



Creative Peripherals

Creative Peripherals and Distribution Limited

**Result Update Presentation
Q4 & FY20**



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**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:

"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.

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."



Key Developments (1/2)



Creative Peripherals

- Signed several **new distribution agreements** with global niche brands across sectors:
 - **PNY Technologies** – niche US-based brand that offers high-performance graphics cards and solid-state drives (SSDs). Product portfolio would include NVIDIA® GeForce® cards, NVIDIA® Quadro® cards and PNY SSDs used in gaming equipment
 - **BaByliss** – niche French brand in women's personal grooming segment. Product portfolio would cover range of hair styling products
 - **Panasonic** – global consumer electronics brand. Creative would distribute premium audio products (e.g. range of earphones) across Madhya Pradesh, Rajasthan, Chhattisgarh and Western India
- 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
- Launched latest generation of GoPro cameras across India – **GoPro 8** – high-end outdoor video capture and content sharing device



Key Developments (2/2)

- Excited about launching new **online B2B digital platform** for customers
 - Online B2B platform will host all existing and new customers – integrated with Company's ERP system
 - Customers will be able to **discover, share and transact** their products
 - Value added services include **drop-shipment** and **invoicing** capabilities
 - Aimed to be a **one-stop-shop** for all customers' requirements
 - Planned commercial launch in July 2020

- 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	Q4 FY20	Q4 FY19	YoY%	Q3 FY20
Revenue from Operations	128.19	112.41		129.34
Other Income	0.04	1.79		0.16
Total Income	128.23	114.20	12.29%	129.50
Raw material	113.83	103.23		113.88
Employee Cost	2.47	2.00		2.27
Operating Expenses	9.07	4.89		7.40
Total Expenditure	125.38	110.11		123.54
EBITDA	2.85	4.08	(30.21%)	5.95
EBITDA Margin (%)	2.22%	3.57%	(135 bps)	4.60%
Interest	1.21	1.40		1.39
Depreciation	0.27	0.18		0.22
Profit Before Tax	1.37	2.50		4.34
Tax	0.74	0.37		1.22
PAT	0.64	2.13	(70.13%)	3.12
Share of P/L in Associates	0.00	0.00		0.00
Other Comprehensive Income	0.01	(0.04)		0.00
Net Profit	0.65	2.10	(69.16%)	3.12
Net Profit Margin (%)	0.50%	1.84%	(134 bps)	2.41%
Basic EPS in Rs.	0.56	1.81	(69.06%)	2.69

- Rise in total income driven by higher demand for existing as well as newly added Imaging and gaming brands – GoPro, Cooler Master & PNY
- Impact of high-margin brands like GoPro and Cooler Master offset by higher advertising, sales promotion & employee costs incurred from strengthening sales & marketing teams
- Nationwide lockdown adversely impacted inventory levels and working capital



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

33.53% ↑

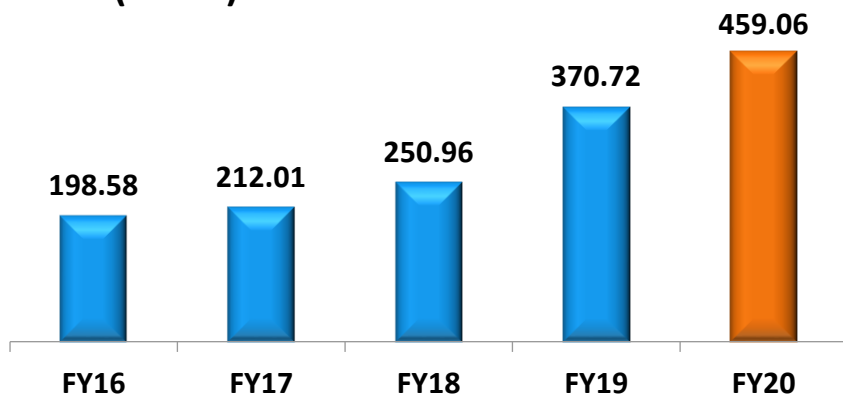
Basic EPS Rs 6.69

Dividend recommended at 5%, subject to approval of shareholders

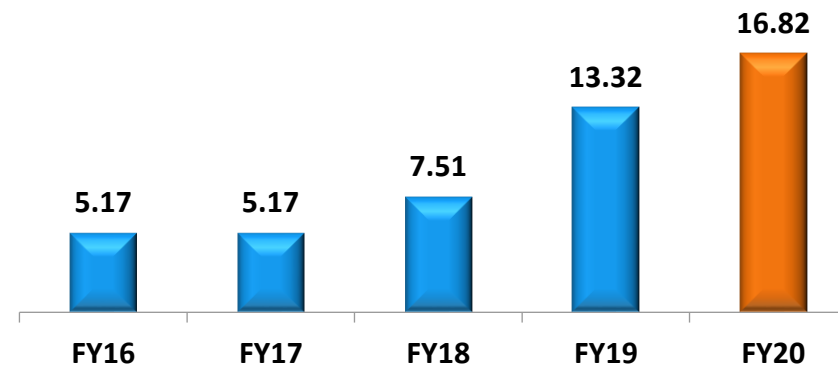


Annual Financial Highlights

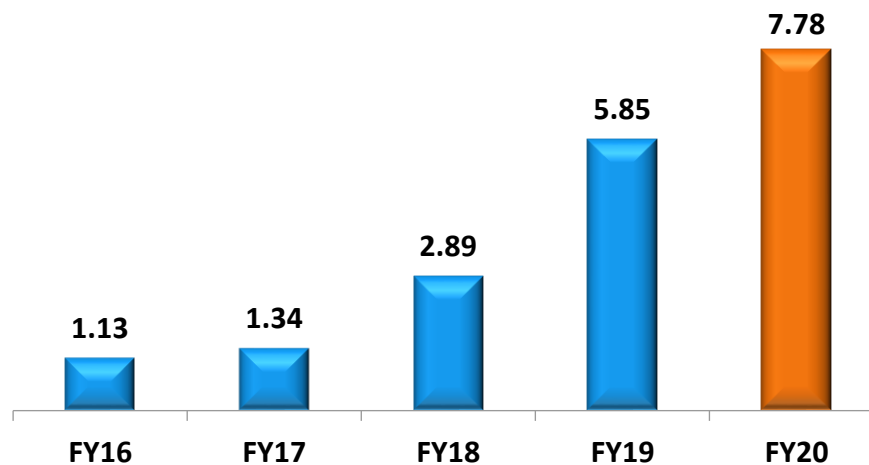
Revenue (Rs. Cr)



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.	6.69	5.01	33.53%



Balance Sheet Highlights – As on 31st March

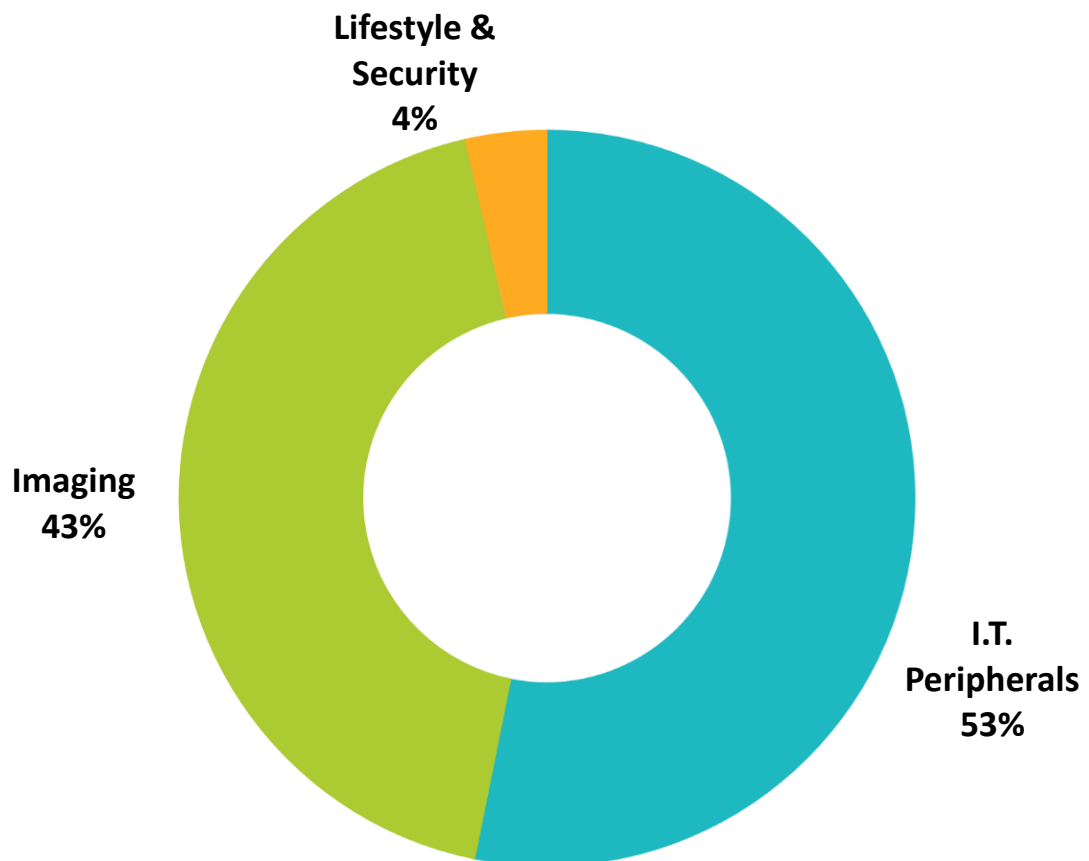
Rs. Cr	As on 31 st March 2020	As on 31 st March 2019
Equity	41.24	33.31
Equity Share capital	11.60	5.80
Other Equity	29.75	27.51
Minority Interest	-0.11	0.00
Share Application Money Pending Allotment	10.60	0.00
Non-current liabilities	5.49	6.75
Long term borrowings	4.81	6.18
Other Long term liabilities	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

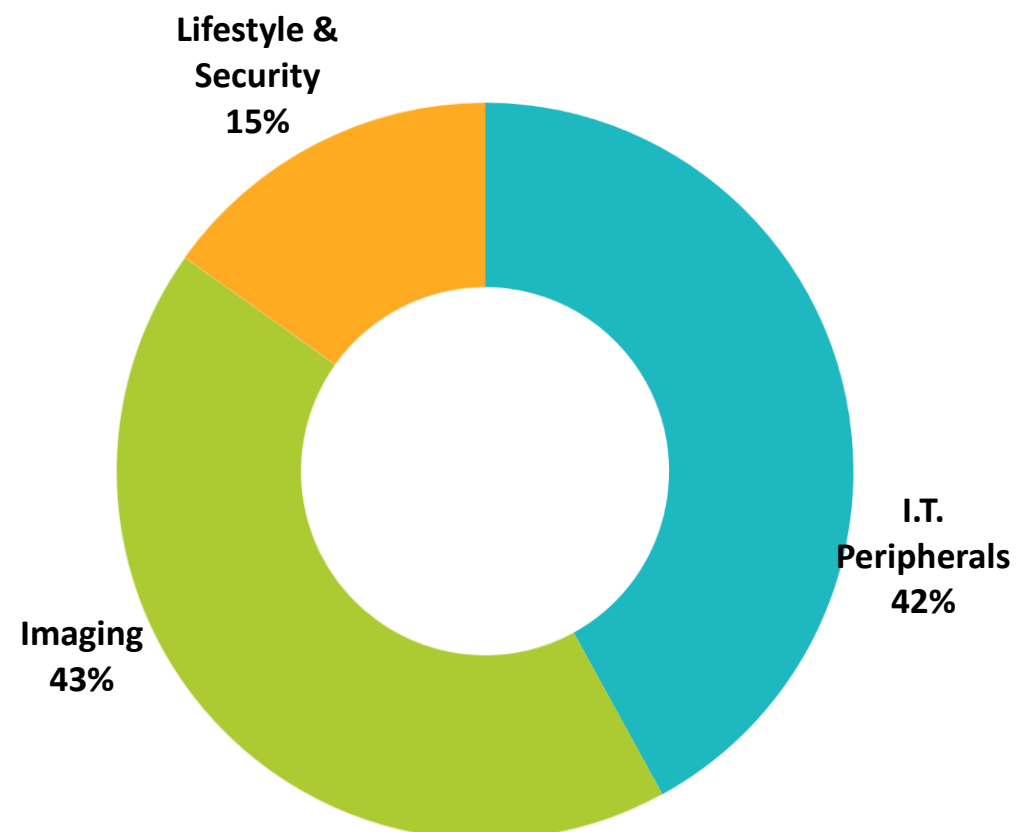


Revenue Contribution – Business category

FY2019



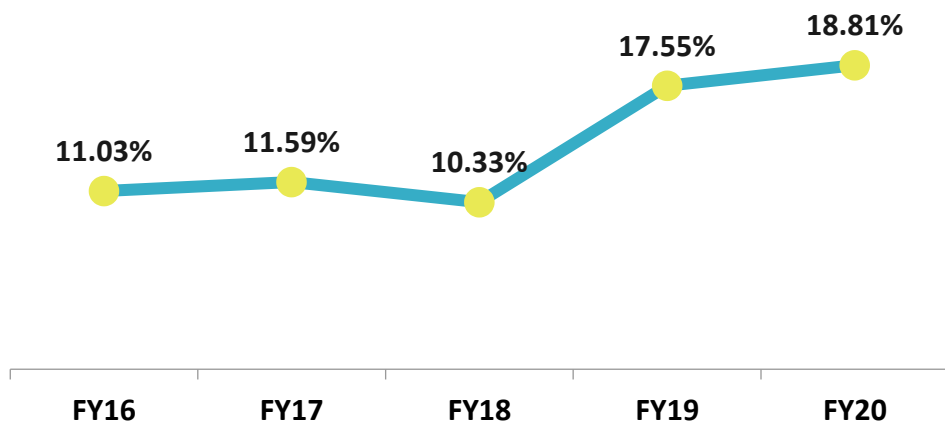
FY2020



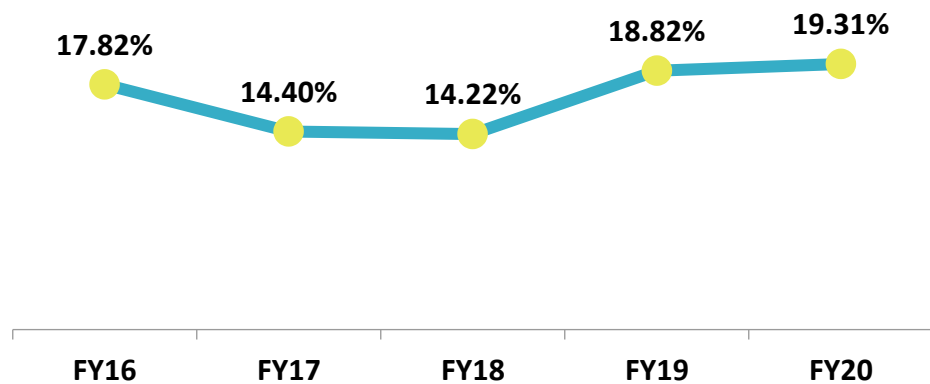


Consolidated Key Return Ratios

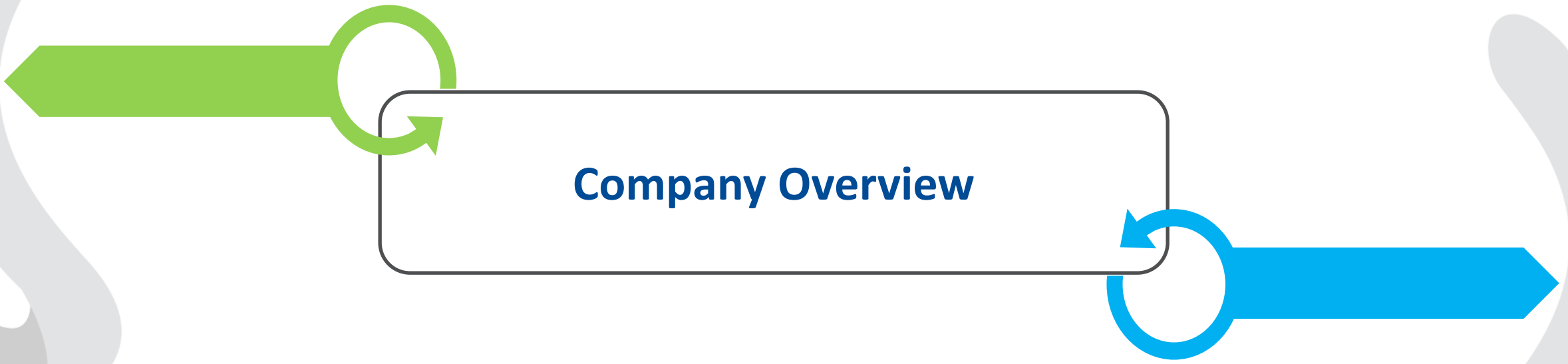
RoE(%)



RoCE(%)



Focus on improving RoCE and long term value creation



Company Overview

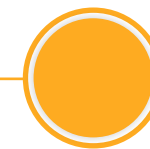


Who we are

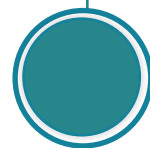
Market Specialists for Experiential Products

in IT, Imaging, Lifestyle and Retail Security domains

- Industry leader **specialising in market entry for global niche brands** in India
- **20+ Brands**
- **3,200+ Products**

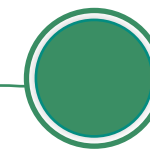


- **Unique business model** – well-placed to capitalise on market opportunities
- Right skill sets for execution
- Contract manufacturing capabilities



- Provide end-to-end solutions from **contract manufacturing to retail distribution & brand licensing**

- **Omni-channel network** encompassing **Online, Retail and General Trade**



- **Robust distribution network** built over two decades
- **5,000+ Partners**
- **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 – HERO 7 Black, HERO 7 Silver, HERO 7 White

2018

- Expansion into gaming products segment in India - through agreement with Thermaltake Technology Co. Ltd.
- Entered into 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

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

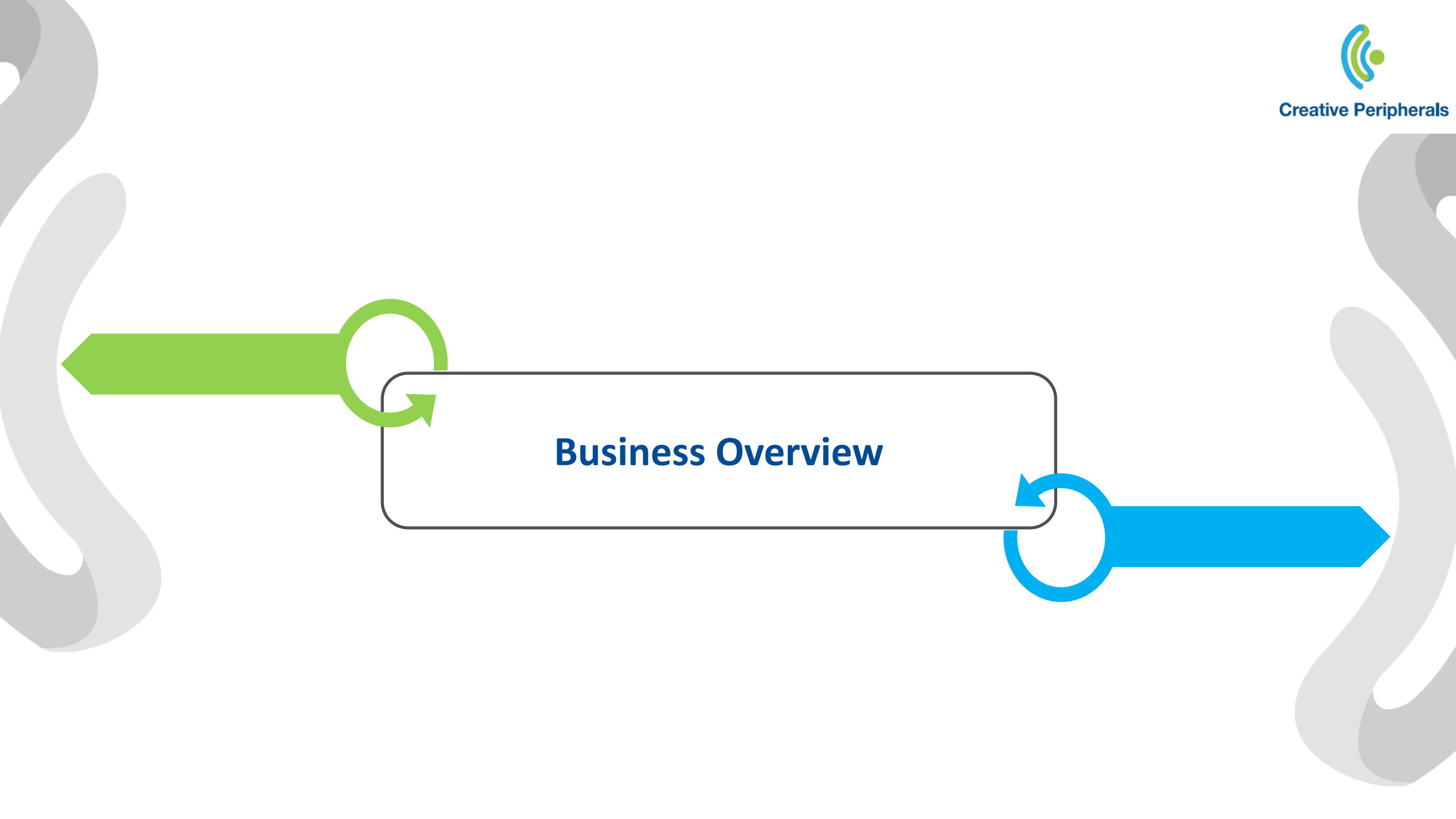
- Bachelor of Commerce from Ranchi University, with nearly 30 years experience in Sales & Marketing
- Expertise lies in vendor management, sales generation & market penetration With over 11 years' experience in IT hardware industry, he drives national channel & corporate sales



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



Niche & Experiential Product Offerings



Information Technology

Thermaltake

NZXT

PNY®

PHILIPS

ASRock®

Transcend®

Digiflick®

Net Protector
NP AV
Total Internet Security

The Ultimate Wireless
rapoo

PRINTRONIX

AOC

Honeywell

SAMSUNG

Panasonic®



Imaging

NATIONAL
GEOGRAPHIC

GITZO

GoPro

Manfrotto
Imagine More

OLYMPUS®



Lifestyle

MEPL

DAEWOO

COOLER
MASTER

BaByliss®

SENNHEISER

SHARP

ViewSonic®
See the difference™

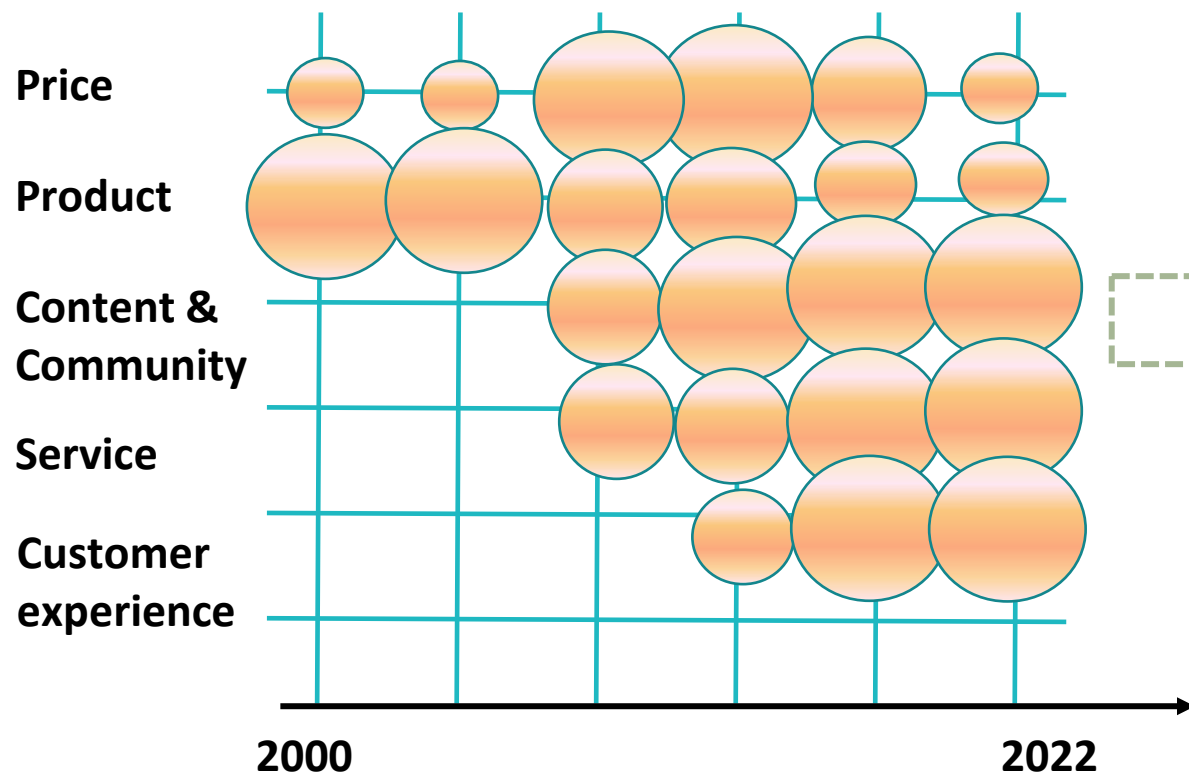


Security

inVUE®

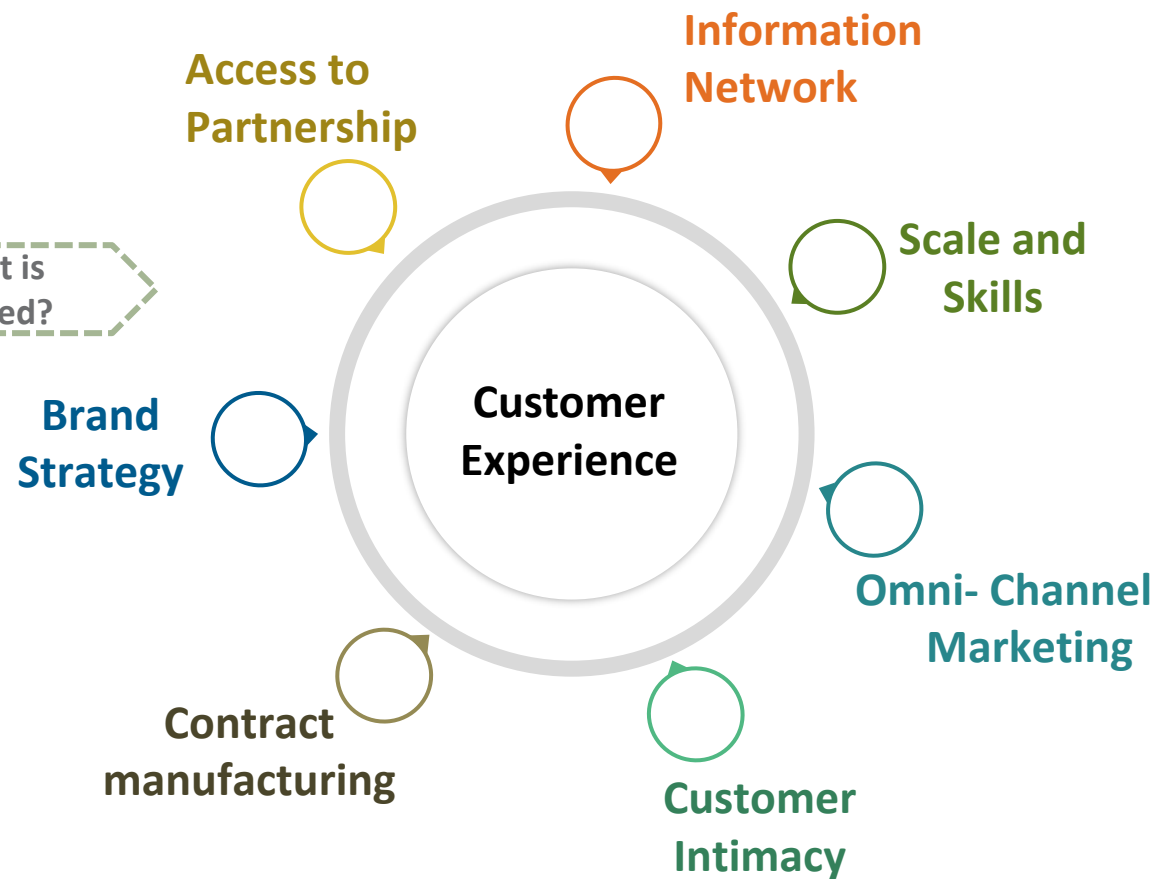


Driving digital transformation...



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





Case Study – 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





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

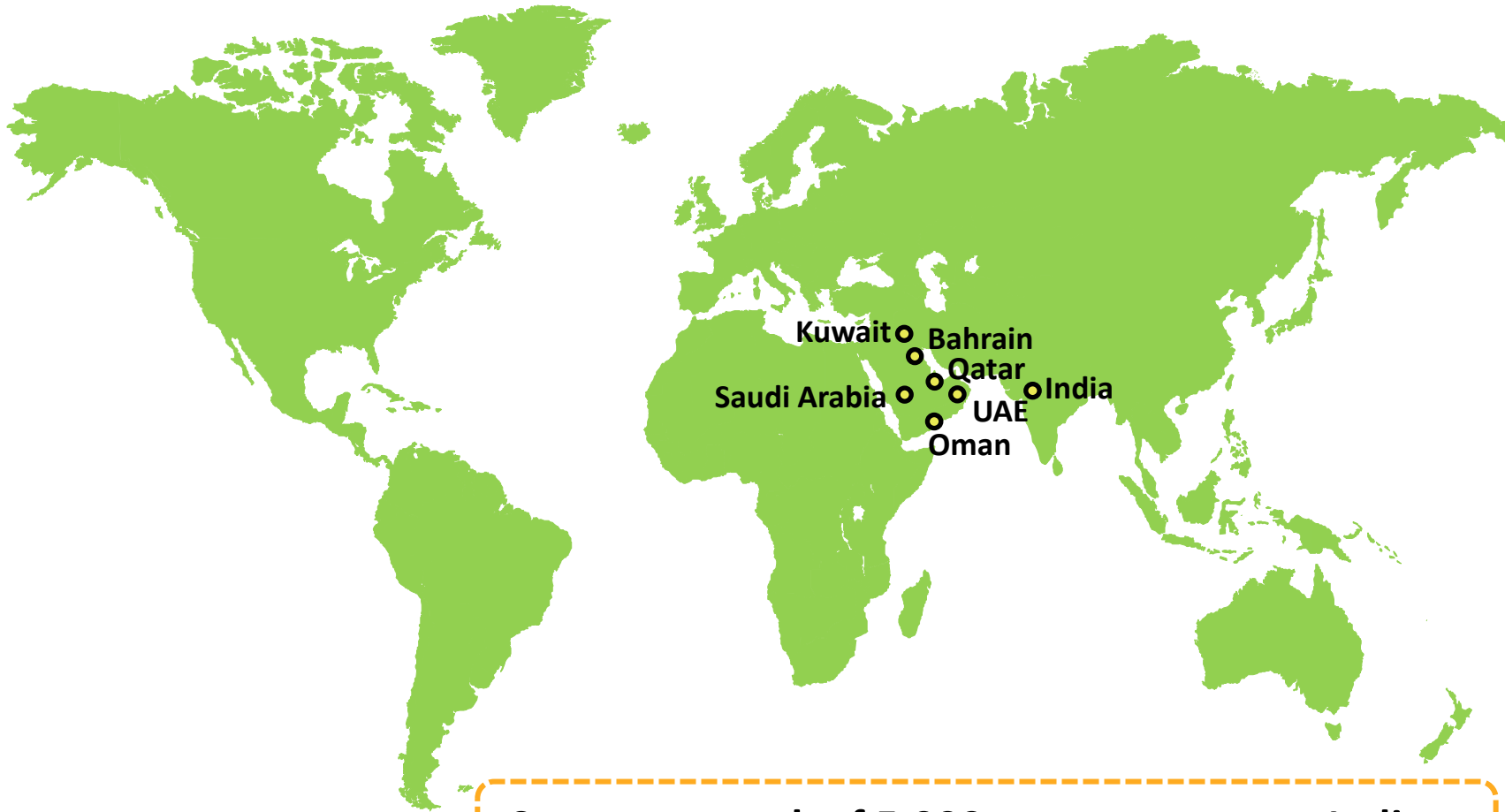
- Witnessed growing sales in India: Share of revenue grew from \$1 mn in FY2016-17 to \$14 mn in FY2018-19
- India offers high growth potential among Asian markets, compared to mature markets like Japan and China



www.gopro.com



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 countries



Smart Sourcing Capabilities

Central Warehouse @ Bhiwandi, Maharashtra

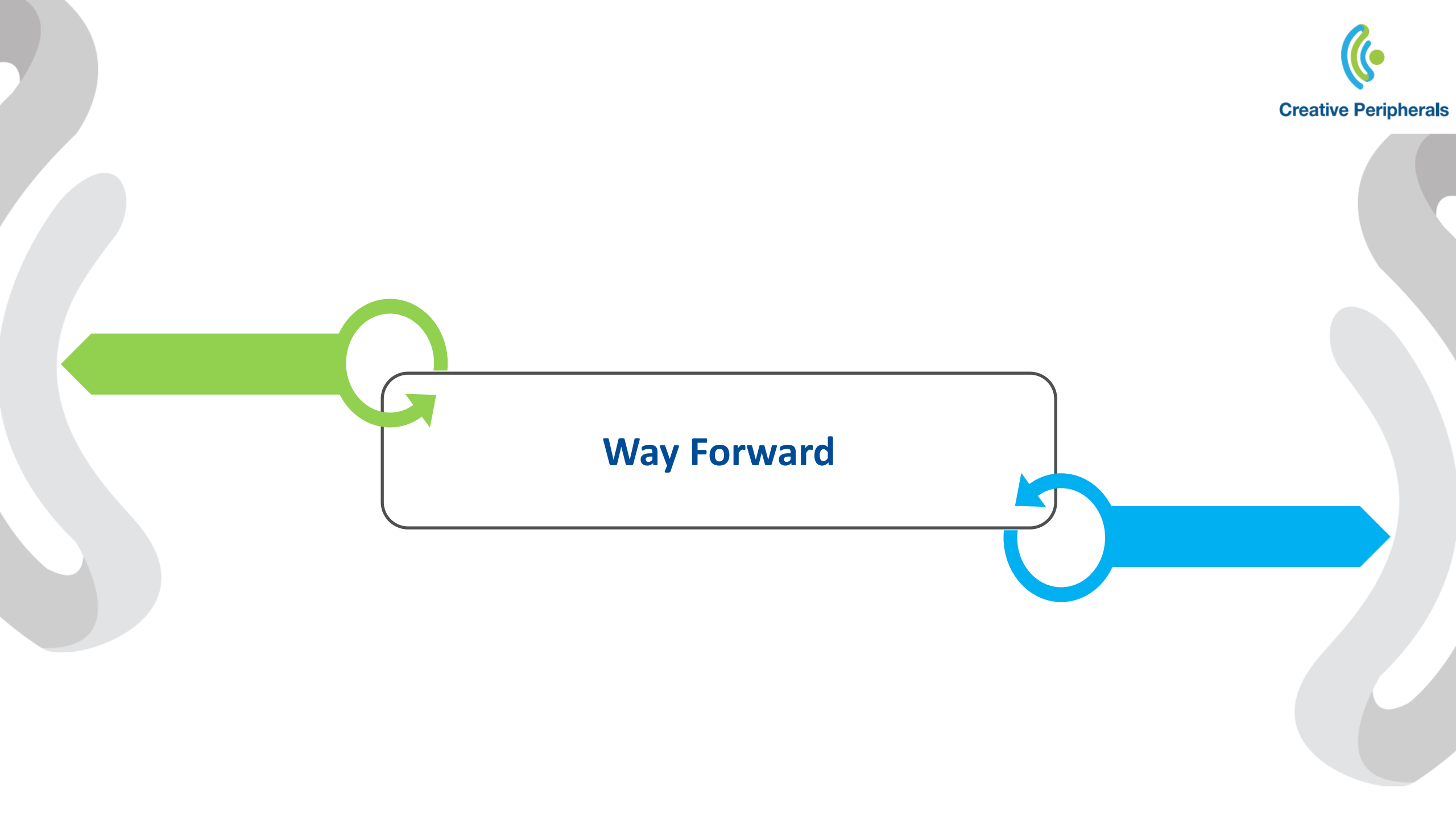
Dispatch all over India from Central warehouse

- 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





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 with
focus on niche
products

02

Primed for new-age customer
behavior

- **Internet of Things & Artificial Intelligence:** APAC investment projected over \$2.5tr by 2020; smart connected machines, augmented reality, cloud connectivity in enterprise markets. Machine learning solutions & applications used across institutions ; advanced robotics, wearables market size currently over \$35bn
- **Experiential products** focused on the younger demographic – bring niche brands into India
- Focus on **high margin & high-value** brands such as GoPro, Honeywell, Manfrotto, Olympus
- Expand **omni-channel network** covering **online, retail and general trade**
- Utilize **digital platform** to expand customer and product-base

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



For further information, please contact:

Company :

Creative Peripherals and Distribution Ltd.

Mr. Abhijit Kanvinde
Chief Financial Officer

Abhijit@ecreativeindia.com

www.ecreativeindia.com

Investor Relations Advisors :

Bridge Investor Relations Pvt. Ltd.

Mr. Rahul Trivedi
Ms. Anviksha Konnure

rahul@bridge-ir.com / anviksha@bridge-ir.com

www.bridge-ir.com



Thank you!