



FSN E-Commerce Ventures Limited

(formerly 'FSN E-Commerce Ventures Private Limited')

February 09, 2022

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

Sub: Press Release w.r.t. Unaudited financial results for the Quarter and Nine months ended December 31, 2021

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the press release being issued by the Company regarding the Unaudited financial results for the Quarter and Nine months ended December 31, 2021.

Thanking You.

Yours faithfully,
For FSN E-Commerce Ventures Limited

Rajendra Punde
Head – Legal, Company Secretary & Compliance Officer
Mem. No.: A9785





FSN E-Commerce Ventures Limited
Quarter ended December 31, 2021 – Result Press Release

Mumbai, India, February 09, 2022: FSN E-Commerce Ventures Limited (referred as “Nykaa” or the “Company”), today announced its financial results for the quarter and nine months ended December 31, 2021, (Q3 FY22).

Q3 FY22 has been a strong quarter led by growth in transacting customers. Our Consolidated Revenue from Operations grew 24% sequentially (“QoQ”) and 36% Year on Year (“YoY”) to ₹ 10,984 million in Q3 FY22; and grew 65% year to date FY22. Profit after Tax increased to ₹ 290 million in Q3 FY22 from ₹ 12 million in Q2 FY22

Operational Highlights for the Quarter:

- **Consolidated GMV** grew 26% sequentially (“QoQ”) and 49% Year on Year (“YoY”) to ₹ 20,435 million in Q3 FY22; and grew 83% year to date FY22
- Beauty and Personal Care (BPC) **GMV** grew 29% QoQ and 32% YoY to ₹ 15,333 million in Q3 FY22; and grew 58% year to date FY22
- Fashion **GMV** grew 17% QoQ and 137% YoY to ₹ 5,102 million in Q3 FY22; and grew 236% year to date FY22
- **Fashion GMV** contribution 25% to consolidated GMV in Q3 FY22
- **Annual Unique Transacting Customers** in BPC vertical grew 9% QoQ and 44% YoY to 7.9 million, and in Fashion vertical grew 23% QoQ and 278% YoY to 1.6 million in Q3 FY22
- **Order** volume in BPC vertical grew 25% QoQ and 31% YoY to 7.6 million with sustained **AOV**, and in Fashion vertical grew 5% QoQ and 90% YoY to 1.4 million with an uptick in **AOV** in Q3 FY22

Consolidated Financial Highlights for the Quarter:

- **Revenue from Operations** grew 24% QoQ and 36% YoY to ₹ 10,984 million in Q3 FY22, led by growth in transacting customers and advertisement revenue; **Revenue from Operation** grew 65% year to date FY22
- **Gross Profit** grew 51% YoY to ₹ 5,088 million in Q3 FY22 at a margin of 46.3%, an improvement of 359 bps sequentially primarily led by increase in share of high margin products and higher marketing support revenue; **Gross Profit** grew 89% year to date FY22
- **EBITDA** was ₹ 690 million in Q3 FY22 at a margin of 6.3% (vs 3.3% in Q2 FY22), sequential improvement driven by higher Gross Profit Margin; **EBITDA** grew 11% year to date FY22
- **Profit before Tax** was ₹ 370 million in Q3 FY22, sequential increase driven by higher EBITDA; **Profit before Tax** was ₹ 415 million year to date FY22, lower by 9%
- **Profit after Tax** was ₹ 290 million in Q3 FY22; **Profit after Tax** was ₹ 337 million year to date FY22

Key Business Highlights for the Quarter:

- Nykaa hosted its biggest annual flagship event- the **Pink Friday Sale from 24th - 30th November** in Q3 FY22, featuring the widest curation of 100% authentic products and irresistible offers on 1500+ brands from international bestsellers to homegrown staples - across **beauty and fashion- on app, web, and in retail stores**
 - To announce the Pink Friday sale Nykaa launched a marketing campaign across multiple digital and social channels featuring its brand ambassador Janhvi Kapoor, inviting viewers to get excited for the biggest haul of the year
 - During the sale, Nykaa enabled interesting formats to engage consumer- such as Watch & Buy livestreams (**live commerce**) - an interactive, entertaining gamified shopping format as part of which special deals were unveiled, valid exclusively during the livestreaming session
 - The **Biggest Beauty Steal** event, hosted by **Dolly Singh**, was a hit with app users as they **discovered and explored** the world of beauty real time while watching entertaining content on app
- Nykaa launched campaign **Tum Hi Ho Nykaa**, a brand film celebrating women who scripted their own life stories through a montage of six stories of everyday women, reiterating out Nykaa's promise of being a true supporter of self-expression, broadcasted across TV, OTT and social platforms
- In Q3 FY22, Nykaa Fashion launched its first TV campaign **For Nakhrewalis, By Nakhrewalis**, starring its first brand ambassador Alaya F, portrayed the quintessential Nykaa Fashion shopper who seeks choice and curation when it comes to fashion and loves to express her mood with her style
- Nykaa Beauty introduced multiple international brands **Sol de Janeiro, Elemis, 111Skin, Nudestix**, bringing the best of global beauty to India - across premium and luxe categories.
- Nykaa Fashion launched popular Scandinavian brand **NA-KD** in India. NA-KD is one of Europe's top 20 fastest growing companies and a leading fashion brand that also focuses on functionality and offers timeless wardrobe staples
- In Q3FY22, Nykaa Cosmetics launched a new format of quick drying nail enamel called **Nykaa Insta Dry** that dries instantly within a minute. Introduced **100% Natural Hair Oils** to increase market share in the Hair category and further penetrated our skincare offering with the **20% Vitamin C serum**, the holy grail skincare ingredient

- Nykaa Fashion collaborated with designer **Nikhil Thampi** for its owned brand **RSVP**, to launch a distinct party collection for 2021, offering an exciting range of designer clothing at attractive pricing to consumers. Also launched **Masaba for Nykd**, an elevated sleepwear collection created in collaboration with designer **Masaba Gupta**. This comfortable yet fashionable sleepwear collection was very well received especially as consumers continue to spend more time indoors
- With the return of customers into physical retail, Nykaa has accelerated **store expansion** this quarter, with 12 new physical retail stores across the country including stores in Tier 2/3 cities such as Jodhpur, Rajkot, Trivandrum. Our total operational physical store count was 96 as of December 31, 2021 in 45 cities
- Nykaa continues to ensure access and timely delivery for customers across the length and breadth of the country. It expanded **warehouse storage space** by 1.35 lakh square feet during Q3 FY22

On Q3 FY22 performance, Falguni Nayar, Executive Chairperson, MD, and CEO, said:

Our previous quarter was defined by a milestone moment in the company’s journey with a successful IPO and listing on the stock exchanges. We continue to be on a steady growth trajectory across both Beauty and Fashion businesses, with an overall revenue growth of 65% for the nine-month period year-on-year. Growth in Beauty business accelerated in a relatively normalized Covid environment, with a strong revival in the cosmetics category. Our physical store network also experienced one of its strongest quarters ever and we continued opening new stores in line with our larger omnichannel vision. Marketing continues to be an area of investment for Nykaa, to reacquire as well as recruit new consumers as a means to ensure stronger organic growth.

Fashion, while still an early-stage business in the Nykaa ecosystem, now contributes to 26% of the consolidated GMV year to date. It has witnessed robust growth across revenue metrics, boosted by the acquisition of new customers in the year so far. The overall Fashion portfolio grew with the launch of new international brands as well as the expansion of Nykaa’s owned brands, Nykd and RSVP, through strategic collaborations.

Summary of Consolidated financial performance for the quarter and nine months ended December 31, 2021:

Particulars	Quarter Ended					Nine months ended			For year ended March 21
	Dec-21 (Unaudited)	Dec-20 (Unaudited)	YoY Growth	Sep-21 (Unaudited)	QoQ Growth	Dec-21 (Unaudited)	Dec-20 (Unaudited)	YoY Growth	
Revenue from Operations	10,984	8,080	36%	8,853	24%	28,006	17,004	65%	24,409
Cost of goods Sold	5,896	4,701	25%	5,070	16%	15,820	10,568	50%	14,926
Gross Profit	5,088	3,378	51%	3,782	35%	12,187	6,436	89%	9,483
<i>Gross Profit Margin %</i>	<i>46.3%</i>	<i>41.8%</i>	<i>451 bps</i>	<i>42.7%</i>	<i>359 bps</i>	<i>43.5%</i>	<i>37.8%</i>	<i>567 bps</i>	<i>38.9%</i>
Fulfilment expense	1,162	678	72%	910	28%	3,007	1,538	96%	2,177
Marketing & advertisement expense	1,536	602	155%	1,214	27%	3,657	988	270%	1,695
Employee benefits expense	1,159	743	56%	923	26%	2,966	1,994	49%	2,836
Other expense	541	286	89%	448	21%	1,309	797	64%	1,209
Operating Expenses	4,398	2,308	91%	3,494	26%	10,939	5,317	106%	7,917
EBITDA	690	1,070	-36%	288	139%	1,247	1,119	11%	1,567
<i>EBITDA Margin %</i>	<i>6.3%</i>	<i>13.2%</i>	<i>-697 bps</i>	<i>3.3%</i>	<i>302 bps</i>	<i>4.5%</i>	<i>6.6%</i>	<i>-213 bps</i>	<i>6.4%</i>
Depreciation	65	42	54%	54	21%	172	117	47%	186
Amortisation	186	142	31%	159	17%	487	385	27%	530
Finance Cost (Net of other income)	69	36	90%	62	12%	173	160	8%	189
Profit/(Loss) before Tax	370	849	-56%	14	2611%	415	457	-9%	661
Total tax expense /(income)	80	161		2		78	20		45
Profit/(Loss) after Tax	290	689	-58%	12	2380%	337	437	-23%	616

Fulfilment cost % to Revenue	10.6%	8.4%	-220 bps	10.3%	-30 bps	10.7%	9.0%	-170 bps	8.9%
Marketing & advertisement expense % to Revenue	14.0%	7.5%	-653 bps	13.7%	-27 bps	13.1%	5.8%	-724 bps	6.9%

Summary of Key operational metrics for the quarter and nine months ended December 31, 2021:

Operational KPIs	Unit	Quarter Ended					Nine Month Ended		
		Dec-21	Dec-20	YoY Growth	Sep-21	QoQ Growth	Dec-21	Dec-20	YoY Growth
Number of Visits									
Beauty and Personal Care	Million	232	201	16%	220	6%	667	465	43%
Fashion	Million	115	56	105%	115	0%	328	95	245%
Monthly Average Unique Visitors									
Beauty and Personal Care	Million	22	16	39%	21	4%	21	12	67%
Fashion	Million	16	7	120%	16	1%	15	4	260%
Orders									
Beauty and Personal Care	Million	7.6	5.8	31%	6.1	25%	19.7	11.6	69%
Fashion	Million	1.4	0.7	90%	1.3	5%	3.9	1.5	156%
Average Order Value (AOV)									
Beauty and Personal Care	₹	1,966	1,976	0%	1,913	3%	1,911	2,056	-7%
Fashion	₹	3,590	2,905	24%	3,257	10%	3,348	2,557	31%
Annual Unique Transacting Customers									
Beauty and Personal Care	Million	7.9	5.5	44%	7.2	9%	7.9	5.5	44%
Fashion	Million	1.6	0.4	278%	1.3	23%	1.6	0.4	278%
Gross Merchandise Value (GMV)									
Beauty and Personal Care	₹ in Million	15,333	11,587	32%	11,859	29%	38,040	24,081	58%
Fashion	₹ in Million	5,102	2,154	137%	4,370	17%	13,320	3,969	236%
Total	₹ in Million	20,435	13,741	49%	16,229	26%	51,360	28,050	83%

About Nykaa:

Nykaa (FSN E-Commerce) was founded in 2012 by Indian entrepreneur Falguni Nayar with a vision of bringing inspiration and joy to people, everywhere, every single day. Derived from the Sanskrit word 'Nayaka', meaning one in the spotlight, Nykaa has emerged as one of India's leading lifestyle focused consumer technologies platforms. Since its launch, Nykaa expanded its product categories by introducing online platforms Nykaa Fashion and Nykaa Man. Delivering a comprehensive Omnichannel ecommerce experience, Nykaa offers 4,078 brands and over 3.1 million product SKUs through its website and mobile applications as of August 31, 2021. The Nykaa Guarantee ensures that products available at Nykaa are 100% authentic and sourced directly from the brand or authorized retailers. Through engaging and educational content, digital marketing, social media influence, robust CRM strategies, and the Nykaa Network community platform, Nykaa has built a loyal community of millions of beauty and fashion enthusiasts. For more details visit www.nykaa.com or write to investor-relation@nykaa.com.