

August 14, 2020

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', 5th 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 June 30, 2020.

Kindly take the above on record.

For **Kaya Limited,**

NITIKA
SUNNY
NIRMAL

Digitally signed by NITIKA SUNNY NIRMAL
DN: cn=N, o=Personal, postalCode=421203,
c=Maharashtra
serialNumber=08350e78d7e9a31f5668e19
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Date: 2020.08.14 16:22:24 +05'30'

Nitika Dalmia
Company Secretary &
Compliance Officer

Encl: A/a



kaya™
clinic



Q1 FY21

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About us
Company at a glance

Premium Skin and Hair Care services and products brand

- Incorporated in 2003, Kaya is a pioneer in speciality skin & hair care with a Unique Business Model; a blend of Medical + Retail + Hospitality.
- Pioneers in providing products and services developed by expert dermatologists and combine state-of-the-art medical technologies

Operations

- 96 clinics spread across various geographies (India 73, Middle East 23), with presence in 500+ retail outlets/touchpoints in India
- E-commerce presence through own website as well as channel partners.

Dermatologist backed, USFDA Safe Technology

- All services and products designed and formulated by in-house dermatologists at Kaya's R&D in line with global trends and standards
- Kaya works with 100+ experienced dermatologists. Every clinic has an in house qualified and certified dermatologist who consult & offer personalized solutions
- Cutting edge and state-of-art technology used across, with a unifying loyalty program and ease of transfer for customers
- 80+ Expert products across skin care and hair care
- Services of laser hair reduction, brightening and pigmentation, anti-ageing, acne/acne-scar, hair fall and dandruff, among others.

A new age business - creating the market



Our Presence - India



16

Indian States

24

Cities

73

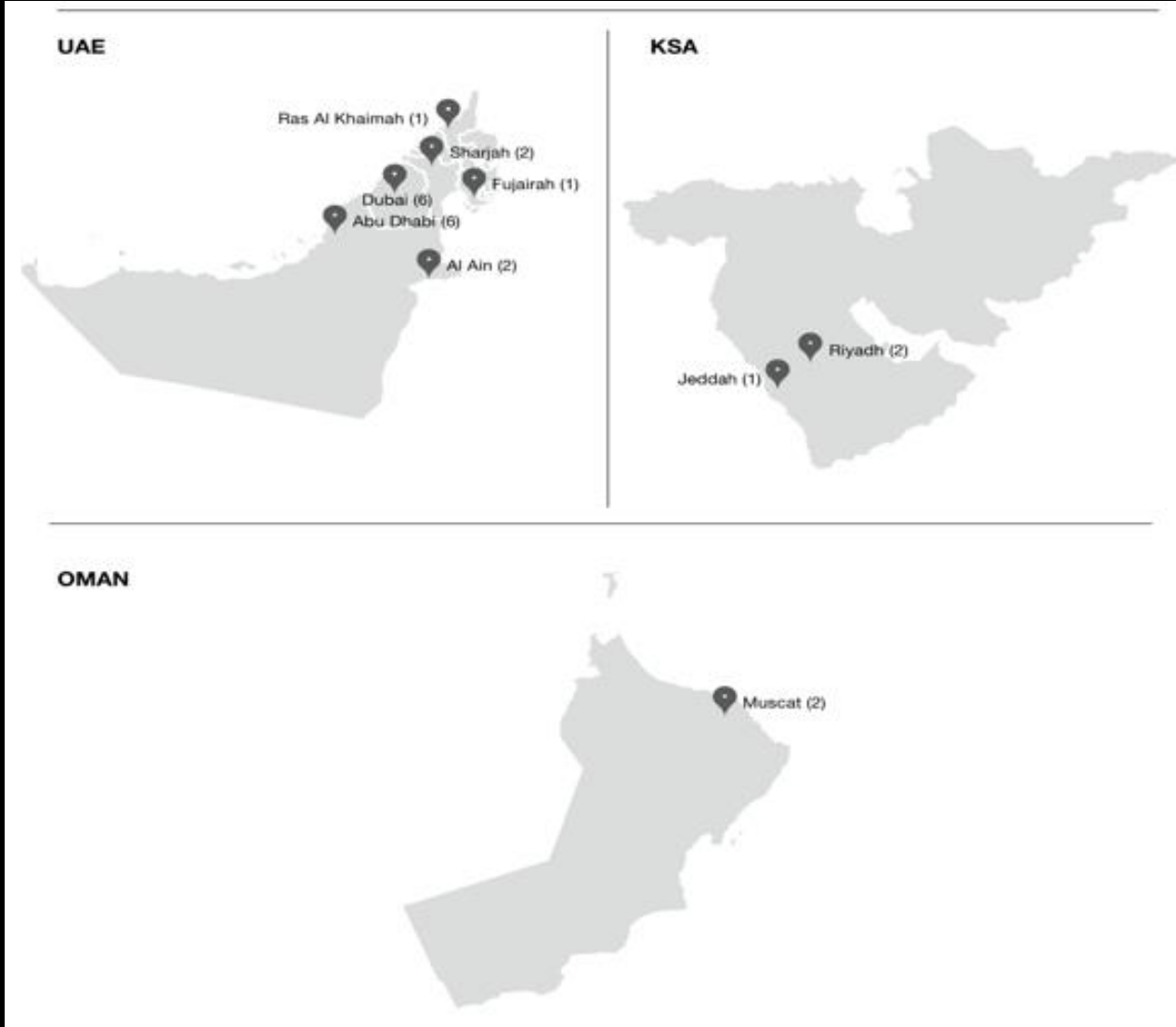
Clinics

500+

Product Retail Outlets



Our Presence – Middle East



23

Clinics

3

Countries

9

Cities



Kaya Expert Service Categories in Skin and Hair Care

Youth Contouring



Dermal Fillers, Wrinkles Reduction with BOTOX®, Natural Skin Rejuvenation with PRP, Youth Renew Marvel with Thermage, Skin Tightening, Chemical Peels, etc.

Acne & Scar Treatment



Chemical Peels, Acne-Scar Free+ with Dermaroller, Laser Scar Reduction services, Acne Free with Aqua Therapy, etc.

Brightening and Pigmentation



Insta Clarity Laser
Chemical Peels
Carbon Peels
Customised Facials

Laser Hair Reduction



US-FDA approved advance laser technology
Permanent hair reduction

Hair Care Services



Hair Health and Scalp solutions
Hair loss and Thinning solutions
Hair Conditioning solutions

Range of solutions across categories like Youth Contouring, Brightening and Pigmentation, Laser Hair Reduction and Hair Care.



Kaya Expert Products across Skin and Hair Need States

Researched and Developed by Kaya's in-house, expert Dermatologists

Acne



Brightening



Everyday Essentials



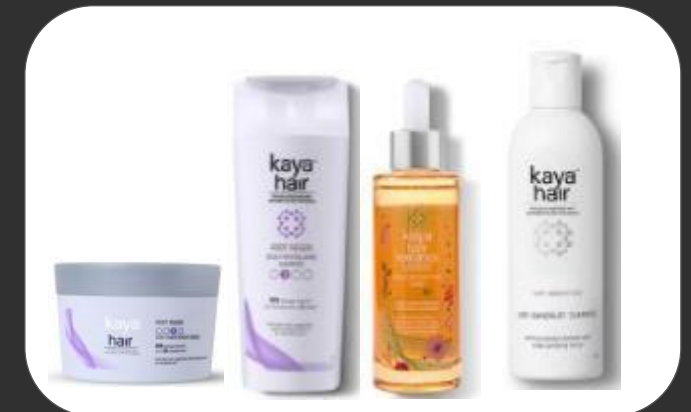
Anti-Ageing



Derma Natural



Hair





Updated technology/Largest Pool of Dermatologists



State-of-the-art clinics



The Target audiences



- Services: NCSS A, 18-45 Years
- Products: NCSS A/B 18-35 Years
- Working Professional/Housewives
- Living In The Metros and Tier 1 cities
- Digital First
- Gaining Beauty Exposure
- High Beauty Aspirations and seeking customised and expert solutions



Our response to
COVID - 19

Business Continuity

- Customer Engagement during lockdown through digital medium
- Enhanced safety measures complying to WHO guideline across clinics
- Introduction of web consultation

Managing Costs and Cash Flow

- Focus on clinics having long term potential and stronger performance
- Leaner and more efficient back office structure to support our products, clinics and digital ambitions
- Negotiate our key operating costs like Rent aggressively & also reduce the labour costs in clinics through optimisation of clinic resources

Omnichannel E-commerce

- Enhanced Focus on E-Commerce
- Hyperlocal deliveries through shop. Kaya and other delivery portals

Accelerating Technology

- Making Kaya available 24*7 through website, web app and web – consultation, tie up with M-fine and 1 mg
- Implementing Microsoft Dynamix 365 on cloud solution for both its front-end POS and the back-office systems including warehousing

Transforming Work Place & Talent

- Agile, resilient , digital organization for the new normal
- Adherence to health and safety protocols
- Encore program to provide instant rewards to teams for exceptional performance

Safety Measures

- 60+ safety measures across clinics to tackle the COVID-19 situation
- Training imparted to all clinic employees, doctors and housekeeping staff on the safety protocols



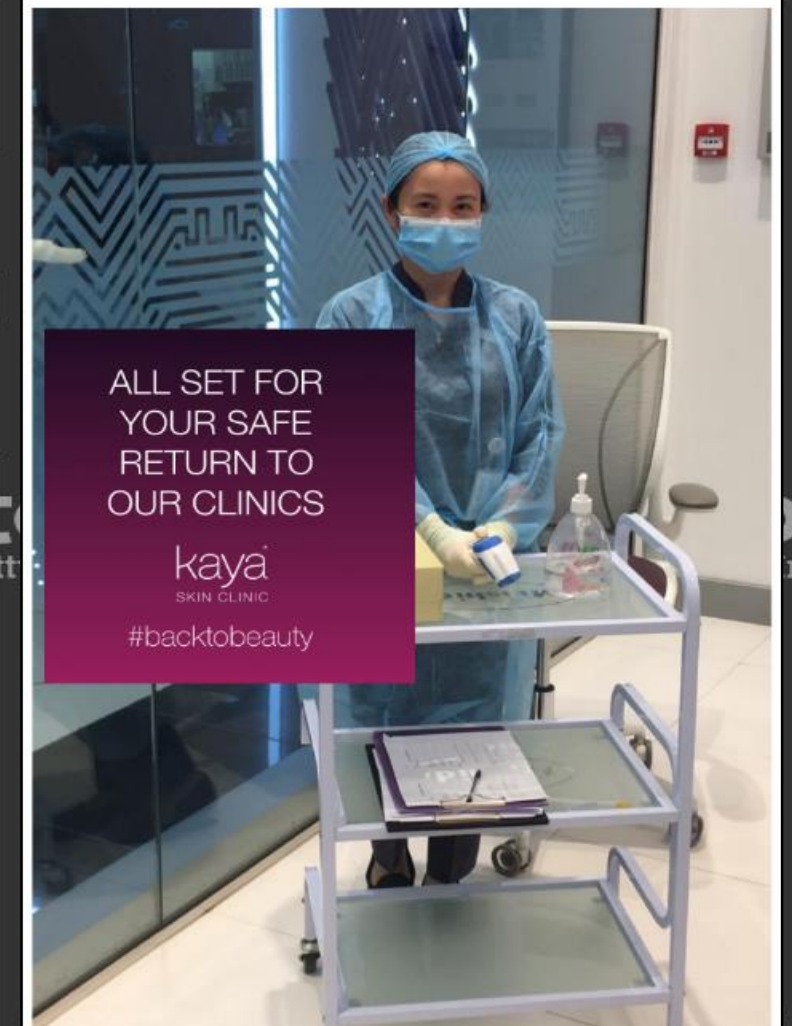
Top safety claims based on WHO guidelines

- **60+ safety** measures
- 100% Clinic staff **certified on safety** procedures
- Appointments only through **pre-booking**
- Temperature checks for everyone
- **Self declaration** for all customers
- **UVC sanitization** in all clinics
- SITRA **certified PPE Kits** for all operating staff
- **Disposables** for all customers
- Monodose kits for all services
- Digitization of billing and prescriptions
- Social distancing in the waiting lounge



Highest Safety Standards in the Category – Middle East

- List of 110 internal protocols, covering 'Customer' & 'Employee Safety & hygiene'. Surpassing protocols set out by health authorities
- At various stages:
 - While booking an appointment
 - Walking into the clinic
 - During the Service
- Declaration form COVID-19 tests for staff. Daily Temperature checks for staff & customers. Mandatorily wearing masks, gloves, face shields, scrubs, head covers. Sanitizing equipment pre & post. Sanitizing clinics regularly. Contact less payments, social distancing of 2 meters through stickers at the door, reception & waiting rooms and video screens. Etc.
- Recognized well by customers. NPS Score of 86 with 22% response rate. Primary reason for new clients to chose kaya.





Q 1 Highlights



What did we do post COVID-19 unlock.

Consumer Behaviour Post COVID-19

Our Action

Overtly Safety Conscious – Wary to go out, travel

- Conduct a survey among our top consumers to understand their requirements
- Dial up safety protocols in our clinics and communicate the same on multiple platforms
- Focus on the services which the consumers voted for , essentials and longer lasting
- Focussed on LHR and Product messaging (+50% of business)
- Prioritize the product portfolio on Ecommerce and website

Prioritizing focus based on the situation

- Highlight the services which minimize contact – LHR, Brightening and Pigmentation AA, Peels
- +60 Safety measures adopted at Clinic

New initiatives

- Online consultation in partnership with leading platforms like Practo, Mfine, 1mg
- Launch Contact-less Facial to drive the Beauty Facials Portfolio
- Focus on Ecommerce partnerships across sites

Top Safety Measures

100% Clinic staff certified on safety procedures | UVC sanitization in all clinics | SITRA certified PPE Kits for all operating staff | Disposables for all customers | Appointments only through pre-booking | Temperature checks for everyone | Mono-dose kits for all services



Our COVID-19 Digital Initiatives

PHASE I

Insight: The gloom of the sudden lockdown
Action: #StayInWithKaya - The Wellness Campaign

PHASE II

Insight : Search trends rise for home skin care
Action: Skin Care Tips | DIY Scrubs | Products

PHASE III

Insight : Search trends rise for online experts
Action: Live sessions with Kaya dermatologists, influencers | Free online video consultations



Innovations – Relevant, pull in new segment of customers



New Trend in Aesthetic Clinics in the region – IV Boost launched just before shut down. High relevance post COVID-19

Innovative Face Therapy – Protocol from the US. Launched across the region to boost the Skin Glow vertical

Enzymatic Resurfacing for Acne Scars, Stretch Marks & Cellulite. A new protocol & ingredients that deliver effective results

Launched in Dubai – a revolutionary non-invasive technology that sculpts Abs & Butts. High TS of 10K per package



Q1 Financial



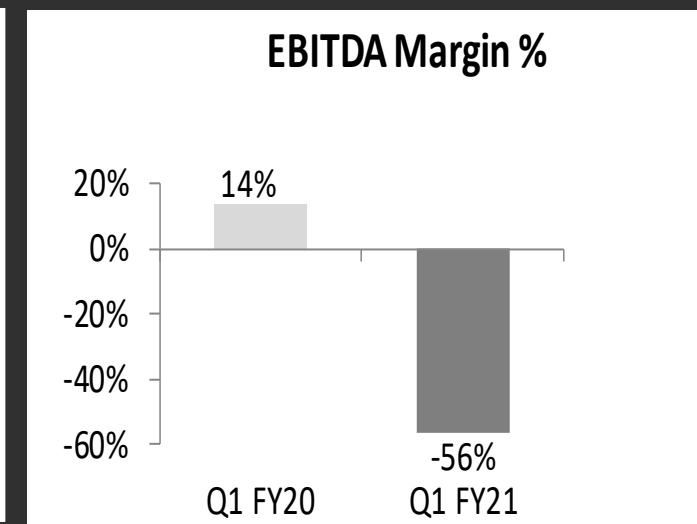
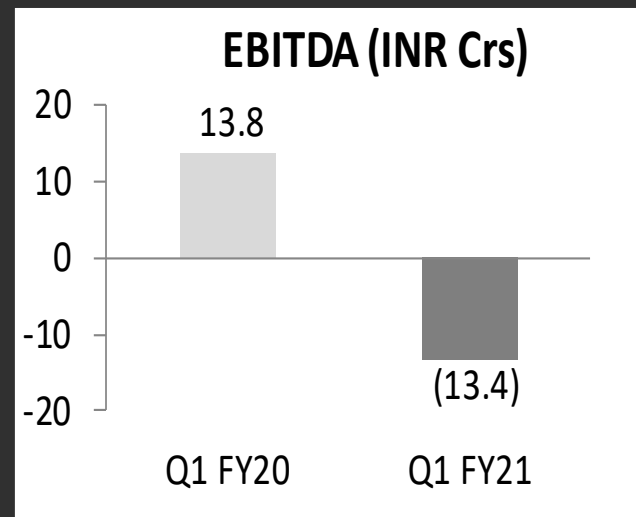
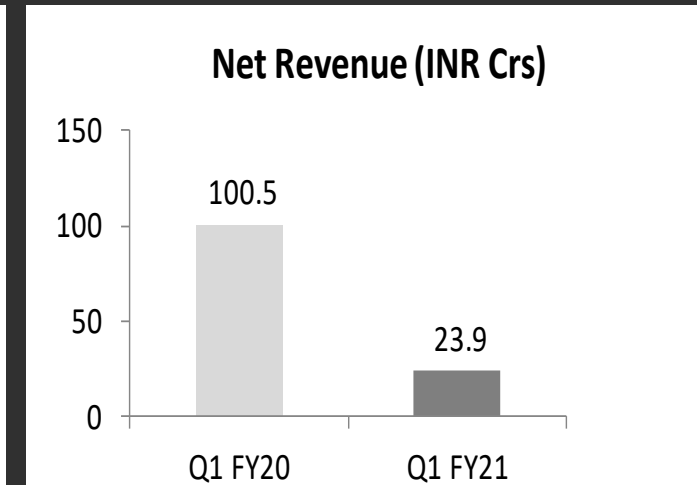
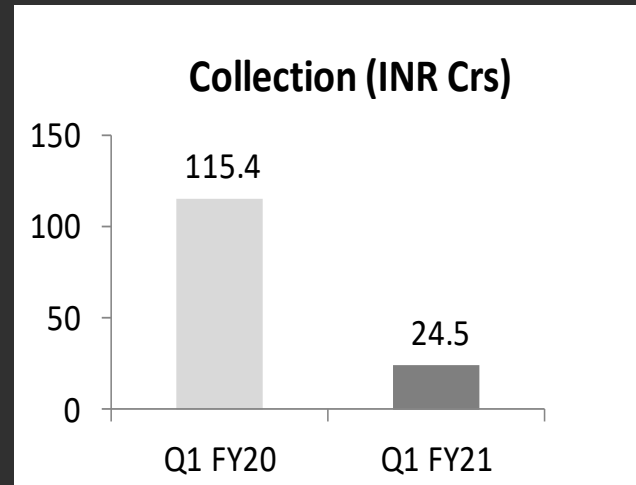
Group Highlights – Q1

- Clinic business in India was impacted heavily due to shut down in Q1. Business resumed progressively from 20 clinics opening on 8th June to 50 clinics by end of June
- Rising COVID-19 cases in India & intermittent changes in regulations impacted stable operations in Supply Chain, Ecommerce deliveries, work force movement
- Ecommerce business for Non-Essentials opened in May and the business achieved last year's numbers by June. Product business ramped up to 30% levels by end of June.
- Kaya Middle East clinics opened in May with some exceptions but ramped up faster as the business operations normalized by June. Q1 June 2020 collection ramp up at 67% of Pre COVID-19 collections (Apr – Feb), All countries showed good ramp up UAE at 67%, KSA at 62% and Oman at 78%.
- Kaya Middle East ticket size trending at 109% of LY, boosting revenues further. All countries trending at similar % over LY.
- Focus on both markets was on Safety for Employees and Clients while opening the clinics during COVID-19. The business has adopted the highest of COVID-19 compliance standards in both the markets in line with the WHO guidelines



Kaya Group Highlights

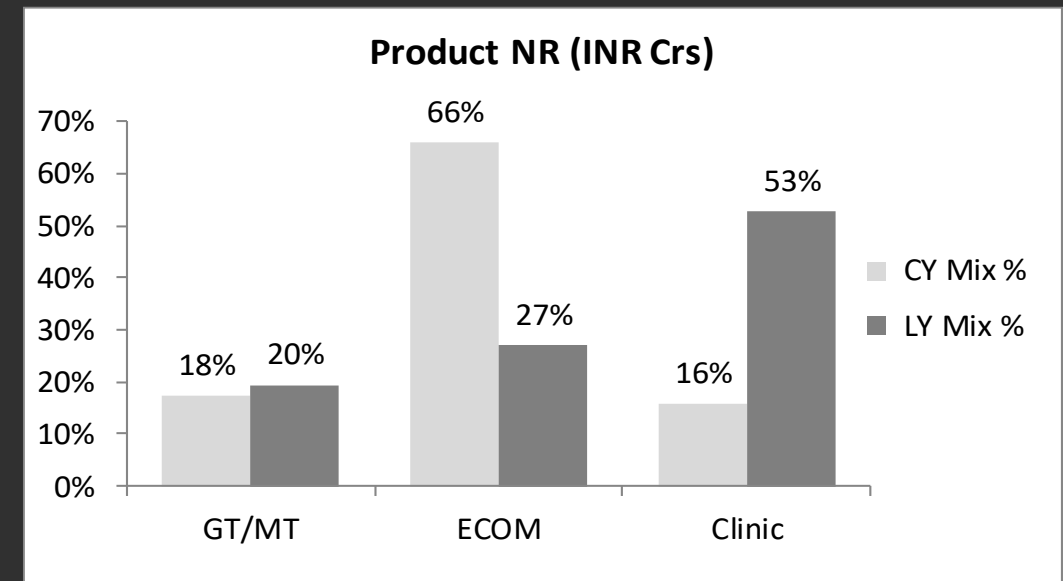
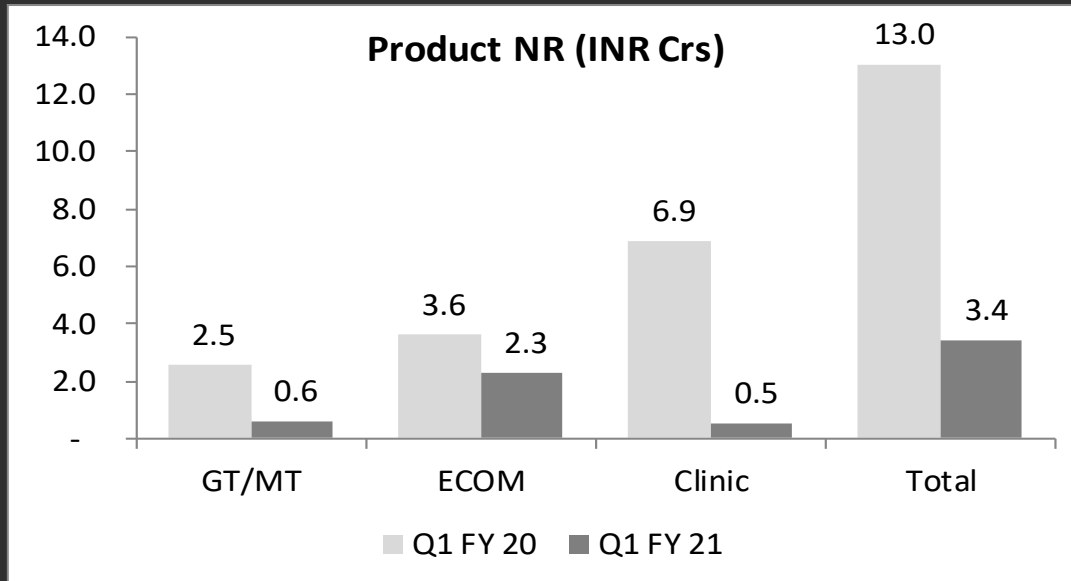
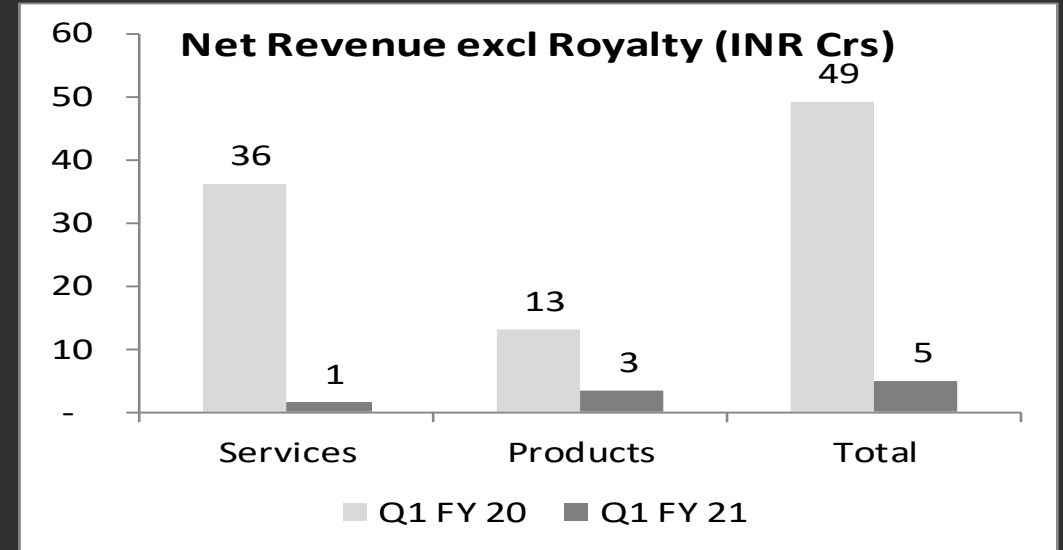
- COVID – 19 impacted clinics business significantly
- Overall Collection of Q1FY21 was at 21% (INR 24.5 crs) of Q1FY20.
 - Middle East collection for the month of June'2020 was at 67% of LY same month collection.
 - Kaya India Collection for the month of June'2020 was at 14% of LY same month collection.
- Overall Net Revenue (NR) of Q1FY21 was 24% (INR 23.9 crs) of Q1FY20.
- EBITDA of INR (13.4) crs (-56% of NR), as compared to EBITDA of INR 13.8 crs (14% of NR) in Q1FY20.
- PBT at INR (32.2) crs (-135% of NR), as compared to INR (6.3) crs (-6% of NR) in Q1FY20.





Kaya India Highlights

- Net Revenue was at 10% of Q1FY20 performance.
- Service revenue was at 4% of Q1FY20 performance.
- Product revenue was 26% of Q1FY20 performance (Contributed 70% of the Overall Revenue)
- E-commerce revenue recovered to previous year numbers by June 2020.
- Cost saving measures led to a total saving of Rs 23.3 crs in Q1 FY 21.





Kaya Middle East Highlights

- Collection at 35% of Q1FY20.
- Net Revenue for Q1FY21 at INR 18.9 crs, at 37% of Q1FY20
- EBITDA at INR (6.2) crs (-33% of NR) as compared to INR 6.0 crs (12% of NR) over Q1FY20
- PAT at INR (14.4) crs (-76% of NR) as compared to INR (3.5) crs (-7% of NR) in Q1FY20.
- Customer traffic increased to 61% over LY in the month of June, mainly led by new clients at 68% over pre COVID-19 base and existing clients at 58% over pre COVID-19 base.
- Cost saving measures led to a total saving of Rs 18.7 crs in Q1 FY 21.





Financial Highlights : Kaya Group

Particulars (INR crs)	Q1 FY21	Q1 FY20
Collection	24.5	115.4
Net Revenue*	23.9	100.5
EBITDA	(13.4)	13.8
Operating Margin	(28.8)	(3.5)
PBT	(32.2)	(6.3)
PAT before Minority share	(32.2)	(9.6)
Minority share	(0.2)	0.1
PAT after Minority share	(32.0)	(9.7)

79%

76%

Collection -80% at constant currency

Net Revenue -79% at constant currency

EBITDA margin at -56% of NR against 14% of NR LY

PBT Margin is -135% of NR in CY, as against -6% of NR in LY

* Net Revenue excludes intercompany Transactions



Financial Highlights : India

Particulars (INR crs)	Q1 FY21	Q1 FY20
Collection	5.9	62.1
Net Revenue	5.4	50.4
EBITDA	(7.2)	7.8
Operating Margin	(15.6)	(2.0)
PBT	(17.6)	(2.9)
PAT	(17.6)	(6.2)

90%

Collection SSG at -90%

89%

Net Revenue SSG at -90%

EBITDA margin at -133% of NR against 15% of NR LY

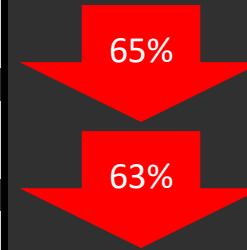
Operating Margin at -289% of NR CY as compare to -4% of NR LY.

PBT margin at -326% of NR CY as compare to -6% of NR LY..



Financial Highlights : Middle East

Particulars (INR crs)	Q1 FY21	Q1 FY20
Collection	18.6	53.3
Net Revenue	18.9	51.5
EBITDA	(6.2)	6.0
Operating Margin	(13.2)	(1.5)
PBT	(14.6)	(3.4)
PAT before Minority share	(14.6)	(3.4)
Minority share	(0.2)	0.1
PAT after Minority share	(14.4)	(3.5)



- Collection -68% at constant currency
- Net Revenue -66% at constant currency
- Operating margin at -70% of NR, as against -3% of NR in LY
- PBT at -77% of NR, as against -7% of NR in LY



Financial Highlights : Q1 FY21

Particulars (Rs in Crs)	Kaya India			Kaya Middle East			Kaya Group		
	Q1 FY21	Q1 FY20	Gr %	Q1 FY21	Q1 FY20	Gr %	Q1 FY21	Q1 FY20	Gr %
Collection	5.9	62.1	-90%	18.6	53.3	-65%	24.5	115.4	-79%
Net Revenue*	5.4	50.4	-89%	18.9	51.5	-63%	23.9	100.5	-76%
EBITDA	(7.2)	7.8	-193%	(6.2)	6.0	-204%	(13.4)	13.8	-198%
<i>% to NR</i>	<i>-133%</i>	<i>15%</i>		<i>-33%</i>	<i>12%</i>		<i>-56%</i>	<i>14%</i>	
Operating Margin	(15.6)	(2.0)	-660%	(13.2)	(1.5)	-809%	(28.8)	(3.5)	-724%
<i>% to NR</i>	<i>-289%</i>	<i>-4%</i>		<i>-70%</i>	<i>-3%</i>		<i>-120%</i>	<i>-3%</i>	
PBT	(17.6)	(2.9)	-515%	(14.6)	(3.4)	-333%	(32.2)	(6.3)	-414%
<i>% to NR</i>	<i>-326%</i>	<i>-6%</i>		<i>-77%</i>	<i>-7%</i>		<i>-135%</i>	<i>-6%</i>	
Business PAT	(17.6)	(6.2)	-183%	(14.6)	(3.4)	-334%	(32.2)	(9.6)	-237%
<i>% to NR</i>	<i>-326%</i>	<i>-12%</i>		<i>-77%</i>	<i>-7%</i>		<i>-135%</i>	<i>-10%</i>	
Minority share	-	-	-	(0.2)	0.1	-216%	(0.2)	0.1	-216%
PAT after Minority share	(17.6)	(6.2)	-183%	(14.4)	(3.5)	-312%	(32.0)	(9.7)	-230%
<i>% to NR</i>	<i>-326%</i>	<i>-12%</i>		<i>-76%</i>	<i>-7%</i>		<i>-134%</i>	<i>-10%</i>	

Collection -80% at constant currency

Net Revenue SSG -79% at constant currency

EBITDA margin is -56% of NR as against 14% of NR in LY

PBIT margin is -120% of NR

PBT at -135% of NR, as against -6% of NR in LY

* Net Revenue of Kaya Group excludes inter company Transactions



Thank You