

Crompton Greaves Consumer Electricals Limited

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Date: July 25,2019

To, BSE Limited ("BSE") , Corporate Relationship Department, 2 nd Floor, New Trading Ring, P.J. Towers, Dalal Street, Mumbai – 400 001.	To, National Stock Exchange of India Limited ("NSE") , "Exchange Plaza", 5 th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East), Mumbai – 400 051.
BSE Scrip Code: 539876	NSE Symbol: CROMPTON
ISIN: INE299U01018	ISIN: INE299U01018
Our Reference:46/2019-20	Our Reference: 44/2019-20

Dear Sir/ Madam,

Sub: Highlights of Q1 of FY 2019-20 results

This is in continuation of our letter dated July 24, 2019 regarding the Outcome of the Board Meeting held on July 24, 2019 wherein the Company had approved the following:-

1. Unaudited financial results (Standalone and Consolidated) for the quarter ended June 30, 2019.
2. Limited Review Report on the unaudited financial results (Standalone and Consolidated) for the quarter ended June 30, 2019.

In this regard, please find attached the highlights of Q1 of FY 2019-20.

You are requested to kindly take the above information on your record.

Thanking You,
For **Crompton Greaves Consumer Electricals Limited**




Pragya Kaul
Company Secretary & Compliance Officer

Encl: A/a.

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Information Update – Q1 FY20

Jul, 2019

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Summary of Q1 Results

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Particulars	Q1 FY20 Rs. Cr	Q1 FY19 Rs. Cr	GoLY	Q4 FY19 Rs. Cr	
Net Sales	1,347	1,204	11.9%	1,207	• Strong growth in revenue driven by ECD where all categories witnessed double-digit growth
Less: Material Cost	907	814	11.4%	833	
Material Margin	440	390	12.8%	374	• Improvement in Material Margin driven by cost initiatives and improved mix
as a % of Net Sales	32.6%	32.4%		31.0%	
<u>Less:</u>					
Employee Cost	82	72	14.1%	77	• Advertisement spend was stepped up towards promoting Aura Fluidic & Anti-Bac on TV and sales promotion for coolers / pumps via print / outdoor
Advertisement & Sales Promotion	45	45	-1.3%	14	
Other Expenses	121	105	14.7%	115	
EBIDTA	192	167	14.8%	169	• Depreciation increased due to adoption of Ind AS 116; impact on profit is not material
as a % of Net Sales	14.3%	13.9%		14.0%	
Less: Depreciation & Amortization	6	3	86.5%	3	
EBIT	186	164	13.5%	165	• NCD repayment of Rs. 300 crs was done during the quarter
as a % of Net Sales	13.8%	13.6%		13.7%	• Other income up on account of increase in cash surplus
Less: Finance Cost	15	15	-1.4%	14	
Add: Other Income	17	9	95.9%	17	• Effective tax rate up due to discontinuation of exemption for one unit in Baddi
Profit Before Tax	189	158	19.5%	168	
as a % of Net Sales	14.0%	13.1%		13.9%	
Tax Expenses	66	54	23.3%	26	
Net Profit	123	104	17.6%	142	
as a % of Net Sales	9.1%	8.7%		11.7%	

Segment-wise Revenue

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Particulars	Q1 FY20		GoLY	Q1 FY19	
	Rev. Mix	Rs. Cr		Rev. Mix	Rs. Cr
Electrical Consumer Durables	80%	1,073	16.0%	77%	925
Lighting Products	20%	274	-1.7%	23%	279
Total Income from Operation	100%	1,347	11.9%	100%	1,204

- All businesses in the ECD segment have grown faster than market
- Fans growth was primarily driven by premium fans & TPW
- Residential pumps showed growth in high-teens
- Exponential growth in coolers and strong performance in geysers drove high growth in appliances
- New product introductions continue to be instrumental in driving growth
- Lighting sales declined by 1.7% over LY
 - LEDs now form more than 4/5th of our lighting business
 - B2C LED saw double-digit volume growth, partly offset by continued price erosion
 - Conventional business continued to decline
 - Overall B2B Sales were weak due to delay in projects on account of model code of conduct coming in force ahead of elections

Segment-wise Profit

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Particulars	Q1 FY20			Q1 FY19		
	EBIT Mix	EBIT	EBIT %	EBIT Mix	EBIT	EBIT %
Electrical Consumer Durables	94%	217	20.3%	91%	180	19.5%
Lighting Products	6%	14	5.1%	9%	19	6.7%
Total	100%	231	17.2%	100%	199	16.5%

- Cost optimization initiatives & improved mix of premium products led to improved margins in ECD
- Focused advertising spend on new product launches and higher provisioning led to a compression in lighting margins

Cash Flow Highlights

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Particulars	Q1 FY20	Q1 FY19	
	Rs. Cr.	Rs. Cr.	
Profit before Tax	189	158	
Adjustments for:			
Depreciation, Interest and other Adjustments	10	17	
Cash Generated from operations before WC changes	199	175	
Increase/(Decrease) in working capital	11	-60	• Working Capital remains negative
Cash from operations	210	115	
Direct Tax paid (net of refunds)	-34	-30	
Net Cash from operating activities (A)	175	85	• Strong cash conversion
<u>Cash flow from Investing Activities</u>			
Sale/(Purchase) of current Investments	110	-136	
Purchase of fixed assets	-9	-3	
Interest/Dividend Received	6	8	
Net Cash (used in)/from investing activities (B)	107	-131	
<u>Cash flow from Financing Activities</u>			
Issue of Shares	0	0	• Issuance of ~22k shares on account of ESOP exercise
Debenture Payment	-300	-	• Lease rentals on premises recognized as right to use asset & charged as depreciation under Ind AS 116, instead of rent w.e.f. 1st April 2019.
Interest paid	-59	-59	
Lease Liability	-2	-	
Net Cash (used in)/from financing activities (C)	-361	-58	
Net Increase/(Decrease) in Cash and Bank Balance	-78	-104	• Cash balance reduced mainly due to
Opening Cash	142	177	○ Debenture repayment of Rs. 300 Cr
Closing Cash	64	74	○ Increase in early payment to creditors

Net Debt and Key Financial Ratios

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Particulars	Jun 19	Jun 18	Mar 19
	Rs. Crs	Rs. Crs	Rs. Crs
Total Debt	350	650	694
Less: Cash	64	74	142
Less: Current Investment	431	503	530
Total Net Debt	-145	73	21
Net Debt/Equity	NA	0.1	0.0
Net Debt/EBIDTA (Annualised)	NA	0.1	0.0

Financial Ratios

	Jun 19	Jun 18
Operating Margin (%)	14.3%	13.9%
PAT %	9.1%	8.7%
<u>Operating Cycle (Days)</u>		
Debtors Days	35	42
Inventory Days	31	41
Creditor Days*	-57	-104
Net Working Capital Days	8	-21

- Better working capital management has led to improved Debtor & Inventory Days
- Creditor Days have reduced due to increase in early payment to creditors

* Creditors days are after accounting for early payment to creditors



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Thank You