VAIBHAV GLOBAL LIMITED

Ref: VGL/CS/2021/60 **Date: 12th May, 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 Q4 & 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

Q4 & FY21

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

Safe Harbor

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

"The last financial year has been a period of unprecedented challenges. Globally, people have been confined to their homes, mobility severely restricted, increasing their propensity to look for new and innovative shopping experiences. While many established businesses and markets have seen significant disruption, VGL with its unique vertically integrated operations has firmly seized the opportunity and delivered consistent outperformance.

An agile business model and close alignment with customers' needs, backed by omni-channel presence, has driven the business in our core consumer markets. We are confident of continuing the momentum in the current year as well as we sharpen further our front-end presence as well as our supply chain framework. Moreover, economic activity in our key markets of USA and UK is seeing a return to normalcy, which should drive demand further. Expanding our presence, we have recently launched a new channel, TJC Beauty, in the UK which focuses on products and trends in the beauty market. We are also in the process of exploring other developed markets to expand our global footprint.

Financial reflection of our business achievements is seen in the report card for FY21: retail revenue growth of 31% to Rs. 2,515 crore, 140 basis points expansion in EBITDA margin, increase of 15.3% in profit after tax to Rs. 272 crore, net cash of Rs. 377 crore on the balance sheet, free cash generation of Rs. 268 crore and ROCE of 61%. We have paid dividends each quarter and with the recommended Q4 dividend of Rs. 1.50 per share (face value Rs. 2 each). Besides, interim dividends of Rs. 17.50 per share (face value Rs. 10 each) were declared and paid to shareholders in FY21. Over the last five years, between FY16 and FY21, VGL has delivered consistently to grow retail revenues by 14.8% CAGR, expand margins from 61.6% to 62.3% and increase profits by 46.6% CAGR, with commensurate improvements in cash accretion and return ratios.

*Underlying these successes are positive metrics on our 4R's framework – with marked improvements on widening **Reach**, growing new customer **Registrations**, improving customer **Retention** and increasing **Repeat** purchases. At the same time, we have continued to pursue our triple bottom line objectives and I am glad to share that we have now provided meals to over 50 million children across India, USA and UK under our flagship "Your Purchase Feeds" program. Also, our deep commitment and engagement with our employees has resulted in continued recognition in the Great Places to Work lists across India, China and UK. On the corporate front, we have catapulted to the 65th rank in Fortune India's Next 500 list 2021 from the 132nd rank in FY20. Going forward, we look forward to building on these achievements, moving from strength to strength to continue to provide joy to all our stakeholders."*



Mr. Sunil Agrawal

Managing Director, Vaibhav Global Limited

Commenting on Q4 & FY21 Performance

Covid-19: Continuous Response

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. 468 crore as on March 31, 2021
- 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 ~2,64,000 masks across US, UK, India, & China
- Provided ~3.4 mn meals to people in need (through Akshaya Patra in Jaipur)

Q4FY21 – Key Highlights

- Robust 33% Y-o-Y growth in retail revenues (FY21 31% Y-o-Y)
- EBITDA grew by a strong 41% Y-o-Y, margin expanded 70 bps to 12.8%. (FY21 40% Y-o-Y)
- Further improvement in return ratios with ROCE expanded to 61%(TTM basis)
- FY21 Free Cash Flows enhanced to Rs. 268 crore
- Recommended final dividend of Rs. 1.50 per share (face value Rs. 2 each). Besides, interim dividends of Rs. 17.50 per share (face value Rs. 10 each) were declared and paid to shareholders in FY21
- Significant Y-o-Y jump of 38% in Unique Customers (TTM basis) to 501,169
- Shop TJC, Launches Exclusive TV channel in the UK called TJC Beauty
- Conferred '**Best Governed Company**' at the 20th edition of the ICSI National Awards for Excellence in Corporate Governance
- Provided 51 million meals since the inception of the One for One program

TABLE OF CONTENTS

1 Business Background Details

2 Q4 & FY21 Financial Performance

3 Financial Performance Trends

4 Annexures





Business Background Details

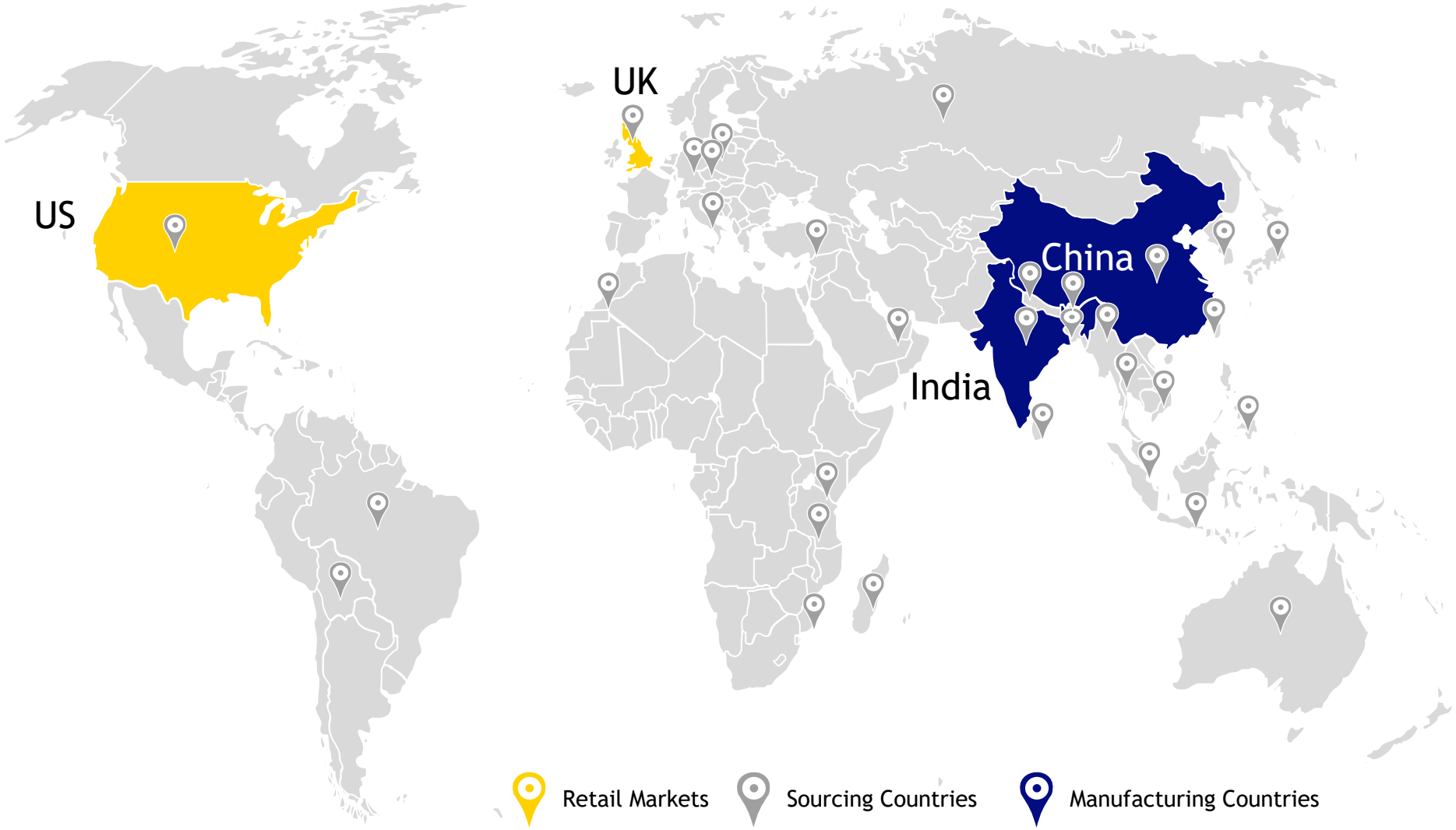
Vaibhav Global Limited (VGL) at a Glance



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
- Czech Republic
- Nepal
- Taiwan
- Australia
- Bhutan

Manufacturing Countries

India | China

Corporate Overview

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) - 104 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 ~51 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



TV -
Linear / OTA

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

Reach

104mn



Diverse Products

Deep value proposition

Engrossing Content

Registrations

3.4lakh (TTM)



Enduring relationships

Convenience

Digitalization/AI

Retention

51.5% (TTM)



Expanding wallet share

Cross-selling

Repeat Purchases

27* (TTM)

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

Our Omni-Channel Sales Platform

Shop LC (US)

TV

Shop LC Proprietary TV channels – 79 mn HH including 17.9 mn OTA* HH*

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

WEB

Proprietary web platform

www.shoplc.com

Shop LC mobile app available on

GET IT ON Google Play

Download on App Store

Marketplaces

amazon fba · Google Marketplace · Walmart Save money. Live better. · ebay · overstock · Zulily · wish

Social retail of targeted products on

YouTube · Instagram · facebook · Pinterest · Snapchat

OTT* platforms

androidtv · Roku TV · Samsung SMART TV · facebook LIVE Streaming · amazon fireTV · LG Smart TV · XUMO · VIZIO · YouTube Live · tv

Digital Experience Platform

PIMCORE Own the Digital World

Targeted behavioural marketing

IBM · unica · Medallia

UGC and Influencer Marketing Platform

PIXLEE · tvpage · MAVRCK

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

Our Omni-Channel Sales Platform

Shop TJC (UK)

TV

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

WEB

Proprietary web platform

www.tjc.co.uk

Shop TJC mobile app available on

GET IT ON Google Play

Download on App Store

Marketplaces

amazon fba, fruugo, ebay, Etsy, wayfair

Social retail of targeted products on

Instagram, facebook

OTT* platforms

Roku TV, facebook LIVE Streaming, YouTube Live, tv

Targeted behavioural marketing

IBM, unica

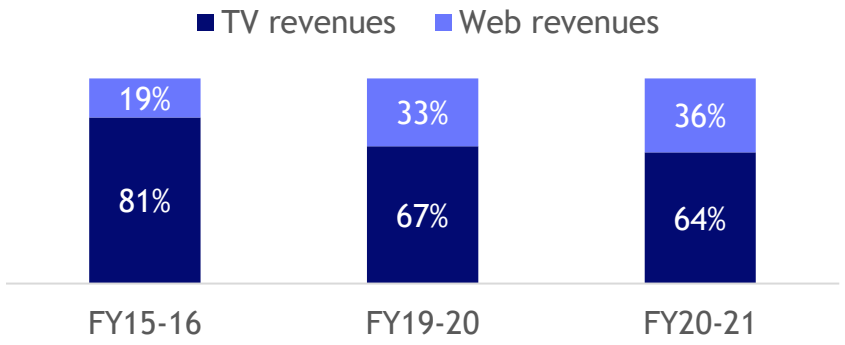
UGC and Influencer Marketing Platform

PIXLEE

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

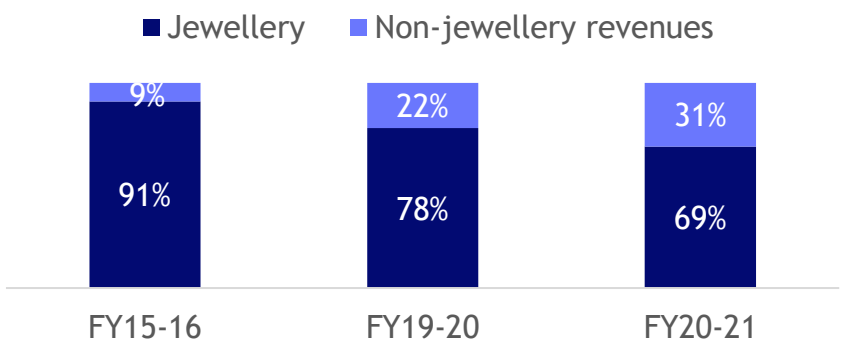
Business Transition Dashboard

B2C Revenues by format



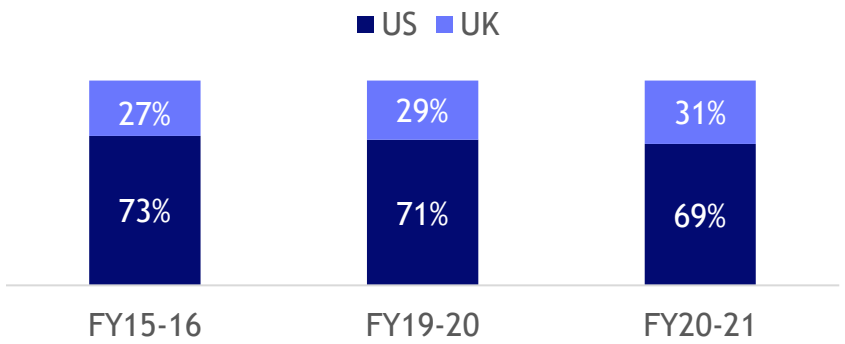
61% of web revenues in FY21 were from Mobile platform (mobile app + mobile web browser)

B2C Revenues by product category



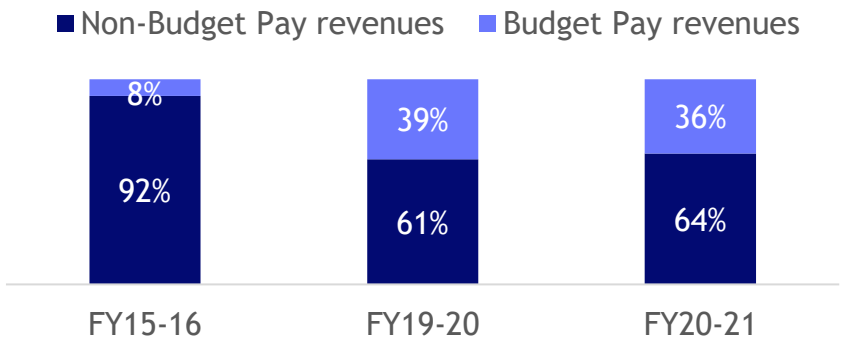
Jewellery revenues: Fashion jewellery;
Non-jewellery revenues: Fashion accessories and lifestyle products

B2C Revenues by Geography



Breakup based on revenue in USD million

Budget Pay penetration of B2C Revenues



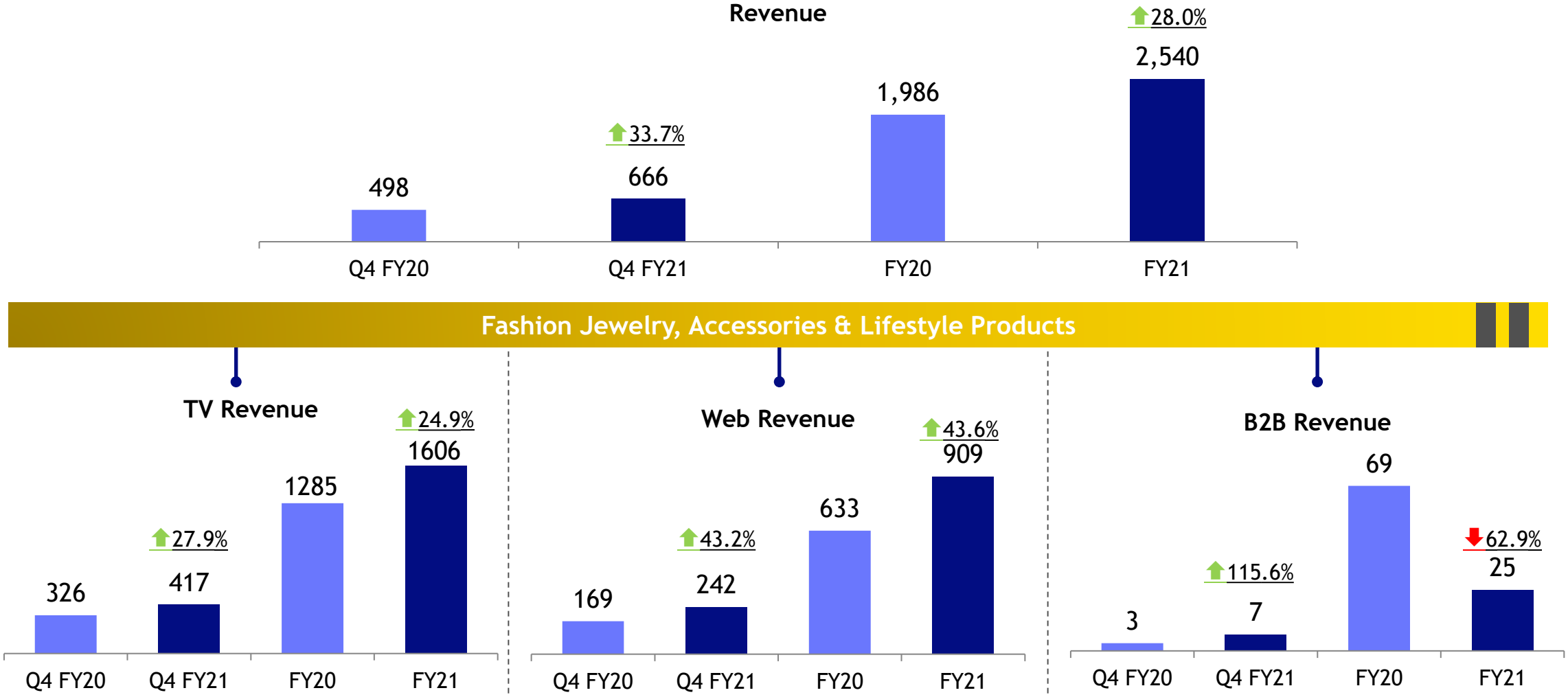
Budget Pay revenues refer to products offered on EMI basis



Q4 & FY21 Financial Performance

Financials – Q4 & FY21 Performance

Revenue Breakdown – (Rs. crore)

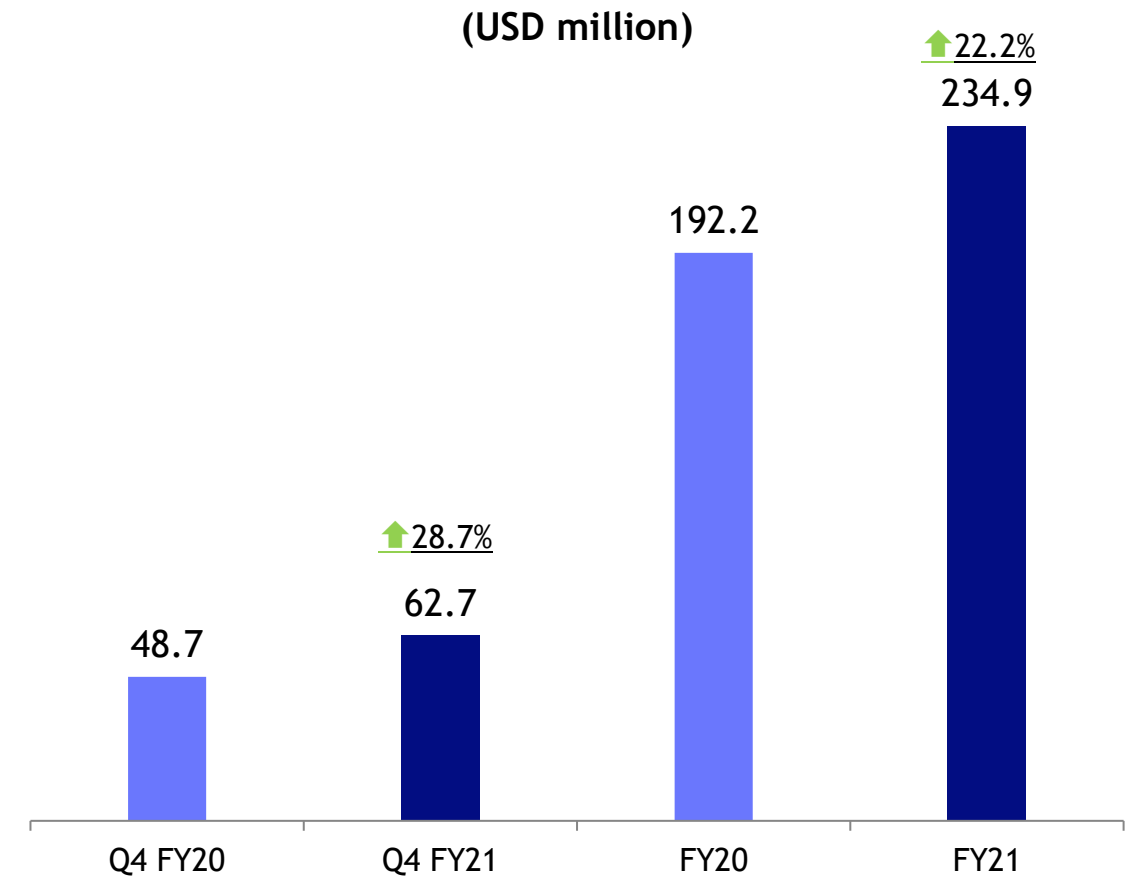


Note:
B2B has been a non-core and opportunistic business segment
In view of strong growth opportunities in B2C, the Company has been scaling down B2B

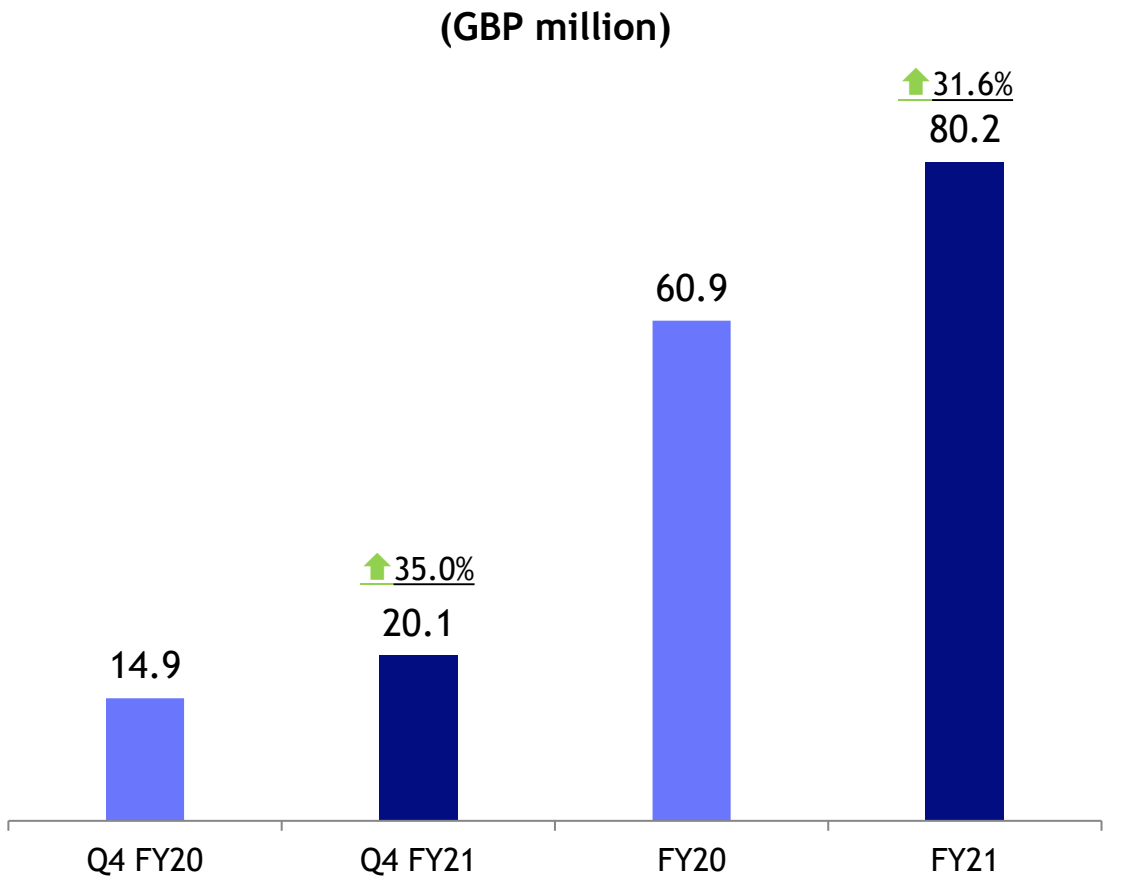
Financials – Q4 & FY21 Performance

Revenue Breakdown – (Local Currency)

Shop LC (US)



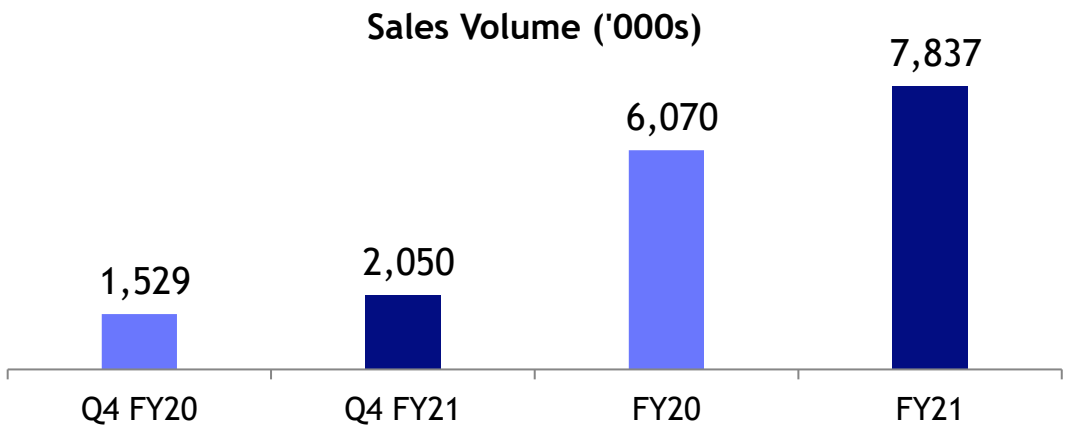
Shop TJC (UK)

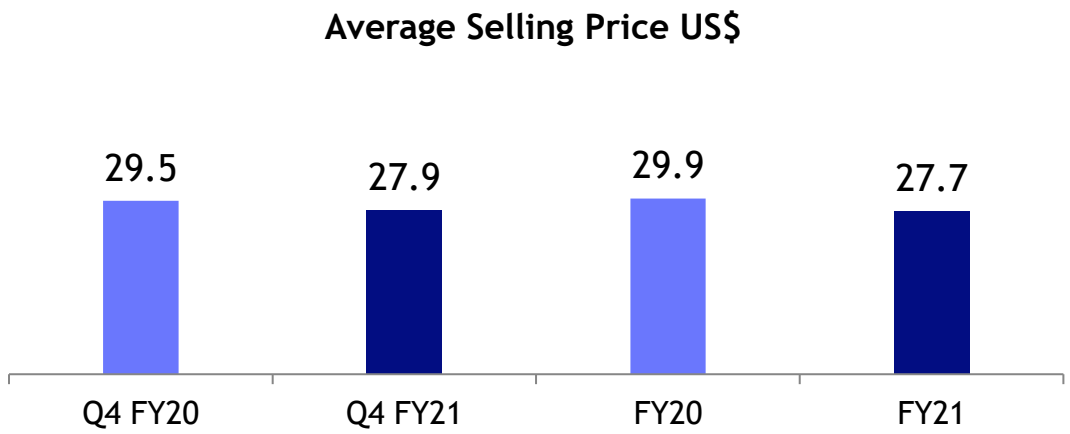


Retail Performance Trends - Q4 & FY21

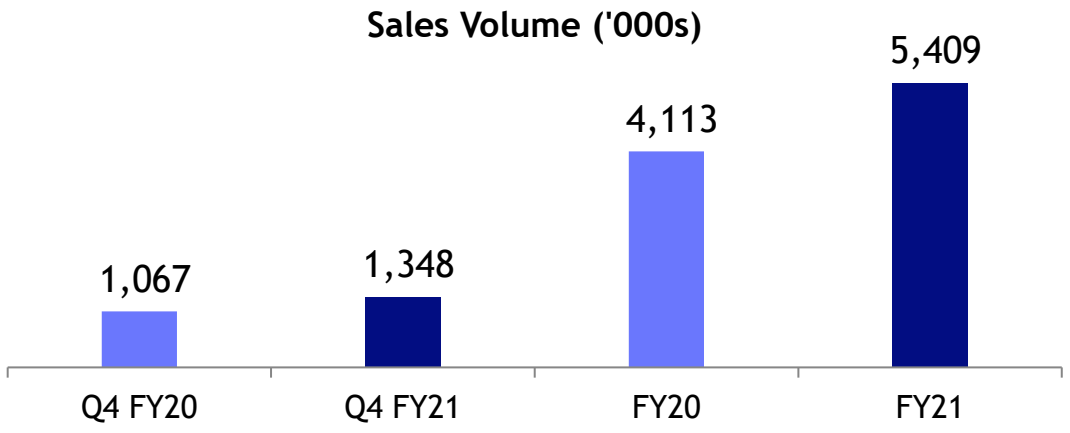
Volume and ASP

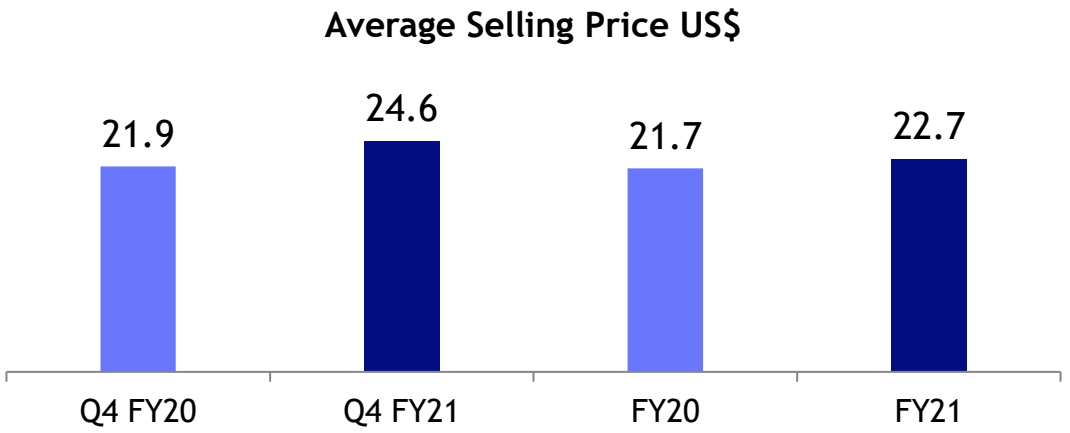
TV Sales





Web Sales





Financials – Q4 & FY21 Performance

Profits – (Rs. crore)

Gross Profit

Gross Margin (%)	60.4%	61.2%	61.6%	62.3%
	301	407	1,224	1,583
		⬆35.3%		⬆29.3%
	Q4 FY20	Q4 FY21	FY20	FY21

EBITDA

EBITDA Margin (%)	12.1%	12.8%	13.9%	15.3%
	60	85	276	388
		⬆41.3%		⬆40.4%
	Q4 FY20	Q4 FY21	FY20	FY21

PAT

PAT Margin (%)	8.0%	8.4%	9.6%	10.7%
	40	56	190	272
		⬆41.4%		⬆43.0%
	Q4 FY20	Q4 FY21	FY20	FY21

EPS (Rs.)

	Q4 FY20	Q4 FY21	FY20	FY21
	12.25	17.29	58.65	83.86





Financial Performance Trends





Financial Performance Trends

Revenue Breakdown – (Rs. crore)

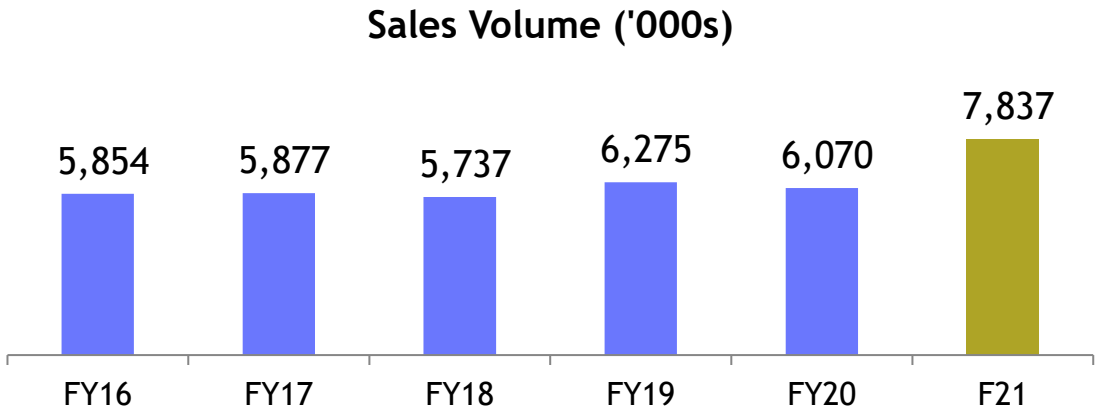


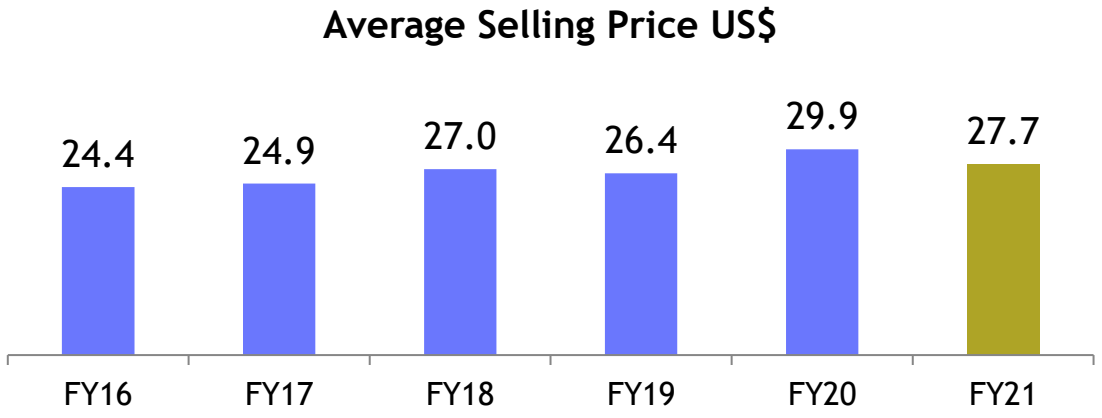
Note:
B2C Revenue CAGR – 16.9%

Retail Performance Trends

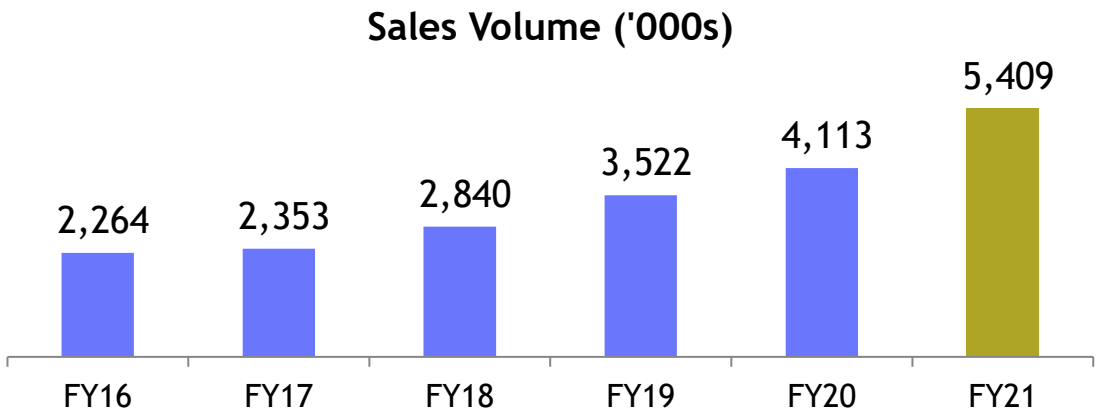
Volume and ASP

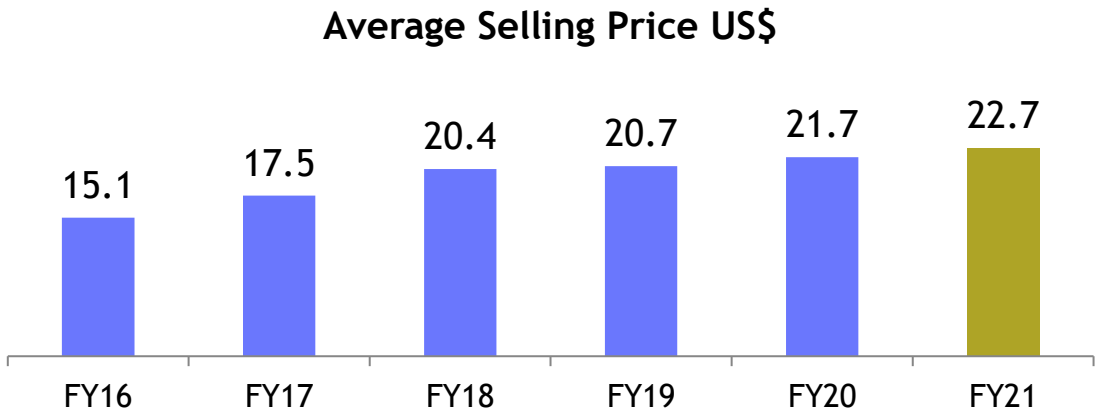
TV Sales





Web Sales

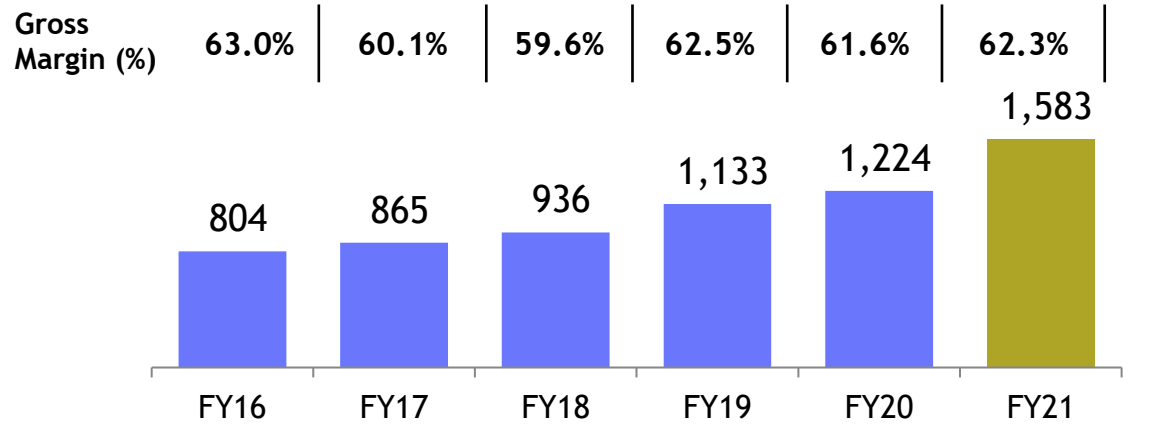




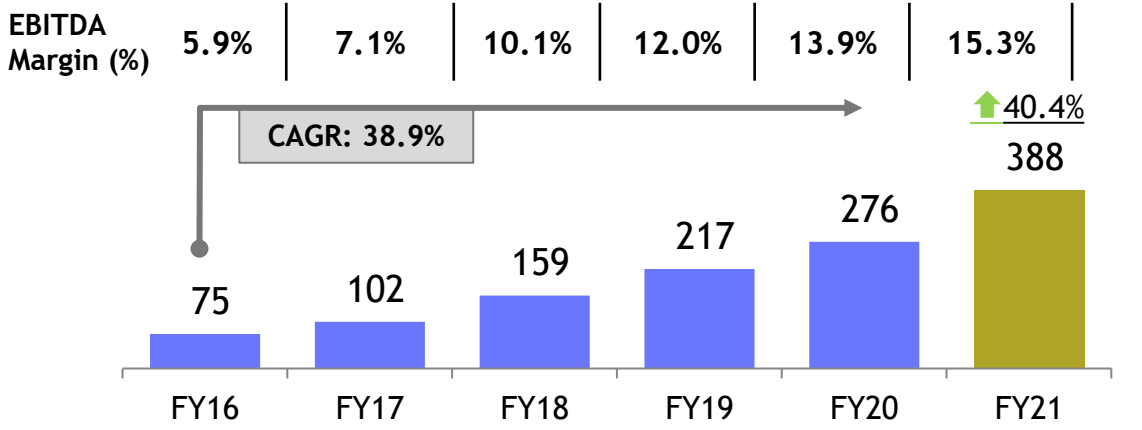
Financial Performance Trends

Profits – (Rs. crore)

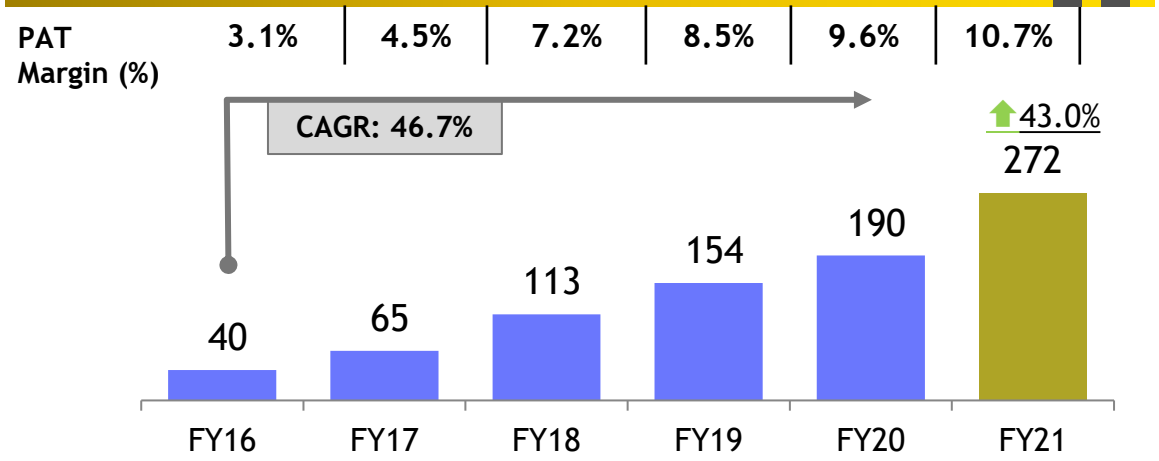
Gross Profit



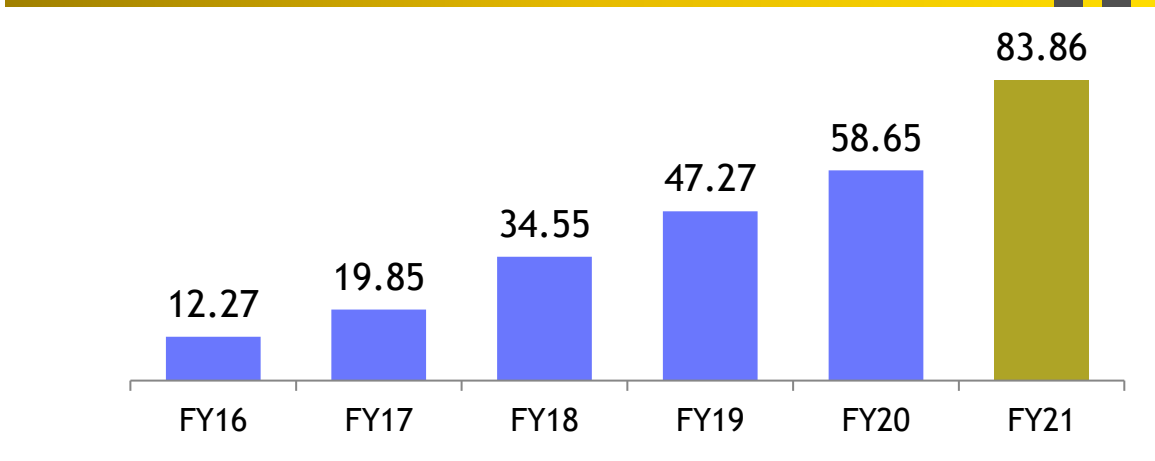
EBITDA



PAT



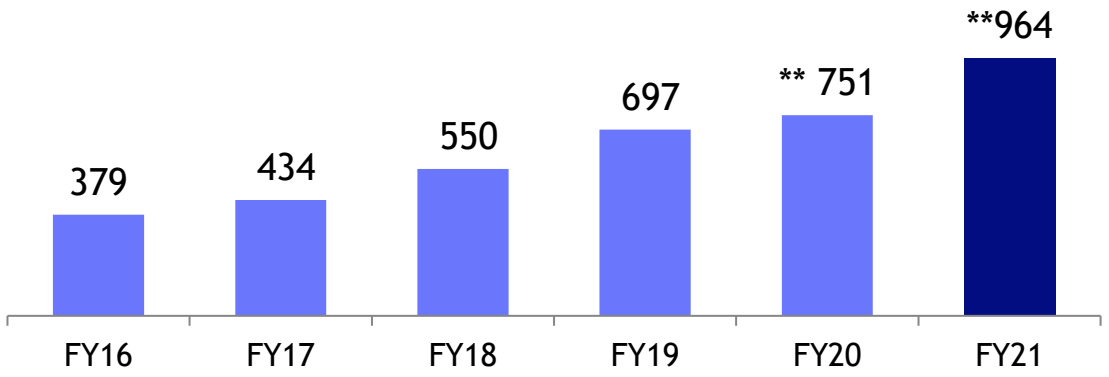
EPS (Rs.)



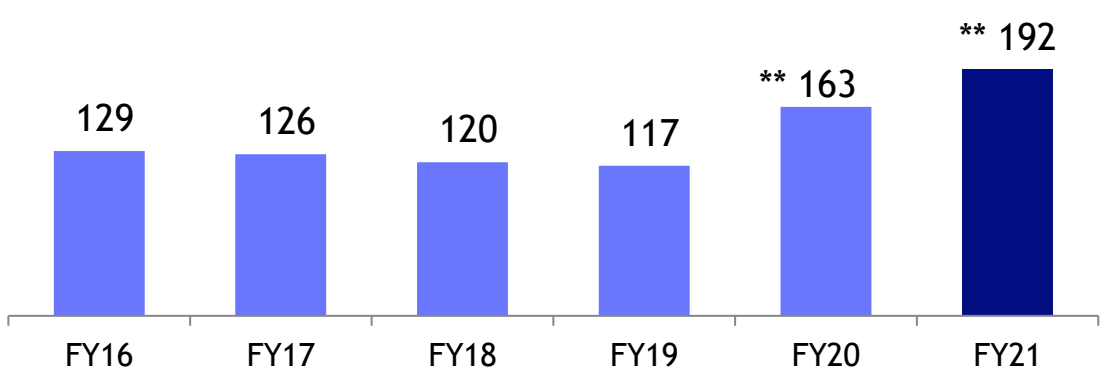
Financial Performance Trends

Balance Sheet – (Rs. crore)

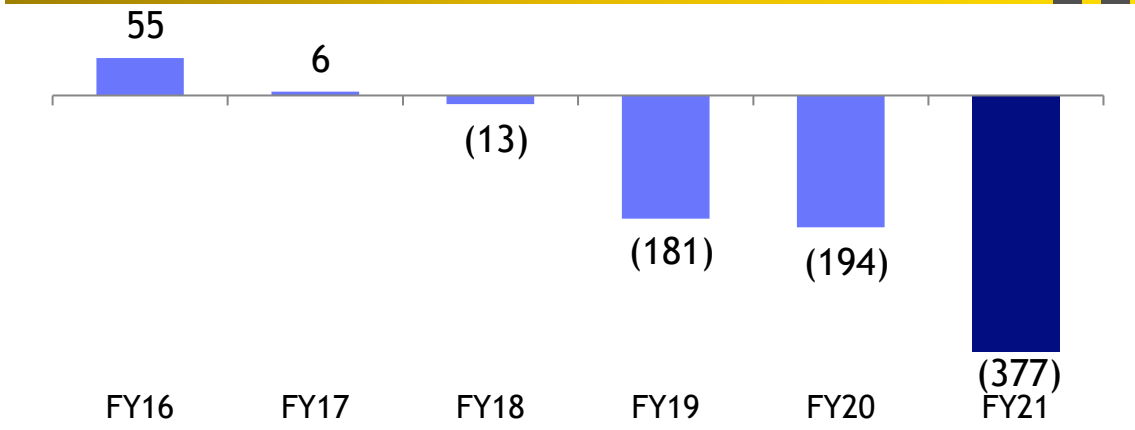
Shareholders' Equity



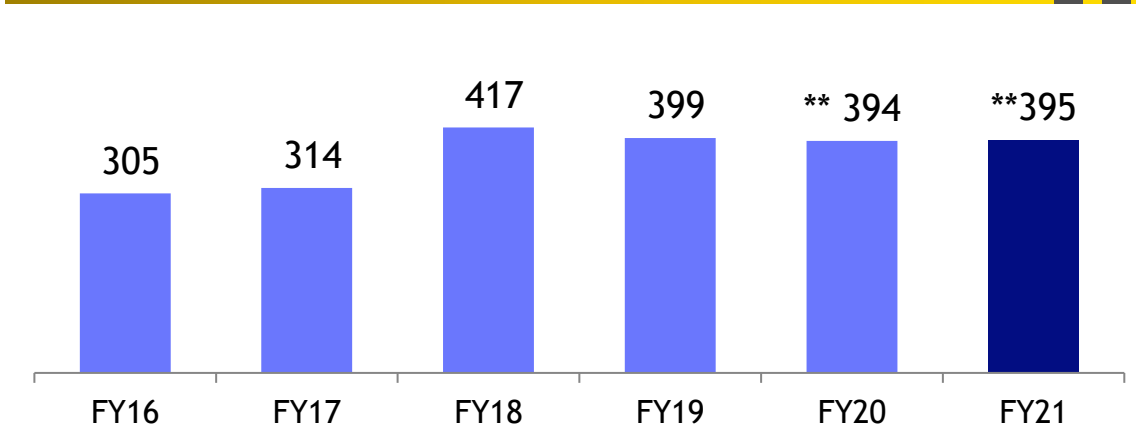
Fixed assets including intangibles



Net Debt



Net Assets ***



Note:

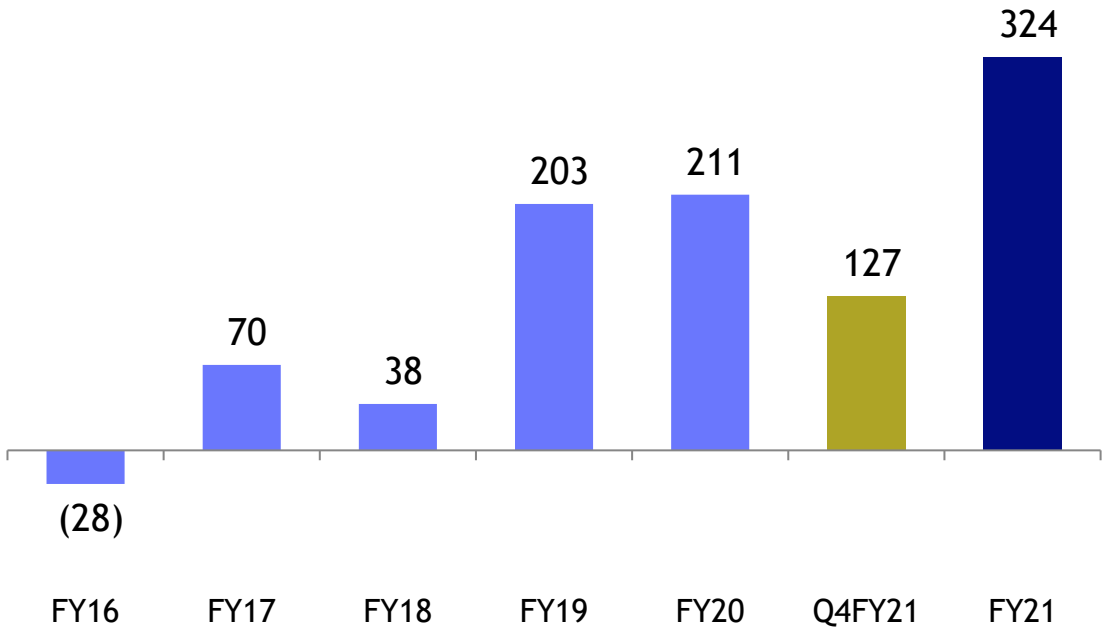
** Ind AS 116 – Leases, has become effective beginning 01 April 2019. The Group has adopted the standard beginning 01 April 2019.

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

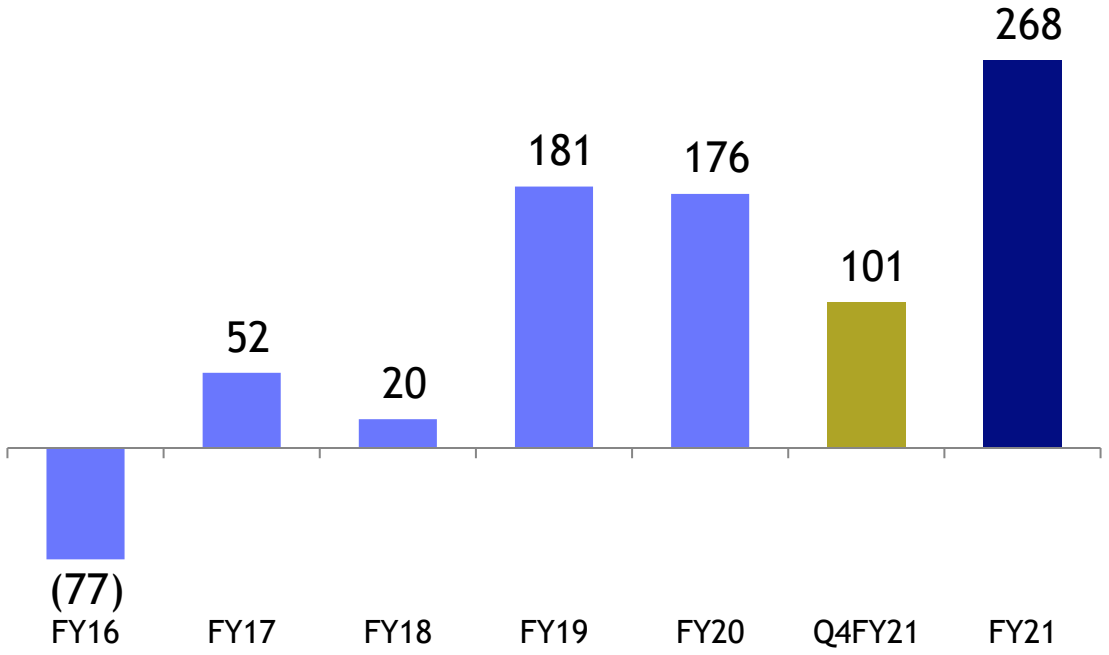
Financial Performance Trends

Cash Flow – (Rs. Crore)

Operating Cash flow



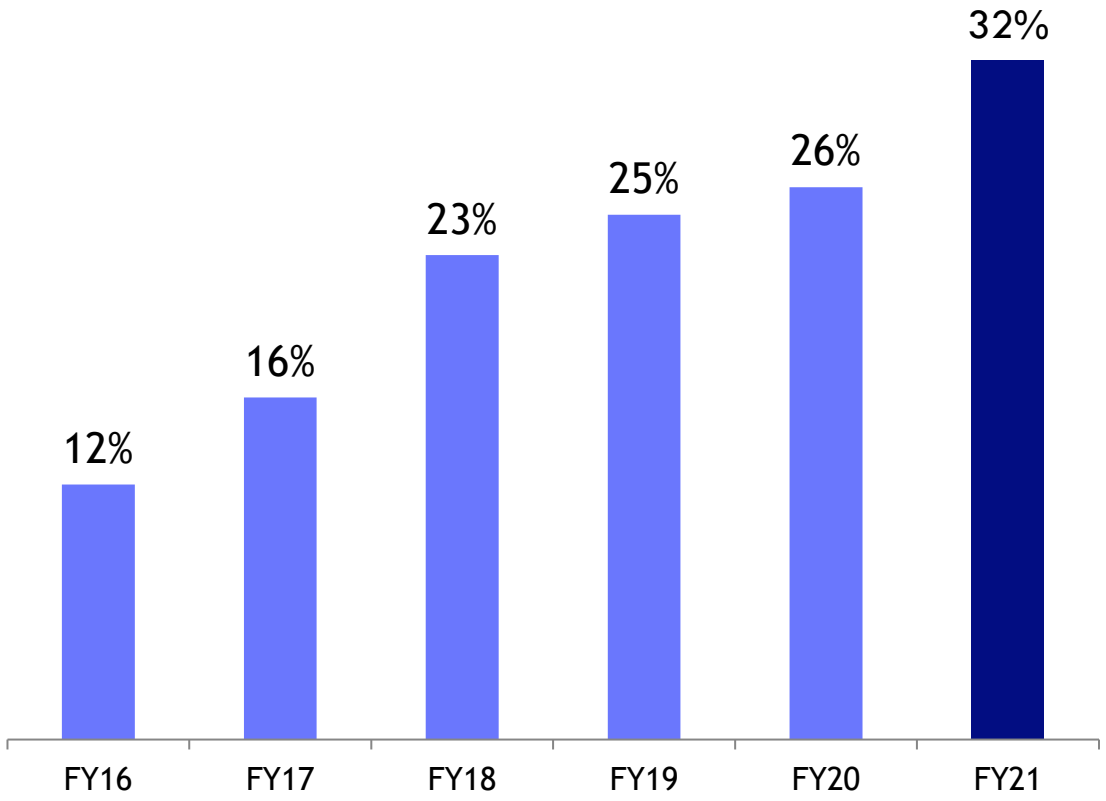
Free Cash Flow



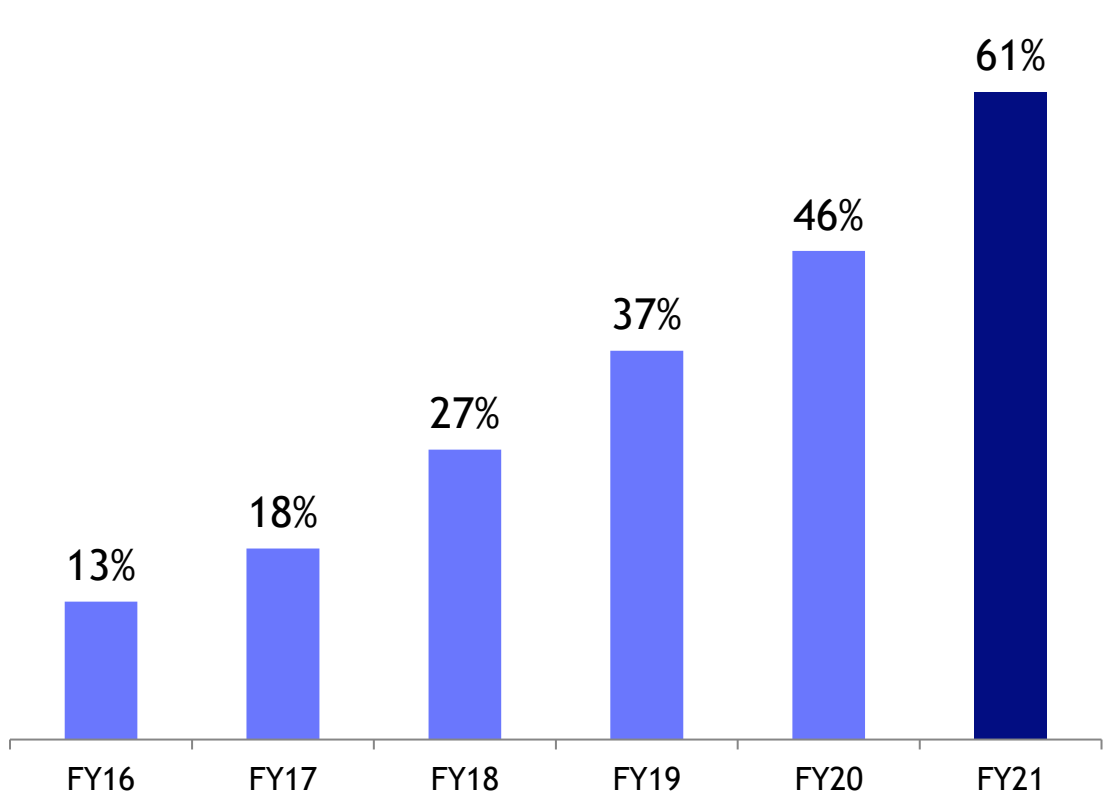
Financial Performance Trends

Key Ratios

ROE (TTM)



ROCE (TTM)



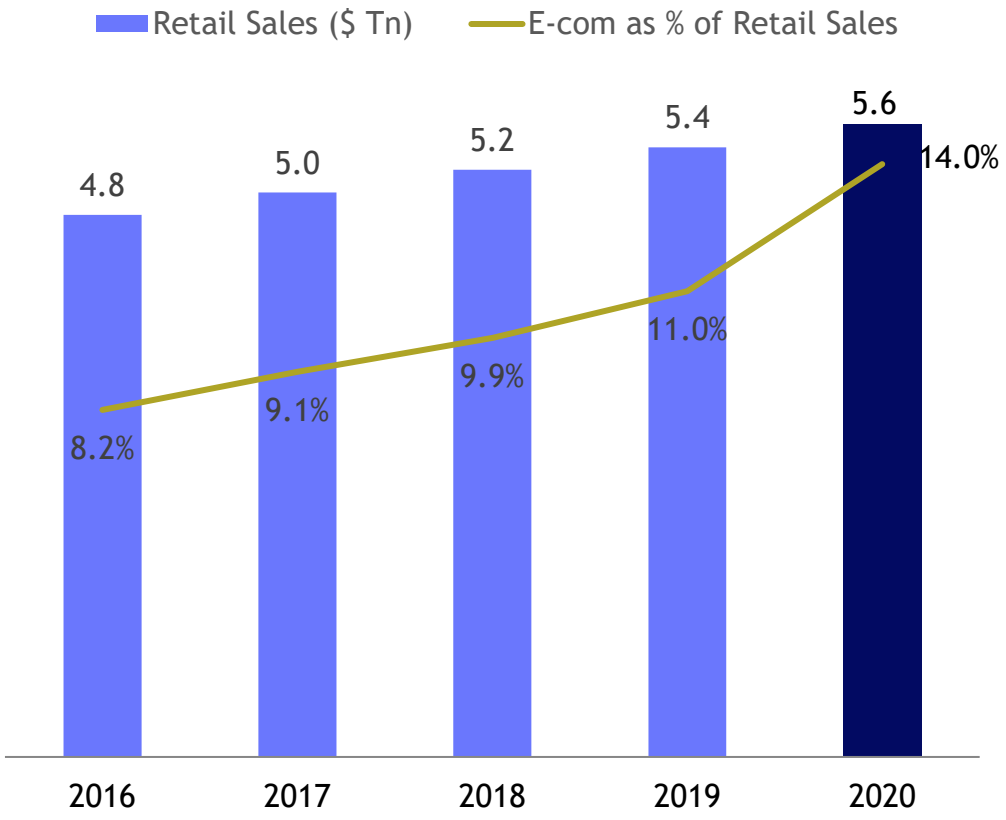
Note -
ROE – based on average net worth
ROCE – based on average capital employed

Annexures

Growth in Digital Commerce

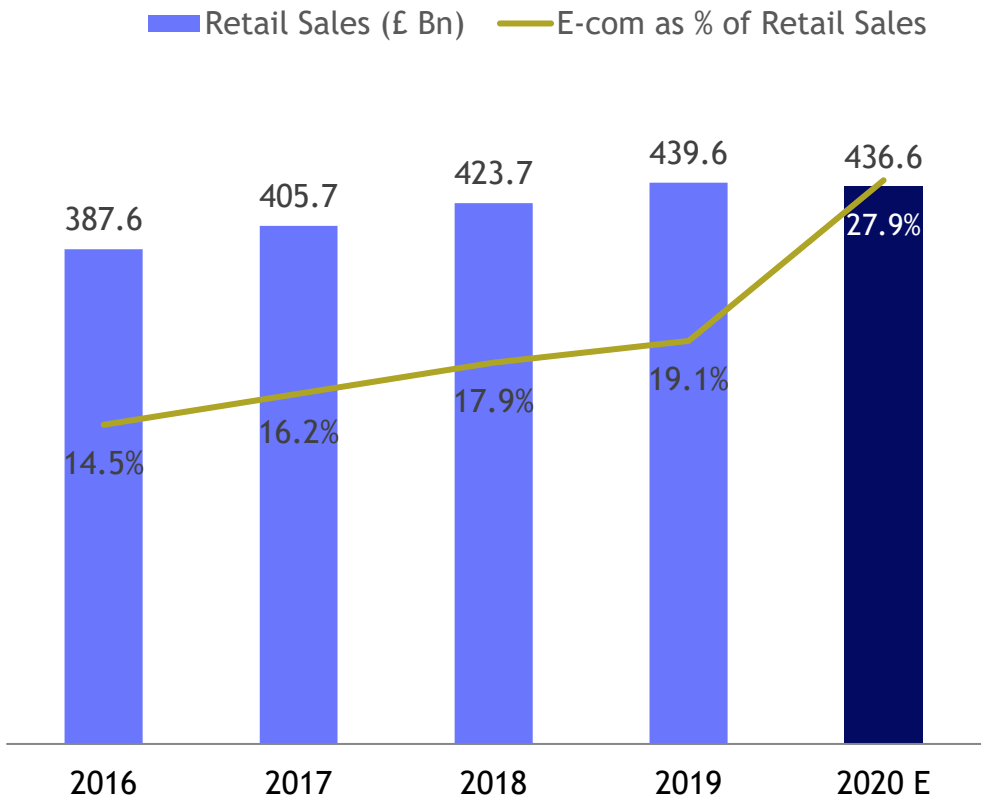
Industry

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*

Robust Corporate Governance

FY21

Rs. 81cr

Dividend
(including final dividend)

30% of Free Cash Flow

30% of Profit After Tax

Dividend Payout Policy

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

FY20

Rs.181cr

Pay-out to shareholders
(103% of FCF, 95% of PAT)
(Rs 109cr Dividend + Rs 72cr Buyback)

KPMG	DELOITTE	CARE A- (Positive Outlook)	CARE A2+
Statutory Auditors	Internal Auditors	Credit Rating – Long-term	Credit Rating – Short-term

Environment Initiatives

Reduce, Recycle, Reuse and Reclaim in operations

ENERGY

- 3.23 MW solar power capacity in India - Capacity addition of 2.85 MW undertaken in FY21
- In FY21, ~30% of electricity requirement at India facilities have been met through solar

BIODIVERSITY

- Accelerated efforts to enhance the green coverage at our plants and surroundings
- In FY21, planted ~1,100 trees, taking cumulative plantation to over 4,000 trees

CERTIFICATION

- LEED Platinum certification for manufacturing unit at SEZ, Jaipur
- Austin Green Business Platinum Certification in April 2021, the highest such honour bestowed on businesses in Austin, Texas

WATER

- Rainwater harvesting ~-52 lakh lts of across ~95,000 sq. ft. in FY21
- Effluence Treatment Plant and Sewage Treatment Plant recycle 43 KL per day, equivalent to ~15,000 KL pa

WASTE

- 100% conversion of bio-degradable waste into manure
- Installation of ozonator water treatment plant and wet scrubbers to efficiently manage waste

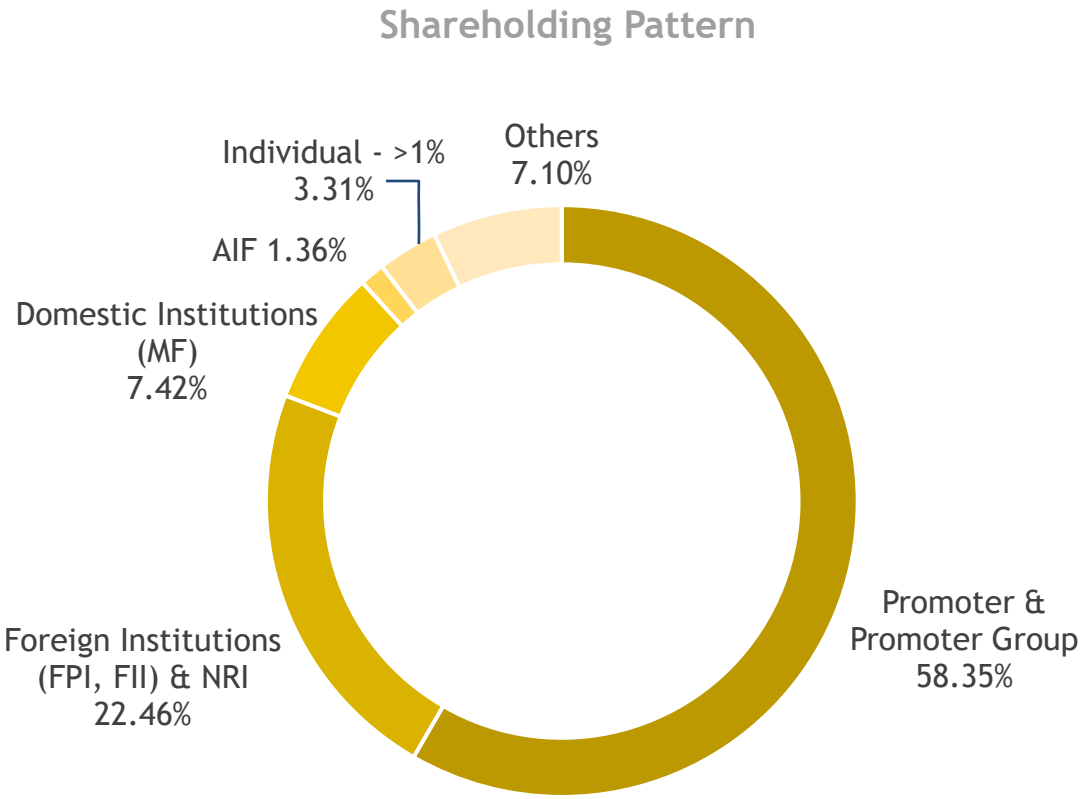
Community Giveback

- Served *over 51 million* meals to underprivileged children through its flagship One for One Program which is now known as *Your Purchase Feeds*
- Your Purchase Feeds continues to deliver a meal with every purchase
- Continue to widen the reach through registered charity partners which include including
  - Akshaya Pātra in India
  - No Kid Hungry and Backpack Friends in US
  - Magic Breakfast in UK



VGL Shareholder Base – As on 31-March-2021

Key Shareholders (Holding 1%+)	Holding as on 31-March-21
Promoter & Promoter Group	58.35%
Nalanda India Fund Limited (FII)	10.33%
Motilal Oswal Multicap 35 Fund (MF)	7.38%
Malabar India Fund Limited (FPI)	5.64%
Vijay Kedia (Individual)	1.84%
Ashish Kacholia (Individual)	1.47%
Taiyo Greater India Fund Ltd (FPI)	1.30%



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. Pushpendra Singh
Vice President, Human Resources, VGL Group



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

THANK YOU

For more information please contact:

Vaibhav Global Limited

Vineet Ganeriwala, Group CFO
Vineet@vglgroup.com
+91-141-2771975

Dipti Rajput, Head-IR
Dipti.Rajput@vglgroup.com
+91-9116653352