



8<sup>th</sup> November, 2022

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal St, Kala Ghoda, Fort, Mumbai - 400001  <b>BSE Code No. 507880</b>	<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.  <b>NSE Code - VIPIND</b>
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Subject: Presentations to be 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 to be made on the Q2 financial performance of the Company on 10<sup>th</sup> and 11<sup>th</sup> November, 2022 to the analysts/ institutional investors.

Kindly take the same on record.

Thanking you,

Yours faithfully,

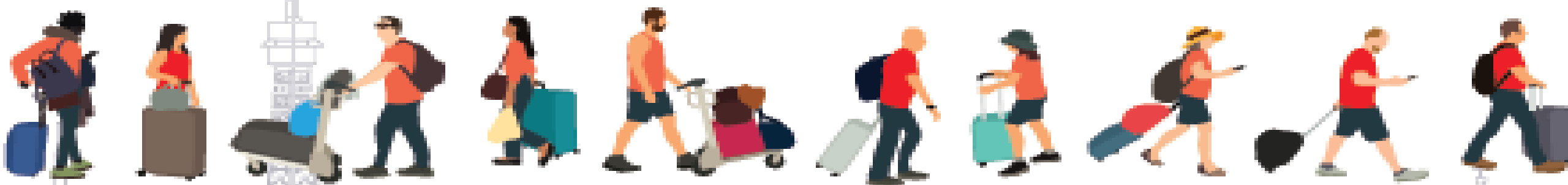
For V.I.P. Industries Limited

Anand Daga  
Company Secretary & Head – Legal

Encl.: As above

**VIP INDUSTRIES LIMITED**

Registered Office: DGP House, 5<sup>th</sup> Floor, 88C, Old Prabhadevi Road, Mumbai 400 025. INDIA.  
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CIN - L25200MH1968PLCO13914



# READY FOR THE SURGE



INVESTOR PRESENTATION  
NOVEMBER '22





## Disclaimer

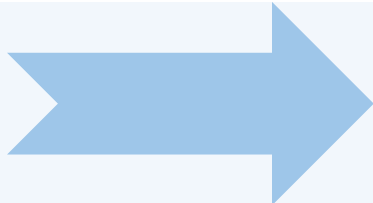
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Industry Overview



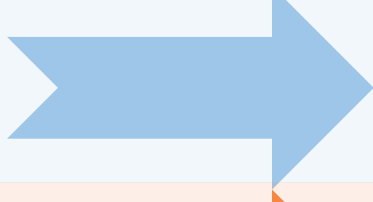
Company Overview



Q2 Financial Performance



Brands, Channels & Categories



Market Share

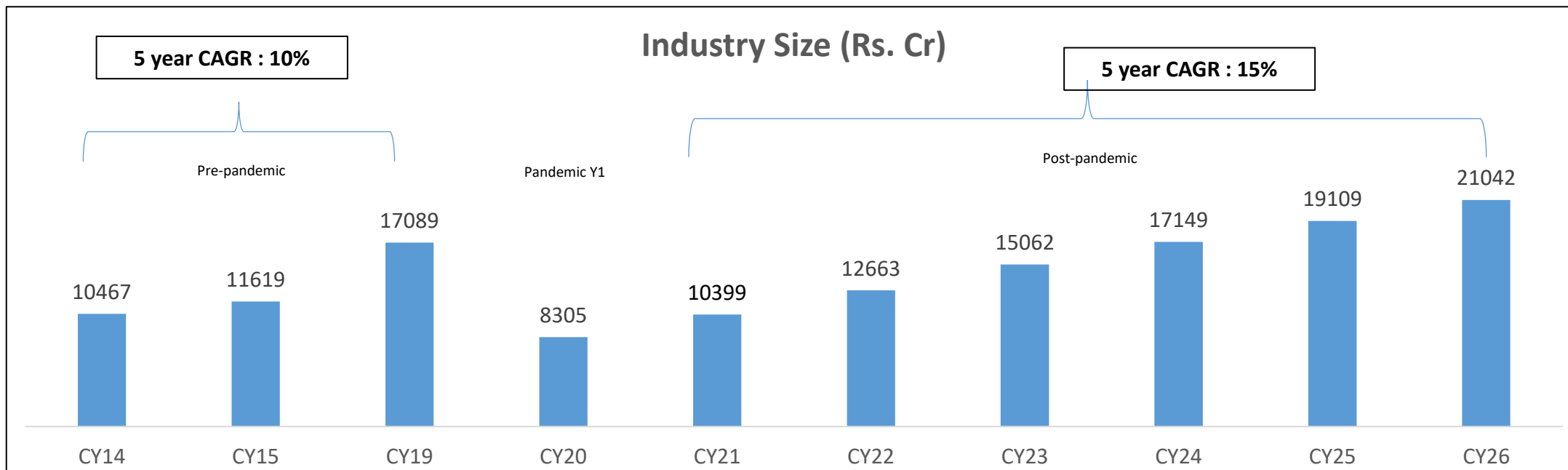


Q3 Sneak Preview



# Industry Overview

# Industry Set To Grow At 15% For Next 5 Years



**Favorable Demographics**

- Rising middle class and its increased propensity to spend will drive discretionary spend industries

**Changing Attitude Towards Travel**

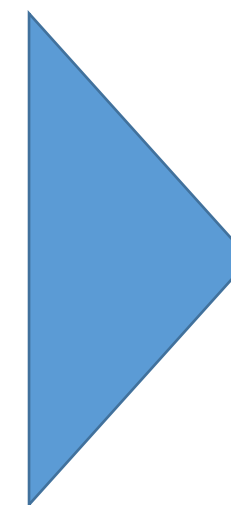
- Frequency jump in travel turning luggage into lifestyle products

**Growing Customer Cohorts**

- Luggage is extending to customer cohorts beyond travel driven by event-based consumption

**Shift from Unorganized to Organized**

- Macro pressures coupled with customer preference shift towards branded products fueling growth for organized sector





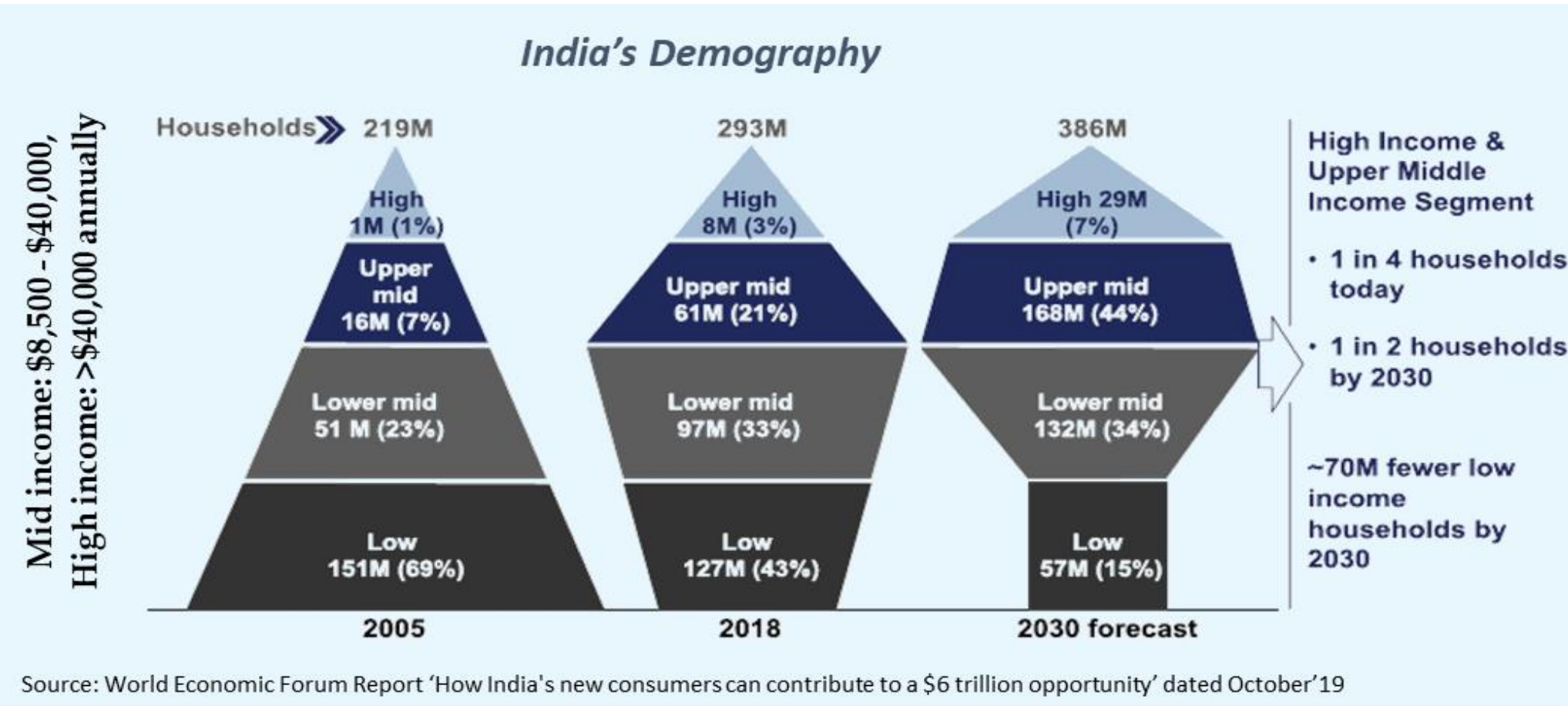
# Growing Middle India And Its Increasing Propensity To Indulge Will Accelerate The Industry Growth



Favorable Demographics



*Ballooning middle class consisting of 'connected aspirants' will form majority of India's demography going forward*



# Frequency jump in travel turning luggage into lifestyle products

Changing Attitude Towards Travel



1990

1

## Category Core : Durability

- One Travel a year
  - Meet Relatives, Location Transfer, Marriage etc.
- One Bag for the Family
- Mode of transport
  - Train/Bus Travel
- Replacement : 8-10 years

## Category Core : Durability with additional features for convenience

- 2-3 Travel Occasions
- Business Travel emerges a new cohort
- Two Bags in the Family
- One for Official Travel & One for Family
- Mode of transports:
  - Train/Bus/Limited Air Travel
- Replacement : 5-7 yrs

2

2000



2010

3

## Category Core moves to Convenience

- One Bag for each individual
- Mode of transport
  - Domestic Air /Car Trips / Train / Bus
- Replacement : 3-5 years

4

2015-2022



## Flaunt / Expression will be key Category core

- Multiple travel occasions with increasing trend of international travel, weekend getaways, solo trips etc.
- Repertoire of Bags per person
- Mode of travel
  - Domestic & International Air /Car Trips / Train / Bus
- Replacement : 2-3 years



# Consumer Cohorts Extending Beyond Travel



Growing  
Customer  
Cohorts



## WEDDINGS

- Expenditure on weddings had been on the rise in India and as per industry estimates it has gotten bigger post pandemic<sup>2</sup>
- Luggage is an integral part of Wedding Shopping

## INTERNATIONAL STUDENT TRAVEL

- Departures from India for International Education has grown at a CAGR of 19% for 5 years ended 2021<sup>1</sup>
- A Similar trend is expected to continue

## GIFTING & PROMOTIONS

- Luggage as a preferred personal gifting item is emerging as a significant trend
- Major retail chains now operating regular promotional gifting of luggage category

# Macro Pressures & Consumer Preference Shift Fueling Growth For Organized Players



Shift from Unorganized to Organized

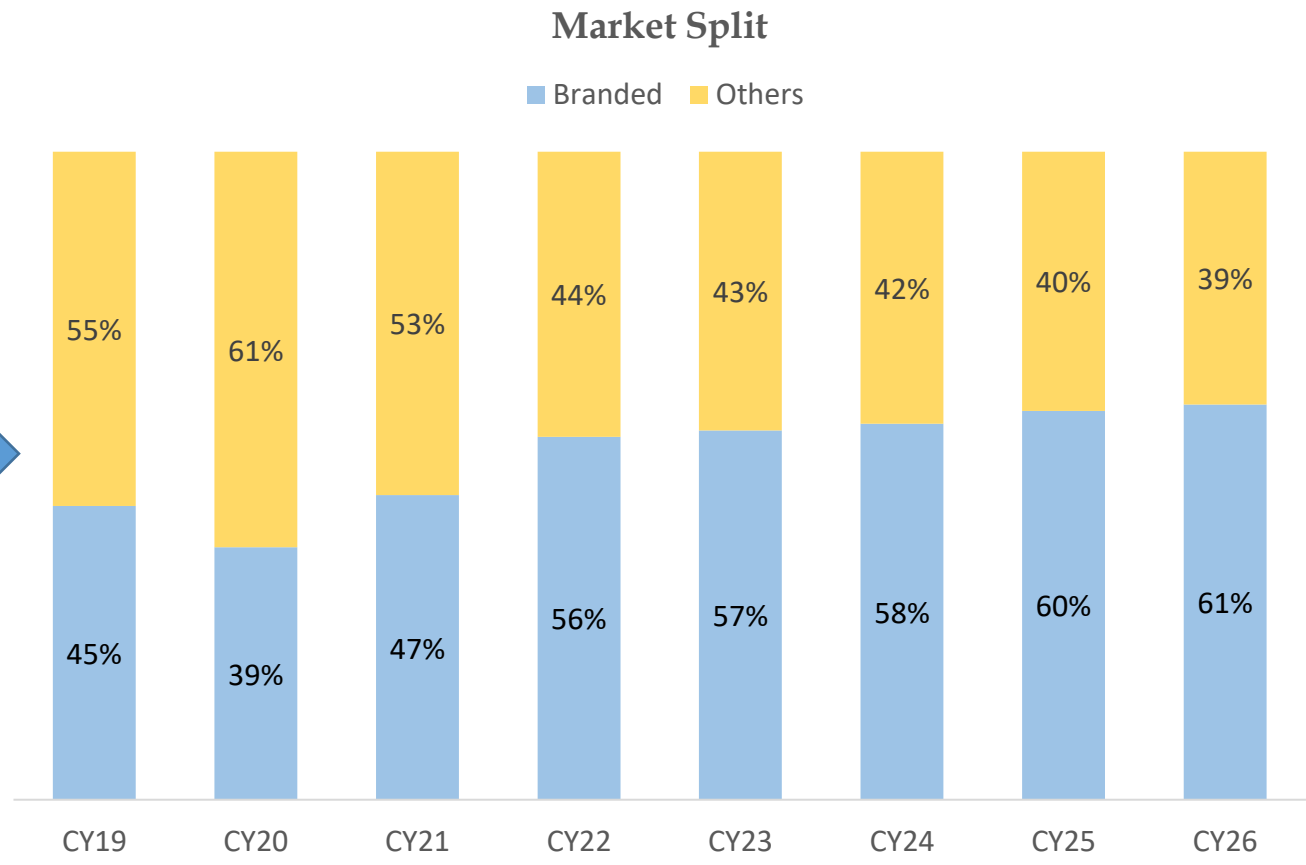


Consumer Preference Shift towards Branded Good quality products

Supply chain Constraints Post pandemic

Growth of Organized Sector

Sector Formalization Post Implementation of GST



Source: Euromonitor & internal estimates




# Company Overview


# Undisputed leader in an Oligopolistic Indian Luggage Industry



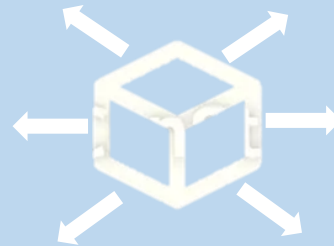
**Established in 1968**



**9 Own Manufacturing Facilities in India & Bangladesh**



**#1 In the organized luggage space**



**Servicing customers through 10,500 Point of Sales across 800 towns**



**Present in multiple luggage categories across price points**

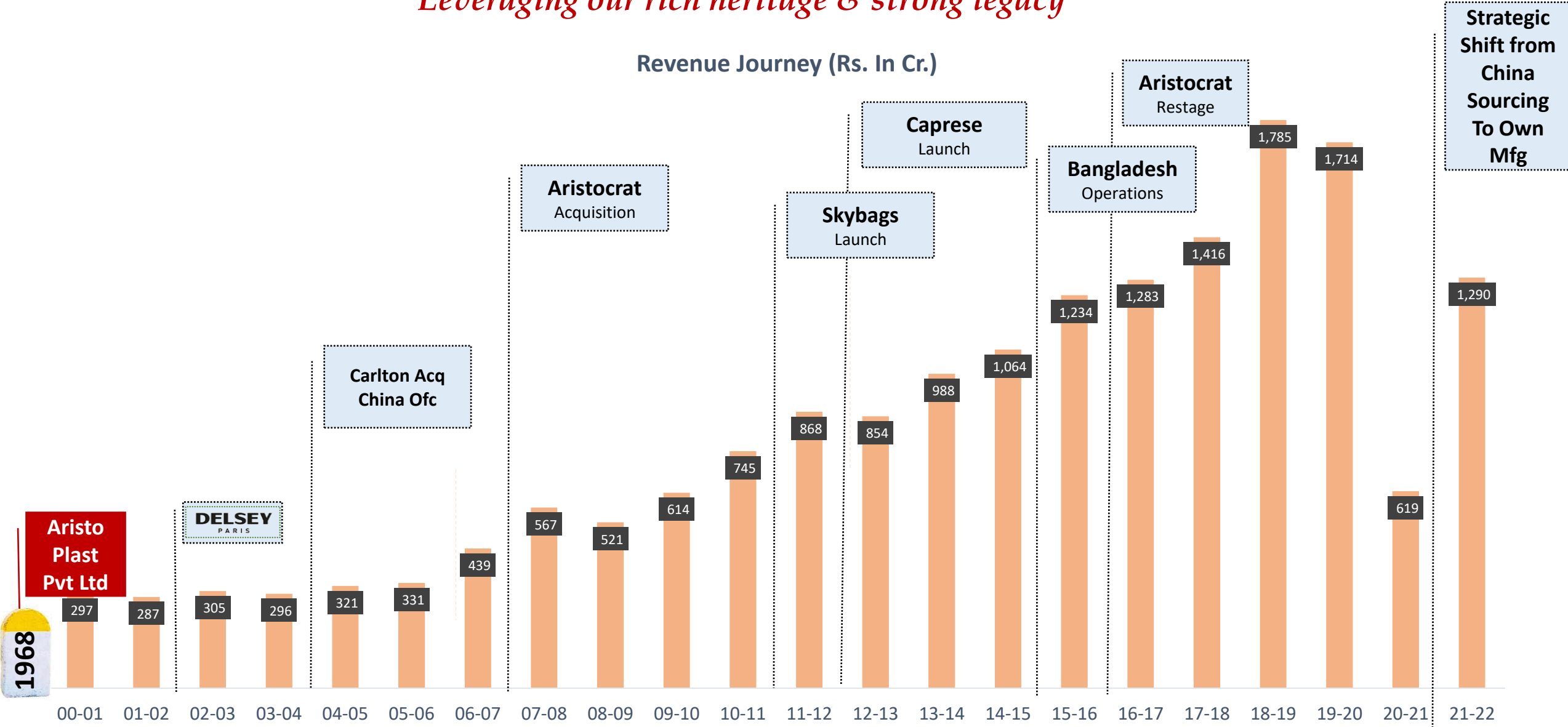


**Over 8000 employees**

# Milestones

*Leveraging our rich heritage & strong legacy*

Revenue Journey (Rs. In Cr.)





## Our Board & Management



**Mr. Dilip Piramal**  
Chairman

He is a Commerce graduate and an experienced industrialist who has pioneered the luggage industry in India. He has an experience of more than 50 years in the luggage industry



**Mr. Amit Jatia**  
Independent Director

He has a degree in Business Administration from the Marshall School of Business, Los Angeles. He has attended several sessions of the YPO / Harvard President's Program at HBS. He has over 26 years of experience in the QSR industry.



**Ms Radhika Piramal**  
Executive Vice Chairperson

She a graduate from Oxford University and has done an MBA from the Harvard Business School. She has over 10 years of experience in managing and strategizing the business of luggage, bags and other travel accessories.



**Mr. Tushar Jani**  
Independent Director

He is a Science graduate. He is a founder of Blue Dart Courier Services, Blue Dart Express Limited, Blue Dart Aviation Limited and Express Industry Council of India. He has over 40 years of experience in the Shipping and Transport Industry. He has pioneered inland logistics of sea freight containers.



**Mr. Anindya Dutta**  
Managing Director

He holds a MBA in Marketing and International Business and has 25 years of leadership experience in the FMCG industry across business verticals and categories. He is responsible to build the organization growth strategy and lead execution across all business verticals & regions globally



**Mr. Ramesh Damani**  
Independent Director

He is a Commerce graduate and a post-graduate in Business Administration, Marketing from California State University, Northridge. He has over 20 years of experience in security market.



**Ms Nisaba Godrej**  
Independent Director

She has completed B.Sc. from The Wharton School and an MBA from Harvard Business School. She is the Executive Chairperson of Godrej Consumer Products and Director of Godrej Agrovet and Teach For India.



**Ms Neetu Kashiramka**  
Chief Financial Officer

She is a qualified Chartered Accountant and has 25 years of experience across varied industries. At VIP industries, along with being the Financial Controller & business partner, she is responsible for Legal, Secretarial, Investor Relationship, Information Technology and Commercial functions.





## Senior Management



**Abhinav Kapoor**  
Vice President Sales  
Over 20 years of  
experience in FMCG  
industry



**Anjan Mohanty**  
Chief Executive Officer –  
Bangladesh  
23 years of experience in  
apparel industry



**Anup Sur**  
Head - Supply Chain &  
Logistics  
24 years of experience  
across varied industries



**Ashish Saha**  
Sr. Vice President – India  
Manufacturing & New  
Projects  
42 years of experience in  
luggage industry



**MVH Sastry**  
Head Procurement  
20 years of experience in  
FMCG industry



**Praful Gupta**  
Head Marketing  
22 years of experience in  
FMCG & luggage industry



**Suhas Kshirsagar**  
Head - Corporate Quality  
& After Sales Service  
27 years of experience in  
luggage, automotive &  
FMCG industry



**Sunil Kolhe**  
Sr. Vice President –  
Design, Sourcing &  
Product Development  
34 years of experience in  
luggage industry



**Vikas Anand**  
Vice President - Human  
Resources  
17 years of experience  
across varied industries



# VIP Power Brands : High Equity, targeted at distinctive opportunity spaces



Proposition

**Innovative & Caring partner that makes every trip comfortable, safe and enjoyable**


**Trendy , colorful luggage brand that helps you get noticed**

**Partner every young middle Indian in this journey with products that are built to outperform and outlast**



Brand Print




**Hello Holidays**

**Move in Style**

**Unpack Your Dreams**



**BRANDS FROM THE HOUSE OF VIP INDUSTRIES**



# VIP Power Brands : High Equity, targeted at distinctive opportunity spaces



Proposition

Luggage Partner For Young Visionaries & Leaders

Avant-garde range of handbags & accessories for every woman who wishes to announce her arrival in life

Brand Print

**CARLTON**  
THE NEW FACE OF BUSINESS

**The New Face Of Business**

**CAPRESE**

**All That A Girl Can Be**

BRANDS FROM THE HOUSE OF VIP INDUSTRIES





# Diversified Product Portfolio

HARD LUGGAGE



DUFFLE BAGS



SOFT LUGGAGE



LADIES HANDBAGS



BACKPACKS





# Healthy geographical presence



RETAIL TRADE

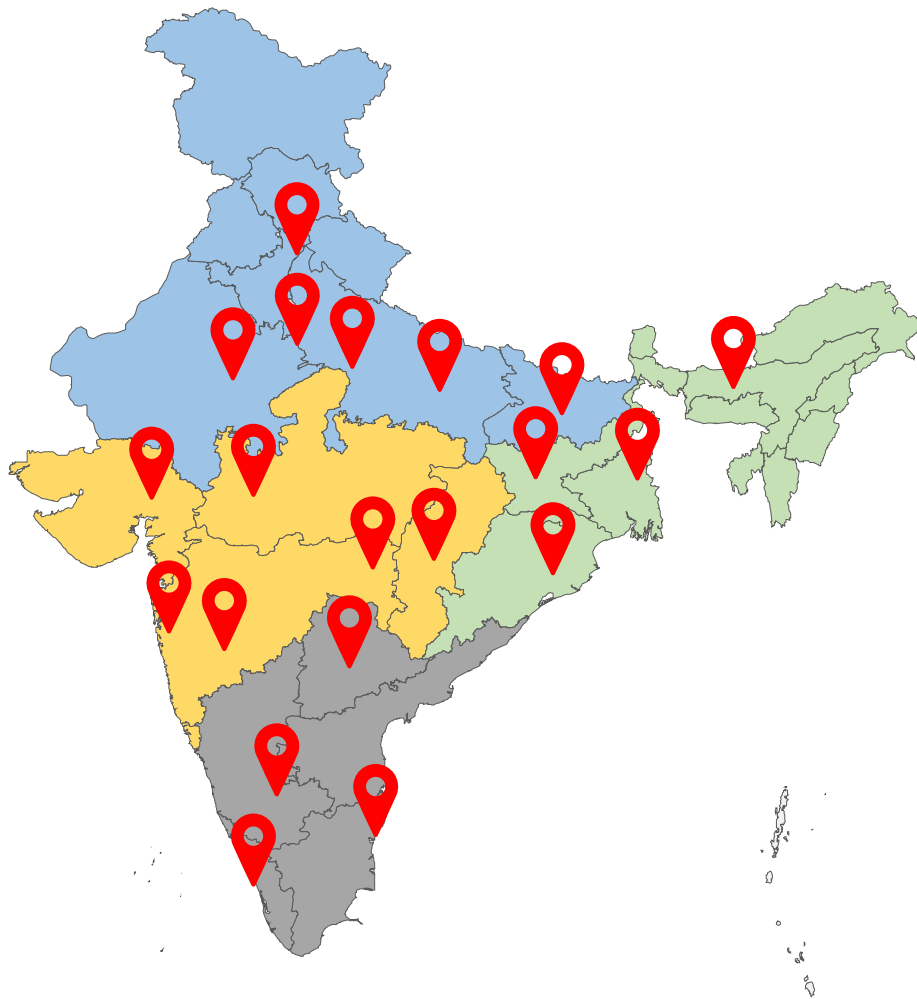
MODERN TRADE

GENERAL TRADE

ECOM

CSD CPC

INSTITUTIONAL



Branch locations

## 4 Regions 20 Branches

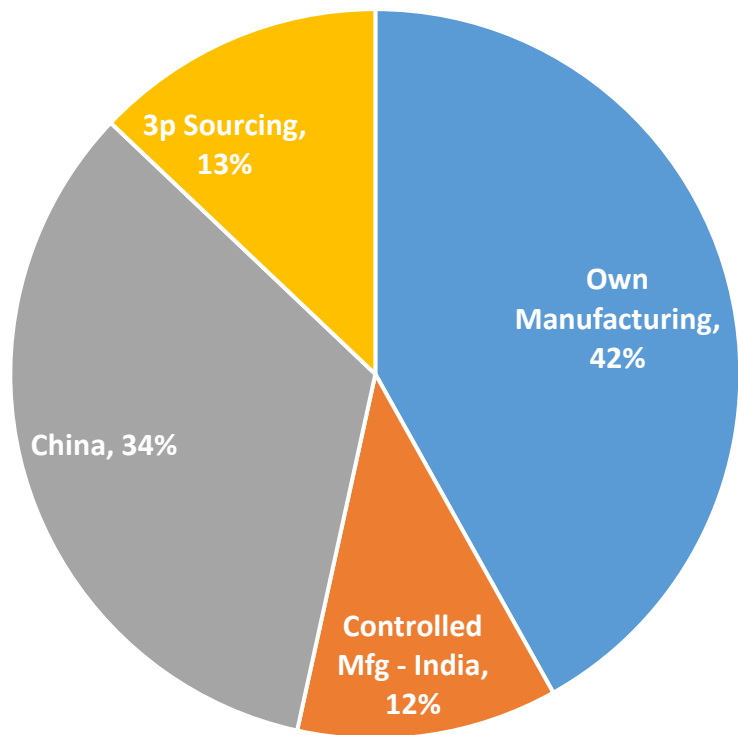
Pop Strata	Town Universe	VIP Penetration	
		FY20	H1 FY23
50K - 1 Lakh	583	51%	67%
1 - 5 Lakhs	395	85%	95%
5 -20 Lakhs	81	100%	100%
20 - 50 Lakhs	8	100%	100%
50 Lakhs+	5	100%	100%
<b>Total</b>	<b>1072</b>	<b>68%</b>	<b>80%</b>

# Strategic Advantage Of Own Manufacturing

## *Upstream transformation Revenue volumes split by source*

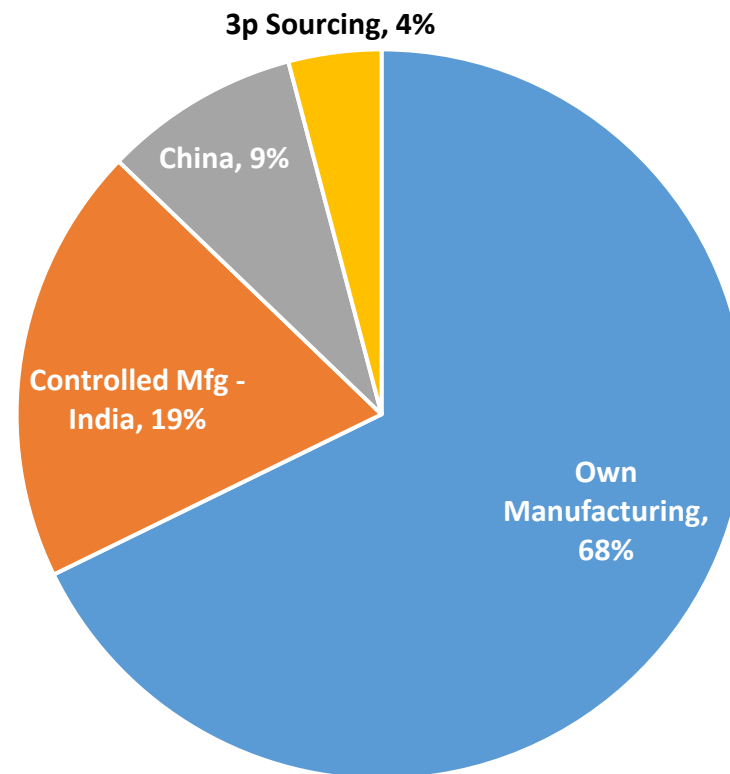
Pre-pandemic

FY20



Post-pandemic

YTD FY23



*Planned Capex for FY23 is Rs. 100 crores - capacity enhancement by 20%*



# Financial Overview



# Performance Highlights (Consolidated)

## Operational Highlights

- Q2 revenue growth at 56% over Q2 FY22
- Q2 FY23 is at 87% of Q1 revenue – highest ever compared to any pre-covid year
- Q2 GP after netting of other income is 48% as compared to 47% in Q2 FY22 mainly on account of better realization.
- Q2 Overall Expense is at Rs. 176 cr as compared to Q2 FY22 at Rs. 114 cr. Increase is mainly on account of increase in advertisement spend, employee cost, freight cost and exchange rate fluctuation.

<b>EBITDA % - Q2 FY 22</b>	<b>14.4%</b>
Increase in Gross Margin	0.5%
Decrease in Employee Cost	2.1%
Increase in Other Expenditure	-2.1%
<b>EBITDA % - Q2 FY 23</b>	<b>14.8%</b>

	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23
<b>Revenue (Rs. cr)</b>	<b>330</b>	<b>397</b>	<b>356</b>	<b>591</b>	<b>515</b>
<b>Growth (over base FY20)</b>	<b>-20%</b>	<b>-8%</b>	<b>14%</b>	<b>5%</b>	<b>25%</b>

### Q2-FY23 Consolidated Financial Performance

<b>INR 515 Cr. Revenues</b>	<b>48.1% GP %</b>	<b>14.8% EBITDA %</b>	<b>INR 52 Cr. PBT</b>
<b>+56%</b>	<b>+1%</b>	<b>+0.4%</b>	<b>+112%</b>
<b>Over Q2 FY22</b>			

### H1-FY23 Consolidated Financial Performance

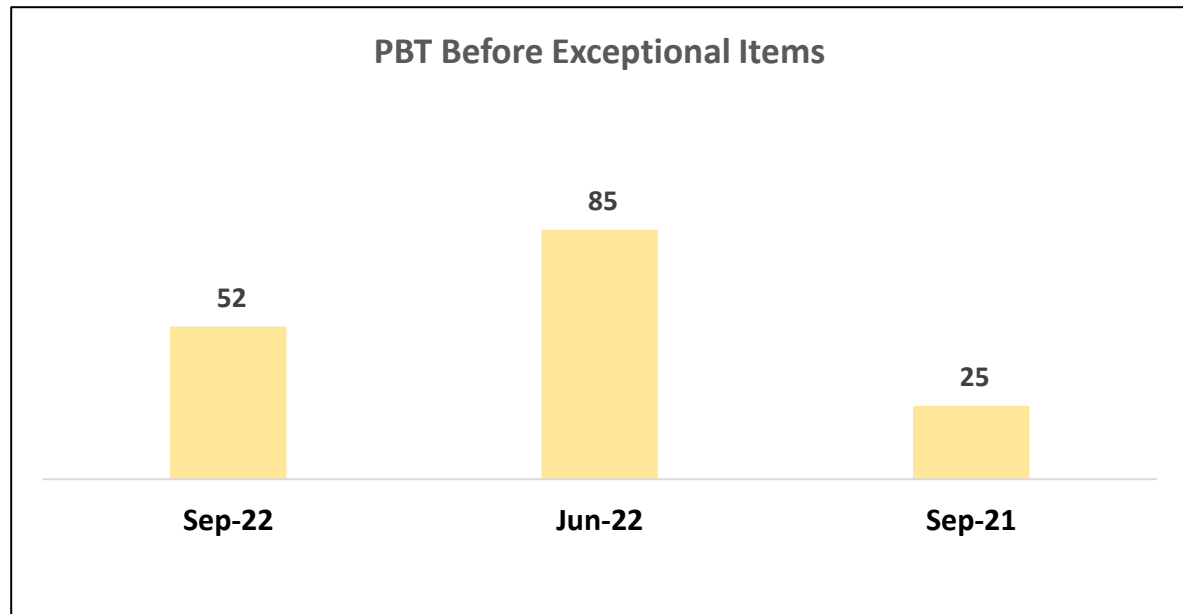
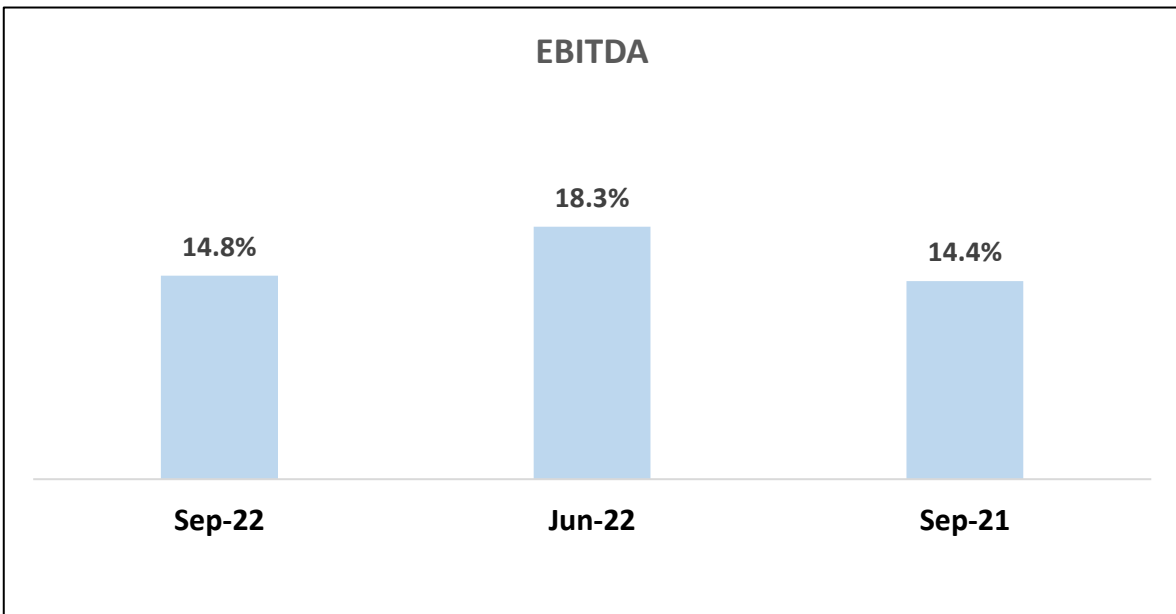
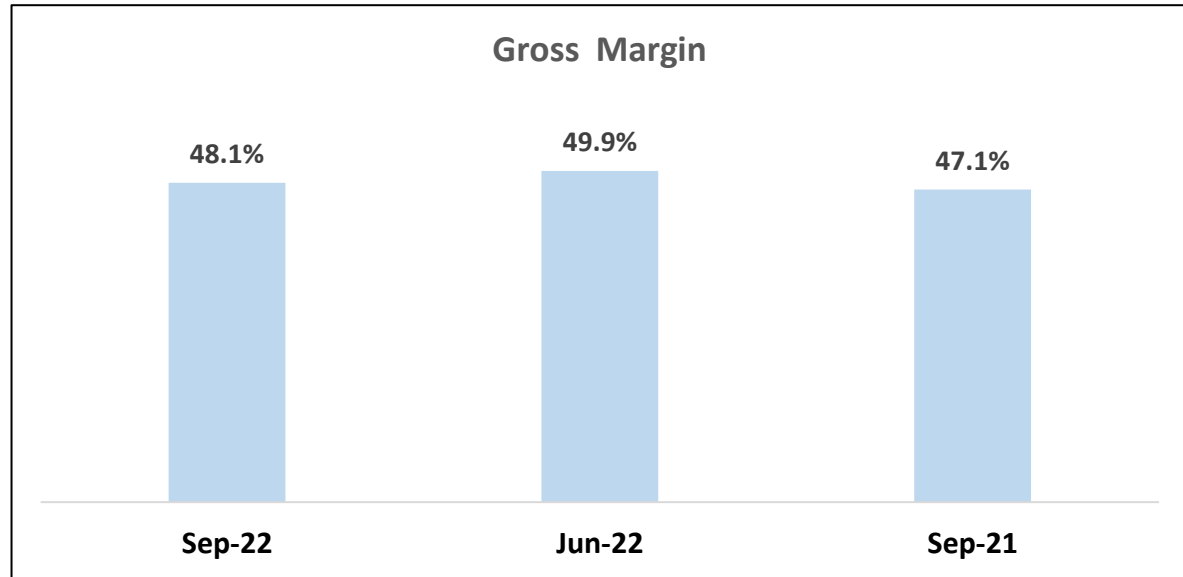
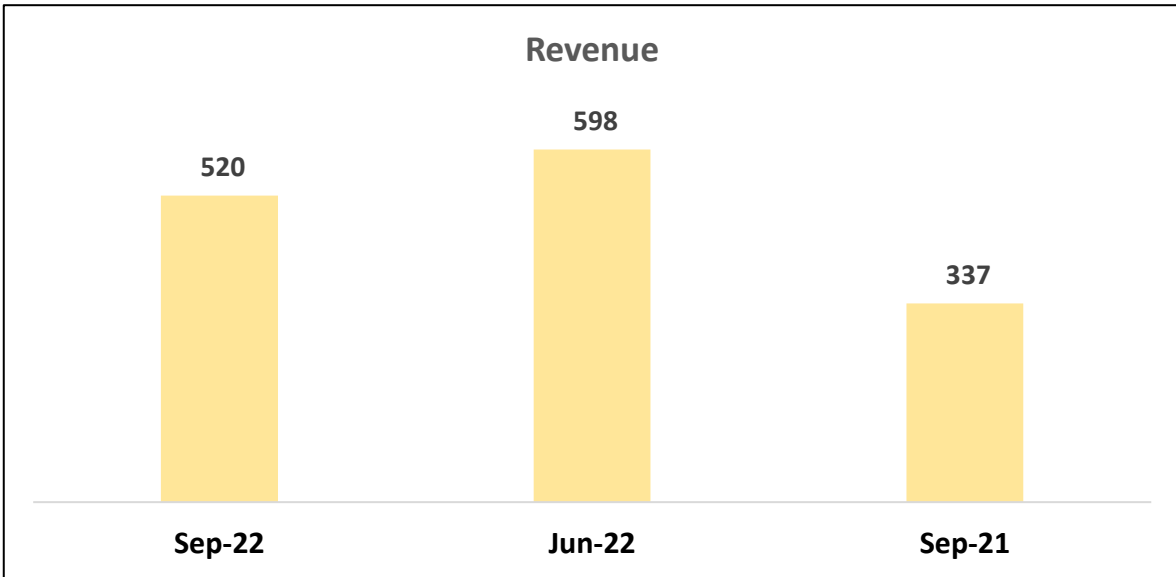
<b>INR 1105 Cr. Revenues</b>	<b>49.1% GP %</b>	<b>16.7% EBITDA %</b>	<b>INR 152 Cr. PBT</b>
<b>+106%</b>	<b>+0.5%</b>	<b>+3.1%</b>	<b>+476%</b>
<b>Over H1 FY22</b>			

# Q2 & H1 Financial Performance - Consolidated

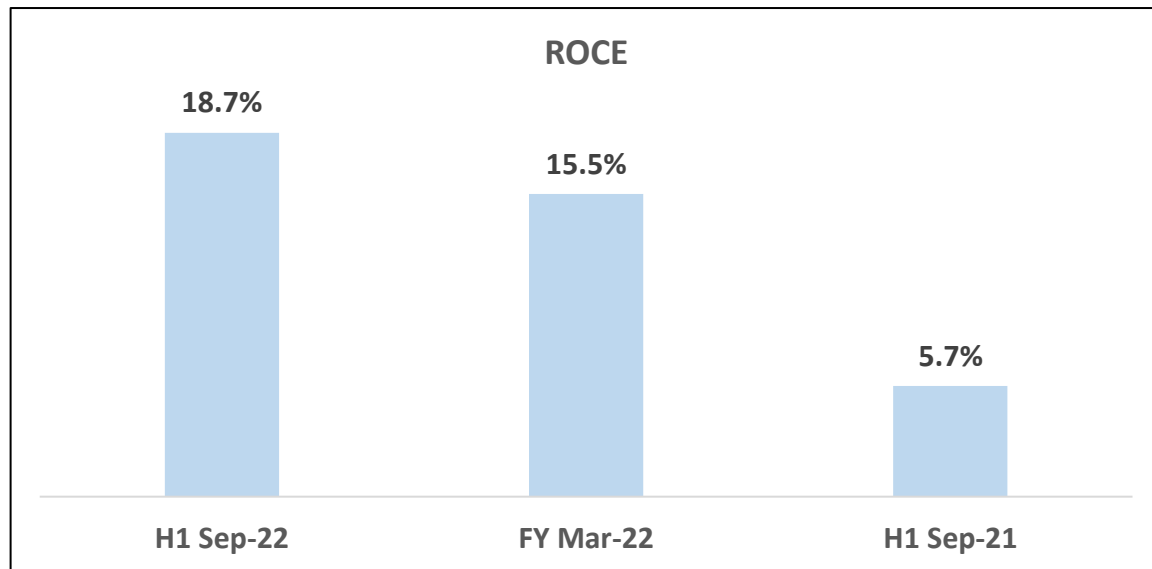
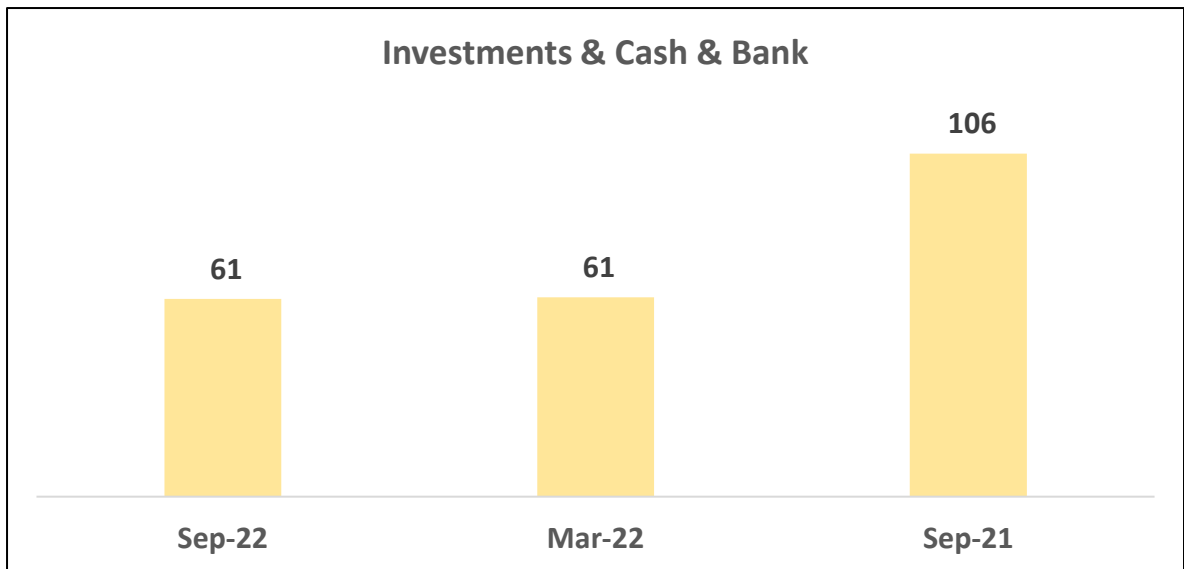
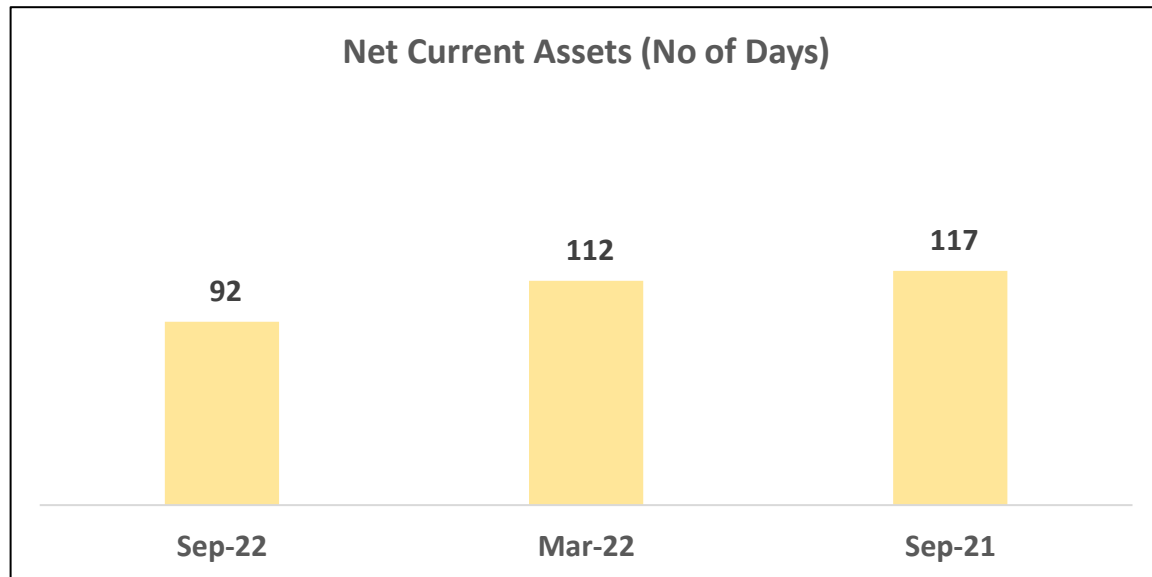
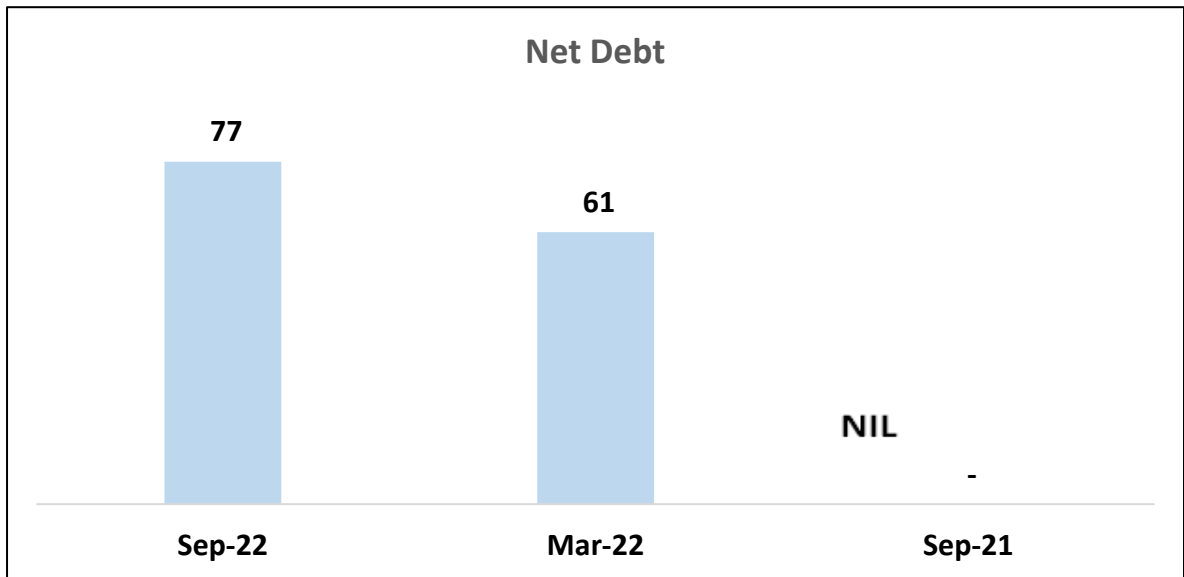
Particulars	Quarter ended			Year ended		Year ended
	Sep-22	Jun-22	Sep-21	Sep-22	Sep-21	Mar-22
<b>Revenue from Operations</b>	515	591	330	1105	536	1290
Other Income	5	7	7	12	21	36
<b>Total Revenue</b>	<b>520</b>	<b>598</b>	<b>337</b>	<b>1118</b>	<b>557</b>	<b>1326</b>
<b>COGS</b>	267	296	175	563	276	645
<b>Gross Contribution</b>	<b>253</b>	<b>302</b>	<b>162</b>	<b>555</b>	<b>282</b>	<b>681</b>
<b>GC Margin (without Other Income)</b>	<b>48.1%</b>	<b>49.9%</b>	<b>47.1%</b>	<b>49.1%</b>	<b>48.6%</b>	<b>50.0%</b>
Employee Benefits expenses	58	60	44	118	83	189
Other Expenses	118	132	69	250	123	311
<b>Total Expenses</b>	<b>176</b>	<b>192</b>	<b>114</b>	<b>368</b>	<b>206</b>	<b>500</b>
<b>EBIDTA</b>	<b>77</b>	<b>110</b>	<b>49</b>	<b>187</b>	<b>76</b>	<b>181</b>
<b>EBIDTA Margin</b>	<b>14.8%</b>	<b>18.3%</b>	<b>14.4%</b>	<b>16.7%</b>	<b>13.6%</b>	<b>13.6%</b>
Depreciation	18	18	17	36	36	70
<b>EBIT</b>	<b>59</b>	<b>92</b>	<b>31</b>	<b>151</b>	<b>40</b>	<b>111</b>
Finance Cost	7	7	7	13	14	25
<b>Profit before Exceptional items</b>	<b>52</b>	<b>85</b>	<b>25</b>	<b>137</b>	<b>26</b>	<b>86</b>
<b>Exceptional items Expense / (Income)</b>	0	-15	0	-15	0	0
<b>Profit before Tax</b>	<b>52</b>	<b>100</b>	<b>25</b>	<b>152</b>	<b>26</b>	<b>86</b>
Tax	9	31	6	40	5	19
<b>Profit After Tax</b>	<b>43</b>	<b>69</b>	<b>19</b>	<b>112</b>	<b>21</b>	<b>67</b>



# Key Financial Metrics - P&L



# Key Financial Metrics – Balance sheet





A person wearing blue jeans and white sneakers is pulling a tan rolling suitcase through a store entrance. The background is a blurred interior of a store with shelves and other people. The text 'Brands, Channels & Categories' is overlaid on the left side of the image.

# Brands, Channels & Categories



## Revenue Performance : Channels

Channel-wise revenue Salience	Q2 FY20	Q2 FY22	Q2 FY23	YoY % Growth
General trade	18%	15%	18%	87%
Retail trade	14%	9%	11%	102%
Modern trade	28%	27%	27%	49%
Ecom	14%	23%	22%	45%
CSD CPC	15%	17%	12%	6%
Institutional	9%	7%	6%	26%
International	2%	2%	5%	287%

- **Distribution Expansion, Share gain in large & weak accounts, Value Segment Competitiveness & Productivity improvement** driving growth across traditional physical channels of Retail, General and Modern trade
- **Added 46 new EBO's during H1 FY23 with 44 additional stores signed and under fit-out as on date**
- **Low population strata penetration along with presence in premium malls is a focus for retail expansion strategy**
- **General Trade Distribution Has Surpassed Pre-Covid Levels Increasing VIP Penetration to 80%**
- **VIP's GT distribution is currently present in 862 townns**
- **Modern Trade compensated for entire Future Group loss during the quarter through other MT chains & catchment marketing**
- **International Business Revenue reported 178% growth over base year FY20**
- **Renewed GTM strategy in key market UAE and base expansion (7 new countries) is adding to the growth in this business**
- **ECOM, on the back stronger fundamentals of Strengthened Portfolio, improved content, higher spends and supply efficiency has leveraged the 'Big day & festive buying' of Q2**



# Revenue Performance : Categories & Brands

Brand-wise revenue Saliency	Q2 FY20	Q2 FY22	Q2 FY23	YoY % Growth
CARLTON	5%	5%	6%	63%
VIP	27%	21%	21%	48%
SKYBAGS	38%	36%	32%	36%
<b>Premium &amp; Mass Premium</b>	70%	63%	58%	43%
ARISTROCRAT+ ALFA	22%	33%	37%	74%
CAPRESE	8%	4%	4%	59%

Category-wise revenue Saliency	Q2 FY20	Q2 FY22	Q2 FY23	YoY % Growth
UPRIGHTS	64%	76%	75%	51%
HL - UPRIGHT	47%	62%	67%	62%
SL - UPRIGHT	53%	38%	33%	32%
DUFFEL BAGS	10%	10%	8%	21%
BACKPACKS	17%	11%	12%	79%
LADIES HAND BANGS	8%	4%	4%	59%

### **Value Play Going Strong**

Shift from unbranded segment expanding organised market – Higher growth in value segment a must for overall share gain  
 Relevant launches, set offers, aggressive promotions during the Ecom shopping festivals has contributed to our Value portfolio performance

### **HL Strategy Success**

HL continues to outperform in the uprights category

### **Premium Portfolio Revenue Growth Healthy**

All brands - Carlton, VIP and Skybags - reported traction with pick up in international travel, student travel season and corporate travel  
 Our premiumisation themed new launches have also reported encouraging response

### **Backpack Revival**

Backpacks performance – a concern last quarter - has picked up momentum on the back of new launches & non-seasonal sub-categories

***Caprese build-up continues and has maintained revenue share with jump in overall company sales***



# Value Segment continues to Outshine

## Set story drives Luggage business in both Hard & Soft

Sets salience in Value portfolio revenue



## Aggressive promo 's executed with ecom partners for festival sales

The image shows two screenshots. On the left is an Instagram post for 'flipkart Sponsored' featuring 'ARISTOCRAT' luggage. The caption reads: 'flipkart ARISTOCRAT WAVE STROLLY 360 CB+MD+LG BLUE Cabin & Check-in Set - 28 inch It's BBD TIME!! Enjoy offers like Never Before!'. On the right is a Flipkart search page for 'luggage ba...'. A sponsored ad for 'ARISTOCRAT' is circled, with the text 'Steal Deals on Durable Luggage Sponsored by ARISTOCRAT'. Below it, a banner for 'UNPACK YOUR DREAMS' shows various luggage pieces with a 'Min. 65% Off' tag.

## Distribution thrust in tier II & tier III towns



## New Launches in Opening Price Points and in new product types like PU /Antitheft /Drawstring to gain share



## Targeting Train Travelers (2 W SL, Duffle wheels, Built - in cable lock for train travel)







# Premiumization Themed Innovations

## Skybags - 3 new ranges launched in hard luggage



India's First Ever Personalised Luggage launched - **Xpressionz**

First Ever Metallic finish in printed PC films

Ecom Exclusive - Special focus on women travelers

## First Hard case with Bometric Lock



## First Hard case in Business Overnighters

## Metallics in Solid Colours



## Biker Collection , Slim laptop , New Marvel Collection , PU





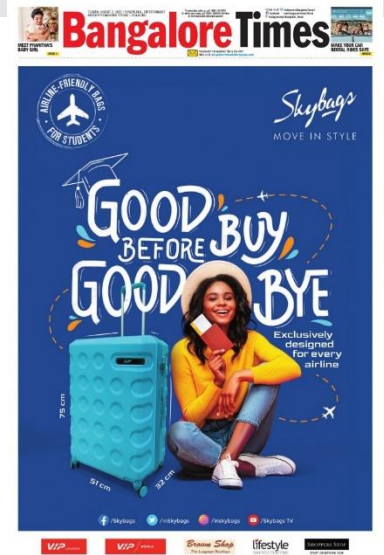
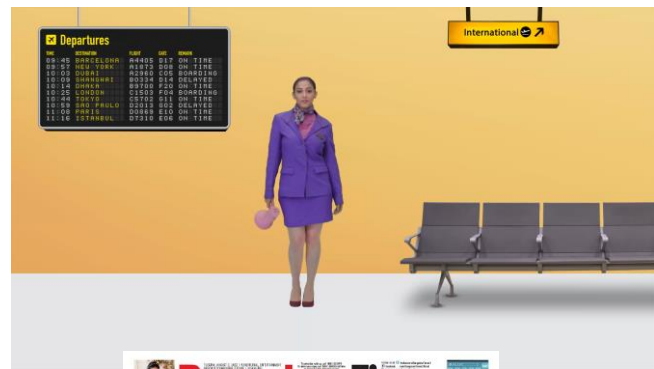
# Premiumization Through specific targeted communications

Owning # Airport look with sustained Influencer Led Content on social Media



Building Affity with GenZ through Backpack Campaigns - # Back to Cool

Targeting International Student Traveller through print / Social Media



Inspiring the Solo woman traveller



# Driving Premiumization through Consumer Promotions

## EOSS – END OF SEASON SALE ON PREMIUM RANGES



## BUY MORE SAVE MORE

VIP + CARLTON: Driving frequency through EOSS through offline & online channels during lean period



## STUDENTS SPECIALS

SKYBAGS: Capturing the growing demand for International Student Travel

Partnership with HDFC offering extra 10% discount in Q2





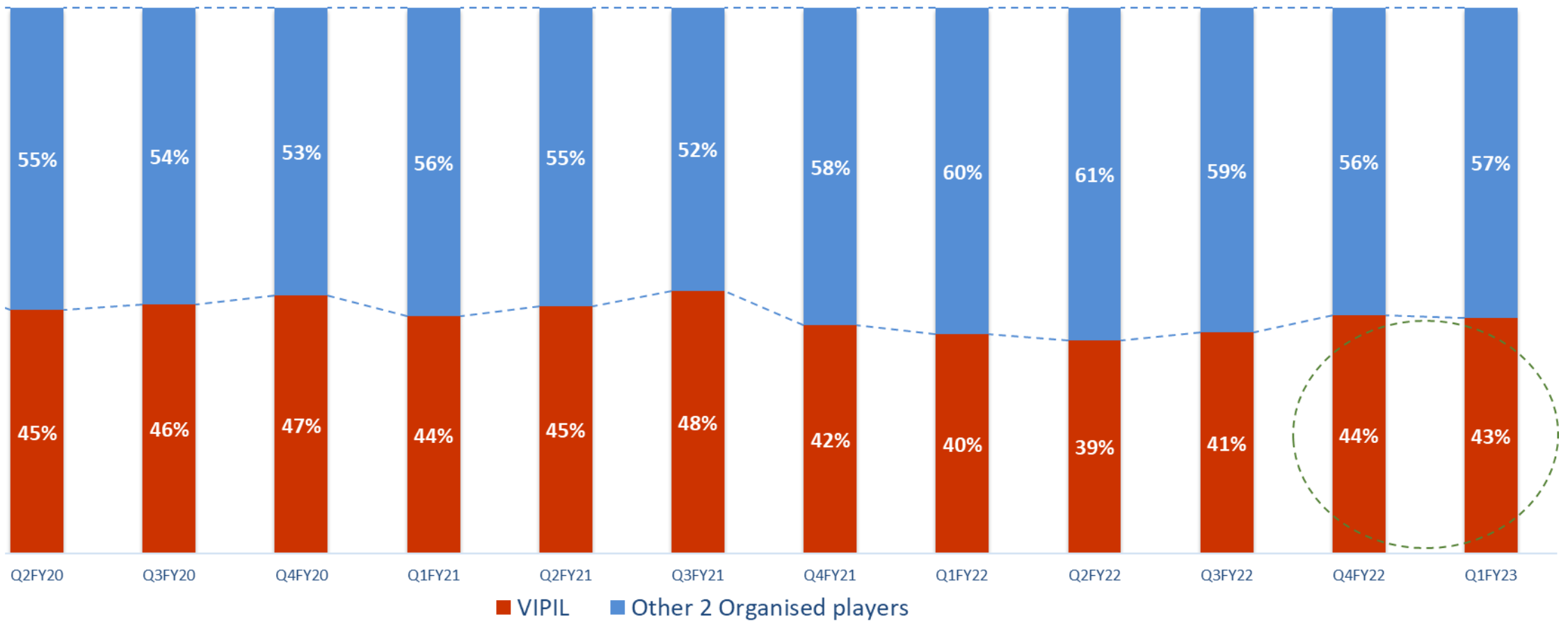


Market  
Share



# Market share movement for last 12 quarters

Market Share %



\*Relative Market share based on reported results of 3 Companies

A person wearing blue jeans and white sneakers is pulling a tan rolling suitcase through a glass door. The person's hand is on the handle of the suitcase. The background is a blurred indoor space with other people and green arrows pointing right. An orange banner is overlaid on the left side of the image.

## Q3 Sneak Preview





# Exciting Mega Launches in Q3 FY23

*Limited Edition FIFA Luggage Range  
Our Hero Launch Of The Year Is Out Now!*





**VIP Highlander**  
The SUV Of Luggages !

**VIP**  
**HIGHLANDER**

**VIP**

PRESENTING THE NEW  
**HIGHLANDER**

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TOUGH AND UNSHAKEABLE.  
NO MATTER WHERE YOU TAKE IT.

- Unique Design & Rugged Architecture
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- User Friendly Side Handles







Introducing

*Mesmeric*

© CAPRESE X MANISH MALHOTRA

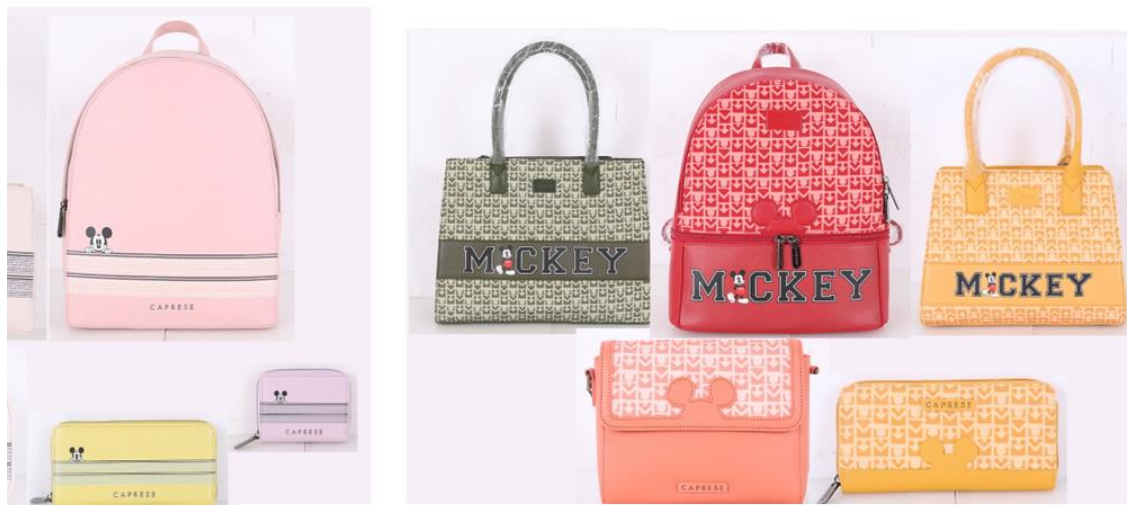


COUTURE LINE OF CAPRESE X MANISH MALHOTRA RANGE FOR PARTY WEAR IN KEEPING WITH CAPRESE SENSIBILITIES AND MANISH MALHOTRA LOOKS

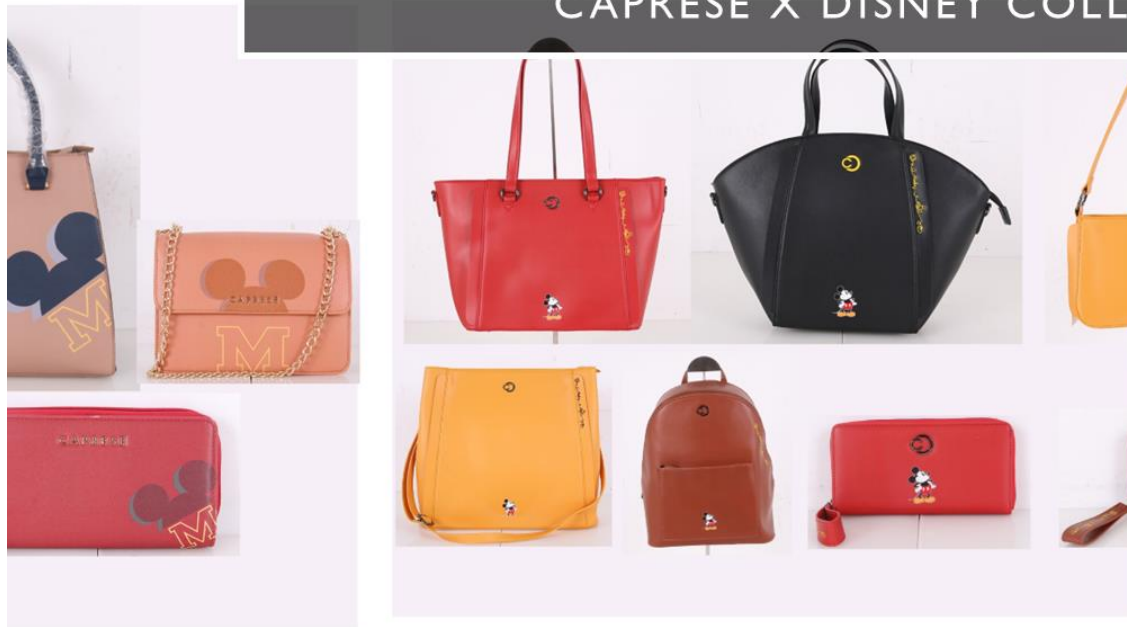




# Exciting Mega Launches in Q3 FY23



COMING SOON.....  
CAPRESE X DISNEY COLLECTION







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