

November 15, 2021

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051

BSE Limited
Corporate Relationship Department,
2nd Floor, New Trading Wing,
Rotunda Building, P.J. Towers,
Dalal Street, Mumbai – 400 001

Symbol: NYKAA

Scrip Code: 543384

Dear Sirs,

Sub: Investor Presentation


We are enclosing the Investor presentation, to be used by the Company for analyst/ institutional investors meeting(s).

Kindly take the same on record.

Thanking You.

Yours faithfully,

For FSN E-Commerce Ventures Limited



Rajendra Punde

Head – Legal, Company Secretary & Compliance Officer

Mem. No.: A9785



A collage of various images related to the NYKAA brand, including makeup products like lipsticks, eyeshadow palettes, and nail enamel, as well as fashion items like a yellow jacket and a pink blazer. The collage is composed of several hexagonal and rectangular frames. The background is a light blue gradient with water droplets and a large, faint NYKAA logo. The NYKAA logo is in a bold, pink, sans-serif font.

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Investor Presentation

Quarter ended September 30, 2021

FSN Ecommerce Ventures Limited

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Business and Operational Highlights

Operational Performance Highlights

- 1 Consolidated **GMV** grew by 63% Year on Year (“YoY”) and 10% sequentially (“QoQ”) to reach at ₹ 16,229 million
- 2 Beauty and Personal Care **GMV** grew by 38% YoY to reach at ₹ 11,859 million and Fashion GMV grew by 215% YoY to reach at ₹ 4,370 million
- 3 **Fashion GMV** contribution to consolidated GMV increased to 27% compared to 14% in Q2 FY21
- 4 **Average Monthly Unique Visitors** increased to 21 million with YoY growth of 62% in Beauty and Personal Care vertical and to 16 million with YoY growth of 328% in Fashion vertical
- 5 **Annual Unique Transacting Customers** reached 7.2 million with YoY growth of 40% in Beauty and Personal Care vertical and 1.3 million with YoY growth of 417% in Fashion vertical

Key Business Highlights

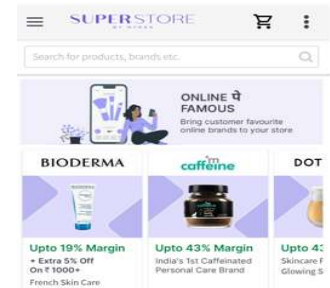
1

In September 2021, Nykaa acquired 51% stake in **Dot & Key** Wellness Private Limited (“Dot & Key”). This is the first D2C (direct to consumer) beauty brand acquired by Nykaa, allowing the company to expand its skincare, personal care and nutraceuticals owned portfolio. Founded by Suyash Saraf and Anisha Saraf, Dot & Key is a new age brand that offers premium skincare products such as serums, face masks, toners and cleansers. The brand has recently expanded into nutraceuticals under the brand ‘IKWI’, whose products are dermatologically tested and cruelty free.



2

Nykaa has launched “**SuperStore by Nykaa**” in Q2 FY22. “SuperStore by Nykaa” is an eB2B platform bringing Beauty and Personal Care access and expertise to underserved channels and markets using technology. Catering to retailers across India, the “SuperStore by Nykaa” aims to support and empower them to offer the best of the Beauty and Personal Care products to their customers.



3

Nykaa has launched a new fashion owned brand “**Gajra Gang**” in Q2 FY22, ode to every woman who refuses to be labeled. With a ready-to-wear launch collection of modern occasion wear, balancing focus on craftsmanship, tradition and wearability. Gajra Gang is focused on empowering women's choices. The curation includes a modern take on traditional silhouettes including trendy lehengas, saris and co-ord sets.



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Key Business Highlights contd.

4

With the evolving operating environment, Nykaa has accelerated **store expansion** this quarter, with 8 new physical retail stores across the country including stores in Gwalior, Kochi, Mysore & Ranchi. Our total operational physical store was 84 as of September 30, 2021.



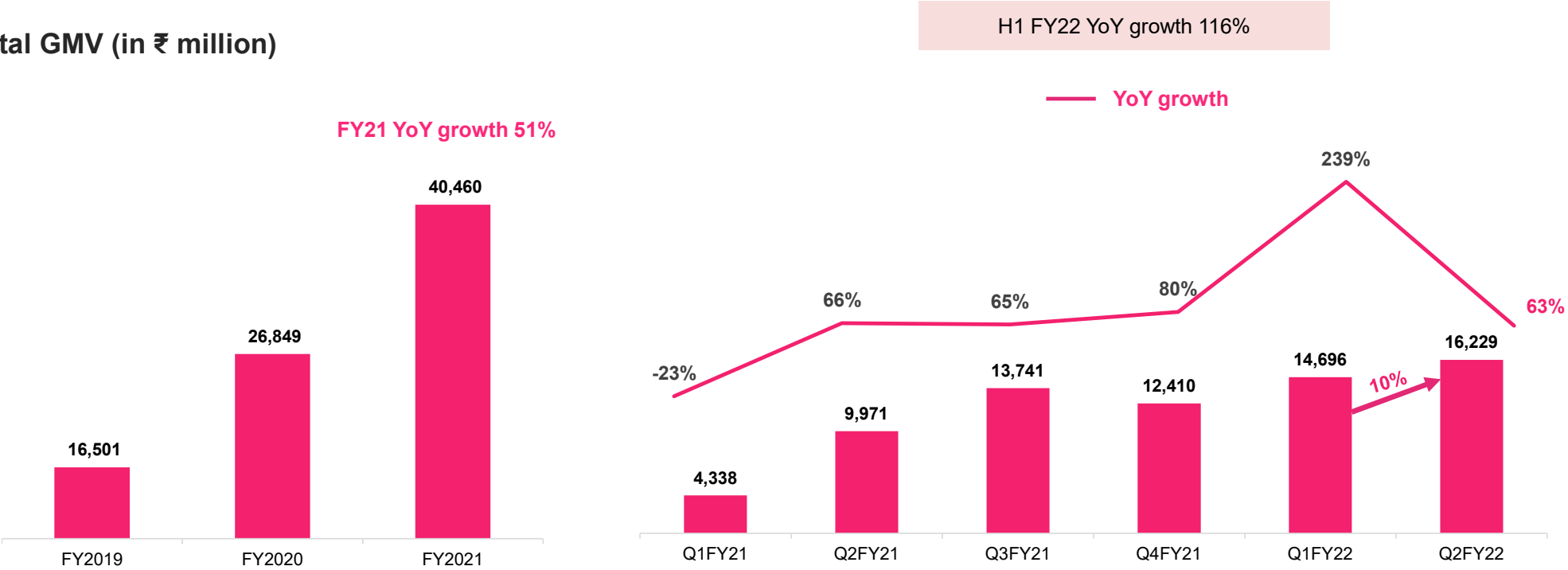
5

Nykaa continues to ensure access and timely delivery for customers across the length and breadth of the country. It expanded **warehouse storage space** by 0.37 lakh square feet during Q2 FY22 which resulted in total warehouse space of more than 6.65 lakh square feet as of September 30, 2021.

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Consolidated GMV

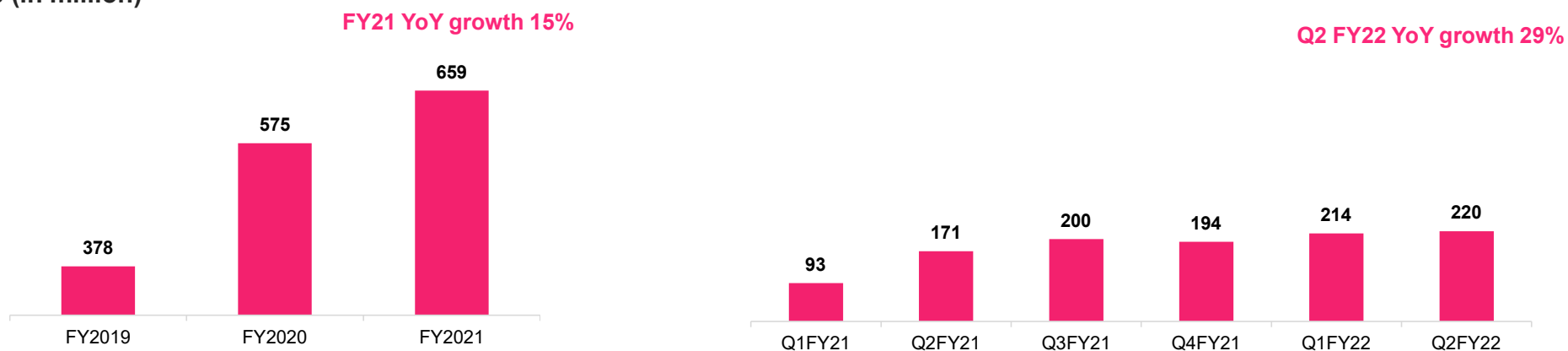
Total GMV (in ₹ million)



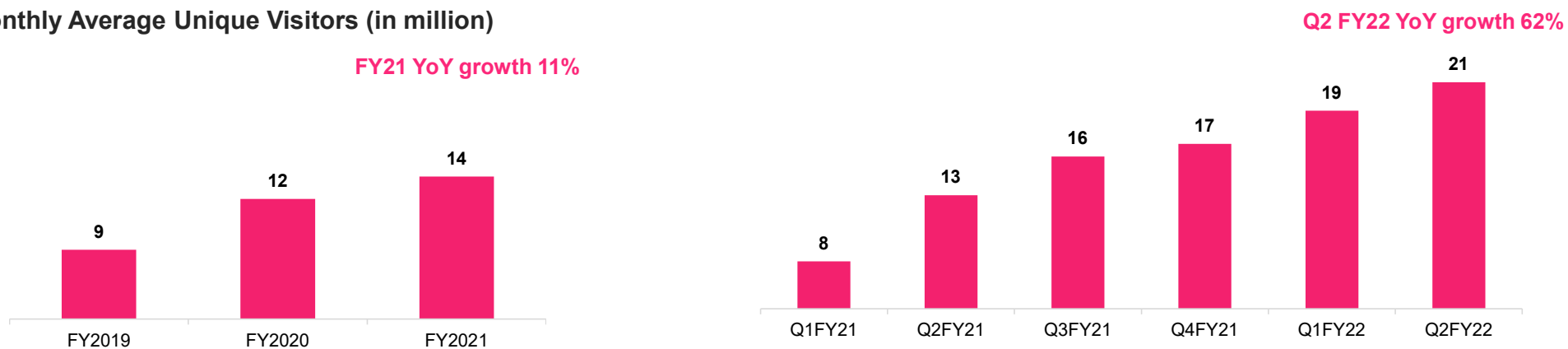
Q2FY22 GMV grew by 63% YoY and 10% QoQ supported by strong operational metrics

Beauty and Personal Care | Visits and Monthly Average Unique Visitors

Visits (in million)



Monthly Average Unique Visitors (in million)

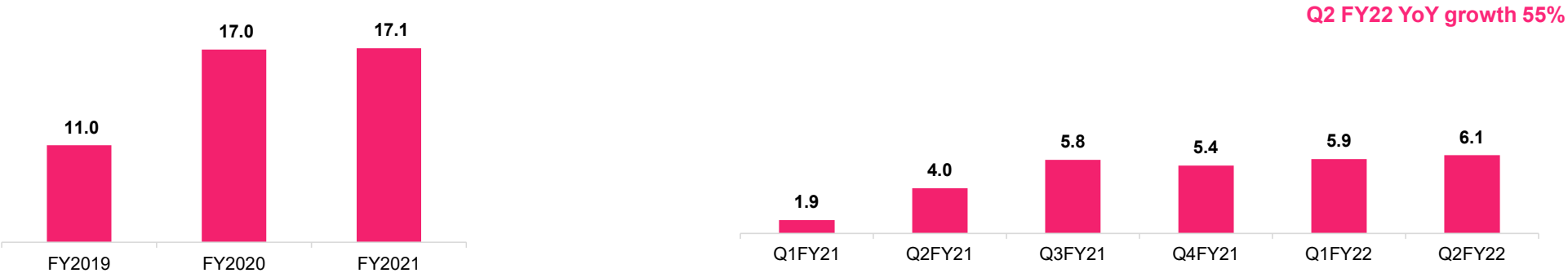


Consistent increase QoQ in Visits and Monthly Average Unique Visitors

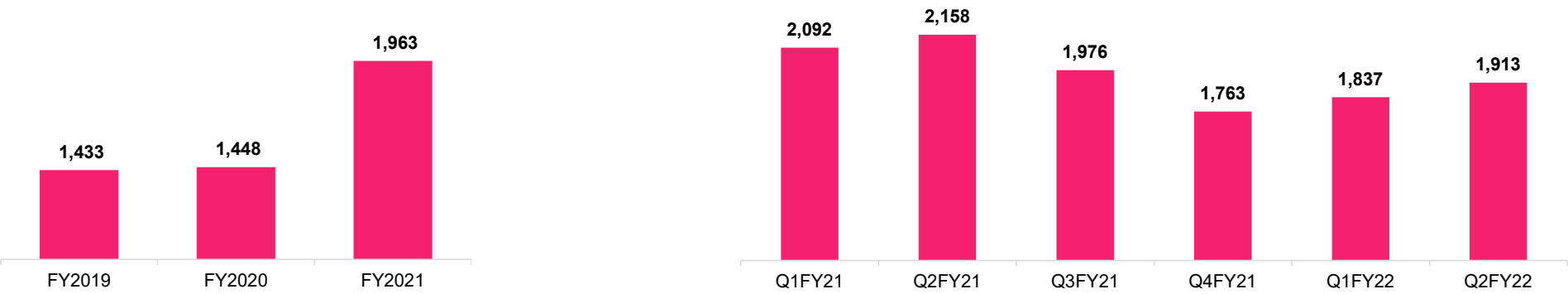
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Beauty and Personal Care | Orders and AOV

Orders (in million)



AOV (₹)

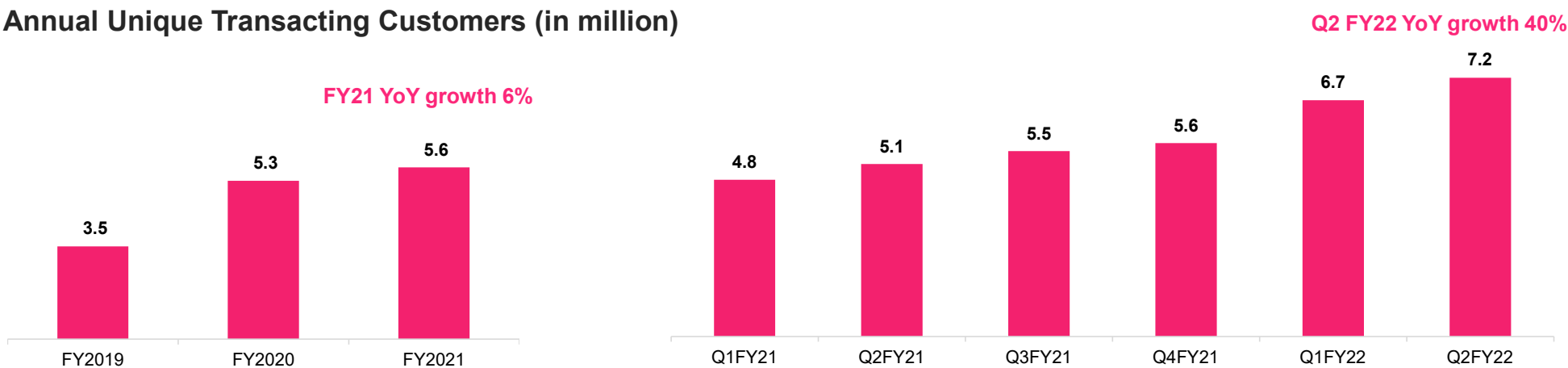


Growth in Orders volume with sustained AOVs

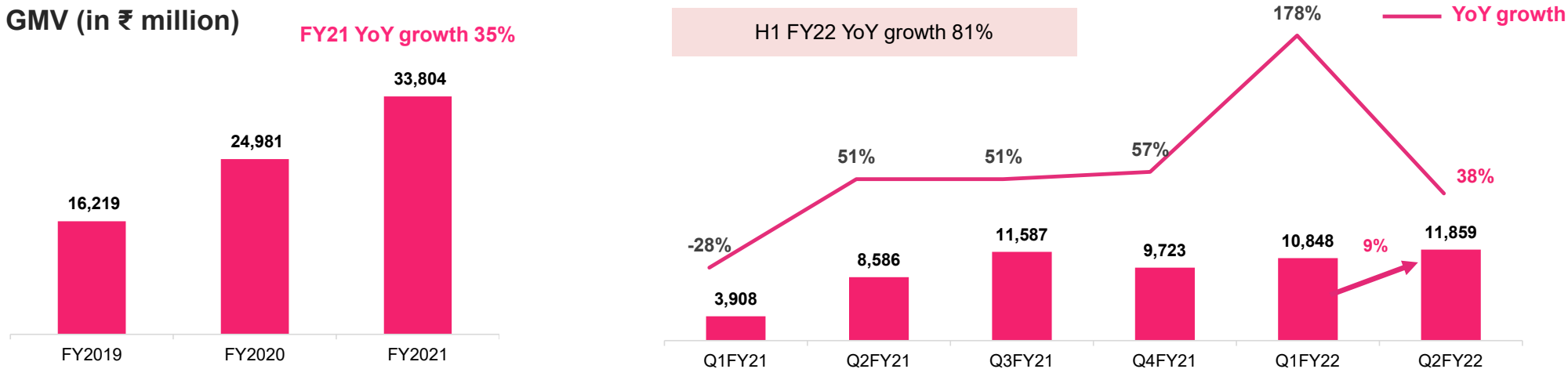


Beauty and Personal Care | GMV and Annual Unique Transacting Customers

Annual Unique Transacting Customers (in million)



GMV (in ₹ million)

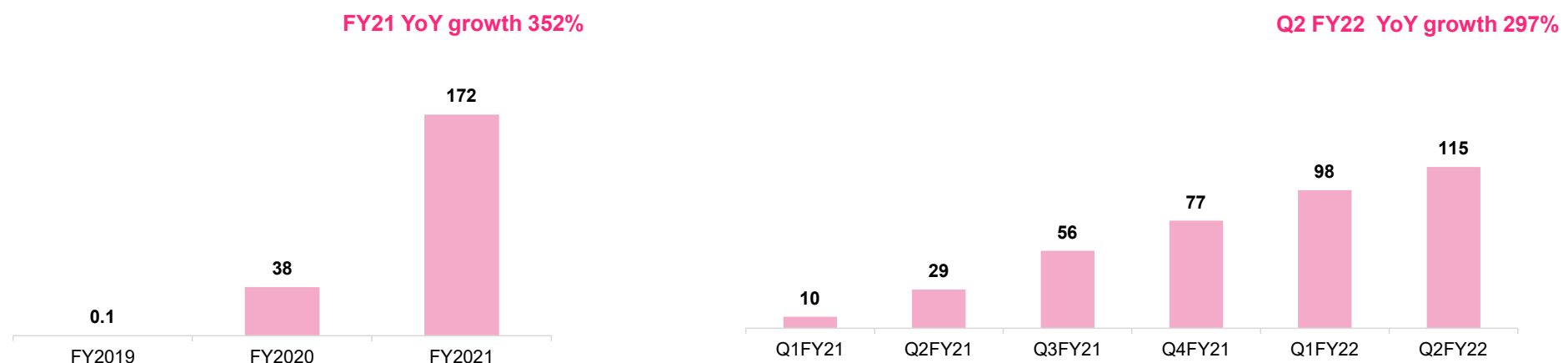


Strong momentum in new customer addition leading to 38% YoY growth in GMV in Q2 FY22

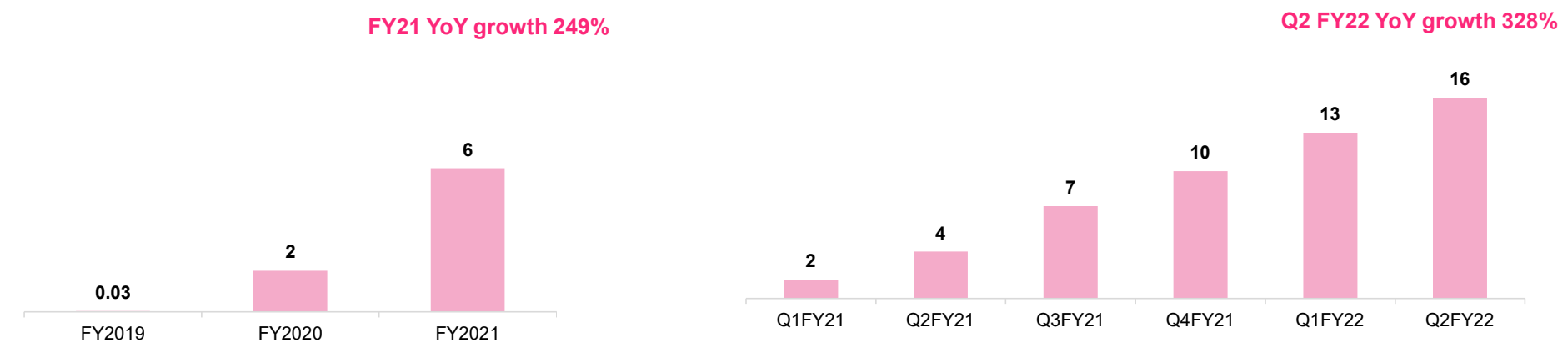
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Fashion | Visits and Monthly Average Unique Visitors

Visits (in million)



Monthly Average Unique Visitors (in million)



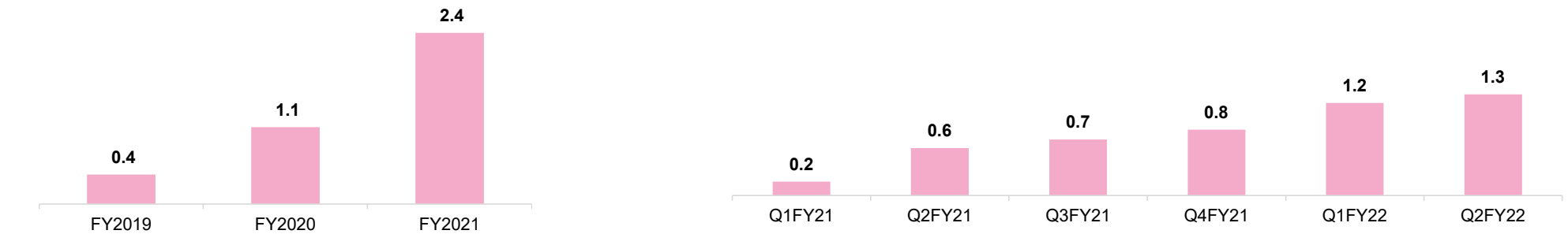
Hyper growth in Fashion Visits and Monthly Average Unique Visitors



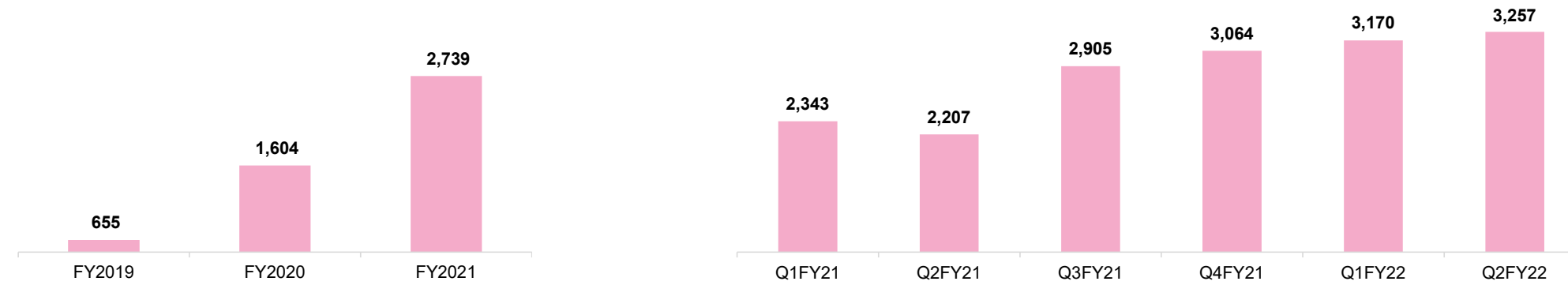
Fashion | Orders and AOV

Orders (in million)

Q2 FY22 YoY growth 114%



AOV (₹)

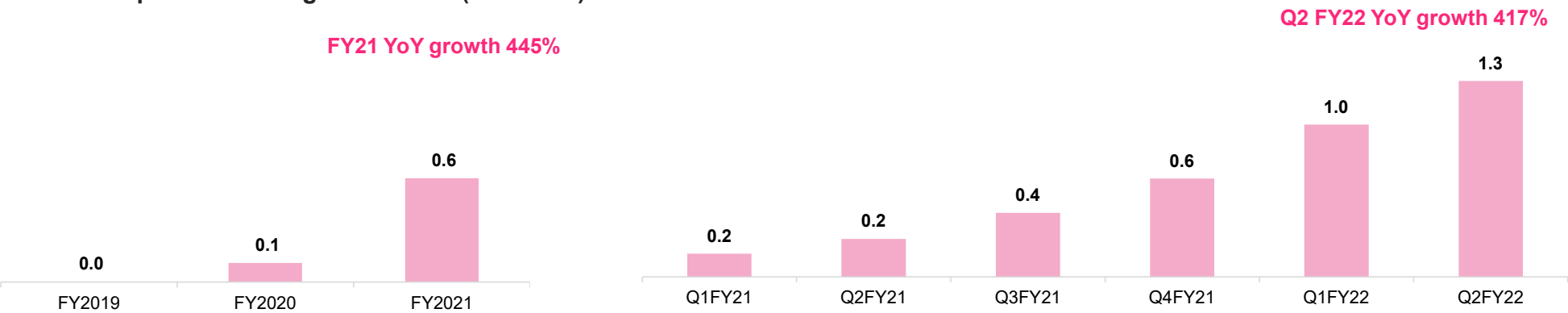


Orders volume doubled YoY in Q2 FY22 with improving AOVs

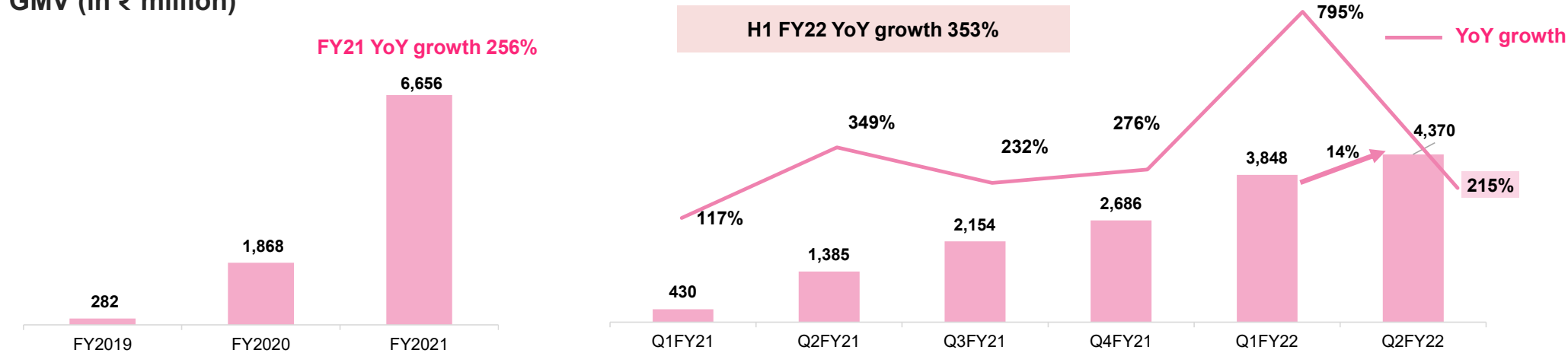


Fashion | GMV and Annual Unique Transacting Customers

Annual Unique Transacting Customers (in million)



GMV (in ₹ million)



Significant growth in Fashion Customer base in last one year leading to 215% YoY growth in GMV in Q2 FY22



Key Operational Metrics

		Quarter ended							
Metric	Unit	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Sep-21 YoY growth	Sep-21 Seq. growth
Number of Visits									
Beauty and Personal Care	Million	93	171	201	194	214	220	29%	3%
Fashion	Million	10	29	56	77	98	115	295%	16%
Monthly Average Unique Visitors									
Beauty and Personal Care	Million	8	13	17	17	19	21	62%	11%
Fashion	Million	2	4	7	10	13	16	328%	21%
Annual Unique Transacting Customers									
Beauty and Personal Care	Million	4.8	5.1	0.0	5.6	6.7	7.2	40%	8%
Fashion	Million	0.2	0.2	0.0	0.6	1.0	1.3	417%	29%
Orders									
Beauty and Personal Care	Million	1.9	4.0	5.8	5.4	5.9	6.1	55%	4%
Fashion	Million	0.2	0.6	0.7	0.8	1.2	1.3	114%	9%
Average Order Value (AOV)									
Beauty and Personal Care	₹	2,092	2,158	1,976	1,763	1,837	1,913	-11%	4%
Fashion	₹	2,343	2,207	2,905	3,064	3,170	3,257	48%	3%
Gross Merchandise Value (GMV)									
Beauty and Personal Care	₹ in Million	3,908	8,586	11,587	9,723	10,848	11,859	38%	9%
Fashion	₹ in Million	430	1,385	2,154	2,686	3,848	4,370	215%	14%
Total	₹ in Million	4,338	9,971	13,741	12,410	14,696	16,229	63%	10%

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Financial Performance

Consolidated Financial Highlights

Revenue from Operations:

- Revenue from Operations in Q2 FY22 was ₹ 8,853 million with a growth of 47% on YoY basis and 8% on sequential basis
- Marketing support revenue in Q2 FY22 grew by 68% YoY due to recovery in brand spends on advertisements
- Income from marketplace services grew by 326% YoY primarily driven by Fashion GMV growth

Gross Profit:

- Gross Profit was ₹ 3,782 million with an increase of 59% YoY
- Gross Profit Margin was at 42.7% in Q2 FY22 vs 40.6% in Q1 FY22, an improvement of 213 bps sequentially primarily led by increase in share of GMV from owned brands and increase in share of Fashion GMV

EBITDA:

- EBITDA was ₹ 288 million with flat EBITDA Margin at 3.3% as compared to Q1 FY22.
- Marketing and Advertisement Expense as % to Revenue from Operations was at 13.7% higher as compared to 11.1% in Q1 FY22, on account of mass media marketing campaign aimed at building brand awareness and higher customer acquisition costs to acquire new customers

PAT:

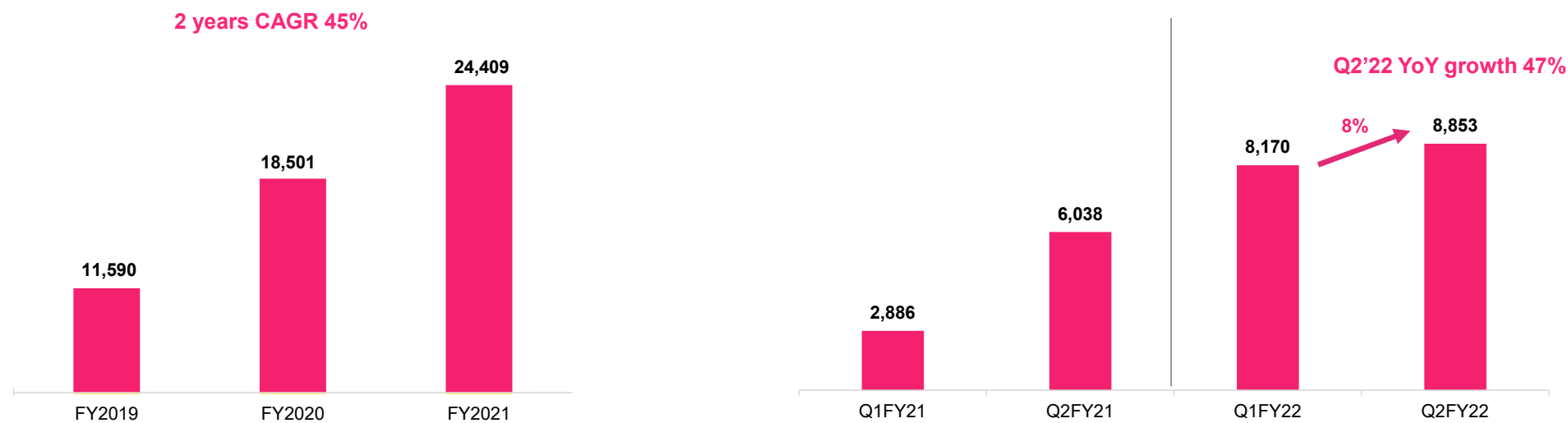
- Profit after Tax was ₹ 12 million in Q2 FY22. Profit after Tax in H1 FY22 was ₹ 47 million as compared to loss after tax ₹ (251) million in H1 FY21

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Consolidated Revenue from Operations

Revenue from Operations (in ₹ million)

H1'22 YoY growth 91%



Q2FY22 Revenue grew by 47% YoY and 8% sequentially

Notes:

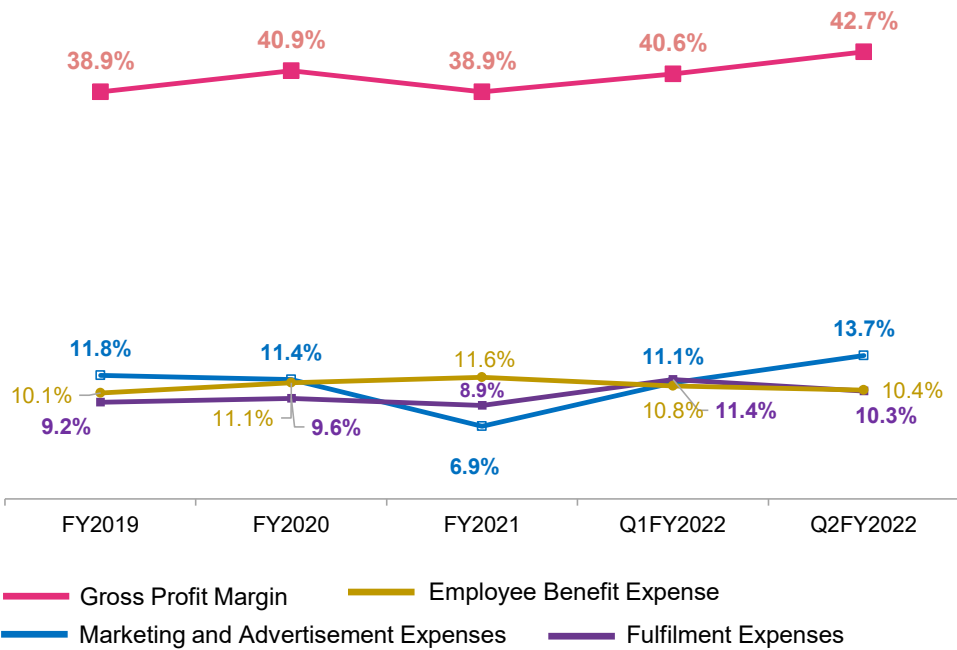
- 1. Revenue from Operations for FY2019, FY2020, FY2021, Q1FY2022 are as per audited financial statements.
- 2. Revenue from Operations was ₹ 11,113 million for FY2019 and ₹ 17,675 million for FY2020 as per Restated financial statements shown in Prospectus.
- 3. **Comparable YoY growth for Revenue from Operations in FY2021 was 38% based on Restated financial statements.**



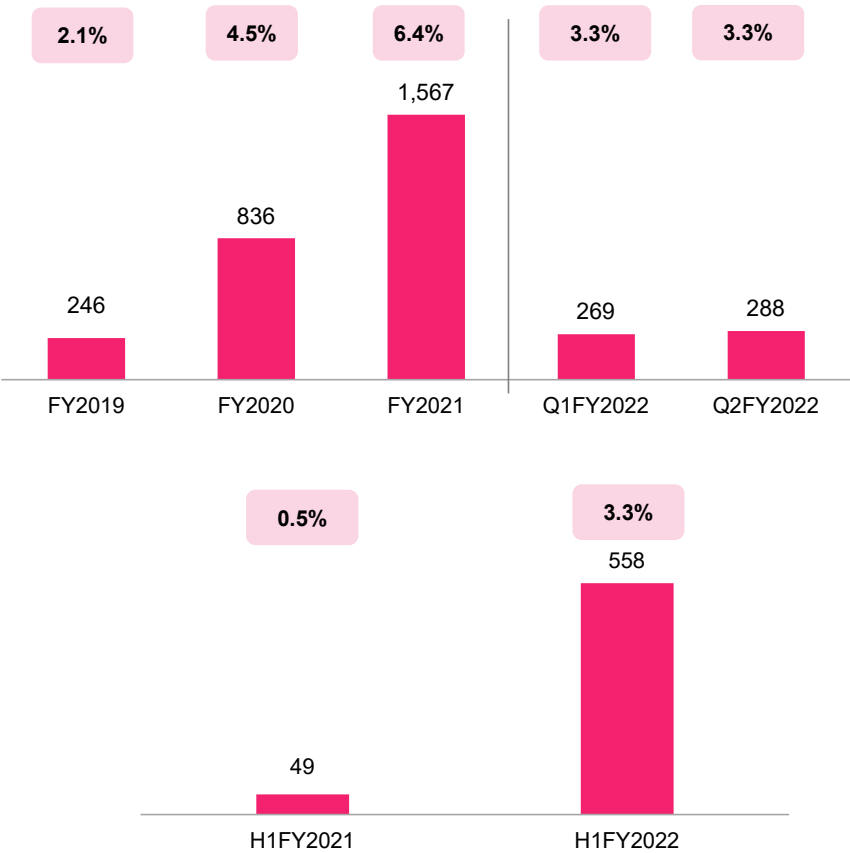
Consolidated EBITDA

Gross Profit Margin⁽¹⁾ & Key Operating Expenses

% of Revenue from operations



EBITDA ₹ million and EBITDA Margin %⁽¹⁾



EBITDA Margin at 3.3% in Q2 FY22 with improving gross profit margin%

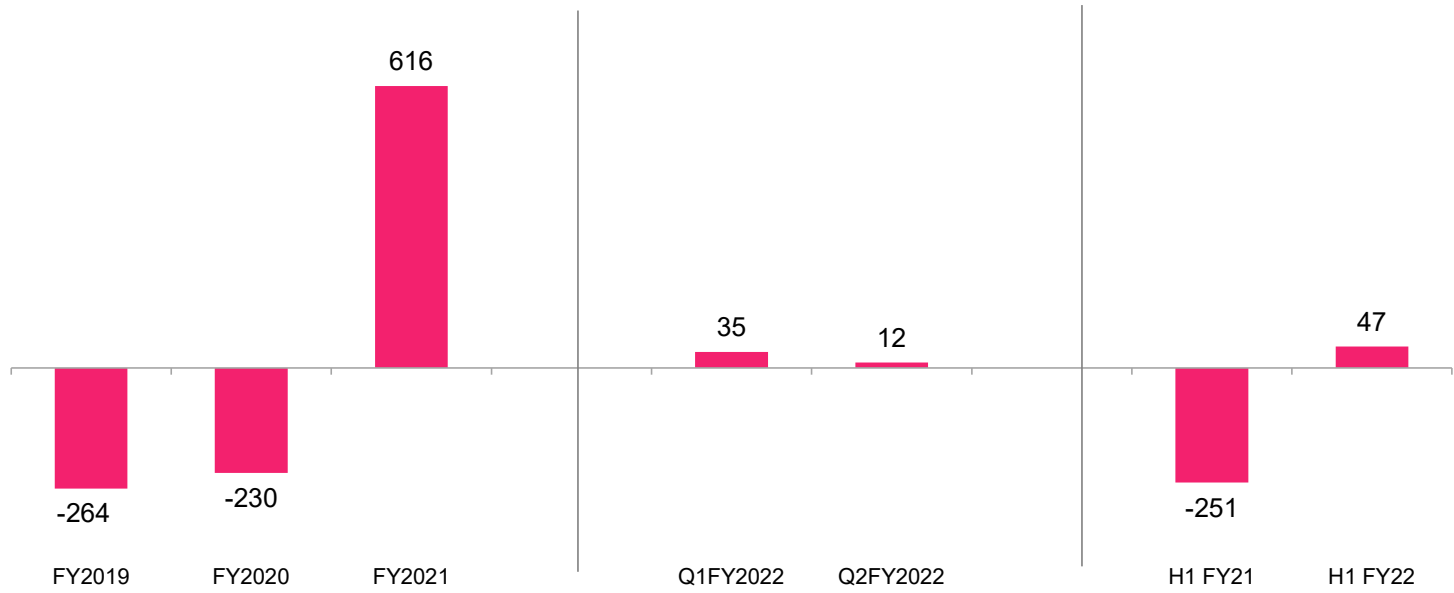
Notes:

1. Computed on Revenue from Operations
2. Gross Profit Margin, EBITDA, EBITDA Margin and Operating Expense % for FY2019, FY2020, FY2021, Q1FY2022 are as per audited financial statements.



Consolidated PAT

PAT in ₹ million



PAT at ₹ 12 million for Q2 FY22 and ₹ 47 million for H1 FY22

Notes:
1. PAT for FY2019, FY2020, FY2021 and Q1FY2022 are as per audited Financial Statements.

Consolidated P&L

(All amounts in ₹ million, unless otherwise stated)

Particulars	Quarter Ended					Half Year ended		
	Sep-21 (Unaudited)	Sep-20 (Unaudited)	YoY Growth	Jun-21 (Audited)	QoQ Growth	Sep-21 (Unaudited)	Sep-20 (Unaudited)	YoY Growth
Revenue from Operations	8,853	6,038	47%	8,170	8%	17,023	8,924	91%
Cost of goods Sold	5,070	3,666	38%	4,853	4%	9,924	5,867	69%
Gross Profit	3,782	2,372	59%	3,317	14%	7,099	3,057	132%
<i>Gross Profit Margin %</i>	42.7%	39.3%	345 bps	40.6%	213 bps	41.7%	34.3%	744 bps
Fulfilment expense	910	580	57%	934	-3%	1,845	860	115%
Marketing & advertisement expense	1,214	315	286%	907	34%	2,121	386	449%
Employee benefits expense	923	692	33%	885	4%	1,807	1,251	44%
Other expense	448	236	90%	321	40%	768	512	50%
Operating Expenses	3,494	1,822	92%	3,047	15%	6,541	3,009	117%
EBITDA	288	550	-48%	269	7%	558	49	1046%
<i>EBITDA Margin %</i>	3.3%	9.1%	-585 bps	3.3%	-4 bps	3.3%	0.5%	273 bps
Depreciation	54	34	58%	53	2%	107	75	43%
Amortisation	159	129	24%	142	12%	301	243	24%
Finance Cost (Net of other income)	62	60	2%	43	43%	104	123	-15%
Profit/(Loss) before Tax	14	326		31		45	(392)	
Total tax expense /(income)	2	57		(4)		(2)	(141)	
Profit/(Loss) after Tax	12	270		35		47	(251)	
Fulfilment cost % to Revenue	10.3%	9.6%	-68 bps	11.4%	115 bps	10.8%	9.6%	-120 bps
Marketing & advertisement expense % to Revenue	13.7%	5.2%	-850 bps	11.1%	-260 bps	12.5%	4.3%	-813 bps

Notes:

1. Cost of Goods Sold includes Cost of Material Consumed, Purchase of Traded Goods, Changes in finished goods and stock-in-trade.
2. Fulfilment expense includes Freight Expense, Packaging Expense & Payment Gateway charges.
3. Other expense are excluding Fulfilment expense and Marketing & Advertisement Expense.

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Consolidated Balance Sheet

(All amounts in ₹ million, unless otherwise stated)

Particulars	As at 30 September 2021 (Unaudited)	As at 31 March 2021 (Audited)
Assets		
Non-Current Assets		
Property, plant and equipment	847	687
Right of use assets	1,784	1,389
Capital work in progress	31	20
Goodwill	712	5
Other Intangible assets	185	230
Intangible assets under development	46	4
Investments	0	13
Other financial assets	236	162
Deferred tax assets (net)	919	780
Non-current tax assets	224	86
Other non-current assets	78	14
Total non-current assets	5,063	3,389
Current Assets		
Inventories	6,042	4,981
Investments	5	0
Trade receivables	962	766
Cash and cash equivalents	1,723	836
Bank balance other than cash and cash equivalents	1,615	1,641
Other financial assets	772	574
Other current assets	1,455	832
Total current assets	12,575	9,630
Total Assets	17,638	13,019
Inventory Days	65	74
Receivable Days	10	11

(All amounts in ₹ million, unless otherwise stated)

Particulars	As at 30 September 2021 (Unaudited)	As at 31 March 2021 (Audited)
Equity and liabilities		
Equity		
Equity share capital	467	151
Other equity	5,769	4,748
Equity attributable to equity holders of the parent	6,236	4,899
Non Controlling Interests	1,539	8
Total equity	7,775	4,907
Non-current liabilities		
Financial liabilities		
Borrowings	17	17
Lease liabilities	1,458	1,074
Long-term provisions	77	73
Total non-current liabilities	1,551	1,164
Current liabilities		
Borrowings	3,507	1,858
Lease liabilities	409	378
Trade payables	2,835	3,162
Other financial liabilities	1,163	850
Short-term provisions	134	169
Contract liabilities	0	247
Current tax liabilities	86	108
Other current liabilities	178	175
Total current liabilities	8,312	6,948
Total Liabilities	9,863	8,112
Total Equities and Liabilities	17,638	13,019
Payable Days	30	47

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Consolidated Cash Flow Statement

(All amounts in ₹ million, unless otherwise stated)

Particulars	Half year ended	
	Sep-21 (Unaudited)	Sep-20 (Unaudited)
Operating activities		
Profit/(loss) before tax as per Statement of profit & loss	45	(392)
Depreciation and amortisation expense	408	317
Finance costs	204	159
Interest income	(70)	(31)
Provision for gratuity	14	19
Provision for compensated absences expense	(8)	51
Foreign exchange (gain)/loss	(8)	(4)
Allowance for expected credit loss	2	34
Operating profit before working capital changes	645	175
(Increase)/ Decrease in trade receivables	(178)	113
(Increase)/ Decrease in inventories	(1,005)	758
(Increase) in current financial asset	(202)	(1,046)
(Increase) in non-current financial assets	(16)	(59)
(Increase)/ Decrease in other current assets	(604)	176
Increase/ (Decrease) in trade payables	(373)	(527)
Increase/ (Decrease) in non-current provisions	14	(64)
Increase in current other financial liabilities	280	594
(Decrease) in other current liabilities	(33)	(137)
Increase/ (Decrease) in current provisions	(23)	57
Cash generated from / (used in) operations	(1,496)	41
(Payment)/ Refund of taxes (net)	(519)	6
Net cash flow from / (used in) operating activities (A)	(2,016)	47

(All amounts in ₹ million, unless otherwise stated)

Particulars	Half year ended	
	Sep-21 (Unaudited)	Sep-20 (Unaudited)
Investing activities		
Purchase of property, plant and equipment, intangible assets	(362)	(152)
Payment for acquisition of subsidiary, net of cash acquired	(511)	0
(Investment in) / redemption of fixed deposits/Mutual funds	(12)	39
Interest Received	55	
Net cash flows (used in) investing activities (B)	(830)	(113)
Financing activities		
Proceeds from issue share capital	2,509	892
Proceeds from/(repayment of) current borrowings (net)	1,649	(1,482)
Principal payment of lease liabilities	(222)	(148)
Interest expenses on lease liabilities	(74)	(49)
Interest paid	(129)	(112)
Net cash flows from / (used in) financing activities (C)	3,733	(899)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	888	(956)
Cash and cash equivalents at the beginning of the period	836	1,012
Cash and cash equivalents at the period end	1,723	56

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Glossary

Term	Description
Annual Unique Transacting Customers	Unique customers identified by their email-id or mobile number who have placed at least one Order on our websites, mobile applications or physical stores during the last 12 months ended as on measurement date. Annual Transacting Customers, with respect to beauty and personal care, denotes Annual Transacting customers on the Nykaa and Nykaa Man websites, mobile applications and physical stores. Annual Transacting customers, with respect to fashion, denotes Annual Transacting customers on the Nykaa Fashion website and the mobile application.
Average Order Value / AOV	GMV generated across our websites, mobile applications and physical stores divided by Orders considered for such GMV.
BPC	BPC refers to Beauty and Personal Care
Cost of Goods Sold	Cost of Goods Sold is a non-GAAP financial measure. Cost of Goods Sold refers to cost of material consumed, purchase of traded goods, changes in finished goods and stock-in-trade.
EBITDA	EBITDA is a non-GAAP financial measure. EBITDA refers to our profit/(loss) for the period, as adjusted to exclude (i) Other Income, (ii) Depreciation and Amortization Expenses, (iii) Finance Costs and (iv) Tax Expense.
EBITDA Margin	EBITDA Margin refers to the percentage margin derived by dividing EBITDA by Revenue from Operations.
Fulfilment Cost	Fulfilment cost refers to Freight Expense, Packaging Expense & Payment Gateway charges.
Gross Profit	Gross Profit is a non-GAAP financial measure. Gross Profit refers to Revenue from Operations less Cost of Material Consumed, Purchase of Traded Goods, Changes in Finished Goods and Stock-in-trade.
Gross Profit Margin	Gross Profit Margin refers to the percentage margin derived by dividing Gross Profit by Revenue from Operations.
Gross Merchandise Value/ "GMV"	Monetary value of orders inclusive of taxes and gross of discounts, if any, across our websites, mobile applications and physical stores prior to product returns or order cancellations and including sales to and through third party channels. GMV, with respect to beauty and personal care, denotes GMV of all beauty and personal care products. GMV, with respect to fashion, denotes GMV of all fashion products.
Monthly Average Unique Visitors	Number of unique devices (laptops, mobile phones, etc.) which recorded at least one Visit to our websites or mobile applications during the month. Monthly Average Unique Visitors, with respect to beauty and personal care, denotes Monthly Average Unique Visitors on the Nykaa and Nykaa Man websites and mobile applications. Monthly Average Unique Visitors, with respect to fashion, denotes Monthly Average Unique Visitors on the Nykaa Fashion website and the mobile application.
Orders	All orders placed on our websites, mobile applications and physical stores prior to any cancellations and returns. Orders, with respect to beauty and personal care, includes all Orders that have at least one beauty and personal care product. Orders, with respect to fashion, includes all Orders that have at least one fashion product.
Visits	Number of visits to our websites and mobile applications. A visit is considered ended when no new request has been recorded in more than 30 minutes from the same device to the website or the mobile application. Visits, with respect to beauty and personal care, denotes Visits to the Nykaa and Nykaa Man websites and mobile applications. Visits, with respect to fashion, denotes Visits to the Nykaa Fashion website and the mobile application.

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Thank you

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