



FSN E-Commerce Ventures Limited

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

February 09, 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: Investor Presentation

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We are enclosing the Investor presentation for quarter and nine months ended 31st December 2021, to be used by the Company for analyst/ institutional investors meeting(s) scheduled to be held today i.e., February 09, 2022.

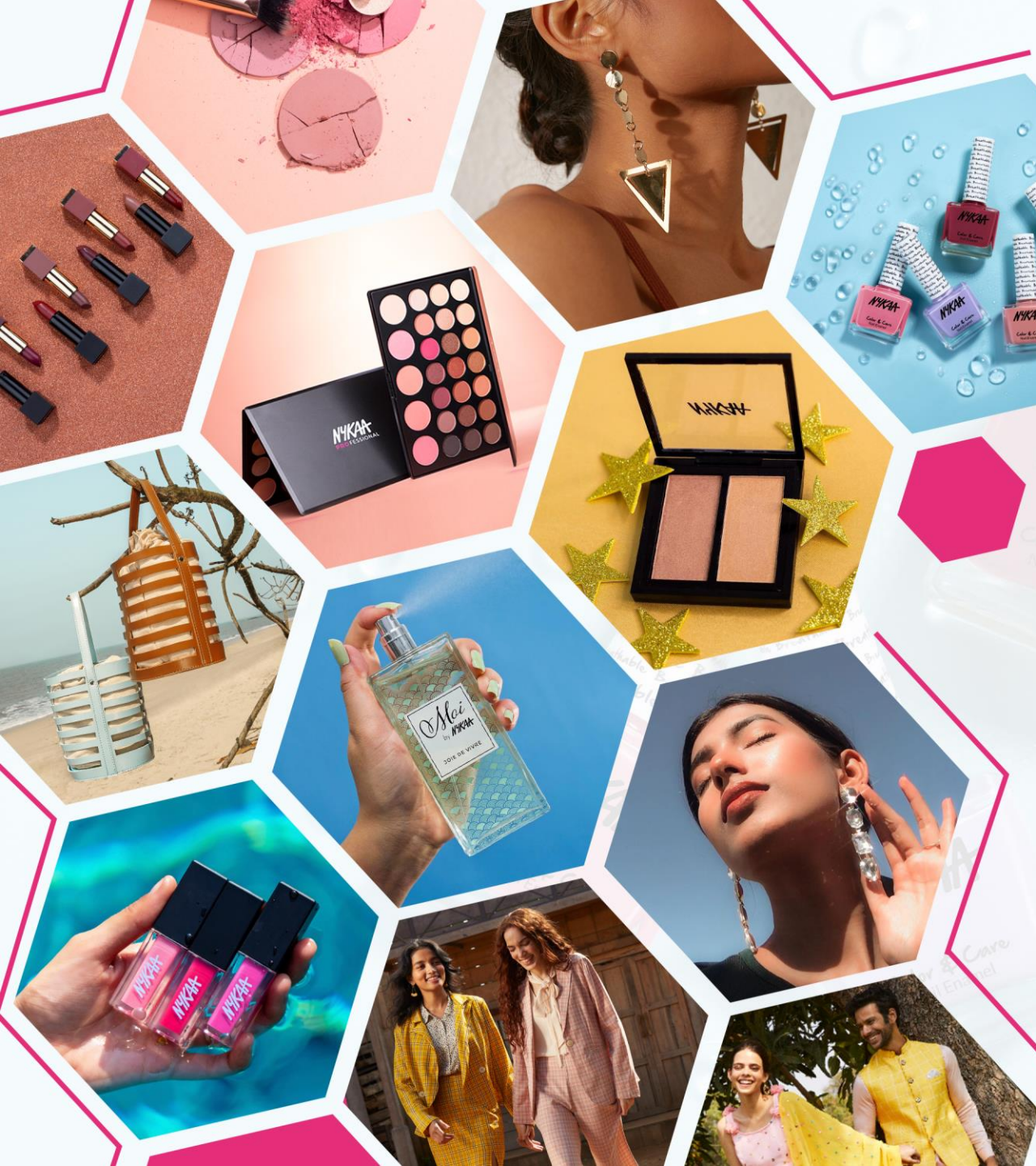
Kindly take the same on record.

Thanking You.

Yours faithfully,
For FSN E-Commerce Ventures Limited

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





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Investor Presentation

Quarter ended December 31, 2021

FSN Ecommerce Ventures Limited

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NYKAA

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Business and Operational Highlights

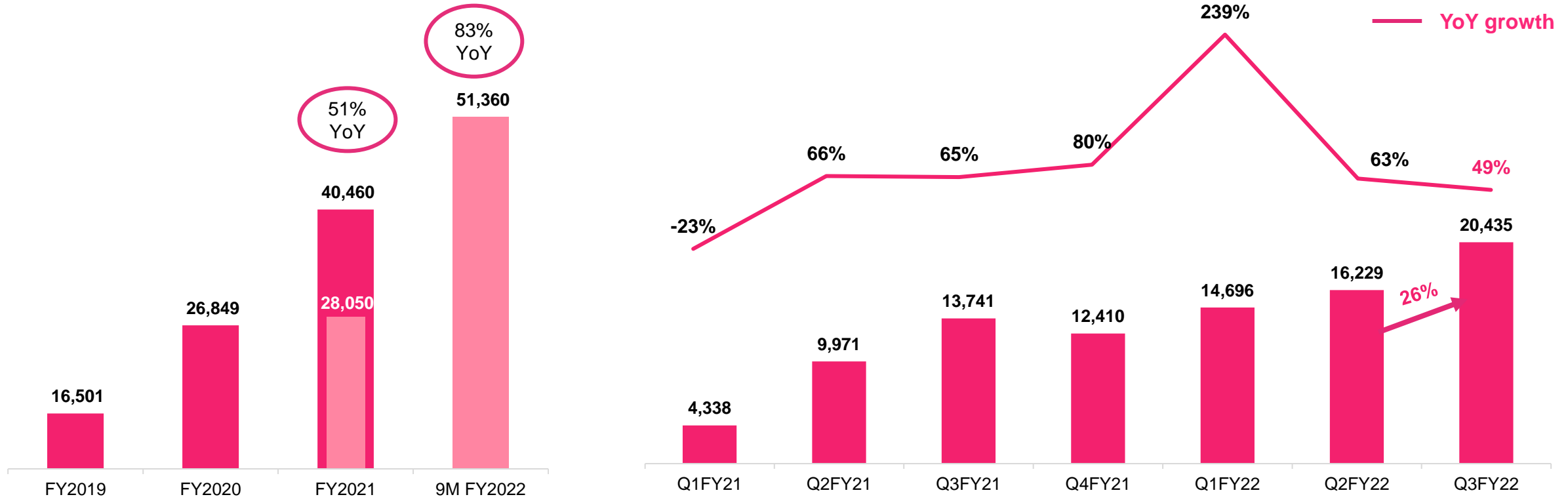
Operational Performance Highlights

- 1** **Consolidated GMV** grew 26% sequentially (“QoQ”) and 49% Year on Year (“YoY”) to ₹ 20,435 million in Q3 FY22; and grew 83% year to date FY22
- 2** **Beauty and Personal Care (BPC) GMV** grew 29% QoQ and 32% YoY to ₹ 15,333 million in Q3 FY22; and grew 58% year to date FY22
- 3** **Fashion GMV** grew 17% QoQ and 137% YoY to ₹ 5,102 million, contributing 25% to consolidated GMV in Q3 FY22; and grew 236% year to date FY22
- 4** **Average Monthly Unique Visitors** in BPC vertical grew 4% QoQ and 39% YoY to 22.0 million, and in Fashion vertical grew 1% QoQ and 120% YoY to 16.4 million in Q3 FY22
- 5** **Annual Unique Transacting Customers** in BPC vertical grew 9% QoQ and 44% YoY to 7.9 million, and in Fashion vertical grew 23% QoQ and 278% YoY to 1.6 million in Q3 FY22
- 6** **Consolidated Revenue from Operations** grew 24% QoQ and 36% YoY to ₹ 10,984 million in Q3 FY22; and grew 65% year to date FY22

Note: Consolidated Revenue from Operations growth may not be comparable to the Consolidated GMV growth as revenue for Fashion business is accounted majorly as Income from Marketplace Services (commission)

Consolidated GMV

Total GMV (in ₹ million)



GMV grew 26% QoQ and 49% YoY in Q3 FY22, supported by strong operational metrics

Key BPC Business Highlights

1

Nykaa hosted its biggest annual flagship sale event- the **Pink Friday Sale from 24th - 30th November** in Q3 FY22, featuring the widest curation of 100% authentic products and irresistible offers on 1500+ brands - from international bestsellers to homegrown staples - **on app, web and in retail stores**

- To announce the Pink Friday sale Nykaa launched a marketing campaign across multiple digital and social channels featuring its brand ambassador Janhvi Kapoor, inviting viewers to get excited for the biggest haul of the year
- During the sale, Nykaa enabled interesting formats to engage consumer- 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
- The **Biggest Beauty Steal** event, hosted by **Dolly Singh**, was a hit with app users as they **discovered and explored** the world of beauty real time while watching entertaining content on app

2

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 out Nykaa's promise of being a true supporter of self-expression, broadcasted across TV, OTT and social platforms

3

In Q3 FY22, Nykaa Cosmetics launched a new format of quick drying nail enamel called **Nykaa Insta Dry** that dries instantly within a minute. Introduced **100% Natural Hair Oils** to increase market share in the Hair category and further penetrated our skincare offering with the **20% Vitamin C serum**, the holy grail skincare ingredient



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Key BPC Business Highlights (contd.)

4

Nykaa.com introduced multiple international brands **Sol de Janeiro**, **Elemis**, **111Skin**, **Nudestix**, bringing the best of global beauty to India - across premium and luxe categories



5

With the return of customers into physical retail, Nykaa has accelerated **store expansion** this quarter, with 12 new physical retail stores across the country including stores in Tier 2/3 cities such as Jodhpur, Rajkot, Trivandrum. Our total operational physical store count was 96 as of December 31, 2021 in 45 cities

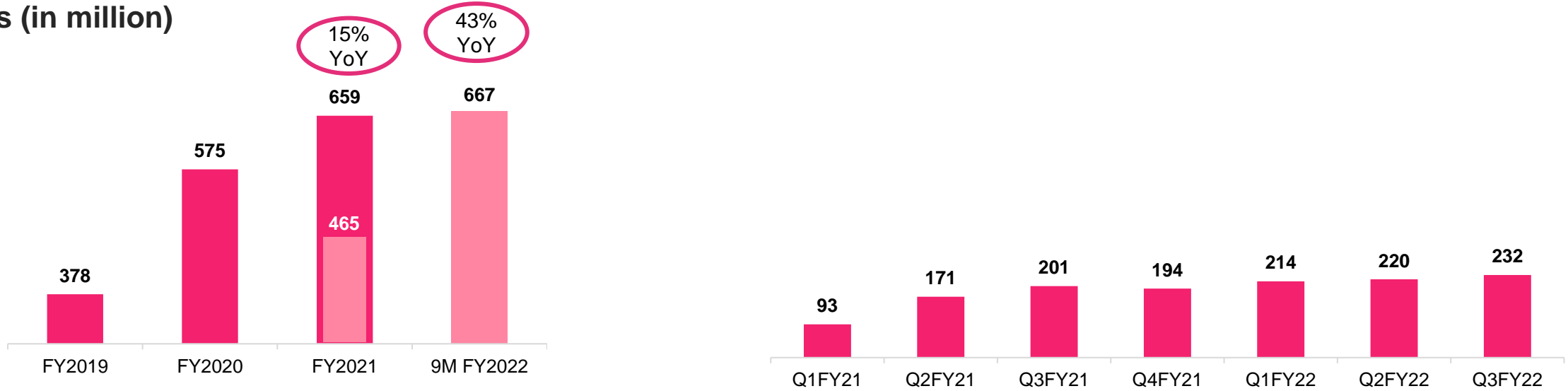


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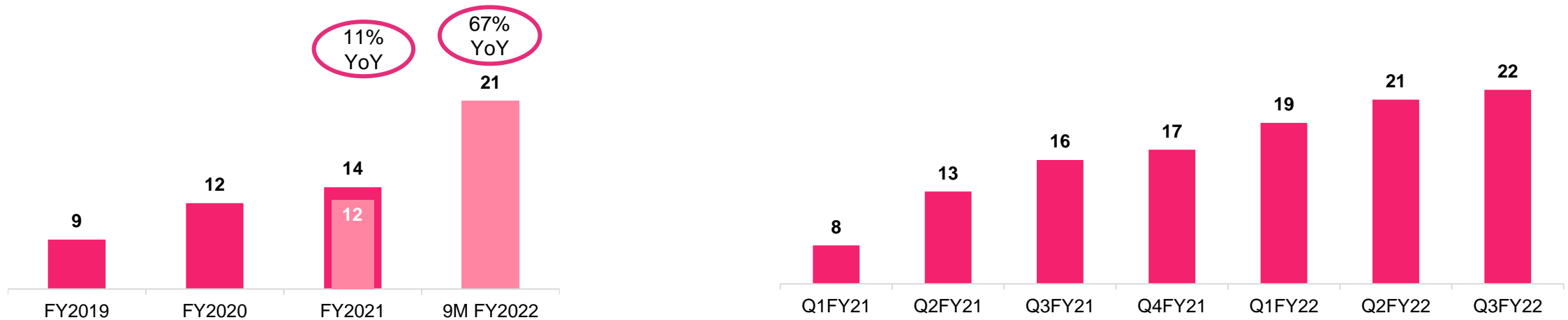
Nykaa continues to ensure access and timely delivery for customers across the length and breadth of the country. It expanded **warehouse storage space** by 1.35 lakh square feet during Q3 FY22

Beauty and Personal Care | Visits and Monthly Average Unique Visitors

Visits (in million)



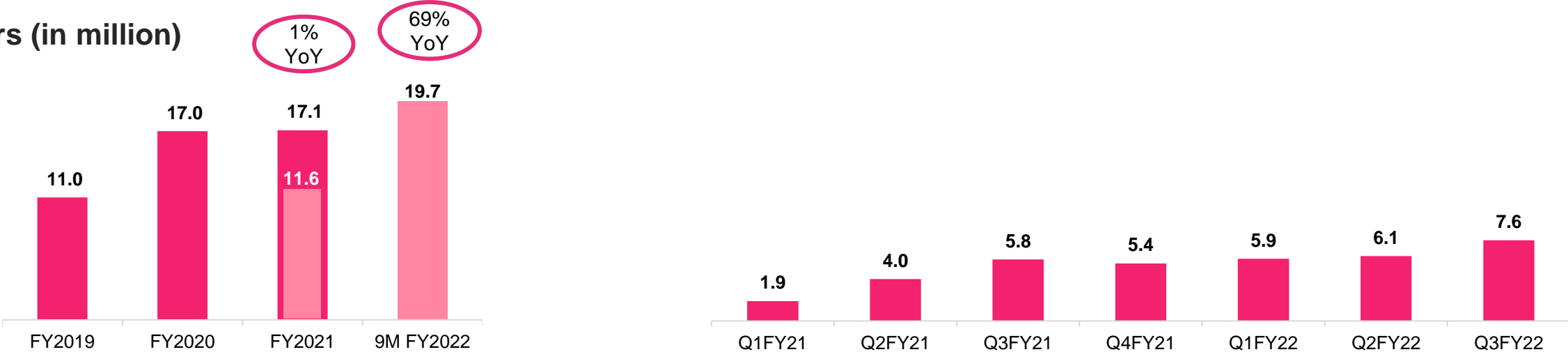
Monthly Average Unique Visitors (in million)



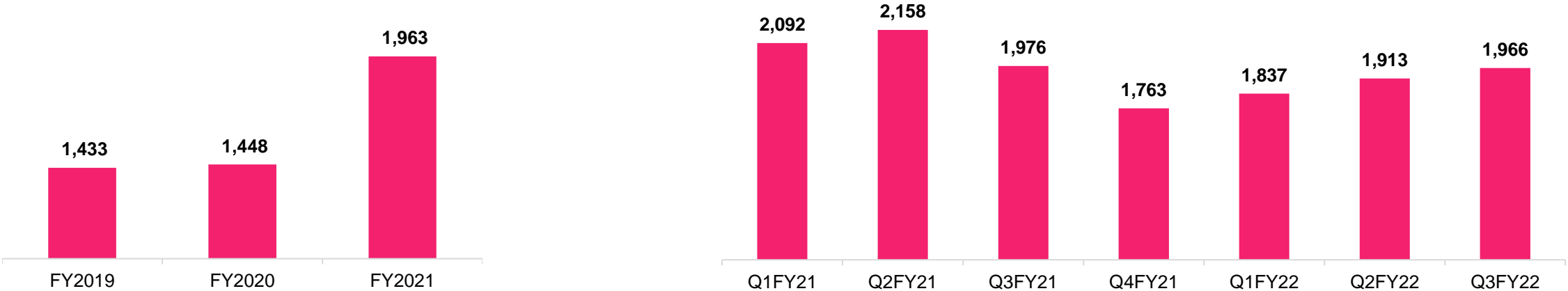
Monthly Average Unique Visitors grew 4% QoQ and 39% YoY in Q3 FY22

Beauty and Personal Care | Orders and AOV

Orders (in million)



AOV (₹)

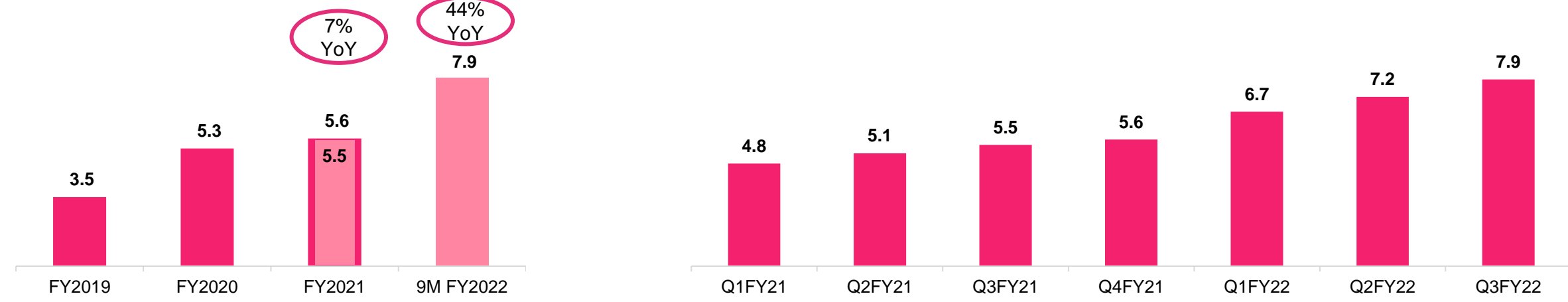


Order volume grew 25% QoQ and 31% YoY in Q3 FY22 with sustained AOV

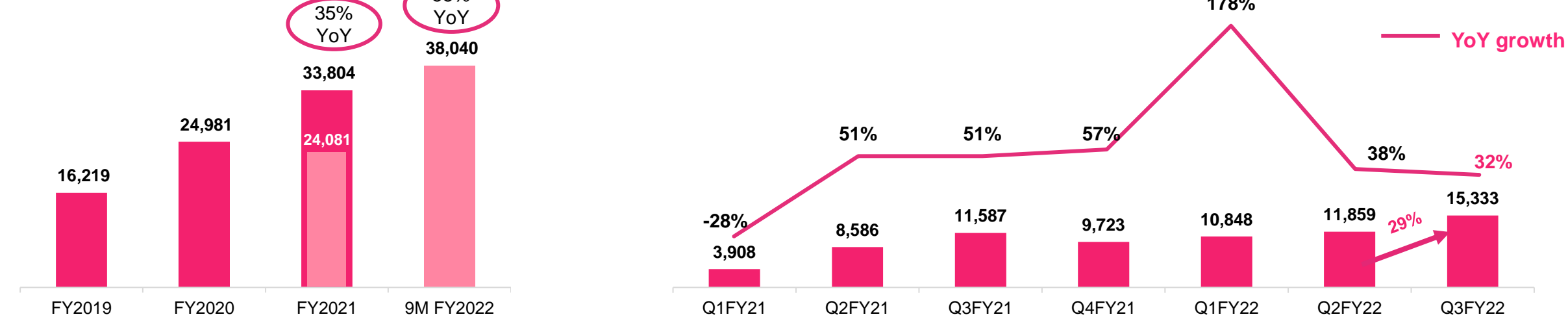


Beauty and Personal Care | Annual Unique Transacting Customers and GMV

Annual Unique Transacting Customers (in million)



GMV (in ₹ million)



GMV grew 29% QoQ and 32% YoY in Q3 FY22 supported by growth in transacting customers

Year to date FY22 growth at 58% due to base effect for H1 FY21



Key Fashion Business Highlights

1

In Q3 FY22, 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



2

Nykaa Fashion launched popular Scandinavian brand- **NA-KD** in India. NA-KD is one of Europe's top 20 fastest growing companies and a leading fashion brand that also focuses on functionality and offers timeless wardrobe staples



3

Nykaa Fashion collaborated with designer **Nikhil Thampi** for its owned brand **RSVP**, to launch a distinct party collection for 2021, offering an exciting range of designer clothing at attractive pricing to consumers

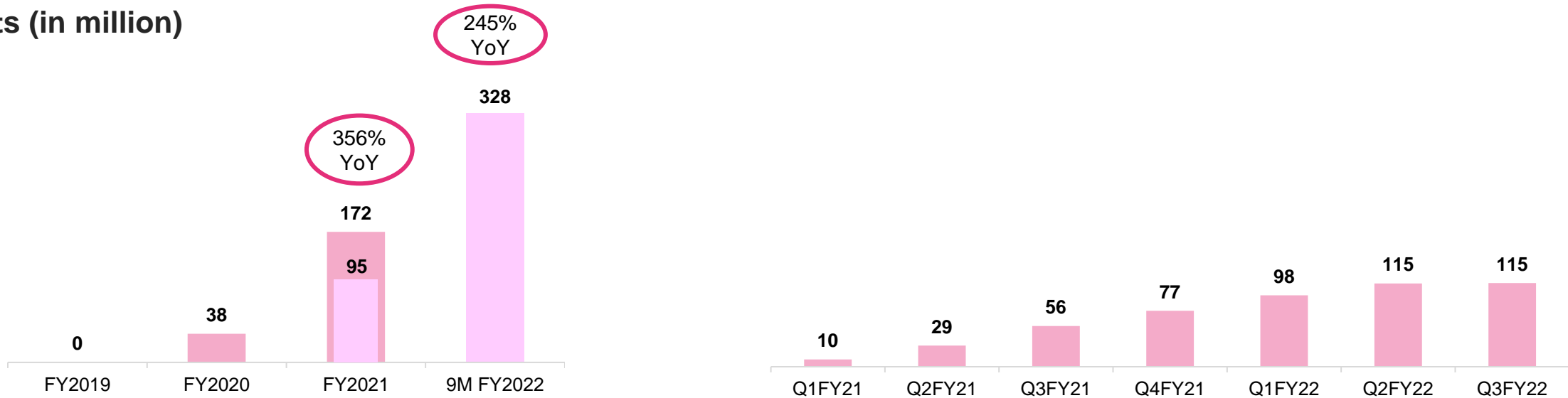


Also launched **Masaba for Nykd**, an elevated sleepwear collection created in collaboration with designer **Masaba Gupta**. This comfortable yet fashionable sleepwear collection was very well received especially as consumers continue to spend more time indoors

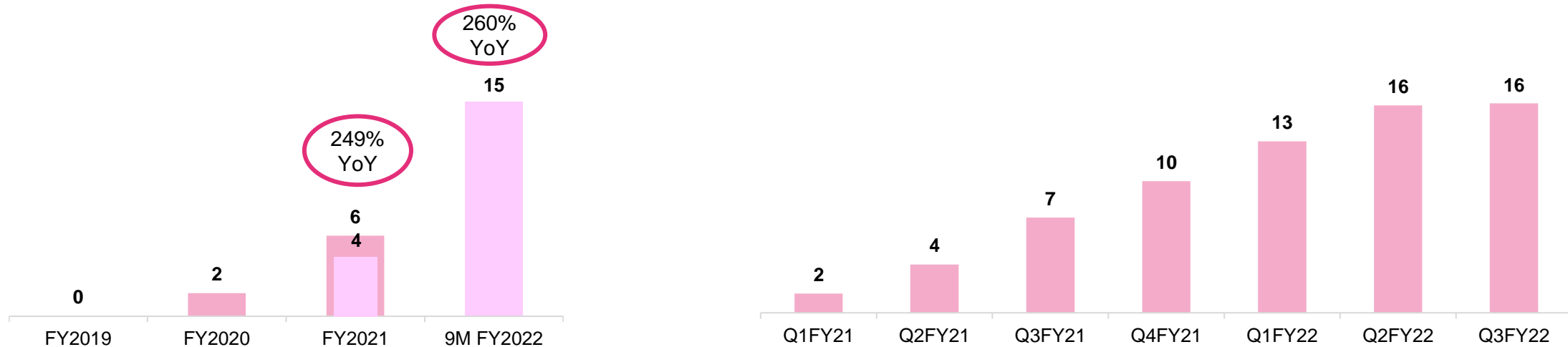


Fashion | Visits and Monthly Average Unique Visitors

Visits (in million)



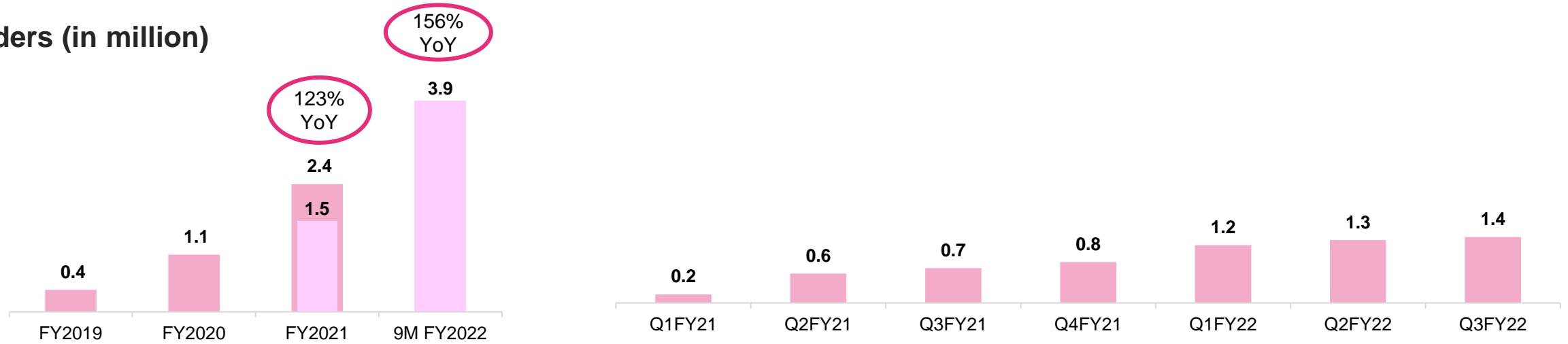
Monthly Average Unique Visitors (in million)



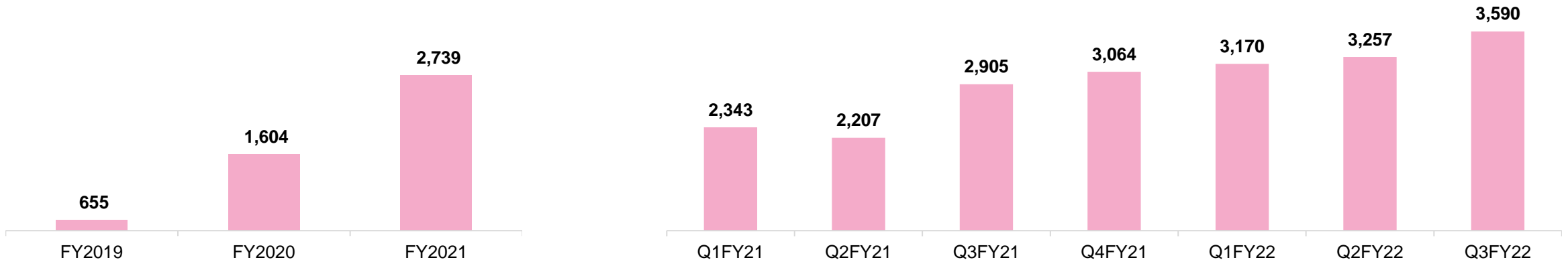
Monthly Average Unique Visitors grew 1% QoQ and 120% YoY in Q3 FY22

Fashion | Orders and AOV

Orders (in million)



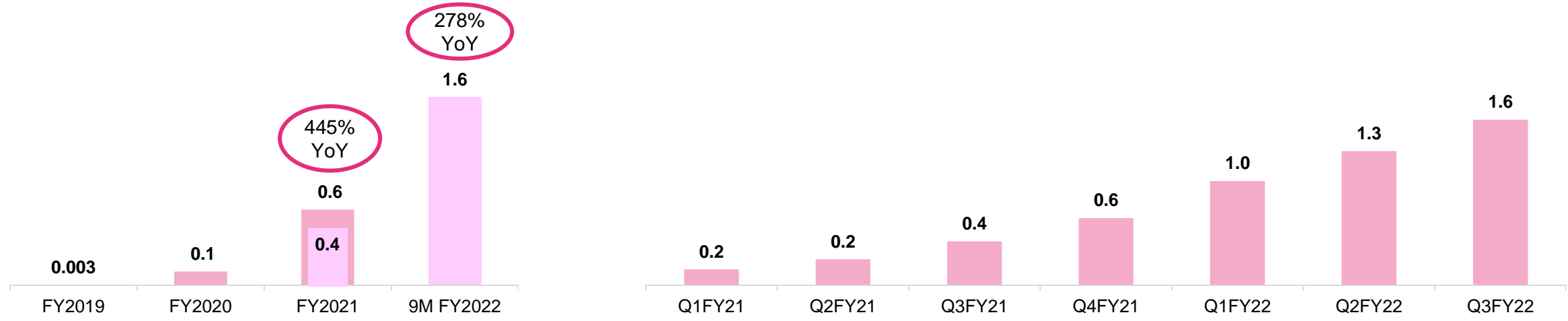
AOV (₹)



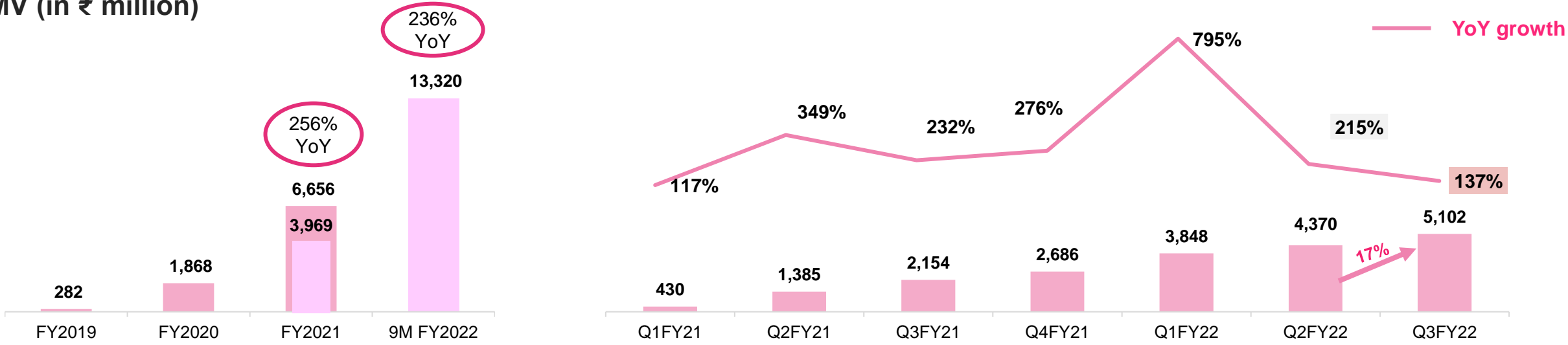
Order Volume grew 5% QoQ and 90% YoY in Q3 FY22, with an uptick in AOV

Fashion | Annual Unique Transacting Customers and GMV

Annual Unique Transacting Customers (in million)



GMV (in ₹ million)



GMV grew 17% QoQ and 137% YoY in Q3 FY22 supported by growth in transacting customers



Key Operational Metrics

Metric	Unit	Quarter ended								
		Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Dec-21 YoY growth	Dec-21 Seq. growth
Number of Visits										
Beauty and Personal Care	Million	93	171	201	194	214	220	232	16%	6%
Fashion	Million	10	29	56	77	98	115	115	105%	0%
Monthly Average Unique Visitors										
Beauty and Personal Care	Million	8	13	16	17	19	21	22	39%	4%
Fashion	Million	2	4	7	10	13	16	16	120%	1%
Orders										
Beauty and Personal Care	Million	1.9	4.0	5.8	5.4	5.9	6.1	7.6	31%	25%
Fashion	Million	0.2	0.6	0.7	0.8	1.2	1.3	1.4	90%	5%
Average Order Value (AOV)										
Beauty and Personal Care	₹	2,092	2,158	1,976	1,763	1,837	1,913	1,966	0%	3%
Fashion	₹	2,343	2,207	2,905	3,064	3,170	3,257	3,590	24%	10%
Annual Unique Transacting Customers										
Beauty and Personal Care	Million	4.8	5.1	5.5	5.6	6.7	7.2	7.9	44%	9%
Fashion	Million	0.2	0.2	0.4	0.6	1.0	1.3	1.6	278%	23%
Gross Merchandise Value (GMV)										
Beauty and Personal Care	₹ in Million	3,908	8,586	11,587	9,723	10,848	11,859	15,333	32%	29%
Fashion	₹ in Million	430	1,385	2,154	2,686	3,848	4,370	5,102	137%	17%
Total	₹ in Million	4,338	9,971	13,741	12,410	14,696	16,229	20,435	49%	26%

Nine Month Ended		
Dec-20	Dec-21	YoY Growth
465	667	43%
95	328	245%
12	21	67%
4	15	260%
11.6	19.7	69%
1.5	3.9	156%
2,056	1,911	-7%
2,557	3,348	31%
5.5	7.9	44%
0.4	1.6	278%
24,081	38,040	58%
3,969	13,320	236%
28,050	51,360	83%

Note: Fashion orders include orders from Nykaa.com & NykaaFashion.com.; Fashion Annual Unique Transacting customers is for NykaaFashion.com

NYKAA

2

Financial Performance

Consolidated Financial Highlights

Revenue from Operations:

- Revenue from Operations grew 24% QoQ and 36% YoY to ₹ 10,984 million in Q3 FY22; and grew 65% year to date FY22
 - Revenue from sale of products grew 24% QoQ and 31% YoY in Q3 FY22, driven by growth in transacting customers
 - Income from Marketplace services grew 2% QoQ and 154% YoY in Q3 FY22, primarily driven by Fashion GMV growth
 - Advertisement revenue grew 33% QoQ and 53% YoY in Q3 FY22, driven by recovery in brand spends on advertisements

Gross Profit:

- Gross Profit grew 35% QoQ and 51% YoY to ₹ 5,088 million in Q3 FY22; and grew 89% year to date FY22
- Gross Profit Margin was 46.3% in Q3 FY22, an improvement of 359 bps sequentially primarily led by increase in share of high margin products and higher advertisement revenue

EBITDA:

- EBITDA was ₹ 690 million in Q3 FY22 at a margin of 6.3% (vs 3.3% in Q2 FY22), sequential improvement driven by higher Gross Profit Margin; and grew 11% year to date FY22
- EBITDA Margin was 6.3% in Q3 FY22 vs 13.2% in Q3 FY21, YoY decline in margin was primarily due to higher marketing expense
- Marketing and Advertisement Expense was 14.0% of Revenue from Operations in Q3 FY22 (vs 7.5% in Q3 FY21) due to continued focus on building brand awareness and higher acquisition of new customers

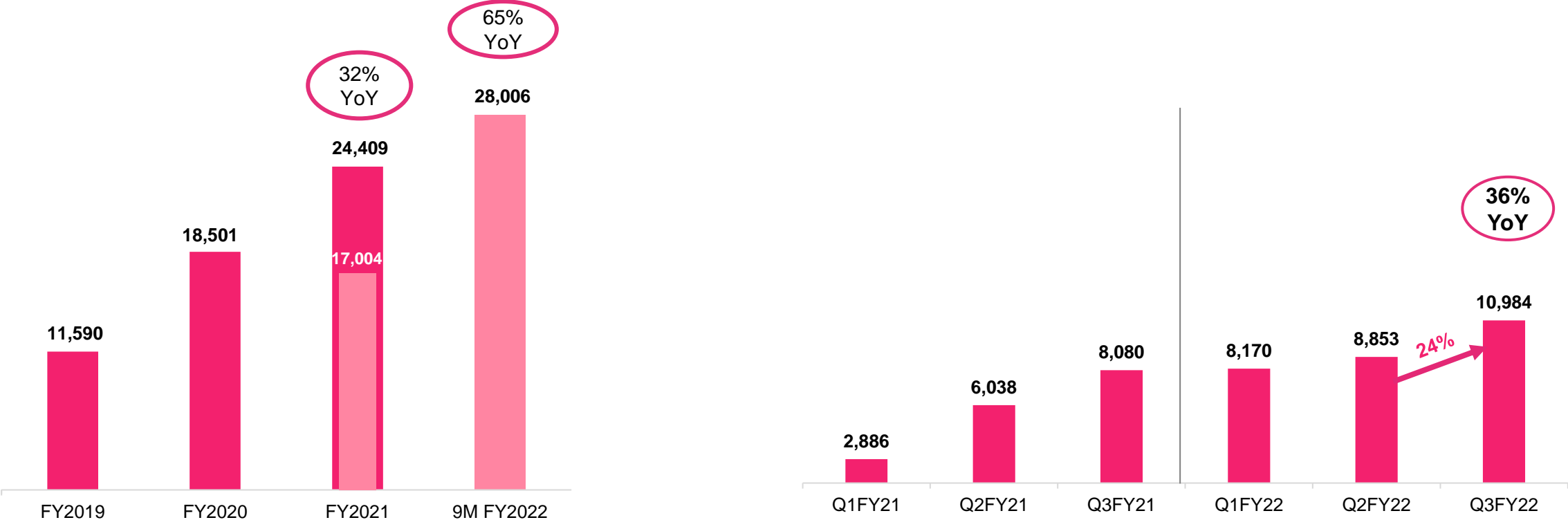
PAT:

- Profit after Tax was ₹ 290 million in Q3 FY22, sequential increase driven by higher EBITDA; Profit after Tax was ₹ 337 million year to date FY22
- Profit after Tax was lower YoY in Q3 FY22 vs Q3 FY21, due to higher marketing expense



Consolidated Revenue from Operations

Revenue from Operations (in ₹ million)



Revenue grew 24% QoQ and 36% YoY in Q3 FY22

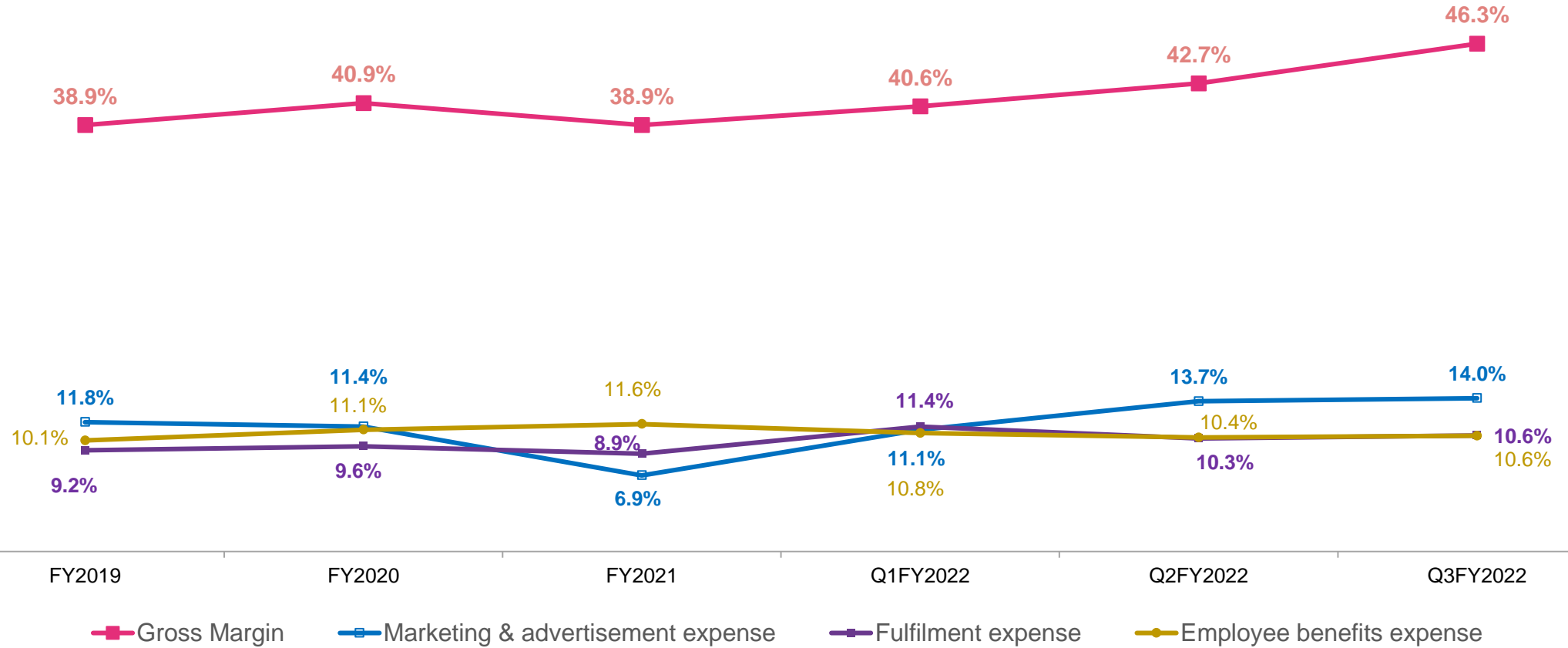
Notes:

1. Revenue from Operations for FY2019, FY2020, FY2021, Q1FY2022 are as per audited financial statements.
2. Revenue from Operations was ₹ 11,113 million for FY2019 and ₹ 17,675 million for FY2020 as per Restated financial statements shown in Prospectus.
3. Comparable YoY growth for Revenue from Operations in FY2021 was 38% based on Restated financial statements.



Gross Profit Margin⁽¹⁾ & Key Operating Expenses

% of Revenue from operations



Gross Profit margin improvement of 359 bps QoQ

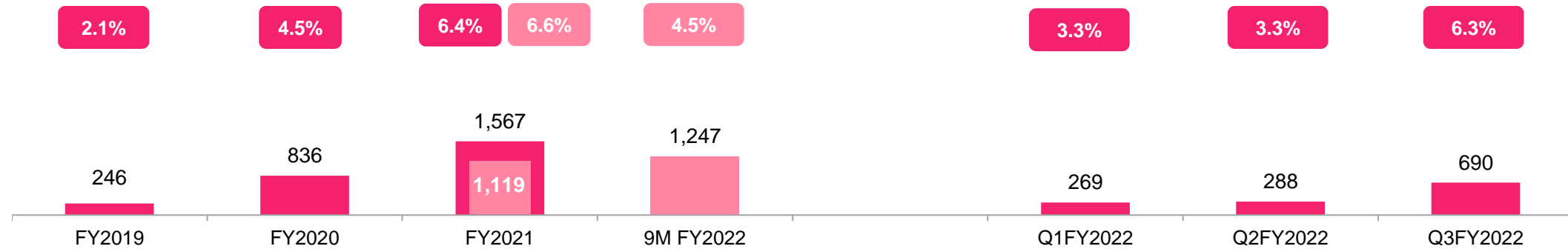
Notes:

1. Computed on Revenue from Operations
2. Gross Profit Margin, EBITDA, EBITDA Margin and Operating Expense % for FY2019, FY2020, FY2021, Q1FY2022 are as per audited financial statements.

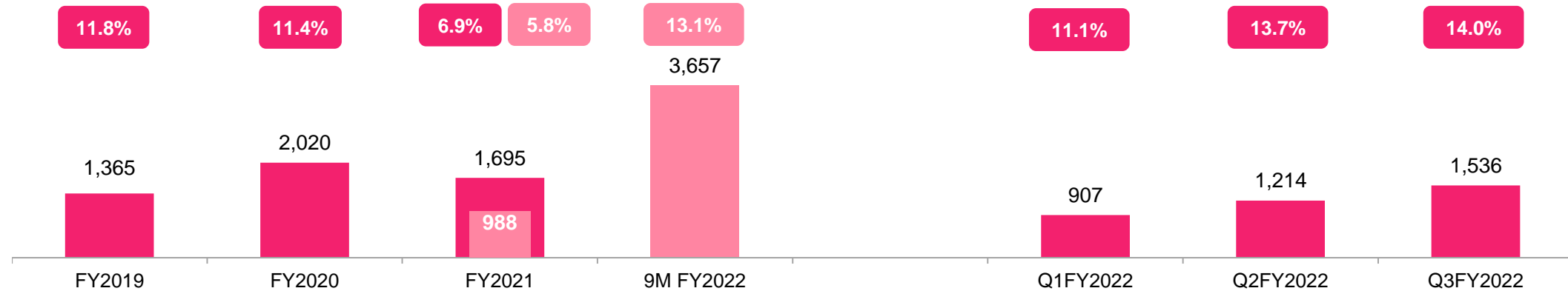


Consolidated EBITDA and Marketing Expense

EBITDA ₹ million and EBITDA Margin %⁽¹⁾



Marketing Expenses ₹ million and Marketing Expenses Margin %⁽¹⁾



EBITDA Margin was 6.3% in Q3 FY22 and 4.5% year to date in FY22

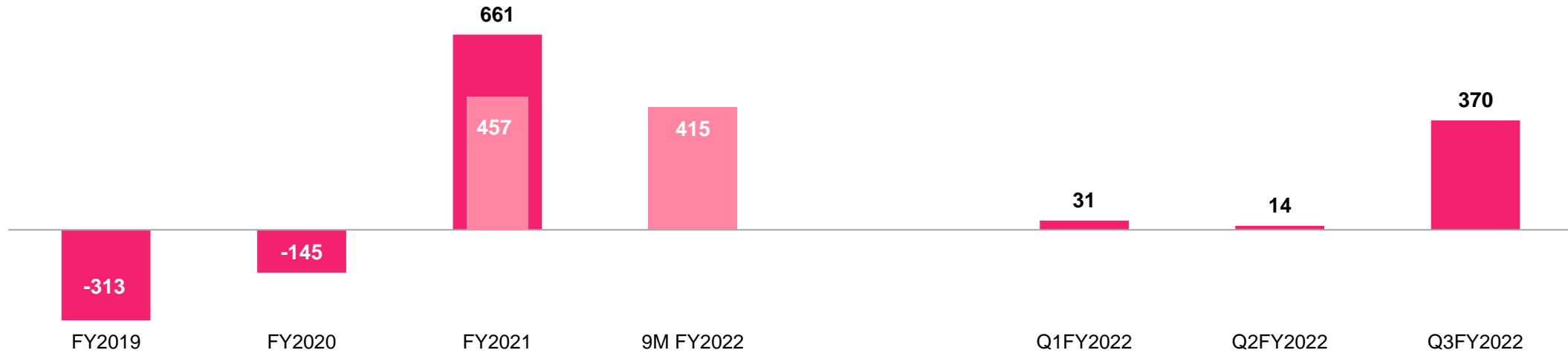
Marketing expense increase 270% year to date FY22

Notes:

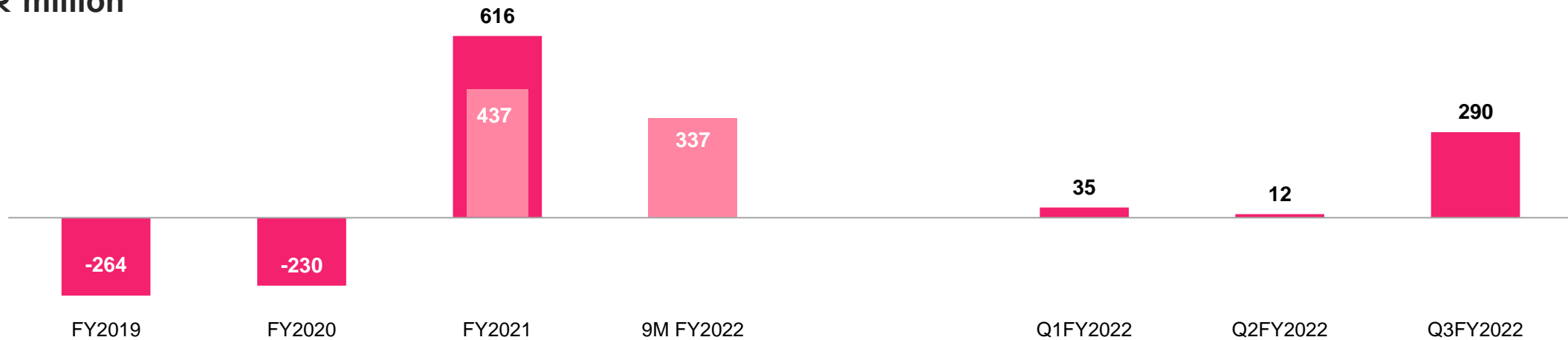
1. Computed on Revenue from Operations
2. Gross Profit Margin, EBITDA, EBITDA Margin and Operating Expense % for FY2019, FY2020, FY2021, Q1FY2022 are as per audited financial statements.

Consolidated PBT and PAT

PBT in ₹ million



PAT in ₹ million



PBT was ₹ 415 million year to date FY22 lower by 9%, primarily due to higher marketing expenses

Notes:
1. PAT for FY2019, FY2020, FY2021 and Q1FY2022 are as per audited Financial Statements.

Consolidated P&L

Particulars	Quarter Ended					Nine months ended			For year ended March 21
	Dec-21 (Unaudited)	Dec-20 (Unaudited)	YoY Growth	Sep-21 (Unaudited)	QoQ Growth	Dec-21 (Unaudited)	Dec-20 (Unaudited)	YoY Growth	
Revenue from Operations	10,984	8,080	36%	8,853	24%	28,006	17,004	65%	24,409
Cost of goods Sold	5,896	4,701	25%	5,070	16%	15,820	10,568	50%	14,926
Gross Profit	5,088	3,378	51%	3,782	35%	12,187	6,436	89%	9,483
<i>Gross Profit Margin %</i>	<i>46.3%</i>	<i>41.8%</i>	<i>451 bps</i>	<i>42.7%</i>	<i>359 bps</i>	<i>43.5%</i>	<i>37.8%</i>	<i>567 bps</i>	<i>38.9%</i>
Fulfilment expense	1,162	678	72%	910	28%	3,007	1,538	96%	2,177
Marketing & advertisement expense	1,536	602	155%	1,214	27%	3,657	988	270%	1,695
Employee benefits expense	1,159	743	56%	923	26%	2,966	1,994	49%	2,836
Other expense	541	286	89%	448	21%	1,309	797	64%	1,209
Operating Expenses	4,398	2,308	91%	3,494	26%	10,939	5,317	106%	7,917
EBITDA	690	1,070	-36%	288	139%	1,247	1,119	11%	1,567
<i>EBITDA Margin %</i>	<i>6.3%</i>	<i>13.2%</i>	<i>-697 bps</i>	<i>3.3%</i>	<i>302 bps</i>	<i>4.5%</i>	<i>6.6%</i>	<i>-213 bps</i>	<i>6.4%</i>
Depreciation	65	42	54%	54	21%	172	117	47%	186
Amortisation	186	142	31%	159	17%	487	385	27%	530
Finance Cost (Net of other income)	69	36	90%	62	12%	173	160	8%	189
Profit/(Loss) before Tax	370	849	-56%	14	2611%	415	457	-9%	661
Total tax expense /(income)	80	161		2		78	20		45
Profit/(Loss) after Tax	290	689	-58%	12	2380%	337	437	-23%	616
Fulfilment cost % to Revenue	10.6%	8.4%	-220 bps	10.3%	-30 bps	10.7%	9.0%	-170 bps	8.9%
Marketing & advertisement expense % to Revenue	14.0%	7.5%	-653 bps	13.7%	-27 bps	13.1%	5.8%	-724 bps	6.9%

Notes:

1. Cost of Goods Sold includes Cost of Material Consumed, Purchase of Traded Goods, Changes in finished goods and stock-in-trade.
2. Fulfilment expense includes Freight Expense, Packaging Expense & Payment Gateway charges.
3. Other expense are excluding Fulfilment expense and Marketing & Advertisement Expense.

Glossary

Term	Description
Annual Unique Transacting Customers	Unique customers identified by their email-id or mobile number who have placed at least one Order on our websites, mobile applications or physical stores during the last 12 months ended as on measurement date. Annual Transacting Customers, with respect to beauty and personal care, denotes Annual Transacting customers on the Nykaa and Nykaa Man websites, mobile applications and physical stores. Annual Transacting customers, with respect to fashion, denotes Annual Transacting customers on the Nykaa Fashion website and the mobile application.
Average Order Value / AOV	GMV generated across our websites, mobile applications and physical stores divided by Orders considered for such GMV.
BPC	BPC refers to Beauty and Personal Care
Cost of Goods Sold	Cost of Goods Sold is a non-GAAP financial measure. Cost of Goods Sold refers to cost of material consumed, purchase of traded goods, changes in finished goods and stock-in-trade.
EBITDA	EBITDA is a non-GAAP financial measure. EBITDA refers to our profit/(loss) for the period, as adjusted to exclude (i) Other Income, (ii) Depreciation and Amortization Expenses, (iii) Finance Costs and (iv) Tax Expense.
EBITDA Margin	EBITDA Margin refers to the percentage margin derived by dividing EBITDA by Revenue from Operations.
Fulfilment Cost	Fulfilment cost refers to Freight Expense, Packaging Expense & Payment Gateway charges.
Gross Profit	Gross Profit is a non-GAAP financial measure. Gross Profit refers to Revenue from Operations less Cost of Material Consumed, Purchase of Traded Goods, Changes in Finished Goods and Stock-in-trade.
Gross Profit Margin	Gross Profit Margin refers to the percentage margin derived by dividing Gross Profit by Revenue from Operations.
Gross Merchandise Value/ "GMV"	Monetary value of orders inclusive of taxes and gross of discounts, if any, across our websites, mobile applications and physical stores prior to product returns or order cancellations and including sales to and through third party channels. GMV, with respect to beauty and personal care, denotes GMV of all beauty and personal care products. GMV, with respect to fashion, denotes GMV of all fashion products.
Monthly Average Unique Visitors	Number of unique devices (laptops, mobile phones, etc.) which recorded at least one Visit to our websites or mobile applications during the month. Monthly Average Unique Visitors, with respect to beauty and personal care, denotes Monthly Average Unique Visitors on the Nykaa and Nykaa Man websites and mobile applications. Monthly Average Unique Visitors, with respect to fashion, denotes Monthly Average Unique Visitors on the Nykaa Fashion website and the mobile application.
Orders	All orders placed on our websites, mobile applications and physical stores prior to any cancellations and returns. Orders, with respect to beauty and personal care, includes all Orders that have at least one beauty and personal care product. Orders, with respect to fashion, includes all Orders that have at least one fashion product.
Visits	Number of visits to our websites and mobile applications. A visit is considered ended when no new request has been recorded in more than 30 minutes from the same device to the website or the mobile application. Visits, with respect to beauty and personal care, denotes Visits to the Nykaa and Nykaa Man websites and mobile applications. Visits, with respect to fashion, denotes Visits to the Nykaa Fashion website and the mobile application.

Thank you

NYKAA