

SHOPPERS STOP

SEC/56/2026-27

October 21, 2026

To,

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001. Stock Code : 532638	National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. Stock Symbol : SHOPERSTOP
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Dear Sir / Madam,

Sub: Transcript of Analyst/ Earnings Conference Call – Disclosure under regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

We refer to our intimation dated October 09, 2026 bearing ref. no. SEC/51/2026-27, informing about the analyst / investors conference call scheduled on Friday, October 16, 2026 at 05:00 p.m. IST to discuss the corporate performance for the quarter and half year ended September 30, 2026 (“Earnings Conference Call”).

In continuation of the above and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the transcript of the said Earnings Conference Call.

The transcript is also available on the corporate website of the Company and can be accessed using the link <https://corporate.shoppersstop.com/investors/transcript-conf-call/>.

Kindly take the same on records.

Thank you.

Yours faithfully,

For Shoppers Stop Limited

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Vice President – Legal, CS & Chief Compliance Officer

ACS No: 20257

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Confidential

Shoppers Stop Limited

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Toll Free No.:1800-419-6648 (9 am to 9 pm).

SHOPPERS STOP

“Shoppers Stop Limited Q2 FY27 Earnings Conference Call”

October 16, 2026

SHOPPERS STOP



Management: **Mr. Kavindra Mishra** – Customer Care Associate, Managing Director and Chief Executive Officer – Shoppers Stop Limited

Mr. Pankaj Chaturvedi – Customer Care Associate and Chief Financial Officer – Shoppers Stop Limited

Moderator: **Ms. Deepali Kumari** – Arihant Capital Markets

Moderator: Ladies and gentlemen, good day, and welcome to the Shoppers Stop Limited Q2 FY27 Earnings Conference Call. 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 Ms. Deepali Kumari from Arihant Capital. Thank you, and over to you, ma'am.

Deepali Kumari: Thank you so much. Good evening, and thank you all for joining us on the Shoppers Stop Q2 FY27 Earnings Conference Call. Today, we have with us the senior management represented by Mr. Kavindra Mishra, Customer Care Associate, Managing Director and CEO; Mr. Pankaj Chaturvedi, Customer Care Associate and CFO.

We will begin the call with the opening remarks from the management, after which we will have the forum open for the interactive Q&A session. I must remind all that the discussion in today's earnings call may include certain forward-looking statements and must be viewed, therefore, in conjunction with the risk that the company faces. Please restrict your questions to the quarter's performance and the strategic questions only. Housekeeping questions can be dealt with separately with the IR team.

I would now request Mr. Kavindra Mishra for the opening remarks. Thank you, and over to you, sir.

Kavindra Mishra: Thank you, Deepali. Good evening, all. I'm joined with Biju and Mahesh in addition to our colleagues from the finance team; Pankaj, who is our CFO; JP and Rohit. We have uploaded the

Public

investor presentation on our corporate and Stock Exchange website. Let me start with talking about the current operating environment. The current operating and consumption environment, which started kicking in Q1 sustained the momentum through Q2. And I'm happy to share that the demand continues to remain strong.

Both Raksha Bandhan and Onam saw good consumer traction. And I'm happy to share that the run-up to Pujo in East and Dussehra in key markets has been significantly strong, and I would comment on this in detail.

Talking about the festive season, the start of the Pujo calendar for East market has been very good, and we are witnessing a healthy mid-teen like-for-like growth in our stores. Given the fact that we have a very strong base in East, these numbers are very encouraging. Similarly, the Dussehra calendar too has shown a strong upsurge with a mid-teens like-for-like growth.

Turning to our quarter 2 performance. Here are some of the key highlights. Given the background of festive calendar shift from Q2 last year to Q3 this year, I'm pleased to report that the results for Q2 have been quite encouraging and demonstrate the execution of the Shoppers Stop 2.0 strategy beautifully.

While on a non-GAAP consol basis, our revenues grew by 7%, and EBITDA grew by 56%, and as a result, we were able to turn around PAT from a loss of Rs 7 crores in last year to a profit of Rs 6 crores this year. In GAAP Financials also, PAT recorded a positive swing from Rs 20 crores loss in last year to Rs 3 crores profit this year.

Let me talk about the individual verticals now.

Starting with an update on the departmental store business. We opened four departmental stores during the quarter, Sindhu Bhavan in Ahmedabad, Jabalpur, Bailey Square in Patna and Jhansi, which means we opened total six departmental stores in H1.

From an earlier guidance of gross store openings where we had mentioned that we will open between 9 to 10 stores, we are looking at 12 store openings this year. And in line with our strategy, these are upmarket stores with elevated designs, modern ambience and premium assortment. We'll be opening our seventh store for the year in Pacific Mall in Jaipur, which is North India's largest mall in next week on third October.

The like-for-like business for departmental stores grew by 2% this quarter with a total growth of 4%. Adjusted for the festive calendar shift, because Pujo date shifted from September to October, the like-for-like growth was 6.5%. Our consistent focus on premiumization and experiential retail continues to resonate strongly with consumers. Our customer entry grew by 1% for like-for-like stores and overall growth of 7.7%.

We had the highest-ever additions to our First Citizen Loyalty program with 2.5 lakh new recruitments. The premium end of our loyalty program, which is our Black Card program has reported the highest ever enrollment. We had 19,000 new recruitments and highest-ever renewals of 21,000, which is a renewal rate of around 66%, demonstrating deep value proposition from a consumer perspective, besides personalized service standards. The total loyalty membership base grew to 14.1 million.

The total contribution this quarter was 84% with a repeat rate of 68%. Noticeably, our numbers across the loyalty program metrics continue to grow. What was especially heartening for us was the fact that with the positioning change, we were also able to attract a new set of consumers and 37% of our bills were made by consumers who came for the first time in our stores.

With constant focus, the premium portfolio contribution in stores improved by 390 basis points, and they stand now at an all-time high of 73% and the ATV for the quarter has gone up by 9%, which now stands at Rs 5,471 showing core operational strength.

Our Personal Shopper program, which is central to our experiential retail strategy is now contributing 27% to our revenue, which is a growth of around 200 bps versus last year. Sales generated through Personal Shoppers grew by 13% with total sales reaching Rs 349 crores for the quarter. In our quest for the premiumization in service experiences, we are resourcing the stores through more personal shoppers and we see this contribution reaching to 30% of revenue by end of the year.

As a part of our premiumization strategy, we have always talked about the five power categories. They continue to outperform within the departmental stores. Watches grew 24% YoY, Handbag grew by 16%, Fragrances by 13%, Footwear by 9% and Sunglasses by 8%. We're also seeing a very strong growth in fashion, and we believe that it all goes well for the coming festive.

Now I will move on to the private brands business. Private brands continue to be a strategic key pillar for us in terms of operating differentiated ranges and covering the gap across a set of categories. We shall continue to focus on driving productivity and improving profitability through premiumization and rationalizing discounts. Despite reducing the number of brands and reducing the inventory by 26%, I'm very happy to share that we have seen a significant uptake in the profitability of the private brands concept.

We had also announced a partnership with Aditya Birla Lifestyle Brands on the STOP X Peter England Collab. It brings together two iconic names in Indian menswear to deliver exceptional quality, contemporary style and greater value for our consumers. I'm very happy to share that the initial results have been quite encouraging, and we expect the same to accelerate further.

Our Beauty business continues to deliver encouraging momentum and as an update of the same. The overall Beauty business, including Global SS Beauty delivered a revenue of Rs 367 crores

during the quarter, registering a healthy year-on-year growth of 18%, led by Fragrances, which grew by 35%.

With consistent efforts and initiatives, including MAC loyalty program and pushing exclusive services, Estee Lauder business grew by 4% like-for-like for the second consecutive quarter after LFL decline for the last 4 consecutive quarters.

Our Beauty distribution business continued its strong growth trajectory, generating revenue of Rs168 crores, which is equivalent to Rs 270 crores of GMV with a stellar 59% growth year-on-year. We opened two boutiques in this quarter. And with this total, we now have 11 boutiques, four Armani, three NARS, two Shiseido, one Prada and one Creed.

We'll continue to accelerate scale through ongoing capital allocation, which has generated healthy return on capital employed. The performance underscores beauty as a strategic pillar for Shopper Stop aiming high growth through strategic partnerships, digital acceleration and store expansion.

Let me throw some light on new initiatives starting with INTUNE business. Our continuous commentary last year on INTUNE was that we need to stabilize the operations, improve the unit economics and liquidate the whole inventory, before we start seeing the growth in business.

I'm happy to share that the execution of the business has started showing initial results. We recorded a revenue of Rs 72 crores in INTUNE with a festive adjusted like-for-like growth of 6%. Just like as in Shoppers Stop, the start of Dussehra in the festive calendar has been very positive, and we are growing mid-teens in INTUNE in festive as well.

Relentless focus on inventory freshness to in-season clearance and online accessibility helped us reducing inventory by Rs 33 crores year-on-year. Business is currently operating at an inventory level of 16 weeks cover. We are confident of operating with similar discipline in coming months, driven by improved full price sell-throughs, robust supply chains and more frequent drops.

Due to these controls, we are entering the festive with a high freshness in merchandise and we believe Q3 will be a very strong quarter for us. Our repeat customer business improved to 49%, while the ABV is improved by 6%, and the items per transaction were at 3.5. Given the fact that in Q1, our repeat customer mix was 47%, this quarter-on-quarter movement is a very good news for us.

Led by improvement in INTUNE productivity and integration of SSBeauty.in into SS.com, we could reduce the EBITDA losses in new businesses by Rs 8 crores in Q2 and Rs12 crores in H1. We expect the losses to reduce further in Q3 and Q4. We also believe that we'll be able to share our expansion plans for INTUNE in our Q3 earnings call, something which has often been asked to us.

Moving on to the e-commerce business. Our investments and efforts over the last year on improving the UI/UX and integrating the sites have started showing good results. We grew by 52% over Q2 last year. Interestingly, we are seeing the impact of premiumization online as well. Our average bills value grew by 9% and power categories like watches led growth, reflecting the premium behavior of our consumers across both offline and online.

On store expansion and financial discipline, we continued our prudent capital allocation strategy focused on enhancing returns and reinforcing balance sheet strength. During the quarter, we opened seven stores, four departmental stores, two Beauty boutiques and one MAC shop-in-shop. The total inventory was optimized by Rs 78 crores year-on-year.

I'd like to share how we are leveraging AI across the business. Over the past couple of years as an organization, we have been working a lot on both machine learning language and AI in various parts of our business. Within Shoppers Stop, we look at AI two perspectives, revenue generation and cost. Under revenue generation, our focus is on personalization and targeting the consumer activation.

We have just rolled out the Personal Shopper app version 2.0, which uses deep insights for enhancing the consumer experience. We have also rolled out the personalization of opening for consumers in the stores based on their shopping behavior. We believe that as both these projects mature, they will be very meaningful in our consumer experience journey as well as driving the like-for-like growth.

Under the cost mitigation, our focus is on sharpening the back-end systems and processes. Inventory planning and optimization through demand forecasting, which started with private banks has now been extended to INTUNE as well. And the efficiency being pushed will be seen over the next few quarters.

Finally, let me reiterate our strategy going forward. We'll continue to accelerate premiumization. We'll continue to deepen our strategy by strengthening partnerships with leading brands and expanding our premium portfolio, launching new brands and enhancing the premium shopping experience through new store openings and key renovations.

Building on the momentum in consumer walk-ins, we will continue to elevate the Shoppers Stop experience through innovation, GTMs and aspiration brand positioning. We'll continue to strengthen our footprint in premium malls and high potential locations, leveraging our growing preference among leading mall developers and reinforcing our position as the departmental store of choice.

We'll continue to work and reduce the further losses in INTUNE in H2 and finally, beauty distribution is something which is a core target for us, and we'll continue to expand the portfolio.

We maintain our estimated revenue growth of mid-single to slightly higher LFL FY27 and healthy expansion of profitability as already witnessed in H1.

With this, I would like to open the floor for an interesting Q&A session. Thank you.

Moderator:

Thank you, sir. We will now begin the question-and-answer session. Our first question comes from the line of Avi.

Avi Mehta:

Yes. This is Avi Mehta from 360 ONE Capital. Sir, I just wanted to kind of get your thoughts on one aspect. For the last few quarters, you've been on this journey of balance sheet health improvement, you've been more or less done or closer to be finish line, if I may say. Just wanted to get your thoughts, how do you see or what is required for us to up the ante on store addition, especially in, say, INTUNE and the departmental stores.

So your thoughts on how you see it, while you've increased from 9 to 12. Is this something that can move to, say, 20, 30? And what is required from that to kind of happen that will be useful, point number one.

The second question, sir, that I also wanted to kind of check with you is on the Beauty side. Now we've witnessing this question about online versus offline in the Beauty segment. Your thoughts on what kind of is because we started with a very strong kind of situation over here, the pace of growth, how do you see this panning over the next 3 years? How large do you see your market share behaving? Those are the two questions you could answer.

Kavindra Mishra:

Thanks, Avi. Great questions. Let me start with the first, which is on the departmental store expansion thought process. So as you rightly mentioned, at the start, we had spoken about opening close to 9 stores and now that number has tended to 12. How we are looking at the departmental store business is because as we move into a more premiumization story, we need to ensure that there is a certain size of the store and a certain catchment of the store.

And when I say catchment doesn't mean that we can we only need to be in the Juhu's of the world. We just opened Jhansi and we opened Jabalpur and both the stores are premium and they are doing well.

Currently, as we speak, our sense is that the number of store openings is also a function of the malls and the locations. So we are in the process of building a very healthy pipeline of the same. Our guidance would be around 10 to 12 stores, of which we have mentioned 12 this year, a similar number for the year for the coming 2 or 3 years. If you can get more options based on the pipeline availability.

We are very, very eager to do that because what we are seeing is that clearly, the concept is working well in terms of the differentiated positioning which we have and the kind the way

consumers are reacting to our product offering and service offerings. So we are quite bullish on it. It's a function of getting the right departmental store space and location.

So from our side, I think we are quite open to open more stores. It's a function of how we are able to close the thing. In terms of INTUNE, as I mentioned, last year, we were talking about getting the operational piece right. And I think as a team, even at the start of the year, we have said that we want to wait 2 or 3 quarters see the performance. And then fix the operational pieces, fix the supply chain fix the merchandising.

And once those pieces are fixed, unit economics is something which we have cracked, then we would go for the next set of expansion. I think a very critical quarter for us is Q3 as we speak. And I would be able to answer your queries in a much stronger way and a more positive way that what is our expansion plan on how we are looking at INTUNE for FY28 and going forward. Right now, I think our focus is to just ensure that we deliver on the momentum which we have got right now, yes.

On the question of Beauty, I think, as I mentioned, Beauty is something where we are seeing strong, accelerated growth. So if I talk about beauty businesses, there's a retail business and there is a distribution business. In retail, we are seeing the way stores are growing. We are seeing a growth there as well.

We're also excited about the distribution business where we see that, I think we are more or less going by 50%~55% year-on-year, and we will continue to grow in that segment going forward. And if you look at our distribution, we are very strong in the premium end of play and fragrances is something we are very, very strong and it's doing well. For us, ELCA, which was struggling for some period of time has actually turned around and it has become positive.

And again, we are talking to the business there and trying to develop on that piece as well. I would request Biju also to maybe speak. about what he feels about and how we see the distribution business in this current scenario.

Biju Kassim:

Avi. With regards to the distribution business, as you could see from the numbers, we have been able to reach to a strong base. Obviously, the company is still very young. But in the last 3.5 years, we have been able to grow quite strongly. And also, the ability to work with partners that are, let's say, serious long term and who believe in the Indian market.

So together, we think that we should be able to continue this great momentum and the belief that international fraternity puts in this country as a big opportunistic opportunity market, and this is where we are working around.

Avi Mehta: Got it, sir. Sir, if I may just clarify one bit on the Beauty side. So do you think the path to better profitability may entail need for investment in working capital to kind of better as we kind of use data. Is that the way I should see this margin profile, this is just an operating cost leverage story?

Pankaj Chaturvedi: So Pankaj this side. So as far as addition of portfolio and brand is concerned, yes, we might need infusion of some capital, and you will see in our cash flow statement that we have invested in the distribution business. As far as the retail business is concerned, it will be pretty much BAU. Any kind of investments required are self-funded.

And if you see the kind of optimization that we have done in our overall inventory levels that working capital reduction is also helping us over there. So whatever growth that we are achieving right now, we expect to achieve that. And if there is some requirement of capital, I would say that there are no concerns to it. We are geared up for that.

Moderator: The next question comes from the line of Avinash Karumanchi with Motilal Oswal Financial Services.

Avinash Karumanchi: Congratulations on good set of numbers. My question is regarding INTUNE. INTUNE has seen a couple of store closures this quarter. So what are the learnings from these store closures? What is the commonality amongst these closures? And do we foresee any further closures as well?

Kavindra Mishra: Thanks, Avinash. So I think if I talk about the store closures, one, yes, there are obviously operational learnings for us in terms of the spaces which we have chosen for the combination of locations and catchments. I think for the mall is especially something which because of the throughputs works really, really well. So the few spaces that we have closed are primarily high street, this is something which we are learning on.

On the other hand, we also have opened two stores of INTUNE but I think that's a small number. What we see is that as the brand matures over a period of time, we will get that strength in the high streets as well. While malls are doing well for us. I think high street is something which we are working on driving through both marketing and repeat customers.

So I think that the data, which we shared with you in my speech that 49% of my consumers are coming back and again and buying is a very, very healthy number. And I think as we build that repetitive consumer book behavior. I think we will be able to drive both high streets and mall spaces stronger.

Avinash Karumanchi: Okay. Got it. Can you speak something on the back end of the supply chain changes that you have done for INTUNE because of which you'll be expecting a better performance going forward?

Kavindra Mishra: Avinash, the back-end changes have happened at three fronts. One in terms of getting the supplier base, right? So working with more reliable suppliers to ensure that your OTIF become

better. I think that's one of the key things which we wanted to drive to ensure that the product is there on time when it is required.

The second thing is on the automation. When 2 years back, we launched OneBeat within Shoppers Stop private brands, and we saw a very good positive impact there. This has now got implemented in INTUNE, and that's what I was saying that's something which we'll keep on driving there.

I think the third is we wanted to have more frequent drops because the focus on freshness is super important in a category like this, where at such a nascent stage, 49% of the people are coming back and shopping, right? So I think that's the other thing which we are trying to drive. So vendor base, ensuring that the automation takes care of the deliveries and focus on freshness which means more drops.

These are the three fundamental things which we have driven to ensure that INTUNE productivity. And finally, I think the other project which we are talking doing right now is to ensure that we are able to reduce the tax from design to flow, whether it's taking bets on greige fabric to ensure that we are able to get the output faster.

I think there's another project which we are working on this. But that's something which is WIP. The other things which I have told you have already been implemented over the past few quarters, and we are now seeing the results of that.

Avinash Karumanchi: Just double tapping on this one. How frequently are the launches currently because if we speak of some one of the competitor who is doing well, every 45 days, the entire store will be with the newer products, the product catalog wise. So how frequent is it the similar number for us?

Kavindra Mishra: So we are ensuring that right now, we are we have moved to a weekly updation of the merchandise. So obviously, we are not doing the entire store, but at least 100 to 150 options or lines as we call them, are dropping into the stores every week.

Avinash Karumanchi: And lastly, is there any RM pressure in the in the INTUNE private labels?

Kavindra Mishra: Sorry, what pressure?

Avinash Karumanchi: Gross margin, raw material cost pressure. And have you taken any price hikes to offset that?

Kavindra Mishra: So we don't see that pressure right now with INTUNE. We have not taken a price hike, but I think in our mind, we were artificially having a ceiling of Rs 999. When we started testing out this last year at the start of this year with a line of Rs 1,299, we realize that both the ROS, which is return on sales as well as the throughput, which is the sell-throughs are very high.

So we are building on a nicer product, which is not necessarily a price hike, but a better product and testing out prices of Rs 1,299 and Rs1,499 and we are seeing very, very good success there. So, to answer you, no pressure on the margins as of now. And we're also seeing a higher ASP doing well for us.

Avinash Karumanchi: Got it. And secondly, regarding the departmental stores. So, you have raised the guidance on the departmental store additions. So, wouldn't it be a challenge finding such a big area across the country and whether these stores are going to be in the existing cities? Or are you tapping newer cities for this expansion?

Kavindra Mishra: Okay. No. So that's why I think when Avi asked this question about can we open 20 stores or maybe higher stores. So, the answer was that we are trying to build a healthy pipeline. Over the next 3 years, we have a visibility of at least 12 stores every year in terms of addition. But we keep on doing. So, I think two or three things are happening, Avinash. One is our teams are working on building the pipeline.

The second is, a lot of departmental stores, which got signed in 2000 early 2000s are all coming for renewal, right? And those might be in the places where we currently didn't have a store. But given the fact that we are the only department store operator, who is now working on premiumization and building the and attracting that kind of consumer, which the premium malls want, we will also get spaces from our competitors. We did one in Pune, where we opened a store now, which was with somebody else, and we got that. So, I think that will keep on happening.

Our size is something which we must have because size is important. As I mentioned, if you premiumize you should have a nicer walking aisle space. You need to give respect to the brand in terms of spaces they want so we'll keep on working on this. When I say when you are opening stores, we are looking at a combination of metros, Tier 1 and Tier 2. In fact, the last 2 stores which we opened were in Jhansi and Jabalpur and the next one which we are opening is in Jaipur is where we already have three stores.

So, we'll always keep on having a mix of newer cities and more so in the same city. And I think the response has been encouraging. See, we know for sure, and we are seeing this interaction with all the leading developers now that we are the partner of choice for them. And I think that this whole repositioning in Shoppers Stop 2.0 has helped us to achieve that. And as we go up, there are very few operators who work on that kind of a thing. And I think that's where we are seeing a positivity there.

Avinash Karumanchi: Okay. Got it, sir. That answers a lot of things. And one last question, if I may ask. So, we are most likely to be debt-free by the end of this year. So, with the cash that you'll be generating, what is the plan to deploy that? Is it be adding more stores? Or how are you looking at it?

Pankaj Chaturvedi: So Avinash, good question. while we'll achieve our balance sheet robustness that we've set for ourselves. The cash that is generated and all our internal accruals will be used for expansion. Expansion in a healthy profitable manner. We just mentioned about 12 stores per annum. At the same time, we also discussed how INTUNE is on course of profitability. So there will be some investments required whenever we get right opportunity for INTUNE as well.

So we will grow our distribution business also very rapidly. You've seen the kind of CAGR that we have achieved on the distribution business. So, all these areas, areas of profitable growth, they will need some kind of capital investments, and we'll have internal accruals as well as the balance sheet robustness to fund for that growth.

Moderator: The next question comes from the line of Abhirav Manduware with Aequitas.

Abhirav Manduware: My first question is in terms of the distribution the GSSBB. Since it's a 3-year contract with all the brands, what is the kind of stickiness we see going forward with the business since there are lot of competitors out there like Nykaa, Reliance, etcetera, what makes those brands to stay sticky and not to renegotiate their contracts? Just wanted to understand this business going forward, can we see some competitive pressure for the bids of the newer contracts, which would lead to lower margins or lower market share?

Biju Kassim: Great question. So if you think about it, we were not in the distribution business at all. The sheer fact that we were able to sign contracts with very powerful groups and brands globally, confirms that we are doing a few things right while we don't want to underestimate the competition, and I'm sure competition is here to stay. We believe that certain beliefs and thoughts that we have is making us a very, very preferred partner for the country.

And yes, contracts depend largely on, 3 years, some of them 5 years, and some of them beyond that. Contract is obviously a binding factor. But what is more important is to be able to do a good job for the brand as they see fit with local adaptations. So, all these brands have got very, very strong capabilities in terms of market knowledge, expertise, exposure, marketing might, etcetera.

But what makes us quite different as we believe, is our ability to do a lot of things locally. Because we position ourselves as the experts in India. And for us, with the legacy of 30-plus years of retail, consumer behavior, and exposure in Beauty, we think we are quite qualified, and we are able to continue this robustness going forward.

Having said that, we are quite cognizant of the competitive landscape. We respect the competition. because as a distributor, we work with all these partners. So our philosophy is just to be very, very unbiased, very, very fair to all partners that exist in the ecosystem.

Abhirav Manduware: Okay. So my second question is in terms of our INTUNE...

Moderator: I'm sorry to interrupt. Could you please use your handset? The voice is not coming clear.

Abhirav Manduware: Yes. So in terms of INTUNE, our losses now on the quarter-on-quarter basis increased by Rs 5 crores. So just wanted to understand since we are done with our closures and inventory rationalization. A, wanted to understand where is this incremental loss coming from? Second, what kind of further store closures are we looking for in the current year? And third would be, are we still on line to close this year on Rs 40-Rs 50 crores losses?

Pankaj Chaturvedi: I think you are referring to Q1 versus Q2, if I understood your question correctly? So see, that will not be the right comparison. Okay, because of various reasons, every quarter is different in nature. The right way to compare is Q2 of this year versus Q2 of last year, if you see our new ventures performance update, we reduced the losses by 33%. So, I think that would be the right comparison. That's what we have done in H1.

As far as your store closure question is concerned, Kavi did mention, but as we continue to improve our margin profile, there may be some part of the team that we have to cut down. At the same time, when we get the right opportunities, we'll open new stores as well. So, we are not averse to opening new stores. We've added two stores in this financial year for INTUNE as well.

Abhirav Manduware: So, on a net basis, we will be seeing store addition is what you are after. On a net basis...

Pankaj Chaturvedi: As of now, yes. But as we mentioned, As far as INTUNE is concerned, our strategy is to fix the margin profile and then ramp up. But in the process, if we get an opportunity for a right store, we will open it. At the same time, if we find that any store is where we are losing money, we'll be bold enough to shut it down as well.

Kavindra Mishra: And Abhirav, as I mentioned, please wait for Q3 because that's when we will give an update on this for us. Q3 is when we are talking about the Q3 results, that is when we will talk about the INTUNE expansion plan going forward.

Abhirav Manduware: Coming to Q3, you mentioned in your press release as festive like-for-like we are seeing the mid-teens kind of a growth. So that would be 100% coming from ASP hike that will be a mix of volume end

Kavindra Mishra: So are you asking me that is the hike coming from...

Abhirav Manduware: Price led or volume led or what would be the mix of the same?

Kavindra Mishra: No, no, it's a mixture the mid-teen is a mixture of both. So, it is around 7% for ASP and the balance 8% because of volume. So we are what we are seeing is that we are able to sell more merchandise and with a higher price.

Abhirav Manduware: This will be for the first 2 weeks, right?

Kavindra Mishra: No. So for Pujo, we have 6 weeks this thing. And right now as we speak, the data I'm talking about to you is 5 weeks are over. So this actually is a very, very strong data. It's not a 2-week data. for Pujo, the Pujo week takes till Dussehra, till Vijayadashami day. So all practical purposes, now we have done 37, 38 days, and the mid-teen growth is coming from there.

Similarly, the Dussehra number, which I told you is also a 4-week data. And right now, we are in the last 4 days. So in both the cases, the mid-teen number covers a fair bit of time taken by the stores to see how we are performing.

Abhirav Manduware: Got it. In terms of overall departmental stores, we seeing four new stores this year to bring that total to 12 for the year. What kind of closures are we seeing there?

Kavindra Mishra: So, we have Abhirav, we have opened six stores, and we will till 31st or till 30th September. We'll open six more stores this year. We are looking at a one or two store closure.

Abhirav Manduware: Okay. And with every store closure, do we see any cost getting optimized or reduced? Like what would be a one-off or fixed cost in nature which would be reduced for that?

Kavindra Mishra: So what we are doing is we are running a very strong project to either turn around a few stores which are loss-making maybe because the market is shifted or whatever other thing is other way, I think if you look at the way we are managing costs quarter-on-quarter, that's super, super tight.

So, I think we have been quite efficient in controlling cost. In fact, our opex is for more practical purposes, it is flat. So, I think looking at a full year cycle and with stores coming in, I think it's a very good, strong tight cost optimization and cost control without compromising on the consumer experience.

Abhirav Manduware: And currently, we're reading a lot of news where rentals for the malls, etcetera has increase because the vacancies, there's no supply as such. So are you seeing a similar trend when you are saying that you are adding four new departmental stores, etcetera, have you seen the kind of incremental rentals versus your average rental value and what kind of...

Kavindra Mishra: No, we are not seeing. A, Abhirav, the stores which are opening now must have got signed 24 months back on an average, right? And second thing is because in a lot of cases, we are the only departmental store, which is offering that kind of merchandise mix. We are a retailer of choice for the partners, right? So, I think it works both ways. So we are not seeing that struggle for us.

Moderator: The next question comes from the line of Ashutosh Joytiraditya of ICICI Securities.

Ashutosh Joytiraditya: So my first question is on basically the consumer behavior. So if you see across your portfolio, maybe on the departmental side, the premium portfolio, which is the luxury beauty, say and then the value format for INTUNE. So I just wanted to understand, are you seeing any structural shift basically in the consumer spending.

So just to give you an example, say urban shopper, he may be like going for the experiment maybe let's say, experimenting the luxury or say the own fragrances of luxury brands and we might be cutting, say, back on the basically the mainstream apparel portfolio. So, any such thing happening at your portfolio level?

Kavindra Mishra:

Thanks, Ashutosh. Great question. So, as I mentioned and I think in my call as well, in my commentary as well. So the growth which we are seeing for a mid-teen growth, I think it's a very, very strong growth. I think the markets are strong. The demand is there and is a strong demand. That's the first starting point. This demand in the previous quarter was aimed more towards the non-apparel.

But as I mentioned, what we are seeing now is that the fashion is also doing really well. So which for me is very good because fashion allows customers to come again to the retail store in our case, to Shoppers Stop. And non-apparel or watches the entire segment had to drive the ASP.

So what we are seeing is that demand the last especially in the festive season has been quite strong. and apparel is also being very, very good numbers, whether it's Men's wear or Women's Western or Women's India. So I think we are seeing a broad demand in premium merchandise across the entire portfolio.

Even when we look at our business, -- and within that, and if you start ranking the brands in terms of -- so in our portfolio also, our premium brands are doing better than our mid-segment brand. So I think what we see -- what we are seeing is an I can't commit upon Diwali because Diwali is just starting.

So maybe if this call would have happened 10 days down the line, I would have given you a strong reference of Diwali markets as well. But what we are seeing is that both for the Dussehra and Pujo, the demand is -- for premium merchandise is quite strong, and it's not limited to non-apparel. It's now broad-based, including fashion and apparel, yes.

In terms of INTUNE, you were asking me, so what we are seeing is that because last year, I think and to be fair, last year, we had a lot of challenges in terms of the merchandise availability, in terms of our operations, which we have corrected now. So that's how we again have a mid-teen growth in our INTUNE business as well, and we are seeing a strength there. But clearly, the premium brands are doing really well. The premiumisation is really working.

Ashutosh Joytiraditya: Okay. So basically, I wanted to understand like are the consumers strictly cutting on the premium apparel and spending more on the adjacencies like say fragrances? but I got out my answer.

Kavindra Mishra:

That's not the case is what I'm trying to tell you this , especially for the last 5 or 6 weeks, we have seen the fashion brands also doing very well. A very strong sale.

Ashutosh Joytiraditya: And next thing on INTUNE, I think you have already commented a lot on it, but just want to get your sense, so there has been aggressive expansion by other value retailers across geographies. So what would be our differentiated strategy to basically keep the footfall at these four levels high and maybe the conversion rates also at a higher rate, any specific strategy which the company is trying to implement?

Kavindra Mishra: So as a company, we our CRM is a very strong strength for us. We in the Shoppers Stop business, our ability to talk to the customer. I think so that piece, we are really, really working in terms of market activation even for INTUNE, and we are seeing some very, very good successes. So that's one.

Second is that as our positioning is very different from somebody else, which is focused on -- while others are focused on young fashion, we are more a family-led business where Kids wear plays an important role. So we are not so we are a young family, and we are not necessarily the Gen Z, which -- so there's a positioning difference. This positioning difference was also there always there, the product differentiation was also there because I think the products generally are very good.

What we can do now and which I think will give us a very good Q3 and subsequent quarters is our ability to engage with the customer, get the operations side, get freshness in the store. So right now, if you ask me Ashutosh, we are just focusing on this. In terms of our competitors opening more so that's something a journey which we will I mean, the market size is huge in the market, will continue to formalize and from non-organized to organize that will keep on happening.

And there will be enough spaces for us to acquire. But I think we have had 2 quarters of strong recovery. This Q3 and what I'm saying right now is what I've maintained in Q1 call as well or Q4 last year call as well, that give us time until end of December to completely get the processes right, and then we will start the January opening stores post that.

Ashutosh Joytiraditya: Okay. Understood, sir. So one last question, I don't know if anyone has already asked. So on the debt, I think you have mentioned that it will be basically paid all the debts will be cleared by Q3 '27. So now we are like we have turned positive this quarter. So I just wanted to understand how will this repayment done like it? Will be through the cash generation or maybe some optimization on the working capital side? Like I just want to understand on that.

Pankaj Chaturvedi: Okay. So large part of the working capital optimization has been done and the good practices will continue. As far as debt reduction is concerned, it will be purely on account of the internal accrual and the strong EBITDA momentum that we have got.

Moderator: The next question comes from the line of Yash with YES Securities.

Yash: Thank you so much for the opportunity. Sir, I don't know if this is asked before, but I want to know about the margins of the Beauty retail. So if we compare it with the beauty distribution and the department stores Beauty counters?

Pankaj Chaturvedi: So Yash, the Beauty margins are relatively better than the overall margin of our departmental store, if I think that is your question.

Yash: Departmental stores and beauty distribution.

Pankaj Chaturvedi: Okay. So even in Beauty distribution, the margins continue to be healthy. Yes, the brand portfolio is a bit different because we are like importing from various leading brands. We are also promoting them through aggressive marketing. But at a gross margin level, the margins are pretty healthy. And you can see that in the overall profitability numbers of our distribution business.

Yash: So will we be able to sustain that?

Pankaj Chaturvedi: Absolutely, yes. All the new contracts that we are entering into, they are either at the same or higher margins. So there is no question of margins going down.

Yash: Okay. My next question would be what are the brand concentration risks in distribution? And like what is the contract duration in the top brands?

Biju Kassim: What was the first part of your question?

Yash: What are the brand concentration is and concentration risks?

Biju Kassim: Okay. So basically, there are two large cohorts that we look at. One is powerful brands and powerful groups. So normally, if you look at categories, of course, you have makeup, skin care, fragrance, haircare, etcetera. But from our point of view, we look at every potential brand group that would do well from an Indian perspective. The starting point was that we were and we continue to be heavily focused or let's say, playing in the luxury segment. But there are quite a strong portfolio of brands that's also in the Lifestyle segment.

And obviously, there's a play in the market segment, but we are quite careful there to select brands that gets the right commercials because at the end of the day, we also are cognizant of the local market players, B2C brands, etcetera. So that is the if I've answered the first part of the question. So the second part of the question, as I mentioned also contract is important and sacred.

But at the end of the day, it all depends on how good you do the job for the brand. And for us, it is a global perspective with local twist, local adaptation. Yes, having said that, brand contracts can be 2 years to 5-year contract. It can go even upwards of that. So it's a function of what -- how confident each partners are and how much we want to take the leap of faith for the future.

- Yash:** Sir, my next question would be regarding beauty stores opening. So what competitive impact do you see from competitors like Nykaa, Tira and Sephora?
- Biju Kassim:** So you know what, I think Kavi clearly mentioned that we have a particular position that we believe that we have a right to win. And our focus is quite on the consumer engagement and the experience. So I think for a market like India, which is still quite -- I wouldn't want to use the word nascent, but still very small when it comes to organized retail.
- We have a lot of opportunity to coexist and I think it is for the right to win for each of the partners to decide how aggressive they want to take it, and we want to get the fundamental side. We have been in the space for a long time, and we think that we will continue to be focused on this category as such.
- Yash:** If I'm allowed to ask one more question, then what is the share of company's own D2C Beauty brand, if you can tell me?
- Biju Kassim:** Sorry, can you repeat?
- Yash:** What is the share of company's own D2C Beauty brands?
- Kavindra Mishra:** It's very, very small, negligible as of now.
- Moderator:** The next question comes from the line of Jeyaprakash an Individual Investor.
- Jeyaprakash:** Good evening. Thank you for the opportunity. I have been a retail investor with Shoppers Stop for than 2 years. I have only one question for Mr. Kavindra Mishra. That is, was there any value creation for the investors because last 2 years, there has been a negative return for the retail in around 60% to 65%. Any discussion with the board about the value creation for the investors?
- Kavindra Mishra:** Thank you, Mr. Jeyaprakash for asking this question. I think we have also chatted about this before. As you are seeing that our focus is to drive the business productivity and profitability. We have gone through some difficult time because of whatever reason it might be, but I think we are on the cusp of seeing a breakout now.
- And please have some more patient. I requested some out of patience from you and thank you for that. I think if we have this question in the next quarter. the quarter after. I think we'll be in a better position to address your concern.
- I just wanted to assure you that from our side, whether it's the teams or whether it is a thing, we are seeing some standout performances happening. And you pleasantly surprised the way things are going to happen because I think there's a festive shift.

The very fact that we have been able to grow our business and profitability over the previous year. I think it's a remarkable turnaround, and you will see the same journey going forward. So thank you for the trust.

- Moderator:** Our next question comes from the line of Deepali Kumari with Arihant Capital Markets Limited.
- Deepali Kumari:** Other income has risen sharply this quarter and seems to be the main reason for PAT turn positive. Could you break down how much of it is one-off versus recurring since there have been one-off gain in most recent quarters. So what would be PAT be excluding these items and by then you expect for operations to be profitable on their own?
- Pankaj Chaturvedi:** Pankaj this side, let me just clarify whatever results that we have seen are purely operational.
- Deepali Kumari:** And sir, what is the age inventory like over 180 days and the markdown provisions?
- Pankaj Chaturvedi:** So let me again clarify that's too sensitive information to disclose about aging of our inventory. But what I can tell you is that the inventory profile has improved significantly as compared to aging profile, the amount of liquidation that we've done of the inventory is also very substantial. So on that note, we can also see the kind of working capital improvement that have taken place in our cash flow statement. It's still on a high improving trend. That's what I can tell you.
- Deepali Kumari:** And sir, what is the mix between stores and e-commerce, and how much of the online sales are on omni-channel, like picked from store?
- Kavindra Mishra:** So for us, e-commerce mix is around 3% to 4%, depending upon the categories. Is that the question which you are asking, Deepali?
- Deepali Kumari:** Like from e-commerce, like how much you do the direct sales?
- Kavindra Mishra:** No. So yes. So around 4% is what we what's our e-commerce business.
- Deepali Kumari:** Okay. And for what is private label beyond apparel? And what is the road map for that?
- Kavindra Mishra:** So our private label businesses or what we call a Shopper Stop brands are primarily based in fashion. We do have a very small, as I mentioned before, that we have a very small mix of our beauty brands which are in it, but I think that's negligible. Whatever you see private brands, 99% of that is basically fashion. And we and I did speak about that in terms of the profitability, which they are driving for us as an organization.
- Deepali Kumari:** Sir, one more question, like what is the customer acquisition cost on the digital channel that you can give me some idea?
- Kavindra Mishra:** See, for us, I think the beauty of Shoppers Stop is that we try to use and drive business to our First Citizen database. So unlike a lot of other retailers who need or e-commerce players who need to

build to performance marketing, a huge new customer this thing. For us, the focus is to use our First Citizens while the information is too sensitive to disclose, I'm just trying to tell you that for us, the focus is more towards driving our omni behavior through the First Citizen customer, right?

Moderator:

Thank you. Ladies and gentlemen, that was the last question for today. With that, we conclude today's conference call. On behalf of Shoppers Stop Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.