



# KDDL Limited

*Result Update*

*Q3 FY15*

*India's largest retailer for luxury watches*

**ēthos**  
WATCH BOUTIQUES

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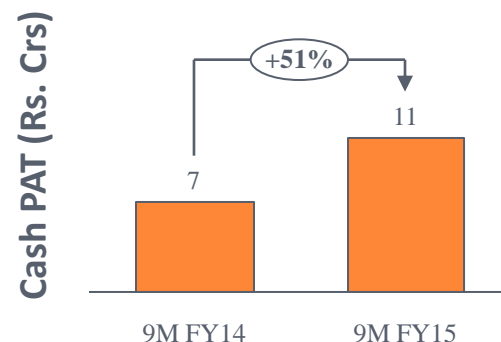
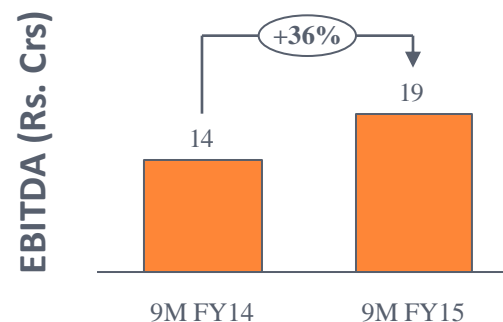
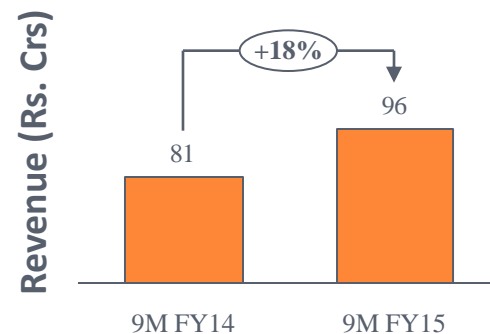
# Standalone – Performance Highlights

- **Q3 FY15 :**

- Revenue at Rs.31 Crs
  - Growth of 11% YoY from Rs. 28 Crs in Q3FY14
- EBITDA grew to Rs.6.3 Crs, growth of 11% YoY
- EBITDA Margin of 20.1%
- Profit After tax at Rs. 2.0 Crs, growth of 41% YoY
- Cash PAT of Rs. 3.7 Crs

- **9M FY15 :**

- Revenue at Rs.96 Crs
  - Growth of 18% YoY from Rs. 81 Crs in 9MFY14
- EBITDA grew to Rs.19.5 Crs, growth of 36% YoY
- EBITDA Margin expanded by 272 bps to 20.3%
- Profit After tax at Rs. 5.3 Crs, growth of 87%
- Cash PAT of Rs. 11.0 Crs



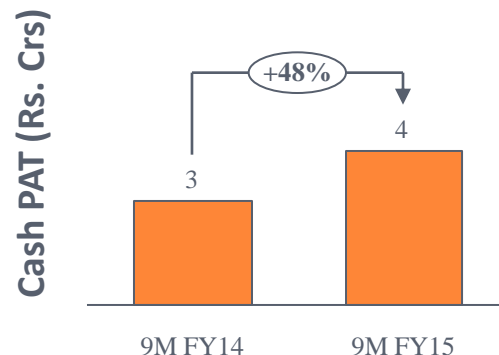
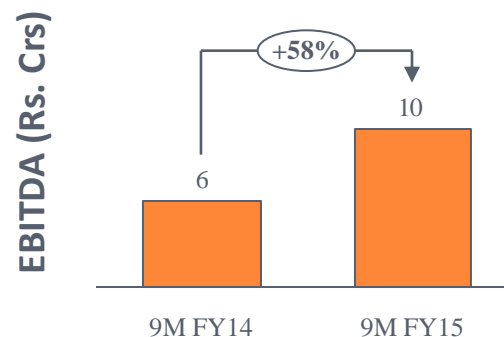
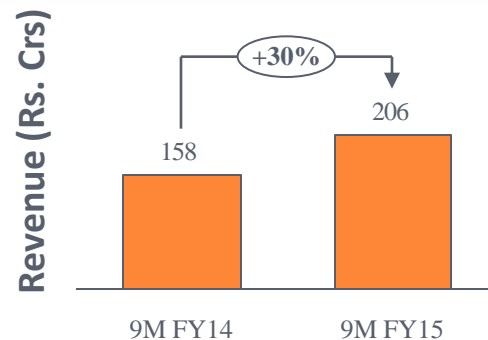
# Ethos – Performance Highlights

- **Q3FY15**

- Registered highest quarter sales revenue at Rs.88 Crs
  - Growth of 33% YoY from Rs. 66 Crs in Q3FY14
  - 23% of sales contributed by online lead generation
- Front-end rent & employee exp. reduced by 261 bps to 9.9% as proportion of sales
- EBITDA grew to Rs.5.9 Crs, growth of 50% YoY
- EBITDA Margin expanded by 75 bps to 6.7%
- Profit After tax at Rs. 2.1 Crs

- **9MFY15**

- Revenue at Rs.206 Crs, growth of 30% YoY
- EBITDA grew to Rs.10.1 Crs, growth of 58% YoY
- EBITDA Margin expanded by 85 bps to 4.9%
- Profit After tax at Rs. 1.3 Crs
- Raised Rs. 7.5 Crs from various investors by way of issue of CCCPS on preferential allotment basis
  - Equity shareholding of KDDL in Ethos Ltd, on fully diluted basis will be 70.51%



# E-Commerce: Asset-light Model...

**Minimize  
Capex**

**Focus on  
Online  
Presence**

**Maximize  
Reach**

**Expand  
catchment  
area, leading  
to revenue  
growth**

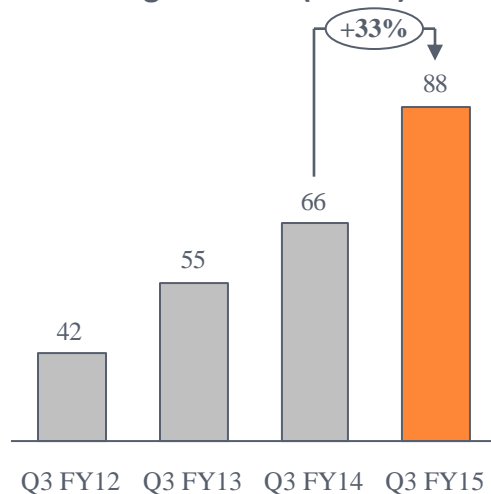
**Optimize  
Operating  
Leverage**

**Reduce  
Front-End  
Cost like  
Manpower  
and Rental  
expenses**

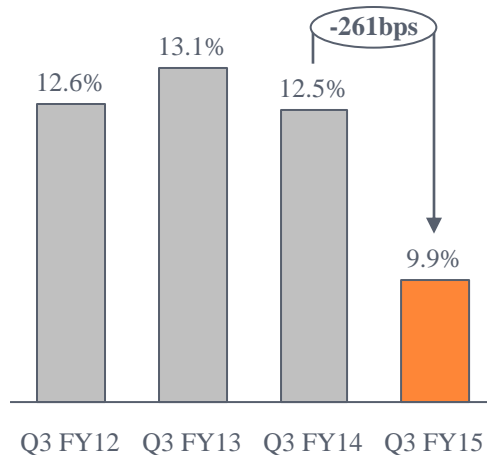
**Improve  
Return  
On  
Capital  
Employed**

# ...Improving Performance...

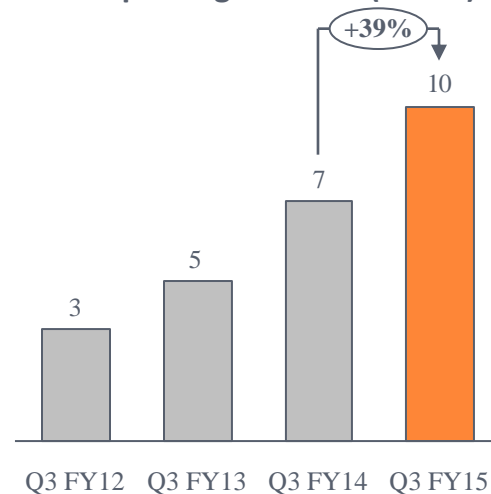
Growing Revenue (Rs.Crs)



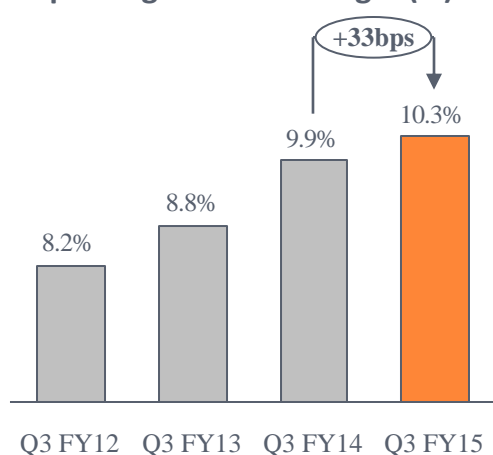
Reducing Front-end Rent & Manpower Cost as % of Revenue



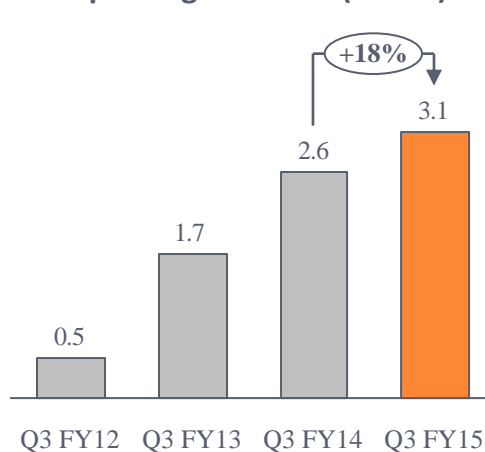
Improving EBITDA\* (Rs.Crs)



Improving EBITDA\* Margin (%)



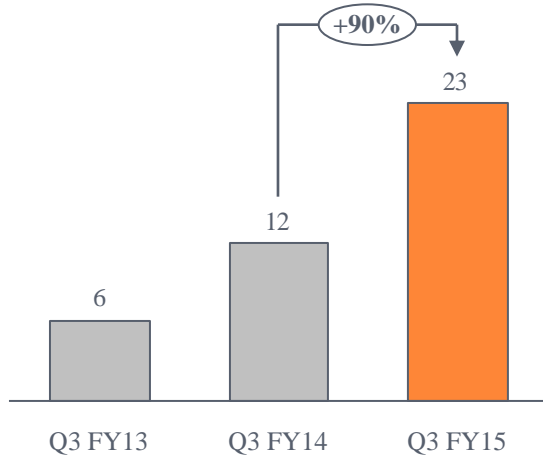
Improving Cash PAT (Rs.Crs)



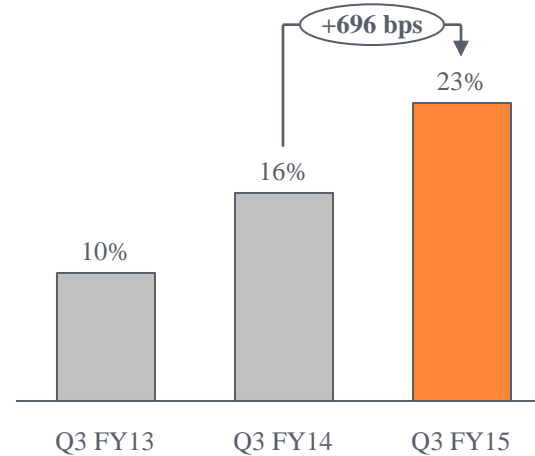
\* EBITDA before Central expenses

# ...With Growing Online Sales

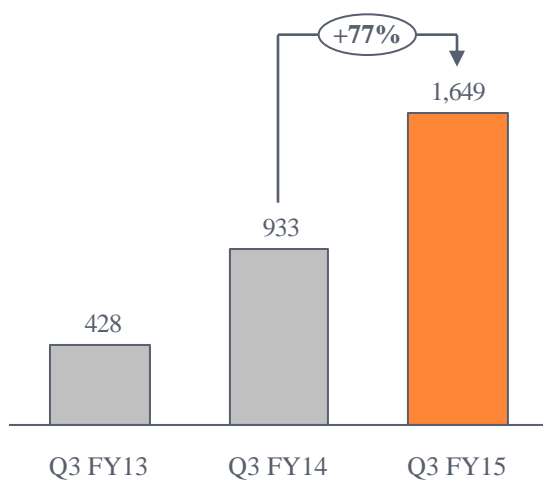
Online Billing (Rs. Crs)



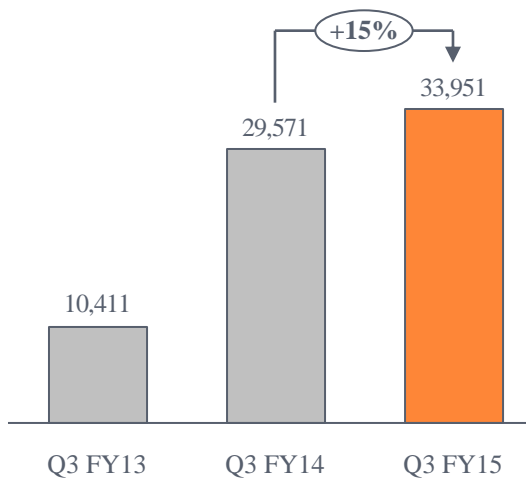
Online – as % of Ethos Revenue



Visitors on website ('000)



Leads Generated (#)



## ... And our specialized network...

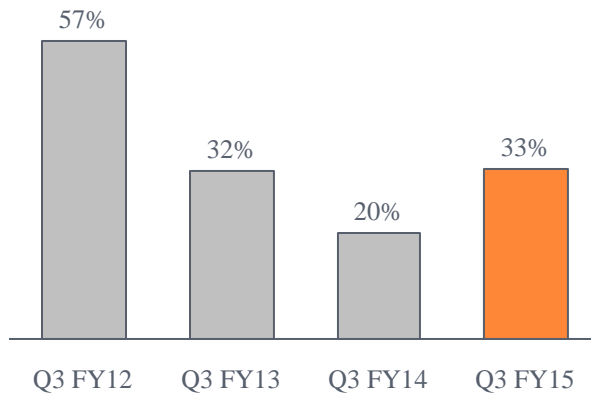


- 45 Stores presence across India
- Presence in Metros, Tier I & Tier II cities
- Store selection preference :  
Reputed /Pedigree Mall at Premium location where other Premium brands present and having better facility management
- 7 Airport Stores at Duty Free Zone & Domestic Terminal at Bengaluru, Delhi, Mumbai & Ahmedabad

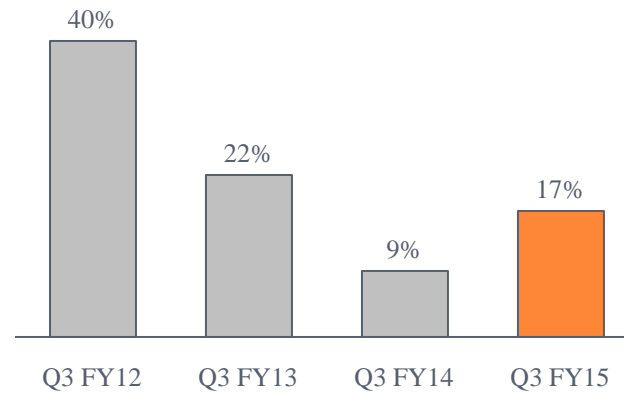


# Key Indicators

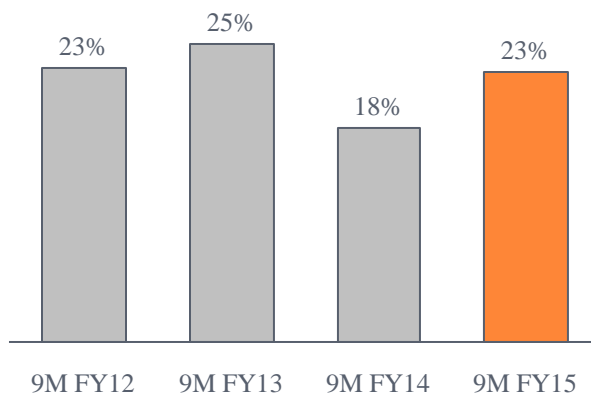
**Billing Growth (YoY%)**



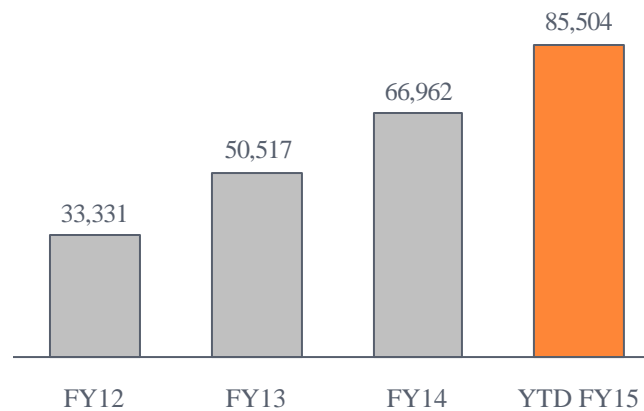
**Same Store Sales Growth (YoY%)**



**% Repeat Sales**



**Club ECHO – Member Base (#)**



# New Store Openings

- **Launched Longines Boutique in Mumbai, in Dec-14**
  - In collaboration with Swatch Group
  - Exclusively retail Watches & Accessories of “Longines” brand
- **Launched Rado Boutique in Mumbai, in Nov-14**
  - In collaboration with Swatch Group
  - Exclusively retail Watches & Accessories of “Rado” brand
- **Launched Rado Boutique in New Delhi, in Oct-14**
  - In collaboration with Swatch Group
  - Exclusively retail Watches & Accessories of “Rado” brand
- **Ethos Store Closures in 9M FY15** : Bangalore, Bhopal, Hyderabad, Pune



# Consolidated - Profitability Highlights

Rs.Crs	Q3 FY15	Q3 FY14	YoY%	9M FY15	9M FY14	YoY%	FY14
<b>Revenue</b>	<b>121</b>	<b>94</b>	<b>29%</b>	<b>304</b>	<b>240</b>	<b>27%</b>	<b>335</b>
Cost of Goods Sold	74	55		176	135		190
Employee Expenses	15	13		43	36		50
Other Expenses	19	17		56	48		65
<b>EBITDA</b>	<b>12</b>	<b>9</b>	<b>31%</b>	<b>29</b>	<b>21</b>	<b>41%</b>	<b>30</b>
<b>EBITDA Margin</b>	<b>10.2%</b>	<b>10.0%</b>		<b>9.5%</b>	<b>8.6%</b>		<b>9.0%</b>
Other Income	0	0		2	1		3
Interest	4	3		12	10		14
Depreciation	3	2		9	6		8
Exceptional Item	-	1		-	1		1
<b>PBT</b>	<b>5.8</b>	<b>3.7</b>	<b>58%</b>	<b>10.2</b>	<b>4.2</b>	<b>144%</b>	<b>10.9</b>
<b>PBT Margin</b>	<b>4.8%</b>	<b>3.9%</b>		<b>3.4%</b>	<b>1.7%</b>		<b>3.3%</b>
Tax	2.0	0.8		3.6	1.0		2.0
<b>PAT After MI</b>	<b>3.3</b>	<b>2.5</b>	<b>35%</b>	<b>6.3</b>	<b>3.0</b>	<b>114%</b>	<b>8.5</b>
<b>PAT After MI Margin</b>	<b>2.8%</b>	<b>2.6%</b>		<b>2.1%</b>	<b>1.2%</b>		<b>2.5%</b>
<b>Cash PAT</b>	<b>6.2</b>	<b>4.7</b>	<b>31%</b>	<b>15.1</b>	<b>9.4</b>	<b>61%</b>	<b>16.6</b>
<b>Cash PAT Margin</b>	<b>5.1%</b>	<b>5.0%</b>		<b>5.0%</b>	<b>3.9%</b>		<b>4.9%</b>

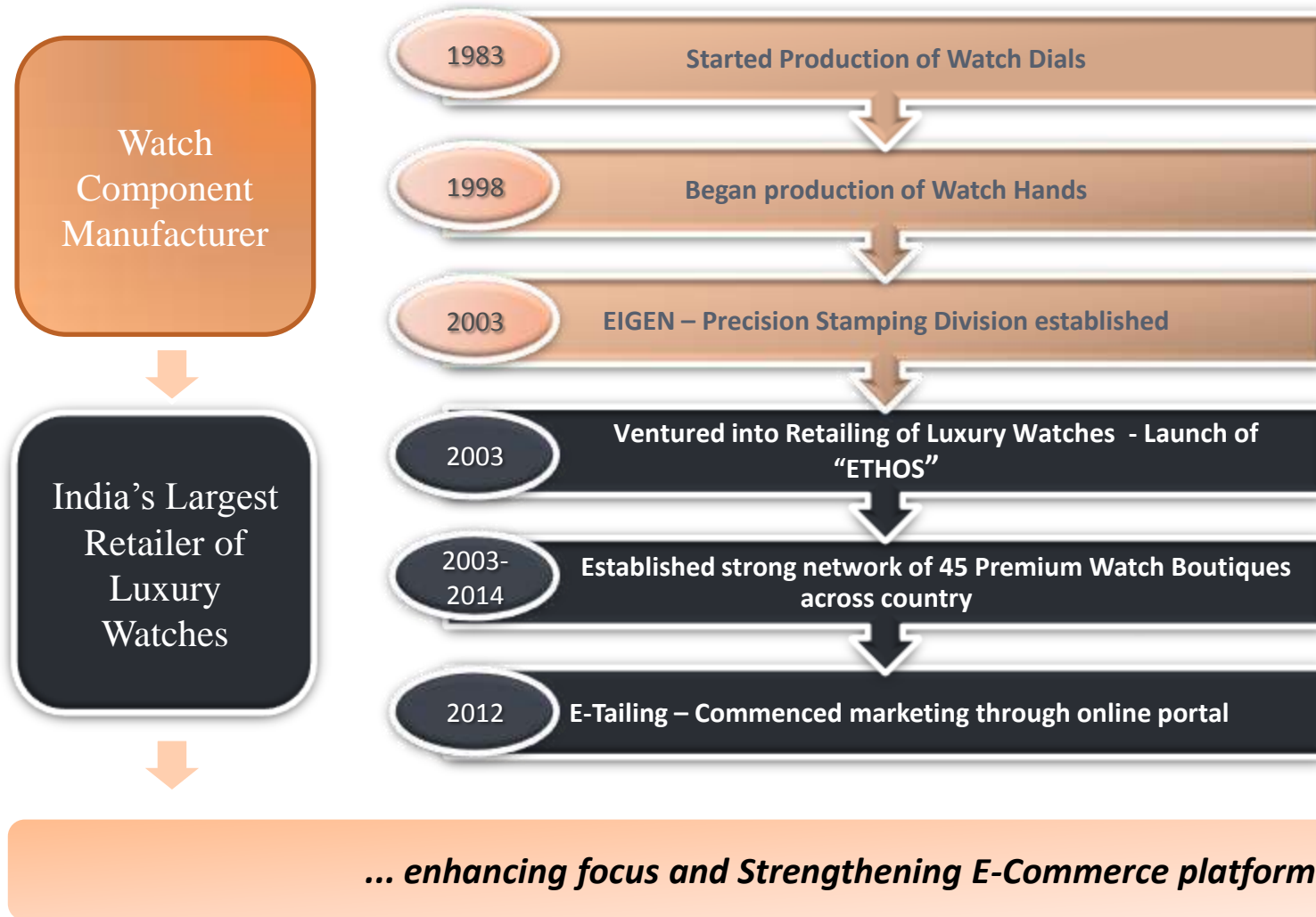
# Ethos - Profitability Highlights

Rs.Crs	Q3 FY15	Q3 FY14	YoY%	9M FY15	9M FY14	YoY%	FY14
<b>Revenue</b>	<b>88</b>	<b>66</b>	<b>33%</b>	<b>206</b>	<b>158</b>	<b>30%</b>	<b>220</b>
Cost of Goods Sold	66	48		153	116		162
Employee Expenses	4	4		12	10		14
Other Expenses	11	10		30	25		36
<b>EBITDA</b>	<b>6</b>	<b>4</b>	<b>50%</b>	<b>10</b>	<b>6</b>	<b>58%</b>	<b>9</b>
<b>EBITDA Margin</b>	<b>6.7%</b>	<b>5.9%</b>		<b>4.9%</b>	<b>4.1%</b>		<b>4.1%</b>
Other Income	0	-		0	-		0
Interest	2	1		5	4		6
Depreciation	1	0		3	1		2
Exceptional Item	-	-		-	-		0
<b>PBT</b>	<b>3.1</b>	<b>2.1</b>	<b>48%</b>	<b>2.0</b>	<b>1.2</b>	<b>74%</b>	<b>1.7</b>
<b>PBT Margin</b>	<b>3.6%</b>	<b>3.2%</b>		<b>1.0%</b>	<b>0.7%</b>		<b>0.8%</b>
Tax	1.0	(0.1)		0.7	(0.4)		(0.5)
<b>PAT After MI</b>	<b>2.1</b>	<b>2.2</b>	<b>(3%)</b>	<b>1.3</b>	<b>1.6</b>	<b>(14%)</b>	<b>2.2</b>
<b>PAT After MI Margin</b>	<b>2.4%</b>	<b>3.3%</b>		<b>0.7%</b>	<b>1.0%</b>		<b>1.0%</b>
<b>Cash PAT</b>	<b>3.1</b>	<b>2.6</b>	<b>18%</b>	<b>4.2</b>	<b>2.8</b>	<b>48%</b>	<b>4.0</b>
<b>Cash PAT Margin</b>	<b>3.5%</b>	<b>3.9%</b>		<b>2.0%</b>	<b>1.8%</b>		<b>1.8%</b>

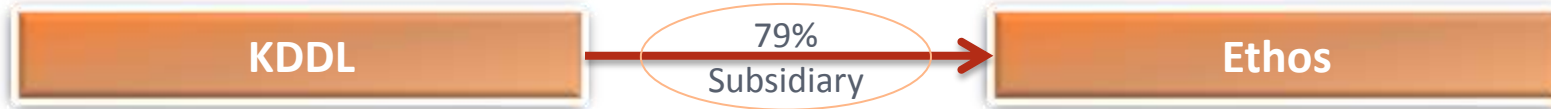
# Company Overview



# Evolution ...



# Business Overview



- **Leading supplier of high quality watch components for international brands in Switzerland & India**
- **Manufacturing facilities**
  - Watch Dial - 3 manufacturing plants with capacity of over 4.5 mn pcs
  - Watch Hands - 2 manufacturing plants with over 47 mn capacity
- **EIGEN : Precision Stamping Division**
  - Offers high precision press component and tooling solution
  - Wide range of engineering applications

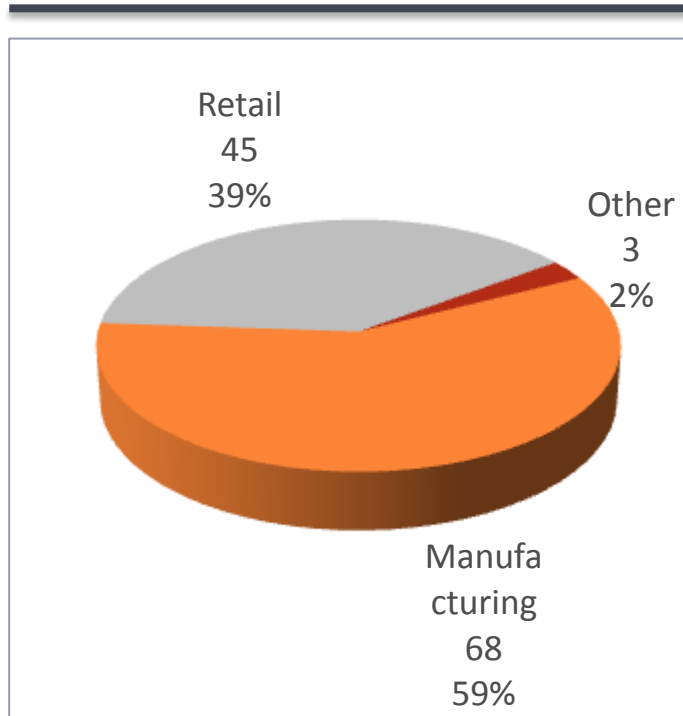
- **India's Largest Retail Chain of Luxury Watch Studios**
- **Authorized retailer of over 60 luxury watch brands through**
  - 45 premium watch boutiques across Country
  - Online marketing - Effective use of large social network and business development platforms
- **Distinct retail formats addressing various market segments**
  - Luxury & Prestige
  - Exclusive Boutiques
  - Airport Boutiques

\* 70.51% on fully diluted basis

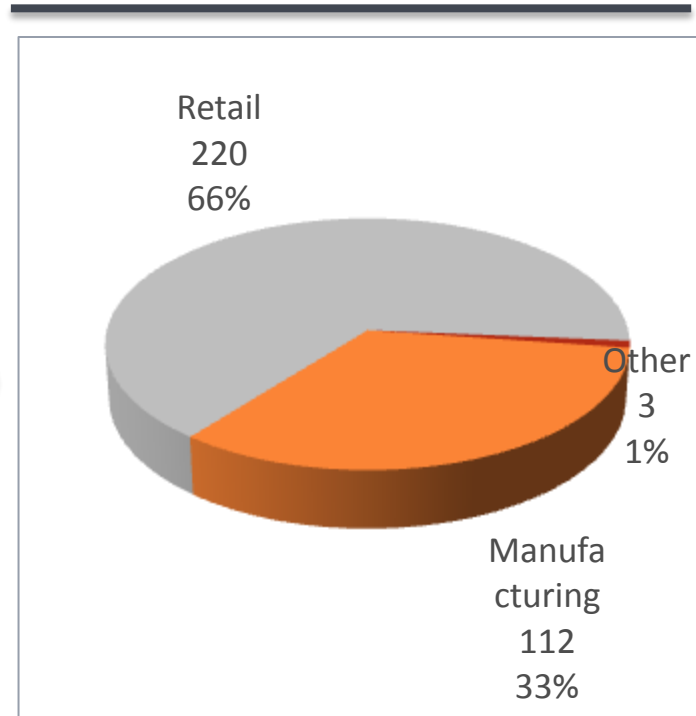


# Retail... Consistently Growing at faster pace

Revenue FY 2009  
Rs. 116 Crs



Revenue FY 2014  
Rs. 335 Crs





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