

KERALA AYURVEDA LTD

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www.keralaayurveda.biz

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KAL Consolidated Revenue up 16% in H1, 23-24 to Rs. 5148 Lakhs compared to H1, 22-23. Future prospects are promising

Kerala Ayurveda H1 revenue grew by encouraging 16%. This reflects strong growth in India/US ecommerce (49%) and Health Service business including Ayurvedagram Bali is 35%. We are in the process of re-structuring our 50:50 JV to consolidate Ayurvedagram Bali revenues into KAL.

Consolidated EBITDA reported in H1, 2023-24 is Rs. 383 Lakhs Vs Rs. 350 Lakhs in H1, 2022-23 (PBT of Rs. 19 Lakhs in 2023-24 Vs Rs. 42 Lakhs in 2022-23). The low EBITDA stems from investment of in the business of Rs. 370 Lakhs. Excluding this PBT in 2023-24 would be Rs. 753 Lakhs.

We continue to remain optimistic on the fundamentals of the business. We will continue to invest in all aspects of the business, especially in the US and Digital for long term accelerated sustainable growth.

Revenues:

- Overall sales have been encouraging (16%) despite some short term challenges in US business. In the US, New Academy regulations (NAMA) now require a minimum 30% physical classes. This required us to restructure our basic academic program (AWC : 625 Hrs) to a split program (AHC : 300 Hrs, AHP : 400 Hrs). The transition has been painful but fortunately we are building back momentum.
- Total Health Service (HS) revenue including Ayurvedagram and Bali was a healthy 35% growth vs PY. Ayurvedagram sales reflect a larger share of Indian guests: Foreigners have been reluctant to travel after Covid, but we are optimistic on the short term.
- The global ecommerce business has grown 49%. India e-commerce had a healthy growth of 52% vs PY H1. US ecommerce grew 44% growth over PY H1.
- H1 Doctor Distribution business was slow @ 6% and needs a revamp going forward.

Nutraceutical Products – Nutraveda

- 'Nutraveda Division' of KAL has generated 132 Lakhs in 2.5 months. At present, this will give us a boost in TWO states – TN & Karnataka, expand to other states in future. We will be able to generate 5 crores through cross selling in this FY.
- This will allow us to open up a front with allopathic doctors where Ayurveda is not able to penetrate, and we will be able to generate an additional business through cross selling. Nutraveda client base in TN & Karnataka are 3000 allopathic doctors.

Future Perspective:

- KAL will continue to invest behind Digitization, E-commerce, New Products for online and US Business. These are fundamental directions that the company has adopted. We will combine the attractiveness of Natural Wellness with the strong Digital Platform. Ours will be a hybrid model ie PHYGITAL.
- The E-commerce business is becoming increasingly more sophisticated comparative and more expensive. This business will continue to require long-term investment. Consumer attitudes are fundamentally transforming towards a digital framework. New startups are extremely well funded by large venture capital investments, and they are able to pump in large investments into Digital Marketing.
- The digital opportunity for us is massive in India, US & Europe. We will require funding to invest behind this effort.
- In addition to complement our focus on consumers via e-commerce, we are embarked on a significant investment program to develop exciting new consumer products with “**KERALA AYURVEDA inside**”..

New Leadership will blaze an exciting path ahead:

- Vivek Sunder, has been appointed President and Chief Executive Officer of Kerala Ayurveda Ltd effective 1st, October 2023.
- His exceptional track record of proven results in Sales, Marketing with Procter & Gamble India and globally, combined with an extraordinary performance in building up Swiggy as Chief Operating Officer will drive KAL into a quantum leap forward.
- His decision to join a relatively small company Vs bigger digital opportunities speak of his belief and commitment to Ayurveda, particularly the Kerala Tradition and the extraordinary growth opportunity KAL represents.
- Vivek’s initial focus will be on US, Global digitization and revamping the traditional doctor distribution platform.
- Health Services specially KALPAM will continue to be the focus of growth basis its recent success and Bali Ayurvedagram (also a KALPAM).

In summary, as we enter the last quarter of calendar year 2023 we see ourselves on the cusp of strong digitally driven business enabling customers across the world to experience products, services and education which is unique to Kerala Ayurveda Ltd.

Please see attached the comprehensive profile of Kerala Ayurveda Today:

Some Key Links for more details:

www.keralaayurveda.biz

www.ayurvedagram.com

www.ayurvedaacademy.com

www.keralaayurvedaacademy.com

www.thehealthvillage.biz

www.keralaayurveda.us

About Kerala Ayurveda Limited

Kerala Ayurveda Ltd is one of the oldest (founded around 80 years ago) **full Spectrum-Listed Ayurveda**

companies in the world. The company enshrines the authentic, traditional form of **Ayurveda and Yoga from Kerala**, with an ancient lineage going back 5,000 years. **Its footprint spans Academies, Wellness Resorts, Hospitals, Clinics, Products and Services across India & USA.** KAL has over 400 products and touches 100,000 patients / year. Kerala Ayurveda Academy, USA, based in California, has trained and certified over **3,500 ‘graduates’**. KAL has over 6,000 hours of education programs **certified by States of California and Washington in USA.**

For more information visit us at www.keralaayurveda.biz

Safe Harbor

Certain statements in this release are forward looking statements which involve a number of risks and uncertainties that could cause actual results and outcomes to differ materially from those in such forward looking statements. The risks and uncertainties relate to changes and variations in the project, unexpected delays in development, obtaining regulatory approvals, etc. The statements in this release represent Kerala Ayurveda’s expectations and beliefs as of the date of this release. Kerala Ayurveda anticipates that subsequent events and developments may cause these expectations and beliefs to change. However, while Kerala Ayurveda may elect to update these forward-looking statements at somepoint in the future, it specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing Kerala Ayurveda’s expectations or beliefs as of any date subsequent to the date of this release.

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