

SHOPPERS STOP

SEC/64/2025-26

October 23, 2025

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 Earnings Conference Call – Q2 26

We refer to the analyst/investors conference call held on Friday, October 17, 2025 at 05:00 p.m. IST to discuss the corporate performance for the quarter and half year ended September 30, 2025 (“Earnings Conference Call”) and our letter in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ref. no. SEC/57/2025-26 dated October 08, 2025 intimating of the call and providing the link for joining the Earnings Conference Call.

In respect of the same and as required under Regulation 30, we are pleased to submit herewith the transcript of the said Earnings Conference Call. The same is simultaneously being made available on the website of the Company.

Kindly take the same on records.

Thank you.

Yours faithfully,
For **Shoppers Stop Limited**

Rakeshkumar Saini
Vice President – Legal, CS & Chief Compliance Officer
ACS No. 20257

Encl: aa

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 & H1 FY 2026 Earnings Conference Call”

October 17, 2025



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

Mr. Karunakaran Mohanasundaram – Customer Care Associate, Chief Financial Officer, Shoppers Stop Limited

Moderator: **Mr. Pratik Patil** – Dentsu Creative Investor Relations

Moderator: Ladies and gentlemen, good day and welcome to Q2 and H1 FY '26 Earnings Conference Call of Shoppers Stop Limited.

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 this conference call, please signal an operator by pressing “*”, then “0” on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Pratik Patil from Dentsu Creative Investor Relations team. Thank you, and over to you, Mr. Patil.

Pratik Patil: Thank you. Good evening. Thank you for joining us on the Shoppers Stop Q2 and H1 FY '26 Earnings Conference Call.

Today, we have with us Senior Management, represented by Mr. Kavindra Mishra – Customer Care Associate, Managing Director and Chief Executive Officer; Mr. Karunakaran Mohanasundaram – Customer Care Associate, Chief Financial Officer.

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 you that the discussion in today's Earnings Call may include certain forward-looking statements and must be viewed, therefore, in conjunction with the risks that the company faces. Please restrict your questions to the quarter performance and two 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.

Kavi: Thank you, Pratik. Good evening, all. I have with me Karuna – our CFO, JP, our FP&A lead, and Rohit – our IR lead. Biju – our Beauty CEO, will join me during the question-and-answer session. We have uploaded the Investor Presentation on our Corporate and in Stock Exchange websites.

As you observe, our investor presentation has three major divisions, our core businesses, new businesses which we have invested in the last two years, and our distribution business, which again we started in the last couple of years. Before I discuss the above in detail, let me start with the operating environment.

Q2 was marked by sluggish growth in certain discretionary categories and consumer goods. The urban consumer was cautious due to inflationary concerns and geopolitical uncertainties. And in addition to this, we also had an overhaul of GST amendments, which I believe in the long run will enable growth. Despite external challenges such as GST implementation and other market challenges, Shoppers Stop has successfully stayed ahead of the curve. This is primarily due to our focused premiumization strategy and other key initiatives which have strengthened our market position and have driven sustainable growth.

As I begin the journey of Shoppers Stop performance summary, I will focus my speech on core categories, new businesses; and lastly, I will also cover our distribution business.

Let me start with our Core business performance:

Two years ago, we made a deliberate and strategic decision to shift our focus towards premiumization. We started this sporadically from 2020, but this time it was a complete shift. At the time, this meant rethinking our product mix, enhancing

the in-store experiences, refining our brand positioning and leaning into what we knew customers were starting to demand, a better quality, more aspirational products and a retail experience that reflects that value.

This was not just a cosmetic change. It required investments in everything from merchandising and sourcing, to marketing and front-line staff training. We knew it would take time to show results, but we also knew that this was the direction our customers and the market were heading towards.

Now we are starting to see the clear results of that strategy. Our high-end categories are outperforming expectations. The average transaction values are increasing. And we are attracting a more engaged, loyal consumer base. And importantly, this shift is not at the expense of volume. We are maintaining healthy traffic and seeing stronger conversions, especially among shoppers who are looking for elevated value and experience. I am confident that this is just the beginning. We are now in a stronger position to scale this approach further across categories, channels, and regions. And we are confident that this will continue to drive both top-line growth and profitability.

Our team is energized, our customers are responding, and we are committed to building on this momentum in the quarters ahead. The journey isn't over. In fact, we believe we are just beginning to unlock the full potential of premiumization. But the early success we are seeing reinforces our conviction in the strategy and our confidence in the direction we are heading and building the brand up through purposeful engagement.

Let me give you some snippets and the results of what we did:

We continue to strengthen emotional resonance with our customers through our **proprietary brand IPs** such as “India Weds with Shoppers Stop”, “Gifts of Love”, and “ShowStoppers'25”. These platforms have been instrumental in creating deeper connections, resulting in higher engagement and attention. The premiumization journey is well underway. We have enhanced the in-store experience with upgraded service and launched aspirational brands across categories.

Our **Personal shoppers** continue to redefine convenience and personalization. This segment alone now contributes to 25% overall sales, a growth of 300-plus basis points. Our private brands, including “STOP”, “Kashish” and “Bandeya”, are no longer just an option. They are a preferred choice. In fact, all three of them rank among the Top 10 apparel brands during the festive season.

Our **First Citizen Club** now stands stronger than ever with 13 million members contributing to a staggering 83% of total sales, which is up 270 basis points. We have seen the highest quarterly enrollments in our history. Engagement is deeper with 69% repeat purchases and strong adoption of Black Card, around 32,000, and Silver Card, 208,000 memberships, including renewals. The results are evident. Our core business has solid results. A turnaround in motion. Let me share the numbers that reflect our execution strength.

The **Customer entry** increased by 6% like-for-like, a positive for the first time in many years.

Our **Key KPIs** continue to rise. **ATV** is up by 8%, driven both by **ASP** by 6% and **IPT** by 2%. Overall, sales rose by 7% with departmental store like-for-likes at 9.4%, the highest in the last 10 years. Beauty continues to outperform, up 22% with fragrances leading the charge. Watches and handbags recorded strong double-digit growth of 13% and 11%, respectively. The premium product mix grew at 16%, contributing to a 375 basis points gain, and now accounting for 69% of total mix.

On our financial results of core business:

EBITDA grew by 42%; and more importantly, our profit before tax turned from losses to profit. That is from a loss of Rs. 12 crores to a profit of Rs. 9 crores, an improvement of Rs. 21 crores. Q2 was a demonstration of Shoppers Stop's resilience, agility, and brand strength. Our premium positioning, omni-channel model, and customer-centric strategy helped us to outperform the market.

From our core business, let me shift to our new businesses which are in investment mode:

We would like to take this opportunity to update you on the progress of our new businesses. INTUNE, which is a value fashion format, and ssbeauty.in, our digital first beauty platform. Both ventures are currently in the investment phase, and as expected, at this stage they are incurring planned losses. However, we are confident that these are strategic investments that will drive long-term value and significantly enhance Shoppers Stop's growth trajectory.

Let me talk about **INTUNE**, where we are trying to build a value fashion powerhouse. INTUNE was launched to tap into the high-growth value fashion segment, catering to a younger aspirational demographic. While still early in its life cycle, we are pleased to share that INTUNE delivered a positive like-for-like growth in Q2 from a negative like to like growth in Q1, which is a strong validation of its value proposition and consumer acceptance. We are continuing to expand INTUNE's footprint and optimize its product mix and pricing to drive efficiency and scale. Though operating losses have increased due to front-loaded investments in store openings, marketing and backend infrastructure, these are deliberate and controlled spends aligned with our long-term vision.

Let me talk about **ssbeauty.in**, which is to create a distinctive beauty destination. With ssbeauty.in, we are building a differentiated digital-led beauty ecosystem with a focus on curated offerings, personalization, and experiential engagement. The objective is to build a strong brand identity and connect with a wider, younger audience, complementing our offline beauty business. While initial investments in technology, marketing, and customer acquisition are impacting short-term profitability, these are strategic outlays to build a high-margin scalable business. We are already seeing stronger customer engagement, a growing user base, and encouraging repeat behavior.

We want to reiterate that both INTUNE and ssbeauty.in are in the early stages of their life cycle, and short-term losses are not indicative of their potential. As with all our businesses, we are following a disciplined investment approach with clear milestones and robust tracking to ensure sustainable scale-up. We are confident that these businesses will turn profitable as the scale and operating leverage kicks in. They are strategically aligned with Shoppers Stop's long-term vision of becoming the most trusted and innovative omni-channel retailer.

Let me talk about the distribution business:

I am pleased to share that our beauty distribution business operated through Global SSBeauty (GSSB) has delivered outstanding performance in Q2, growing by an impressive 103% year-on-year. This marks a significant milestone in our strategic focus on beauty as a high-potential growth engine for Shoppers Stop. Our key performance indicators across the board are trending positively. This reflects the strength of our operating model, growing consumer demand, and our ability to execute with agility.

During the quarter, GSSB successfully introduced several new and exclusive brands to the Indian market, enhancing our premium beauty portfolio and further differentiating our offering. These additions not only deepen customer engagement but also reinforce our leadership in the aspirational beauty segment. Looking ahead, we remain confident in the continued momentum of our beauty business and are committed to sustained growth through strategic partnerships, digital acceleration, and further store expansion.

Let me talk about capital allocation:

For reasons beyond our control, opening of new departmental stores were delayed this quarter. We will be opening five departmental stores this quarter and four to five in Q4. On INTUNE, we had opened three stores in Q2, and we expect to open five stores in Q3. And we are planning to open between 8 to 10 stores in Q4. Our working capital reduced by Rs. 63 crores in Q2.

Now, let me give you the guidance on the key strategic focus areas:

As we enter the critical festive and wedding season in Q3, we are well-stocked and strategically merchandised. The consumer demand indicators are positive, particularly in premium and wedding categories. We anticipate double-digit growth momentum to continue, driven by early festive demand, upswing in beauty and fashion categories, particularly in beauty wherein it's in the peak quarter for them. And the ongoing omni-channel marketing campaigns.

Shoppers Stop is no longer just a departmental store. It is becoming a premium lifestyle destination, and one that understands, serves, and celebrates the Indian customer like no one else.

In closing:

Q2 was a demonstration of our ability, resilience, agility, and brand strength. Our premium positioning, omni-channel model, and customer-centric strategy helped us to outperform the market. We are confident that we will continue to deliver sustainable, profitable growth, while delighting our customers and creating long-term value for our shareholders.

As I conclude, my team and I wish everyone a very happy Diwali and a great festive season. I am happy to have the questions along with my team. Thank you.

Moderator: Thank you. We will now begin the question and answer session. Our first question comes from the line of Sameer Gupta with India Infoline. Please go ahead.

Sameer Gupta: Hi, sir. Good evening, and thanks for taking my question. First of all, congratulations on a good set of numbers. Firstly, your comment on the value fashion as a segment, which is seeing moderation. As an industry construct, what really is happening over here? Like, even the likes of the market leader here or the largest player here, Zudio, we are seeing some moderation over there. Is it that broad uptick in consumer sentiments? There is a shift happening from value to more premium, and just wanted some color on the overall industry dynamics, sir.

Kavi: Thank you, Sameer. Great question. So, there are two parts to it. And without commenting on the market leader, let me talk about INTUNE. As we expanded and as we grew our business, we also realized that we need to strengthen our supply chain. We need to strengthen the operation efficiency of the business. So, what we have seen, and as I mentioned, we have seen growth from Q1 to Q2. And what we are also seeing that the current festive is also very, very strong. So, while there

has been moderation, maybe for other players, we are seeing that once we are improving our operational efficiencies, we are seeing an uptick in demand. In fact, the festive looks very, very strong for INTUNE as we speak in the month of October.

And what we also feel is that at the end of the day, while customers will migrate from unorganized, as you know, from other segments of organized to the value segment, we also see that a lot of value is happening when customers are migrating from unorganized to organized. So, I think that aspirational Indian is always there, and that journey will continue to keep on happening. I do not see any issue happening there. I think it's for each of us as brand to see that what is it that was driving us before and what changes we need to make to ensure that the growth continues. So, for INTUNE, I am very confident, as we have driven changes and as we have taken things forward, things are improving.

Sameer Gupta: Got it, sir. But your broad comment on slowness and value fashion impacting growth, that is more of a one-off, you believe?

Kavi: Yes. And as I mentioned, we are seeing a very, very strong festive. Yes.

Sameer Gupta: Got it, sir. That's helpful. Second question is, sir, you have given a slide on the EBITDA margins, Sales etc., for the core and the non-core businesses. I am just looking at the EBITDA margin for the core business on the non-GAAP sales, which is coming to around 3.3% in first half. And I understand there is some seasonality in 3Q being the largest quarter, but it is still quite low versus our guidance of a mid to high single-digit kind of a margin that is the aspiration, at least in the medium term. So, I understand the losses in INTUNE and **etc.** might continue, but even the core, how do we get to that mid to high single-digit level in the medium term?

Karuna: Sameer, thanks. Karuna here. I hope you can hear me. That's a great question. See, normally what happens is Q1 and Q2 are relatively sort of a slack season, and Q3 is the one which drives a significant amount of sales. So, the guidance what we have given should still hold good, because in retail, the fixed expenses are fixed. So, to that extent, the margins for both Q1 and Q2 are lower primarily because of that. With the sales improving in Q3, one, because of season, Diwali festival, and second, because of the end-of-season sale that starts in the month of December, we should be able to see a mid-single-digit EBITDA margin or slightly better than mid-single-digit EBITDA margin for the core-business.

Sameer Gupta: For 3Q, I can understand, but I mean, for a full-year basis

Karuna: No, I am talking for the full year. With that, we should be able to see for the full year a good EBITDA margin.

Sameer Gupta: So, this 3.3% for the first half is broadly in line with your own expectations. It is not running on the lower side. That's the broad understanding?

Karuna: Yes.

Sameer Gupta: Got it. That helps. Great. That's all from me. I will come back in the queue for follow-up. Wish you a very happy Diwali in the meantime.

Karuna: Thank you, Sameer. Thank you so much. Thanks.

Moderator: Thank you. Next question comes from the line of Ashutosh Joytiraditya, ICICI Securities. Please go ahead.

Ashutosh Joytiraditya: Thank you for the opportunity, sir. So, my first question would be on the value fashion. So, the question which the earlier participant asked. So, just in continuation to that, if you think that the festive demand seems to be good and everything looks okay in the value fashion, then why are we not getting more aggressive on store opening front in INTUNE business?

Kavi: Ashutosh, if we just go back last quarter and we speak about our guidance, we were talking about a 30 to 40 store opening plan for INTUNE. At that time, we were also reworking on our supply chain and a 2.0 version of INTUNE, where we were doing some changes on our store, the way they look and feel, because that's the feedback we got from our consumers. As we speak, we have been able to do those changes, and we are seeing the aggression in terms of the sales densities. There's always a cycle of opening of stores in terms of getting the right properties and then getting those stores up.

What we have put in our commentary is something which we are 100% sure of, and you will see that as the numbers pick up, that aggression will also come in. So, I am not worried about that. For us, the important thing was that while we were expanding, we figured out there are a few things which we need to work on and improve upon, which we have done now. The early October results are fantastic.

I think we will keep on building on those and keep on. So, I think as I put in my commentary, this is a long-term strategic investment for us. We are not shying away from it, but we just wanted to be 100% sure that the changes which we have made start, giving the results which we wanted. So, that's why you see a little bit of a slowdown against what we had said before.

Ashutosh Joytiraditya: Okay. So, just to reconfirm, like what I have understood is that because of these changes, there was some slowness, particularly in the value fashion segment for your company, because other value retailers like V-Mart, they have actually given a decent set of same-store-sales growth. So, that was the only issue, and rest all things are fine for the company?

Kavi: Yes. So, as I mentioned, from a double-digit degrowth, like-for-like in Q1, we have moved to a positive trajectory in Q2. And we are seeing a much higher number. It's too early, but we are seeing very, very strong numbers in October as we speak. So, we believe as a team, operating team, that we have been able to understand the customer feedback, work on it quickly, and I think the results are showing now. And as I said, I cannot comment on V-Mart and everybody else, because they have been in the business for a while. We are very young and very new in this thing, but I think whatever has to be done, we are doing that continuously and improving. So, quite confident of whatever numbers we have put there.

Ashutosh Joytiraditya: Okay. Sure. Sir. And the second thing on this core business, so it was mentioned that the LFL was 9.4%. So, what I can understand is that this result, as you said in the opening remark, that it was mostly because of key changes or the focus areas, strategy, which the management has decided, it is actually giving results to the company. So, that is only because of this, or like in general, in the premium side of the apparel business on a whole, you are seeing some customer shifts happening. Is there any trend which is observed there?

Kavi: Yes. So, I think it's a great question. So, we definitely see the premiumization as a very strong trend. But we also believe that vis-a-vis other players in the business, whether it is brands or formats, we are gaining a higher market share. Because our proposition of being the house of brands, being curated, very, very being very, very strong in non-apparel, beauty, I think those things are very differentiated. And obviously, we loaded all of it, a great personalized service to a personal shopper. I think all that is coming strong, very, very strong.

And I must say our private brand business actually, and in so many calls, we have been saying that private brands is not about only selling more, it's about selling in the right way and in a premium way. And I think it's really playing. So, out of the 500 brands we have in apparel, in this survey, we see that our private brands, among the like, few of them are among the top 10, which shows the kind of work that the team has done, and has been able to connect with the consumer and what they want.

Ashutosh Joytiraditya: Right. Understood. Thank you, sir. Thank you. Thanks a lot for this. And wish you a happy Diwali to you and the team.

Kavi: Ashutosh, wishing you from our side as well, to you and your family.

Moderator: Thank you. Next question comes from the line of Ankit Kedia with PhillipCapital. Please go ahead.

Ankit Kedia: Sir, in INTUNE, we saw 1% like-for-like growth, and if I adjust for early festive, probably it's negative this quarter as well. You did mention supply chain changes you have done. If you could share some examples, what were the challenges in last few years, and how you have tried to mitigate that, and what changes have you done in INTUNE? It would be helpful.

Kavi: Okay, thanks Ankit. For INTUNE specifically, because they hardly have any presence in East. So, the early festive didn't, materialize them. It was not a strong number for them.

Ankit Kedia: But Hyderabad is a big market, probably.

Kavi: True, Hyderabad is a big market, but we also have a very strong presence in North and Gujarat, and all of them got heavily hit by the shradh also coming in between. So, for INTUNE, that number is not that much of a difference. I think in supply chain, as you rightly said, there were a lot of things in getting our supply lines stronger, getting the full consumer promise of getting a weekly drop, ensuring that the density in the stores also increased, because we went with a certain set of estimation in terms of inventory when we also looked at and spoke to the customers and got the feedback. I think we increased the choices.

And again, I think a lot of work happened on the store facades. We changed the fixtures in our stores. The brightness, the lux levels have also increased. So, I think a lot of work has happened across getting the right partner, getting the frequency of delivery stronger, and then also on the basis of the fixtures and the way the stores looked and feel. And I think that has started adding results to us, Ankit, and we are now building on that piece and working on that.

Ankit Kedia: Also, last quarter, Devang had mentioned that by the end of FY '26, we should be breakeven at the store level. Given the losses that we have this quarter, are you confident that, at least at store level, INTUNE should break even in FY '26?

Karuna: Ankit, when you say FY '26, are you referring to March 26, Ankit?

Ankit Kedia: Yes, yes.

Karuna: No, very unlikely it will happen. See I mean, while in the first half we have reported losses, in the second half, we are working on a number of initiatives to reduce the losses to almost half. So, that being the case, in FY'26, we do not expect at the store level to breakeven. Probably in FY'27, we will be very, very close to breakeven. We may not be able to breakeven, but we will be very close to breakeven in FY'27 at the store level.

Ankit Kedia: Sure. So, that will be year three at store-level breakeven for INTUNE.

Karuna: That's right.

Ankit Kedia: Sure. My second question is for the departmental store. Store opening continues to remain muted with a 10-year high like-for-like growth for the quarter. Do not you think we need a revision of store opening? What is taking us back to not open stores in the departmental store despite strong footfall growth and like-for-like growth?

Kavi: I would love to open, I would love to double the store opening. I think when we started this year, we were looking at around six to seven stores. The visibility which we have, we have increased it to nine. We will keep on looking at the properties because typically these are larger stores, Ankit. Like, for example, we had a plan to open four stores in Q2 only, right? But because of approval, OC, various things, they got delayed. In fact, the two stores which we are planning to open in Q2 are opening, one of them is opening in Ludhiana by the end of this weekend, other in other weeks' time in Hyderabad. So, the ability to turn around a departmental store is a variable which is not completely in our hands. Having said that, I think we will have between nine to ten stores between Q3 and Q4.

Ankit Kedia: And these nine to ten are gross stores or net stores, Kavi, for the year?

Kavi: Okay. So, I think for the year. These are net stores. I think we are looking at not many closures or no closures at all as we speak.

Ankit Kedia: Sure. Second question on departmental stores is, what is leading to this high single-digit like-for-like growth? Is it early festive years as well which aided growth for us? And is the momentum for second half very strong, led by certain brands, certain categories? Because you did mention premium product grew at 14% versus 9% overall for departmental stores. Because other companies are not talking of this number, what we have reported. We just wanted to double-click to see if it's sustainable or it's one-time, near double-digit growth.

Kavi: Okay. So, Ankit, it's a very good question. What I think now, if you look at it continuously from Q3 last year, we have been around 5% to 6% or 4% to 5% like-for-like growth. When we entered into Q2 this year, we have shown a 9.4% growth. My July growth is around 6% - 6.5%. My August actually is around 10% and so is September. What I am saying is it is not only related to the festive early coming in. That's one. Second, and as we have entered into the October and one of the fears was that October was where the festive had got people. So, what we are seeing is that October is showing some incredible numbers of growth. And to be honest, I have not seen these kind of growth numbers in retail for a very, very long time. And I think as a team, we are pleasantly surprised.

Now, how is it coming through? It is coming through one, increase in customer entries. So, customer entry is really, really growing very, very high. And we had a 6% like-for-like growth for the quarter, complete quarter. It is at a higher level now as we speak. So, that is one. Second is, we are seeing a growth in our premium portfolio. So, as you rightly said, 14% is the growth for premium portfolio, and for overall it is 9%. So, it is obviously over-indexed on that. "Black card", which is the heart of our First citizen program or whether it is the "Silver Card", I think the card system is really working well.

And I remember, seven to eight quarters back when we started talking about this, there were questions around Black Card means higher cost, the personal shoppers mean higher cost, but the investment which we have made then are now playing

through. So, any strategy which we do once it takes time to execute, but I think we are in the execution stage now. It is the first stage of execution, and I think this will keep on getting built.

My sense is that while we have always been conservative in talking about growth and giving estimates, but Q3 will continue to be very, very strong. October, the post-Dussehra, currently as we speak, we are double digit like-for-like growth, more than what we also did in September. And these are like very, very strong numbers. And we do not see them as one off.

Ankit Kedia: Sure. My last question is on the beauty portfolio. While we have seen strong growth in beauty distribution business, and it continues to be at a Rs. 400 crore plus run rate, but in the core EBOs and in shop-in-shops, we are not seeing growth there, right? While last quarter we did allude to high discounting, but now it's been like multiple quarters that the growth in the EBOs in beauty is just not happening, or it's below the company average. So, is there a thought process of what we are doing here should change, or we will just let the market forces dictate terms and just sit on the sidelines here?

Biju Kassim: Hi, this is Biju here. To your question, the first point is that retail have posted mid-single-digit positive growth. And if you look at it for us, the premiumization as a journey is doing extremely well on the Prestige segment. And you can see that the Prestige segment is doing far ahead of the overall beauty. Acknowledge the fact that at the masstige level, the pressures still continue, and there is no different narrative. It's exactly similar to what has happened.

We have decided to play on the expression engagement and education group, which is auguring well on the Prestige segment. And we continue to do well there, which is led by fragrances. Not letting go of the opportunity that may come through, because at the end of the day, the bottom funnel is very important in terms of the premiumization journey. But we are clear that we need to have sustainable and profitable growth. And hence, we are focused on the Prestige segment for the moment.

Ankit Kedia: Biju, if you have to give two-year or three-year view on beauty, do you think this category ex of distribution business, we can grow double digit.? Because last two years, we have not been able to grow double-digit in this category. And probably it is a strong pillar of growth, a lot of capital being employed there. And actually, the performance is disappointing. So, do you think next two to three years, you can turn it around and grow double-digit?

Biju Kassim: Look, the fact of the matter is, beauty as a segment is quite overheated. We have to acknowledge the current landscape. And if you think about it, early players who came into beauty driving business through EBOs, at that time was a very profitable business; maybe is not a very profitable business at this stage. But for us, that is a good possibility because we have beauty standalone, that is EBO, brand EBO, beauty standalone, and also the SIS within the department store.

I think it is not too difficult. But yes, on the standalone part, there is some strong headwinds, which we are mitigating, because at the end of the day, the EBO business still excite consumers more from an engagement perspective and the larger assortment perspective, etc. So, I think it's a bit of a combination of all the three elements, and we are fairly confident that we should get into this high single digits in the near future and move past that as well.

Ankit Kedia: Sure. That's helpful. Thank you so much, and Happy Diwali to the team.

Kavi: Happy Diwali, Ankit. Thank you.

Moderator: Thank you. Next question comes on the line of Abhishek Shankar with ICICI Securities, please go ahead.

Abhishek Shankar: Yes. Thanks for taking my question. So, I just wanted to understand, post the GST reforms and whatever benefit has been given to the consumer, I just wanted to understand how much of it is being seen in the stores, like, are people moving from lower value apparels to higher value apparels. Just wanted to understand from the industry perspective.

Kavi: So, Abhishek, thanks for the question. Actually, we primarily operate in a premium segment, So, we have not seen any significant movement, large movement from lower to higher and vice versa. I think the general behavior, the way brands were working, and the brands were being used before consumed by the customer, it continues to remain the same. So, we have not seen any specific benefit. I think it is the same thing, there is no change, if I can answer you.

Abhishek Shankar: Okay. But how has been the general trend.?

Kavi: Frankly, I am not sure that in the premium segment there has been many changes. And the brands and the categories which we operate primarily, there has been major impact of that. Direct impact of that. Yes.

Abhishek Shankar: Sorry. I could not hear you. I am sorry.

Kavi: I am saying that there has been no major impact for us and we do not see that.

Abhishek Shankar: Okay. Thank you so much for my question and the answer. Happy Diwali to you. Thank you.

Kavi: Happy Diwali. Thank you.

Moderator: Thank you. Next question comes from the line of Jai Prakash, an individual investor. Please go ahead.

Jai Prakash: Good evening. First of all, thanks for taking my question. I have been attending the Investor Conference for the Shoppers Stop from last year to this year. You have been reporting sales around Rs. 1,100 crore, plus or minus something. But the share price, I mean, the value for the return for the retail investor has been almost nearly negative growth, you have given negative return to the shareholders, I have been consistently asked for a dividend or any other thing, last five years also you haven't given anything and compared to, I asked many times that the debt level it has not been reduced also. There is a promoter pledge for 9%, it is almost three years. In future is there any way to turn all these things positive and any value for our retail investors?

Karuna: Jai Prakash, thanks a lot for the question, let me take one by one, see the retail has been impacted by the slowness in the last two years, whereas this year the Shoppers Stop performance beat in Q1 and Q2 has been quite strong. We cannot determine the market prices because there are a number of other reasons the market prices are behaving in a different way. As far as Shoppers Stop performance is concerned, our Managing Director Kavi, spoke in detail about three sectors, how the core has performed, in fact the core has performed with a growth of 9%, with a strong growth in bottom line.

We have also invested in the new business, INTUNE and SSBeauty.in, which, because of the investments, it has reported losses and our 100% subsidiary Global SSB has grown by 103%. So, the sales have grown, the profits have grown. Probably it will take some more time even for INTUNE and SSBeauty.in to either break even or reduce the losses. And overall, the Shoppers Stop performance will be better than what it is right now. So, that's all we can answer, Jay Prakash, while I understand your concern

Jeya Prakash: Yes, I would also understand your management, the thing is that whether it is seasonal or non-seasonal, our top line is reporting almost to that level, that if you are unable to break Rs. 1200 crore above and grow above that level, it is for the fifth quarter, as I said now. Is there anything you could do something innovative that you can increase that sales, once you see, if you are not able to increase our sales, means all other parameters which cannot be improved, is that in the management mind?

Kavi: This is Kavi here, so we hear your concern, I think the growth which you have started seeing from this quarter is a signification of how we are going to go ahead, I am quite confident that the growth numbers would come in very, very strongly, please have some patience with us. I understand and appreciate what you have said. As we go through this journey, you will see a much, much stronger Shoppers Shop, and I am sure you will not regret or disappointed being with us.

So, we ask you for some more time and patience as we turn around the business and drive growth. And you can see that in the last two quarters, we have started seeing this growth, and you will see this going forward, and I am really, really looking forward for how we perform in Q3. And what we will also do is, I will request my team members to reach out to you for further explanation and any details you need.

Karuna: What I will do, Jeya Prakash, I mean, probably I will get your telephone number and we will talk one-on-one with you, probably to understand further your concerns.

Moderator: Thank you. Mr. Jeya Prakash, please rejoin the queue for more questions. Next question comes to the line of Tejas Shah with Avendus Spark, please go ahead.

Tejas Shah: Hello, hi, thanks for the opportunity. So, government has kind of taken a big bet on reviving consumption for the last 15 months, multiple interventions or initiatives that they have taken. Now your numbers are kind of instilling some hope that they might be working. So, just wanted to understand your read. Are you seeing any sentiment revival at consumer level or these all are efforts which are actually leading us to gain market share, and sentiment remains the same largely?

Kavi: No, Tejas, great question. No, I think it's a combination of both. It will be very wrong from our part to say that the sentiments are poor and it is only Shoppers Stop and it's the things which we are doing, which is driving 9.4% like for like growth. I think it's a combination of both. You can maybe contribute 50% to both the factors. There's definitely a demand increase. And as I was mentioning in my commentary before and to one of the questions actually, the kind of, especially over the last seven or 10 days, the kind of run up we are seeing to the festive as a retailer and as a student of retail for the last 27-28 years, I have seen this kind of pickup last in 2007-08.

So, I think that it's very, very strong. It cannot happen only through what we are doing as an organization. It comes through a function of both the things, whether it is the market sentiment being very strong, and that also reflects in the customer entry and people shopping more because as a business, we are able to provide more options and curated options. So, I believe it's a function of both, and the market sentiments have definitely picked up.

Tejas Shah: Perfect. And so if we have to double click on this, and if you can share, as you said, as a student of retail also, are there any regional nuances here and this optimism is visible in more footfalls, easier conversions, or is it that bill sizes are also increasing along with all this too?

Kavi: Yes. So, I will answer all. So, earlier, what used to happen, a particular region used to do well and not, but just to give you a sense, and I think it's a great question because while at these conferences or these discussions we do not talk about it, but just wanted to share for the last three quarters, for Shoppers Stop, all the regions have grown. So, this is a broad-based growth. It is not that because Pujo came in September, so East grew, and we grew. This growth is happening, A, across all the businesses and all the regions. So, I think that's wonderful. And that can be cut across Tier-1, Tier-2 metros both. It's not to say that the top five metro cities are growing and others are not growing. So, I think broad-based secular growth is what we are seeing across, and I think that gets a lot of confidence, that's one.

Second, obviously, the customer footfall has gone up. The premiumization, because of that, the ASPs, have grown. I think the amazing thing is that the Items per transaction is also going up. So, if my ABV (Average Bill Value) has gone up by 8%, ASP has grown up by 6%, and the IPT has grown up by 2%. So, we are actually seeing a mixture of people buying more and people buying more premium. Obviously, with the impact of the greater personalized service, the personal shopper, the curation which we have, has helped us to gain and maybe additional market share. But the fact is that there is growth trends across. And what we really find encouraging is that the volume growth has come, which I think at a high ASP is very good.

Tejas Shah: Perfect, sir. And so last follow-up here, the one nagging point for urban consumption, what we are picking up is that IT job creation has not happened, and they are very specific to certain urban locations. So, and then you are also well-interested in some of those locations. So, any read-through there, or is it like it is not impacting us in the centers, like Bangalore, Hyderabad, or Gurgaon, are we seeing any pressure there, or they are also part of the secular growth that you just spoke about?

Kavi: They are a part of secular growth. We see Hyderabad doing extremely well. We see that Bangalore is doing really well. And to add to it, Pune, which was a struggling city for us for some time, has also picked up and doing well. Gurgaon does really, really well. So, at this point of time, as we speak, we do not see that pressure.

Tejas Shah: Sure. And sir, last one, a bit nagging perhaps. When you talk to the mall owners, because you are part of many such formats, where the footfall is organic also. Do the mall owners say that we are doing disproportionately better than others, or we are actually part of that overall growth in general?

Kavi: We are doing better than others. Disproportionately is an adjective which I would love to believe, but I think I should not believe in. I think we are doing better than others.

Tejas Shah: Perfect. Very assuring. Thanks, and all the best and happy Diwali to the team.

Kavi: Thank you. Thank you. Very happy Diwali.

Moderator: Thank you. On behalf of Shoppers Stop Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.