

# Ethos IPO

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BOUTIQUES

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## Offer Details

IPO size	Rs. 472.29 Cr
Fresh issue	Rs. 375 Cr
Offer for sale	Rs. 97.29 Cr
Shares Face value	10/-
Shares Price band	Rs 836-878
Lot	17 Shares and in multiple thereof
Ethos opening date	18 May, 2022
Ethos closing date	20 May, 2022

# About The Company



- Ethos is the **largest luxury and premium watch retailer** in India and has watch portfolio of **50 premium brands in India** such as Omega, IWC Schaffhausen, Jaeger LeCoultre, Panerai, Bvlgari, H. Moser & Cie, Rado, Longines, Baume & Mercier, Oris SA, Corum, Carl F. Bucherer, Tissot, Raymond Weil, Louis Moinet and Balmain.
- It has a chain of **50 physical stores in 17 cities** of India in multi store format and operates on **omni-channel model** through its website and physical stores.
- It has a **market share** of **~13% in premium and retail luxury** segment and **~20% in exclusive luxury segment**.
- It has even undertaken retail of certified pre-owned luxury watched since 2019.
- Ethos **revenue** from operations stood at **41,859.3 lakh rupees** as on Dec'21.



# What is working for the company?



- Access to large luxury customer base to drive sales.
- Largest luxury and premium watch retailer in India.
- Founder led and professionally managed team.
- Early mover advantage in certified preowned business.
- Strategically located stores to cater to customers.
- Strong and long-standing relationships with watch brands.

# What is not working for the company?



- The business is highly dependent on top 5 suppliers for procurement of products.
- Highly concentrated sales from certain stores.
- Part of a highly fragmented industry with intense competition.
- The business is man-power intensive and has high attrition rate.
- Volatile margins and inconsistent earnings.
- Similar shares offered to promoters at ~Rs. 550 ( in Dec'21) and currently IPO is priced at ~Rs. 836-878.

# Our Recommendation



We recommend you to **AVOID** to this IPO on the following parameters:

- The issue is **very aggressively priced**.



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