



Creative Peripherals

Creative Peripherals and Distribution Limited

**Result Update Presentation
Q1 FY21**



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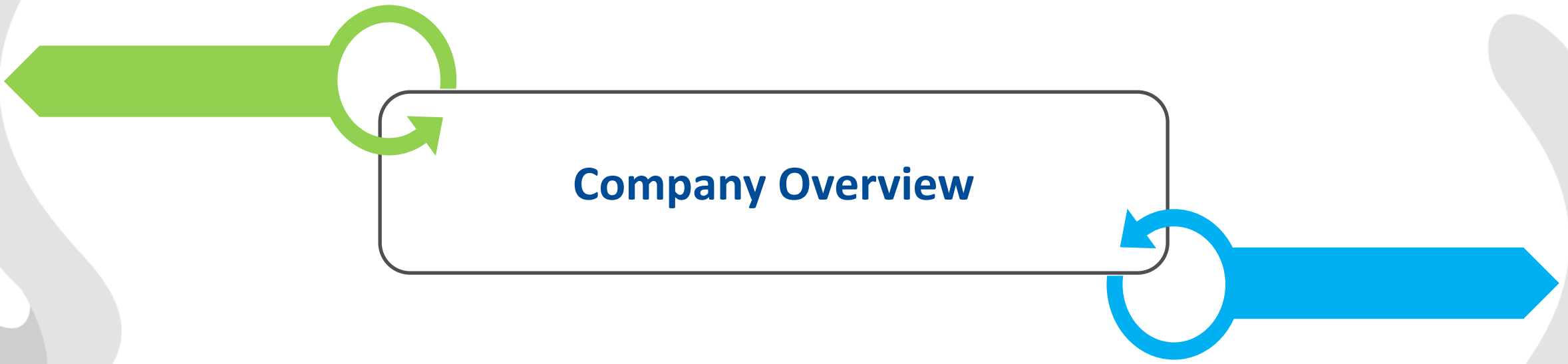
Company Overview

Business Overview

Chairman's Message & Key Developments

Consolidated Financial Highlights

Way Forward



Company Overview



Who we are...

Brand Licensing

- Licensed by Honeywell to undertake contract manufacturing for wide range of consumer & enterprise products
- Rights on many product designs/casts, can manufacture and sell Honeywell branded products in many APAC countries, as well as govern product pricing to large extent
- Aim to expand this business line with Honeywell, and get more international brands under licensing model
- Maintain asset-light model while expanding licensed manufacturing business

~3,200 Products

20+ Branches

Market Entry Specialist for Niche Brands

- Specialist for global brands to enter and penetrate Indian markets
- Well positioned to leverage established network and market reach
- Portfolio of over 20 world renowned brands including Honeywell, GoPro, Viewsonic and Samsung
- Most brands are market leaders in their respective categories and command niche value in market
- Continually enhance portfolio with high-margin, high growth-potential products
- Multi-channel network – online, retail and general trade channels

20+ Brands

Ckart

- Online digital B2B eCommerce platform
- One-stop-shop for all customers
- Hosts all customers and enables them to view, share and transact in each other's products
- Offers various useful features like drop shipment, invoicing and facility for customer to have their own site
- Expands Company's product domain
- Will help expand customer-base without additional manpower
- With growing digitization in industry, Ckart paves way for future-ready business model

5,000+ Customers

150+ Employees



Journey so far...

- Started as trading concern with 2 employees
- Epson Dot-matrix Printer aggregator

1990s

- Microsoft sub-distribution in Maharashtra & Gujarat
- Changed name to Creative Peripherals & Distribution Pvt. Ltd.
- Opened branches in Pune, Bangalore and Ahmedabad
- Epson Business Partner
- Foray into Lifestyle business

2000-10

- 2012** - Foray into Imaging business by signing Olympus
- 2013** - Exclusive Photo Distribution from Vitec Group of Italy for Manfrotto
- 2013** - Exclusive distribution for 5 new global IT vendors
- 2015** - Reliance Digital '**Best Fulfillment Partner**'
- 2015** - Exclusive distribution for 8 new global brands including ViewSonic & Samsung

2012-15

2016

- Forayed into retail security business
- Exclusive license for Honeywell
- Distribution license received for GoPro

- Listed on NSE - SME stock exchange
- Forayed into gaming products under lifestyle segment
- Agreement with TPV Technology India for Philips Digital Signage in India

2017

- Expand Trademark Licensing agreement with Honeywell - geographic expansion to Middle East countries & added new products
- Forayed into Retail Security segment - Signed Exclusive Agreement with InVue Security Products Corp.
- Agreement with Future Tech Electronics - LED TV's for DAEWOO, MEPL & INDICOOL brands in India
- Launched GoPro Hero 7 series Products
- Expanded gaming product segment in India - via agreement with Thermaltake Technology

2018-19

- Signed exclusive agreement with '**iBall**' for all their products in Madhya Pradesh and Vidarbha
- Migrated to NSE Main Board
- Expanded IT, Gaming & Lifestyle segments via agreements with PNY, Cooler Master & BaByliss
- Signed distribution agreement with Panasonic for premium audio products
- Expanded agreement with Honeywell for Passive Cabling solutions
- Launched B-Safe – own brand of medical products
- Launched Ckart – digital B2B platform for customers
- Expanded distribution mandate with Honeywell to 29 countries outside India

2019-20



Key Team



Mr. Ketan Patel

Chairman & Managing Director

- IIM - B Alumnus with Engineering in Computer Technology from Mumbai University
- Over three decades of experience - has built expertise in business strategy, planning, product marketing and people management
- Responsible for maintaining vendor relations & new product development



Mrs. Purvi Patel

Whole Time Director

- Holds Diploma in Pharmacy with rich experience in Computer Programming
- Responsible for execution of business strategies and planning
- In-charge of all key business functions



Vijay Advani

Whole Time Director

- Bachelor of Commerce from Mumbai University, with over 32 years of experience
- Expertise lies in business planning, execution and key account management
- Over three decades' experience in Value Added Distributors Industry, including companies like General Electronics



Abhijit Kanvinde

Chief Financial Officer

- Chartered Accountant with over 20 years of strong and multi-industry experience
- Worked in companies like Garnier India, Novartis Consumer Health, Shringar Cinemas, etc
- Was CFO of listed company for over 8 years, also successfully completed IPO 2x in his career



Upendra Singh

National Sales Head

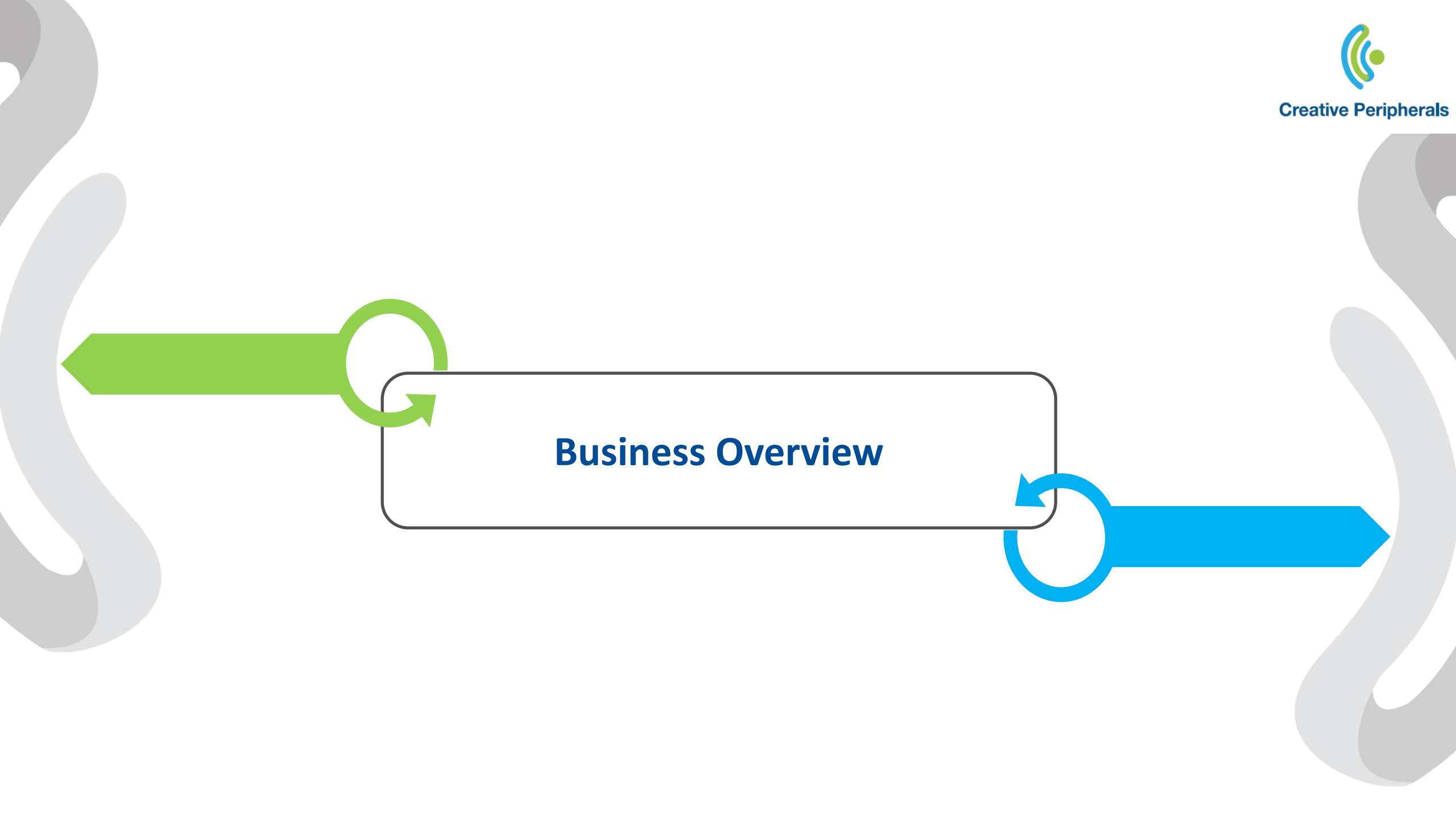
- Bachelor of Commerce from Ranchi University, with nearly 30 years experience in Sales & Marketing
- Expertise lies in vendor management, sales generation & market penetration With over 11 years' experience in IT hardware industry, he drives national channel & corporate sales



Amol Patil

National Product Head

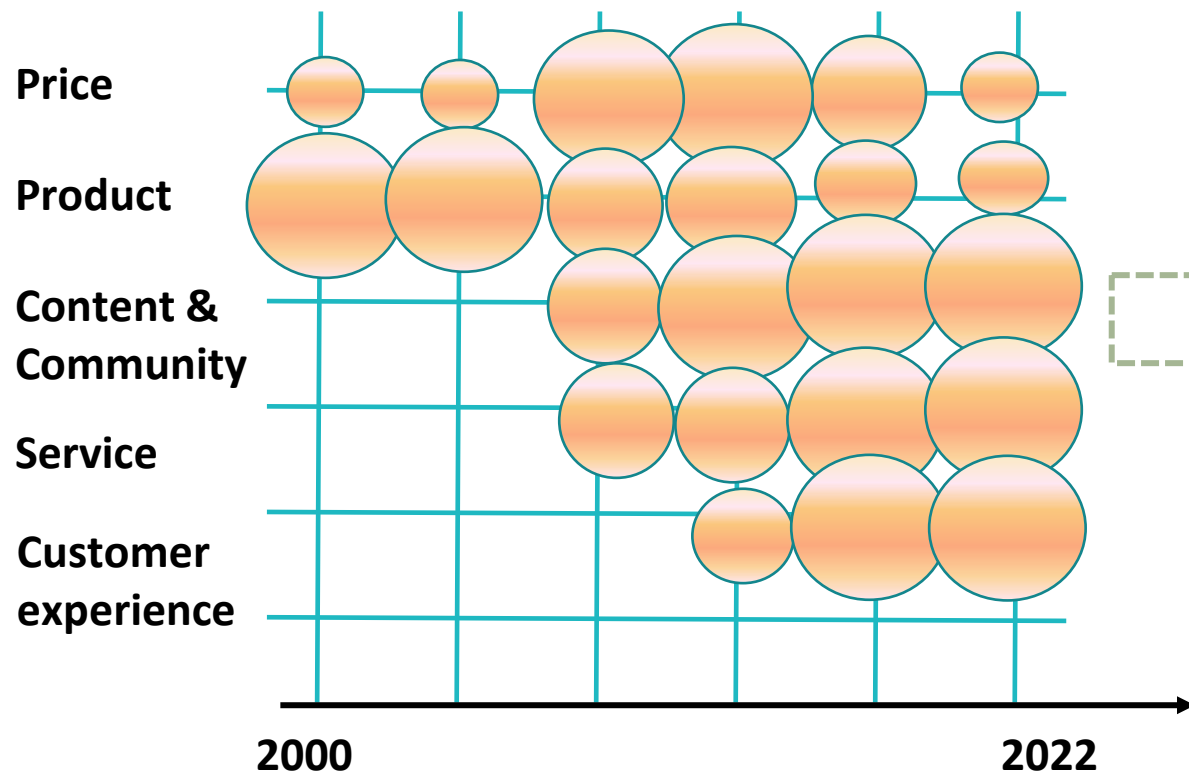
- MBA in Marketing with Engineering in Electronics and Telecom, with over 20 years' experience in IT industry
- Expertise lies in identifying latest market opportunities with excellent team management and execution skills. He is responsible for profitable management of products portfolio



Business Overview

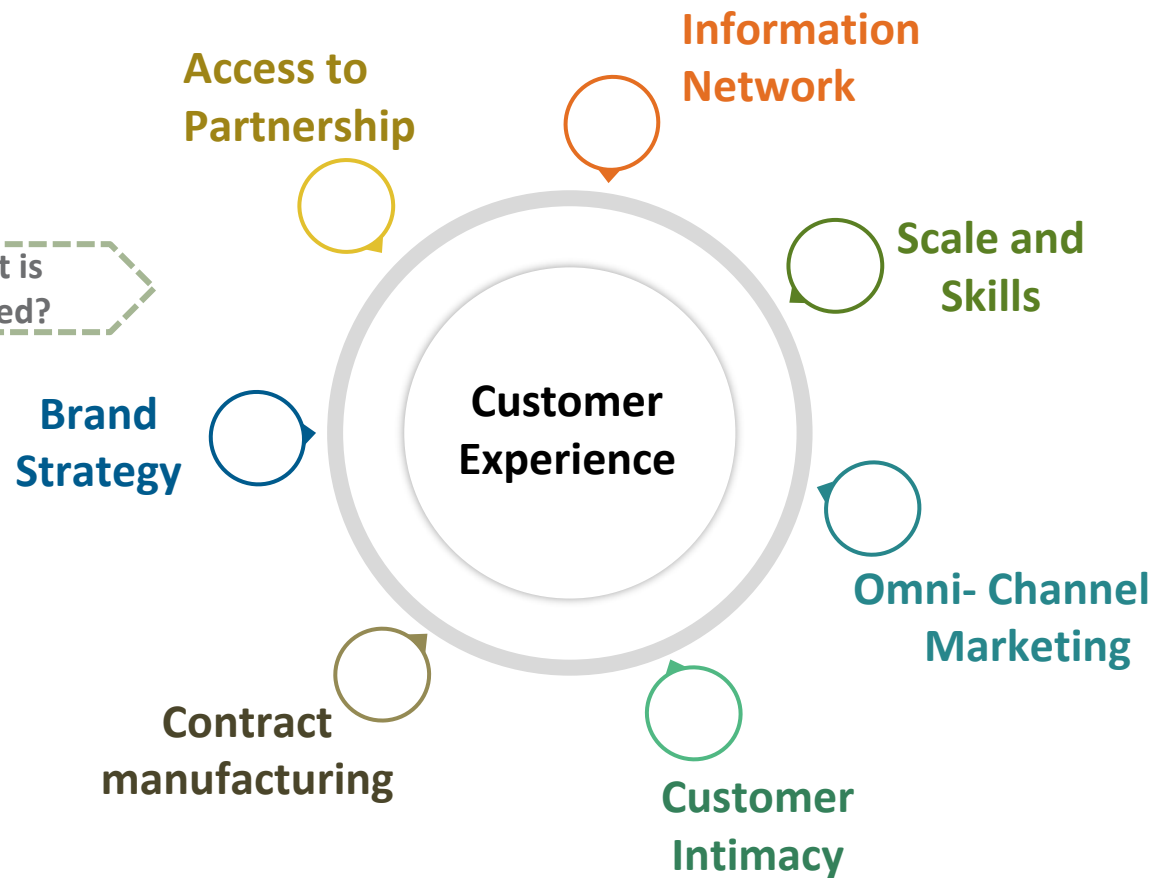


Driving digital transformation...



By 2022, **Customer Experience** would overtake **Price & Product** as the key brand differentiator

Our Value Addition





Integrated Business Model

- Identification of ideal distribution channel
- Identify and acquire required skill sets / man power
- Regional planning and strategy to market brand
- Resource allocation and strengthening of operations

- On-field research and in-house usage and checking
- Location-wise market demand analysis
- Price waterfall analysis
- Detailed product comparison
- Competition Analysis



- Executing marketing strategy
- Creating brand awareness
- Training and events
- Customer Engagement
- Digital Cataloguing

- Point-of-sales (POS) activity
- Relationships with channel partners : E-Commerce, Large Format and Specialized Retailers
- Reseller workshop & demos
- Online-to-Offline channel



Integrated Business Model contd...



Creative Peripherals



- **Product to product comparison with similar products from peer brands in industry** – for competitive benchmarking
- **On-field research & in-house usage & checking** – Checking product's usability, viability and features internally as well as in real-world scenario across markets. Conducting brainstorming sessions and Price Waterfall analysis.
- **Location-wise market demand** – Gaining insight on consumer trends & demand of various demographics for product
- **Market analysis** – Research to support ramp-up of brands in multiple countries with cost effective scalable process
- **Competition Analysis** – Ascertain products and strategy of peer brands, and vetting overall technology landscape



- **Identification of ideal distribution channel** for specific product/brand, based on the target market Channels - mix of online & offline modes
- **Identify and acquire required skill sets / man power** – Conducting necessary training to equip personnel with required knowledge and skills to perform demo's etc. at POS
- **Regional planning and strategy including target-setting** – formulating strategy specific to region, product and channel
- Strategy to market brand
- Resource allocation and strengthening of operations





Integrated Business Model contd...



Creative Peripherals

Pre-Sales

- Executing marketing strategy
- Creating brand awareness
- Training and events
- Customer Engagement
- Digital Cataloguing
- POP Displays
- **100+** Trained, professional sales staff
- **1,200+** Trainings conducted at shop level annually

Differentiated Sales Processes

- Point-of-sales (POS) activity
- Relationships with channel partners : E-Commerce, large format and specialized retailers
- Reseller workshop & demos
- Online-to-offline channel
- 20 branches across India





Brand Licensing & Contract manufacturing - Honeywell

End to end services from factory to consumer

Honeywell : Fortune 50 multinational conglomerate offers various commercial and consumer products, engineering services and aerospace systems. Active across **aerospace, automation & control systems** and **performance materials** & technologies.

Our Involvement: Started association in September 2016 to capitalize opportunities seen in Indian market. Creative has been crucial support and channel for Honeywell to expand their product distribution in India, and eventually across other Asian markets, and recreate **“Power of Connect”** among consumers





Market specialists for Niche & Experiential Products



Information Technology

Thermaltake

NZXT PHILIPS PNY



ASRock



PRINTRONIX



rapoo

Honeywell

AOC

ViewSonic
See the difference™



SAMSUNG



Imaging



OLYMPUS



Lifestyle & Security

MEPL

DAEWOO

BaByliss

Panasonic

SHARP



inVue



Case Study – Go Pro

Market entry, Brand awareness, Consumer engagement

GoPro : Global brand offering broad range of imaging devices and accessories for professional as well as amateur users

Our Involvement: Started association in 2016-17 to enter Indian market. Creative has been a key enabler for brand to penetrate market and establish its presence here. GoPro has grown from barely-known foreign brand to a well-recognized premium imaging brand in urban India

Marketing Strategy

- Market research & expertise to formulate customized, ideal marketing strategy
- Launched 'GoPro Hero' two days prior to global release, to make it available in time for Diwali sales in 2016
- Arrange and manage POP setups and kiosks for the brand at various malls
- Specialized training to 1,200 on-ground staff (ISD – In-Store-Demonstrators)

Exclusive Distribution

- Exclusive distribution rights across India
- Leverage strong nation-wide network
- From introduction of 'GoPro Hero' in 2016-17, current portfolio spans several new variants of cameras, e.g. "GoPro 7"

On-Field Activities

- Brand awareness & promotion
- Content creation & influencers
- Over ~36 events and workshop per year – e.g. 7th India HOG Rally by Harley Davidson at Goa, Times Green Wheels bike festival
- Pre-sales activities

Scalability

- Witnessed growing sales in India: Share of revenue grew from \$1 mn in FY2016-17 to \$14 mn in FY2018-19
- India offers high growth potential among Asian markets, compared to mature markets like Japan and China



www.gopro.com



Digital Platform: Ckart

Ckart is Creative Peripherals' own online digital B2B eCommerce platform

Salient Features



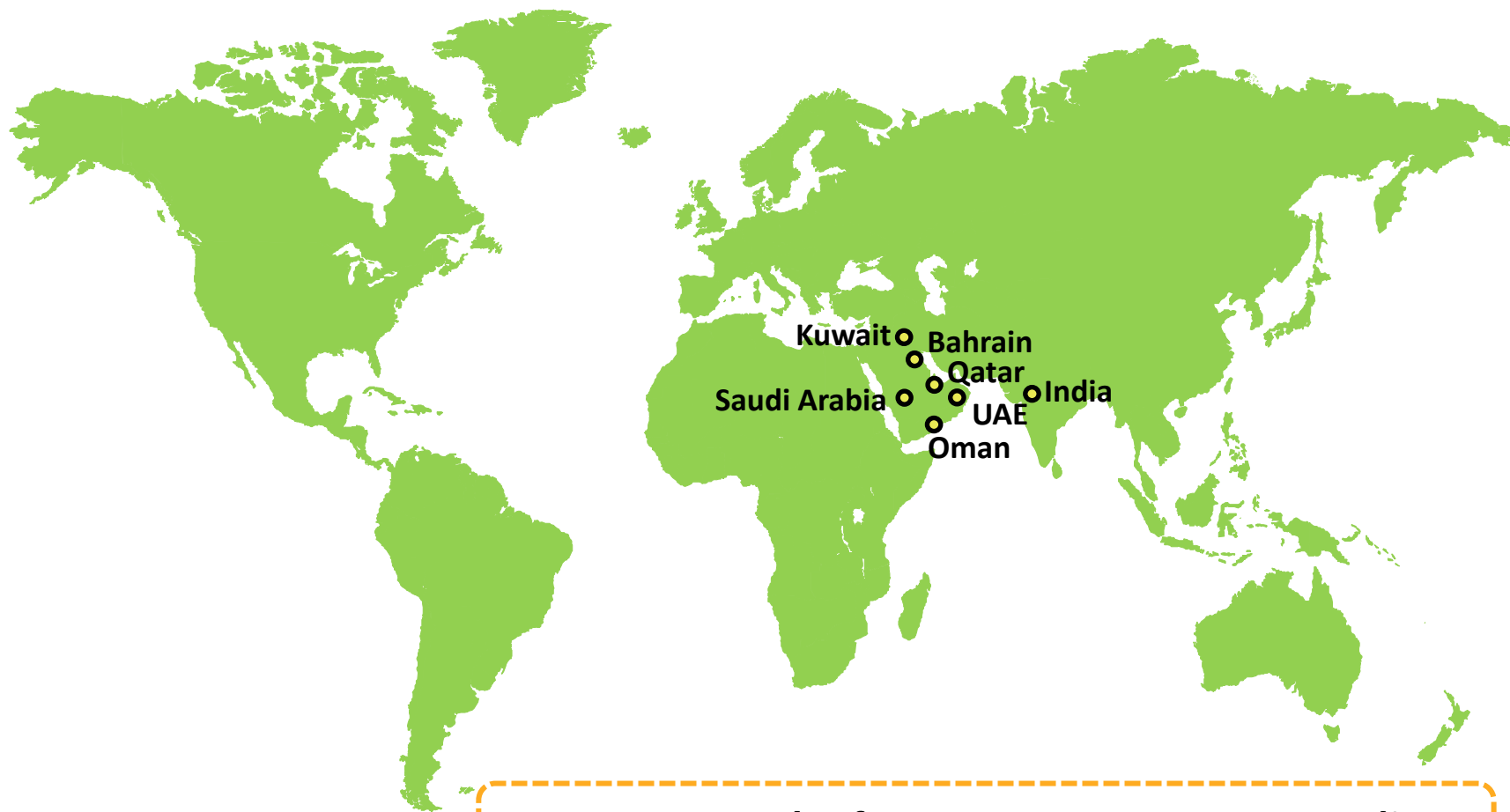
Key Benefits

- Ckart hosts all existing and new customers and is integrated with Company's ERP system
- Platform enables customers to **discover, share and transact** their products amongst each other
- Value added services include **drop-shipment** and **invoicing** capabilities
- Customers can also choose to have their own micro-site hosted
- Developed in-house by dynamic and dedicated team
- Swift navigation and flow, and offers user-friendly experience

- Ckart is a **one-stop-shop** for all customers' requirements
- It will **grow customer-base** without additional manpower or cost
- Platform will increase ease of doing business and **enhance customer experience**
- Expected to expand product domain and enhance working capital cycle



Geographical Presence



Domestic

- Pan India presence
- 20 branches across India
- Over 150-strong highly skilled workforce across India – mix of young and experienced talent

International

- Strong distribution tie-up in Middle East
- Expanding network across SAARC & Southeast Asia countries



Smart Sourcing Capabilities

Central Warehouse @ Bhiwandi, Maharashtra

Dispatch all over India from Central warehouse

- Warehousing and Transportation services
- 40,000 Sq. ft. area
- Semi-automatic warehousing
- Advanced systems for inward & outward, packing and stock keeping (Bar Code system for outward)
- Technology enabled supply chain
- Transactions handled: 3,500 tonnes per annum

Key features

- State-of-art inventory management and warehousing equipment
- Fast and on-time delivery
- Can arrange dispatch from single unit to container
- Tie-ups with reputed logistics service providers
- Trained and experienced staff





Chairman's Message & Key Developments





Management Comment



Creative Peripherals



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

"Like every other industry and sector, our Company also faced headwinds from the nationwide lockdown during most of this quarter due to the COVID-19 pandemic. We had factored this effect and expected a contraction in our business and financial performance for Q1 FY21. Our topline was Rs. 64.53 cr, with an EBITDA and PAT of Rs. 1.90 cr and Rs. 0.58 cr, respectively, in Q1 FY21. This represents operations of less than two months, since we started reopening gradually by end of April, and at 20-30% capacity. However, I am happy to share that even during such times we have remained profitable, which reflects our Company's resilience and adaptive capabilities.

On the business front, we have continued to see demand for imaging, IT and gaming products during this period, especially since online channels reopened sooner than brick and mortar stores. We retained all our workforce and continued to incur fixed expenses during the lockdown, which adversely affected EBITDA margins. Moreover, to contribute to our nation's fight against COVID-19, we launched our own 'B-Safe' range of personal medical products that have gained traction since launch.

I am happy to share that we renewed our licensing agreement with Honeywell for another five years, as well as signed up for distribution of their products across 29 countries, covering the APAC and Middle East regions. Our deep and long-term association with Honeywell reflects the unique value that such a Fortune-100 company sees in us, and would set an example for other global brands wishing to adopt the licensing business model.

On a brighter note, we launched our own inhouse-developed online digital B2B eCommerce platform – Ckart – in August. We are very excited about this platform and expect it to drastically enhance our top line and profitability. Ckart will benefit our existing customers as well as help expand our client-base. Especially during these current times as more businesses are going digital, this platform is a future-ready offering.

We continue to 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."



Launch of Ckart



- Launched Ckart – new **online digital B2B eCommerce platform** for customers
- Ckart launched online on 5th August 2020 in a grand event attended by 712 participants across India
- First order placed online during event, showcasing fast and user-friendly experience
- Royalty points for customers who order via Ckart
- Ckart hosts all existing and new customers – integrated with Company's ERP system
- Value added services include **drop-shipment** and **invoicing** capabilities
- Developed in-house by dynamic and dedicated team
- Will increase ease of doing business and **enhance customer experience**



Launched B-Safe – Medical Products Portfolio

B-Safe



Launched range of personal **medical products** for consumers under **own brand – B-Safe**

- Personal health care product portfolio includes infrared thermometers, thermal scanners, pulse oximeters and masks
- Cater to growing demand during and after the COVID-19 pandemic
- High-precision instruments (thermometers and oximeter) for personal and organizational usage, as well as range of N-95 masks with and without respirators





Key Developments



Creative Peripherals

- Expanded distribution agreement with **Honeywell** to include networking passive cabling solutions, used in smart buildings, Wi-Fi applications, networking, surveillance and CCTVs. This adds to our existing portfolio of Honeywell products
- **New distribution agreement** with **BaByliss** – niche French brand in women's personal grooming segment. Product portfolio would cover range of hair styling products
- Temporary Suspension in Operations – Company had temporarily shut down all operations as per the Government directive, in light of outbreak of Covid-19 pandemic during March-April 2020. After due approvals and permissions from the authorities, partial operations were resumed from 20th April, 2020



Consolidated Financial Highlights





Key Quarterly Financial Highlights

Rs. Cr	Q1 FY21	Q1 FY20	YoY%	Q4 FY20
Revenue from Operations	64.45	104.46		128.19
Other Income	0.08	0.33		0.04
Total Income	64.53	104.80	(38.42%)	128.23
Raw material	57.69	94.50		113.83
Employee Cost	1.63	1.97		2.47
Operating Expenses	3.31	4.02		9.07
Total Expenditure	62.63	100.50		125.38
EBITDA	1.90	4.30	(55.88%)	2.85
EBITDA Margin (%)	2.94%	4.10%	(116 bps)	2.22%
Interest	0.93	1.11		1.21
Depreciation	0.20	0.13		0.27
Profit Before Tax	0.77	3.06		1.37
Tax	0.19	1.07		0.74
PAT	0.58	1.99	(71.10%)	0.64
Share of P/L in Associates	0.00	0.00		0.00
Other Comprehensive Income	0.00	0.00		0.01
Net Profit	0.58	1.99	(71.12%)	0.65
Net Profit Margin (%)	0.89%	1.90%	(101 bps)	0.50%
Basic EPS in Rs.	0.45	1.72	(73.84%)	0.32

- Revenue impacted by nationwide lockdown, offsetting demand for Imaging and IT/gaming brands – GoPro, Cooler Master & Samsung
- Continued employee and fixed expenses adversely impacted EBITDA margin
- Business operations at 20-30% workforce capacity since gradual reopening



Annual Performance Highlights – FY20

23.83% ↑

Total Income Rs 459.06 Cr

26.28% ↑

EBITDA Rs 16.82 Cr

33.49% ↑

Net Profit Rs 7.76 Cr

35.33% ↑

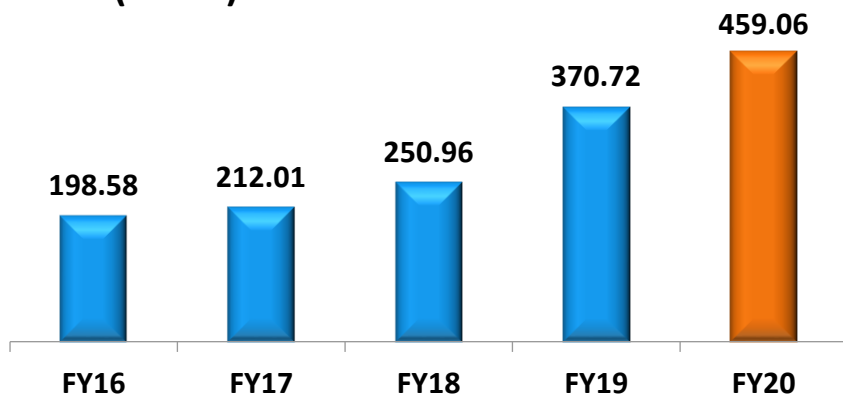
Basic EPS Rs 6.78

Dividend recommended at 5%, subject to approval of shareholders

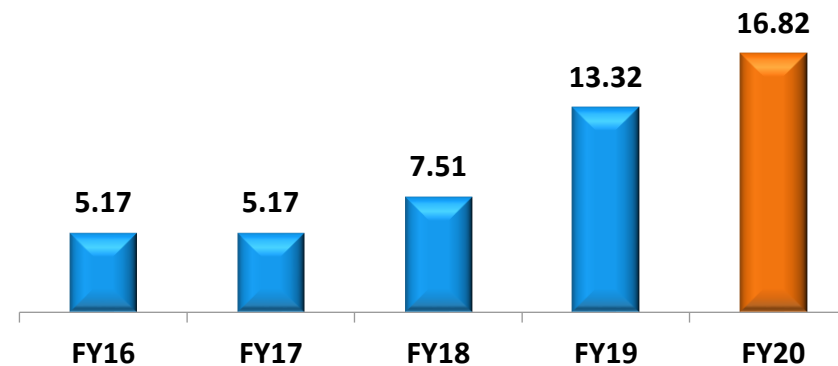


Annual Financial Highlights

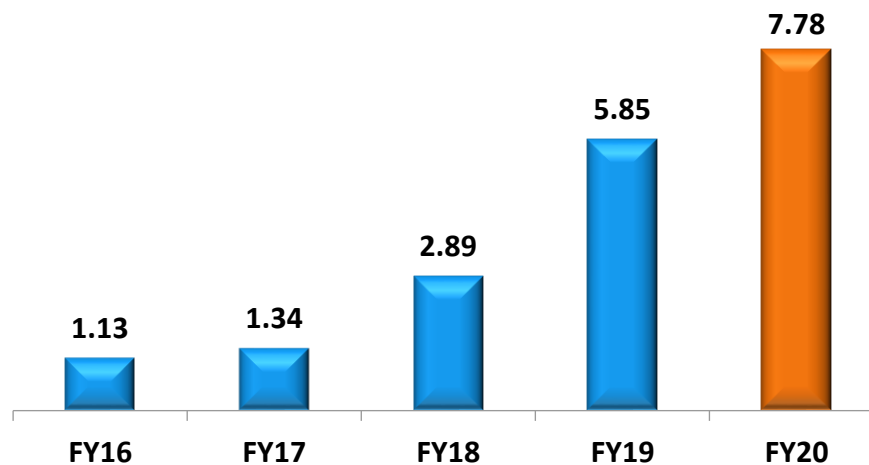
Revenue (Rs. Cr)



EBITDA (Rs. Cr)



PAT (Rs. Cr)





Annual Financial Highlights

Rs. Cr	FY20	FY19	YoY%
Income from Operations	457.72	367.65	
Other Operating Income	1.34	3.06	
Total Income from Operations	459.06	370.72	23.83%
Raw material	407.03	335.66	
Employee Cost	8.99	6.96	
Operating Cost	26.22	14.77	
Total Expenditure	442.24	357.40	
EBITDA	16.82	13.32	26.28%
EBITDA Margin%	3.66%	3.59%	7 bps
Interest	4.80	4.52	
Depreciation	0.86	0.53	
Other Income	0.00	0.00	
Exceptional Item	0.00	0.00	
Profit Before Tax	11.16	8.27	
Tax	3.39	2.43	
PAT	7.78	5.85	32.97%
PAT Margin%	1.69%	1.58%	11 bps
EPS in Rs.	6.78	5.01	35.33%



Balance Sheet Highlights – As on 31st March

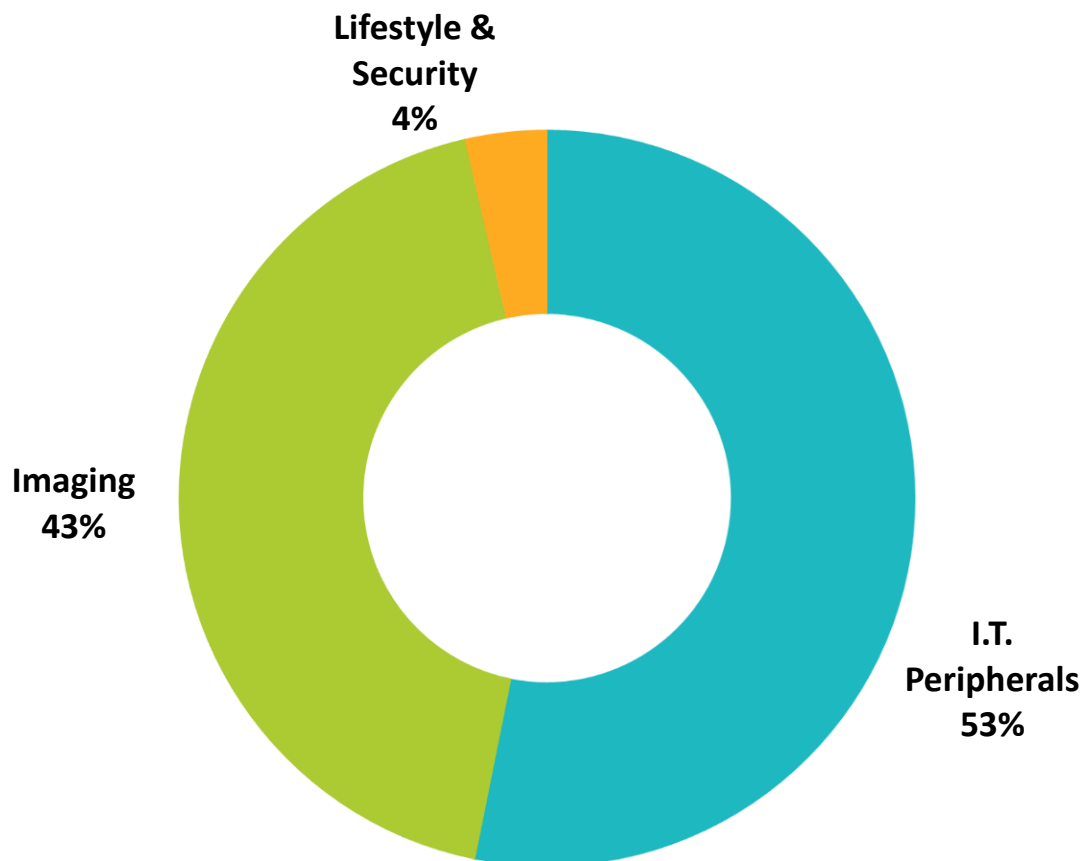
Rs. Cr	As on 31 st March 2020	As on 31 st March 2019
Equity	41.24	33.31
Equity Share capital	11.60	5.80
Other Equity	29.75	27.51
Minority Interest	-0.11	0.00
Share Application Money Pending Allotment	10.60	0.00
Non-current liabilities	5.49	6.75
Long term borrowings	4.81	6.18
Other Long term liabilities	0.00	0.00
Other Long term provisions	0.69	0.57
Current liabilities	97.54	78.46
Short Term Borrowings	27.07	29.73
Trade Payables	29.30	26.59
Other Financial liabilities	25.06	17.21
Other Current liabilities	15.35	4.38
Short-term provisions	0.12	0.10
Current Tax liabilities (Net)	0.63	0.47
Total Equities & Liabilities	154.88	118.52

Rs. Cr	As on 31 st March 2020	As on 31 st March 2019
Non-current assets	10.08	10.30
Property, Plant and Equipment	8.89	8.93
Non-current Investments	1.06	1.24
Net Deferred Tax Asset	0.12	0.13
Long-term loans & advances	0.00	0.00
Other non-current assets	0.01	0.00
Current assets	144.80	108.23
Inventories	60.29	27.79
Trade receivables	38.58	44.05
Cash & Cash equivalents	0.52	1.14
Bank Balances other than above	3.36	2.45
Other Financial assets	0.02	0.00
Other Current Assets	42.03	32.80
Total Assets	154.88	118.52

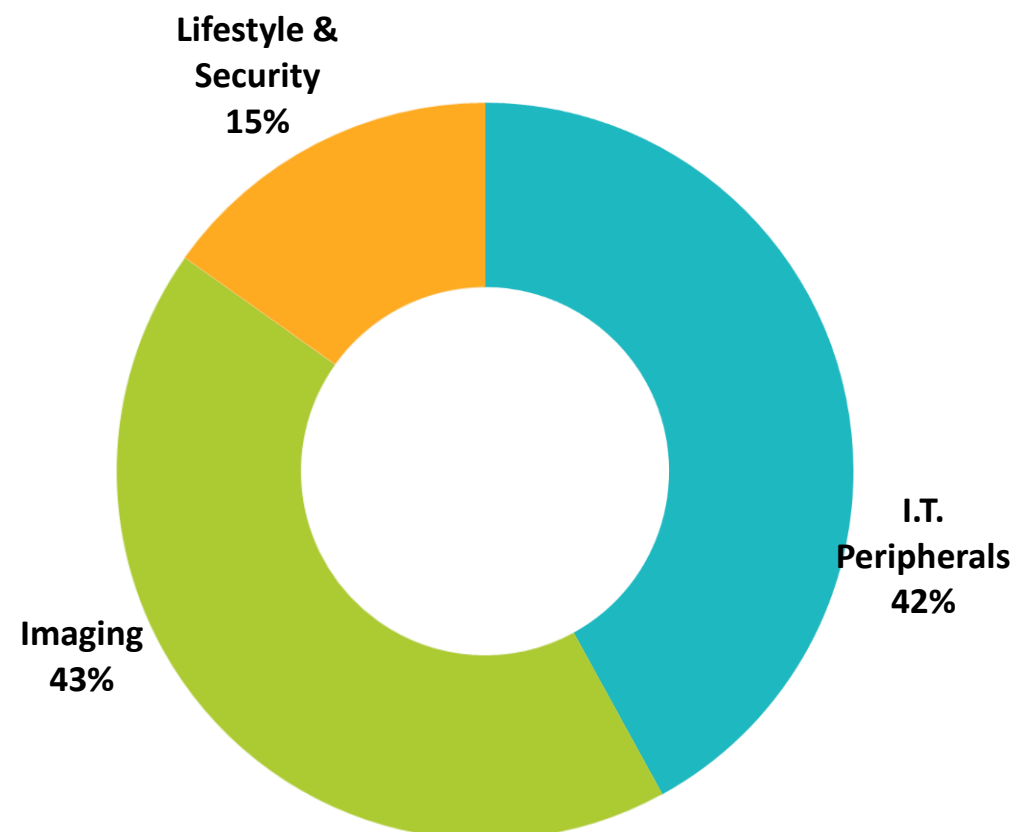


Revenue Contribution – Business category

FY2019



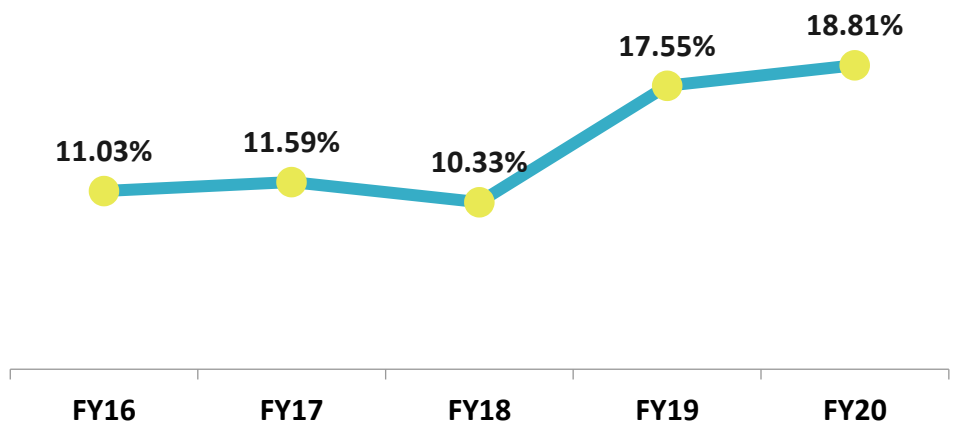
FY2020



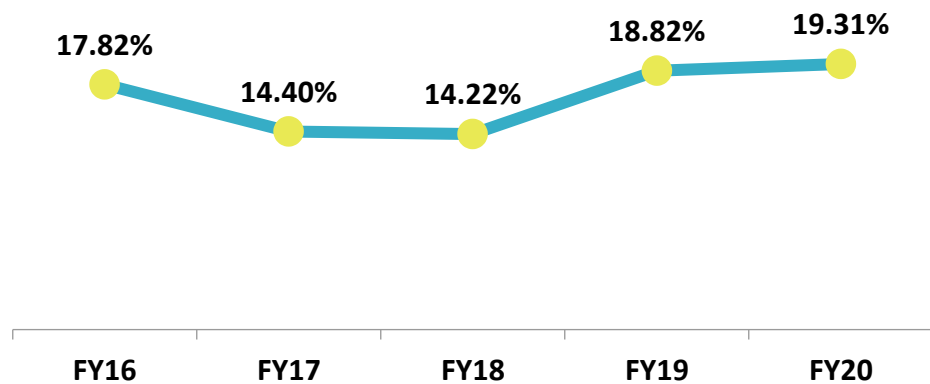


Consolidated Key Return Ratios

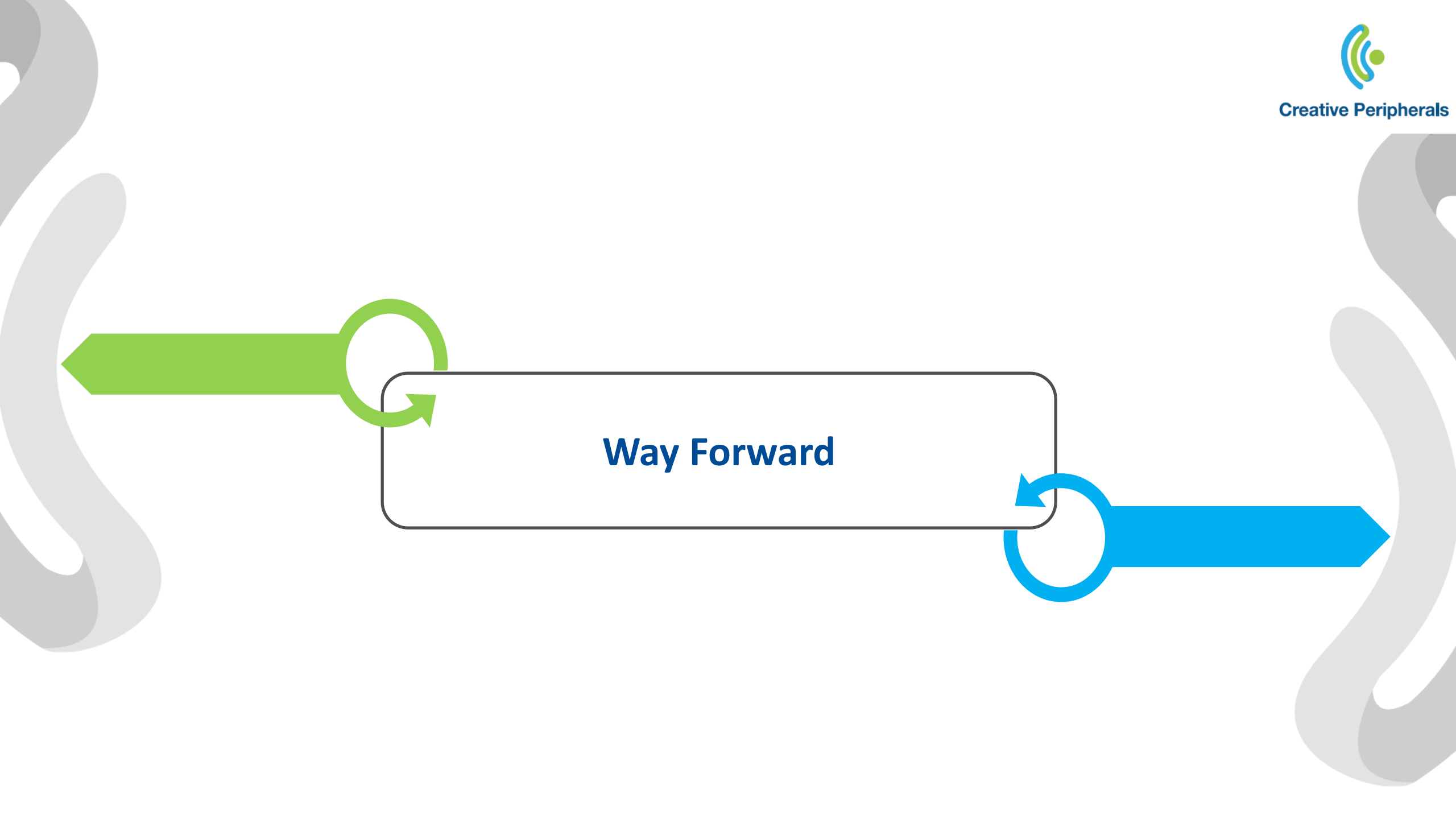
RoE(%)



RoCE(%)



Focus on improving RoCE and long term value creation



Way Forward



Future-ready business growth

New
markets

01

Expansion in new markets

- **Domestic market:** Smart Cities and Make in India boosting demand from OEMs & service providers; Smart Homes, Vehicles; Big Data and Analytics, Intelligent technology & hardware to drive future growth
- **International market:** Expanding in Middle East and SAARC Countries

Future-ready
business
model with
focus on
Digital Trends

02

Digital Platform for
enhanced customer
experience

- Utilize **Ckart** to expand customer and product-base and improve working capital
- **Internet of Things & Artificial Intelligence:** High investment projected in APAC; smart connected machines, augmented reality, cloud connectivity in enterprise markets. Expanding market for robotics, wearables
- **Experiential products** focused on the younger demographic – bring niche brands into India
- Focus on **high margin & high-value** brands such as GoPro, Honeywell, Cooler Master
- Expand **omni-channel network** covering **online, retail and general trade**

High growth
from key
business
category

03

Key growth drivers

- **Honeywell** : High-margin products for connectivity, which are secure and energy-efficient
- **GoPro Cameras:** Next-gen technology, premium pricing, target high-end users
- **Lifestyle Products / Consumer Durables:** Expected to grow 22%, as smartphone market stabilizes
- **Security Products:** Estimated market size over \$350 bn; exclusive distribution of premium brands



Thank You



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Thank you!