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National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G-Block
Bandra-Kurla Complex
Bandra (East),
Mumbai – 400 051
(Symbol: SPENCERS)

BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street
Mumbai – 400 001
(Scrip Code: 542337)

Dear Sir/Madam,

Sub: Transcripts of the Q2FY26 Post Results Earnings Conference Call

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Q2FY26 Post Results Earnings Conference Call held with Analysts on November 11, 2025 at 1:00 P.M. (IST).

This information is available on the website of the Company at www.spencersretail.com.

You are requested to kindly take the aforementioned information on record and oblige.

Thanking you.

Yours faithfully,
For Spencer's Retail Limited

Navin Kumar Rathi
Company Secretary & Compliance Officer

Encl: As above

Spencer's Retail Limited

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“Spencer’s Retail Limited
Q2 FY26 Earnings Conference Call”
November 11, 2025



MANAGEMENT: **MR. ANUJ SINGH – CHIEF EXECUTIVE OFFICER AND
MANAGING DIRECTOR – SPENCER’S RETAIL LIMITED**
**MR. MANJIR BASU – CHIEF FINANCIAL OFFICER –
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MODERATOR: **MR. AKHIL PAREKH – BATLIVALA & KARANI
SECURITIES INDIA PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Spencer's Retail Limited Earnings Conference Call hosted by Batlivala & Karani Security India Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Akhil. Thank you, and over to you, sir.

Akhil Parekh: Yes. Thanks, Vishal. Good afternoon, everyone. On behalf of B&K Securities, I welcome you all for Q2 FY26 Spencer Retail call. We have the entire management team of Spencer, including Mr. Anuj Singh, CEO and MD; Mr. Manjir Basu, Chief Financial Officer; Mr. Anand Kumar, Group Head, Investor Relations; and Mr. Pankaj Kedia, Executive Director, Investor Relations.

Without taking much time, I would hand over the call to Anuj, sir for his opening remarks, post which we'll open the floor for Q&A session. Over to you, sir.

Anuj Singh: Thank you so much, Akhil, and good afternoon, everyone. Welcome to the Q2 results call for Spencer's Retail. Thank you for taking the time out and attending. I'm sure most of you would have had a chance to look at the results, which were released yesterday post our Board meeting.

So, if I were to start with a very broad commentary at a console level, I would say that the quarter 2 results and the sales show buoyancy. If you look at a QoQ growth rate at a consol level, 7% QoQ growth rate. This is despite a September, which was disrupted due to GST-related supply chain issues. Most companies were still understanding and responding to the GST change, which was announced in August, but was effective from 22nd September.

So, September availability was a bit disrupted, combined with the fact that we had heavy unseasonal rains in West Bengal in September towards the end, especially as a run-up to the Puja. Despite that, I would say that the quarter-on-quarter 7% growth at a console level there is some buoyancy at our end.

I'll give obviously more color in terms of where this growth is coming from between the three different parts of our business, which is Spencer's offline, the Jiffy online proposition of Spencer's as well as Nature's Basket. But overall, that's the commentary. If you look at it from a margin point of view, again, quarter 2 of this year, 20 bps higher than quarter 1, so shows that we are steady with our margins at 21%, which is quite commendable.

If you look at our sales per square foot, which is a parameter of efficiency, clearly, in quarter 2 it's at a INR1,600-plus level versus INR1,500 in quarter 1 of last year. The comparative for last year, quarter 2 is much better. I mean, obviously, that was a quarter where we had a larger footprint of stores in SRL and Spencer's, which were not really at that level of productivity.

So, if you look at it, just as a reference at a consol level, quarter 2 last year, our sales per square foot was INR1,200 and quarter 2 this year, INR1,600. Quarter 1 of this year was INR1,500. So, I think that's a good measure. At an EBITDA level, this might not be showing because there's an impact of other income. So, if you look at other income, last quarter was INR11 crores, which is now INR4 crores. So, there's a reduction of INR7 crores of other income on account of various things. But really, I mean, if you look at it, so the EBITDA at a consol level is flat 0 crores versus INR5 crores in the previous quarter. But if you look at it, I mean, that's the financial part. But if you look at it from a sales RGM, rupee gross margin and the expenses, just to kind of get a broad sense of the operational health.

So, sales INR445 crores versus last year, same quarter was much higher because Spencer had a much higher footprint of stores. So INR445 crores versus INR518 crores. If you look at the rupee gross margin, this year, quarter 2, we had INR93 crores. Last year was INR90 crores. So, despite about INR70 crores lower top line, we've delivered an RGM, which is higher than what it was in quarter 2 of last year.

Our expenses have also come down significantly. So, between employee and other expenses, quarter 2 of last year, they were INR130 crores plus. Now they're less than INR100 crores. And so that's the true indicator of our strategy, especially on the Spencer part of exiting certain regions in quarter 2 of last year. These were high loss-making, not as operationally efficient as the others.

And we believe that these results will play out and have continued to pay out. It might take a couple of more quarters, but we are quite confident that, from an off-line Spencer point of view, it will be fully optimized. We will not add on a lot more stores. So, we are not doing that. We are trying to get the maximum juice out of existing stores.

And we will, however, scale up the online part of the business because that's where the consumers are migrating. So, we are not shying away from not making that investment and that comes with a certain level of investment to build the online business and a certain level of losses.

Now of course, we have to be cognizant of the fact that we have to assess what's the right level of top line growth versus the losses because we might not be in a similar situation as some of the industry-leading players, which have the ability to take triple-digit losses because they have access to deeper pockets and deeper pool of capital and private equity. But we are committed to growing that.

So, I think from a strategic point of view, no change. We're sticking to what we had decided a year ago. It's playing out. Some parts are making good progress, some parts can be a bit faster. And now I'll kind of give you commentary on the three different parts. I'll start with the online part of the business for Spencer's, which, as you all remember, in January of this year, we kind of pivoted from a slotted delivery model to a 30-minute delivery model.

And this was also through a new tech platform, a new interface, a new brand called Jiffy, and this was done largely in West Bengal and then in Lucknow and this thing. So, we're making

good progress on that. It's been, 6 months since we've kind of had a full-blown launch. So, if you look at the numbers for Jiffy, so pretty impressive, I will say. So, 30% QoQ growth.

So last quarter compared to last quarter, this quarter, we delivered INR52.5 crores, which is a 30% growth compared to last year, it's a 50% plus growth. So clearly moving in the right direction. We have more than 100,000-plus monthly transacting users. The total number of orders are in the range of 8,000 orders per day.

The AOV, the average order value continues to be strong, 750 plus, which is way better than the industry benchmark. Our infill which is a level of in full fulfilment is 90% and our on-time delivery hovers around 30 minutes, which is what our proposition is. We are not a 10-minute, we're a 30-minute proposition, and that's what we are delivering.

If you look at it, therefore, in September, we almost touched INR20 crores, so which perhaps for us is a big milestone and we need to sustain that and then build from there. If you look at other refreshing part is that if you look at it from an order level, unit economics as they say, we were able to achieve positive unit economics in August and September.

Basically, it means our fulfilment costs, which is your picking, delivery, things like bank charges and shrink, they came under INR100. And that kind of our AOVs being INR750 and what our margins are, that leads to a positive unit economics. And I think that's the first stage to be achieved for any online player. We're happy that we have done that.

Our fulfilment costs are probably comparable, if not lower than some of the peers. Obviously, there are costs below this, which are largely in the area of corporate overhead costs, tech costs, which is a big part, marketing, which is there, which then leads to overall unit economics getting negative.

But we are being very prudent and measured in our customer acquisition as well. I have said that in the past as well. our focus is on acquiring new customers from our offline base of customers and therefore, becoming a totally and truly omnichannel player. Our customer acquisition costs are INR330, which, again, if you look at industry benchmarks, is pretty kind, I will say, benchmarked over there.

So really, I think good progress on the Jiffy platform and which is which is reflective of, where the industry is moving, where the consumers are moving and also where what we have decided to build. Now obviously, like I said, we don't have neither the ambition to scale that 10x with similar levels of losses.

We will do this in our measured way. But we still believe that we can achieve a steady rate and that's the number which I had given at the beginning of the year as well. We can get to a level of 10,000 orders a day, which means that at the current level of AOVs or AVVs would mean a INR21 crores, INR22 crores turnover per month.

Quarter 3 is, again, a good quarter from a consumer momentum point of view, especially December, and we hope to achieve that number and then grow from there. So, I think online is

making good progress. And let's be realistic. It will be the growth driver, but that will not be profitable year 1. So, we will incur losses on that part of it. But again, we'll keep it within a certain level.

So that's on the online part of the business. On offline, for us, again, if you look at it from a quarter-on-quarter point of view compared to quarter 1, Offline Spencer's delivered INR376 crores versus INR346 crores, so 6% growth. Y-on-Y is not like-for-like because last year in quarter 2, we had a much wider footprint of stores which we've shut down. But if I can give you something that it's not a high growth like-for-like. It's relatively flat with certain geographies being 1% or 2% growth and the others being flat. So again, that's the optimization on the off-line part of it.

Clearly, offline comes under pressure when consumer behavior is moving towards online. So, we are not going to be adding on new stores. We're going to be consolidating over here. We've held our margins, in fact, slightly better than last quarter, 50 bps better. I wouldn't compare it to quarter 2 of last year, which was at 15%. That's not representative because that was where we were shutting down our stores.

Our costs are pretty much in control, INR64 crores cost and Spencer's offline for the quarter versus close to INR60 crores in the previous quarter but the number was much higher in quarter 2 of last year. Our other income over here has also come down a little bit, there's a INR5 crores impact of other income, which has resulted in an EBITDA drop of INR2 crores from the previous quarter.

So, EBITDA is at INR13 crores versus INR15 crores in the previous quarter. I think on this, I must comment on what we are doing, while we're doing online, we are also working in terms of ensuring that our offline customer base remains not just engaged, but also, we build some stickiness and we get people back to the stores.

So, we launched our loyalty program, and I think I did mention about that in the last quarter call. We are building very good traction on that. It's called the "My Spencer Rewards program", and it's a pretty simple one. It's a paid membership. You pay INR500 and sign up for a membership and you get discounts starting from 2% to going up all the way up to 6% on your monthly consumption or a monthly purchase.

Of course, there are a few exception categories, there are exceptions in terms of how much quantity you can buy, etcetera. But at its peak level, if a consumer buys INR10,000 of grocery from us, he or she gets 6% off, which is INR600. So, the simple communication is you can pay INR500 as an annual charge, and you can save up to INR600 a month in terms of if you're purchasing INR10,000.

Now what we've seen in quarter 2, we've been able to sign up 40,000-plus members. In fact, the number has crossed 50,000 in October. So roughly about 8-9% of our active monthly customer base is now signed up to our loyalty program. The interesting part is that the return rate, which is if 100 people have signed up for this in a month, how many of them are coming back next month to purchase.

That number is hovering at around 80%, which is also very good, which kind of validates the whole thing of a membership program driving people to come back. The average monthly spends of people who are members versus every other customer, which is 5x. It's almost close to INR9000 from these members.

These members today contribute to about 8% of the number of consumers, but 20% of the sales. Their frequency has also gone up. Once you're committed to a program, you come back. So again, the average frequency of people who signed up to this program is 4.5x a month, which is good.

My Spencer's Rewards program is something which is applicable for both offline as well as online consumers. So, if you're online as well, you can do it. But this is an important one. We believe that this is a way forward for us, especially for the offline part of the business. We have already fine-tuned and optimized our marketing spends to spend more in areas like CRM and membership as opposed to spreading yourself too thin in terms of ATL or traditional communication and use that money on that.

So offline on Spencer's, quarter 3 is again going to be an important quarter for us. We see natural consumption tailwinds both in the form of Diwali, which happened in October and then end of the year, which is pretty big in West Bengal. So overall, I would say, satisfactory progress as far as Spencer is concerned in the offline business. The online part of Spencer is really where we are driving growth for the format.

Coming to Nature's Basket, well Nature's Basket, if you look at the numbers, flat revenues quarter-on-quarter. So, it was about INR68 crores. Margins were also flat, same as quarter, 20 bps lower than what it was previous quarter. Operating expenses, some level of efficiency there.

Although, the expenses were lower by INR2 crores. And again, some lower other income, which is impacting the EBITDA. But again, the EBITDA is not significant neither in quarter 2 of last year or quarter 1 of this year and quarter 2, it's a slight negative.

I think the key point here is that, look, on Nature's Basket also for the first time, despite being a premium gourmet retailer, the consumer trend of moving from offline to online is impacting that business as well. So that is evident in the form of number of bills in certain markets coming down. Also, it is evident with growing, I would say, online competition. So, there are players.

There's FirstClub in Bangalore, which is premium gourmet grocery online retailer. And there are other players who are Food Square in Bombay, which is using third-party marketplaces to sell their offerings. So, you have a gourmet section in these marketplaces. So that is definitely impacting that.

We were also hit by availability in quarter 2 on Nature's Basket, but it was not the domestic suppliers because of GST. This is more some of the international suppliers where because of the whole flux they were in, in terms of their export markets with all the tariffs facing that even

the Indian supplies got impacted, especially things like Davidoff coffee, all the noodles, which come from Southeast Asia as well as some of the range which comes from U.K.

So, there was a bit of impact there. So, availability, the growing migration from offline to online did impact Nature's Basket revenues. But again, here, the focus going forward is to build, a consumer resonant online proposition for Nature's Basket because it's not that people don't order gourmet on online. That's where the shift has happened.

So, we have done some work on the app as well for Nature's Basket. I talked about its last quarter. Given the fact that the Jiffy app, which we developed as a native app from ground up on Spencer's is working very well. It was very easy for us to migrate the Nature's Basket app, which was built on an end-of-life Magento kind of a platform, which is very durable, but is not as flexible and agile.

So, the fact that we did well with the Jiffy tech development of the app, we have migrated the Nature's Basket app. In Nature's Basket, the online part, we actually call it out-of-store because it's online plus the phone delivery. And the phone delivery part of the business is also doing well.

Overall, the out-of-store mix for Nature's Basket is close to 16-17%. So, it's not that in a premium retail that you have or your walk-in that is also out-of-store, which is an important one. We will continue driving the online with the rollout of the app. There's a membership program working in Nature's Basket as well. It's called the Elysium.

So, it's a paid membership and there are discounts depending on what slab you do. So currently, there are about 6,500 members, out of which 55% come back month-on-month. But these members are really your high spending members, and they account for 15% of the overall business.

So again, the plan there is to drive this membership program harder and get a significant number of existing customers to become members and then therefore, drive a certain level of AMS. So critically, CRM, marketing, online. Now these are the three common things which will be driven both across Nature's Basket as well as Spencer's. Again, for Nature's Basket, quarter 3 will be a good quarter.

I can't comment on October, which just went by, but there was a Diwali impact and then the end of year impact, a positive impact, which happens on the business. So, you will see a better quarter as far as quarter 3 is concerned. But yes, quarter 2 was, I would say, at the same level as quarter 2, both in terms of revenue and EBITDA.

So, I think that's the overall kind of summary on the commentary on Q2 across 3 parts of the business. I'd just conclude by saying that, look, there is no change in approach and strategy in terms of what are the growth levers, what are the efficiency levers and how we need to optimize it. We are sticking to that.

We're making good progress on some parts, which I already mentioned. But there are other parts where we need to continue because those are the tougher parts, but we are reasonably confident that those will also fall in line, which is the offline part of the business. If I were to kind of look at it from a top line growth point of view, it will be the online component, both in Nature's Basket and Spencer's.

And from an efficiency point of view, it will be the offline business where both businesses, we aspire to be at a breakeven at an operational level in both businesses on the offline side of it in a few quarters. That's the intent, and we're making good progress on that. But we intend to be a strong omnichannel player with our online business driving growth, which is reflective of where the consumer is going.

It will not be profitable. So that will be. And therefore, we wanted to have a certain share only and not grow above that. We're not going to pivot from moving from offline to online. The offline part is what is our core proposition, experience it establishes the brand. But there, again, we will not see growth, but we will certainly want to be as far as that business is concerned. So that's how the business is driven.

One part of the business for driving growth, the other part to ensure that you don't take losses on that part of the business. So that's the summary. And like I said, quarter 2, therefore, a reasonable quarter and we're hoping, we'll come back to quarter 3 and give you more updates on this. But again, that's the. I'll stop here, take a pause and open it up for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Akhil. Please go ahead.

Akhil: Thanks for the detailed opening remarks. Sir, my first question is slightly broader at consolidated level. I think last quarter also, you had guided that we should be operationally breakeven by end of FY '26. And in the opening remarks, you concluded we are probably a quarter or two quarters away from it. So, if I exclude other income, right, we're still kind of short of breakeven. So, are we confident that we should be kind of EBITDA positive for the full year FY '26 at console level? That's my first question?

Anuj Singh: Yes. So, I think, at a consol level, when we consolidate the online part of it, I don't think we will be able to get to that in the time frame. But I think on the offline part of the business, definitely, we will be EBITDA positive because the online business does require a certain level of investment.

I did mention about the unit economics where I'm saying at an order level, we are positive breaking even, but then there are other costs which are there. So, I think the online part of the business merits, not just merits, actually, it demands a certain level of investment. And if you don't reach a certain scale, you'll not absorb the other costs.

Whether it be in terms of tech, overheads or marketing. So, I think that is what will come in the way of us at a console level to be operationally EBITDA positive. But the off-line part of

the business is in both Spencer's and Nature's Basket, that's the endeavor and we are fairly confident that the offline business will be EBITDA positive.

Akhil:

Sure. And the second question is I think we have done the harder part of the course correction, right, in terms of closing out the unprofitable -- non-profitable stores and cost restructuring and those activities, I believe, by and large, we have done and kind of reasonably well.

So now we are at a situation where I believe that there is not much headroom in terms of improving the cost structure, I believe. So how should one look at in terms of the growth at the top line level as well as at EBITDA level basically? So, what kind of sales per square feet or gross margin level we need to achieve to grow our absolute EBITDA number?

Anuj Singh:

Yes. So, I think a very good question. So, look, I think the hard optimization, which we had to do, we have done it last time quarter 2. So, you will see in quarter 3 on like-for-like comparison seeing where the costs have come down. Is there more headroom for cost optimization? Not really. Is there a room for improving our margins?

Again, I would say not really because if you look at it at a consol level, 20% plus, our mix of fashion is very low. So, for primarily a food where FMCG, food, FMCG, non food, fresh staples, in that mix for a retailer to deliver 21% console margin and for Spencer's, 19.5% margin.

I think that's if I may use the word, it's going to hit a ceiling. So, the endeavor there is costs have also been optimized, margins are there. So clearly, the expansion of EBITDA is going to be led by an expansion in top line. And if you're not going to add a lot more stores, it is going to directly mean that if you're increasing your top line, number of stores remain largely the same, your SPSF will go up.

And I think that's the whole endeavor. And we will drive this growth in the existing stores. I think they've been optimized. We'll keep doing things like even within stores, there is an opportunity to optimize because our stores work as what we call grey stores. There are stores which have a walk-in part of the store and they have a component from where your e-commerce fulfilment is done.

So, we will optimize all of that to ensure that combined throughput of the stores is going up irrespective of even if offline does not go online, will go up. But clearly, I think the journey for us from here onwards is about increasing your top line without increasing your cost. The variable cost will obviously be there, but your fixed cost will remain the same and maybe even adjusted for inflation. And margins will remain the same.

So, it's not about increasing your percentage margin. This is not really now a game of percentage margin. One has to improve your rupee gross margin, which will be by keeping the same level of percentage margin and driving a higher level of growth, whether it comes from offline or online. And that will all drive our RGM, which will allow us to absorb costs over a higher RGM and therefore, your EBITDA would be higher. So that's the outlook.

So, in summary, look, don't expect improvement in margins. I think we are at a good level. Going beyond that, then kind of gets a bit risky. In fact, I would say we should be okay to take a 50 bps lower margin than a 10% top line growth that will result in a much higher RGM. Online is a bit harder because that's not where the consumer trend is.

We've seen that with the right level of inputs with the right level of like the membership program, all the festive periods, we do see strong buoyancy as far as offline sales is also concerned. So yes, we are not pessimistic about offline. In fact, we believe that we are now in the right type of stores, right size in the right cities in offline. And through a combination of membership, smart pricing we'll be able to drive certain categories from an absolute top line growth and an absolute RGM growth.

Akhil:

This is helpful and I kind of agree that 20%-21% is very good gross margin level. So just finishing on this particular question. So now you are mentioning that sales per square feet have to kind of improve given that we are not looking for aggressive store expansion. So, if we were to benchmark against some of our best performing stores and if we evaluate that against the other stores in terms of footfall, in terms of conversion rates, in terms of the inventory turn, what would be some of the factors where we think we can improve basically in some of the relatively less performing stores? Yes, that's all from my side?

Anuj Singh:

Yes. Good question. I'm not going to give you a comparative benchmark some of the others. But of course, we do that. So, you're right, benchmarking, you can do it at 2 levels. You can benchmark your average SPSF with the average SPSF of some of the industry peers or you can do an internal benchmarking where you look at three buckets or actually two buckets, stores which have a higher SPSF than your average and stores which have a lower. So that's an internal benchmarking.

And we do both, but we focus more on the internal benchmarking because that's also a sense that if a certain store in a similar geography can give you higher than average then you have to understand and decode what is working there and what is not working in the other location to drive it.

So internal benchmarking is always more actionable for us. But really, I mean, if you ask me SPSF is a combination of driving the right balance between the price, which impacts the margin and throughput. And again, I think if you improve that, where, like I said, a slight investment in pricing to be competitive because at the end of the day, in India, the grocery market has and is moving more and more towards value.

So really, I mean, if a 50-bps investment in pricing can give you an additional 5- 6% top line growth, that's something which is what is required. And most of the categories, like I said, we operate in, in India, there is price sensitivity on that, whether it be staples or it be fresh or it will be even all your packaged food. So, I think that's where we are going to be focusing and driving.

We were a retailer, which is also known for a very wide assortment. People would say that, look, in Spencer's, you come and you see in a particular family, you would see all brands, all

variants, all SKUs, all flavors. I think, we are without making a big deal about it and without calling it out in the gap of efficiency and optimization, we've also had a hard look at our assortment.

And because at the end of the day, you don't want to carry stocks just for staying true to your positioning or stock which don't have the right level of turn. So, we've done some internal work. We are working with a specialist supply chain consultancy, which is helping us in terms of everything from range efficiency, to what's working where the range effectiveness is high, not looking at assortment rationalization.

The ultimate goal is to increase our inventory turn, reduce our DOH and increase our throughput. – And I think the lead for that is you've got to be incredibly competitive. Now I'm not saying you've got to be the lowest price. So, let's make a distinction between that.

We are not talking about low price. But we're talking about competitive. So, we do, like other retailers we do a very serious price benchmarking exercise three times in a month. And that price benchmarking exercise results in price resetting at different intervals of time during the month.

So, I think things like that are more important. So having a tighter assortment, an assortment which is efficient, which has higher inventory turns and so that you're not incurring a huge cost of carrying inventory. And all of that optimization has to be ploughed back in terms of some price investment where you offer value to consumers because consumers today are smart. They do price checks online; they do price checks with other offline. So, you can't afford to be off your pricing. So, I think pricing is a very big lever for us in terms of driving throughput. And that's how we will embark on the journey.

Akhil: This is very helpful. Thanks.

Moderator: Thank You. The next question is from the line of Parikshit Gupta from Fair Value Capital.

Parikshit Gupta: Thank you very much for the opportunity. Before I ask my questions, Anuj sir, can I please request you to probably change your microphone or because your voice is a little muffled. It is difficult to understand certain numbers when you talk about them?

Anuj Singh: Okay. Is it better now?

Parikshit Gupta: Yes. Sir, my first question is, we've been talking about sales per square feet. Just a confirmation, the numbers for Q2 FY '25, they are -- the numbers that you posted on your presentation, they include the stores that were closed, right?

Anuj Singh: Yes.

Parikshit Gupta: Understood. So sir, can you please help us with a target, both for Spencer's and Nature's Basket for sales per square feet, which you would like to achieve in order to achieve the steady-state EBITDA levels, which you have articulated earlier for around 6%, I guess, for Spencer's. And similarly for Nature's Basket as well, please?

Anuj Singh: Yes. So, I think, look, the absolute number, we can do the mathematics. But today, quarter 2 last year, consol level was INR1,200. This year, quarter 2 is INR1,600. I think we have to make a journey which has to cross INR2,000 as a consol number. And in fact, I would say it is to go towards the INR2,200 level, and it is quite possible. I think Nature's Basket used to have INR2,300-2,400 a square foot.

And Spencer's in West Bengal has a higher number. So, I think, yes, a number which is clearly INR2,000 is a number which we should aspire to within this financial year. And then by the end of next financial year crossing INR2,200-2,300. That will put us in a very good state and help us get that.

So, I think what you were referring to was that shape, which I'm saying that, look, at 18.5%-19% margin on Spencer's, looking at all that, if you deliver 6%, that's not EBITDA that we're talking about store EBITDA, right? That's the 6% because if you have 19% margin, then you have store opex, which is between rental and opex is about 11%.

So, you will end up at 7-7.5%, and that's store EBITDA and then you have other overheads, which will help you to get to the 2-3% at a business EBITDA level as far as Spencer's is concerned. So yes, the question on your thing, look, the SPSF has to be clearly INR2,000 plus.

I think if you look at players, our peers, the biggest value discounter, they're talking about touching almost INR3,000 a square foot, INR36,000 a square foot per year. So yes, that's where we are not a value discounter, but we still need to be, I think, for our P&L to work, it has to be closer. It has to definitely cross INR2,000 at a consol level and INR2,200-2,300. That's where you will discover all the efficiencies.

Parikshit Gupta: Yes. And it would be right to assume that we have it in our -- it seems doable for this financial year, right?

Anuj Singh: Yes, I'm not going to give a commitment of this because the financial year, if you look at retail, typically, the quarters have different kind of seasonality. I would say we should test getting too closer to INR2000, INR1,800 in quarter 3. Quarter 4 is historically a low quarter. So, I mean, I'll use your quarter exit rate as opposed to full year rate. So that's the way. So, I'm not committing saying in this financial year, we will exit with an average, which is there. But yes, maybe quarter 3 is a number to kind of look.

Parikshit Gupta: My question is only from the perspective that the -- since you mentioned that Spencer's and Nature's Basket, the offline segments will be operational EBITDA breakeven by FY26 for the full year. So, I'm just asking if we are still confident to achieve that level?

Anuj Singh: Yes. So, we're looking at that. I mean, that's the target we have set and the off-line part picking up, I'm not saying that this is where it looks today, but that's -- we have two quarters to make that happen for the offline part.

Parikshit Gupta: Okay, sir. Sir, talking about the balance sheet. I know you've previously mentioned that since the company is part of the RPSG Group, you have access to promoter capital, but that comes at

a cost of dilution. And in the light of the recent charge creation, how are you planning to delever the balance sheet? Can you help us with a 1-year, 2-year plan?

Anuj Singh: Look, I think we've mentioned that in the past, and there's no secret to that. I mean, the fact that we will continue using similar arrangements to access to capital, I think, which is largely debt. And of course, now that's at a certain level. But we are also looking at what could be alternate ways, what are the different fund raise options which are there.

And we will come back and share once we have more concrete thing on that. But currently, I think it's the way it's continuing, we see that continuing. And, at some stage, we will be ready to share details of where it is. But yes, I mean, all options are on the table.

Parikshit Gupta: Okay. My final question, sir, for the online business, do we have an anticipated investment number for H2? And how much did we spend in H1?

Anuj Singh: Yes. So, look, I'm not going to break out the numbers, but look, you can see if you look at this thing, we have to reach a certain top line and that incurred a certain investment and loss. So, if you're sub INR20 crores per month, given the fact that your unit orders thing is there, you will end up making about INR3 crores of loss because there's also acquisition costs, et cetera.

The moment you start getting to INR25 crores, you can probably bring INR25 crores per month, you can bring down that loss to about INR1.5 crores. Anywhere from INR30 crores plus in a month is where you could be, you have a good chance of breaking even. So I've answered your question a little bit of a roundabout manner, but I've given you some unit order economics.

Parikshit Gupta: Okay, sir. These were helpful. Thank you very much. That's it from me.

Anuj Singh: Thank you, Parikshit.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of the question-and-answer session. So, on behalf of Batlivala & Karani Securities India Private Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.

Anuj Singh: Thank you very much.