

"Kaya Limited Q2 FY2020 Earnings Conference Call"

October 24, 2019

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SECURITIES

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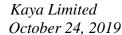
GROUP

Mr. Vikas Agarwal – Chief Executive Officer - Kaya

MIDDLE EAST

Mr. Saurabh Shah – Chief Financial Officer – Kaya

INDIA



Moderator:

Ladies and gentlemen, good day and welcome to Kaya Limited Q2 FY2020 Earnings Conference Call hosted by ICICI Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Aniruddha Joshi. Thank you and over to you Sir!

Aniruddha Joshi:

Thanks Aman. On behalf of ICICI Securities, we welcome you all to the Q2 FY2020 results conference call of Kaya Limited. We have with us Mr. Rajiv Nair, Group CEO, Mr. Vikas Agarwal, Chief Executive Officer, Kaya Middle East and Mr. Saurabh Shah, Chief Financial Officer. Now I hand over the call to Mr. Saurabh Shah for his initial comments on the quarterly performance. Thanks, and over to your Sir!

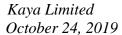
Saurabh Shah:

Good evening everybody. I welcome you all to the conference call on our company's behalf. Let me begin the conference call with a very short update on second quarter performance of Kaya Limited, which is already in the public domain and uploaded on our website www.kaya.in.

Kaya Limited posted consolidated revenue from operation of Rs.101.4 Crores for the quarter ended September 30, 2019, a decline of 6% over corresponding quarter ended September 30, 2018. Consolidated EBITDA is Rs.14.2 Crores as compared to Rs.4.3 Crores in Q2 FY2019.

Loss after tax and minority interest for the quarter ended September 30, 2019 is Rs.9.5 Crores compared to loss of Rs.2.1 Crores for the corresponding quarter last year. Overall Kaya operates through 97 clinics in India and 23 clinics in Middle East. The detailed information update is already available with you. I now open the session for questions and my colleagues, and I will be glad to answer them. Thank you.

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Moderator:

Thank you very much. Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Chirag Maroo, an individual investor. Please go ahead.

Chirag Maroo:

Sir, first of all, I wanted to know, what is the problem that we are facing in UAE because I can see that we are facing a huge top line decline like about 10% compared to H1 previous year and about 15% quarterly? So, can you give a view on this, what is happening over there because Eid week is actually taken in June and not in this particular quarter, then too we are facing such kind of a decline?

Vikas Agarwal:

This is Vikas. I will breakup your answer into two. One is what has happened in Q2 from a economic perceptive and occasions perceptive. So, there are two Eid's in Q2 and there are school holidays. So, Q2 is normally is our low quarter. This year what has happened is because Ramadan gets preponed by 15 to 20 days every year. The school holidays and the overall holiday period was the longest. So, Q2 got hit even worse. In terms of the growth percentages, we are talking about half of it is coming from our exchange rate fluctuations. So, actually our collection degrowth is around 6% to 6.5% in Q2, not 11% if I remove the exchange rate fluctuation. Yes, partly led by the market for sure, which we preempted that Q2 will be lower then ever given the longer holidays and the boost that we used to get just before at the starting of the quarter was not there this year and partly led by exchange rate fluctuation.

Chirag Maroo:

Okay, Sir second question is regarding, due to 115 Ind AS, we had an impact of Rs 38 Crores in our other equities as per Q4 FY2019, so how much of that amount has been crystalized in this particular H1?

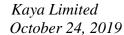
Saurabh Shah:

70 lakhs is currently in this quarter, 60 lakhs to 70 lakhs in this quarter, this will get crystalized later on. Basically, since we have taken a hit in the opening financial, things will get... So you are asking for 115 or 116, Chirag can you just clarify?

Chirag Maroo:

115 Sir.

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Saurabh Shah:

So 115, I will explain in a better form. There is a collection also happened in the same fashion. So you are a customer, you pay money to Kaya, you consume it and then it gets expired and then once again the collection comes into the form, so we have limitation clause for expiry which is 18 months for some of the cases during which we recognize our revenues. So, the opening reserve of 38 Crores has already crystalized in the 18 months on the reserve part. However, collection has got accumulated, that accumulation is still lying, and it will get crystalized as and when the consumption happens.

Chirag Maroo:

So, we gave a time of 18 months to our customers to take the services, else we crystalize it, right?

Saurabh Shah:

Yes, for some of the cases.

Chirag Maroo:

So, this is what should I expect like ... if I see the balance sheet of the company, the other financial liabilities and that includes the deferred revenue, right?

Saurabh Shah:

Correct.

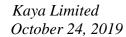
Chirag Maroo:

So, it had not grown up to such extent, but we have been selling our services in this particular two quarters, so from Rs 125 Crores, it has only jumped up to Rs 127 Crores, so what should I understand? First, we did not use to record it in UAE, we used to record it in only India perceptive, now we are recording in both, but still we are not seeing any kind of growth in other liability? So, we are not crystalizing it, there is no increment in other current liabilities, so I am not able to understand the collection money is going?

Saurabh Shah:

No. Basically I will brief you. The overall deferment revenue is basically in India is around 64 Crores to 65 Crores and in Middle East around 32 Crores is the overall deferred revenue. So, out of 32-35 Crores, if you look the collection also gets added up and to that extent consumption also comes into scenario. This overall deferred revenue cannot get consumed in one month. It gets crystalized as and

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when the consumer comes into the system and then consumes it. So more the consumption happens, the deferred revenue will go down.

Chirag Maroo: Okay, what kind of margins do we generate in the products business?

Saurabh Shah: Product business is around 76%.

Chirag Maroo: Sir can you give me a breakup like from e-commerce how much we do, from

GT/MT how much we do, is it possible?

Saurabh Shah: They are in the investor presentation, we have already shared the numbers.

Chirag Maroo: I know that how much revenue we have incurred from different areas, but how

much margins, like e-commerce margin a bit low compared to clinic margin, is it

possible like or all the products are being sold at same margins?

Rajiv Nair: There are channel partners in e-commerce and GT/MT, so obviously we do give

margins to them. So, clinic margins on products will always be the highest. We have an overall gross margin of about 75% to 76%, but when it comes to GT/MT, the average margin that we give to our partners is roughly 25% to 30% of margin

Chirag Maroo: I actually saw there was a product of Kaya Natural available on Amazon. Is it our

product or someone else?

Rajiv Nair: It is called Kaya Derma Naturals, that is our product.

Chirag Maroo: Do we sell any kind of products in UAE?

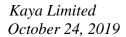
Rajiv Nair: We have our products in our clinics in UAE. We do not distribute products in

UAE, but we do have e-commerce in a very small way in UAE at the moment.

Vikas Agarwal: E-commerce category is very small in UAE. There is a lot of buzz happening with

Amazon taking over Souq and Noon coming in, but it is still to grow and as a

physicality to things ease of buying experience which is still predominantly high





over there, but we do sell Kaya products. We also sell non-Kaya products in UAE, there is a good portfolio we have because we sell some active ingredient-based products, but it is around 10% of our business.

Chirag Maroo: There is an accounting question I want to ask, like DTA has decreased at 50 Crores

Saurabh Shah: Yes, 5 Crores, H1 we have taken a charge of 5 Crores approximately.

Chirag Maroo: Okay, we are charged in H1 5 Crores, but there was 50 Crores amount of DTA....

Saurabh Shah: No, no there was around 21 Crores of DTA lying

Chirag Maroo: Thank you Sir, that is the only reason we have taken this. Actually, DTA should

reduce our tax rate because this is the tax which can be helpful for us once we

come into profit...

Saurabh Shah: DTA was created at some higher rate, now the rate has reduced, so we have to take

a charge for the difference.

Chirag Maroo: What is the rate right now Sir?

Saurabh Shah: 22%, corporate tax which the government notified that is what we have taken.

Chirag Maroo: Okay Sir. Sir, in this particular quarter did we offer any kind of huge discounts for

our clinic services?

Rajiv Nair: Not really. In the month of July and August we generally do a promotional

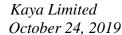
campaign which we advertise in media, but in terms of percentage discounts, they do not really change much from month to month, but we do some promotional

communication in the clinic during the July-August period.

Chirag Maroo: Okay, just wanted to understand the focus like are we going to focus more on

footfalls or are we going to focus more on keeping the margin stable? I had seen

that like a single session of hair treatment per session price is about 12,500 whereas



the competitor actually keeps it low at about 5000 to 6000. When we avail services 6 to 8 together for which we get advances from the customer, then our price comes down to 5k to 6k per session. So, why don't we reduce that 12.5k down to 5k to 6k so that we can be more competitive in the market?

Rajiv Nair:

I think that is a pricing decision and we do not want to be the cheapest in the market for sure. We definitely want to keep our premium for the kind of brand that Kaya is. Of course, we want to be very competitive in the acquisition categories. Over the last two and a half years, in some of these acquisition categories you can see our pricing has come down by almost 15%, but we will still want to keep our margin strong on these categories because these are some of the highest margin drivers and if we crash price this it will not be profitable. So, we prefer to keep the prices high, but there are a couple of difference that we try to promote to customers also. One is obviously in terms of technology, we are largest holders of technology for laser hair removal, US FDA approved and all of these services in our clinic are supervised by clinical dermatologist and some of the competition we are talking about not necessarily have doctors who are qualified. Also, in terms of safety and efficacy our services are much better.

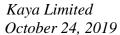
Chirag Maroo:

Okay, how are we going to improve our top line because we have been stagnant at this level since last 10 to 12 quarters and if we do not get revenue of about 110 Crores to 115 Crores, you cannot ever come to a profitable level, because operating leverage is not going to play at that time, so how are we looking, can we generate higher revenues, what are your look on this?

Rajiv Nair:

Couple of things, I think you may have observed that we started doing a little bit more aggressive outreach on ATL and we have done two campaigns now, one during the July-August promotional period and one right now during Diwali where we are actually doing a lot more outdoors in Mumbai and Delhi to acquire customers. Basically, make our services more visible to customers in this channel. We have also become slightly more aggressive on digital media, so we have started

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to do some new launches of videos, which have also happened for the festive season now. We are increasing our spends on ASPs that you probably would have seen in the P&L as well last quarter also to drive up the volume of customers in the clinics.

Now a couple of things are there. There are specific quarters, last quarter I think a lot of businesses in retail found it quite tough, so June, July in fact as periods were quite weak in terms of customer walk-in all across, and Kaya also suffered in the same situation. So, I would say this is a function of what is happening to the market. Otherwise, in terms of acquisition, our spends on media has increased. We have also increased our spends on e-commerce, so we have also seen some great results on e-commerce. Last quarter we saw a 90% growth on e-commerce revenue. We are also spreading up our product business outside of Kaya, so obviously we see distribution also giving us that extra play in terms of revenue. So if you compare the Q1 to Q2, from a 49.1 Crores of net revenue, we grew to 53.6 Crores of net revenue. Yes, of course, we can do better, but I think seeing the depression in the market over the last quarter, in that sense I think we have done reasonably well in the quarter. Even on the margin front, last quarter from 77.9% last year, we moved to 79.3% in terms of margins.

All in all, I think it has been a tough market, but in that market, I think we have done reasonably well last quarter.

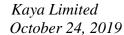
Chirag Maroo:

Totally agree Sir, I can see that on India business, we have done about 8% on Q-o-Q and 5% on Y-o-Y for this particular quarter, but our UAE business has hampered that amount of growth.

Rajiv Nair:

The only thing as Vikas has said earlier also, I think it is also the function of where the market is today and also like he said there were a couple of disruptions last quarter on account of Eid, which impacted traffic. Typically, this quarter is where the tourist season and the weather pattern changes, so hopefully there will be some improvement that will happen this quarter. So, Vikas can probably add to that.

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Vikas Agarwal:

Also, if I breakdown UAE, apart from UAE, Saudi and Oman have actually grown. UAE is the only country, which has pulled down. Within UAE also if I breakdown into clusters, there are only two clusters which are actually not doing well. Dubai and Abu Dhabi are decent, but AL Ain & Northern Emirates was not doing well and some of those gaps are also led by doctor grab, certain market issue, so it is not a situation which cannot bounce back for sure, coupled with the Q2 disruption which happened, of course the de-growth looks very high, but if we go forward with a season like this with all those gaps being corrected, I mean there is hope.

Chirag Maroo:

If you can give a brief about the market like global wellness economy was about 4.2 trillion in 2017, how much is it right now and how much is it in India?

Rajiv Nair:

Honestly, you know, the total wellness has only part core relation with the type of business that we are in. So, overall wellness industry, I think the Government of India is stating that they want to reach close to about \$24 Billion INR, so if you look at it, out of that a small of that comes into dermatology. So roughly we are talking about a market size of close to about 3600 Crores to 3700 Crores market size for the area of dermatology that we are in India, but obviously all this data is something that is not freely available. There is a lot of unorganized competition in the market which is not really publishing this result or data, so probably we do not have all the information with us on that.

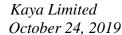
Moderator:

Thank you. The next question is from the line of Aniruddha Joshi from ICICI Securities. Please go ahead.

Aniruddha Joshi:

We listen to multiple FMCG company's commentary that there is a massive slowdown. Now if you look at multiple consumer categories, be it staples or durables, so there is a higher slowdown probably seen in durables compared to staples? Now our product categories or product stock service category are probably somewhere in between, it is necessary for the consumer, but to some extent postponable by sometime. So, how do you see the economic slowdown impacting us and what are the two to three key initiatives that we are looking at, may be price,

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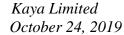
discounts or may be launch of such services where the consumers can easily down trade or any consumer who is going out of the category or postponing their decision so some incentives to get him to continue the service?

Rajiv Nair:

When you look at a comparative category for all these segments that you mentioned is the product segment within Kaya. Kaya Services are not exactly comparable to some of these segments that you mentioned. When you look at products, I think our penetration in terms of distribution, e-commerce and all is still much smaller than what is our overall true potential. We have seen almost a 16% growth in the last quarter in terms of our product business overall. So, we believe that there is a large play that is there for Kaya. Now 23% of our business comes from the product retail side and we hope to increase that continuously. E-commerce is one place that we have invested a lot more money and like I said last quarter while of course the base is still not very large, we are still growing by almost 90% on e-commerce. We are also doing more digital activation around the product segment which we never did before because largely our story has been around services and we have been only talking about services marketing. So, all our campaigning right now also talks about products, we are using a lot influencer marketing and stuff like that to influence product.

On the services side, I think we will be more aggressive on our external communication on services because we were a bit quiet over the last one year and I think starting may be the month of July, we have started doing some outdoor campaigns to actually clarify to consumers the kind of services that we are in and also build saliency in the market which is a little tough overall. Last but not the least; like you said rightly, I think we are also looking at our pricing very sharply. While as I mentioned earlier, we do not want to be the cheapest in the market, our prices will be quite competitive. We have also introduced EMIs about a year ago and now it contributes to almost 6% of our total business. Those are the kind of steps that we are trying to take. We are making our Acquisition services affordable

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for customers. Products we are growing across multiple channels, I think those are the areas that we are working on right now.

Also, one more thing, one of the other innovations that we are current doing is that we were earlier tying down a lot of customers to package buying, which means they have to necessarily buy five to six sessions at one shot. Now we are creating flexible packages where customers can choose their own service so they can buy five or six different types of services with single sessions which also makes their job a little easier and make the system a little bit more flexible for customers.

Aniruddha Joshi: Okay, t

Okay, thanks for the comments Sir.

Moderator:

Thank you. We have a followup question from Chirag Maroo, an individual investor. Please go ahead.

Chirag Maroo:

Sir we have like 97 clinics in India. I just wanted to know how many of these clinics are actually making losses right now, and how many of them are making profits?

Rajiv Nair:

80 of our clinics deliver close to about 30% average EBITDA. There are about 17 clinics which are below this percentage and 17 of these clinics are less than 10%, out of which 11 of them are currently are negative on EBITDA or closer to break even.

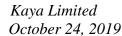
Chirag Maroo:

Okay. Sir, any kind of Capex plan that we are doing right now. Like our competitor is bringing up a new concept of making services which are available in hotels and all, so are we reviewing it or are we going to try certain things like that?

Rajiv Nair:

Actually our services cannot be taken out of the premises because we use a lot of technology, which cannot be transported from our clinics to customer residences or for that matter cannot be really given in hotels because also quite a few of our services are supervised by doctors and so we probably cannot exactly follow the model of a salon business in terms of reaching products. There are certain services

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like facial hypothetically can be done at customer residences, so we are exploring some options, but at this moment in time we do all our services within the clinic

itself.

Moderator: Thank you. The next question is from the line of Anup Nair from Equity

Intelligence. Please go ahead.

Anup Nair: My question is regarding the strategy that we have been following. If you were to

do a strategy review, so what are the things that have been working for us and what

are the things that are not working for us and can you share the way ahead, where

we are positioned from our long terms strategic point of view?

Rajiv Nair: I think the few things that we have been mentioning over time that are that Kaya

has been from a pure services business to increasing our presence in the product

business. We started off our journey of distribution, through e-commerce and I

think to a large extent that strategy is paying off and we have also seen good

growths coming out of that particular segment. The focus of products inside the

clinic is also increased close to about from 12% mix of products inside the clinic.

Today we do about 16% of our mix from products inside the clinic. So that is one

part of the strategy.

Second is the fact that we have improved our technology in clinics over the last

two years time. Some of our dated technology inside the clinic have been replaced.

To that extent the customer quality experience and efficacy of services are

improving inside the clinic.

We also wanted to focus from being just an advance base system to ensuring the

customers also consuming the services that we are selling. Just as a data point

there, from last year total number of services that we did, which is 165,000

sessions in the quarter, this year we did almost 179,000 services in this quarter. So,

what it also says the fact that we are also encouraging customers to also use up the

services that have been sold and that probably helps us to drive our NR as well.

Kaya Limited October 24, 2019

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We have renovated our clinics, the clinic experience has gone up, so our net

promoters' score today has moved from somewhere close to 30 to about 42

between last year and this year, thus the customer experience has improved. Our

customer complaints have actually come down by 60% over the last year, that has

also been something that we have actually worked on.

Where probably we have not been able to do full justice is the fact that all of these

changes have not really led us to very large growth in customer traffic. But when I

do a check around the market over the last two quarters also and that is the

feedback, I got from some of the retail companies as well. Customer traffic

averagely has been down 5% to 10% in most of the retailers over the last two

quarters. So that is any area where I think there is a bit of a concern and we would

like to work further on it. I think top line is dependent on that to acquire new

customers quarter-on-quarter. So to that end, what we are doing right now is we are

becoming a little bit more aggressive on our advertising spends and so we have

increased that activity over the last two quarters.

Going forward, we will continue to invest in product. We will continue to invest in

channels like e-commerce where we believe the play can be much, much larger for

Kaya and Kaya can be made more accessible to customers all over the country. So

that is something that we will continue to do.

As of now, of course we have not done major expansions in the last quarter or last

six months, but we will seriously consider expansion into Tier 2 cities over the next

one year's time, so that is the other area that we could try and work out because

India has a lot of cities that Kaya has not yet penetrated and there is good

opportunity to get there right now may be a reasonable range. So that is broadly my

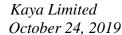
thoughts.

Anup Nair:

So, just some data points to check, like what would be our capacity utilization in

those clinics which are profitable right now and what would be in those which we

are not profitable and secondly any clinic specific strategies adopted to make these



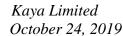
non-profitable clinics into profitable and most of the ASP spends that you are talking about would be somewhat localized, for example you do over the top campaign in Mumbai, that will only specifically be focused on the Mumbai based clinics right? Are we going for any multiple channel communication, which would rather increase our presence in a wider manner, any thoughts on that?

Rajiv Nair:

I think we are constantly looking at our portfolio of under profitable clinics. So if you look at it two years ago, we were operating with almost close to 103 clinics

and we realized some of them were not profitable, so we came down to 97 clinics. We still have a portfolio of about 17 clinics which are less than 10% EBITDA out of which as I mentioned about 10 are not profitable or very close to break even and we will continuously look at the portfolio of those clinics. We are aggressively pursuing rent negotiations for quite a few of these clinics For example, if we have two clinics very close to each other and both of them together are not profitable, then we are able to bring a single clinic where we are able to consolidate. A small example is that we had a clinic in Vashi, we had one more clinic in Inorbit Vashi very close to each other within three-kilometer radius, we have consolidated that together, so that is something that we are doing.

The other one is about our marketing campaign. A large part of our spend right now is on digital, as we get a Pan India reach. Yet, localized campaigns are needed to really create that sudden visibility & especially larger cities like Mumbai and Delhi. So, we are doing these outdoor campaigns in some of out larger cities where we have a larger cluster of clinics together. These may not be viable for us in single cities where we have one or two clinics in the city. The larger play is going to be digital marketing and a lot of it that we are doing even today. The last but not the least, in internet, in the e-commerce websites, we are increasing our spends because we believe that once we have more salience in Amazon, Nykaa or Myntra, that also makes the product as a segment more visible to the consumers.



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Capacity utilization on an overall chain wide was close to 47%, today it is about 50%. Yes, there are clinics which are profitable and doing extremely well. Our utilization is anywhere between 65%, the best clinic is more than 80%, but the under performing clinics which are really under utilized would be in the region of 30% to 35%. The average right now is about 50%.

Anup Nair:

Okay, from the cost point of view, most of our EBITDA had been from cost rationalization is what I understand. So how much scope is there for us to improve on that part, especially in these non-profitable kinds of clinics, are we planning any aggressive kind of cost cuts other than these rent negotiations, is there any possibilities for it?

Rajiv Nair:

One of our largest cost is the highest skilled labour that we have in the business which is doctors. Already if you had seen the journey, we were as high as 169 doctors about two years ago. We are today at 140 doctors in the country. We are changing the model from part time doctors to full time doctors, so most of the new recruits that we are doing right now in the business are people who work with the clinic on a full time basis because earlier we had people who would come for a few hours and then run their own practice or work with hospitals or other places. So our chances of business getting cannibalized by these doctors is also reducing because most of the new doctors we are taking are coming for 48 hours.

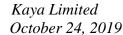
Secondly also depending on the performance of the clinic we are also rationalizing the number of employees in the clinic. So, therapist utilization is also increasing progressively, the number of therapists in the business are also reducing.

We also look at cost on a regular basis. We do not believe that we have optimized our expenses and COGS. We have a lot of work to do there and we are constantly working on it. We will see some benefits of that even in this financial year.

Anup Nair:

Can you share me the doctor specific attrition rate, specific to the doctors?

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Rajiv Nair:

The total attrition rate right now sits at close to about 36% per annum out of which doctor attrition is about 22% to 24%.

Anup Nair:

Finally, from Middle East point of view, what is the way ahead? See every quarter something or the other comes and we are hopeful that from the next quarter something works in our favour, but if you see from last 12 to 13 quarters, this has been same case. So, from a strategy point of view, if you do not feel that if things are not turning around, is there any thinking on the perceptive that it will be a divestment candidate, may be you can at some point of time think of exiting the business if it is not working for us, would that be a rational thought from the capital allocation point of view if you think about it?

Rajiv Nair:

Honestly that is not our strategy, we believe that the market there has a long-term future. It is just the current state of economy in that market for the last two years has not been up to the mark, and it is not just Kaya, but I think any business which has been in that market has suffered. Kaya in fact has done a lot of work around, cost rationalization, at least been able to deliver positive EBITDA constantly. Bigger retailers have seen dips of 10% and 15% in the market. I think it is a matter of being a little bit more patient in that geography and I think what Vikas and I have been discussing that there are some green shoots from the government, there is a lot of investments planned in the next year at Expo 2020. We believe the fact that there is some buoyancy that the government is trying to create in that market, and we will see some benefits out of that. We have actually renovated six clinics in the Middle East, and we have seen almost a 7% to 8% growth in those clinics in a fairly depressed marked right now in the Middle East.

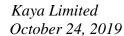
Anup Nair:

One final question Rajiv on this partnership with Marico, the Kaya Youth campaign, have we got any benefits out of the Marico campaign yet or how do you look at that partnership going on now?

Rajiv Nair:

Currently it is just basically a license arrangement that we have with Marico, so it is basically looking at the lower end of this segment, maybe I would say more

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FMCG type of product being given to Marico under a brand called Kaya Youth on a royalty that they pay us. So obviously that strategy is purely a Marico strategy, but they are also piloting it in certain cities, so based on their success there, they will try and see how to scale it up.

Anup Nair: Okay, so we have not seen anything like Kaya Youth leading us to more

Rajiv Nair: Currently according to me for them also it is a very pilot stage right now on the

brand, it is a very, very early stage.

Anup Nair: Okay, fine Rajiv thanks and wish you all the best.

Moderator: Thank you. Ladies and gentlemen, that would be the last question for today. I now

hand the conference over to the management for their closing comments. Thank

you and over to you.

Saurabh Shah: Just to conclude, we will continue our effort to drive the company to a profitable

growth as well as the same store growth. Thank you for attending the conference

call.

Moderator: Thank you very much. Ladies and gentlemen, on behalf of ICICI Securities that

concludes this conference. Thank you for joining us and you may now disconnect

your lines.

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