



# 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.”*

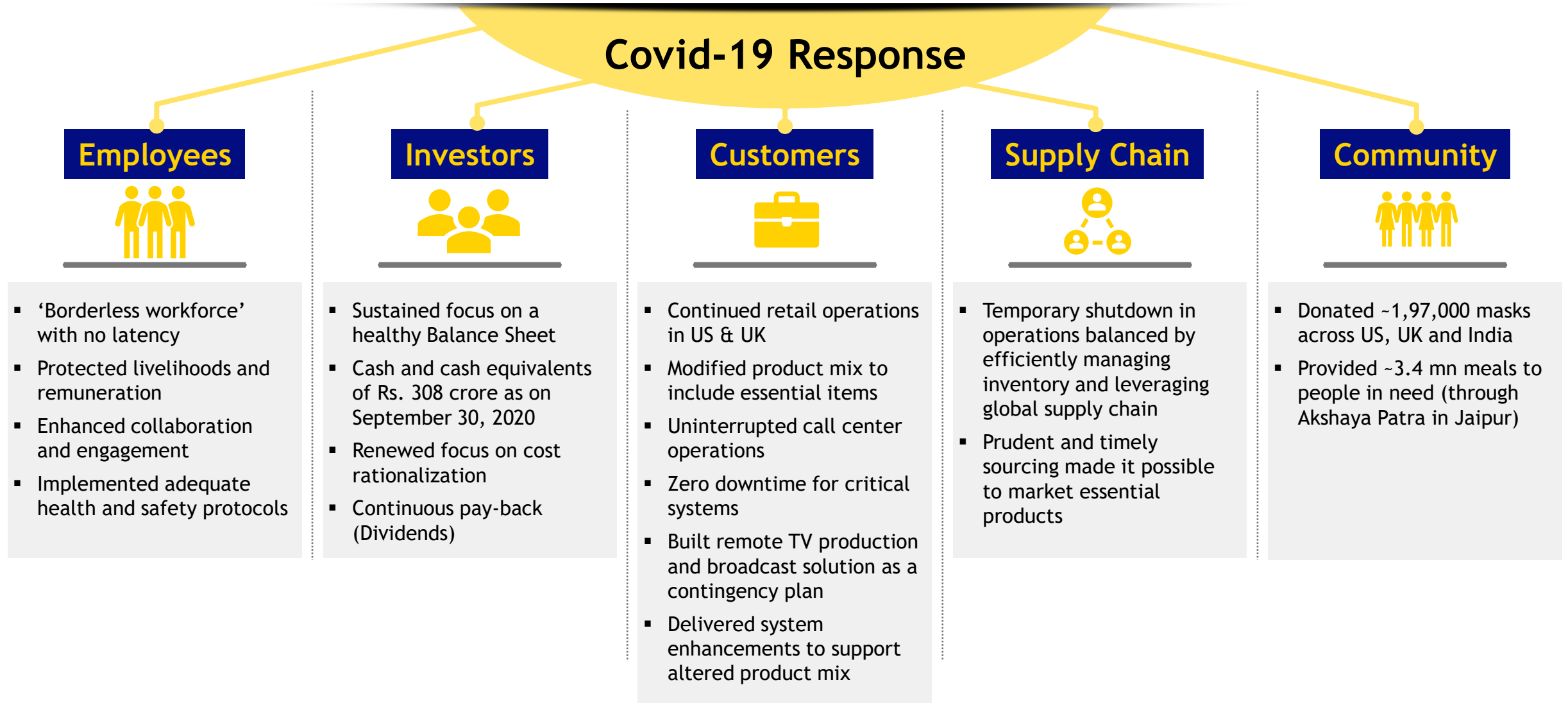


**Mr. Sunil Agrawal**

*Managing Director, Vaibhav Global Limited*

**Commenting on Q2 FY21 Performance**

# Covid-19: Continuous Response





# 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

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## Business Background Details

# Vaibhav Global Limited (VGL) at a Glance



Team-Work



Honesty



Passion



Positive Attitude

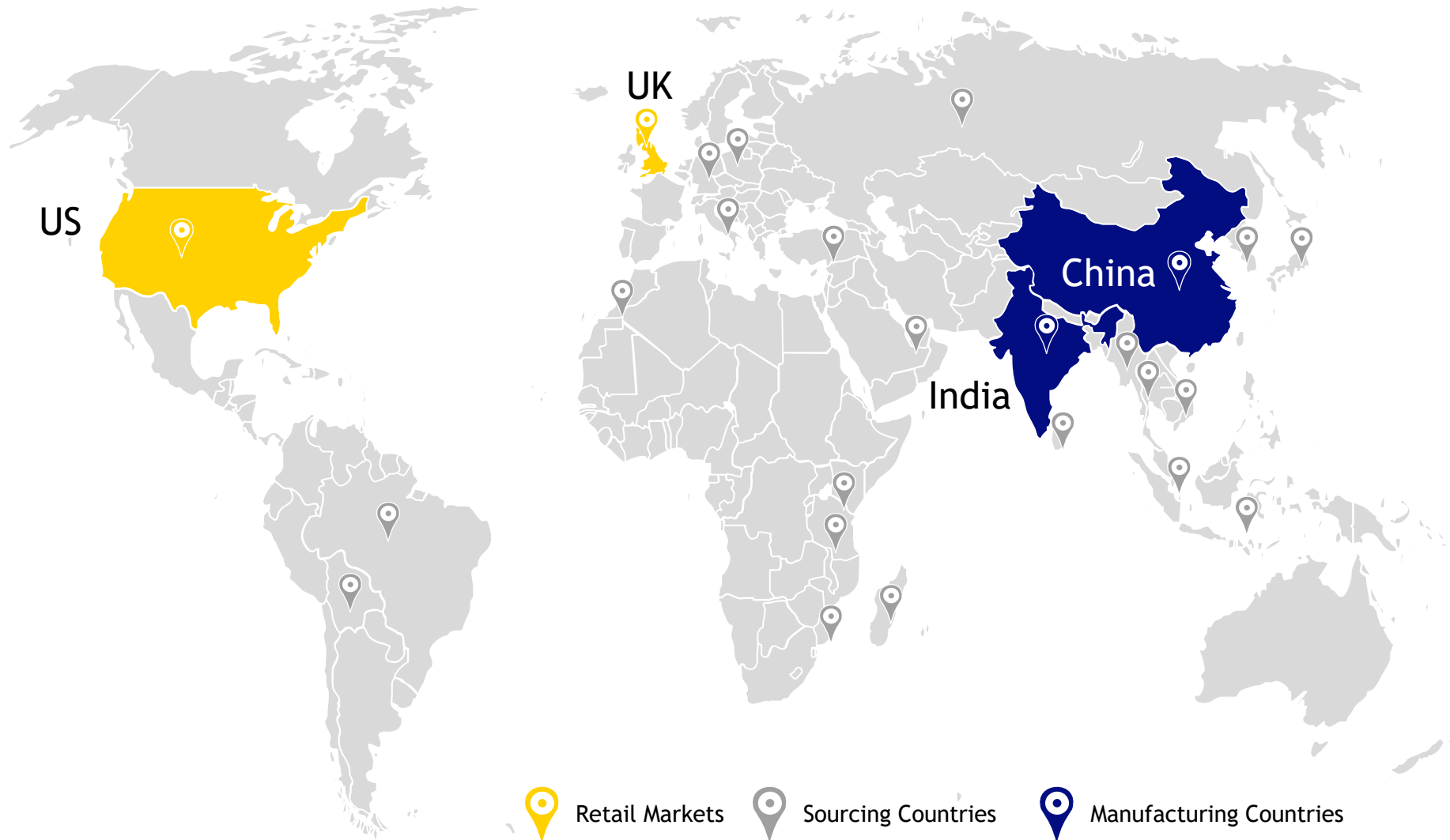


Commitment





# Our Global Presence



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

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

**Manufacturing Countries**  
India | China

# Corporate Overview



## Vertically-integrated fashion retailer on electronic retail platforms

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



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

- TV Homes accessed (\*FTE) - 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



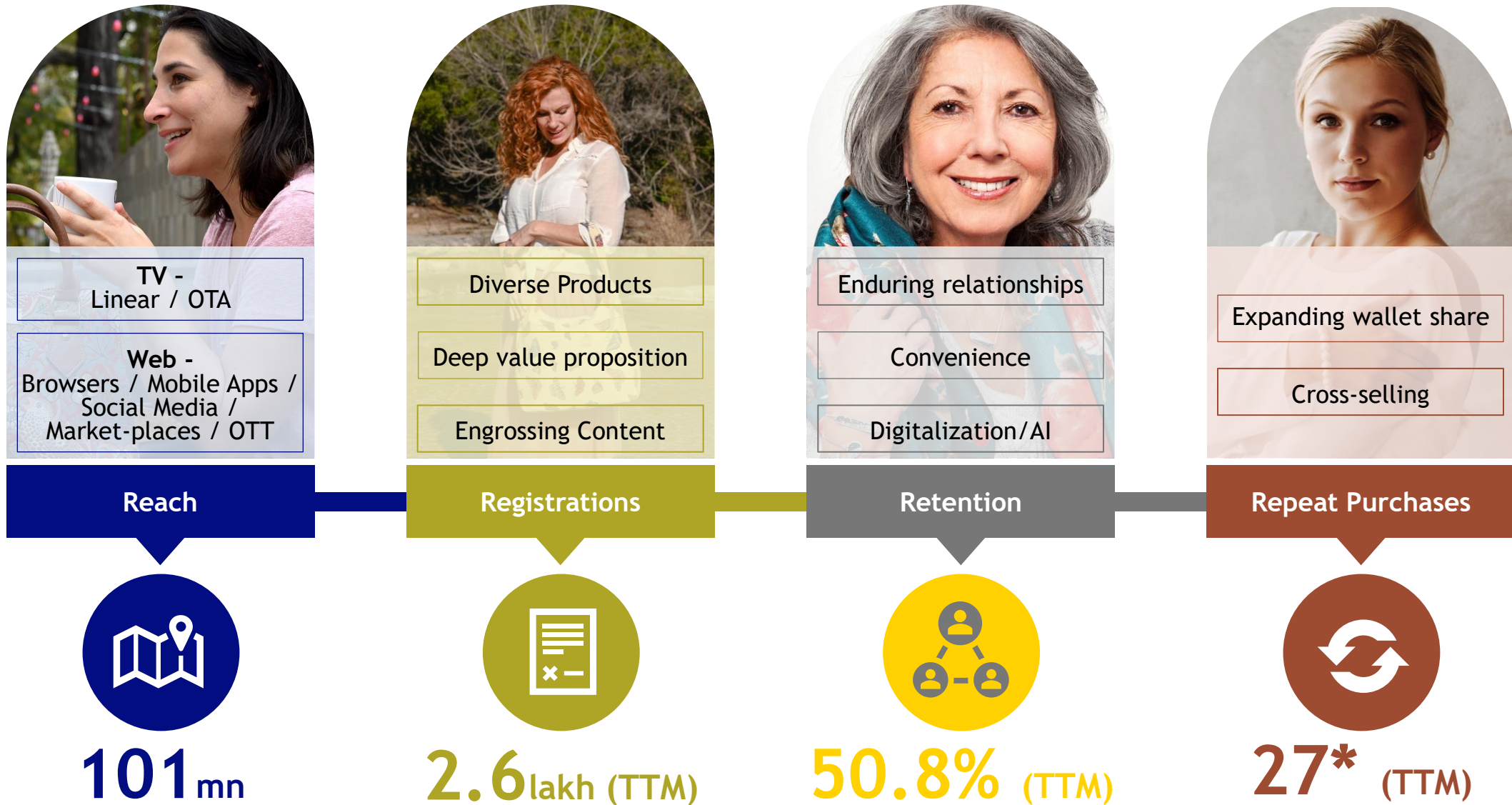
## Robust customer engagement

- 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](http://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](http://www.tjc.co.uk)

Shop TJC mobile app available on



Marketplaces



Social retail of targeted products on



Instagram



OTT\* platforms

Roku TV



Targeted behavioural marketing



UGC and Influencer Marketing Platform



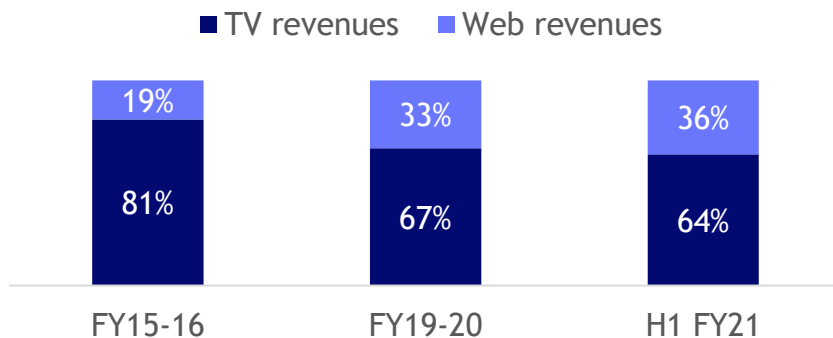
### Note:

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

# Business Transition Dashboard

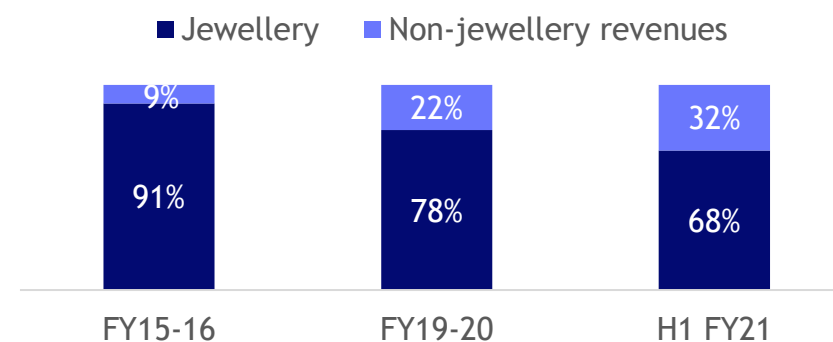


## B2C Revenues by format



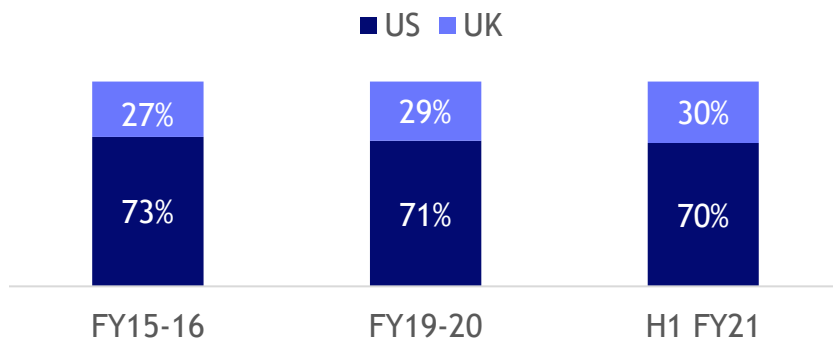
59% of web revenues in H1FY21 were from Mobile platform (mobile app + mobile web browser)

## B2C Revenues by product category



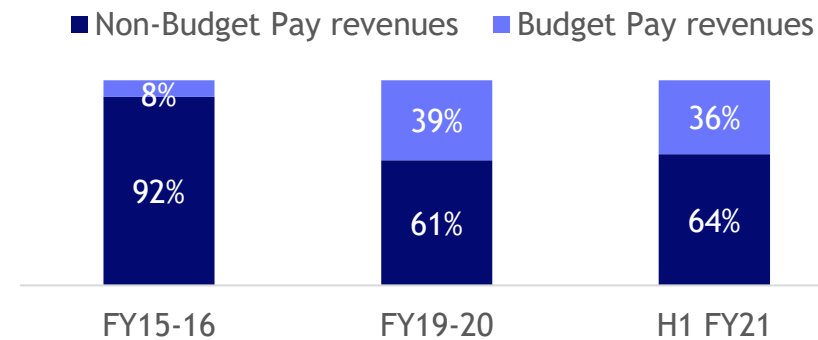
Jewellery revenues: Fashion jewellery;  
Non-jewellery revenues: Fashion accessories and lifestyle products

## 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





## Q2 & H1 FY21 Financial Performance

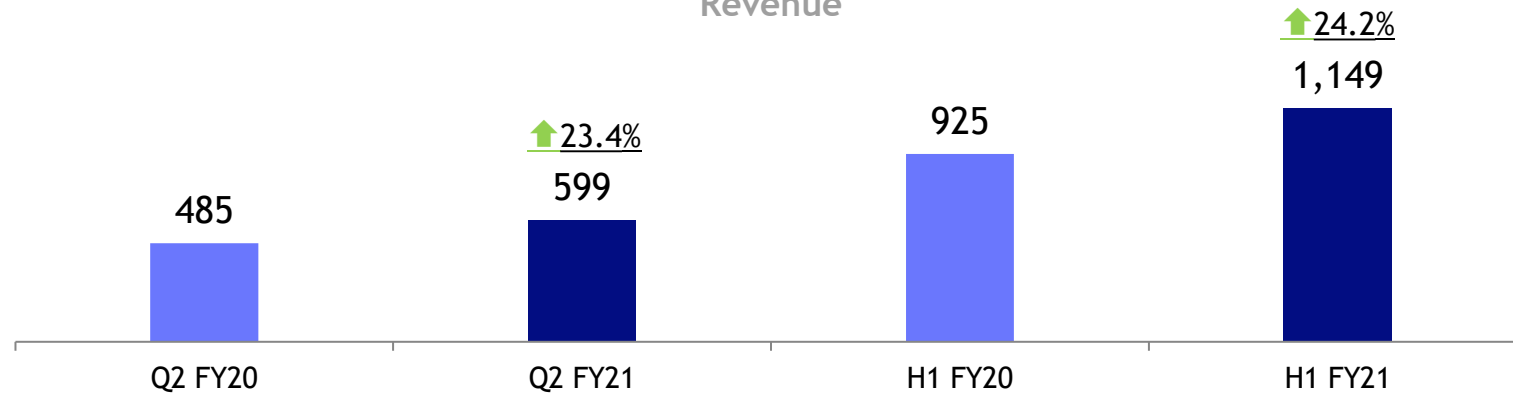




# Financials - Q2 & H1 FY21 Performance

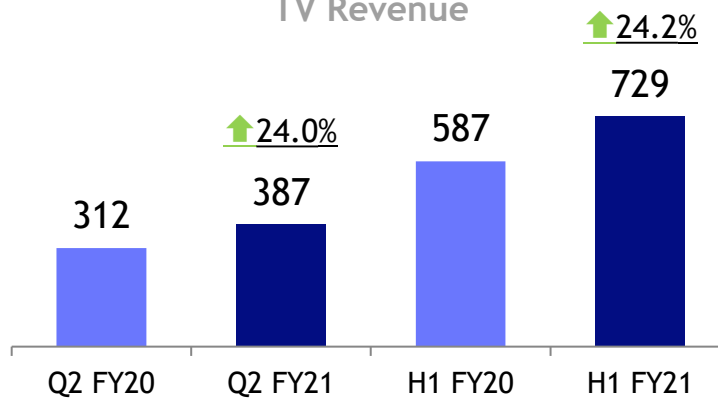
Revenue Breakdown - (Rs. crore)

Revenue

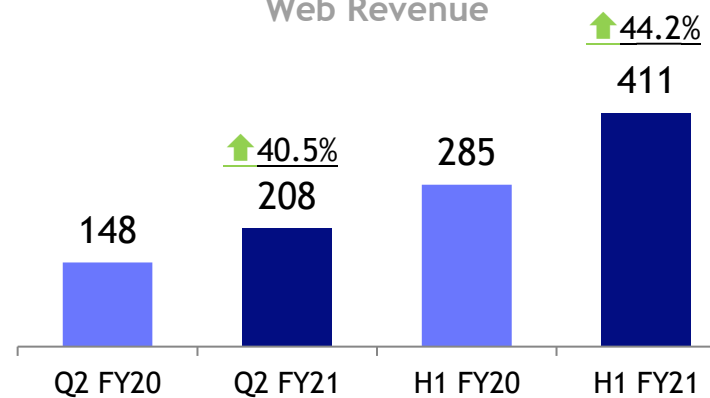


Fashion Jewelry, Accessories & Lifestyle Products

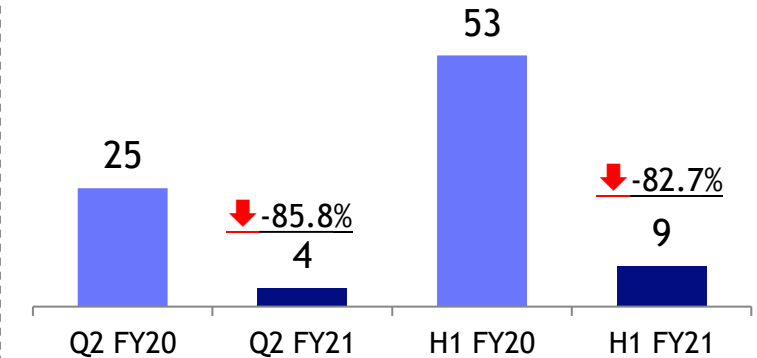
TV Revenue



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



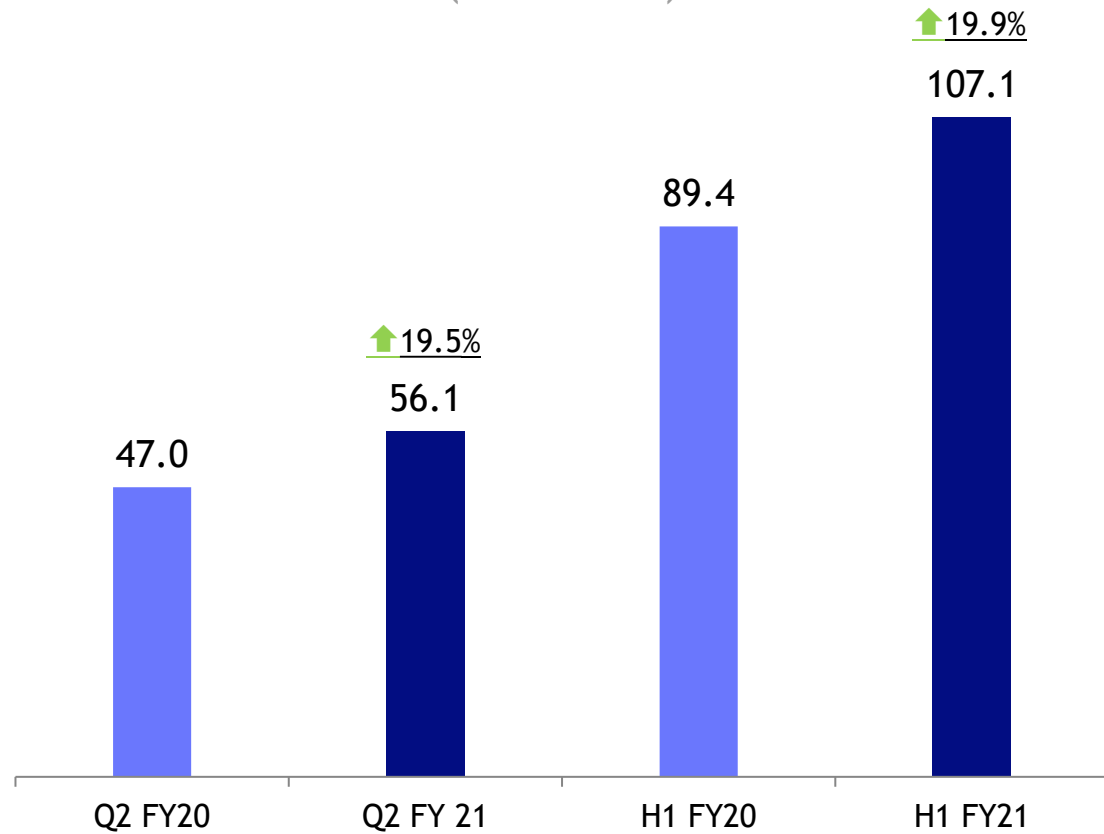


# Financials - Q2 & H1 FY21 Performance

Revenue Breakdown - (Local Currency)

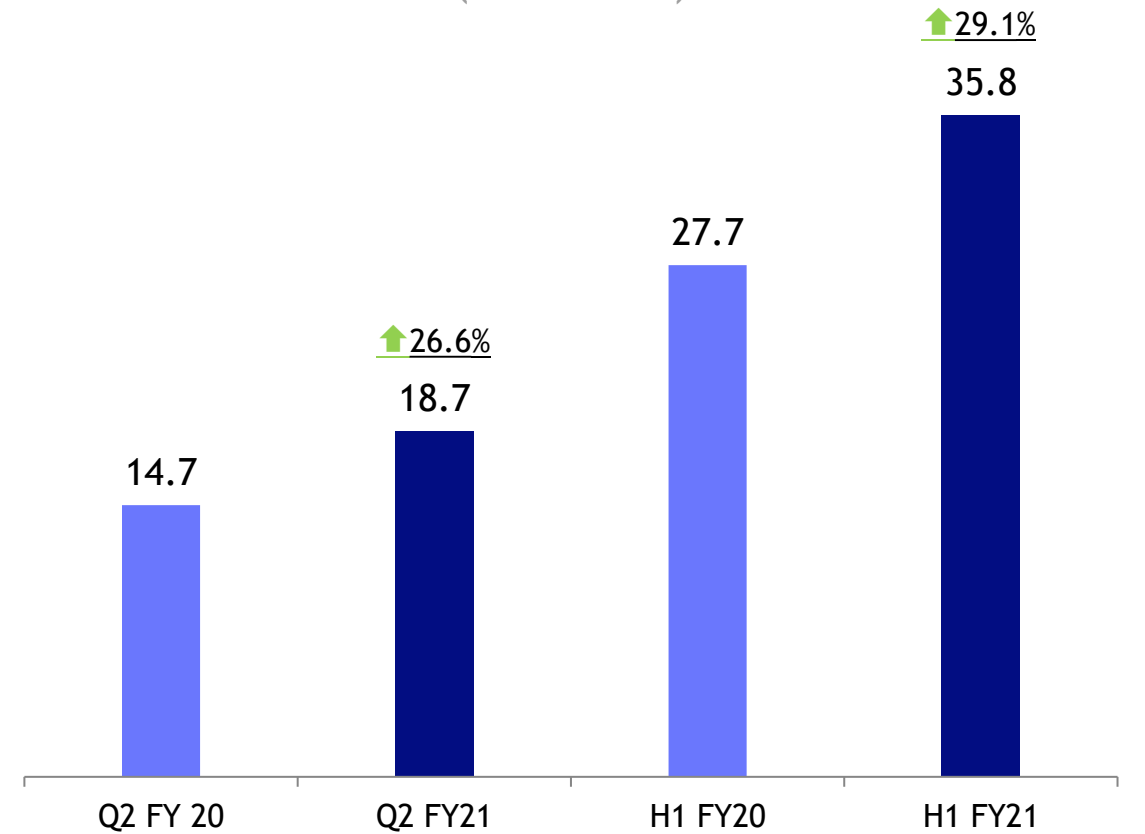
Shop LC (US)

(USD million)



Shop TJC (UK)

(GBP million)



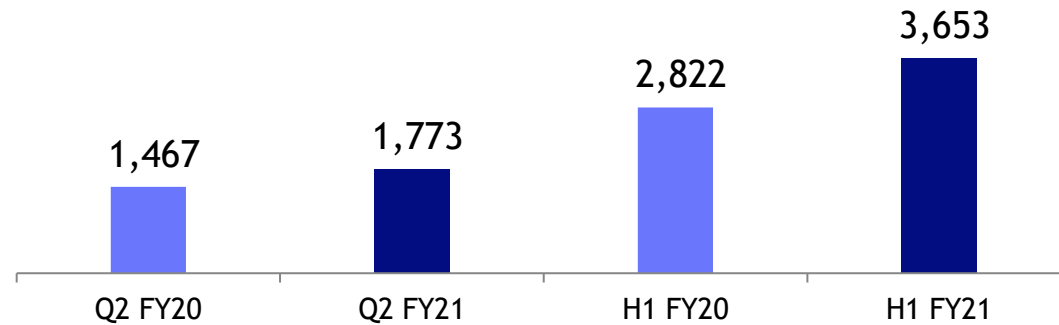


# Retail Performance Trends - Q2 & H1 FY21

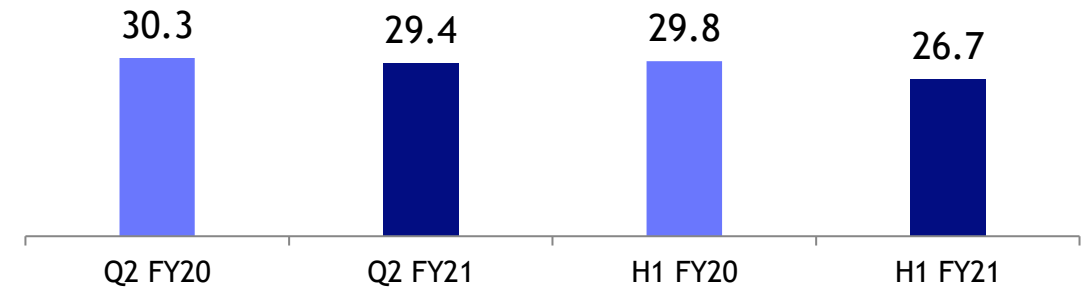
Volume and ASP

## TV Sales

Sales Volume ('000s)

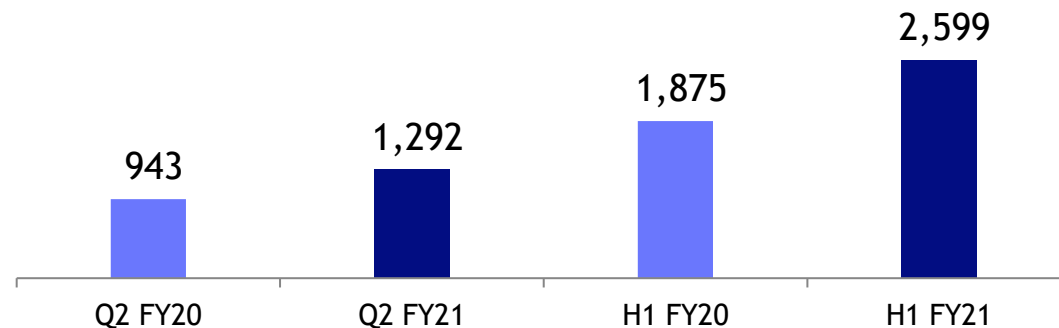


Average Selling Price US\$

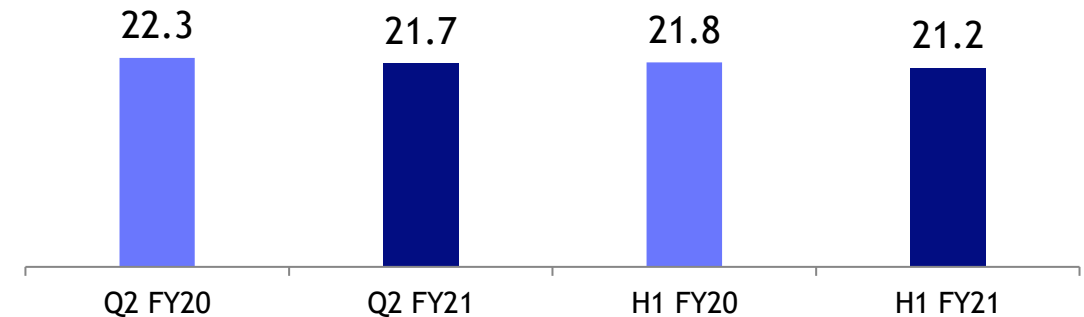


## Web Sales

Sales Volume ('000s)



Average Selling Price US\$







# Financials - Q2 & H1 FY21 Performance

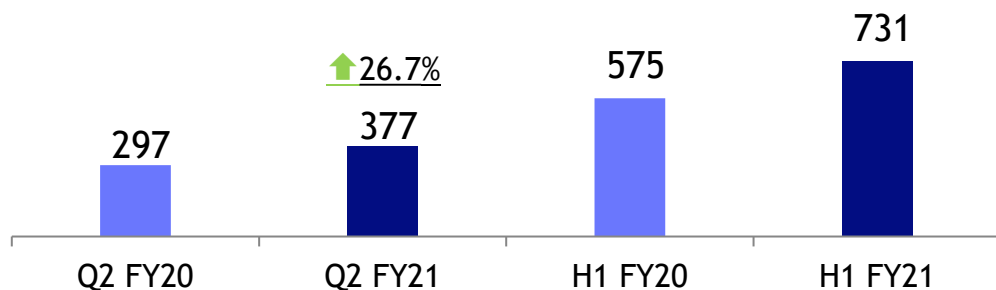
Profits - (Rs. crore)

## Gross Profit

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

↑27.0%

↑26.7%

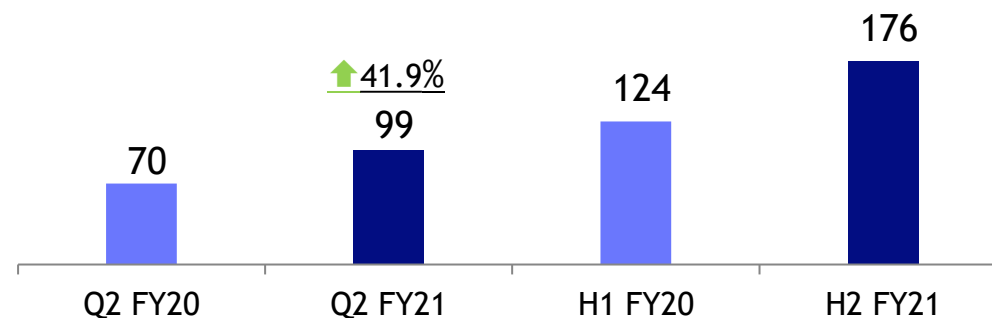


## EBITDA

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

↑42.1%

↑41.9%

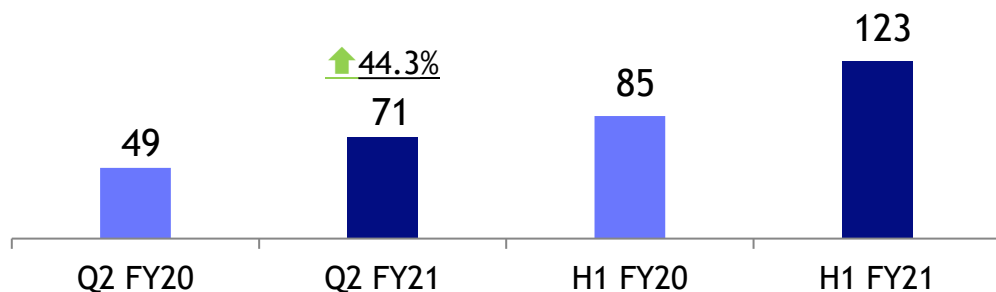


## PAT

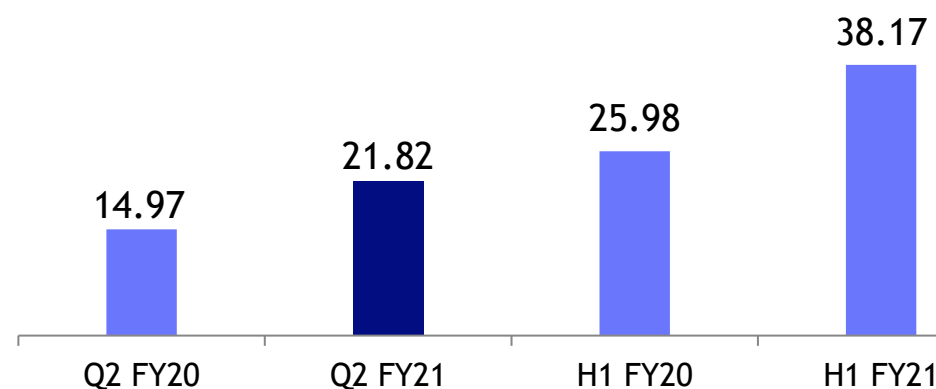
	Q2 FY20	Q2 FY21	H1 FY20	H1 FY21
PAT Margin (%)	10.1%	11.8%	9.2%	10.7%

↑45.3%

↑44.3%



## EPS (Rs.)







## Financial Performance Trends







# Financial Performance Trends

Revenue Breakdown - (Rs. crore)



**Note:**  
B2C Revenue CAGR - 13.5%



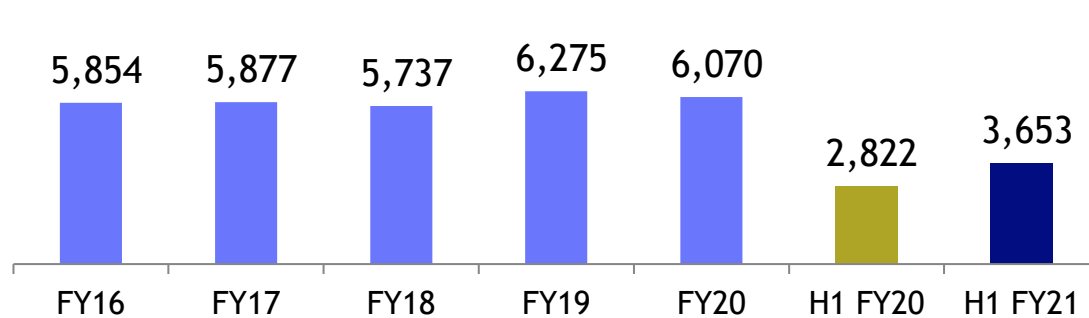


# Retail Performance Trends

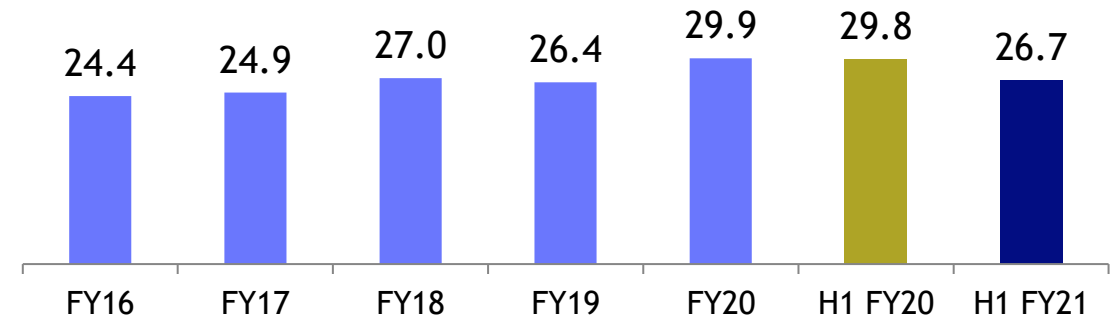
Volume and ASP

## TV Sales

Sales Volume ('000s)

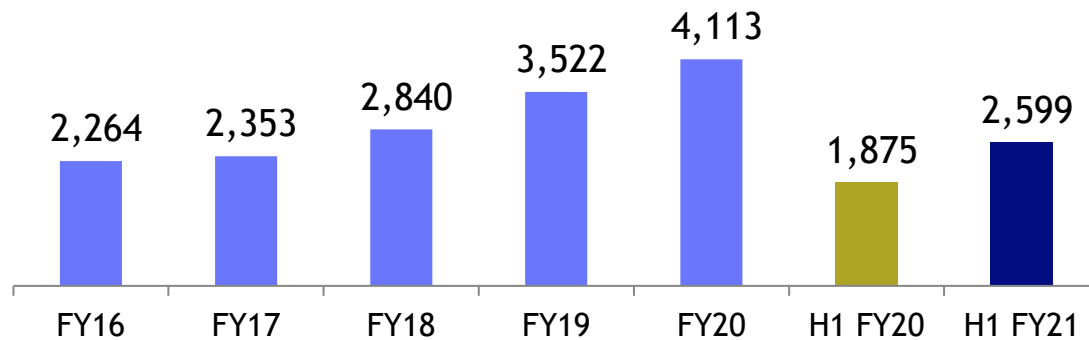


Average Selling Price US\$

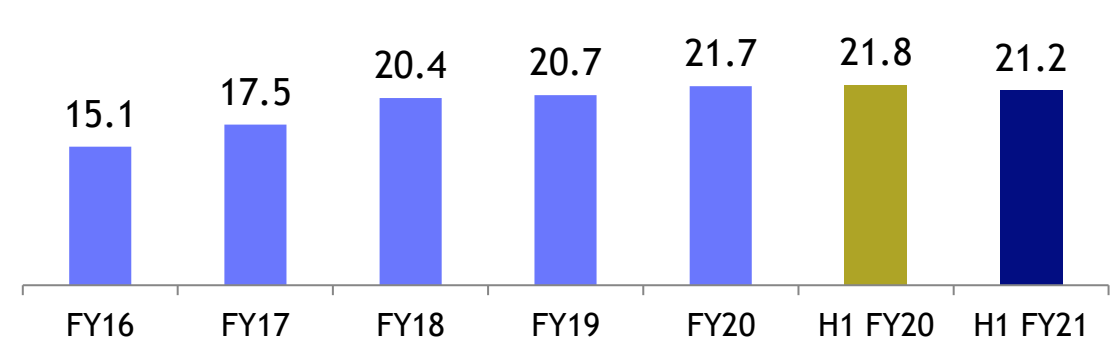


## Web Sales

Sales Volume ('000s)



Average Selling Price US\$

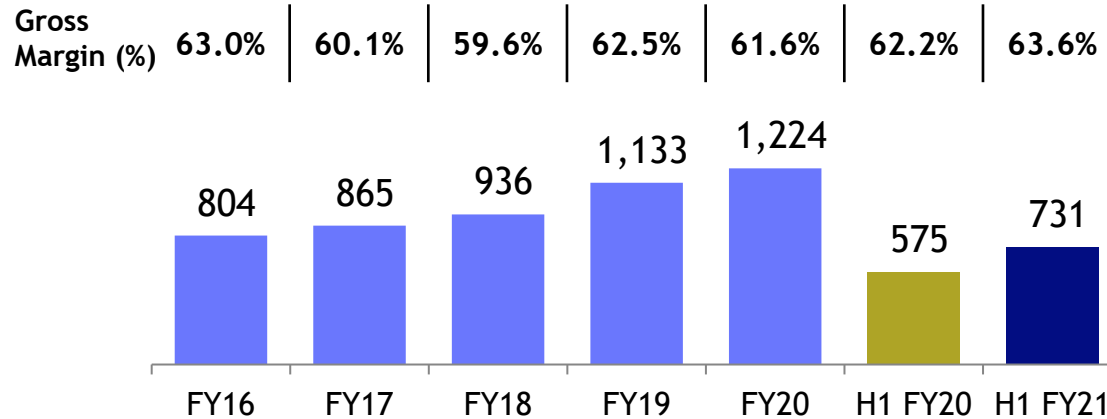




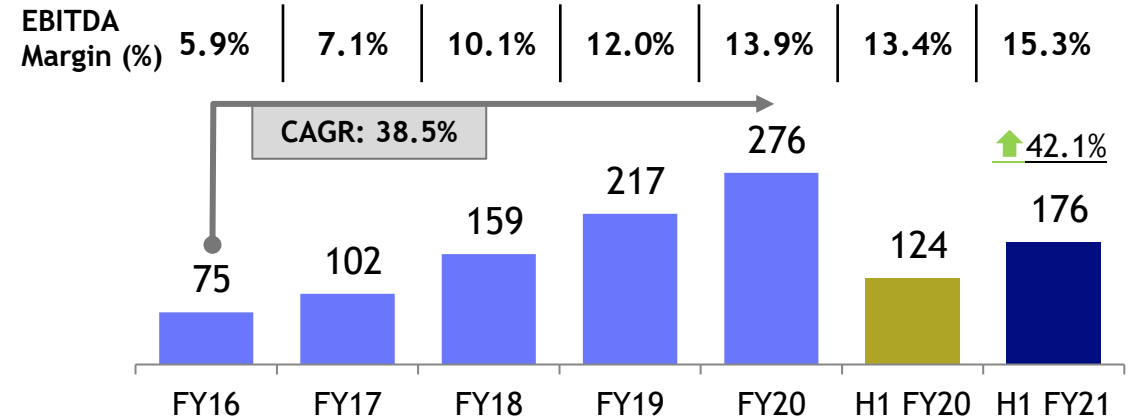
# Financial Performance Trends

Profits - (Rs. crore)

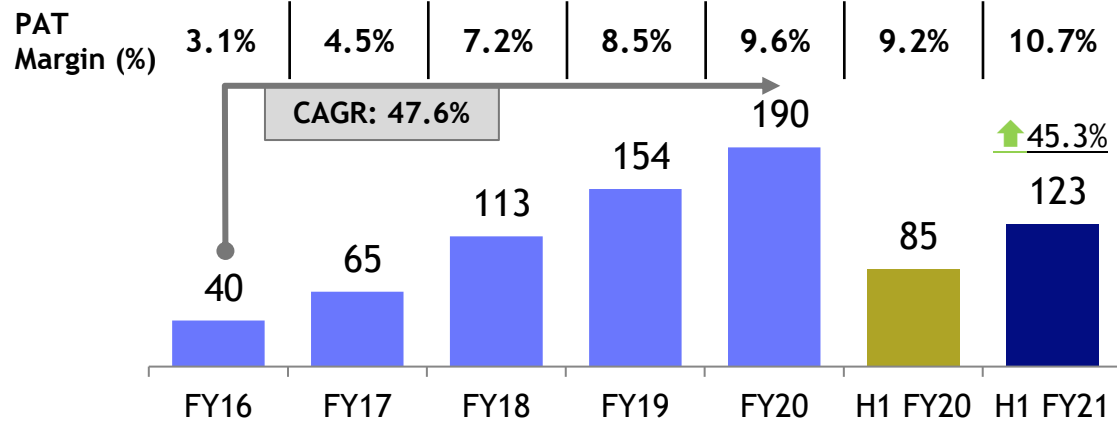
## Gross Profit



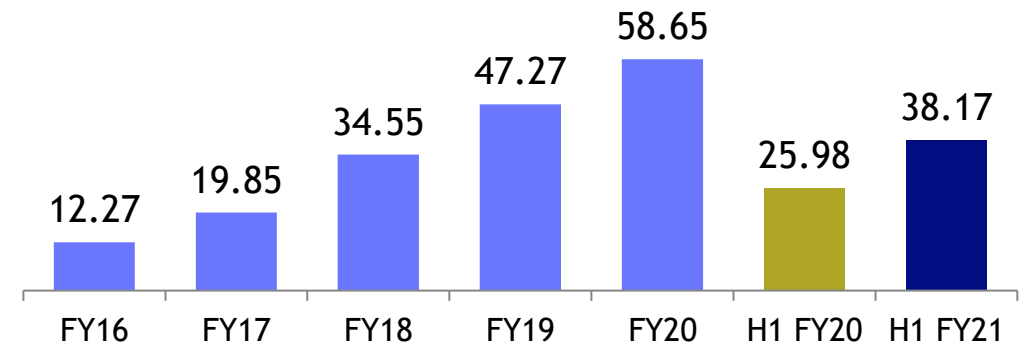
## EBITDA



## PAT



## EPS (Rs.)

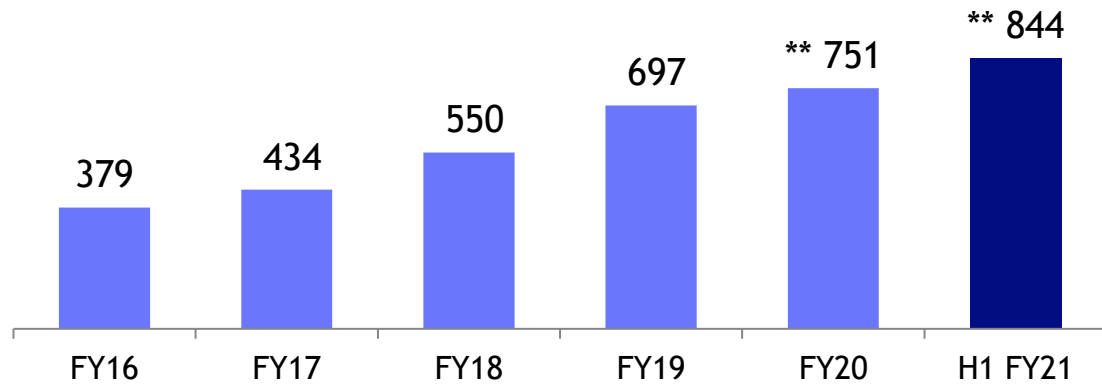




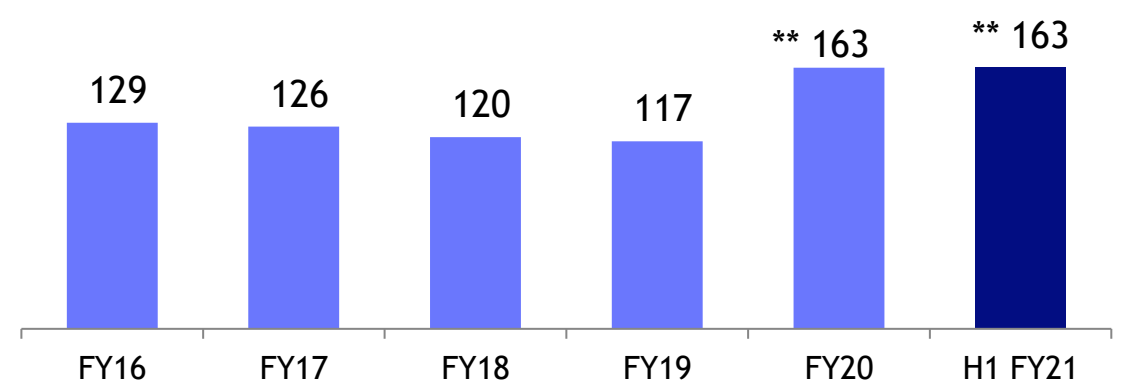
# Financial Performance Trends

Balance Sheet - (Rs. crore)

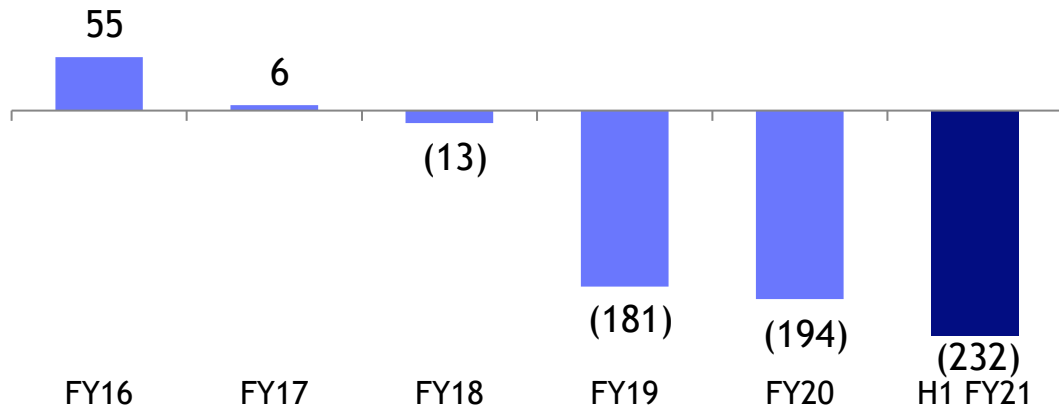
## Shareholders' Equity



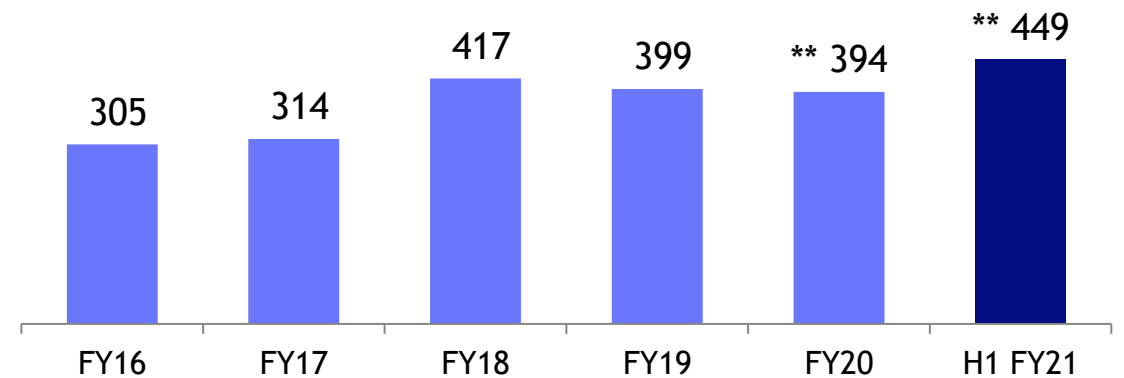
## Fixed assets including intangibles



## 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

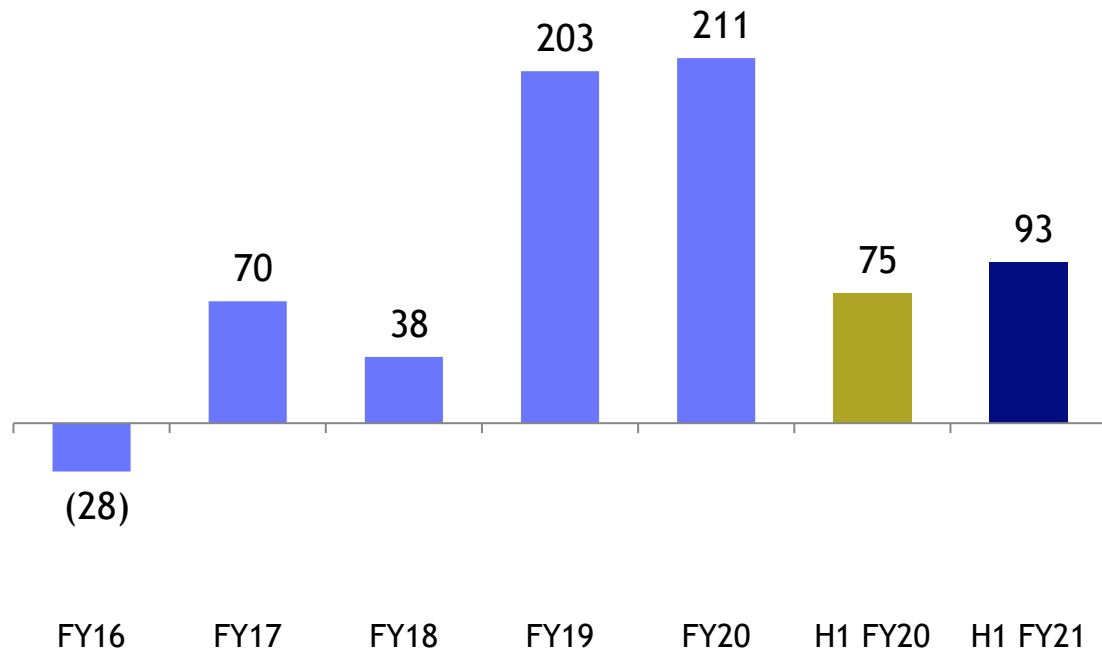




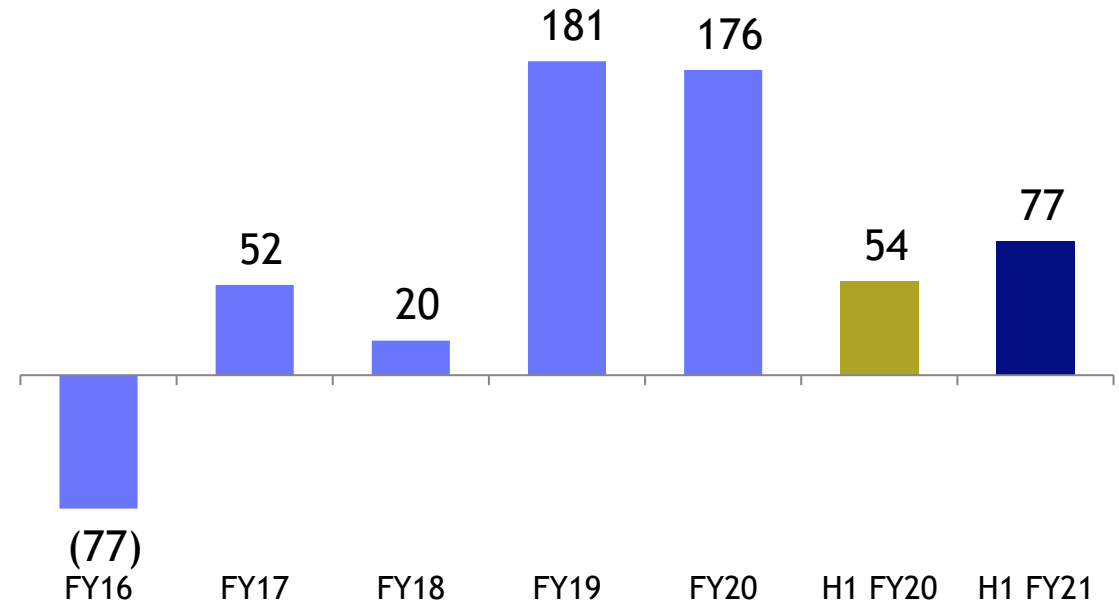
# Financial Performance Trends

Cash Flow - (Rs. Crore)

## Operating Cash flow



## Free Cash Flow

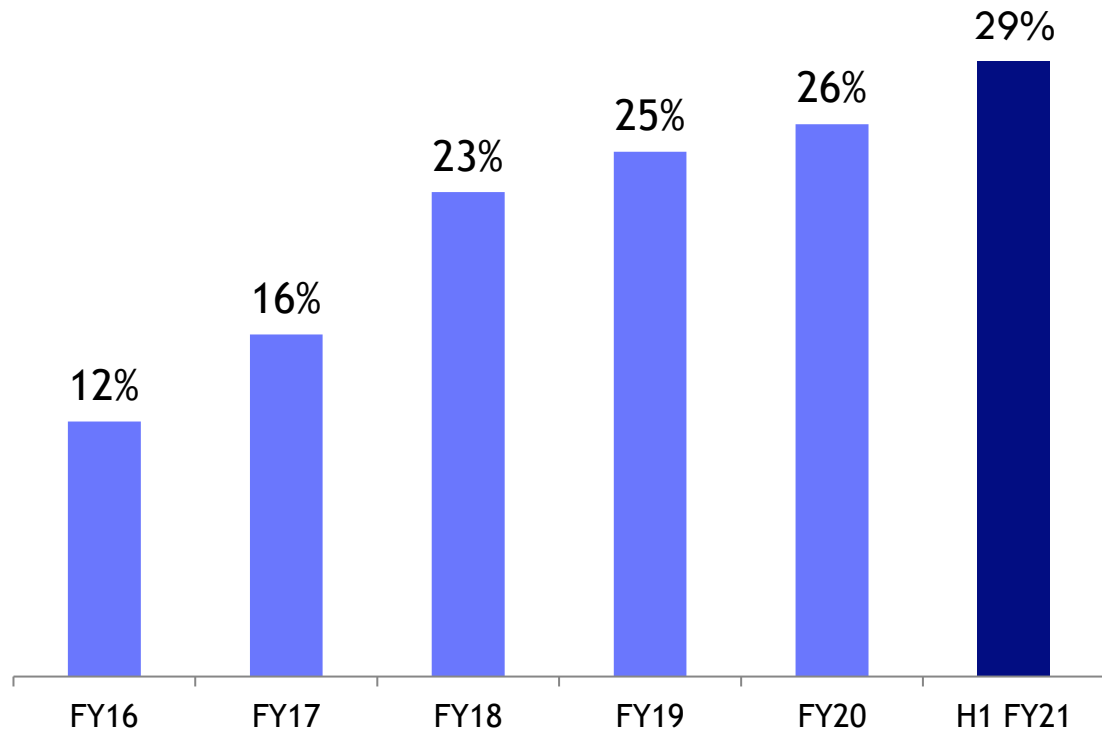




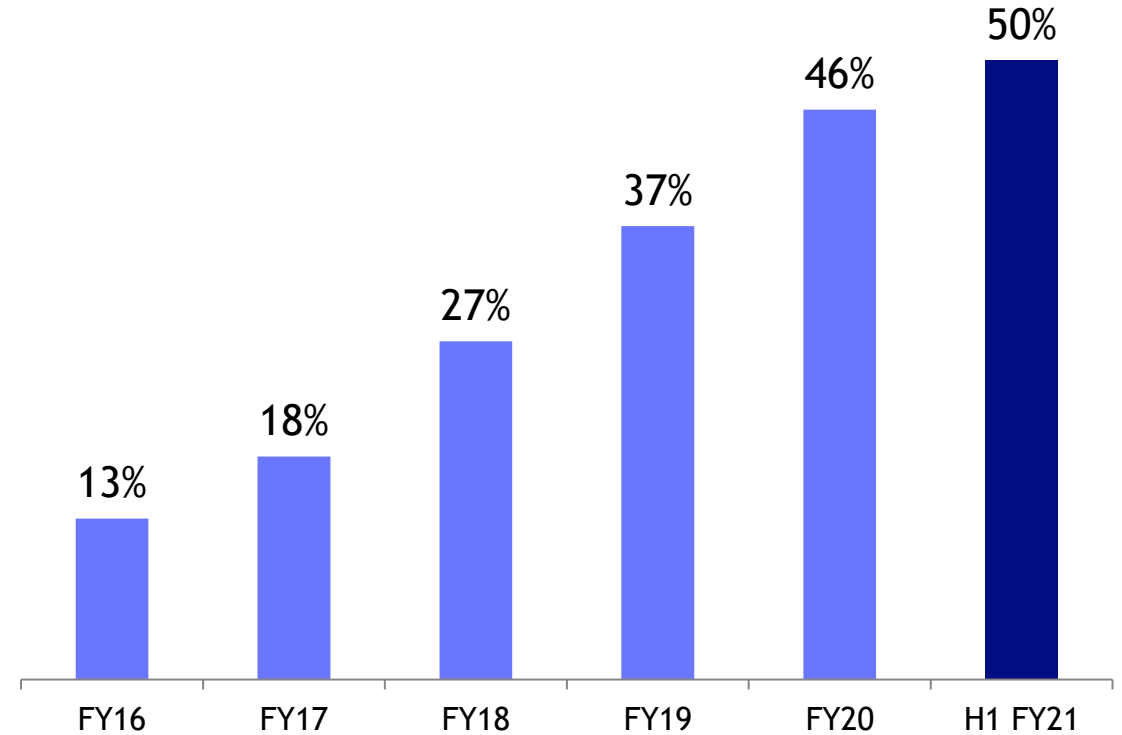
# Financial Performance Trends

## Key Ratios

### ROE (TTM)



### ROCE (TTM)



#### Note -

ROE - based on average net worth

ROCE - based on average capital employed

A woman with dark hair, wearing a pink t-shirt, is shown in profile, smiling and holding a white cup. In the foreground, a handbag with a vibrant, multi-colored floral and bird pattern is displayed. The bag features brown leather handles and straps. The background is a blurred outdoor setting with string lights and greenery. The entire image is framed by a dark, textured border.

Annexures





# Delivering Joy to Stakeholders

## Customers



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%

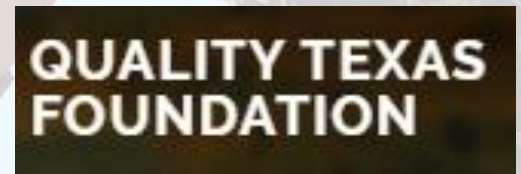
of 17,946 respondents

would buy again from TJC

## Employees



- 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.

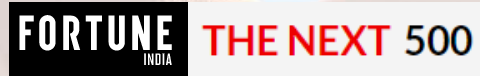


<https://quality-texas.org/>



# Delivering Joy to Stakeholders

## Investors



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

**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

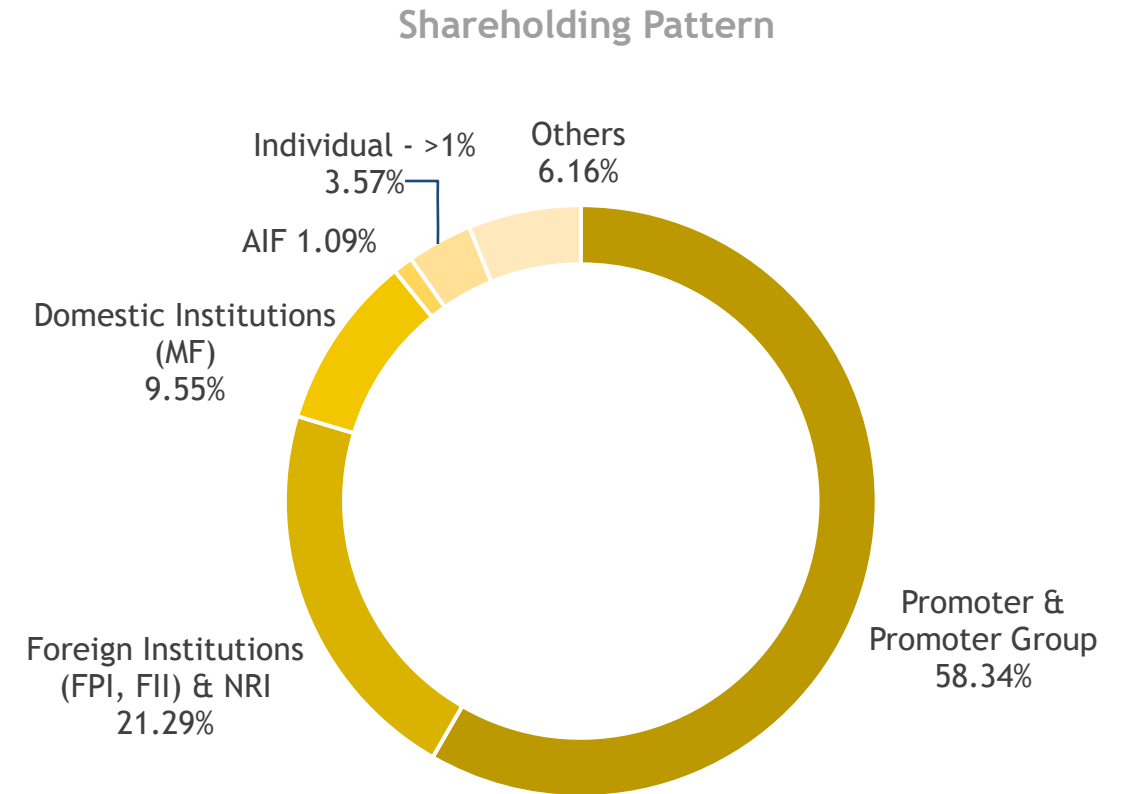


Note -  
ROE - based on average net worth; ROCE - based on average capital employed



# 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%





# 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. Pushpendra Singh**  
*Vice President, Human  
Resources, VGL Group*



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

# THANK YOU

For more information please contact:

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