



FSN E-Commerce Ventures Limited

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

November 01, 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

Dear Sirs,

Sub: Press Release – Unaudited Standalone and Consolidated financial results for the quarter and half year ended September 30, 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 Unaudited Standalone and Consolidated financial results for the quarter and half year ended September 30, 2022.

Kindly take the same on record.

Thanking You.

Yours faithfully,

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

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

Encl.: as above



FSN E-Commerce Ventures Limited
Quarter and Half Year ended September 30, 2022 – Result Press Release

Consolidated GMV grew 45% YoY to ₹ 23,457 million in Q2 FY2023; Consolidated Revenue from Operations grew 39% YoY to ₹ 12,308 million in Q2 FY2023; Continuing to deliver strong performance across operating and financial metrics with Net Profit for the Period growing at 344% YoY to 52 million in Q2 FY2023.

Mumbai, India, November 1, 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 half year ended September 30, 2022.

A. Consolidated financial highlights for Q2 FY2023:

During the quarter, we continued to demonstrate strong GMV growth with improvement in gross margin, efficiency in fulfilment and marketing cost lead to improvement in EBITDA margin YoY

- **GMV** grew 45% YoY to ₹ 23,457 million in Q2 FY2023
- **Revenue from Operations** grew 39% YoY to ₹ 12,308 million in Q2 FY2023
- **Gross margin** increased to 45.3% in Q2 FY2023 vs 42.7% in Q2 FY2022
- **EBITDA** grew 112% YoY to ₹ 611 million in Q2 FY2023.
- **EBITDA margin** improved to 5.0% in Q2 FY2023 vs 3.3% in Q2 FY2022
- **Profit before Tax** grew 542% YoY to ₹ 88 million in Q2 FY2023
- **Net Profit for the Period** grew 344% YoY to ₹ 52 million in Q2 FY2023

B. Beauty and Personal Care (BPC): Strong performance continued with Contribution margin expansion of 630 bps YoY

- **GMV** grew 39% YoY to ₹ 16,301 million in Q2 FY2023
- **Annual Unique Transacting customers** grew 31% YoY to 9.1 million as at September 30, 2022
- **Orders** grew 39% YoY to 8.4 million in Q2 FY2023
- **BPC Contribution margin** has improved by 630 bps YoY in Q2 FY2023

C. Fashion: Focus on driving sustainable and profitable growth while delivering on the core proposition

- **GMV** grew 43% YoY to ₹ 5,991 million in Q2 FY2023
- **Fashion GMV** contributed 26% to Consolidated GMV in Q2 FY2023
- **Annual Unique Transacting customers** grew 66% YoY to 2.1 million as at September 30, 2022
- **Fashion contribution margin** has been positive and grew by 138 bps YoY in Q2 FY2023

D. Others: Continuing investment in new growth verticals

- **Others GMV** grew 240% YoY to ₹ 1,165 million, contributing to 5.0% of the Consolidated GMV in Q2 FY2023
- **SuperStore by Nykaa** has scaled to 73,000+ transacting retailers across 650+ cities with 182 brands listed as at September 30, 2022
- Others include our new businesses NykaaMan, eB2B platform SuperStore by Nykaa, International, LBB and Nudge

Key Business Highlights:

- Nykaa, in partnership with **Estee Lauder Group of Companies** launched **Beauty & You India**, a first of its kind partnership to **identify and support the next generation of beauty entrepreneurs in India** with a **non-equity grant and mentorship**
- Nykaa partnered with **Priyanka Chopra Jonas** to bring **Anomaly**, her own hair care brand to India across Nykaa.com and Nykaa stores
- Nykaa partnered with **HUL** to launch HUL's new science-based skin care brand '**Acne Squad**' only at Nykaa
- **Hot Pink Sale** delivered strong omnichannel performance with **47% YoY GMV growth**, with **highest ever monthly unique visitor** count of **25 million** on the platform
- Nykaa Fashion partnered with world-renowned fashion e-tailer “**Revolve**” to provide access to **400+ international brands**
- **Nykaa Fashion Grand Festive Carnival** achieved **highest ever monthly unique visitor** count of **18 million** on the platform in Sep'22
- Nykaa has increased its **own physical store** count to **124 stores**, including **two new Fashion stores**, with a total area of **1.2 Lacs sq. ft.** across **53 cities**, as of September 30, 2022
- Nykaa has expanded its **fulfilment centres** to **14 cities**, with a total area of **11.5 Lacs sq. ft.**, as of September 30, 2022
- Nykaa partnered with the **Apparel Group** to undertake an **omnichannel, multi branded retail operation** business in **Gulf Cooperation Council (GCC)** on October 6, 2022

Q2 FY2023 performance, Falguni Nayar, Executive Chairperson, MD, and CEO, said:

Our business has delivered sustainable, strong growth, while investing in capabilities for the future. Our online and offline presence in Beauty has delivered strong growth with improving margins. There has been structural improvement in fulfilment costs as we move to regional warehouses. Post covid, our accelerated investments in new store rollouts as well as store upgradation has resulted in improved footfalls and higher same store sales. Consumer demand for premium beauty, personal care and wellness is showing signs of buoyancy as we gear up for a promising H2 FY23.

We're committed to building a unique customer proposition in Fashion; aided by investments in a differentiated product, collaborations with global brands and expansion in the breadth & depth of our owned brand portfolio. Our merchandise partnership with 'Revolve' provides us access to a successful ecosystem that has proven capabilities. Our focus on curation and discovery in Fashion is evident, as new season merchandise accounted for 24% of Nykaa Fashion GMV; international brands are at 13% of western wear category GMV in Q2 FY23. Repeat buyers in Fashion now contribute 66% of Q2 FY23 GMV, giving us confidence in our product proposition. Digital marketing costs for the fashion business are slightly higher than during covid period, resulting in marketing costs sustaining at Q2 FY22 levels.

We are investing in growth engines of the future, particularly SuperStore by Nykaa. The International business which includes the venture we have with the Apparel Group in the GCC, is promising. True to the Nykaa way, each of these efforts is towards building the business model in a sustainable manner.

Consolidated financial performance for the quarter and half year ended September 30, 2022:

(All amounts in ₹ million, unless otherwise stated)

Particulars	Quarter Ended					Half Year Ended		YoY Growth	Year Ended Mar-22
	Sep-22	Sep-21	YoY Growth	Jun-22	QoQ Growth	Sep-22	Sep-21		
Revenue from Operations	12,308	8,853	39%	11,484	7%	23,793	17,023	40%	37,739
Gross Profit	5,577	3,782	47%	5,099	9%	10,676	7,099	50%	16,439
<i>Gross Profit Margin %</i>	<i>45.3%</i>	<i>42.7%</i>	<i>259 bps</i>	<i>44.4%</i>	<i>92 bps</i>	<i>44.9%</i>	<i>41.7%</i>	<i>317 bps</i>	<i>43.6%</i>
EBITDA	611	288	112%	461	33%	1,072	558	92%	1,633
<i>EBITDA Margin %</i>	<i>5.0%</i>	<i>3.3%</i>	<i>171 bps</i>	<i>4.0%</i>	<i>96 bps</i>	<i>4.5%</i>	<i>3.3%</i>	<i>123 bps</i>	<i>4.3%</i>
Profit before Tax	88	14	542%	83	5%	171	45	279%	473
<i>Profit before Tax Margin %</i>	<i>0.7%</i>	<i>0.2%</i>	<i>56 bps</i>	<i>0.7%</i>	<i>-2 bps</i>	<i>0.7%</i>	<i>0.3%</i>	<i>45 bps</i>	<i>1.3%</i>
Net Profit for the period	52	12	344%	50	4%	102	47	117%	413
<i>Net Profit Margin %</i>	<i>0.4%</i>	<i>0.1%</i>	<i>29 bps</i>	<i>0.4%</i>	<i>-1 bps</i>	<i>0.4%</i>	<i>0.3%</i>	<i>15 bps</i>	<i>1.1%</i>

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 and over 4.6 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. 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. For more details visit www.nykaa.com or write to investor-relation@nykaa.com.