

Crompton

Crompton Greaves Consumer Electricals Limited
Registered & Corporate Office: Tower 3, 1st Floor,
East Wing, Equinox Business Park, LBS Marg,
Kurla (West), Mumbai - 400 070.India
T: +91 22 6167 8499 F: +91 22 6167 8383
W: www.crompton.co.in CIN: L31900MH2015PLC262254

Date: May 21, 2021

| | |
|--|--|
| 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: 21/2021-22 | Our Reference: 21/2021-22 |

Dear Sir/Madam,

Sub: Highlights of Q-4 of FY 2020-21

This is in continuation of our letter dated May 21, 2021 regarding Outcome of Board Meeting held on May 21, 2021 wherein the Company had approved the Statement showing the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2021, along with Statement of Assets and Liabilities as at year ended March 31, 2021 (Standalone and Consolidated).

In this regard please find attached the highlights of Q-4 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 – Q4/FY FY21
(Consolidated)**

May 2021

- Quarterly Update
- Current Scenario Update
- Key Highlights – Q4 FY 21
- Summary of Q4 Results
- Segment Details
- Cash Flow highlights
- Cash / (Debt)
- Key Financial Ratios

- Health and safety of our employees continues to be of utmost importance to the company.
- Several macro economic indicators (e.g., GST collections, market liquidity etc.) have reflected a strong recovery for the Indian economy in Q4.
- Sales operations (dealers, distributors and retailers including e-commerce and modern trade), manufacturing and logistics operations witnessed normalcy during Q4 ie. activity was at a pre-covid level
- We have witnessed growth across geographies amongst our product categories and price ranges in Q4.
- Regions that were hit hard due to prolonged lockdown (West) and natural calamities (East) in H1 have witnessed recovery in Q3 and the continued upward business momentum in Q4 have helped to register significant growth in Q4.
- Rural Economy seems to be more resilient and promising, further aided by our investment - Rural Channel has witnessed exponential growth
- Commodity costs have been escalating sharply since November and continued the trend through-out in Q4. We have taken multiple actions to partly mitigate the impact of cost increase.

- Country has been hit by fiercer Covid wave and so is the Crompton family. The infection count amongst employees in this wave has been higher as compared to previous one.
- To counter the surge, we have implemented WFH policy across all offices, collaborated with hospitals & 1mg for vaccination of all employees and their family members at company expense. We are also collectively assisting infected members with covid-19 related emergencies.
- Until now, 508 of our employees have received their first dose of vaccination i.e 27% (~80% of employees above 45 years of age) of our employee strength (including white and blue collared permanent employees).
- Due to sporadic lockdown imposed in several regions in April, demand has been impacted.
- With most of the states announcing lockdown from end of April, the activity is expected to be impacted and normalcy likely to be restored by Q2.
- Despite partial lockdowns announced in few regions across India in Q1 FY22, our factories and distribution network continue to function abiding by government guidelines.



▪ ECD Performance

- Strong performance by Fans with a growth of 59% in Q4 [Jan & Feb 29%] driven by premium fans.
 - Appliance business continues exponential growth of 74% [Jan & Feb 40%] driven by core categories - Air Cooler, Mixer Grinder & Geysers
 - Pump business grew by 61% [Jan & Feb 18%] driven by domestic pumps
-



▪ Lighting Performance

- B2C Lighting LED continues to witness healthy volume growth of 23%
 - Lighting B2B business continues to face challenges due to slow order pick by institutions
-



▪ Material margins contracted by 120 bps sequentially; *maintained EBIDTA Margins*

- Commodity headwinds continue to impact ECD margins.
 - Lighting EBIT margins expanded sequentially by 380 bps.
-



▪ Market Share gains and leveraging alternate channel

- We continued to gain market share in Fans (1%)
 - E-COM and MOR channel grew 86% in Q4 (24% growth in Jan & Feb) over same period LY.
 - Rural channel continued its superior growth of 117% in Q4 (72% growth in Jan & Feb) over same period LY.
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▪ Cash Conversion

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

- Board declares Rs 2.5 per share as final dividend for FY20-21

Summary of Q4 Results

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| Particulars | Q4 FY21 Rs. Cr | Q4 FY20 Rs. Cr | GoLY | Q3 FY21 Rs. Cr | |
|-----------------------------------|-------------------|-------------------|----------------|-------------------|---|
| Net Sales | 1,522 | 1,026 | 48.3% | 1,348 | • Commodity cost headwind impacted YoY and QoQ performance |
| Less: Material Cost | 1,053 | 701 | 50.1% | 916 | |
| Material Margin | 470 | 325 | 44.5% | 433 | |
| as a % of Net Sales | 30.8% | 31.7% | -0.814% | 32.1% | |
| <u>Less:</u> | | | | | |
| Employee Cost | 92 | 71 | 30.3% | 93 | • Increments effective 1 st Oct 2020 and R&D capability building, strengthening sales organization |
| Advertisement & Sales Promotion | 30 | 10 | 186.7% | 25 | |
| Other Expenses | 120 | 103 | 16.4% | 114 | • A&P activity stepped up |
| EBIDTA | 228 | 141 | 61.5% | 200 | • Other expenses higher due to increased activity |
| as a % of Net Sales | 15.0% | 13.8% | | 14.8% | |
| Less: Depreciation & Amortization | 7 | 8 | -12.7% | 7 | |
| EBIT | 221 | 133 | 66.0% | 193 | |
| as a % of Net Sales | 14.5% | 13.0% | | 14.3% | |
| Less: Finance Cost | 10 | 8 | 26.5% | 11 | • Additional interest on NCD's raised in Q1FY21 |
| Add: Other Income | 21 | 12 | 72.2% | 20 | |
| Profit Before Tax | 231 | 137 | 68.9% | 202 | • Higher investment surplus boosted investment income |
| as a % of Net Sales | 15.2% | 13.3% | | 15.0% | |
| Tax Expenses | -18 | 35 | -152.3% | 51 | • Like to like PAT after adjusting for impact of IT Assessment order (incl. interest thereon) for previous years has grown by 63.5% |
| Net Profit | 249 | 102 | 144.0% | 151 | |
| as a % of Net Sales | 16.4% | 9.9% | | 11.2% | |

Segment Revenue

| Particulars | Q4 FY21 | | Q4 FY20 | | GoLY | Q3 FY21 | |
|------------------------------------|--------------|----|--------------|----|------------|--------------|----|
| | Rs. | Cr | Rs. | Cr | | Rs. | Cr |
| Electrical Consumer Durables | 1,193 | | 741 | | 61% | 1,036 | |
| Lighting Products | 329 | | 285 | | 15% | 312 | |
| Total Income from Operation | 1,522 | | 1,026 | | 48% | 1,348 | |

Segment EBIT

| Particulars | Q4 FY21 | | Q4 FY20 | | Q3 FY21 | |
|------------------------------|------------|--------------|------------|--------------|------------|--------------|
| | Rs. | EBIT % | Rs. | EBIT % | Rs. | EBIT % |
| Electrical Consumer Durables | 216 | 18.1% | 148 | 20.0% | 205 | 19.8% |
| Lighting Products | 53 | 16.1% | 22 | 7.7% | 38 | 12.3% |
| Total | 269 | 17.7% | 170 | 16.6% | 243 | 18.0% |

- Commodity cost pressure has resulted in margin contraction in ECD partly offset by pricing action
- Strong improvement in Lighting margins sequentially and v/s LY attributable to sustained volume and value growth, cost saving initiatives delivering desired results etc.

Cash Flow Highlights

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| Particulars | FY21 Rs Cr. | FY20 Rs Cr. |
|--|----------------|----------------|
| Profit before exceptional items and tax | 724 | 591 |
| Adjustments for: | | |
| Depreciation | 30 | 27 |
| Interest and other adjustments | -10 | 10 |
| (Increase) / Decrease in Working Capital | 145 | -72 |
| Cash from Operation | 888 | 556 |
| Taxes paid | -57 | -145 |
| Net Cash from Operating Activities (A) | 831 | 411 |
| <u>Cash flows from Investing Activities</u> | | |
| Interest income | 27 | 21 |
| (Purchase) / sale of current investments (net) | -186 | 36 |
| Purchase of Fixed Assets | -20 | -48 |
| Net Cash (used in) /from investing activities (B) | -179 | 9 |
| <u>Cash flows from financing Activities</u> | | |
| Proceeds from issue of shares | 7 | 5 |
| Proceeds / (Repayment) of Debentures | 300 | - |
| Payment of dividend including dividend distribution tax | -188 | -151 |
| Proceeds/(Repayment) of of debentures | -170 | -300 |
| Repayment of Lease Liability | -12 | -9 |
| Interest paid and cost of debentures paid | -34 | -59 |
| Net Cash (used in) /from financing activities (C) | -97 | -513 |
| Net increase / (decrease) in cash and Bank balances | 555 | -93 |
| Opening balance of Cash/Bank Balances | 24 | 117 |
| Closing Balance of Cash/Bank Balances | 579 | 24 |

- Focused initiatives has helped us to improve WC Cycle.

- NCDs raised in Q1 FY21
- Payment of interim dividend

- Cash / Bank includes FD's with maturity less than 3 months

| Particulars | As on Mar 21 Rs. Crs | As on Mar 20 Rs. Crs | As on Dec 20 Rs. Crs |
|-------------------------------------|-------------------------|-------------------------|-------------------------|
| Cash and Cash Equivalent | 579 | 24 | 443 |
| Other Bank Balances | 25 | 24 | 24 |
| Current Investment | 770 | 541 | 818 |
| Less: Total Debt* | 479 | 350 | 479 |
| Net Cash / (Debt) | 895 | 239 | 807 |
| Net Debt/Equity | NA | NA | NA |
| Net Debt/EBIDTA (Annualised) | NA | NA | NA |

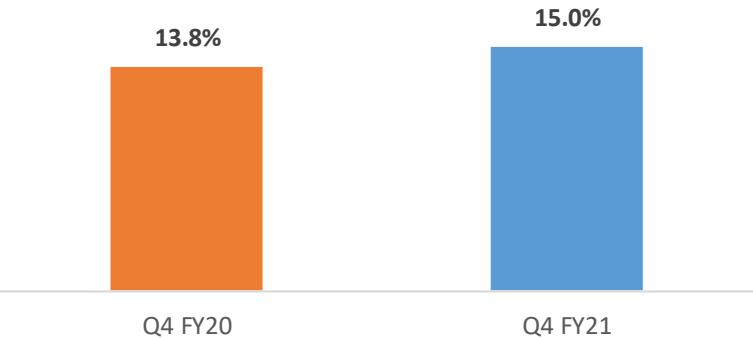
- Company's cash conversion cycle continues to remain strong on back of efficient working capital management and is visible in increasing net cash and equivalents over the period.

**Excludes Interest Accrued on debt*

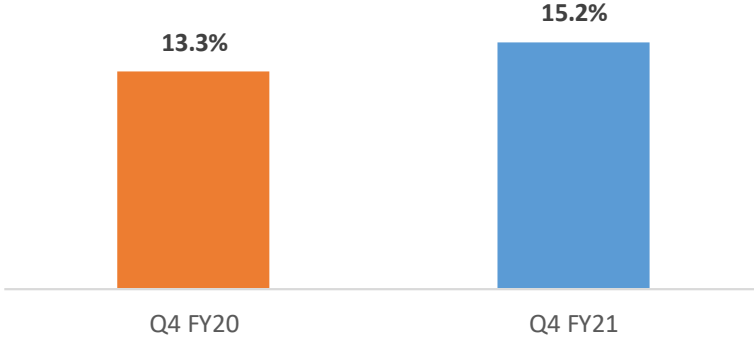
Key Financial Ratios

Crompton

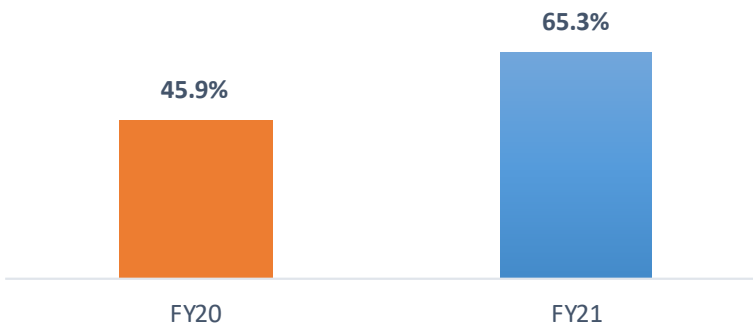
EBIDTA Margins



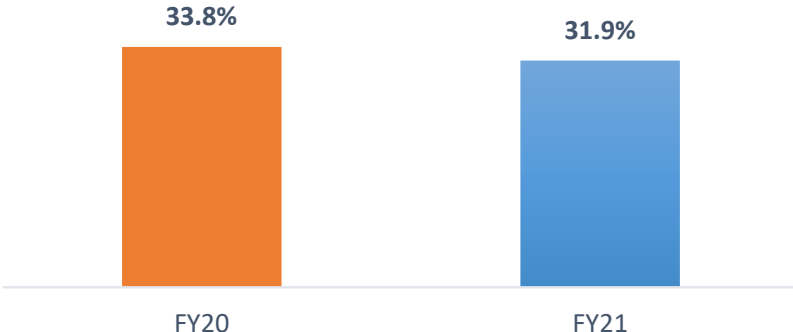
PBT Margins



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Thank You

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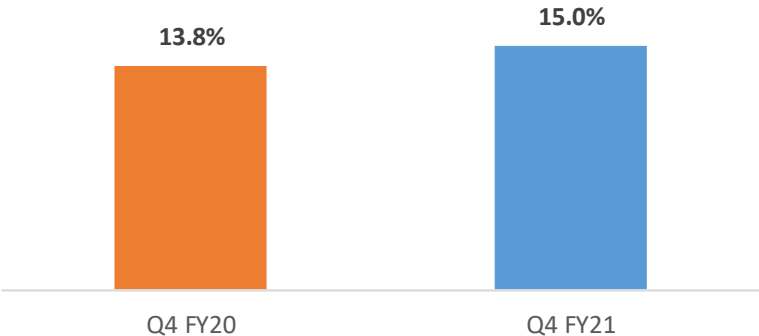
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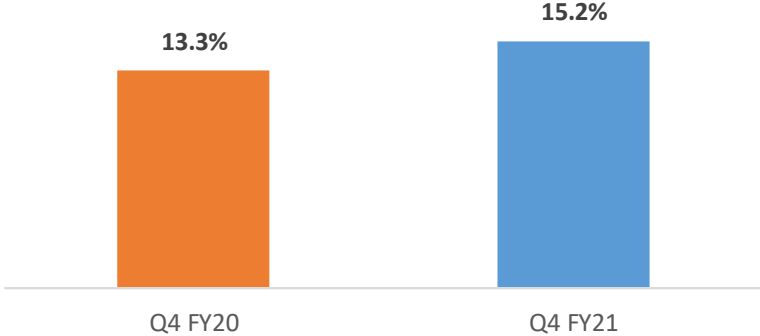
Key Financial Ratios

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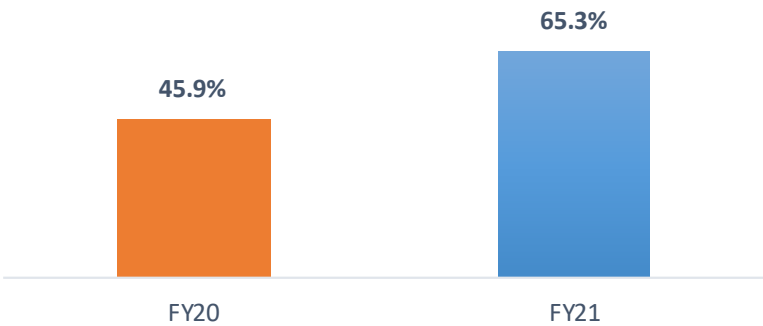
EBIDTA Margins



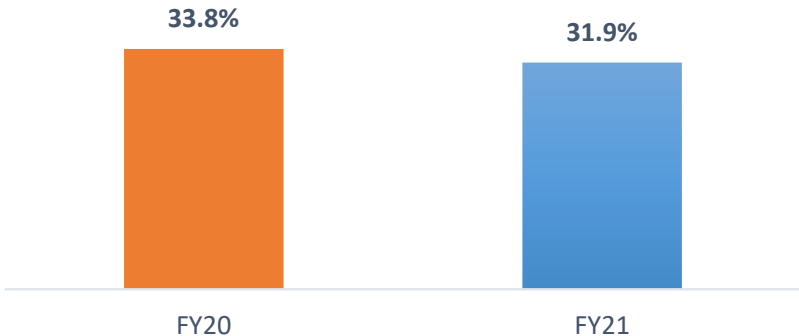
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Thank You