17st August, 2026

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Corporate Relation Department,
Listing Department,
Rotunda Building, PJ Towers,
Dalal Street, Mumbai – 400 023.
Scrip Code: 532867

National Stock Exchange of India Ltd.
Listing Department
Exchange Plaza, C-1, Block- G,
Bandra Kurla Complex
Bandra (East) Mumbai–400 051
NSE Symbol: V2RETAIL

Sub: Transcript of Earnings Call Q1 & FY 2026-27 - Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), please find enclosed the transcript for the conference call with the Analysts/ Investors for the Q1 & FY 2026-27 Financial Results of the Company conducted through digital means on Friday, August 14, 2026.

The transcript shall also be uploaded on the website of the Company. You are requested to kindly take the above on record.

Thanking you,
YOURS FAITHFULLY,
FOR V2 RETAIL LIMITED

SHIVAM AGGARWAL
Digitally signed by SHIVAM AGGARWAL
Date: 2026.08.17 15:44:14 +05'30'

SHIVAM AGGARWAL
COMPANY SECRETARY & COMPLIANCE OFFICER

Encl.: As above

"V2 Retail Limited

Q1 FY27 Conference Call"

August 14, 2026

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MANAGEMENT: MR. AKASH AGARWAL –DIRECTOR AND CHIEF EXECUTIVE OFFICER – V2 RETAIL LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to V2 Retail Limited Q1 FY27 Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Before we begin, a brief disclaimer.

The presentation which V2 Retail Limited has uploaded on the stock exchange and their website, including the discussion during this call contain or may contain certain forward-looking statements concerning V2 Retail Limited business prospects and profitability, which are subject to several risks and uncertainties, and the actual results could materially differ from those in such forward-looking statements. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone.

I now hand the conference over to Mr. Akash Agarwal, Director and CEO, V2 Retail. Thank you, and over to you, sir.

Akash Agarwal: Good afternoon, everyone, and a very warm welcome to V2 Retail Limited's Quarter 1 FY27 Earnings Conference Call. We trust you've had the opportunity to review our financial results. The earnings presentation and press release are available on the stock exchanges and on the company's website. As we begin FY27, we do so with strong momentum and a clear sense of purpose. The company is operating from a position of strength, supported by continued innovation, agile execution and the deep trust we have built with millions of customers across the country.

We delivered an amazing 58% year-on-year revenue growth in the first quarter while maintaining healthy returns. This performance reflects the strength of our business model, disciplined execution and the resilience of customer demand in India's value fashion segment.

India's retail landscape continues to undergo a structural transformation, creating significant opportunities for organized value fashion retailers. Consumption is expanding beyond the metros, organized retail is gaining market share and consumers in smaller cities are becoming increasingly connected, aware and willing to spend on better quality products.

We believe India's value fashion market still has significant headroom for organized retail penetration. Our focus remains on continuously improving our product offering, maintaining a compelling price value proposition, opening stores in the right markets and building a scalable business without compromising on operational fundamentals.

Alongside our strong top line performance, we continue to make strategic investments that strengthen our ability to scale efficiently within India's value fashion segment. Our focus on analytics-led merchandising, supply chain responsiveness, technology and operational discipline is helping us improve productivity, strengthen operating leverage and capture growth at scale.

Customer traction across categories remains healthy, demonstrating the continued relevance of our price value proposition and product refresh strategy. A consistent flow of trend-relevant assortments, supported by strong quality standards and competitive pricing has helped us drive growth across our store network. This validates our approach of combining affordability with fashion relevance and enables us to remain a preferred destination for value-conscious consumers.

Going forward, we will continue to invest in technology, expand our store footprint, strengthen customer engagement and improve our operating capabilities further. Together with disciplined execution, these initiatives give us immense confidence in sustaining our growth momentum through FY27 and beyond.

During the quarter, we continue to expand our store network in a disciplined manner. We added 56 stores on a net basis during the first quarter, taking our store count to 381 as of June 30, 2026. Subsequently, we crossed the milestone of 400 stores nationwide. Every new store is evaluated carefully with a focus on catchment potential, store economics and the ability to generate sustainable returns.

Our approach to expansion remains consistent: grow the network, protect store-level economics, manage working capital prudently and keep return metrics at the center of our decision-making. Now moving on to some key updates. As of June 30, 2026, the company operated 381 stores, covering approximately 40.7 lakh square feet of retail area.

During the first quarter, we opened 57 stores and closed 1 store. The SSSG for the first quarter stood at approximately 7.5%. We delivered robust volume growth of 56% during the quarter. Full price sales contributed approximately 90% of sales in the first quarter, reflecting healthy demand and disciplined inventory management.

Lastly, due to geopolitical tension, we have increased our safety stock in the warehouse for seamless availability of stock, which has resulted in higher inventory levels. Once the situation normalizes, we will reduce our safety stock. We are looking to maintain inventory at around 100 days and creditors at around 45 to 50 days. Now moving on to some consolidated performance highlights.

Revenue grew 58% year-on-year to INR997 crores. Gross margin stood at 28.6% compared with 29.5% in the first quarter. EBITDA stood at INR139.5 crores compared to INR87.2 crores, representing a 60% year-on-year growth. EBITDA margin improved to 14% compared with 13.8% in the corresponding quarter last year.

Profit after tax stood at INR41.9 crores compared with INR24.7 crores, representing a 70% year-on-year growth. Overall, the quarter reflects healthy operational leverage, strong revenue growth and continued improvement in profitability. Now moving on to the pre-Ind AS performance. Revenue stood at INR997 crores, representing a 58% year-on-year increase. Gross margin was 28.6% compared with 29.4% in the corresponding period last year.

EBITDA stood at INR79 crores, representing a 51% year-on-year growth as EBITDA margin stood at approximately 8%. The PAT stood at INR50 crores, representing a 64% year-on-year growth. The underlying business continues to strengthen, supported by healthy customer demand, network expansion, improving operational capabilities and disciplined execution. As we look ahead, our priorities remain firmly focused on profitable growth, capital efficiency and disciplined execution. We remain committed to expanding our store network in a calibrated manner, improving merchandise productivity, strengthening our supply chain, enhancing customer engagement and leveraging technology and analytics across the business.

We believe the long-term opportunity in India's value fashion segment remains significant. With a growing organized retail market, increasing consumption in smaller cities and rising customer aspirations, we are well positioned to participate in the structural growth opportunity.

Our objective is not simply to build a larger company, but to build a stronger, more efficient and more sustainable business that consistently creates value for our customers and all stakeholders. The foundation is stronger than ever, and we remain confident about the opportunities ahead.

With this, I would like to open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Priyanshu Jain from Growth X Infinity.

Priyanshu Jain: Congratulations on a good set of results. I have a few questions. First will be on the realization side. So, because of the recent geopolitical tensions, we have taken some price hikes, right? So going forward, do we have any chance because we are, like, play, kind of, a volume game mostly.

So do you think that we, like, going forward, increase our product prices going forward?

Akash Agarwal: Yes. So, we are seeing some rise in raw material prices. And I think we will see that come into effect around the third quarter because most of the orders till the end of second quarter were already placed and the yarns and the fabric pipeline was already in place. So I think we'll start seeing that impact from the third quarter onwards, and it will be an increase of about, I would say, 4% to 5% increase in the overall garment cost, which we'll have to pass on to the consumer.

Priyanshu Jain: Do we have any kind of a data like -- because in the past few years, like the commodity prices are at a stable level. But like do we have any kind of a data like when there is a price increase, what kind of impact we face or like the 3% or 4%, 5% increase in the prices will not affect our demand?

Akash Agarwal: Historically, what we have seen is there have been multiple instances. But historically, what we have seen is it might impact the volumes a little bit, but it is completely offset by the increase in the ASP. So in terms of value growth, it doesn't have a huge impact.

Priyanshu Jain: Okay. And for this year, like I think 170 to 200 stores. So we are still on track to do so?

Akash Agarwal: Yes, we are on track to open 170 to 200 stores this year.

Priyanshu Jain: And, like, for next year, like, because 170 to 200 stores, so like, are we going to release another QIP for that because of the cash on the balance sheet, I think we require more capital too.

Akash Agarwal: No, I think the internal accruals will be enough. And currently, we are using a lot of our cash in prepaying our vendors. So once we want to use that money for expansion plans, we just get the creditor days back to normal. So I think that releases almost INR150 crores to INR200 crores of capital plus the EBITDA we'll generate this year. And we are in talks with the bank to increase the limits also because our debt-to-equity ratio is still pretty low. So we have some headroom there also.

Moderator: Our next question is from the line of Sucrit Patil from Eyesight Fintrade Private Limited.

Sucrit Patil: My first question is, I just want to understand forward guidance. Beyond the regular outlook, what are the top 2 to 3 execution priorities you're focusing on in the immediate quarters? And alongside that, what do you see as the biggest risk in consumer demand shifts, competitive pricing or regulatory changes? And how are you preparing to mitigate them while strengthening the company's position in value retail? That's my first question. I'll ask the second after.

Akash Agarwal: Can you repeat your first question, please? There was a disturbance on the line.

Sucrit Patil: Okay, sure. Just want to understand beyond the regular outlook, what are the top 2 to 3 execution priorities you're focusing on in the next few quarters? And alongside that, what do you see as the biggest risk in consumer demand shift, competitive pricing or regulatory changes? And how are you preparing to manage them while strengthening the company position in value retailing space? That's my first question.

I'll ask the second after this.

Akash Agarwal: Sure. So in terms of priorities as a business, I think I mentioned it in my con call opening remarks also. The first and foremost has always been product driven, of course. And what we have started now doing is consolidating a lot of fabric purchases and tying up with mills and trying to nominate the fabrics and giving the tech specs to our vendors. So that is already showing a lot of promise and a lot of benefits to us in terms of quality standardization and as well as also economies of scale because of higher volumes and delta in cost price.

So, I think one of the biggest focuses for us has been nominating the fabrics now and making the product even better and assortment offering even better. And second biggest area of focus has been technology. So we are using a lot of AI workflows, and we, in fact, just moved our complete data lake on AI-enabled platform. So that is really helping us get data faster. It's also enabled us to give prompt-based analysis to a lot of our business leaders.

And I think we're going to continue on that path. And over the next 1 year, a lot of workflows within the organization will be automated. And third area of focus, I would say, is the team. And we have just, in fact, announced two president-level hirings -- and that is one of our areas of focus, getting the team in place because we want to grow at 50% CAGR for the next 2 to 3 years at least. So we need that foundation.

And talking about geopolitical risks or consumer demand risk, I think we feel the segment that we are in, the demand is quite inelastic. We think we are selling necessity to the consumers. And for example, kids wear is 25% of our sales.

So you have to buy new clothes for your kids every year. You have to buy winter clothes for the family every year. So that's why we don't feel any challenge or any risks per se in terms of consumer demand. It's just about getting as much market share as we can with the right execution and the right product offering.

Sucrit Patil: My second question, is Mr. Pratik also on the call today?

Akash Agarwal: No, he's not here on the call.

Sucrit Patil: Okay. Okay. So my question, again, from a financial point of view, along the same lines, what key risk or challenges do you anticipate in the coming quarters? And what specific measures are being taken to manage margins, cash flow and balance sheet strength, especially in areas pertaining to cost pressures, receivables and compliances?

Akash Agarwal: So in terms of balance sheet, we don't have a lot of receivables. We sell everything on cash. And in fact, like I already mentioned, our working capital cycle should come back to a stable -- 50 to 55 days. Currently, it looks inflated because we do a lot of prepayments. We are one of the best pay masters in the industry.

So whatever and whenever we have cash on the books -- we give our vendors the facility to get cash payments of any of their bills, and they offer us a discount on that. So I think in terms of balance sheet preparation, we are looking to target inventory of 90 to 100 days and creditor cycle of 45 to 50 days. So that should cover all the requirements of the business.

Moderator: The next question is from the line of Kushal Goenka from Mangal Keshav Financial Services.

Kushal Goenka: Congratulations on a great set of numbers. So V2 Retail has been continuously growing at a very high speed. The asset is growing bigger and bigger. Akash, if tomorrow, say, another big corporate house plans to put in thousands of crores and set up a value fashion retail after seeing the growth and return ratios and follow the exact same model, they would have the money, people and the resources. My question is, what qualitative aspect will you allude to that the system is not only growing bigger, but also getting better every day?

And what part would take them to learn and understand a long time which money and resource alone will not do?

Akash Agarwal: See, what you're talking about is basically culture and DNA of an organization. So I always tell people this that any fashion company in the world, it's about creating an ecosystem where you're churning out designs that are, I would say, significantly or marginally better than your competitors' offerings, and that translates to higher profitability and higher SPSF because there is no secret process or secret USP in terms of what we do because everybody knows how the complete design pipeline works.

But it's more about how we do it, and it's more about the kind of results we get after the whole process. So I think that's a risk that's a risk, that's there in any business, and we always welcome competition. Even today, I would say 80% of our stores already have at least 3 to 4 other value fashion retailers operating in exactly the same space. So we don't shy away from competition. So the performance, the growth has been in spite of competition.

So we like to focus on our own strengths. And I think if we keep making that ecosystem stronger, then we don't need to be worried about any big house getting into the space or more competition.

Kushal Goenka: Okay. That's helpful. Just last thing, I requested last quarter to add the people in the presentation who work closely with you and you alluded to do the same. So just a request if you can...

Akash Agarwal: Sure, I'll get that added.

Moderator: The next question is from the line of Ankush Agarwal from Surge Capital.

Ankush Agrawal: I just one thing, like, this quarter, we have seen our gross margins contract a bit Y-o-Y. So is there something to read about it? Because I think last quarter, we had stocked up our inventory in anticipation of, say, the geopolitical disruption. So ideally, that would have provided some cushion in terms of gross margins to us during the quarter. So just trying to understand what went on?

Akash Agarwal: So there was a 30-day period of Adhik Maas in quarter 1. And I think because of that, we saw our full price sales go down from 92% to 90%. But again, the gross margins, we always guide for 28% to 30%. It completely depends on that particular season's sell-through performance. But I think going forward, we should be able to maintain the gross margins from last year.

Ankush Agrawal: Okay. And I think last year, because we had done this QIP, we had a lot of cash and plus we are able to offer a lot of prepayments to our creditors and that has led to some benefits on the gross margins. But going ahead, since we will need a lot of cash flow to open stores and we might not be in a position to offer that. So the 30% gross margin that we saw in FY26, do you think that we will be able to get to that level for the coming years? Or that's a bit of a higher number?

Akash Agarwal: Again, it completely depends on the full price sales, and you can only predict that to a certain degree. So I would say the gross margin should be between 29% to 30%, completely dependent on the sell-throughs and the season performance.

Ankush Agrawal: Okay. And any comment on the throughput of new stores? Is it still running under 70% or any?

Akash Agarwal: Yes. So the new stores per square feet sale is about 34% less than our mature stores. So more than 2 years old stores are already performing at a very high level of almost INR1,070 to INR1,100 per square feet of sale. So I think in 3 to 4 years, we will see the journey of the maturity, and then we'll be able to comment better. But it's at a very respectable level, all the new stores that we have opened, they are already operating more than INR730, INR740 per square feet of sale.

Moderator: The next question is from the line of Samarth Nagpal from Suranu Family Office.

Samarth Nagpal: Congratulations, Akash, on a very steady set. I mean we are used to this. Akash, a couple of queries. I think taking it from the previous participant. Our full price sell-through is normally 92% to 93% in Q1.

So is it because of the Adhik Maas only that we have to give certain discounting that it has dropped to 90%? Or was there any other factor that we are seeing some slowness in the market, etcetera?

Akash Agarwal: So I think both are related because of the Adhik Maas, we saw a slowness in the market. And also, there were less wedding dates. So wedding is a huge impact for us, especially in Tier 2, Tier 3 towns. So that's why we saw there was a slight lag in demand. I think that's why you saw the full price sales come down a little bit.

Samarth Nagpal: No, I meant that in July, August, so whenever we have the sale period also. So I think the trend has normalized in terms of demand rate?

Akash Agarwal: Yes, correct. But again, quarter 2, all the festivals are shifting to quarter 3. So we'll have to look at quarter 2 and quarter 3 together cumulative only then because bulk of the demand -- bulk of the sales happens during the festive season. So it's very hard to call out the demand side progress just by looking at July and August.

Samarth Nagpal: Okay. And Akash, on the inventory part, on the product part, so have we taken any price escalations, I mean, because of the geopolitical crisis and all that stuff. So have you taken any price escalation also?

Akash Agarwal: Yes. So whatever raw material prices have increased and whatever future POs we are giving for the third quarter, we are increasing the MRPs 4% to 5% because we want to maintain our gross margin percentage. So whatever prices have been increased, we are passing on to the consumer.

Samarth Nagpal: Okay. And Akash, you earlier pointed out that we would be having faster drops at the stores, right, to reduce the inventory in the stores so that we have a quicker turnaround time with inventory. So any benefit we are seeing that the drops have increased at the store and we are able to utilize the store space in a better way rather than putting the stock in the warehouse. So any idea, any color on that?

Akash Agarwal: So more than inventory days or inventory quantity at the store, it was more about being able to react much faster. And it was more about -- for example, earlier, we had to forecast an article sale and send almost 10 to 12 days of sales cover. So if that article did not sell at that speed, then we were left with 20 to 25 days of inventory. But now because of faster replenishment, we only send 2 to 3 days of sales cover. So that inventory risk has definitely reduced.

And whatever area we used for store warehouse at the stores, we converted that into retail area. So in terms of total inventory, it hasn't come down. But in terms of efficiency, it's become better.

Samarth Nagpal: Okay. Understood. And on the new store openings, are we seeing any inflationary pressure on the capex and all that? Or it remains at a similar level what we used to have earlier?

Akash Agarwal: Yes, definitely. So earlier, the capex used to be about INR1.1 crores. So I think it is up because of the prices rising, it has moved up to INR1.2 crores, INR1.22 crores. So there has been a 10% jump.

Samarth Nagpal: Okay. So are we taking any measures in terms of that we would slow down the pace? So nothing of that sort is happening, right? We would be going ahead with our initial plan on 170 to 200 stores?

Akash Agarwal: Correct.

Samarth Nagpal: Okay. Understood. And one final question, Akash. I think we have opened close to 100 stores or 120 stores over the last 1 year, I mean, which have already seen 1 year of operations. So do you see any red flags in the new stores or everything is sorted? I mean we are running at 70% efficiency of our matured stores. Just some color on that.

Akash Agarwal: So the whole cohort, I think we've opened almost 260, 270 stores in the last 2 years. So the whole cohort is performing at a respectable level and well within the benchmark of where we say it's a red flag. But there are about 10, 12 stores that are performing below INR600 per square feet of sale.

But again, it's too short a time to conclude on those stores. So we are doing some measures in terms of marketing, in terms of better assortment, in terms of more freshness. But overall, if you look at new stores cohort, they are at a very respectable level of about INR730 to INR740 per square feet of sale.

Moderator: The next question is from the line of Meet from Entigrity Ventures & Partnerships.

Meet: Congratulations on good set of numbers. I have one question on the same store sales growth, which has decreased in Q1 to around 7.5%. So like is this a new normal growth rate or how -- how our -- like more than 1-year operational stores are growing and how new stores are growing at good rate?

Akash Agarwal: Yes. So our base of per square feet sale has increased from about INR650 to almost INR1,070 for the old cohort of stores. And the guidance for SSSG has always been 8% to 10%. And because of, I think, the Adhik Maas, it had a slight impact. But I think for the whole year, we're still targeting 8% to 10% SSSG.

Meet: Okay. And on the inventory side, I wanted to ask one thing, like the stores that we are going to open in the coming period, we file like we procure -- like we store the inventory before it or like how it will happen. So I want to understand that part.

Akash Agarwal: Yes. So we need to have that inventory at least 2 months prior to the opening of the store. That's how you make the variety of 3,000 options in a store because every week, we get about 300-odd options. So about 2 months before we need to start getting the inventory in-house and it's kept in the distribution center before the store opens. So if every -- like every quarter, we want to open 55 or 50 stores, so about INR100 crores, INR150 crores of inventory pertaining to those stores will already be in the system.

Meet: Okay. Okay. And one more question on the acquisition of RK Retail. So is it consolidated in this Q1?

Akash Agarwal: I think it happened around the end of June. So you'll see that impact more in -- from quarter 2.

Meet: Okay. Okay. And is there any guidance -- formal guidance on the revenue growth rate, EBITDA margins and gross margins?

Akash Agarwal: So I think revenue guidance remains the same. It will be at least 50%. And the gross margins should be between 29% to 30%. And we will try to maintain the EBITDA margins even after opening so much new area.

Meet: Okay. And how much time we have took to like receive the payback of the new stores, like in what period it gets to the operating profitable.

Akash Agarwal: So they are breaking even and profitable from the first month itself. But if you talk about payback period, it's about 2.5 to 3 years.

Moderator: The next question is from the line of Vedant Kabra from AVN Capital.

Vedant Kabra: Sir, congratulations on a wonderful set of numbers. I don't have anything to ask on the quantitative front as management has always been very consistent on that part. However, I have one question on the qualitative front, specifically around customer experience at your stores. I did some research and checked around 100 V2 stores across 11 to 12 states on Google, and I tried to focus on stores with the highest number of reviews. The average rating is about 3.6 compared to over 4.1 to 4.2 for most organized value retail peers, someone like V-Mart or Zudio.

And around 85% of the negative reviews seem to be related to two things. It is either rude staff behavior or long billing queues due to understaffing. These complaints are generally not about products pricing or quality. So sir, since repeat customers are important for driving same-store sales growth, I have two questions. First, do we track customer experience at store level through NPS, Google rating or any other KPI?

Second, is this already under management's radar? If yes, like what are the steps being taken to improve customer experience? And should we expect these improvements to contribute to higher same-store sales growth in FY27 and FY28?

Akash Agarwal: Yes, that's a very good question. And in fact, we don't focus on Google reviews. So what we've started doing is we're sending an NPS link after every billing is done at our stores. So we've started the pilot with sending about 40% of the customers with the NPS link. And we have linked the stores teams incentives with their NPS score.

So we are getting a lot of feedback about huge lines in some of the high throughput stores. So what we did is now we have already tied up with a company that has put a layer of AI on our CCTV cameras. So it sends an automatic notification. So we've made a yellow line or you can just say it becomes a benchmark of how long a line can be in front of a cash counter. So if there are more people standing beyond that line, the area manager, the regional manager, they all get a notification and corrective measures are taken right away.

But our focus has never been Google reviews. We use our internal NPS links where we get detailed feedback from customers and then the actions are taken.

Vedant Kabra: Okay. Okay, sir. Got it. And sir, is it possible for you to give a bifurcation on the same-store sales growth for, let's say, the mature stores of more than 2 years versus the newer stores?

Akash Agarwal: So the newer stores' SSSG, I think it's about 2.3% higher than the old stores. In quarter 1.

Vedant Kabra: Okay, sir. Going forward, if you could put this on the presentation, it would be a great help. It's just a suggestion, and that's it from my side.

Moderator: The next question is from the line of Smith Gala from RSPN Ventures.

Smith Gala: Congratulations on a good set of numbers. My first question will be on a generalized market notion. Just want to understand the consumer demand or how is the demand environment largely because of the inflationary pressure and the scenario which is not normal. So -- especially when you work in Tier 2, Tier 3, the stores in Tier 2, Tier 3 cities. So how has the demand been keeping aside the festive shift from Q2, Q3, which will impact the numbers a bit. But on a general notion, how has the demand or the consumer behavior been?

Akash Agarwal: So again, I would say the same thing. It's too early to call. Bulk of your sales happens during the 2-month festive season. So I don't want to misguide or looking at early signals, we don't want to be too optimistic or too pessimistic. I would just say that July and August are at par with how we see demand and how we forecast the demand.

But again, it will completely depend on the October, November period that will have the bulk of the sales. So probably on the next conference call, I'll be able to answer this better.

Smith Gala: Okay. Sure. And next question will be a bookkeeping question. Sequentially, we have seen a depreciation dip from around INR67 crores to INR64 crores in spite adding 58-odd stores. So what is there the accounting change that is happening?

Akash Agarwal: I would have to get into detail. I think you're talking about the lease Ind AS calculations. That's why you see the -- if you should look at pre-Ind AS numbers because that's what we focus on. So you can see it clearly then.

Moderator: The next question is from the line of Piyush Narang from Narang Capital.

Piyush Narang: Again, a good set of numbers. My question is on some of the previous questions regarding repeatability of customers. So during last 24 to 36 months period, have you seen any increase in repeatability? Or do you see the churn being stagnant there?

Akash Agarwal: So I would talk about the last 3 years. So in fact, in the last 3 years, people who came back to us within the first year has moved up from 40% to almost 55%. That's why we saw the kind of SSSG numbers that we've been seeing and the consistent performance and sales growth.

Piyush Narang: Right. And you think this number can grow more higher from here?

Akash Agarwal: 100%. It's completely limited to our own capability. So we have to give them a better experience, better product. So I think this can go up.

Piyush Narang: Sure. Second, on the regarding competition, do you see any pressure coming on older stores due to new competition cropping up or any customer fatigue that is happening in older stores?

Akash Agarwal: No. In fact, the opposite. We have examples of stores that were already at a very, very high level of almost INR1,600, INR1,700 per square feet of sales, and they have grown 18% to 20% SSSG -- so it's -- you get all sets of data. So we don't see anything that tells us that we are seeing saturation at older stores. But of course, if you look at the complete old cohort together, then their SSSG is definitely lower than the new cohort of stores because the newer stores have more headroom for growth.

Piyush Narang: Understood. And the highest performing stores, are they more in the Tier 1 clusters or they still belong to Tier 2, Tier 3 clusters?

Akash Agarwal: No, most of them are in Tier 2, Tier 3 clusters.

Piyush Narang: Okay. And the last one would be that the new stores that are coming up, which states would be more focused on?

Akash Agarwal: So we have already signed the MOU of the next 100 stores that we're going to open. They are throughout the geographies we are present in. We're already there in 26 states now. So every month, when we are getting the data, new data and seeing what areas, what geographies are giving us good returns, good SPSF and good customer traction, we open stores there. So every month, we finalize almost 15 to 20 stores. So it completely depends on the data, what it's telling us.

Piyush Narang: Yes. So like last con call, you spoke about how Karnataka is going. So I just wanted to check the specific geographies that are growing now.

Akash Agarwal: I don't have the exact numbers, but we can share that the next time, the stores that are coming up in what regions they're coming up.

Moderator: The next question is from the line of Amish Kanani from Knowise Investment Managers. We'll take the next question from the line of Onkar from Das Capital Private Limited.

Onkar: Yes, congratulations on a good set of numbers. As you have mentioned earlier, you were positioning on opening stores more in Tier 2 and Tier 3 cities. But now we are seeing some incremental stores open in Tier 1 cities also like in Bangalore. So I want to know why these additional stores in Tier 1 cities? Do you see better margins there? Or what is the -- could you throw some color on that side?

Akash Agarwal: I think there might have been some sort of misunderstanding because we've always been present in Tier 1. We, in fact, have almost 11 stores in Delhi NCR. So bulk of the stores, of course, they open in Tier 2 and Tier 3, but the kind of customers that we cater to, they are present in Tier 1 towns as well. So even in the future, we would be present in all the Tier 1 cities of India also.

Of course, the specific location will depend on where our target customers are, but Tier 1 is also our target market.

Moderator: The next question is from the line of Tushar Verma from SDG Investments.

Tushar Verma: Sorry, I joined a bit late, so this might have already been. Could you please share the current trends in SSSG for July and August front?

Akash Agarwal: I can't give the exact numbers, but like I already mentioned, it's in line with our expectations. And for the whole year, our guidance is still 8% to 10% SSSG.

Moderator: The next question is from the line of Amish Kanani from Knowise Investment Managers.

Amish Kanani: Congratulations on a very good set of numbers. See, as what you also mentioned previously, we have seen actually 3x, 3.5x growth in our stores from the count of 117 in March '24 to 380 and 400 now. And still, despite that kind of thing, we have grown profitably. So that's absolutely commendable execution. So congrats for that.

A couple of questions on this side. One, how do we do the lease rental deals? I wanted to understand because I've seen the lease rental deals more in the range of 45 to 50. How long are they? And is there any rent escalation that we need to worry given that we have very profitable in Tier 2, Tier 3 -- and one -- are they in more like stand-alone or malls?

I'm not aware of that. So if you can give us a flavor there. Are we the crowd pullers and hence, we get the deals from the mall owners and/or stand-alone stores?

Akash Agarwal: Yes. So the bulk of our stores are stand-alone buildings because our model is at least 10,000 to 12,000 square feet. It becomes a shopping destination in itself. So we don't usually open in malls. And to answer your second question, the average lease period ranges anywhere between 9 to 11 years, and the escalation ranges anywhere from 12% to 15% every 3 years. So that's the standard lease format.

Amish Kanani: Sure, sure. That's interesting. And in terms of focus, the SSSG is slightly lower. The question is, how are we kind of then tracking these new stores where you said we are probably 35% lower than the average. If it -- given that the growth is very high in the last 2 years, as they mature, there is a good chance of an increase in operating leverage and increase in operating margin.

The question is, how are we right now measuring our performance there? Is it more of a still SSSG or average bill value or sales per square feet or footfall? Just to appreciate how are you kind of tracking these last 2 years cohort store, which you said is in line with expectation and may mature and may add to the profitability?

Akash Agarwal: Yes. So this is completely based on the store opening year cohort and SPSF basis. And of course, we compare it with that particular state, we compare it with that particular region. But the basic differentiation is you take all the stores that we had at the end of FY24 and then you have all the new cohort of stores that we opened in FY25, '26 and now '27. And then you just compare the

SPSF and you see the maturity trend and the new stores should definitely be growing faster and reaching the old store levels.

Amish Kanani: Yes. So that number, which is at 886, which was 925 should inch up as these new store matures, right?

Akash Agarwal: Correct.

Amish Kanani: And any early indicators of that operating leverage will it kick in FY29 or it's too early to talk?

Akash Agarwal: Again, it completely depends on the growth that we are targeting. If we keep opening more than 50% new area and growing this aggressively, then of course, even after getting that operating leverage, expansion of EBITDA margins becomes tough because the newer stores operate at about 65% to 70% of old stores. But once our growth rate normalizes, then you will see that margin expansion and operating leverage kick in.

Moderator: Due to paucity of time, we will take that as the last question. I now hand the conference over to Mr. Akash Agarwal for closing comments.

Akash Agarwal: Thank you, everyone, for joining us on today's call. We hope we've been able to address your questions and provide greater clarity on our performance and outlook. Should you require any other information or have additional queries, please feel free to reach out to Marathon Capital, our Investor Relations Advisors, who will be happy to assist you. We appreciate your continued interest, confidence and support. Thank you, and we look forward to speaking to you again. Have a nice day.

Moderator: On behalf of V2 Retail Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.