

Kaya Limited

August 2, 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 ended June 30, 2019.

Kindly take the above on record.

For Kaya Limited,

Nitika D.
Nitika Dalmia
Company Secretary &
Compliance Officer



Encl: A/a



Q1 FY20
Investor Update

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Key Highlights

Highlights

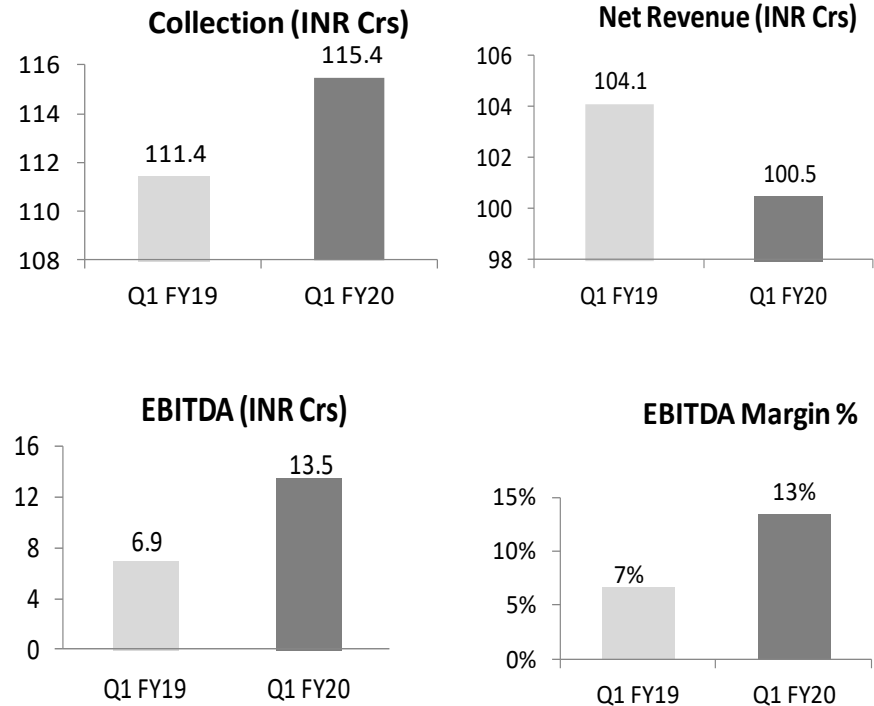
Q1 FY 20

Highlights

- Collection growth of 6%
- Customer count growth of 3.8% SSG in services
- Products - Ecommerce up 44%, Clinic up 6%
- Consumption session up 8% in Q1
- Clinic utilization was up 47% v/s 44% LY
- Employee Satisfaction up 81.88% v/s 80.41%
- Attrition in Clinics down from 40% to 36%

Kaya Group - Q1 FY20 Performance

- **Collection** for Q1 FY20 at INR 115.4 crs, grew by 4% over LY
- **Net Revenue (NR)** for Q1 FY20 at INR 100.5 crs, declined by 3% over LY
- **EBITDA** of INR 13.5 crs (*13% of NR*), as compared to EBITDA of INR 6.9 crs (*7% of NR*) in Q1 FY19
- **PBT** at INR (5.9) crs (*-6% of NR*), as compared to INR (0.1) crs (*0% of NR*) in Q1 FY19



Kaya India – Highlights

- Collection for Q1 FY20 at INR 62.1 crs, grew by 6% over LY
- Net Revenue for Q1 FY20 at INR 50.4 crs, declined by 1% over LY
- EBITDA is INR 7.5 crs (15% of NR), compared to EBITDA of INR 0.8 crs (2% of NR) in Q1 FY19
- PBT at INR (2.9) crs (-6% NR), compared to PBT of INR (1.9) crs (-4% NR) in Q1 FY19

Key Initiatives :

- Growths seen in key focus categories : Dull skin (23%), Fairness & Pigmentation (9%), Products (6%) and Hair care (4%)
- Ecommerce collection grew by 44% in Q1

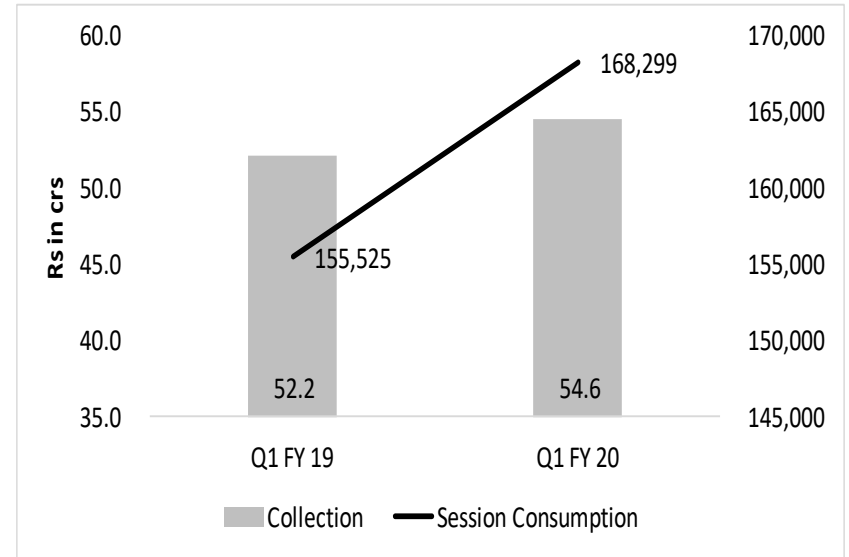


Kaya India - Clinics

- Collection for Q1 FY20 grew by 4.6% over LY
- Session Consumption for Q1 FY 20 grew by 8% over LY



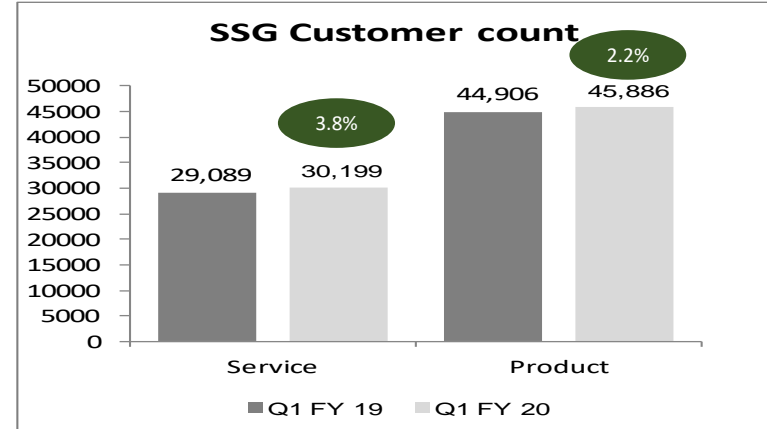
Collection and Consumption Trend



Kaya India - Clinics

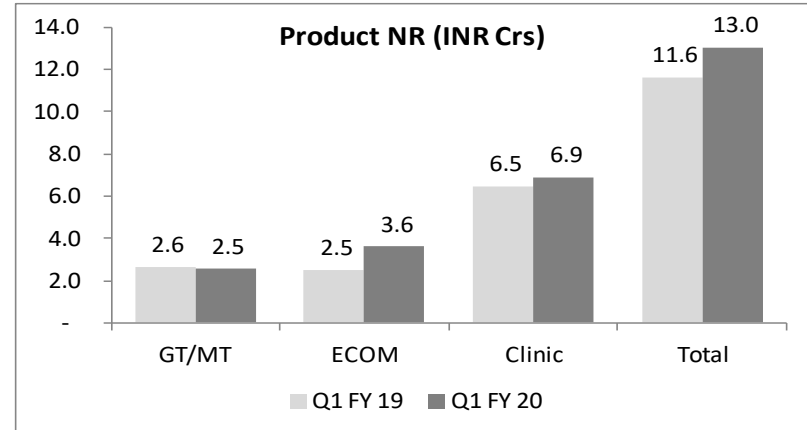
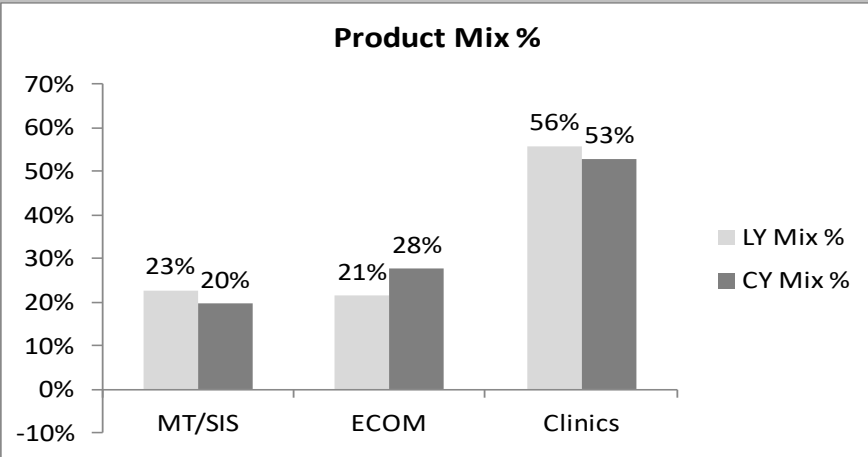
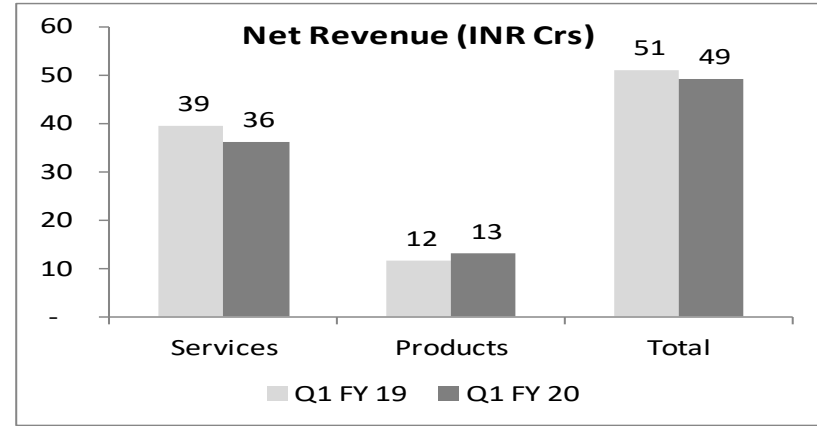
- SSG Customer count growth is 1.8% over Q1 LY
- Average ticket size growth is 4.4% over Q1 LY
- Collection growth is 4.6% over Q1 LY

Operational Indicators



Kaya India Net Revenue

- Kaya India Q1 FY20 collection grew by **6%** over Q1 LY
- Clinic Customer Count growth is **0.3%** over LY and Avg ticket size grew by 4.4% over LY
- Kaya India Q1 FY20 revenue decline by **1%** over Q1 LY
 - Service revenue declined by **9%** over Q1 LY
 - Product revenue grew by **12%** over Q1 LY
 - E Commerce revenue grew by **44%** over Q1 LY
 - GT/MT/SIS revenue declined by **4%** over Q1 LY



New Product Launches and Awards

New Product Launch- Kaya Hair Naturals -For Naturally Healthy Scalp

Healthy Hair starts with a healthy scalp. A healthy scalp is the one that is hydrated, is not oily & irritated and has nourished roots, giving soft shiny healthy looking hair naturally.



Conceived by Nature & Crafted by Science. Kaya Hair Naturals is a hair care regime enriched with a Natural Complex of Black Pepper & Inga Alba bark extracts which restores natural scalp health and provides nourishment giving soft shiny healthy looking hair

The products have a unique pH balanced formula which is free from Sulfates, Silicones & Parabens making the range gentle on scalp and helps maintains natural scalp balance.



Balancing Cleanser	Soothing Conditioning Gel	Scalp Detoxifying Tonic
Rs 990, 225 ml	Rs 1090, 200 ml	Rs 799, 90 ml
Gentle Cleansing & restores natural scalp health	Natural Hair Conditioning & Nourishment. Restores Natural Scalp Health	Promotes Hair Growth. Restores Natural Scalp Health



Kaya wins Cosmopolitan Beauty Awards for Best Sheet Mask & Best Skin Toner



Renovated Clinic – INDIRANAGAR, Bangalore



Renovated Clinic – Khan Market, Delhi

Our presence

INDIA



16 Indian States

26 Cities

97 Clinics

500+ Product Retail Outlets

Kaya – Middle East Highlights

- Collection grew by 1% over Q1 LY
- Net Revenue for Q1 FY20 at INR 50.1 crs, declined by 6% over LY
- EBITDA at INR 6.0 crs (12% of NR) as compared to INR 6.1 crs (11% of NR) over LY
- PAT at INR (3.4) crs (-7% of NR), compared to PAT of INR 1.5 crs (3% NR) in Q1 FY19

• New Identity Clinics

- 6 Clinics (3 in Dubai, 2 in Abu Dhabi & 1 in Muscat)
- Continued with a double digit growth of 12% in Q1.
- Contributed to 32% of total revenue
- Remains a growth lever and growing against the tide of the environment & sentiment.



MIDDLE EAST

UAE



KSA



OMAN



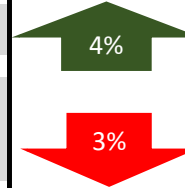
23 Clinics

3 Countries

10 Cities

Financial Highlights : Kaya Group

Particulars (INR crs)	Q1 FY20	Q1 FY19
Collection	115.4	111.4
Net Revenue including other Operating revenue	100.5	104.1
EBITDA*	13.5	6.9
Operating Margin	(3.0)	1.0
Other Income	1.1	0.0
PBT	(5.9)	0.1
PAT before Consol Adj/Minority share	(9.2)	0.1
Consolidated Adj/Minority Share	0.4	0.5
PAT	(9.6)	(0.4)



Collection SSG 3%
1% at constant currency

Net Revenue SSG -3%
-3% at constant currency

EBITDA margin at 13% of NR
against 7% of NR LY

*EBITDA margin has improved after considering IND AS 116 adjustment
Like to like EBITDA for Q1 CY is Rs 0.8 crs as compare to Rs 6.9 crs in LY

PBT Margin at -ve 6% of NR, as
against 0% of NR LY

Deferred Tax Asset charged to P&L for Rs 3.3 crs due to change in Tax Rate from 30% to 25% as per Finance bill 2019

Financial Highlights : India

Particulars (INR crs)	Q1 FY20	Q1 FY19
Collection	62.1	58.5
Net Revenue including other Operating revenue	50.4	51.1
EBITDA*	7.5	0.8
Operating Margin	(2.0)	(2.5)
Other Income	2.1	0.6
PBT	(2.9)	(1.9)
PAT	(6.2)	(1.9)

6%

1%

Collection SSG at 7%

Net Revenue SSG at -ve 1%

EBITDA margin improved to 15% of NR against 2% of NR LY

*EBITDA margin has improved after considering IND AS 116 adjustment
Like to like EBITDA for Q1 CY is Rs (1.3) crs as compare to Rs 0.8 crs in LY

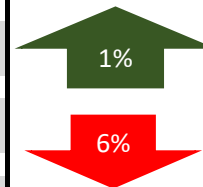
Operating margin at -ve 4% of NR as LY at -ve 5% of NR

PBT Margin at -ve 6% of NR, as against -ve 4% of NR LY

Deferred Tax Asset charged to P&L for Rs 3.3 crs due to change in Tax Rate from 30% to 25% as per Finance bill 2019

Financial Highlights : Middle East

Particulars (INR crs)	Q1 FY20	Q1 FY19
Collection	53.3	53.0
Net Revenue	50.1	53.0
EBITDA	6.0	6.1
Operating Margin	(1.0)	3.5
Other Income	(1.0)	(0.6)
PBT	(3.0)	2.0
PAT before Consol Adj/Minority	(3.0)	2.0
Consolidated Adj/Minority Share	0.4	0.5
PAT	(3.4)	1.5



Collection SSG –ve 3%
–ve 5% 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 Q1 CY is Rs 2.0 crs as compare to Rs 6.1 crs in LY

Operating margin at –ve 2% of NR,
as against 7% of NR in LY

PBT at –ve 6% of NR, as against
4% of NR in LY

Financial Highlights : Q1 FY20

Particulars (Rs in Crs)	Kaya India			Kaya Middle East			Kaya Group		
	Q1 FY20	Q1 FY19	Gr %	Q1 FY20	Q1 FY19	Gr %	Q1 FY20	Q1 FY19	Gr %
Collection	62.1	58.5	6%	53.3	53.0	1%	115.4	111.4	4%
Net Revenue including other Operating revenue	50.4	51.1	-1%	50.1	53.0	-6%	100.5	104.1	-3%
EBITDA	7.5	0.8	810%	6.0	6.1	-2%	13.6	6.9	96%
<i>% to NR</i>	15%	2%		12%	11%		13%	7%	
Operating Margin	(2.0)	(2.5)	23%	(1.0)	3.5	-130%	(3.0)	1.0	-414%
<i>% to NR</i>	-4%	-5%		-2%	7%		-3%	1%	
PBT	(2.9)	(1.9)	-46%	(3.0)	2.0	-247%	(5.9)	0.1	-7768%
<i>% to NR</i>	-6%	-4%		-6%	4%		-6%	0%	
Business PAT	(6.2)	(1.9)	-218%	(3.0)	2.0	-247%	(9.2)	0.1	-11964%
<i>% to NR</i>	-12%	-4%		-6%	4%		-9%	0%	
Minority Share	-	-	-	0.1	0.1	3%	0.1	0.1	3%
Consolidated Adj	-	-	-	0.3	0.4	-2%	0.3	0.4	-2%
PAT	(6.2)	(1.9)	-218%	(3.4)	1.5	-318%	(9.6)	(0.4)	-2262%
<i>% to NR</i>	-12%	-4%		-7%	3%		-10%	0%	

Collection SSG 3%
1% at constant currency

Net Revenue SSG -ve 3%
-ve 3% at constant currency

EBITDA margin is 13% of NR.
Improvement of Rs.6.7 crs
over LY

PBIT margin is -ve 3% of NR

PBT at -ve 6% of NR, as
against 0% 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 Q1 FY 20</u>		
<i>INR in crs</i>	India	Consol
Other Expenses	(9)	(13)
EBITDA	+9	+13
Depreciation	+7	+10
Interest expense	+3	+3
PBIT	(1)	(1)

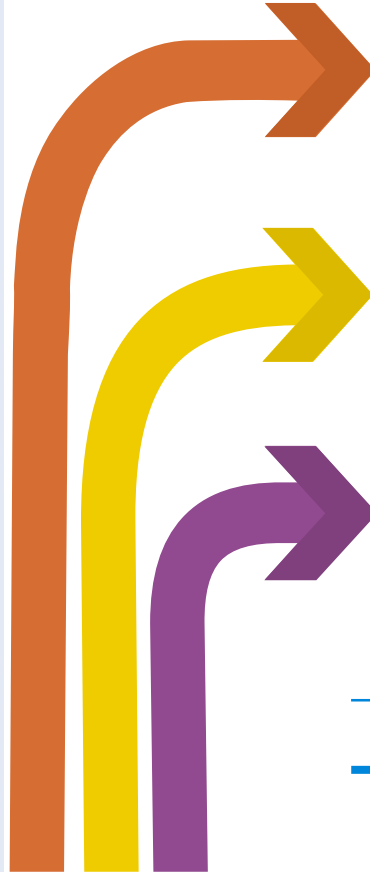


Corporate Overview

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

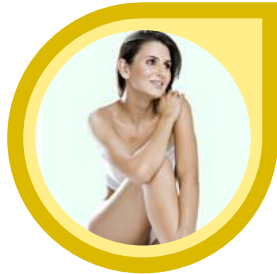
Anti-Ageing

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



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