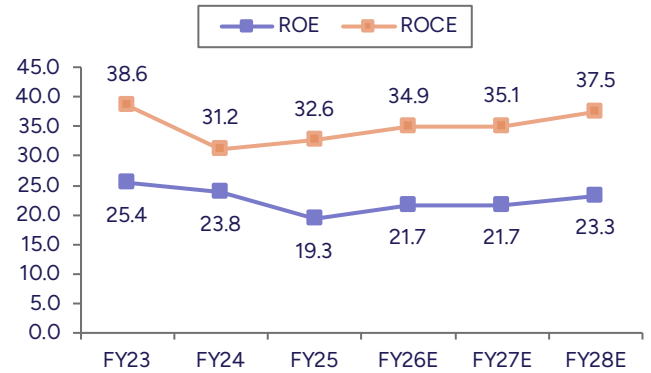
Source: Company, PL

Exhibit 9: FCF shows healthy growth over long term



Source: Company, PL

Exhibit 10: ROE & ROCE to stabilize at healthy levels



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	25,074	28,360	33,681	39,995
YoY gr. (%)	6.4	13.1	18.8	18.7
Cost of Goods Sold	10,609	12,081	14,348	17,038
Gross Profit	14,465	16,279	19,333	22,957
Margin (%)	57.7	57.4	57.4	57.4
Employee Cost	2,450	2,799	3,364	3,957
Other Expenses	4,441	4,948	6,047	7,169
EBITDA	7,574	8,532	9,922	11,831
YoY gr. (%)	8.3	12.6	16.3	19.2
Margin (%)	30.2	30.1	29.5	29.6
Depreciation and Amortization	2,580	3,108	3,704	4,368
EBIT	4,994	5,424	6,218	7,463
Margin (%)	19.9	19.1	18.5	18.7
Net Interest	905	1,038	1,145	1,349
Other Income	930	1,011	993	1,127
Profit Before Tax	5,019	5,396	6,066	7,240
Margin (%)	20.0	19.0	18.0	18.1
Total Tax	1,491	1,376	1,577	1,883
Effective tax rate (%)	29.7	25.5	26.0	26.0
Profit after tax	3,528	4,020	4,489	5,358
Minority interest	39	42	47	51
Share Profit from Associate	16	18	20	22
Adjusted PAT	3,506	3,996	4,462	5,328
YoY gr. (%)	(15.0)	14.0	11.7	19.4
Margin (%)	14.0	14.1	13.2	13.3
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	3,506	3,996	4,462	5,328
YoY gr. (%)	(15.0)	14.0	11.7	19.4
Margin (%)	14.0	14.1	13.2	13.3
Other Comprehensive Income	(2)	-	-	-
Total Comprehensive Income	3,504	3,996	4,462	5,328
Equity Shares O/s (m)	272	272	272	272
EPS (Rs)	13.0	14.8	16.5	19.7

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	7,413	8,409	9,750	11,321
Tangibles	5,880	6,846	8,156	9,695
Intangibles	1,532	1,563	1,594	1,626
Acc: Dep / Amortization	2,478	3,201	4,058	5,074
Tangibles	2,173	2,809	3,579	4,505
Intangibles	305	391	479	568
Net fixed assets	4,934	5,209	5,691	6,247
Tangibles	3,707	4,037	4,576	5,190
Intangibles	1,227	1,172	1,115	1,058
Capital Work In Progress	94	228	247	276
Goodwill	409	409	409	409
Non-Current Investments	1,136	1,270	1,434	1,601
Net Deferred tax assets	340	448	569	714
Other Non-Current Assets	10,748	12,019	13,577	14,930
Current Assets				
Investments	5,356	9,075	10,778	13,198
Inventories	6,369	7,272	8,420	9,999
Trade receivables	912	1,049	1,200	1,479
Cash & Bank Balance	948	559	535	302
Other Current Assets	293	332	394	468
Total Assets	33,344	38,125	43,573	50,039
Equity				
Equity Share Capital	1,361	1,361	1,361	1,361
Other Equity	15,730	17,843	19,997	22,474
Total Network	17,091	19,204	21,358	23,836
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	8	9	11	12
Other non current liabilities	10,545	11,845	13,906	16,383
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	2,258	3,090	3,657	4,375
Other current liabilities	3,154	3,688	4,353	5,145
Total Equity & Liabilities	33,344	38,125	43,573	50,039

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	5,019	5,396	6,066	7,240
Add. Depreciation	2,580	3,108	3,704	4,368
Add. Interest	905	1,038	1,145	1,349
Less Financial Other Income	930	1,011	993	1,127
Add. Other	873	1,066	1,788	2,184
Op. profit before WC changes	9,378	10,608	12,702	15,141
Net Changes-WC	(582)	1,835	(192)	(520)
Direct tax	(1,494)	(1,376)	(1,577)	(1,883)
Net cash from Op. activities	7,302	11,068	10,933	12,739
Capital expenditures	(3,794)	(4,795)	(5,774)	(6,322)
Interest / Dividend Income	-	-	-	-
Others	2,946	(3,717)	(1,703)	(2,420)
Net Cash from Invst. activities	(848)	(8,512)	(7,477)	(8,742)
Issue of share cap. / premium	287	(143)	(27)	(30)
Debt changes	-	-	-	-
Dividend paid	(5,362)	(1,765)	(2,308)	(2,851)
Interest paid	(905)	(1,038)	(1,145)	(1,349)
Others	(5)	-	-	-
Net cash from Fin. activities	(5,985)	(2,945)	(3,480)	(4,230)
Net change in cash	469	(390)	(24)	(233)
Free Cash Flow	3,508	6,273	5,159	6,417

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	13.0	14.8	16.5	19.7
CEPS	22.4	26.1	30.0	35.6
BVPS	62.8	70.5	78.5	87.6
FCF	12.9	23.0	18.9	23.6
DPS	19.7	6.5	8.5	10.5
Return Ratio(%)				
RoCE	28.0	29.9	30.7	33.0
ROIC	18.5	19.0	19.3	20.4
RoE	19.6	22.0	22.0	23.6
Balance Sheet				
Net Debt : Equity (x)	(0.4)	(0.5)	(0.5)	(0.6)
Net Working Capital (Days)	73	67	65	65
Valuation(x)				
PER	82.6	72.5	64.9	54.4
P/B	17.0	15.2	13.6	12.2
P/CEPS	47.9	41.0	35.7	30.0
EV/EBITDA	37.6	33.0	28.2	23.5
EV/Sales	11.4	9.9	8.3	6.9
Dividend Yield (%)	1.8	0.6	0.8	1.0

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Net Revenue	6,428	6,282	6,511	8,113
YoY gr. (%)	10.3	9.1	11.2	15.4
Raw Material Expenses	2,734	2,555	2,914	3,319
Gross Profit	3,694	3,727	3,598	4,794
Margin (%)	57.5	59.3	55.3	59.1
EBITDA	1,972	1,939	1,707	2,649
YoY gr. (%)	24.3	7.5	10.3	17.7
Margin (%)	30.7	30.9	26.2	32.7
Depreciation / Depletion	701	688	784	799
EBIT	1,271	1,251	923	1,850
Margin (%)	19.8	19.9	14.2	22.8
Net Interest	244	237	294	288
Other Income	231	286	282	161
Profit before Tax	1,258	1,300	911	1,723
Margin (%)	19.6	20.7	14.0	21.2
Total Tax	309	320	221	423
Effective tax rate (%)	24.5	24.6	24.3	24.6
Profit after Tax	949	979	689	1,300
Minority interest	6	3	13	20
Share Profit from Associates	4	9	1	4
Adjusted PAT	947	985	677	1,284
YoY gr. (%)	(38.9)	7.4	(3.0)	35.7
Margin (%)	14.7	15.7	10.4	15.8
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	947	985	677	1,284
YoY gr. (%)	(38.9)	7.4	(3.0)	35.7
Margin (%)	14.7	15.7	10.4	15.8
Other Comprehensive Income	-	1	(1)	(3)
Total Comprehensive Income	947	986	676	1,280
Avg. Shares O/s (m)	136	137	136	137
EPS (Rs)	3.5	3.6	2.5	4.7

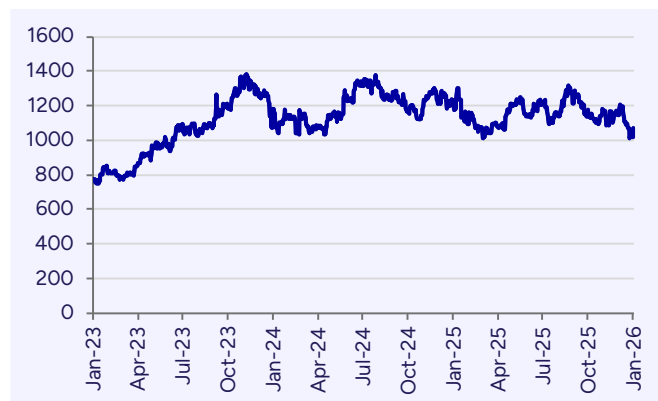
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Cost of Retail	3	13	16	16
Number of Stores added	120	144	147	157

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jan-26	Hold	1,214	1,156
2	17-Oct-25	Hold	1,276	1,203
3	08-Oct-25	Hold	1,302	1,267
4	25-Sep-25	Hold	1,302	1,281
5	08-Aug-25	Hold	1,135	1,095
6	09-Jul-25	Hold	1,195	1,167
7	23-May-25	Hold	1,195	1,211
8	09-Apr-25	Hold	1,162	1,046

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	Reduce	2,464	2,628
2	Avenue Supermarts	Hold	3,783	3,801
3	Britannia Industries	BUY	6,761	6,185
4	Colgate Palmolive	Hold	2,355	2,077
5	Dabur India	Hold	506	521
6	Emami	Accumulate	582	526
7	Hindustan Unilever	Accumulate	2,669	2,399
8	ITC	Reduce	348	341
9	Jubilant FoodWorks	BUY	666	537
10	Kansai Nerolac Paints	Accumulate	255	238
11	Marico	Accumulate	801	746
12	Metro Brands	Hold	1,214	1,156
13	Mold-tekk Packaging	Accumulate	746	608
14	Nestle India	Hold	1,359	1,315
15	Pidilite Industries	BUY	1,714	1,515
16	Restaurant Brands Asia	Accumulate	81	64
17	Titan Company	BUY	4,600	4,273
18	Westlife Foodworld	Hold	579	525

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

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