



VAIBHAV GLOBAL LIMITED

Ref: VGL/CS/2023/77

Date: 2nd August, 2023

**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 Q1 FY 2024.

This is for your information and record.

Thanking you,

Yours Truly,

For Vaibhav Global Limited

Sushil Sharma
Company Secretary

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Vaibhav Global Limited

Global Retailer on TV and Digital Platforms of Fashion Jewellery, Lifestyle Products and Accessories

Results Presentation: Q1 FY24

Disclaimer



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 group 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.



MD's Message



**Commenting on Q1 FY24 results,
Mr. Sunil Agrawal,
Managing Director,
Vaibhav Global Limited said:**

Sales for the quarter were Rs. 658 crores, an increase of 4.8% over same quarter of last fiscal year. Our 5 years CAGR stays healthy at 11% suggesting robustness of our business model amidst various kinds of economic cycles.

In Q1 our gross margins continue to remain healthy at 61.2%. Our in-house manufacturing capabilities and a global sourcing base provide us with a competitive advantage and enables market leading gross margins. EBITDA margin for the quarter has been at 10.0% of revenue vs 7.0% in Q1 FY23. Our sustained efforts towards cost optimisation and better pricing have enabled us to improve profitability since last couple of quarters.

In US and UK, consumer sentiments are still muted from historic perspective but are showing signs of improvement. Our customer outreach effort and household expansion continues in these markets. We are augmenting our reach by adding more TV cable and OTA households. Germany is faring well and clocking monthly revenue of € 1.5 million at gross margin of 60%+. Recently, we added 13 million households through partnering with Vodafone- one of the largest cable TV service providers. We are expecting to get additional distribution in Germany in Q3, which would get us to over 95% of the market penetration. As these airtime opportunities are not easily available, we will not hesitate to invest. With these investments we now expect reaching breakeven in Germany by H2 of FY25.

Further, the 4R's- widening Reach, new customer Registration, customer Retention and Repeat purchases, are our key priorities. The reach of our TV networks by end of Q1 FY24 was approximately 141 million TV homes, which was 11% higher YoY. New registrations in trailing 12-month period came in at 3.1 lakhs. Our customer retention rates were at 38% on TTM basis, vis-à-vis 41% of last year. Customers bought an average of 23 pieces on TTM basis. Both repeat and retention rates were slightly lower due to higher price points and broader macro challenges.

Sustainability is at the core of everything we do. We are delighted to announce that recently we issued our 2nd annual ESG report. The report reflects our efforts towards value creation with focus on transparency, strong governance, and ethical business practices. We are delighted to receive the 'Net Zero Energy Building' certification by IGBC. This quarter we surpassed the milestone of donating our 78 millionth meal to school children since inception of our mid-day meal programme called as 'Your Purchase Feeds...'.

We have a strong balance sheet and are confident in our strategies and our teams. Our outlook for medium to long-term remains intact. We will deliver our original guidance of 8% to 10% revenue growth in FY24 and mid-teens growth FY25 onwards. We will gain strong operating leverage in current as well as next financial year. We have a robust cash flow model and record of returning meaningful cash to shareholders. The BoD has declared interim dividend of Rs. 1.50 per equity share for the quarter.



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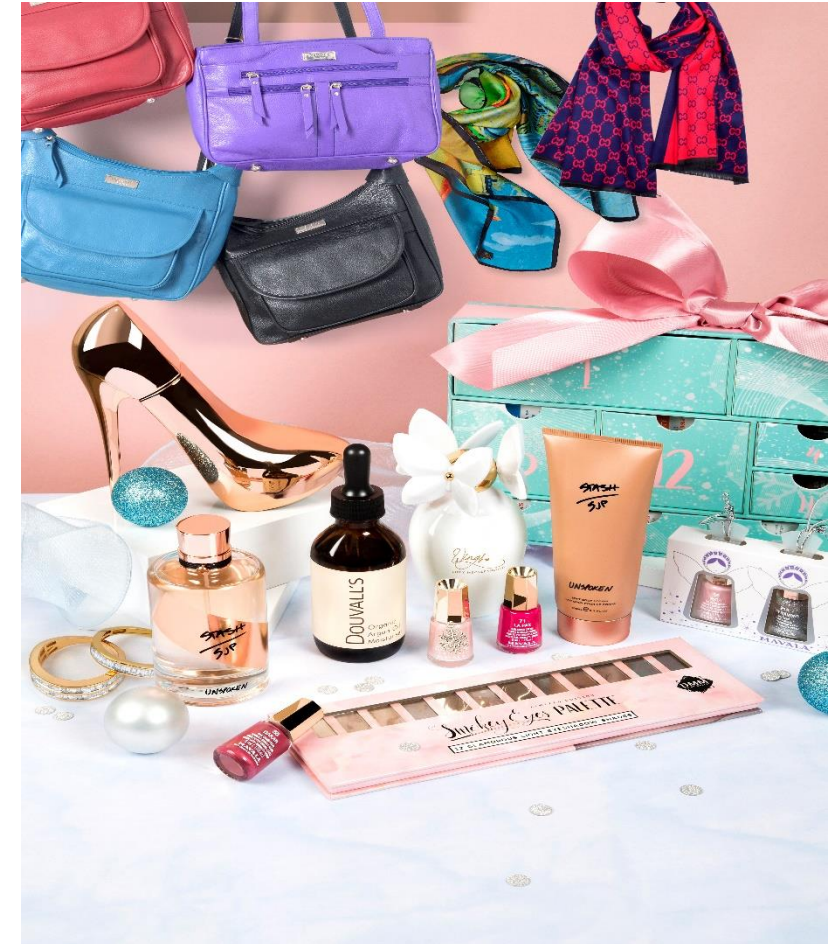
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Q1 FY24 Highlights



4.8% growth in revenue amidst macro challenges



Gross margins at 61.2% reflecting strength of vertically integrated business model



EBITDA margin at 10% vs 7% in Q1 FY23. YoY improvement on account of better pricing and cost rebase



Unique customer base at 4.4 lakhs with new registration number at 3.1 lakhs on TTM basis



Sustained investments towards increasing the presence on digital platforms



Declared interim dividend of Rs. 1.50 per equity share for first quarter



- Vaibhav Global Limited conferred with **India Risk Management Award** by CNBC-TV18 & ICICI Lombard
- **Net Zero Energy Building** certified by IGBC



78 mn meals since inception of mid-day meal program '*Your Purchase Feeds...*'. Serving ~ 48k meals per school day



Company Overview



Guiding Pillars That Defines VGL



OUR VISION

Be the Value Leader in Electronic Retailing of Jewellery & Lifestyle Products



OUR 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



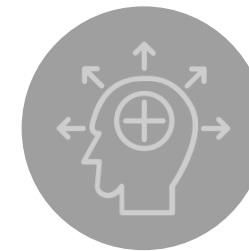
Team-Work



Honesty



Passion



Positive Attitude



Commitment



About Us

Vertically-integrated Digital Retailer of fashion jewellery & lifestyle products

- End-to-end B2C business model
- Presence through proprietary TV channels and digital platforms

Strong Management and Governance

- Professional management team
- Experienced Independent Board

Solid Infrastructure Backbone

- Continued investment in building digital capabilities
- Scalable model with limited capex requirement



Strong Customer Visibility

- TV Homes accessed (*FTE): ~ 141 mn households
- Growing online presence

Exceptional one for one social program – ‘Your Purchase Feeds...’

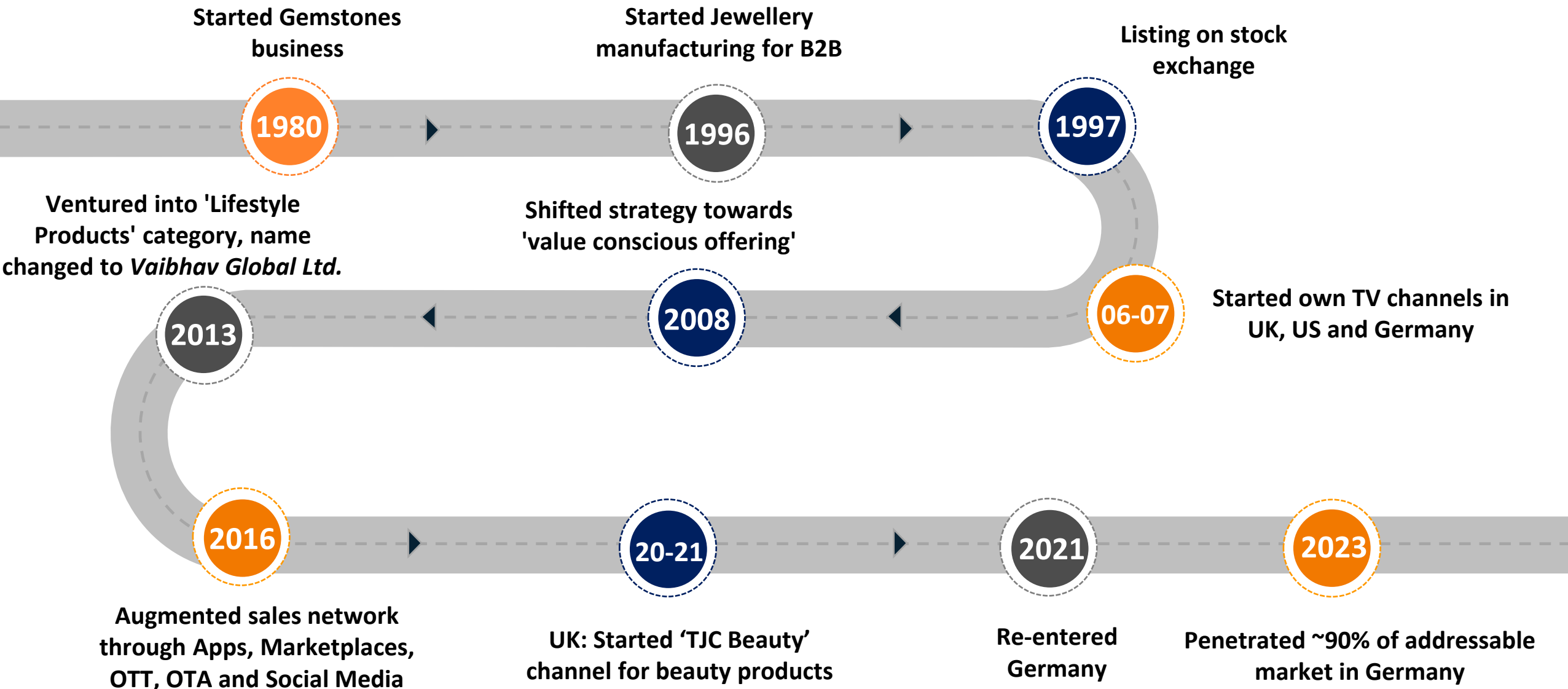
- Every piece sold results in one meal for school-going child
- Served 78 million meals till date

Robust Customer Engagement

- Omni-channel B2C retail presence
- Cross selling potential



An Evolving Journey





Business Overview



E-tailing in High Potential Markets (USD 20 bn)



US



UK



GERMANY & AUSTRIA

Opportunity size

\$14- \$15 bn

\$2-\$2.5 bn

~\$3 bn

- **Target customers:** Baby Boomers (65+ years) & Gen X (45+ years)
- Value-buying proposition of \$25-\$45
- Widest product range comprising ~25,000 SKUs

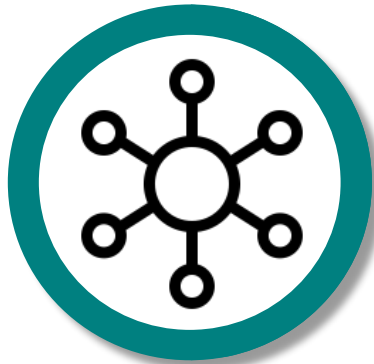




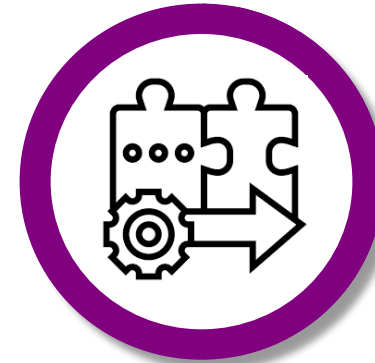
Strategic Enablers

1. Omni-Channel Presence

(Proprietary TV, Website, Apps, OTT, Marketplaces & Social Media)



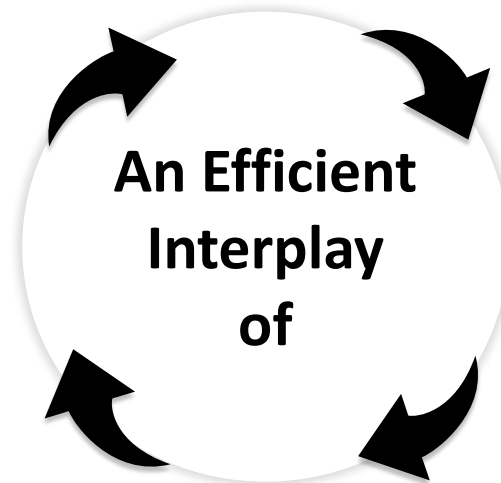
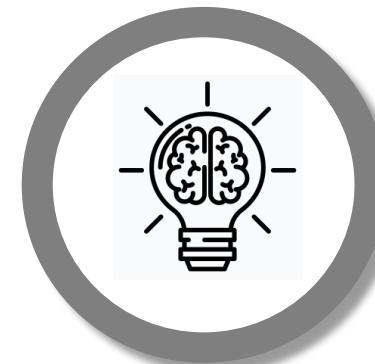
2. Vertically Integrated Supply Chain



3. Wider Product Bouquet



4. In-House Brand And Innovation





1. A Global Retailer on TV and Digital Platforms

PROPRIETARY 'TV CHANNELS'



Reaching TV homes through
Cable, Satellite and OTA broadcasts (Over The Air)

'DIGITAL' PLATFORMS

Proprietary Digital Platform

www.shoplc.com
www.tjc.co.uk
www.shoplc.de

Mobile Applications



Third Party Marketplaces



Social Retail



OTT Platforms





2. Vertically Integrated Supply Chain

Manufacturing in Asian countries



Selling in western countries

Primary Retail Markets



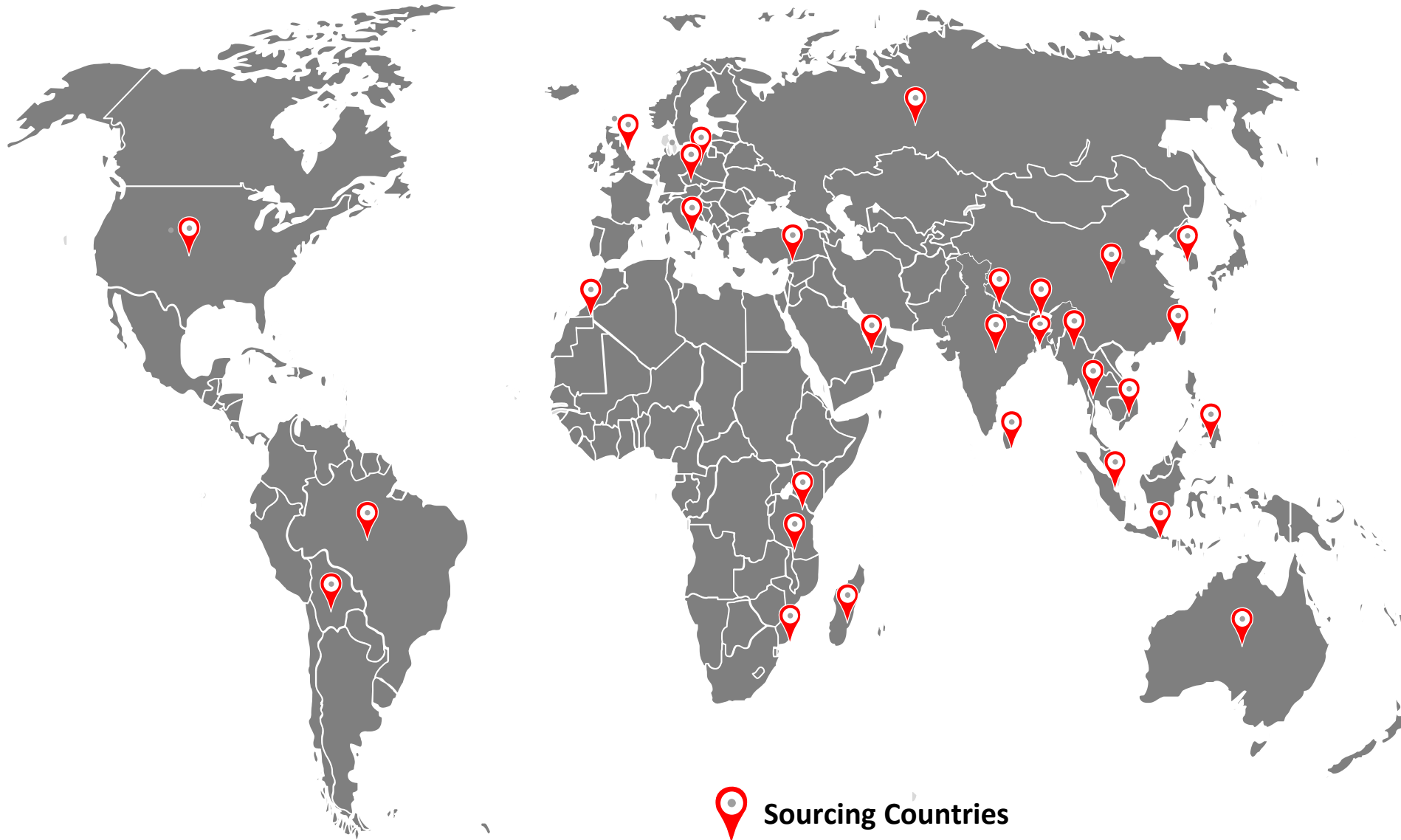
India & China



Resulting in industry leading gross margin of 60%+



2. Complemented by a Robust Sourcing Base



Sourcing Countries

- India
- China
- Thailand
- Indonesia
- Tanzania
- Russia
- Morocco
- Myanmar
- Madagascar
- Bolivia
- Kenya
- South Korea
- Vietnam
- Brazil
- Sri Lanka
- UK
- Mozambique
- Germany
- Italy
- Turkey
- Poland
- Singapore
- UAE
- Japan
- Bangladesh
- Philippines
- Czech Republic
- Taiwan
- Australia
- US

3. Constantly Reimagining Growth Through New Designs & Products



Fashion Jewellery & Gemstones

- ~14K-15K new jewellery designs launched annually
- In-house testing lab and manufacturing

Life-Style Products

- A rich product basket of ~5000 unique SKUs
- Facilitated by innovation & global sourcing base of 30 countries

Some of the best-selling products



Hanabi Cut Ring



Rhapsody Tanzanite Ring



Shungite Water Bottle



Soul Smart Watch



4. Strengthening Own Brand Portfolio

- Leveraging manufacturing & digital capabilities
- Number of brands: 31
- Current revenue mix: ~29% of B2C revenue
- **Target revenue mix: ~50% by FY27 of B2C revenue**
- **Brand matrix** (price laddering and offering)
- Increase repeats and retention using **brand archetypes**
- Focus on 'IPR' rights for brand loyalty
- Inorganic opportunities (example: Rachel Galley)



LUX ORO
Discover the Allure and Luxury of Gold.
AA & AAA GEMSTONES | 10K
14K | AFFORDABLE

ILIANA
Timeless Expression
18KT | CLASSIC
AAA GEMSTONES
CAPTIVATING

GRAND PELLE
QUALITY, DESIGNED TO LAST FOR
GENERATIONS TO COME.
EXOTIC LEATHERS
SOPHISTICATED
HIGH-END

SHOP LC
DELIVERING JOY
**TOUR OUR
PREMIUM
BRANDS**
LUXORO | ILIANA
RHAPSODY | GRAND PELLE | LAMAREY
SYMPHONY HOME

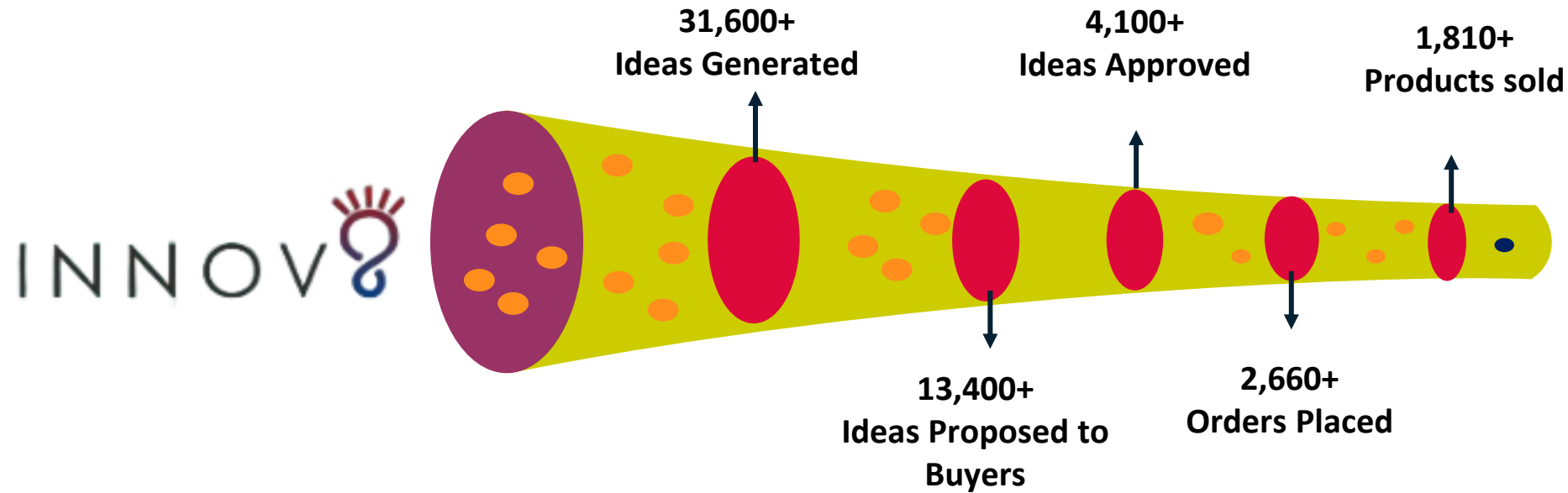
LA MAREY
MAKE A STATEMENT
LUXURIOUS
FASHIONABLE
CLASSIC

Symphony Home
LET YOUR STYLE PLAY!
CURATED | SLEEK
SUPERIOR
FUNCTION

RHAPSODY
Intoxicating Elegance. Modern Legacy.
AAAA GEMSTONES
PLATINUM | LUXURY | RARE



4. 'Innovation' Focused



Global Search Program

A Global product innovation and search program

Crowdsourcing of Ideas

From employees, customers and external stakeholders

Revenue contribution of 'new items introduced' (TTM basis):

~70%

Other Programs

SPARK

CATAPULT
Powered by SHOP LC & tJC

DRAW A DESIGN
Dream Draw Deliver

HACKADEMIC

RESULTING IN



Top decile shareholders' returns

Growing Consistently

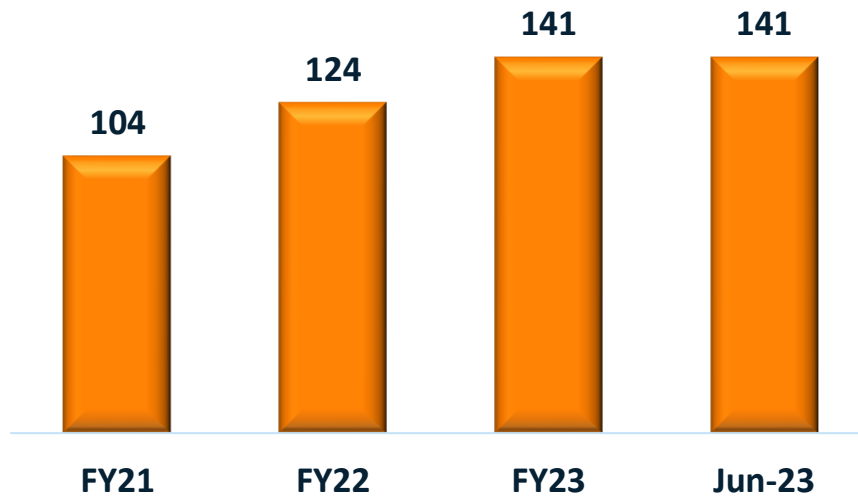
Parameters (Rs. in crores)	FY 98	FY 23	CAGR (25 years)	Return (x times)
Revenue	43.6	2,690.9	17.9%	62
EBITDA	6.2	227.3	15.5%	37
Profit Before Tax	5.4	141.4	13.9%	26
Profit After Tax	5.3	105.1	12.7%	20
Net Worth	21.8	1,201.3	17.4%	55

~23.5% CAGR in market cap. since IPO (~243 times), excluding dividend



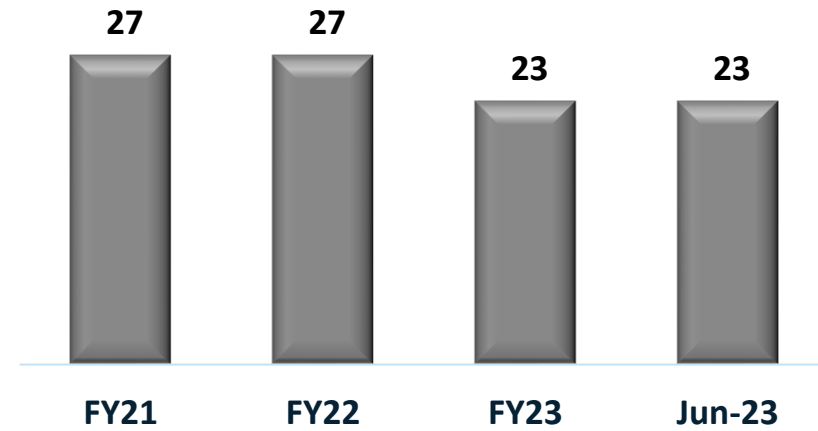
With Consistent Business Delivery

**Global Households Reach
(in million)**



Reach

**Repeat Purchases
(no. of pieces)**

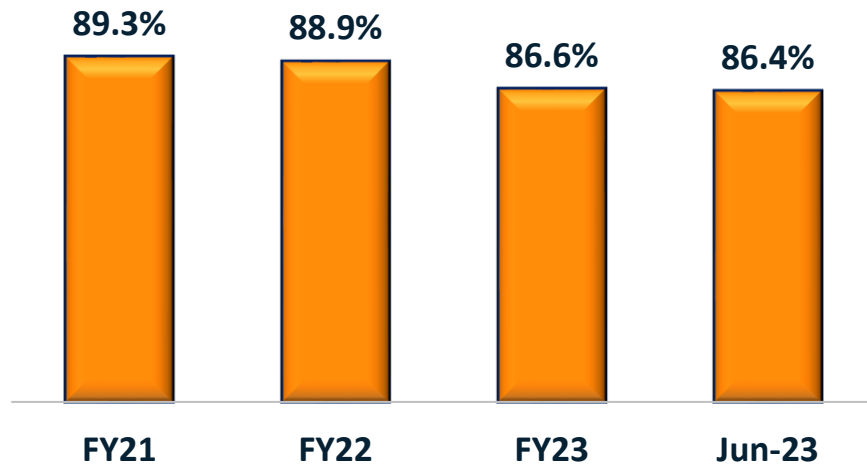


Repeat Purchases



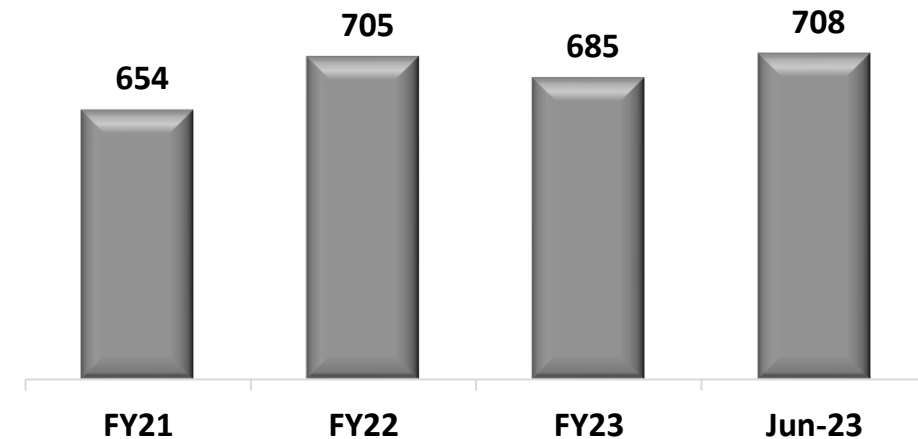
With Consistent Business Delivery

Retention (20+ Purchases)*



Retention Rate

Spend per customer^
(in \$)



Spend per customer

* Retention data comprises Shop LC (US) and Shop TJC (UK)

* Refers to retention rate of customers who have bought more than 20 times on TTM basis

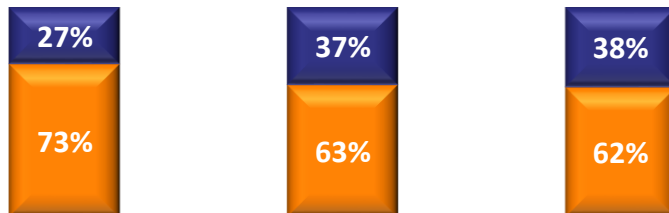
^ June-23 numbers are calculated on TTM basis



Broad Based E-tailer

B2C Revenues by Format

■ TV revenues ■ Digital revenues



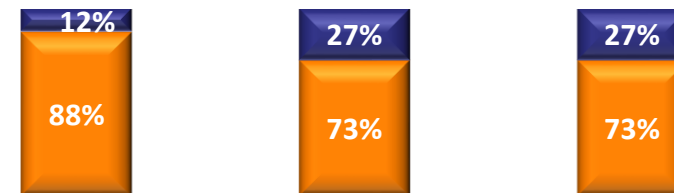
FY18

FY23

Q1 FY24

B2C Revenues by Product Category

■ Jewellery ■ Non-jewellery revenues



FY18

FY23

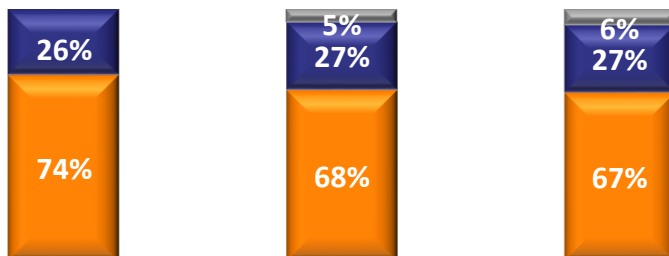
Q1 FY24

Jewellery: Fashion Jewellery, Gemstones and Accessories

Non-Jewellery: Lifestyle products, Home Décor, Beauty & Hair Care, Apparels & Accessories

B2C Revenues by Geography

■ US ■ UK ■ Germany



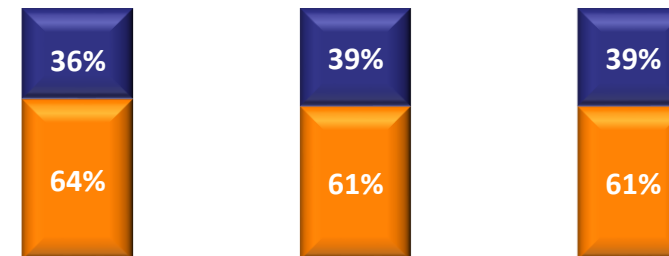
FY18

FY23

Q1 FY24

Budget Pay penetration of B2C Revenues

■ Non-Budget Pay revenues ■ Budget Pay revenues



FY18

FY23

Q1 FY24

Revenue breakup based on figures in USD million

Budget Pay revenues refer to products sold on EMI basis



Q1 FY24

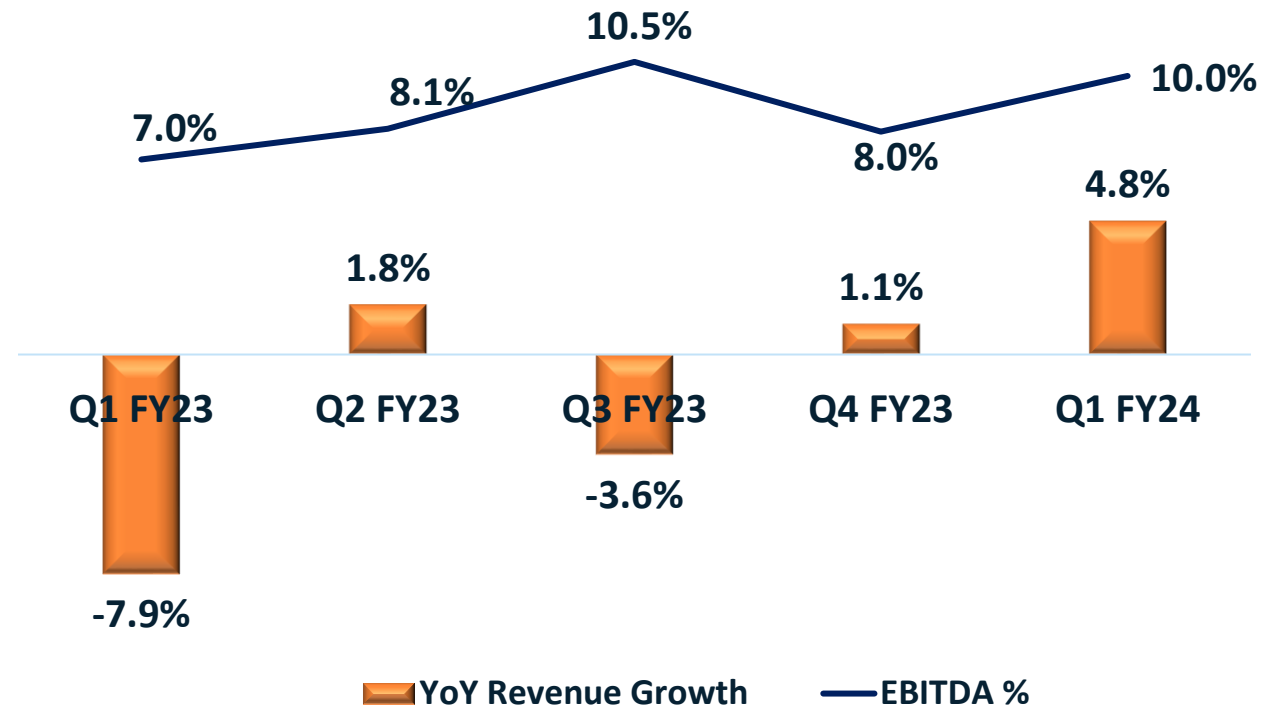
**Operational &
Financial Highlights**

Being Resilient



- Growth amidst
 - Inflationary environment
 - Muted consumer sentiments
- EBITDA improved substantially owing to
 - Efficient price management
 - Cost rebase

Revenue and EBITDA trend





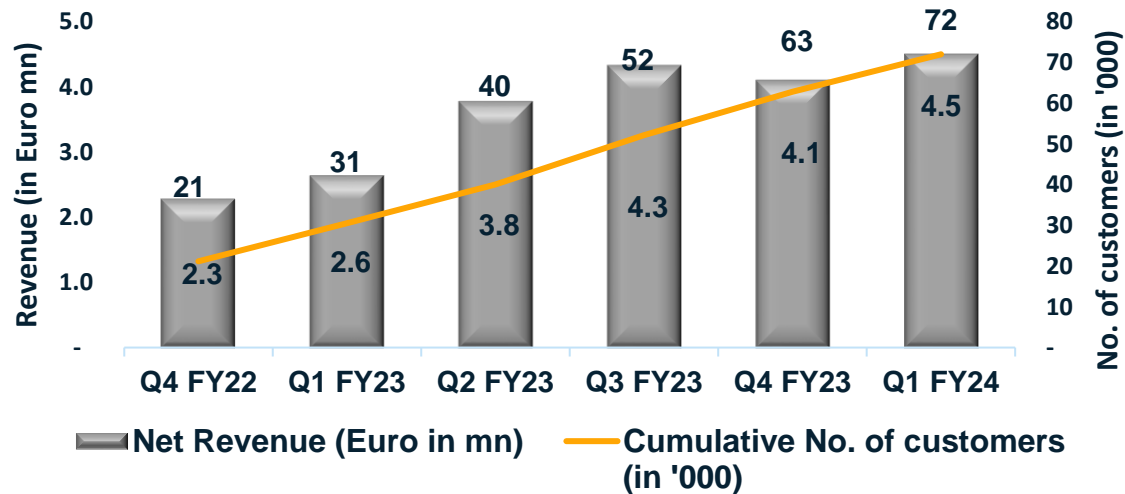
An update on Germany

Germany venture increase in TAM (immediate addressable market) by ~20%

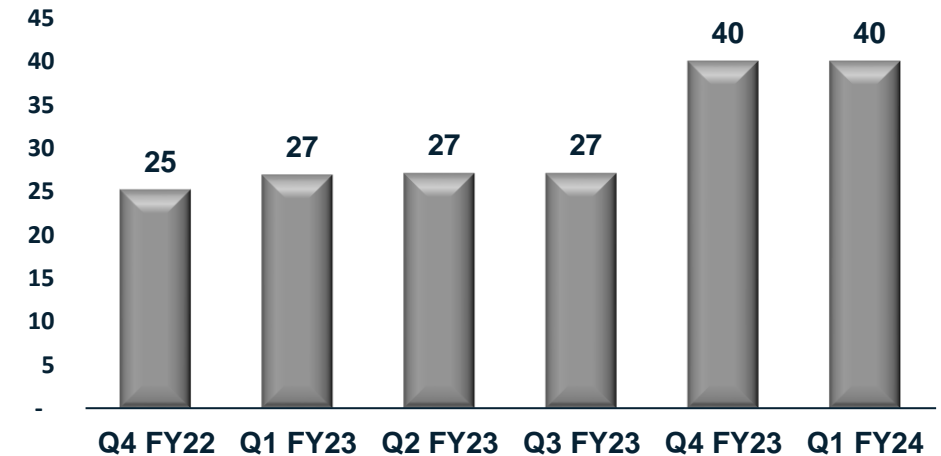
- Now clocking monthly revenue of Euro 1.5mn+ at 60%+ gross margins
- Omni-channel presence (digital is now 29%)
- Presence in 40 million households
- Dispatching 3.5k+ pieces/day
- Positive Customer Orientation: CSAT 96%+



Revenue and Customer Trend



No. of HH (in millions)



Germany: Strategic Partnership with Vodafone



- Vodafone have one of the largest cable TV network in Germany
- Added 13 million households
- PAN-Germany presence within 2 years of entering market
- To aid market leading growth



Presence in 60%
Households in Germany

27mn households (incl. 2
mn in Austria)



Now present in ~90%
Households

~40mn households (incl. 2mn
in Austria)

Positioned alongside market leaders in terms of household penetration

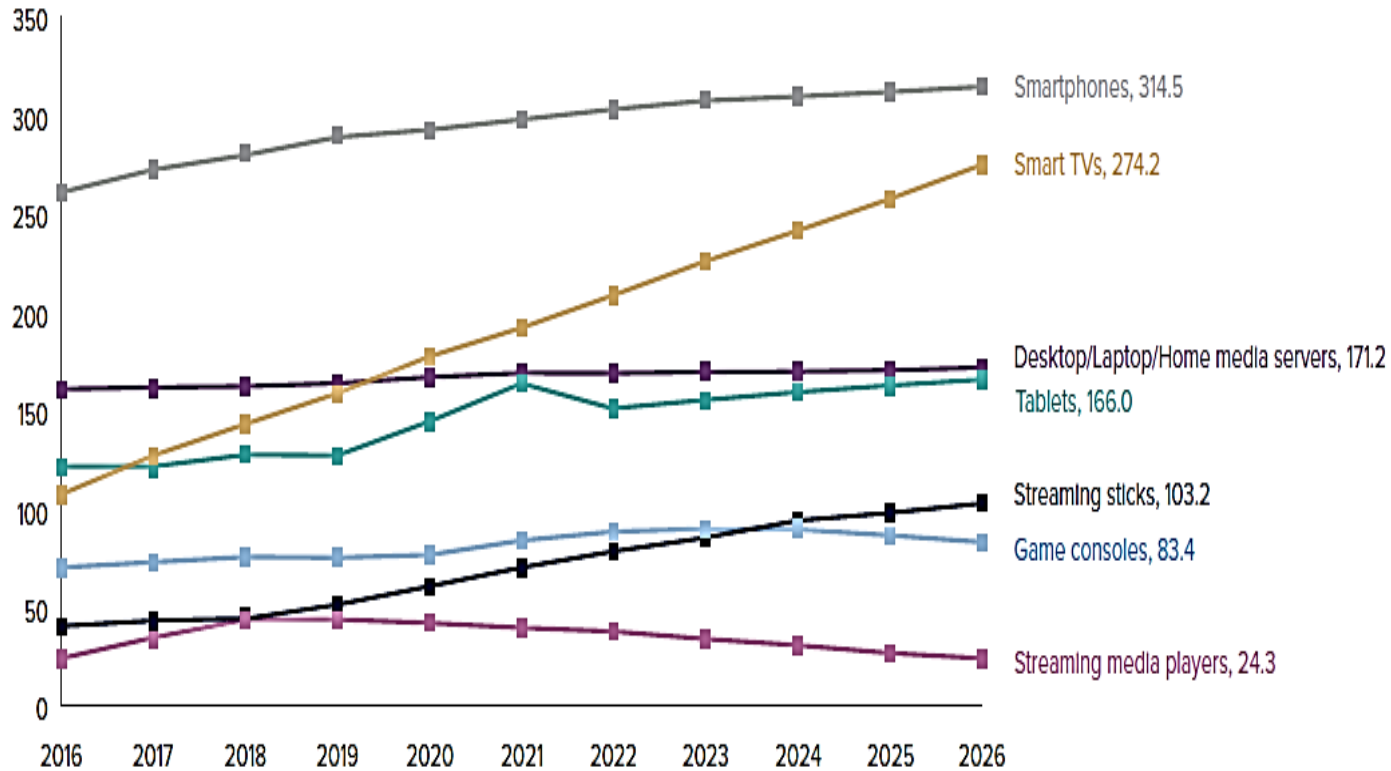
Widening Digital Presence

OTT: Huge Growth opportunity



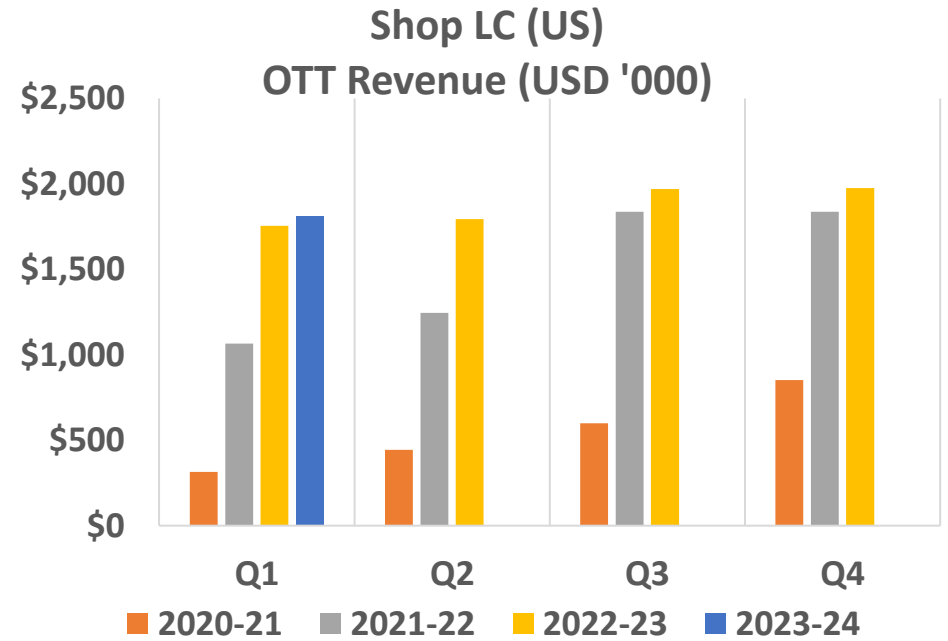
In US, OTT's are projected to be the fastest growing video distribution medium

US internet connected device installed base, 2016 to 2026



Source: Industry estimates

Live & Interactive Apps



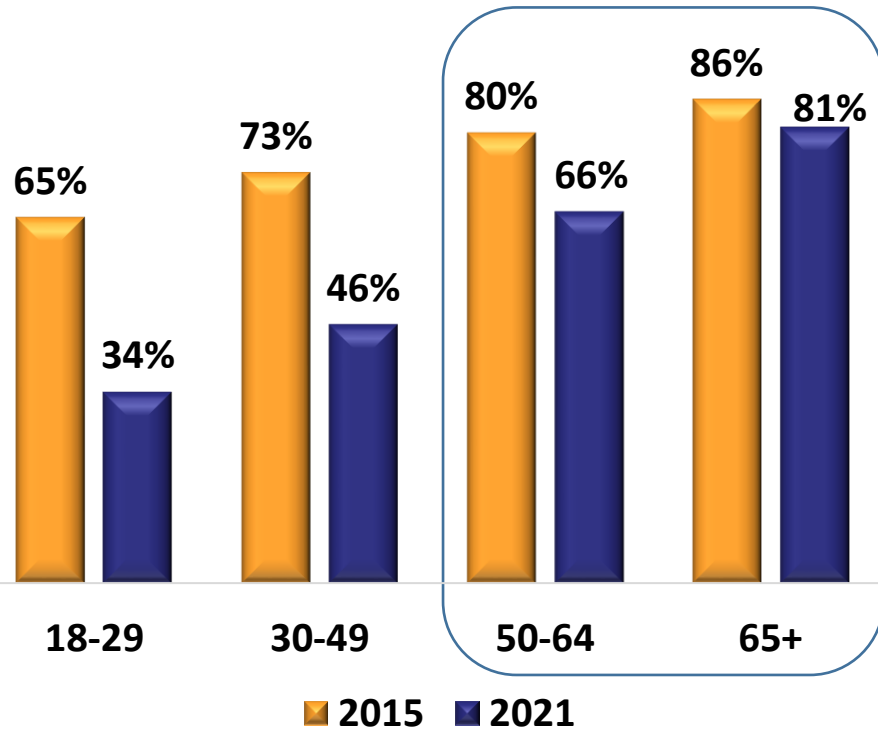
By 2026, there would be 1.1 bn connected devices in US, implying 3 devices per person- 'A HUGE OPPORTUNITY FOR OTT'



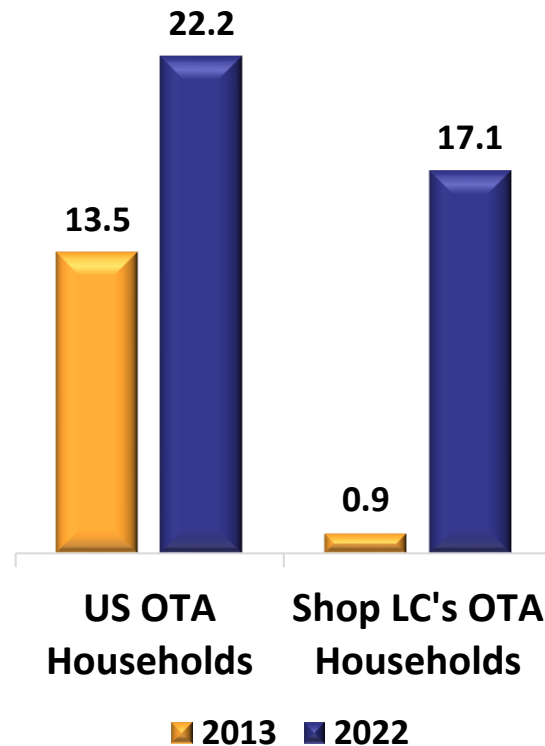
Capitalizing Cord Shifting through OTA

Our target demographics prefer watching traditional Pay-TV

% of population having TV
(age group wise)



OTA: Encouraging Trends



Total OTA HH in US:
22mn

Low Power: ~17mn HH
High Power: ~5mn HH

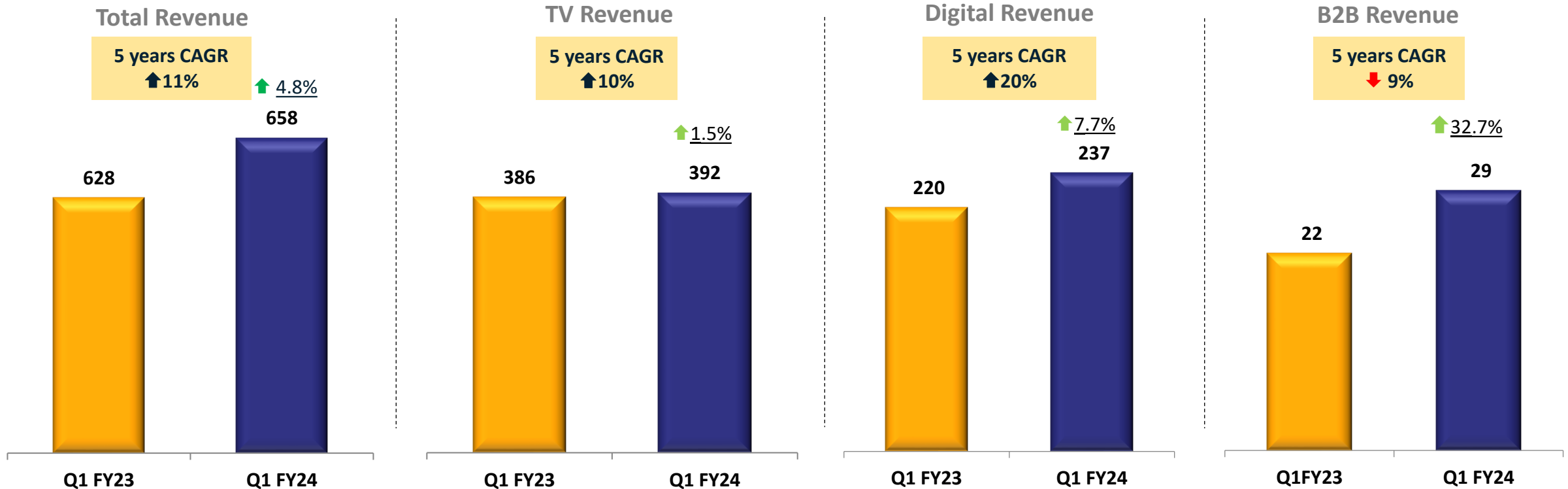
Shop LC's Presence
17mn

Revenue Mix:
~20%-25% of TV
revenue



Financial Highlights – Q1 FY24 Performance

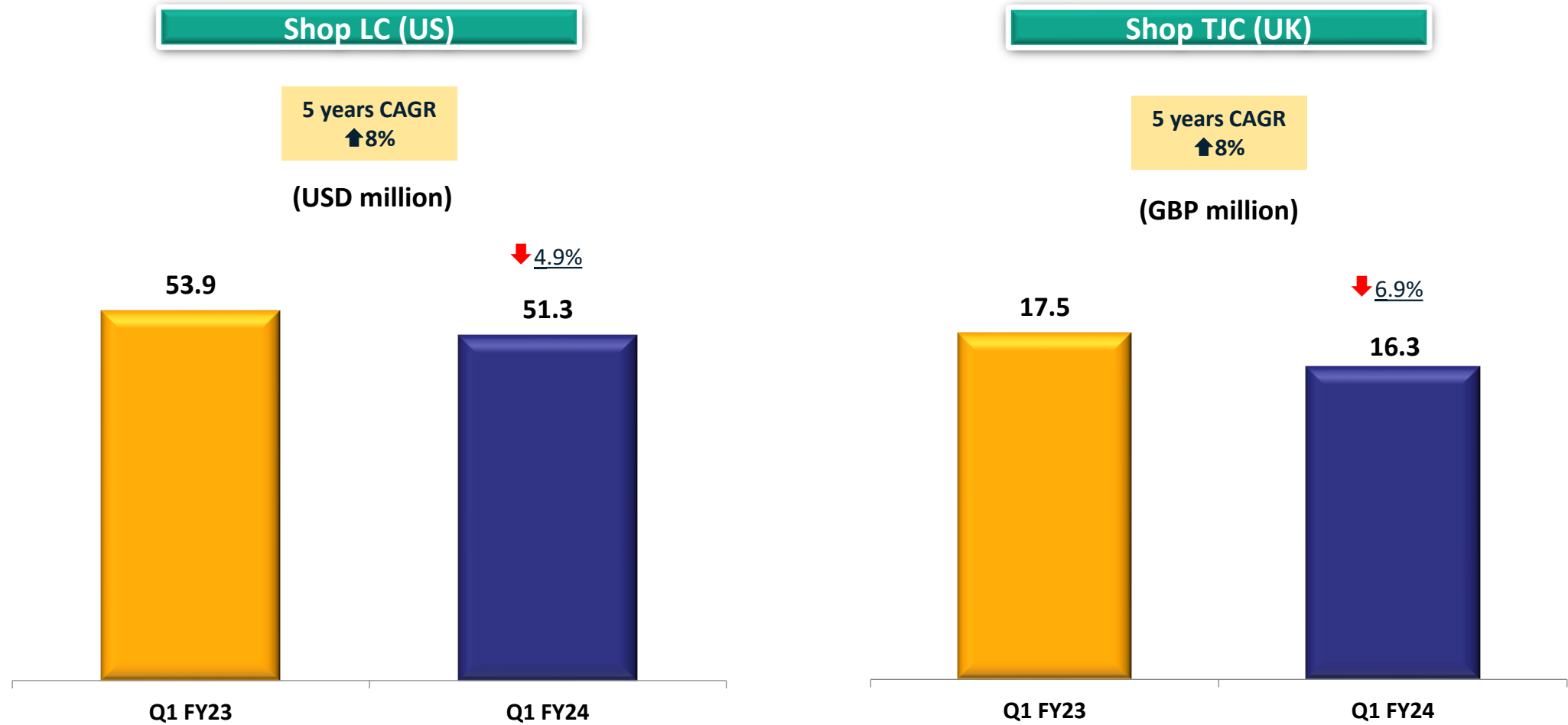
Fashion Jewellery, Lifestyle Products & Accessories (Rs. Cr)





Financial Highlights – Q1 FY24

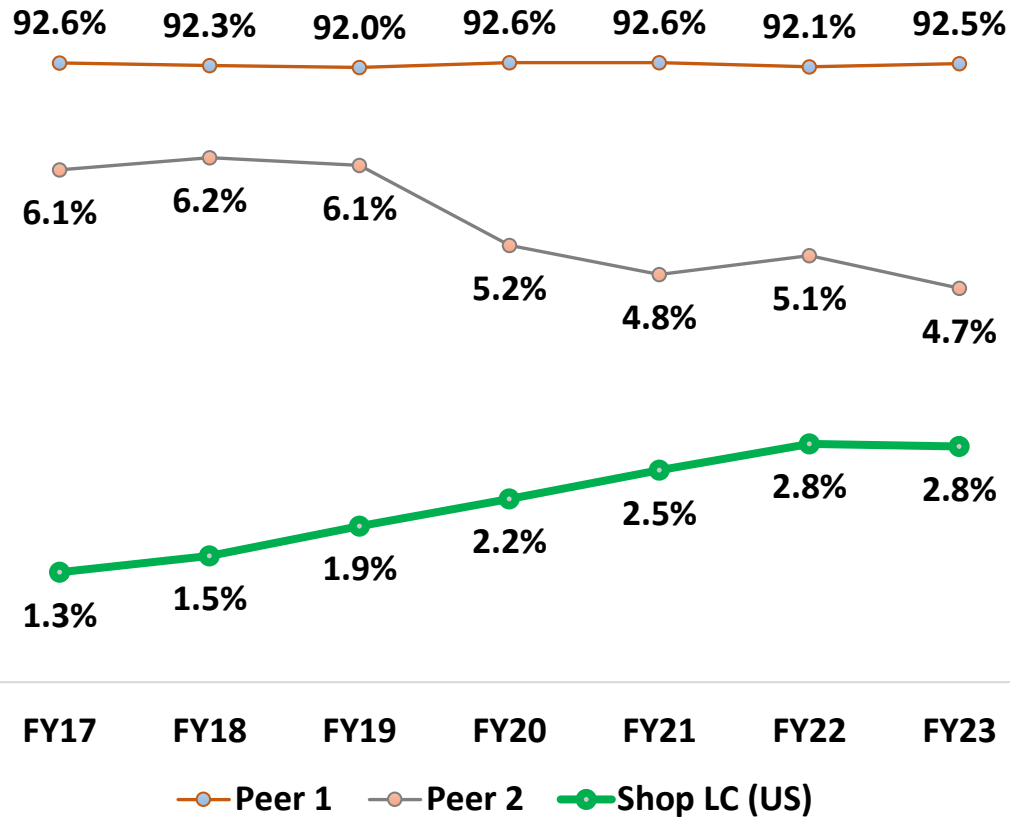
Revenue – (Local Currency)



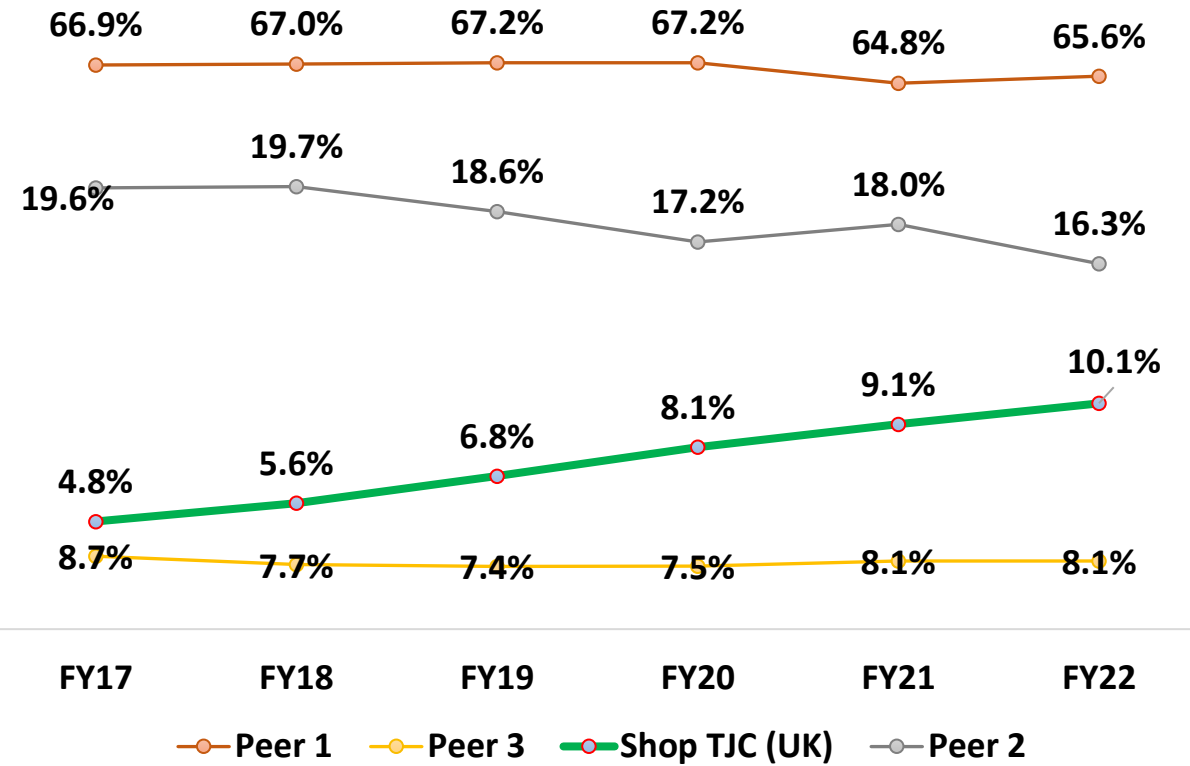


Consistently Gaining Market Share

Market Share in US (%)



Market Share in UK (%)

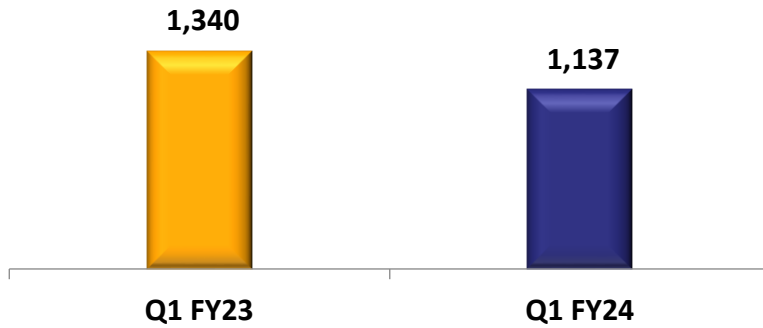




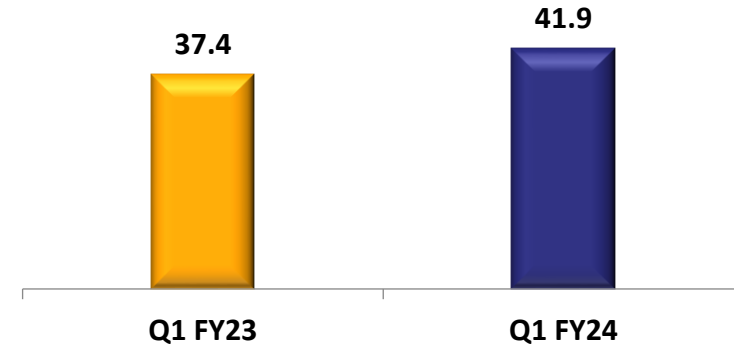
Retail Performance Trends – Q1 FY24

TV Sales

Sales Volume ('000s)

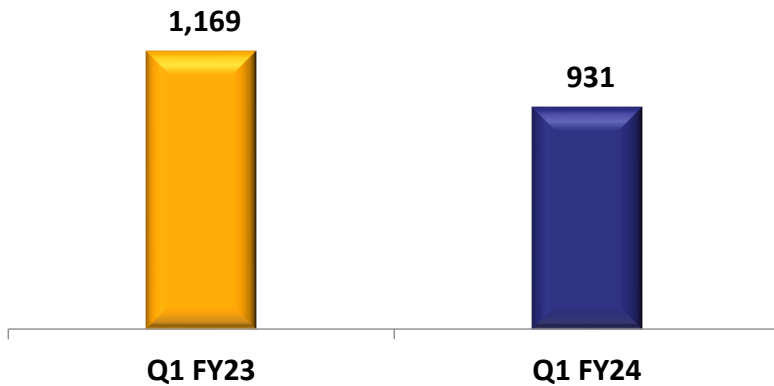


Average Selling Price US\$

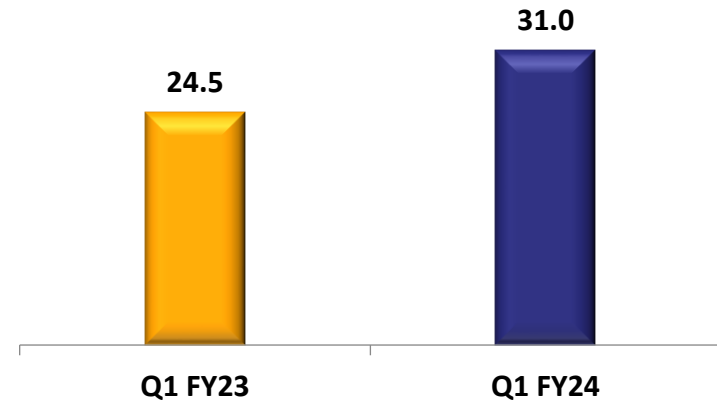


Digital Sales

Sales Volume ('000s)



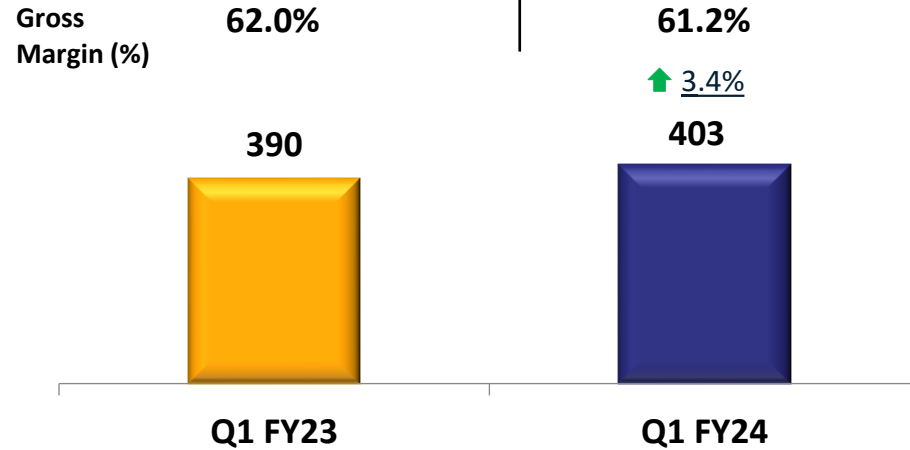
Average Selling Price US\$



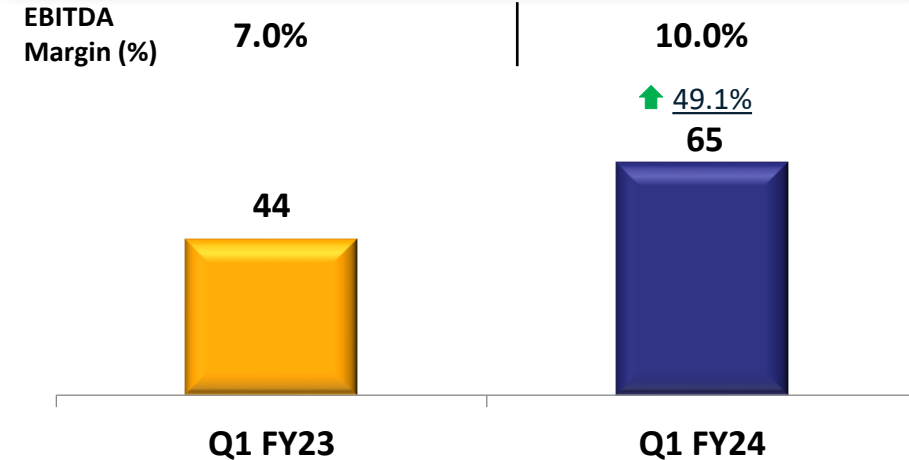


Financials – Q1 FY24 Performance

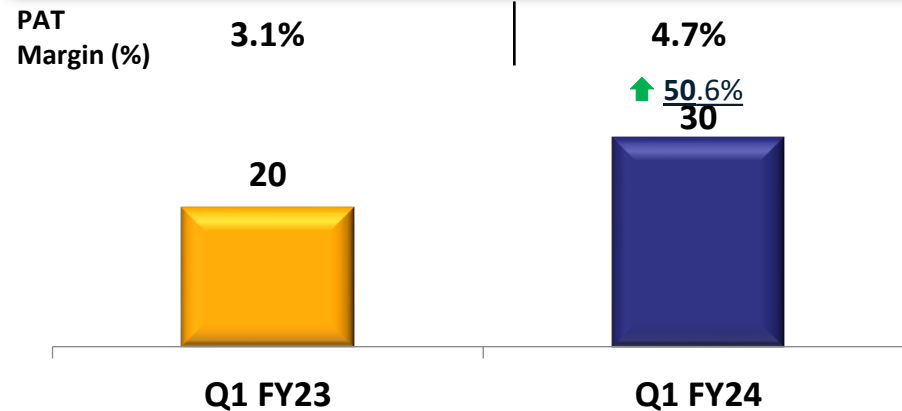
Gross Profit (Rs. Cr) and Margin (%)



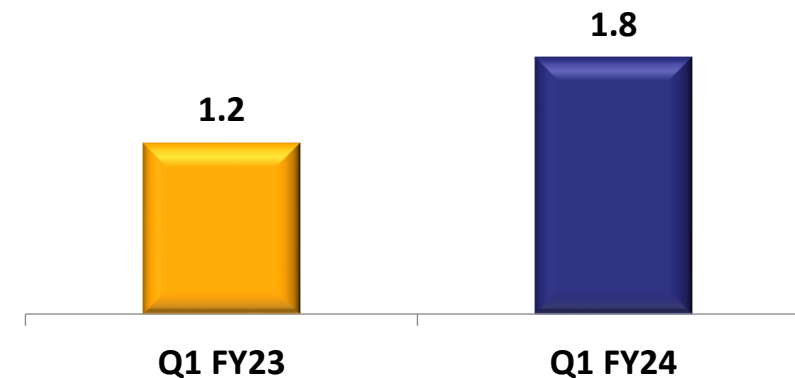
EBITDA (Rs. Cr) and Margin (%)



*PAT (Rs. Cr) and PAT Margin %



EPS (Rs.) – Post Split





EBITDA Margin Walk

Particulars	% To Revenue	Remarks
EBITDA Q1 FY23	7.0%	
Gross Margin	↓ (0.8%)	Product mix
Germany	↓ (0.3%)	Impact pertains to currency conversion
Logistics cost	↑ 2.2%	Cost renegotiation and volume
Investment in digital & broadcasting	↓ (0.7%)	Conscious investments for future capabilities
Others	↑ 2.6%	Cost efficiencies: IT contracts, marketing spends, etc.
EBITDA Q1 FY24	10.0%	

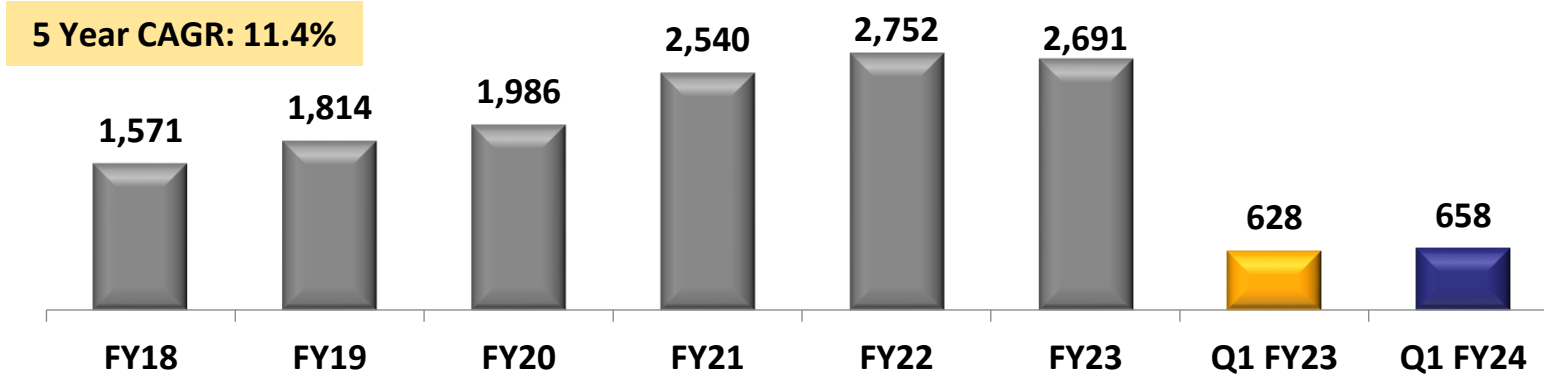


Financial Performance Trends



Financial Performance Trends

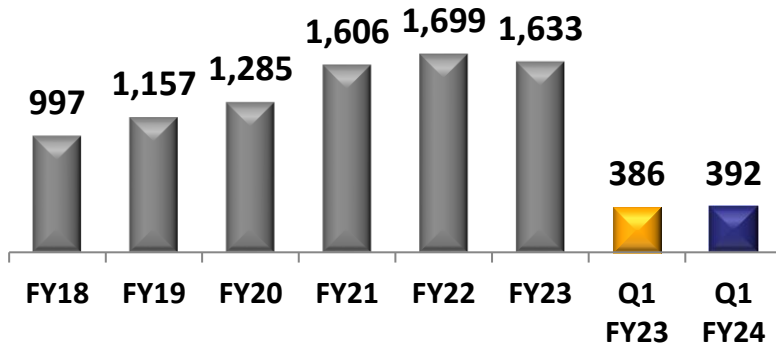
Revenue Breakdown – (Rs. crore)



Fashion Jewelry, Accessories & Lifestyle Products (Rs. Crore)

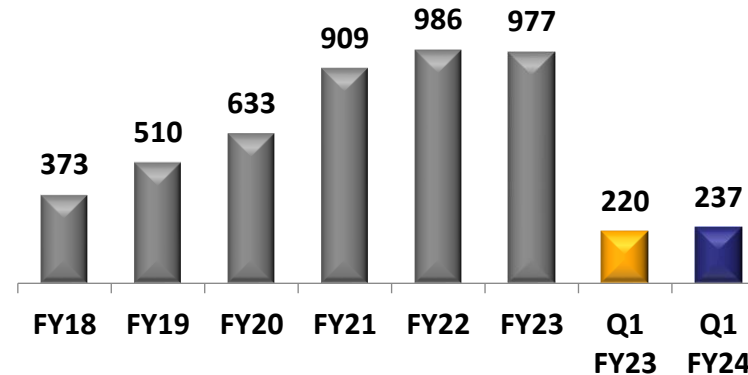
5 Year CAGR: 10.4%

TV Revenue

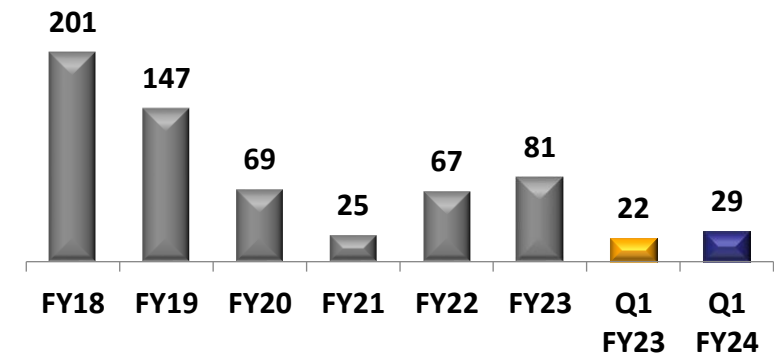


5 Year CAGR: 21.2%

Digital Revenue



B2B Revenue

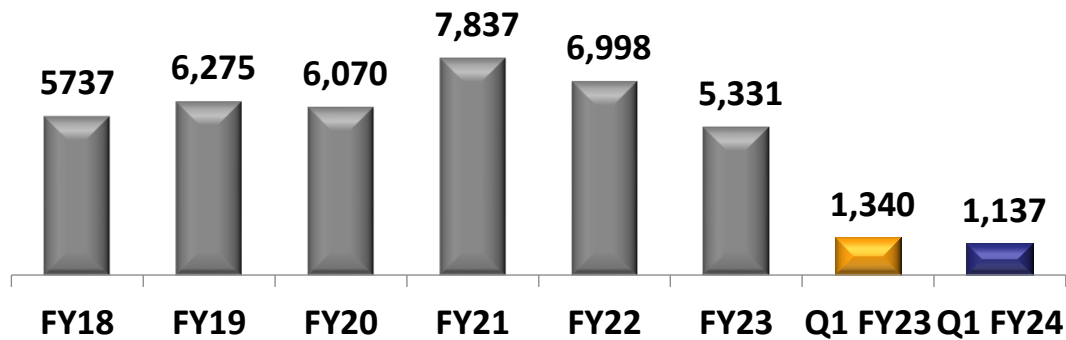




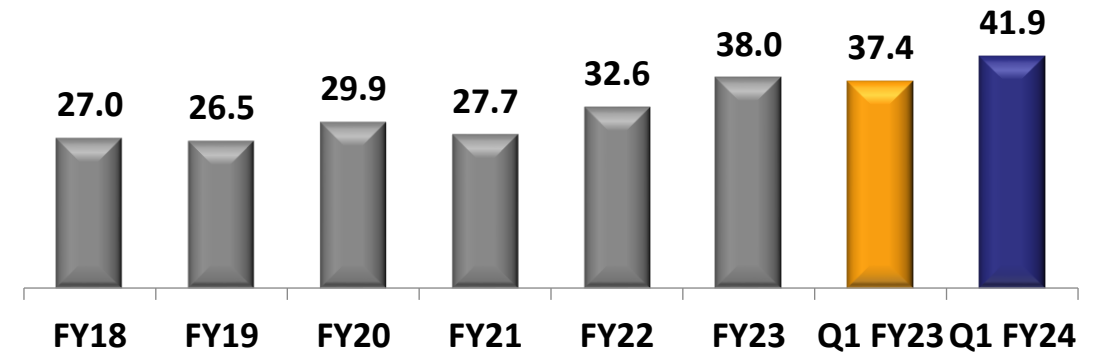
Retail Performance Trends

TV Sales

Sales Volume ('000s)

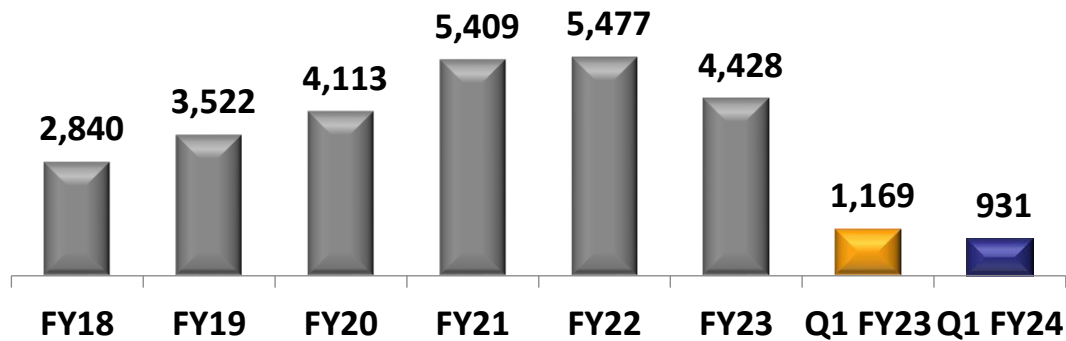


Average Selling Price US\$

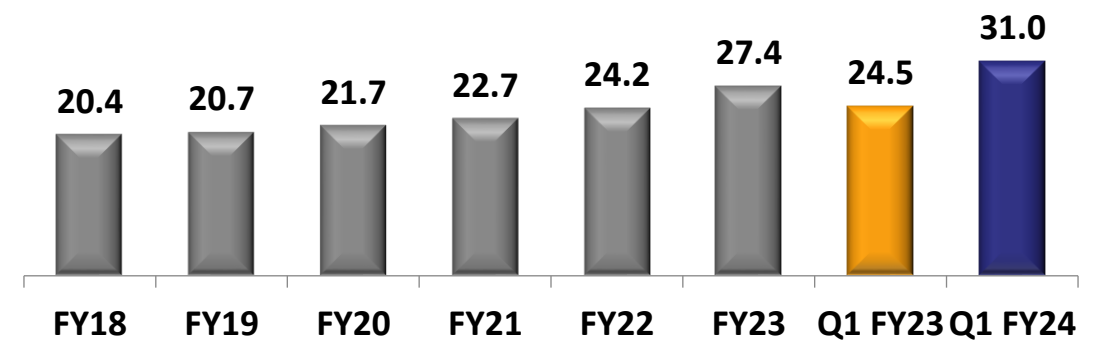


Digital Sales

Sales Volume ('000s)



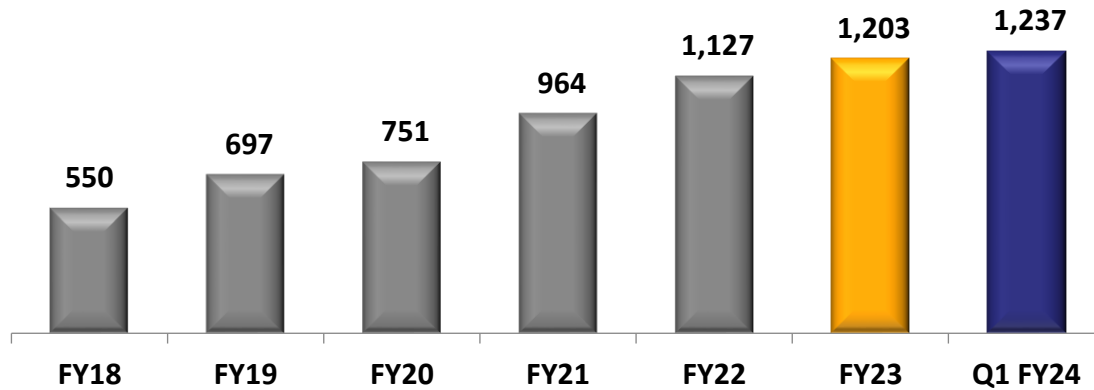
Average Selling Price US\$



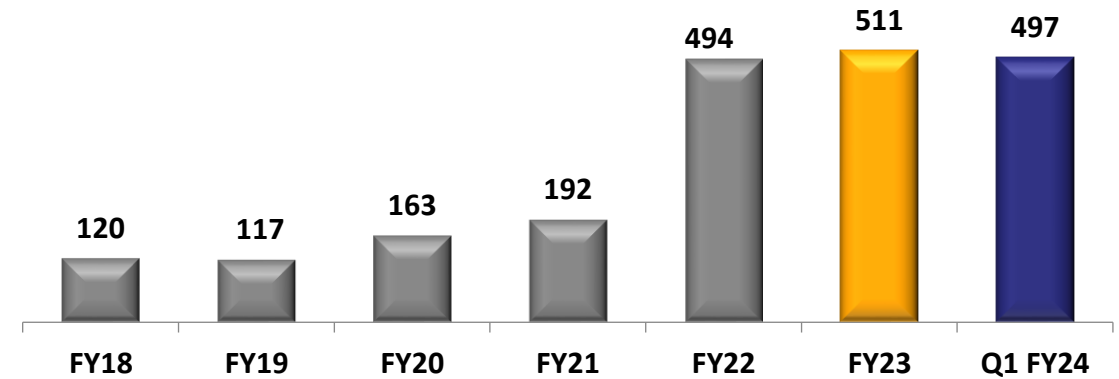


Financials – Annual Financial Performance

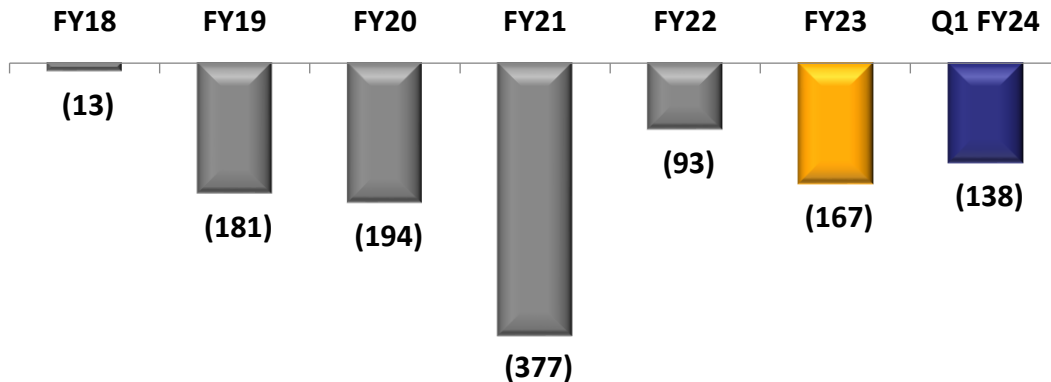
Shareholders' Equity (Rs. Cr)



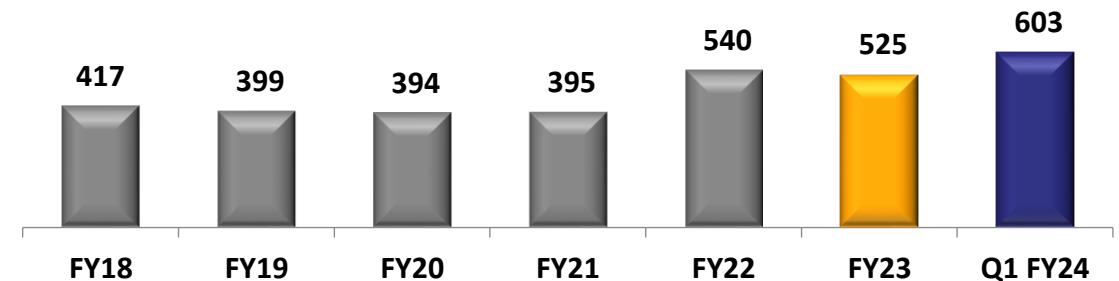
Fixed assets including intangibles (Rs. Cr)



Net Debt (Rs. Cr)



Net Assets* (Rs. Cr)

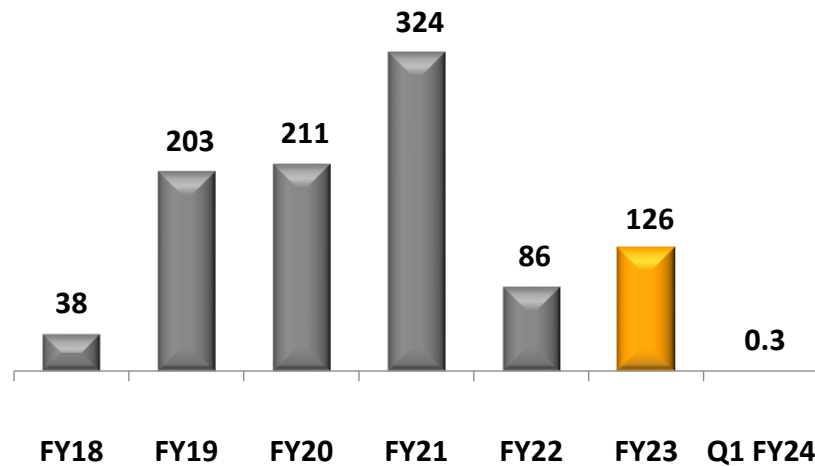


Note:
* Net Assets is balancing figure arrived at by excluding shareholders equity, net debt, and fixed assets including intangibles

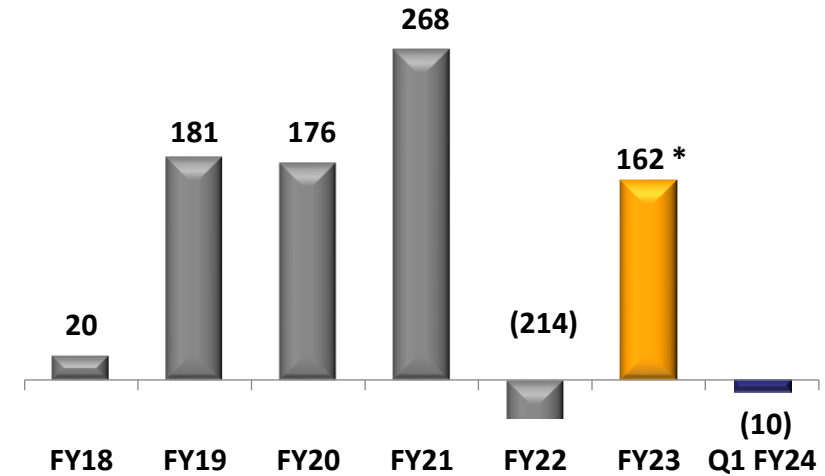


Financials Performance Trends & Ratios

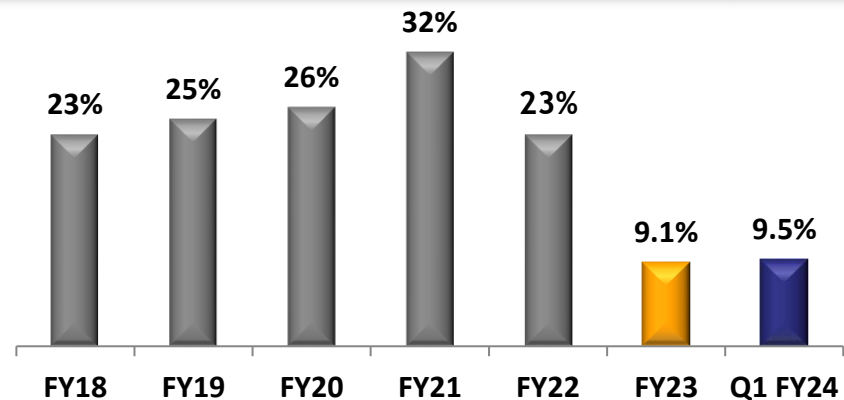
Operating Cash flow (Rs. Cr)



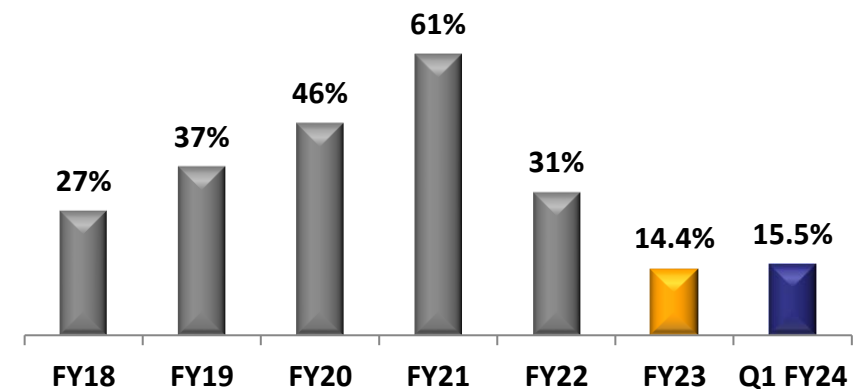
Free Cash Flow (Rs. Cr)



ROE (TTM)



ROCE (TTM)



* After adjusting for term deposits worth Rs. 72 crore with maturity of more than 3 months

Note: Cash flows in Q1 FY24 reflects impact of planned increase in inventory for upcoming season



Annexures

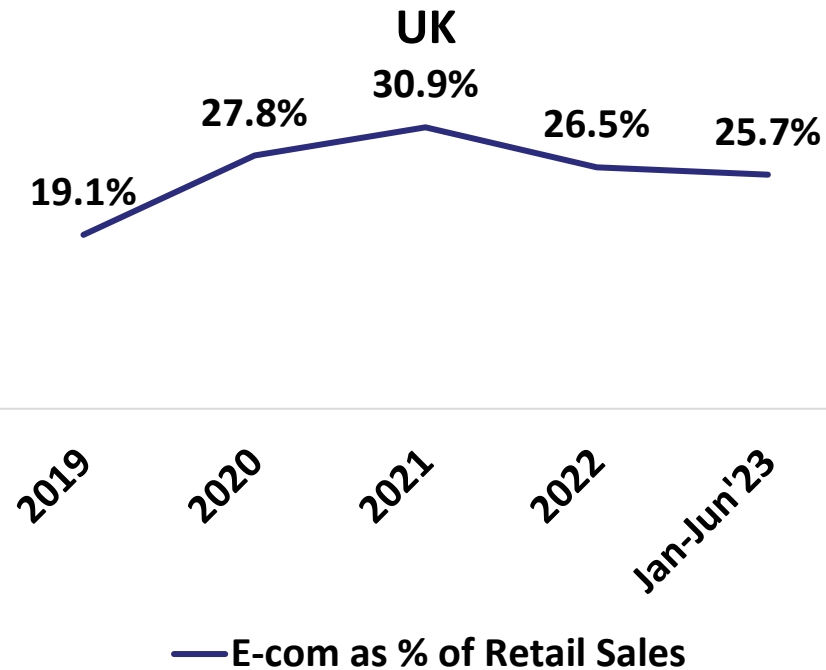


Growth In Digital Commerce Markets

Digital Industry facing temporary headwinds in the US and the UK

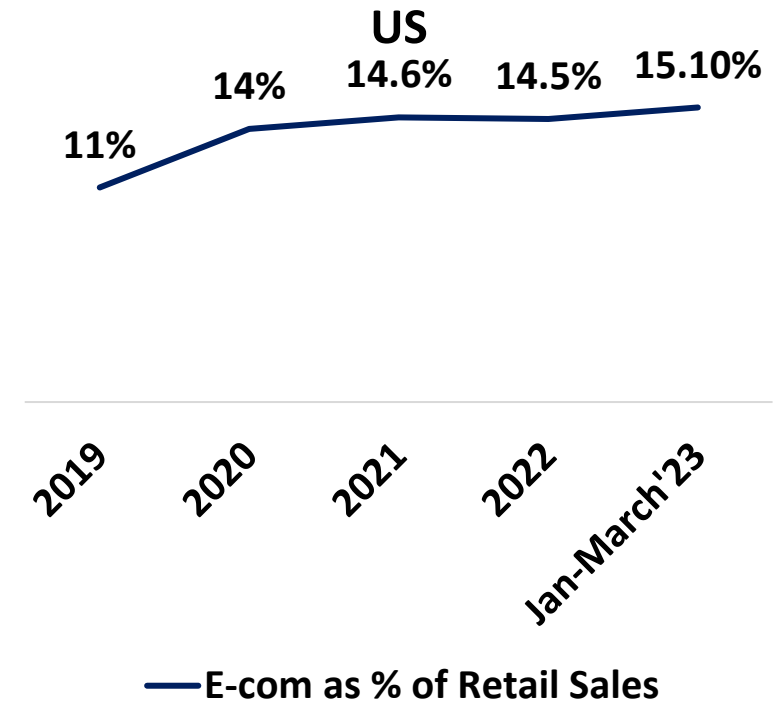
UK

- Cost of living crisis
- Muted consumer sentiments
- Resultant industry wide decline in online sales mix



US

- Gradual improvement in US retail market





Robust Corporate Governance

Q1 FY24

~Rs. 25 crores

Interim Dividend

Dividend Payout Policy

- 20-30% of consolidated free cash flows
- Balance between resource conservation and shareholder reward

BSR & Co. LLP
Statutory
Auditors

DELOITTE

Internal Auditors

Credit Rating
Long-term
ICRA A
(Stable Outlook)

CARE A
(Stable)

Credit Rating
Short-term
ICRA A1

CARE A1

Awards & Accolades

India Risk Management Award
from ICICI Lombard & CNBC-TV18



ICSI National Award for Excellence
in Corporate Governance



LEED's PLATINUM &
GOLD Certification



'Net Zero Energy Building' certified



India, US, UK & China GPTW®
Certified





Strong & Experienced Management



Mr. Sunil Agrawal

Managing Director, VGL Group



Mr. Nitin Panwad

Group CFO, VGL Group



Mr. Vineet Ganeriwala

President, Shop LC (US)



Mr. Srikant Jha

*Managing Director,
Shop TJC (UK)*



Mr. Deepak Mishra

*Managing Director,
Shop LC (Germany)*



Mr. Ankur Sogani

*Vice President, Commercial,
Shop LC (US)*



Mr. Deepak Sharma

*Vice President, Operations,
Shop LC (US)*



Mr. Raj Singh

*Vice President, Supply Chain,
VGL Group*



Mr. Pushendra Singh

*Vice President, Human
Resources, VGL Group*



Mr. Mohammed Farooq

Group Chief Technology officer



Mr. Ashish Dawra

Vice President, Global IT



Sustainability Initiatives



ENERGY

Solar 3.23 mw

Solar power capacity meets 100% power requirement at manufacturing units in Jaipur
Generated 12.4 Mn KWH units since inception

EV

184 two-wheelers & 3 four-wheelers for employees' commute. Replaced 12 buses till date

BIODIVERSITY

~28,000

Saplings planted for developing 2 Miyawaki forests

~7,000

Additional saplings planted till date in office premises, RIICO Garden and Government Schools

WATER

6100 KL Rainwater harvested per annum

500 KL Rainwater Storage Tank commissioned

WASTE

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

2,200 Kg E-waste recycled till date

~1,750 Kg Plastic waste recycled till date

To Become Carbon Neutral in Scope 1 and 2 GHG emissions by 2031



Growth With Responsibility



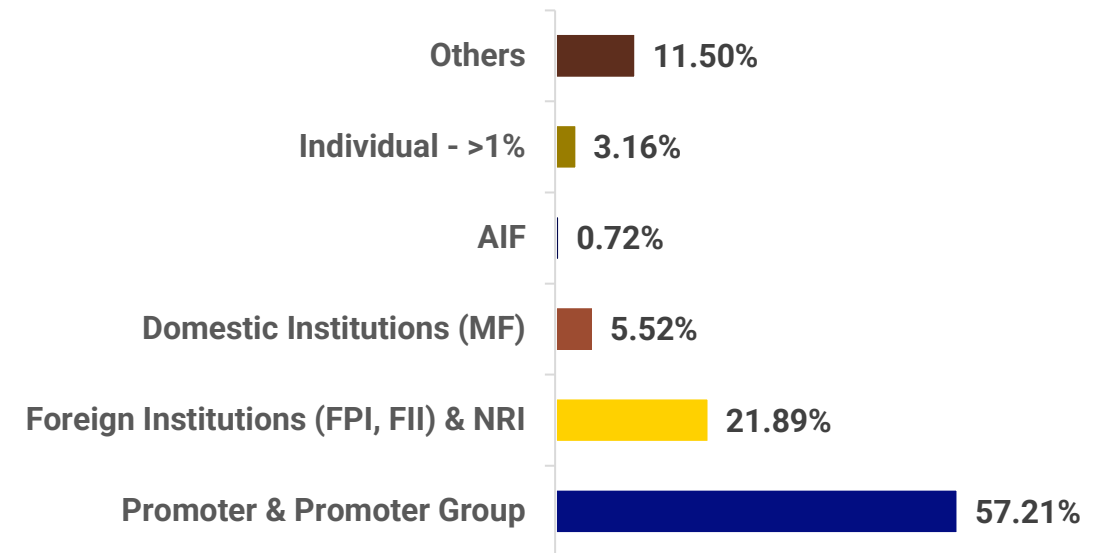
- Till date Served **78 million** meals to underprivileged children through flagship One for One Program, **'Your Purchase Feeds...'**
- Local charity partners
 - ✓ Akshaya Patra in India
 - ✓ No Kid Hungry and Backpack Friends in US
 - ✓ Magic Breakfast & Felix Project in UK
- Serving ~48k meals every school day
- To serve 1 million meals per day by FY31



Shareholding Pattern: As on 30th June 2023

Key Shareholders	Holding as on 30th-June-23
Nalanda India Fund Limited	10.17%
Motilal Oswal Flexi Cap Fund	5.49%
Malabar India Fund Limited	5.39%
Vanguard	1.58%
Taiyo Greater India Fund	1.77%
Vijay Kedia	1.95%
Ashish Kacholia	1.21%
Government Pension Fund Global	0.32%

Shareholding Pattern





Thank You

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