Date: November 12, 2026

To,
BSE Limited,
20 th Floor, P.J. Towers,
Dalal Street
Mumbai - 400001.
BSE Scrip Code: 544871

National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051
NSE Scrip Symbol: SHIPROCKET

Subject: Transcript of the Conference Call for Analyst / Investors

Dear Sir/Ma'am,

Greetings from Shiprocket Limited.

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith transcript of the Analyst / Investor Conference Call held on November 5, 2026, in respect of Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2026.

The above information will also be hosted on the Company's website at https://www.shiprocket.in/investor-relations/results/

Please take the aforesaid information/document on records.

Thanking you,

Yours truly,

For Shiprocket Limited
(Previously known as Shiprocket Private Limited
Originally known as Bigfoot Retail Solutions Private Limited)



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Anil Kumar
AVP, Company Secretary and Compliance Officer
Membership no. F8023

Place: Gurugram

“Shiprocket Limited

Q2 FY27 Earnings Conference Call”

November 05, 2026

MANAGEMENT: **MR. SAAHIL GOEL – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – SHIPROCKET LIMITED**
MR. TANMAY KUMAR – CHIEF FINANCIAL OFFICER – SHIPROCKET LIMITED
MR. SHREYANSE JAIN – DIRECTOR, INVESTOR RELATIONS – SHIPROCKET LIMITED

Moderator: Ladies and gentlemen, good afternoon and welcome to Shiprocket's Q2 FY27 Earnings Conference Call. As a reminder, all participant lines will remain in listen-only mode, and there will be an opportunity for you to ask questions after the management's opening remarks. For participants connected on only audio, if you need any assistance during the conference call, please signal the operator by pressing star followed by zero on your touch-tone keypad.

We have with us today Mr. Saahil Goel, MD and CEO, Mr. Tanmay Kumar, CFO, and Mr. Shreyanse Jain, Director, Investor Relations.

I now hand the call over to Mr. Tanmay Kumar for his opening remarks. Thank you, and over to you, sir.

Tanmay Kumar: Good evening, and welcome to the call, our second as a listed company. Thank you. This quarter, our revenue is up 35%, and adjusted EBITDA is up 3.3x to INR14 crores. Our Emerging Businesses grew 60% plus, with much better economics, and we have turned PAT positive.

I will walk you through a short earnings presentation, and post that, we can have our conversation and question answers. Shiprocket remains focused on its purpose. 300-320 million Indians shop online today.

Online is about 8% of retail, heading to about 15% by 2030. India has about 60 million retail MSMEs, and about 45% of online retail GMV already comes from tier two and beyond. Our view on the market remains unchanged. We are very bullish on D2C and on quick commerce.

The merchants driving this growth will not build their own logistics, their own checkout, their own marketing stack. They will rent it, they will use it from the people who build it, and that is what we serve, and that is what we provide. Shiprocket is an enabler of Indian e-commerce via technology and technology first.

A seller in Jaipur or Coimbatore opens one dashboard and gets everything that happens after discovery - payments, fulfillment, shipping, customer experience, returns, and so on. 42+ courier partners, 250+ ecosystem partners, one dashboard, data, money, trust flows through one platform.

Our merchants do not need to worry about logistics. She just needs to make a great product, and we'll take care of everything else. That is what we are. Let me walk you through key financial numbers.

Overall, revenue was INR670 crores plus, up 35%, and Adjusted EBITDA was INR14 crores plus at 2.1% margin. Core revenue was about INR460 crores, up 25%, and Adjusted EBITDA about INR59 crores at 12.8% margin. Emerging segment revenue was about INR210 crores, up 61%, and its adjusted EBITDA margin improved from minus 31.5% to minus 21.2%.

There is a 10 percentage point improvement. Growth is broad-based, core is scaling profitably, and Emerging continues to scale faster. We generated about INR55 crores of cash from operations in first half. That is about 2.3x the INR23-odd crores that we made in H1 of last year. Overall, both engines are performing, growing, and with better economics. We will walk you through quarterly growth metrics.

On a trailing 12-month basis, we are at our highest ever on all the three, 233 million transactions, about INR37,400 crores of GMV, and over 236,000 active merchants. All metrics have grown. In the quarter, GMV grew 33%, transactions grew 34%. This operating number shows we are delivering ahead of what we set out in the beginning of the year.

We are excited about overall 34% plus transaction growth. We are reaching more merchants, we are getting deeper into transactions, and that is exciting. Revenue grew 35%, and the build is simple. We keep adding merchants, which was up about 8%, and merchants do more business with us, and revenue per merchant is up 25%. The ARPU is up with more and more Emerging adoption, while we continue to drive overall merchant count. Adjusted EBITDA up 3.3x, obviously from a very small base.

It was INR4 crores last year, same time, and it is now INR14.2 crores. More importantly, we are now PAT positive, and this is delivered largely due to operating leverage from platform scale. We will talk about it subsequently. Growth is volume-led, broad-based, and it is not price-led, just to put that point across. Overall contribution was INR130 crores, up 43% against the revenue, which grew 35%. So profitability has been improving overall for the platform.

On a unit economics perspective, we continue to grow profitably. The sequential growth in revenue for overall business was 7% in Q1 over Q4, and now it is 14%, Q2 over Q1. Margin is at 19.3%, up 108 basis points. The interesting fact here is that every incremental rupee of revenue this year came in with about 22% contribution margin. That is how you see the growth in margin.

Sequentially, we held contribution margin even if Emerging became much bigger share of the mix. So contribution margin is growing faster than revenue. Adjusted EBITDA was at INR14.2 crores, margin at 2.1% against 0.9% a year ago and 1.5% last quarter. So it is improved both YoY and sequentially, and both Core and Emerging improved year-on-year. Adjusted EBITDA excludes other income entirely. So this improvement is all operating.

PAT at INR6 million against a loss of INR20 crores a year ago is about INR21 crores swing. To read the PAT walk, the INR21 crores swing, I would break into three parts. About INR10 crores coming from higher Adjusted EBITDA, which is half this. About INR5 crores coming from lower ESOP costs, and about INR5.5 crores from higher other income from IPO funds.

Everything else just showed about INR4 million. So the ESOP charge now keeps falling as a share of revenue. It is under 4% from 6% a year ago. So about 70% of the PAT improvement is operating, and yes, there is higher other income due to stronger balance sheet post IPO. We have an effect of only half a quarter of the stronger balance sheet post IPO in the numbers for quarter two.

Just a recap on the two segments. Core is the shipping, it drives profits. In Emerging, we have MarTech, including checkout, Omnichannel and Cross-border, that compound growth. This quarter, Core was about 69% of revenue, and Emerging was about 31%, up from 26% a year ago. So Core generates the profit. We deliberately reinvest part of it in Emerging. That is the reinvestment choice we have been exercising.

Core brings the merchant and the transaction, and Emerging monetizes more of that relationship. This is critical as we think of this company five years ahead or 10 years ahead. This is how we intend to continue building a compounding business. The core transactions were up 31%, that is the volume growth in core. The revenue, about INR460 crores, which was up 25%, like I mentioned before. The gap is market and mix. The courier mix, which we pass through, and larger merchants are doing more.

That is the second. Thirdly, there are new categories like hyper-local, which carry a little lower revenue per transaction. We have been trying new ways, hypermarket, supermarket, food, all of that we are starting. It is very early, new categories in the fast lane, but for some time, we have been focusing on speed, same-day delivery, fast delivery, we have been ramping up.

All of that, I think we will see fruition of that, and we will see more and more growth coming through. The contribution margin of about INR97 crores, up 25%, which is steady at 21.1%. We are investing a bit in CAC. As I have been telling from before, so long as our CAC pays back in less than one year, it is a beneficial investment to do.

We are focusing on ramping up the overall merchant base. We have also been investing in experience centers in core, so that we held the percentage and focusing on growth. Adjusted EBITDA of about INR59 crores, up 29%. That is faster than both revenue and contribution margin growth. EBITDA margin at 12.8% against 12.4%, and then you can see operating leverage coming in. So core is doing well at improving margin, and it is self-funding the Emerging business.

We do not own a fleet, and that is the point here. We are carrier neutral. Every order goes to the network best placed to deliver a transaction. So AI picks the partner order by order, learning cost, speed, and performance at a pincode, lane level, RTO prediction, and at this intelligence, stop risky COD orders before they get shipped.

So no single network dependence, and we know things about stressed networks. Then, we are expanding in hyper-local, so demand for fast delivery is now everywhere. Hyper-local is a natural extension of the same platform with two new use cases, like I briefly mentioned, retail stores and restaurants, and so on. So, multiple well-known brands have signed with us, and also restaurants. AI is playing a role.

I will talk about RADAR and Analytics. RADAR optimizes the courier selection and avoids stress lanes. Essentially, the idea is to continue providing better access for the merchant, and choosing the right network for every order where the value is. RADAR is our AI-powered control tower. So it continuously analyzes network data to find stress lanes and zones by courier

before they can affect the performance for the merchant. So an example, let us say from some city, let us say Chandigarh, in which there are 379 pincodes, let us say of 20-30 are stressed, but under 4% of work moving through them, because what happens in this case is that RADAR picks it up and then drives it courier by courier. So sellers use it in three ways. A dashboard showing which lane and pincodes are stressed.

They use it for auto-block, so orders are not assigned to a stressed courier. On real time, RADAR alerts when they choose a courier in the Ship Now screen. RADAR also feeds the Analytics agent on the, I'll talk to you in the next slide, very specific exceptions that sellers should act on.

This is the network data that merchants should get, and we give it to every seller. We moved the Shiprocket platform to an agentic experience, with an AI embedded across sellers' daily workflow. We have launched it in beta to about 1,000-odd users. An Analytics agent sits alongside the dashboard. The seller asks in chat, and it drills into the numbers in a split screen, and instead of seller doing the analytics by hand, they get the insight. Idea is that we give the power in the hands of the merchant on what's happening to the business.

Omnichannel grew 79% year-on-year this quarter on fairly healthy merchant additions. As brands go omnichannel, the hardest problem is staying in stock on quick commerce. We replenish dark stores through an appointment-based delivery, booking slots from the brand warehouse, match the POs with the loads on time, and we give them real-time PO visibility. Smaller brands do have a challenge. We talked about it last time. They're scaling very well, close to half of omnichannel marketing driven through this.

As you know, quick commerce is growing very well. This business will more and more get indexed to quick commerce, and it continues to grow fast. Several well-known brands use it today.

We move largely brand stock to dark store, fulfillment center, on time so that consumer gets it faster. That's the whole idea here.

MarTech is now rebranded as Fastrr, and grew 102% year-on-year and powers about US$ 1.3 billion of annualized GMV, that's about INR11,200 crores. Fastrr has Ads, which helps merchants advertise, and Checkout, which converts shoppers.

What is interesting is that we are finding that the decision maker is the same within the organization, and this means more and more bundle selling or cross-selling opportunity between the two businesses. You should see effectively the take rate within MarTech growing over time.

Our edge, here is the data, what sells where, real delivery addresses, consumer personas, and we see the journey from click to delivery. We can show merchants better ROAS and real conversion uplift, and as one unified stack.

The upside is that fewer than 10% of our merchants use MarTech products today. It's a cross-sell opportunity, and increasingly it's also becoming an acquisition engine in its own right. Every

MarTech product runs on data from its own deliveries, and that's why it converts better and continues to grow really well.

Here are financials from the Emerging segment. The emerging revenue was about INR210 crores. It was up 61% and 18% sequentially. The INR32 crores we added this quarter is the largest sequential addition in the last six quarters. MarTech up 102%, Omnichannel up 79%, Cross-border is up 9%.

We continue to invest in product, brand, and capability, and we keep adding merchants across MarTech and Omnichannel. Contribution margin about INR33 crores, 2.5 times versus a year ago. Margin is 15.4% against 10.1%, improving in every sub-vertical, in Q2.

Sequentially, it is in the similar range because Omnichannel is a growing share. It is investing in its own network now, that keeps the margin slightly lower in the shorter term, but this can really be a very big advantage. Adjusted EBITDA margin improved by more than 10 percentage points to minus 21% from minus 31% in last quarter to this quarter also is a 3 percentage point improvement just in one quarter. That is the first one. That number is also interesting. We are scaling Emerging and improving its economics at the same time.

9.3% of core merchants now use Emerging products, up 140 basis points year-on-year. Merchants served through Emerging grew 75% to 62,000 plus, as merchants adopt Omnichannel, MarTech, and cross-border. The funnel now runs both ways. About 17,300 new merchants joined us through Emerging this quarter against 5,400 a year ago.

Another interesting fact which is not here is that MarTech had close to 20,000 merchants on checkout, versus our overall base of 236,000, and that tells you the opportunity. As you know, discovery is moving from Google to AI assistants, so now there is no second page, so that makes AI visibility the new SEO.

Aitlas tracks how brands appear across ChatGPT, Gemini, Claude, Perplexity, and Google's AI Overviews, and it finds the gaps and helps fix them. How it runs is, you go to the dashboard, then run the brand scan live against a competitor or a similar product, then walk through the prompts and gaps that it throws. It throws out where you are mentioned, where others are mentioned, where you are not.

The system gives you an AI visibility score, a mention rate, a share of voice, and a citation rate, the prompt gaps, and the questions where the brand does not show up at all, and the citations, which sites the AI quoting, and then it gives you a way to fix. There is a tool we call Hydra, our built-in AI writer.

It creates content to fill in the gaps through a setup ready to run agents. That is this product. This one is prompt-driven retargeting essentially. The average D2C website converts 1%-2% of visitors. Recovering the abandoned cart can convert 5%-10% of them, but building those journeys is very hard.

Now, we made it easy, we used an existing product, but what has become easier is that now a merchant just describes the journey in a chat, for example, and it covers abandoned carts, and the viability. Journey is created through the chat commands, and then it runs it automatically across WhatsApp, email, SMS and push.

We have also, on the checkout, there is a feature addition where your merchant can share payment link, a shopper can send the payment to a family or a friend. A daughter can shop and her parent can pay, and the order can complete still on her phone. It helps younger buyers and less tech-savvy users and so on.

So, similarly, there is discount magic. The best price is now, we integrate now the product page, not just on checkout, so it just lets add to cart and buy now. Overall, to give a summary of the numbers, core about INR59 crores at adjusted EBITDA. Emerging at negative INR45 crores, group EBITDA INR14 crores. Cost between contribution margin and Adjusted EBITDA fell as a percentage of revenue in both segments.

Like I mentioned before, please note that the IPO happened towards the third week of August, the finance cost reduction due to the payment of the loan as well as the increase in other income reflect impact of half a quarter over here. So, against the negative INR20 crores, we delivered a near breakeven this quarter. For the overall first half now, revenue is up 34%, core is up 24%, and Emerging is up 65%.

That is the product picture. The economics continue to improve, and these numbers give us the confidence that we are largely on track to deliver on the vision and the roadmap that we had on the medium term. We are very excited on how quickly the business is growing. That is all I had to share over here in terms of overall numbers.

I will hand back for question answers now.

Moderator: Thank you very much, sir. We will now open the floor for the Q&A session. The first question is from Sachin Salgaonkar. Kindly introduce yourself and proceed with the questions.

Sachin Salgaonkar: Hi, thank you for the opportunity. This is Sachin Salgaonkar from BofA Securities. I have two questions. First question regarding margins for core business. We did see contribution margin largely constant at 21.1% for last four quarters and EBITDA margin also almost in the same range. I do understand your point that you guys are investing, so CAC is a bit high.

The question out here is, are these steady state margins? When should we start seeing improvement in margins and how to think about where margins stabilize? Let me actually go through the second question also right now. We read in media about your strategy on food delivery. I was trying to understand if you could elaborate what are you guys trying to do on a food delivery front. That would be helpful? Thank you.

Saahil Goel: Thank you, Sachin. This is Saahil. Thank you for both the questions. On the core side, you are right that there is investment again in AI for experience as well as in acquiring more customers

at large. The realities of the business keep evolving, and we want to do the right things in the long run for the business.

That being said, the margins are largely stable in the shorter term, but in the longer run, I do see them improving because it's the nature of the way the P&L is constructed. Essentially, the reality of the business has fixed people, more or less, who are working towards selling, acquiring, servicing, building, engineering, and so on. Then we've got growth in customers as well as in ARPU, which leads to higher margins downstream.

I think that rhythm has not changed or is not going to change. In the longer run, automatically, the margins should improve. On the second question, on food, we stand for allowing anybody who runs their business to be able to go and reach their customers directly and be able to sell and grow their business.

If you've been following our overall vision to be able to reach larger markets, we have been talking about different categories that could use our stack. As part of that, one of the categories we were trying is restaurants, where essentially they are using our Fastrr marketing stack to run Facebook ads. They're using our checkout to be able to convert visitors on their website.

Then finally, they're using the hyper-local delivery, integrations to be able to deliver from their store. Essentially, that's a new category we are trying out amongst other that we do. Hope that answered your question, Sachin.

Sachin Salgaonkar: It does. Just a follow-up out here. Eternal continues to be one of your key shareholders. Is there at some level a conflict what you're generally seeing with Eternal, or it doesn't necessarily matter because it's more a passive investor out there?

Saahil Goel: I don't think there's any conflict. I mean, Eternal is a financial investor, first of all. Secondly, we aren't really in the marketplace business. We're simply giving that business tools. For example, restaurants also have PTL and cargo needs. They also have advertising and WhatsApp needs. They also have voice and AI needs. I think you've got to think of it from that perspective. I don't think it's a conflict at all.

Sachin Salgaonkar: Got it. Very clear. Saahil, when you said in the near term margins in the core business might be here and in the medium term it will improve, is it fair to say that for a couple of quarters it could be largely range-bound because you continue to make these investments in AI?

Saahil Goel: Sachin, hard to give you a future timeline, boss. I mean, I think I'm going back to saying the way the business runs is that. Like I said, few quarters, the realities of where we need to invest, where is the competition going, all of those things can make our decision difficult to kind of give you a projection on.

Tanmay Kumar: Sachin, directionally nothing is changing. As far as core is concerned, there is far greater operating leverage opportunity on the overall EBITDA, and we've spoken about it before, and that we don't see any change there. There is a smaller operating leverage in the contribution margin.

That's how the structure of the P&L itself is, the way it is, and that we don't see a change here. I mean, we're just speaking of quarters here, essentially. If you see in the medium term, I don't see any. We're not seeing much different in our, how the business is running.

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

Moderator: Thank you. We will take the next question from Della Desai. Please introduce yourself and proceed with the questions.

Della Desai: Hi, thanks for the opportunity. Good evening, everyone. This is Della Desai from Axis Capital. My first question is, the core volumes have grown 31% year-on-year, revenue grew 25%, which implies like a 4%-5% decline in realizations. The carriers earlier had mentioned that they have passed through the fuel, wage, the cost inflation in Q2.

How should we think about your realization trend against that backdrop? How are these carrier costs being passed through to merchants? If you could just shed light there, and I have two more questions, maybe I can follow it up after your answer?

Saahil Goel: Della, hi, this is Saahil. Thanks for the question. Your question is what is happening on the yield, based on input pricing. Look, first of all, the transactions is what we gain from the market. That is the way we observe our business, because price and margin is the downstream outcome.

Price, I think, is also a function of how many kinds of customers are making up a cohort or which customers grew more in a certain period, and that leads to some level of changes there. For example, if a larger customer grew more, right, the price may look like it is changed along with the volume in that particular period.

There is some of that effect. It is a mix effect in the base along with obviously some amount of changes. Fuel pricing did get passed on more or less. Like I said, we do not absorb it, and that shows up in the contribution margin, right?

While you see that 31% on transactions and 25% on growth on revenue, you will see similar growth on absolute contribution as well. Clearly the margins are held while this kind of play between transactions and revenue continues to pan out based on the mix and stuff.

Della Desai: So what you are saying is the top five customers or the top 10 customers have grown faster, which is why the decline in yield. Is that what you are saying? So how has the variance moved on these customers?

Saahil Goel: I am not saying that. I am saying that the customers based on their mix can be yielding different because of their size. You could say that you have had larger customers generally doing better, or you have added more mid-plus larger customers, and hence you are reflecting in the mix in a certain way, some percentage points from there, some percentage points also from the courier mix.

I think it is very hard to try and give you an exact walk, because it kind of fluctuates with the mix. I am simply telling you there are variables that cause it. I do not think you should infer at all that the top five are doing better.

Della Desai: Got it. That is helpful. My second question was on MarTech. You mentioned that 10% of Shiprocket's merchants currently use MarTech products. What could possibly be the constraints to adoption for the larger cohort? In that context, could you also shed some light on the competitive intensity that we are seeing in MarTech, especially checkout?

Saahil Goel: Yes. Thanks. I think the reason we are at 10% is not because we have an adoption barrier, Della. We are at 10% because we started this business from 0% three years ago. We are rapidly growing adoption, which means that this penetration will only continue increasing.

From an opportunity perspective, obviously there are several tens of thousands of websites which are running sort of the non-new-age checkout, let's call them, which is the majority of the checkout in the website market in India today, irrespective of the platform. From a competition lens, yes, there is competition. It's an exciting market.

There are other players out there who are going after the same pie, and obviously, Shiprocket continues to try and win this as a full-stack offering using our intelligence and trust with the shipping and so on.

That's kind of the way we are going at it, and we are going after our distribution from shipping and from other products in a big way. That's in some ways sitting on captive. Yes, I think there's a lot of headroom. I look at it as the opposite, like it's only 10% done, and every month we are adding like tons of customers.

We are growing very rapidly. We've almost more than doubled, right, in this business over the last couple of years and continue to grow at a very, very fast clip and continue to also be able to demonstrate growing take rates as we are growing in the volume band, in the GMV, showing that we are able to go deeper as we go wider at the same time. It's exciting times to be here.

Moderator: Thank you so much, ma'am. We will take the next question from the line of Avnish Sharma from JM Financial. Please go ahead.

Avnish Sharma: I have three sets of question. One of the 3PL players in its earning call highlighted their increased focus on the D2C market, and I presume this to be one of our top supply partners. How does this impact Shiprocket and the risk associated with it, given that we rely on them and they are targeting what was our key focus area in the first place?

Saahil Goel: Okay. Thanks, Avnish. This is Saahil.

So, look, I think, if you think about it, a large part of, I would say more than 90% of our business is D2C. Because we created the category and we are trying to build it as a true end solution. This is a high-yield category because shipping here is not just a cost center. It is an experience builder. It is a way small merchants reach out to consumers pan India.

So we need the best shipping provider and best experience to build this. So I think from the carrier perspective, like they, it is a high-yield category, and if you map the whole market, there is larger, very large D2C, and then there is like a long tail, and then there is everyone in between. So I think we are concentrated in some ways towards slightly different parts of the market.

That being said, our offering does not change based on what our suppliers would like to do. Our value prop and the fact that we are able to build solely for this segment and be able to offer them marketing, checkout- shipping, all of it in a box in a connected way. Continuously how we compound.

Like if you pan the overall market and look at the growth rates of e-commerce, you look at the growth rates of quick commerce, and you look at the growth rates of D2C as a market, and then you look at Shiprocket's growth rate in the last couple of quarters or H1 sequentially, you will get a fair idea of how this is affecting, if anything at all, in the overall trend. I hope that gives you as an answer, Avnish.

Avnish Sharma: Understood. My second question was, last quarter to my question on seasonality, management highlighted that Q3 is a seasonally weak quarter. I want to understand when we say seasonally weak, is it in terms of growth or is it in terms of margins? While I understand that D2C brands might push sales through the marketplaces during the festive and hence could be impacting growth. How should we see on the margins going forward in the seasonally weak quarter?

Saahil Goel: There should be no change, Avnish. It is just lower volumes. That is it. So you will see it last year, you will see it the year before, you will see it this year. It is not us. It is the way, like as you rightly described, in this quarter, large brands and a lot of our brands actually decide to either not sell aggressively on the D2C channel, or they start pushing their inventory into marketplace, and the marketplace marketing dollars are at their all-time high. So brands also pull out of CPCs for like a month or so, and that ends up hurting the quarter a little bit. But it is not in terms of margin or anything. It is just lower volume. That is all.

Tanmay Kumar: Yes. So, I mean, year-on-year, there is no damage.

Moderator: Thank you. We will take the next question from Garima Mishra. Kindly introduce yourself and proceed with the questions, ma'am.

Garima Mishra: Thank you so much for the opportunity. This is Garima Mishra from Kotak, My questions were more on the Emerging Business. Tanmay, you did mention in the presentation that you have been adding an increasing amount of revenue on a quarterly basis in this particular segment. Is this a number that is sustainable, or you think this is a number that can just keep going up given the traction you are seeing in some of the sub-segments?

Tanmay Kumar: Well, Garima, I think the interesting part is that if you look at, let me just break this, in terms of what is driving. Let me start with the checkout and the entire MarTech suite. On the MarTech suite, which has grown at 102%, the interesting reason why we see this growth rate continuing is that when you think of a decision maker for a MarTech suite, the person who is making a

decision for the checkout is the same who will take the decision for the Ads and for the engaged remarketing.

We are seeing more and more of these products selling. The momentum will continue. That is one. The fact that we have only sold to 20,000 out of a very pretty large base. I also wanted to point out on MarTech is that on ground, and someone else asked this question, and I would add here, that we do find that our product has much better conversion rates as it is backed by visibility of the actual data.

So, in terms of allowing shoppers to identify, in terms of ad break, and that checkout, we are like a 10%-20% better than what we see across the market. So, I think we are a strong proposition there, and it will continue.

The second is on the omnichannel, I think riding on the waves of the quick commerce growth, like you mentioned, and that we have just begun to tap. It is a very early stage. So, on both the key growth drivers, there is a lot of confidence that we should see sustained growth.

Garima Mishra: Yes. All right. That is very clear. Second question is on, let's say, margins for both the segments. Now, if I see the core business particularly, right, you will see at least this quarter, the way I compute it simply, a contribution minus EBITDA gives you the fixed cost of the business.

That fixed cost itself is up from maybe 19% on a Y-o-Y basis, and of course, we don't have too much quarterly history here. But you think there is potential for this fixed cost growth at least to sort of keep coming off with time, particularly for the core business?

Tanmay Kumar: Yes. At this scale, clearly, you should see the growth in the overhead cost is going to be much lower versus the growth in the revenue. So that answer is a straight yes, Garima, on the core business area.

Garima Mishra: Understood. That's the questions I had. Thank you so much.

Moderator: Thank you. We'll take the next question from Kunal Thanvi. Please introduce yourself and proceed with the questions.

Kunal Thanvi: Hey, thanks. This is Kunal from Banyan Tree Advisors. I had a few questions. First of all, congrats on good set of numbers. One question was on power merchants. We see this number, it has been slightly stagnant or de-growing in recent times. If you can share with us, how do one think about these power merchants and the growth from a longer-term perspective?

Have we reached the plateau, or it is something that we are not able to break through? The second question was on MarTech, and even the omnichannel business. On MarTech, we saw last quarter the growth run rate was closer to 200%, and it's 100% now. Is there a base that has caught up? How do we think about the growth on MarTech from a longer-term perspective and also from a medium-term perspective? Because as you said, the penetration is much lower.

That was the second question. Omnichannel, the question was around unit economics. We understand, in the presentation, you did explain what we are doing in omnichannel. If you can help us understand the unit economics, who pays us, what is the role of, say, Blinkit and Zepto? Are they paying us, or they are not paying us?

If you can just run through that business in slightly more detail along with some unit economics indications, because will it be better margin business? Because MarTech, we understand, it can theoretically be even higher margin than the core business at some stage. How do one think about the omnichannel business, omnichannel business from a longer-term perspective? Thanks.

Tanmay Kumar: So, yes. So power, there are two interesting things happening. One is that you see that while we have been consistently adding to the funnel, which is in terms of growth in the count of overall merchants we have, you would also notice that the ARPU has gone up significantly. So, that's what we influence, right? So, we add merchants, and as the business of the merchants grow, they become power.

So yes, there was a fluctuation. I do not know if it's one quarter, two quarter, or whatever, for a very short period. Because you are looking at trailing 12 months numbers, you may not see a effective power. But I think the entire funnel growing, the fact that the ARPU is growing, the power count, you will see it ramping up. That is how we have seen this before, so this is going to continue.

Number two, on the overall checkout market, MarTech, there is a little bit on the base effect and so on, of a very small base and so on. But largely, the kind of growth that you are seeing now is something that we see, it's something that is not difficult to sustain. So that is on the MarTech. Third is omnichannel. Omnichannel, our customer is the merchant. We are not monetizing from the quick commerce sources, so our unit economics is very different.

Saahil Goel: This is Saahil again, just to kind of share what we do there. Basically, we work with D2C brands who need slotted deliveries into certain quick commerce outlets, Blinkit, Zepto, Instamart, and we do integrations with their PO systems.

The brands pay us for a consolidated on-time appointment delivery, and we are able to hit SLAs of 97%, which are the best in the market, which continues to give us a very rapid business. It is our same D2C customers who we were doing last mile in their websites for, and then started doing checkout and other things for them.

Now it is their kind of quick commerce channel fulfillment replenishment, which is becoming a big part because quick commerce continues to have high failures. I think like a third maybe, I am guessing, is D2C, and that is growing as a share. Quick commerce is growing, and hence the need for sort of digital replenishment and reconciliation and integration with the marketplace so that everyone is more efficient. That is sort of the proposition.

The margins are indexed to what we are able to, what we have to pay our suppliers to make the goods and what the brand is paying us. So they are healthy margins, similar to our other logistics-style businesses.

Kunal Thanvi: Yes, very clear. So basically, in this business, one should expect that the trajectory in terms of profitability and the way you charge will be similar to what you do in your core.

Saahil Goel: Exactly.

Kunal Thanvi: Okay. Can you also talk more about the power merchants? I am not able to understand, because I understand that you are adding a lot of merchants, but why should that lead to our power merchants kind of de-growing? How do one read that? Is it too much reading into it, or I do not get still what is the reason for that de-growth?

Saahil Goel: Kunal, I think Tanmay briefly tried to explain this. Basically, here is how we run our company. We want to add more paying customers first. Because as they become paying customers, they grow, and as they grow, they become power merchants, they become large merchants, and so on.

In periods where the market goes through rapid growth, the growth of our cohort itself will create more power merchants. In periods where the market is like, merchants are going through different cycles, our base becomes bigger, bigger.

In certain periods, you might see that customers, for example, if I am completely focused heavily on acquiring new customers, and all of my marketing dollars are going towards getting new customers into the base, I am building my base to be able to then kind of funnel them up.

Because what Tanmay was saying that over the quarter, as some of these newly acquired customers become larger, many of them will end up converting into power merchants. If you think over three years, our paying active merchant base has gone from, I think, like 1.5 lakh, 1.4 lakh, something like that, to now over 2.3 lakh this quarter.

So, the base has gotten added now, in the last 3 years. And now people from here will graduate up into becoming power merchants. Other than that, you can look at total ARPU, you can look at average ARPU and total customers. That is another way to look at what is happening, because as we have rolled out multiple Emerging Businesses, multiple units, there is multiple funnels happening at the same time.

You have to take a slightly longer-term horizon to this, but it is in no way would I guide you to say that it is cap or anything. It is not like that. It is a matter of time. As people graduate and they grow, more people will be in the power bucket or whatever as the overall market.

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

On behalf of Shiprocket, that concludes the Q2 FY27 earnings conference call. Thank you for joining us, and you may now disconnect your lines. Thank you.