



VAIBHAV GLOBAL LIMITED

Ref: VGL/CS/2020/161

Date: 29th October, 2020

**National Stock Exchange of
India Limited (NSE)**

Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra, Mumbai – 400 051

Symbol: VAIBHAVGBL

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Scrip Code: 532156

Subject: Financial Results Presentation

Dear Sir / Madam,

Pursuant to regulation 30(6) of the SEBI (LODR) Regulations, 2015 please find enclosed Financial Results Presentation of Q2 & H1 FY 2021.

Kindly take the same on record.

Thanking you,

Yours Truly,

For Vaibhav Global Limited

**Sushil Sharma
Company Secretary**



Vaibhav Global Limited

Financial Results Presentation

Q2 & H1 FY21

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



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, 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



“Our strong run over the years has received further boost during the pandemic. While numerous businesses have upended in these challenging times, our unique vertically integrated model has delivered ahead of expectations. All spokes in VGL’s wheel of business, wonderfully aligned for swift and comprehensive response to the current opportunity.

It gives me immense pleasure to report strong performance by VGL in Q2FY21, continuing the momentum of the first quarter. Retail revenues, EBITDA and PAT increased by 29%, 42% and 44% respectively on Y-o-Y basis. Correspondingly, we continue to deliver margin accretion - EBITDA & PAT margins at 16.5% and 11.8% have expanded by 220 bps and 170 bps respectively. Strong traction on our omni-channel retail platforms resulted in a significant jump of 27% in unique customers to ~4.5 lac on TTM basis. Our net cash position improved with operating cash flows at Rs. 93 crore and free cash flow at Rs. 77 crore for H1FY21. Further, ROCE reached the milestone of 50% on TTM basis. Keeping in line with our payout policy, the Board announced second interim dividend of Rs. 5 per share.

Our 4Rs strategy, focused on strengthening Reach, Registrations, Retention and Repeat Purchases, aligns with the changing needs of our customers while enabling progress tracking. I am happy to share that we have reported progress on these. It is important to note that our focus on profitable growth, cost-conscious DNA and strong Balance Sheet put us ahead in the game and firmly support investments for business transition in the ever-evolving retail landscape.

As I look back, I feel incredibly proud of the entire VGL family as each member rose to the challenge, demonstrating resilience and agility. Safety of our teams continues to be of paramount importance and so also our commitment of delivering joy to all our stakeholders. We believe our model gives us unique market advantage and differentiation with our customers. With over 20 countries strong sourcing network, robust IT infrastructure and a solid team, we are excited about the future.”



Mr. Sunil Agrawal
Managing Director, Vaibhav Global Limited

Commenting on Q2 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. 308 crore as on September 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 ~1,97,000 masks across US, UK and India
- Provided ~3.4 mn meals to people in need (through Akshaya Patra in Jaipur)

Q2FY21 - Key Highlights



Robust **29%** Y-o-Y growth in retail revenues



EBITDA grew by a strong **42%** Y-o-Y with margins at **16.5%**



Further improvement in return ratios with ROCE expanding to **50%** (TTM basis)



H1FY21 Free Cash Flows enhanced to Rs. **77** crore



Declared interim dividend of Rs. **5** per share taking H1FY21 dividend to Rs. 10 per share



Significant Y-o-Y jump of **27%** in Unique Customers (TTM basis) to **4,46,905**



Successfully commissioned **1MW** solar PV power generation project in Bikaner, Rajasthan



Provided **43.5** million meals since the inception of the One for One program

TABLE OF CONTENTS

1 Business Background Details

2 Q2 & H1 FY21 Financial Performance

3 Financial Performance Trends

4 Annexures



A close-up portrait of a woman with dark hair and red lipstick, wearing a grey blazer. She is looking slightly to the right. A blue banner with white text is overlaid across the middle of the image. She is wearing a ring with three green stones on her ring finger and a necklace with three rows of green stones and a teardrop pendant. She also has a matching earring.

Business Background Details

Vaibhav Global Limited (VGL) at a Glance



CORE VALUES



Team-Work



Honesty



Passion



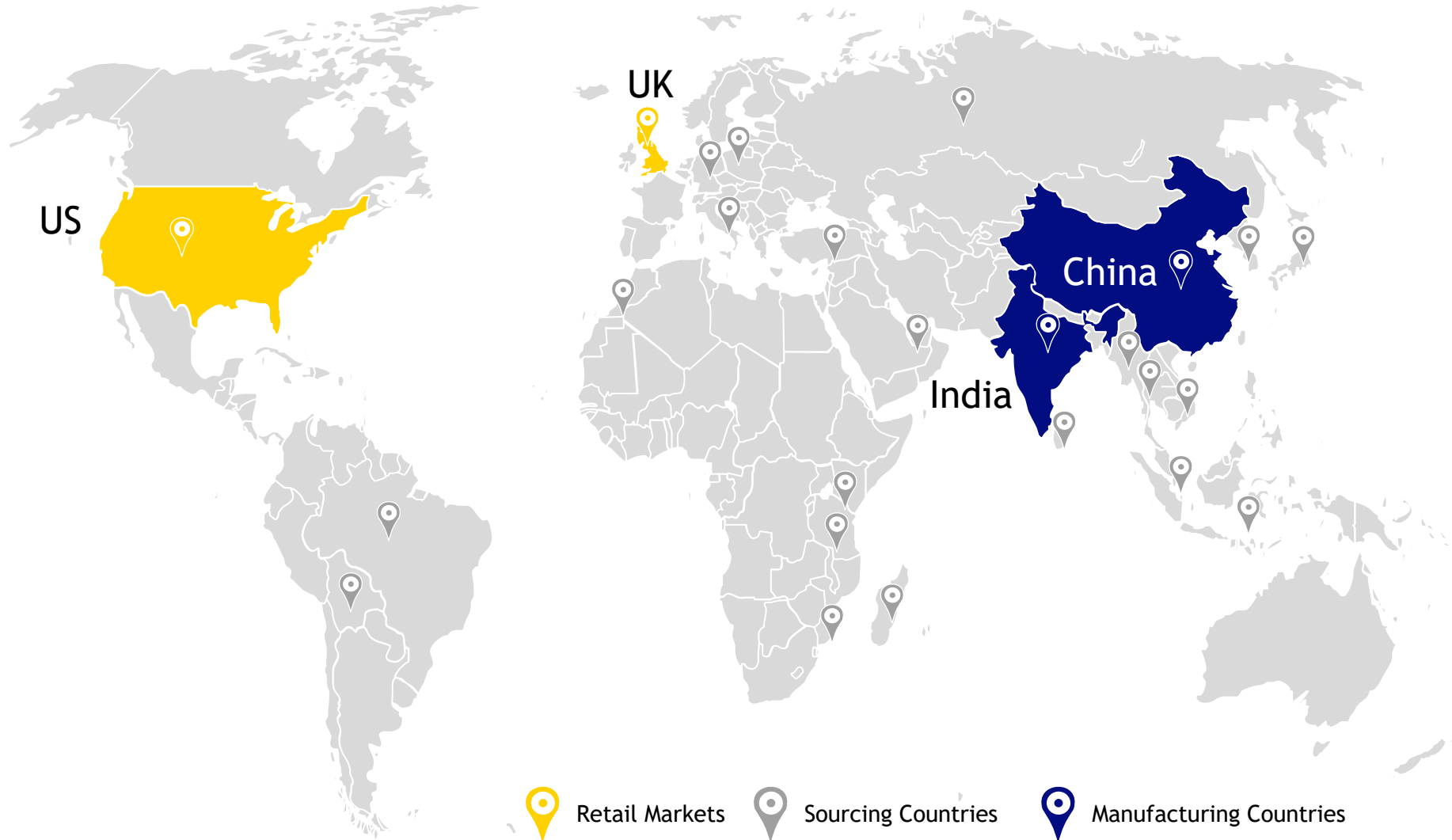
Positive Attitude



Commitment



Our Global Presence



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

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

Manufacturing Countries
India | China

Retail Markets Sourcing Countries Manufacturing Countries

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) - 101 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 ~43.5 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

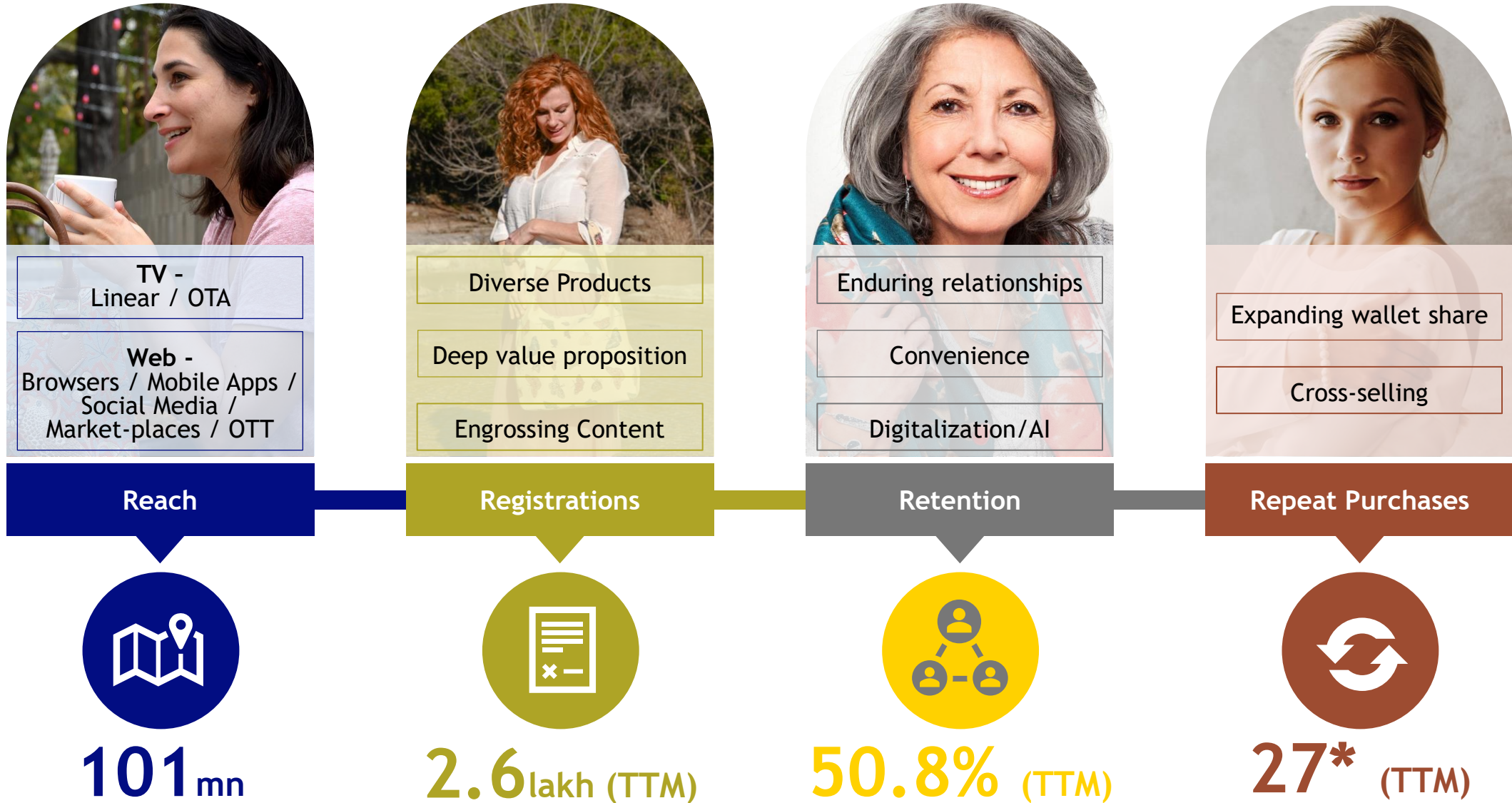


Robust customer engagement

- 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



4R's of Customer Engagement



Note: TTM - Trailing Twelve Months | *pieces per customer

Our Omni-Channel Sales Platform



Shop LC (US)



Shop LC Proprietary TV channels - 76 mn HH including 16.2 mn OTA* HH*

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



Proprietary web platform

www.shoplc.com

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

www.tjc.co.uk

Shop TJC mobile app available on



Marketplaces



Social retail of targeted products on



Instagram

facebook

OTT* platforms

Roku TV



Targeted behavioural marketing



UGC and Influencer Marketing Platform

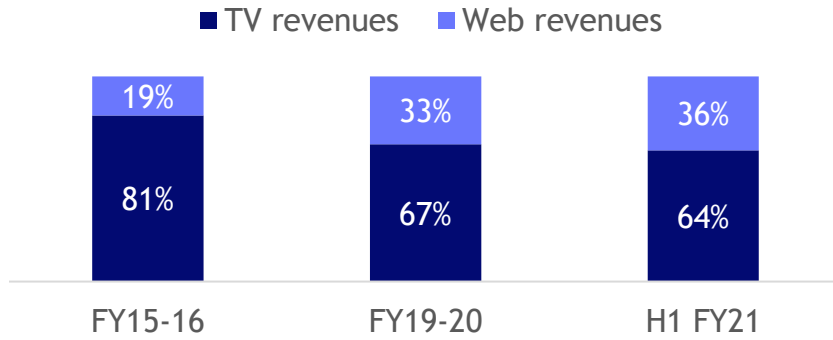


Note:
OTA - Over the Air; OTT - Over the Top; HH - Households

Business Transition Dashboard

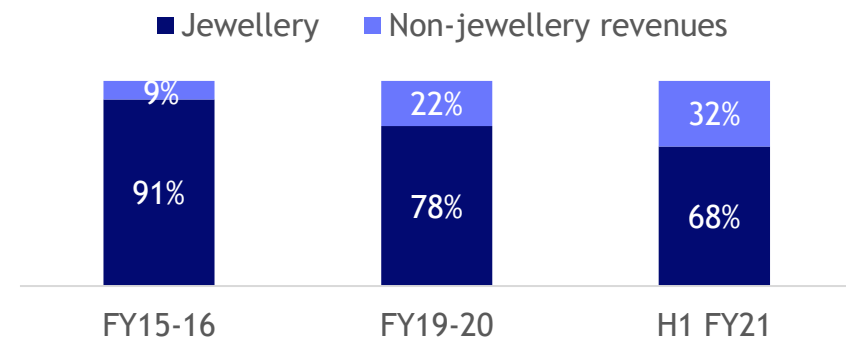


B2C Revenues by format



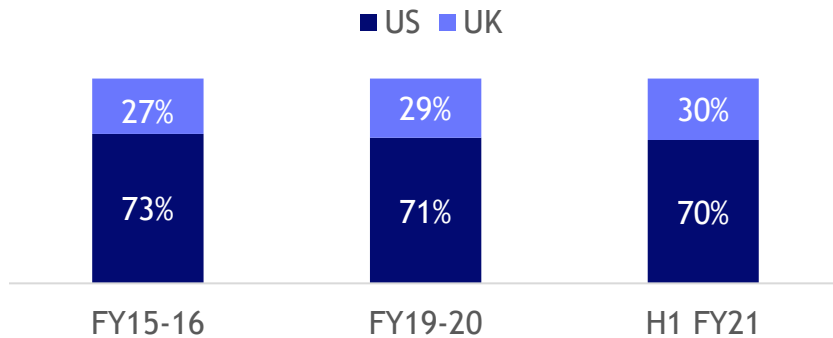
59% of web revenues in H1FY21 were from Mobile platform (mobile app + mobile web browser)

B2C Revenues by product category



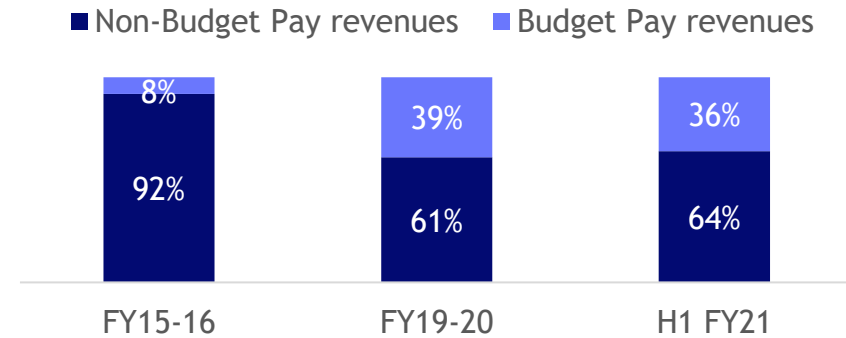
Jewellery revenues: Fashion jewellery;
Non-jewellery revenues: Fashion accessories and lifestyle products

B2C Revenues by Geography



Breakup based on revenue in USD million

Budget Pay penetration of B2C Revenues



Budget Pay revenues refer to products offered on EMI basis

A close-up photograph of a light-colored, textured bag with a vibrant, abstract pattern of overlapping shapes in shades of blue, orange, red, green, and yellow. A black strap is draped across the bag. The bag is resting on a surface with a complex, multi-colored pattern. A semi-transparent green banner with white text is overlaid across the center of the image.

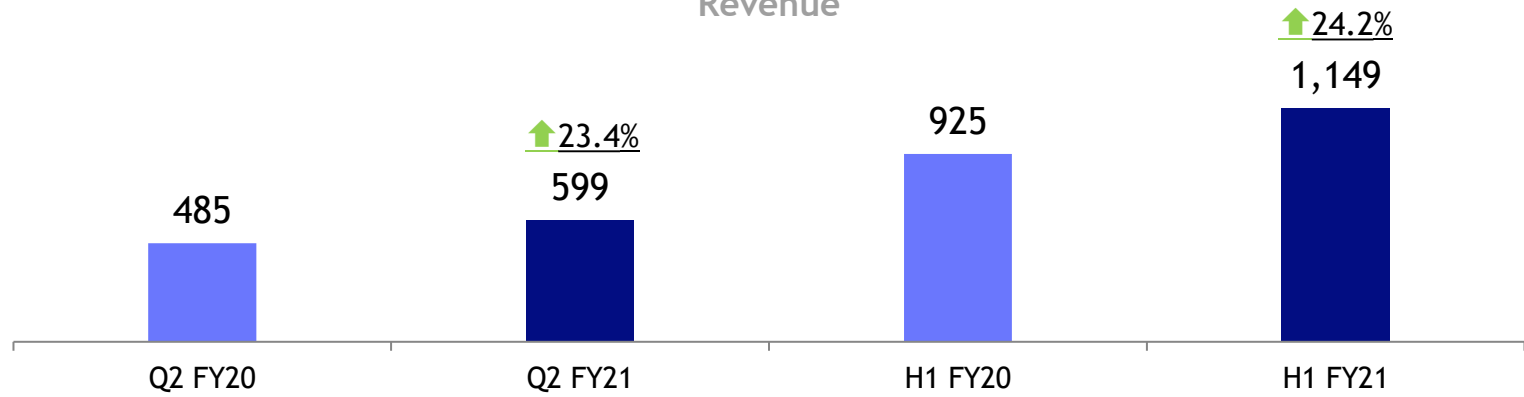
Q2 & H1 FY21 Financial Performance



Financials - Q2 & H1 FY21 Performance

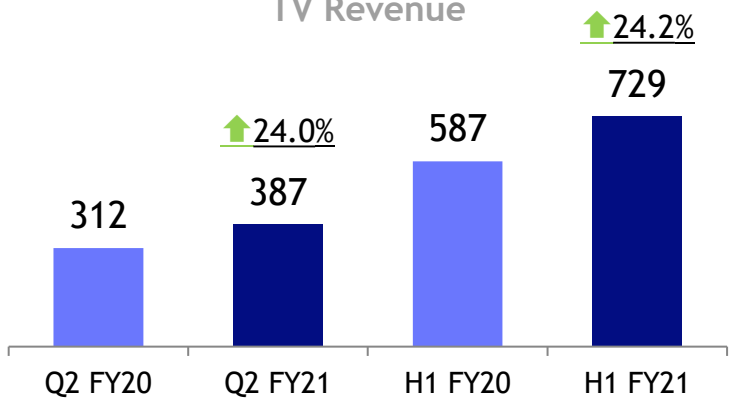
Revenue Breakdown - (Rs. crore)

Revenue

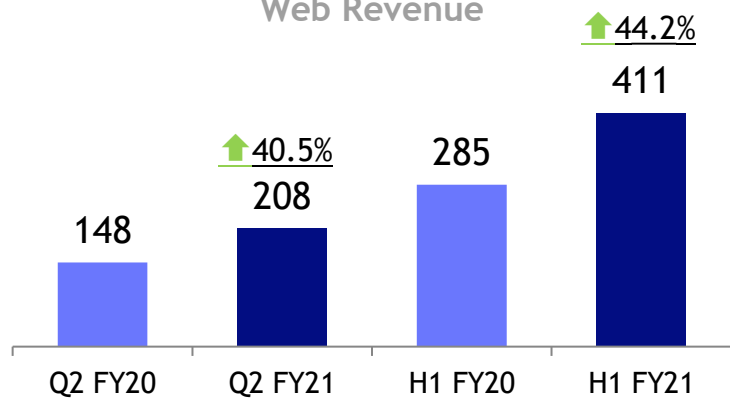


Fashion Jewelry, Accessories & Lifestyle Products

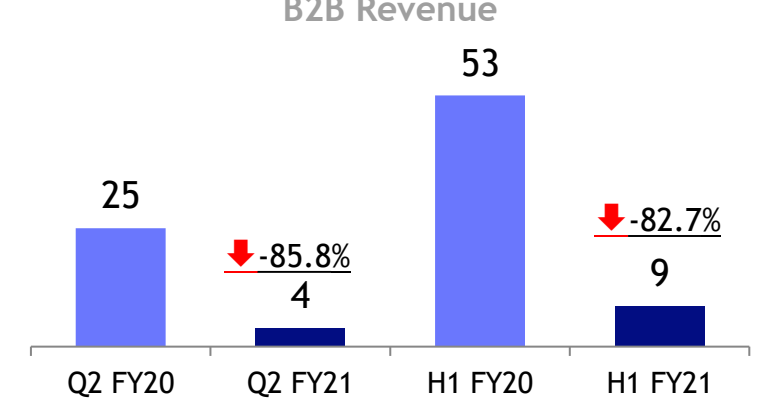
TV Revenue



Web Revenue



B2B Revenue



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

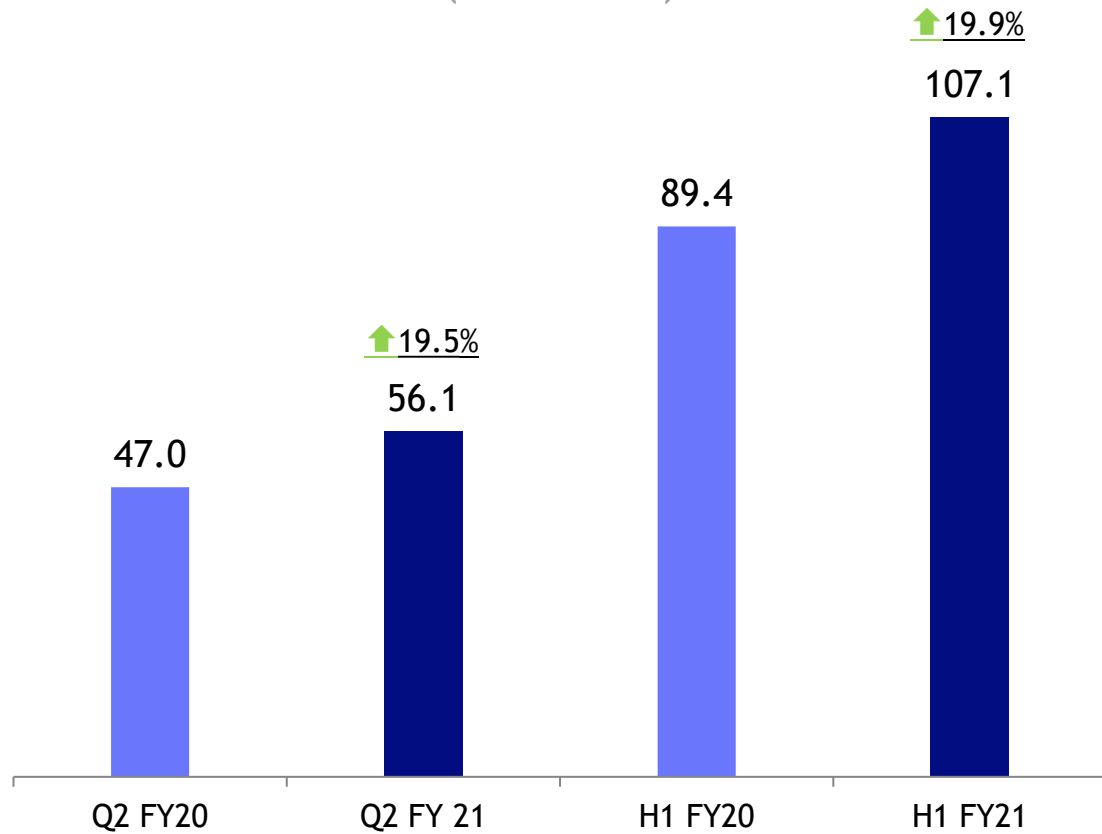


Financials - Q2 & H1 FY21 Performance

Revenue Breakdown - (Local Currency)

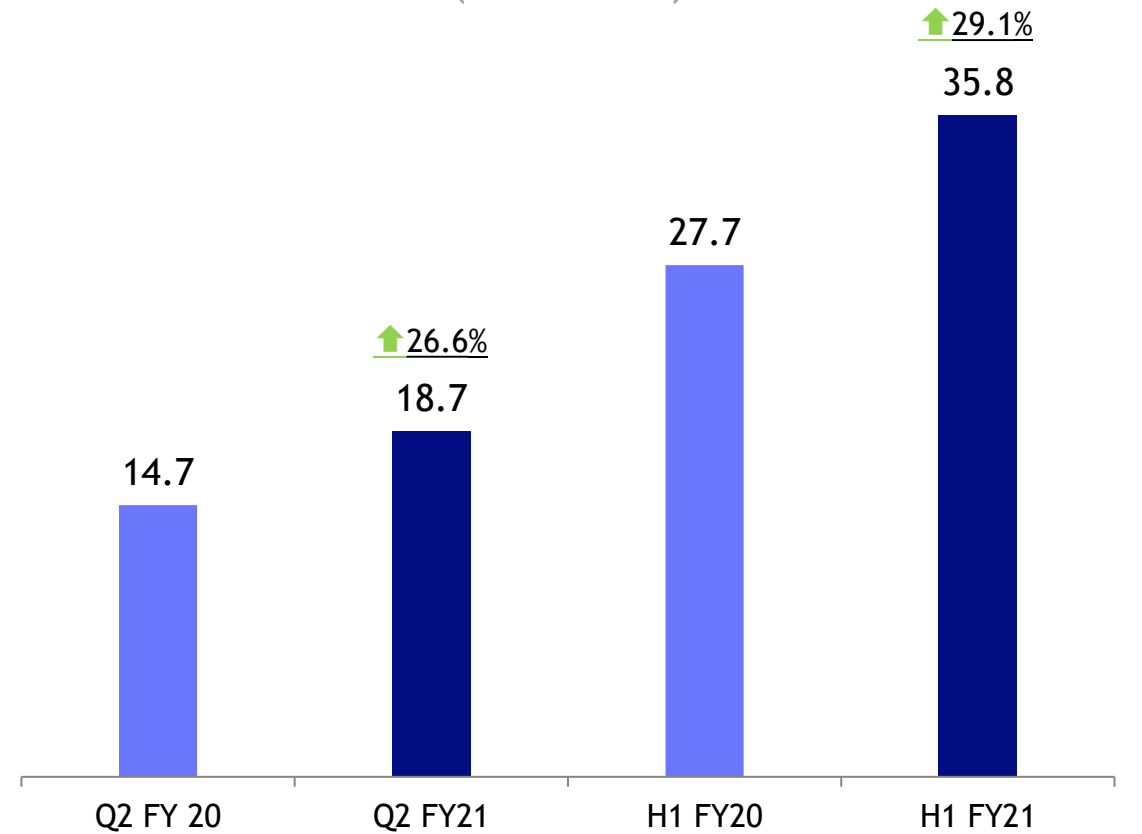
Shop LC (US)

(USD million)



Shop TJC (UK)

(GBP million)



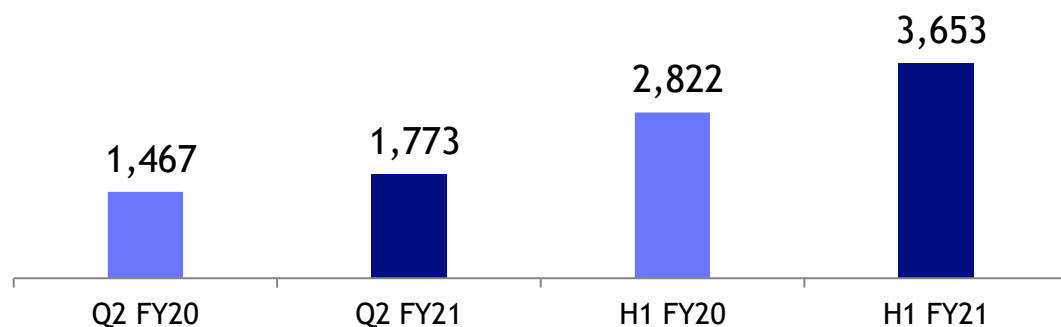


Retail Performance Trends - Q2 & H1 FY21

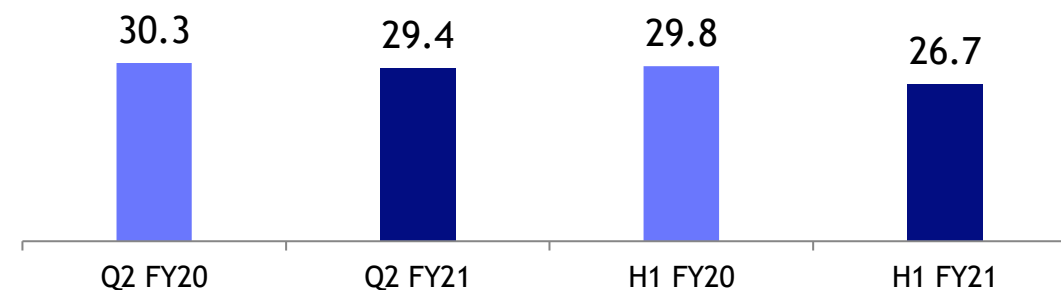
Volume and ASP

TV Sales

Sales Volume ('000s)

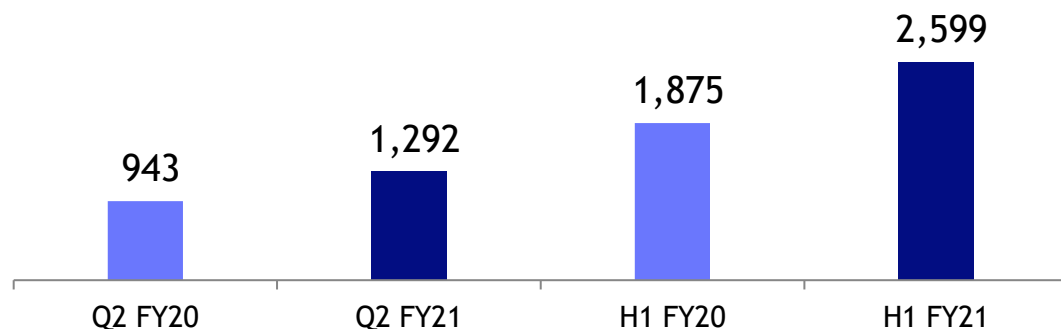


Average Selling Price US\$

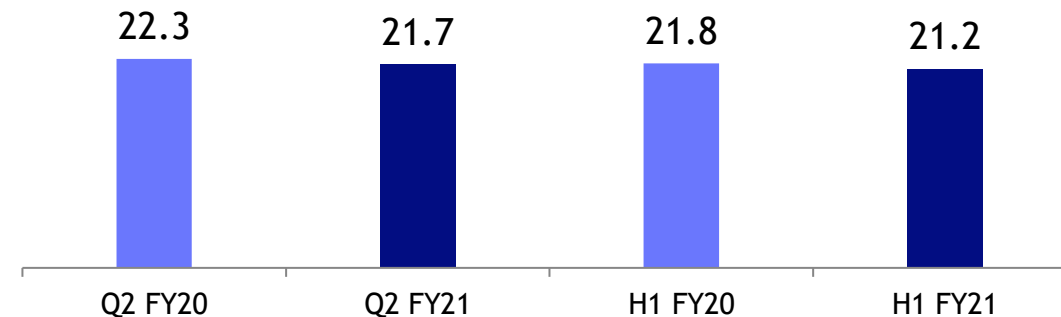


Web Sales

Sales Volume ('000s)



Average Selling Price US\$





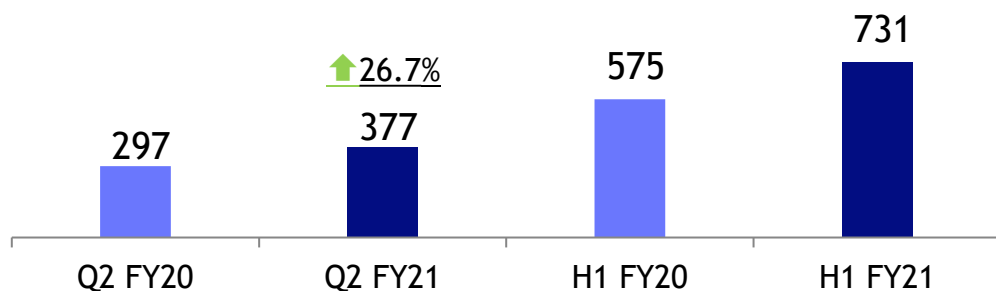
Financials - Q2 & H1 FY21 Performance

Profits - (Rs. crore)

Gross Profit

Period	Gross Margin (%)
Q2 FY20	61.3%
Q2 FY21	62.9%
H1 FY20	62.2%
H1 FY21	63.6%

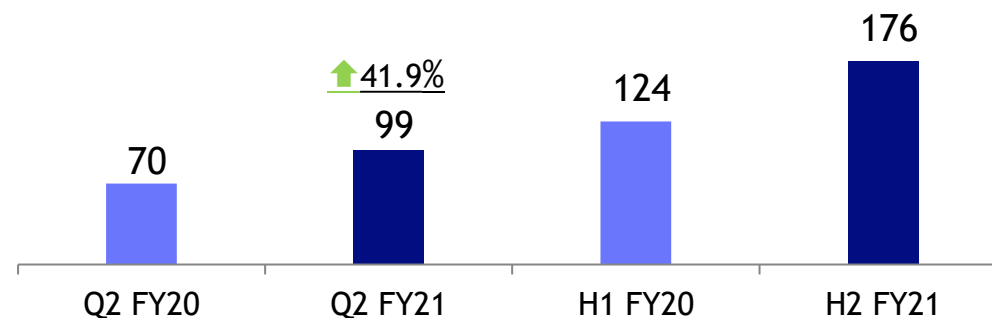
↑27.0%



EBITDA

Period	EBITDA Margin (%)
Q2 FY20	14.3%
Q2 FY21	16.5%
H1 FY20	13.4%
H2 FY21	15.3%

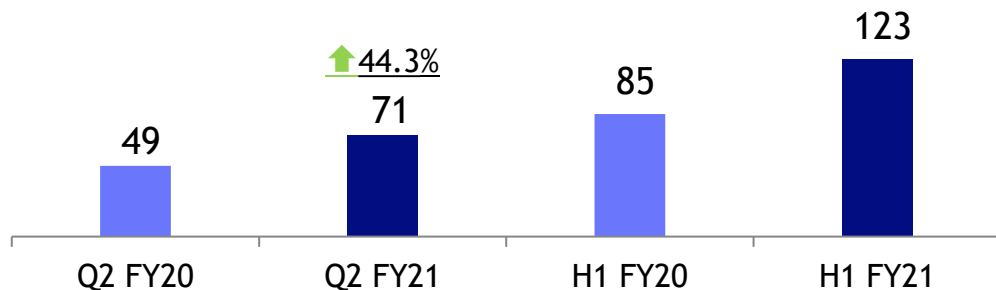
↑42.1%



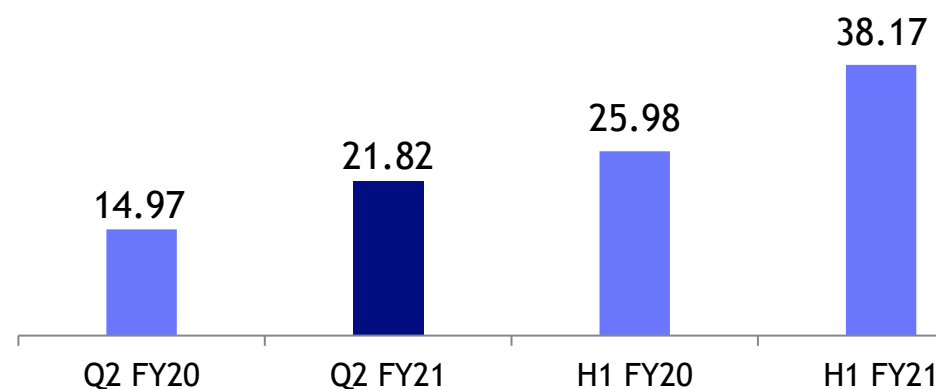
PAT

Period	PAT Margin (%)
Q2 FY20	10.1%
Q2 FY21	11.8%
H1 FY20	9.2%
H1 FY21	10.7%

↑45.3%



EPS (Rs.)





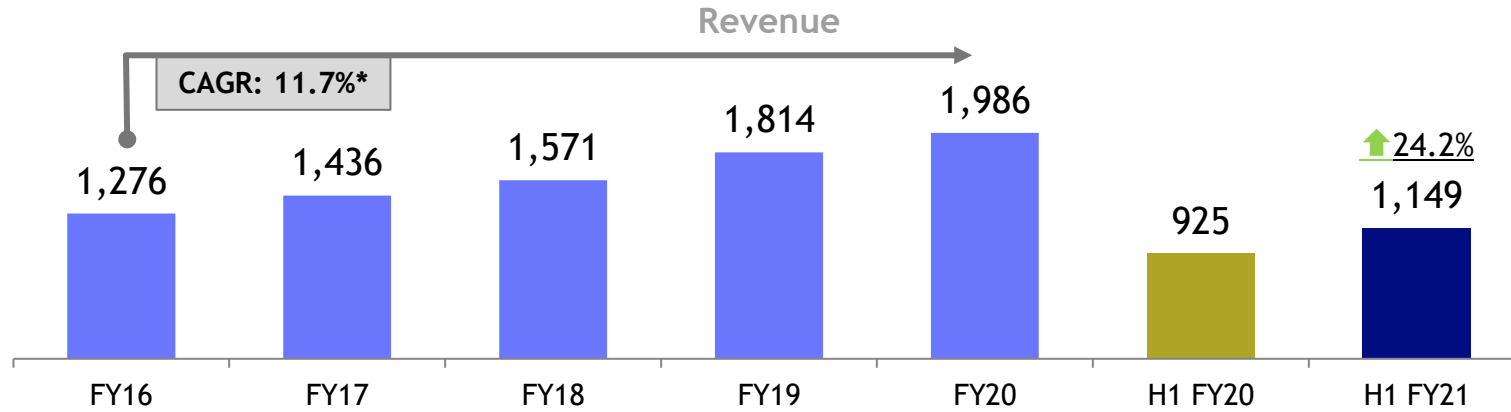
Financial Performance Trends



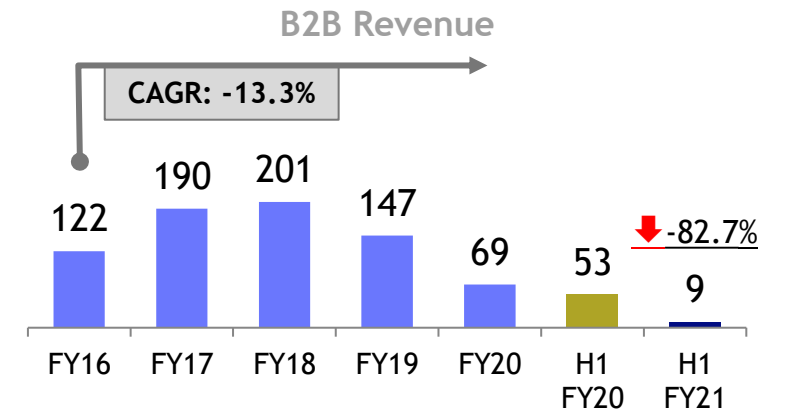
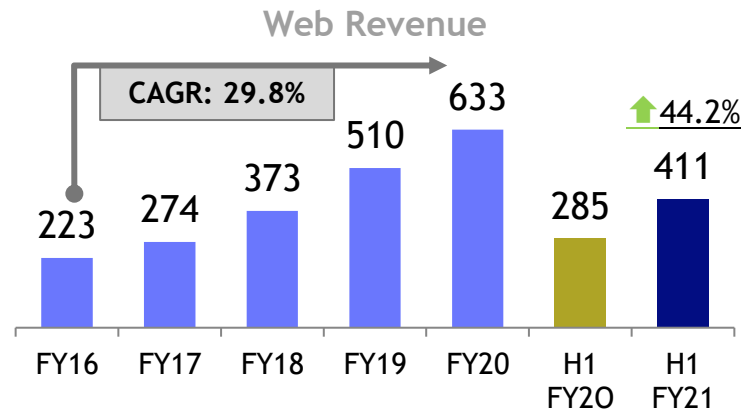
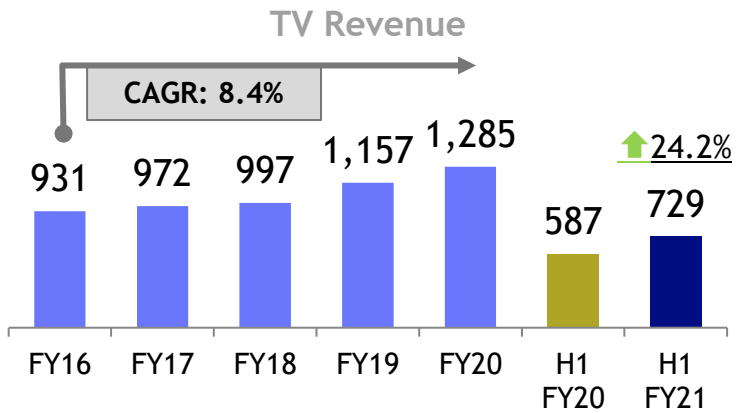


Financial Performance Trends

Revenue Breakdown - (Rs. crore)



Fashion Jewelry, Accessories & Lifestyle Products



Note:
B2C Revenue CAGR - 13.5%

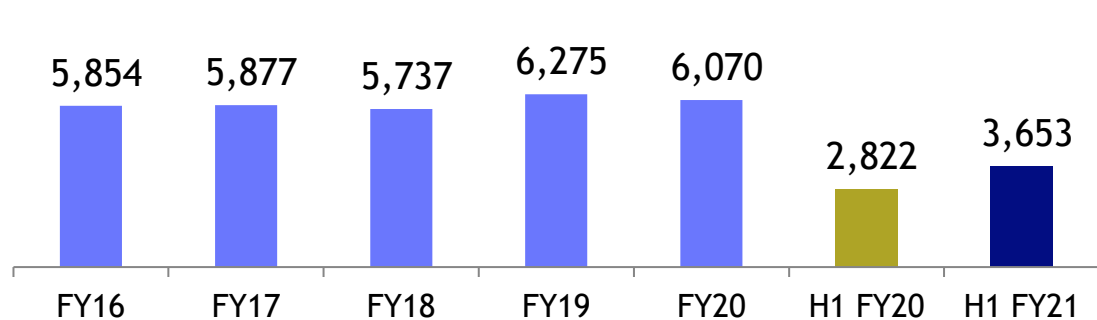


Retail Performance Trends

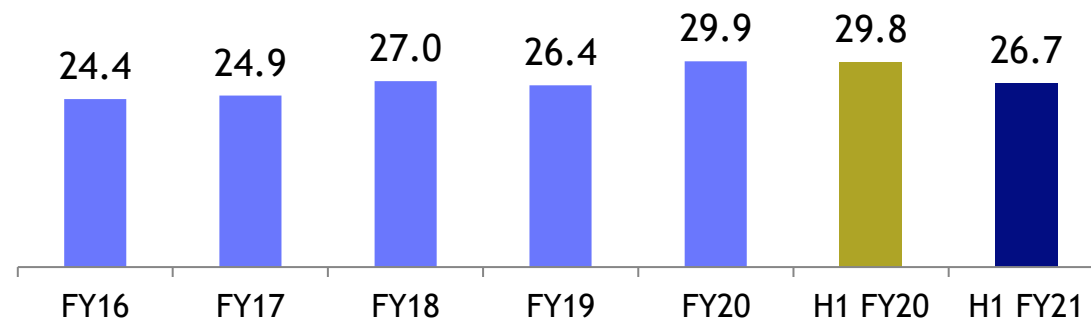
Volume and ASP

TV Sales

Sales Volume ('000s)

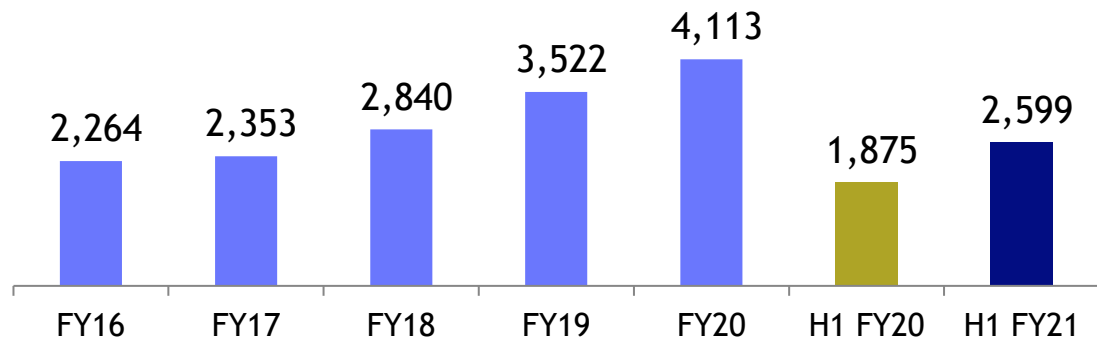


Average Selling Price US\$

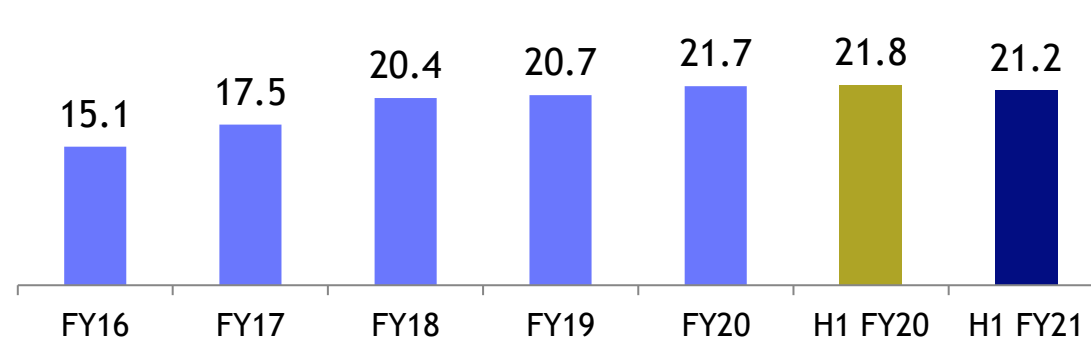


Web Sales

Sales Volume ('000s)



Average Selling Price US\$



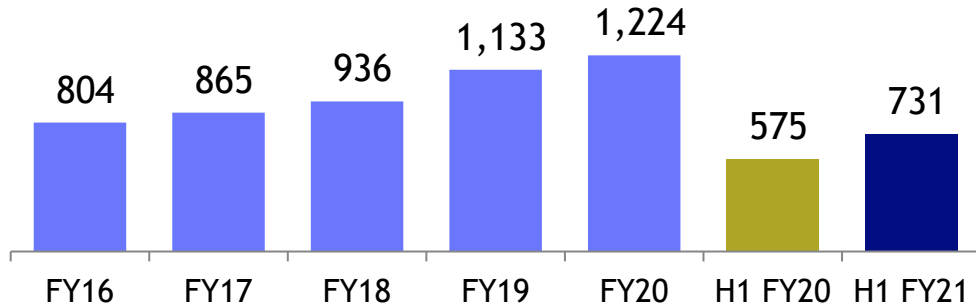


Financial Performance Trends

Profits - (Rs. crore)

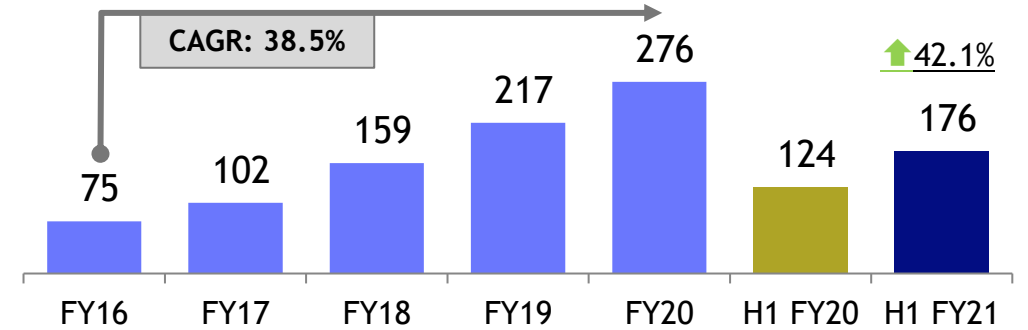
Gross Profit

Gross Margin (%)	63.0%	60.1%	59.6%	62.5%	61.6%	62.2%	63.6%
------------------	-------	-------	-------	-------	-------	-------	-------



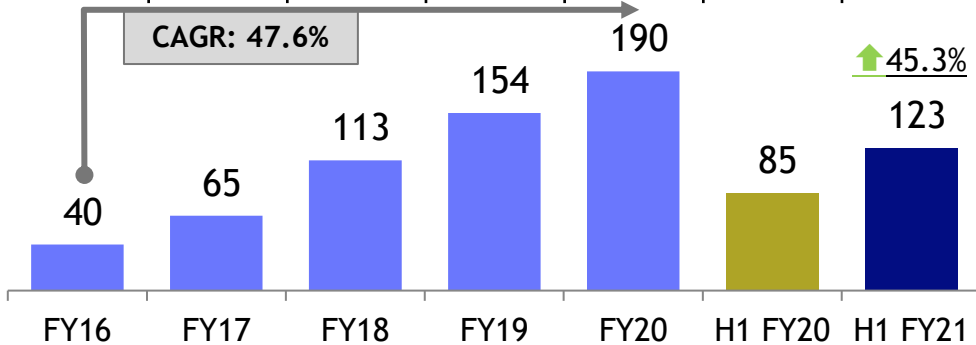
EBITDA

EBITDA Margin (%)	5.9%	7.1%	10.1%	12.0%	13.9%	13.4%	15.3%
-------------------	------	------	-------	-------	-------	-------	-------

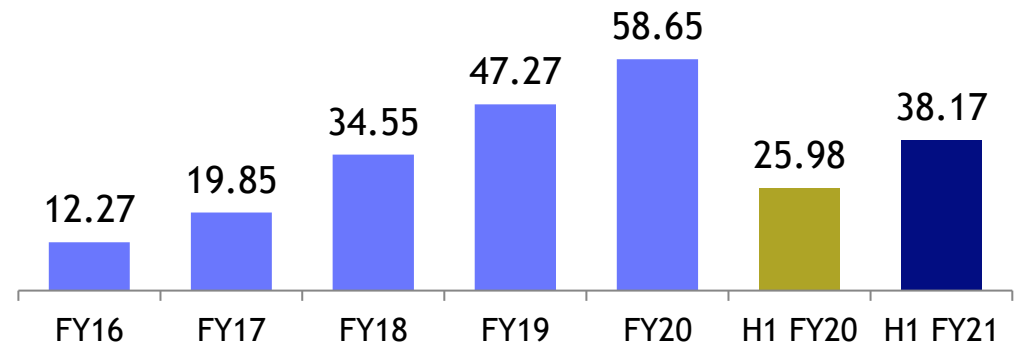


PAT

PAT Margin (%)	3.1%	4.5%	7.2%	8.5%	9.6%	9.2%	10.7%
----------------	------	------	------	------	------	------	-------



EPS (Rs.)

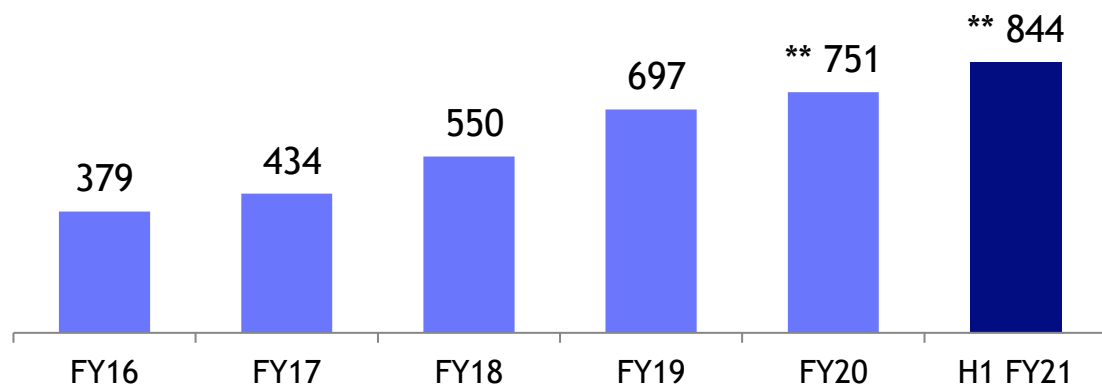




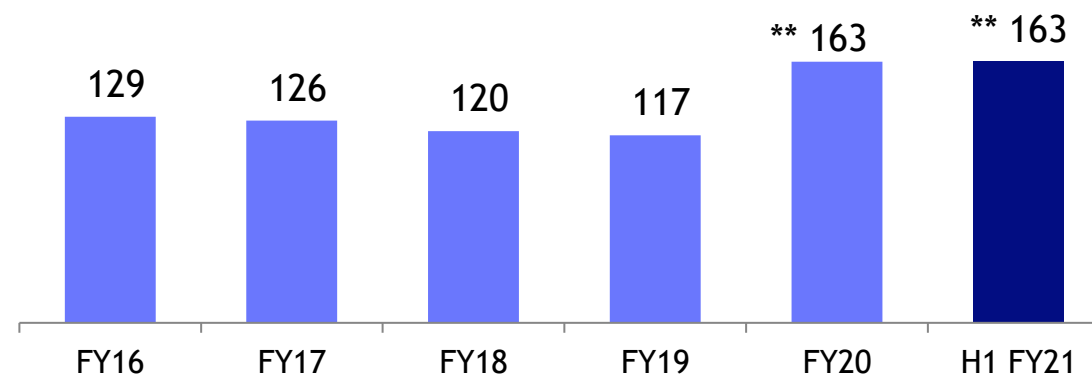
Financial Performance Trends

Balance Sheet - (Rs. crore)

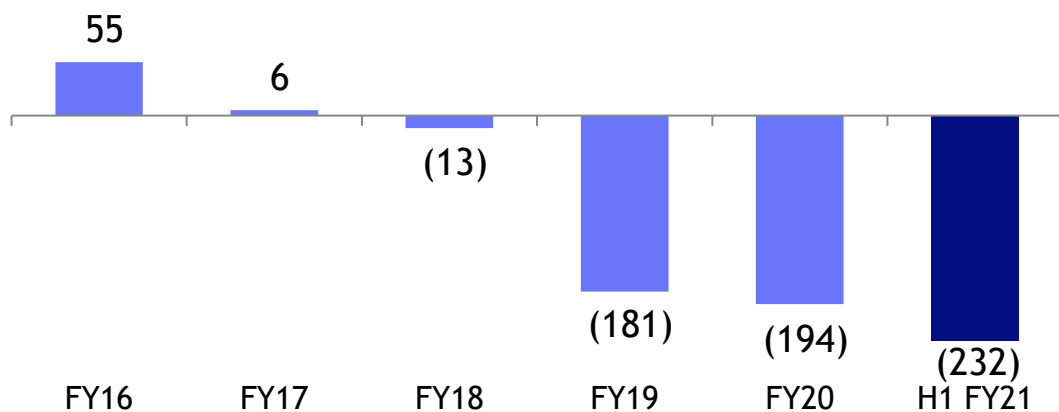
Shareholders' Equity



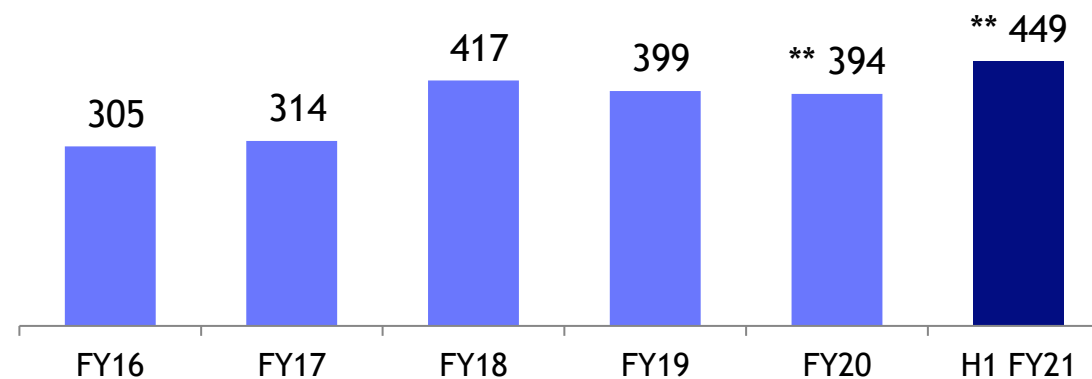
Fixed assets including intangibles



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.

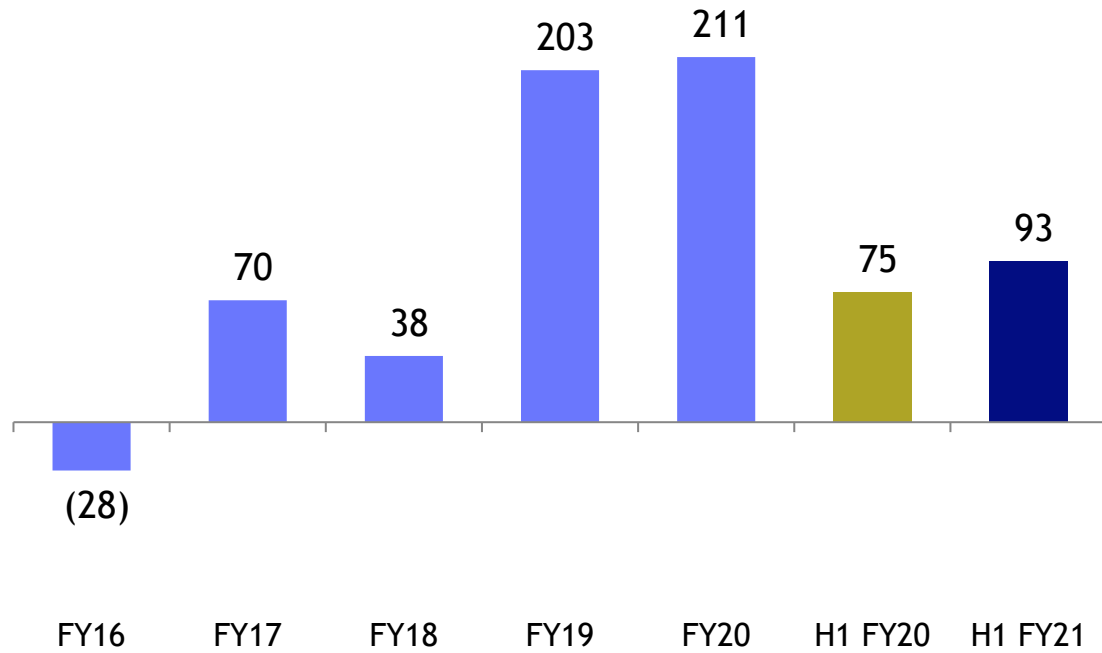
*** Net Assets is the balancing figure arrived at by excluding shareholders equity, net debt, and fixed assets including intangibles



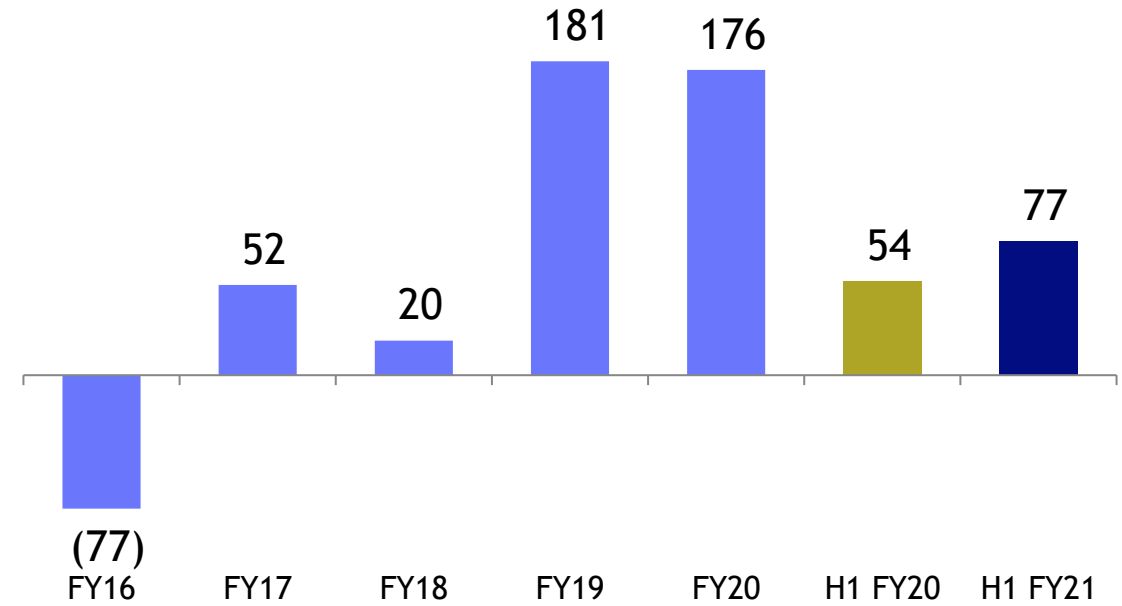
Financial Performance Trends

Cash Flow - (Rs. Crore)

Operating Cash flow



Free Cash Flow

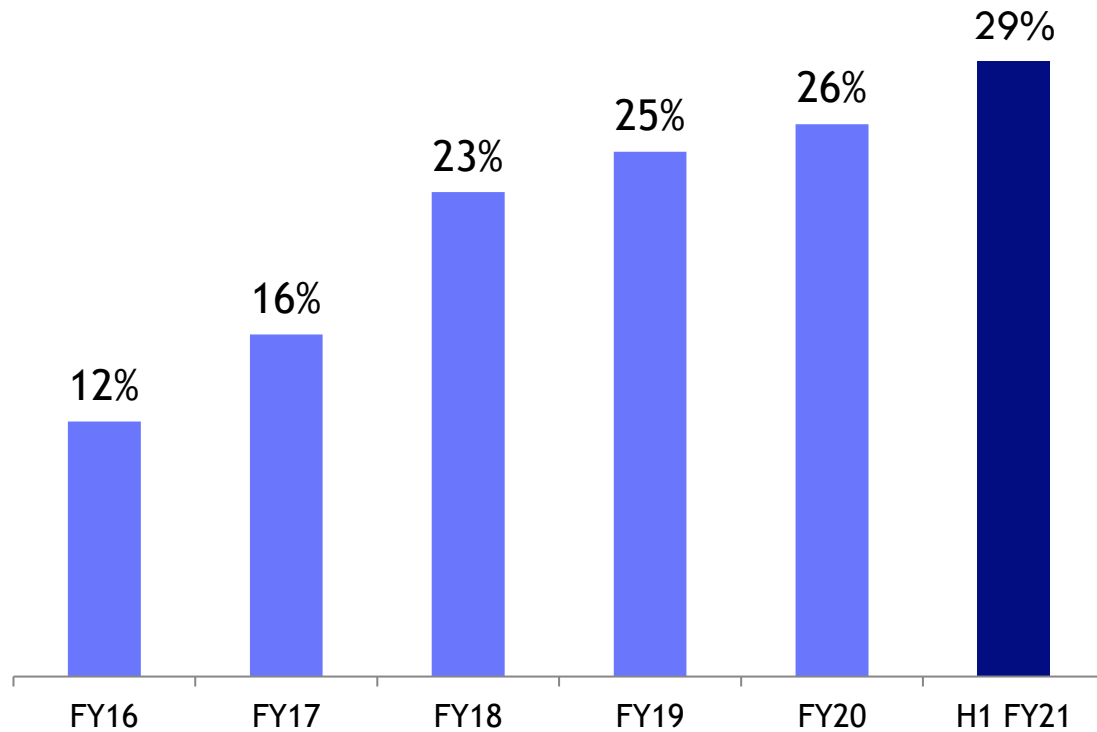




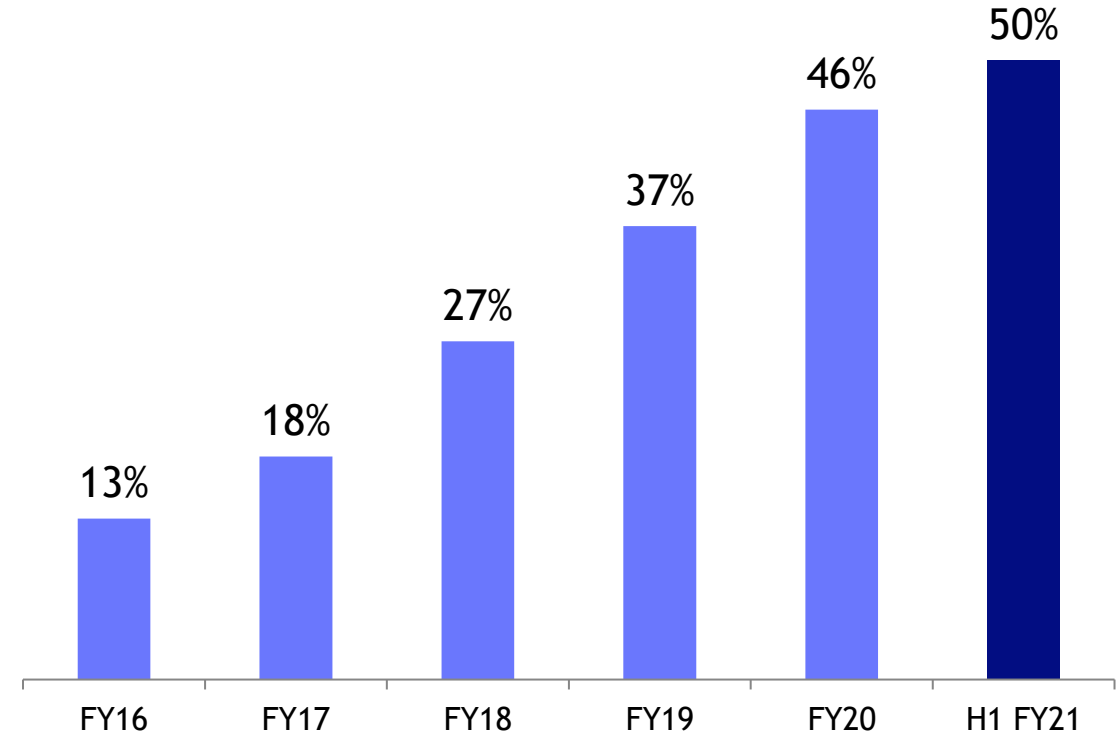
Financial Performance Trends

Key Ratios

ROE (TTM)



ROCE (TTM)



Note -

ROE - based on average net worth

ROCE - based on average capital employed

Annexures





Delivering Joy to Stakeholders

Customers



A+ Rating



Better Business Bureau®

- Unique Customers - 446,905 (Q2FY21 - TTM basis)
- Average qty. per customer - 27 pieces (Q2 FY21 - 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 17,946 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.

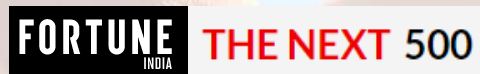
**QUALITY TEXAS
FOUNDATION**

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



Delivering Joy to Stakeholders

Investors



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

29%

ROE

50%

ROCE

Environment



- Successfully Commissioned 1MW Solar PV Power Generation Project. With this, the Company expects to meet ~45% of the total power requirement at the manufacturing facilities in Jaipur
- 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



- ~43.5 million meals donated under the One for One Program since this program was integrated with operations
- Donated ~197,000 masks to hospitals and care homes



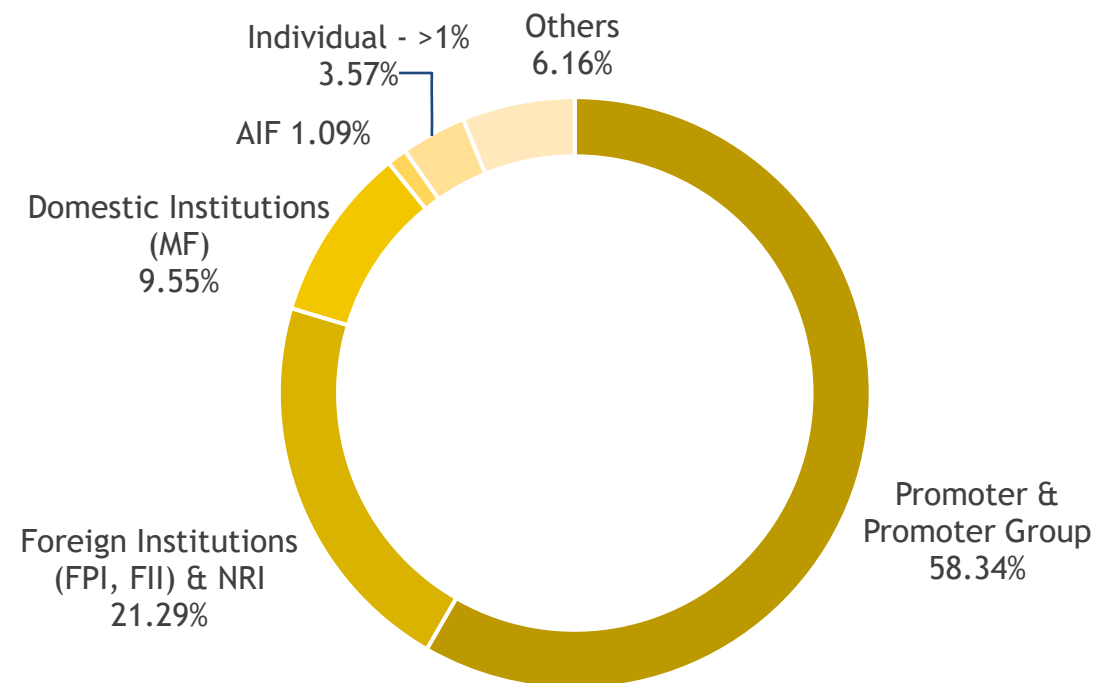
Note -
ROE - based on average net worth; ROCE - based on average capital employed



VGL Shareholder Base - As on 30-Sep-2020

Key Shareholders (Holding 1%+)	Holding as on 30-Sep-2020
Promoter & Promoter Group	58.34%
Nalanda India Fund Limited (FII)	10.35%
Motilal Oswal Multicap 35 Fund (MF)	9.55%
Malabar India Fund Limited (FPI)	6.41%
Vijay Kedia (Individual)	2.03%
Taiyo Greater India Fund Ltd (FPI)	1.55%
Ashish Kacholia (Individual)	1.54%
Malabar Value Fund (AIF)	1.08%

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

THANK YOU

For more information please contact:

Vaibhav Global Limited

Vineet Ganeriwala, Group CFO

Vineet@vlggroup.com

+91-141-2771975

Dipti Rajput, Head-IR

Dipti.Rajput@vlggroup.com

+91-9116653352