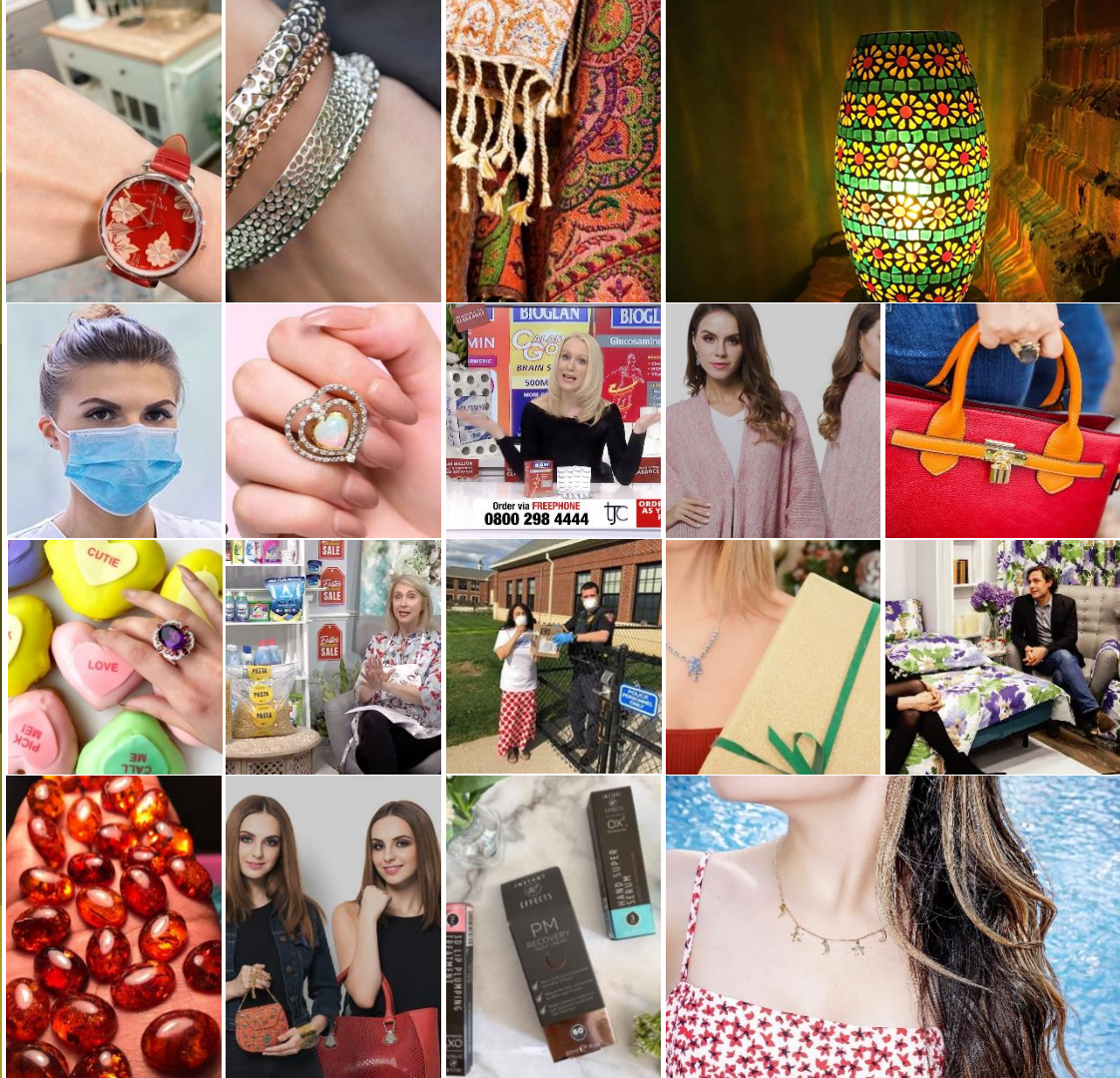




*Global Retailer of Fashion Jewellery,
Accessories, Lifestyle and Essential Products on
Home Shopping TV and e-Commerce Platforms*





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.



MD's Message

Commenting on Q4 & FY20 performance, Mr. Sunil Agrawal, Managing Director, Vaibhav Global said:

"The year 2020 began on an unexpected and a difficult note with the entire world coming to a standstill due to the spread of the COVID-19 pandemic. Economic activity, manufacturing operations, global supply chains have been disrupted and consumption patterns altered - impacting established frameworks both at macro as well as micro levels.

Now more than ever, our commitment to all our stakeholders remains un-wavered. Adapting rapidly to the new normal, we implemented best practices for the safety of our employees while ensuring business continuity. Stepping up to the situation, we realigned our business to meet customer needs through uninterrupted supply of essentials. As an expression of gratitude to frontline healthcare workers, we donated ~127,500 masks to hospitals / care homes. Extending support to the government, post announcement of the lockdown, VGL donated ~1.6 million meals to migrants and people in need through Akshay Patra in Jaipur, India. Overall, through our CSR initiative, the 'One for One' program, we have provided nearly 37 million meals to school children across India, US, and UK.

*I am glad to share that our global operations have been delivering on both societal as well as economic goals. On constant currency basis, Shop LC, US, marked a growth of 9% y-o-y and TJC, UK, marked a growth of 17% y-o-y in Q4FY20. Despite higher returns witnessed during the quarter, the Company reported strong profitability. We remain focused on strategic objectives of expanding the **4R's** underlying business performance – widening **Reach**, growing new customer **Registrations**, improving customer **Retention**, and increasing **Repeat** purchases. Success on these parameters has resulted in expanding market share, higher margins, and strong cash flows. During the quarter, our Board of Directors approved a special dividend of Rs. 19.74 per equity share and recommended a final dividend of Rs. 7 per share.*

Going into FY21, we look forward to continuing our secular growth in the world where last mile delivery has become the 'new normal'. We remain confident about actualizing our business goals by delivering on our responsibilities to our stakeholders.'



Covid-19 – VGL Response



Customers

- ➔ Continued retail operations in US & UK
- ➔ Promptly altered product offering to include over 250 essential items (hand sanitizers, face masks, food supplements etc.)
- ➔ Necessary precautions taken while delivering products
- ➔ Provided respite through engaging broadcasts/content



Team - VGL

- ➔ Several initiatives undertaken to ensure mental, physical and financial well-being of our team
- ➔ Adhered to high standards of safety / sanitation
- ➔ Smooth transition to Work-from-Home
- ➔ Weekly 'All Hands Meet' calls where management addresses the team to provide comfort, inspire confidence and allay concerns



Investors

- ➔ Continued focus on maintaining a healthy Balance Sheet
- ➔ Cash and cash equivalents of Rs. 257 crore as on March 31, 2020
- ➔ Focused cost rationalization
- ➔ Sustained pay-back in the form of dividends / buyback (Rs. 72 crore buyback; Interim dividend of Rs. 7, Special dividend of Rs. 19.74 & Final dividend recommended of Rs. 7 per equity share)



Community

- ➔ Donated ~1,27,500 masks to hospitals/care homes across US, UK & India
- ➔ Offered to give away free masks to anyone who cannot afford it
- ➔ Provided ~1.6 million meals to migrants and people in need through Akshay Patra in Jaipur, India



Business Continuity During Covid - 19

Global Supply Chain

- Robust regional supply chain - wholly owned subsidiaries/operations in key sourcing geographies (India, China, Thailand & Indonesia)
- Temporary shut down in China balanced by efficiently managing inventory & leveraging global supply chain - Resumed operations on March 02, 2020
- End-March lockdown in India resulted in temporary closure of operations – work-from-home facilitated wherever possible – resumed partial operations on April 27, 2020
- Sourcing infrastructure enabled prudent time to market of essential products
- Processes set up for virtual buying/sourcing

Retail Customers

- Steady traction on retail platforms resulting from expanded product offering, shut down of traditional retail, increased media consumption
- Undisrupted call center functioning - work-from-home set up for inhouse customer service team; auto-routing to outsourced call centers; integration of Five9 software into our IVR system supported high traffic on the platforms
- Delivered system enhancements at a high velocity to support business in selling essential items that need special capabilities
- Ancillary services like delivery services remained functional all through pandemic at both US and UK.

IT Support

- IT staff created a “Borderless workforce” to support business globally with no latency
- Facilitated virtual meetings in a secured manner
- Remote TV production and broadcast solution built and validated - made available as a contingency plan
- Zero downtime for critical systems (Order Management system, Website, Mobile and Production systems)

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Business Background Details



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 and TJC are brands with strong customer visibility

- TV Homes accessed (*FTE) - 99 million
- Growing online presence
- Improving customer engagement metrics – customer base, retention rate, repeat purchases



Strong management and governance

- Professional management team with deep industry knowledge
- Strong and Independent Board with global retail experience
- KPMG – Global Auditors



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



Solid infrastructure backbone

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

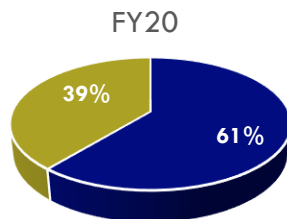
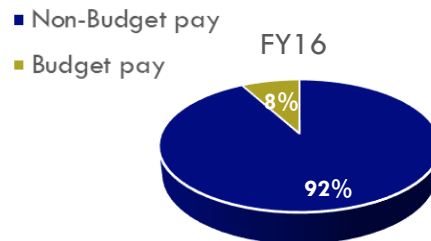
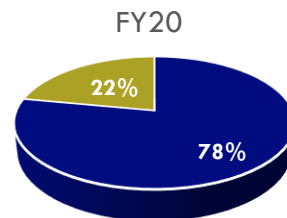
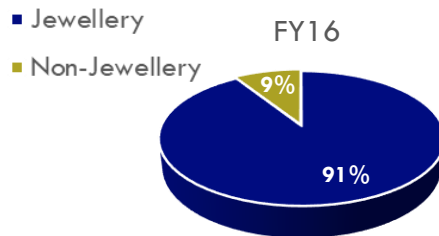
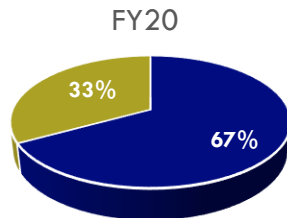
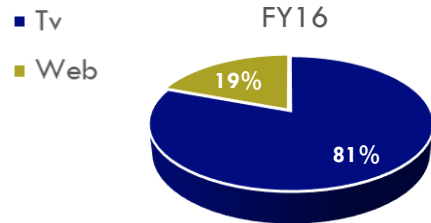


Exceptional one-for-one social program

- Every piece sold results in one meal for a school-going child
- Provided ~37 mn meals so far across India, US and UK



Adaptative Business Model



- ➔ Mobile sales contributed 60% of web revenue in FY20
- ➔ Omni-channel customer has a higher lifetime value
- ➔ Cord-cutting in the US is addressed through increased outreach on the OTA platforms; deeper penetration in the OTT space

- ➔ Non-jewellery categories provides synergistic adjacency to our fashion jewellery portfolio at similar price points
- ➔ Helps target a larger wallet share
- ➔ Enables deeper customer engagement
- ➔ Effected quick turnaround in product offering to include essentials

- ➔ Launched 'Budget Pay' in 2016 offering products on EMI
- ➔ Low risk of bad-debts on account of auto-charge to customer credit card & efficient collection systems



Omni Channel Sales Platform

USA



- 74 million households
- State-of-the-art auction/scheduling system
- Shop LC live stream available on multiple platforms like Youtube, Facebook



- <https://www.shoplc.com/>
- SAP Hybris platform
- Pimcore – Digital Experience Platform
- Targeted behavioral marketing through IBM Unica platform



- Presence in 13 million Over The Air (OTA) households
- Presence on several OTT platforms on Smart TV devices (android TV, Roku, Samsung Smart TV, Apple TV, Amazon Fire TV, LG smart TV) and linear streaming devices (Xumo, Youtube Live and Facebook Live)



- Shop LC broadcasts on Amazon Live
- Available of Amazon (FBA), Google Marketplace, eBay, Walmart



- Shop LC Mobile app for iOS and Android

UK

- 25 million households
- State-of-the-art auction/scheduling system
- TjC live stream available on multiple platforms like Youtube, Facebook

- <https://www.tjc.co.uk/>
- Salesforce DemandWare platform
- Europe delivery available through E-commerce platform
- Targeted behavioral marketing through IBM Unica platform

- Presence in 18.5 million Over the Air (OTA) households on Freeview & FreeSAT
- Presence on several OTT platforms including Roku and Apple TV

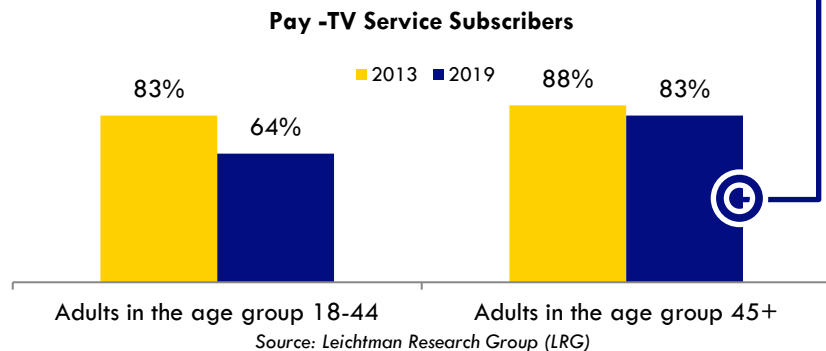
- Available on Amazon and eBay

- TJC Mobile app for iOS and Android

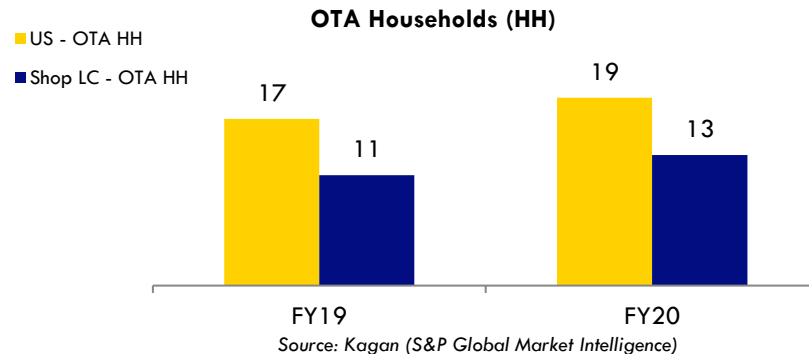
Mitigating "Cord-Cutting" Trend in the US



VGL's Target Demographics Still Prefers Watching Traditional Pay-TV



Over-the-Air (OTA) Presence



Over-the-Top (OTT) Reach

Shop LC is live with Smart Devices



And Several Linear Streaming Platforms



Strengthening Presence On Other Platforms

Proprietary Web Platforms

Marketplaces

Social media Platforms

Mobile Devices

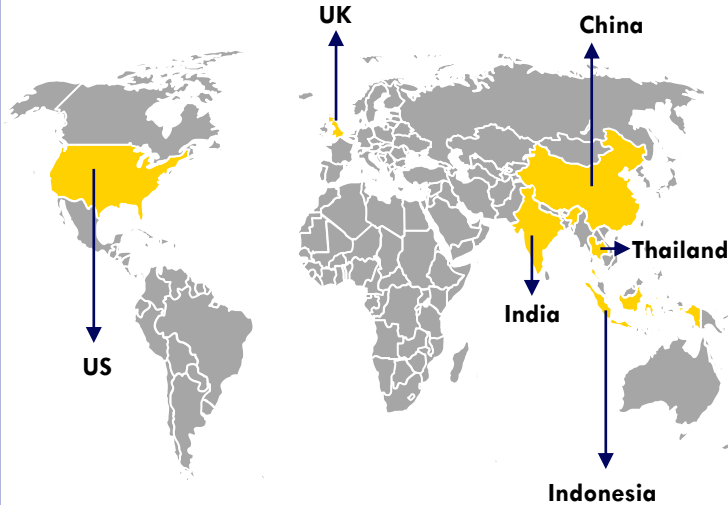


Global Supply Chain



Manufacturing

- ISO 9001:2008 facilities in Jaipur, Rajasthan
- Fully-integrated building at SEZ, Jaipur - IGBC certified
- Diamond jewelry manufacturing and sourcing unit in Mumbai
- Around 2,900 employees in India
- Low-Cost operations with one of the lowest levels of wastages in the industry



Sourcing

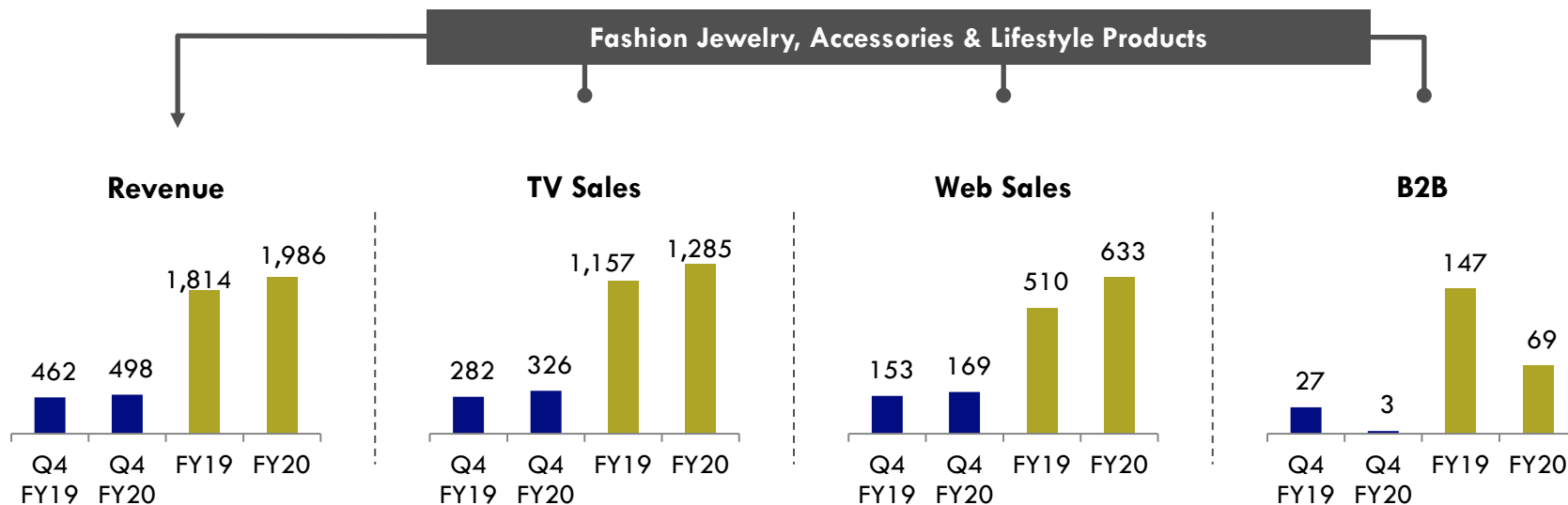
- Supply chain capability of 12 million pieces from across the globe
- Sourcing from appropriate micro-markets in Asia, Europe and US
- Focus on best price to customer through bottom price discovery
- Robust vendor evaluation process
- Assess value perception – design / fashion trend / price in target markets



**Q4 & FY20
Financial
Performance**

Financials – Q4 & FY20 Performance

(Revenue Breakdown – Rs. crore)



Note:

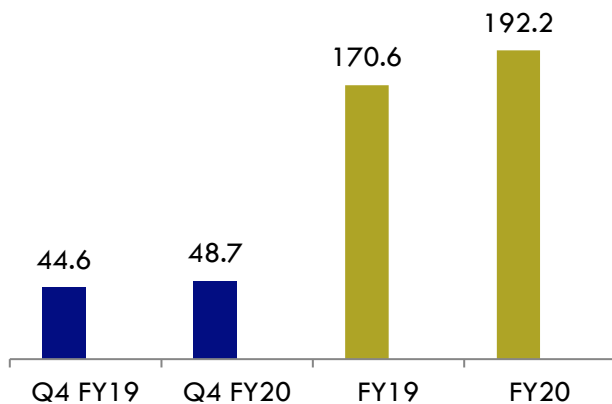
- Revenue includes exchange gain as per Ind-AS
- B2B has been a non-core and opportunistic business segment
- In view of strong growth opportunities in B2C, the Company has been scaling down B2B

Financials – Q4 & FY20 Performance

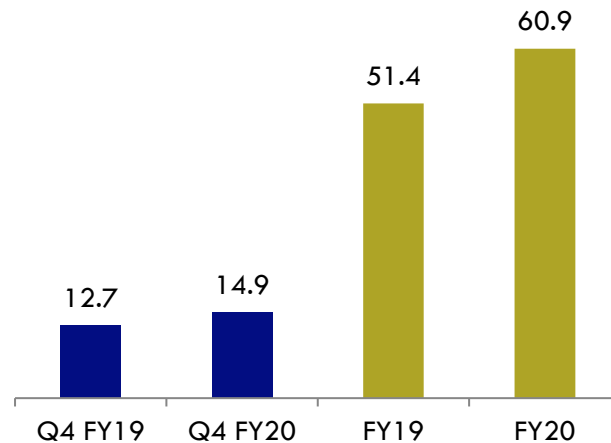
(Revenue Breakdown - Local Currency)



Shop LC (USD million)



TJC UK (GBP million)

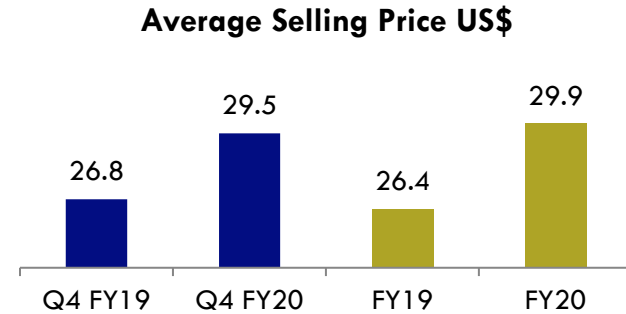
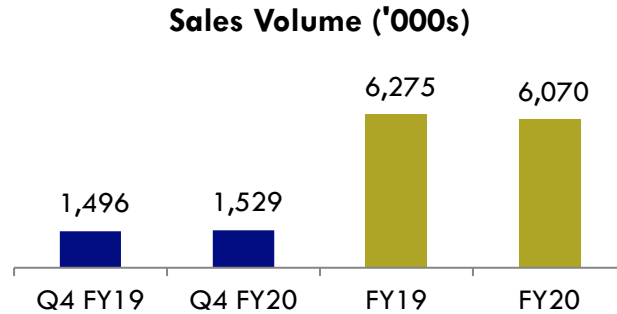


Retail Performance Trends – Q4 & FY20

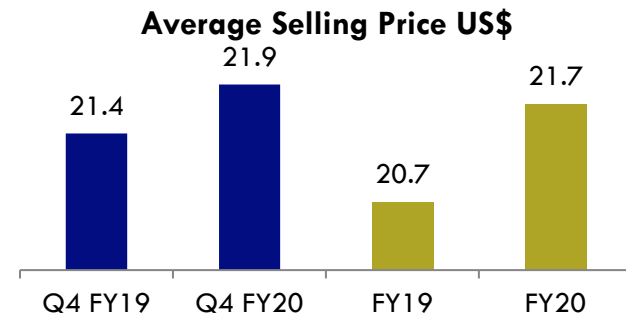
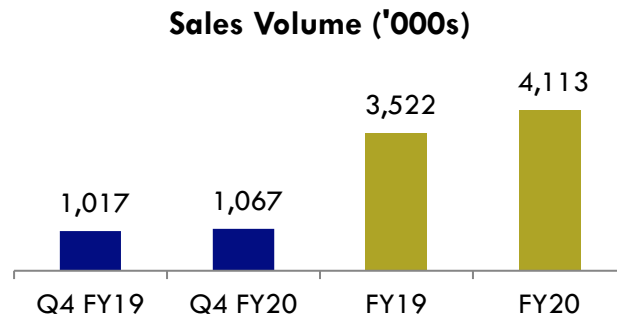
(Volume and ASP)



TV Sales

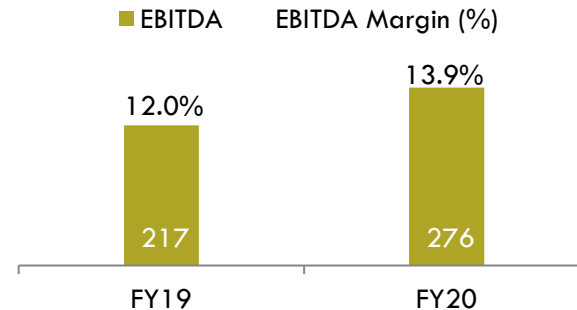
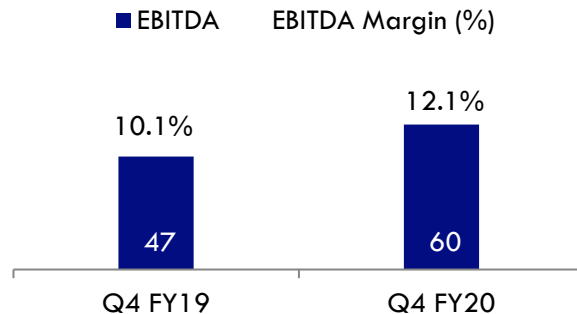
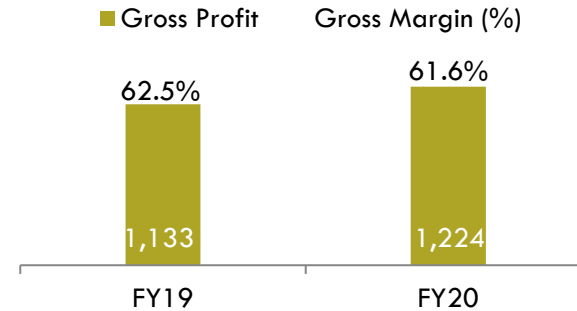
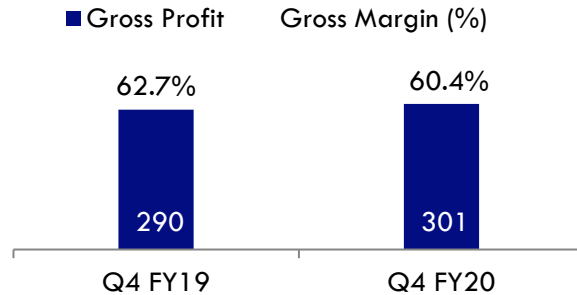


Web Sales



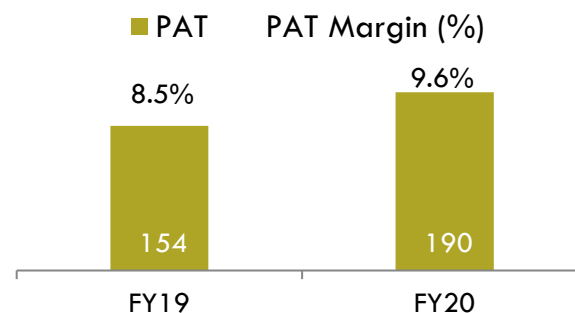
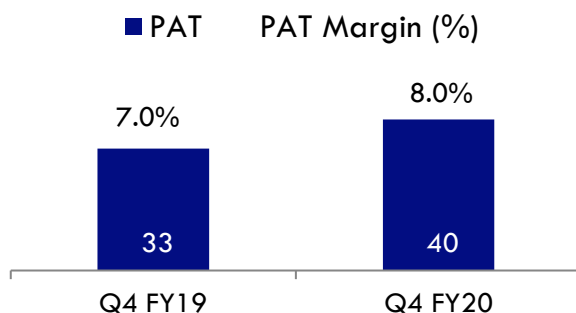
Financials – Q4 & FY20 Performance

(Profits – Rs. crore)

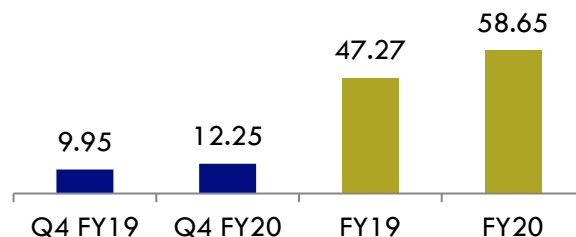


Financials – Q4 & FY20 Performance

(Profits – Rs. crore)



EPS (Rs.)





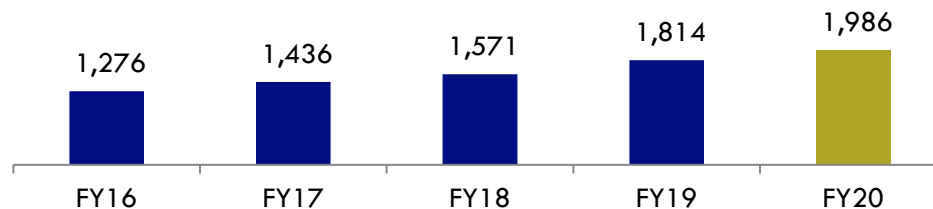
Financial Performance Trends

Financials Performance Trends

(Revenue breakdown - Rs. crore)

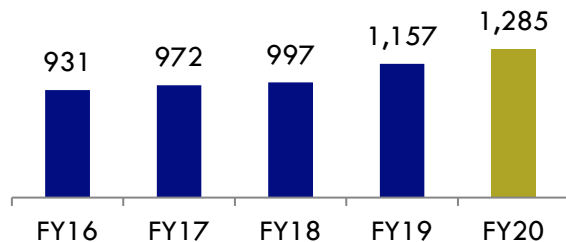


Revenue

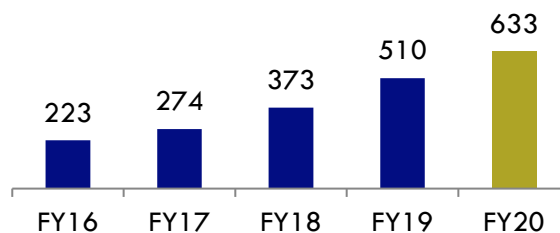


Jewelry & Lifestyle Products

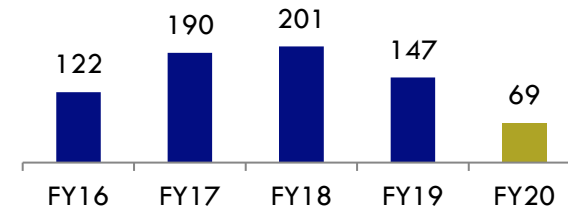
TV Sales



Web Sales



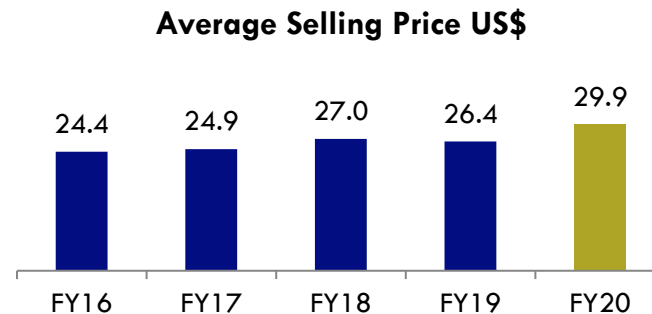
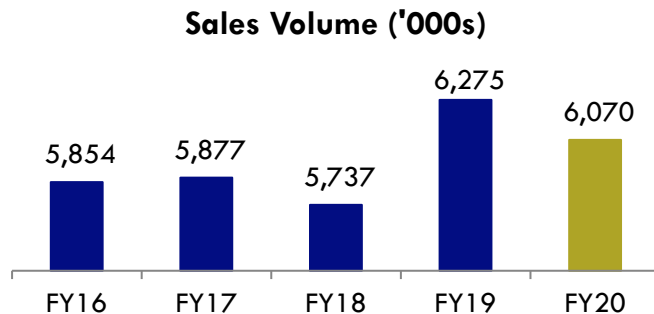
B2B Sales



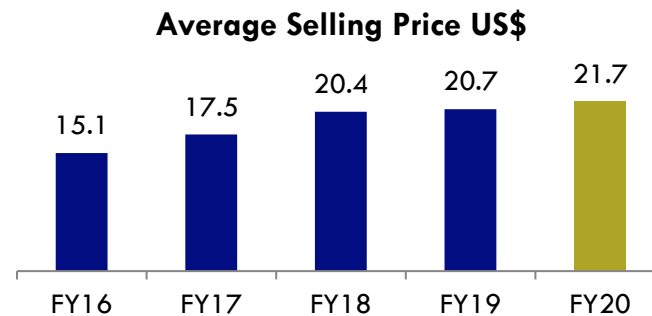
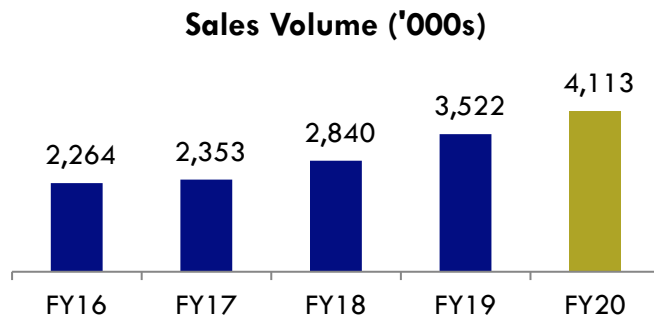


Retail Performance Trends

TV Sales

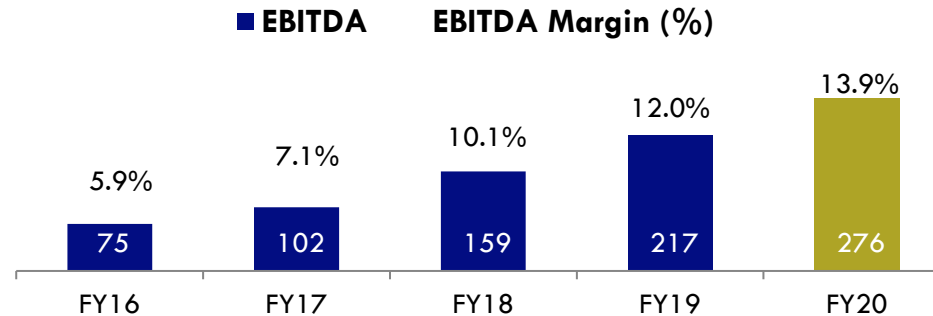
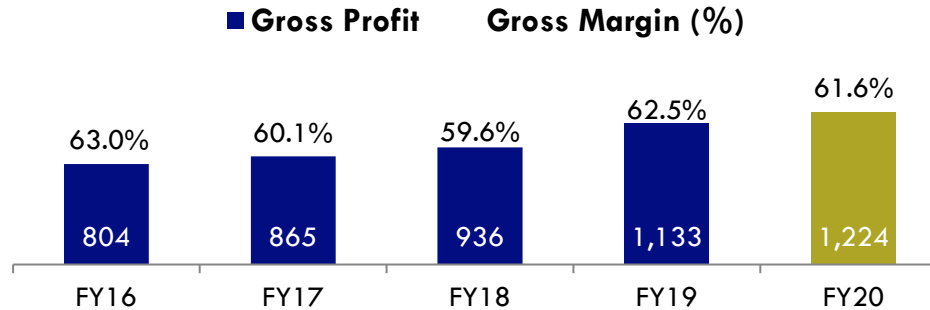


Web Sales



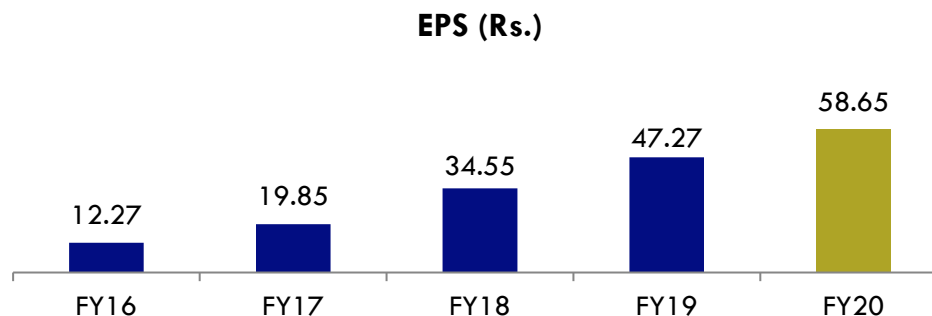
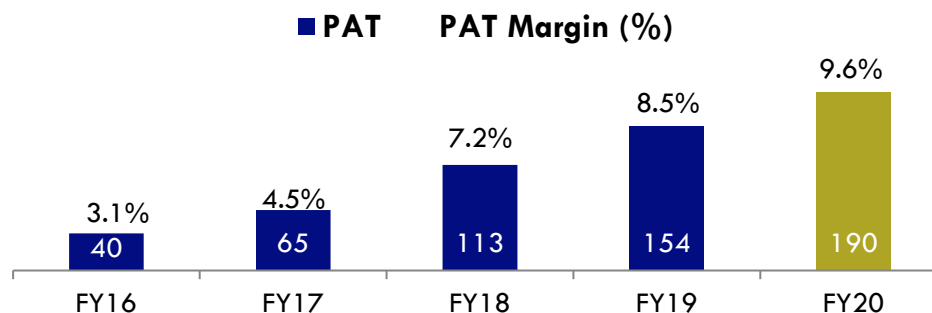
Financials Performance Trends

(Profits – Rs. crore)



Financials Performance Trends

(Profits – Rs. crore)

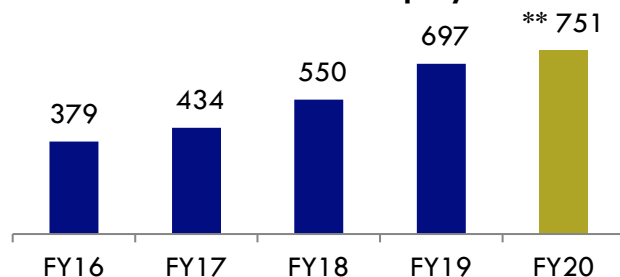


Financial Performance Trends

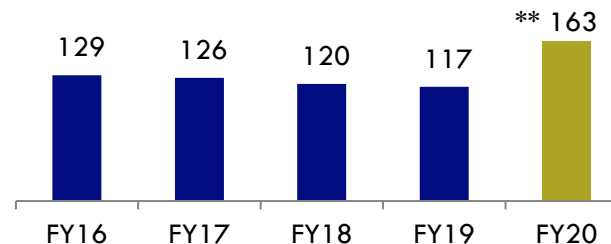
(Balance Sheet - Rs. crore)



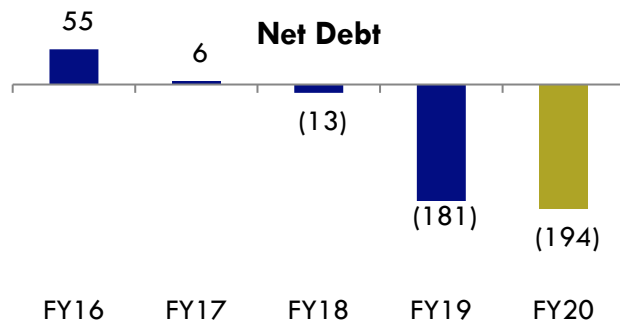
Shareholders' Equity



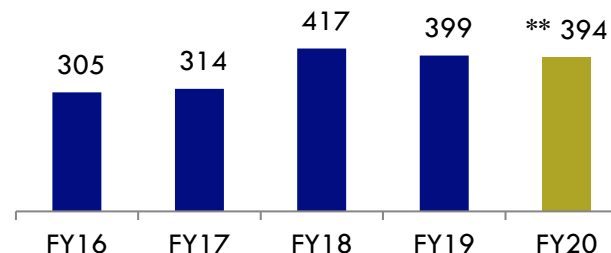
Fixed assets including intangibles



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.

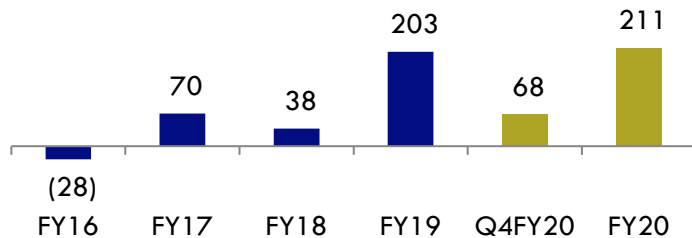
*** Net Assets is the balancing figure arrived at by excluding shareholders equity, net debt, and fixed assets including intangibles

Financial Performance Trends

(Cash Flow – Rs. crore)



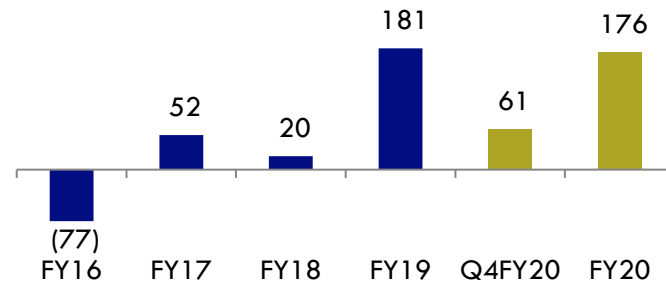
Operating Cash flow



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.

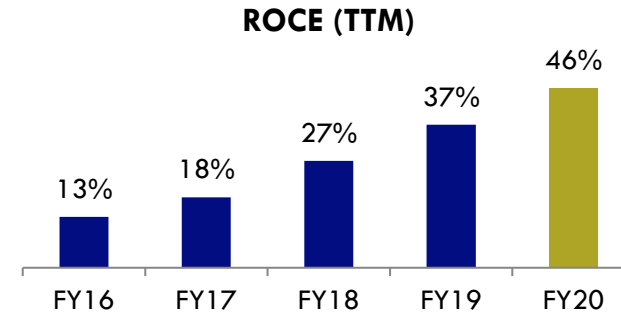
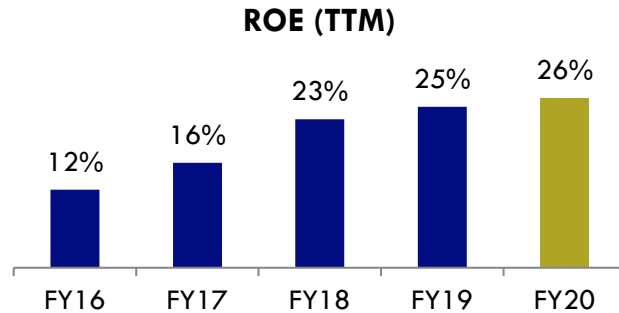
Free Cash Flow



Free Cash Flow: Operating Cash Flow – Capital expenditure

Financial Performance Trends

(Key Ratios)



Note -

ROE – based on average net worth

ROCE – based on average capital employed



Delivering Joy to Stakeholders

Customers



SHOP LC
DELIVERING JOY



Better Business Bureau®

- Unique Customers – 361,915 (FY20)
- Average qty. per customer – 30 pieces (FY20)
- High quality products & Exotic designs
- Lowest Price Guarantee – high quality, high affordability
- Omni-channel access
- Budget Pay (monthly installments) available on higher value products
- Easy Returns available

tjc

Overall

97%

of 12,924 respondents

would buy again from TJC



Employees



- 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.



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



Delivering Joy to Stakeholders

Investors



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

26%
ROE

46%
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



One purchase
means a meal
for a hungry child



- ~37 million meals donated under the One for One Program since this program was integrated with operations
- Donated ~127,500 masks to hospitals and care homes



Note -

ROE – based on average net worth

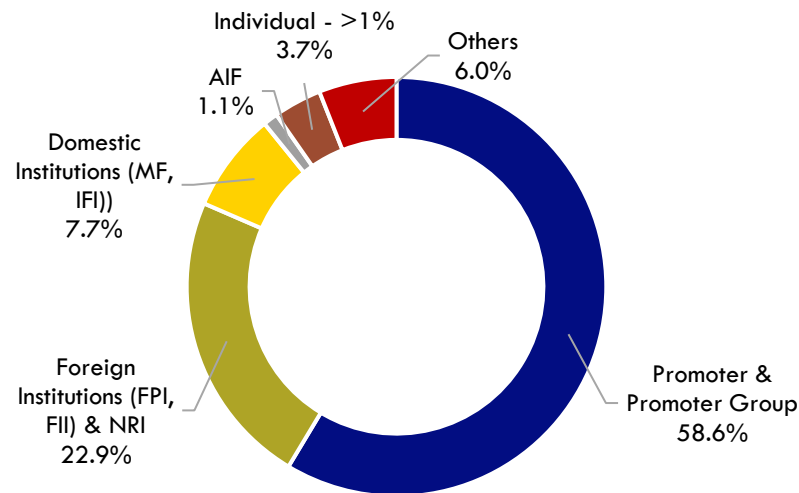
ROCE – based on average capital employed



VGL Shareholder Base – As on 31st March, 2020

Key Shareholders (Holding 1%+)	Holding as on 31-Mar-2020
Promoter & Promoter Group	58.6%
Nalanda India Fund Limited (FIL)	10.4%
Motilal Oswal Multicap 35 Fund (MF)	7.7%
Malabar India Fund Limited (FPI)	6.8%
Taiyo Greater India Fund Ltd (FPI)	2.3%
Vijay Kedia (Individual)	2.2%
Ashish Kacholia (Individual)	1.5%
Malabar Value Fund (AIF)	1.1%

Shareholding Pattern





Management Team



Mr. Sunil Agrawal
Managing Director



Mr. Puru Aggarwal
Group President (Strategy
& Business Development)



Mr. Vineet Ganeriwala
Group CFO



Mr. Amit Agarwal
President, Shop LC, US



Mr. Srikant Jha
Managing Director, 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

Contact Information



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Shiv@cdr-india.com

Karl@cdr-india.com

Thank You

