



VAIBHAV GLOBAL LIMITED

Ref: VGL/CS/2021/14

Date: 29th January, 2021

**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 2021.

Kindly take the same on record.

Thanking you,

Yours Truly,

For Vaibhav Global Limited

**Sushil Sharma
Company Secretary**



Vaibhav Global Limited

Financial Results Presentation

Q3 & 9M FY21

Global Retailer of Fashion Jewellery, Accessories, and Lifestyle Products on Home Shopping TV and e-Commerce Platforms



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, governmental 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



Our Q3 results mark another quarter of relentless execution by VGL. Headline financial takeaways from the holiday season quarter are - Retail revenues, EBITDA and PAT increased by 30%, 37% and 41% respectively on Y-o-Y basis resulting in sustained margins expansion. Capital light model and low debt structure enable higher return ratios - reported ROE & ROCE at 30% & 56% respectively on TTM basis. Our net cash position improved with operating cash flows at Rs. 198 crore and free cash flows at Rs. 166 crore for 9MFY21. We maintained our recent trend of quarterly dividends and have announced a payout of Rs. 7.50 per share, the third interim dividend this year.

We remain closely aligned with the continuously evolving customer preferences especially in the times of Covid-19, resulting in strong traction across our omni-channel retail presence. Our vertically integrated model has delivered seamlessly from over 20 source countries to our expanding customer base in the US and UK. In a quarter normally expected to bear the impact of TV viewers focusing extensively on the U.S. Presidential elections, we sustained the momentum of the previous quarters. On the overall, unique customer number at 4.7 lac is progressively inching towards the half million mark.

Our 4R's strategy that underlies our operating model and provides an objective assessment framework to the business is focused on Reach, Registrations, Retention and Repeat Purchase to deepen customer engagement and fulfillment. Further, we continue to undertake several customer-oriented initiatives to drive sustained improvements on each of these parameters.

*At VGL, we are guided by our belief in holistic approach towards sustainability, social responsibility, employee well-being, regulatory compliance, and transparent functioning. I am pleased to share that Vaibhav Global, was recently conferred '**Best Governed Company**' (Listed Segment: Emerging Category) by ICSI. We also believe that such framework creates the guardrails for our prospects for long term sustainable growth."*



Mr. Sunil Agrawal
Managing Director, Vaibhav Global Limited

Commenting on Q3 FY21 Performance



Covid-19 Response

Employees



- 'Borderless workforce' with no latency
- Protected livelihoods and remuneration
- Enhanced collaboration and engagement
- Implemented adequate health and safety protocols

Investors



- Sustained focus on a healthy Balance Sheet
- Cash and cash equivalents of Rs. 380 crore as on December 31, 2020
- Renewed focus on cost rationalization
- Continuous pay-back (Dividends)

Customers



- Continued retail operations in US & UK
- Modified product mix to include essential items
- Uninterrupted call center operations
- Zero downtime for critical systems
- Built remote TV production and broadcast solution as a contingency plan
- Delivered system enhancements to support altered product mix

Supply Chain



- Temporary shutdown in operations balanced by efficiently managing inventory and leveraging global supply chain
- Prudent and timely sourcing made it possible to market essential products

Community



- Donated ~2,57,000 masks across US, UK, India, & China
- Provided ~3.4 mn meals to people in need (through Akshaya Patra in Jaipur)

Q3FY21 - Key Highlights



Robust **30%** Y-o-Y growth in retail revenues



EBITDA grew by a strong **37%** Y-o-Y with margins at **17.4%**.



Further improvement in return ratios with ROCE expanding to **56%**(TTM basis)



9MFY21 Free Cash Flows enhanced to Rs. **166** crore



Declared interim dividend of Rs. **7.50** per share taking 9MFY21 dividend to Rs. 17.50 per share



Significant Y-o-Y jump of **33%** in Unique Customers (TTM basis) to **4,70,985**



Launched TJC Plus in UK; Shop LC, now on Amazon, eBay, and Walmart in Canada



Conferred 'Best Governed Company' at the 20th edition of the ICSI National Awards for Excellence in Corporate Governance



Provided **47.3** million meals since the inception of the One for One program

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A close-up portrait of a woman with dark hair and red lipstick, wearing a grey blazer. She is looking slightly to the right. A blue banner with white text is overlaid across the middle of the image. She is wearing a ring with three green stones on her left hand and a necklace with multiple rows of green stones and a teardrop pendant. Her left hand is resting near her chin.

Business Background Details



Vaibhav Global Limited (VGL) at a Glance



CORE VALUES



Team-Work



Honesty



Passion



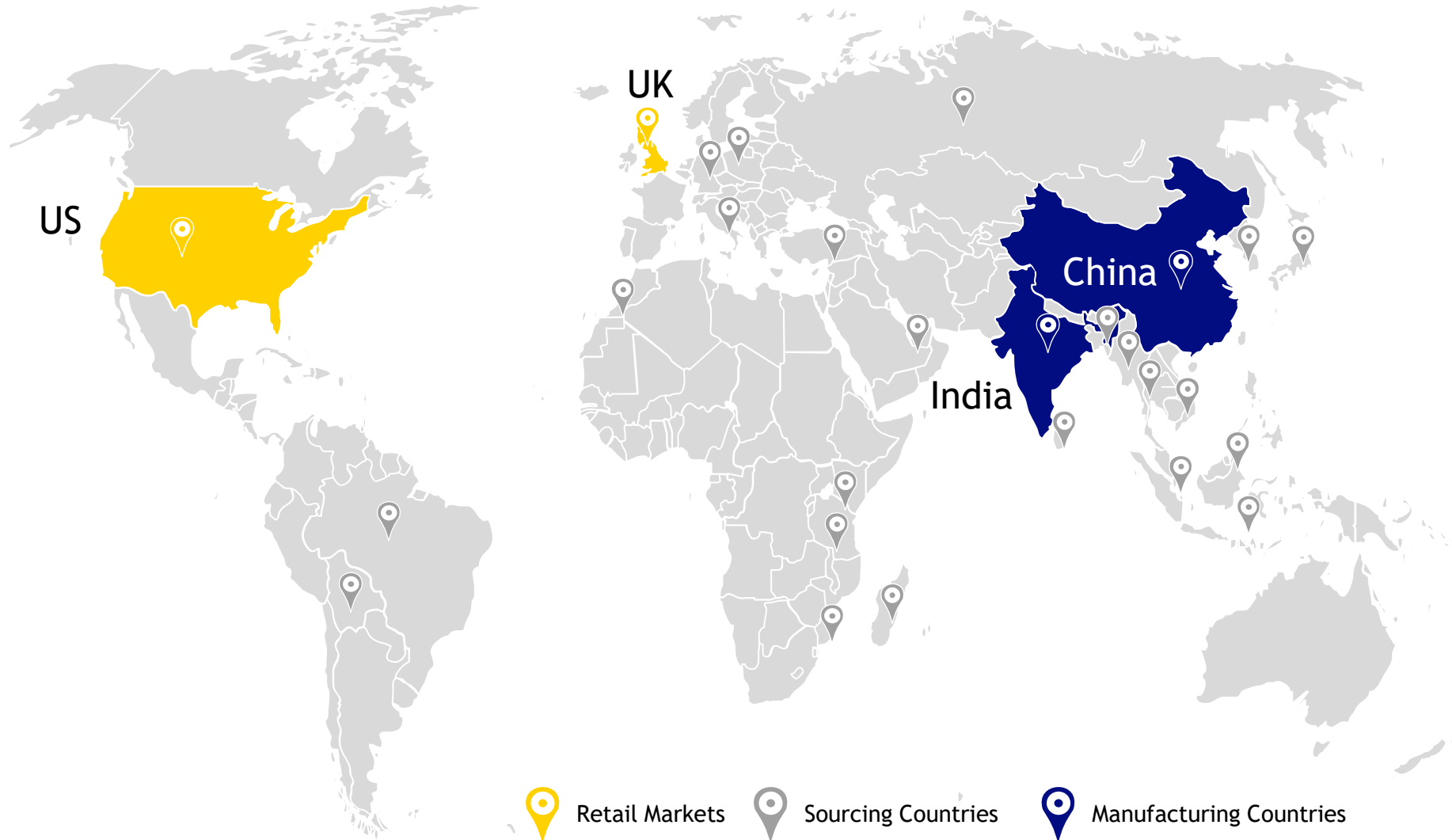
Positive Attitude



Commitment



Our Global Presence



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

- 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

Manufacturing Countries
India | China

Retail Markets Sourcing Countries Manufacturing Countries



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 (FB & Instagram)
 - Third-party Marketplaces



Shop LC (US) & Shop TJC (UK) are brands with strong customer visibility

- TV Homes accessed (*FTE) - 99 million
- Growing online presence
- Improving customer engagement metrics



Strong management and governance

- Professional management team
- Strong and Independent Board
- KPMG - Global Auditor
- Deloitte - Internal Auditor



Exceptional One for One social program

- Every piece sold results in one meal for a school-going child
- Provided ~47.3 mn meals across India, US & UK



Solid infrastructure backbone

- Investments in customer interface, production, warehousing facilities, supply chain, CRM & ERP
- Scalable model with limited capex requirement

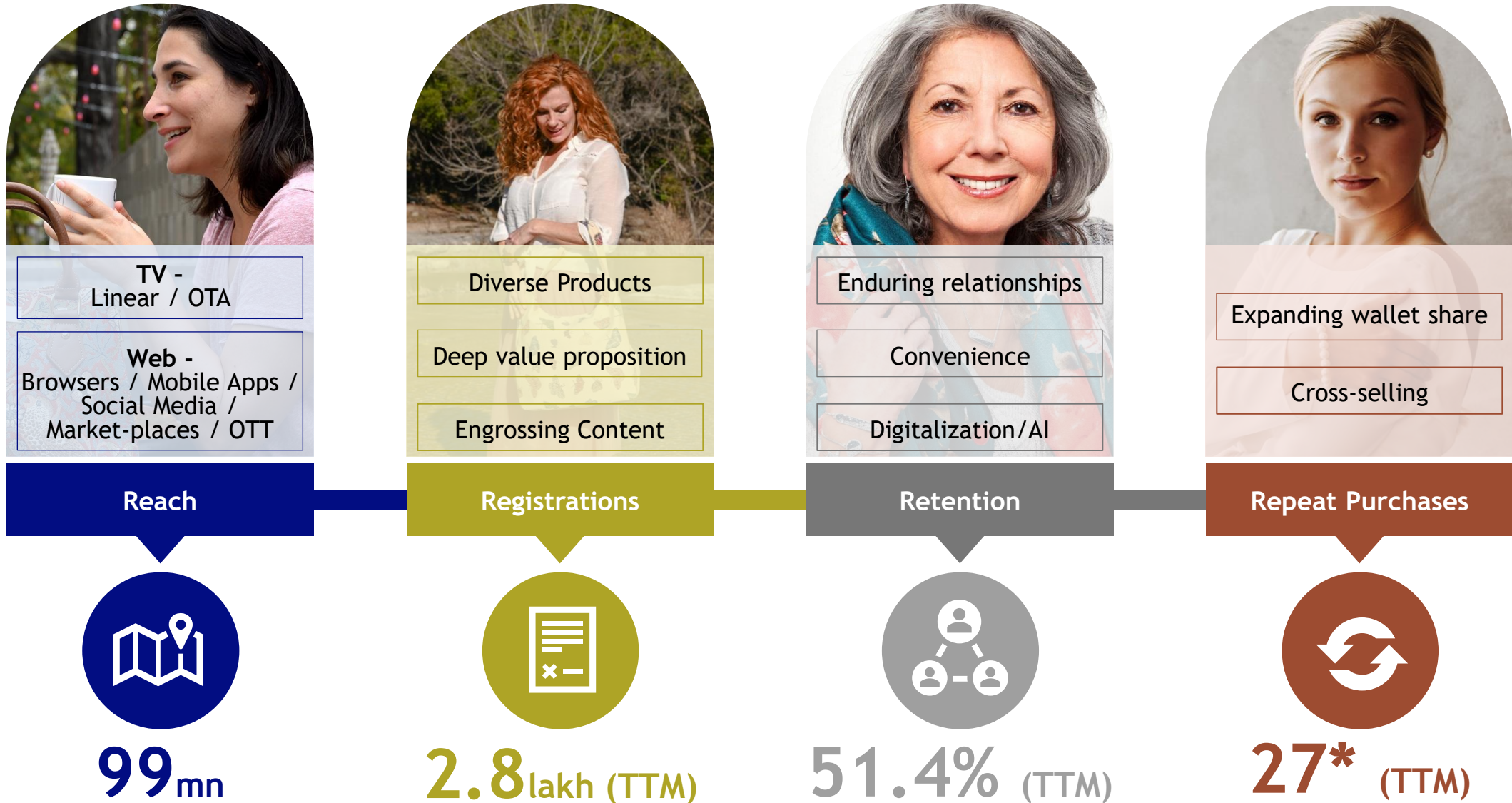


Robust customer engagement

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



4R's of Customer Engagement



Note: TTM - Trailing Twelve Months | *pieces per customer

Our Omni-Channel Sales Platform

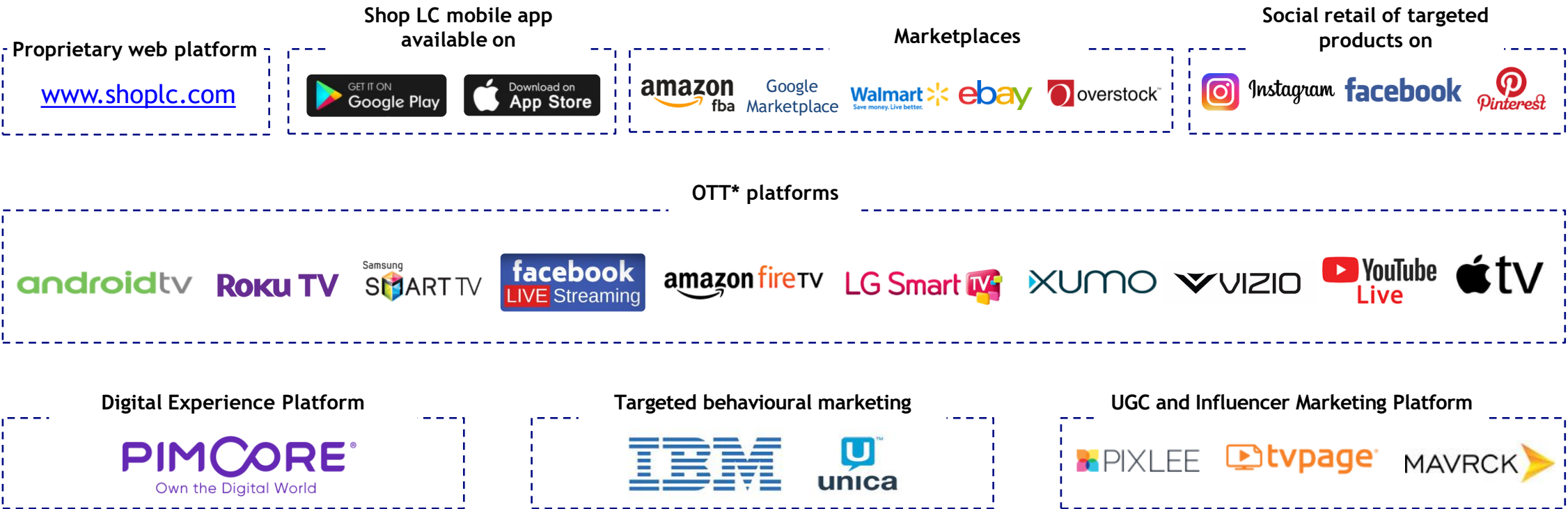


Shop LC (US)



Shop LC Proprietary TV channels - 74 mn HH including 17.5 mn OTA* HH*

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



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



Our Omni-Channel Sales Platform

Shop TJC (UK)



Shop TJC Proprietary TV channels - 25 mn HH including 17 mn OTA* HH*

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



Proprietary web 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 behavioural marketing



UGC and Influencer Marketing Platform

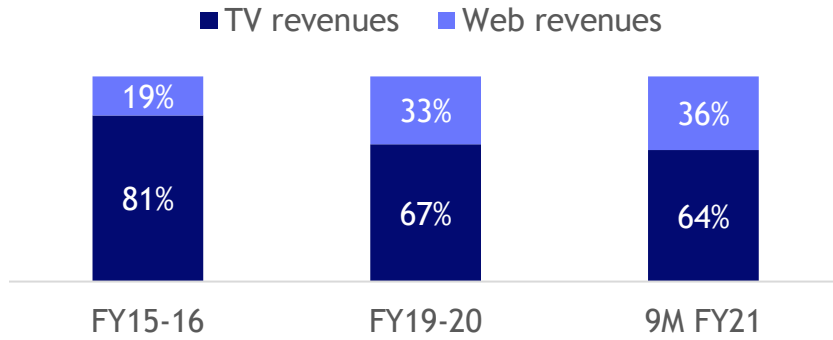


Note: OTA - Over the Air; OTT - Over the Top; HH - Households

Business Transition Dashboard

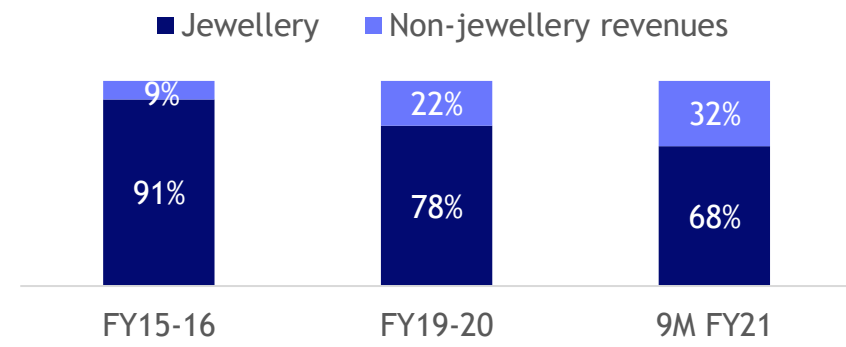


B2C Revenues by format



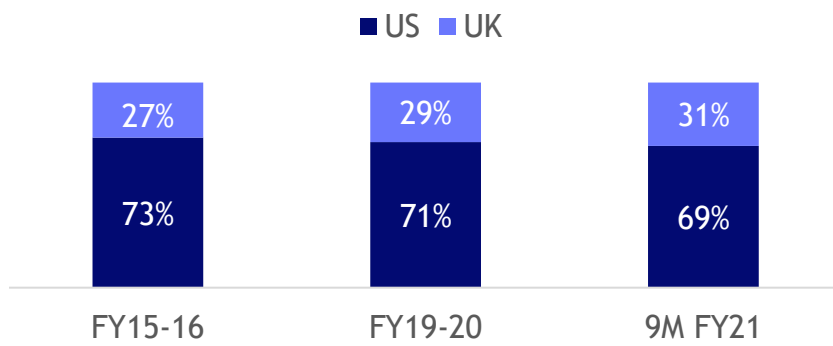
59% of web revenues in 9MFY21 were from Mobile platform (mobile app + mobile web browser)

B2C Revenues by product category



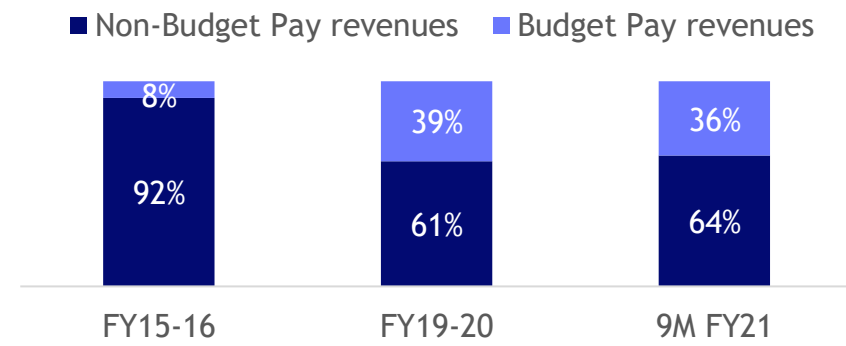
Jewellery revenues: Fashion jewellery;
Non-jewellery revenues: Fashion accessories and lifestyle products

B2C Revenues by Geography



Breakup based on revenue in USD million

Budget Pay penetration of B2C Revenues



Budget Pay revenues refer to products offered on EMI basis

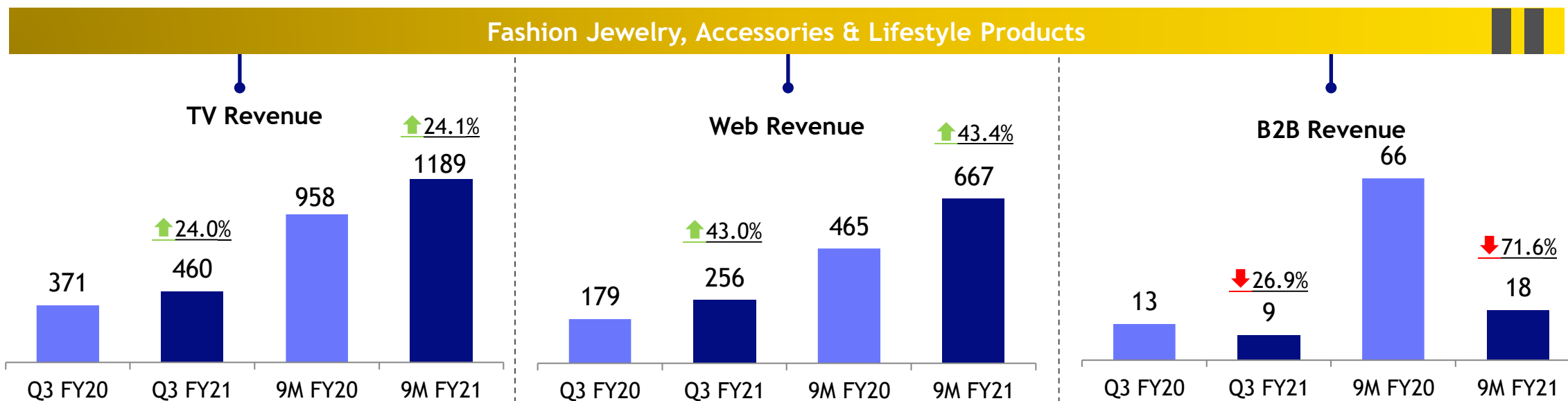
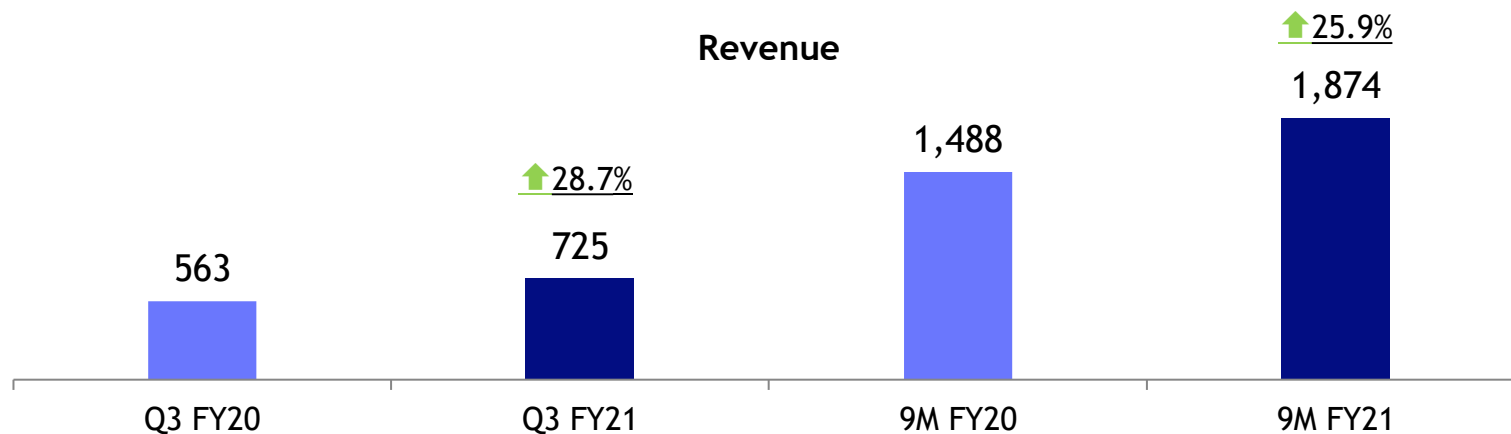
A close-up photograph of a light-colored, textured bag with a vibrant, abstract pattern of colorful shapes in shades of blue, orange, red, green, and yellow. A black strap is draped across the bag. The bag is resting on a patterned surface with a mix of red, blue, and beige tones. A semi-transparent green banner with white text is overlaid across the center of the image.

Q3 & 9M FY21 Financial Performance



Financials - Q3 & 9M FY21 Performance

Revenue Breakdown - (Rs. crore)



Note:
 B2B has been a non-core and opportunistic business segment
 In view of strong growth opportunities in B2C, the Company has been scaling down B2B

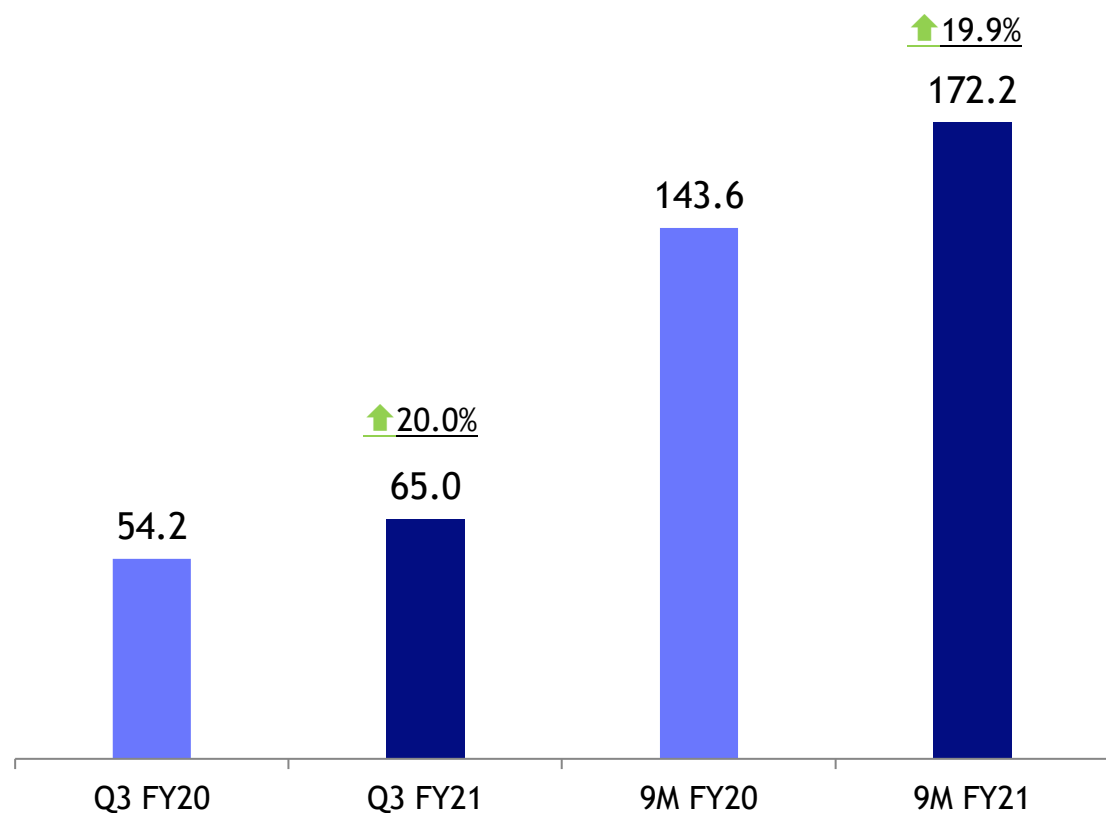


Financials - Q3 & 9M FY21 Performance

Revenue Breakdown - (Local Currency)

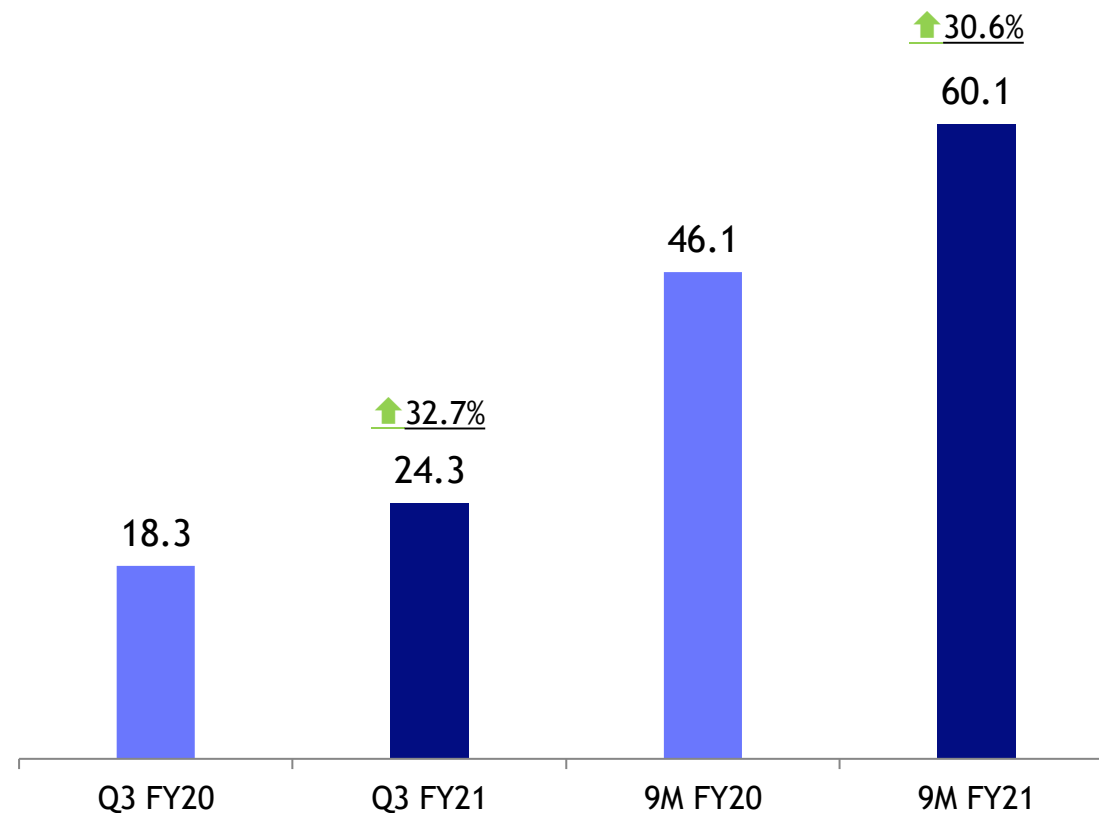
Shop LC (US)

(USD million)



Shop TJC (UK)

(GBP million)

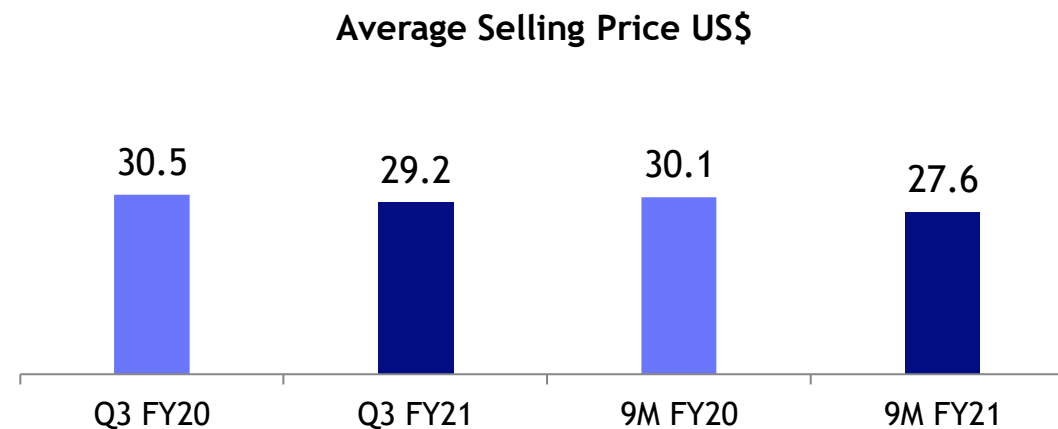
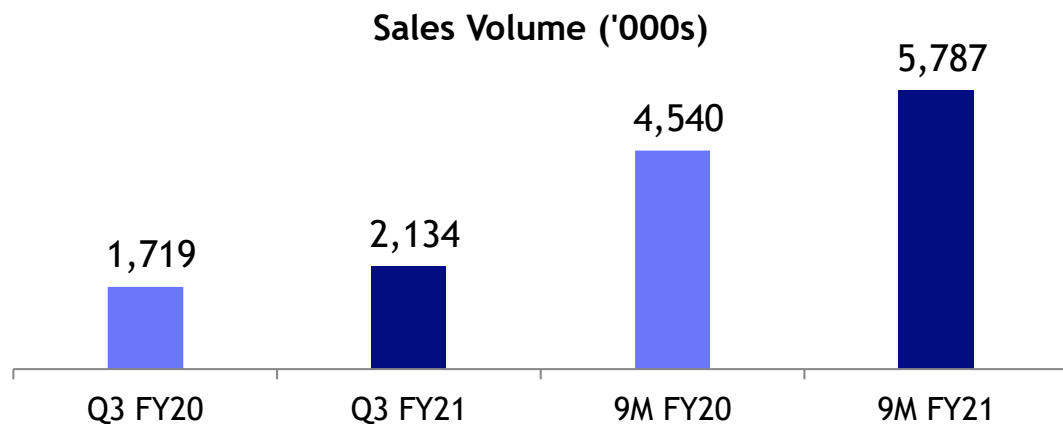




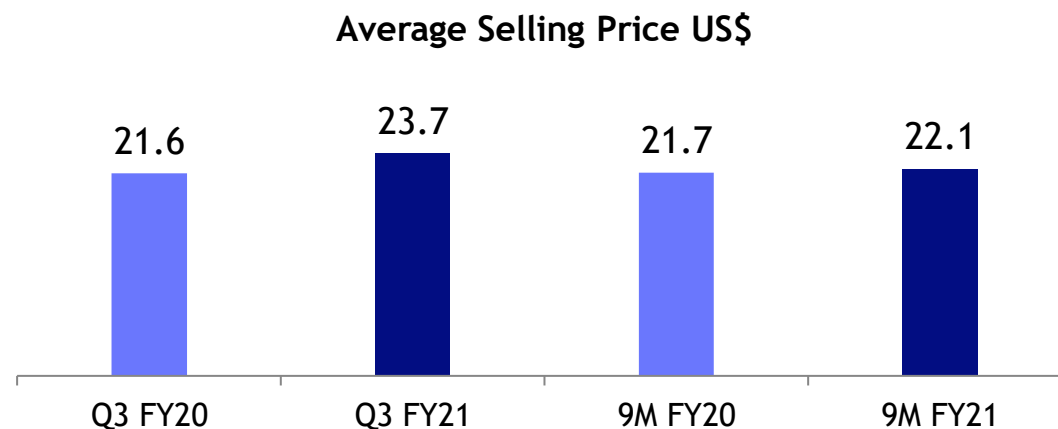
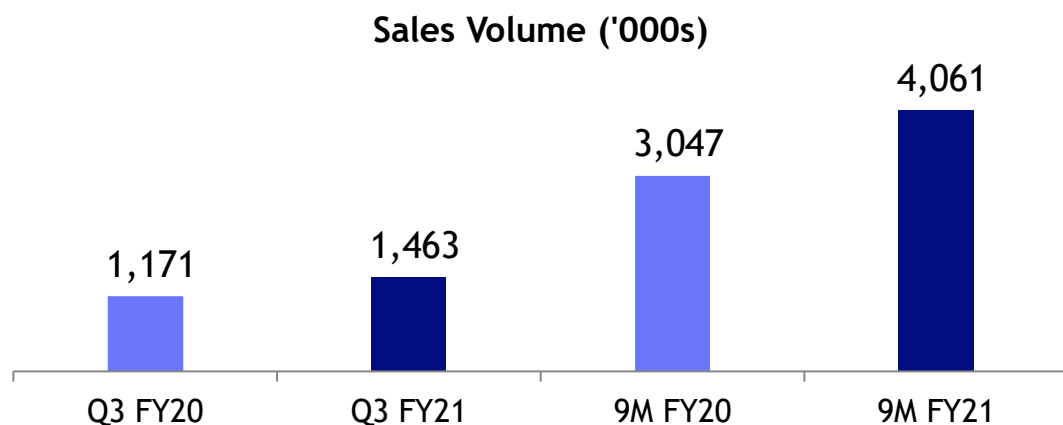
Retail Performance Trends - Q3 & 9M FY21

Volume and ASP

TV Sales



Web Sales

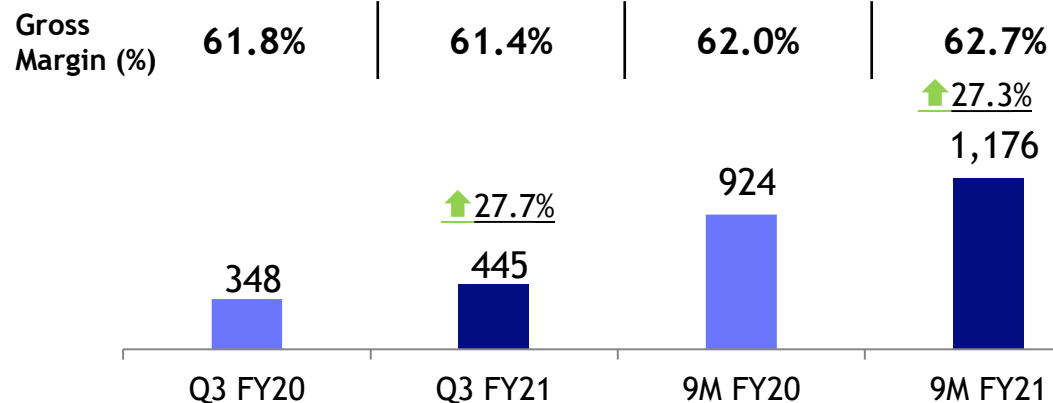




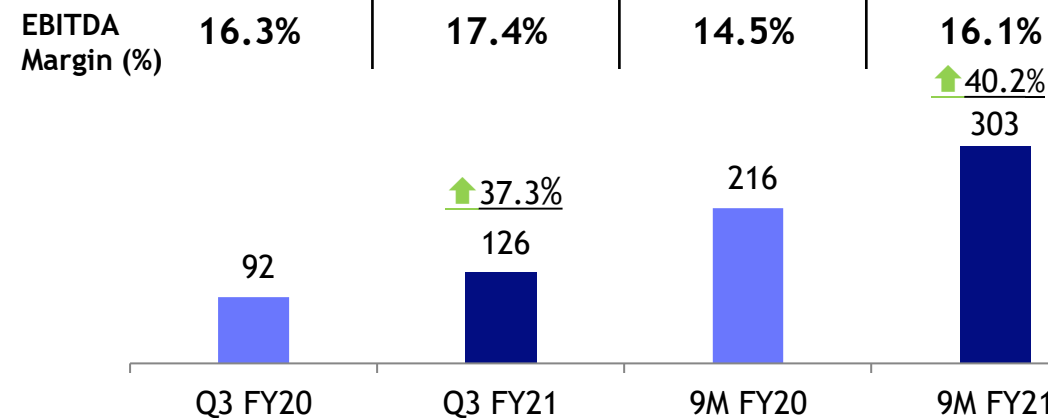
Financials - Q3 & 9M FY21 Performance

Profits - (Rs. crore)

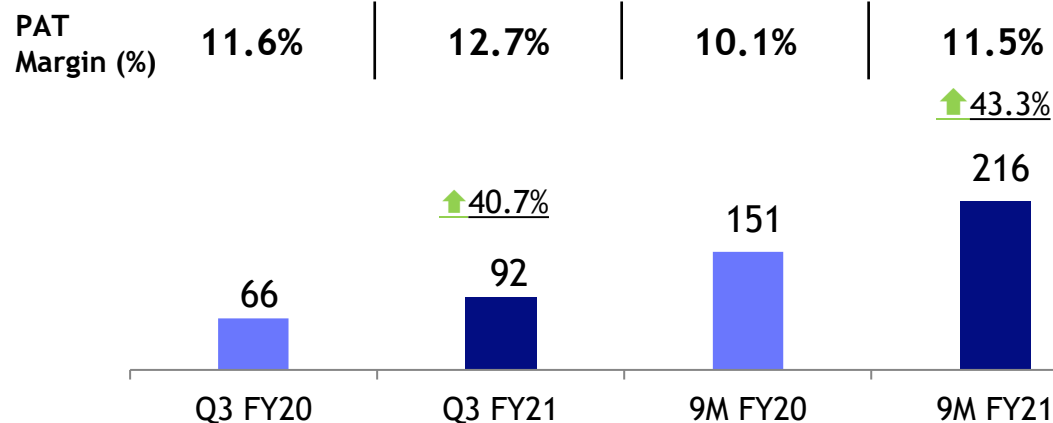
Gross Profit



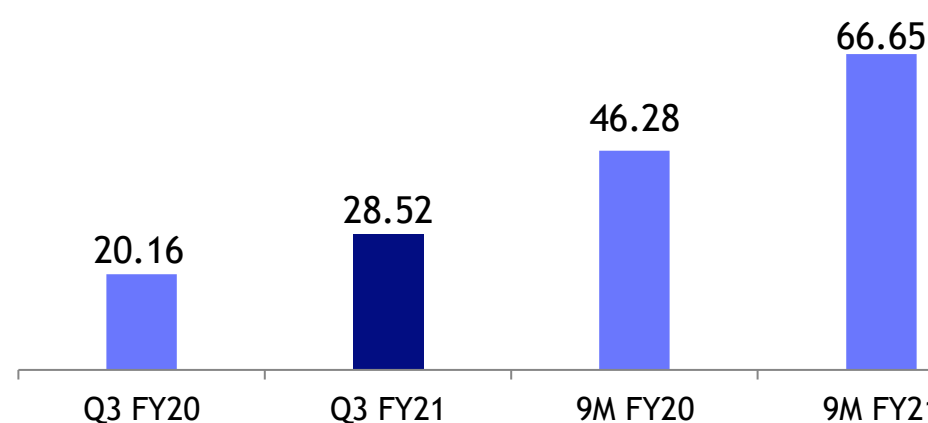
EBITDA



PAT



EPS (Rs.)





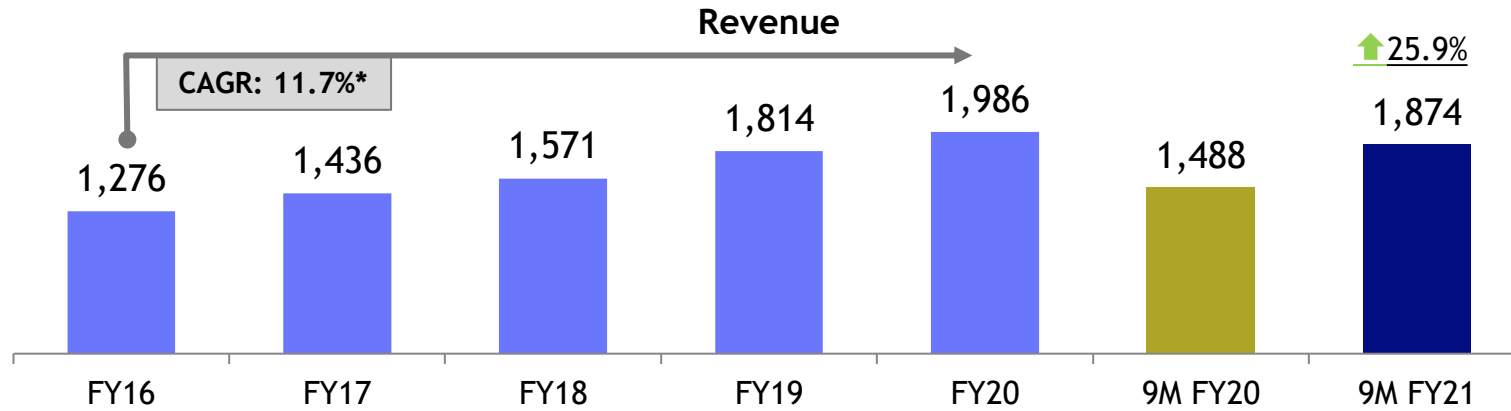
Financial Performance Trends



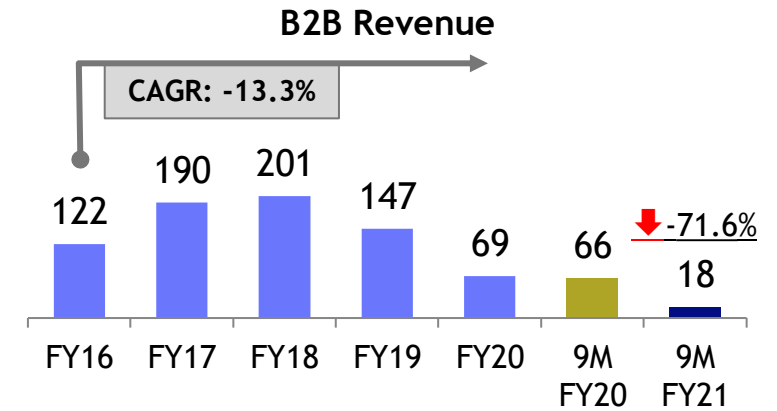
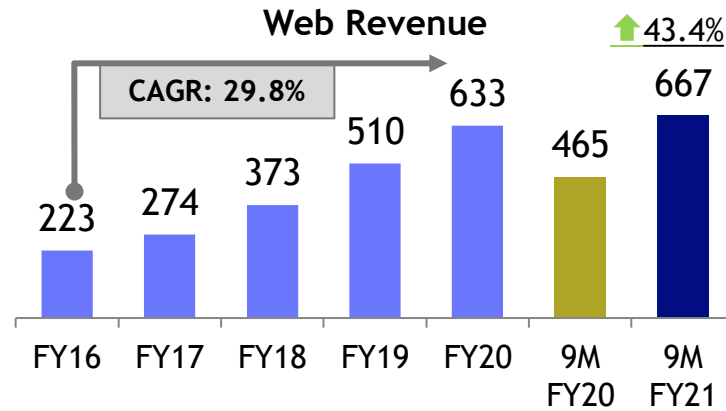
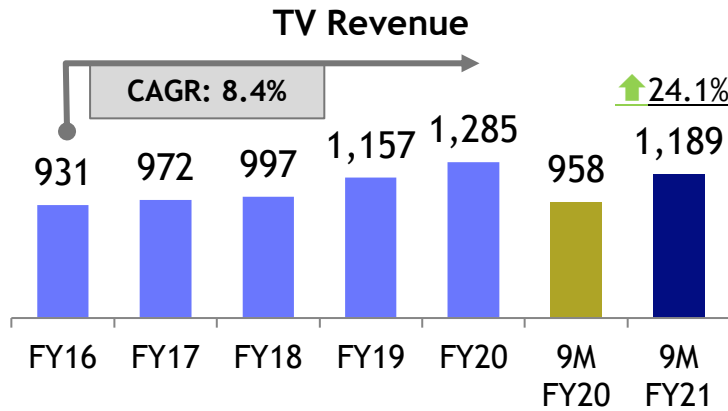


Financial Performance Trends

Revenue Breakdown - (Rs. crore)



Fashion Jewelry, Accessories & Lifestyle Products



Note:
B2C Revenue CAGR - 13.5%

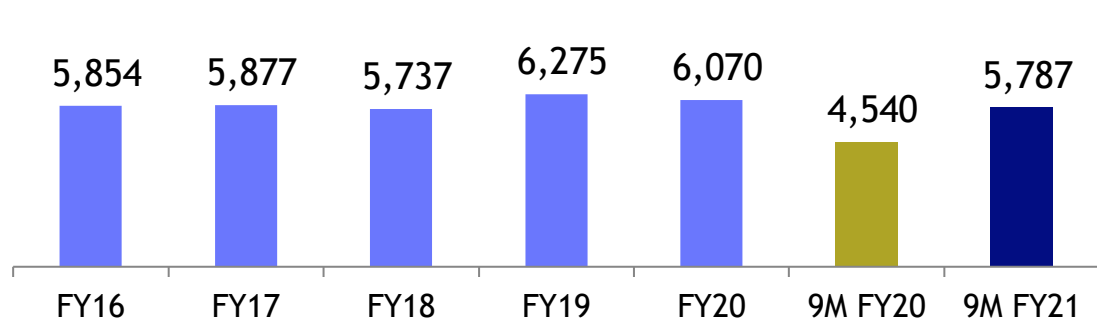


Retail Performance Trends

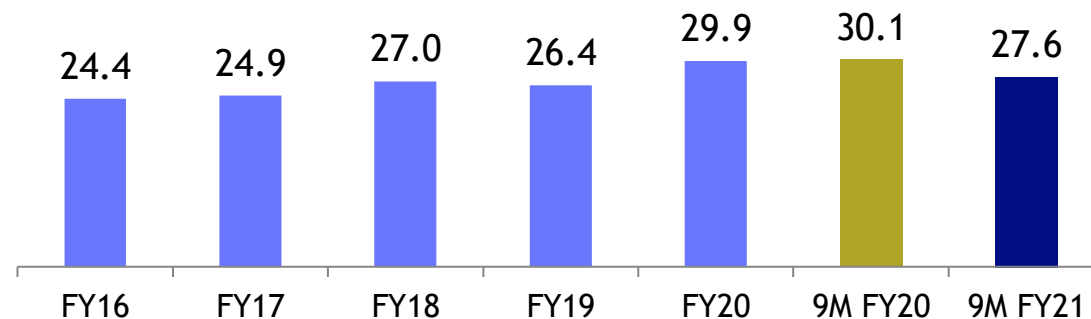
Volume and ASP

TV Sales

Sales Volume ('000s)

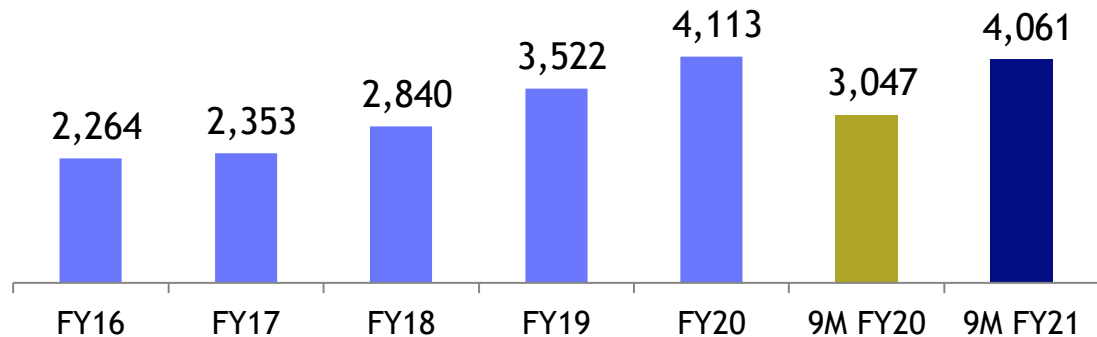


Average Selling Price US\$

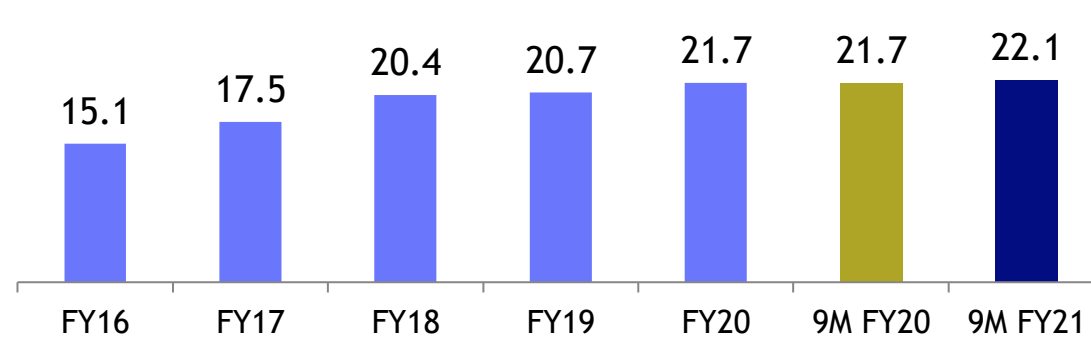


Web Sales

Sales Volume ('000s)



Average Selling Price US\$



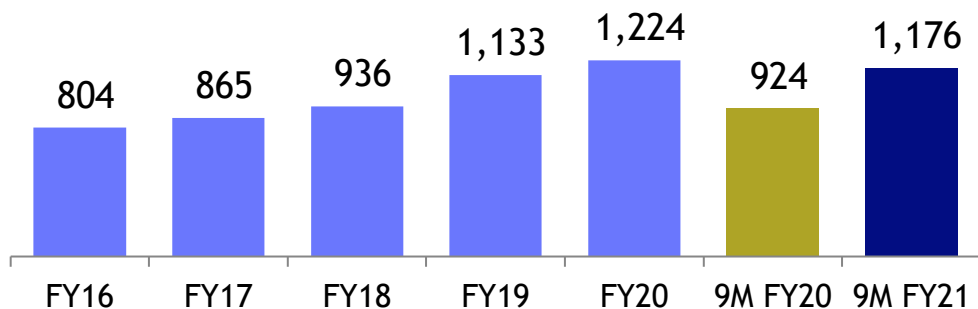


Financial Performance Trends

Profits - (Rs. crore)

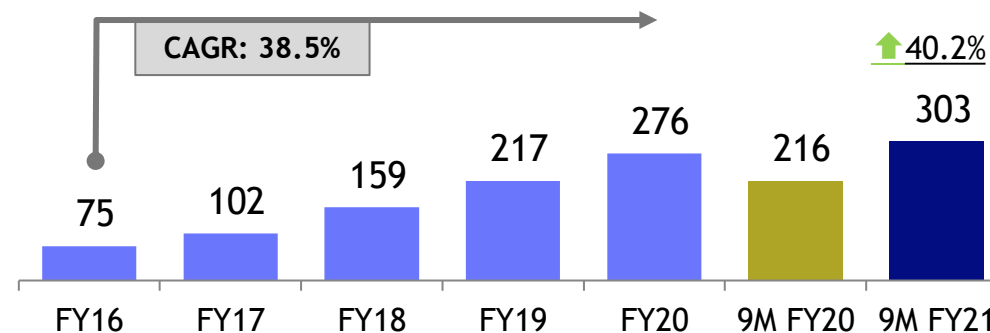
Gross Profit

Gross Margin (%)	63.0%	60.1%	59.6%	62.5%	61.6%	62.0%	62.7%
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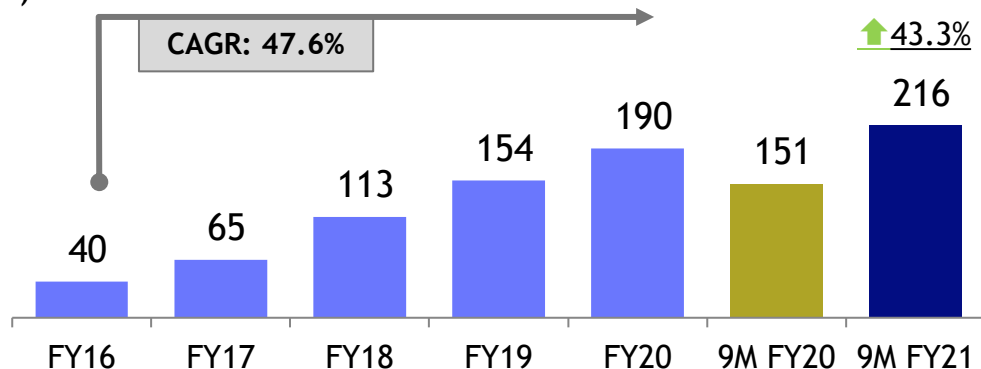
EBITDA

EBITDA Margin (%)	5.9%	7.1%	10.1%	12.0%	13.9%	14.5%	16.1%
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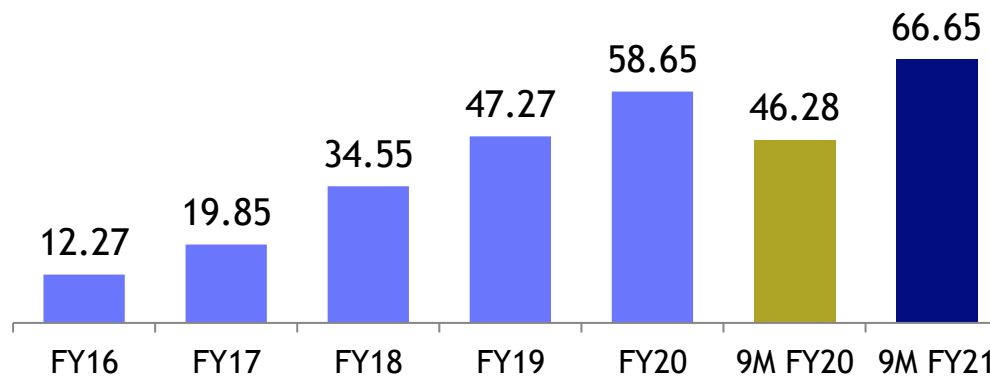


PAT

PAT Margin (%)	3.1%	4.5%	7.2%	8.5%	9.6%	10.1%	11.5%
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EPS (Rs.)

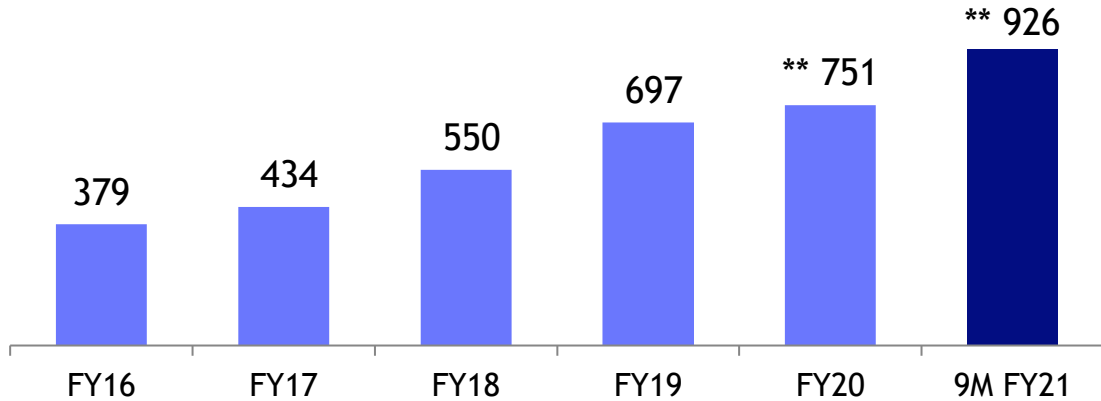




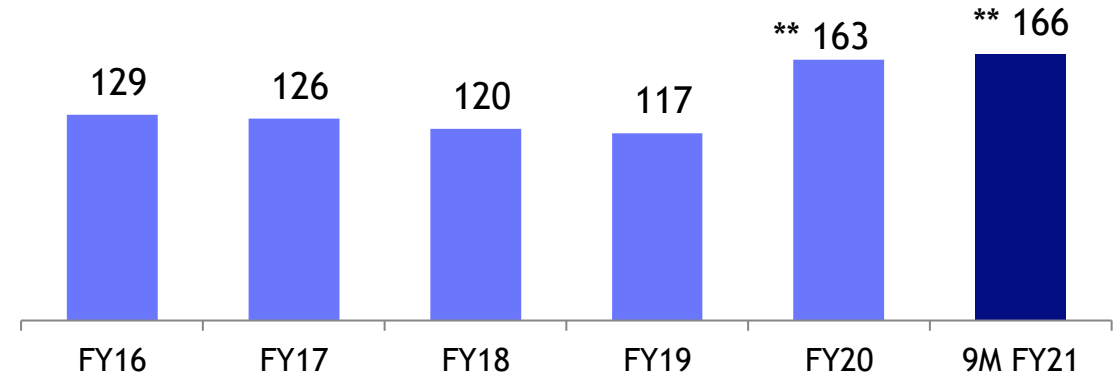
Financial Performance Trends

Balance Sheet - (Rs. crore)

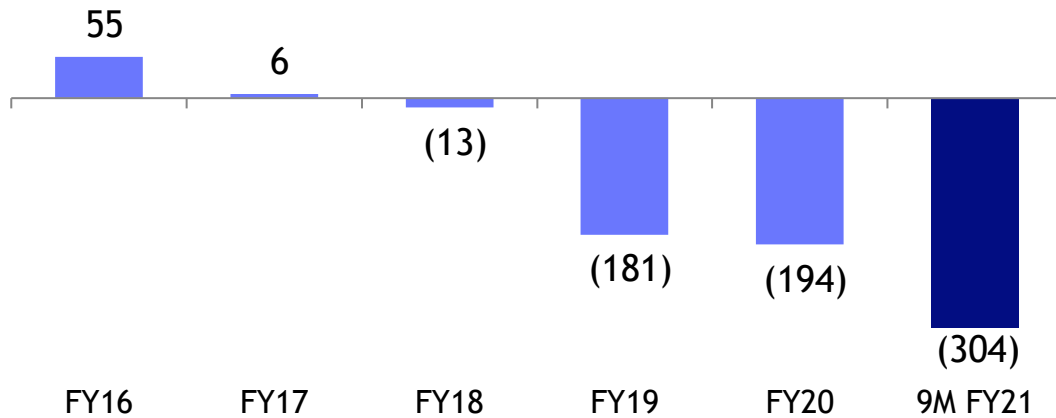
Shareholders' Equity



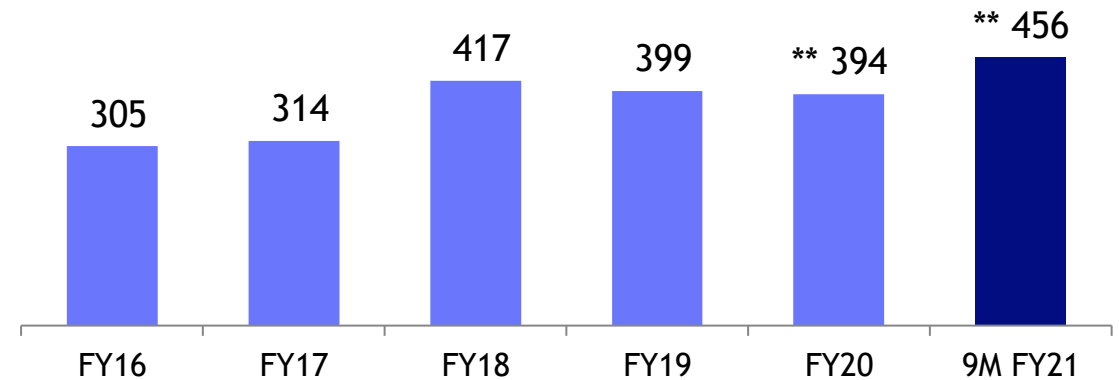
Fixed assets including intangibles



Net Debt



Net Assets ***



Note:

** Ind AS 116 - Leases, has become effective beginning 01 April 2019. The Group has adopted the standard beginning 01 April 2019.

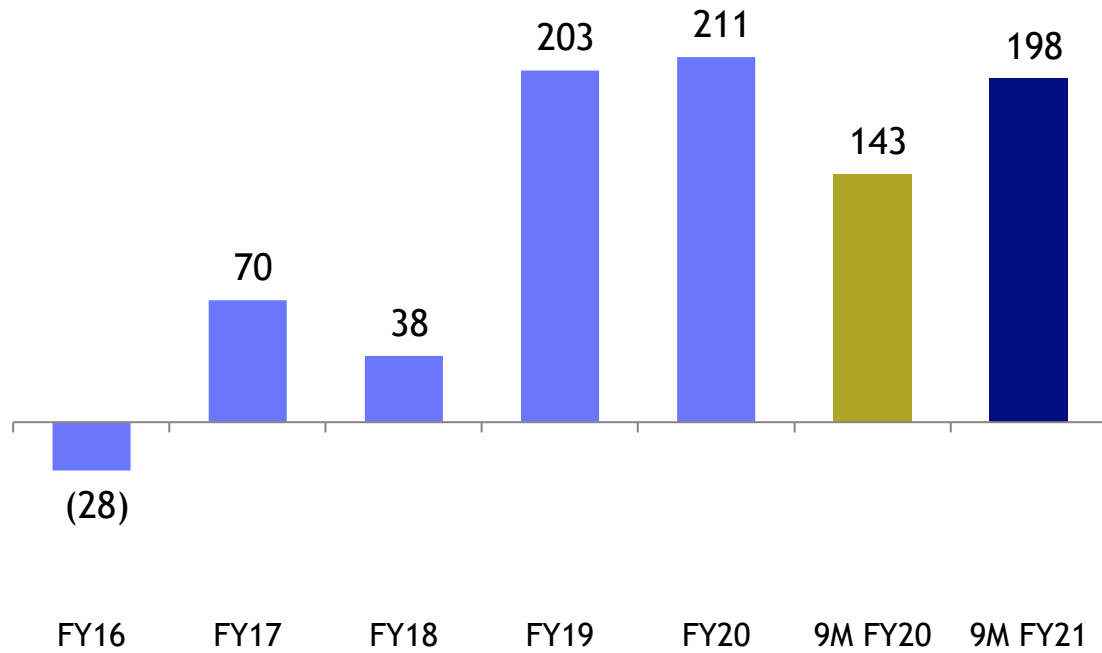
*** Net Assets is the balancing figure arrived at by excluding shareholders equity, net debt, and fixed assets including intangibles



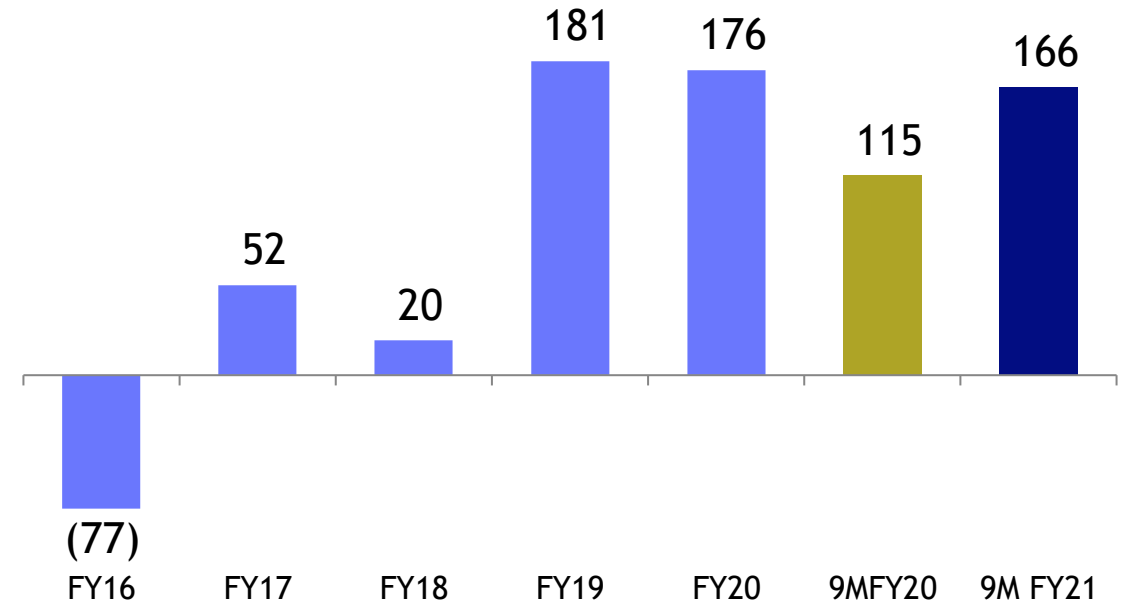
Financial Performance Trends

Cash Flow - (Rs. Crore)

Operating Cash flow



Free Cash Flow

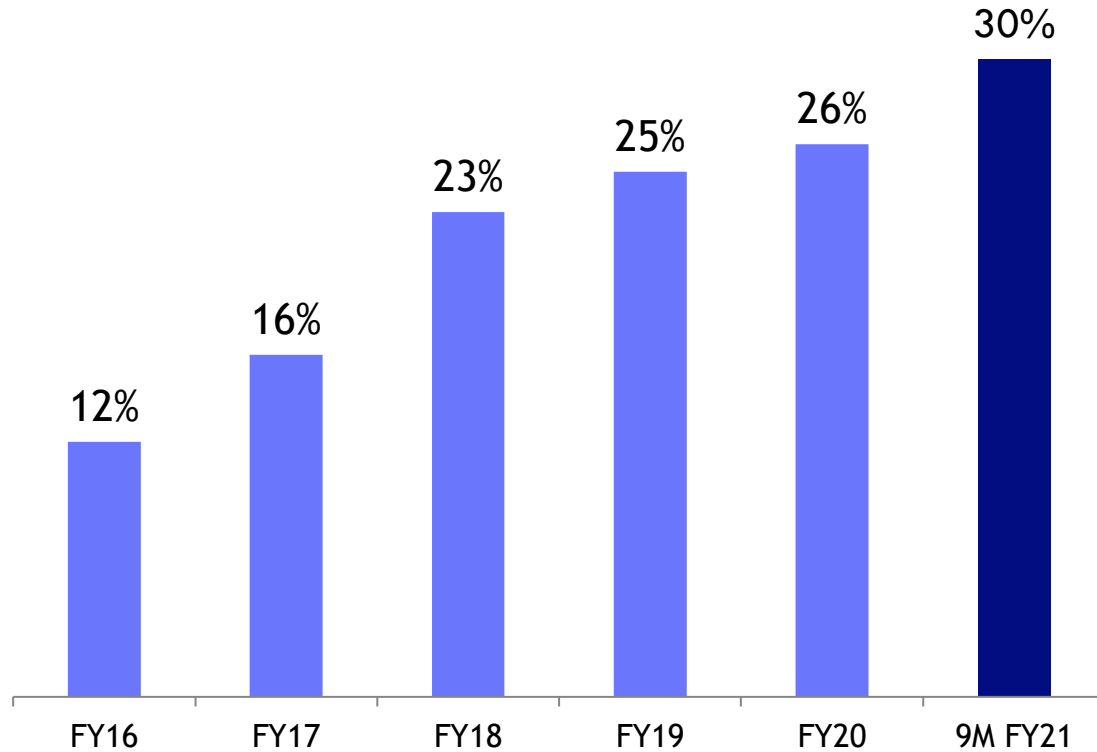




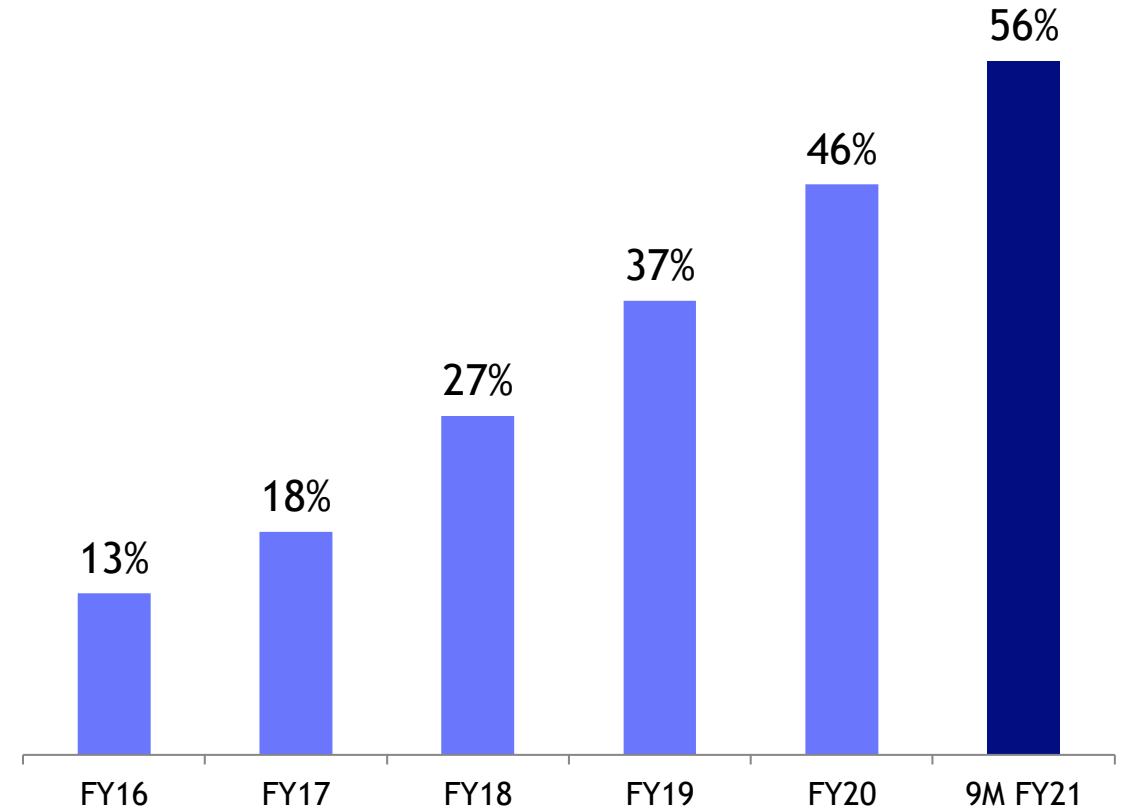
Financial Performance Trends

Key Ratios

ROE (TTM)



ROCE (TTM)



Note -

ROE - based on average net worth

ROCE - based on average capital employed

A woman with dark hair, wearing a light pink t-shirt, is shown in profile, smiling and holding a white cup. In the foreground, a handbag with a vibrant, multi-colored floral and bird embroidery is displayed. The bag features two brown leather handles and a small white label. The background is a blurred outdoor setting with string lights and a stone wall.

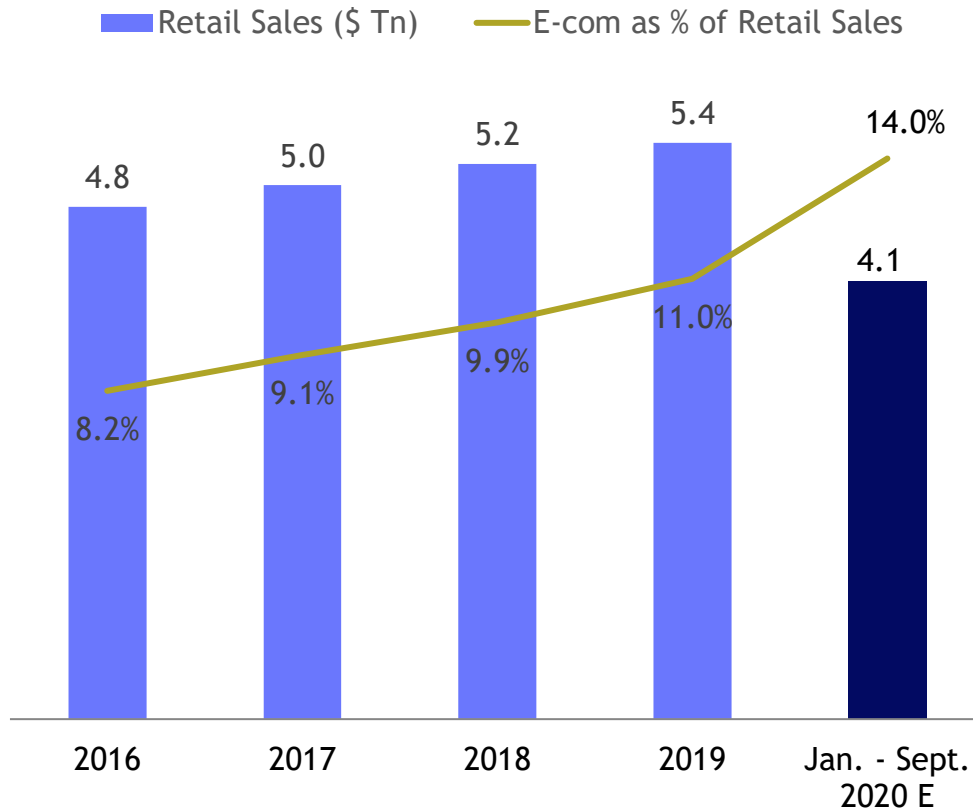
Annexures

Growth in Digital Commerce



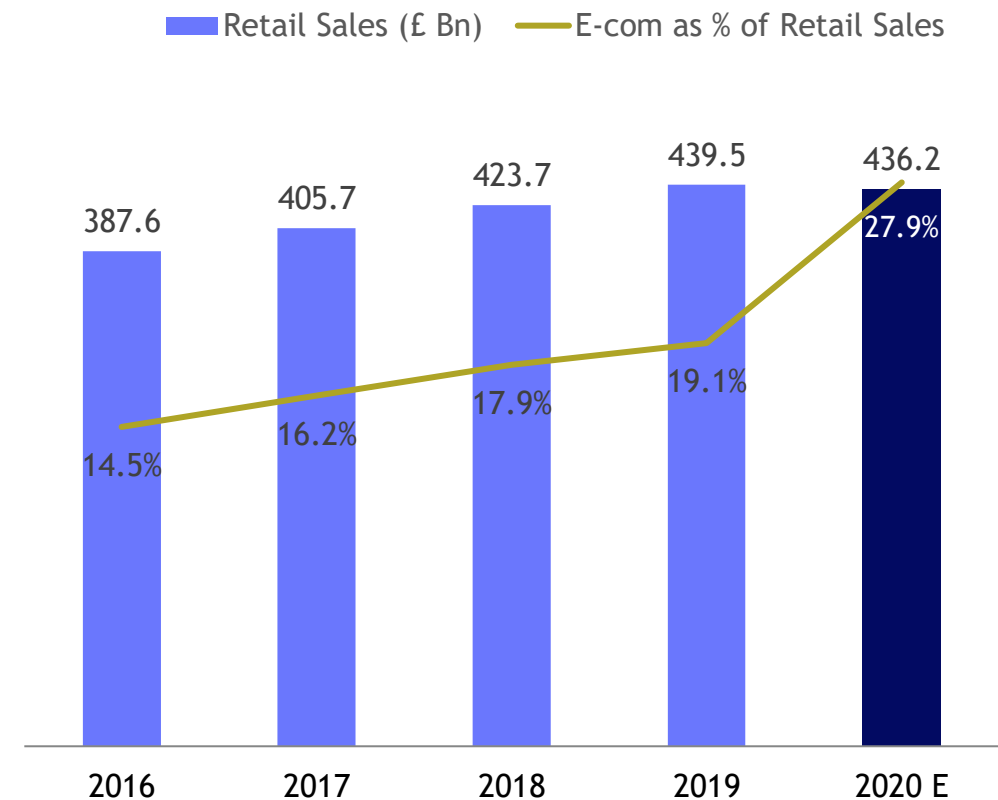
Industry

US Retail & E-com Sales



Source: United States Census Bureau www.census.gov

UK Retail & E-Com Sales



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

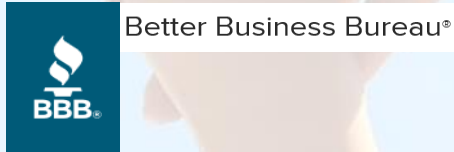


Delivering Joy to Stakeholders

Customers



A+ Rating



- Unique Customers - 470,985 (Q3FY21 - TTM basis)
- Average qty. per customer - 27 pieces (Q3 FY21 - TTM basis)
- High quality products & Exotic designs
- Low Price - high quality - high affordability
- Omni-channel access
- Budget Pay (monthly installments) available on higher value products
- Easy Returns available

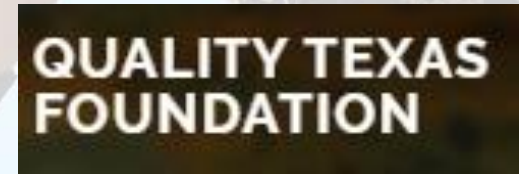


Overall
97%
of 16,005 respondents
would buy again from TJC

Employees



- Recognized as a 'Great Place to Work' in Greater China, UK, India and US based on employee surveys conducted
- Shop LC received the 'Governor's Achievement Level' recognition from Quality Texas Foundation for on-going quality improvement and high performance.



<https://quality-texas.org/>



Delivering Joy to Stakeholders

Investors



- Conferred 'Best Governed Company' by ICSI
- Fortune Next 500 Rank

Year	2017	2018	2019	2020
Rank	#219	#162	#147	#132

30%

ROE

56%

ROCE

Environment



- Manufacturing unit at SEZ, Jaipur, has received LEED Platinum certification
- Successfully Commissioned 1MW Solar PV Power Generation Project. With this, the Company expects to meet ~45% of the total power requirement at the manufacturing facilities in Jaipur
- Systems for sewage treatment, recycling, ozonator water treatment plant and reduced production process discharges
- Phasing out non-recyclable materials



Society



- ~47.3 million meals donated under the One for One Program since this program was integrated with operations
- Donated ~257,000 masks to hospitals and care homes

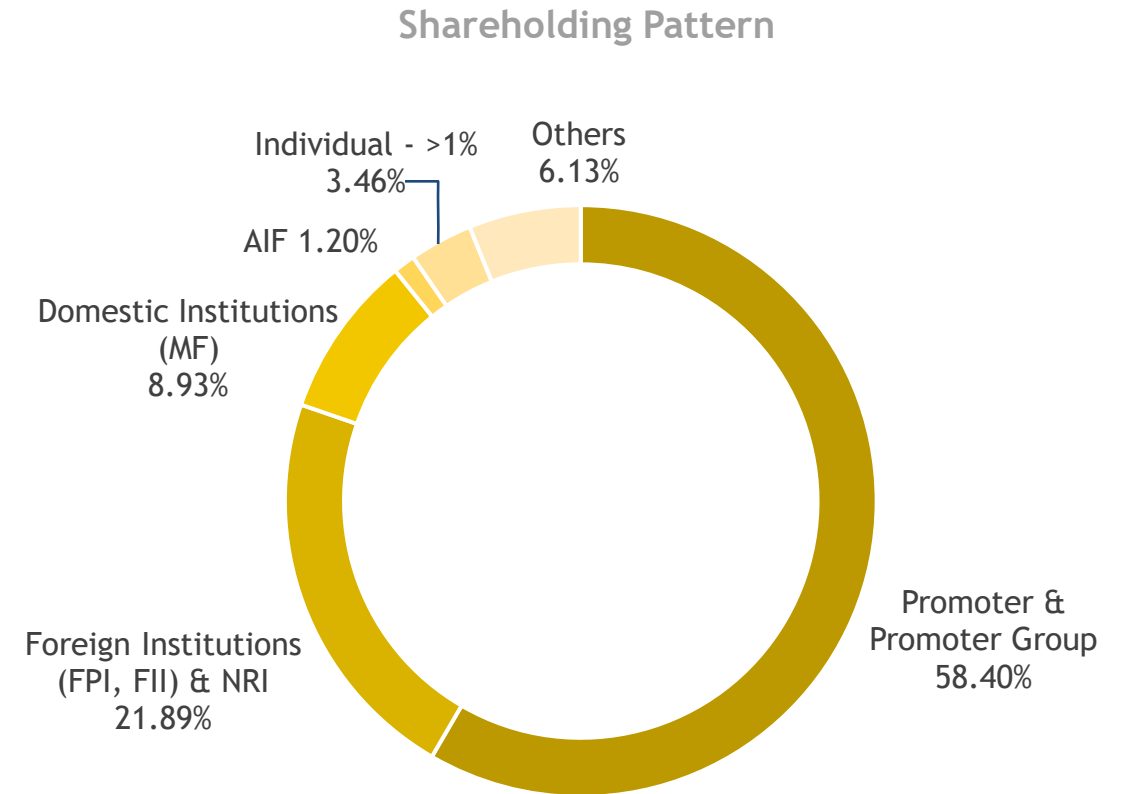


Note - ROE - based on average net worth; ROCE - based on average capital employed



VGL Shareholder Base - As on 31-Dec-2020

Key Shareholders (Holding 1%+)	Holding as on 31-Dec-20
Promoter & Promoter Group	58.40%
Nalanda India Fund Limited (FII)	10.33%
Motilal Oswal Multicap 35 Fund (MF)	8.93%
Malabar India Fund Limited (FPI)	6.25%
Taiyo Greater India Fund Ltd (FPI)	1.80%
Vijay Kedia (Individual)	1.92%
Ashish Kacholia (Individual)	1.54%
Malabar Value Fund (AIF)	1.05%



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. Vivek Jain
*Senior Director, Finance,
VGL Group*

THANK YOU

For more information please contact:

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Vineet@vlggroup.com

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Dipti Rajput, Head-IR

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+91-9116653352