

Ref. no. : Ethos/Secretarial/2023-24/78

Dated: November 15, 2023

**BSE Limited**  
**Phiroze Jeejeebhoy Towers,**  
**Dalal Street, Mumbai – 400 001**

**National Stock Exchange of India Limited**  
**Exchange Plaza, C-1, Block G,**  
**Bandra Kurla Complex, Bandra,**  
**Mumbai - 400 051**

**Scrip Code : 543532**

**Trading symbol : ETHOSLTD**

**ISIN : INE04TZ01018**

**Subject : Investor Presentation**

Dear Sir/Ma'am

Greetings from Ethos.

We are enclosing herewith the **Investor Presentation**, to be used by the Company for the Earnings Call scheduled on **Thursday, November 16, 2023 at 3:00 p.m. IST** to discuss operational and financial performance of the Company for the quarter and half year ended September 30, 2023.

We would request you to please take the same in your records and oblige.

Thanking you

Yours truly  
For **Ethos Limited**



**Anil Kumar**  
**Company Secretary & Compliance Officer**  
**Membership no. F8023**

**Encl.: as above**

— ETHOS LIMITED —

Registered Office:  
Plot No. 3, Sector III, Parwanoo,  
Himachal Pradesh - 173220, India

Corporate Office:  
Kamla Centre, S.C.O. 88-89, Sector 8-C,  
Chandigarh - 160009, India

Head Office:  
Global Gateway Towers A, 1st Floor, MG Road,  
Sector 26, Gurugram, Haryana - 122002, India

# Ethos Limited

Investor Presentation

Q2 & H1 FY24 | November 2023

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## ***“Remain upbeat on Indian Luxury Market”***

**Revenue**

***Rs. 235.2 cr***

**▲ 32%**

**EBITDA**

***Rs. 41.5 cr***

**▲ 40%**

**PAT**

***Rs. 18.6 cr***

**▲ 37%**

**Strong growth across markets and segments**

**Second hand segment witnessed 34.2%  
growth**

**Added 4 exclusive brands during the quarter**

**Opened India’s First LVMH Brand Portfolio  
Boutique store ‘RIMOWA’**

**QIP of Rs. 175 cr to strengthen the Balance  
Sheet and invest in the recently acquired brand**



**Mr Yashovardhan Saboo  
Chairman and Managing Director**



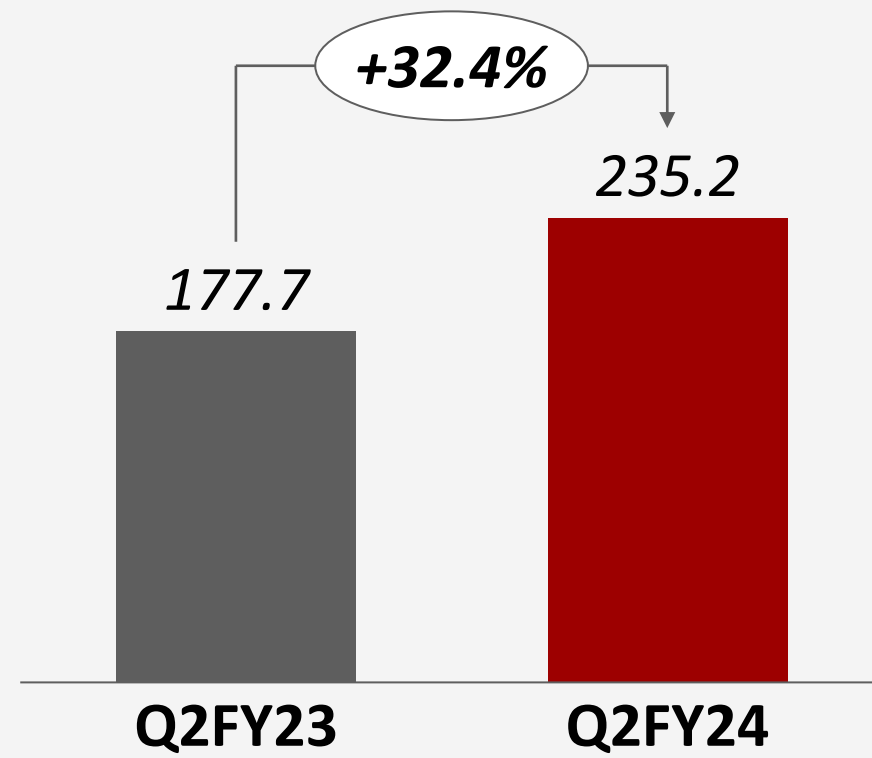




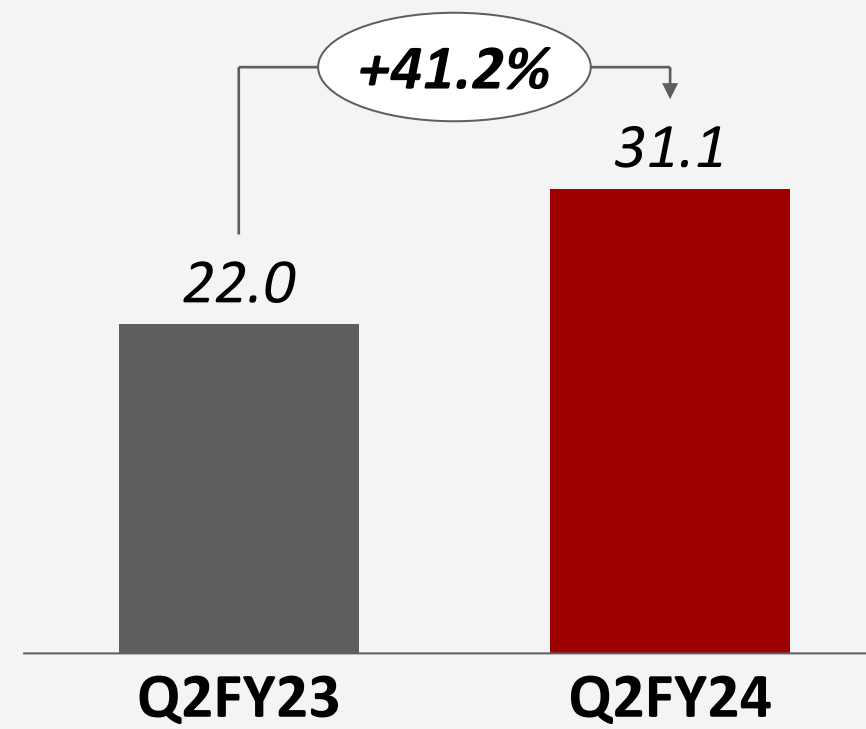
All Figures in Rs. Crs.

**Q2FY24**

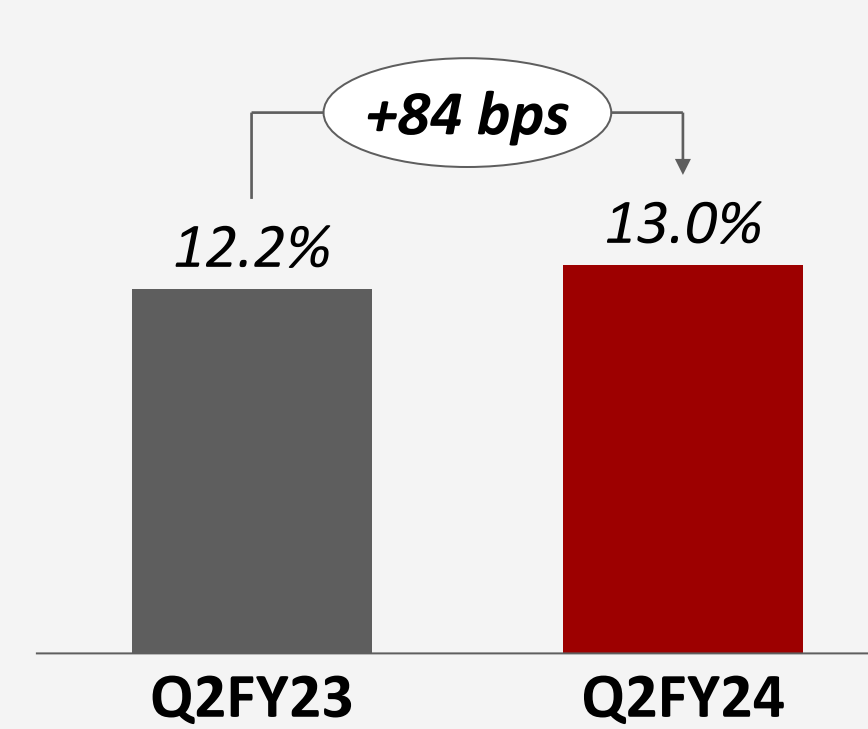
Revenue from operations



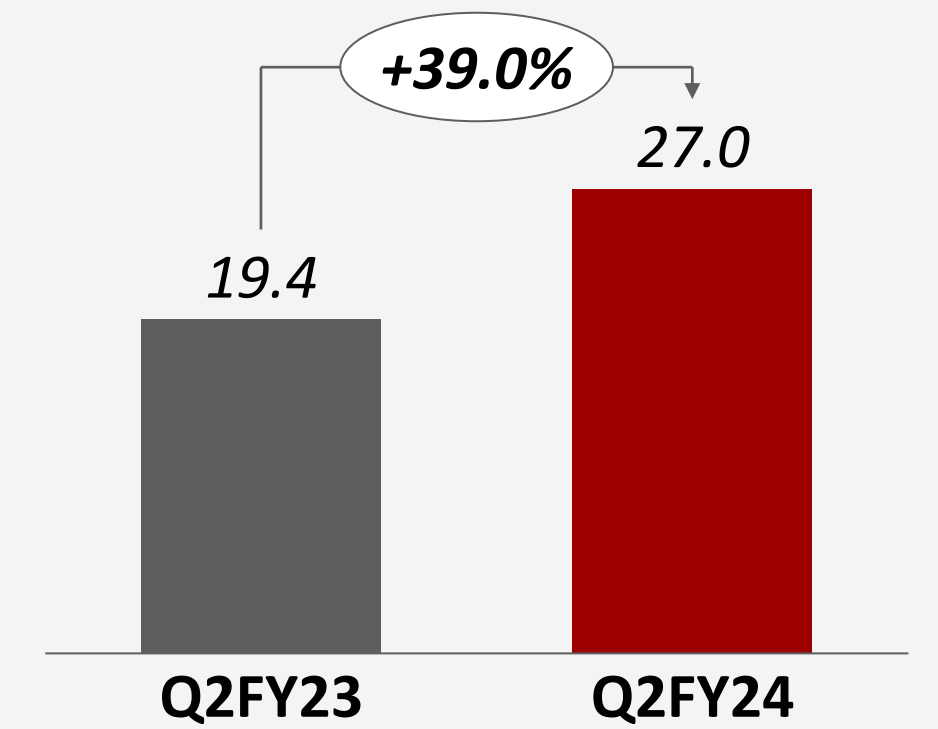
EBITDA



EBITDA Margin

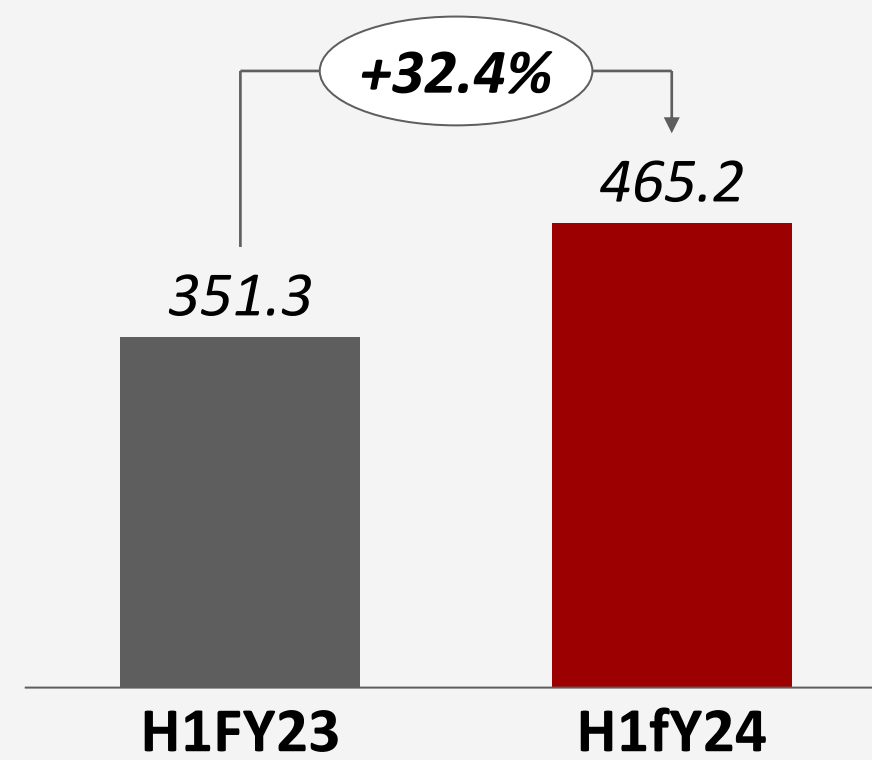


PBT

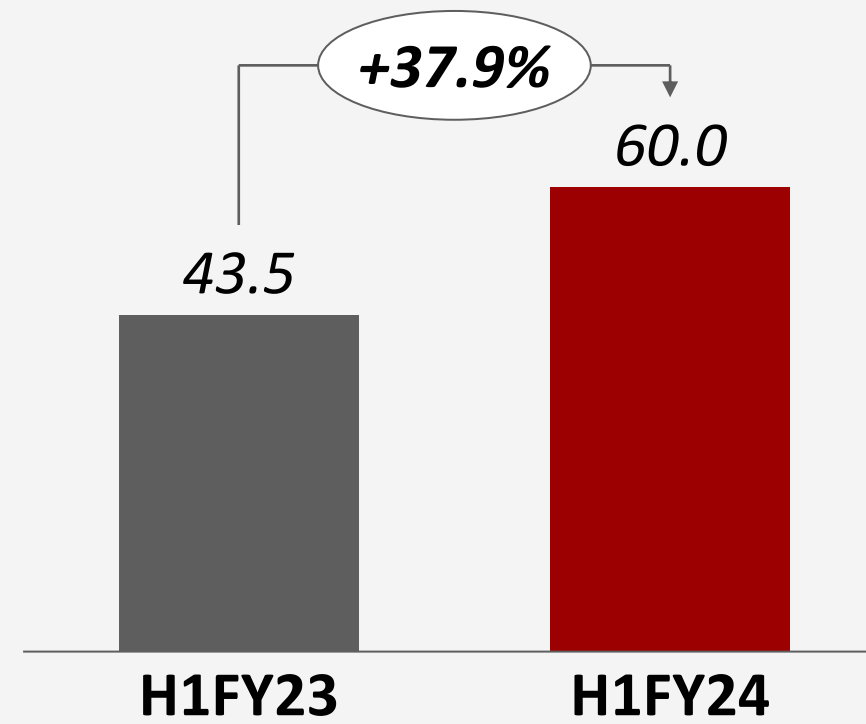


**H1FY24**

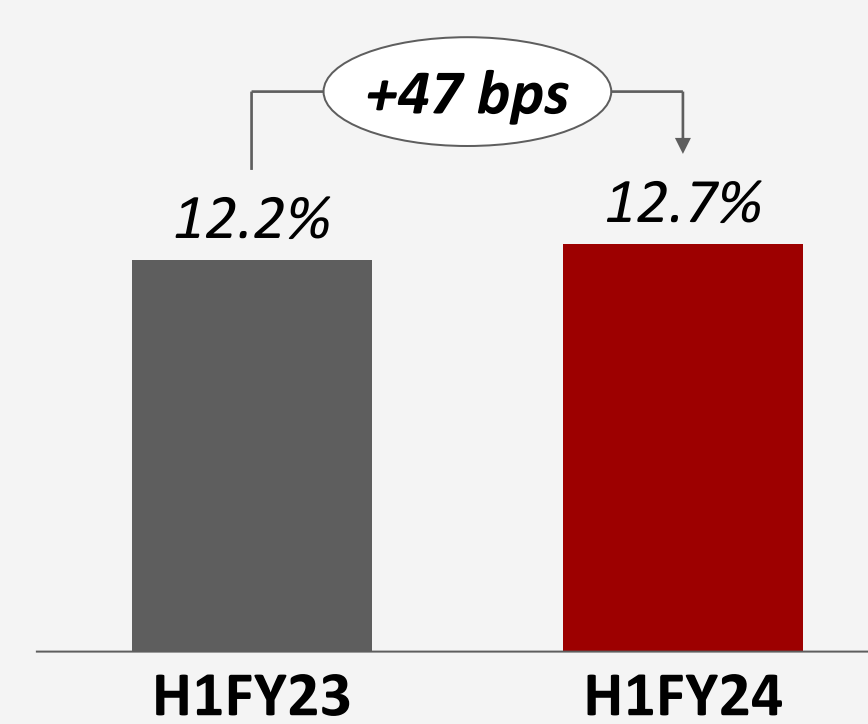
Revenue from operations



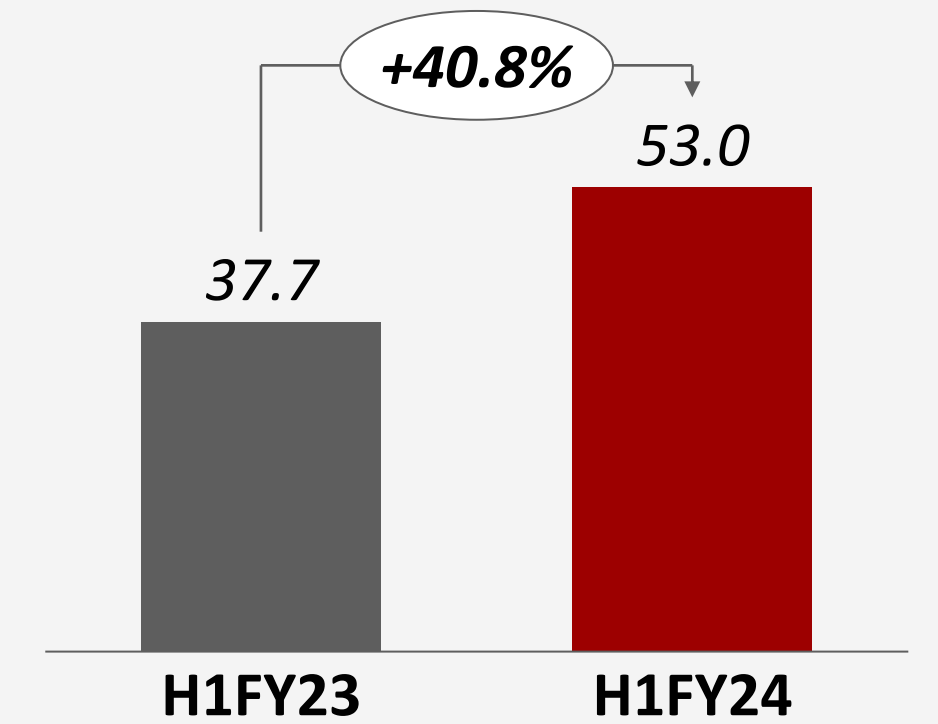
EBITDA



EBITDA Margin



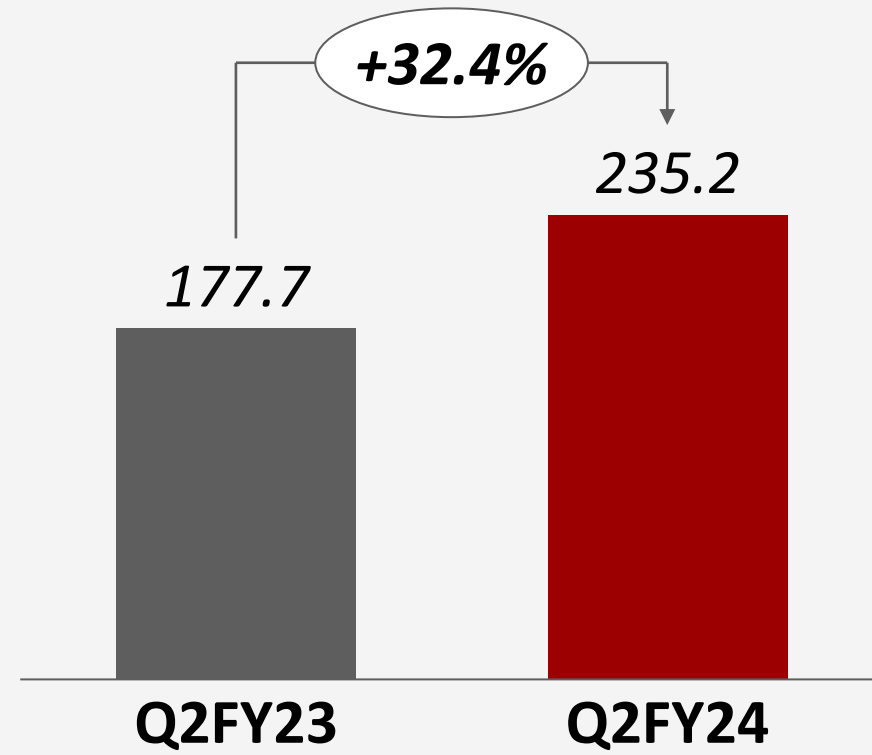
PAT



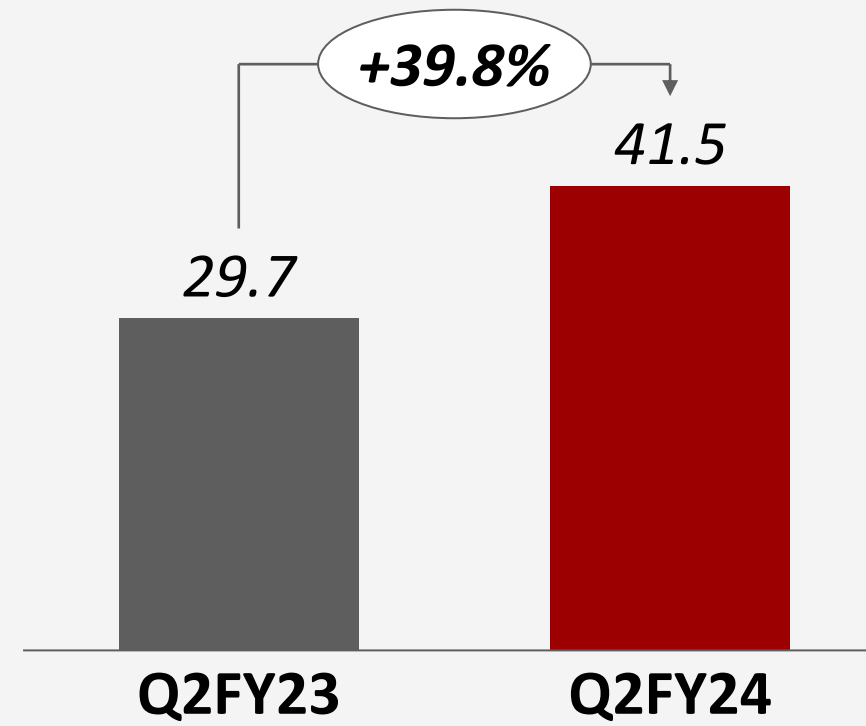
All Figures in Rs. Crs.

**Q2FY24**

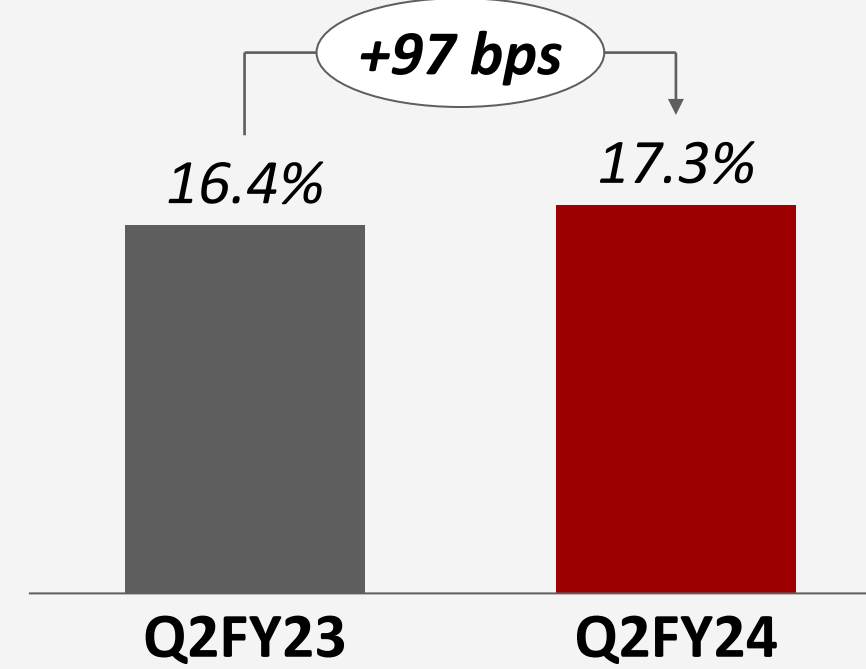
Revenue from operations



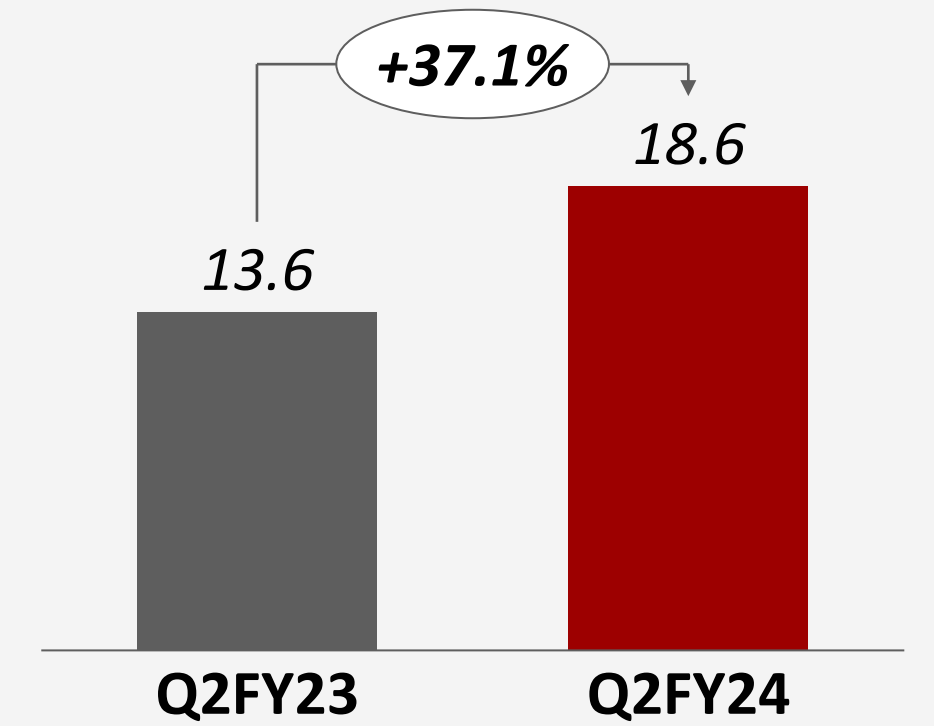
EBITDA



EBITDA Margin

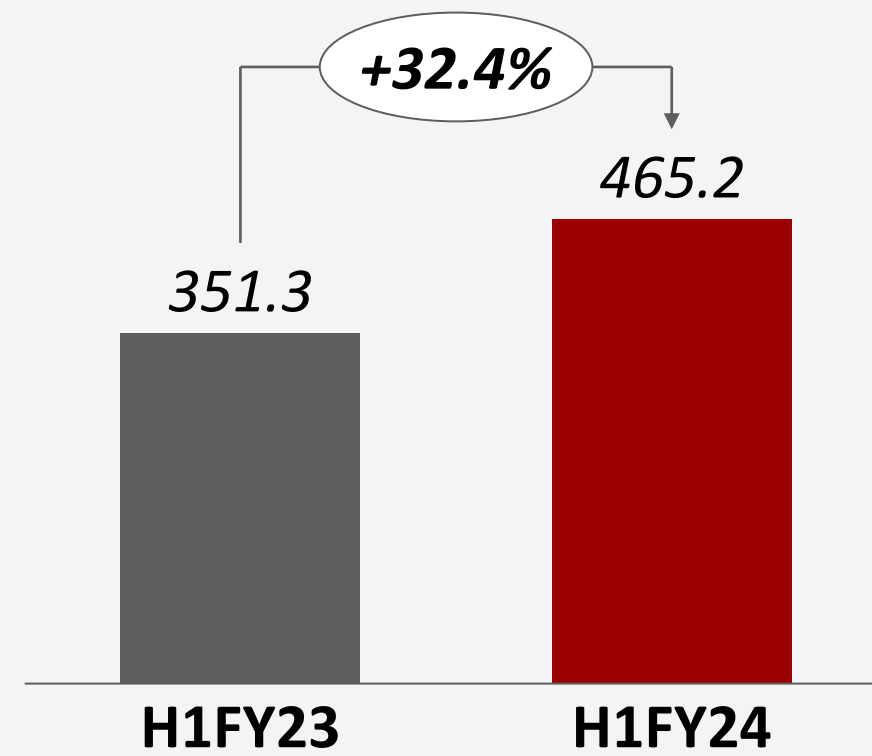


PAT

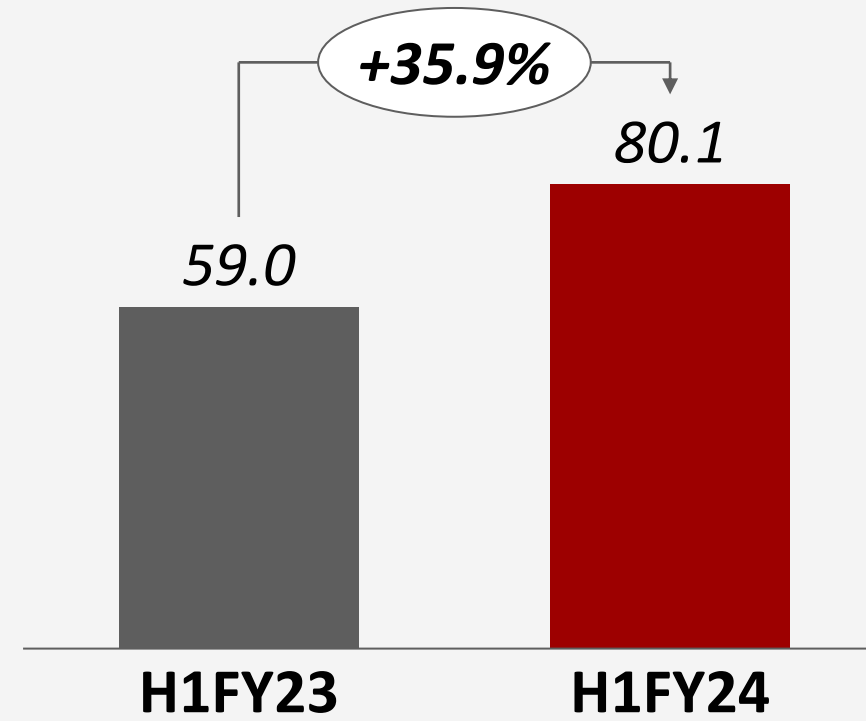


**H1FY24**

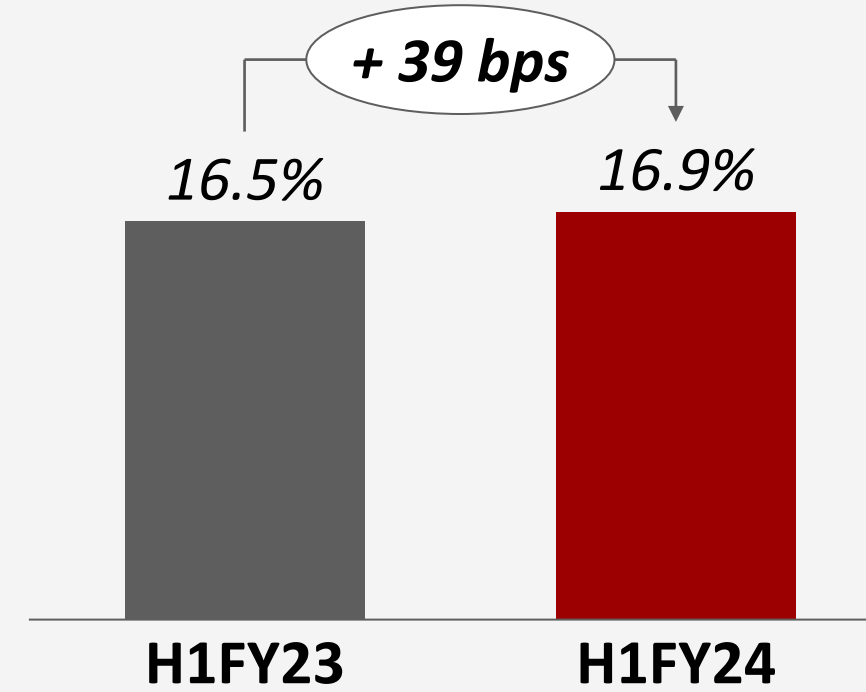
Revenue from operations



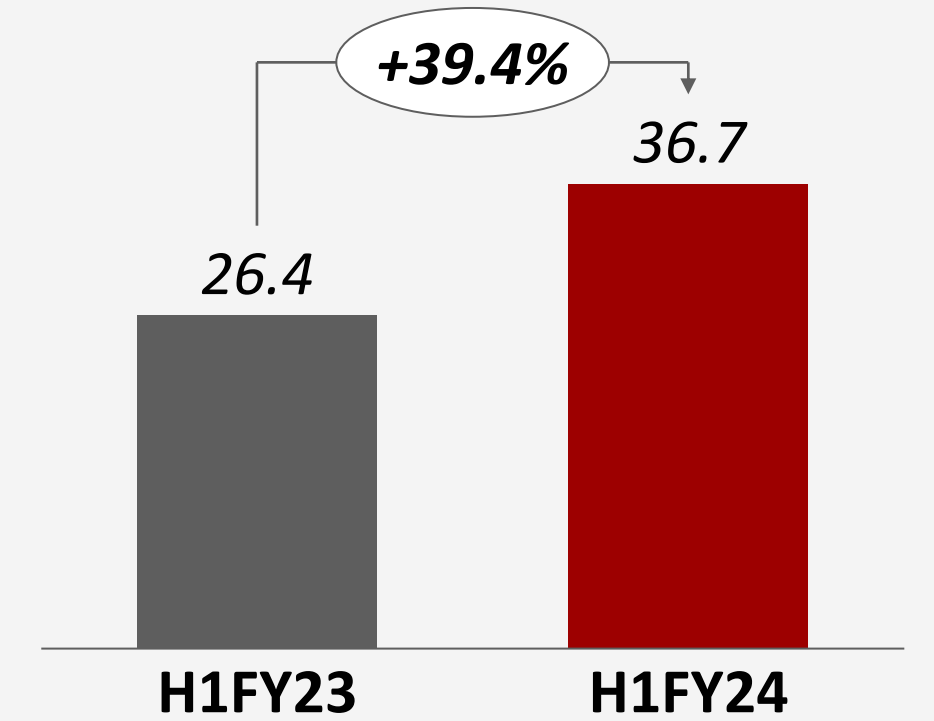
EBITDA



EBITDA Margin



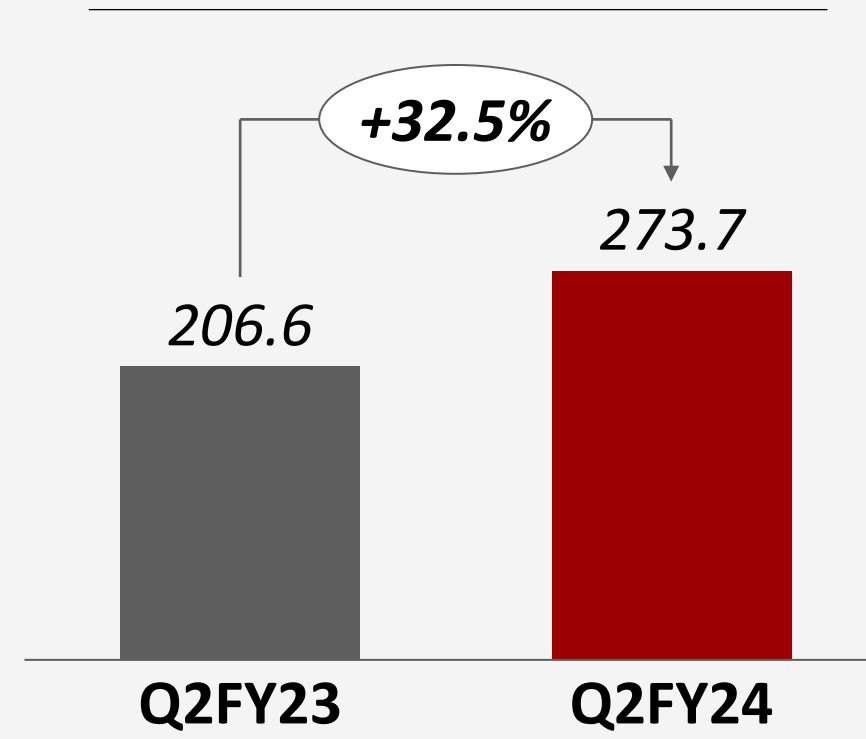
PAT



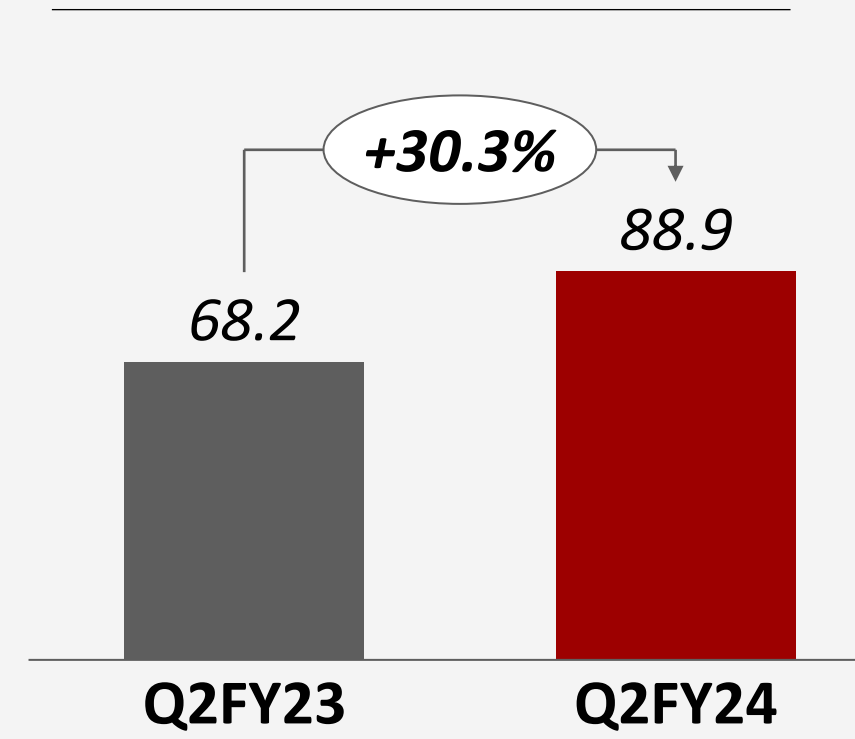
All Figures in Rs. Crs. Except for online visitor shown in '000

**Q2FY24**

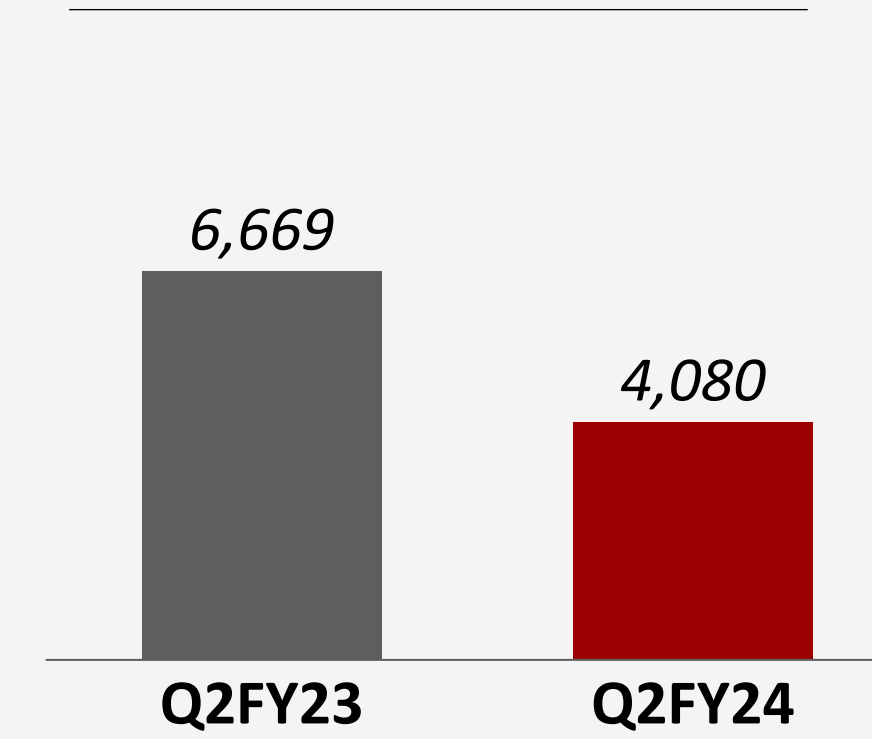
Total Billings



Online Billings

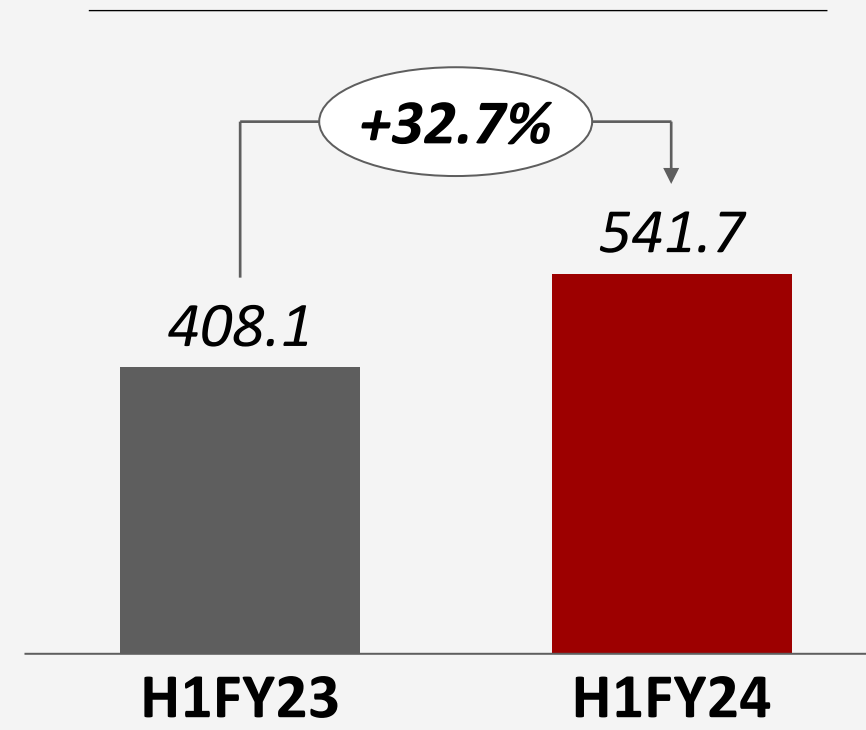


Online Visitors

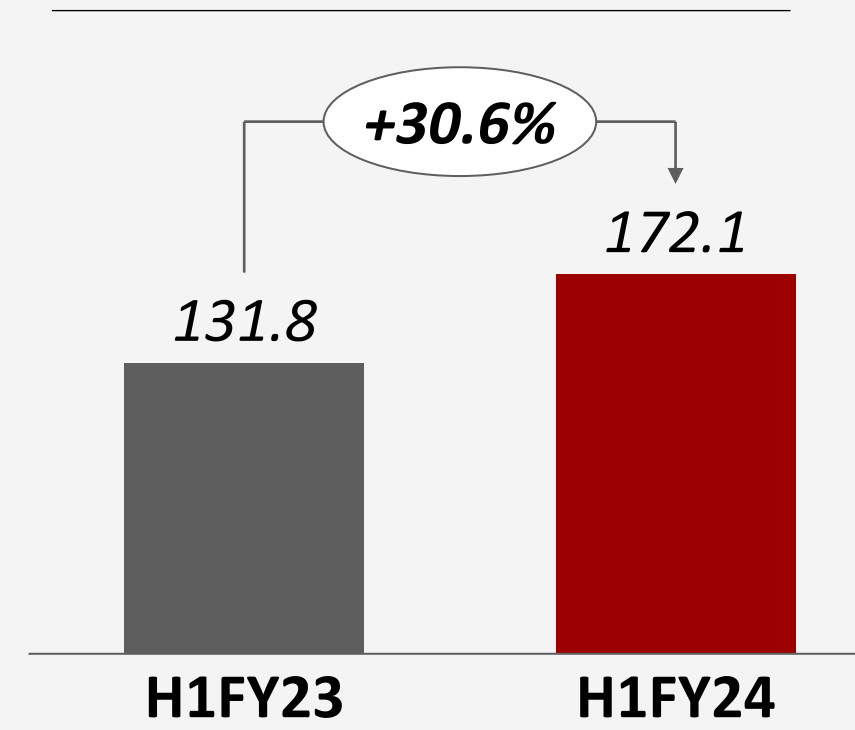


**H1FY24**

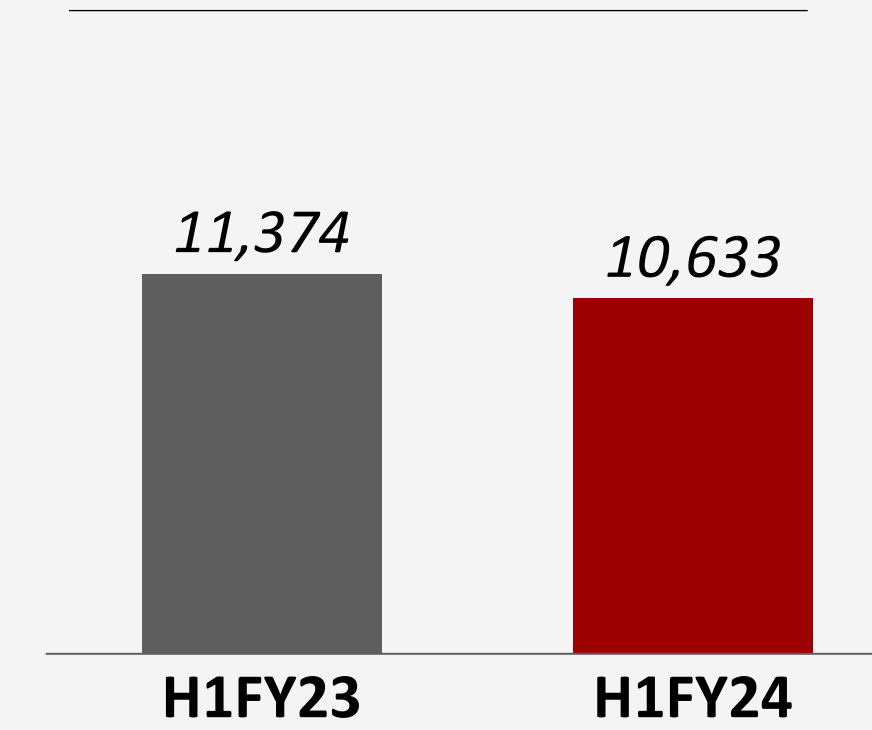
Total Billings



Online Billings



Online Visitors



Profit and Loss (in Rs. Crs)	Q2FY24	Q2FY23	YoY	Q1FY24	QoQ	H1FY24	H1FY23	YoY	FY23
<b>Revenue from Operations</b>	<b>235.2</b>	<b>177.7</b>	<b>32%</b>	<b>230.0</b>	<b>2%</b>	<b>465.2</b>	<b>351.3</b>	<b>32%</b>	<b>788.5</b>
Other Income	4.2	3.6		4.7		8.9	5.8		14.3
<b>Total Income</b>	<b>239.4</b>	<b>181.4</b>		<b>234.7</b>		<b>474.1</b>	<b>357.1</b>		<b>802.8</b>
Cost of Goods Sold	161.8	120.4		160.2		322.0	239.3		544.4
<b>Gross Profit (Revenue from operations - COGS)</b>	<b>73.4</b>	<b>57.3</b>	<b>28%</b>	<b>69.8</b>	<b>5%</b>	<b>143.2</b>	<b>112.0</b>	<b>28%</b>	<b>244.1</b>
<b>Gross Profit Margin</b>	<b>31.2%</b>	<b>32.2%</b>		<b>30.3%</b>		<b>30.8%</b>	<b>31.9%</b>		<b>31.0%</b>
Employee Cost	17.3	12.2		17.4		34.6	24.6		52.7
Other Expenses	29.2	26.6		28.2		57.4	49.7		109.0
<b>Normalized EBITDA including other income</b>	<b>31.1</b>	<b>22.2</b>	<b>41%</b>	<b>28.9</b>	<b>8%</b>	<b>60.1</b>	<b>43.5</b>	<b>38%</b>	<b>96.7</b>
<b>Normalized EBITDA Margin</b>	<b>13.0%</b>	<b>12.2%</b>		<b>12.3%</b>		<b>12.7%</b>	<b>12.2%</b>		<b>12.0%</b>
Depreciation	4.1	2.1		2.9		7.1	4.1		9.1
<b>Normalized EBIT</b>	<b>27.0</b>	<b>20.1</b>	<b>34%</b>	<b>26.0</b>	<b>4%</b>	<b>53.0</b>	<b>39.5</b>	<b>34%</b>	<b>87.6</b>
Finance Cost	0.3	0.6		0.2		0.5	2.1		2.6
Share in Profit/(loss) in JV and Associates	0.3	0.1		0.2		0.5	0.3		0.6
<b>Normalized PBT</b>	<b>27.0</b>	<b>19.4</b>	<b>39%</b>	<b>26.0</b>	<b>4%</b>	<b>53.0</b>	<b>37.7</b>	<b>41%</b>	<b>85.6</b>

Profit and Loss (in Rs. Crs)	Q2FY24	Q2FY23	YoY	Q1FY24	QoQ	H1FY24	H1FY23	YoY
<b>Revenue from Operations</b>	<b>235.2</b>	<b>177.7</b>	<b>32%</b>	<b>230.0</b>	<b>2%</b>	<b>465.2</b>	<b>351.3</b>	<b>32%</b>
Other Income	4.3	3.7		4.7		9.0	5.9	
<b>Total Income</b>	<b>239.5</b>	<b>181.4</b>		<b>234.7</b>		<b>474.2</b>	<b>357.2</b>	
Cost of Goods Sold	161.8	120.4		160.2		322.0	239.3	
<b>Gross Profit (Revenue - COGS)</b>	<b>73.4</b>	<b>57.3</b>	<b>28%</b>	<b>69.8</b>	<b>5%</b>	<b>143.2</b>	<b>112.0</b>	<b>28%</b>
<b>Gross Profit Margin</b>	<b>31.2%</b>	<b>32.2%</b>		<b>30.3%</b>		<b>30.8%</b>	<b>31.9%</b>	
Employee Cost	17.3	12.2		17.4		34.6	24.6	
Other Expenses	18.9	19.1		18.5		37.4	34.3	
<b>EBITDA</b>	<b>41.5</b>	<b>29.7</b>	<b>40%</b>	<b>38.6</b>	<b>8%</b>	<b>80.1</b>	<b>59.0</b>	<b>36%</b>
<b>EBITDA Margin</b>	<b>17.3%</b>	<b>16.4%</b>		<b>16.4%</b>		<b>16.9%</b>	<b>16.5%</b>	
Depreciation	12.7	8.2		10.7		23.4	16.4	
<b>EBIT</b>	<b>28.8</b>	<b>21.5</b>	<b>34%</b>	<b>27.9</b>	<b>3%</b>	<b>56.7</b>	<b>42.6</b>	<b>33%</b>
<b>EBIT Margin</b>	<b>12.0%</b>	<b>11.8%</b>		<b>11.9%</b>		<b>12.0%</b>	<b>11.9%</b>	
Finance Cost	4.1	3.3		3.8		7.9	7.6	
Share in Profit/(loss) in JV and Associates	0.2	0.0		0.2		0.4	0.2	
<b>PBT</b>	<b>24.9</b>	<b>18.2</b>	<b>37%</b>	<b>24.3</b>	<b>2%</b>	<b>49.2</b>	<b>35.2</b>	<b>40%</b>
<b>PBT Margin</b>	<b>10.4%</b>	<b>10.0%</b>		<b>10.4%</b>		<b>10.4%</b>	<b>9.9%</b>	
Tax	6.3	4.6		6.1		12.5	8.9	
<b>PAT</b>	<b>18.6</b>	<b>13.6</b>	<b>37%</b>	<b>18.2</b>	<b>2%</b>	<b>36.7</b>	<b>26.4</b>	<b>39%</b>
<b>PAT Margin</b>	<b>7.8%</b>	<b>7.5%</b>		<b>7.8%</b>		<b>7.7%</b>	<b>7.4%</b>	

Equity & Liabilities (in Rs. Crs)	Sep-23	Mar-23
<b>Total Equity</b>	<b>668.1</b>	<b>631.5</b>
Share Capital	23.3	23.3
Other Equity	644.7	608.1
<b>Non-Current Liabilities</b>	<b>117.4</b>	<b>98.7</b>
<b>Financial Liabilities</b>		
Borrowings	6.5	7.1
Lease Liabilities	107.9	89.2
Other Financial Liabilities	0.7	0.5
Provisions	2.3	1.9
<b>Current Liabilities</b>	<b>150.5</b>	<b>149.5</b>
<b>Financial Liabilities</b>		
Borrowings	0.4	0.9
Trade Payables	92.1	96.6
Lease Liabilities	26.4	23.6
Other Financial Liabilities	14.2	10.6
Current tax liabilities (net)	1.4	0.2
Provisions	4.4	3.9
Other current liabilities	11.7	13.7
<b>Total Equity &amp; Liabilities</b>	<b>936.0</b>	<b>879.7</b>

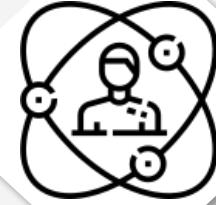
Assets (in Rs. Crs)	Sep-23	Mar-23
<b>Non - Current Assets</b>	<b>279.6</b>	<b>241.2</b>
Property Plant & Equipment's	65.0	56.8
Investment in joint venture	2.5	2.1
Intangible assets	54.7	40.7
Right of use asset	123.8	103.5
<b>Financial Assets</b>		
Loans	0.0	0.1
Investment	1.4	0.0
Other Financial Assets	17.8	24.5
Deferred Tax Assets (Net)	9.1	8.6
Non - Current Assets (Net)	2.5	2.3
Other Non-Current Assets	2.8	2.6
<b>Current Assets</b>	<b>656.4</b>	<b>638.5</b>
Inventories	404.6	339.9
<b>Financial Assets</b>		
Trade receivables	14.7	6.1
Cash and cash equivalents (C&CE)	31.1	27.9
Bank balances other than C&CE	147.7	200.7
Loans	0.5	0.3
Other Financial Assets	16.7	15.0
Other Current Assets	41.1	48.6
<b>Total Assets</b>	<b>936.0</b>	<b>879.7</b>

ēthos | WATCH  
BOUTIQUES

About The Company & Industry



**Ethos is India's largest luxury and premium watch retailer employing over 550+ people**



**Delivering a content-led luxury retail experience to our customers through our online and physical presence**



**The company retails 60+ premium & luxury watch brands in India. Customers can choose from over 7,000 premium, bridge to luxury, luxury and high luxury watches  
Exclusive brands – 46+**



**In addition to premium and luxury watch retail, company also undertake retail of certified pre-owned luxury watches since Fiscal 2019**



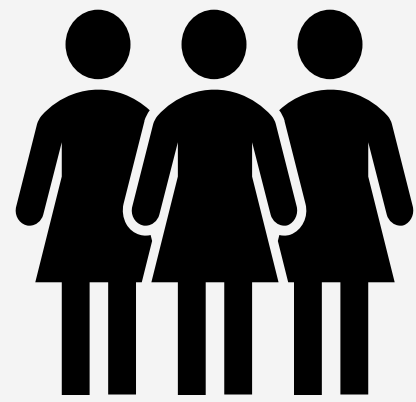
**In addition to our chain of 61\* physical retail stores in 23 cities in India in a multi store format, we offer an Omnichannel experience to our customers through our website and social media platforms**



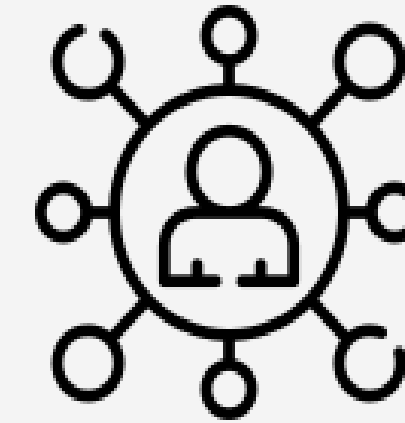
**The first Boutique for Rimowa, for retailing their range of luxury luggage opened and Messika for retailing their range of luxury Jewellery in India is slated for later this Financial year.**



# KEY STRENGTHS



Experienced and committed management team with a proven track record

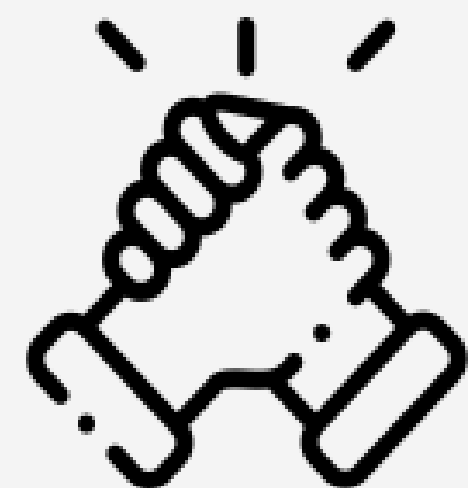


Deep understanding of Digital and Omnichannel commerce

Leadership position in an attractive luxury watch market  
Leadership position on certified pre-owned watch



Strategically located and well invested store network with attractive in-store experience



Strong and long-standing relationships with luxury watch brands and other luxury brands  
60+ Premium and Luxury Brands  
Exclusive Brand: 46+ Brands



Access to a large base of Luxury Customers

***Offering a sizeable portfolio of Premium and Luxury watches in India enabling us to retail over 60 Premium and Luxury watch brands***

Relationships with owners of Luxury watch brands typically take many years to develop and are difficult to replicate

Ethos has benefitted from its Promoter's (KDDL Ltd.) long-standing relationships with luxury watch brands. Since 1981, KDDL undertook export of watch dials, thereby gaining valuable insights in the watch industry, which has been instrumental in building strong relationships with the brands Ethos retails

**60+**

**Overall Brands Portfolio**

**46+**

**Exclusive Brands Portfolio**

**4**

**Exclusive Brands added during the quarter**

# ULYSSE NARDIN



## Ethos Limited To Launch Swiss Watch Brand , Ulysse Nardin In India

Originally established in 1846, Ulysse Nardin is an independent integrated manufacture based in Le Locle, Switzerland. They have continuously challenged the boundaries of watch engineering and design thanks to their long-standing technical excellence and unconventional take on watchmaking, displayed very well in one of their most revered collections - the Freak.



## Ethos Limited To Launch Swiss Watch Brand Gerald Charles In India

**Gerald Charles** was founded in the year 2000 by the great Gérald Charles Genta, a prolific artist and watch designer. Gerard Charles has come to be known for its artistic creativity and technical mastery. Some of the watches he designed back in the day are the most revered timepieces in today's time. The watches deliver incredible aesthetics, as one would expect with any Gérald Genta design, while still featuring superior precision and performance, as well as exceptional water and shock resistance





## Ethos Limited To Launch Swiss Watch Brand Chronoswiss In India

Chronoswiss was founded in 1983 by master watchmaker Gerd-Rüdiger Lang to create unparalleled mechanical watches with exceptional craftsmanship and sophisticated engineering. Seamlessly coalescing design ingenuity with mechanical brilliance, Chronoswiss has come to be known for its signature regulator dials, non-conformist aesthetics, and groundbreaking complications



## Ethos Limited To Launch Swiss Watch Brand Nivada Grenchen In India

Nivada Grenchen is a Swiss watch brand with a rich history in the watchmaking industry. Founded in 1926 in Grenchen, Switzerland, and it has been producing timepieces for over a century. Nivada Grenchen is a brand which is known for its rich heritage and ingenuity and is considered one of the first brands to manufacture automatic watches.

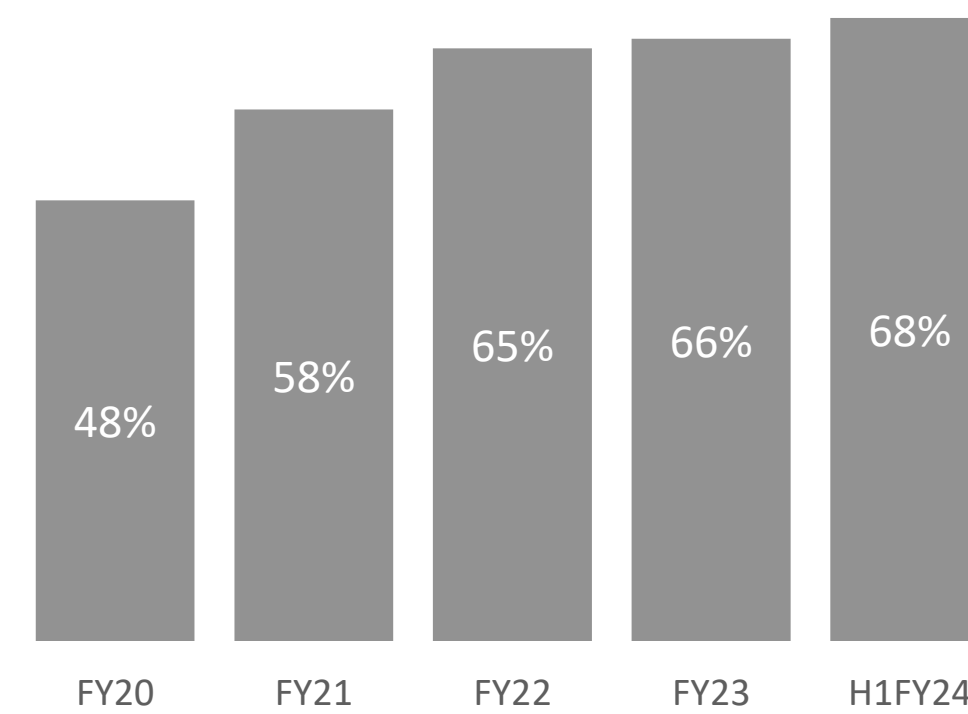
Creating engaging shopping experience over the years has enabled us to build a large Luxury Customer base

Factors leading to surge in the demand for luxury goods, including watches:

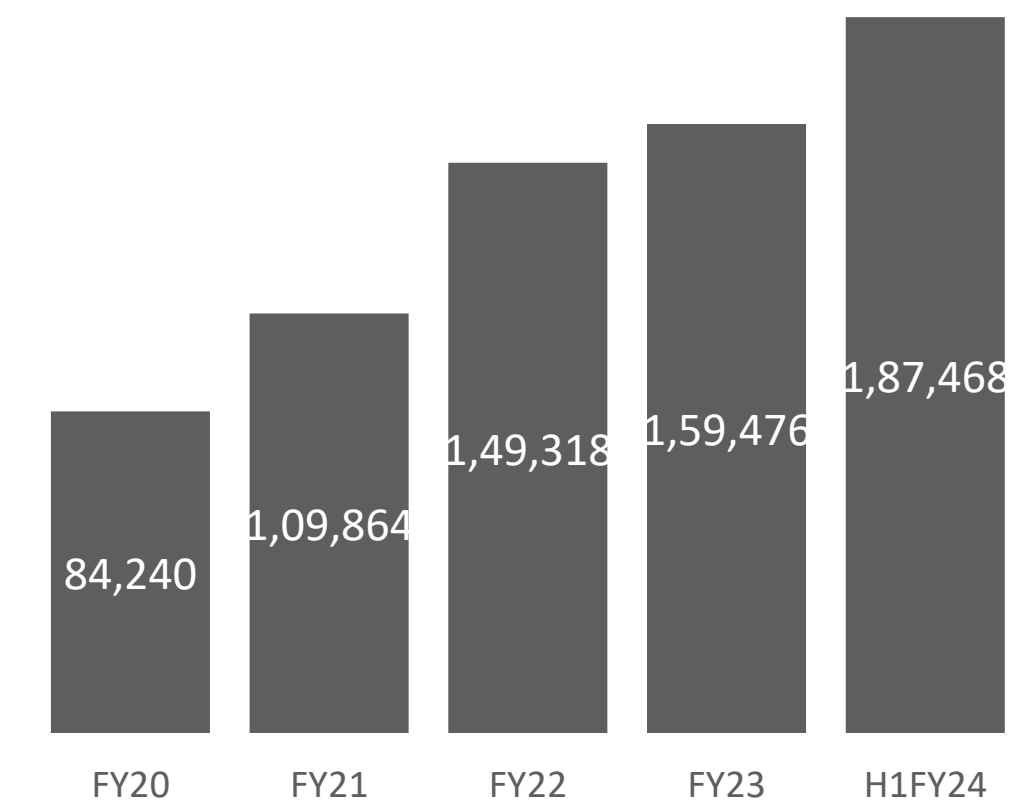
- ✓ Rise in the number of HNI's in fast growing economies, such as China and India has led to increase in the wealth of people
- ✓ Awareness and availability of luxury brands at Ethos with International retail standard

**Demand for our products is directly proportional to the number of HNIs**

Share of Luxury & High luxury watch sales



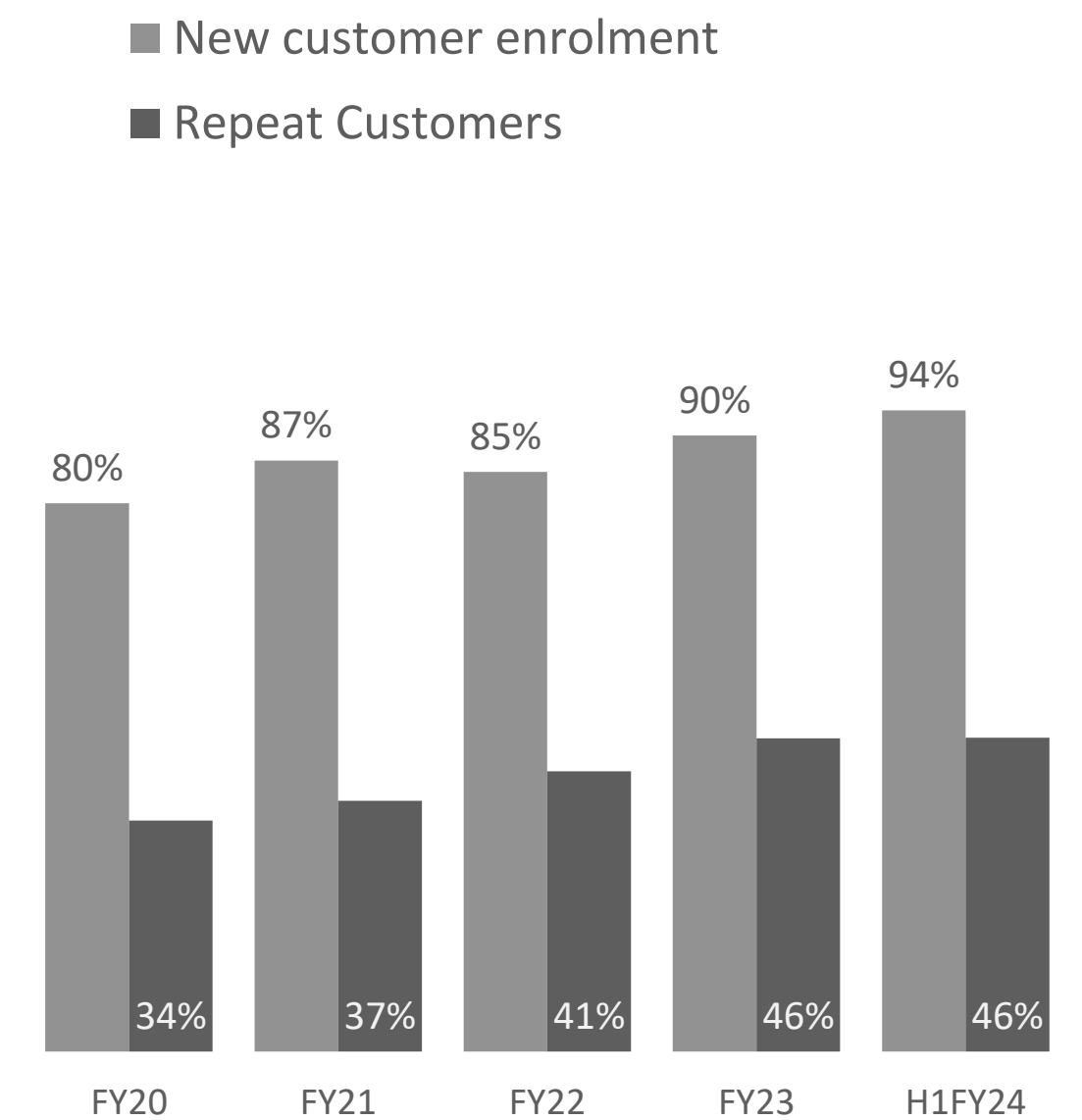
Average Selling Price per watch (INR)



## “Club Echo” - Our Loyalty program – subscribed by over 3,23,000+ registered HNI Customers

- ✓ Dynamic Incentive Scheme to our repeat customers
- ✓ Delightful & Rewarding shopping experience
- ✓ Captures Key Customer Information and Buying trends
- ✓ Outbound Customer Services unit at Mohali, Punjab

- ✓ Designing appropriate reward and communication strategies
- ✓ Drive highly accurate social media and digital campaigns by targeting known watch customers
- ✓ Greater customer satisfaction & Commitment
- ✓ Helps us to generate profitability by:
  - Reducing Servicing costs & Price sensitivity
  - Increased Spending & Favourable recommendations passed on to potential customers



**Insights from our HNI customer database enables us to deliver value by Extending into other Premium & Luxury Product categories**





Only Indian player to offer Loyalty program + Social media presence led to over 46% of business coming from repeat customers

- 1 → 61\* retail stores offering over 7,000 varied premium and luxury watches and about 30,000 watches in stock at any given time
- 2 → 15 Ethos Summit Stores and 1 Airport store (that houses bridge to luxury, luxury and high luxury brands),
- 3 → 20 MBOs and 13 Ethos Boutiques both housing bridge to luxury and premium brands
- 4 → 10 Luxury segment mono-brand boutiques offering a single luxury watch brand
- 5 → 1 CPO luxury watch lounge for Pre-Owned watches
- 6 → 1 Rimowa India's First Store (LVMH Brand Portfolio)

Note: CPO stands for Certified Pre-Owned

\*As on 14<sup>th</sup> November 2023

#### Our Omnichannel Approach

- ✓ Our in-store channel allows customers to order products online and fulfilled by our store.
1. Purchase Ethos online platform (Website/App) with home delivery
  2. Book a viewing in-store or at Home/Office and
  3. Services to collect the product in-store



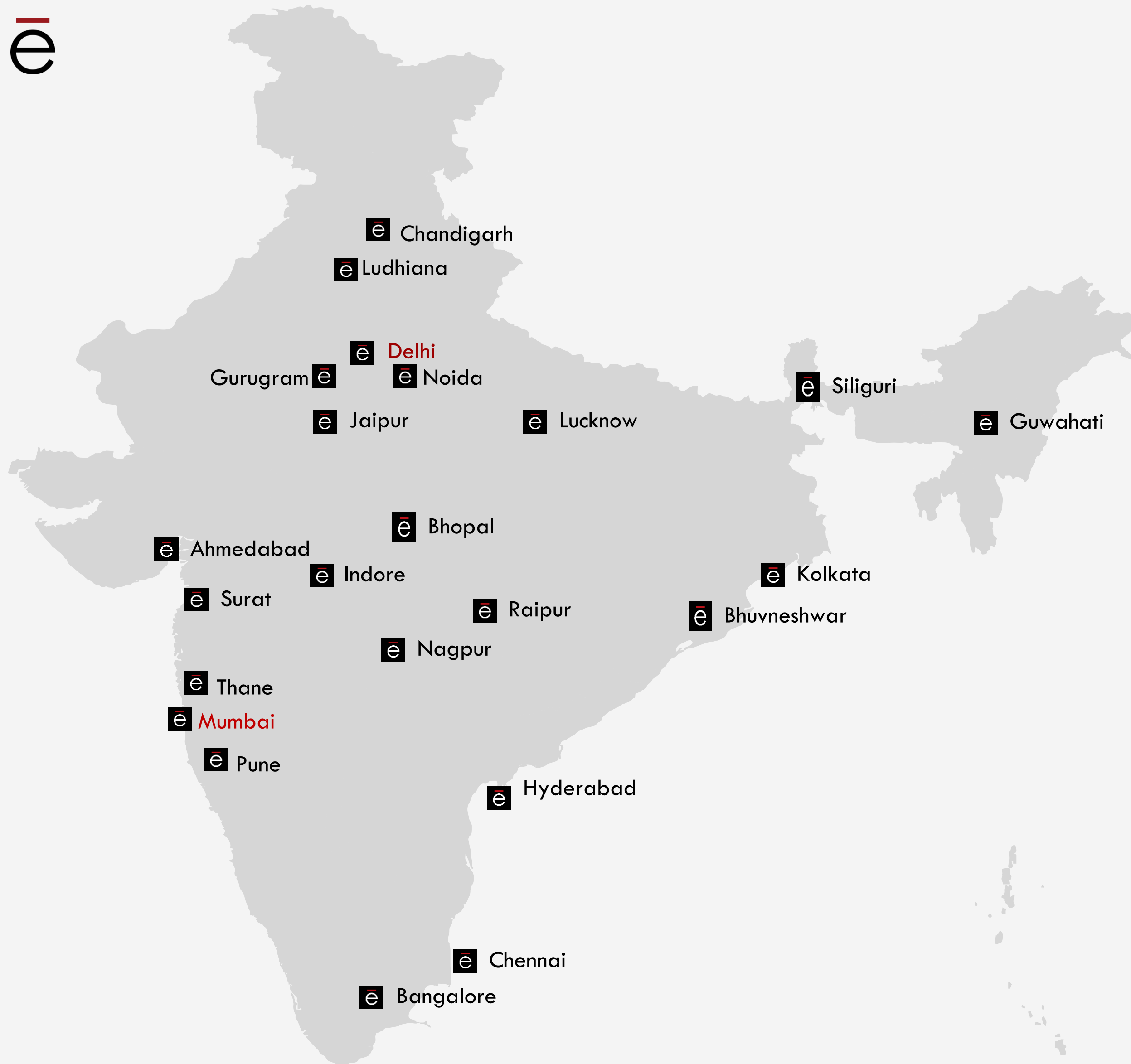
ETHOS WATCH BOUTIQUES

# Our Store Locations

We have 61\* stores across 23 cities in India, including one duty free store at the Delhi international airport

Spread across the major metros, our boutiques house the finest selection from over 60 of the world's top luxury watch brands

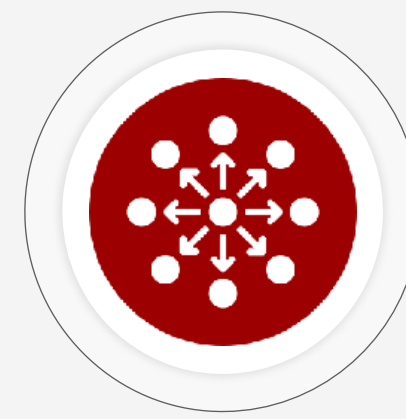
We have ventured our business to **New Stores**



Store Presence

ēthos | WATCH  
BOUTIQUES

## Strategy Overview



1

Leveraging our luxury watch retail business and access to luxury customers to expand into other luxury verticals



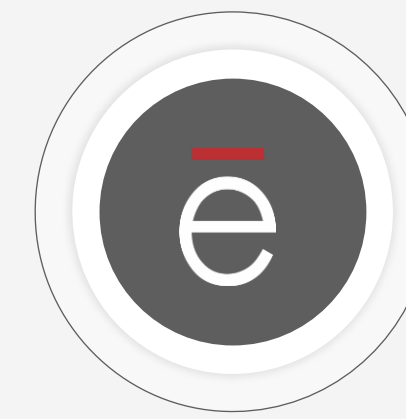
2

Growing our certified pre-owned luxury watch retail business



3

Drive Sales and gather data through Technological Innovations



4

Investing in our Brand



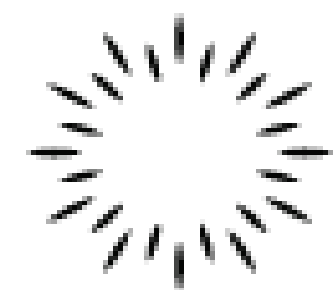
5

Expanding our physical store network and increasing market share



6

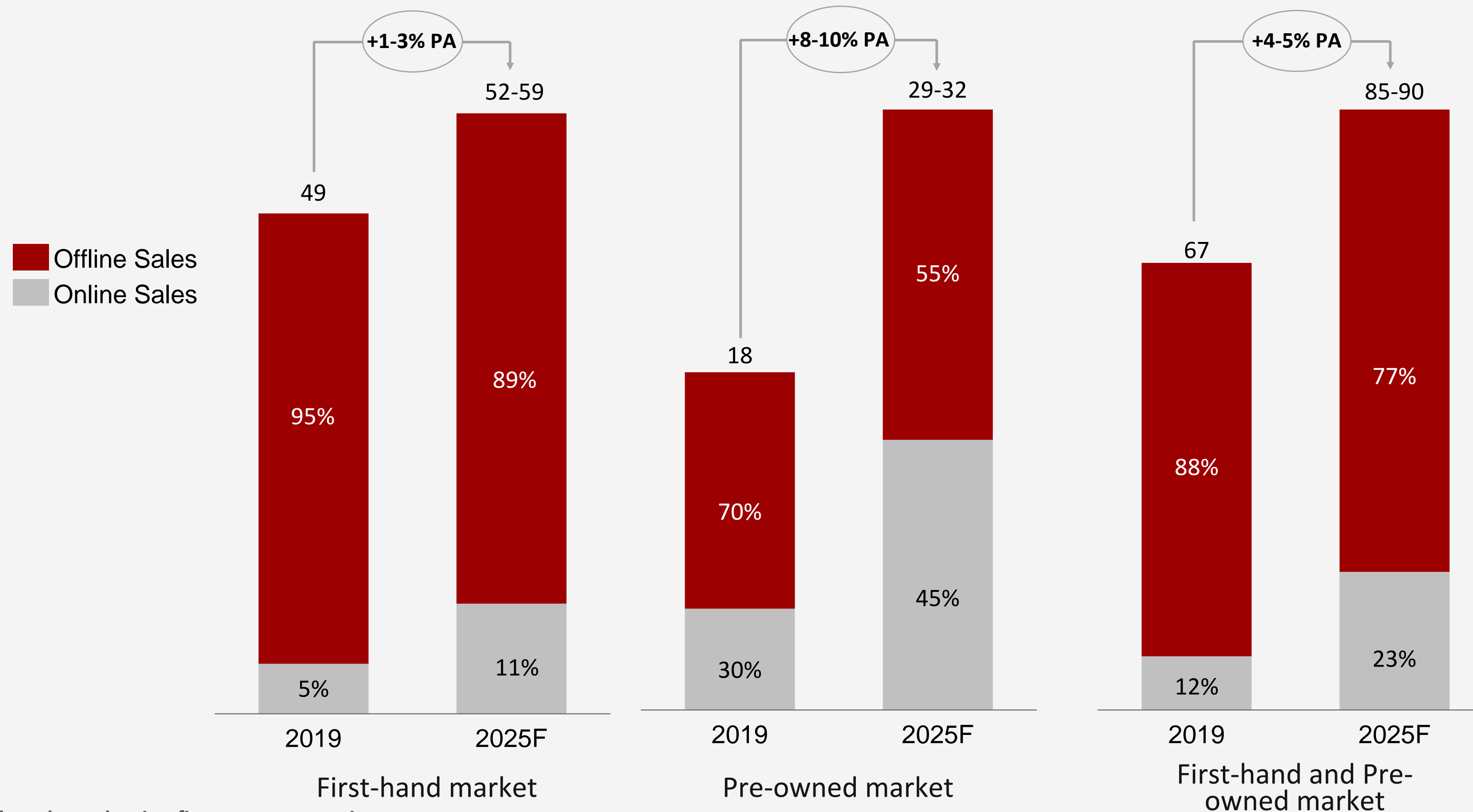
Increasing our watch brands portfolio Exclusive Relationship



**Second Movement**  
POWERED BY ETHOS WATCHES

Growth of the pre-owned watch market is expected to far outpace that of the first-hand market, with online sales leading the way

USD Billion; Share of sales by channel (%)

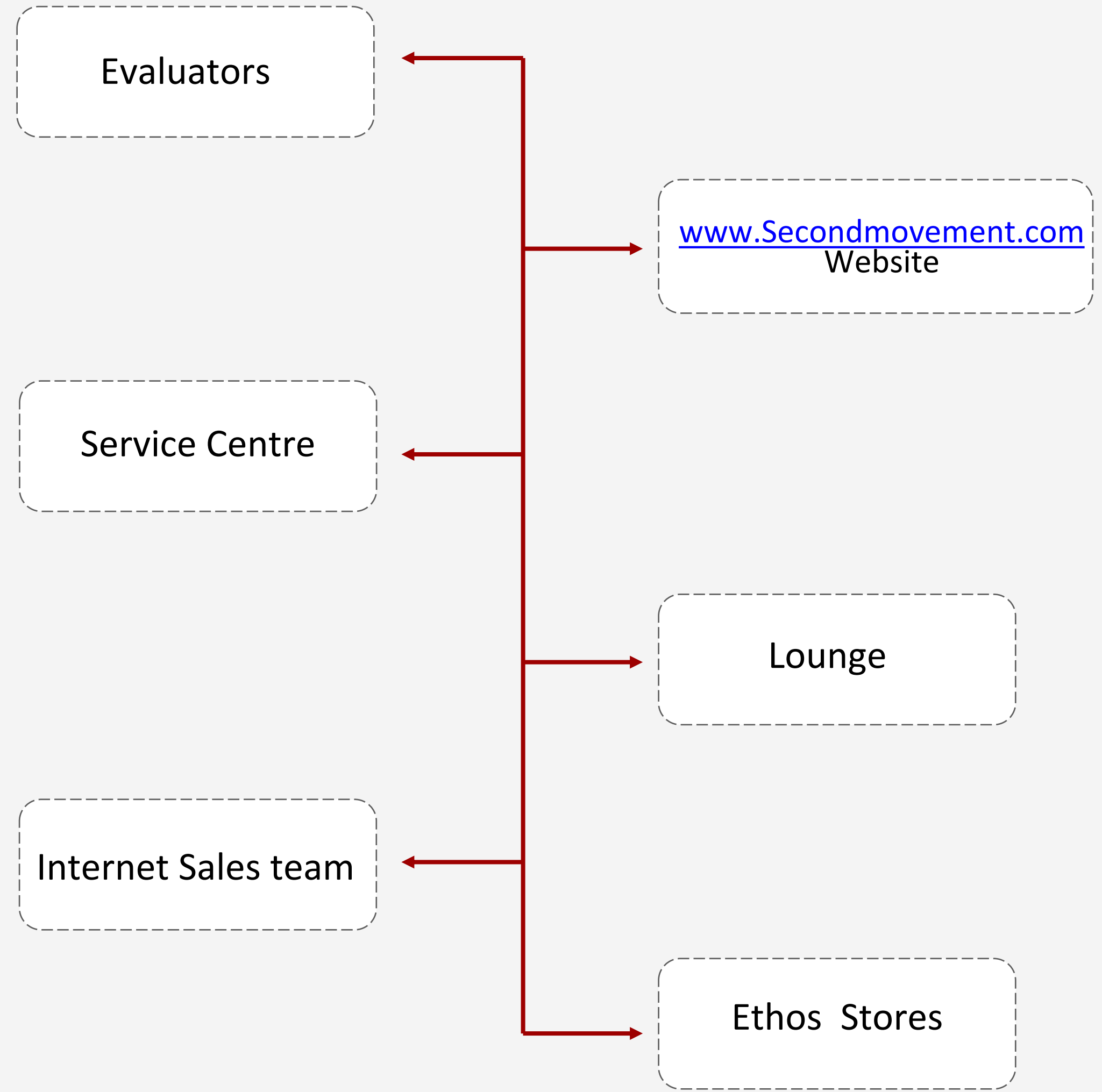


Note: All market valuation figures are approximates  
Source: McKinsey analysis, expert interviews



- First Mover Advantage** Ethos is the only organised player in India with the capability of certifying, buying and restoring pre-owned watches
- Scale is critical** The large digital reach and transaction points across 61\* boutiques in India allows us to transact with more customers and buy/sell the largest selection of pre-owned watches.
- Existing Ethos infrastructure** Finance, Marketing, Sales, Digital, Loyalty base etc to be extended to Second Time Zone
- State-of-the-art service center** Allows us to service all watches and offer 2 years warranty.
- Lounges** Special lounges dedicated for pre-owned products to add credibility and experience.

*Source*



\*As on 14<sup>th</sup> November 2023

<b>For further information, please contact:</b>	
Company :	Investor Relation Advisors
	
ETHOS Limited	Strategic Growth Advisors Pvt. Ltd.
CIN : U52300HP2007PLC030800	CIN : U74140MH2010PTC204285
Mr. Ritesh Agrawal, Chief Financial Officer <a href="mailto:ritesh.agrawal@ethoswatches.com">ritesh.agrawal@ethoswatches.com</a> <a href="http://www.ethoswatches.com">www.ethoswatches.com</a>	Mr. Shogun Jain/ Mr. Mandar Chavan +91 77383 77756 / +91 96993 82195 <a href="mailto:Shogun.jain@sgapl.net">Shogun.jain@sgapl.net</a> / <a href="mailto:mandar.chavan@sgapl.net">mandar.chavan@sgapl.net</a> <a href="http://www.sgapl.net">www.sgapl.net</a>