

KERALA AYURVEDA LTD

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KAL reports strong growth for the year with FY 25 consolidated revenue up 22% to Rs. 137.2 Crs. Adjusted* EBITDA positive at Rs. 3.1 Crs. despite investments in marketing, talent hiring and technology over the year.

KAL aims to Double the growth rate in the year ahead to 50% topline growth with continued investments in chosen drivers of growth - the digital and health service businesses powered by world class talent, marketing, technology and international expansion.

Kerala Ayurveda Limited (KAL) consolidated FY'25 revenue grew by a strong 22% (17.4% excluding Ayurvedagram Bali + Om Vedic Singapore) vs. year ago. This reflects the continued strong growth in the US business driven by the Academy business (52% growth) and US Wellness Center (47%) and strong growth in the Ayurvedagram Bali business (71%) behind increased occupancy. The India Ecommerce business saw a continued upswing in growth with Q4'25 growing at 37% vs. year ago.

Consolidated FY'25 PAT of Rs. -13.95 Crs. (vs Rs. -56 Lakhs FY'24) is due to deliberate investments in building the foundation for a long term, sustainable business. The focus was on building a strong leadership team, creating the right infrastructure – plant, tech, resorts (Rs.6 Crs Capex), building talent (Rs. 13.5 Crs.) and investing in digital marketing (Rs.6 Crs.). There was also a focused effort on driving greater operational discipline around cash flows - inventory, credit limits, bad debts provisioning and improving the standards of customer experience behind clinical excellence at our clinics leading to some business transition impact. There was also an impact of provisioning for ESOPs (Rs.6.2 Crs.) which was being done for the first time.

Kerala Ayurveda Limited (KAL) aims to accelerate its growth trajectory, setting a target to double its topline growth to 50% in the new financial year and proposes to raise funds for the same. These funds will be used to support significant investments in high quality marketing, advanced technology and expanded international reach supported by world-class talent. These strategic priorities are designed to solidify KAL's position as a global leader in the Ayurveda industry and drive sustainable growth across all business segments.

With a strong foundation being built in FY 25 and a continued focus on driving strong operational focus and a planned investment in high-growth businesses and markets, KAL is well-positioned to achieve its enhanced growth targets, delivering greater value to stakeholders and expanding access to its holistic Ayurveda offerings worldwide.

Segment Performance and Growth Metrics

- **E-commerce:** India Ecommerce recorded a growth of 21% FY with Q4 revenue up by 37% following a Q3 growth of 56%. The growth came despite changes implemented in warehousing network design and a pull back on marketing investment in Feb-Mar. The business also the launch of the new Shopify powered D2C website. All businesses continued to show strong growth trends. The US Ecommerce business was affected by a one-off supply challenge leading to out of stocks in Q4 and a planned transition of the warehouse to a 3P partner. The business grew 10% in Q4 with full year at 7%.

- **US Business:** A stellar 51% FY'25 growth (fastest growing business unit), driven by 52% growth in Academy and a 47% growth in Wellness Center. The Wellness centre had a stellar quarter with a complete transformation of clinic operations to improve customer funnel conversions helping to deliver a Q4'25 growth of 73% and a sequential quarter growth of 77%.
- **Health Services:** FY Health services grew at 22% powered by the HS retreats vertical growing 15% behind highest every occupancy (90%) over Q4 at Ayurvedagram Bengaluru. The Ayurvedagram Bali property also had strong improvements in occupancy (+14%) delivering 71% growth vs. year ago. The HS Day Clinics business had a sluggish performance with a single digit decline, due to changes in personnel, a planned overhaul of the underlying processes and refurbishment of current clinics.
- **Doctor Sales Channel:** The business stabilized with a 6% FY growth. The core KAL distribution business grew 10% in Q4'25, but the nutraceutical Nutraveda business declined 32% due to an unexpected issue at production/ warehousing on account of which we lost a couple of months of sales (issue has since been resolved).

Strategic Investments and Future Outlook

KAL has finalized a strategic roadmap focused on doubling its growth rate to 50% over FY'26 through:

- **Enhanced Digital and E-commerce Expansion:** Expected 2x growth in India digital business and a 3x growth in the US.
- **Growth in HS Retreats:** Ayurvedagram Bengaluru projecting 30%+ growth through the addition of new luxury rooms and refurbishments of existing facilities. Plans also to expand retreats with the launch of a new property in the second half of the year.
- **Premium Product Launch:** New premium product range set to launch by Q2'26 to expand the customer base.
- **Global Partnerships:** JV with Om Vedic, Singapore and the integration of the JV with Ayurvedagram Bali will contribute an additional ₹20 Crs. next fiscal.
- **Expansion of HS Clinics:** Focus on building the playbook for the Day Clinic operation and expanding that to all existing clinics to scale revenue per clinic. This will be a key enabler to a planned doubling of the no. of clinics by the end of year.

Summary

With a strong acceleration in KAL's priority business units and clear growth drivers in mind, KAL is poised to lead a digitally-driven transformation in Ayurveda, combining products, services, and education in a unique offering to global customers. The investments in talent and technology are expected to positively impact growth in FY 26.

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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