

*Tanzanite* ENCHANTING BLUE HUES



# Vaibhav Global Limited

Global E-tailer of Fashion Jewellery, Apparels, Lifestyle Products and Accessories on TV and Digital Platforms

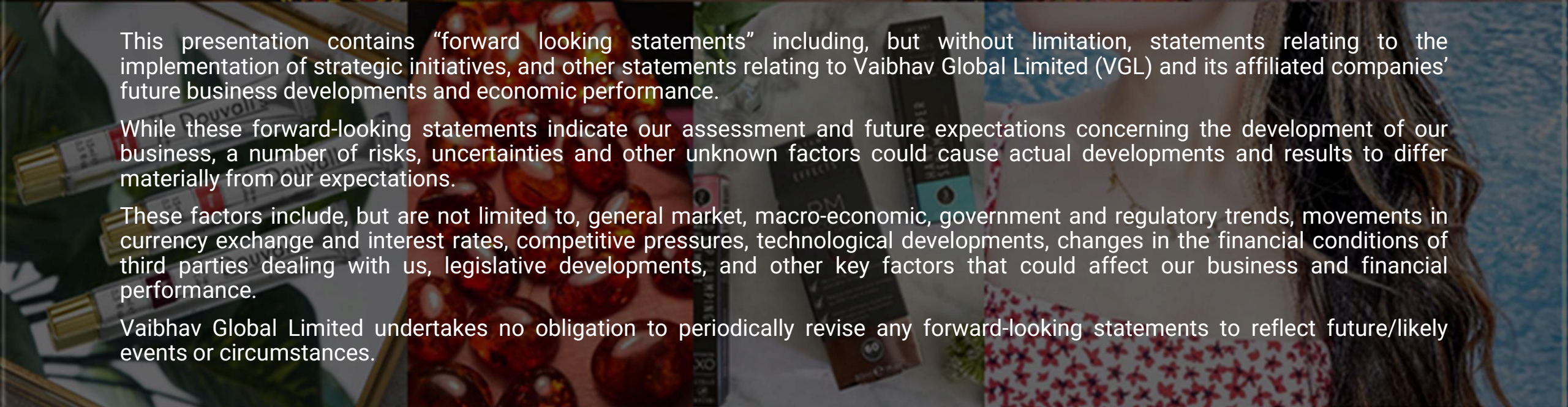
DELIVERING JOY

## Q3 & 9M FY22 Financial Results Presentation





# Safe Harbour



This presentation contains “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Vaibhav Global Limited (VGL) and its affiliated companies’ future business developments and economic performance.

While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, government and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Vaibhav Global Limited undertakes no obligation to periodically revise any forward-looking statements to reflect future/likely events or circumstances.

## Commenting on Q3 FY22 Performance

### MD's Message



**Mr. Sunil Agrawal**  
Managing Director  
Vaibhav Global Limited

Revenue in Q3 grew by 3.5% Y-o-Y albeit on a higher base and strongly by 33.2% over Q3FY20. Our 9M revenue grew by 10.3% Y-o-Y and by 38.9% over 9MFY20. Post Q1, consumers went for revenge outings and vacations thus impacting demand. This phenomenon continued in Q3 leading to muted revenue growth across digital retail industry. Festive demand was encouraging, however demand tapered in later part of Q3, owing to omicron uncertainties. Gross margins have seen slight contraction mainly due to product mix, elevated shipping costs and demand-supply mismatch at product level owing to longer transit times. During the quarter, investments on new OTA homes, Digital Marketing, Market Places Marketing and OTT marketing continued. These investments are intended to support our growth ambitions for coming years. In USA, our revenue and unique customer counts on OTT have tripled YoY implying a clear opportunity in this market for us.

Retail is rapidly moving digital. Hence, we recently finished upgrading our Tech Infrastructure on Salesforce Commerce Cloud. Our recent expansion in high potential German market is faring well and offers tremendous growth prospects on TV, Digital and marketplace platforms. There have been certain earlier than planned airtime tie-ups resulting in higher than planned upfront investments. However, we may now be breakeven by third quarter of FY24 in Germany, which is approx. one year earlier than projected. We believe in seeding investments for long-term growth. Recently, TJC UK announced Freeview Channel change to #22 from erstwhile Freeview Channel #50. The investment is expected to enhance the viewership of TJC's proprietary TV channel substantially with corresponding increase in its market share, thus providing long-term growth opportunities. Similarly, Shop LC (USA) has decided to move its headquarters to an owned premise whose construction is expected to complete by Sep-2024. This move is expected to bring operational synergies and substantial savings in future. We have also acquired 60% stake in Encase Packaging Pvt Ltd., a packaging company. The acquisition will further consolidate our existing integrated supply chain and give substantial saving in packaging costs. We perceive that these investments might impact return ratios in the short-term, but it provides huge growth opportunities for the future.

The 4R's- widening Reach, new customer Registrations, customer Retention and Repeat purchases remains to be our key priorities for overall growth. Our vertically integrated model and robust supply chain network is the backbone of our business and a key differentiator vis-a-vis peer. The reach of our TV networks by the end of Q3 FY22 was ~127 million TV homes. We reach TV homes through cable, satellite, telco networks and over the air antenna-based OTA platforms. Our products are also available on digital channels including all proprietary websites, smartphone apps, OTT platforms and marketplaces. New registrations in trailing 12-month period continue to be strong and came in at 3.1 lakhs compared to 2.8 lakhs in the corresponding period of the previous year. As engagements with new customer deepens, we expect to continue to drive bigger volumes. Customers bought an average of 29 pieces on TTM basis from us compared to 27 pieces in the corresponding period of the previous year. This reflects our ability to not only support changing customer preference, but also respond to them with agility. Finally, our retention rates stood at 42.3% on TTM basis compared to 51.4% for the same period last year. We expect our overall revenue growth to be 8-10% in current financial year on top of 28% growth last year. We expect our growth rate to be 13-15% in next financial year and 15-17% in midterm.

We are enthused to share the fact that our SEZ unit of Jaipur has been conferred with IGBC Performance Challenge 2021 for Green Built environment- Excellence Award' under 'Factory' category by IGBC and have become the first and only jewellery plant in India to achieve this milestone. We have a robust cash flow model and track record of returning meaningful cash to shareholders, hence board has recommended 3rd interim dividend of the fiscal year which is Rs.1.50 per equity share. At the end, we would like to reiterate, that there are multiple levers for future growth and margin improvement and our long-term ambition is to sustain growth whilst building decent operating leverage.

# Q3 FY22 : KEY HIGHLIGHTS



Revenues grew by **3.5%** Y-o-Y and **33.2%** over Q3 FY20



Gross margins continue to be strong at **60.4%**



EBITDA margins in Q3 FY22, excluding Germany, were at **13.2%** vs 17.4% in Q3 last year. Margins impacted owing to conscious investments in digital marketing, OTA HH and elevated sea freight



Significant increase in Unique Customers (TTM basis) to **4,94,511** from 4,70,985 for same period last year **5.0%** Y-o-Y



Return ratios with ROCE at **38%** and ROE at **26%** (TTM basis)



Launched **TJC Beauty** on SKY Network & TJC Freeview Channel now airing at **#22** from **#50**



Cognizant investments on **Digital Platforms and Automation**



Declared interim dividend of Rs. 1.50 per equity share (face value Rs. 2 per share)



SEZ Unit conferred 'Excellence Award' by IGBC for Green Built Environment



Provided **61** million meals since inception of one-for-one meal program 'Your Purchase Feeds...'

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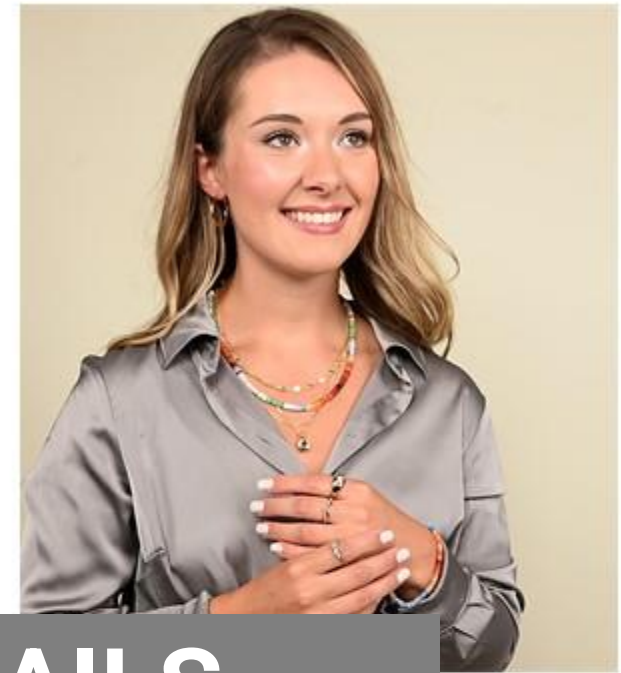
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DELIVERING JOY





# BUSINESS BACKGROUND DETAILS



# VAIBHAV GLOBAL LIMITED (VGL) AT A GLANCE



## VISION

Be the Value Leader in  
Electronic Retailing of  
Jewellery & Lifestyle  
Products

## MISSION

To deliver one million  
meals per day to children in  
need by 'FY31' through our  
one for one meal program :  
***'Your Purchase Feeds...'***

## CORE VALUES

Team-Work



Honesty



Commitment

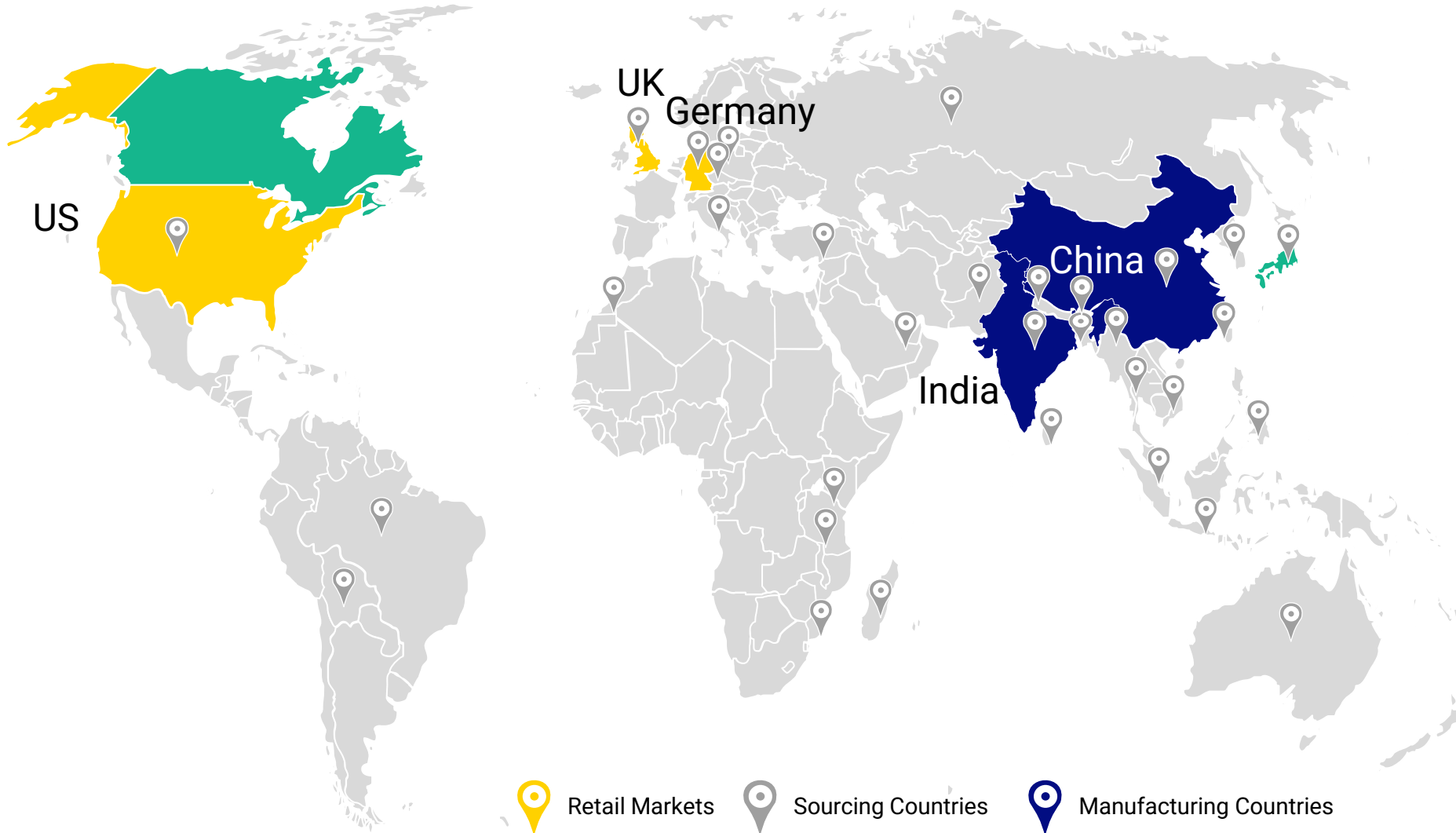


Passion



Positive Attitude





**Retail Markets**  
 Shop LC | Shop TJC | Shop LC  
 (US) (UK) (Germany)

**Operate Through Marketplaces**  
 Canada | Japan

- Sourcing**
- India
  - China
  - Thailand
  - Indonesia
  - Tanzania
  - Russia
  - Morocco
  - Myanmar
  - Madagascar
  - Bolivia
  - Kenya
  - South Korea
  - Vietnam
  - Brazil
  - Sri Lanka
  - US
  - UK
  - Mozambique
  - Germany
  - Italy
  - Turkey
  - Poland
  - Singapore
  - UAE
  - Japan
  - Bangladesh
  - Philippines
  - Czech Republic
  - Taiwan
  - Australia
  - Bhutan

**Manufacturing Countries**  
 India | China



# VERTICALLY INTEGRATED SUPPLY CHAIN



## ASIAN BASE

- Vertically integrated supply-chain in Asia
- Low-cost manufacturing and value sourcing base
- Serving affluent but value-conscious customers in Western Developed Markets

₹

¥

DELIVERING JOY

India

STS China

STS Bali

STS Thailand

STS Hong Kong



## WESTERN COUNTRIES

### Primary Retail Markets

\$

£

SHOP LC

DELIVERING JOY

USA

tjc.co.uk

UK

€

SHOP PLC

PREISWERTE QUALITÄT

Germany

Resulting in Industry Leading Highest Gross Margins



**Vertically-integrated fashion retailer on electronic retail platforms**

- > End-to-end B2C business model
- > Presence on
  - Proprietary TV home-shopping
  - Proprietary e-commerce platforms
  - Social
  - Third-party Marketplaces



**Shop LC (US), Shop TJC (UK) and Shop LC (Germany) are brands with strong customer visibility**

- > TV Homes accessed (\*FTE): ~ 127 mn
- > Growing online presence
- > Improving customer engagement metrics



**Strong management and governance**

- > Professional management team
- > Strong and Independent Board
- > B S R & Co. LLP – Global Auditor
- > Deloitte – Internal Auditor



**Exceptional one for one social program – ‘Your Purchase Feeds...’**

- > Every piece sold results in one meal for a school-going child
- > Provided 61 mn meals across India, US, UK and Germany



**Solid infrastructure backbone**

- > Continued investment in building digital capabilities
- > Scalable model with limited capex requirement



**Robust customer engagement**

- > Omni-channel B2C retail presence
- > Growing recognition of deep value fashion jewellery enables scaling to adjacent categories

# 4R'S OF CUSTOMER ENGAGEMENT



~127 mn

**TV**  
Linear / OTA

**Digital**  
Browsers / Mobile Apps /  
Social Media /  
Market-places / OTT

Reach



3.1 lakh (TTM)

Diverse Products

Deep value proposition

Engrossing Content

Registrations



42.3% (TTM)

Enduring relationships

Convenience

Digitalization/AI

Retention



29\* (TTM)

Expanding wallet share

Cross-selling

Repeat Purchases



\*FTE: Full Time Equivalent  
All data points are for US and UK except that HH includes figures of Germany as well

# OUR OMNI-CHANNEL SALES PLATFORM



## Shop LC (US)



Shop LC Proprietary TV channels – 72.4 mn HH including 19.4mn OTA\* HH\*

Shop LC live TV stream on shoplc.com, YouTube, Facebook and Amazon Live

Proprietary digital platform

[www.shoplc.com](http://www.shoplc.com)

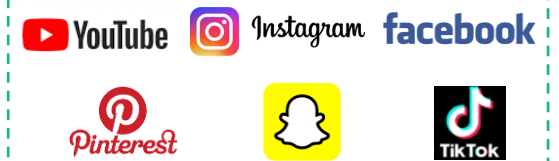
Shop LC mobile app available on



Marketplaces



Social retail of targeted products on



OTT\* platforms



Product Information Management



Targeted Campaign Management



Customer Experience Management



UGC and Influencer Marketing Platform



Note:  
OTA – Over the Air; OTT – Over the Top; HH - Households

# OUR OMNI-CHANNEL SALES PLATFORM



## Shop TJC (UK)



Shop TJC Proprietary TV channels – 27 mn HH including 18 mn OTA\* HH\*

Shop TJC live TV stream available on tjc.co.uk, YouTube and Facebook



DIGITAL

Proprietary digital platform

[www.tjc.co.uk](http://www.tjc.co.uk)

Shop TJC mobile app available on



Marketplaces



Etsy



wayfair



Social retail of targeted products on



Instagram

facebook

OTT\* platforms

Roku TV



Targeted Campaign Management



Customer Experience Management

Medallia

UGC and Influencer Marketing Platform



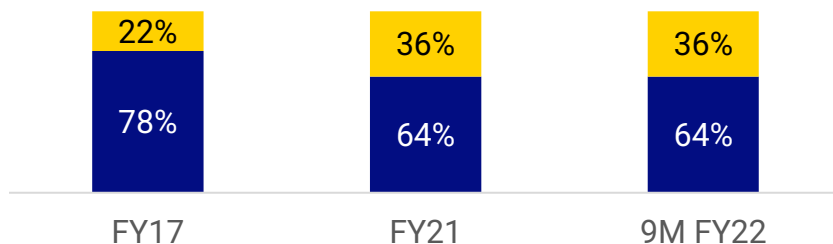
Note:  
OTA – Over the Air; OTT – Over the Top; HH - Households

# BROAD BASED E-TAILER



## B2C Revenues by Format

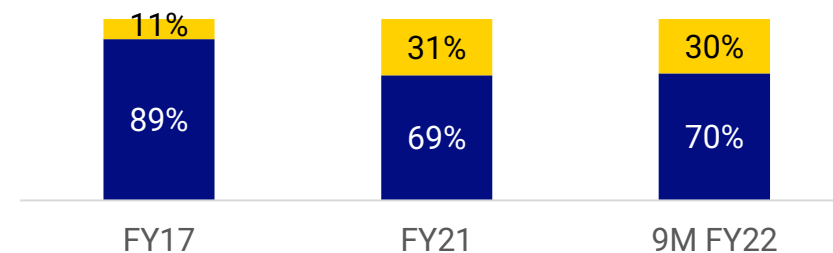
■ TV revenues ■ Digital revenues



61% of digital revenues in 9M FY22 were from Mobile platform (mobile app + mobile web browser)

## B2C Revenues by Product Category

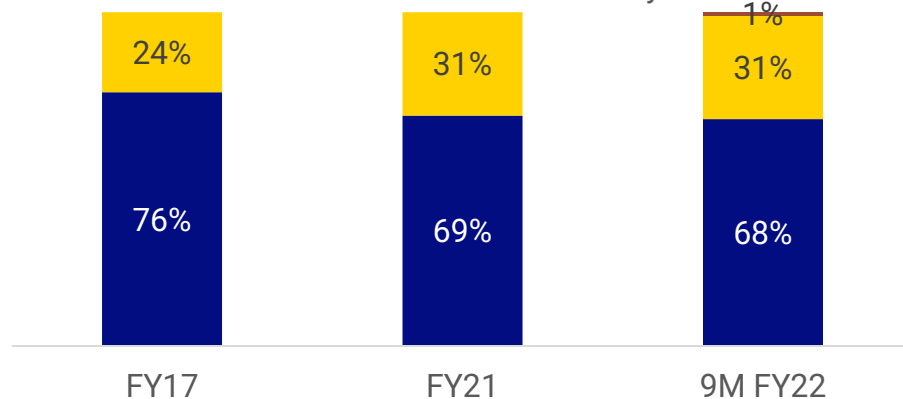
■ Jewellery ■ Non-jewellery revenues



Jewellery revenues: Fashion jewellery;  
Non-jewellery revenues: Fashion accessories and lifestyle products

## B2C Revenues by Geography

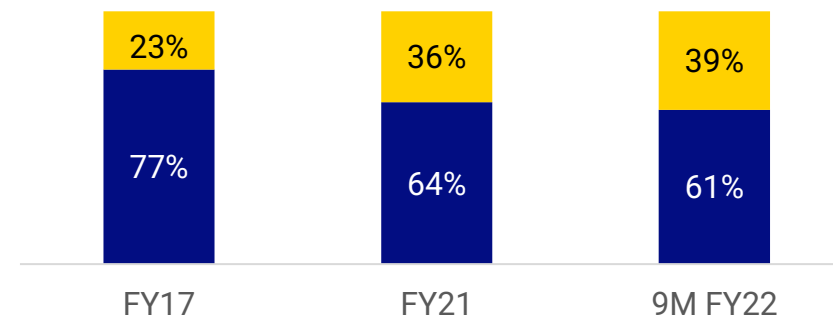
■ US ■ UK ■ Germany



Breakup based on revenue in USD million

## Budget Pay penetration of B2C Revenues

■ Non-Budget Pay revenues ■ Budget Pay revenues



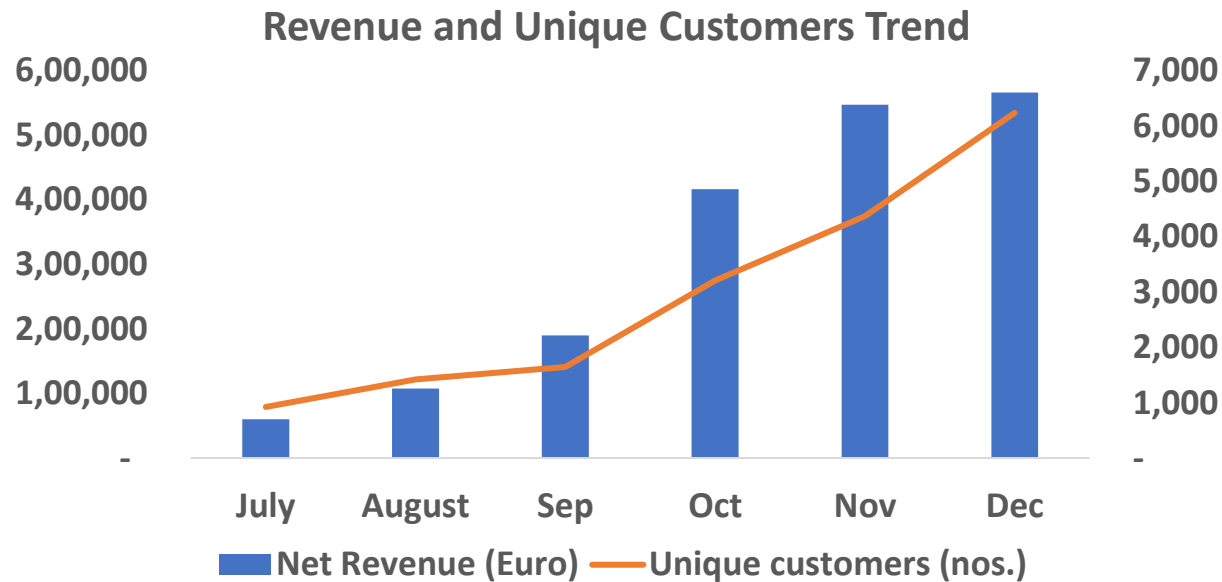
Budget Pay revenues refer to products offered on EMI basis



# HIGHLIGHTS FOR THE QUARTER



# GERMANY: PERFORMANCE REASSURING OUR INVESTMENT



## Omni-Channel Presence



- **Germany venture increased TAM (Total Addressable Market) by ~20%**
- Good revenue traction and growth in customer base. Strategic partnerships with prominent TV and Digital Platforms
- Earlier than planned airtime tie-ups resulting in higher than planned upfront investments
- **To breakeven by third quarter of FY24, being one year earlier than projected**
- Broadcasting in ~27mn HH with in-house studio





# 'DELIVERING JOY' THROUGH INNOVATION PLATFORMS



## INNOV



A Global product innovation and search program

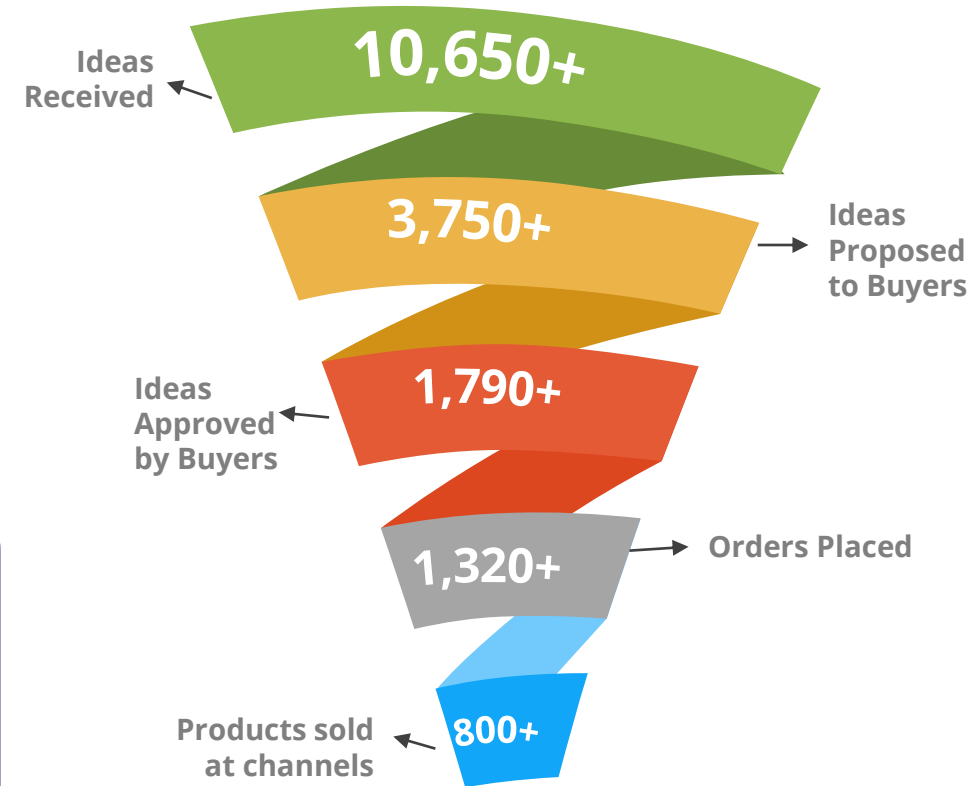


Crowdsourcing of ideas from employees, customers and other external stakeholders



YTD 10,650+ ideas received and 800+ new and innovative products launched

## INNOV8 FUNNEL



A launchpad for **outside innovators** and **product owners**

## SPARK

Launch of "SPARK" incubator program to foster entrepreneurship within the organization. Top 10 ideas selected

# KEY RECENT EVENTS



## Freeview Channel Change & TJC Beauty on SKY:

- Freeview Channel now at #22 from erstwhile #50
- Opportunity to enhance customer viewership substantially
- Offers huge growth potential with market leading growth
- Extended TJC Beauty's reach by launching on **SKY network**



## Shop LC (USA) Relocating Headquarters to Cedar Park (Texas):

- 200K sq.ft. integrated facility, to get complete by Sep-2024
- Synergies in terms of cost optimization, functional integration, and resultant growth opportunities
- Economic grant from authorities for the investment to accrue in future



## Majority stake in Packaging Company:

- Acquired 60% stake in Encase Packaging Pvt Ltd
- To utilize in packaging of jewellery products
- Offers flexibility in supply chain and substantial cost advantage
- To strengthen sustainable packaging

# OTT: ACCELERATING MARKETING & ENGAGEMENT PROGRAMS



Most customers to have multiple connected devices in future

Cost effectiveness and easy access making OTT platforms to expand multifold

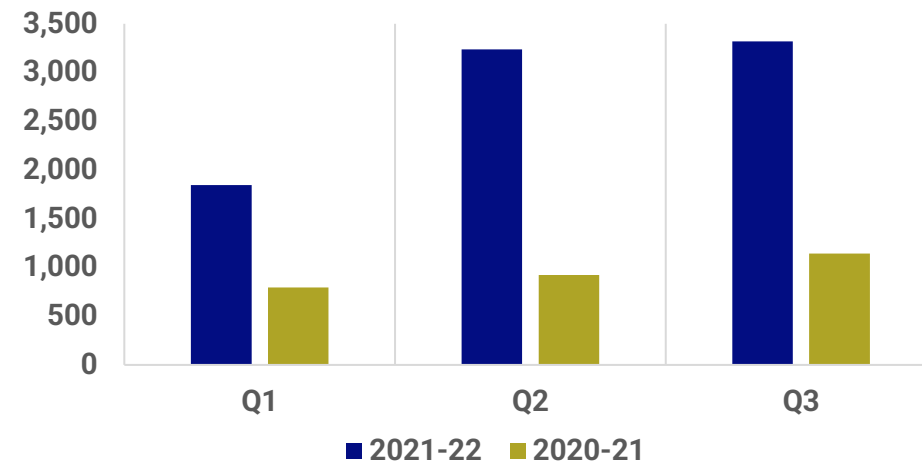
Traction on OTT platforms has been encouraging amidst macro headwinds

Revenue and Unique Customers tripled YoY

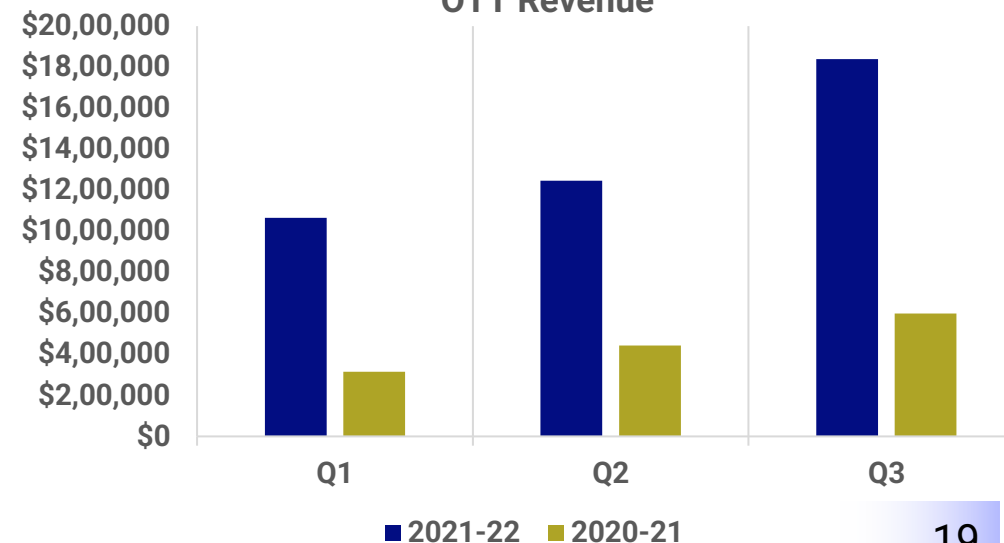
Placement on prominent OTT platforms providing long-term growth opportunities



**Shop LC (USA)**  
Unique OTT Customers



**OTT Revenue**





# Q3 & 9M FY22 FINANCIAL PERFORMANCE



# FINANCIALS – Q3 & 9M FY22 PERFORMANCE



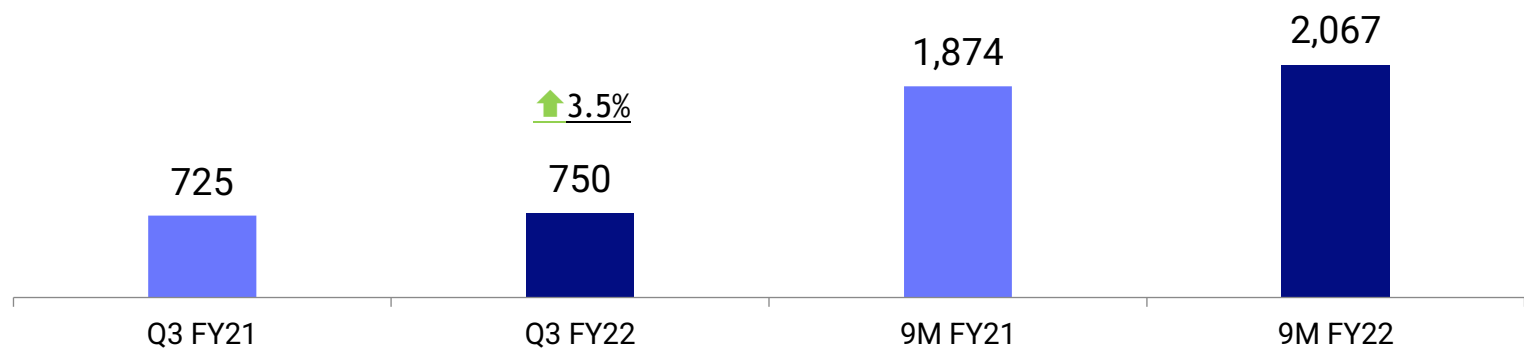
Revenue Breakdown – (Rs. crore)

Growth vs Q3 FY20  
↑33.2%

Revenue

Growth vs 9M FY20  
↑38.9%

↑10.3%



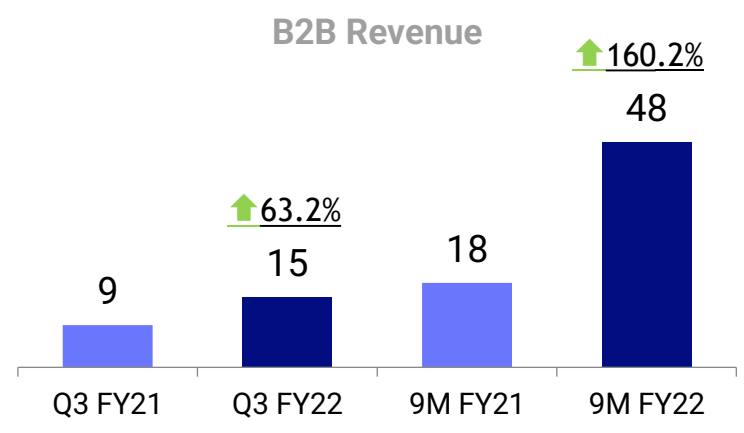
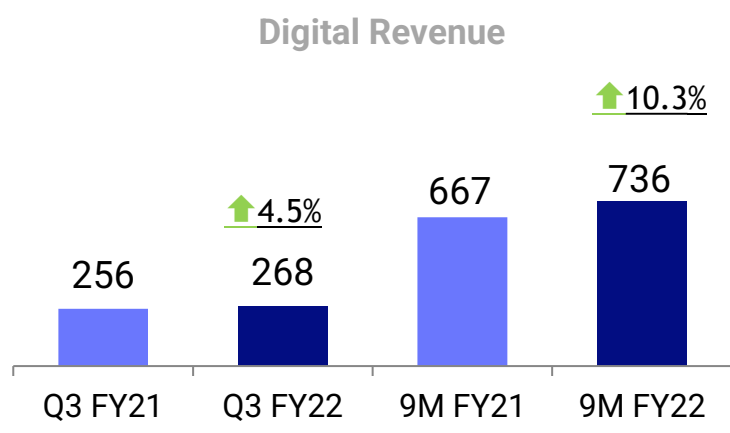
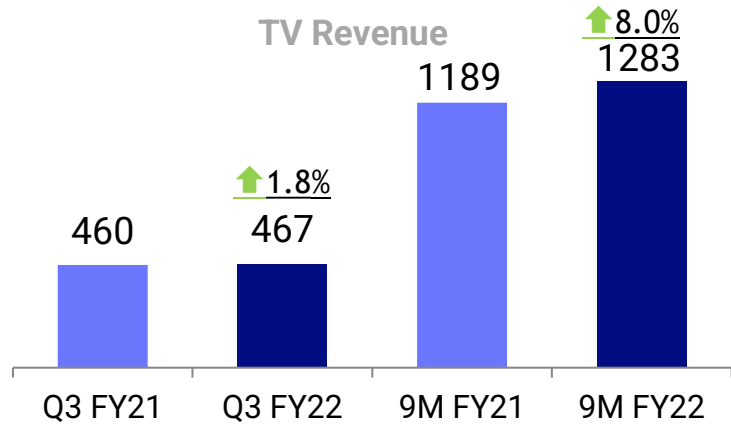
## Fashion Jewelry, Accessories & Lifestyle Products

Growth vs Q3 FY20  
↑25.9%

Growth vs 9M FY20  
↑33.9%

Growth vs Q3 FY20  
↑49.5%

Growth vs 9M FY20  
↑58.5%



Note:  
B2B has been a non-core and opportunistic business segment

# FINANCIALS – Q3 & 9M FY22 PERFORMANCE



## Revenue Breakdown – (Local Currency)

### Shop LC (US)



Growth vs Q3 FY20  
↑21.4%

(USD million)

Growth vs 9M FY20  
↑28.9%

↑7.4%

185.0

172.2

↑1.1%

65.7

65.0

Q3 FY21

Q3 FY 22

9M FY21

9M FY22

### Shop TJC (UK)



Growth vs Q3 FY20  
↑24.7%

(GBP million)

Growth vs 9M FY20  
↑34.5%

↑3.1%

62.0

60.1

↓6.0%

22.9

24.3

Q3 FY 21

Q3 FY22

9M FY21

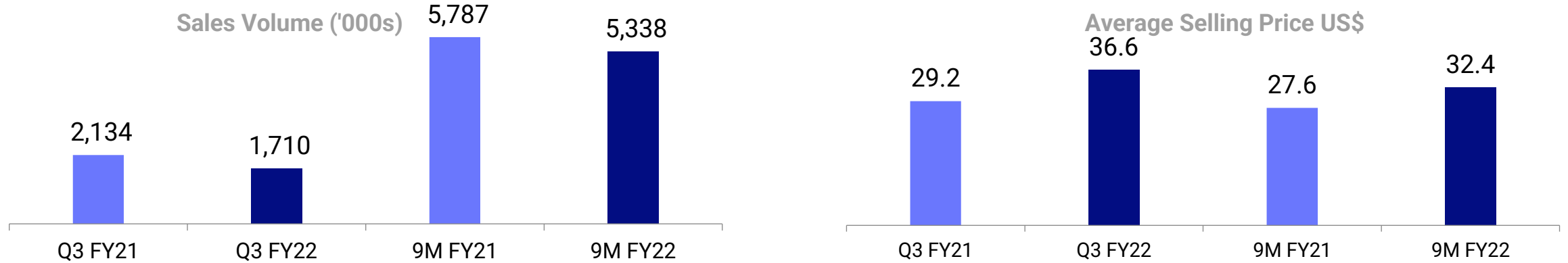
9M FY22

# RETAIL PERFORMANCE TRENDS – Q3 & 9M FY22

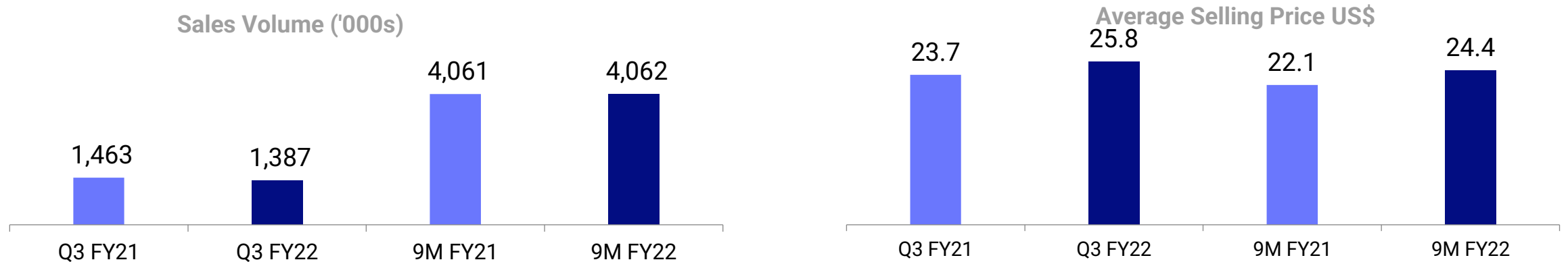


## Volume and ASP

### TV Sales



### Digital Sales



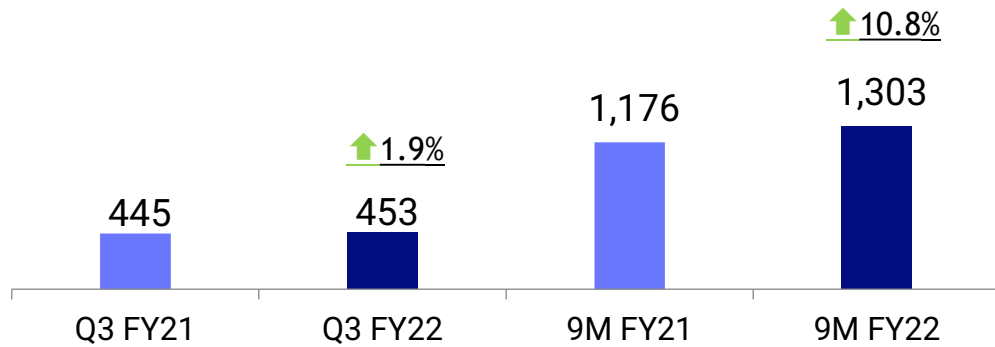
# FINANCIALS – Q3 & 9M FY22 PERFORMANCE



## Profits – (Rs. crore)

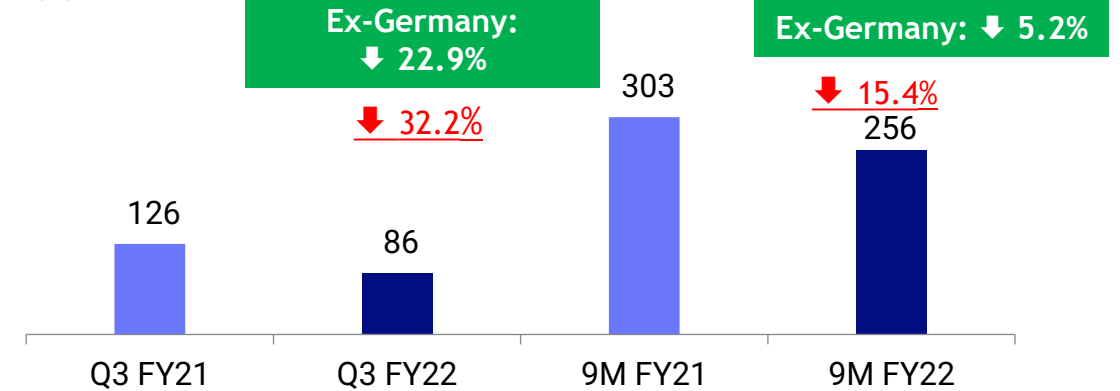
### Gross Profit

Gross Margin (%) 61.4% | 60.4% | 62.7% | 63.0%



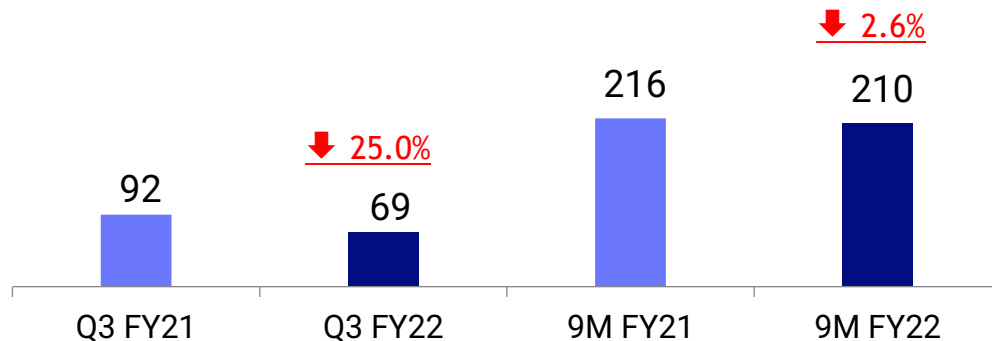
### EBITDA

EBITDA Margin (%) 17.4% | 11.4% | 16.1% | 12.4%

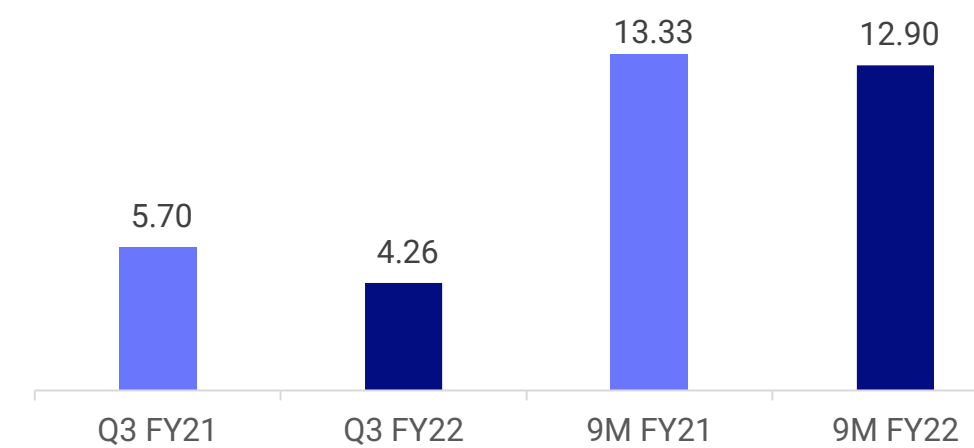


### \*\*PAT

PAT Margin (%) 12.7% | 9.2% | 11.5% | 10.2%



### EPS (Rs.) – Post split



Note: Q3 and 9M FY22:

\*\*PAT: Excluding Germany & exceptional item: PAT growth: (8.5%) for Q3 and (1.1%) for 9M; PAT margin: 11.4% for Q3 & 10.4% for 9M



# EBITDA MARGIN WALK



Particulars	% To Revenue	Remarks
<b>EBITDA Q3 FY22</b>	<b>11.4%</b>	
Gross Margin	↓(1.0%)	Product mix impact
Investment in Germany	↓(1.8%)	Earlier than planned tie-ups resulting in higher losses than guidance, to breakeven within 2 years
Elevated Sea Freight	↓(0.7%)	Temporary short-term impact though sequentially improved
Accelerated Investment in Digital & Broadcasting	↓(2.2%)	Investments for future potential and scale
Others	↓(0.3%)	
<b>EBITDA Q3 FY21</b>	<b>17.4%</b>	



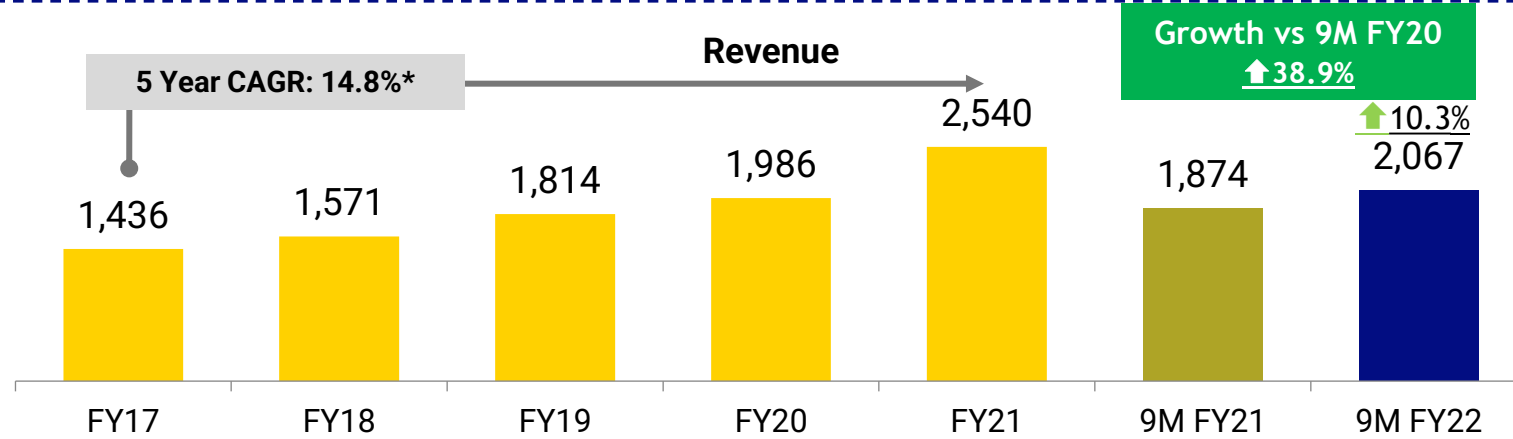
# FINANCIAL PERFORMANCE TRENDS



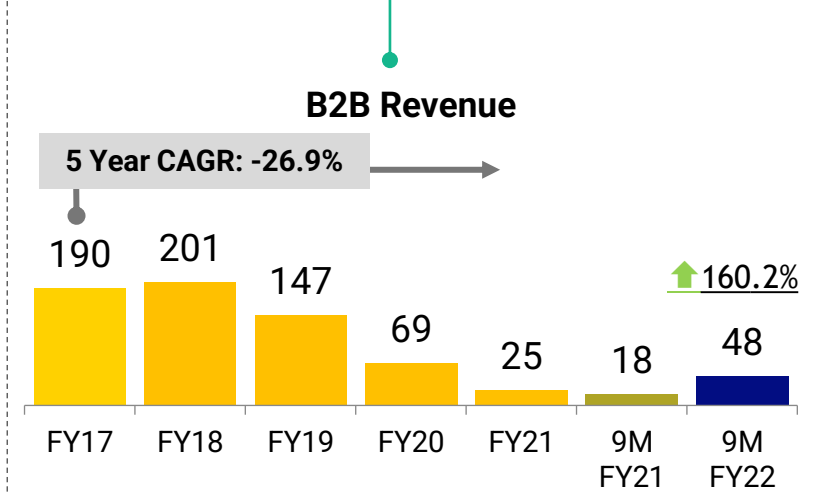
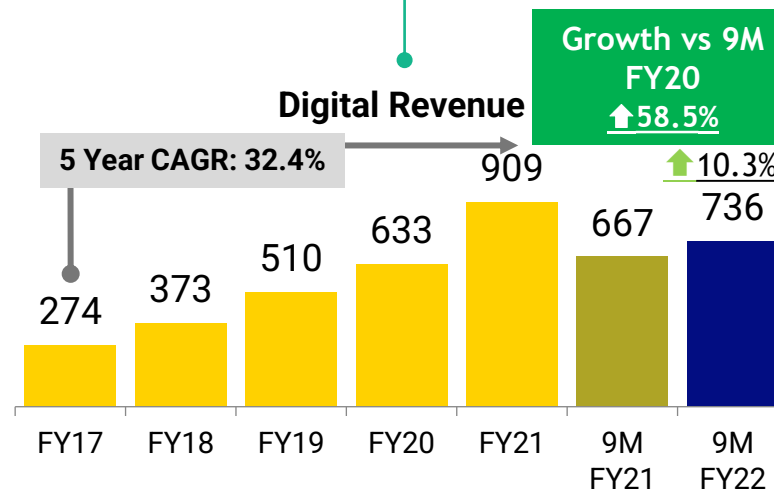
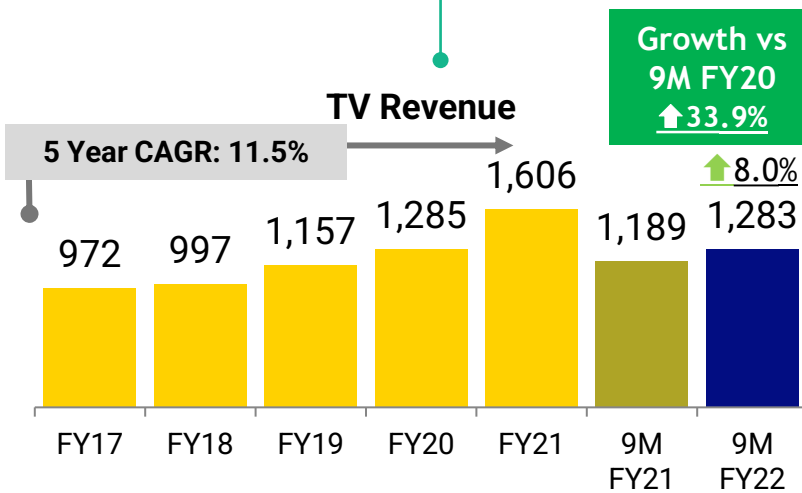
# FINANCIAL PERFORMANCE TRENDS



## Revenue Breakdown – (Rs. crore)



## Fashion Jewelry, Accessories & Lifestyle Products



# RETAIL PERFORMANCE TRENDS

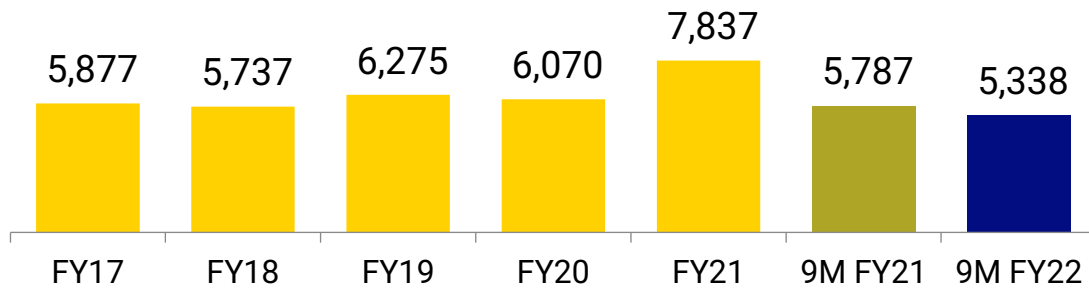


## Volume and ASP

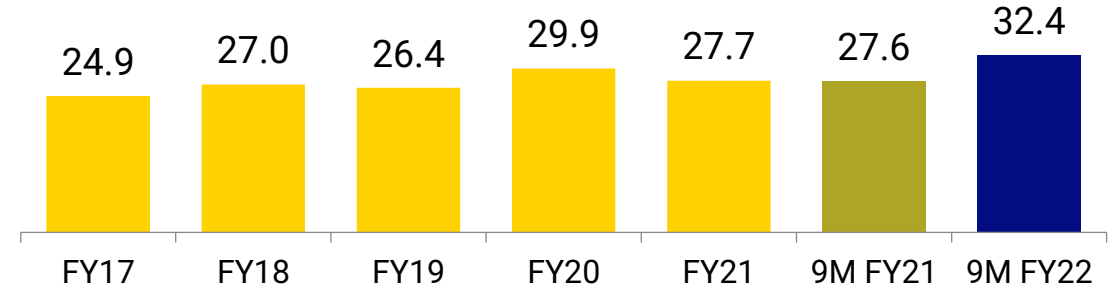
### TV Sales



#### Sales Volume ('000s)



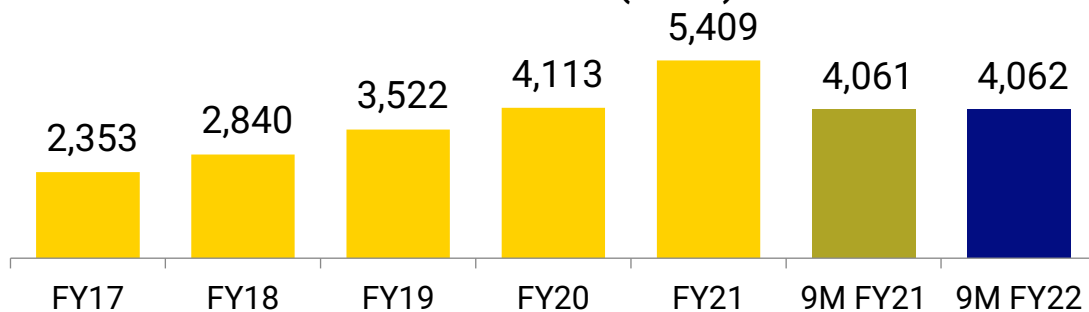
#### Average Selling Price US\$



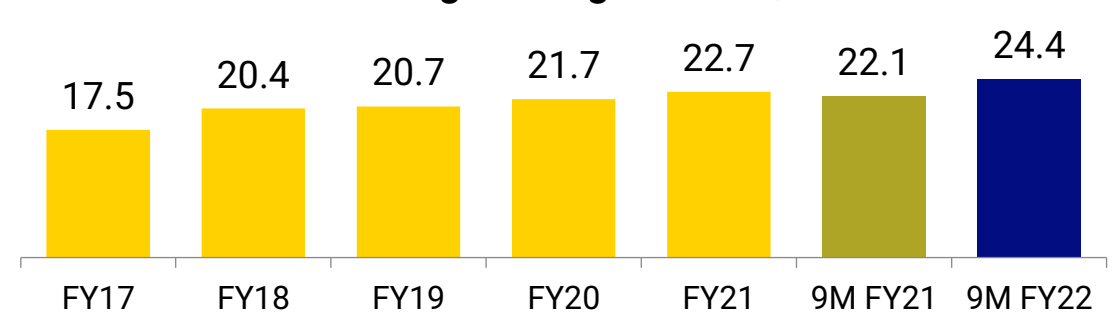
### Digital Sales



#### Sales Volume ('000s)



#### Average Selling Price US\$



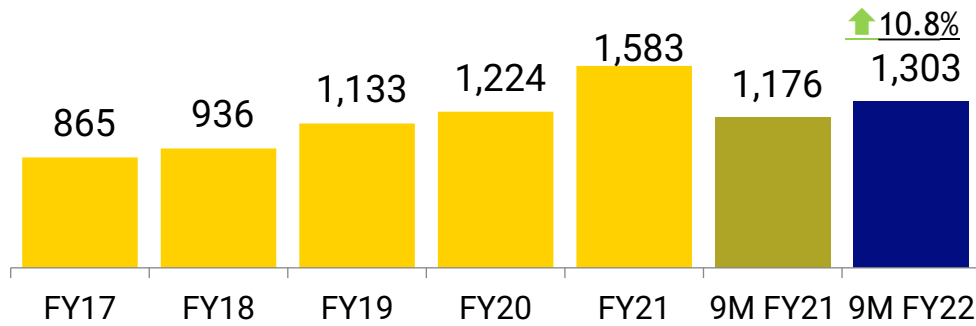
# FINANCIAL PERFORMANCE TRENDS



## Profits – (Rs. crore)

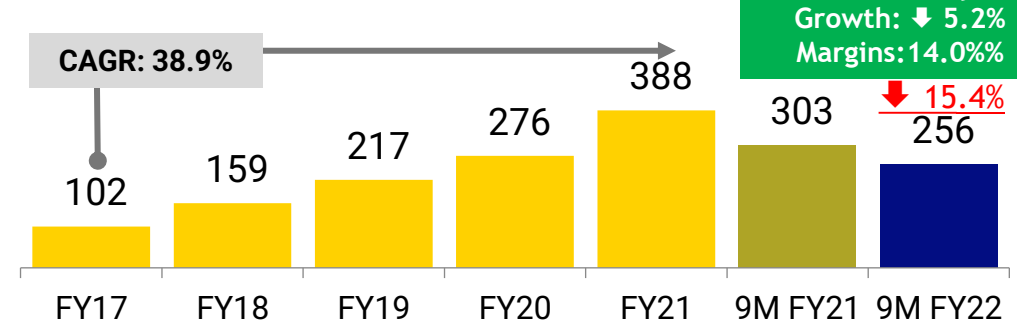
### Gross Profit

Gross Margin (%)	60.1%	59.6%	62.5%	61.6%	62.3%	62.7%	63.0%
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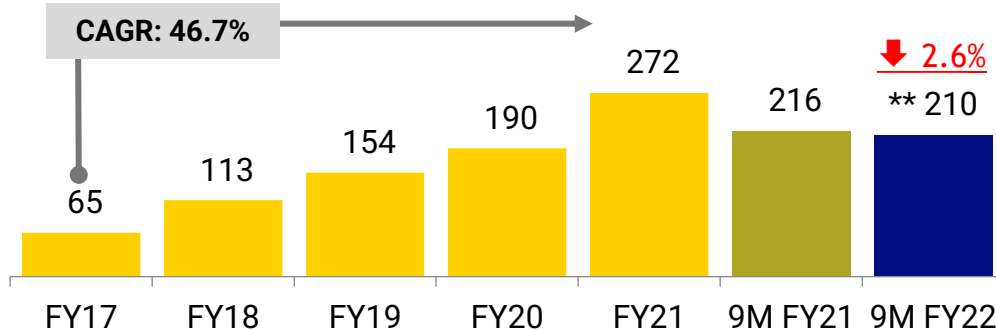
### EBITDA

EBITDA Margin (%)	7.1%	10.1%	12.0%	13.9%	15.3%	16.1%	12.4%
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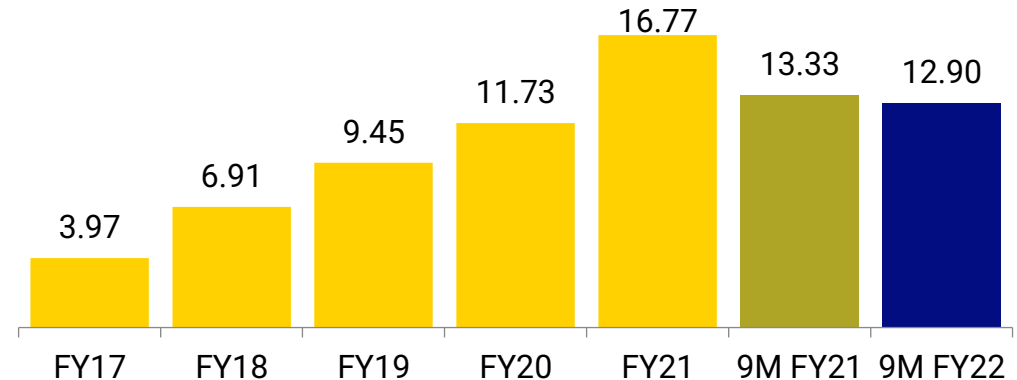


### \*\*PAT

PAT Margin (%)	4.5%	7.2%	8.5%	9.6%	10.7%	11.5%	10.2%
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### EPS (Rs.) – Post split



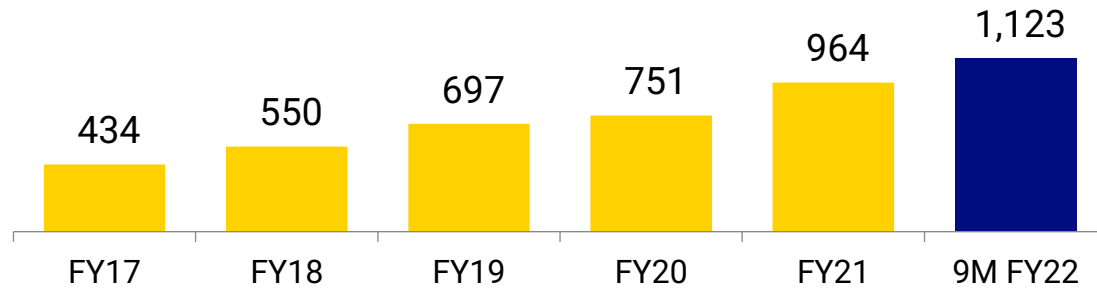
\*\*PAT: Excluding Germany & exceptional item: PAT degrown by 1.1% and PAT margin is 10.4% for 9M

# FINANCIAL PERFORMANCE TRENDS

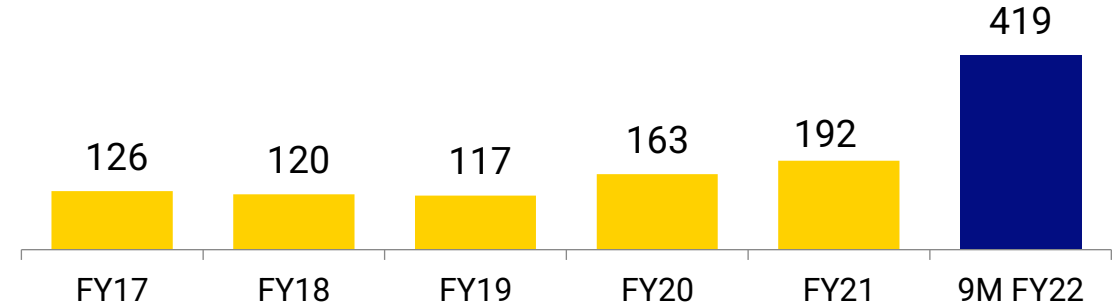


## Balance Sheet – (Rs. crore)

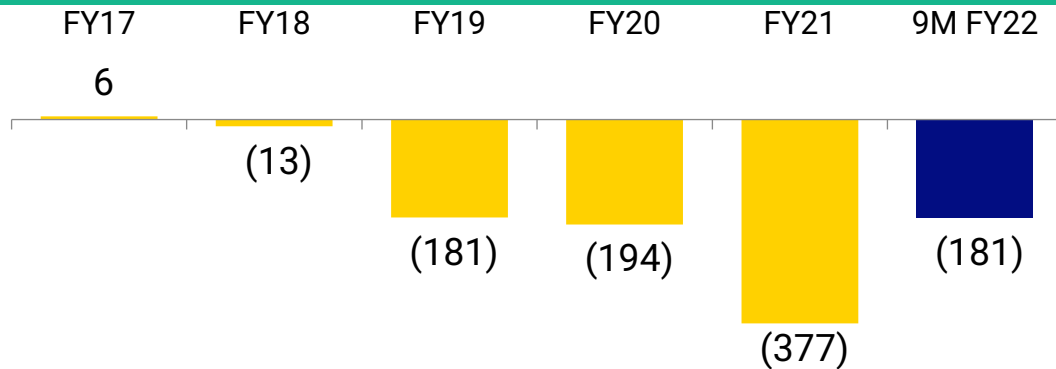
### Shareholders' Equity



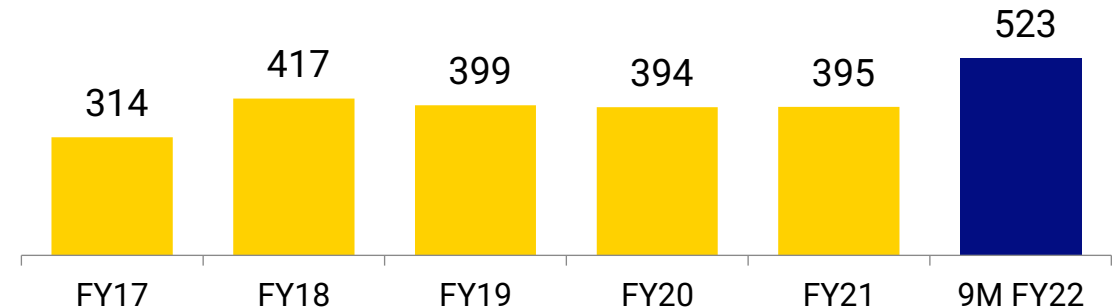
### Fixed assets including intangibles



### Net Debt



### Net Assets \*



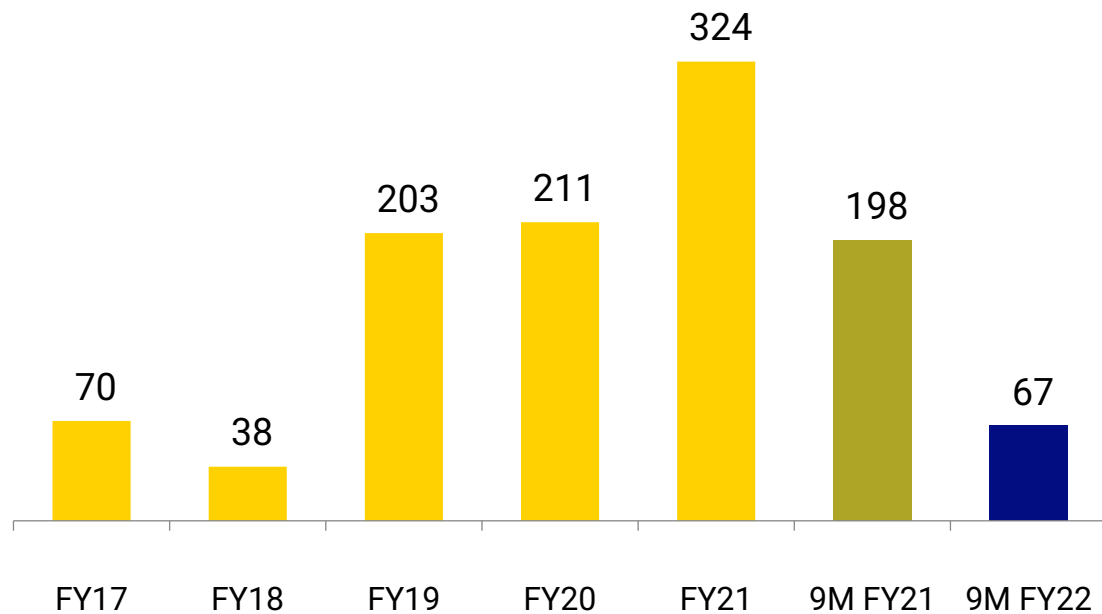
**Note:**  
\* Net Assets is the balancing figure arrived at by excluding shareholders equity, net debt, and fixed assets including intangibles

# FINANCIAL PERFORMANCE TRENDS

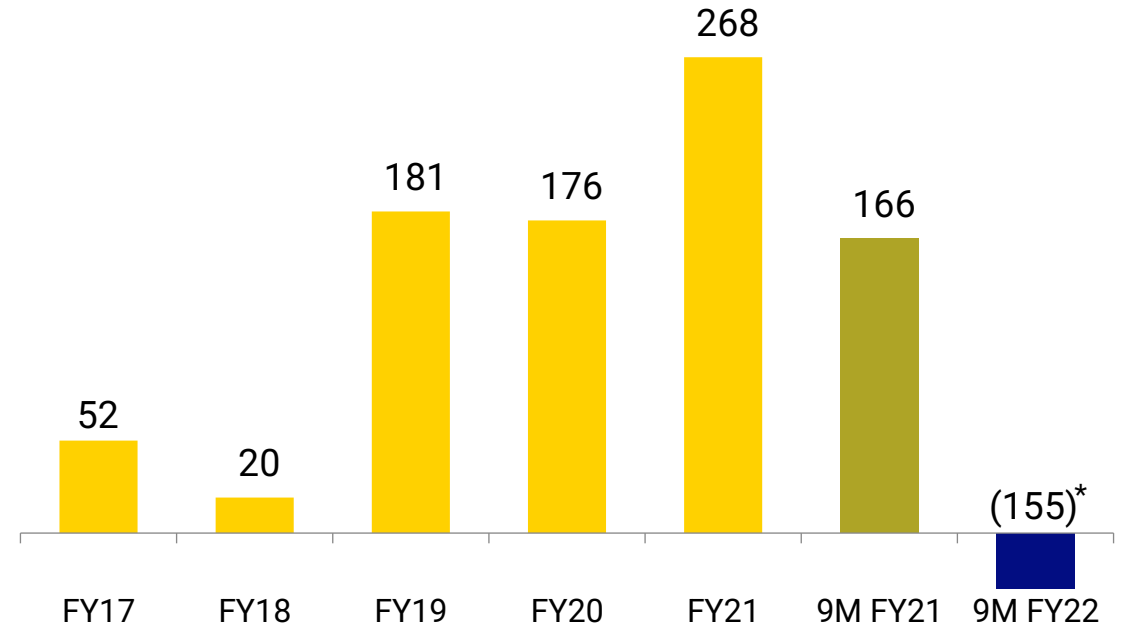


## Cash Flow – (Rs. Crore)

### Operating Cash flow



### Free Cash Flow



\* Planned capex towards warehouses automation, new HQ in USA and initial set-up cost of Germany

# FINANCIAL PERFORMANCE TRENDS

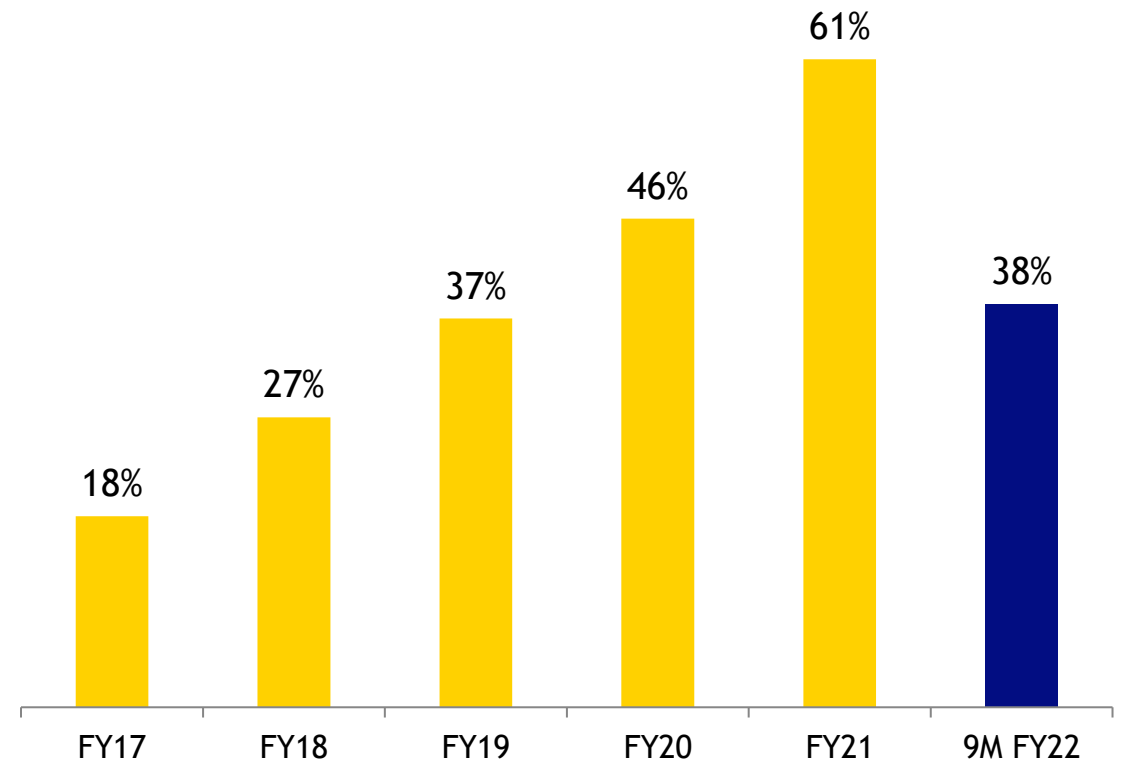
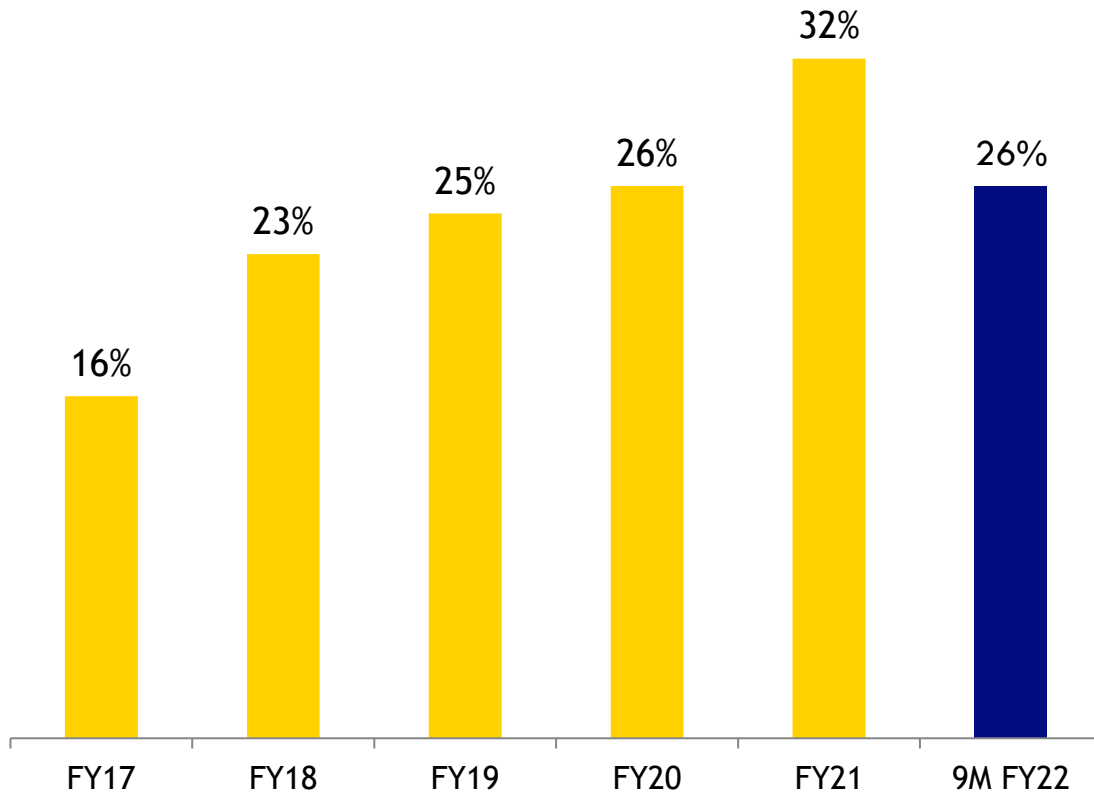


## Key Ratios

### ROE (TTM)



### ROCE (TTM)



\* Return ratios reflects short-term impacts of conscious business investments, though they are at par with normal pre-covid years

**Note -**  
 ROE – based on average net worth  
 ROCE – based on average capital employed





# ANNEXURES

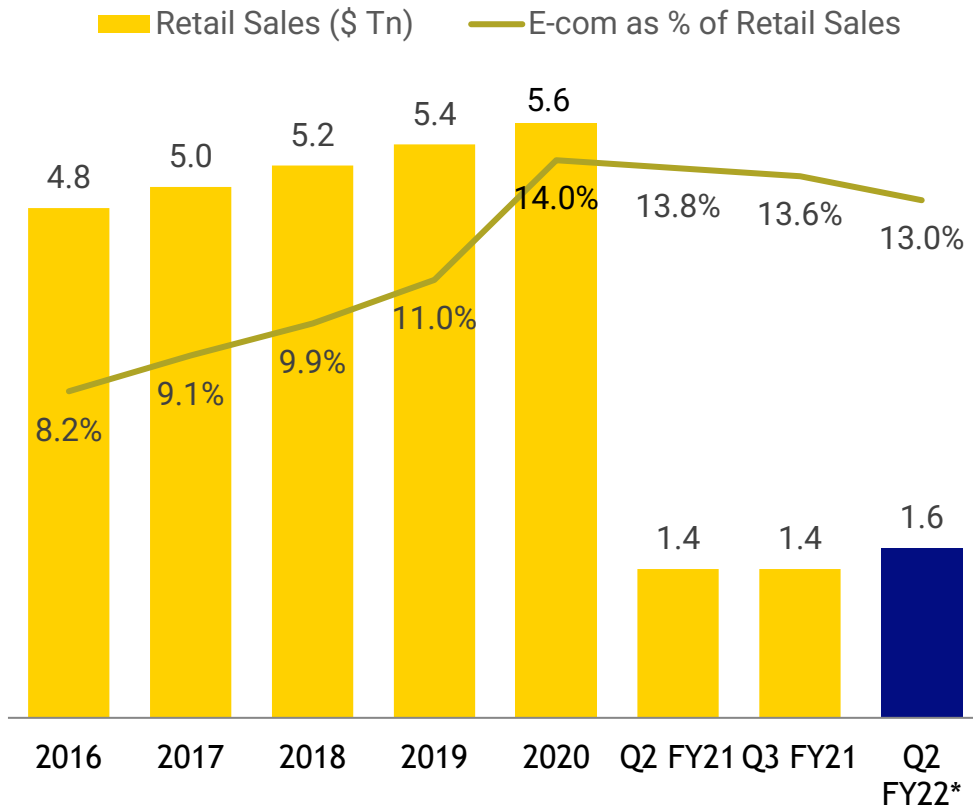


# GROWTH IN DIGITAL COMMERCE MARKETS



E-com Industry facing temporary headwinds with declining sales mix in the USA and the UK

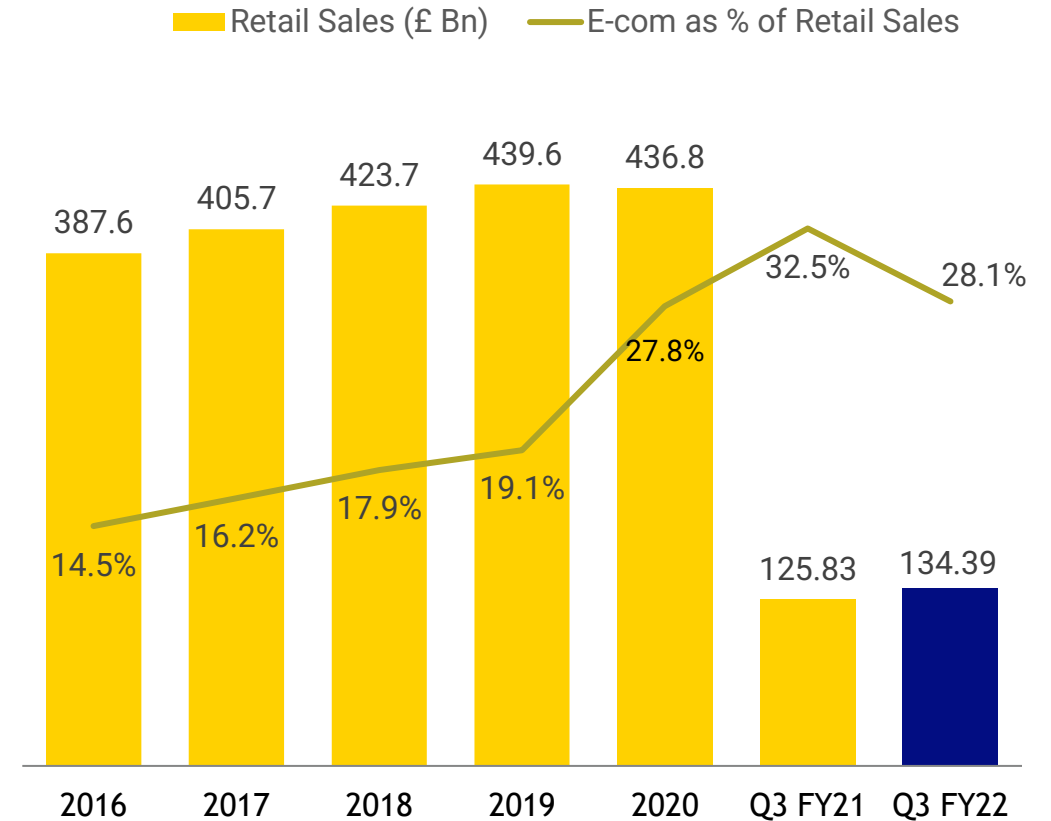
## US Retail & E-com Sales



Source: United States Census Bureau [www.census.gov](http://www.census.gov)

\* This data is published with a time lag of 1 quarter

## UK Retail & E-Com Sales



Source: Office for National Statistics [www.ons.gov.uk](http://www.ons.gov.uk)

# ROBUST CORPORATE GOVERNANCE



9M FY22

**Rs. 73.6cr**

Interim dividends

## Dividend Payout Policy

- > 20-30% of consolidated free cash flow
- > Higher payout in special circumstances
- > Balance between resource conservation and shareholder reward

**B S R & Co. LLP**

Statutory Auditors

**DELOITTE**

Internal Auditors

**ICRA A**

(Stable Outlook)

**CARE A**

(Stable)

Credit Rating – Long-term

**ICRA A1**

Credit Rating – Short-term

**CARE A1**

## RECOGNITIONS & ACCOLADES

Award at ICSI National Awards for Excellence in Corporate Governance in Jan 21



RAJASTHAN's Best Employer Brands Award 2021



All entities GPTW Certified\*



GPTW  
Best Leaders in Times of Crisis 2021



\* Except Germany, whose operations commenced very recently

# SUSTAINABILITY INITIATIVES



## ENERGY

**Solar**  
3.23 MW

33.5 Lakh KWH generated in 2021

**EV**

84 2-Wheelers & 3 4-wheelers for employee commute

**IGBC**

Excellence Award

Performance Challenge Award 2021- 'Factory Category'



## WATER

**6100 KL** Rainwater harvested per annum

**7 KL** Water saved per day with the installation of low LPM faucets

**48 KL** Water recycled per day, which equals 17,500 kl. per year

**100 KL** RWS Rainwater Storage Tank commissioned

## BIODIVERSITY

**~26,000**

Saplings planted for developing 2 Miyawaki forests

**~5,500**

Additional saplings planted till date



## WASTE

**100%** conversion of bio-degradable waste (vegetables, food, leaves) into manure

**762 Kg** E-waste recycled

**660 Kg** Plastic waste recycled

# COMMUNITY GIVEBACK



- > Served **61 million** meals to underprivileged children through flagship One for One Program, **Your Purchase Feeds...**
- > Local charity partners
  - Akshaya Pātra in India
  - No Kid Hungry and Backpack Friends in US
  - Magic Breakfast & Felix Project in UK



## Covid-19 Key Initiatives

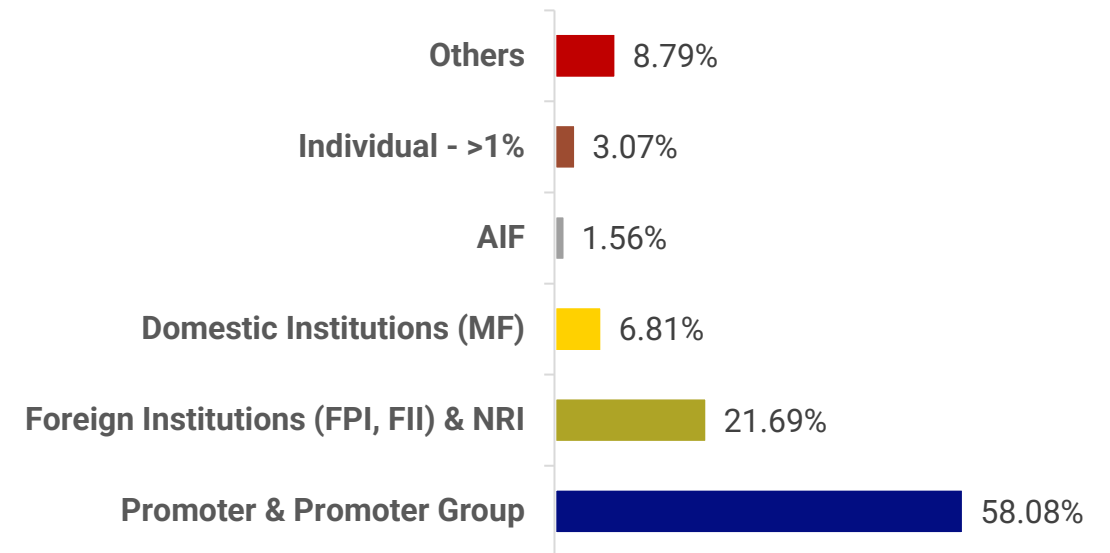
- > Distributed 117 Oxygen Concentrators, 31 BIPAP and other key medical equipment in hospitals
- > Facilitated procurement, transport and installation of oxygen plant in two hospitals
- > Vaccination drives for employees and their families

# VGL SHAREHOLDER BASE – AS ON 31-DECEMBER-2021



Key Shareholders (Holding +1%)	Holding as on 31-December-21
Promoter & Promoter Group	58.08%
Nalanda India Fund Limited (FII)	10.25%
Motilal Oswal Flexi Cap Fund (MF)	6.80%
Malabar India Fund Limited (FPI)	5.58%
Vijay Kedia (Individual)	1.85%
Ashish Kacholia (Individual)	1.22%

## Shareholding Pattern



# MANAGEMENT TEAM



**Mr. Sunil Agrawal**  
*Managing Director, VGL Group*



**Mr. Vineet Ganeriwala**  
*CFO, VGL Group*



**Mr. Amit Agarwal**  
*President, Shop LC (US)*



**Mr. Srikant Jha**  
*Managing Director,  
Shop TJC (UK)*



**Mr. Jay Chandran**  
*Chief Technology Officer,  
VGL Group*



**Mr. Raj Singh**  
*Vice President, Supply Chain,  
VGL Group*



**Mr. Pushendra Singh**  
*Vice President, Human  
Resources, VGL Group*



**Mr. Deepak Mishra**  
*Managing Director,  
Shop LC (Germany)*



# THANK YOU

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+91-8920609578