

28 January 2026

India | Equity Research | Results update

Vishal Mega Mart

Consumer Staples & Discretionary

Seasonality appears to have impacted reported SSSG

While VMM's sales growth of +17% YoY was good, its +6.1% SSSG print may be interpreted by consensus as underwhelming [though adj. (for seasonality) SSSG was +9.6%]. Product mix, gross margins, store additions largely as per recent trends; EBIDTA expanded 20bps thanks to leverage. QC continues to ramp up well (registered users up 55% to 12mn). **BUY**.

Strong underlying revenue growth continues

Q3FY26 revenue grew 17% YoY to INR 36.7bn, led by reported SSSG of 6.1% (adj. SSSG: 9.6%; ~2.1% adverse impact due to the advancing of Durga Puja to Q2) and supported by continued store expansion. The quarter saw gross addition of 29 stores (no store closure), taking the footprint to 771 stores across 517 cities. Average store size remained largely stable at ~17.1k sq.ft., with expansion continuing to be led by tier-2/3 cities (~74% store mix), in line with its strategy to serve the value-conscious middle India.

Better cost control drives EBITDA margin

Gross margin was flat YoY at 29.1%. Adj. EBITDA (pre-IND AS 116 and ESOP) grew 18.8% YoY to INR 4.7bn, with margin at 12.8% (+20bps YoY). Reported EBITDA grew 19.8% YoY to INR 6.1bn (margin 16.5%; +38bps YoY). Adj. PAT (pre-ESOP) increased 17.5% YoY to INR 3.2bn (margin 8.8%; flat YoY).

Omni-channel progress continues

Quick commerce coverage expanded to 723 stores across 485 cities, with ~95% of gross revenue from loyalty customers (163mn registered base). Regional revenue mix remained diversified across North (41.8%), East (28.3%), South (21.2%), and West (8.7%). Own brands continue to contribute 74.2% of revenue, with portfolio strength aiding margin stability. Management believes initiatives like GST reforms could spur consumer demand going ahead.

Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	107,320	128,813	153,174	181,309
EBITDA	15,459	18,929	22,598	27,001
EBITDA Margin (%)	14.4	14.7	14.8	14.9
Net Profit	6,477	8,446	10,341	12,808
EPS (INR)	1.4	1.8	2.2	2.8
EPS % Chg YoY	37.5	30.4	22.4	23.9
P/E (x)	88.7	68.0	55.6	44.9
EV/EBITDA (x)	36.6	29.5	24.3	19.9
RoCE (%)	11.9	13.3	14.0	14.9
RoE (%)	10.8	12.4	13.3	14.4

Manoj Menon

manoj.menon@icicisecurities.com
+91 22 6807 7209

Dhiraj Mistry

dhiraj.mistry@icicisecurities.com

Ashutosh Joytiraditya

ashutosh.joytiraditya@icicisecurities.com

Aniket Kamble

aniket.kamble@icicisecurities.com

Market Data

Market Cap (INR)	584bn
Market Cap (USD)	6,369mn
Bloomberg Code	VMM IN
Reuters Code	VSSL.BO
52-week Range (INR)	158 /96
Free Float (%)	45.0
ADTV-3M (mn) (USD)	12.9

Price Performance (%)	3m	6m	12m
Absolute	(15.5)	(10.7)	25.2
Relative to Sensex	(12.0)	(11.1)	16.6

ESG Score	2024	2025	Change
ESG score	NA	56.0	NA
Environment	NA	31.4	NA
Social	NA	50.4	NA
Governance	NA	78.1	NA

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

Source: SES ESG, I-sec research

Previous Reports

10-12-2025: [Company update](#)

14-11-2025: [Q2FY26 results review](#)

Valuation and risks

We marginally tweak our estimates for FY26–28 and model revenue/EBITDA/PAT CAGRs of 19%/20%/26% over FY25–28E. Maintain **BUY** with an unchanged DCF-based target price of INR 175. **Key risks:** Slower-than-expected store addition and SSSG, exit of key managerial personnel and customer shifting towards convenience (quick commerce).

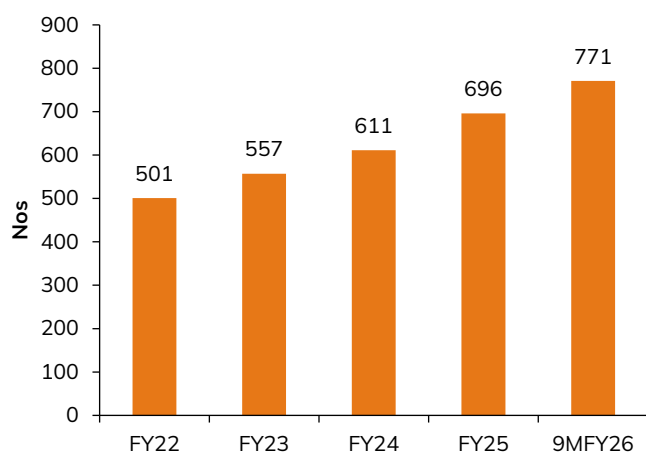
Exhibit 1: Q3FY26 result review

INR mn	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	9MFY26	9MFY25	YoY (%)
Net Revenues	36,704	31,359	17.0	29,815	23.1	97,922	81,685	19.9
COGS	(26,039)	(22,237)	17.1	(21,384)	21.8	(69,914)	(58,359)	19.8
Gross Profit	10,665	9,123	16.9	8,431	26.5	28,009	23,326	20.1
Staff cost	(1,921)	(1,709)	12.4	(1,761)	9.1	(5,393)	(4,733)	14.0
Other opex	(2,692)	(2,364)	13.9	(2,724)	(1.2)	(8,027)	(6,863)	17.0
Total expenditure	(30,653)	(26,309)	16.5	(25,869)	18.5	(83,334)	(69,954)	19.1
EBITDA	6,051	5,050	19.8	3,946	53.4	14,589	11,731	24.4
Other income	246	190	29.3	202	21.9	618	399	54.7
Finance cost	(427)	(315)	35.6	(412)		(1,251)	(999)	25.2
D&A	(1,676)	(1,407)	19.2	(1,691)	(0.9)	(4,959)	(4,195)	18.2
PBT	4,194	3,519	19.2	2,044	105.2	8,997	6,936	29.7
Tax	(1,065)	(892)		(521)		(2,284)	(1,767)	
Adj. PAT	3,129	2,627	19.1	1,523	105.4	6,713	5,169	29.9
EPS	0.7	0.6	15.2	0.3	105.4	1.4	1.1	25.6

% of revenues								
COGS	70.9	70.9	3 bps	71.7	-78 bps	71.4	71.4	-5 bps
Gross margin	29.1	29.1	-4 bps	28.3	77 bps	28.6	28.6	4 bps
Staff cost	5.2	5.4	-22 bps	5.9	-68 bps	5.5	5.8	-29 bps
Other opex	7.3	7.5	-21 bps	9.1	-181 bps	8.2	8.4	-21 bps
EBITDA margin	16.5	16.1	38 bps	13.2	325 bps	14.9	14.4	53 bps
Income tax rate (% of PBT)	25.4	25.3	3 bps	25.5	-9 bps	25.4	25.5	-10 bps

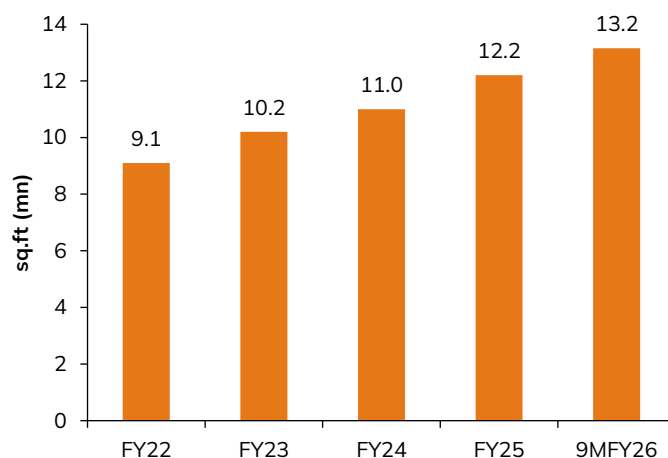
Source: Company data, I-Sec research

Exhibit 2: Store network

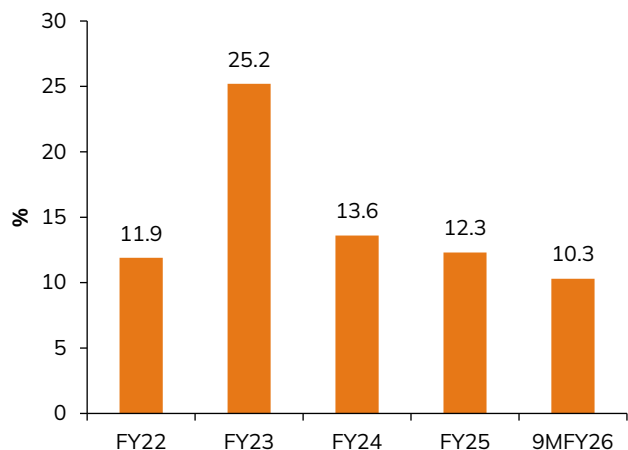


Source: Company data, I-Sec research

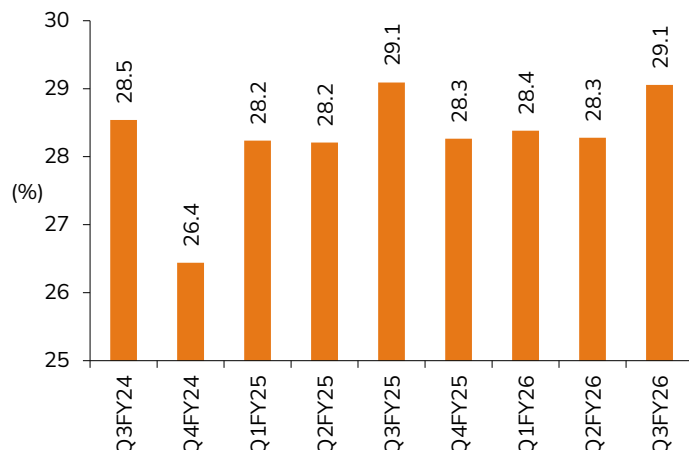
Exhibit 3: Retail space



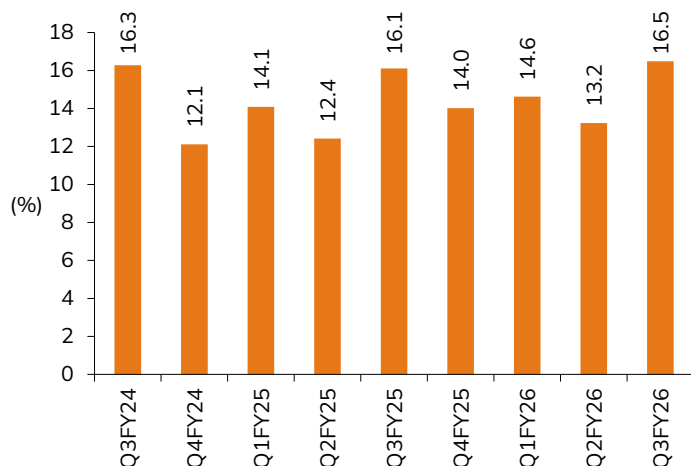
Source: Company data, I-Sec research

Exhibit 4: SSSG (%)

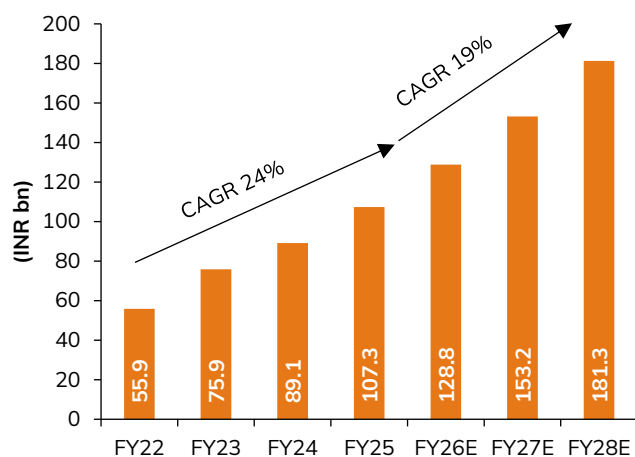
Source: Company data, I-Sec research

Exhibit 5: Gross margin

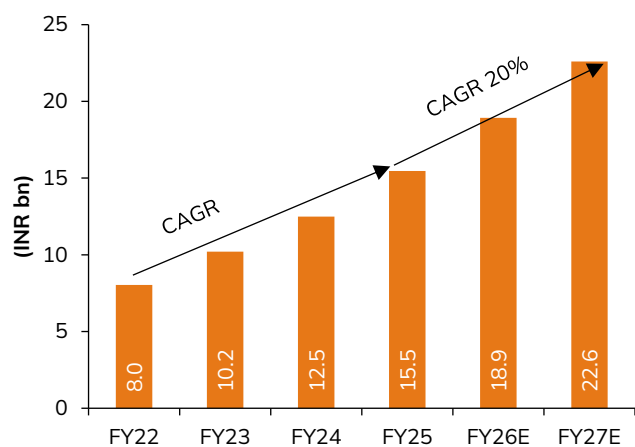
Source: Company data, I-Sec research

Exhibit 6: EBITDA margin

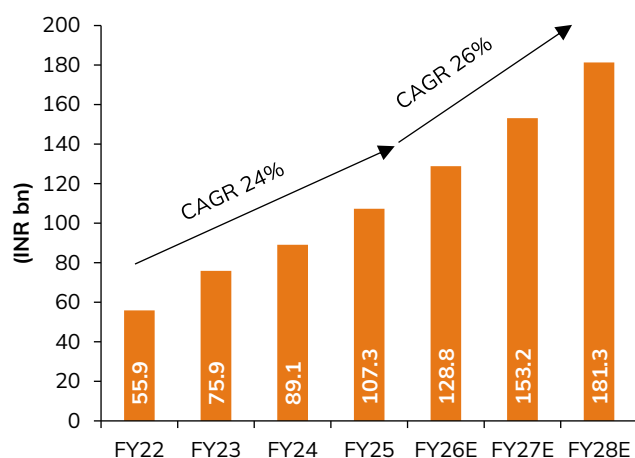
Source: Company data, I-Sec research

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

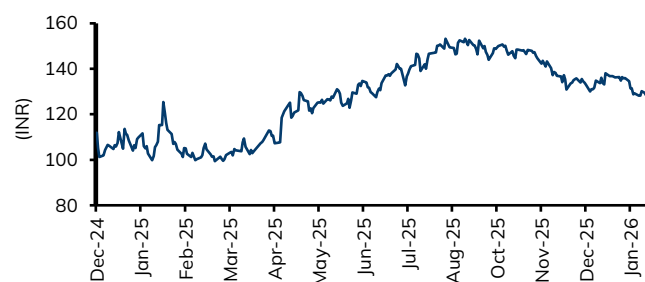
Source: Company data, I-Sec research

Exhibit 10: Shareholding pattern

%	Jun'25	Sep'25	Dec'25
Promoters	54.2	54.1	54.1
Institutional investors	40.2	40.8	40.9
MFs and other	25.7	23.8	23.9
Banks/ FIs	0.1	0.3	0.2
Insurance Cos.	1.3	1.3	1.3
FIIIs	13.1	15.4	15.5
Others	5.6	5.1	5.0

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	128,813	153,174	181,309
Operating Expenses	91,862	109,884	130,575	154,308
EBITDA	15,459	18,929	22,598	27,001
EBITDA Margin (%)	14.4	14.7	14.8	14.9
Depreciation & Amortization	5,902	6,829	8,036	9,275
EBIT	9,556	12,100	14,562	17,726
Interest expenditure	1,492	1,674	1,907	2,151
Other Non-operating Income	586	855	1,155	1,547
Recurring PBT	8,650	11,281	13,810	17,123
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	2,173	2,834	3,470	4,315
PAT	6,477	8,446	10,341	12,808
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	6,477	8,446	10,341	12,808
Net Income (Adjusted)	6,477	8,446	10,341	12,808

Source Company data, I-Sec research

Exhibit 13: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	23,804	35,112	48,106	66,913
of which cash & cash eqv.	4,637	12,106	20,749	34,531
Total Current Liabilities & Provisions	18,624	22,353	26,581	32,953
Net Current Assets	5,181	12,759	21,525	33,959
Investments	3,873	3,873	3,873	3,873
Net Fixed Assets	6,951	8,386	9,812	11,170
ROU Assets	15,457	13,534	13,875	13,018
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	1,393	1,656	1,960
Deferred Tax assets	-	-	-	-
Total Assets	81,307	89,753	101,823	116,533
Liabilities				
Borrowings	-	-	-	-
Deferred Tax Liability	-	-	-	-
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
Equity Share Capital	45,974	45,974	45,974	45,974
Reserves & Surplus	18,039	26,485	36,826	49,633
Total Net Worth	64,013	72,460	82,800	95,608
Minority Interest	-	-	-	-
Total Liabilities	81,307	89,753	101,823	116,533

Source Company data, I-Sec research

Exhibit 14: Quarterly trend

(INR mn, year ending March)

	Mar 25	Jun 25	Sep 25	Dec 25
Net Sales	25,479	31,403	29,815	36,704
% growth (YOY)	23.2	21.0	22.4	17.0
EBITDA	3,571	4,592	3,946	6,051
Margin %	14.0	14.6	13.2	16.5
Other Income	186	170	202	246
Extraordinaries	-	-	-	-
Adjusted Net Profit	1,151	2,061	1,523	3,129

Source Company data, I-Sec research

Exhibit 15: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Operating Cashflow	13,991	14,630	17,469	22,259
Working Capital Changes	7,897	6,184	7,128	9,451
Capital Commitments	13,123	(3,464)	(3,895)	(4,361)
Free Cashflow	27,114	11,166	13,574	17,898
Other investing cashflow	(19,228)	721	995	1,355
Cashflow from Investing Activities	(6,105)	(2,743)	(2,899)	(3,005)
Issue of Share Capital	897	-	-	-
Interest Cost	(1,492)	(1,674)	(1,907)	(2,151)
Inc (Dec) in Borrowings	-	-	-	-
Dividend paid	-	-	-	-
Others	-	(2,772)	(5,483)	(4,985)
Cash flow from Financing Activities	(4,786)	(4,446)	(7,391)	(7,135)
Chg. in Cash & Bank balance	3,100	7,441	7,179	12,118
Closing cash & balance	7,737	19,547	27,928	46,649

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	2.2	2.8
Adjusted EPS (Diluted)	1.4	1.8	2.2	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	20.0	18.9	18.4
EBITDA	23.8	22.4	19.4	19.5
EPS (INR)	37.5	30.4	22.4	23.9
Valuation Ratios (x)				
P/E	88.7	68.0	55.6	44.9
P/CEPS	46.4	37.6	31.3	26.0
P/BV	9.0	7.9	6.9	6.0
EV / EBITDA	36.6	29.5	24.3	19.9
P / Sales	5.4	4.5	3.8	3.2
Dividend Yield (%)	-	-	-	-
Operating Ratios				
Gross Profit Margins (%)	28.6	28.6	28.7	28.7
EBITDA Margins (%)	14.4	14.7	14.8	14.9
Effective Tax Rate (%)	25.1	25.1	25.1	25.2
Net Profit Margins (%)	6.0	6.6	6.8	7.1
Net Debt / Equity (x)	(0.1)	(0.2)	(0.3)	(0.4)
Net Debt / EBITDA (x)	(0.6)	(0.8)	(1.1)	(1.4)
Fixed Asset Turnover (x)	7.7	7.7	7.5	7.4
Working Capital Days	2	2	2	(1)
Inventory Turnover Days	74	75	74	74
Receivables Days	3	3	3	3
Payables Days	59	60	59	63
Profitability Ratios				
RoCE (%)	11.9	13.3	14.0	14.9
RoE (%)	10.8	12.4	13.3	14.4
RoIC (%)	12.6	14.2	15.2	16.2

Source Company data, I-Sec research

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