

# SHOPPERS STOP

SEC/41/2025-26

July 22, 2025

To,

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

**Sub: Transcript of Earnings Conference Call – Q1 26**

We refer to the analyst / investors conference call, on **Friday, July 18, 2025, 11:00 a.m. IST** to discuss the corporate performance for the quarter ended June 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/29/2025-26 dated July 11, 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 46, 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**

**Shoppers Stop Limited**

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

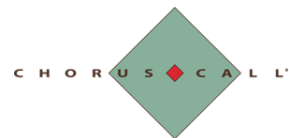
# SHOPPERS STOP

“Shoppers Stop Limited

Q1 FY26 Earnings Conference Call”

July 18, 2025

SHOPPERS STOP



**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 PR, Investor Relations

**Moderator:**

Ladies and gentlemen, good day, and welcome to the Q1 FY26 Earnings Conference Call of Shoppers Stop Limited. As a reminder, all participant lines will be in the listen-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 star then zero 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 PR, Investor Relations team. Thank you, and over to you, sir.

**Pratik Patel:**

Thank you. Good morning. Thank you for joining us on the Shoppers Stop Q1 FY26 Earnings Conference Call. Today, we have with us the senior management represented by Mr. Kavindra Mishra, Customer Care Associate, Managing Director and CEO; 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 on 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 to strategic questions only. Housekeeping questions can be dealt 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, Pratik, and thank you, Steve. Good morning to all. Our team comprises Karuna, our CFO; Jaiprakash, our FP&A lead; and Rohit, our IR lead who are with me. Devang, our INTUNE lead, will also join us later. We have uploaded the investor presentation on our corporate and in stock exchange website. I suggest you go through if you have not already done the same.

I will start with the operating environment, our performance and the way forward. Overall retail industry we observed had mixed trends during the last quarter with a sporadic impact on consumer discretionary consumption due to a few external events. However, we delivered a resilient performance in this tough quarter, underpinned by a disciplined focus on profitable growth and sharper execution across businesses.

I will start with our operational KPIs, followed by financial performance and strategic pillars. On customer entry, I'm extremely happy to inform you that after several years, there has been a growth. In my last speech, I said for April, it was flat, but the progress in May and June was good.

For the quarter, our customer entry was flat due to the closure of stores in last year. However, on a like-to-like basis, the customer entry has improved by 2 percentage points. Our ATV, similar to previous quarters, has increased by 6%, just to reiterate, post-COVID, our CAGR of ATV has been 8% in the last 20 quarters. The increase in ATV was driven by both ASP and IPT. The ASP increased by 3% and IPT by 3%.

On the financial performance, non-GAAP, sales increased by 6% with 5% LFL in departmental stores. Our EBITDA increased by 68%. As you would have read in the investor deck and you would have observed, KPIs have improved across all parameters in departmental stores. Our new investments in INTUNE, there have been overall challenges in the value fashion, further aggravated by deep discounts by our peers in the month of June.

Before I end the speech, I will dwell in detail about INTUNE performance and way forward. Our operational expenses, including new stores, but excluding INTUNE have declined against last year by 2 percentage points. Reducing operational expenses is a crucial deliverable that directly enhances profitability by streamlining costs and maximizing overall efficiencies.

On the GAAP accounts, due to the large store openings, particularly in INTUNE, we have additional depreciation and interest as per IAS 116 of INR17 crores, something which I had informed in the last quarter as well. This will continue for the next few years as we plan to keep on investing in INTUNE and the departmental stores. If you need any specific details for the last quarter, Karuna can provide that post my speech.

Our Beauty business delivered a growth of 17% on a consol basis. We have invested behind acquiring new customers, latest brands and continue to invest on makeup experiences in the store. We have been accelerating the number of makeovers we do in our store, where across our physical store network, we are engaging customers that results in former education, further education and growth of beauty consumption.

It's my privilege to speak to you today about Shoppers Stop's transformative journey towards premiumization, the growth it has unlocked and the profound impact which it has on our customers. Our journey began with a clear vision to elevate the shopping experience and set new benchmarks in the retail industry. Recognizing the evolving aspirations of our consumers, we undertook a comprehensive strategy to introduce premium brands, exclusive lines and an enhanced store environment.

This was not merely an upgrade of physical spaces. It was reimagining our brand's promise to deliver quality, sophistication and innovation at every touch point. Investing in premiumization meant curating a portfolio that resonates with discerning shoppers. Well-known global labels and high-quality private brands now line up our shelves, offering consumers a distinct sense of exclusivity. Our commitment to excellence extended to our staff as well.

Intensive training and new service protocols have ensured personalized and attentive engagement, particularly our personal shoppers are making each interaction meaningful. To give you the results, our ATV, if engaged by our personal shoppers are circa 3x of our normal ATVs. Similar to this, the ATV with our distinguished Black Card customers is 2x of our normal ATV. The results of these initiatives have been significant.

Shoppers Stop has experienced sustained growth, both in terms of footfall and customer loyalty. Our premium offerings have attracted a broader, more aspirational demographic. The engagement on our loyalty programs has surged and repeat visits have become the norm as customers have come to expect and receive service and experiences that go beyond transaction. The impact of this journey on our customers is both tangible and lasting.

The elevated service and bespoke experiences foster a deep sense of belonging and trust in our brand, transforming routine shopping into an occasion to remember. In conclusion, Shoppers Stop's commitment to premiumization has not only driven impressive growth but has also redefined what it means to serve our customers. As we continue to innovate and set higher standards, our focus remains steadfast to enrich the lives of everyone who walks through our doors and to make every shopping experience memorable.

With these efforts, our premiumization has increased to 67% and the premium plus products and premium products had an increase of 9% like-to-like versus last year. I also wanted to talk about the 2 marketing campaigns or brand IPs, which we call them, which were extremely successful in FY'25 and continue to deliver sustained higher results. I have been speaking about India Weds with Shoppers Stop for the last 2, 3 quarters. Just to recall, it's a comprehensive initiative offering a wide range of wedding-related products and services. And it's an effort from our side to make Shoppers Stop a one-stop destination for all wedding-related shopping needs.

For this quarter, we enrolled 58,000 customers, and we had an aggregate sales of INR154 crores through this campaign. We have recently started the "Travel Edit" at our store in collaboration with SOTC. We collaborated with them to expand brand narrative of beyond retail into aspirational travel.

We drove top-of-funnel brand recall amongst IndiGo's Hello 6E magazine, which had approximately 10 million views in May. We identified key tentpole movements around travel and communicated the same across customer touch points. Our incremental sales through this campaign were INR20 crores in the 40-day campaign.

First Citizen. Our First Citizen loyal members drove the progress towards premiumization. They contributed 85% of the total revenue with significantly higher enrollments of 195,000 new members in silver and another 16,000 members in the Black Card tier. We had a renewal of 15,000 members of Black Card in the last quarter. I'm happy to say that we -- that this quarter, which we have just passed, had the highest number of Black Card enrollments and renewals ever.

The heart of our success lies in the enduring relationships we have built with our customers. Very happy to share that our Net Promoter Score currently is at 93% and has witnessed a steady rise, reflecting the satisfaction and advocacy of our shoppers. Many of our customers are not just buyers, they are brand ambassadors, championing our ethos.

Now let me talk about Personal Shoppers.

Personal shoppers contribute 25% of total sales with an increase of 700 bps over last quarter -- last year. The average transaction value of personal shoppers guided

customers is approximately 15,500. Not only do they expertly guide customers, they also tailor every visit to the unique preference and need of our customers. By understanding individual styles and offering thoughtful advice, they make shopping seamless and enjoyable.

Their personal recommendations help customers discover new trends and build confidence in their choices. These experts nurture trust and loyalty, creating memorable experiences that inspire repeat visits. Ultimately, personal shoppers make a lasting impact by elevating the entire retail journey for each guest. Shoppers Stop brands, which we also call our private brands. Our private brands sales grew by 3% in spite of optimizing the space and consolidating the brands. The gross margins also had a steady increase, and the profits and contribution of this business doubled during the last quarter.

Now let me talk about the format. So let me start with the departmental store format. The departmental store has delivered an impressive overall performance, registering a robust 5% like-for-like growth and overall growth of 6% despite shifting of Eid this year and impact in Northern states due to Operation Sindoor. As I mentioned before, this momentum has been supported by a notable increase in customer entries, signaling enhanced footfall and management.

Furthermore, the stores' premium quotient has risen, reflecting a successful shift towards a higher value offering and increasingly discerning clientele. Our growth has been across all zones, including North, even during the Sindoor times. We have just relaunched our Tapasya store, which was renovated last month, and it's a new bridge to luxury format.

Increase in sales and decline in costs have improved the overall profitability of the departmental stores business, excluding INTUNE. During the quarter, our EBITDA for this format, for the departmental store format grew by 145%. Now let me speak about Beauty. Beauty registered a 2% growth driven by fragrances, which grew by 7% and the whole impact on premiumization. We are taking the following steps to accelerate growth further.

Personalized experience using technology for tailored recommendations and virtual try-ons, digital presence, strengthening e-commerce, social media and influencer partnerships to reach and engage more customers, omnichannel integration. There's a lot of work happening at our end on this, which will ensure that we blend the online and off-line experiences for our customers for their convenience.

Creating a brand differentiation. This is something which is integral to the way we are trying to -- the leadership ocean in beauty. And lastly, strategic partnerships, collaboration with influencers and other brands for fresh innovative offerings. With the

above steps, we are reasonably confident of registering beauty growth again to last year in the coming quarters.

**Global SS Beauty.** Our success with our distribution business has been continuing. Global SS Beauty, a wholly owned subsidiary, achieved outstanding results by doubling its sales over the past period. For the quarter, we recorded sales of INR84 crores with a GMV at circa INR130 crores. This remarkable 100% growth was driven by the company's expansion into newer markets and the strategic introduction of innovative brands.

By broadening its reach and diversifying its product portfolio, Global SS Beauty business successfully engaged a wider customer base and strengthened its position in the industry. These results underscore the effectiveness of the company's forward-thinking approach and set a solid foundation for continued growth and success in the future. I'm reasonably confident that the Global SS Beauty business will continue to be a market leader in distribution business and reach new heights.

Now let me speak about INTUNE. Value format INTUNE has a tough time lately, especially with slower growth in its value fashion business. The slow economy changed shopping habits and has made people spend more carefully. Even so, INTUNE sees these challenges as a chance to shake things up and come back stronger, the team is working on customer feedback and sales trends to make the products more appealing and keep up with what shoppers want.

To move forward, INTUNE is putting money into new shopping elements, making it easier for customers to shop. We are also working on making the supply chain quicker and more efficient so they can react faster to what's popular. We are also working with marketing teams to highlight the value which INTUNE brings to the business. Building new partnerships and encouraging flexibility within the company are also a key part of the plan.

We have doubled our business in INTUNE this quarter, and we believe that through all these efforts, INTUNE hopes to stand out again in value fashion and show just how committed we are to growing and improving this business no matter how things are or how the market conditions are. As we are investing in the new format, we expect the losses to continue in the near future in INTUNE.

Now let me talk about capital allocation. Last quarter, we opened 4 INTUNE stores, and we are now looking at opening 7 to 8 departmental stores and between 30 to 40 INTUNE stores during this fiscal INTUNE. For the coming quarter, we are investing and we are looking at opening 4 departmental stores and anywhere between 7 to 8 INTUNE stores. I'm also happy to announce that our outright inventory reduction -- we have been able to reduce our outright inventory by INR110 crores from March 2025, and we expect to reduce the working capital further.

I will end this with talking about the outlook for the coming year. As I speak to you, the monsoon is ahead of its curve as on today. A good monsoon augurs well for retail growth. It increases rural incomes, and it turns spurs both consumer spending across urban and rural markets. Our unwavering commitment to our strategic pillars will continue to guide us as we innovate and expand our reach.

With targeted marketing campaigns amplifying our message, we are poised to achieve sustainable growth and a lasting impact in the market. We'll continue to work on our costs, and I'm confident that we will continue on this approach. The early advent of the festive season with an increased demand makes us optimistic for this quarter.

With this, I would finish my commentary and conclude my speech. And as a team, we look forward to answering some interesting questions. Thank you.

**Moderator:** The first question is from the line of Vishal Dudhwala from Trinetra Asset Managers.

**Vishal Dudhwala:** So my first question is, given the rising contribution of private label and exclusive brands, especially in beauty and casual wear, how are you balancing scale and margin improvement? Having the recent launches outperform expectation in terms of GMROI or sell-through.

**Kavindra Mishra:** So Vishal, your question is that if I hear you correctly is, what is our private brand strategy? Is that what you are referring to?

**Vishal Dudhwala:** Yes, you can say that.

**Kavindra Mishra:** Yes. Okay. So Vishal, I think for us, in the box, the most important thing when we look at any part of our portfolio has two things. One is exclusivity, which is something which is differentiated for us as a concept -- as a retail concept versus our competitor, that's one. And second is the GMROI, which you call GMROI, right?

**Vishal Dudhwala:** Yes.

**Kavindra Mishra:** So for us, it's very important that not only the private brands are able to fill the spaces, which are available in the -- through the gap of the national brands which we have. But also they help us to deliver higher margins. So I think that is something which we have been working on continuously.

For example, as we spoke, we have rationalized a few of our private brands over the last 18 months. But we are seeing a higher productivity because we are now focusing on a sharper private brand strategy and ensuring that we are fulfilling the need of the customer through our PB, right? So I think that's something which we really want to work on.



When we look at the business, we feel that, especially in the current context, there is a lot of space for us to work and expand the Shoppers Stop brands with the private brands in women's wear and Kid's wear categories, and that's something which is -- we continuously work on and deliver. And needless to say, the private brands has to deliver on the GMROF and the profitability, which is super critical.

**Vishal Dudhwala:** And the second question is on my omnichannel setting, with omnichannel sales growing rapidly, what steps are you taking to improve the integration of inventory between online and physical store?

**Kavindra Mishra:** Okay. I think it's a fantastic question. So as we speak, Vishal, we are in a process of relaunching our app, we launched the new ssb.in, which is a beauty app and it's doing well. In the case of shoppersstop.com, we are relaunching that and the transition is happening as we speak.

My sense is that in the next 20 days or so, we should be live with ss.com. The beauty of -- this is not only the front end is changing. Even at the back end, we are changing our service providers, ensuring that the inventories are available and are seen across, which will actually drive the true omnichannel experience.

So I think in the next 20 days - we have made lot of investments on this. And in the next 20 days, we should be able to see a very powerful. So, for us, within Shoppers Stop system, being the true omnichannel premium player is something which is a stated intent.

And I'm very happy to share that the investments are happening in the same direction. And even now the inventories are already integrated, but we want to make it sharper and better and faster and more real time. And my sense is the next 20 days, we should be through this.

**Moderator:** The next question is from the line of Sameer Gupta from India Infoline.

**Sameer Gupta:** Sir, firstly, on INTUNE. Now you have -- and I'm sorry, I joined a little late, so if this has been addressed before kindly pardon me. Firstly, the departmental store LFL at 5% and overall company at 3%. This would imply that it's a poorer performance in INTUNE. My calculation suggests it would be a decline. So this is a mass of roughly the first 25 stores with average age of less than 2 years and probably located in the best catchment possible. So if you can just elaborate the reasons for the underperformance of these stores in INTUNE.

**Kavindra Mishra:** Sameer, great question. I will request Devang to answer that.

**Devang Parikh:** Sameer, thank you so much for the question. You're right in inferring that INTUNE has had a soft performance in quarter 1. If I were to break into this break down this

performance, April and May started off really well, but in June, as Kavi mentioned in his commentary also, a lot of the value fashion players started doing discounting.

As a business, we took a conscious call to launch our end-of-season sale only from 1st of July. Therefore, we faced some headwinds in demand consumption dropping substantially. So that played a big role in the softness of quarter 1. Having said that, what doesn't come across at a macro level is there is a significant set of stores within our network, which are already doing benchmark level sales productivity when you compare it with others.

And as a business, we are doing everything in our control to mimic that behavior in more stores down the line. So the outlook remains a lot more positive than what the softness of Q1 is. I think overall, also the June impact on the quarter is something that spreads across the value fashion industry as far as I'm aware.

**Sameer Gupta:** Okay. So when you say benchmark sales productivity, what exactly is this? Is it around INR10,000 per square foot, INR12,000 per square foot, what is the benchmark?

**Devang Parikh:** It is north of INR12,000, Sameer.

**Sameer Gupta:** North of INR12,000.

**Devang Parikh:** Yes. The stores within my network where already the productivity benchmarks have achieved is north of INR12,000. And the idea is to mimic the behavior in the larger network, which is the effort that's currently undergoing.

**Sameer Gupta:** So out of the 75 stores, how many stores are currently north of INR12,000 for you, if you can ballpark give a number?

**Devang Parikh:** It's not -- I mean, I don't think it's appropriate to get into specifics, but it is a significant number, as I said to start with, and that's as I said to start with. The number of stores is fairly significant. But to get into specifics will be difficult at this point.

**Sameer Gupta:** Got it. No worries. Sir, second question is, again, on INTUNE. Can you quantify the store-level EBITDA losses in FY'25? And also the current quarter. Now objective here is not to judge INTUNE. I understand it's still a young format, but what is the margin level that rest of the business has achieved at this point?

**Karunakaran M:** That's a great question. In fact, if you've seen Kavi, that's what he has also indicated that at the departmental level, the EBITDA has increased by 145 percentage. And INTUNE, as you rightly said, we had losses. And that was something we had budgeted at. In the sense, we know pretty well as we invest continuously in INTUNE with the new stores coming in last year, these losses are expected, Sameer.

**Sameer Gupta:** Can you just quantify it? Sorry, I didn't get it.

- Karunakaran M :** See, normally, we don't give the numbers in the public forum like this. But yes, the losses have increased versus last year, Sameer.
- Sameer Gupta:** Okay. But the objective there was to find where exactly is the departmental store format on a gross sales margin basis?
- Karunakaran M :** Okay, that I can give you. On a gross sales margin basis, we -- fourth quarter -- I mean, it's not the right parameter. Compared to last year, the EBITDA has increased by 145 basis points. And even at the EBITDA level, non-GAAP, the EBITDA margins have increased by almost 180 basis points.
- Sameer Gupta:** Okay. And the margin exact number would be for this quarter? So when I -- I'm assuming last quarter, there were INTUNE losses. Is that what you're saying?
- Karunakaran M :** Almost it was very minimal because last year, we had only 23 stores whereas this year, we have 65 stores -- 75 stores, I'm sorry.
- Sameer Gupta:** Got it. So then basically 180 basis points on 1% EBITDA margin. So that's what I should be looking at. So around 3% EBITDA margin on a departmental store basis is what you are running at? That will be a fair implication.
- Karunakaran M :** That is only for the first quarter because normally, the first quarter is what you call it a weak quarter of all the 4 quarters. And the margin, when the sale goes up, disproportionately goes higher in Q3 -- Q2 and Q4.
- Sameer Gupta:** Okay. I thought 3Q would be the highest and followed by 1Q and 2Q and then 4Q, but you're saying...
- Karunakaran M :** No. Q3, Q2 and Q1 and then Q4. Q3 and Q2 will be normally number 1 and number 2.
- Moderator:** The next question is from the line of Ankit Kedia from PhillipCapital.
- Ankit Kedia:** My first question is on customer footfalls. While we are seeing KPIs and departmental stores improve, how is customer footfall moving? Have you gained market share in revenue terms or it's more of a customer footfall convergence happening much better in the quarter, which is leading to the mid-single-digit SSG?
- Kavindra Mishra:** Ankit, this is Kavi. Great question. So 2 things. One was the -- if I just talk about customer entry, the like-for-like stores have seen a 2% increase in the customer entry. So that's -- if I talk about 5% overall growth, there is an impact of obviously the ASP and ABV, which is there. But the customer entry has also grown by 2%, which I think is very, very good.
- So as we know that there has been some amount of shift of the festive season this year versus last year. So April was very soft for us, but we had very good May, and I think a

very, very good June. So we are seeing that the continuous traction of customer entry actually continues this month as well.

So if you ask me, there is a general sense of much more optimism in terms of the customers coming to our stores right now. And obviously, the -- as you can see, the KPIs have increased across all parameters, whether it's ATV or IPT, I think that's anyway holding. The operational KPIs are holding very strong. The customer increase at the top of the funnel is going up.

**Ankit Kedia:**

Sure. My second question is on the new store openings. Can you just highlight, are we opening slightly bigger stores now as a strategy? Are we going in more premium malls versus the previous strategy to open around 25,000 square feet stores to make it more premium because clearly, premiumization is working in our favor now? So has there been a little change in strategy out there for us?

**Kavindra Mishra:**

Yes. So I think while we were -- my sense was during the COVID and just after COVID, we are talking about smaller stores. Definitely, we are now looking at larger stores, Ankit, because as we are seeing if you are able to -- if you are going to locations and if you are able to present our brands and the premiumization well, a, if -- once you want to premiumize, you need to give space for the brands to express themselves better. B, you need to represent the full categories everywhere. So I think we have actually now started looking at 35,000 to 40,000 square feet stores.

And we have changed our thoughts from that 15,000, 20,000 or 25,000, 30,000. I don't think if -- to create premium experiences, you can short-change the customer in terms of smaller aisles or smaller spaces for personal shoppers. In fact, if I look at my Black Card movement right now and the way we are converting, we want to create more experiences. We want to create bigger personal shopper lounges. We want to build kid's play area in our stores. So I think a lot of that work is happening. So that's one.

Second, I think it's whole experience of -- while India is premiumizing and all the big malls are premiumizing, we're also seeing that, by that logic, we become the preferred choice for our mall partner. So very happy to share. So I think once we keep on signing we'll keep on announcing those. But I would just like to tell you that we have become the first choice of departmental store for most of the bigger malls or prestigious malls with leading developers. So that's a clear trend we are seeing. So the idea is to not open too many small, small things, a few things that do them right.

**Ankit Kedia:**

That's great. My last question is for INTUNE. Devang, you alluded that the EOSS started in July, but across the board, at least for first 10 days, what I saw you were offering store wise 10% -- sorry, 40% discount. That's a very high discount for a 35% gross margin business. And when you're talking about 75 to 100 new style drops and frequent drops, from an inventory management perspective, within 2 years such high discounts, where have we gone wrong? And why is the discounting so high in the store today?

**Devang Parikh:**

Thank you, Ankit. I think that's a very interesting question. First of all, the strategic direction behind offering of 40% off on the entire store is to front-end the sales discount of the month -- sales share of the month in the first 10 days. If you were to walk into an INTUNE store today, you will possibly find more than half of the consumption happening from new lines, which are selling at full price. So when you balance out the full month, actually, the discount outlay is lesser than what we started off with.

Secondly, a lot of the value fashion players in the market do a flat pricing. When you back calculate the flat pricing effect, it possibly goes north of 40%. We stuck to a cleaner conversation with the customers so that the customers know exactly what they are getting into rather than having a complicated hybrid discount model, which is not fair to the customer. So I don't think we are doing a higher discount than what we have done in the past or what others are doing. Point number one.

Point number two, in terms of margin delivery, we'll become better than what we were before. So discount remaining where it is, is also being funded by a conscious increase in intake margin. Therefore, the overall margin delivery is not suffering on account of any EOSS strategy. That's a second point.

And the last point is the ability to launch new lines on a weekly basis, even during the EOSS month, as we speak, we've launched 200, 300 new lines of autumn-winter already, is also coupled with the confidence that EOSS aggression will help us do that. So, all of this is a very well thought out strategy, which is not hurting our margin delivery in any way. I hope it addresses to a certain extent, what you are asking.

**Ankit Kedia:**

Sure, that's helpful. Just a follow up on that on the category extension. So, the market leader is today double downing on innerwear, footwear and beauty. What's our take on these categories? And where you see INTUNE your strong point, which category do you see in next 2 years, 3 years, you can scale up significantly?

**Devang Parikh:**

Thank you, Ankit. 2 years, 3 years is a very long timeframe. Having said that, I think we are very keenly observing where the value fashion market is moving and internally, we are aligned that in the midterm, new category introduction is pretty much on the lines of what you were seeing is the direction, which is exactly the basis with which we introduced infant wear this season, and we saw a very good early success in that.

Having said that, we are and we continue to be an apparel-centric player for now, trying to get our dominance established in the apparel categories. And within apparel, the family orientation is what we've been calling out from day 1, and that is what has really worked for us. So we will continue doubling down on that. So yes, in the long term, to new category introductions, but in the short term, playing to our strength is what our approach is going to be.

**Moderator:**

The next question is from the line of Jignesh Kamani from Nippon Mutual Funds.

**Jignesh Kamani:** Just on the INTUNE. Out of the SSG for the quarter and other KPIs, how is the inventory turnover, full prices, throw some comment on that?

**Karunakaran M:** Jignesh, can you speak a bit louder? We can't hear you.

**Jignesh Kamani:** Yes. So, I just want to know the SSG for the INTUNE as you said it was soft, you can say this quarter because of the early discount by the players. I just want to know the SSG part. Other KPIs, like how was the inventory turn and the full price, throw some comment on that?

**Devang Parikh:** So, on the same sales growth, Jignesh, I just shared as a response to the first question, and it has been soft and it was correctly inferred also. So that is there. I don't think we will be able to give vertical-specific growth, but it has been soft. As far as inventory turns are concerned, without getting into specifics, but we've improved dramatically as far as inventory turns are concerned.

And that is what has, in effect, given us the confidence of not preponing our EOSS this time. So, unlike a lot of other players, we started on 1st July. So, I think on inventory efficiency, we are in the right direction, and we are happy with the progress we are making.

**Jignesh Kamani:** And have we seen direction in the full price sell-through?

**Kavindra Mishra:** Full sell-through also, thank you for pointing out. Full price sell-through, also is significantly improving season on season. As we speak right now, we are very close to what mature brands would be in terms of full price sell-through. So comfortably north of 60%, right? So -- and ahead of what we've internally set as a target for ourselves. So, I think this and a lot of other product metrics, we are quite comfortable with the direction that we are dealing.

**Jignesh Kamani:** Understood. And second question on Beauty. We closed close to 4 stores on the base of 82, so roughly 5% of the entire portfolio just in 1 quarter. So just want to know about your thoughts on such aggression. And there was no new store opening on the Beauty side also. So why we are going slow on the store opening on the Beauty side?

**Kavindra Mishra:** Jignesh, this is Kavi here. Kavindra here. So, on Beauty, I don't think we are going slow on the expansion. It's also a function of what kind of brand needs, what kind of spaces. So, while we opened stores in the quarter before, I think as we go into the next quarter, we should be seeing -- we should be seeing a set of stores coming in.

Also, what we are doing is as a strategy, we are shifting to malls and doing lesser stand-alone doors and the doors which you're talking about, which have been shut up primarily the stand-alone doors, which we have shut.

We also, in certain places, combining the stand-alone doors with SSBeauty concept. So we'll share the Beauty expansion plan also with you going forward. So, I'm just trying to give you the sense that there is no slowing down in Beauty. In fact, Beauty and INTUNE continue to be the growth engines for us, and we continue to invest in them.

**Jignesh Kamani:** Yes, continue.

**Kavindra Mishra:** Also, what we are doing is we are looking at increasing the SIS especially the MAC SIS in our departmental stores. So that's another big project we are working on right now. So, I think the focus and growth momentum in Beauty continues.

**Jignesh Kamani:** And are we done with the closure of the majority of the Beauty store? Or will we see the closure in the coming quarter also?

**Kavindra Mishra:** I think we are.

**Karunakaran M:** There will be 1 or 2 stores closure, Jignesh. It all depends on how the mall performs and how the footfall of the mall performs, it's dynamic. And if the stores are not profitable, we will evaluate the profitability. And then if we have to close the store, we have to close the store.

**Moderator:** The next question is from the line of Devanshu Bansal from Emkay Global.

**Devanshu Bansal:** Sir, I just wanted to better understand your comment around customer level growth, right? When I'm seeing your numbers, so LFL is about 3-odd percent, and within that, the bill size has increased by about 6-odd percent, right? So, the bill cuts have actually declined. So I just wanted to check as in when do we expect bill cuts to sort of start seeing growth? And this realization growth of about 6-odd percent that has happened, how long that we expect this to continue?

**Kavindra Mishra:** Thanks, Devanshu. So actually, the like-for-like growth for our departmental stores and the customer entry I was referring to was with respect to departmental stores. The like-for-like for departmental store is at 5%, which is driven by 3 parameters. One is the customer entry. Second is the conversion, which we are doing in the stores. The third is around items per transaction and the increase in ASP. So, I think it is driven by these 3 or 4 elements. You would also...

**Devanshu Bansal:** Sir, within this 5%, so that 6% holds for departmental stores as well? Or it is fairly...

**Kavindra Mishra:** Yes, yes. So, we were talking about -- so when I was talking about the customer entry and I was talking about the LTL, I was referring to only departmental stores there.

**Devanshu Bansal:** Okay. So still on that number also, on 5% also, there is a bit of a drop, right, from bill cuts perspective, so?

- Karunakaran M:** That's because we have closed 10 stores versus last year, Devanshu. So, on an absolute number, this is not comparable, we almost closed 10 stores last year. So that's the reason, Kavi said, on an LFL basis, our customer entry grew by 2 percentage. Overall sales grew by 5 percentage on the LFL level. And the total level grew by 6% at the departmental level.
- Devanshu Bansal:** Sure, I'll take it offline. Second question is you mentioned a few categories like watches, apparel sort of doing pretty well for you. I wanted to check on some of the larger categories that are languishing in terms of growth. So, can you help us understand that?
- Kavindra Mishra:** Okay. Actually, I think Devanshu, the quarter has been a good quarter driven by all the big categories doing well. I mean the one category, which is a standout category, which didn't do that well for us was the travel and luggage, which had a close to around 30% to 40% degrowth. Otherwise, if I look at all other categories, all the big categories, they have done really well.
- And the reason why that is happening is that not only we are trying to get exclusive brands, but there's also a lot of brand churn, which we are doing, Devanshu, which is helping us to provide that differentiated customer experience.
- Devanshu Bansal:** Understood. Sir, lastly, I wanted to understand on the challenges around value retail space, right? So is this that the competition has sort of expanded very aggressively and now sort of they are facing issues around inventory liquidation, etcetera, or this was more kind of a onetime thing that happened with higher discounts during June and now things have stabilized for competition as well, so wanted your thoughts on that.
- Kavindra Mishra:** So, I will just put the broader perspective, and then I will request Devang to add on this. So, we believe that this particular segment has got a great role to play because what it does is it makes people migrate from unorganized to organized. So, we continuously see an opportunity in this.
- If I talk about the competition, as everybody expands, I'm sure they are working on the supply chain mechanism as the way we are doing. And there would always be some learnings, some lines, which are not doing well. So, I think it's a part and parcel of the businesses getting established over a period of time. And I would request Devang more to talk about INTUNE and what he feels about it.
- Devang Parikh:** I think the market context on value fashion remains buoyant, and the same optimism continues for INTUNE also. I think we have a clear understanding on why the quarter was soft, and we have a clear idea of how that will not repeat itself. So, I think there is no dilution on the optimism as such.
- Moderator:** The next question is from the line of Percy Panthaki from IIFL Securities.



**Percy Panthaki:** I just had one question on the Shoppers Stop departmental store, where we have seen a very good SSG of around 5%. Just wanted to understand whether the main reason behind this recovery is something to do with the overall general demand environment or the macros or the customer behavior, in general, seeing an improvement or whether it is mainly because of some efforts that you have put in?

And if it is the latter, can you mention a couple of those efforts, which you think are particularly responsible for this turnaround? And if it's just a macro thing, I mean, flagging that also is of value so that we get a read across for several other stocks in the industry.

**Kavindra Mishra:** Thanks, Percy. I mean, for us to do well in the market, we always have to have the support of the way the trends are, right, the macro trends are. But I would just like to mention with all humility and humbleness representing my team that I think there are a lot of things which we have done to drive disproportionate growth vis-à-vis our competition. So, a lot of things which we are doing are building around.

And if Percy would have been hearing me speak about Shoppers Stop and the role it plays in the context, I've always said that the departmental store is a great story for this country because we are able to bring and curate a lot of experiences and brands for the consumers, which not every other format can.

And I think our whole campaigns around building the brand love around IP, whether it's India Weds with Shoppers Stop or the travel IP I spoke about or Gifts of Love is actually helping us get newer customers coming in. The very fact that last quarter, we have had our best-ever Black Card enrollments or people renewing this thing or the Silver Card means that there's something which we are doing right in terms of not only getting the best brand, but telling people that these are the kind of brands.

So, I think two things. The markets are definitely better. And I see that optimal in the coming months as well. But I also feel that we have been able -- through our experiences and premiumization and the journey which we are on, I think we will always tend to get a higher share of market growth.

**Percy Panthaki:** That's very helpful, sir. If you can just sort of allude to a couple of specific initiatives, which you think -- I mean, you've done a lot of things. But if you could just highlight a couple of initiatives which you think have a slightly disproportionate impact on the performance that you've seen.

**Kavindra Mishra:** Sure. So, I think if I talk about the IPs which we have done, so India Weds with Shoppers Stop, this is a campaign which we did in April, May. We had a business of around INR154 crores from that. And a lot of that customer -- a lot of that business came through customers who came into Shoppers Stop for the first time.

So, I think that was very, very big. Then we spoke about Travel Edit, which had an additional business of around INR 20 crores in, I think, 40-odd days, which I again spoke about. Also, a lot of invest -- so that is from the customer entry price point of view, which is leading to revenue.

In terms of the categories also, I think there was a lot of play on the new brand launches and all, which has helped us. And lastly, when we speak about experience, it cannot be completed without talking about the personal shoppers, and the personal shopper contribution actually has grown by 700 basis points over last year same quarter. So, if I look at all the three things, getting more customers, giving them set of brands, which are completely new and then servicing them well has helped us to deliver these kind of numbers.

**Percy Panthaki:** Right. And just a follow up on this. This Black Card customers that you have, can you sort of give us a flavor of -- what is the customer profile here in terms of, let's say, age, gender or any other parameter, what's the typical customer here?

**Kavindra Mishra:** See our typical customer is a young family, okay, around 30 years of age, if I may say, married with a kid. That's a typical flavor of that customer we have. They normally tend to visit us 7x a year. And right now, as we speak, they contribute to around 19% of our overall business, Percy.

**Moderator:** The next question is from the line of Hitaindra Pradhan from Maximal Capital.

**Hitaindra Pradhan:** My first question is with regards to a comment made earlier on the private brand strategy. Is it correct to infer that you're not looking to expand the private brands across your INTUNE store and limit it to just departmental stores?

**Kavindra Mishra:** Hi, Hitaindra, this is Kavi here. So the private brands actually are for the departmental store. INTUNE by its nature is a brand on its own. It's -- 100% we sell only INTUNE product in INTUNE store. When I was talking about the departmental stores and the private brands and departmental stores, we are talking about brands, which are completely different nature, different price points, different customer experiences and expectations, and they will always be a part of Shoppers Stop and not come to INTUNE.

**Hitaindra Pradhan:** Okay. And the second is, there was a comment made earlier that for the departmental stores, the EBITDA margin was around 3%. So is it correct? Is this store-level EBITDA? Or if you can just qualitatively guide the gross margin for the departmental stores, for your mature like departmental stores?

**Karunakaran M:** Yes. The EBITDA margins at the overall departmental level, when I say departmental, excluding INTUNE, is close to the numbers what you have said, Hitaindra.

**Moderator:** The next question is from the line of Varun Singh from AAA PMS.

**Varun Singh:** Heartening to see good performance for the departmental store business. So I just had one question on the INTUNE business. When I look at the repeat customer rate at 30%, so I mean how would you look at this number with regards to what should be an ideal number maybe for the formats where we exist, given that for the departmental store this number is quite healthy at 67%. So compared to your peers, compared to your like last 3, 4 quarters, how the number has stacked up? So what's your fair assessment? And how should we look at it? That's my only question.

**Devang Parikh:** Thank you for the question, Varun. Given that the set of stores that we are talking about are in its second full year of operation, 32 out of 100 shoppers having purchased with us before is a number we are very proud of, and I think is a number that gives us a lot of comfort that the core offering of the business is accepted by the customers. And I'm sure that number is going to go up from here, given that the brand is in an early stage.

**Varun Singh:** Sir, my question was, how do you think that this number could be improved? What is the industry benchmark that you are looking up to? Anything with regards to the strategy and the work, etcetera, I mean any objective number would be helpful?

**Devang Parikh:** Okay. I don't what an objective number as an industry benchmark would be, to be honest. All our efforts in service and product are aimed at getting the repeat customers to keep coming to us. So I think 9 out of 10 initiatives are dealing towards that. I don't have an answer to what an industry benchmark would be, to be honest.

**Moderator:** The next question is from the line of Shalini Gupta from East India Securities.

**Shalini Gupta:** Sir, I just want to understand what is the SSG for the business as a whole for the quarter?

**Kavindra Mishra:** So the SSG for the business as a whole is 3%, Shalini.

**Shalini Gupta:** And what was it in the previous year?

**Kavindra Mishra:** Previous year was negative.

**Shalini Gupta:** Okay. And sir, you've outlined many of the steps that you've taken, which would have helped you to move from negative to 3%. Sir, my second question is, you've spoken about it, what are your expansion plans going forward, as a number of stores that you want to add?

**Karunakaran M:** Shalini, Karuna here. Kavi spoke about, we are -- see, there are 3 formats we have. On the departmental stores, we are planning to open between 7 and 8 stores. In fact, Kavi also spoke about what would be the area. On the INTUNE, we would open anywhere between 30 to 40 stores.

We have already opened 4, we should open 7 to 8 stores this quarter, and the balance should come in the next 2 quarters. Beauty, 2 to 3 stores we should be able to open this

year. And we are actively exploring. I mean if there's a good space and a good store available, we are very keen on investing on that.

**Moderator:** The next question is from the line of Jeyaprakash, an Individual Investor.

**Jeyaprakash:** As a retail investor point of view, I have been participating in this con-call since June 2024, so June '24 to June '25 five quarters, you have reported. Out of 5, only 1 quarter you have reported positive report, that is bottom line. Whereas your top line remained consistent and almost a flat, plus or minus 6 percentage. But as an investor point of view, you have been reporting negative profit, almost 4 quarters.

Is the Board thinking any fresh ideas, fresh strategies to improve the top line growth for 20% to 25% year-over-year? Is there anything in the station or you keep on saying that the same strategies? Your Beauty segment has been growing consistently. But the Fashion segment has been stagnated. You are reporting this top line growth only because of the growth in the Beauty segment, isn't it? I want the management commentary on any such ideas, anything to improve the top line growth?

**Karunakaran M:** Thanks, Jeyaprakash. Kavi spoke in detail. The departmental format has almost 60% apparel and 40% non-apparels. So for the last fiscal year, that is the quarter which we entered just now, the overall departmental store, the LFL increased by 5 percentage. And overall, we have increased by 6%.

So there is a growth of 5 percentage and 6 percentage. Last year, when we were talking about, yes, we had a number of factors. Like, for example, in quarter 1 and quarter 2, we had elections plus other factors. And that's the reason we could not grow last Q1 and Q2. But Q3 and Q4 have been quite good.

In fact, Q3, as you said, even the profit before tax was also positive. And even this year, if you see, this quarter, if you see the overall EBITDA numbers, the overall EBITDA numbers have increased by 68 percentage on a non-GAAP basis. And the profit before tax compared to last year, that has come down -- the losses have come down significantly. So we are working towards it. The overall economy was muted last year, and that's the reason the growth wasn't higher last year, Jeyaprakash.

**Jeyaprakash:** Okay. But I wish if you have to fill in my shoe as a retail investor, what we are looking at the company and the Board is to improve the top line growth as well as the net profit because whatever your sales reporting reflecting a share price is almost 50% down from the peak. So that shows the exact picture. I wish the Board thinks something out of the box to improve the next 2 quarters because it is going to be a festival and other factors will improve the sales, I wish.

**Karunakaran M:** Thanks, Jeyaprakash. We are reasonably confident that the next 2 quarters will be an outlier for Shoppers Stop also.

**Moderator:** The next question is from the line of Jignesh Kamani from Nippon Mutual Funds.

**Jignesh Kamani:** Just on the personal shopper, you mentioned that it increased by close to 700 basis points this year. So it is set to assume that personal shopper increased your revenue per customer, but it will be dilutive on the gross margin level because I believe the personal shopper is a 5% kind of cash back even during the sales period. So just for the, you can say, onetime income on the personal shopper annual fees if there is 2 to 3 percentage lower gross margin on...

**Karunakaran M:** Jignesh, personal shopper are our employees, Jignesh. Other than the normal incentives, which is very insignificant, that is based on their achieving budgeted sales, we don't give any cash back or any amount to personal shoppers. And all I can tell you, their sales are highly profitable with a very high transaction value of almost 2x, the transactions are highly profitable -- 3x, I'm sorry.

**Jignesh Kamani:** No, but there is additional -- I'm saying Black Card and the premium member, there's a 5% cash back, which was not there with a normal regular customer even during sales time. So on an apple-to-apple basis, there's 5% lower gross margin to us, right?

**Karunakaran M:** No, we don't give 5% cash back to any customer. There is only a co-branding credit card discount, which the total cost is borne by the bank. And being an SOR supplier, even if there are any discounts on the products, the discounts are also borne by the suppliers whether based or not based...

**Jignesh Kamani:** Sir, I'm not taking about co-branded card. I'm talking about your Black Card membership card, where there is a 5% cash back? And since revenue is increasing from your membership card, I can say...

**Karunakaran M:** You mean additional points, you are talking about the points, yes, yes. But please understand, the Black Card customers give almost 2x of the business. And their overall transaction value is also higher. And at an aggregate level, Black Card customers are highly profitable.

**Jignesh Kamani:** I understood from the revenue part, but from a gross margin point part they are dilutive, right, because of the higher throughput, you get adjusted on the other overhead, right?

**Karunakaran M:** Yes, that's right. The bonus points doesn't impact the gross margin. It is included as the marketing expense. But there will be an additional cost for the Black Card customers on the sales. It's something similar to customer acquisition costs.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question for today's conference call. 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.