

KDDL Limited

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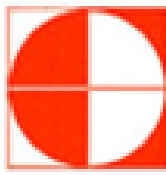
ETHOS Limited

ēthos
WATCH BOUTIQUES

Result Update Presentation

November 2018

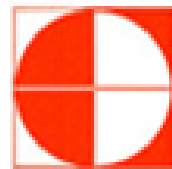
Q2FY19 & H1FY19



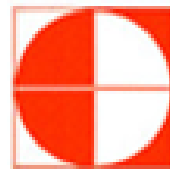
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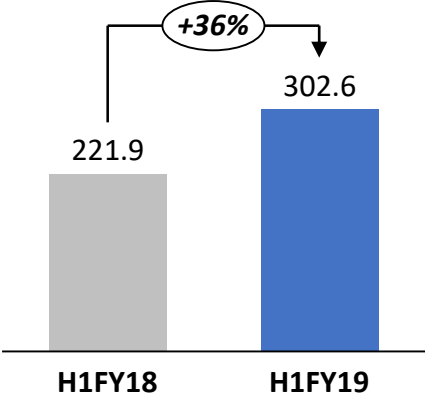
Our Performance



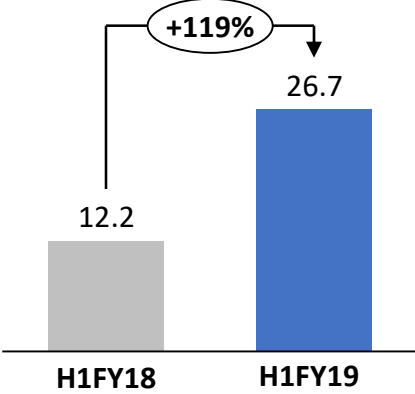
Business Momentum continues

Consolidated

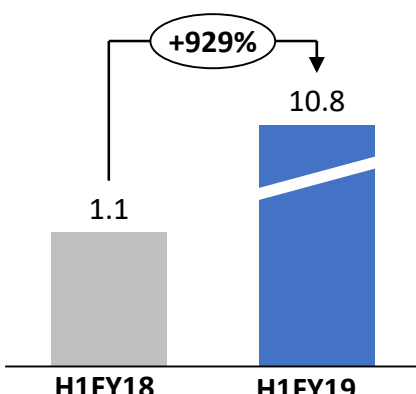
Revenue (Rs. Cr)



EBITDA (Rs. Cr)

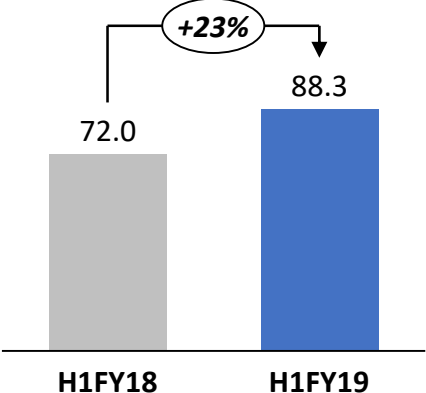


PAT After MI (Rs. Cr)

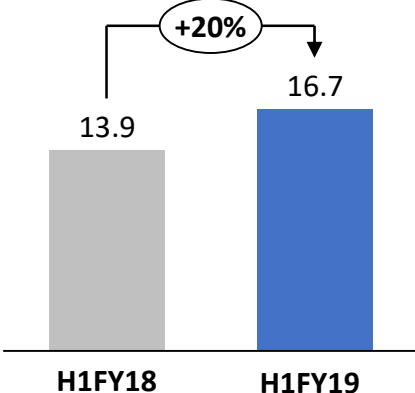


Standalone

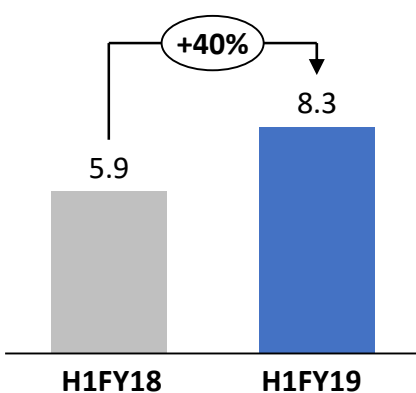
Revenue (Rs. Cr)

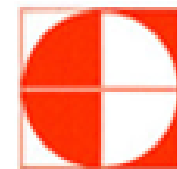


EBITDA (Rs. Cr)



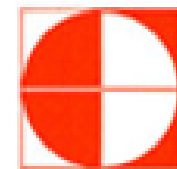
PAT After MI (Rs. Cr)





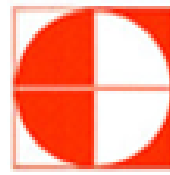
Profit & Loss

Rs. Crs	Consolidated			Standalone		
	H1FY19	H1FY18	YoY%	H1FY19	H1FY18	YoY%
Revenue	302.6	221.9	36%	88.3	72.0	23%
Cost of Goods Sold	178.8	132.4		21.6	17.0	
Gross Profit	123.8	89.6	38%	66.7	55.0	21%
Employee Expenses	40.6	32.2		25.3	20.9	
Other Expenses	56.5	45.2		24.7	20.1	
EBITDA	26.7	12.2	119%	16.7	13.9	20%
Margin (%)	8.8%	5.5%		18.9%	19.3%	
Other Income	2.6	2.3		1.9	1.6	
Interest	7.4	6.4		2.9	2.7	
Depreciation	6.5	5.9		3.8	3.7	
PBT	15.6	2.2	624%	11.8	9.2	29%
Tax	5.1	1.3		3.5	3.2	
PAT after Minority Interest	10.8	1.1	929%	8.3	5.9	40%
Cash PAT	17.3	6.9	149%	12.2	9.6	26%



Balance Sheet

Rs. Crs	Consolidated		Standalone	
	Sep-18	Mar-18	Sep-18	Mar-18
Shareholder's Fund	205.8	161.6	159.7	130.3
Share Capital	11.3	11.0	11.3	11.0
Reserves & Surplus	157.8	121.0	148.4	119.3
Non Controlling Interest	36.6	29.7		-
Non-current liabilities	60.9	49.4	41.0	35.4
Long Term borrowings	56.7	46.0	38.8	33.5
Long Term Provisions	4.2	3.4	2.3	1.9
Current liabilities	196.9	211.0	55.4	64.7
Short Term Borrowings	48.0	63.5	5.2	22.6
Other Financial Liabilities	41.1	47.8	24.1	23.6
Trade Payables	95.9	86.3	20.6	15.0
Other Current liabilities	10.2	12.5	3.8	2.8
Short Term Provisions	1.8	0.8	1.8	0.8
Total Liabilities	463.5	422.0	256.1	230.4
Non-current assets	141.4	132.4	158.0	153.3
Fixed Assets	116.2	107.8	90.1	84.0
Intangible Assets	1.0	0.8	0.8	0.6
Long Term loans and Advances	15.5	13.6	69.9	69.3
Other Non Current Assets	6.1	7.0	0.9	1.8
Deferred Tax Asset	2.5	3.2	-3.7	-2.3
Current assets	322.1	289.6	98.0	77.2
Inventories	214.5	201.2	28.8	27.1
Trade Receivables	38.0	32.6	33.3	28.6
Cash and Bank Balances	37.0	18.0	27.2	8.5
Short Term Loans and Advances	4.6	4.9	2.1	2.6
Other Current Assets	28.0	32.9	6.7	10.3
Total Assets	463.5	422.0	256.1	230.4



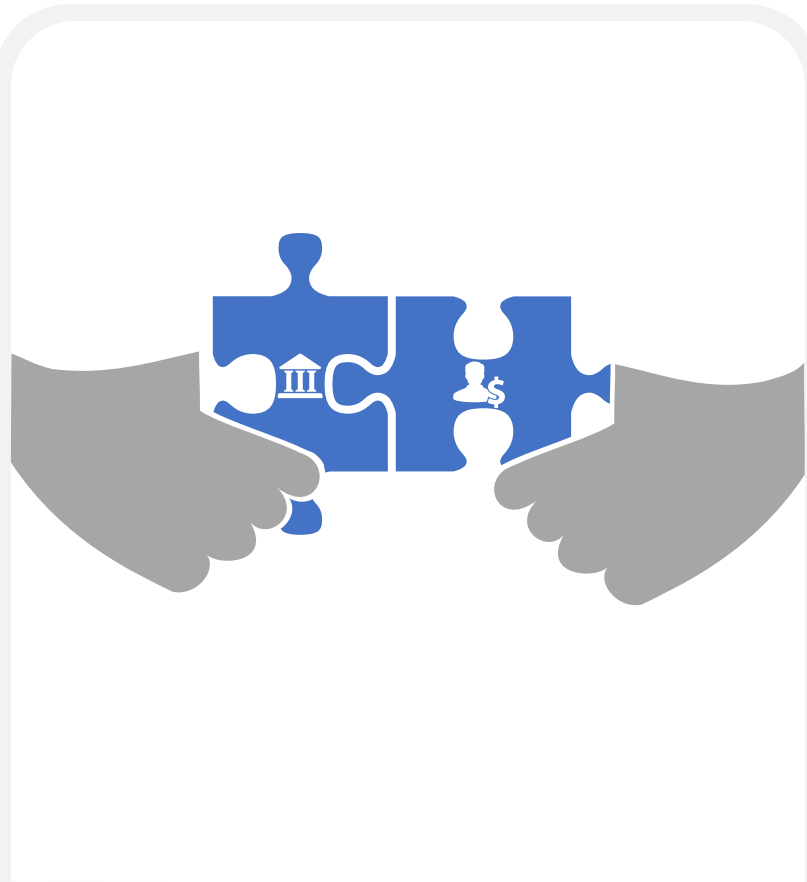
Fund Raising strengthening Businesses

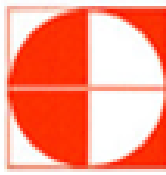
KDDL Fund Raise

- 1
 - Raised Rs. 20cr via Preferential Issue
 - Fund raise at a price of Rs. 480/- per equity share

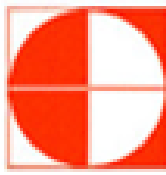
Ethos Fund Raise

- 2
 - Raised Rs. 24cr via Preferential Issue at pre-money valuation of Rs.480cr
 - 50% of amount to be received before 5th December 2018
 - Consolidated holding of KDDL reduces to 72.26% in Ethos





Manufacturing Business Overview



Watch Dials

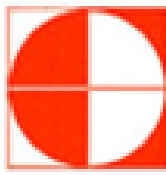
- Commercial operations began in 1983
- Leading Global supplier of Watch Dial serving many well-known brands all over the world
- Manufacturing facilities located at Parwanoo & Derabassi, near Chandigarh in India
- Capability to manufacture dials with high & complex features

Watch Hands

- Commercial operations began in 1996
- Only supplier in India and one of 5 independent manufacturers globally
- Manufacturing facilities located at Bengaluru
- Capability to manufacture hands with strict dimensional control

Value Proposition

- Deep Understanding of the Global Watch Industry
- Established relationships with Swiss Watch makers as well as Indian Watch makers
- Consistent Manufacturing on basis International Quality norms



Value Proposition

Eigen offers a full package of services, ranging from design and development to full scale production, providing customers with optimized supply chain solutions



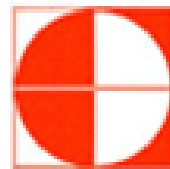
Capabilities

We address various segments such as Electrical, Electronics, Automobile, Telecommunications, medical equipment, Aerospace, Consumer Durables etc

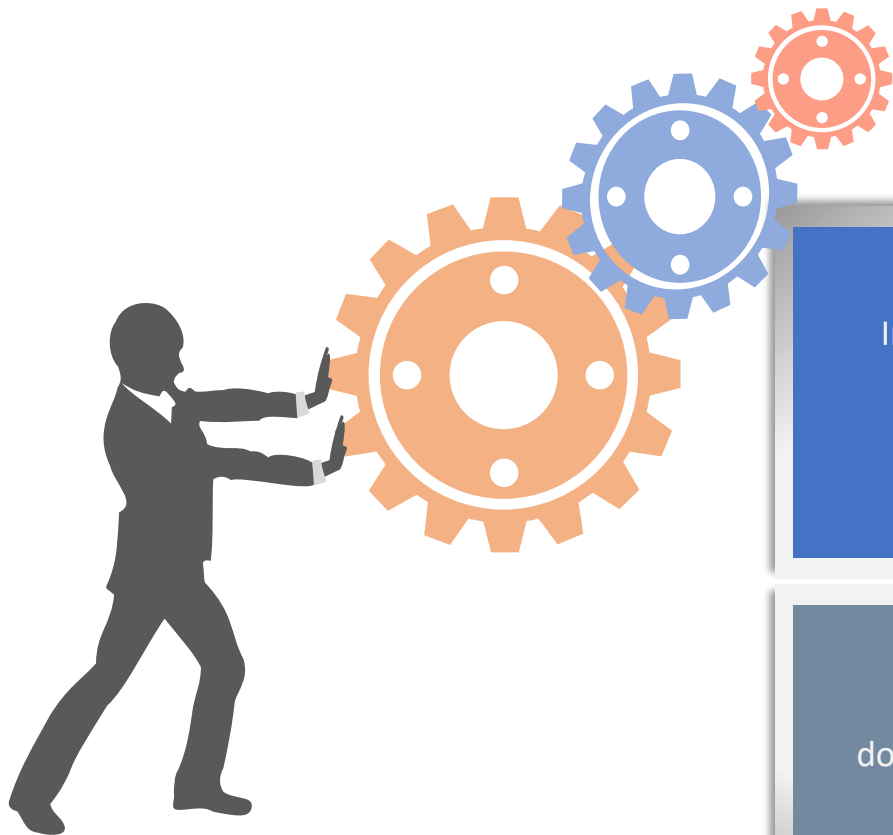


Customers

Enabling our customers to meet their design and production needs for over 12 years. We have some of the most well-known names in their industry as our esteemed customers



Precision Engineering Expansion



Investment

Invested Rs. 30 cr
over 2 years.
~2 acre land at
Bengaluru,
Karnataka

Production Capabilities

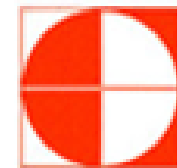
Injection Moulding,
Electroplating,
additional Stamping
capacity and Tool
Room upgrade

Margins

Strong RFQs
domestic & globally
to lead to high
margin

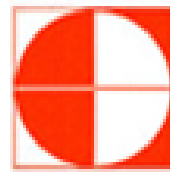
Clients

Automobiles,
Defence, Hitech
Engineering,
Aerospace,
Industrial
Components



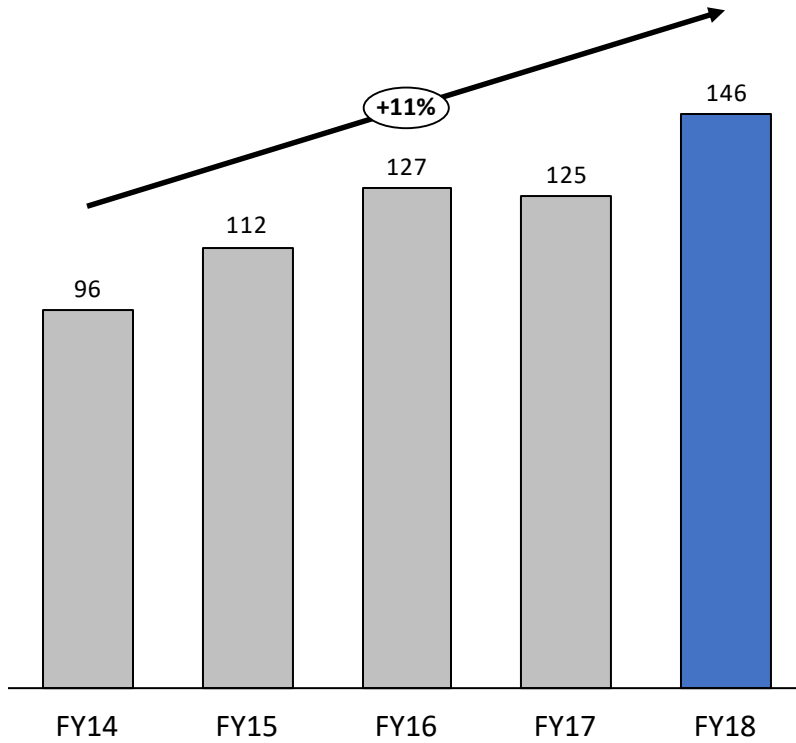
Manufacturing – Profit & Loss

Particulars (Rs. Crores)	Q2FY19	Q2FY18	YoY %	H1FY19	H1FY18	YoY%	FY18
Revenue	44.1	39.6	11%	88.3	72.0	23%	145.8
Cost of Goods Sold	10.8	10.7		21.6	17.0		33.7
Gross Profit	33.3	28.9	15%	66.7	55.0	21%	112.2
Employee Expenses	12.6	10.5		25.3	20.9		42.7
Other Expenses	12.3	10.6		24.7	20.1		42.1
Reported EBITDA	8.5	7.9	8%	16.7	13.9	20%	27.4
Margin (%)	19.2%	19.9%		18.9%	19.3%		18.8%
Other Income	1.3	0.5		1.9	1.6		4.8
Interest	1.5	1.3		2.9	2.7		4.8
Depreciation	1.9	1.8		3.8	3.7		7.4
PBT	6.3	5.3	20%	11.8	9.2	29%	20.0
Tax	1.9	1.8		3.5	3.2		5.9
PAT	4.5	3.4	30%	8.3	5.9	40%	14.1
Cash PAT	6.4	5.2	22%	12.2	9.6	26%	21.5

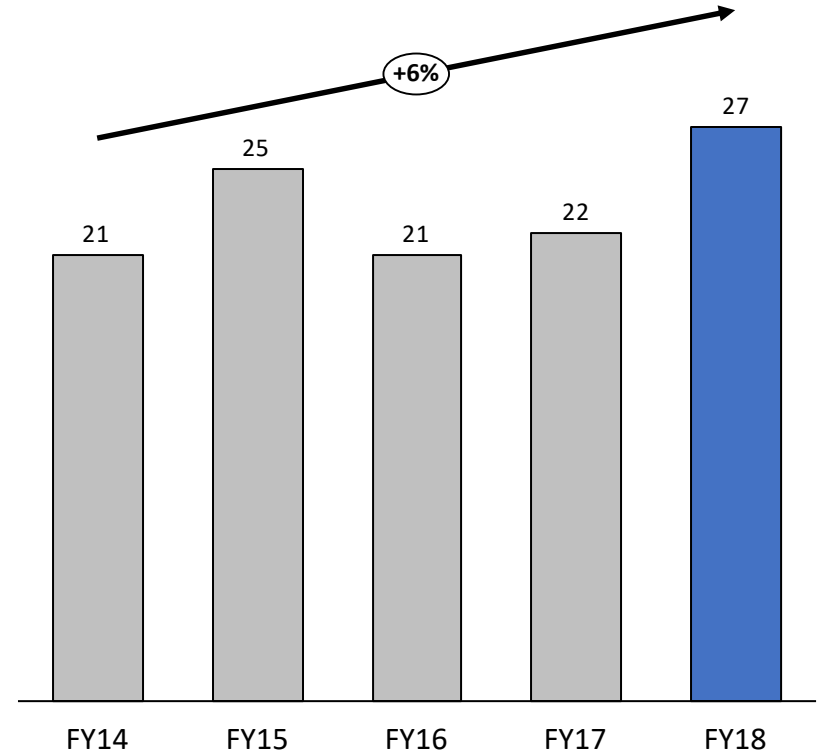


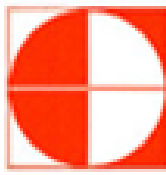
Stable Manufacturing Performance

Revenue (Rs. Crs)

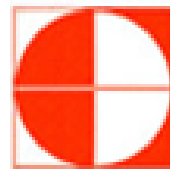


EBITDA (Rs. Crs)





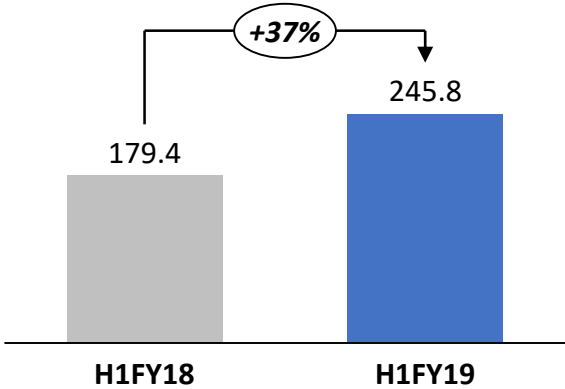
Ethos Overview & Performance



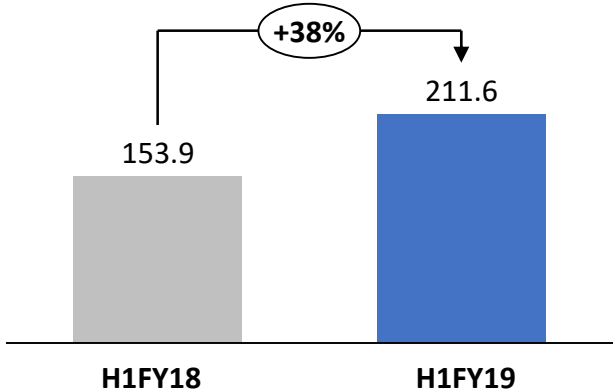
Strong Performance Continues

H1FY19 vs H1FY18

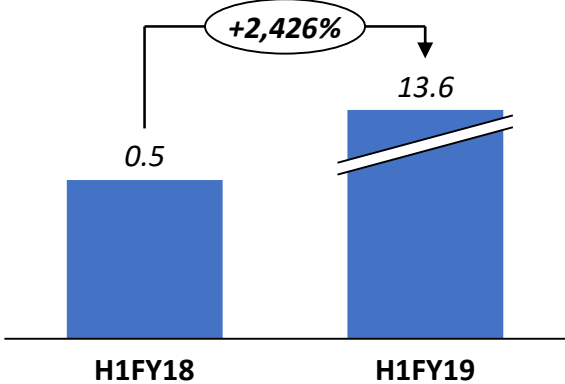
Billings (Rs. Cr)



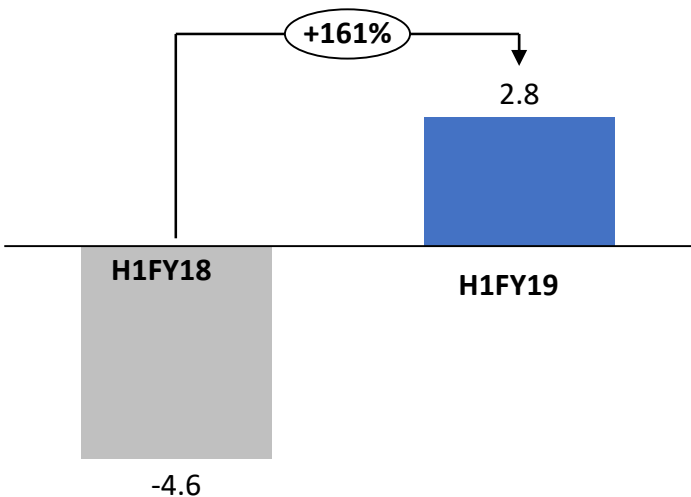
Revenue (Rs. Cr)

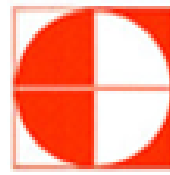


Normalized EBITDA (Rs. Cr)



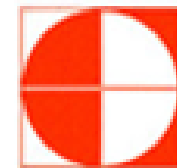
PAT (Rs. Cr)





Ethos – Reconciliation to Normalised EBITDA

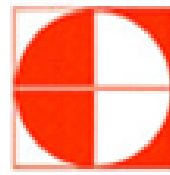
Particulars (Rs. Crores)	H1FY19	H1FY18
Revenue	211.6	153.9
Cost of Goods Sold	156.3	119.8
Employee Expenses	14.4	10.7
Other Expenses	27.3	22.8
Normalized EBITDA	13.6	0.5
Normalized EBITDA %	6.4%	0.4%
Forex Items	2.3	1.4
Credits written off	-	0.6
Provision for Legal case	1.0	-
Reported EBITDA #	10.4	-1.4



Ethos – Profit & Loss

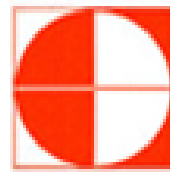
Particulars (Rs. Crores)	Q2FY19	Q2FY18	YoY %	H1FY19	H1FY18	YoY %	FY18
Revenue	110.9	54.8	102%	211.6	153.9	38%	357.7
Cost of Goods Sold	83.0	39.5		156.3	119.8		271.8
Gross Profit	27.8	15.3	82%	55.3	34.1	62%	86.0
Employee Expenses	7.4	5.4		14.4	10.7		22.6
Other Expenses#	15.3	11.5		30.6	24.7		47.5
Reported EBITDA	5.0	-1.6	414%	10.4	-1.4	854%	15.8
Margin (%)	4.5%	-2.9%		4.9%	-0.9%		4.4%
Other Income	0.0	0.0		0.1	0.0		0.1
Interest	2.0	1.7		3.9	3.5		6.6
Depreciation	1.1	1.0		2.2	1.8		4.1
PBT	2.0	-4.2	147%	4.3	-6.6	165%	5.3
Tax	0.7	-1.3		1.5	-2.0		1.2
PAT	1.3	-3.0	144%	2.8	-4.6	161%	4.0
Cash PAT	2.4	-2.0	219%	5.0	-2.8	280%	8.1

Certain costs were upfronted in H1FY19 and are non-recurring in nature

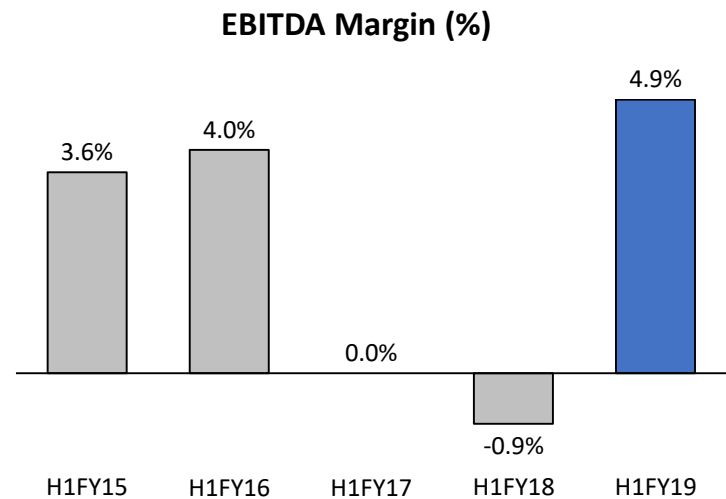
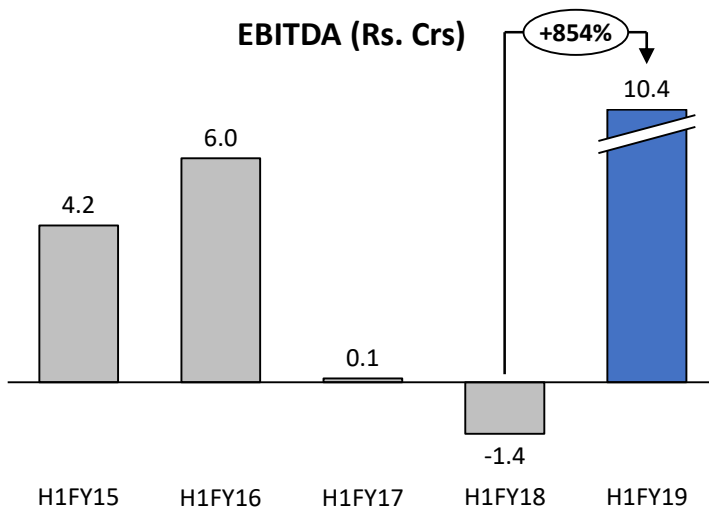
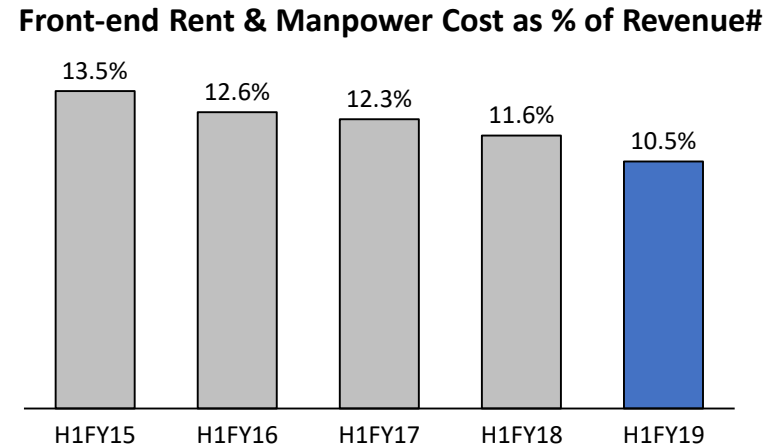
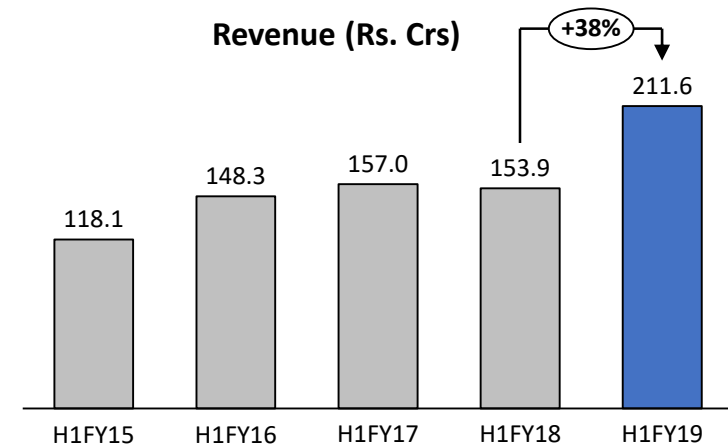


Ethos - Balance Sheet as per IND-AS

Rs. Crs	Sep-18	Sep-17
Shareholder's Fund	106	67
Share Capital	16	14
Reserves & Surplus	90	53
Non-current liabilities	13	13
Long Term borrowings	12	12
Long Term Provisions	2	1
Current liabilities	147	156
Short Term Borrowings	43	50
Trade Payables	81	90
Other Current liabilities	24	15
Short Term Provisions	0	0
Total Liabilities	267	236
Non-current assets	43	37
Fixed Assets	19	12
Long Term loans and Advances	14	12
Other Non Current Assets	6	6
Deferred Tax Asset	5	7
Current assets	223	199
Inventories	183	156
Trade Receivables	7	13
Cash and Bank Balances	9	7
Short Term Loans and Advances	4	3
Other Current Assets	21	19
Total Assets	267	236

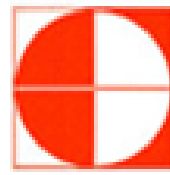


Ethos - Performance Trend*



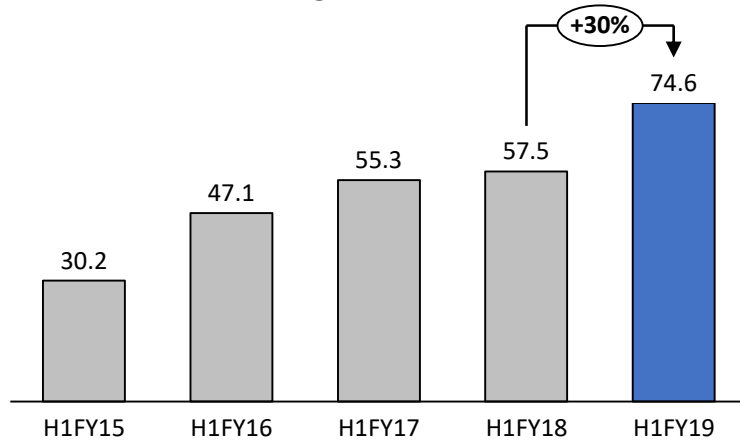
*FY18 and FY19 financials are as per IND AS

Certain costs were upfronted in H1FY19 and are non-recurring in nature

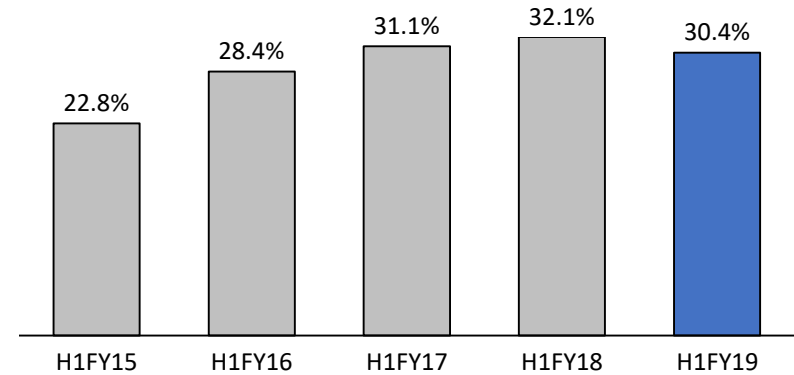


Ethos - Online Sales Trend

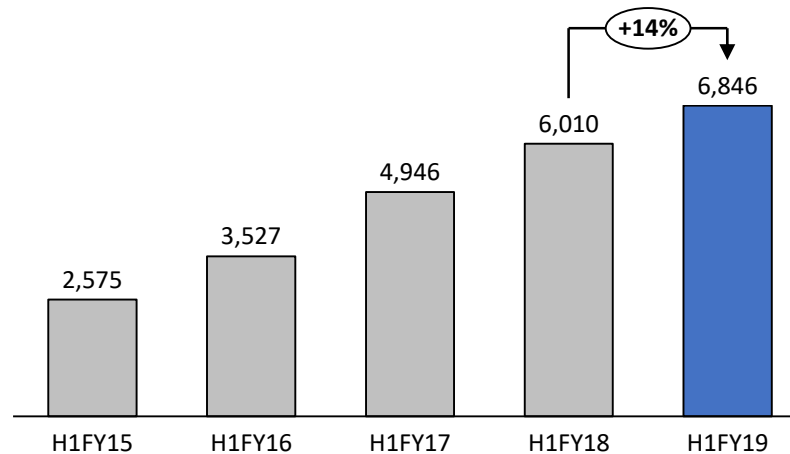
Online Billing (Rs. Crs)

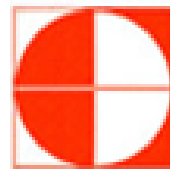


Online – as % of Total Billing



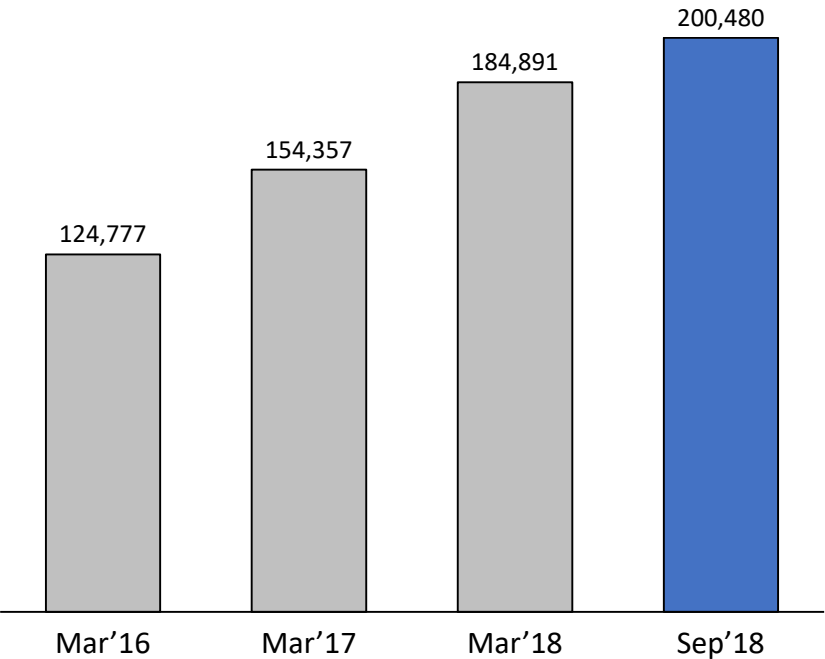
Visitors on website ('000)



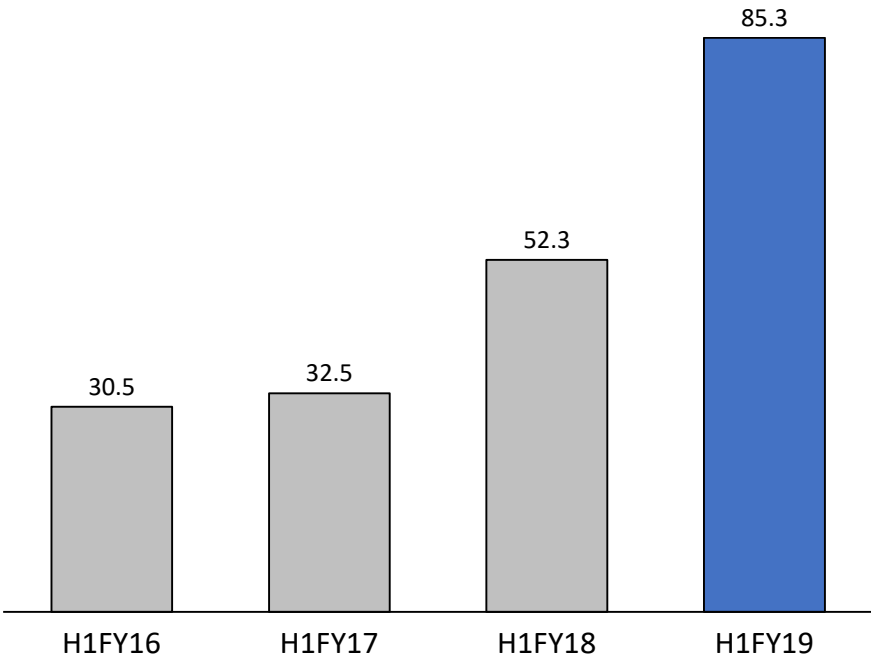


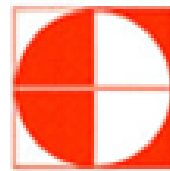
Ethos - Repeat Sales Trend

Club ECHO – Member Base



Repeat Billings (Rs. Crs)





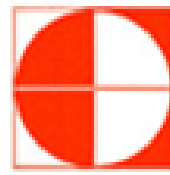
New Store Opening in Chennai

Oris Boutique, Palladium Mall, Chennai

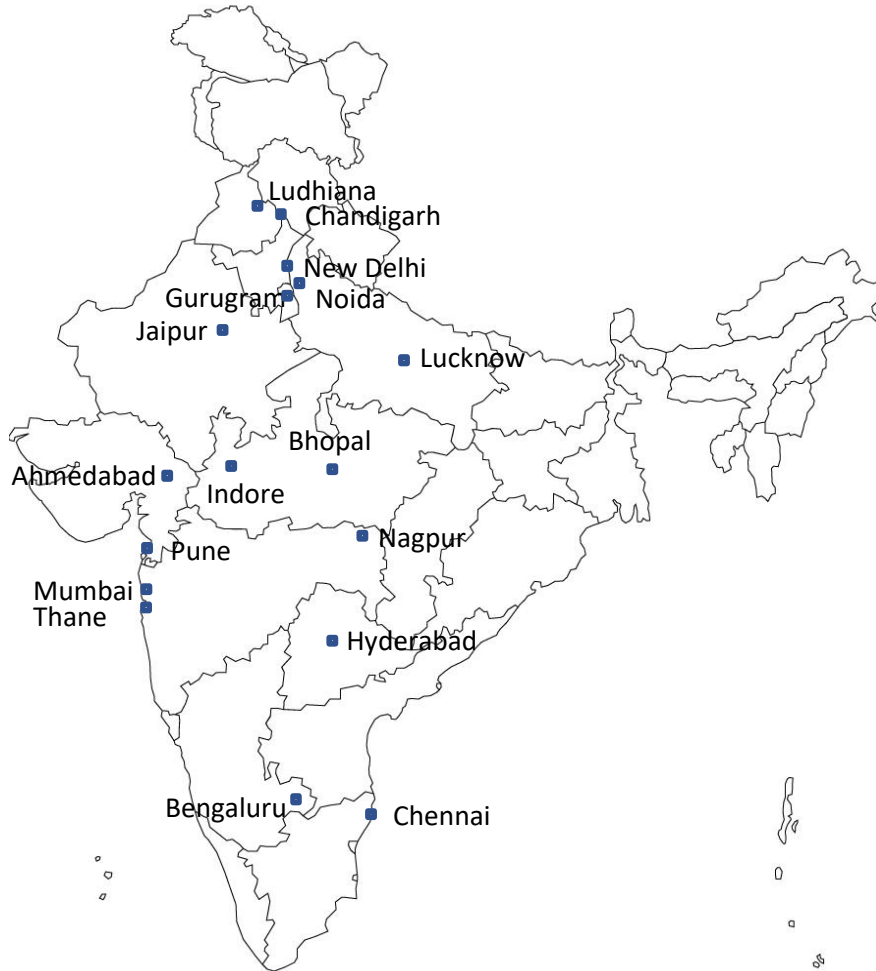


Multi Brand Boutique, Palladium Mall, Chennai





Pan-India Presence with Offline Store Network



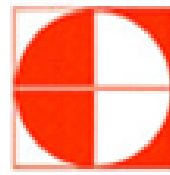
India's Largest retail chain of Luxury Watches with 46 stores

Presence across Metros, Tier I, Tier II cities

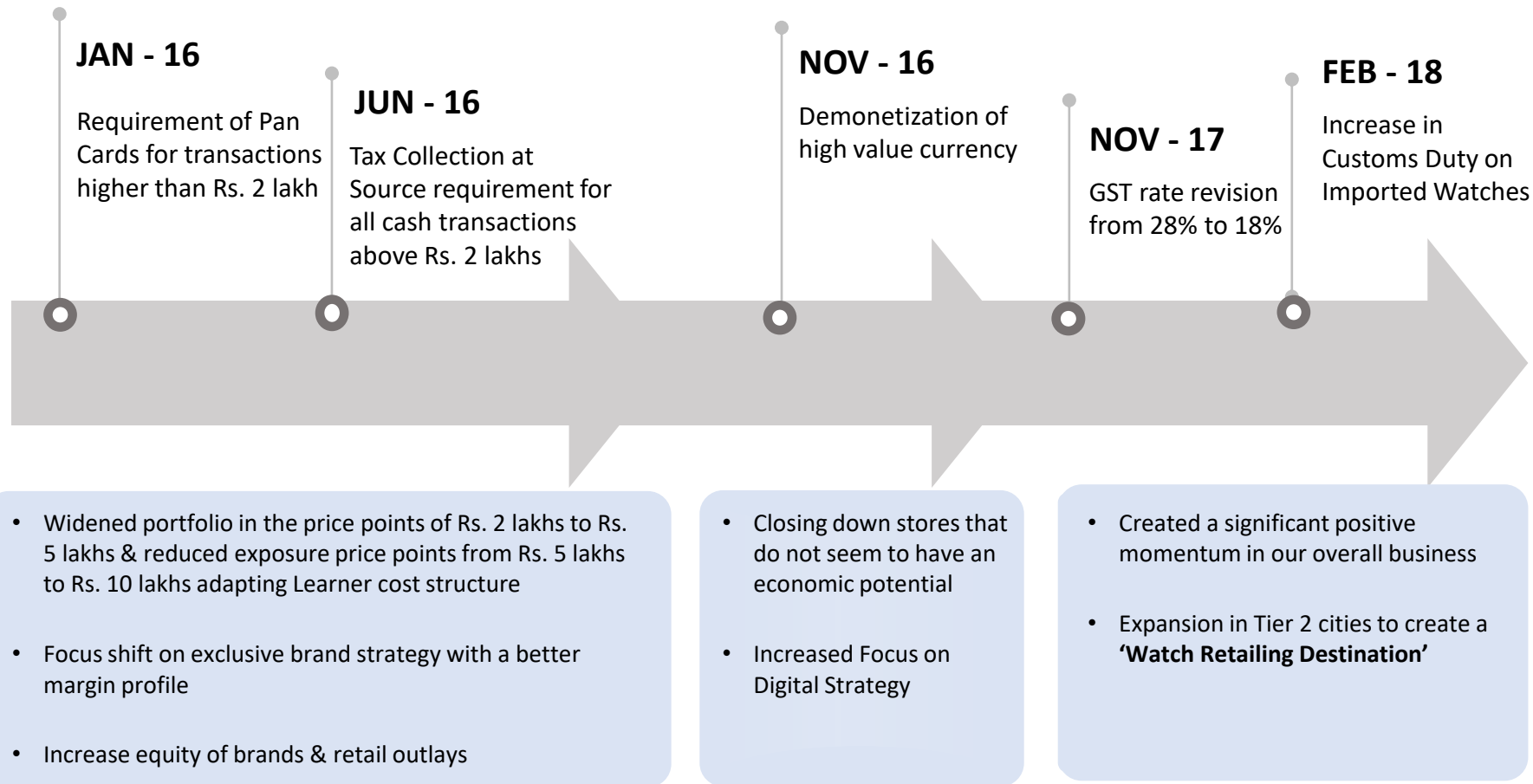
1 Duty Paid Retail Outlet at Domestic Terminals

2 Duty Free Retail Outlets at International Terminals

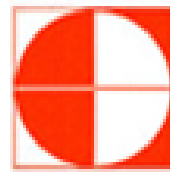
Store Selection Criteria :
Reputed /Pedigree Mall at Premium location where other Premium brands present and having better facility management



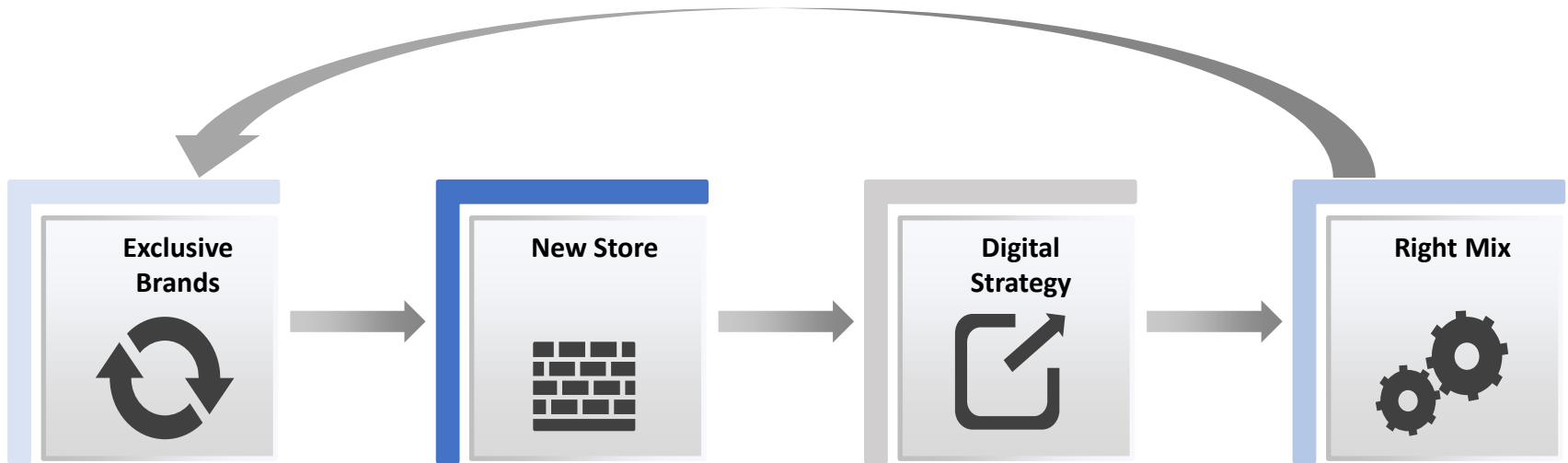
Regulatory Headwinds of the Past...



...led to strengthening Ethos Business Model with strategic approach, resulting in growth & improving profitability...



thus validating our Business Strategy

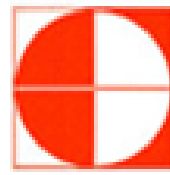


- Higher share of Business from Exclusive Brands

- Targeting to open new stores in Tier 2 cities
- Ethos stores will be a 1 stop destination for watches

- Leverage on our Digital platform to drive sales and customers
- Digital strategy to lead to cost optimization and margin growth

- Targeting to have a right mix of Brands at all price points leading to faster churn in Inventory and increasing profitability



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.



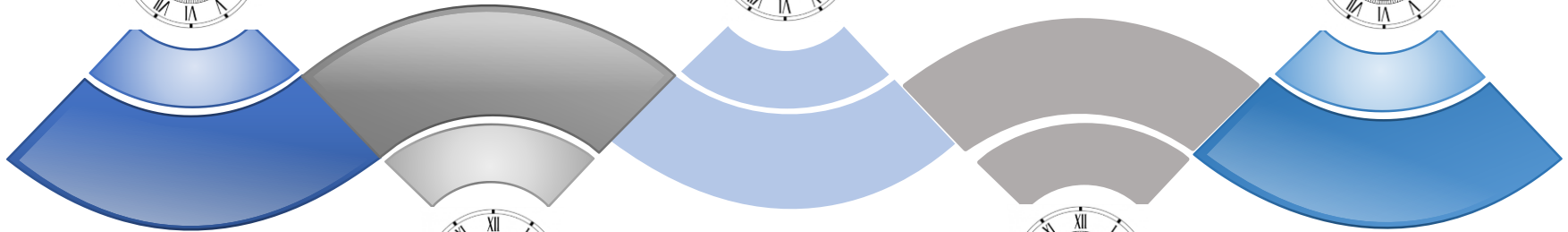
One-stop shop

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

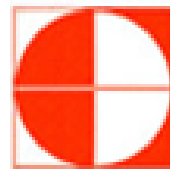
Ethos makes Swiss Watches 'Available Online' in a confluence of Online-Offline model helping us to leverage the strength of Swiss Watch Brands and our wide Distribution Reach



Trust

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





With an Asset Light Model...

Improve Return On Capital Employed

**Operating Leverage
Playing Out**

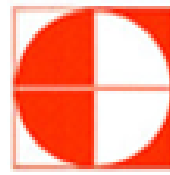
Reduce Front-End Cost like Manpower and Rental expenses

**Maximize
Reach**

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

Minimize Investment

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



and Continued Investments in Advertising...

Print Ads in leading newspapers...



CORUM
CRAFT YOUR DREAM



Golden Bridge
RECTANGLE

Case and microstructure in 18K rose gold.
Sapphire crystal caseback movement in 18K gold.
corum-watches.com



EXPERIENCE
THE WORLD OF
ROLEX IN OUR
NEW BOUTIQUE.

The new Rolex boutique offers the ultimate Rolex experience. It will provide you with the most diverse selection of Rolex watches and generate satisfaction, meeting the highest standard of quality.

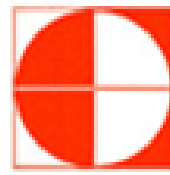
Discover our new boutique at 21-23, The Cheong Chee, Cheong Chee, New Delhi.



WATCH HONESTY. CAREFULLY.

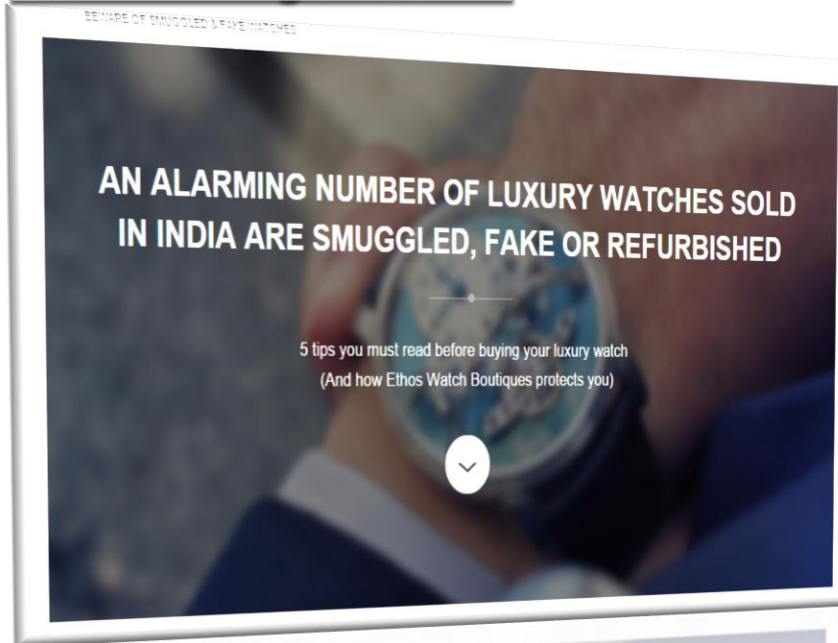


... with **ETHOS** co-branding



and TRUST CAMPAIGN across channels...

Online through website



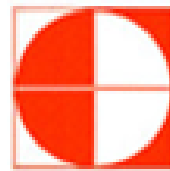
Offline through Print



... to Educate consumers about Watches

... to Create Awareness about unscrupulous activities

... To Reinforce our "ETHOS"



to emerge as India's Largest Swiss Watch Retailer...



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

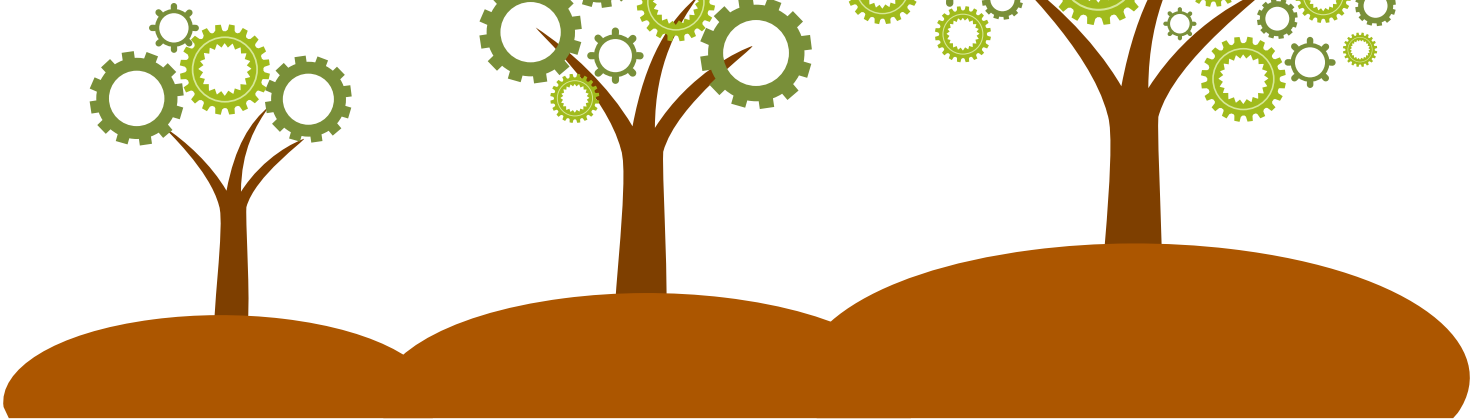
ēthos
WATCH BOUTIQUES

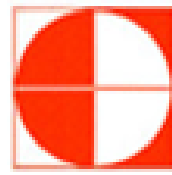
**Forayed in Watch
Retailing**



KDDL Limited

**Started as a Watch
Components Manufacturer**





Offering the best Watch Brands under one roof

NOMOS
GLASHÜTTE

GRAHAM
WATCHMAKERS SINCE 1695

TISSOT
Swiss Watches since 1853

FAVRE-LEUBA

VICTORINOX

ROLEX

ARMANI EXCHANGE

BAUME & MERCIER
MAISON D'HORLOGERIE GENEVE 1830

HUBLOT

BREITLING
1884

PANERAI

JAEGER-LECOULTRE

ORIS
Swiss Made Watches
Since 1904

FOSSIL

CARL F. BUCHERER

RAYMOND WEIL
GENEVE

FOSSIL
EST. USA

OMEGA

MOVADO

CORUM

MEISTERSINGER

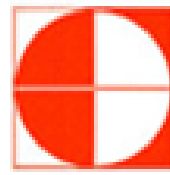
RADO
SWITZERLAND

TAG Heuer

LONGINES

Daniel Wellington

BVLGARI



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ēthos
WATCH BOUTIQUES

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