

# SHOPPERS STOP

SEC/23/2023-24

May 03, 2023

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 – Q4 FY23**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had filed letters ref. no. SEC/10/2023-24 dated April, 20, 2023 in respect of the analyst / investors conference call and ref. no. SEC/ 20/2023-24 dated April 27, 2023 in respect of Audio Recording of analyst / investors conference call, on **Thursday, April 27, 2023 11:00 a.m IST** to discuss the corporate performance for the quarter and financial year ended March 31, 2023.

In respect of the same and as required under Regulation 46, we are pleased to submit herewith the transcript of the earnings conference call held on April 27, 2023. 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**

**Vijay Kumar Gupta**  
**Vice President- Legal, CS & Compliance Officer**  
**ACS No: 14545**

**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 Q4 FY '23 Earnings Conference Call”

April 27, 2023

SHOPPERS STOP



**MANAGEMENT:** **MR. VENU NAIR – CUSTOMER CARE ASSOCIATE –  
MANAGING DIRECTOR AND CHIEF EXECUTIVE  
OFFICER – SHOPPERS STOP LIMITED**  
**MR. KARUNAKARAN MOHANASUNDARAM –  
CUSTOMER CARE ASSOCIATE – CHIEF FINANCIAL  
OFFICER – SHOPPERS STOP LIMITED**  
**MR. JAIPRAKASH MAHESHWARI – CUSTOMER CARE  
ASSOCIATE – VICE PRESIDENT – FINANCE AND  
ACCOUNTS – SHOPPERS STOP LIMITED**

**MODERATOR:** **MS. MAMTA SAMAT – PERFECT RELATIONS PRIVATE  
LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Shoppers Stop Limited Q4 FY '23 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touchtone phone.

I now hand the conference over to Ms. Mamta Samat from Perfect Relations Private Limited. Thank you, and over to you.

**Mamta Samat:** Thanks Ryan. Good morning, and thank you for joining us on the Shopper Stop Q4 FY '23 Earnings Conference Call. Today, we have with us the senior management represented by Mr. Venu Nair, Customer Care Associate, Managing Director and Chief Executive Officer, Mr. Karunakaran Mohanasundaram, Customer Care Associate, Chief Financial Officer, and Mr. Jaiprakash Maheshwari, Customer Care Associate, Vice President, Finance and Accounts. We will begin the call with the opening remarks from the management, after which we will have the forum open for the interactive Q&A session.

I must remind you that the discussion in today's earnings call may include certain forward-looking statements and must be viewed therefore in conjunction with the risks that the company faces. Please restrict your questions to the quarter and yearly performance and to strategic questions only. Housekeeping questions can be dealt with separately with the IR team.

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

**Venu Nair:** Thank you, Mamta and Rohan. Good morning, friends. Thanks for joining us today to discuss our financial results for the fourth quarter of FY '23. Along with me, I have Karuna, our CFO, and Jaiprakash, our FP&A lead. It may sound as a cliché, but we have achieved our highest quarterly sales for eight consecutive periods now. Our other KPIs such as gross margin, EBITDA and PBT have significantly improved versus last year. Our Q4 and full year results, investor deck and press release have been shared on our website and the stock exchanges. I'm sure you would have read this.

Let me now talk about the Q4 performance and the way ahead. I will also brief on the full year numbers as we go along. In these slightly muted times, we have been growing and achieved our highest sales for the quarter. As I had said in my last quarterly speech, we witnessed moderation post-Diwali. December and January were better. The Indian economy is showing signs of resilience while the global uncertainty remains.

Geographically, all the leading indicators are pointing towards sustained momentum in economic activity in the country. However, higher inflation in advanced economies and tightening financial conditions in India has had some impact on demand, particularly in Tier 2 and Tier 3 cities. Last year, during these times, we were witnessing pent-up demand in March and April, and that has been considerably moderated this year. This has impacted our sales in February and March. However, we have seen green shoots in April, and I will speak about that in the way forward. That background, we had robust sales growth of 32%. Our gross margin improved by 120 basis points, and we posted EBITDA of INR55 crores against a loss of INR13

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crores for the similar period last year. Our EBITDA also included other income, which has been marginally higher against last year. This is due to the increase in the income from our loyalty program and the income we received from banks and vendors standing sharing of our physical statement.

Income from our loyalty members is the highest in the history of the company in this quarter. Elaborating on the other KPIs, our average transaction value, or ATV grew by 6% versus last year due to the mix of customers purchasing bridge-to-luxury products. I must flag that this is now the 12th quarter of consecutive growth in our ATV year-on-year. Our ASP grew by 7%, and the ASP growth is driven by product mix and not just price. We are conscious of premiumization, which is in line with our strategy. Our items per bill versus FY '22 remain flat. Just to remind you, Mar'22 did have pent-up sales most proven. And our overall count of bills increased by 27% versus last year. These significant improvements in KPIs indicate the strong undercurrent of the business and our ability to deliver reserves for nine consecutive quarters now.

Let me share some details on the operational costs. On a like-for-like basis, our costs have increased by 13%. The biggest increase from is from investments in marketing, which grew by 41%, both online and off-line. On an organic basis, in addition to marketing, other costs such as rent, electricity has increased due to the opening of newer stores in Q3 and Q4. These are the investments that we make to deliver a sustained growth. Having said this, we have been extremely prudent on the discretionary spend, and we did not spend unless there is a marked reserve. With the strong sales and tight control on cost during the quarter, we reported an EBITDA of INR55 crores as mentioned before. On GAAP financials, our EBITDA grew by 86%.

During the quarter, we opened two new departmental stores and 1 beauty store. As always, due to regulatory approvals, opening of stores has got delayed, and we have now opened one in the month of April, and we will have a second one in the first week of May. For the full year, we reported revenue of INR5,066 crores, an increase of 63% over last year. Our private brand reported sales of INR723 crores, an increase of 70% and beauty, an increase of 54%. For the full year, we reported EBITDA of INR324 crores at PBT of INR178 crores and a profit after tax of INR121 crores. I'm happy to say that these are the highest numbers on all the parameters in the history of Shoppers Stop. From operations, I will now go on to the performance of each of our strategic pillars.

The first strategic pillar of first citizen. It would be fair to say that the success of Shopper Stop has always been scripted by our first citizen loyal customers. It's no different this time, too. The demand for personalized retail experiences is growing. Our customers now expect fashion and beauty retail businesses to accommodate their preferences with brands turning to technology to reshape their customer experience. At Shoppers Stop, we have been dialing up the personal experiences and personalization. We have always been as a pioneer in offering innovative experiences and personalization. Due to the sustained and multiple engagements with our customers, our loyalty contribution has been sustained at 75% and above. For the fourth quarter, our loyal members contributed to 77% of our total business. Specifically on our first citizen

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Black Card, our average bill value has doubled from the normal customers and that the total shopping is 4x that of a normal member. Our base increase on Black Card has been consistently in double digits, and that's the same this quarter as well.

Shoppers Stop has believed in creating value for its customers, a calendar of customer engagement activities for our first citizen Black Card members, which included adventure and sports like Golfing Sundays, sailing Sundays, Cocktail mixing event, farm-to-fork experience, Grapes Stomp-Wine Carnival and shopping extravaganzas that included exclusive shopping hours for Gudi Padwa and Ugadi have all been special occasions created for our Black Card customers. Apart from the Black Card and the growth in our Black Card customers, the other segment that we specifically targeted in the last quarter was inactive customers or inactive loyal members who haven't visited us for a while. I'm delighted to say that we had a 30% redemption on the inactive member base of over 300,000 customers that we had targeted, and this increased the revenue by 3% for the quarter.

Moving on to the second strategic pillar of private brands. Our private brands grew by 35% during the quarter. We achieved INR158 crores in revenue for the quarter and INR723 crores for the full year. This is the highest annual sales that we have achieved in the history of Shopper Store. For year-to-date, we grew by 70% on private brands. And we've had a growth of circa 30% in all the four quarters during the year. Our private brand share has been 13.5% for the quarter, an increase of 30 basis points versus FY'22. And for the full year, it is 14.3%, an increase of 60 basis points. On share of Apparels for the quarter, it is at 20%. And for the full year, it is slightly higher at 20.3%.

During the quarter, we launched a new private brand called U R You, a brand focused on the plus size and this has been received extremely well, and we have now after the initial pilot, expanding it to over 50 stores. Our "STOP" brand is the single largest brand in the business and crossed INR200 crores and second largest brand "Life" crossed INR100 crores during the year. Our newly launched private brand "Bandeya" recorded robust sales and was one of the best-performing brands in the menswear category.

Moving to the third pillar of beauty. And beauty had one of good quarters. During the quarter, our beauty sales registered INR197 crores, a growth of 29%. Again, this is the highest sales probably in the quarter. Our overall mix of beauty sustained at 17%. Hyper-personalization is critical for beauty. We had endeavored to make a difference of the omnichannel experience that we are able to offer because of the large physical presence that we have in our stores. We did 112,000 makeovers during the quarter, which helped us to increase the sales by INR40 crores. As you would appreciate, Makeover is a very personal engagement with our customers, and this is something which we are dialing up consistently.

For the year, we did more than 400,000 makeovers. And this is helping us to increase the loyalty of our beauty customers. We launched 40 new SKUs in our private brand Arcelia, and the growth of Arcelia is very encouraging. On our distribution business, we added three international businesses into our exclusive range of brands that we offer into the country. We now have 15 premium exclusive brands through our distribution business. And we have now tied up with over

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10 key retailers, and we expect few more during this coming quarter, growing our distribution business robustly. Finally, we opened one beauty store during the quarter, and we have also now launched our exclusive beauty site SS Beauty, ssbeauty.in as well as the app called SS Beauty, which has been passed for our first citizen.

Moving to our next pillar of omnichannel. We are one of the first companies to invest in omnichannel, and we have continuously improved on the customer experience. As I just mentioned, the newest addition into that channel is SS Beauty. And it is a channel specific for our beauty customers in complementing the SS Beauty standalone stores that we have. Our growth through the digital sales through the digital channels continue to be robust and registered double-digit increase. As I have mentioned in the past, we have moved away from measuring digital sales separately as we are an omnichannel retailer and what we look at is the complete experience that we offer to our customers.

Moving on to expansion and working capital. Expansion is a key focus for us and a big growth engine. For the third consecutive year, we have now opened more than 10 department stores. To be precise, we opened 11 department stores and 12 beauty stores. Of the above 11, three are in metro cities and eight in Tier 1, Tier 2 cities. Apart from the new stores, we also renovated 11 department stores and the capex for all of this has been funded by internal accruals. We have been expanding and growing in the cities where we do not have any store presence, and the growth of new customers has been very healthy in these places.

On working capital, our inventory increased from INR363 crores to INR530 crores, an increase of INR167 crores. Let me elaborate on the reasons for this. First, we are in a high-growth period and comparing against the COVID impacted period, hence, the periods are not strictly comparable. We added 11 stores in FY '23 and another eight in FY '22. Increase in stores would automatically increase the inventory, as you would know. Further, we are growing our private brand business, and that requires a higher inventory. We have now onboarded beauty brands. And for some of the beauty brands, we have moved to an outright model, which helps us with higher margins. And last, some of the brands which have been converted to outright in fashion as well. And that's, again, margin accretive. And we are factoring in the carrying cost as we do that. All of this is visible in the improvement in margins that we have seen.

To conclude, we will follow the three C's for the Way Forward framework, consistency, customer centricity and capital allocation. On consistency, we have been consistently delivering year-on-year growth across all KPIs for the last eight quarters on revenue, PBT and margins. Our strategic business pillars have given consistent growth, and we will continue to focus on that. On the second C of customer centricity. Our customer is at the center of everything, make brief filing. Needless to say, due to this, we have consistently had over 75% loyal customers, blessing us with their custom. We have taken various customer centric initiatives thus attract new customers, makeovers, which are about the experiences and engagement in-store, combined with even in-store and active social media handles, connecting with customers consistently sharper targeting and enabling us to communicate the experiences and engagement that we offer and the personalization that comes with it. We understand the changing consumer needs and sharpening the offer accordingly as India gets younger.

Globally, India has the highest number of customers in the nation and as the consumer trends change, we are staying ahead of it. Gender fluid fashion is one of the new changing trends and the fact that we are a multi-category department store focused on fashion, focused on new trends we are benefiting from it. Combining with that and stressing on the engagement, we now have 142 stores and the makeovers that I talked about, combined with personalization in these beauty stores, combining further with the SS Beauty app makes us a very strong player on beauty, focused on our beauty customers.

The last C is capital allocation. We have been nimble, and we have one of the leanest balance sheets. Our net debt is negligible. We have repaid the term loans, and we have been investing completely from internal accruals or increasing our footprint across the country, existing and new geographies included, renovating our new existing stores, investing into digital tools and omnichannel experience for our customers, hence partnering with international brands to bring in exclusive relationships for our distribution business. And we do all of this staying prudent with our capital.

Shoppers Stop is future-ready. Our strategic growth pillars is in acceleration mode or sustainable revenue growth. Customer footfalls have crossed three pandemic levels, and we are continuing to focus on increasing our conversion from the customers who come into our stores as well as online. As I conclude, I strongly believe that the slowness is temporary that we have seen in the last two-three months of February and March. We are offering for our customers a new taste for fashion, lifestyle and beauty needs giving an exclusive shopping experience to the customers. Experience and engagement is the key, and Shopper Stop is placed in a very unique position to be able to offer a distinctly superior experience on that. With that optimism, I conclude my speech, and we'll now be happy to take questions.

**Moderator:** Thank you. Our first question is from the line of Varun Singh from ICICI Securities. Please go ahead.

**Varun Singh:** Yes, thanks for the opportunity. Sir, my first question is on gross margin, which is very much increasing to 43%. I mean, I was looking at last seven-year quarterly average, that comes around 39%. So I understand that there has been improvement in the revenue mix, etcetera. But do you think that 41% to 43% is a sustainable gross margin given the improvement in mix that you are expecting even further from here going forward?

**Karuna :** Yes, Varun, we have been consistently increasing the gross margins on a number of reasons. One, our private brand share is increasing. Second, we have negotiated with the vendors for higher margins. And third, if you remember, last year, we had a higher PICS, what we call the obsolescence. So that has also played some role in lower margin last year. So all these things factored, we should see an increase in margins, and we should be able to sustain this, Varun.

**Varun Singh:** Sure, thank you very much. Sir, my second question is if I look at the revenue CAGR from last four-year perspective, I mean, correcting the base for COVID impact, so we see that revenue CAGR is around 4%, and the retail expansion CAGR is also around 4% CAGR. So over the last three years, we have added more than 30 stores. I mean back to back more than 10 store addition

is quite impressive. But can you also throw some light with regards to how many stores we would have closed over the last three years? And also maybe you can give some reasoning regarding why we have closed that store? And hence, I mean, around that for rationalizing or optimizing the store sizes, etc , that should boil down to a margin expansion thing? If you can give some color on this sir?

**Venu Nair:** That's a very good question, Varun. In terms of absolute number of store closures, it is 10 (Department Stores). And the majority of them happened during the COVID period. And subsequent to that, in the last year, we closed one department store. So that number of store closures will continue, but it will be much muted because the major loss-making ones were the ones that we tackled and we closed during the COVID. Obviously, these were all loss-making and hence helps in the overall margin expansion.

**Varun Singh:** Understood, sir. And sir, just one last question, if I may, that in the beauty brand, given that we have launched online website and apps, I mean, as for the time line that you alluded during last quarter conference call. So sir, just wanted to understand that how are we positioning ourselves compared to Nykaa in the beauty space?

**Venu Nair:** Our SS Beauty stores and the SS Beauty app is positioned sharply in the premium space of beauty. And what we focus on is catering to the upper middle-class customers and offering them a complete experience of the brands that they love as well as they would love to discover. And with some of the new brands that we are bringing in, focus on the premium and bridge-to-luxury segment, we are offering a much more curated experience for our beauty customers.

**Varun Singh:** Understood, sir. That's it from my side, sir. Thank you very much and wish you all the best.

**Moderator:** Thank you. Our next question comes from the line of Pankaj from Kotak Mutual Fund. Please go ahead.

**Pankaj:** Good morning and congratulations to the entire Shoppers Stop management team on a very consistent performance and delivering on what you guys had promised a couple of years back. As it's the year-end, it's a time for reflection and also looking forward. So going forward in the next couple of years, we know in team, if you can guys quantify, what are the key deliverable you are targeting from here on, it will be very helpful from an overall strategy perspective? And you talked about the three pillars, three Cs, but if you can quantify it more it will be helpful. Thank you.

**Venu Nair:** Pankaj, thanks for the compliment, and I appreciate it. Over the next few quarters, our focus will be on implementing the strategy that we have put in place. We have a very clear strategy and the performance over the last two quarters is a reiteration of the success of that strategy, and we will continue to dwell down on that. Specifically, within each of them, private brand is our first focus, and we would expect to continue growing our private brands. And the private brands currently contribute to 14% of our sales. As we grow, we would expect that to grow ahead of the total



business, taking it to probably around 20% of our total sales and close to between 25% to 30% of our apparel sales.

The second strategic pillar on beauty and in beauty, it is a combination of the department stores as well as the SS beauty stores that we have opened. And we now have 10 SS beauty stores. We will continue to grow on that. And along with the SS beauty stores, we will also be doing boutique, standalone stores for some of our key partners like Estee Lauder and going forward, NARS, with whom we have signed up exclusive relationships. The SS beauty app further enhances that customer experience and again, we would expect beauty to grow ahead of the company average. The third area of growth would come from expansion and new stores. And as a fact, we have committed to doing between 10 to 12 department stores every year and the pipeline for this year and next year is robust enough for us to be able to achieve that.

**Pankaj:**

Great. Just one more question, sir. In a decade, this is for the first time that you have maintained the ROCE, which is much higher after last year in double digits. You spoke about one of the things, which is capital allocation. So no, what I was saying was that after a long time, return of capital seems to be now looking healthy, which was not the case for almost a decade. And you spoke about one of the C's, which is capital allocation, which is very closely linked to those in a way. Can you help us understand from that perspective, how you are looking at things going forward because the challenge earlier for all the shareholders have been capital allocation. So just can you give us some comfort on how the rules could be defended, what you have achieved now over the last couple of years now?

**Karuna:**

Thanks, Pankaj. . I think that's a very good question, and you almost answered when you started it -- our endeavor is to consistently improve the return on capital employed and return on net worth. In fact, if you have seen it, our balance sheet has been pretty lean, like the loans are just net of INR30 crores. So even on the store additions, we have been quite aggressive plus even the cost per square feet has also been pretty low consistently in the last 2 to 3 years.

So to answer the question specifically, we are expecting the return of capital employed between 20 to 25 percentage in the next 1 to 2 years.

**Venu Nair:**

Further to that Pankaj as you would have seen one of our biggest areas of capital deployment is on expansion and new stores. And this is an area where we have had a significant reduction in the spend per store. And this has been achieved by a lot of reengineering without compromising on the quality and actually enhancing the overall customer experiences. And I do hope you've had a chance to look at some of our new stores, specifically in Bombay, both R City and Bandra have just been renovated and worth looking at.

To be specific, our capex spend has reduced by as much as 35% per square foot. And further to that, the bulk procurement that we are now enhancing on would reduce that further. In addition to that, we have also partnered as we go into some of the newer cities where we are negotiating and getting significant capex spends from the landlord. And that again helps to reduce our overall investment, enabling us to improve our return on capital.

- Pankaj:** Fantastic. My only worry was that in the past year, you have alluded about venturing into value format, couldn't that just, defocus us from the capital allocation part? And I hope you will take care of that.
- Venu Nair:** Absolutely, Pankaj. The value segment is a large market and we don't play in that segment. We are conscious of that. We are looking at a small trial, but we'll be extremely prudent on ensuring that whatever growth we endeavor in that segment is done profitably.
- Pankaj:** Thank you and all the best to the entire team.
- Venu Nair:** Thank you.
- Moderator:** Our next question comes from the line of Resham Jain from DSP Asset Manager.
- Resham Jain:** Yes. Hi. Good morning, team. And congratulations on a good set of numbers. So my question is on the overall investments other than the store capex. We have been doing this digital spend pre-COVID as well, the Omni-channel and then we implemented SAP HANA. And I think our overall digital spend has increased. Earlier you used to mention that close to 100 basis point kind of margin impact because of that. How much impact is there because of the same and are we seeing that coming down going forward?
- Venu Nair:** The overall spend on digital has reduced in the last two quarters because a lot of the heavy lifting was done at the end of last year and the beginning of this year. SAP HANA and S/4HANA implementation is complete. And not only did we do the first phase, which was the base model, we also implemented the retail and finance modules of S/4HANA, which is helping our business and improving our efficiencies within the business.
- The SS Beauty investment is also now done. And the last area where we are now endeavoring is moving of the platform for shoppersstop.com where we will get the benefit of what we have already done on SS Beauty. And hence the total spend would be quite efficient. So to answer your question, the overall spend has now tapered down and we would see that in our total investment split.
- Resham Jain:** Okay. And sir, on the overall economics of new stores, if you can just give a sense of let's say a store which has completed one year, how are you seeing ramp up of the stores and from the payback period perspective, from capex perspective, how do you see the overall economics working out?
- Karuna:** Hi, Resham. The payback period is between two to two and a half years. And we are seeing a good growth from year two, anywhere between 18 to 20 percentage. And also giving a decent return on capital employed, again, anywhere between 20 to 25 percentage from year two onwards. And the productivity is also close to 10% higher than the existing stores.
- Resham Jain:** Okay. Perfect, sir. Thank you.
- Karuna:** Thanks, Resham.

- Moderator:** Our next question comes from the line of Ankit Kedia from Phillip Capital. Please go ahead.
- Ankit Kedia:** Sir, three questions from my side. You mentioned you're going into the outright models. We always follow the SOR model or returnable model being a departmental store. While it has some positive impact on the margins, but inventory is a bigger risk for us while we already have private label share increasing. Just wanted to understand how, which type of, beauty and absolute brands are you taking on outright model? And how is the risk weighted returns, you know, you're calculating there?
- Venu Nair:** The major chunk on the inventory is for our own private brand. And obviously, these are at significantly higher margins and we have better control on the overall supply. In the existing business where we have switched to outright, it is fairly limited. And it has been specific brands where we've had supply as an issue consistently. And hence it is to work on that where we move to outright. All of these brands are major, most of them come with the agreement of exchange of stock at the end of the period, which minimizes any risk that we would have on redundancy.
- Ankit Kedia:** So, my second question is on your footfalls. If I look on a y-o-y basis of footfalls, customer visits have grown, you know, by less than 2%. On a low Omicron base where we have added 10, 11 departmental stores, we've added SS Beauty app, and still the customer visits is, 2%-3% growth. Are there challenges in customer footfalls you are facing or the base was very high and hence we are looking at a low customer footfall in the quarter?
- Venu Nair:** The customer, it's not footfalls, Ankit. It is a combination of eyeballs plus footfalls that we are seeing. As you rightly said in the base, there was a period where the stores were partially shut or had an impact because of COVID. And that was the period where there was a massive surge in terms of eyeballs online. That is the segment which was muted. Footfalls itself grew in by almost 40%. But again, as an omni-channel business, we measure the customers that we engage with across online and offline, and that is the 2% that you are seeing.
- Ankit Kedia:** So, from an age profile of a consumer, are you getting younger customers on the platform now compared to the past? If you can just share that because Shoppers Stop is more from a family store perspective, historically. And now with more younger brands coming in the overall company, are you seeing that movement happening on a slower pace or at a much faster pace?
- Venu Nair:** We do see a reduction in shopping of families and groups and a lot more of individual purchases that are happening. We recognize the shift in trends. And as I had mentioned in my speech, we are very cognizant and we continue to bring in brands, which cater to that segment. To be specific, we have an exclusive tie-up with good brands who are an incubator of D2C brands and we've got four brands, which are now in our stores on an exclusive basis. And all of them cater to D2C. And with these new brands coming into our stores, we attract a younger customer who has got used to a lot of the D2C brands. And this is an area we will continue to invest in.
- And with the exclusive partnerships, we would bring in new brands that would be right for this segment. If I were to elaborate further in the coming months, we are actually launching a street way a brand called Breakbounce. And again, it is from the house of GOAT. And Breakbounce is a young street wear brand, extremely popular on the D2C channels, which will, for the first

time, be available anywhere in the physical stores. So, we continue to bring in brands that are right for the younger audiences even as we see the shift in shopping happening.

Further, the opportunity that it brings in, is also for us to be able to grow our conversions as we attract some of our younger customers.

**Ankit Kedia:** Sure. And sir, my last question is on the beauty side of the business. Now for last seven quarters the growth is lower to the company's growth, which we are seeing. While we are talking a lot positive about beauty business, but that is not reflecting in revenue growth for the beauty, despite ad being launched. Despite, SS beauty in one and half years being 10-store network, so just wanted to know, while we had supply chain issues last two quarters. What are the other challenges you are facing in beauty for the growth to be above the company average?

**Venu Nair:** The main challenge has been on the supply side only. To reiterate, beauty had made its highest sales ever, and it continues to grow. Can it grow faster? Yes, it could. And definitely, we are confident that way. The focus and the, initially at the beginning of the year, the makeup categories were still one of the last ones that rebounded from COVID. And a number of brands we are not offering makeovers and etcetera. And that continued pretty much till June, July, post which we had a few international brands with whom, on fragrances where we had challenges. And then again, in the beginning of this year, we had some challenges on a few of the makeup brands, which all of which has now been resolved. One of the reasons and methods we have chosen to mitigate this is to move to Outright. And that's something which has helped.

**Ankit Kedia:** Sure, sir. Thank you so much and all the best.

**Venu Nair:** Thank you, Ankit.

**Moderator:** Our next question comes from the line of Gaurav Jogani from Axis Capital. Please go head.

**Gaurav Jogani:** I have a couple of questions, if I may. Sir, my first question is, if you can help us out what, of the INR200 crores capex that we have incurred during the year, if you can break it up between the new store openings and also in terms of the omnichannel capex that we have done or rather the online capex that we had done?

**Karuna:** On the new stores. We spend around about INR82 crores. And on the stores, which we refurbished, we spent around about INR55 crores.

**Gaurav Jogani:** And sir, the remaining would be on the omni fees there.

**Karuna:** Not necessarily and about the digital and omni be around about INR20 crores. And there are like for the distribution in some of the stores about INR10 crores.

**Gaurav Jogani:** And sir, the next question is with regards to the growth per se, if you see. on a four year CAGR basis, if I see for FY'23, the CAGR comes to around 4%. As earlier participant highlighted that even that matches largely the store or the square footage addition. So, going ahead, also Venu sir mentioned in his opening remarks that you are seeing some Green Shoots in the month of

April. So, how one should go ahead and build growth given the fact that even the figures have been some single digits. And given the fact that we will be adding around 10, 12 stores every year, we are looking to do a 5% SSD. So, what kind of growth can we build in going ahead?

**Karuna:** Specifically for this year, I mean, it's too early to say. We expect the overall growth including the new stores should be in the mid-double digits. SSD growth should be about mid-single digits.

**Gaurav Jogani:** Mid-single digits. So the mid double-digit total growth you are saying would be including this mid-single-digit SSD growth, right?

**Karuna:** That's right.

**Gaurav Jogani:** Okay sir. Thank you very much sir.

**Moderator:** Our next question comes from the line of Nihal Mahesh Jham from Nuvama. Please go ahead.

**Nihal Jham:** Thank you so much. And congratulations on the strong performance. So the first question was on the gross margin again. You did highlight the aspects to why it has improved. Would it be right to say that the change in the business model or the arrangements with vendors has been a large part of the contributor or if I compare it on a Y-o-Y basis

**Karuna:** Nihal, that contributed a very small percentage for this fiscal. But next year onwards, it should contribute probably 30 basis points to 40 basis points.

**Nihal Jham:** Understood. That's helpful. Just a related question to this model change that while there has been a spike in inventory, there has been an increase in creditors also. So net-net, how would this end up impacting the working capital for the business going forward?

**Karuna:** Specifically for this year, if you have seen there is a reduction in working capital of around about INR147 crores. But we have taken steps to reduce the inventory from Q1 onwards. So, we do expect the funding from working capital for the full year. The negative working capital should increase at the end of this fiscal year.

**Nihal Jham:** Perfect. If I may, just final question. You did mention the capex per square feet for the new stores is down around 35%, what is the number now that we are looking at for the new stores?

**Karuna:** Anywhere between INR2,200 to INR2,300 depending upon but then we have beauty or not. If we don't have beauty, it will be around about INR2,200. And if you beauty, it will be slightly above INR2,300.

**Nihal Jham:** Those were helpful. I will come back in the queue. And wish you all the best. Thank you.

**Karuna**

**Moderator:** Thank you. Our next question comes from the line of Aliasgar Shakir from Motilal Oswal.

**Aliasgar Shakir:** Yes, thanks for the opportunity sir. I just wanted some sense on the growth. So, and where is this SSG coming from? So in this particular quarter, if I see Y-o-Y footfall is up about 2% against a 5% area or approximately addition. And even ATV is up about 5%. So in a way it implies that number of bills would have grown nearly about 25%. So that's a very significant increase probably in the conversion rate. So strategically, if you could just help us how, what is really changing that is driving this kind of an SSG. And just one follow-up here, as you mentioned mid-single SSGs what we are targeting going forward with 10-12 store addition in a way probably implying about mid to high teens growth. So, I mean, we have been having an earlier target to double our revenues in FY'25. So, with that kind of an SSG, probably we would need somewhere about mid-teens kind of SSG growth to achieve that target. So how are we seeing that getting achieved?

**Venu Nair:** So the total growth, as you rightly pointed out, a combination of like-for-like growth and also the total. Now, as you would also appreciate with the increased number of new stores in the mix, it would contribute to a higher same-store growth. And we would continue to see the benefit of that over the next two to three years as we continue to invest into new stores. Further, the increase in the total bill value and it is a combination of price and volume. The price increase itself has been fairly plugged in terms of the product mix. And that is what has driven rather than an absolute increase.

And if I were to be even more specific, the biggest increase or bulk of that increase in the price has come from the non-apparel category. And where we have moved to more premiumization. And this footwear as an example, where we've upgraded the brands that we retail, and that has contributed to the increase in price rather than the prices for the same product. Further, what will add to the growth is, apart from the new stores and department stores, the beauty stores and the addition of beauty stores, including our own plus the boutique stores for our brand partners that we talked about would contribute to accelerating that growth.

**Aliasgar Shakir:** Okay. Just a follow-up here is, so it ATV what you mentioned, volume plus price increases. ATV has grown about 5%. So when I see your revenue growth in this quarter, even if I adjust for that ATV, it's a very significant growth in your number of bills which is nearly about 25%. So, I was just trying to get some sense of what would have led to this kind of a big increase in the despite footfalls not growing.

**Venu Nair:** So the overall, as we said, into stores, we did have a significant increase, and we do get a much higher bill values in our stores compared to online. And it is that weightage, which constitutes that higher growth in ATV.

**Aliasgar Shakir:** And we still stick to our target of doubling revenues by FY'25, right, on an FY'20 base that we had earlier indicated?

**Venu Nair:** It was FY'26 that we had indicated and we stick to that.

**Aliasgar Shakir:** Okay, thank you very much. It's very helpful.

- Moderator:** Thank you. Our next question comes from the line of Sameer Gupta from India Infoline. Please go ahead.
- Sameer Gupta:** Thank you, sir for taking my question. This is regarding the capex that you mentioned. So INR82 crores for new store additions is what I heard during the call. And this is an area addition of around INR2.3 lakh square feet during the year on a net basis. So this is translating into capex per square feet of around INR3,500 crores. But you also mentioned that the capex per square feet has been reduced and now it is at around INR2,200 crores to INR2,300 crores. So, just trying to reconcile these two data points.
- Venu Nair:** So it is, the capex is not just the 11 department stores, it's also beauty stores. And the beauty stores have a, I mean these are smaller stores and also more premium. And hence, the capex per square foot for those stores are much higher. To recap we have opened 12 beauty stores and 11 department stores and the spend is a combination of both put together.
- Sameer Gupta:** Okay. That makes sense. Just one follow-up or one more question, if I can squeeze in. I just missed the SS growth number reported by you for fourth quarter and full year.
- Venu Nair:** For the fourth quarter, specifically the same-store growth is a bit complicated purely because it's not a true comparator. The absolute growth was 32% on last year. Again, as I said, because there was a period last year in the quarter where stores were partially closed.
- Sameer Gupta:** Got it, sir. And that's all for me. Thanks for taking my questions.
- Moderator:** Thank you. Our next question comes from the line of Resham Jain from DSP Asset Managers. Please go ahead.
- Resham Jain:** So I have just one more question on the stores, which we are opening. So some of our peers have established a model whereby the full investment of the store is done by the landlord. And a percentage of revenue is being shared with them. And in fact, some of the stores which, where they have done a capex, they are transferring the complete kind of book value to the landlord just to free up the balance sheet. Are we experimenting with such models or seeing such kind of yields?
- Karuna:** Resham, that's again a very good question. To answer your question, Yes, we are exploring whether we can get the partners either to partly or fully fund our capex. We've just started doing it for some of the new stores. So probably in three months or four months down the line, we should be able to give a definite answer for that.
- Resham Jain:** Okay. Because I'm specifically harping on this is because one of our peers has basically significantly ramped up the store expansion through this model because it frees up the balance sheet. I don't know whether that's a correct model or not, but Yes.
- Karuna:** Resham, to answer your question. The only the difference is the capex, what we are missing in our stores is anywhere between INR7 to INR10 crores depending upon the size of the store, depending upon the offerings what we have. And whereas the stores what you are mentioning,

I don't want to go to those numbers. I know the company which you are talking about. Those numbers are significantly different from the investments what we are making.

**Resham Jain:** Okay, perfect. Thank you.

**Moderator:** Our next question comes from the line of Priyanka Trivedi from Antique Broking Limited. Please go ahead.

**Priyanka Trivedi:** Hi, sir. Thank you for the opportunity. Sir, my first question is that we've been highlighting that the beauty supply chain issues would be streamlined by the fourth quarter that has gone by? And still you indicated that the issues are persisting. So, what is your commentary out there? And we shifted to the outright model, but do you see any streamlining on that side going ahead? And what would be the margin differential between the outright model that you end up doing?

**Venu Nair:** So Priyanka, thanks for the question. I appreciate where you're coming from. In a rapidly growing market, especially in a category which is quite heavily dependent on imports, some of the supply chain issues would be expected and that's something which we need to deal with. And the outright was one of the ways we have dealt with it. The second is moving with the distribution channels that we have launched and the subsidiary that we have now established, we are able to, again, get a better handle on our own supplies. The third area is also we are slowly growing on our private brand, which again helps. And fourth, also with partnering with a number of, where it is appropriate, which again helps the supply chain issue or mitigating against that. So those are the four different ways by which we are managing and ensuring that we continue to be on the high growth trajectory that we have embarked on for beauty.

**Priyanka Trivedi:** Okay. Thank you, sir. And my second question would be that you highlighted that we have been resisting Green Shoots in April. So could you give us a sense like what categories are doing there? How is the apparel performing on board line?

**Venu Nair:** I wouldn't want to get into specifics. It's still early days in the quarter, and it has been quite mixed, specifically because we are the comparative period last year was the initial surge that we had from pre-COVID combined and also where there has been a shift in the dates of weddings, etcetera. So what I would say is that we are managing to ride that and come up ahead and quite reasonably pleased with the way we are progressing on that.

**Priyanka Trivedi:** Okay. Thank you. That is from me.

**Moderator:** Our next question comes from the line of Devanshu Bansal from Emkay Global Financial Services Limited. Please go ahead.

**Devanshu Bansal:** Yes, sir. Congrats on a good turnaround as well as thanks for the opportunity. So you indicated that Feb and March were relatively slower while Jan saw a pickup in growth. So if you could share growth trends across the three months for March quarter individually, it would be better to understand the micro-weakness.



**Venu Nair:** Devanshu, if I am brutally honest, I wouldn't want to do that and the reason is because the periods are not comparative. Jan had end of season sale. Feb had different things going on, etcetera. So it won't be a true indicator and that's the reason I wouldn't want to do that. Also because as I said, there were two things which happened. Jan was EOSS which is normal but then in Jan 22, there was COVID. So the comparatives are not really true.

**Devanshu Bansal:** Got it, sir. Sir, I wanted to understand this gross margin improvement. I know there have been multiple questions on this. So the drivers versus pre-COVID, our gross margins have improved by about 400 basis points. So you indicated one of them being private labels as well as some negotiations with vendors for higher margins. In my view, this 200 bps increase in private labels would have added about 100 basis points to your gross margins. But just if you could sort of help us understand the rest of the margin improvement, the drivers for the rest of the margin improvement?

**Karuna:** Devanshu, thanks a lot for the question. You almost answered the question. See, as I said, private brand. We have negotiated better with our vendor partners. Third, most important thing is we also had a one-time high obsolescence last year. That has been rationalized right now. And last but not the least, even the discounts have been optimized over a period of time. That has also reduced it. Those are the three or four large reasons why the margins have improved.

**Devanshu Bansal:** Can you also from vendors, you mean your vendors for private label business or for third-party brands?

**Karuna:** Both.

**Devanshu Bansal:** Okay. Lastly, you said Tier 2, 3 is facing challenges relatively more versus Metro. But our expansion has been primarily in such cities. So do you foresee a change in strategy or a slowed expansion because of weak trends in these cities?

**Venu Nair:** The softness that we are seeing in some of these Tier 2, Tier 3 cities, we believe is temporary and definitely not something which is structural. And hence, we don't see any reason for us to revisit our strategy of continuing to expand to markets where we are not present. Our new store strategy is always led by focusing on the availability of our target customer. And to remind, we are in the premium lifestyle space. So we are catering to the upper middle class.

And we look for customer catchments where there is a significant presence and we are not present. The runway for that, the pipeline for that is very, very strong. And again, to reiterate, we are being quite specific in terms of the store sizes that we go for to ensure that we have great productivity to compensate for the target customer base being smaller as we go into some of these newer cities.

**Devanshu Bansal:** Got it, sir. Thanks a lot for answering the questions.

**Moderator:** Our next question comes from the line of Shrey from Svan Investments. Please go ahead.

**Shrey:** So I just wanted to understand, going back to last year, if I read your commentary, you are saying Jan and mid of Feb was impacted by the Omicron variant. And had that not been there, we would have grown by about 28 odd percent. So at that point in time, we would have given a rough figure of about INR100,000, INR50 crores of top line. So on that number, we've done 1,175 this quarter. So that comes to about 11 odd percent. So in that light, how do you see this 11% growth rate for your company is my first question?

**Venu Nair:** If I heard you right, what you are referring to is the Q4 of financial year '22 and the guidance of what was the impact because of COVID and that is how we have looked at it. Is that right, Shrey?

**Shrey:** Yes.

**Venu Nair:** So normalizing for that, our growth continues to be robust and we are pleased with the growth that we have seen so far, particularly as there has been a slowdown in the market and despite that, we've been able to grow robustly.

**Shrey:** All right. My last question is on your square foot addition. If I'm not wrong, last year at this point in time, we had about 3.72 of total retail space. And this year we are at about 3.9. So the net addition is about 0.18 million. So that comes to about 18,000 odd square foot in terms of store addition. So is my figure right or my sense is, have we renovated existing stores and cut their sizes or how should I look at this number?

**Venu Nair:** I don't think your numbers are right, Shrey, and I think it might be because last, till last year, we were reporting the chargeable area or the super built up area, which we shifted to being carpet area as the industry norm. So 2,90,000 square feet is what we have added in this financial year.

**Shrey:** Okay, I'll take it offline. Thank you.

**Moderator:** Thank you. Our next question comes from the line of Jignesh Kamani from GMO. Please go ahead.

**Jignesh Kamani:** Congratulations on a good set of numbers. Just want to know, this time winter was delayed, so it is anyway positive impact on the revenue and the margin. And similarly, how is the full price this quarter versus Y-o-Y?

**Venu Nair:** Thanks for the compliments, Jignesh. Winter was decent without being great, if I put it that way. The onset of winter was delayed, and hence we could not fully maximize on what we could have achieved. I wouldn't want to get into the specifics of full price introduced, because that's not something which we would divulge.

**Jignesh Kamani:** And any idea on how is the revenue and the profitability from the beauty distribution segment in the fourth quarter and some color for the next year?

**Karuna:** We just started, Jignesh, in the month of March. We are in the process of appointing retailers. We have completed close to 10, and we may have to add another four or five in the next one

quarter. So, the sales have been negligible in the fourth quarter. This year, we expect anywhere between INR180 crores to INR200 crores for the full year.

**Jignesh Kamani:**

Okay, thanks a lot.

**Moderator:**

Thank you. Our next question comes from the line of Disha Sheth from Anvil Share and Stock Broking Private Limited. Please go ahead.

**Disha Sheth:**

Sir, when we are targeting around doubling of our turnover, like a 15% CAGR growth. and in the past so many years, we have around mid-single-digit CAGR growth. So, if you can throw some light. I know you have answered that question, but if you can still get deeper into it, since we have not performed in the past, what will lead to the mid-double-digit growth, around 15%?

**Venu Nair:**

Disha, thanks for that question, and in a way you have answered your own question. But I would reiterate what would contribute to the growth is implementing of our strategy. Our strategy built on the foundation of the strong partnership that we have with our national brands, and we continue to grow on that bringing in great customer experience and engagement.

Within the strategic pillars, the two – the three engines of growth that we would have are private brands, beauty, and omnichannel expansion across online and offline.

**Disha Sheth:**

Okay, sir. And, sir, in terms of when you said this quarter we grew 32% like-to-like growth, am I getting that figure right?

**Venu Nair:**

That's correct.

**Disha Sheth:**

And for FY'23, how was the like-to-like growth?

**Venu Nair:**

Again, not a true comparison. 63% was the total growth. Like-to-like was 57% growth.

**Disha Sheth:**

Okay, and, sir, since we are expanding aggressively, if we can throw some light on the debt requirement or we fund through internal?

**Karuna:**

Disha, We don't foresee any debt for our expansion. We should be able to fund from internal accruals.

**Disha Sheth:**

Okay, and yearly capex will be around?

**Karuna:**

Similar to this year, anywhere between INR160 crores to INR200 crores, Yes, that's right.

**Disha Sheth:**

Okay, sir, thank you. That's it.

**Moderator:**

Thank you. Our next question comes from the line of Tejas Shah from Avendus Spark. Please go ahead.

**Tejas Shah:**

Thanks for the opportunity and congrats on a good set of numbers. So there's always a tradeoff between private-label strategy, which is positive on margins, but kind of legalizing on inventory

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days. So if I look at our numbers also on a four-year CAGR basis, that from 19 to 23, for roughly 4.5%, 5% CAGR growth, our inventory has grown at somewhere around 8%, 9% CAGR.

So just wanted to understand, though the benefits are visible at margin front, but how would you like to manage it on an absolute basis? On an overall working capital, we are managing, but on an inventory-days basis, how are you planning to manage that?

**Karuna:** I did not get the numbers. Are you saying that the private brands have 5% CAGR?

**Tejas Shah:** No, sir. Overall, the value of growth for 5% -- our inventory growth is somewhere around 8% CAGR from '19 to '23.

**Karuna:** I agree. That's what Venu spoke at the beginning of the meeting. Our inventory is higher. Let's understand the constitution of the business. We have close to two-thirds as SOR and one-third as OR. We are focused on the OR inventory, where it's a paid inventory, three or four reasons. Our private brand has been growing between 50% to 70% last year, so that inventory will be higher.

Second, we also spoke about some of the shift in model on apparel and beauty, and that's the reason the inventory is higher. In fact, the inventory CAGR is significantly lower than the private brand CAGR, what we have achieved in growth.

**Tejas Shah:** Sure. But, sir, how should we think about this in the next two, three years? Will it remain at the same percentage, or because the strategy shift is there, it will accelerate in this direction further?

**Karuna:** A bit difficult to answer that question, Tejas, because the dynamics are completely different. As we continue to grow in the private brand, the inventory will be higher, and largely depends on what our private brand share and the growth for the next two to three years.

**Tejas Shah:** Okay. So, sir, let me start this off. So, our ROI on private brand business is really higher because the inventory deployment is higher versus our third-party brands?

**Karuna:** The net margin, what we are getting from the private brand is also higher, and commensurate with the investments, what we are making?

**Tejas Shah:** Yes, sir, but that's what I'm saying, that the higher margin compensates for higher inventory, so does it culminate into better ROI for the rest of the business?

**Venu Nair:** It more than covers up for it, and hence the investment is definitely worthwhile, and we are quite pleased as well as delighted with the progress we are making on that. Further to that, I think the other point which is also worth calling out is that as we grow our private brands, it also brings in the customer, giving them a different reason to come into our stores. So, combining with the national brands and international brands, our own exclusive brands, gives a different reason for the customer to walk into our stores.

**Tejas Shah:** Okay, sir. Thanks a lot.

- Moderator:** Thank you. Our next question comes from the line of Yash Bajaj from Lucky Investment Managers. Please go ahead.
- Yash Bajaj:** Yes, hi. Thanks for the opportunity, sir. So, just trying to dive a little more deeper on the private brand business. So, I just wanted to understand versus our third-party brands, what is the positioning of our private brands in terms of the style and the pricing? That is my first question.
- Venu Nair:** So, Yash, our positioning of our private brand is in the good segment within our stores and online and it complements the national and international brands that we have. We are very clear that we don't want our private brands to be competing, but should be complementary to what we already offer, and hence widening the choice that we are giving to our customers.
- To evaluate, to delve further into it, each of our brands caters to a lifestyle need. The brand ethos is very clearly defined, and it is within the framework of that brand ethos that the brand grows to. If I were to, again, explain that even a little bit more, Life is one of our larger brands, not the largest, but one of our larger brands. It's very clearly defined as a denim casual wear brand, and that's what the brand would cater to.
- And this is one of the significant shifts which we have made over the last two to three years, where the definition of each brand has been sharpened, and by doing that, it is addressing a specific lifestyle need of every customer who walks in, and it is doing that by being better value within the box compared to the more well-known national and international brands that we would have in our stores.
- Yash Bajaj:** Okay, got it, sir. And my second question was, so the stores which we are adding, we are aggressively adding more and more stores in Tier 2 and 3. So would the offering of the, or the mix of private and third party be different for a Tier 2, Tier 3 versus a metro Tier 1?
- Venu Nair:** The mix of brands that we would have in a new store is very strictly guided by the catchment that we are going into, and the propensity to spend of the customers in that catchment. Having said that, the mix of private brands would be slightly higher than what we would have in the more established markets.
- Yash Bajaj:** The more established markets?
- Venu Nair:** Yes, the established stores that we have. When I said markets, I meant the stores that we already have. We do see that in our newer stores, the contribution of our private brands tends to be fairly high, much higher than what we would have in our current stores. And this is further accentuated by the fact that we are opening more compact stores, and the split or percentage mix of private brand within these compact stores would be even higher.
- Yash Bajaj:** Okay, got it. Thank you so much.
- Moderator:** Thank you. Our next question comes from the line of Padmini Dhruvaraj from Infomist. Please go ahead.

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- Padmini Dhruvaraj:** Okay, so I wanted to ask if you are planning to explore more in e-commerce, maybe by partnering with some of the brands or Flipkart?
- Venu Nair:** As of now, our brands are available on Amazon and we are focused on shoppersstop.com. As we have always emphasized, we have moved from a brick and mortar retailer to being an omni-channel retailer, and we offer a seamless offer across shoppersstop.com and our own stores for our customers to shop from. In addition to that, we are currently present on Amazon, and while we wouldn't rule out further partnerships, really our focus will be on shoppersstop.com.
- Padmini Dhruvaraj:** Okay, thank you.
- Moderator:** Thank you. We take our last question from the line of Akshay Krishnan from ICICI Securities. Please go ahead.
- Akshay Krishnan:** Hi, sir. Thanks for the opportunity. I'm just trying to understand what will be the contribution or the quantum of the bonus that we receive from the brands at the end of FY'23? Because I think my understanding is that we get a bonus from these branded players once we achieve a certain target of volumes at Q4, Q3, every FY?
- Karuna:** Akshay, thanks for that question, Akshay. They are all completely confidential, and we can't share because we do have a confidentiality agreement with vendors. All I can say is they are consistent. It's not something that has happened only this year. It was there this year. We achieved the target last year, that is FY'23. We got it. And we also have targets for this year, and if we achieve the targets, we'll get this year.
- Akshay Krishnan:** So one final question, sir. So we just had -- with our ATV around 4,000 plus odd and our ASP around 1,500, is there any stress level that you're finding in any ticket size, say like maybe between the 2,000-3,000 range or like in sub-thousand ranges as the consumer listing their store?
- Venu Nair:** We've now had 12 quarters of consecutive growth in the ATVs, and we are not seeing any resistance at any particular price point. As I would want to emphasize, the growth in the ATVs is mainly because our customers are blessing us with more business. There has been some increase because of price, but that again is not just a price for same product, but because of the product mix. So to answer specifically your question, none that we have noticed.
- Akshay Krishnan:** Thanks.
- Moderator:** Thank you. Ladies and gentlemen, we have reached to the end of the question-and-answer session. And on behalf of Shopper's Shop Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.