



Creative Peripherals

Date: 25th June 2020

To,
The Manager
Listing Department
National Securities Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East)
Mumbai- 400051

Sub: Creative Peripherals and Distribution Limited announces the audited consolidated financial results for Q4 & FY20

Dear Sir,

Please find attached Media Release regarding announcement of audited consolidated financial results for Q4 & FY20.

Thanking you,

Yours Faithfully

For Creative Peripherals and Distribution Limited

Tejas Doshi
Company Secretary & Compliance Officer
ACS – 30828

Date: 25th June 2020

Place: Mumbai

Creative Peripherals and Distribution Limited

Registered Office: 3rd and 4th Floor, Plot No 137AB, Kandivali Co Op Industrial Estate Limited,
Charkop, Kandivali West, Mumbai – 400 067 | **Tel.:** 91-22-5061 2700 | **Email:** cs@ecreativeindia.com |
Website: www.ecreativeindia.com | **CIN:** L52392MH2004PLC148754



Media Release

Total Income grew by 24% YoY - mainly driven by higher demand for Imaging, IT & Gaming products – GoPro, Cooler Master & Samsung

FY20 EBIDTA at Rs. 16.8 crore, YoY growth of 26% - increased contribution of higher margin products like GoPro and Cooler Master

FY20 Net Profit at Rs. 7.8 crore, YoY growth of 33.5%

Board Recommends Dividend at 5% - subject to shareholder approval

Mumbai, 25th June 2020: Creative Peripherals and Distribution Limited (NSE: CREATIVE), market specialists for experiential products in IT, Imaging, Lifestyle, and Security domains with a pan-India presence, announced its audited consolidated financial results for the fourth quarter and year ended March 31st, 2020.

Key Consolidated Financials (Rs. Crore) :

Particulars	Q4 FY20	Q4 FY19	YoY%	FY20	FY19	YoY%
Total Income	128.23	114.20	12.29%	459.06	370.72	23.83%
EBIDTA (Incl. Other Income)	2.85	4.08	(30.21%)	16.82	13.32	26.28%
EBITDA Margin	2.22%	3.57%	(135 bps)	3.66%	3.59%	7 bps
Net Profit	0.65	2.10	(69.16%)	7.76	5.81	33.49%
Net Profit Margin	0.50%	1.84%	(134 bps)	1.69%	1.57%	12 bps
Basic EPS (in Rs.)	0.56	1.81	(69.06%)	6.69	5.01	33.53%

Performance Highlights for the quarter ended March 31st, 2020:

- **Total Income** for the quarter was **Rs. 128.23 crore** in Q4 FY20, as against Rs. 114.20 crore in Q4 FY19, a **YoY growth of 12.29%**, mainly driven by rise in demand for new and existing products in the businesses of Imaging, gaming & IT products including GoPro and Cooler Master

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- **EBITDA** is at **Rs. 2.85 crore** in Q4 FY20 as against Rs. 4.08 crore in Q4 FY19, **YoY decrease of 30.21%**, due to higher advertising and sales promotion spend for brands and increased employee costs on account of strengthening the sales and marketing teams
- **EBITDA Margin** is **2.22%**, vis-à-vis 3.57% in Q4 FY19
- **Net Profit** is **Rs. 0.65 crore** in Q4 FY20 compared to Rs. 2.10 crore in Q4 FY19, **YoY decline of 69.16%**
- **Net Profit Margin** stood at **0.50%**

Performance Highlights for the year ended March 31st, 2020:

- **Total Income** for FY20 was **Rs. 459.06 crore**, as against Rs. 370.72 crore in FY19, a **YoY growth of 23.83%**, mainly driven by strong demand for Imaging, gaming and IT products including GoPro Samsung and Cooler Master, supported by addition of other new brands in the portfolio such as PNY
- **EBITDA** is at **Rs. 16.82 crore** in FY20 as against Rs. 13.32 crore in FY19, **YoY growth of 26.28%**
- **EBITDA Margin** is **3.66%**, an **improvement of 7 bps YoY**, on account of higher contribution from high margin value-added brands like Cooler Master & GoPro, as well as addition of new product lines, offsetting the rise in advertising, sales promotion and employee expenses
- **Net Profit** is **Rs 7.76 crore** in FY20 compared to Rs. 5.81 crore in FY19, **YoY growth of 33.49%**
- **Net Profit Margin** is 1.69%, an improvement of **12 bps YoY**

The Board of Directors have recommended a dividend of 5% for face value of Rs. 10 per share, subject to shareholders' approval.

Recent Key Developments:

- The Company announced **plans to launch an online B2B digital platform** which would help in expanding customer- and product-base – expect commercial launch by mid July 2020
- Creative Peripherals **expanded its distribution agreement with Honeywell** to include structured cabling solutions

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- Creative Peripherals signed **distribution agreements with Panasonic and BaByliss**
 - The Company's agreement with Panasonic strengthens its portfolio in entertainment-centric IT products. Panasonic is a global household name, with a strong market calling. Creative would be the authorized distributor of a premium range of audio products for Panasonic in Rajasthan, Madhya Pradesh, Chhattisgarh and the Western region of India. The product portfolio would encompass various wired and wireless headsets and earphones.
 - The venture with BaByliss marks the Creative's entry in personal grooming sector in India, citing a huge demand for grooming products in the country. BaByliss is prestigious global brand, which is a market leader in its category. Creative Peripherals will be the authorized online and offline distributor for a range of niche BaByliss products across India. The product portfolio would comprise of hair dryers, straighteners, air-brushes, curlers and grooming/trimming products. BaByliss is a France-based multinational company that specializes in hair care and grooming products, primarily for women. Founded in 1990, the Company has established itself as a niche brand for grooming related consumer electronics. Its product portfolio includes hair dryers, smoothing brushes, straighteners, curling irons, multi-stylers, trimmers, clippers and other accessories.

Management Comment:

Commenting on the performance, **Mr. Ketan Patel, Chairman & Managing Director of Creative Peripherals & Distribution Ltd. said:**

"Our financial performance for Q4 & FY20 has been in line with our expectations. We reported 12.29% growth in topline Y-o-Y, with EBITDA and PAT of Rs. 2.85 cr and Rs. 0.64 cr, respectively, in Q4 FY20. Moreover, our full year performance represents our growth trajectory, with year-on-year improvement in revenue (23.83%), EBITDA (26.28%) and PAT (~33%). This is primarily driven by our growing product portfolio, and more contribution of higher-margin value-added products in the imaging and IT segments such as GoPro, Samsung and Viewsonic, as well as emerging sectors such as gaming – Cooler Master & PNY. We have witnessed unprecedented demand for Cooler Master products as well as for the new GoPro 8, since its launch in October 2019.

This financial year has been quite eventful and fruitful for us. We crossed several milestones in our growth trajectory, including our migration to the NSE main board from the NSE-Emerge board. As our international presence grows, we established subsidiaries in Hong Kong to cater to our overseas operations in the Middle East and SAARC. We also enhanced our brand portfolio with some niche and high-margin products which have huge growth potential, such as Cooler Master, BaByliss, PNY and most recently, Panasonic. Our association with Honeywell was also strengthened during this quarter as we expanded our distribution agreement to include passive networking & cabling solutions.

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In March 2020, we witnessed an unprecedented and unforeseeable adversity in the form of the Covid-19 virus outbreak. This pandemic has resulted in a significant slowdown in the overall economy, impacting all businesses across the nation as well as the world. We have been complying with the Central and State Governments' directives and had temporarily shut all operations. The entire impact of this business lockdown remains to be seen in the coming months.

On a brighter note, as businesses resume operations and the economy regains momentum, we foresee an opportune time for growth. We are very excited about our latest endeavour – an online digital B2B platform. We will host our entire client-base to showcase and trade their products on our platform. This would not only increase visibility and availability of products, but also facilitate clients to trade in products which are otherwise not on our portfolio, thereby expanding our domain. The platform is a win-win solution for everyone in the supply chain and would translate into higher profitability for Creative Peripherals.

We strive to be the go-to market entry specialist for experiential brands seeking entry into the Indian markets. I would like to thank our team and all our stakeholders for their invaluable support and belief in us which drives us to set & achieve higher benchmarks.”

Company Overview

Established in 1992, Creative Peripherals and Distribution Limited is a well-established company in India's Information and Communication Technology distribution market. Through a robust network of partners and distribution channels, the Company has made a strong foothold in the IT distribution market in the country. The Company has an omni-channel network across all three channels of online, offline and retail trade.

Creative Peripherals specializes in market entry and penetration for global brands. The Company offers demographic intelligence, and enables the formulation and execution of marketing strategies for its clients. In addition to such services, Creative continues to focus on timely delivery, diversification of its product portfolio, sustained long-term relationships with its channel partners, and extending value-added services over and above distribution.

These efforts have enabled the Company to win long running contracts as well as garner accolades in the Industry as amongst the best distributors in India by leading brands. Creative Peripherals is associated with over 20 renowned brands globally. These brands encompass a wide range of applications and help the Company to cater to a broad array of customers, both in the consumer and industrial businesses. Moreover, the Company is well-positioned to leverage the changing trends in the technology industry and be a part of the paradigm shift towards digitization in India.

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Creative Peripherals has a unique value-added business model. They provide end-to-end solutions, from market research and competition analysis for brands, to import, distribution, sales and servicing for the brand. Additionally, the Company suggests and executes marketing strategies and recommends viability in specific regions across India for their clients. This is enabled by specialized skill sets, local insights and experience, along with relevant market intelligence. Creative Peripherals also prepares strategic plans for market entry for foreign brands and their target category.

Furthermore, the Company conducts pre-sales and marketing activities for the success of the brand as well as to enable the channel partners to leverage their expertise and bottom line. Creative Peripherals works closely with partners across channels including Large Format Retail (LFR), e-commerce and specialized retailers. The Company is one of the few large distributors who conduct specialized training modules, events and promotional activities at the ground level with channel partners. They also conduct workshops and demos for resellers. This is possible due to the dedication and experience of the corporate and sales teams which constantly track latest market developments to build a closer market connect.

The Company's wide reach and superior logistics capabilities helps it provide end-to-end services including warranty and post-warranty, high-level repair services, and response centres, among others. Such expertise and superior quality of service has led to increased confidence of brands, many of which have chosen Creative Peripherals as exclusive partners and have been with the Company since over five years. The Company focuses on higher operational efficiencies and adding higher-margin and value-added products to its existing product portfolio and such brand associations are a concrete step in that direction.

For more details please visit: www.ecreativeindia.com

For further information please contact:

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Note: *Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other risk factors, viewers are cautioned not to place undue reliance on these forward-looking statements. The Company will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*

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