

The background of the slide features a stylized world map. It includes a circular scale with numbers 1 through 12, and various city names such as NOLULU, MIDWAY, MAJURO, VLADIVOSTOK, YAKUTSK, TOKYO, BEIJING, BANGKOK, ASTANA, KARACHI, MOSCOW, and DOHA. The map is rendered in a light blue and white color scheme.

KDDL Limited

ETHOS Limited

Result Update Presentation
Q1 FY17

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Ethos Performance Highlights

Rs.Crs	Q1 FY17	Common Size	Q1 FY16	Common Size	YoY%
Revenue	73.2	100.0%	69.1	100.0%	6.0%
Gross Profit	16.8	23.0%	18.2	26.3%	
Gross Profit Margin (%)	23.0%		26.3%		(334 bps)
Employee Expenses	5.0	6.9%	4.6	6.6%	
Other Expenses	12.3	16.8%	11.6	16.8%	
EBITDA	-0.5	-0.7%	2.0	2.9%	
EBITDA Margin (%)	-0.7%		2.9%		(361bps)

Performance Highlights – Q1 FY17

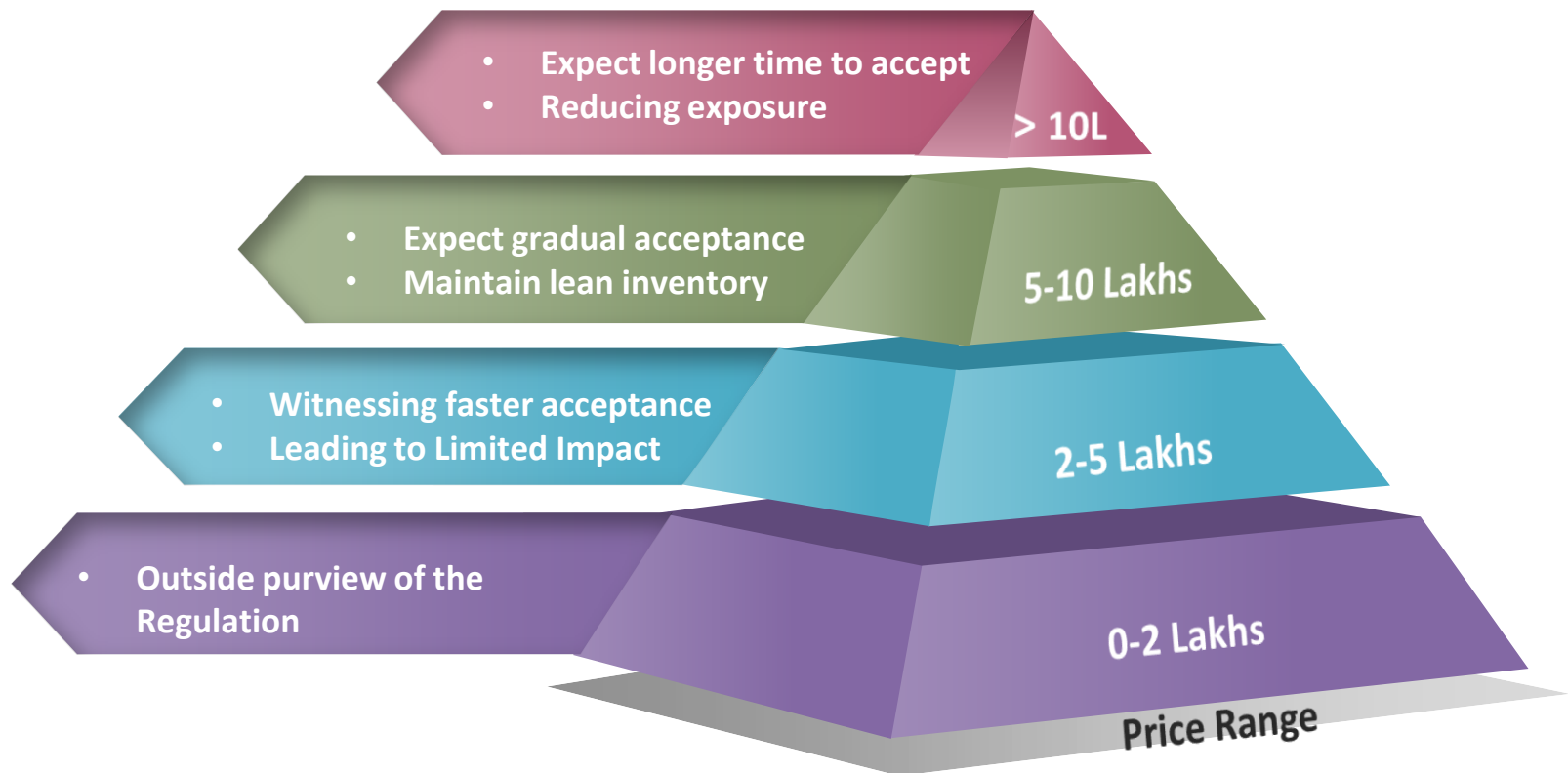
Rs.Crs	Consolidated*			Manufacturing			Retail		
	Q1 FY17	Q1 FY16	YoY %	Q1 FY17	Q1 FY16	YoY %	Q1 FY17	Q1 FY16	YoY %
Revenue	108.0	100.2	8%	34.1	30.3	13%	73.2	69.1	6%
Cost of Goods Sold	63.9	57.2		7.5	6.3		56.4	50.9	
Gross Profit	44.1	43.0	2%	26.6	24.0	11%	16.8	18.2	-7%
Employee Expenses	16.1	14.0		10.8	9.3		5.0	4.6	
Other Expenses	21.8	21.2		9.4	9.3		12.3	11.6	
EBITDA	6.2	7.8	-21%	6.4	5.4	17%	-0.5	2.0	-125%
Margin (%)	5.7%	7.8%		18.6%	17.9%		-0.7%	2.9%	
Other Income	0.7	1.0		0.7	0.4		0.0	0.0	
Interest	3.9	4.2		1.5	1.9		2.1	2.0	
Depreciation	2.9	2.8		1.7	1.8		1.0	0.9	
PBT	0.2	1.8		3.8	2.1		-3.6	-0.8	
Tax	1.3	0.5		1.3	0.7		0.0	-0.3	
PAT	-1.2	1.3	-187%	2.5	1.4	78%	-3.6	-0.6	N.M.
PAT After MI	-0.5	1.3	-136%	2.5	1.4	78%	-3.6	-0.6	N.M.
Cash PAT	2.4	4.2	-42%	4.2	3.2	32%	-2.6	0.3	-884%

* Consolidated Results include Standalone, Ethos Ltd and other subsidiaries

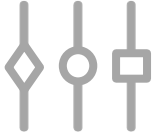
PAN Card Regulation : Adapting to Change

With effect from 1st January, 2016, Income Tax department made it mandatory to quote Permanent Account Number (PAN) for all transactions of amount exceeding Rs. 2 lakh, irrespective of mode of payment.

'Refining' Product Mix Strategy



PAN Card Regulation : Benefits in the long run



LEVEL PLAYING FIELD

- Responsibility of compliance lies on retailer
- Leading to a curb on grey practices



CUSTOMER PROFILING

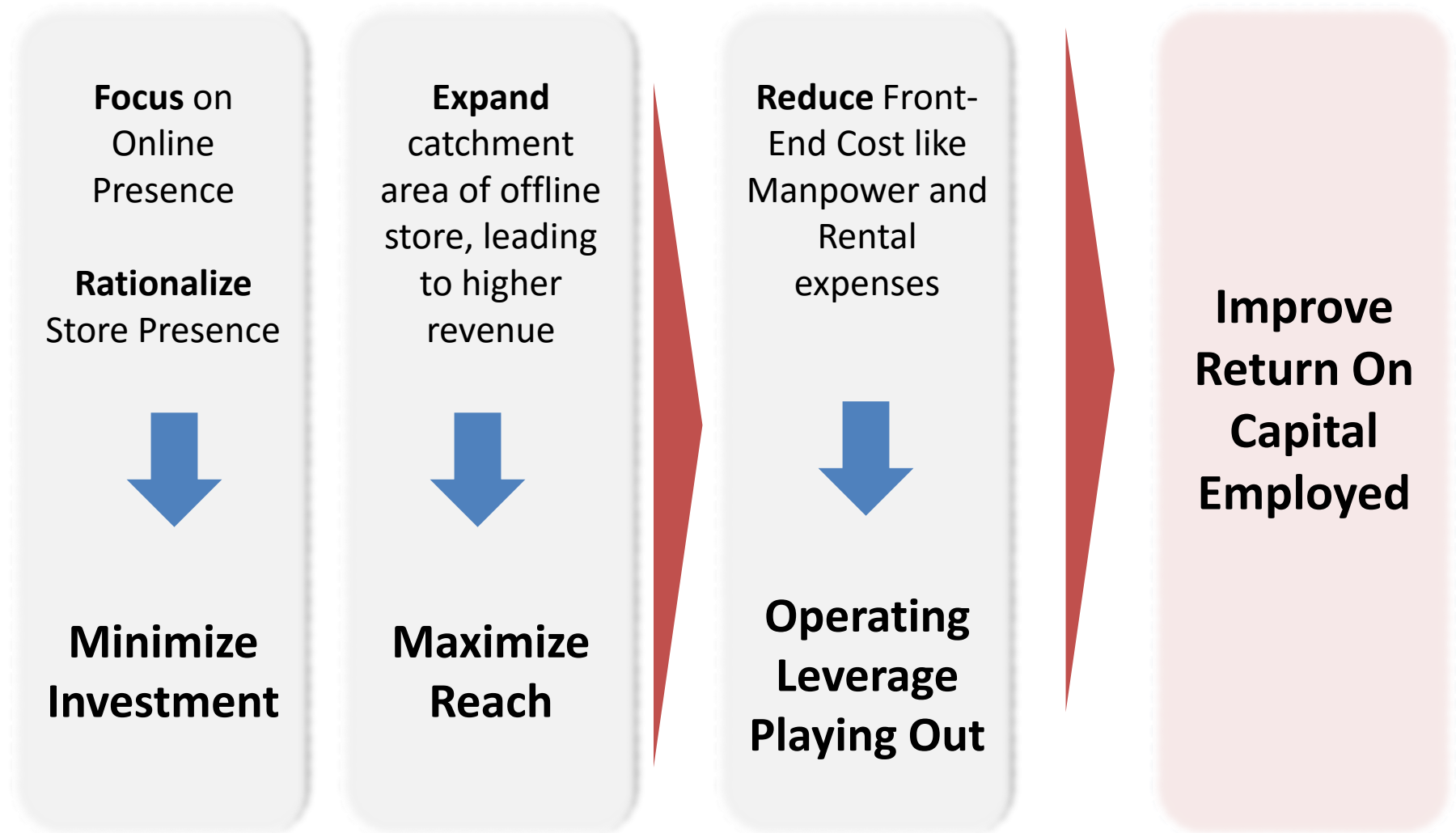
- Better profiling as customer are more open to sharing demographic information
- Creating tailor-made offering for targeting by segment
- Influencing buying behaviour of prospective customers



BETTER SERVICE to EXISTING CUSTOMERS

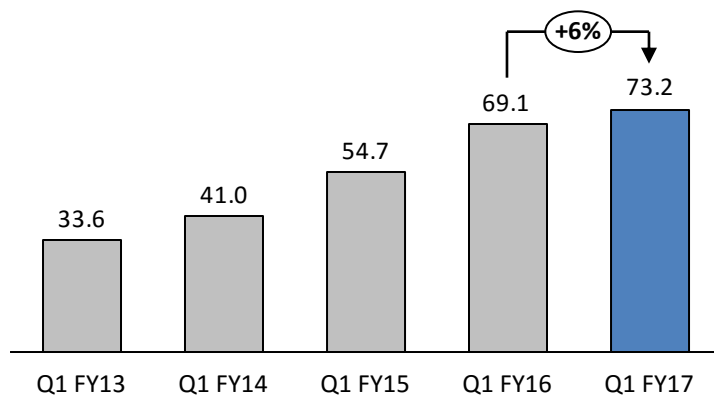
- Proactively and consistently engage with customers
- Make Customer feel valued

Asset Light Model...

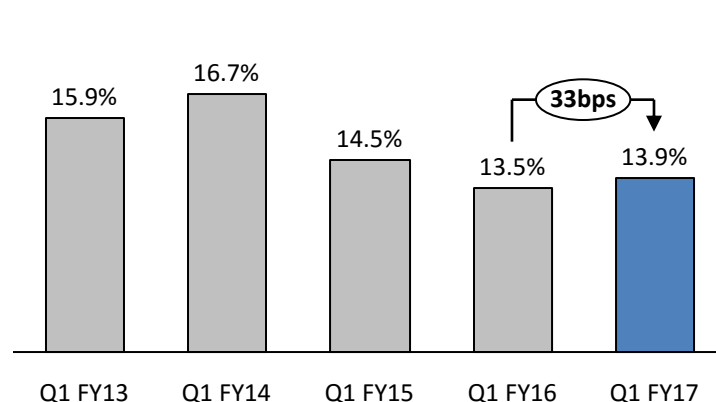


Quarterly Performance Trend

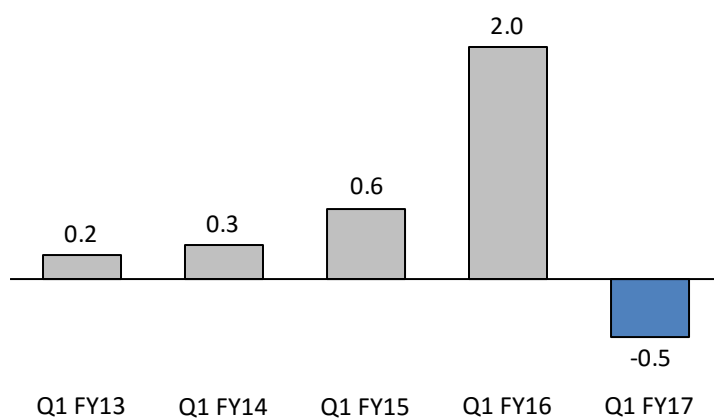
Growing Revenue (Rs.Crs)



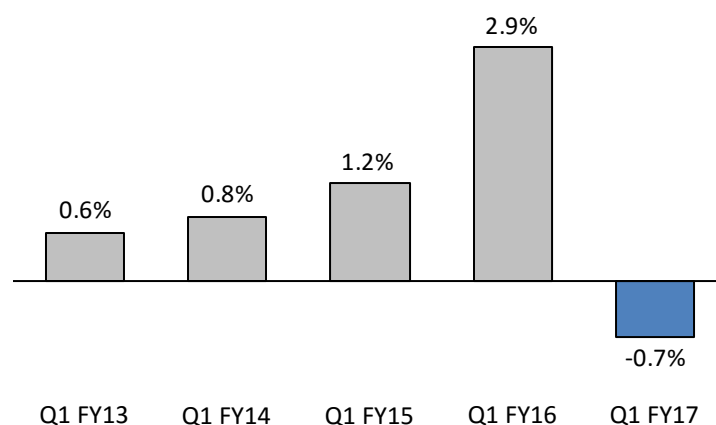
Front-end Rent & Manpower Cost as % of Revenue



EBITDA (Rs.Crs)



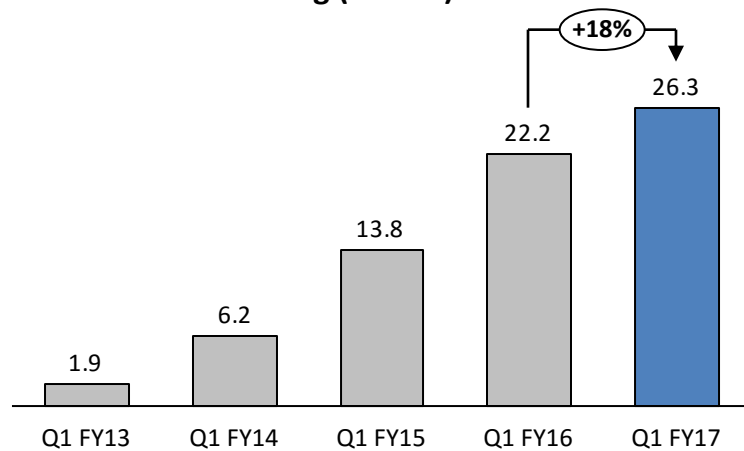
EBITDA Margin (%)



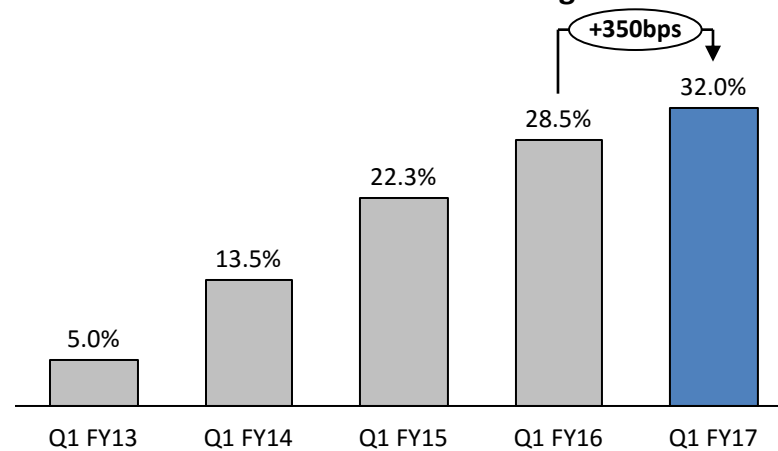
Sales and profitability impacted on account of implementation of PAN Card Regulation

Growing Online Sales

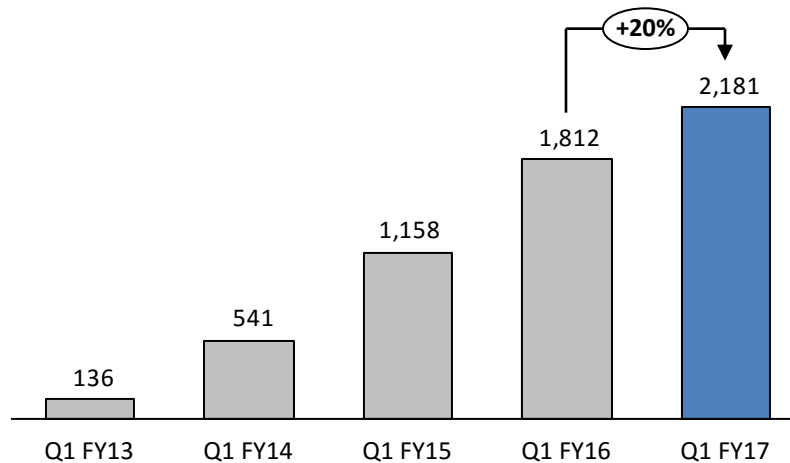
Online Billing (Rs. Crs)



Online – as % of Total Billing

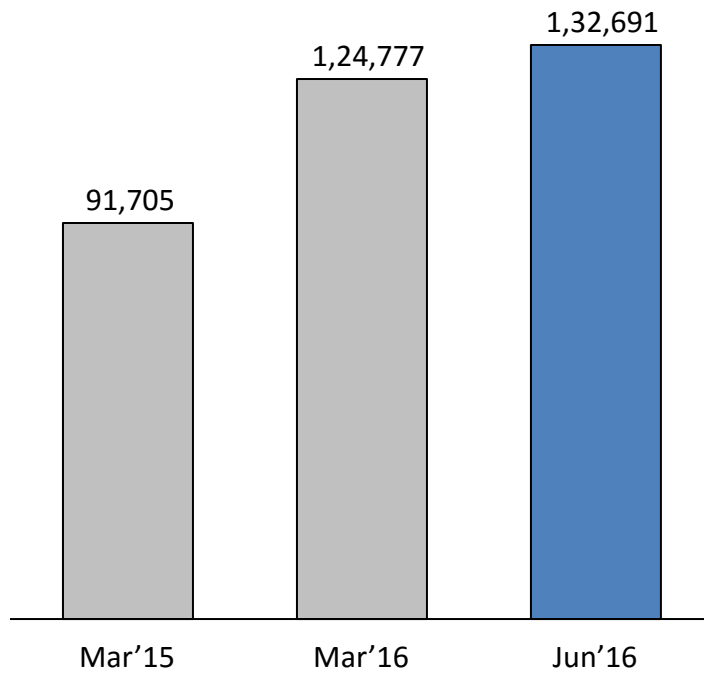


Visitors on website ('000)

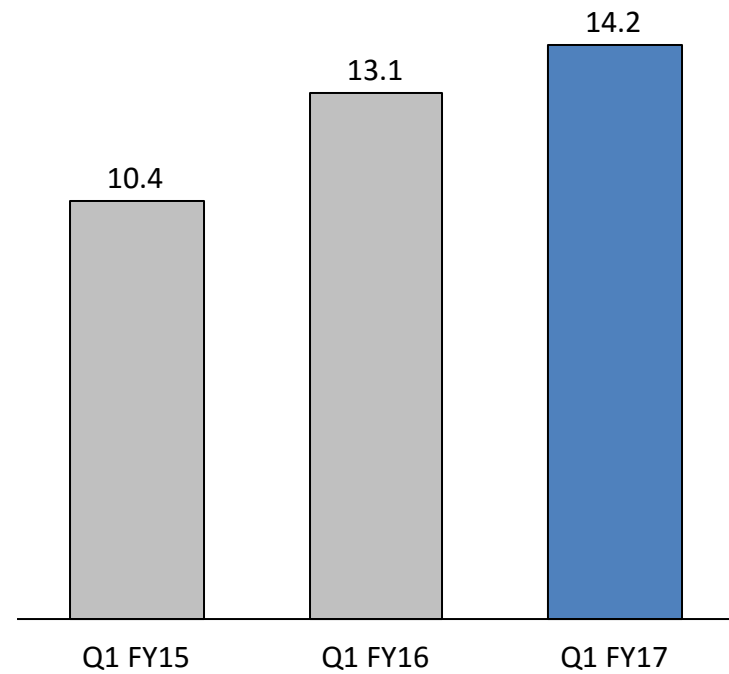


Increasing Repeat Sales

Club ECHO – Member Base



Repeat Sales (Rs.Crs)



Pan-India Presence with Offline Store Network



India's Largest retail chain of Luxury Watches with 39 stores

Presence across Metros, Tier I, Tier II cities

3 Duty Paid Retail Outlets at Domestic Terminals

2 Duty Free Retail Outlets at International Terminals

Store Selection Criteria :
Reputed /Pedigree Mall at
Premium location where other
Premium brands present and
having better facility
management

Continued Investments in Advertising



Discover over
10,000 luxury watches at
Ethos Watch Boutiques
Powered by ETHOSWATCHES.COM

EMI, Insurance, Dedicated after-sale, Largest range in India

Luxury Watch Helpline: +91 8725028893 | +91 8725028885 (7 AM - 9 PM)

Our Boutiques: Ahmedabad • Amritsar • Bengaluru • Bhopal • Chandigarh • Chennai
Delhi • Gurgaon • Hyderabad • Ludhiana • Mumbai • Nagpur • Noida • Surat • Vadodara

Делхи • Ченнаи • Бомбей • Гургаон • Мумбаи • Амритсар • Бхопал • Чандигарх • Колката
Ом гархаат: Ахмедабад • Ченнаи • Бомбей • Гургаон • Мумбаи • Амритсар • Бхопал
Глобал Метро Хелплайн: +91 8725028893 | +91 8725028885 (7 AM - 9 PM)

Ads in HT Mint ►



LA
MADE OF LUCERNE
ND

CARL F. BUCHERER
SINCE 1884

PATENTED SWISS
AUTOMATIC MECHANISM
CHRONOMETER
AUTOMATICALLY WINDING

ETHOS
WATCH BOUTIQUE

ETHOS LUXURY WATCH HELPLINE: +91 8725028893 | +91 8725028885 | +91 8725028887

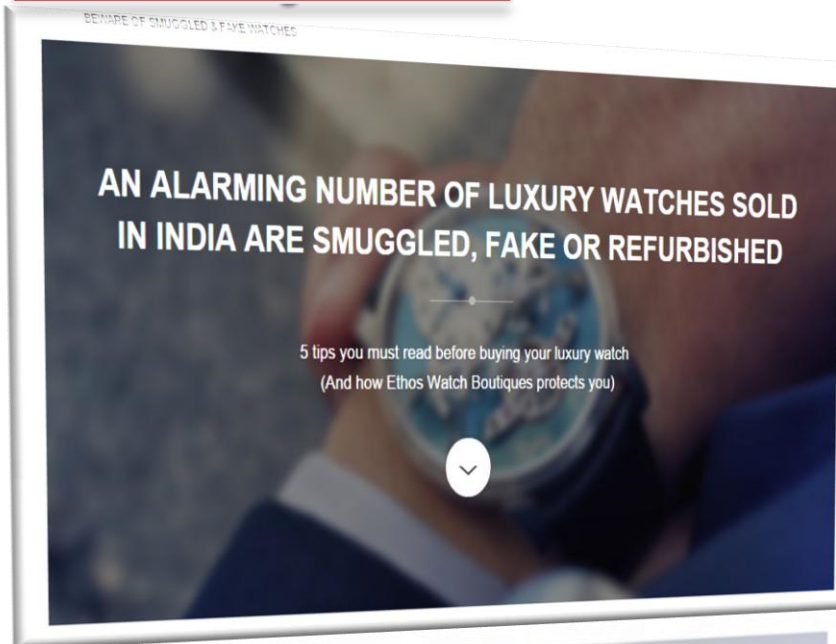
BANGALORE: UB CITY - 1ST AIRPORT DEPARTURE, MUMBAI: PALLADIUM, LOWER PAVILION - 1ST AIRPORT DEPARTURE, 12
CHANDIGARH: ELANTE MALL, NEW DELHI: SELECT CITYWALK, 1ST AIRPORT DEPARTURE, 12, HYDERABAD: HUBBUT MALL, MADRAS

Shop online at ETHOSWATCHES.COM

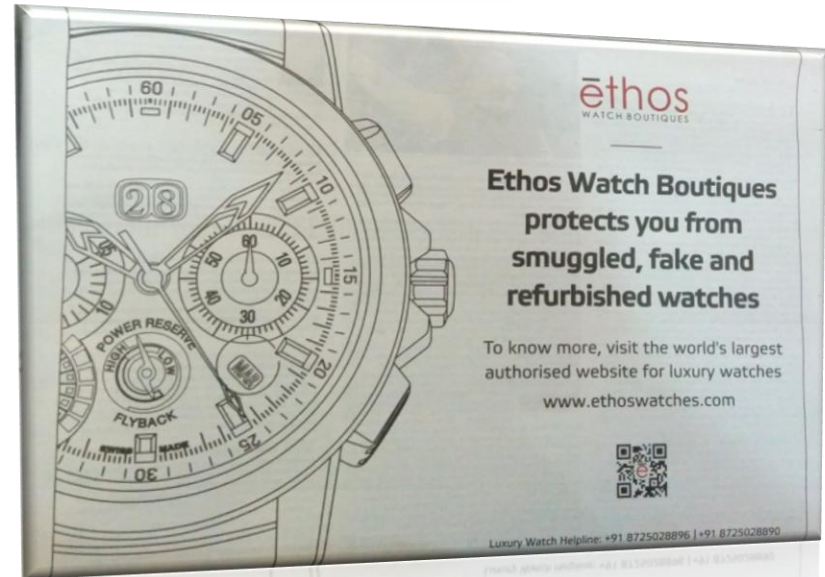
... with **ETHOS** co-branding

TRUST CAMPAIGN across channels

Online through website



Offline through Print



... to Educate consumers about Watches

... to Create Awareness about unscrupulous activities

... To Reinforce our "ETHOS"



Company Overview

Business Overview

Stable Business

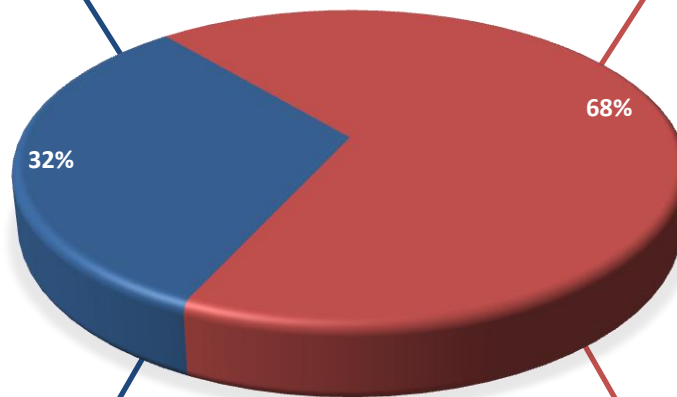
Stable Manufacturing Business

- Leading supplier of premium watch components - watch dials and watch hands
- Caters to demand from international brands in Switzerland & India
- Engaged in manufacturing of High Precision Stamping Parts & Precision
- CAGR of 8% over FY13 – FY16

Scalable Business

Scalable Retail Business - ETHOS

- India's Largest Retail Chain of Luxury Watch Studios
- Authorized retailer of over 60 luxury watch brands, ranging from Rs. 5,000 to more than Rs.20,00,000
- 39 premium watch boutiques across country
- CAGR of 24% over FY13 - FY16
- 72.55% subsidiary of KDDL Ltd on a fully diluted basis



Expanding Precision Engineering Business...

Setting up Greenfield Facility at Bengaluru, Karnataka

Manufacture high quality precision stamped components, progressive tools and sub-assemblies to cater to high-growth high margin industries

Building New capabilities

- Injection Molding
- CNC Machining
- Plating



Investing Rs. 25 Crs over 2 years with 2:1 debt funding

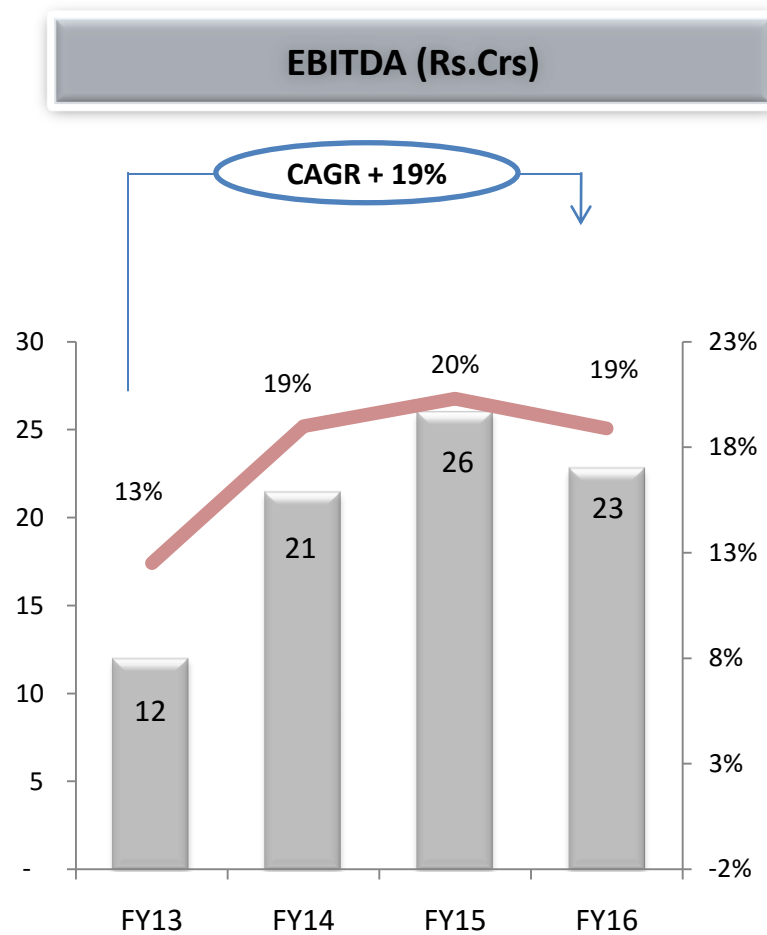
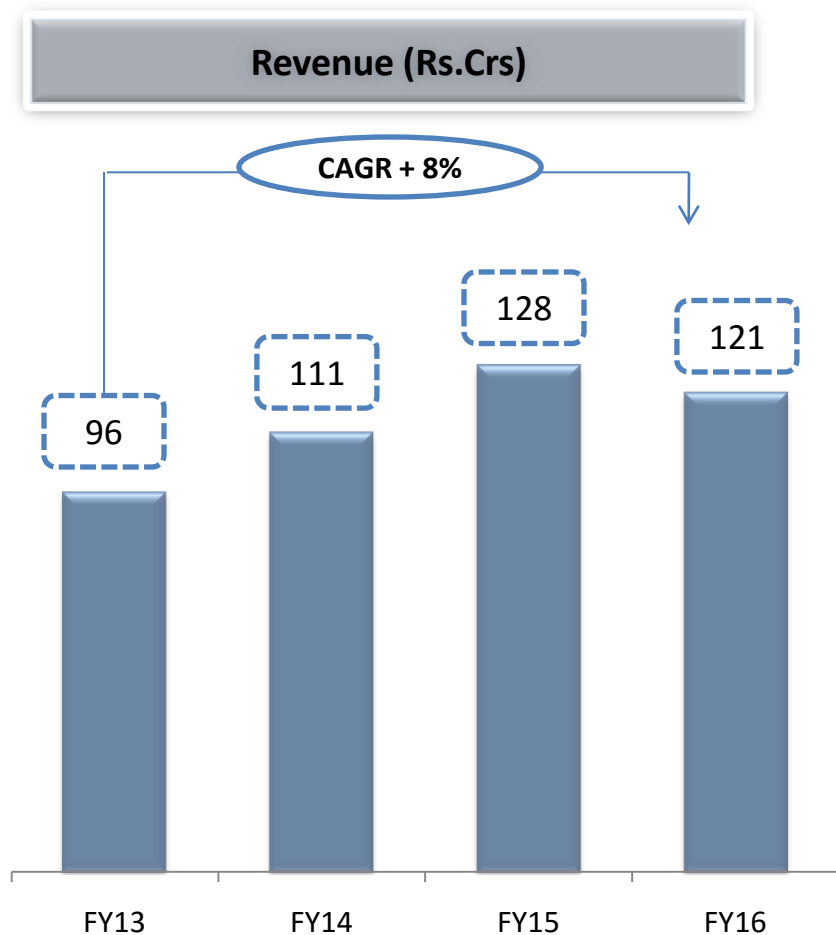
~2 acre land allotted in EOU zone near Bengaluru Airport

Expected to commence operations by FY17 end

Financial Closure has been achieved & project is proceeding as per schedule

... to emerge as “Strong Player” in Organized space

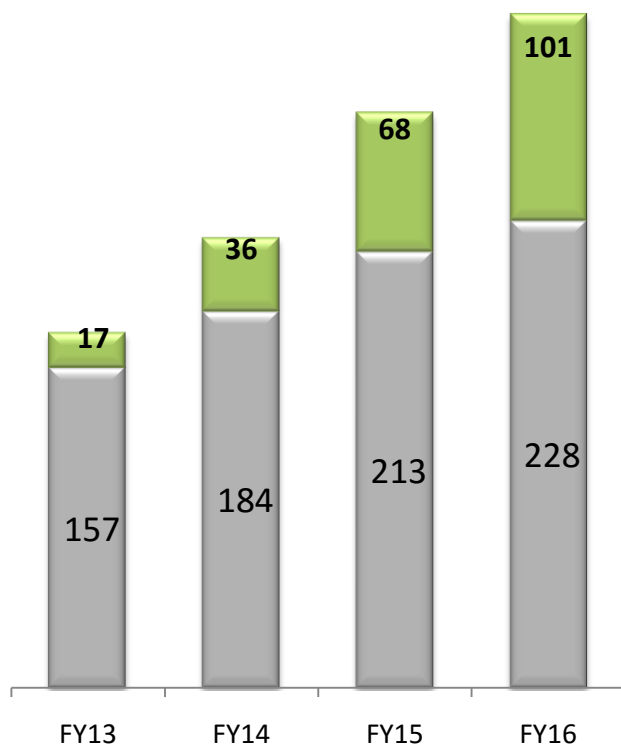
Stable Manufacturing Performance



Scaling-Up Retail Performance

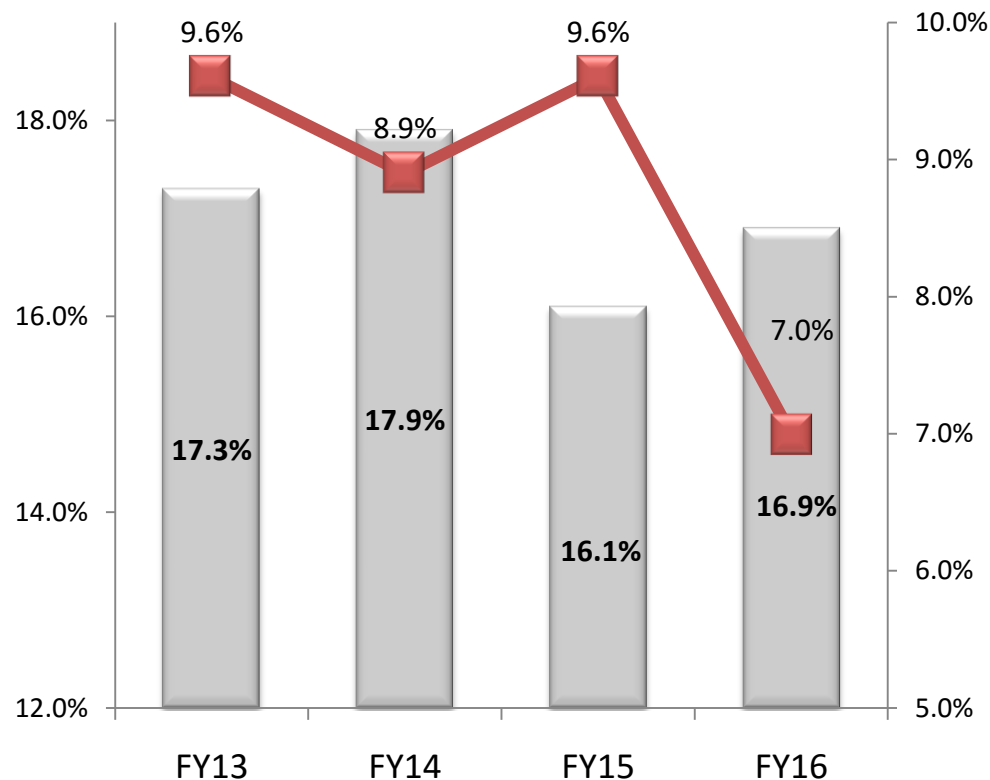
Increasing Online Revenue...

Rs. Crs



Offline Online

... Improved Absorption of Fixed Expenses



Front End expenses as % of Sales

EBITDA Margin before Central Expenses

Contact

For further information, please contact:

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