



VAIBHAV GLOBAL LIMITED

Ref: VGL/CS/2018/253

Date: 30th July, 2018

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 Q1 FY 2019.

Kindly take the same on record.

Thanking you,

Yours Truly,

For Vaibhav Global Limited


Sushil Sharma
Company Secretary

30/07/2018



Vaibhav Global Limited

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

Financial Results Presentation Q1 FY2019

Jul 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

- 86 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

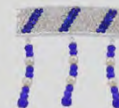
- Established and efficient manufacturing operations in Jaipur, India
- Outsourcing from China, Thailand, Indonesia and India; aggressive trend spotting initiatives

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



STS USA

- B2B Wholesale distribution



VGL India

- Group HQ
- Gemstones & jewelry manufacturing
- Product Development



The Jewellery Channel, UK

- TV channel retail
- E-commerce website

STS China, Hong Kong

- Sourcing Gemstones



STS Thailand

- Sourcing Gemstones



STS Bali

- Sourcing Gemstones



Investor Presentation Jul 2018



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Key Highlights for Q1 FY19

Home TV Network Reach in 86 Mn Households across US and UK

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

Q1 FY19 Retail Volumes at 1.97 Million Units, 3.4% YoY and overall ASP* at \$25.7, up 7% YoY

- Home TV shopping volumes at 1.27 million units
- Web shopping volumes at 0.7 million units
- Resumption of positive volume growth on both platforms
- Deep customer engagement drives repeat purchases

Q1 FY19 - Financial Performance

- Total Revenue at Rs. 386 crore, up 17.5% YoY
- B2C* Retail revenue up 15% YoY
- EBITDA(with exchange) at Rs. 44.4 crore, up 77% YoY
- Gross Margin stood at 60.1%
- PAT(with exchange) at Rs. 30 crore, up 99% YoY

Operating Highlights

- Shop LC Operational improvements and technology upgrades to Increase WHSE productivity
- 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 12 Million Meals have been delivered since the Launch of the program in UK
- Started 'One for one' program for Shop LC USA – over 4 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 Q1 FY19 performance, Mr. Sunil Agrawal, Chairman and Managing Director, Vaibhav Global said:



“I am happy to share that we have begun FY19 with continued sales growth traction. Q1 revenue grew by a strong 17.5% to Rs. 386 crore with gross margins of 60%, while EBITDA margins expanded 387 bps to 11.5% compared to 7.6% last year and PAT increased 99% YoY to Rs. 30 crore. We believe that key financial measures of business success are the ability to deliver strong returns on shareholders' equity and free cash flows – VGL reported RoE of 22% on trailing twelve-month basis and free cash flows of Rs. 41 crore in Q1. Our products continue to deliver joy to an increasing base of customers, offering deep value across a wide range of lifestyle, fashion and jewelry products.

We continue to take several measures to improve the customer experience, increase business performance and position the organization for long-term growth. Recent initiatives include improving TV channel positioning in key markets to target a larger audience and using technology to deliver improvements in both the quality of programming as well as online shopping experience. These initiatives are enabling us to maintain a stable cost structure with a focus on increasing business efficiency resulting in operating leverage.

We see stakeholder engagement in a holistic way with giving back to the community being a central part of our culture. We continued to grow the One for One Program of donating a meal in India and UK for every product sold at TjC, UK and Shop LC, USA. I am proud to share that we have donated over 16 million meals till date.

In conclusion, I would to say that we have a robust business model and will continue to deliver low double-digit growth with stable gross margins, leading to strong and sustainable long term value enhancement for all our stakeholders.”



Financials –Q1 FY19 Performance (Revenue Breakdown)

Local currency	Q1 FY 18	Q1 FY 19	% change
LC - USD Mn	34.8	35.17	1%
UK - GBP Mn	8.5	11.3	33%

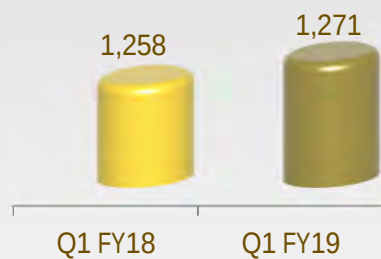
USD Mn	Q1 FY 18	Q1 FY 19	% change
LC - USD Mn	34.8	35.17	1%
UK - USD Mn	10.9	15.37	41%
Total	45.7	50.53	11%



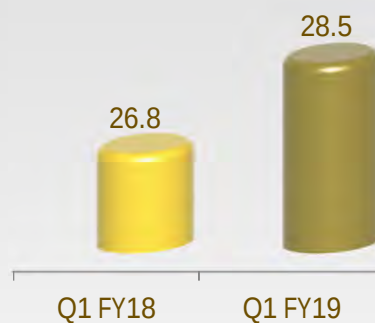
Retail Performance Trends – Q1 FY19 (Volume and ASP)

TV Sales

Sales Volume ('000s)

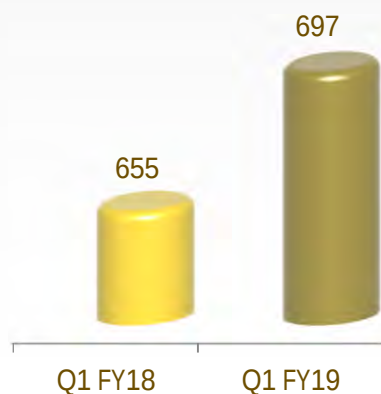


Average selling price US\$

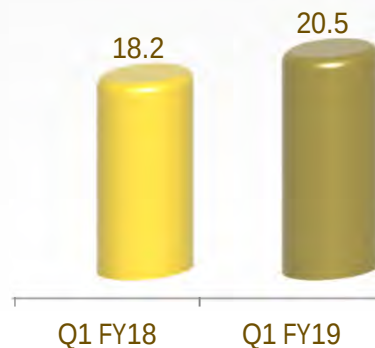


Web Sales

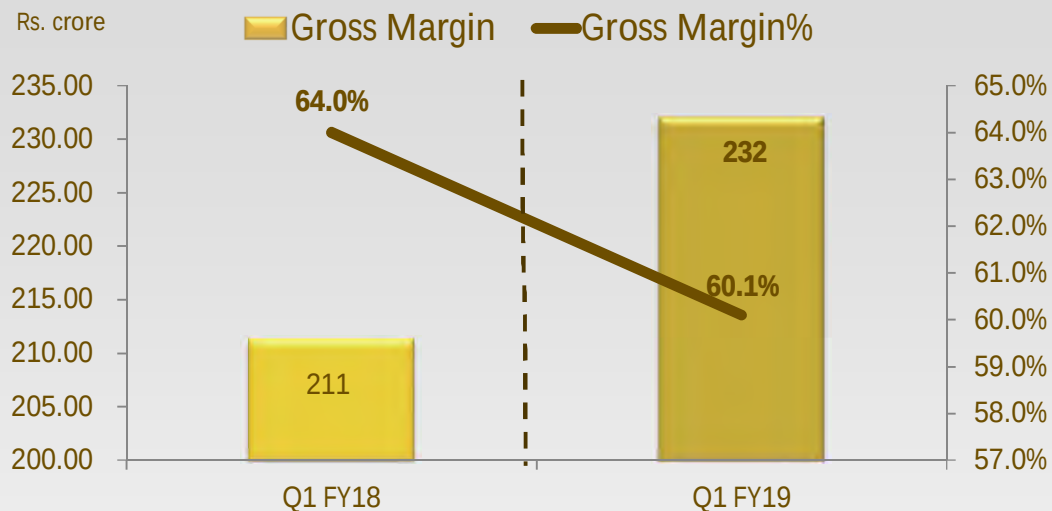
Sales Volume ('000s)



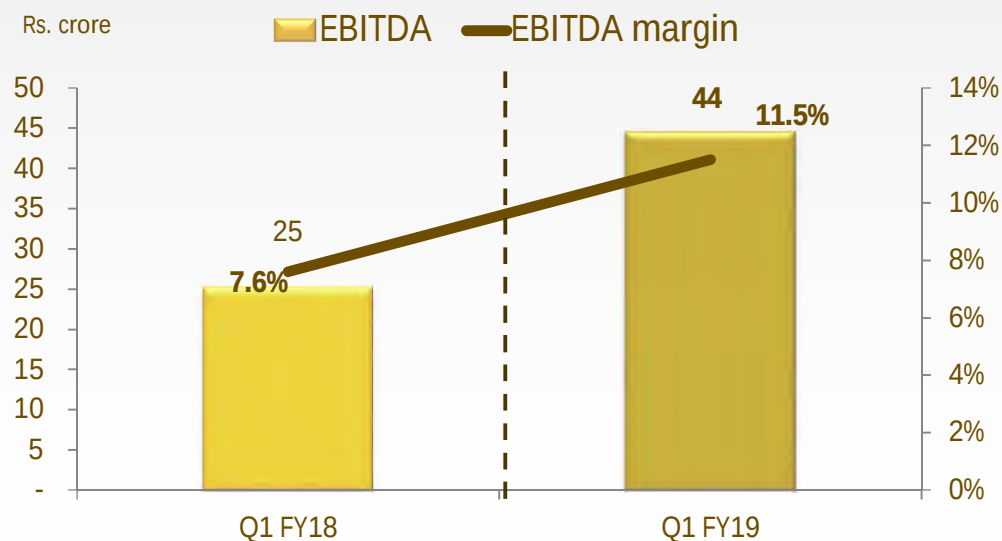
Average selling price US\$



Financials – Q1 FY19 Performance (Margins)



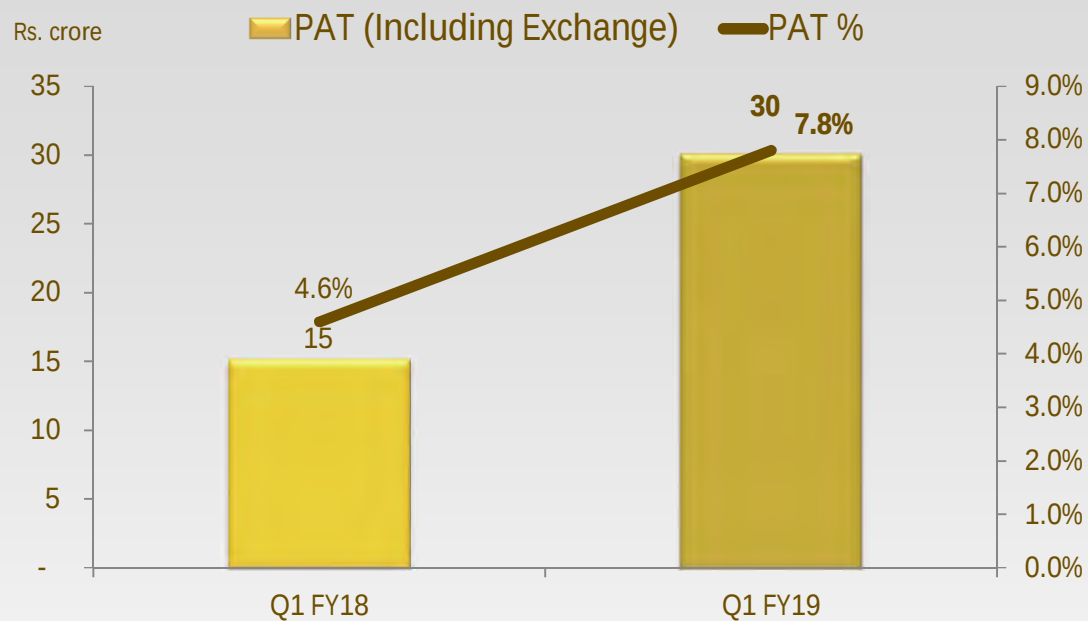
Note: Direct costs for calculation of gross profit includes material cost, job work charges and manufacturing cost



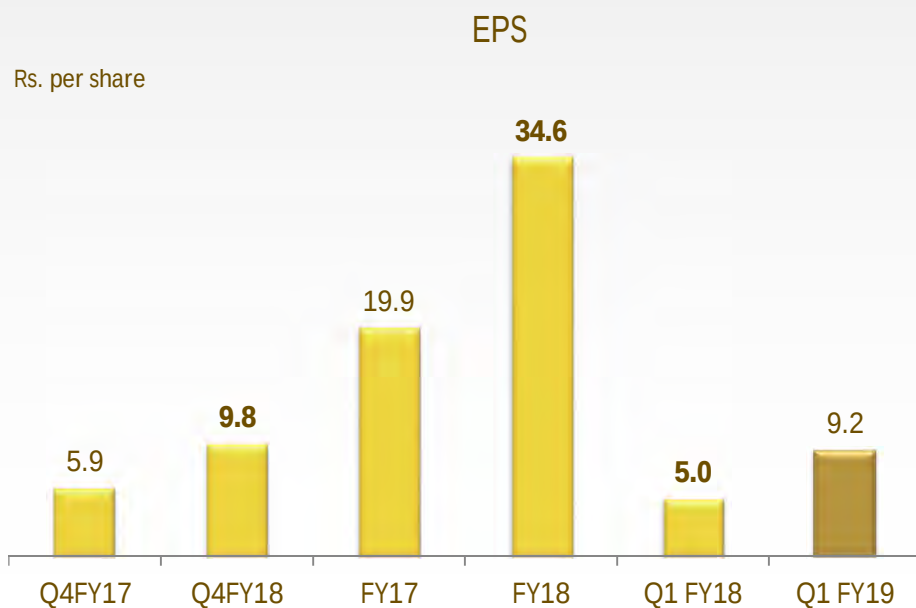
Note:
EBITDA includes exchange gain/loss;



Financials – Q1 FY19 Performance (Profits)



* Profit after tax including exchange gain(loss) fluctuation



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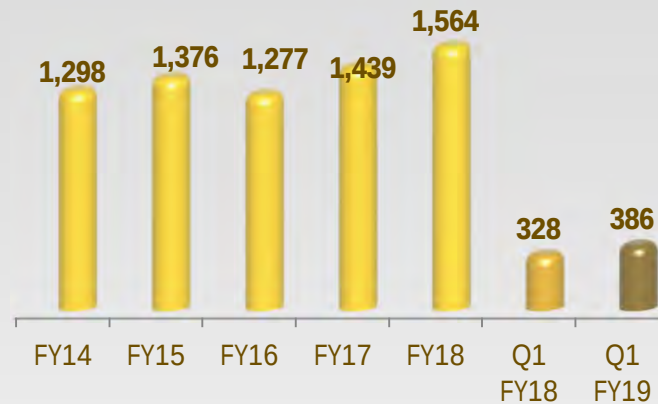
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Financials Performance Trends

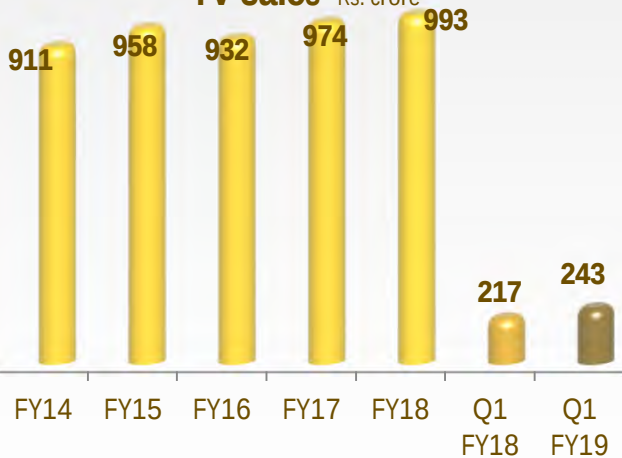
(Revenues)

Revenues (Rs. crore)

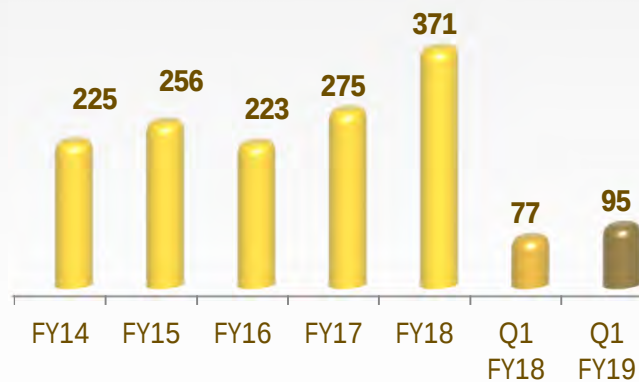


Jewelry & Lifestyle Products

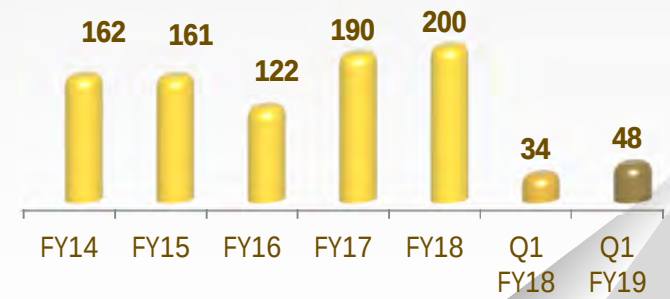
TV Sales Rs. crore



Web Sales Rs. crore



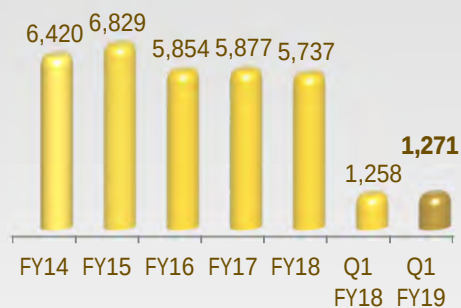
B2B Sales Rs. crore



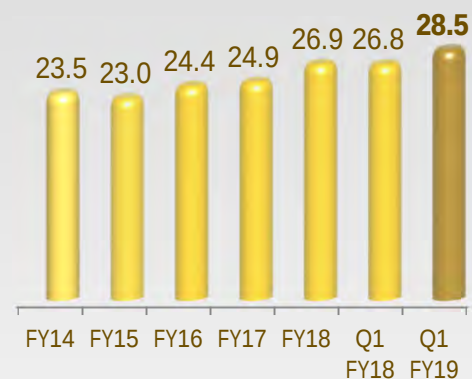
Retail Performance Trends

TV Sales

Sales Volumes ('000s)

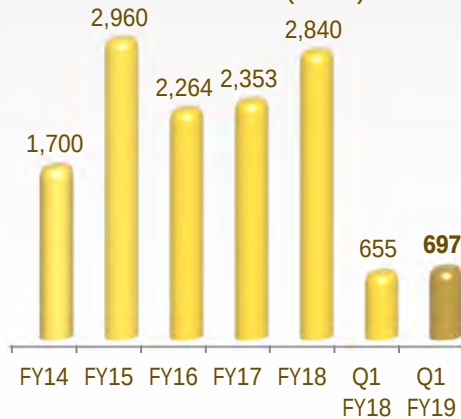


Average selling price US\$

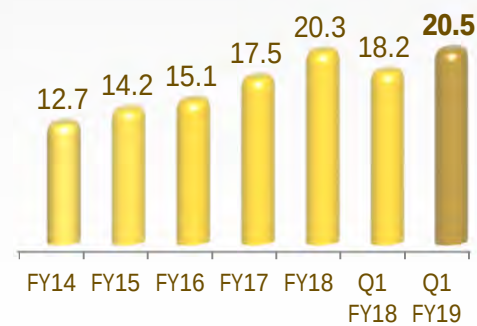


Web Sales

Sales Volumes ('000s)

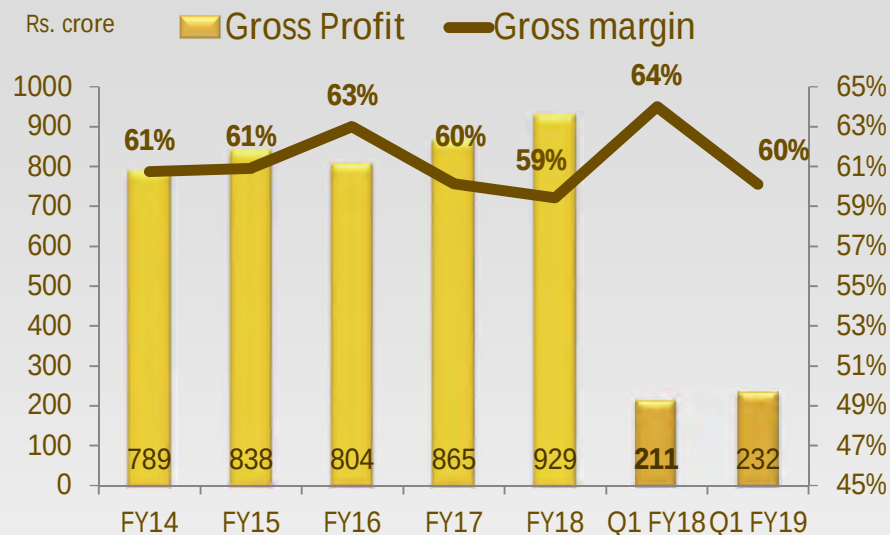


Average selling price US\$

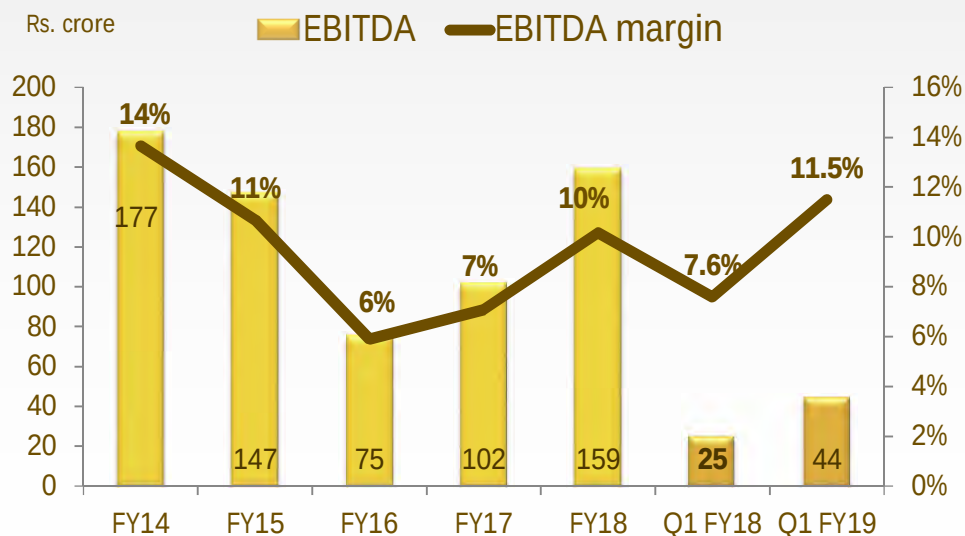


Financials Performance Trends

(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

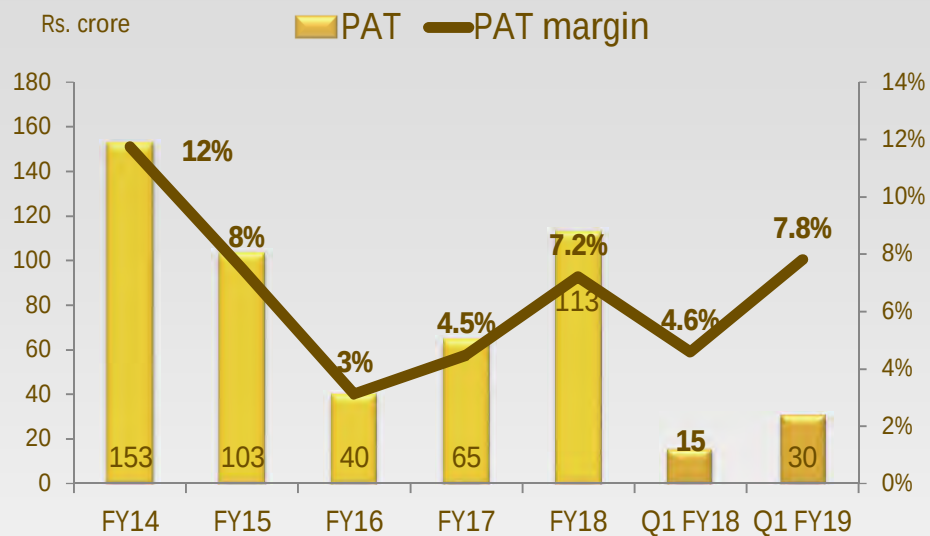


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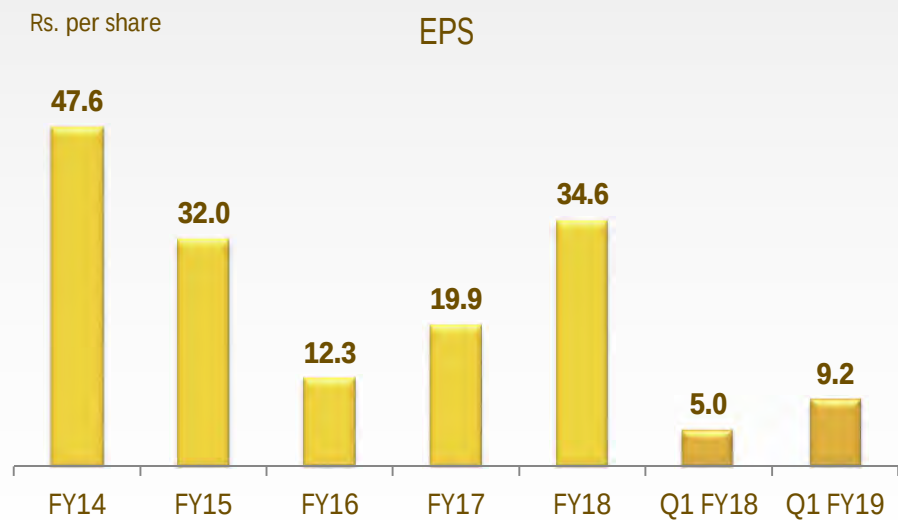


Financials Performance Trends

(Profits)



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



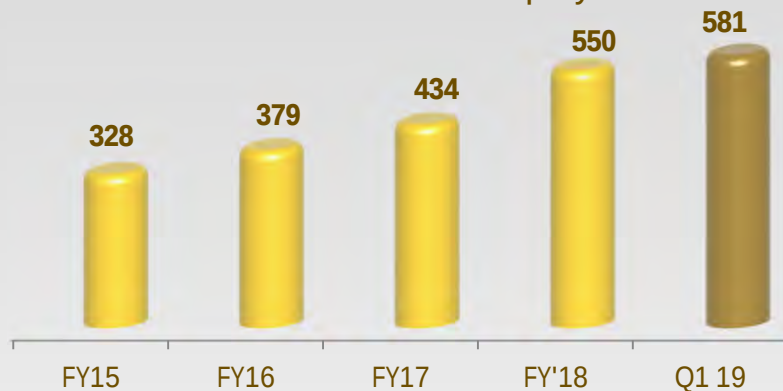
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Financial Performance Trends

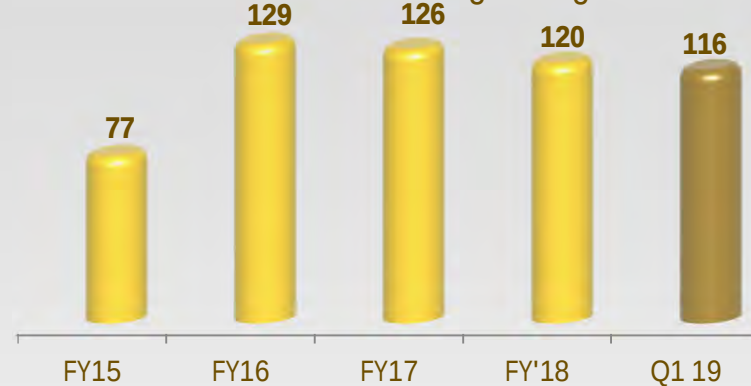
(Balance Sheet)

Rs. crore

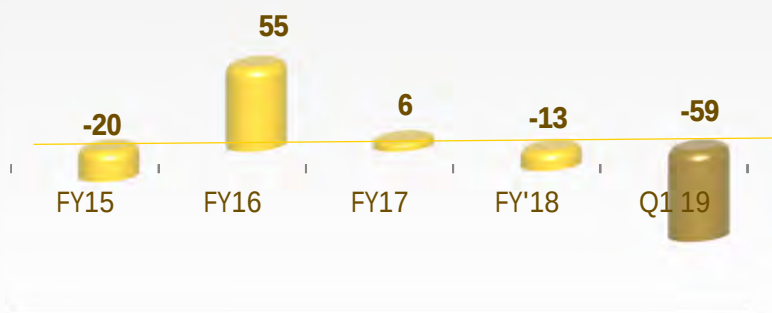
Shareholders' Equity



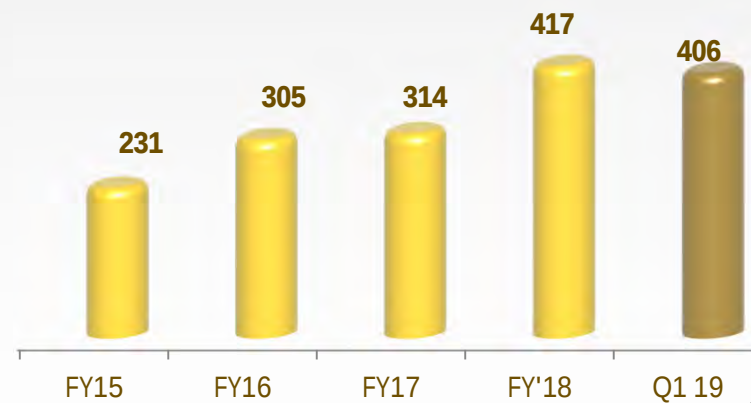
Fixed assets including intangibles



Net Debt



Net Current Assets

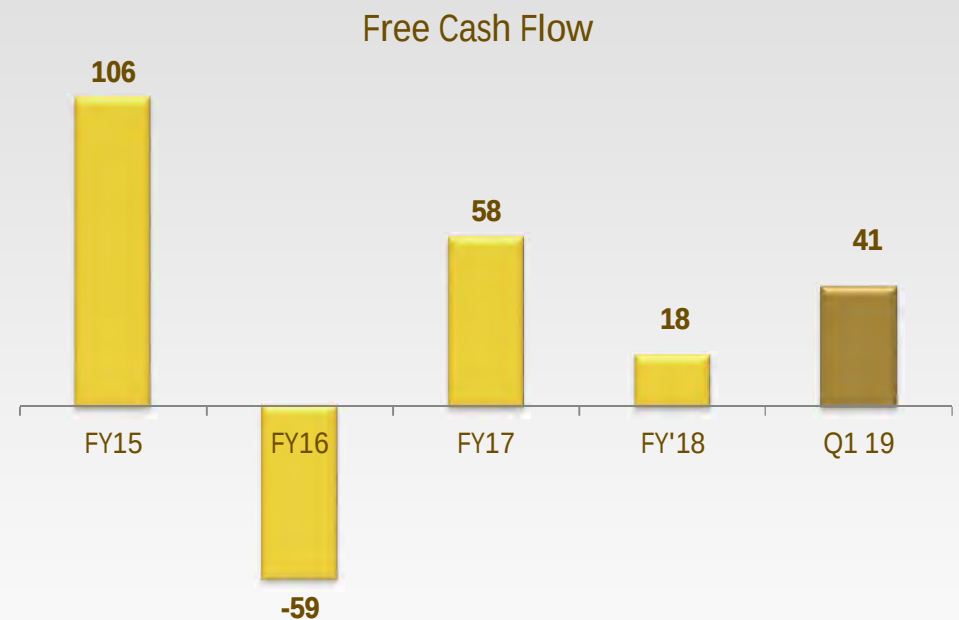
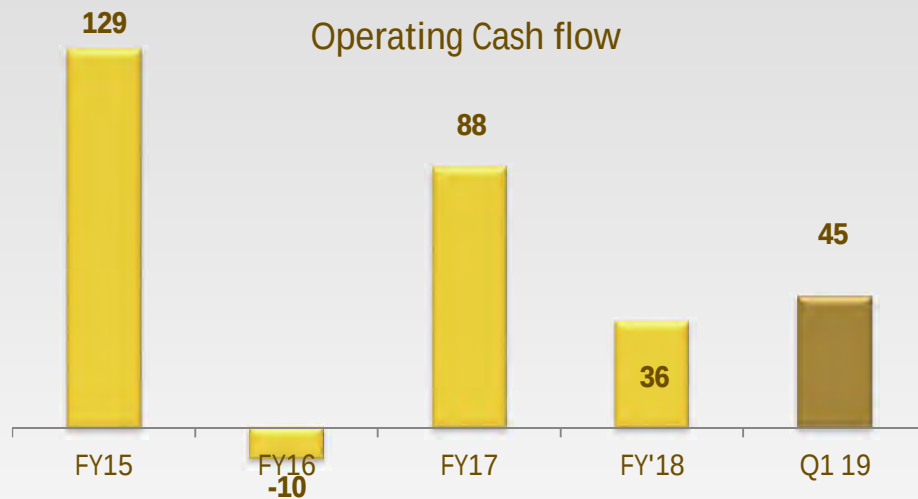


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Financial Performance Trends (Cash Flow)

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.



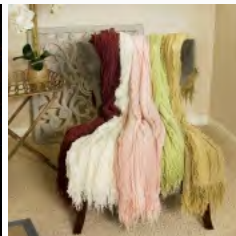
FASHION ACCESSORIES

- Watches
- Handbags
- Scarves, etc.



LIFESTYLE PRODUCTS

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



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

DESIGNER COLLECTIONS

SHOP ALL



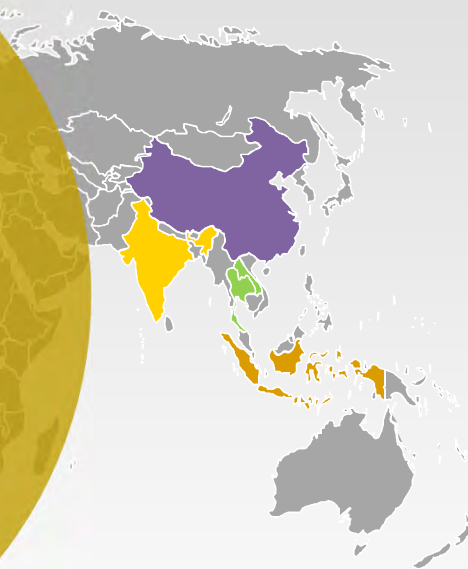
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Sourcing

*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



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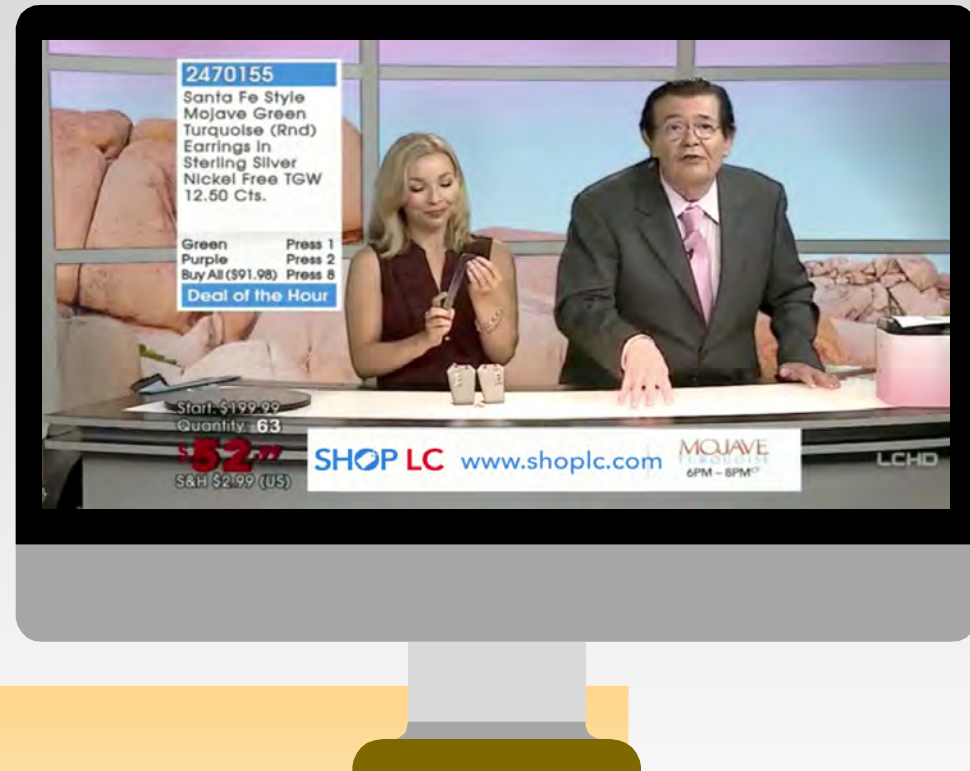


Manufacturing

- ✓ **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

- ✓ **61.1 million** households shopping (FTE, out of 120 mn)
- ✓ Based out of Austin, Texas USA
- ✓ **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 London
- ✓ **Over 150 people** in sales & marketing, customer service, logistics, TV production, e-commerce and support functions
- ✓ **State-of-the-art** auction/scheduling system;
- ✓ Targeted behavioural marketing through **IBM Unica** platform
- ✓ **TjC live stream** available on multiple platforms like **Youtube, Facebook**
- ✓ **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

- ✓ Multiple EMI option
- ✓ Apps for smart TV & mobile devices
- ✓ Better Website optimization for all devices
- ✓ Enhanced customer engagement
- ✓ Engaging customers through different sales channels like Facebook Shop, Ebay, Amazon etc.

SHOP LC
DELIVERING JOY

tjc

Retail Format

Rising Auction
FPC
Collections
Live TV
Clearance

Rising Auction
Live TV
Web Exclusive
Outlet
FPC



Investor Presentation May 2018



EARLY ADOPTERS AND CORD CUTTERS

HIGH DEFINITION AND IP BROADCAST

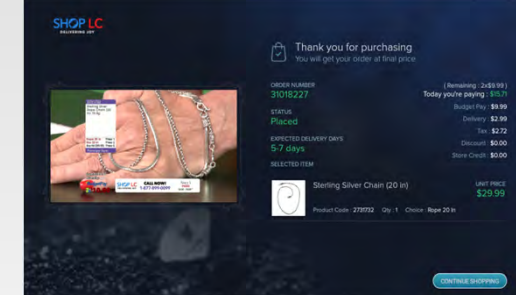
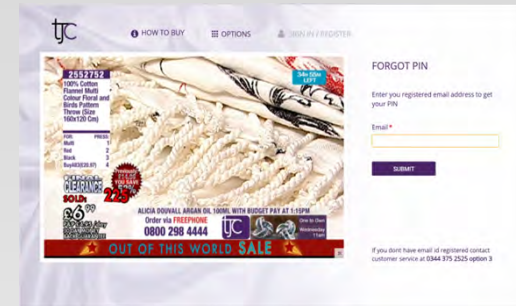
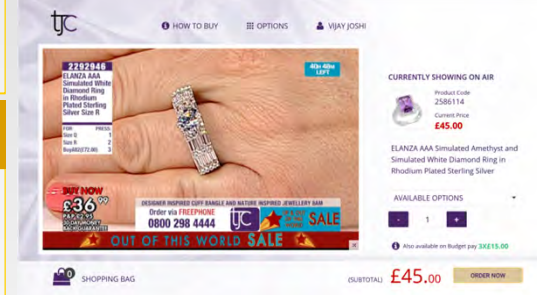
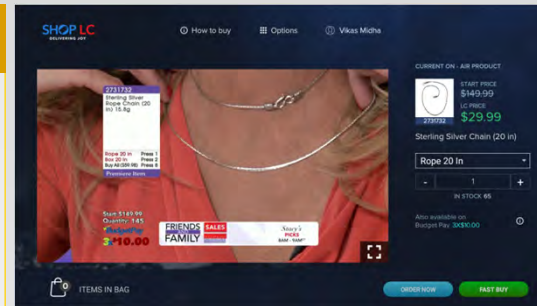
- **High Definition Broadcast**
 - Charter Communication
 - AT&T
 - Hotwire, Cincinnati Bell
- Adoption of new technology of Broadcasting
 - Reducing dependency on Infrastructure
 - Minimizing downtime as IP would broadcast it via internet

EXPANSION INTO OVER THE AIR PRESENCE (OTA)

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

SMART TV AND STREAMING DEVICES (IPTV)

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



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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.



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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**