

**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: October 23, 2019

To, <b>BSE Limited ("BSE")</b> , Corporate Relationship Department, 2 <sup>nd</sup> Floor, New Trading Ring, P.J. Towers, Dalal Street, Mumbai – 400 001.	To, <b>National Stock Exchange of India Limited ("NSE")</b> , "Exchange Plaza", 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra- Kurla Complex Bandra (East), Mumbai – 400 051.
<b>BSE Scrip Code: 539876</b>	<b>NSE Symbol: CROMPTON</b>
<b>ISIN: INE299U01018</b>	<b>ISIN: INE299U01018</b>
<b>Our Reference: 71/2019-20</b>	<b>Our Reference: 68/2019-20</b>

Dear Sir/Madam,

Sub: **Highlights of Q2 of FY 2019-20 results**

This is in continuation of our letter dated October 23, 2019 regarding outcome of the Board Meeting held on October 23, 2019 wherein the Company had approved the following:-

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

In this regard, please find attached the highlights of Q2 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

**Crompton**

# **Information Update – Q2 FY20**

Oct, 2019

- Key Highlights – Q2 FY 20
- Summary of Q2 Results
- Segment Details
- Cash Flow highlights
- Net Debt
- Summary of H1 Results
- Key Financial Ratios



### ▪ ECD growth of ~11% YoY in Q2FY20

- Growth across all 3 businesses viz. Fans, Pumps and Appliances
- Fans volume growth at 8%
- Appliances business witnessed exponential growth in geyser (38%)
- Agro Pumps continued it's growth momentum (17%)



### ▪ Lighting (ex EESL) de-grew 3.9% YoY in Q2FY20

- LED portfolio continues to face price erosion driven by market forces
- LED Panel and Battens registered 35% volume growth
- B2B business grew ~9% in Q2 FY20 aided by improved execution



### ▪ Expansion of GM- w.r.t. last year same period by 330 bps

- Improved sales mix within business
- New value added launches aiding margin expansion
- Benefits accruing from cost optimization program visible in margin expansion



### ▪ Increase in Market Share on a YoY basis

- Fans increased by 80bps
- LED lamps increased by 108bps
- Share gain continues in Geysers



### ▪ Cash Conversion

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

# Summary of Q2 Results

**Crompton**

Particulars	Q2 FY20 Rs. Cr	Q2 FY19 Rs. Cr	GoLY	Q1 FY20 Rs. Cr	
Net Sales	1,076	1,038	3.7%	1,347	
Less: Material Cost	733	741	-1.1%	907	
<b>Material Margin</b>	<b>343</b>	<b>297</b>	<b>15.6%</b>	<b>440</b>	
<b>as a % of Net Sales</b>	<b>31.9%</b>	<b>28.6%</b>		<b>32.6%</b>	
<u>Less:</u>					
Employee Cost	81	68	19.9%	82	
Advertisement & Sales Promotion	23	9	156.8%	45	• Step up in A&P activity
Other Expenses	110	96	13.7%	121	• Up due to initiatives in B2B lighting
<b>EBIDTA</b>	<b>130</b>	<b>124</b>	<b>4.5%</b>	<b>192</b>	
<b>as a % of Net Sales</b>	<b>12.0%</b>	<b>11.9%</b>		<b>14.3%</b>	
Less: Depreciation & Amortization	6	3	97.8%	6	• Depreciation increased due to adoption of Ind AS 116
<b>EBIT</b>	<b>123</b>	<b>121</b>	<b>2.0%</b>	<b>186</b>	
<b>as a % of Net Sales</b>	<b>11.4%</b>	<b>11.6%</b>		<b>13.8%</b>	
Less: Finance Cost	9	15	-42.1%	15	• Lower on account of repayment of debentures (300 crs in Q1 FY20)
Add: Other Income	12	10	24.5%	17	• Other income on YoY is up on account of increase in cash surplus
<b>Profit Before Tax</b>	<b>127</b>	<b>115</b>	<b>9.7%</b>	<b>189</b>	
<b>as a % of Net Sales</b>	<b>11.8%</b>	<b>11.1%</b>		<b>14.0%</b>	
Tax Expenses	15	39	-60.1%	66	• Effective tax rate down
<b>Net Profit</b>	<b>111</b>	<b>77</b>	<b>44.7%</b>	<b>123</b>	
<b>as a % of Net Sales</b>	<b>10.3%</b>	<b>7.4%</b>		<b>9.1%</b>	

## Segment Revenue

Particulars	Q2 FY20	Q2 FY19	GoLY	Q1 FY20
	Rs. Cr	Rs. Cr		Rs. Cr
Electrical Consumer Durables	788	713	11%	1,073
Lighting Products*	288	325	-11%	274
<b>Total Income from Operation</b>	<b>1,076</b>	<b>1,038</b>	<b>4%</b>	<b>1,347</b>

\* Lighting revenue decline excluding EESL is -3.9%

## Segment EBIT

Particulars	Q2 FY20		Q2 FY19		Q1 FY20	
	Rs. Cr	EBIT %	Rs. Cr	EBIT %	Rs. Cr	EBIT %
Electrical Consumer Durables	151	19.2%	135	18.9%	217	20.3%
Lighting Products	15	5.2%	21	6.5%	14	5.1%
<b>Total</b>	<b>166</b>	<b>15.4%</b>	<b>156</b>	<b>15.0%</b>	<b>231</b>	<b>17.2%</b>

# Cash Flow Highlights

**Crompton**

Particulars	H1 FY 20 Rs Cr.	H1 FY 19 Rs Cr.
Profit before exceptional items and tax	315	273
Adjustments for:		
Depreciation, Interest and other adjustments	20	34
(Increase) / Decrease in Working Capital	-23	-110
<b>Cash from Operation</b>	<b>312</b>	<b>197</b>
Taxes paid	-81	-90
<b>Net Cash from Operating Activities (A)</b>	<b>231</b>	<b>107</b>
<b><u>Cash flows from Investing Activities</u></b>		
Interest income	13	17
Sale of Fixed Assets	0	-
Purchase / sale of current investments (net)	195	-45
Investment in bank deposits	25	-
Purchase of Fixed Assets	-16	-8
<b>Net Cash (used in) /from investing activities (B)</b>	<b>217</b>	<b>-36</b>
<b><u>Cash flows from financing Activities</u></b>		
Issue of shares	1	1
Payment of dividend including DDT	-150	-132
Repayment of Debentures	-300	-
Repayment of Lease Liability	-5	-
Interest paid	-58	-59
<b>Net Cash (used in) /from financing activities (C)</b>	<b>-512</b>	<b>-190</b>
Net increase / (decrease) in cash and Bank balances	-64	-119
Opening balance	116	173
Closing balance	51	53

- Working capital includes Rs 259 crs early payment to vendors in H1 FY20
- Working capital continues to remain negative -19 days in Q2 FY20
- Investments have been redeemed to finance debenture repayments
- Share issuance is on account of ESOP
- Debentures worth Rs 300 crores have been repaid in Q1 FY20

# Net Debt

**Crompton**

Particulars	As on Sep 19 Rs. Crs	As on Sep 18 Rs. Crs	As on June 19 Rs. Crs
Total Debt	350	649	350
Less: Cash and Bank	51	58	64
Less: Current Investment	354	413	431
<b>Total Net Debt</b>	<b>-56</b>	<b>178</b>	<b>-145</b>
<b>Net Debt/Equity</b>	<b>NA</b>	<b>0.2</b>	<b>NA</b>

- During the quarter company paid dividend of Rs 150 crs for FY 19 at Rs 2/equity share



# Summary of H1 Results

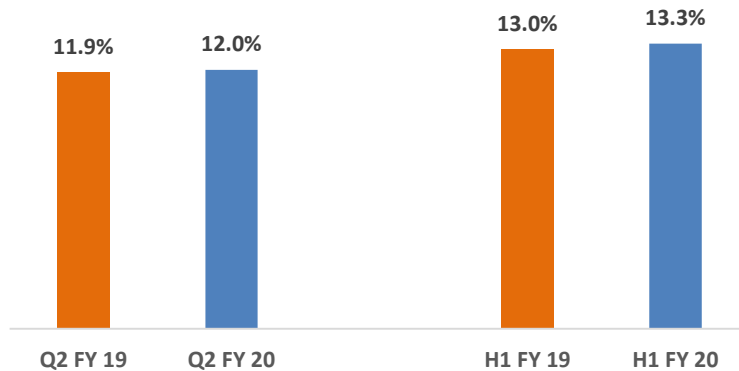
**Crompton**

Particulars	H1 FY20 Rs. Cr	H1 FY19 Rs. Cr	GoLY
Net Sales	2,423	2,242	8.1%
Less: Material Cost	1,640	1,555	5.4%
<b>Material Margin</b>	<b>783</b>	<b>686</b>	<b>14.0%</b>
<b>as a % of Net Sales</b>	<b>32.3%</b>	<b>30.6%</b>	
<u>Less:</u>			
Employee Cost	163	139	16.9%
Advertisement & Sales Promotion	68	55	23.9%
Other Expenses	231	201	14.7%
<b>EBIDTA</b>	<b>321</b>	<b>291</b>	<b>10.3%</b>
<b>as a % of Net Sales</b>	<b>13.3%</b>	<b>13.0%</b>	
Less: Depreciation & Amortization	12	6	92.3%
<b>EBIT</b>	<b>309</b>	<b>285</b>	<b>8.5%</b>
<b>as a % of Net Sales</b>	<b>12.8%</b>	<b>12.7%</b>	
Less: Finance Cost	24	30	-21.7%
Add: Other Income	30	19	58.3%
<b>Profit Before Tax</b>	<b>315</b>	<b>273</b>	<b>15.2%</b>
<b>as a % of Net Sales</b>	<b>13.0%</b>	<b>12.2%</b>	
Tax Expenses	82	92	-11.4%
<b>Net Profit</b>	<b>233</b>	<b>181</b>	<b>28.8%</b>
<b>as a % of Net Sales</b>	<b>9.6%</b>	<b>8.1%</b>	

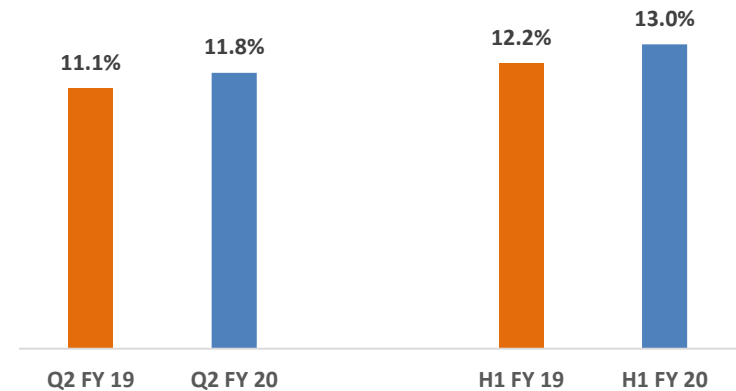
# Key Financial Ratios

**Crompton**

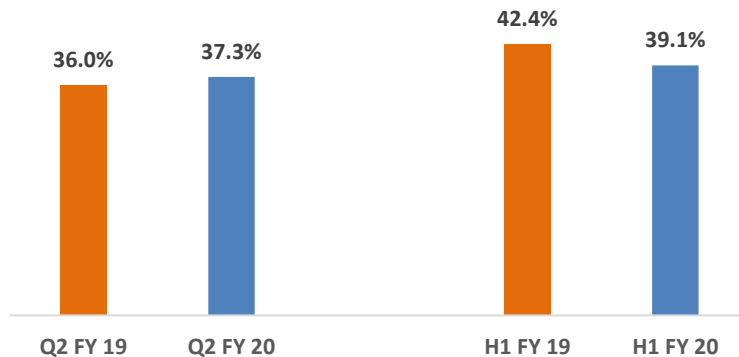
**EBIDTA Margins**



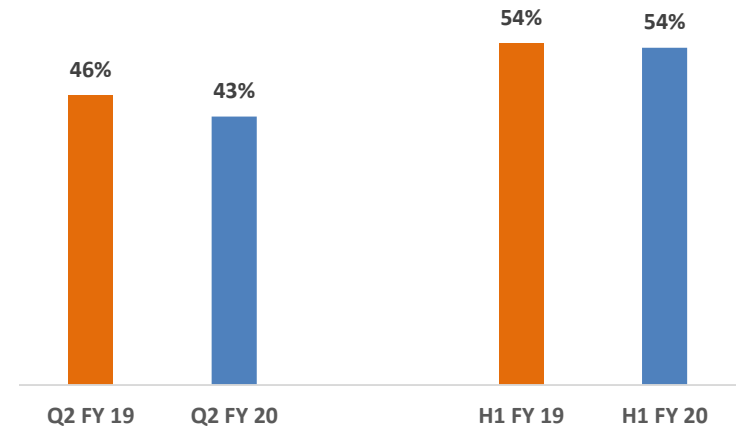
**PBT Margins**



**ROE**



**RoCE**



Note : ROE and RoCE has 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**