Purple United Sales Limited
Corporate Office: Tower 2, Ground Floor, Candor TechSpace, Plot No. 20 & 21, Sector 135, Noida, Uttar Pradesh – 201304
Ph: +91-9667792635/ 36, Email: info@purpleunited.com

Date: 19th November, 2026

The Manager – Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G,
Bandra-Kurla Complex, Bandra(E),
Mumbai- 400051

NSE SYMBOL: PURPLEUTED
ISIN: INE0P5R01014

Subject: Transcript of the Earnings Call held on 13th November, 2026 at 12:30 P.M.

Dear Sir/Madam,

In continuation to our letter dated 09th November, 2026 and pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of Analysts / Investors Earnings call held on 13th November, 2026, on the financial results of the Company for the half year ended 30th September, 2026. The said transcript is also available on the Company's website at https://cdn.shopify.com/s/files/1/0709/8400/7851/files/Purple_H1_Transcript_2_1.pdf?v=1795003976 .

Please acknowledge and take the same on your record.

For Purple United Sales Limited

AYATI GUPTA
Digitally signed by AYATI GUPTA
Date: 2026.11.19 09:49:54 +05'30'

Ayati Gupta
Company Secretary & Compliance Officer

Encl.: As above.

“Purple United Sales Limited
H1 FY27 Earnings Conference Call”

November 2026

MANAGEMENT:	**MR. J.D. SETH: MANAGING DIRECTOR - PURPLE UNITED SALES LIMITED**
	MR. NARESH KUMAR: CHIEF FINANCIAL OFFICER - PURPLE UNITED SALES LIMITED
	MR. SRIDHAR: DGM FINANCE - PURPLE UNITED SALES LIMITED
MODERATOR:	**MS. GARIMA SINGLA - GO INDIA ADVISORS LLP**

Garima Singla: Good afternoon, everyone. I am Garima Singla and I have with me my colleague, Moksh, and it's our pleasure to welcome you on behalf of Purple United Sales Limited.

Thank you for joining us today for the H1 FY27 earnings conference call. This call is being hosted by GoIndia Advisors. Please note that today's discussion may include certain forward-looking statements; therefore, they must be viewed in conjunction with the risks that the company faces. Today on the call, we are joined by Mr. J.D. Seth, MD, Mr. Naresh Kumar, CFO, and Mr. Sridhar, DGM Finance.

I now invite Mr. Seth to present the company's business outlook and performance, after which we will open the floor for Q&A. Thank you, and over to you, sir.

J.D. Seth: Thank you, Garima. Good afternoon, everyone, and thank you for joining us, joining us today. It is a pleasure to welcome you all to Purple United Sales Limited's H1 FY27 earnings call. I hope you and your families had a wonderful festive season. H1 FY27 has been an important period in our growth journey, reflecting strong business performance and meaningful progress in strengthening our operating platform. During the first half, revenue grew by 104% year-on-year, while profit after tax increased by 60%.

This growth was supported by increasing contributions from stores opened in previous periods and expansion of our retail network, and healthy traction across our established markets. What makes this performance particularly encouraging is that the first half is traditionally the weaker period of our business, contributing approximately 35 to 40% of the annual sales. With the festive and winter season concentrated in the second half, our business typically benefits from strong demand and higher average selling prices during H2.

Beyond the financial performance, we have also made meaningful progress in evolving our business model. Over the past few years, we have progressively transitioned from a predominantly distribution-led business toward a more integrated, consumer-facing omnichannel platform. Our focus is now on leveraging the infrastructure we have established to deepen consumer engagement, improve store profitability, and build a more scalable business.

At the core of this strategy is our ambition to establish our company as a premium one-stop fashion destination for children aged 0 to 14 years. With our own brands and a comprehensive portfolio spanning apparel, footwear, and accessories, we cater to diverse consumer preferences and price points. Our asset-light, partner-led manufacturing model complements this approach, allowing us to retain flexibility in sourcing while directing capital towards brand development, product innovation, and retail expansion.

The progress of this transition is increasingly visible in our revenue mix. In H1 FY27, exclusive brand outlets (EBOs) contributed approximately 38% of revenue, followed by distribution at 35%, key accounts at 21%, and online channels at 5%. The growing contribution from exclusive retail is strategically important. It provides greater control over merchandising, product assortment, and the consumer experience while generating direct insight into purchasing behavior. These capabilities enable more effective inventory allocation, faster responses to changing preferences, and stronger customer relationships.

Over the medium term, we aim to increase the contribution of EBOs to ~50% and e-commerce to ~10-12% of revenue, strengthening our consumer-facing presence and the underlying economics of the business. Supporting this shift is the continued expansion of our retail network. During H1 FY27, we added 17 EBOs, taking our total network to 126 stores across 21 states and union territories, covering approximately 2 lakh square feet of retail area.

Our footprint currently comprises 99 high street stores and 27 mall stores. While network expansion remains an important driver, our focus is equally on extracting greater productivity from the existing store base. Our cluster-led expansion strategy allows us to deepen penetration in established markets and leverage operating efficiencies. Encouragingly, stores with a vintage of 18 months and above delivered same-store sales growth of 20% during H1 FY27. This demonstrates that growth is being supported not only by new store additions but also by healthy performance across our mature stores, providing a foundation for better fixed cost absorption as the business scales.

Alongside store productivity, product mix and realization remain important drivers of profitability. Our blended average selling price stood at ₹814 in FY27. Historically, average selling prices in the second half have been approximately 40% higher than in the first half, supported by festive and winter merchandise, with gross margin remaining broadly stable and showing a

marginal year-on-year improvement. We expect a more favorable seasonal mix to support better utilization and margins during H2 FY27.

As we build a larger retail and omnichannel business, we are strengthening the organizational capabilities required to support this scale. We continue to appoint experienced functionaries across key business verticals, for example, a dedicated e-commerce specialist along with a support team and retail store-level teams, resulting in employee expenses increasing by approximately 81% year-on-year. While these investments have impacted near-term operating margins, we believe that they are necessary to establish a professionally managed organization capable of supporting our next phase of growth.

Another important area of focus has been improving working capital efficiency. Despite the increase in business scale, inventory holding days to sales reduced from 156 to 152 days. Overall working capital improved from 256 days to 206 days. At the same time, the short-term borrowings increased during the first half, reflecting working capital requirements ahead of the peak festive season and the delayed receipt of proceeds of our preferential fundraise. This required us to temporarily rely on short-term financing, resulting in higher interest costs.

With the recent fundraising of approximately ₹48 crores, we expect our reliance on short-term borrowings to moderate, supporting an improvement in leverage and the gradual normalization of finance costs during H2 FY27. These developments are taking place against the backdrop of a favorable structural opportunity in India's organized kids-wear market. Redefining kid-wear as kids' fashion, rising disposable incomes, increasing brand consciousness, greater parental spending on children's fashion and the shift towards organized retail continue to support the growth of branded players.

The category also benefits from a recurring replacement cycle as children outgrow their clothes, alongside occasion-led purchases and evolving fashion preferences. With our own brand portfolio and expanding retail presence, we believe our company is well positioned to capture a large share of this opportunity. Looking ahead, our priority is to sustain growth momentum while strengthening the underlying economics of the business. For FY27, we aspire to deliver approximately 70 to 75% year-on-year revenue growth, supported by the full-year contribution of stores opened in FY26, continued retail expansion, and improved productivity across mature stores.

As a step towards greater transparency and accountability, we will report our results every quarter going forward, even though as an SME-listed company we are only required to report half-yearly. We remain optimistic about H2 FY27 with our expanded retail footprint and broader product offering, which position us to capitalize on the seasonally strong demand environment. Beyond the current year, our strategy is centered on scaling our EBO network to 180 to 190 stores for this financial year, increasing the contribution of consumer-facing channels, and improving store-level productivity.

Our emphasis will remain on disciplined expansion, working capital efficiency, and sustained profitability. Purple United is entering the next phase of its growth journey wherein the investments made in brand development, retail infrastructure, and organizational capabilities can increasingly translate into stronger productivity and operating leverage. Our ambition is to build one of India's leading omnichannel kids' fashion platforms, combining the flexibility of an asset-light operating model with the brand ownership and consumer engagement advantages of organized retail.

We remain confident about the long-term opportunity and committed to executing our strategy with financial and operational discipline. With this, I would like to hand over to our CFO, Mr. Naresh Kumar, who will take you through our H1 FY27 financial performance and key financial developments in greater detail. Thank you very much.

Naresh Kumar: Thank you, sir. Good afternoon, everyone. I will now take you through the financial performance of Purple United Sales for H1 FY27. Revenue from operations grew by 103.6% year-on-year to ₹123.7 crores compared with ₹60.7 crores in H1 FY26, driven by retail network expansion and higher contribution from existing stores. Gross margins remained broadly stable, registering a marginal improvement year-on-year, supported by a relatively steady product mix. EBITDA increased by 88.6% year-on-year to ₹23.7 crores compared with ₹12.6 crores in H1 FY26.

EBITDA margin stood at 19.2% compared with 20.7% last year, reflecting a margin contraction of 153 basis points. This is primarily due to higher operating expenses associated with business expansion. Finance costs increased by 150.6% year-on-year to ₹9.6 crores, primarily due to higher short-term borrowings to meet our working capital requirements. Consequently, profit after tax grew by 60.1% to ₹8.1 crores compared with ₹5.1 crores in H1

FY26. PAT margin stood at 6.5%. Turning to the balance sheet, short-term borrowings increased to ₹138.2 crores from ₹83.9 crores as of March '26, primarily to support our seasonal working capital requirements.

With this, I conclude the financial overview of H1 FY27. Thank you. We can now open the floor for questions. Garima, over to you.

Garima Singla: Thank you, sir. So, we have the first question from the line of Mr. Tahir. Sir, you can just unmute your line and ask your question.

Tahir: Hi, sir, thank you for the opportunity. Sir, congrats on the good set of numbers. I have 3 to 4 questions. Firstly, on the H1 result, sir, we have delivered a good revenue growth of 104%, but when we see our cash flow cycle, that has come in at around negative ₹11.7 crores, and that is because the majority of it is stuck in other current assets. Our other current assets increased from approximately ₹51 crores in March to ₹78 crores in September. So, what was the component there? If you can throw some light there, which has resulted in negative operating cash flow.

J.D. Seth: Yes. So broadly, the operating cash flow is negative primarily on account of advances to suppliers, whether it's CapEx or working capital inventory suppliers. Because, as I've just mentioned, we have to prepare for the next season, and since we are in a growing stage, we have to support our, you can say, vendors so that they are able to deliver the goods at the appropriate time. And for retail store expansion, normally we have to give advances to the Capex vendor to make the store.

So, I think these are the 2 broad parameters, but there might be some additional items that Naresh can highlight.

Naresh Kumar: One of the major points is that we have some amount with the government in the form of ITC accumulated on services and the inventory part.

Mainly, these are the 3 parts.

J.D. Seth: This is spread across 21 states, and it is part and parcel of the business. We cannot use that ITC immediately, but it is available.

Tahir: Okay, that was clear. Great, sir. So, my second question was on the margins front. We have an EBITDA margin decline of 153 basis points and an almost 2% decline in PAT margin. So that was attributable to other expense increasing

from around 24% as a percentage of revenue to 27% in H1 FY27. And sir, you also mentioned regarding finance cost increasing from 6% to 8% as a percentage of revenue. So, if you can throw some light there, what was the component in other expense that has caused the increase?

J.D. Seth: Okay, so as far as the finance cost is concerned, I would like to highlight one important point. This finance cost includes a one-time annual charge of ₹1.5 crore that we have paid to the banks and institutions. This is a one-time charge, normally in the form of processing fees, that we have paid to various banks. It will not come again in H2. Some new banks were onboarded, and initially they charge a higher amount of processing fees and the renewal happens at a much lower rate.

So, one of the important points is this: ₹1.5 crore is the processing charges. I think certain bank charges or credit card commissions are also included in this finance cost. And since we are expanding our retail, these expenses are also increasing accordingly. Regarding the other expenses, one point I highlighted is that the salary component has increased by 81%. Sridhar, you can throw some more light on it.

Sridhar: I want to add one point. Yes, on finance cost. See, we are also in the process of consolidating our banking arrangements. The objective is to reduce our interest costs from double digit to single digit and also to reduce in the cash collateral percentages currently offered to the banks, which will free up additional funds. As part of this process, we have recently received a sanction from the State Bank of India with an interest rate of about 9.25%.

J.D. Seth: So, these are the kinds of measures we are taking to reduce the finance cost.

Naresh Kumar: So basically, the processing fees are one-time charges, and they have been charged to the P&L in H1 itself. This will not be repeated in H2. So of course, in H2, you will see the improvement in finance cost as well.

Tahir: Okay. And what did you say on the other expenses? I missed that part. Sorry for that. Could you repeat that?

J.D. Seth: One is salary. I mentioned that salary has increased by 81% because of the hiring of senior people plus store-level staff. And this is one of the major components. Other components --

Naresh Kumar: The other component is store costs. Operational costs incurred over the period remain the same, but in the second half we have around 65% of revenue, and in H1 it is only 35 to 40%.

J.D. Seth: I just want to add to what Naresh is saying. Normally H1 contributes 35 to 40% of our overall annual sales. Now the interesting part of H2 is that the fixed cost remains the same, and we are able to leverage the better ASP and better, you can say, top line in H2 because of the festive season. And most of the stores which have been operational for six to eight months are near breakeven or maybe below the breakeven level.

So that operational cost increase is there; I think it will get aligned once we see the H2 numbers and the overall numbers for the year.

Tahir: Okay sir, that was insightful. Sir, of the 126 stores currently, how many are already mature and how many stores are not yet mature? If you can give that breakup, and also, in what time period will the immature stores mature?

J.D. Seth: So, if I talk of stores having a vintage of more than 2 years, the EBITDA is around 20% --

Tahir: Sir, I'm not talking about margins. I'm just asking how many stores are mature and how many are still not mature, if you can give the number.

J.D. Seth: What I'll say is, approximately 80 stores are above our expectations, and around 35 to 40 stores are currently below our expectations. They'll be maturing in --

Tahir: Okay, and in what period will these 35 to 40 stores mature?

J.D. Seth: Hopefully, winter and the festivities are the main season, so they should be contributing positively to EBITDA in the next year.

Tahir: Okay, sir. Thank you, sir, for the opportunity and again congrats on the good set of numbers. I'll get back in the queue.

J.D. Seth: Thank you.

Garima Singla: Thank you. We have the next question from the line of Mr. Deepak Chokhani. You may unmute your line and ask your question, sir.

Deepak Chokhani: Thank you for the opportunity. I have 2 questions. What was the processing charge in H1, which you said is one-time?

J.D. Seth: Roughly ₹1.5 crore.

Sridhar: This was paid to the bankers.

Deepak Chokhani: Okay, so this won't be repeated in H2 and thereafter?

Sridhar: Yes, non-recurring in nature.

J.D. Seth: Whenever a new bank onboards a new client, they charge on the higher side, and subsequently, on renewal, the charge is much lower.

Deepak Chokhani: Right. Okay. And my last question is, what's your average interest rate right now, and what will it be after onboarding State Bank of India?

J.D. Seth: Currently, I think it's around --

Sridhar: Somewhere around 10.1%

J.D. Seth: With the new bankers coming into the picture, we are hopeful that we will be able to reduce it by at least 50 to 75 basis points in H2. And accordingly, more activities are currently being conducted by our finance department to optimize the interest cost. And plus, we have raised funds through the preferential issue as well. That will also help us reduce our reliance on banking facilities because those funds will be available for our expansion.

Deepak Chokhani: Right. Okay, thank you. All the best.

J.D. Seth: Thank you.

Garima Singla: Thank you, sir. We have the next question from the line of Mr. Darshil Javari.

Darshil Javari: Hello. Hi. Thank you so much for taking my question. Firstly, congratulations on a really great performance, sir. Sir, I just wanted to know -- I think we've more than doubled our revenue, you know, YoY.

J.D. Seth: Sir, your voice is not audible properly. Please repeat. Hello.

Darshil Javari: Yes, sorry for that, sir. So, I'm saying that we have doubled our revenue, you know, YoY, sir. And as you said, you know, H1 is usually 35-40% of our revenue and higher ASPs are, you know, coming up. So, I think we'll be on track to beat our 70% guidance. Is that a fair way to look at it, sir?

J.D. Seth: See, the target we have taken internally is that we should be able to generate revenue growth of around 70% year-on-year, because of 2-3 factors: the stores

that were opened last year will have a full year of operation; H2, as we have mentioned, is around 60% to 65%; plus, new stores -- some of the new stores added in H1, and I think 8 to 10 stores will be operational this month also. They will also contribute in the remaining H2.

The focus on e-commerce is also there, and we are hopeful that e-commerce will start contributing accordingly. So broadly, whatever guidance we have just mentioned, hopefully we'll be able to meet your expectations.

Darshil Javari: Yes. I also feel we can surpass it, so that's where I was coming from, sir. So that's one thing. And so, I just wanted to know, over a longer period -- not right now or a year from now, but maybe 2-3 years down the line -- what is the store count, you know, we would want to target, right? Because currently what's happening is, we are getting really great EBITDA, but our higher depreciation and interest costs are eating up, you know, a bit of our profits, right?

So, our revenue growth and profit growth are not in alignment. I'm assuming that in the coming few years there'll be a point where our store expansion stabilizes as a percentage of our store base, right? So, when do you see that happening, and what is the figure at which -- not that we would want to slow down, but as a percentage of the number of stores we have -- we'll be large enough that this doesn't meaningfully impact us?

J.D. Seth: I keep saying this in my various interactions: if we look at the other listed players in kids' fashion as a category, or kids wear as a category, they have around 1,800+ stores. We have 130 stores as we speak today. So, the gap is very huge. You are absolutely right, and to expand our base, we require Capex as well as working capital. What I can say is that, with the kind of visibility we have from the recent fundraise and the debt tie-up with our other banker, 190 to 200 stores are doable.

Organically, in the next financial year, we can grow by at least 3 to 5 stores a month with internal accruals and working capital, and maybe some enhancement from our existing bankers in future years. But if we have to grow aggressively, let's say 7 to 10 stores a month, we may require an additional infusion of capital. We have had some internal discussions on that, and maybe we'll be able to throw more light on a more efficient and effective plan when we meet after the December quarter, because then we'll have more clarity and visibility on how many stores we plan to open in the next financial year.

But yes, organically, you can easily take 3 to 5 stores a month, and 50 to 60 a year is easily doable with internal accruals. But if we want to grow aggressively, let's say 100 to 120 stores, then we will require a fresh infusion of funds. Some may come through the warrants that we have issued, maybe in another 12 to 18 months. That can also support the expansion. So maybe we'll throw more light when we meet after the December quarter.

Darshil Javari: That's really good. Last question from my end, sir. What's the competitive intensity in our business? I get that there are a few organized players, but there is also a significant unorganized segment. So, do you see that, maybe right now we are at a level where, once we start scaling, we'll also be a threat to other players? In that scenario, do you see a price war or discount war starting?

And also, given the online presence and customer preferences, how do you see that?

J.D. Seth: So, can you please repeat your question? It was not properly audible.

Darshil Javari: Yes, I'm asking about the competitive intensity. As we start scaling up, we might also be eating into other organized players' market share, right? So, do you see a discount war happening, or what is your thinking? Maybe not right now, but sometime later, when we will be big enough. So how do you see the competitive landscape? Demand is great, but is supply becoming greater? How do you see that?

J.D. Seth: You specifically asked about a discount war, so in this context I would like to mention that, if you had been observing retail in earlier years, most goods were sold at MRP, then with very little discount, and then at the end-of-season sale. You might have seen lines outside retail stores when the end-of-season sale used to start. But when e-commerce came into our country, it changed the whole dynamic, and MRP became irrelevant.

Now retail has also fine-tuned itself accordingly. As I mentioned, MRP has no relevance; it is only the selling price. From the company's point of view, what matters is what kind of gross margin you are able to generate on a month-on-month basis or for the entire season. So, there will be pseudo-pricing to some extent in retail too, because retail also needs to compete with e-commerce. Every brand will follow its own strategy.

First Cry, if I may say, is primarily focusing on the value segment; now they are trying to upgrade themselves -- I have seen some of this. Allen Solly Junior or brands like USPA have their own positioning; they are mainline brands taking an extension into how they can engage kids in that particular category. But having said that, the market is very big, and around 40% to 45% is still in the unorganized segment.

And with more spending on kids, greater preference towards kids and nuclear families, I believe the market is going to be around $17.4 billion by 2034, and the shift will happen from the unorganized to the organized segment. So, there is a place for all the players. We keep seeing competition increasing, but competition also matures the market. And even per capita consumption in India is still on the lower side vis-à-vis developed economies.

So, the gap is there, and we should not worry about the competition. We have to build our own customer base and accordingly funnel those customers, whether through e-commerce, our own retail stores or our other channel partners. The omnichannel strategy is definitely going to play a very important role in the time to come. Just to add, to strengthen our omnichannel capability, we have also rolled out omnichannel last-mile connectivity through our retail stores.

In the pilot stage, we have connected around 10-12 retail stores. Engaging the customer, offering a better customer experience, a better product mix, and better merchandising and pricing as per the target audience we are catering to -- these will play an important role in building a decent customer base. Competition will always remain, and the market is very supportive because the market size is very big. So, these are a few insights that I can share with you.

Darshil Javari: Thank you so much for that. That's it from my side.

Garima Singla: For participants' reference, I request you to restrict your questions to 2 so that everyone gets a fair opportunity. We have the next question from the line of Mr. Pabat. Please unmute your line, sir. You may go ahead with your question.

Pabat: Hello, sir. In your cash flow statement, there is an increase in other current assets of ₹18 crores. Can you explain what it is, sir?

J.D. Seth: Yes.

Naresh Kumar: Hi, sir. This is on account of advances made to our vendors, and a portion of ITC is blocked in various states.

Pabat: Okay, sir. I think your short-term borrowings have also increased by a good percentage. So, what is the time period to repay these borrowings, sir?

J.D. Seth: These are revolving loans, primarily CC limits.

Sridhar: So --

J.D. Seth: These are renewed every year. So, these are not term loans. These are primarily CC limits.

Sridhar: These are CC limits, so there won't be any repayments.

Pabat: Okay. So, when can we expect positive cash flow from operations again? And in H2, sir, how much revenue growth do you need to offset these interest costs and show good growth in the bottom line?

J.D. Seth: See, as Naresh mentioned, the cash flow is negative because of the advances paid to suppliers, whether for Capex or inventory. Since we are in the growth stage, we have to support our vendors because they have to build inventory for the season launch. So technically speaking, if we remove the advances, and if over a period of time we are able to get decent credit from them, this is not a negative cash flow situation.

You need to understand that we are in the growth stage, so we have to support our Capex as well as inventory. For the season launch, a very simple example: let's say we are sourcing 5,000 pieces of a product. We have to build those 5,000 pieces for selling over the next 4 to 6 months, but the inventory will come in one go. So, there's pressure on the vendor to source the raw material, and accordingly there is peak inventory-building pressure at the time of the season launch.

So, these are temporary phenomena, and as the season progresses, these things get optimized. That is my reply to your question. Naresh, if you want to add something.

Naresh Kumar: Yes, and as you asked how much revenue we expect: as mentioned earlier, H1 accounts for 35% to 40% of total revenue, and the second half accounts for around 60% to 65%. So of course, it will improve in the second half and for the whole year.

Pabat: Okay, sir. In H1, almost 40% to 50% of your operating profit went into interest cost. Out of ₹24 crores, I think ₹10 crores have gone into interest cost. So, in H2, even if you make 60% to 70% of revenue, how do you see interest cost eating into your operating profit, sir?

Naresh Kumar: For interest cost, the bifurcation was given earlier: ₹1.5 crore is a one-time charge that will not recur in the second half, so this is going to be optimized. And of course, as the seasonal launch was in September, we had to utilize the CC limits at the peak level, but as the inventory sells through, this will come down. Consequently, finance cost will also be optimized.

Pabat: Okay, sir. Thank you so much.

Garima Singla: We have the next question from the line of Mr. Priyansh Miri. Please go ahead with your question, sir.

Priyansh Miri: Sir, I have a few questions. First, on the execution side, sir. I have been tracking this business since the IPO. H1 seems a bit abrupt, sir. Even though we got the fundraise approval early, the store count addition has not been up to the mark as per the guidance. So, can you throw some light, sir? What were the operational challenges we faced in terms of finalizing stores, or were there fundraising delays? Anything on those lines, sir?

J.D. Seth: Coming to the fundraising delay, it is more connected to macro parameters. We saw the Iran war, and there were certain other macroeconomic factors that were not supportive of the fundraise. When we approached the market through our financial advisor, somewhere in March or April, we were advised that we should approach the market with our audited numbers for the last financial year. So, we waited for our audit, and practically in May, we started our exercise.

We started at the end of May, and it took around 2-3 months for us to close the fundraise. So yes, obviously a delay happened, because of macroeconomic parameters as well as the investor community's requirement for the audited balance sheet. And being a listed entity, we cannot share those numbers before publicly announcing them. So, these were the 2-3 prime factors. But having said that, as far as our expansion is concerned, we were signing LOIs in anticipation that we would get the fundraise and then start executing our retail expansion.

As of date, we have already signed 52 LOIs for our retail stores, and 26 are in the advanced project stage. So hopefully we'll see around 7 to 8 stores, on the lower side, every month over the next 2 to 3 months at least, so that we are able to match our initial guidance. We are targeting 180 to 190 stores, which we should be able to have before the close of this financial year.

So yes, there has been a delay in funding for the reasons I explained. But hopefully we'll be able to manage the execution timelines accordingly.

Priyansh Miri: Thank you, sir. That gives us good clarity. My next question is on the e-commerce side. From last year to this year, it has jumped from 2% of revenue to 5% of revenue. That is quite significant. Going ahead, sir, by the close of FY27 or FY28, what would this percentage be? And do we get any accretive advantage in terms of EBITDA because we are not investing in EBOs, right? As this mix increases, I just want to understand whether our EBITDA will move on an upward trajectory.

J.D. Seth: As far as e-commerce is concerned, as I have been mentioning earlier, we revamped the entire website and our catalog. There were certain operational challenges in getting images of our products. So, we created an in-house studio and did photo shoots through AI so that products go live quickly and effectively. This has really paid off. We have started doing a GMV of roughly ₹2 crores, assuming the 25% to 30% returns that happen in the e-commerce space.

So, on net sales, the guidance is that we should land somewhere between 8% and 10% for e-commerce for this financial year -- let's say 7% to 10% on the lower side. As I mentioned, we have recently started an omnichannel pilot, and we are currently getting 10-12 orders from each store. We were just doing the relevant SOP planning for 10-12 orders per location. With around 10 active locations, we are already getting 100 to 150 orders from these locations, plus from our centralized warehouse.

So hopefully, we'll be able to generate this number. The interesting part is that in e-commerce, we are currently getting an ASP of around ₹850 to ₹900. Focusing on NOOS (never-out-of-stock) items and pseudo-pricing, the strategy is working effectively in the e-commerce space. EBITDA-wise, in retail we have to spend on occupancy cost, but for e-commerce we have to spend on

marketing cost in the form of digital marketing through Facebook, Instagram, etc.

So broadly, EBITDA will remain at a similar level, because if our occupancy cost for retail is, let's say, 17% to 18%, then around 12% to 15% goes towards marketing cost for e-commerce. So, EBITDA will remain on similar lines as the retail channel.

Priyansh Miri: Okay, that makes sense, sir. My last question is on the industry tailwinds.

Garima Singla: Sir, I would request you to rejoin the queue. Actually, there are a lot of people waiting. You can rejoin for the next question.

Priyansh Miri: Sure, let me rejoin. Thank you for the opportunity.

Garima Singla: We have the next question from the line of Mr. Vaibhav Lohia.

Vaibhav Lohia: In the presentation, it is mentioned that SSSG was around 20% for FY26. So, what is the target for SSSG going forward for FY27 and FY28?

J.D. Seth: For the mature stores, it will remain in a similar bracket only, because as a brick-and-mortar store matures, we cannot expect that kind of same-store growth. But yes, since these are the initial stages, we have been able to generate 20% SSG, and we can have at least around 17-18% for the next year. Then it may moderate to around 12-15% in the subsequent years.

Vaibhav Lohia: Got it. And over the next 3-5 years, like, what is your vision in number of stores and in terms of revenue? We have been growing at around 50-80% for the past 2 to 3 years. So, can we see this growth momentum continue over 3 to 5 years?

J.D. Seth: As I mentioned, we are internally and strategically working on what kind of retail store expansion we should have for FY28 and subsequent years, because retail is capital intensive and we should have a visibility of funds to fuel that expansion. As I just mentioned, organically we will be growing by at least 3 to 5 stores a month in the next financial year. But for aggressive growth, we'll come back after the December quarter, when we are able to refine and retune our future strategy.

So, we'll be able to throw some more light after Q3 on that part also. But organically, we can grow at least 3 to 5 stores from our internal accruals for the next financial year.

Vaibhav Lohia: Got it. Thank you. One more thing from my end: what is it that you're doing differently that your competitors aren't doing, which is making Purple look better compared to other listed peers or any other player in the market? Because your numbers have been really good compared to anyone else.

J.D. Seth: For that, I request you to please visit our stores. The kind of experience that we try to deliver from our stores is what makes the difference. Just to give you a few examples, take new-age colonies: all the cities are expanding. Delhi has Noida, Greater Noida and Gurgaon; Mumbai has Navi Mumbai; Chandigarh has Mohali, and so on. Even Bangalore has expanded to its outskirts. So, for these new age colonies, what is the trend that we are seeing?

There are high rises, young population, structured development of high streets and malls. Here, we are identifying properties with larger facades so that we become the talk of the town in that particular catchment area. Plus, we are following a cluster approach. Suppose we have opened one store in Indore; we then open 3-4 more stores in Indore so that we become a known brand in that particular city. These kinds of experiments have really helped us build a better connect with the customer.

Plus, in these new-age areas, the options were also very limited, because, as the name suggests, developments are just happening in these cities. New malls, new high streets are being developed. This is as far as how we are pushing our retail. Whenever you get time, please visit our website also. It's a very interesting website that we have developed. We are doing a 'shop the look' kind of positioning of our products, with a seamless customer experience: if you like the look, you can order the T-shirt and the bottom in one go, in the size you want, very easily.

So, it's a very interesting website that we have created, plus our merchandising and product mix. 3 days back, I was in Indore for a store visit. When you visit the store, you also get a glimpse of how the merchandise looks. It was looking very interesting, very premium, very contemporary, and most brands are not operating in that category because the market is very segmented -- fragmented, rather.

Some brands may be focusing on infants, some on boys, and some on, let's say, girls. Ours is a one-stop shop from head to toe, catering to the entire fashion needs of kids. Footwear is also a very strong category that most of these brands

are not operating in, or if they are, they have a very selective range -- leaving aside the sports brands. So, if you see our footwear range also, it's quite encouraging, and you will not see this kind of product portfolio in any of the competitor brands.

Plus, denim is a category that we are really focusing on. For larger stores, we have created a separate denim section to have better customer engagement and customer experience. These kinds of experiments have really paid off for us. So, these are 5-6 points that differentiate us from what other brands are doing.

Vaibhav Lohia: All right, got it, sir. Thank you so much and all the best for the future.

J.D. Seth: Thank you, thank you, sir.

Garima Singla: We have the next question from the line of Mr. Vatsal Gadhani. You may go ahead with your question, sir.

Vatsal Gadhani: Hi, sir. Firstly, congratulations on a great set of numbers. Sir, my question is regarding the franchise model. What kind of franchise model are we offering? Is it FOFO? And what kind of inventory model are we running for the franchises? Also, what is the revenue recognition? Is it when the product is billed to the customer or when it is sold to the franchisee?

J.D. Seth: We have a few franchisees, and there is a mix of both models: franchisee-owned, franchisee-operated (FOFO), and FICO, that is, franchisee-invested, company-operated. If we talk about FOFO, sometimes we get good properties owned by the franchisee, so it is a win-win situation for all of us. In that case, we give a margin deal, and there are 2-3 differentiators in our model. I am a very strong believer that a franchisee cannot be a good retail planner or merchandiser, so we have kept that activity in our own hands.

For GST, we are using our own. Revenue is recognized when the product is sold to the customer, so inter-branch transfers are not shown as our sales. It is what we have sold to the customer. In FICO, the franchisee comes in as a sleeping partner, and it operates as a company store only. The only thing is that the franchisee invests in the store and we, as a company, operate it. A lot of brands like Zudio are following this model.

In this case also, inventory and the entire operations are in our control. In the FOFO model, we also appoint a store manager from our side to ensure a better customer experience and better SOP implementation at that particular

franchisee store. The advantage we get is that every franchisee is popular in their city or region. So, directly or indirectly, they help us generate a customer base, give us local intelligence, and help us with any minor or major local issues.

These are the kinds of advantages we get from the franchise model. So that is about it.

Vatsal Gadhani: Okay, sir, noted. My second question was regarding --

Garima Singla: If you can just rejoin the queue, there are a lot of people waiting. We would actually like to restrict it to one question.

Vatsal Gadhani: Okay. Thank you, sir, for your inputs.

Garima Singla: We have the next question from the line of Mr. Saumitra Joshi.

J.D. Seth: Good afternoon.

Saumitra Joshi: Hi, good afternoon. Thank you for the opportunity. Firstly, my name is Saumitra -- 'hundred friends' in Hindi -- Saumitra.

J.D. Seth: Sorry.

Saumitra Joshi: Not Sumitra. So again, 2 questions here. One is, while the growth projection you've given for the year is really good at around 70%, I've been following this company for some time, and I think our initial guidance was around 100% growth for the year. With around 100% growth in H1 itself, is there any specific reason why we've toned it down a little? Is there any reason from a market perspective or from a strategy perspective that we've lowered it a little?

Secondly, I wanted an answer on what exactly the competitive moat of Purple United is. These are the 2 questions from my side. I know there is a limit on questions; that's why I'm not asking any more. Thank you.

J.D. Seth: I'm answering your question on the competitive moat first. I briefly mentioned the kind of stores we are opening, the kind of product differentiation we have in footwear and denim as categories, and the overall look and feel of the stores. So, these things, and the kids' market is very fragmented. Some are focusing on infants, some are focusing on toddlers, and for some it is an extension of their mainline business. For example, brands like Allen Solly, or sports brands like Puma, Nike, etc.

So, a one-stop shop for kids' fashion as a category -- in my understanding, nobody is offering all these kinds of assortments, and this is the competitive advantage that we have. Coming to your initial question about the guidance, there has been a certain expansion delay because we were expecting the fundraise to happen quite early, and it got delayed, and we are trying to cover the gap from the last 4 or 5 months. So that is the only thing.

Plus, as I mentioned, we have already signed 52 LOIs, and 26 stores are in the project phase. Those will be operational in another 2 to 3 months -- at least 26 stores, plus some more. Accordingly, we should be able to meet our retail store expansion target of at least 180+ stores as we conclude FY27. And on e-commerce, yes, it took some time because we revamped the e-commerce website completely, and hopefully we'll have a decent contribution from e-commerce in the future quarters.

Saumitra Joshi: Thank you. I'll get back in the queue. I have a few more questions, but I'll ask them only after others have had their chance. Thank you.

J.D. Seth: Sure. Thank you.

Garima Singla: Thank you, sir. We have the next question from the line of Mr. Dhairya Agarwal.

Dhairya Agarwal: Hello, sir. Good afternoon. I have one question. Previously, our mature stores were generating revenue of around ₹9 lakhs per month, but the management said that store revenue will go from ₹1 crore to ₹1.5 crore or ₹1.75 crore. So, is it due to same-store sales growth or pricing factors? How are we going to achieve this? And how fast are new stores ramping up that we have opened in this quarter or previous quarters? And what is the mix of stores that we are opening? In Punjab, there seem to be more stores ramping up than in other cities, like metros, or in malls or high street stores.

So, what kind of target do we have for now?

J.D. Seth: Answering your Punjab question first. I keep mentioning in other discussions that Punjab is an economy that is connected to developed economies like US, UK, Canada, and Australia. Because this is an NRI belt, we have seen a lot of retail development happening in Punjab every 70-80 kilometers, on similar lines as we see in developed economies like the US and Canada. There are high

street malls and destination malls; a lot of these developments have happened in Punjab.

Being an NRI belt, they have decent disposable income, plus the agricultural income that Punjab generates. Most of them come back to their hometowns during H2 or festive seasons like Diwali and Christmas, and they are very decent buyers. So, it's not that we are focusing on Punjab, but yes, we have seen an interesting retail boom happening in Punjab on similar lines, as I just mentioned.

Rentals are a little low. In some cases, we are able to negotiate, and in some cases, we are able to get the fixing of tiles or facades also, depending on negotiation. Since the rentals are lower, profitability or breakeven levels are easier to achieve. But if you look at other cities, like Indore, we have around 5-6 stores there. In Bangalore, we already have 4 stores. You'll see more stores coming in cities like Bangalore and Pune. In Mumbai also we are expanding, but real estate there is quite expensive, so we have to make a trade-off between rentals and the kind of sales we can get.

So, the focus is shifting more towards new-age markets and new-age colonies, where we see the young population moving with their families. In traditional markets -- if I talk of Delhi NCR, markets like Karol Bagh and Lajpat Nagar -- that kind of young connect is not there, and the traffic has shifted to the outskirts of Delhi, to Noida, Gurgaon, etc. It is happening in Mumbai also. You can see a lot of traction happening in Navi Mumbai also and in similar cities.

So again, we are in 21 states; it is not that we are focusing only on Punjab. For Punjab, I gave you the reason for the retail boom there. Now this phenomenon has expanded to other cities also. We opened a store on the outskirts of Bangalore, where again there are destination and high street malls and properties, so those are also developing. Sorry, I missed the first part of your question. Can you please repeat it?

Dhairya Agarwal: Actually, I just wanted to ask whether the same-store sales growth is higher in Punjab than in other stores. I just had a question on that.

J.D. Seth: No, it is not like that. Same-store growth for mature stores is across all the stores. And you can see it across --

Naresh Kumar: All the stores.

J.D. Seth: It is happening across all the channels and all the mature stores. Wherever we open -- it's not only Punjab; I'm again mentioning the example -- these are relatively new stores, and I think they are profitable right from day one. So, nothing is concentrated in Punjab. Yes, expansion happened in Punjab because of this.

Dhairya Agarwal: Thank you, sir. That's all.

J.D. Seth: Thank you.

Garima Singla: Thank you, sir. We have the next question from the line of Mr. Manish Kumar.

Manish Kumar: Hi, good afternoon, sir. First of all, congratulations. I think the kind of growth Purple United has achieved is very impressive. Also, I visited some of your stores, and I think they are of good quality, including the product placement. So, it really is very reassuring. And your decision to give quarterly results, I think, is remarkable. You have always been very forthright in communicating and in making regular disclosures. So, this is really very good news for us investors.

Sir, I had a question. While we are growing -- and I think a lot of people have asked this question in different ways -- there is a lot of capital intensity being brought into the business, correct? So, the revenue has grown by 100%, but PAT has grown by 60%. Now we are talking about 75% growth this year. That means we're looking at ₹300 crores of revenue as we end this year. And even if I assume 50% to 70% growth till FY30, we'll end up anywhere between ₹900 crores and ₹1,400 crores of revenue by FY30, right?

So, sir, what is your vision? As a long-term investor, I would like to understand where you see us in FY30 when we reach this ₹1,000 crore plus revenue? What is the kind of margins we are talking about in terms of EBITDA, in terms of PAT? What kind of debt level are we looking at? I mean, do you have a picture that you can give to us so that, you know, we can look forward to that as we move forward? Thanks, sir.

J.D. Seth: Yes, for FY30, you are practically asking for a roadmap for the next 3 to 5 years. Yes, we do have a roadmap of what we plan to do and how we want to position ourselves in the time to come. As I mentioned earlier today, organically we can grow by at least 3 to 5 stores every month, or at least 50 to

60 stores every year. But to grow aggressively, we are in the process of internal alignment on what we want to do for the next 2 to 3 years.

I think I'll be able to throw more light when we meet after the December quarter. But yes, having said that, the market gap is humongous. I was mentioning that the other listed player has 1,800 stores, and we have around 130 stores. So, the gap is very big, and a lot of domestic and international brands are focusing on kids as a category. So maybe in January, when we discuss next time, we'll be able to give more understanding of how we want to shape the next 2-3 years.

Because, as you rightly said, it is a capital-intensive business, and visibility of funds is very important. I can very easily say that we can open 150 stores in the next 1-2 years, but we need to understand how we can raise the funds for that. On execution capabilities, I am not concerned; we can very well execute about 50 stores. But yes, financial planning also plays a very important role in the overall strategic vision. So maybe when we discuss around January or February, I'll be able to throw more light on our vision for the next 3 to 4 years.

Manish Kumar: Thank you, sir. Looking forward to that. All the very best.

J.D. Seth: Thank you.

Garima Singla: Thank you, sir. We have the next question from the line of Mr. Mahindra Dhir.

Mahindra Dhir: Hi, JD sir.

J.D. Seth: Good afternoon.

Mahindra Dhir: Hi. Do we source from any factories that also supply Mothercare or Babyshop?

J.D. Seth: A lot of factories that make garments for FirstCry -- I will not be able to answer this question, because I need to check with the sourcing team. I'll pass on this question and get it answered for you.

Mahindra Dhir: In continuation to that --

J.D. Seth: But I do remember that a lot of our factories are making for Benetton, FirstCry, Allen Solly, etc., and even for Zudio and Westside --

Naresh Kumar: As well.

J.D. Seth: Westside also. You specifically asked about Mothercare and Babyshop; I need to check with the team.

Mahindra Dhir: My point was, do we have any international sourcing planned?

J.D. Seth: Okay, we have had some discussions with one or two companies, but it is at a very initial stage. One of them is setting up a unit in Delhi; they came to us, and they supply to a lot of international brands. They are setting up a unit in Noida, and they have assured us that they can be our sourcing partner. In India, particularly in Delhi NCR, after the Bangladesh turmoil, a lot of companies that were operating from Bangladesh are now setting up their base in Noida, because Noida has a lot of exporters operating from there.

We had international sourcing earlier for footwear, but after BIS came into the system, the ecosystem developed in India, so we are sourcing it from Indian factories only. But yes, having said that, certain raw materials -- for party wear, some other fabrics, or maybe for footwear -- our vendors indirectly source from China. So, this is the current scenario in which we are operating.

Mahindra Dhir: Right. So, what are the plans ahead for Toothless? We saw very few new designs coming up in the last quarter.

J.D. Seth: Toothless is primarily focused on footwear. We have also added 2 sub-brands to our footwear category: one is Striders, which is primarily open footwear, and the other is Boltzy, which is for sports shoes. If you see them together, you will find many options online as well as in our offline stores. Let me tell you the current catalog that is active, and that will answer your question.

Mahindra Dhir: Because on Myntra, you can see that the new designs for Purple United are far ahead of Toothless.

J.D. Seth: No, it is there. It's not that we are not launching; a lot of styles are there. For Toothless, 268 articles are currently live on Amazon, sir.

Mahindra Dhir: Sir, in terms of new designs --

J.D. Seth: Look, we keep adding. It's not that we are not adding; we keep adding. But I'll make a note of it, and we'll tell you what we have launched in the recent past.

Mahindra Dhir: Thank you, sir.

Garima Singla: Thank you, sir. Sir, I would like to take a couple of questions from the chat as well. Someone has asked, are margins better in apparel or footwear?

J.D. Seth: Broadly, it is more or less the same; there is not much difference in the pricing strategy. In footwear, because it has more of a petrochemical base, some raw material prices have increased in the recent past. But otherwise, we try to maintain a similar gross margin in both categories.

Garima Singla: The next question is, sir, any update on the FTA export opportunity to Europe and other countries?

J.D. Seth: As I mentioned in some of the discussions, we explored the Middle East, Dubai, for opening our retail store. We identified some properties and were about to roll out, but before that, the Iran war came into the picture, and accordingly, these things did not materialize at that point of time. Not in the current financial year, but maybe in the next financial year, we'll review it again, if we want to open our retail store in some other international city.

Garima Singla: Got it, sir. The next question is, will cash flow from operations improve with the channel mix improving, or with the focus on EBOs and e-commerce?

J.D. Seth: Sorry, please come again.

Garima Singla: With the channel mix changing, will cash flow from operations improve?

J.D. Seth: Definitely, it will improve, because operational efficiency will come into the picture, and same stores will start giving better revenue. But we need to understand that if we aggressively plan our retail expansion or other channel expansion, then we need to have inventory for at least 30-35 new stores, and accordingly for the other channels. Currently also, because of season-specific launches, cash flow is negative because we have given advances to our CapEx vendors as well as our inventory vendors.

But if we decide to fuel the growth organically, this will definitely become better in the coming quarters.

Garima Singla: Got it, sir. And on the debt level, so what would the debt be in March 2027?

J.D. Seth: What we have done is our internal cash flow, that is, the MPBF and the CMA data that we prepare, based on the projections that we have discussed with our bankers. Sridhar, you can throw some light on this.

Sridhar: Basically, we are eligible for borrowing up to 175 crores.

J.D. Seth: So that is the eligibility that we have, and accordingly, as per -- accordingly if we require any funds, we can approach the banks.

Garima Singla: Sir, the next question is on the net profit margin for the full year as well as the EBITDA and PAT guidance for H2 of the year.

J.D. Seth: I assume EBITDA should remain in a similar bracket. On PAT guidance, Naresh, I think you can throw some more light.

Naresh Kumar: Yes, sir. As mentioned earlier, finance cost will be optimized, and with economies of scale, our PAT will improve in the second half.

Garima Singla: Okay. And sir, any update on the festive performance?

J.D. Seth: Yes, the numbers have been encouraging. We have received decent traction at our retail stores. I think the detailed numbers will come in 1 or 2 days, because the festivities were on until yesterday or the day before. But the numbers that we have received are very encouraging. We saw at least 100% growth in the 8 to 10 days of the festive period.

Garima Singla: One last question: who are our key competitors, and how many new stores can we open with the current funding? That's the last question.

J.D. Seth: As I mentioned, we have already signed 52 LOIs, and 26 stores are already in the advanced project stage. With internal accruals and the kind of visibility we have, we can easily reach 185-190 stores in this financial year. Organically, we can add 3 to 5 stores on a monthly basis in the next financial year from our internal accruals. We may require a certain working capital enhancement for the next financial year, for which we can always approach our banks.

And the warrant money will come in the next financial year, which can also support retail store expansion. So, 190, you can say, for this financial year, and at least 3 to 5 stores on a monthly basis for the next financial year. When we receive those cash flows, we can increase this pace to at least 6-7 stores on a monthly basis.

Garima Singla: Thank you, sir. That was the last question for the day. On behalf of Purple United Sales, that concludes the conference call. We look forward to seeing you in the next quarter. Thank you so much, everyone.

J.D. Seth: Thank you very much. Thanks, everyone, for your time and patience. If you have any queries, you're most welcome to send them to IR or CS. We'll be happy to answer those. Thanks for your time. Thank you very much.