Dated: 6th August 2026

Metro Brands (METROBRA) - REDUCE

Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs. 1005	**Rs. 1050**

Rationale:

- Metro Brands saw a deceleration in topline growth to ~15% in Q1 (from 20% in Q4FY26).
- Growth impacted by a shift in wedding dates due to Adhik Maas.
- The network expansion also moderated to 13/9 gross/net new stores.
- Whereas Sales per square feet (SPSF) was flat.
- Metro's sports and value formats have significant headroom to grow.
- BIS-led supply chain disruption remains a key monitorable.
- We cut EPS by 3-5%, roll over and revise FV to Rs1,050 (implies 46X September 2028E P/E).
- We upgrade the rating by a notch to REDUCE (from SELL).

Positives:

- Revenues grew 14.7% yoy to Rs720 cr (in-line).
- Sales per sq. ft remained flat yoy at Rs4,350.
- Average sales price (ASP) grew ~6% yoy to Rs1,675.
- GM expanded 15 bps yoy to 59.5% (KIE: 59%).
- Metro's sports and value formats have significant headroom to grow.

Negatives:

- Reported PAT declined 3.1% yoy to Rs94.9 cr (~6.2% miss).

The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com).Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

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RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY – We expect the stock to deliver more than 15% returns over the next 12 months

ADD – We expect the stock to deliver 5% - 15% returns over the next 12 months

REDUCE – We expect the stock to deliver -5% - +5% returns over the next 12 months

SELL – We expect the stock to deliver < -5% returns over the next 12 months

NR – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.

SUBSCRIBE – We advise investor to subscribe to the IPO.

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NA – **Not Available or Not Applicable.** The information is not available for display or is not applicable

NM – **Not Meaningful.** The information is not meaningful and is therefore excluded.

NOTE – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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