



# Result Update Presentation Q2 & H1 FY22

**Creative Newtech Limited**

(Formerly known as Creative Peripherals and Distribution Limited)

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# Company Overview

## Business is an Idea not an Opportunity



**Mr. Ketan Patel**

**Founder & CMD**

A technologist with a humble background and an experience 30+ of years. With capital not an option, he had to choose a long gestation period for success. He firmly believes that in the technology business, operating leverage is substantial but always back ended.



**Mrs. Purvi Patel**

**Co-Founder & Whole Time Director**

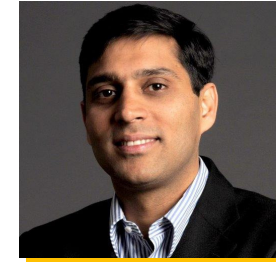
A woman with exceptional foresight, Purvi Patel manages Logistics, HR, Marketing, Operations and Administrative functions to enable smooth functioning of the business.



**Mr. Vijay Advani**

**Whole Time Director**

Mr. Advani is a seasoned Professional with 30+ years of experience since 1998 in Product, Sales & Operations. He looks after the complete sales of the organisation and all major B2B relationships with an ease and competence like no other.



**Mr. Mohit Anand**

**Co-Founder & CEO - Secure Connection**

As the CEO of Secure Connection, he is responsible for all facets of the business including, Sales, Marketing, Finance & Operations. He is currently building and scaling out Honeywell licensing business in over 29 countries.

Ex-Microsoft, Ex-Belkin

## Key Management Team



**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. He was the CFO of a listed company for over 8 years, also successfully completed two IPOs in his career.



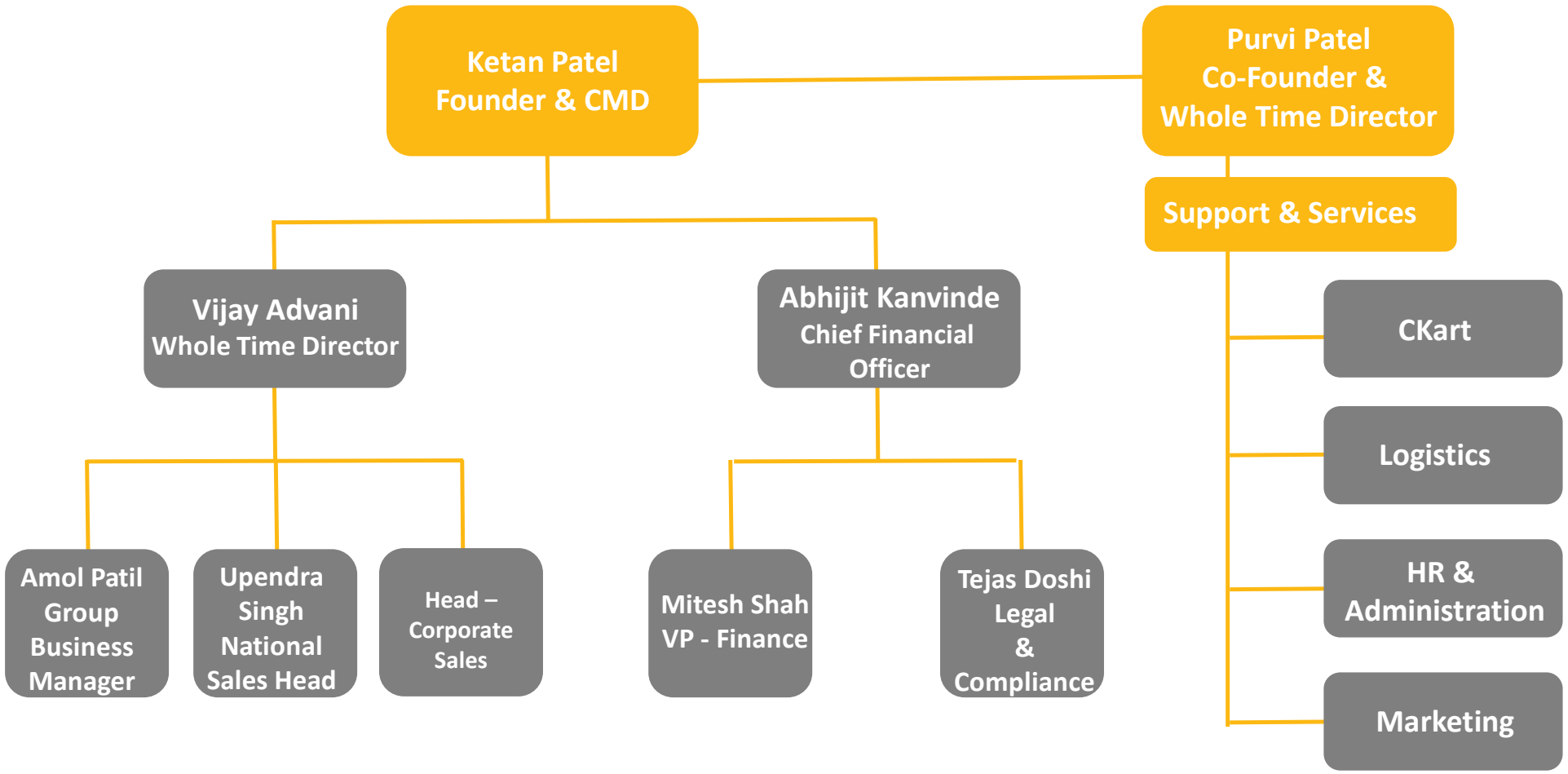
**Upendra Singh**  
National Sales Head

Bachelor of Commerce from Ranchi University, with nearly 30 years experience in Sales & Marketing. His expertise lies in vendor management, sales generation & market penetration. He has been in the IT hardware industry for over 11 years and he drives the national channel & corporate sales.



**Amol Patil**  
Group Business Manager

MBA in Marketing with Engineering in Electronics and Telecom, with over 20 years of experience in IT industry. Mr. Patil's prowess lies in identifying latest market opportunities. With his excellent team management and execution skills, he is responsible for profitable management of products portfolio



## Who we are

### Brand Licensing

(like Jubilant food – Dominos Pizza & Page Industries – Jockey Comfort wear)

- Licensed by Honeywell for contract manufacturing of various 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 a large extent.
- Expanding Honeywell business line, and aiming to get more international brands under the licensing model.
- Maintaining an asset-light model while expanding the licensed manufacturing business.

### FMSG + FMCT + FMEG + EB

- Specialist for end to end solutions of FMSG for global brands in India.
- Well-positioned and monopolistically positioned for the fast growing, aspirational young population in a country like India with established network & market reach.
- Portfolio of 20+ world renowned brands including Cooler Master, Viewsonic, Samsung, Babylics, Hyperice, Insta 360.
- Most brands are market leaders in their categories and command niche value in market.
- Continually enhancing portfolio with high-margin, high growth-potential products.
- Multi-channel network – online, retail and general trade channels.

### Ckart

- Online digital B2B eCommerce platform
- Hosts all customers and enables them to discover, share and transact in each other's products.
- Captive market place for subscribed business partners.
- Value-added features include drop shipment, invoicing, smart price list, seller module, customized marketing collateral and facilitates customers to have their own ecommerce site.
- Expands the Company's product domain.
- Boosts customer-base without additional manpower
- With growing digitization in industry, Ckart paves the way for a future-ready business model.

FMSG: Fast Moving Social-Media Gadgets

FMCT: Fast Moving Consumer Technology

FMEG: Fast Moving Electronics Goods

EB: Enterprise Business



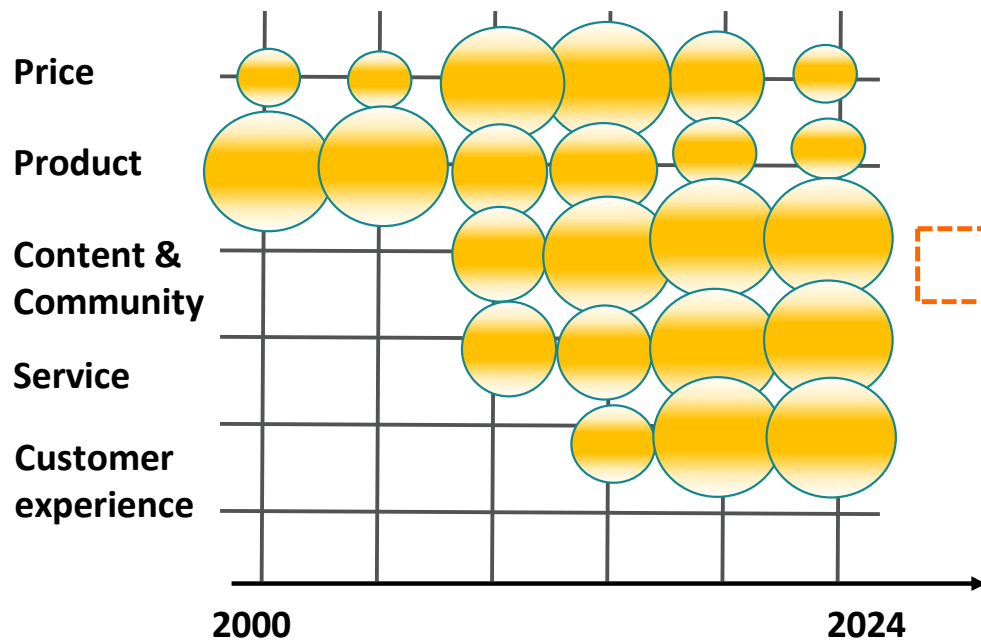


# Business Overview



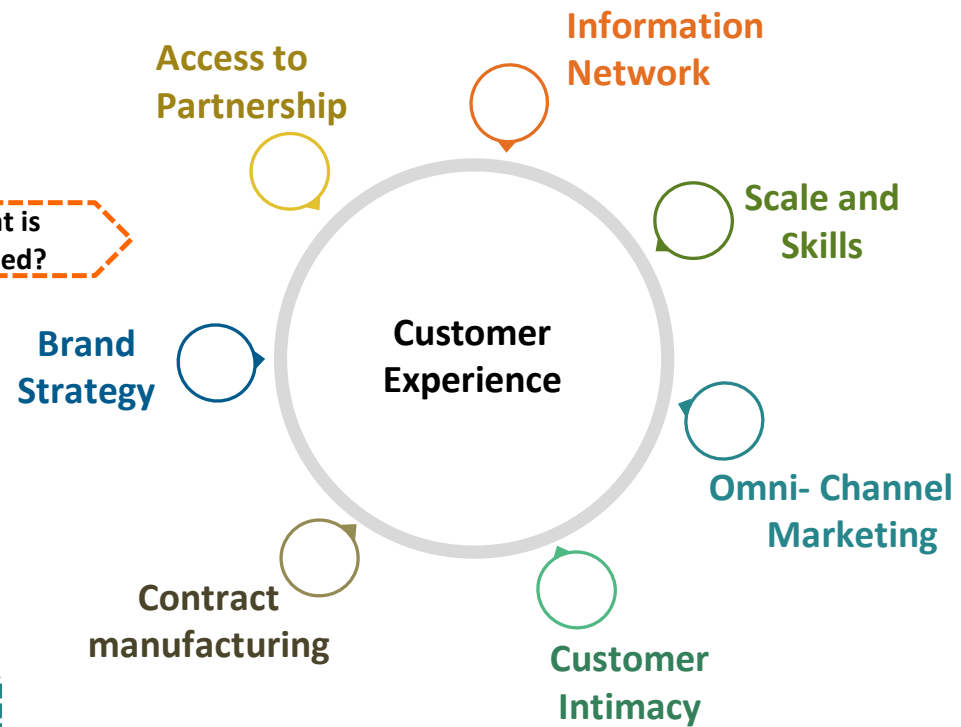
# Driving Social Media Transformation through Digital Offerings

## Our Value Addition



What is needed?

By 2024, **Customer Experience** will overtake **Price & Product** as the key brand differentiator, a shift that is already in progress.



## Our Partners



**FMSG**

Honeywell COOLER MASTER COLORFUL edelkrone Insta360 thermaltake MSI  
Hyperice PNY BaByliss OLYMPUS Disney MARVEL Transcend ZEISS

**FMCT**

ball SAMSUNG ViewSonic See the difference™ rapoo

**FMEG**

BPL Kelvinator

**EB**

AOC PHILIPS PRINTRONIX inVue authorized sales partner

FMSG: Fast Moving Social-Media Gadgets

FMCT: Fast Moving Consumer Technology

FMEG: Fast Moving Electronics Goods

EB: Enterprise Business

## FMSG – The Aspirational class & Social media led growth

### Key drivers of growth:

- The trend to capture every moment of social life and post live events on social media along with live streaming has led to a multifold growth in personal-use, Internet connected devices.
- Every millennial tends to follow multiple hobbies and practise at least 1 or 2 of them regularly; this has led to a tremendous growth in trekking, wildlife photography/tours, sports, cooking, music etc. and this has made this segment one of the fastest growing segments across globe.
- The consistent increase in sedentary work and increased health and beauty consciousness has led to an exponential increase in demand for home recovery equipment (HYPERICE), home grooming products (BABYLISS) and Gaming accessories (Cooler Master).
- The increasing trend for gaming products has led to an even greater increase in demand for cooling products and, high performance computer components and processing gadgets like virtual reality, live streaming and video streaming, computers, and other gaming devices. Cooler Master's growth is a derivative of growth in gaming devices.

## FMSG: Global data on lifestyle sales



### Global Grooming Industry

- The global beauty and personal care market was valued at about \$422.72 bn in 2020 and is forecasted to grow at a CAGR of 4.82% to reach \$558.12 bn by 2026.
- Rise in aging population, per capita income and growing awareness of grooming products especially among urban masses (more so by Internet penetration), are some of the factors driving growth in this sector.
- APAC is the leading market in this industry, followed by North America and Europe.

### Global Fitness Equipment

- The Fitness equipment industry has been growing substantially worldwide in recent years. Driven by stress and sedentary lifestyle among the urban masses coupled with rising awareness regarding fitness, as well as easy availability of such products, the demand for massage equipment is rising.
- The Global Fitness Equipment Market size was estimated at USD 10.31 Billion in 2020 and expected to reach USD 10.97 Billion in 2021, at a Compound Annual Growth Rate (CAGR) 6.74% to reach USD 15.25 Billion by 2026.

### Global Gaming Industry


- The global gaming sector has been booming over the past few years. Fueled by increasing trends for online/digital gaming, urbanization and faster network infrastructure along with penetration of smartphones, the market is witnessing a rapid addition of gamers.
- As per a report by Accenture, the global gaming industry presently exceeds \$300 bn, especially boosted by the recent lockdowns, which expedited this trend.
- The sector has grown by half a billion players in the last 3 years, leading to a total of 2.7 billion people. By 2023 over 400 million new gamers are likely to join.
- Online gaming alone is anticipated to grow at a CAGR of 11.9% between 2020-26.

Sources: <https://www.businesswire.com/news/home/20210622005830/en/Global-Beauty-and-Personal-Care-Market-Report-2021-2026---ResearchAndMarkets.com>  
<https://www.globenewswire.com/en/news-release/2021/08/04/2274353/28124/en/Global-Fitness-Equipment-Market-Research-Report-2020-to-2026-by-Product-Distribution-and-Region.html>  
<https://newsroom.accenture.com/news/global-gaming-industry-value-now-exceeds-300-billion-new-accenture-report-finds.htm>;


# FMSG



A great business idea



A great business idea



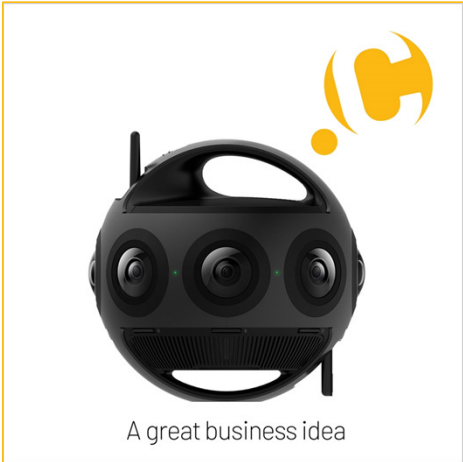
A great business idea



A great business idea

# FMSG - Imaging

Insta 360



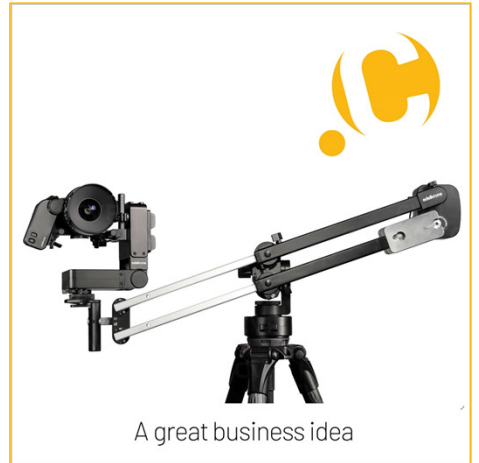
Olympus



Zeiss



Edelkrone

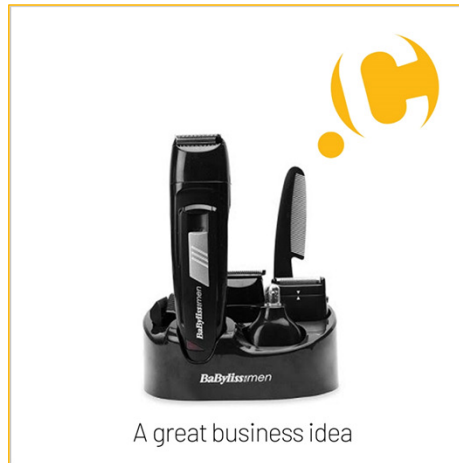


## FMSG - Lifestyle

Samsung



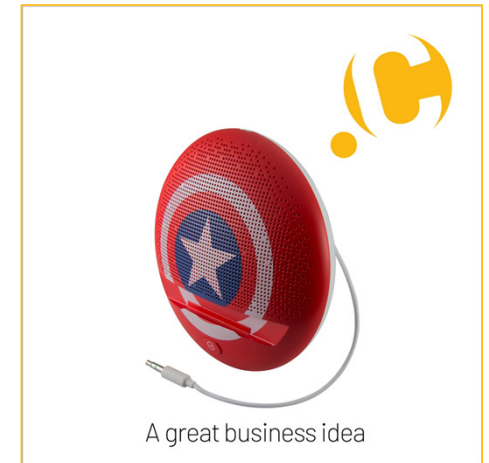
BabyLiss



PNY



Disney Marvel







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## End to End Solution provider- Honeywell



# ~\$33 Billion

in sales for 2020

# 53%

of sales outside U.S.

- ~1,300 sites, ~70 countries
- More than 129,000 employees
- **Morris Plains, N.J.** headquarters
- **Fortune 100**
- **NYSE: HON**

Aerospace	Building Technologies	Performance Materials and Technologies	Safety and Productivity Solutions
<b>\$11.5 Billion</b>	<b>\$5.2 Billion</b>	<b>\$9.4 Billion</b>	<b>\$6.5 Billion</b>



Honeywell developed the first autopilot flight controller (1914), first commercial weather radar system (1954), first business jet turbofan engine (1975), and is still the leader in developing revolutionary technology for aerospace today



Honeywell is the leader in gas detection, fire systems, personal protective equipment, building controls, home comfort and security and scanning and mobility



Honeywell began the SmartHouse project to combine heating, cooling, security, lighting, and appliances into one easily controlled system. They continued the trend in 1987 by releasing new security systems, and fire and radon detectors



Honeywell's technology is used to produce 40% of the world's liquefied natural gas, 60% of the world's gasoline, 70% of the world's polyester, and 90% of the world's biodegradable detergents



## Honeywell – Fortune 100 Global Behemoth

- Honeywell is a global leader across business verticals and geographies.
- Honeywell has a very successful and robust trademark licensing business that generates US\$ 350 Million annually.
- Our exclusive trademark license from Honeywell covers 29 countries spanning South East Asia, South Asia and Middle East Asia (set to expand to more countries in Africa within next 90 days).
- We currently offer a vast suite of products spanning consumer to enterprise segments – from enhancement products for laptops, smartphones & TVs, to Audio products to Air Purifiers to enterprise class infrastructure through our Structured cabling systems offerings.
- The entire product life cycle from industrial design (IP ownership) and concept to obsolescence is owned and managed by us.
- We have adopted Fables manufacturing across 24 facilities PAN Asia for Honeywell product line. All these factories are approved and audited through Honeywell stringent audit and compliance requirements.



## Honeywell - market size of products and driver

- The global Audio Equipment market is expected to grow from \$24.59 billion in 2020 to \$28.54 billion in 2021 at a compounded annual growth rate (CAGR) of 16.1%. The growth is expected mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges.
- The global Air Purifier market size was valued at USD 10.67 billion in 2020 and is expected to expand at a compounded annual growth rate (CAGR) of 10.0% from 2021 to 2028. The market is expected to be driven by rising airborne diseases and increasing pollution levels in urban areas. Moreover, growing health consciousness, improving standards of living, and rising disposable income are expected to fuel the market growth. One of the estimate is that the global air purifier market size is expected to reach USD 22.80 billion by 2028 and is expected to expand at a CAGR of 10.0% from 2021 to 2028.

Data Source:

<https://www.globenewswire.com/news-release/2021/06/22/2250704/28124/en/Global-Audio-Equipment-Market-Report-2021-to-2030-COVID-19-Impact-and-Recovery.html>

<https://www.grandviewresearch.com/industry-analysis/air-purifier-market>

<https://www.prnewswire.com/news-releases/global-air-purifier-market-report-2021-2028-stay-at-home-sah-and-work-from-home-wfh-norms-have-boosted-the-demand-301287523.html>

## Honeywell - Exclusive rights to sell across 29 countries





**CREATIVE**  
NEWTECH

## Honeywell - Tough Entry Barrier & Hyper Growth ahead

- The biggest entry barrier to breakthrough in Honeywell is the long-drawn compliance process and product approval including certifications.
- The process of getting approval for each product is time consuming and expensive.
- We have spent last 4-5 years in getting the approvals for the products and now we are ready to launch several new products in coming months.



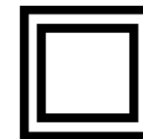
IS 616 : 2017 / IEC 60065 : 2014



R-XXXXXXXX  
www.bis.gov.in



**WPC**  
WIRELESS PLANNING & COORDINATION  
CERTIFICATION

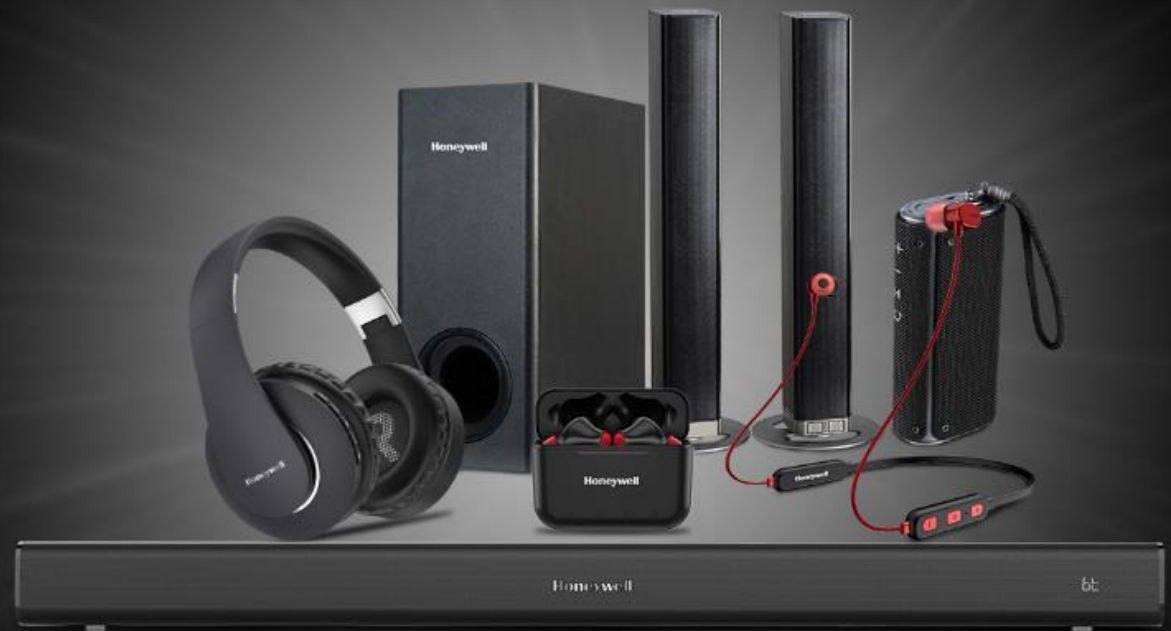


\*above certifications are approved

## Honeywell - Air Purifier



## FMSG: Honeywell - Audio



FMSG: Honeywell – Wireless Earbuds





# FMSG: Honeywell



**Honeywell**  
8K ULTRA HIGH SPEED HDMI Cable with Ethernet

Ultimate Series

8K 60 HZ  
4K 120 HZ

48.0 Gbps TRANSFER RATE	120 Hz MAXIMUM FRAMEWORK-INDEXED FPS
Dolby Atmos UP TO 7.2 SURROUND SOUND	24K GOLD V-GRIP SUPERIOR CABLE CONNECTION
SUPPORT 3D, HDR, ARC	48 BIT COLOR VIDEO PICTURE QUALITY & HDR

Perfect For

- TIG & HOME ENTERTAINMENT SYSTEMS
- COMPUTERS AND LAPTOPS
- DVD AND BLUE-RAY PLAYERS
- CABLE BOXES
- MOBA & STRATEGY GAMES
- GAMING CONSOLES

HIGH SPEED FOR GAMING  
Takes you into the virtual world easily

XBOX SERIES  
PS4 PRO  
PC GAMES

**Honeywell**  
3 In 1 Magnetic Rapid Multi Charge USB Cable

Connect with style

iPhone | iPad | iPod

MAGNETIC WRAP | LIGHT | TABLET FRIENDLY | PORTABLE CABLE

Simultaneous Fast Charge & Data Transfer

Unique Magnetic Wrap Design

**Honeywell**  
ZEST CHARGER - PD 20W

PORTABLE & CONVENIENT TO USE

PERFECT FOR

- PHONE
- SMARTPHONE
- SMART WATCH
- TABLET
- POWER BANK

**Honeywell**  
5 SOCKET + 2 USB SURGE PROTECTOR

Nifty portable design with surge protection allows you to charge multiple devices simultaneously

5 AC OUTLETS | 2 USB PORTS

### 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 the company's ERP system.
- Platform enables customers to **discover, share and transact** their products amongst each other.
- Value added services include **drop-shipment, invoicing** capabilities and a seller module.
- Customers can also choose to have their own micro-site hosted.
- Developed in-house by our dynamic and dedicated team.
- Swift navigation and flow, and offers user-friendly experience.

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

## Alliances – Exclusive tie up with BPL, Disney Marvel & Kelvinator

- We have entered into an exclusive tie up with RIL to sell FMEG (BPL & Kelvinator) and FMSG (Disney Marvel).
- Under the contract we can sell & market above products PAN India except for Reliance retail stores, Amazon & Flipkart.
- RIL will deploy its manpower to create the channel CNL will be master seller and will manage the whole supply chain.

## Alliances - FMEG growth story



- The global ceiling fan market size reached a value of almost USD 9.3 billion in the year 2020. The ceiling fan industry is further expected to grow at a CAGR of 3% between 2021 and 2026 and to reach a value of almost USD 11.1 billion by 2026. India is a tropical country, making fans a necessity. Thus, the fan industry in India is well-established and has shown a significant growth over the years, The Indian fan market is estimated to grow at a CAGR of 11.5%.
- According to estimates, the Indian Lighting Industry witnessed a growth in the total consumption of lighting fixtures from USD 2,886 million in 2018 to USD 3,146 million in 2019 (from 19.7 to 22.1 million Crores). The Indian LED Lighting Market is projected to grow at a CAGR of 7.1% during 2019-2023.

Source: <https://www.businesswire.com/news/home/20190726005144/en/Analysis-of-the-Indian-Fans-Market---Forecast-to-FY2026---ResearchAndMarkets.com>  
<https://www.globenewswire.com/news-release/2020/11/17/2128172/0/en/The-Lighting-Fixtures-Market-in-India-2014-2019-2020-2023-LED-Lighting-Market-Projected-to-Grow-at-a-CAGR-of-7-1.html>



# Chairman's Message & Key Developments

## Management Comment



Commenting on the Company performance, **Mr. Ketan Patel, Chairman & Managing Director of Creative Newtech** 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 110.76% YoY growth in revenue at Rs. 241.21 cr, with EBITDA and net profit growing 111.16% and 181.46% YoY to Rs. 8.67 cr and Rs. 5.80 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.”*



## 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 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



# Financial Highlights





## Key Quarterly Financial Highlights – Standalone & Consolidated

Rs. Cr	Standalone			Consolidated		
	Q2 FY22	Q2 FY21	YoY%	Q2 FY22	Q2 FY21	YoY%
Revenue from Operations	<b>237.57</b>	<b>112.30</b>		238.56	113.79	
Other Income	2.65	0.66		2.65	0.66	
<b>Total Income</b>	<b>240.22</b>	<b>112.96</b>	<b>112.66%</b>	<b>241.21</b>	<b>114.45</b>	<b>110.76%</b>
Raw material	225.01	102.83		222.37	102.75	
Employee Cost	2.62	1.77		2.62	1.77	
Operating Expenses	5.87	3.89		7.56	5.82	
<b>Total Expenditure</b>	<b>233.50</b>	<b>108.49</b>		<b>232.54</b>	<b>110.34</b>	
<b>EBITDA</b>	<b>6.72</b>	<b>4.48</b>	<b>50.07%</b>	<b>8.67</b>	<b>4.11</b>	<b>111.16%</b>
<b>EBITDA Margin (%)</b>	<b>2.80%</b>	<b>3.96%</b>	<b>(116 bps)</b>	<b>3.59%</b>	<b>3.59%</b>	<b>0 bps</b>
Interest	1.19	0.97		1.21	0.97	
Depreciation	0.35	0.27		0.35	0.27	
Exceptional Items				0.00	0.00	
<b>Profit Before Tax</b>	<b>5.17</b>	<b>3.24</b>		<b>7.11</b>	<b>2.86</b>	
Tax	1.27	0.80		1.27	0.80	
<b>PAT</b>	<b>3.90</b>	<b>2.44</b>	<b>60.15%</b>	<b>5.84</b>	<b>2.06</b>	<b>183.51%</b>
Other Comprehensive Income	(0.04)	0.00		(0.04)	0.00	
<b>Net Profit</b>	<b>3.86</b>	<b>2.44</b>	<b>58.42%</b>	<b>5.80</b>	<b>2.06</b>	<b>181.46%</b>
<b>Net Profit Margin (%)</b>	<b>1.61%</b>	<b>2.16%</b>	<b>(55 bps)</b>	<b>2.40%</b>	<b>1.80%</b>	<b>60 bps</b>
<b>Basic EPS in Rs.</b>	<b>3.29</b>	<b>2.08</b>	<b>58.17%</b>	<b>4.24</b>	<b>1.77</b>	<b>139.55%</b>

- July 2021 has been one of the highest monthly sales
- Continued recovery from COVID lockdown supported by demand for brands like Samsung, Cooler Master & Honeywell
- Change in product mix & higher employee expenses impacted margin growth



## Half Yearly Financial Highlights – Standalone & Consolidated

Rs. Cr	Standalone			Consolidated		
	H1 FY22	H1 FY21	YoY%	H1 FY22	H1 FY21	YoY%
Revenue from Operations	<b>369.33</b>	<b>175.60</b>		372.45	178.24	
Other Income	4.64	0.74		4.64	0.74	
<b>Total Income</b>	<b>373.97</b>	<b>176.34</b>	<b>112.08%</b>	<b>377.09</b>	<b>178.98</b>	<b>110.69%</b>
Raw material	344.70	159.52		344.19	160.45	
Employee Cost	5.55	3.40		5.55	3.40	
Operating Expenses	11.11	7.10		14.57	9.13	
<b>Total Expenditure</b>	<b>361.36</b>	<b>170.03</b>		<b>364.31</b>	<b>172.98</b>	
<b>EBITDA</b>	<b>12.61</b>	<b>6.31</b>	<b>99.83%</b>	<b>12.78</b>	<b>6.00</b>	<b>112.98%</b>
<b>EBITDA Margin (%)</b>	<b>3.37%</b>	<b>3.58%</b>	<b>(21 bps)</b>	<b>3.39%</b>	<b>3.35%</b>	<b>4 bps</b>
Interest	2.52	1.89		2.55	1.90	
Depreciation	0.65	0.47		0.65	0.47	
Exceptional Items	0.18			0.18	0.00	
<b>Profit Before Tax</b>	<b>9.26</b>	<b>3.95</b>		<b>9.41</b>	<b>3.63</b>	
Tax	2.34	1.00		2.34	1.00	
<b>PAT</b>	<b>6.92</b>	<b>2.96</b>	<b>134.18%</b>	<b>7.07</b>	<b>2.64</b>	<b>168.22%</b>
Other Comprehensive Income	(0.04)	0.00		(0.04)	0.00	
<b>Net Profit</b>	<b>6.88</b>	<b>2.96</b>	<b>132.75%</b>	<b>7.03</b>	<b>2.64</b>	<b>166.62%</b>
<b>Net Profit Margin (%)</b>	<b>1.84%</b>	<b>1.68%</b>	<b>16 bps</b>	<b>1.86%</b>	<b>1.47%</b>	<b>39 bps</b>
<b>Basic EPS in Rs.</b>	<b>5.87</b>	<b>2.52</b>	<b>132.94%</b>	<b>5.66</b>	<b>2.21</b>	<b>156.11%</b>

- Strong recovery from COVID lockdown supported by demand for brands like Samsung, Cooler Master & Honeywell
- Higher revenues and synergy from subsidiary helped maintain margins despite higher operational expenses

## Annual Financial Highlights – Standalone & Consolidated

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



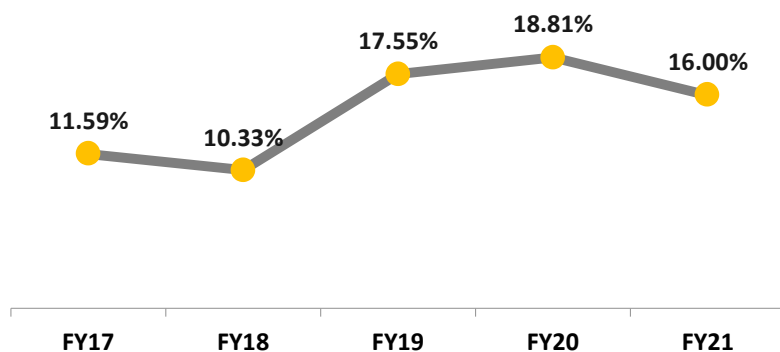
## Consolidated Balance Sheet Highlights – as on 30th September

Rs. Cr	As on 30 <sup>th</sup> Sept 2021	As on 31 <sup>st</sup> March 2021
<b>Equity</b>	<b>75.88</b>	<b>61.68</b>
Equity Share capital	12.00	11.60
Other Equity	60.75	47.04
Minority Interest	3.13	3.04
<b>Share Application Money Pending Allotment</b>	<b>0.00</b>	<b>0.00</b>
<b>Non-current liabilities</b>	<b>4.31</b>	<b>4.22</b>
Long term borrowings	3.38	3.43
Other Long term liabilities	0.00	0.00
Other Long term provisions	0.93	0.79
<b>Current liabilities</b>	<b>123.49</b>	<b>125.87</b>
Short Term Borrowings	36.11	39.50
Trade Payables	42.23	38.32
Other Financial liabilities	32.13	29.56
Other Current liabilities	10.88	16.98
Short-term provisions	0.14	0.14
Current Tax liabilities (Net)	2.01	1.36
<b>Total Equities &amp; Liabilities</b>	<b>203.69</b>	<b>191.78</b>

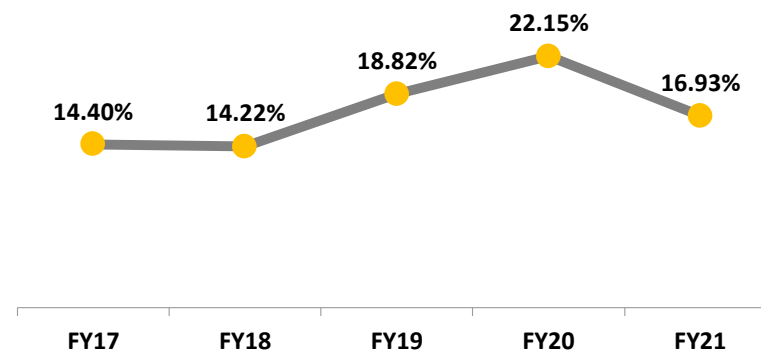
Rs. Cr	As on 30 <sup>th</sup> Sept 2021	As on 31 <sup>st</sup> March 2021
<b>Non-current assets</b>	<b>10.31</b>	<b>10.16</b>
Property, Plant and Equipment	9.97	9.85
Intangible Assets	0.21	0.22
Non-current Investments	0.00	0.00
Net Deferred Tax Asset	0.13	0.09
Long-term loans & advances	0.00	0.00
Other non-current assets	0.00	0.00
<b>Current assets</b>	<b>193.37</b>	<b>181.61</b>
Inventories	50.37	59.79
Trade receivables	66.11	55.95
Cash & Cash equivalents	2.69	2.25
Bank Balances other than above	4.02	3.99
Other Financial assets	0.04	0.04
Other Current Assets	70.15	59.59
<b>Total Assets</b>	<b>203.69</b>	<b>191.78</b>

## Consolidated Key Return Ratios

RoE(%)



RoCE(%)



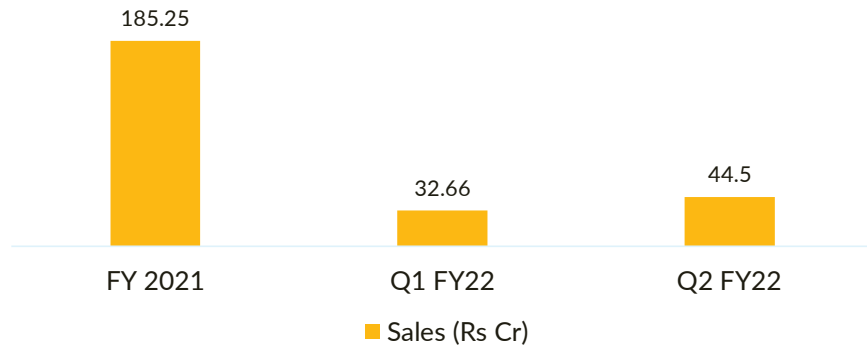
**Focus on improving RoCE and long term value creation**

\*RoE = Net Profit/Net Worth | RoCE = EBIT/(Shareholders Fund+Long-term Borrowing+Short-term Borrowing-Non-Current Investment)

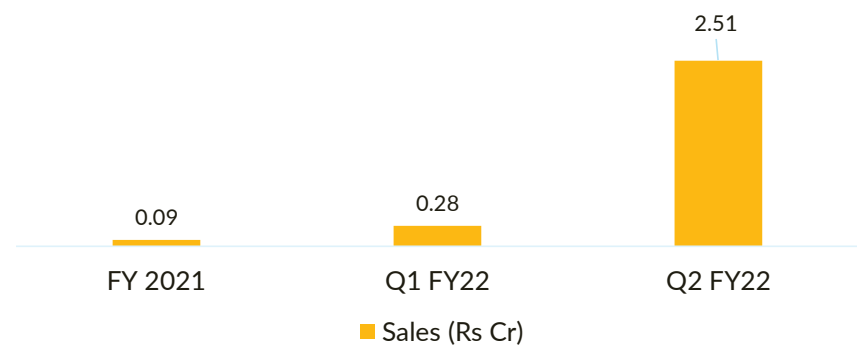


## Business in Charts

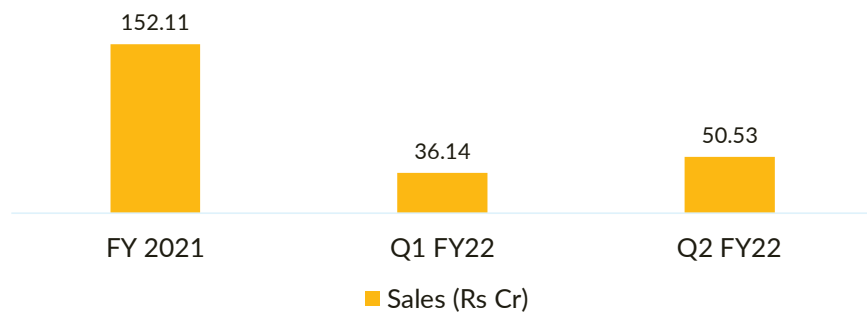
### FMSG



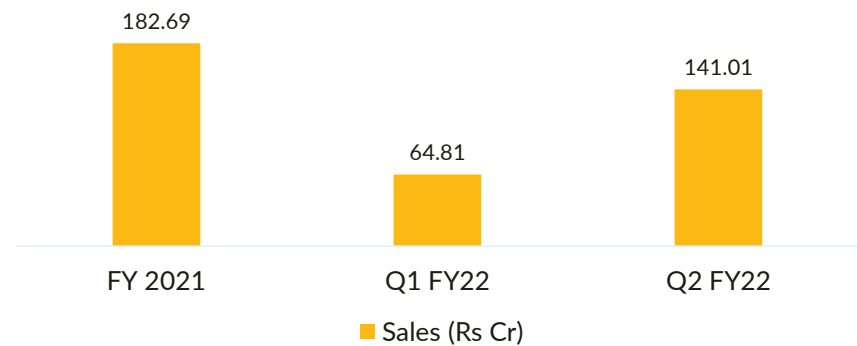
### FMEG



### FMCT



### EB



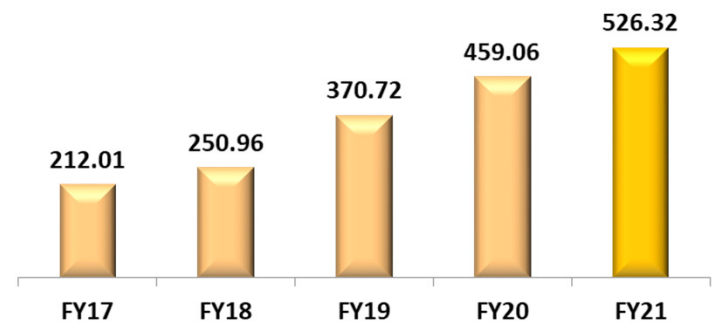
# Revenue in charts – Shift to High growth business



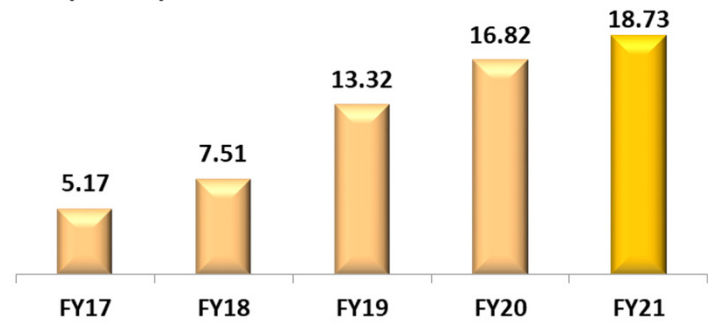


## Annual Consolidated Financial Highlights

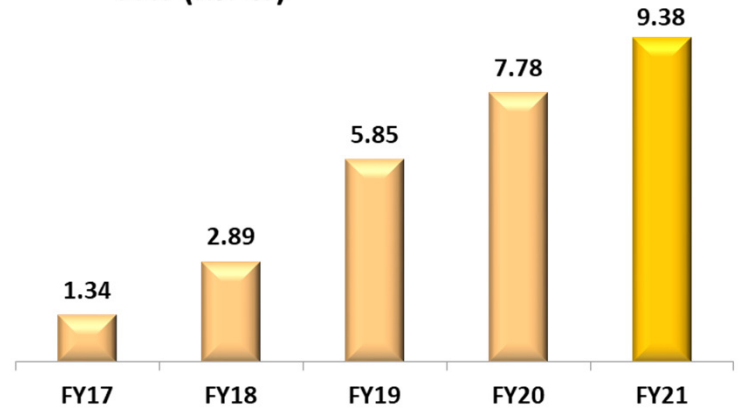
Revenue (Rs. Cr)



EBITDA (Rs. Cr)



PAT (Rs. Cr)







# Way Forward



## Future-ready business growth

Brand Licensing in New markets

### 01 Brand Licensing & Geographical Expansion

- Growing brand licensing line of business with long-standing association with Honeywell with extensive product portfolio
- Expanding geographically in new countries across Middle East & APAC with required approvals & certifications in place

Bringing cutting-edge Technologies through high-margin brands

### 02 Diversifying product portfolio across new high-potential verticals

- Bringing diverse product ranges across various consumer verticals such as gaming & lifestyle, to stay ahead of trends
- Focus on fast moving high-margin brands such as Cooler Master, Hyperice etc.
- Utilize & expand omni-channel network to capitalize on maximum reach across India
- Tie-up with Reliance to offer home appliances across India from brands such as BPL

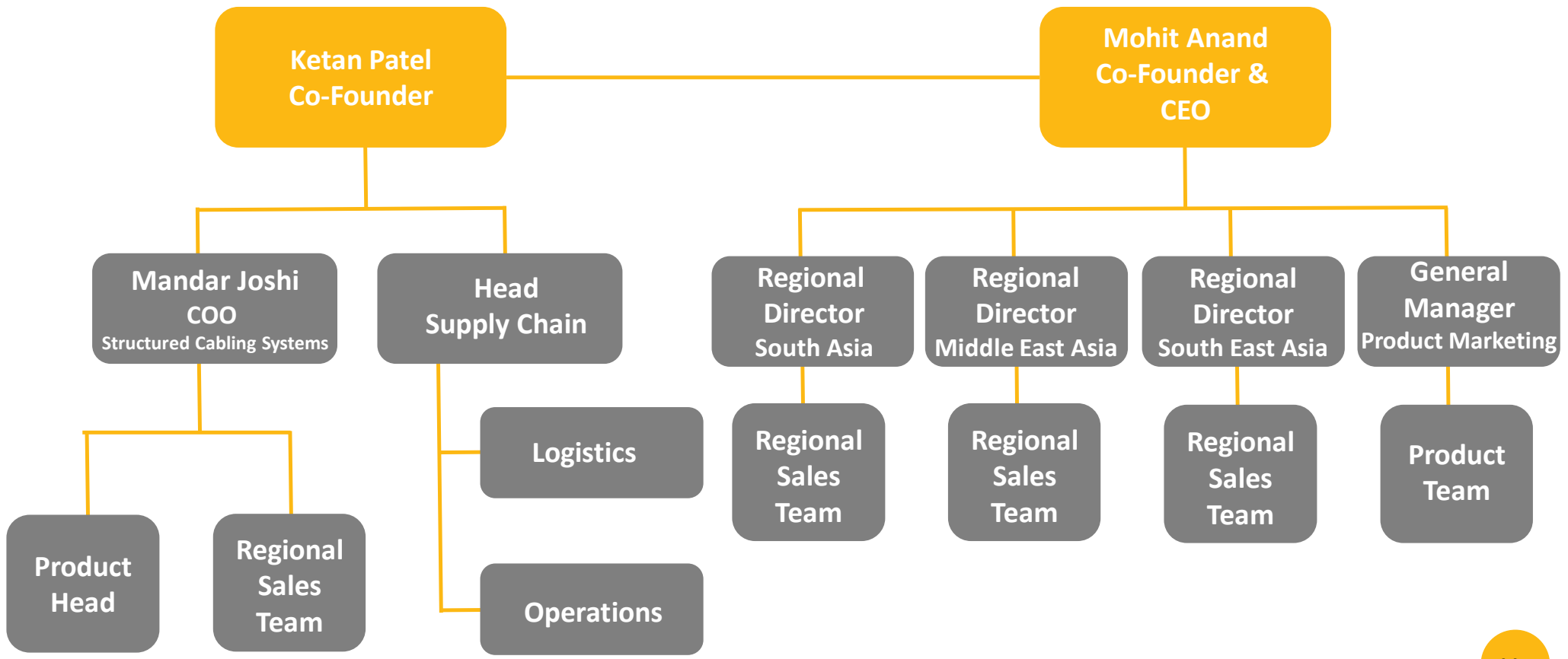
Digitizing business for optimal profitability

### 03 Kart to boost profitability & working capital

- Online B2B eCommerce platform to help expand customer-base substantially without additional manpower
- Seller module making the platform a virtually open marketplace for all supply chain partners
- With addition of new channel partners on the platform, working capital cycle to improve

# Annexure

# Secure Connection - Honeywell



## Journey so far

- Started as trading concern with 2 employees
- Epson Dot-matrix Printer 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
- Expanded Honeywell licensing agreement to Middle East & added new products
- Entered Retail Security segment through Exclusive Agreement with InVue

- Launched B-Safe – own brand of medical products
- Launched Ckart – digital B2B platform for customers
- Expanded Honeywell mandate to 29 countries
- Tie-up with ZEISS to distribute 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.
- Renamed to Creative Newtech Ltd
- Added new products launched by Hyperice – who also has selected Virat Kohli at their brand ambassador in India

1990s

- 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

2000-10

2012-15

- Forayed into retail security business
- Exclusive license for Honeywell
- Won distribution license for GoPro

2016

2017-18

- Agreement with Future Tech Electronics - LED TV's for DAEWOO, MEPL & INDICOOL brands in India
- Expanded gaming product vertical via agreement with Thermaltake
- 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

2018-19

2020-21

## Case Study: Brand Licensing – Honeywell

### End to end services from factory to consumer



**Honeywell** : Fortune 100 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 now across other Asian & Middle East markets, and recreate **“Power of Connect”** among consumers





## Case Study: Cooler Master

### Market entry, Customer engagement, Excellent Service

**Cooler Master:** One of leading global brands offering high-performance oriented PC components, used in Gaming PCs, Graphics workstations & Crypto-mining

**Our Involvement:** Started association in 2019 to enter Indian market as national distributor. Creative has helped Cooler Master with its pan-India network to make its products available to consumers through all channels

#### Marketing Strategy

- Market research & expertise to formulate customized, ideal marketing strategy
- Focus on building and maintaining brand reputation as a leader in Indian market
- Target its core TG – Gamers and Enthusiasts
- Use social media to amplify word of mouth

#### Exclusive Distribution

- Leverage strong nation-wide network
- Exclusive distribution rights across India



#### On-Field Activities

- Brand awareness & promotion
- Trained more than 700 partners
- Content creation and Influencers
- Pre-sales activities
- PC Modder's

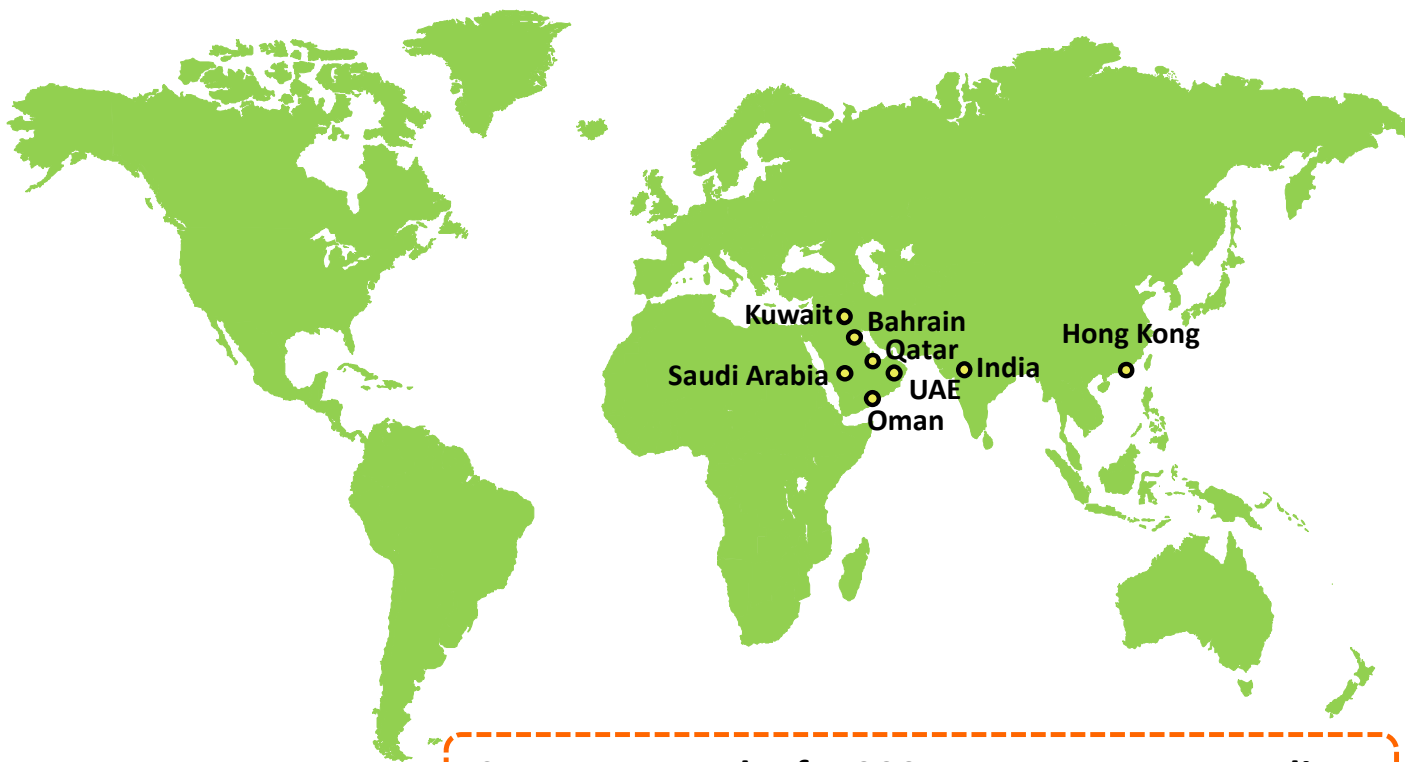
#### Scalability

- Witnessed growing sales in India: Share of revenue grew by 25%
- India offers high growth potential as its still in nascent stage, compared with mature markets worldwide

[www.coolermaster.com](http://www.coolermaster.com)



## Geographical Presence



**Strong network of 5,000+ partners across India**

### Domestic

- Pan India presence
- 20 branches across India
- Over 300-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





**THANK YOU!**

[www.creativenewtech.com](http://www.creativenewtech.com)