



Frenchie

feeling

LEADER

Brat

RIVOLTA

# EARNINGS RELEASE

Q2 & H1 FY25 - NOVEMBER 08, 2024

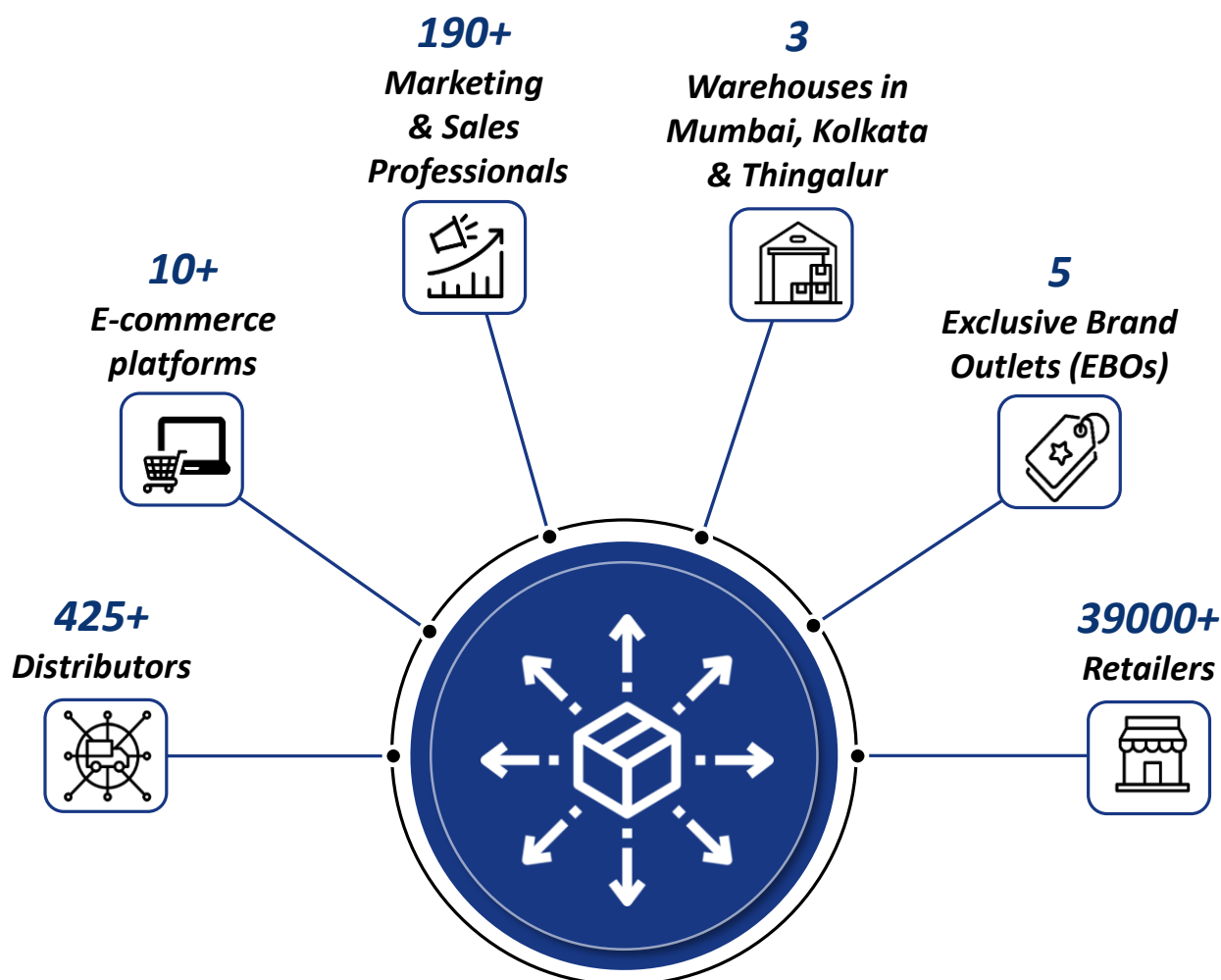
*Make Everyday A Comfortable One With  
“VIP”*



## About VIP Clothing Ltd:

- Incorporated in 1991 and headquartered in Mumbai, VIP Clothing Ltd. (“VIP” or “the Company”) led the way in establishing India’s branded innerwear market, with a focus on comfort and quality
- The company is involved in the manufacturing, marketing, and distribution of men’s and women’s innerwear and socks under the brand names VIP, Frenchie, Feelings, and Leader.
- VIP boasts an in-house manufacturing facility in Tamil Nadu, which is certified with TUV-ISO 9000, highlighting the company's dedication to quality management systems and excellence in design, manufacturing, and delivery.
- VIP is one of India’s leading intimate apparel companies, offering a range of intimate wear across various segments under multiple brands, with one of the most extensive sales and distribution networks for innerwear products

## Robust Distribution Network:



# Our Tie-Ups:

Large Format Stores Tie-Ups

Reliance

more.

D\*  
Mart

E-Commerce Platform

VIP

VIP Clothing Ltd.

amazon

Flipkart

NYKAA

TATA

CLiQ

AJIO

SWIGGY

instamart

SHOPPERS STOP

M

Myntra

snapdeal

Jio

Mart

cocoblu

Foreign Companies Tie-Ups

Choithrams

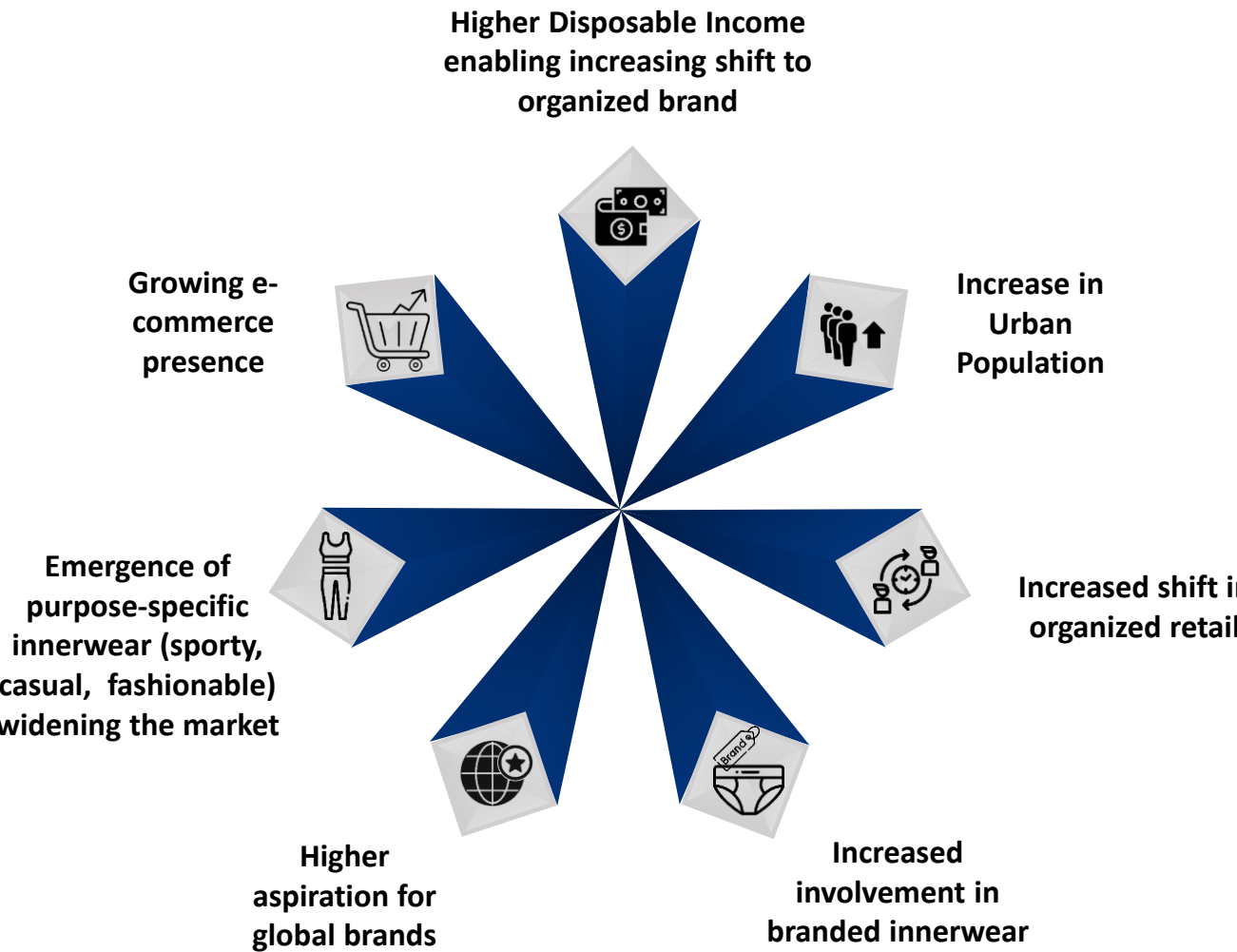
full of goodness

Carrefour

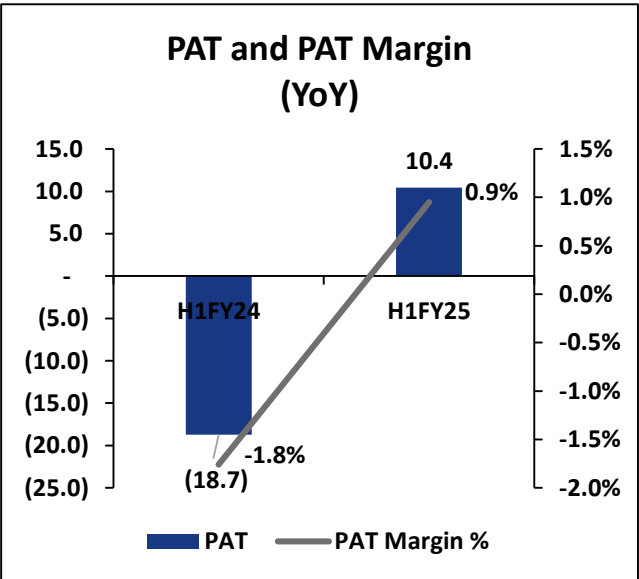
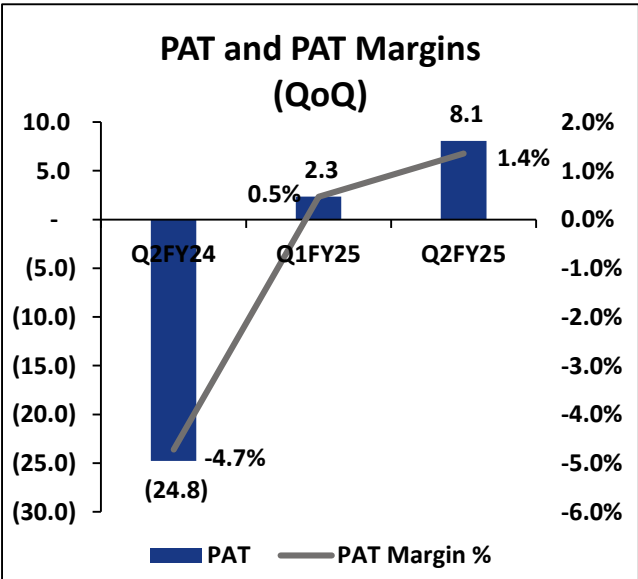
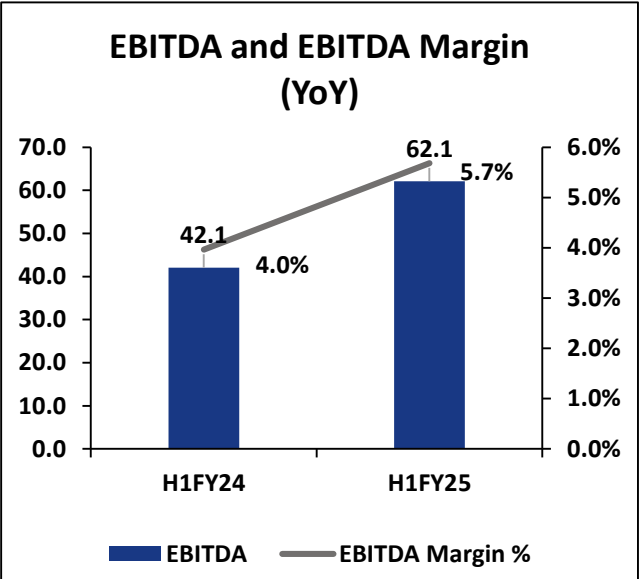
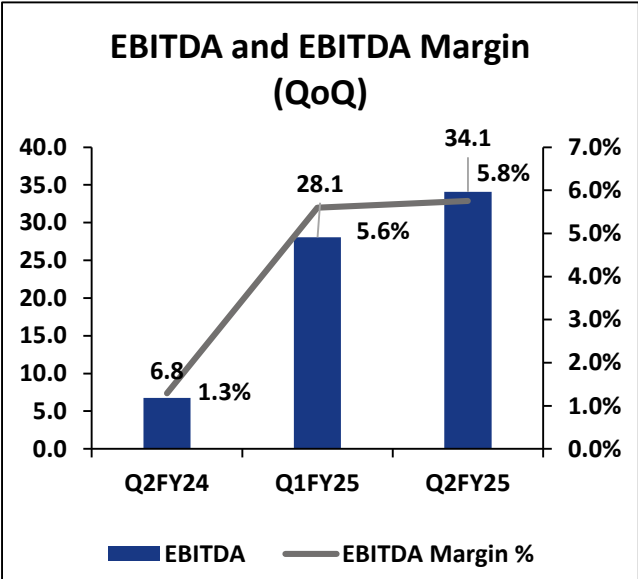
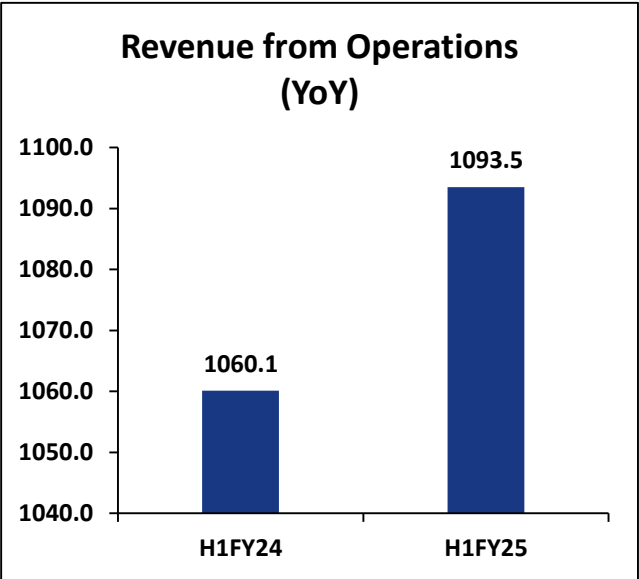
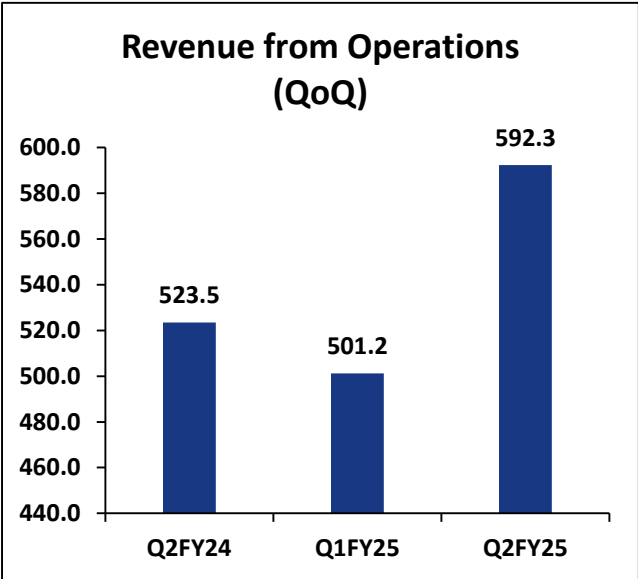
Lulu

Where the world comes to shop, safely!

# Attractive Macros:



Key Financial Matrics:



Consolidate P&L Statement:

Particulars (₹ in Mn)	Q2 FY25	Q2 FY24	YoY%	Q1 FY25	H1 FY25	H1 FY24	YoY%
Revenue from operations	592.3	523.5	13.2%	501.2	1,093.5	1,060.1	3.2%
Other Income	3.2	1.3		1.4	4.6	2.3	
Total Revenue	595.5	524.8	13.5%	502.6	1,098.1	1,062.4	3.4%
Total Expenses excl. Depreciation, Amortization & Finance Cost	558.2	516.7		473.1	1,031.4	1,018.0	
EBITDA (excl. Other Income)	34.1	6.8	401.5%	28.1	62.1	42.1	47.5%
EBITDA Margin (%)	5.8%	1.3%		5.6%	5.7%	4.0%	
Depreciation & Amortization	6.9	6.8		7.0	13.9	13.6	
Finance Cost	19.8	23.0		19.3	39.0	43.7	
PBT before exceptional items and tax	10.6	(21.7)		3.1	13.8	(13.0)	
Exceptional Items	-	-		-	-	-	
PBT	10.6	(21.7)		3.1	13.8	(13.0)	
Total Tax	2.6	3.1		0.8	3.4	5.7	
PAT	8.1	(24.8)		2.3	10.4	(18.7)	
PAT Margin (%)	1.4%	(4.7%)		0.5%	0.9%	(1.8%)	
Diluted EPS	0.10	(0.30)		0.03	0.13	(0.23)	

\*The company has conservatively and prudently made a provision of Rs. 5 Mn in relation to certain old receivable in the current quarter.

Consolidate Balance Sheet Statement:

Particulars (Rs. Mn)	As at 30.09.24	As at 31.03.24	Particulars (Rs. Mn)	As at 30.09.24	As at 31.03.24
Assets			Equity & Liabilities		
Non-Current Assets			Shareholder's Funds		
PP&E	242.0	242.2	Equity share capital	165.2	165.2
Other intangible assets	693.7	693.7	Other equity	1,557.3	1,218.1
Right of use assets	46.5	55.5	Total Shareholder's Funds	1,722.5	1,383.3
Investments	-	-	Non-Current Liabilities		
Loans	1.4	1.2	Borrowings	24.7	36.8
Other financial assets	8.0	7.4	Lease liabilities	36.5	44.0
Other non-current assets	123.4	144.3	Other financial liabilities	48.2	50.9
Income Tax Assets (Net)	5.6	4.9	Provisions	10.8	11.9
Total Non-Current Assets	1,120.5	1,149.2	Deferred tax liability (Net)	34.2	30.9
Current Assets			Total Non-Current Liabilities	154.4	174.5
Inventories	785.9	827.9	Current Liabilities		
Trade receivables	755.2	583.0	Borrowings	725.1	710.3
Cash & cash equivalents	228.8	3.0	Lease liabilities	13.5	14.1
Other bank balances	43.1	40.6	Trade payables	376.8	368.4
Other financial assets	8.6	6.8	Other financial liabilities	32.9	34.1
loans	2.3	2.3	Provisions	2.3	7.0
Other current assets	95.1	92.7	Other current liabilities	12.1	13.8
Current tax (net)	-	-			
Total Current Assets	1,919.0	1,556.3	Total Current Liabilities	1,162.7	1,147.7
Total Assets	3,039.6	2,705.5	Total Equity & Liabilities	3,039.6	2,705.5

## Management Commentary:

In Q2 FY25, revenue from operations grew by **13.2%**, reaching **Rs. 592.3 Mn.** compared to **Rs. 523.5 Mn.** in Q2 FY24. This growth was driven by rising demand for fashionable, comfortable innerwear, higher disposable incomes, and increased awareness of hygiene. Key drivers included the expanding middle class, urbanization, and e-commerce growth, while our focus on innovation, sustainability, and premium offerings strengthened our market position.

EBITDA grew by **401.5%** in Q2 FY25 to **Rs. 34.1 Mn** while EBITDA margin increased by **450 bps** over Q2FY24, driven by improved operational efficiencies, better cost management, economies of scale, and a focus on premium, innovative product lines.

In Q2 FY25, PAT turned positive to **Rs. 8.1 Mn** even after providing **Rs. 2.5 Mn** of deferred tax provision compared to **loss of Rs. 24.8 Mn** in Q2 FY24. The growth was driven by effective expense control, and lower interest costs. Our focus on digital channels and sustainable products contributed to higher profitability.

In H1 FY25, we observed a revenue growth of **3.2%**, totaling **Rs. 1,093.5 Mn** compared to **Rs. 1,060.1 Mn** in H1 FY24. Our EBITDA also saw a substantial improvement by **47.5%**, amounting to **Rs. 62.1 Mn** in H1 FY25 versus **Rs. 42.1 Mn** in H1 FY24, with margins recorded at **5.7%** in H1 FY25 as against **4.0%** in H1 FY24. This performance highlights our ability to drive sustainable growth while improving profitability across the business.

Also, our cash flow from operations for the quarter stood at a positive **Rs. 48.6 Mn**, highlighting our strengthened financial position and effective cash management strategies. This positive cash flow enables us to continue investing in growth initiatives while maintaining a robust balance sheet.

We had recently raised funds will allow us to significantly reduce our finance costs, enabling us to concentrate on boosting sales through market expansion and enhancing margins by achieving economies of scale."

Building on this momentum, we are in the midst of an exciting transformation, sharpening our focus on sustainable sales growth, safeguarding profitability, and improving operational efficiencies. Our strategic priorities include:

- **Reaching more customers** and enhancing their overall experience with a strong focus on expanding e-commerce to drive future business growth
- **Diversifying and expanding our product range** to cater to evolving market demands.
- **Achieving operational excellence** by attracting top-tier talent and embracing digital transformation.

We are also deeply committed to expanding our footprint across India, not only solidifying our position in core markets but also penetrating new regions. Our **Distribution Management System (DMS)** rollout is progressing on schedule, driving supply chain optimization and enhancing our responsiveness to customer needs. Further to elevate the presence of our brands, we are strategically investing in marketing initiatives to boost brand recall and showcase our commitment to style, quality, and comfort. We also recognize the immense potential within the e-commerce sector.



Moreover on the industry front, India's textile and apparel industry is highly diversified, encompassing everything from traditional handlooms and handicrafts to advanced technical textiles. Within this dynamic landscape, the innerwear segment stands out with significant growth opportunities:

- **Men's Innerwear** holds a 30% market share, with a projected CAGR of 11.5%, set to reach Rs. 26,952 crore by 2025.
- **Women's Innerwear** leads with 60% market share, expected to sustain a CAGR of 13% and reach Rs. 55,535 crore by 2025, driven by growth in mid and premium segments.
- **Kids' Innerwear**, currently 10% of the market, is on track for a CAGR of 8.5%, reaching Rs. 8,819 crore by 2025.

As we continue to execute our strategic initiatives, we are well-poised for sustained growth. Our strong focus on operational excellence, coupled with the dedication of our workforce and the trust of our shareholders, equips us to overcome future challenges and realize our ambitious objectives. With a promising outlook, we are excited to capitalize on the opportunities that lie ahead.

For further information on The Company, please visit: <https://www.vipclothing.in/>

**Disclaimer:**

*Certain statements in this document may be forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. VIP Clothing 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 circumstance*

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