



## **Creative Newtech Limited**

(Formerly known as Creative Peripherals and Distribution Ltd.)

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#### Who we are...



#### **Brand Licensing**

- Licensed by Honeywell to undertake contract manufacturing for wide range of consumer & enterprise products
- Rights on many product designs/casts, can manufacture and sell Honeywell branded products in many APAC countries, as well as govern product pricing to large extent
- Aim to expand this business line with Honeywell, and get more international brands under licensing model
- Maintain asset-light model while expanding licensed manufacturing business

#### **Market Entry Specialist for Niche Brands**

- Specialist for global brands to enter and penetrate Indian markets
- Well positioned to leverage established network and market reach
- Portfolio of over 20 world renowned brands including Honeywell, GoPro, Viewsonic and Samsung
- Most brands are market leaders in their respective categories and command niche value in market
- Continually enhance portfolio with high-margin, high growth-potential products
- Multi-channel network online, retail and general trade channels

#### Ckart

- Online digital B2B eCommerce platform
- One-stop-shop for all customers
- Hosts all customers and enables them to view, share and transact in each other's products
- ➤ Offers various useful features like drop shipment, invoicing and facility for customer to have their own site
- Expands Company's product domain
- Will help expand customer-base without additional manpower
- With growing digitization in industry, Ckart paves way for future-ready business model

3,200 Products

5,000+ Customers

20+ Branches

20+ Brands

150+ Employees

## Journey so far...

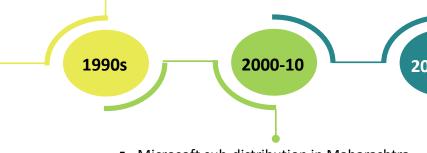
CREATIVE

- Started as trading concern with 2 employees
- Epson Dot-matrixPrinter aggregator

- 2012 Foray into Imaging business by signing Olympus
- 2013 Exclusive Photo Distribution from Vitec Group of Italy for Manfrotto
- 2013 Exclusive distribution for 5 new global IT vendors
- 2015 Reliance Digital 'Best Fulfillment Partner'
- 2015 Exclusive distribution for 8 new global brands including ViewSonic & Samsung

- Listed on NSE SME stock exchange
- Forayed into gaming products under lifestyle segment
- Agreement with TPV Technology India for Philips Digital Signage
- Geographically expanded Honeywell licensing agreement to Middle East & added new products
- Forayed into Retail Security segment - Signed Exclusive Agreement with InVue Security Products

- Launched B-Safe own brand of medical products
- Launched Ckart digital B2B platform for customers
- Expanded distribution mandate with Honeywell to 29 countries outside India
- Signed agreement with ZEISS for distribution of binoculars
   monoculars
- Licensing agreement with Honeywell for air purifiers
- Agreement with Edelkrone for videography accessories
- Tie-up with Reliance Retail for home appliance products
- Distribution agreement with MSi for mini-computers, and with Colorful Tech for SSDs
- Signed distribution agreement with Hyperice Inc.
- Changed name to Creative Newtech Ltd.



- Microsoft sub-distribution in Maharashtra & Gujarat
- Changed name to Creative Peripherals & Distribution Pvt. Ltd.
- Opened branches in Pune, Bangalore and Ahmedabad
- Epson Business Partner
- Foray into Lifestyle business

- Forayed into retail security business
- Exclusive license for Honeywell
- Distribution license received for GoPro
- Agreement with Future Tech Electronics LED TV's for DAEWOO, MEPL & INDICOOL brands in India
- Expanded gaming product vertical in India via agreement with Thermaltake
- Signed exclusive agreement with 'iBall' for all their products in Madhya Pradesh and Vidarbha
- Migrated to NSE Main Board
- Expanded IT, Gaming & Lifestyle segments with PNY, Cooler Master & BaByliss
- Distribution agreement with Panasonic for audio products
- Expanded agreement with Honeywell for Passive Cabling



## **Key Team**





# Mr. Ketan Patel Chairman & Managing Director

- IIM B Alumnus with Engineering in Computer Technology from Mumbai University
- Over three decades of experience has built expertise in business strategy, planning, product marketing and people management
- Responsible for maintaining vendor relations & new product development



## Mrs. Purvi Patel Whole Time Director

- Holds Diploma in Pharmacy with rich experience in Computer Programming
- Responsible for execution of business strategies and planning
- In-charge of all key business functions



Vijay Advani Whole Time Director

- Bachelor of Commerce from Mumbai University, with over 32 years of experience
- Expertise lies in business planning, execution and key account management
- Over three decades' experience in Value Added Distributors Industry, including companies like General Electronics



Abhijit Kanvinde
Chief Financial Officer

- Chartered Accountant with over 25 years of strong and multi-industry experience
- Worked in companies like Garnier India, Novartis Consumer Health, Shringar Cinemas, etc
- Was CFO of listed company for over 8 years, also successfully completed IPO 2x in his career



Upendra Singh
National Sales Head

- Bachelor of Commerce from Ranchi University, with nearly 30 years experience in Sales & Marketing
- Expertise lies in vendor management, sales generation & market penetration With over 11 years' experience in IT hardware industry, he drives national channel & corporate sales



Amol Patil
National Product Head

- MBA in Marketing with Engineering in Electronics and Telecom, with over 20 years' experience in IT industry
- Expertise lies in identifying latest market opportunities with excellent team management and execution skills. He is responsible for profitable management of products portfolio

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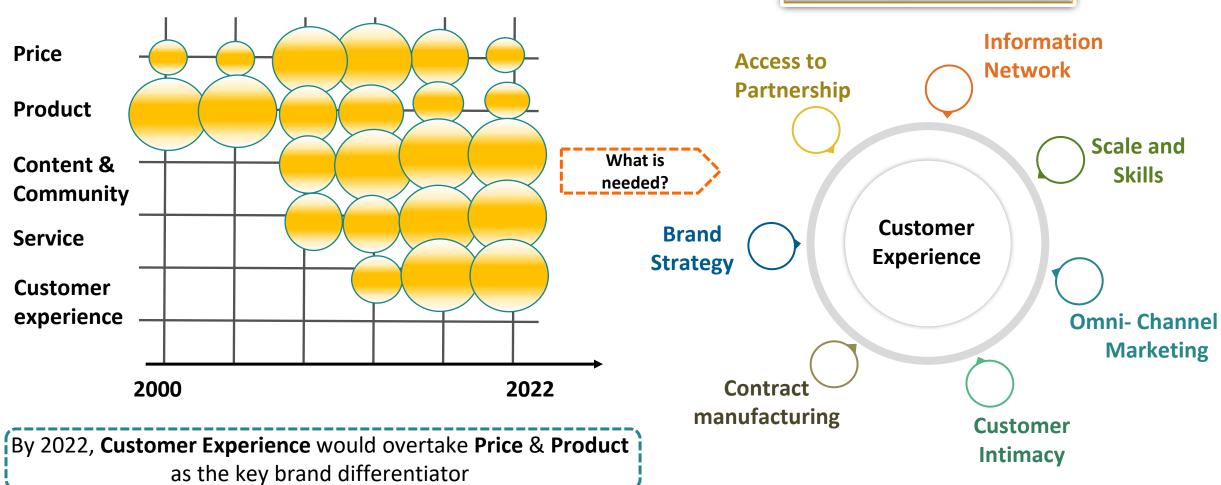




## **Driving digital transformation...**



# Our Value Addition



## **Integrated Business Model**



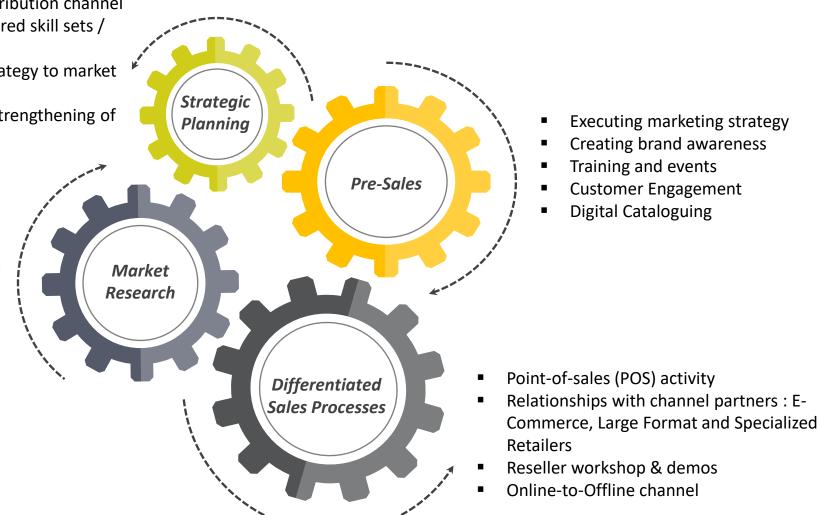
Identification of ideal distribution channel

 Identify and acquire required skill sets / manpower

 Regional planning and strategy to market brand

Resource allocation and strengthening of operations

- On-field research and in-house usage and checking
- Location-wise market demand analysis
- Price waterfall analysis
- Detailed product comparison
- Competition Analysis



## **Integrated Business Model contd...**





- Product to product comparison with similar products from peer brands in industry for competitive benchmarking
- On-field research & in-house usage & checking Checking product's usability, viability and features internally as well as in real-world scenario across markets. Conducting brainstorming sessions and Price Waterfall analysis.
- Location-wise market demand Gaining insight on consumer trends & demand of various demographics for product
- Market analysis Research to support ramp-up of brands in multiple countries with cost effective scalable process
- Competition Analysis Ascertain products and strategy of peer brands, and vetting overall technology landscape



- Identification of ideal distribution channel for specific product/brand,
   based on the target market Channels mix of online & offline modes
- Identify and acquire required skill sets / man power Conducting necessary training to equip personnel with required knowledge and skills to perform demo's etc. at POS
- Regional planning and strategy including target-setting formulating strategy specific to region, product and channel
- Strategy to market brand
- Resource allocation and strengthening of operations









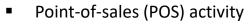
## **Integrated Business Model contd...**





- Executing marketing strategy
- Creating brand awareness
- Training and events
- **Customer Engagement**
- **Digital Cataloguing**
- **POP Displays**
- **100+** Trained, professional sales staff
- 1,200+ Trainings conducted at shop level annually





- Relationships with channel partners: E-Commerce, large format and specialized retailers
- Reseller workshop & demos
- Online-to-offline channel
- 20 branches across India









## Brand Licensing & Contract manufacturing - Honeywell End to end services from factory to consumer



**Honeywell:** Fortune 50 multinational conglomerate offers various commercial and consumer products, engineering services and aerospace systems. Active across **aerospace**, **automation & control systems** and **performance materials** & technologies.

**Our Involvement:** Started association in September 2016 to capitalize opportunities seen in Indian market. Creative has been crucial support and channel for Honeywell to expand their product distribution in India, and eventually across other Asian markets, and recreate "Power of Connect" among consumers



#### **Market specialists for Niche & Experiential Products**

















**PHILIPS** 











edelkrone<sup>®</sup>





























## Honeywell

## **Region:**

- India
- APAC
- Middle East

### **Categories:**

- **IT Peripherals**
- Audio **Enhancement**
- Air Purifiers





## Case Study – Go Pro Market entry, Brand awareness, Consumer engagement



**GoPro**: Global brand offering broad range of imaging devices and accessories for professional as well as amateur users

**Our Involvement:** Started association in 2016-17 to enter Indian market. Creative has been a key enabler for brand to penetrate market and establish its presence here. GoPro has grown from barely-known foreign brand to a well-recognized premium imaging brand in urban India

#### **Marketing Strategy**

- Market research & expertise to formulate customized, ideal marketing strategy
- Launched 'GoPro Hero' two days prior to global release, to make it available in time for Diwali sales in 2016
- Arrange and manage POP setups and kiosks for the brand at various malls
- Specialized training to 1,200 on-ground staff (ISD In-Store-Demonstrators)

#### **Exclusive Distribution**

- Exclusive distribution rights across India
- Leverage strong nation-wide network
- From introduction of 'GoPro Hero' in 2016-17, current portfolio spans several new variants of cameras, e.g. "GoPro Hero 9"

#### **On-Field Activities**

- Brand awareness & promotion
- Content creation & influencers
- Over ~36 events and workshop per year e.g. 7th India HOG Rally by Harley Davidson at Goa, Times Green Wheels bike festival
- Pre-sales activities

#### Scalability

- Witnessed growing sales in India: Share of revenue grew from \$1 mn in FY2016-17 to \$14 mn in FY2018-19
- India offers high growth potential among Asian markets, compared to mature markets like Japan and China















www.gopro.com

## **Digital Platform: Ckart**



#### Ckart is Creative's own online digital B2B eCommerce platform

#### **Salient Features**



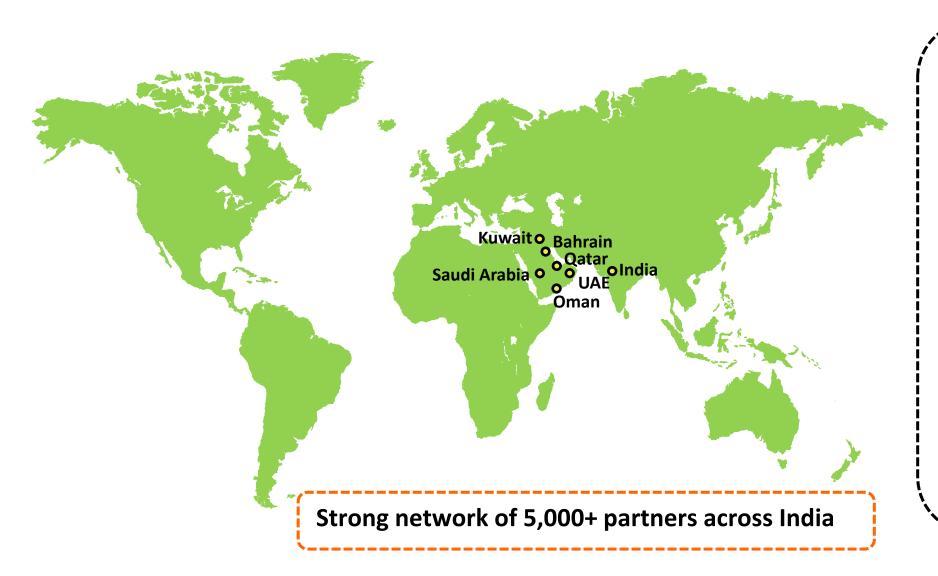
#### **Key Benefits**

- Ckart hosts all existing and new customers and is integrated with Company's ERP system
- Platform enables customers to discover, share and transact their products amongst each other
- Value added services include drop-shipment and invoicing capabilities and seller module
- Customers can also choose to have their own micro-site hosted
- Developed in-house by dynamic and dedicated team
- Swift navigation and flow, and offers userfriendly experience

- Ckart is a one-stop-shop for all customers' requirements
- It will grow customer-base without additional manpower or cost
- Platform will increase ease of doing business and enhance customer experience
- Expected to expand product domain and enhance working capital cycle

## **Geographical Presence**





#### **Domestic**

- Pan India presence
- 20 branches across India
- Over 150-strong highly skilled workforce across India – mix of young and experienced talent

#### **International**

- Strong distribution tie-up in Middle East
- Expanding network across SAARC & Southeast Asia countries

## **Smart Sourcing Capabilities**



#### Central Warehouse @ Bhiwandi, Maharashtra

#### **Dispatch all over India from Central warehouse**

- Warehousing and Transportation services
- 40,000 Sq. ft. area
- Semi-automatic warehousing
- Advanced systems for inward & outward, packing and stock keeping (Bar Code system for outward)
- Technology enabled supply chain
- Transactions handled: 3,500 tonnes per annum

#### **Key features**

- State-of-art inventory management and warehousing equipment
- Fast and on-time delivery
- Can arrange dispatch from single unit to container
- Tie-ups with reputed logistics service providers
- Trained and experienced staff













## **Management Comment**





Commenting on the Company performance, Mr.
Ketan Patel,
Chairman &
Managing Director of Creative Newtech 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, on a standalone basis, we reported a 111.04% YoY growth in revenue, with EBITDA and net profit growing 221.23% and 481.09% YoY to Rs. 5.89 cr and Rs. 3.02 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."

## **Key Developments**



- Fund Raise Activity: In July 2021, Creative undertook a preferential allotment of equity shares and warrants to raise Rs. 11 cr to fund future growth plans. Company issued 4,00,000 equity shares at Rs. 110 each and 6,00,000 fully convertible warrants at Rs. 110 each. The shares and warrants were allotted to Abhinav Capital Services Ltd and Shree Sumna Trade LLP.
- > Recent Brand Agreements:
  - Signed agreement with **Hyperice Inc.** to distribute massage & muscle recovery products
  - Tied up with **Colorful Technology** to distribute SSDs
  - Signed distribution agreement with MSi to supply mini-PCs and desktop range
  - Signed agreement with **Edelkrone** to distribute range of videography and photography accessories
  - Signed agreement with **ZEISS** to distribute range of nature observation products like binoculars & monoculars
- ➤ Tied up with **Reliance Retail** to distribute range of Disney and Marvel branded products in home appliances and audio product segments. Recently added bulbs, lights, fans and home appliances from **BPL** to this portfolio
- > Honeywell:
  - Signed licensing agreement for Honeywell air purifiers across 10 countries worldwide
  - Expanded Honeywell distribution agreement to include 29 countries across APAC & Middle East
  - Added range audio products to Honeywell product portfolio
- Company temporarily shut operations as per Government directives, due to outbreak of Covid-19 pandemic during March-April 2020. Partial operations resumed from April 2020 after due approvals from authorities

#### **New Business Initiative: Launch of Ckart**



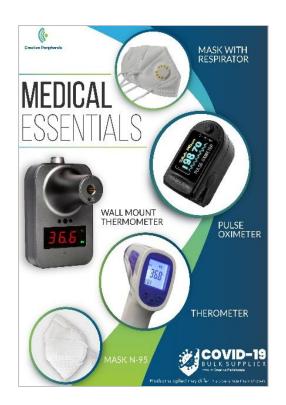


- Launched Ckart new online digital B2B eCommerce platform for customers
- Ckart launched online on 5<sup>th</sup> August 2020 in a grand event attended by more than 700 participants across India
- > First order placed online during event, showcasing fast and user-friendly experience
- Royalty points for customers who order via Ckart
- Ckart hosts all existing and new customers integrated with Company's ERP system
- ➤ Value added services include **drop-shipment** and **invoicing** capabilities
- ➤ Adding seller module and partner-specific e-store option
- Developed in-house by dynamic and dedicated team
- Will increase ease of doing business and enhance customer experience

#### **Launched B-Safe – Medical Products Portfolio**







Launched range of personal **medical products** for consumers under **own brand – B-Safe** 

- Personal health care product portfolio includes infrared thermometers, thermal scanners, pulse oximeters and masks
- ➤ Cater to growing demand during and after the COVID-19 pandemic
- ➤ High-precision instruments (thermometers and oximeter) for personal and organizational usage, as well as range of N-95 masks with and without respirators















# **Key Quarterly Financial Highlights – Standalone & Consolidated**

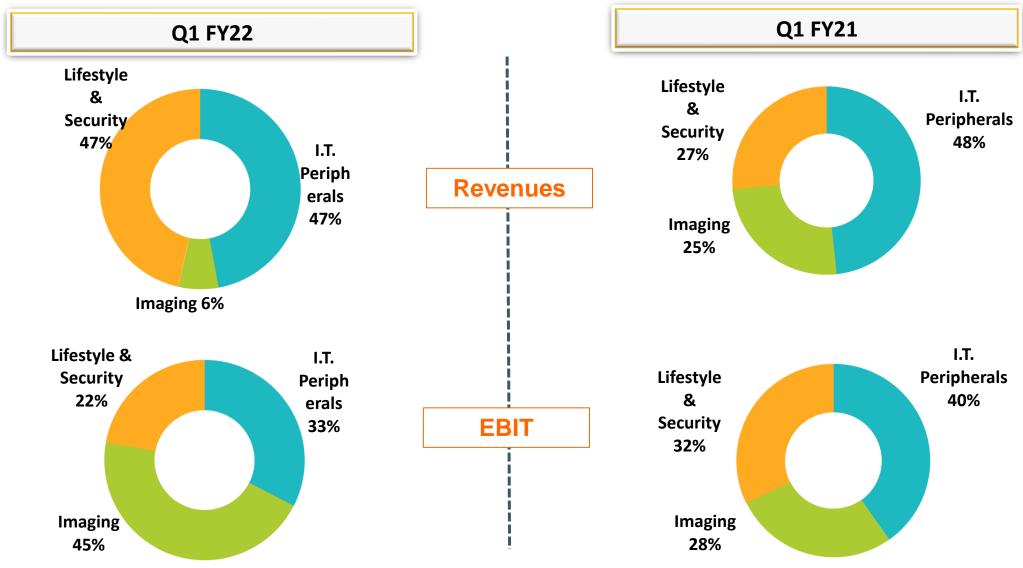


	Standalone		Consolidated			
Rs. Cr	Q1 FY22	Q1 FY21	YoY%	Q1 FY22	Q1 FY21	YoY%
Revenue from Operations	131.76	63.30		133.89	64.45	
Other Income	1.99	I 0.08		1.99	0.08	
Total Income	133.75	<mark>!</mark> 63.37	111.04%	135.88	64.53	110.57%
Raw material	119.68	56.69		121.82	57.69	
Employee Cost	2.93	1.63		2.93	1.63	
Operating Expenses	5.24	<b>I</b> 3.22		7.02	3.31	
Total Expenditure	127.86	61.54		131.77	62.63	
EBITDA	5.89	1.83	221.23%	4.11	1.90	116.91%
EBITDA Margin (%)	4.41%	2.89%	152 bps	3.03%	2.94%	9 bps
Interest	1.32	0.92		1.34	0.93	
Depreciation	0.30	0.20		0.30	0.20	
Exceptional Items	0.18	0.00		0.18	0.00	
Profit Before Tax	4.09	I 0.71		2.30	0.77	
Tax	1.07	0.19		1.07	0.19	
PAT	3.02	0.52	481.09%	1.23	0.58	113.43%
Other Comprehensive Income	0.00	0.00		0.00	0.00	
Net Profit	3.02	l 0.52	481.09%	1.23	0.58	113.43%
Net Profit Margin (%)	2.26%	0.82%	144 bps	0.90%	0.89%	1 bps
Basic EPS in Rs.	2.60	, 0.45	477.78%	1.44	0.45	220.00%

- June 2021 reported one of the highest ever monthly sales, followed by strong performance in July
- Continued recovery from COVID lockdown supported by demand for brands like Samsung, Cooler Master & PNY
- Higher revenues and relatively lower other expenses boosted EBITDA margins

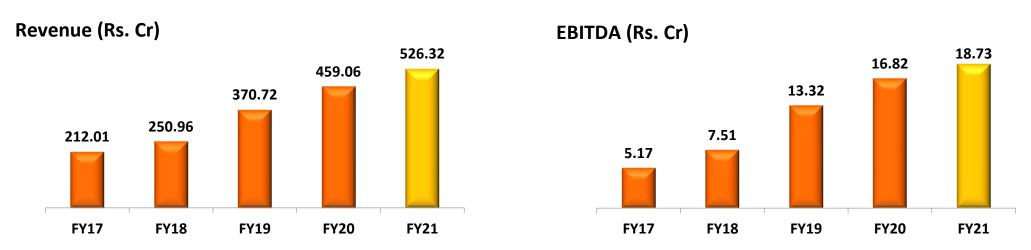
## **Consolidated Segmental Performance**

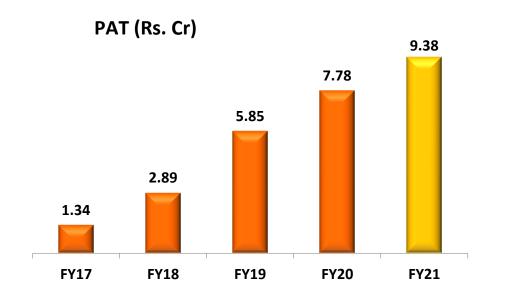




## **Annual Financial Highlights – Consolidated**







# Annual Financial Highlights – Standalone & Consolidated



Rs. Cr	FY21	FY20	YoY%	FY21 (Consol.)	
Income from Operations	l 509.30	451.17		520.15	
Other Operating Income	6.17	1.31		6.17	
Total Income from Operations	515.47	452.48	13.92%	526.32	
Raw material	467.52	401.61		475.01	
Employee Cost	8.60	8.99		8.60	
Operating Cost	19.30	23.83		23.98	
Total Expenditure	l 495.42	434.43		507.59	
EBITDA	20.06	18.06	11.08%	18.73	
EBITDA Margin%	3.89%	3.99%	(10 bps)	3.56%	
Interest	4.65	4.76		4.69	
Depreciation	1.02	0.86		1.02	
Profit Before Tax	14.39	12.43		13.02	
Tax	3.64	3.39		3.64	
PAT	l 10.75	9.04	18.86%	9.38	
Other Comprehensive Income	0.03	(0.02)		0.03	
Net Profit	10.78	9.03	19.41%	9.41	
Net Profit Margin (%)	l 2.09%	2.00%	9 bps	1.79%	
Basic EPS in Rs.	9.29	7.78	19.41%	8.26	

## **Consolidated Balance Sheet Highlights**

## - as on 31st March



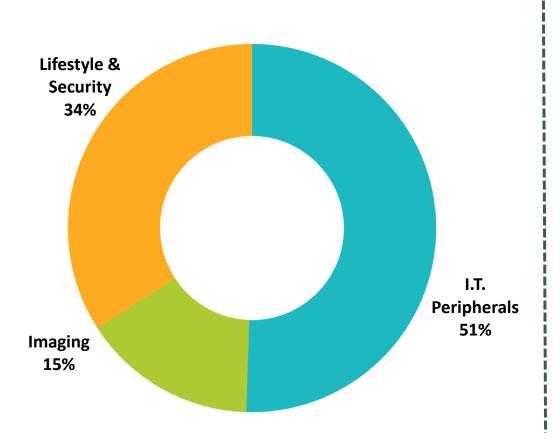
Rs. Cr	As on 31 <sup>st</sup> March 2021	As on 31 <sup>st</sup> March 2020	
Equity	61.68	41.24	
Equity Share capital	11.60	11.60	
Other Equity	47.04	29.75	
Minority Interest	3.04	(0.11)	
Share Application Money Pending Allotment	0.00	10.60	
Non-current liabilities	4.22	5.49	
Long term borrowings	3.43	4.81	
Other Long term liabilities	0.00	0.00	
Other Long term provisions	0.79	0.69	
<b>Current liabilities</b>	125.87	97.54	
Short Term Borrowings	39.50	27.07	
Trade Payables	38.32	29.30	
Other Financial liabilities	29.56	25.06	
Other Current liabilities	16.98	15.35	
Short-term provisions	0.14	0.12	
Current Tax liabilities (Net)	1.36	0.63	
Total Equities & Liabilities	191.78	154.88	

Rs. Cr	As on 31 <sup>st</sup> March 2021	As on 31 <sup>st</sup> March 2020	
Non-current assets	10.16	10.07	
Property, Plant and Equipment	9.85	8.89	
Intangible Assets	0.22	0.00	
Non-current Investments	0.00	1.06	
Net Deferred Tax Asset	0.09	0.12	
Long-term loans & advances	0.00	0.00	
Other non-current assets	0.00	0.01	
Current assets	181.61	144.80	
Inventories	59.79	60.29	
Trade receivables	55.95	38.58	
Cash & Cash equivalents	2.25	0.52	
Bank Balances other than above	3.99	3.36	
Other Financial assets	0.04	0.02	
Other Current Assets	59.59	42.03	
Total Assets	191.78	154.88	

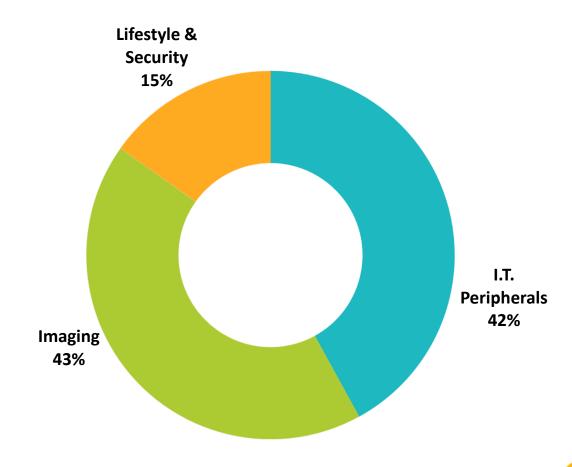
## **Consolidated Revenue Contribution – Business category**





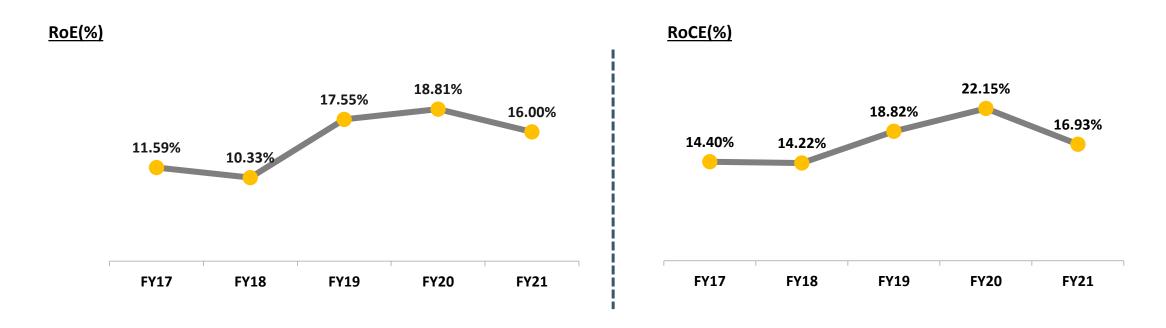


#### FY2020



## **Consolidated Key Return Ratios**





Focus on improving RoCE and long term value creation





## **Future-ready business growth**



New markets

**Expansion in new markets** 

■ **Domestic market**: Smart Cities and Make in India boosting demand from OEMs & service providers; Smart Homes, Vehicles; Big Data and Analytics, Intelligent technology & hardware to drive future growth

International market: Expanding in Middle East and APAC (SAARC & other Countries)

Future-ready business model with focus on Digital Trends

Digital Platform for enhanced customer

Utilize Ckart to expand customer and product-base and improve working capital

- Internet of Things & Artificial Intelligence: High investment projected in APAC; smart connected machines, augmented reality, cloud connectivity in enterprise markets. Expanding market for robotics, wearables
- Experiential products focused on the younger demographic bring niche brands into India
- Focus on high margin & high-value brands such as GoPro, Honeywell, Cooler Master
- Expand omni-channel network covering online, retail and general trade

High growth from key business categories

**03**Key growth drivers

experience

- **Honeywell**: High-margin products for connectivity, which are secure and energy-efficient
- GoPro Cameras: Next-gen technology, premium pricing, target high-end users
- Lifestyle Products / Consumer Durables: Expected to rise 22% as smartphone market grows
- **Gaming segment:** Gaining momentum in India with adoption of high-end equipment from niche brands like Cooler Master
- **Security Products**: Estimated market size over \$350 bn; exclusive distribution of premium brands

#### **Thank You**





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