Date: November 12, 2026

To,
National Stock Exchange of India Limited
Listing and Compliance Department,
Exchange Plaza, 5th floor, Plot No. C/1,
Block-G Bandra Kurla Complex, Bandra(E),
Mumbai-400051.
ISIN: INE17D601016
NSE Symbol: SAFEENTP

Subject: Transcript of Earnings Conference Call with Investor(s)/Analyst(s)

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with reference to our earlier intimation dated October 30, 2026, enclosed herewith is the transcript of audio recording of the Earnings Conference Call held on Friday, November 06, 2026 to discuss the operational and financial performance for half year ended September 30, 2026.

The same is being made available on the Company's website at www.safeenterprises.com and can be accessed at the weblink: www.safeenterprises.com/wp-content/uploads/investor-presentation/PhillipCap-SafeEntNov06-2026.pdf

This is for your information and record.

Yours sincerely,

For and on behalf of
Safe Enterprises Retail Fixtures Limited

MOHINI RAJU WAGHADE
Digitally signed by MOHINI RAJU WAGHADE
Date: 2026.11.12 15:07:10 +05'30'

Mohini Waghade
Company Secretary & Compliance Officer
Encl: a/a

“Safe Enterprises Retail Fixtures Limited
H1 FY27 Earnings Conference Call”
November 06, 2026

MANAGEMENT: **MR. MILKDAD MERCHANT – WHOLE-TIME DIRECTOR AND CHIEF FINANCIA OFFICER – SAFE ENTERPRISES RETAIL FIXTURES LIMITED**
MR. VEDANG NIMBALKAR – INTERNAL INVESTOR RELATIONS – SAFE ENTERPRISES RETAIL FIXTURES LIMITED

MANAGEMENT: **MR. SRI SURYA K – PHILLIPCAPITAL PCG**

Moderator: Ladies and gentlemen, good day and welcome to the Safe Enterprises Retail Fixtures Limited's H1 FY27 Earnings Conference Call hosted by PhillipCapital PCG. As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the call, please signal an operator by pressing star then 0 on your touchtone phone. I now hand the conference over to Mr. Sri Surya K. From PhillipCapital PCG desk. Thank you, and over to you, Mr. Surya.

Sri Surya K: Thank you. A very good evening, everyone. Welcome to Safe Enterprises Retail Fixtures H1 FY27 earnings call. From the management, we have Mr. Milkdad Merchant, the Whole-Time Director and CFO, along with Mr. Vedang Nimbalkar, the Internal IR. I hand it over to Vedang for the opening remarks. Vedang, all over to you.

Vedang Nimbalkar: Thank you, Surya. Good evening, everyone, and thank you for joining us on the earnings conference call of Safe Enterprises. Our results press release and investor presentation were filed with the National Stock Exchange and are available on the exchange's website and soon will be available on our website.

Before we begin, please note that some of the statements made on today's call may be forward-looking in nature. These statements are based on management's current expectation and involve risk and uncertainties that could cause the actual result to differ materially. The company does not undertake any obligation to update these statements publicly. Please refer to disclaimer in our investor presentation for more details. Also, a request to all not to mention any client companies' names as we don't have any NOCs for the same.

Let me now take you through the headline numbers for first half of FY27 on a consolidated basis. Consolidated revenue from operations stood at INR77.87 crores compared with INR112.38 crores in H1 FY26. Operating EBITDA was INR25.64 crores compared with INR42.33 crores last year.

Operating EBITDA margin was 32.9% against 37.7% last year. Profit after tax was INR21.75 crores compared to INR33.25 crores last year. PAT margin stood at 27.9% against 29.6% last year. On the operating side, we executed 203 stores during the half. In addition, INR23.02 crores of orders received before September were for our clients' Q3 festive rollouts and were therefore not dispatched in H1.

Our new plant at Lodha Industrial and Logistical Park in Ambernath is on track and will commence its operations from the last week of December 2026. With that, I would like to hand over the call to Mr. Milkdad Merchant for his opening remarks. Over to you, sir.

Milkdad Merchant: Hello, good evening everybody. And thank you for joining us, and thank you, Vedant, for the opening comments. So before I start, I just want to set some context because this half of FY27 has been shaped by timing and not by demand. Several of our customers have guided significant expansion during the year.

However, because of the global uncertainty going on, they have decided to reschedule their rollouts to H2. This is just a rescheduling of the rollout and in no way it is a withdrawal of the rollout. We view this as only a timing difference and not really any reduction in demand. Around

INR23 crores of orders which have been received before September and for which we have received advance were to be dispatched by end of September, but this due to the above reason got delayed to Q3.

Had this not happened, our turnover would have stood at around INR100 crores, which would be perfectly in line with what would be our projections. Also, the refurbishments which had happened last year have been this time delayed to the H2, to and this has also been one significant contributor to the revenue per store standing at INR38 lakhs as against INR51 lakhs.

Moreover, uh, in this first half of FY27, the rollouts -- the kind of rollouts were small format stores, and the large format rollouts have been deferred to H2. This is again one more reason why the revenue per store is lower as compared to last year. In spite of all of this, the profitability remains strong at 27.9% PAT margin, and the balance sheet remains absolutely debt-free.

Our Ambernath plant at Lodha Industrial and Logistics Park Ambernath is on track and scheduled to commission by end of December Wave, which is our proprietary RFID and IoT-based solution, has seen significant traction and interest from retailers in the early launch stages. This will see a significant contribution to our revenue in H2 and beyond due to Wave.

Vedang Nimbalkar: Now I would like to ask Rayo to open the floor for questions.

Moderator: Sure, thank you very much. We will now begin the question-and-answer session. The first question is from [Apoorv 0:06:30] from Whitestone Financial Advisors. Please go ahead.

Apoorv: Yes, hi sir, thank you for the opportunity. Hi sir, so my question is regarding, uh, the financial year '27, uh, would be flat in terms of revenue and PAT as compared to FY26. Is my understanding right?

Management: No there was not -- it's not supposed to be flat. It will still be higher than last year. Now my guidance was at around 20%, 25%. Still, even right now, the indication from the retailers is, to that tune only. There could be some spillover from March to April, but I think that's about it.

Apoorv: Okay, sir. So like our margin guidance will remain same in terms of...

Management: Yes even with the 30% reduction, it is still at 27.9%.

Apoorv: Okay. And so my next question is r regarding the drop in the EBITDA margins. Like the drop was around 33% from 37% approximately. So is it because of the lower revenue or the inflation?

Management: It is because of Lower revenue. Because our overheads do not go directly in proportion to revenue, right? So same thing, when our turnover had jumped, our EBITDA margin also goes up to that tune. And similarly, when it comes down, you will see a dip in that.

Apoorv: Got it. Yes, thank you, sir. That's it from my end. Thank you.

Management: Yes, thank you so much.

Moderator: Thank you. The next question is from Sangeeta Purushottam from Cogito Advisors. Please go ahead.

Sangeeta Purushottam: Yes, hi good evening. Am I audible?

Management: Good evening. Yes, loud and clear.

Sangeeta Purushottam: Okay, so sir, this is again regarding your guidance. I was looking at the previous call and you had basically guided to a 30% top-line growth even before Ambernath commissioning. And during the year also, since your numbers come out 6-monthly, I think you have done a couple of calls and investor meets, and there has been no indication that you were facing any kind of a postponement of demand.

So my question to you is that how confident are you of meeting that 30% guidance? Or are you toning that down now to about 20%? And how confident are you that that will come through in the second half? Because the ask for the second half becomes quite strong.

Management: [Inaudible 0:09:14]

Sangeeta Purushottam: Sorry, sir, I'm not able -- sir, I'm not able to hear you. I think there's some disturbance in the line.

Management: Just a second. Okay, about now.

Sangeeta Purushottam: A little better. Yes, so...

Moderator: Your voice is breaking sir.

Management: It's breaking. It's funny. Okay, how about now?

Sangeeta Purushottam: Yes, better.

Moderator: Yes, much better.

Management: Okay, perfect. So I'll take this up into 2-3 parts. Okay, firstly regarding, uh, what I said during investor meetings, etc., that I had during the half year. See, the thing was that as mentioned, there's an order book of ₹23 crores which should have gone by December, and this was to go by the end of it, and there was a last-minute delay and push to Q3, which is definitely something that I did not know during that time.

Sangeeta Purushottam: Right.

Management: If you consider that, then the turnover should have been, as per the orders in hand, whatever the dispatch schedule was, it was at around INR100 crores. Which is normal because our -- normally our H1 is around 40% odd and H2 is around 60%. Last year was an unusually high year in H1 because a lot of refurbishment orders which had come in that period.

But if you see before that and even before that, you will typically see this. So if you see INR100 crores in H1, that's around INR150 crores odd in this, so around INR250 crores. So just comes

by extrapolating, uh, extrapolating this right now. Coming to my guidance, I believe I had said 25 to 30%, not flat 30%, so yes, I mean, seeing the situation and seeing that these spillovers do happen from the dispatch schedule that has been given to us, I think 20% to 25% would be reasonable.

And in terms of how confident I am, this is again on the basis of the fact that we are in in touch with our retailers, and still we have no indication that they have decided to reduce this further. Still, whenever we have a conversation, we get the same thing, that a lot of stores are there. So what we are actually anticipating is a lot of pressure in December, January, and February in terms of factories, you know, having to push out a lot of material, right?

Sangeeta Purushottam: Okay, so if we look at, let's say last year you did about INR218 crores, INR220 odd crores, right? So for this year, if we take, let's say 20% growth on that, you're looking to do -- 2025, we're looking to do about INR275 crores. Would that be right? So, that actually puts a fair amount of -- it means almost doing close to INR200 crores in the second half. Is that likely?

Management: Yes, around INR170 crores in the second half as per that calculation, because I'm not counting the 23 because that's all this early Q2, Q3 dispatch anyways. So that's additional INR170 crores.

Sangeeta Purushottam: Additional INR170 crores plus percent that were done in the first half.

Management: Yes.

Sangeeta Purushottam Okay. So you're looking at about INR250-odd crores really for the whole year?

Management: Around -- no, I mean I'm saying, in INR270 crores that you are saying, for that INR23 crores I'm not counting because the INR23 crores is anyway spillover which will go on early Q3 only. So the additional order of H2 has to be INR170 crores to reach the INR270 crores target and not INR200 crores. That is what I was just saying.

Sangeeta Purushottam: Correct. Okay. And in terms of our margins, will we be able to maintain what we did last year?

Management: With the 30% dip, it is still at 27%. So I think any margin uncertainty should not be anymore there,

Sangeeta Purushottam: Right. So for the full year last year, we had a margin improvement happening with the volumes going up, right? So EBITDA margins were reported margins about 36%. Now first quarter, first half, I can understand that because the numbers have been lowered, there would be negative operating leverage. But I'm assuming that will reverse then in the second half and we should be able to do about what we have done last year at least, or a little better?

Management: A little better.

Sangeeta Purushottam: Okay, all right, okay. Thank you.

Moderator: Thank you. The next question is from [Javed Ansari 0:14:09] from MM Capital. Please go ahead.

Management: Yes, hi, Javed.

Javed Ansari: Hello, thank you for the opportunity. My question on the Middle East expansion. In last call, you have mentioned that May exhibition in Dubai was postponed because of the war situation. So could you update us where the thing stands now?

Management: No, that exhibition never took place.

Javed Ansari: And what about the November order?

Management: November order again became bad only. So that exhibition though did not happen, we have basically asked them to defer it to next year. So they have taken our list for the next year exhibition.

Javed Ansari: So that did not happened?

Management: But, Middle East orders is there. In fact, I think [Inaudible 0:14:54] round of percentage of how much Vedang? INR1.42 crores of new orders.

Management: INR1.42 crores of new orders.

Management: In new orders, right?

Management: Yes.

Management: So that's already happened and you will see growth in Middle East expansion but the larger market penetration that we would have seen because of the exhibition, now obviously that's going to get delayed to next year. But it's anyways fine because doing an exhibition in situation where bombs are falling and missiles are coming in and I mean, obviously you wouldn't really make it.

Javed Ansari: Yes. And my second question is on WAVE RFID. Like you have already mentioned in your opening statement but I wanted to know, like, have you added any customers or store, and what percentage of revenue you will make in H2?

Management: You see, around -- we are in talks with almost 300-400 rollouts of RFID. If all that basically materializes, then it should be around at least 10% to 15%.

Javed Ansari: Okay. Understood. Okay. That's it from my side. Thank you.

Management: Yes.

Moderator: Thank you. The next question is from…

Management: Also one more important thing, yes. The regular amount that we are talking about and all the calculations that we're doing is not counting WAVE. Till now, I've never counted WAVE in any of my projections. There's a new product, so obviously it takes its time. So if the talks materialize, it'll be over and above everything else that we have been talking.

Management: You can continue.

Moderator: Yes. The next question is from Andrey Purushottam from Cogito Advisors. Please go ahead.

Andrey Purushottam: Thank you for taking my question. This is just a follow-up question on the numbers. Now, you -- last year, if I'm not mistaken, your first half revenue was INR110 crores.

Management: INR112.

Andrey Purushottam: And if you were to even add the INR23 crores to this year, you would have got INR112 versus INR100. Now, understand that you had said that your last year was a bit of a high base because it was a slightly atypical year, but then it would still have implied that even with the deferred orders you would have sustained about a 10% or 12% decline in revenue, which you kind of classified is that that's normal. Now…

Management: Yes. Because see, out of the INR112 crores, around INR40 crores.

Andrey Purushottam: Hello? Mr. Vedang, disturbance.

Management: There's some disturbance which I'm facing. [Rio 0:17:46], can you check the line? I was hearing an echo of my own voice.

Moderator: Let me check.

Management: Yes, I think now it's better. Yes. Okay. Great. So you take INR112 crores and you minus the refurbishment orders which were there around INR40-odd crores, INR40 crores-INR45 crores.

Andrey Purushottam: Yes.

Management: So by that tune we are higher, and that's the thing, because that was an additional block which is not your -- what do you say? Based on our store expansion rollout plans or any other plans that we basically get on the basis of which we give this guidance. So if you remove INR40 crores out of INR112 crores, you're left with what, INR70 crores? And if you look, if you see INR70 crores or this is INR100 crores, well, it starts higher by almost 30%.

Andrey Purushottam: Yes. But again…

Management: So hence I'm saying**,** it's normal.

Andrey Purushottam: Yes. As we were -- as my partner [Sangeeta 0:18:44] was asking you, in the interim calls that you've had, we've not worked in sense of this kind of decline in numbers. So it does provoke the question that how confident are we that in the balance 6 months, we will do the INR170 plus INR23 crores that you're talking about? And how…

Management: I already answered this question.

Andrey Purushottam: Yes. Sorry?

Management: But if you want me to answer -- I already answered this question about confidence. There's two questions back was exactly the same question. But see, if you want me to answer this confidence

question based on order book or etcetera, then that's not the nature of business. We never do have an order book like that.

Andrey Purushottam: Right. So I'm just…

Management: So this is based on the indication that we have gotten, and there is no change in the indication of the rollout that we have gotten from our retail customers.

Andrey Purushottam: I'm just wondering whether this is a business where, because you don't have an order book in the sense of some other businesses do, the predictability of the sales is a little suspect. That's what I'm trying to figure out here.

Management: See, the predictability of the sale in terms of when exact projections are in terms of recurring revenue like a SaaS business, yes, obviously that is not there. It depends on expansions and refurbishments that retailers are doing. And whenever there will be some global uncertainty, the refurbishments is the first thing that they will hold because they can continue the old, the stores on the old design, etcetera.

So they had to tend to do that, and new rollouts will obviously be pushed to later quarters, and that's exactly what has happened. So -- but again, does this mean a long-term shift in retail? Does this mean that the retailers are not going to expand the way that they have said? Not at all necessary, and not at all any indication that we have still worked. And all macroeconomic what do you say, indicators still point at a favorable long-term and even medium-term growth in retail.

So by that terms, there will be no change. So yes, that's all I can actually tell you because there is no order book for me to really tell you, okay, this is confident, is exactly going to go. It depends on expansions and it depends on those retailers completing those sites at that time, in the sense they are fulfilling their what's the plan that they have set.

Andrey Purushottam: So in the context of this kind of variability and uncertainty, I was just wondering whether you could add a request for us to have these conference calls on a quarterly basis, even though you're not legally required to do so.

Management: We can take that as a -- what you say? We can take that as a request and internally discuss it. However, we do have plans to move to the main board in the next 2 years, so then we will do that. Absolutely. Before that, we can consider.

Andrey Purushottam: Okay. Thank you very much. Thank you for considering it.

Management: Yes.

Andrey Purushottam: Thank you.

Moderator: Thank you. Before we take the next question, a reminder to participants that you may press star and one to join the question queue. Participants who wish to join the question queue may press star and one. The next question is from [Sudarshan Singhania from SS Capital 0:22:14]. Please go ahead.

Sudarshan Singhania: Hello. Am I audible?

Management: Yes.

Sudarshan Singhania: Hello. Am I audible?

Management: Yes. Loud and clear. Please go ahead.

Sudarshan Singhania: Sir, sir, you have confidentially communicated FY28 projection of INR400 crores of revenue and INR100 crores of PAT followed by FY30 projection of INR1,000 crores of revenue and INR250 crores of PAT, given the current situation of your business the…

Management: Wait.

Sudarshan Singhania: Yes.

Management: First one I agree with you, the second one I absolutely don't agree with you.

Sudarshan Singhania: Okay. So there was not any projection of FY30 of INR100 crores of revenue.

Management: Never.

Sudarshan Singhania: Okay.

Management: No. No projection.

Sudarshan Singhania: Okay. Considering any situation, I accepted and given the given the situation, should you need to consider any projection.

Management: No. Considering any situation, I have never said this. My -- this has always been indication about '31, '32, never '30 in the first place.

Sudarshan Singhania: Okay.

Management: And I've always also mentioned that such a -- so many years down, the business plan models, all of that tend to change. So I cannot give you any certainness. It is always '28.

Sudarshan Singhania: Okay. So 400th year of revenue and 100th year of PAT are really?

Management: Yes. But I still maintain that. Yes, I still maintain.

Sudarshan Singhania: Okay. If -- and if the expected business is scaling at this pace, why does the Top 10 customers still contribute nearly 95%? Why are these concentrations? And what are you doing for acquiring new customers and clients?

Management: But we've always had concentration of customers. The nature of business only. And even going forward, there's always going to be concentration, but -- because we're expanding a lot of capacity which hitherto we had not had. So we have always been able to do only few customers at a time.

And now with our expansion that we have done in the last few years in terms of the lease facilities, and now [Ambernath Loza plant 0:24:10], which will give us substantially larger capacity, we'll be able to do a lot of groups together. So that is where this will come from, okay?

Sudarshan Singhania: Okay. And one last question from my side.

Management: Okay. Yes. Please continue.

Management: No way, I lost my chain of thought. Please, okay, you ask the next question.

Sudarshan Singhania: Sir, and we are seeing you personally approaching individuals, individuals randomly on LinkedIn for work and project opportunities. Frankly, I'm speaking for a company projecting INR1,000 crores of revenue for -- I'm assuming INR400 crores of revenue. This raises serious questions about the strength of sales pipeline and business development capabilities.

So I just wondered, what structured customer acquisition strategy do you have? And beyond cold outreach on LinkedIn, apart from LinkedIn, what are you doing?

Management: 1 second, I don't know what you're saying. We have been 35 years in the business. There are all the retailers and projects that absolutely know us. So even though in addition to all of that If a few salespeople have done LinkedIn reach out, and I mean, I don't know why -- what you're -- why you're implying this, that that is a weak strategy or in any ways that is reflects poorly on the brand. I mean, I don't understand where this is coming from.

Sudarshan Singhania: Okay. So some of our members receive your personal, from your personal LinkedIn, with these messages about the…

Management: From my personal LinkedIn?

Sudarshan Singhania: Yes. Sure. Yes, definitely.

Management: Okay. Regarding Safe Enterprises?

Sudarshan Singhania Of course, sir. Of course.

Management: And regarding store rollouts from my personal interest?

Sudarshan Singhania Yes.

Management: Yes. I don't handle sales of this. I'm the CFO. Why would I be sending…

Sudarshan Singhania I wanted to say that approaching client is absolutely not the issue. But…

Management: No. But you please, wait. You please send

Sudarshan Singhania: Yes.

Management: Me these messages because there must be some kind of I don't know. Hacking or I don't know some cyber this going on because I do not handle sales profile firstly.

Sudarshan Singhania: Okay.

Management: It's absurd that a CFO will be reaching out to people for sales development.

Sudarshan Singhania: Okay.

Management: So if it comes from my handle, then you please tell me. I have to raise this with LinkedIn and I have to also get my account checked and I have to change credentials.

Sudarshan Singhania: Definitely that's via LinkedIn.

Management: Credentials, so please do let me know. But…

Sudarshan Singhania: Yes.

Management: One thing for sure I can tell you that I do not handle sales profile firstly. Okay?

Sudarshan Singhania: Okay

Management: I would, I mean, I am the CFO, I at -- absolutely don't know handle sales, so coming other talk to me when you are telling me this.

Sudarshan Singhania: Yes. I was that thinking like that that thousand care of my sales strategy…

Management: Seriously?

Management: Please connect Vedang and you take this up, because I really want to know that we are we –my personal handles messages going and if you can account, it's…

Sudarshan Singhania: Video can we proceed, yes.

Management: But thank you so much for getting this to my notice.

Sudarshan Singhania: Yes. That…

Moderator: Thank you. We'll move to the next question. The next question is from Siva from ithoughtPMS.

Management: Just one more thing I want to mention on that. Okay. This firstly reaching out to individuals is absolutely something that will not make sense only for us. Exactly for the reason that you said., if at all cold outreach and etcetera, would be happening, it would be only and only to project guys, directors, etcetera, of large retail groups, and absolutely not to people in the investor community, and absolutely not by my handle and from me, because as I mentioned I do not handle this, nor do I handle business development. So this is coming as a shock to me, but yes, please let's continue.

Moderator: Thank you.

Management: Yes, please

Moderator: The next question is from Siva from iThought PMS. Please go ahead.

Management: Okay.

Siva: Hi, sir. Good evening.

Management: Hello. Hi.

Siva: Hi, sir. So firstly, for H2, we mentioned that we'll be doing around 212 sales, of which I think around INR23 crores is already spilled over. Does that mean we'll be doing roughly 30-odd stores for the second half, sir? I'm doing this on a INR50 lakh realization per store basis.

Management: Okay.

Siva: Okay, so we're planning for 30-odd stores of expansion for H2O. Is that right, sir?

Management: Just mention this math again.

Siva: INR300 odd crores stores for the second half…

Management: 300 odd stores -- Yes, but then you're taking an average of 50 and some of our large format rollouts go to 150. So yes, I mean -- That's okay. So 150

Siva 150 Lakhs per store.

Management: Yes, yes, the larger format stores which have the more concentration in the H2 plan.

Siva: Got it, got it. And how much of these stores would be like from newer clients and our existing clients?

Management: In number of volume of stores, obviously the existing client would be higher because they're already at a ramp-up, right? I mean, multiple tens of hundreds of stores -- planned on a per-year basis with them. The newer, you will see number of clients, you will see high, but the number of stores for these clients would be pilot, right?

Because now the plant is being ready, so it's this year where we actually started reach outs and we started basically talking to people who hitherto we were saying no to. So you will see lower number of stores this year, but those all will ramp up next year.

Siva: Got it. So we've already got like a sizable clients who give us visibility into next year's capacity. Is that understanding right, sir?

Management: Yes, and new client additions as well. For the ones that pre-project for the next year. See what happens is the first stores when you do for any client, it is like you do one store, then you do 10, then you do 20. And if that store is expanding, then that 20 can translate directly to 100. So you will say there's a 5x growth, but it's not a 5x growth directly.

It was always meant to be 100, but nobody's going to give you 100. They're going to start with 1, then they're going to start with 5, then they're going to start with 10 or 20 and then it will move

like that. That's how the ramp-up happens. That's exactly what we have done in the past only. Otherwise, 1 year is 30 and then next year you say 70 plus, it was the same thing, but these ramp-ups, they, they, what you say, multiply.

Siva: And sir for our revenue concentration, could you give me the number by top client and maybe top 5 clients as well? How much revenue is concentrated by them?

Management: I think you've given the revenue concentration in the investor presentation. Okay, we'll have to get back to you on this.

Siva: No worries. And finally -- sir can I ask my final question?

Management: Yes, please.

Siva: Yes, so I think you've talked about Evolve on a press release. So maybe if you could share your plan on how you're planning to build your presence over there, because it's going to be a B2C space over there and we've been doing a B2B business. So what's your vision for that business? How much revenue are we backing?

Management: No -- so it's not a B2C in the sense that individual stores, etcetera. I mean, I don't know, people here are thinking I reach out to individuals, but I don't and individuals is not something that we would be focusing on even for awards. We would basically be looking at architects, interior designers and basically that also through our distribution network, a franchise network.

And there will be a B2B2C kind of model. This is one part of it. And then for us, B2B would be basically hotel chains, etcetera who we do large furnishings together. Like we do wardrobes and we furnish the rooms and all at bulk. This would be our B2B. And even our B2C would be B2B2C, where there will be a distributor or a franchisee at a local level where architects and interior designers would get plans.

And that's how the last meal the last mile fulfilment would happen. For us, it absolutely would not make sense doing single, single projects. Like, if it is one house, two house, three house or even a bungalow, it will just not -- I mean, the economy, the economics will just not make sense.

Siva: Got it. And how much revenue potential are we seeing on this side of the business, sir?

Management: So this is -- this can be a very significant revenue driver, but on the post-'28, because see, till '28, all the projections that I've said is only based on the retail fixture business and based on what indication that we have and what we have seen the past trend when— how customers ramp up on this basis only. It is post-'28 where we see that we would focus in '28 on building this distribution network or look at an inorganic acquisition for increasing this distribution network.

And that's where you will see a significant portion. So when we reach say higher turnover, I would expect around 20%, 25% at least to be from Evolve. Again, Evolve and one more thing I'll tell you, that though this is B2C, I mean consumers will directly be using it, but for us it still comes from the same thing because it's the entire fixture set that we have created.

That fixture set is what we are basically using in Evolve for home applications. So it is the same manufacturing setup and it is the same this, with obviously a little bit of reskinning and new product ranges here and there, but the same core component set. So for us, from a business perspective, there's not really any change.

Siva: Got it. Yes, thank you.

Moderator: Thank you. The next question is from Apoorv from Whitestone Financial Advisors. Please go ahead.

Apoorv: Hi sir just a few follow-ups. Sir the target or the revenue which we are aiming for the year is around INR270 crores. So have we added the Ambernath capacity as well, which we will be having in Q4 in this?

Management: I mean yes fulfilment will be happening from there also, but we're not going to give all our lease plants away at one shot. No. So we're going to be a phased move there. So now from which plant will the turnover come from, that I really don't know. We'll try to do it from Ambernath because that's a new plant which is coming up, but at the same time we will keep the other plants also alive.

Apoorv: Okay. I just want to -- want to know our strategy for the client acquisition like how do we get new clients?

Management: Yes, one thing I can tell you what it is not. It is not CFO reaching out to individuals.

Apoorv: Sure, sir.

Management: That is absolutely not. See our client, as I've mentioned this earlier many times, that see it is that one part of our strategy is to participate in exhibitions and trade shows, etcetera, where we put up stalls. And this is basically to cater to and show architects, interior designers our creativity and what can be done with our components. Because in retailers, architects, interior designers are basically the ones who influence the sale.

Even if it is from in like you have an in-house team, that will still be architects, interior designers. If you outsource that work to somebody, still it will be interior and architects and interior designers. So that's one part of our stand acquisition strategy. Apart from that, in India we have already known by almost every retailer.

We have had requests for quotations, etcetera which we had to refuse to So right now conversations are basically going on for these brands that we had to say no to. So it is as simple as basically reaching out to them and saying, hey, what are the new rollouts coming up? They tell us this and they say, okay, you quote for this and we are quoting for this.

So as we speak right now, for many new brands which we had to say no to both new customer sets from last year as well as new brands for the same customer that is what. So our major of our expansion is basically you take the existing customers and relationships, you take up new brands for them.

And you see the past guys that you have to say no to, restart conversations with them. And to and as an additional supplement to this, keep the PAC Atelier interior designer line running through exhibitions and trade shows where you basically cater and show your creativity and you show what your product set can basically achieve and do.

Apoorv: Got it. And so like, if you can throw some lights on the -- as you mentioned that we have added new groups or clients in the H1, so if you can quantify the number or in which category are they like earlier we were planning that we would be entering into jewellery stores as well, so if you can just throw some light on that as well:?

Management: See, again, it's not about what we are entering because over the years we have done jewellery, we have done electronics, we have done car showrooms also, everything, even F&B. Okay, if the question mainly is which are the kind of stores which are poised to expand in the next years to come in India and abroad, those are the ones that you will see maximum in our product mix simple as that.

That jewellery is expanding, then you'll see jewellery. If jewellery is not expanding, fashion is expanding, then you'll see fashion. Like last 3 years, 4 years, if you see value quick fashion was something that was expanding a lot. So you saw a lot of increase in that in our product mix. Then when value fashion started becoming a little pressed for margin and people started expanding again in the mid to luxury segment.

Again mid to luxury segment, you will see an increase in our product mix. So it's not based on what are we focusing on. We are focusing on retail groups. Those retail groups are basically in turn expanding on brands as per what is right now the plan of expansion. You get what I'm saying? Because once you are with a brand and once you're with a group, okay, they keep changing brands.

They keep turning brands, and some brands of theirs work, some brands of them don't work. Some brands of them are expanding right now and some brands are expanding differently. Sometimes they are focusing on fashion, sometimes they are focusing on kids, sometimes they are focusing on ethnic. That exactly, that is what you see a mix in our— yes. So always think that we are proxy to India's retail growth. You want to know what will be our growth drivers? See what will be retail's growth drivers.

Apoorv: Got it. Okay. That's it from my end. Thank you.

Moderator: Thank you. The next question is from Aman V from WealthTrust Capital. Please go ahead.

Aman V: Yes, hello sir. So I've got a follow-up on the answer that you just gave. Now looking at, I mean, since you mentioned about expanding upon the brands these guys are building. So I have one question, if you really think about it. So I do not want you to name your clients, but for example, let's say if you do business with Trent or Aditya Birla for that matter?

These guys are limited by the number of brands they can touch. And there are a lot of other smaller micro brands. For example, Snitch is a good example in Mumbai, right? You've got

Snitch and some other smaller micro brands. So are we doing anything on that front? Because that could also be a potentially good market for us, right?

Management: Yes we are working with a lot of. In fact, last year if you see in concentration, you've always seen larger corporates in the sense dominated volumes because obviously there's hundreds and hundreds of stores, but last year alone we had 88 unique customers. So it's not in any ways that we don't do these local and regional chains.

They are good and we really like working with them as well because we always believe that SMB retailers are the future growth drivers of the country. It's just that it, it will be some while. If somebody starts with 1 store, 2 stores, 10 stores and then if he when he expands to 100 stores, that is when you will start seeing a significant contribution to the revenue. So you will not see a lot of contribution to this revenue, but these are definitely microbrands that we keep handling.

And we have been working with microbrands not from now, from 1991. They've always been working with microbrands. But is it that retailers in terms of volumes this is the highest because when these guys would do 20 stores, these guys will do 200 stores. So I mean, come on.

Apoorv: 100%. But you're also at the mercy of them. So wouldn't— so my question was more from the perspective of agility. Do we have that agility to capture, let's say for example if trend slows down or the big guys slow down, the smaller guys are ramping up, will we be able to quickly sort of switch our market to them so that we keep up the revenues?

Management: Yes, absolutely we do. And you're also -- one thing I don't know if you know or not, if you've been following the company, we also have a franchise network and a franchise network of 5 that we have also made profitable and made it worked for us. It's just that we're not expanding that.

The minute this happens, that you see that corporate businesses going down and SMB retailers are rising. So mom-and-pop stores are basically rising, more than retailers are rising then we'll start focusing on the franchise network more. And that SMB line is already there. And plus we do have our own store in Kochi as well. And we have, we have in the past also catered a lot of SMB businesses directly from our factory in Navi Mumbai.

Apoorv: And do we have an outlet franchise outlet in Mumbai anywhere around? I mean at least in the high density area?

Management: We have it in Navi Mumbai. No, not in Mumbai, it's in Navi Mumbai.

Apoorv: Okay.

Management: Navi Mumbai have the factory outlet as well and as well as you have a franchise.

Apoorv: That I am aware.

Management: Then we have in Hyderabad, we have in Indore and we have in Kochi. So we have our own store.

Apoorv: Noted. Just one last question. So while you do a lot of business with these clothing retailers, Is there any possibility for you guys to go into jewellery because that is also another segment, where there's a lot of store expansions happening?

Management: Absolutely there is no doubt about that.

Apoorv: What's happening on that front, if you can divulge any details?

Management: So we are in talks with a lot of what you say is jewelleery brands, again SMB as well as large retailers from the existing group as well, the brands of the existing group. And this is where, we have a natural advantage because of our lighting solutions. So jewellery naturally is a business vertical where you require lighting very importantly.

Also require lighting to hit on the merchandise properly. And because of our products where you can twist the lights and they all are powered directly from the shelf itself, you can adjust the lighting to your. So that is what basically we are talking and we are in like negotiations stages with a lot of jewellery retailers.

Apoorv: Just a follow up on this jewellery question. So while you're doing that as of now or maybe you are in talks, who is the one that is doing the stuff currently for them? Is it all of them are doing it in-house or is there another competitor that you might have that's actually doing that? Would you be able to point out?

Management: I don't know the information right now for all of the brands, but it is not necessary that it would be a competitor. Sometimes also a substitute, a natural substitute, would be that if they are these brands at a smaller scale and not a very organized scale specifically mom-and-pop and SMB retailers, they could be doing it in carpentry. And that it becomes time-consuming also.

But when they start rolling out, see, naturally, what was the natural thing for anybody to do when a soft fitting industry was not there, like before '91? You would have this done in carpentry only, right? You would tell your architect who made your house, they'll make your store.

Apoorv: Yes.

Management: This works only when you have 1 or 2 stores. For the minute you want to ramp up, you need organized players. So it's not necessarily that's being catered by some competitor only. It could also be done by carpenters. But this works only and only when it's a small number of stores being done. The minute they become into organized rollouts, we will necessarily look out for a retail fixture provider, because they need to do that thing done.

Apoorv: That answers my question. So, thank you.

Management: Thank you so much.

Sri Surya K: Yes.

Moderator: Thank you. The next question is from [Nabindu Mondal 0:46:09], who's an Individual Investor. Please go ahead. Yes,

Nabindu Mondal: Yes. Thank you for giving me the opportunity. My first question, sir, would be, like you had already mentioned, one of the participants that we are planning to do roughly around 300-odd stores in the H2 of this year. So out of that, how many would be the large format stores which you're visualizing in this mix of 300 odd stores?

Management: No, no. So the 300 calculation had come from an investor who had basically used 51 lakhs as per store tore average as per last year, and then divided that to arrive at 300. Okay? To which I pointed out, this is not necessary, because our larger format stores are at an average of even INR1.25 crores to INR1.5 crores. Okay. Around INR1.5 crores each.

So in which case to reach that same turnover, I will need 75 stores and not 300. So don't just catch that store count, because it really depends on what are the kind of stores that's happening. Now if you see previous to last year, the per store was again lower, then went to 51, then it came down to 38. This does not mean anything in terms of pricing or anything. This is just simply revenue divided by the number of stores. So it basically depends upon whether you are doing a lot of smaller store formats but in quantity, or you are doing larger store formats.

Nabindu Mondal: Understood. But can you just give -- throw some color on how many, I mean, just a ballpark figure on how many large format stores do you plan to do in the H2 of this year based on your projections that you have got for customer?

Management: Right now, we have the indication of this range only around 75-80 of this INR1.5 crores range.

Nabindu Mondal: Understood, sir. Okay, perfect. Sir second thing was that we are starting our Ambernath facility in December, and in your statement you had mentioned that possibly you would see a lot of demand in the month of December, Jan, February, which you're projecting at this point of time. So how do you see this transition happening? Because you're opening your bigger facility, so how do you see it?

Management: Last year, so I anyways did not have this facility, right? We still did 218. And, we also do have the capacity to kind of -- and Ambernath will also be there. So the spillover thing that will be required, that we'll do from Ambernath. But if we already did do 218 from the same facility, then why can't we do this balance right now from this facility?

Nabindu Mondal: Yes, but from the people and manpower moving from this facility to the newer facility which you have at the Lodha complex.

Management: So what we're going to do is, those the 5 plants, right, they are different, different processes. So we would start with one process first, then put the new machinery of that process so that increases the capacity. In terms of manpower, obviously there would be a little more manpower, different people to handle that extra machinery that we are installing. And by that time, we will continue from the other lease facilities as well, the other processes which we have not yet moved. So that way we'll balance the work.

Nabindu Mondal: Understood.

Management: In all, for every plant, when overall if I take an entire switching time. If I say, drop dead and shift everything, okay? Then there's a 10-day downtime. But if we basically don't do that, don't drop dead and shift everything at one shot, then we can easily manage it.

Nabindu Mondal: Understood. Makes sense. And sir, my last question would be with respect to your base projections where you're saying that you're right now looking at around 300-400-odd customers -- I mean, stores where you would want to roll out your RFID solutions for. So just wanted to understand this business model. I mean, is this just a one-time rollout?

Because for your stores, I believe it's a 3 to 5 year cycle where you get a -- I mean the entire store goes for a refitment. But in case of this WAVE solution which you're doing, is this 300-odd stores just a one-time opportunity, or do you want to scale it up massively in the next couple of years? And then what is the repeat cycle of this?

Management: We definitely want to scale this up. In fact, it's a very good candidate. So right now, this WAVE, the way it has been implemented, it is basically being done as a standalone kiosk, okay? But this is not the only way we can do it. We've also made proof-of-concepts right now, and we are in talks with a client in Saudi which has been a long-standing client of us, are about -- he's already using our electrified system there, right?

So now it's a question of just plugging in the RFID peripherals and the IoT peripherals to make it a smart store. That is exactly the kind of discussions we are with him in. So all-in-all, it doesn't have to only be like as a standalone kiosk. It could be very much in part of our offerings like deeply integrated.

And that is where we see a big growth coming in. Because once they already using this platform, for them to switch into it is just one step ahead, right? Add the screens, add the peripherals, and you can do smart checkout. So that is what we are basically in talks with a lot of people for. Hello, am I audible?

Moderator: Thank you. Yes, we'll move to the next question. The next question is from Ankit Babel from Subhkam Ventures. Please go ahead.

Ankit Babel: Yes, good evening Mr. Milkdad. Yes, sir.

Management: Yes, hi, Ankit. Good evening.

Ankit Babel: Yes Sir, a couple of questions. Now, my first question is, how are you positioned compared to your competitors in terms of the products the quality, the pricing, etcetera?

Management: In terms of…

Ankit Babel: Sorry, you're not audible, sir.

Management: How about now?

Ankit Babel: Slightly better.

Management: See, the main differentiation comes from the fact that us against our competition that we know of in India and even abroad, we have created our own proprietary set of 3,000 plus components. This is what gives us a lot of versatility, and we go by the concept of standardized engineering, customizable skins. And this is what gives us the entire power in terms of time, to power in terms of cost.

Now see, again, in terms of pricing, it's not that we are just insanely expensive as compared to anybody else, because if that was the case, then really cost-sensitive corporates would absolutely not buy from us, right? It's not that we are not competitive. Our entire margin advantage, etcetera comes from the fact that we are able to get economies of scale because we have re-engineered our entire manufacturing process.

We have broken it up into components. We have taken an industry which is so highly customized in the sense everybody wants a different experience, and even we were able to bring the benefits of economies of scale and standardization to basically an industry which is inherently customized. Okay? That is our business.

Now in terms of quality, we never benchmarked ourselves against any Indian player. We only benchmarked ourselves against German players, and that's the reason why we have always focused on our quality. And we would like to believe that we are able to do at a better quality price, quality specification, but at the same time keeping the cost competitive. Now, and if we talk about the international market, in terms of pricing, we are still 50% cheaper than our close competitors in the Middle East, etcetera even after increased pricing for export.

Ankit Babel: Okay, great. Because as investors, we all think that since your margins are so healthy, you must be charging your customer also, say, 20%-30% higher than your competition on the base of providing them with good products, good technology, and everything else?

Management: If this was true, would we be having so many corporate clients? You know how corporate purchase and procurement processes work. Do you think they would have allowed this? Is it possible? Is it logically fathomable that these people with so many processes and so many of this and a habit of basically asking the breakup of their costing and material and this and that, could all of this be possible?

This is just because we are able to engineer, back engineer our way in such a way and get economies of scale. That is the only reason. So we are still competitive when it comes to pricing, but we're just able to get a cost advantage because we are able to do this. And this was an investment that we made in this entire range because of so many years where we were not getting sales out of this component, still, we went on and on and on and kept building, and then we re-engineered our entire thing. So that's the benefit of that investment that you are seeing the fruits of today.

Ankit Babel: Okay. Sir, basically it's a cost of production. So your cost of production is lower and not the pricing...

Management: When I say cost of production, I mean, not just materials but everything. The entire cost of making the end product, including the labor, the machinery, the overheads, all of it. Yes.

Ankit Babel: So, so this gives us the confidence that your margins are sustainable because you know…

Management: Even another 30% slide in my turnover, even 30% slide in my turnover, still it is 27%.

Ankit Babel: True.

Management: And 27.9%, sorry, so almost 28%. I mean, if anybody had any skepticism regarding this, I think after this call it should not be, or after the results, it should absolutely not be there.

Ankit Babel: Okay. So my last question is, what's your strategy on exports? And because as you mentioned that you are 50% cheaper even on higher margins as compared to other German players, so if the share of exports improve going forward plus the new acquisition…

Management: The very low-hanging fruit for us is the Middle East region, because over the last few years we have done a lot of franchise in these regions, for franchise operators in that region who have been taking brands of European origin. Now what is happening is because we've done so many number of stores for the brands and the brands themselves are liking this finish, liking what we have done, they are basically asking the franchisees to connect us to them directly, in which case we are in the process of getting specified with them.

Now when that happens, right, then global expansion of these brands, whichever country they do in, we will be specified. So even if somebody else is handling the last mile carpentry or doing the fulfillment at the global level, our components are basically the ones that are going to be specified. So this entire standardized engineering customizable skins has one more advantage.

So you can continue to do the standardized engineering and you can give it anywhere in the world and you can have a local player there do the customizable skins and do what you say, fulfillment. And it's an expansion plan that really doesn't require us to really do anything because already the work for that has already been done by doing these franchise stores in the Middle East. So they are only serving as our marketing centers.

Ankit Babel: So basically higher share of exports. And if I'm not wrong, your new Ambernath capacity would have very high productivity because of high level of automation, right?

Management: High level of automation and location where everything would be integrated. So when it's one production line, we can improve a lot of throughput.

Ankit Babel: So is it fair to assume that actually you have more levers for margin improvement rather than any pressure on margins?

Management: Yes, absolutely. I mean, that's absolutely -- some of those levers are simple words, if you just think about it, these are lease facilities and own facility, okay? If you compare the lease rents and everything, corresponding cost, that's like around 4 to around above INR4 crores per year basis, okay?

And against that, if you see the Ambenath plant's depreciation, because it's an RCC construction, 60 years depreciation, it is just under INR1 crores. So just by not doing anything, there's a INR3 crores increase in PAT just from that terms, because you're not paying that lease rent. Now,

because you're not paying the lease rent, that additional amount which will be there, the rollover and the profitability that that can earn because of return on working capital, that also you should factor in.

So all these, just not even by saying that, okay, the cost of production all will go down further, just by talking about which is obvious, on paper you can see that's the one if you talk about still there's scope for margin improvement. But again, having said that, if you ever hear me talk about margin, I still take a conservative stand and say 25%. But even after 30% dip, you see this is at 28%.

Ankit Babel: Got it, sir. Great. Excellent work, sir. Thank you so much.

Management: Thank you. Thank you so much.

Moderator: Thank you very much. We'll take that as the last question. I would now like to hand the conference over to Mr. Milkdad Merchant for closing comments.

Management: Okay. Thank you everybody. Thank you so much for asking all your questions and showing the interest in Safe Enterprises. So yes, that's it for me. Good night and happy Diwali to everybody.

Moderator: Thank you very much. On behalf of Safe Enterprises Retail Fixtures Limited and Phillip Capital PCG, that concludes this conference. Thank you for joining us. Ladies and gentlemen, you may now disconnect your lines.