



# VAIBHAV GLOBAL LIMITED

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Date: 28<sup>th</sup> January, 2022

**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: Press Release**

Dear Sir / Madam,

Please find enclosed press release titled “**Vaibhav Global Limited Q3 & 9M FY22 Financial Results**”

Kindly take the same on record.

Thanking you,

Yours Truly,

**For Vaibhav Global Limited**

**Sushil Sharma  
Company Secretary**



# Vaibhav Global Limited

## Q3 & 9M FY22 Financial Results

*Creating Growth Opportunities Amidst Temporary Headwinds*

*Declared interim dividend of Rs. 1.50 per share*

**Jaipur, January 27, 2022:** 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 nine months ended December 31, 2021.

### Financial Performance Highlights:

#### Q3 & 9M FY22 performance overview

- Q3 and 9M revenue grew by 3.5% and 10.3% Y-o-Y respectively. Compared to same periods of FY20, revenue in Q3 and 9M grew strongly by 33.2% and 38.9% respectively. Continued surge in in-person shopping induced by revenge outing along with omicron led uncertainties during later part of the quarter resulted in softer revenue growth. Besides these are on a very high growth of last year. Being temporary trends, we are confident of our business drivers with robust growth outlook in the medium to long run
- Digital revenue mix continuously increasing, now at 36% of total retail revenue
- Industry leading gross margins at 60.4% and 63.0% for Q3 and 9M respectively
- EBITDA margin in Q3 FY22, excluding Germany, was at 13.2% vs 17.4% in Q3 FY21. Margin momentarily impacted by elevated sea freight and planned investments on digital platforms
- PAT for Q3 and 9M was Rs. 69 crores and Rs. 210 crores respectively vis-à-vis Rs. 92 crores and Rs. 216 crores for same period last year
- ROCE at 38% and ROE at 26% (on TTM basis), return ratios reflecting short-term impacts of conscious business investments but are still at very healthy levels and at par with normal pre-covid years
- Declared interim dividend of Rs 1.50 per share (face value Rs 2 each) making cumulative interim dividend of Rs. 4.50 per share for FY22

### Key Recent Developments:

- Cognizant investments on Digital Platforms and Broadcasting resulting in 7.7% increase in new customers amidst macro headwinds.
- Significant increase in Unique Customers (TTM basis) to 4,94,511 from 4,70,985 during same period last year an increase of 5.0% Y-o-Y
- **Germany:** Increased TAM (Total Addressable Market) by ~20%. Live TV broadcasting in 27mn households. Good revenue traction and growth in customer base. Strategic partnerships with prominent TV and Digital Platforms. Earlier than planned airtime tie-ups



resulting in higher than planned upfront investments in Germany. To breakeven by third quarter of FY24, being one year earlier than projected

- TJC UK announced Freeview Channel change to #22 from erstwhile Freeview Channel #50, the investment is expected to enhance the viewership of its proprietary TV channel substantially
- Shop LC (USA) has decided to move its headquarters to an owned premise whose construction is expected to complete by Sep-2024. This move is expected to bring operational synergies and substantial savings in future
- Acquired 60% stake in Encase Packaging Pvt Ltd., a packaging company. The acquisition will further consolidate our existing integrated supply chain and give substantial saving in packaging costs
- Provided 61 mn meals since inception of one-for-one meal program '**Your Purchase Feeds...**' averaging ~59,000 meals per day
- Purchased 84 two-wheeler Electric Vehicles and have been deployed for employees' commute
- Our SEZ Unit has been conferred with '**Excellence Award**' for 'IGBC Performance Challenge 2021 for Green Built Environment' and is the only jewellery manufacturing plant in India to achieve this milestone

**Commenting on the performance for Q3 FY22 Mr. Sunil Agrawal, Managing Director, Vaibhav Global Limited said,**

*Revenue in Q3 grew by 3.5% Y-o-Y albeit on a higher base and strongly by 33.2% over Q3FY20. Our 9M revenue grew by 10.3% Y-o-Y and by 38.9% over 9MFY20. Post Q1, consumers went for revenge outings and vacations thus impacting demand. This phenomenon continued in Q3 leading to muted revenue growth across digital retail industry. Festive demand was encouraging, however demand tapered in later part of Q3, owing to omicron uncertainties. Gross margins have seen slight contraction mainly due to product mix, elevated shipping costs and demand-supply mismatch at product level owing to longer transit times. During the quarter, investments on new OTA homes, Digital Marketing, Market Places Marketing and OTT marketing continued. These investments are intended to support our growth ambitions for coming years. In USA, our revenue and unique customer counts on OTT have tripled Y-o-Y implying a clear opportunity in this market for us.*

*Retail is rapidly moving digital. Hence, we recently finished upgrading our Tech Infrastructure on Salesforce Commerce Cloud. Our recent expansion in high potential German market is faring well and offers tremendous growth prospects on TV, Digital and marketplace platforms. There have been certain earlier than planned airtime tie-ups resulting in higher than planned upfront investments. However, we may now be breakeven by third quarter of FY24 in Germany, which is approx. one year earlier than projected. We believe in seeding investments for long-term growth. Recently, TJC UK announced Freeview Channel change to #22 from erstwhile Freeview Channel #50. The investment is expected to enhance the viewership of TJC's proprietary TV channel substantially with corresponding increase in its market share, thus providing long-term growth opportunities. Similarly, Shop LC (USA) has decided to move its headquarters to an owned premise whose construction is expected to complete by Sep-2024. This move is expected to bring operational synergies and substantial savings in future. We have also acquired 60% stake in Encase Packaging Pvt Ltd., a packaging company. The acquisition will further consolidate our existing integrated supply chain and give substantial saving in packaging costs. We perceive that these investments might impact return ratios in the short-term, but it provides huge growth opportunities for the future.*

*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 robust supply*



chain network is the backbone of our business and a key differentiator vis-a-vis peer. The reach of our TV networks by the end of Q3 FY22 was ~127 million TV homes. We reach TV homes through cable, satellite, telco networks and over the air antenna-based OTA platforms. Our products are also available on digital channels including all proprietary websites, smartphone apps, OTT platforms and marketplaces. New registrations in trailing 12-month period continue to be strong and came in at 3.1 lakhs compared to 2.8 lakhs in the corresponding period of the previous year. As engagements with new customer deepens, we expect to continue to drive bigger volumes. Customers bought an average of 29 pieces on TTM basis from us compared to 27 pieces in the corresponding period of the previous year. This reflects our ability to not only support changing customer preference, but also respond to them with agility. Finally, our retention rates stood at 42.3% on TTM basis compared to 51.4% for the same period last year. We expect our overall revenue growth to be 8-10% in current financial year on top of 28% growth last year. We expect our growth rate to be 13-15% in next financial year and 15-17% in midterm.

We are enthused to share the fact that our SEZ unit of Jaipur has been conferred with IGBC Performance Challenge 2021 for Green Built environment- Excellence Award' under 'Factory' category by IGBC and have become the first and only jewellery plant in India to achieve this milestone. We have a robust cash flow model and track record of returning meaningful cash to shareholders, hence board has recommended 3rd interim dividend of the fiscal year which is Rs. 1.50 per equity share. At the end, we would like to reiterate, that there are multiple levers for future growth and margin improvement and our long-term ambition is to sustain growth whilst building decent operating leverage.

– ENDS –

## 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 ~127 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](http://www.shoplc.com) in the US, [www.tjc.co.uk](http://www.tjc.co.uk) in the UK and [www.shoplc.de](http://www.shoplc.de) in Germany, complement TV coverage and diversify customer engagement. VGL ranks 65<sup>th</sup> 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 61 million meals in US, UK, Germany and India since program inception.

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