

Crompton Greaves Consumer Electricals Limited**Registered & 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: January 29, 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: <u>115</u> /2019-20	Our Reference: <u>112</u> /2019-20

Dear Sir/Madam,

Sub: Highlights of Q3 of FY 2019-20 results

This is in continuation of our letter dated January 29, 2020 regarding outcome of the Board Meeting held on January 29, 2020 wherein the Company had approved the following:-

1. Unaudited financial results (Standalone and Consolidated) for the quarter and nine months ended December 31, 2019.
2. Limited Review Report on the unaudited financial results (Standalone and Consolidated) for the quarter and nine months ended December 31, 2019.

In this regard, please find attached the highlights of Q3 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 – Q3 FY20

Jan, 2020

- Key Highlights – Q3 FY 20
- Summary of Q3 Results
- Segment Details
- Cash Flow highlights
- Net Debt
- Summary of 9M FY20 Results
- Key Financial Ratios



▪ ECD growth of ~11% YoY in Q3FY20

- Fans, Domestic Pumps and Appliances drive growth in ECD segment
- Fans volume growth at 8%
- Appliances business witnessed exponential volume growth in geyser (66%)
- Domestic Pumps continued it's volume growth momentum (8%), Agro pump was impacted by unseasonal rains



▪ Lighting (ex EESL) declined 9% YoY in Q3FY20 due to price erosion of 9%

- LED Panel and Battens registered 15% volume growth
- LED portfolio continues to face price erosion
- B2B business continues to witness slowdown in Govt/EESL order execution & clearance



▪ Expansion of GM- w.r.t. last year same period by 100 bps

- Improved sales mix
- Benefits accruing from cost optimization program
- Cost initiatives and better sales mix aid 230 bps sequential GM improvement in Lighting



▪ Increase in Market Share on a YoY basis

- Share gain continues in Geysers, jumped 3 places to #4 player
- Share increased by 80bps in Fans
- Share increased by 100bps in LED Lamps



▪ Cash Conversion

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

Summary of Q3 Results

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Particulars	Q3 FY20 Rs. Cr	Q3 FY19 Rs. Cr	GoLY	Q2 FY20 Rs. Cr
Net Sales	1,071	1,030	4.0%	1,076
Less: Material Cost	729	703	3.7%	733
Material Margin	342	327	4.7%	343
as a % of Net Sales	32.0%	31.7%		31.9%
<u>Less:</u>				
Employee Cost	77	76	1.8%	81
Advertisement & Sales Promotion	21	23	-8.5%	23
Other Expenses	107	102	5.0%	110
EBIDTA	137	126	8.6%	130
as a % of Net Sales	12.8%	12.2%		12.0%
Less: Depreciation & Amortization	6	3	96.9%	6
EBIT	130	123	6.2%	123
as a % of Net Sales	12.2%	11.9%		11.4%
Less: Finance Cost	9	15	-42.0%	9
Add: Other Income	17	12	40.5%	12
Profit Before Tax	139	120	15.8%	127
as a % of Net Sales	13.0%	11.7%		11.8%
Tax Expenses	-22	40	-154.1%	15
Net Profit	161	80	102.1%	111
as a % of Net Sales	15.0%	7.7%		10.3%

- Improved due to better mix within business and accelerated cost saving initiatives

- A&P at 2 % of Sales

- Depreciation increased due to adoption of Ind AS 116

- Interest on tax writeback – Rs 6 crs

- Tax writeback pertaining to FY16-17 – Rs 57 crs

Segment Revenue

Particulars	Q3 FY20 Rs. Cr	Q3 FY19 Rs. Cr	GoLY	Q2 FY20 Rs. Cr
Electrical Consumer Durables	787	712	11%	788
Lighting Products*	284	319	-11%	288
Total Income from Operation	1,071	1,030	4%	1,076

* Lighting revenue decline (excluding EESL) is -9%

Segment EBIT

Particulars	Q3 FY20		Q3 FY19		Q2 FY20	
	Rs. Cr	EBIT %	Rs. Cr	EBIT %	Rs. Cr	EBIT %
Electrical Consumer Durables	156	19.8%	133	18.6%	151	19.2%
Lighting Products	20	6.9%	35	10.9%	15	5.2%
Total	176	16.4%	167	16.2%	167	15.5%

Cash Flow Highlights

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Particulars	Q3 FY19 Rs Cr.	Q3 FY20 Rs Cr.	9M FY19 Rs Cr.	9M FY20 Rs Cr.	
Profit before exceptional items and tax	120	139	393	454	
Adjustments for:	-	-	-	-	
Depreciation, Interest and other adjustments	14	2	48	22	
(Increase) / Decrease in Working Capital	-34	9	-145	-14	• Working capital continues to remain negative 20 days in Q3 FY20
Cash from Operation	99	150	297	462	
Taxes paid	-64	-30	-154	-111	
Net Cash from Operating Activities (A)	35	120	142	351	
<u>Cash flows from Investing Activities</u>					
Interest income	-6	4	11	17	• Investment income is down due to lower yields
Income from Mutual Funds	10	-	10	-	
Sale of Fixed Assets	0	0	0	0	
(Purchase) / sale of current investments (net)	-3	-129	-48	66	• Investments have been redeemed to finance debenture repayments
Investment in bank deposits	-1	-1	-1	25	
Purchase of Fixed Assets	-2	-10	-10	-26	
Net Cash (used in) /from investing activities (B)	-2	-136	-38	82	
<u>Cash flows from financing Activities</u>					
Issue of shares	1	4	2	5	• Share issuance is on account of ESOP
Payment of dividend including DDT	0	-1	132	151	
Repayment of Debentures	-	-	-	300	• Debentures worth Rs 300 crores have been repaid in Q1 FY20
Repayment of Lease Liability	-	2	-	7	
Interest paid	-0	0	59	58	
Net Cash (used in) /from financing activities (C)	-1	-2	189	512	
Net increase / (decrease) in cash and Bank balances	34	-14	-85	-79	
Opening balance	54	51	172	116	
Closing balance	88	37	88	37	

Particulars	As on Dec 19 Rs. Crs	As on Dec 18 Rs. Crs	As on Sep 19 Rs. Crs
Total Debt	350	649	350
Less: Cash and Bank	37	88	51
Less: Current Investment	489	423	354
Total Net Debt	-177	138	-56
Net Debt/Equity	NA	0.1	NA
Net Debt/EBIDTA (Annualised)	NA		NA

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

Summary of 9M FY20 Results

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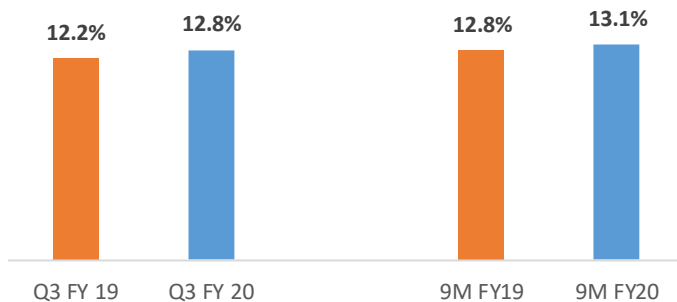
Particulars	9M FY20 Rs. Cr	9M FY19 Rs. Cr	GoLY
Net Sales	3,494	3,272	6.8%
Less: Material Cost	2,369	2,259	4.9%
Material Margin	1,125	1,013	11.0%
as a % of Net Sales	32.2%	31.0%	
<u>Less:</u>			
Employee Cost	240	215	11.6%
Advertisement & Sales Promotion	88	77	14.4%
Other Expenses	338	304	11.3%
EBIDTA	458	417	9.9%
as a % of Net Sales	13.1%	12.8%	
Less: Depreciation & Amortization	19	10	93.8%
EBIT	440	408	7.9%
as a % of Net Sales	12.6%	12.5%	
Less: Finance Cost	32	45	-28.4%
Add: Other Income	47	31	51.2%
Profit Before Tax	454	393	15.5%
as a % of Net Sales	13.0%	12.0%	
Tax Expenses	59	133	-55.1%
Net Profit	395	261	51.4%
as a % of Net Sales	11.3%	8.0%	

- Improved mix and cost saving initiatives air enhanced material margin
- A&P spends at 2.5% 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
- Effective tax rate down

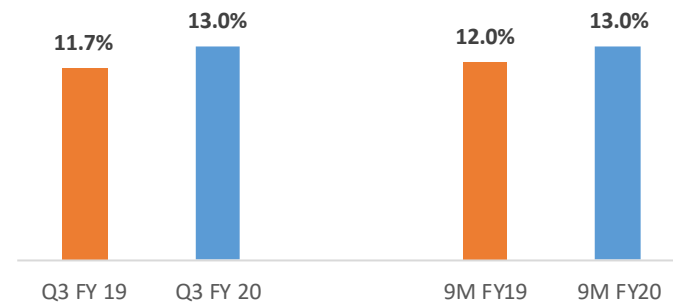
Key Financial Ratios

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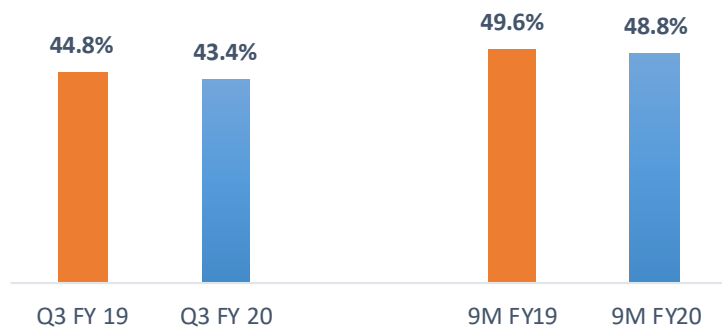
EBIDTA Margins



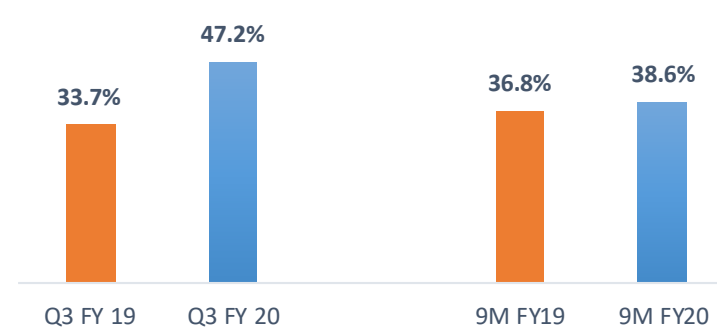
PBT Margins



RoCE



RoE



Note : ROE and RoCE have been annualised

Note : The information is provisional and has been compiled by the management after making necessary adjustments. This information has not been subject to any limited review or audit

Thank You