

Date: May 20, 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) – Financial Performance for H2 FY26

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 May 11, 2026, please find enclosed copy of the transcript of earnings conference call conducted on 19th May, 2026 to discuss the audited financial results of the company for the Half Year and Financial Year ended March 31, 2026.

The same is being made available on the Company's website at www.safeenterprises.com

This is for your information and record.

Yours sincerely,

For and on behalf of
Safe Enterprises Retail Fixtures Limited

MOHINI RAJU WAGHADE
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MOHINI RAJU
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Date: 2026.05.20
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Mohini Waghade
Company Secretary & Compliance Officer



“Safe Enterprises Retail Fixtures Limited
H2 and FY26 Earnings Conference Call”

May 19, 2026



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

MODERATOR: MR. SRI SURYA K – PHILLIPCAPITAL PCG

Moderator: Ladies and gentlemen, good day, and welcome to the Safe Enterprises Retail Fixtures Limited's H2 and FY26 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 conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Surya K from the PhillipCapital PCG desk. Thank you, and over to you, Mr. Surya.

Surya K: Good morning, everyone. On behalf of PhillipCapital Private Clients Group, I welcome all of you to the H2 FY26 earnings conference call of Safe Enterprises Retail Fixtures Limited. Today, from the management, we have Mr. Mikdad Merchant, the Whole-Time Director and CFO; and Mr. Vedang Nimbalkar, the Internal IR.

I now hand over the conference to Mr. Vedang for his opening remarks, and then we will open the floor for the question-and-answer session. Over to you, Vedang.

Vedang Nimbalkar: Thank you, Surya. Good morning, everyone. Welcome to Safe Enterprises Retail Fixtures Limited's earnings conference call to discuss our financial results for the second half and full year ended March 31, 2026. Joining me today is Mr. Mikdad Saleem Merchant, the Whole-Time Director and Chief Financial Officer of the company. Our results and investor presentations have been uploaded to the stock exchange and are also available on our website.

Before we begin, I would like to remind you that certain statements made during this call may be forward-looking in nature and subject to risks and uncertainties. Please refer to the disclaimer in our investor presentation for further details. I would like to hand over to Mr. Mikdad Merchant for his opening remarks.

Mikdad Merchant: Hello. Good morning, everybody, and thank you so much for joining us for this call. Okay, so FY26 for us at Safe Enterprises Retail Fixtures Limited has been a very transformative year, marked by our Initial Public Offering and NSE listing in June of last year, and followed by strong financial growth, increase in our manufacturing capacity, also the start of the construction of our upcoming plant at Ambernath, and launch of two new innovative product lines.

During the year, our revenue from operations grew by 57% to stand at INR218.40 crores. Our operating EBITDA increased by 60% to stand at INR79.1 crores, and finally, our PAT increased by 63% to stand at INR63.90 crores. Our growth has been fueled both by our new store rollouts as well as refurbishment orders. As a mix, 68.9% has come from our new stores, whereas 24.8% from refurbishment orders. These refurbishment orders are kind of repeat in nature, following roughly a three to four-year repeat cycle.

A key highlight is also the revenue -- the average revenue per store grew by 65% to stand at roughly INR51.4 lakhs per store. This basically means, and this is resulted from higher intensity of fixtures per store, larger store format rollouts, as well as a richer product mix. During the year,

also as mentioned, our construction for our upcoming plant at Ambernath has also successfully begun and on track to complete in third quarter of this year, FY27.

We launched two new innovative products, so innovation is again still continues to be one of our key strategies, and we launched two new product lines. The first one is WAVE. It is an RFID-based self-checkout solution. So, customers can basically walk in, pick up clothes, put it in an RFID basket, everything will come on screen, and it facilitates the complete self-checkout journey.

Second is EVOLV, which brings our motto and our paradigm of standardized engineering, customizable skins to even the home interior segment, where the same fixture components can be used to create TV units and cabinets and the like.

Our balance sheet continues to stay strong, well this significantly gives us flexibility to invest in new innovation and expansion initiatives. With this, I end my opening remarks and I open the floor for any questions that you might have and yes, thank you.

Moderator: Thank you very much, sir. We will now begin the question and answer session. The first question is from the line of Naresh from Systematix. Please go ahead.

Naresh: Yes, good morning, sir. Congratulations on a great set of numbers.

Moderator: Please proceed, Naresh.

Mikdad Merchant: Yes, Naresh, please go ahead.

Moderator: I am sorry, sir, the participant has left the queue. We will move on to the next question from the line of Nupur from Aarth Growth Fund. Please go ahead.

Nupur: Hello, am I audible?

Mikdad Merchant: Hi, Nupur. Yes, audible.

Nupur: Yes so firstly congratulations on a good set of numbers and thanks for the opportunity. So, if I compare margins, both EBITDA as well as PAT margins, so FY26 did really well and having an EBITDA margin of 36% with the PAT margin of around 29%. So, if I consider for long-term perspective, whether these margins are sustainable in the long run? Reason because in Q3 of FY27, our Ambernath facility is going to be commissioned. So, what kind of downside or I will say what correction in the margins can be expected post the commissioning of this facility?

Mikdad Merchant: See, on a long-term basis, whenever I am asked kind of a guidance, I always say that 25% is something that you should consider on a long-term basis. But on an immediate basis, I feel these margins can go up because right now we have multiple plants, like five in Mumbai and with multiple plants, you can understand that there are inefficiencies inherent in this process, right?

When you have to move material from one plant to another to service it, there is a waste of time also. So because of that time, there is a waste of throughput, as well as there is waste of extra cost for internal transportation, etcetera. So, all of this will kind of go away. Plus, these are leased facilities.

So again, the lease rentals are something that becomes a cash cost against which once we move to our own plant, this will again not be there. So, I think on an immediate basis, there is scope of margin improvement, but on a long-term basis, I think 25.00% is something that I think we should consider reasonable.

- Nupur:** Okay. And what about EBITDA margins?
- Mikdad Merchant:** EBITDA roughly the same, I mean, proportionately reduced.
- Nupur:** Okay, understood. So, considering our receivables for FY26, so receivables as a percent of sales in FY25 was around 17.21% and in FY26 it went up to 20.73%. So, whether there was any change with respect to receivable policies for the customers?
- Mikdad Merchant:** No nothing they were just normal business circumstances, nothing else.
- Nupur:** Okay. So, what is a normal period of credit that we give to our clients, our customers?
- Mikdad Merchant:** So, post advance, it would be around 30 days to 60 days. And then a 10% is 6-month retention. And there is no change, this has always been the case.
- Nupur:** Okay, understood. So, there was just one last thing. We have adequate amount of cash balance in our balance sheet. So, moving forward, how we are going to utilize that? Because last year it was somewhere around INR37 crores and then IPO was there and currently we hold a cash of INR130 crores. So what opportunities we are looking at? Are we thinking of some inorganic acquisition? So, what kind of strategy moving forward the company is going to adopt?
- Mikdad Merchant:** See, first and foremost, the entire IPO spend is also not completed. So out of this, around -- I don't have the exact figures in front of me.
- Nupur:** That is still unutilized.
- Mikdad Merchant:** Yes you minus that. So that was going to go into basically this. The remaining definitely yes we are always constantly on the lookout for good expansion -- good opportunities. Now, these could mean anything, not just inorganic acquisitions. If we get a good deal, then definitely we can look at that. But mostly new product lines, expansion into new markets, these are both we keep looking at simultaneously.
- Nupur:** So, when you are talking about new markets?
- Moderator:** Ma'am, I am sorry to interrupt you. I would request you to kindly re-join the queue for follow-up.

- Nupur:** Sure. I will join back the queue.
- Moderator:** Thank you so much. We will take the next question from the line of Andrey Purushottam from Cogito Advisors. Please go ahead.
- Andrey Purushottam:** Thank you for taking my question. First of all, congratulations on a very good set of numbers. I have two questions. One is relating to growth bifurcated into number of stores and intensity of sale. Now, if I look at the number of stores over the last 3 years, they have been roughly flattish, 407, 445, 425.
- Now, partly I wanted to ask you whether you see this trend continuing or whether this past pattern was partly attributable to your capacity constraints. And the second thing was, what do you see in terms of your store intensity? Do you see it further rising by a smart amount and therefore will that still be the key driver of your revenue growth in the next year or so?
- Mikdad Merchant:** So, if you have been following our strategy, basically we have always focused on things which have a differentiation element. So, obviously better finishes, more premium finishes things like that. So, this also contributes into larger average volume or the value per store. So, that definitely is a strategy that we are going to be continuing towards.
- But having said that, till now it has been flattish, I mean, the number of stores has been kind of flat because our capacities have also been flat, right? I mean, the IPO just happened in June and from that, the bigger plant that we have to make is obviously still not commissioned and up and running, it is under construction.
- So, really there has been no significant increase in capacity. There has been an increase in capacity, we did take on another lease space in Mumbai and we increased our lease capacity in Pune, but that has not been a dramatic increase giving us the freedom to onboard many larger customers.
- So, when that happens, then you should be able to see an exponential growth even in the number of projects. But till that point, we will continue with this strategy to increase our average value per store. And this we will do by both focusing on more premium and better kind of work, as well as increasing our product range so that we can do more things for a given store.
- Andrey Purushottam:** And I will ask for an expansion of the first also. In terms you have made a comment in your presentation about operating leverage kicking in. Now, if you look at the data from the last few quarters, there is not too much of evidence of operating leverage. So, what will change that makes you believe that operating leverage will kick in? And just as a continuance of the first question, is there any guidance you can provide us on the number of stores that you are likely to serve in this financial year and the sales intensity? Do you have some kind of rough ballpark idea on that?
- Mikdad Merchant:** I will take up your second question first because in the first one I will need more clarification. So, I will take up your second one first. See, in terms of number of stores, again as I told you,

this has always been a derived kind of figure. It is not that we know at the start that these many number of stores are going to come.

We do get a soft guidance, but as it was mentioned at the start of the call, we can't really disclose this kind of information. But having said that, there is going to be a growth in the number of stores because we are also adding new customers. So by default there is going to be a growth in the number of stores and we are also focusing on increasing the value.

So, you will see a both increase in value per average store again and you will see increase in number of stores also in this year. But I would want to repeat again that 28 is going to be more of our growth driver year more than FY27 because in 27, on just in the third quarter is when our larger plant, which results in increased capacity, is actually going to be ready. So, this major growth you will be seeing in 28.

Andrey Purushottam: Okay. And operating leverage?

Mikdad Merchant: Yes, now that is where I needed more clarity. You said from the last few quarters there is evidence that it is not increasing. Can you clarify on that? Why do you say that operating leverage has not become better?

Andrey Purushottam: So, if you look at the EBITDA growth or the PAT growth, it does not exceed your revenue growth by a very large amount. It is slightly higher, but not very much higher. So, I was just wondering?

Mikdad Merchant: Yes, but things that one more point I would point out here. See, there is no significant increase in capacity, but the fact that we have increased the revenue itself without increasing a lot of capacity, this is what I am translating to operating leverage, as in higher throughput from the same facility.

Andrey Purushottam: Okay. Thank you. Thank you very much. Thank you for your answers.

Mikdad Merchant: Thank you.

Moderator: Thank you, sir. We will take the next question from the line of Pavan Kumar from Ratna Traya Capital. Please go ahead.

Pavan Kumar: Sir, can you please comment on how the value per store will go going forward since there has been a sharp increase this year? Secondly, what is the kind of capacity we are adding in Ambernath in Q3 and until then, do we have existing capacity to give us some growth in H1?

Mikdad Merchant: Yes, absolutely. So, as per the current capacity, even without the Ambernath plant, we can do a 30% increase in revenue, okay, in top line. That is without any increase -- without the Ambernath plant coming in. And with the Ambernath plant coming in, so around INR500 crores we can do without any additional machinery and with additional machinery, even more than that.

Pavan Kumar: Okay. And can you please comment on the value per store? There was a very sharp increase, almost like more than 50.00%. So, would that hold going forward or what does it depend on?

Mikdad Merchant: See, the sharp increase simply comes from the fact that in this year we had more -- the mix had kind of changed. A larger format stores and also those stores in which we were doing premium finishes and also those in which we had more work per store. As in we did not just the fixtures, we also did cash counters, we also did trial rooms and also we are going to increase that bucket more by our new product ranges, which also has retail technology inside.

So, now we can also do the IT part of it, which is the self-checkout and those kind of things, which are closely tied with retail fixtures. And also because we have fixtures and RFID tech now within the same company, we can also do these kind of lift-and-learn kind of solutions in a more deeper way that we can embed them directly into our fixtures as well. So, these are all the factors that have contributed in increase and these are all the factors which will also contribute in future increase.

Pavan Kumar: Okay, thank you.

Moderator: Thank you. We will take the next question from the line of Nikunj Moradia from Bank of Baroda. Please go ahead.

Nikunj Moradia: Good morning, sir. This is Nikunj from Surat. Thank you very much for giving the opportunity. I want to ask about expected demand pipeline from key clients like Trent, Reliance Retail and other big clients and for the both new store opening and refurbishment how much is it?

Mikdad Merchant: Sir, firstly, I will not be able to comment on any client-specific questions. Just as a general, we do have visibility for increase in our current clients store rollouts across the board, all of them, not any particular client. And we are also adding new clients as we speak. So, the number of stores rollout as retail as a whole, I think is on an increase. So, we are taking a share -- our share of the pie from that increase.

Nikunj Moradia: Okay, sir. Thank you.

Moderator: The next question is from the line of Varun Singh from Alfa Accurate Advisors.

Varun Singh: Yes, thank you for the opportunity and congratulations for a good set of numbers. So, my first question is on, you know, in the PPT you mentioned about wallet share optimization, which has led to, you know, quite decent performance in the revenue, but despite doing fewer number of stores, our revenue per store has spiked very sharply. So, how should we read this, you know, significant improvement in per store revenue in terms of, you know, when we look at your company from future forward point of view?

So, meaning that what do you think could be the maximum potential for revenue per store in our case, maybe for next one year, two year point of view? You can give us some understanding on maximum revenue potential per store-wise. And this improvement, I mean, what is the top two things which you could call out that, okay, this is -- I mean, is it more fixtures into the same

store or is it more, you know, higher price of fixtures and similar volume? What has led to this significant improvement? Please guide us on this point?

Mikdad Merchant: So, I have also already answered this question. This increase has basically come from definitely more fixture intensity in our stores, also premium finishes and better kind of fixtures which results in obviously a higher revenue, and also increasing in our kitty, so more things for the stores that we do. For example, just not fixtures, cash counters, trial rooms, and things like that. All of these have resulted in significant, you know, increase. And this is the same strategy that we are following.

So, we are also taking more clients on board that kind of give us these three things as in premium finishes, more work per store, and more fixture intensity. So, I do intend this to go up and that is what we are working towards. But to give you an exact percentage of how much this would increase by, that would be difficult. Consider for this year an increase of around 30% on the top line, so a corresponding increase in the average number of stores.

Varun Singh: That's fair, Mikdad. Honestly, I think you already called out more fixtures and more premium. I just wanted maybe, you know, understanding on the scope for further improvement directionally. You think 20% to 30% more improvement is feasible? Some objective color to this.

Mikdad Merchant: Yes, 20% to 30% is what I said, both on the top line as well and same would trickle down to the average value per store as well.

Varun Singh: Understood, understood. And this would be largely driven by more of the fixture intensity, the way we have taken cash counter, maybe we could do more of the furniture in the similar store, over and above of course, more number of stores that we could possibly do?

Mikdad Merchant: More number of stores, more fixtures per store, plus retail technology as in the RFID-based self-checkout, that also something that we just launched and that also can increase the same deep penetration within a store.

Varun Singh: Right, right. And just one last question on -- I think this quarter we have, you know, expanded our capacity by 25% in Pune, and fortunately we have not seen, you know, significant impact on the margins, so which was quite a positive observation. So, can we not draw a similar parallel when we are doing a massive expansion in the Ambernath to 2,50,000 square feet by Q3?

So, should we really expect, you know, some impact on margin or you think that margin impact should not be that much given the this 25% expansion and no impact on margin in what we see in the second half?

Mikdad Merchant: See, again, after the plant coming in, definitely as I said, five plants in Bombay are obviously they have its inherent inefficiencies, right? So, obviously that will go away. There is lease rentals which will go away. So, I do intend a short-term increase in this, but on a long-term basis, I have given a guidance of around 25% PAT margin should be sustainable in the long term.

- Moderator:** The next question is from the line of Pratiti Khara from Param Capital.
- Pratiti Khara:** Yes, thank you so much for taking out the time to answer our questions. I had a question around what was the capex incurred for this new manufacturing plant that is coming up? I see INR65 crores has been spent already. How much more do we expect to spend in H1 of FY27? And INR500 crores is the expected additional revenue, right, from this plant?
- Mikdad Merchant:** Yes.
- Pratiti Khara:** So, what would be the capex additionally spent this year?
- Mikdad Merchant:** So, the total as given in the offer document is around INR75 crores for the plant and I think around INR14 odd crores for the machinery, totalling to around INR90 crores. Yes, it will be around that much, maybe INR5 crores here and there based on the fact that we have also increased our plant size. Originally, we were going to make 1,75,000 square feet, but we have been able to make 2,50,000 square feet by re-engineering our plant style, also doing a basement and things like that and optimizing our FSI allowance.
- Pratiti Khara:** So, what is our current capacity utilization from the existing plant?
- Mikdad Merchant:** From the existing plants, we are upwards of 90%.
- Pratiti Khara:** Okay, all right. And what would be our average revenue per square foot for FY25 and FY26? Because I do see that average revenue...?
- Mikdad Merchant:** But that's not something we calculate because I mean square feet is kind of...
- Pratiti Khara:** Do we have a total square foot that we've done for this year, totally?
- Mikdad Merchant:** No, we had done an exercise to calculate the entire square feet kind of work done on our lifetime, but that's about it. We don't calculate this on a regular basis. Again, because it's a derived metric, it doesn't really help us in, you know, projecting anything or not that we even quote in that way or not that, you know, any conversation in anything, you know, happens on the square feet. So, that's why it's not something that is of any relevance.
- Pratiti Khara:** So, let me put it this way. Like all the stores that we install our stuff in, are they of a similar store size? Like is the average store size in a similar range across the stores or is it varying?
- Mikdad Merchant:** It varies, it varies. But now again...
- Pratiti Khara:** So, what would be the average store size we can consider for our calculation?
- Mikdad Merchant:** It all depends brand to brand. So, if it's -- so right now on an average, I think you would be able to -- you take like the 10,000 to 15,000 store range, square feet store range. But again, this will be changing year on year because see, again, there could be larger stores, lesser number, there could be smaller stores, larger number, all of this could happen.

Pratiti Khara: Understood, understood. And what would be our revenue from the top customer currently, percentage?

Mikdad Merchant: Again, that's not something we've calculated as of now.

Moderator: We'll take the next question from the line of Siva from Ithought PMS.

Siva: So, my first question is regarding the business model. So, out of all the branches that our clients expand, are done by us or do they have like multiple vendors across different regions?

Mikdad Merchant: No, we are doing pan-India and also in abroad.

Siva: Right. So, what I'm trying to understand, sir, so if a client is planning to expand like 100 stores, are we doing the entire 100 stores?

Mikdad Merchant: Depends on which client. Most of the clients that we work with, we have dominant amount of their wallet share. But 100% wallet share doesn't happen because of internal audit requirements and those kind of things.

Siva: Right, sir, right. And have we signed any contract with them saying that for the next one or two years we'll be doing so and so stores for them?

Mikdad Merchant: No. But all our relationships are very long-term. We've been doing this from over 35 years.

Siva: Perfect, sir, that helps. And sir, with regards to refurbishment, how much revenue over there do we make per store and what are the margins that we see over there?

Mikdad Merchant: No, there the revenue doesn't work per store-wise. Because see, what happens is again refurbishments could be in a different way, right? One thing would be that we have made the stores like 3 years back and now they want us to redo the entire store. In which case you would have a store revenue, but they could also say that okay let's do one thing, we now have a new design for our cash counter, for example.

Let's replace all the cash counters in all the stores. In which case I will not be able to give you because then the revenue will only be for maybe 1,000 cash counters. Then same way there would be say half the stores we want to change all the browsers, so it will be 500 browsers per store -- I mean, 500 one-one browser each per store or say let's change 20 browsers for 500 stores.

So, really that's not something that I can tell you because it doesn't work that way. The typical thing in refurbishment you should understand is it's a repeat kind of a business. Because when we do a store or when we are doing -- we are becoming a new vendor and they are kind of trusting us and we're doing well and we're getting more and more stores, a point does come where the old stores need to be replaced and this is because well retail is like that, right?

In a 3 to 4-year cycle they need to make the stores fresh because many things happen. New generation comes into the market, preferences change, tastes change, technology changes, many things change. So, because of this reason you need to keep the retail stores fresh. Because of which there's always a cycle. Hence, whatever we have done in the past where we do new stores, they kind of become repeat orders when it comes to renovation and refurbishment as well.

Siva: Understood. And the margins, is it similar over there as well...

Moderator: I am sorry to interrupt you. We have a long queue today. I would request you to kindly rejoin the queue for follow-up.

Siva: Sure, thank you.

Mikdad Merchant: Right, yes. Okay, but I will still take up this last question because it will be for everybody's benefit. See, the thing is that when I say refurbishment or I say new stores, etcetera, understand one thing that for me it is fixtures only. It doesn't change anything. It's not that by I'm doing something else when it's refurbishment. I'm still making fixtures only. For me it's always new.

So, my margins and everything is just the same. It doesn't change at all. It is just that the from a revenue standpoint you bifurcate into two buckets. Those which are new projects entirely, stores which were not there but the retailers opened a new store, against which stores which were there but they refurbished them, they renewed their design and look and changed their fixtures. That's it, that's the only difference.

Moderator: Thank you so much, sir, for answering those questions. We'll take the next question from the line of Disha from Sapphire Capital. Please go ahead.

Disha: Hello.

Mikdad Merchant: Hi, Disha.

Disha: Am I audible, sir?

Mikdad Merchant: Yes, very much.

Disha: Yes, thank you so much for this opportunity and congratulations for a good set of numbers. So, my first question was without the Ambernath plant, so I think for this year we're targeting around 30% sort of growth. And with this plant, so FY '28 we can expect to reach INR500 crores, will that be a fair assumption?

Mikdad Merchant: The guidance that I give is above INR400 crores and INR100 crores PAT. We should be able to overshoot it, but this is our guidance.

Disha: For FY28, right?

Mikdad Merchant: Yes, FY28, not '27.

- Disha:** Yes, yes. And sir, also we've seen a sharp increase in other income. So, what has led to that and what can we expect -- how should we look at the run rate going ahead?
- Mikdad Merchant:** No, the other income is basically treasury management. In the meantime that we have funds not spent for the IPO purpose because construction is going on, I will spend as per the construction stages. So, in the meanwhile this is all kept into short-term securities and things like that and that is the income that you see in the other income.
- Disha:** So, this will -- we'll see that going down once we -- once the capex progresses.
- Mikdad Merchant:** Yes, yes, but then you'll see revenue from operations going up, that's the idea. And obviously when a business enterprise you definitely expect the return -- the profit from the investment in the company to be much, much higher than the what you would get from an FD. So, yes.
- Disha:** Correct, correct. Yes. Okay, and sir, what would be the total amount for capex that we're spending for FY '27?
- Mikdad Merchant:** That is this only, the plant which is INR95 crores. This land building, machinery, everything combined.
- Disha:** And how much have we already spent out of this INR95 crores?
- Mikdad Merchant:** I think some INR58 crores something. It's there, I think the utilization is also given in the -- so there would be this monitoring report -- monitoring agency's report also uploaded on the exchange. There you will get the exact data of how much we've spent under each head mentioned in the RHP.
- Disha:** Okay, all right. That's it from my side. Thank you, sir.
- Mikdad Merchant:** Thank you, Disha.
- Moderator:** Thank you. The next question is from the line of Shivansh Vijayvargiya from MS Capital. Please go ahead.
- Shivansh Vijayvargiya:** Hi, sir, congrats on the good set of numbers. Just one question, wanted to understand on this gross margin. On a full-year basis also it's -- it has increased and which has shifted to like increase in manufacturing expense also. And if we see the half-yearly trends also it has been in the range of 59% to 65% and the other manufacturing expenses has also been in the range of like 12% to 17%. So, how should we interpret it as going forward and how should we interpret it now as it has increased and reduced in...
- Mikdad Merchant:** But see, this still comes back full circle. I mean, I've already answered this question I think 3x in this call itself that I do see the margins increasing because as we'll be moving to a bigger plant and all of that. So, it's -- it comes back full circle there only.
- Shivansh Vijayvargiya:** Okay, okay. Thank you.

Mikdad Merchant: Okay, thank you.

Moderator: Thank you. The next question is from the line of Meet from Anvil Research. Please go ahead.

Meet: Hi, sir. Am I audible?

Mikdad Merchant: Yes, Meet, very much.

Meet: Yes, sir, first of all, congratulations for a great set of results. Sir, I am new to the company, so I just have two questions. The first one is like who should we compare as your competitor in the organized fixtures and fittings space? That is part one. And part two is we are doing phenomenal margins. So, what do we do different that the other people are not able to do that we are able to command such high margins? Thank you, those are my two questions.

Mikdad Merchant: Okay. So, as you're new to the company, I would ask you have you gone through the website?

Meet: Yes.

Mikdad Merchant: Have you also gone through the website of the INSYNC Shop Fittings brand, our brand, which is insyncshopfittings.com?

Meet: Yes, yes, sir.

Mikdad Merchant: Okay. And you also have gone through the fact that we have also in -- we have penetrated more into the same customer with doing even cash counters, trial rooms, and also now RFID and self-checkout solutions.

Meet: Yes, yes.

Mikdad Merchant: And now we're using the same technology to also go into home interior segment by optimizing the same fixture set.

Meet: Correct, correct.

Mikdad Merchant: That's exactly your answer. This is what we do unique.

Meet: Okay. And sir, on the competition part, like in the organized space, I'm just new so I don't know like who should we compare to you, like who would be the globally the best players in your industry?

Mikdad Merchant: Well, frankly, comparison -- I also don't know because again as I told you, we do many different things like in the fixture range also we're in various spectrum. It's we do from even a traditional fixture to innovative solutions to electrified solutions to technology-enabled solutions and the full segment, right?

This is something actually when it comes to benchmarking, but yes, one thing I would say that there is a company in Germany who we used to benchmark ourselves against in the early times when we started off. It's Visplay.

Meet: No, sorry, I missed the name. What is the name?

Mikdad Merchant: Visplay.

Meet: Visplay.

Mikdad Merchant: Yes, Visplay. It's a German company and that's what we used to benchmark ourselves against. But again, this was in the very starting phases in 2012, etcetera, where we started innovative fixtures. After that, frankly, we -- we kind of focus on ourselves, we try to do better. We're -- like I know this might sound cliché, but still I will tell you because this is the truth, we're kind of in competition with ourselves more than anybody else.

Meet: Okay, okay. Yes, thank you, sir. All the best for the future.

Moderator: Thank you. We'll take the next question from the line of Shwetha from ithought PMS. Please go ahead.

Shwetha: Sir, my first question is regarding the number of stores that we disclosed. Does this also include stores that we have refurbished or is this just the new stores?

Mikdad Merchant: It includes only full stores that we have refurbished. It does not include things like, browsers have been changed, wall units have been changed, part work done in the store, that doesn't include that.

Shwetha: Okay. So, if there is a whole store like overhaul, then we include that.

Mikdad Merchant: Yes, then only it's included because otherwise no way, how do you calculate it? If I've just supplied browsers for 1,000 stores, if I add 1,000 there, it'll skew everything.

Shwetha: Right. And sir, following up on the previous question about like competition, I'm just trying to understand like if is there a situation where another competitor, another vendor can undercut us on our prices? So, what is it that will keep us?

Mikdad Merchant: Well, that's why we never, we never, see, never, ever, ever do we, we are competitive in our prices, definitely, that we try to get that from better throughput and efficiencies and innovations in our manufacturing process, etcetera., but we never claim to fight on price. That's not something we ever want to compete upon.

We focus on always quality, innovation, doing more things for you, so becoming kind of a one-stop shop when it comes to retail infrastructure, and most importantly, time. We focus on time. We focus on quick deliveries, we focus on keeping ready stock for our customers so that we can do quicker rollouts, basically that.

And that's what translates into a key success factor for our customers because for a retailer, it's very, very, very important to get a store up and running fast. Because well, whatever they might end up paying extra to a fixture partner who is good and reliable over somebody who is not, they will many times, like, recover in the incremental sales that they will be able to do due to starting a store earlier.

Shwetha: Understood, sir. Sir, and my final question is regarding the like contribution of larger stores to our revenue per store. So, is the sales per square feet the same in spite of, I mean, an increase in the store?

Mikdad Merchant: No, no, no. So, see, sales per square feet will definitely go up because I also told you we did premium work simultaneously, right? So, if the square feet area is the same but we do better finishes and more premium work as well as we do more things within a store, then the square feet of that store stays same but the value per store goes up, so 100% what you say turnover per square feet has gone up. That is just logical. Only thing is we don't calculate that metric so I cannot tell you how much it is, but definitely that has gone up.

Shwetha: Okay, sir. That's it from my side. Thank you.

Mikdad Merchant: Thank you.

Moderator: Thank you. The next question is from the line of Kushal Kasliwal from InVed Research. Please go ahead.

Kushal Kasliwal: Hi, sir. Can you hear me?

Mikdad Merchant: Yes, loud and clear.

Kushal Kasliwal: Perfect. Thank you so much. Sir, my first question was just around the new capex facility which is coming up. You are saying in FY27, I think H2. Can you just tell me the timeline of that, when it will go live and, you know, in how many years will we ramp up that new facility, maybe how many years we'll be reached to an optimum utilization level of that new facility?

Mikdad Merchant: See, at the current amount of capex and the current amount of machinery installed, etcetera, by maybe '28, '29. But space-wise we have kept a buffer. So, at least till '30 '32 we won't need to move anywhere else or even take an additional facility. I hope I'm wrong because if I'm wrong it means that growth has happened much more, but yes, this is what I think reasonable we can estimate.

Kushal Kasliwal: Got it, sir. Sir, also just wanted to understand that since we are now moving to, you know, higher ticket price per store, right, and we are even saying from here also we'll move to a higher ASP per store. How many stores are there in India who are able to afford this higher ASP per store? I don't know because there are a lot of other expenses also apart from what you guys fit in in a store. So, for a store maybe this becomes a slightly higher capex.

Mikdad Merchant: Yes, but you are thinking, yes, but you are thinking that this is only coming from more expensive fixtures. No, it is not. It is also coming from doing more things in a store which we had not hitherto done. For example, cash counters which used to be done on carpentry, if we do it on modular, trial rooms which we do on modular, and other things like that, if we start doing that also increases your average sales per store without increasing any extra capex burden on the this.

It is just that they used to do it from somewhere, we start doing it now. So, for them it gets the benefit of one-stop store, one reliable vendor who can handle everything, it takes away the project management and coordination headache, and for us obviously we can optimize for everything together. So, it's kind of a win-win situation.

Kushal Kasliwal: Got it, sir. But just wanted to understand the total addressable market for this type of store, maybe in India. Do you have a rough idea of how many new retail stores would be able to?

Mikdad Merchant: No, that I would ask you guys are analysts. If you do a TAM calculation, please let me know also. Because the fixture, no, because the fixture market is not, see, there's no, there's no formal this which Care and Crisil, etcetera, also give a report, right? I mean, market research is not something we as a company would do, that there are agencies for that.

But you don't really find anything on shop, retail fixtures. During our IPO also, when it had to, when it came to the industry chapter, the only option left was to take interior retail design as a whole and then try to extrapolate from there. So, if you see our RHP as well, the details have been given about retail interior design as a whole, not just, not just retail fixtures.

So, if you do find something, a formal sizing, please do let me know. But retail interior design was poised to grow at a good healthy double-digit CAGR and it was INR80,000-odd crores last year. So, if I consider just say 25% also fixtures, so that's still INR20,000 crores and poised to grow at a double digit.

So, I think the market size is huge. One thing I do understand that the main reason of growth in market is because it's a play of unorganized to organized, right? And this is happening because retail itself is again becoming from unorganized to organized, right? Instead of mom-and-pop stores you are getting now larger chains who are opening a lot of stores together. When that happens, obviously they are looking for more organized retail fixture and retail infrastructure players, right?

And we come in that space. So, I think the main growth or the increase in the pie is basically from the unorganized to organized shift in retail.

Kushal Kasliwal: Got it, sir. Just my last question on EVOLV, actually.

Moderator: I am sorry to interrupt you. I would request you to kindly re-join the queue. There are others who are waiting. Thank you. The next question is from the line of Apoorv, an Individual Investor. Please go ahead.

Apoorv: Yes, hi, sir. Thanks for the opportunity and congratulations on a good set of numbers.

Mikdad Merchant: The first individual investor till now in this call who has asked me a question, so kudos to you.

Apoorv: Yes, thanks. Sir, I just want to, I have a follow-up question. So, you mentioned that going forward we would be getting INR500 crores from the Ambernath plant, right? So, what could be the revenue potential from the Pune plant?

Mikdad Merchant: No, no, I mean all of this on a consolidated basis.

Apoorv: Okay, consolidated. Okay. Then my next question is on the, what is our payment terms which you can define that?

Mikdad Merchant: Payment terms, I already mentioned this. So, around typically 30 to 60 days with a 10% retention for six months.

Apoorv: So, do we get advance from customers?

Mikdad Merchant: We do get advance from customers, but then advance ranges from 30% to 70% to depends. Even 100% in some cases. If it's new, then we would take everything in advance before dispatch.

Apoorv: Got it. Got it. And sir, my second question is on the EVOLV side. So, what is the customer traction on that part and are we planning to do contact with some builders in Mumbai or like what is the plan ahead?

Mikdad Merchant: Yes, yes, the EVOLV idea is B2B2C. We have gotten good amount of traction from this in terms of, but that is not really a mainstream focus right now. I mean, something that we're developing and something that we are getting interest from. But because retail fixtures and retail itself is in a boom, maximum of our capacity gets basically taken off from there only. And whatever plant we are increasing, that starts getting full from the extra growth in the retail only, okay? EVOLV you will start seeing significant growth maybe after '28. Till that point, we'd be creating a good distribution network and chain, etcetera.

Apoorv: Okay, okay. Thank you, sir, and all the best.

Moderator: Thank you. The next question is from the line of Munish Aggarwal, an Individual Investor. Please go ahead.

Munish Aggarwal: Yes, hello, ma'am. Hello, sir. Am I audible?

Mikdad Merchant: Yes, Munish, you are audible.

Munish Aggarwal: Yes, sir. Sir, very, you know, congratulations for fantastic results, sir. You are hitting 6 after 6, you are like Rocket Singh. I don't have any question on the operating numbers, sir, because you have explained very well.

Mikdad Merchant: But I have investor community support.

- Munish Aggarwal:** Yes sir, I had a question on that. Sir I was checking the shareholding, on the cap table I saw Motilal Oswal take 1.5% stake in the proprietary account. So, it's very congratulation to the management that, you know, reputed AMCs are coming on the cap table. So, my question was, to come on the main board, you require 3 years listing other than that the listing requirement is complete.
- Mikdad Merchant:** Yes.
- Munish Aggarwal:** So, do you want, does the management foresee or you have any plans, any thoughts on that, sir, to get on the main board after 3 years? So we could get more investors?
- Mikdad Merchant:** Yes, yes, we would, we would, definitely. I mean, exactly, meaning after finishing 3 year points, what would be listed I don't know? But there are definitely plans.
- Munish Aggarwal:** Okay, very good, sir. Sir, next point, next question is small one. Sir, see, you have a very good controlled holding, promoter holding 70%, sir. I mean, and this one-year lock-in is getting over and then you have a two-year lock-in. So, just needing a thought on point that any promoter any plan, sir, to dilute some shareholding on your part, sir, anything on that thought after one year, sir?
- Mikdad Merchant:** No, no plans as of now. See, for 35 years we are doing business at 100% holding. Now at 70% holding we also have to work many years. It is not like, nothing, no plans as of now. If it happens obviously we will let the exchange know, but nothing as of now.
- Munish Aggarwal:** Yes, very good, sir. Sir, last thing, last question, sir, last question. Sir, see, we have seen everything, sir, very good, you know, ROCE, capital employed more than 95%, return on equity more than 75%, you know, margins are increasing, you know, your per store revenues also increasing, everything is good. So, but looking from your point of view, sir, any impact you see this Iran war or geopolitical on your business? Anything on that and any, you know, red flag you can flag?
- Mikdad Merchant:** It happened in March when there was a gas shortage, etcetera. We had faced problems in our powder coating plant because obviously powder coating works on, you know, gas. So, that was, but that got solved in a few weeks and everything was back to normal. For now no, for now in the retail also we're not getting any indicators from any of our customers and also new customers are in talks with us. So, I don't see any impact as of now. But the thing on geopolitics, neither can I estimate nor can you, nor can anyone say anything. But for now there is no foreseeable impact. But again, things can always change.
- Munish Aggarwal:** Okay, but you are sure about your margins, expected margin 25% PAT and all that is all sustainable, right? 26%, 25%, right?
- Mikdad Merchant:** Yes, because it is not an overnight thing that it increases in a flash. You see this question I've been asked now this is my fourth or fifth time I think in public domain, figures have come and still everything has been the same and consistent only so meaning.

- Munish Aggarwal:** Yes, yes, sir. Thanks a lot and many congratulations to the entire management.
- Mikdad Merchant:** Yes, thank you so much.
- Moderator:** Thank you. The next question is from the line of Deetie Vorra from Manish J Mundada & Associates. Please go ahead.
- Deetie Vorra:** Good morning. Am I audible?
- Mikdad Merchant:** Yes, audible.
- Deetie Vorra:** Yes. So, firstly my question is, so you've started a new business segment, BizPay, which also includes a self-checkout and expense management system. Why are you not including this revenue in the financial statements of Safe Enterprises?
- Mikdad Merchant:** No, no, one second, there is a bit of a confusion. So, BizPay is a software and technology software arm basically of the promoter group and that is not part of the Safe Enterprises group, okay? But definitely BizPay's software team is helping out in the development of the self-checkout solution for Safe Enterprises Retail Fixtures Limited. So, hence the revenue, because the entire revenue of the sales from the solution will basically come in Safe Enterprises.
- So, hence there's no inclusion of that because it's not part of the group. But going forward, if we use BizPay for more retail tech solution developments, then definitely we will consider taking BizPay also within the fold of the Safe Enterprises group. That is something that is on mind, but we will see.
- Deetie Vorra:** Okay, sir. Okay. And my second question is, if you could just throw some light on the new modular furniture vertical that the company has started. Specifically, we would like to understand the plans for collaboration with real estate developers in Dubai and the broader Middle East market.
- Mikdad Merchant:** Yes, there are definitely plans for doing that. But I mean Middle East because of obviously the war situation, we were going to have an exhibition in May there we were participating in, obviously that got delayed. And one of the plans for the exhibition was definitely retail fixtures, but also EVOLV. Because Dubai as a real estate market is a very good market to basically be in when it comes to real estate infrastructure. But yes, so the plan is definitely to hook up with builders and all. But I also I will reiterate that from till FY28 the major growth is definitely going to come from the retail segment only. After FY28 you will see probably a sizeable what you say chunk coming from home segment.
- Deetie Vorra:** Okay, okay. Thank you.
- Mikdad Merchant:** Thank you.

- Moderator:** Thank you. The next question is from the line of Shubham Puniwala from. I'm sorry, the participant has left the queue. We'll move on to the next question from Atharva, an Individual Investor. Please go ahead.
- Atharva:** Hello.
- Mikdad Merchant:** Yes, Atharva, tell me.
- Atharva:** Yes, sir. My question was on Pune expansion and ramp-up and utilization. Okay, so could you share an update on the Pune expansion that was targeted for operational execution by March '26 and has commercial production commenced and how should we think about the utilization ramp-up over few quarters, next quarters?
- Mikdad Merchant:** So, for the next quarters to anyways we have enough capacity to take it forward. Now coming to the Pune plant starting which was to supposed to be done in March, that basically has right now the lease and all is in place, but commercial production is yet to begin from that plant. It is estimated that that will start like in a few months.
- Atharva:** A few in the sense, so can you give a number?
- Mikdad Merchant:** Two to three months. Two to three months.
- Atharva:** Okay, okay. My second question was premium modular IP, about premium modular IP systems, revenue mix and margins. So, as advanced modular systems, could you help us understand how meaningful these products are becoming in the overall business mix? Also, these offerings structurally have higher margins, right?
- Mikdad Merchant:** See, the IT solutions in the sense the RFID etcetera. is something which is just launched, so let it, let it go out in the market etcetera. then we will know the what you say everything about it. But from a margin perspective, definitely it is a new innovative product, it is the need of the hour etcetera. so it is going to be a product with good margins.
- Atharva:** Okay, so can you give any percentages or anything about the margins?
- Mikdad Merchant:** Same, same, same. This is what whatever we do we tend to maintain this average margins that you see.
- Atharva:** Okay, so same margins for IP systems as well.
- Mikdad Merchant:** Same margins for everything because see IP system is just not IP systems. If it was just say RFID what you say tags and stuff then obviously margins are low, but that's not the case, right? We create entire solutioning around it. And this solutioning is part of the fixture set. So, obviously the IT also increases our fixture sales and it gives the entire solution together to the customer. So, that is the entire thing where the margin comes from the solutioning.
- Atharva:** Okay. Thank you, sir.

- Moderator:** Thank you. I'm sorry, sir.
- Mikdad Merchant:** Take now last three questions.
- Moderator:** Sure, sir. We'll be taking last three questions for today. The next question is from the line of Shubham Agarwal from Lettice Tensar. Please go ahead.
- Shubham Agarwal:** Hi, am I audible?
- Mikdad Merchant:** Yes, Shubham.
- Shubham Agarwal:** Okay, great. Congrats Mr. Merchant on a great set of numbers. I had a few questions which have already been answered, so I'll just have two. One is, so you mentioned that the Pune plant will get commissioned in two-three months and then like December '26 is when we are expecting the Ambernath plant as well. So, I just wanted to understand like do you have any written or maybe verbal commitments in hand for when the capacity increases because it will be a very significant increase in capacity?
- Mikdad Merchant:** No, commitment in the sense see Taloja is to under construction. We do have that commitment, we do see the construction moving forward etcetera. So it is, it's no, I mean we do have a contract in place that if it gets delayed from a particular thing then there's an LD clause and all of that, but we don't foresee that being required to be enforced, it's kind of going on track.
- Shubham Agarwal:** Okay, okay, great. And Mr. Merchant, just another question and you can give me a rough guidance also if it's not exact, but basically if we look at the stores that you worked on in the last financial year, could you give us a bifurcation of how much of that comes from Tier 1 cities versus Tier 2, Tier 3? Like just a rough bifurcation would also be very helpful.
- Mikdad Merchant:** No, not really done that. We've done a state-wise bifurcation, which is there in the deck as well. We've not done a city-wise bifurcation. But see, if you see India's expansion right now in retail, as the growth itself has actually come from not just Tier 1, I think a significant portion has come from Tier 2, Tier 3 and Tier 4 cities. So, in our case also I think Tier 2, Tier 3 and Tier 4 expansion is significant. Exact percentages I don't know because we've not really done that exercise.
- Shubham Agarwal:** Okay, no worries, but your commentary gives me some idea. Thank you so much. And just one last question on the WAVE product. So, I think that is a very big game changer for modern retail and we've already seen that in like Tier 1 cities in Bombay, Delhi, etcetera.
- Mikdad Merchant:** You will soon see this in Tier 2 and Tier 3 as well. There are plans of a lot of retailers to do that. So, you will see this becoming a mainstream technology soon.
- Shubham Agarwal:** Great, great, great to hear, sir. I think that will really decrease the customer pain points for retail as well. I had a question on that like basically, what do we exactly do differently in this product or like any advantages of Safe versus say the other vendors that are available?

- Mikdad Merchant:** One biggest advantage is that see we have the technology platform as well as the fixture manufacturing capability both together. So, this means that we have limitless possibilities when it comes to design, limitless possibilities when it comes to form factor, limitless possibilities when it comes to fixture integrations. And in addition to this, we have electrified shop fixtures.
- So, even powering these technologies can be done wirelessly directly through the fixture infrastructure directly. So, this again gives unlimited kind of flexibility and possibility to create all sorts of different solutions.
- For example, the same kind of thing you could use to power perfume dispensers, then you can power different kind of lift and learn. If you don't want to do a full checkout kind of a solution, you can still have you pick up a shoe, details come on screen, you pick up an item, details come on screen. It can be sales assistance as well if you don't want to do self-checkout. So, this kind of flexibility I think we are able to do because we have both sides of the spectrum.
- Shubham Agarwal:** Great, great. Thank you so much for clarity on that.
- Moderator:** Mr. Agarwal, I am sorry to interrupt you, sir. We'll be taking that last question for today.
- Shubham Agarwal:** I'm done, I'm done. I was just congratulating him. Thanks.
- Mikdad Merchant:** Thank you so much.
- Moderator:** Thank you. Ladies and gentlemen, this will be the last question for today from the line of Naresh from Systematix. Please go ahead.
- Naresh:** Yes, good afternoon, sir.
- Mikdad Merchant:** Hi, Naresh, good afternoon.
- Naresh:** Sir, the question was regarding refurbished, but you answered earlier that you don't know the revenue per realization for refurbished store.
- Mikdad Merchant:** Right.
- Naresh:** Okay, that was only question. Thank you.
- Mikdad Merchant:** Thank you so much. Also, I'll tell you one more thing in terms of metrics, a general point I would want to know. If you have noticed, deck after deck we start giving more and more data, okay? We just want to do this gradually because once we start we want to keep this consistent, right?
- So, don't want to really just overwhelm in the start and start to, try to calculate everything, but over time we'll keep based on the questions that I get from the investor community, based from how, you know, these calls go, our decks will start becoming more and more insightful. That is the intention.
- Naresh:** Okay, okay.

Moderator: Thank you, sir, for answering those questions. As that was the last question for today, I now hand the conference back to Mr. Mikdad Merchant for closing comments. Thank you and over to you, sir.

Mikdad Merchant: Okay, thank you so much everybody for your time and thank you as always for showing the interest and support in Safe Enterprises Retail Fixtures Limited. And great to have, if you guys are not already part of the company, would love to have you, and if you are, then thank you so much for your support and interest.

Also, I think PhillipCapital is organizing a factory visit. Do come for that. The timing, the dates, etcetera, are yet to be finalized. I think Surya and the team from their end will circulate in due course. Thank you so much, have a great day.

Moderator: Thank you, members of the management. On behalf of PhillipCapital PCG, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.