VAIBHAV GLOBAL LIMITED

Ref: VGL/CS/2018/211 **Date: 23rd May, 2018**

National Stock Exchange of India Limited (NSE)
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra, Mumbai – 400 051
Scrip Code: 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 2018.

Kindly take the same on record.

Thanking you,

Yours Truly,

For Vaibhav Global Limited

23/5/18

Sushil Sharma
Company Secretary

VAIBHAV GLOBAL LIMITED JAIPUR

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Regd. Office : K-6B, Fateh Tiba, Adarsh Nagar, Jaipur-302004, Rajasthan, India • Tel.: 91-141-2601020, Fax : 91-141-2605077
CIN : L36911RJ1989PLC004945 • E-mail : investor_relations@vaibhavglobal.com • Website : www.vaibhavglobal.com

Vaibhav Global Limited

Global Retailer of Fashion jewellery and Lifestyle Accessories on Home shopping TV and e-Commerce Platforms

Financial Results Presentation
Q4 & 12M FY2018

May 2018

Safe Harbor

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements.

Vaibhav Global Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Vaibhav Global – An Overview

Vertically-integrated fashion retailer on electronic retail platforms

- End-to-end B2C business model for fashion and lifestyle accessories
- Proprietary TV home-shopping and e-commerce platforms

Shop LC and TJC are brands with strong customer visibility

- 96 million (FTE) households on TV shopping in the US and UK; expanding online presence
- Positive customer engagement metrics – customer base, retention rate, repeat purchases

Robust customer engagement

- Sizeable B2C franchise in developed markets – unique achievement for an Indian Company
- Growing recognition of deep value fashion products enables scaling to adjacent categories

Hybrid supply chain infrastructure

- Established and efficient manufacturing operations in Jaipur, India
- Outsourcing from China, Thailand, Indonesia and India; aggressive trend spotting initiatives

Solid infrastructure backbone

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

Strong management team

- Professional, experienced management team having in-depth knowledge and industry experience
- Talent pool across marketing, merchandising, operations, technical and strategy functions

Vaibhav Global – Reach

Shop LC, USA

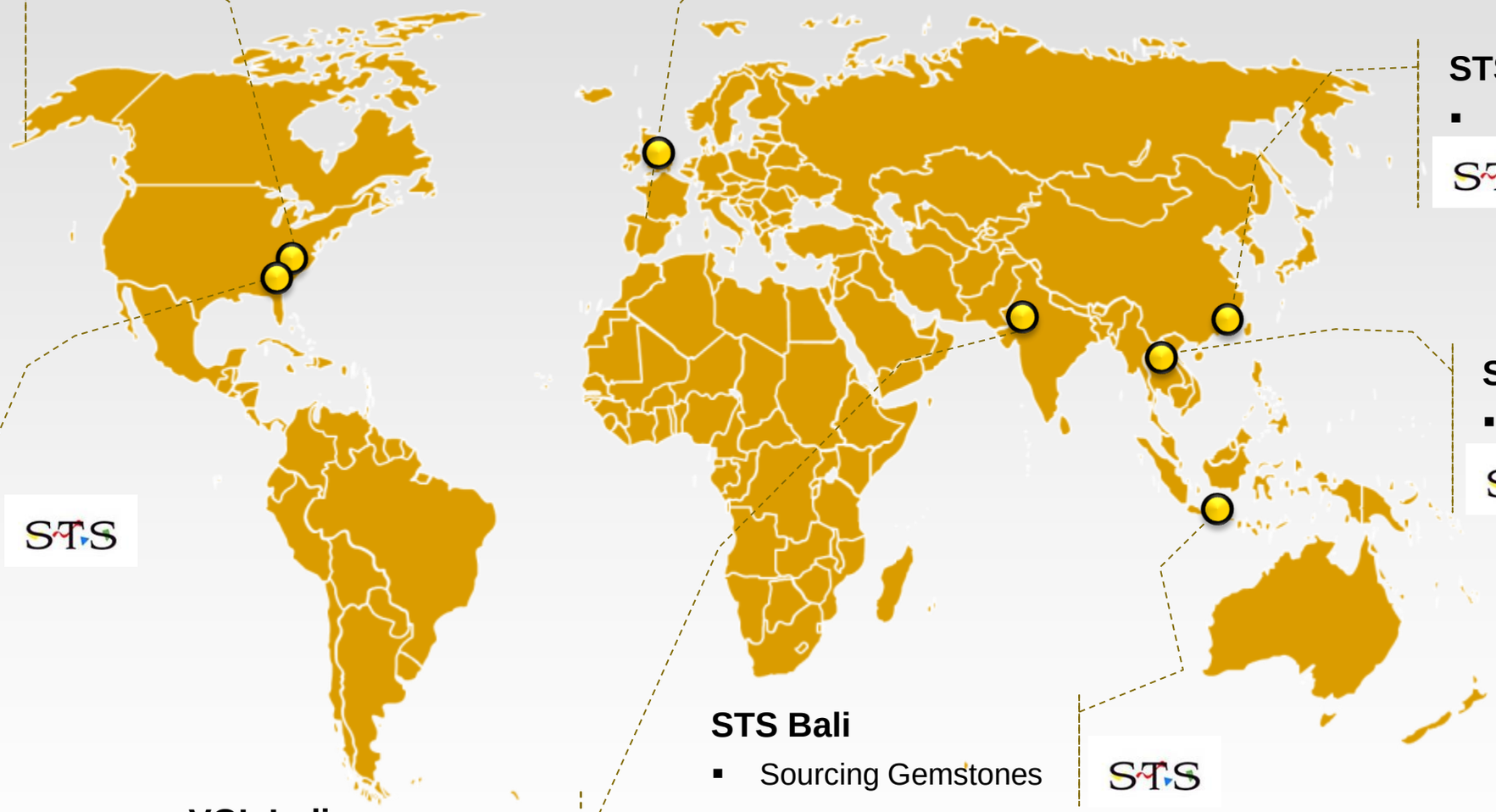
- TV channel retail
- E-commerce website

The Jewellery Channel, UK

- TV channel retail
- E-commerce website

STS China, Hong Kong

- Sourcing Gemstones



STS USA

- B2B Wholesale distribution

STS Thailand

- Sourcing Gemstones

STS Bali

- Sourcing Gemstones

VGL India

- Group HQ
- Gemstones & jewelry manufacturing
- Product Development

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Key Highlights for Q4 FY18

Home TV Network Reach in 96 Mn Households across US and UK

- 96 million households on full time equivalent (FTE*) basis
- 71 million households in the US
- 25 million households in the UK

Q4 FY18 Retail Volumes at 2.16 Million Units, -1.7% YoY and overall ASP* at $25.6, up 17% YoY

- Home TV shopping volumes at 1.4 million units
- Web shopping volumes at 0.76 million units
- Resumption of positive volume growth on both platforms
- Deep customer engagement drives repeat purchases

Q4 FY18 - Financial Performance

- Total Revenue at Rs. 422.1 crore, up 12.4% YoY
- B2C* Retail revenue up 11% YoY
- EBITDA(with exchange) at Rs. 41 crore, up 46% YoY
- Gross Margin stood at 55%
- PAT(with exchange) at Rs. 32 crore, up 66% YoY

Operating Highlights

- Shop LC Operational improvements and technology upgrades to Increase WHSE productivity
- Director of Marketing Hired to Improve Brand and Marketing Processes at Shop LC
- Offering select products on various online marketplaces (e-bay, Amazon etc.) through Channel Advisor
- Mobile Apps for Shop LC and TjC garnering good response from customers
- One for One Program – over 11 Million Meals have been delivered since the Launch of the program in UK
- started the program for Shop LC USA – over 3 Million meals delivered since launch in Oct ’17

* ASP = Average Selling Price; B2C = Business to Consumer; FTE = Full Time Equivalent

Chairman's Message

Commenting on Q4 FY18 performance, Mr. Sunil Agrawal, Chairman and Managing Director, Vaibhav Global said:

"I am happy to report 66% growth in profits and margin expansion of over 300 basis points in FY18 as we maintained our positive business momentum through the year. Our retail platforms – Shop LC in the US and TJC in UK – continue to bring joy to customers, offering deep value across a wide range of fashion and jewelry products. This has translated into over 11% constant currency revenue growth in the US and almost 20% in UK, which is line with our double-digit growth guidance. INR-translated revenue growth was 8.7% yoy, impacted by a weak dollar.

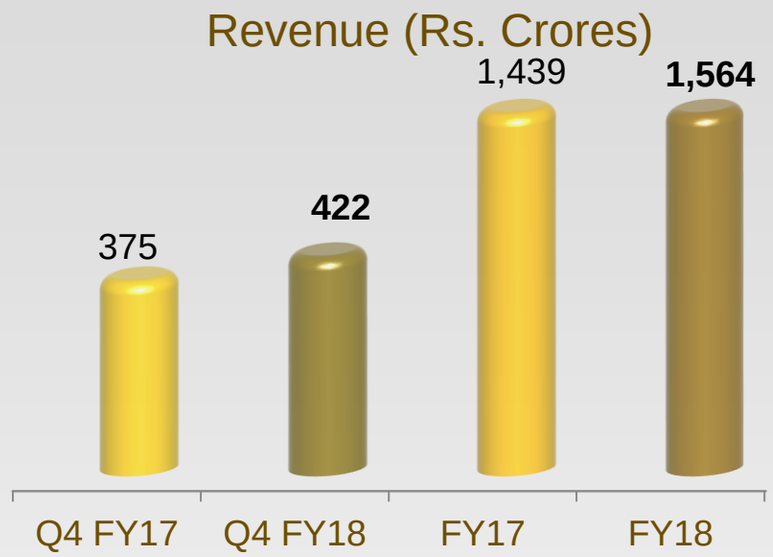
During the year, we drove the business efficiently on a stable cost structure, resulting in operating leverage. We expect this benefit to continue in the current year/medium term as our existing investments in manufacturing, programming, processes, software and people get apportioned on a growing base of revenues. Some of our recent initiatives include new customer acquisition through popular brand launches/cross promotions, open days for interaction with specific customer groups and implementation of process improvement frameworks. In addition to commercial initiatives, giving back to society is very important to us. We continue to support the One for One Program linked to sales volumes in both the US and UK, donating a meal in India and UK for every product sold. We have donated over 14 million meals till date.

Coming into FY19, we maintain our guidance of 10-14% constant-currency revenue growth in our retail business. We see this translating into continued value enhancement for all our stakeholders."

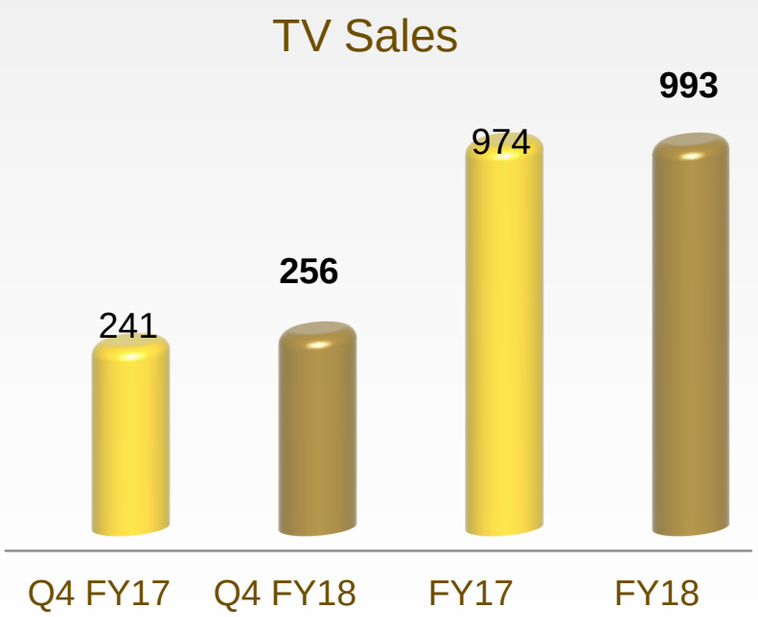
Financials –Q4 & 12M FY18 Performance (Revenue Breakdown)

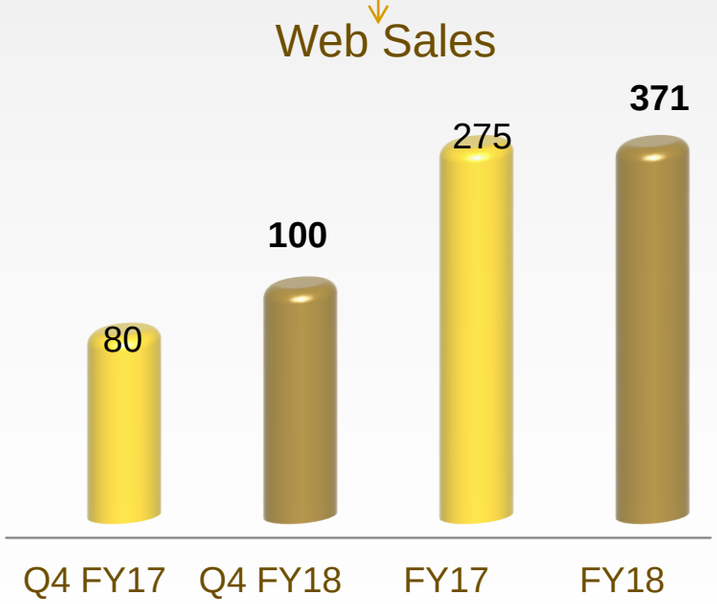
Local currency	Q4 16-17	Q4 17-18	% change
LC - USD Mn	36.9	40.27	9.1%
UK - GBP Mn	9.0	10.79	20.3%

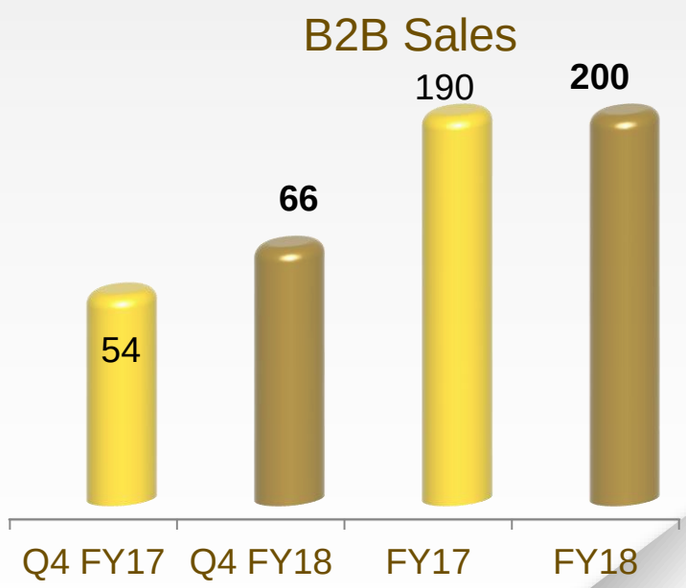
Local currency	FY 16-17	FY 17-18	% change
LC - USD Mn	141.04	156.86	11.2%
UK - GBP Mn	34.68	41.45	19.5%



Jewelry & Lifestyle Products



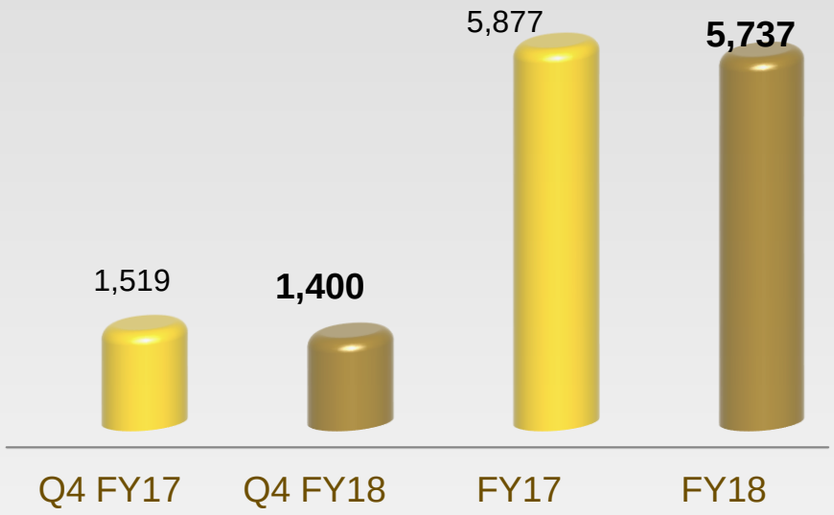




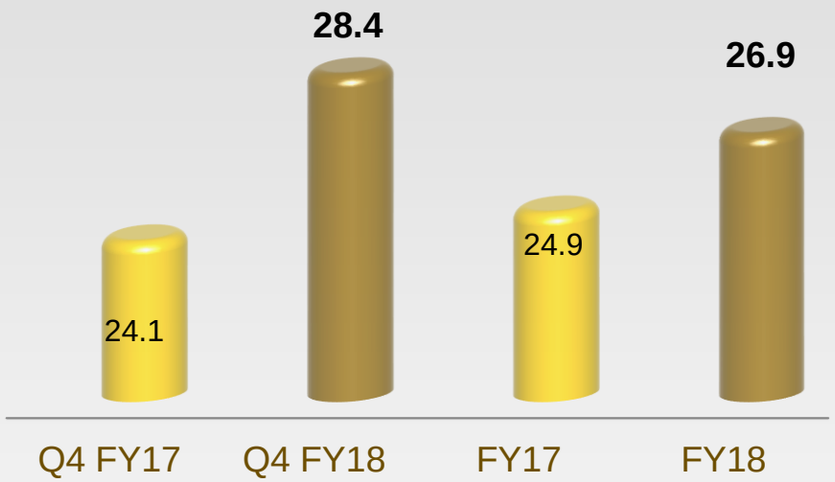
Retail Performance Trends – Q4 & 12M FY18 (Volume and ASP)

TV Sales

Sales Volume ('000s)

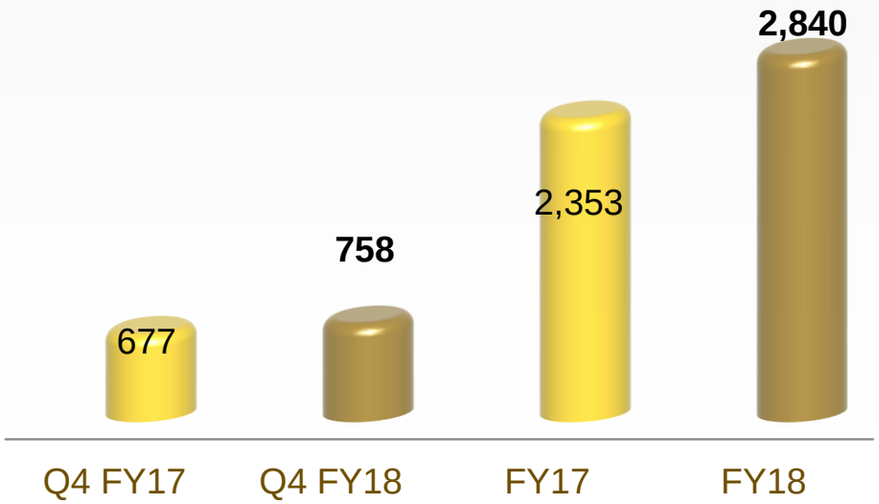


Average Selling Price US$

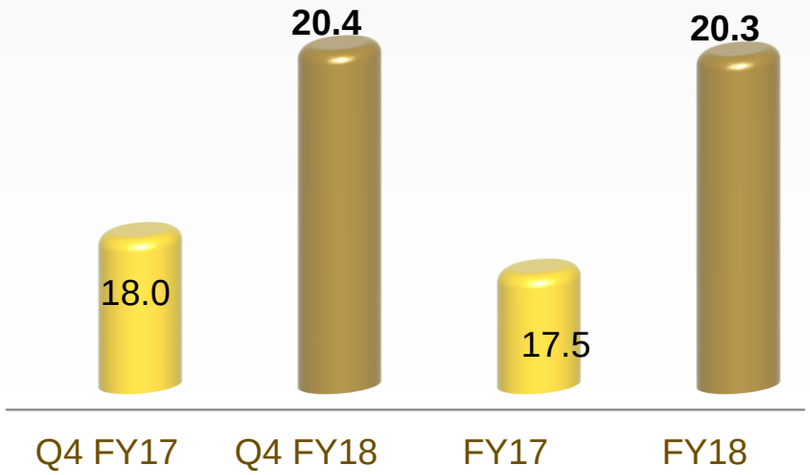


Web Sales

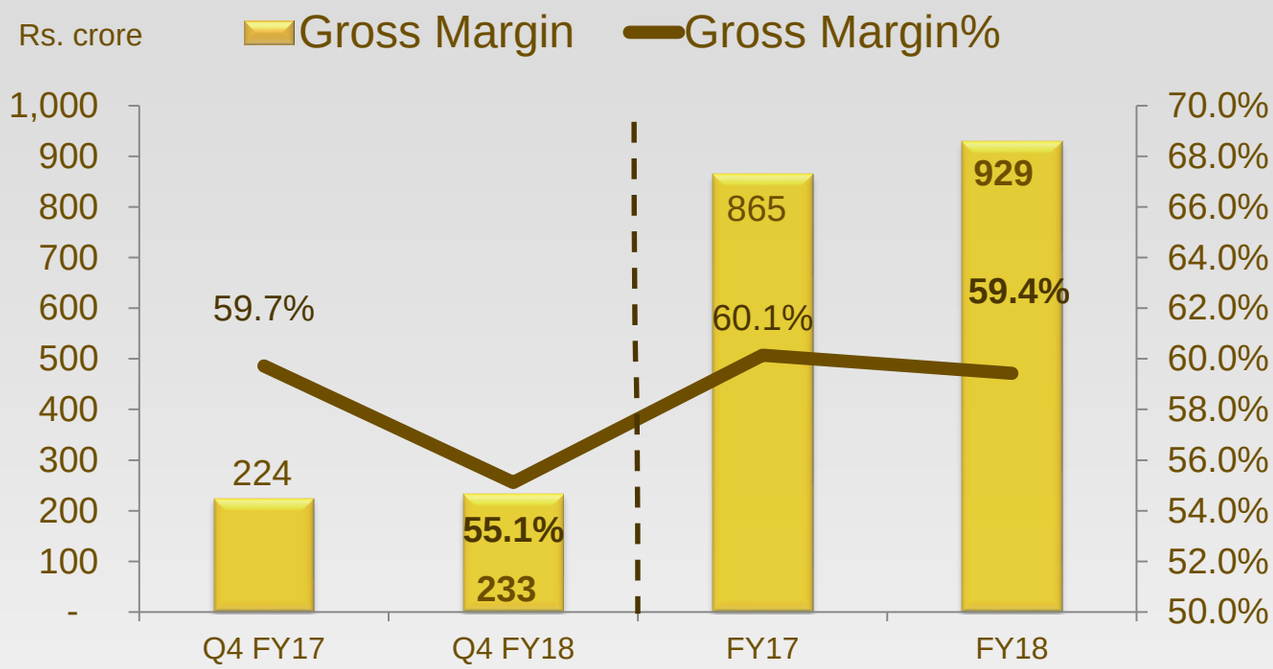
Sales Volume ('000s)



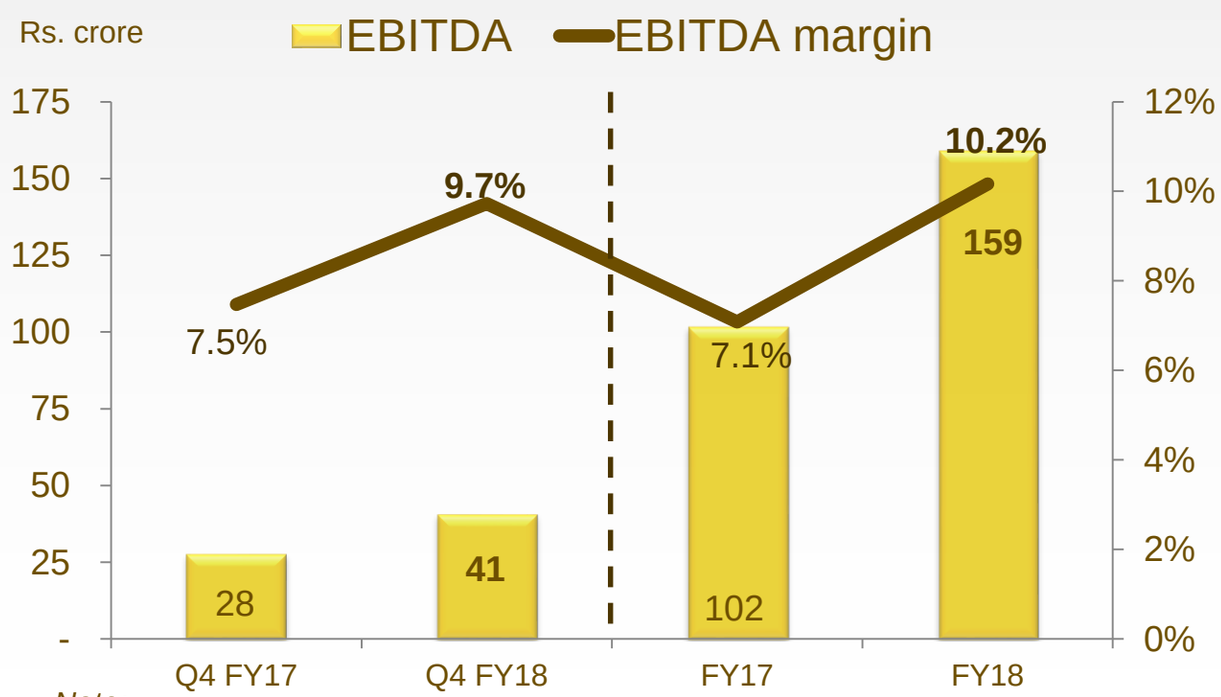
Average Selling Price US$



Financials – Q4 & 12M FY18 Performance (Margins)

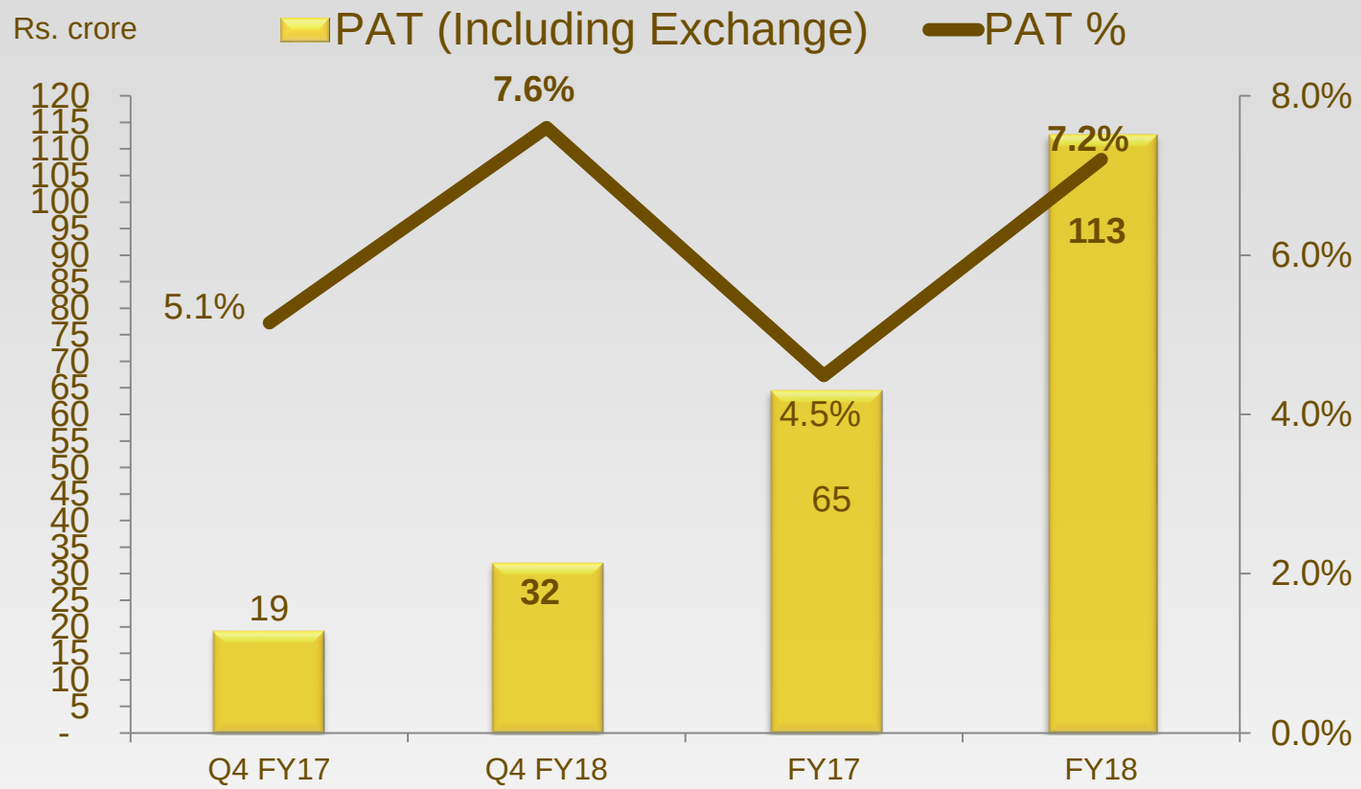


Note: Direct costs for calculation of gross profit includes material cost, job work charges and manufacturing cost



Note:
EBIDTA includes exchange gain/loss;

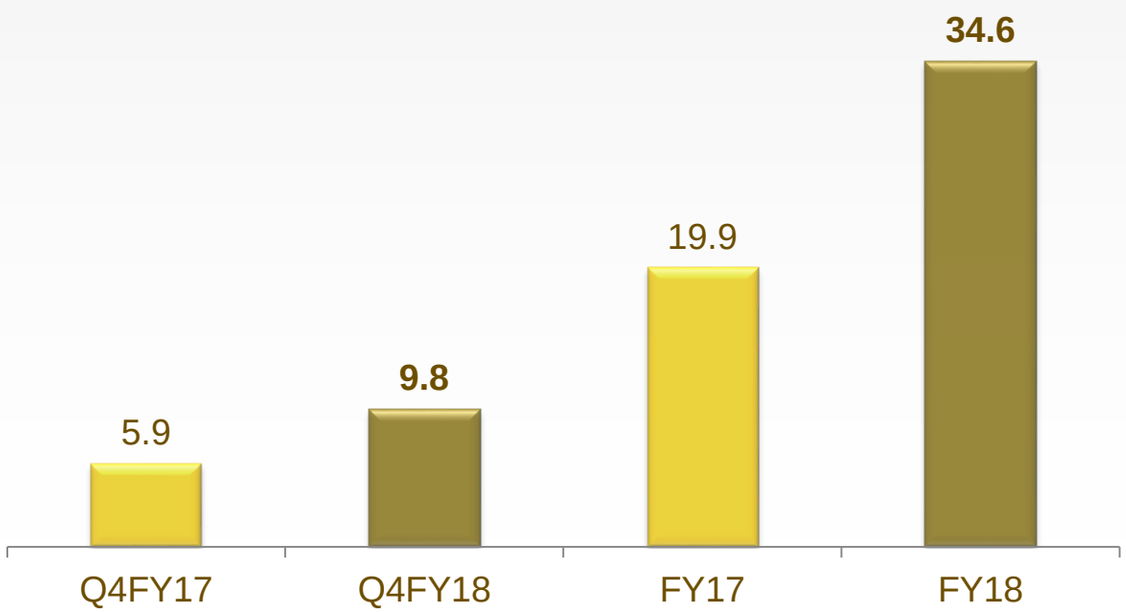
Financials – Q4 & 12M FY18 Performance (Profits)



* Profit after tax including exchange gain(loss) fluctuation

EPS

Rs. per share



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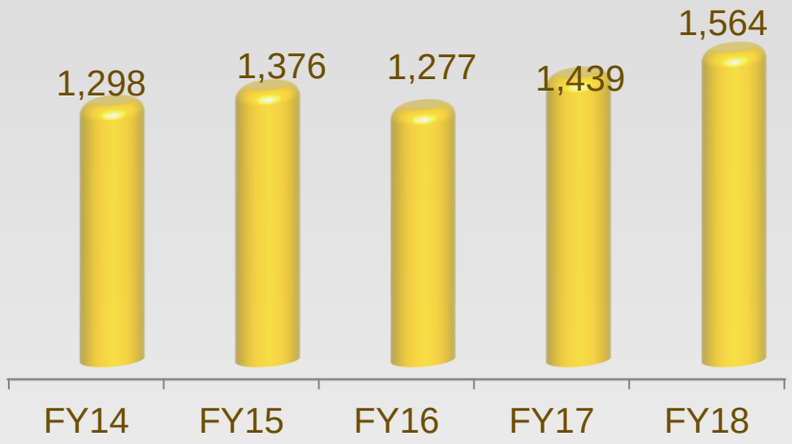
Financials Performance Trends

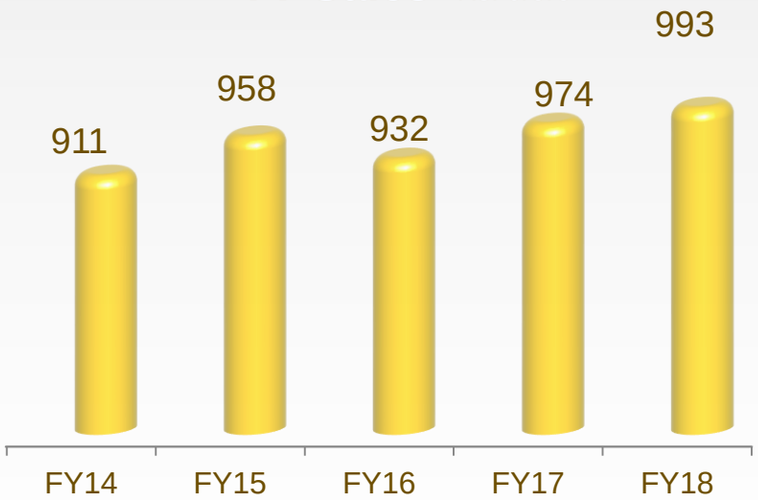
(Revenues)

Revenues (Rs. crore)

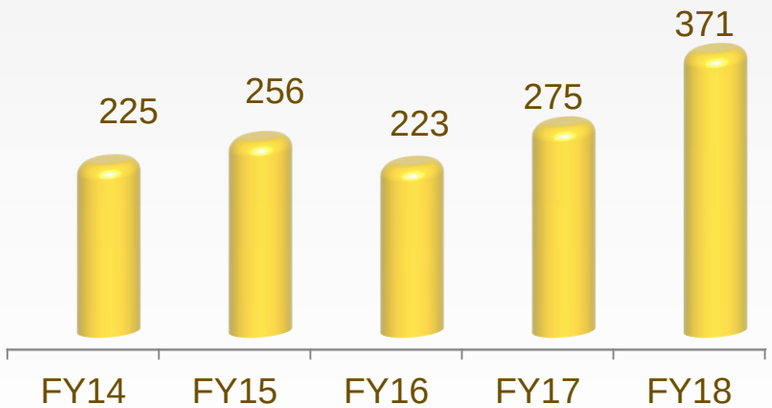


Jewelry & Lifestyle Products

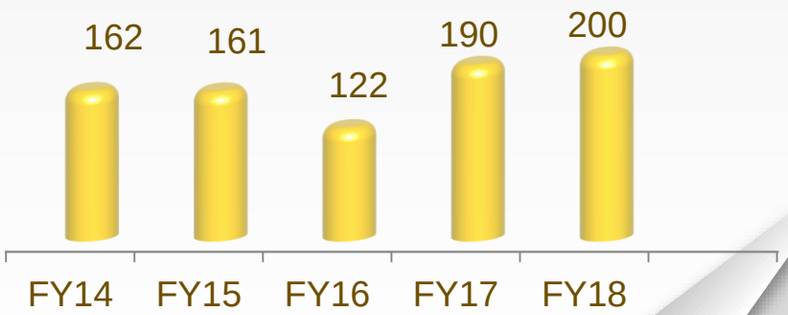
TV Sales Rs. crore



Web Sales Rs. crore



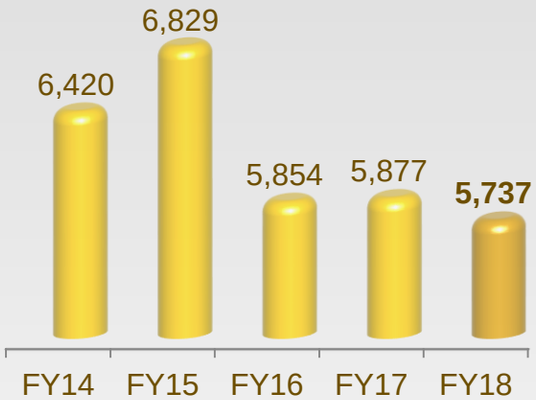
B2B Sales Rs. crore



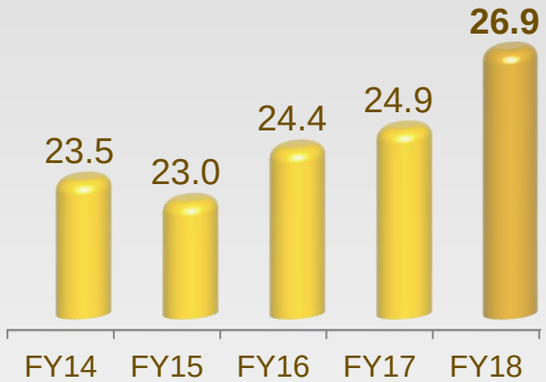
Retail Performance Trends

TV Sales

Sales Volumes ('000s)

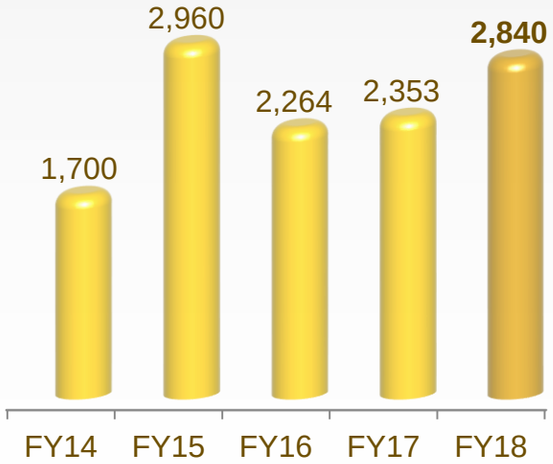


Average selling price US$

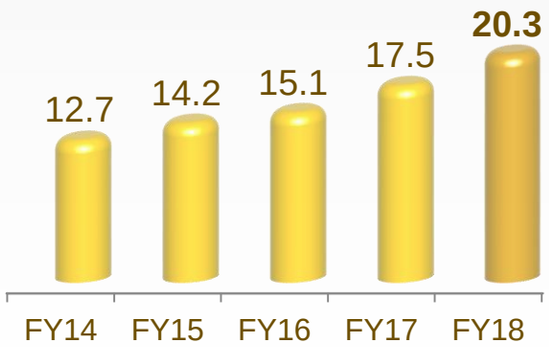


Web Sales

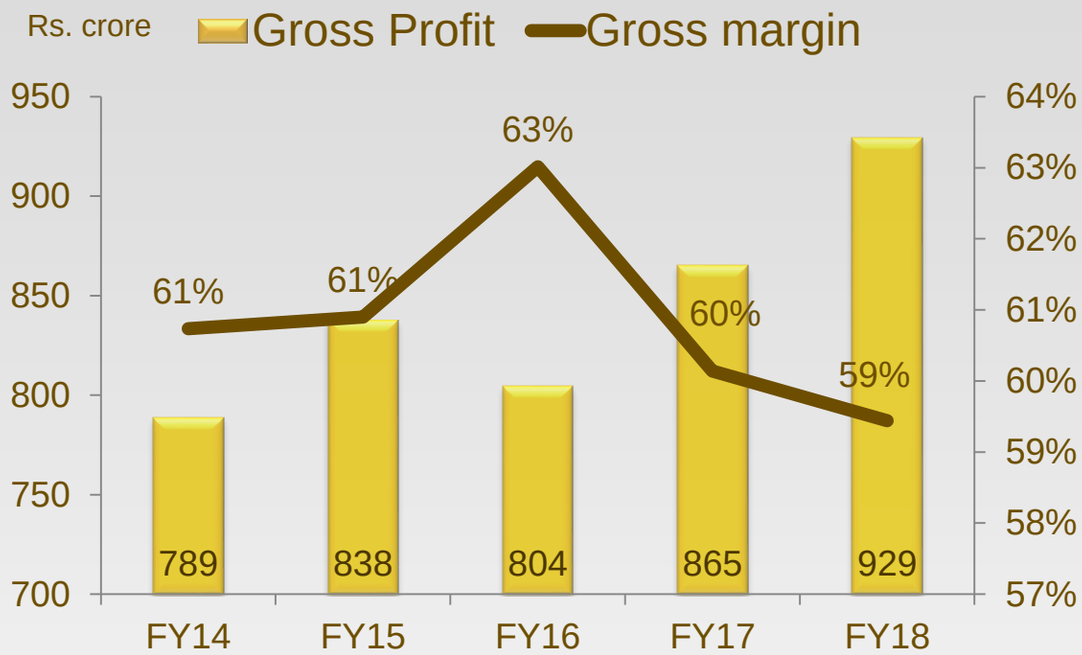
Sales Volumes ('000s)



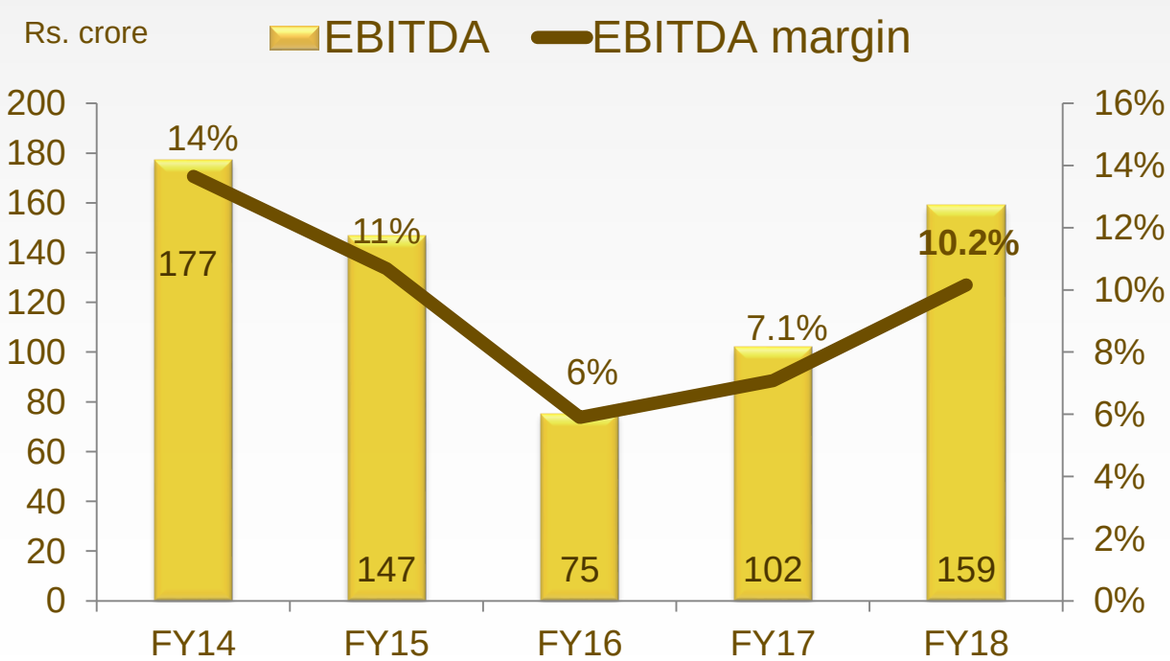
Average selling price US$



Financials Performance Trends
(Margins)



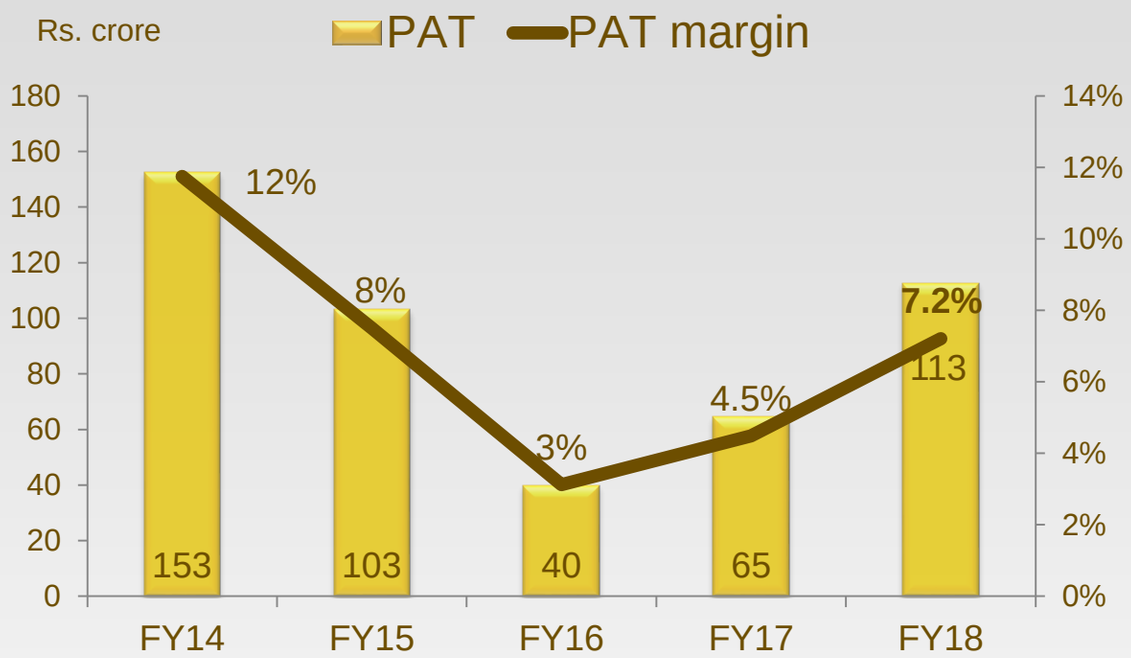
Note: Direct costs for calculation of gross profit includes material cost, job work charges and manufacturing cost



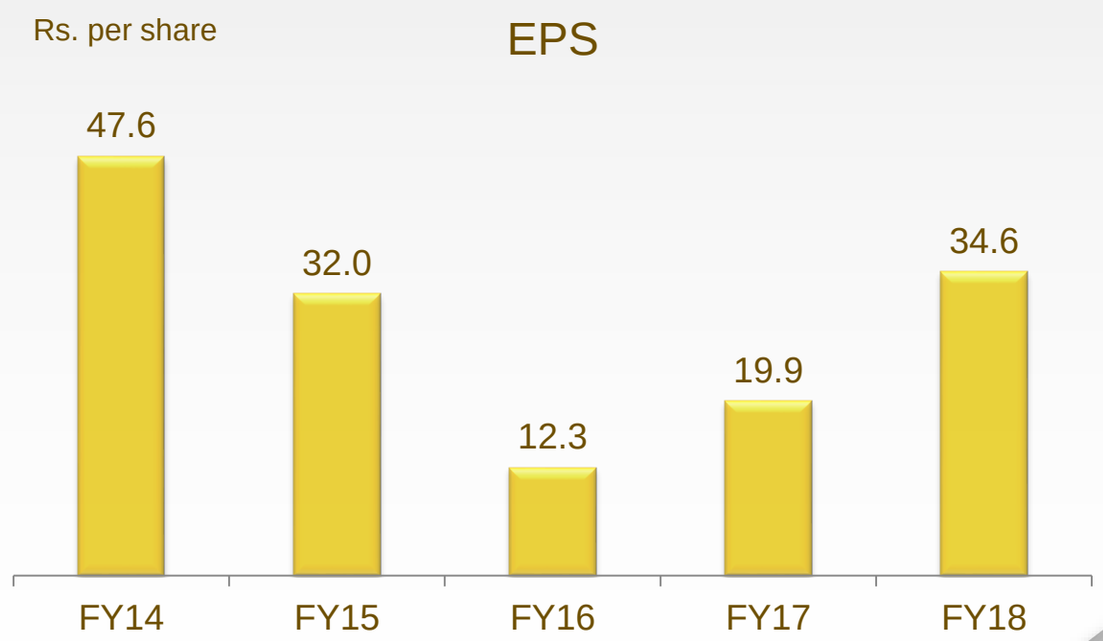
Note: EBITDA including exchange gain/(loss) fluctuation

Financials Performance Trends

(Profits)



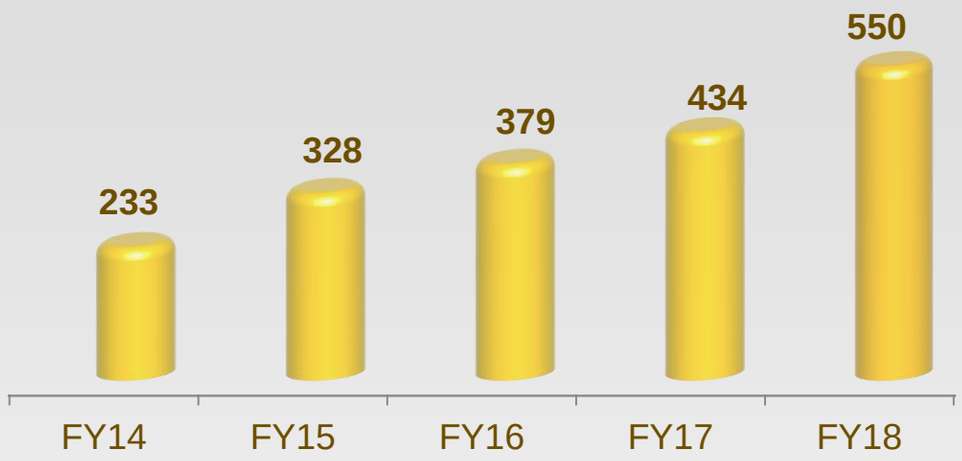
* Profit after tax including exchange gain(loss) fluctuation.



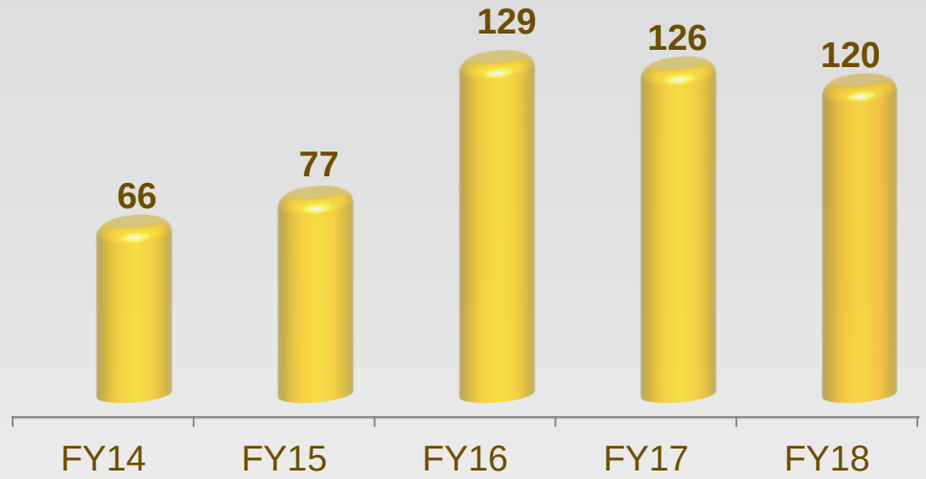
Financial Performance Trends
(Balance Sheet)

Rs. crore

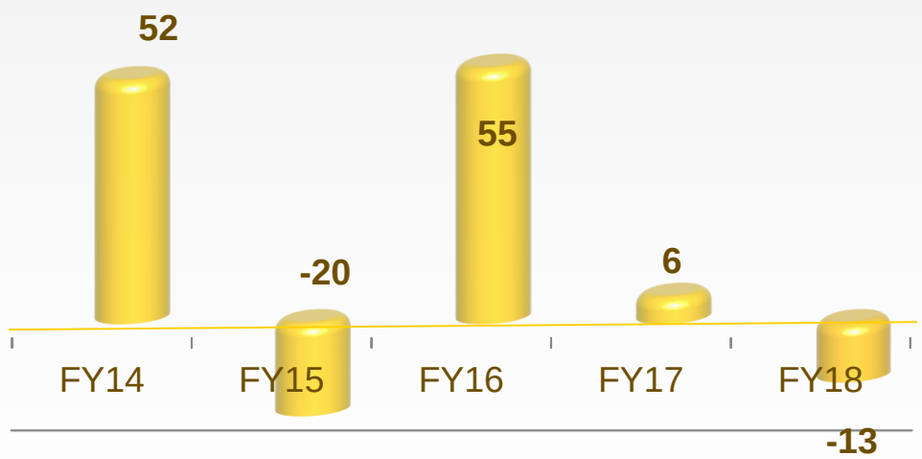
Shareholders' Equity



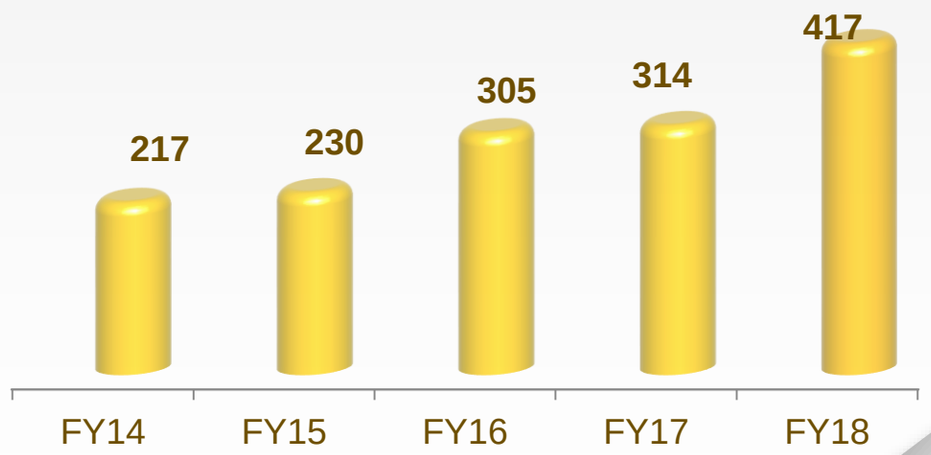
Fixed assets including intangibles



Net Debt

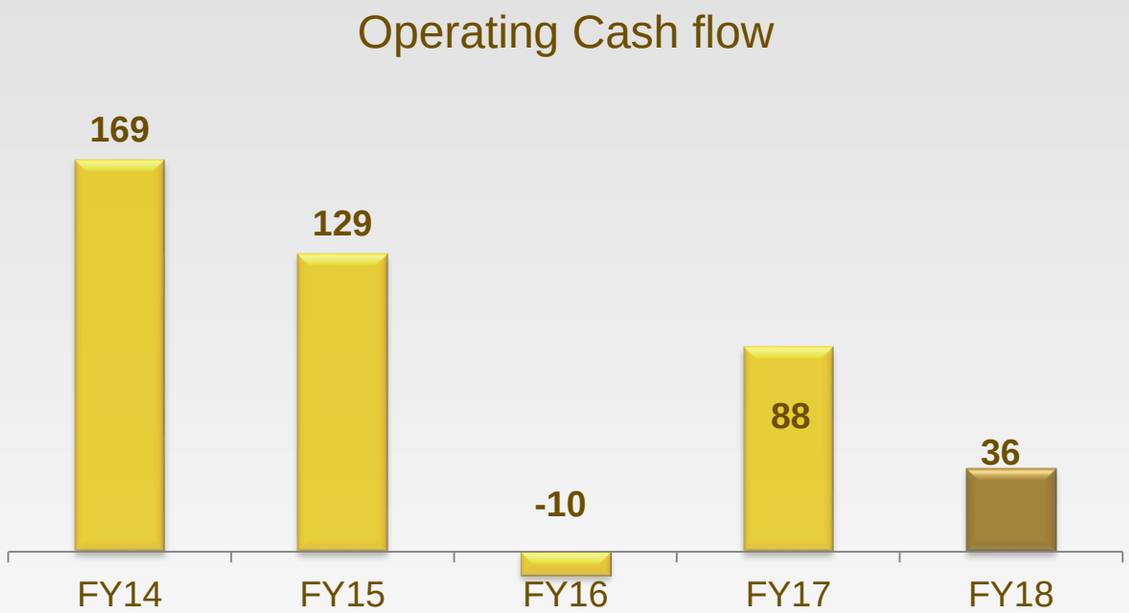


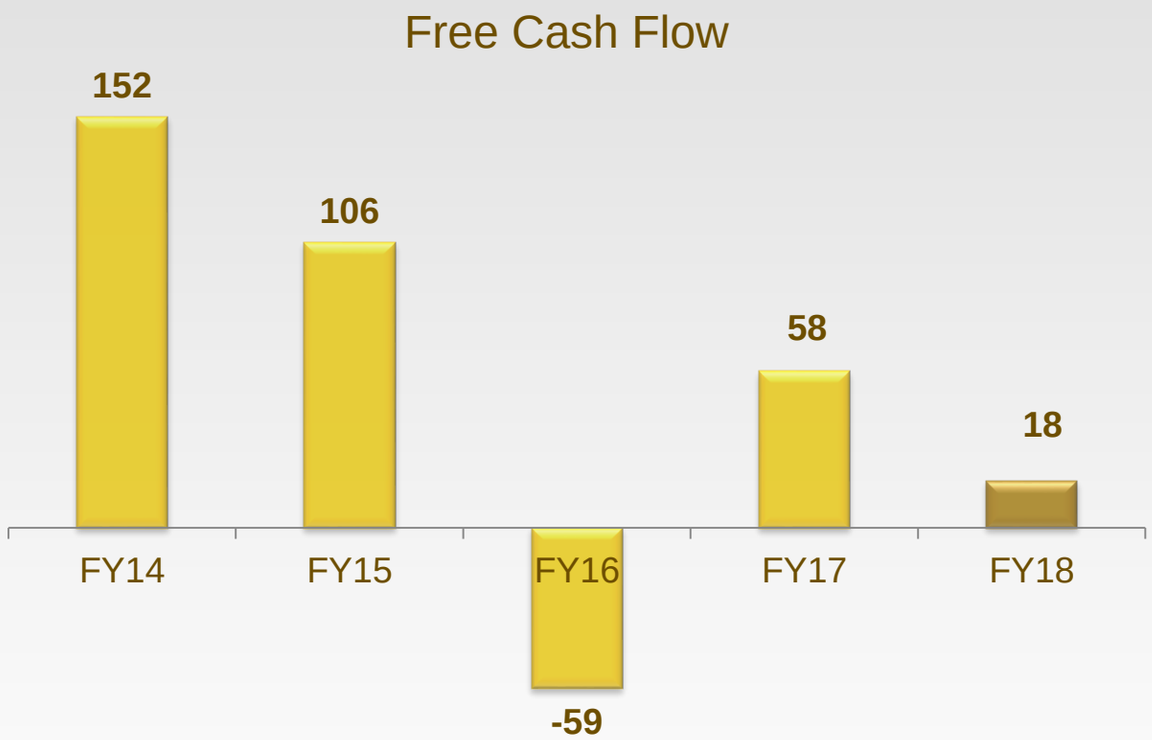
Net Current Assets



Financial Performance Trends (Cash Flow)

Rs. crore





Operating Cash Flow: PBT+ Depreciation-Changes in working capital + adjustment for non cash items

Note: Interest charges have been deducted while calculating operating cash flow.

Free Cash Flow: Operating Cash Flow – Capital expenditure

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Product Profile

FASHION JEWELLERY

- Bracelets
- Bangles
- Earrings
- Studded jewelry, etc.

FASHION ACCESSORIES

- Watches
- Handbags
- Scarves, etc.

LIFESTYLE PRODUCTS

- Home Décor
- Bed linens
- Pillow Covers
- Beauty products

BRANDING INITIATIVE: Developing new brands and brand ambassadors for live presentation of BRANDS

DESIGNER COLLECTIONS
SHOP ALL

LUCYQ
BY LUCY QUARTERMAINE

RACHEL GALLEY
MEMENTO

BALI LEGACY
COLLECTION

TRIBAL INDIA
COLLECTION OF

SANTA FE
Style!
Click to Shop »

GP
GIUSEPPE PEREZ
COLLECTION

homesmart

Sourcing

*Global supply chain capability of **12 million pieces**, continuously expanding*

In-House designers & craftsmen

No middlemen

Access to latest manufacturing technology

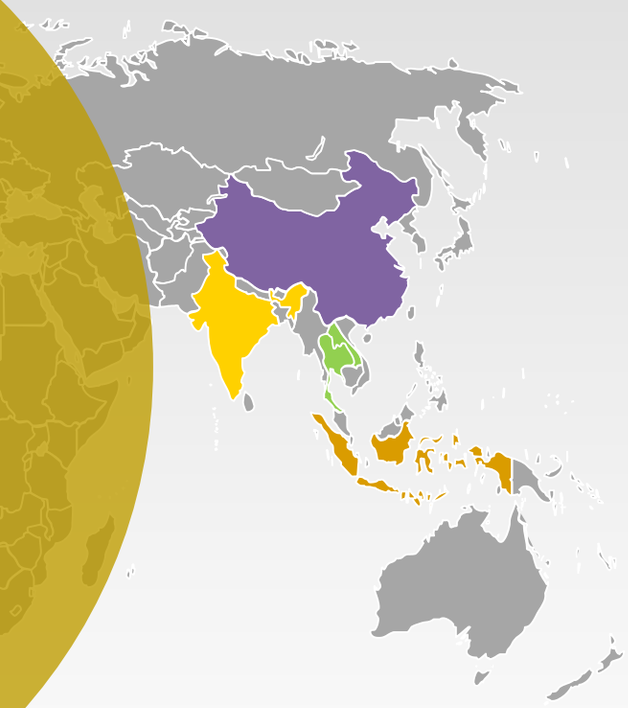
Scale Flexibility

Low Investment

Rapid turnaround

Mapping Latest Fashion

Competitive Pricing



India

Noida, Jaipur, Nagaland, Kashmir

Indonesia

Bali, Yogyakarta, Sumatra, Madura Surabaya

Thailand

Bangkok, Chang Mai, Mae Sai, Kanchanaburi, Chanthburi

China

Guangzhou, Haifeng, Hauadu Shenzhen, Dongguan, Zhuji, Wenzhou, Wuzhou, Yiwu, Hunan

- **Sourcing from appropriate micro-markets in China/Asia**
- **Focus on best price to customer through bottom price discovery**
- **Vendor evaluation process**
- **Assessing value perception – design / fashion trend / price in target markets**

Manufacturing

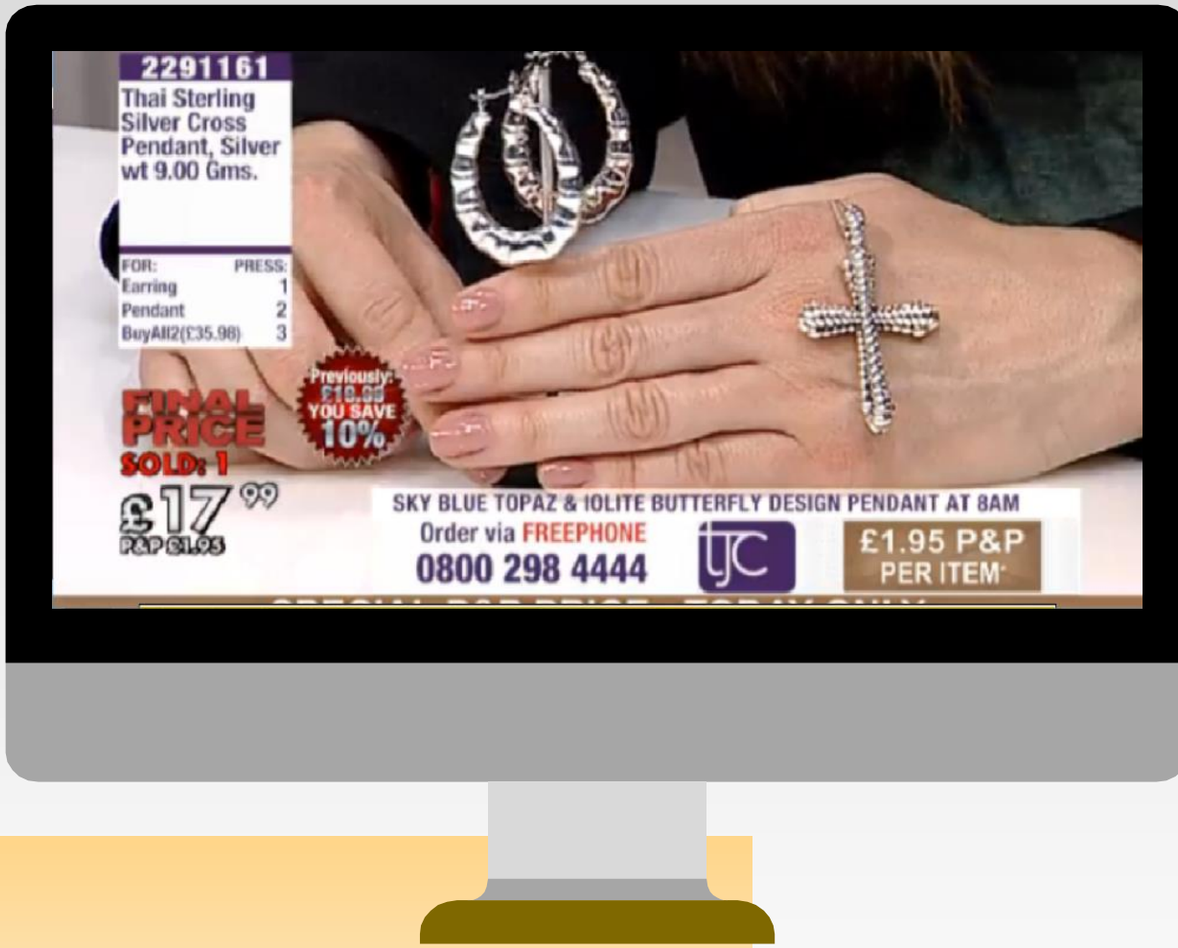
- ✓ ***ISO 9001:2008*** facilities in **Jaipur**, with capacity of producing over ***6 million*** annually
- ✓ Commenced operations at new ***100,000 sq. ft.***, fully-integrated, LEED certified ***'Gold Level'*** building at **SEZ, Jaipur**
- ✓ Diamond manufacturing and sourcing unit of the company is also present in **Mumbai**
- ✓ Over ***2,500*** people in India across corporate, manufacturing, design, sales & marketing, customer service, logistics etc.
- ✓ Low-Cost operations with one of the ***lowest levels*** of wastages in the industry

TV Networks – USA (Consumption Markets)

Shop LC, USA

- ✓ **71.2 million** households shopping (FTE, out of 120 mn)
- ✓ Based out of Austin, Texas. Offer services in Canada through e-commerce www.ShopLC.com
- ✓ **Over 600 people** in sales & marketing, customer service, logistics, TV production, e-commerce and support functions
- ✓ **Successfully re-branded Liquidation Channel to Shop LC**
- ✓ **'Deep Discount'**, Auction based retail model
- ✓ **Expert hosts** attract and engage customers, driving repeat sales
- ✓ Improved product presentation by investing in **new Studio facility**
- ✓ New **warehouse facility operationalised**

TV Networks – UK (Consumption Markets)



The Jewellery Channel (TJC), United Kingdom

- ✓ **25 million** households shopping(FTE, out of 25 mn)
- ✓ Based out of Hampton, Middlesex
- ✓ **Over 150 people** in sales & marketing, customer service, logistics, TV production, e-commerce and support functions
- ✓ **State-of-the-art** auction/scheduling system; Launching **Budget Pay**
- ✓ Targeted behavioural marketing through **IBM Unica** platform
- ✓ **TjC live stream** available on multiple platforms like **Youtube**
- ✓ **Long standing relations** with TV distributors such as **SKY, Virgin, FreeView** etc.

E-Commerce (Consumption Markets)

E-commerce presence in our chosen retail markets…

www.ShopLC.com **USA**

- ✓ Launched Mobile App for Shop LC
- ✓ Launched Budget Pay EMI option
- ✓ Better website optimization on mobile devices
- ✓ Migration of Web Hosting to Amazon Web Services
- ✓ Enhanced customer engagement on all social platforms; targeted marketing

www.TjC.co.uk **UK**

- ✓ Launched Budget Pay EMI option
- ✓ Launched Mobile App for TjC
- ✓ Latest DemandWare Platform
- ✓ Better Website optimization for all devices
- ✓ Enhanced customer engagement
- ✓ Europe delivery started through E-commerce platform
- ✓ Engaging customers through different sales channels like Facebook Shop, Ebay store etc.

Retail Format	SHOP LC DELIVERING JOY	tjC
	Rising Auction	Rising Auction
	Catalogue Price	Live TV
	Collections	Web Exclusive
	Live TV	Sale
	Clearance	Outlet

EARLY ADOPTERS AND CORD CUTTERS

HIGH DEFINITION AND IP BROADCAST

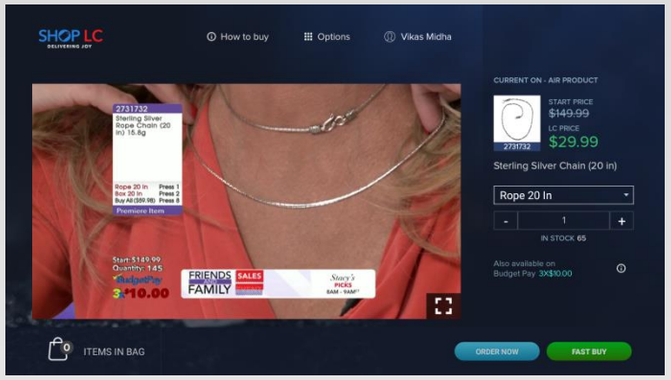
- **High Definition Broadcast**
  - Charter Communication
  - AT&T
- Adoption of new technology of Broadcasting
  - Reducing dependency on Infrastructure
  - Minimizing downtime as IP would broadcast it via internet

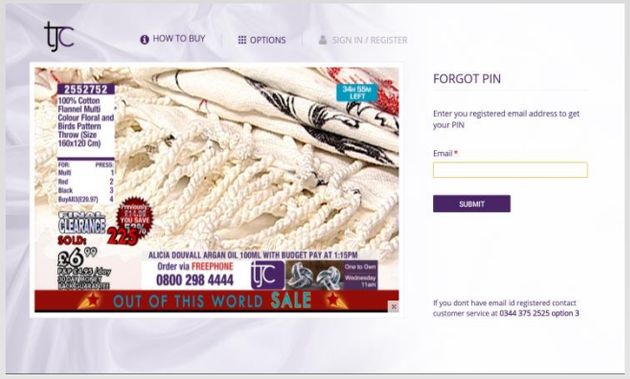
EXPANSION INTO OVER THE AIR PRESENCE (OTA)

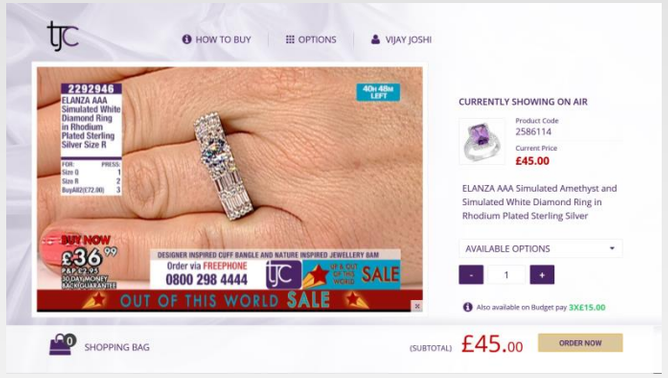
- Cord Cutters don't want to pay for any channel or satellite fees, the can catch the feed directly via antenna
- We are already present part time in some Areas

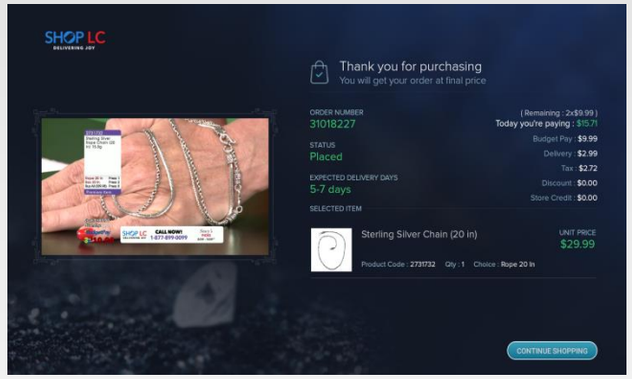
SMART TV AND STREAMING DEVICES (IPTV)

- Planning to add Apple TV app
- We already have presence on following Smart TV's:
  - Samsung SMART TV
  - LG Smart TV
  - Android TV
- We also have apps on streaming devices
  - ROKU
  - Google Chromecast
  - Amazon Fire HD









LG Smart TV

ROKU

amazon fireTV

ANDROID TV

Samsung SMART TV

Management Team

Sunil Agrawal

Chairman and Managing Director

- Established Vaibhav in 1980 as a first generation entrepreneur and has led the company's transition into a leading brand for fashion jewelry and lifestyle accessories
- Travels extensively across the world, overseeing operations, sourcing raw material globally and representing the company at major trade shows and jewelry fairs in the US, Europe and Asia

Puru Aggarwal

Group CFO

- 25 years of rich experience in business modeling, financial strategy & planning, business development, procurement, supply chain & distribution, budgeting, taxation, cost control, legal compliances and mergers & acquisitions
- Previously worked with Teva Pharmaceuticals India as Director & Country CFO for 11 years. Has also worked with Coca-Cola India and E&Y India

Kevin Lyons

President- Shop LC, USA

- Over 20 years of strong expertise and a proven track record in delivering Omni channel growth in retail and e-commerce
- Previously Senior Vice President of E-Commerce with HH Gregg inc., a $2 bn, 227 store chain
- Also worked with leading retailers such as Sears and Best Buy in areas like Operations, Merchandising, Loss Prevention, Customer Driven Supply Chain, Customer Centricity and Channel/New Business Innovation

Vineet Vashist

Chief Technology Officer

- Previously worked with Aritzia, a leader in women's fashion in Canada, as Director of E-Commerce Technology.
- Prior to Artiza, worked at various roles with Abercrombie & Fitch (A&F) for 8 years, his last role was Director IT eCommerce
- Managed a portfolio with an annual budget of over $20 million to deliver new strategic capabilities and operational enhancements to Aritzia and A&F.

Management Team

Jeff Allar

Senior Vice President, Group HR

- Over 30 years of work experience at major international companies including IBM, Unilever and the Stonyfield Farm unit of Groupe Danone
- Tremendous Organization development and senior level HR experience having worked with brands like ACS, Stonyfield and Good Humor – Breyers Ice Cream

Nitin Dugar

Vice President , COO – Shop LC, USA

- Over 12 years at VGL, rich experience in business development, customer services and network affiliate management.
- Part of core team that successfully implemented organizational turnaround strategies

Pushpendra Singh

Vice President , Human Resources Asia

- Over 19 years of experience in HR with a range of Indian companies such as NTPC, Jindal Steel and Power, Kalpataru and Reliance Communications, successfully implementing many talent acquisition, management and retention initiatives

Raj Singh

Vice President, Supply Chain, VGL Group

- Mr. Raj Singh is a graduate in Chemistry and trained in Mechanical Maintenance. He began his career with Shrenuj & Company Ltd. In his career of 22 years, he has gone strength to strength improving and innovating businesses. His initiatives like Gems Studded Stainless Steel Jewellery, Ion Plating, etc., are ground-breaking in the Jewellery industry. For an industry that is type cast as labor intensive, Mr. Singh has led many automation drives and is successful in grinding out cost efficiencies.

Management Team

Amit Agarwal

Commercial Director – TJC, UK

- MBA marketing with over 16 years of experience with different companies like BSL Ltd , Siddhartha Marble and VGL group in Sales and product merchandising in Jewellery and Textile category .
- Managing product merchandising , planning for TV and E-com platform along with handling retail sales at TJC UK.
- Part of core team who successfully launched life style category and turnaround TV retail sales growth in last few years

Vivek Jain

Finance Director – TJC, UK

- A Chartered Accountant with over 16 years' experience in Finance, Banking, Accounts, Budgeting, MIS, Taxation, Costing, Internal Audit, Systems Implementation, Company Secretarial and Legal mattersPart of core team that successfully implemented organizational turnaround strategies
- Appointed TJC UK Finance Director in September 2016 responsible for both the finance function and a number of operational functions including Content Distribution, Customer Solutions and Fulfilment through a period of significant growth and change

Contact Information

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Thank You