

MEESHO: Lock-in Expiry Remains a Near-term Overhang

June 04, 2026 | CMP: INR 175 | Target Price: INR 210

ADD

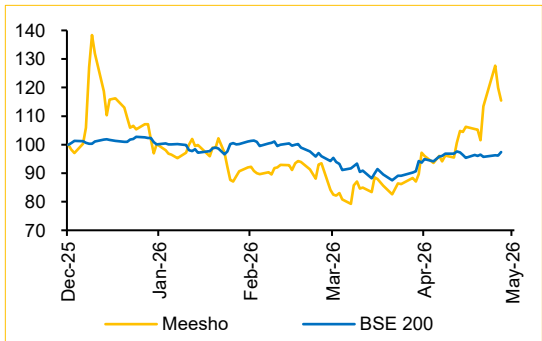
Expected Share Price Return: 20.1% | Dividend Yield: 0.0% | Potential Upside: 20.1%

Company Info	
BB Code	MEESHO IN EQUITY
Face Value (INR)	1.0
52-week High/Low (INR)	126/255
Mkt Cap (Bn)	INR 804.1/ \$8.4
Shares o/s (Mn)	4,742.9
3M Avg. Daily Volume	2,12,39,473

Key Financials					
INR Bn	FY25	FY26	FY27E	FY28E	FY29E
Revenue	93.9	126.3	171.1	224.0	299.4
YoY (%)	23.3	34.5	35.5	30.9	33.7
EBITDA	-5.8	-14.9	-3.5	1.3	12.0
EBITDAM %	-6.2	-11.8	-2.1	0.6	4.0
Adj PAT	-39.4	-13.6	0.1	5.5	16.0
EPS (INR)	-10.0	-3.1	0.0	1.3	3.7
ROE %	-272.7	-31.0	0.2	8.9	18.9
ROCE %	-110.0	-38.7	-9.3	-1.9	7.6

Shareholding Pattern (%)		
	Dec-25	Mar-26
Promoters	16.76	16.57
FIs	4.31	4.17
DIs	5.28	5.56
Public	73.66	73.70

Relative Performance (%)	
YTD	5M
BSE 200	(2.6)
MEESHO	15.5



Lock-in Expiry in Focus: Potential Overhang Despite Robust Growth

The lock-in ~68% of Meesho's pre-IPO shareholding is set to expire on **9th June '26**, making shares worth approximately **INR 540 Bn** eligible for trading from the following day. This excludes ~20% of the company's share capital which remains under lock-in until **9th June '27**, as disclosed in the prospectus. Even assuming that only ~10% of the company's outstanding shares will be available for trading immediately after the lock-in expiry, potential secondary market outflows could be to the tune of ~**INR 54 Bn**, nearly equivalent to the entire IPO size of Meesho (**INR 54 Bn**). This liquidity event would create a temporary downward pressure on the shares as many early PE/VC investors would try and offload their holdings as they are sitting on significant unrealised gains.

As mentioned in our previous report, Meesho's key operating metrics have improved meaningfully, but it is yet to translate into a material uplift in ad monetisation, which is expected to be gradual. Moreover, with most near-term positives largely priced in, we see limited upside from current levels. **While our long-term view on Meesho remains intact owing to strong user-led scale-up and continued expansion of the seller ecosystem, the current fundamentals along with the lock-in expiry event would create a downward pressure on shares in the near-term. Thus, we continue to value Meesho at 4.0x FY28E EV/Revenue and maintain our 'ADD' rating with a target price of INR 210.**

Large Lock-in Expiry Could Cause Near-term Supply Overhang:

Pre-IPO investors as per SEBI are bound by a mandatory lock-in period of 6 months after listing of their shares. About 68% of Meesho's shareholding worth **INR 540 Bn** (at CMP) will be eligible for trade for the first time once the lock-in for these shares expires on **9th June '26** i.e. shares would be available for trading the next day. Of these ~68% locked-in shares, ~58% are held by various PE/VCS, whereas the promoters own 6%. Also, 20.4% stake owned by the promoters and some pre-IPO shareholders will continue to have a lock-in period till **9th June '27** as per the company's prospectus.

Meesho's Latest Locked-in Shareholding Data

Shareholders	Current Shares Outstanding (Mn)	Latest Holding (%)	% Holding Locked in till 9th Jun'26	% holding Locked-in till 9th Jun'27
Promoter & Promoter Group	756	16.6%	6.0%	10.6%
Pre-IPO investors (ex-Promoters)	3,808	83.4%	61.6%	9.8%
Total	4,564	100.0%	67.6%	20.4%

Source: MEESHO Prospectus & latest Shareholding Data, Choice Institutional Equities

Large Share Unlock Mirrors Previous New-age Tech Listings:

Historically, listed new-age tech companies in India see significant secondary supply and downward pressure on shares after the lock-in expires. Given Meesho's premium valuation of ~**6.1x EV/Revenue** relative to broader internet peers and substantial unrealised gains held by several early-stage investors, the upcoming lock-in expiry may trigger partial profit-booking.

Historical Lock-in Expiry Analysis – Indian Internet Companies

Company	Lock-in Expiry Date	Shares Unlocked (% of Equity)	Major Sellers	Share Price Reaction*
Nykaa	Nov-22	~67%	TPG, Lighthouse, Harindar & family	-15% to -20%
Paytm	Dec-21	~86%	SoftBank, Alibaba entities	-13%
Policybazaar	Nov-22	~62%	Info Edge, TPG	Not Material
Zomato	Jul-22	~78%	Uber, early investors	-21%

Source: Choice Institutional Equities

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[Meesho Q4FY26 Result Update](#)

Income Statement (Consolidated in INR Mn)

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Revenue	93,899	1,26,263	1,71,140	2,23,966	2,99,371
Gross profit	85,417	1,17,142	1,58,912	2,08,379	2,79,254
EBITDA	-5,785	-14,871	-3,546	1,300	11,988
Depreciation	340	468	2,714	2,872	3,099
EBIT	-6,125	-15,340	-6,260	-1,572	8,889
Other Income	5,110	4,747	6,503	8,959	12,574
Interest Expenses	-69	-90	-88	-88	-88
PAT	-39,417	-13,577	116	5,460	15,988
EPS	-10.0	-3.1	0.0	1.3	3.7

Ratio Analysis	FY25	FY26	FY27E	FY28E	FY29E
Growth Ratios (%)					
Revenue	23.3	34.5	35.5	30.9	33.7
EBITDA	-	-	-123.8	-136.7	822.4
EBIT	-	-	-	-125.1	-665.4
PAT	-	-	-99.1	4,590.4	192.8
EPS	-	-	-	-	-
Margins (%)					
EBITDA	-6.2	-11.8	-2.1	0.6	4.0
EBIT	-6.5	-12.1	-3.7	-0.7	3.0
Profitability (%)					
ROE	-272.7	-31.0	0.2	8.9	18.9
ROIC	-133.4	-73.9	-16.0	-2.8	10.0
ROCE	-110.0	-38.7	-9.3	-1.9	7.6
Valuation					
EV/Revenue (x)	10.1	7.5	5.5	4.2	3.2
BVPS	3.7	10.0	11.3	14.0	19.4

Source: MEESHO, Choice Institutional Equities

Balance Sheet (Consolidated in INR Mn)

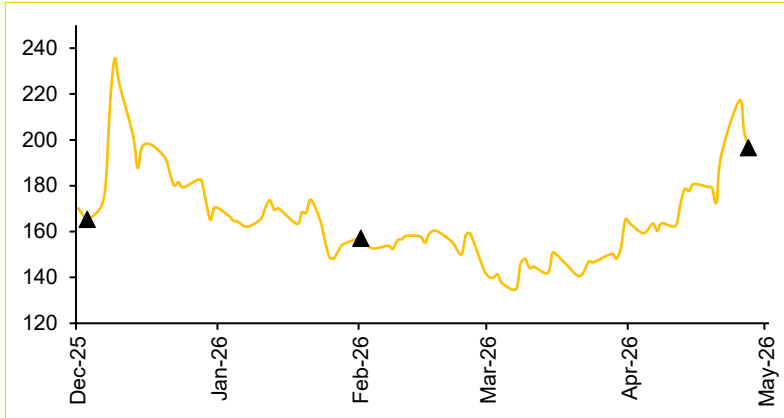
Particulars	FY25	FY26	FY27E	FY28E	FY29E
Tangible Fixed Assets	516	777	2,472	4,232	6,085
RTU & Intangible Assets	441	1,169	2,217	3,305	4,450
Investments	49,834	12,104	14,483	17,458	21,176
Cash & Cash Equivalents	3,784	18,931	18,728	25,744	42,960
Other Non-current Assets	3,430	20,819	22,007	23,063	24,571
Other Current Assets	14,255	25,267	30,378	36,523	43,957
Total Assets	72,261	79,067	90,285	1,10,324	1,43,198
Shareholder's Funds	14,455	43,864	49,114	61,293	84,765
Minority Interest	-	-	-	-	-
Lease Liabilities	583	626	1,992	3,411	4,904
Other Non-current Liabilities	212	279	279	279	279
Other Current Liabilities	57,011	34,299	38,900	45,341	53,250
Total Equity & Liabilities	72,261	79,067	90,285	1,10,324	1,43,198

Cash Flows (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Cash Flows from Operations	5,394	(38,753)	(55)	5,439	14,545
Cash Flows from Investing	(26,353)	2,473	(1,332)	265	2,759
Cash Flows from Financing	21,053	41,014	(88)	(88)	(88)

DuPont Analysis	FY25	FY26	FY27E	FY28E	FY29E
ROE (%)	-272.7%	-31.0%	0.2%	8.9%	18.9%
Net Profit Margin (%)	-42.0%	-10.8%	0.1%	2.4%	5.3%
Asset Turnover	1.3	1.6	1.9	2.0	2.1
Equity Multiplier	5.0	1.8	1.8	1.8	1.7

Source: MEESHO, Choice Institutional Equities

Historical share price chart: Meesho Limited



Date	Rating	Target Price
December 10, 2025	BUY	200
February 01, 2026	BUY	210
May 07, 2026	ADD	210

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CHOICE RATING DISTRIBUTION & METHODOLOGY

Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

*Large Cap: More Than INR 20,000 Cr Market Cap
*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

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