



**“Brainbees Solutions Limited (FirstCry) - Earnings Call
Q4 and FY26 Results”**

May 26, 2026, 6.00 p.m. (IST)

Management:

Mr. Supam Maheshwari
Managing Director & CEO

Mr. Gautam Sharma
Group Chief Financial Officer

Mr. Vivek Goel
Chief Business Officer

Mr. Abhinav Sharma
Country Head, Middle East Business

Mr. Anuj Jain
CEO, Globalbees

Mr. Harsh Kabra
Investor Relations



Mr. Harsh Kabra

Good evening, everyone.

Welcome to Brainbees Solutions Limited Q4 and Financial Year 2026 earnings call. This is Harsh Kabra, and I have with me, Mr. Supam Maheshwari, Managing Director and CEO of the Company, Mr. Gautam Sharma, Group Chief Financial Officer, Mr. Vivek Goel, Chief Business Officer of the Company, Mr. Abhinav Sharma, Country Head of Middle East Business Operations and Mr. Anuj Jain, CEO of Globalbees.

Kindly note that this call is meant for analysts and investors of the Company. We wish to highlight that the call is being recorded and by participating in this event, you consent to such recording, distribution and publication. All participants have been muted as per the default mode and participants will be unmuted once we open the Q&A forum for the members to ask questions after the presentation from the management concludes.

We will be covering the presentation in the beginning of the call and we will thereafter open for the Q&A forum. We would like to point out that some of the statements made in today's call may be forward-looking in nature and the disclaimer to this effect has been included in the investor presentation shared with you.

With this, I request Mr. Supam Maheshwari to take it over.

Mr. Supam Maheshwari

Good evening, everyone.

Thanks for joining our quarterly earnings presentation for Q4 as well as Fiscal Year ended March 31, 2026. So, we will start with key highlights for Q4 and FY26. On the consolidated business, we are free cash flow positive for the full year. Revenue for FY26 has grown by 12% year-on-year and adjusted EBITDA has increased by 24% year-on-year for the full year. We are happy to mention that net losses for Q4 has reduced by 57% and for full year FY26, it has reduced by 23%. Now, on segmental updates, revenue for India multi-channel



business, we are at 11.4% in Q4 growth and despite competitive intensity, which continues to remain in the quarter and our initiative specifically in offline channel that we had talked about in the last 2 quarters that was expected to go live in Q4 in the SH26, has gone live and has also yielded and resulted in a mid-teens growth in the GMV for our offline channel in India multi-channel. So, that's a very good outcome of our initiative and overall, we believe that with the current initiatives that we have taken across in the India multi-channel, we believe that this trajectory of sequential quarterly better growth will continue in FY27. So, FY27, we continue to believe that because of our initiatives that we will have a better growth overall for FY27 than compared to the entire FY26. We are happy to state that we continue to remain PAT and cash flow positive for an India multi-channel business for the entire FY26.

In the international business, we continue to remain seeing the elevated promotional pressures from the horizontal commerce players that we had talked about which entered the market in late Q3 of FY25. But, we continue to remain super laser sharp focused on sustainable growth and has been able to reduce our adjusted EBITDA losses by 33% for the Q4 year-on-year basis and 35% for the entire FY26. So, its been a very good progress on the international side as well, because our goalpost is to build the business in a sustainable way and reduce our losses to zero as early as possible with a certain structural math, both in terms of gross margin improvement as well as through obviously home brand expansion and sales mix expansion.

On the GlobalBees front, we had a very strong quarter on both organic side as well as profitable growth. We delivered 28% of core category year-on-year growth in FY26 with roughly around 92 Crores of adjusted EBITDA post corporate expenses and we'll talk about in a little more detail as we go along. But, these were the highlights that we wanted to talk about.

Moving further, you'll see performance for the consol business at a GMV level, we increased by 10% over FY25



revenue, overall grew by 12% to 8,547 Crores and adjusted EBITDA has increased by 24% on a consol basis year-on-year to around 486 Crores and Cash Profit for the entire year on a consol basis has roughly reached around 312 Crores, which is a 49% increase over the last fiscal year. Obviously, happy to report that we continue to PAT and cash flow positive in India multi-channel business and also on a free cash flow positive on a consol basis.

Business segment-wise detailed performance in India multi-channel are, for the full year revenue grew by 9%. International revenue grew by 10%, GlobalBees around 20%, and other segments, largely preschool grew by 11%. Gross margin in India multi-channel, as you remember in our Q3 presentation as well, because of the heightened competitive intensity, we had close to 140 bps of gross margin. Margin pressure that we saw in Q3 which has continued and a bit of other gross margin loss that we saw was largely because in our manufacturing part of our business, which is again very transitional because of the two factors which is rupee depreciation as well as crude-linked raw material prices, which has gone up. The good news would be that these are very transitional in nature. These will be passed on to the customers and the impact of the incremental gross margin loss apart from the Q3 will be regained back in quarter two as they are being passed to the customer in a regular BAU. And, in International, we saw a significant improvement in the gross margin expansion, 250 bps leading to 22% increase in gross margin and GlobalBees 9% and Others 11%, leading to adjusted EBITDA for India multi-channel around 505 Crores. International improvement of 670 bps with overall reduction of 35% year-on-year basis. GlobalBees 160 bps improvement and 153 percentage improvement over FY25, and our preschool segment also saw 21% improvement overall from FY25 on the adjusted EBITDA.

Moving further, Q4 snapshot, our GMV grew by 10% for our consol business. Revenue from operation grew by 12%. Consolidated adjusted EBITDA grew by 18% to 118.7 Crores, and cash profits grew by 4% around 72.3 Crores. Moving



further, now we can go into our segment-wise performance. India multi-channel, which is our largest segment, we will talk about the key initiative updates that I'm sure all of you are eagerly waiting to hear on. Very happy to state that we have really worked hard on building and strengthening our key initiatives. RocketBees, which was 13 cities in Q2 and 22 cities by the end of Q3 and now by end of Q4, we have moved up to 62 cities and overall percentage of our online delivery volumes, we're able to deliver 40% plus by end of Q4 through our RocketBees initiative, which is obviously having a far improved, better TAT than some of our other shipping partners and resulting into incremental growth as well as customer experiences in the PIN codes and the cities and the PIN codes that we are delivering for under the RocketBees. We will continue to expand this. We had promised that we will deliver to around close to 50 plus cities and more than almost 45 to 50% of our volumes in our online sort of business by middle of the year. We have been able to deliver it ahead of the curve and we comfortably should cross that number by the next quarter end. On Qwik again, happy to report that we had started a pilot phase. Now we have expanded the pilot phase. We are very clear that we will be going ahead with this strategy no longer a pilot anymore now. It is doing extremely well and we have expanded to 5 cities over last few months. This initiative was started from 1st of December 25 and just been a few months by end of March, we had crossed 5 cities and here we are doing select catchments in the cities and in the catchments that we are doing. We are already crossing 20% of our overall online orders under our Qwik initiative and where we are able to deliver the customer in less than 3 hours and we expect over the full year of FY27, our Qwik deliveries over entire B2C shipments should cross roughly around 10% of our overall online business. So, this we will continue to expand on recurring basis nonstop as we have been able to leverage our COCO stores, our warehouses, our stockist network and few of the dark stores as well. So, this has been a very good experience, customer experience has been superb here and we continue to believe in the strategy and we believe that as we increase more cities, more catchments within the existing cities where we have opened, we will



continue to get the love of our customers and be able to defend some of the categories that we had impact from some of our competitors, especially around Diapering. So, we will continue to double down on our expansion of Qwik and we are extremely happy that we really have executed well on our Qwik initiative. On the third initiative that we talked about was addressing both footfall as well as the growth in the offline channel. We wanted to fix the product mix and we have launched in SH26 somewhere around March and an impact has been fairly solid. As you can see in the year-on-year GMV growth for Q4 in the offline business has been around 15% which has grown substantially from Q1 to Q2 and Q3 and Q4. So, All our 3 initiatives have been delivering well. I have only one point to make that while most of these initiatives are fairly new, if you look at RocketBees, it's just hardly a few quarters and it takes time to build a mature city under RocketBees. The area under the curve or the number of shipments within a city that we can serve through a RocketBees, it takes time to build that network. So, the real impact of RocketBees you will see, as more and more customers get impacted and build their repeat cohorts and build their frequency while having great customer experience and likewise for the Qwik and the offline initiative has just started. So, you can be sure of that in FY27, the growth for the offline channel should continue to be as strong as what you have seen in the mid-teens, in what you have seen in Q4. So, with all these three initiatives, we remain fairly, I would say, confident of the FY27 growth will be much superior than the FY26 and this gives us the confidence and clarity of how we are actually being able to execute and we'll be able to deliver that.

Moving further, I would request Vivek to take India multi-channel progress. Vivek, over to you.

Mr. Vivek Goel

Thank you, Supam. So, I'll take you through the progress of India multi-channel in this quarter as well as financial year 26. So, happy to report that in financial year 26, we grew by 11% in terms of GMV in India multi-channel and for the first time, we crossed \$1 billion in GMV for the India multi-channel



business. So, moving to some of the key updates, as Supam has already shared on some of these things. We witnessed sequential improvement in year-on-year growth rate for revenue despite heightened competitive intensity during the last two quarters. Our diapering category continued to witness heightened competitive intensity during the quarter which led to pressure on both on growth as well as margins. Whereas, our non-diapering portfolio which contributes to over 85% of our GMV, remains very robust and continues to perform well. Our annual unique transacting customers stand tall at 11 million. Our orders for Quarter 4 FY26 grew by 10% and GMV grew by 12%. At GMV for FY26 as I already mentioned, grew by 11% year-on-year.

Can we move to the next slide?

So, as Supam has mentioned, even in India multi-channel business, we have continued to see sequential improvement in revenue growth. For Quarter 4 FY26, we grew by 11%, in terms of our revenue. For FY26 over FY25, we grew by 9%. However, as Supam has mentioned that a gross margin has seen some further dip largely in our manufacturing operations which is because of rupee depreciation and increase in crude-linked raw material prices because of geopolitical situation. If not for these volatilities, our gross margin in Q4 would have seen a similar drop, which was because of the competitive intensity in diapering which we saw in Q3 year-on-year. Further, if I would say, we have recovered almost 80 basis points of this loss in our EBITDA for Q4, owing to our operating leverage benefits. Now, I'll pass it on to Abhinav for international updates.

Mr. Gautam Sharma

Abhinav, you are on mute.

Mr. Supam Maheshwari

Abhinav, you are on mute.

Mr. Abhinav Sharma

I'm sorry, I had to unmute myself, I forgot about that. So, Good Evening, everyone. Thanks for joining the call. So, we'll go over the first few slides, for our international business. For those of you who joined for the first time this call, we'll just



go over certain metrics here. So, very favorable sort of demographic and a market opportunity lies ahead of us in the international market. As you can see, the birth rates are slightly higher in KSA as compared to India. The spins, as you can see, are substantially higher in both the markets, KSA as well as in UAE versus India. So, that's a large opportunity there and obviously the childcare market size forecasted is also significantly high, not as high as India but significantly high for the international market. So, that's the market opportunity we have in front of us and we'll speak more about it as we move along.

Can you go to the next slide, please?

So, in UAE, we've been live since October of 2019 and in KSA, we've been live since August of 2022. So, in both the markets, we are offering our customers the flexibility to choose the language of their choice, English or Arabic, So, we have our app in both English and Arabic. Largely operating as an online platform in both the markets, UAE and KSA and our AOVs as compared to the international segment as compared to the India business, is about 4 times as high.

Next slide, please.

Now, this is an important slide. This shows you the evolution of our progression of gross margins. For our international business segment versus in comparison to the India multi-channel and the reason is because we, as a business in the international segment are about 5 years old and as you can see, we've clocked the same gross margins as India had clocked, where it was 8 years old. So, we are well on track in terms of gross margins improving year-on-year, quarter-on-quarter and you will see it in subsequent slides as well. A key important points here, the playbook that is being used and refined also for the international business has been played out in India as well. The levers, some of the levers, not all, but some of the levers that I want to highlight here for gross margin expansion are increase in the home brand share of top line and within home brands, also the fashion business share,



fashion share to the business. Also, improving our gross margins in both home brands as well as third-party margins, because third-party brands also are equally important because it's a consumer-facing business, so obviously, it is what the mom likes. If they like our home brand, which they do, plus, if they want to choose anything from the non-home brand or the third-party brands, we offer that as well but ensuring that the margins make sense on the third-party side as well with the economies of scale that we see going forward. Also, obviously, as we grow, we will see as in any business, operational efficiency is kicking in. So, gross margin improvement levers, couple of them I've just spoken about and these were the same levers in play in India as well, in the progressive years that India saw in its business. So, very comfortably stacked here in terms of the way forward, what we need to do to grow the business sustainably.

Next slide, please.

So, some of the key highlights for FY26. We continue to witness promotional activities and heightened promotional activities by the horizontals that we spoke about, Supam spoke about in his first two slides. However, we continued on the path of sustainable growth, as we have been over the last four quarters progressively. We've seen a reduction in EBITDA losses by 33% year-on-year for the FY26 and 35% on a full-year basis, FY26 versus FY25. AUTC increased by 7% in this quarter, Q4 FY26 versus same quarter last year. Orders grew by 6%, year-on-year FY26 versus FY25.

Next slide, please.

So, \$100 million plus in revenue in FY26 and we should see this growing progressively as we move along. The key highlights here, this quarter, we grew 9% over the same quarter last year. More importantly, 470 bps margin expansion on the back of a 9% growth and for the full year, we had a 240 bps margin expansion with a 10% growth. So, while we are growing sustainably, we also ensure that our gross margin expands and that you can see on the right-hand



side, where our EBITDA losses for the same quarter last year, we are lower by 33% on absolute terms and as a percent of revenue, we went from 15% to 9%. For the full year, we reduced our losses from 140 Crores to 90 Crores, a reduction of 35% and our losses now stem at 10% versus 16% in FY25.

Next slide.

Again, as we've spoken earlier on multiple quarterly calls, our prime focus has been to not just grow the business but grow it sustainably, not chasing top line at any cost but growing top line ensuring that we reduce our losses substantially, so you can see the progression here from FY23 to FY25. There has been a 830 bps reduction in losses and again in FY26 over FY25, was a 674 bps reduction which, like mentioned in the previous slide, which is 10% of our revenue versus 16% last year.

Anuj, over to you, please.

Mr. Gautam Sharma

Anuj, you're on mute. We can't hear you.

Mr. Anuj Jain

Ok.

Mr. Supam Maheshwari

Yeah. We can hear you now.

Mr. Anuj Jain

Now, you can hear me? Ok. Alright, So, I'll just give you an update on GlobalBees. Hi. So, we look at first, let me just quickly take you through, our GlobalBees is structured. So, we have essentially four broad categories that we look at, which is home utilities, home appliances, fashion and lifestyle, and beauty personal care / health and personal care. So, these are the four broad segments in which we operate. As you know, over the last year, it's been a very important point for GlobalBees, where we've been rationalizing our portfolio of brands to focus on the ones that will continue to drive growth as well as profitability.

We can move to the next slide.



So, if I look at the overall performance for the year, and I look at specifically the four categories, we did a revenue of 1876.8 Crores, which was a 28% year-on-year growth and a 91.9 Crore adjusted EBITDA post-corporate expenses, which translates to a 4.9% of revenue. Now, these four categories are the ones that we will continue to focus on in the long term. The rationalization of other brands are the ones that are witnessing lower revenue growth and had been incurring losses. We're almost at the trail end of rationalization of these brands and our endeavor is to complete this rationalization by this quarter end, so that we're able to then move on to sustainable top line growth and bottom line growth as outlined in FY26.

Okay, we can move to the next slide.

So, if I compare our performance in terms of revenue and adjusted EBITDA, we'll look at revenue first. So, in the last quarter, we had a 15% growth quarter-on-quarter, this quarter to last FY25 quarter four and on a full year basis, we grew by 20% on a consolidated basis. The 20% is lower than the 27% of core brands, purely because of the rationalization of brands, as I've mentioned earlier. All of this growth that I'm mentioning is organic because the last acquisition that we made at GlobalBees was in September 2022.

In terms of adjusted EBITDA, we have moved in quarter four FY26. We did an adjusted EBITDA post-corporate expenses of 26.5 Crores which is 5.8% of revenue, 9X increase from the quarter four FY25 adjusted EBITDA post-corporate expenses, which was at 0.7%. We had a significantly healthy growth in our EBITDA. If I look at it on a full year basis also from FY25 to FY26, we've moved from 1.4% to about 3% of 56 odd Crores of adjusted EBITDA post-corporate expenses, which is a 2.5X increase.

Okay, we can move to the next slide.

Overall, as you will observe, there has been a continuous trend of improvement in our bottom line over the years from



FY23, where we were negative to even in FY24 where we were EBITDA neutral. Now at FY26, we stand at a healthy 3% adjusted EBITDA post-corporate expenses. This is also adjusted for ESOP cost. So, this 3% includes the rationalization of brands, but its improving as we move along. That's the update that I had on GlobalBees.

We can move to the next slide. Now, Gautam will take to the other slide.

Mr. Gautam Sharma

Thanks Anuj. So, this is our last segment, fourth segment, which is called as others, represent the preschool business, continuously growing from 208 preschools, end of FY24 to more than double, end of FY26 and in terms of number of students enrolled, its almost 3X in 2 years.

Next slide, please.

A healthy growth in revenue, 11% growth in revenue in FY26 over FY25 and around 220 bps improvement in the EBITDA from 24% in FY25 to 27% in FY26. Now we talked about the consol performance. So, while these numbers have been previously covered by Supam, Abhinav and Vivek. So, India multi-channel business, it's a 9% growth in 26 over 25. 8.8% adjusted EBITDA for FY26. This was 9.5% in FY25, this is largely because of, as Supam and Vivek mentioned, some pressure in gross margins which is on account of heightened competition in our diapering category, which represents 15% of our business and the second one is basically a dip in Q4 because largely in our manufacturing business, because of rupee depreciation and the increase in the crude-linked raw material prices. This dip, there is a lag in terms of recovery from the customers, lag of around 1 to 2 quarters. So, from Q2 onwards, the gross margin loss because of crude-linked raw metal prices and rupee depreciation should be covered. So, we will be recovering the gross margin.

International business, Abhinav talked about, despite of a 10% YOY growth in FY26, we managed to reduce our losses by almost 50 Crore rupees from a 140 Crore rupees loss in FY25.



We reduced our losses to 90 Crore rupees in FY26. So, from 16% it has come down to 10%. GlobalBees business continue to grow very well while on a consol level, it's a 20% growth. However, if we talk about a clean slate that is the growth in the core category, that is 28% and has delivered an EBITDA of 4.9% and as Anuj mentioned, the rationalization of the other brands should be over by Q1 FY27. So, we should see a continuous, a complete organic growth of the core business starting Q2 and also by EBITDA which is 4.9% in FY26. Others which is preschool business, 27% EBITDA and 11% growth.

Next slide.

So, all those, the results of those four business segments, it basically gives us a 12% growth in Q4 on a YOY basis and a similar growth in FY26 over FY25. Gross margin dip, we can see a gross margin dip, again this is because of 2 reasons. One is the dip in the gross margin of India multi-channel business which Supam, Vivek explained. I also explained the previous slide and the second reason is a slight dip in the gross margin in the GlobalBees business. However, we maintained or we increase our EBITDA in Q4 for the full year in GlobalBees business. Consol adjusted EBITDA, despite of a dip in gross margin from 37.4, we have come down to 36.2%. We still managed to increase our adjusted EBITDA on a consol basis, both at a Q4 level and also at the full year level. So, Q4 adjusted EBITDA has increased by 18% and the full year adjusted EBITDA has increased by 24%. That's it. So, this ends our presentation.

Mr. Supam Maheshwari

We're happy to take questions.

Mr. Harsh Kabra

Thank you, team. We will now move on to Q&A. I now request participants to raise the hands for asking questions. We will unmute you one by one, and you will have access to the mic. Please introduce yourself and name of the organization you represent. The participants are also requested to limit their questions to a maximum of two. For any follow-up questions, you may join the queue again.

First question is from Jinesh Modi. Jinesh, please unmute yourself.

Mr. Jinesh Modi

Hi, Jinesh Modi, this side. So, you have taken various initiatives to improve the delivery performance for your online business, like delivering to your own logistic network. So, what percentage of orders are delivered through these networks? and, what is the logistic cost increase in the Q4 and what is the expected increase in FY27?

Mr. Supam Maheshwari

So, Jinesh, I think, the percentage of orders that we were delivering by roughly around Q3 end were some 28%. Now we have crossed 40% plus end of March 26 and we will continue to increase it. Our goalpost was to reach close to 45 to 50% by middle of the year. I think we remain, we believe we are ahead of the curve and we should be able to deliver it before the next quarter ends and in terms of cost, there is a marginal front loading of the cost that actually happens both for RocketBees as well as for the Qwik, because it takes certain time to reach to a little maturity within a city in terms of the number of shipments that we can do under RocketBees. So, till then, you have to front-load, so, we will have some impact of 40 to 60 bps from few quarters, but in a medium term as the network matures, our cost will normalize to a regular sort of a cost structure that we had, and that cost will be, excess will be nullified. So, that's how I hope I've answered both your question in terms of for percentage of shipment, as well as on the cost front.

Mr. Jinesh Modi

Okay, yeah, thanks.

Mr. Harsh Kabra

Thank you, Jinesh. The next question is from Vishal Doshi. Vishal, please unmute yourself.

Mr. Vishal Doshi

Hi sir. Hello.

Mr. Supam Maheshwari

Yes, Vishal.

- Mr. Vishal Doshi** Sir, my question is, how is the store business in ME doing? and you have only added 10 COCO store in FY26. What is the plan for the store opening in financial year 27?
- Mr. Gautam Sharma** So in fact, you know we have mentioned in our previous calls as well, that because of the macros, we wanted to maintain capital efficiency, and that's the reason we are kind of paused opening of company owned stores in FY26. Given the initiatives that we have taken to improve the offline growth, Q4 numbers are a testimony to the improvement in growth, which is the growth is best in last seven quarters. So, we will double down on our approach to open company-owned stores in FY27 and hopefully with a mix of COCO as well as FOFO stores, we should be opening roughly 100 stores in this year.
- Mr. Harsh Kabra** Thank you, thank you, Vishal. The next question is from Tejas Shah. Tejas, please unmute yourself.
- Mr. Tejas Shah** Hello, am I Audible?
- Mr. Supam Maheshwari** Yes, it is.
- Mr. Gautam Sharma** Yeah. Yeah, Tejas.
- Mr. Tejas Shah** Yeah, hi, hi. Hi, Supam. Hi. Thanks for the opportunity. Just first question, the interventions that we have made on India multi-channel business, the areas or the PIN codes that we are actually now fully deployed in terms of whatever interventions we had to make, what are the key operational and financial parameters that you are seeing, which gives us a lot of confidence that, once we roll it out fully, it will actually kind of bring back what the momentum that you're missing for last one year?
- Mr. Supam Maheshwari** Sure. So, Tejas, while I and Vivek both can answer this question, but Vivek, you can add, I'm going to maybe start. So look, Tejas, this is a fair question and both for RocketBees initiatives as well as for the Qwik initiatives, we felt that there is a clear superior customer experience that we are able to

deliver which is what we had originally planned with these initiatives and when I say its a very tangible incremental outcome and with that we are also experiencing incremental growth in those catchments for Qwik as well as in those cities where we have RocketBees has reached to a certain maturity in terms of the total number of shipments in that city. So, with that, we believe, as we increase area under the curve both for RocketBees as well as for the Qwik and as it improves, this will give us with a lag effect, because it takes time to reach to a certain volume or a network to a point where we have a certain volume in the city, and as we reach there, we will have a benefit of incremental growth being accrued to our overall online business. Vivek, you want to add anything?

Mr. Vivek Goel

Yeah. So, Supam, as you rightly mentioned that, we are seeing a lot of positive movement on the consumer experience matrices. So, from that window, very confident that as the network matures of RocketBees as well as Qwik expands, we should see a good positive impact on our FY27 growth and so, I think that's it.

Mr. Gautam Sharma

And this is the key operating metrics that we see is basically reduction in delivery TAT, actual delivery TAT, on-time delivery which is probably the best in the industry. Its more than 92%. All these factors put together as Supam mentioned, there could be a lag in terms of seeing a tangible growth in the online business. But yes, we have already started seeing good results in terms of service metrics and we strongly believe that FY27 online route should be much superior compared to the growth that we have given in FY26.

Mr. Tejas Shah

Sure, and Gautam, this intervention that you spoke about on KPI, it will largely reflect in better AOV frequency or recruiting more users on the platform?

Mr. Gautam Sharma

It will be both, it will be, improving the retentions as well as, acquiring more number of customers.

Mr. Tejas Shah

Perfect. Second, just if you can elaborate a bit what exactly is the source of this gross margin pressure you touched upon a bit on certain categories, but is it more of a competitive

pressure which is hurting us or inflation or mix of everything playing out together?

Mr. Supam Maheshwari

So, we talked about there are on the India multi-channel, there were two parts to it. We saw 140 bps that we saw in Q3 that we explained, that has continued. It will take us couple of quarters for the irrational discounts or irrational intensity to go away. We had seen this pressure in 2016-2017 as well, but everything normalized and lately, few more players in the Quick-com who have joined sort of and again there has been the same intensity has been carried forward in the larger horizontal commerce players as well. So, we believe that its probably a 4-6 quarters sort of a phenomena. It'll go away. So, that's on the 140 bps that we are talking about, that we spoke in Q3, that has continued for this quarter. The remainder part of the gross margin loss in Q4 in the India multi-channel, it's very transitory as especially coming from our manufacturing and which is crude-linked inputs cost as well as rupee depreciation and as it gets passed to the customer, you will see a bumping back fully recovered in Q2. So, it's just transitory in nature. In past, it has happened, but such a steep depreciation and such a steep increase in crude prices not happened in the past. At least we haven't seen it. But, since it will get recovered from the customer, so, from Q2 onwards, as Gautam mentioned, we'll be back on track. This part of the loss will be recovered in our Q2 numbers.

Mr. Gautam Sharma

Just to add, what will improve the gross margins going forward, the gross margin expansion levers, which is increase in home brand mix. There is a separate slide in additional disclosures which basically talks about the GMV mix of our home brands. Fashion mix increase, again, there is a separate slide which basically clearly shows the increase in the fashion mix, continuous negotiation of third party landmarks. So, these factors will continue to play on, which will increase the gross margin going forward. The second factor Supam talked about that the manufacturing business loss in gross margin will be recovered starting Q2. So, that will again add to the improvement in gross margin. Third one is the deep discounts, especially in the diapering category, which led to a 140 bps reduction by gross margin in Q3, that will also we believe that

should be probably next four to six quarter, that should also come back in the business. So, all of these three factors will help us, regain the gross margin in, probably starting from Q2, probably next four to five quarters.

Mr. Tejas Shah

Perfect. Just one follow-up, if I may. This, pressure on diapers from Quick Commerce in terms of margins, is it coming from largely the unlisted players, or is it... are you seeing any behavioral change once you get listed and you start chasing profitability, or the behavior is across the same in terms of losing money or being aggressive on this category?

Mr. Supam Maheshwari

No, it is not specific to any low cost or it is across the board. It's more of a platform phenomenon than a brand phenomena.

Mr. Vivek Goel

So, Tejas to answer that question, we have seen it both in listed and unlisted platforms and that has led to a further price competition from the horizontals which are unlisted as well. So, It is across from Q-Commerce and Horizontal, where there's a price competition which is resulting into this loss as of now. Which we, as Supam and Gautam mentioned, which seems to be quite irrational and typically this cycle takes a few quarters to subside and that's what we expect as well.

Mr. Tejas Shah

Thanks, that's all from my side.

Mr. Harsh Kabra

Thanks, Tejas. The next question is from Jayant Parasramka. Jayant, please unmute yourself.

Mr. Supam Maheshwari

Jayant, we can't hear you.

Mr. Harsh Kabra

Okay, so, I think there's some issue.

Mr. Gautam Sharma

We can come back to Jayant.

Mr. Harsh Kabra

Yeah, right, right. So, Abhinava Kashap, next question we'll take from you, can you please unmute yourself?

Mr. Abhinav Kashyap

Hi Supam. I have a couple of questions. So, how is AI benefiting us? So, I wanted to understand that.

Mr. Supam Maheshwari Okay, is that the only question, or I thought there was.. okay.

Mr. Abhinava Kashyap Yeah. So, another is..

Mr. Supam Maheshwari Okay, I think, look, AI has sort of multifaceted ways of improving, both from a revenue optimization, a gross margin optimization as well as improvement in productivity, efficiencies. So, it has I mean, I would say multiple facets of improvement that one would see in the from a usage of AI. So, I can give examples because otherwise it'll take a little longer for me to be able to explain every point across different facets. It is very fascinating to be able to come up with answers and able to get information processed, whether it is benefits that we can drive to save cost like, for example, you can save your supply chain cost in terms of making a product live much faster than what you had otherwise were taking. That leads to an improvement in working capital to improvement in how you will build URLs for your SEO, AEO or GEO kind of models to be able to be more relevant, more effective, to improve conversions. So, there are n number of opportunities that we are utilizing within the company across different facets of running a business, to not just use it only in typical sort of a call center savings or automated voice bot, chatbots, email bots but across the board in different facets to be able to optimize our costs as well as efficiencies, productivities, as well as revenue optimization and even to the extent of discounts or maybe the gross margin optimization. So, these are at various stages of evolution over a period of time, some of you have already got the benefit, some of the benefits will accrue over a period of time. So, maybe we can take this question a little more offline if you have more interest, but that's a broad gist of it. There is too much excitement and talent, the entire organization, what we all can do with with the AI.

Mr. Vivek Goel So, to sum up, we are working on cost efficiencies, we are working towards revenue expansion and margin expansion, as well as people efficiency. So every single aspect, I think AI has already entered in the organization.

- Mr. Abhinava Kashyap** Cool. What kind of... what percentage of bps or something we can expect as a benefit in the long run? Is it... if you have any number, or like?
- Mr. Supam Maheshwari** It's too early to comment on that but I think that this is going to be a meaningful outcome as we go along, it should definitely be a meaningful outcome. We'll be able to speak more in the subsequent quarters because this initiative has just been, just started a couple of months back, so its premature for us to talk about the overall improvement that it'll do but we remain very focused on the benefits that it will accrue. It's not small. It's going to be meaningful. Therefore, we'll reserve our comment on that. But, maybe in the next quarterly update, we can probably share that number as well.
- Mr. Abhinava Kashyap** One more question I had. So, we are trading at a pretty low valuation compared to our revenues. Is there any risk of someone trying to acquire us? And Is there any chance of we are doing buybacks or something?
- Mr. Supam Maheshwari** Look, we haven't discussed this. I think we are focused right now on what we can execute to be able to deliver a far superior growth in FY27 with expansion in our registered EBITDA, that's what we are focused at. Rest of the stuff that you talked about, we haven't experienced that in the past, maybe, but we haven't really thought through it yet as well. Yes, we have sufficient cash on the company, but we haven't discussed any of these buybacks and stuff like that so far, in our internal discussions or even board discussions.
- Mr. Abhinava Kashyap** Okay, thank you.
- Mr. Harsh Kabra** Thank you, Abhinava. In the interest of time, we'll just take one last question. The next question is from Percy Panthaki. Percy, please unmute yourself.
- Mr. Percy Panthaki** Yeah, Hi. Sir, just wanted to understand this, offline channel, I think, this quarter the growth is higher than the overall India multi-channel growth, right? So, just two questions from this.



One is what really has changed or what initiatives have you taken to revive the growth in the offline channel? and secondly, if that channel has really grown faster than 11%, which is your overall growth, that means the online channel has done a single-digit growth. So, what is the reason why the online channel growth is so low? given that the overall category itself might be growing at 10% and organized share within that is increasing. Just wanted to understand the reason for this low growth.

Mr. Gautam Sharma

Okay, sure. So, Percy. Supam talked about the initiative that we have taken in the offline business and we are talking about this initiative since our last presentation that's basically changing the product assortment from a width to a depth strategy that has really played out very well for our offline business especially the COCO business and that has resulted in a significantly higher growth in our offline business, which is around 15% in Q4 on a YOY basis. In terms of online growth, Percy, it's not single digits. So online GMV growth is roughly 10.5% in Q4 and it's around the same range for all the four quarters between hovering around 11 to 12. However, given the initiatives that we have taken around faster deliveries, both in terms of delivery through our RocketBees network and FirstCry Qwik, which we believe should be delivering at least 10% of our online orders by end of this year, we believe we should be able to deliver a much superior growth even for the online business in FY27 compared to the FY26 online growth. So, both the channels online.. offline, Supam talked about that the growth that we have delivered in Q4 should continue even for the rest of the part of FY27 and online should also deliver a much better growth while the cost is front loaded, the cost of logistics is front loaded. The results, the actual tangible results comes with a lag and hopefully in coming quarters, we should see a much superior growth in online business also.

Mr. Percy Panthaki

Got it.

Mr. Supam Maheshwari

Percy, a mix hasn't changed for both offline, online GMV mix hasn't changed what you see in FY26 over FY25. So, there is no material change in that. So, believe with the lag effect, I

think you should see a growth bumping back in online as well. So, compounding effect of that you should be able to see, that's why we are very confident FY27 India multi-channel GMV growth will be much superior than the FY26.

Mr. Percy Panthaki

Understood. Next question I had, again, India multi-channel business only. Given that, there are the margin pressures which you said can continue for few quarters more, on a full year to full year basis. FY27 versus FY26, do you think that the EBITDA rupees crore EBITDA can have a double-digit growth?

Mr. Supam Maheshwari

Yes, if you look at it, you're talking about India multi-channel only, right?

Mr. Percy Panthaki

Yes.

Mr. Supam Maheshwari

Yes, you will have it, Percy, it should. Effectively, we are saying the EBITDA, I would say the drop that we have seen because of manufacturing should be recovered fully by Q2. So we'll have three quarters of that benefit. So, I don't think, that effect will be there and yes, the diapering effect will continue, may continue for the full year, but, margin expansion from the 85% of our category should continue as well and the overall growth that we are anticipating will be superior and also you'll get a operating leverage also coming out, so we still believe that we should be able to do a much superior sort of a growth, to answer your question.

Mr. Gautam Sharma

Both, in terms of top line as well as bottom line.

Mr. Percy Panthaki

Right. And one last question, if I can squeeze in. Just wanted to sort of understand on a benchmark basis what you are doing on delivery versus how the competition is doing the delivery? So, with RocketBees, I mean, own delivery, how would that compare to the structure of players like, let's say, Amazon, Nykaa, Flipkart etc.? Do they also do their own delivery or are they completely outsourced the same way that you were, let's say, a year ago, Just wanted to understand, I mean, within the industry practice, where do you fall on the spectrum?

Mr. Supam Maheshwari

So, Percy, I'll just answer in two points. One, I think you have to understand the baby and kids business is fairly complex from a supply chain perspective, both from an warehousing perspective as well as from a first mile, mid mile, last mile delivery standpoint, because we are dealing with a category where you have almost 10 gram diaper pin to a 30 kilogram toy car that has to be delivered and it's fairly complex to have that size of spectrum in terms of managing your supply chain from availability and very fragile products as well on top. So, given that nothing that... what we do, how we do, can be really compared with some third-party either shipping companies or third-party commerce players, whether it is the names that you have mentioned. So, I won't really directly compare, but what we have built in RocketBees is a fairly asset-light model and they use the technology is completely in-house. So, the entire technology stack that we have built is being used by dedicated partners that we have regional, local and we manage the first mile and the mid mile, although on a totally asset-light Capex light basis and the last mile partners are actually delivering and giving us a superior way of delivering and giving the better customer experience than otherwise that we were being managed through third party in our prior context. I hope I've been able to answer the landscape, fully can't be compared, but at the same time, it was totally asset-light. We're utilizing first mile, mid-mile on our own, again asset-light, but fully dedicated partners who are only delivering our shipment, not mixed shipments of third party and not other brands than us. That's not the case. It's only dedicated FirstCry deliveries at the last mile partners make.

Mr. Percy Panthaki

So this last mile partner, would it be dedicated for all the other players also? I mean, or is it something unique to our business model?

Mr. Supam Maheshwari

Well, different players have different sort of models, Percy. I won't be able to say that. In few cities, people may have different models, in few cities, they may have a third-party model. Like, if you utilize their third-party player, they may

aggregate Shipments of different companies or different brands or different platforms. So, there are different models for different companies. There is no one model that every company follows.

- Mr. Percy Panthaki** Understood. Understood. So, are we planning at some point of time to go 100% RocketBees or we will sort of stabilize at a certain percentage and keep doing business of the certain percentage as per the old methodology?
- Mr. Supam Maheshwari** We will continue to improve the coverage of RocketBees. It will be very difficult to go to 100%.
- Mr. Percy Panthaki** Got it, got it. Okay, that's all from me, thank you and all the best.
- Mr. Gautam Sharma** Thanks, Percy.
- Mr. Supam Maheshwari** Thank you, Percy.
- Mr. Harsh Kabra** Thanks, Percy. We still have some time in hand. So, we'll take the next last question from Jayant Parasramka. Jayant, if you can unmute yourself?
- Mr. Jayant Parasramka** Hi, am I audible?
- Mr. Supam Maheshwari** Yes
- Mr. Gautam Sharma** Yeah, Jayant.
- Mr. Jayant Parasramka** Hi, sir. Thanks for taking my question. So, just a couple of questions, on India multi-channel. I know the basic thought process behind RocketBees and Qwik was to, let's say, increase both customer satisfaction and from an ordering perspective, get back, let's say, some of So, pains which customers had of delayed delivery. So, just from your initial takeaways over the past two quarters, if you could share on places where you've implemented both Qwik and RocketBees, are you seeing higher transaction of orders versus places where RocketBees is not there. Is that giving you

confidence, heading into FY27? And the second part, second question is on international business. Has there been some part of the international business also impacted by the Middle East, which has led to this low single-digit revenue growth, and is that also leading, I mean, I know on the cost side, you have been working on, getting the margins down to at least a break-even. But, just if you could impact is, has that also impacted some movement towards break-even on the international business?

Mr. Supam Maheshwari Jayant, I will let Abhinav take the second question, but the first question answer is, the same question was asked by Tejas. So, answer is that we are seeing incremental growth. In the cities as well as in the catchment that where we are serving both RocketBees and Qwik. Therefore, we'll continue. We have clarity of what we are executing, we are watchful of the metrics, service metrics that Gautam also spoke about. We'll continue to improve on that and bring more area under the curve and build that incremental growth as we go along. So, that's an answer to your first question. Second question, I'll let Abhinav speak on the Middle East.

Mr. Abhinav Sharma Hi Jayant. So, your second question is related to the current evolving situation and how it impacts the business. Is that correct?

Mr. Jayant Parasramka Right, right.

Mr. Abhinav Sharma So, Jayant, the situation, we all know what is happening. However, it has been a little bit of a moderation in consumer sentiment. I'm not going to say anything else about that, but, yes, there has been and there is some import complexities also is happening as we speak. However, I think, fundamentally for our business and our goalpost as we've shown in the last so many quarters now, has been our sort of a path is towards sustainable growth. So, we are continuously focusing on our top-line optimization and gross margin expansion. Our home brands are the most important, one of the most important levers to improve gross margins. This situation is beyond anyone's control, so to speak, but this is

also an opportunity, as the way I look at it, or the way we look at it internally is also an opportunity, when we can optimize further on our processes within our discounting strategies, our marketing costs and reaching out to the right consumer who will potentially give us a longer sort of a LTV that we desire and while we do all of this, also improve our home brand mix in the top line that we generate. So, this is a unique opportunity, but our focus is the same. Growing and not chasing a top line at the expense of obviously reduced cost or very high marketing expense. While, we hope that the situation ends sooner than later, but, I think there are a lot of learnings for us in terms of how we optimize and how we continue to on our path to sustainable growth.

Mr. Jayant Parasramka

Sure.

Mr. Gautam Sharma

So, Jayant, just to conclude, we will continue to reduce our losses. What we did in FY26, we will continue to do the same thing in FY27 also.

Mr. Jayant Parasramka

Sure, fair enough, sir. if I just may squeeze in one last question. Just on the relevance of the 6 to 12 years age which you've extended your category. If you could just give us, in terms of how that is doing well in the past couple of quarters, just that's more I'm just trying to understand from a retention of customer point of view. How is that shaping up, if you could just give some thoughts on that.

Mr. Vivek Goel

So, Jayant, I'll probably take up that question. So, we are seeing a positive traction and we continue to see a positive traction in 6 to 12 that remains the fastest growing part of our business when it comes to age group of children. As we continue and basis that, we continue to build our assortment, which is more conducive. So, overall, it is good news on that front and at the same time, there's a slide in the supplementary slides which shows a long-term cohorts being very strong for like a consumer who's been acquired 10 years back continues to transact with us. There's a good segment of that consumer. So, all of that indicates towards a good positive future on the 6 to 12 segment for us.

- Mr. Jayant Parasramka** Sure. Thanks, thanks, and all the best, sir.
- Mr. Harsh Kabra** Thank you, Jayant. That was the last question. I'll just hand it over back to the management for any concluding remarks.
- Mr. Supam Maheshwari** No, thank you, everyone. Thank you for your time and really appreciate. Thank you.
- Mr. Gautam Sharma** Thank you so much, everyone, for joining. Thank you.

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio video recordings uploaded on the stock exchanges on 26th May 2026 will prevail.