## Kaya Limited

November 3, 2022

To,
BSE Limited
Market Operations Department,
1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001
BSE Scrip Code: 539276

National Stock Exchange of India Limited 'Exchange Plaza', 5<sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra(E), Mumbai 400051 NSE Symbol: KAYA

#### **Subject: Performance update**

Dear Sir/ Madam,

Please find enclosed performance update on the financial results of the Company for the quarter ended September 30, 2022.

Kindly take the above on record.

#### For Kaya Limited,

NITIKA
SUNNY
SUNNY
NIRMAL
NIRM

Encl: A/a

Registered Office: Kaya Limited, Marks, 23/C, Mahal Industries Estate, Mahakali Caves Road, Near Paper Box Lane, Andheri (E), Mumbai 400 093. Tel.:91-22-66195000. Website: <a href="https://www.kaya.in">www.kaya.in</a>

CIN: L85190MH2003PLC139763





- OVERVIEW
- EXPANSION
- STRATEGIC PILLARS
- AWARDS
- COMPANY FINANCIALS



## INDUSTRY OVERVIEW- INDIA

#### Positive impact of Covid-19 in changing customer mindset towards wellness & aesthetics

#### Aesthetic Dermatology poised for growth (FY 22 to FY 26):

 Health & wellness category is growing at a CAGR of 5.6% and the aesthetic dermatology sub-category is growing at a faster rate of 17%

#### Young India consumers leading the spends on wellness and beauty

- 33% Millennials spent more than INR 4000 on wellness per month
- The wellness and beauty market is expected to thrive on India's younger working population with a median age of 28

# The future is bright with consumers seeking expert, tech driven, quick beauty solutions:

- New Technologies for Treatment: Low on pain, quicker recovery
- Changing Customer Needs: Rise of social media & easy availability of information on the internet, after Covid-19 has led to a rise in consumer acceptance and affinity
- **Utilization of Al Technology:** Content based imaging for better diagnosis and treatment outcomes

Aesthetic Dermatology Market in India growing at a CAGR of 17%.



Growth is primarily driven by growing customer base across metros and non-metros, due to rapid urbanization



## INDUSTRY OVERVIEW- MIDDLE EAST

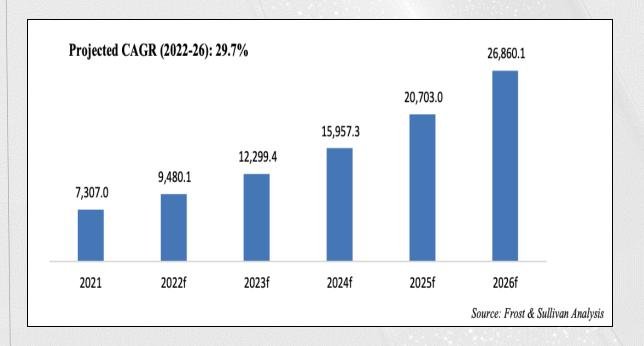
# <u>Key factors that are augmenting the growth within aesthetic dermatology segment (FY 22 to FY 26):</u>

- High GDP per capita: Growing economies have led to high GDP per capita of USD 20,000 in GCC countries
- Population influx: Significant rise in immigrant population has been observed since expo 2020, especially from south Asian countries in UAE. KSA is also home to a large expat base migrated from different countries (13 Mn) i.e., a third of country's population made up of expats.

#### The changing landscape - Regional trends

- Cultural liberalization: Less stigma against aesthetic alterations
- Evolving audience: In GCC region, around 30% of aesthetic dermatology procedures are now performed on men, compared with about 15% globally.
- Advancement in aesthetic dermatology treatments: Non-invasive aesthetic treatments have gained popularity in the GCC region over past few years.

GCC's aesthetic dermatology market is expected to register strong growth at CAGR of 29.7%.



In addition to high household income, medical advancements, strong media influence, greater awareness and rapid growth in medical tourism have a major role to play in the rise of aesthetic dermatology market in the region.





# KAYA OVERVIEW

90+ CLINICS

31+ CITIES

4 COUNTRIES

Skin, Hair & Body SERVICES

60+ PRODUCTS

Over 100K
KAYA SMILES
MEMBERS

85% +
WOMEN
WORKFORCE

# KAYA'S GLOBAL PRESENCE

# **INDIA**

16 Indian States

22 Cities

**72** Clinics

# **MIDDLE EAST**

**03** Countries

**09** Cities

23 Clinics





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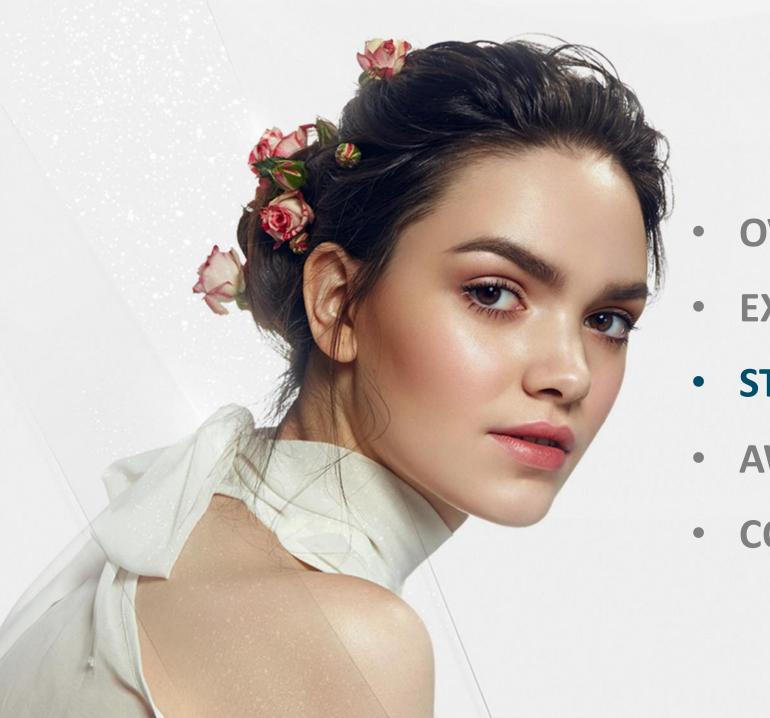


## **EXPANSION**

## Kaya's new growth engine

- Kaya launched a new clinic in Gomti Nagar, Lucknow in the month of August 22
- The clinic has a trending 5 Star Google rating since launch
- The clinic has showcased encouraging performance with strong customer footfall since launch and achieving the targeted sales plans
- ROAS of spends to collection in the first two months is trending at a healthy 4X
- On the back of Gomti Nagar's success, Kaya has decided to propel its growth by launching several new clinics over the next 12 months
- The company has already lined up its second new clinic launch in Q3 FY23





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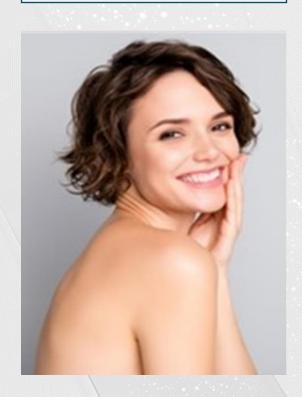
# STRATEGIC PILLARS

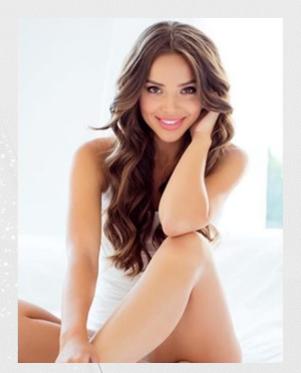
KAYA SMILES (Loyalty program)

**SERVICES** 

**PRODUCTS** 

**INNOVATION** 













# KAYA SMILES

LOYALTY PROGRAM

#### **Kaya India:**

- Contributing to 90% of Kaya Clinics collection
- The program has witnessed 21% growth in Kaya Clinic collection against Q2 FY22
- Kaya Smiles Platinum and Gold Elite spends up by 26% against Q2 FY22

#### **Kaya Middle East:**

• Following the highly successful performance of the Kaya Smiles Loyalty program in India, Kaya Middle East will launch the Kaya Smiles Loyalty program in Q3 FY23.





# **SERVICES**

SKIN | HAIR | BODY 100+ DERMATS | 90+ CLINICS

#### **Kaya India Clinics:**

- Services collection witnessed a 26% growth against Q2 FY22
- The leading category Laser Hair Reduction stays strong with a
   27% collection growth against Q2 FY22
- Younger customers have driven collection growth in young cohort services like Acne at 22% against Q2 FY22
- Our strong Dermat-led Anti- Ageing Service segment has grown by 30% in collection against Q2 FY22

#### **Kaya Middle East Clinics:**

- Skin Concern is leading the service category with a 10% growth against Q2 FY22
- Increase in body contouring needs from customers has pushed Body solutions to grow by 6% against Q2 FY22





# **PRODUCT**

USP- DERMAT CURATED 60+ STRONG PORTFOLIO

#### **Kaya India Clinics:**

- Kaya Clinic product collection witnessed a 47% growth against Q2 FY22
- Anti-ageing products is up by 78% against Q2 FY22

#### **Kaya Middle East Clinics:**

Product portfolio contribution to collection is 7%



## **INNOVATION**

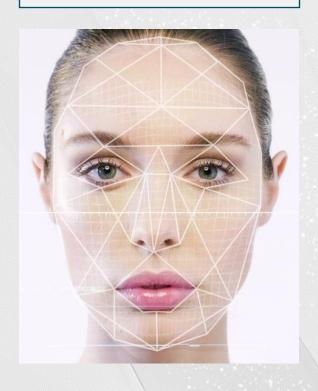
## Contributed to 6.1% of the kaya group clinic business

**AI POWERED CX** 

**NEW PRODUCT DEVELOPMENT** 

**NUTRACEUTICALS** 

**NEW SERVICES DEVELOPMENT** 

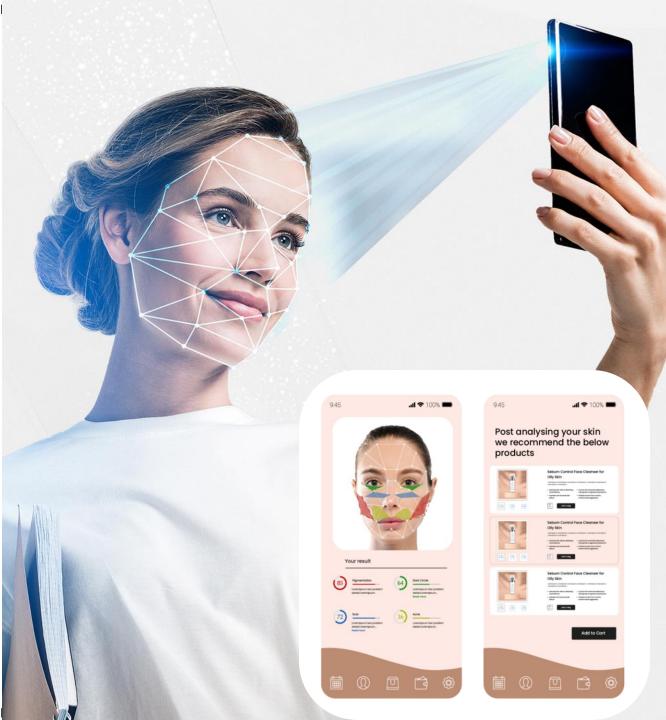












# INNOVATION AI POWERED CX

- Launch of AI enabled D2C site that aids in Self Diagnosis with product recommendations
- The AI tool is being used successfully by Kaya's expert Dermats in clinics for consultative services selling
- The usage of the tool by Dermats has led to a 18% higher conversion outcome in clinics



# NEW IMPROVED FORMULA kaya™ kaya" youth brilliance MA STEMNESS ORING SERUM COLLAGEN BOOST FACE an plant stem cells & SERUM th GAG Booster & Hyaluronic Ack

# INNOVATION NEW PRODUCT DEVELOPMENT

Highly efficacious, Dermat backed products with strong actives in Youth Enhancing & Acne categories helped to strengthen Kaya's product portfolio by adding an incremental 12% to the clinic product business



# INNOVATION NEW PRODUCT LINE: NUTRACEUTICALS



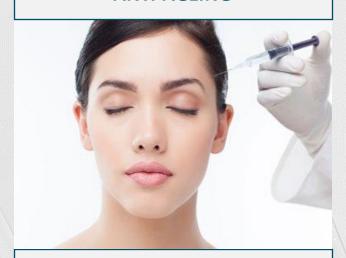
Expanding Kaya's product portfolio by introducing new segment of collagen powered nutraceutical supplements to complement our consumer's health and wellness journeys which accounted for 5% of the clinic product business in India



## **INNOVATION NEW SERVICES DEVELOPMENT-**

## Contributed to 4.7% of the Kaya Group clinic business

#### **ANTI-AGEING**



HIFU, Profhilo, Threads, Sunekos, Liftera

#### **BODY**



CoolSculpt, Profhilo, Viora

#### **SKIN CONCERN**



Morpheus





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# **AWARDS & RECOGNITIONS**



UNLOCKED awards

IMAGES MOST ADMIRED MARKETING CAMPAIGN OF THE YEAR-SOCIAL MEDIA

KAYA - BEAUTIFUL IS YOU

Won award consecutively 2 years in a row (FY21 and FY22)

BEST BRAND STRATEGY BY A FASHION & BEAUTY BRAND

KAYA- BEAUTIFUL IS YOU



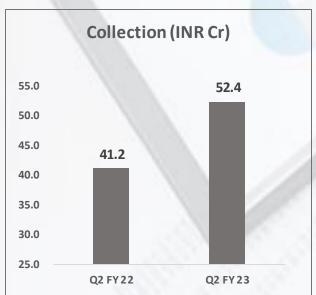
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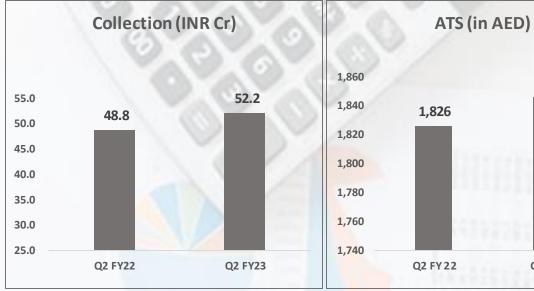
## **KEY PERFORMANCE INDICATORS**

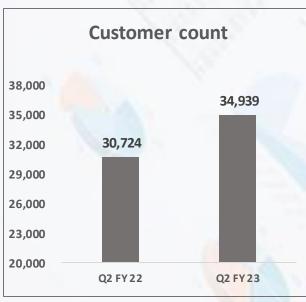
#### <u>India – Clinic business</u>

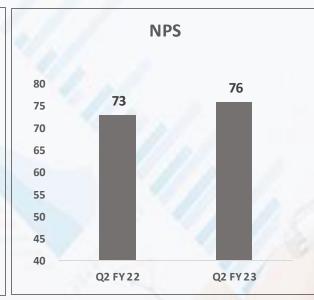




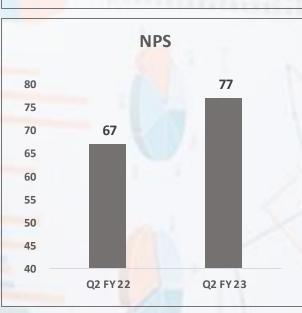
#### **Middle East**











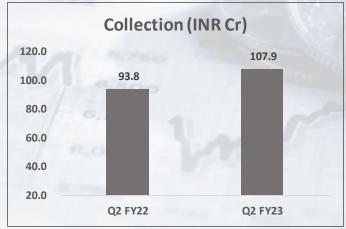
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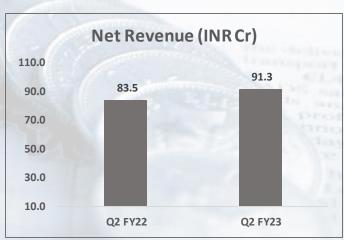
Q2 FY 23

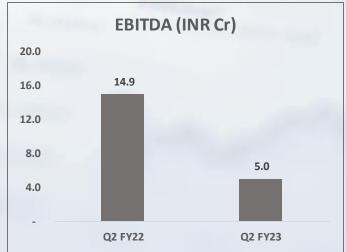
Kaya Classification | Internal

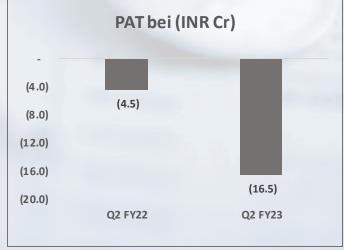
## **KAYA GROUP HIGHLIGHTS**

- Collection in Q2 FY 23 grew by 15% over Q2 FY 22
- Net Revenue in Q2 FY 23 grew by 9% over Q2 FY 22
- <u>EBITDA</u> of INR 5.0 Cr (5% of NR) in Q2 FY 23 as compared to INR 14.9 Cr (18% of NR) in Q2 FY22
- PAT bei at INR (16.5) Cr (-18% of NR), as compared to INR (4.5) Cr (-5% of NR) in Q2 FY22



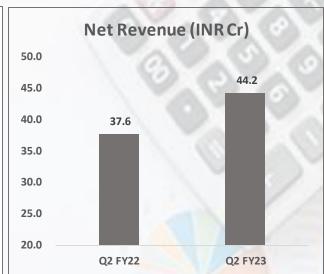


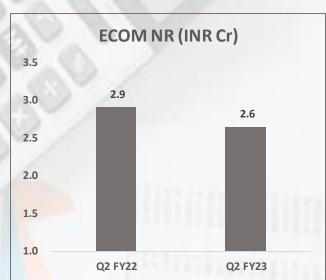


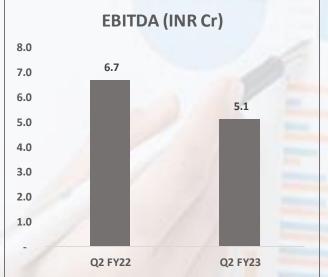


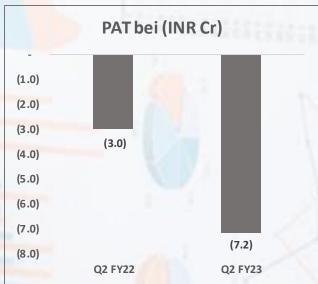
## **KAYA INDIA HIGHLIGHTS**

- Net Revenue in Q2 FY 23 grew by 17% over Q2 FY 22
- <u>Clinic Net Revenue</u> in Q2 FY 23 grew by 21% over Q2 FY 22
- <u>E-commerce Net Revenue</u> in Q2 FY 23 declined by 9% over Q2 FY 22
- <u>EBITDA</u> of INR 5.1 Cr (12% of NR) in Q2 FY 23 as compared to INR 6.7 Cr (18% of NR) in Q2 FY 22
- Decline in EBITDA by INR 1.6 Cr is primarily due to COVID related concessions in last year and ramping up the employee cost to bring back to pre-COVID levels.
- PAT bei of INR (7.2) Cr (-16% of NR), as compared to INR (3.0) Cr (-8% of NR) in Q2 FY 22



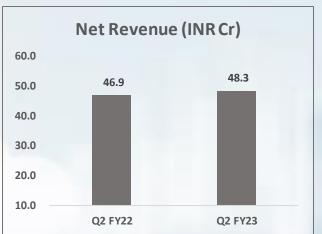


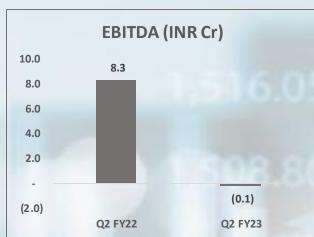


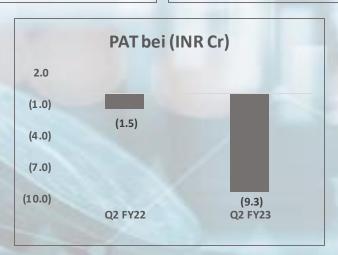


## KAYA MIDDLE EAST HIGHLIGHTS

- Net Revenue grew by 3% in Q2 FY 23 over Q2 FY 22
- <u>EBITDA</u> of INR (0.1) Cr (0% of NR), as compared to INR 8.3 Cr (18% of NR) in Q2 FY 22
- Decline in EBITDA by INR 8.4 Cr is primarily due to COVID related concessions in last year and ramping up the employee cost to bring back to pre-COVID levels.
- PAT bei of INR (9.3) Cr (-19% of NR), as compared to INR (1.5) Cr (-3% of NR) in Q2 FY 22







## **FINANCIAL HIGHLIGHTS: Q2 FY23**

Particulars	Kaya India			Kaya Middle East			Kaya Group		
(INR Cr)	Q2 FY23	Q2 FY22	Gr %	Q2 FY23	Q2 FY22	Gr %	Q2 FY23	Q2 FY22	Gr %
Collection	55.7	45.0	24%	52.2	48.8	7%	107.9	93.8	15%
Net Revenue*	44.2	37.6	17%	48.3	46.9	3%	91.3	83.5	9%
EBITDA	5.1	6.7	-24%	(0.1)	8.3	-101%	5.0	14.9	-67%
% to NR	12%	18%		0%	18%		5%	18%	
Operating Margin	(2.1)	(1.0)		(7.8)	0.6		(9.9)	(0.4)	
% to NR	-5%	-3%		-16%	1%		-11%	0%	
PAT bei	(7.2)	(3.0)		(9.3)	(1.5)		(16.5)	(4.5)	
% to NR	-16%	-8%		-19%	-3%		-18%	-5%	
PAT aei**	(7.2)	(3.0)	11 11	(7.8)	(1.5)		(15.0)	(4.5)	
% to NR	-16%	-8%		-16%	-3%		-16%	-5%	

Net Revenue grew by 15% over PY

EBITDA margin is 5% of NR as against 18% of NR in PY

Operating margin is -11% of NR as against 0% of NR in PY

PAT bei at -18% of NR, as against -5% of NR in PY

\* Net Revenue of Kaya Group excludes intercompany Transactions

\*\* PAT aei is PAT after other comprehensive income and non-controlling interest

### **FINANCIAL HIGHLIGHTS: H1 FY 23**

	Particulars (INR Cr)	Kaya India			Kaya Middle East			Kaya Group		
		YTD Sep 22	YTD Sep 21	Gr %	YTD Sep 22	YTD Sep 21	Gr %	YTD Sep 22	YTD Sep 21	Gr %
	Collection	112.3	62.3	80%	110.2	98.6	12%	222.4	160.9	38%
	Net Revenue*	86.8	56.7	53%	99.8	95.2	5%	184.1	149.7	23%
	EBITDA	-1.1	4.4	-125%	2.1	15.4	-87%	1.0	19.8	-95%
	% to NR	-1%	8%		2%	16%		1%	13%	
	Operating Margin	(15.3)	(10.9)		(13.1)	0.6		(28.4)	(10.3)	
	% to NR	-18%	-19%		-13%	1%		-15%	-7%	
	PAT bei**	(25.9)	(15.0)		(16.2)	(3.5)		(42.1)	(18.5)	
	% to NR	-30%	-26%		-16%	-4%		-23%	-12%	
	PAT aei***	(26.0)	(15.1)	1 11 11	(12.5)	(2.7)		(38.5)	(17.8)	
	% to NR	-30%	-27%		-12%	-3%		-21%	-12%	

Net Revenue grew by 38% over PY

EBITDA margin is 1% of NR as against 13% of NR in PY

Operating margin is -15% of NR as against -7% of NR in PY

PAT bei at -23% of NR, as against -12% of NR in PY

\* Net Revenue of Kaya Group excludes intercompany Transactions

\*\*PAT bei includes one-time impact of INR 12.4 Cr in Statement of Profit and loss primarily due to PF liability of INR 9.7 Cr and Rates & taxes of INR 2.0 Cr

\*\*\* PAT aei is PAT after other comprehensive income and non-controlling interest