



November 09, 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 Un-audited Financial Results for the Second Quarter and half year ended on September 30, 2023.

Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we enclose herewith the Investor Presentation on the Un-audited Financial Results for the Second Quarter and half year ended on September 30, 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 Limited

Registered Office : C-6, Road No. 22, MIDC,
Andheri (E), Mumbai-400 093, Maharashtra India

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CIN: L18101MH1991PLC059804

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

Q2 and H1 FY24 – Earnings Update

Revenue from Operations reported at ₹523.45 Mn in Q2 FY24 and ₹1,060.10 Mn for H1 FY24

EBITDA stands at ₹6.75 Mn in Q2 FY24 and ₹42.06 Mn for H1 FY24

PAT at (₹24.77) Mn in Q2 FY24 and (₹18.71) Mn for H1 FY24

Mumbai, 09th November, 2023: VIP is an established innerwear manufacturer with portfolio of marquee brands like VIP, Frenchie, Feelings and Leader. The company in its board meeting held on 09th November 2023 has inter-alia considered and approved the Unaudited Financial Results of the Company for the second quarter and half year ended on 30th September 2023 as one of its agenda.

Financial Statement Highlights

Particulars (₹ in Mn)	Q2 FY24	Q2 FY23	YoY%	Q1 FY24	H1 FY24	H1 FY23	YoY%
Revenue from op.	523.45	528.57	-0.97%	536.64	1,060.10	1,048.53	1.10%
Other Income	1.32	9.27		0.94	2.27	11.96	
Total Revenue	524.78	537.84	-2.43%	537.59	1,062.37	1,060.49	0.18%
Total Expenses excl. D&A & Finance Cost	516.70	501.03		501.35	1,018.04	1,009.99	
EBITDA (excl. Other Income)	6.75	27.54		35.29	42.06	38.54	9.13%
EBITDA Margin (%)	1.29%	5.21%		6.58%	3.97%	3.68%	
Finance Cost	22.99	25.16		20.74	43.73	49.50	
Depreciation & Amortization	6.81	8.07		6.77	13.57	17.04	
PBT	(21.72)	3.58		8.73	(12.98)	(16.04)	
Total Tax	3.05	(12.36)		2.68	5.73	-11.77	
PAT	(24.77)	15.93		6.05	(18.71)	(4.27)	
PAT Margin %	-4.72%	2.96%		1.13%	-1.76%	-0.40%	
Other Comprehensive Income	-1.15	0.07		-0.78	(1.93)	(1.58)	
Net PAT	(25.92)	16.01		5.27	(20.64)	(5.84)	
Diluted EPS	(0.03)	0.19		0.07	(0.23)	(0.05)	

*The company has conservatively and prudently made a provision of ₹7.5 Mn in relation to certain old receivable in the current quarter.

*Slow-moving inventory has been sold in order to further lean out inventory management practices and accordingly the company has taken a hit of ₹3.9Mn in the current quarter.

Balance Sheet Statement:

Particulars (₹ in Mn)	As of 30th Sep'23	As of 31st Mar'23	Particulars (₹ in Mn)	As of 30th Sep'23	As of 31st Mar'23
Assets			Equity and Liabilities		
PP&E	247.95	252.74	Equity Share Capital	165.19	165.19
Right of use assets	19.63	27.12	Other Equity	1325.90	1346.55
Other intangible assets	693.73	693.73	Shareholders Fund	1,491.10	1,511.74
Investments	0.03	0.03			
Loans	1.13	1.45	Borrowings	52.70	68.58
Other financial assets	6.03	8.87	Lease Liabilities	9.27	13.81
Other Non-Current Assets	136.06	129.57	Other financial liabilities	55.36	52.65
Non-Current Assets	1,104.54	1,113.52	Provisions	10.45	10.94
			Deferred tax liabilities (net)	71.40	66.32
			Non-Current Liabilities	199.19	212.30
Inventories	906.28	807.17	Borrowings	784.46	786.42
Trade Receivables	711.21	664.61	Lease Liabilities	13.29	17.33
Cash & Cash Equivalents	8.08	112.73	Trade Payables	348.15	283.45
Bank balances other than cash and cash equivalent	41.43	38.38	Other Financial Liabilities	26.19	25.67
Loans	1.81	1.92	Provisions	5.20	6.04
Other Financial Assets	3.81	13.82	Current tax liabilities	0.74	0.80
Current tax assets (net)	3.78	3.51	Other current liabilities	10.01	5.27
Other Current Assets	97.40	93.36	Current Liabilities	1,188.05	1,124.97
Current Assets	1,773.79	1,735.49	Total Liabilities	1,387.24	1,337.27
Total Assets	2,878.33	2,849.01	Total Equity and Liabilities	2,878.33	2,849.01

Cash Flow Statement:

Particulars (₹ in Mn)	H1 FY24	H1 FY23
Cash flow from Operations	(33.3)	37.7
Cash flow from Investing	(2.9)	6.7
Cash flow from Financing	(68.5)	(46.9)
Net decrease in cash & cash equivalents	(104.7)	(2.5)

Management Discussion and Analysis:

**Figures in ₹ Mn, unless specified*

- Revenue from operations remained stable at ₹1,060.10 Mn in H1 FY24 versus ₹1,048.53 Mn in H1 FY23. This stability was achieved despite subdued demand for innerwear products across the industry
- Despite challenging macro environment, Gross Profit increased by 14.8% to ₹276.92 Mn in H1 FY24 from ₹241.14 Mn in H1 FY23 and margins increased to 26.1% in H1 FY24 from 23.3% in H1 FY23
- EBITDA stood at ₹42.06 Mn in H1 FY24 from ₹38.54 Mn in H1 FY23 and margins improved to 3.97% from 3.68% during the same period this was driven by softness in the raw material prices and efficient cost management

Key developments during H1 FY24:

- Implementation of the DMS (Distributor Management System) is progressing well and the system has been adopted by ~52 distributors as of 30th September 2023
- Onboarded ~60 new distributors in order to increase the company's market presence
- The company launched 11 new products under the brand VIP, Leader, Frenchie and Premium

Business Updates:

- During H1 FY24, India Rating & Research Ratings reaffirmed its long-term and short-term rating on the bank facilities of VIP Clothing Limited to "IND BB+/Stable/IND A4+"

Management Comment:

"We are delighted to present an insightful overview of our company's performance during Q2 FY24. Revenue from Operations stood at ₹523.45 Mn in Q2 FY24 from ₹528.57 Mn in Q2 FY23. Our industry witnessed softness in demand during the quarter which led to slowdown in our revenue growth. Further, our EBITDA margins stood at 1.29% Q2 FY24 from 5.21% in Q2 FY23 on account of increase in employee count by ~35 people in order to enhance our capabilities to support our growth programs and promotional activities.

In terms of H1 performance, revenue from operations increased by ~3% and stood at ₹1,060.10 Mn in H1 FY24 compared to ₹1,048.53 Mn in H1 FY23. EBITDA increased by 9.1% from ₹38.54 Mn in H1 FY23 to ₹42.06 Mn in H1 FY24, and margins improved by 29 bps and stood at 3.97% from 3.68%. PAT stood at (₹18.71) Mn in H1 FY24 compared to (₹4.27) Mn in H1 FY23 during the same period.

We continue to focus on expanding our presence by adding new distributors and retailers to our network. This strategic initiative has led to increase in our market presence and strengthen our position in key operating regions. During the quarter, we successfully onboarded ~60 new distributors and retailers who share our vision for growth. Further, the implementation of our Distributor Management System (DMS) remains on track and is a pivotal milestone in our journey towards operational excellence. This system is aiding us to streamline our supply chain and enhance collaboration with our distribution partners and bring us closer to the customer's need. As of the end of the quarter, we have successfully integrated DMS into our operations, and initial feedback from our partners for our products has been overwhelmingly positive.

Additionally, our "Frenchie U-19, product line is scaling in the healthy market and has started to garner good response from the market. This strategic diversification of our product portfolio across various brands has struck a chord with our target audience and is expected to play a pivotal role in facilitating substantial business expansion. Further, we are also steadily increasing our presence on various e-commerce platform and expanding our reach in the export market which have now started to contribute in our top-line.

On the industry front, the Indian apparel market remains dynamic and competitive, with evolving consumer behavior and market trends. Despite challenges such as changing consumer preferences, we believe the industry is poised for growth. Our strategic initiatives, including DMS implementation and the introduction of "Frenchie U-19," have positioned us well to capitalize on emerging opportunities.

In conclusion, VIP Clothing Ltd. is well-positioned for growth and is making significant progress in its strategic initiatives. We appreciate the dedication of our employees, the trust of our shareholders, and the support of our valued customers and partners. We are confident in our ability to navigate the challenges ahead and achieve our long-term goals.

Management Guidance:

- Considering the softness in demand in the innerwear industry, the management expects the revenue to be in the corridor of ₹2,200.00 Mn to ₹2,400.00 Mn for FY24.

About VIP Clothing Limited

Incorporated in 1991, headquartered in Mumbai, VIP Clothing Ltd. (VIP) 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 ~180 sales and marketing professionals, ~35,000 retailers network and ~450 distributors and wholesalers network.

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