



V-Marts results were in line with expectation with Revenue growth at 22% YoY to Rs 8069mn.

- Same store sales growth for Q2FY26 stood at 11% v/s 15% YoY. Volume basis SSS stood at 6% YoY. (V-mart @11% as well as Unlimited @ 11%)
- EBIDTA on an overall basis increased by 85% to Rs 715mn, which was aided by lower increase in employee cost (13% YoY to Rs 976mn) and other expenses too as a percentage to sales stood at 12.7% as against 14.7% YoY as LimeRoad losses decreased.
- LimeRoad's loss reduced YoY as well as QoQ basis , on a YoY basis it stood at Rs 34mn a drop of 53% (Q1FY26 loss was Rs 46mn)
- Overall PAT loss stood at Rs 89mn as against loss of Rs 565mn YoY
- Inventory days improved by 2% YoY to 97 days
- Provision for aged inventory including shrinkage stood at 0.9% as against 1.5% YoY

Financial Summary

| Y/E Mar (Rs mn) | FY24 | FY25 | FY26E | FY27E |
|---------------------|--------|--------|--------|--------|
| Net sales | 27,856 | 32,539 | 36,863 | 41,693 |
| Adjusted net profit | (968) | 458 | 778 | 991 |
| EPS (Rs) | (12.2) | 5.8 | 9.8 | 12.5 |
| P/B (x) | 8.2 | 7.5 | 6.9 | 6.2 |
| EV/EBITDA (x) | 35.1 | 18.2 | 15.6 | 13.7 |
| D/E | 0.1 | 0.2 | 0.1 | 0.1 |
| RoE (%) | (13.0) | 5.6 | 8.8 | 10.0 |
| Dividend yield (%) | - | - | - | 0.26 |

Source: Company, Dalal & Broacha Research

| Rating | TP (Rs) | Up/Dn (%) |
|------------|------------|-----------|
| BUY | 898 | 16 |

Market data

| | | |
|----------------------|-----------|------------------|
| Current price | Rs | 775 |
| Market Cap (Rs.Bn) | (Rs Bn) | 62 |
| Market Cap (US\$ Mn) | (US\$ Mn) | 694 |
| Face Value | Rs | 10 |
| 52 Weeks High/Low | Rs | 1037.74 / 675.01 |
| Average Daily Volume | ('000) | 958 |
| BSE Code | | 534976 |
| Bloomberg | | VMART |

Source: Bloomberg

One Year Performance



Source: Bloomberg

| % Shareholding | Sep-25 | Jun-25 |
|----------------|------------|------------|
| Promoters | 44 | 44 |
| Public | 56 | 56 |
| Total | 100 | 100 |

Source: BSE

Kunal Bhatia
(022) 67141442
kunal.bhatia@dalal-broacha.com

Conference Call Key Takeaways

Outlook:

- Management conservatively expects mid to high single-digit SSS growth for FY26.
- November would be better than October on account of positive outlook for the winter (as per forecast) and marriage season sales, expect rise in higher priced products.
- Management targets to open 75 stores in FY26 as against 60-65 guided earlier. As on Nov-25 total no of stores stood at 549.
- Inflation is under control, leading to improved consumer confidence and savings.
- Overall Gross margins for the year to remain at similar levels of FY25.
- EBITDA margins on a full year basis would be better on a YoY basis.
- Government focus on consumerism, particularly targeting Bharat consumers, is positively influencing the market.
- Unlimited brand continues to perform strongly with plans for cautious expansion in southern India.
- Ongoing efforts to improve operational efficiency, inventory freshness, and customer experience aimed at sustaining long-term growth.

Business Environment and Market Sentiment:

- Diwali was satisfactory was expecting 4% to 5% higher growth.
- Unseasonal rains during the festival period disrupted sales in Poja period in the eastern markets.
- Competition remains intense with mixed impact, around 30-35% of stores that witnessed some disruption due to competitor store openings. Style Union is the new competitor in the south.
- GST transition did not impact V-Mart in particular.

Vmart (Core)

- Revenue +23% YoY, with 11% LFL to Rs 6324mn
- EBITDA increase by 71% YoY to Rs 605mn (margins stood at 9.1% v/s 6.6% YoY)

Unlimited

- Revenue +22% YoY with 11% LFL to Rs 1380mn
- EBITDA increased by 36% YoY to Rs 144mn (margins @ 10.5% v/s 9.4% YoY)
- Expansion focus in southern India, particularly Tamil Nadu; slower growth seen in Telangana and Andhra Pradesh.

Lime Road

- LimeRoad Net Merchandise value stood at Rs 192mn a drop of 32% YoY and commission income stood at Rs 66mn as against Rs 104mn YoY.
- LimeRoad's loss reduced YoY as well as QoQ basis , on a YoY basis it stood at Rs 34mn a drop of 53% (Q1FY26 loss was Rs 46mn
- Continue to focus on reducing the losses in LimeRoad
- Focus is largely on the Omni orders and shifted a lot of Omni orders and store led only orders into prepaid orders, which has also given a lot of benefits in terms of the return rate

New Initiatives and Product Segments

- Introduction of cosmetics and artificial jewelry in about 20-25 stores, contributing around 1.5-2% of sales in pilot stores.
- Plans to expand beauty and jewelry offerings to 50% of stores by year-end, with adjustments based on pilot feedback and supply chain capabilities.

Financials

- Early Diwali impacted product mix with more summer-related and basic products sold, leading to lower ASP's.
- Gross Margins: Remained flat @ 33.6% despite 37% decrease in commission revenue from the LimeRoad marketplace. In conclusion due to better than planned liquidation or better realizations on the end of season sales offline business margins improved. However for full year YoY gross margins should remain flat.
- Inventory management improved with fresher inventory and reduced days of inventory by two days YoY. QoQ inventory increased by Rs 2.2bn for festive season.
- Capex for Q2FY26 stood at Rs 300mn mainly towards new stores and old store refurbishment
- Stores opened in the last year are delivering better growth as well as EBIDTA
- Design to Shelf days stood at 70 days want to reduce it further. Design team is ~ 20-23 people and still expanding (average age ~ 29 years)
- Private label sales stood at 67%.
- Free Cash Flow YTD stood at Rs 270mn as against Rs negative 630mn YoY

Quarterly Performance Analysis

| Particulars (Rs Mns) | Q2FY26 | Q2FY25 | YoY (%) | Q1FY26 | QoQ (%) |
|---------------------------------|--------------|--------------|---------|--------------|---------|
| Revenue | 8,069 | 6,610 | 22% | 8,852 | -9% |
| Other Income | 34 | 18 | 94% | 29 | 17% |
| Total | 8,103 | 6,627 | | 8,882 | |
| Total RM Cost | 5,355 | 4,389 | 22% | 5,729 | -7% |
| Gross Profit | 2,714 | 2,221 | 22% | 3,124 | -13% |
| Employee Cost | 976 | 865 | 13% | 950 | 3% |
| Other Expenses | 1,022 | 969 | 5% | 912 | 12% |
| Total | 7,354 | 6,224 | | 7,590 | |
| EBIDTA | 715 | 386 | 85% | 1,262 | -43% |
| Depreciation | 711 | 592 | 20% | 679 | 5% |
| EBIT | 38 | (189) | | 612 | |
| Interest Cost | 175 | 391 | -55% | 182 | -4% |
| PBT and exceptional item | (136) | (580) | | 430 | |
| exceptional item | | - | | - | |
| PBT | (136) | (580) | -77% | 430 | -132% |
| Taxes | (47) | (15) | | 93 | |
| Reported PAT | (89) | (565) | -84% | 336 | -126% |
| EPS | (1.1) | (7.1) | | 4.2 | |
| as a % to sales | | | | | |
| RM | 66.4% | 66.4% | | 64.7% | |
| Gross profit margins | 33.6% | 33.6% | | 35.3% | |
| Employee Costs | 12.1% | 13.1% | | 10.7% | |
| Other expenses | 12.7% | 14.7% | | 10.3% | |
| EBITDA Margins | 8.9% | 5.8% | | 14.3% | |
| Tax rate (on PBT) | 34.8% | 2.6% | | 21.7% | |

Source: Dalal & Broacha Research, Company

Exhibit 1

| Particulars | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 |
|--|------------|------------|------------|-------------|-------------|
| Stores | 467 | 488 | 497 | 510 | 533 |
| <i>Net Additions</i> | <i>19</i> | <i>21</i> | <i>9</i> | <i>13</i> | <i>23</i> |
| Retail Space YTD in lacs Sq feet | 40 | 42 | 43 | 44 | 46 |
| <i>Increase</i> | <i>1</i> | <i>2</i> | <i>1</i> | <i>1.00</i> | <i>2.00</i> |
| Sales Per Sq Ft Per Mth In Rs as per Presentation | 579 | 897 | 653 | 716 | 640 |

Exhibit 2

| Particulars | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| SSS Growth YTD | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 |
| - Value % | 15% | 10% | 8% | 1% | 11% |
| - Volume % | 7% | 10% | 8% | 1% | 6% |
| Sales Mix | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 |
| Apparels (%) | 76 | 80 | 78 | 80 | 77 |
| Non Apparels (%) | 11 | 10 | 11 | 10 | 11 |
| Kirana (%) | 13 | 10 | 11 | 10 | 12 |
| Total | 100 | 100 | 100 | 100 | 100 |
| FootFall (lacs) | 170 | 220 | 180 | 200 | 190 |
| Conversion Rate | 45.0% | 43.0% | 45.0% | 48.0% | 47.0% |
| Shrinkage | 1.5% | 1.4% | 1.1% | 0.7% | 0.9% |
| Average Selling Price (Rs) | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 |
| Total (Rs) | 207 | 271 | 228 | 218 | 214 |
| Total Vmart | 188 | 253 | 213 | 201 | 196 |
| Total Unlimited | 412 | 457 | 401 | 396 | 383 |
| Apparels (Rs.) | 330 | 414 | 343 | 326 | 347 |
| Apparels Vmart | 309 | 401 | 328 | 309 | 331 |
| Apparels Unlimited | 439 | 493 | 433 | 434 | 427 |
| Transaction size (Rs) | H1FY25 | 9MFY25 | FY25 | Q1FY26 | H1FY26 |
| Vmart | 1,001 | 1,058 | 1,045 | 1,004 | 981 |
| Unlimited | 923 | 981 | 977 | 932 | 910 |
| | 1,730 | 1,797 | 1,746 | 1,716 | 1,643 |
| Store Count YTD | 467 | 488 | 497 | 510 | 533 |
| Tier 1 | 107 | 110 | 110 | 112 | 122 |
| Tier 2 | 55 | 55 | 56 | 59 | 63 |
| Tier 3 | 248 | 263 | 269 | 277 | 286 |
| Tier 4 | 57 | 60 | 62 | 62 | 62 |
| Store allocation | 100% | 100% | 100% | 100% | 100% |
| Tier 1 % | 23% | 23% | 22% | 22% | 23% |
| Tier 2 % | 12% | 11% | 11% | 12% | 12% |
| Tier 3 % | 53% | 54% | 54% | 54% | 54% |
| Tier 4 % | 12% | 12% | 12% | 12% | 12% |

Source: Dalal & Broacha Research, Company

Valuation & Outlook

Vmart's management maintained a constructive outlook, projecting mid- single-digit same-store sales growth for FY26, further margin improvement, and stronger wedding and winter related demand.

The revised guidance of 75 new store openings (up from 60–65 earlier), along with continued focus on cost efficiency, product diversification, and strengthening the omnichannel model, are aimed at supporting steady growth and operational profitability amid declining losses from LimeRoad.

We maintain a BUY with a target price of Rs 898 (16x FY27E EV/EBITDA), backed by robust brand performance, improving operating metrics, and disciplined inventory management.

Financials

| P&L (Rs mn) | FY24 | FY25 | FY26E | FY27E |
|----------------------------|--------------|--------------|--------------|--------------|
| Net Sales | 27,856 | 32,539 | 36,863 | 41,693 |
| Cost of sales | (25,726) | (28,768) | (32,416) | (36,577) |
| Operating Profit | 2,130 | 3,771 | 4,447 | 5,116 |
| Depreciation | (2,221) | (2,330) | (2,824) | (3,172) |
| PBIT | (91) | 1,441 | 1,623 | 1,943 |
| Other income | 210 | 121 | 136 | 177 |
| Interest | (1,424) | (1,365) | (721) | (799) |
| Profit before tax | (1,305) | 198 | 1,038 | 1,321 |
| Exceptional and Extra Or | - | 242 | - | - |
| PBT (Post Extra Ordinary) | (1,305) | 440 | 1,038 | 1,321 |
| Provision for tax | (337) | 18 | (259) | (330) |
| Reported PAT | (968) | 458 | 778 | 991 |
| MI | - | - | - | - |
| Adjusted PAT | (968) | 458 | 778 | 991 |

| Balance Sheet | FY24 | FY25 | FY26E | FY27E |
|-------------------------------|---------------|---------------|---------------|---------------|
| Equity capital | 198 | 198 | 794 | 794 |
| Reserves | 7,272 | 7,904 | 8,086 | 9,077 |
| Net worth | 7,470 | 8,102 | 8,880 | 9,871 |
| Non Current Liabilites | 12,061 | 4,580 | 5,634 | 6,306 |
| Current Liabilites | 8,922 | 11,681 | 13,077 | 14,378 |
| CAPITAL EMPLOYED | 28,453 | 24,362 | 27,591 | 30,555 |
| | 27,814 | 23,535 | 26,716 | 29,548 |
| Non Current Assets | 17,466 | 11,277 | 12,982 | 13,776 |
| Fixed Assets | 16,646 | 10,429 | 12,149 | 12,943 |
| Non Current Investments | - | - | - | - |
| Deferred Tax Asset | 821 | 849 | 833 | 833 |
| Long Term Loans and Adv | - | - | - | - |
| Other NON Current Asset | 639 | 827 | 875 | 1,006 |
| Current Assets | 10,348 | 12,258 | 13,734 | 15,773 |
| Current investments | 47 | 51 | 52 | 52 |
| Inventories | 8,161 | 9,868 | 10,604 | 11,994 |
| Trade Receivables | - | - | - | - |
| Cash and Bank Balances | 272 | 394 | 898 | 1,221 |
| Short Term Loans and Adv | 2 | 3 | 3 | 3 |
| Other Current Assets | 1,866 | 1,942 | 2,177 | 2,503 |
| CAPITAL DEPLOYED | 28,453 | 24,362 | 27,591 | 30,555 |

| Cash Flow St. (Rs. mn) | FY24 | FY25 | FY26E | FY27E |
|----------------------------------|----------------|----------------|----------------|----------------|
| Net Profit | (968) | 458 | 778 | 991 |
| Add: Dep. & Amort. | 2,221 | 2,330 | 2,824 | 3,172 |
| Cash profits | 1,253 | 2,788 | 3,602 | 4,163 |
| (Inc)/Dec in | | | | |
| -Sundry debtors | - | - | - | - |
| -Inventories | 546 | (1,708) | (736) | (1,389) |
| -Loans/advances | 2 | (1) | - | - |
| '-Current Liab and Provision | 1,452 | 1,365 | 1,339 | 1,134 |
| '- Other Non Current Assets | (134) | (265) | (282) | (458) |
| Change in working capital | 1,866 | (608) | 320 | (713) |
| CF from Oper. activities | 3,120 | 2,179 | 3,923 | 3,450 |
| CF from Inv. activities | (2,308) | (2,592) | (2,957) | (3,127) |
| CF from Fin. activities | (46) | 536 | (463) | - |
| Cash generated/(utilised) | 767 | 122 | 503 | 323 |
| Cash at start of the year | 181 | 272 | 394 | 898 |
| Cash at end of the year | 272 | 394 | 898 | 1,221 |

| Ratios | FY24 | FY25 | FY26E | FY27E |
|--------------------------|---------------|--------------|-------------|-------------|
| OPM | 7.6 | 11.6 | 12.1 | 12.3 |
| NPM | (3.4) | 1.4 | 2.1 | 2.4 |
| Tax rate | 25.8 | 9.2 | (25.0) | (25.0) |
| Growth Ratios (%) | | | | |
| Net Sales | 13.0 | 16.8 | 13.3 | 13.1 |
| Operating Profit | (20.8) | 77.0 | 17.9 | 15.0 |
| PBIT | (110.2) | (1,686.3) | 12.6 | 19.7 |
| PAT | 1,140.3 | (147.3) | 70.1 | 27.3 |
| Per Share (Rs.) | | | | |
| Net Earnings (EPS) | -12.2 | 5.8 | 9.8 | 12.5 |
| Cash Earnings (CPS) | 15.8 | 35.2 | 45.4 | 52.4 |
| Dividend | - | - | - | 2.0 |
| Book Value | 94.4 | 102.4 | 111.8 | 124.3 |
| Free Cash Flow | 10.3 | (5.2) | 12.2 | 4.1 |
| Valuation Ratios | | | | |
| P/E(x) | (63.1) | 133.5 | 78.8 | 61.9 |
| P/B(x) | 8.2 | 7.5 | 6.9 | 6.2 |
| EV/EBIDTA(x) | 35.1 | 18.2 | 15.6 | 13.7 |
| Div. Yield(%) | - | - | - | 0.3 |
| FCF Yield(%) | 1.3 | (0.7) | 1.6 | 0.5 |
| Return Ratios (%) | | | | |
| ROE | (13.0) | 5.6 | 8.8 | 10.0 |
| ROCE | (1.1) | 14.7 | 16.4 | 17.9 |

Source: Dalal & Broacha Research, Company

Disclaimer

Dalal & Broacha Stock Broking Pvt Ltd, hereinafter referred to as D&B (CINU67120MH1997PTC111186) was established in 1997 and is an integrated financial services player offering an extensive range of financial solutions and services to a wide spectrum of customers with varied needs ranging from equities to mutual funds to depository services.

D&B is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE). D&B along with its affiliates offers the most comprehensive avenues for investments and is engaged in the securities businesses including stock broking (Institutional and retail), depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.dalal-broacha.com

D&B is registered as Research Analyst with SEBI bearing registration Number INH000001246 as per SEBI (Research Analysts) Regulations, 2014.

D&B hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in any time in the past. It has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time. SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on D&B for certain operational deviations in routine course of business.

D&B offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Other disclosures by D&B (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

D&B or its associates may have financial interest in the subject company.

D&B or its associates do not have any material conflict of interest in the subject company.

The Research Analyst or Research Entity (D&B) has not been engaged in market making activity for the subject company.

D&B or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report.

Disclosures in respect of Research Analyst:

| | |
|--|----|
| Whether Research Analyst or his/her relatives have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report: | No |
| Whether the Research Analyst or his/her relative's financial interest in the subject company. | No |
| Whether the research Analyst has served as officer, director or employee of the subject company | No |
| Whether the Research Analyst has received any compensation from the subject company in the past twelve months | No |
| Whether the Research Analyst has managed or co-managed public offering of securities for the subject company in the past twelve months | No |
| Whether the Research Analyst has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months | No |
| Whether the Research Analyst has received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months | No |
| Whether the Research Analyst has received any compensation or other benefits from the subject company or third party in connection with the research report | No |

D&B and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that may be inconsistent with the recommendations expressed herein.

In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided

herein. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject D&B or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom. All material presented in this report, unless specifically indicated otherwise, is under copyright to D&B. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of D&B. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of D&B or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Address: - 508, Maker Chambers V, 221 Nariman Point, Mumbai 400 021.
Tel: 91-22- 2282 2992, 2287 6173 | E-mail: equity.research@dalal-broacha.com