

Pepperfry FY23 Results

Total Revenue up 10% and Adjusted EBITDA Loss down 22%

India, November 5, 2023: Pepperfry Limited (the “Company” or “Pepperfry”), a furniture and home goods e-commerce company reported its results for the financial year ended March 31, 2023 (“FY23”).

The Company generated INR 1,117.5 Crore of Gross Delivered Value (GDV), resulting in INR 290.4 Crore of Revenue (up 10% Y/Y) in FY23. As Pepperfry is a Marketplace platform, the Company recognizes its Commission on Gross Delivered Value of Furniture and Home Goods sold on the platform, as Revenue from Operations.

The Company drove significant and fundamental changes to the Business structure starting H2FY23, including focus on Margin Expansion and Cost Optimization, in response to the challenging macroeconomic conditions. The Company continues to achieve meaningful results from this exercise, the full benefit of which will reflect in the FY24 Results.

Particulars*	FY22	FY23	Change
Rs. In Lakh			
REVENUE			
Revenue from Operations	24,696	27,240	10%
Other Income	1,716	1,798	5%
Total Revenue	26,412	29,038	10%
EXPENSES			
Cost of Goods/Services	2,075	2,820	36%
Employee benefits (Excluding ESOP)	7,133	7,885	11%
ESOP	962	734	-24%
Marketing and Brand Spend	12,988	10,610	-18%
Logistics Cost	8,931	8,737	-2%
Other expenses	6,666	7,370	11%
Finance costs	2,346	3,430	46%
Depreciation and amortisation expenses	4,711	6,215	32%
Total Expenses	45,812	47,801	4%
Net Profit/ (Loss)	-19,400	-18,763	-3%
Adjusted EBITDA (EBITDA less ESOP)	-12,466	-9,779	-22%
<i>*Snapshot extracted from the audited consolidated financials of Pepperfry Limited for FY22 and FY23.</i>			

At the same time, Pepperfry maintained its focus on meaningful and profitable growth. The Company continued its strategy to expand reach in Tier 2 and 3 Cities resulting in the Pepperfry Studio network growing by 40% to reach 200+ Studios by March 2023.

Customers who visit Pepperfry Studios accounted for 50%+ of Pepperfry’s business in FY23. The growth in Studio also resulted in an increase in the share of higher margin D2C Private Labels, which reached 45%+ of Gross Delivered Value in FY23.

In Supply Chain, Pepperfry continued to deliver a great customer experience along with growth - Pepperfry today has among the lowest damage rates in its Supply chain globally. The Net Promoter Score increased to 75+ and Delivery Timelines were reduced to less than 10 days across India.

Adjusted earnings before interest tax depreciation and amortization (EBITDA) loss was INR 97.8 Crore in FY23, down 22% Y/Y reflecting early results of the business structure actions.

Commenting on the results, **Ashish Shah, Co-Founder & Chief Executive Officer of Pepperfry** said, “We’ve driven significant strategic, operational, and financial changes to the Pepperfry business over the last year, to help drive business sustainability given the economic conditions. I am confident that we will see full effects of our focused work in these areas in FY24. Pepperfry continues to be a market

leader in Furniture and Home Goods, and we are confident of doubling down on our leadership position over the next several years.”

About Pepperfry

In 2012, Ambareesh Murty and Ashish Shah pioneered omnichannel retail to launch Pepperfry, India’s leading e-commerce marketplace for furniture and home goods.

In the last decade, Pepperfry has disrupted the tenets of classical retail by combining an online virtual catalogue, an extensive in-house supply chain, and a large omnichannel footprint covering more than 100 cities in India.

Media Contacts

ADFACTORS PR

Immanuel John

Account Manager

immanuel.john@adfactorspr.com

+91 99306 81215