

FC/SE/2025-26/36

August 19, 2025

National Stock Exchange of India Limited

Exchange Plaza, C – 1, Block G,
Bandra-Kurla Complex, Bandra (E),
Mumbai-400051

Symbol: FIRSTCRY

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

Scrip Code: 544226

Sub: Transcript of the Audio-Video Earnings Call | Quarter ended June 30, 2025 results

Ref: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”) and our earlier intimation dated August 07, 2025 bearing reference no. FC/SE/2025-26/28

Dear Sir/Ma’am,

In terms of Regulation 30 and Regulation 46 read with Para A of Part A of Schedule III of the Listing Regulations, please see enclosed herewith transcript of Earnings Call with the Analysts/Investors held on Wednesday, August 13, 2025 post announcement of Un-audited Financial Results (Standalone and Consolidated) of the Company for the quarter ended June 30, 2025.

The audio-video recording of the Earnings Call along with the Transcript has been uploaded on the Company’s website and the same can be accessed from the link provided below:
<https://www.firstcry.com/investor-relations/quarterly-results>.

We request you to kindly take the aforesaid information on record.

Thanking you,

Yours sincerely,

For Brainbees Solutions Limited

Neha Surana

Company Secretary & Compliance Officer
ICSI Membership No.: A35205

Encl: Transcript of the Audio-Video Earnings Call



“Brainbees Solutions Limited (FirstCry) - Earnings Call Q1 FY26 Results”

August 13, 2025, 6.00 p.m. IST

Management:

Mr. Supam Maheshwari
Managing Director & CEO

Mr. Gautam Sharma
Group Chief Financial Officer

Mr. Vivek Goel
Chief Business Officer

Mr. Abhinav Sharma
Country Head, Middle East Business

Mr. Anuj Jain
CEO, Globalbees

Mr. Anish Arora
Investor Relations

Mr. Anish Arora

Good evening, everyone. Welcome to Brainbees Solutions Limited Q4 and Financial Year 2025 earnings call. This is Anish Arora, and I have with me, Mr. Supam Maheshwari, Managing Director and CEO of the Company, Mr. Gautam Sharma, Group Chief Financial Officer, Mr. Vivek Goel, Chief Business Officer of the Company, Mr. Abhinav Sharma, Country Head of Middle East Business Operations and Mr. Anuj Jain, CEO Globalbees.

Kindly note that this call is meant for analysts and investors of the Company. We wish to highlight that the call is being recorded and by participating in this event, you consent to such recording, distribution and publication. All participants have been muted as per the default mode and participants will be unmuted once we open the Q&A forum for the members to ask questions after the presentation from the management concludes.

We will be covering the presentation in the beginning of the call and we will there after open for the Q&A forum. We would like to point out that some of the statements made in today's call may be forward-looking in nature and the disclaimer to this effect has been included in the investor presentation shared with you.

With this, I hand over to Mr. Supam Maheshwari.

Mr. Supam Maheshwari

Thank you, Anish

Good evening, friends. Welcome to our Q1FY26 performance update meeting. We are very happy to report 25% growth in our adjusted EBITDA for the consol business for the first quarter, vis-a-vis, the Q1 FY25. Also at a consol level, first time we have become Free Cash Flow positive, at a consol business level. Growth in Q1 in India multi-channel has got moderated on count of several factors. Broadly due to slow down in the

consumer sector, consumption side and macro factors, including changes in the last mile delivery ecosystem, which also impacted our performance in the Q1. And a bit of an elevated geopolitical tension in North India. All of these have led to a little slower growth than what we had anticipated. However, we see encouraging signs in the month of July. We have observed the growth in early teens in July, over the previous July. Overall, our India multi-channel business continued to be PBT and Free Cash Flow positive in Q1FY26.

International business continued to deliver, as we have discussed in our few previous calls. We have been able to deliver sustainable growth, with an improvement of 30% year-on-year in the adjusted EBITDA, that you'll see in the subsequent slides. And we will continue our path on this sustainable growth for the International business and reducing our burn materially.

And on the Globalbees front, we delivered another strong quarter of organic growth, with core categories driving the significant momentum, close to around 40%.

I hand over, now for more detailed discussions and updates to Gautam.

Mr. Gautam Sharma

Thanks Supam.

So this is the performance summary for the consol business. The revenue in Q1FY26 has grown by 13% year-on-year to reach INR 18,626 million. We continue to improve the gross margin, the gross margin expanded by 82 bps. It's an absolute increase of 15% year-on-year. Adjusted EBITDA, which Supam talked about in the previous slide, it has increased by 25% in absolute terms, year-on-year. And if I talk about the percentage of the Adjusted EBITDA to revenue, it's 5% over 4.5% in Q1FY25. Cash profit after tax, which is the net profit,



the net accounting profit after adjustments of the non-cash items, it has increased by 197% over Q1FY25.

The next slide, we will talk about some of the KPIs, the consol KPIs. Annual unique transacting customers, this is for trailing 12 months, is 10.8 million, which is an increase of 14% over June last year. Similarly, GMV for the consol business, which is the India multi-channel business and the Middle East business, has grown by 9% over Q1FY25. The next two pointers we have talked about in the previous slide, that is the revenue from operations, on a consol basis, as well as the adjusted EBITDA. India multi-channel adjusted EBITDA, which is the core business, it has delivered a growth of 12% over Q1FY25, largely driven by the expansion in the gross margins. We will talk about in detail, for the India multi-channel business in the coming slides. Cash profit after tax, we talked about in the previous slide, it's an increase of 197% over Q1FY25.

Now, I will hand it over to Vivek to take you through the performance of the India multi-channel business.

Mr. Vivek Goel

Thank you, Gautam.

As Supam mentioned in his opening remarks, Q1 this year had multiple moving parts for us. While the broad-based consumer slowdown, which we mentioned in our previous calls, continued, we also faced challenges in our last mile delivery ecosystem, which actually impacted the consumer experience in our online business. Q1 also witnessed close to a week sale in northern states getting impacted due to the India-Pakistan conflict. We also saw an unusually soft summer, which was caused by the early onset of monsoons, which further impacted our performance. Offline growth was also impacted by the store closures that we did in Q3 last year, as some of the sales remain in the base of Q1 last year for the same stores.

However, as Supam mentioned, that we have witnessed very encouraging signs of growth in July. I want to reiterate that while some of these things have impacted our growth in Q1, we have successfully navigated such challenges in the past, and we will surely do so, in the coming quarters.

In terms of numbers, our Annual Unique Transacting customers in India multi-channel business has increased by 14% to 10.3 million. Orders grew by about 6% to 9.5 million and GMV growth was 10% at INR 21,265 million. Anish, if we can move to the next slide. The revenue for India multi-channel business grew by 8% to INR 12,366 million. Our adjusted EBITDA grew by 12%, for India multi-channel to INR 1,067 million.

Mr. Gautam Sharma

Just to add here, we continue to expand our gross margins. You can see, the numbers highlighted in green. Gross margin of 36.6% in Q1FY25 has increased to 37.8% in Q1FY26.

Mr. Vivek Goel

Okay. I'll hand it over to Abhinav for the Middle East presentation.

Mr. Abhinav Sharma

Thank you, Vivek.

Good evening, everyone, and thanks for joining us over the call this evening. We'll just quickly go over the International business segment. We are seeing continuous growth across all key metrics. The levers in play, as we have outlined this in our previous calls, that sustainable growth is of prime importance and focus for us in this region, for both UAE and KSA, and we've been continuously executing our plans to achieve that kind of growth by essentially optimizing the top-line mix, which thereby yields a superior GMV to revenue conversion, which you will see in the subsequent slides, and also superior margins. And also ensuring that our quality of acquisitions are very very high, or very very superior, because

this, in turn, adds to our overall sustainability idea and vision going forward.

We saw a 14% increase in AUTC in Q1FY26, over Q1FY25. 7% increase in orders, the same time period, and GMV grew by 3% in the same time period. However, we saw a 13% increase in revenue, and we've mentioned it before, that for the International business, revenue is a more apt number versus GMV. So we grew from INR 183 Crores to about INR 207 Crores. Gross margin expansion was about 100 bps. More importantly, maintaining an equilibrium between growth as well as burn reduction. Our adjusted EBITDA improved both in terms of absolute as well as percentage points. Absolute reduction of 30% from INR 30 Crores to about INR 21.5 Crores. And percentage reduction by 700 bps.

Anuj, over to you for Globalbees, please.

Mr. Anuj Jain

Thanks a lot, Abhinav.

Good evening, everyone. On the Globalbees front, we're very happy to report a 31% year-on-year growth from INR 324.5 Crores in Q1FY25, to INR 426.5 Crores in Q1FY26. The Adjusted EBITDA as a percentage of revenue was 1% in this quarter. Our growth has been completely organic. The last acquisition that the company made was in September 2022. Globalbees operates in the core categories of Home Improvement and Utilities, Home Appliances, Health and Personal Care, and Active, Lifestyle and Accessories. These core categories contribute around 95% to our business. If we slice the numbers, revenue from core categories increased by 40% plus year-on-year and these categories delivered an adjusted EBITDA, post-corporate expenses of 4.5% plus in Q1FY26.

As mentioned on the previous call, we continue to rationalize the brand portfolio across other brands. Therefore, the

margins will be weighed down due to that for a few more quarters this year. However, this rationalization will be complete in this financial year itself.

Gautam, over to you.

Mr. Gautam Sharma

Thanks Anuj.

So this is a repetition of what we talked about in the first few slides, a summary of the consol performance. Revenue grew by 13%, margin expansion by 80 bps. And the adjusted EBITDA expansion by 50 bps, which is an absolute increase of 25% year-on-year.

This is where we end our presentation.

Mr. Supam Maheshwari

Happy to take more questions.

Mr. Anish Arora

Thank you, team. We can wait for a few minutes for the queue to get formed, and then we can start with the Q&A.

I request participants to raise the hand for asking questions. We will unmute you one by one, and you will have the access to the mic. Please introduce yourself and the name of the organization you represent. The participants are also requested to limit their questions to a maximum of 2. For any follow-up questions, you may join the queue again.

First question is from Mr. Sachin Dixit. Sachin, please unmute yourself.

Mr. Sachin Dixit

Hi Gautam and Supam. This is Sachin Dixit from JM Financial. I had a couple of questions. So my first question was on India multi-channel business, where growth continues to get worse. And the question largely is, what can we do as a company, to drive growth out there, right? Because the weather-related impact, late winter was there, then early end

winter, now early end to summer, so these things will keep on happening. But what, as a company we are pushing to drive growth. Because until now, our online growth used to be good, but if I'm calculating the numbers correctly, even online growth seems to have dipped to, like, 11.5-12% this quarter.

Mr. Supam Maheshwari

Sachin, I understand where you're coming from, and it's a very fair question. Some of these things, external event, may continue to happen, it's not in our control. We need to focus on what is in our control. And that's what we are working towards. Part of it is visible, and part of it will probably, we'll be able to continue to demonstrate.

So first, factual information is that July over July, the performance in India multi-channel has been, in early teens in terms of growth. So I think we are back on quite a good sort of a shape. And, we strongly believe that we should continue to deliver similar trajectory for the rest of the year as well. Having said this, what are the factors that will help us, that we are actually working towards? One of the most important things that we are working towards is building our, you know, the impact that has been on us is from a last-mile customer experience perspective. And I can talk about both online and specifically on offline as well. So in the online, the impact has been largely because of the customer experience, and there have been, consolidation in last-mile logistics sort of service network, in the ecosystem, we all know that. And that has shrunk some of the capabilities. But at the same time, there has been a lot of demand that has been generated out of some of other players, which essentially led to a demand-supply gap, leading to supply being constrained and leading to industry average going down in terms of delivery performances, which we believe, we need to work upon. And, as you would remember, we had started an experiment, a couple of months back. We talked about in the last quarter. Happy to report that we have expanded that experiment to now four cities. And we will continue to expand that to many

more cities, over a period of next few months. And there we have seen the results of a much superior growth year-on-year basis in those cities, where our tech platform and our local regional logistics partners are able to deliver a much superior customer experience, and able to have that growth back. So we believe, over a period of next few quarters, we will continue to work on it. Probably it'll never finish, that work will never finish. But, it's something that we want to really expand aggressively to control that customer experience, and being able to get the growth back. This is one thing that we are doing from an online perspective. Rest are things, from an online perspective, we continue to depend on some external factors like, environmental factors that unfortunately, we can't control. From an offline perspective, yes, there have been unseasonal rains, they do impact offline stores. But, we believe that, and the stores that we had closed in Q3, which Vivek talked about, were there in the base of Q1. Hopefully, once that base is gone, then I think you should be able to see superior growth, and some of the store size discussions that we have done last time around, will help us in improving our capital efficiency. So I think those are the ways that we are addressing the broad consumer slowdowns, especially in the offline, but we are very confident that what we have seen in July will continue to be able to live for the rest of the months in the fiscal year FY26.

Mr. Sachin Dixit

Just a quick follow-up on that, are you happy with the speed of store expansion, offline store expansion, that you're doing in COCO format?

Mr. Supam Maheshwari

See, look, I think we have put ourselves in a constrained way to be able to deliver that. We have optimized that. We will add in FY26 close to around 90 to 100 stores, what we added around 90 stores in FY25 as well, so that is what we'll be delivering for FY26 as well.

- Mr. Gautam Sharma** So the focus, Sachin, is to better the capital efficiency of the offline business.
- Mr. Sachin Dixit** Right. Got it. Sure. My second question is on Globalbees, which is a business which continues to surprise positively every quarter. On that piece, I mean, two minor questions. The first one is, do you plan to start acquiring brands anytime soon, there? And secondly, as FirstCry investors, can they anticipate any liquidity from that business getting demerged, having its own IPO, or anything like that? Those were my two questions. Thank you.
- Mr. Supam Maheshwari** Anuj you want to take that, or you want me to take that? So, second question we'll take.
- Mr. Anuj Jain** Yeah, sorry, I was just unmuting. Yeah, Supam, carry on.
- Mr. Supam Maheshwari** No, go ahead with the first question, at least let's answer the first question, on the acquisition bit.
- Mr. Anuj Jain** Yeah, so on the first question, we have in our core categories, we already have quite a few categories and I think we have a very good spread of play to be able to grow, and it is very important for us to prioritize consolidation and financial prudence for us to be able to continue to grow with this kind of a margin profile. Therefore, acquisitions are not something that are on the cards or under consideration right now.
- On the second part, I'll let Supam take it on.
- Mr. Gautam Sharma** Just to add here, Sachin, the last acquisition we made was in September 2022. So, whatever growth we are delivering since the last couple of quarters, it is all completely organic growth.
- Mr. Sachin Dixit** Yes, completely.

Mr. Supam Maheshwari So, on the second question, Sachin, from an exit path perspective, from a monetization for the shareholders of Globalbees. The company has a separate management team, which is run separately and also it has its separate board, and also it has a separate set of investors as well, apart from Brainbees as well, which includes Premji, Lightspeed, and Chiratae, and so on and so forth. Having said this, the most probable outcome for Globalbees as an outcome will be listing, which company and its shareholders will decide over a period of time, is when Brainbees also will find a monetization opportunity over a period of a few years.

Mr. Sachin Dixit Fair enough. Thank you, and All the Best.

Mr. Supam Maheshwari Thank you, Sachin.

Mr. Anish Arora Thank you, Sachin. The next question is from Sachin Salgaonkar. Sachin, please unmute yourself.

Mr. Sachin Salagonkar Thanks, Anish. Good day, management.

A couple of questions from me, one on the core multi-channel business, and one on International. On the core multi-channel business, two parts to the question. One, are we seeing the impact of quick commerce on the business? And the question is because, you know, you guys are experimenting with this faster delivery in four cities, and clearly you're seeing traction. So I guess there is appetite for customers to get products at a much faster pace out there. The second part of this question is, clearly there were three factors which impacted the growth this quarter, consumption slowed down, last mile challenges, and what we saw in terms of the geopolitical issue. Now, the geopolitical issue is behind, and generally wanted to understand, Supam and Gautam, your thoughts on the consumption slowdown and last mile challenges. These have been there for a quarter or so, so what's the kind of a steady-

state growth we should expect going ahead? At least for a few quarters before these things normalize.

And, just to, call out my second question, I wanted to understand, again, the steady-state GMV growth for International business. We did see a 3% growth this quarter. How should one think about steady-state growth, and what are some of the things we should see from FirstCry to reach to that level?

Mr. Supam Maheshwari

Sure, Abhinav, you want to take the second question first, and then we can come to the first one.

Mr. Abhinav Sharma

Yeah. So, before I answer that question, I missed an update, a very important one for everybody. So very happy to announce that, in the Middle East, we'll be setting up our first store and operating our first store out of Riyadh in Saudi Arabia, well within the timelines of this quarter. Before the end of this quarter, we'll be live. So, this is our first step, baby step, while we go towards our omni-channel play, and a great testament again to the India playbook that we've evolved and developed over the last decade and a half.

So Sachin, so first off, on the GMV, I would like to mention that for the International business, I think the right sort of a number to look at is a revenue growth, not GMV growth. So, in terms of your question on the sustained growth or a steady-state model, I think, too early, right now. Because the reason why I'm saying this is because KSA is just 3 years old in the market in terms of business, and UAE is about 5, so these are still early days. However, when it comes to growth, we are very clear on our focus of having a sustained model of top-line growth. And when I say sustained, I mean maintaining an equilibrium between generating top line, which is also helping us, at the same time, reducing burn, because that's what we mentioned over the last few calls, and you've seen that in the second slide, where we've reduced the burn in absolute terms

at about 30% or so. So, while we do this, we are very very clear on acquiring customers that are having a very high or a superior quality in terms of retention, and thereby a longer sort of a LTV for us, generating or helping us expand our gross margins as well as strengthening our moats while we do this. This journey, I would say, in its infancy right now, so we need to give it, some bit of time, but the light at the end of the tunnel is very clear. You've seen that the cost or the losses are cut, quarter on quarter, and you would see that progressively from here on. And you will see growth coming as well on the back of both our home brand share improving, the acceptability of our home brands in both markets, UAE and KSA, while we improve the product assortment, product quality, and we sort of acquire and retain our customers, fending off any headwinds that we see continuously with heavy or deep discounting and, very robust or aggressive postures on marketing spends in the ecosystem.

So, our first focus is unit economics improvement and then, from there on, while we do that, from there on, we then double down on our growth and marketing spends. That gives us the sort of an open playing field to expand and to grow sustainably.

Mr. Sachin Salagonkar

And sorry, Abhinav, what kind of steady-state growth are we talking? India business is early to mid-teens. Is that something similar as a growth we should look at, in the International business?

Mr. Abhinav Sharma

In the foreseeable future, I think, yes, because that would be a more sort of a sustained number. But, like I said, once we achieve a unit economics that is helping us, allowing us to double down on our marketing spends, we can then achieve a certain higher growth numbers as well.

Mr. Sachin Salagonkar

Got it. And foreseeable future is 1 to 2 years, I presume, right?

- Mr. Abhinav Sharma** I would say the next couple of quarters, for sure.
- Mr. Sachin Salagonkar** Okay, got it. Thanks.
- Mr. Supam Maheshwari** Yes, Sachin. So, coming back to the first question. So, there are certain factors and we talked about those factors leading to the kind of growth, and I think, look, we are putting our efforts as, Sachin Dixit asked that question. And I think, July is a testimony of that. So somewhere, some efforts are being put by government policies, some efforts are being put by our own efforts, in terms of improving the customer experience and the planning that is underway. And some are external factors, that should be helping us, during the course of our journey, should not surprise us negatively. With all of those, I think July has been a month that gives us the confidence that clearly, we should be in, as I mentioned, it was in early teens for us, July over July. We believe for the rest of the fiscal year, we should be able to demonstrate, or we should be able to deliver the similar kind of a growth for the India multi-channel business. While our focus, on our effort will remain what we can influence, which is delivery experience. And a bit, rest of the stuff, there are so many finer points that we don't want to get into that. Those are related to tech, merchandise and a lot of, a list of activities that we will end up doing, as a management team. However, the key focus areas will remain delivery experience, and we hope, we continue, strongly believe that we should be able to demonstrate what we saw in July.
- Mr. Sachin Salgaonkar** And so, Supam, any thoughts on quick commerce? Is that impacting business, or not so much?
- Mr. Supam Maheshwari** Nothing has changed, Sachin, is what we have mentioned in the last quarter update, or last couple of quarter updates. Nothing materially has changed for us, from a quick commerce, sort of a perspective.

- Mr. Vivek Goel** So, Sachin, the overlap at the category and the brand level is quite small. So, that's what, and that has not changed, per say, from a quick commerce point of view. And as Supam said, the core focus remains on customer experience improvement and the delivery experience improvement, which had actually suffered in the previous quarter.
- Mr. Sachin Salgaonkar** Got it. And Supam, just a clarification, when you talk about early teen growth, are we referring to GMV growth or the revenue growth?
- Mr. Supam Maheshwari** We mean revenue growth.
- Mr. Sachin Salgaonkar** Okay. All right, thank you.
- Mr. Anish Arora** Thank you, Sachin. The next question is from Videesha. Videesha, please unmute yourself.
- Ms. Videesha Sheth** Hi, Thank you. Some of my questions have been answered, just one more from my end. In the PPT, the positive free cash flow which you're referring to, would also be a function of relatively slower network expansion, right? So, once that picks up, do you expect cash flow to return to the negative terrain, as the company would want to focus more on growth or customer acquisition?
- Mr. Supam Maheshwari** Sorry, Videesha, we could not hear your question properly.
- Ms. Videesha Sheth** Is my voice better? Anyway, more audible?
- Mr. Supam Maheshwari** Can you please repeat your question?
- Ms. Videesha Sheth** Yeah, sure, sure. So my question was pertaining to the cash flow. In the deck, it's mentioned that at consol level, cash flow has been, free cash flow has been positive. But what I wanted to understand was that that could also be a function of relatively slower network expansion, or relatively slower store

expansion as well, right? So once the store expansion momentum picks up, do you expect the cash flow to return to the negative terrain, as the focus would be more on growth and customer acquisition?

Mr. Gautam Sharma

So, in fact, Videesha, Supam mentioned that we plan to open a similar number of stores in FY26, which we have opened in FY25, last year. And it doesn't create a significant difference, especially on the Capex front, even if we slowed down a bit in terms of opening a store. See, the cash generated from operations, even after working capital investments, that remains healthy.

Mr. Videesha Sheth

Yeah.

Mr. Anish Arora

Thank you, Videesha. The next question is from Garima Mishra. Garima, please unmute yourself.

Ms. Garima Mishra

Hi. Thank you for the opportunity. First question is on the India business. This quarter, you posted EBITDA margin expansion of 30 basis points. Could you highlight to us the levers available in this business to further increase these margins? And you think the current pace of margin expansion is somewhat constrained because revenue growth has been under pressure?

Mr. Gautam Sharma

So Garima, the encouraging sign is, I would say, a gross margin expansion. If you see, gross margin for the India multi-channel business is continuously improving. Even in Q1FY26 over previous year, Q1 of FY25, we have improved the gross margins by almost 120 basis points. We could not get the same benefit in the EBITDA margins, largely because of the two reasons. One is because of the constrained in the offline growth, we got a de-leverage on the fixed cost. And plus, the experiments we are doing to improve the last mile delivery experience for the online business, and the mix between the online and the offline has slightly changed, because the online

business, tends to have more logistics costs compared to the offline business, that cost has also increased, and that's the reason, the EBITDA margin expansion has reduced by almost 90 basis points. So, what I would say is the healthy thing, to see is the gross margin expansion, which is continuously improving, and once we see a positive movement in the industry growth, I think this deleverage of the fixed cost should start reversing. We believe that the increase in the direct cost, largely coming out of the logistics cost, is also temporary, and in a longer run, should give us positive results. So, I think what we should see, as a health of margin expansion, is the growth of gross margin expansion, Garima.

Ms. Garima Mishra

Okay, understood. Now, again, sticking to the India business only. Our CACs in the business have traditionally been very low, right? Do you think you need to spend more towards customer acquisition, or maybe even retention? To sort of drive up GMV etc, any other growth driver, really.

Mr. Vivek Goel

So, Garima, in the India multi-channel business, we have a very clear focus and a direction on the unit economics we are working on, right. And that focus continues. What we believe is, as some of these factors in terms of consumer experience and broad-based industry growth factors, start turning around, we should be able to double down, because there's an incremental benefit that we can get out of it. So, primarily, we are currently on the path that we have defined for ourselves. And, I think we are going to maintain on that direction.

Mr. Supam Maheshwari

So, Garima, just to sort of add on this, I would say that, look, gross margin and our growth, these are two independent objectives, these are independent paths, they're not interrelated in that sense, because, we will continue to see a gross margin improvement because of several reasons we have talked about in our previous calls, and those are structural plays, that'll continue to help us to generate more

gross margin. While our business is slightly different than other businesses in the online space in terms of spending more to generate, customer acquisitions and cohorts and so on and so forth. We need to fix a certain bit of a delivery experience to be able to ensure, we are on track from a new customer acquisition window. As you're seeing in AUTC as well. But at the same time, once overall consumers slow down also changes, and our delivery experiences also improves, I think some of those things we'll actually start seeing in the yield that comes out, from the marketing spend that we do, otherwise, it'll not be as productive as we would wish to be. So we are on track, hopefully, in next couple of months and quarters, we'll be able to improve what we want to control, and once that happens, I think our similar marketing expense will deliver a lot more superior result, and you will see the benefit of what Gautam also talked about, the benefit of gross margin expansion yielding to the higher EBITDA expansion as well..

Mr. Gautam Sharma

And in fact, if you remember, Garima, the slide which we have presented during the last quarter call, that was largely on cohort. The cohort is continuously improving, year on year. So, we talked about cohort for the four different periods, you can see that's the power of the multi-channel business, the cohort is continuously improving.

Ms. Garima Mishra

Understood, Got it. Maybe, last one from me, if I may. Is there any SSSG number that you can share for the India offline piece?

Mr. Supam Maheshwari

Garima, on that, it'll be difficult, as we have already explained to you, that our model is different from a traditional retail model. At a catchment level, or at a city level, is what we should look at. We've spoken at length in previous calls as well, that the model is, offline, our store model generates, similar kind of contribution margins. There's no material difference post-marketing, post-rent, between the two,

online and offline, and that is what gives us the encouragement to continue to expand at a wallet share basis, in that catchment, for those customers, and increasing our market share, that is what we look at, we want to focus on, rather than pure SSSG. Because that may not yield us the right outcome for us, as a team. So, that's how we are maintaining, and that's how we will continue to maintain going forward. Our capital allocation, our focus on the mix of the online and offline, to meet those objectives of wallet share, converting those footfalls into gaining more wallet share, with the customer going both online and offline, or offline and online, both ways.

- Mr. Gautam Sharma** And in fact, we will again take you to the last quarter presentation, wherein, we've talked about the cross-pollination. So 38% of the customers, they transact both online and offline.
- Mr. Supam Maheshwari** For the top 20 cities.
- Mr. Gautam Sharma** Yes, for the top 20 cities.
- Ms. Garima Mishra** All right, understood. Thank you so much.
- Mr. Supam Maheshwari** Thanks Garima
- Mr. Gautam Sharma** Thanks Garima
- Mr. Anish Arora** Thank you, Garima. Next question is from Tejas Shah. Tejas, please unmute yourself and ask the question.
- Mr. Tejas Shah** Hello?
- Mr. Supam Maheshwari** Yes, Tejas. We can hear you.
- Mr. Tejas Shah** Yes. Hi, Thanks for the opportunity. So I joined in a bit late, so apologies if this question has been asked earlier. But India

multi-channel margin, just 33 basis point expansion YoY. I believe that this particular aspect of the business was irrespective of the revenue growth, because we were working very diligently and in a calibrated way on private label or, sorry, your home brand's expansion. So, just wanted to know, is this quarter aberration and we can see acceleration in this going forward in the year? Or there are any more factors which are putting pressure over here.

Mr. Supam Maheshwari

So, Tejas, yeah, we did cover this particular point. Happy to sort of repeat it as well. Look, we delivered 120 bps increase in our gross margin in India Multichannel. Although, only 30 bps got translated into Adjusted EBITDA. The loss of 90 bps happened on account of largely, a few factors, but largely, we would want to call out two factors. One is, some of the experiments that we are doing on the last mile, improving delivery experience and plus some deleverage that has happened in the offline, stores business, because of the growth. I think over a period of next few quarters, as what you see in July, the growth is back in early teens for the entire India multi-channel business, which will help us to reverse the deleverage and also the experiments that we are doing around online, sort of a logistics, it is a temporary phenomenon over a period of time, we will be able to, as we build volumes, we'll be able to bring that back into a normalized sort of a direct cost. And thereby, we'll be able to translate a large, significant part of our gross margin expansion to the EBITDA. And gross margin expansion will continue to happen over a period of time, because that's quite structural in our framework.

Mr. Tejas Shah

Clear. Second, when I scan the broader retail universe, what has happened is that there was a phase of bunched-up demand post-COVID. And a lot of players responded to that by expanding retail footprint. And now, for the last one and a half year, we are seeing that there's a lot of consolidation of demand in terms of footprint happening across. And then, just

in line, in the tune with the demand scenario. So, just wanted to know, we also had a very phenomenal run there. But looking at the new macro realities and consumption in particular, do you think we'll go through that phase of consolidation? First of all, do we warrant that?

Mr. Supam Maheshwari

Look, it's a fair question, Tejas. I think the players who are nimble, who are agile, will evolve. You're right in the observation that we had all seen a very good flip post-covid, during COVID and post-COVID period. The retail saw a lot of jump. I think in this phase of the journey for at least maybe till the time the whole macros change, I think some of these moments give us, give opportunities to players, at least that's what we believe, at least the management team of FirstCry believes, that periods like these are good periods for us to be able to strengthen our moats, strengthen our operating capabilities. And as and when the winds turn around, it will give us the significant flip in a very short period of time to be able to capitalize and deliver sort of an outperformance on numbers. Because those factors that would have helped us to be on improving and perfecting some of those things, whether it is related to last mile logistics, whether it is related to tech, merchandising, personalization, store, sort of a wallet shares, unit economics, I think all of those things will actually make us more nimble, more and I can only sort of comment and assure, all of you, that we as a team are, at least in that cohort of companies which, we'll be far more nimble, and we'll be able to deliver and be able to capitalize when the wind turns around. So I think that's how I would summarize it and we are all going through that phase, but, we remain very confident. We, as a team, in over the last 15 years, have seen several cycles like that. Personally, I've seen more, but as a team together also, we have seen a few cycles like that, but I think, it just makes us stronger.

Mr. Tejas Shah

Sure, and the last one, if I may. Customer additions have dropped dramatically, so just wanted to know, how should we

read on that from market lens perspective? Market share lens perspective?

- Mr. Supam Maheshwari** Vivek, you want to take that? Or you want me to take that?
- Mr. Vivek Goel** So Tejas, the customer additions in terms of both, all our numbers remain pretty stable, right. The CAC and other factors are also quite stable, from that window. I think some of the challenges which we mentioned earlier, as they get solved, we can potentially see that, we can see a better acceleration in that front. And in July, we have already seen that, as Supam mentioned. So it'll reflect in the overall numbers as well, as the individual acquisition numbers, as we move forward in the following quarters.
- Mr. Tejas Shah** Sure. Thanks and all the best for coming quarters.
- Mr. Supam Maheshwari** Thank you, Tejas
- Mr. Anish Arora** Thank you, Tejas. Next question is from Sucrit. Sucrit, please unmute yourself. Introduce yourself and the organization and please ask your question.
- Mr. Sucrit Patil** Yes. Good Evening to the FirstCry team. Am I audible?
- Mr. Supam Maheshwari** Yes.
- Mr. Sucrit Patil** Yeah. Good Evening. My name is Sukrit Patel from isight FinTrade Private Limited. And my question is to Mr. Supam Maheshwari. First of all, I'd like to congratulate the entire team on a strong traction in the omni-channel engagement and private label growth. So my question is, given FirstCry's deep access to early parenting cohorts and the expanding offline footprint. How are you thinking about evolving the platform from a commerce-led model to a lifecycle-led ecosystem, potentially integrating services like, early education, health, or FinTech? Specifically tailored to

parenting milestones and is there a roadmap to monetize trust and data across the many verticals beyond retail?

Mr. Supam Maheshwari

Good question, Sucrit. So, look I think, I would just simply say that we're already in early education. As you know, we have, 300 plus preschools, that we operate, quite profitably. That is part of our fourth segment, it's a small one for us, but from a strategy window, it has very beautiful outcomes for us. Over a period of time, when we will have 1,000 preschools and you will imagine that the strategic benefit that preschools will give us in any catchment. In thousand catchments, over a period of time, we'll have our stores, we'll have a preschool, that essentially helps us to build, brand salience with the customers in an offline way, while online, obviously, we are present. So that helps us to reduce our marketing spend over a longer period of time, as we continue to reinforce our brand in those vicinities of that catchment. So that's while generating an asset light, profitable, very strongly profitable business sort of a model, as well as preschool is concerned. So that is an identified opportunity, we started in 2019. Obviously, we had COVID, and then we continued post-COVID, a good traction on that front. While under some of the other opportunities that you talked about, whether it is health-related or fintech-related, at this moment, we are not going for any new opportunities. Yes, these opportunities, over a longer horizon, we will evaluate. But at this moment, we will remain focused on largely the four verticals that we have been working towards, which is India Multi-Channel. We strongly believe it's a very huge opportunity for us to continue to nail down that. International, UAE & KSA business, we have to make this business profitable on a shorter timeframe. Third, obviously, Gloablbees, continue to do well. And, fourth is this preschool. So we'll continue to remain in this sort of a spectrum right now. Once we have outperformed in some of this, where we feel, we have reason to think beyond that, is when we will probably think about, moving towards, health or fintech kind of an opportunity. They are relevant, they can

add to our ecosystem, you're absolutely right, but at this moment, they may not be the right set of opportunities for us to sort of address.

Mr. Sucrit Patil

Great Supam. That was a very good guidance. Just to close the loop, I just want to understand, just want to pick your brains, as a CEO of the company, as you explore these adjacent opportunities, I want to understand how do you internally evaluate which verticals to pursue? Whether, it's early learning, health, or financials. And, is there a strategic framework that guides you on how to balance between the brands? Evaluate the monetization potential and the execution complexity in each of the frameworks.

Mr. Supam Maheshwari

Sure. Sucrit, while I can answer on this, and to save everybody's time, we can discuss this particular question offline, but I can just guide you. Simply, you look at strategic benefit for the company, for the core business. That's the fundamental point. The strategic benefit has to be really, really super strong, and then you look at it from a ROCE window, in terms of timeframe. So, like, a health business can be very investment unfriendly for the initial few period, few years, which is what we don't want to do it right now. School business, preschool business, was very friendly from a ROCE perspective, because, pretty much it has an infinite ROCE. While it serves our strategic objective, that's how we got into it. And we are scaling it up, and we'll continue to scale this up. So maybe this is, like, a broad framework, strategic benefit, and a clear focus and eye on the ROCE perspective, you align these two. Once these two things, filter out some of these opportunities, and you think whether you want to, then you go to the execution part, in terms of, how you execute, how easy it is to execute, and so on and so forth. So, that's a broad framework, but we can get into more specifics, maybe offline. I hope that helps.

- Mr. Sucrit Patil** Yeah, yeah, great great. Thank you very much, and I wish the entire team best of luck for all your future endeavors.
- Mr. Supam Maheshwari** Thank you, Sucrit.
- Mr. Anish Arora** Thank you, Sucrit. Would request the participants to raise your hands in case anyone has any questions.
- Mr. Supam Maheshwari** Alright. Thank you, everyone.
- Mr. Vivek Goel** Thank you, everyone
- Mr. Anish Arora** Thank you, everyone

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio video recordings uploaded on the stock exchange on 13th August 2025 will prevail.