

**Sarthi Capital Advisors Private Limited**  
**Bridging the Gaps**

*Sanghvi Brands Limited*

*Investor Presentation*



**January, 2018**  
**Privileged and Confidential**

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# Corporate Overview



## **Business**

- Sanghvi Brands Limited was incorporated in the year 2010, located at Mumbai. Company is engaged in the business of beauty and lifestyle wellness within and outside India.

## **Brands**

- Company has completely revolutionised Spa, Salon, beauty and fitness industry by introducing premium and luxury international brands such as Spa by CLARINS, Spa L'OCCITANE etc.; for fitness Holyfield Gyms and Hollywood trainer Ramona Braganza and products like Elemis and the Art of Shaving.

## **Exclusivity**

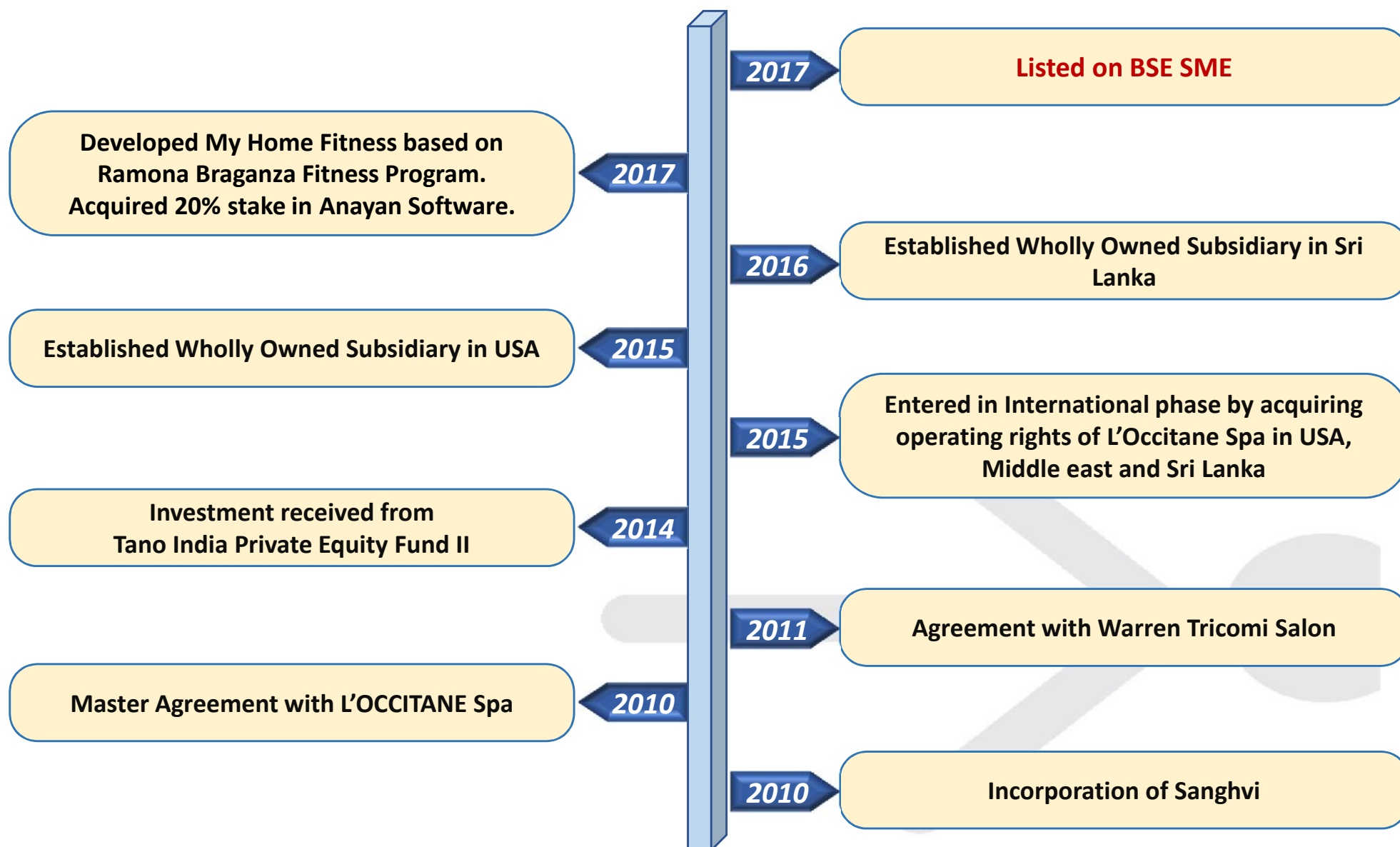
- Company owns master franchise with exclusive rights in India for Spa L'OCCITANE, Spa Clarins, Ramona Braganza fitness programs, Holyfield Gyms, Warren Tricomi Salons, Elle Salons, ELEMIS and Rossano Ferretti.
- It also has the exclusive rights for L'OCCITANE spas in Middle East, Indian Ocean region and USA.

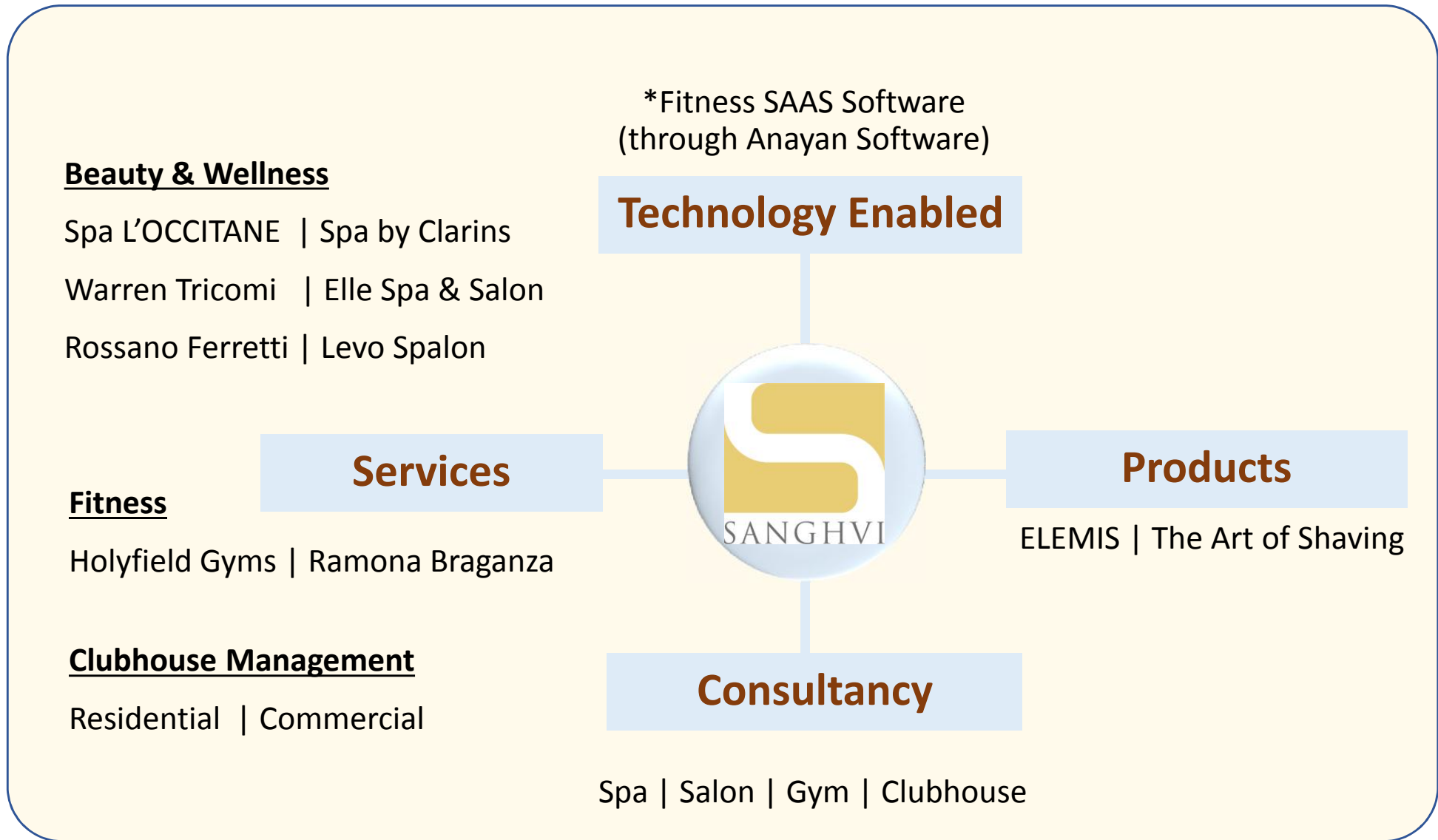
## **Association**

- Partnerships with some of the most Luxurious Hotel & Residential Locations such as The Ritz Carlton in San Francisco, JW Marriott in Mussoorie, India's First Philippe Starck Project – YOO in PUNE, etc. including the numerous other partnerships with brands like Accor, IHG, Fraser Hospitality, etc.

## **Presence**

- Sanghvi has more than 20 locations operational across the globe including India, the Middle East, USA and Sri Lanka as well as 6 agreements are under development in Spa/Salon.





\* Sanghvi has acquired 20% stake in Anayan software with further rights to acquire another 30%

## Services

### SPA and Salon

- Sanghvi Operates Spa and Salon at luxurious locations in hotels, premium residential properties and in malls.
- Operates most luxurious brands such as Spa by Clarins, Spa L'OCCITANE, Warren Tricomi Salons, ELLE Spa and Salons, Levo, Elemis and Rosaano Ferretti in India and also operates Spa L'OCCITANE in USA and is in the process of rolling out in Middle East & Sri Lanka.

### Fitness

- Holyfield Gym for which Sanghvi has exclusively partnered with Evander Holyfield to bring his unparalleled expertise and indomitable spirit to India and create cutting-edge fitness concepts and products that will revolutionize the health and fitness industry.

### Clubhouse Management

- Sanghvi offers clubhouse management services for premium residential and hotel properties in India.

## Technology

### Tech Enabled Software

- Anayan SaaS software is complete ERP package for gyms to manage their employee timings, digitization of documents, daily reporting, integration with accounts, online payments, online cloud services for customers, and records feedback from patrons.

## Products

### B2B Product Distribution

- The British luxury skincare and spa brand ELEMIS had been delivering clinically trialled therapies and products for face and body.
- The Art of Shaving is the world's leading premium shaving brand with its essential oil based grooming products, high-end shaving instruments, dedicated to men's shaving.

## Consultancy

### Clubhouse Management

- Provides consultancy for Spa, Salon, Gym and Clubhouse



# Premium Brands and Territory Rights



|              |             |  |                     |
|--------------|-------------|--|---------------------|
| India        | SPA & Salon |  | <b>Products</b><br> |
|              | Fitness     |  |                     |
| Indian Ocean | SPA & Salon |  |                     |
|              |             |  |                     |
| Middle East  | SPA & Salon |  |                     |
|              |             |  |                     |
| USA          | SPA & Salon |  | <b>Fitness</b>      |

Sanghvi has partnered with Marquee names in Luxury Hotels, Premium Real Estate Developers and Corporate Groups.

## *Hotels*

Ritz Carlton  
JW Marriott  
Lebua  
Accor Group –Novtel  
Intercontinental Hotels Group  
Yoo By Philippe Starck  
Khyber Resort  
Galle Face Hotel  
Crown Plaza

## *Real Estate*

Kanakia Developers  
Ekta World  
Panchsheel Developers  
TVH Developers  
VGN Developer  
Lodha Developers  
Raheja Developers  
Kolte Patil Developers  
Godrej Properties  
Ambuja Neotia



# Operational Overview





## **Mr. Darpan Narendra Sanghvi (Promoter and Managing Director)**

- He is mechanical engineer from University of Pune and has done his MBA from ESADE Business School.
- He started his professional career at the age of 19 years by joining a start-up called Baazee.com which is now renamed as EBAY India ([www.ebay.in](http://www.ebay.in)) as its youngest team member.
- He is also associated and worked with Celanese Chemical, a \$5 billion corporation where he led strategy projects varying from \$50 million to \$250 million in size across Dallas, Singapore, Frankfurt and New Jersey. He is responsible for the overall functioning of the organisation under the guidance of the board.



## **Mr. Narendra Rikhabchand Sanghvi (Non-Executive Director)**

- He is a Commerce Graduate from Pune University and MBA from New York, USA. He started his career in 1977 where he was working in a family owned business and has wide experiences in the business of Steel, real estate and equity investments.



## **Ms. Disha Narendra Sanghvi (Non-Executive Director)**

- She is one of the board member of the Company since 2014.
- She is graduated in Business Administration from Pune University and has also done Master of Science from UK.



## **Mr. Carlton Felix Pereira (Non-Executive Director)**

- He is member of the Institute of Chartered Accountants of India(ICAI). He has 30 years of experience in the field of financial services.
- He served as the Managing Director and Partner in charge of Corporate Finance for KPMG in India, the Middle East and South Asia. He has also worked as a partner at Ambit Corporate Finance Pvt. Ltd., a boutique Indian investment bank and at Arthur Anderson.



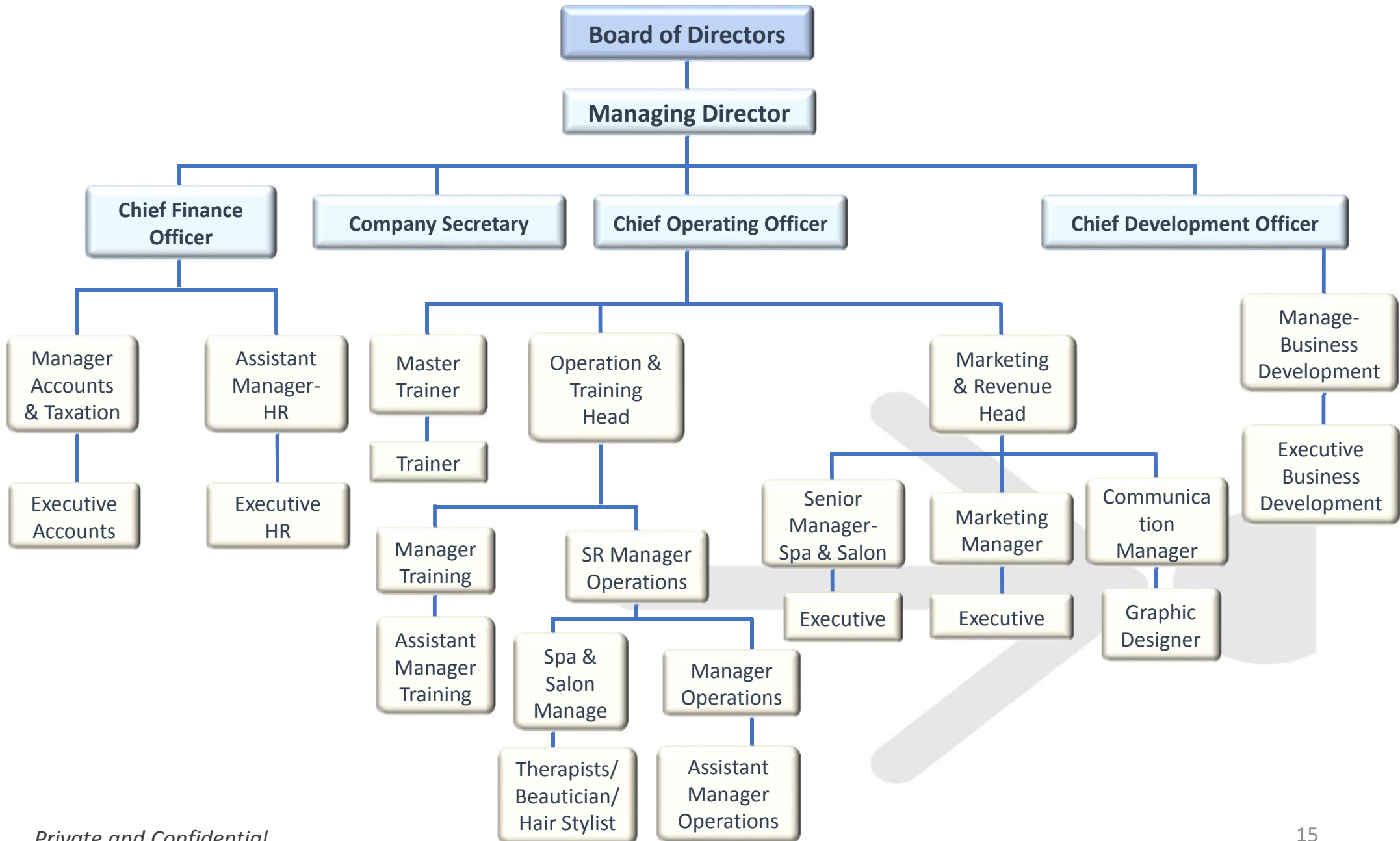
## **Mr. Sunil Mohan Lulla (Non - Executive & Independent Director)**

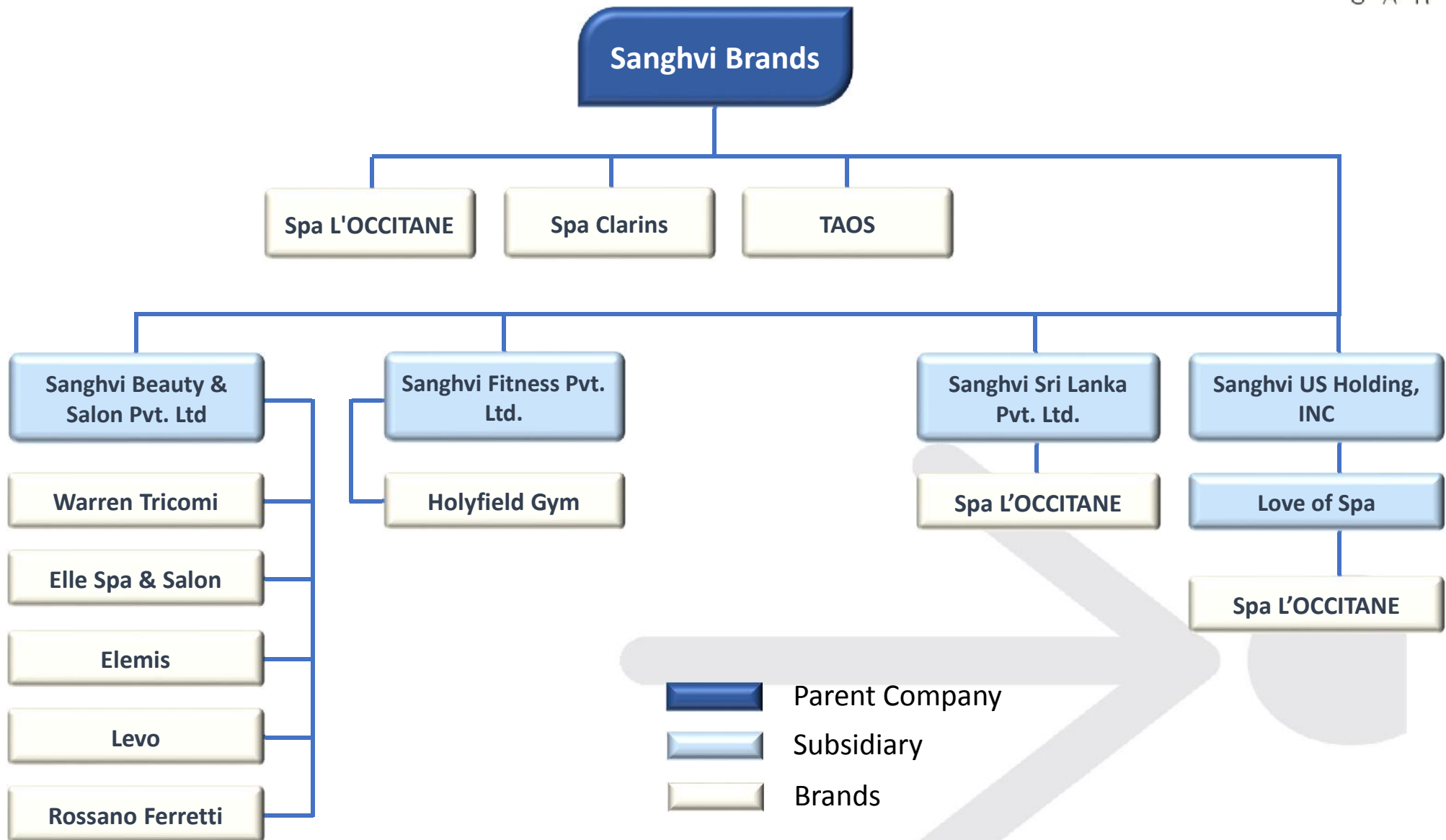
- With over 30 years of experience, he brings skills in media, marketing, communication and management. He has worked in advertising with J Walter Thompson (JWT) in Mumbai, Taipei and Shanghai on well-known brands such as Unilever, De Beers, Parke Davis, Citibank and others.
- At present Sunil is Chairman and Managing Director of GREY group India. He has served on the boards of the organizations he has worked at and also on many industry boards, related to Television, Content.



## **Mr. Gaurav Balkrishan Agarwal (Non - Executive & Independent Director)**

- He has vast experience and knowledge of business restructuring and investment projects and has worked with Avaya Inc. New Jersey for M&A transactions. Currently he is the founder and designated partner of and Open Spirit Enterprise LLP and during his tenure has taken men's flip flop footwear brand globally.

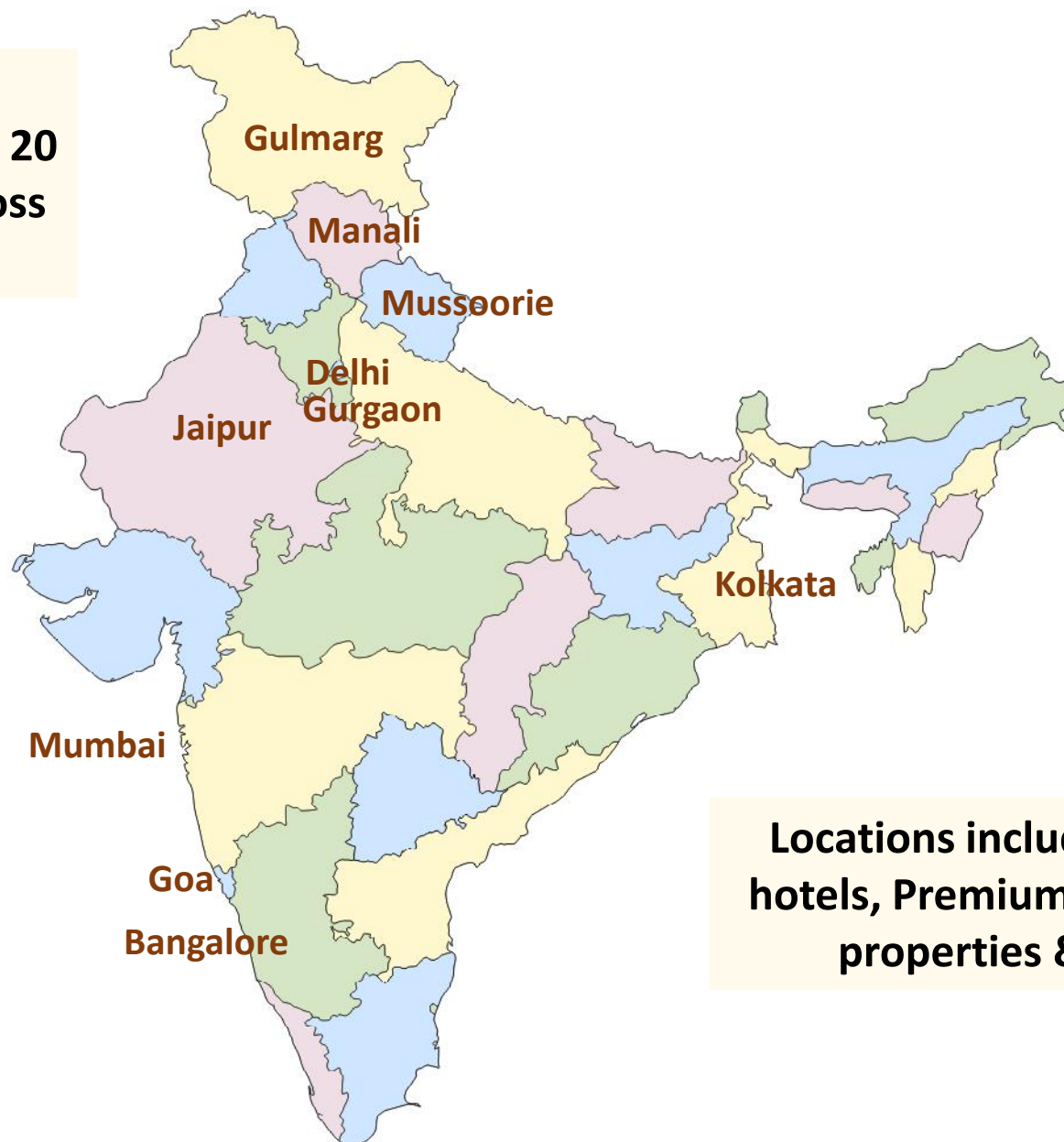




*TAOS (The Art of Shaving) is the brands for which Sanghvi has acquired rights, but is under development.*



**Sanghvi brands is operational at more than 20 locations in 10 cities across India**



**Locations includes Luxury hotels, Premium residential properties & malls**

## USA

Ritz Carlton, San  
Francisco

## Middle East – UAE

The Intercontinental

## Sri Lanka

Galle Face Hotel  
Colombo

Within 12 months of being given the international license by L'OCCITANE, Sanghvi Brands has successfully launched the international business with iconic Spas in the US, Middle East & Indian Ocean





## Spa L'OCCITANE

### 8 Locations

Mumbai      Gulmarg      Mussoorie  
 Manali      Kolkata  
 USA St. Francisco      Sri Lanka  
 UAE

### Brief About the SPA L'OCCITANE:

- L'OCCITANE Spas have received recognition from every major Magazine And Newspaper From Vogue to Elle to GQ to Hello! to L'OCCITANE to Conde Nast etc.
- L'OCCITANE Spas is the number 1 International Spa Chain In India
- Spa locations in India: Mumbai, Manali, Mussoorie, Gulmarg and Kolkata.
- The Spas are supported by L'OCCITANE stores across India for cross-promotions and marketing
- L'OCCITANE Spas in India include Mumbai's largest day Spa, a Spa in a Philippe Starck project, a Spa by the Ganges, a Spa in India's most luxurious Ski destination, a Spa on the riverside in the midst of Himalaya.



## Spa By Clarins

### 1 Location

Goa

### Brief About the SPA CLARINS:

- Clarins products and application techniques are the fruit of over 60 years of dialogue with the clients. Clarins treatments are totally unique.
- They combine the power of the clarins touch – A Specialized and Skilful Massage – with the purest plant extracts and aromatic essential oils.

## WARREN•TRICOMI

— SALON & SPA —

### Warren Tricomi Salon & Spa

#### 5 Locations

Mumbai      Gurgaon      Bangalore  
Goa              Mussoorie

#### Brief About the WARREN TRICOMI:

- Featured on TV Shows such as Good Morning America, Live with Regis & Kelly, Access Hollywood, The View, America's Next Top Model & The Style Network among others, Warren Tricomi are amongst the most high profile hairdressers in USA
- With a flagship 6,100 sqft location at the legendary Plaza Hotel in New York, Warren Tricomi have luxurious locations across the USA, including one at the W Hotel in Miami, another in New York on Madison Avenue and in Downtown NYC, one in the Hamptons and at Greenwich, Connecticut.

ROSSANO  
FERRETTI  
H A I R S P A

### Rossano Ferretti

#### 2 Location

New Delhi      Gurgaon

#### Brief About the ROSSANO FERRETTI:

- The key to the success of Rossano Ferretti is the creation of his own method which revolutionized the understanding of hair's style and is considered one of the most respected innovations in haircutting of the past 40 years.
- The Method created by Rossano and Lorenza Ferretti is a completely new concept of hair cutting. It is all about the natural fall of the hair.
- This method allows the designer to enhance the individual beauty of every client, customizing the haircut according to the hair type and the characteristics of the individual person.



## Levo Spa & Salon

**1 Location**  
Gurgaon

### Brief About the LEVO:

- Levo is Sanghvi Brands's first partnership with an Indian brand. Initiated in 2010, Levo is a sprawling 10,000 sq. ft. of Spa and Salon – made unique by its space, products and services. Levo, by definition means to smoothen, to polish, to raise or uplift, to relieve.
- Levo has a competent team of experienced International and Indian stylists, colorists and therapists led by veteran stylist Mila Parakhina.



## ELLE Spa & Salon

**5 Location**  
Goa    Delhi    Jaipur    Mumbai  
Kolkata

### Brief About the ELLE:

- A brand, devoted to fashion and trends, ELLE magazine has established itself as a Sparkling and Dynamic Parisian brand, which exceeds the finest expectations of luxury. Fashionable and trendy, ELLE spas epitomise the ethos and flair of Paris in a contemporary style.
- Based on the concept of Five Senses- Sight, Hearing, Touch, Smell and Taste, ELLE Spa & Salon can help guests rediscover inner peace and connect with Four Elements viz. Water, Air, Earth and Fire.



## Elemis products are sold at

**2 Locations**  
Goa                      Gurgaon

### Brief About the ELEMIS:

- ELEMIS was born out of the vision to bring together the power of nature, science and aromatics. To harness the dynamism of the highest-grade actives and create a skincare line that would transform the frontline of the beauty industry.
- The brand treats over **6.5 mn clients** each year in **more than 78 countries with 1600 spas**, salons, travel spas, cruise lines and retail stores.

[HOLYFIELD GYMS]

## Holyfield Gyms

1 Location  
Mumbai

### Brief About the Holyfield:

- Holyfield Gyms by Evander Holyfield has partnered exclusively with our Company to bring his unparalleled expertise and indomitable spirit to India and create cutting-edge fitness concepts and products that will revolutionize the health and fitness industry.
- Evander 'The Real Deal' Holyfield is one of the greatest boxers of all time. At the ripe age of 47, Evander is in the best shape of his life and continues to fight successfully. On April 10, 2010, Evander defeated South African Champ Francis Botha to lift the WBF title.
- The first fitness concept has been rolled out is an electrifying, inspiring, state-of-the-art result driven Holyfield Gym created around a confidential and proprietary concept that has been seen in India. Evander will lead every detail in the planning and execution of these Gyms: right from the staff training to the equipment selection to creating customized work-out programs.

**SPA L'OCCITANE - Mumbai**



**SPA Clarins – Goa  
W Hotel**



**ELLE SALON & SPA – Jaipur**



**Warren Tricomi- Mussoorie  
J W Marriott**



**ROSSANO FERRETTI- New  
Delhi**



**Levo - Gurgaon**



# Industry & Business Outlook







## ***Indian SPA Industry Overview:***

- India has one of the fastest growing spa markets in the world. This sector has shown a steady growth and continues to get bigger with an 8% CAGR Year on Year.
- Currently valued at Rs 137 billion, the Indian Spa Industry is estimated to grow to Rs 510 billion by the year 2018.
- Increase in disposable income, flourishing tourism and the rise of Ayurveda are some of the top factors that have contributed to the growth of the spa business in India.



## ***Global SPA Industry Overview:***

- The global spa services market is expected to increase to \$154.6 billion by 2022, according to a report from Research and Markets titled, "The Spa Services Market- Global Opportunity Analysis Industry Forecast from 2014-2022."
- Within the salon segment, Europe dominated the market in 2015 that was owed to a higher demand in Western Europe.



## ***Grooming Industry Overview:***

- The market size of India's beauty, cosmetic and grooming market will reach \$ 20 billion by 2025 from the current \$ 6.5 billion on the back of rise in disposable income.
- About 62% of young consumers in big cities prefer to buy online beauty and grooming products whereas, 45% of consumers tend to buy cosmetic, apparel items from any shop of their convenience

## Expansion of SPA and Salon

### SPA

- Company Plans to launch SPA to new locations to increase the scale in the year coming two years.
- Plans to launch 9 to 10 additional SPA and salon at different locations every year, thus taking total count to 45 - 50 with around 10 international locations in next few years
- Company intends to launch high street ELLE Mini Salon via Master and Unit franchisee Model

## Launch of Holyfield Gym

### Gym

- Sanghvi Brands has partnered with Evander Holyfield to bring his unparalleled expertise and indomitable spirit to India by launching Holyfield gym and create cutting-edge fitness concepts and products that will revolutionize the health and fitness industry.



- Sanghvi Brands has picked up 20% equity stake in Anayan Software Consultancy Pvt Ltd. with further rights to acquire another 30%.
- Company provides the most comprehensive ERP Management software called 'FM Pro' for gyms, sports clubs and recreational leisure clubs
- It is a thoughtfully designed management app by professionals with more than 18 years of industry experience having most efficient reporting features
- Sanghvi Brands will leverage it's infrastructure and business development capability to grow the consumer base of Anayan in Indian and internationally

## An App designed to equip gym members with Payments, Assessments, Workout Schedule, Diet Plan, Attendance History and Notification prompts



- A member's complete Attendance History month-wise is depicted here.
- Attendance records coming from the Biometric Reader can be analyzed month-wise and a bar graph shows rating from Excellent to Poor depending on the footfall month-on-month

- Members can keep a track of the payments.
- Monthly analytics pertaining to the payments for Renewals, PT, Juice Bar, Pro-Shop or even for a single Diet Session can be tracked by the member himself at any given time.

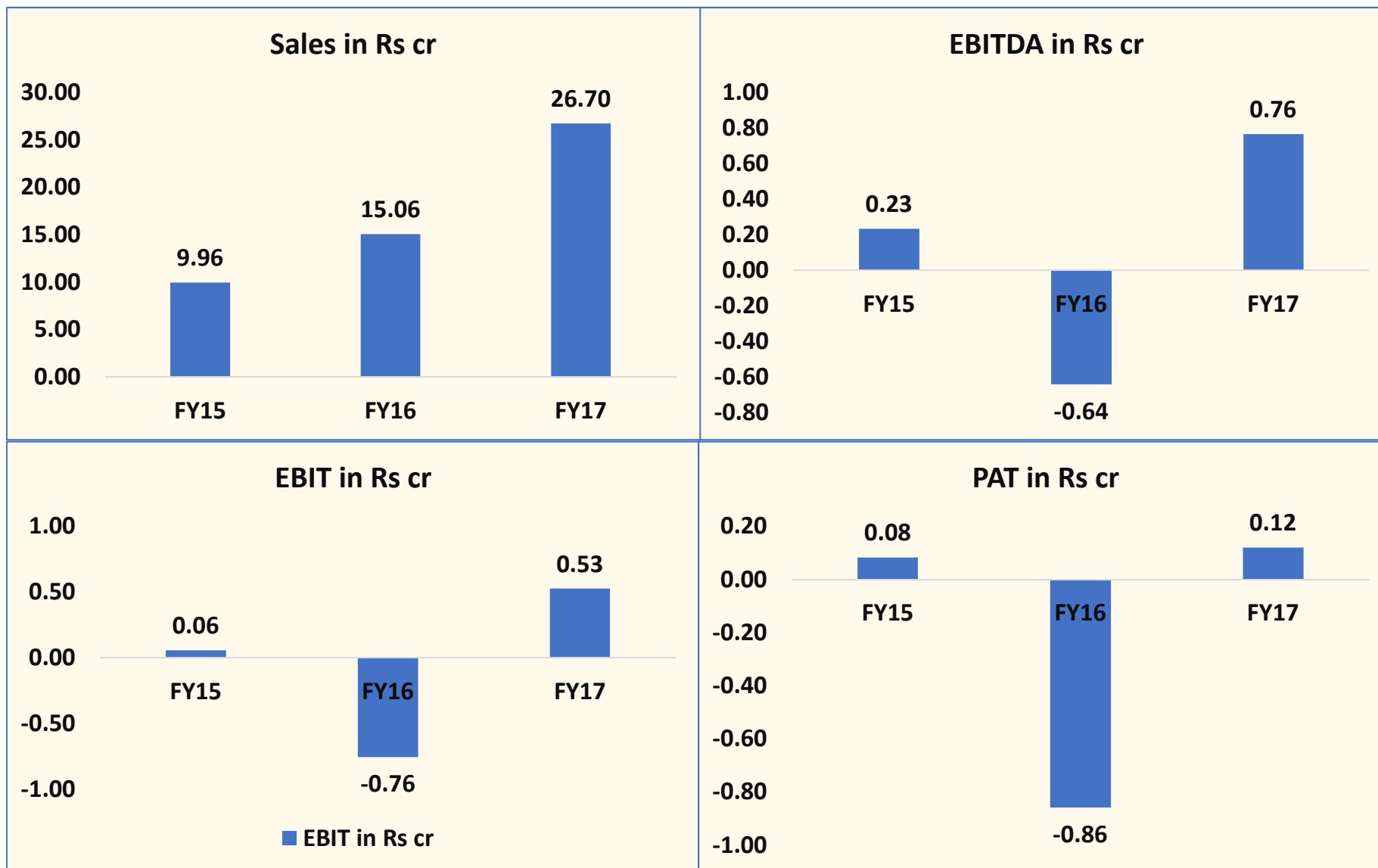
- Members can view their Diet Plan created by the Nutritionist or the Body Composition Analysis that gets pushed from the InBody machine.
- Workout Schedule designed by the Personal Trainer in FM Pro, can be followed by the member even while not in the gym.

- Now no more negotiations on the front-desk for Renewal or Group Ex enrolments.
- Members can pay online for their renewal, upgrade, PT or Group Ex.
- The billing at Juice Bar can be settled online, and gym-branded merchandise can be purchased at the Pro Shop too. Go cashless, go green!!!

- Members can post their feedback through FM Pro App on a 5-star rating.
- The questionnaire can be set by the gym management and it can be customized to the maximum by setting your own feedback.
- Member inputs to questions varying from Music to Trainer Quality.

**Financials**





| Income Statement   | FY15        | FY16         | FY17         |
|--------------------|-------------|--------------|--------------|
| Sales              | 9.27        | 14.50        | 24.00        |
| Other Income       | 0.69        | 0.56         | 2.70         |
| <b>Total Sales</b> | <b>9.96</b> | <b>15.06</b> | <b>26.70</b> |
| Expenditure        |             |              |              |
| Direct Expenses    | 0.33        | 0.90         | 1.59         |
| Employee Expenses  | 5.49        | 9.09         | 14.97        |
| Other expenses     | 3.90        | 5.71         | 9.37         |
| Total Expenses     | 9.72        | 15.70        | 25.94        |
| <b>EBITDA</b>      | <b>0.23</b> | <b>-0.64</b> | <b>0.76</b>  |
| Depreciation       | 0.18        | 0.12         | 0.24         |
| <b>EBIT</b>        | <b>0.06</b> | <b>-0.76</b> | <b>0.53</b>  |
| Interest           | 0.02        | 0.10         | 0.25         |
| <b>EBT</b>         | <b>0.03</b> | <b>-0.85</b> | <b>0.27</b>  |
| Tax                | 0.05        | 0.01         | 0.16         |
| <b>PAT</b>         | <b>0.08</b> | <b>-0.86</b> | <b>0.12</b>  |

| Balance Sheet             | FY15         | FY16         | FY17         |
|---------------------------|--------------|--------------|--------------|
| Share Capital             | 0.65         | 0.65         | 0.70         |
| Preference Capital        | 2.80         | 2.80         | 0.00         |
| Reserves & Surplus        | 5.54         | 4.67         | 7.52         |
| <b>Net worth</b>          | <b>8.99</b>  | <b>8.12</b>  | <b>8.22</b>  |
| Long-term Liabilities     | 0.25         | 0.29         | 0.28         |
| Short Term Borrowings     | 0.07         | 0.02         | 0.00         |
| Trade Payables            | 0.53         | 0.75         | 1.09         |
| Other Current Liabilities | 1.42         | 2.36         | <b>2.40</b>  |
| <b>Total Liabilities</b>  | <b>11.26</b> | <b>11.55</b> | <b>11.99</b> |
| Fixed Assets              | 0.33         | 0.76         | 1.24         |
| Other Non Current Assets  | 0.82         | 1.00         | 1.02         |
| Inventories               | 0.43         | 0.51         | 2.15         |
| Trade Receivables         | 1.13         | 2.21         | 3.71         |
| Other Current Assets      | 8.54         | 7.08         | 3.87         |
| <b>Total Assets</b>       | <b>11.26</b> | <b>11.55</b> | <b>11.99</b> |

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