



Vaibhav Global Limited

Q2 & H1 FY22 Financial Results

Resilient Performance, Expanding Digitally and Geographically

Declared interim dividend of Rs. 1.5 per share

Jaipur, October 28, 2021: Vaibhav Global Limited (VGL), a global E-tailer of Fashion Jewellery, Apparels, Lifestyle Products and Accessories on TV and Digital Platforms, announced its financial results for the quarter and half year ended September 30, 2021.

Financial Performance Highlights:

Q2 & H1 FY22 performance overview

- Q2 and H1 revenue grew by 6.0% and 14.6% Y-o-Y respectively. Compared to same periods of FY20, revenue in Q2 and H1 grew strongly by 30.9% and 42.3% respectively
- Digital revenue mix continuously increasing, now at 36% of total retail revenue
- Strong Q2 gross margin at 63.9%, improvement of 100 bps Y-o-Y
- EBITDA margin in Q2 FY22, excluding Germany, was at 13.5% vs 16.5% in Q2 FY21. Margin momentarily impacted by elevated sea freight and sustained investment on digital platforms
- PAT for Q2 and H1 was Rs. 42 crores and Rs. 141 crores respectively vis-à-vis Rs. 71 crores and Rs. 123 crores for same period last year
- Strong return ratios with ROCE at 51% and ROE at 28% (TTM basis)
- Declared interim dividend of Rs 1.50 per share (face value Rs 2 each) making cumulative interim dividend of Rs. 3.00 per share

Key Developments in H1 FY22:

- Cognizant investments on Digital Platforms and Broadcasting resulting in 5.3% increase in new customers over pandemic induced higher base of customers of last year. Adjusting for customers who bought essentials only, the increase would be 33.9% and compared to Q2 FY20, the increase would be substantially higher at 61.0%
- Significant increase in Unique Customers (TTM basis) to 4,75,195 from 4,46,905 during same period last year (6.3% Y-o-Y)
- Operations commenced in Germany with e-tailing across prominent TV and Digital Platforms. Live TV Broadcasting in 21 mn households



- Launched 2 new D2C Brands: TAMSYS (female apparel brand) and RACHEL GALLEY (jewelry brand)
- Invested in GEEK+ robotic automation in warehouses (USA and UK) leading to substantial improvement in picking capacity
- 100% power requirement at manufacturing units in Jaipur (India) is catered by 3.23 mw solar power capacity
- Provided 58 mn meals since inception of one-for-one meal program ‘Your Purchase Feeds...’ averaging at 58,000 meals per day
- 26,000 saplings planted for developing Miyawaki forests which are expected to sequester 840 tons of carbon per year

Commenting on the performance for Q2 FY22 Mr. Sunil Agrawal, Managing Director, Vaibhav Global Limited said,

In Q2 we have seen our revenues at Rs. 635 crore an increase of 6% Y-o-Y and over Q2 FY20 we have seen a much stronger growth of 30.9%. With the vaccination in both US and UK reaching pivotal levels, severity of threat from Covid has largely reduced. As US and UK economies have more or less fully opened, we have seen consumer behavior moving to something we call revenge outings implying substantial increased in-person shopping in brick-and-mortar stores and people going out on holidays. This has led to lower in-house shopping for home retailers like us. Retail Revenues for us, grew by 3.3% Y-o-Y. After a massive jump last year, overall E-Commerce as a percentage of retail sales has dipped in both US and UK in recent months. We believe that these headwinds are transient and are well placed to continue our growth trajectory in coming years. We are committed to our original guidance of 16-18% constant currency revenue growth for current financial year. Gross margin continues to be strong, however, EBITDA margin were impacted due to several factors, including higher shipping costs owing to global supply chain constraints, initial operating costs in the recently launched German operations, increased airtime spend as we onboarded new TV channels and OTT platforms and stepped up our digital marketing investments. These investments have already given us 5.3% increased new customers in Q2 compared to pandemic induced high new customer count in Q2 FY21. When we adjust for customers who bought essentials, the increase would be 33.9% and compared to Q2 FY20, the increase would be substantially higher at 61.0%. We see both growth and margin pressures as transient, being linked to either strategic growth initiatives or near-term changes in the operating environment. Our recent launch of operations in Germany has got off to an encouraging start. We are available on both TV and Digital Platforms in this significant market with a similar value proposition and customer profile as the US & UK. We are already seeing positive customer traction and our investments should create returns on capital over time. We remain confident to meet our target of breaking-even within three years of launch. Company continues with its investment in Products, Channels and enhancing its Digital Capabilities. We strengthened our warehouse operations digitally through investment in GEEK+ robots which would improve the picking productivity substantially. The Company launched ‘TAMSYS’- a new fashion apparel brand for women in USA, UK and Germany. During the quarter, we also acquired world-wide online brand rights of ‘RACHEL GALLEY’- a UK based multiple-award winning jewelry brand. The 4R’s- widening Reach, new customer Registrations, customer Retention and Repeat purchases remains



to be our key priorities for overall growth. Our vertically integrated model and a wider but robust supply chain network is the backbone of our business and a key differentiator vis-a-vis peers. We are also a firm believer of being a 'Responsible Corporate Citizen'. Well-being of all our employees, vendors and customers is at the core of our strategies. An interim dividend of Rs. 1.50 per share (face value of Rs. 2 per share) has been declared by the Board. The fundamental growth driver remains intact, attractive, and we continue to invest in products & channels to build a sustainable infrastructure for long-term growth & value creation of all stakeholders.

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About Vaibhav Global Limited

Vaibhav Global Limited (VGL) is listed on stock exchanges in India (BSE: 532156, NSE: VAIBHAVGBL, ISIN - INE884A01027). VGL is an omni-channel E-tailer of fashion jewellery, accessories, and lifestyle products in developed markets with direct access to ~110 million households (FTE) through its TV home shopping networks – Shop LC in US, Shop TJC in UK and Shop LC in Germany. The Company's ecommerce websites www.shoplc.com in the US, www.tjc.co.uk in the UK and www.shoplc.de in Germany, complement TV coverage and diversify customer engagement. VGL ranks 65th in Fortune India's Next 500 list 2021. The Company is committed to 'Delivering Joy' to all the stakeholders. Through its flagship One for One Program now "Your Purchase Feeds..." where a meal is provided for every piece sold at the retail channels, the Company has provided over 58 million meals in US, UK, Germany and India since program inception.

For further information, please contact:

Prashant Saraswat, Head-IR

Vaibhav Global Ltd

Tel: +91-89206 09578

Email: prashant.saraswat@vglgroup.com

Shiv Muttoo/Karl Kolah

CDR India

Tel: +91 98335 57572 / 98330 10478

Email: shiv@cdr-india.com

karl@cdr-india.com

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