

Date: 11th November 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 & Distribution Ltd.)
announces the un-audited **standalone** financial results for Q2 & H1 FY22

Dear Sir,

Please find attached Media Release regarding announcement of un-audited standalone
financial results for Q2 & H1 FY22.

Thanking you,

Yours Faithfully
For Creative Newtech Limited



Tejas Doshi

Company Secretary & Compliance Officer

Date: 11th November 2021

Place: Mumbai

Media Release – Standalone

H1 FY22 financial performance reflects effectively less than 5 months of operations due to lockdown during initial months

112.08% YoY growth in H1 FY22 Total income at Rs. 373.97 Cr. – driven by demand for IT & other products like Samsung, Cooler Master & Honeywell

H1 FY22 EBIDTA at Rs. 12.61 Cr., YoY growth of 99.83%, on account of higher sales

H1 FY22 Net Profit at Rs. 6.88 Cr., YoY growth of 132.75%

Basic EPS at Rs. 5.87

Mumbai, 11th November 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 Standalone financial results for the second quarter and half year ended September 30th, 2021.

Key Standalone Financials (Rs. Cr.):

Particulars	Q2 FY22	Q2 FY21	YoY%	H1 FY22	H1 FY21	YoY%
Total Income	240.22	112.96	112.66%	373.97	176.34	112.08%
EBIDTA	6.72	4.48	50.07%	12.61	6.31	99.83%
EBITDA Margin	2.80%	3.96%	(116 bps)	3.37%	3.58%	(21 bps)
Net Profit	3.86	2.44	58.42%	6.88	2.96	132.75%
Net Profit Margin	1.61%	2.16%	(55 bps)	1.84%	1.68%	16 bps
Basic EPS (in Rs.)	3.29	2.08	58.17%	5.87	2.52	132.94%

Performance Highlights for the quarter ended September 30th, 2021:

- **Total Income** for the quarter was **Rs. 240.22 crore** in Q2 FY22, a **YoY increase of 112.66%**, mainly since last year's second quarter was severely impacted by the nationwide lockdown. Strong demand for brands such as Samsung, Cooler Master and Honeywell also supported growth.
- **EBITDA** is at **Rs. 6.72 crore** in Q2 FY22, **YoY growth of 50.07%**, mainly on the back of higher revenues.
- **EBITDA Margin** is **2.80%**, vis-à-vis 3.96% in Q2 FY21. Relatively higher sales promotions and change in product mix impacted margins.
- **Net Profit** is **Rs. 3.86 crore** in Q2 FY22, **YoY increase of 58.42%**. **Net Profit Margin** stood at 1.61%
- **Basic EPS** is **Rs. 3.29**

Performance Highlights for the half year ended September 30th, 2021:

- **Total Income** for the period was **Rs. 373.97 crore** in H1 FY22, a **YoY increase of 112.08%**, mainly since last year's first half was severely impacted by the nationwide lockdown. Strong demand for brands such as Samsung, Cooler Master and Honeywell also supported growth.
- **EBITDA** is at **Rs. 12.61 crore** in H1 FY22, **YoY growth of 99.83%**, primarily due to higher revenue. **EBITDA Margin** is **3.37%**, vis-à-vis 3.58% in H1 FY21, due to a change in products mix.
- **Net Profit** is **Rs. 6.88 crore** in H1 FY22, **YoY increase of 132.75%**. **Net Profit Margin** stood at 1.84%
- **Basic EPS** is **Rs. 5.87**

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** is fast gaining strong momentum and 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
- Creative expanded its licensing agreement with **Honeywell** to include **audio products** and **air purifiers**

Management Comment:

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

“The second quarter of this financial year witnessed significant recovery from the lockdown in the first quarter. Infact, after June being one of our highest ever monthly sales, we registered strong sales July onwards as well.

In the quarter ended September 2021, we reported a 112.66% YoY growth in revenue at Rs. 240.22 cr, with EBITDA and net profit growing 50.07% and 58.42% YoY to Rs. 6.72 cr and Rs. 3.86 cr, respectively. While this is mainly since the second 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 Honeywell.

Going into the third quarter, markets are opening up substantially and demand has been picking momentum. We continue to refresh our brand portfolio with new and high-potential products. One of the recent additions in our portfolio is Hyperice Inc., a US-based specialist in muscle recovery and massage products. These associations are in line with our strategy to continually update and diversify our product portfolio to keep it relevant to the ongoing times and trends.

Synergies from our Honeywell portfolio are also beginning to show and we foresee a strong upswing in this in the coming quarters. These developments, coupled with our progress in Ckart, gives an optimistic view for the next 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 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 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 Newtech 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.ecreativeindia.com

For further information please contact:

<p><i>Company:</i></p> <p>Abhijit Kanvinde</p> <p>Chief Financial Officer</p> <p>Creative Newtech Ltd.</p> <p>E-mail: abhijit@ecreativeindia.com</p>	<p><i>Investor Relations:</i></p> <p>Rahul Trivedi / Savli Mangle</p> <p>Bridge Investor Relations Pvt. Ltd.</p> <p>Email: rahul@bridge-ir.com / savli@bridge-ir.com</p>
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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.*