

Creative Newtech Limited



CREATIVE
NEWTECH

(Formerly known as **Creative Peripherals and Distribution Limited**)

Registered Office: 3rd and 4th Floor, Plot No 137AB, Kandivali Co Op Industrial Estate Limited, Charkop, Kandivali West, Mumbai – 400 067

Tel.: 91-22-5061 2700 | **Email ID:** cs@ecreativeindia.com |

Website: www.ecreativeindia.com | **CIN:** L52392MH2004PLC148754

Date: 15th August 2021

To,
The Manager
Listing Department
National Securities Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East)
Mumbai- 400051

Sub: Creative Newtech Limited (formerly known as Creative Peripherals and Distribution Limited) announces the un-audited Consolidated financial results for Q1 FY22

Dear Sir,

Please find attached Media Release regarding announcement of un-audited consolidated financial results for Q1 FY22.

Thanking you,

Yours Faithfully

For Creative Newtech Limited
(Formerly known as Creative Peripherals and Distribution Limited)

Tejas Doshi
Company Secretary and Compliance Officer
ACS – 30828



15th August 2021, Mumbai

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Media Release – Consolidated

Q1 FY22 financial performance reflects effectively less than 2 months of operations due to lockdown across most states in the country

Q1 FY22 Total Income at Rs. 135.88 Cr. – sustained by demand in IT and other products – mainly Samsung, Cooler Master & PNY

Q1 FY22 EBIDTA at Rs. 4.11 Cr., YoY growth of 116.91% mainly driven by higher sales

Q1 FY22 Net Profit at Rs. 1.23 Cr.

EPS Reported at Rs. 1.44

Mumbai, 15th August 2021: Creative Newtech Limited (NSE: CREATIVE), market specialists for experiential products in IT, Imaging, Lifestyle, and Security domains with a pan-India presence, announced its un-audited consolidated financial results for the first quarter ended June 30, 2021.

Key Consolidated Financials (Rs. Cr.):

Particulars	Q1 FY22	Q1 FY21	YoY%	FY21	FY20	YoY%
Total Income	135.88	64.53	110.57%	526.32	459.06	14.65%
EBIDTA (Incl. Other Income)	4.11	1.90	116.91%	18.73	16.82	11.36%
EBITDA Margin	3.03%	2.94%	9 bps	3.56%	3.66%	(10 bps)
Net Profit	1.23	0.58	113.43%	9.41	7.76	21.30%
Net Profit Margin	0.90%	0.89%	1 bps	1.79%	1.69%	10 bps
Basic EPS (in Rs.)	1.44	0.45	220.00%	8.26	6.78	21.83%

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Performance Highlights for the quarter ended June 30, 2021:

- **Total Income** for the quarter was **Rs. 135.88 crore** in Q1 FY22, a **YoY increase of 110.57%**, mainly since last year's first quarter was severely impacted by the nationwide lockdown. Strong demand for brands such as Samsung, Cooler Master and PNY also supported growth.
- June 2021 was one of the highest months in terms of sales, and similar growth was registered in July 2021
- **EBITDA** is at **Rs. 4.11 crore** in Q1 FY22, **YoY increase of 116.91%**. Higher revenue coupled with relatively lower other expenses led to improvement in EBITDA margin.
- **EBITDA Margin** is **3.03%**, vis-à-vis 2.94% in Q1 FY21. Other income, comprising export incentives, helped improve margins
- **Net Profit** is **Rs. 1.23 crore** in Q1 FY22 compared to Rs. 0.58 crore in Q1 FY21, while **Net Profit Margin** stood at **0.90%**
- Board of Directors recommend annual final dividend at 5% - Re. 0.5/- per equity share of face value Rs. 10/-

Recent Key Developments:

- Creative signed distribution agreement with **Hyperice Inc.** (amongst a leading health & fitness brand) to offer range of muscle recovery and massage products across India.
- **Ckart** gaining strong momentum and wide acceptance among new and existing partners – recently launched seller module in the platform
- Creative tied up with **Reliance Retail** to distribute a range of audio and home appliance products branded under Disney and Marvel labels, as well as lights, bulbs, fans and small domestic appliances by BPL
- The Company signed an agreement with **MSi** (a well renowned computer brand) to distribute a range of mini-PCs and desktops in India
- The Company **signed a distribution agreement with Colorful Tech** to distribute SSD's across India
- Creative expanded its licensing agreement with **Honeywell** to include **audio products** and **air purifiers**

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Management Comment:

Commenting on the performance, **Mr. Ketan Patel, Chairman & Managing Director of Creative Newtech Limited said:**

“The first quarter of this financial year witnessed continued headwinds from the COVID-19 pandemic. With partial lockdowns in several states across India, this quarter represents practically barely two months of operations for the Company. Despite this, we have performed well. Infact, June reported one of our highest ever monthly sales, followed by a strong July month.

In the quarter ended June 2021, we reported a 110.57% YoY growth in revenue at Rs. 135.88 cr, with EBITDA and net profit growing 116.91% and 113.43% YoY to Rs. 4.11 cr and Rs. 1.23 cr, respectively. While this is mainly since the first quarter of last year was severely impacted by the nationwide lockdown, growth was also supported by strong demand for brands like Samsung, Cooler Master and PNY. Operational efficiencies and benefits from export incentives helped profit margins.

Going into the second quarter, the markets are slowly opening up and demand is picking up pace. Some of the recent additions in our brands portfolio include agreements with Hyperice Inc., a US-based specialist in muscle recovery and massage products; MSi, a globally renowned name in computers; and Colorful Tech, a global brand specializing in SSDs etc.

These associations are in line with our strategy to continually update and refresh our product portfolio to keep it relevant to the ongoing times and trends.

Our Honeywell portfolio is also strengthening with the addition of audio products and air purifiers which will be launching soon in the coming months. These developments, coupled with our progress in Ckart, gives an optimistic view for the coming quarter.

While the consumer sentiment is still cautious as there is speculation of a third wave of the pandemic, the overall market scenario is improving. The Company is well positioned to cater to the domestic as well as international markets while keeping a lean and efficient business model, thereby ensuring long-term, sustainable growth for all stakeholders.

I would like to thank the entire team for their dedication and for coming together during such uncertain times.”

Company Overview

Established in 1992, Creative Newtech Limited (formerly known as Creative Peripherals and Distribution Limited) is a well-established company in India’s Information and Communication Technology distribution market. Through a robust network of partners

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and distribution channels, the Company has made a strong foothold in the IT distribution market in the country. The Company has an omni-channel network across all three channels of online, offline and retail trade.

Creative Newtech specializes in market entry and penetration for global brands. The Company offers demographic intelligence, and enables the formulation and execution of marketing strategies for its clients. In addition to such services, Creative continues to focus on timely delivery, diversification of its product portfolio, sustained long-term relationships with its channel partners, and extending value-added services over and above distribution.

These efforts have enabled the Company to win long running contracts as well as garner accolades in the Industry as amongst the best distributors in India by leading brands. Creative is associated with over 20 renowned brands globally. These brands encompass

a wide range of applications and help the Company to cater to a broad array of customers, both in the consumer and industrial businesses. Moreover, the Company is well-positioned to leverage the changing trends in the technology industry and be a part of the paradigm shift towards digitization in India.

Creative has a unique value-added business model. They provide end-to-end solutions, from market research and competition analysis for brands, to import, distribution, sales and servicing for the brand. Additionally, the Company suggests and executes marketing strategies and recommends viability in specific regions across India for their clients. This is enabled by specialized skill sets, local insights and experience, along with relevant market intelligence. Creative also prepares strategic plans for market entry for foreign brands and their target category.

Furthermore, the Company conducts pre-sales and marketing activities for the success of the brand as well as to enable the channel partners to leverage their expertise and bottom line. Creative works closely with partners across channels including Large Format Retail (LFR), e-commerce and specialized retailers. The Company is one of the few large distributors who conduct specialized training modules, events and promotional activities at the ground level with channel partners. They also conduct workshops and demos for resellers. This is possible due to the dedication and experience of the corporate and sales teams which constantly track latest market developments to build a closer market connect.

The Company's wide reach and superior logistics capabilities helps it provide end-to-end services including warranty and post-warranty, high-level repair services, and response centres, among others. Such expertise and superior quality of service has led to increased

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confidence of brands, many of which have chosen Creative as exclusive partners and have been with the Company since over five years. The Company focuses on higher operational efficiencies and adding higher-margin and value-added products to its existing product portfolio and such brand associations are a concrete step in that direction.

For more details please visit: www.ecreativeindia.com

For further information please contact:

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Creative Newtech Limited

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Note: *Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other risk factors, viewers are cautioned not to place undue reliance on these forward-looking statements. The Company 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 circumstances.*