

## KERALA AYURVEDA LTD

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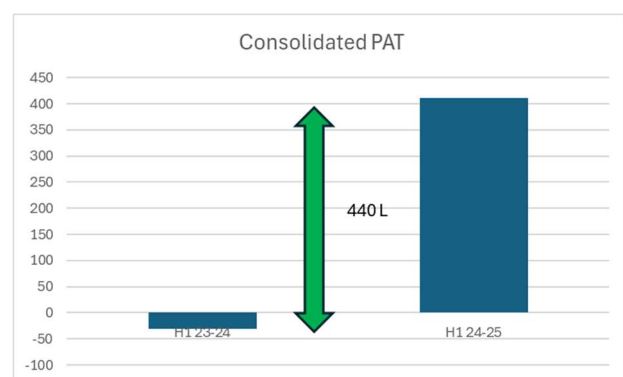
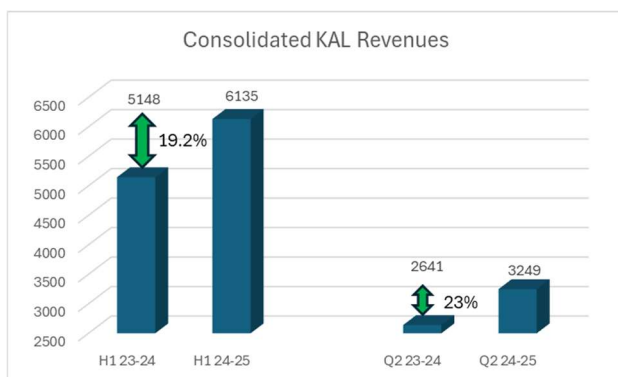
14<sup>th</sup> November 2024

**KAL reports strong revenue growth in H1 FY 24-25, with consolidated revenue rising by 23% in Q2 (25% including Ayurvedagram Bali), compared to 15.1% in Q1. This brings H1 revenue to a 19.2% increase over PY H1.**

**KAL Q2 PAT up 319 Lakhs vs. Q2 PY, taking H1 PAT to 411 Lakhs (vs. -30 Lakhs for H1 PY). This reflects the strong topline growth and continued improvement in underlying gross margins.**

Kerala Ayurveda Limited (KAL) consolidated revenue in Q2 grew by a strong 23% (25% including Ayurvedagram Bali) vs. previous year. This reflects the continued strong growth in the US business driven by the Academy business and doubling of growth in the Health Services business q-o-q driven by the Wellness resorts (Ayurvedagram and The Health Village).

Consolidated PAT margins grew by 1120 basis points in Q2 vs LY, with H1 24-25 PAT at 6.7% (vs.-0.58% H1 previous year). This reflects the strong growth of the US and health services businesses which are structurally more attractive. Consolidated EBITDA margins for H1 24-25 at 667 Lakhs doubled (vs. 330 Lakhs H1 23-24). This despite the cost impact of the addition of new talent across the quarter, in line with the strategy we outlined this year.



Kerala Ayurveda Limited (KAL) is on track to accelerate its growth trajectory, setting a target to double its topline growth to 25-30% in this fiscal year. This ambitious objective will be supported by significant investments in world-class talent, advanced technology, and expanded international reach. 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 H1 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.

Kerala Ayurveda Limited (KAL) has demonstrated solid growth in H1 FY 2024-25, with consolidated revenue increasing by 21.6% (including Ayurvedagram Bali) compared to the prior year. With a Q2 growth of 25%, an

acceleration from 19% in Q1, KAL is committed to further expanding its reach and revenue by investing in world-class talent, advanced technology, and international expansion. The goal is to double the growth rate to a 50-60% topline increase in the coming year.

### Key Highlights

- **Strong Growth in Core Segments:** Kerala Ayurveda's revenue growth was 25% over the previous year, with significant contributions from the US business, health services (including Ayurvedagram Bali), and digital business.
- **Consolidated EBITDA:** EBITDA for H1 FY 2024-25 reached ₹667 lakhs, a substantial rise from ₹330 lakhs in the same period last year, driven by premium health services and strong US market performance.
- **Global Expansion and Strategic Consolidation:** Plans are underway to integrate Ayurvedagram Bali and the Om Vedic Singapore JV into KAL's consolidated structure by the end of the fiscal year, further supporting international growth.

### Segment Performance and Growth Metrics

- **US Business:** A stellar 64% growth rate in H1, with digital platform Suveda showing positive trends and a 12% H1 growth, expected to reach 40% by year-end. Key growth drivers include a focus on direct-to-consumer channels, enhanced digital marketing, and operational efficiencies.
- **Academy:** Achieved 96% growth in H1, attributed to course completions following regulatory changes and increased engagement through wellness conferences.
- **India E-commerce:** Recorded a growth swing of 33%, with Q2 revenue up by 10.7%. Amazon sales surged 26%, supported by a new team, digital marketing focus, and improvements in product availability.
- **Health Services:** Q2 health services growth at 15%, up from 8% in Q1. Ayurvedagram and Bangalore clinics showed significant improvements, with Bali operations growing 92% over last year. Plans are underway to open 12 new clinics and remodel two Bangalore clinics.
- **KAL Medical Sales:** Business stabilized with a 5% Q2 growth versus a decline of 5% in Q1. Improved receivables and reduced inventory days further bolstered cash flow.

### 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 H2, 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 start to the fiscal year and clear growth drivers, 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 profitability and growth in the latter part of CY 2024 and beyond.

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#### 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](http://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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