



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



Vaibhav Global Limited

Financial Results Presentation – Q4 & 12M FY2019





Safe Harbor

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements.

Vaibhav Global Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward looking statements to reflect subsequent events or circumstances.





Q4 FY19 Key Snapshot

B2C Success in Developed Markets

2.5_{mn}

Products Sold
On TV and Web

100_{mn}

TV Homes
Directly Accessed (FTE)

30

Avg. Quantity per Customer
*TTM

342,577

Unique Customers *TTM

22%

ROE *TTM

37%

ROCE *TTM

Rs.462_{crore}

Revenue

Rs.33_{crore}

PAT

Rs.12_{crore}

Free Cash Flow



Corporate Overview

- ➔ End-to-end B2C business model for fashion jewellery, accessories and lifestyle products
- ➔ Proprietary TV home-shopping and e-commerce platforms
- ➔ The entire B2C sales is through credit cards

Vertically-integrated fashion retailer on electronic retail platforms

Shop LC and TJC are brands with strong customer visibility

- ➔ 100 million (FTE) households on TV shopping in the US and UK; expanding online presence
- ➔ Positive customer engagement metrics – customer base, retention rate, repeat purchases

- ➔ Professional, experienced management team having in-depth knowledge and industry experience
- ➔ Strong and Independent Board with global retail experience
- ➔ KPMG – Global Auditors
- ➔ Talent pool across marketing, merchandising, operations, technical and strategy functions

Strong management and governance

Robust customer engagement

- ➔ Sizeable B2C franchise in developed markets – unique achievement for an Indian Company
- ➔ Growing recognition of deep value fashion products enables scaling to adjacent categories



Solid infrastructure backbone

Hybrid supply chain infrastructure

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

- ➔ Established and efficient manufacturing operations in Jaipur, India
- ➔ Outsourcing from China, Thailand, Indonesia and India; aggressive trend spotting initiatives



Global Network

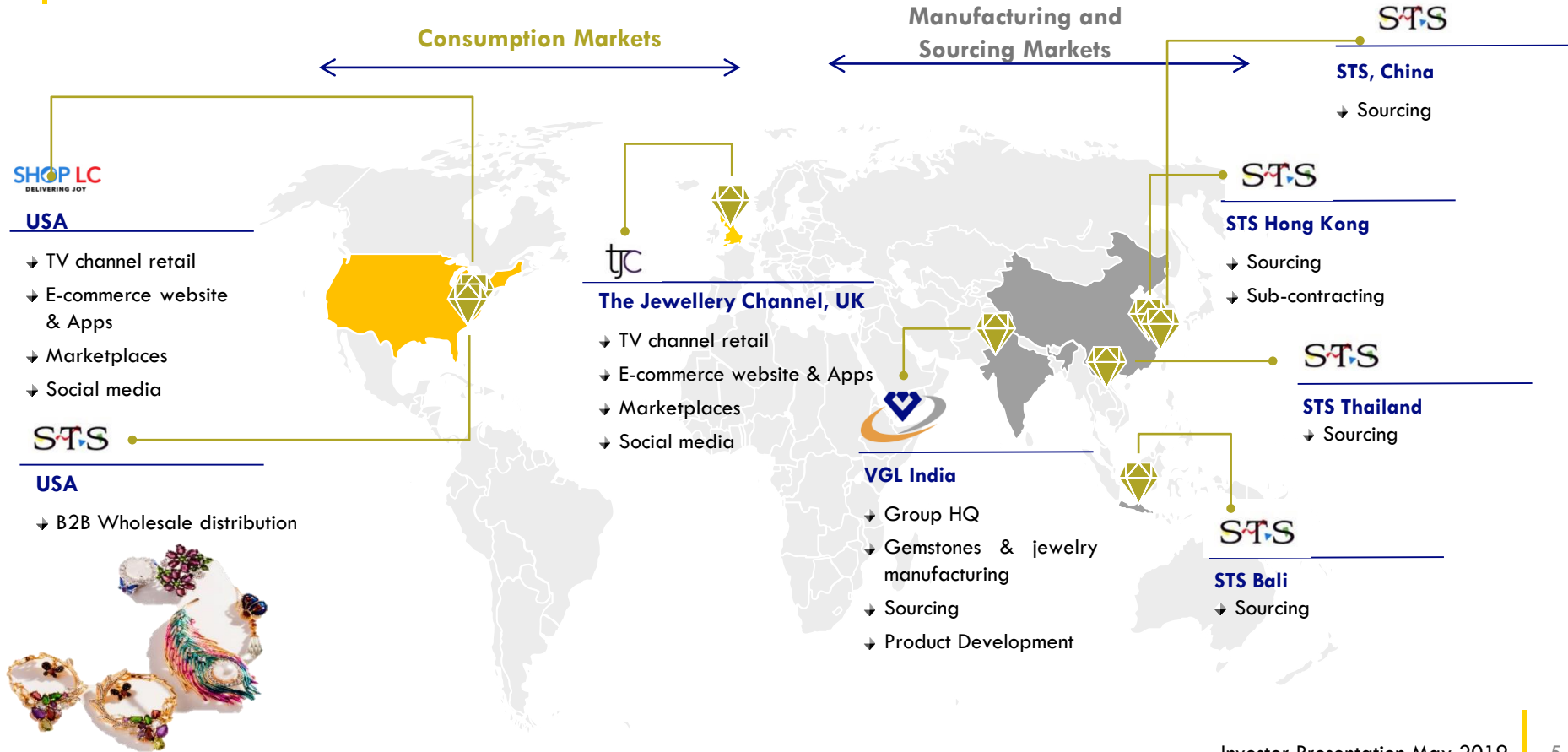


Table of Contents





**Q4 & 12M FY19
Financial
Performance**



Key Highlights for Q4 & 12M FY19



Home TV Network Reach – 100 Mn Households across US and UK

- 100 million households on full time equivalent (FTE*) basis
- 75 million households in the US
- 25 million households in the UK

Q4 FY19 Retail Volumes at 2.51 Million Units, up 17% YoY and overall ASP* at \$24.63, down 5% YoY

- Home TV shopping volumes at 1.49 million units
- Web shopping volumes at 1.02 million units
- Strong volume growth on both platforms
- Deep customer engagement drives strong repeat purchases

Q4 FY19 – Financial Performance

- Total Revenue at Rs. 462 crore, up 9% YoY
- B2C* Retail revenue up 22% YoY
- EBITDA at Rs. 47 crore, up 14% YoY
- PBT at Rs. 39 crore, up 15% YoY
- PAT at Rs. 33 crore, up 1.7% YoY

FY19 Retail Volumes at 9.80 Million Units, up 14% YoY and overall ASP* at \$24.38, down 2% YoY

- Home TV shopping volumes at 6.28 million units
- Web shopping volumes at 3.52 million units

FY19 – Financial Performance

- Total Revenue at Rs. 1,814 crore, up 16% YoY
- B2C* Retail revenue up 22% YoY
- EBITDA at Rs. 217 crore, up 37% YoY
- PBT at Rs. 188 crore, up 46% YoY
- PAT at Rs. 154 crore, up 37% YoY

Operating Highlights in Q4 & 12M FY19

- Driving forward on its quality journey, Shop LC applied for the Malcolm Baldrige Progress Level Award from Quality Texas Foundation after receiving recognition for the Malcolm Baldrige Commitment Level Award.
- Launched new brands such as Chaos by Elsie, Xavier, Opatra, Sankom, Kreyol Essence and Manuka Doctor across product segments which have received positive customer response.
- Shop LC launched new products in the cleaning range (pressurized steam cleaner, window vacuum cleaner, cordless cleaning brush, telescopic window cleaner) and home décor category (Himalayan rock salt lamps).
- Shop LC purchased a residence in Austin for live cooking and lifestyle shows.
- TJC is increasing the number of slots and bettering its channel positioning in order to achieve higher traffic and viewership.
- Fulfillment by Amazon (FBA) integration enables placement of select inventory at Amazon Fulfillment Centers, which raises brand awareness with customers converting from Amazon to Shop LC and TJC at a low acquisition cost.
- Since inception of the One for One Program, VGL has provided ~25 million meals to school children across India, US and UK.

MD's Message

Commenting on Q4 & 12M FY19 performance, Mr. Sunil Agrawal, Managing Director, Vaibhav Global said:



"We have delivered another year of strong performance during FY19, leveraging the intrinsic strengths of our business to drive growth in revenues, profits, cash flows and shareholder returns. I am happy to share that our Board of Directors have recommended a final dividend of Rs. 5 per share bringing total dividend to Rs. 10 per share for FY19.

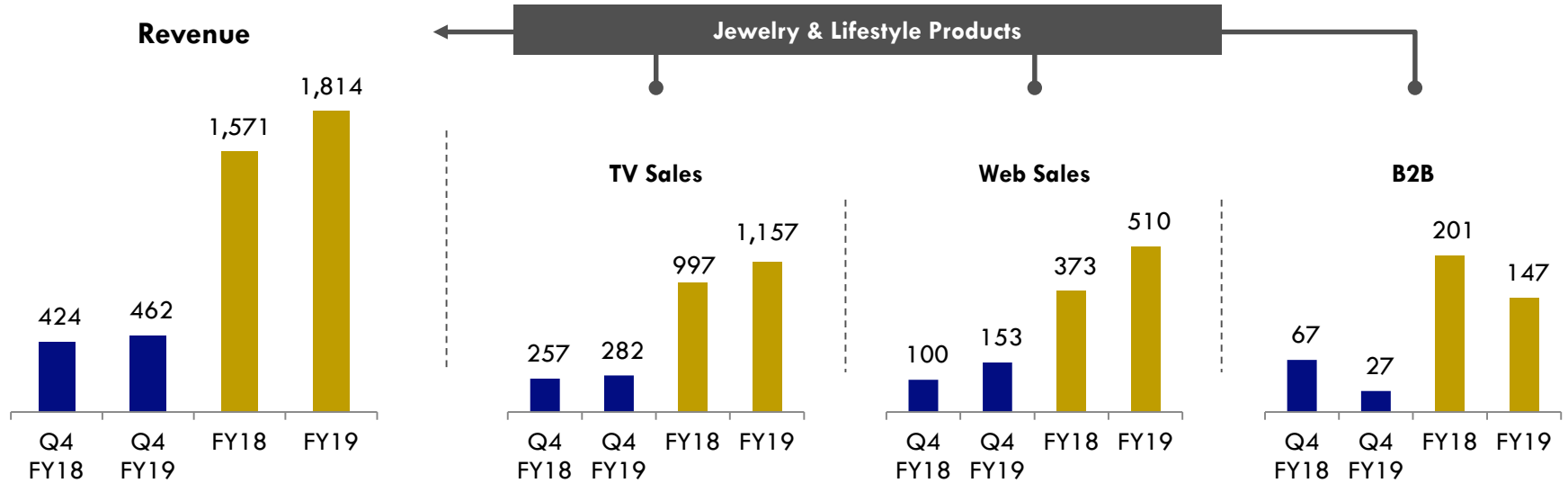
For the full year, retail revenues grew by over 22% YoY resulting in profit growth of 37% to Rs.154 crore. FY19 EBITDA margin expanded by 190 basis points to 12% despite several future-oriented investments in people, marketing, distribution and customer support. During the year, we reached our customers on omni-channel platforms comprising TV, web, mobile apps, smart TV interfaces, OTT platforms, social and third-party marketplaces and sold 9.8 million units from our collection of fashion jewelry, accessories and lifestyle products. Revenue mix continues to shift favorably with contribution from web sales expanding to over 30% and non-jewelry products to 17% of overall retail revenues in FY19.

In line with building a future ready organization, during the year, we undertook various measures towards improving overall customer experience including enhanced studio operations at Shop LC in the US, addition of remote broadcasting capability to support HD programming and entire days dedicated to non-jewelry products. TJC operations in UK are focused on customer targeting through additional slots and better channel positioning. We launched new brands such as Chaos by Elsie, Xavier, Opatra, Sankom, Kreyol Essence and Manuka Doctor across product segments which have shown positive customer acceptance. These initiatives have resulted in new customer additions and improved customer visibility and satisfaction.

At Vaibhav Global, we are not only focused on improving our financial and operational metrics, but also on contributing to the society and environment. I am pleased to share that we have provided more than 25 million meals to school children under our One for One program across US, UK and India. We are also investing in several initiatives that meaningfully reduce our environmental footprint. We strive to deliver joy to all our stakeholders including our customers, employees, vendors, communities, environment and shareholders."

Financials – Q4 & 12M FY19 Performance

(Revenue Breakdown – Rs. crore)



Note:

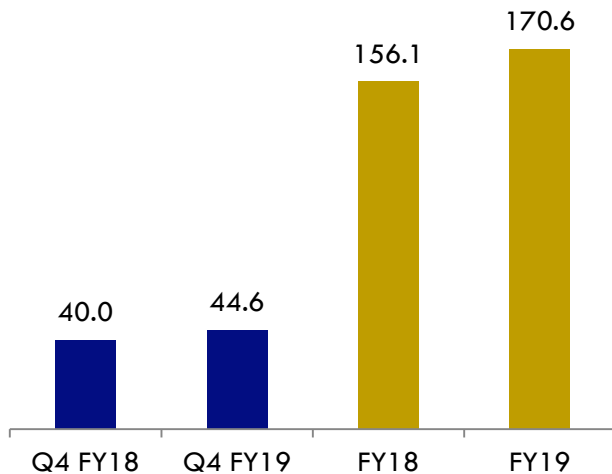
- B2B has been a non-core and opportunistic business segment
- In view of strong growth opportunities in B2C, the Company has been scaling down B2B

Financials – Q4 & 12M FY19 Performance

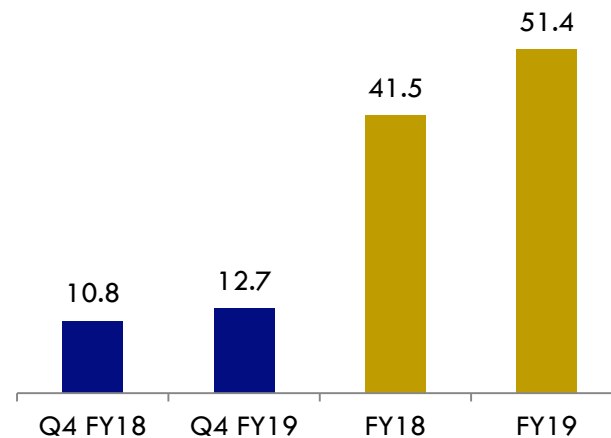
(Revenue Breakdown - Local Currency)



Shop LC (USD million)



TJC UK (GBP million)



Retail Performance Trends – Q4 & 12M FY19

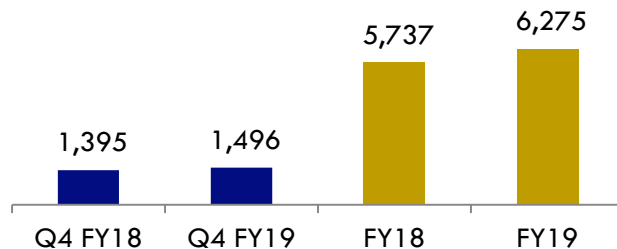
(Volume and ASP)



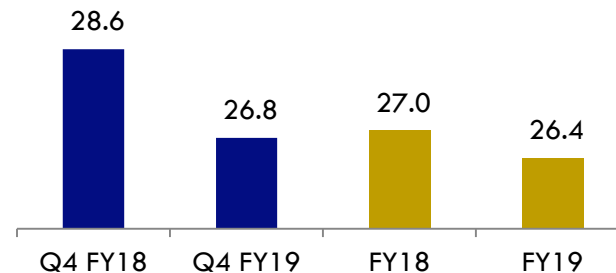
TV Sales



Sales Volume ('000s)



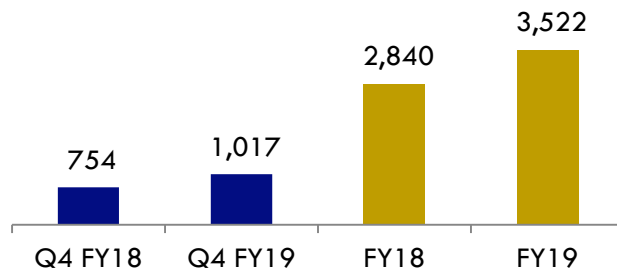
Average Selling Price US\$



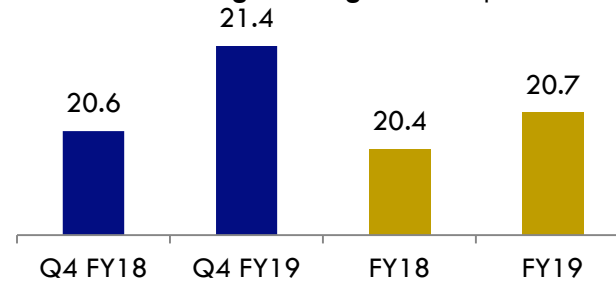
Web Sales



Sales Volume ('000s)

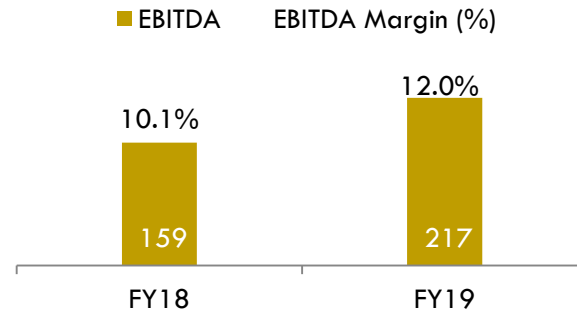
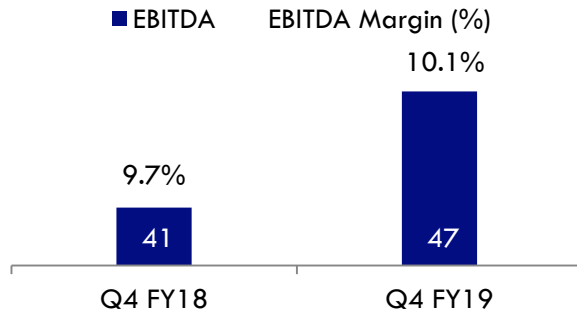
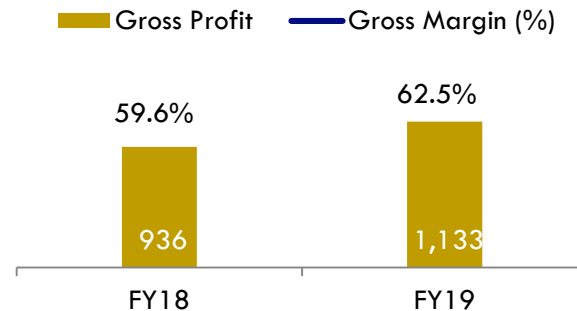
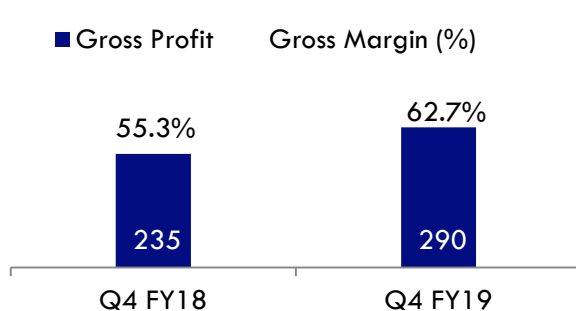


Average Selling Price US\$



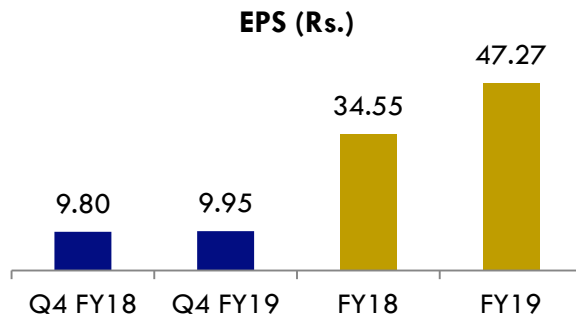
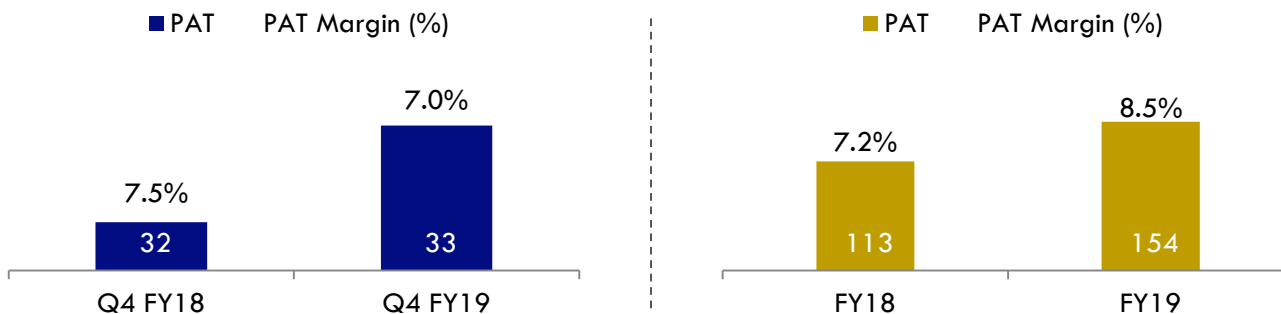
Financials – Q4 & 12M FY19 Performance

(Margins)



Financials – Q4 & 12M FY19 Performance

(Profits)

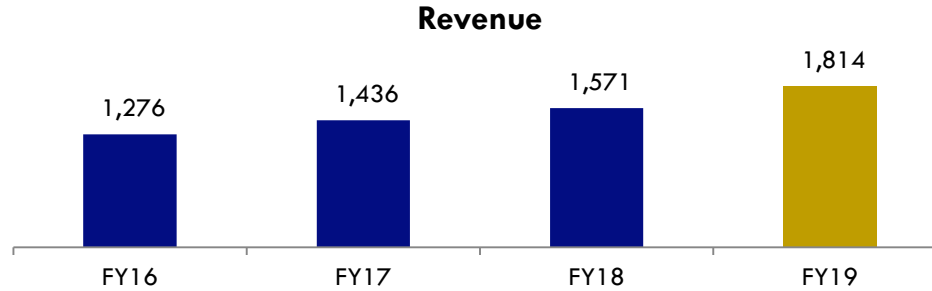




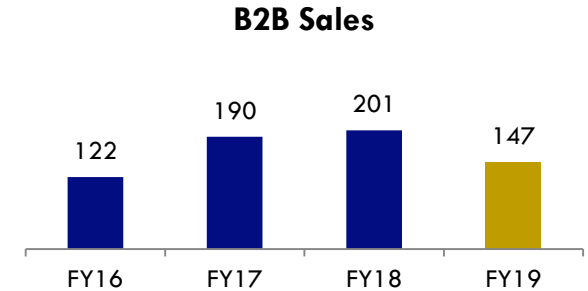
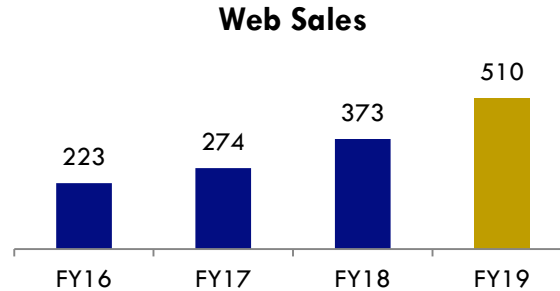
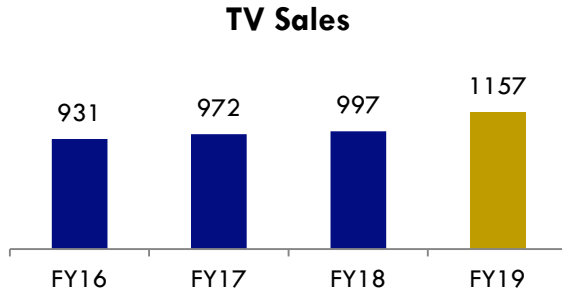
Financial Performance Trends

Financials Performance Trends

(Revenue breakdown - Rs. crore)



Jewelry & Lifestyle Products



*Previous years numbers have been re-grouped to align with Ind AS 115.

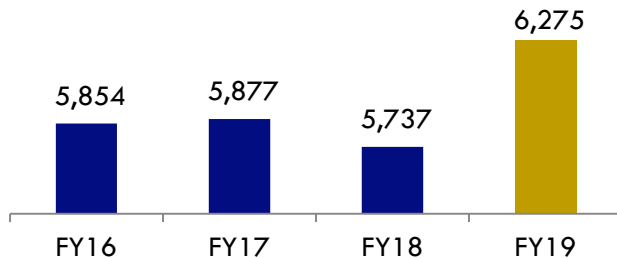


Retail Performance Trends

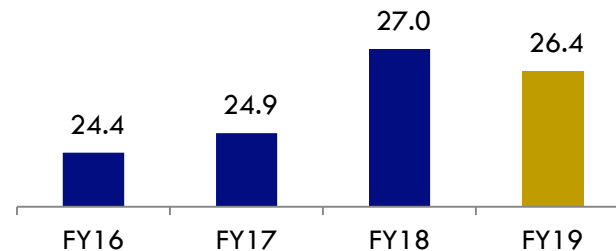
TV Sales



Sales Volume ('000s)



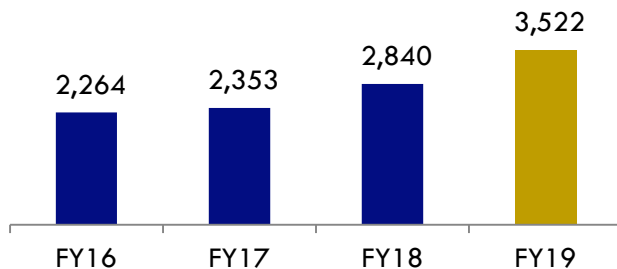
Average Selling Price US\$



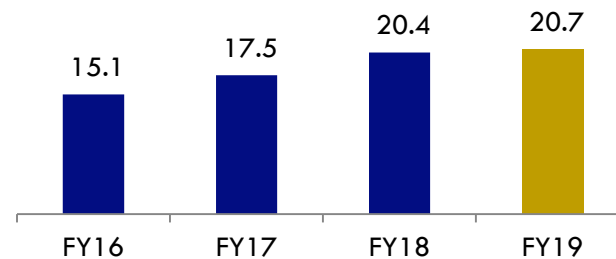
Web Sales



Sales Volume ('000s)

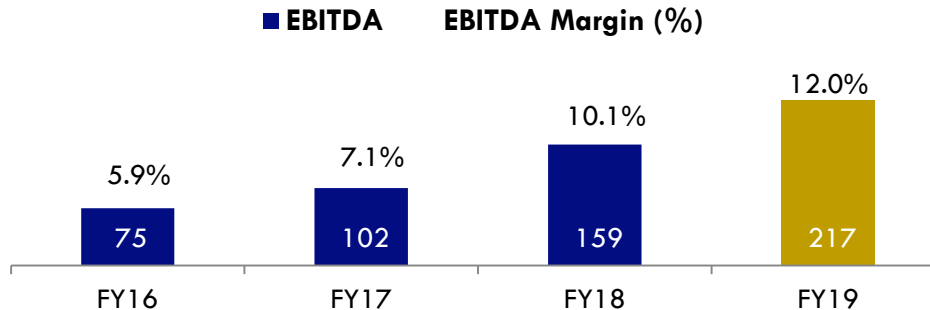
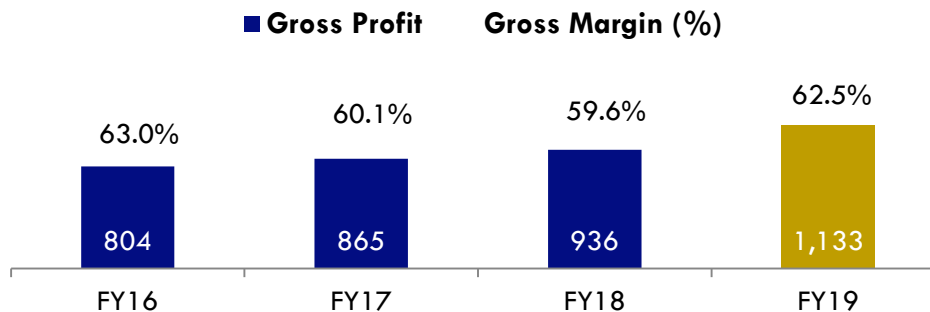


Average Selling Price US\$



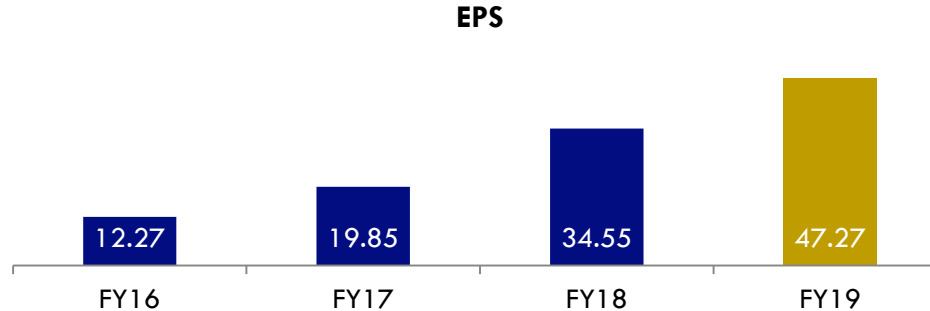
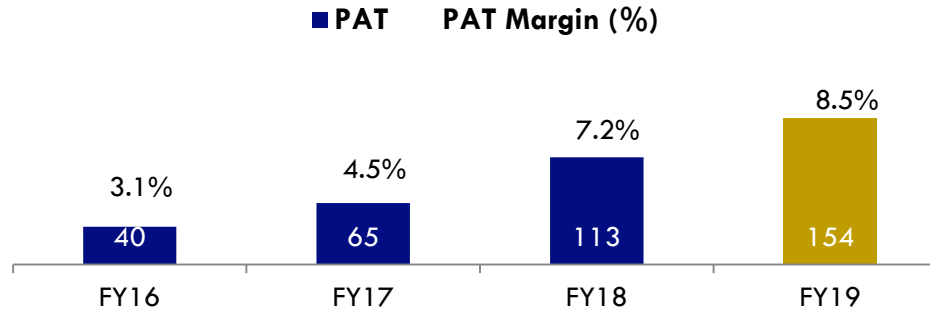
Financials Performance Trends

(Margins)



Financials Performance Trends

(Profits)

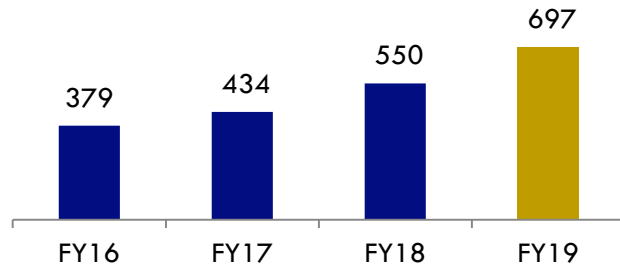


Financial Performance Trends

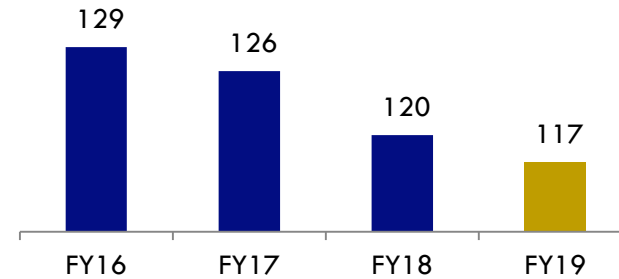
(Balance Sheet - Rs. crore)



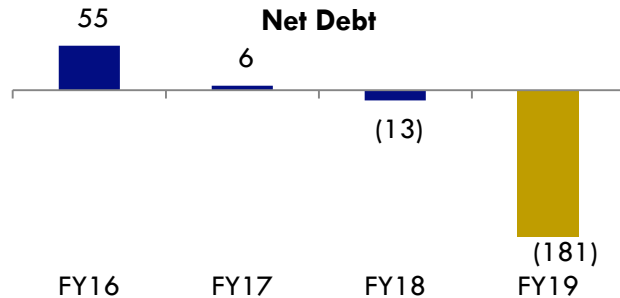
Shareholders' Equity



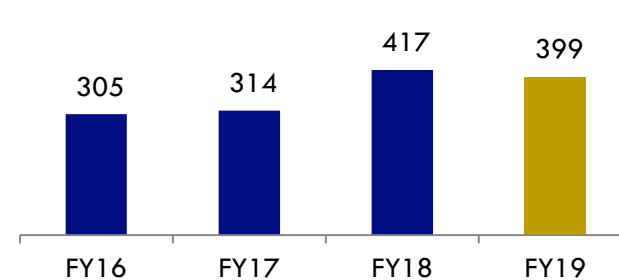
Fixed assets including intangibles



Net Debt

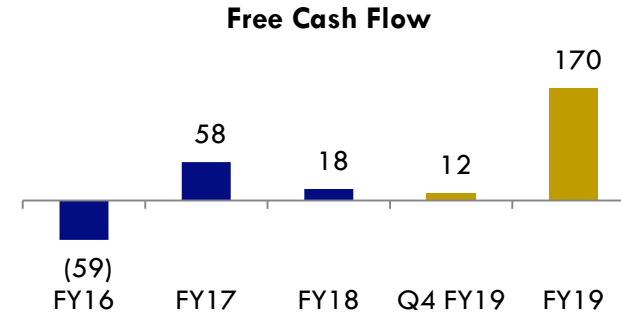
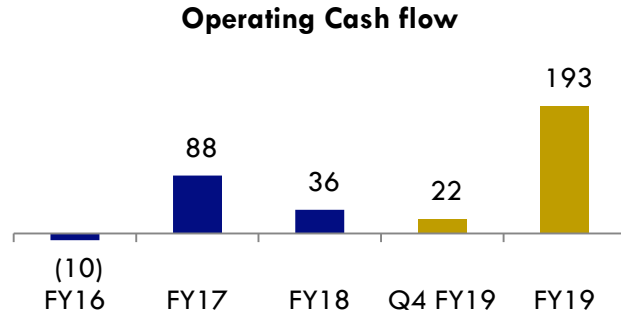


Net Current Assets



Financial Performance Trends

(Cash Flow – Rs. crore)

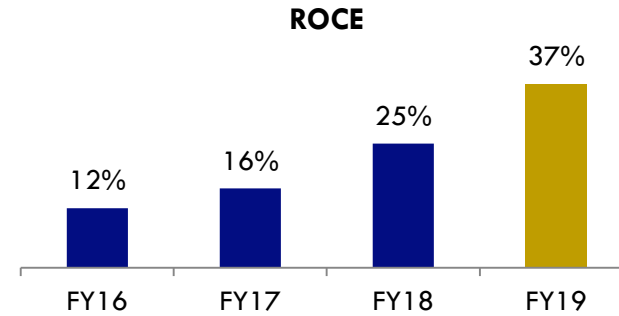
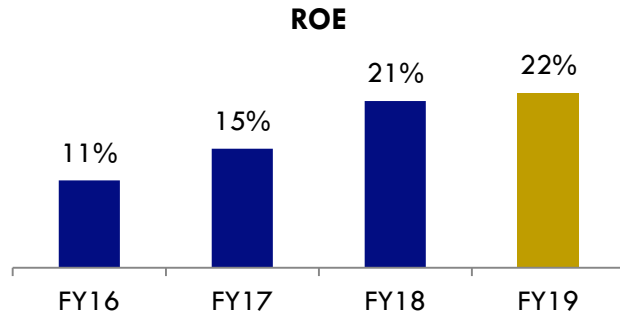


Operating Cash Flow: PBT+ Depreciation-
(Changes in working capital) + adjustment for non
cash items

Free Cash Flow: Operating Cash Flow – Capital
expenditure

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

Financial Performance Trends (Key Ratios)





Business Background Details



Product Profile

FASHION JEWELLERY

Bracelets
Bangles
Earrings
Studded jewelry, etc.



FASHION ACCESSORIES

Watches
Handbags
Scarves, etc.



LIFESTYLE PRODUCTS

Home Décor
Bed linens
Pillow Covers
Beauty products





Branding Initiative

Developing new brands and brand ambassadors for live presentation of BRANDS

DESIGNER COLLECTIONS

SHOP ALL



LUCYQ
BY LUCY QUARTERMAINE

RACHEL GALLEY
MEMENTO

TRIBAL INDIA
COLLECTION OF

homesmart

GP
GIUSEPPE PEREZ
COLLECTION



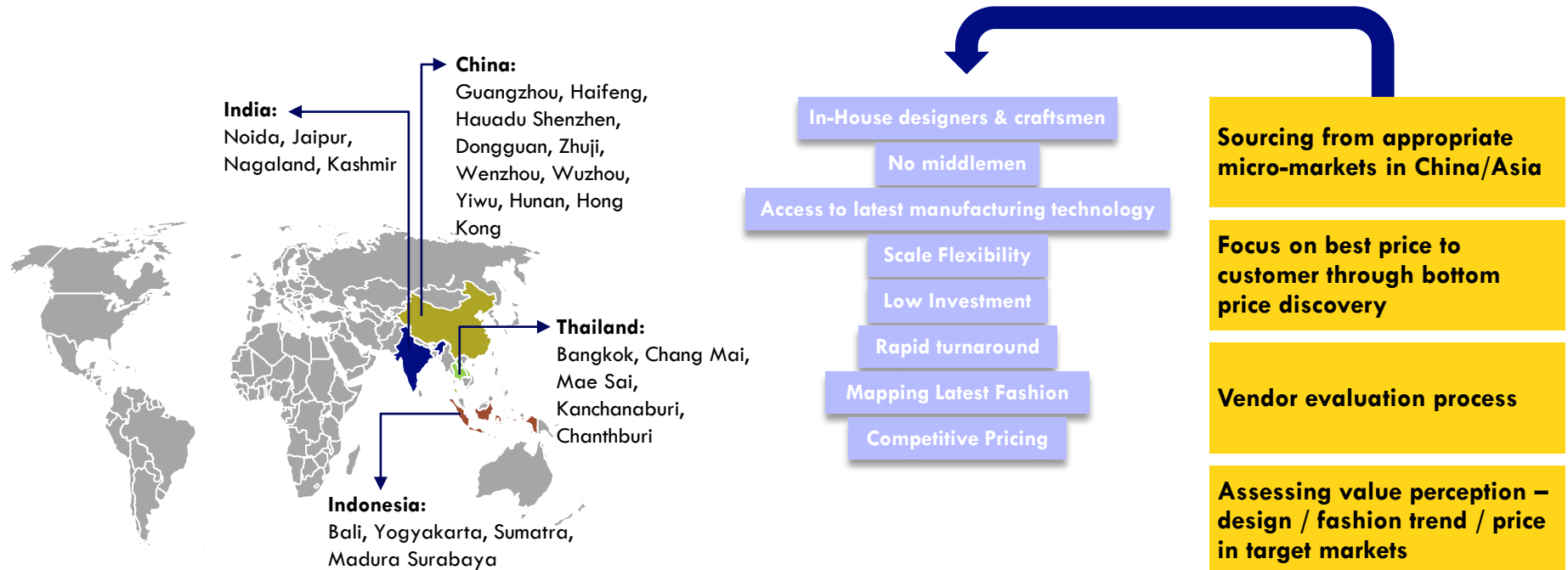
BALI LEGACY
COLLECTION



Sourcing



Global supply chain capability of 12 million pieces, continuously expanding





Manufacturing

- Four ISO 9001:2008 facilities in Jaipur, with capacity of producing 6 million units annually
- Commenced operations at new 100,000 sq. ft., fully-integrated, LEED certified 'Gold Level' building at SEZ, Jaipur
- Diamond manufacturing and sourcing unit of the company is also present in Mumbai
- Over 2,800 people in India across corporate, manufacturing, design, sales & marketing, customer service, logistics etc.
- Low-Cost operations with one of the lowest levels of wastages in the industry



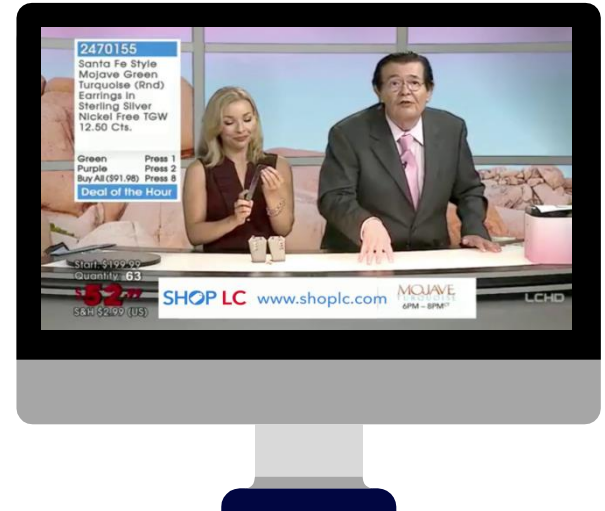
TV Networks – USA

(Consumption Markets)



Shop LC, USA

- ➔ **75 million** households shopping (FTE, out of 120 mn)
- ➔ Based out of Austin, Texas USA
- ➔ **Almost 500 people** in sales & marketing, customer service, logistics, TV production, e-commerce and support functions
- ➔ **Successfully re-branded Liquidation Channel to Shop LC**
- ➔ **'Deep Discount'**, Auction based retail model
- ➔ **Expert hosts** attract and engage customers, driving repeat sales
- ➔ Improved product presentation by investing in **new Studio facility**
- ➔ New **warehouse facility operationalized**



TV Networks – UK

(Consumption Markets)



The Jewellery Channel (TJC), United Kingdom

- ➔ **25 million** households shopping (FTE, out of 25 mn)
- ➔ Based out of London
- ➔ **Over 150 people** in sales & marketing, customer service, logistics, TV production, e-commerce and support functions
- ➔ **State-of-the-art** auction/scheduling system; Launching Budget Pay
- ➔ Targeted behavioural marketing through **IBM Unica** platform
- ➔ **TjC live stream** available on multiple platforms like **Youtube, Facebook**
- ➔ **Long standing relations** with TV distributors such as **SKY, Virgin, FreeView** etc.



E-Commerce (Consumption Markets)

E-commerce presence in our chosen retail markets...



www.ShopLC.com USA

- Launched Mobile App for Shop LC
- Launched Budget Pay EMI option
- Better website optimization on mobile devices
- Migration of Web Hosting to Amazon Web Services
- Enhanced customer engagement on all social platforms; targeted marketing



www.TjC.co.uk UK

- Launched Budget Pay EMI option
- Launched Mobile App for TjC
- Latest DemandWare Platform
- Better Website optimization for all devices
- Enhanced customer engagement
- Europe delivery started through E-commerce platform
- Engaging customers through different sales channels like Facebook Shop, Ebay store etc.



Retail Format



USA

- Rising Auction
- Catalogue Price
- Collections
- Live TV
- Clearance



UK

- Rising Auction
- Live TV
- Web Exclusive
- Sale
- Outlet



Early Adopters And Cord Cutters

High Definition And IP Broadcast

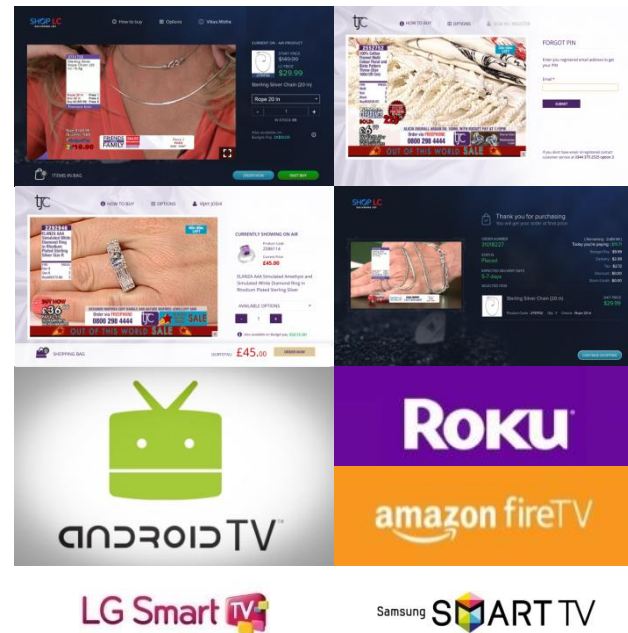
- ➔ **High Definition Broadcast**
 - Charter Communication
 - AT&T
- ➔ **Adoption of new technology of Broadcasting**
 - Reducing dependency on Infrastructure
 - Minimizing downtime as IP would broadcast it via internet

Expansion Into Over The Air Presence (Ota)

- ➔ **Cord Cutters don't want to pay for any channel or satellite fees, they can catch the feed directly via antenna**
- ➔ **We are already present part time in some Areas**

Smart Tv And Streaming Devices (Iptv)

- ➔ **We already have presence on following Smart TV's:**
 - Samsung SMART TV
 - LG Smart TV
 - Android TV
- ➔ **We also have apps on streaming devices**
 - ROKU
 - Google Chromecast
 - Amazon Fire HD





Delivering Joy to Stakeholders

Customers

BBB Rating



SHOP LC
DELIVERING JOY



Better Business Bureau®

- High quality products
- Exotic designs
- Lowest Price Guarantee – high quality, high affordability
- Omni-channel access – available on TV, Web and Mobile platforms
- Budget Pay (monthly installments) available on higher value products
- Easy Returns available

Overall

99%

of 411 respondents
would buy again from TJC



Employees



- Recognized as a 'Great Place to Work' in Greater China, India and UK based on employee surveys conducted across the global network
- ShopLC received the Malcolm Baldrige Commitment Level Award and further applied for Progress Level Award from Quality Texas Foundation, based on continuous improvement management model





Delivering Joy to Stakeholders

Investors

FORTUNE
INDIA **THE NEXT 500**

Year	2017	2018	2019
Rank	#219	#162	#147

22%
ROE

37%
ROCE

Environment



- Solar power projects to meet ~50% of power requirement in Indian operations (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

tjc
One for One
One purchase means a meal for a hungry child

- 25 million meals donated under the One for One Program





Management Team



Mr. Sunil Agrawal

Managing Director

- An MBA from Columbia University, NY (USA), Sunil established Vaibhav in 1980 as a first generation entrepreneur and has led the company's transition into a leading brand for fashion jewelry, accessories and lifestyle products
- Travels extensively across the world, overseeing operations, sourcing raw material globally and representing the company at major trade shows and jewelry fairs in the US, Europe and Asia



Puru Aggarwal

Group CFO

- Over 25 years of rich experience in business modeling, financial strategy & planning, business development, procurement, supply chain & distribution, budgeting, taxation, cost control, legal compliances and mergers & acquisitions
- Previously worked with Teva Pharmaceuticals India as Director & Country CFO for 11 years. Has also worked with Coca-Cola India and E&Y India



Kevin Lyons

President- Shop LC, USA

- Over 20 years of strong expertise and a proven track record in delivering Omni channel growth in retail and e-commerce
- Previously Senior Vice President of E-Commerce with HH Gregg inc., a \$2 bn, 227 store chain
- Also worked with leading retailers such as Sears and Best Buy in areas like Operations, Merchandising, Loss Prevention, Customer Driven Supply Chain, Customer Centricity and Channel/New Business Innovation



Management Team



Jeff Allar

Group Senior Vice President, HR

- Over 30 years of work experience at major international companies including IBM, Unilever and the Stonyfield Farm unit of Groupe Danone
- Tremendous Organization development and senior level HR experience having worked with brands like ACS, Stonyfield and Good Humor – Breyers Ice Cream



Raj Singh

Vice President, Supply Chain, VGL Group

- Mr. Raj Singh is a graduate in Chemistry and trained in Mechanical Maintenance. He began his career with Shrenuj & Company Ltd. In his career of over 22 years, he has gone strength to strength improving and innovating businesses. His initiatives like Gems Studded Stainless Steel Jewellery, Ion Plating, etc., are ground-breaking in the Jewellery industry. For an industry that is type cast as labor intensive, Mr. Singh has led many automation drives and is successful in grinding out cost efficiencies.



Vineet Vashist

Group Chief Technology Officer

- Previously worked with Aritzia, a leader in women's fashion in Canada, as Director of E-Commerce Technology.
- Prior to Artiza, worked at various roles with Abercrombie & Fitch (A&F) for 8 years, his last role was Director IT eCommerce
- Managed a portfolio with an annual budget of over \$20 million to deliver new strategic capabilities and operational enhancements to Aritzia and A&F.



Management Team



Amit Agarwal

Managing Director – TJC, UK

- MBA marketing with over 16 years of experience with different companies like BSL Ltd , Siddhartha Marble and VGL group in Sales and product merchandising in Jewellery and Textile category .
- Managing product merchandising , planning for TV and E-com platform along with handling retail sales at TJC UK.
- Part of core team who successfully launched life style category and turnaround TV retail sales growth in last few years



Vivek Jain

Senior Director, Finance – VGL Group

- A Chartered Accountant with over 16 years' experience in Finance, Banking, Accounts, Budgeting, MIS, Taxation, Costing, Internal Audit, Systems Implementation, Company Secretarial and Legal mattersPart of core team that successfully implemented organizational turnaround strategies
- Appointed TJC UK Finance Director in September 2016 responsible for both the finance function and a number of operational functions including Content Distribution, Customer Solutions and Fulfilment through a period of significant growth and change



Pushpendra Singh

Vice President , Human Resources, Asia

- Over 19 years of experience in HR with a range of Indian companies such as NTPC, Jindal Steel and Power, Kalpataru and Reliance Communications, successfully implementing many talent acquisition, management and retention initiatives

Contact Information



**For more information on
Vaibhav Global Limited,
please contact:**

Puru Aggarwal
Dipti Rajput

Vaibhav Global Limited

+91-141-2770648

Puru.Aggarwal@vlggroup.com

Dipti.Rajput@vlggroup.com

Shiv Muttoo
Karl Kolah

CDR India

+91 22 6645 1207/1220

shiv@cdr-india.com

karl@cdr-india.com



Thank You