



VAIBHAV GLOBAL LIMITED

Ref: VGL/CS/2023/46

**National Stock Exchange of
India Limited (NSE)**
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra, Mumbai – 400 051
Symbol: VAIBHAVGBL

Date: 17th May, 2023

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 Q4 & FY 2023.

Kindly take the same on record.

Thanking you,

Yours Truly,

For Vaibhav Global Limited

Company Secretary
Sushil Sharma



Vaibhav Global Limited

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

Results Presentation: Q4 & FY23

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 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.



MD's Message



**Commenting on Q4 FY23 results,
Mr. Sunil Agrawal,
Managing Director,
Vaibhav Global Limited said:**

Sales for the quarter were Rs. 693 crores, an increase of 1.1% from Rs. 685 crores in the fourth quarter of last year. However, our topline had a stronger growth of 39.2% over last pre-COVID period of Q4 FY20, which is CAGR of 11.7% during this period. The topline performance was in line with our guidance. This could have been better given the continued macro environment weighing on consumer sentiments.

Our vertically integrated supply chain, combined with a strong global sourcing reach, provides us with a competitive advantage and allows us to maintain a robust gross profit margin at 61%. YoY improvement in EBITDA is on account of operational efficiencies and cost rebase activities, sequentially the margin is lower owing to relatively leaner season vis-à-vis Q3.

In US and UK, the macro challenges are weighing down consumer sentiments and resultant demand, however, we are taking all mitigating measures like focus on lower ASP products, increased air-time allocation for under 10 & 20 \$ products. Further, we are continuing to augment our reach by adding more TV cable and OTA households. Our strategic partnership with Vodafone Cable Network in Germany has enabled us to extend our reach to additional 13 million households, thus expanding our presence to approx. 90% of the total households in Germany. Our continued market share gain across territories demonstrates our ability to adapt and navigate headwinds.

Our 4Rs framework comprising of Reach, Registrations, Retention and Repeat purchases forms the basis for driving operating performance. The reach of our TV networks by the end of FY23 was 141 million TV homes, which was 124 million in FY22, i.e., ~14% higher YoY. New registrations during 12-month were 3.0 lakhs compared to 3.18 lakhs in FY22. This is significantly higher by 69% over pre-COVID period. 57% of the new customers were acquired digitally in FY23 vs 56% in FY22.

On sustainability front, this quarter we distributed 100 additional e-scooters to employees free of cost for official commute purpose. With this, a total of 184 e-scooters have been distributed resulting in reduction of 12 buses from the fleet. Regarding our midday meal program, **'Your Purchase Feeds....'**, recently, we crossed a milestone of 75 million meals with run rate of approx. 50,000 meals donated every school day.

Despite the existing macroeconomic challenges and the ever-changing landscape, our outlook for the future remains positive. I would like to reiterate our earlier guidance and outlook for the business and are confident to deliver 8-10% revenue growth in FY24 and to deliver mid-teens revenue growth in subsequent periods with decent operating leverage. The board has recommended final dividend of Rs. 1.50 per share, which is subject to approval of shareholders. Including interim dividends, total dividend pay out against earnings of FY23 would be Rs.6.00 per equity share.

Q4 FY23 Highlights



Stable performance amidst weaker demand scenario. Q4 revenue up by 1.1% YoY & 39.2% vs pre-COVID Q4 FY20



Gross margins at 61% reflecting strength of vertically integrated business model



EBITDA margin at 8.0% vs 6.9% in Q4 FY22. YoY improvement on account of cost rebase and better pricing



Unique customer base at 4.6 lakhs with new registration number at 3 lakhs on TTM basis



Focus on increasing households with sustained investments in widening the presence on digital platforms



Recommended final dividend of Rs. 1.50 per equity share making annual dividend to be Rs. 6.00 per equity share



- Vaibhav Global Limited is certified as **Great Place To Work**® for the sixth consecutive year
- **Net Zero Energy Building** certified



75 mn meals since inception of our mid-day meal program '**Your Purchase Feeds...**', serving ~ 50k meals / school day

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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

Robust Customer Engagement

- Omni-channel B2C retail presence

An Evolving Journey

Started Gemstones business

1980

Started Jewellery manufacturing for B2B

1996

Listing on stock exchange

1997

Shifted strategy towards 'value conscious offering'

2008

06 -07

Started own TV channels in UK, Germany and US

Ventured into 'Lifestyle Products' category, name changed to *Vaibhav Global Ltd.*

2013

2016

Augmented sales network through Apps, Marketplaces, OTT, OTA and Social Media

20-21

UK: Started 'TJC Beauty' channel for beauty products

Re-entered Germany

2021

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

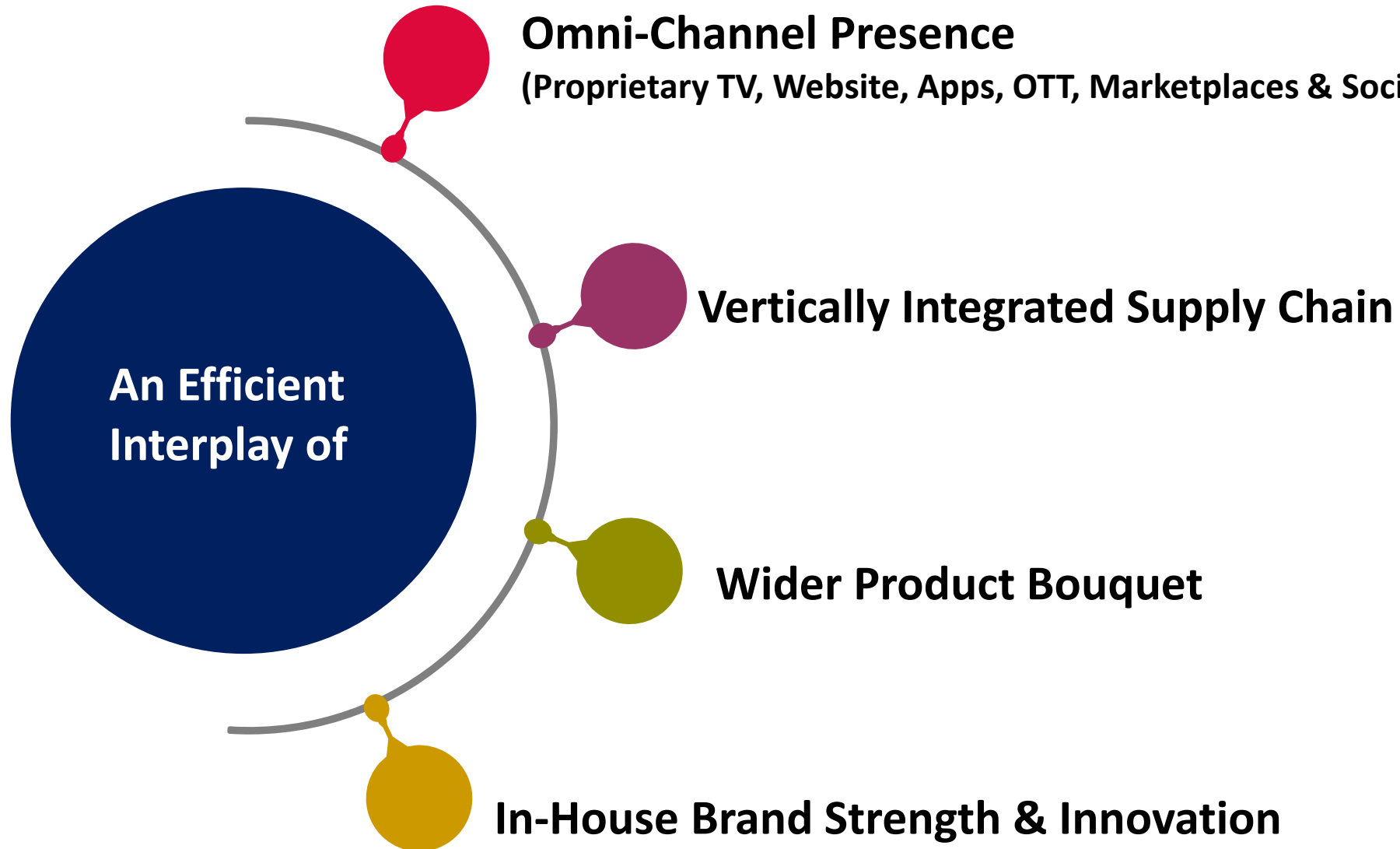


Mr. Mohammed Farooq
Group Chief Technology officer



Mr. Ashish Dawra
Vice President, Global IT

Key Strategic Enablers





Business Overview

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

Roku TV

Google TV

DIRECTV
stream

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



US



UK



GERMANY

Opportunity size

\$14- \$15 bn

\$2-\$2.5 bn

~\$2.7 bn

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



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 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

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%+

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



 Sourcing Countries

Strengthening Own Brand Portfolio




LUXORO
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

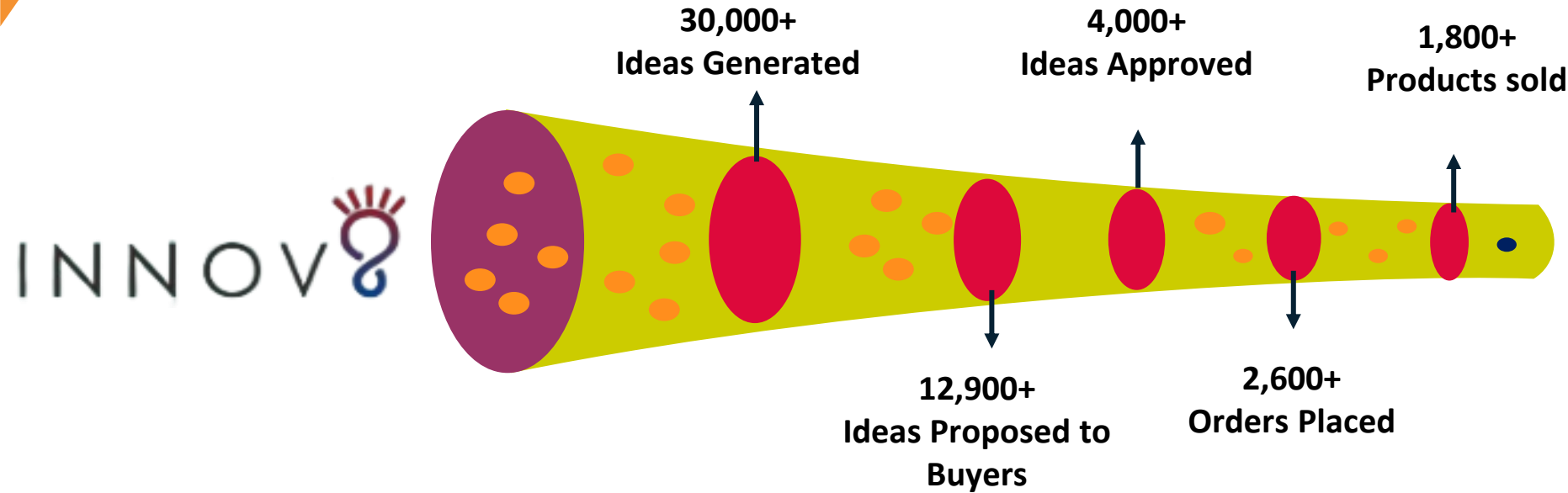
LA MAREY
MAKE A STATEMENT
LUXURIOUS
FASHIONABLE
CLASSIC

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

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

- Leveraging manufacturing & digital capabilities
- Number of brands: 31
- Current revenue mix: ~30% of B2C revenue
- **Target revenue mix: ~50% by FY27 of B2C revenue**
- New brand additions based on 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)

'Innovation' Focused



Innovation Segment:

FY23 Revenue: \$21mn
(~6% of group revenue)

FY22 Revenue: \$17mn
(~5% of group revenue)

FY21 Revenue: \$3.5mn
(~1% of group revenue)

Global Search Program

A Global product innovation and search program

Crowdsourcing of Ideas

From employees, customers and external stakeholders

Product Launched

30,000+ ideas received and 1,800+ new and innovative products launched

Other Programs




Powered by SHOP LC & tjc



Dream Draw Deliver



RESULTING IN

Top decile shareholders' returns

Growing Consistently

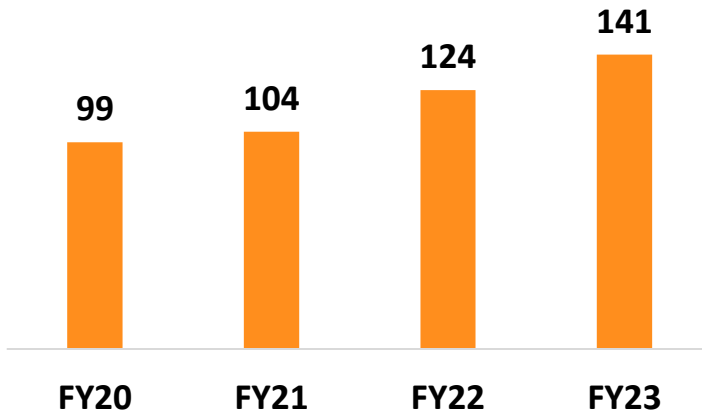
Parameters (Rs. in crores)	FY 98	FY 23	CAGR (25 years)	Return (x times)
Revenue	43.6	2,690.9	17.9%	62
EBITDA	6.2	227.3	15.5%	37
Profit Before Tax	5.4	141.4	13.9%	26
Profit After Tax	5.3	105.1	12.7%	20
Net Worth	21.8	1,201.3	17.4%	55

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

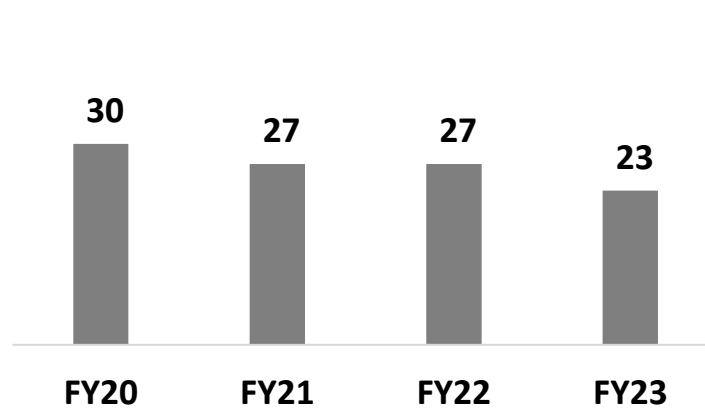
With Consistent Business Delivery

Consistent, Focused and Strong Execution

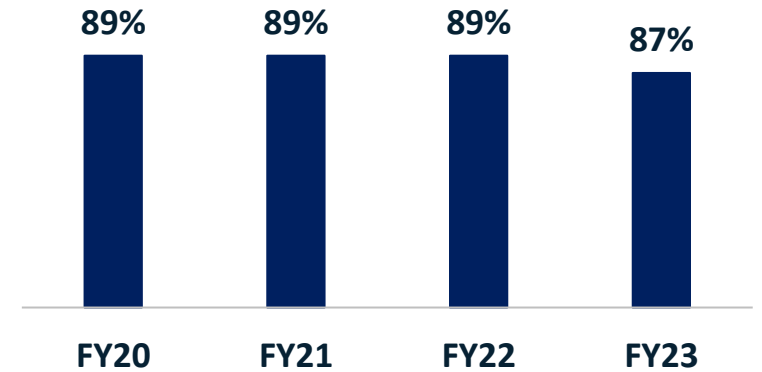
Global Households Reach
(in million)



Repeat Purchases
(no. of pieces)



Retention (20+ Purchases)



Reach

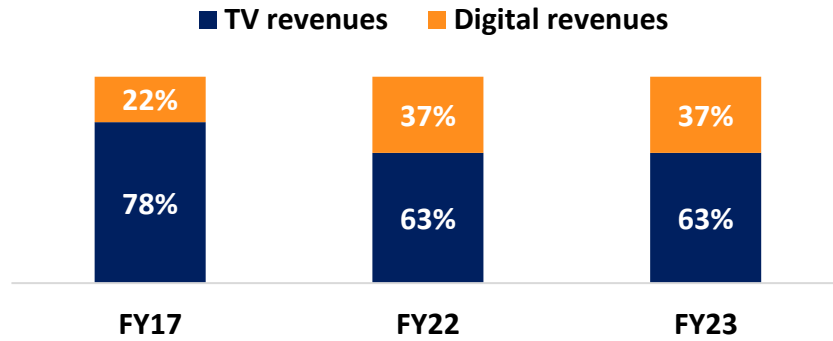
Repeat Purchases*

Retention Rate for 20+ Purchases**

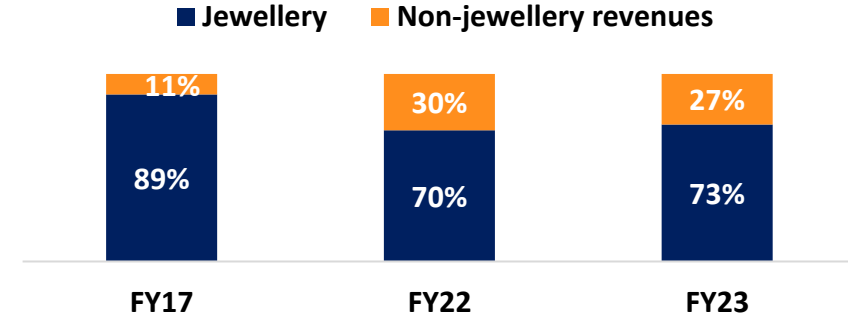
** Refers to retention rate of customers who have bought more than 20 times on TTM basis

Broad Based E-tailer

B2C Revenues by Format

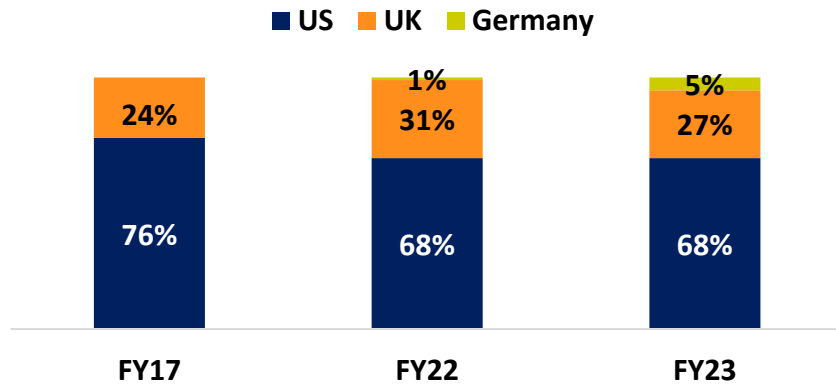


B2C Revenues by Product Category

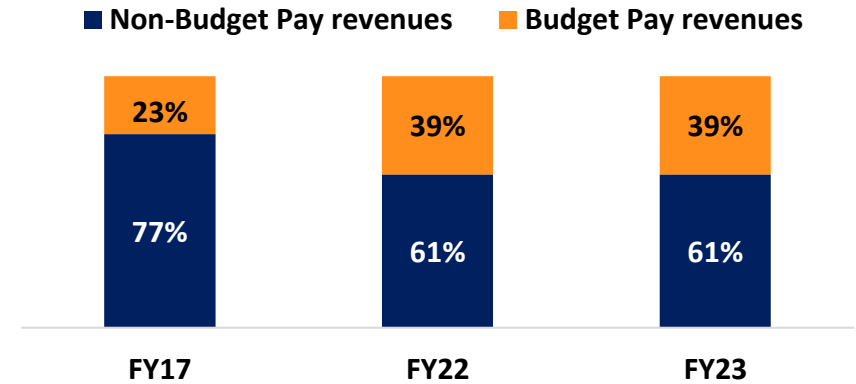


Jewellery revenues: Fashion Jewellery, Gemstones and Accessories
 Non-Jewellery revenues: Lifestyle products, Home Décor, Beauty & Hair Care, Apparels & Accessories

B2C Revenues by Geography



Budget Pay penetration of B2C Revenues





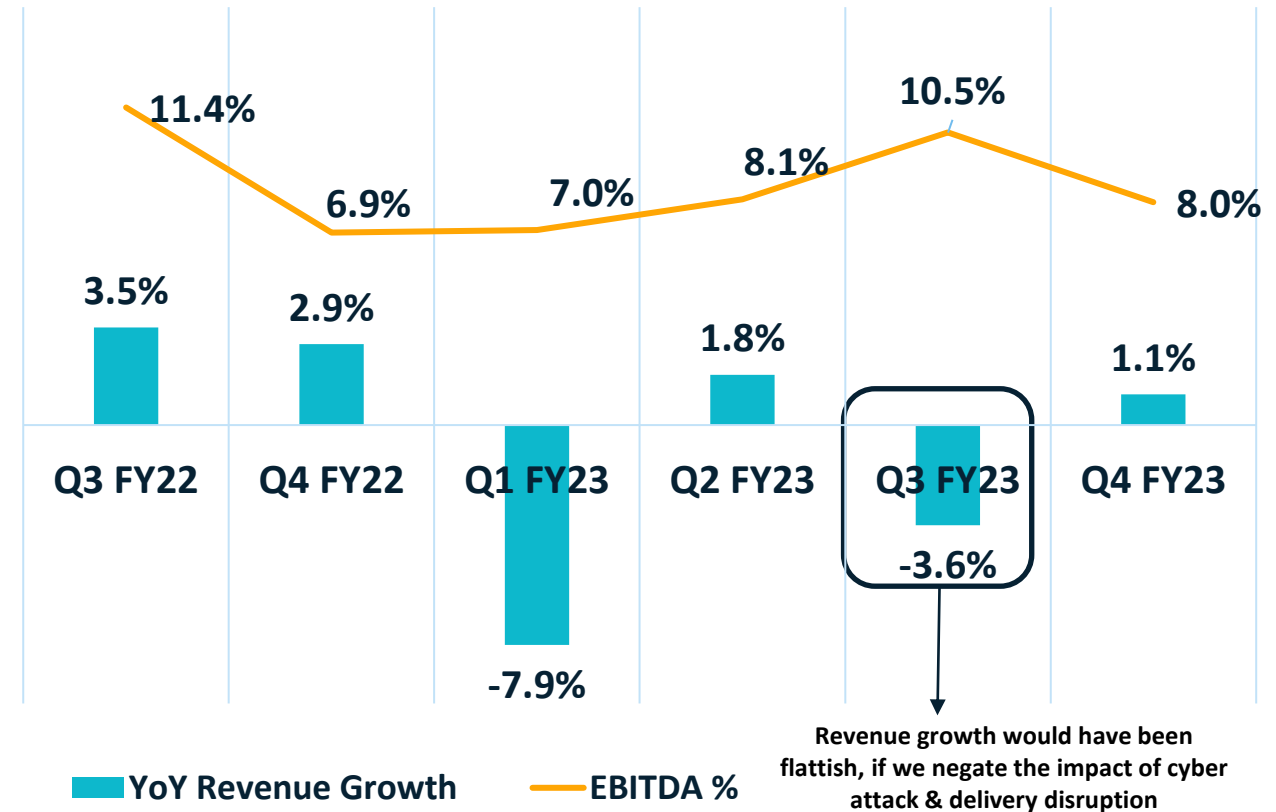
Q4 & FY23
Operational &
Financial Highlights

Being Resilient Amid Challenges

- Modest revenue growth during
 - Inflationary environment
 - Muted consumer sentiments

- YoY improved EBITDA margin owing to
 - Efficient price management
 - Cost rebase

Revenue and EBITDA trend



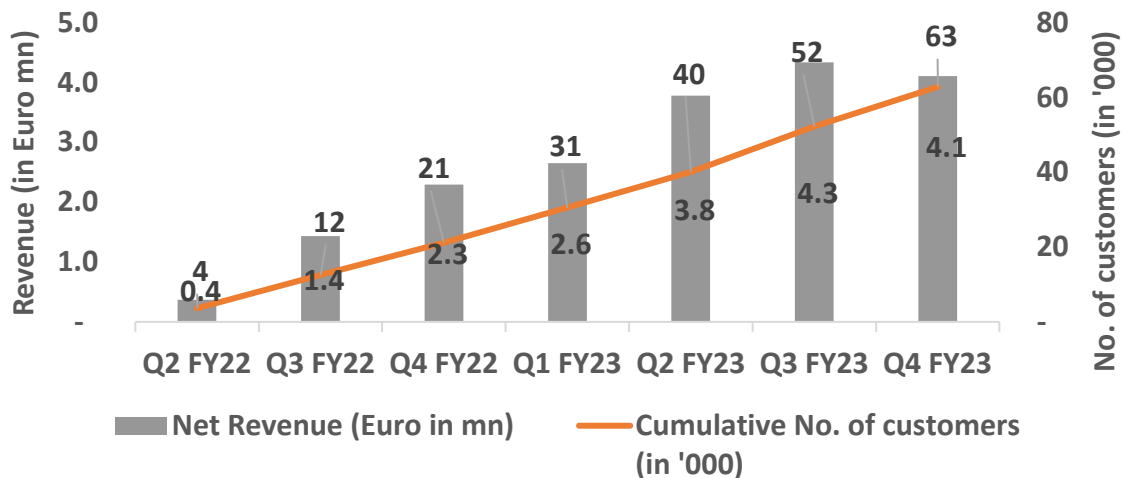
An update on Germany



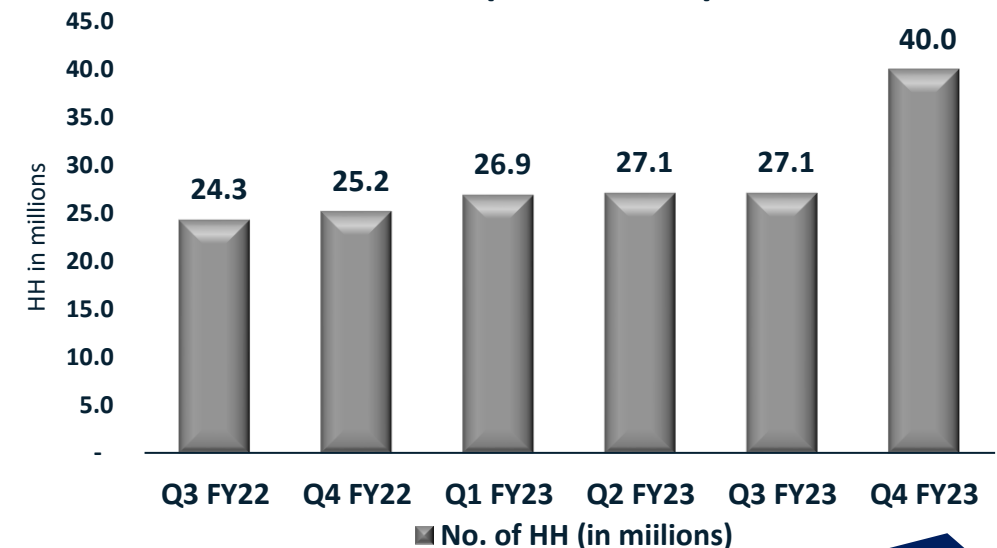
Germany venture increase in TAM (immediate addressable market) by ~20%

- Now clocking monthly revenue of Euro 1.4mn+ at 60%+ gross margins
- Omni-channel presence (digital is now 29%)
- Covering 40mn HH, dispatching 3.5k+ pieces/day
- Started **'Live & Interactive TV'**
- Positive Customer Orientation: CSAT 96% +; NPS 57

Revenue and Customer Trend



No. of HH (in millions)



Germany: Strategic Partnership with Vodafone



SHOPLC
PREISWERTE QUALITÄT

Presence in 60%
Households in Germany

27mn households (incl. 2 mn in Austria)

SHOPLC + 
PREISWERTE QUALITÄT

Now present in ~90%
Households— adding 13 mn households through Vodafone
~40 mn households (incl. 2 mn in Austria)

- Vodafone have one of the largest cable TV network in Germany
- Achieved pan-Germany presence within 1.5 years of entering market
- To aid market leading growth

Positioned alongside market leaders in terms of household penetration

OTT & OTA – Widening Digital Platform

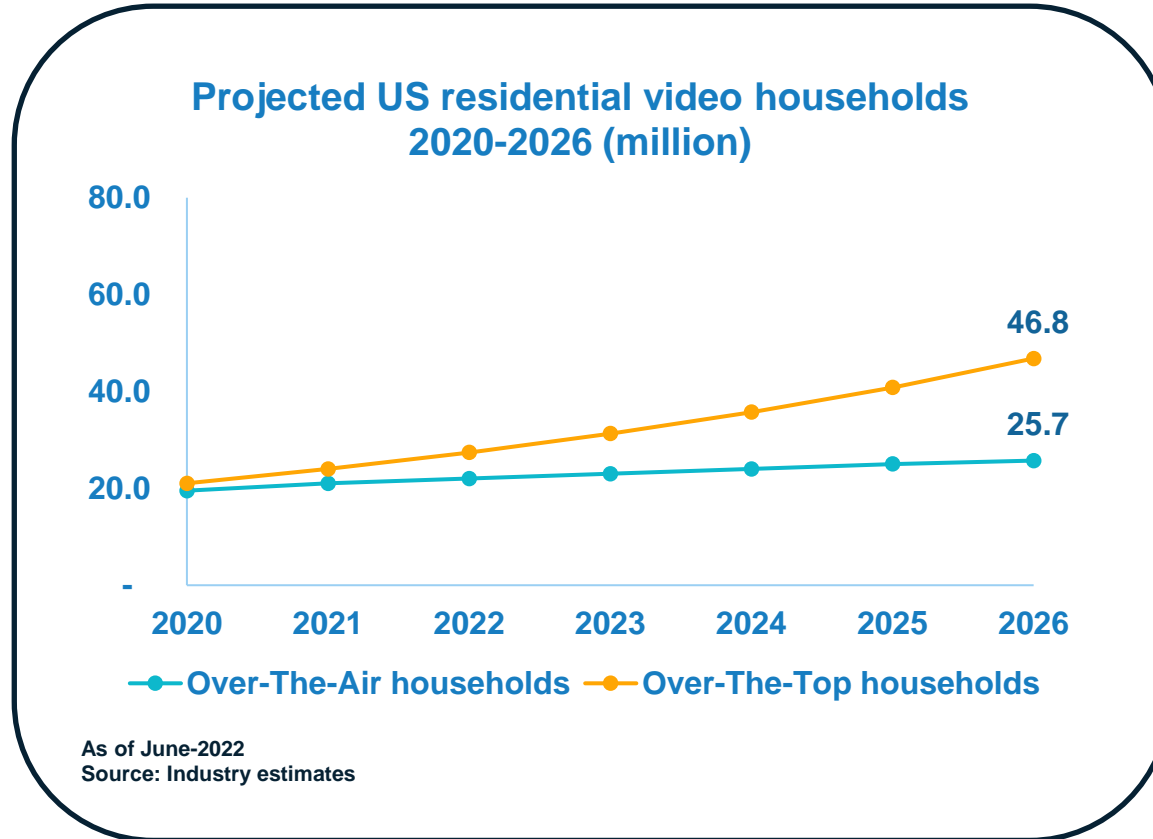
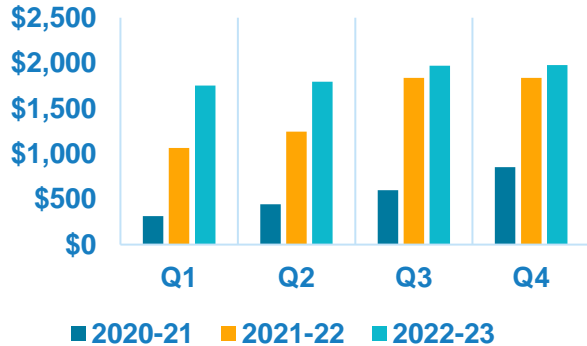
In US, OTT and OTA are projected to be the fastest growing video distribution medium

OTT

Live & Interactive Apps



OTT Revenue



OTA

Total HH in US:
22mn

Shop LC
17mn HH

Low Power: ~17mn HH
High Power: ~4mn HH

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



Financial Highlights – Q4 & FY23 Revenue breakup

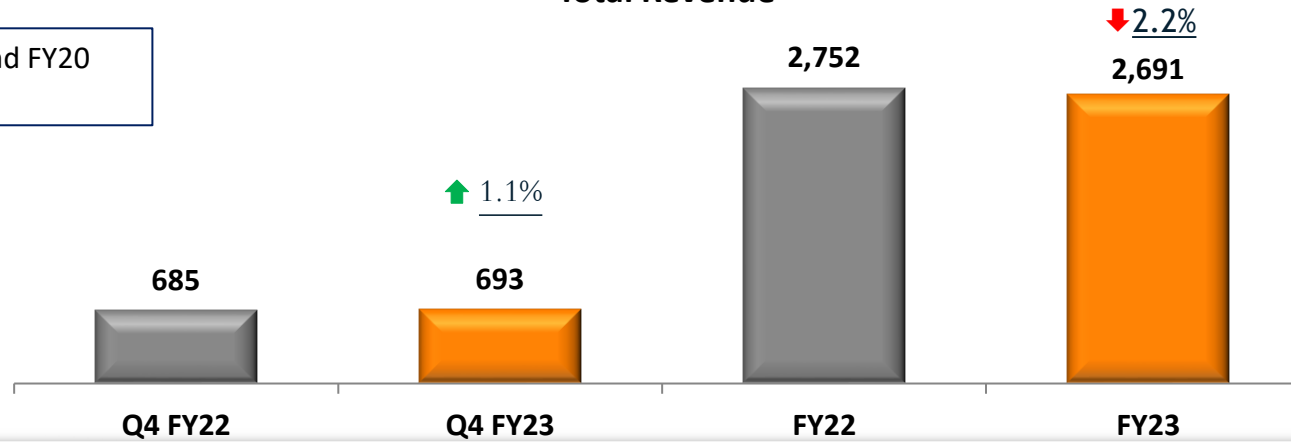
Revenue (Rs. Crore)

↑39.2%

↑35.5%

Total Revenue

vs normalized pre-COVID Q4 and FY20 performance

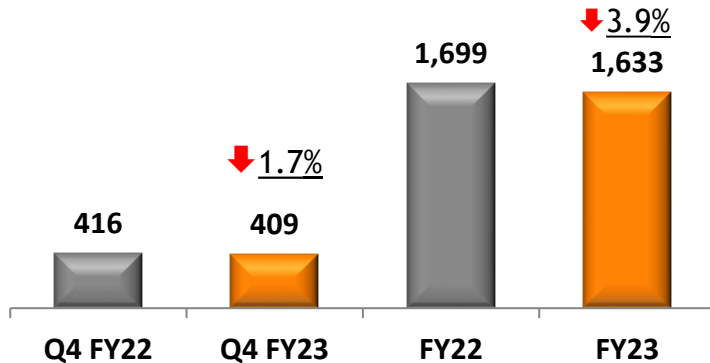


Revenue split (Rs. Crore)

↑25.4%

TV Revenue

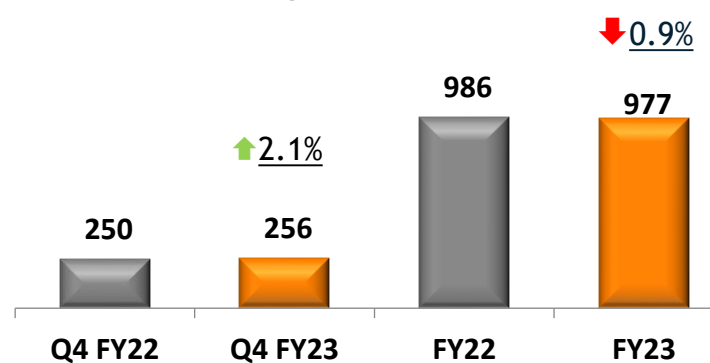
↑27.1%



↑51.3%

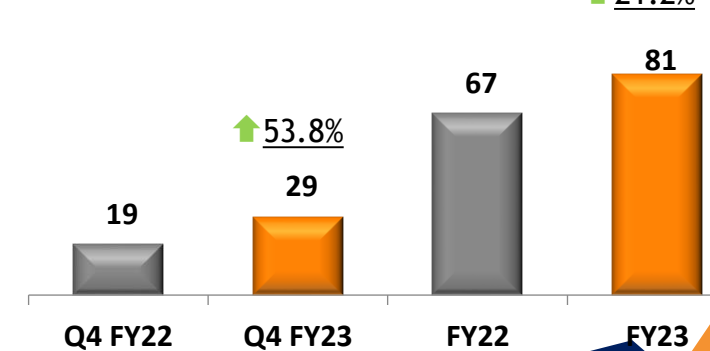
Digital Revenue

↑54.4%



B2B Revenue

↑21.2%



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

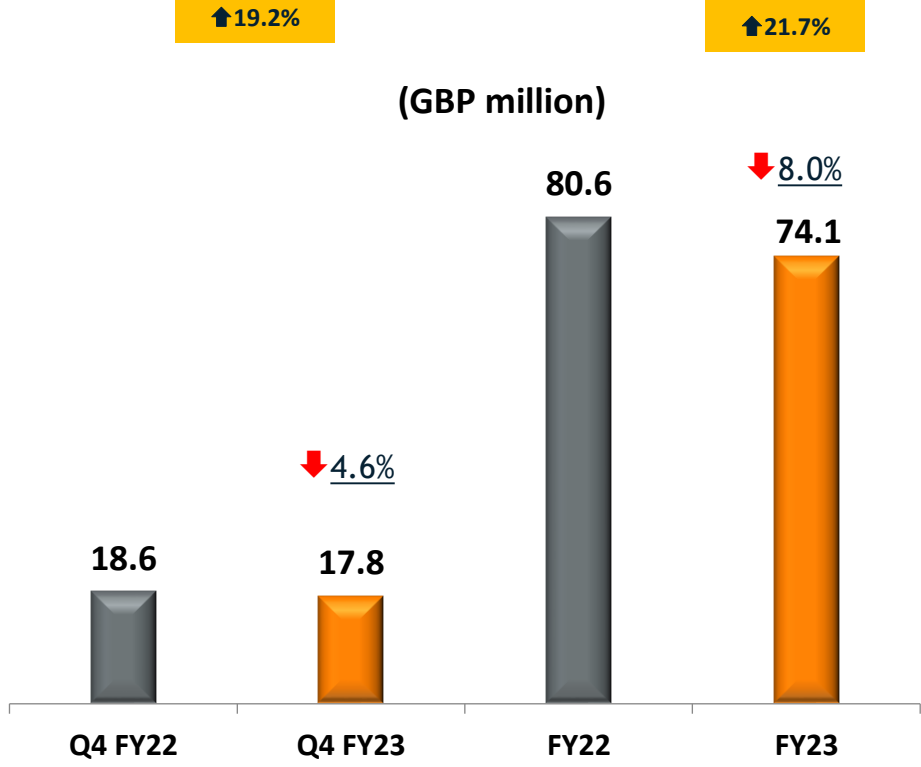
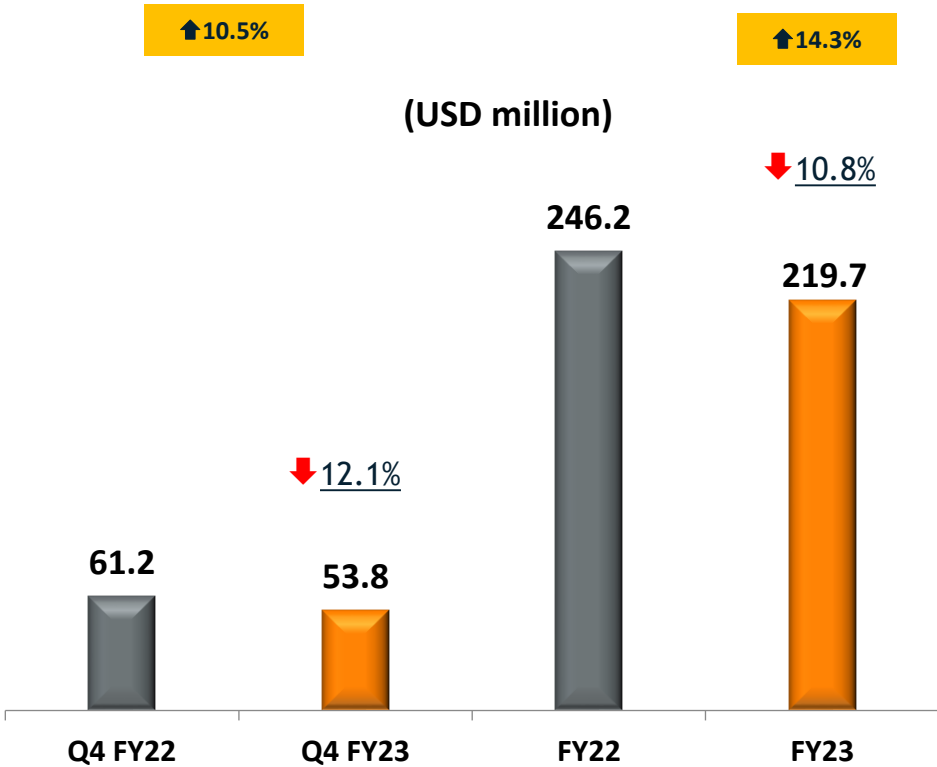
Financial Highlights – Q4 & FY23 Revenue breakup



Revenue Split – (Local Currency)

Shop LC (US)

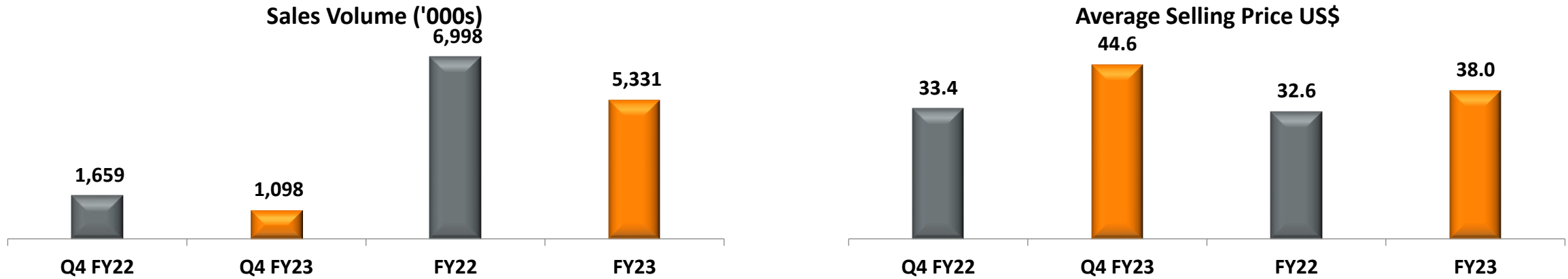
Shop TJC (UK)



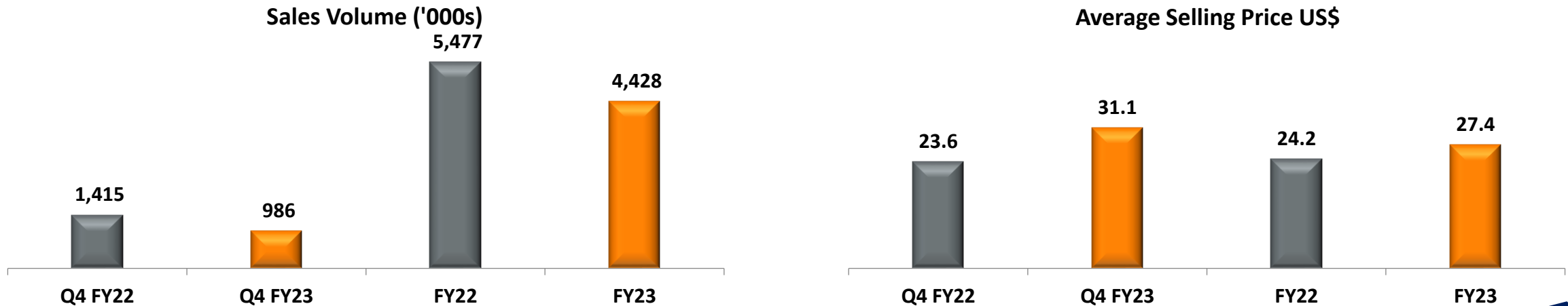
vs normalized pre-COVID Q4 and FY20 performance

Retail Performance Trends – Q4 & FY23

TV Sales

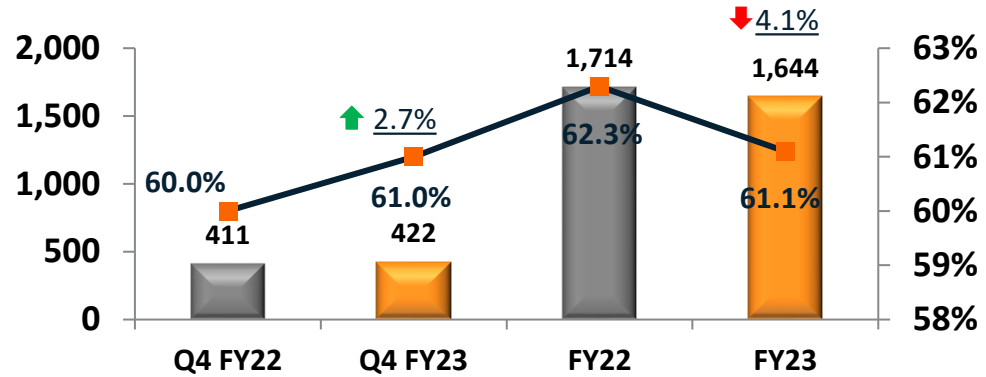


Digital Sales

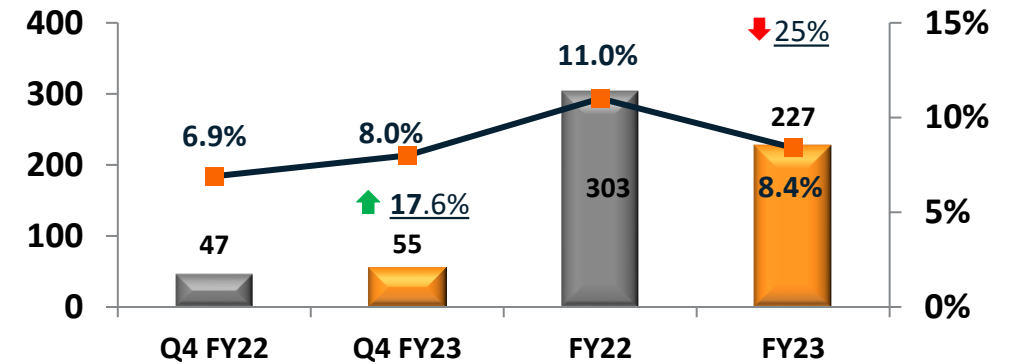


Financials – Q4 & FY23 Performance

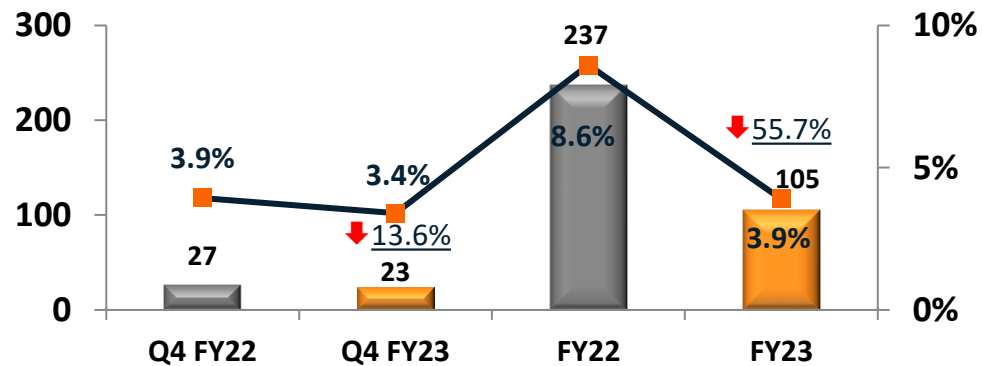
Gross Profit (Rs. Cr) and Margin (%)



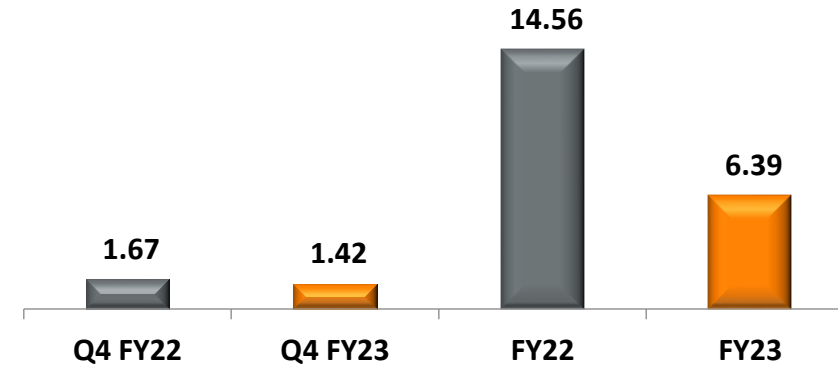
EBITDA (Rs. Cr) and Margin(%)



*PAT (Rs. Cr) and PAT Margin %



EPS (Rs.) – Post Split



EBITDA Margin Walk



Particulars	% To Revenue	Remarks
EBITDA Q4 FY23	6.9%	
Gross Margin	↑ 0.9%	Better pricing
Germany	↓ (0.3)%	Attributable to Forex, at par in constant currency
Cost Rebase: efficiency & logistics	↑ 3.7%	
Accelerated Investment in Broadcasting & Digital	↓ (1.3)%	Conscious investments for future potential and scale
Other expenses	↓ (1.9)%	
EBITDA Q4 FY23	8.0%	

Cost Optimization



Cost Arbitrage: Call Centre

- Presently ~50-60% US & UK volumes catered by India
- Focus to further increase India's share

Planned Savings
(FY23)

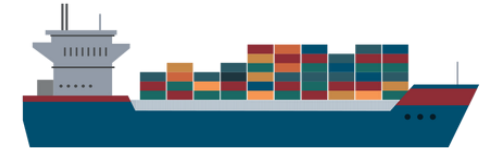
\$ 1-2 mn



Shipping & Warehousing

- Shipping: Renegotiating and evaluating new vendors
- Labour productivity
- GEEK+: Warehouse Robotics Automation (to boost picking productivity)
- Warehouse consolidation

\$ 2-3 mn



Contract Renewals & Others

- Renegotiating with IT Vendors
- Optimizing other costs

\$ 2 mn



Savings achieved in FY23: ~\$ 4.2 mn

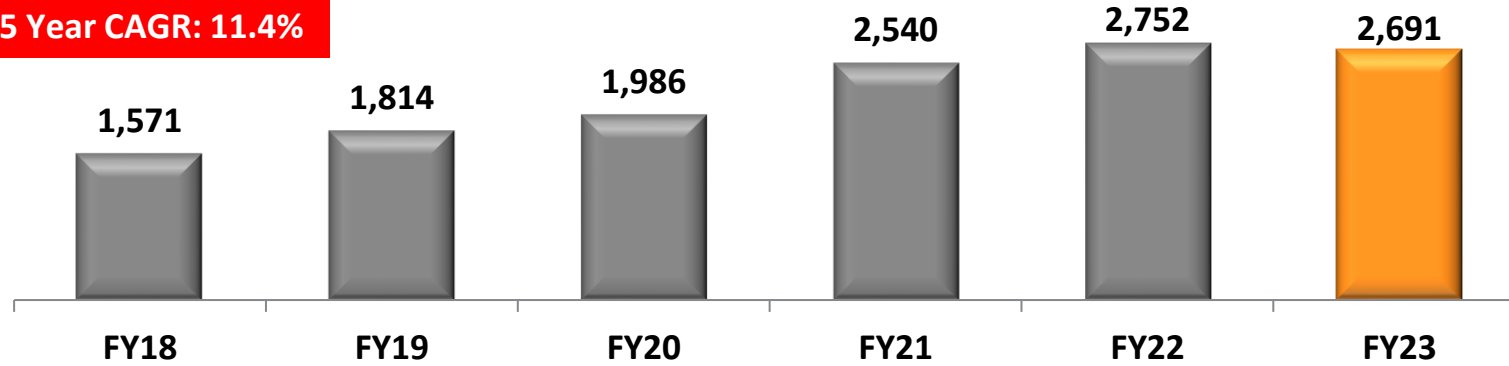


Financial Performance Trends

Financial Performance Trends

Revenue Breakdown – (Rs. crore)

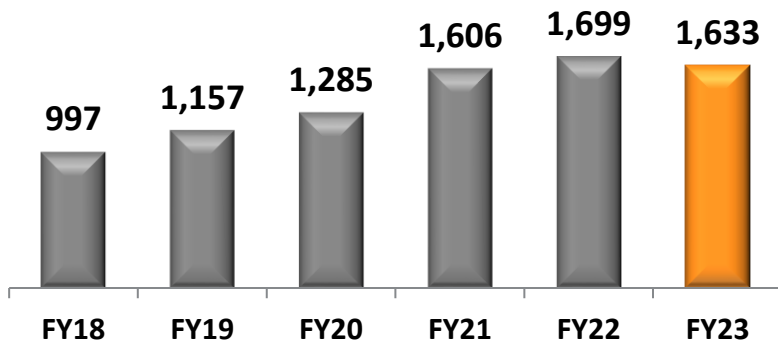
5 Year CAGR: 11.4%



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

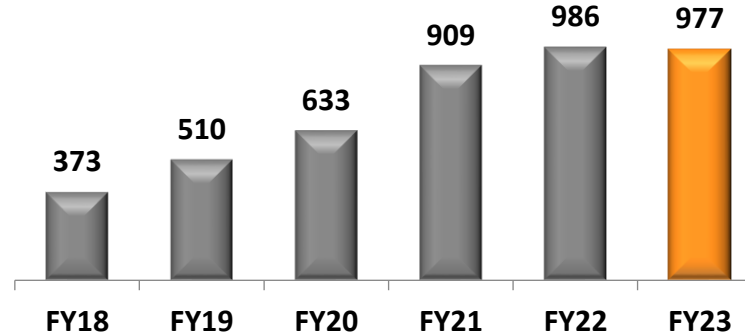
5 Year CAGR: 10.4%

TV Revenue

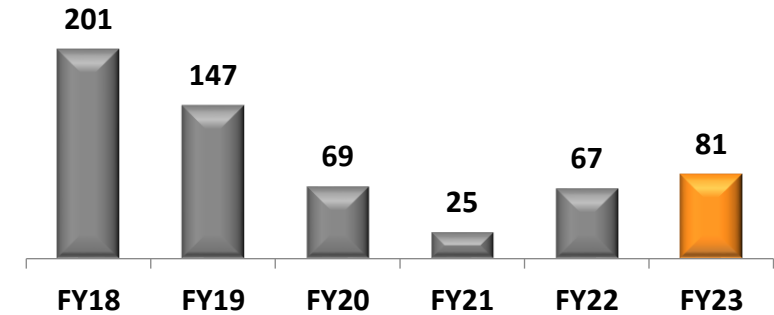


5 Year CAGR: 21.2%

Digital Revenue

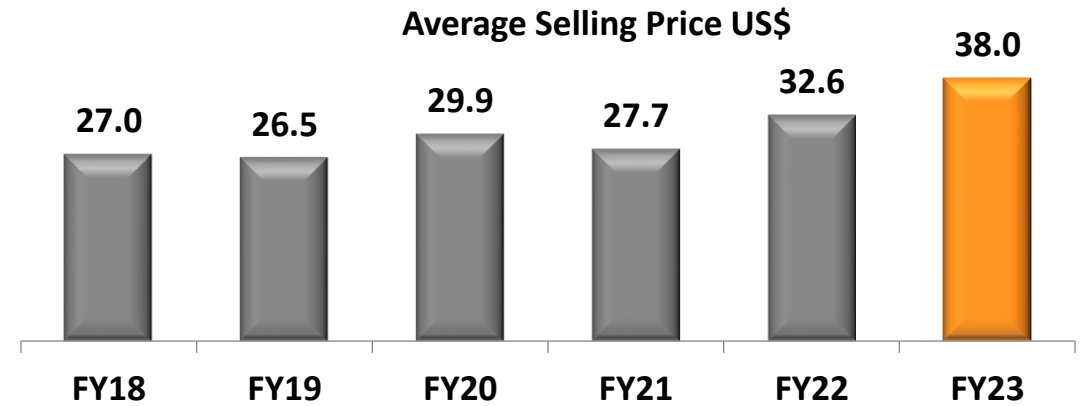
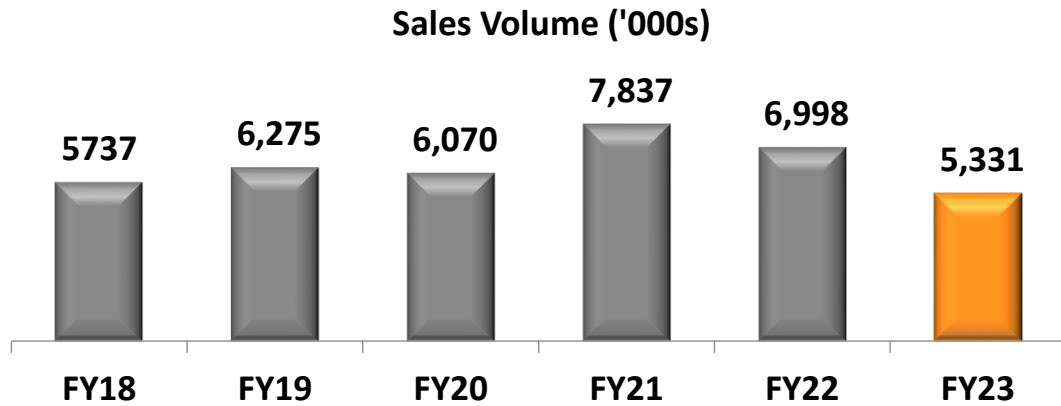


B2B Revenue

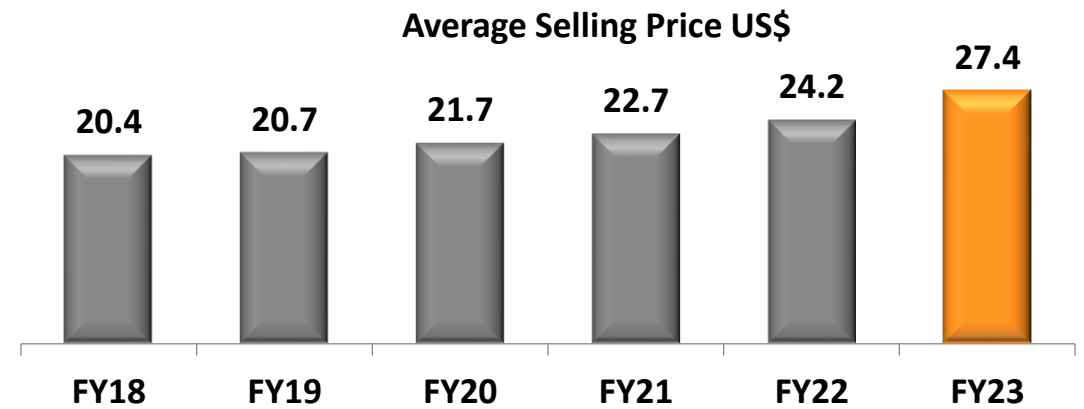
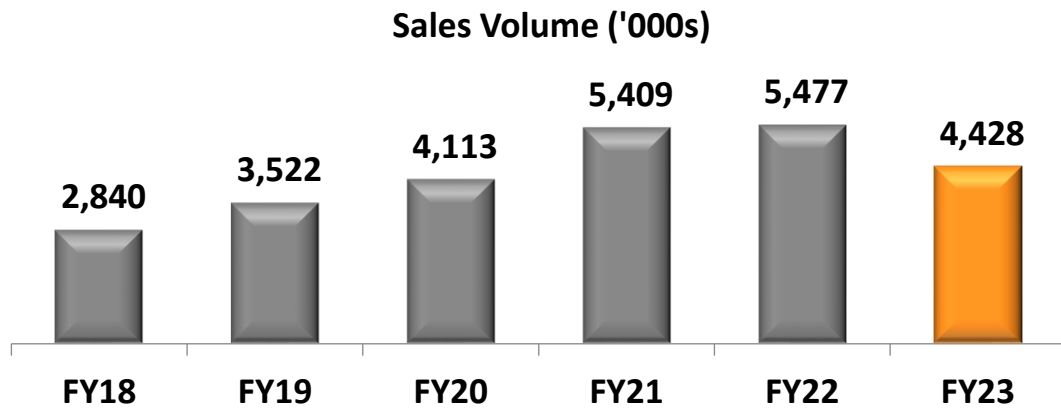


Retail Performance Trends

TV Sales

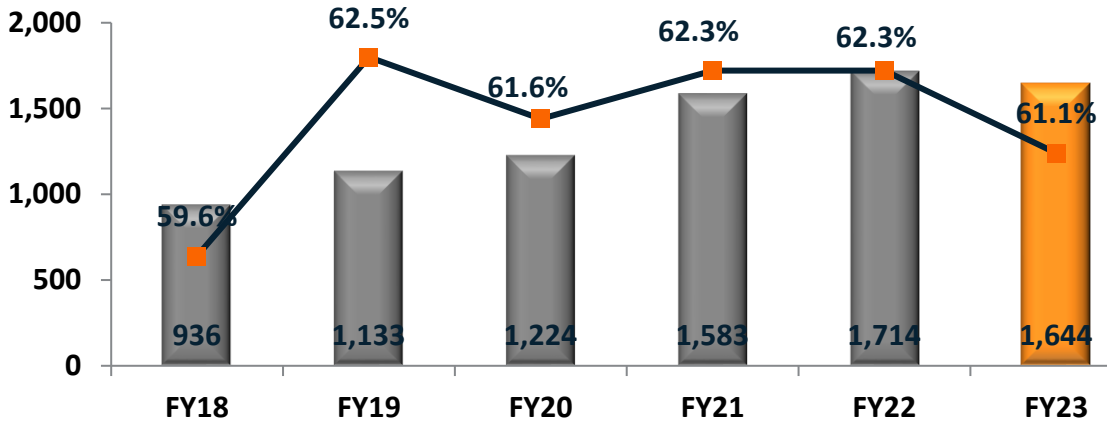


Digital Sales

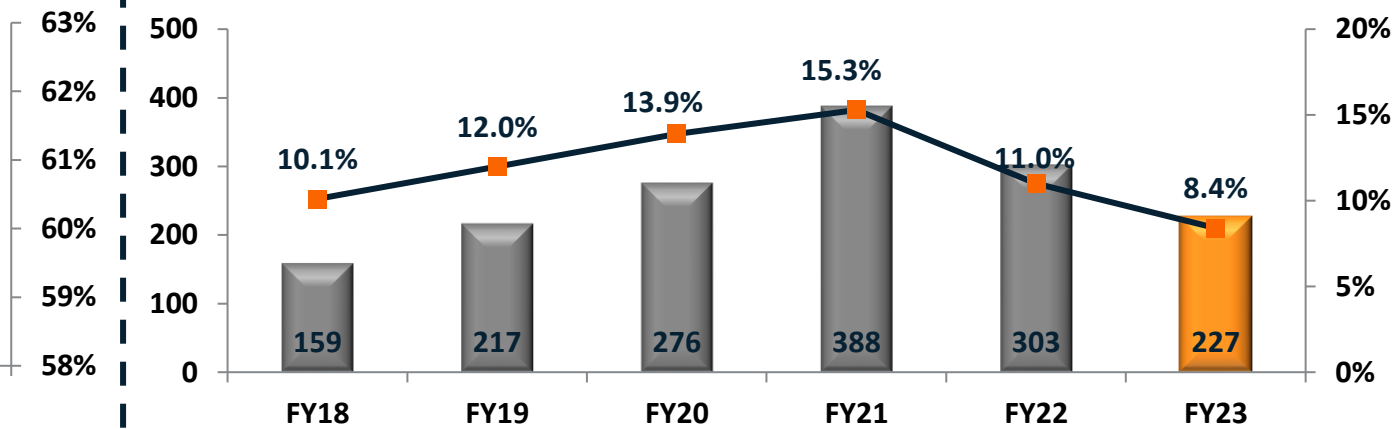


Financials – Annual Financial Performance

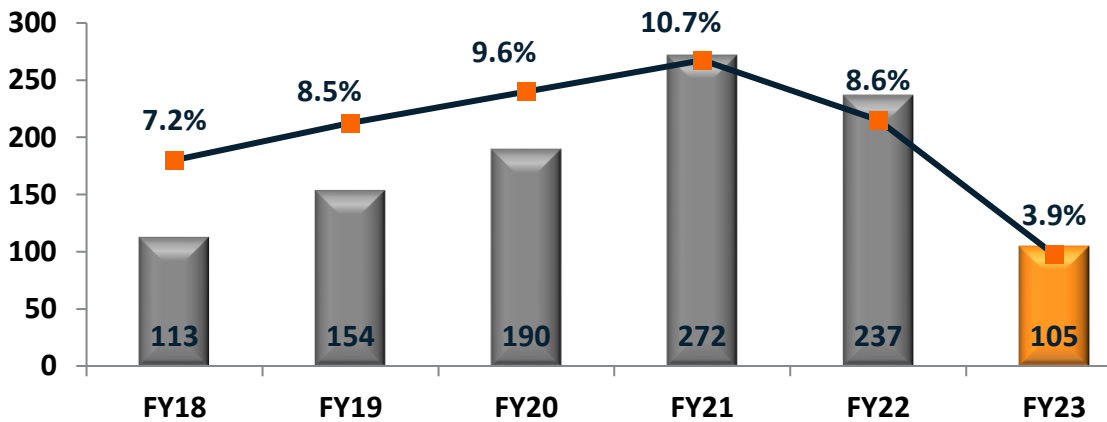
Gross Profit (Rs. Cr)



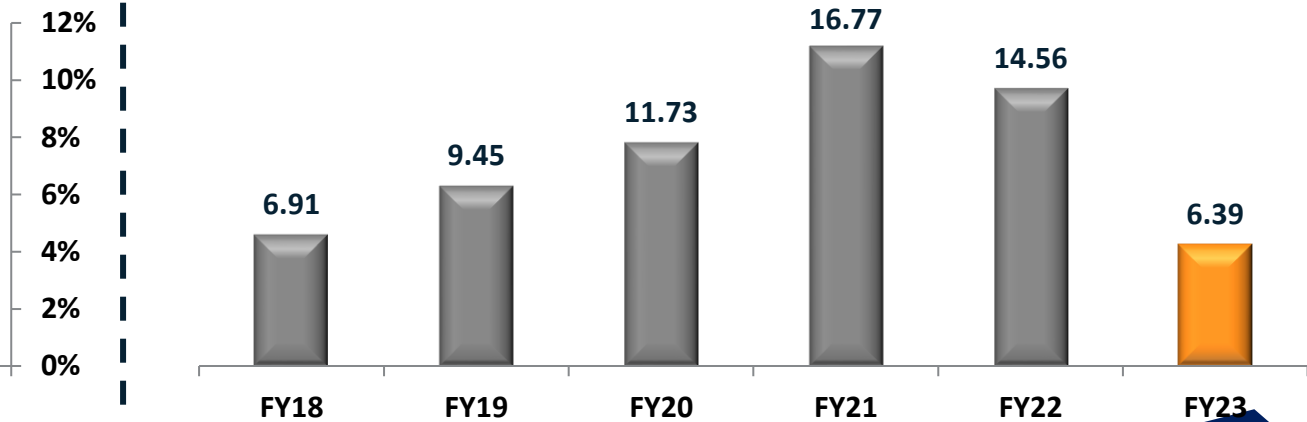
EBITDA and EBITDA Margin %



*PAT (Rs. Cr) and PAT Margin %

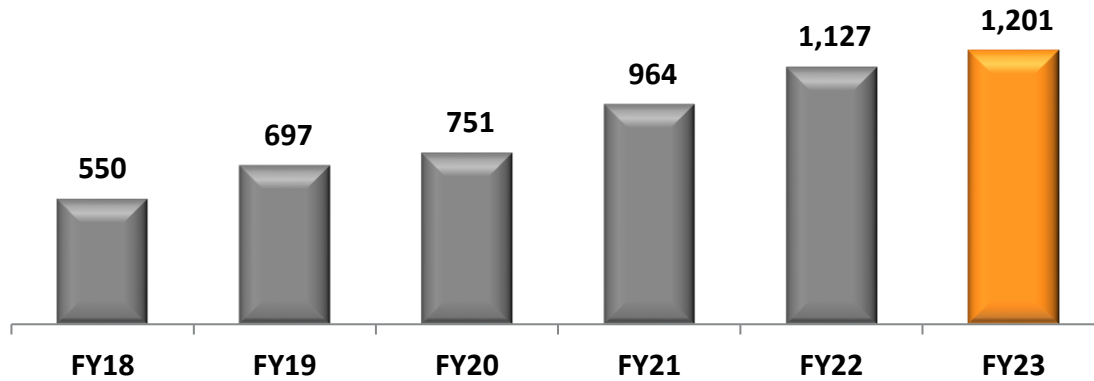


EPS (Rs.) – Post Split

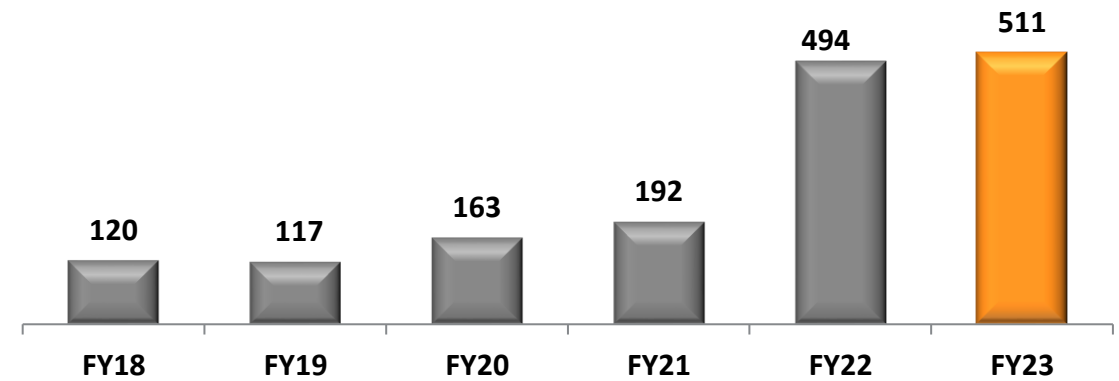


Financials – Annual Financial Performance

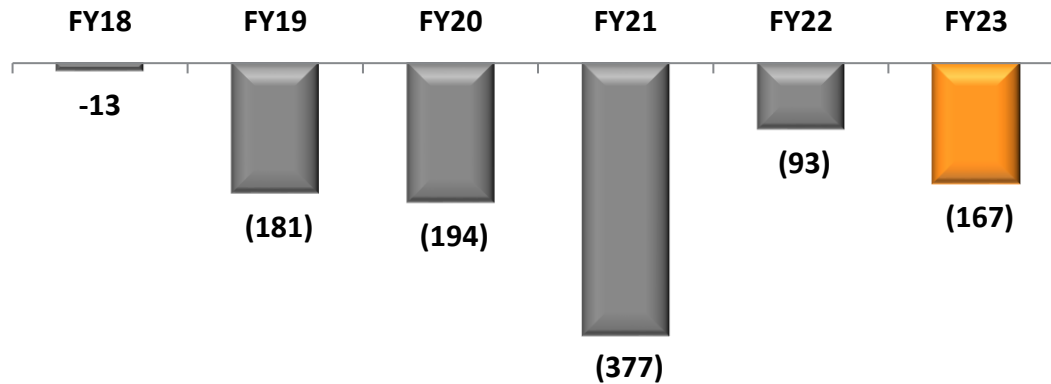
Shareholders' Equity (Rs. Cr)



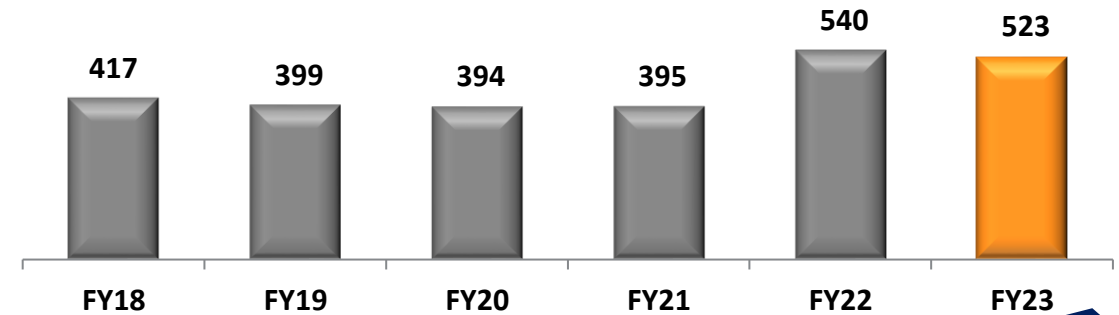
Fixed assets including intangibles (Rs. Cr)



Net Debt (Rs. Cr)



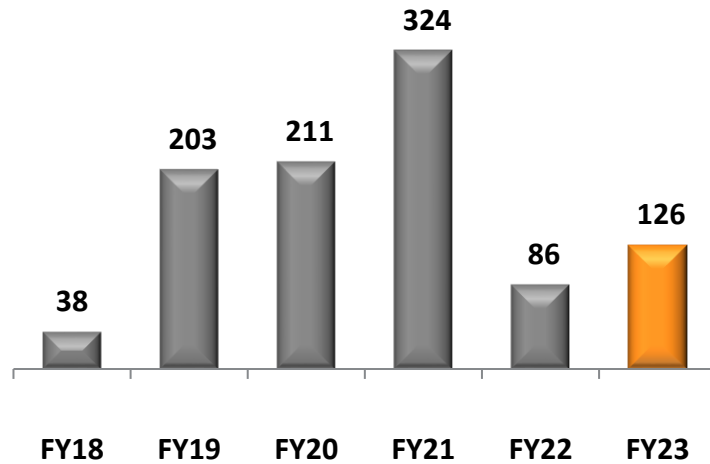
Net Assets* (Rs. Cr)



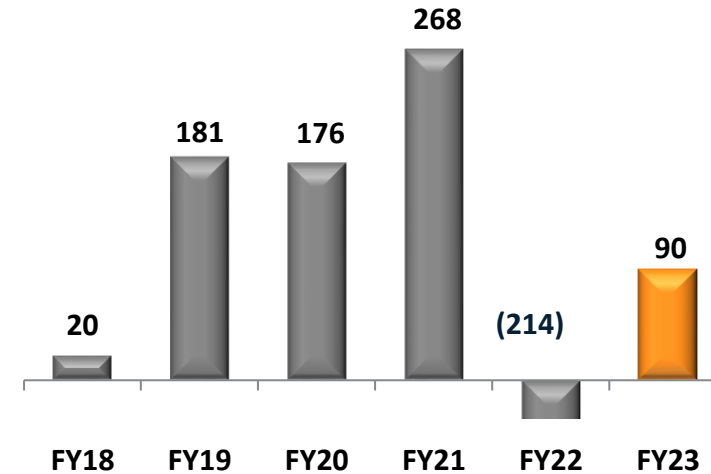
Note:
* Net Assets is balancing figure arrived at by excluding shareholders equity, net debt, and fixed assets including intangibles

Financials Performance Trends & Ratios

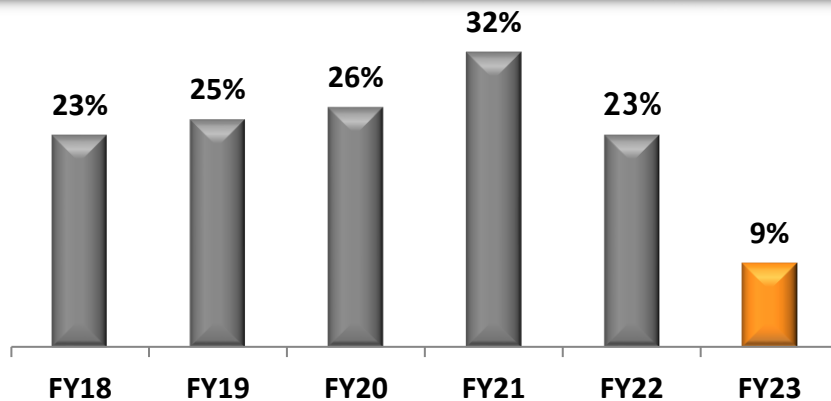
Operating Cash flow (Rs. Cr)



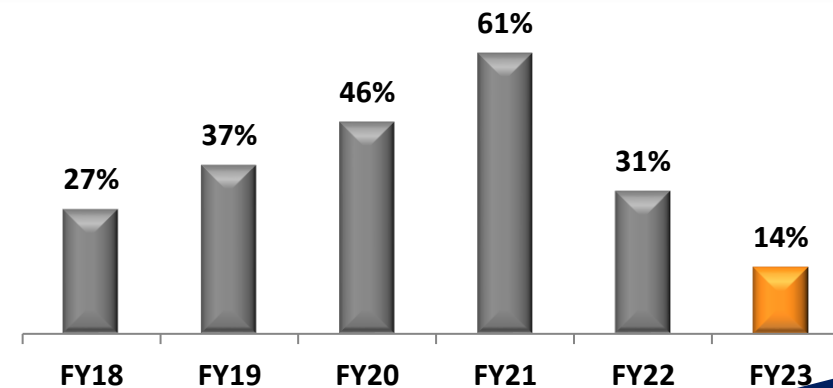
Free Cash Flow (Rs. Cr)



ROE (TTM)



ROCE (TTM)



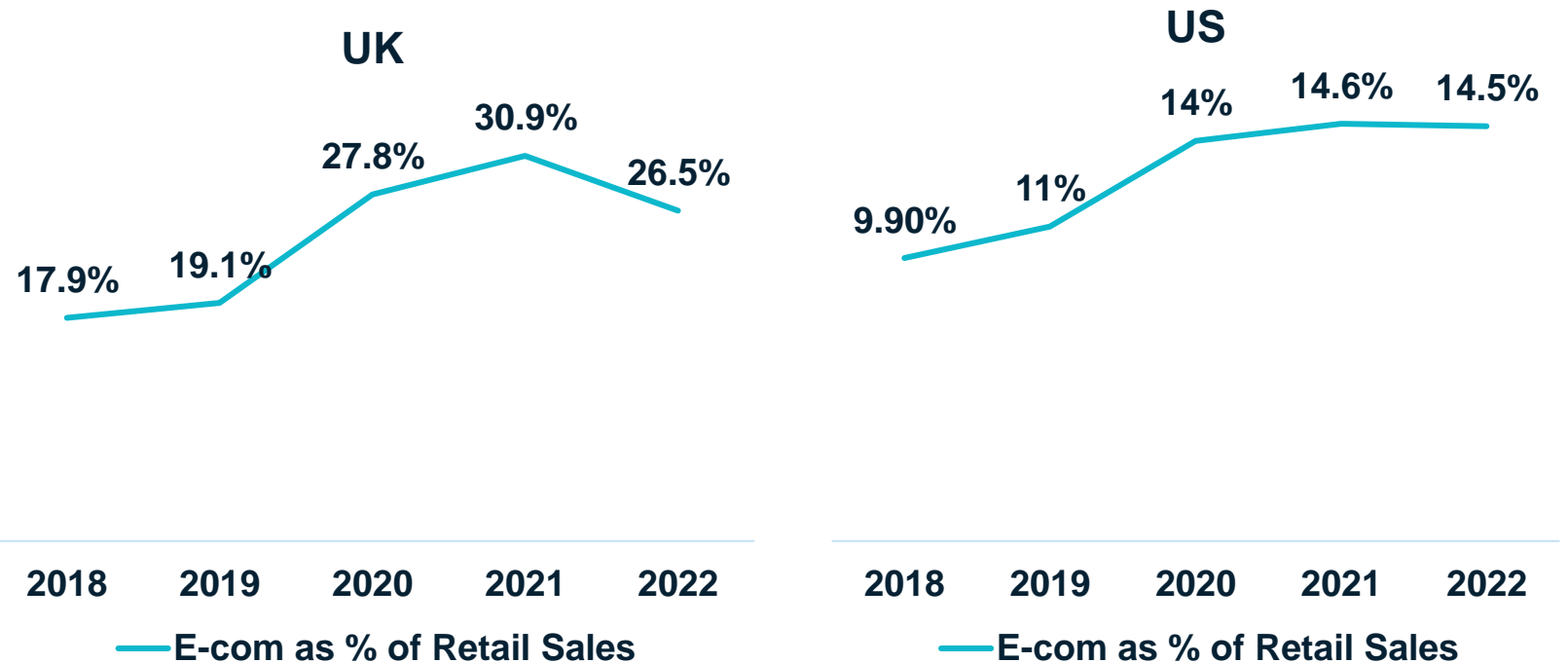


Annexures

Growth In Digital Commerce Markets

Digital Industry facing temporary headwinds in the US and the UK

- Muted consumer sentiments amidst economic uncertainties
- Cost of living crisis in UK
- Resultant industry wide YoY decline in online sales mix



Robust Corporate Governance

FY23

~Rs. 99 crores

Dividends

(incl. interim & final dividend proposed in Q4 FY23)

Dividend Payout Policy

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

B S R & Co. LLP

Statutory Auditors

DELOITTE

Internal Auditors

Credit Rating

Long-term
ICRA A

(Stable Outlook)

CARE A
(Stable)

Credit Rating

Short-term
ICRA A1

Awards & Accolades

ICSI National Award for Excellence in Corporate Governance



LEED's PLATINUM & GOLD Certification



'Net Zero Energy Building' certified



India, US, UK & China GPTW® Certified

'Certificate of Excellence' from ICSI for CSR initiatives



Great Place To Work®

Sustainability Initiatives



ENERGY

Solar
3.23 mw

Solar power capacity meets 100% power requirement at manufacturing units in Jaipur. Generated 11.2 Mn KWH units till date.

EV

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

BIODIVERSITY

~26,000

Saplings planted for developing 2 Miyawaki forests.

~9,000

Additional saplings planted till date.

WATER

6100 KL Rainwater harvested per annum.

500 KL RWS 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 **75 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 ~50k meals every school day
- To serve 1 million meals per day by FY31

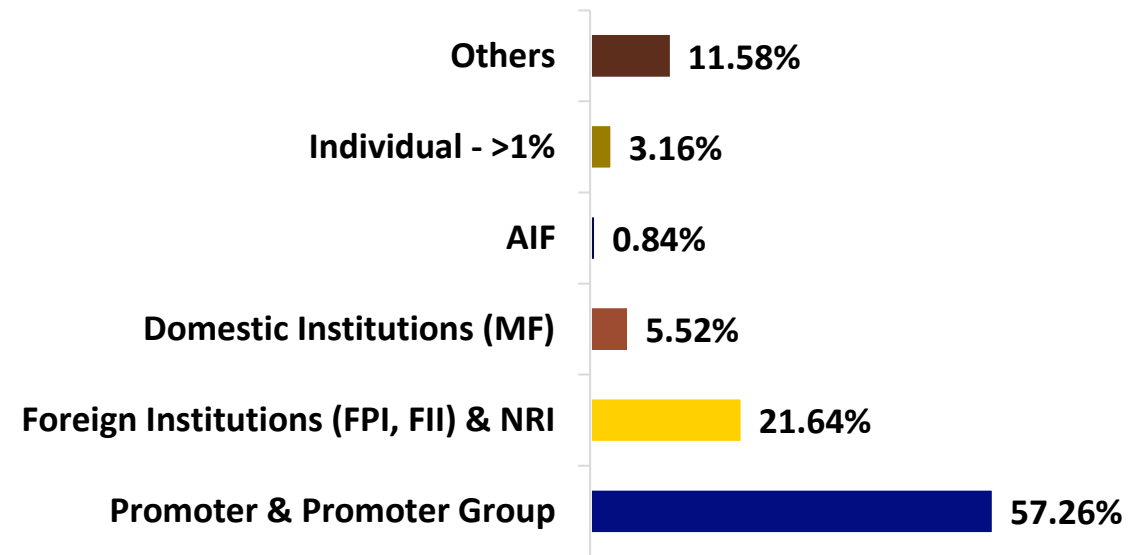


Shareholding Pattern: As on 31st March 2023



Key Shareholders	Holding as on 31-Mar-23
Nalanda India Fund Limited	10.18%
Motilal Oswal Flexi Cap Fund	5.50%
Malabar India Fund Limited	5.39%
Vanguard	1.58%
Taiyo Greater India Fund	1.61%
Vijay Kedia	1.95%
Ashish Kacholia	1.21%
Government Pension Fund Global	0.32%

Shareholding Pattern





Thank You



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