



KDDL Limited

ETHOS Limited

**Result Update Presentation
3Q&9M FY17**

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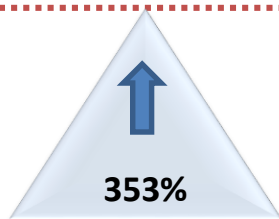
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Financial Highlights

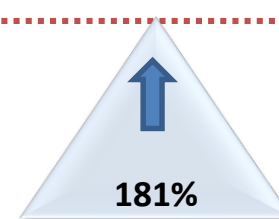
Ethos - Q3FY17 vs Q2FY17

EBITDA
₹4.5 crore



EBITDA
₹1.0 crore

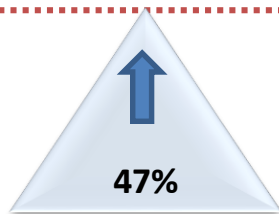
PAT
₹1.7 crore



PAT
₹-2.1 crore

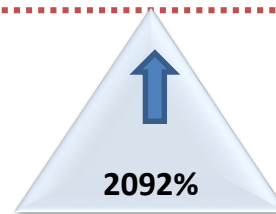
Consolidated – Q3FY17 vs Q2FY17

EBITDA
₹9.6 crore



EBITDA
₹6.5 crore

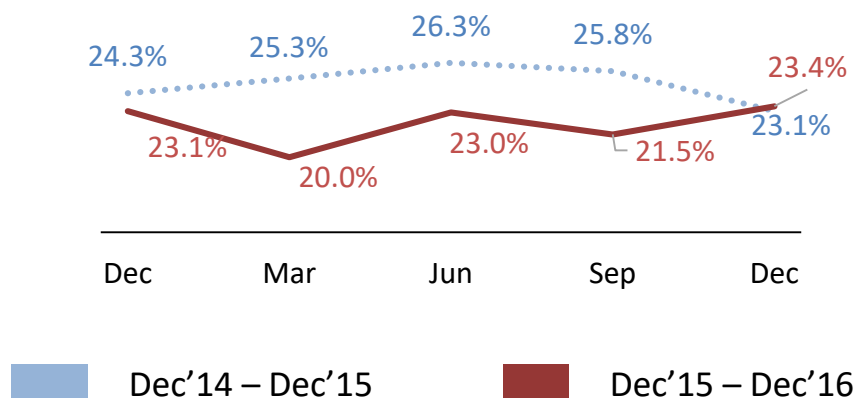
PAT After MI
₹2.6 crore



PAT After MI
₹-0.1 crore

Ethos growing in difficult times

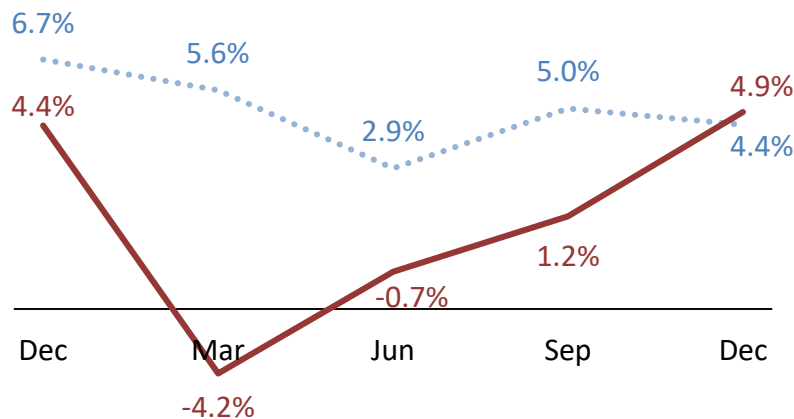
Gross Margin %



Store strategy to move towards operating profitable stores keeps our cost structure lean and is helping grow margins

Increased proportion of sales from House Brands aiding margins

EBITDA Margin %



Higher portion of Online billing maintains increases sales at lower operating costs

Moving up the Value Chain



Ethos' Strategic Partnerships with Swiss Watch Brands...

Q2FY17



**Exclusive Retailer for
Corum Watches in India**



RAYMOND WEIL
GENEVE

**Ethos alongwith Helios
(retail arm of Titan Ltd)
to be Exclusive Retailers
for Raymond Weil
Watches in India**

Q3FY17



**Ethos alongwith Helios
(retail arm of Titan Ltd)
to be Exclusive Retailers
for Favre – Leuba
Watches in India**

Ethos is India's Preferred Destination for Luxury Watches

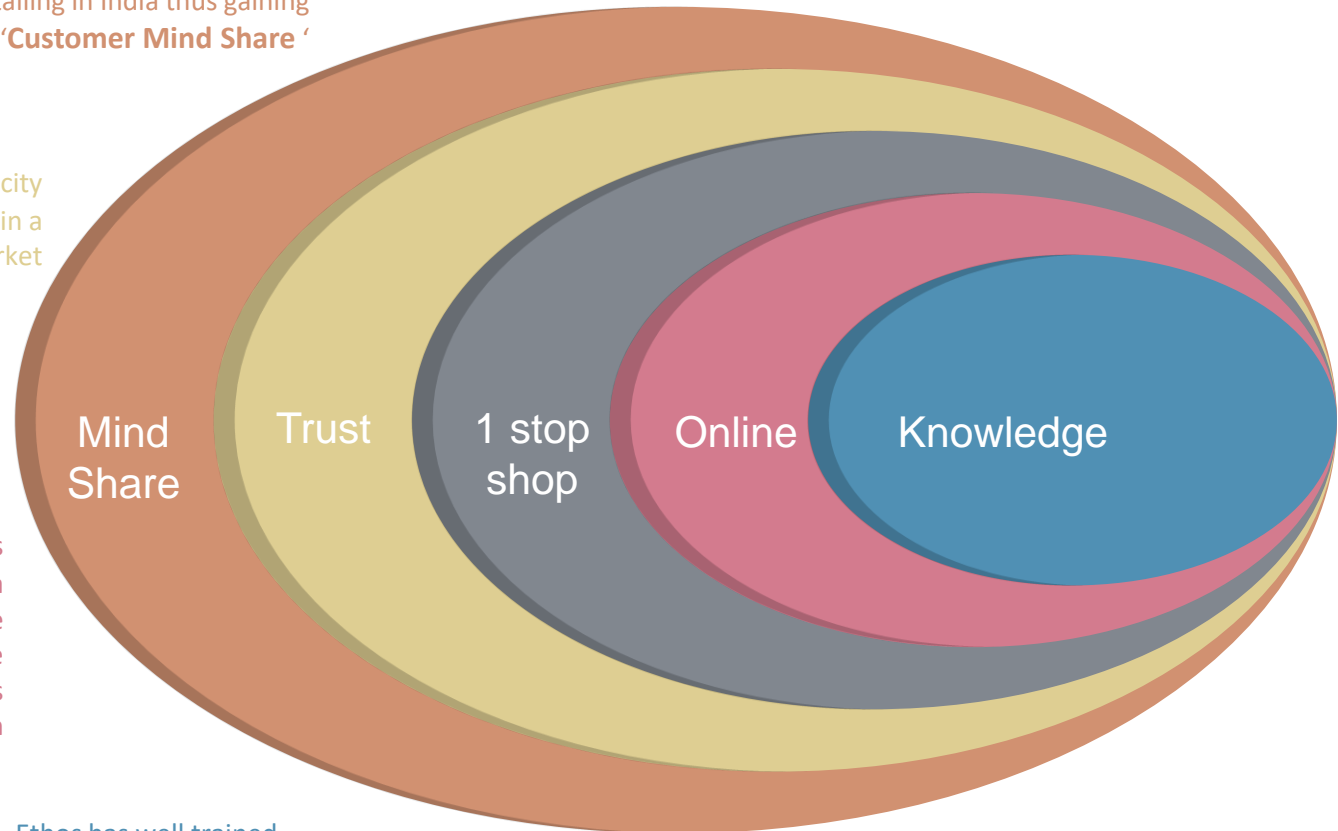
Ethos to be synonymous with Luxury watches retailing in India thus gaining '**Customer Mind Share**'

Ethos DNA is all about Authenticity increasing the '**Trust factor**' in a large Un-organized market

Ethos' access to Swiss Watch Brands will make it a '**1 Stop Shop**' for Luxury Watches In India

Ethos makes Swiss Watches '**Available Online**' in a confluence of Online-Offline model helping us to leverage the strength of Swiss Watch Brands and our wide Distribution Reach

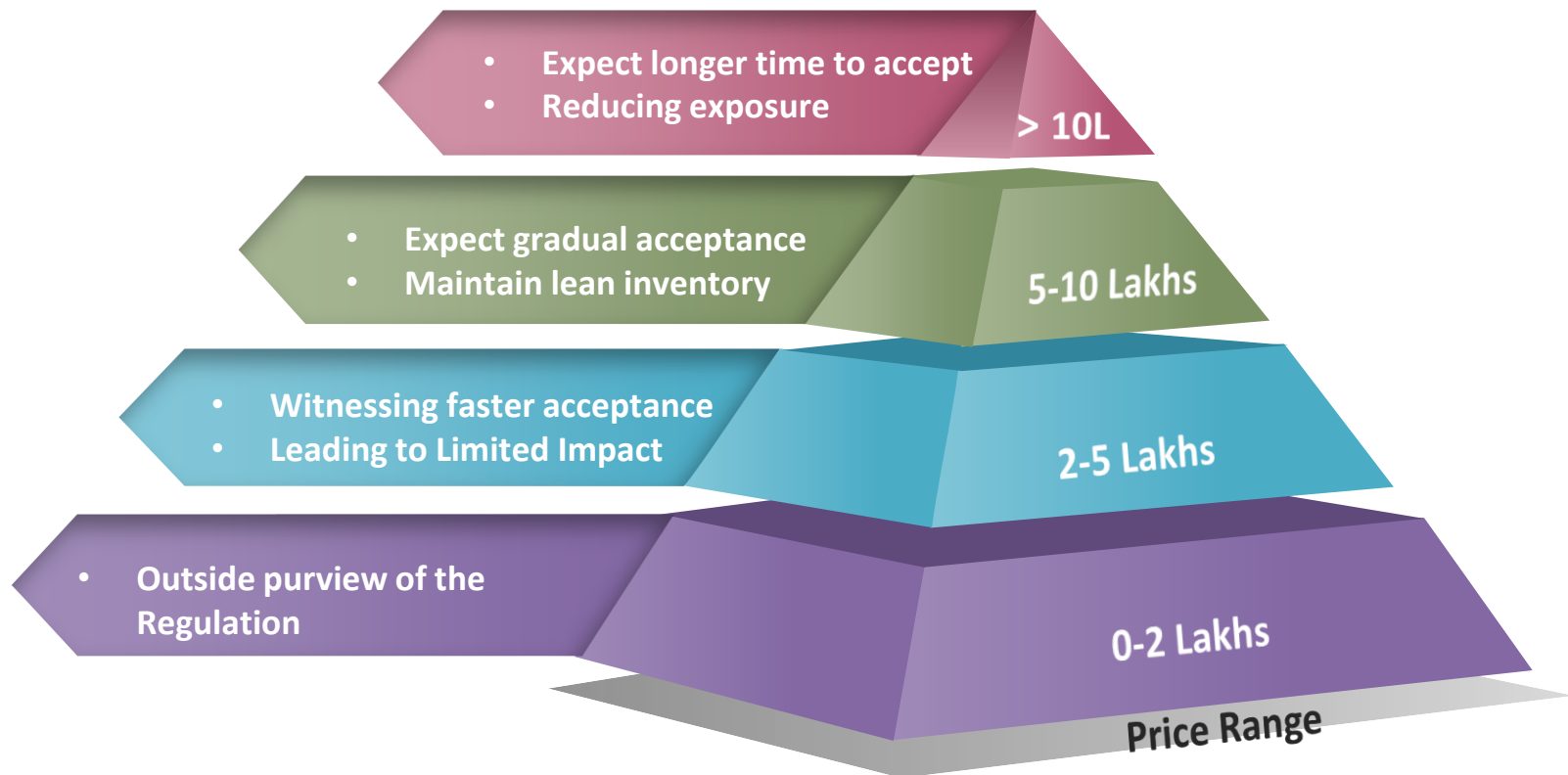
Ethos has well trained **Knowledgeable** staff to ensure highest customer satisfaction and increasing repeat buying.



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

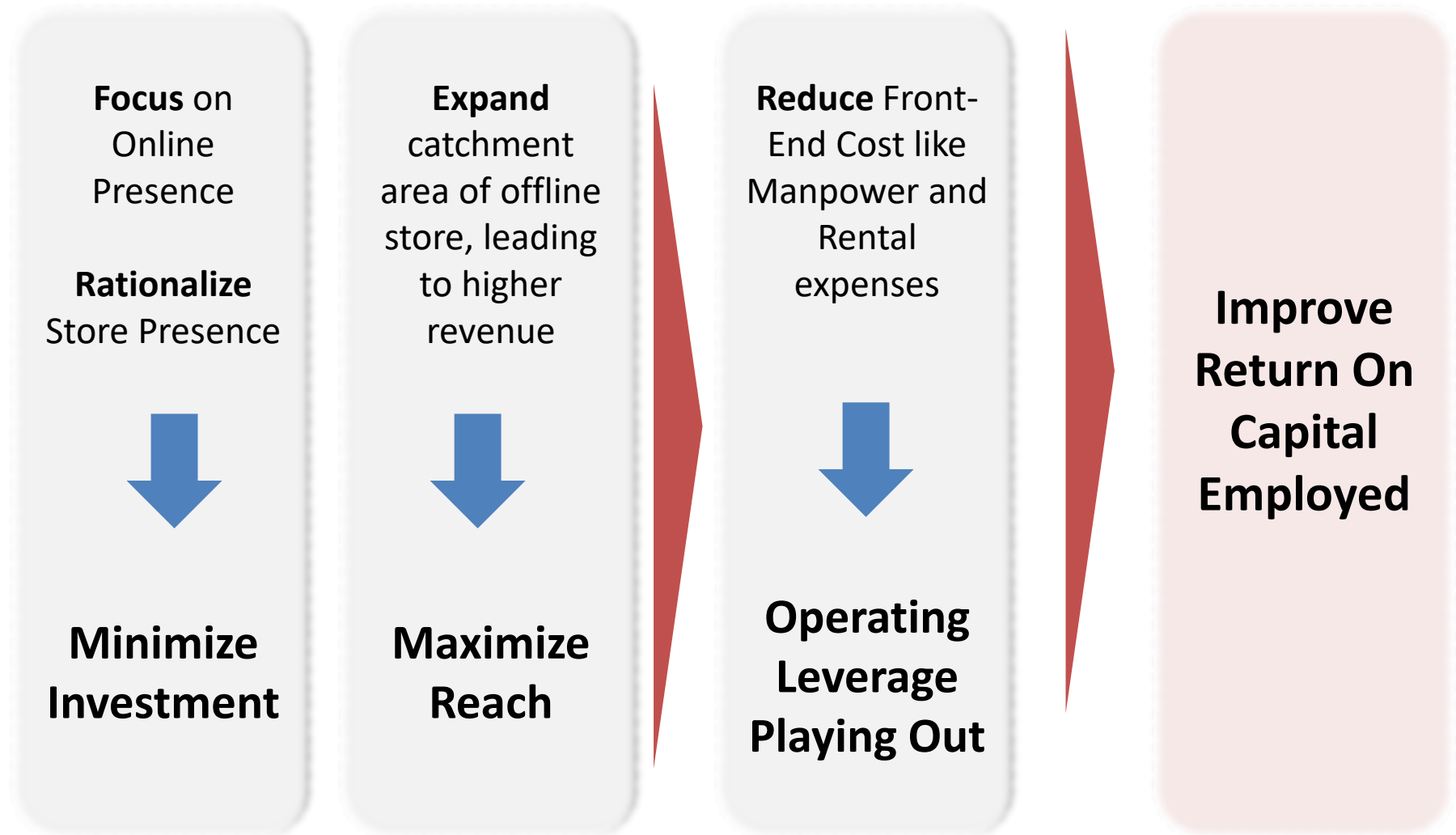
- Better profiling as customer are more open to sharing demographic information
- Creating tailor-made offering for targeting by segment
- Influencing buying behaviour of prospective customers



BETTER SERVICE to EXISTING CUSTOMERS

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

Asset Light Model...



P&L– 9M FY17

Rs. Crs	Consolidated*			Standalone			Ethos		
	9M FY17	9M FY16	YoY %	9M FY17	9M FY16	YoY %	9M FY17	9M FY16	YoY %
Revenue	352.1	341.7	3%	95.2	87.9	8%	251.7	251.9	0%
Cost of Goods Sold	219.6	209.1		22.0	19.4		194.6	189.5	
Gross Profit	132.5	132.6	0%	73.2	68.5	7%	57.0	62.3	-9%
Employee Expenses	45.8	46.5		29.7	27.5		15.4	15.1	
Other Expenses	64.3	59.8		26.8	26.2		36.6	36.7	
EBITDA	22.4	26.3	-15%	16.7	14.8	13%	5.1	10.6	-52%
Margin (%)	6.4%	7.7%		17.5%	16.8%		2.0%	4.2%	
Other Income	1.8	4.6		1.3	1.5		0.1	0.1	
Interest	11.2	11.5		4.3	4.9		6.2	6.1	
Depreciation	8.6	8.5		5.2	5.3		2.9	2.8	
PBT	4.3	10.8	-60%	8.5	6.1	40%	-4.0	1.8	-328%
Tax	3.0	1.9		3.0	2.1		0.0	0.6	
PAT	1.3	8.9	-86%	5.5	4.0	36%	-4.0	1.2	-445%
PAT After MI	2.0	8.4		5.5	4.0		-4.0	1.2	
Cash PAT	10.6	16.9	-37%	10.7	9.3	15%	-1.1	4.0	-127%

* Consolidated Results include Standalone, Ethos Ltd and other subsidiaries

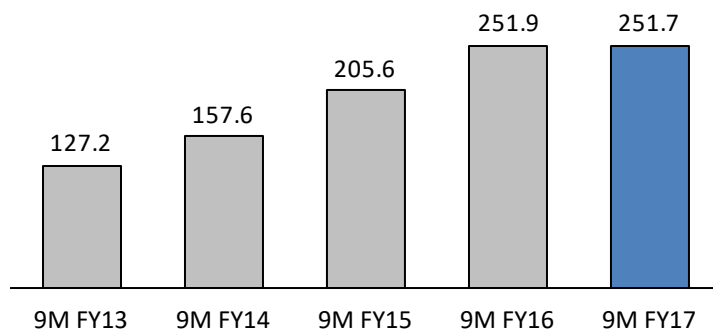
Consolidated Balance Sheet

Rs. Crs	Sep-16	Mar-16
Shareholder's Fund	79	82
Share capital	10	10
Reserves & Surplus	69	72
Minority Interest	34	34
Non-current liabilities	49	43
Long term borrowings	39	33
Deferred Tax Liabilities	4	3
Other Long Term Liabilities	3	3
Long Term Provisions	4	4
Current liabilities	198	183
Short term borrowings	69	68
Trade Payables	86	78
Other current liabilities	43	37
Total Liabilities	361	342
Non-current assets	102	104
Fixed assets	80	82
Non Current Investments	3	1
Long-term loans and advs.	19	21
Other Non Current Assets	1	1
Current assets	259	237
Inventories	195	185
Trade receivables	32	26
Cash and bank balances	18	12
Short-term loans and advs.	14	14
Total Assets	361	342

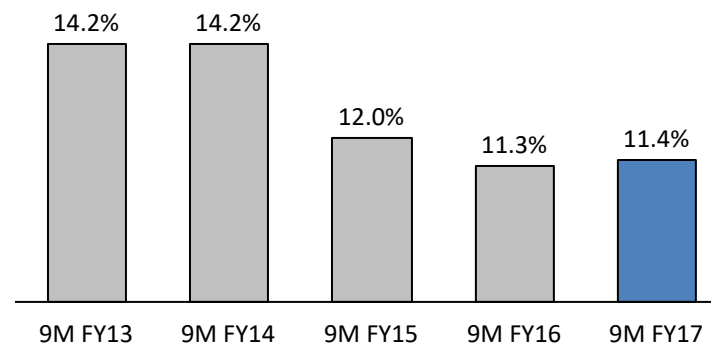
* Consolidated Results include Standalone, Ethos Ltd and other subsidiaries

Ethos Performance Trend – 9M

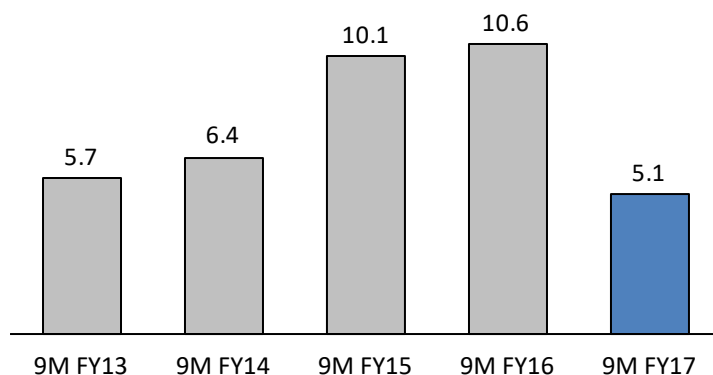
Revenue (Rs.Crs)



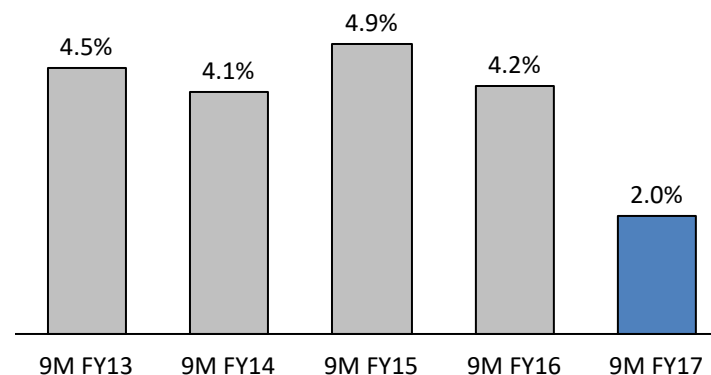
Front-end Rent & Manpower Cost as % of Revenue



EBITDA (Rs.Crs)



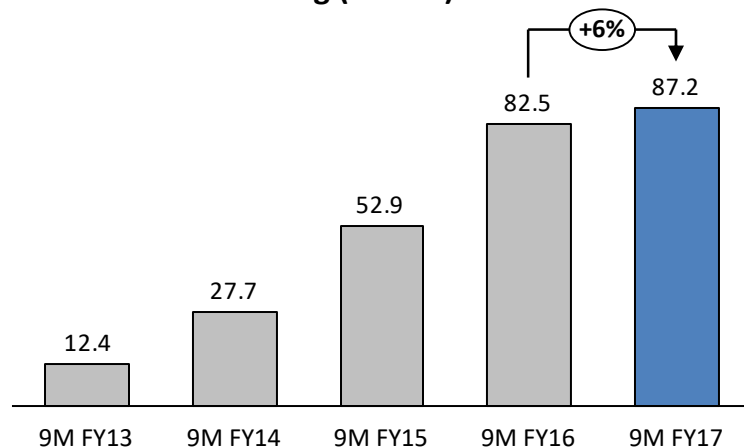
EBITDA Margin (%)



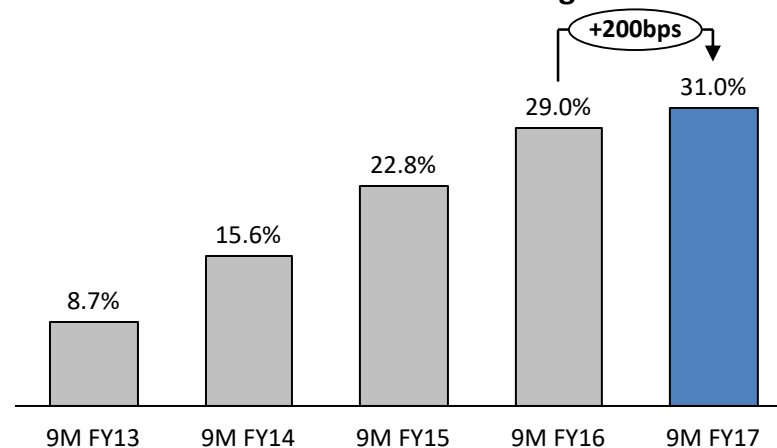
Continuously gaining market share despite near term challenges

Ethos Online Sales Trend– 9M

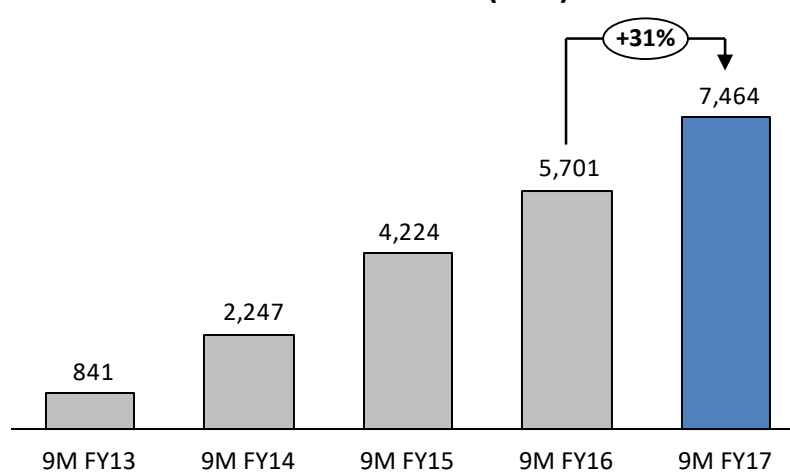
Online Billing (Rs. Crs)



Online – as % of Total Billing

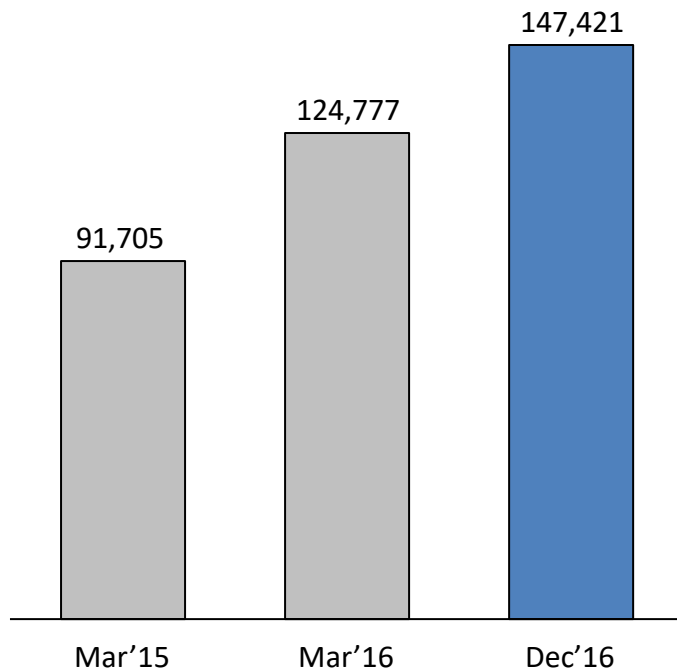


Visitors on website ('000)

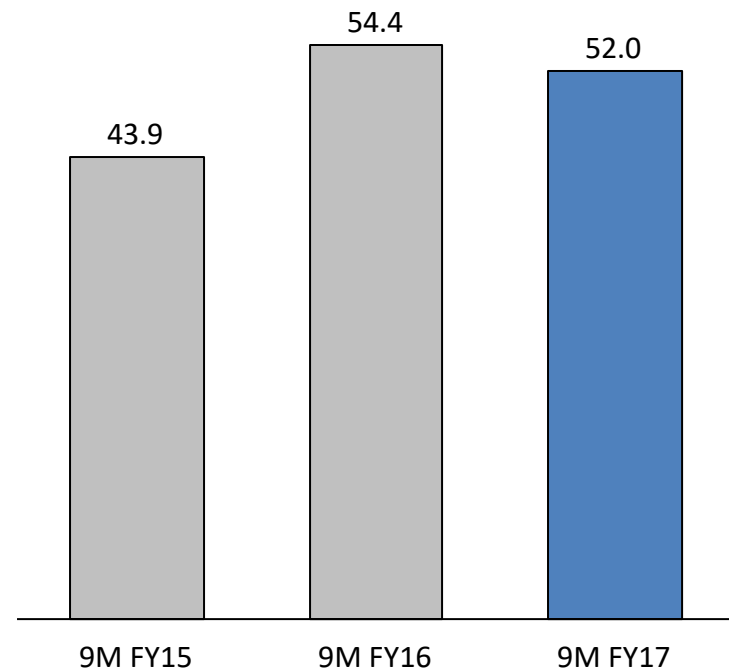


Ethos Repeat Sales Trend – 9M

Club ECHO – Member Base



Repeat Billings (Rs.Crs)



Pan-India Presence with Offline Store Network



India's Largest retail chain of Luxury Watches with 35 stores

Presence across Metros, Tier I, Tier II cities

2 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

Print Ads on The Economic Times Front Page

THE ECONOMIC TIMES
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Second Coming

New Focus of Divestment Plan

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Cash Crisis Set to Pass into History Early Next Year

Happy Note Year

MSY Expels Akhilesh, Ram Gopal

Maruti, Hyundai to Hike Prices from Jan

Costly Ride

Telecom Investments to Touch \$10 B: Deepak

Sex Wellness Portals don't Click with Investors

ORIS Swiss Made Watches Since 1904

ethos WATCH BOUTIQUE

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

Continued Investments in Advertising

Print Ads on The Times of India Front Page



THE TIMES OF INDIA

Dove Regenerative Repair

Nourishment that renews hair. As if damage never happened.

Dove Advanced Hair Series



THE TIMES OF INDIA

FOR 279 YEARS #CONQUERING FRONTIERS

ROLEX

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ethos



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CARL F. BUCHERER

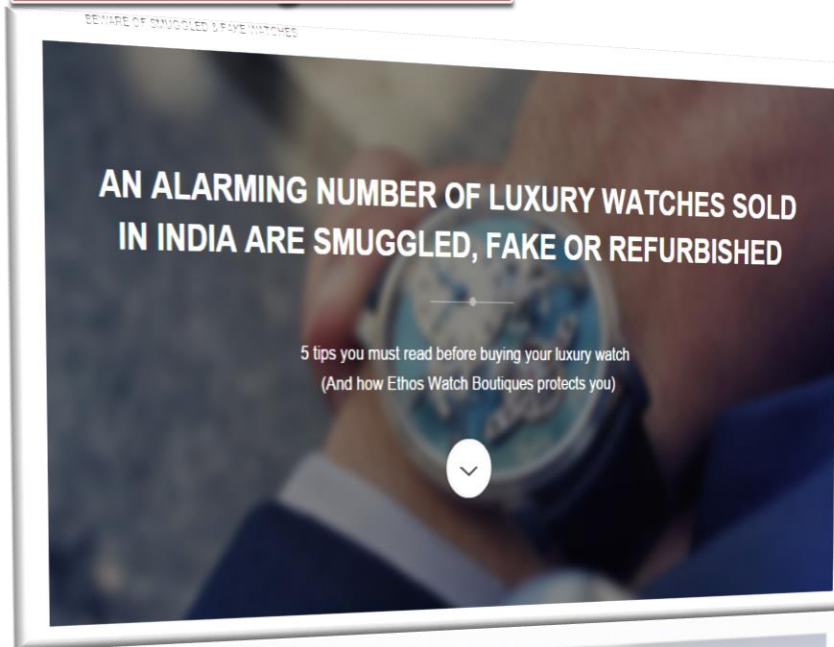
L'ÉCLUSE

ethos

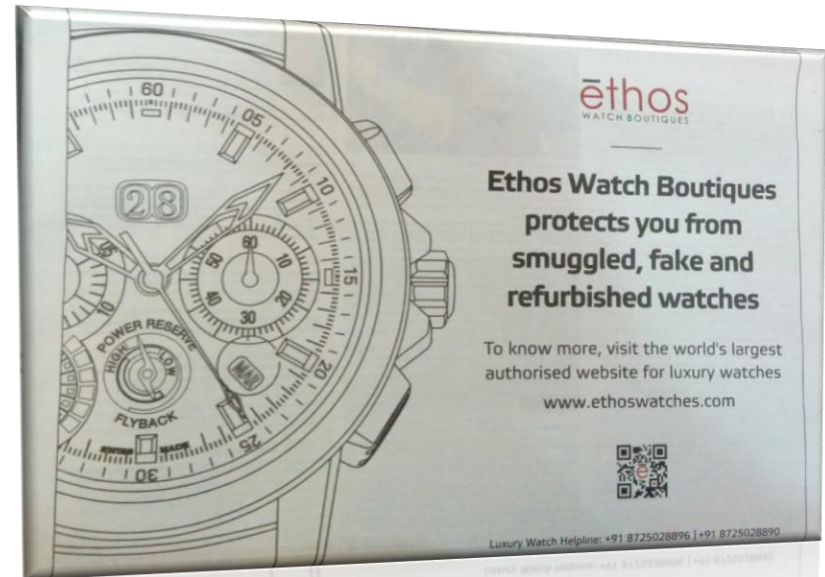
... with **ETHOS** co-branding

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

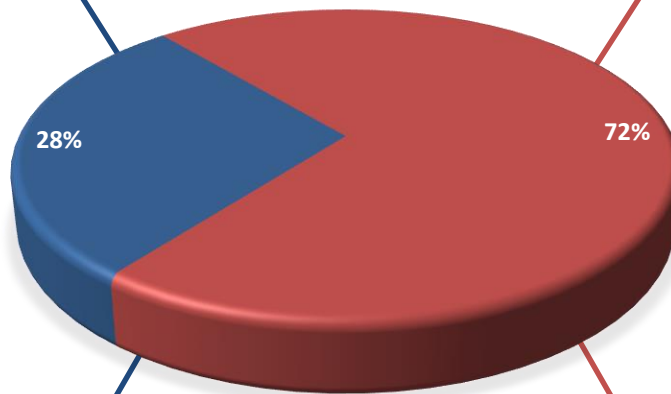
Stable Manufacturing Business

- 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
- 35 premium watch boutiques across country
- CAGR of 24% over FY13 - FY16
- 73.22% 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

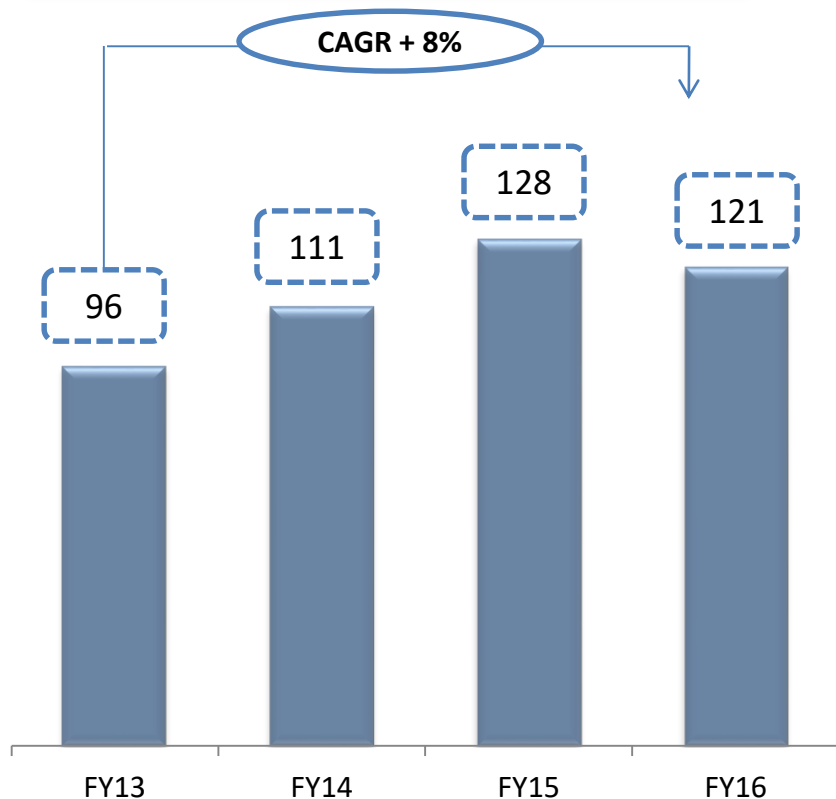
Expected to commence operations by FY17 end

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

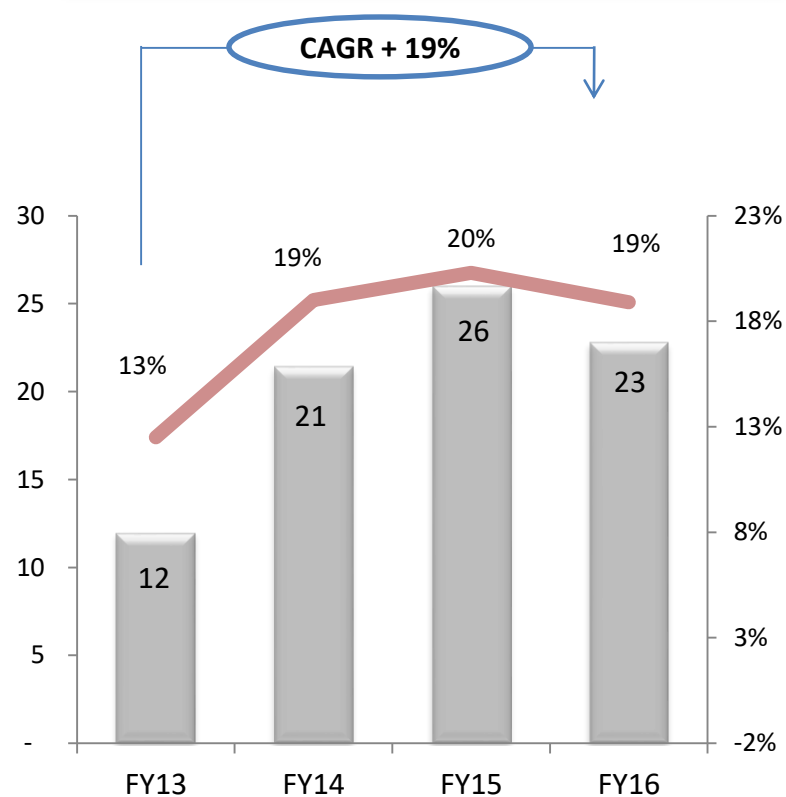
... to emerge as “Strong Player” in Organized space

Stable Manufacturing Performance

Revenue (Rs.Crs)



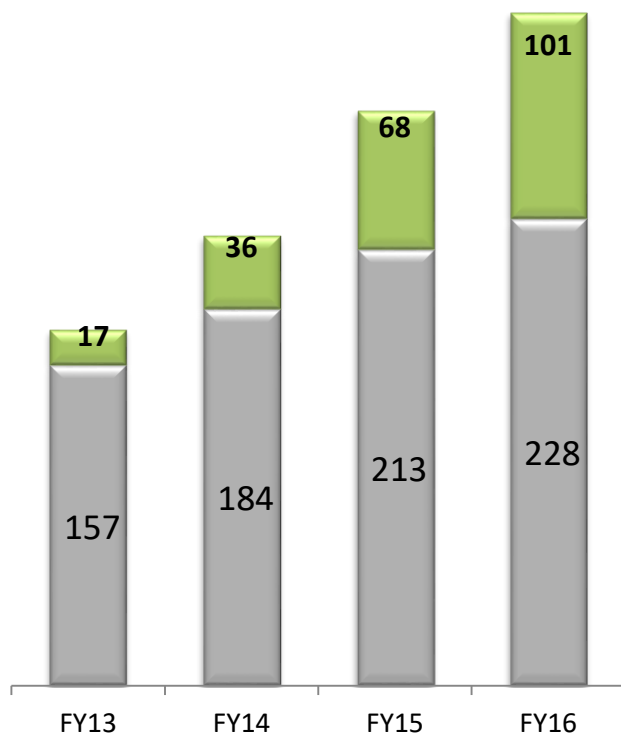
EBITDA (Rs.Crs)



Scaling-Up Retail Performance

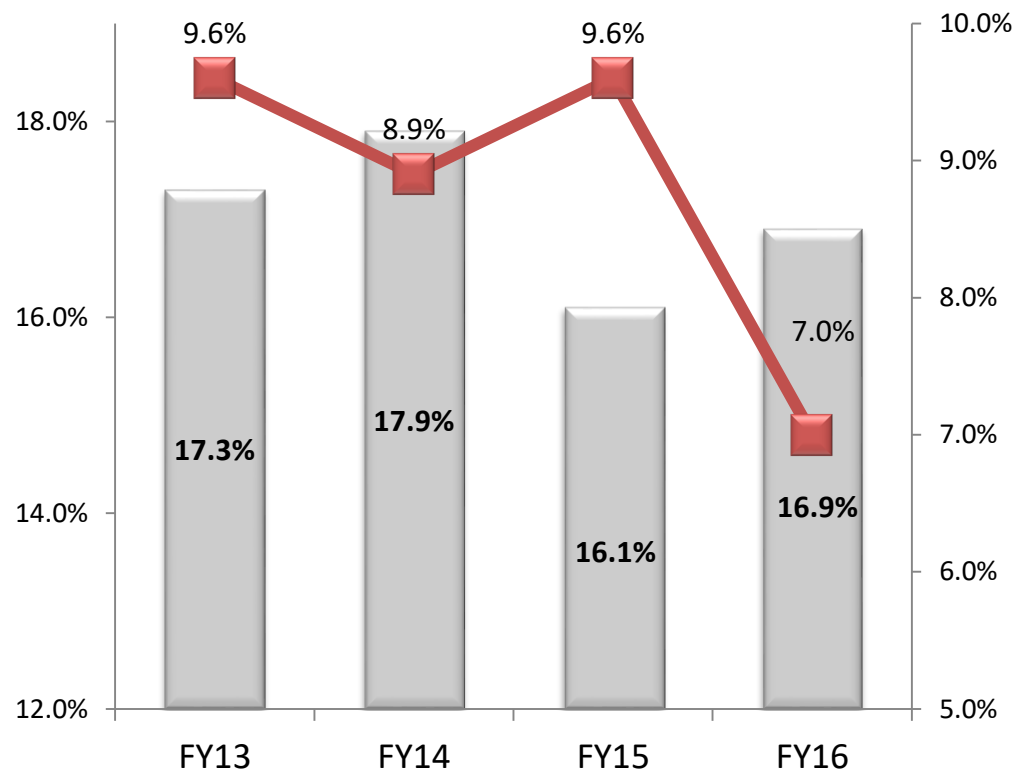
Increasing Online Revenue...

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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