



# KDDL Limited

*Result Update*

*Q2 FY15*

*India's largest retailer for luxury watches*

**ēthos**  
WATCH BOUTIQUES

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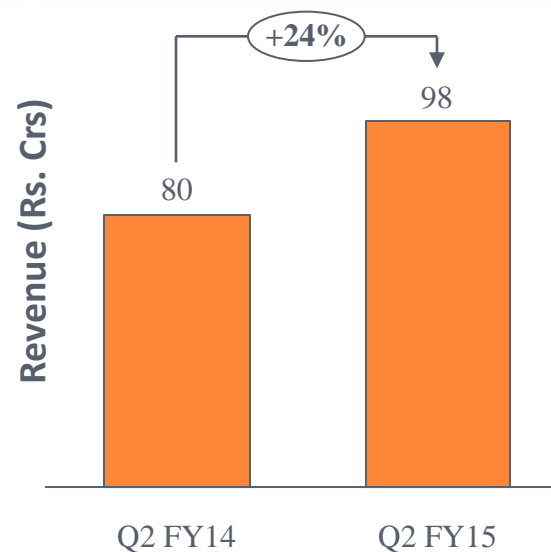
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# Consolidated Performance Highlights

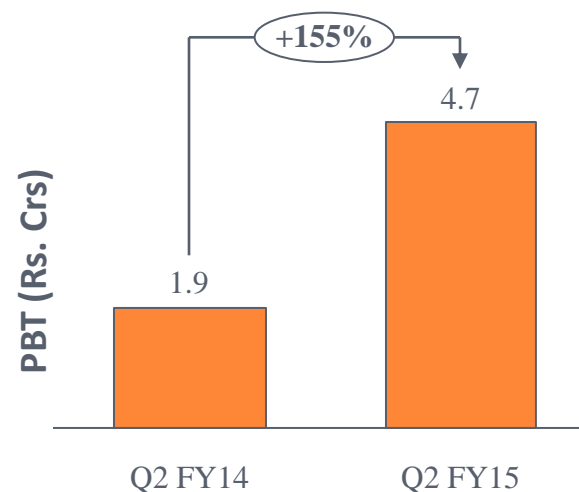
## Q2 FY15

- **Revenue of Rs. 98 Crs, growth of 24% YoY**
  - Retail revenue at Rs. 64 Crs
  - Manufacturing revenue at Rs. 34 Crs
- **Gross Profit at Rs.45 Crs, margin of 45.2%**
- **EBITDA of Rs. 11 Crs, growth of 52% YoY**
  - EBITDA margin of 11.2%
- **Net PAT after MI at Rs. 3 Crs, growth of 103% YoY**



## H1 FY15

- **Revenue of Rs.183 Crs, growth of 25% YoY**
  - Retail revenue at Rs. 119 Crs
  - Manufacturing revenue at Rs.65 Crs
- **Gross Profit at Rs.82 Crs, margin of 44.7%**
- **EBITDA of Rs. 17 Crs, growth of 50% YoY**
  - EBITDA margin of 9.1%
- **Net PAT after MI at Rs. 3 Crs, growth of 523% YoY**



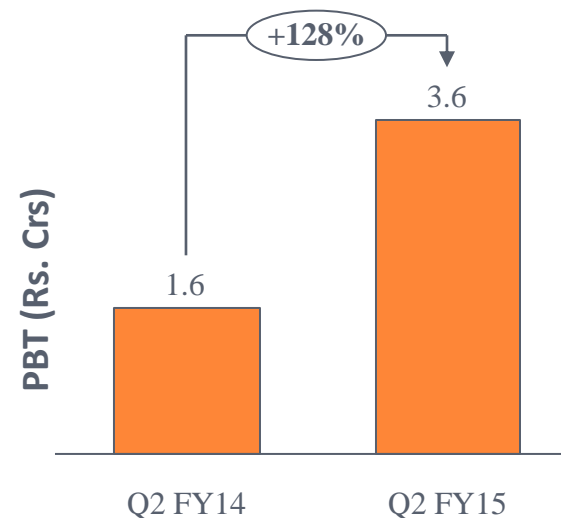
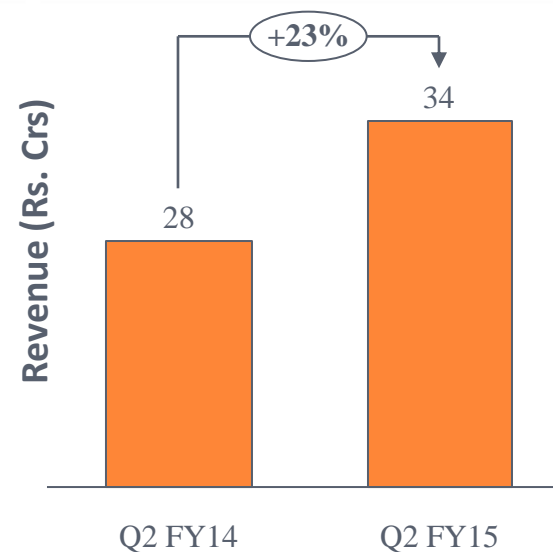
# Standalone Performance Highlights

## Q2 FY15

- Revenue of Rs.34 Crs, growth of 23% YoY
- Gross Profit at Rs.27 Crs, margin of 78.1%
- EBITDA of Rs. 8 Crs, growth of 51% YoY
  - EBITDA margin of 22.0%
- Net PAT at Rs.2 Crs, growth of 89% YoY

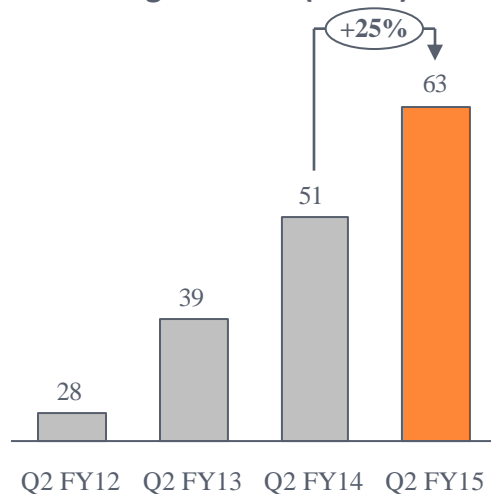
## H1 FY15

- Revenue of Rs. 65 Crs, growth of 21% YoY
- Gross Profit at Rs. 50 Crs, margin of 77.0%
- EBITDA of Rs. 13 Crs, growth of 52% YoY
  - EBITDA margin of 20.4%
- Net PAT at Rs. 3 Crs, growth of 131%

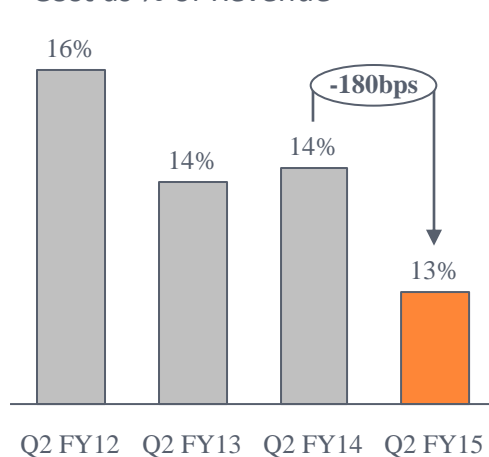


# Ethos : Improving Performance

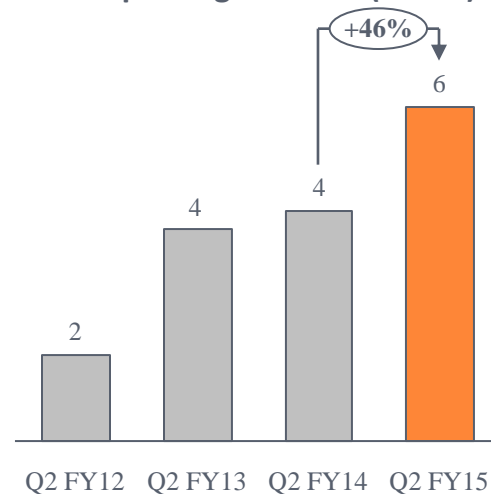
Growing Revenue (Rs.Crs)



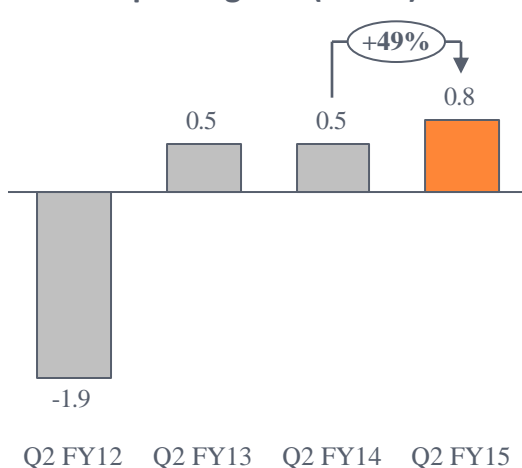
Reducing Front-end Rent & Manpower Cost as % of Revenue



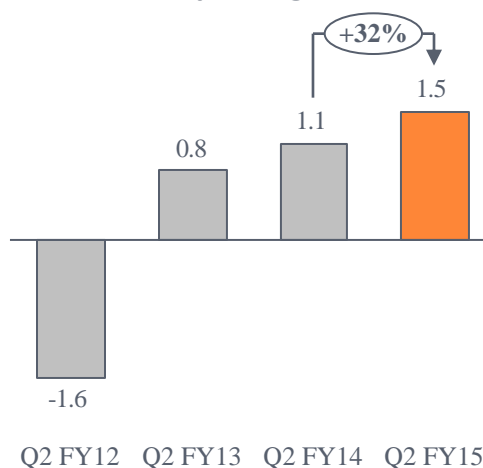
Improving EBITDA\* (Rs.Crs)



Improving PBT (Rs.Crs)



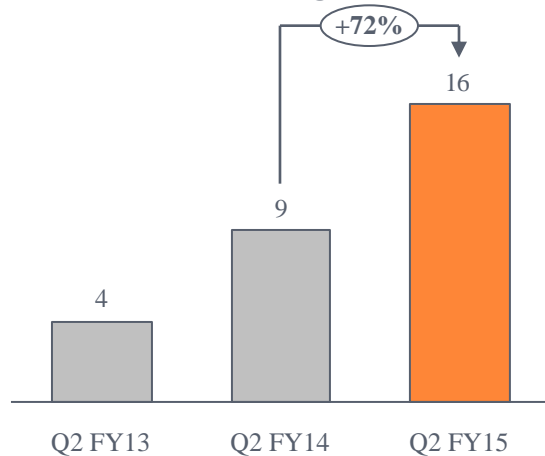
Improving Cash PAT (Rs.Crs)



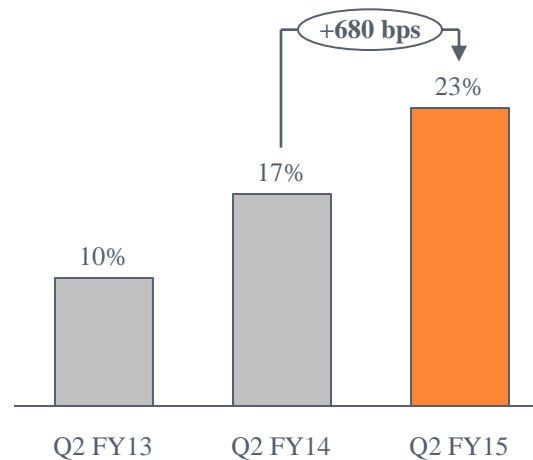
\* EBITDA before Central expenses

# Growing Online Sales

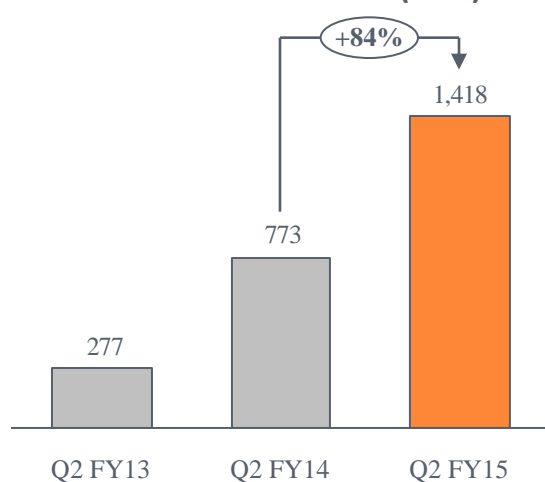
Online Billing (Rs. Crs)



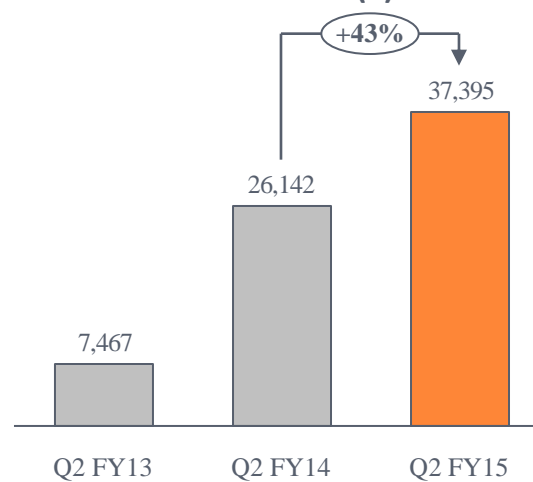
Online – as % of Ethos Revenue



Visitors on website ('000)



Leads Generated (#)



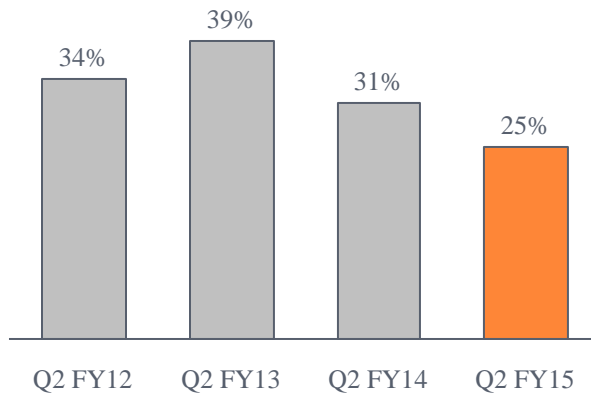
# Through our specialized network...



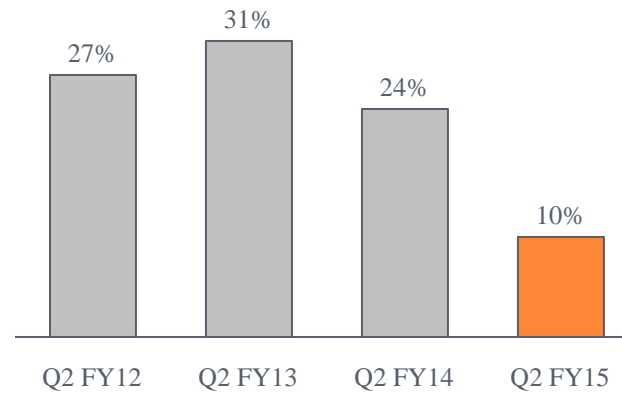
- 42 Stores presence across India
- Presence in Metros, Tier I & Tier II cities
- Store selection preference :  
Reputed /Pedigree Mall at Premium location where other Premium brands present and having better facility management
- 7 Airport Stores at Duty Free Zone & Domestic Terminal at Bengaluru, Delhi,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

# Key Indicators

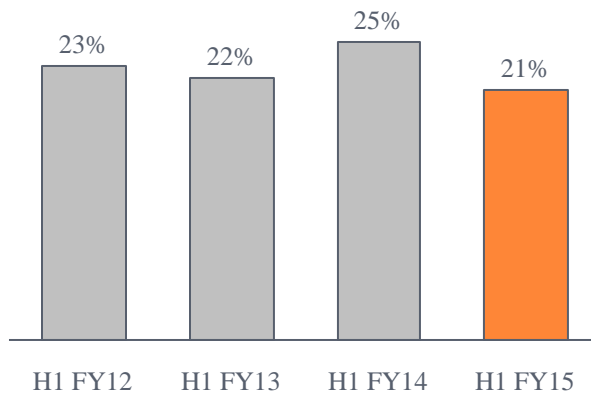
**Billing Growth (YoY%)**



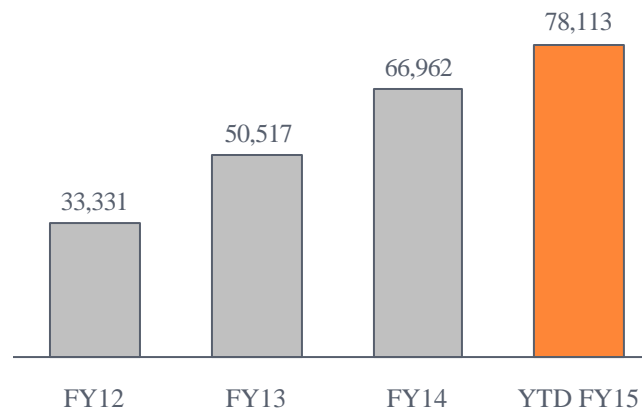
**Same Store Sales Growth (YoY%)**



**% Repeat Sales**



**Club ECHO – Member Base**





# New Store Openings – H1 FY15

- **Opened “WSI” by Ethos Store in Trillium Mall, Amritsar in May’14**
  - In collaboration with Fossil Group
  - Spread over 300 sqft of area
  - Offers 9 premium watch brands
- **Opened “WSI” by Ethos Store at Inorbit Mall, Vadodara in July’14**
  - In collaboration with Fossil Group
  - Spread over 730 sqft of area
  - Offers 9 premium watch brands
- **Partnered with Nuance Group to operate “Master of Time” at Mumbai T2 Airport**
  - At Duty-Free Retail
  - Offering consists of luxury watches
- **Launched Exclusive Rado Boutique at Select City Walk, New Delhi in Oct’14**
- **Ethos Store Closures** : Bangalore, Bhopal, Hyderabad, Pune



# Events & Exhibitions

## *Ethos Hosts Grand Prix d'Horlogerie De Genève in India*



*Breguet Exhibition,  
Mumbai*



*Officine  
Panerai 2014,  
Bengaluru*

# Consolidated - Profitability Highlights

Rs.Crs	Q2 FY15	Q2 FY14	YoY%	H1 FY15	H1 FY14	YoY%
<b>Revenue</b>	<b>98</b>	<b>80</b>	<b>24%</b>	<b>183</b>	<b>146</b>	<b>25%</b>
Cost of Goods Sold	54	43		102	80	
Employee Expenses	15	13		28	24	
Other Expenses	19	17		37	31	
<b>EBITDA</b>	<b>11</b>	<b>7</b>	<b>52%</b>	<b>17</b>	<b>11</b>	<b>50</b>
<i>EBITDA Margin</i>	<b>11.2%</b>	<b>9.2%</b>		<b>9.1%</b>	<b>7.6%</b>	
Other Income	1	0		2	0	
Interest	4	3		8	7	
Depreciation	3	2		6	4	
Exceptional Item	0	0		0	0	
<b>PBT</b>	<b>4.7</b>	<b>1.9</b>	<b>155%</b>	<b>4.4</b>	<b>0.5</b>	<b>780%</b>
<i>PBT Margin</i>	<b>4.8%</b>	<b>2.3%</b>		<b>2.4%</b>	<b>0.3%</b>	
Tax	1.6	0.2		1.5	0.1	
<b>PAT After MI</b>	<b>3.0</b>	<b>1.5</b>	<b>103%</b>	<b>3.0</b>	<b>0.5</b>	<b>523%</b>
<i>PAT After MI Margin</i>	<b>3.0%</b>	<b>1.9%</b>		<b>1.6%</b>	<b>0.3%</b>	
<b>Cash PAT</b>	<b>6.0</b>	<b>3.7</b>	<b>64%</b>	<b>9.0</b>	<b>4.7</b>	<b>90%</b>
<i>Cash PAT Margin</i>	<b>6.1%</b>	<b>4.6%</b>		<b>4.9%</b>	<b>3.2%</b>	

# Consolidated Balance Sheet

Rs. Crs	Sep-14	Mar-14
<b>Shareholder's Fund</b>	<b>49</b>	<b>48</b>
Share capital	9	9
Reserves & Surplus	40	39
<b>Minority Interest</b>	<b>18</b>	<b>18</b>
<b>Non-current liabilities</b>	<b>36</b>	<b>50</b>
Long term borrowings	28	41
Other Long Term Liabilities	8	9
<b>Current liabilities</b>	<b>199</b>	<b>166</b>
Short term borrowings	67	57
Trade Payables	86	68
Other current liabilities	46	41
<b>Total Liabilities</b>	<b>302</b>	<b>282</b>

Rs. Crs	Sep-14	Mar-14
<b>Non-current assets</b>	<b>91</b>	<b>97</b>
Fixed assets	75	80
Other non-current assets	1	1
Long-term loans and advances	16	15
<b>Current assets</b>	<b>211</b>	<b>186</b>
Inventories	163	136
Trade receivables	23	21
Cash and bank balances	10	12
Short-term loans and advances	15	17
Other Current Assets	0	0
<b>Total Assets</b>	<b>302</b>	<b>282</b>

# Ethos - Profitability Highlights

Rs.Crs	Q2 FY15	Q2 FY14	YoY%	H1 FY15	H1 FY14	YoY%
<b>Revenue</b>	<b>63</b>	<b>51</b>	<b>25%</b>	<b>118</b>	<b>92</b>	<b>29%</b>
Cost of Goods Sold	46	37		87	67	
Employee Expenses	4	3		8	6	
Other Expenses*	10	8		20	16	
<b>EBITDA</b>	<b>3.6</b>	<b>2.3</b>	<b>57%</b>	<b>4.2</b>	<b>2.6</b>	<b>64%</b>
<i>EBITDA Margin</i>	<b>5.7%</b>	<b>4.5%</b>		<b>3.6%</b>	<b>2.8%</b>	
Other Income	0	0		0	0	
Interest	2	1		4	3	
Depreciation	1	0		2	1	
PBT	0.8	0.5	49%	(1.1)	(0.8)	(34%)
<i>PBT Margin</i>	1.2%	1.0%		(0.9%)	(0.9%)	
Tax	0.3	(0.2)		(0.4)	(0.3)	
<b>PAT</b>	<b>0.5</b>	<b>0.7</b>	<b>(25%)</b>	<b>(0.7)</b>	<b>(0.5)</b>	<b>58%</b>
<i>PAT Margin</i>	<b>0.8%</b>	<b>1.4%</b>		<b>(0.6%)</b>	<b>(0.5%)</b>	
<b>Cash PAT</b>	<b>1.5</b>	<b>1.1</b>	<b>32%</b>	<b>1.1</b>	<b>0.3</b>	<b>231%</b>
<i>Cash PAT Margin</i>	<b>2.3%</b>	<b>2.2%</b>		<b>0.9%</b>	<b>0.4%</b>	

\* Other Expenses includes Forex (gain) amounting to Rs. 39 Lakh in Q2 FY15, Rs. 38 lakh in H1 FY15 and loss amounting to Rs. 17 Lakh in Q2 FY14 and Rs. 41 Lakh in H1 FY14

# Ethos - Balance Sheet

Rs. Crs	Sep-14	Mar-14
<b>Shareholder's Fund</b>	<b>41</b>	<b>42</b>
Share capital	24	24
Reserves & Surplus	17	18
<b>Non-current liabilities</b>	<b>9</b>	<b>10</b>
Long term borrowings	8	10
Long Term Provisions	1	1
<b>Current liabilities</b>	<b>130</b>	<b>101</b>
Short term borrowings	42	32
Trade Payables	72	55
Other current liabilities	16	13
<b>Total Liabilities</b>	<b>180</b>	<b>153</b>

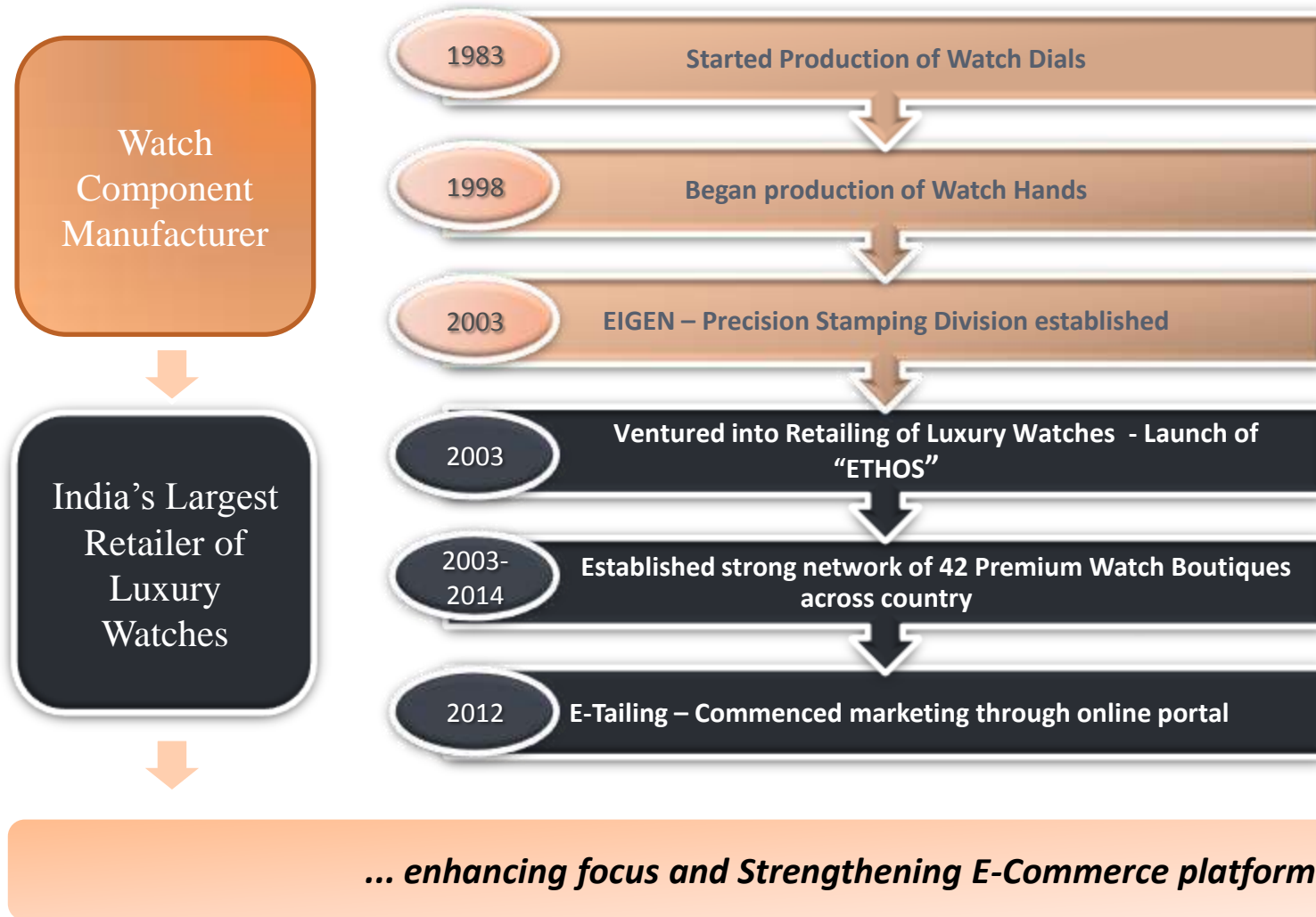
Rs. Crs	Sep-14	Mar-14
<b>Non-current assets</b>	<b>23</b>	<b>24</b>
Fixed assets	13	13
Long-term loans and advances	10	11
<b>Deferred Tax Assets</b>	<b>1</b>	<b>1</b>
<b>Current assets</b>	<b>156</b>	<b>128</b>
Inventories	140	114
Trade receivables	2	1
Cash and bank balances	5	5
Short-term loans and advances	9	7
<b>Total Assets</b>	<b>180</b>	<b>153</b>



# Company Overview



# Evolution ...





# Business Overview

**KDDL**

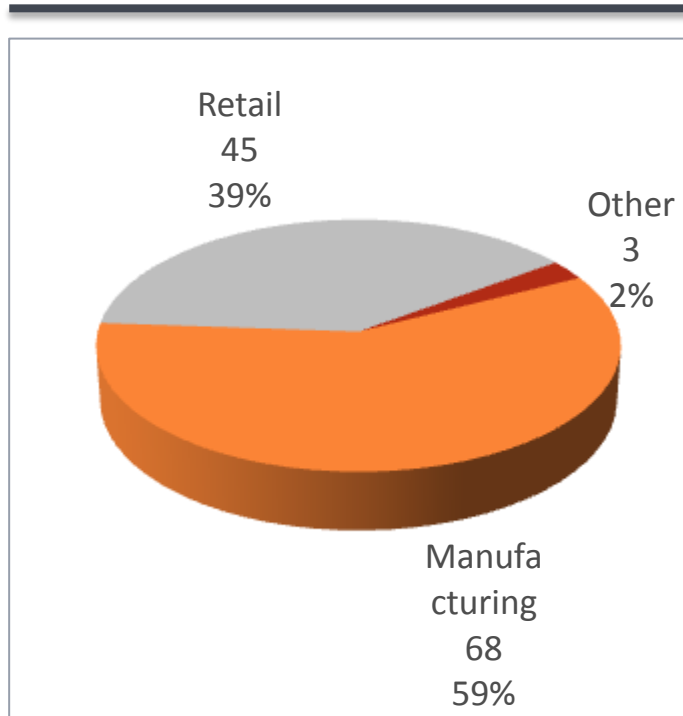
73%  
Subsidiary

**Ethos**

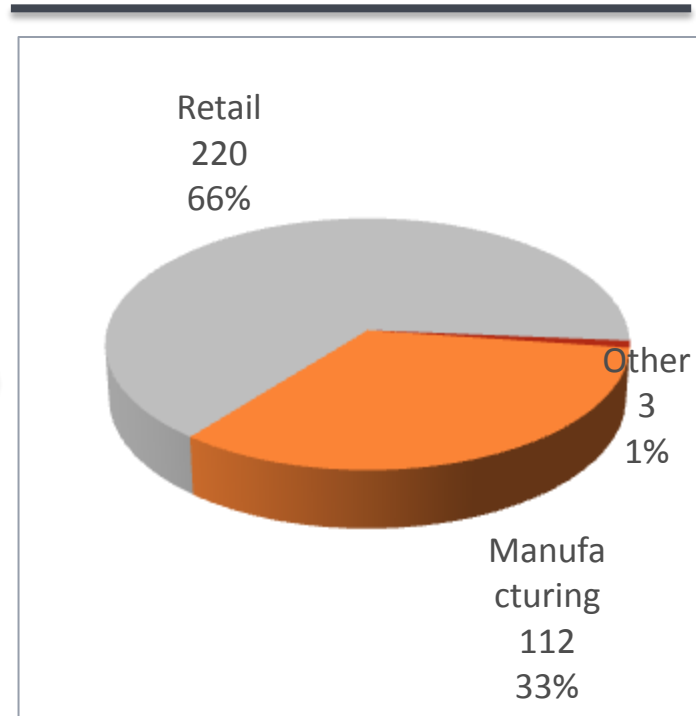
- **Leading supplier of high quality watch components for international brands in Switzerland & India**
  - **Manufacturing facilities**
    - Watch Dial - 3 manufacturing plants with capacity of over 4.5 mn pcs
    - Watch Hands - 2 manufacturing plants with over 47 mn capacity
  - **EIGEN : Precision 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**
    - 42 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

# Retail... Consistently Growing at faster pace

Revenue FY 2009  
Rs. 116 Crs



Revenue FY 2014  
Rs. 335 Crs



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