

# Kaya Limited

November 6, 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', 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, 2020

Kindly take the above on record.

For Kaya Limited,

Nitika Dalmia  
Company Secretary &  
Compliance Officer

Encl: A/a



kaya™  
clinic

Q2 FY21

Investor Update



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# Tables of content

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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**

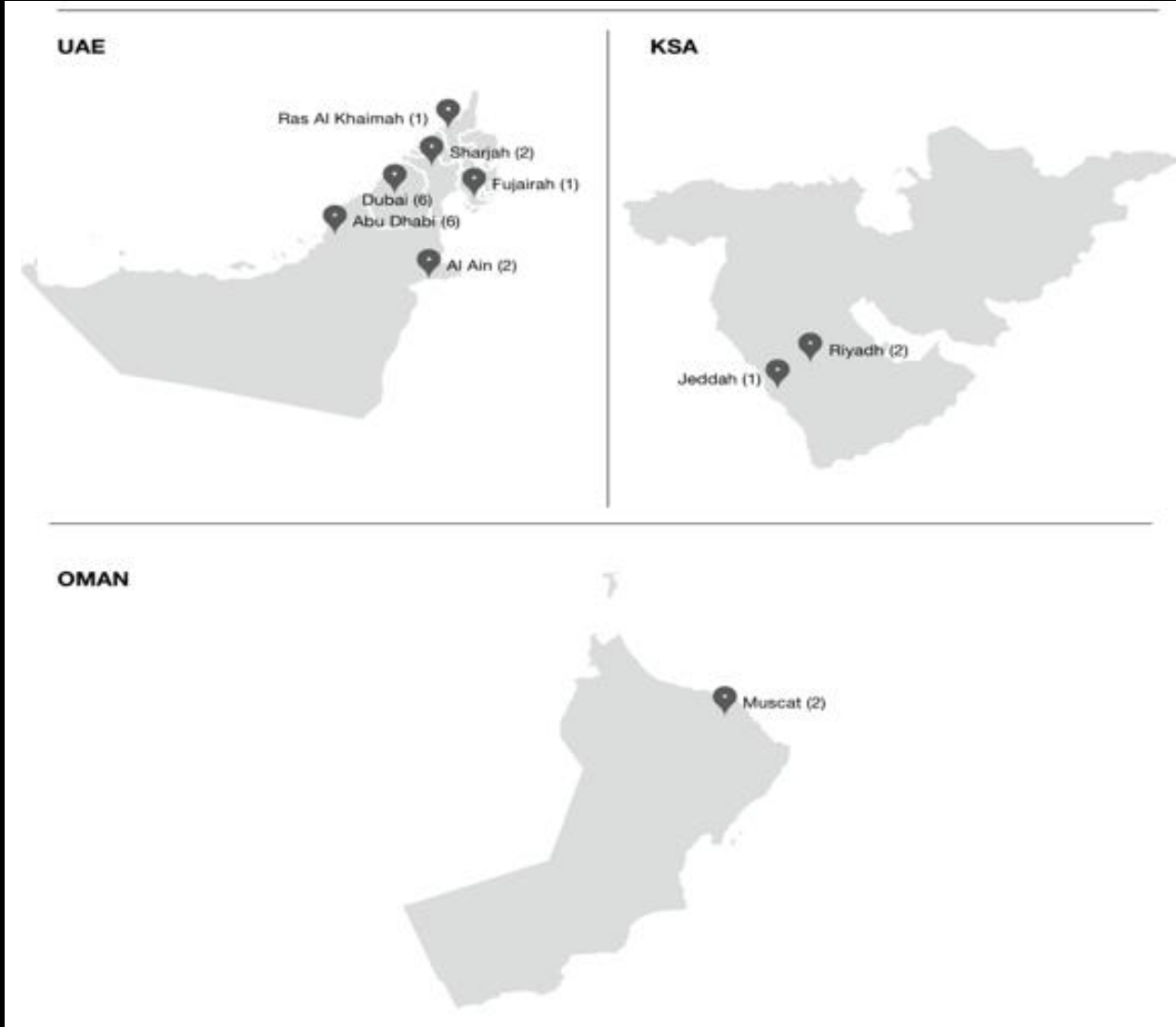
**Clinics**

**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



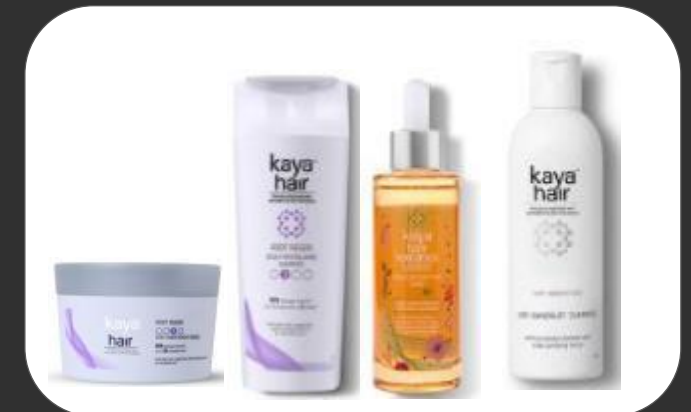
Anti-Ageing



Derma Natural



Hair





Updated technology/Largest Pool of Dermatologists



your body.  
our customized  
expertise.



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

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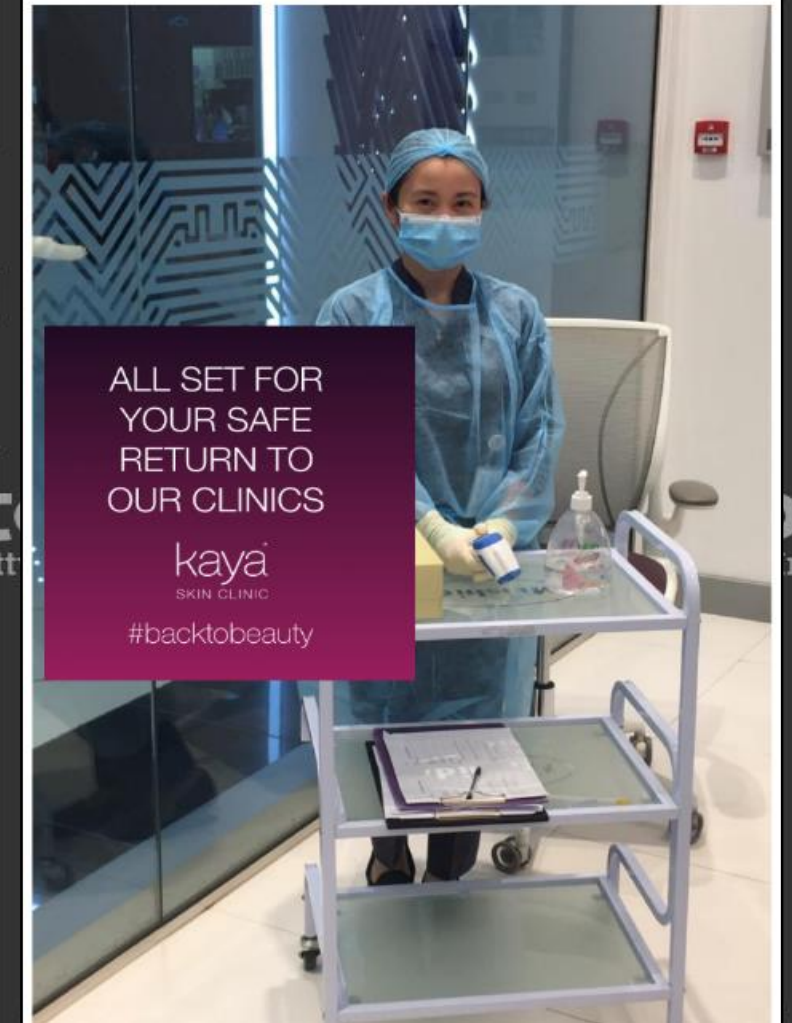
- **60+ safety** measures
- 100% Clinic staff **certified on safety** procedures
- Appointments only through **pre-booking**
- Temperature checks for everyone
- **Self declaration** for all customers
- **UVC sanitization** in all clinics
- SITRA **certified PPE Kits** for all operating staff
- **Disposables** 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 2 Highlights



## Q2: #A Better and Expert Solution

Building Kaya as a customized expert solution with +60 safety measures

1

### Laser Hair Reduction –

*Acquisition of new customer by demonstrating superiority*

- Content strategy to build expertise over salon services
- Leveraging LHR calculator
- Influencer outreach to drive consideration and safety

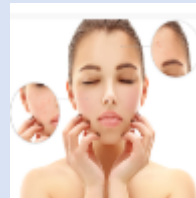


2

### Brightening & Pigmentation –

*Long lasting results*

- Blogger experientials to drive advocacy
- Free experientials for Kaya Platinum members
- Strong Innovations
- Demonstrating superiority with strong claims



Causes of Skin Pigmentation

Dark spots on the face, uneven skin tone, and freckles are some of the most common skin conditions.



Here's How You Treat Pigmentation The Right Way

Pigmentation does that word send a shudder down your spine? We thought so. So, we've created a dark spot solution.

3

### Safety -

*Assurance to Kaya Customer*

- Communicate the 60+ safety measures
- Testimonials and Brand Endorsements



4

### Build Expert Products

1. Build Dermatology Recommendation on Products
2. Drive ATS with Regime/Bundling packs

## KAYA SAFE



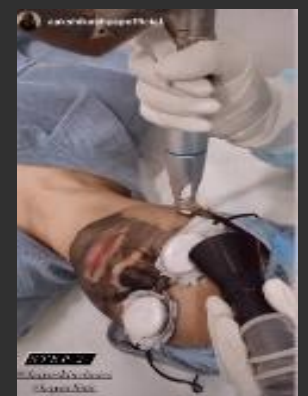
- Kaya Safe campaign activated to welcome back customers
- Safety measures called out strongly in all communication channels
- Customer testimonials to drive trust

## LASER HAIR REDUCTION



- Influencers activated to showcase this as a better solution to salon waxing
- Long term results & efficacy highlighted
- Dermat video educating about LHR
- LHR calculator

## Fairness and Pigmentation



- Insta Clarity Laser promoted with influencer engagement
- Dermat expert video on B&P services
- Customer experiences shared on social
- Benefit led communication



# Service Innovation Q2: Focus on Peels, Medi Facials and Hair care

### Objective :

To leverage peels in the current context as quick, effective and expert led solution

### Objective :

Alliance between the expertise of Kaya and leadership of a Global Brand

### Objective :

1. No-contact expertise in the current context
2. Oygeneo -3 in 1 facial with customised benefit



Advanced Skin Bright Retinol Peel

Acne Control Pumpkin Peel

Advanced Acne Modified Jessner Peel

Kaya Fibre Clinic

Kaya Smoothe Keratin

Kaya Safe Glow Therapy

Oygeneo Expert Facial (3 clinics Test market)



# Tea Tree Purifying Face Wash – Launch July'20

This mild, sulphate-free purifying face wash cleanses skin by gently removing dirt, impurities, and excess oil, giving you soft and refreshed skin. It is specially formulated for acne-prone skin and dermatologically tested to be safe on skin.



**50ml**  
**INR 250**

**Tea Tree oil** helps fight acne due of its antimicrobial properties

**Polyglutamic acid** helps provide superior moisturization

**Vitamin B3** Gently exfoliate and even skin tone

**100% consumers felt that this face wash removes excess oil, dirt and impurities from their skin; giving it a matte look\***

**97% consumers felt that their skin is hydrated\***

[Oily skin dominates search on Google](#)



# Night Masks – Launch Sep'20

A range of light cool facial gels and cream that provides multiple benefits like intense hydration, anti-pollution, radiance & nourishment

50g – INR 299



**Kaya Red Grape & Niacinamide Night Mask**

Get bright, hydrated & even toned skin

100% consumers felt it brightens their skin & gives a natural glow\*



**Kaya Green Tea & Vitamin E Night Mask**

Contains anti-oxidant properties, to give you healthy skin

99% consumers felt it refreshes & energizes their skin\*



**Kaya Soothe & Nourish Night Mask**

Provide intense hydration to the skin

94% consumers felt it hydrates their skin & makes it soft & supple\*



**Kaya Skin Hydrating Night Mask**

Has anti-ageing & hydrating properties

100% consumers felt it hydrates their skin & makes it soft and smooth\*

\*Basis Consumer Perception Study



# Key Action Points to Drive Kaya Smiles Program

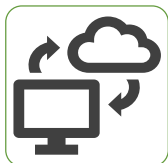


## Driving Key Categories Through Kaya Smiles Tiers

Ensuring deeper penetration, category wise in each tier



## Increase transacting members through recruiting New Members & Winback dormant members



## Adopting Technology - To provide 24X7X365 Access, visibility, ease & seamless experience across - Website, WhatsApp, Chatbot



## Relationship driven loyalty program through focus on emotional drivers, Moving away from transactional



## Evangelizing & incentivizing Doctors & Staff - Training, Reports & Dashboards, Drive Role driven KPIs through Loyalty Club



**Positioning Statement:** A loyalty program that makes every step you take on the journey of beauty to being beautiful, rewarding.

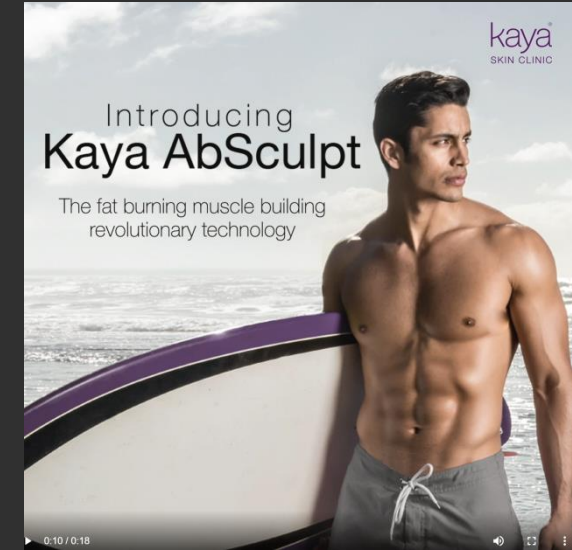




# Kaya Social Influencers



# 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



# Awards and Recognition



Kaya Limited was ranked 53rd and got recognised as one of the 100rd Best Companies for Women in India out of the 321 companies that participated



Kaya won the “Innovation in Learning Award” as the Runner-Up at the 7th L&D Leadership Summit & Awards 2020!



Q2 Financial



# Group Highlights – Q2

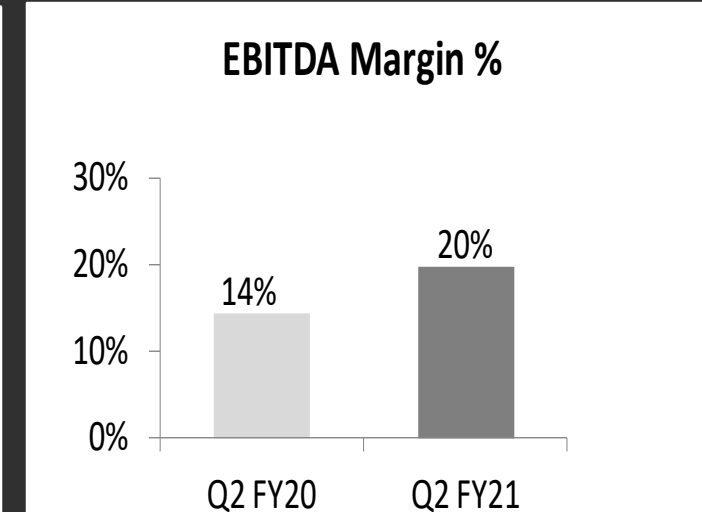
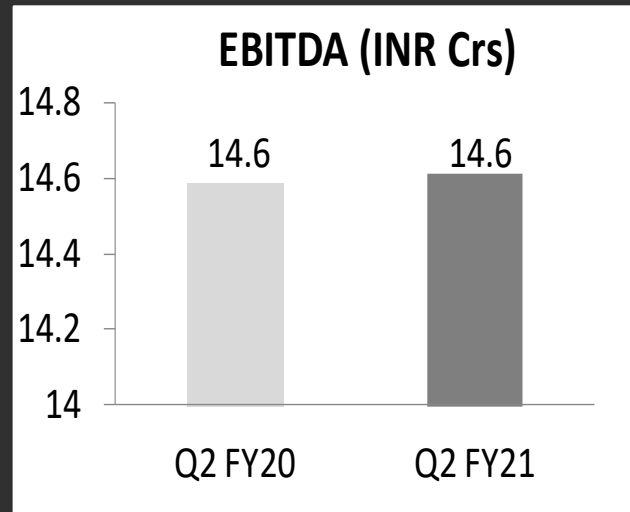
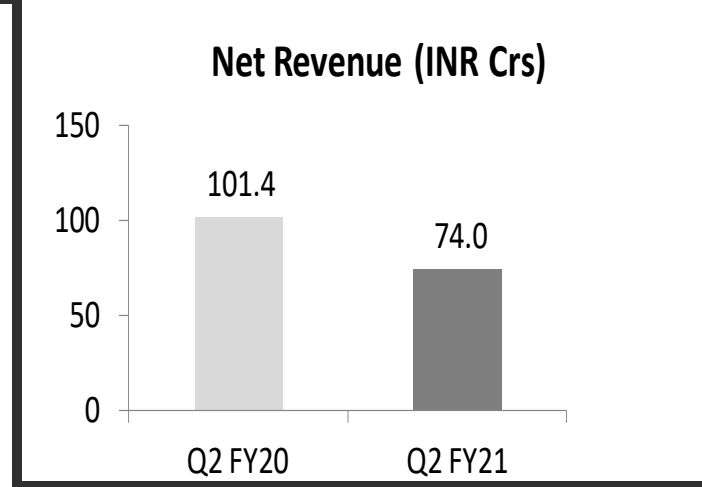
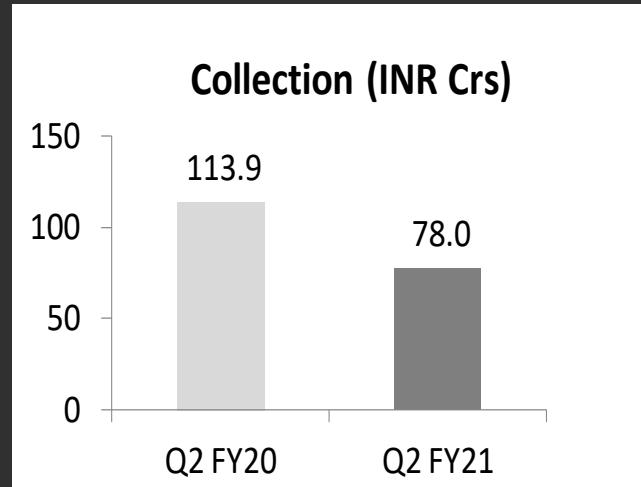
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- 73 Kaya clinics in India and 23 Clinics in GCC region were operational and open for customer with high safety protocol during the FY 21 Q2 .
- Collection at clinics in India has achieved approx. 65 % of business in Sep'2020 as compared to previous year after business resumed in July with 35% collection vs FY20 . The Q2 cumulative collection at SSG was -29% (@ Constant currency) vs last year
- Ecommerce business in Q2 FY 21 grew by 12% over Q2 FY 20.
- Collection at clinics in GCC region in Q2 FY 21 was 96% of Q2 FY 20,while clinics has achieved approx. 92% of business in Sep'2020 as compared to previous year.
- All GCC countries showed good ramp up in Sept'2020 ,UAE at 88%, KSA and Oman above Pre-covid Level.
- In India ,Customer count in Q2 FY 21 was at 50% ,while Ticket size has reached 93% of Pre-Covid Level .,while in Kaya Middle East ticket size grew by 15%of LY, boosting revenues further.
- Business in India has seen rebound in segments like Hair free which achieved 60% of the FY 20 Q2 ,while Anti ageing and Acne achieved 50% of the FY 20 Q2,In Middle East all treatment related service have reached pre-Covid Level.
- Cost rationalisation measures initiated due to pandemic has resulted in cost saving of Rs. 19 crs in Kaya India in Q2 FY 21 against last year Q2 FY 20
- 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

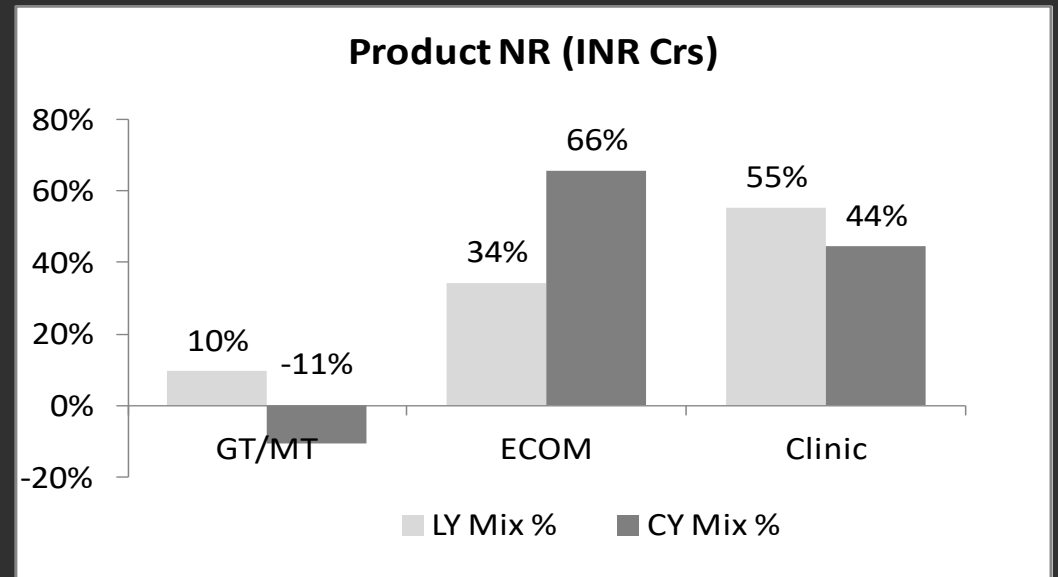
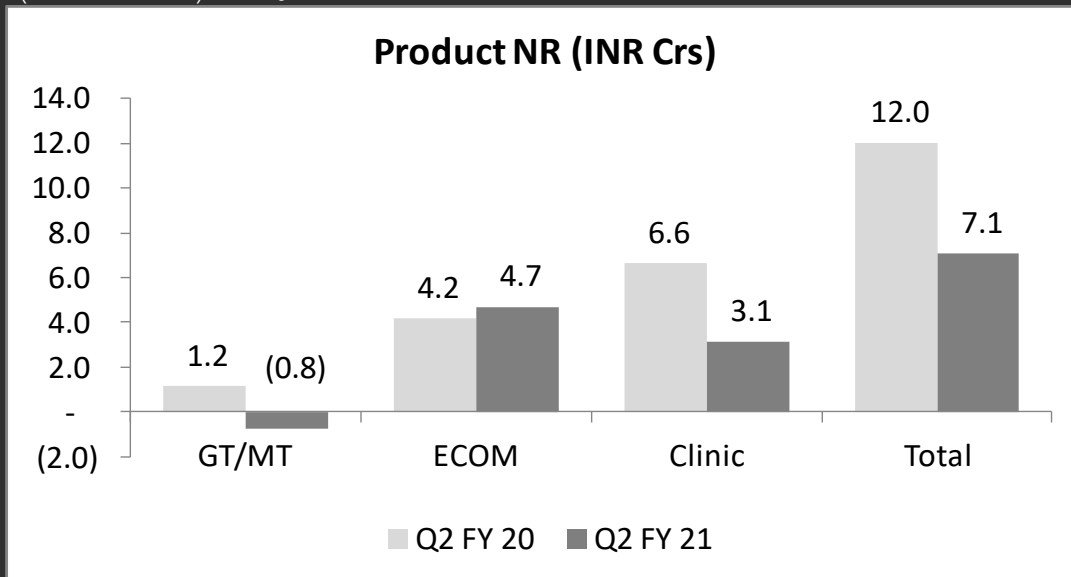
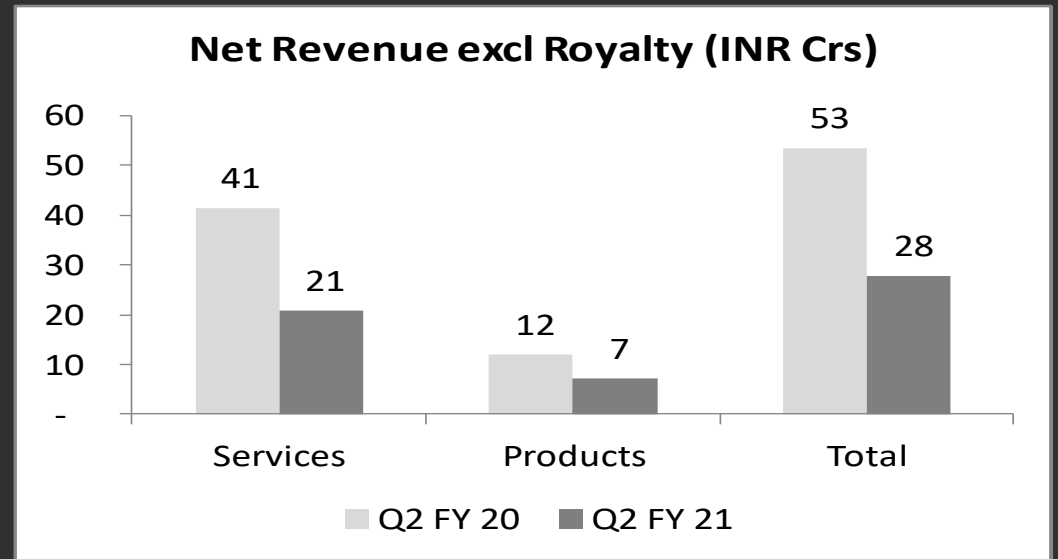
- COVID – 19 impacted clinics business significantly, but business has seen 68% recovery in collection in Q2 FY 21 as compared to Q2 FY 20.
- Middle East collection for the Q2 FY 21 was at 96% of Q2 FY 20.
- Kaya India Collection for the Q2 FY 21 was at 46% of Q2 FY 20.
- Overall Net Revenue (NR) of Q2 FY21 was 73 % ( INR 74.0 crs) of Q2 FY20.
- EBITDA of INR 14.6 crs (20% of NR), as compared to INR 14.6 crs (14% of NR) in Q2FY20.
- PBT at INR (4.2) crs. (-6% of NR), as compared to INR (6.9) crs. (-7% of NR) in Q2FY20.





# Kaya India Highlights

- Net Revenue was at 53% of Q2 FY20 performance.
- Service revenue was at 50% of Q2FY20 performance.
- Product revenue was 59% of Q2FY20 performance (Contributed 25% of the Overall Revenue )
- E-commerce revenue grew by 12% over Q2 FY 20 .
- Cost rationalisation measures initiated due to pandemic has resulted in cost which is lower than Q2 FY 20.
- EBITDA of INR 9.8 crs (34% of NR), as compared to INR 9.9 crs (18% of NR) in Q2FY20.
- PAT at INR (0.4) crs. (-1% of NR), as compared to INR (4.9) crs. (-9% of NR) in Q2FY20.





# Kaya Middle East Highlights

- Kaya Middle East Collection at 96% of Q2FY20.
- Net Revenue for Q2FY21 at INR 46.2 crs, at 96% of Q2 FY20.
- EBITDA at INR 4.8 crs (10% of NR) as compared to INR 4.6 crs (10% of NR) over Q2FY20
- PAT at INR (3.9) crs (-8% of NR) as compared to INR (4.6) crs (-10% of NR) in Q2FY20.
- Customer traffic continues at 80% of Pre Covid Base ,while ticket size grew at 15% of Pre Covid level.
- Cost saving measures initiated due to pandemic has resulted in cost which is lower than Q2 FY 20

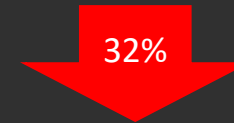




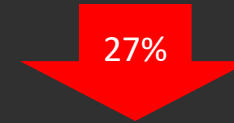


# Financial Highlights : Kaya Group

Particulars (INR crs)	Q2 FY21	Q2 FY20
Collection	78.0	113.9
Net Revenue*	74.0	101.4
EBITDA	14.6	14.6
Operating Margin	(0.1)	(3.0)
PBT	(4.2)	(6.9)
PAT before Minority share	(4.2)	(9.0)
Minority share	0.1	0.5
PAT after Minority share	(4.3)	(9.5)



Collection -29% at constant currency



Net Revenue -26% at constant currency

EBITDA margin at 20% of NR against 14% of NR LY

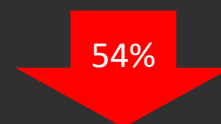
PBT Margin is -6% of NR in CY, as against -7% of NR in LY

\* Net Revenue excludes intercompany Transactions

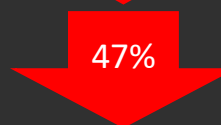


# Financial Highlights : India

Particulars (INR crs)	Q2 FY21	Q2 FY20
Collection	29.3	63.3
Net Revenue	28.9	54.6
EBITDA	9.8	9.9
Operating Margin	1.8	(0.6)
PBT	(0.4)	(2.8)
PAT	(0.4)	(4.9)



Collection SSG at -46%



Net Revenue SSG at -40%

EBITDA margin at 34% of NR against 18% of NR LY

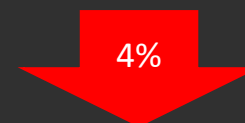
Operating Margin at 6% of NR CY as compare to -1% of NR LY.

PBT margin at -1% of NR CY as compare to -5% of NR LY.

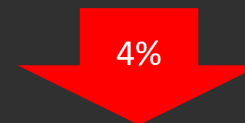


# Financial Highlights : Middle East

Particulars (INR crs)	Q2 FY21	Q2 FY20
Collection	48.7	50.7
Net Revenue	46.2	48.0
EBITDA	4.8	4.6
Operating Margin	(2.0)	(2.4)
PBT	(3.8)	(4.1)
PAT before Minority share	(3.8)	(4.1)
Minority share	0.1	0.6
PAT after Minority share	(3.9)	(4.6)



Collection -12% at constant currency



Net Revenue -15% at constant currency

Operating margin at -4% of NR, as against -5% of NR in LY

PBT at -8% of NR, as against -9% of NR in LY



# Financial Highlights : Q2FY21

Particulars (Rs in Crs)	Kaya India			Kaya Middle East			Kaya Group		
	Q2 FY21	Q2 FY20	Gr %	Q2 FY21	Q2 FY20	Gr %	Q2 FY21	Q2 FY20	Gr %
<b>Collection</b>	29.3	63.3	-54%	48.7	50.7	-4%	78.0	113.9	-32%
<b>Net Revenue*</b>	28.9	54.6	-47%	46.2	48.0	-4%	74.0	101.4	-27%
<b>EBITDA</b>	9.8	9.9	-1%	4.8	4.6	3%	14.6	14.6	0%
<i>% to NR</i>	<i>34%</i>	<i>18%</i>		<i>10%</i>	<i>10%</i>		<i>20%</i>	<i>14%</i>	
<b>Operating Margin</b>	1.8	(0.6)	430%	(2.0)	(2.4)	18%	(0.1)	(3.0)	96%
<i>% to NR</i>	<i>6%</i>	<i>-1%</i>		<i>-4%</i>	<i>-5%</i>		<i>0%</i>	<i>-3%</i>	
<b>PBT</b>	(0.4)	(2.8)	86%	(3.8)	(4.1)	7%	(4.2)	(6.9)	39%
<i>% to NR</i>	<i>-1%</i>	<i>-5%</i>		<i>-8%</i>	<i>-9%</i>		<i>-6%</i>	<i>-7%</i>	
<b>Business PAT</b>	(0.4)	(4.9)	92%	(3.8)	(4.1)	7%	(4.2)	(9.0)	54%
<i>% to NR</i>	<i>-1%</i>	<i>-9%</i>		<i>-8%</i>	<i>-9%</i>		<i>-6%</i>	<i>-9%</i>	
<b>Minority share</b>	-	-	-	0.1	0.1	2%	0.1	0.1	2%
<b>Consolidated Adj / Exception</b>	-	-	-	-	0.4	-	(0.0)	0.4	-108%
<b>PAT</b>	(0.4)	(4.9)	92%	(3.9)	(4.6)	15%	(4.3)	(9.5)	55%
<i>% to NR</i>	<i>-1%</i>	<i>-9%</i>		<i>-8%</i>	<i>-10%</i>		<i>-6%</i>	<i>-9%</i>	

Collection -29% at constant currency

Net Revenue SSG -26% at constant currency

EBITDA margin is 20% of NR as against 14% of NR in LY

PBIT margin is 0% of NR as against -3% of NR in LY

PBT at -6% of NR, as against -7% of NR in LY

\* Net Revenue of Kaya Group excludes inter company Transactions



# Financial Highlights : H1 FY21

Particulars (Rs in Crs)	Kaya India			Kaya Middle East			Kaya Group		
	H1 FY21	H1 FY20	Gr %	H1 FY21	H1 FY20	Gr %	H1 FY21	H1 FY20	Gr %
<b>Collection</b>	35.2	125.4	-72%	67.2	104.3	-36%	102.4	229.7	-55%
<b>Net Revenue**</b>	34.3	104.9	-67%	65.2	99.7	-35%	97.9	201.9	-52%
<b>EBITDA</b>	2.6	17.7	-85%	(1.4)	10.7	-113%	1.2	28.4	-96%
<i>% to NR</i>	<i>7%</i>	<i>17%</i>		<i>-2%</i>	<i>11%</i>		<i>1%</i>	<i>14%</i>	
<b>Operating Margin</b>	(13.7)	(2.6)	-427%	(15.1)	(4.2)	-258%	(28.8)	(6.8)	-323%
<i>% to NR</i>	<i>-40%</i>	<i>-2%</i>		<i>-23%</i>	<i>-4%</i>		<i>-29%</i>	<i>-3%</i>	
<b>PBT</b>	(17.9)	(5.6)	-219%	(18.3)	(7.8)	-134%	(36.3)	(13.4)	-170%
<i>% to NR</i>	<i>-52%</i>	<i>-5%</i>		<i>-28%</i>	<i>-8%</i>		<i>-37%</i>	<i>-7%</i>	
<b>Business PAT</b>	(17.9)	(11.1)	-62%	(18.3)	(7.8)	-134%	(36.3)	(18.9)	-92%
<i>% to NR</i>	<i>-52%</i>	<i>-11%</i>		<i>-28%</i>	<i>-8%</i>		<i>-37%</i>	<i>-9%</i>	
<b>Minority Share</b>	-	-	-	(0.0)	0.3	-105%	(0.0)	0.3	-105%
<b>Consolidated Adj / Exception</b>	-	-	-	0.0	0.0	-76%	0.0	0.0	-50%
<b>PAT</b>	(17.9)	(11.1)	-62%	(18.3)	(8.1)	-125%	(36.3)	(19.2)	-89%
<i>% to NR</i>	<i>-52%</i>	<i>-11%</i>		<i>-28%</i>	<i>-8%</i>		<i>-37%</i>	<i>-10%</i>	

Collection -54% at constant currency

Net Revenue SSG -53% at constant currency

EBITDA margin is 1% of NR as against 14% of NR in LY

PBIT margin is -29% of NR as against -3% of NR in LY

PBT at -37% of NR, as against -7% of NR in LY

\* Net Revenue of Kaya Group excludes inter company Transactions



Thank You