

Kaya Limited

October 24, 2019

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 and half year ended September 30, 2019.

Kindly take the above on record.

For Kaya Limited,

Skshah

Saurabh Shah
Chief Financial Officer



Encl: A/a



Q2 FY20
Investor Update

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Key Highlights

Highlights

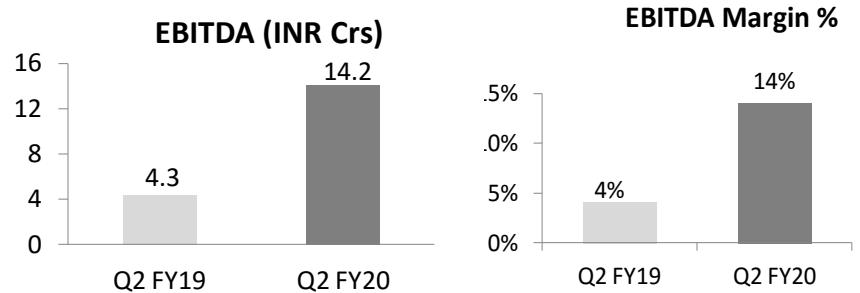
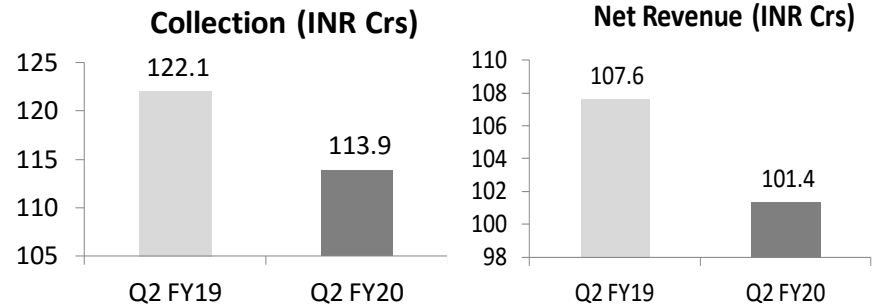
Q2 FY 20

Highlights

- Group Net Revenue grew by 1% over Q1 FY20.
- Kaya India Net Revenue grew by 9% over Q1 FY20.
- Product business grew by 16% in Q2FY20 over Q2FY19.
- Improvement in Gross Margin as compared to Q2FY20 by 100 bps.
- Improvement of EBITDA Margin to INR 9.5 crs in Q2FY20 as compared to EBITDA Margin of INR 7.5 crs in Q1FY20.
- Ecommerce NR grew by 90% in Q2FY20 as compared Q2FY19.

Kaya Group - Q2 FY20 Performance

- **Collection** for Q2FY20 at INR 113.9 crs, declined by 7% over Q2FY19
- **Net Revenue (NR)** for Q2FY20 at INR 101.4 crs, declined by 6% over Q1FY19.
- **EBITDA** of INR 14.2 crs (14% of NR), as compared to EBITDA of INR 4.3 crs (4% of NR) in Q2FY19
- **PBT** at INR (6.9) crs (-7% of NR), as compared to INR (4.1) crs (-4% of NR) in Q2FY19



Kaya India – Highlights

- Net Revenue for Q2FY20 at INR 53.4 crs, grew by 3% over Q2FY 19, Net Revenue grew by 9% over Q1FY20
- EBITDA is INR 9.5 crs (18% of NR), compared to EBITDA of INR 1.0 crs (2% of NR) in Q2FY19
- PBT at INR (2.8) crs (-5% NR), compared to PBT of INR (1.9) crs (-4% NR) in Q2FY19

Key growth drivers :

- Growth seen in key focus categories : Products (16%)
- Ecommerce NR grew by 90% in Q2 compared Q2FY19

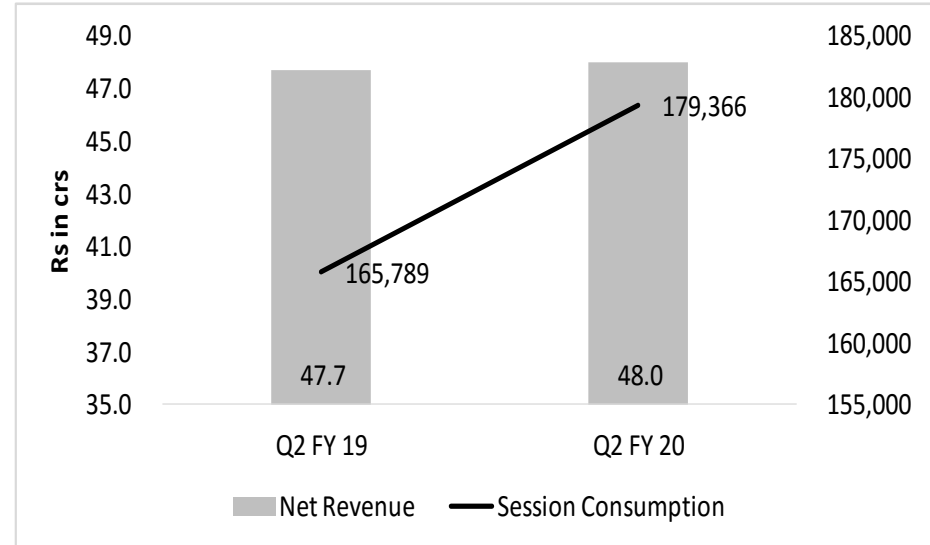


Kaya India - Clinics

- Net Revenue grew by 1% over Q2FY19
- Consumption session volume grew by 8% over Q2FY19

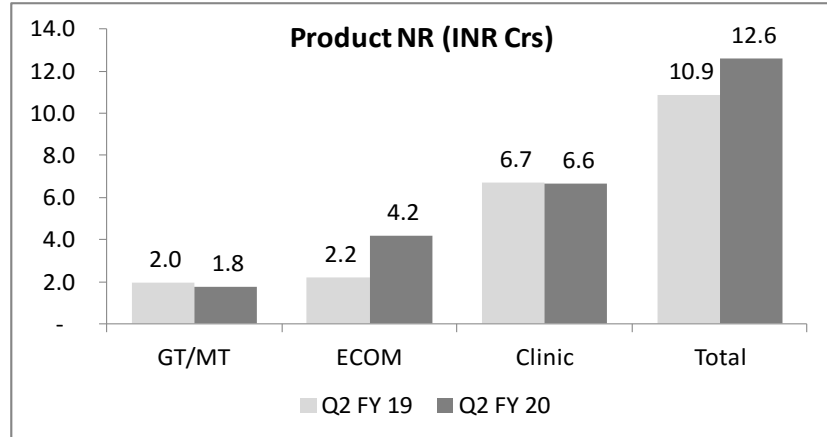
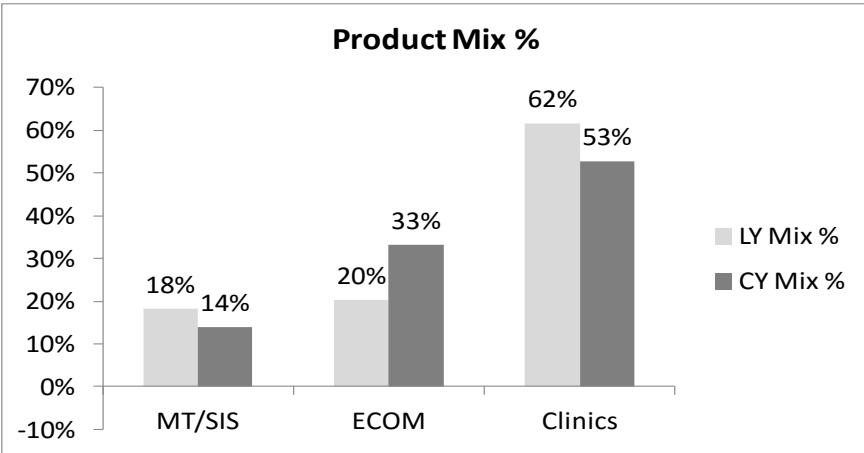
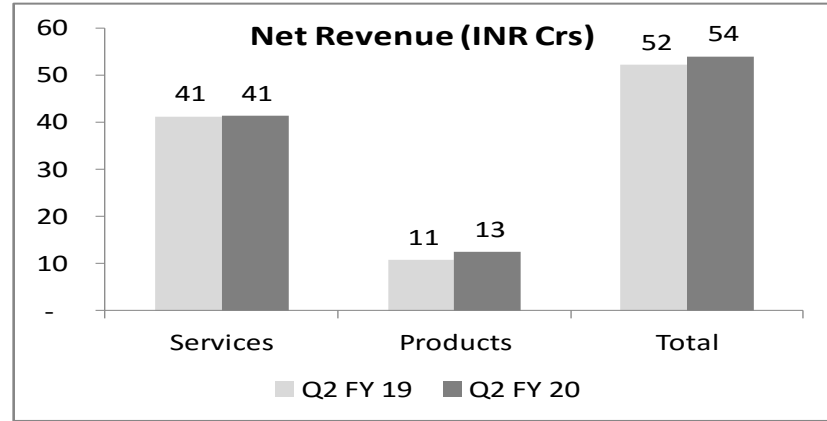


NR and Consumption Trend



Kaya India Net Revenue

- Kaya India Q2FY20 revenue grew by 3% over Q2FY19
- Service revenue flat over Q2FY19, growth of 15% over Q1FY20
- Product revenue grew by 16% over Q2FY19
 - E Commerce revenue grew by 90% over Q2FY19



kayaTM
clinic

Start
#NewBeautyTraditions
this festive season

LASER HAIR REDUCTION

EXPERT PRODUCTS

DERMAT EXPERTISE

Skin-glow Services

Facial Contouring

Expert Hair Care

Festive
communication
launched in
Mumbai and
Delhi

Our presence

INDIA



16 Indian States

26 Cities

97 Clinics

700+ Product Retail Outlets



Kaya – Middle East

Highlights :-

- Collection declined by 11% over Q2FY19.
- Net Revenue for Q2FY20 at INR 48.0 crs, declined by 14% over Q2FY19.
- EBITDA at INR 4.7 crs (10% of NR) as compared to INR 3.3 crs (6% of NR) over Q2FY19.
- PAT at INR (4.7) crs (-10% of NR), compared to PAT of INR (2.8) crs (-5% NR) in Q2FY19.

Awards and New Launch:-

- Kaya Skin Clinic - City Centre Muscat, won 3rd place as the “Best Specialist Clinic” in Oman
- Launch of Ultherapy – Next Gen Lifting Solution
- Launch of Kaya Advanced Aesthetic Surgeries



MIDDLE EAST

UAE



KSA



OMAN



23 Clinics

3 Countries

10 Cities

Financial Highlights : Kaya Group

Particulars (INR crs)	Q2 FY20	Q2 FY19
Collection	113.9	122.1
Net Revenue	101.4	107.6
EBITDA*	14.2	4.3
Operating Margin	(3.1)	(3.0)
Other Income	0.1	0.1
PBT	(6.9)	(4.1)
PAT before Consol Adj/Minority share	(9.0)	(1.5)
Consolidated Adj/Minority Share	0.5	0.6
PAT	(9.5)	(2.1)

7%

6%

Collection SSG -4%
-2% at constant currency

Net Revenue SSG flat
flat at constant currency

EBITDA margin at 14% of NR
against 4% of NR LY

*EBITDA margin has improved after
considering IND AS 116 adjustment
Like to like EBITDA for Q2 CY is Rs 1.2
crs as compare to Rs 4.2 crs in LY

PBT Margin at -ve 7% of NR, as
against -4% of NR LY

Deferred Tax Asset charged to P&L for Rs
2.1 crs due to change in Tax Rate from
25% to 22% as per Finance bill 2019

Financial Highlights : India

Particulars (INR crs)	Q2 FY20	Q2 FY19
Collection	63.3	65.1
Net Revenue	53.4	52.1
EBITDA*	9.5	1.0
Operating Margin	(0.6)	(2.9)
Other Income	0.9	1.3
PBT	(2.8)	(1.9)
PAT	(4.9)	0.7

3%

3%

Collection SSG at -1%

Net Revenue SSG at 4%

EBITDA margin improved to 18% of NR against 2% of NR LY

*EBITDA margin has improved after considering IND AS 116 adjustment
Like to like EBITDA for Q2 CY is Rs 0.4 crs as compare to Rs 0.9 crs in LY

Operating margin at -ve 1% of NR as LY at -ve 6% of NR

PBT Margin at -ve 5% of NR, as against -ve 4% of NR LY

Deferred Tax Asset charged to P&L for Rs 2.1 crs due to change in Tax Rate from 25% to 22% as per Finance bill 2019

Financial Highlights : Middle East

Particulars (INR crs)	Q2 FY20	Q2 FY19
Collection	50.7	57.0
Net Revenue	48.0	55.5
EBITDA	4.7	3.3
Operating Margin	(2.4)	(0.1)
Other Income	(0.8)	(1.2)
PBT	(4.1)	(2.2)
PAT before Consol Adj/Minority	(4.1)	(2.2)
Consolidated Adj/Minority Share	0.5	0.6
PAT	(4.6)	(2.8)

11%

14%

Collection SSG –ve 7%
–ve 2% at constant currency

Net Revenue SSG –ve 4%
–ve 4% at constant currency

*EBITDA margin has improved after considering IND AS 116 adjustment
Like to like EBITDA for Q2 CY is Rs 0.9 crs as compare to Rs 3.3 crs in LY

Operating margin at –ve 5% of NR, as against 0% of NR in LY

PBT at –ve 9% of NR, as against –4% of NR in LY

Financial Highlights : Q2 FY20

Particulars (Rs in Crs)	Kaya India			Kaya Middle East			Kaya Group		
	Q2 FY20	Q2 FY19	Gr %	Q2 FY20	Q2 FY19	Gr %	Q2 FY20	Q2 FY19	Gr %
Collection	63.3	65.1	-3%	50.7	57.0	-11%	113.9	122.1	-7%
Net Revenue	53.4	52.1	3%	48.0	55.5	-14%	101.4	107.6	-6%
EBITDA	9.5	1.0	838%	4.7	3.3	42%	14.2	4.3	226%
% to NR	18%	2%		10%	6%		14%	4%	
Operating Margin	(0.6)	(2.9)	79%	(2.4)	(0.1)	-3105%	(3.1)	(3.0)	-1%
% to NR	-1%	-6%		-5%	0%		-3%	-3%	
PBT	(2.8)	(1.9)	-48%	(4.1)	(2.2)	-84%	(6.9)	(4.1)	-67%
% to NR	-5%	-4%		-9%	-4%		-7%	-4%	
Business PAT	(4.9)	0.7	-787%	(4.1)	(2.2)	-84%	(9.0)	(1.5)	-490%
% to NR	-9%	1%		-9%	-4%		-9%	-1%	
Minority Share	-	-	-	0.1	0.2	-21%	0.1	0.2	-21%
Consolidated Adj	-	-	-	0.4	0.4	-12%	0.4	0.4	-12%
PAT	(4.9)	0.7	-787%	(4.6)	(2.8)	-63%	(9.5)	(2.1)	-347%
% to NR	-9%	1%		-10%	-5%		-9%	-2%	

Collection SSG –ve 4% & -ve 2% at constant currency

Net Revenue SSG flat flat at constant currency

EBITDA margin is 14% of NR. Improvement of Rs.10.2 crs over LY

PBIT margin is –ve 3% of NR

PBT at – ve 7% of NR, as against –ve 4% of NR in LY

IND AS 116 – Accounting of Lease Rentals – using Modified Retrospective Approach

- ❖ International Accounting Standard Board issued IFRS 16 which replaces existing IAS 17 for financial projects beginning on or after 1 January 2019. Proposed IND AS 116 is akin to IFRS 16.
- ❖ Requires Lessees to recognise a liability to make lease payments over the lease term and an asset representing the right of use the underlying asset.
- ❖ Lease term is estimated based on the primary lease term. For leases expiring this fiscal, further extension by the agreed time period is considered.
- ❖ There are 2 approaches
 - 1) Retrospective
 - 2) Modified Retrospective
- ❖ We applied **Modified Retrospective Approach**.

<u>Impact on Balance Sheet</u> <u>as of 1 April 2019</u>		
<i>INR in crs</i>	India	Consol
ROU Assets	96	128
Lease Liability (Net of prepaid)	113	147
Net difference to be adj in	17	19
Opening Reserves as at 1 April 2019		
Networth as at 1 Apr 2019	163	158
Balance Networth post IND AS 116 adjustment	146	139

<u>Impact on Income statement</u> <u>for Q2 FY 20</u>		
<i>INR in crs</i>	India	Consol
Other Expenses	(9)	(13)
EBITDA	+9	+13
Depreciation	+7	+10
Interest expense	+3	+4
PBIT	(1)	(1)



Corporate Overview

About Kaya

Kaya offers a comprehensive range of skin and hair care solutions through a range of specialized Kaya Clinics across India and Middle East.

Kaya also has a wide spectrum of 60+ products that range from Skin, Hair and Body care, for both men and women.

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.
- Advanced solutions through state-of-the-art clinics and a range of retail products across distinct skin and hair care range

Dermatologist backed, USFDA Safe Technology

- All services and products designed and formulated by **in-house dermatologists** at Kaya's R&D.
- Over 150 experienced dermatologists. Every clinic has an in house qualified and certified dermatologist who consult & offer personalized solutions.

Operations

- 97 clinics spread across India in various geographies. Over 500 retail outlets in major department stores.
- E-commerce presence through own website as well as channel partners.
- Kaya is the largest international chain of skincare clinics in the Middle East (UAE, Kingdom of Saudi Arabia, Oman and Kuwait).

A New Age Business – Creating the market

Our Core Service Categories in Skin Care

Anti-Ageing

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



Laser Hair Reduction

US-FDA approved advance laser technology for Permanent hair reduction. Nd-YAG, Soprano Laser.



De-Pigmentation Solutions

Aqua Therapy, Laser services, Microdermabrasion, Intense Pro Peels, etc.



Acne & Scar Treatment

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



Beauty Solutions

Beauty facials, hydration, purification, rejuvenation therapies.

Range of solutions across categories like Anti-ageing, Pigmentation, Laser Hair Reduction, Acne & Scars

Entered the Hair Care category in 2016-18

1
Consultation + Hair analysis
using a diagnostic tool

2

In-Clinic treatment plan

3

Hair care products + Diet +
Supplements to boost hair health

A well-rounded approach to treating Hair
Loss

KAYA'S
ROOT REGEN SYSTEM

2X
longer and stronger
hair.



Solutions in Hair Care

Hair Thinning: Kaya Targeted Root Regen System : Intensive Hair Root Therapy (IHRT), Natural Hair Rejuvenation, Hair Nutri-Infusion Therapy, Hair Root Activation Laser Therapy & Low Level Laser Therapy



Healthy Hair & Scalp Solution: Kaya Ultimate 360° Hair Elixir Therapy – Hair Volumizing, Frizz Control & Breakage Reduction



Hair Loss: Kaya Expert Hair Transplant Solution : Minimally invasive advanced Follicular Unit Extraction (FUE) method of hair transplantation which involves no cuts, stitches or scars



kaya™
clinic

Our wide spectrum of Retail Products



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

Thank You