

Date: 12th February 2023

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

Sub: Creative Newtech Ltd. (formerly known as Creative Peripherals and Distribution Ltd.) announces the un-audited Consolidated financial results for Q3 & 9M FY23

Dear Sir,

Please find attached Media Release regarding announcement of un-audited consolidated financial results for Q3 & 9M FY23.

Thanking you,
Yours Faithfully

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



Tejas Doshi
Chief Compliance Officer and Company Secretary
ACS - 30828

Date: 12th February 2022

Place: Mumbai

Media Release – Consolidated

9M FY23 Total Income at Rs. 999.28 Cr. – YoY Growth of 47.07% driven by demand for IT and other products – mainly Samsung, Cooler Master ,Honeywell and Viewsonic

9M FY23 EBIDTA at Rs. 33.62 Cr., YoY growth of 44.03% mainly driven by higher sales

9M FY23 Net Profit at Rs. 20.80 Cr.

Mumbai, 12th February 2023: 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 third quarter and nine months ended December 31st, 2022.

Key Consolidated Financials:

Particulars (Rs. Cr.)	Q3 FY23	Q3 FY22	YoY%	9M FY23	9M FY22	YoY%
Total Income	428.97	302.36	41.87%	999.28	679.45	47.07%
EBIDTA (Incl. Other Income)	12.69	10.56	20.16%	33.62	23.34	44.03%
EBITDA Margin	2.96%	3.49%	(53 bps)	3.36%	3.44%	(7 bps)
Net Profit	7.69	7.00	9.85%	20.80	14.07	47.82%
Net Profit Margin	1.79%	2.32%	(52 bps)	2.08%	2.07%	1 bps

Performance Highlights for the quarter ended December 31st, 2022:

- **Total Income** for the quarter was **Rs. 428.97 crore** in Q3 FY23, a **YoY increase of 41.87%**. Improvement in EB segment was supported by strong demand for brands such as Samsung, Cooler Master, Honeywell and VIEWSONIC supported growth.
- **EBITDA** is at **Rs. 12.69 crore** in Q3 FY23, **YoY increase of 20.16%**. **EBITDA Margin** at **2.96%** in Q3 FY23. Higher revenue coupled with export incentives offset the impact of higher employee costs and promotion expenses.
- **Net Profit** is **Rs. 7.69 crore** in Q3 FY23 compared to Rs. 7.00 crore in Q3 FY22, while **Net Profit Margin** stood at **1.79%**

Performance Highlights for the nine months ended December 31st, 2022:

- **Total Income** for the period was **Rs. 999.28 crore** in 9M FY23, a **YoY increase of 47.07%**, mainly since some part of last year's corresponding period was impacted by the nationwide lockdown. Strong demand for brands such as Samsung, Cooler Master and Honeywell and VIEWSONIC supported growth.
- **EBITDA** is at **Rs. 33.62 crore** in 9M FY23, **YoY increase of 44.03%**. **EBITDA Margin** is **3.36%**, vis-à-vis 3.44% in 9M FY22. Higher revenue along with export incentives offset the impact of higher promotions expenses, leading to improved absolute margin.
- **Net Profit** is **Rs. 20.80 crore** in 9M FY23 compared to Rs. 14.07 crore in 9M FY22, while **Net Profit Margin** stood at **2.08%**

Recent Key Developments:

- Company signed distribution agreements with Fugi Intax range of cameras, and with Hama Gulf for their photography products.
- Company signed distribution agreements with Lexar Memory Cards.
- 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 & Kelvinator
- Creative expanded its licensing agreement with **Honeywell** to include **audio products** and **air purifiers**

Management Comment:

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

"In the quarter ended December 2022, we reported a 41.87% YoY growth in total income at Rs. 428.97 cr, with EBITDA and net profit growing 20.16% and 9.85% YoY to Rs. 12.69 cr and Rs. 7.69 cr, respectively. This growth was supported by strong demand for brands like Samsung, Cooler Master, Honeywell and Viewsonic along with higher overseas sales.

Going into the fourth quarter, we have a robust brand portfolio with new and high-potential products. Some of the recent additions in our portfolio include Insta360, Fujifilm, Lexar memory cards and Hyperice Inc. Synergies from our Honeywell portfolio are also beginning to show as we have received certification for distribution in various countries. We also recently launched a new range of Honeywell air purifiers. These developments, coupled with our progress in Ckart, gives an optimistic view for the full year.

As consumer sentiment and overall market scenario improves, we are 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 Ltd (formerly known as Creative Peripherals and Distribution Ltd) is a well-established company in India’s Information and Communication Technology distribution market. Through a robust network of partners 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 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.creativenewtech.com

For further information please contact:

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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.*