



# IPO INSIGHTS

ethos | WATCH BOUTIQUES

**Ethos Ltd**

**Issue Dates - Opens: 18-05-2022 | Closes: 20-05-2022**

<b>IPO Note</b>	<ol style="list-style-type: none"> <li>1. Leading Luxury Watch Omni-Channel Retail Player in India</li> <li>2. Faces Foreign-Exchange Risk</li> <li>3. Financials – Inconsistent, Increase in Borrowings over time</li> <li>4. No moat in the business &amp; Low-Entry Barriers</li> <li>5. Expensive Valuation</li> </ol>
<b>Rating</b>	★★ (Average)

## IPO SNAPSHOT

Issue Size	₹ 472.29 Crores
Issue Type	Fresh Issue & Offer for Sale
Fresh Issue	₹ 375 Crores
Offer for Sale	₹ 97.29 Crores
Face Value Per Share	₹ 10
Price Band Per Share	₹ 836 - ₹ 878
Minimum Lot Size	17 shares
Listing On	BSE & NSE
Pre-Issue Promoter Shareholding	81.01%
Post-Issue Promoter Shareholding	61.65%
Registrar to the Issue	Kfin Technologies Limited

# IPO SNAPSHOT – Ethos Ltd

<b>About the Company</b>	<ul style="list-style-type: none"> <li>▪ Incorporated on November 5, 2007</li> <li>▪ Promoted by KDDL Ltd</li> <li>▪ Largest Luxury &amp; Premium Watch Retail Player</li> <li>▪ 13% share of total retail sales in retail &amp; luxury segment</li> <li>▪ 20% share in Exclusive luxury segment in FY2020</li> <li>▪ Pan-India Presence with 50 stores across 17 cities</li> <li>▪ <b>Ethos Summit</b> – Luxury &amp; High Luxury Brands</li> <li>▪ <b>Ethos Stores</b> – Premium &amp; Fashion Range</li> <li>▪ Opened Boutiques in Partnership with leading brands like Rolex</li> <li>▪ Increased focus on customer experience through consultation with watch experts, prompt customer service, loyalty points, research on various watches and brands service and repairs through <b>Ethos Watch Centres</b></li> <li>▪ Actively retails through website             <ul style="list-style-type: none"> <li>▪ Digitally-enabled for fashion and below range</li> <li>▪ Voice-enabled for Premium and Luxury Range</li> </ul> </li> <li>▪ 7000 bridge to luxury, luxury to high luxury watches to choose from across 50 brands as on Dec 31, 2021</li> <li>▪ Runs Loyalty Program under <b>Club Echo</b> which generates 35% of business via repeat buyers registered with the program</li> <li>▪ Portfolio of 50 premium brands include – Rado, Omega, IWS Schaffhausen, Panerai, LeCoultre and many more</li> </ul>																																				
<b>Competitive Strengths</b>	<ul style="list-style-type: none"> <li>▪ Access to large base of luxury customers</li> <li>▪ Leading Luxury Watch Omni-Channel Retail Player in India</li> <li>▪ Strategic Location &amp; Well-Invested store network with attractive in-store experience</li> <li>▪ Strong and long-standing relationship with luxury watch brands</li> <li>▪ Leadership position in an attractive luxury watch market</li> <li>▪ Early mover advantage in certified pre-owned business</li> <li>▪ Founder led company with professional management team</li> </ul>																																				
<b>Financials (₹ in Millions)</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars,</th> <th style="text-align: center;">31-3-2019</th> <th style="text-align: center;">31-3-2020</th> <th style="text-align: center;">31-3-2021</th> <th style="text-align: center;">31-12-2021</th> <th style="text-align: center;">Y-o-Y</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Rev frm Operations</td> <td style="text-align: right;">4,435.29</td> <td style="text-align: right;">4,578.49</td> <td style="text-align: right;">3,865.70</td> <td style="text-align: right;">4185.93</td> <td style="text-align: center;"><b>-16%</b></td> </tr> <tr> <td style="text-align: center;">EBITDA</td> <td style="text-align: right;">582.6</td> <td style="text-align: right;">544.0</td> <td style="text-align: right;">564.4</td> <td style="text-align: right;">562.9</td> <td style="text-align: center;"><b>3%</b></td> </tr> <tr> <td style="text-align: center;">EBITDA Margin</td> <td style="text-align: center;"><b>13.3%</b></td> <td style="text-align: center;"><b>11.9%</b></td> <td style="text-align: center;"><b>14.6%</b></td> <td style="text-align: center;"><b>13.45%</b></td> <td></td> </tr> <tr> <td style="text-align: center;">PAT</td> <td style="text-align: right;">98.88</td> <td style="text-align: right;">-13.34</td> <td style="text-align: right;">57.85</td> <td style="text-align: right;">159.87</td> <td style="text-align: center;"><b>*</b></td> </tr> <tr> <td style="text-align: center;">PAT Margin</td> <td style="text-align: center;"><b>2.2%</b></td> <td style="text-align: center;"><b>-0.3%</b></td> <td style="text-align: center;"><b>1.5%</b></td> <td style="text-align: center;"><b>3.8%</b></td> <td></td> </tr> </tbody> </table> <p>* = Loss to Profit</p>	Particulars,	31-3-2019	31-3-2020	31-3-2021	31-12-2021	Y-o-Y	Rev frm Operations	4,435.29	4,578.49	3,865.70	4185.93	<b>-16%</b>	EBITDA	582.6	544.0	564.4	562.9	<b>3%</b>	EBITDA Margin	<b>13.3%</b>	<b>11.9%</b>	<b>14.6%</b>	<b>13.45%</b>		PAT	98.88	-13.34	57.85	159.87	<b>*</b>	PAT Margin	<b>2.2%</b>	<b>-0.3%</b>	<b>1.5%</b>	<b>3.8%</b>	
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