



Result Update Presentation Q3 FY 2024-25

Creative Newtech Limited

(Formerly known as Creative Peripherals and Distribution Limited)







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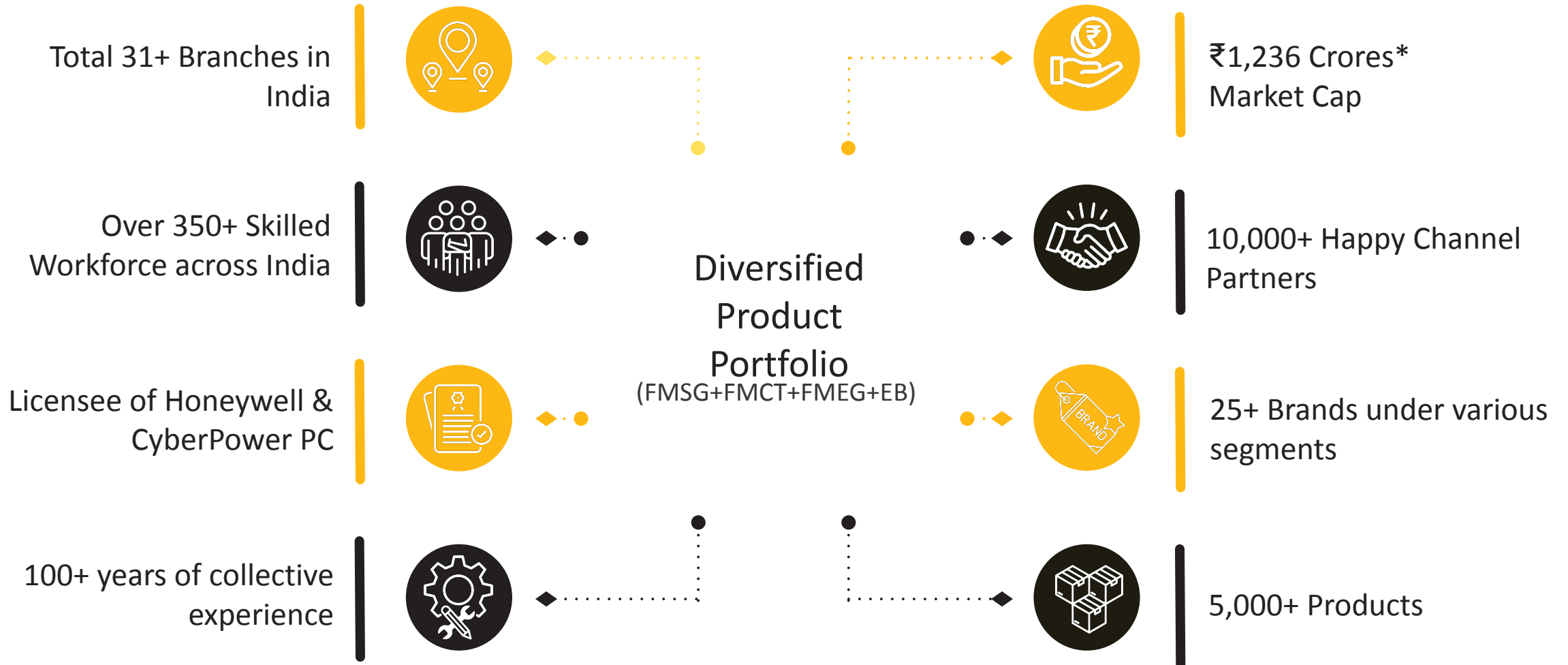
-  **Company Overview**
-  **Quarter**
Performance
-  **Shareholder Value Creation**
-  **Honeywell**
-  **CyberPower PC**
-  **Leadership Team**





COMPANY OVERVIEW

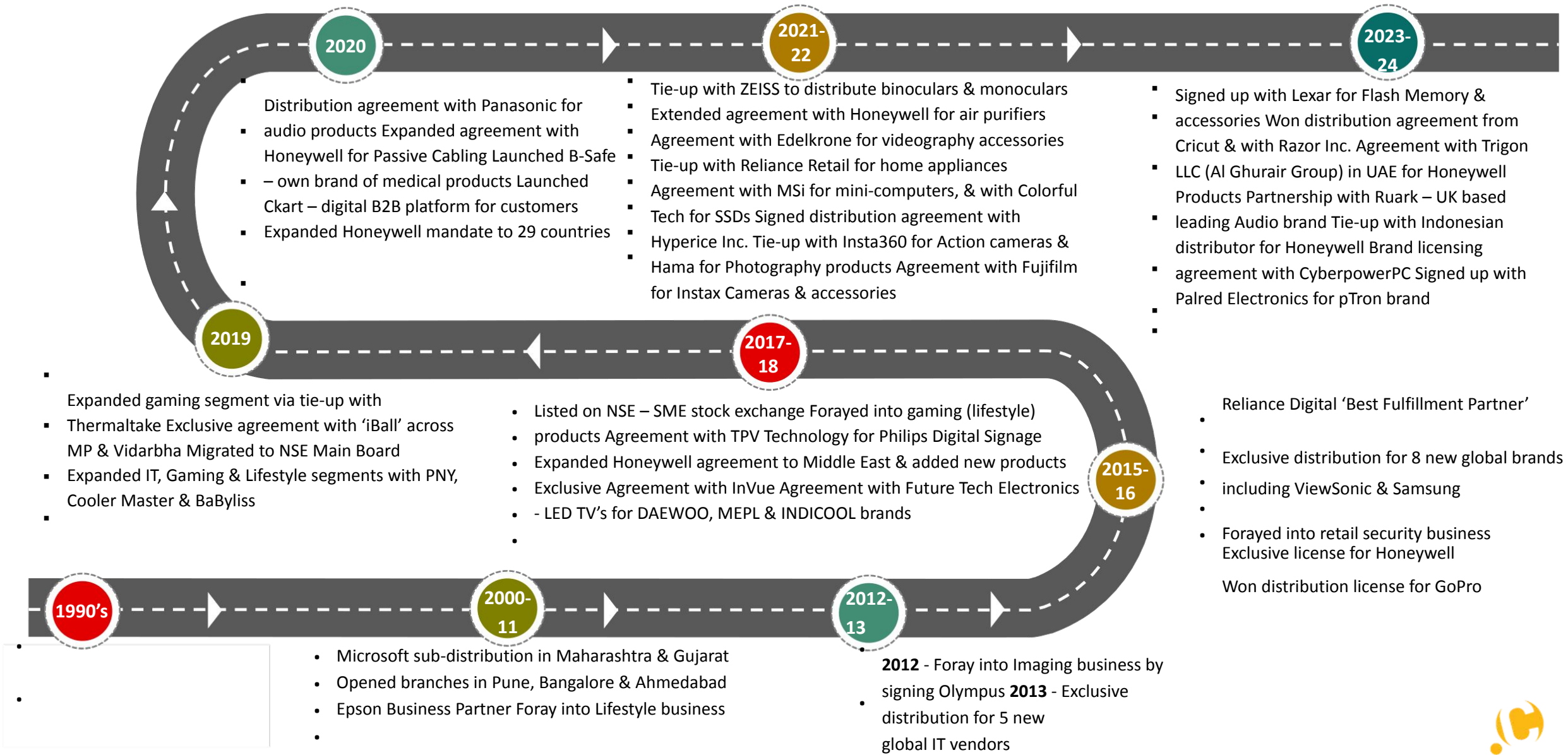
Company Overview



*Market Cap as on 30-01-2025



Our Journey



1990's

-
-

- Microsoft sub-distribution in Maharashtra & Gujarat
- Opened branches in Pune, Bangalore & Ahmedabad
- Epson Business Partner Foray into Lifestyle business
-

2000-11

2012-13

- **2012** - Foray into Imaging business by signing Olympus
- **2013** - Exclusive distribution for 5 new global IT vendors

2015-16

- Reliance Digital 'Best Fulfillment Partner'
- Exclusive distribution for 8 new global brands including ViewSonic & Samsung
-
- Forayed into retail security business Exclusive license for Honeywell
- Won distribution license for GoPro

2017-18

- Listed on NSE – SME stock exchange Forayed into gaming (lifestyle) products
- Agreement with TPV Technology for Philips Digital Signage
- Expanded Honeywell agreement to Middle East & added new products
- Exclusive Agreement with InVue Agreement with Future Tech Electronics
- - LED TV's for DAEWOO, MEPL & INDICOOL brands
-

2019

- Expanded gaming segment via tie-up with Thermaltake Exclusive agreement with 'iBall' across MP & Vidarbha Migrated to NSE Main Board
- Expanded IT, Gaming & Lifestyle segments with PNY, Cooler Master & BaByliss
-

2020

- Distribution agreement with Panasonic for audio products Expanded agreement with Honeywell for Passive Cabling Launched B-Safe – own brand of medical products Launched Ckart – digital B2B platform for customers
- Expanded Honeywell mandate to 29 countries
-

2021-22

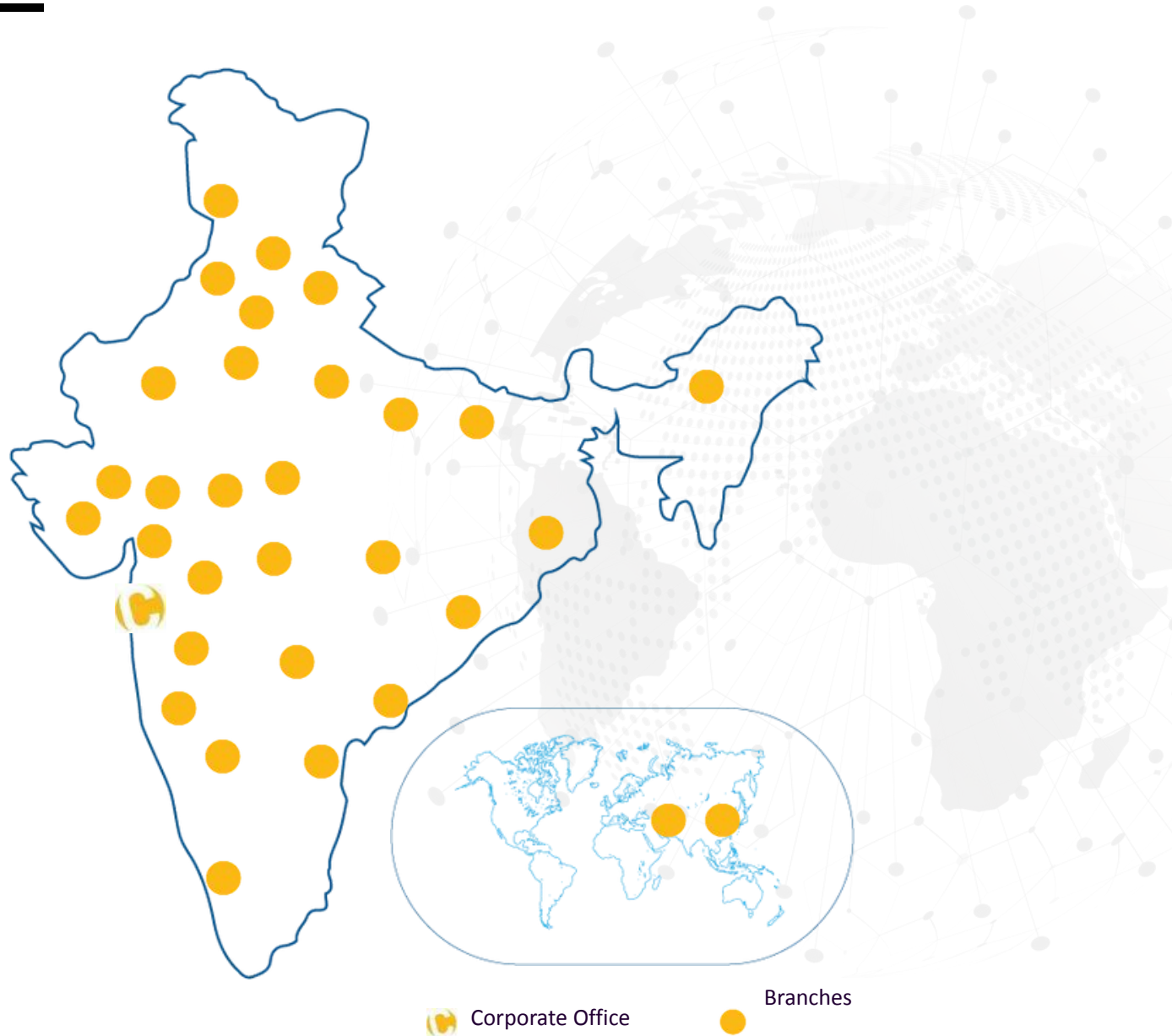
- Tie-up with ZEISS to distribute binoculars & monoculars
- Extended agreement with Honeywell for air purifiers
- Agreement with Edelkrone for videography accessories
- Tie-up with Reliance Retail for home appliances
- Agreement with MSi for mini-computers, & with Colorful Tech for SSDs Signed distribution agreement with Hyperice Inc. Tie-up with Insta360 for Action cameras & Hama for Photography products Agreement with Fujifilm for Instax Cameras & accessories

2023-24

- Signed up with Lexar for Flash Memory & accessories Won distribution agreement from Cricut & with Razor Inc. Agreement with Trigon LLC (Al Ghurair Group) in UAE for Honeywell Products Partnership with Ruark – UK based leading Audio brand Tie-up with Indonesian distributor for Honeywell Brand licensing agreement with CyberpowerPC Signed up with Palred Electronics for pTron brand
-



Our Global Presence



Domestic

- Pan India presence.
- 31 branches across India.
- Over 350+ strong highly skilled workforce across India – mix of young and experienced talent.

International

- Subsidiary in Hong Kong
- Strong distribution tie-up in Middle East.
- Expanding network across SAARC countries.

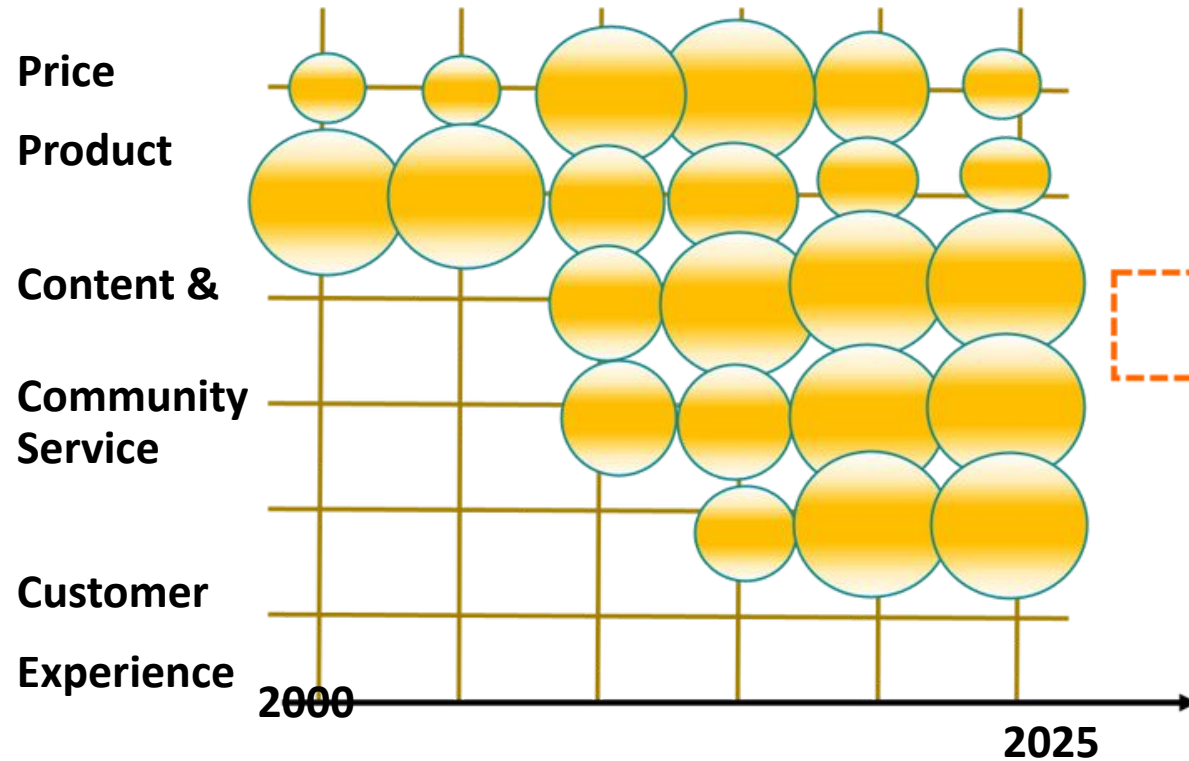
Partners

Strong network
10,000+ partners
across India

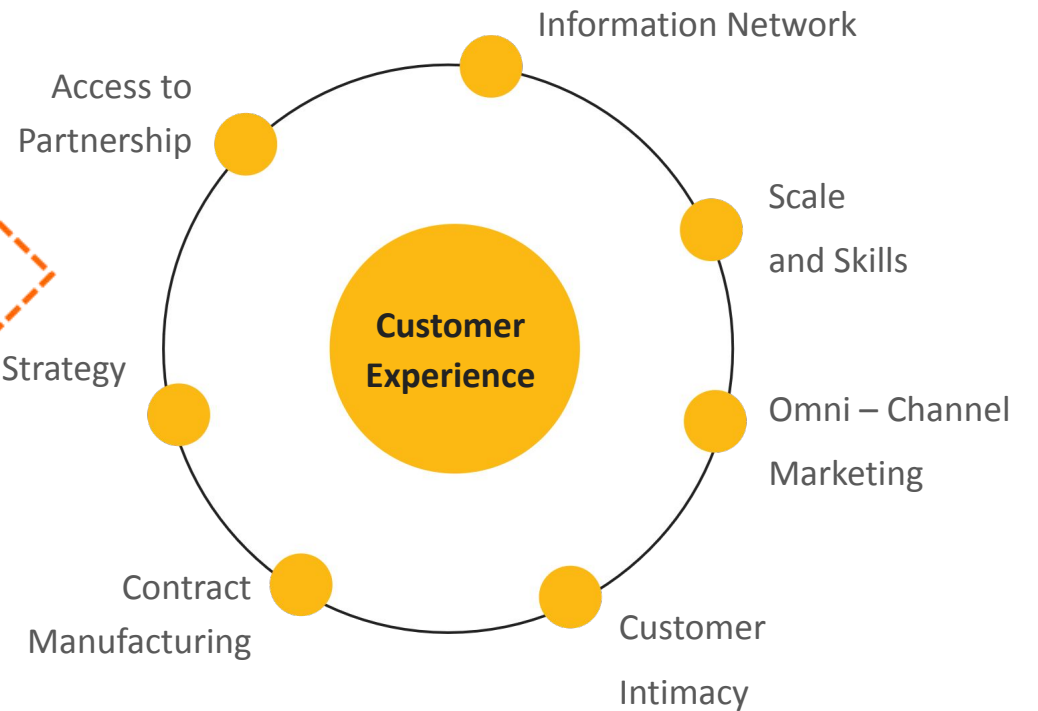


Our Value Proposition

Driving Social Media Transformation through Digital Offerings



Our Value Edition



By 2025, **Customer Experience** will overtake **Price & Product** as the key brand differentiator, a shift that is already in progress.



Diversified, Value Added Business

Brand

- **Honeywell License Holder** offering vast suite of products across consumer to enterprise segments
Exclusive trademark license covers 38 countries spanning South & South East Asia, Middle East Asia & Africa
Enhancement products for laptops, smartphones & TVs, Audio products, Air Purifiers, enterprise class infrastructure through Structured cabling systems
- Two-Fold Expansion – adding more product categories, expanding geographically

Niche Brand Distribution

- **Market entry specialist for niche brands** offering experiential products to enable niche global brands to enter & establish in new markets
- **FMSG:** Niche Products that appeal to younger demographics, driven by social media penetration
- **FMCT:** Established and fast-moving consumer products that cater to personal as well as organizational demands
- **EB:** High volume products supplied to enterprises
- **FMEG:** Offers quick selling Electronics Goods

About

Brands



Samsung, Cooler Master, Insta360, Fujifilm, Hyperice, PNY, BaByliss, Olympus, Zeiss, Transcend, Samsung CE, iBall, ViewSonic, BPL, Printronix, pTron among others



Our Brand Partners

FMSG Fast Moving Social-Media Gadgets



FMCT Fast Moving Consumer Technology



FMEG Fast Moving Electronics Goods



EB Enterprise Business



Value-Added Services



- Brand Strategy
- Access to Partnerships
- Information Network
- Scale and Skills
- E-Commerce
- Quick- Commerce
- Omni-Channel Marketing
- Customer Intimacy
- Contract Manufacturing





QUARTER PERFORMANCE

Q3FY25 Financial Highlights - Standalone & Consolidated

	Standalone			Consolidated		
INR Crore	Q3 FY25	Q3 FY24	YoY %	Q3 FY25	Q3 FY24	YoY %
Revenue from Operations	613.65	490.18		659.06	510.80	
Other Operation Income	11.52	5.51		11.52	5.51	
Total Income	625.18	495.69	26.12%	670.58	516.31	29.88%
Total Raw Material	597.05	474.42		612.93	481.88	
Employee Cost	4.04	3.67		4.31	4.09	
Other Expenses	9.17	7.12		29.63	14.07	
Total Expenditure	610.27	485.22		646.86	500.04	
EBIDTA	14.91	10.47	42.41%	23.71	16.27	45.73%
EBIDTA Margin %	2.39%	2.11%	28 bps	3.54%	3.15%	39 bps
Interest	3.47	2.42		3.56	2.46	
Depreciation	0.30	0.34		0.29	0.34	
Exceptional Items	0.00	0.00		0.00	0.00	
Profit Before Tax	11.14	7.71		19.86	13.47	
Tax	2.79	1.92		2.79	1.92	
PAT	8.35	5.79	4.87%	17.07	11.55	26.41%
PAT Margin	1.33%	1.17%	16 bps	2.54%	2.24%	30 bps



Nine Month Financial Highlights - Standalone & Consolidated

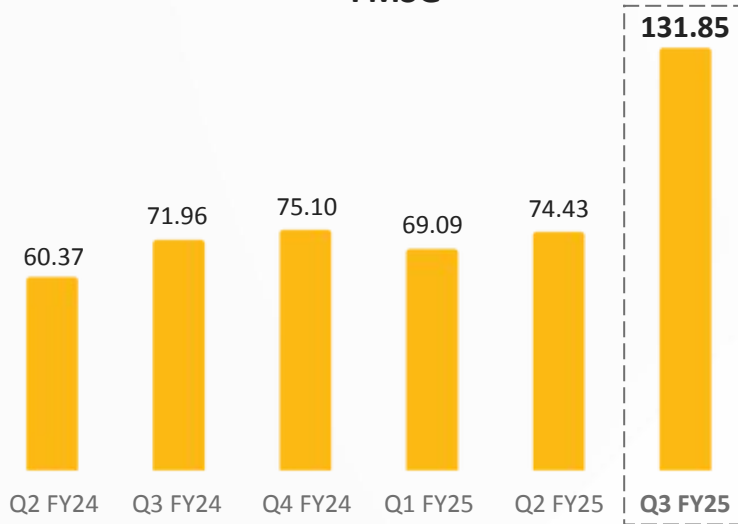
INR Crore	Standalone			Consolidated		
	9M FY25	9M FY24	YoY %	9M FY25	9M FY24	YoY %
Revenue from Operations	1286.84	1360.83		1371.49	1408.97	
Other Operation Income	21.26	11.50		21.26	11.50	
Total Income	1308.11	1372.33	(4.70%)	1392.75	1420.46	(1.95%)
Total Raw Material	1239.48	1311.26		1264.29	1328.30	
Employee Cost	12.25	11.03		13.93	11.74	
Other Expenses	23.04	21.59		60.75	39.25	
Total Expenditure	1274.77	1343.88		1338.97	1379.30	
EBIDTA	33.33	28.45	17.16%	53.77	41.16	17.11%
EBIDTA Margin %	2.55%	2.07%	48 bps	3.86%	2.90%	96 bps
Interest	7.06	7.12		7.22	7.22	
Depreciation	0.84	0.99		0.84	0.99	
Exceptional Items	0.00	0.00		0.00	0.00	
Profit Before Tax	25.43	20.34		45.71	32.95	
Tax	6.33	5.06		6.33	5.06	
PAT	19.09	15.28	4.87%	39.38	27.89	26.41%
PAT Margin	1.46%	1.11%	35 bps	2.83%	1.96%	87 bps



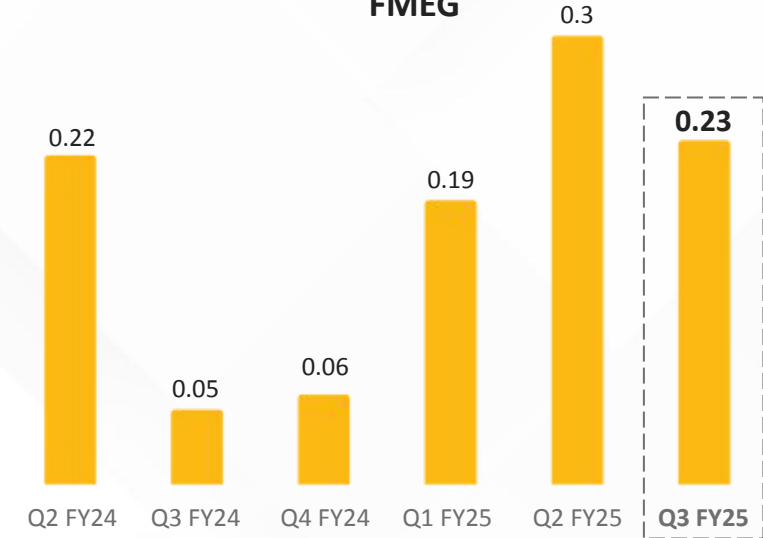
Segmental Revenue

*Sales in Crore

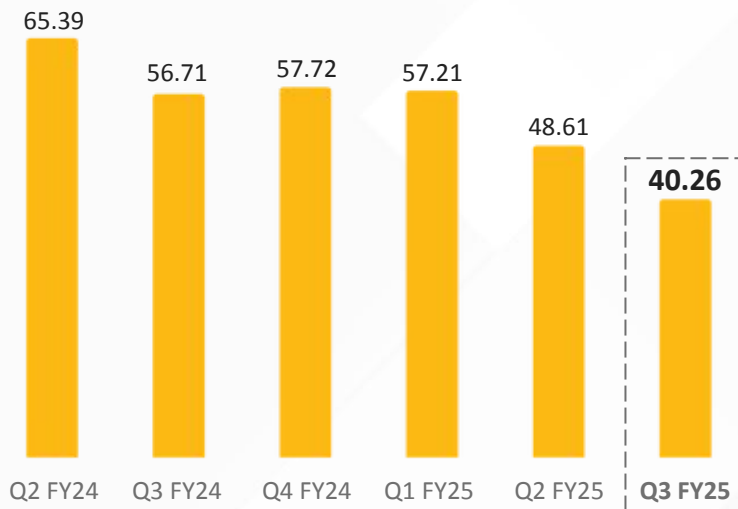
FMSG



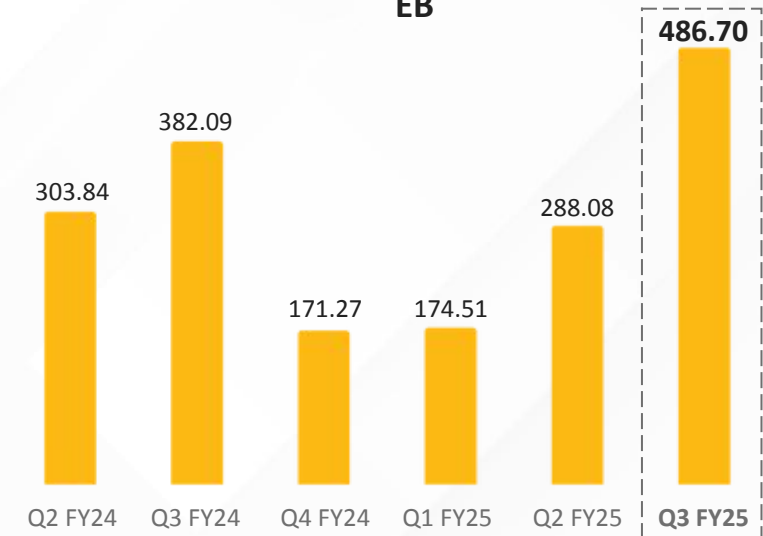
FMEG



FMCT



EB



FMSG : Fast Moving Social-Media Gadgets

FMCT: Fast Moving Consumer Technology

FMEG: Fast Moving Electronics Goods

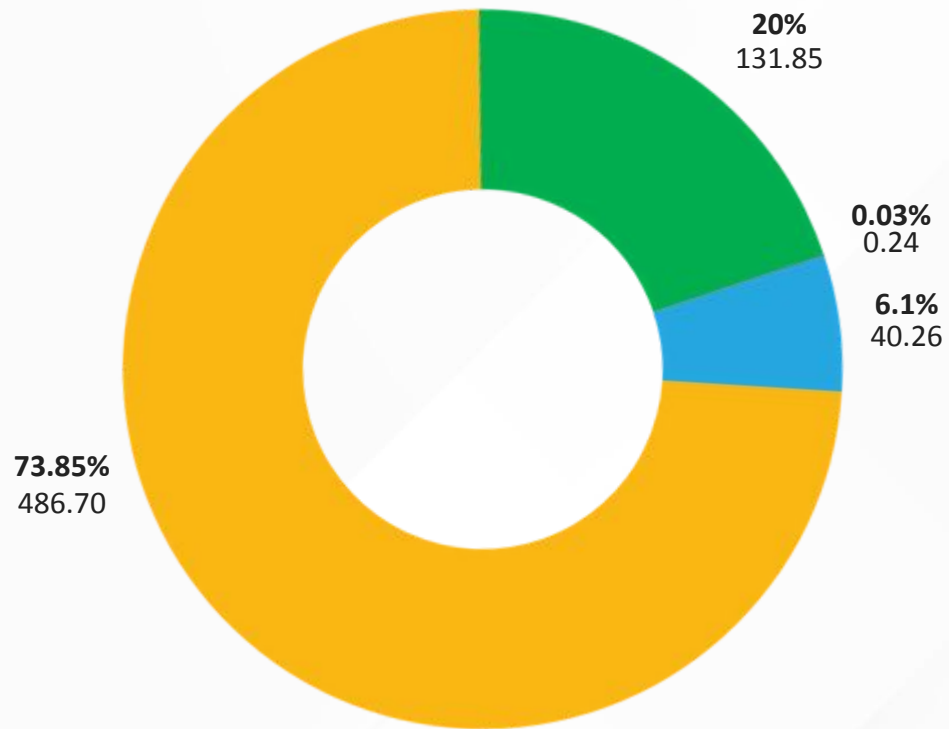
EB: Enterprise Business



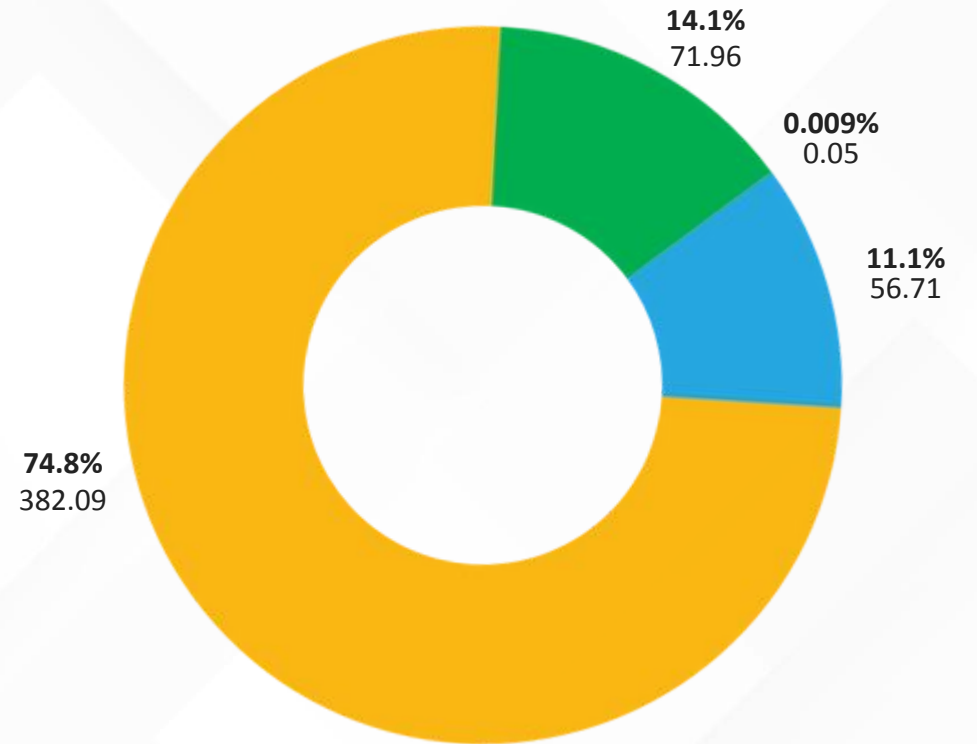
Segmental Revenue Q3 FY25 vs Q3 FY24

*Sales in Crore

Q3 FY25



Q3 FY24



FMSG

FMCT

FMEG

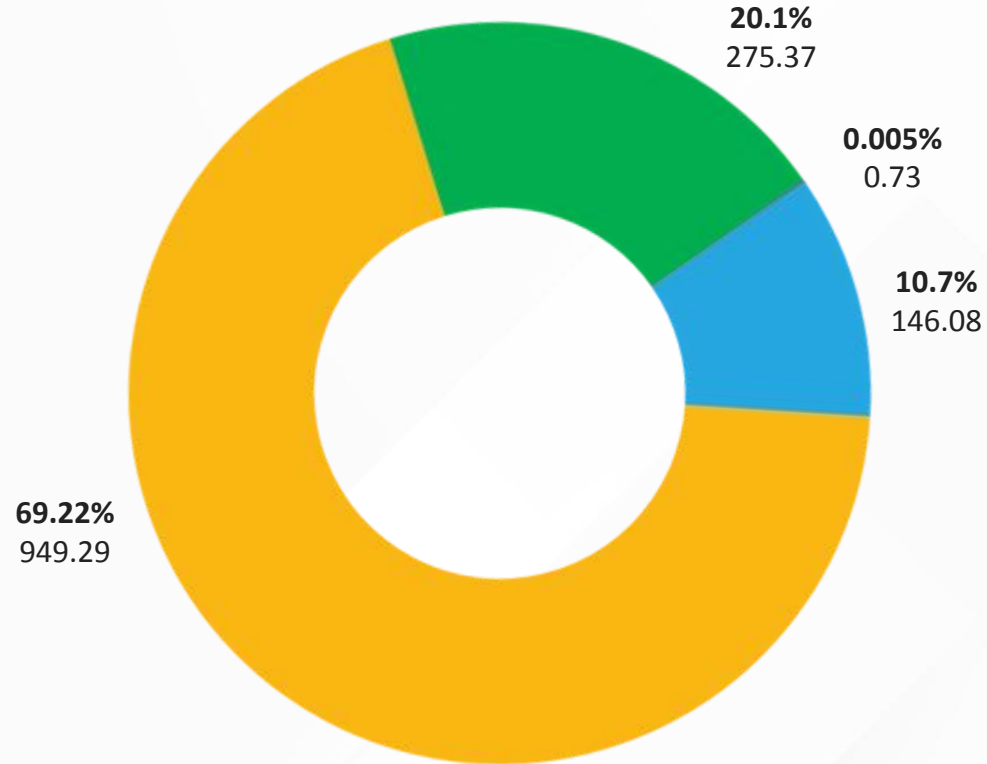
EB



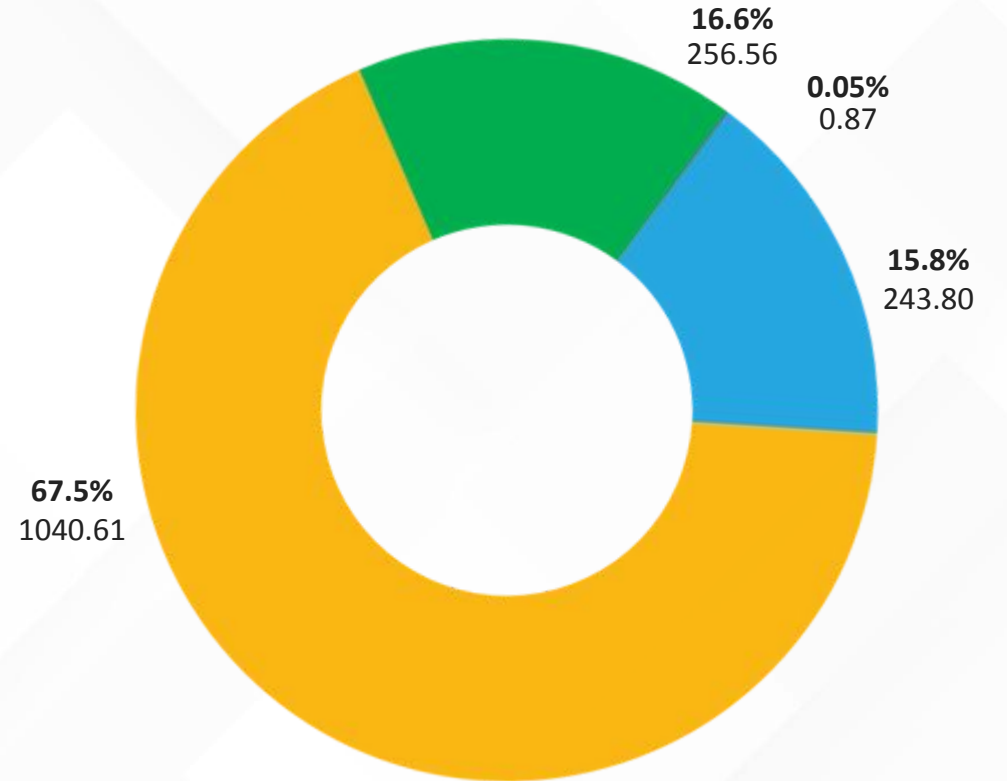
Segmental Revenue Nine Month FY25 vs Nine Month FY24

*Sales in Crore

9M FY25



9M FY24



FMSG

FMCT

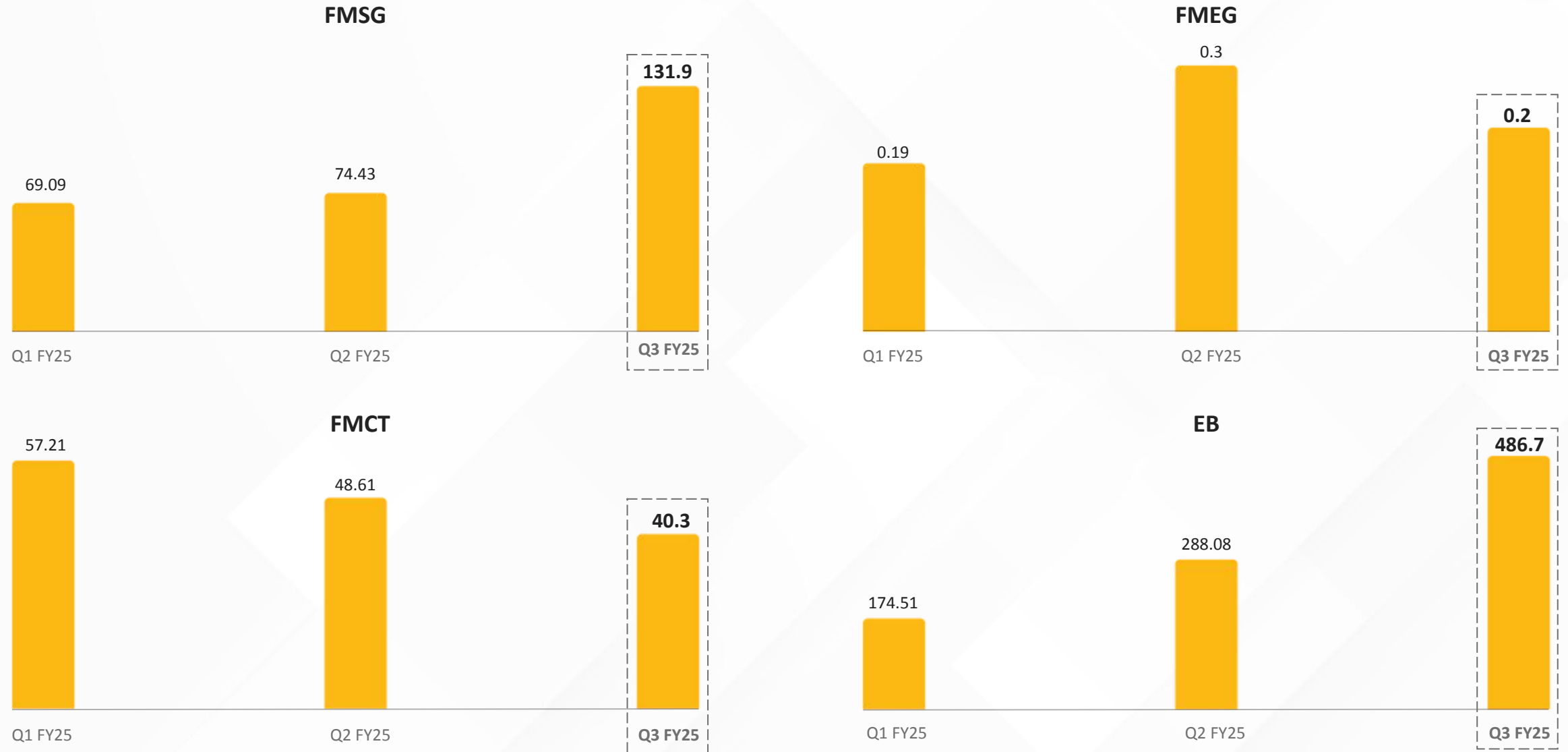
FMEG

EB



Quarterly Segmental Revenue QoQ

*Sales in Crore 18



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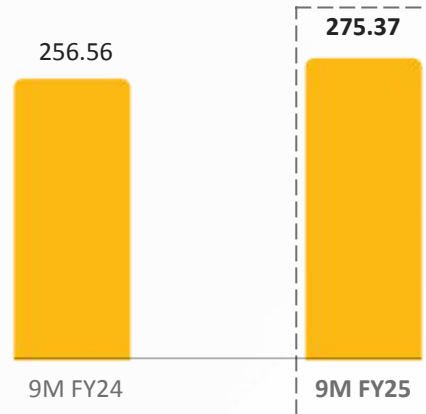


Nine Month Consolidated Segmental Revenue YoY

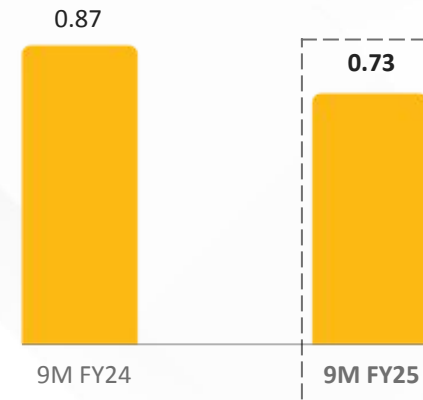
*Sales in Crore

19

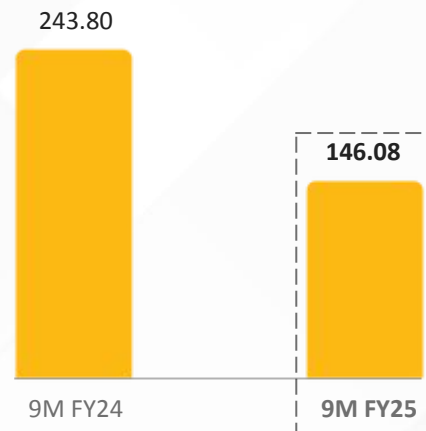
FMSG



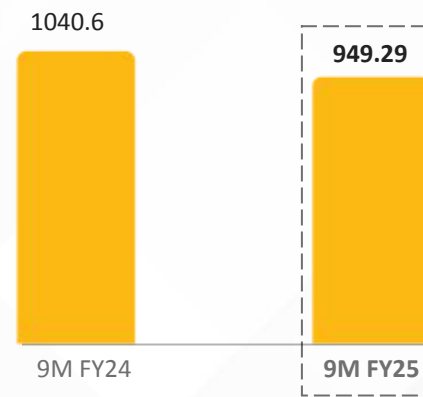
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EB



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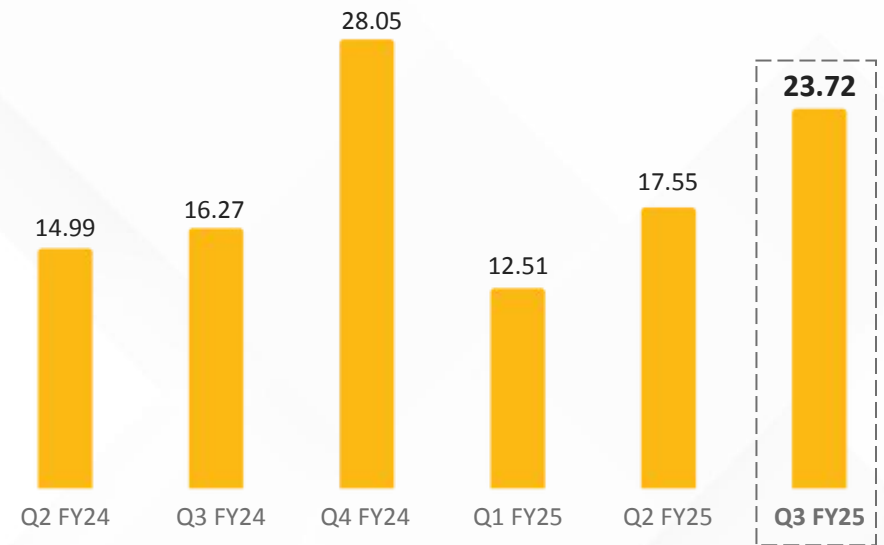


Q3 FY25 Consolidated Financial Highlight

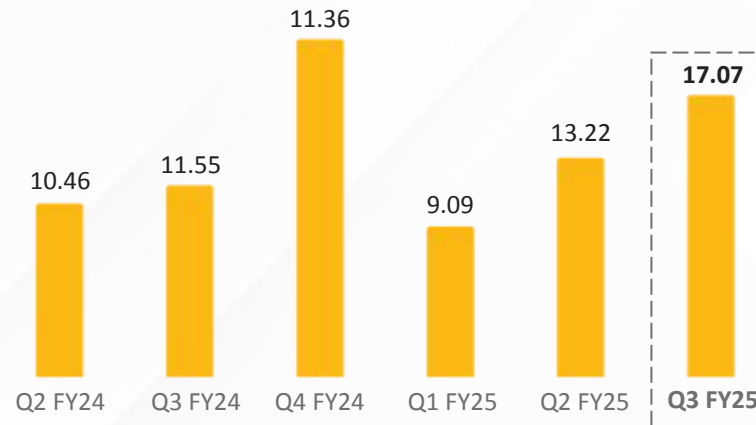
Revenue from Operations (Rs Cr)



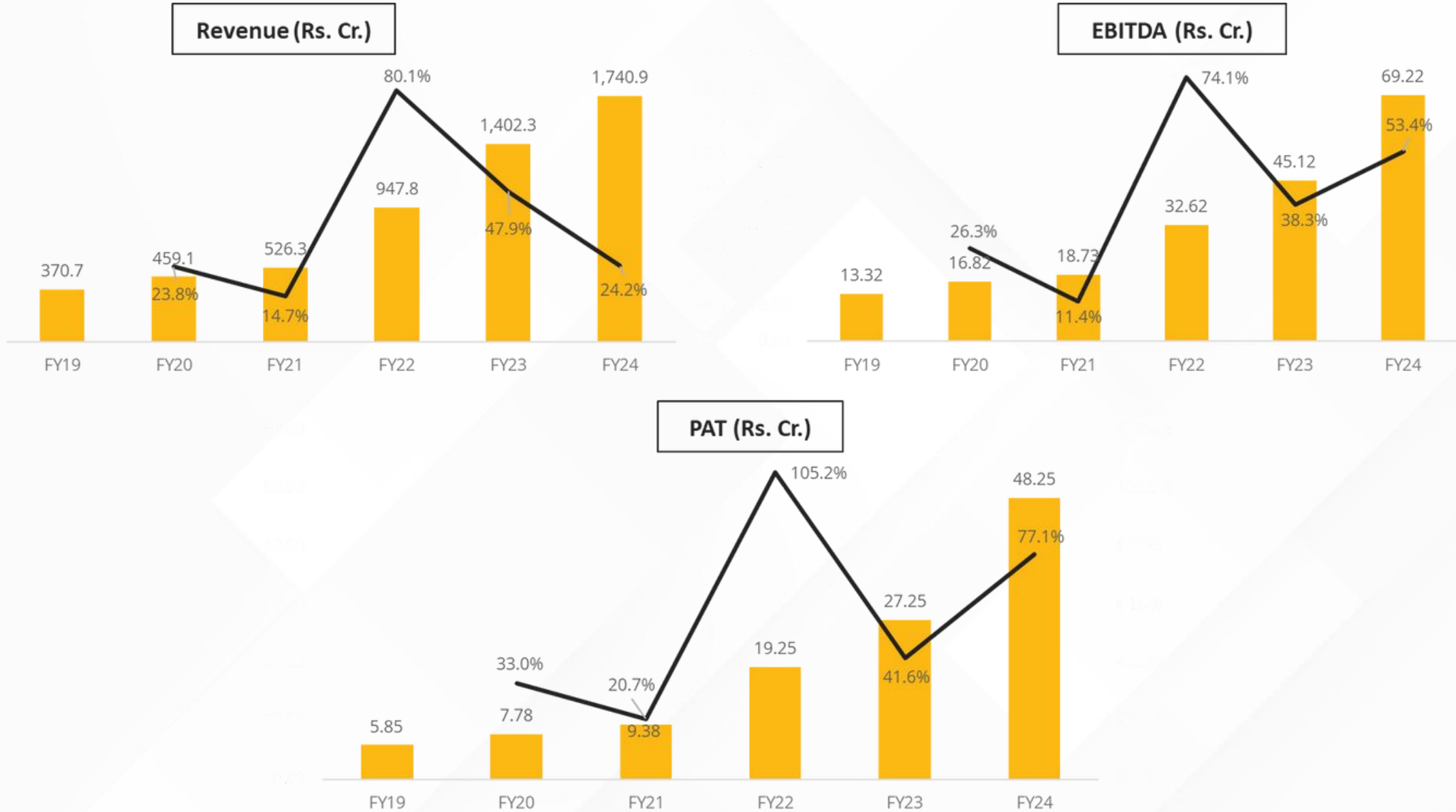
EBITDA (Rs Cr)



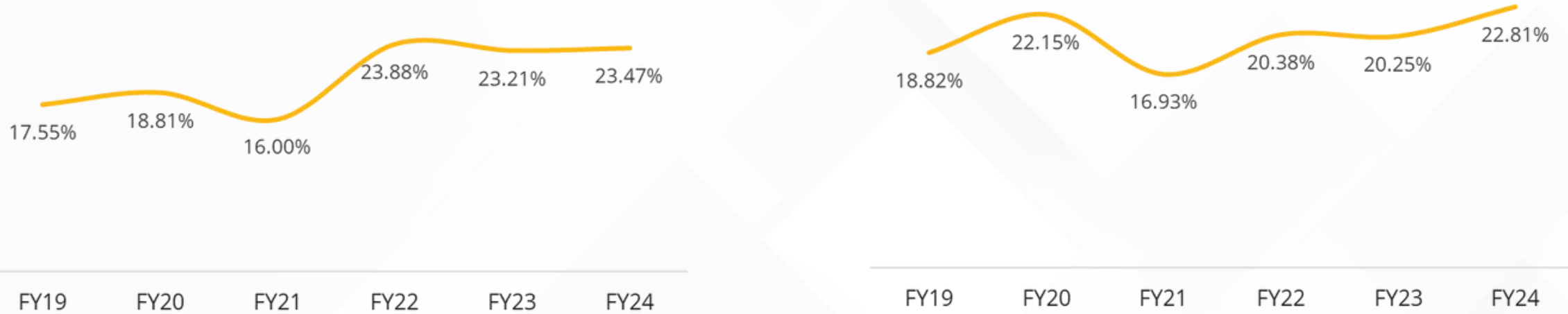
PAT (Rs Cr)



Annual Consolidated Financial Highlight FY24



Consolidated Key Return Ratios



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)

** FY21 Covid Year



Recent Brand Agreements

- Tied up with **Insta360** to distribute range of cameras Expanded the Category in
- **Samsung** brand by adding their Samsung Flash Memory products into our existing arrangement with them Won distribution agreement with **Cricut** to offer their range of craft and cutting products in India
- Tied up with **Razor** Inc., a leading global gaming brand, to distribute its products in India
- Signed Brand Licensing agreement with **Cyberpower Inc.** for Cyberpower PC brand, Penned distribution agreement with **Paired Electronics** for distribution of **Iron** products

Geographical Expansion

Other than our presence in existing regions we are now also available at Varanasi, Dehradun, Chandigarh and Jammu to cater to demand in fast growing markets in Eastern UP, Uttarakhand, Himachal and Jammu & Kashmir. We have spread our wings to these new Geographies in the recent past

Honeywell

- Partnered with leading distributor in **Indonesia** for Honeywell products
- Signed licensing agreement for Honeywell **Air Purifiers** across 10 countries worldwide Expanded Honeywell distribution agreement to include **38 countries across APAC, Middle East and Africa**
- Added range **Home Audio products** to Honeywell product portfolio

Other Developments

- In February 2024, Creative strategically undertook a slump sale of its Ckart division for a consideration of Rs. 10 cr. The Company earned Rs. 9.90 cr of profit from this, which was included in Other Income in Q4 FY24
- Company acquired 1,066 shares of Secure Connection Ltd (Hong Kong subsidiary) on preferential basis for a non-cash consideration against share swap of 57,325 equity shares of Creative Newtech at a rate of Rs. 785/- per equity share





SHAREHOLDER VALUE CREATION

Strategic Focus Area & Criteria



Working Capital Management

Creative's business model is primarily of optimizing working capital. Success of our business depends on achieving higher growth through higher margin products and quick working capital cycle.



Efficient Resource Allocation

Over last few quarters we have continuously shifted our resources towards higher profit products (Honeywell, Cooler Master, Hyperice, Samsung etc.) with faster sales cycle and agile team.



Exploring New Opportunities

We gauge every opportunity through below key lenses:

- Return on Investment
- Return on Management time
- Whether it's a Experiential Brand



Quadrant Segmentation of Business

Products have been ranked into Quadrants based on returns and working capital turns:

Focus is on **Quadrant 1** by dedicating best resources towards it. Simultaneously, Company is also maintaining existing business – Quadrant 2 to Quadrant 4 – as it gives visibility & foot-in-the-door to large brands & distributors.

<p>QUADRANT 1</p> <p>HIGH MARGINS AND QUICK CYCLE</p>	<p>QUADRANT 2</p> <p>HIGH MARGINS AND MEDIUM CYCLE</p>
<p>QUADRANT 3</p> <p>LOW MARGINS AND MEDIUM CYCLE</p>	<p>QUADRANT 4</p> <p>LOW MARGINS AND LONGER CYCLE</p>

As part of a **Sustainable Growth Strategy**, incremental resources would be step-by-step diverted towards Quadrant 1, without disrupting current business

Quadrant 1 business is primarily **FMSG** and **Enterprise Businesses** like –

Honeywell, Cooler Master, ViewSonic, Fujifilm Instax, Invue, MSI, Rapoo, iBall, Insta360, to name a few



Target Addressable Market

FMSG – Key Drivers for Growth

- Consumer trends to capture every moment of social life & post live events has led to multi-fold growth in personal-use, Internet connected devices
- Millennials tend to follow **multiple hobbies** which has led to growth in pursuing trekking, wildlife photography/tours, sports, cooking, music etc., making this segment one of the fastest growing segments globally
- Consistent increase in sedentary work & increased health & beauty consciousness has led to exponential rise in demand for home recovery equipment (**HYPERICE**), grooming products (**BABYLISS**)
- Rising popularity of online gaming is triggering demand for Gaming accessories

(Cooler Master)

Global Fitness Equipment Market

Industry has been growing substantially worldwide in

recent years, mainly driven by

- Stress & sedentary lifestyle
- among urban population
- Rising awareness regarding fitness

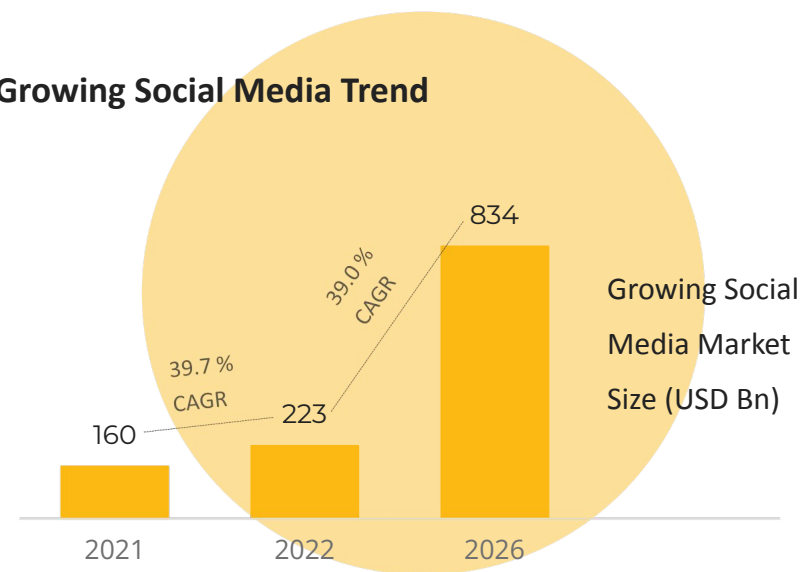
\$10.97 Bn

Market size was estimated at \$10.97 Bn in 2021

\$15.25 Bn

Expected to reach \$15.25 Bn by 2026

Growing Social Media Trend



Growing Social Media Market Size (USD Bn)

Global Gaming Industry

Growth in global gaming sector has been fuelled by

- increasing trends of online/digital gaming, urbanisation & faster network infrastructure
- Robust growth in smartphone penetration

\$300 Bn

Gaming industry presently exceeds \$300 Bn

400 Mn

Over 400 Mn new gamers estimated to have joined by 2023

2.7 Bn

Currently there are 2.7 Bn people in the gaming sector

CAGR 11.9%

Sector expected to grow at CAGR of 11.9% between 2020-26

#1 Brand Licensing & Geographical Expansion



Growing brand licensing line of business with addition of new brands to leverage the licensing model CyberpowerPC joins Honeywell in Creative's portfolio of licensing agreements Expanding geographically across Middle East & APAC with required approvals & certifications.

#2 Diversifying product portfolio across new high-potential verticals like Gaming



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.

#3 To boost top line and profitability of Honeywell



Long-standing association with Honeywell with extensive and increasing product portfolio Adding new countries under purview for sale of Honeywell products.



Key Strengths & Investment Rationale



Mix of experienced & young dynamic workforce

Focus on Products with High Growth, High Margin & Small Working Capital cycle

Exclusive licensee for Honeywell

- Significant growth from higher volumes in Honeywell Consumer products portfolio Creative is exclusive licensee in 29 countries spanning SAARC, Middle East & APAC

One of India's leading Brand Licensee and Market Entry Specialist

One of the few national players in this space to provide end-to-end solution from contract manufacturing to retail distribution and brand licensing
Recently added CyberPowerPC to licensing portfolio

Strong return ratios & Asset-Light

- Creative has an ROCE of ~20.38%, outpacing the average of 10% earned by companies in similar
- industry Asset light business with outsourced contract manufacturing

Good entry point for well-known foreign brands

Provide strategic intel to foreign players to enter & tap into Indian market

Addresses niche growing market across segments

Partner to leading brands – Samsung, Cooler Master, BPL, Olympus, Fujifilm Instax, Hyperice, Philips, Rapoo, Insta 360, Transcend, ViewSonic, Printronix, Zeiss, BaByliss, Colorful, Edelkrone, InVue etc.

An Omni-channel network that spans Online, offline and retail trade channels

25+ brands, 3,200+ products, 8,000+ happy channel partners and 50,000+ metric tons (across product range) of monthly import and export

Honeywell
HONEYWELL

WHO IS HONEYWELL?



~\$36 BILLION
in sales for 2022



53% of sales
outside U.S.



~1,300 Sites,
~70 Countries



More Than
129,000 Employees



Charlotte, N.C.
Headquarters



Fortune 100
NYSE: HON

Business Overview



Aerospace
\$11.8 Billion

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



Building technologies
\$6.0 Billion

Honeywell began the Smart Homes 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.



Performance materials and technologies
\$10.7Billion

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



Safety and productivity solutions
\$6.9 Billion

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

Highly Diversified, Technology-Driven Industrial Company

Creative – Honeywell

Exclusive rights to sell across 38 countries



Brand Licensing

#1

Licensed by Honeywell for contract manufacturing

#2

Rights on many product designs/casts

#3

Can manufacture and sell Honeywell branded products in many APAC & EMEA countries

#4

Aiming to get more international brands under the licensing and also expand Honeywell business line

#5

Maintain Asset light model while expanding the business



Honeywell Business

Tough Entry Barrier & Robust Growth Ahead

Entry Barrier

One of the biggest entry barrier to breakthrough in Honeywell is the long-drawn compliance process and product approval including certifications

Approval Process

The process of getting approval for each product is time consuming and expensive

Launch of Products

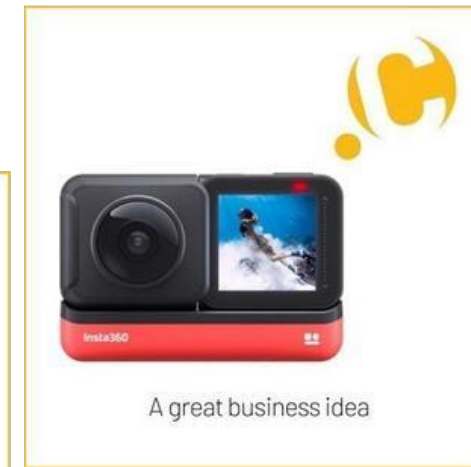
Creative has invested 4-5 years in getting approvals for the products and now is launching several new products periodically



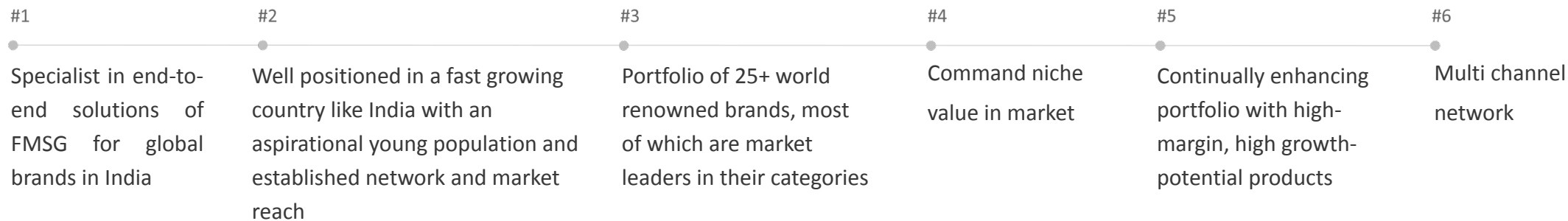
*above certifications are approved



Niche Product Portfolio



FMSG + FMCT + FMEG + EB



FMSG: Fast Moving Social-Media Gadgets **FMCT:** Fast Moving Consumer Technology **FMEG:** Fast Moving Electronics Goods **EB:** Enterprise Business



 **CYBERPOWER**PC
CYBERPOWER PC

CyberPower PC products are poised to set new standards in the gaming industry.

- **Creative Ecommerce Ventures** is a newly formed entity which is a strategic collaboration between **Creative Newtech Limited, CyberPower PC, and iBuyPower.**
- Structured as a **joint venture** representing a convergence of industry expertise and innovation
- **CyberPower PC** is an American personal computer retailer Specializes in building and selling a wide range of gaming computers.
- **iBuyPower** lead the pack with industry innovation, quality, system performance, and unbeatable parts selection.
- Under the brand name CyberPower PC, offer Custom and pre-built gaming PCs and peripherals.
- Tailored to meet the evolving needs of gamers and technology enthusiasts.





LEADERSHIP TEAM

Management Comment



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

“The Company’s performance in the third quarter was great. Amidst changing consumer trends and new product developments in the broader market, we are seeing steady demand for many of our brands.

In the half year ended September 2024, our consolidated total income was reported at Rs. 722.17 cr. EBITDA and PAT increased 20.76% and 36.53% YoY to Rs. 30.06 cr and Rs. 22.31 cr, respectively. Growth in margins was driven by operational efficiencies and higher contribution from Honeywell and FMSG brands.

As indicated in the past, we are increasingly focusing on our licensing ventures while continuing to build the distribution business. Our Honeywell product suite, now comprising structure cabling, connectivity solutions, air purifiers, and home audio, is doing well. While air purifiers do exceptionally well during the peak season, the Home Audio segment is particularly promising given the rapid growth of India’s audio market, and we are optimistic about establishing a robust presence.

To further broaden our reach, we recently partnered with quick-commerce platforms like Zepto, Swiggy Instamart, and Blinkit to enhance accessibility for our products such as air purifiers, home audio products, and connectivity cables.

Overall, we are optimistic about the second half of this fiscal. Our focus remains on keeping a lean business model and ensuring long-term, sustainable growth for all stakeholders. I would like to thank the entire team for their relentless dedication, which drives the Company forward.”



Management Team



Ketan Patel

Founder and 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.



Purvi Patel

Co-Founder and
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.



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 organization and all major B2B relationships with an ease and competence like no other.



Mohit Anand

Co-Founder and
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



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.



Amol Patil

Vice President - Product

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.



Upendra Singh

Vice President - Sales

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.





THANK YOU!

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