

To,
Listing Manager,
The National Stock Exchange of India Ltd.,
(Through NEAPS)
Symbol: EMIL
Series: EQ
ISIN: INE02YR01019

The Secretary,
BSE Limited,
(Through BSE Listing Centre)
Scrip Code: 543626

Dear Sir/ Madam,

Subject: Disclosure of transcript of Earnings Conference Call for the Fourth Quarter and Financial Year ended 31st March 2026 held on 22nd May 2026.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings conference call held on Friday, 22nd May 2026, at 03:00 P.M. IST to discuss the Audited Financial Results for the Fourth Quarter and Financial Year ended 31st March 2026. The same is also available on the website of the Company at the link below:

<https://investors.electronicmartindia.com/earning-call-transcripts-and-investors-presentation>

We request that you take this information on record.

Thanking You,
For and on behalf of **Electronics Mart India Limited**

Rajiv Kumar
Company Secretary and Compliance Officer

Date: 27th May 2026
Place: Hyderabad

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“Electronics Mart India Limited
Q4 and FY '26 Earnings Conference Call”

May 22, 2026



**MANAGEMENT: MR. KARAN BAJAJ – CHIEF EXECUTIVE OFFICER AND
PROMOTER – ELECTRONICS MART INDIA LIMITED
MR. PREMCHAND DEVARAKONDA – CHIEF FINANCIAL
OFFICER – ELECTRONICS MART INDIA LIMITED
STRATEGY GROWTH ADVISORS, INVESTOR
RELATIONS ADVISORS – ELECTRONICS MART INDIA
LIMITED**

Moderator:

Ladies and gentlemen, good day, and welcome to the Q4 and FY '26 Earnings Conference Call, for Electronics Mart India Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing star then zero on your touchtone phone. Please note, that this conference is being recorded.

This conference may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Karan Bajaj, CEO and Promoter. Thank you, and over to you, sir.

Karan Bajaj:

Thank you very much. Good afternoon, and a very warm welcome to everybody present on the call. Along with me, I have Mr. Premchand Devarakonda, our Chief Financial Officer, and SGA, our Investor Relations Advisors.

We have uploaded our results and investor presentation for the quarter end and financial year ended 31st March 2026, on the stock exchange and the company's website. I hope everyone had an opportunity to go through the same.

The quarter got off at a healthy start, supported by a summer season that outperformed. While March business, some temperature volatility and sporadic rainfall, the impact was well offset by a strong festive season across the South region.

Our sales mix remained broadly in line with the same period last year, and demand was robust across categories and each segment delivering double-digit growth. Large appliances, in particular, benefited from the GST reduction and festival consumption tailwinds.

We also saw a meaningful operating leverage coming through, resulting in an improvement in our operating margins, even as we continue to add new stores to our network. On the store expansion front, during the Q4FY26, we added 4 new set of stores, one each in NCR region, Telangana and 2 in Andhra Pradesh.

I'm also pleased to share that during this, both the South and North regions delivered double-digit growth in both revenue and same-store sales growth. To provide a clear picture of our store portfolio, we currently operate 223 stores, of which 83 are over 4 years old and 140 are less than 4 years old.

From a profitability standpoint, mature stores continue to demonstrate strong performance with an EBITDA margin of approximately 7.3%, while newer stores are currently operating at 3.1%, consistent with their stage of ramp-up.

We expect many of these stores to mature over the next couple of years and start delivering better margins. EBITDA margins for Q4 FY26 stood at 6.7% and 6.1% for FY '26. On cluster-level profitability, we continue to maintain a healthy EBITDA margin of 6.5% in our South

cluster, which is good especially given that the majority of our new store additions over the past 2 years have been concentrated in Andhra Pradesh and Telangana.

Importantly, despite the entry of new players into these markets, we have been able to sustain our market share. On NCR, I am pleased to share that our operations they are now EBITDA positive on a full year basis. As store-level throughput improves, we expect better absorption of fixed cost, which should drive further margin improvement in the region over the coming quarters.

Moving to category performance, in large appliance, the positive momentum we have been observing at the store level, driven by GST reduction and festive demand and new product launches have continued.

Washing machines are reporting strong double-digit growth in Q4 FY26, which is particularly encouraging given that the category typically sees stronger traction during the monsoon season. The growth seen over the last 2 quarters is, therefore, ahead of season norms.

Panel continued their double-digit growth trajectory at 13%, sustaining a tailwind from GST reduction. Refrigerators have maintained stable, with steady demand holding up even in the face of recent price increase.

We are also seeing healthy traction building up near -- and the newer and the emerging categories such as induction cooktops, dishwashers and air coolers. Coming to mobile phones, the segment recorded a strong growth of 28% in Q4 FY26, supported by major new launches in January and March.

Looking ahead, we believe that the mobile category in the next phase of this demand cycle driven by upcoming technology upgrades and the growing integration of AI capabilities into devices.

Several OEMs are actively developing next-generation AI-enabled smartphones, which we expect will stimulate some consumer interest and support growth in both average selling price and volumes.

On inventory days outstanding as of 31st March'26 stood at 73 days. We have managed inventory efficiently throughout the year, maintaining a well-calibrated mix of carry forward and of new AC models ensuring we were well positioned heading into the summer season.

Coming to FY '27, our priorities are clear. We will continue to optimize our supply chain and inventory management with a sharp focus on cash flow generation and working capital efficiency.

We will deepen our presence in existing clusters while remaining selective about new geographies and only with where the combination of consumer demand and unit economics meets our standards.

And above all, we will continue to invest in customer experience, because that is what we have defined EMIL's reputation over decades and in the, remain -- and it will remain the foundation of everything we're doing -- going forward.

With this, I request Mr. Premchand Devarakonda, our CFO, to update you on the financial performance. Thank you, all.

Premchand Devarakonda: Thank you, Karan sir. Good afternoon and warm welcome to all the participants. I would like to start with Q4 FY26 performance.

Our revenues for the quarter stood at INR1,913 crores versus INR1,664 crores in Q4 FY '25, a growth of 15%.

EBITDA for Q4 FY26 stood at INR129 crores versus INR107 crores in Q4 FY25, witnessing a growth of 20%. EBITDA margin for Q4 FY26 stood at 6.7% versus 5.6% of the previous year's fourth quarter.

Pre Ind AS EBITDA for Q4 FY26 stood at INR91 crores with a margin of 4.7%, PAT for Q4 FY26 stood at INR40 crores shown a growth of approximately 49%. SSSG for Q4 FY26 has been 12.2%.

Now moving on to FY26 financials,

Our revenues for FY26 stood at INR7,183 crores versus INR6,731 crores in FY25, a growth of 7%. EBITDA for FY '26 stood at INR438 crores and EBITDA margin for FY26 stood at 6.1%. PAT for FY26 stood at INR107 crores. And for FY26, SSSG stood at 5.3%, pre Ind AS cash flow from operations for the year stood at INR299 crores.

With this, we can open the floor for question-and-answers. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question is from the line of Manoj Gori with Equirus Capital. Please go ahead.

Manoj Gori: Yeah. Thank you for the opportunity sir. Sir my first question is, if I look at the overall numbers for Q4, one thing actually was notable was that Hyderabad SSSG was into double-digits. And this has been after a very long time that we are seeing -- sorry -- we are seeing strong SSSG into Hyderabad market.

And probably based on our channel checks, even Q1 seems to be extremely on a stronger note. So how should we read this from a Hyderabad market for FY27? That's my first question. I will come to the second question?

Karan Bajaj: yeah. Good afternoon, Manoj ji. As you correctly that, we also have seen a good SSSG coming to in Hyderabad in the last quarter as well. And even this quarter, the beginning has been really good.

So -- but I would attribute this majority of the sales coming in from a lot of benefit that has come our way, especially post-September the benefit of GST dropped. The tailwinds that led towards

a lot of improvement in categories like televisions, washing machines, dishwashers -- and in the last couple of months, we've seen refrigerators and cooling products also doing really good.

So once you see a bump coming in from all categories, definitely you would see this kind of an SSSG come through. But I would say that at the same time, like there were a lot of big launches in mobile phones and Androids and from Samsung, from OPPO, Vivo during the last quarter as well.

So mobile phones also performed really well. Cooling products are doing really good. So, if you see blended, you can see a double-digit SSSG as you can see in Q4. So that is the number, I would say that has been attributed to all the product categories because everybody is performing not just one category.

Manoj Gori:

Sure. Sure. Secondly, if I'm not wrong, the -- when I look at the product mix, large appliances product mix has declined from 47% to 42% for fourth quarter. And despite that, the gross margins have remained very stable. So that's one more thing, which we believe like seems to be on the positive side.

So how should we read here and probably how should we look at the gross margins in the coming time? And obviously, you were talking about the margin improvement. So if you can comment over there?

Karan Bajaj:

So Manoj ji, again, there are smaller changes that we have made internally across categories, even mobile phones, even trying to do a lot of attachment there with accessories to improve our margins in mobile as well.

Apart from the cooling product categories, which there was a delay in starting off during that quarter because last year, Jan, Feb did really well versus Jan, Feb was a little slow in cooling product categories this year.

You see a mix of the margin being almost similar or getting a little better is because the throughput to other categories also was quite strong. And we're trying to improve our margins wherever we can even in mobile phones, accessories, adding up of new categories like built-in appliances, audio, accessories.

So we definitely -- these product categories have a higher gross margin, and that is helping us improve. So I don't know how long will it take for us to shape up those other categories, but making sure that all categories that we are selling are selling with a certain productive gross margin improvement there as well.

Manoj Gori:

Sure, sir. Last question, if I may. If I look at the cash flow from operations, I think this has been the record cash flow generation that we have done in our history. Probably, how do we plan to utilize it? Do we expect to repay loans and probably help strengthen our balance sheet or probably any plans that you have for FY '27 and '28 for the utilization of this CFO?

Karan Bajaj:

So Manoj ji, the repayment of loans that we've taken against property that remains the same. So there will be no repayment of that that is going to be more organic. So whenever there is like

every quarter or every month, whatever we pay for those loans is going to be a part of that. But our working capital requirement has definitely come down. So cash flows have already been prudent to reduce the working capital.

So now once -- by the end of this quarter, end of quarter 1, this year, also, you'll see a much more, higher improvement in our working capital cycles. So the cash flows have all been deployed into other business and whereas the working capital requirement has definitely gone down to what it was during the same period last year.

Manoj Gori: Sure, sir. Thank you, sir, and wish you all the best.

Karan Bajaj: Thank you, Manoj ji.

Moderator: Thank you. Our next question is from the line of Devanshu Bansal with Emkay Global. Please go ahead.

Devanshu Bansal: Yes. Hi, Karan. Congratulations, on good numbers and thanks for the opportunity. Karan, summer season is expected to be strong this time around. And last year, we know that the base is quite comfortable. Can you guide us some bit on your growth expectation across regions for FY '27, it will be helpful?

Karan Bajaj: Sir, if you ask me, it is too early to comment right now, because see, Delhi, the summer started a little late. Delhi, it's been a little warmer from the last one week onwards, whereas there was a little delay in summer starting up there.

AP and Telangana have definitely outperformed on our expectations. But we still have 45 days left for this quarter to end, and that is 50% of the quarter time still left on board with us. We're still 10 days away in month of May and another 30 days in June.

So I would say, a good positive outcome, but what helps us during this quarter is that the cooling product categories because our margins are higher there, if that outperforms expectation for the next 30, 40 days, then you would definitely see a great result coming through.

Devanshu Bansal: Understood. So Delhi so far has been slow to start but at least in the southern part if you could help us understand what has been the growth rate that can actually help us better sort of understand how comfortable the business...

Karan Bajaj: Devanshu, Delhi again, see because of the base, we had a smaller base last year right.

Devanshu Bansal: Right.

Karan Bajaj: So if the market is not performing well, then we have performed well in Delhi. But again, the value is very small on the total number of the company in terms of any category that we look at today. But Delhi expectations are big. Delhi, we are looking at a good double-digit growth coming in for this quarter.

But now commenting on our existing Hyderabad number, I think it will be too early. But South region has also outperformed than our expectation or then the market. And we've definitely

gained our market share in AP as a cluster, Telangana, UP country market, where the competition is very stiff, where I think we've gained a lot of market share.

And all clusters will give you a good number to go forward. So you will see a good growth coming in from a lot of stores that we've opened, which are yet to get matured. So there are a lot of reasons, the summer support it does, matured stores, the stores which are on the turn of getting matured are turning around to our numbers that we are doing.

We've improved a lot in mobile phones, especially on mobile phone penetration in AP, Telangana was a little poor. We've been doing that also. So not only air conditioning, coolers or refrigerators, but other categories have also outperformed in the region. So you'll definitely see a good SSSG coming through from the matured stores from those regions.

Devanshu Bansal: Fair enough. Fair enough. Karan, I also wanted to check on the extent of sourcing that is directly from brands and that by our distributors currently. So I wanted to understand, is there a scope to increase our sourcing directly from brands, which might help in margin improvement going ahead?

Karan Bajaj: Devanshu, most of it is anyway done directly from the OEMs or the brands directly apart from a few categories like accessories or small appliances where the values are very low. It would not even contribute to more than INR50 crores a year that we would buy from local distributors because of the inventory management or any other issue. But apart from that, most of the sourcing now is done directly only.

Devanshu Bansal: Okay. And is this applicable also to mobile phones category or you're speaking more from a large appliance perspective?

Karan Bajaj: I'm talking about the group, the whole group. So if you're talking about a INR7,000-plus crores revenue, only INR50 odd crores comes in from the distributors, going forward. And that also is reducing day-by-day.

So it does make to do with the logistics for the smaller products and accessories, headphones, sound bars where logistically, it becomes a challenge to distribute to 200 stores of those local distributors are used in those regions. But apart from that, the majority of the products going forward also will be through a direct billing.

But anyways, if it's direct or indirect through big distributors, it doesn't change our margin anyways, because the brand directly get involved in giving us the margins, so we enjoy same cash discount, the same schemes that direct or indirect billing would enjoy because of our volumes, it doesn't matter much to us now.

Devanshu Bansal: Got it. And last question from my end, Karan, you mentioned in your remarks that there is a sizable difference between margins for mature stores and young stores. By when do you expect these younger stores also to reach that 7% EBITDA margin that we sort of see in mature store portfolio?

Karan Bajaj: Devanshu, there is a cycle in this. For example, let's say, 150 stores are yet to mature, which are below 4 years, okay. Now out of that, 20-30 stores will mature which will start giving you a margin of 5%-6%. But then your 20-30 new ones will also be added.

So that 100-odd stores plus will always be in the cycle of getting matured at any time. But at the same time, idea is that, are the stores which are 2 years old, 3 years old or 15 months old, are they maturing in terms of revenue and EBITDA profitability, that is what we look at, and those stores are trending up really well.

Devanshu Bansal: Got it, Karan. Thanks for taking my questions.

Karan Bajaj: Thank you.

Moderator: Thank you. Our next question is from the line of Yash Sonthaliya with Edelweiss Public Alternatives. Please go ahead.

Yash Sonthaliya: Hi team. Thanks for taking my question and congrats on a good set of numbers. So my first is a follow-up on the first question on gross profit margin, so basically is there anything which is related to mobile phone price hikes and any one-off in the margins or all this improvement after the mix change also the margin remaining stably structural for us, and it will continue happening?

Karan Bajaj: Yes, I hope it continues to be this or get better than this because that is what we try now. Because as I told you earlier, there is a deep bifurcation of every category, every brand, every SKU, maintain gross margin levels across all regions.

And you would see -- because you would see improvement coming through, especially in the Telangana or Andhra Pradesh market where the competitive scenario is very different in the stores, but still getting matured.

The blended gross margin was because of the competition was a little poor there, which now we are improving here. So you would see not only like one reason for it, but multiple changes in the multiple in-depth push that we have across regions, that kind of category to better those margins up, not only at gross margin level, but even at the EBITDA level.

Yash Sonthaliya: Got it. Got it. And my second question is more specific to RAC category, like there has been a lot of price hike recently. So how has been the absorption in the market? And how has it impacted the demand? And anything we are observing on our end which will impact our gross margins going ahead because of this price hike?

Karan Bajaj: So yes, 2 things. Firstly, we had an advantage of carrying our previous inventory from last year. So that helped us in the initial beginning days of the summer starting of this year. And then we did do purchase, right, in January, February.

We didn't pick up usually the way we would pick up, but anticipating a little demand, we already had picked up enough inventories at the older pricing. So for us, we will not see a huge change

in pricing. During summer period, we still have some inventory left that is, sufficing our growth as well as our requirement.

But at the same time, going probably going another 20 days or so, we would be then picking up a little more inventory than required. That would be at a newer price, but not with a major price increase, I'm talking about 2% or 3% maximum, not more than that. And we don't absorb any improvement in -- the hike in the price, it's all passed on to the customer.

So if there is an increase of INR1,500 or INR2,000 depending on the SKU, it is all increasing the selling price in the store front. And that is how it is divided, either the manufacturer would take a hit or we'll have to increase the pricing on the store front. But usually, as a retailer, we can't afford -- with our margin we can't afford taking that price increase cost.

Yash Sonthaliya: Got it. Got it. And one last question, like there has been some huge price hike in mobile phones. Was it already in this quarter or it will reflect in Q1 more?

Karan Bajaj: So it has been happening, especially for the entry-level product categories in mobile phones, but unfortunately or fortunately, we don't -- we are not that strong in that INR15,000, subINR15,000-INR18,000 kind of category.

Our ASPs are about INR35,000, INR40,000 per mobile phone today. So if you look at the upper category, the price of iPhone, Google, FoldFlip, S20 Ultra, has not increased. If you look at Vivo, Oppo, Realme, Xiaomi the models below INR20,000 have seen a higher price increase.

Yash Sonthaliya: Got it. So, it's not that important for us, makes Sense.

Karan Bajaj: Correct. Correct.

Yash Sonthaliya: Thank you.

Karan Bajaj: Thank you, Yash.

Moderator: Thank you. Our next question is from the line of Vineet with Investec. Please go ahead.

Vineet: Hi Karan. Hi team. Good afternoon.

Karan Bajaj: Hello.

Vineet: I have a couple of questions. How are we seeing the store addition for the next year or next couple of years, number one. And which are the geographies where we'll add these stores? And a similar question to this is, are we looking at, any new geographies to foray into. And by when should we get into those new geographies.

Karan Bajaj: Okay. So Vineet, we are currently concentrating on NCR, AP and Telangana. So organically, we will be looking at anywhere between 12 to 15 stores in this region. We'll be opening up at least 4 to 5 stores, which are getting ready in Delhi region and adding up another, 3 or 4 new contracts in that region as well.

So probably this year, we might add 7 to 8 more stores in Delhi NCR region and a similar number down south. This would be organically happening as we talk. So we'll be opening some stores this quarter in the coming times as well in this financial year.

And for the second question of yours for the new geography, we've short listed a few areas, out of which strongly we would be entering east and starting up base with Calcutta in the Eastern market organically. And here, we plan to open at least by, say, either the end of Q2 or the beginning of Q3, so that we can capture on the Durga Puja, Dussehra Diwali period there.

We would at least start off with 5 to 7 stores in that region by the end of Q2 or the beginning of Q3. So Calcutta would be a new base for East. And from there on, we will start expanding organically in the Eastern part of the country.

Vineet: Understood. Understood. So more like 20 store additions is what we plan for this year?

Karan Bajaj: More or less, yes.

Vineet: Understood and should we assume a normal sort of a capex, which we do on a per store basis for all of these so something in the region of INR3 crores to INR4 crores.

Karan Bajaj: All the store sizes, everything all that remains in line only. So like even the new regions, we at least plan to open 8,000-10,000 square feet stores. Some might be 7,000-6,000, some might be 10,000-12,000 also. But the average would 8,000 to 10,000 square feet is what we look at with a similar capex, so similar product mix. So no changes there, the idea is to remain -- stick to our basics, what we are doing.

Vineet: Understood. Understood. And just one more question from my side. Now when given the inflationary environment we are in, where essentially all the product categories are seeing significant price hikes. How does it work for us?

Do we still work on a percentage margin basis or given pricing is going up, we are okay, lowering percentages a bit and focus more on absolute EBITDA growth. How does our thought process work in that scenario?

Karan Bajaj: So definitely, percentage becomes the basis for our calculations irrespective of the price that we operate at, right? So if it is a INR1,00,000 phone, I can't expect, okay, I will earn INR1,000 in this and if it is a INR20,000 phone, I won't say that I will earn, 5%, INR.1,000.

So usually it is a math of, you know, the percentage that we look at. But what we look at is that because the fixed expenses that we have to bear, they're marketing expenses, manpower, a lot of other things are in terms of fixed to us.

So we at least make sure that when we look at profitability, we look at now on a deeper level, where we look at profitability per store, so to look at the productivity, how do we increase the productivity because it can't be a varied price between the categories in different stores, but it can be a varied price strategy for clusters like I can operate probably a Daikin AC at higher or low pricing, say, Delhi versus Andhra Pradesh Tier 2 town.

But then that can be only leeway of 1% or 2%, I can't go drastic, I can't be higher than the market or way lower than the market. So it is going to be a balanced act. But if we look at least a certain percentage of gross margins that we retain on our product categories that we sell because mobile phones would be different to large appliances to say kitchen appliances to, say, a Dyson product to an accessory product or a warranty product, right? So there is differed category-to-category.

Vineet: Understood. Understood, Karan. This is helpful. Thank you so much.

Karan Bajaj: Thank you, Vineet.

Moderator: Thank you. Our next question is from the line of Rupesh Tatiya with Long Equity Partners. Please go ahead.

Rupesh Tatiya: Yeah. Hi Karan. Congratulations on good results. My first question, sir, is on ASPs, right? I mean one of the struggles we -- all electronic retailers have is that the ASPs go down 5% to 15% every year, and this is what has been happening in the last 3, 4 years. But now it looks like the underlying deflationary trends may be changing towards inflationary. So any comment on, how do you see ASPs moving?

Karan Bajaj: See, as you said see, there is a very thin line between how the, say, an online player or a mom-and-pop store versus a premium modern retail store would look at ASPs. As you said, a few markets look at this problem differently. But we being a premium seller, we've always seen our graph of ASPs going up across categories.

The value in the bill carts might be a little different, because you're talking about increase in a lot of newer low-price product category like accessories, audio product categories, which have increased a lot for us. So the ASP on the bill cut, you would see a little different scenario versus the individual ASP increase.

So basically, the price of AC, TV or mobile has increased. So price of ASP is automatically increasing. If you sold the same volume last year, then ASPs have gone up at least by 5%-6% this year and on average.

Star rating has increased in AC. So last year, 1.5 ton 3-star versus this year's 1.5 ton 3-star is higher by 5%, for example, so if you sold the same volume then your ASP increased by 5% but otherwise, a lot of improvement in technologies, a lot of ASP is going up.

For example, after post-GST drop, people who were buying a 55-inch have started shifting to 65-inch or 75-inch because it became more affordable. So automatically, if you're buying a big size, you're seeing a big ASP change, same thing with washing machines, refrigerators, accessories, every category.

So people who buy an Airpod today, for example, earlier were buying a cheap say INR5,000--INR6,000-headphone now, are buying a INR15,000-INR20,000 headphone. So every category is seeing a definite increase in ASP. So there is not even one single category across the board where we would see a reduction in ASPs.

Rupesh Tatiya:

So just to summarize, I mean, generally, for example, TVs, we see 15% price decline across years is very common, even with the phone it's same, right? I mean like after 1 year, the older model goes down quite a bit.

But what you are saying is on an average in every category, TV, phone, I mean, AC, refrigerators are still a bit different, more electronics. There, you are saying even there ASPs have gone up this year, and they might go up over next 2-3 years?

Karan Bajaj:

Correct. Sir, you just gave a correct example. Sir, as you are talking about the market, there are many retailers who focus on entry-level product categories or majorly older models. So I have no idea if the ASPs are changing there.

But as we have the iPhone 17 now, we don't sell the iPhone 17, for example. We sell the new and latest models of all the brands. So, there you will see an improvement in ASPs. But as you said, last year's iPhone 15 and 16 are there, so they will be at lower prices in the market because the iPhone 17 has come.

But my mix on that product category is very low. But there are a lot of other retailers might be predominantly selling only 15 or 16. I would be selling only 17, 17 Pro Max. For me, the product mix is more premium always.

Rupesh Tatiya:

Okay. Okay. That's clear. But the question is the rate of store opening has come off quite significantly in FY26 versus FY25. I think its 23 this year versus 40 last year. And I think that is what has come into the cash flow from operation.

So is this now -- is there some change in strategy, because I remember in one of the discussions that what you had said is, whatever cash flow from operation we generate, everything will be reinvested back into the business. That is what we were looking at or thinking a few years ago. But is there some change now in the strategy?

Karan Bajaj:

No. No, that remains the same, but it is more to do with the penetration that you would have in a certain market. So Delhi was a new market. So we now had a majority of the stores opening up with Delhi.

So for example, this year also when we plan to go to a new region and automatically with the organic existing region like NCR and South, you'd be adding up a new cluster altogether. So you will see that improvement. But we have a requirement of opening stores. We would definitely do that.

But we're not shy away from that. But until and unless, we don't feel there's a potential in a certain market to open and expand further, we would slow down in that. So if you look at Hyderabad, Hyderabad, on an average, one or two stores open every year.

Either we relocate our smaller stores to bigger ones or we find a new geography in Hyderabad. But because it is already an older market for us, already penetrated with a good number of stores here, we don't see more potential of opening stores like 10-15 years.

So when we opened in Andhra, there were 70 stores in Andhra. Now there are 45 stores. There were 60 stores last year. From 55, we came to 70. We will go from 70 to 80. There will be 100 stores there.

See, there is no such potential. Then there, organically, like Vijayawada, Vishakhapatnam, in big towns, one store will keep opening, but like Delhi, in Delhi, you are looking at Noida, there will be an expansion. You are looking at Gurgaon, there will be an expansion. So periphery is more than the city. You will see the market around NCR, which will also expand for us.

Rupesh Tatiya: So what we are saying is in our Telangana, Hyderabad, AP, NCR, in all 4 geographies, we have reached now enough scale and incremental store opening run rate will now be low. We'll not shy away, but on average, it looks like it will be now low?

Karan Bajaj: Correct. Correct. So organically, if you see, between the existing older clusters, we will be opening around not more than 20 odd stores this year. Rest, 20 plus how many will open in the new geography. Suppose you are going to a new geography, then you have to open 20 stores there. In 20, you will get 10 this year and 10 next year, so something like that. If you get 20 this year, then you will open all 20 together, right?

Rupesh Tatiya: Okay. Okay. Understood. And north cluster, any margin trajectory for FY27 and FY28. I mean, it's profitable now. So congratulations on that. But maybe FY28, you see it will be around south cluster margins or it will take longer?

Karan Bajaj: Not this financial year, so you'll have to give me at least 20-24 months more because...

Rupesh Tatiya: I'm asking FY28.

Karan Bajaj: Yeah. So by FY '28, we should at least not the same number as south, but at least a 3% to 4% higher number than what it is currently.

Rupesh Tatiya: Okay. Okay. Perfect. And there is this mature versus non-mature slide. So what I understood is what you are saying is that, 30 stores, for example, on average, will move from non-mature to mature? And then newer or whatever you open newer will get into non-mature, right? That is the rough understanding?

Karan Bajaj: Correct.

Rupesh Tatiya: So maybe in FY28, is it fair to assume that mature or non-mature mix will move to 50-50?

Karan Bajaj: Suppose in FY28, I suppose I enter -- giving an example, but don't catch me for that. But suppose I enter UP as a market, okay? So UP is, say, a 50-70-store kind of a market, right? Probably in one year, I might open 50-60 properties there, okay? And in FY28, if I feel I am getting 30-40 properties, probably in one year, I might open 30-40 properties there, okay?

So then, if that kind of an expansion happens in a bigger state, suppose if I have to go to Goa or if I have to go to Dehradun, I will open only one store each, you know, in a newer cluster, okay? So depending on the cluster that, after Calcutta, we would enter into, that would, you know, define this.

But this is actually, you know, if you ask me, it is something that is secondary for us. Primarily, what we look at is the productivity of the existing stores also. So that is more important. The 140 non-mature stores, how are they trending. Though they might be aging towards mature stores, are they actually delivering revenue and profits as a mature store is required to do. So that is more important for us.

Rupesh Tatiya: Yes. Yes. One final question, I mean NCR market had its own nuances and you had to buy property and which has kind of suppressed our -- I mean it has increased our depreciation and suppressed return ratios. Is Calcutta has a similar nuance where you have to buy properties or Calcutta expansion will largely be leased?

Karan Bajaj: See, it is going to be a mix of both. But for this financial year, I wouldn't look at more than INR50-odd crores investments happening in real estate there. So probably over a period of time, you might end up doing not more than INR100 crores of acquisition there in the next, say, 12-14 months.

Rupesh Tatiya: Yes, clear. And I don't know how many of our stores are franchisees, but any color on that? And how do you see the percentage of franchisees moving up? Is it going to move up over the next 2, 3 years?

Karan Bajaj: So sir, we only company-operated stores only, we don't have a franchisee model currently. So we would be sticking to this current model only where we only open stores and operate them.

Rupesh Tatiya: But I mean, franchises will give you significant capital efficiency, right? So I mean, what prevents us from going into franchisee model, I mean, even experimenting, for example, let's say?

Karan Bajaj: So definitely, we can look at it, but franchisee to me, it sounds more like an affair that one would have a married man. So I would rather stick to my wife rather than having an affair outside. So I'm happy doing that. So I would consider it that way.

But given -- we definitely keep on internally discussing it, but it's given an opportunity if we have all the support from our OEMs, and we feel that a certain region or geography requires a franchisee, we'll definitely explore that.

Rupesh Tatiya: So you think consumer experience is not -- I mean, you're afraid that consumer experience might go down if you go franchise route?

Karan Bajaj: Consumer experience, so there are a lot of nuances that are involved in our business on a daily level. So there is a lot of control that is needed. So there are good to it, there is bad to it as well. But right now, as you said correctly, one major advantage I will have is our capital allocation will be much lower and growing in a franchisee model versus what it is today.

But for a long-term strategy, the mind share has to be of a partner also coming on board to what are requirements are, what -- it's just not only about the capital investment by the franchisee partner, but we need a lot of mind share of them because there's a lot of seasonality involved.

There are a lot of ups and downs in seasons, in quarters. So the expectations have to be very varied compared to what our regular franchisee partner of any big brand would have.

Rupesh Tatiya: Okay. Okay. Thank you. Thank you for being so candid, sir and thank you for answering all the questions?

Karan Bajaj: Thank you, sir. Thank you for your time. See you next time.

Rupesh Tatiya: Yeah, yeah.

Karan Bajaj: Thank you sir.

Moderator: Thank you. To ask a question, ladies and gentlemen, you may press star and one. Our next question is from the line of Akhil Parekh with 360 ONE Capital. Please go ahead.

Akhil Parekh: Hi, thanks for the opportunity. Karan, my first question is on the EBITDA margin side for North cluster. If I remember correctly, you had said INR1,000 crores, we can do 3% to 4% EBITDA margin. Is that correct? And should we be looking at that number in FY27 or FY28 if you can please help here?

Karan Bajaj: Akhil, we are -- you're absolutely right. I think the last discussion we had -- we had come out to that number. But FY27 that we achieved that number in FY27 itself, but FY28 is definite for sure, but the big training -- so we closed FY26 at INR585-odd crores for NCR as a region. Store, the store is getting matured, we see a bigger traction.

Plus FY26 definitely was a bad year for summer. And then we anticipate that this summer at least is going to give us that bump organically and then we're increasing our market share there. So FY27 is also going to be a good year than what it was in FY26 -- compared to FY26. So INR585 versus, say, we end up doing INR800-plus odd crores in FY27, that is the target that we're looking at.

And then with a good summer or a good festive period, we would definitely look at a little lighter bump there and then if we achieve that kind of a number, we would look at an EBITDA margin of at least 2% to 4% kind of a number there. So that is the least that we have in mind for Delhi as a region.

Akhil Parekh: So is it then fair to assume that in Andhra and Telangana, UP country, we would be doing at least 3% of EBITDA margin, given both of these regions have now crossed INR1,000 crores plus revenues?

Karan Bajaj: So, Telangana, if you look at Andhra and Telangana, their EBITDA margins are better than the number that you just said because here all the setup is completely different as compared to what Delhi is at. And yes, not only this year but last year also, we crossed that number there.

So, we are on a good track. If you look at the cluster-wise number, in Andhra and Telangana, we would definitely, from, say, INR1,100-odd crores in Andhra and then INR1,000 crores in Telangana, look at a higher single-digit SSSG.

I'm talking about with the new additions of stores; it will definitely be a little higher number. So, both the clusters would definitely contribute to anywhere between INR2,400 crores and INR2,700 crores in the coming year.

Akhil Parekh: Okay. Sorry, just to clarify, when you say things are different in NCR versus Andhra and Telangana country is to do with the buying of the property versus rented property? Or is there anything else basically which gives us...

Karan Bajaj: Sir, your interest and depreciation has come down, but if I say at EBITDA level, if the expenses are marketing, manpower cost, you know, so this is your competitive scenario, so your gross margin is a little lower there versus gross margin here, you know, productivity per store. So, if you add all this, you will definitely see an improvement there.

Akhil Parekh: So is Competitive intensity is higher in NCR geography basically vis-à-vis South?

Karan Bajaj: Sir, in Delhi, not only, like you say, your competitive intensity with bigger guys like Croma, Reliance, Vijay Sales, fighting there, whereas here you're fighting with mom-and-pop stores. So your margin, discounting structure, product mix and the other expenses, even manpower, marketing cost, and rental cost, all differ a lot, right?

Akhil Parekh: Got it. Got it. This is clear. Second, would you be able to give the store count for Hyderabad and the sales for Hyderabad?

Karan Bajaj: Sorry, sir, can you repeat your question?

Akhil Parekh: Sales and store count for Hyderabad basically.

Karan Bajaj: Okay. So sir, FY26, currently, we are around 72 stores in Hyderabad city.

Akhil Parekh: Okay.

Karan Bajaj: And for FY '26, the revenue generated out of these stores were INR4,122 crores approximately.

Akhil Parekh: Got it. So there is a huge differential in the product, obviously, Hyderabad being our core geography?

Karan Bajaj: Correct. Correct. Absolutely right. Absolutely, I wish I wish all stores in the country wherever we open start performing like Hyderabad.

Akhil Parekh: Yeah. Yeah. Great, sir. These were my questions. Thank you so much, and best luck for coming quarters

Karan Bajaj: Thank you, Akhil. Thank you. Thank you very much.

Moderator: Thank you. Our next question is from the line of Pawan Vinod Kataria with Bullseye. Please go ahead.

- Pawan Vinod Kataria:** Thank you for the opportunity. My question is could you just share how demand trends have been so far in the current quarter?
- Karan Bajaj:** So sir I didn't hear your question. You want to understand the trends for quarter 1? Hello, Pawaj ji?
- Moderator:** Sir, the current participant seems to have dropped from the queue. We will proceed to the next question in the queue. The next question comes from the line of Hitaindra Pradhan with Maximal Capital. Please go ahead.
- Hitaindra Pradhan:** Yeah. Hi, sir. I hope I'm audible.
- Karan Bajaj:** Yes.
- Hitaindra Pradhan:** Congrats on the good SSSG delivered this quarter. So if you can, sir, like I joined a little bit late, so it might be repetitive but on the SSSG for Q4, for the South versus the North Delhi NCR, if you can bifurcate the volume versus value, that would be helpful?
- Karan Bajaj:** Sir in terms of store count, today in South, we've got 72 stores in Hyderabad, 69 stores operating in Andhra Pradesh and around 46 stores in Telangana region. This contributes to around INR6,000-odd crores of revenue, INR6,000 plus around INR6,500 crores comes in from this region.
- And around INR590-odd crores comes in from Delhi as a region, which operates, currently has 35 stores out of which 6 stores were open in this financial year, the last financial year, FY26. If you see the sir then this is the split that we have today between North and South in terms of store count and revenue that we generated from these regions.
- Hitaindra Pradhan:** Yes, sir. That's helpful. But I was specifically asking regarding SSSG. What was the contribution from volume versus value because I see that the North cluster, Delhi has done like 18.6% SSSG in Q4?
- Karan Bajaj:** Yeah.
- Hitaindra Pradhan:** So just was wondering what is the volume contribution versus value contribution?
- Karan Bajaj:** Okay. So sir, I don't have the amount of volume contribution, sir?
- Hitaindra Pradhan:** Yes. I mean ballpark would do, sir. I mean, just wanted to see?
- Karan Bajaj:** I mean I don't have exact volume category wise. But in terms of the revenue that we generate, expect the volumes would be in the similar percentage of the revenue that we generated in a lot of different clusters. So Telangana definitely would be one of the highest volume generators for us.
- So almost 70-odd percent comes in from here and then another 10% comes in from Delhi and around 18-odd percent comes in from AP and Telangana, the country market. That is how this is more or less.

- Hitendra Pradhan:** No. No. That is your overall view what is the contribution you're saying, Delhi like-to-like store sales has grown by 19%, right, in Q4?
- Karan Bajaj:** Correct.
- Hitendra Pradhan:** Yes. So in that, sir, 19%, I mean what is the contribution of the volume? Is it more volume led or more value led in the Delhi region?
- Karan Bajaj:** Sir, I didn't understand the last part, you said.
- Hitendra Pradhan:** Yeah, 19% of growth on the mature stores that we are currently showing. So that growth was led by volume or value?
- Karan Bajaj:** So volume -- Okay. So that -- yes, so it is a mix of both, I'll just give you the exact number, one second. So if you look at Delhi, sir, across categories. So we give you a detailed number, see mobile phones would be, say, at 70% value growth, whereas the volume would be around 50%.
- That is the number because of the base in Delhi was practically less. So if you look at televisions, value growth, value growth there would be around, say, 18%, but the volume growth also would be on a similar 17% kind of a number.
- The maximum jump that we would see overall categories would be for categories like kitchen appliances, audio devices, where the value and volume growth were up around 30%, 40% kind of a number. But overall contribution would come much less the top line there.
- Hitendra Pradhan:** No. No. Got it. I mean the numbers are higher in Delhi region because of the smaller base whereas your Telangana and Andhra Pradesh stores are already kind of way ahead in terms of your sales number I assume.
- That growth is still impressive, the SSSG for the quarter for the south cluster but Delhi, it is more to do with our base, right? And -- but you're also seeing a lot of volume and value growth in the Delhi kind of...
- Karan Bajaj:** Absolutely. Because the base itself is quite low, right, there.
- Hitendra Pradhan:** Right. Right. So sir, in terms of the -- base and how you're ramping up because in past few quarters, been seeing that clearly, like the competitive pressure in Delhi was very high and the ramping up took a longer time for us and to do additional marketing as you described earlier as well. So sir, like in terms of this ramping up and all?
- And do you think that from here we can at least improve our per-store sales for FY27 in the Delhi cluster like say more than like can you sustain the Q4 SSSG? That's what my question is basically in FY7 for Delhi specifically? Because we know that South, you have a good presence, but for Delhi cluster, can you sustain this kind of 19% level of growth like-to-like basis?
- Karan Bajaj:** Sir, two things in here. Last year, summer didn't support us across the country. So this year automatically you're looking at a much better number because summer is supporting you. So

that is more organic, right? But if you ask me, we have no other option. So we are in Delhi right now. We've invested so much. We have to make sure that we start delivering numbers, right?

So -- and I think there has to be a reason for us not delivering it, right? So we have to figure it out, fix that problem quarter-on-quarter, month-on-month, start moving from there on, fix issues, whatever issues are either from our end, from the OEM, from the store level, customer perceptions, marketing issues, whatever it is. So we have to move on day by day, it is always the...

Hitendra Pradhan:

If you can help, I mean we just hear that the regional competition, regional stores and local store competition is really high, but also the customer perception in Delhi is very different compared to say South. They don't trust probably the bigger format stores and all. So we don't know, we are speculating.

So if you can elaborate more on what went wrong or what was the market study like? And what did you experience? What has been your learning so far in the Delhi market, like from a customer point of view and the competition point of view that would be helpful?

Karan Bajaj:

So see, North even if I have done a mistake I will not agree to it. So I think we've done everything right, that's why we are sitting here. That is just to start on a lighter note. But on a serious point, every market, even Hyderabad today, there is a new learning that we go through every day. So it is not that because we're sitting here at a much higher market share or we are the leaders here.

It doesn't mean that we don't change our customer experience, introduce newer product categories or don't understand what the market is operating and what the demand on the store front is. So what we have to understand on a daily basis is that our -- the positioning of our brand is right, the pricing right, are the stores locations right. Every small detail in retail matters a lot, right?

So that is very important for us to understand that why a customer is coming to our store in Hyderabad and why not in Delhi, right? So there has to be a reason for it. And I don't think our conversions are good, but our footfalls are lower. So we have to increase our footfalls in Delhi. The market size is so big.

How do we move customers from, say, not only from the modern retail stores, but even from a mom-and-pop distribution market to a modern retail format. So we are opening stores relevant to sizes or markets where either the market leader is a mom-and-pop store or a LFR format store.

So we have to look at those things. We have to concentrate into a lot of marketing. We have to start educating the customers a lot that we are available in this location with these many products and brands.

And pricing if you ask me in any of the markets, there are set customers who are price-sensitive, a lot of customers who want service, customers who believe in faster deliveries, customers who store ambience matters a lot or the range that we offer, especially the premium range matters a lot.

So there's a set of different customers everywhere. So you got to make sure that you have a bouquet of different experiences and offerings to your customers so that you can improve your market share in that new market, especially.

Hitendra Pradhan: Got it. Sir, but like on that note, I mean we are also expanding to Calcutta, right? I mean, shouldn't you just pause on that and just try to focus on improving the profitability in the north cluster first -- and before you moving to Calcutta because that market is also kind of pretty much fragmented and might be -- might surprise you in terms of -- again, you're ramping up and getting market share. So what are your thoughts? Or do you -- do you think that you have some advantage in Calcutta and so that's why you are putting into that micro market?

Karan Bajaj: Sir, one is that Delhi, say now, the work of stabilization has been done in Delhi. It's going to be a more organic journey from here on. And then we can't expect that Delhi is going to keep giving us 50% year-on-year growth, right? It has to be more organic. It has to be more in line with what the market demand is.

Hitendra Pradhan: Sir what is the growth and margin outlook for Delhi, for FY27?

Karan Bajaj: So sir, at least for that particular cluster, we will do at least a 25% to 30% kind of a growth from the existing 590 kind of a number.

Hitendra Pradhan: And margin, sir? Margin?

Karan Bajaj: Margin will improve, so right now, I would consider at 0.2%, 0.3% kind of an EBITDA margin, which would be definitely 2.5% or 3% kind of a number.

Hitendra Pradhan: And these are all pre Ind AS we are discussing, Pre Ind AS EBITDA, right?

Karan Bajaj: Yes. Yes.

Hitendra Pradhan: Okay. Okay. Sorry sir, I just interrupted you.

Karan Bajaj: Yeah. So no, no, till the time we enter a new market also like I can't expect that Calcutta is going to turn -- shape up from day one onwards. It's going to take a little time -- till the time we open 15, 20 stores. We understand the market better.

So it's going to be an organic learning. So that will at least from this day of opening, it will take us at least a year or 2 to set up things better, right? But until the time we do that, they actually always have to be a new cluster for us to explore from here on. But Delhi has now started stabilizing. We'll see better results coming in Delhi on this onwards.

So it is from the existing base, whereas creating a new market would always take some time, right? So even if we start off by Q2, Q3 this year, we would at least take some time to getting the right people, the right brand, the product mix, the pricing, competition scenarios, right marketing.

All this learning happens only after because you -- it's not that you go blind to a market, you understand the market, you do a lot of your research, have your people on the ground, get the right team in and then you launch a store in a new geography.

But from there on, the learning happens on a practical level, where on a daily basis, you understand customer requirements, pricing, marketing, everything. And then you improvise from there on. So that cycle is, say, 12-14 months cycle for you to get things right on the floor.

And then from there on, you move ahead. So that's how things work for us at least. So we plan to get into a new market so Calcutta came in our way. So that's why we entered Calcutta but a lot of other places we would like to explore in the future for which once Calcutta stabilizes, then we will -- markets.

Hitendra Pradhan: Got it sir. Okay, sir. That's all from my side. All the best.

Karan Bajaj: Thanks, Hitendra.

Moderator: Thank you. Ladies and gentlemen, we will take that as a last question for today. I would now hand the conference over to the management for closing comments. Over to you, sir.

Karan Bajaj: Thank you. I would like to thank all of you for joining into the call. I hope that we were able to answer all your questions. And for any other queries, you may get in touch with our team or SGA, they will be happy to address all your queries. Thank you once again.

Moderator: Thank you. On behalf of Electronics Mart India Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.