

Ref. no. : Ethos/Secretarial/2023-24/40

Dated: August 5, 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 **Monday, August 7, 2023 at 3:00 p.m. IST** to discuss operational and financial performance of the Company for the quarter ended June 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

Q1FY24 | August 2023

This presentation and the accompanying slides (the “Presentation”), which has been prepared by Ethos Limited, a material subsidiary of KDDL Limited, solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

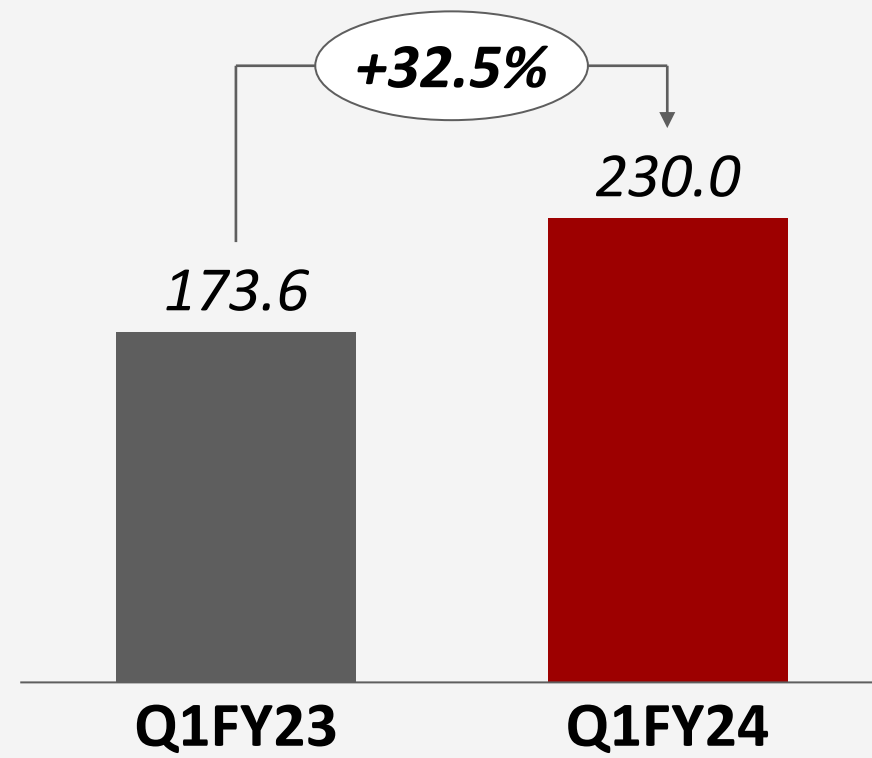
Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third-party statements and projections.

	TOPICS	PAGE NO
I	Q1FY24 Performance	4
II	About the Company & Industry	12
III	Strategy Overview	28
IV	Our Flagship Stores	36

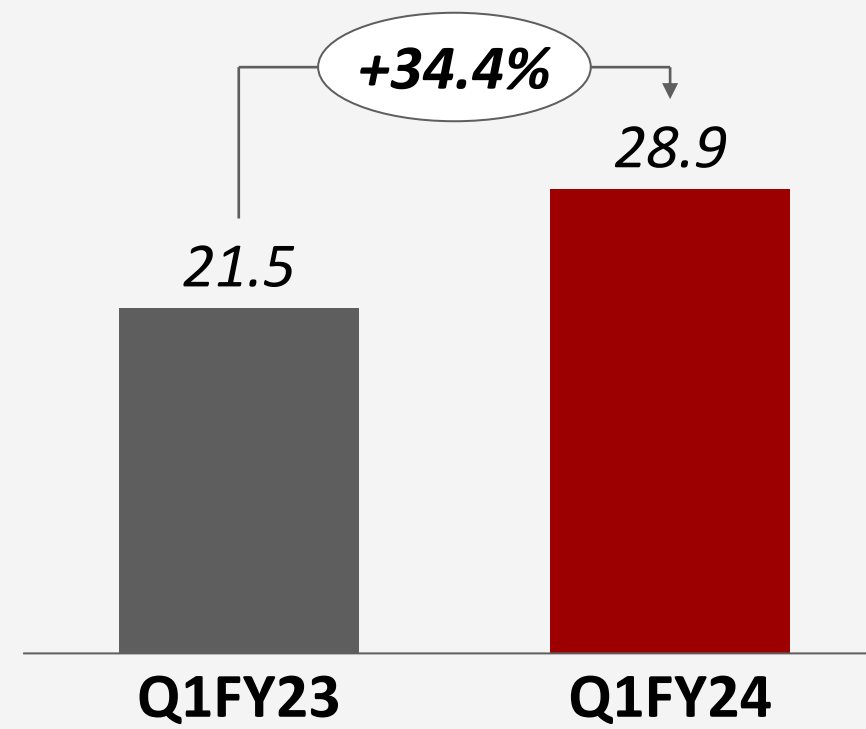
All Figures in Rs. Crs.

Q1FY24

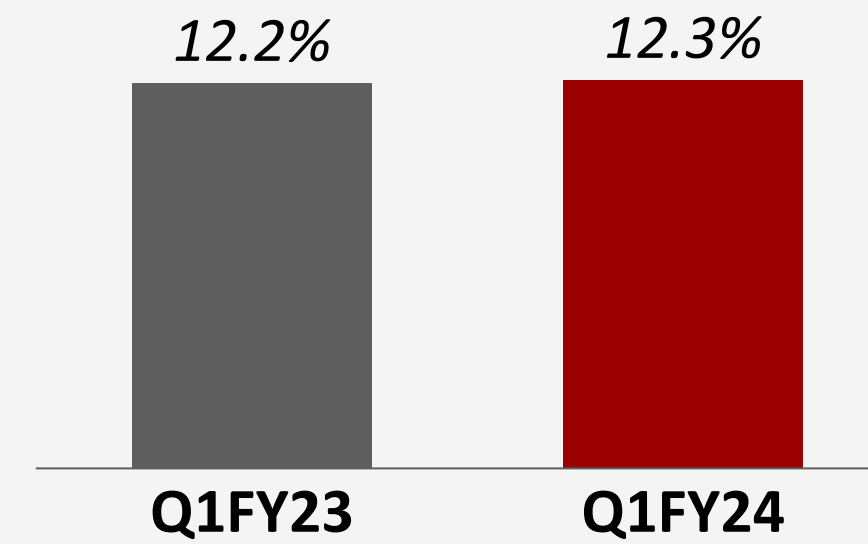
Revenue from operations



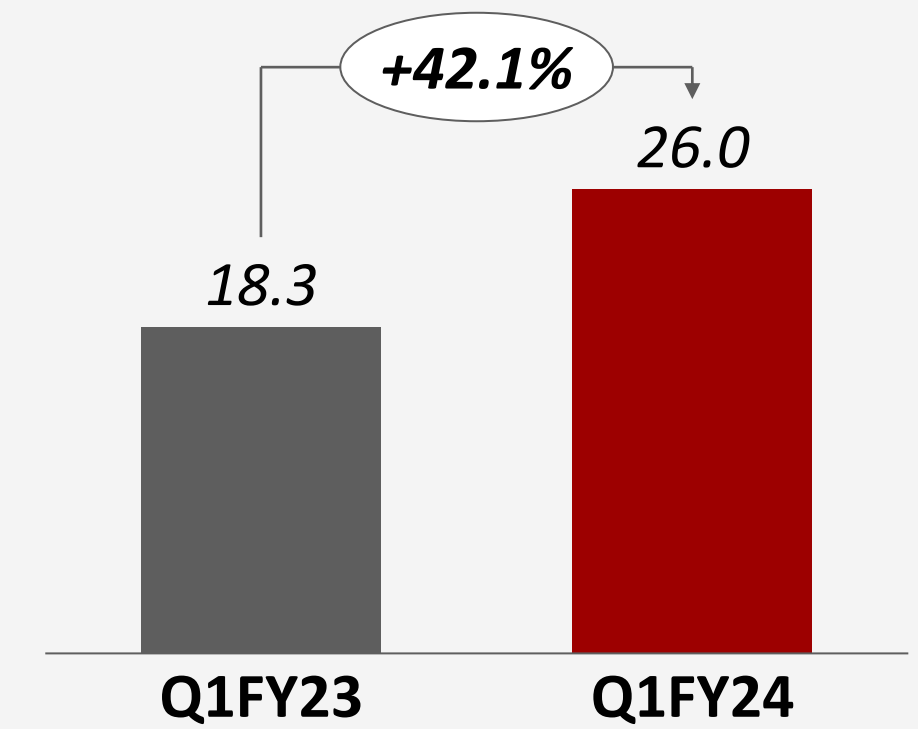
EBITDA



EBITDA Margin

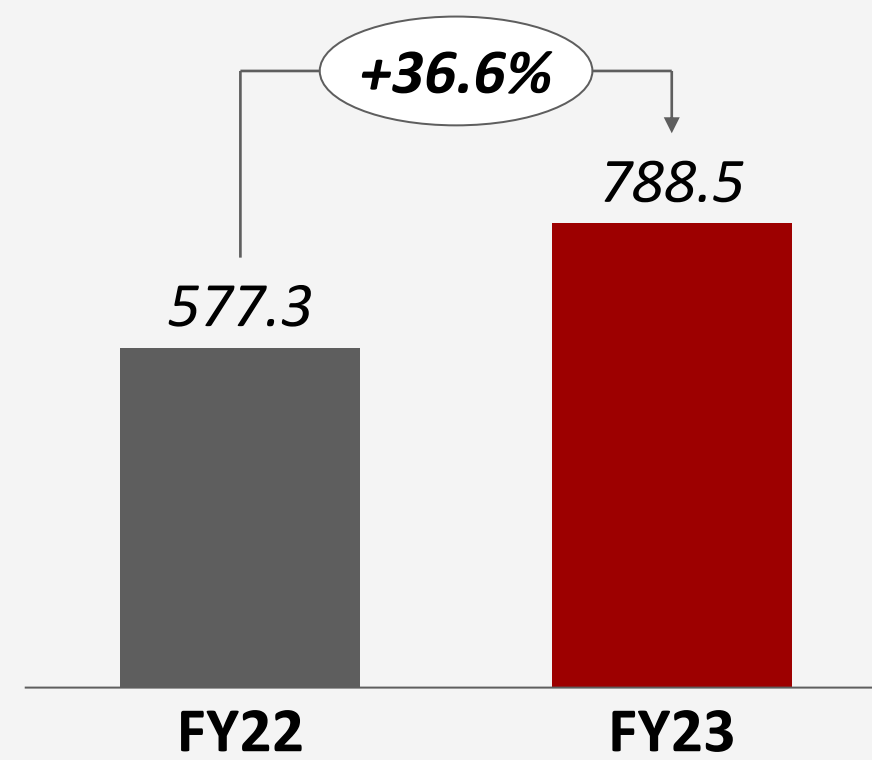


PBT

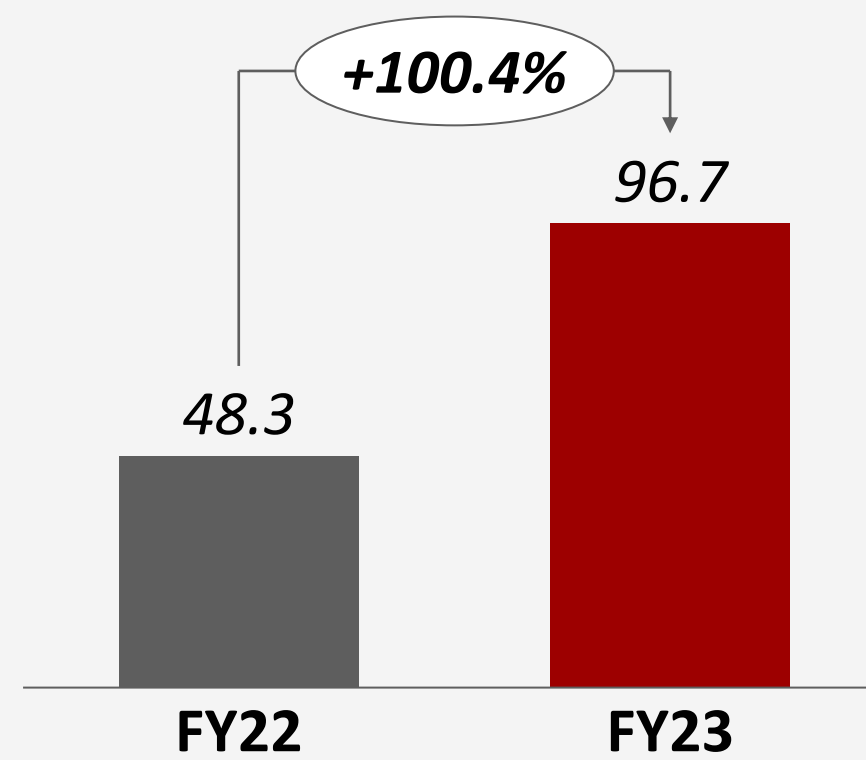


FY23

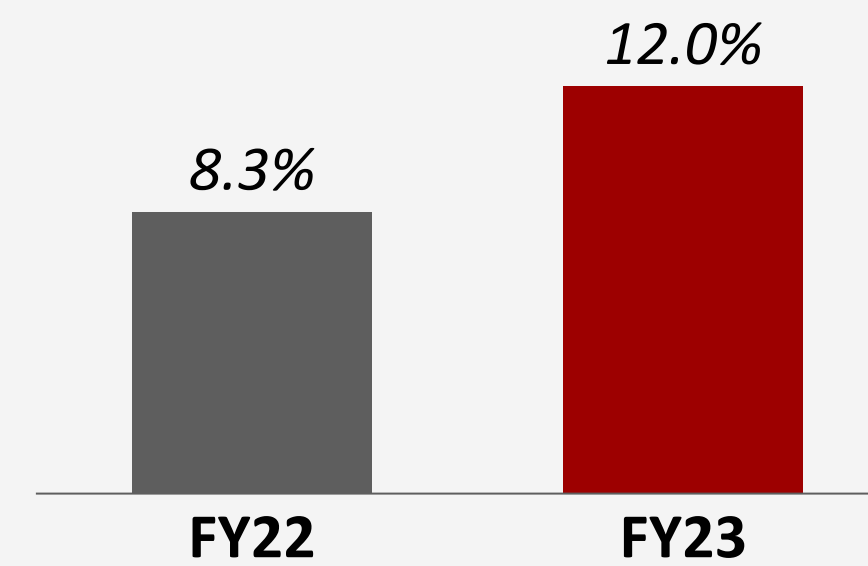
Revenue from operations



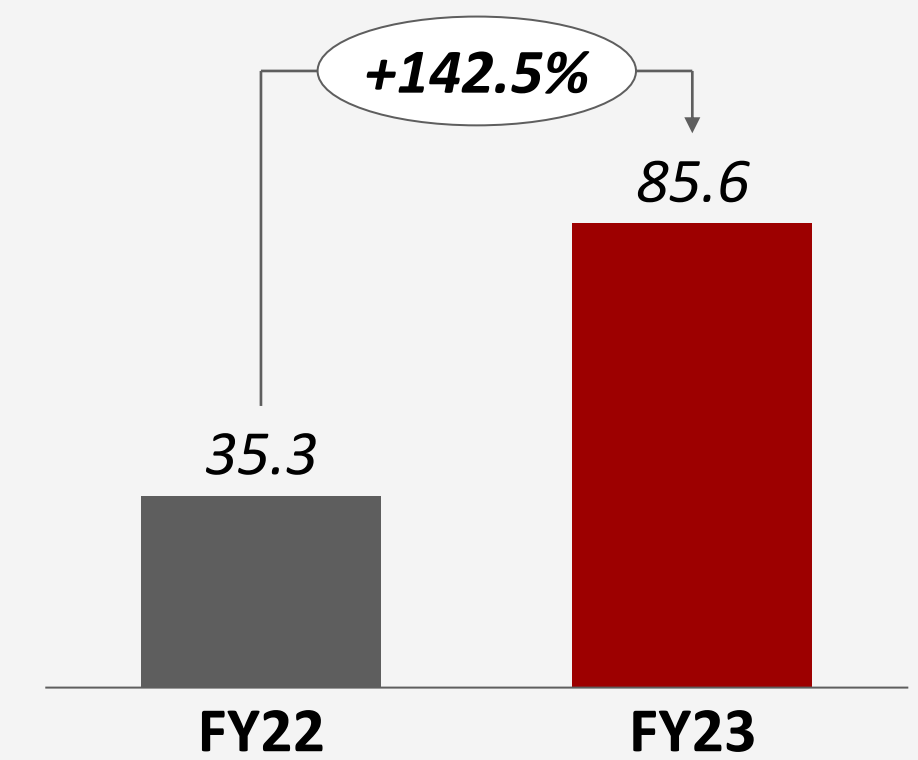
EBITDA



EBITDA Margin



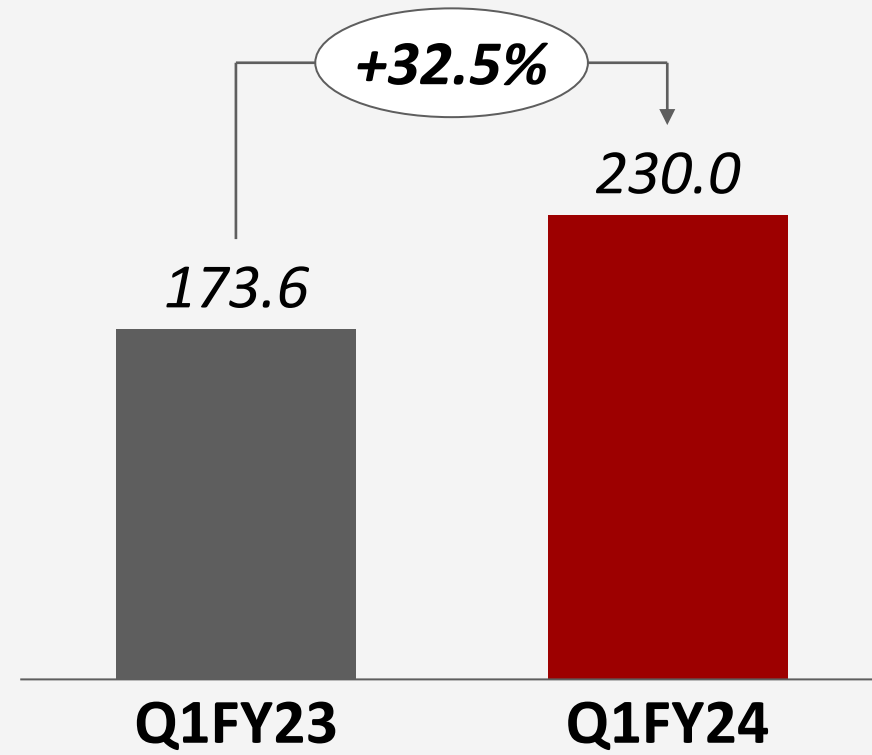
PAT



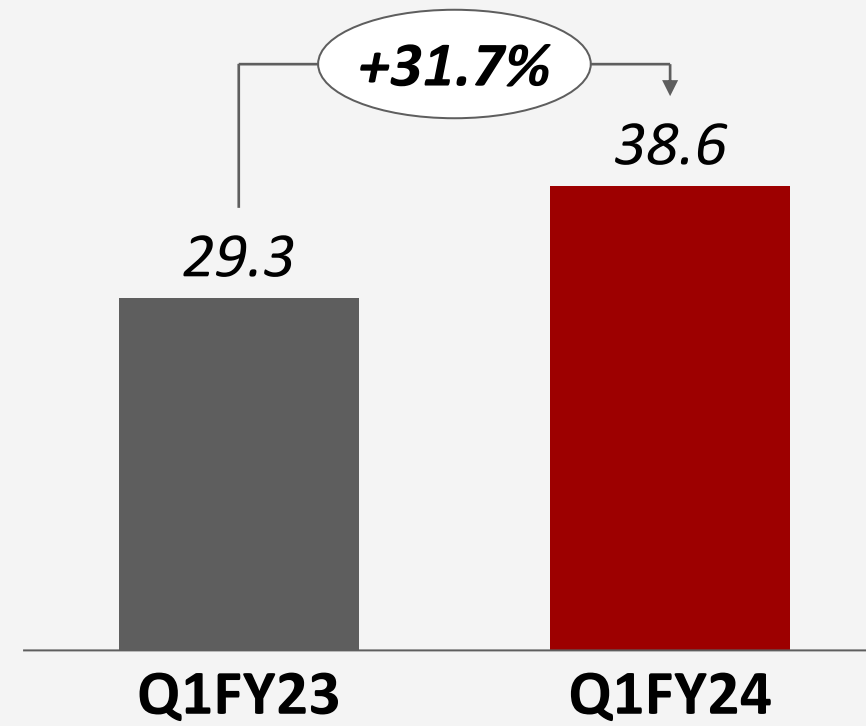
All Figures in Rs. Crs.

Q1FY24

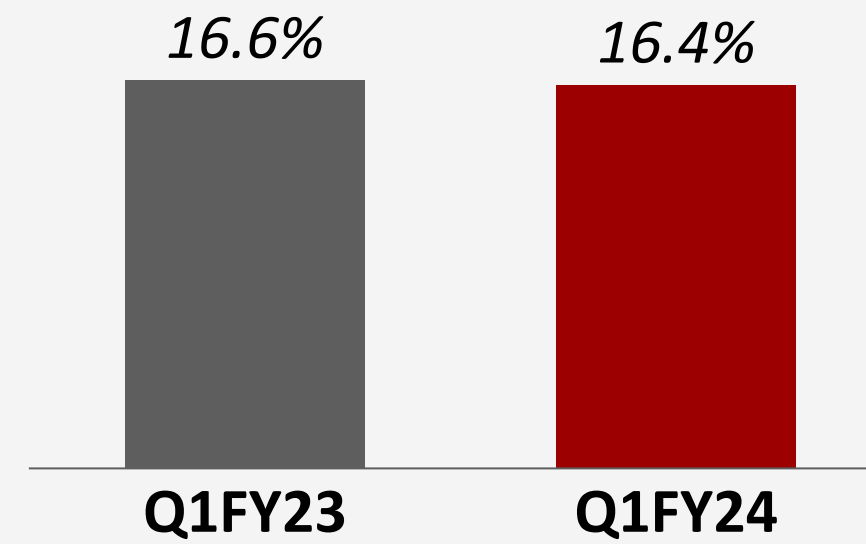
Revenue from operations



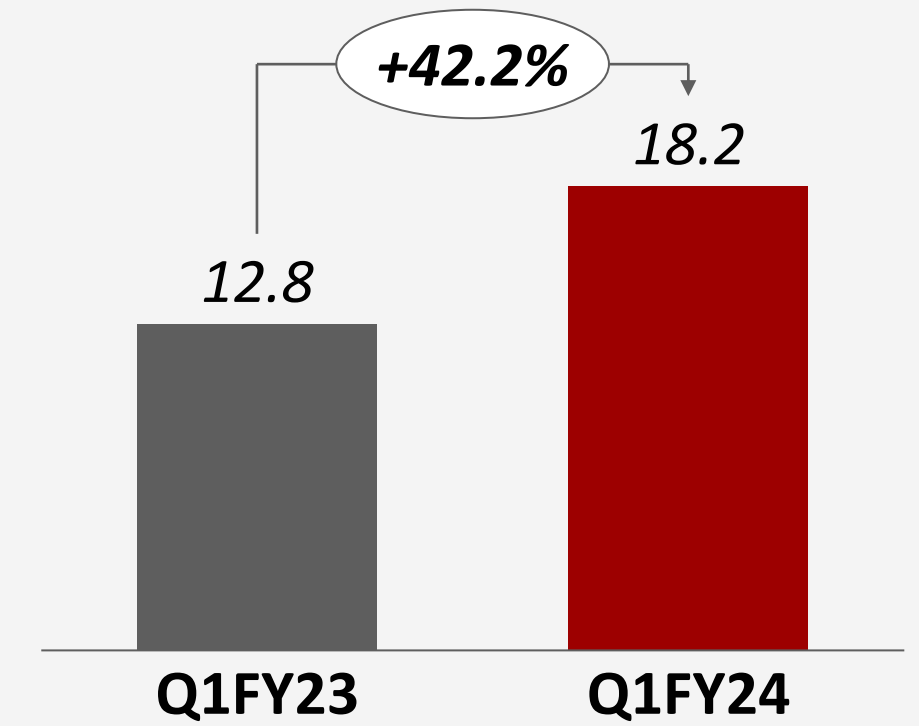
EBITDA



EBITDA Margin

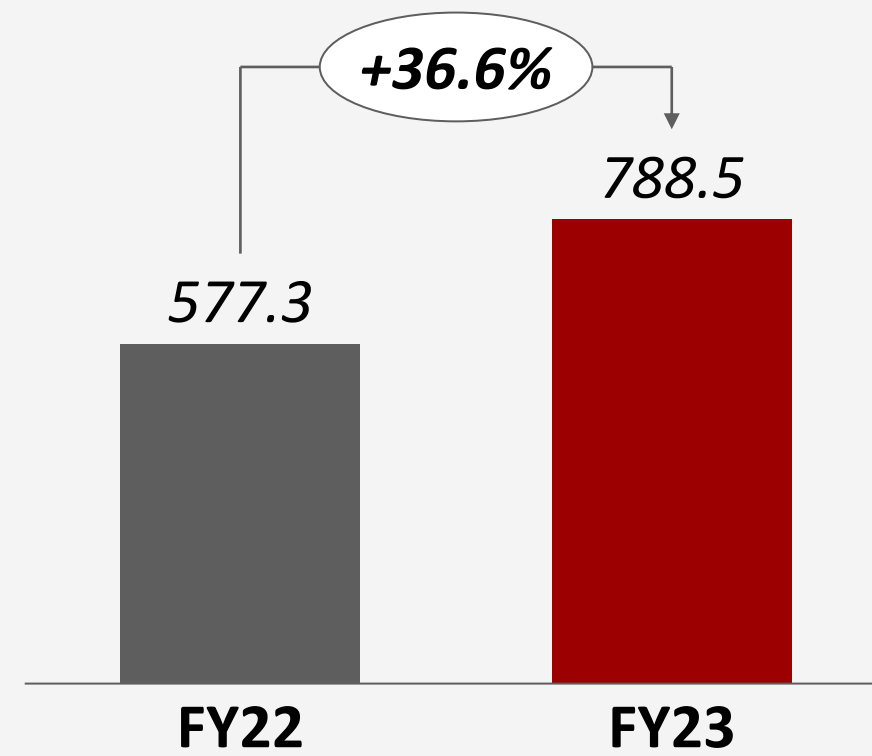


PAT

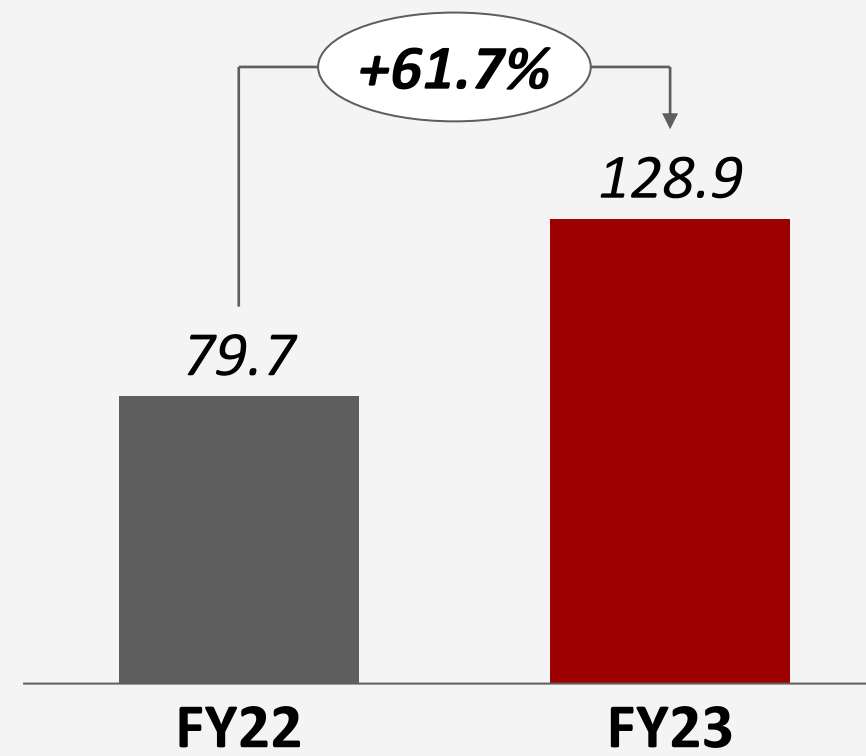


FY23

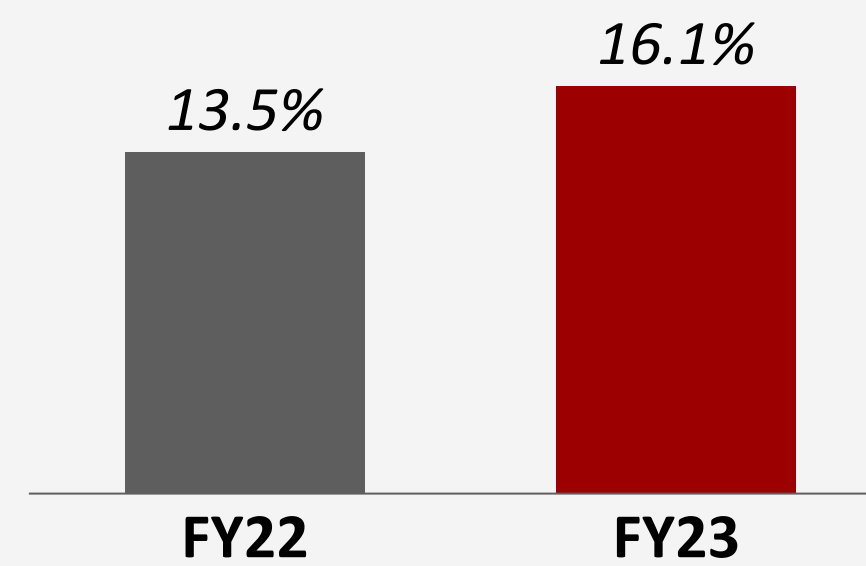
Revenue from operations



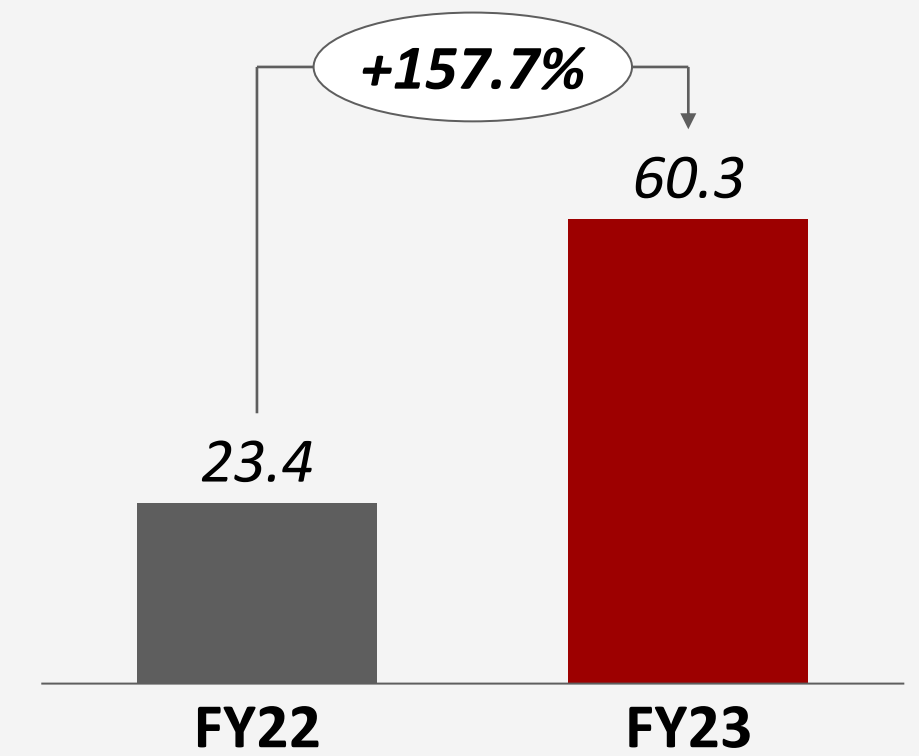
EBITDA



EBITDA Margin



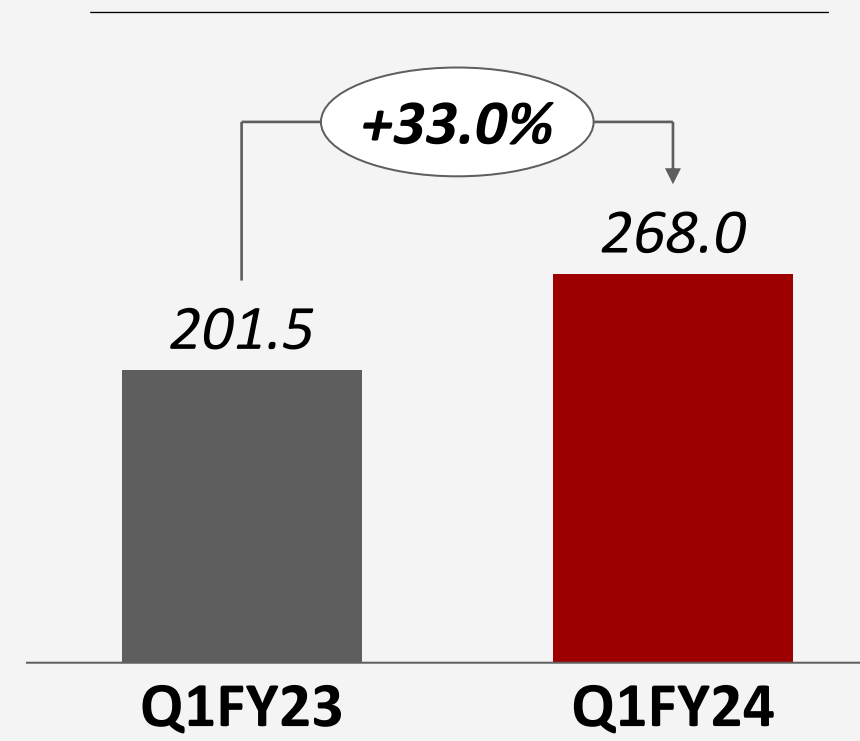
PAT



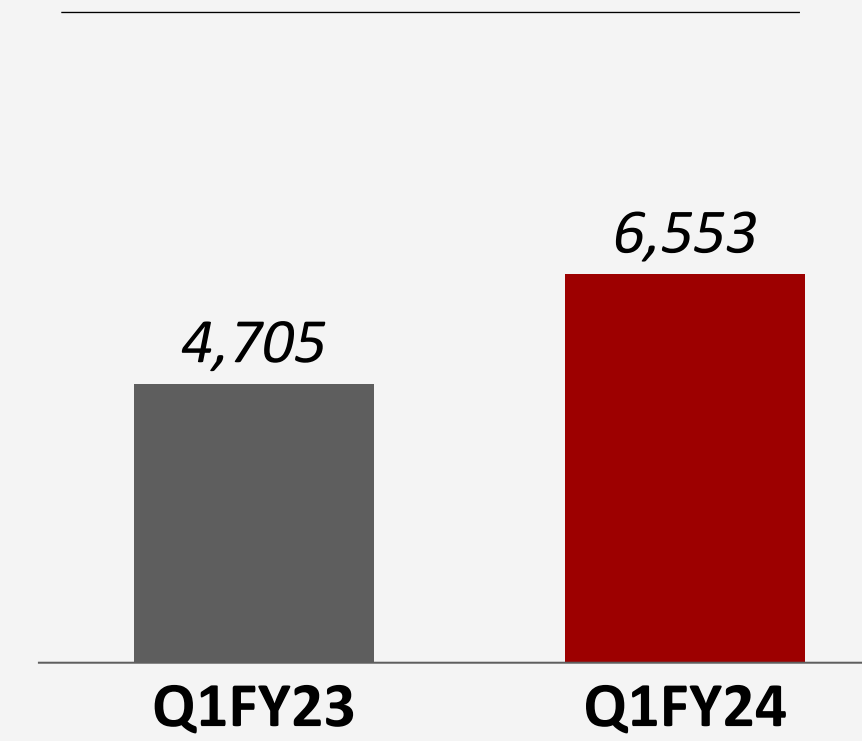
All Figures in Rs. Crs. Except for online visitor shown in '000

Q1FY24

Total Billings

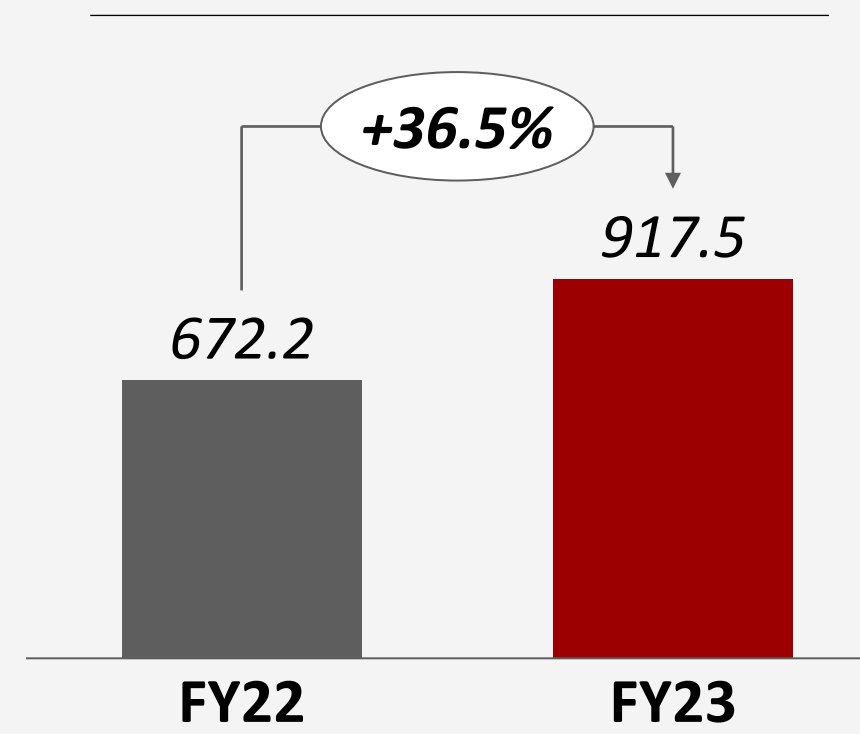


Online Visitors

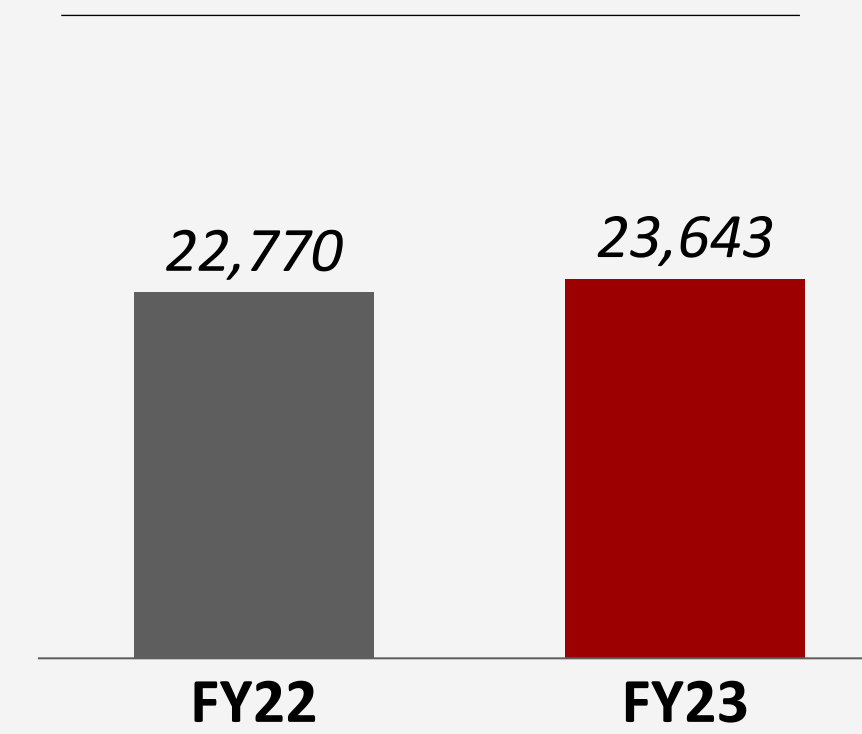


FY23

Total Billings



Online Visitors



Profit and Loss (in Rs. Crs)	Q1FY24	Q1FY23	YoY	Q4FY23	QoQ	FY23
Revenue from Operations	230.0	173.6	33%	207.6	11%	788.5
Other Income	4.7	2.2		5.0		14.3
Total Income	234.7	175.8		212.6	10%	802.8
Cost of Goods Sold	160.2	118.9		146.6		544.4
Gross Profit (Revenue - COGS)	69.8	54.7	27%	61.0	14%	244.1
Gross Profit Margin	30.3%	31.5%		29.4%		31.0%
Employee Cost	17.4	12.4		15.0		52.7
Other Expenses	28.2	23.0		29.0		109.0
Normalized EBITDA including other income	28.9	21.5	34%	22.0	32%	96.7
Normalized EBITDA Margin	12.3%	12.2%		10.4%		12.0%
Depreciation	2.9	2.0		2.8		9.1
EBIT	26.0	19.5	33%	19.2	35%	87.6
Finance Cost	0.2	1.4		0.3		2.6
Share in Profit/(loss) in JV and Associates	0.2	0.2		0.3		0.6
PBT	26.0	18.3	42%	19.2	36%	85.6

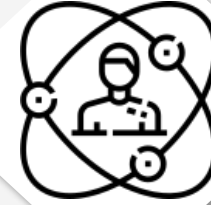
Profit and Loss (in Rs. Crs)	Q1FY24	Q1FY23	YoY	Q4FY23	QoQ	FY23
Revenue from Operations	230.0	173.6	33%	207.6	11%	788.5
Other Income	4.7	2.2		5.0		14.6
Total Income	234.7	175.8		212.6		803.1
Cost of Goods Sold	160.2	118.9		146.6		544.4
Gross Profit (Revenue - COGS)	69.8	54.7	28%	61.0	14%	244.1
Gross Profit Margin	30.3%	31.5%		29.4%		31.0%
Employee Cost	17.4	12.4		15.0		52.7
Other Expenses	18.5	15.2		20.4		77.1
EBITDA	38.6	29.3	32%	30.6	27%	128.9
EBITDA Margin	16.4%	16.6%		14.4%		16.0%
Depreciation	10.7	8.1		9.5		34.6
EBIT	27.9	21.1	32%	21.1	32%	94.3
EBIT Margin	11.9%	12.0%		9.9%		11.7%
Finance Cost	3.8	4.2		3.5		14.1
Share in Profit/(loss) in JV and Associates	0.2	0.2		0.2		0.5
PBT	24.3	17.1	42%	17.8	37%	80.7
PBT Margin	10.4%	9.7%		8.3%		10.0%
Tax	6.1	4.3		4.5		20.4
PAT	18.2	12.8	42%	13.3	37%	60.3
PAT Margin	7.8%	7.3%		6.2%		7.5%

ēthos | WATCH
BOUTIQUES

About The Company & Industry



Ethos is India's largest luxury and premium watch retailer employing over 545+ 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 – 42+**



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

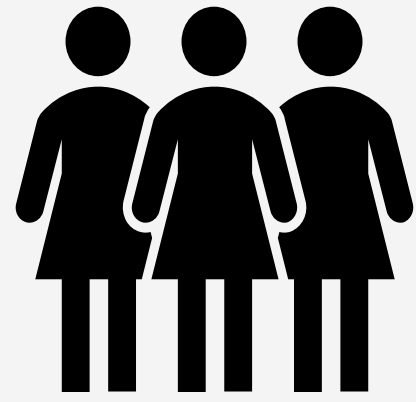


In addition to our chain of 60* physical retail stores in 23 cities in India in a multi store format, we offer an Omnichannel experience to our customers through our website and social media platforms

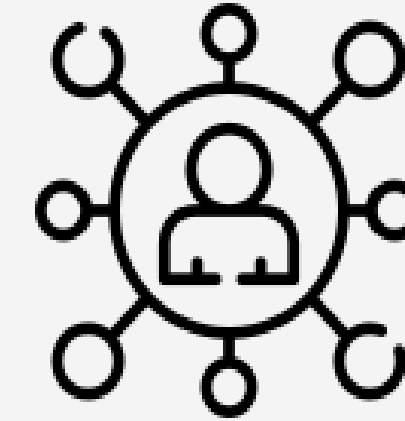


The first Boutique for Rimowa, for retailing their range of luxury luggage will open soon and Messika for retailing their range of luxury Jewellery in India is slated for later this Financial year.

KEY STRENGTHS



Experienced and committed management team with a proven track record

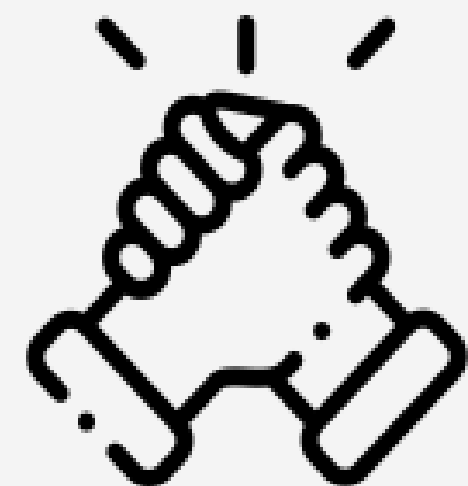


Deep understanding of Digital and Omnichannel commerce

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 luxury group
Brand: 60+ Premium and Luxury Brands
Exclusive Brand: 42+ 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

42+

Exclusive Brands Portfolio

6

Exclusive Brands Added During the Quarter

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

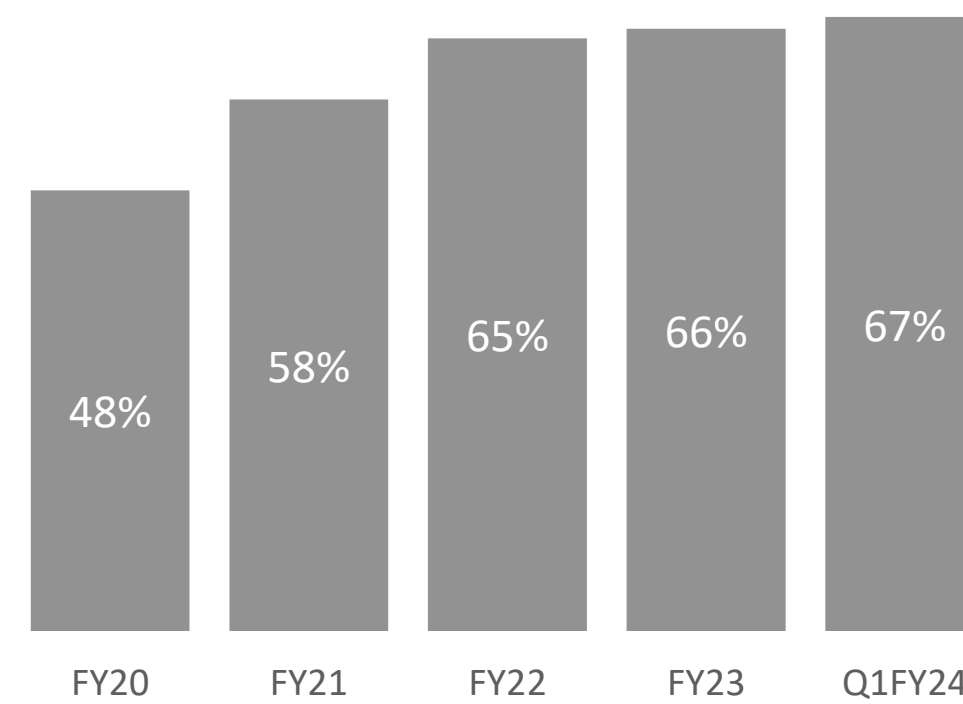
Demand for our products is directly proportional to the number of HNIs

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

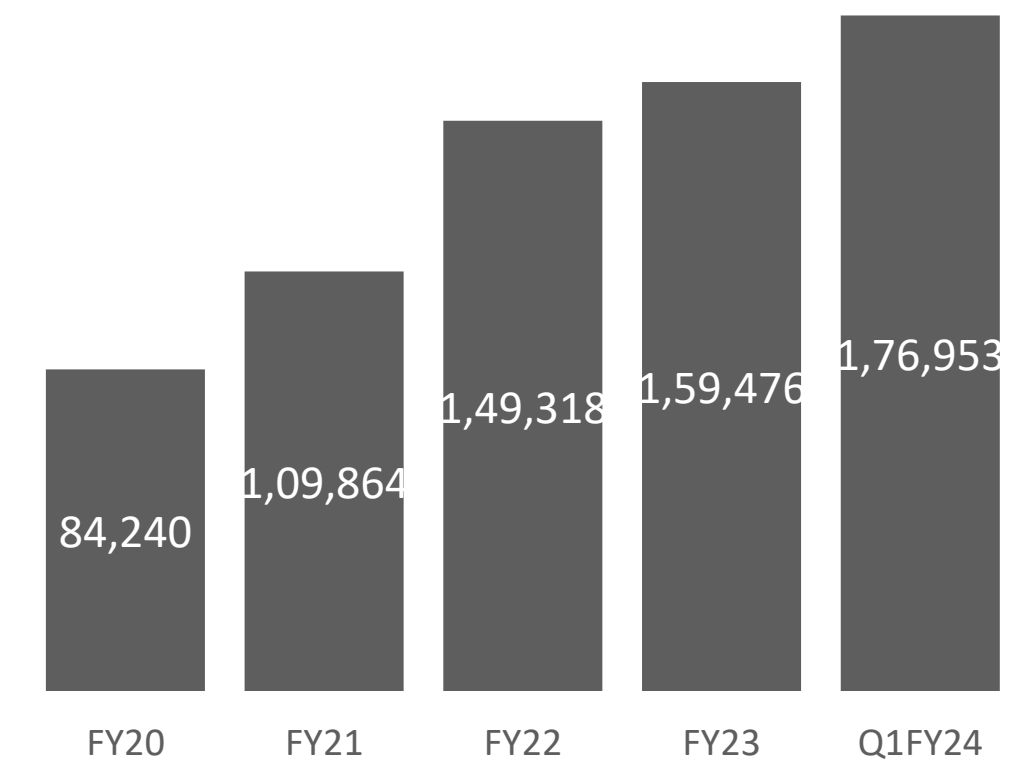
- ✓ Rise in the number of HNI's in fast growing economies, such as China and India has led to increase in the wealth of people
- ✓ Awareness and availability of luxury brands at Ethos with International retail standard



Share of Luxury & High luxury watch sales



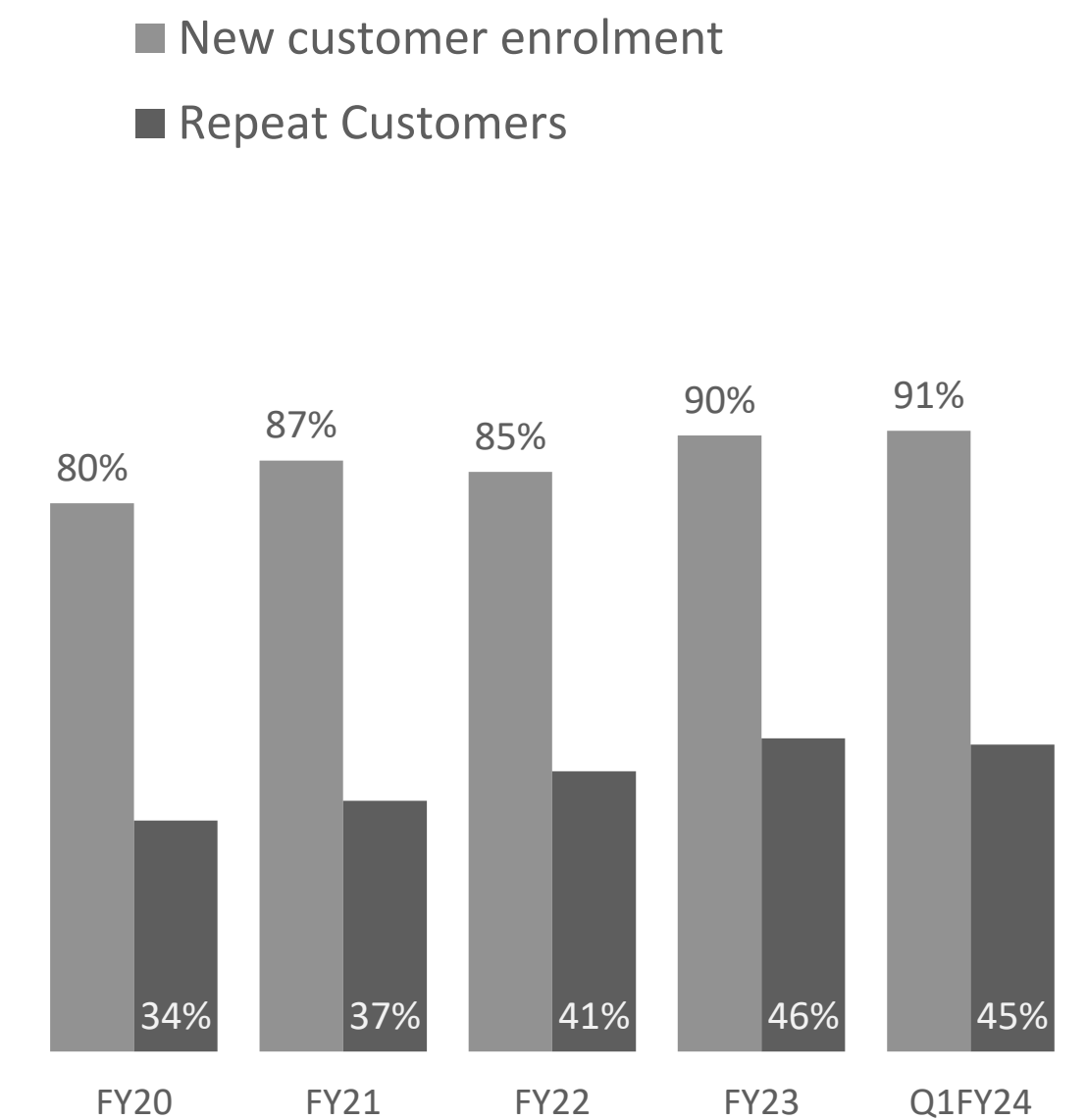
Average Selling Price per watch (INR)



“Club Echo” - Our Loyalty program – subscribed by over 3,15,000+ 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 35% of business coming from repeat customers

- 1 60* 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

Note: CPO stands for Certified Pre-Owned

*As on 5th August 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



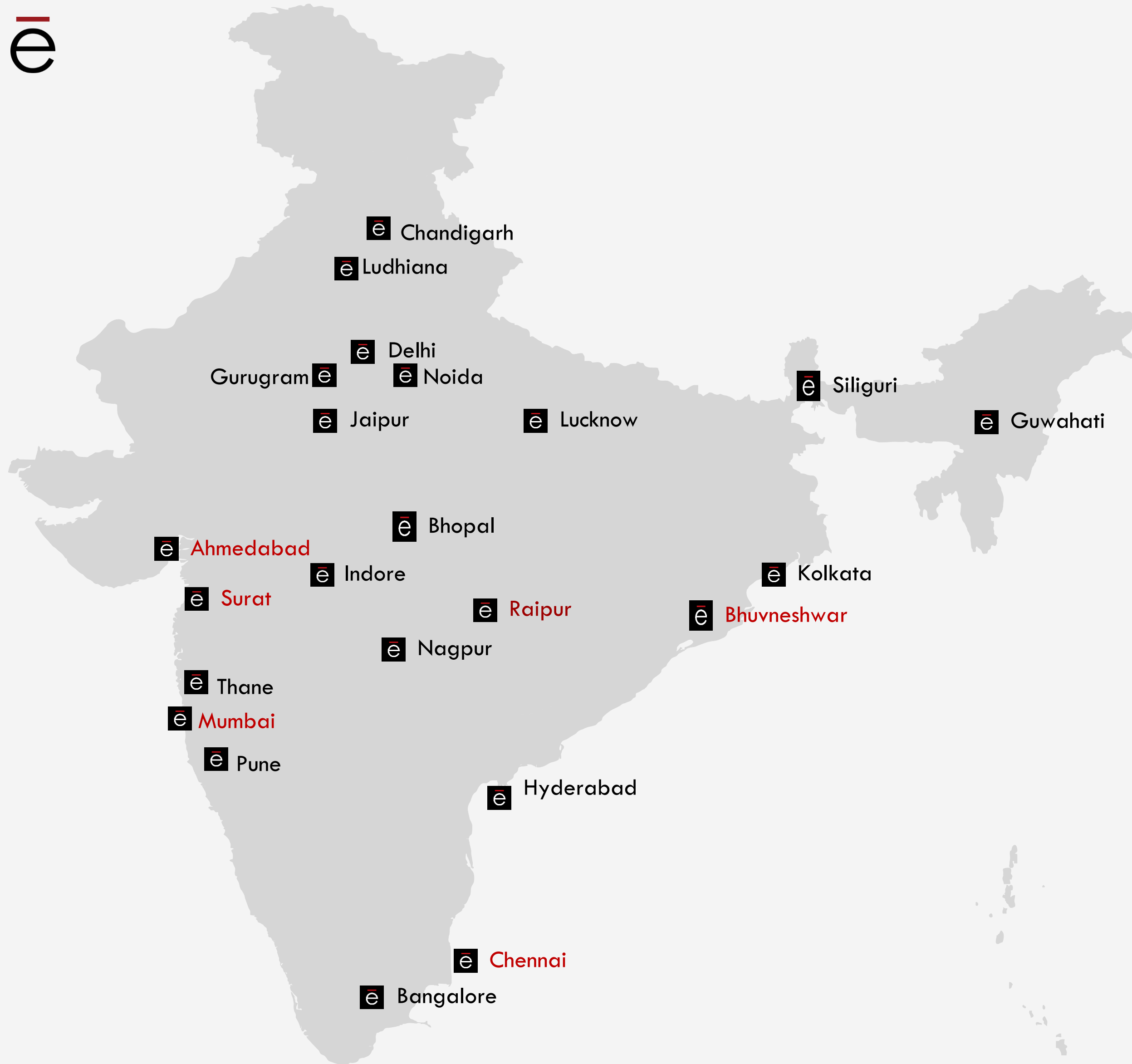
ETHOS WATCH BOUTIQUES

Our Store Locations

We have 60* 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

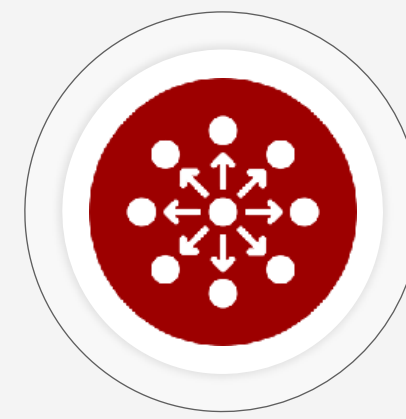
We have opened 6 **new stores** during the quarter



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



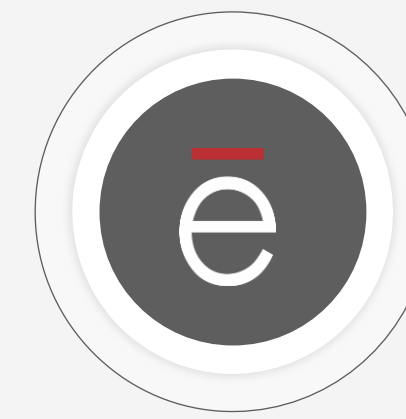
2

Growing our certified pre-owned luxury watch retail business



3

Drive Sales and gather data through Technological Innovations



4

Investing in our Brand



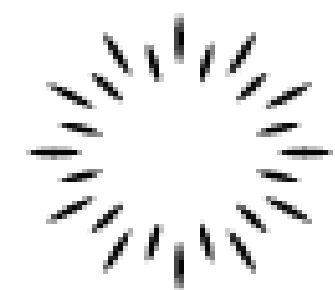
5

Expanding our physical store network and increasing market share



6

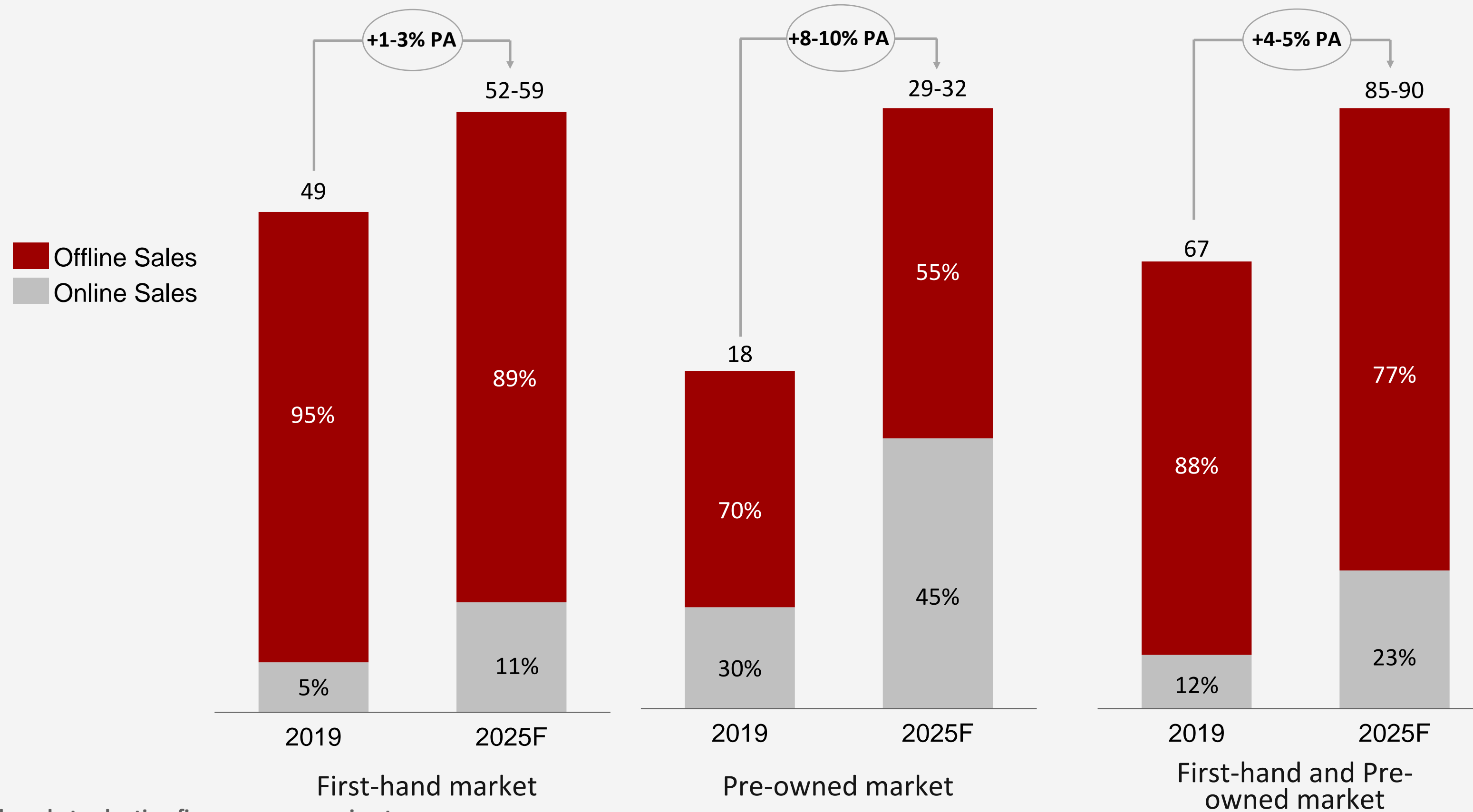
Increasing our watch brands portfolio Exclusive Relationship



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 (%)

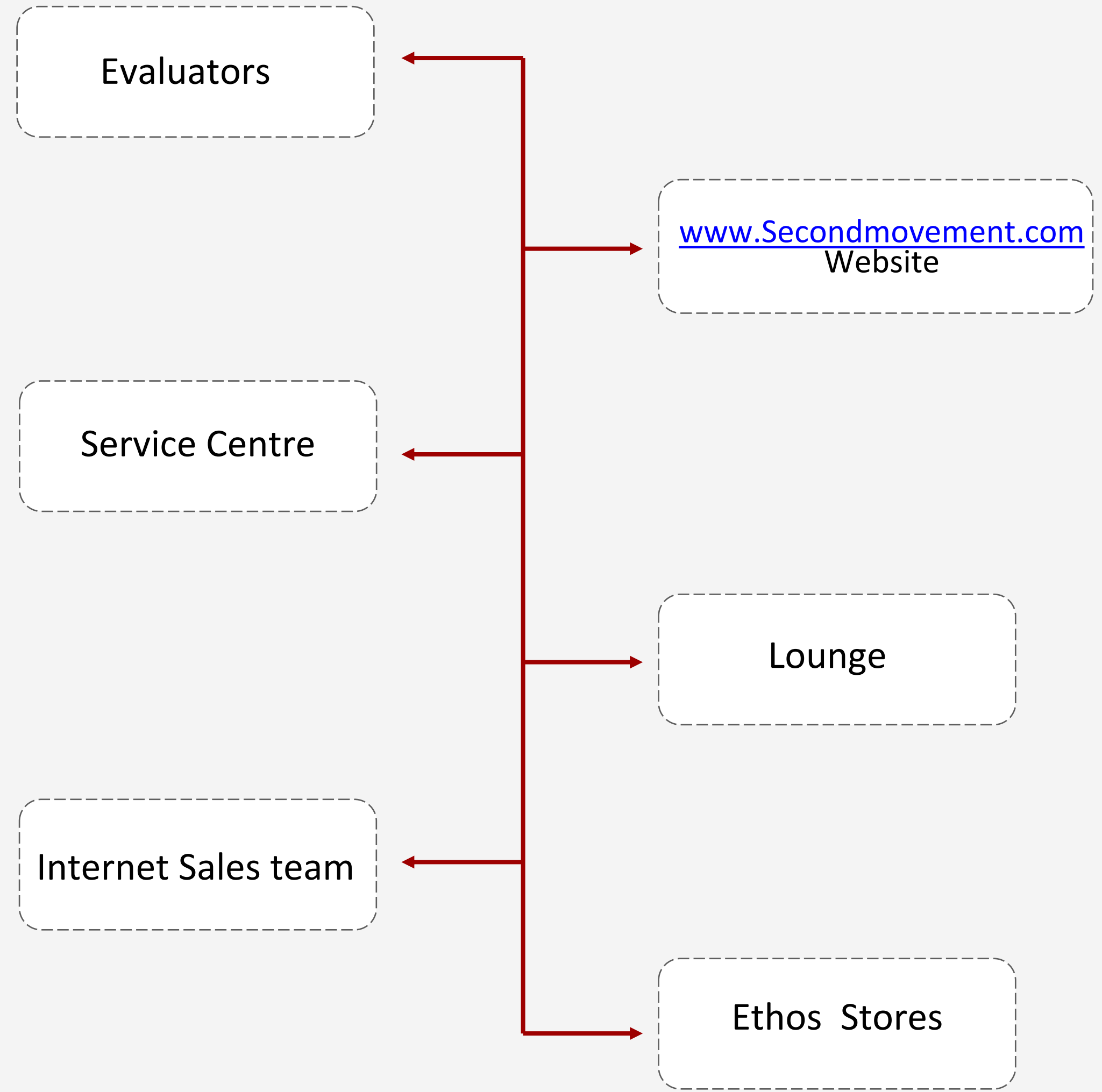


Note: All market valuation figures are approximates
 Source: McKinsey analysis, expert interviews



- 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 60* 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 5th August 2023

ēthos | WATCH
BOUTIQUES

New Stores













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