



FSN E-Commerce Ventures Limited

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

May 24, 2023

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: Press Release – Audited Standalone and Consolidated Financial Results for the quarter and financial year ended March 31, 2023

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the press release being issued by the Company regarding the Audited Standalone and Consolidated Financial Results for the quarter and financial year ended March 31, 2023.

Kindly take the same on record.

Thanking You.

Yours faithfully,

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

Sujeet Jain
Chief Legal and Regulatory Officer,
Company Secretary & Compliance Officer
Membership No.: F6144

Encl.: as above



FSN E-Commerce Ventures Limited

NYKAA'S REVENUE CROSSES RS 5000 CR AND EBITDA MARGIN IMPROVES TO 5% OF NET REVENUE

Mumbai, India, May 24, 2023: Nykaa today announced its financial results for the quarter and full year ended March 31, 2023. Over the last two years, Nykaa has continued to prioritize growth, profitability and creating long-term sustainable value for shareholders, customers and the larger ecosystem.

India's BPC market today stands at \$21 billion, having grown from \$17 billion in 2021. This growth is indicative of the increasing consumer appetite and demand which will fuel the potential of the BPC industry. With its commitment to customer-centricity and innovation, Nykaa has played a pivotal role in building India's BPC market through consistent education, investments in technology and bringing a diverse range of Indian and international brands on the platforms.

In FY23, Nykaa's Revenue from Operations stood at Rs 5,143.8 Cr, demonstrating a strong growth of 36% YoY, and the company achieved EBITDA margins of 5% and EBITDA at Rs 256.0 Cr, demonstrating a 57% growth YoY. Gross Margin expanded by 73 bps YoY. EBITDA margins expanded 65bps YoY which was aided by rationalization of fulfilment expenses (164 bps) and marketing optimisation (129 bps).

Over the last two financial years, and further to the IPO, our Revenue from Operations grew from Rs 2440 Cr in FY21 to Rs 5143 Cr in FY23 and EBITDA expanded from Rs 156 Cr to Rs 256 Cr in the same period. We have balanced business growth and profitability by focusing on the right drivers.

Owing to the strength of our platforms, focused offerings and differentiated value propositions **our new customer acquisition nearly doubled on a two-year basis**, indicating strong post-covid customer interest. Existing customers also expanded their category choices and made repeat purchases with increased frequency.

We continue to invest in technology and marketing to improve platform capabilities and drive healthy new and repeat customer behaviour, while working towards perfecting the experience in each visit. **These investments have led to the order-to-visit conversions improving over the last two years**, from 2.6% to 3.7% in BPC and 0.6% to 1.0% in Fashion, reaffirming confidence in our overall long-term strategies as we build out differentiated shopping experiences.

Falguni Nayar, Executive Chairperson, MD, and CEO, Nykaa said:

"Visit conversions, as a north star metric, speak a lot towards the platform strength of our business and customer interest in Nykaa as a brand. With steady improvements of over 40% and 60% 2-year growth in beauty and fashion platform conversions, our investments towards building the right technology stack as well as customer-first shopping experiences are paying off. This strong step-function growth also comes on the back of improvements across personalization capabilities, breadth and depth of product portfolio, UI UX enhancements, marketing optimizations and quality of in-bound visit traffic. This metric is reflective of a successful experience right from one downloading the app till they open their delivery package. On a visitor conversion level, this number is even higher as customers tend to browse and explore the platform and its wide offerings before finalizing a purchase."

Press Release

To cater to widening consumer demand, we expanded our fulfilment centres to **15 cities**, with a total area of almost **1.5 million sq. ft.** Strategic investments in regional warehousing have led to us go closer to the customer, improve warehouse manpower productivity, reduced air shipment as well as reduced split shipments. Most importantly, it has **reduced the order-to-delivery duration**, leading to customer delight.

Our retail business which continues to be a strategic priority, witnessed robust growth over the last two years and has achieved profitability at a business unit level. Nykaa has **doubled its own physical store** count from 72 at the end of FY21 to **145 beauty stores in FY23**, with a total area of more than **1.4 Lacs sq. ft. spanning across 60 cities.**

Nykaa takes immense pride in offering an extensive array of beauty and personal care brands and has consistently built this offering in response to consumer demands and evolving trends. We have introduced multiple renowned domestic and international names, such as *The Ordinary, Anomaly, Lancome, Acne Squad, Inde Wild, Fable & Mane*, and many more. With a comprehensive portfolio of over 3,400 brands, Nykaa continues to redefine beauty retail, making it a go-to destination for all beauty and personal care needs. Our Fashion business has witnessed an impressive growth trajectory of its own, **with a 293% growth in GMV over a period of two years.** We now showcase over 2,850 brands, including 650 global brands such as *Alo, Cider*, the multi-brand fashion platform *Revolve* and an amazing 600+ sustainable brands. We believe in offering not just the latest trends but also choices that align with the values of our customers.

We have continued building a **strong house of brands** across beauty and fashion with a sharp focus on innovation and consumer delight. The portfolio includes 25 brands including *Kay Beauty, Nykaa Naturals, Nykaa Cosmetics, Wanderlust* in beauty and *Nykd, Gajra Gang, Likha, RSVP, Pipa Bella* and *Mixt* in fashion, that have quickly become household names, as they consistently deliver on inspiration and high performing products to the consumers. Four of these brands have crossed the **Rs 100 Cr GMV mark.** We recently launched **two BPC owned brands** in Q4 FY23 – entering the Ayurveda and Wellness space, **Nyveda** – a potent ayurveda brand and **Nudge**- a beauty nutraceuticals brand. In Q4 FY23, Nykaa Fashion launched **MIXT**, a unisex fashion forward brand targeted towards Gen-Z.

Emboldened by the support of our partners, we forayed into the GCC market to create a distinct beauty retail experience and forged a strategic alliance with the Apparel Group to build an omnichannel presence in the emerging beauty hotspot.

Our FY23 performance has demonstrated our commitment to growing lifestyle choices for our consumers through our core beauty and fashion businesses.

END

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 4,500 brands 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. Over the years, Nykaa has received many accolades for disrupting the beauty market. At the 17th India Business Leader Award in 2022, Nykaa was awarded as the *Disruptor of the Year* and Kantar's Brandz List features Nykaa as one of most valuable brands in India. www.nykaa.com

For media enquiries, please contact pr@nykaa.com