



May 26, 2026

National Stock Exchange of India Limited

BSE Limited

Symbol: NYKAA

Scrip Code: 543384

Dear Sir / Madam,

Subject: Transcript of the Conference Call for Analyst / Investors

Please find enclosed the transcript of the Analyst / Investor Conference Call held on May 21, 2026, with regards to the Audited Standalone and Consolidated Financial Results for the quarter and financial year ended March 31, 2026.

This intimation is being submitted pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We request you to take the above information on records.

Thanking You,

Yours faithfully,

For FSN E-Commerce Ventures Limited

Dr. Chetan Sharma
Company Secretary & Compliance Officer

Encl.: As Above



“FSN E-Commerce Ventures Limited (Nykaa)

Q4 FY26 Earnings Conference Call”

May 21, 2026



MANAGEMENT: **MS. FALGUNI NAYAR – EXECUTIVE CHAIRPERSON, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – FSN E-COMMERCE VENTURES LIMITED (NYKAA)**
MR. ANCHIT NAYAR – EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER – BEAUTY – FSN E-COMMERCE VENTURES LIMITED (NYKAA)
MS. ADWAITA NAYAR – EXECUTIVE DIRECTOR AND CO-FOUNDER AND CHIEF EXECUTIVE OFFICER OF HOUSE OF NYKAA BRANDS – FSN E-COMMERCE VENTURES LIMITED (NYKAA)
MR. VISHAL GUPTA – CHIEF EXECUTIVE OFFICER – NYKAA DISTRIBUTION – FSN E-COMMERCE VENTURES LIMITED (NYKAA)
MR. ABHIJEET DABAS – HEAD OF NYKAA FASHION.COM – FSN E-COMMERCE VENTURES LIMITED (NYKAA)
MR. P. GANESH – CHIEF FINANCIAL OFFICER – FSN E-COMMERCE VENTURES LIMITED (NYKAA)



Moderator: Hi. Good evening, everyone. This is Michelle from Chorus Call. Welcome to FSN E-Commerce Ventures Limited Q4 FY26 Earnings Call. From the management at Nykaa we have Ms. Falguni Nayar, Executive Chairperson, MD and CEO; Mr. Anchit Nayar, Executive Director and CEO of Beauty; Ms. Adwaita Nayar, Executive Director and Co-Founder and CEO of House of Nykaa brands; Mr. Vishal Gupta, CEO, Nykaa Distribution; Mr. Abhijeet Dabas, who heads Nykaafashion.com; Mr. P. Ganesh, Chief Financial Officer.

Before we start, we would like to point out that some of the statements made in today's call may be forward-looking in nature and a disclaimer to this effect has been included in the earnings presentation shared with you earlier. Kindly note that this call is meant for investors and analysts only. By participating in this event, you consent to such recording, distribution and publication.

All participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation from management concludes. With that, over to you, Falguni ma'am for opening remarks.

Falguni Nayar: Thank you, Michelle. Hi. Good afternoon, everyone, and I want to welcome all of you on behalf of me and my management team who are here today. I'll start with a brief presentation of the presentation of performance snapshot. For the quarter 4 financial year '26, we are really seeing continued growth momentum in both GMV, which grew at 28% year-on-year and net revenue, which grew also at a similar pace of 28% year-on-year.

And the net revenue for the quarter was INR 2,648 crores. This is some of the highest growth we've seen in the last 12 quarters as well as around now for the last 14 quarters, we have sustained a mid-20s growth in our GMV and net revenue on a broad basis. On the gross profit, we are really happy to say that gross profit has come out at INR 1,203 crores, which is 45.4%, about a 32% increase year-on-year and again.

One of the highest gross margin ever in the last 14 quarters. On the EBITDA front, the EBITDA was at INR 223 crores, 8.4% to net revenue and 67% growth year-on-year, and again, one of the highest EBITDA margin ever, not just in the last 14 quarters, but ever. And on PAT, it came out at INR 79 crores, a 3% PAT with a 313% year-on-year growth. Again, this is one of the highest PAT margins ever.

With that, I'll move on to the full year. Financial year '26 performance was also strong. Again, the GMV growth was 28%, net revenue at 26% and we touched INR 10,000 crores net revenue for the first time ever, a \$1 billion revenue mark. You can see that the last quarter, net revenue growth was higher than the full year revenue growth. So we are seeing momentum build through the year.

On the gross profit, similarly, the full year gross profit is at 45.1%, INR 4,516 crores, a 30% year-on-year growth and the EBITDA came out at INR 752 crores. That's about 7.5% of net revenue and 59% growth year-on-year. This, again, I would like to point out is the highest EBITDA margin ever.



On the PAT, the PAT is at about INR 204 crores for the full year, 2% of net revenue and 183% year-on-year growth, again, one of the highest PAT margin on a full year basis. With that, I'll move on to the next chart. What I've been wanting to share with all of you has been a multiyear journey where since 2023, we have embarked on diversification cum growth expansion journey.

And what you are able to see here is that our core businesses like multi-omnichannel beauty as well as fashion have grown 2x on GMV terms over a 3-year period, which is a very healthy growth. And in addition, the Superstore, the newer business like the Superstore and House of Nykaa is also accelerating on growth though it's not a new business. They've grown about 4x over the same period of 3 years from FY2023 to FY2026.

I also have been saying that if you go to see from the number's perspective, we now serve about 45 million customers on Nykaa Beauty with annual unique transacting customers have grown about 2x in the last 3 years. From a store perspective, we are at 168 new stores added over the last 3 years.

And we added 20 new cities and 6 differentiated experiential retail formats over last 1 year alone. On the Superstore, about 3.8 lakh transacting retailers across 1,000 cities and delivering an assortment of 200-plus brands. And from Nykaa Fashion perspective, we are a number one destination for trend first style forward consumers, now serving almost 11 million customers with 40% growth in customer acquisition.

And we've also expanded the assortment to 6,000 brands, including marquee global brands like Nike and H&M. House of Nykaa also now has 12 brands across Beauty and Fashion categories at various growth stages and 2 successful acquisitions of both Dot & Key and Earth Rhythm behind us. Dot & Key has grown 13x over this last 3-year period, and Kay Beauty has also grown 3x over this period.

From a TAM perspective, I've always maintained that with the diversification and comprehensiveness of our business, we now address \$15 billion in online BPC, \$14 billion TAM of organized offline, \$15 billion TAM of unorganized retail in beauty, all of that is addressed by us. \$55 billion TAM in online fashion is addressed by us. And now with the House of Brand, you can kind of almost double it and play it through two angles.

So really large TAMs in which we are able to play and grow. With that, I'll move on to the next slide. So what is obviously, this is the strategy that is driving the long-term growth with robust growth as well as profitability and create value for the shareholders. So you can clearly see that from our revenue of INR 5,000 odd crores in financial year '23, we are now touching INR 10,000 crores.

And through this period of adding new businesses, we have improved our all the parameters, like our EBITDA has improved from 5.0% to 7.5%. Our PAT has improved from 0.4% to 2.0%. And you can see that return on capital employed also now stands at a healthy 21.2%. So huge improvement in return on capital employed.

We've been quite prudent on the amount of capital employed in the business, which hasn't grown that much and all of the revenue growth has come on the back of already existing capital employed. With that, I'll move on to the next slide. And I'll hand over to Anchit to talk about Beauty omni-channel retail.

Anchit Nayar:

Yes. Okay. Great. Thank you very much, and thank you for everyone for joining this call. So in a similar vein, Beauty as a vertical has also had a very strong quarter to cap the end of a very strong year. To give you a sense, we closed FY '26 with almost INR 15,000 crores of GMV, which is a 27% growth year-on-year, around INR 8,500 crores of NSV and an EBITDA margin of 9.6%.

In terms of Q4, again, 27% growth on GMV, 29% growth on NSV and an EBITDA margin of 10.3%, so exiting the year on a strong note with a 70-basis point improvement on EBITDA margin year-over-year. So, we're seeing acceleration in both growth and profitability as we end FY26. Next slide, please.

So the growth on revenue is coming alongside an improvement in the marketing efficiencies at all levels of the funnel. As you can see, we had about 1.8 billion visits to our website and app in FY '26, which was a 28% growth year-on-year. So despite getting to a very large scale in terms of customer visit and traffic, we continue to grow off of that large base at record highs.

Importantly, the visits are converting into meaningful activity on the platform. We had 45 million monthly active unique visitors, of which 19.7 million transacted in the year gone by. You can see from FY '23 to FY '26, we have almost doubled our annual unique transacting customer base. And these customers placed about 66 million orders this fiscal versus 36 million orders in FY '23.

So you're seeing a strong traffic and investments behind bringing new customers and new visitors to the platform. And equally importantly, that is converting into very strong conversion as well as unique transacting customers on the platform who are placing multiple orders in the year. And this marketing efficiency is allowing us to deliver not only revenue growth, but as shown on the previous slide.

Also improvement in profitability. Nykaa continues to remain the trusted partner for all of the iconic beauty groups globally. On this slide, you can see that for all the global beauty companies, Nykaa remains a partner of choice when it comes to launching and sustaining their business in the India market.

As a couple of case studies, we've shown you that for the L'Oreal Group, which now has 27 brands in market. Nykaa is retailing all 27 brands, but more importantly we have been the exclusive retail partner at time of launch for a handful of some of their brands, including La Roche-Posay, CeraVe, Redken, Urban Decay and others.

Similar story with Estée Lauder, out of the 11 brands in India, most of them have launched exclusively with Nykaa over the years and continue to remain very strong partners of ours on

the platform and you can see from the list Unilever, P&G, Beiersdorf, Amorepacific, similar story.

So I think brands are seeing tremendous value in Nykaa's very large and sticky consumer base as well as its unique O+O retail model and a very strong content, commerce flywheel that helps brands to create and maintain brand equity in what is a key growth market for them in the coming years.

FY '26 for Nykaa was also a defining year of marquee brand launches. So we had 200-plus new brands launched in FY '26 despite us already having the largest assortment of beauty brands in India. And as an example, we launched some iconic brands from the Korean beauty space, such as Aestura, Arencia, Anua and Mise en Scène.

We were also very lucky to be the partner for launch of some of the most well-known brands globally, such as La Roche-Posay, IT Cosmetics, Supergoop and Nexxus. And on the ultra-luxury side, Nykaa continues to build a very unique positioning to cater to not only where the market is today, which scales from mass to prestige, but also starting to build a play on the ultra-luxury side for where we assume segments of our consumer base will be in the coming years.

And I'm very excited to say that Nykaa partnered with Chanel, La Prairie and SK-II to be the retail partner of choice for these ultra-luxury beauty brands when it came time for their India launch. Some of the key trends we're seeing on the beauty side are the K-Beauty conversation. It is a conversation that is happening globally and India is no different.

For us on the platform, Korean brands have shown phenomenal growth at 58% growth year-over-year. And I would say, Nykaa has been ahead of the curve when it came to identifying and capitalizing on the Korean beauty wave early. We have the largest assortment of Korean brands in the country.

We've also created a curated and I would say, best-in-class experience for Korean beauty shopping on the platform, and we're coupling that with engagement off platform on ground to really cater to the Indian consumer today who is looking for more experiential retail and we're doing that through influencers as well as through our physical retail stores.

The second big trend we're seeing in the beauty space over the past several years and which we expect to continue going forward is the trend of dermacosmetics. So these are brands that tend to be recommended by dermatologists. These are brands that are high in efficacy. And globally, this has been a set of brands that have been powerful for many years.

And in India, this is also now starting to show very promising results with over 40% growth in GMV for these brands year-over-year. Again, we have the largest assortment of dermacosmetics skin care brands in India. Some of these names are global powerhouses when it comes to the category.

But beyond just having the assortment, I think what we've done well is to create the environment that is well suited to cater to these types of brands and the types of customers who are looking

for these brands. So we have created an online experience that includes an AI-powered skin scan, allowing customers to take a scan of their face and allowing them to identify the concerns that they have and recommending products accordingly.

We also have an online derma recommendation engine that allows dermatologists to engage with consumers through both voice and video consultations and again, recommend products that can help them with their skin concerns. Next slide, please. The third key trend we're seeing is the premiumization of beauty.

It's something we have talked of for a few years now. We are also pioneers in premiumizing the consumption of beauty in the country. And again, similar playbook to what we showed you before. We always try to have the biggest and best assortment of brands available. And we cater to them through a very immersive and best-in-class experience.

Both online but for this set of brands, equally importantly, off-line through very high-quality retail stores across the country and finally, using our marketing engine and our content powerhouse to create tremendous amount of education that will help the Indian consumer to premiumize over the coming years into the world of luxury beauty.

Spending a minute on retail. As you are aware, we do have the largest network of beauty specialty stores in the country. We are just shy of 100 cities, and 99 cities today, and we sit at about 313 stores. So, we have more than doubled our retail footprint over the past 3 years.

You can see that we have shown very healthy growth, not only in store count, but also in terms of like-for-like growth being double digit for the year gone by. We now have 3 lakh plus square feet of retail space and many different formats of store to cater to very different use cases for the consumers. So you can see we have the Nykaa On Trend format, more for mass-masstige consumers in Tier 2, Tier 3 markets.

We have the Nykaa Luxe format, which is more for luxury and prestige shoppers in Tier 1 cities. And now equally importantly, we have started opening House of Nykaa stores, which are owned brand stores, and these come across multiple formats as well as a new Nykaa Perfumery concept, which is part of our overall strategy to drive penetration of fragrance usage in the India market.

And lastly, as I had mentioned on the last quarter's earnings call, we have taken over the Kiehl's India business. Kiehl's is a prestige skin care brand owned by the L'Oreal Group. So now Nykaa operates their boutique stores in the country as well as kiehls.com and is also the exclusive retailer for Kiehl's online on Nykaa.com.

Next slide, please. So this is just a representation of some of the various new innovative store formats that we have launched over the past several years. We are definitely ahead of the curve, I would say, on creating more experiential formats that cater to a younger generation in the country.

This is a category that requires a lot of touch and feel. It's an immersive one. and we're using our stores as a great way to engage with our audience and drive customer acquisition in the coming



years. Finally, just spending a minute on our relationship with Charlotte Tilbury. The reason why we've pulled this out as a case study is because it's a great example of how brand partners see Nykaa as much more than just a platform on which to retail products.

So in 2020, we signed an exclusive agreement to retail Charlotte Tilbury in India. And that agreement, that exclusivity has now been extended for over 6 years and we continue to be their exclusive retail partner in the country. But beyond just being a retail platform for Charlotte Tilbury, we are also now building and operating their exclusive brand stores in the country.

And this is a first for them, not just in India, but in the APAC region. And this is a testament to how we're able to take a relationship and deepen that relationship over time and deliver excellent commercial outcomes to the brands as well as to ourselves and we hope to replicate this now with several brands in the future, one of which is the Kiehl's brand. As I mentioned, which we have just taken over the operations of that business in the country. And with that, I will pass it over to Adwaita to walk you through the House of Nykaa.

Adwaita Nayar:

Hi, everyone. So we'll be talking about the House of Nykaa. For FY '26, this unit delivered a strong INR 3,176 crores of GMV. That's a ~50% year-on-year increase. Served more than 17 million consumers and expanded distribution beyond online as well to 150,000 GT doors. As a reminder, this unit includes brands across beauty and fashion, 7 brands in Beauty and in Fashion 5 brands with an increased focus on one in particular, which is Nykd.

The year was really strong from the perspective of certain brands really emerged as very strong players, both on our platform and on other platforms as well, and we'll talk about some of those going forward. There were a lot of very strong innovations that became real leaders on the platform and dominated in categories in which they were launched.

And there was a lot of focus on driving the right unit economics channel by channel. And therefore, this unit as a whole saw a very large EBITDA expansion as well. Moving on. Focusing on just the Beauty side of House of Nykaa, this unit now is at about INR 2,788 crores of GMV, which is a 65% year-on-year growth.

These brands have grown 4x in the last 3 years and we remain really optimistic about the year ahead and the brands that we've got in our portfolio and what we're incubating as well. On the right-hand side, we can see the mix across various channels. And so today, in FY '26, Nykaa Online contributes 45%, Nykaa stores, ~10% and other 3P channels, 30%, Nykaa Superstores, 16% and a little bit of exports.

Moving on. Double clicking on Dot & Key, our largest brand. This brand grew enormously in the last 3 years at 13x, delivering INR 1,790 crores of GMV. What I love about this brand is it actually dominates in very large categories. It's the number one sunscreen brand across Nykaa, Amazon, Flipkart and Blinkit. It's the number two moisturizer brand, and it's the number three face wash brand.

For a brand to receive this kind of love across platforms is a testament to truly having a phenomenal product in very competitive spaces. The brand is predominantly an online focused



brand, but we have been pushing ahead on off-line as well beyond the Nykaa stores and Nykaa Distribution, we've also expanded into GT and MT with 53,000 doors across 1,000 cities.

Moving on. Kay Beauty has really been the breakout brand over the last 2 years, growing enormously and what we stated is 3x in 3 years to about INR 380 crores of GMV. We see enormous traction with this brand and are confident that the growth momentum will continue in the year ahead.

The brand is really just winning on a bunch of fronts. I think it's the right product at the right price. There was a gap in the market exactly where Kay came in and played and so the uptick has really been phenomenal, and we see very good efficiency and returns on this brand. We've been very selective about distribution because this is more of a premium makeup brand.

So beyond Nykaa online and Nykaa stores, we've been actually launching kiosks, which we call Kay Kafés. We have a collaboration with the coffee partner as well. And here, the idea is to be in India's top most premium malls and fortify the distribution in that regard. Late last year, we spoke about the launch of Kay Beauty in the U.K and we continue to strengthen our partnership with Space NK which is by far the leading retailer in the U.K.

And I'm happy to say that as the partnership progresses, we're unlocking more and more doors. But even as we widen the distribution, we're continuing to be a very strong player for them. And in many stores, we really outperformed. So it's really great to see a brand being able to drive that kind of traction internationally.

And we have a presence in GCC as well with our JV Nysaa. As of now, the aim is to really focus on these 2 markets and do them well. Moving on. Nykaa Cosmetics, it's actually our second largest brand at INR400 crores of GMV. It is the namesake Nykaa brand. It's a brand that's really close to our hearts.

We want to make sure the brand stands for bringing phenomenal quality, the right international and domestic trends to the Indian consumer as fast as possible. And I think this year, we've managed to do that. This year, 24% of sales came from new launches and for a brand that is really about trend, that's a very good sign.

Again, this is a brand that we actually distribute more widely than the other 2 brands. So there are 62,000 stores off-line and an online presence strongly on Nykaa and Nykaa stores as well as Nykaa kiosks. Moving on. This past year has been about incubating and sort of setting up the next 4 brands for massive scale.

And so again, these brands have really been picking up, whether it's our bath and body brand, Wanderlust, whether it's our clean beauty brand, Earth Rhythm. We're actually really doubling down on fragrance and perfumes and you will see us talk a lot more about that next time in the near future. And also Nykaa Skin. So all of these now are engines of future growth, and we're feeling pretty confident about where all 4 of these updates as well.

With that, I'll hand over to Vishal, who will be speaking about the Superstore business.

Vishal Gupta:

Thanks, Adwaita. Good evening, everyone. Happy to report that we continue to expand the scale of our business. In a short span of 4 years, we have created a ~INR 1,200 crores GMV business which is quite remarkable on its own. And this has been driven by 2 things. The kind of customer base and scale that we have created, we now reach ~ 0.5 million retailers, what we call customers across 1,300 cities.

And we continue to grow that year-on-year with 1.3 lakh retailers added in last year alone and the kind of brands we attract, which I'll come to in a second. But what is also important is that this year, almost 30% of our orders actually came from retailers placing the orders on their own, which shows the shift in the habit towards self-serve, which is important for us.

Next slide. Like I said, our 0.5 million retailer base is quite mouthwatering for our brand partners. We have over 220 leading brands on our platform from the traditional large FMCG brands who, despite having a good distribution system, still find value in us. And of course, the newest D2C brands, which are still nascent and building distribution and also regional brands, which we take national. And you can see the kind of brands in all the three buckets.

I think all the big marquee brands are there and a lot of these brands we attracted in FY '26, all the new D2C brands, just like nykaa.com is sort of super important for them to reach consumers. Similarly, Superstore has become very important for them to reach physical distribution. In fact, some of the new brands that we have attracted recently.

We have become their first choice before they do anything else. And for a D2C brand, they would need to build a network of 300-plus distributors, but if they work with us, then we are a single one place. So our network is actually quite exciting for our brand partners.

Next and you can see that because of our growing scale. It obviously helps us improve our unit economics and we have improved our EBITDA margin by greater than 500 bps which is spread across all the levers. We had good gross margin improvement, driven by mix as we expand the D2C brands, which are more profitable and our own in-house brands.

Our fulfilment cost is also coming down. S&D cost, obviously, the more organic orders are placed, our S&D expenses come down, and our overheads definitely come down. So all in all, I think I would like to summarize by saying, we have built a great network, which helps us to attract great brands, which helps us to scale GMV and continuously keep improving our unit economics. Thanks. I think over to Abhijeet.

Abhijeet Dabas:

Yes. Thanks, Vishal. Hi. Good evening, everyone. I'll quickly share the highlights from the Nykaa Fashion business. So firstly, just talking about the whole year numbers first, as Falguni ma'am shared earlier. I think this has been a year of revival in growth and strong growth performance for the full year for the fashion business.

As you can see on the slide, the financial year '26 was 30% growth, almost reaching INR 5,000 crores in GMV, close to 30% growth in NSV reaching INR 1,447 crores in NSV for the year. And as a result of the growth as well as the underlying health of the business that we have consistently been improving through the year.

A significant improvement in EBITDA margin from minus 8.3% in FY '25 to minus 2.6%, which is a 570 basis points improvement in EBITDA for the full year, but talking about even the last quarter, quarter 4 of financial year '26, that was even higher growth, particularly on NSV it was 42% year-on-year growth.

And I'm happy to share with everyone that we reported a positive 30 basis points EBITDA for the fourth quarter of last year. So overall, strong growth resulting in much improved profitability, but also as we exit the year, we are exiting on an even stronger upward trajectory, and that's great news heading into FY '27.

Next slide. I'll talk a bit about the underlying levers of the business, which have led to this turnaround in the business, the improvement that we see in the GMV and profitability. Firstly, as we have been talking about consistently in each of the quarterly updates for the last several quarters, the consumer funnel has continued to look ever healthier throughout the year.

One of the things we have consistently called out is our focus on new customer acquisition. On this slide, you will see all the metrics right from the top of the funnel, which is visits all the way down to orders. Everything shows a strong upward trajectory in this year compared to previous years.

But most particularly, new customer acquisition is 41% higher year-on-year. And it is not just the number of customers. It's also the sustained focus on the right quality of customers. This is very focused attention on high-quality premium customers that we've always maintained, which has resulted in marketing efficiency, average order values, et cetera, just holding where we want them to be. So, the customer funnel looks very strong heading into next year.

Next slide. The second thing which has changed fundamentally for us is that we have just very aggressively onboarded brands across categories this year. Overall, over the last year, we've added more than 1,200 brands, close to 1,300 brands across different categories.

As you will see it on this slide, this time, we still continue to be a very women's-focused, women's-centric platform. But the brand addition which has happened over the last year has been fairly democratic in nature. We've also added a plethora of very strong brands across men's, across kids as well as home accessories.

And it's very heartening for us to see the growth that we have seen in these emerging categories. So, towards the end of the slide, you will see the year-on-year growth number for men is more than 60% for the last year. Kids is more than 50% for the last year and home is more than 40%.

So overall, now with the completeness of assortment across categories that Nykaa Fashion has, while we will continue to be women centric, but we are a much more holistic lifestyle platform heading into next year.

Next slide. Within those brands, and this was also a point which was alluded to earlier, we've onboarded some marquee brands, which have fundamentally shifted the shape of the business on the platform on Nykaa Fashion very meaningfully.



There are no better examples than H&M and Nike. H&M, we reported a few quarters back, we onboarded H&M in November. And H&M is now the number one brand on Nykaa Fashion since launch. A symbiotic partnership, which has resulted in a lot of goodness for H&M as it tries to reach out to a premium audience in India as well as for us, which allows us to elevate the fashion quotient.

And just the best of fashion, which we are able to make available to our customers and more recently, in the previous quarter, we've also onboarded Nike on Nykaa Fashion. I don't have to speak about the brand credentials of Nike, but I do want to highlight that in case of Nike, it's not just Nike being available on Nykaa Fashion.

We've also entered a strategic partnership with Nike to manage end-to-end their digital commerce, direct-to-customer platforms in India. As of last quarter, starting February, in fact, we manage Nike.com and the Nike application in India end-to-end. And that's a very different nature of partnership which allows us to work more deeply and in a different business model with a marquee brand like Nike.

Next slide. Lastly, I will also talk about the shift we have made in the way we do marketing. Increasingly, we are living in a world where the creator economy around us is booming, the way consumers discover fashion, get inspired by fashion and then transact or interact with commerce platforms like ourselves, it's changing.

And we have moved very fast to embrace the change which is happening around us. On this slide, you will see some examples of how we continue to work with, on one hand, celebrities. You'll see an example of a girl's night-out event we did with Shanaya Kapoor and with Adarsh Gaurav a couple of months ago.

But we have just amplified significantly the amount of activity we do with creators of various sizes, some pan-India, some regional in nature and in a way, we have piggybacked on the wave that is sweeping across content and commerce as we speak. And this is a direction that we will continue to maintain, which is leaning very heavily into the creator ecosystem and making content and commerce integrate with each other going forward.

So overall, to summarize, many inputs have gone through the year over the last year to show the trajectory and the numbers we just reported, but very happy with how we are entering the year and very excited for the coming year. With that, over to Ganesh for the next section.

P. Ganesh:

Thank you, Abhijeet, and good evening, everyone. I'll now share a quick overview of our quarterly as well as full year performance. There's been a strong quarter and, more importantly, a strong year for Nykaa. We crossed the milestone of INR 100 billion revenue in FY '26, our revenue from operations has doubled in the last 3 years, reflecting a healthy growth and continued momentum across businesses.

The profitability improvement was even stronger with EBITDA at 3x and PAT at 10x versus 3 years ago. For FY '26, revenue, EBITDA and PAT growth has been higher compared to the last 2 years, coming in at 26%, 59% and 183%, respectively.

Moving to the next slide. Sharing a quick snapshot of the P&L, which reflects a strong improvement across gross margin, EBITDA and PAT, both for the quarter as well as the full year and going ahead.

Here, we have a quick overview of the key factors that have been driving the margin improvement. That's what you see on this slide, with gross margin improving by 132 basis points in FY '26, led by strong performance of House of Nykaa and improved service income across businesses.

Fulfilment expenses, as you can see, have increased marginally by 23 basis points as we continue to invest in fulfilment capabilities to deliver improvement in delivery efficiencies. Marketing and S&D expenses have also been marginally up by 10 basis points Y-o-Y on account of investments in customer acquisition, which has been a feature across businesses.

So what we see is strong productivity gains, which are evident in improvement in our employee cost and other expenses. And this has resulted in EBITDA margins moving sharply to 7.5% for the year.

Moving ahead. Yes. This slide shows you a snapshot of the business verticals for the full year. And as seen earlier in the business verticals, Beauty continues its strong growth momentum, while Fashion has also made a very sharp recovery during this year. Beauty improved its margin by 70 basis points led through productivity gains and scale efficiencies. While Fashion has seen strong improvement of 570 basis points as Abhijeet covered as well, with strong improvement across marketing in S&D and other expenses.

Going to the next slide. Here, you'll see the results, vertical reporting for the quarter. Again, the key highlight here being that, as Abhijeet again mentioned, Fashion has become profitable and we reported a 0.3% EBITDA for quarter 4.

So, with that, moving to the next slide. What we can see over here is continuing efficiency on capital front. So, our fixed asset turnover has improved to 9.9x in FY '26, up from 9.1x in FY '25, led by an increasing mix of House of Nykaa as well as Fashion which tends to be asset light. Working capital days, as you can see, has improved further from an already healthy 34 days to even better at 28 days now, driven by both inventory as well as receivable optimization.

And all of this, high profitability as well as better efficiency on both fixed capital as well as working capital has resulted in ROCE seeing a sharp improvement in FY '26 and moving up to 21.2% versus 11.3% a year ago. And so this is a reflection of not just strong P&L performance, but also higher efficiency on the balance sheet front.

Moving ahead. Our capex utilization here, as we can see, has become more efficient, and it currently stands at about 1% of revenue. And again, steadily, steadily improving by way of lower salience to revenue. We continue to invest in beauty retail store expansion, fulfilment capabilities as well as technology and this is a reflection of higher capital efficiency.

So moving ahead. Yes. to round things off for the quarter and for the year. We had acquired 76% stake in Earth Rhythm over a couple of tranches between FY '23 and FY '25, as you are aware, and we now completed the acquisition by acquiring an additional 24% stake and which happened at pre-agreed terms.

So to sum it up, we are very pleased with the way Nykaa has executed this quarter and, in fact, the entire year as well. We have delivered strong growth across all businesses, improved profitability, strengthened our omnichannel model and continue to invest in capabilities that will support our long-term value creation. And we do believe that we are building the business with the right balance of both ambition as well as discipline.

With that, I would like to hand over the call back to the moderator to initiate the Q&A. Thank you.

Moderator: Thank you, sir. We will now begin the question and answer session. The first question is from Kapil Singh. Please introduce yourself and proceed with your question.

Kapil Singh: Okay. This is Kapil from Nomura. Congratulations on a very strong performance for the quarter as well as for the year. As we are starting a new financial year so I thought that it would be appropriate to ask your outlook for the next year and all the key segments, what are your thoughts, both in terms of growth and margins? We are seeing some signs of inflation as well. So any thoughts there? How does it impact demand and margins?

Falguni Nayar: I think it's really hard to make forward-looking statements, but I have to admit that April and May have been good overall for the business in terms of the growth momentum. However, you are right that the global concerns, which are being translated to high currency and oil prices, I mean, high oil prices and depreciating currency and its impact on inflation and through that consumption makes us cautious for the next year.

But I have to admit that we are definitely seeing benefits of AI-led growth in our business for sure. So, it will be a combination of the two. There will be some general global concerns, but we also do see opportunities for businesses like us to benefit from current developments on AI. And the benefit is both on top line as well as costs.

Kapil Singh: Sure. So broadly, we can sustain somewhere in the same growth zone we have been for last few quarters?

Falguni Nayar: Except for the general environmental concerns, we are not seeing any specific concerns yet, but it is hard to assume that they won't emerge as you go forward because inflationary pressures may be there, not necessarily for our industry, but for all consumption in general. But there, I would like to remind everyone of our consumption categories are small luxuries. And as a result, their consumption is not as impacted during tougher times.

Kapil Singh: Sure. And second, I had also asked about the margins. In particular, what I would like to know is that we've seen a kind of uptick in the new visitors, the top of the funnel, which I think Anchit

also referred to and marketing efficiency, we are seeing that marketing spends have come down on a quarter-on-quarter basis and that has also driven our profitability.

So how are you achieving this drive up in new visitors but marketing spends well under control? Any insights here would be really helpful. And you also referred to AI-driven growth so would like to know a little bit more about that as well?

Falguni Nayar: Yes. So I think best to say that we are seeing improvement in marketing funnel at all levels on visits or cost per visit to conversions to more engaged users. So I think across the board there are benefits.

Kapil Singh: Any comments from Anchit, you want to elaborate on why?

Anchit Nayar: Sure, Kapil. I can add a bit of colour there. So look, I think a couple of things. One is we've been talking about our focus on new customer acquisition with you now for the past at least 4 to 6 quarters, right? So that should not come as a surprise. So I think there's been a lot of work we have done to improve the new customer experience on the app.

And that has led to of course, I would say there's also efficiency that we have found on customer acquisition through digital platforms like Meta and Google. And I think FN was alluding to some of the benefits that AI has allowed us to drive in terms of efficiency on marketing, on third-party platforms for customer acquisition.

But it's been a focus of ours, and we've done a lot of good work off platform as well as on platform to really continue to invest behind what we see as a big driver of growth for the coming years. And AI has only allowed us to be more efficient in terms of how we spend that additional dollar on some of these other platforms.

And the other thing where we're using AI in a big way is on app experience, personalization. And what that means is that for existing buyers, it's easy to personalize the shopping experience based on the various signals that we have from them with regards to their previous purchase and browse history on the platform.

But AI has now allowed us to also infer signals about new customers where we don't have too much previous browse and purchase history data on them. But AI allows us to personalize the experience for them to an extent that was earlier not possible. And I think that's also allowing us to drive further efficiency in customer acquisition spends, which we make off platform to convert them better on the platform. So I hope that answers your questions around the traffic, the acquisition as well as the AI impact, both on top line and to an extent on efficiency on marketing.

Kapil Singh: Yes, it does. Thank you, so much and best wishes, for next year.

Anchit Nayar: Thank you.

Moderator: The next question is from Sachin Salgaonkar.

Sachin Salgaonkar:

This is Sachin Salgaonkar from Bank of America. Congrats on a great set of numbers. I have 2 questions. First question, more a follow-up on margins. I would love to understand where should we see steady state margins of BPC coming up to? We have seen consistent improvement on margins.

I understand as a percentage of revenue continues to increase, but we would love to get a sense and same on fashion. We already had breakeven. So should we expect continued improvement in margins actually going ahead? And any thoughts on where are we from a steady state?

A relative question out here is, how should we look at the inference cost, adding some pressures to the margins? And my second question is on impact of a higher fuel price we should see on raw materials and should we see procurement cost increasing and hence an impact on margins out there?

Anchit Nayar:

Maybe I'll kick it off on Beauty. And then Abhijeet you can comment on Fashion. Look, again, as I always say on these calls, the Beauty vertical comprises 3 very different businesses. One is obviously the multi-brand retail business. Second is our house of brands and third is the B2B Superstore business. So all 3 have very different margin profiles.

But what I can tell you is, and based on the commentary you heard from the various business leaders, each business is independently seeing improvement in their margin profile. So ultimately, how that shakes out at a consolidated vertical reporting level is also an outcome of how fast each of those businesses grow.

So if B2B and own brands continue, if own brands continues to grow, outpace the growth of the other businesses within the vertical, then that can be accretive. B2B of course, currently is improving its margin profile, but at the aggregate vertical level, if it grows faster, that can be diluted.

So each of the businesses are independently improving their margin profile and there are efficiencies on the core multi-brand retail business as well, as you noted, on both marketing as well as on fulfilment. But on the beauty retail business, there is a degree of confidence that there is growth to be had.

And so reinvesting some of those, reinvesting some of that efficiency back into funding growth, I think will be the priority. So I think in terms of guidance, what I can say is each of the businesses will continue to improve their respective margin profile and some of that could accrue at a consolidated level.

But there is also a plan for the core beauty retail business to continue to reinvest in growth, as we have been doing. So, I think the outcome you're seeing year-over-year improvement in margin is despite us reinvesting aggressively for growth. So yes, I think you could assume that all else remaining constant, you can see similar trajectory in the coming years.

But yes, some of it is a result of the weightage of each of the respective businesses within the vertical and on inflation and procurement cost, it is a risk in the sense that I think freight cost

and obviously, with the currency issues that we are facing, there is some pressure probably on brands to take a price increase. It hasn't happened yet.

And from my conversations, it seems brands are trying their best to not pass that price increase on to the consumer, but it can happen. I would say it's not likely in the near term, but yes, it can happen. And how will the consumer react to that, I think that is yet to be seen. But as FN also alluded to earlier on the call, beauty is a small luxury of life.

The ticket size is not large. It is becoming a lot more core to people's lives. It is part of daily consumption. It is becoming habituated in terms of usage, and it's a low ticket purchase. So we're confident that even with inflationary pressures, hopefully, our category remains more immune than others. But we have to see how things progress in terms of some of the macro conditions, which we're currently seeing.

Sachin Salgaonkar: And maybe I could just follow up before we go on to the fashion margin thought process. You mentioned about the three different subcategories in beauty. Any thoughts on where the margins would stabilize at steady state for all the three separate businesses?

Anchit Nayar: Three all three businesses have a very different steady-state margin profile, right. I think you're aware of that. And we've mentioned in the past that B2B is probably a single-digit margin type business. Beauty owned brands could have even better margin profile than the multi-brand retail business given that they have a higher gross margin.

And that is accretive and selling more of our owned brands on our platform itself is also accretive to the retailer margin. So I don't know if we've given the exact numbers in terms of guidance. But the better owned brands do, the more accretive it is to the vertical, the better B2B does in the short term that might be slightly dilutive, which is kind of counterintuitive, but you understand, I'm sure.

But as I said, again, generally, over time, both the own brands business and the multibrand retail business have opportunity to improve an already healthy margin profile. And I think that's anyway, what accounts for a majority of the weightage to the revenue mix in this vertical.

Abhijeet Dabas: Yes, I'll just add on to what Anchit said. On the Fashion side, firstly, again, it's a combination of several businesses. The largest one is the fashion.com platform - Nykaafashion.com platform. But then there is also the owned brands business. And more recently, there is an addition of a very different business model with Nike.

On the largest business, which is Nykaafashion.com, which more or less makes up for a bulk of the numbers in the vertical, we've been talking about intrinsic of the business, which we've been successively focusing on over the last year, and that is resulting in both higher growth and improved profitability. We remain confident that the intrinsic will continue to improve.

Any retail platform depends on a flywheel of the right kind of customer acquisition happening over a period of time. The retention of those customers, good quality customers taking shape, which leads to marketing efficiencies, successively improve and the retention improves when

the reasons for customers to come back to the platform are more than what they were previously, the service levels are good.

Assortment addition plays a very big role in that. So as you increase the assortment, you create more hooks for customers to want to come back to the platform. And those are the very same inputs that I very briefly spoke about in the slides, which we presented some time ago. So we feel confident that the intrinsics and the sort of tailwinds on each of those intrinsics are in place.

So we feel confident that the trajectory should be positive on margins for the fashion business from here on. Owned brands, again, I think during the year, we've made gains in the health of overall the portfolio Nykd as Adwaita said most particularly, but overall for that business. And early days on the Nike partnership.

But again, we are seeing good signs in the first few months. So overall, we remain confident about the trajectory continuing to be positive from here on in. I'll not speculate on long-term numbers just yet. But yes, very much the trajectory is expected to be positive and we are optimistic.

Sachin Salgaonkar: Got it. Thank you and all the best.

Moderator: Thank you. The next question is from Nihal Mahesh Jham. Please introduce yourself and proceed sir.

Nihal Mahesh Jham: Yes, good evening. This is Nihal Jham from HSBC. Congratulations on the strong performance. I have 3 questions. The first was that what has driven the improvement in the fashion growth in '26? We've seen that the 15 has sort of jumped to more than 30 in this year. And this we've managed while reducing marketing also. So if you could just give a landscape of both these elements?

Abhijeet Dabas: Sure. Thanks for the question, Nihal. Like I said, I think growth is firstly dependent on just customers transacting more frequently, more customers transacting more frequently. We have remained focused and we have called out in pretty much every quarterly update that we have remained focused on customer acquisition throughout.

A bulk of our marketing investments actually go towards brand building for the platform as well as acquiring customers. And then we have been very focused on assortment addition through the last year, particularly adding very strong brands like an H&M, like Nike. Those have very simply put, those have led to the growth revival that we have seen.

And as we focus more of our traffic towards the better brands, as we acquire the right quality of customers, marketing efficiency de facto looks better. So it's a very targeted and very deliberate effort to onboard the right kind of customers, to onboard the right kind of brands and to work deeply with partners.

Both on the brand side as well as marketing channel side to show the right brands to the right traffic to the right customers so that they convert efficiently. That's what results in marketing

efficiency looks better. And those are structural changes, very deliberate structural changes we've made in the business. And that's why we remain confident that we should continue to see positive trajectory.

Nihal Mahesh Jham: Sure. Has competitive intensity also from certain platforms who are sort of similarly positioned abated this year in any way?

Abhijeet Dabas: I wouldn't say it has abated. I think there is always competitive intensity. Although I would say to your point, other platforms, every platform is positioned slightly differently. We are uniquely positioned. Nykaa Fashion is positioned differently compared to others in the market in that we have been very clear that we focus on the premium fashion online market.

We don't so much play the mass market categories. And therefore, we go after certain kind of brands. We go after a certain kind of customers. So in that sense, we play in a different space compared to most others. It's also worth mentioning that we are a much younger business compared to BPC, and the headroom for growth is just much higher for fashion as a business compared to how large the category is.

If you recall the slide on TAM, the TAM is \$55 billion, and we have a very small percentage of the market. So irrespective of competitive intensity, which will always be there. We have a lot of headroom for growth, and we, therefore, just remain focused on intrinsics.

Nihal Mahesh Jham: Sure. My second and third question is to Anchit, that inflation overall, we've seen with, say, traditional media players ends up leading to a cut in advertising or marketing spend. So from our perspective, have you historically seen that when inflation plays out and if say, FMCG companies is a reasonably large size of our market budget that they sort of step back?

And another question was that on private labels, in BPC, we already had 20% kind of a contribution. Is there a possibility that Nykaa as a platform can say even touch a 30% without sort of impacting the health or the way other independent brands look at our platform?

Anchit Nayar: Yes. So, to answer your first question, it is a possibility that certain brands pull back on ad spends or on marketing on digital platforms, including ours, that is a possibility. The good news for us, however, is that, as you are aware, no single brand or even brand company accounts for double-digit revenue to our platform. So we have very low revenue concentration.

And as a result, even our ad dollars are not as concentrated to where that risk is meaningful for us. So there are thousands of brands on the platform. We have spent the last several years making the platform more inclusive in the sense that allowing more brands to be able to participate in advertising on the platform by creating more opportunities for them to participate.

And as a result, we have diversified our base on advertisers. And so we're not overly reliant on FMCG nor on international brands, neither on luxury brands nor on mass brands. So I think it's well diversified, and we continue to launch new advertising properties that are of interest to all of our brand partners. We're also now providing a lot more consumer insights.

And again, here's where AI is helping, but our ability to share real-time insights on performance of marketing campaigns on the platform has been seen as very helpful by brands as well. So I think given the strong and high-quality customer base, we have very specialized platform, very high-quality consumer, very high-quality conversations and now a much higher level of consumer insighting and more advertising opportunities on the platform.

There are a lot of things that we now have going for us that could counter the desire for brands to possibly pull back on advertising if the inflation and the currency issues continue to persist. So that, I hope, answers your first question. On your second question regarding own brands, they don't account for 20% of our retail revenue yet. I don't know where you got that number, but we can confirm what that exact number is, if it's disclosed.

Adwaita Nayar:

I can jump in there. First of all, obviously, our brands sell on multiple platforms like offline and other platforms and so forth. So that's just putting the number in context. And in terms of how we think about the strategy, it's not about getting a particular share of Nykaa as a platform.

We're truly trying to build an independent unit within Nykaa which is truly a house of brands. It's a brand's business, and we want to have a beautiful portfolio of brands, which extend across many different categories, many different positionings and we want to make sure every brand hits its own correct potential and its own correct distribution strategy and whatever that nets out to in terms of the revenue and top line is where we're headed.

But I would say as we're getting increasingly focused on this business, it's not about just penetrating Nykaa as a retailer, but it's truly about building standout brands in the country. And we think it's a really incredible time to be building brands in India today because there's a lot of appetite from consumers to try Indian brands that are being built on Indian insight.

Falguni Nayar:

And it's a very large revenue and profitability pool, which we can tap into for the future. We are building towards being a big player there.

Anchit Nayar:

Yes, sure. So I'll just complete the answer. So I think as Adwaita mentioned they're building brands that can stand on their own 2 feet in a broader consumer context. And similarly, we're building a retail platform that caters fairly and equally to all of our brand partners. And this is something I've spoken about, and I'm very passionate about and I've spoken about this with all of you over many, many years that as a retail platform.

Our multi-brand retail relationships and commitments come first. So we're very, very committed to creating a very fair and balanced playing field for all of the partners who retail on our platform. And as I say, every brand has as much of a right to win and as much of a right to lose on the platform as our owned brands.

So, the fact that our owned brands are growing well on the platform and that they are gaining market share is great, that's good. But we are not solving for any market share increase or any market share for our owned brands. So they have to grow on their own merit. They have to have a consumer connect. They have to have a unique value prop and I think they are doing that. And as a result, they're seeing success not just on our platform, but across multiple platforms.

Nihal Mahesh Jham: Sure. Thank you so much.

Moderator: Thank you. The next question is from Percy Panthaki. Please introduce yourself and proceed.

Percy Panthaki: Am I audible?

Moderator: Yes, you are.

Percy Panthaki: This is Percy Panthaki from IIFL. Maybe just had a question on your owned brands in beauty. You've done exceedingly well in this portfolio. There's been a 65% growth Y-o-Y. Dot & Key must be probably close to INR 1,000 crores in NSV terms. How do you see this portfolio growing now?

I mean, on this base, which is a pretty high base now, do you think that this growth rate maintains or it slows down a little bit given that it has already scaled up to a meaningful size now? And it would be unrealistic of us to expect the same kind of growth. And I'm sure that, as you said, these businesses are at higher margin. That is probably one of the reasons contributing to the margin expansion in the Beauty segment this year. If the growth of that portfolio slows down, do we see that lever to push up margins in the coming 1 or 2 years being a little weaker than what it was?

Adwaita Nayar: Yes. I can comment there first to address, the first part of that question. The way I would position it is more about I think Nykaa has become very excited about the opportunity to build a really compelling house of brands in India. And I think that strategy will come down to having the right portfolio of brands.

We have three big brands at the moment. I would say we probably have 4 really meaningful brands at the moment, Dot & Key, Nykaa Cosmetics, Kay Beauty and Nykd. And I would say there are a couple of brands further that are looking very high potential that will sort of break out this next year.

So I think the strategy is really probably three pronged. The first is making sure that the big brands continue to hit the right potential within each of their categories. So continuing to take market share in each of the categories they play in, continue to take the right distribution calls and making sure that we're as ambitious as possible for these 4 brands that have already sort of broken out.

I think the second prong of the strategy is these incubating brands that are just starting to take off, making sure again, they get through to that INR 150 crores plus thresholds such that they can definitely exist and have a life of their own. And I would say the last bucket is to do acquisitions and look for either brands to acquire or brands to build in-house that sort of supplement our category.

So I think when you put all those three things together, I think the potential of how big this business can be is really exciting. But it will be on the back of the right portfolio strategy, picking

the right brands, the right categories and then making sure that you structure the organization to be able to deliver each of those with the right ambition.

So I'm not answering your question exactly of like will the growth continue to be 50% plus next year. I think the way I'm more saying it is I think we're getting really focused and ambitious about the strategy here. So it's about having the right breakthrough growth in each of those three pockets and then we'll see where the growth pans out. But I think it's going to be a really exciting business from here on out.

Percy Panthaki: Okay. Second question is on, again, the beauty B2C retail platform that you have. And the kind of growth that you're clocking there probably in the high 20s on both GMV and NSV. Just wanted to understand the contours of the growth, do we see that changing like currently we see a lot of growth coming from unique annual customers sort of increasing?

And the AOV growth is probably not a big material contributor in the overall GMV and NSV growth. Over the next, let's say, 2 to 3 years horizon, do you feel that you can keep adding new users at the same pace as you have been? Or do you think the new user growth is likely to taper down a little bit and the slack will be picked up by the AOV going up?

Falguni Nayar: Is this a question for the B2B business?

Anchit Nayar: B2C.

Percy Panthaki: It's the B2C retail platform, B2C business, which includes, I mean, which is your overall retail platform, own brands plus third-party?

Anchit Nayar: Yes. You mean that Nykaa.com and Nykaa retail stores.

Percy Panthaki: Yes, absolutely.

Anchit Nayar: Okay. So first, I also just want to answer your earlier question regarding, because the sense I get is you're implying that a lot of the margin improvement we're seeing in the Beauty vertical is on the back of the owned brands growth, right? So firstly, let me say that in theory, the owned brands business should and it can be accretive to the overall margin profile for the Beauty vertical going forward.

But currently, the retailer business that we have is the business with the highest margin profile, right? So the margin improvement is not solely on the back of the own brands business growing faster than the platforms. It's also the core retailing business itself has a very, very healthy margin and continues to improve on the back of marketing efficiencies as well as certain improvements on fulfilment cost and repeat customer behaviour on the platform.

So even if the owned brands business does slow down, I don't think you're going to see an impact on the overall margin profile for the Beauty vertical. So I hope that helps answer your first question. Now that being said, I think the other way to look at it is there is tremendous opportunity for the owned brands business to not only continue to grow fast.

But also improve its own margin profile, which will be accretive to the overall vertical going forward. Now coming to your second question around growth and how much of that is going to come from AUTC versus AOVs going forward. Yes, I think we have invested behind customer acquisition because a customer acquired today is a repeat customer tomorrow.

And I think one thing Nykaa does very well is to convert new customers into repeat customers and over time, we've seen that the annual consumption value and the average order values of repeat customers tends to grow and be greater than that of a new customer and that is in large part due to all of the education, all the personalization, which we do on the app to get the consumer to shop more frequently, to shop at higher price points and generally increase their consumption and our wallet share of that customer over time.

So yes, I would say growth for us, growth comes from not just new customers but also from existing customers and how their basket evolves with every subsequent purchase. That being said, we have not seen too much growth in AOV in the past several quarters. And the reason is twofold.

One is you have to remember that because new customer AOVs are lower than repeat customer AOVs, any quarter in which we have very strong customer acquisition, at the aggregate level, the AOV can look muted. The AOV growth can look muted because we have a larger percent of our transacting customers are coming from the new customer bucket.

And the second is that we have been trying to focus on driving a lot more frequency of purchase as opposed to just focused on average order value because ultimately, our goal is not just average order value, but more importantly, annual consumption value. And so that's why you've not seen as much AOV growth.

That being said, I think as, there are some, we have some initiatives in place to improve annual consumption value and also improve AOV for our existing buyers, our repeat shoppers in the coming quarters. And again, personalization, making the right, showing the right products to the right user, which is ultimately what personalization is, we believe, can help to improve AOVs and ACV over time.

And, of course, premiumization, relative premiumization of our consumers, given the assortment that we have can also help. So the objective is definitely to get incremental growth from AOV as well as from annual consumption value growth in the coming quarters and coming years.

And I think as the Indian consumer evolves, as they embrace premium and prestige beauty as their shopping behavior becomes more sophisticated, you'll start to see those improvements over time. But that being said, there is still tremendous runway for us on customer acquisition. You know what our annual unique transacting customer number is. It's still long way to go.

And so we're quite excited about the millions of consumers who are still yet to experience the Nykaa universe and also engage with beauty in a meaningful way. And I think our job is to bring those consumers into the beauty ecosystem over the coming years, and we'll continue to invest behind that.

Percy Panthaki: Got it. So just to summarize, if I understand you correctly, you think that the AUTC growth can more or less continue at the current growth rate in the next 2 to 3 years as well?

Anchit Nayar: Yes. As I said, I think there is headroom for growth on customer acquisition for sure.

Percy Panthaki: Great. Those are my questions. Thank you so much.

Moderator: Thank you. The next question is from Latika Chopra. Please introduce yourself and proceed.

Latika Chopra: Sure. Hi, this is Latika from JP Morgan. You answered a lot of the questions that I had, but just a few more things from my side. The first is given the way the rupee is depreciating, I just wanted to get a sense of what's the salience of imported brands in your beauty business? And have you started to see some of those translations led realization increases already? Is it even meaningful to think about?

P. Ganesh: Yes. So the imports for us, direct imports form a relatively small portion of our business. So in that sense, it limits our exposure both from a forex volatility perspective as well as from a potential supply chain challenge. Having said that, from a forex perspective, we operate on a fully hedged basis and at any point in time, the next 2 to 3 months, exposures continue to remain hedged. So that also gives us a level of protection from near-term volatility as far as currency is concerned.

Latika Chopra: Sure. The second question I had was just an extension of the discussion you had on owned brands. Clearly, FY '26 saw massive 65% increase in GMV growth and almost 2/3 of that business is Dot & Key. And you talked about how distribution expansion, portfolio expansion actually led to that growth.

What I want to understand is there's a wide difference between a INR 1,800 crores GMV brand and the next one is INR 400-odd crores. To sustain this kind of 50%-60% growth, do we then need another new brand in this portfolio? I'm just trying to gauge how should one think about the growth of this portfolio in FY '27 considering it did really well in FY '26. So any more thoughts there?

Falguni Nayar: Okay, Adwaita, you go first.

Adwaita Nayar: Like I stated before, I think the growth has to be on the back of both the existing brands accelerating. And I think there's still considerable growth for Dot & Key to be had. But there's also a lot of potential in those next two makeup brands that I mentioned, where there's a larger market share gain that is possible.

And so there's a big acceleration there possible as well. And then I think the second part of it is making sure that we have new engines that also come in place which start to fire. So it is also about laying the right portfolio that delivers consistent growth over the next 5 years, 10 years. rather than just year-on-year as well.

Falguni Nayar: Yes, I just wanted to add to that, that actually, the weightage of Dot & Key may not be as high, I mean, that high as you spelt it out. But it's significant. But I think like Adwaita has been saying, it's a portfolio approach. And if you have 3-4 brands who are at 1/3 the turnover but growing 65% or 100% is very much possible.

So I think on a portfolio basis, we remain confident that we can deliver high growth. Nowhere are we claiming that we will deliver 65% year-on-year growth forever for the next 5 years. I think you've been good at guiding over a 3-year or a 5-year growth. And I think like we said, we see a very big opportunity in building a house of brands and we have a big ambition.

I think we have an annual day coming up soon in about month and a half. And at that time, we'll make an effort to explain the entire plan more in detail. But in many brands like that also Adwaita has been saying, in different brands, there are different opportunities. Dot & Key of this size and scale based on more e-commerce success and a lot can be done on physical and GT MT rollout and even international forays can be considered for many brands. So, and skin is a different space than makeup, so the two can't be compared. So I think everything has to be seen in the context of size of the TAM that they play in and what do they do well and what are their assets and how can they take them and lever them forward further.

Latika Chopra: Okay. Okay. Understood. All right. So, I just looked at INR 1,800 crores GMV versus INR 2,788 crores. Just last two questions. What's the salience sales of Nykaa Now for you in FY '26 or as you exited the year? And any specific call-outs on offline store expansion targets for FY '27?

Anchit Nayar: So yes, on the second question around retail brick-and-mortar expansion, at this point in time, it's, we're thinking it will be similar to what it was in FY '26. So similar 50 to 60 or 70 doors and we're already now covering the top 99 cities. So it's more about now increasing the density of our store network in Tier 2, Tier 3 towns to get to maybe anywhere from 2 to 5 stores per city in these Tier 2, Tier 3 towns.

So we have said in the past that the plan was to get to about 500 stores over the next 3 to 4 years, and we said this about 2 years ago. So we're on track towards achieving that number. So, you can say about 170 or 180 doors more over the next 2 to 3 years, averages out to about 50-60 doors a year. So we're on track with that expansion. And sorry, what was your first question?

Latika Chopra: Around Nykaa Now, what's the salience in overall GMV, anything that you could share as you exited the year?

Anchit Nayar: Yes. So what I can share, Nykaa Now is that last year was the year of really building out the network in terms of the rapid stores as we call them. And today, we're quite well covered in the top 7 metros. So we have, I think, close to 75 or 80 rapid stores in the top 7 metros that allows us to cover 80% to 90% of the relevant pin codes in those metros with a delivery promise of about 30 minutes to 2 hours, which we think is adequate for the beauty and personal care space where we don't think the 10-minute delivery is required for our categories.



And we're coupling that speed with a very unique assortment. We have the largest assortment of beauty and personal care products available on a Nykaa. Now given that, we're a vertically specialized platform, and we don't have to stock other items in the dark stores.

And on top of that, we're also able to offer our prestige portfolio of brands because we're using our retail stores also to fulfil Nykaa Now orders where required. So, I would say that now there is a meaningful percentage of our orders in the top 7 metros that are being serviced through Nykaa Now.

In terms of the exact number, I don't think it's disclosed but we can get back to you offline if that's something that we're comfortable to share. But this year, as I said, it was a year of building out the density, getting the assortment right. And now in FY '27, the plan is to really start to market Nykaa Now more actively to our consumers, given that we have the assortment and the speed buttoned up. So you'll see us marketing a lot more aggressively and hopefully start to see even better consumer traction. But so far, the consumer appreciation, obviously, for Nykaa. Now has been huge because it's not something that they were expecting and I think they have been pleasantly surprised with the speed which we're able to deliver. So now that we've got the product market fit, we're going to market it, and you start to see it contribute to a much more meaningful percentage of our overall orders in the coming quarters.

Latika Chopra: I completely agree with that for sure, the customer experience. Thank you so much team and wish you all the best.

Moderator: Thank you. That was the last question we can take today. You may reach out to Nykaa's Investor Relations team for any additional queries. I would now like to hand the conference over to the management for closing comments. Thank you, and over to you.

Falguni Nayar: Thank you very much, everyone, for being on the call with us and we look forward to seeing you again later in the year.

Moderator: Thank you, members of the management. On behalf of FSN E-Commerce Ventures Limited, that concludes this conference. We thank you for joining us and you may exit the meeting now. Thank you.

Anchit Nayar: Thank you.

Abhijeet Dabas: Thank you.