



FSN E-Commerce Ventures Limited

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

May 27, 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 - Financial Results for the quarter and financial year ended March 31, 2022

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 audited financial results for the quarter and financial year ended March 31, 2022.

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

Encl.: as above



FSN E-Commerce Ventures Limited
Quarter and Financial year ended March 31, 2022 – Result Press Release

Consolidated GMV grew 71% YoY to ₹ 69,332 million in FY2022; Consolidated Revenue from Operations grew 55% YoY to ₹ 37,739 million in FY2022; Led by strong growth in transacting customers despite adverse environment and inflationary headwinds

Mumbai, India, May 27, 2022: Digitally native lifestyle retailer FSN E-Commerce Ventures Limited (referred as “Nykaa” or the “Company”), today announced its financial results for the quarter and financial year ended March 31, 2022.

A. Consolidated financial highlights for FY2022 and Q4 FY2022:

Nykaa has experienced overall strong performance in FY2022 amidst various macro-economic challenges such as rising inflation, reduction in discretionary spends by consumers, and uncertainty around Covid-19.

- **GMV** grew 71% YoY to ₹ 69,332 million in FY2022 and grew 45% YoY to ₹ 17,979 million in Q4 FY2022
- **Revenue from Operations** grew 55% YoY to ₹ 37,739 million in FY2022 and grew 31% in Q4 FY2022 to ₹ 9,733 million
- **Gross Profit** grew 73% YoY to ₹ 16,439 million in FY2022 and grew 40% YoY to ₹ 4,253 million in Q4 FY2022
- **EBITDA** was ₹ 1,633 million in FY2022, grew by 4% YoY. EBITDA margin as % of Revenue from Operations declined to 4.3% in FY2022 vs 6.4% in FY2021, owing to investment in Fashion and Other Businesses for future growth
- **Profit after Tax** was ₹ 413 million in FY2022, a decline of 33%

B. Beauty and Personal Care (BPC): Strong performance ahead of market

- **GMV** grew 49% YoY to ₹ 49,987 million in FY2022 and grew 29% YoY to ₹ 12,485 million in Q4 FY2022
- **Annual Unique Transacting customers** grew 49% YoY to 8.4 million as of March 31, 2022
- BPC witnessed **strong customer acquisition** with new customers growing at 49% YoY to 4.4 million and improved customer retention with existing customers contributing to 73% of the GMV in FY2022
- **BPC EBITDA** margins have sustained in FY2022 despite elevated marketing cost during the year

C. Fashion: Scaling in a highly competitive environment

- **GMV** grew 168% YoY to ₹ 17,516 million in FY2022 and grew 84% YoY to ₹ 4,827 million in Q4 FY2022
- **Fashion GMV** contributed 25.3% to Consolidated GMV in FY2022
- **Annual Unique Transacting customers** grew 182% YoY to 1.8 million as of March 31, 2022 with **strong customer acquisition** of 1.6 million in FY2022

D. Others: Investment into the future

- Nykaa has invested in future growth engines for greater diversification in lifestyle categories as well as vertically integrating across the value chain
- Others include our new businesses NykaaMan, eB2B platform SuperStore by Nykaa, International and new brand acquisitions
- **Others GMV** was ₹ 1,829 million contributing to 2.6% in the Consolidated GMV in FY2022
- **SuperStore by Nykaa** has 18,000+ transacting retailers across 300+ cities with 130+ brands listed as of March 31, 2022

Key Business Highlights:

- Nykaa has launched “**SuperStore by Nykaa**”, an eB2B platform bringing Beauty and Personal Care access and expertise to underserved channels and markets using technology. Catering to retailers such as beauty stores, pharmacies, salons and kirana stores across India, SuperStore aims to support and empower them to offer the best of the Beauty and Personal Care products to their customers.
- Nykaa Beauty expanded its international brands portfolio by launching **Sol de Janeiro, Morphe, Nuxe, Elemis, 111Skin, Nudestix**, bringing the best of global beauty to India - across premium and luxe categories. Nykaa Fashion launched The Global Store by bringing the best of international brands directly to Indian consumers such as **NA-KD, Missguided** and **Oxxo**.
- With the return of customers to physical retail, Nykaa accelerated **store expansion** this year, with 32 new physical stores across the country including stores in Tier 2/3 cities. Our total operational physical store count was 105 as of March 31, 2022 in 49 cities with GMV growth of 72% YoY in FY2022.
- Nykaa continues to ensure access and timely delivery for customers across the length and breadth of the country. It expanded **warehouse storage space** by 2.4 lakh square feet, growth of 40% YoY, in FY2022. Our total warehouse capacity as of March 31, 2022 is 8.2 lakh square feet across 23 warehouses in 11 cities.
- Nykaa strengthened its partnership with ELCA Cosmetics Private Limited with the launch of **Aveda X Nykaa** unisex salons in India, offering advanced, international, high performance and 100% vegan premium hair services to Indian consumers.
- In FY2022, our flagship sales, **Hot Pink and Pink Friday**, witnessed their biggest editions. During the sales, Nykaa enabled interesting formats to engage consumers - 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. In the year, we also introduced our third flagship sale, **Nykaa Summer Super Saver Days**.
- Nykaa introduced L’Oréal’s advanced, **AI-powered virtual try-on technology** to offer an enhanced beauty experience to shoppers. Leveraging an advanced face tracker algorithm that applies virtual cosmetics, to give a real-time, true-to-life view of the products on the Nykaa 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 Nykaa’s promise of being a true supporter of self-expression and empowerment, broadcast across TV, OTT and social platforms.
- 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 acquired 51% stake in Dot & Key Wellness Private Limited (“**Dot & Key**”) in September 2021. This was 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.
- Nykaa picked a minority stake in **Earth Rhythm**, a science-focused beauty brand launched in 2015 by Harini Sivakumar. Earth Rhythm’s active focus on research-based and results-oriented products has earned it credentials as a sustainable and inclusive brand amongst Indian beauty consumers. Nykaa’s investment in Earth Rhythm reinforces the potential of the brand and addresses a growing market for products that are committed to efficacy as well as the planet.
- By acquiring **Kica**, Nykaa has expanded its activewear portfolio which already houses its own consumer brand, Nykd All Day. Kica was founded by Aneesha Labroo in 2017, to bridge the gap between stylish, high-quality products at an affordable price. Through this acquisition, Nykaa aims to connect with the growing active-wear community of athletes and everyday fitness seekers with greater variety and curation in this category.
- Lastly, in a **joint venture** with Onesto Labs, Nykaa is venturing into nutricosmetics to unlock a new but high-potential category of edible beauty in India. Onesto Labs, founded in 2018 by Rohit Chawla, Sifat Khurana, and Vimal Bholra has made its mark in the beauty D2C space via science-forward brands such as Chemist at Play and Bare Anatomy. Nykaa and Onesto Labs have joined hands owing to the latter’s expertise in creating ingredient-conscious products, a vital prerequisite in nutricosmetics.

FY2022 performance, Falguni Nayar, Executive Chairperson, MD, and CEO, said:

The year has witnessed a challenging macroeconomic environment, pronounced for discretionary categories like beauty, personal care and fashion. Despite market slowdown, our unique growth story continues, showing the resilience of our business model and long term sustainability by balancing strong revenue growth, responsible unit economics and profitability. We acquired over 6 million new customers across beauty and fashion, and witnessed superior customer retention, with improved metrics across the funnel - from visits to conversions.

We have expanded our addressable market through new growth engines - speciality retail stores, Nykaa Man, and SuperStore. These businesses, along with our consumer brands portfolio have witnessed increasing momentum through the year. Our consumer brands have recently seen expansion into wellness, activewear and personal care through purpose driven brand acquisitions. We deeply value our shareholders’ faith in us and hold their capital in highest regard. Our investments are always made in getting the building blocks right - such as tech platform, customer experience, assortment - and growing our new and early stage businesses in a sustainable manner with a long term focus.

Consolidated financial performance for the quarter and financial year ended March 31, 2022:

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the year ended		YoY Growth	Quarter Ended				
	Mar-22	Mar-21		Mar-22	Mar-21	YoY Growth	Dec-21	QoQ Growth
Revenue from Operations	37,739	24,409	55%	9,733	7,405	31%	10,984	-11%
Cost of goods Sold	21,300	14,926	43%	5,481	4,358	26%	5,896	-7%
Gross Profit	16,439	9,483	73%	4,253	3,048	40%	5,088	-16%
Gross Profit Margin %	43.6%	38.9%	471 bps	43.7%	41.2%	254 bps	46.3%	-263 bps
Fulfillment expense	3,956	2,177	82%	949	639	48%	1,162	-18%
Marketing & advertisement expense	4,781	1,689	183%	1,165	701	66%	1,500	-22%
Employee benefits expense	3,259	2,330	40%	908	688	32%	933	-3%
Other expense	2,810	1,721	63%	846	572	48%	802	5%
Operating Expenses	14,807	7,917	87%	3,867	2,600	49%	4,398	-12%
EBITDA	1,633	1,567	4%	385	448	-14%	690	-44%
EBITDA Margin %	4.3%	6.4%	-209 bps	4.0%	6.0%	-209 bps	6.3%	-232 bps
Depreciation	262	186	41%	90	69	30%	65	37%
Amortisation	702	530	33%	215	145	48%	186	16%
Finance Cost (Net of other income)	195	189	3%	22	30	-25%	69	-68%
Profit/(Loss) before Tax	473	661	-28%	58	204	-72%	370	-84%
Total tax expense /(income)	60	45		-18	25		80	
Profit/(Loss) after Tax	413	616	-33%	76	179	-58%	290	-74%
Fulfillment cost % to Revenue	10.5%	8.9%	-156 bps	9.7%	8.6%	-111 bps	10.6%	84 bps
Marketing & advertisement expense % to Revenue	12.7%	6.9%	-575 bps	12.0%	9.5%	-251 bps	13.7%	168 bps
Employee expense % to Revenue	8.6%	9.5%	91 bps	9.3%	9.3%	-4 bps	8.5%	-83 bps

Key operational metrics for the quarter and financial year ended March 31, 2022:

Metric	Unit	Year Ended			Quarter ended				
		FY22	FY21	YoY Growth	Mar-22	Mar-21	Mar-22 YoY growth	Dec-21	Mar-22 Seq. growth
Number of Visits									
Beauty and Personal Care	Million	881	659	34%	215	194	10%	232	-8%
Fashion	Million	441	172	156%	113	77	47%	115	-2%
Monthly Average Unique Visitors									
Beauty and Personal Care	Million	21	14	54%	21	17	24%	22	-5%
Fashion	Million	15	6	166%	16	10	56%	16	-2%
Orders									
Beauty and Personal Care	Million	27.0	17.1	58%	7.3	5.4	34%	7.6	-4%
Fashion	Million	5.2	2.4	120%	1.3	0.8	55%	1.4	-4%
Average Order Value (AOV)									
Beauty and Personal Care	₹	1,864	1,963	-5%	1,732	1,763	-2%	1,966	-12%
Fashion	₹	3,420	2,739	25%	3,632	3,064	19%	3,590	1%
Annual Unique Transacting Customers									
Beauty and Personal Care	Million	8.4	5.6	49%	8.4	5.6	49%	7.9	7%
Fashion	Million	1.8	0.6	182%	1.8	0.6	182%	1.6	15%
Gross Merchandise Value (GMV)									
Beauty and Personal Care	₹ in Million	49,987	33,542	49%	12,485	9,645	29%	15,105	-17%
Fashion	₹ in Million	17,516	6,530	168%	4,827	2,619	84%	4,841	0%
Others	₹ in Million	1,829	389	371%	660	145	354%	490	35%
Total	₹ in Million	69,332	40,460	71%	17,972	12,410	45%	20,435	-12%

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, Nykaa Man, and Superstore. Delivering a comprehensive Omnichannel e-commerce experience, Nykaa offers over 4,000 brands and over 3.1 million product SKUs through its website and mobile applications. 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.