



VAIBHAV GLOBAL LIMITED

Ref: VGL/CS/2022/12

Date: 28th January, 2022

**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 Q3 & 9M FY 2022.

Kindly take the same on record.

Thanking you,

Yours Truly,

For Vaibhav Global Limited

**Sushil Sharma
Company Secretary**

Tanzanite ENCHANTING BLUE HUES



Vaibhav Global Limited

Global E-tailer of Fashion Jewellery, Apparels, Lifestyle Products and Accessories on TV and Digital Platforms

DELIVERING JOY

Q3 & 9M FY22

Financial Results Presentation





Safe Harbour

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.

Commenting on Q3 FY22 Performance

MD's Message



Mr. Sunil Agrawal
Managing Director
Vaibhav Global Limited

Revenue in Q3 grew by 3.5% Y-o-Y albeit on a higher base and strongly by 33.2% over Q3FY20. Our 9M revenue grew by 10.3% Y-o-Y and by 38.9% over 9MFY20. Post Q1, consumers went for revenge outings and vacations thus impacting demand. This phenomenon continued in Q3 leading to muted revenue growth across digital retail industry. Festive demand was encouraging, however demand tapered in later part of Q3, owing to omicron uncertainties. Gross margins have seen slight contraction mainly due to product mix, elevated shipping costs and demand-supply mismatch at product level owing to longer transit times. During the quarter, investments on new OTA homes, Digital Marketing, Market Places Marketing and OTT marketing continued. These investments are intended to support our growth ambitions for coming years. In USA, our revenue and unique customer counts on OTT have tripled YoY implying a clear opportunity in this market for us.

Retail is rapidly moving digital. Hence, we recently finished upgrading our Tech Infrastructure on Salesforce Commerce Cloud. Our recent expansion in high potential German market is faring well and offers tremendous growth prospects on TV, Digital and marketplace platforms. There have been certain earlier than planned airtime tie-ups resulting in higher than planned upfront investments. However, we may now be breakeven by third quarter of FY24 in Germany, which is approx. one year earlier than projected. We believe in seeding investments for long-term growth. Recently, TJC UK announced Freeview Channel change to #22 from erstwhile Freeview Channel #50. The investment is expected to enhance the viewership of TJC's proprietary TV channel substantially with corresponding increase in its market share, thus providing long-term growth opportunities. Similarly, Shop LC (USA) has decided to move its headquarters to an owned premise whose construction is expected to complete by Sep-2024. This move is expected to bring operational synergies and substantial savings in future. We have also acquired 60% stake in Encase Packaging Pvt Ltd., a packaging company. The acquisition will further consolidate our existing integrated supply chain and give substantial saving in packaging costs. We perceive that these investments might impact return ratios in the short-term, but it provides huge growth opportunities for the future.

The 4R's- widening Reach, new customer Registrations, customer Retention and Repeat purchases remains to be our key priorities for overall growth. Our vertically integrated model and robust supply chain network is the backbone of our business and a key differentiator vis-a-vis peer. The reach of our TV networks by the end of Q3 FY22 was ~127 million TV homes. We reach TV homes through cable, satellite, telco networks and over the air antenna-based OTA platforms. Our products are also available on digital channels including all proprietary websites, smartphone apps, OTT platforms and marketplaces. New registrations in trailing 12-month period continue to be strong and came in at 3.1 lakhs compared to 2.8 lakhs in the corresponding period of the previous year. As engagements with new customer deepens, we expect to continue to drive bigger volumes. Customers bought an average of 29 pieces on TTM basis from us compared to 27 pieces in the corresponding period of the previous year. This reflects our ability to not only support changing customer preference, but also respond to them with agility. Finally, our retention rates stood at 42.3% on TTM basis compared to 51.4% for the same period last year. We expect our overall revenue growth to be 8-10% in current financial year on top of 28% growth last year. We expect our growth rate to be 13-15% in next financial year and 15-17% in midterm.

We are enthused to share the fact that our SEZ unit of Jaipur has been conferred with IGBC Performance Challenge 2021 for Green Built environment- Excellence Award' under 'Factory' category by IGBC and have become the first and only jewellery plant in India to achieve this milestone. We have a robust cash flow model and track record of returning meaningful cash to shareholders, hence board has recommended 3rd interim dividend of the fiscal year which is Rs.1.50 per equity share. At the end, we would like to reiterate, that there are multiple levers for future growth and margin improvement and our long-term ambition is to sustain growth whilst building decent operating leverage.

Q3 FY22 : KEY HIGHLIGHTS



Revenues grew by **3.5%** Y-o-Y and **33.2%** over Q3 FY20



Gross margins continue to be strong at **60.4%**



EBITDA margins in Q3 FY22, excluding Germany, were at **13.2%** vs 17.4% in Q3 last year. Margins impacted owing to conscious investments in digital marketing, OTA HH and elevated sea freight



Significant increase in Unique Customers (TTM basis) to **4,94,511** from 4,70,985 for same period last year **5.0%** Y-o-Y



Return ratios with ROCE at **38%** and ROE at **26%** (TTM basis)



Launched **TJC Beauty** on SKY Network & TJC Freeview Channel now airing at **#22** from **#50**



Cognizant investments on **Digital Platforms and Automation**



Declared interim dividend of Rs. 1.50 per equity share (face value Rs. 2 per share)



SEZ Unit conferred 'Excellence Award' by IGBC for Green Built Environment



Provided **61** million meals since inception of one-for-one meal program 'Your Purchase Feeds...'

TABLE OF CONTENTS

Business Background Details

6

Highlights for the Quarter

15

Q3 & 9M FY22 Financial Performance

20

Financial Performance Trends

26

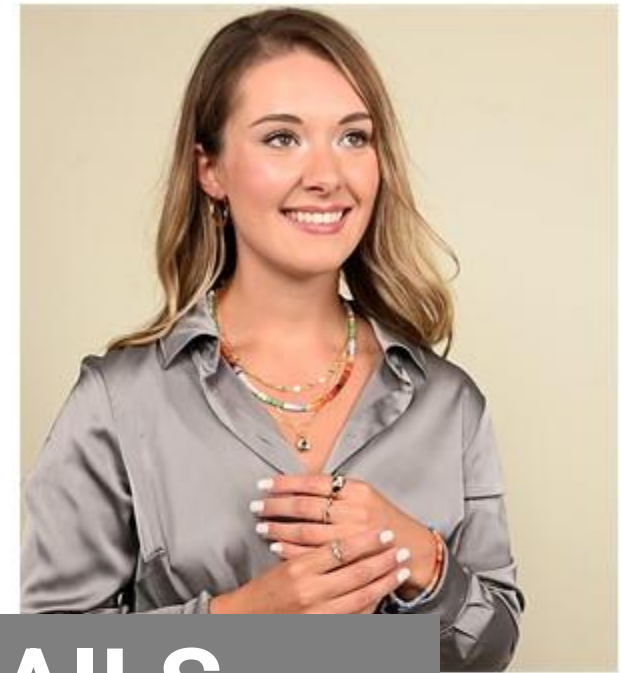
Annexures

33



DELIVERING JOY





BUSINESS BACKGROUND DETAILS



VAIBHAV GLOBAL LIMITED (VGL) AT A GLANCE



VISION

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

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



Commitment

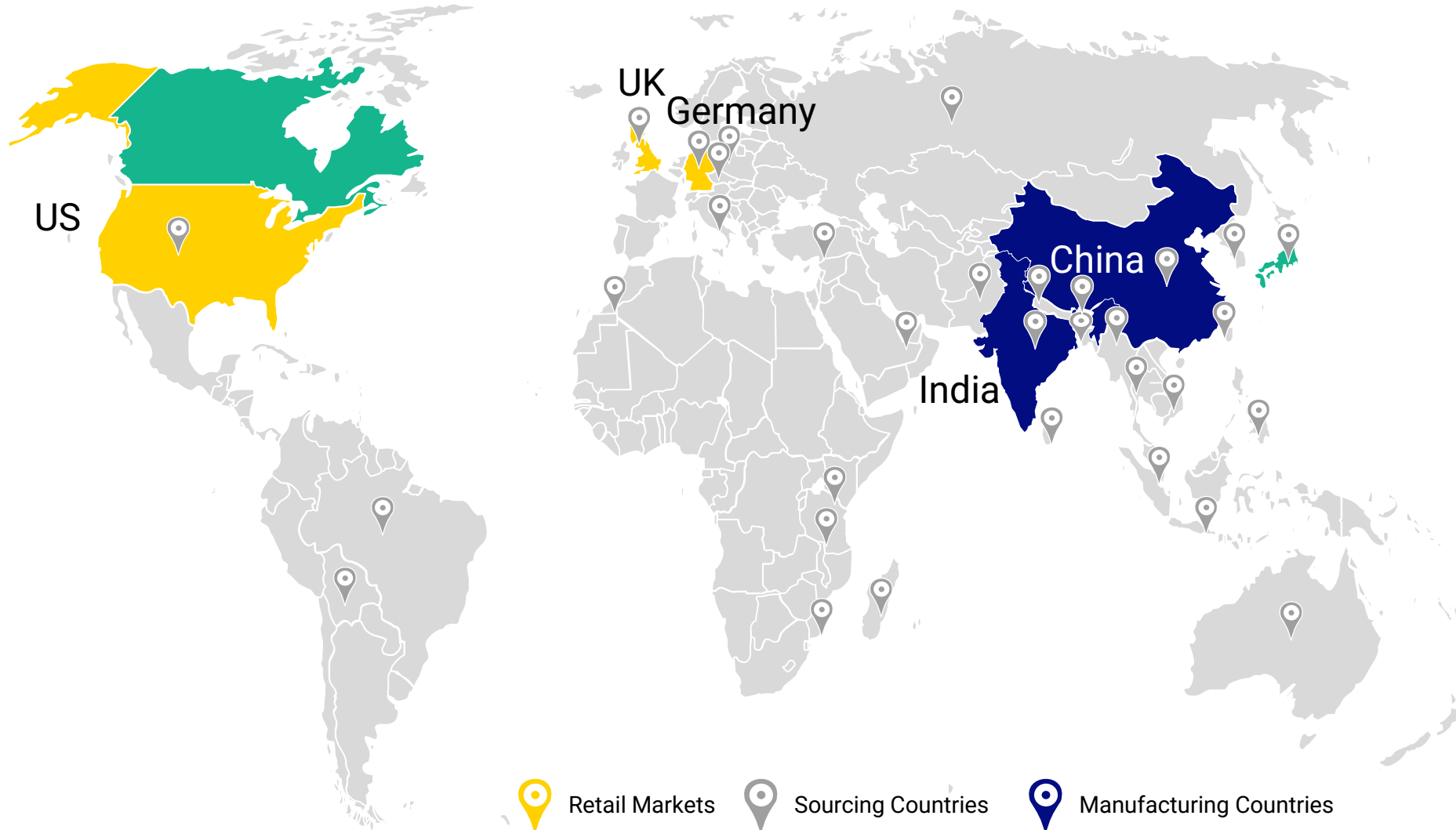


Passion



Positive Attitude





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

Operate Through Marketplaces
 Canada | Japan

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

Manufacturing Countries
 India | China

VERTICALLY INTEGRATED SUPPLY CHAIN



ASIAN BASE

- Vertically integrated supply-chain in Asia
- Low-cost manufacturing and value sourcing base
- Serving affluent but value-conscious customers in Western Developed Markets

₹

¥

DELIVERING JOY

India

STS

STS China

STS Bali

STS Thailand

STS Hong Kong



WESTERN COUNTRIES

Primary Retail Markets

\$

£

SHOP LC

DELIVERING JOY

USA

tjc.co.uk

UK

€

SHOP PLC

PREISWERTE QUALITÄT

Germany

Resulting in Industry Leading Highest Gross Margins



Vertically-integrated fashion retailer on electronic retail platforms

- > End-to-end B2C business model
- > Presence on
 - Proprietary TV home-shopping
 - Proprietary e-commerce platforms
 - Social
 - Third-party Marketplaces



Shop LC (US), Shop TJC (UK) and Shop LC (Germany) are brands with strong customer visibility

- > TV Homes accessed (*FTE): ~ 127 mn
- > Growing online presence
- > Improving customer engagement metrics



Strong management and governance

- > Professional management team
- > Strong and Independent Board
- > B S R & Co. LLP – Global Auditor
- > Deloitte – Internal Auditor



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

- > Every piece sold results in one meal for a school-going child
- > Provided 61 mn meals across India, US, UK and Germany



Solid infrastructure backbone

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



Robust customer engagement

- > Omni-channel B2C retail presence
- > Growing recognition of deep value fashion jewellery enables scaling to adjacent categories

4R'S OF CUSTOMER ENGAGEMENT



~127 mn

TV
Linear / OTA

Digital
Browsers / Mobile Apps /
Social Media /
Market-places / OTT

Reach



3.1 lakh (TTM)

Diverse Products

Deep value proposition

Engrossing Content

Registrations



42.3% (TTM)

Enduring relationships

Convenience

Digitalization/AI

Retention



29* (TTM)

Expanding wallet share

Cross-selling

Repeat Purchases



*FTE: Full Time Equivalent
All data points are for US and UK except that HH includes figures of Germany as well

OUR OMNI-CHANNEL SALES PLATFORM



Shop LC (US)



Shop LC Proprietary TV channels – 72.4 mn HH including 19.4mn OTA* HH*

Shop LC live TV stream on shoplc.com, YouTube, Facebook and Amazon Live

Proprietary digital platform

www.shoplc.com

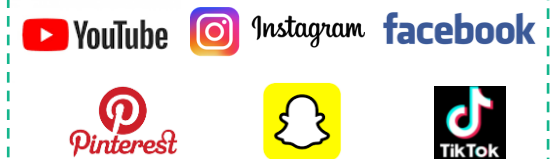
Shop LC mobile app available on



Marketplaces



Social retail of targeted products on



OTT* platforms



Product Information Management



Targeted Campaign Management



Customer Experience Management



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 – 27 mn HH including 18 mn OTA* HH*

Shop TJC live TV stream available on tjc.co.uk, YouTube and Facebook



DIGITAL

Proprietary digital platform

www.tjc.co.uk

Shop TJC mobile app available on



Marketplaces



Etsy

wayfair

Social retail of targeted products on



Instagram

facebook

OTT* platforms

Roku TV



Targeted Campaign Management



Customer Experience Management

Medallia

UGC and Influencer Marketing Platform



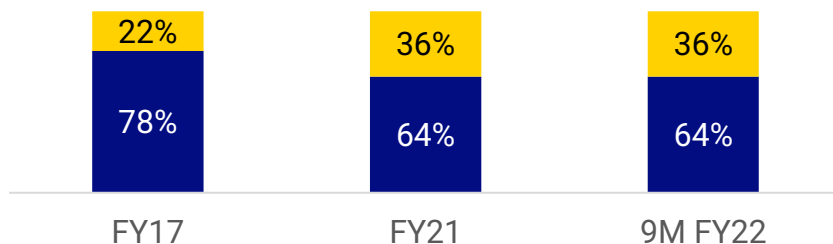
Note:
OTA – Over the Air; OTT – Over the Top; HH - Households

BROAD BASED E-TAILER



B2C Revenues by Format

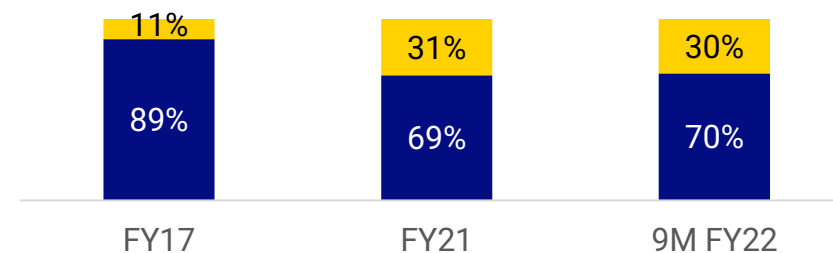
■ TV revenues ■ Digital revenues



61% of digital revenues in 9M FY22 were from Mobile platform (mobile app + mobile web browser)

B2C Revenues by Product Category

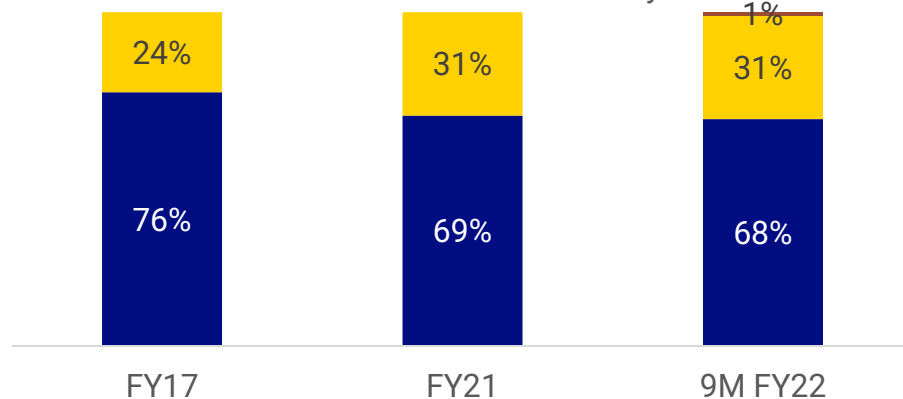
■ Jewellery ■ Non-jewellery revenues



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

B2C Revenues by Geography

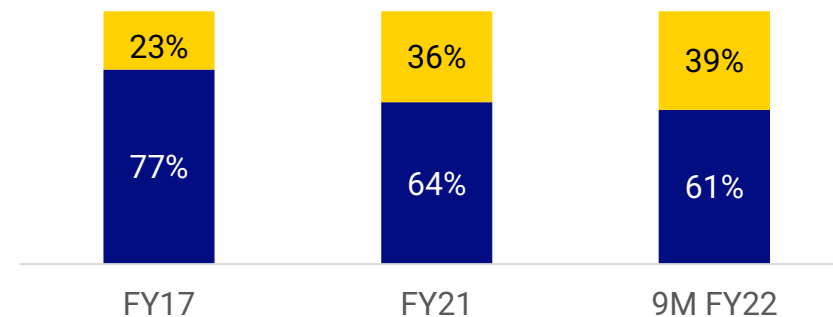
■ US ■ UK ■ Germany



Breakup based on revenue in USD million

Budget Pay penetration of B2C Revenues

■ Non-Budget Pay revenues ■ Budget Pay revenues



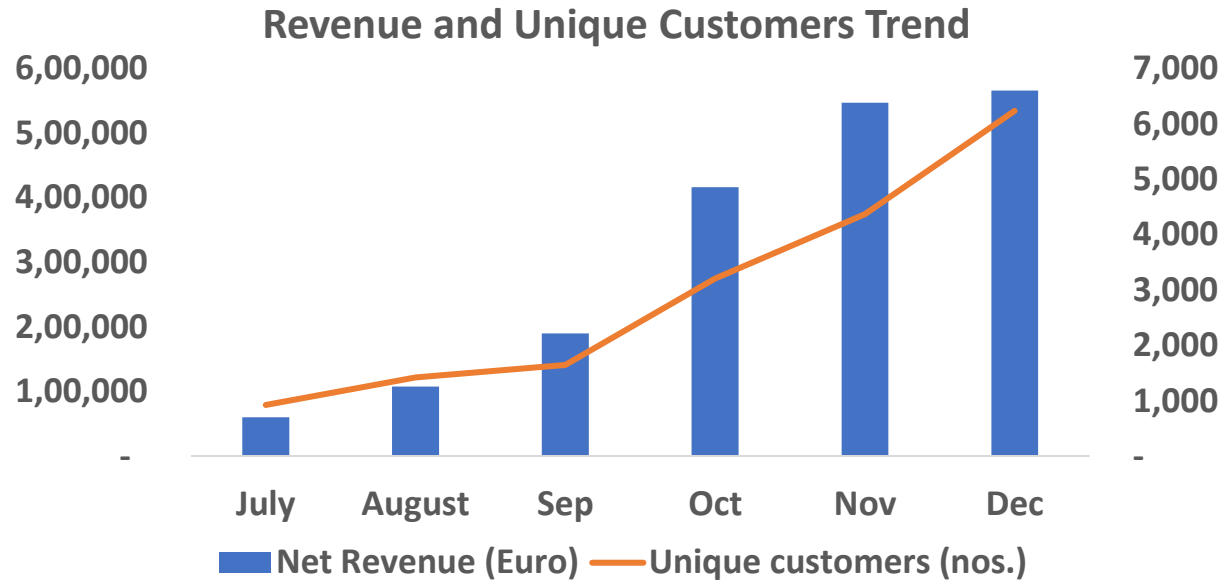
Budget Pay revenues refer to products offered on EMI basis



HIGHLIGHTS FOR THE QUARTER



GERMANY: PERFORMANCE REASSURING OUR INVESTMENT



Omni-Channel Presence



- **Germany venture increased TAM (Total Addressable Market) by ~20%**
- Good revenue traction and growth in customer base. Strategic partnerships with prominent TV and Digital Platforms
- Earlier than planned airtime tie-ups resulting in higher than planned upfront investments
- **To breakeven by third quarter of FY24, being one year earlier than projected**
- Broadcasting in ~27mn HH with in-house studio



'DELIVERING JOY' THROUGH INNOVATION PLATFORMS



INNOV



A Global product innovation and search program

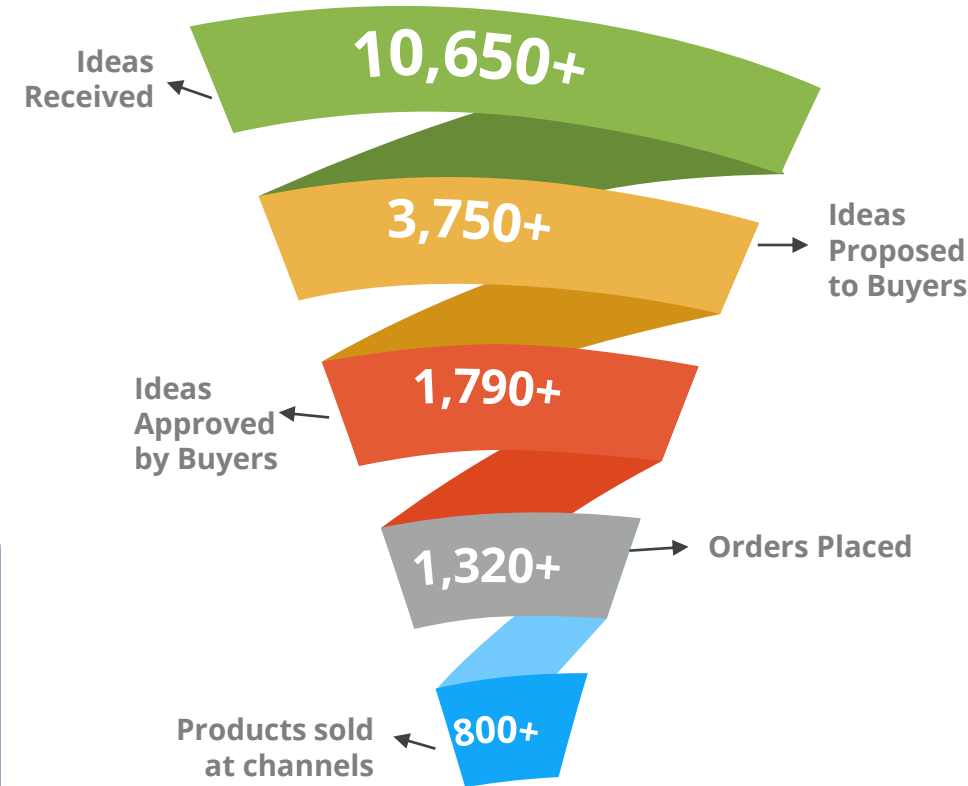


Crowdsourcing of ideas from employees, customers and other external stakeholders



YTD 10,650+ ideas received and 800+ new and innovative products launched

INNOV8 FUNNEL



A launchpad for **outside innovators** and **product owners**

SPARK

Launch of "SPARK" incubator program to foster entrepreneurship within the organization. Top 10 ideas selected

KEY RECENT EVENTS



Freeview Channel Change & TJC Beauty on SKY:

- Freeview Channel now at #22 from erstwhile #50
- Opportunity to enhance customer viewership substantially
- Offers huge growth potential with market leading growth
- Extended TJC Beauty's reach by launching on **SKY network**



Shop LC (USA) Relocating Headquarters to Cedar Park (Texas):

- 200K sq.ft. integrated facility, to get complete by Sep-2024
- Synergies in terms of cost optimization, functional integration, and resultant growth opportunities
- Economic grant from authorities for the investment to accrue in future



Majority stake in Packaging Company:

- Acquired 60% stake in Encase Packaging Pvt Ltd
- To utilize in packaging of jewellery products
- Offers flexibility in supply chain and substantial cost advantage
- To strengthen sustainable packaging

OTT: ACCELERATING MARKETING & ENGAGEMENT PROGRAMS



Most customers to have multiple connected devices in future

Cost effectiveness and easy access making OTT platforms to expand multifold

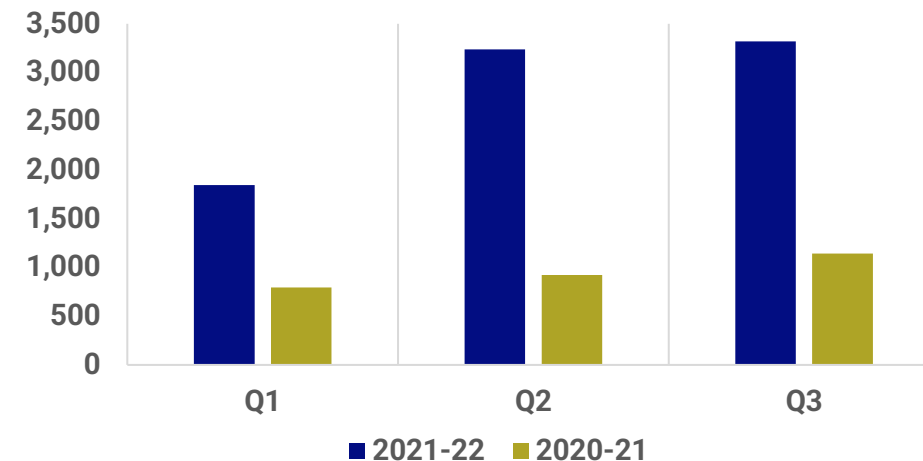
Traction on OTT platforms has been encouraging amidst macro headwinds

Revenue and Unique Customers tripled YoY

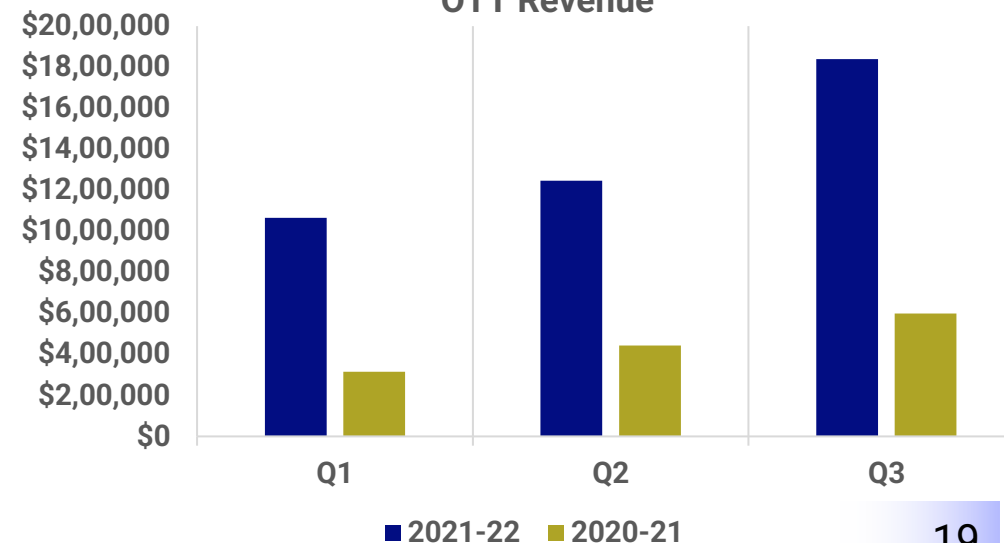
Placement on prominent OTT platforms providing long-term growth opportunities



Shop LC (USA)
Unique OTT Customers



OTT Revenue





Q3 & 9M FY22 FINANCIAL PERFORMANCE



FINANCIALS – Q3 & 9M FY22 PERFORMANCE



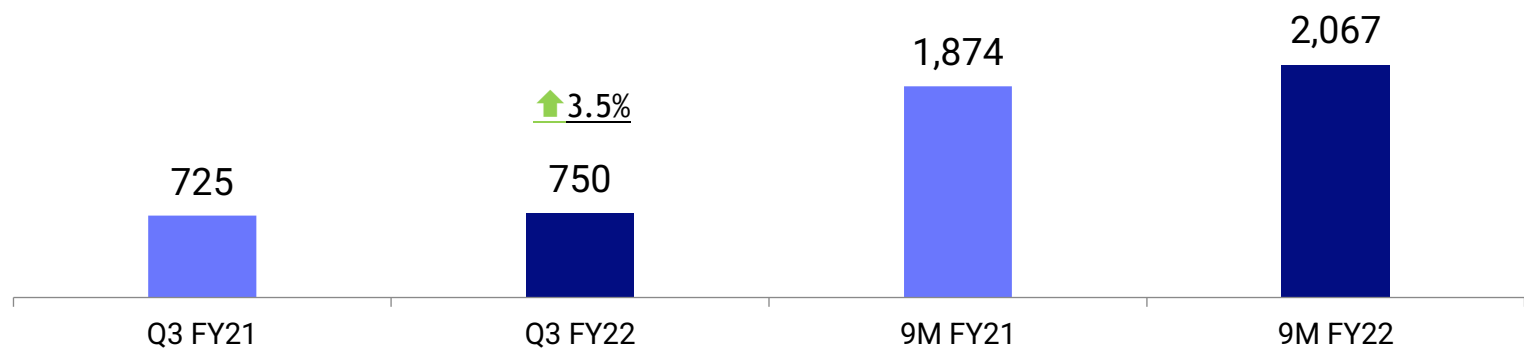
Revenue Breakdown – (Rs. crore)

Growth vs Q3 FY20
↑33.2%

Revenue

Growth vs 9M FY20
↑38.9%

↑10.3%



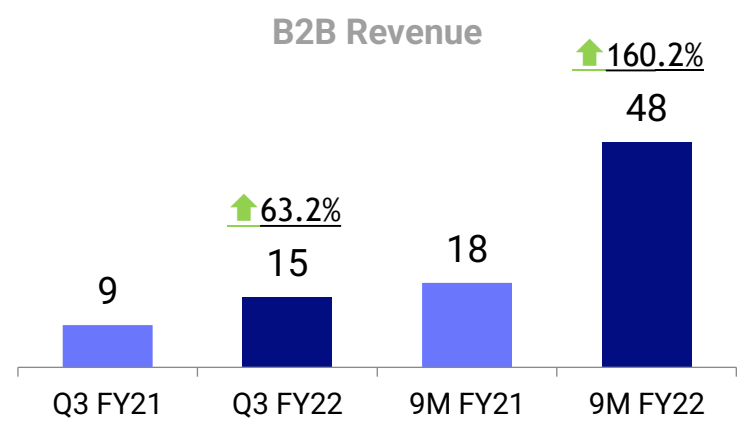
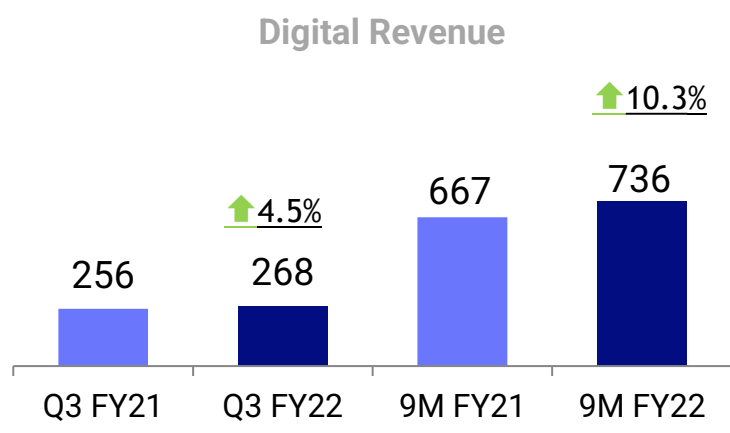
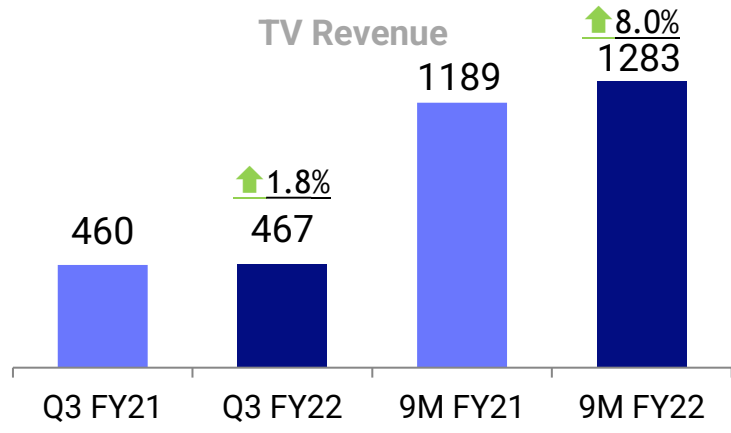
Fashion Jewelry, Accessories & Lifestyle Products

Growth vs Q3 FY20
↑25.9%

Growth vs 9M FY20
↑33.9%

Growth vs Q3 FY20
↑49.5%

Growth vs 9M FY20
↑58.5%



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

FINANCIALS – Q3 & 9M FY22 PERFORMANCE



Revenue Breakdown – (Local Currency)

Shop LC (US)



Growth vs Q3 FY20
↑21.4%

(USD million)

Growth vs 9M FY20
↑28.9%

↑7.4%

185.0

172.2

↑1.1%

65.7

65.0

Q3 FY21

Q3 FY 22

9M FY21

9M FY22

Shop TJC (UK)



Growth vs Q3 FY20
↑24.7%

(GBP million)

Growth vs 9M FY20
↑34.5%

↑3.1%

62.0

60.1

↓6.0%

22.9

24.3

Q3 FY 21

Q3 FY22

9M FY21

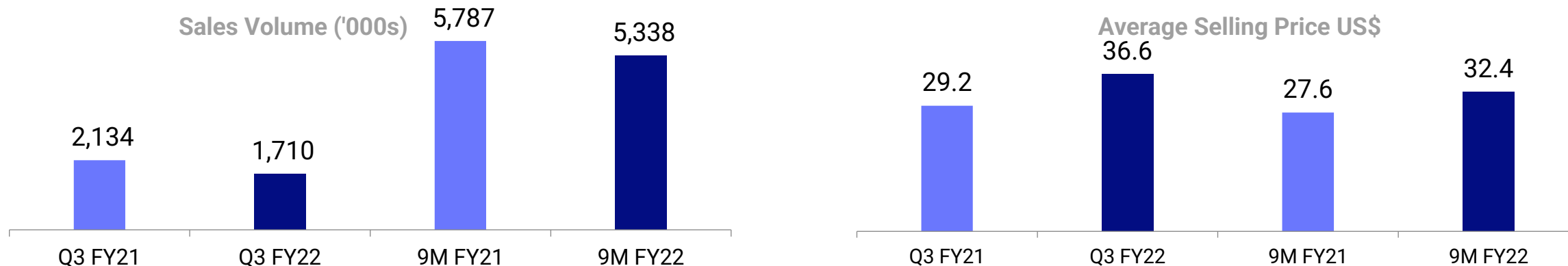
9M FY22

RETAIL PERFORMANCE TRENDS – Q3 & 9M FY22

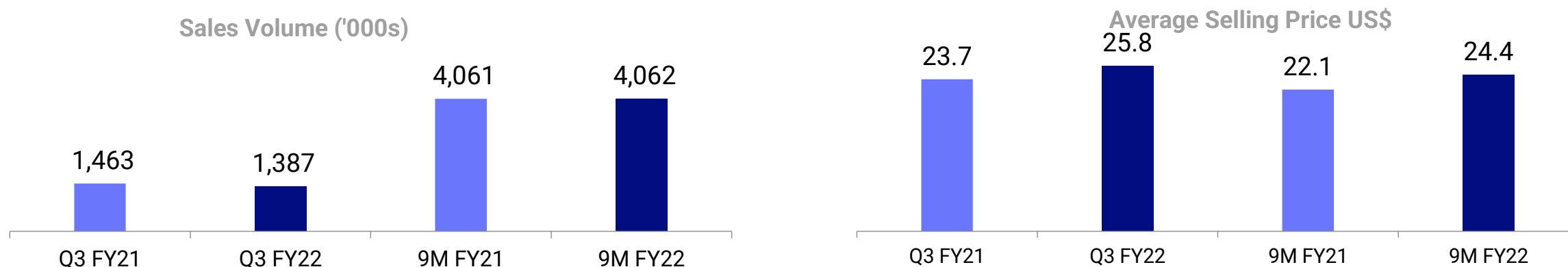


Volume and ASP

TV Sales



Digital Sales



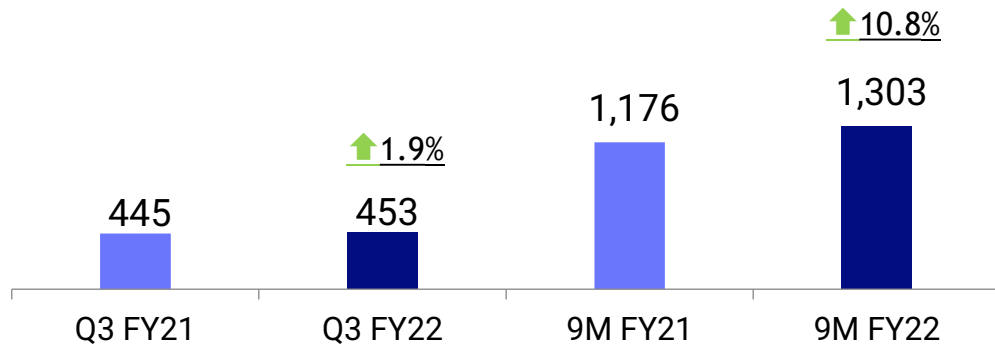
FINANCIALS – Q3 & 9M FY22 PERFORMANCE



Profits – (Rs. crore)

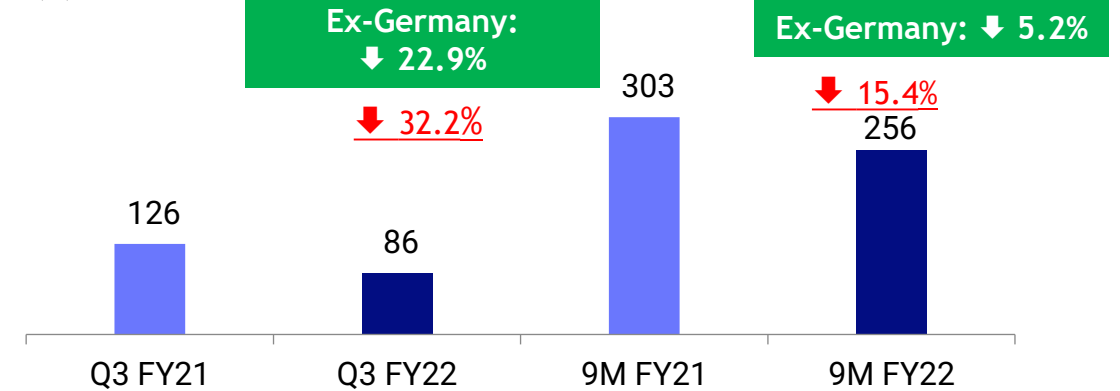
Gross Profit

Gross Margin (%) 61.4% | 60.4% | 62.7% | 63.0%



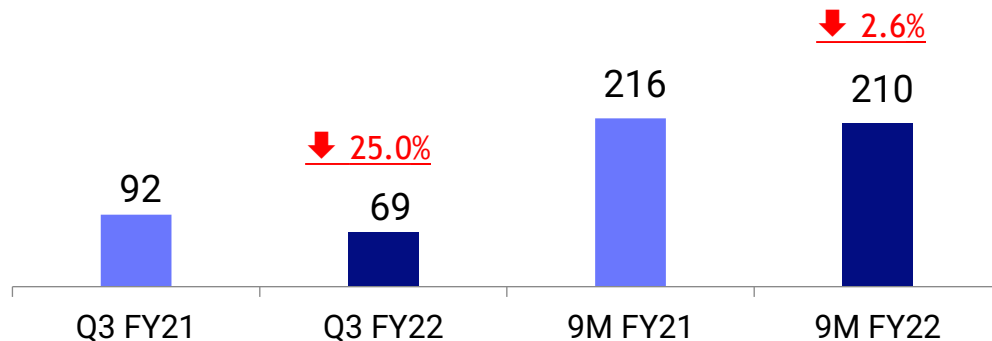
EBITDA

EBITDA Margin (%) 17.4% | 11.4% | 16.1% | 12.4%

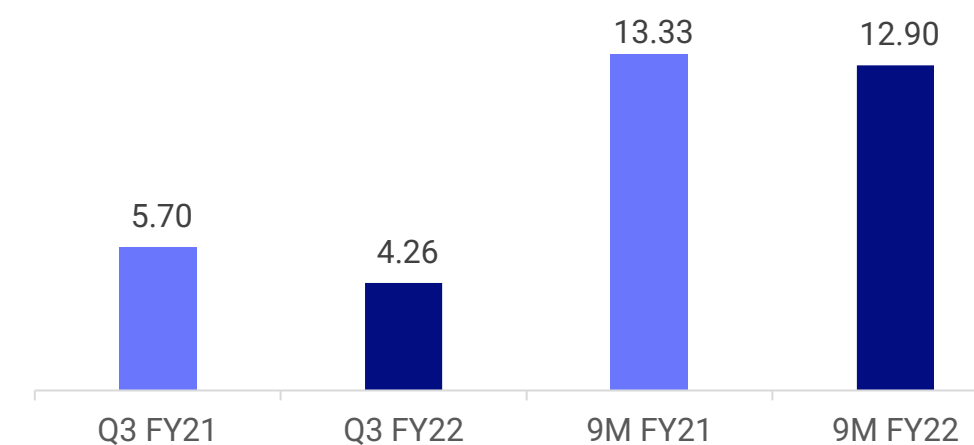


**PAT

PAT Margin (%) 12.7% | 9.2% | 11.5% | 10.2%



EPS (Rs.) – Post split



Note: Q3 and 9M FY22:

**PAT: Excluding Germany & exceptional item: PAT growth: (8.5%) for Q3 and (1.1%) for 9M; PAT margin: 11.4% for Q3 & 10.4% for 9M

EBITDA MARGIN WALK



Particulars	% To Revenue	Remarks
EBITDA Q3 FY22	11.4%	
Gross Margin	↓(1.0%)	Product mix impact
Investment in Germany	↓(1.8%)	Earlier than planned tie-ups resulting in higher losses than guidance, to breakeven within 2 years
Elevated Sea Freight	↓(0.7%)	Temporary short-term impact though sequentially improved
Accelerated Investment in Digital & Broadcasting	↓(2.2%)	Investments for future potential and scale
Others	↓(0.3%)	
EBITDA Q3 FY21	17.4%	



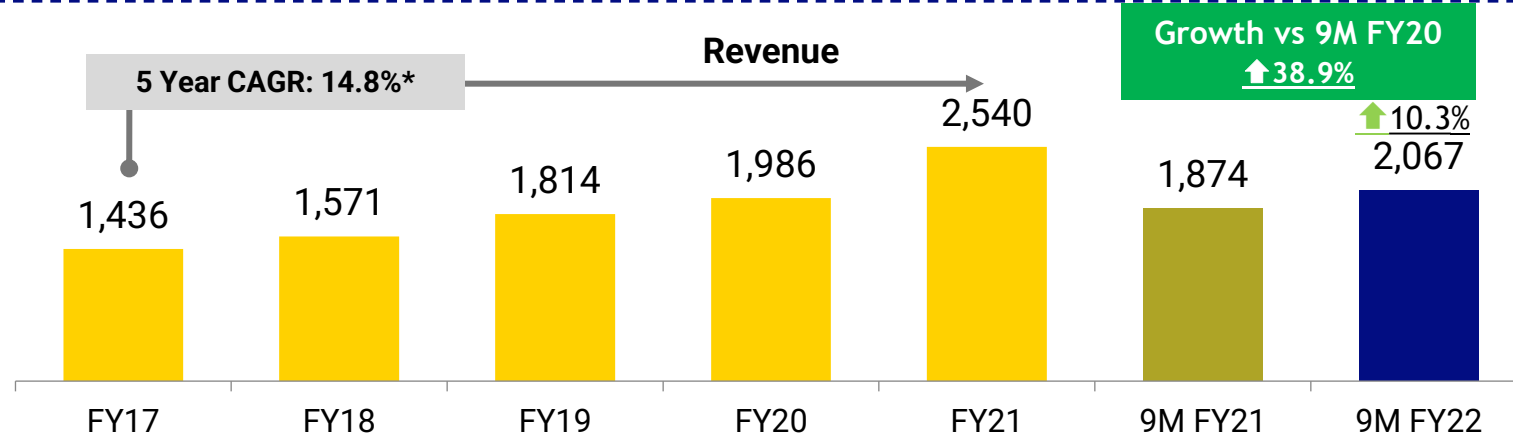
FINANCIAL PERFORMANCE TRENDS



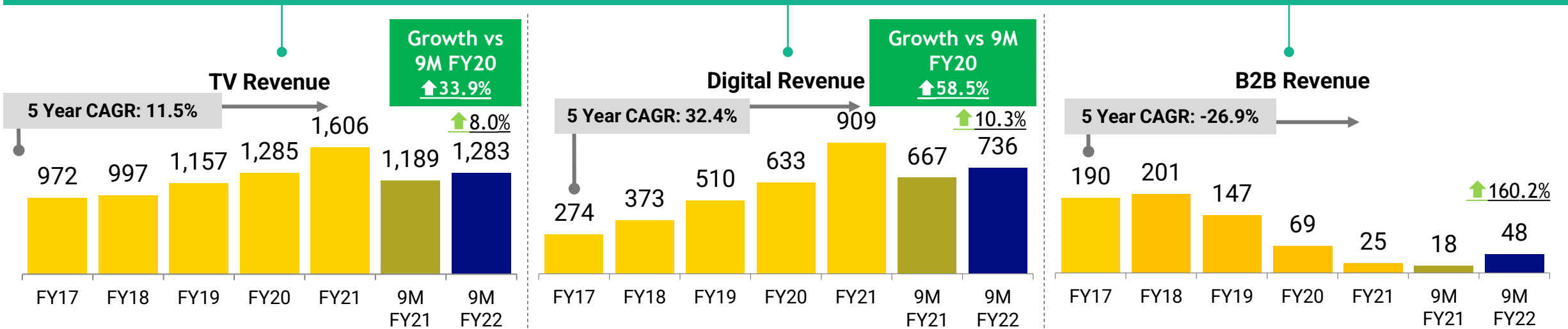
FINANCIAL PERFORMANCE TRENDS



Revenue Breakdown – (Rs. crore)



Fashion Jewelry, Accessories & Lifestyle Products



RETAIL PERFORMANCE TRENDS

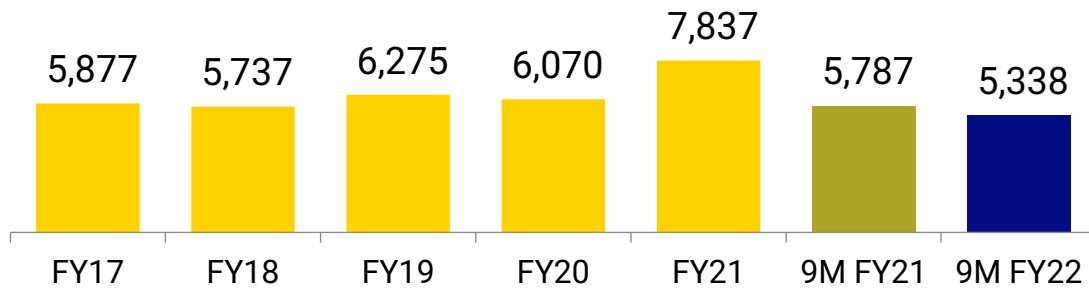


Volume and ASP

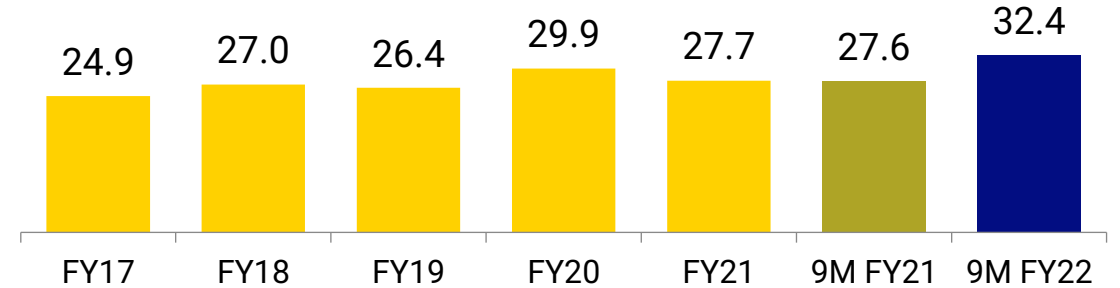
TV Sales



Sales Volume ('000s)



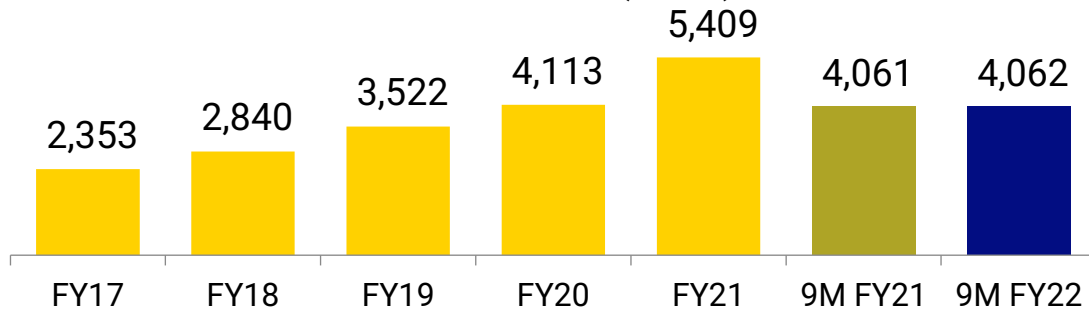
Average Selling Price US\$



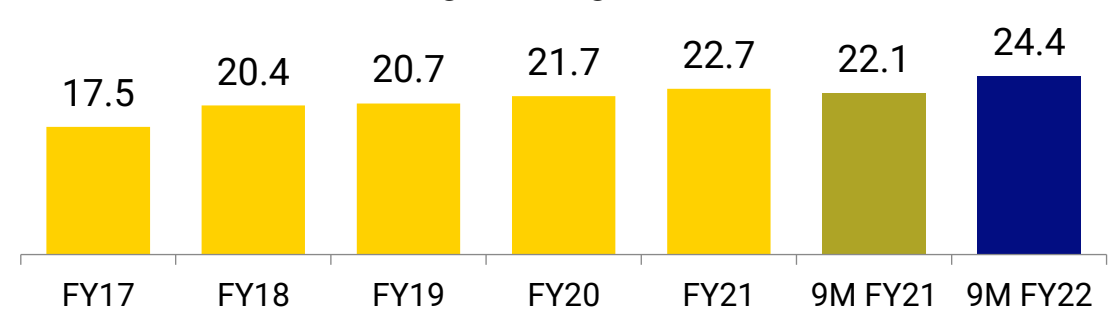
Digital Sales



Sales Volume ('000s)



Average Selling Price US\$



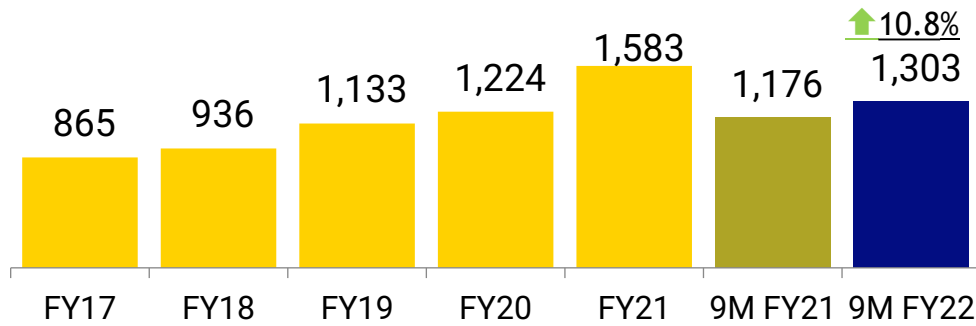
FINANCIAL PERFORMANCE TRENDS



Profits – (Rs. crore)

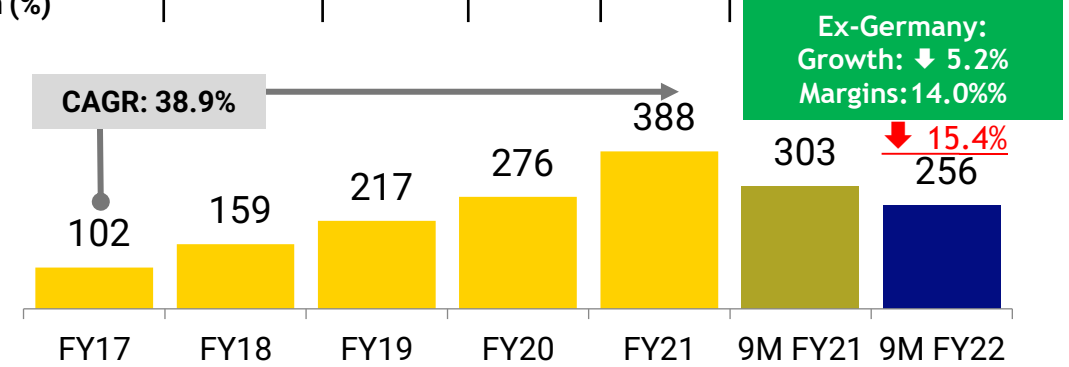
Gross Profit

Gross Margin (%)	60.1%	59.6%	62.5%	61.6%	62.3%	62.7%	63.0%
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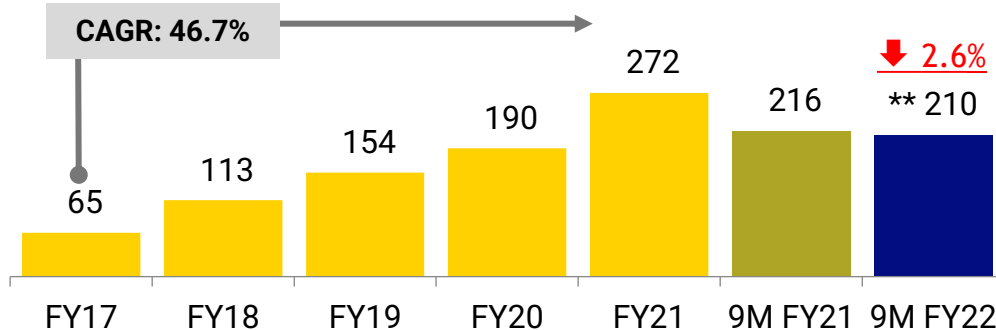
EBITDA

EBITDA Margin (%)	7.1%	10.1%	12.0%	13.9%	15.3%	16.1%	12.4%
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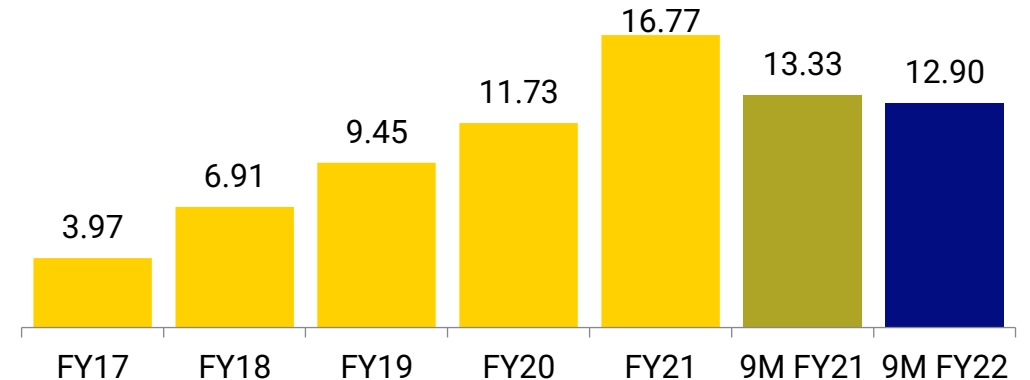


**PAT

PAT Margin (%)	4.5%	7.2%	8.5%	9.6%	10.7%	11.5%	10.2%
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EPS (Rs.) – Post split



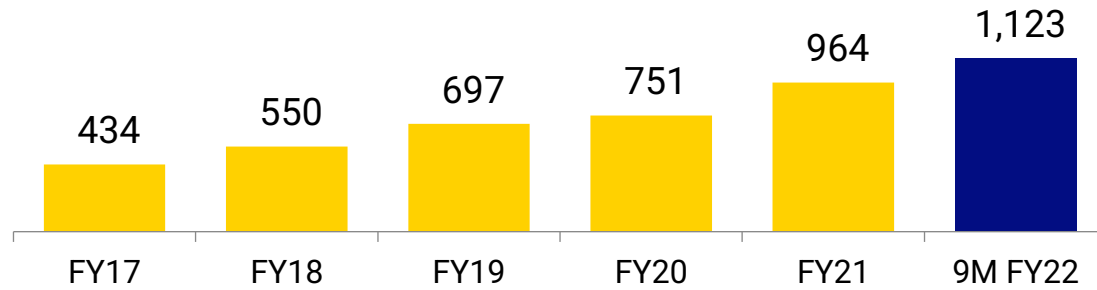
**PAT: Excluding Germany & exceptional item: PAT degrown by 1.1% and PAT margin is 10.4% for 9M

FINANCIAL PERFORMANCE TRENDS

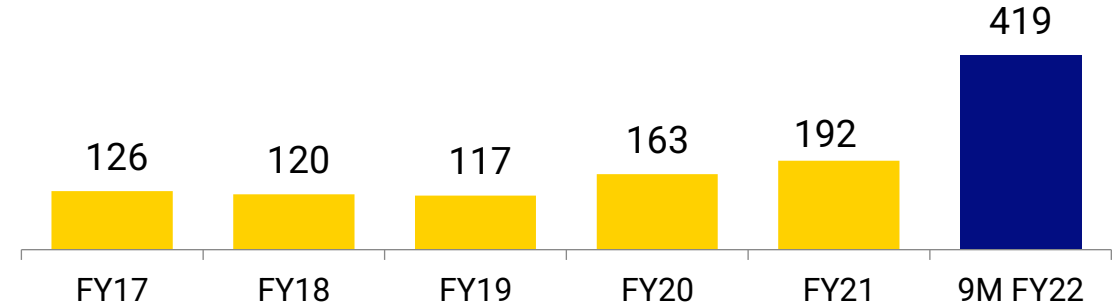


Balance Sheet – (Rs. crore)

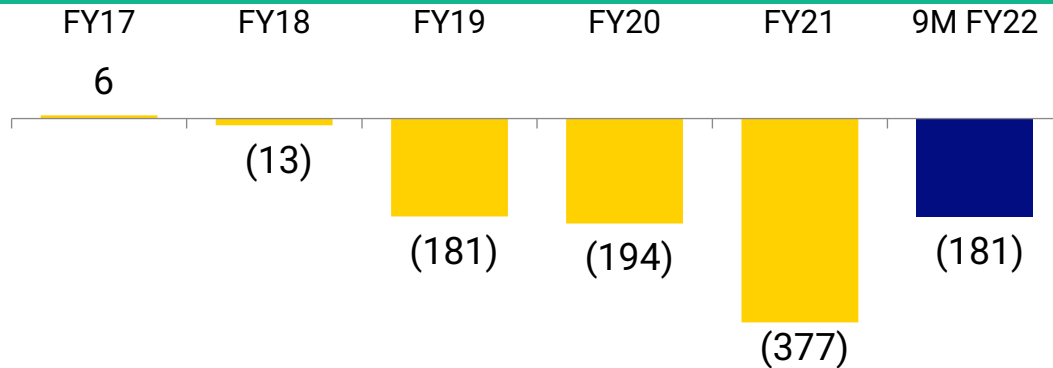
Shareholders' Equity



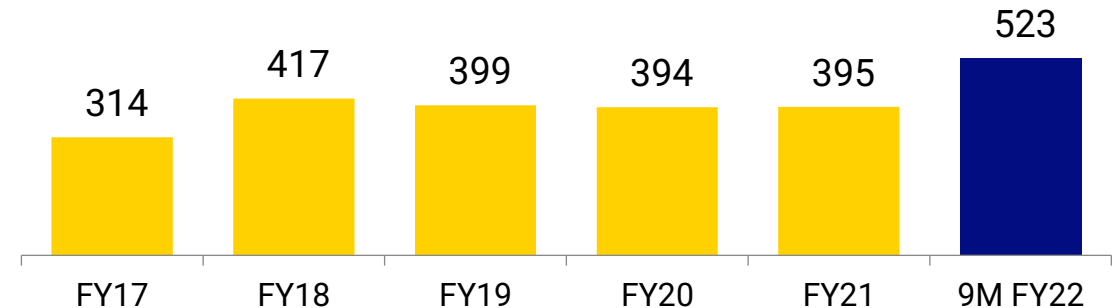
Fixed assets including intangibles



Net Debt



Net Assets *



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

FINANCIAL PERFORMANCE TRENDS

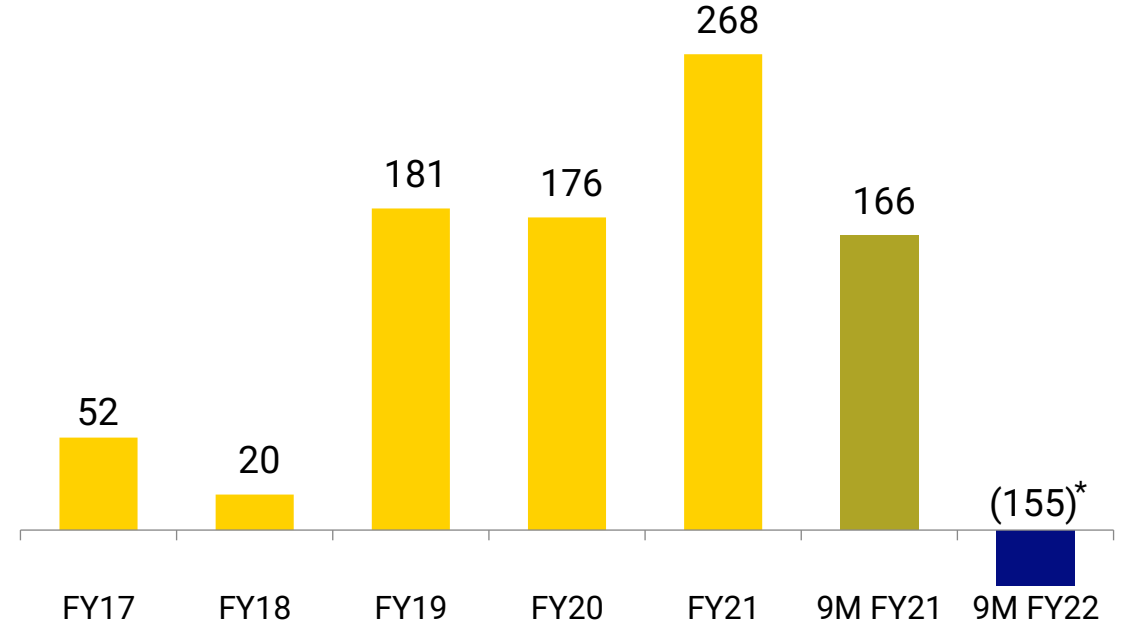
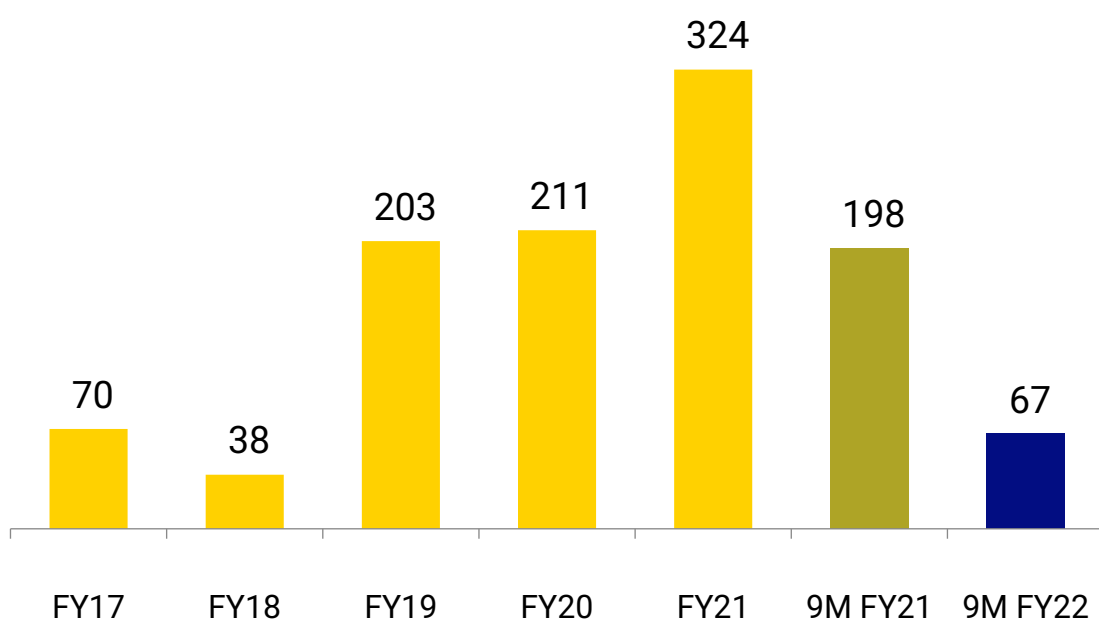


Cash Flow – (Rs. Crore)

Operating Cash flow



Free Cash Flow



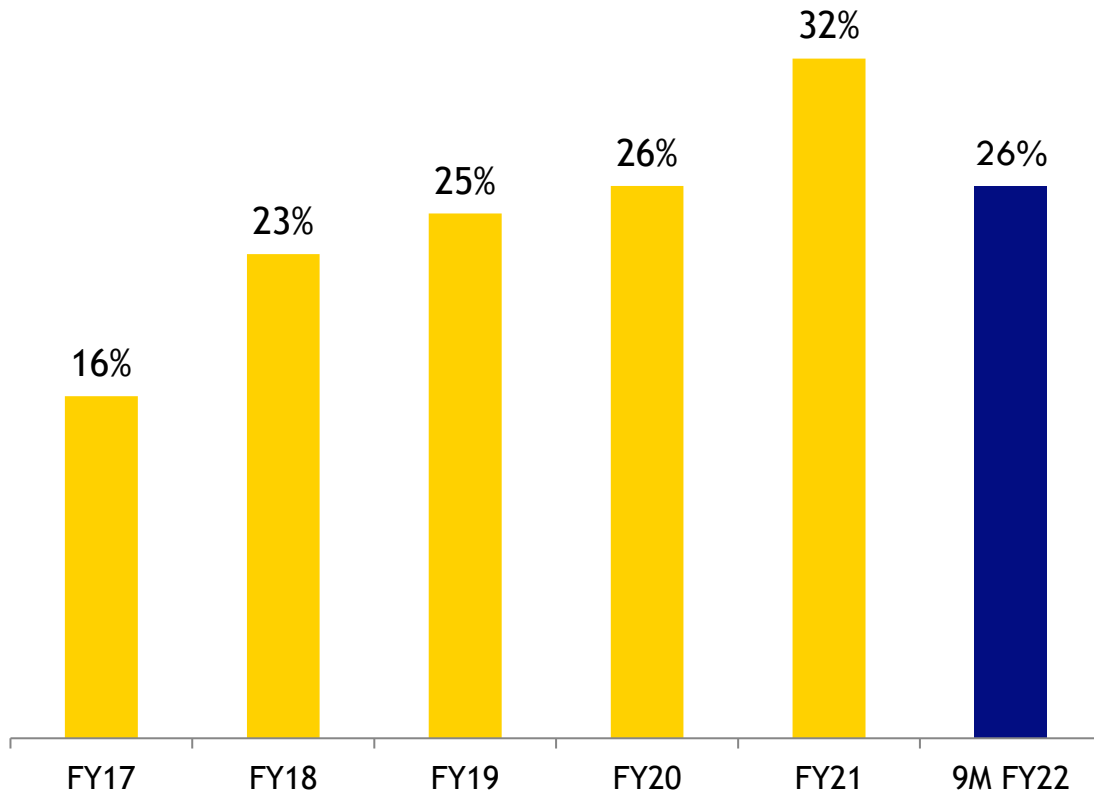
* Planned capex towards warehouses automation, new HQ in USA and initial set-up cost of Germany

FINANCIAL PERFORMANCE TRENDS

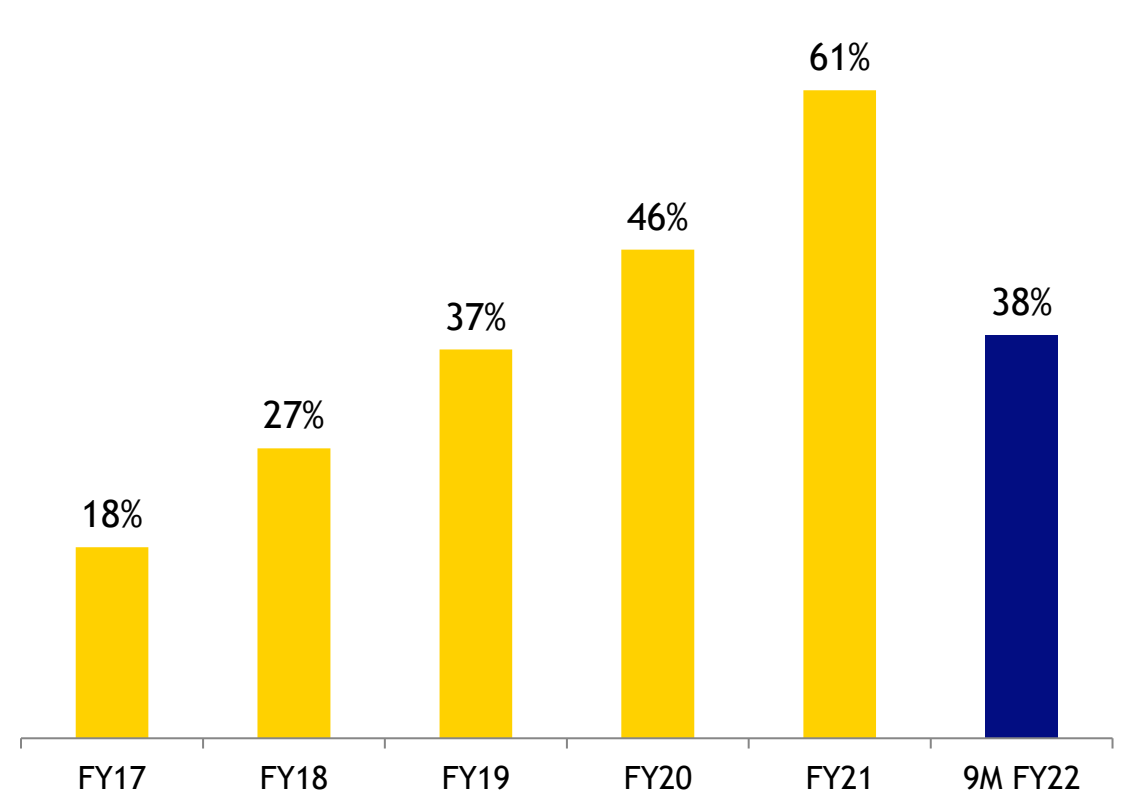


Key Ratios

ROE (TTM)



ROCE (TTM)



* Return ratios reflects short-term impacts of conscious business investments, though they are at par with normal pre-covid years

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



ANNEXURES

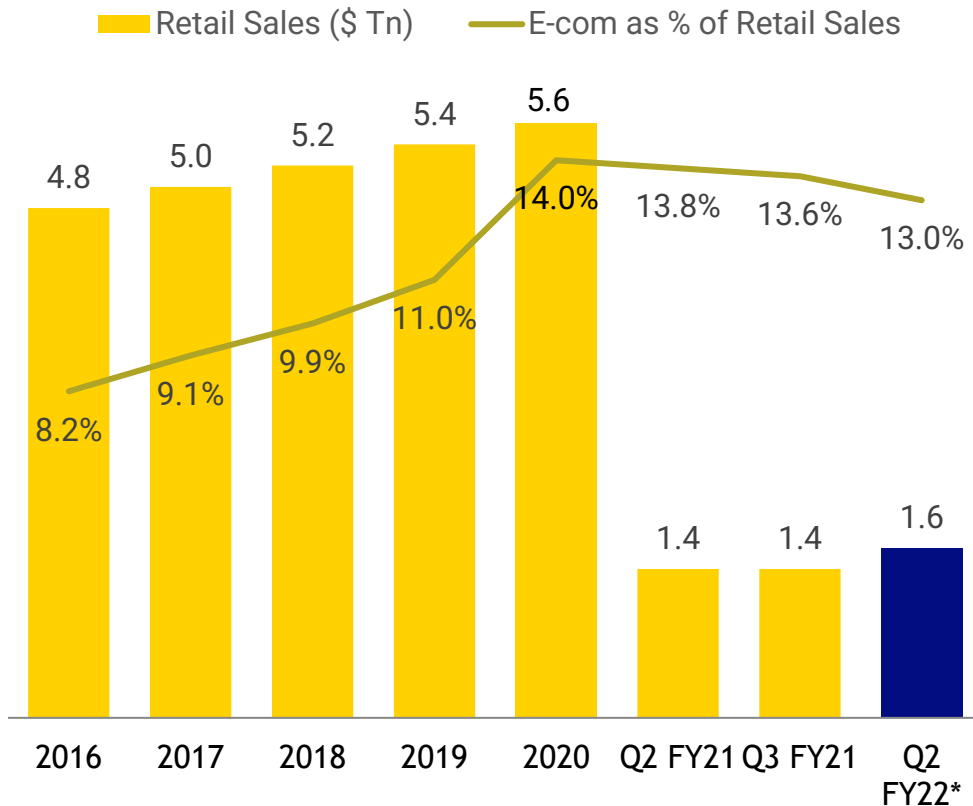


GROWTH IN DIGITAL COMMERCE MARKETS



E-com Industry facing temporary headwinds with declining sales mix in the USA and the UK

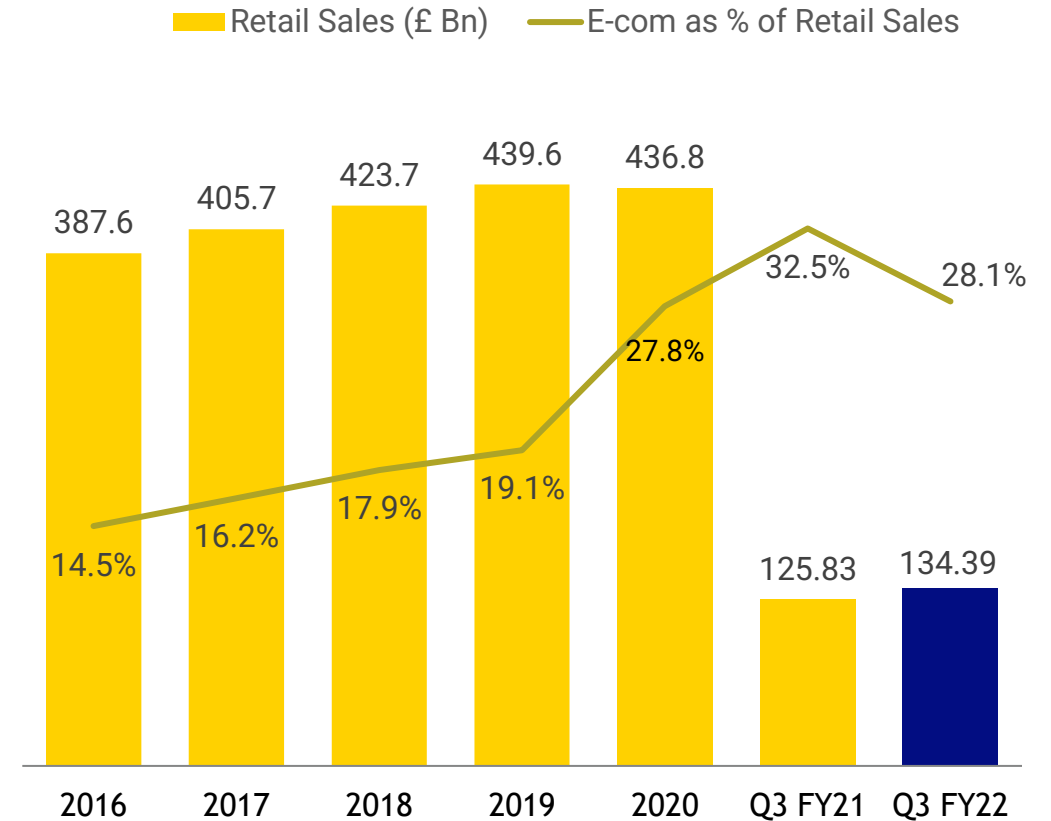
US Retail & E-com Sales



Source: United States Census Bureau www.census.gov

* This data is published with a time lag of 1 quarter

UK Retail & E-Com Sales



Source: Office for National Statistics www.ons.gov.uk

ROBUST CORPORATE GOVERNANCE



9M FY22

Rs. 73.6cr

Interim dividends

Dividend Payout Policy

- > 20-30% of consolidated free cash flow
- > Higher payout in special circumstances
- > Balance between resource conservation and shareholder reward

B S R & Co. LLP

Statutory Auditors

DELOITTE

Internal Auditors

ICRA A

(Stable Outlook)

CARE A

(Stable)

Credit Rating – Long-term

ICRA A1

Credit Rating – Short-term

CARE A1

RECOGNITIONS & ACCOLADES

Award at ICSI National Awards for Excellence in Corporate Governance in Jan 21



RAJASTHAN's Best Employer Brands Award 2021



All entities GPTW Certified*



GPTW
Best Leaders in Times of Crisis 2021



* Except Germany, whose operations commenced very recently

SUSTAINABILITY INITIATIVES



ENERGY

Solar
3.23 MW

33.5 Lakh KWH generated in 2021

EV

84 2-Wheelers & 3 4-wheelers for employee commute

IGBC

Excellence Award

Performance Challenge Award 2021- 'Factory Category'



BIODIVERSITY

~26,000

Saplings planted for developing 2 Miyawaki forests

~5,500

Additional saplings planted till date



WATER

6100 KL

Rainwater harvested per annum

7 KL

Water saved per day with the installation of low LPM faucets

48 KL

Water recycled per day, which equals 17,500 kl. per year

100 KL

RWS Rainwater Storage Tank commissioned



WASTE

100%

conversion of bio-degradable waste (vegetables, food, leaves) into manure

762 Kg

E-waste recycled

660 Kg

Plastic waste recycled



COMMUNITY GIVEBACK



- > Served **61 million** meals to underprivileged children through flagship One for One Program, **Your Purchase Feeds...**
- > Local charity partners
 - Akshaya Pātra in India
 - No Kid Hungry and Backpack Friends in US
 - Magic Breakfast & Felix Project in UK



Covid-19 Key Initiatives

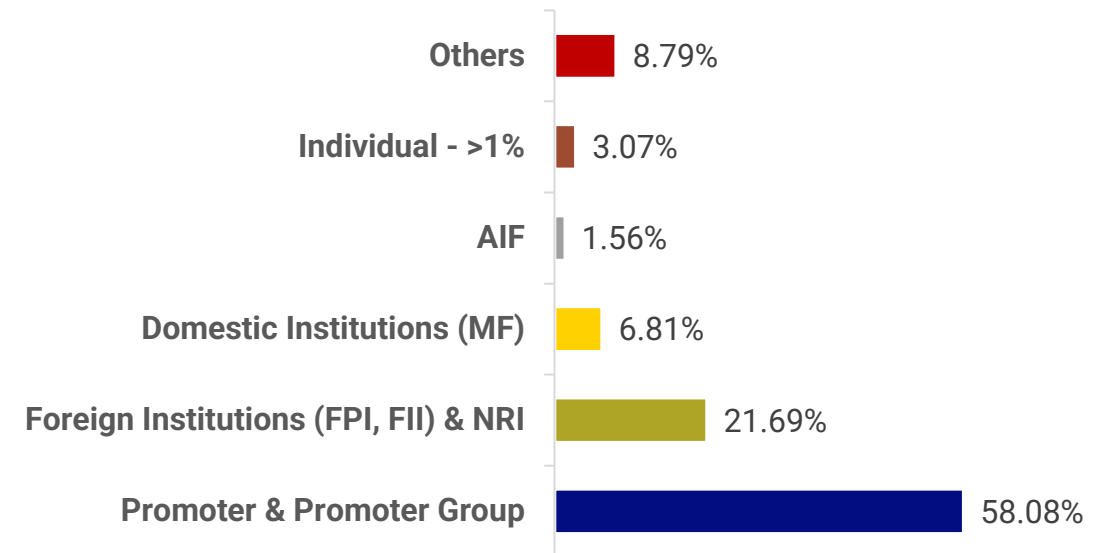
- > Distributed 117 Oxygen Concentrators, 31 BIPAP and other key medical equipment in hospitals
- > Facilitated procurement, transport and installation of oxygen plant in two hospitals
- > Vaccination drives for employees and their families

VGL SHAREHOLDER BASE – AS ON 31-DECEMBER-2021



Key Shareholders (Holding +1%)	Holding as on 31-December-21
Promoter & Promoter Group	58.08%
Nalanda India Fund Limited (FII)	10.25%
Motilal Oswal Flexi Cap Fund (MF)	6.80%
Malabar India Fund Limited (FPI)	5.58%
Vijay Kedia (Individual)	1.85%
Ashish Kacholia (Individual)	1.22%

Shareholding Pattern



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



Mr. Deepak Mishra
*Managing Director,
Shop LC (Germany)*



THANK YOU

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