



Vaibhav Global Limited

Financial Results Presentation

Q1 FY21

Global Retailer of Fashion Jewellery, Accessories, and Lifestyle Products on Home Shopping TV and e-Commerce Platforms

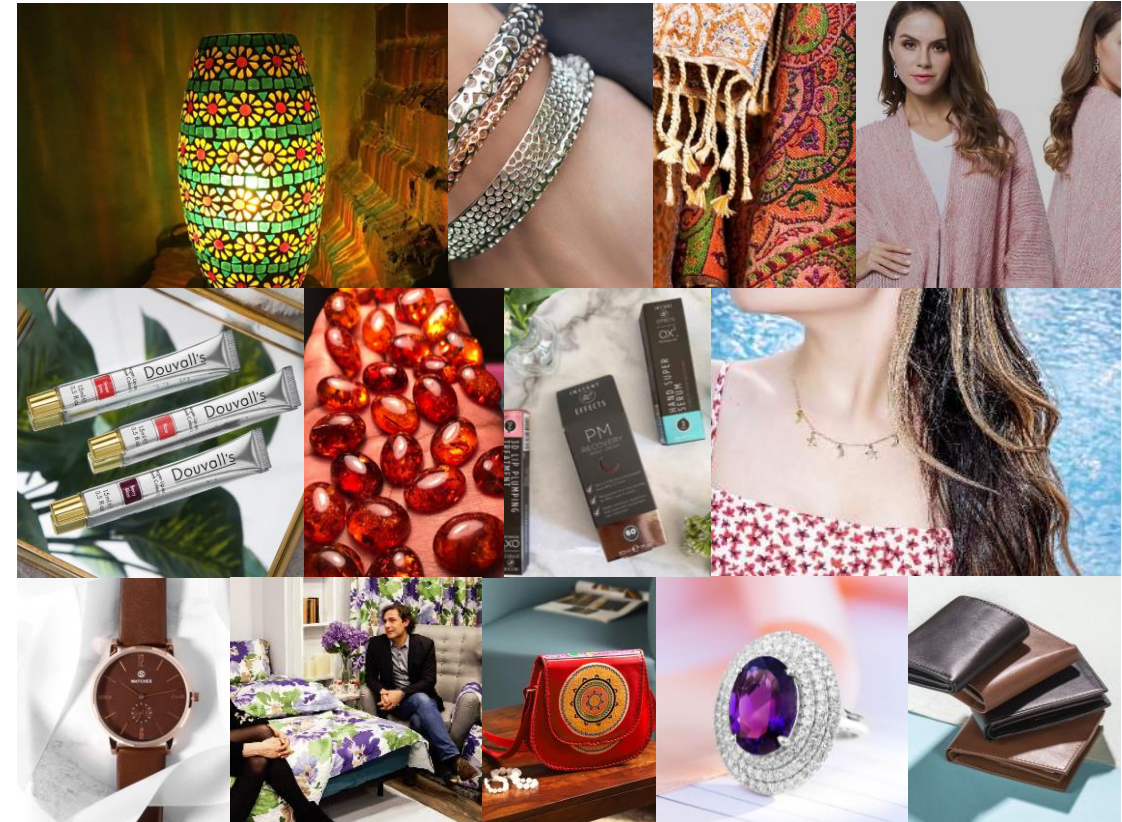


This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Vaibhav Global Limited (VGL) and its affiliated companies’ future business developments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



MD's Message



"I am very pleased to report yet another quarter of exceptional performance by VGL. In the backdrop of widespread impact of the Covid-19 pandemic, we have once again demonstrated our core business characteristics of inclusion and agility. This has resulted in solid growth in retail revenues of 32%, EBITDA of 42% and PAT of 47% on a stable and healthy balance sheet. We generated Rs. 82 crore of free cash during the quarter and ROCE expanded further to 49%. The Board announced an interim dividend of Rs. 5 per share.

VGL has a history of executing successful business pivots that have enabled the Company to emerge strong from tough operating situations. In Q4FY20, as we saw nervousness in the markets, we responded with agility and expanded customer outreach through uninterrupted supply of essential products on our omni-channel sales platform. Maintaining adequate safety protocols and leveraging our unique manufacturing and sourcing-based supply chain, we have increased our relevance in our target markets over the last few months. The quarter saw several milestones being achieved, including sales volumes of ~3.2 million, the highest ever in any one quarter. Sustained focus on our strategic objectives of the 4R's - widening Reach, growing new customer Registrations, improving customer Retention, and increasing Repeat purchases, remains central to overall growth.

In these challenging times, we have also remained true to our other business objective - that of inclusion. We have given our employees a safe work environment while protecting their livelihoods and remuneration. We have created virtual sourcing mechanism for our diverse base of global vendors. And, most importantly, we donated ~161,500 masks to healthcare workers, hospitals and care homes and provided ~3.4 million meals to migrants and people in need.

VGL is at an exciting point in its journey towards becoming a global leader in electronic retailing of fashion jewellery and lifestyle products. And as we pursue our business initiatives, we are committed to delivering joy to all our stakeholders."



Mr. Sunil Agrawal
Managing Director, Vaibhav Global Limited

Commenting on Q1 FY21 Performance

Covid-19: Continuous Response



Covid-19 Response

Employees



- 'Borderless workforce' with no latency
- Protected livelihoods and remuneration
- Enhanced collaboration and engagement
- Implemented adequate health and safety protocols

Investors



- Sustained focus on a healthy Balance Sheet
- Cash and cash equivalents of Rs. 358 crore as on June 30, 2020
- Renewed focus on cost rationalization
- Continuous pay-back (Dividends)

Customers



- Continued retail operations in US & UK
- Modified product mix to include essential items
- Uninterrupted call center operations
- Zero downtime for critical systems
- Built remote TV production and broadcast solution as a contingency plan
- Delivered system enhancements to support altered product mix

Supply Chain



- Temporary shutdown in operations balanced by efficiently managing inventory and leveraging global supply chain
- Prudent and timely sourcing made it possible to market essential products

Community



- Donated ~1,61,500 masks across US, UK and India
- Provided ~3.4 mn meals to people in need (through Akshaya Patra in Jaipur)

Q1FY21 - Key Highlights



Robust **32%** Y-o-Y growth in retail revenues



EBITDA grew by a strong **42%** Y-o-Y with margins at **14.1%**



Further improvement in return ratios with ROCE expanding to **49%**



Free Cash Flows enhanced to Rs. **82** crore; Declared interim dividend of Rs. **5** per share



Significant Y-o-Y jump in Unique Customers (TTM basis) to **4,25,921** from 3,47,059



Shop TJC (UK) named Among UK's 'Best Workplaces' and 'Best Workplaces for Women' by Great Place to Work® Institute



Provided **40** million meals since the inception of the One for One program

TABLE OF CONTENTS

- 1 Business Background Details
- 2 Q1 FY21 Financial Performance
- 3 Financial Performance Trends
- 4 Annexures





Business Background Details



Vaibhav Global Limited (VGL) at a Glance



Team Work



Honesty



Passion

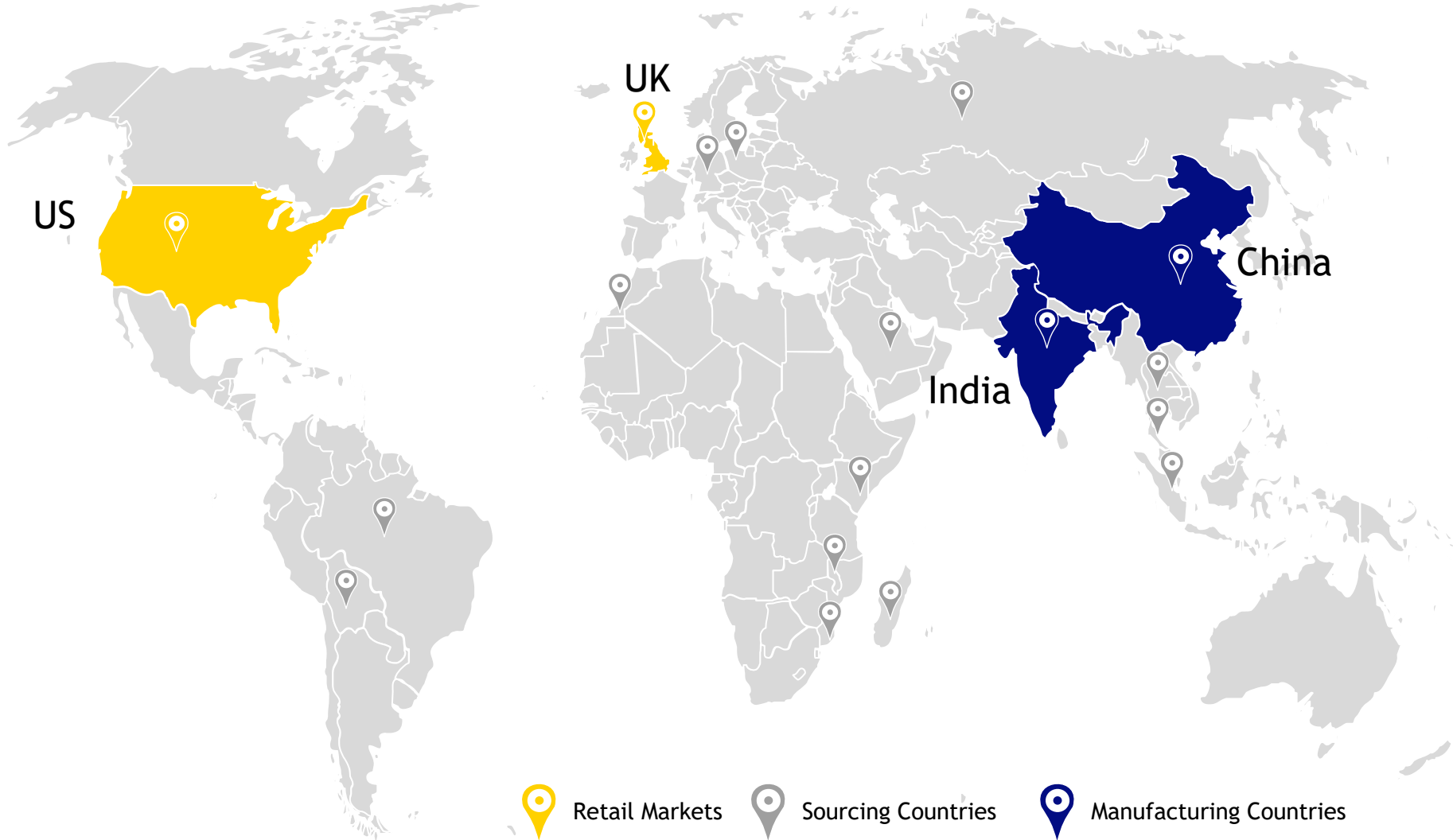


Positive Attitude



Commitment

Our Global Presence



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

- Sourcing**
- India
 - China
 - Thailand
 - Indonesia
 - Tanzania
 - Russia
 - Morocco
 - Myanmar
 - Madagascar
 - Bolivia
 - Kenya
 - Brazil
 - Sri Lanka
 - US
 - UK
 - Mozambique
 - Germany
 - Italy
 - Turkey
 - Poland
 - Singapore
 - UAE

Manufacturing Countries
India | China

Corporate Overview



Vertically-integrated fashion retailer on electronic retail platforms

- End-to-end B2C business model
- Significant geographical cost arbitrage
- Proprietary TV home-shopping and e-commerce platforms
- Entire B2C sales is through credit cards



Shop LC (US) & Shop TJC (UK) are brands with strong customer visibility

- TV Homes accessed (*FTE) - 100 million
- Growing online presence
- Improving customer engagement metrics



Strong management and governance

- Professional management team with deep industry knowledge
- Strong and Independent Board with global retail experience
- KPMG - Global Auditor
- Deloitte - Internal Auditor



Exceptional One for One social program

- Every piece sold results in one meal for a school-going child
- Provided ~40 mn meals so far across India, US & UK



Solid infrastructure backbone

- Investments in customer interface, production, warehousing facilities, supply chain, CRM & ERP
- Scalable model with limited capex requirement



Robust customer engagement

- Omni-channel B2C retail presence in developed markets - unique achievement for an Indian Company
- Growing recognition of deep value fashion jewellery enables scaling to adjacent categories

Our Omni-Channel Sales Platform



Shop LC (US)



Shop LC Proprietary TV channels - 75 mn HH including 14 mn OTA* HH*

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



Proprietary web platform

shoplc.com
(SAP Hybris web platform)

Shop LC mobile app available on



Marketplaces



Social retail of targeted products on



OTT* platforms



Digital Experience Platform



Targeted behavioural marketing



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 - 25 mn HH including 17 mn OTA* HH*

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



Proprietary web platform

tjc.co.uk
(Salesforce Commerce web platform)

Shop TJC mobile app available on



Marketplaces



Social retail of targeted products on



Instagram



OTT* platforms



Targeted behavioural marketing



UGC and Influencer Marketing Platform

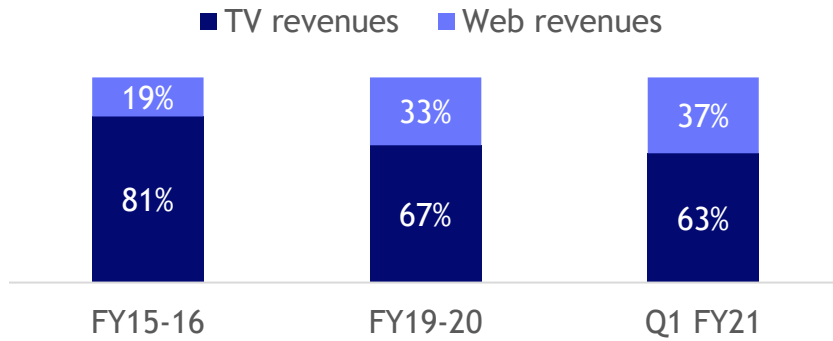


Note:
OTA - Over the Air; OTT - Over the Top; HH - Households

Our Value Dashboard

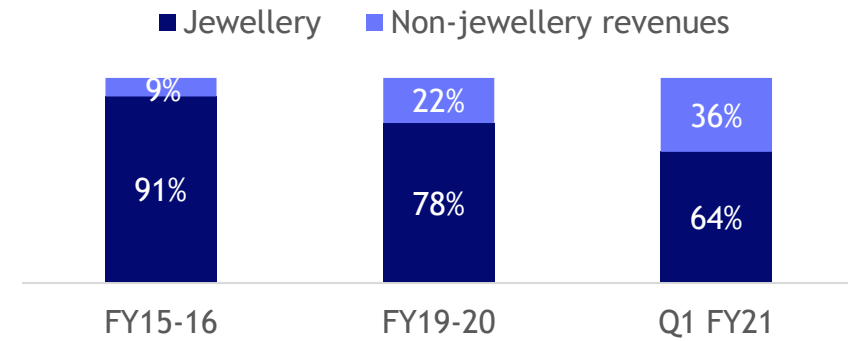


B2C Revenues by format



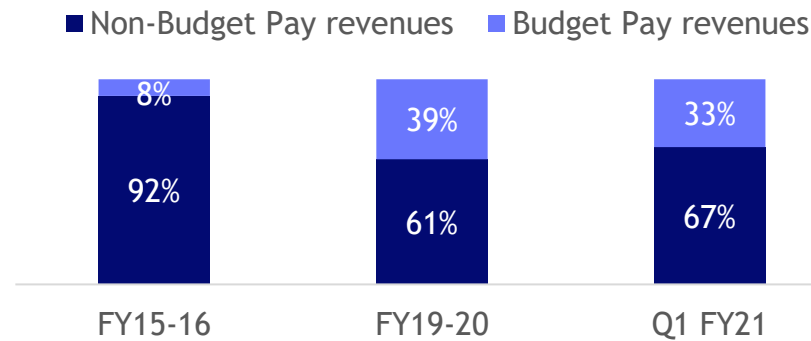
59% of web revenues in Q1FY21 were from Mobile platform (mobile app + mobile web browser)

B2C Revenues by product category



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

Budget Pay penetration of B2C Revenues



Budget Pay revenues refer to products offered on EMI basis

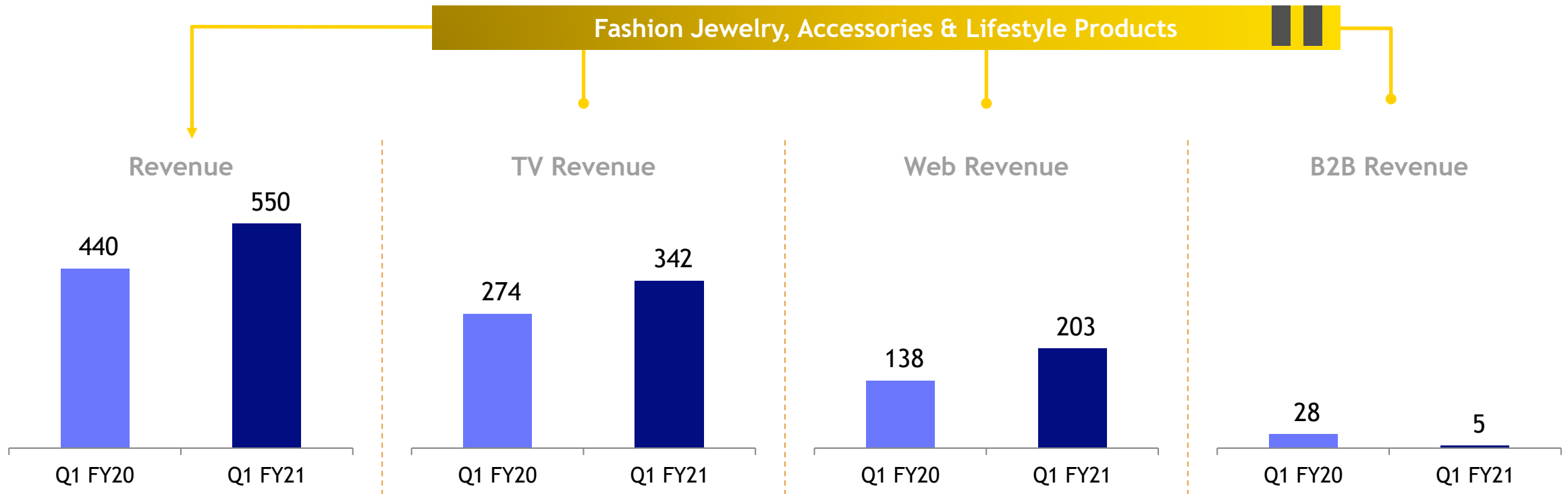
A vibrant, abstract patterned bag with a black strap and zipper, resting on a patterned surface. The bag features a complex design with various colors including red, orange, yellow, green, blue, and brown, set against a white background. The pattern consists of bold, curved lines and shapes, creating a dynamic and eye-catching visual. The bag is positioned diagonally across the frame, with the strap and zipper visible on the left side. The background is a textured, patterned surface with a mix of red, blue, and brown tones.

Q1 FY21 Financial Performance



Financials - Q1 FY21 Performance

Revenue Breakdown - (Rs. crore)



Note:
B2B has been a non-core and opportunistic business segment
In view of strong growth opportunities in B2C, the Company has been scaling down B2B

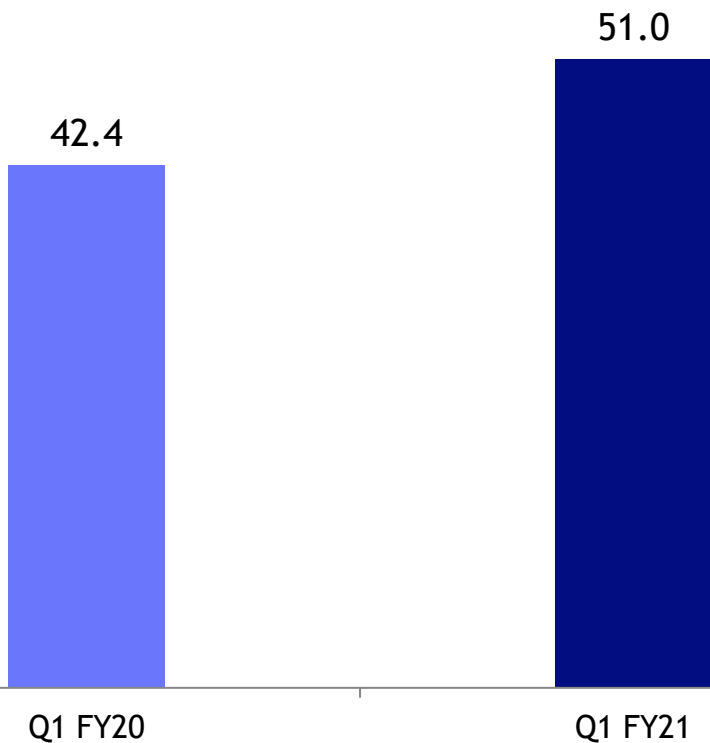


Financials - Q1 FY21 Performance

Revenue Breakdown - (Local Currency)

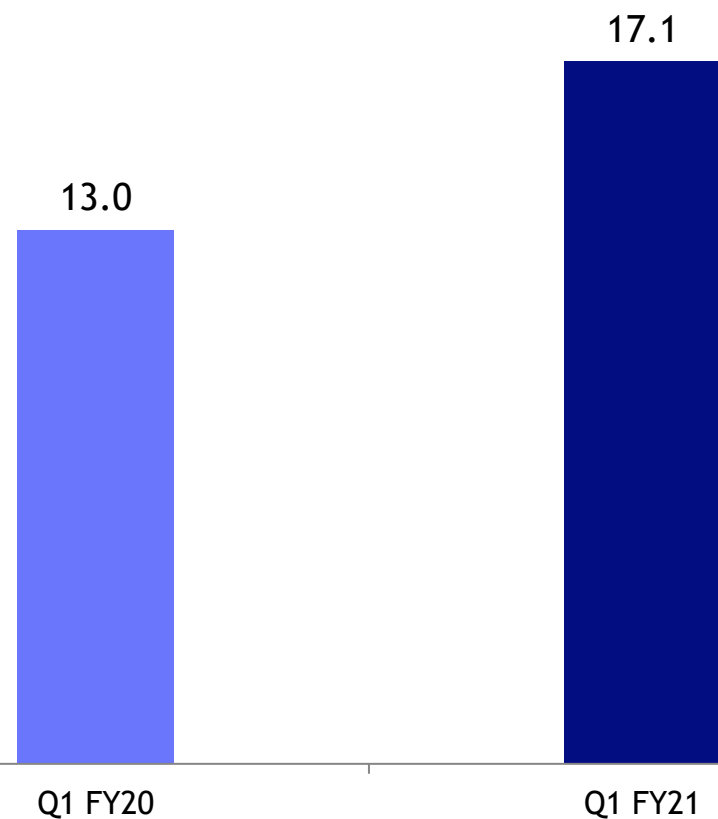
Shop LC (US)

(USD million)



Shop TJC (UK)

(GBP million)

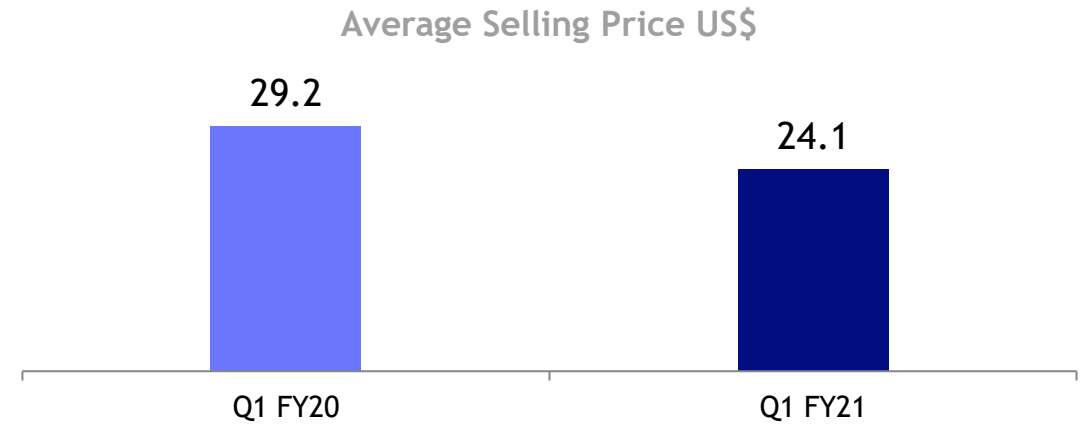
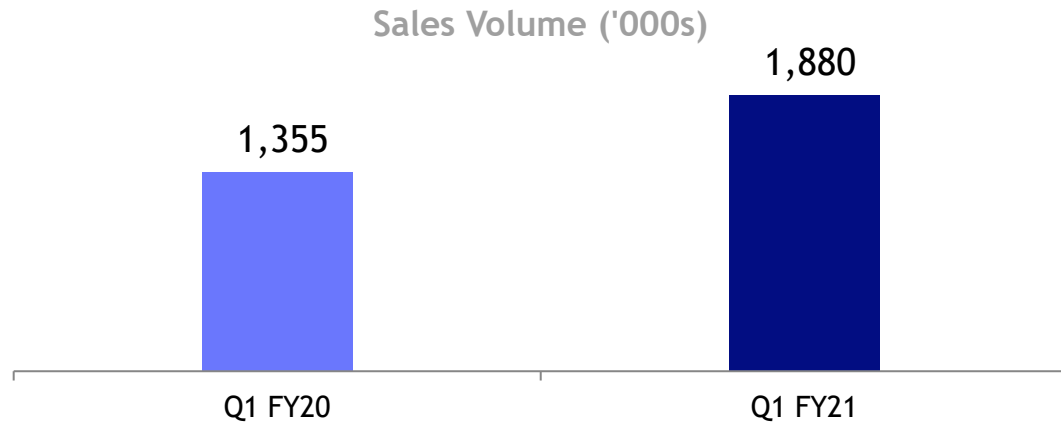




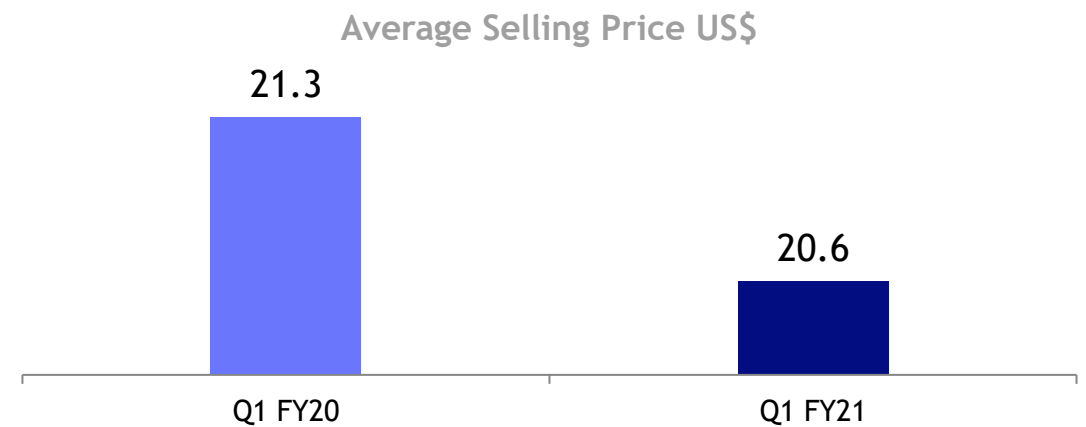
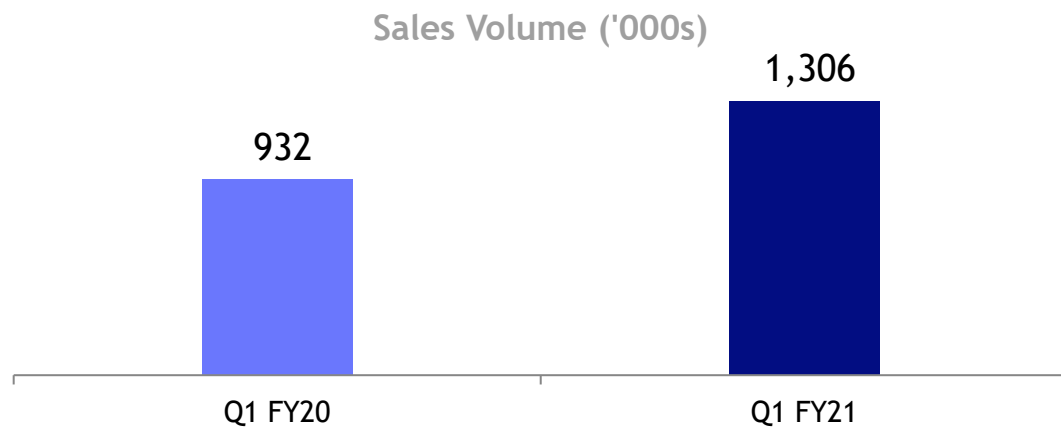
Retail Performance Trends - Q1 FY21

Volume and ASP

TV Sales



Web Sales

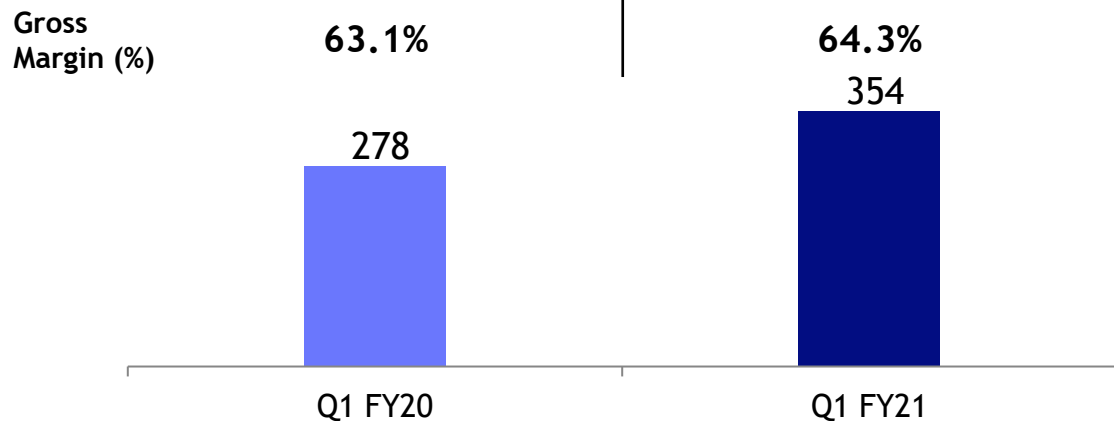




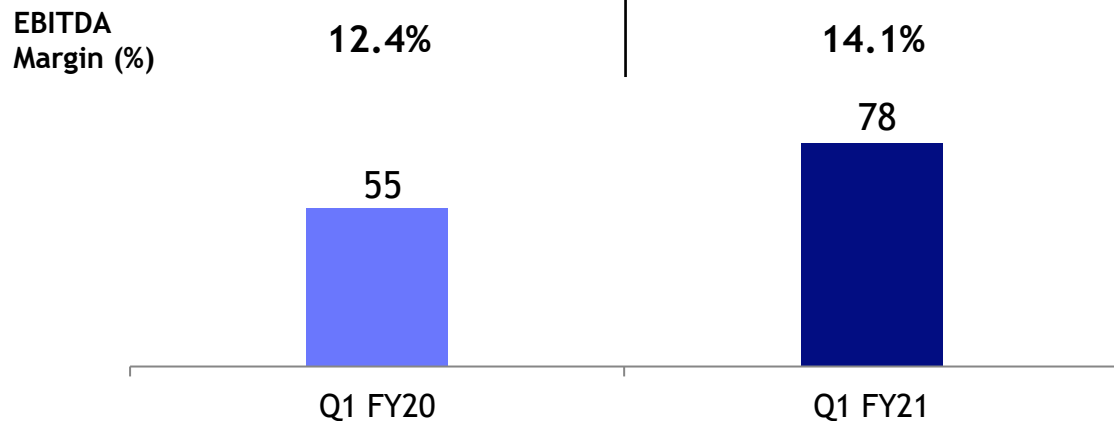
Financials - Q1 FY21 Performance

Profits - (Rs. crore)

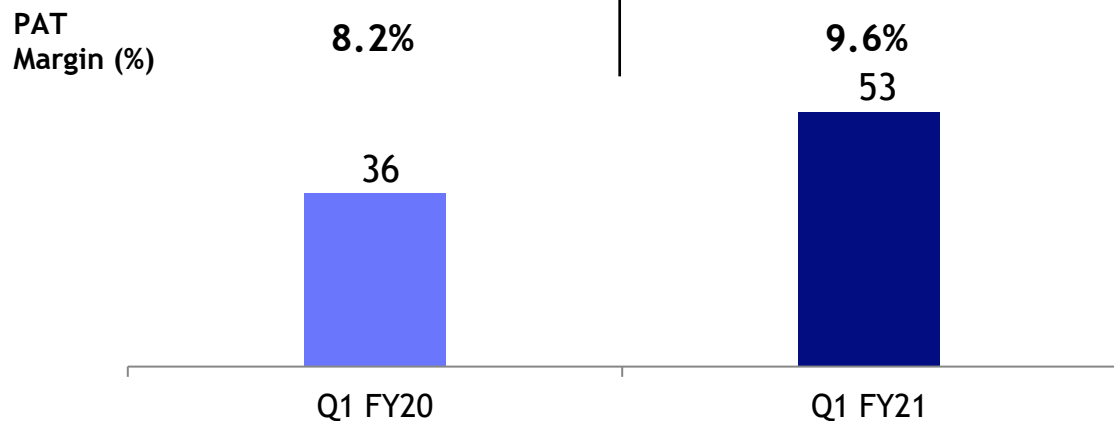
Gross Profit



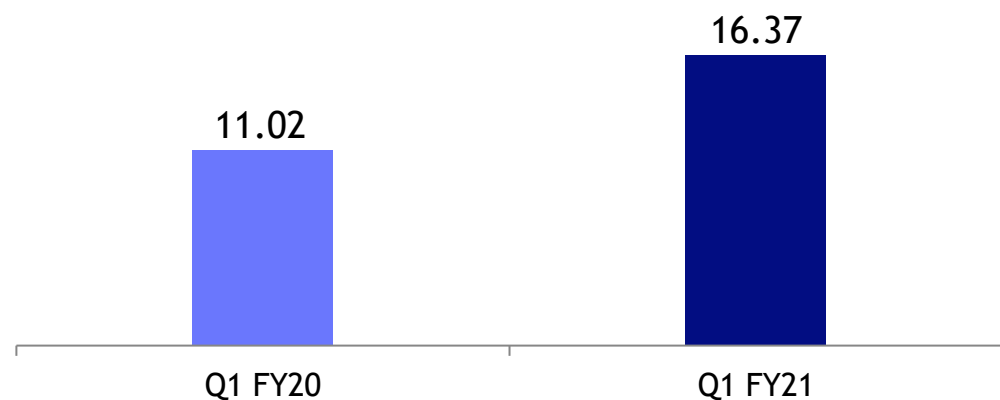
EBITDA



PAT



EPS (Rs.)





Financial Performance Trends

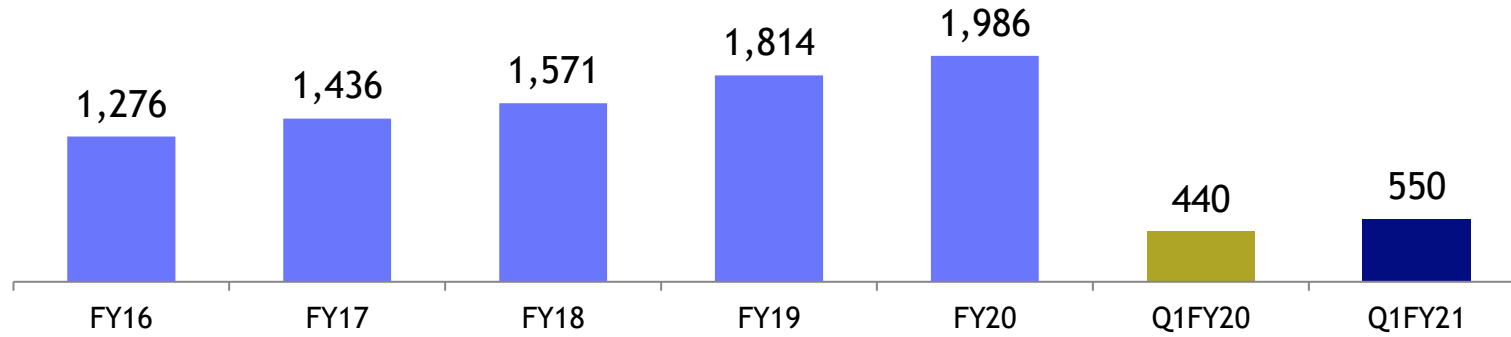




Financial Performance Trends

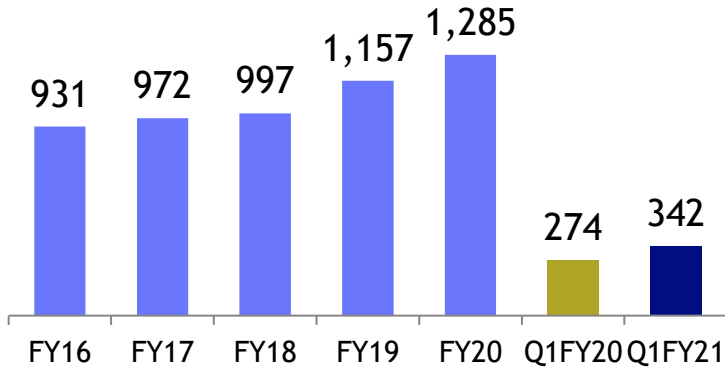
Revenue Breakdown - (Rs. crore)

Revenue

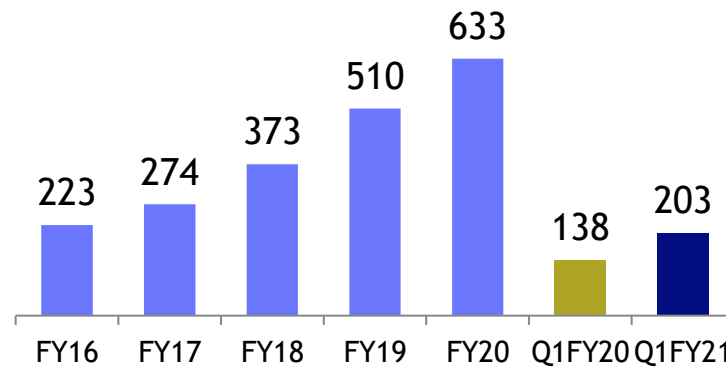


Fashion Jewelry, Accessories & Lifestyle Products

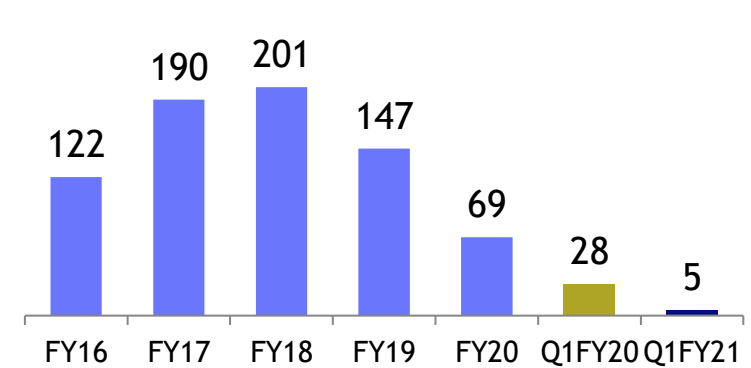
TV Revenue



Web Revenue



B2B Revenue

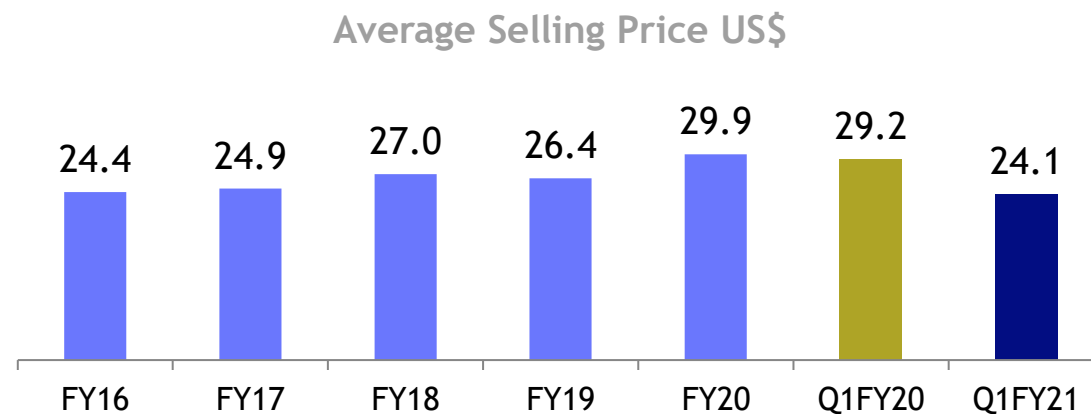
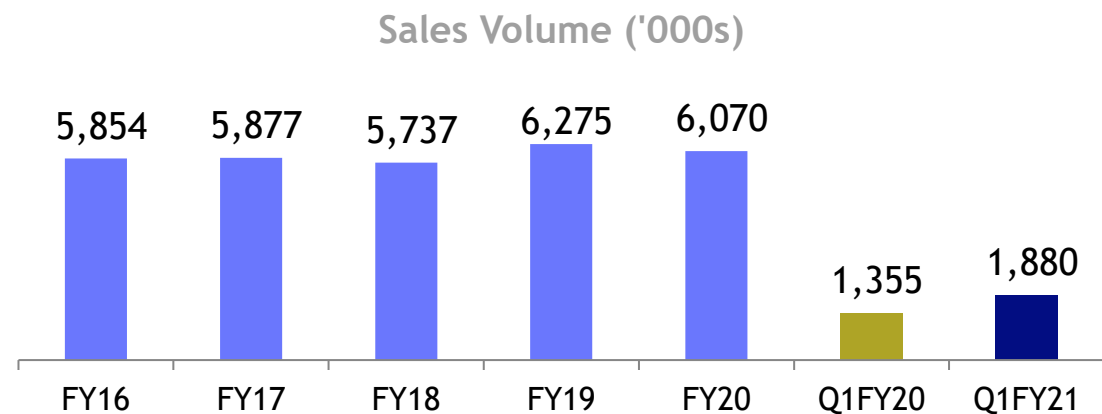




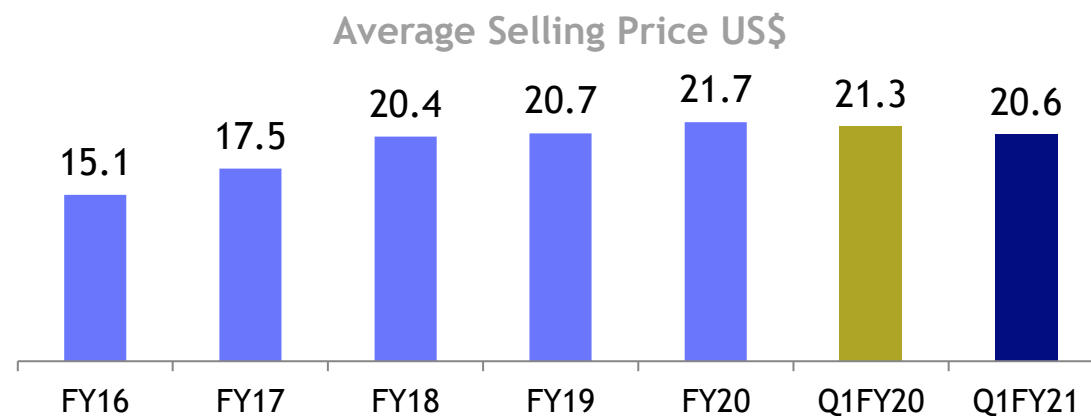
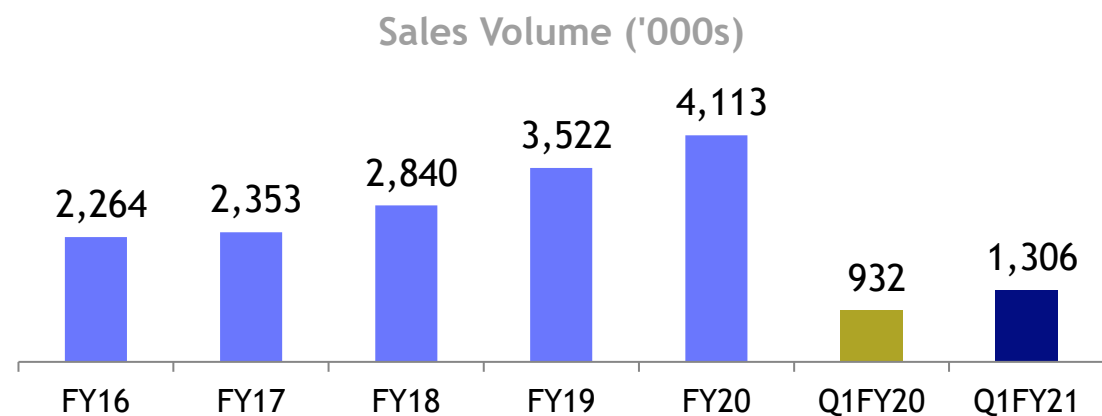
Retail Performance Trends

Volume and ASP

TV Sales



Web Sales



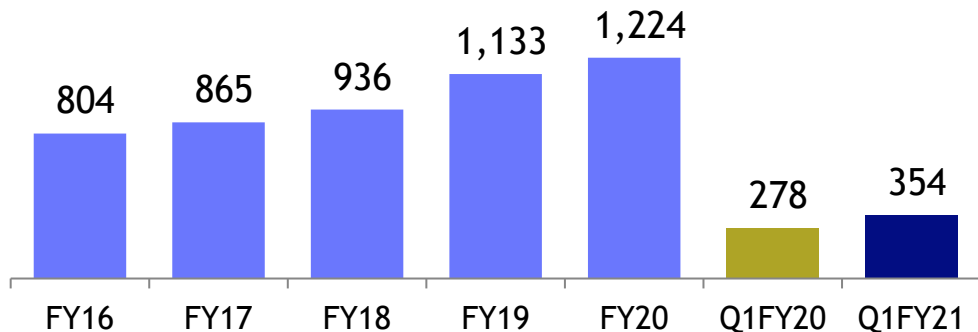


Financial Performance Trends

Profits - (Rs. crore)

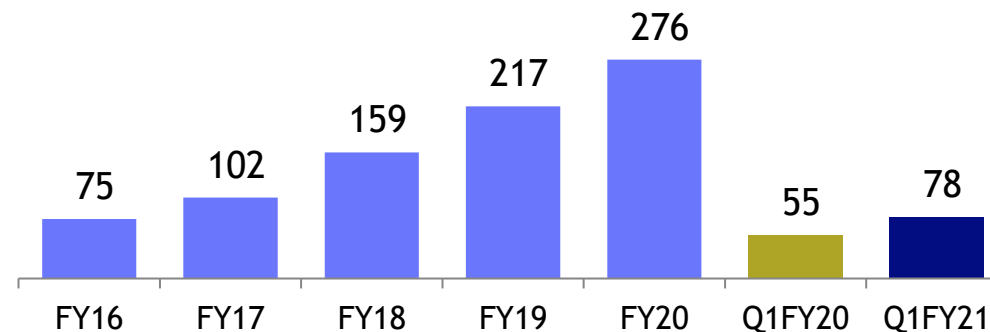
Gross Profit

Gross Margin (%)	63.0%	60.1%	59.6%	62.5%	61.6%	63.1%	64.3%
------------------	-------	-------	-------	-------	-------	-------	-------



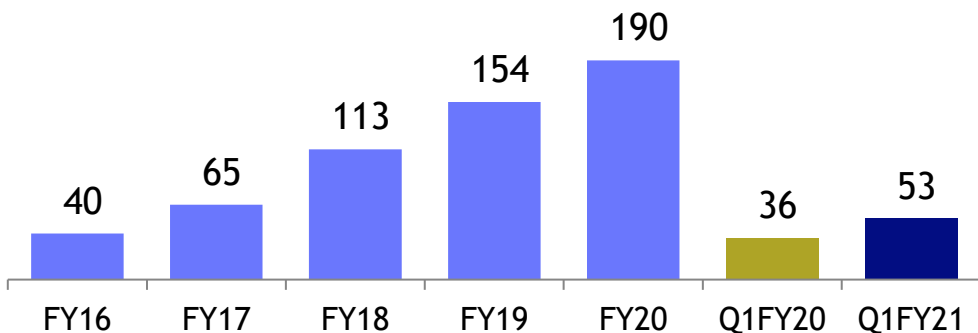
EBITDA

EBITDA Margin (%)	5.9%	7.1%	10.1%	12.0%	13.9%	12.4%	14.1%
-------------------	------	------	-------	-------	-------	-------	-------

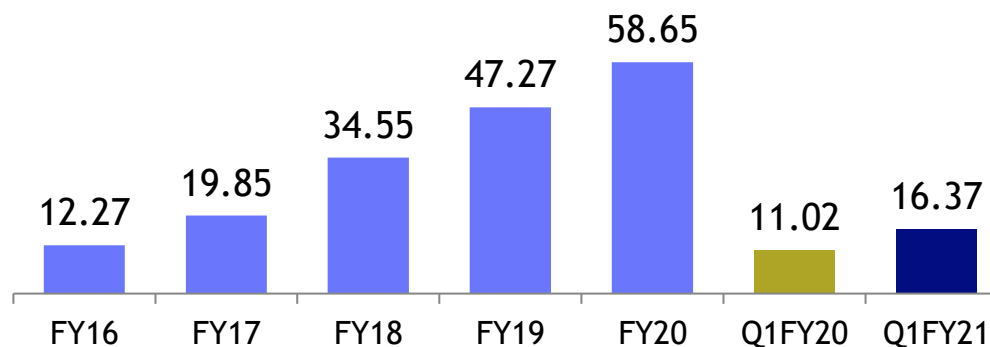


PAT

PAT Margin (%)	3.1%	4.5%	7.2%	8.5%	9.6%	8.2%	9.6%
----------------	------	------	------	------	------	------	------



EPS (Rs.)

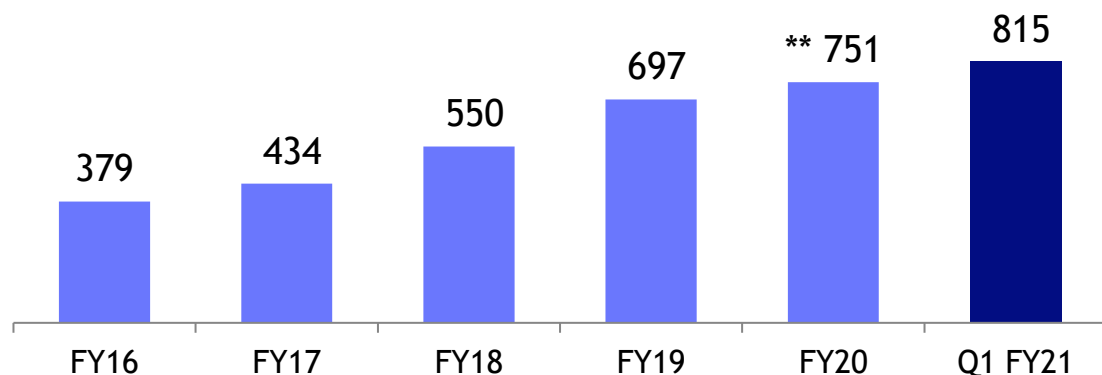




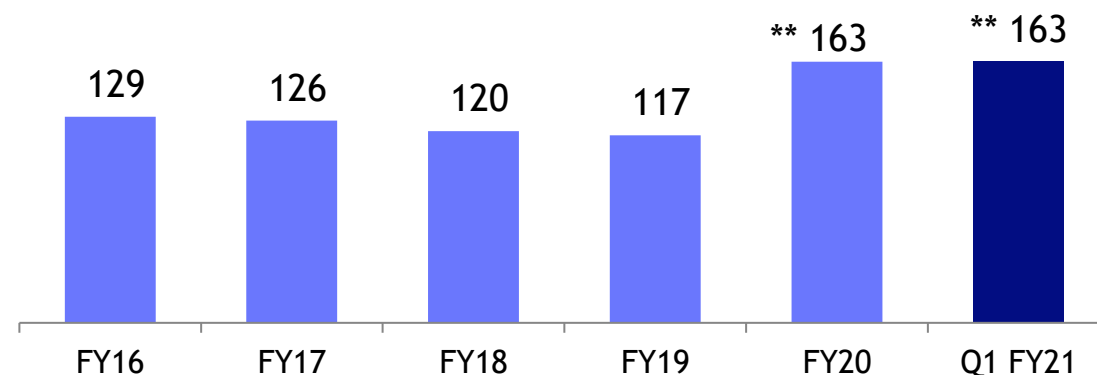
Financial Performance Trends

Balance Sheet - (Rs. crore)

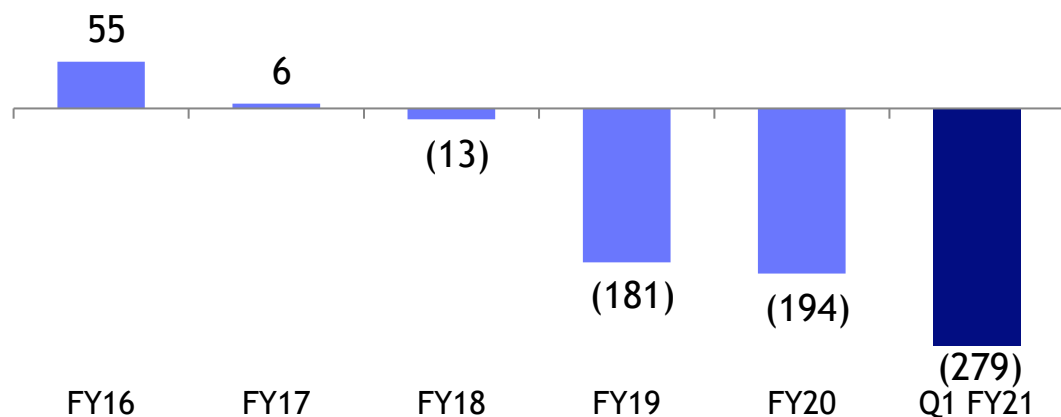
Shareholders' Equity



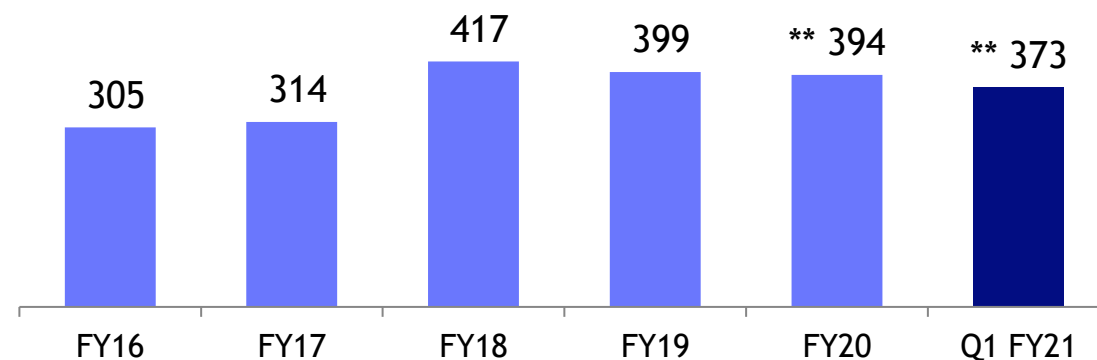
Fixed assets including intangibles



Net Debt



Net Assets ***



Note:

** Ind AS 116 - Leases, has become effective beginning 01 April 2019. The Group has adopted the standard beginning 01 April 2019.

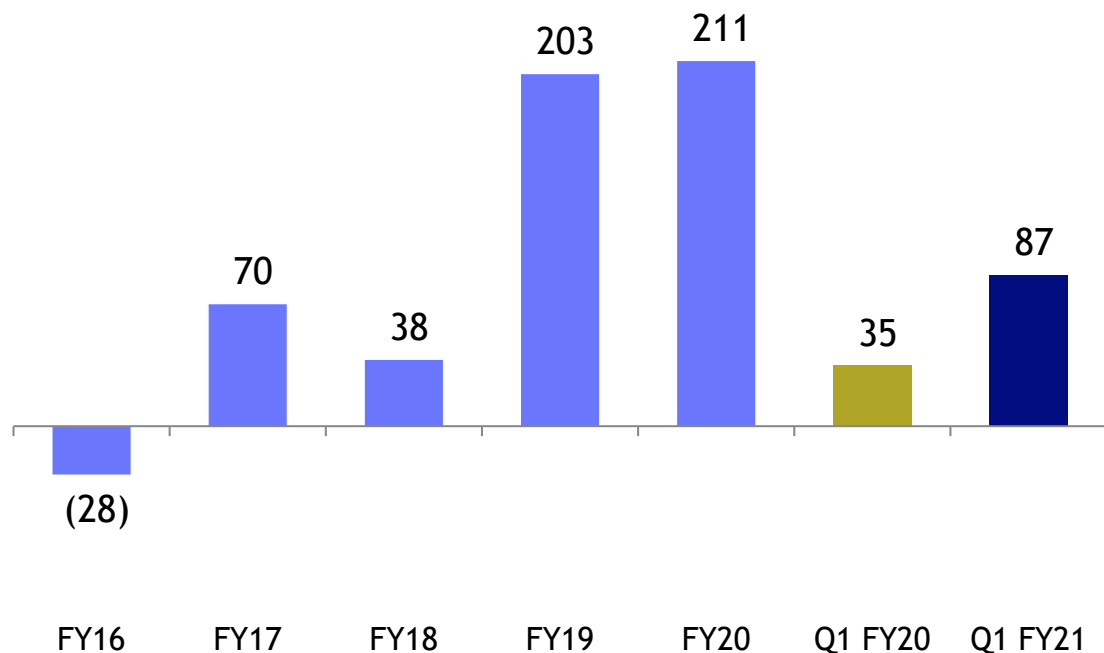
*** Net Assets is the balancing figure arrived at by excluding shareholders equity, net debt, and fixed assets including intangibles



Financial Performance Trends

Cash Flow - (Rs. Crore)

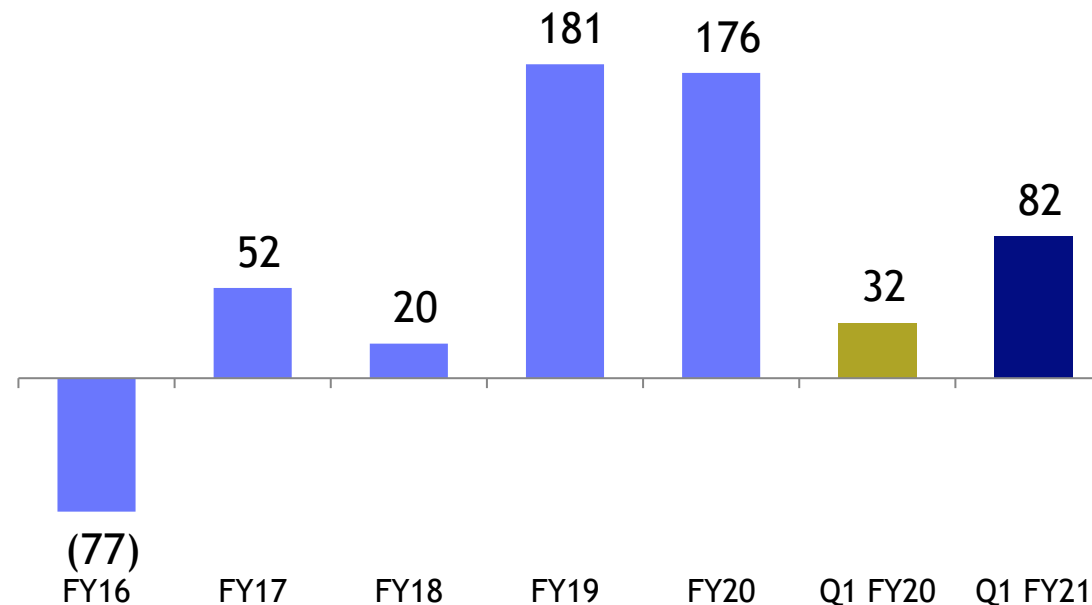
Operating Cash flow



Operating Cash Flow: PBT+ Depreciation-(Changes in working capital) + adjustment for non-cash items

Note: Interest charges have been deducted and Interest income has been added while calculating operating cash flow.

Free Cash Flow



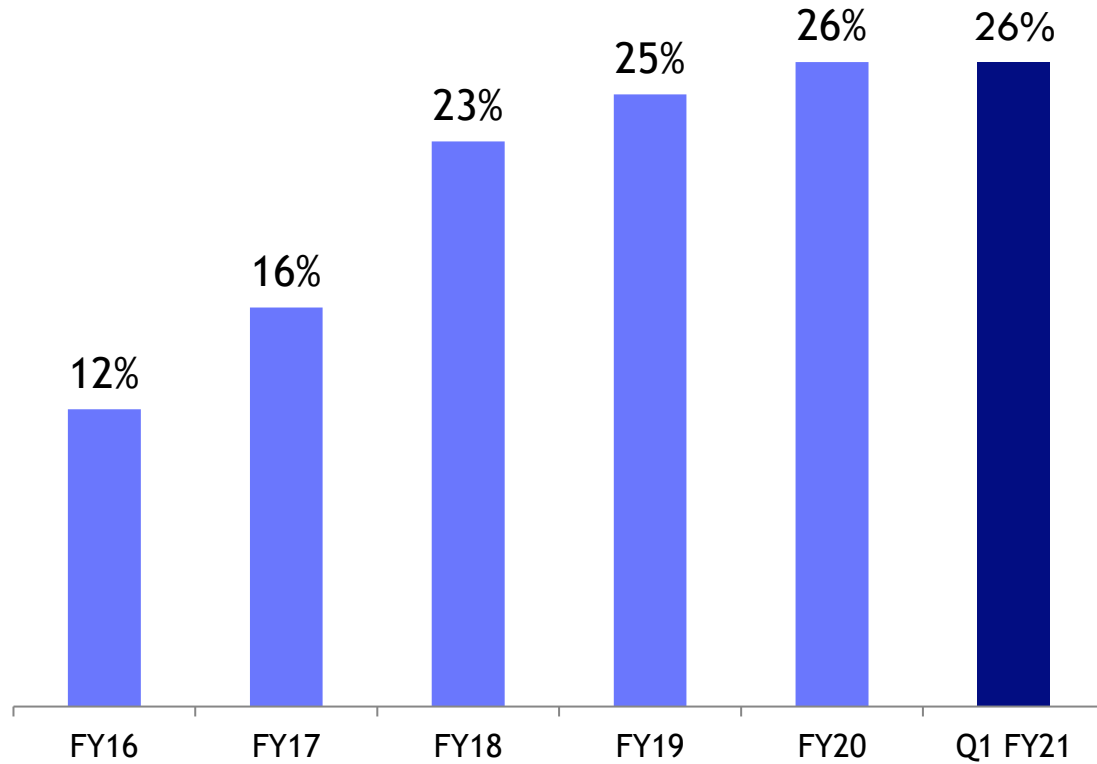
Free Cash Flow: Operating Cash Flow - Capital expenditure



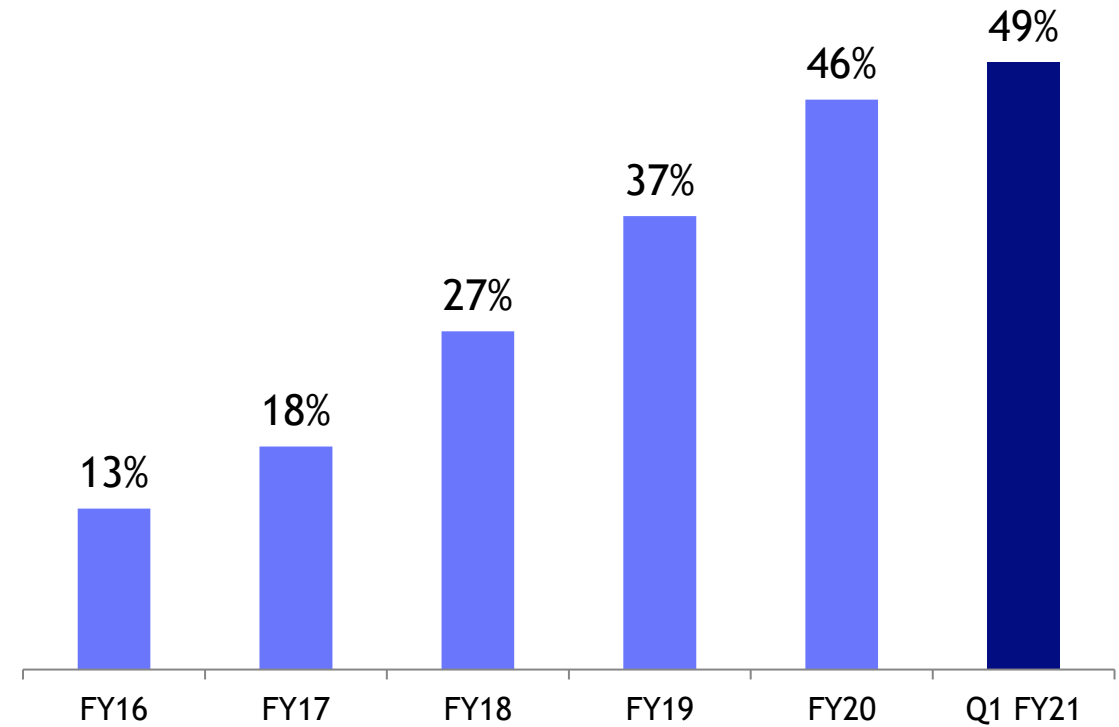
Financial Performance Trends

Key Ratios

ROE (TTM)



ROCE (TTM)



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

A woman with dark hair, wearing a pink t-shirt, is shown in profile, smiling and holding a white cup. In the foreground, a colorful, intricately embroidered handbag with floral and bird patterns is displayed. The bag features two brown leather handles and a small white label. The background is a blurred outdoor setting with string lights and a stone wall.

Annexures



Delivering Joy to Stakeholders

Customers



A+

Rating



Better Business Bureau®

- Unique Customers - 425,921 (Q1FY21 - TTM basis)
- Average qty. per customer - 27 pieces (Q1FY21 - TTM basis)
- High quality products & Exotic designs
- Low Price - high quality - high affordability
- Omni-channel access
- Budget Pay (monthly installments) available on higher value products
- Easy Returns available



Overall

97%

of 15,061 respondents
would buy again from TJC



Employees

Great
Place
To
Work®

- Recognized as a 'Great Place to Work' in Greater China, UK and India based on employee surveys conducted
- Shop LC received the 'Governor's Achievement Level' recognition from Quality Texas Foundation for on-going quality improvement and high performance.

QUALITY TEXAS
FOUNDATION

<https://quality-texas.org/>



Delivering Joy to Stakeholders

Investors



Year	2017	2018	2019	2020
Rank	#219	#162	#147	#132

26%

ROE

49%

ROCE

Environment



- Solar power projects to meet ~45% of the total power requirement at the manufacturing facilities in Jaipur (current + planned solar power project)
- Invested in sewage treatment, recycling biodegradable/plastic/e-waste, ozonator water treatment plant and reduced production process discharges
- Expanding usage of natural materials in packaging/operations; phasing out non-recyclable materials



Society



- ~40 million meals donated under the One for One Program since this program was integrated with operations
- Donated ~161,500 masks to hospitals and care homes



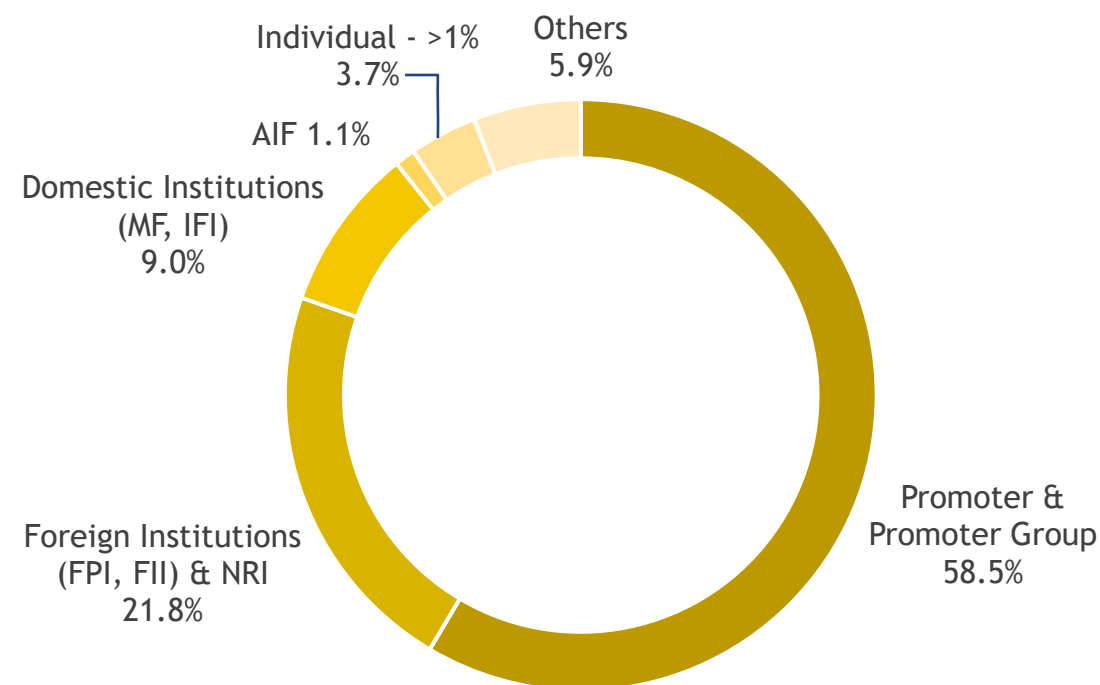
Note -
ROE - based on average net worth; ROCE - based on average capital employed



VGL Shareholder Base - As on 30-June-2020

Key Shareholders (Holding 1%+)	Holding as on 30-June-2020
Promoter & Promoter Group	58.50%
Nalanda India Fund Limited (FII)	10.38%
Motilal Oswal Multicap 35 Fund (MF)	8.96%
Malabar India Fund Limited (FPI)	6.63%
Vijay Kedia (Individual)	2.16%
Ashish Kacholia (Individual)	1.54%
Taiyo Greater India Fund Ltd (FPI)	1.42%
Malabar Value Fund (AIF)	1.12%

Shareholding Pattern



Management Team



Mr. Sunil Agrawal
Managing Director



Mr. Vineet Ganeriwala
Group CFO



Mr. Amit Agarwal
President, Shop LC (US)



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



Mr. Jay Chandran
*Group Chief Technology
Officer*



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



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



Mr. Vivek Jain
*Senior Director, Finance,
VGL Group*

THANK YOU

For more information please contact:

Vaibhav Global Limited

Vineet Ganeriwala, Group CFO

Vineet@vglgroup.com

+91-141-2771975

Dipti Rajput, DGM (IR)

Dipti.Rajput@vglgroup.com

+91-9116653352