

VIP Clothing Limited

Registered Office : C-6, Road No.22, M.I.D.C., Andheri (East), Mumbai – 400 093

Website : www.vipclothing.in Email ID : investor.relations@viporg.com

Tel : 91-2825 7624, 2825 7627 Fax : 91-22-2837 1023

CIN : L18101MH1991PLC059804

February 09, 2023

To,

The Listing Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

To,

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex
Bandra (East), Mumbai-400 051.

Scrip Code : 532613

Trading Symbol : VIPCLOTHNG

Sub: VIP CLOTHING LTD. – Investor Presentation on the Unaudited Financial Results for the Quarter ended on December 31, 2022.

Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we enclose herewith the Investor Presentation on the Unaudited Financial Results for the Quarter ended on December 31, 2022.

The Investor Presentation has been uploaded on the website of the company www.vipclothing.in

This is for your information and record.

Thanking you

Yours faithfully,
For **VIP Clothing Limited**

ARCHANA MUNGUNTI
Company Secretary
Membership No.: A31071



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Q3 and 9M FY23 – Earnings Update

Revenue from Operations reported at ₹ Mn in Q3 FY23 and ₹ Mn for 9M FY23

EBITDA stands at ₹ Mn in Q3 FY23 and ₹ Mn for 9M FY23

PAT at ₹ Mn in Q3 FY23 and ₹ Mn for 9M FY23

Mumbai, 09th February, 2023: VIP is an established innerwear manufacturer with portfolio of marquee brands like VIP, Frenchie, Feelings and Leader. The company in its board meeting held on 09th February 2023 has inter-alia considered and approved the Unaudited Financial Results of the Company for the third quarter and nine months period ended on 31st December 2022 as one of its agenda.

Financial Statement Highlights for Q3 FY23 v/s Q3 FY22 v/s Q2 FY23

| Particulars (₹ in Mn) | Q3 FY23 | Q3 FY22 | YoY% | Q2 FY23 |
|---------------------------------|---------|---------|------|---------|
| Revenue from operations | | 498.0 | | 528.6 |
| EBITDA (excluding other income) | | -14.5 | | 26.1 |
| EBITDA Margin (%) | | -2.92% | | 4.94% |
| Net PAT | | -25.1 | | 16.0 |
| Net PAT Margin % | | -5.03% | | 3.03% |
| Diluted EPS | | -0.29 | | 0.19 |

Financial Statement Highlights for 9M FY23 v/s 9M FY22

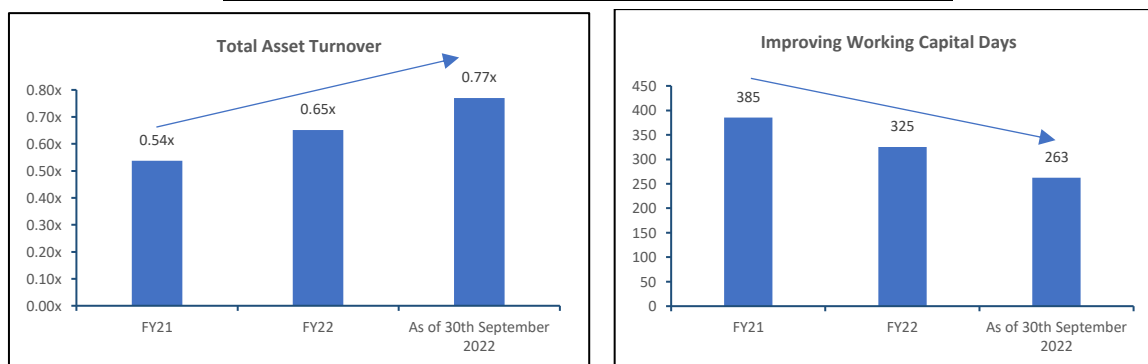
| Particulars (₹ in Mn) | 9M FY23 | 9M FY22 | YoY% |
|---------------------------------|---------|---------|------|
| Revenue from operations | | 1,330.6 | |
| EBITDA (excluding other income) | | 16.6 | |
| EBITDA Margin (%) | | 1.25% | |
| Net PAT | | -49.0 | |
| Net PAT Margin % | | -3.68% | |
| Diluted EPS | | -0.52 | |

**Graphical representation of export and domestic revenue split and brand revenue wise split
<< data to be provided by management >>**

Management Discussion and Analysis:

- VIP delivered a robust set of operating results for the 9M ended 31st December, 2022, the revenue from operations for 9M FY23 increased by XX% to ₹XX Mn in 9M FY23 from ₹XX Mn in 9M FY22. The growth was led by:
 - *Increased brand visibility*
 - *Improved product mix*
 - *Buying patten shift towards brands and organized players*
 - *Increasing urbanization and growing consumer demand*
- EBITDA increased by XX% to ₹XX Mn in 9M FY23 from ₹XX Mn in 9M FY22 and margins remained stable at XX% in 9M FY23 from XX% in 9M FY22
 - *Lead by increase in scale of operations*
 - *Focused on strategic cost rationalisation*
- Company's key financial ratios have improved significantly,
 - As of 30th September, 2022, asset turnover stood at 0.77x from 0.54x in FY21 on the back of robust growth in topline
 - As of 30th September, 2022, working capital days improved to 263 days from 385 days in FY21 due to scaling down of operations at the Umbergaon facility prior to the asset monetisation and divestment, as well as due to the implementation of lean manufacturing and inventory management initiatives

Embarking on a Journey to Elevate Key Financial Ratios

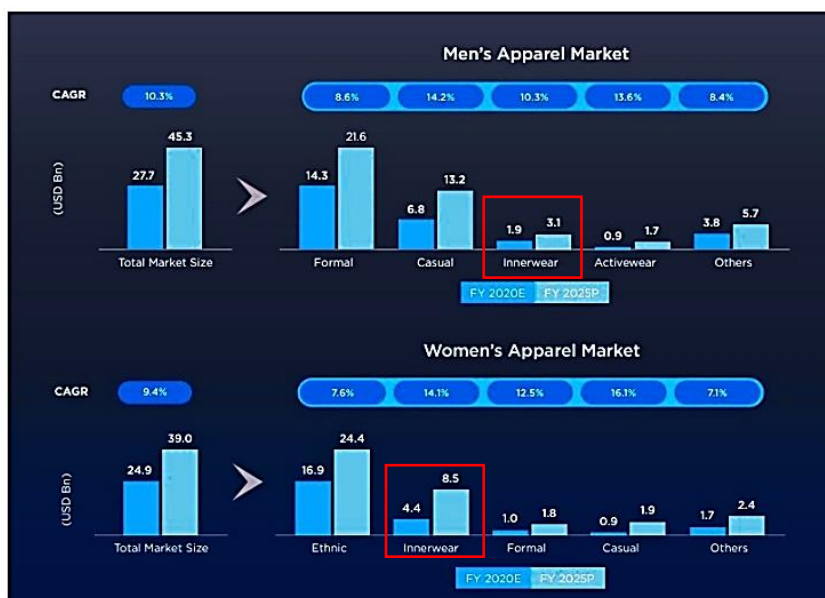


- Raised a capital of ₹104.1 Mn through the divestment of a factory in Umbergaon, the proceeds from the sale will be used by the company to strengthen its brand, expand its reach, enhance its product offerings and also to decrease its outstanding bank debt
- During Q3 FY23, CRISIL Ratings reaffirmed its long-term rating to '**CRISIL BB/Stable**' and short-term rating to **CRISIL A4+**

- The issuance of 1,01,50,000 warrants was approved on a preferential basis at a combined issue price of Rs. 44.50 per warrant, totalling to fund raise of ₹ 451.6 Mn
- VIP is at a cusp of major transformational journey and is currently in the process of implementing a step ahead go to market strategy to strengthen its brand and expand its presence globally. The core aspect of this strategy is stated as below:
 - Investing in human capital with unparallel and industry leading experience: We are adding individuals with exceptional marketing and sales acumen who have a proven track record of creating and expanding highly customer-focused brands with strong recall value
 - Mr. Sunil Alagh's, a former MD and CEO of Britannia, appointment as our strategic advisor serves as one of the evidence of this
 - Mr. Alagh brings a wealth of experience and expertise in the consumer and retail sectors and is well-positioned to guide VIP Clothing Industry to new levels of success because of his insightful strategic vision and capable leadership
 - Distribution and Go to Market Strategy: We aim to seize the expanding potential in the innerwear market by establishing Exclusive Brand Outlets (EBO's) throughout India and enhancing our product offerings for both men and women
 - Actively investing in the IT systems, which are designed to seamlessly integrate with its 450+ distributors and provide VIP with useful information about the market's pulse, product demand, and customer tastes and preferences across the regions we serve
 - In process of implementing an expansive footprint strategy which will allow us to expand into new geographies and solidify our position in the markets where our products are well received
 - Foraying into newer segments: We are happy to share that we will be the pioneers in launching products for teenagers under our brand "Frenchie" and categorised it as "**Under 19 (U-19)**"
 - VIP is in the process of launching new products under the women's innerwear brand "**Feelings**" which will initially focus on introducing products that are less capital intensive and will gradually move towards other products to build our portfolio of SKU's
 - We are thrilled to announce that we will be foraying into **athleisure segment**, a market that is rapidly growing and offers a great opportunity to expand our product offering

On the industry front, India is recognized as the largest producer of cotton and jute garments in the world. The Indian innerwear market accounts for ~9% of the total domestic fashion retail¹ and has

historically been highly fragmented, unorganized and dominated by international players, however, rising urbanization, lifestyle aspirations, higher disposable income, shift towards premium quality and government's push towards Indian products has increased the demand branded products. We would also like to highlight that the innerwear segment in India has witnessed unprecedented growth and is expected to grow at a CAGR of ~10.0% till FY25.



Management Comment:

"We understand the importance of adapting to changing market conditions and evolving customer needs and believe that continuous improvement is key to staying ahead of the competition. Our focus is on streamlining processes, improving efficiency, and leveraging technology to drive growth and improve customer satisfaction. Our aim is to create a more agile and innovative organization that is better equipped to respond to market changes and capitalize on new opportunities. We are confident that this transformation will position our company for long-term success and growth, and we look forward to working with our team to make this vision a reality.

We would like to thank our employees for their efforts and our investors/stakeholders for their continued support and encouragement."

Management Guidance

- The management expects the revenue to grow by XX% in Q4 FY23, mainly on account of higher brand visibility and increasing consumer spending on personal grooming and fashion products
- Revenue contribution from the exports is expected to be in the corridor of XX%
- EBITDA margins are expected to be in the range of XX% due to increase scale of operations and cost controlling measures

About VIP Clothing Limited

Incorporated in 1991, headquartered in Mumbai, VIP Clothing Ltd. (VIP) is engaged in the business of manufacturing, marketing and distribution of Men's and Women's innerwear and socks under the brand name VIP, Frenchie, Feelings and Leader. VIP has in-house manufacturing facility located in Tamil Nadu and is accredited with TUV- ISO 9000 certificate that reflects its emphasis on Quality Management System, designing, manufacturing and delivery. It is one of the India's leading intimate apparel company providing intimate wear to consumers across various segments under different

For further information on the Company, please visit www.vipclothing.in

brands and possesses one of the widest and largest sales and distribution network for innerwear products. The company has more than ~200 sales and marketing professionals, ~35,000 retailers network and ~450 distributors and wholesalers network.

XX (Company Secretary)
VIP Clothing Limited

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