



VAIBHAV GLOBAL LIMITED

Ref: VGL/CS/2017/19

Date: 07th February, 2017

National Stock Exchange of
India Limited (NSE)
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra, Mumbai – 400051

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001

Scrip Code: VAIBHAVGBL; 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 & 9 Months FY 2017.

Kindly take the above on record.

Thanking you,

Yours Truly,

For Vaibhav Global Limited

Brahm Prakash
Company Secretary



Vaibhav Global Limited

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

Financial Results Presentation
Q3 & 9M FY2017

February 2017



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

- 111 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

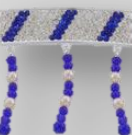
- Established and efficient manufacturing operations in Jaipur, India
- Outsourcing from China, Thailand, Indonesia and India; aggressive trend spotting initiatives

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

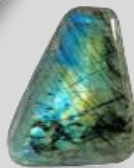


Table of Contents

Q3 & 9M FY17 Financial Performance	5
Financial Performance Trends	12
Business Background Details	20



Key Highlights for Q3 & 9M FY17

Home TV Network Reaches 111 Mn Households, FTE Coverage Increases 2.4% YoY

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

Q3FY17 Retail Volumes at 2.4 Million Units, up 12% YoY

- Home TV shopping volumes at 1.79 million units
- Web shopping volumes at 0.61 million units
- Resumption of positive volume growth on both platforms
- Deep customer engagement drives repeat purchases

Q3FY17 - Financial Performance

- Total Revenue at Rs. 405 crore, up 14.6%
- EBITDA at Rs. 36 crore, up 49.1%
- Gross Margin stood at 58.3%
- PAT at Rs. 23 crore, up 87%

Operating Highlights

- Presence in **86 million (FTE)** households in the US (out of 125 million total households)
- Focus on strengthening in-house brands, improve programming via engaging storytelling and on-air guest experts to improve customer experience
- Liquidation Channel re-branded Shop LC in the US
- Budget Pay launched on TjC UK TV channel in Oct'16
- Mobile App launched for Shop LC, USA
- Budget Pay launched for website ShopLC.com in the US

Chairman's Message

Commenting on Q3 & 9M FY17 performance, Mr. Sunil Agrawal, Chairman and Managing Director, Vaibhav Global said:



*“Our third quarter financial performance demonstrates accelerating growth momentum with revenues expanding by **14.6%** YoY on net basis. We have witnessed encouraging expansion in volumes which grew **12%** YoY as per guidance. Gross margins were impacted due to higher B2B sales contribution and the devaluation of GBP which affected UK revenues for the first 9 months of this year. However, core retail business margins are stable and per unit contribution remains significant, based on our low cost manufacturing / procurement capabilities which is a key differentiator for the Company.*

We continue on the path of evolution and successfully undertook the rebranding of Liquidation Channel to Shop LC. Over the years, we have expanded our offerings to include a range of lifestyle and fashion products and Shop LC more appropriately reflects our current business model with its wide-ranging merchandise offerings. We also recently launched the mobile application for Shop LC which is seeing a good number of downloads and initial sales activity. We have also introduced Budget Pay instalment options for our UK TV customers and US web customers, and expect to offer Budget Pay to UK web customers very soon. Our partnership with ‘Magic Breakfast’ in the UK expanded the TjC One for One program, which has successfully delivered over 7 million meals since its inception in January 2015. This unique program has been very well regarded with our customers in the UK and the encouraging response has helped us tide over the uncertainties witnessed post Brexit. Our ongoing initiatives to engage more deeply with buyers are being widely welcomed and we saw another \$ 1 Million Day performance for Black Friday in the US.

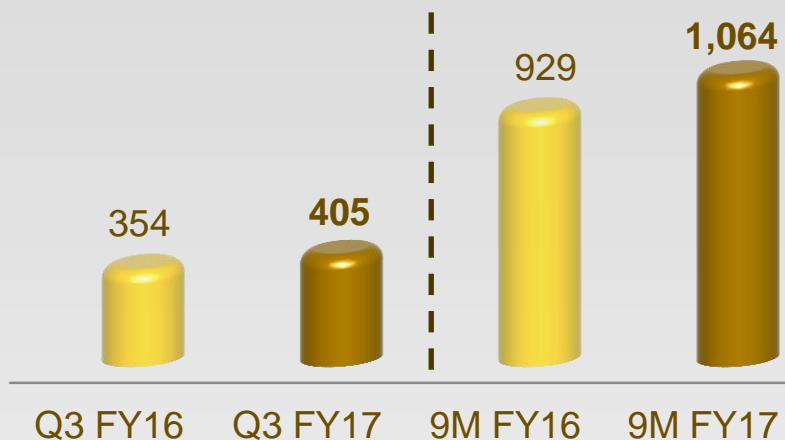
I would like to reiterate here that we remain extremely confident about the business model as we have already made significant investments in gaining strong customer visibility and look forward to expand our deep value proposition to them and also enhance value to all our other stakeholders.”



Financials – Q3 & 9M FY17 Performance

(Revenues)

Revenues (Rs. crore)

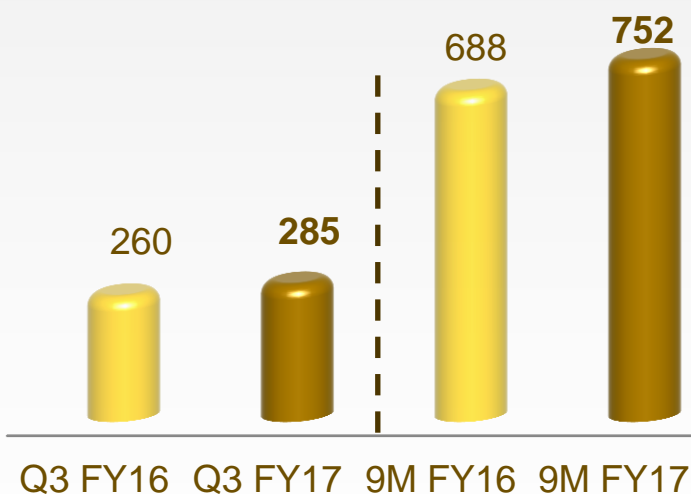


Net Revenue

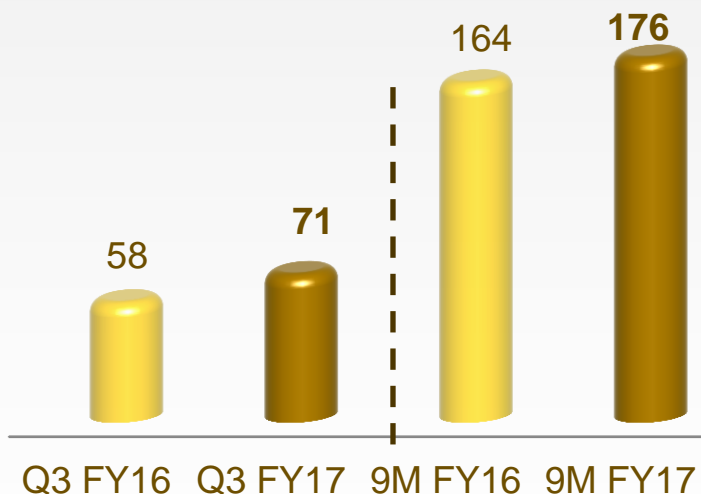
Local Currency	Q3 FY17	Q3 FY16	% Change
LC – USD mn	40.5	34.6	17.3%
UK – GBP mn	9.9	9.1	9.8%

Jewelry & Lifestyle Products

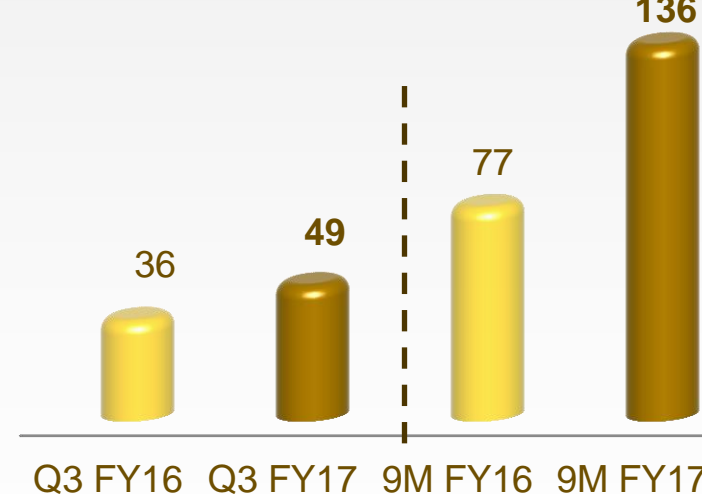
TV Sales Rs. crore



Web Sales Rs. crore



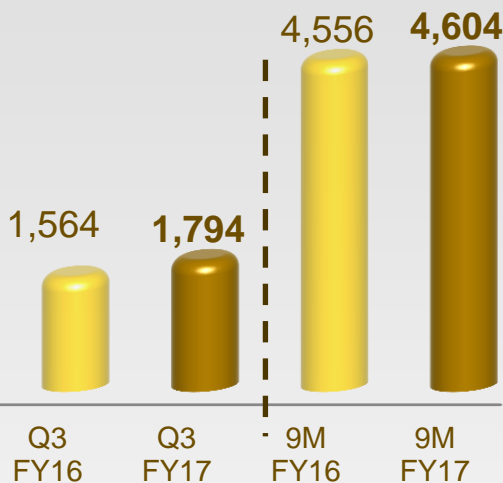
B2B Sales Rs. crore



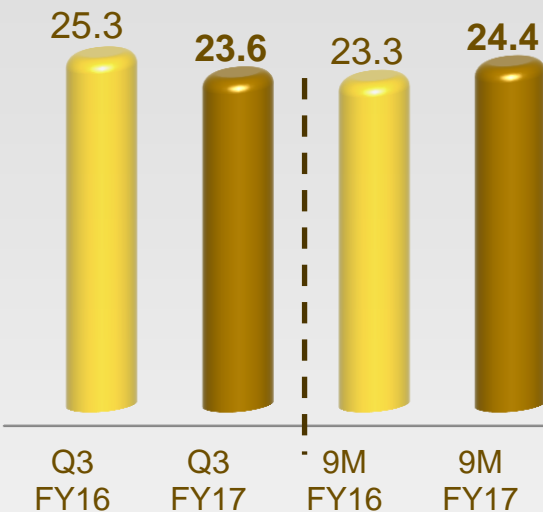
Retail Performance Trends

TV Sales

Sales Volumes ('000s)

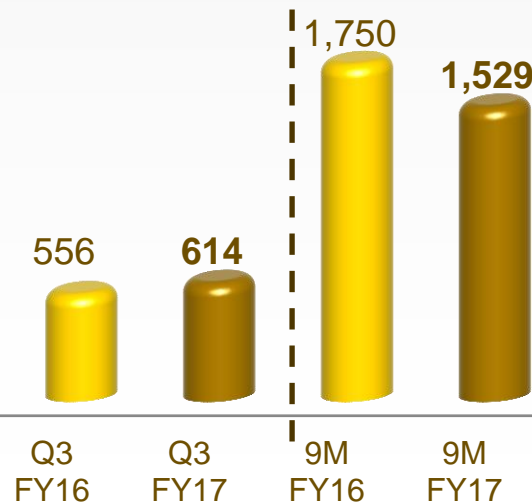


Average selling price US\$

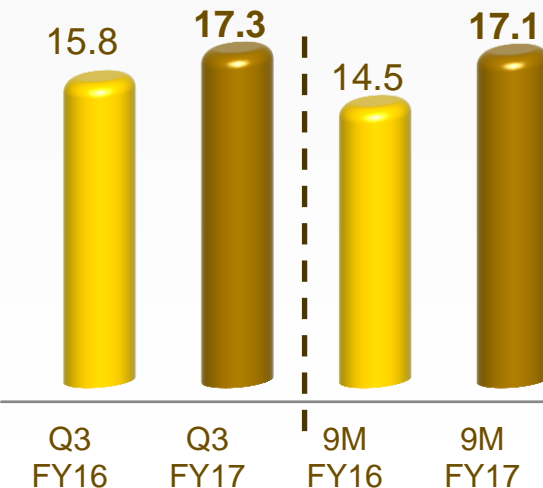


Web Sales

Sales Volumes ('000s)



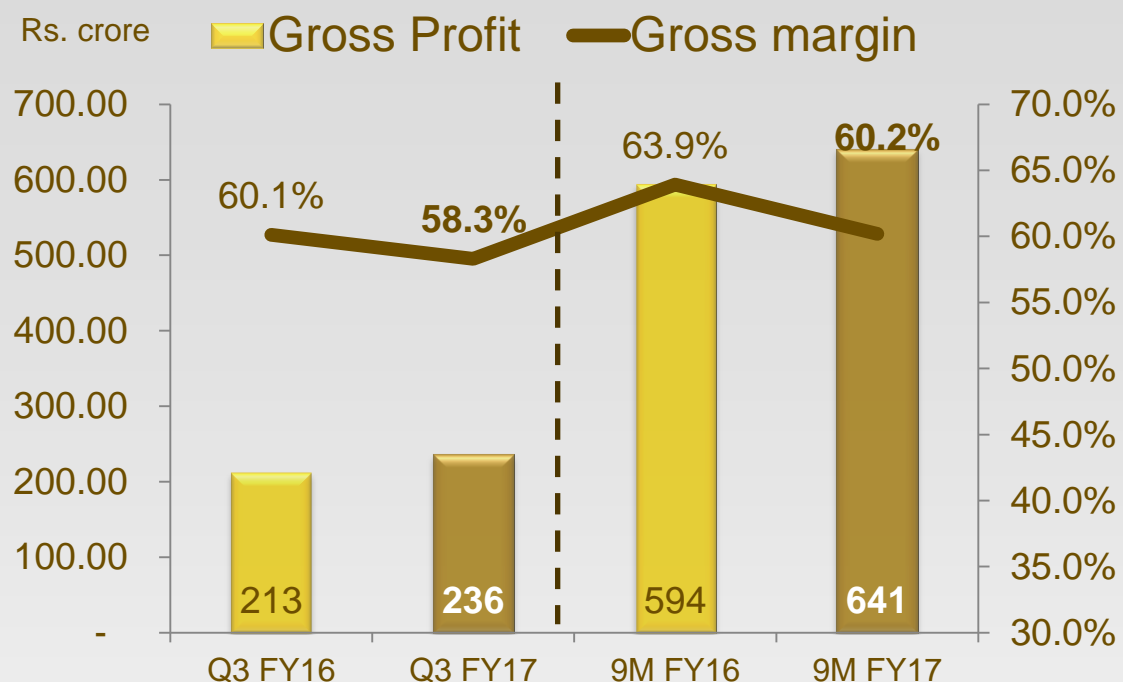
Average selling price US\$



- 'Budget Pay' EMI scheme, in-house brands and easy returns policy led to robust sales growth
- TV volumes grew by 14.7% YoY in Q3FY17
- TV ASP reduced from Q1 \$27 to Q3 \$24
- Web volume growth returned affirming our deeper consumer engagement; growing 10.4% YoY in Q3FY17
- Web ASP went down from Q1 \$18 to Q3 \$17

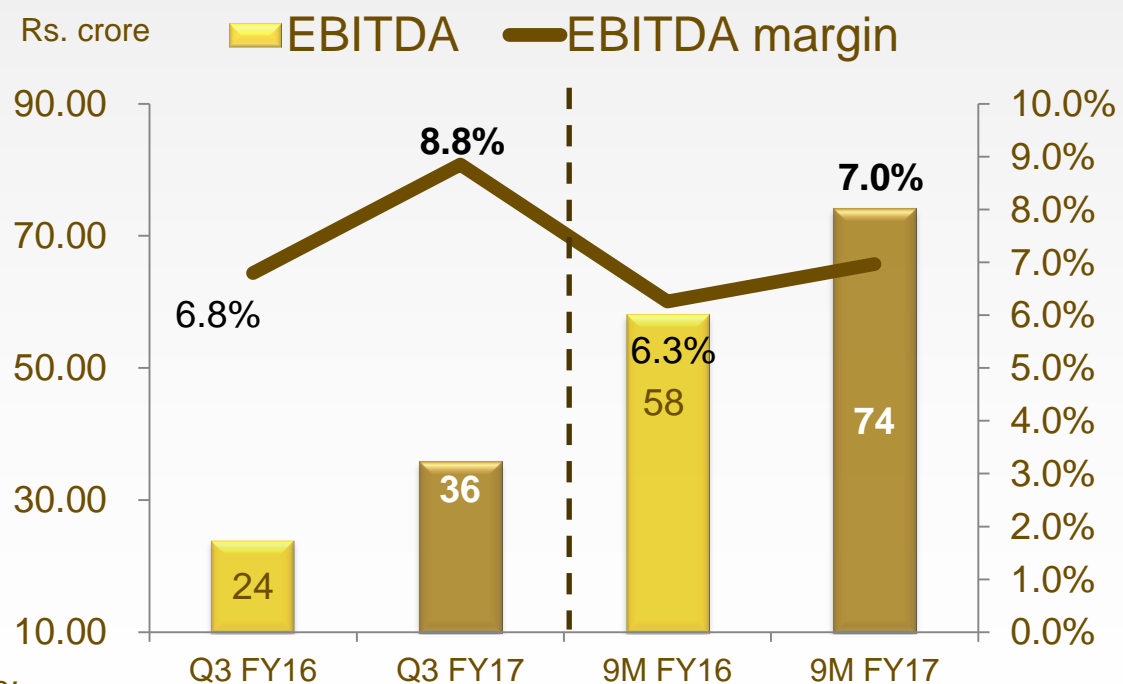
Financials – Q3 & 9M FY17 Performance

(Margins)



- Q3FY17 gross margin is in line with expectations – decline is due to:
 1. GBP devaluation translation to INR
 2. Higher revenue contribution from opportunistic B2B sales

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



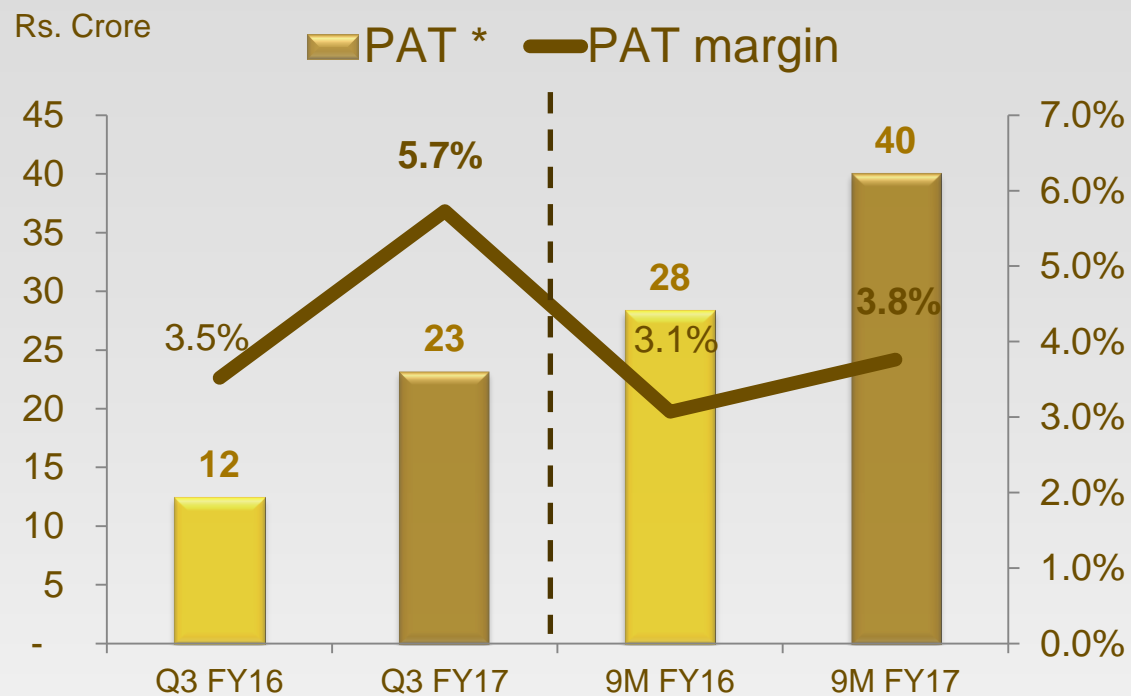
- EBITDA increased aided by higher topline and operating leverage of business

Note:
 EBITDA excludes exchange gain/loss;
 EBITDA margin including exchange gain/loss stood at 8.6% in Q3FY17 v/s 6.5% in Q3FY16
 EBITDA margin including exchange gain/loss stood at 6.8% in 9MFY17 v/s 6.5% in 9MFY16

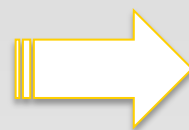


Financials – Q3 & 9M FY17 Performance

(Profits)



* Profit after tax without exchange gain(loss) fluctuation.



- Q3FY17 net margin expanded 220 bps to 5.7% as operating profit growth saw strong translation into PAT growth of 93.8%

Rs. per share

EPS

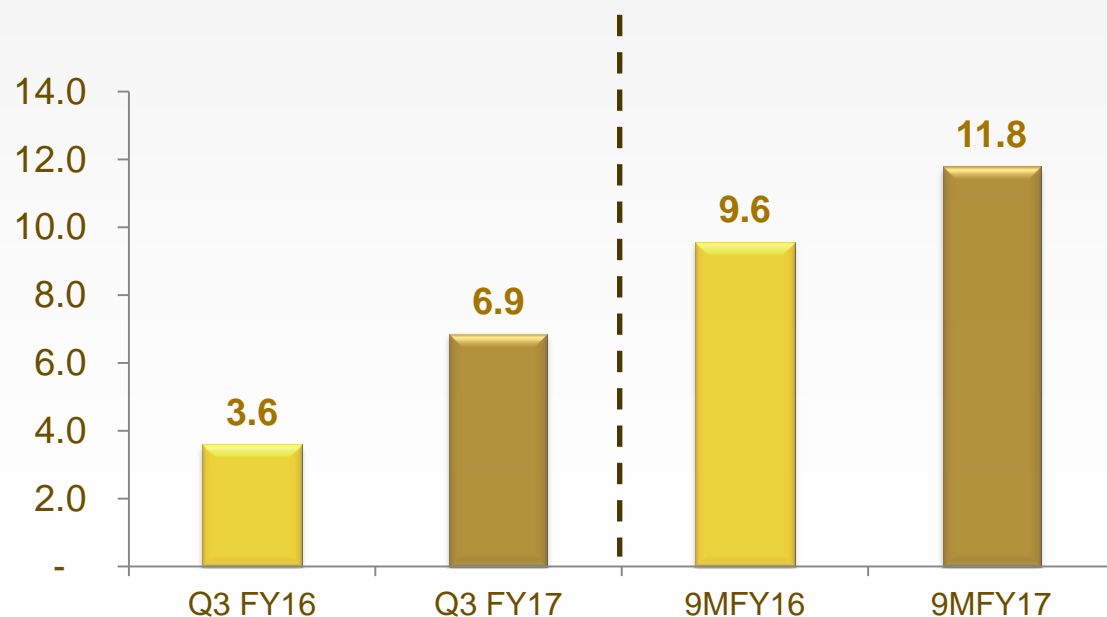
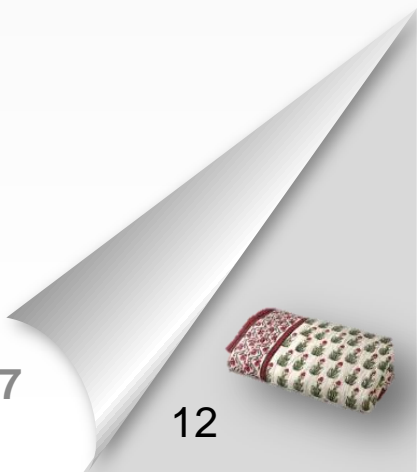


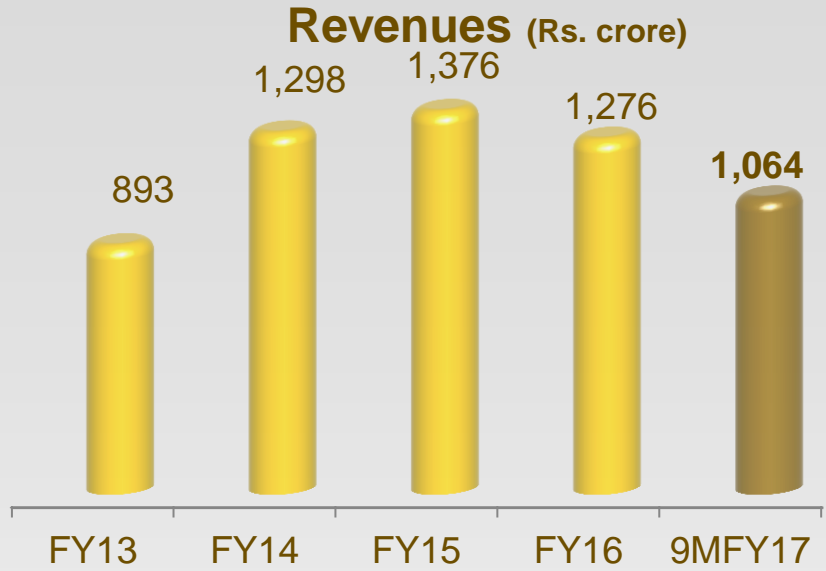
Table of Contents

Q3 & 9M FY17 Financial Performance	5
Financial Performance Trends	12
Business Background Details	20



Financials Performance Trends

(Revenues)

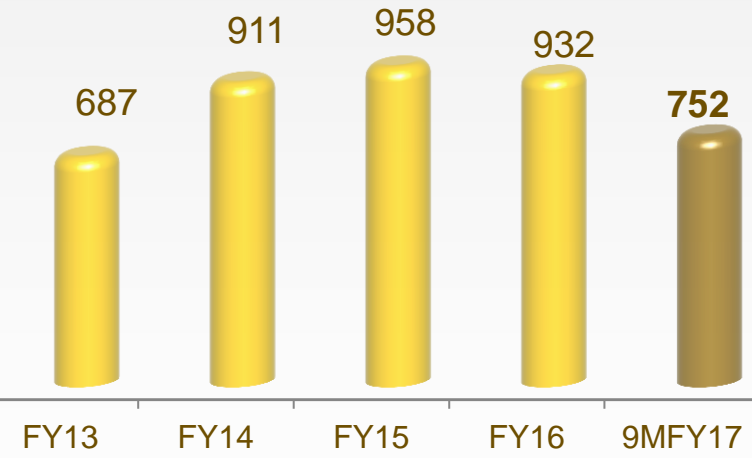


Net Revenue

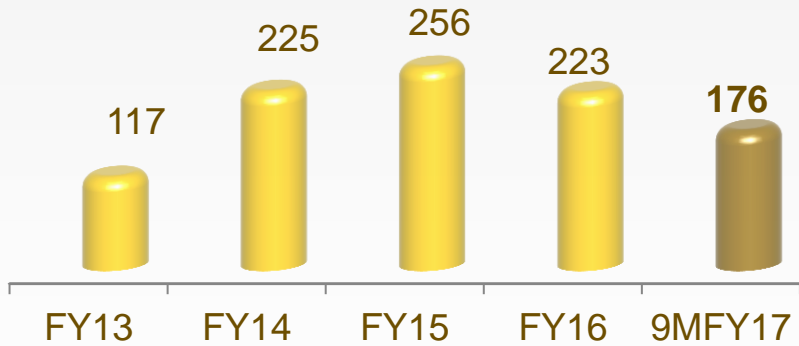
Local Currency	Q3 FY17	Q3 FY16	% Change
LC – USD mn	104.5	95.0	10.1%
UK – GBP mn	25.9	23.9	8.3%

Jewelry & Lifestyle Products

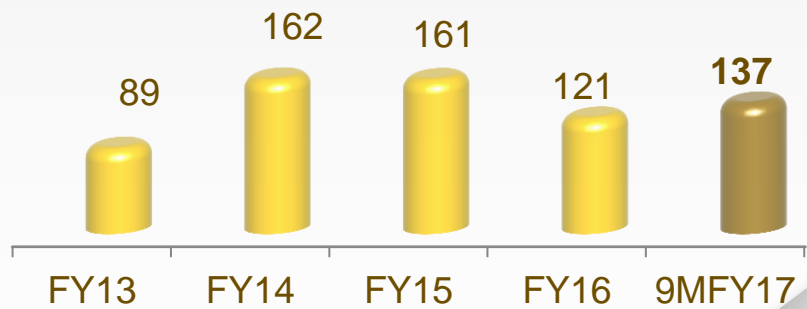
TV Sales Rs. crore



Web Sales Rs. crore

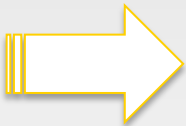
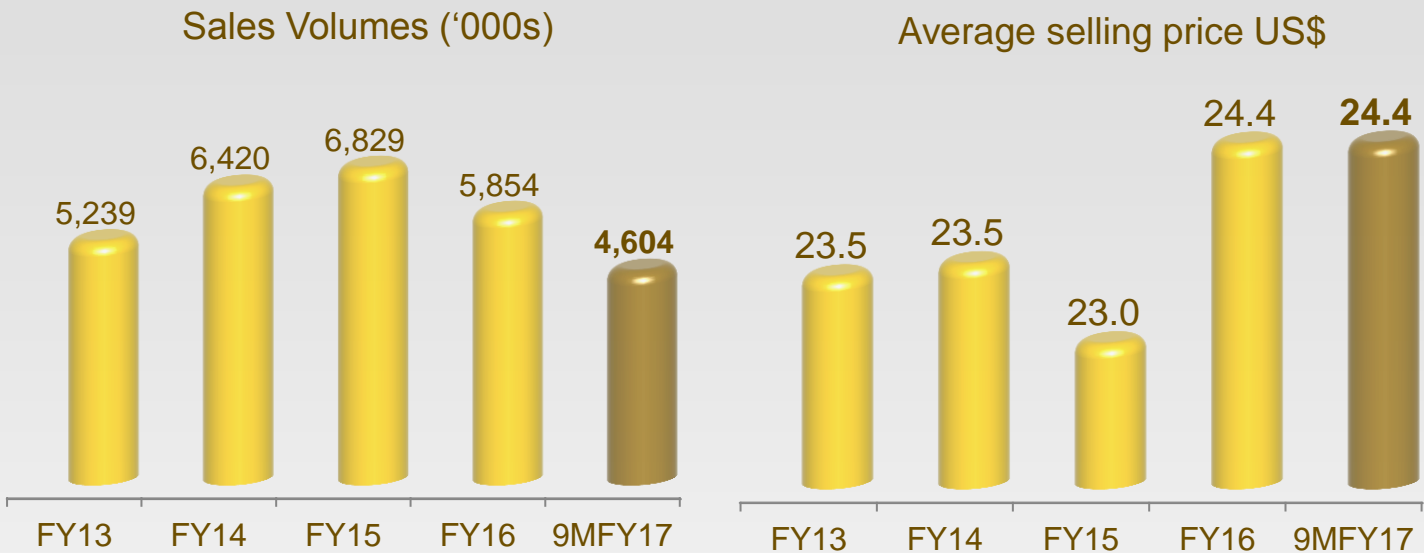


B2B Sales Rs. crore



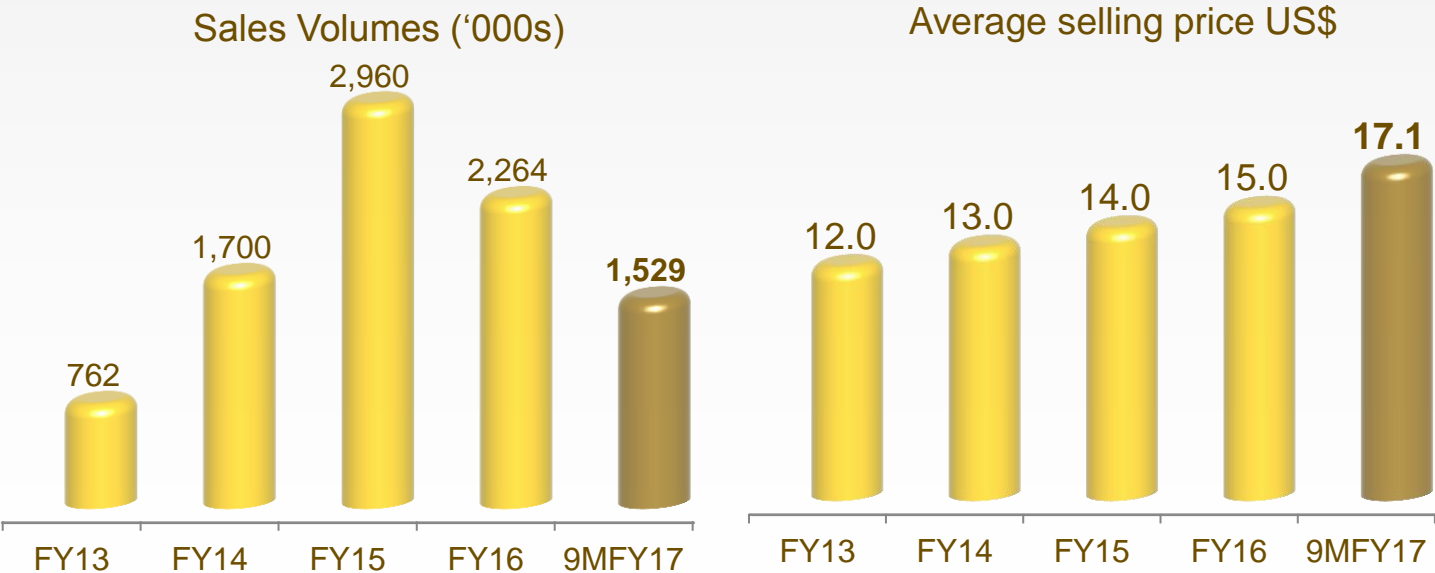
Retail Performance Trends

TV Sales



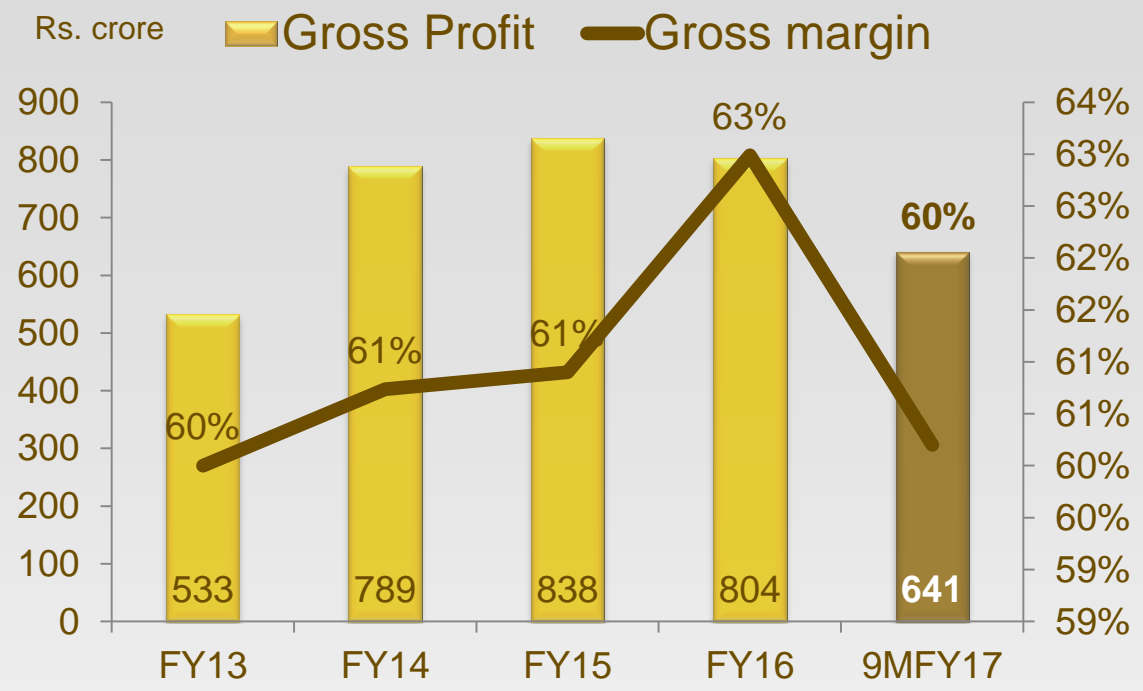
- 'Budget Pay' EMI scheme and easy returns policy led to strong volume growth while keeping realisations stable

Web Sales

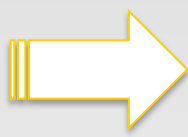


Financials Performance Trends

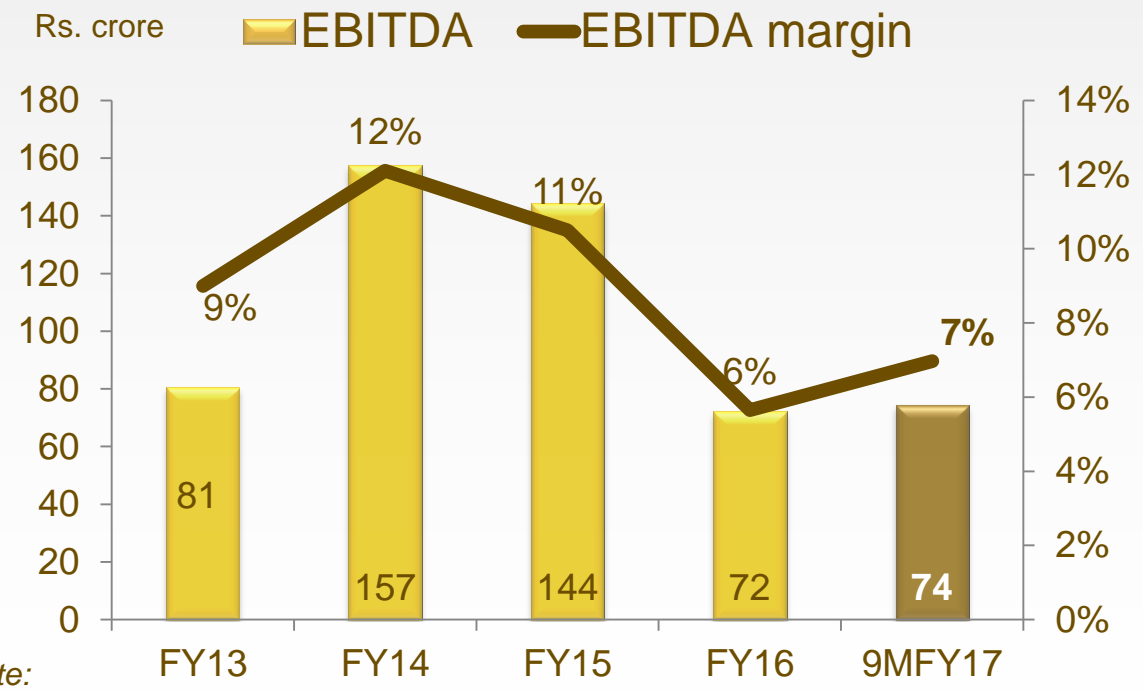
(Margins)



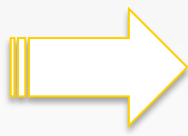
Note: Direct costs for calculation of gross profit includes material cost, job work charges and manufacturing cost



- Retail gross margin is in line with expectations – decline is due to:
 1. GBP devaluation translation to INR
 2. Higher revenue contribution from opportunistic B2B sales



Note: EBITDA excludes exchange gain/loss; EBITDA margin including exchange gain/loss stood at 6.8% in 9MFY17 v/s 6.5% in 9MFY16

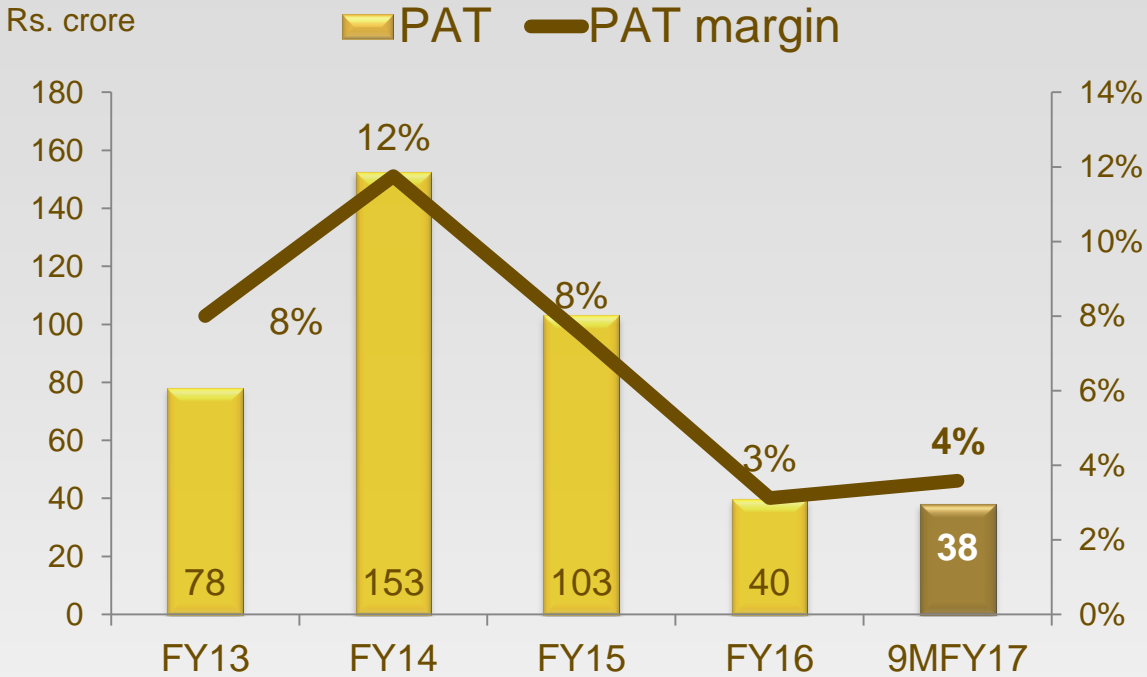


- EBITDA increased aided by higher topline and operating leverage of business



Financials Performance Trends

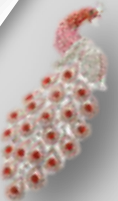
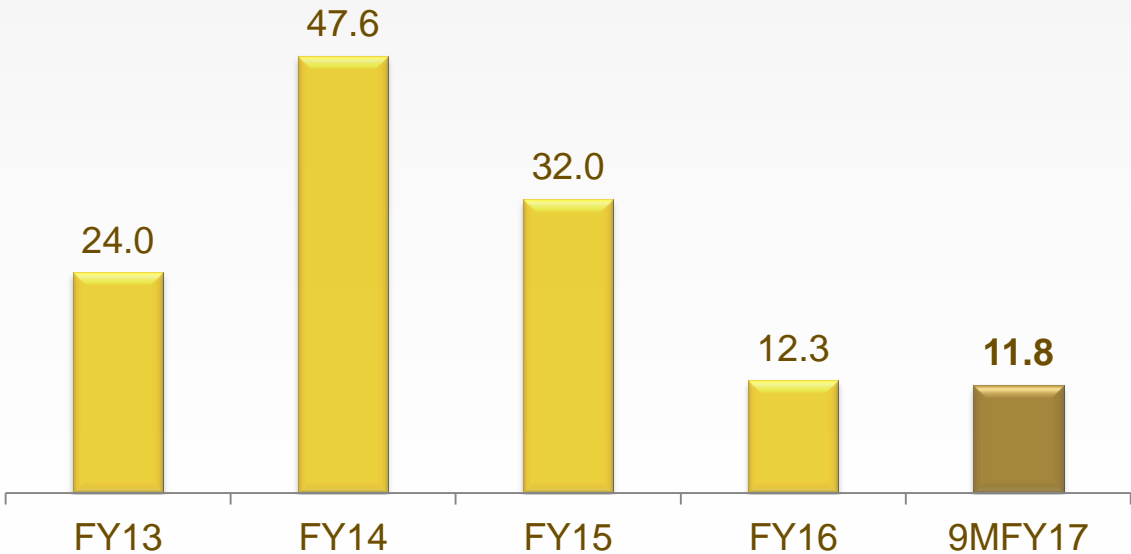
(Profits)



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

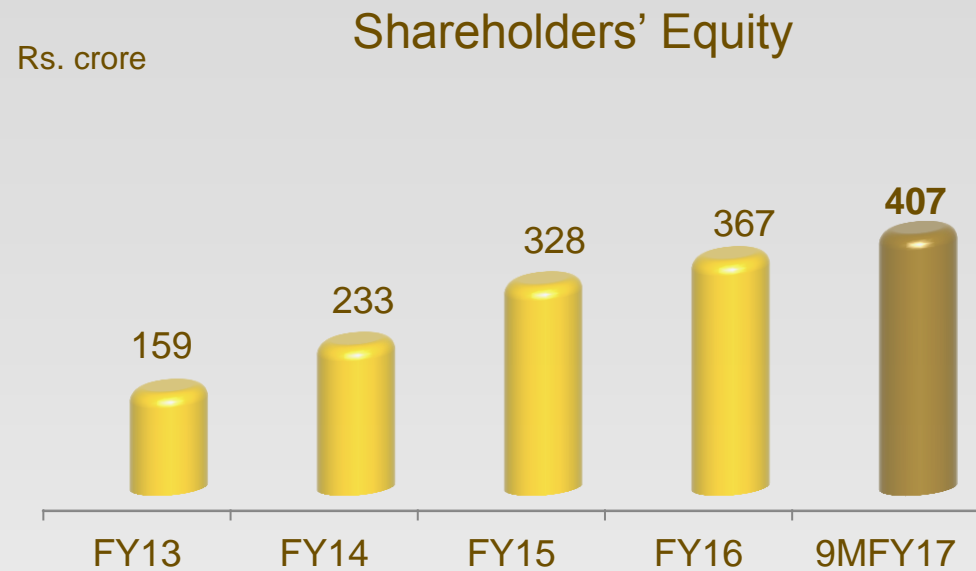
Rs. per share

EPS

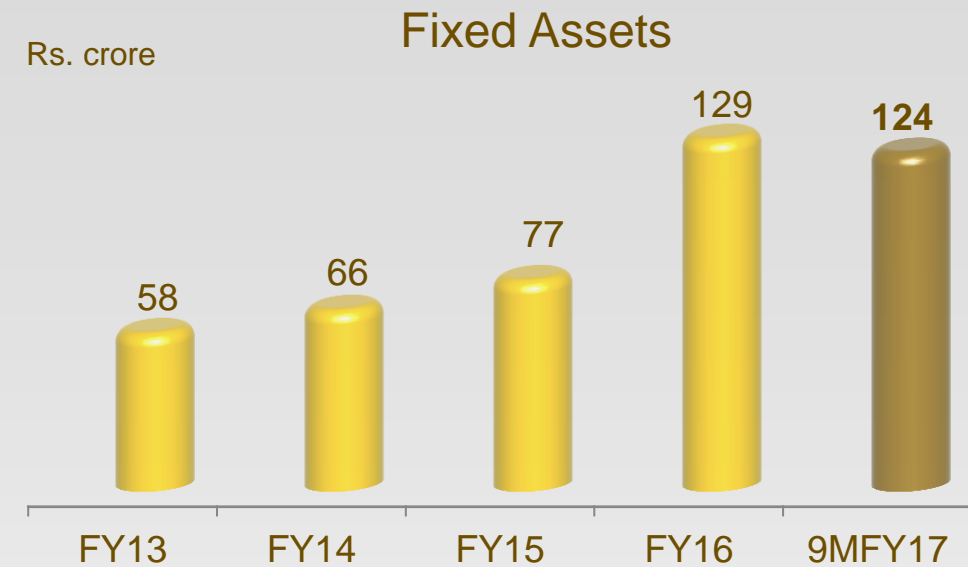


Financials Performance Trends

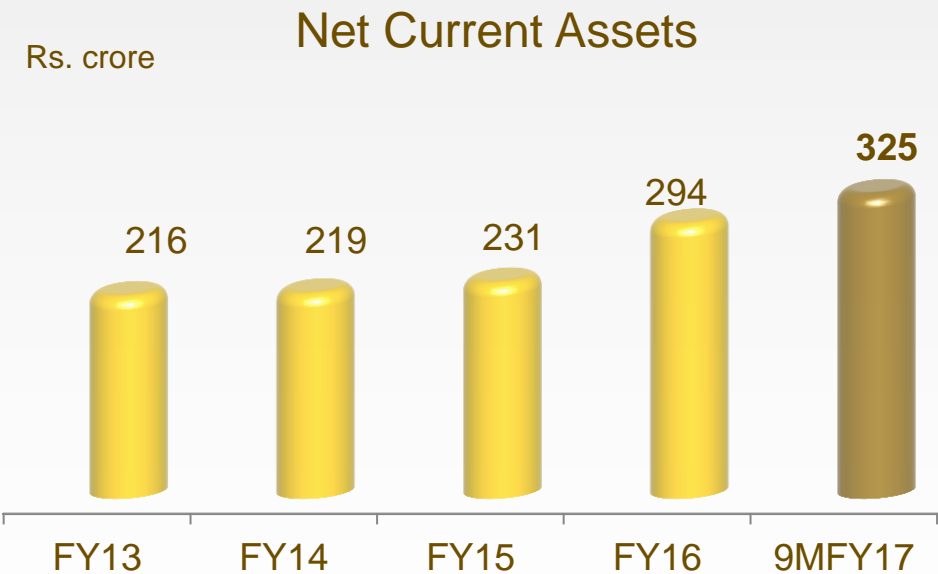
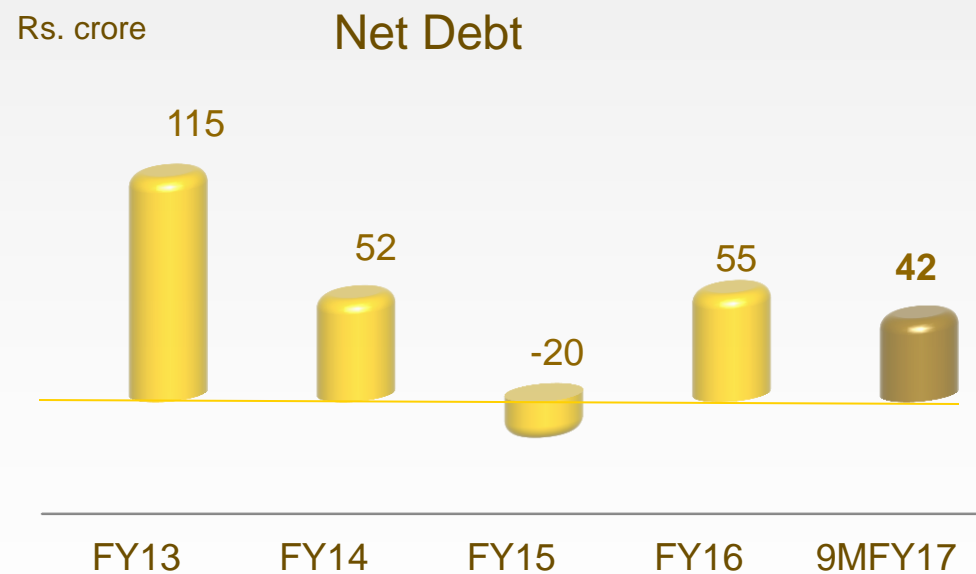
(Balance Sheet)



* During FY13, Shareholders' Equity was adjusted lower by Rs. 163.7 crore due to goodwill written off (Rs. 151.1 crore), provision for CDR recompense interest (Rs. 11.2 crore) and write off on liquidation of subsidiary (Rs. 1.5 crore)

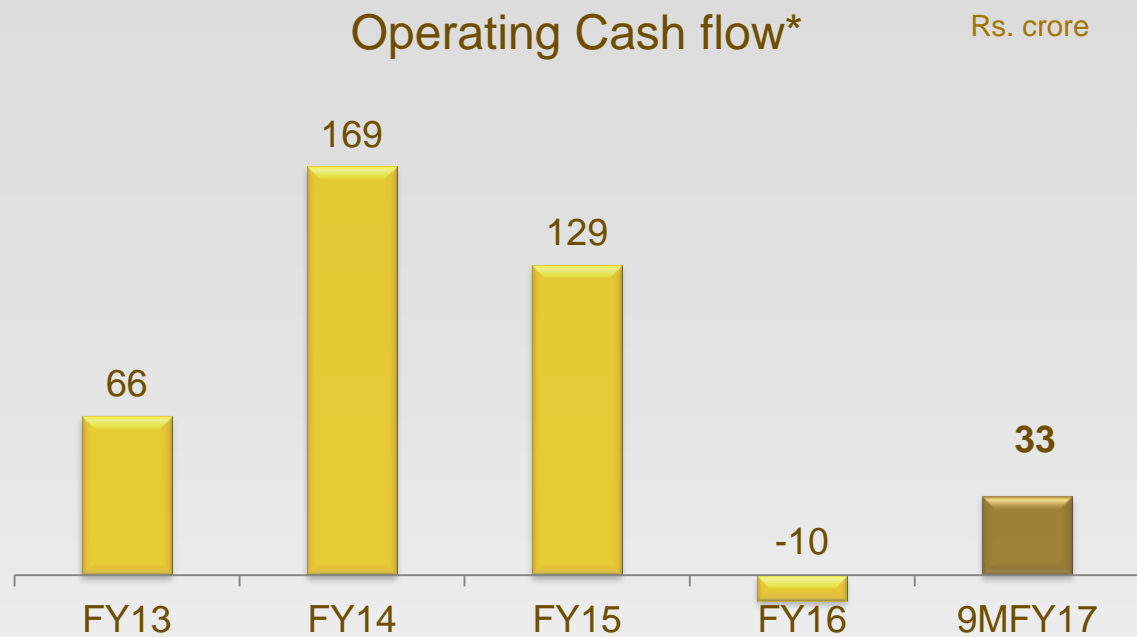


- During FY13 fixed assets were adjusted lower by Rs. 151.1 crore due to goodwill written off
- FY16 includes Rs. 11 crore for new channel in UK and around Rs. 28 crore for HYBRIS, both of which were lying in work in progress

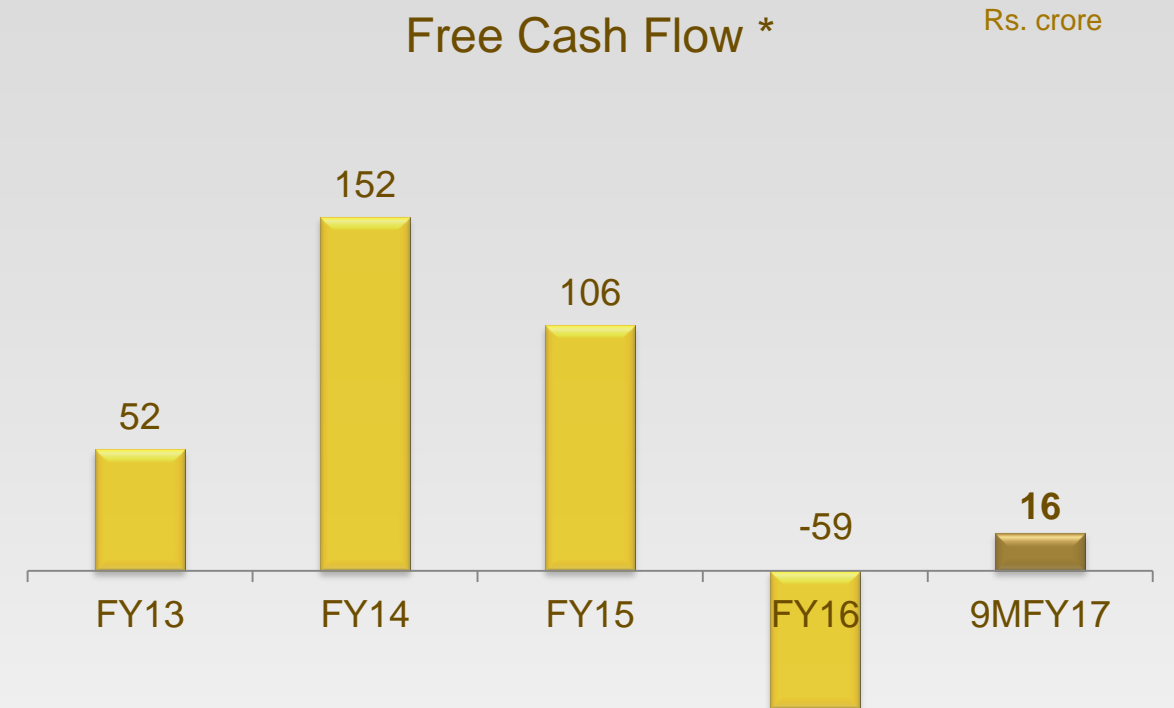


Financials Performance Trends

(Cash Flow)



**Includes Foreign Currency Transaction Reserve*



**Includes Foreign Currency Transaction Reserve*

- Positive cash flow has re-emerged as we have almost completed our expansionary CapEx.
- Cash flows have been invested into establishing enhanced manufacturing facilities, more household coverage and towards deeper customer engagement through Budget Pay EMI scheme, returns policy.



Table of Contents

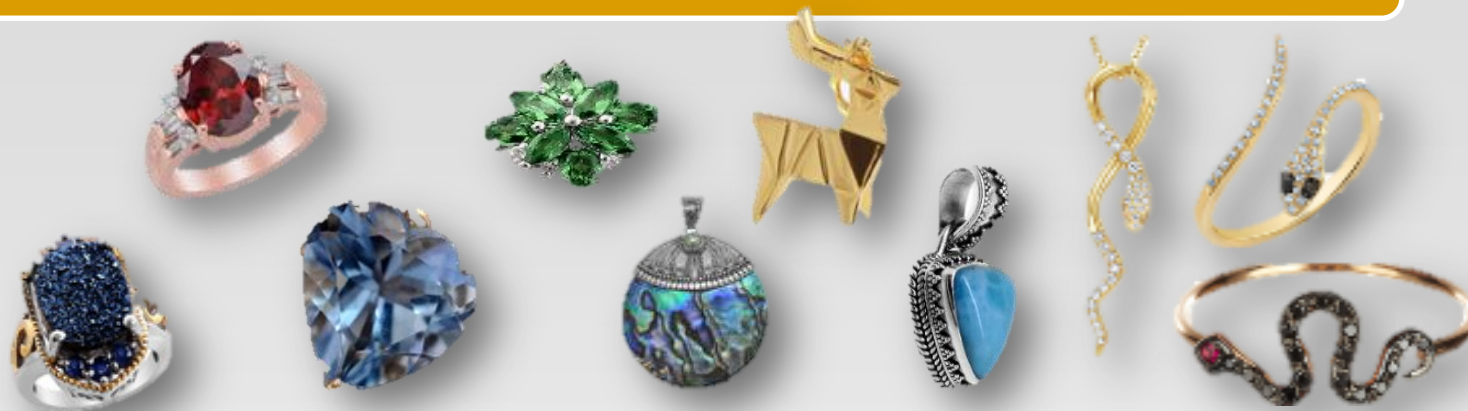
Q3 & 9M FY17 Financial Performance	5
Financial Performance Trends	12
Business Background Details	20



Product Profile

FASHION JEWELLERY

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



FASHION ACCESSORIES

- Watches
- Handbags
- Scarves, etc.

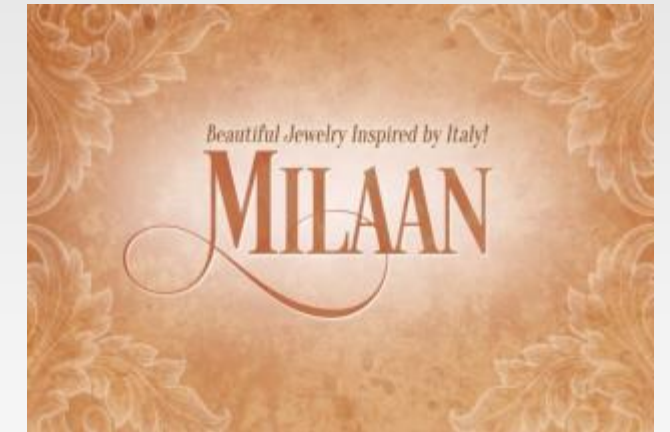


LIFESTYLE PRODUCTS

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



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



homesmart

Dall'Italia

GP
GIUSEPPE PEREZ
COLLECTION

Hidden Treasures

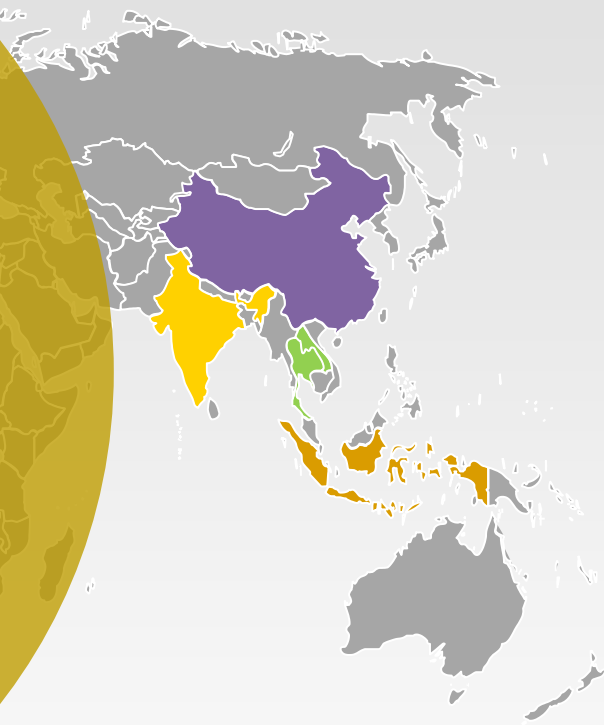
DESIGNS by Prachi



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

- ✓ Four **ISO 9001:2008** facilities in **Jaipur**, with capacity of producing **7 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 **3,000** 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 – US & Canada (Consumption Markets)



Channel #274



Channel #399
& 1399

Verizon **FIOS**

Channel #159



Channel #75 &
226



*

ROKU

*

**TIME WARNER
CABLE**

*

Charter

*

comcast

*



Shop LC, USA & Canada

- ✓ **86 million** households shopping (FTE, out of 125 mn)
- ✓ Based out of Austin, Texas
- ✓ **Over 500 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)



Channel #49



Channel #815



Channel #650 &
#652



Channel #757



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 on TV soon
- ✓ 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 on web
- ✓ 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

- ✓ Latest DemandWare Platform
- ✓ Better Website optimization for all devices
- ✓ Enhanced customer engagement
- ✓ Europe delivery started through E-commerce platform
- ✓ Launched Ebay store recently
- ✓ Aggressive digital marketing campaigns

Retail Format

LC US & Canada

Rising Auction
Catalogue Price
Collections
Live TV
Clearance

TJC UK

Rising Auction
Live TV
Web Exclusive
Sale
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, they 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



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



- 24 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



- 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



- 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 , Strategy – 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

Pushendra Singh

Vice President , Human Resources Asia



- 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

Koteswara Rao N

General Manager - IT, VGL India



- Over 21 years of IT experience involving Delivery Management, Program Management, Process & Productivity Management, Technical Design & Solutions, Application Development for business applications.
- Before joining VGL, he has gained 11 years of experience with Infosys.



Contact Information

For more information on Vaibhav Global Limited, please contact:

Puru Aggarwal

Vaibhav Global Limited

+91-141-2770648

Puru.Aggarwal@vglgroup.com

Ankit Sahay

Vaibhav Global Limited

+91-141-2770648

Ankit.Sahay@vaibhavglobal.com

Shiv Muttoo / Karl Kolah

CDR India

+91 22 6645 1207/1220

shiv@cdr-india.com

karl@cdr-india.com





**Thank
You**