

Crompton Greaves Consumer Electricals LimitedRegistered & Corporate Office: Tower 3, 1st Floor,

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Date: July 24, 2020

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: 55/2020-21	Our Reference: 55/2020-21

Dear Sir/Madam,

Sub: **Highlights of Q-1 of FY 2020-21**

This is in continuation of our letter dated July 24, 2020 regarding Outcome of Board Meeting held on July 24, 2020 wherein the Company had approved the following:

1. Unaudited financial results (Standalone & Consolidated) for the quarter ended June 30, 2020
2. Limited Review Report on the unaudited Financial results (Standalone and Consolidated) for the quarter ended June 30, 2020
3. Press release on the Unaudited Financial Results for the quarter ended June 30, 2020

In this regard please find attached the highlights of Q-1 of FY 2020-21.

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 FY21

July, 2020

- Covid 19 - Impact and Response
- Key Highlights – Q1 FY 21
- Summary of Q1 Results
- Segment Details
- Cash Flow highlights
- Net Debt
- Key Financial Ratios

HR – Winning with People

- Taking proactive measure, we initiated work from home for our employees even before lockdown was announced
- Health and safety of our employees remains to be our top most priority for the company and we continue to provide full support to our employees in these challenging times
- Management extensively communicated with the employees through virtual townhall
- A learning platform was launched for employees to help build their capabilities

Business Agility– The Key Differentiator

- Growth momentum that we saw during Jan and Feb was dampened due to lockdown announced in March which continued till April
- From March 23rd till the end of April operations were severely impacted. All our Factories, Depots, Distributors, Wholesalers and Retailers were closed due to the lockdown
- Focus on safety was paramount when we started the operation during the 3rd week of April with limited capacity. Operations were ramped up gradually to meet the demands.
- Our Sales team were confined indoors but rallied behind the organisation by engaging massively with all our Channel Partners during the lockdown period

- A clear roadmap (Strategic, Tactical & Operational planning) steered to convert market opportunities to sales.
- Business confidence and condition picked up in May and improved in June
- Revival of business was witnessed across portfolios and all businesses viz. Fans, Pumps, Appliances and Lighting B2C
- We leveraged our strong presence in Modern Trade and E-COM channel. Focused digital campaign along with promotion helped increase shares in these channels
- Performance in June was above expectation with ECD nearly achieving last year activity
- Presence across price range mitigates the impact of shift in consumer preference
- Improved efficiency and aggressively driven Cost savings initiatives identified during Mar-Apr to counter Covid impact helped to maintain profitability for the quarter
- Step up effort in driving Cost optimisation programmes enabled to improve material margins sequentially by nearly 100 bps
- Fund raise Rs 300 crores via NCD and prudent working capital management has bolstered the closing cash at 970 crs.
- We remain cautious and vigilant in our approach considering the situation to be grim and volatility in environment is here to stay until overall outlook for the economy improves



▪ ECD Performance

- Fans, Domestic Pumps and Appliances drive revival in ECD segment
 - Fans activity scales back to 85%
 - Appliance business witness 6% volume growth.
 - Agro pumps achieved 25% value growth, Domestic Pumps scales to 100% activity
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▪ Lighting Performance

- B2C LED volumes grew 9%
 - B2B business under pressure due to deferment by institutions and muted Government orders
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▪ Material margins expand during the quarter sequentially by nearly 100 bps

- Benefits accruing from cost optimization program (Regular+Covid)
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▪ Market Share gains and leveraging alternate channel

- E-commerce channel witnesses 400% growth in May and June
 - We continued to gain market share in Fans and LED B2C portfolio
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▪ Cash Conversion

- Cash conversion continues to be strong aided by efficient working capital management

Summary of Q1 Results

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Particulars	Q1 FY21 Rs. Cr	Q1 FY20 Rs. Cr	GoLY	Q4 FY20 Rs. Cr
Net Sales	713	1,347	-47.0%	1,018
Less: Material Cost	481	907	-46.9%	696
Material Margin as a % of Net Sales	232 32.5%	440 32.6%	-47.3%	322 31.6%
<u>Less:</u>				
Employee Cost	72	82	-12.2%	71
Advertisement & Sales Promotion	2	45	-96.0%	10
Other Expenses	59	121	-51.0%	102
EBIDTA as a % of Net Sales	99 13.9%	192 14.3%	-48.5%	138 13.6%
Less: Depreciation & Amortization	8	6	38.2%	8
EBIT as a % of Net Sales	91 12.7%	186 13.8%	-51.2%	130 12.8%
Less: Finance Cost	11	15	-28.1%	8
Add: Other Income	19	17	8.3%	12
Profit Before Tax as a % of Net Sales	99 13.9%	189 14.0%	-47.6%	134 13.2%
Tax Expenses	25	66	-62.0%	34
Net Profit as a % of Net Sales	74 10.3%	123 9.1%	-39.9%	100 9.8%

- Sales impacted by lockdown
- Margins improved sequentially
- Activity curtailed due to lockdown
- Other expenses down due to lower activity and cost programmes
- Downward interest rate trajectory boosted investment gains
- Tax rate lower v/s LY

Segment Revenue

Particulars	Q1 FY21		Q1 FY20		GoLY	Q4 FY20	
	Rs.	Cr	Rs.	Cr		Rs.	Cr
Electrical Consumer Durables	597		1,073		-44%	741	
Lighting Products	117		274		-57%	277	
Total Income from Operation	713		1,347		-47%	1,018	

Segment EBIT

Particulars	Q1 FY21		Q1 FY20		Q4 FY20	
	Rs.	Cr	EBIT %	Rs.	Cr	EBIT %
Electrical Consumer Durables	122		20.5%	217		20.3%
Lighting Products*	5		4.7%	14		5.1%
Total	128		17.9%	231		17.2%

*Lighting Gross margins was in line with our expectation and highest in the recent times. Negative operating leverage in Q-I has led to decline in EBIT for Lighting. As business activity improves, EBIT margins will improve.

Cash Flow Highlights

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Particulars	Q1FY21	Q1FY20
	Rs Cr.	Rs Cr.
Profit before exceptional items and tax	99	189
Adjustments for:		
Depreciation	8	6
Interest and other adjustments	-6	4
(Increase) / Decrease in Working Capital	94	11
Cash from Operation	195	210
Taxes paid	35	-34
Net Cash from Operating Activities (A)	229	175
<u>Cash flows from Investing Activities</u>		
Interest income	10	6
(Purchase) / sale of current investments (net)	-327	110
Purchase of Fixed Assets	-1	-9
Net Cash (used in) /from investing activities (B)	-318	107
<u>Cash flows from financing Activities</u>		
Proceeds of Debentures	300	-
Proceeds/(Repayment) of Short term borrowing (Net)	37	-
Repayment of Lease Liability	-3	-2
Interest paid and cost of debentures paid	-203	-359
Net Cash (used in) /from financing activities (C)	132	-361
Net increase / (decrease) in cash and Bank balances	43	-78
Opening balance	23	142
Closing balance	66	64

- Collection drive and material management helped strong cash conversion
- Refund of Rs 59 received in Q1 FY21
- Cash generated during the period invested
- Rs 300 crores raised via NCD issuance
- Short term loans for working capital needs
- Repayment of old NCD's with interest financed from new NCD issuance

Particulars	As on Jun 20 Rs. Crs	As on Jun 19 Rs. Crs	As on Mar 20 Rs. Crs
Total Debt*	516	350	350
Less: Cash and Bank	90	65	47
Less: Current Investment	881	431	540
Total Net Debt	-455	-146	-237
Net Debt/Equity	NA	NA	NA
Net Debt/EBIDTA (Annualised)	NA	NA	NA

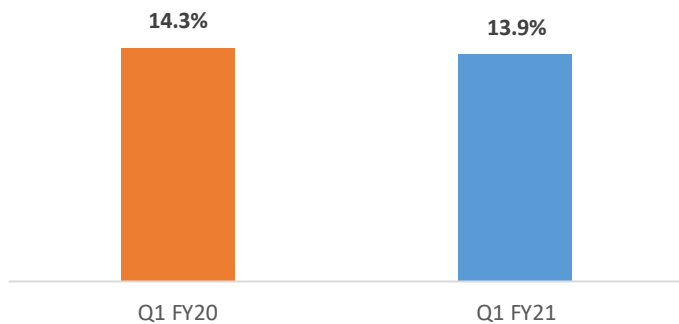
- Company's cash conversion cycle continues to remain strong and is visible in increasing net cash and equivalents over the period

**Excludes Interest Accrued on debt*

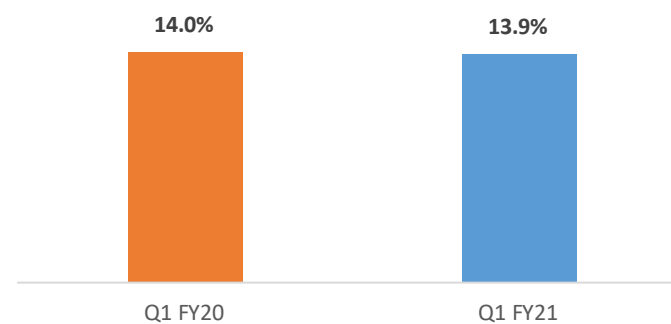
Key Financial Ratios

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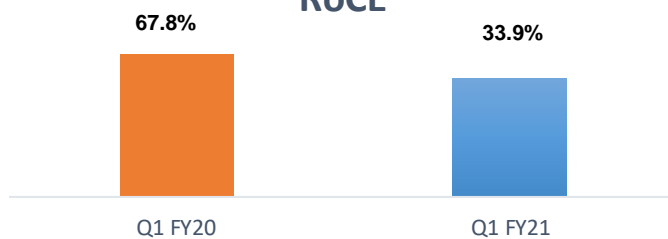
EBIDTA Margins



PBT Margins

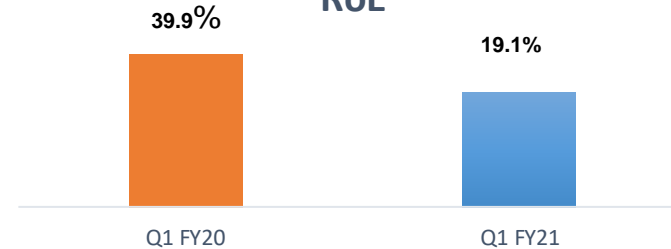


RoCE



■ Q1 FY20 ■ Q1 FY21

RoE



■ Q1 FY20 ■ Q1 FY21

*RoCE and RoE has been annualised

Thank You