

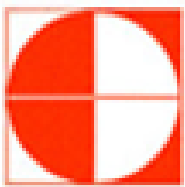
KDDL Limited

ETHOS Limited

Result Update Presentation

4Q&FY17



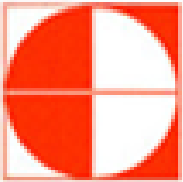


Safe Harbor

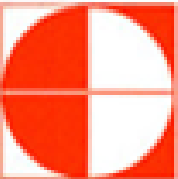
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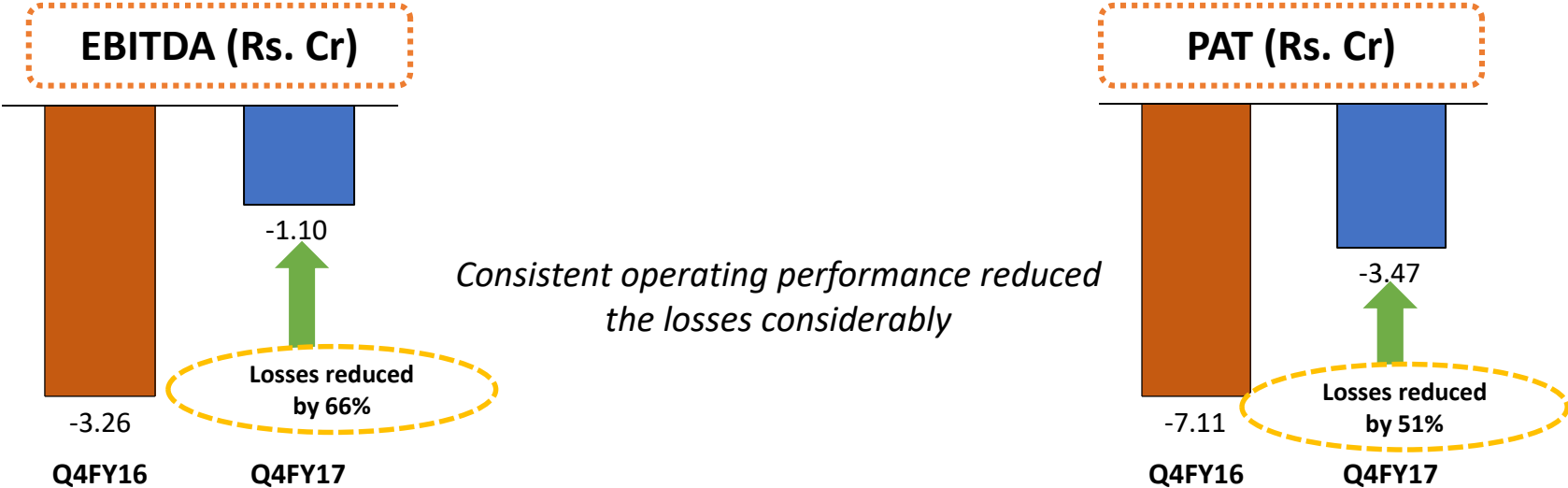


Financial Overview

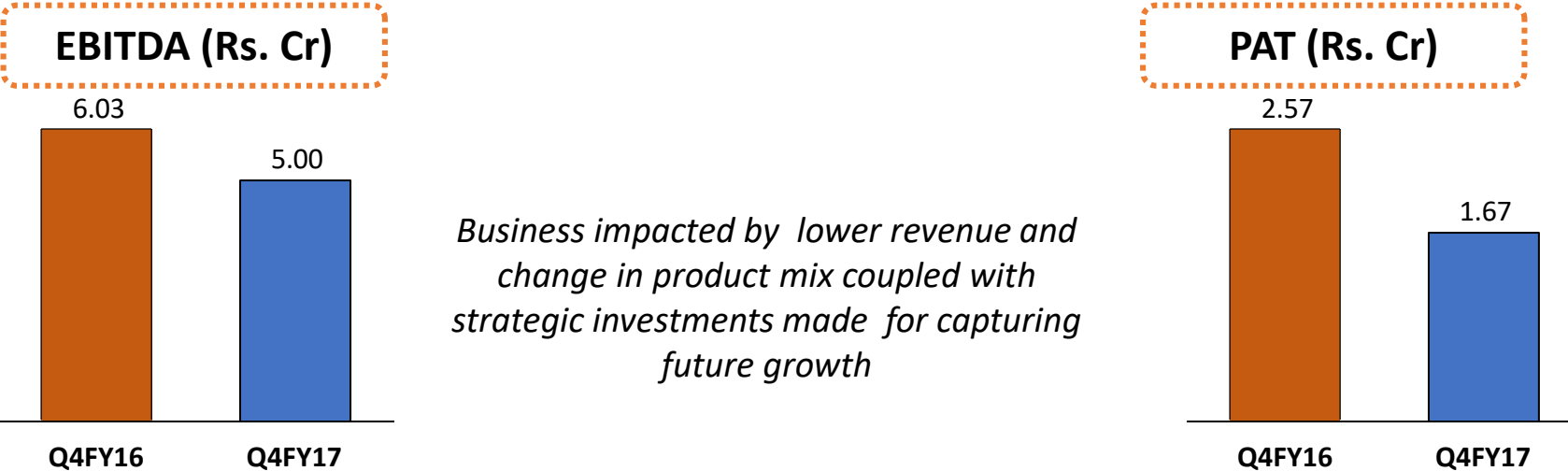


Financial Highlights

Ethos – Q4FY17 vs Q4FY16



KDDL – Q4FY17 vs Q4FY16





Moving up the Value Chain



**The Largest & Preferred Retailer of
Swiss Watches in India**

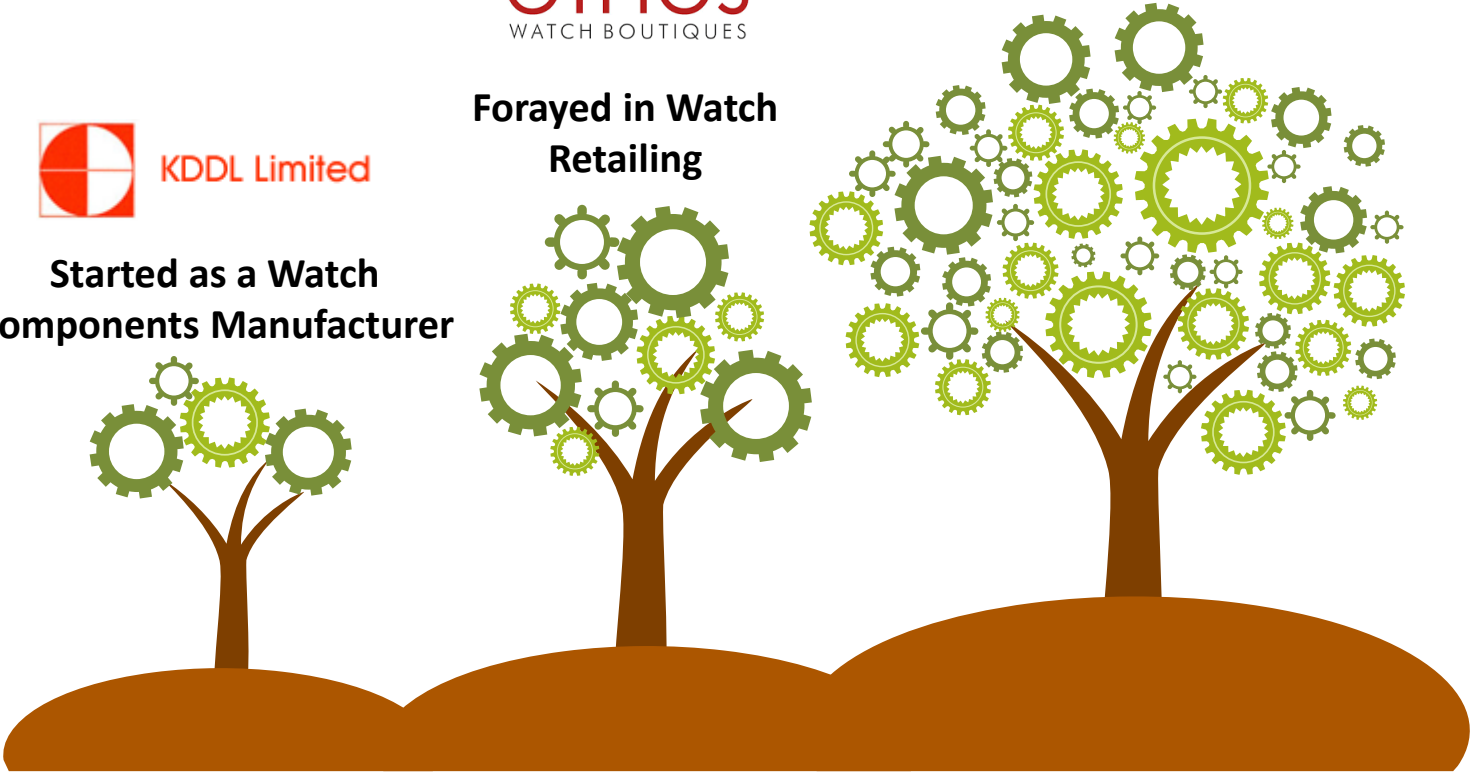
ēthos
WATCH BOUTIQUES

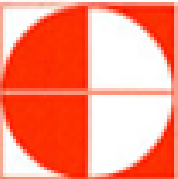
**Forayed in Watch
Retailing**



KDDL Limited

**Started as a Watch
Components Manufacturer**





Ethos' Strategic Partnerships with Swiss Watch Brands

Latest Additions

NOMOS
GLASHÜTTE

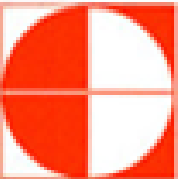
**Ethos to be Exclusive
Retailer for Nomos
Glashutte Watches in
India**



ORIS
Swiss Made Watches
Since  1904

**Ethos to be Exclusive Supplier
of Oris Watches to BMW
Williams Formula One Team**

*Consistent Brand Additions in the
portfolio and Exclusivity with us
fetches higher margin and
eventually improve sales*



Ethos is India's Preferred Destination for Luxury Watches

Knowledge

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



One-stop shop

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



Mind Share

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



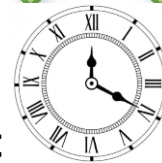
Online

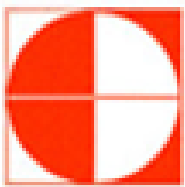
Ethos makes Swiss Watches 'Available Online' in a confluence of Online-Offline model helping us to leverage the strength of Swiss Watch Brands and our wide Distribution Reach



Trust

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

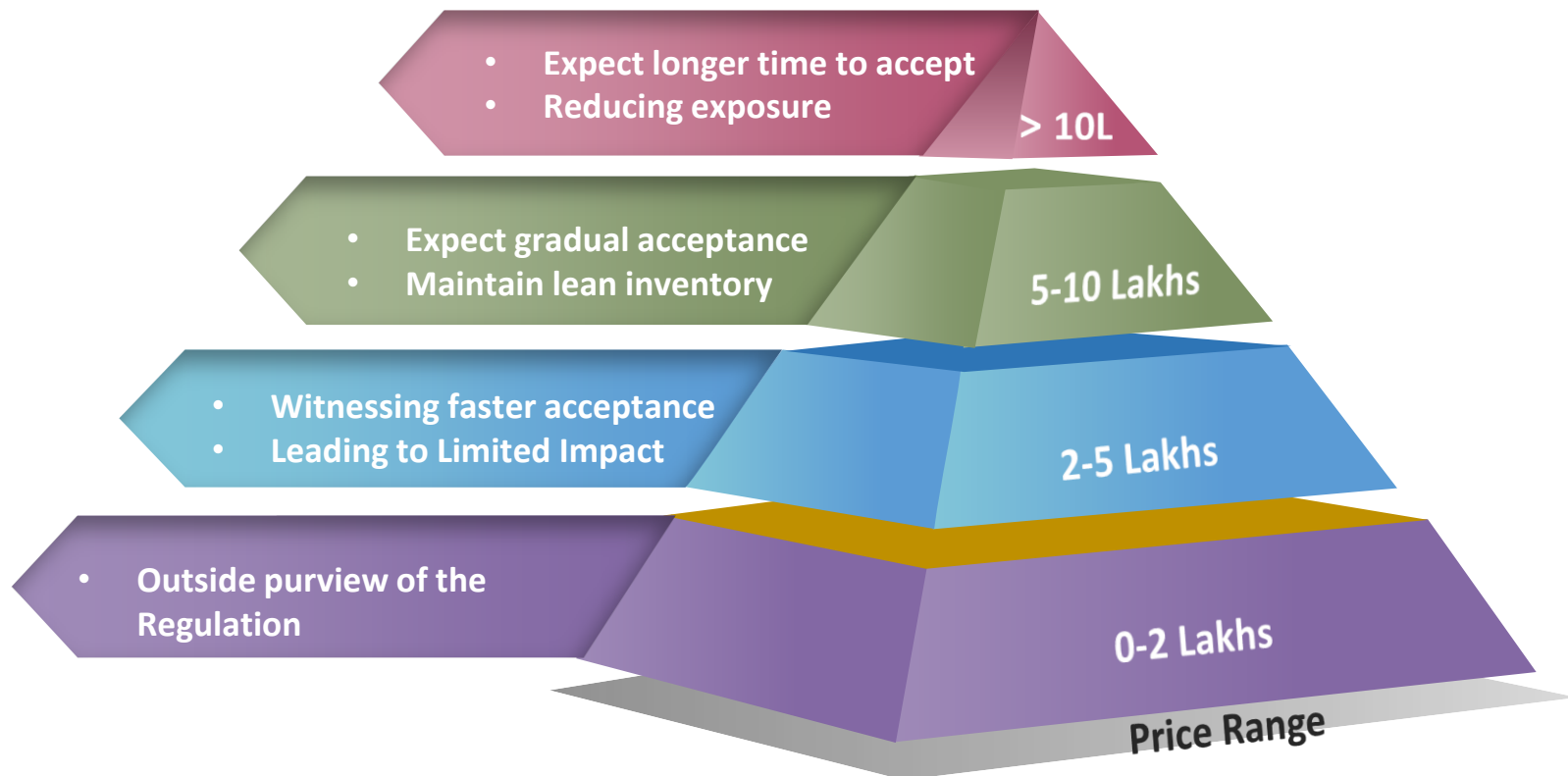


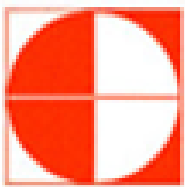


PAN Card Regulation : Adapting to Change

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



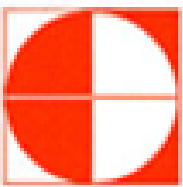
CUSTOMER PROFILING

- 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...

Improve Return On Capital Employed

**Operating Leverage
Playing Out**

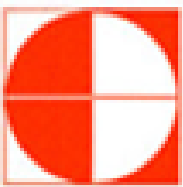
Reduce Front-End Cost like Manpower and Rental expenses

**Maximize
Reach**

**Expand catchment area of offline store, leading to
higher revenue**

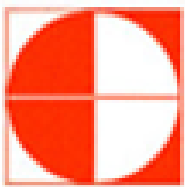
Minimize Investment

**Focus on Online Presence &
Rationalize Store Presence**



Financial Overview

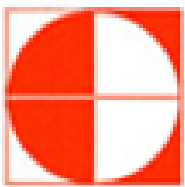




P&L– FY17

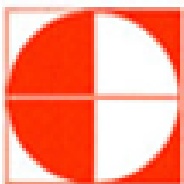
Rs. Crs	Consolidated*			Standalone			Ethos		
	FY17	FY16	YoY %	FY17	FY16	YoY %	FY17	FY16	YoY %
Revenue	455.4	449.8	1%	125.6	119.0	6%	326.2	328.7	-1%
Cost of Goods Sold	283.0	276.8		28.7	26.0		253.8	250.5	
Gross Profit	172.4	173.0	0%	96.9	93.0	4%	72.4	78.1	-7%
Employee Expenses	60.5	57.0		39.5	36.6		20.4	20.2	
Other Expenses	84.9	86.4		35.7	35.6		48.1	50.7	
EBITDA	26.9	29.5	-9%	21.7	20.8	4%	4.0	7.3	-45%
Margin (%)	5.9%	6.6%		17.2%	17.5%		1.2%	2.2%	
Other Income	3.2	4.6		2.2	2.0		0.3	0.1	
Interest	14.4	15.0		5.5	6.2		7.9	8.2	
Depreciation	11.7	11.2		7.3	6.9		3.8	3.8	
PBT	4.1	7.9	-48%	11.1	9.7	14%	-7.5	-4.6	
Tax	4.0	3.7		4.0	3.1		0.0	1.3	
PAT	0.1	4.2	-88%	7.2	6.6	9%	-7.5	-5.9	
PAT After MI	0.6	5.3		7.2	6.6		-7.5	-5.9	
Cash PAT	12.3	16.5		14.4	13.5		-3.7	-2.2	

* Consolidated Results include Standalone, Ethos Ltd and other subsidiaries



Ethos Balance Sheet

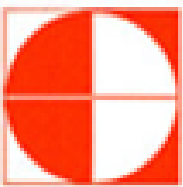
Rs. Crs	Mar-17	Mar-16
Shareholder's Fund	65	57
Share Capital	36	32
Reserves & Surplus	29	25
Non-current liabilities	12	11
Long Term borrowings	11	10
Long Term Provisions	1	1
Current liabilities	135	140
Short Term Borrowings	51	54
Trade Payables	65	69
Other Current liabilities	19	16
Short Term Provisions	1	1
Total Liabilities	211	208
Non-current assets	25	26
Fixed Assets	10	13
Long Term loans and advs.	15	13
Other Current Assets	0	1
Deferred Tax Asset	0	0
Current assets	187	182
Inventories	167	164
Trade Receivables	5	6
Cash and Bank Balances	10	6
Short Term Loans and Advances	5	6
Total Assets	211	208



Consolidated Balance Sheet

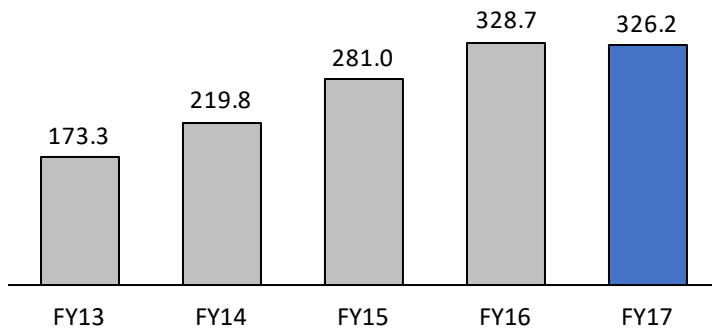
Rs. Crs	Mar-17	Mar-16
Shareholder's Fund	102	82
Share capital	11	10
Reserves & Surplus	88	72
Money received against share warrants	3	-
Minority Interest	35	34
Non-current liabilities	51	43
Long term borrowings	40	33
Deferred Tax Liabilities	4	3
Other Long Term Liabilities	3	3
Long Term Provisions	3	4
Current liabilities	172	183
Short term borrowings	59	68
Trade Payables	72	78
Other current liabilities	36	34
Short term provisions	3	3
Total Liabilities	358	341
Non-current assets	107	104
Fixed assets	84	82
Non Current Investments	1	1
Long-term loans and advs.	22	21
Other Non Current Assets	0	1
Current assets	251	238
Inventories	188	185
Trade receivables	30	26
Cash and bank balances	21	12
Short-term loans and advs.	12	14
Total Assets	358	341

* Consolidated Results include Standalone, Ethos Ltd and other subsidiaries

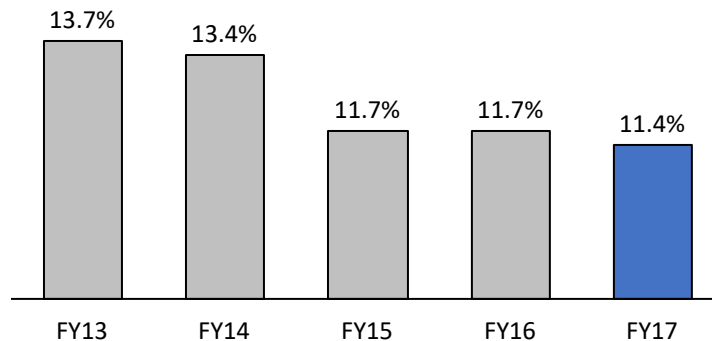


Ethos Performance Trend – FY17

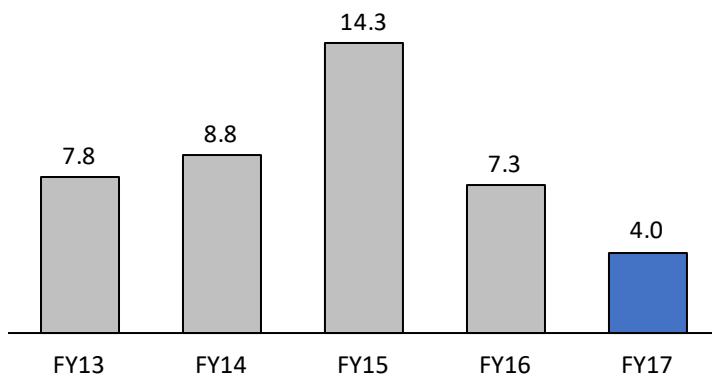
Revenue (Rs.Crs)



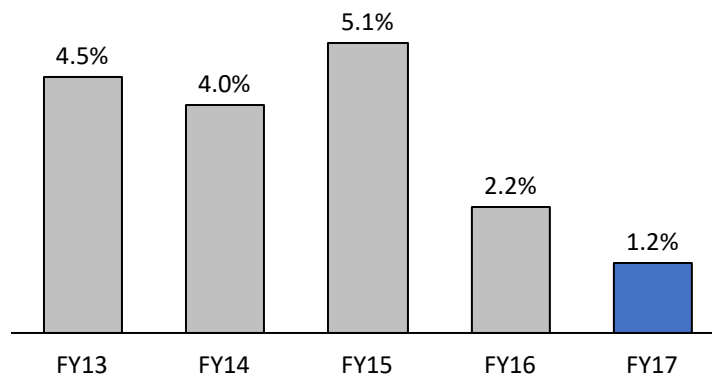
Front-end Rent & Manpower Cost as % of Revenue



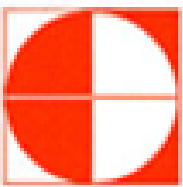
EBITDA (Rs.Crs)



EBITDA Margin (%)

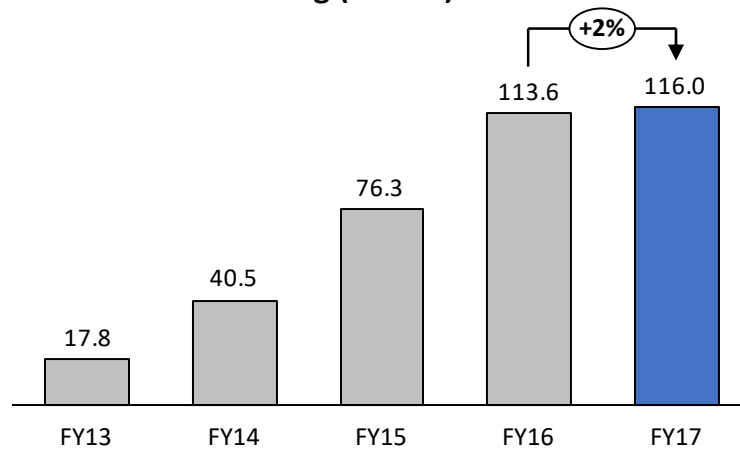


Continuously gaining market share despite near term challenges

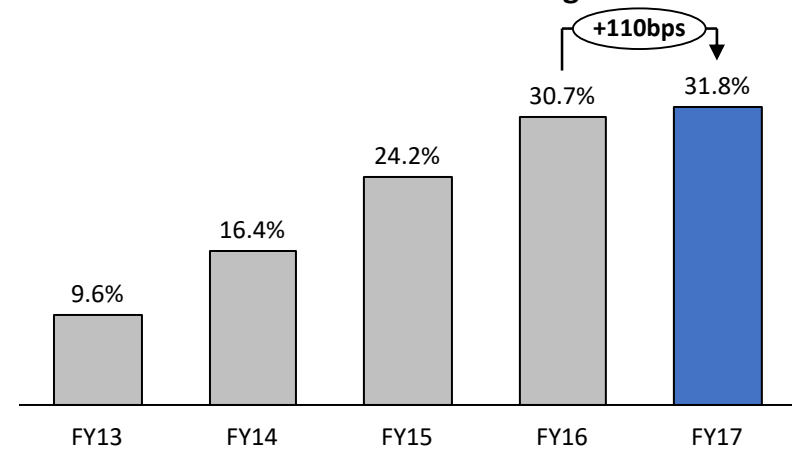


Ethos Online Sales Trend– FY17

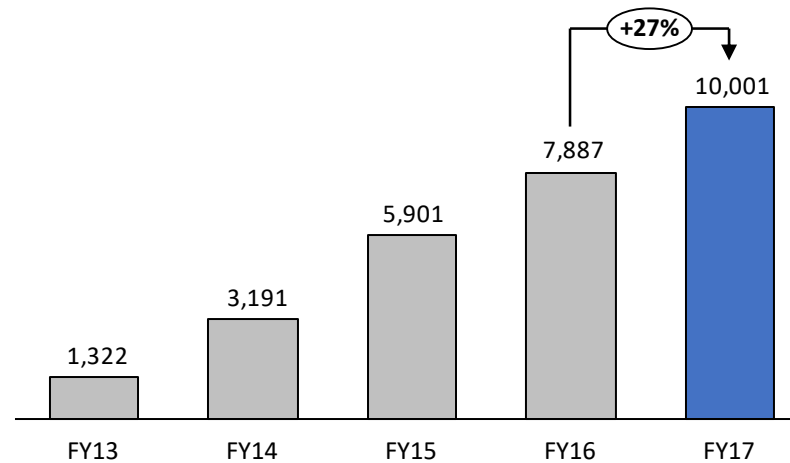
Online Billing (Rs. Crs)

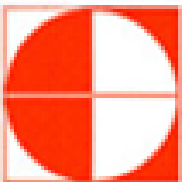


Online – as % of Total Billing



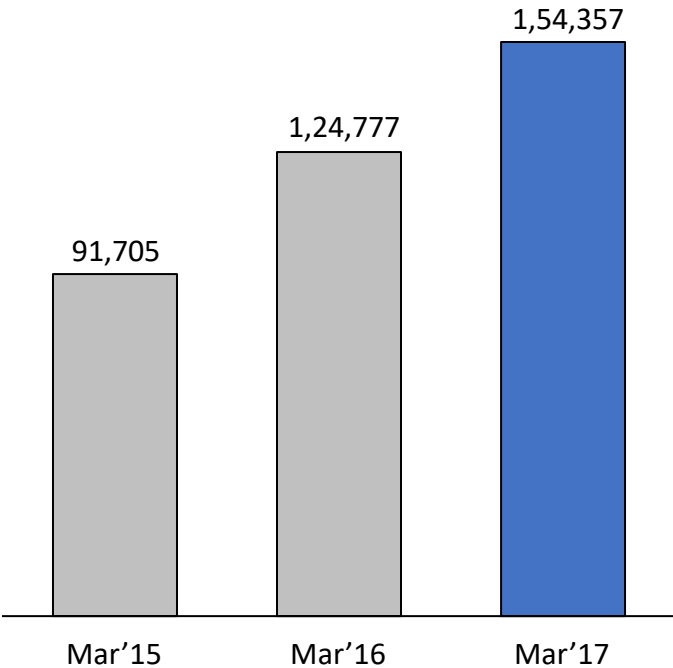
Visitors on website ('000)



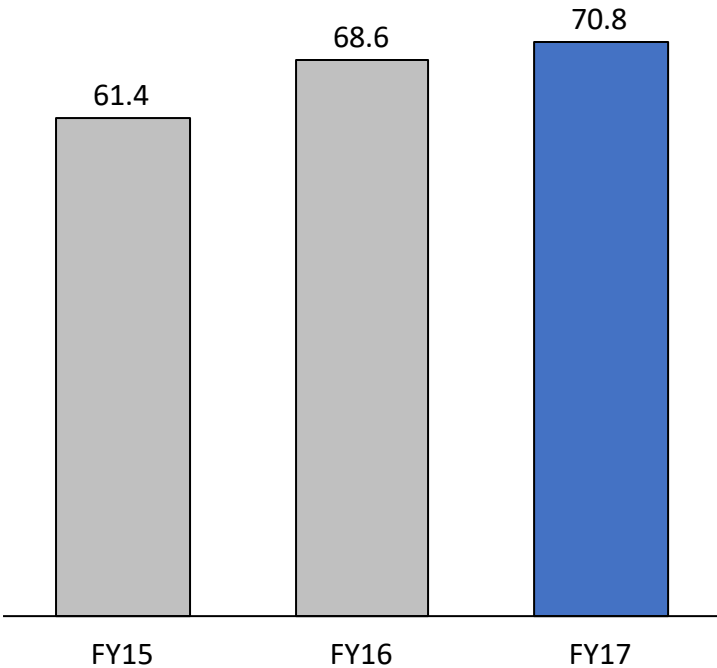


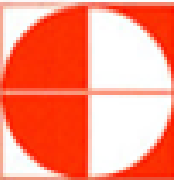
Ethos Repeat Sales Trend – FY17

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

Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness

Continued Investments in Advertising

Print Ads on The Economic Times Front Page

THE ECONOMIC TIMES

Flintless, RBI Seek Report on Data Theft | RBI Reports ₹7,206 Cr Profit in 2nd Quarter | BJP Strides at DD for Missing PM's Post-UL Speech P1

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Shop online at ETHOSWATCHES.COM

THE ECONOMIC TIMES

M&M Rolls Out a New Organisational Structure | Trump Says UN a Club for People to 'Have a Good Time' | Crowded Schedule Posing Threat to Test Cricket

Home Buyers to Reap Dividends of Rate Cut War

Tatas Accuse Mistry of Leaking Confidential Info

For PM's 'Big' Move, BJP Aims for Lucknow's Biggest Rally

To Gain Currency, Govt's Payments Platforms to come in New Avatars

Second Coming

New Focus of Divestment Plan

WHAT CAN I DO FOR YOU TODAY?

haptik

ethos CHOPARD

THE ECONOMIC TIMES

Won't Retaliate Against US: Putin | Authoritarian Leaders and their Appetites | ON Saturday

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

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
Nourishment that renews hair.
As if damage never happened.

Dove Regenerative Repair

ROLEX
THE DATEJUST 41

ethos
OVERSEAS PERPETUAL DATEJUST 41

THE TIMES OF INDIA

TN bids a calm, tearful farewell as Jaya is laid to rest next to MGR grave

10 youths on death row in UAE

18 die in fire at explosives factory in TN

Amid Cong talk, VB raids SAD MP's engg college

Justice Khehar to be first Sikh CJI

FOR 279 YEARS
#CONQUERING FRONTIERS

FAVRE-LEUBA

ethos

THE ECONOMIC TIMES

Coca-Cola Shakes Up Its India Top Deck

Democrats Plotting 'Collision Course' With Trump's Tax Plan

Schwab the Coach may Boost Kings XI Mood

Digital Payments Hold the Cards Post Note Ban

Weeks Before Budget, Jaitelly Lists Benefits of Low Tax Rate

Retro Tax Ghost Won't Haunt Foreign Portfolio Investors

2-Wheelers Skid on Lack of Cash

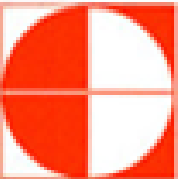
PPFs may Face up to 40% Tax

CARL F. BUCHERER
LUGERNE 1885

MAHERO FLYBACK
AUTOMATIC | ROSE GOLD 18K

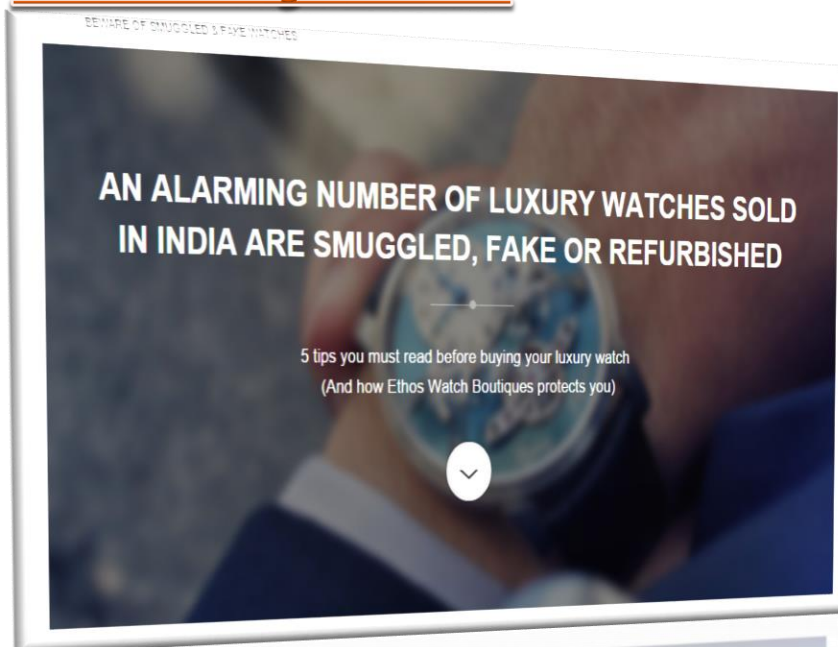
ethos

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

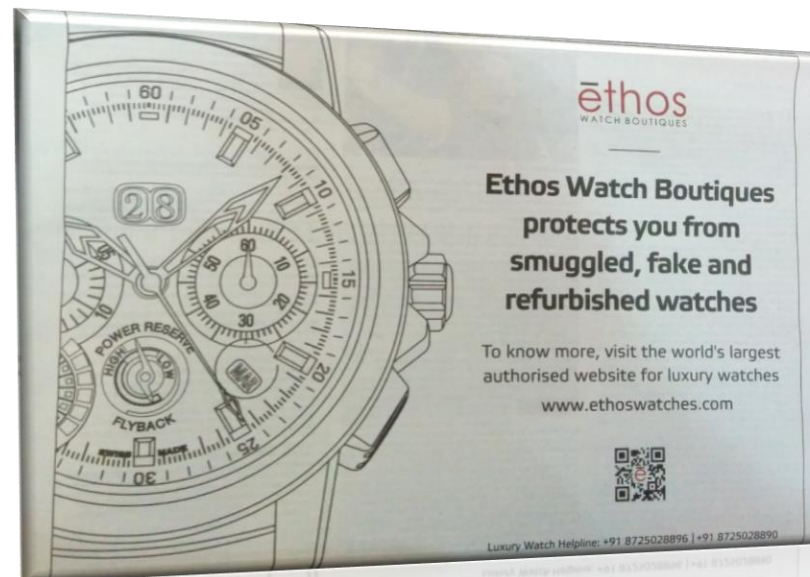


TRUST CAMPAIGN across channels

Online through website



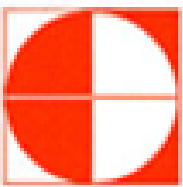
Offline through Print



... to Educate consumers about Watches

... to Create Awareness about unscrupulous activities

... To Reinforce our “ETHOS”



Company Overview



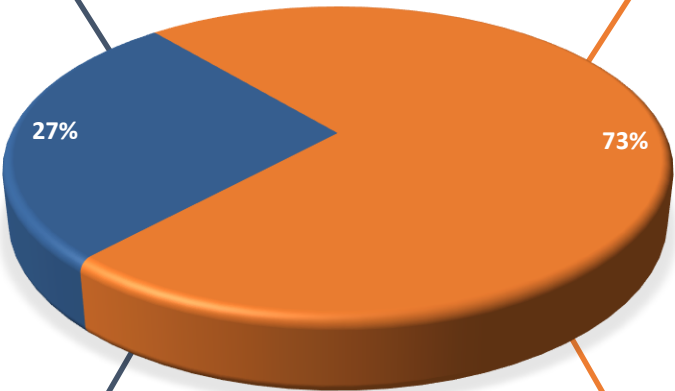
Business Overview

Stable Business

Scalable Business

Stable Manufacturing Business

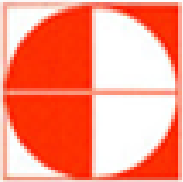
- Leading supplier of premium watch components - watch dials and watch hands
- Caters to demand from international brands in Switzerland & India
- Engaged in manufacturing of High Precision Stamping Parts & Precision & Progressive Tools
- CAGR of 6% over FY13 – FY17



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 17% over FY13 - FY17
- 73.60% subsidiary of KDDL Ltd on a fully diluted basis

*Figures updated as on date



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



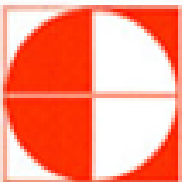
Investing Rs. 30 Crs over 2 years with 2:1 debt funding

~2 acre land allotted in EOU zone near Bengaluru Airport

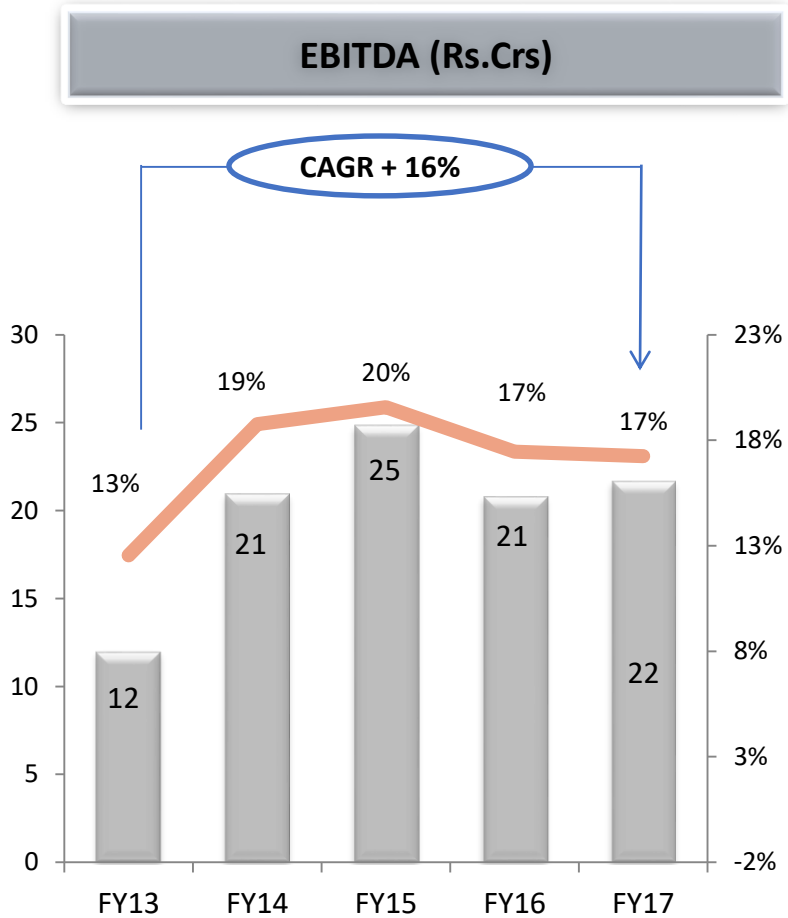
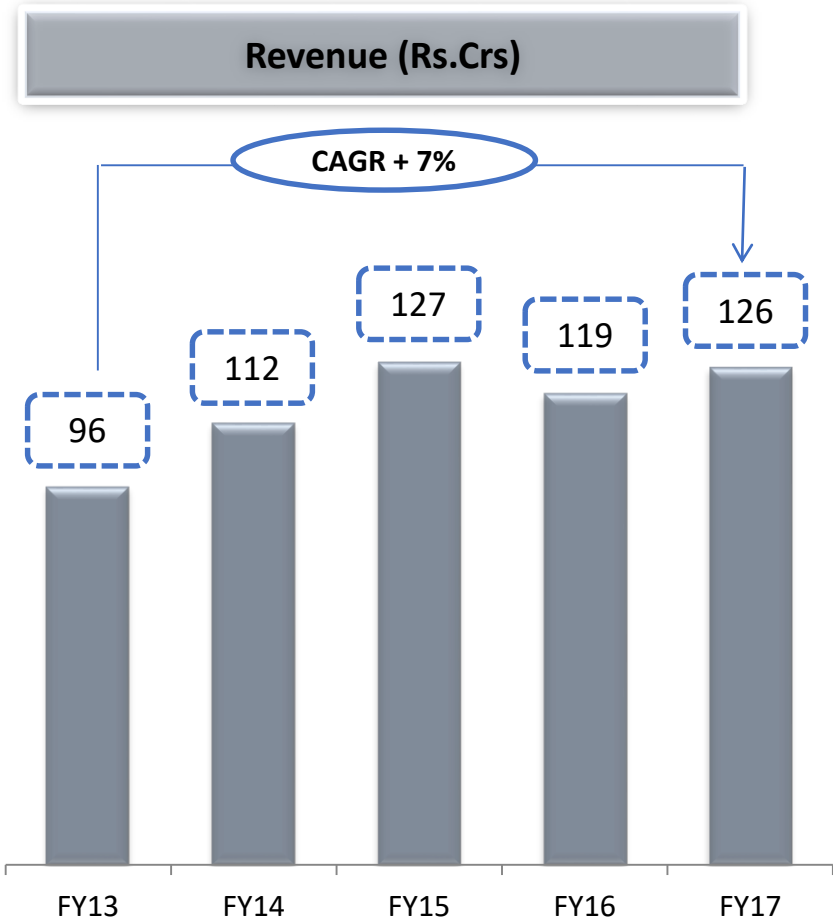
Expected to commence operations by Q2 FY18

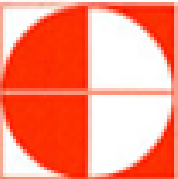
Financial Closure has been achieved & project is proceeding as per schedule

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



Stable Manufacturing Performance

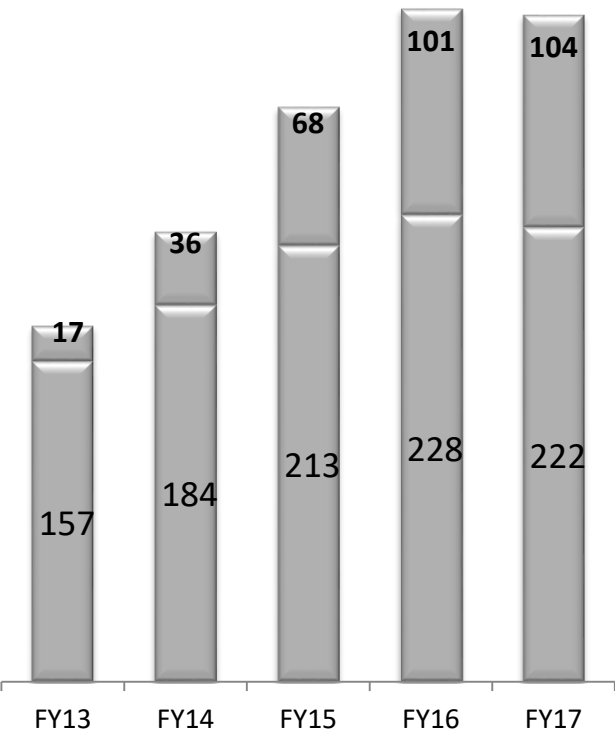




Scaling-Up Retail Performance

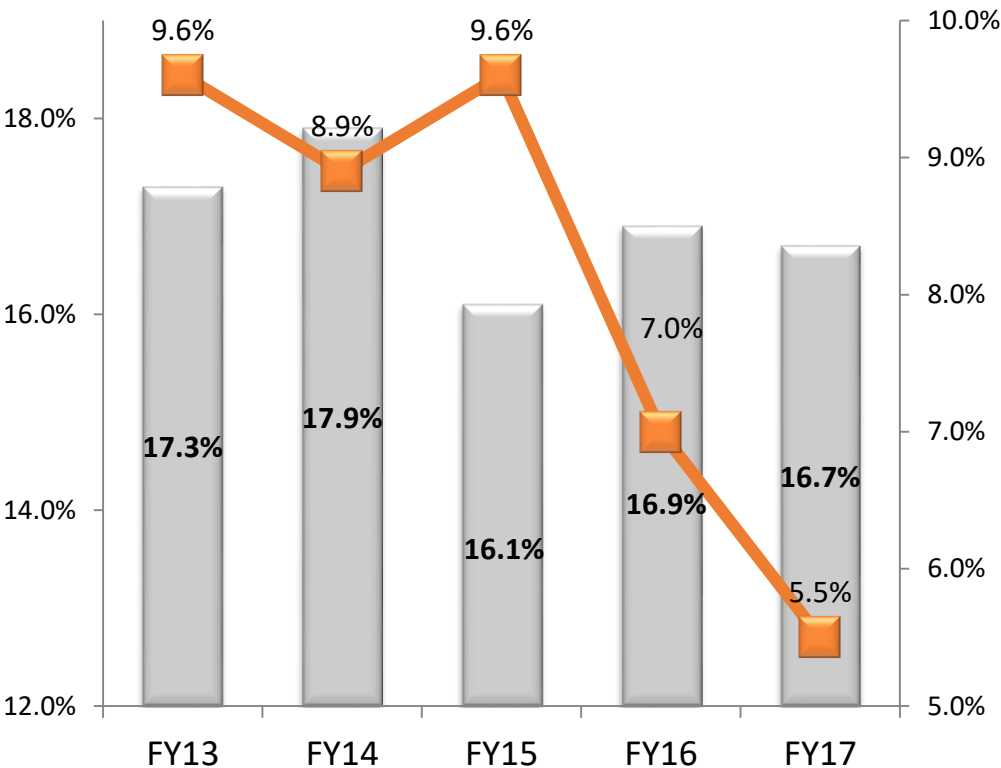
Increasing Online Revenue...

Rs. Crs



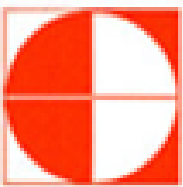
Offline Online

... Improved Absorption of Fixed Expenses



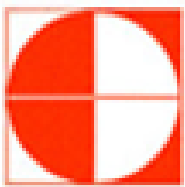
Front End expenses as % of Sales

EBITDA Margin before Central Expenses



Historical Financial Highlights

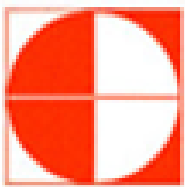




Consolidated – Profit & Loss Statement

Rs.Crs	FY17	FY16	FY15
Revenue	455.4	449.8	411.7
Other Income	3.2	4.6	2.0
Total Revenue	458.6	454.4	413.7
Cost of Goods Sold	283.0	276.8	239.6
Employee Expenses	60.5	*57.0	58.3
Other Expenses	84.9	86.4	74.7
EBITDA	26.9	29.5	39.0
EBITDA Margin	5.9%	6.6%	9.5%
Interest	14.4	15.0	15.3
Depreciation	11.7	11.2	11.8
PBT	4.1	7.9	13.9
Tax	4.0	3.7	5.0
PAT After MI	0.6	5.3	8.8
<i>PAT after MI Margin</i>	0.1%	1.2%	2.1%
Cash PAT	12.3	16.5	20.6
Cash PAT Margin	2.7%	3.7%	5.0%

* Employee Expenses include additional bonus provision impact of Rs. 1 Cr for the year pursuant to amendment in Payment of Bonus Act, 1965



Contact

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CIN : L33302HP1981PLC008123

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www.kddl.com / www.ethoswatches.com

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.
CIN : U74140MH2010PTC204285

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