



17<sup>th</sup> May, 2022

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal St, Kala Ghoda, Fort, Mumbai - 400001  Code No. 507880 and 959982	<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.  Code - VIPIND
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**Subject: Presentations made/being made to analysts / institutional investors**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith presentation being made by the Company to the analysts/ institutional investors.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For V.I.P. Industries Limited

Anand Daga  
Company Secretary & Head – Legal

Encl. As above

**VIP INDUSTRIES LIMITED**

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CIN - L25200MH1968PLC013914

# AGENDA

**01**

**Q4 FY22 Business performance**

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**02**

**Future Outlook**

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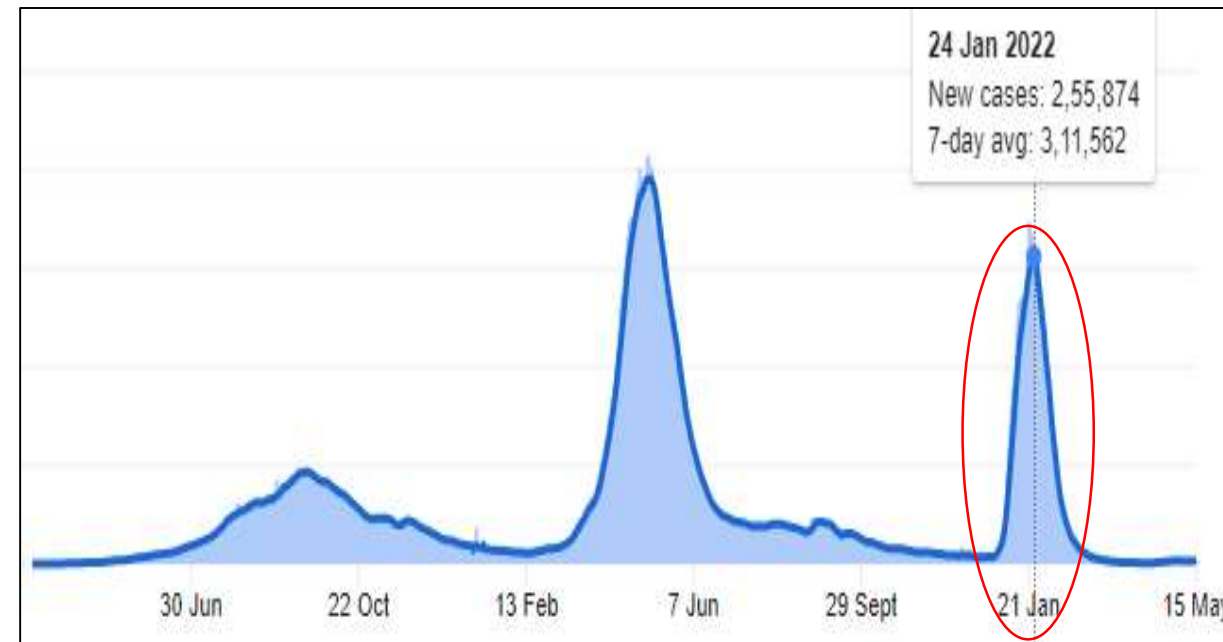
**Q4 FY22 Business Performance**



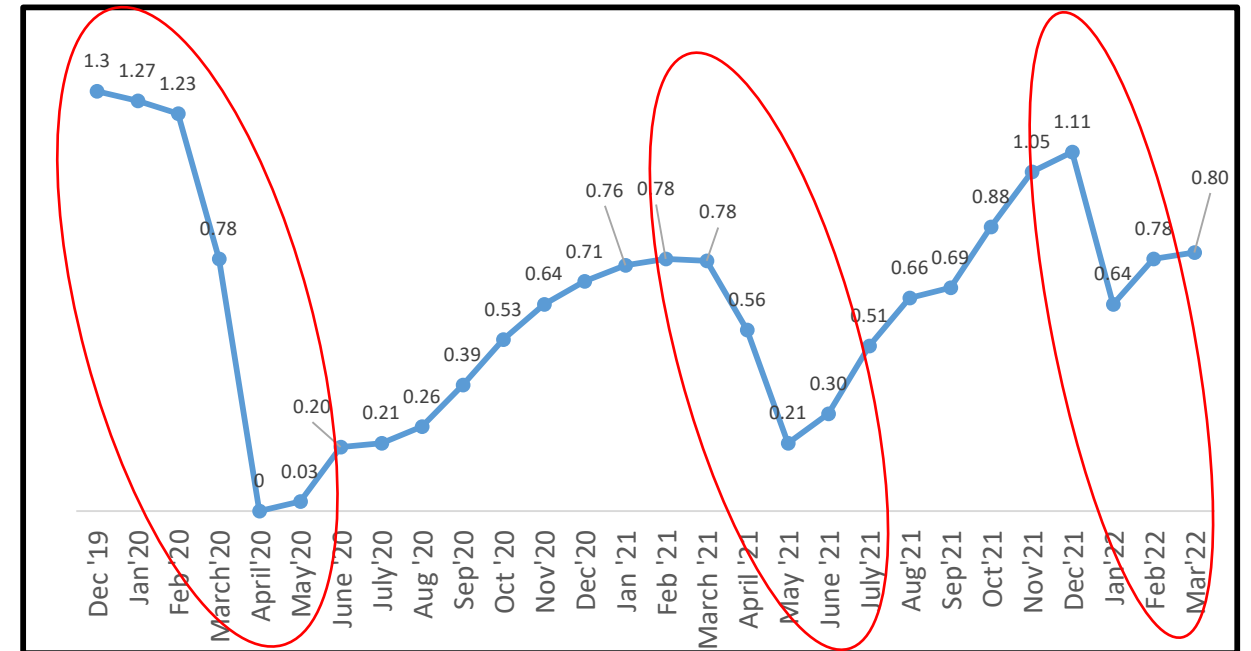
# Q4 Business Context

*Quarter witnessed short Covid wave 3 disruption at onset*

Number of Domestic Cases



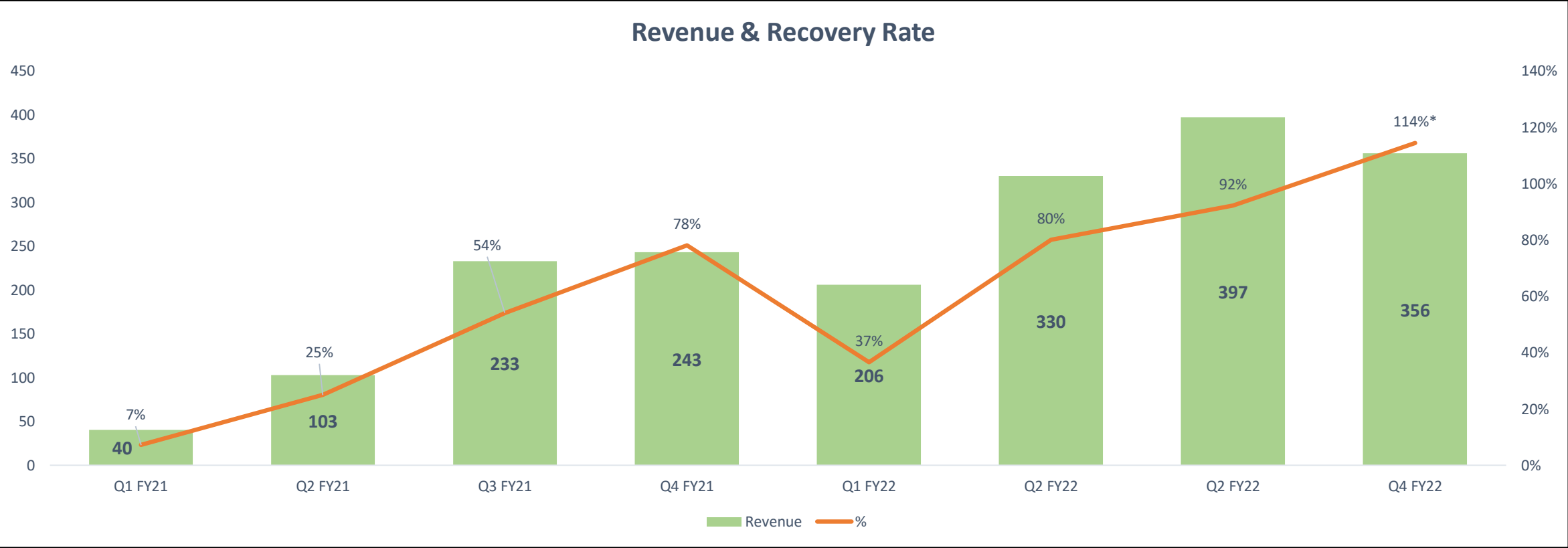
Improving Domestic Airline Passenger Traffic (In cr)



- ✓ Onset of the quarter reported disruption caused by a short third wave of Covid – impacting 2-3 weeks of revenues
- ✓ Domestic travel reported a sharp dip – first since June'21
- ✓ Raw material price inflation continued to be on the rise
- ✓ We rolled-out a price increase during the quarter to manage raw material inflation

# Revenue Snapshot

*Q4 FY22 is first quarter to report close to full recovery on a pre-pandemic base*



\*100% considering Covid impact in March'20

# Revenue performance : Categories & Brands

Brand Salienc	FY20	Q4 FY20	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22
VIP	25%	24%	23%	21%	21%	21%
SKYBAGS	37%	36%	34%	36%	30%	33%
CARLTON	4%	3%	2%	4%	4%	4%
<b>PREMIUM &amp; MASS PREMIUM</b>	<b>66%</b>	<b>64%</b>	<b>59%</b>	<b>61%</b>	<b>55%</b>	<b>58%</b>
ARISTOCRAT & ALFA (Value)	25%	27%	31%	33%	39%	36%
OTHERS	9%	9%	10%	5%	6%	5%

Category Salienc	FY20	Q4 FY20	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22
<b>UPRIGHTS</b>	<b>63%</b>	<b>63%</b>	<b>74%</b>	<b>72%</b>	<b>74%</b>	<b>76%</b>
HARD LUGGAGE - UPRIGHT	49%	56%	52%	64%	61%	62%
SOFT LUGGAGE - UPRIGHT	51%	44%	48%	36%	39%	38%
SOFT LUGGAGE - OTHERS	2%	2%	2%	1%	1%	1%
DUFFEL BAGS	10%	10%	8%	10%	10%	9%
BAGPACKS	16%	18%	7%	11%	9%	9%
OTHERS	8%	7%	9%	6%	6%	5%

## Value Play

Shift from unbranded segment expanding organised market – Higher growth in value segment a must for overall share gain

## Mass Premium Revival Showcasing Green Shoots

Q4 saw a QoQ bounce back in Skybags with improved availability and new range introduction

## HL PP Strategy Success

VIP leading the HL trend in uprights with its PP strategy at work. HL preference in uprights on the rise – in line with global trends

## Backpacks & LHB continue to be under stress

Demand for backpacks and Supply issues for LHBs being the underlying challenges

# Consolidated Financial Results

Rs. in Crores Particulars	Quarter ended			Year ended	
	Mar-22	Dec-21	Mar-21	Mar-22	Mar-21
Revenue from Operations	356	397	243	1290	619
Other Income	6	9	16	36	48
<b>Total Revenue</b>	<b>362</b>	<b>407</b>	<b>259</b>	<b>1326</b>	<b>667</b>
COGS	166	203	137	645	366
<b>Gross Contribution</b>	<b>195</b>	<b>204</b>	<b>123</b>	<b>681</b>	<b>301</b>
<b>GC Margin (without Other Income)</b>	<b>53%</b>	<b>49%</b>	<b>44%</b>	<b>50%</b>	<b>41%</b>
Employee Benefits expenses	56	50	38	189	138
Other Expenses	101	87	65	311	180
<b>Total Expenses</b>	<b>157</b>	<b>137</b>	<b>103</b>	<b>500</b>	<b>318</b>
<b>EBIDTA</b>	<b>38</b>	<b>67</b>	<b>20</b>	<b>181</b>	<b>-17</b>
<b>EBIDTA Margin</b>	<b>11%</b>	<b>16%</b>	<b>8%</b>	<b>14%</b>	<b>-3%</b>
Depreciation	17	17	18	70	78
<b>EBIT</b>	<b>21</b>	<b>49</b>	<b>2</b>	<b>111</b>	<b>-95</b>
Finance Cost	5	5	7	25	30
<b>Profit before Tax</b>	<b>16</b>	<b>44</b>	<b>-6</b>	<b>86</b>	<b>-125</b>
Tax	4	10	-2	19	-27
<b>Profit After Tax</b>	<b>12</b>	<b>33</b>	<b>-4</b>	<b>67</b>	<b>-97</b>

# Financial Highlights

- In spite of disruption caused by wave 3, revenue was Rs. 356 crores – ahead of Q4FY20. Hard Luggage constitutes 47% of total revenue for this quarter.
- Q4 GM after netting of other income is 53% as compared to 49% in Q3 FY22 mainly due to price increase and mix in favour of VIP & Skybags.
- Q4 Overall Expense is at Rs. 157 cr as compared to Q3 FY22 was at Rs. 137 cr. Q4 includes provision for doubtful debt of Rs. 11 cr.
- Q4 employee cost is at Rs. 56 cr vs Rs. 50 cr in Q3 FY22, increase is mainly due to additional workers at Bangladesh and stock options given to employees.
- Double digit EBITDA at 10.6% of Revenue

<b>EBDITA Dec-21</b>	<b>16.4%</b>
Increase in Gross Margin	4.4%
Increase in Employee cost	-3.1%
PDD for Future Group	-3.1%
Increase in Overheads	-3.4%
Decrease in Other Income	-0.5%
<b>EBDITA Mar-22</b>	<b>10.6%</b>

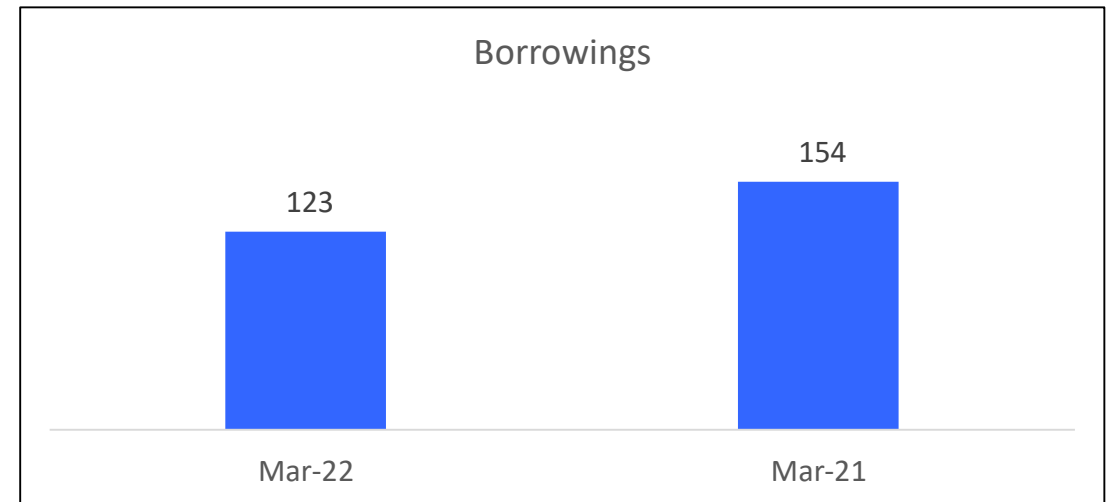
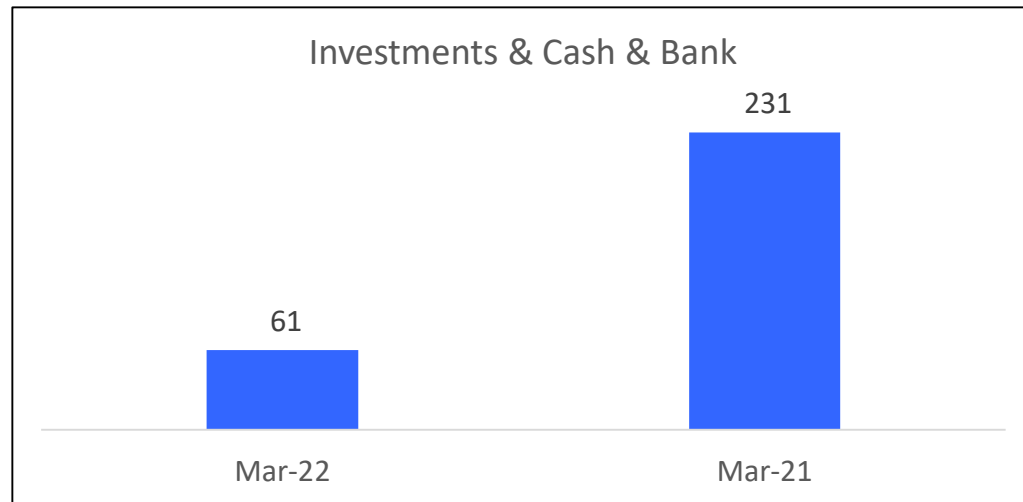
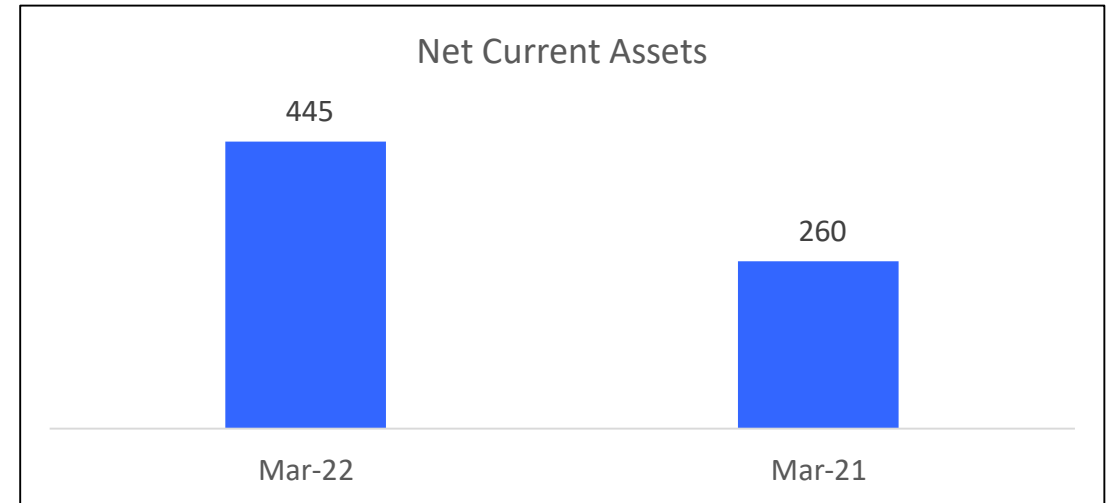
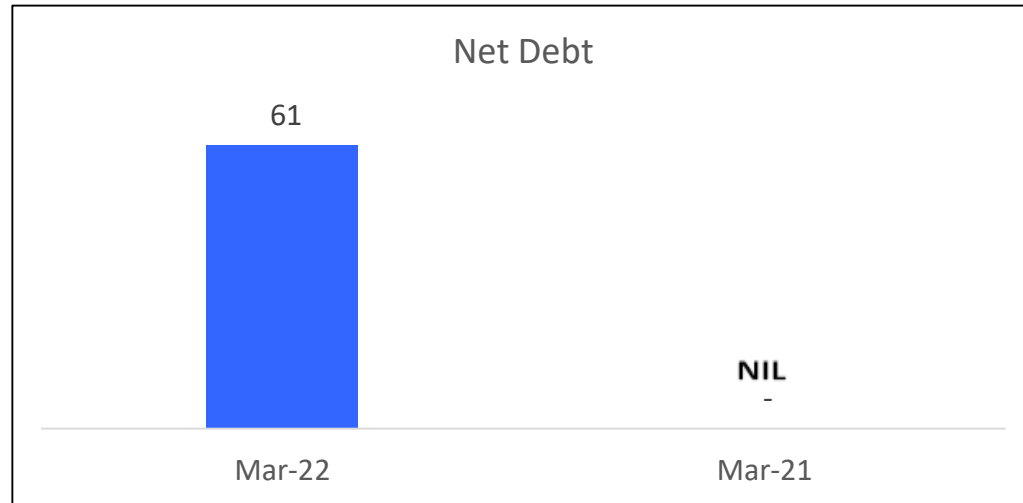


# Other Expenses

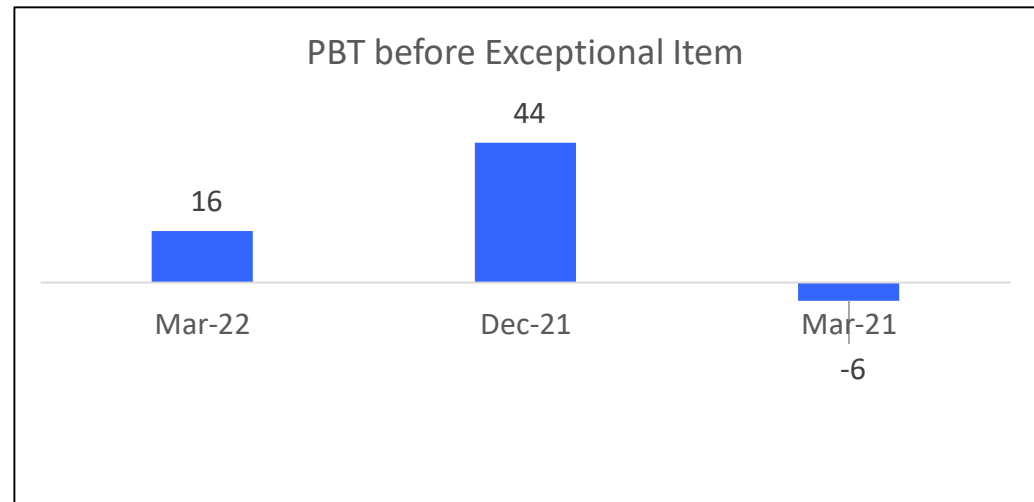
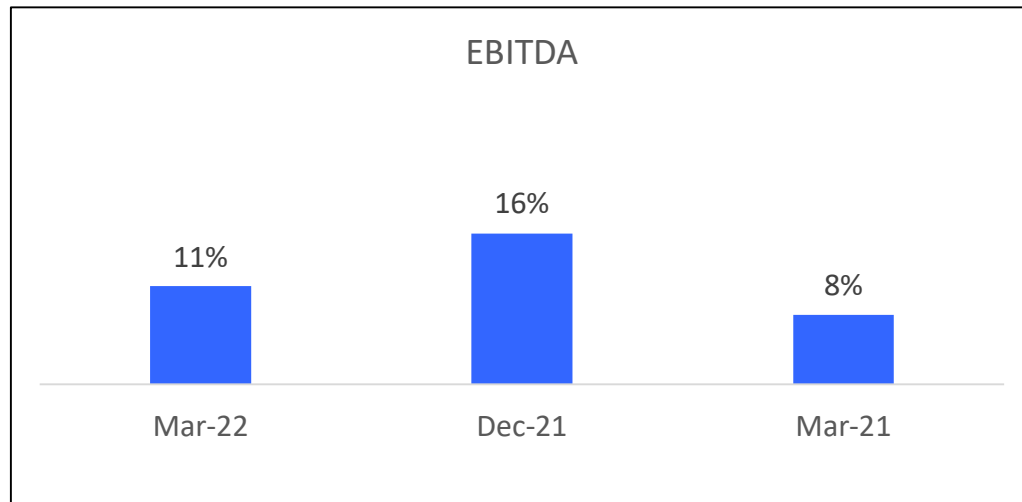
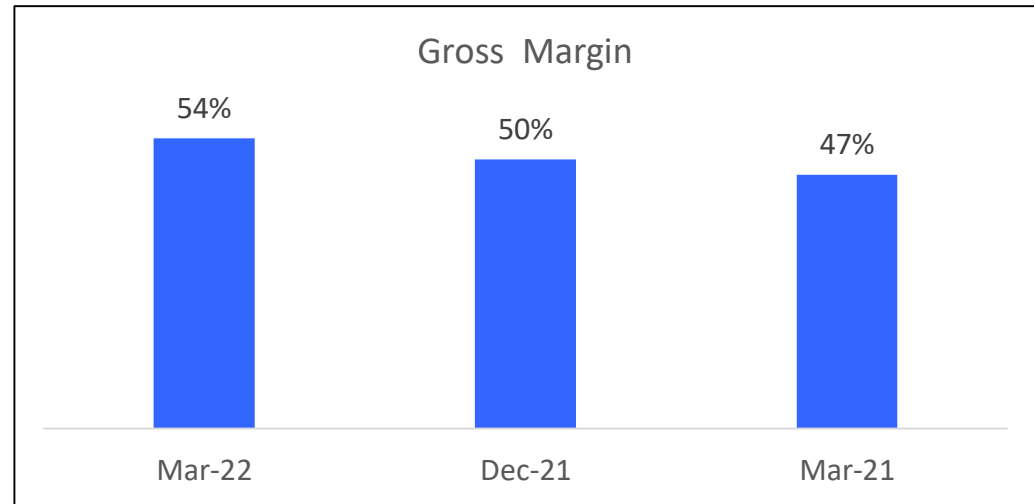
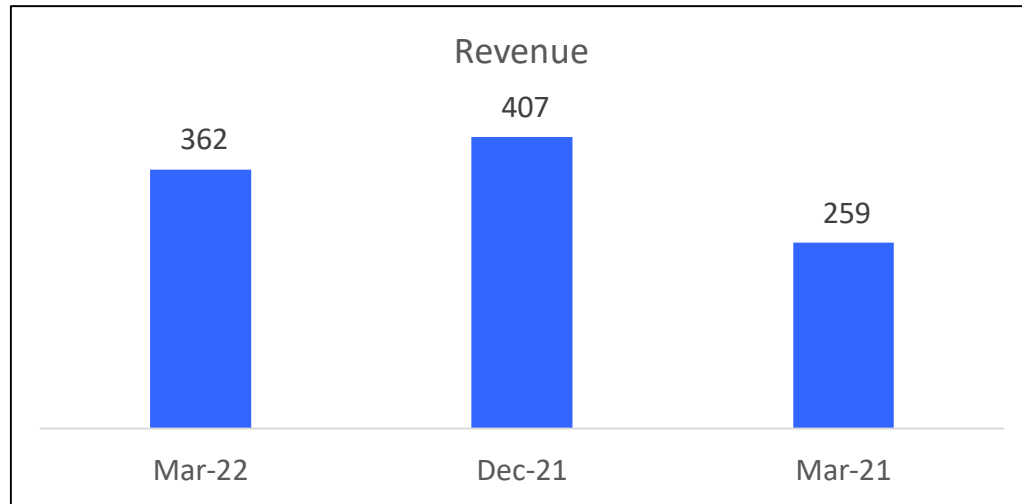
Rs. in Crores

Particulars	For the Quarter ended			Year ended	
	Mar-22	Dec-21	Mar-21	Mar-22	Mar-21
Job Work Charges	7.4	6.6	4.8	23.4	8.5
Electricity, Power & Fuel Expenses	4.7	4.2	4.0	16.7	10.0
Rent	1.3	0.6	0.5	3.2	5.9
Repairs	3.8	2.8	3.4	11.8	10.6
Insurance	1.9	1.6	1.6	6.0	4.8
Rates and taxes	0.4	0.5	1.2	1.9	2.6
Travelling expenses	3.1	3.0	2.0	8.4	4.1
Payment to auditors	0.1	0.2	0.1	0.6	0.5
CSR Expenditure	0.8	-	3.2	1.6	3.5
Professional fees	1.4	1.9	1.2	5.6	4.8
Communication expenses	0.7	0.5	0.7	2.1	2.0
Advertisement and publicity expenses	11.7	9.4	6.3	35.5	20.8
Freight, handling and octroi	32.8	32.3	18.6	104.6	46.0
Provisions	9.0	3.0	2.0	16.5	10.6
Human resource procurement	12.0	11.2	8.6	42.1	28.5
Miscellaneous Expenses	10.3	9.4	6.3	31.5	16.9
<b>Total</b>	<b>101.4</b>	<b>87.3</b>	<b>64.6</b>	<b>311.4</b>	<b>180.1</b>

# Key Financial Metrics – FY22



# Key Financial Metrics – Q4 FY22

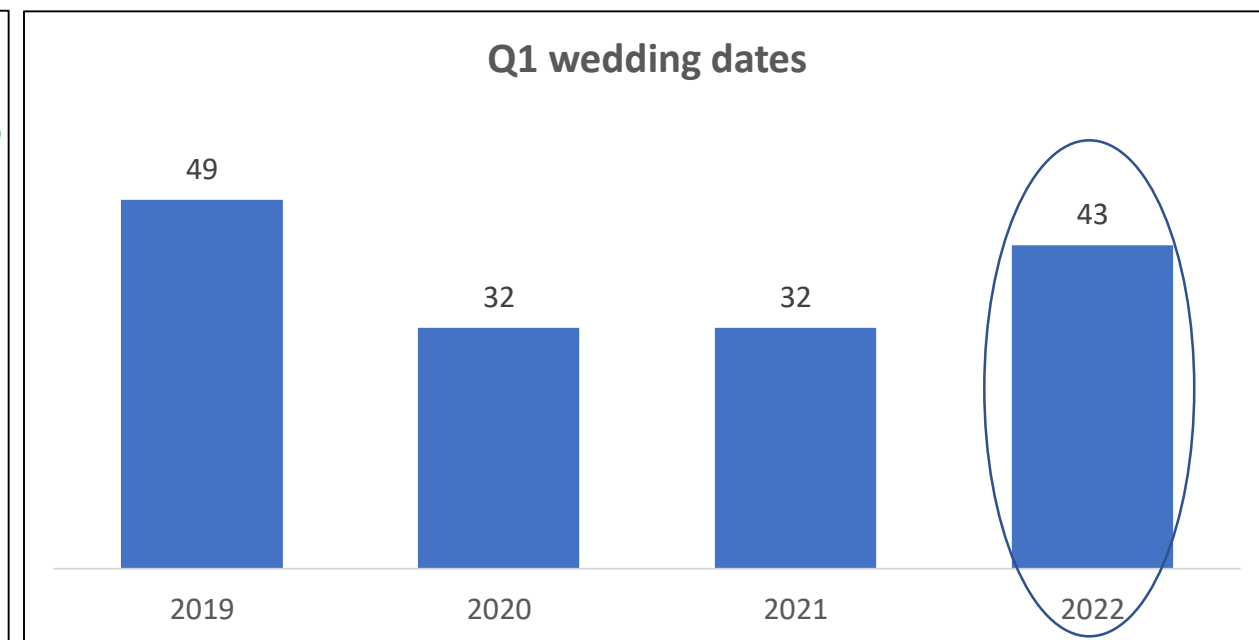
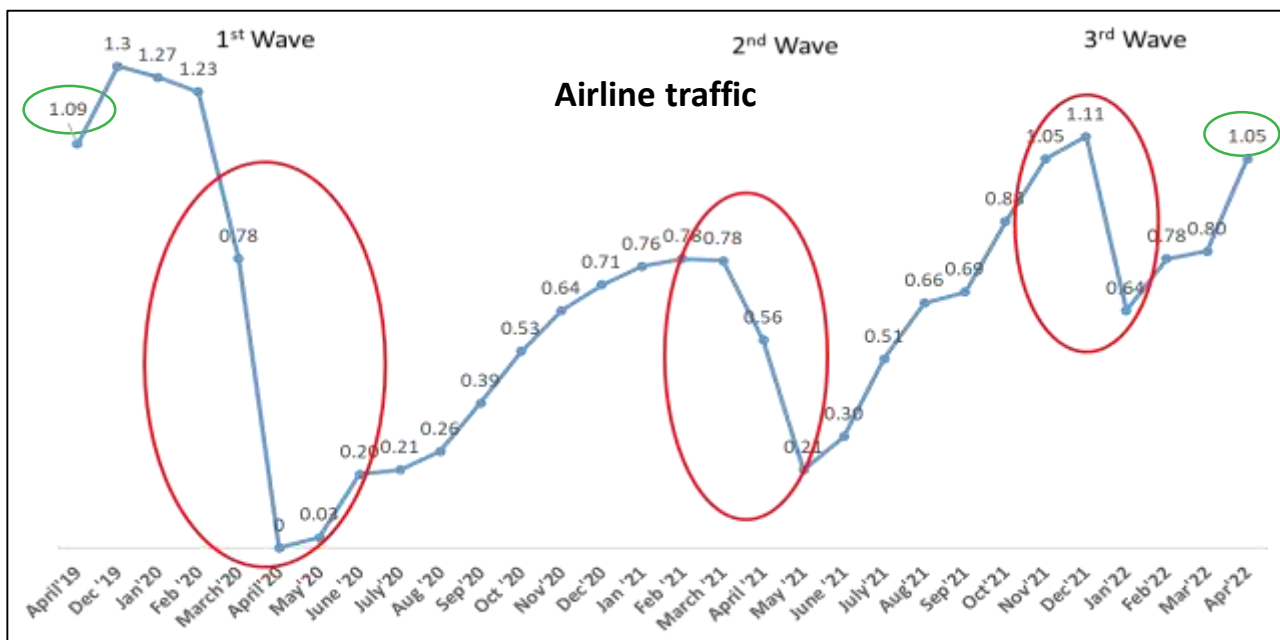


*Future Outlook*



# Business Environment for Q1 FY23

*Every indicator of consumption points towards very positive demand environment*



## Travel picking up

- India has resumed regular international flights
- Domestic travel heading towards pre-covid levels
- Corporate travel expected to rebound to 70% of pre-pandemic in 2022
- Pick-up in number of international student departures

## Pandemic free Q1 wedding season after 2 years

Traders estimate a big wedding season with highest number of auspicious days since 2019

Steady increase in re-opening of schools, colleges & offices across the country

# ... Equally, there are headwinds to be navigated

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## Inflation

High unprecedented Inflationary pressure on input cost expected and the tight rope walk between competitiveness in tapping demand Vs Margins will be a key challenge

## Price Increases

- To compensate for rising inflation - We have taken periodic price increase of 4% in Nov'21 and 4.5% in March'22
- The price increase can prove to be a demand dampener & bring in competitive play from the industry

## Future Group Impact

- Reliance take over led to closure of 430 shops across the Future group ; and is only slowly & progressively opening up
- Future group contributed to ~48% of our pre-pandemic MT revenues

# Disclaimer

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- Statements in this presentation, particularly those which relate to management's views and analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations.
- Actual results might differ materially from those either expressed or implied

Thank You.

