

KERALA AYURVEDA LTD

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www.keralaayurveda.biz

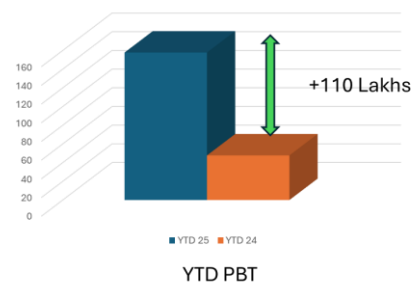
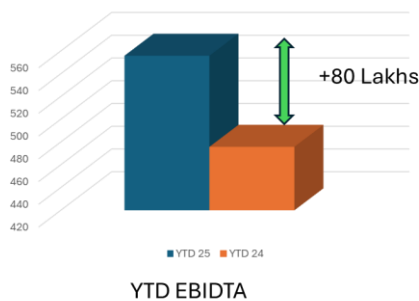
14th February 2025

KAL reports strong revenue growth in Q3 24-25, with total YTD consolidated revenue rising by 21.4% vs PY (19% growth excluding Bali/ Singapore). This performance was driven by the strategic e-commerce business growing by an encouraging 45% vs PY in Q3 as well as the US Academy business growing strongly through the year, reflecting the positive impact of the investment in our new team, marketing and technology.

KAL Q3 YTD EBITDA at Rs. 556 Lakhs (+ Rs 80 Lakhs vs PY) reflects this positive momentum on the business. Q3 YTD PBT at Rs. 158 Lakhs was up 229% vs PY. Underlying Gross Margin (GM %) improved by 300 basis points in Q3 from 64% to 67% on a year on year basis. We will continue to be in investment mode for the next few quarters, so will have turnover growing ahead of profits.

Kerala Ayurveda Limited (KAL) consolidated revenue in Q3 YTD grew by a strong 21.4% (19% growth excluding Ayurvedagram Bali) vs. previous year. This reflects the continued strong growth in the US business driven by the Academy business (60% growth) and a significant acceleration in the e-commerce business in US and India (45% growth in Q3 alone).

Consolidated Q3 YTD PAT of Rs 141 Lakhs (vs Rs -109 Lakhs PY) is due to deliberate investments in our strategic business lines of e-commerce and health services – investments in people, marketing and technology. The underlying gross margins grew from 64% in Q3 previous year to 67% in Q3 TY, driven by high margin businesses like US and health services (Ayurvedagram) growing ahead of the others. The table below shows the growth in EBIT and PBT vs PY. Due to the strong acceleration of our e-commerce business in India and US and the long supply chain, we had some stockouts and lost sales this quarter (2% impact); expect Q4/ Q1 to stabilize supply.



Kerala Ayurveda Limited (KAL) is on track to accelerate its growth trajectory, setting a target to double its topline growth to >40% in the new fiscal year. This ambitious objective will be supported by significant investments in world-class talent, advanced technology, and expanded international reach supported by high quality marketing. 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 of achievements in YTD FY 2024-25 and an intensified focus on high-growth 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 Q3 Growth Metrics

- **India E-commerce:** Recorded a growth of 60% vs PY (the best performing unit) with Q3 revenue up by 45% vs Q2. The good part is that this growth was broad-based – Amazon business grew 60% as did our own website which has been fully revamped, and we also entered the exciting Quick Commerce space across many cities in Q3 25.
- **US Business:** A stellar 33% growth rate in Q3, driven by 35% growth in Academy, 25% growth in Wellness Center and 19% growth in our US product business. The US product business in Q3 suffered slower than expected growth due to unforeseen logistics challenges causing Out of Stocks.
- **Health Services:** Q3 health services growth at 11%. Ayurvedagram and The Health Village were the stars, growing by 24% and 20% respectively. Our day-clinics had a sluggish performance with a single digit decline, due to changes in personnel and an overhaul of the underlying processes.
- **Doctor Sales Channel:** Business stabilized with a 7% Q3 growth versus a negative business just two quarters ago in Q1. The core KAL distribution business grew by 15%, but the nutraceutical Nutraveda business had an unexpected issue at production/ warehousing due to which we lost over a month of sales (issue has since been resolved).

Strategic Investments and Future Outlook

KAL has finalized a strategic roadmap focused on doubling its growth rate through:

- **Enhanced Digital and E-commerce Expansion:** Expected 2x growth in digital business in Q4 and beyond, both in the US and India.
- **Growth in Ayurvedagram:** Projecting sustained 15%+ growth through new room refurbishments and optimized pricing.
- **Premium Product Launch:** New premium product range set to launch by Q4 to expand the customer base.
- **Global Partnerships:** JV with Om Vedic, Singapore, projected to contribute an additional ₹2 crores this fiscal, with further expansion expected next 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 CY 2025.



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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