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

Date: July 25,2019

To, **BSE Limited ("BSE")**, Corporate Relationship Department, 2nd Floor, New Trading Ring, P.J. Towers, Dalal Street, Mumbai – 400 001.	To, **National Stock Exchange of India Limited ("NSE")**, "Exchange Plaza", 5th 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:46/2019-20	**Our Reference: 44/2019-20**

Dear Sir/ Madam,

Sub: **Highlights of Q1 of FY 2019-20 results**

This is in continuation of our letter dated July 24, 2019 regarding the Outcome of the Board Meeting held on July 24, 2019 wherein the Company had approved the following:-

1. Unaudited financial results (Standalone and Consolidated) for the quarter ended June 30, 2019.
2. Limited Review Report on the unaudited financial results (Standalone and Consolidated) for the quarter ended June 30, 2019.

In this regard, please find attached the highlights of Q1 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.

Information Update – Q1 FY20

Jul, 2019

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Summary of Q1 Results

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Particulars	Q1 FY20 Rs. Cr	Q1 FY19 Rs. Cr	GoLY	Q4 FY19 Rs. Cr
Net Sales	1,347	1,204	11.9%	1,207
Less: Material Cost	907	814	11.4%	833
Material Margin	**440**	**390**	**12.8%**	**374**
as a % of Net Sales	**32.6%**	**32.4%**		**31.0%**
Less:				
Employee Cost	82	72	14.1%	77
Advertisement & Sales Promotion	45	45	-1.3%	14
Other Expenses	121	105	14.7%	115
EBIDTA	**192**	**167**	**14.8%**	**169**
as a % of Net Sales	**14.3%**	**13.9%**		**14.0%**
Less: Depreciation & Amortization	6	3	86.5%	3
EBIT	**186**	**164**	**13.5%**	**165**
as a % of Net Sales	**13.8%**	**13.6%**		**13.7%**
Less: Finance Cost	15	15	-1.4%	14
Add: Other Income	17	9	95.9%	17
Profit Before Tax	**189**	**158**	**19.5%**	**168**
as a % of Net Sales	**14.0%**	**13.1%**		**13.9%**
Tax Expenses	66	54	23.3%	26
Net Profit	**123**	**104**	**17.6%**	**142**
as a % of Net Sales	**9.1%**	**8.7%**		**11.7%**

- Strong growth in revenue driven by ECD where all categories witnessed double-digit growth
- Improvement in Material Margin driven by cost initiatives and improved mix
- Advertisement spend was stepped up towards promoting Aura Fluidic & Anti-Bac on TV and sales promotion for coolers / pumps via print / outdoor
- Depreciation increased due to adoption of Ind AS 116; impact on profit is not material
- NCD repayment of Rs. 300 crs was done during the quarter
- Other income up on account of increase in cash surplus
- Effective tax rate up due to discontinuation of exemption for one unit in Baddi

Segment-wise Revenue

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Particulars	Q1 FY20 Rev. Mix	Q1 FY20 Rs. Cr	GoLY	Q1 FY19 Rev. Mix	Q1 FY19 Rs. Cr
Electrical Consumer Durables	80%	1,073	16.0%	77%	925
Lighting Products	20%	274	-1.7%	23%	279
Total Income from Operation	**100%**	**1,347**	11.9%	**100%**	**1,204**

- All businesses in the ECD segment have grown faster than market
- Fans growth was primarily driven by premium fans & TPW
- Residential pumps showed growth in high-teens
- Exponential growth in coolers and strong performance in geysers drove high growth in appliances
- New product introductions continue to be instrumental in driving growth
- Lighting sales declined by 1.7% over LY
  - LEDs now form more than 4/5th of our lighting business
  - B2C LED saw double-digit volume growth, partly offset by continued price erosion
  - Conventional business continued to decline
  - Overall B2B Sales were weak due to delay in projects on account of model code of conduct coming in force ahead of elections

Segment-wise Profit

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Particulars	Q1 FY20			Q1 FY19		
	EBIT Mix	EBIT	EBIT %	EBIT Mix	EBIT	EBIT %
Electrical Consumer Durables	94%	217	20.3%	91%	180	19.5%
Lighting Products	6%	14	5.1%	9%	19	6.7%
Total	**100%**	**231**	**17.2%**	**100%**	**199**	**16.5%**

- Cost optimization initiatives & improved mix of premium products led to improved margins in ECD
- Focused advertising spend on new product launches and higher provisioning led to a compression in lighting margins

Cash Flow Highlights

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Particulars	Q1 FY20 Rs. Cr.	Q1 FY19 Rs. Cr.
Profit before Tax	189	158
Adjustments for:		
Depreciation, Interest and other Adjustments	10	17
Cash Generated from operations before WC changes	**199**	**175**
Increase/(Decrease) in working capital	11	-60
Cash from operations	**210**	**115**
Direct Tax paid (net of refunds)	-34	-30
Net Cash from operating activities (A)	**175**	**85**
Cash flow from Investing Activities		
Sale/(Purchase) of current Investments	110	-136
Purchase of fixed assets	-9	-3
Interest/Dividend Received	6	8
Net Cash (used in)/from investing activities (B)	**107**	**-131**
Cash flow from Financing Activities		
Issue of Shares	0	0
Debenture Payment	-300	-
Interest paid	-59	-59
Lease Liability	-2	-
Net Cash (used in)/from financing activities (C)	**-361**	**-58**
Net Increase/(Decrease) in Cash and Bank Balance	-78	-104
Opening Cash	142	177
Closing Cash	64	74

- Working Capital remains negative
- Strong cash conversion
- Issuance of ~22k shares on account of ESOP exercise
- Lease rentals on premises recognized as right to use asset & charged as depreciation under Ind AS 116, instead of rent w.e.f. 1st April 2019.
- Cash balance reduced mainly due to
  - Debenture repayment of Rs. 300 Cr
  - Increase in early payment to creditors

Net Debt and Key Financial Ratios

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Particulars	Jun 19 Rs. Crs	Jun 18 Rs. Crs	Mar 19 Rs. Crs
Total Debt	350	650	694
Less: Cash	64	74	142
Less: Current Investment	431	503	530
Total Net Debt	**-145**	**73**	**21**
Net Debt/Equity	**NA**	**0.1**	**0.0**
Net Debt/EBIDTA (Annualised)	**NA**	**0.1**	**0.0**

Financial Ratios	Jun 19	Jun 18
Operating Margin (%)	14.3%	13.9%
PAT %	9.1%	8.7%
Operating Cycle (Days)		
Debtors Days	35	42
Inventory Days	31	41
Creditor Days*	-57	-104
Net Working Capital Days	8	-21

** Creditors days are after accounting for early payment to creditors*

- Better working capital management has led to improved Debtor & Inventory Days
- Creditor Days have reduced due to increase in early payment to creditors

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