



February 9, 2026

**National Stock Exchange of India Limited**

**BSE Limited**

**Symbol: NYKAA**

**Scrip Code: 543384**

Dear Sir / Madam,

**Subject: Transcript of the Conference Call for Analyst / Investors**

Please find enclosed the transcript of the Analyst / Investor Conference Call held on February 05, 2026, with regards to the Unaudited Standalone and Consolidated Financial Results for the quarter and nine months ended December 31, 2025.

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

We request you to take the above information on records.

Thanking You,

Yours faithfully,

**For FSN E-Commerce Ventures Limited**

**Chetan Sharma**  
**Company Secretary & Compliance Officer**

Encl.: As Above



“FSN E-Commerce Ventures Limited (Nykaa)

Q3 FY26 Earnings Conference Call”

February 05, 2026



**MANAGEMENT:** **MS. FALGUNI NAYAR** – EXECUTIVE CHAIRPERSON,  
MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER  
**MR. ANCHIT NAYAR** – EXECUTIVE DIRECTOR AND  
CHIEF EXECUTIVE OFFICER, BEAUTY  
**MS. ADWAITA NAYAR** – EXECUTIVE DIRECTOR AND CO-  
FOUNDER, CHIEF EXECUTIVE OFFICER OF HOUSE OF  
NYKAA BRANDS  
**MR. VISHAL GUPTA** – CHIEF EXECUTIVE OFFICER,  
NYKAA DISTRIBUTION  
**MR. ABHIJEET DABAS** – EXECUTIVE VICE PRESIDENT,  
NYKAA FASHION.COM  
**MR. P. GANESH** – CHIEF FINANCIAL OFFICER

**Moderator:** Hi. Good evening, everyone. This is Michelle from Chorus Call. Welcome to FSN E-Commerce Ventures Limited Q3FY26 Earnings Call. From the management at Nykaa, we have

**Ms. Falguni Nayar**, Executive Chairperson, MD and CEO;

**Mr. Anchit Nayar**, Executive Director and CEO, Beauty;



**Ms. Adwaita Nayar**, Executive Director and Co-Founder, and CEO of House of Nykaa Brands;

**Mr. Vishal Gupta**, CEO, Nykaa Distribution;

**Mr. Abhijeet Dabas**, Executive Vice President, Nykafashion.com;

**Mr. P. Ganesh**, Chief Financial Officer.

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

By participating in this event, you can consent to such recording, distribution, and publication. All participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation from management concludes. With that, over to you, Falguni Ma'am, for opening remarks. Thank you.

**Falguni Nayar:**

Thank you. Good afternoon, everyone. It's a pleasure to talk to all of you about yet another quarter. I just wanted to begin with saying that it's been a good quarter. As you are all aware that quarter 3 December is a seasonally strong quarter. And we are happy to say that the GMV growth has come out at around 28% year-on-year growth at INR 5,795 crores. And at the net revenue level also, the net revenue is at about INR 2,873 crores, which is a 27% year-on-year.

So with that, we are happy to say that Nykaa has delivered for a long period, almost 13, 14 quarters of mid-20s growth on a sustainable basis. So happy for that. On the gross profit line, I think the gross profit has come out at INR 1,297 crores, which is a 45.2% of net revenue, and this is a 31% year-on-year growth. So slight improvement at the gross profit level on a consolidated basis.

On the EBITDA, too, we are happy to say that the EBITDA is at about INR 230 crores for the quarter, which is 8.0% of net revenue and a 63% year-on-year growth. This is the highest EBITDA margin ever and happy to deliver that to all the stakeholders.

On the PAT, we are at about INR 68 crores, which is 2.4% of net revenue and about 156% growth year-on-year. This PAT number is after adjusting for onetime impact of a new labor code which is taken away. So, if you were to adjust for that, the number would have been at INR 78 crores, which would have been 2.7% of net revenue instead of 2.4%.

With that, I move on to the next slide. I think on a vertical basis, if you look at Beauty, Beauty growth has continued at 27% on a year-on-year basis on a very strong seasonal quarter. That's at GMV level. And on NSV, it is at 29%. And in fact, on a NSV basis, it's an acceleration from a year earlier when we had grown at about 26%.

One can also say that on a 9-month basis, the growth has come out at 27%, both at GMV and the NSV level. And what is really interesting is that the EBITDA of the Beauty business now stands at 10.1% of net revenue. That's for the quarter. And for the 9 months, it stands at 9.4%.

For the fashion business, too, I think the GMV growth for the quarter was 31% year-on-year. However, at the NSV level, the growth was 25% on a year-on-year basis. And for the 9-month period, similarly, the GMV growth was at 31%, but the NSV growth has come out a little lower at 24%. There are reasons for that.

We can deep dive later into that. But overall, very healthy growth in both the numbers. And from an EBITDA margin perspective, happy to say that this quarter, the fashion business EBITDA margin is minus 2.0%. It's come down from minus 5.4% a year ago. And even on a 9-month basis, the losses for the fashion business now stand at minus 3.7% of net revenue.

This I want to point out that this quarter saw marquee brand wins like H&M, and also robust customer acquisition and strong festive sales, which all led to delivery of a sharp improvement in profitability in the fashion business. On the Beauty business, I'll just point out for a minute that the performance is overall good.

There's a strong omnichannel performance in Beauty, also improving unit economics in eB2B has come to play in the EBITDA margin of the business as well as growth outperformance in House of Nykaa with both strong growth as well as strong margin expansion. So in the Beauty business, pretty much all the cylinders have fired very nicely this quarter.

With that, we move on to the next slide. This is just taking stock of where we are with all our businesses that we are building. So, like in terms of Nykaa has 4 platforms: Nykaa Beauty, Nykaa Fashion, Nykaa Man, and Nysaa, which is our GCC platform with growing presence in the GCC. We now have 52 million customers who we have served till date through all our platforms.

And on a B2C basis, if you look at it from a retail perspective, you are aware that we have, again, multiple formats, Nykaa Luxe, Nykaa On Trend, and Nykaa Kiosk, which is for our owned labels. And to that, we've now added Nykaa Perfumery, which are our Perfume only stores, and there is a strategic reason to build those. And now the total number of store count stands at 276 stores in 94 cities.

On the consumer brand also, we own more than 12 consumer brands of significance. There are smaller brands too. Amongst these 12 brands, the top 5 are Dot & Key, Kay Beauty, Nykaa Cosmetics, Nykd, and Twenty Dresses. And these brands, all the brands put together account now for \$400 million annualized GMV and have serviced more than 16 million customers.

We are increasingly also getting involved with B2B2C business, where we have deep partnership and full stack offering to players like Nike. You must have heard the announcement, it came post the quarter end, where we have partnered with Nike to run their D2C business. In India Kiehl's has similarly trusted us to run their entire India business, be it their D2C website, their

stores as well as exclusively e-commerce and sell it on other platforms. There was a similar business we had started doing with Foot Locker earlier, which has been growing.

And we also are exclusive import and distribution partner for many of the international brands. In fact, more than 40 international brands have trusted us with their brands in the country to grow these in the country. From a B2B business perspective, we have the Superstore, which serves retailers across general trade, small format beauty outlets, pharmacies, and salons. And obviously, on a multi-brand portfolio basis, we offer this to a whole bunch of brands. So, it's a platform. And this has been growing very nicely. We reach out to more than 485,000 retailers throughout the country across 1,100 cities. Within that, there is a smaller dedicated GT/MT distribution business for our own brands that focuses on mostly like these are the BA service outlets. And the number of those is also now reaches to more than 10,000-15,000. So overall, a very good distribution footprint has been built with \$2.6 billion annualized GMV across all the platforms. Talking about beauty multi-brand retail, I'd like to hand it over to Anchit.

**Anchit Nayar:**

Yes. Thank you, and good evening, everybody. So I think as was said earlier on the call, it's been a good quarter for the beauty vertical as well. We have delivered the highest GMV in our history at INR 4,302 crores, and this was at a 27% growth year-over-year. It has also resulted in a 10.1% EBITDA margin which is a significant improvement over Q3 of last year. I think major reasons behind the strong performance have been our investments in customer acquisition are clearly paying off.

And we had a successful flagship Friday sale, which usually occurs in the OND quarter in the month of November, end November, early December as well as a strong overall performance across the board from beauty.com, our beauty retail stores as well as our Nykaa House of Brands, which we will speak about in subsequent slides.

Next slide, please. So just speaking a bit more about the customer acquisition, something we have discussed with all of you in the past. It is an area of investment for us. We do feel that India is underpenetrated in terms of its beauty consumption, and we want to be drivers of that penetration and that growth. And so we have been investing behind customer acquisition. As you can see, we are now at about 18.7 million annual unique transacting customers, which is a 26% growth year-over-year and almost 4 million customers, larger than this time last year.

We want to spend a minute to talk about an interesting partnership of ours, and that is our decade-long partnership with L'Oreal. As many of you know, L'Oreal is the world's largest beauty company and truly an inspirational institution in its own right. They have an incredible portfolio of brands, and I think they have been a partner to us since the very beginning.

As you can see, we launched some of their consumer product division brands in 2012. But every year since, we have continued to add more brands from their portfolio to Nykaa.com as well as Nykaa stores as L'Oreal does see India as a priority market.

Some key highlights to mention is for brands like Redken, Kerastase, YSL, Lancome, CeraVe, Kiehl's, Nykaa was the first India partner. And there are certain brands from their portfolio like

Urban Decay, NYX and IT cosmetics, where not only are we the retailer for them, but we are also the importer and distributor on record for these brands. And certain brands that are highlighted that are on that slide were also exclusive to Nykaa.

Now the reason why we wanted to talk about this relationship this quarter is because we have further strengthened our relationship with L'Oreal this quarter with 3 incredible brands that they are bringing into India in partnership with us. The first is La Roche-Posay, which is one of L'Oreal's most prominent derma cosmetic skin care brands globally, and that is an exclusive launch, which we did for them. And this is the world's #1 dermatologist recommended skin care brand. It was launched exclusively with Nykaa in this quarter.

Second is we have secured the rights for the exclusive distribution of NYX Makeup, which is a very trendy Gen Z favourite makeup brand, that has launched exclusively with Nykaa through our Nykaa Global store, which is our distribution business.

Third, definitely not last is our Kiehl's partnership. Kiehl's is over 100-year-old skin care brand. Again, a very popular brand from the L'Oreal's luxury portfolio. So it's a prestige skin care brand. And we are happy to say that we're taking over the Kiehl's operations in India, and we will provide end-to-end full stack services for Kiehl's in India. This includes operating their direct-to-consumer website, their freestanding stores as well as retailing the brand on Nyka.com and Nykaa stores.

Next slide, please. Beyond the L'Oreal Group, of course, there have been other launches that we are quite happy with this quarter. As you can see, the number of brands, number of global brands launched on the platform is only increasing with time. Just a couple to mention this quarter has been Milk Makeup, which is a very popular makeup brand from the U.S., Kylie Cosmetics, and Dolce Gabbana as well as H&M Beauty. And then some brands were also very trendy Korean brands as well as some Indian local D2C brands launched exclusively on Nykaa in this past quarter as well.

Spending a few minutes on our physical retail business. So today, just to give you an update, we have opened 11 new stores in Q3, and that takes our total retail store count to 276. We've expanded into 4 new cities. So today, we have stores across 94 cities. So, getting close to that 100 city mark, which we've discussed in the past. Today, about 2.8 lakh square feet of retail space. And I think most importantly, delivering healthy double-digit like-for-like growth in the quarter. Beyond the core retail business, we are also expanding with new innovative experiential formats. We believe that this is an important way to engage with younger audiences and to bring more customers into the beauty funnel.

So of course, on the left-hand side, you can see we've got our multi-brand specialty store formats like Nykaa Luxury as well as Nykaa On Trend. And now we've recently this quarter launched a new fragrance-only store concept called Nykaa Perfumery. We also have curated, I would say, more engagement-driven formats like Nykaa Kiosks, which are short-term lease pop-up type formats where we exclusively retail our own brands. And these tend to be in very high-traffic zones within Grade A and Grade B malls.

The Nykaa Wanderlust card is a great way to expose consumers to our Bath & Body offering. And this is also something that is, I would say, it can be quickly expanded given its low CapEx and low fixed cost model.

Next is some exclusive brand experiential formats. As I mentioned, we will now be operating freestanding stores for Kiehl's in India. And similarly, we've opened a very interesting lifestyle cafe concept for Kay Beauty, that's called Kay Kafe, and that's where we're blending beauty with coffee and community. And I think these are formats that really resonates with the younger audiences as they look to build relationships with brands for the long term.

Here, you can see the images of our new Nykaa Perfumery retail concept, which we've opened up. Currently, we have 2 stores already opened in the past 3 months and more to come. This is really to drive the adoption of fragrance by the Indian consumer. We think it's an underpenetrated category. But to improve the penetration we need to increase the education and awareness for fragrance, and especially for luxury fragrances. And we're doing that through this type of store concept. So through immersive experiences and through technology, through a very curated set of brands and very high-quality service in the store, we are hoping to drive further adoption of this premium segment of fragrances in India.

So far, the signs have been quite promising. The average order values in these fragrance stores are already at 3x the average order value of our multi-brand specialty stores. Interestingly, 45% plus of the business from these stores is coming from men's fragrance. So, this store format is definitely playing out the way we expected, which is to have a much wider appeal than just our target female audiences. It's also appealing to men in India.

Next slide. So we've spoken to you again in the past about Nykaa Now. I'm happy to say that Nykaa Now has stabilized quite nicely, and it has picked up in terms of the demand and the awareness for the Nykaa Now offering. Today, we have the largest beauty and personal care assortment across luxury, D2C, FMCG brands compared to any other platform that is offering quick delivery.

And our delivery promise is 30 minutes to 2 hours, and we think that is suitable given the kind of access to the kind of brands and products which we are giving the customer. On top of the fact that we are now live in all seven Tier 1 cities with Nykaa Now. Also, all of our retail stores are now enabled with hyperlocal delivery capabilities across the country.

And this is what's allowing us to sell a lot of our luxury beauty brands through this quicker delivery model. And on the right-hand side, you can see the UI/UX for our Nykaa Now store within the app and some early marketing, which we've done. But there is a plan to do obviously a lot more marketing behind Nykaa Now, now that the network is robust and stabilized.

Next slide, please. So I think recently, there's been a lot of noise around the creator economy in India and how content and commerce are really driving the flywheel. But as many of you know, we've been speaking about the content to commerce playbook since the very beginning of the journey as a company.

And we're only seeing it pick up over the past several quarters as Gen Z as an audience is one that is heavily influenced by content and social media. So as you can see today that 76% of content consumed on social media was creator content and 70% of spends done by Gen Z customers was based on that content that they saw.

And Nykaa has actually India's largest network of influencers and content creators today. This is the affiliate network we have, we have been building over the past 10 years. And today, we're proud to say we have over 100,000 influencers plus affiliates and over 2 million pieces of content was created by us in terms of post, videos, and reels.

On the right-hand side, you can see two, I would say, disruptive partnerships that we have just signed. One is with YouTube. So Nykaa is partnering with YouTube to integrate shopping within the videos on the YouTube platform. And the second is our partnership with Snapchat to nurture and create the next generation of Gen Z beauty creators in India.

Next, please. Finally, we did host Nykaaland, the third addition of Nykaaland this quarter in November. And this was in Delhi, for the first time in Delhi, and we had 30,000 customers who actually bought tickets to attend the event, which was almost 20% more than the number of tickets we sold last year for our Bombay edition.

There were 12-plus master classes from renowned celebrity makeup artists, 10,000 pieces of content were created by 3,000-plus content creators who attended, and this drove almost 190 million reach over 2, 2.5-days festival.

We had 60 global and domestic brands participate. And we were also very happy to actually partner with the H&M Group. H&M Group also launched both their beauty and their fashion on Nykaa, but I'll let Abhijeet talk more about that in the fashion section. And as part of their launch with Nykaa, they also helped to co-sponsor the event. And we had a lot of live entertainment and music and F&B at the event as well. It was very well received by consumers.

Finally, since it was the end of the calendar year, we also did a Nykaa Beauty Rewind to share with customers based on all the data points we have that what was India shopping behaviour when it came to beauty in 2025. So we did a lot of advertising across cities in terms of outdoor, digital, non-digital. But more importantly, we also created a commercial event out of this where all of the best sellers from the year were shoppable on our platform. And I think it was a very interesting commercial activation that had a lot of success.

I won't read through some of these data points, but as you can see on the next slide, some very interesting data points. We sell one fragrance every 5 seconds. We sell close to 2,000 lipsticks every hour and 1 moisturizer every 2 seconds. So it's showing you just the sheer scale we are now operating at as a beauty business.

So despite India being a market that still is highly underpenetrated when it comes to beauty consumption, you can see the scale of the market at play here. So we're very, very happy and excited with where we are, but it's also equally exciting to know how much headroom we have



to grow. With that, I think that's the end of my section. So I'll hand it over to Adwaita to take you through the House of Nykaa section.

**Adwaita Nayar:**

Hi, everyone. Today, I'll talk about the House of Nykaa business. For Q3, we've ended the quarter with INR 872 crores. That's an annualized GMV run rate of INR 3,500 crores. It's a 48% year-on-year growth. And as a reminder, this includes both our beauty and fashion brands. And if we just look at the bottom half of this slide, you can see how that split is.

So, of the INR 3,500 crores annualized number, INR 3,100 crores is in beauty. So bulk of it really is on the beauty side, and there's a INR 400 crore own brands business in fashion. The logos you see below are the brands that we're focusing on in both these sections. And I'll talk about some of these larger brands in the following slides.

The trajectory of the business has been quite impressive over the last couple of quarters. On the left-hand side, you can see the last 7 quarters. In Q3, on the beauty side of the business, the GMV is INR 775 crores. It is a 65% year-on-year growth. So the beauty side of the business has been growing quite rapidly. And the last couple of quarters have been 70% up and up. On the right-hand side, you can see how the split is across various channels.

So Nykaa Online is about 45% of the business and the rest is split between Nykaa Stores, Nykaa Distribution, whether that's eB2B or our GT/MT business. And then other third-party channels is about 24%. So that's other marketplaces and so forth. So it is a well-distributed business. As we've always said, we're not building private label, so we're building brands. And therefore, of course, we will focus on Nykaa Distribution, but some amount of outside Nykaa Distribution is also important for this business.

Moving on. Double-clicking on one of the most promising brands in our portfolio is Dot & Key. So, Dot & Key today is running at about INR 1,900 crores of annualized GMV. It's grown 100% plus and it grew that much last year as well. So there's been a very astounding trajectory for this brand.

It's a very profitable business with high-teens EBITDA margins and it's often amongst the top couple of skin care brands on Nykaa, but also on most other large platforms as well. The business has been built with a very strong focus in sunscreen, facewash, moisturizer. And this quarter, we also launched a very strong lip balm, which has been doing very well.

Moving on. Kay Beauty, another brand of ours, which has now crossed INR 500 crores of annualized GMV, again, is growing exceptionally well. It's sort of a breakout brand for us with 60% plus growth. The new launches have been firing very well. On the right-hand side, you can see a little bit of a glimpse of a collaboration we did with the designers, Falguni Shane Peacock.

And again, this collaboration has been received super well and is allowing us to premiumize the brand as well. Last year, we also spoke about how we've taken this brand international. So the U.K. and the Middle East continue to be a very high potential markets for us and we're continuing to really focus on that as well.

Moving on. We've got Nykaa Cosmetics next, which is approaching a INR 500 crore annualized GMV run rate. Again, new launches have been quite strong for it. And this is a brand where we actually have a pretty large physical distribution as well beyond Nykaa Online and Nykaa Stores. We have over 14,000 dedicated GT/MT doors, and this is also a really great way for us to build brand Nykaa as all these products have the name Nykaa on it and then go and live in the homes of consumers.

Moving on. Nykaa Perfumes, that's been another focus for us. So under the brand name Moi, we've been launching perfumes. And again, this has been doing exceptionally well. It's the #1 brand now in non-luxury perfumes on Nykaa. And we think fragrance is a very high potential category, and we'll continue to focus on it.

Moving on. Nykd, this is probably the most important brand on our fashion owned brand side of the portfolio. So this business is growing very well within fashion, and it is now in its fifth year, and it's been a pretty strong business across lingerie, athleisure, sleepwear, shapewear. It's also a business where we've been opening stores. So today, we have 30 exclusive brand outlets, and we have a considerable presence in GT as well. Today, this business is about INR 150 crores of annualized GMV.

So net-net, before I hand over to Vishal, I think we're feeling very strong. We're feeling like the business is in a very strong place at the moment. And we're feeling pretty confident with the way in which the brands are coming about, the teams that we're building to be able to execute this. This is obviously a very different DNA from the retailer DNA that we've had so far.

But we do believe that we're sitting on some really, really powerful brands, many of which are now becoming market leaders, not just on our platform but on other platforms as well. So we'll continue to be very bullish and focus on this part of the business. And with that, I'll hand over to Vishal to talk about eB2B.

**Vishal Gupta:**

Thanks, Adwaita. Good evening to everyone. I'm happy to share yet another quarter of very good results as we continue to scale with widening reach and improved profitability. You can see in the rightmost chart that we have grown our transacting retailers by 40%, adding 1 lakh retailers in last 1 year, and our business grew by 31%, which is our NSV. GMV is at 23% because of the changes in GST where the MRP came down, but our NSV, net realization grew by 31%, which is nice.

Next. And within that, you can see that our scale and reach is so important and our brand partners love it. So we were able to add a lot of marquee brands during this year, brands, Colgate, Palmolive portfolio, Johnson & Johnson portfolio, Reckitt's portfolio in the big brands and in the regional D2C brands like Plix, Derma Co, Pilgrim, Chemist at Play, a lot of upcoming and good brands eye our network and are happy to partner with us.

Next. Not only that, we have even scaled our own brands quite nicely. You can see 2.7x in 1 year, reaching more than 100,000 transacting retailers across all over India. So we are also able to build our own brands in our distribution system.

Next, and this is a scale business. And as we scale, we continue to improve our unit economics. And this quarter, we have improved 574 bps of EBITDA margin coming out of fulfillment expenses, S&D cost and employee and other expenses, where it's not only scale, but even individually like packaging cost, addressing leakages. So scale-based and actual unit improvements, overall, 574 bps improvement. So net-net, very encouraging quarter. Thanks. Over to Abhijeet.

**Abhijeet Dabas:**

Great. Thanks, Vishal. Good evening, everyone. So as Falguni Ma'am shared upfront, this quarter has been a story of continued acceleration in the fashion business, both on the growth as well as profitability side. So very happy to share that we clocked almost INR 1,500 crores GMV for the third quarter, which is a 31% growth year-on-year, continuing the trend of recovery that we've been seeing in this financial year.

And while doing that, we've also been continuously fixing the underlying core platform and intrinsic of the platform, which has resulted in 340 basis points improvement in EBITDA margin also during the quarter. So, we've gone from minus 5.4% to minus 2.0% for this quarter. Next slide. Across the board, if you look at the metrics which indicate the health of the underlying fashion business.

Whether it's visits, the number of customers, the retention of customers, new customer acquisition, overall, all metrics are trending very healthily. In particular, new customer acquisition is up 45% year-on-year. And this is a quarter where we do the pink sale across both beauty and fashion, as Anchit spoke about earlier. So it is a quarter where we expect to acquire customers in a big way.

And that's what the 45% new customer acquisition number reflects. And it's because of this that we are in a position that since the business is healthier, we are now starting to see signs of better operating leverage and efficiency showing up in the margin improvement as well.

Next slide. One of our core promises to customers has been that we are a curated platform. Nykaa Fashion is a premium position, curated platform, which is the destination for the best brands across categories for customers to shop from. But also happy to share that this slide is becoming busier not just from brands in the women's category, but in the emerging categories as we call them as well. So, whether you talk about men's, kids, or now also smaller categories like accessories and home, we have a fairly robust assortment of very strong brands across all of those categories and that makes the proposition for customers more enticing. So just we have the platform is heading in the right direction by onboarding brands across all those categories across the board.

Next slide. So Anchit spoke about H&M debuting on Nykaa Fashion on Nykaa overall during Nykaaland. H&M partnered with us and headline sponsored Nykaaland. As most of you know, H&M is not a brand which is new to India. It's been around for, I think, close 10 years last year in India.

But when they debuted on Nykaa Fashion, both ways, it was a win-win because for us, of course, having a brand of the repute of H&M just strengthens the assortment and proposition for customers in a very big way, and that's reflected in the fact that almost from the get-go, H&M has been the number one brand on Nykaa Fashion since launch.

But even for H&M, the quality of customers that Nykaa Fashion as a platform is able to deliver and the shape of business that Nykaa Fashion is able to deliver, which is to be able to help them sell the more fashionable products, the more in-season products. It works both ways, and it has been a big win-win and a source of learning for both H&M and for us. So a very successful launch, and we hope many more marquee launches and many more wins to come in the coming quarters with H&M.

And as Falguni Ma'am touched upon, this is a new partnership that we have just embarked on with Nike. We've entered into a deep strategic partnership with Nike to run Nike's official direct-to-customer, D2C digital commerce platforms in the country. What that means is Nykaa Fashion will now run exclusively in India, Nike.in as well as the Nike Commerce Apps, which is the iOS and Android apps.

It's a unique partnership. This is a different model than the typical marketplace retail partnership that we do with most other brands. And this has just launched just a few days ago. As part of this, Nykaa Fashion will manage end-to-end everything for those platforms, which means the on-site experience, the digital marketing, fulfilment, customer experience and everything.

And again, it brings on one hand, as we all know, Nike's undoubted global brand equity and product equity on one side to customers in India in a way in which Nykaa Fashion brings to bear its deep expertise of the Indian market, the Indian ecosystem, its full stack capabilities, and really the know-how of how to work with a brand of Nike standing to deliver a premium experience to customers in India.

So very excited about what this holds for both Nike and for us. And lastly, we also had a very successful Pink Friday sale. Like I mentioned earlier, it is one of the sources of the customer acquisition for us. We continue to work with some marquee celebrities, as you can see, Ishaan and Shanaya, but also a range of influencers.

Overall, this was the largest Pink Friday sale that we have ever had on Nykaa Fashion, 44% higher year-on-year customer acquisition, more than 30 million visits, more than 200 million social reach. And some of the metrics towards the bottom of the slide, I will not read, but this was a meaningful contribution to us having a successful quarter. That's all from my side. I'll hand over to Ganesh. Thank you.

**P Ganesh:**

Thank you, Abhijeet. Good evening, everyone. I'll now share an overview of our quarterly performance. We have had a very strong quarter with both our business verticals delivering robust growth. Beauty business continues to deliver on its growth momentum of 25% plus for the last several quarters.

Fashion business saw its growth revival since quarter 1, and it continues to deliver accelerated growth now. With that at One Nykaa level, we have been consistently delivering strong top line growth of mid-20s over the last 13 quarters, as Falguni mentioned as well, while driving strong improvement in our profitability also.

Q3FY26 has been the biggest quarter ever for Nykaa on multiple parameters. Our revenue from operations grew by 27% during the quarter. Profitability also saw a meaningful improvement with EBITDA margin coming in at 8.0% during the quarter, which is a 180-basis points improvement driven by strong focus on driving efficiencies across the P&L.

We have taken a onetime provision of about INR 16 crores in quarter 3 to account for the new Labour Code impact. PAT margin of 2.4%, which is after the above onetime impact, is still the highest PAT margin since our IPO. Our PAT margin for the quarter before the exceptional item would have been 2.7%.

Going to the next slide. This slide provides a snapshot of our consolidated P&L statement. We saw a healthy gross margin improvement of 144 basis points Y-o-Y this quarter, coming in at 45.2%, which is the highest in the last 13 quarters. The margin expansion was supported by robust performance from House of Nykaa Beauty brands and higher service income across verticals.

Our fulfilment expenses increased by 13 basis points Y-o-Y standing at 9.4% on a net revenue basis, given our focus on faster delivery in fashion, leading to increase in shipment mix. Fulfilment expenses in beauty continue to remain stable. We have continued to invest in performance marketing and brand and category building initiatives, leading to an 8 basis points increase in our marketing and S&D, which now stands at 16.0% for the quarter.

We are already seeing a healthy return on this investment with accelerated new customer acquisition in both Beauty and Fashion reflected in the strong AUTC growth. Our brand and category building activities are also driving strong growth in House of Nykaa brands and enabling premiumization journey for the consumer in the beauty ecosystem. Our employee expenses saw improvement of 64 basis points Y-o-Y this quarter on the back of scale-led efficiency.

Going to the next slide. Yes. This slide now gives a vertical-wise performance. We have delivered strong industry-leading growth in both businesses with NSV growing in mid-20s while delivering healthy margin improvement in both the businesses. Beauty EBITDA witnessed a 134 basis points expansion and Fashion EBITDA improved smartly by 340 basis points, both on NSV basis.

Going ahead. Next slide. Yes. Yes, this slide again captures the vertical reporting. This is again for reference, the highlights we have already covered in the previous slide. So we can go to the next one. Yes. Our continued focus on driving efficiency on our balance sheet is also evident. Our fixed asset turnover on an annualized basis now stands at 10.5x.

Our working capital days have been consistently improving over time, and this is now at 30 days for 9 months FY26, showing an improvement of 4 days over the previous year. ROCE has also been improving over time and now stands at 19.1% annualized for 9 months numbers versus 11.3% in FY25. So overall, both on the P&L front as well as on balance sheet efficiency, the performance continues to move from strength to strength. With that, I would like to hand over the call back to the operator for Q&A.

**Moderator:** Thank you, sir. We will now begin the question and answer session. The first question is from Sachin Dixit.

**Sachin Dixit:** My both questions that I had were on beauty business only. So the first one was basically on the AOV versus customer acquisition, right? So what we have seen so far is that there has been even sharper customer acquisition that we saw in this quarter, while AOV still continues to be healthy rather it keeps on improving, right?

And while a lot of us actually believe that while we ramp up customer acquisition as a user base on Nykaa expense because slightly poorer quality customer might also start factoring in, these AOVs might dip, right? So I just wanted to understand what is it that we are seeing or doing, which is proving the street wrong consistently?

**Anchit Nayar:** Maybe I can kick that off. So, I think firstly, we've always said that new customer AOVs tend to be lower than repeat customer AOV. And that doesn't really have to do with the quality of the customer. That's just how the customer, the more they engage with the platform, the more comfort they get shopping on the platform.

And the more they get educated by us about what types of products they should be using, that's when their basket starts to expand. And that's the magic of what we do best, which is using content and education to drive certain purchase and consumer behavior. So repeat customers have always had better AOVs than new customers.

But we are fairly confident in our ability to move that new customer along their consumption journey within the category. And as you know, a majority of our revenue, despite such healthy new customer acquisition, a majority of our revenue still comes from repeat customers because of the frequency of purchase that they have as well as you rightly mentioned, AOVs tend to be higher as well.

In terms of the new customers that we are acquiring, we are not seeing the AOVs for them dipping meaningfully. So I think it tells us that, a, that there is still lots of, I would say, still lots of opportunities, still a lot of customers out there who are coming into the beauty funnel for the first time for whom affordability is not an issue. So I think that's quite promising in our opinion.

**Sachin Dixit:** So just to clarify, like the new customers that you would have acquired, let's say, last year versus what we are acquiring today, there is no major AOV drop that we are seeing?

**Anchit Nayar:** Yes. Look, I don't think we disclose that KPI. So yes, but I think directionally, I can say that sounds right.

- Falguni Nayar:** Yes. The number is a pure new customer AOV. So yes.
- Sachin Dixit:** Got it. My second question is on BPC business again. Sorry, Falguni, you were saying something?
- Falguni Nayar:** No, no, no. Just that.
- Sachin Dixit:** Yes, sure. So second question was on BPC, again, very sharp margin improvement we are seeing for the quarter. And if you are doing some triangulation, looks like ad income has also improved versus what we have seen in the last few quarters. If that is so, how much is the seasonality impact, if you can break out how much sustainable this margin that we are dropping this quarter is likely to be? Any color on those things, if that can provide that will be great?
- Anchit Nayar:** We always say that the beauty vertical reporting, the gross profit margin here is a weighted average of, as you know, three or four very different businesses, right? So you've got beauty.com, Beauty Retail, owned brands as well as B2B. So the gross profit margin improvement is really an outcome of generally improvements across all four of those businesses that is ultimately resulting in a consolidated improvement.
- In terms of ad income, as again, we don't break it out separately. But generally, what I can tell you is that things are better on that front. Yes, some of it is, of course, seasonal also. As you know, we do our Pink Friday sale during the OND quarter, and that is when we do get a lot of traffic. We do spend a lot of money on driving awareness for the sales.
- So there is a lot of demand in terms of brands wanting to participate in the sale. And so, ad dollars are collected against that. So there is some amount of seasonality. But generally, also, there has been, I think we've spoken about it in the past, but we have really focused on improving what kind of capabilities we offer to brands in terms of their ability to advertise on our platform.
- So historically, it used to be all top-of-funnel advertising opportunities, but we've built out the technology and what we call as the MarTech stack to enable brands to do advertising across the funnel, mid-funnel, lower funnel advertising opportunities off-platform through Nykaa, ability to do events, experiences, collaborate with influencers.
- So we've just created a much larger bouquet of offerings for brands, which we're able to monetize and so that's more structural in nature. But some amount, as you rightly said, is also seasonal. But overall, there is other generally general improvements across the other businesses like B2B and House of Nykaa Brands also that is helping the overall margin profile.
- Moderator:** Thank you. The next question is from Vijit Jain. Please accept the prompt on your screen. Introduce yourself and proceed with your question. Mr. Jain I can see your audio is not connected sir right now. Mr. Jain I would request you to kindly rejoin the queue. We'll move on to the next question, which is from Nikhil Choudhary. Please accept the prompt on your screen. Introduce yourself and proceed with your question

**Nikhil Choudhary:** My first question is on Nykaa Now. Given we have now reached a decent scale and we are talking about pushing for marketing. Any early color in terms of how much scale we have already achieved in terms of, let's say, number of orders, percentage mix? And how is profitability in Nykaa Now versus Nykaa Platform?

**Anchit Nayar:** Yes. So what I will say is, there is a significant percentage of orders in cities where Nykaa Now is live that are being serviced through Nykaa Now. Exact numbers, maybe we can get back to you if that is being shared. But what I can say is that in cities and in pin codes where it is now live, the majority of the order, I mean, a large percent of the orders is now being fulfilled by Nykaa Now.

And we are, as I said, going to also expand the number of operational hours for which Nykaa Now is applicable. So, there's a few changes which we are able to do quite quickly that should increase the share of orders that are being serviced through Nykaa Now quite quickly.

And then there is some amount of our hyperlocal delivery through our retail stores across the other 90-95 cities where we have stores also that is leading to faster delivery in Tier 2 and Tier 3 terms as well. In terms of the profitability of the margin per order, I mean, it's not very different at this point in time. Is there a chance that the average order values for Nykaa Now orders can be lower than mainline platform orders?

Yes, that is possible. And in fact, it's something which we're not entirely against. We're more focused on seeing that if the frequency of purchase increases because of Nykaa Now, then that benefit is more than an offset to the potential dilution of average order values through Nykaa Now.

And ultimately, if there is a positive outcome on annual consumption value, which is just a multiplication of FOP and AOV, then that's a good outcome for us, both from top line as well as from bottom line. So this is not a very dilutive. This is not dilutive currently nor do we envisage this to be dilutive to overall profitability in a meaningful way.

**Nikhil Choudhary:** Got it. Second, on House of Nykaa, we have seen very strong growth, but especially the growth from third-party channel was much meaningfully higher than Nykaa Platform. I mean Nykaa Platform, Nykaa Store grew 45% versus third-party platform Y-o-Y growth of more than 100%. So just wanted to understand any color where we are growing and what is leading to such acceleration versus the core platform?

**Falguni Nayar:** Adwaita, will you take it.

**Adwaita Nayar:** Yes, I'll take that. No, I think, no, there's good growth kind of across all the channels. There are definitely some new third-party channels that were added in the last year. So it's more a reflection of just new channels being opened up rather than a slowdown in a particular channel versus not.

**Anchit Nayar:** The size thing also, right? Like Nykaa online is the biggest channel. So it's already operating off from a very large base, whereas some of the newer channels are operating off a smaller basis. So the growth looks higher.



- Nikhil Choudhary:** Sure. Make sense.
- Falguni Nayar:** We did many channels underlying that is like 10-12 different channels, both online and offline.
- Nikhil Choudhary:** Got it. Last one, Falguni, for you. For the last 2 years, we have been consistently delivering strong growth, close to 25% despite of consumption slowdown. Now finally, most of the consumption-focused companies are talking about growth revival, even you guys are talking about very strong KPI across the metrics. Can we say that growth can accelerate? And are you seeing some early indicator in terms of further acceleration in BPC growth, especially?
- Falguni Nayar:** I think the category growth has been strong and category growth is also increasing in terms of category growth through e-commerce is increasing because a lot of offline sales through GT/MT are moving to e-commerce through the quick commerce model. So e-commerce is growing. So I think we do believe that the e-commerce component of beauty business is growing strongly.
- And secondly, we also do feel that with the introduction of AI, the cost of marketing as well as I mean, not really cost of marketing, but efficiencies, digital marketing and ability to do a lot of personalized journeys that can improve conversion makes us believe that one can hope for a little better outcomes going forward. But I mean, I'm not guiding towards that, but I think it remains a market opportunity.
- But against the market opportunity, there could be obviously need to stay on top of AI and how the discovery happens and lots of changes happening, but I think some of the partners that the Indian companies have like Google and Meta and others are also doing very interesting things. So the whole landscape is changing, very difficult to guide, but we remain prepared and hungry to continue to grow.
- Nikhil Choudhary:** Got it, Falguni. Thanks a lot again for giving me opportunity and good luck for coming period. Thank you.
- Moderator:** Thank you. The next question is from Kapil Singh.
- Kapil Singh:** Just one question. You talked about the partnership with Nike. Is it a different kind of revenue model? Is it similar to what we are doing? What will be the revenue streams? Just some color on that? And do you think this is something that you could replicate across some other brands as well? And some color as to why Nike chose you to do it this way?
- Falguni Nayar:** Yes. I think I'll come in and then maybe Abhijeet can add and Adwaita also can add. But I think, yes, I think the way the deal is structured, it is finally from a unit economic perspective for Nykaa boil down to very similar to e-commerce revenues and margins where there is some inventory, there is margins like an e-commerce company and then there are costs for marketing and everything.
- But everything is well-structured and covered. So we think this is a very good outcome for us. Secondly, I think from why we were chosen is because we have a tech stack that can be made

ready to offer their website in the country. And then we are also going to support it through digital marketing and fulfilment and customer experience.

So pretty much full-fledged services Nykaa is able to offer not just on nykaa.com platforms or nykaafashion.com platform, but beyond that to even a third-party platform like Nike. And yes, it's a way of operating and a service that we may offer to other strategic large partners. And to that, to a certain extent, it has started with Foot Locker and Nike and also in Beauty, we have just offered it to kiehl's.com. With that, if Adwaita or Abhijeet, do you want to comment on.

**Abhijeet Dabas:**

Yes. I will just add on to that. So it's a different nature of partnership versus a typical marketplace kind of partnership that we do to onboard brands onto the marketplace platform because in this one, the arrangement is that we will run the full stack operation for Nike's D2C digital commerce platforms in the country, which is Nike.in and the two apps, the two Commerce Apps across iOS and Android.

So it's a different nature of partnership. Why Nike chose Nykaa, I think it's best for Nike to answer, so we'll not go into that, but what it does for Nykaa Fashion is that it positions us as a player who, on one side, of course, we have the fashion marketplace on which we continue to work with all brands across different categories, but it also showcases that for the right brands where there is a match between their ambition and between us seeing strategic value in the relationship.

We have a much wider set of capabilities, which spans across creating a platform to do digital commerce in the country, deep expertise of the consumer and the ecosystem in India, how to run fulfilment at scale, how to provide the kind of premium experience that brands such as Nike look for when they want to reach out to customers in India. So to that extent, it does position us as a platform, which has capabilities which go far beyond just being a marketplace, which we continue to do, but this is a different kind of model compared to that.

**Kapil Singh:**

Yes. And just trying to understand if the profitability of this would be much better for us since we are doing a lot more and can you give some color on the revenue streams here?

**Falguni Nayar:**

We can't guide on that now. Sorry.

**Abhijeet Dabas:**

No, I would not want to go into the commercial construct of the arrangement. Operations-wise, like I explained, it's a different kind of construct compared to typical marketplace. But unfortunately, we'll not be able to go into details of commercials or any such.

**Falguni Nayar:**

Yes. All we can say is it will be a win-win for both partners. We will see value and we will also see value add if done right.

**Kapil Singh:**

Okay. Thank you so much and congratulations on the great performance for the quarter. Best wishes.

**Moderator:**

Thank you. The next question is from Percy Panthaki.

- Percy Panthaki:** Yes. So I just wanted to understand the gross margin expansion for the Beauty business. What is driving that? I know that you don't give the numbers separately for the B2B and the B2C portion of Beauty. And I don't want the numbers as such, but any kind of directional guidance as to, is it mainly the B2B losses, which is driving the gross margin higher or even the B2C portion of the Beauty business is seeing a gross margin expansion? And if it is the latter, what is really driving that?
- Falguni Nayar:** Yes. Anchit, go ahead, otherwise I can take it.
- Anchit Nayar:** Okay. I'll just say quickly that, as I mentioned in my earlier comments, there are several things that are playing out that are leading to this margin accretion on gross margin. One of the big drivers, of course, is that we keep saying that the House of Beauty or House of Brands business of ours, like Nykaa House of Brands continues to accelerate its growth.
- It is getting a lot of consumer traction across multiple brands, whether it be Dot & Key, Kay Beauty, Nykaa Cosmetics. So, there is a lot of consumer love there that is resulting in a higher GMV contribution, higher revenue mix contribution to this segment. So that is obviously having some benefit.
- Vishal spoke about the improvements he's driving in the unit economics of the B2B business that has resulted in a 500 basis point plus improvement at EBITDA level. So of course, there is improvement on the gross margin for the B2B business as well. And when it comes to beauty.com, as I also mentioned earlier, for several reasons, the gross margin has also improved in that business because of the ad income and certain category mix evolution as well as it being a festive quarter. So there are several reasons behind this margin accretion that you're seeing. And the good news is that each of the business, respectively, are moving in the right direction.
- Percy Panthaki:** Anchit, most of these reasons are sort of present in the past couple of quarters as well, whereas the kind of expansion that we have seen this quarter is materially larger. So just wanted to understand if this quarter, there's anything specific like lower amount of discounting or any kind of GST-led sort of benefits or anything of that sort?
- Falguni Nayar:** No, no, there are no one-offs. I think there's improvement in ad income for the core business. Overall, B2B net retention margins are much lower than gross profit margin of the beauty business. But in the base, there was certain gross retention margin and that has improved to a certain extent. And also owned brands have also had a role to play and improving profitability of owned brands also have a role to play. So we have worked on improving the gross margin of our owned brands over last 3 to 4, 5 quarters and some of that impact also gets further accelerated as the sales pick up.
- Percy Panthaki:** Okay. So this would sustain going ahead as well, right?
- Falguni Nayar:** Yes, there are no one-off items, but it has a mix impact. So mix impact sometimes pulls something down, and it also has a service ad income impact.
- Percy Panthaki:** Got it.

- Falguni Nayar:** I mean if there is a bad quarter from a service income perspective, again, it can move a bit. But inherently, it's core. Yes.
- Anchit Nayar:** Yes. I wouldn't say there will be a bad quarter from an ad income perspective, but because of some of the structural changes we've made and that I discussed earlier on this call. But definitely, the festive quarter, the festive season, which is Q3 does tend to be a better quarter from an ad income perspective.
- Moderator:** The next question is from Vijit Jain.
- Vijit Jain:** Apologies for earlier. My first question is, Anchit, last time, I think you had mentioned that with the India-U.K. trade deal, there were going to be some moderate amount of benefits to the extent that you import from there. Now of course, India has done a lot of these free trade agreements, U.S, EU and you guys have a significant contribution of imports in your business. So just wanted to get you guys a sense on how these play into your business going forward in the next 1 to 2 years. That's my first question?
- Anchit Nayar:** Yes. So we don't have much on the export side yet. But as some of our owned brand's scale, Kay Beauty is there in Space and Kay in the U.K. and there's potential to take some of our other own brands outside of India. So from an export perspective, I think it's still very small, but in the future, there might be some more opportunity.
- On the import side, we do import brands, quite a few brands from the U.S. and not too many from the U.K., several, but more from the U.S. and Korea. So I think we'll wait and see what the exact this thing is, but there could definitely be some benefit to us if the tariffs are going to be lower within the Beauty and Cosmetics category, especially for things like registration or some of the other licenses which we have to get for the importing of some cosmetic products. So it can be a net positive, but we've not fully quantified that yet. And once there is more guidance, I think we'll be able to have those conversations with our brand partners to be able to rework some of the agreements to capture some of these changes.
- P Ganesh:** Yes, just to add to what Anchit mentioned, while the details in terms of both time frame as well as how the duty structure pan out on the import front is still to come in. Directionally, it is expected to improve access to brand as far as consumers are concerned. And from that angle, it's expected to be positive.
- Vijit Jain:** Got it. And just to be clear, Anchit, this would be, you should benefit from the EU deal as well, right? Because they would be a key source of import for you as well?
- Anchit Nayar:** Yes, of course. Yes. That's right.
- Vijit Jain:** And lastly, just sticking to this question, if you could give a broad sense of what the current import contribution to your business would be, that would be helpful. And then I had a question on Perfumery. I'll just ask that upfront in the interest of time. So you've mentioned in the presentation that the AOV for Perfumery is 3x what you see in your other retail stores.

So I mean, in general, is it suffice to say that, that trend would be the similar one on online as well, online sales of perfumes? And so perfumes would be a pretty substantial part of business now, right, given that high AOV and given the fact that you have a comment in there in the presentation, which says you sell one fragrance for 5 seconds. I did the math, it says 6 million fragrances. I don't know if that is right for the year. It would seem to suggest that it's a pretty substantial part of the business. So if you can give more color on how perfumery is tracking as well? Those are my last two questions.

**Anchit Nayar:**

Yes, sure. So on the first point, yes, I mean, it's a good point to make around the EU deal. I think that is, given a lot of beauty brands come out of Europe, that can definitely be a big benefit, not only to us, but as an importer, but also to a lot of our brand partners who are currently importing from the EU zone.

So, there is a chance that if the tariffs are lower, they could even pass some of that advantage on to the consumer in terms of bringing the price multiplier down and making the products more, I would say, equitable on price to what it is in the U.S. and European markets. And that could make it more affordable to more customers.

So, I think there is probably a benefit to, not only to us, but to our international to our global brand partners in terms of the kind of additional volumes they could do with better pricing, if that's the decision they choose to make. So yes, it is definitely, we're looking forward to seeing how this plays out.

In regards, to our import share of business, we don't disclose our imports portfolio in terms of what that is as a percent of total revenue. So I'm not going to comment on that. But what I can say is that we do have not just our import brands, but a lot of brands, what we call as "international brands who are manufacturing outside of India and importing into India. That is quite a substantial significant percent of our revenues. And so there can be some benefit on that front.

Now with regards to fragrance, what I said is that this Nykaa Perfumery store, the average order value is 3x that of our regular retail stores for a couple of reasons. One is, yes, generally, fragrances are a higher ASP product than, say, makeup and skin care as a general rule of thumb.

But also secondly, because this is a slightly more luxury retail concept, as you can see from the images. So the kind of brands we keep in the store are more of the higher-end fragrance brands. So these brands are growing really fast on the platform, but they are not necessarily the largest revenue contributors on the e-commerce side of the business.

So this is where we do believe that over time, India's fragrance market will continue to evolve to get to a higher share of mix from luxury fragrance brands. But currently, on e-commerce, it's a bit more balanced between what we call as luxury fragrances as well as mass fragrances. And mass fragrances have less of a delta when it comes to the ASP versus other categories.

**Vijit Jain:**

Got it. But am I in the right ballpark when I do that 6 million fragrance pieces sold in 2025? Is that broadly correct? I mean you have already?

- Anchit Nayar:** Yes, you're right. It's one every 5 seconds. I never actually counted the total number of fragrance units we sell.
- Falguni Nayar:** It includes mass fragrance and minis also.
- Anchit Nayar:** No. That's, as I said, it's not just luxury fragrances we're selling. We're selling mass fragrances. Also a very popular category now is body mist.
- Falguni Nayar:** Mist.
- Anchit Nayar:** So body mists are kind of like a deodorant, but for women. And so that's also a very popular category, especially amongst younger consumers.
- Vijit Jain:** Got it. Thank you so much and congratulations again to everyone. Those are my questions.
- Moderator:** Thank you. The next question is from Nihal Mahesh Jham.
- Nihal Mahesh Jham:** I just had one question, which was on the BPC margins. Historically, we've guided that given the investments we have been trying to make into this business that while giving a clear guidance sort of maintain that the margins will sort of remain at the 9% ballpark which we did in FY25 for the overall BPC?
- Given the kind of strong performance we've seen for the 9 months where we've already seen like 100 bps expansion in the gross margin and the advertising levers that Anchit mentioned about, is there a case that this can sort of structurally keep improving year-on-year? Just the thoughts on that?
- Anchit Nayar:** Yes. I think each of the businesses, so again, the beauty vertical comprises 4 different businesses. So operationally, we feel confident that each of those 4 businesses can continue to improve their profitability. Now for the major contributor to this business vertical, which is the beauty.com business, there could be a decision to reinvest some of the profits back into the business in terms of continuing to expand our market share and our reach and our customer acquisition.
- Whereas in B2B and in other businesses, there is meaningful improvement in profitability that will really make it to the bottom line. So again, it's a bit hard to say that at the consolidated level, where does this number end up. But each business individually, structurally in a good position to continue to improve their respective margin profile.
- Nihal Mahesh Jham:** Got it, Anchit. Just one follow-up that when you are highlighting the mix impact on gross margin, you basically mean within categories sold on beauty.com, which are accretive to gross margin, just to clarify?
- Anchit Nayar:** No. I mean like, again, because as B2B continues to grow, it will continue to become a larger component of the beauty vertical, right? As House of Nykaa Brands continues to grow at 60%, 70%, whatever number that is, it's going to continue to become a larger percent of the overall beauty vertical.

So as they will grow, their contribution grows, their impact on the overall gross margin profile of this vertical will also continue to grow. So it's everything that's impacting both the gross profit margin as well as EBITDA margin. I apologize if I'm not doing a good job in explaining this maybe somebody else, Ganesh, you'd like to try?

**Falguni Nayar:**

I'll come in, Anchit. I think you've done a good job at explaining, but I think we're switching from gross profit margin to EBITDA is harder. So I think from EBITDA margin improvement, clearly, I think we feel that there is a scope for continuing to improve EBITDA margins for the beauty consolidated like beauty vertical business because all the 4 businesses are going to gain from increase in scale and marketing costs, S&D costs, not so much, but definitely marketing costs as well as other expenses also will get a leverage of scale.

So I think we feel more confident about EBITDA margin improving. In the past, we used to guide that we wanted to continue to spend more marketing dollar to accelerate customer acquisition growth, which we have done a lot in the last few years. And we'll continue to acquire new customers and accelerate it, but it's already very large numbers.

So on a large base, we are talking about it. So I think EBITDA margin should be good. I don't want to guide towards any direction, but I think it can sustainably improve going forward. On gross profit margin, like Anchit said, it's more of a mix also that comes to play. And hence, it's difficult to give the guidance of the overall consolidated number, but each of the businesses are working, they've already improved their own gross profit margin, and they're working towards improving it further.

**Nihal Mahesh Jham:**

That is clear. Thank you. Thank you so much.

**Moderator:**

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

**Falguni Nayar:**

Thank you very much, everyone for being with us today for this conference call. And I hope we've been able to answer each of your questions and it's been a pleasure spending this hour with all of you. Thank you and thank you to my team for facilitating this.

**Moderator:**

Thank you, members of the management. On behalf of FSN E-commerce Ventures Limited, thank you for joining us and you may exit the meeting now. Thank you.