



Earnings Call Presentation (FY23 & Q4FY23)

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‘Refreshing Lives’ to ‘Thinking of Tomorrow’

THINKING OF
TOMORROW
OUR GUIDING
PRINCIPLE


A DIVERSE AND
AMBITIOUS TEAM
DEFINING THE
NEXT STEPS


PASSION TO MAKE
TOMORROW
BETTER FOR
EVERYONE

LEADER
WITH
THE
PURPOSE



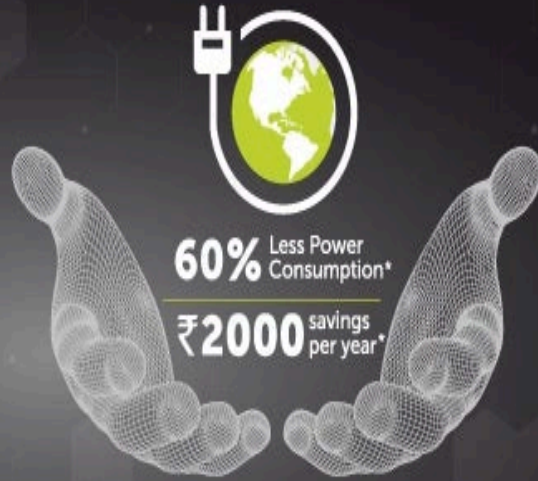
'Kal Ki Soch' towards sustainable living

 Sustainability digital campaign in collaboration with renowned poet and filmmaker – Vineet KKN 'Panchhi'

 Synergies between the use of air coolers and the conversation of trees



INTRODUCING
World's 1st air cooler with
BLDC
TECHNOLOGY



Up To
8hr
Night Sleep Mode*

7 Level
Speed
Options

**Full
Function
Remote**



Diet 3D 55B



Diet 3D 30B



Winter 80B

**Under test conditions*

Sustainable air coolers for **a greener tomorrow**



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Performance Highlights

Performance Highlights (FY23)

- 1 Highest ever standalone and domestic sales surpassing pre-Covid historical high
→ 24% and 21% growth respectively vis-à-vis FY20
- 2 The undisputed market leader with a market share of ~ 50% in India
→ Accelerated product offtake across models
- 3 Robust domestic sales growth across the channel
→ Share of modern trade (LFS, RCS, e-Com and D2C) increased to 33%, up from 21% in FY20
- 4 Global headwinds severely impacted performance of CT Australia (USA & Australia domestic both)
→ Impacting consolidated profitability for the year
→ Medium to long term viability and profitability of USA & Australian markets remain intact
- 5 Standalone Gross Margin: 47.9% (+290 bps YoY)
→ Aided by price hike and softening of input cost (still higher than pre-Covid level)
Standalone EBITDA Margin: 20% (+210 bps YoY)
- 6 Standalone PAT : ₹ 165 cr. (+49% YoY)
Consolidated PAT : ₹ 116 cr. (-5% YoY)
- 7 Shareholder payout: ~ ₹ 284 cr.
→ Buyback : ~ ₹ 249 cr. (incl. taxes & expenses)
→ Proposed Final Dividend : ₹ 1 per share (50% of FV)
→ Interim Dividends : ₹ 4 per share (200% of FV)

Performance Highlights (Q4FY23)

- 1** Highest ever Q4 domestic sales despite unseasonal rains in March-23
→ 23% growth vis-à-vis Q4FY22 (historical highest Q4)
- 2** Launched world's 1st BLDC air cooler range and 'Duet Mini' – A personal cooler
- 3** Global headwinds severely impacted performance of CT Australia (USA & Australia domestic both)
→ Impacting consolidated profitability for the quarter
- 4** Standalone Gross Margin: 48.9% (+600 bps YoY)
→ Aided by price hike and softening of input cost (still higher than pre-Covid level)
- 5** Standalone EBITDA Margin: 20% (+80 bps YoY)
- 6** Decent traction in Large Space Venti Cooling (LSV)



Financials

Standalone : FY23 Financials (₹ cr.)

▲ YoY change

Margin % (▲ YoY change)

Revenue from
Operations

885

▲ 38%

Gross Margin

424

▲ 47%

47.9% (▲ 290 bps)

EBITDA

176

▲ 53%

20.0% (▲ 210 bps)

PAT

165

▲ 49%

18.6% (▲ 130 bps)

Monthly Avg.
Capital Employed
(of Core Business)

39

Return on Capital
Employed
(of Core Business)

456%

Return on Net
Worth

19%

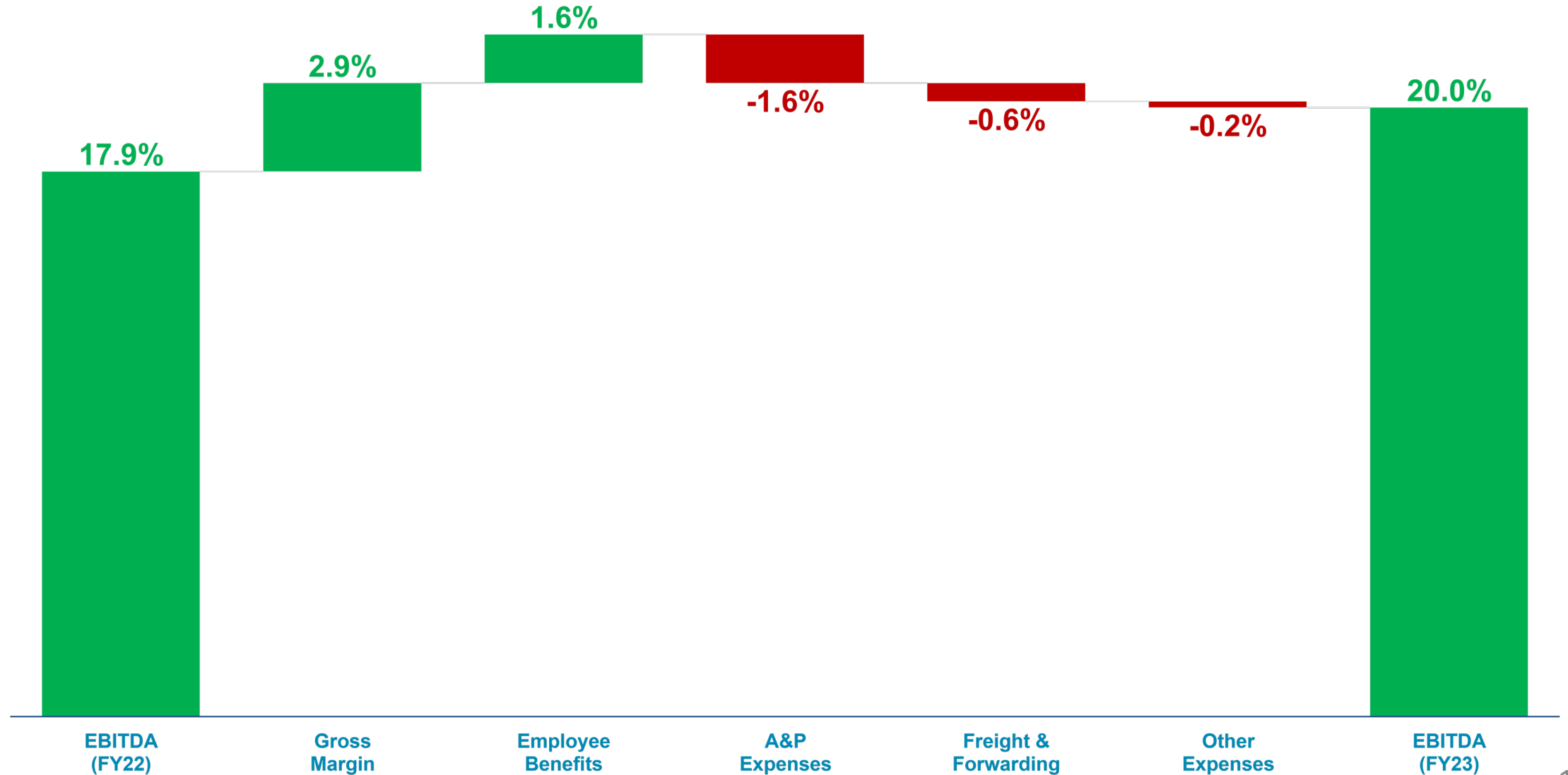
▲ 500 bps

Treasury*

573

*Excl. loans/investments in subsidiaries

Standalone : FY23 EBITDA Margin Movement



Standalone : Q4FY23 Financials (₹ cr.)

▲ / ▼ YoY change

Margin % (▲ / ▼ YoY change)

Revenue from
Operations

239

▼ (-5%)

Gross Margin

117

▲ 8%

48.9% (▲ 600 bps)

EBITDA

48

▼ (-1%)

20.0% (▲ 80 bps)

PAT

43

▼ (-1%)

17.9% (▲ 80 bps)

Monthly Avg.
Capital Employed
(of Core Business)

145

Return on Capital
Employed[^]
(of Core Business)

32%

[^]Not annualized

Return on Net
Worth

19%

▲ 500 bps

Consolidated : FY23 Financials (₹ cr.)

▲ / ▼ YoY change

Margin % (▲ / ▼ YoY change)

Revenue from
Operations

1,188

▲ 14%

Gross Margin

521

▲ 11%

43.8% (▼ 130 bps)

EBITDA

138

▼ (-14%)

11.6% (▼ 390 bps)

PAT

116

▼ (-5%)

9.7% (▼ 200 bps)

Monthly Avg.
Capital Employed
(of Core Business)

304

Return on Capital
Employed
(of Core Business)

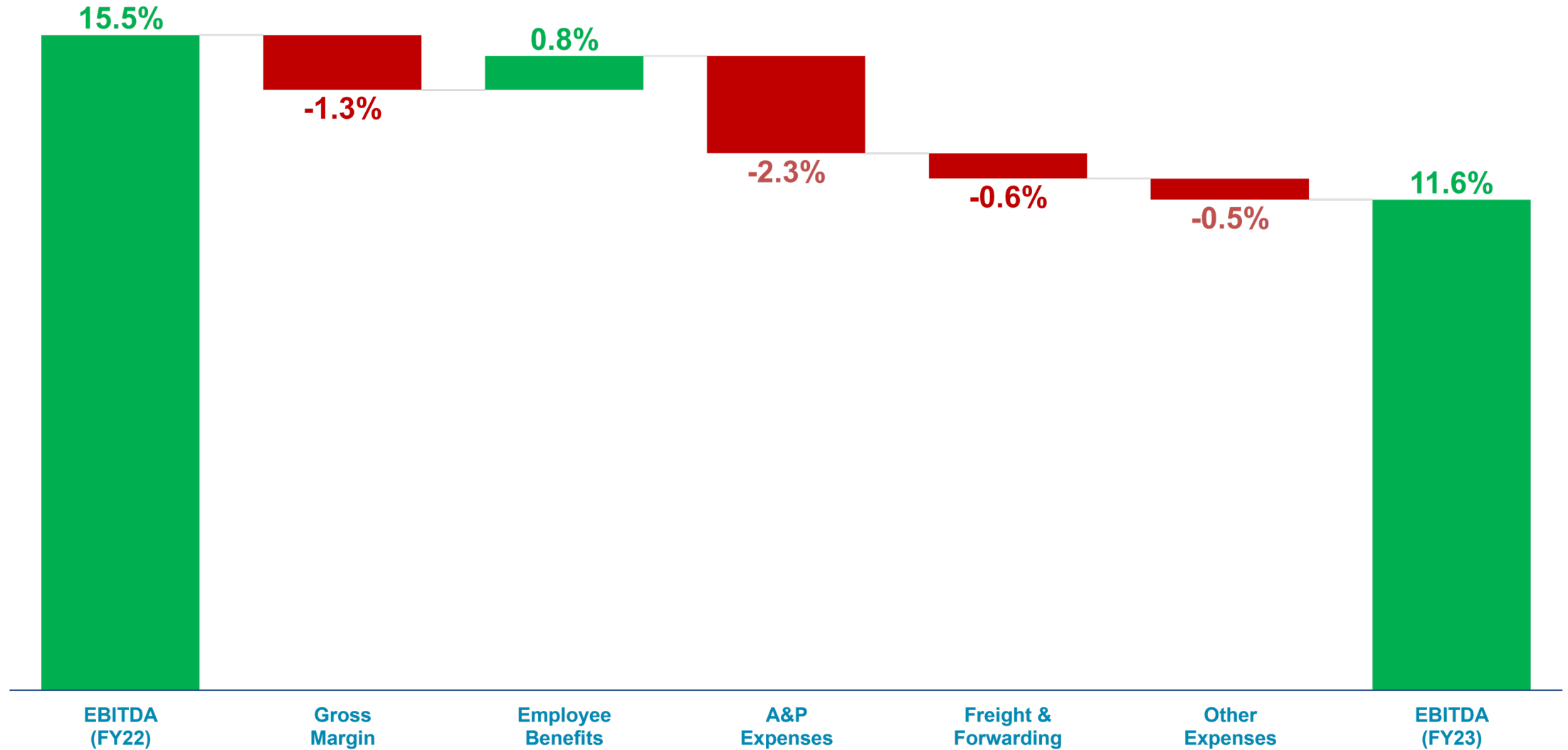
42%

Return on Net
Worth

13%

↓ 170 bps

Consolidated : FY23 EBITDA Margin Movement



Consolidated : Q4FY23 Financials (₹ cr.)

▲ / ▼ YoY change

Margin % (▲ / ▼ YoY change)

Revenue from
Operations

308

▼ (-20%)

Gross Margin

127

▼ (-28%)

41.3% (▼490 bps)

EBITDA

23

▼ (-72%)

7.6% (▼1380 bps)

PAT

16

▼ (-75%)

5.2% (▼1150 bps)

Monthly Avg.
Capital Employed
(of Core Business)

386

Return on Capital
Employed^
(of Core Business)

4%

^Not annualized

Return on Net
Worth

13%

↓ 170 bps

Subsidiaries : FY23 Financials (₹ cr.)

▲ / ▼ YoY change

| | Revenue from Operations | Gross Margin | EBITDA | PAT |
|---------------|-------------------------|---------------|-------------------|-------------------|
| CT, Australia | 225 ▼(-38%) | 46 ▼(-64%) | (-43) ▼(-236%) | (-43) ▼(-490%) |
| IMPCO, Mexico | 117 ▲15% | 41 ▲8% | 8 ▼(-35%) | 2 ▼(-76%) |
| GSK, China | 32 ▼(-14%) | 11 ▼(-13%) | (-0) ▲97% | (-3) ▲66% |



Outlook

Outlook



Innovative value-added products;
Calibrated price hikes; and
Softening of material, labour and freight cost



Strategies in place to build on strong FY23 domestic sales, with better margins



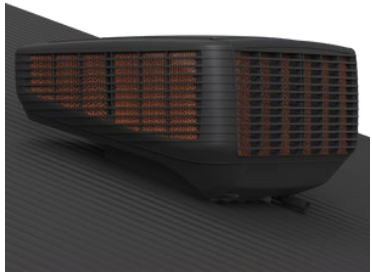
Curtailment of orders by large retailers in the USA and Australia: Mostly one-time phenomenon
→ *Air coolers have very high correlation with temperature, and not with economy*
→ *Rising temperatures across the globe: A strong tailwind*



Committed to pursue growth with a focused sense of purpose and responsibility towards the society

CT Australia: Transformation (1/2)

Existing products



Evaporative
Rooftop Cooler



Ducted Gas
Heater



Commercial
Cooler

Shifting to new age, better margin products



Portable Air Coolers



Portable Air
Conditioner



Electric
Outdoor Strip
Heater



Electric Fireplace
with Heater



Electric Panel
Heater



Electric Oil
Heater



Electric Convactor
Heater

CT Australia: Transformation (2/2)



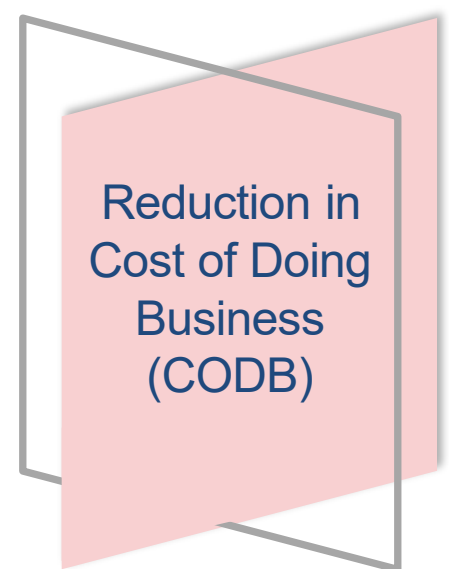
In-house
Manufacturing
to
Outsourcing
Model



Revamping
Product
categories



Leveraging
Distribution
Channel



Reduction in
Cost of Doing
Business
(CODB)

Glossary

| | |
|---|---|
| CT Australia | Climate Technologies, Australia |
| Gross Margin (%) | : % of Revenue from operations |
| A&P Expenses | : Advertisement and Sales Promotion Expenses |
| EBITDA | : Earnings Before Interest, Tax, Depreciation and Amortization (Excludes other income) |
| EBITDA Margin (%) | : % of Revenue from operations |
| PAT Margin (%) | : % of Revenue from operations |
| ROCE (%) (of Core Business) | : Profit Before Interest & Tax / Capital Employed (Monthly Average) |
| ROCE (%) – Not annualized (of Core Business) | : Profit Before Interest & Tax (Not Annualized) / Capital Employed (Monthly Average) |
| Return on Net Worth | : Profit After Tax TTM / Average Net Worth |
| Treasury | : Including Cash & Cash equivalents and excluding loans / investments in subsidiaries |



27°C
world



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