

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

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Kurla (West), Mumbai - 400 070.India

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W: www.crompton.co.in CIN: L31900MH2015PLC262254

Date: May 15, 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: 17/2020-21	Our Reference: 17/2020-21

Dear Sir/Madam,

Sub: **Highlights of Q-4 of FY 2019-20**

This is in continuation of our letter dated May 15, 2020 regarding Outcome of Board Meeting held on May 15, 2020 wherein the Company had approved the Statement showing the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2020, alongwith Statement of Assets and Liabilities as at year ended March 31, 2020 (Standalone and Consolidated).

In this regard please find attached the highlights of Q-4 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**

Digitally signed by PRAGYA KAUL
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serialNumber=84c3cd8c48ae17c551bd8
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**Pragya Kaul
Company Secretary & Compliance Officer**

Encl: A/a

Crompton

Information Update – Q4/FY FY20

May, 2020

- Covid Impact and Status Update
- Key Highlights – Q4 FY 20
- Summary of Q4 Results
- Segment Details
- Cash Flow highlights
- Net Debt
- Summary of FY20 Results
- Key Financial Ratios

- Performance of Jan+Feb 20 was above expectation with ECD growing in high teens, significantly faster than the last few quarters. Lighting too delivered value growth of 4%.
- Basis estimate of sales lost due to lockdown, growth in Q-4FY20 would have been much stronger.
- Taking proactive measure, we initiated work from home for our employees even before lockdown was announced.
- All employee payments, statutory & regulatory payments are being honoured without exception.
- Management continues to regularly be in connect with employees providing update and addressing their concerns.
- Comprehensive programs drawn up and deployed across all spend areas to conserve cash and save costs.
- We continue to support our channel partners and vendors during these tough times.
- Mapped channel partner in each of districts and towns (red / orange /green zones) to focus efforts on driving sales
- Plants and warehouses have resumed operation with limited manpower and in full adherence to safety guidelines issued by government.



▪ ECD Performance (Jan+Feb)

- Fans, Domestic Pumps and Appliances drive growth in ECD segment
- Fans volume growth at 21%
- Appliances witnessed exponential volume growth in geyser (48%)
- Domestic Pumps continued it's volume growth momentum (19%), Agro pump remained under pressure



▪ Lighting (ex EESL) up 7.5% YoY (Jan+Feb)

- LED Panel and Battens registered 61% volume growth
- LED portfolio continues to face price erosion over last year
- B2B business continues to witness slowdown in Govt/EESL order execution & clearance



▪ Expansion of GM- w.r.t. last year same period by 30 bps in the quarter

- Improved sales mix
- Benefits accruing from cost optimization program



▪ Increase in Market Share on a YoY basis

- Share gain continues in Geysers
- Share increased by 77bps in Fans
- Share increased by 106bps in LED Lamps



▪ Cash Conversion

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

Summary of Q4 Results

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Particulars	Q4 FY20 Rs. Cr	Q4 FY19 Rs. Cr	GoLY	Q3 FY20 Rs. Cr
Net Sales	1,018	1,207	-15.6%	1,071
Less: Material Cost	696	833	-16.5%	729
Material Margin as a % of Net Sales	322 31.6%	374 31.0%	-13.8%	342 32.0%
<u>Less:</u>				
Employee Cost	71	77	-7.7%	77
Advertisement & Sales Promotion	10	14	-24.3%	21
Other Expenses	102	115	-10.7%	107
EBIDTA as a % of Net Sales	138 13.6%	169 14.0%	-17.9%	137 12.8%
Less: Depreciation & Amortization	8	3	148.5%	6
EBIT as a % of Net Sales	130 12.8%	165 13.7%	-21.2%	130 12.2%
Less: Finance Cost	8	14	-42.4%	9
Add: Other Income	12	17	-30.7%	17
Profit Before Tax as a % of Net Sales	134 13.2%	168 13.9%	-20.4%	139 13.0%
Tax Expenses	34	26	29.2%	-22
Net Profit as a % of Net Sales	100 9.8%	142 11.7%	-29.6%	161 15.0%

- Growth momentum of Jan+Feb reversed by lockdown
- Margin improvement aided by cost optimization and improved mix
- Lower incentive payouts
- Season activity planned in Mar end was curtailed
- Other expenses down due to lower activity
- Depreciation increased due to adoption of Ind AS 116
- Finance cost lower on account of debenture repayment
- Q-4 FY19 and Q-3 FY20 includes refund

Segment Revenue

Particulars	Q4 FY20		Q4 FY19		GoLY	Q3 FY20	
	Rs.	Cr	Rs.	Cr		Rs.	Cr
Electrical Consumer Durables	741		864		-14%	787	
Lighting Products*	277		343		-19%	284	
Total Income from Operation	1,018		1,207		-16%	1,071	

* Lighting revenue growth (excluding EESL) is 7.5% (Jan+Feb)

Segment EBIT

Particulars	Q4 FY20		Q4 FY19		Q3 FY20	
	Rs.	EBIT %	Rs.	EBIT %	Rs.	EBIT %
Electrical Consumer Durables	148	20.0%	168	19.5%	156	19.8%
Lighting Products	19	7.0%	39	11.5%	20	6.9%
Total	167	16.4%	208	17.2%	176	16.4%

Cash Flow Highlights

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Particulars	FY20 Rs Cr.	FY19 Rs Cr.
Profit before exceptional items and tax	588	562
Adjustments for:		
Depreciation, Interest and other adjustments	38	59
(Increase) / Decrease in Working Capital	-60	-120
Cash from Operation	566	501
Taxes paid	-145	-199
Net Cash from Operating Activities (A)	421	301
<u>Cash flows from Investing Activities</u>		
Interest income	21	15
Income from Mutual Funds	-	11
Sale of Fixed Assets	1	0
Investment in Subsidiaries	-	-14
(Purchase) / sale of current investments (net)	24	-146
Investment in bank deposits	2	-21
Purchase of Fixed Assets	-49	-16
Net Cash (used in) /from investing activities (B)	-2	-171
<u>Cash flows from financing Activities</u>		
Issue of shares	5	4
Payment of dividend including DDT	-151	-131
Repayment of Debentures	-300	-
Repayment of Lease Liability	-9	-
Interest paid	-59	-59
Net Cash (used in) /from financing activities (C)	-513	-186
Net increase / (decrease) in cash and Bank balances	-93	-56
Opening balance	116	172
Closing balance	23	116

- Working capital continues to remain negative

- Investment income is up on higher investible surplus

- Investments were redeemed to finance debenture repayments

- Share issuance is on account of ESOP

- Debentures worth Rs 300 crores have been repaid in Q1 FY20

Particulars	As on Mar 20 Rs. Crs	As on Mar 19 Rs. Crs	As on Dec 19 Rs. Crs
Total Debt*	350	649	350
Less: Cash and Bank	45	141	37
Less: Current Investment	540	530	489
Total Net Debt	-235	-22	-177
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*

Summary of FY20 Results

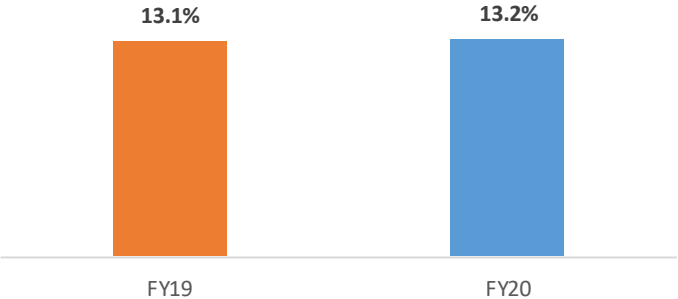
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Particulars	FY20 Rs. Cr	FY19 Rs. Cr	GoLY
Net Sales	4,512	4,479	0.7%
Less: Material Cost	3,065	3,092	-0.9%
Material Margin as a % of Net Sales	1,447 32.1%	1,387 31.0%	4.3%
<u>Less:</u>			
Employee Cost	311	292	6.5%
Advertisement & Sales Promotion	99	91	8.5%
Other Expenses	440	418	5.2%
EBIDTA as a % of Net Sales	597 13.2%	586 13.1%	1.9%
Less: Depreciation & Amortization	27	13	107.8%
EBIT as a % of Net Sales	570 12.6%	573 12.8%	-0.5%
Less: Finance Cost	41	60	-31.8%
Add: Other Income	59	48	22.0%
Profit Before Tax as a % of Net Sales	588 13.0%	562 12.5%	4.8%
Tax Expenses	94	159	-41.1%
Net Profit as a % of Net Sales	495 11.0%	403 9.0%	22.9%

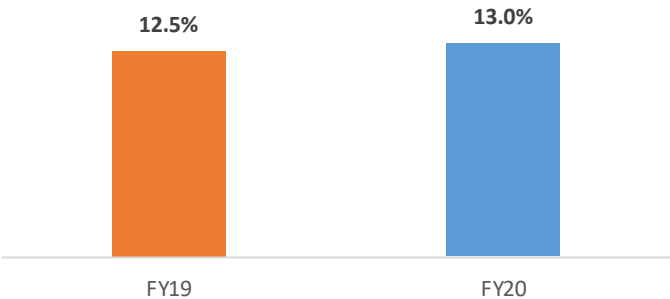
- Improved mix and cost saving initiatives aid enhanced material margin
- A&P spends at 2.2% of revenues
- Depreciation increased due to adoption of Ind AS 116
- Finance cost lower on account of debenture redemption
- Other income up due to increase in investible surplus
- ETR down from 34.94% to 25.17%

Key Financial Ratios

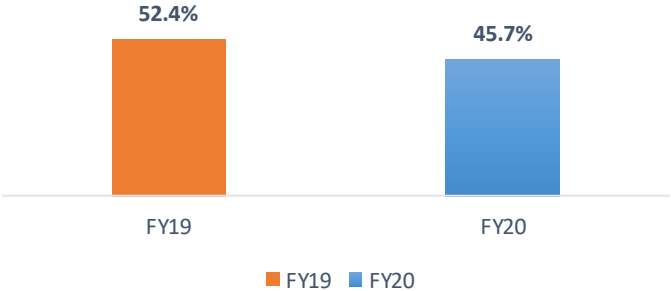
EBIDTA Margins



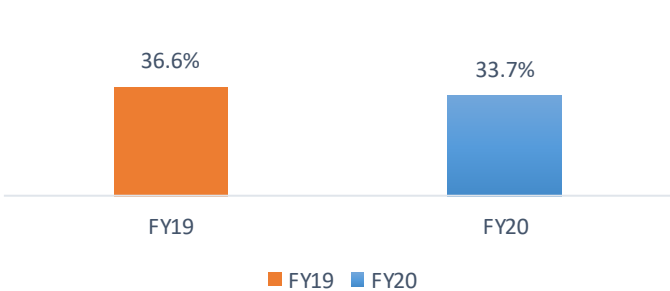
PBT Margins



RoCE



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Thank You