



# VAIBHAV GLOBAL LIMITED

Ref: VGL/CS/2021/132

Date: 28<sup>th</sup> October, 2021

**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 FY22.

Kindly take the same on record.

Thanking you,

Yours Truly,

**For Vaibhav Global Limited**

**Sushil Sharma  
Company Secretary**

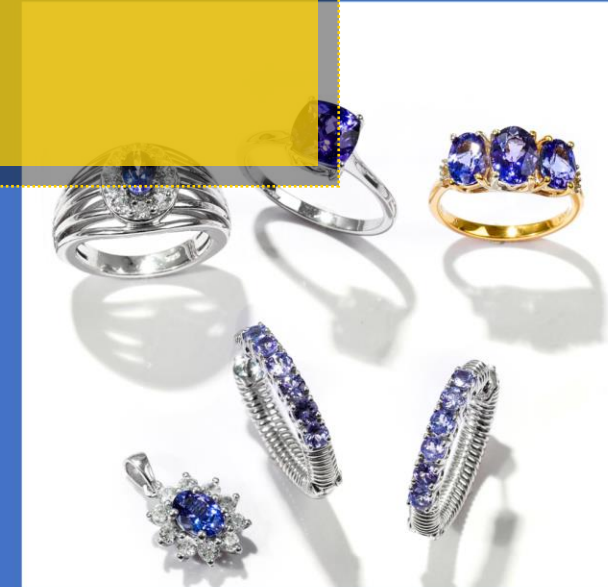


# Vaibhav Global Limited

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

DELIVERING JOY

## Q2 & H1 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 Q2 FY22 Performance

# MD's Message



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

*In Q2 we have seen our revenues at Rs. 635 crore an increase of 6% Y-o-Y and over Q2 FY20 we have seen a much stronger growth of 30.9%. With the vaccination in both US and UK reaching pivotal levels, severity of threat from Covid has largely reduced. As US and UK economies have more or less fully opened, we have seen consumer behavior moving to something we call revenge outings implying substantial increased in-person shopping in brick-and-mortar stores and people going out on holidays. This has led to lower in-house shopping for home retailers like us. Retail Revenues for us, grew by 3.3% Y-o-Y. After a massive jump last year, overall E-Commerce as a percentage of retail sales has dipped in both US and UK in recent months. We believe that these headwinds are transient and are well placed to continue our growth trajectory in coming years. We are committed to our original guidance of 16-18% constant currency revenue growth for current financial year.*

*Gross margin continues to be strong, however, EBITDA margin were impacted due to several factors, including higher shipping costs owing to global supply chain constraints, initial operating costs in the recently launched German operations, increased airtime spend as we onboarded new TV channels and OTT platforms and stepped up our digital marketing investments. These investments have already given us 5.3% increased new customers in Q2 compared to pandemic induced high new customer count in Q2 FY21. When we adjust for customers who bought essentials, the increase would be 33.9% and compared to Q2 FY20, the increase would be substantially higher at 61.0%. We see both growth and margin pressures as transient, being linked to either strategic growth initiatives or near-term changes in the operating environment. Our recent launch of operations in Germany has got off to an encouraging start. We are available on both- TV and Digital Platforms in this significant market with a similar value proposition and customer profile as the US & UK. We are already seeing positive customer traction and our investments should create returns on capital over time. We remain confident to meet our target of breaking-even within three years of launch.*

*Company continues with its investment in Products, Channels and enhancing its Digital Capabilities. We strengthened our warehouse operations digitally through investment in GEEK+ robots which would improve the picking productivity substantially. The Company launched 'TAMSY'- a new fashion apparel brand for women in USA, UK and Germany. During the quarter, we also acquired world-wide online brand rights of 'RACHEL GALLEY'- a UK based multiple-award winning jewelry brand.*

*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 a wider but robust supply chain network is the backbone of our business and a key differentiator vis-a-vis peers.*

*We are also a firm believer of being a 'Responsible Corporate Citizen'. Well-being of all our employees, vendors and customers is at the core of our strategies.*

*An interim dividend of Rs. 1.50 per share (face value of Rs. 2 per share) has been declared by the Board. The fundamental growth driver remains intact, attractive, and we continue to invest in products & channels to build a sustainable infrastructure for long-term growth & value creation of all stakeholders.*



# Q2 FY22 : KEY HIGHLIGHTS



Retail revenues grew by **3.3%** Y-o-Y and **33.6%** over Q2 FY20



Gross margins improved by **100 bps** to **63.9%** Y-o-Y



EBITDA margins in Q2 FY22, excluding Germany, were at **13.5%** vs **16.5%** in Q2 last year. Margins were momentarily impacted by elevated sea freight and sustained investments on digital platforms



Significant increase in Unique Customers (TTM basis) to **4,75,195** from 4,46,905 for same period last year (**6.3%** Y-o-Y)



Strong return ratios with ROCE at **51%** and ROE at **28%** (TTM basis)



Launched 2 new D2C brands: **TAMSY** (female apparel brand) and **RACHEL GALLEY** (jewelry brand)



Cognizant investments on **Digital Platforms** and **Automation**



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



**100%** power requirement at manufacturing units in Jaipur (India) is catered by **3.23 mw** solar power capacity



Provided **58** million meals since inception of one-for-one meal program 'Your Purchase Feeds...'

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# 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



Passion



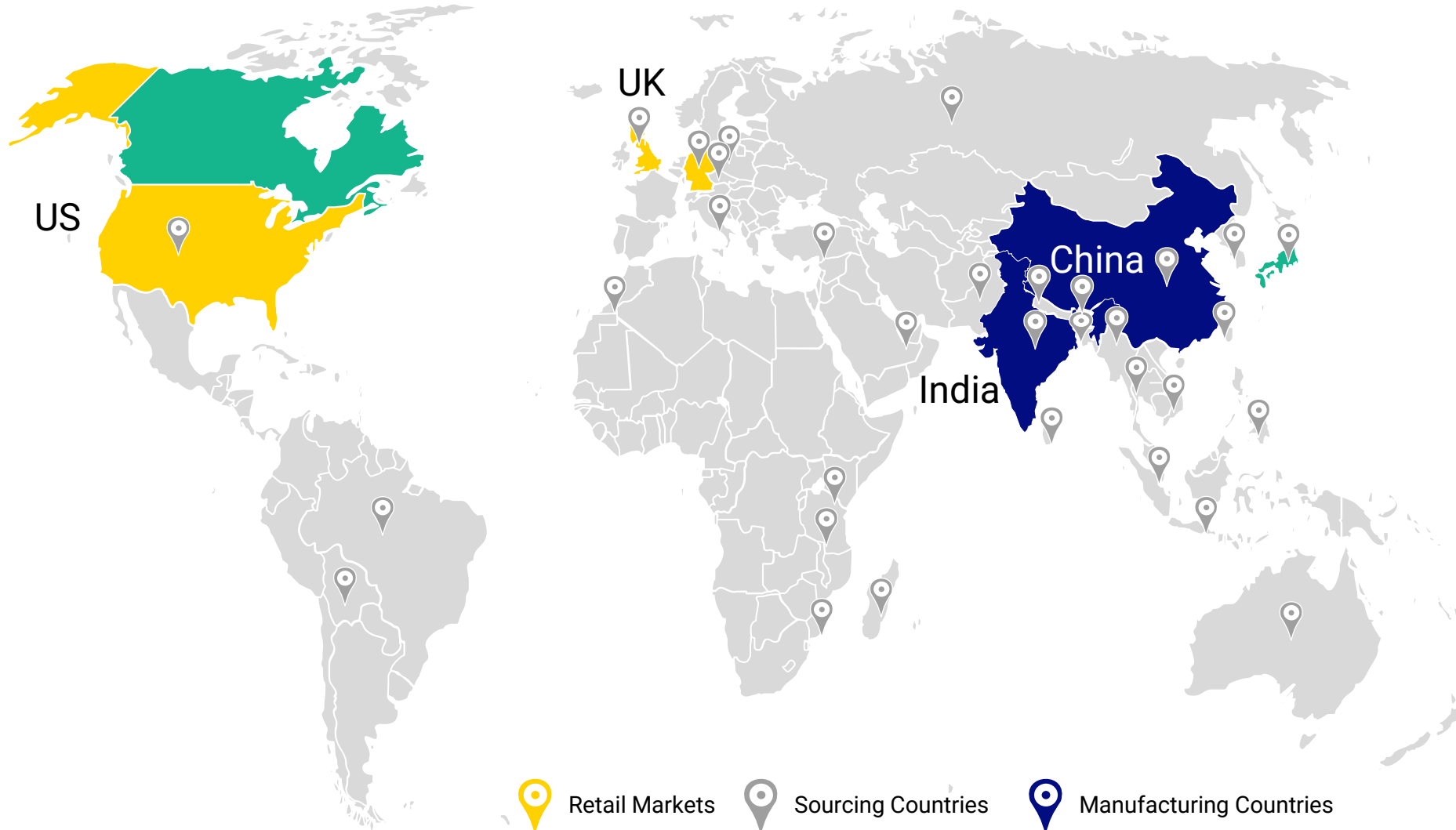
Positive Attitude



Commitment







**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
  - Pakistan

**Manufacturing Countries**  
 India | China

# CORPORATE OVERVIEW



**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): ~ 110 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 58 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

\*FTE: Full Time Equivalent



# 4R'S OF CUSTOMER ENGAGEMENT



**110 mn**

**TV**  
Linear / OTA

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

**Reach**



**3.0 lakh (TTM)**

Diverse Products

Deep value proposition

Engrossing Content

**Registrations**



**43.9% (TTM)**

Enduring relationships

Convenience

Digitalization/AI

**Retention**



**30\* (TTM)**

Expanding wallet share

Cross-selling

**Repeat Purchases**



\*FTE: Full Time Equivalent

# OUR OMNI-CHANNEL SALES PLATFORM



## Shop LC (US)



Shop LC Proprietary TV channels – 63.5 mn HH including 18.7mn OTA\* HH\*

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



DIGITAL

Proprietary digital platform

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

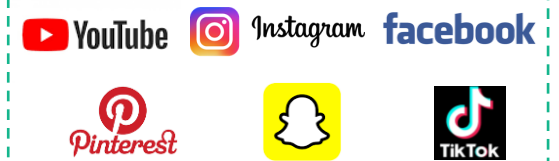
Shop LC mobile app available on



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 – 25 mn HH including 17 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



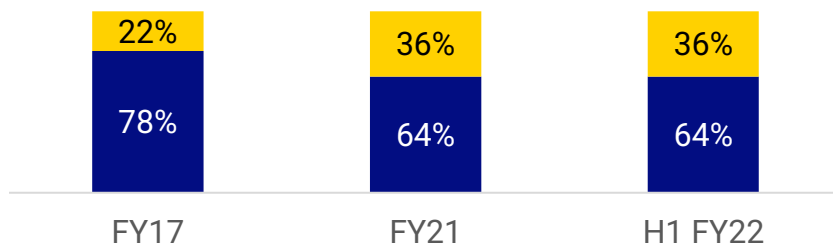
Note:  
OTA – Over the Air; OTT – Over the Top; HH - Households



## B2C Revenues by Format



■ TV revenues ■ Digital revenues

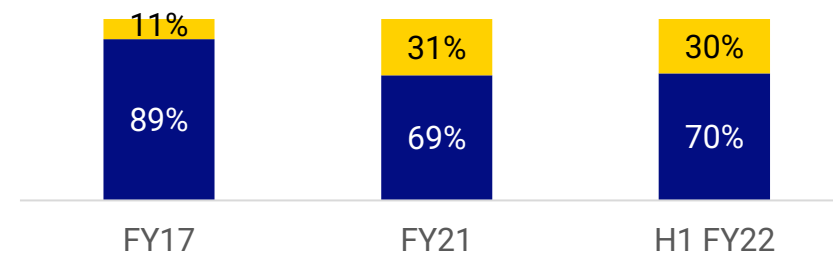


61% of digital revenues in H1 FY22 were from Mobile platform (mobile app + mobile web browser)

## B2C Revenues by Product Category



■ Jewellery ■ Non-jewellery revenues

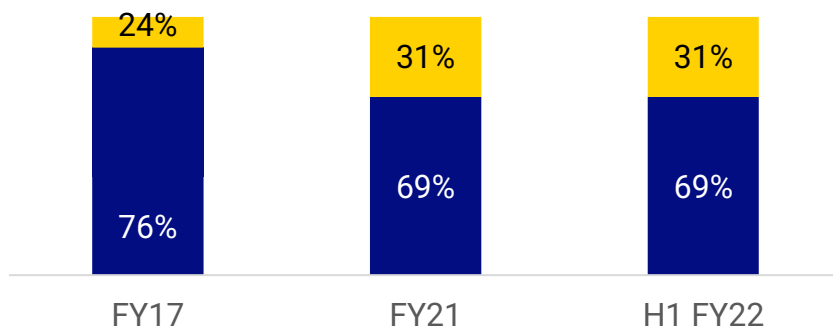


**Jewellery revenues:** Fashion jewellery;  
**Non-jewellery revenues:** Fashion accessories and lifestyle products

## B2C Revenues by Geography



■ US ■ UK

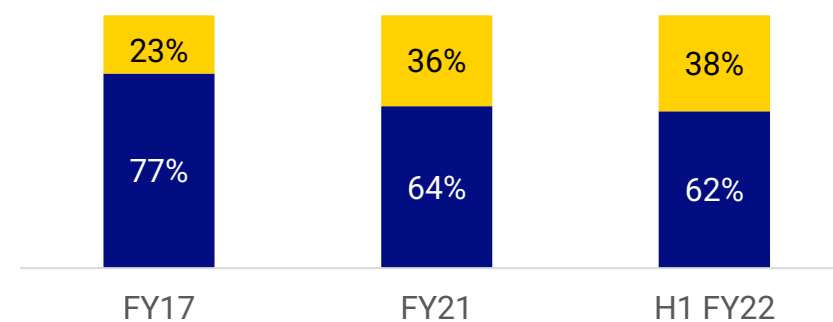


Breakup based on revenue in USD million

## Budget Pay penetration of B2C Revenues



■ Non-Budget Pay revenues ■ Budget Pay revenues

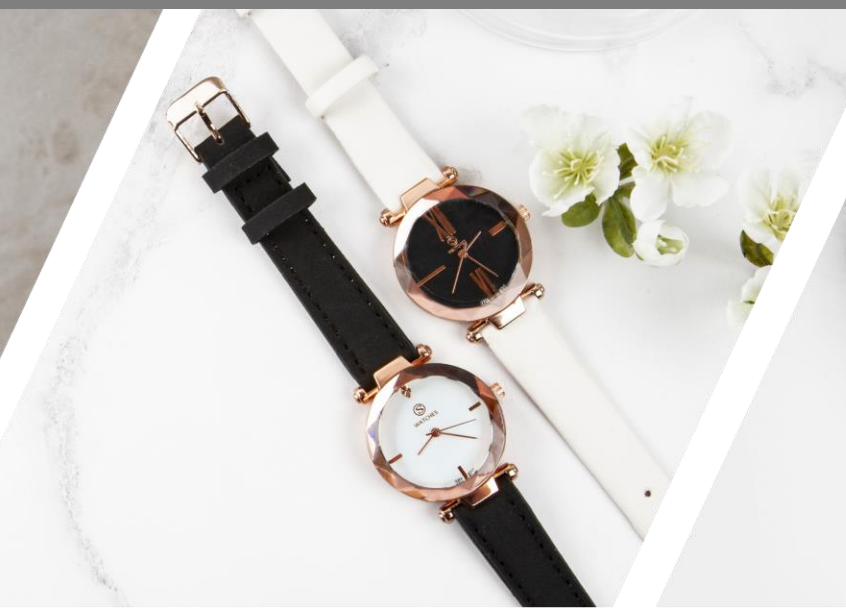


Budget Pay revenues refer to products offered on EMI basis





# HIGHLIGHTS FOR THE QUARTER





# GERMANY: OPERATIONAL IN Q2 AND EXPANDING



- Omni-channel approach catering through:
  - ✓ TV Channel (Satellite and Cable)
  - ✓ OTT
  - ✓ Other Digital Platforms
- Value for money positioning, ASP of ~€29
- Warehouse set-up, continued thrust on quick delivery
- 21mn HH covered with in-house studio & 20 hours live streaming/day
- Superior customer experience enabled by 24\*7 call centre (CSAT score: 96%)

**SHOPPLC**  
PREISWERTE QUALITÄT



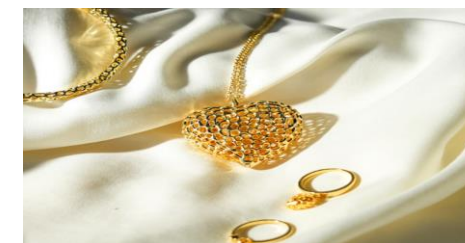


## INCUBATING, CREATING & ACQUIRING NEW D2C ONLINE BRANDS



**Designed For Fit, Loved For Value**

- Launched 'TAMSY'- new female fashion apparel brand
- Targeting customers above 40 years in USA, UK and Germany
- Higher focus on fit and value with ASP of ~\$20



- Acquired 'Rachel Galley' online brand- a multiple award-winning UK based contemporary jewelry brand
- Initially launched in UK, to roll-out in USA
- Exceptional jewellery at affordable prices



# WAREHOUSING AUTOMATION: GEEK+ ROBOT SYSTEM



- Installed GEEK+ robots in warehouses located in USA and UK
- Capital outlay of ~\$ 5.2 million with payback of ~18-22 months
- 3 times improvement in picking productivity
- More than 50% of group's inventory presently picked by robots

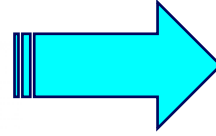


# OTT: LEVERAGING DIGITAL PLATFORMS



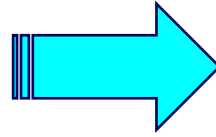
Now: **Live & Interactive**

Adding: **VOD**



Now: **Live**

Adding: **VOD**



KlowdTV

- Upgraded applications
- Accelerating marketing & engagement programs
- Infrastructure commissioned to support VOD (live show & related content)

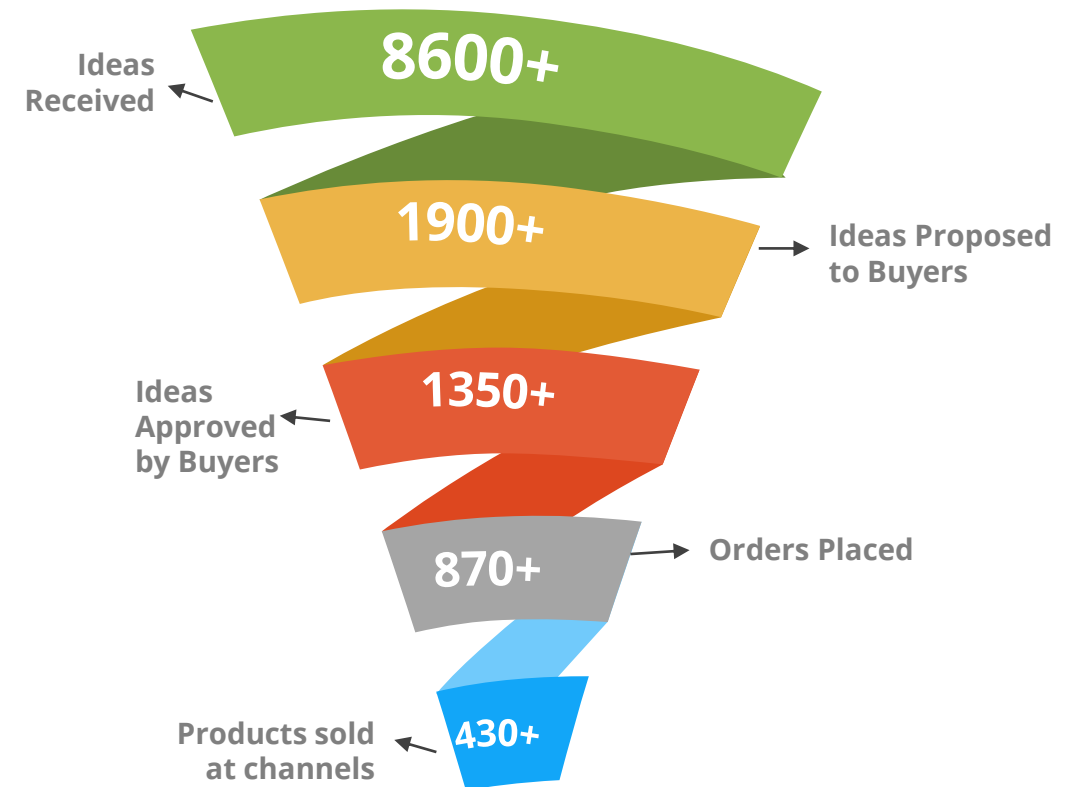


- A Global product innovation and search program
- Crowdsourcing of ideas from employees, customers and other external stakeholders
- YTD 8,600+ ideas received and 430+ new and innovative products launched



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

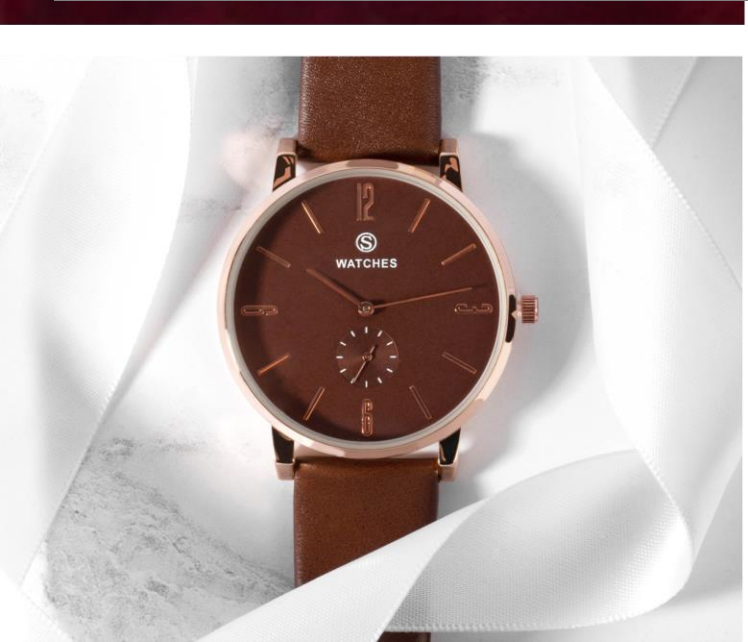
## INNOV8 FUNNEL







# Q2 & H1 FY22 FINANCIAL PERFORMANCE



# FINANCIALS – Q2 & H1 FY22 PERFORMANCE



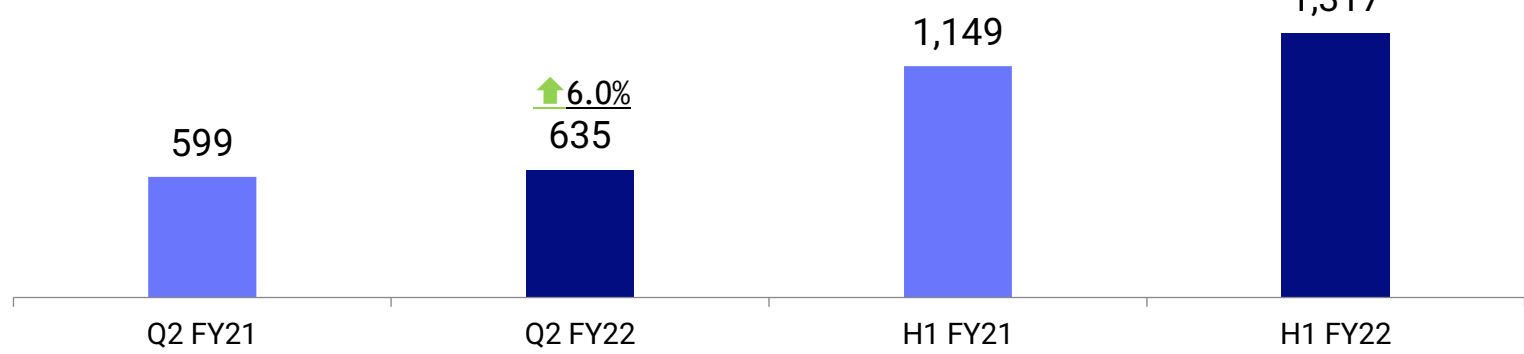
Revenue Breakdown – (Rs. crore)

Growth vs Q2 FY20  
↑30.9%

Revenue

Growth vs H1 FY20  
↑42.3%

↑14.6%



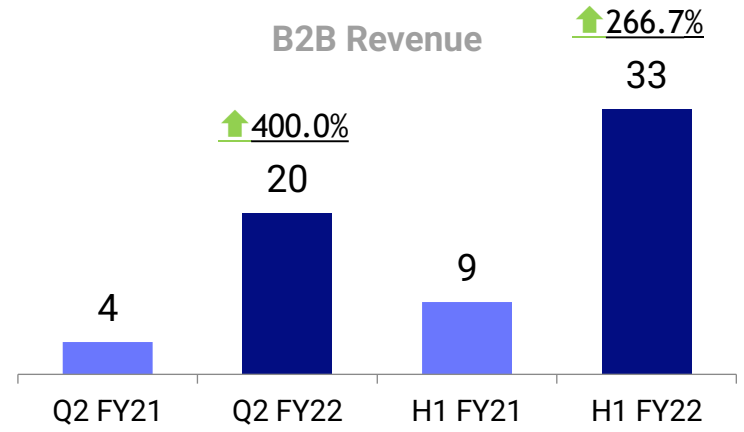
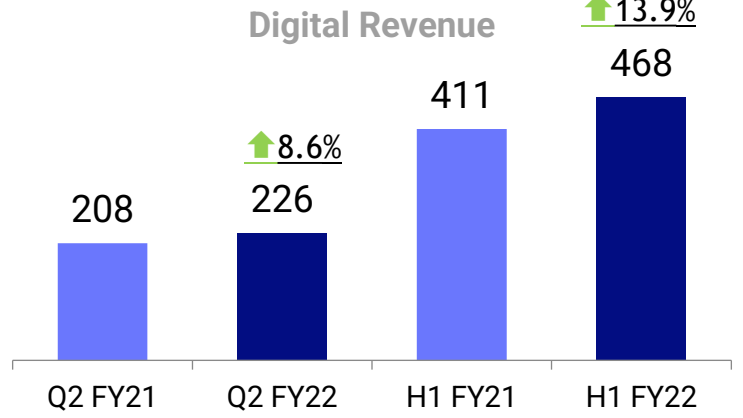
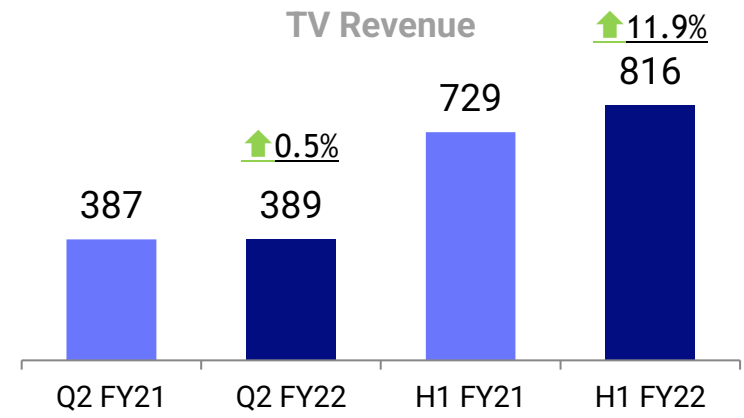
## Fashion Jewelry, Accessories & Lifestyle Products

Growth vs Q2 FY20  
↑24.6%

Growth vs H1 FY20  
↑38.9%

Growth vs Q2 FY20  
↑52.9%

Growth vs H1 FY20  
↑64.1%



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

# FINANCIALS – Q2 & H1 FY22 PERFORMANCE



## Revenue Breakdown – (Local Currency)

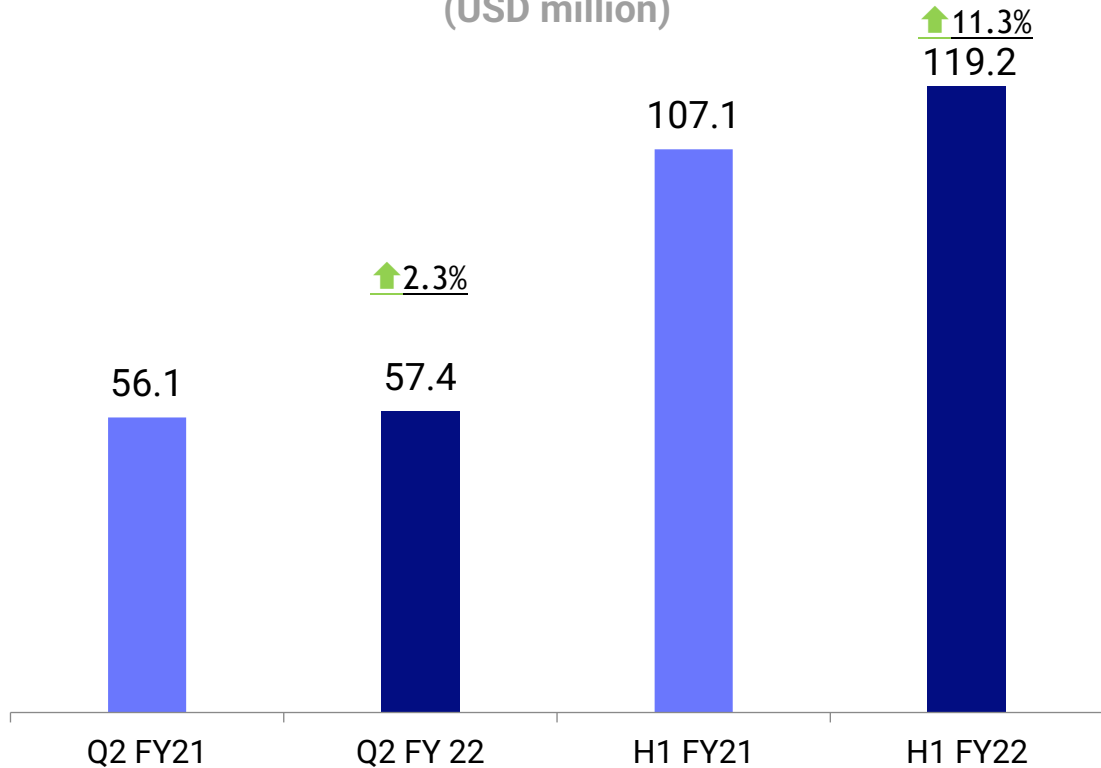
### Shop LC (US)



Growth vs Q2 FY20  
↑ 22.1%

Growth vs H1 FY20  
↑ 33.3%

(USD million)



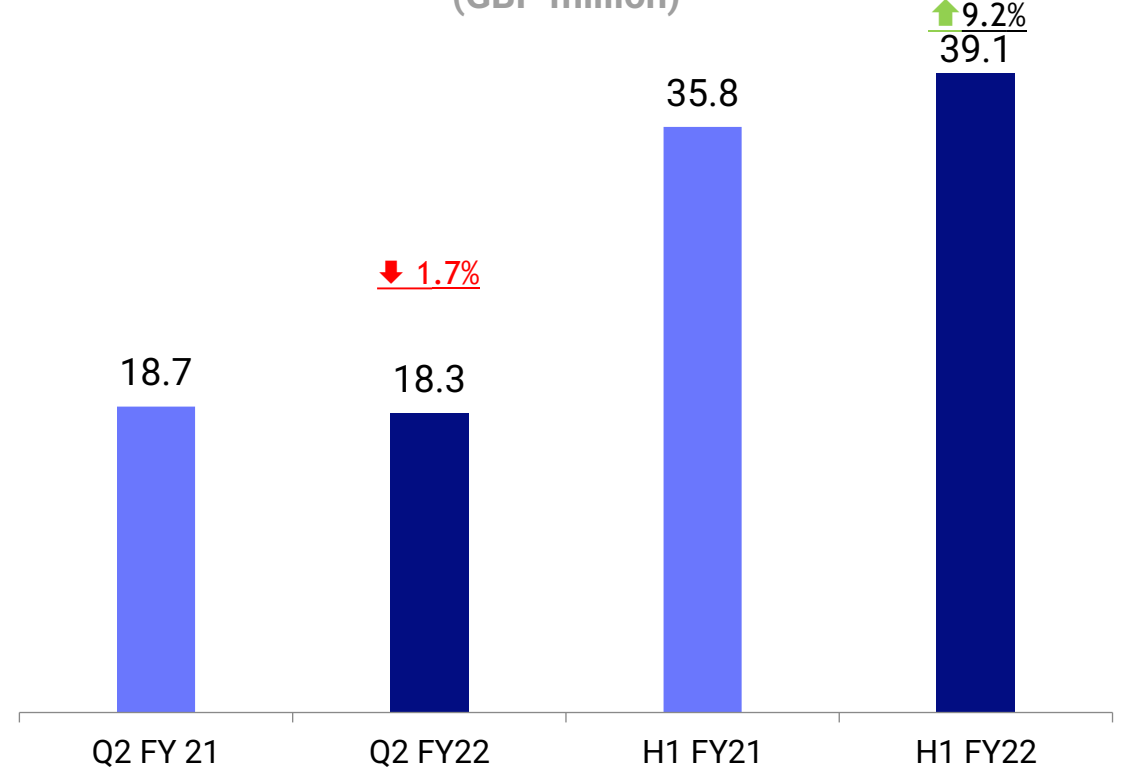
### Shop TJC (UK)



Growth vs Q2 FY20  
↑ 24.5%

Growth vs H1 FY20  
↑ 41.2%

(GBP million)



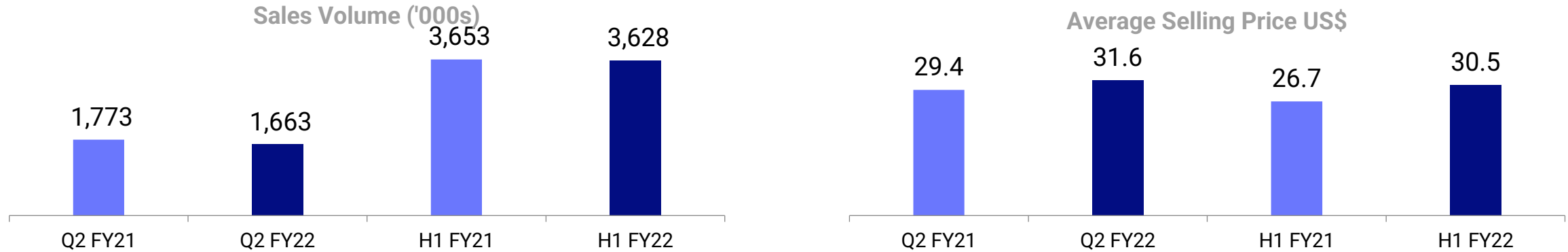


# RETAIL PERFORMANCE TRENDS – Q2 & H1 FY22

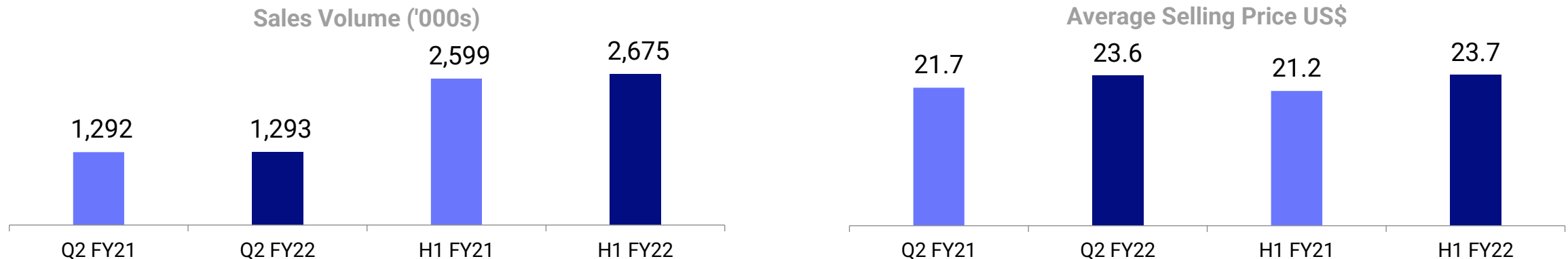


## Volume and ASP

### TV Sales



### Digital Sales

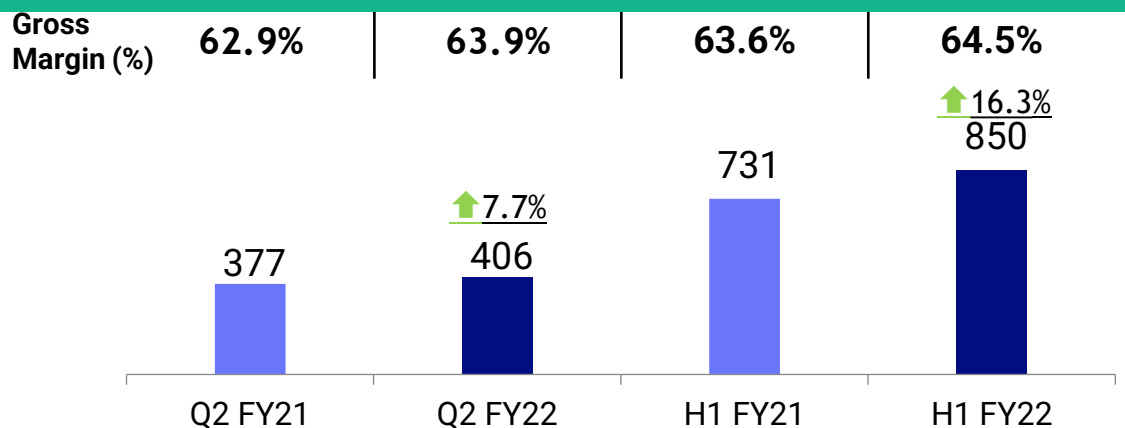


# FINANCIALS – Q2 & H1 FY22 PERFORMANCE

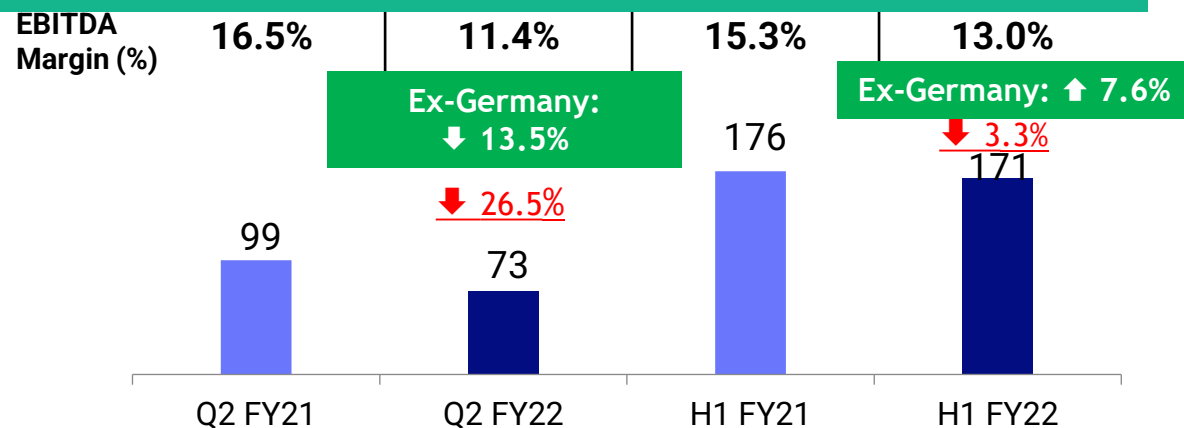


## Profits – (Rs. crore)

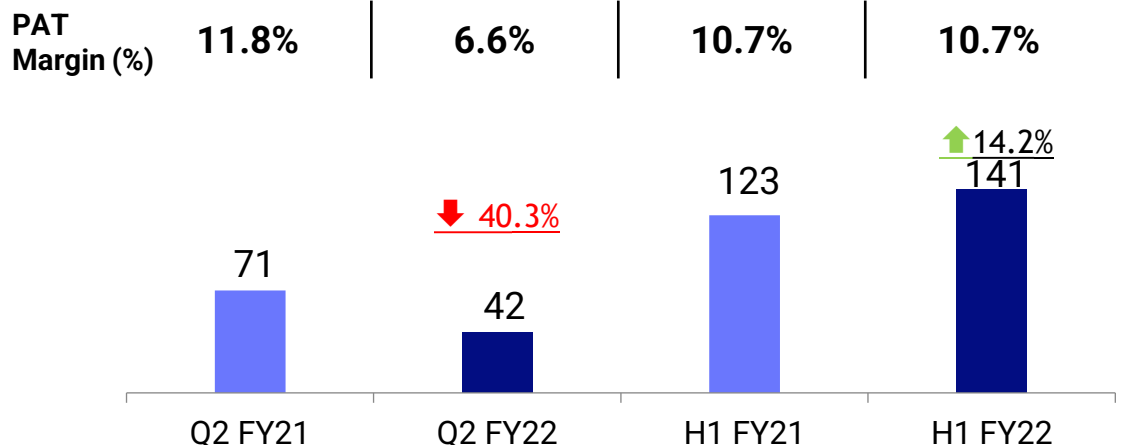
### Gross Profit



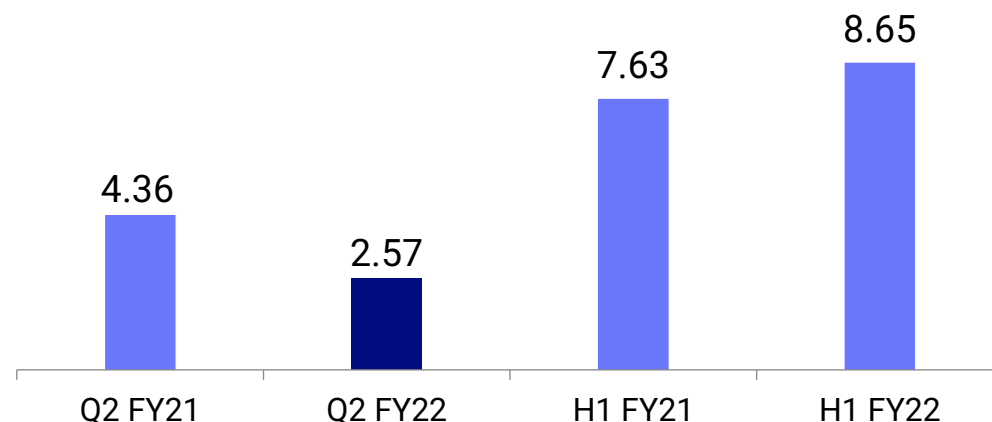
### EBITDA



### \*\*PAT



### EPS (Rs.) – Post split



Note: Q2 and H1 FY22:

\*\*PAT: Excluding Germany & exceptional item: PAT growth: (19.6%) for Q2 and 4.4% for H1; PAT margin: 9.0% for Q2 & 9.8% for H1

# EBITDA MARGIN WALK



Particulars	% To Revenue	Remarks
<b>EBITDA Q2 FY22</b>	<b>11.4%</b>	
Gross Margin Improvement	↑ 1.0%	Conscious increase in gross margins
Investment in Germany	↓ (1.9%)	Germany loss in line with \$3-5 mn loss guidance for FY22, breakeven in 3rd year
Elevated Sea Freight	↓ (2.3%)	Temporary short-term impact
Accelerated Investment in Digital & Broadcasting	↓ (2.4%)	Seeding investments for future growth, results to reflect from Q3 onwards
Others	↑ 0.5%	
<b>EBITDA Q2 FY21</b>	<b>16.5%</b>	





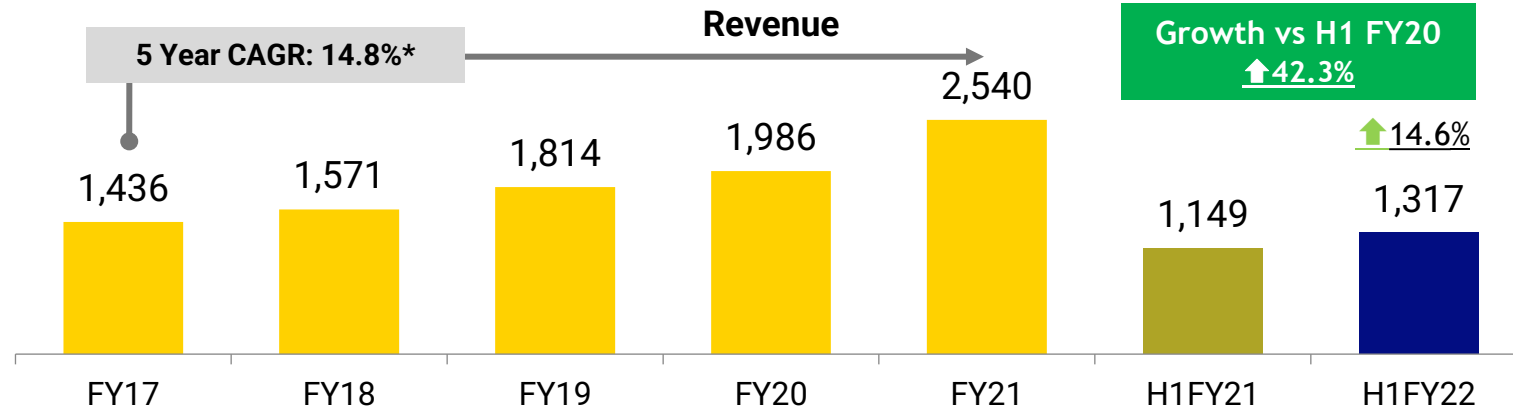
# FINANCIAL PERFORMANCE TRENDS



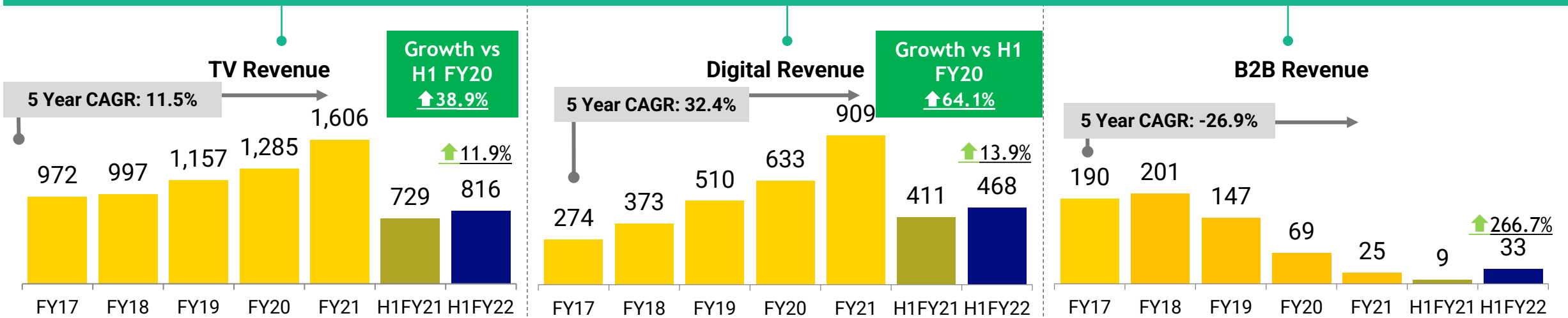
# FINANCIAL PERFORMANCE TRENDS



## Revenue Breakdown – (Rs. crore)



## Fashion Jewelry, Accessories & Lifestyle Products



# RETAIL PERFORMANCE TRENDS

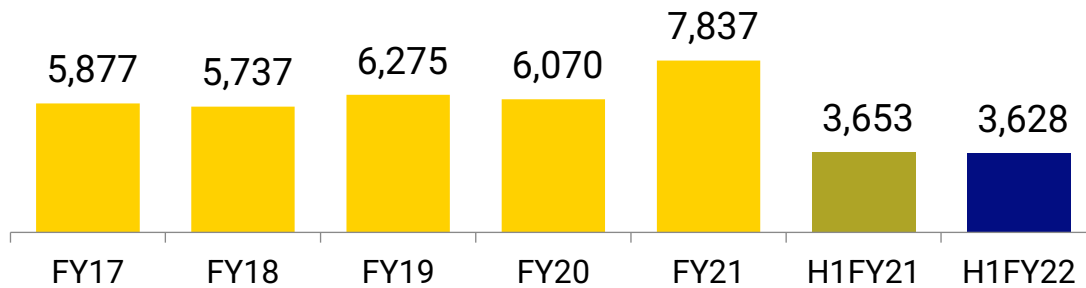


## Volume and ASP

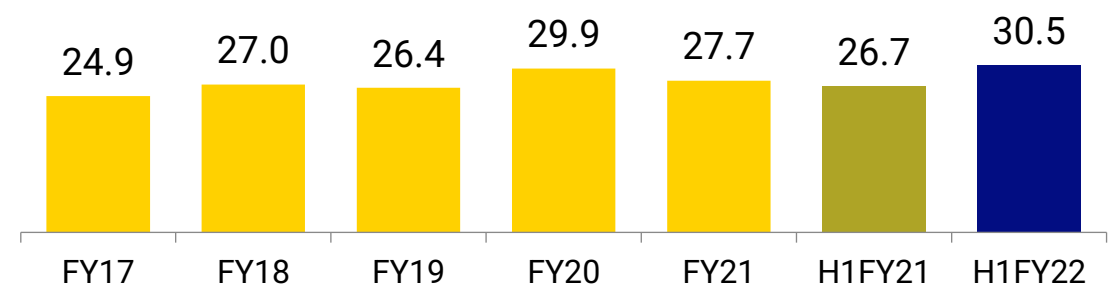
### TV Sales



Sales Volume ('000s)



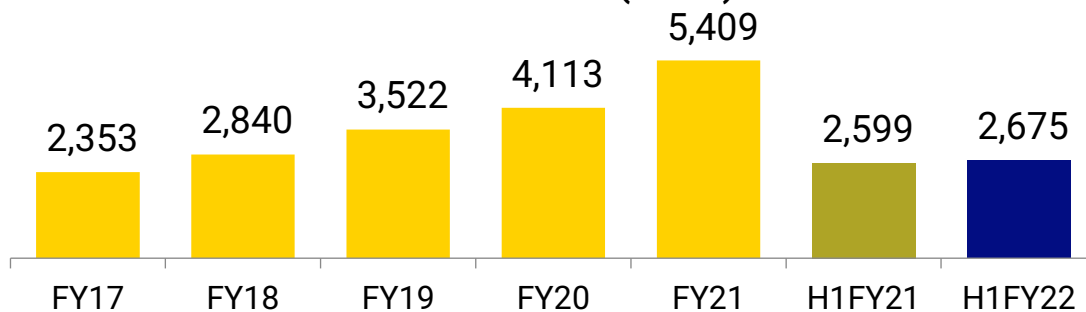
Average Selling Price US\$



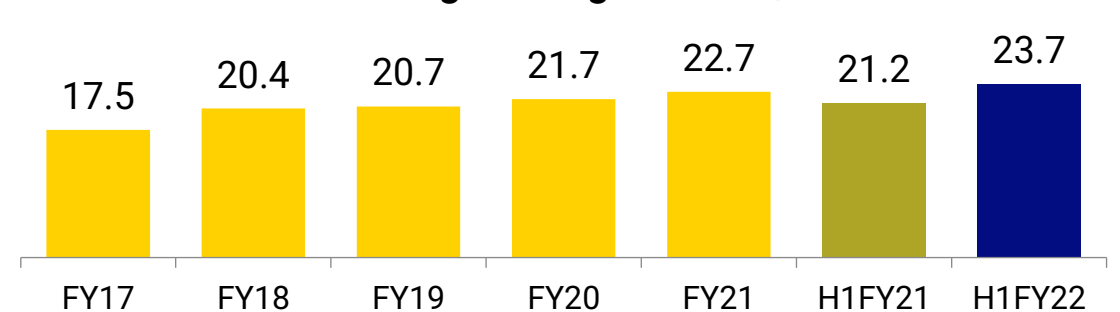
### Digital Sales



Sales Volume ('000s)



Average Selling Price US\$





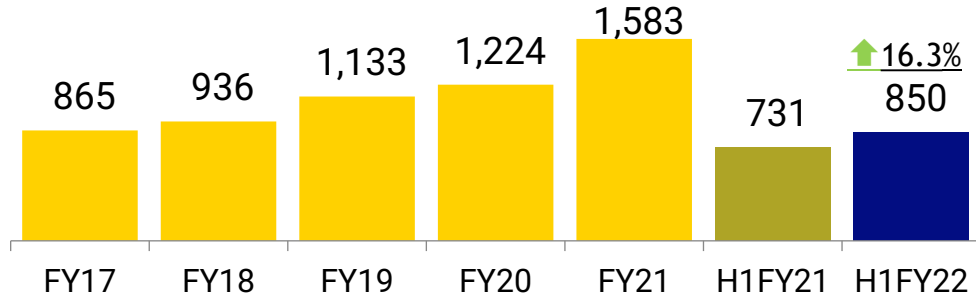
# FINANCIAL PERFORMANCE TRENDS



## Profits – (Rs. crore)

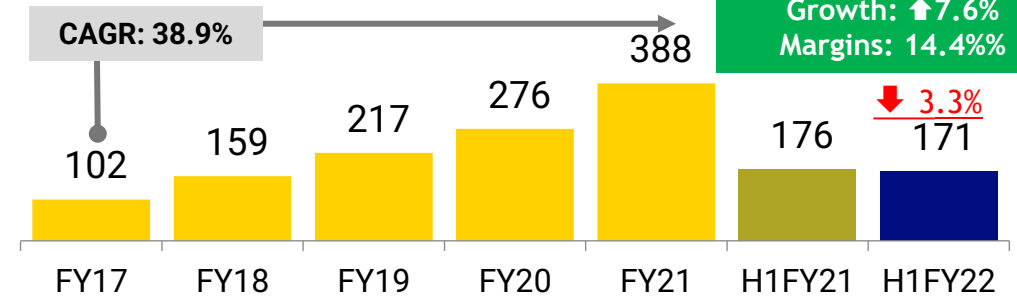
### Gross Profit

Gross Margin (%)	60.1%	59.6%	62.5%	61.6%	62.3%	63.6%	64.5%
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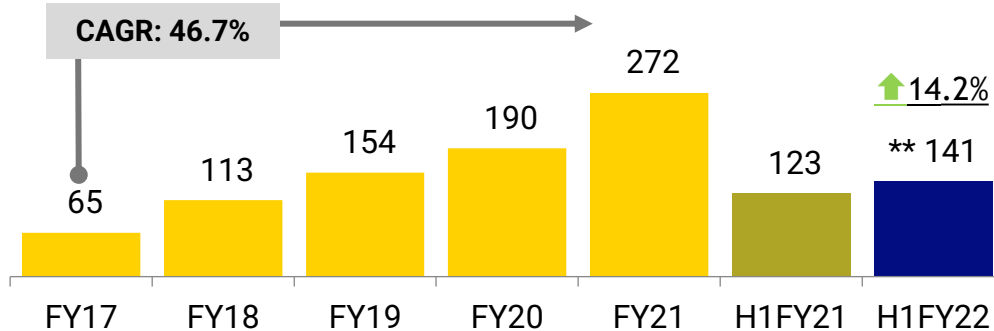
### EBITDA

EBITDA Margin (%)	7.1%	10.1%	12.0%	13.9%	15.3%	15.3%	13.0%
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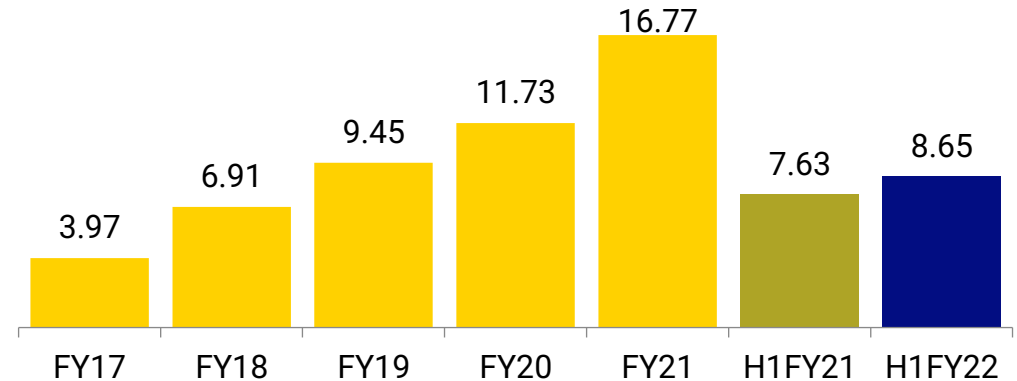


### \*\*PAT

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



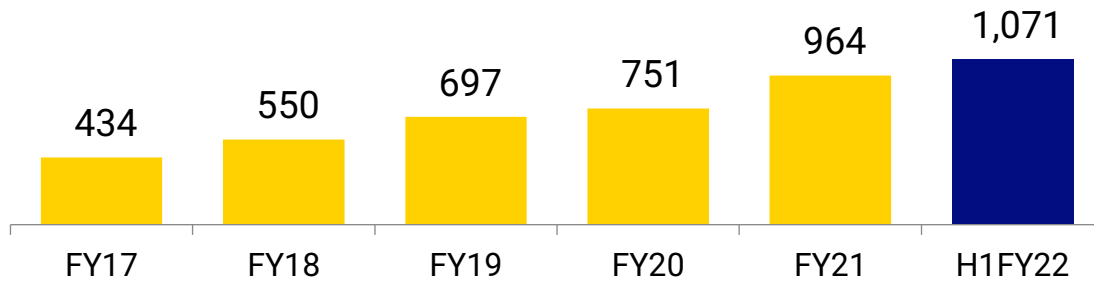
\*\*PAT: Excluding Germany & exceptional item: PAT growth is 4.4% and PAT margin is: 9.8% for H1

# FINANCIAL PERFORMANCE TRENDS

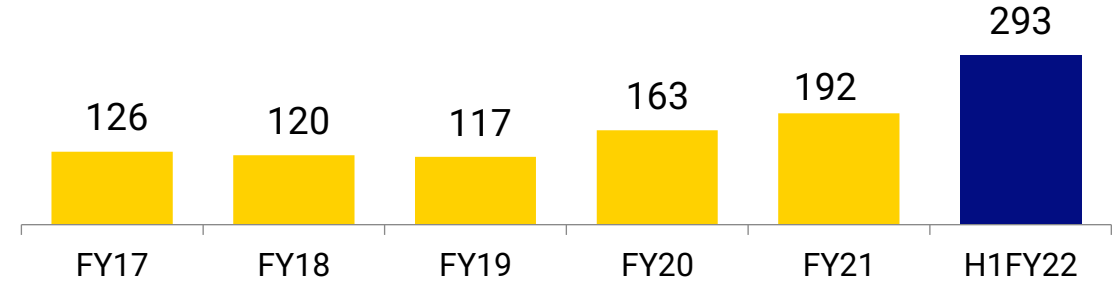


## Balance Sheet – (Rs. crore)

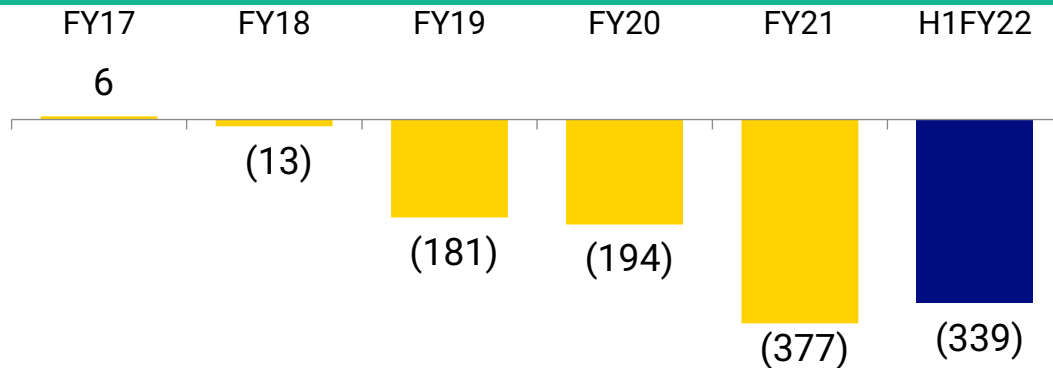
### Shareholders' Equity



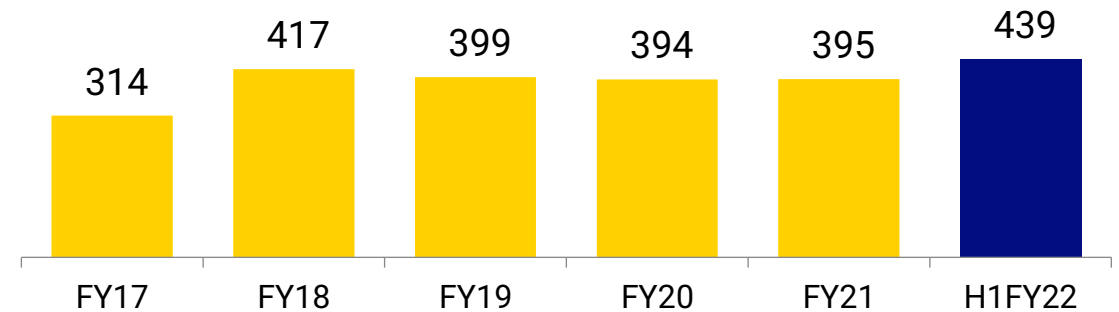
### Fixed assets including intangibles



### 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

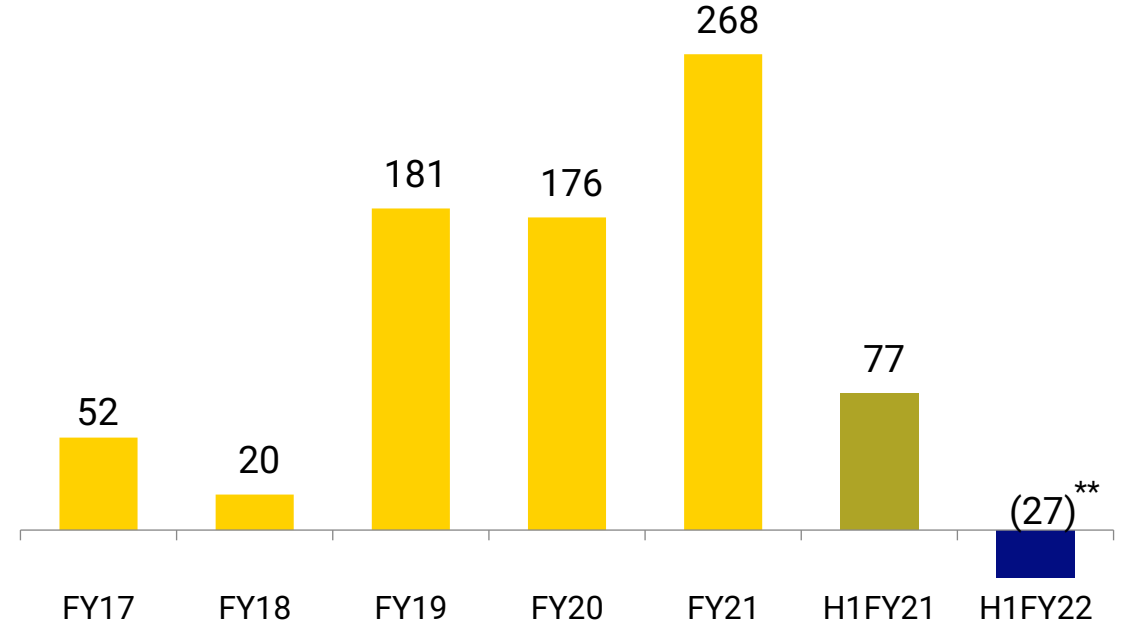
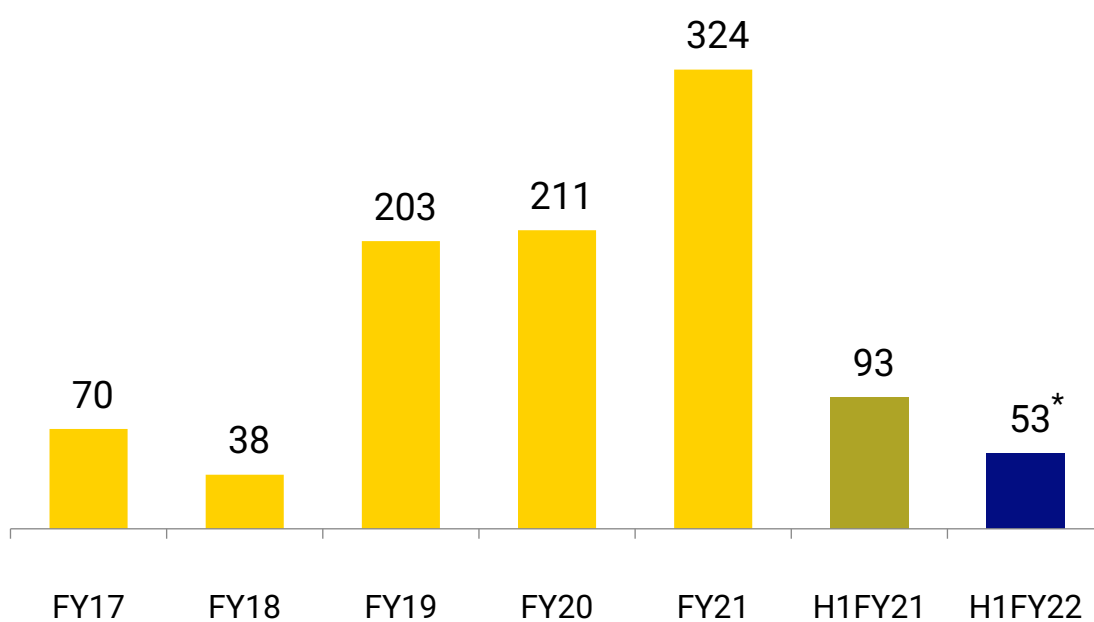


## Cash Flow – (Rs. Crore)

### Operating Cash flow



### Free Cash Flow



\* Disruptions in global supply-chain system resulting in higher inventory and increased working capital

\*\* Owing to higher capex on warehouse automation, building digital competencies and initial set-up cost of Germany

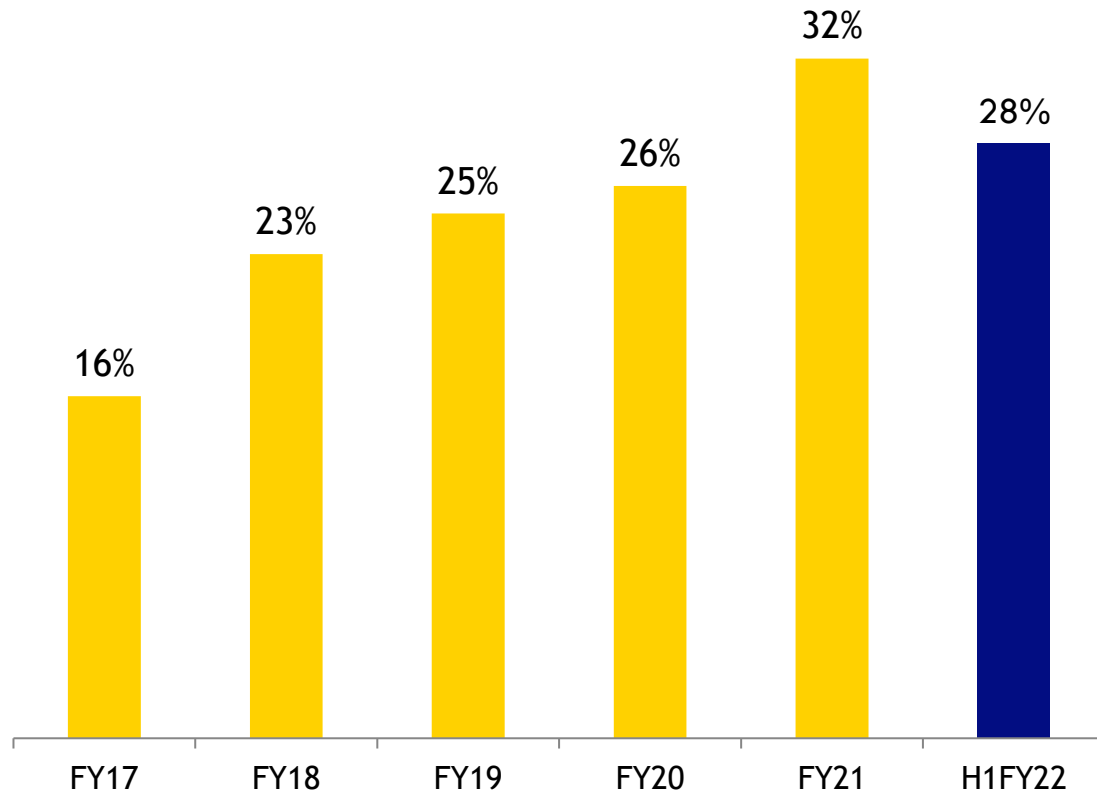


# FINANCIAL PERFORMANCE TRENDS

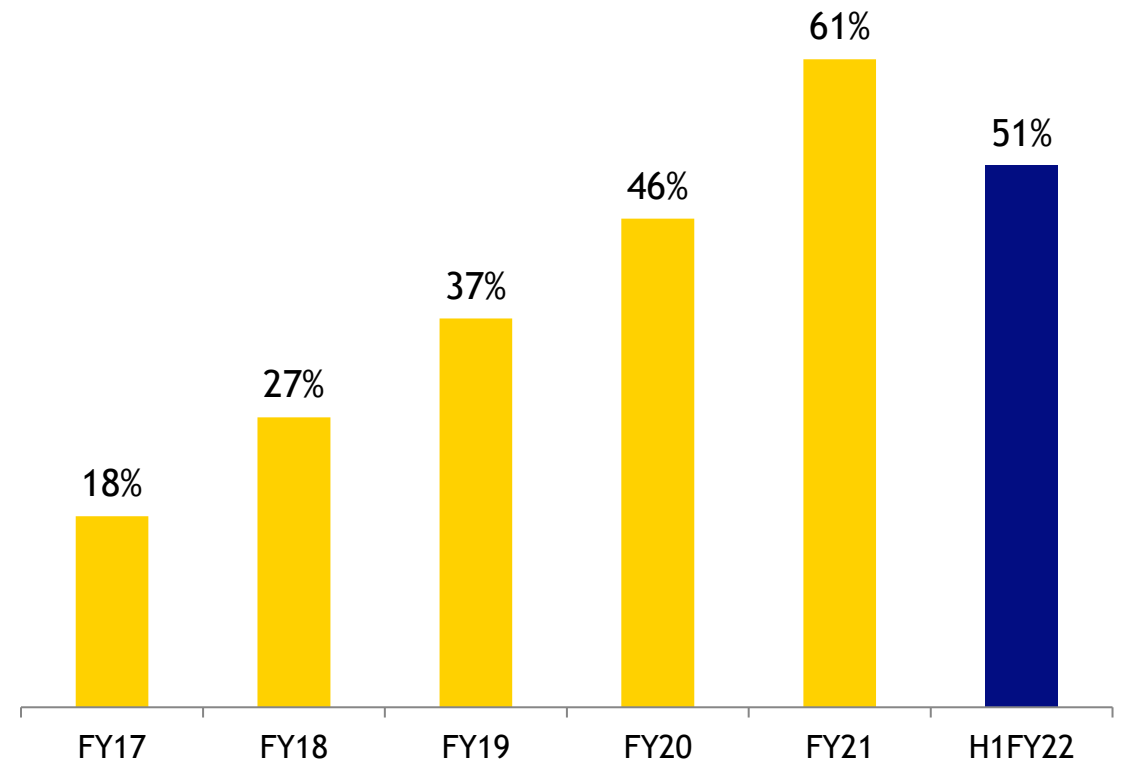


## Key Ratios

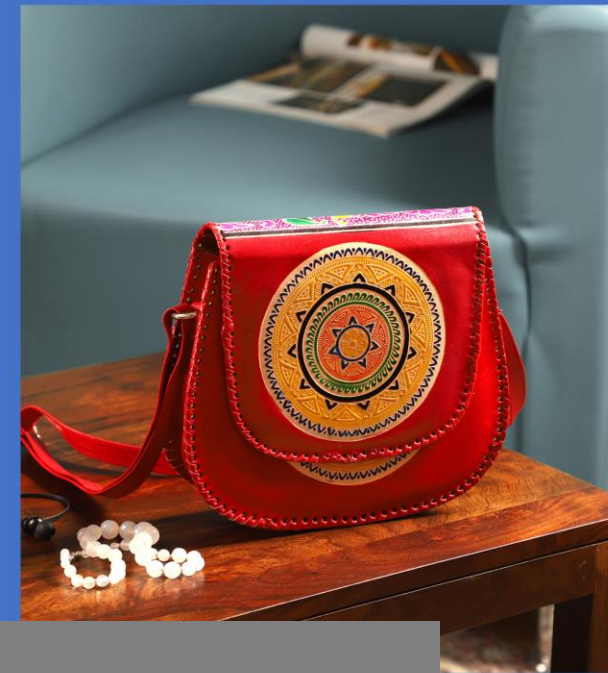
### ROE (TTM)



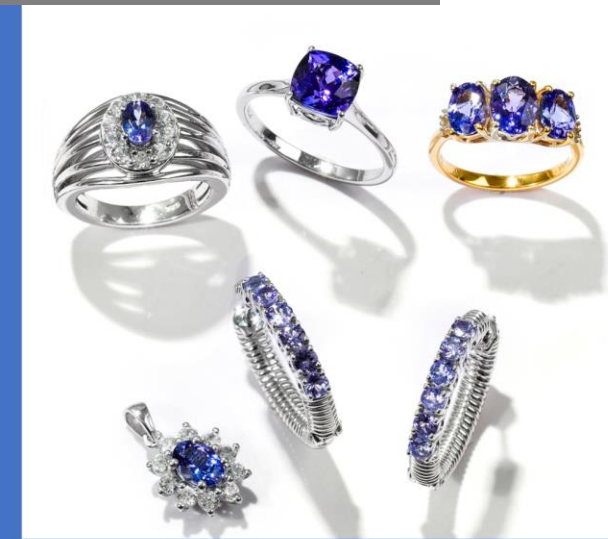
### ROCE (TTM)



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



# ANNEXURES



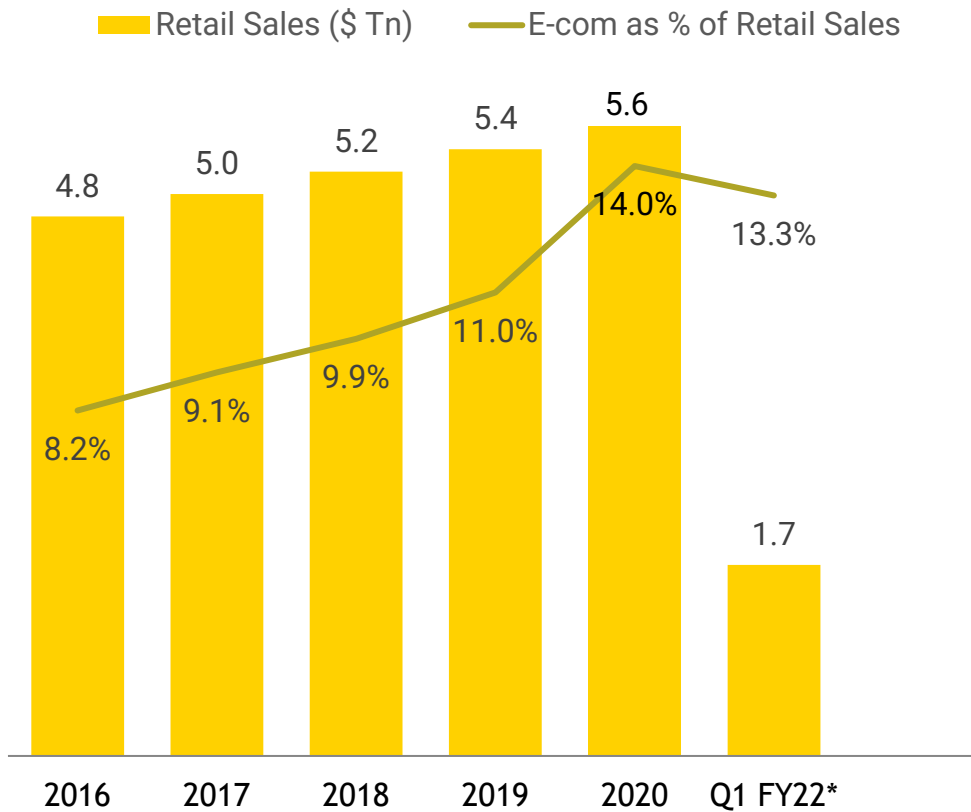
# GROWTH IN DIGITAL COMMERCE MARKETS



## Industry



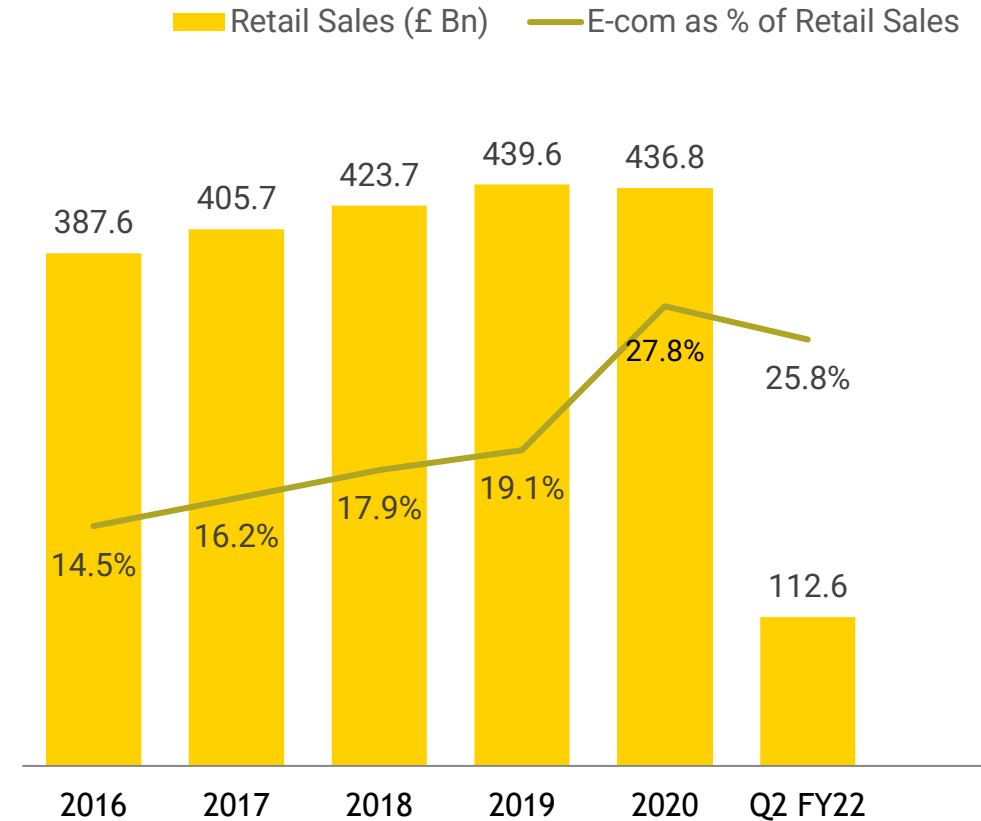
### US Retail & E-com Sales



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



H1 FY22

**Rs. 49.1 cr**

Interim dividend

## 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**

## RECOGNITION

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



RAJASTHAN's Best Employer Brands Award 2021



**IGJA Award:**  
Highest exporter of silver jewellery in India



**GPTW**  
Best Leaders in Times of Crisis 2021



# ENVIRONMENTAL INITIATIVES



## ENERGY

**3.23**  
mw

Solar power capacity meets 100% power requirement at manufacturing units in Jaipur



**LEED**  
**Platinum**

certified unit at SEZ in Jaipur, Rajasthan

## BIODIVERSITY

**~26,000**

Saplings planted for developing a Miyawaki forest



**~5,300**

Additional saplings planted till date

**Reduce,  
Recycle, Reuse  
and Reclaim**



## 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

## WASTE

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

**762 Kg** E-waste recycled



# COMMUNITY GIVEBACK



- > Served **57.7 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

- > Donated an Oxygen plant to Santokba Durlabhji Memorial Hospital in Jaipur, Rajasthan. This plant has a total capacity of generating 30 cubic meter oxygen per hour
- > Distribution 117 Oxygen concentrators, 36 BIPAP, 4 ventilators

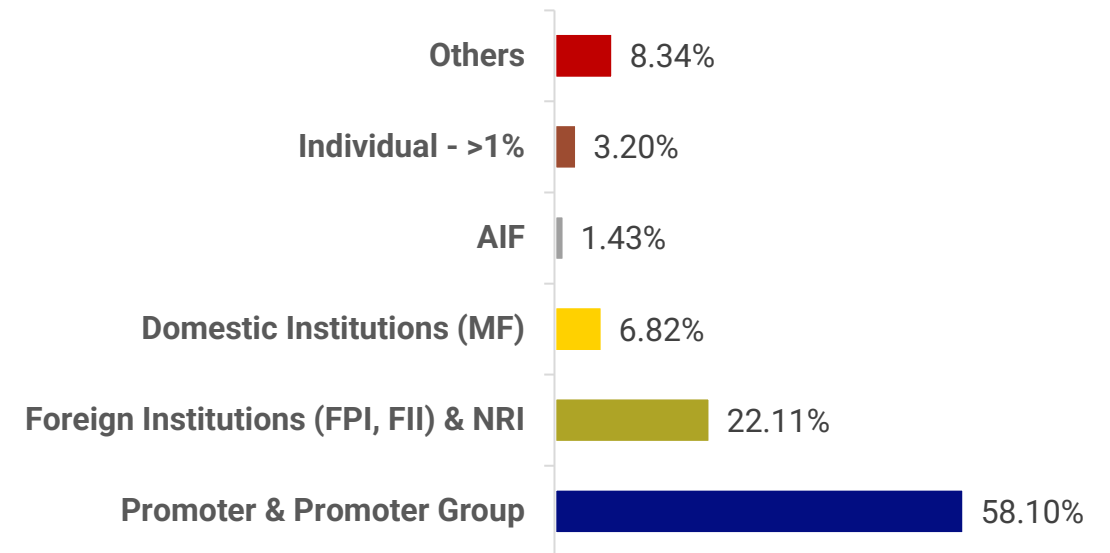


# VGL SHAREHOLDER BASE – AS ON 30-SEPTEMBER-2021



Key Shareholders (Holding +1%)	Holding as on 30-September-21
Promoter & Promoter Group	58.10%
Nalanda India Fund Limited (FII)	10.26%
Motilal Oswal Flexi Cap Fund (MF)	6.81%
Malabar India Fund Limited (FPI)	5.58%
Vijay Kedia (Individual)	1.83%
Ashish Kacholia (Individual)	1.37%

## 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

For more information please contact:

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