**Date:** September 11, 2026

To,

BSE Limited,
20th Floor, P.J. Towers,
Dalal Street,
Mumbai - 400001.
BSE Scrip Code: **544871**

National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051
NSE Scrip Symbol: **SHIPROCKET**

**Subject: Transcript of Earnings Call with respect to Financial Results for the quarter ended June 30, 2026**

Dear Sir/ Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Call held on Tuesday, September 08, 2026.

The above information will also be hosted on the Company's website viz. https://www.shiprocket.in/investor-relations/results/

You are requested to take the above on record.

Thank you,

**For Shiprocket Limited**
**(Previously known as Shiprocket Private Limited**
**Originally known as Bigfoot Retail Solutions Private Limited)**

NIKHIL KUMAR
Digitally signed by NIKHIL KUMAR
Date: 2026.09.11 21:28:52 +05'30'

**Nikhil Kumar**
**Company Secretary**

**Place**: Gurugram

Shiprocket Limited

Q1 FY27 Earnings Conference Call

September 08, 2026

**MANAGEMENT:** **MR. SAAHIL GOEL – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – SHIPROCKET LIMITED**
**MR. TANMAY KUMAR – CHIEF FINANCIAL OFFICER – SHIPROCKET LIMITED**
**MR. SHREYANSE JAIN – ASSOCIATE DIRECTOR, INVESTOR RELATIONS – SHIPROCKET LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Shiprocket Limited's Q1 FY27 Earnings Conference Call. From the management of Shiprocket, we have with us Mr. Saahil Goel, MD and CEO; Mr. Tanmay Kumar, CFO; and Mr. Shreyanse Jain, Associate Director, Investor Relations. Kindly note that this call is meant for investors and analysts only. By participating in this event, you consent to such recording, distribution, and publication.

All participants' lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation from the management concludes. With this, I hand over to Mr. Saahil Goel for his opening remarks. Over to you, sir.

**Saahil Goel:** Thank you. Good morning, everyone, and thank you for joining Shiprocket's first shareholder earnings call. Excited to be kicking off this milestone call for our company. As an agenda, given it's our first call, I'll quickly go through the business model, spend some time on that for a few minutes, and then hand over to Tanmay for doing the financial highlight section before we move into Q&A.

I'd like to quickly explain what Shiprocket is. Shiprocket is an e-commerce enablement platform that allows small businesses, independent retailers, SMEs selling outside of marketplaces directly to end consumers. It's designed for sellers who sell through social media, conversational commerce, through their own websites, powering their own digital marketing. As they do this, they need the infrastructure to be able to power shipping, payments, and marketing effectively. Shiprocket becomes that digital infrastructure for them and is India's largest e-commerce enabler today by revenue. Shiprocket is becoming the one-stop shop for SMBs to be able to run their business end-to-end and be able to digitize.

Just to give an idea of our scale as of FY 2026, we powered over 32,000 crores in GMV, over 20 crores in transactions, and we served over 15 crores consumers. This, in a way, is representative of the off-marketplace sales largely through D2C channels, for various lakhs of sellers in the country through Shiprocket. We do this without owning any of the assets because that's the business model.

Before getting into how we do this, I think what's important is to look at the way we look at the market. We see that today India has about 8% retail penetration, which is, compared to US and China, fairly low. India is at the beginning of this digitization in Tier 2 and 3 cities, where half of India's e-commerce today already is Tier 2 plus cities. Shiprocket has a majority of their GMV coming from Tier 2 and 3 cities. There is a lot of growth happening in that section.

When you look at the entrepreneurs and the MSMEs in India, there is about 6 crores MSMEs. Even if we look at the non-kirana section of this, it's still lots of small businesses that need to digitize. I think Shiprocket is trying to build the model in such a way where we are able to do that for the coming years by creating a platform where it is built like a network of rails. We connect with over 250 partners across payment gateways, courier companies, warehousing partners, ERP and accounting companies, basically everything that the merchant needs to be able to run their business.

We power everything from discovery all the way through delivery. We work with over 42 courier partners to be able to provide a wide variety of use cases around hyperlocal, and documents, and cross-border, etc. By being a completely asset-light platform, we are able to go deep into owning the data and the consumer behavior, the carrier behavior, the seller behavior. We are able to power checkout and transactions, and able to observe money as well as cash on delivery money, and hence we are sitting in the money flow.

Because we are the owner of the transaction, we become the trust maker between our partners and our merchants. That sort of the way the platform is built. This allows us to continuously innovate right, continuously build more offerings as the market evolves and as consumers evolve as well.

Just to quickly explain how the platform is built, it's built like a modular system where everything from catalog management to payments management, fraud management, warehouse and inventory management, all of that stuff is built very similar to how India's leading marketplaces build them. The difference is that we don't sell it as software, and we distribute the operating system to our merchants for them to be able to use it easily. Then the platform is built where we charge the merchants on consumption. As and when they send a shipment, or as and when they make a checkout, they pay us. Our incentives are completely aligned with the merchant's incentives as well.

Quickly, we'll just explain our business in two segments, the way we economically look at the business. We have our core shipping business where we integrate with over 250 partners and 42 couriers to be able to enable orchestration of shipping across the country. We have various value-added services which make the transaction not only better for the merchant, but also margin-accretive for our business as well. Obviously, this is all powered with intelligence from over 700 million transactions that we have powered so far till date.

The core has been profitable, for quite some time now. We saw that it grew an operating leverage from 6% in EBITDA about three years ago to about 12.6% in FY26. The business there is scaling, continues to add merchants, continues to add new transactions.

As over the years we started figuring out merchant's problems across the stack, we found that merchants have issues with faster delivery. We built the omnichannel business a few years ago, which is basically allowing merchants to do appointment-based deliveries into quick commerce outfits. It's allowing merchants to be able to do hyperlocal deliveries as well from their retail stores.

We also kind of allowed merchants to frictionlessly sell cross-border through integrations into global marketplaces like Etsy, Amazon and eBay, allowing merchants, in a tier 2 city easily to be able to without putting their inventory globally be able to sell into foreign B2C channels.

Finally, as we kind of built the data engine, we also built a checkout and MarTech platform where we make shopping possible for tens of thousands of websites, seamlessly by creating a log-in and checkout experience where consumers can use it in a very easy way. This whole stack together is our emerging business. Largely, it's the same transaction which is originating from core, and then we're able to monetize it across the different various margin pools over time.

This is the design of the business. Our emerging business obviously is growing at a much faster pace, almost three times that of shipping. Obviously, as we get into numbers, we will see how it behaves this quarter, but last financial it grew about 65% in that segment.

Just quickly want to touch upon sort of how some of our acquisitions in the past have played out. We've acquired WMS systems. We acquired the entire sort of PTL and cargo business that was acquired as a technology capability in fiscal '22. We merged with our number two competitor, Pickrr, in 2023, which brought us the team, talent, as well as our checkout business. The company in the past has been acquisitive, and we've been able to integrate successfully into our business and are delivering results across core as well as emerging.

Shiprocket is working across a very diverse set of merchants. Today, if you think about all the logos on the screen, there are many use cases and many brands that we might recognize as offline brands, as well as online brands. But for every brand that you see here, there are another 100 that are working with Shiprocket trying to build their business, scale their business.

Merchants, there's like millions, millions of people on social media who are trying to use content and conversational commerce to begin their business, start their business, scale their business. Sometimes they are offline shops, sometimes they are complete homepreneurs. Many of these businesses graduate to then doing like 50 to 100 orders a month. At that point, they start getting into having their own website where you have many platforms in India like Shopify, WooCommerce, and so on.

From there, as they scale, merchants start to become more multichannel. Sometimes they sell across marketplaces, quick commerce outfits, and so on. Merchants also want to go cross-border at a certain point. There's also retail multi-store retailers who are also using the platform to be able to do quick commerce and faster commerce from their retail points.

The span is a variety of use cases. The point is that the way our platform is designed is that on one side, we plug into various suppliers, whether it's logistics, or payments, or anything, On the other hand, we have customers who we acquire digitally and are able to serve a variety of use cases.

As India digitizes in the coming years and as MSMEs are kind of, the next generation comes in and they want to they want to use the next-generation tools to power their own business, that is what Shiprocket is really built to go after. We will stand for the merchants, we will represent their needs in the market, and we will continuously innovate on solving those sides. So, very excited, and with that, I'd like to hand over to Tanmay, who will go through the highlights for this Q1, first quarter.

**Tanmay Kumar:** Thanks, Saahil. Good morning, everyone. Let me take you through the quarter. I will do this in three parts: first, the platform numbers; then core and emerging; and then overall what we created and shipped this quarter.

Our transactions grew 36% and GMV 31% this quarter. Against an FY26 revenue growth of 24%, we grew revenue at nearly 34% this quarter. Transactions up 36%, revenue 34%, both moving together, which is a healthy mix. Overall, merchants were up 14% and average revenue, which is ARPU, was up 18%.

Essentially, if you see, this is a very, very interesting metric, because the way we grow our business is essentially by adding, retaining, and growing merchants. The revenue from new merchant additions, as well as the revenue of the merchant itself growing, because the platform is monetized variably, and then overall cross-sell from core to emerging is what drives this entire growth overall for the business. This is an interesting metric and this is something that drives overall growth for the business. Merchant up 14%, ARPU up 18%, giving us overall 34% revenue growth.

Adjusted EBITDA, although on a very small base, frankly, grew 9x to INR8.9 Crore, and the other thing I would highlight is overall trailing 12 months' matrices, which is 216 million transactions processed. Saahil spoke about the FY26 numbers on broad level. Here, I will highlight these three key numbers which are on TTM basis for everybody to get like-to-like how we're moving.

Overall, GMV on for the last 12 months was over INR34,600 crores, and then the merchant count on a TTM basis was 2,24,000 plus. Our performance improved across key matrices this quarter. Revenue from operations was INR592 crores, up 34%. Core was INR412 crores, up 22%. Emerging was INR180 crores, up 70%.

Now, emerging share itself in the business with, owing to the higher growth, has moved from 24% last year to 30% in this quarter. It's growing in significance, and this growth has come simultaneously with expansion in contribution margin and EBITDA for both the segments. Core adjusted EBITDA was, for the quarter was INR52.7 crores, margin was 12.8%, and it was 50 bps better than last year's same quarter. Emerging adjusted EBITDA moved from negative 38% to negative 24%, roughly 1380 bps improvement in a 12 months' time.

Now, the contribution margin with this revenue growth went up 43% Y-o-Y and went up 10% sequential. This has happened with emerging contribution margin itself improving, and that has led to the overall contribution margin growing at a faster rate than revenue. Like I mentioned before, the emerging has grown with a significant bps in contribution margin, as well as in EBITDA, and we have a detailed breakup subsequently which I will talk about.

In our case, adjusted EBITDA is essentially cash EBITDA. It is adjusted largely for ESOP cost and for the Ind AS 116 rent treatment. This is essentially cash coming into bank. That number has grown to INR8.9 crores. But as far as the unit economics is concerned, what I would point out is that in our case, every order is incremental to the bottom line.

Last year, we made almost like INR0.22 of adjusted EBITDA per transaction. This quarter, we are making like INR1.45 per transaction on EBITDA. And you can see this continuing to improve by quarter and by year.

Now, adjusted EBITDA improved by INR7.9 crore and PAT improved by INR4.3 crore. The delta is primarily increased in share-based payments, which had happened a couple of quarters back, reflecting in this quarter.

Let me come to core, and the key lever I will point out for you is that for core, our transactions grew 31%. Now, many of our large D2C merchants performed better this quarter compared to last quarter, and thereby giving us a larger footprint in the mix, and we are seeing stronger retention and growth there. That, along with some rate compression on the input side that we have been getting from our partners, is what you are seeing manifest in these numbers.

Emerging revenue is INR180 crores up 70% Y-o-Y and 14% up sequentially. It has three businesses. Omnichannel is up 92%. This is the largest part of emerging. This is our quick commerce, cargo, and omnichannel fulfillment business. It continues to grow, fueled by quick commerce and PTL.

We work with long tail here. Now, cross-border was down marginally. Now, we work with long tail here on cross-border, and global volatility has hit our merchant confidence. We are focused right now on higher margin and profitable customers, and with stabilization of macro, right now the focus continues to be on profitability and on this cross-border piece of emerging.

The Martech business, this is the youngest business in emerging. Now, this base is small, frankly, I would say, but it is growing very rapidly. It is at a slightly better margin, and there is a lot of potential here. As I talk through some of the newer offerings we have, I will talk about continued innovation that we are doing on this front.

How is overall growth getting driven? Essentially, there is a wider base that is buying more of the stack. Our cross-sell on a 2,24,000 merchant base has grown 150 bps. Last year, percentage of core merchants who were buying emerging was 7.3%. Now, it is 8.8%. Some of this is same merchants buying more of the stack, and some of it is emerging becoming an entry point in its own right: merchants who come to us first through emerging and then use core. This is also a very interesting dynamic that we are seeing play over time.

One merchant buying two products and the same merchant buying four are both counted once when I talk of the overall cross-sell mix. The shift we are seeing on this stage is what is actually happening inside the base. Merchant served via emerging business itself has climbed from about 30,000 last year to about 48,000 this year, same quarter.

Now, to come to overall segment performance, Q1 FY26 versus Q1 FY27, here is a full range: core and emerging, and from revenue to loss before tax. The cost between contribution margin and adjusted EBITDA is almost 17.9% of the revenue this quarter versus 18% last year. In core, it has improved from 8.7% to 8.4%, and in emerging, it has moved from 47.3% to 39.6%.

The key other numbers that I would like to highlight is that after adjusted EBITDA, as you could see, the key number which is between the adjusted EBITDA and PAT is that of share-based payment expense. This is this number is a non-cash number which is marginally grown between last year same quarter to this, and overall loss before tax has improved from INR18 crores. negative to INR13.7 crores. negative now.

Alongside the numbers, let me show you what we have built this quarter. The problem at checkout, a shopper is shown literally multiple UPI options, multiple wallets, and a card form, and every extra choice is a chance to abandon. This is what Quikpay does. It remembers the shopper's own preferred UPI app, whatever it is, and it surfaces that only once in one tab. It also surfaces the discount and the net saving upfront at the moment when he is taking the decisions.

Essentially, conversion is a function of removing cognitive load. We take that decision away and while we give that choice. Therefore, what is the outcome for the merchant from here is that the merchant gets higher prepaid share and a higher checkout conversion. This higher prepaid mix reduces cash on delivery handling and the RTO cost. Therefore, this is margin-accretive, and not just top-line improvement, but a margin-accretive for the merchant. This is one addition to in the checkout space.

We added Steal Deal. Essentially, this sits on the cart base at the moment just before payment, and three things it does. It recommends a complementary product personalized to the shopper. It creates urgency with a limited-time offer, and it also kind of the intent is to pull down the cart abandonment and it gamifies the basket.

Essentially, it could say things like add INR99 more and shipping is free, and so on. The outcome it drives for the merchant is that they can get higher average order value and higher attach rate per order. Essentially, this monetizes the traffic the merchant has already paid for to acquire. So, there is no incremental acquisition tool here. This makes it easy to sell at the checkout button.

Third innovation that we launch is an AI Assist, which answers the shopper and essentially cuts the merchant support load. Now, basically at pre-order, it converts a browsing customer into a buyer. So, intent is to answer product questions, recommend the right product, and it can initiate checkout right from inside the chat. On post-order, it can handle things like where is my order, returns, cancellations, and so on.

The key differentiator is that older chat bots were rule-based. Somebody had to sit and configure every rule, etcetera. Here, the merchant gives us a URL, the system reads the site, builds its own knowledge base and goes live rapidly. It handles end consumers' queries, and it keeps learning. That's this third launch that we did.

Fourthly, talking about ads itself, which has seen significant product enhancement. Now, talking about how the problem-solving for the small merchant, the barrier for a small merchant was never ad budget, right? It is the creative, find a designer, find an agency, how can we get two-week turnaround because they tend to work with smaller agencies, and so on.

This AI Ads produces ad creatives in minutes. It gives you multiple formats out of the box. It can give you static banners for every placement. It can get them editable templates that team can change. It can create Shorts from product images, and it can give you 360 spin views of the product, and so on. So, the differentiator versus a generic AI tool is essentially the context.

Shiprocket can see brand's own ads performance through our own connected ad account, and we can see the category-level performance overall.

Therefore, the intent is that what it drives for them is, one, it makes it easier for them to do all of this, but although also personalizes. A headphone ad versus a face cream ad need to have very, very different creative emphasis. The system knows without being told what to do. The model keeps improving of thousands of creatives generated across the network.

On Omnichannel, essentially, let me first explain what the challenge for a D2C brand is. For a D2C brand selling on quick commerce, the hardest thing is stock staying in ready to ship, getting a truck, getting a delivery slot at the warehouse, because they are smaller. The larger businesses can do it, but for them, there is a lot of work that is happening in email, spreadsheets, and WhatsApp, etcetera. Our system is integrated with quick commerce platforms.

The Quick commerce warehouse places an order, we are notified automatically, a truck is assigned for pickup, a delivery slot is booked and the goods reach the warehouse. It is essentially that offering here where effectively we aggregate purchase orders across many D2C brands into slots and give the brand visibility of what is coming and where the truck is. This enables brands to ride on the overall quick commerce growth story. This is our DNA, you would continue seeing every quarter continued innovations and additions, because that's how our business is.

Now, overall to summarize, therefore, for our business, the transactions are growing faster, our revenue is growing with them, our contribution margin is growing faster than revenue and the adjusted EBITDA per transaction has grown from INR0.22 to INR1.45, like I said. That's the summary on the financial numbers, and now we're happy to take questions.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. First question is from the line of Sachin Salgaonkar. Kindly announce your company name and proceed with your question.

**Sachin Salgaonkar:** Hi, thank you for the opportunity. This is Sachin Salgaonkar from BofA Securities. Saahil, Tanmay, Shrey, congrats on a great set of numbers. I have a couple of questions. First question on the core business, we are seeing a good growth on 22% Y-o-Y, and Tanmay, as you indicated, contribution margin growth and EBITDA margin growth is something better than the revenue growth. Is this a trend which would continue where ideally we should expect growth in similar range?

A related part of the question was on margins. Looks like your EBITDA margin is largely stabilizing. Is a 12.5% to 13% one could look and consider more like a steady-state EBITDA margin for this business? Let me pause here and then I'll take the second question.

**Saahil Goel:** Thank you, Sachin. Just to give you a quick perspective on both the questions. The core business obviously saw a higher transaction growth this quarter compared to last year, compared to revenue and contribution margin grew better than revenue this quarter.

But from a growth perspective and a modeling perspective, see, contribution is ultimately made up of a mix of our enterprise versus long-tail customers, as well as a mix of what kind of shipments, modes, zones, etcetera come into it. Then there is obviously some operating leverage there in terms of our people. The CM has improved a little bit, right, over this revenue growth and we expect it to maintain around that range as it has in the last trajectory.

From a from a EBITDA perspective, again, the business, if you look at it over a three-year trajectory, you'll find that the adjusted EBITDA has gone from 6% to 12.8%, and we continue to obviously invest behind growth and sales in this business, because we are seeing there's opportunities ahead of us that are coming up.

Over a larger period of time, obviously you can model how the leverage kicks in because of the design of the business, where essentially every transaction that happens in core is margin-accretive to the bottom line after overheads are removed. And the rate of growth of overheads model from historical data. So over a period of time, you'll get an answer of where it can go, basically because of the design of the business.

**Sachin Salgaonkar:** Thanks. Very clear. Second question is on the emerging business. When we look at the three sub-components of business, be it MarTech, Omnichannel, Cross-Border, how should one think about the contribution to EBITDA margins from this business? Logically, MarTech has better margins as compared to others. The question out here is, should we see a material improvement in margins going ahead as MarTech goes through an inflection point and sees good growth? And any timeframe we could think when this could be close to EBITDA break-even? Thank you.

**Saahil Goel:** Sachin, won't be able to give you a timeframe in terms of guidance, but I think the MarTech business is higher margin, yes, and it's growing at a very rapid clip. Of course, caveat is that the base is small but still we are seeing a lot of good kind of adoption and lots of merchants and lots of new product innovation happening there. Definitely it's a driver for the improvement in contribution margin. I mean, if you look at the CM percentage for emerging, it's gone from about 9% or 10% last year to about 15% this year and while adjusted EBITDA went from minus 38% to about minus 24%.

From a leverage perspective, you can see that growth is the real lever that continues to drive all of the metrics. Overall obviously the segment grew about 70%, and Omnichannel grew 92%. MarTech grew at a faster clip. Omnichannel obviously is a pretty large part of emerging business.

As the business grows, right, again, same playbook as core. Similar answer, where you can at how costs right after contribution are growing, and then you can look at how contribution margin is growing in absolute terms as well in emerging. That'll give you a good sense to it. Would you add anything, Tanmay?

**Tanmay Kumar:** Yes. Sure. Let me explain what goes inside of contribution and what goes between contribution and adjusted EBITDA for a minute. Contribution margin essentially has what goes in as direct cost. It also has some elements around the investments I would say in opex that are happening around KAM, and they're happening around other elements like performance marketing, etcetera.

Everything that is relating to getting the overall revenue is coming in as cost there. So, clearly, you would have notice that in 12 months' time, this has improved by almost 600 bps. That's the trajectory.

While the adjusted EBITDA, you know, which is, you know, after contribution margin, essentially, we have overheads which have got the G&A cost of the head office, and just for everyone on the call, we are close to about 1500-odd people organization. That a large part of that investment is going in emerging, and more so in product and tech.

With there is not only an operating leverage happening in the contribution margin per se. So, there is they're two levers there: one is the mix shift towards Martech because Martech is growing faster, and number two is that there is operating leverage.

Contribution margin improved in 12 months by 6% from 9.3% to 15.3%, but adjusted EBITDA has actually moved by 1380 bps from a minus 38% to minus 24%. You could see operating leverage on both counts and you could see the trajectory essentially is what I would point out through numbers.

**Sachin Salgaonkar:** Great. Thank you, Saahil and Tanmay, and all the best.

**Saahil Goel:** Thank you, Sachin.

**Moderator:** Thank you. Next question is from the line of Della Desai. Kindly announce your company name and proceed with your question.

**Della Desai:** Yes. Thank you for the opportunity. Hi, I'm Della. I work at Axis Capital. Congrats on a good set of numbers. I had a few questions. I see that the customer acquisition cost for the core business, the CAC, that seems to have moved up both year-on-year and Q-o-Q.

It was around 3,100 in last year's same quarter versus 2,800 last quarter versus 3,600 roughly this quarter. Could you help understand how that works and why it has moved up?

**Saahil Goel:** Sure, Della. Thank you for the question. Good question. Just to first quickly explain, how we acquire our customers. We run digital marketing on various mediums. We run sort of YouTube marketing, Google marketing.

We have a lot of organic content, events, and so on. We acquire our merchants through, you know, them landing on our apps and our websites, and they sign up, they go through a process, they have to KYC, quickly put money into a wallet, and start shipping.

This is the model, and then obviously we've got inside sales people who help them during the onboarding process to be able to acquire them into customers. This is where the CAC sits. We obviously try various new ways to reach out to newer set of customers, to reactivate existing customers.

This CAC. I think the key thing to understand is while the number may have fluctuated a little bit, the break-even is what we focus on, because, the CAC at a 3,000-odd number typically breaks even with margin from the customers in, very short span of time. We can we can assume that to be within a range.

I don't expect the CAC to trend into an ever-increasing number, that's not sort of the direction. It's a set of experiments. We try different things over a period of time and, you know, there will be some fluctuation there.

That's a way to think about the CAC, because it's been, it’s held up over many, many years, and we know the components and we know what we're trying when.

**Della Desai:** Got it. Tt's more experimental than seasonal. Is that the way to think?

**Saahil Goel:** Yes. It's not seasonal.

**Della Desai:** Okay. Cool. My second question is on Martech specifically. How many power merchants today are using Martech, or how should we think about the penetration of Martech into the core GMV?

**Saahil Goel:** We don't segmentally kind of break that out, Della, but what I can tell you is that this, the way any of our emerging businesses are built, and Martech is no different, is where we'll find the kind of foot-in-the-door product, which in this case was checkout, pick middle of the funnel where we get power users, and then we start working with them.

Over time, as we learn the business, and we learn the automation, we learn the problem statements, we productize them, productize our process as well, productize our adoption as well, and then it goes across the stack, right? It's a healthy mix across the stack, whether, you know, it's our top merchants, or power merchants, or even the long tail.

And this is true for most of our emerging products. It's not sort of concentrated across one segment over the other.

**Della Desai:** Got it. My third question is on the core business. It seems that the third-party logistics partners have also gotten focused on the D2C and the SMB segment. What are we seeing on ground in terms of traction, any competition, any updates on threat from the 3PLs on in the D2C space?

**Saahil Goel:** I think just if you think about our business model, our business model is to connect with leading 3PLs, right, to who run the best networks in India, everything from India Post to the best, you know, courier set of courier companies: hyperlocal, air, surface, forward, reverse, special logistics. We do everything, right, because we don't actually own the assets.

We integrate into our partners and, for us, that along with the whole stack to power their marketing, power their ads, power their checkout, use shipping data to power better checkout, use checkout data to power better last mile, and create a create a layer and a single platform for smaller merchants. That's the business model.

A lot of these merchants that are right now selling into like 20 crores transactions last year, into Tier 2 and 3 cities from metros and from Tier 2, are enabled on the Shiprocket platform, because it's a specific need that they have where they want to work with a single vendor who can kind of manage all of this through a platform, but still give them the best-in-class kind of services from the market, which is where our 250 plus partners come in.

That is under that construct, like if you think about our business, right, if we powered INR32,000 crores in GMV last year, an overwhelming majority of that is the D2C channel, because that's what we stand for.

Like, we built a business around that, and that is the fastest-growing part of the market, right, as per reports. With couriers wanting to do that, they can. I mean, it’s obviously a fast-growing market, and everybody will want to participate there.

But ultimately, I think that the context and the data that allows us to drive outcomes for our merchants comes from the fact that we have designed this platform completely tailored to their needs. And obviously, there are several sub-segments of merchants, several use cases, several workflows that over the years have gotten built, which, you know, continuously allow the merchant to succeed.

So, yes, from an on-the-ground perspective, I think we continue to focus on our business, find new pockets of problems to be solved, and continuously solve them and deliver growth. We're focused on that.

**Moderator:** Thank you. Della, I request to come back for a follow-up question. Next question is from the line of Avnish Sharma from JM Financial Services. Please go ahead.

**Avnish Sharma:** Hi, team. Avnish this side from JM Financial. Thanks for the opportunity. So, my first question is with respect to power merchants. I see Power ARPU is up about 25%, which looks very strong, but the number of power merchants is actually slightly lower on the year-on-year basis, right?

How should we reconcile these two? Is the ARPU increase really only coming from existing merchants spending more, or there is a cohort mix effect that as some smaller power merchants fall behind the threshold?

**Saahil Goel:** Yes. Sure. There are two numbers that I would point you to. Our overall merchant count on a TTM basis has now become over 2,24,000. That number is growing.

Now, as far as power ARPU and power number count is concerned, yes, power ARPU growth has been stronger. What we've seen is that a lot of our top merchants are growing much more strongly. And that's a function of how the market has behaved, which is fairly strong in terms of our larger merchant base growing their own business rapidly.

What we've simultaneously done is that we have focused on overall expansion. That the way we've seen our business work is that over, and it's been the trend for last several years, is that our overall merchant base tends to act as a funnel.

And then we've seen that merchants who succeed and continue to grow get retained, and they grow into becoming power merchants. From a while, from an overall macro perspective, we're seeing the larger merchants growing faster. What we've focused on, Avnish, is that we are increasing the funnel, and we've doubled down on that part of the business as well.

: And we see that over a longer period of time, can't say now, is that as the base expands, you should see that results, but not obviously, what happens practically over next couple of quarters, etcetera, will be the function of macros. But that's the action we are taking as well.

**Avnish Sharma:** Understood. My second question is with respect to seasonality. Just wanted to get a sense on a whole-year basis, like is there something like Q1 is better, Q2 is better, Q3 is better, or something like that, or some quarter is seen as expenditure-heavy quarter? So, just on that lines, Yes.

**Saahil Goel:** There is one seasonality baked into the business, right, every year, where essentially because we are predominantly working with folks selling outside of marketplaces on their direct channels, what ends up happening is when Q3, the season whenever for e-commerce generally hits, right, essentially a lot of our merchants pull out of marketing and redirect inventory to the marketplaces, which is a bigger one. So, quarter 3 tends to be like not the best quarter for our company, unlike the rest of the general e-commerce trends. That's the only thing I wanted to point out. But other than that, there isn't any other seasonality baked effects in in our business as such.

**Avnish Sharma:** Understood. Thank you. Those were my questions. All the best.

**Saahil Goel:** Thank you.

**Moderator:** Thank you. The next question is from the line of Kunal Thanvi. Kindly announce your company name and proceed with your question.

**Kunal Thanvi:** Hi, thanks for the opportunity. I'm Kunal from Banyan Tree Advisors. I had a couple of questions. One was on the first principles on the core business, like we understand that as an aggregator platform, we help both the D2C companies and on the merchants, and other side the supply, which is the large logistic companies, to pull the logistics demand.

So, was curious to understand, once a large D2C company scales up and they are doing a very large volumes, have we ever seen a case where they've directly moved on to work with the logistic partners and we lost them as a customer? That is question number one. Second question is, what would be the -- a related question to this is, what would be the realization differential between, say a largest customer -- say a brand like, say, Mamaearth, which is the largest D2C company in India, and say the smaller, long-tail of customers?

Like, will the realization and margins on these two cohorts of the customers would be very, very different, if you can directionally help us understand that? The second question was on -- we understand on the core business we are the largest player, and there's definitely a right to win. But in this new areas where we have entered, which is, say, the fulfillment -- cargo fulfillment, and then, say, Martech and the checkout, there are different competitors that already exist.

The problem has been perhaps solved by some, I understand, because they are not end-to-end logistics players, the problem is half solved. But like from a merchant point of view, what is our right to win, our value proposition that makes them switch the service or the service provider that they are already using? If you can help us understand that.

And is it easier for us to convert an existing customer, or is it easier for us to sell it to a new customer -- merchant, because the new merchant is not working with anyone, so you can kind of give them the entire stack? So, these are the two questions.

**Saahil Goel:** Thank you, Kunal, for the questions. Two parts to your first question, right? First, do we like how do merchants graduate on the platform? Look, the platform is designed to have pricing based on volumes, right, because obviously we have contracts with our partners where we get discounts with volumes, right, and pricing with volumes.

And we are able to model various things together. But as an aggregator, one thing we're able to do is use multiple contracts across 42 courier partners to cherry-pick sort of the right quality and the right kind of SLA for each shipment that goes through the Shiprocket system using years and years of over 70 crores shipment data.

We're able to understand, we have a predictive model in fact, that allows us to be able to route. That is the real value that the shipping platform brings to the to the table, where suppose there's spillover demand and certain things are choked. So, even no matter how large a brand is, that information and that instant routing or that layer to be able to route across different partners is becomes more valuable as the brands become larger.

When the brands are smaller, the enablement itself becomes a value proposition. To say, okay, I actually don't have contracts or the ability to get contracts, I'm going to start with Shiprocket's app maybe and then basically use my recommendation engine. Through that, Instagram kind of audience all the way to, let's say, somebody like a large customer, right, the value prop continues to be that of allowing them to be able to access various partners, use the data and intelligence around recommendations, reduce RTOs, for example, as we use our data across the stack.

Obviously, pricing is a function of volume on the platform, and that automatically leads to different yields at different segments. But it's built in a self-growth way, where merchants as they grow, they are able to buy more services, but they might be paying slightly lower for the shipping rates, because that is how the market works.

The market works on volume versus pricing. We are not any different from what the customer expects in the market. I hope that answers your first question. To your second question, see, I think while there are providers doing solutions for single points, I do think that the data scale makes a huge difference here.

Because see, for us, with over a decade of data on consumer behavior, we've got 15 crores consumers we've served, there's about 30 crores online shoppers. We see about 93% of our checkout getting address-filled automatically, we're able to fraud-score on RTOs across consumer and address data.

All of that leads to outcomes for the merchant when it's all tied together. Because having an independent vertical software versus having a stack which is connected and integrated, and sharing the data across the stack, is what drives outcomes. For example, for our merchants itself, we're able to distribute them into checkout, into ads, and into omnichannel PTL from the core business itself.

To your other point, where do we add customers directly there versus here? Obviously, on the core base, there's a natural expansion, right? We've seen the cross-sell rates go over there every year and continue to grow. And we also see merchants, depending on their lifecycle, where they are, right?

For example, somebody may be using a direct courier, right, but right now their marketing problem needs to get solved. They may actually go for the marketing solution to begin with, and then over time it creates an opportunity pool for shipping to be sold as well. And as a company, just as a first principle, right, we think of enabling orders.

That's what we're doing eventually, where we are saying we want to enable merchant orders and then be able to power more and more margin pools on the same order irrespective of what their entry point is. That should be the mental framework to think about the business over a period of time. I hope that answers most of your questions, Kunal.

**Kunal Thanvi:** Yes, thanks. Just one follow-up on the Martech side. Like if you can help us understand, the potential market size there and our right to win, and like when we when we help them add, when we help them convert, is it only limited to their own website or we help them contextualize ads on other social media platforms like Instagram, Facebook, etcetera?

If you can go deeper into Martech as an opportunity from a longer-term perspective, it would be very helpful, because what we understand is the profitability on Martech could be much different than our core business, which kind of comes like the realizations come down with the scale, right? In this, is it also true to assume that the large part of the Martech revenues are direct flow through to your profits, if you can help us understand that? Thanks.

**Saahil Goel:** Sure, just to quickly get back, Martech, we are enabling first a checkout transaction and a conversion suite on the on the platform, right? Tanmay showed some examples of how we continuously add features and innovations there to keep driving up the conversion rate for the for the customer. We -- one part is to help them get more orders from the customers or visitors that they generate. The newest part there is for us to help them drive more traffic and better traffic, better ROAS on their on their ads, right, which is through platforms like Instagram, and Facebook, and WhatsApp.

And we use our commerce data, right, behavior data to be able to pick and choose. For example, not tying delivery data to marketing leads to poor RTO outcomes, because if it's not the same platform and a large part of India is still cash on delivery, which then has RTO, and if that information is not making its way back to the marketing targeting, it doesn't work. So, we bring that kind of delivered ROAS kind of model to the table, where we are saying, "Look, we can help you look at your net return on ad spend, manage RTO in the middle, and then also help you generate creatives which are grounded in purchase data."

Because unlike sort of the ad platforms, Shiprocket sits on actual purchase data, right? So, we have catalog, we have consumer, we have inventory, we know how many times they bought, we know where they stay, and so on. So, we are able to model like what kind of things get sold where, and that also goes back into creating the ads on that side.

But again, it's a new business. The only reason I'm sharing some details there is it's very exciting, and I think it is a way for us to help the merchant create more upside in their own business, right? So, it's worth going after and doubling down.

**Moderator:** Thank you very much. Kunal, I request to come back for a follow-up. Next question is from the line of Shreyansh Talesra. Kindly announce your company name and proceed with your question.

**Shreyansh Talesra:** Hi, Saahil and team. Congrats to you guys for the listing. Just a small clarificatory question if I got the understanding right. So, I think in the your TTM shipments that you guys have mentioned in the PPT is around 216 million, and your if I just calculate the TTM revenue from the core business, it's around 15,600. So, your average realization per shipment comes to about 72. If I just put the same logic in FY'24, FY'25, FY'26, this was like around 96, 89, 84, so which has come down to 72 right now. How should I read this if I've got the understanding right?

**Tanmay Kumar:** Yes. So, this is Tanmay. So, the number that you're referring to is overall transactions, not necessarily the core ones. So, now overall transactions the way we measure is it has got the we measure transactions which are unique orders, whether they are shipments or they could be a checkout transaction. If there are two offerings going through a one particular transaction, they are counted as one. So, this is that total count that you're seeing as going almost by 36% over years.

Now, therefore, overall realization that you'd see, which is, yes, would come down, is also partly happening on because you're referring to the overall number, happening because of the mix shift between overall core and emerging. The emerging business has got -- now overall 30% contribution to our business versus 24% last year, and that has got the MarTech stack, which is growing rapidly, and that's causing this.

Now, the other number that I would point out to is overall, how do we see the margins growing for the overall business, and that has overall, on a percentage basis has been improving. And that is something that we are very, very as our business model, we've been tracking and working on.

**Shreyansh Talesra:** Okay. So, are you guys calling out the number of shipments in the core business itself, only purely on the core business side? Do we have that info available?

**Tanmay Kumar:** We've not calling that out particularly, but just for your overall understanding of how this has moved, overall core, and that's the number that I did share when I was talking about core, we are gaining good traction there. The core volumes per se, without talking specifically about the number, transactions the core have grown by 31%, while the revenue has grown at 22%. So, we are, and like I mentioned there, when I was speaking about this, is that this is happening because of two things.

Number one, our margins are growing. Essentially what's happening is, there is an input cost compression that we are passing on, right? And that's a dynamic that's happening in the market.

Number two, the fact that our larger merchants are growing faster has contributed to the mix shift within it, because like Saahil mentioned, there is a gradation on in terms of overall revenue per transaction in core.

**Shreyansh Talesra:** Fair point. So, maybe just to understand it better, so what could be So, let's say your core business has your domestic shipping element and you have certain value adds like Delivery Boost, your early CODs, if I got the understanding right. Those are also clubbed under your core business. So, what would be the element of these other value-added optionalities that we give with domestic shipping platform? So, just to segregate the core, within the core, what is the domestic shipping platform that is contribution, and a little bit more value-add services that you guys are providing within the core?

**Saahil Goel:** So, this is Saahil, Shreyansh. Since we don't disclose the breakup, but I'll tell you sort of the way to think about it, right? How the how these value-added things came about were merchant problem backward, right? So, whether we built sort of insuring their goods in transit, or helping them with early cash on delivery, or helping them with conversion, NPS measurement on their tracking page, a bunch of things that we can do for them, which drive results.

So, I think as every year or every quarter goes by, we find more problems, right? Now, we can choose to build them into the platform, or we can choose to monetize them, right? So, that's a function of a little bit of how we think it'll help the merchant, because we don't want to, right now the focus of the company is to continuously add transactions, right, and not necessarily expand every drop of margin at this point, because the transaction is far more valuable. Because if you think about it, like if of the INR32,000 crores in GMV last year, roughly like 25% to 30% goes into marketing. Think of it this way.

And hence, getting the transaction into the company and then monetizing it across the stack is the is the is the motion, right? And hence, while there are several value-added things we are building and can build, how we monetize it, do we do we monetize it is a function of what we want to do at that time, right, depending on how the overall business is running.

**Shreyansh Talesra:** Okay, okay. Good luck.

**Saahil Goel:** Thank you, Shreyansh.

**Moderator:** Thank you very much. Ladies and gentlemen, we'll take that as our last question. I'll now hand the conference over to Mr. Saahil Goel for closing remarks.

**Saahil Goel:** Thank you for joining us today. Look forward to seeing you next quarter.