



May 26, 2023

To,

The Listing Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

To,

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex
Bandra (East), Mumbai-400 051.

Scrip Code : 532613

Trading Symbol : VIPCLOTHNG

Sub: VIP CLOTHING LTD. – Investor Presentation on the Audited Financial Results for the Fourth Quarter and year ended on March 31, 2023.

Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we enclose herewith the Investor Presentation on the Audited Financial Results for the Fourth Quarter and year ended on March 31, 2023.

The Investor Presentation has been uploaded on the website of the company www.vipclothing.in

This is for your information and record.

Thanking you

Yours faithfully,
For **VIP Clothing Limited**


ARCHANA MUNGUNTI
Company Secretary
Membership No.: A31071



VIP Clothing Ltd.

Registered Add.: C-6, Street No. 22, MIDC,
Andheri (E), Mumbai - 400 093. India.

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VIP Clothing Ltd.

EARNINGS RELEASE & SHARE HOLDER'S LETTER

Q4 FY23 | MAY, 26, 2023



- ✓ MEN'S INNERWEAR
- ✓ WOMEN'S INNERWEAR
- ✓ KID'S INNERWEAR
- ✓ TEEN INNERWEAR
- ✓ LOUNGEWEAR
- ✓ OUTERWEAR
- ✓ ACCESSORIES



Frenchie

Feelings

LEADER

Brat

www.vipinners.com



CIN: L18101MH1991PLC059804

Registered Office: C-6, Road No.22, M.I.D.C., Andheri (East), Mumbai – 400 093

Q4 FY23 and Full Year FY23 – Earnings Update

“Back to Black, VIP embarking on a journey to robust long term sustainable growth”

Revenue from Operations reported at ₹516.30 Mn in Q4 FY23 vs ₹441.56 Mn for Q3 FY23

EBITDA stands at ₹48.76 Mn in Q4 FY23 vs ₹40.28 Mn for Q3 FY23

Adj. PAT (excl. exceptional items) at ₹19.76 Mn in Q4 FY23 vs ₹15.52 Mn for Q3 FY23

Net cash & cash equivalents increased by ₹99.35 Mn in FY23 vs -₹29.56 Mn in FY22

Mumbai, 26th May 2023: VIP Clothing Ltd. (VIP) is an established innerwear manufacturer with a portfolio of marquee brands like VIP, Frenchie, Feelings, and Leader. The company in its board meeting held on 26th May 2023 has inter-alia considered and approved the audited Financial Results of the Company for the fourth quarter and year ended on 31st March 2023 as one of its agenda.

Financial Statement Highlights for Q4 FY23 v/s Q4 FY22 v/s Q3 FY23

Particulars (₹ in Mn)	Q4 FY23	Q4 FY22	YoY%	Q3 FY23
Revenue from operations	516.30	486.92	6.03%	441.56
EBITDA (excl. other income)	48.76	35.71	36.5%	40.28
EBITDA Margin (%)	9.44%	7.33%	+211bps	9.12%
Adj. PAT	19.76	20.88		15.52

*Q3 FY23 Adj. PAT excludes an exceptional item of ₹61.3 Mn pertaining to profit on sale of Umbergaon unit

*Q4 FY22 Adj. PAT includes deferred tax credit of ₹10.68 Mn

Financial Statement Highlights for full year FY23 v/s full year FY22

Particulars (₹ in Mn)	FY23	FY22	YoY%
Revenue from operations	2,006.40	1,829.77	9.65%
EBITDA (excl. other income)	126.13	67.04	88.1%
EBITDA Margin (%)	6.29%	3.66%	+262bps
Adj. PAT	21.75	-22.13	

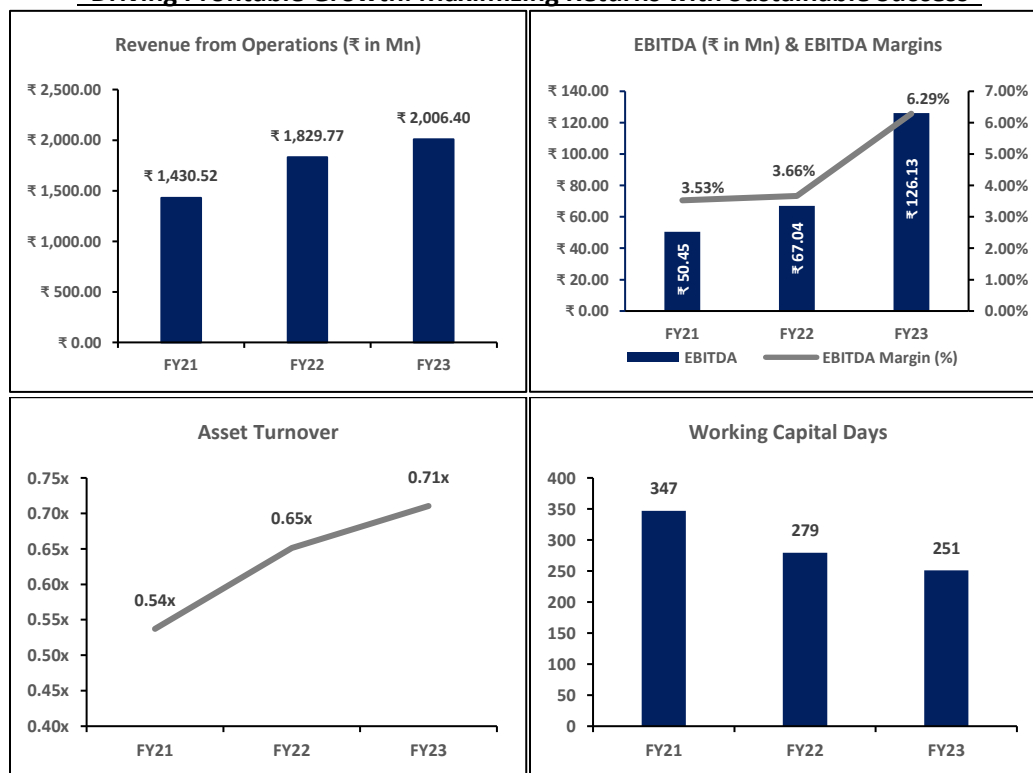
*FY23 Adj. PAT excludes an exceptional item of ₹61.3 Mn pertaining to profit on sale of Umbergaon unit

Cash Flow Statement:

Particulars (₹ in Mn)	FY23	FY22
Cash Flow from Operations	131.24	-35.04
Cash Flow from Investing	110.76	-1.63
Cash Flow from Financing	-142.65	7.16
Net increase / (decrease) in cash and cash equivalents	99.35	-29.56

- Cash flow from operations improved from **-₹35.04 Mn** in FY22 to **₹131.24 Mn** in FY23 driven by improvement in working capital and profitably increasing scale of operations

"Driving Profitable Growth: Maximizing Returns with Sustainable Success"



Management Discussion and Analysis:

*Figures in ₹ Mn, unless specified

- VIP delivered a strong financial performance for the entire year ending March 31, 2023, the revenue from operations for FY23 increased by 9.65% to **₹2,006.40 Mn** from **₹1,829.77 Mn** in FY22. The growth is attributed to:
 - Growing inclination towards recognized brands
 - Growing urbanization which is fueling the demand for quality innerwear
 - Strengthened brand visibility
 - Diversified product portfolio

Increasing Profitability:

- Gross Profit increased by **15.99%** to **₹627.17 Mn** in FY23 from **₹540.73 Mn** in FY22 and margins improved from **30.99%** to **29.15%** over the same period
 - *Driven by effective inventory cost management and enhanced operational efficiency*
- EBITDA increased by **88.1%** to **₹126.13 Mn** in FY23 from **₹67.04 Mn** in FY22 and margins increased to **6.29%** in FY23 from **3.66%** in FY22
 - *Lead by better product mix and increase in the scale of operations*
- As of 31st March, 2023 our inventory stood at **₹ 807.17 Mn** a decrease from **₹923.1 Mn** as on 31st March, 2022
 - *Lead by asset monetization and divestment of an underutilized facility in Umbergaon*

Improving Working Capital Days and Asset Turnover Ratio:

- The implementation of optimized operational processes and effective inventory/asset management served as key drivers for the notable improvements in asset turnover and the reduction of working capital days.

Balance Sheet Statement:

Particulars (₹ in Mn)	FY23	FY22
Assets		
PP&E	252.74	319.42
Right of use assets	27.12	24.80
Other intangible assets	693.73	693.79
Investments	0.03	0.03
Loans	1.45	0.99
Other financial assets	8.87	10.00
Other Non-Current Assets	86.90	72.89
Non-Current Assets	1,070.84	1,121.90
Inventories	807.17	923.09
Trade Receivables	664.61	604.14
Cash & Cash Equivalent	112.73	13.38
Bank balances other than cash and cash equivalent	38.38	37.24
Loans	1.92	0.81
Other Financial Assets	13.82	1.49
Current tax assets (net)	3.51	4.28
Other Current Assets	136.04	141.21
Current Assets	1,778.16	1,725.64
Total Assets	2,849.01	2,847.55

Particulars (₹ in Mn)	FY23	FY22
Equity and Liabilities		
Equity Share Capital	165.19	165.19
Other Equity	1,346.55	1,168.73
Shareholders Fund	1,511.74	1,333.92
Borrowings	68.58	100.29
Lease Liabilities	13.81	13.40
Other financial liabilities	52.65	55.29
Provisions	10.94	10.65
Deferred tax liabilities	66.32	62.71
Non-Current Liabilities	212.30	242.34
Borrowings	786.42	902.62
Lease Liabilities	17.33	17.36
Trade Payables	283.45	314.12
Other Financial Liabilities	25.67	31.95
Current Tax Liabilities	0.80	0.00
Provisions	6.04	0.77
Other current liabilities	5.27	4.47
Current Liabilities	1,124.97	1,271.29
Total Liabilities	1,337.27	1,513.62
Total Equity and Liabilities	2,849.01	2,847.55

Growth Drivers

- Higher Disposable Income enabling increasing shift to organised brand
- Increase in Urban population
- Increased shift in organised retail
- Increased involvement in branded innerwear
- Emergence of purpose-specific innerwear (athleisure) widening the market

Business Outlook

- Foraying into newer segments with focus on athleisure clothing and women's division
- The company is targeting to onboard **12** new distributors per month in order to increase its market presence
- Augmenting technology to increase efficiency by rolling out a distributor management system
- Strategically broadening its reach within established markets while exploring new opportunities in both domestic and international markets.

Financial Outlook

- The management expects the revenue to be in the corridor of ₹2,500.00 Mn to ₹3,000.00 Mn for FY24, primarily fueled by enhanced brand visibility and expanding consumer spending on fashion and personal care goods
- EBITDA margins for Q1 FY24 will majorly be in line with Q4 FY23 margins. All efforts as highlighted above will be made to improve the margins going forward

Management Comment:

"We are delighted to announce that VIP has achieved stellar financial performance driven by our strategic initiatives and commitment to excellence.

The robust financial performance for the financial year 2023 can be attributed to the Company's strong brand positioning, effective marketing strategies, strong distributorship, and the ability to tap into growing demand for high-quality innerwear. In addition, we remain focused on cost optimization and enhancing overall operational efficiency, which has contributed significantly to its increased profit margins and bringing the Company back to profitability.

Our consistent focus in building a strong brand identity has translated into widespread consumer adoption of our products. As a result, we are seizing the opportunity to capture more market share while expanding into new product lines. The Company through its consistent strategic efforts has adequate resources and liquidity to invest in manpower and to drive and deliver future growth by

investing in product research, marketing activities, dealer/distributor network building and build capacities in an asset-light manner.

Further, we are thrilled to announce that we are one of the pioneers of a new product line housed under 'Frenchie U-19' brand aimed at filling the void in the teenager innerwear market and meeting the specific requirements of teenagers. Our innovative approach to product development will meet the unique needs and preferences of this important demographic, and we are proud to be leading the way in this exciting new market.

VIP is at a cusp of its transformational journey and aims to further enhance its asset turnover, increase profitability, further improve working capital days, streamline manufacturing and sourcing process, improve advertising efficiency and leverage technology to drive growth while boosting brand recallability with customers. We are confident that the above initiatives will give us a long runway for growth and create value for our stakeholders.”

About VIP Clothing Limited

Incorporated in 1991, headquartered in Mumbai, VIP Clothing Ltd. (“VIP” or “The company”) pioneered the branded innerwear market in India with a focus on comfort quality. The company is engaged in the business of manufacturing, marketing and distribution of Men’s and Women’s innerwear and socks under the brand name VIP, Frenchie, Feelings and Leader. VIP has in-house manufacturing facility located in Tamil Nadu and is accredited with TUV- ISO 9000 certificate that reflects its emphasis on Quality Management System, designing, manufacturing and delivery. It is one of the India’s leading intimate apparel company providing intimate wear to consumers across various segments under different brands and possesses one of the widest and largest sales and distribution network for innerwear products. The company has more than ~450 distributors & wholesalers network, ~180 sales and marketing professionals, and ~35,000 retailers network.

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