

Ref. no. : Ethos/Secretarial/2023-24/98

Dated: February 14, 2024

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 **Wednesday, February 14, 2024 at 4:00 p.m. IST** to discuss operational and financial performance of the Company for the quarter and 9 (nine) months ended December 31, 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

Q3 & 9M FY24 | February 2024

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“Continue to be optimist on the Indian luxury market”

Revenue

Rs. 281.2 cr

 **22.4% YoY**

EBITDA

Rs. 50.8 cr

 **28.5% YoY**

PAT

Rs. 25.5 cr

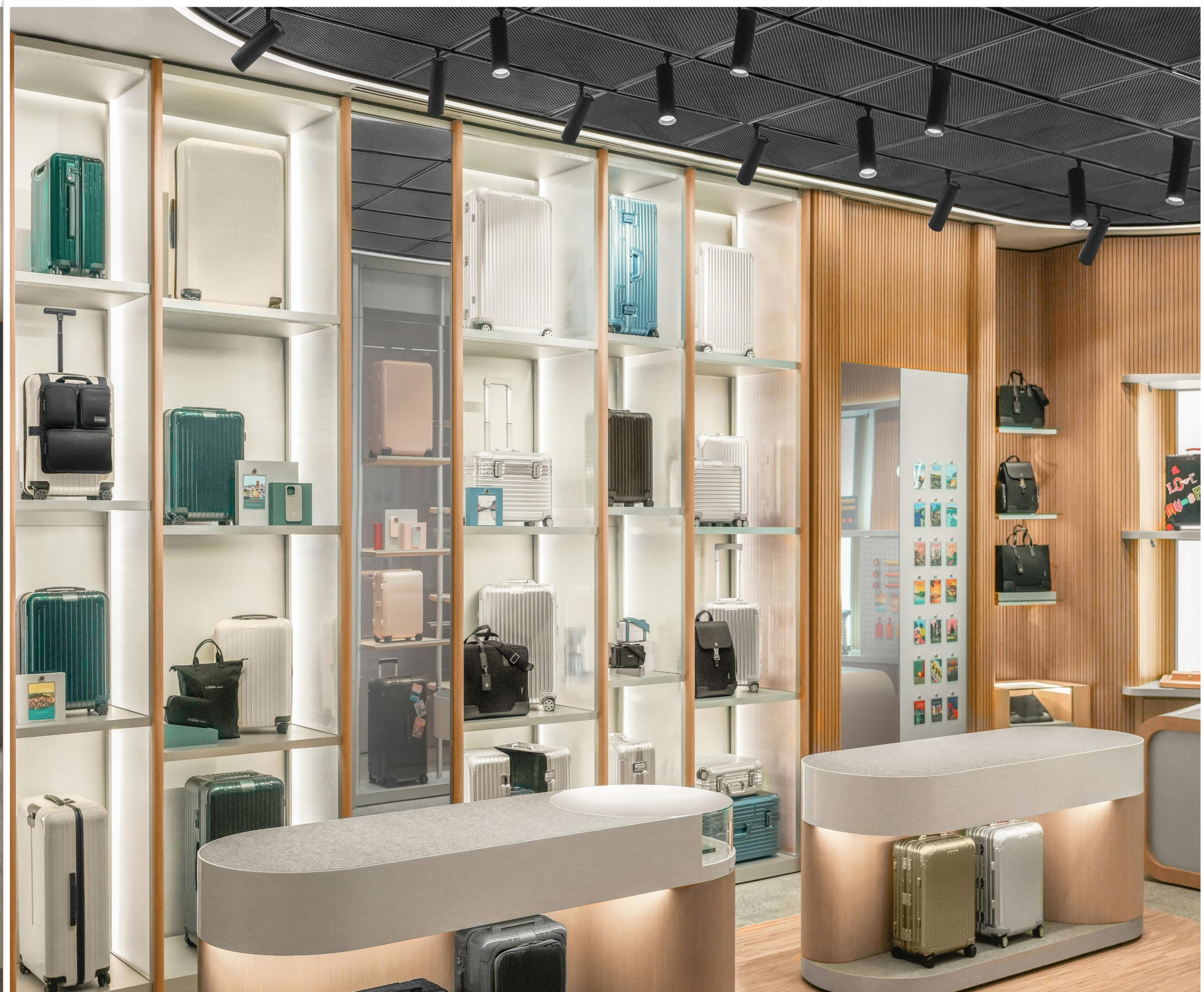
 **23.5% YoY**

Revenue grew by 22.4% despite impact of Shradh (Q2 in FY23 to Q3 in FY24), 10 days impact of Chennai floods and renovation of stores. 9 months revenue are in line as per guidance

SSG growth stood at 11.2% in Q3FY24 and 18.4% in 9MFY24

RIMOWA's launch was successful and profitable

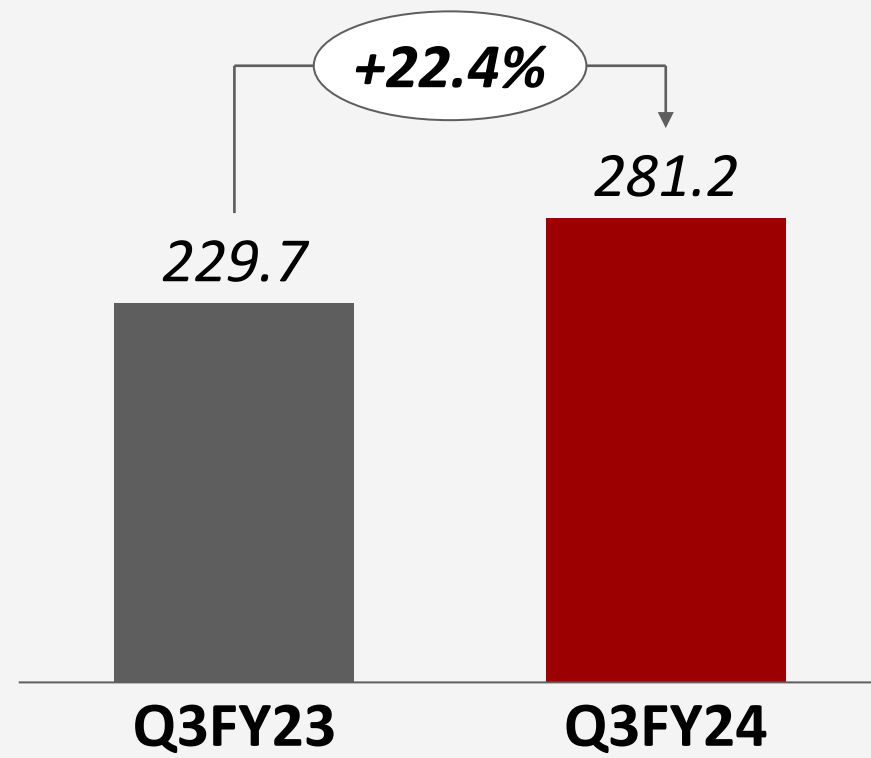
Pre-owned segment grew by 2% QoQ and 47% YoY



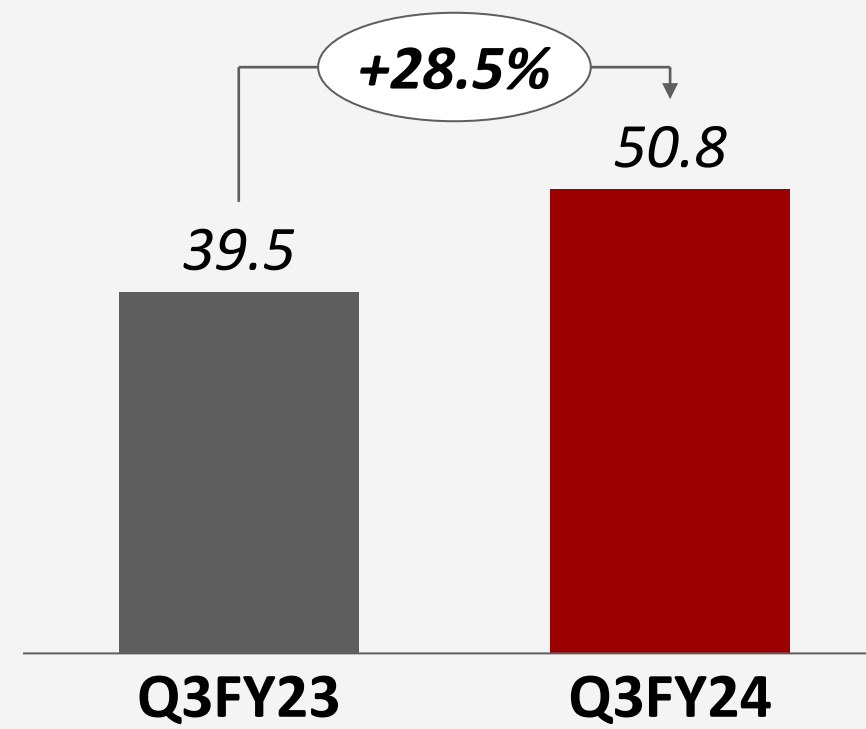
All Figures in Rs. Crs.

Q3FY24

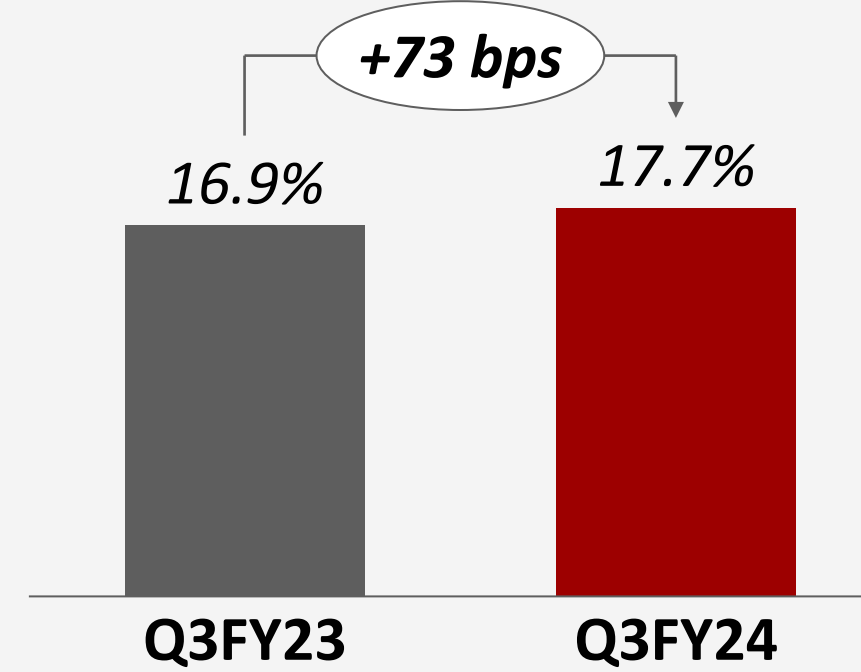
Revenue from operations



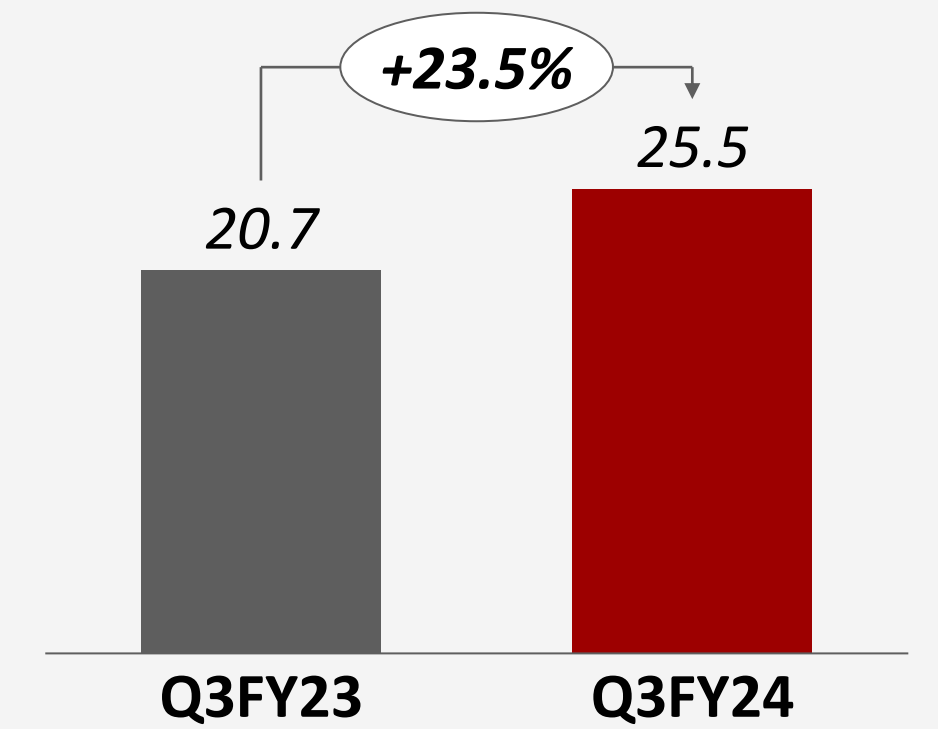
EBITDA



EBITDA Margin

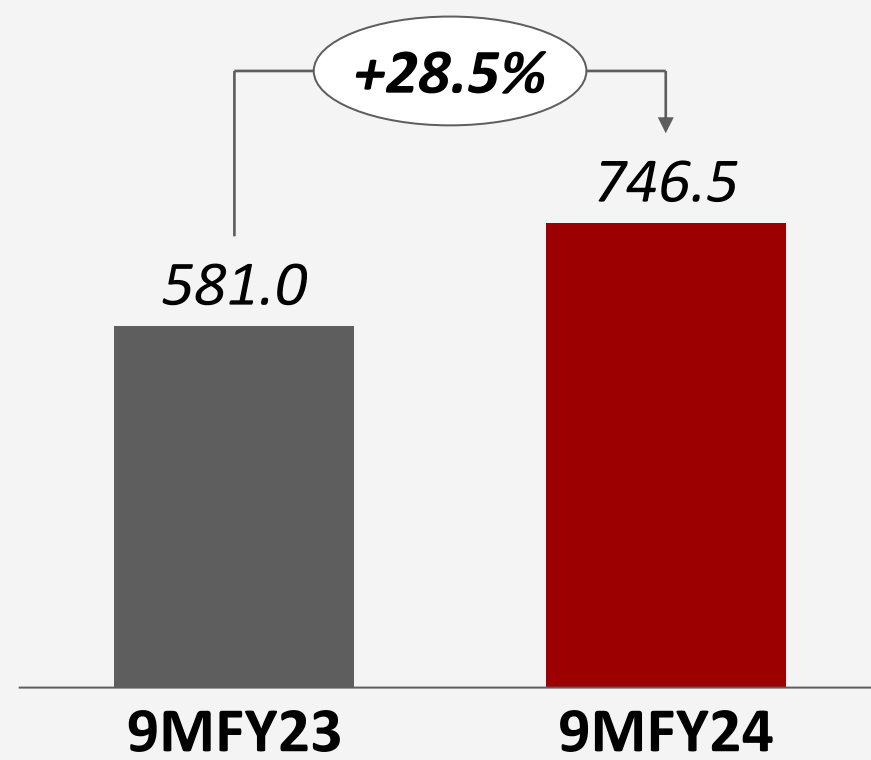


PAT

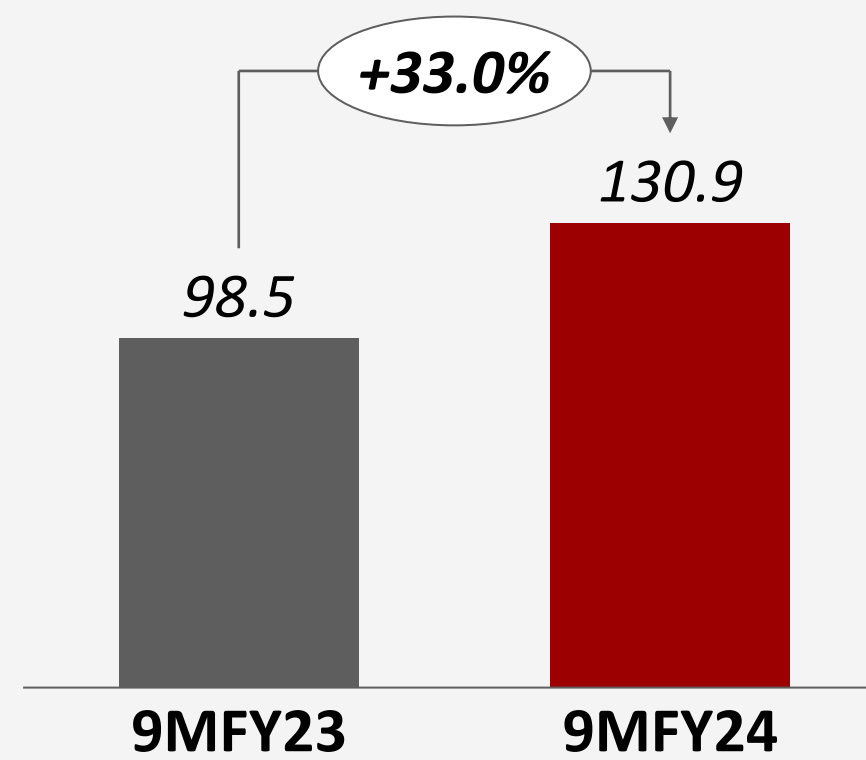


9MFY24

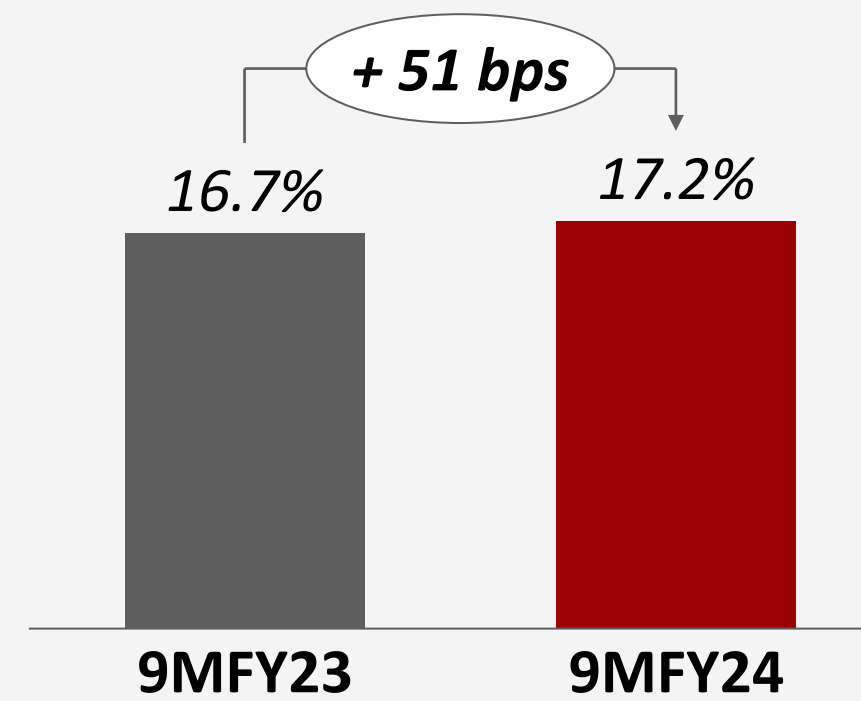
Revenue from operations



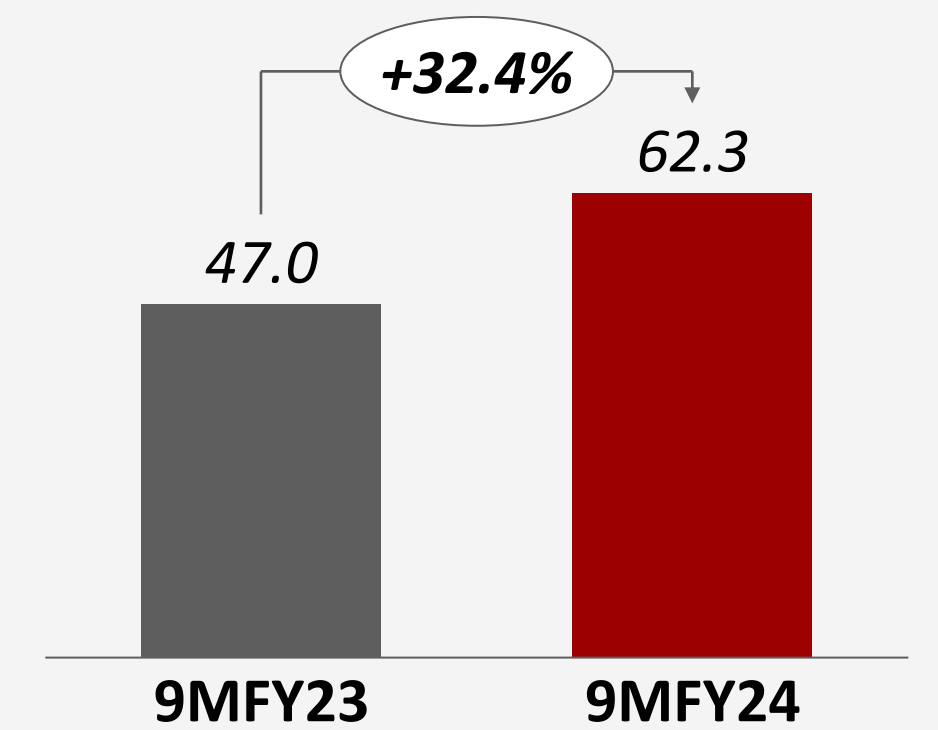
EBITDA



EBITDA Margin



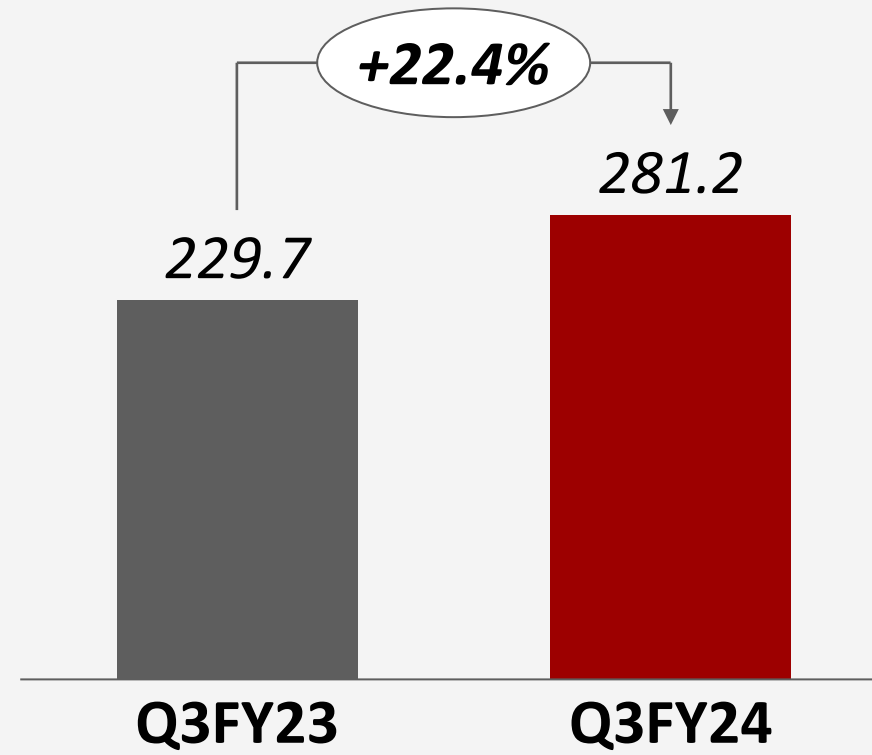
PAT



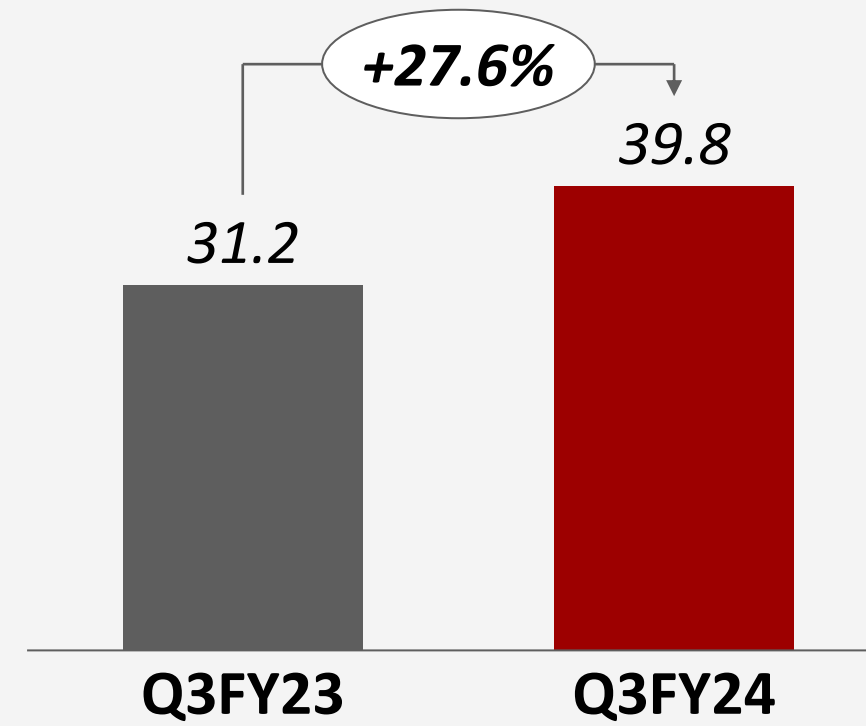
All Figures in Rs. Crs.

Q3FY24

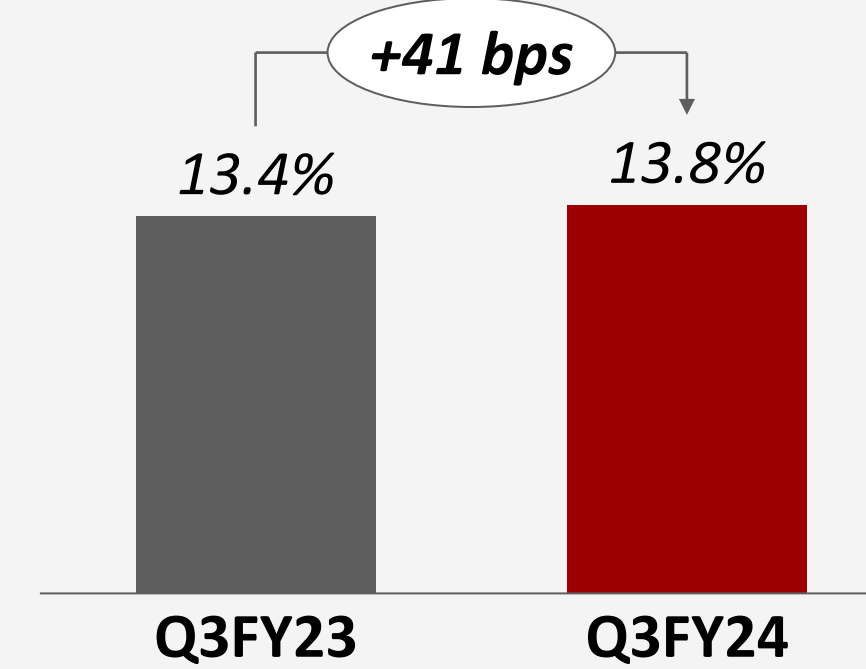
Revenue from operations



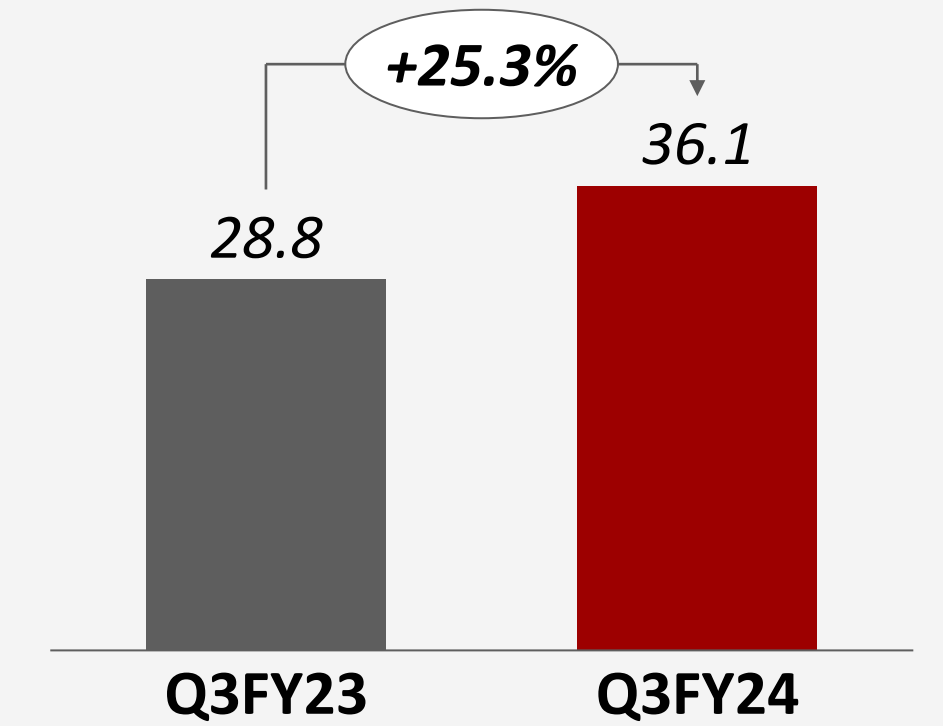
EBITDA



EBITDA Margin

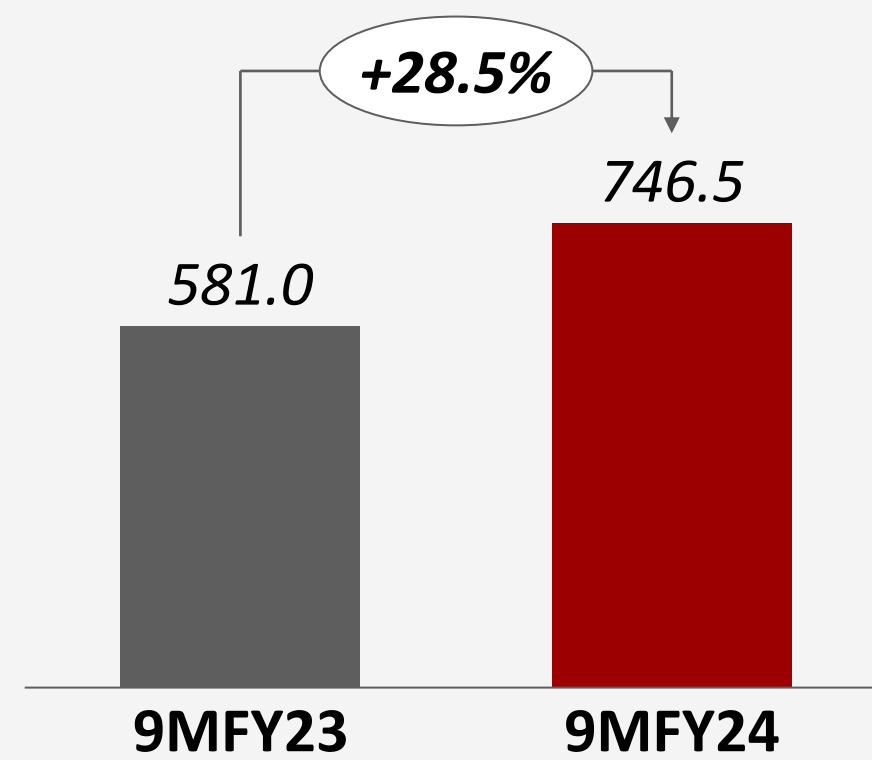


PBT

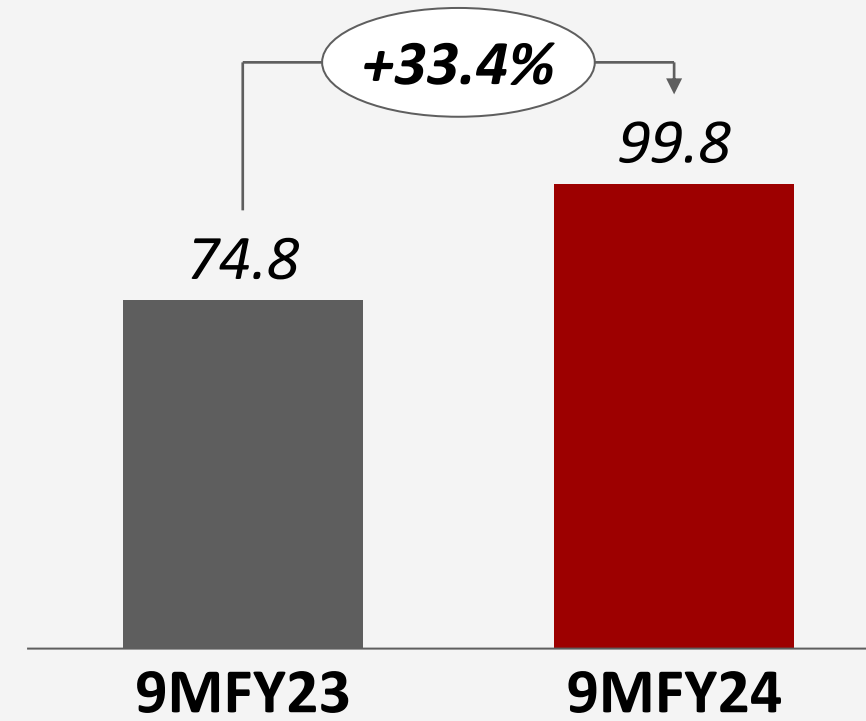


9MFY24

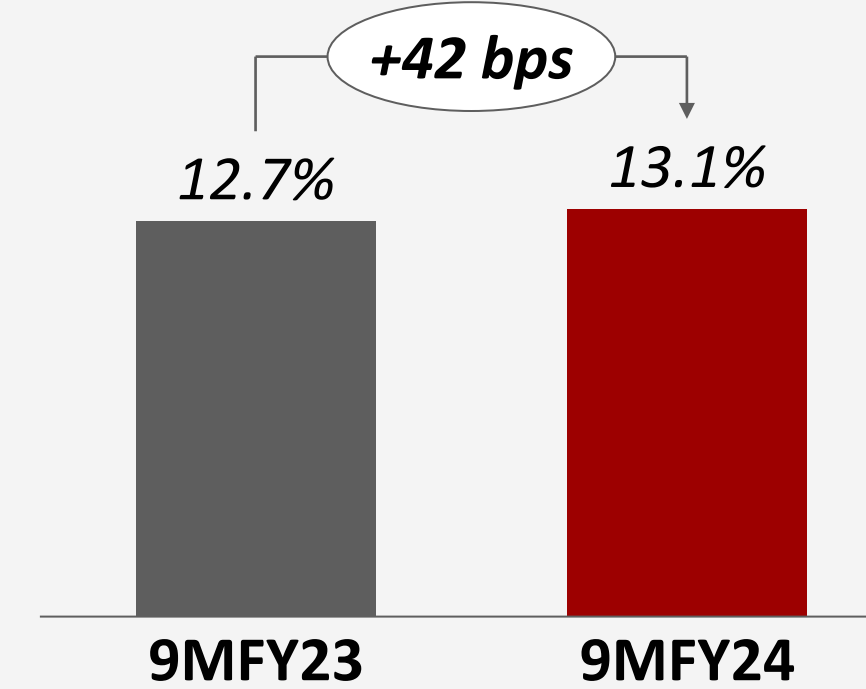
Revenue from operations



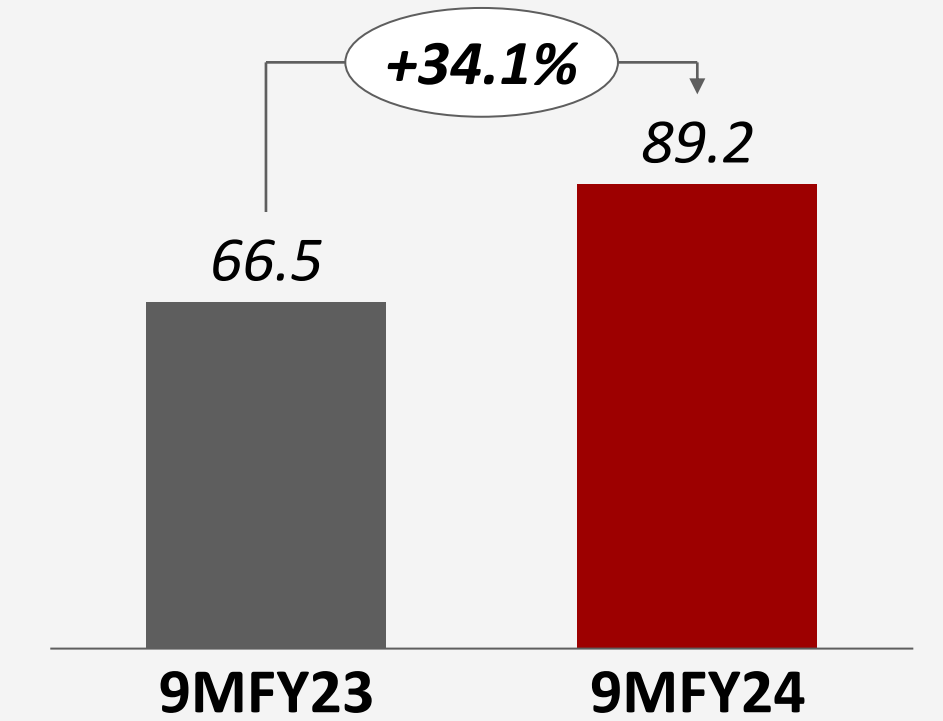
EBITDA



EBITDA Margin



PBT



Profit and Loss (in Rs. Crs)	Q3FY24	Q3FY23	YoY	Q2FY24	QoQ	9MFY24	9MFY23	YoY
Revenue from Operations	281.2	229.7	22.4%	235.2	19.6%	746.5	581.0	28.5%
Other Income	6.2	3.7		4.3		15.2	9.6	
Total Income	287.5	233.3		239.5		761.7	590.5	
Cost of Goods Sold	197.4	158.4		161.8		519.5	397.7	
Gross Profit (Revenue - COGS)	83.8	71.3	17.4%	73.4	14.0%	227.0	183.2	23.9%
Gross Profit Margin	29.8%	31.0%		31.2%		30.4%	31.5%	
Employee Cost	16.3	13.1		17.3		51.0	37.6	
Other Expenses	22.9	22.3		18.9		60.3	56.6	
EBITDA	50.8	39.5	28.5%	41.5	22.2%	130.9	98.5	33.0%
EBITDA Margin	17.7%	16.9%		17.3%		17.2%	16.7%	
Depreciation	12.5	8.8		12.7		35.9	25.2	
EBIT	38.3	30.7	24.4%	28.8	32.6%	95.0	73.3	29.6%
EBIT Margin	13.3%	13.2%		12.0%		12.5%	12.4%	
Finance Cost	4.0	3.1		4.1		12.0	10.7	
Share in Profit/(loss) in JV and Associates	0.1	0.1		0.2		0.6	0.3	
PBT	34.3	27.7	23.8%	24.9	37.8%	83.6	62.9	32.9%
PBT Margin	11.9%	11.9%		10.4%		11.0%	10.7%	
Tax	8.8	7.0		6.3		21.3	15.9	
PAT	25.5	20.7	23.5%	18.6	37.1%	62.3	47.0	32.4%
PAT Margin	8.9%	8.9%		7.8%		8.2%	8.0%	

9MFY24 Performance Highlights

- Revenue growth: is attributable to a surge in the high-end watch segment, enhanced sales of second movements, and revenue commencement in the luxury travel accessory segment despite the impact of Shradh in Q3, impact of Chennai Floods and a store under renovation
- Increases in employee costs on a 9-month basis due to higher personnel costs for training and development for new stores
- 4 Stores are under renovation, which led to an increase in other expenses on 9-month basis

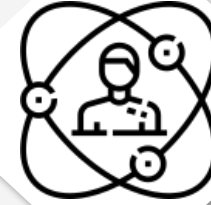
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Other Expenses	33.9	30.4		29.2		91.3	80.1	
Normalized EBITDA including other income	39.8	31.2	27.6%	31.1	28.0%	99.8	74.8	33.4%
Normalized EBITDA Margin	13.8%	13.4%		13.0%		13.1%	12.7%	
Depreciation	3.6	2.3		4.1		10.7	6.4	
Normalized EBIT	36.2	28.9	25.3%	27.0	34.1%	89.2	68.4	30.3%
Finance Cost	0.2	0.2		0.3		0.7	2.3	
Share in Profit/(loss) in JV and Associates	0.1	0.1		0.3		0.7	0.4	
Normalized PBT	36.1	28.8	25.3%	27.0	34.1%	89.2	66.5	34.1%

ēthos | WATCH
BOUTIQUES

About The Company & Industry



Ethos is India's largest luxury and premium watch retailer employing over 570+ 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

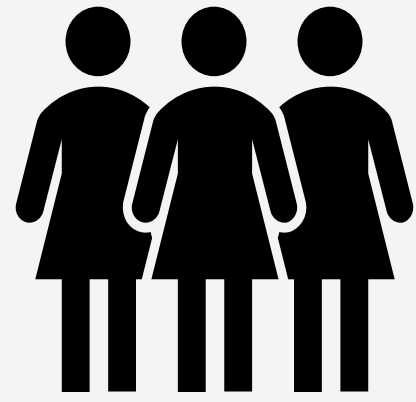


In addition to our chain of 60* physical retail stores in 23 cities in India in a multi store format, we offer an Omnichannel experience to our customers through our website and social media platforms

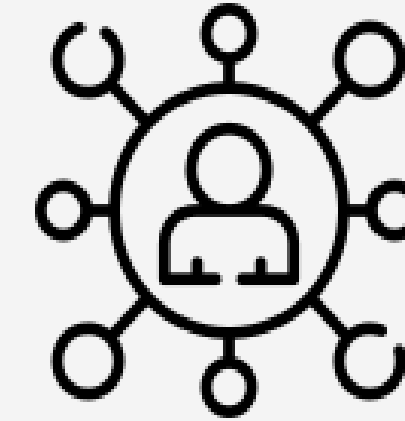


The first Boutique for Rimowa, for retailing their range of luxury luggage opened and Messika for retailing their range of luxury Jewellery in India is slated for later this Financial year.

KEY STRENGTHS

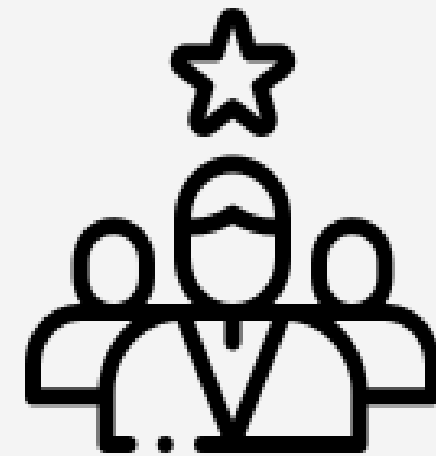


Experienced and committed management team with a proven track record

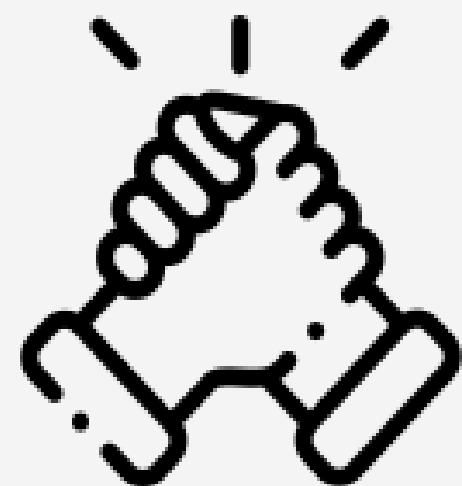


Deep understanding of Digital and Omnichannel commerce

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

2

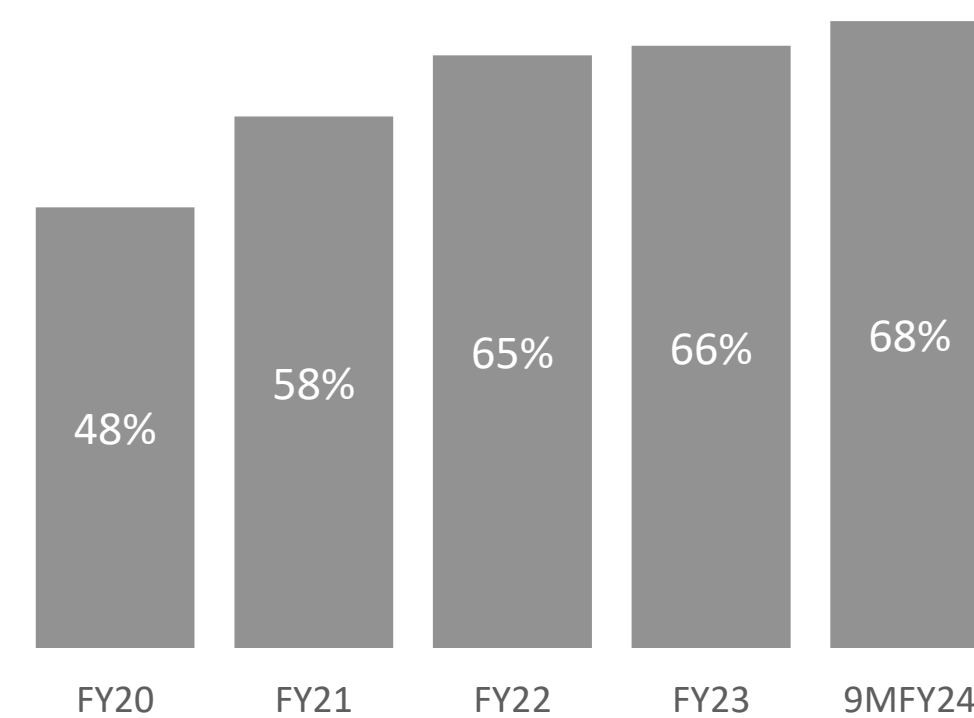
Creating engaging shopping experience over the years has enabled us to build a large Luxury Customer base

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

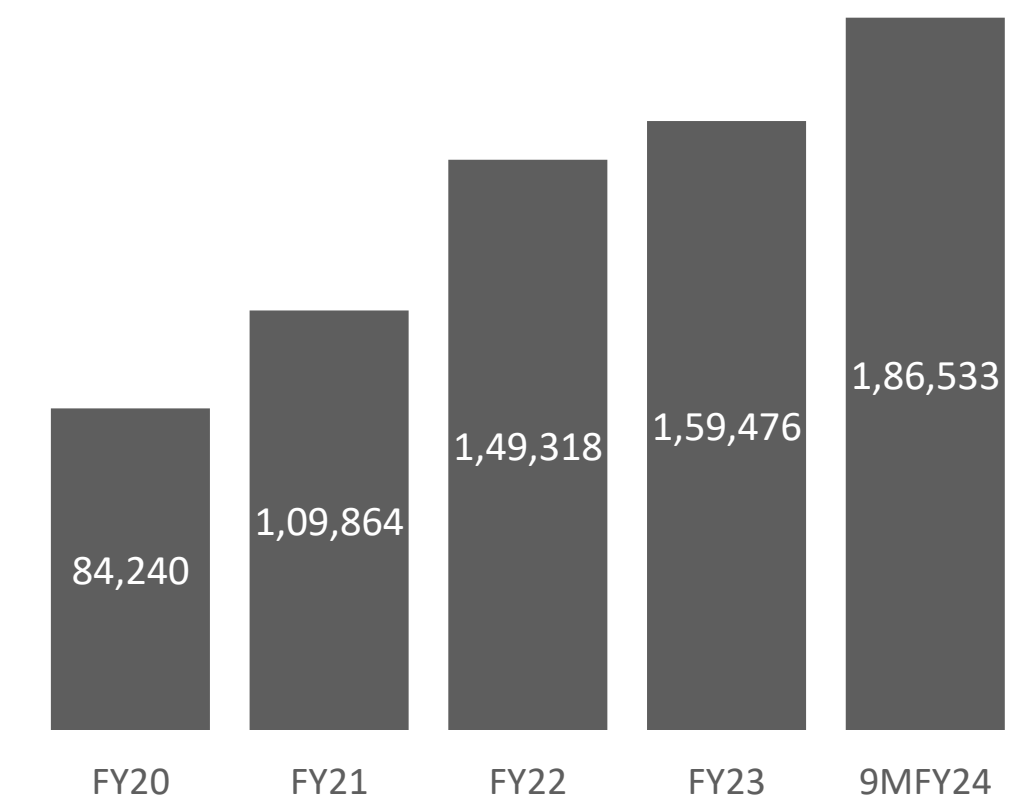
- ✓ Rise in the number of HNI's in fast growing economies, such as China and India has led to increase in the wealth of people
- ✓ Awareness and availability of luxury brands at Ethos with International retail standard

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

Share of Luxury & High luxury watch sales



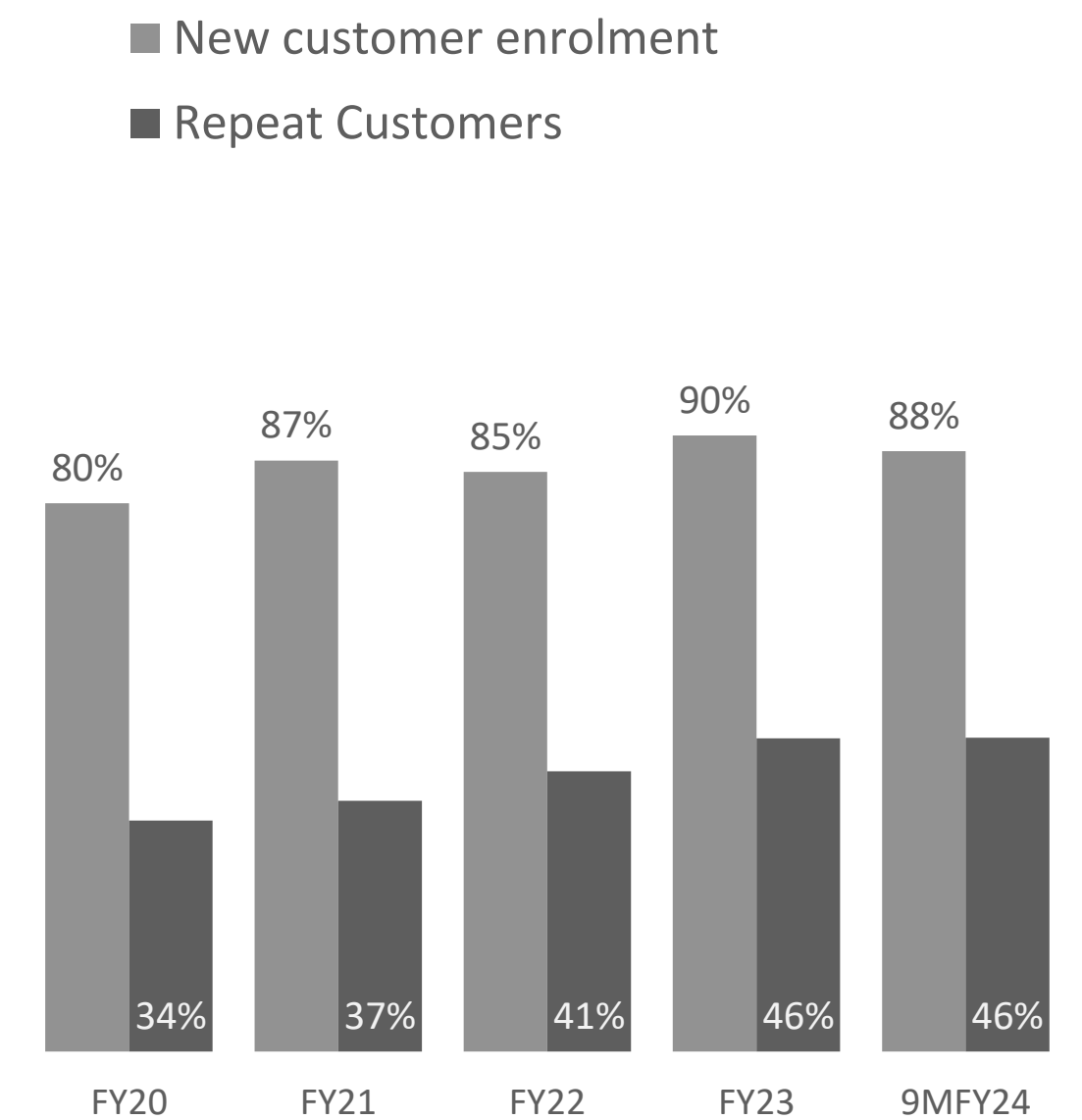
Average Selling Price per watch (INR)



“Club Echo” - Our Loyalty program – subscribed by over 3,28,000+ 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 → 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 12 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 14th February 2024

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



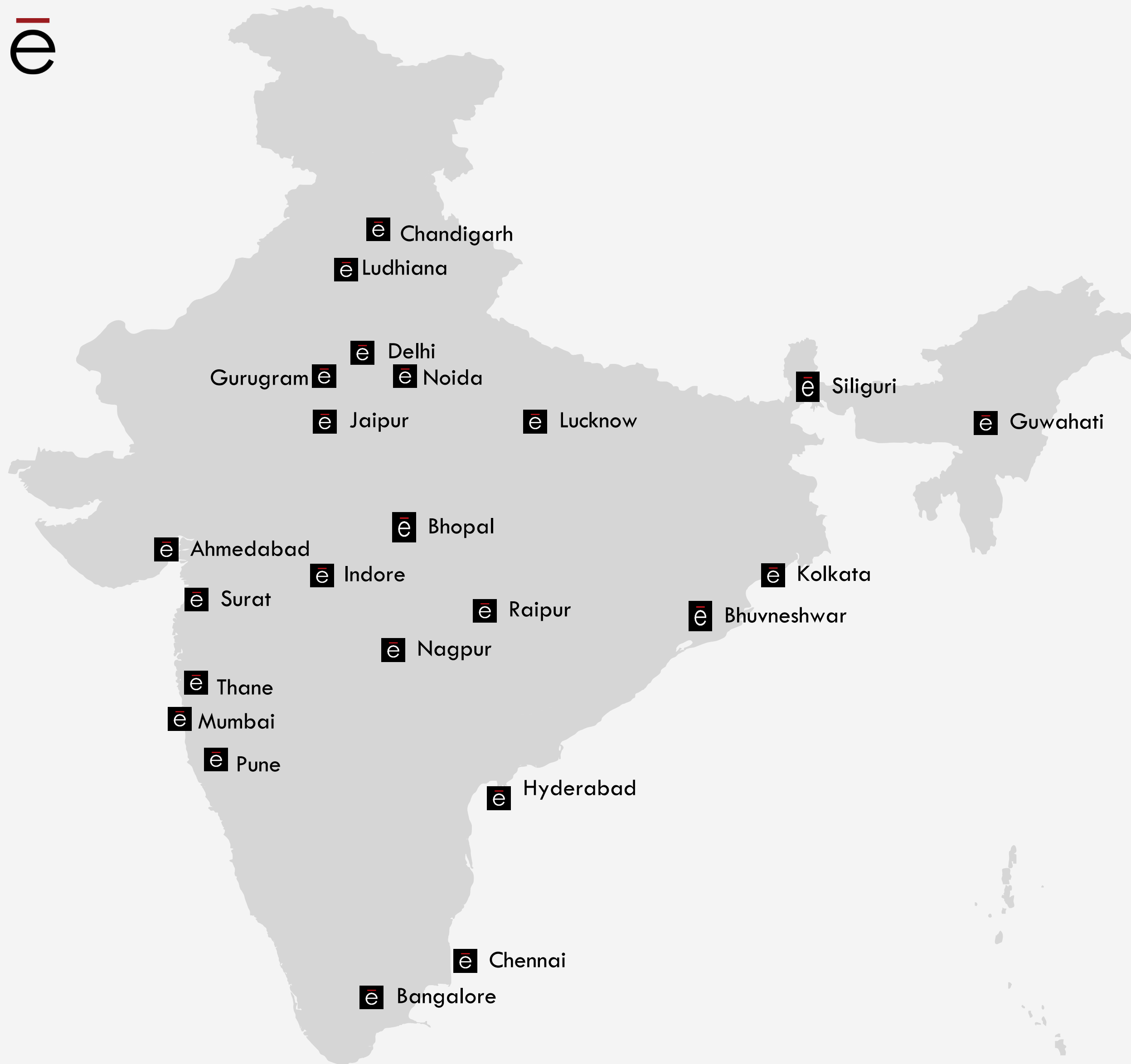
ETHOS WATCH BOUTIQUES

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 ventured our business to **New Stores**



Store Presence

ēthos | WATCH
BOUTIQUES

Strategy Overview



1

Expanding our physical store network and increasing market share



2

Increasing our watch brands portfolio
Exclusive Relationship



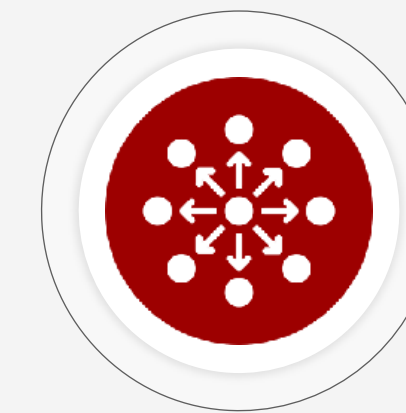
3

Growing our certified pre-owned luxury watch retail business



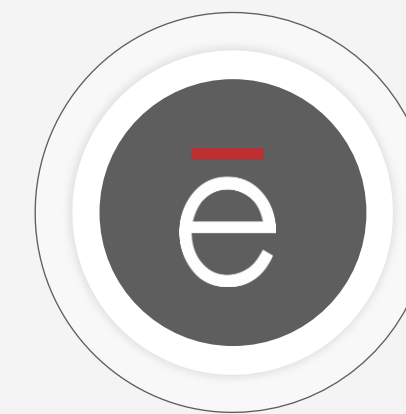
4

Drive Sales and gather data through Technological Innovations



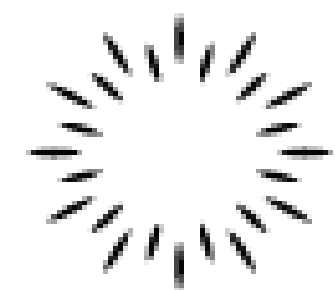
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Leveraging our luxury watch retail business and access to luxury customers to expand into other luxury verticals



6

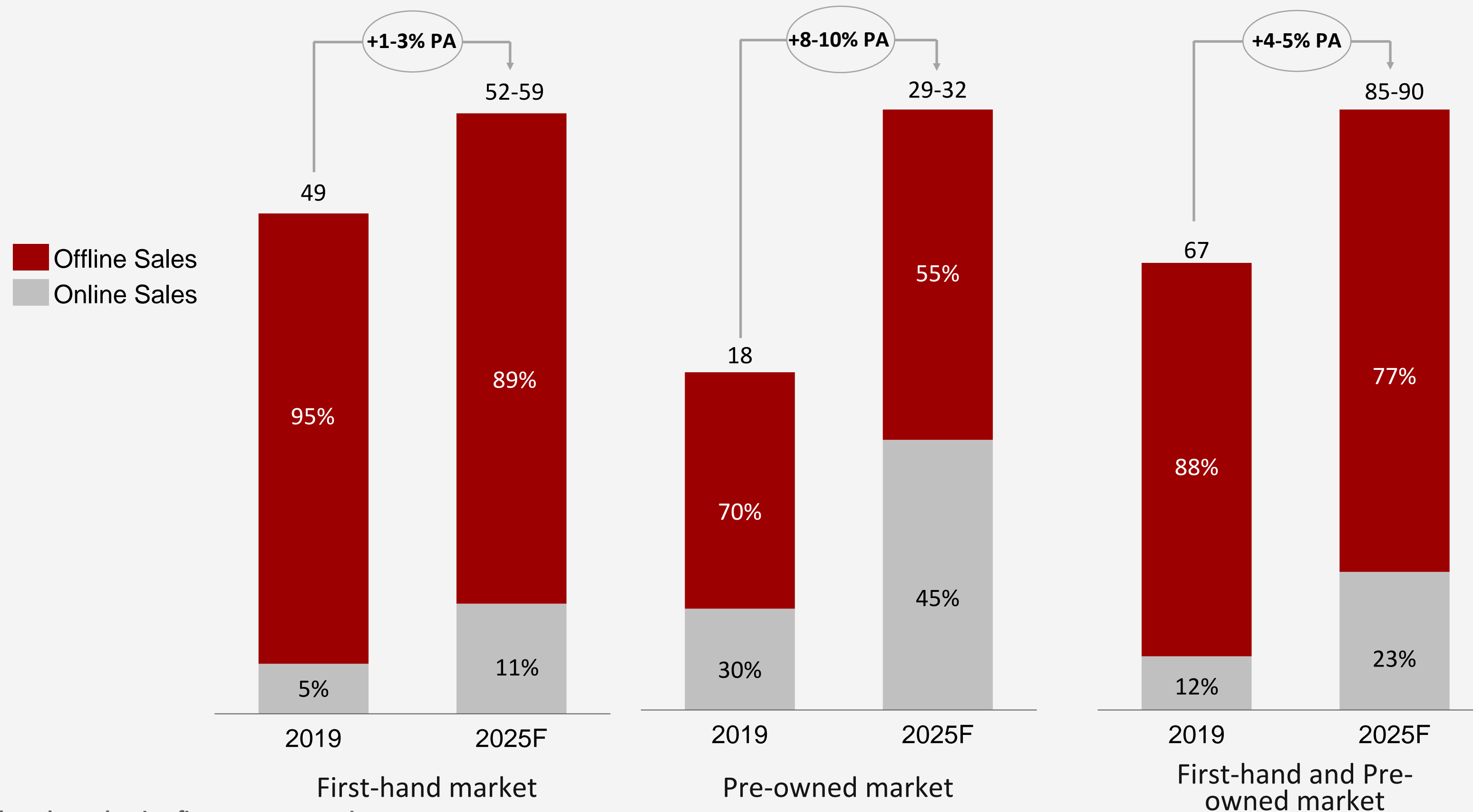
Investing in our Brand



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 (%)

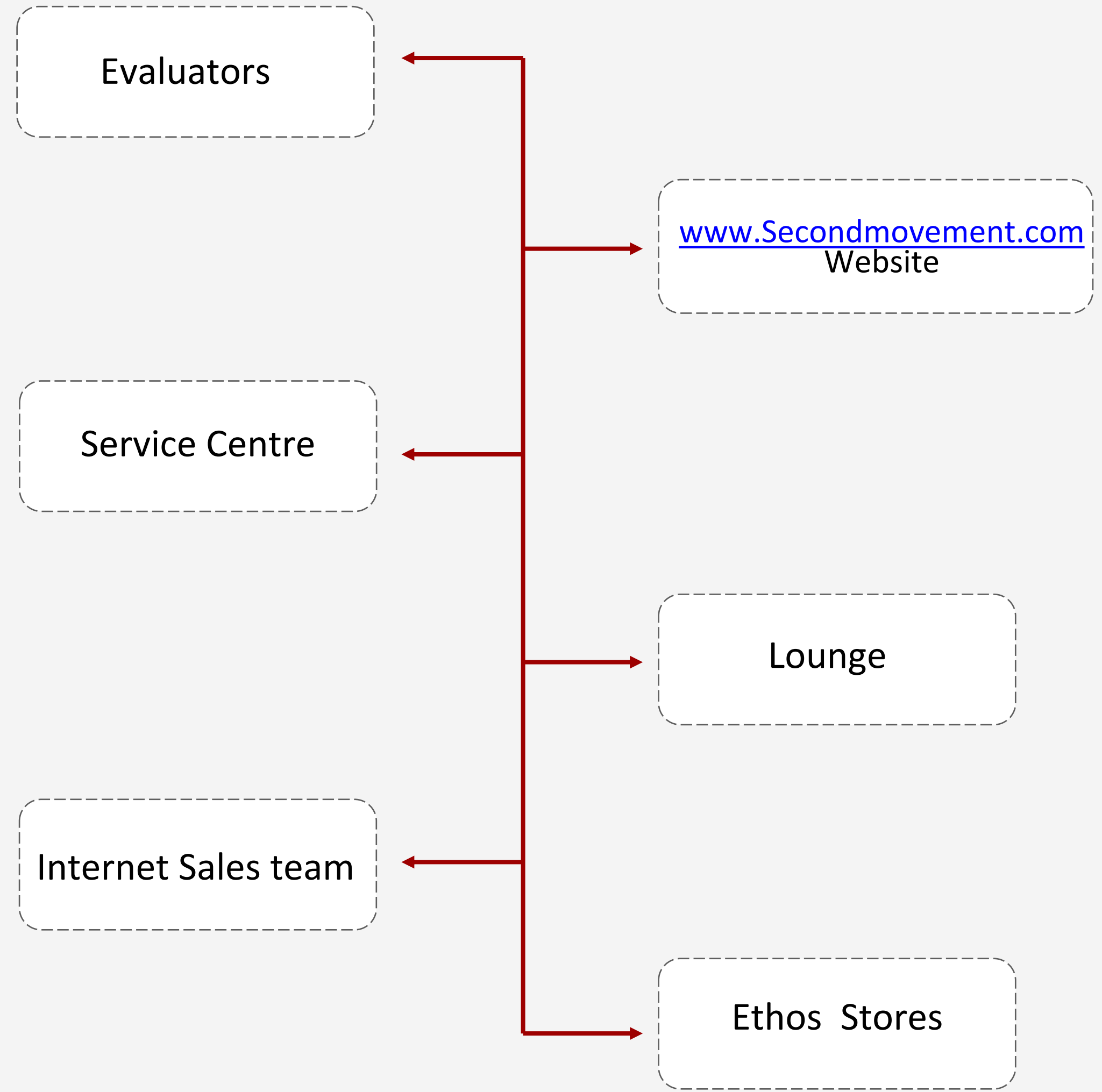


Note: All market valuation figures are approximates
 Source: McKinsey analysis, expert interviews



- 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 14th February 2024

For further information, please contact:

Company :



ETHOS Limited

CIN : U52300HP2007PLC030800

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www.ethoswatches.com

Investor Relation Advisors



Strategic Growth Advisors Pvt. Ltd.

CIN : U74140MH2010PTC204285

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