Crompton Greaves Consumer Electricals Limited
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Date: February 2, 2023

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: 133/2023-23	**Our Reference: 133/2022-23**

Dear Sir/Madam,

Sub: Highlights of Q-3of FY 2022-23

This is in continuation of our letter dated February 2, 2023 regarding Outcome of Board Meeting held on February 2, 2023 wherein the Company had approved the Statement showing the Unaudited Financial Results (Standalone and Consolidated) for the quarter and nine months ended December 31, 2022.

In this regard please find the following:-

1. Highlights of Q-3 of FY 2022-23

You are requested to kindly take the above information on your record.

Thanking you,

For Crompton Greaves Consumer Electricals Limited

Rashmi Khandelwal

Digitally signed by Rashmi Khandelwal
DN: c=IN, o=Personal, title=6571, pseudonym=133092532660904848ndUPGYWFT9oI87, 2.5.4.20=5da9433664eafa69d23a314f5c20da45b8c4392b456b9ff24d4c3b398bc97a9d, postalCode=400079, st=Maharashtra, serialNumber=847b14bda041d6dbff97519363528ffafbe2af6889746847c8868c38c9be8da4, cn=Rashmi Khandelwal
Date: 2023.02.02 22:23:41 +05'30'

Rashmi Khandelwal
Company Secretary & Compliance Officer

Encl: A/a

Information Update Q3 FY23

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Key Highlights of Q3

Crompton

CGCEL

Consolidated Q3 revenue growth is 7.5% and YTD Dec is 32%

1. The slow growth momentum of September continued in Q3 as the consumer demand remained weak owing to high retail inflation and price volatility. The anticipated festive demand was affected and the warmer winter further impacted the offtake of seasonal Appliances products. In addition, the transition of the largest business ‘Fans’ to new BEE norms created an unstable and deferred primary demand.
2. Appliances business grew by 13% driven by growth in mixer grinders, geysers and other small appliances
3. Alternate channels delivered robust growth of 45% with increasing contribution to overall revenue (15% revenue contribution in Q3)
4. **BEE Transition** - Fans business transitioned smoothly to new BEE norms with 100% readiness on design and approvals and almost NIL impact of non-BEE compliant inventory. The plan for stabilizing and ramping up production both inhouse and sourced products is in place wherein the focus will be to further improve the cost structure with scale.
5. Improvement in reach expansion – ND improved by 2% each in Water Heaters, LED Panels and LED Bulbs
6. **Built-In Kitchen Appliances**
   - Business clocked revenue of Rs. 6.5 Cr. in Q3 and Rs. 14 Cr. YTD Dec.
   - 40 brand stores (Signature Studios + Exclusives Stores) opened across 10 cities

Key Highlights of Q3

Crompton

Butterfly

Q3 revenue growth is 1% and YTD Dec is 13%

Continue to make progress on priority areas:

1	**Increasing share of retail**	Strategic choice of change in channel mix in favour of retail has resulted in increasing share of retail business (YTD Dec ~19% GoLY)
2	**New Product**	With continued focus on refreshing the portfolio, the share of business from new products has increased significantly in Q3 (14% contribution to total sales)
3	**Cost excellence program**	Multiple process excellence initiatives have been undertaken to reduce costs and smoothen operations
4	**Brand Awareness**	Structured ATL and BTL campaigns have resulted into achievement of the targeted SOVs
5	**Building a safe working place**	Various initiatives on health and safety have resulted into significant reduction in safety incidents
6	**Strengthening Capability**	Capabilities have been strengthened through key positions hiring and driving L&D programs

Key Highlights of Q3

Crompton

	Revenue	Margins	Channel
Crompton	**ECD Performance** ▪ Transition of Fans business to the new BEE norms impacted all segments in Q3 ▪ Appliances delivered consistent growth with strong momentum in core categories **Lighting Performance** ▪ Conventional business declining for consecutive quarters ▪ B2C LED business largely impacted while B2B trade business maintaining current year run rate	**Material margins stood at 31.3% v/s 31.7% LY** ▪ Slight impact in Fans due to the additional support offset by structural gross margin improvement in Lighting and product mix improvement in Appliances	▪ Alternate channels continued growth momentum with 45% growth v/s LY ▪ Interventions in ECom channel resulted in strong growth of 89%. ▪ CSD and Rural channel leading the growth quarter on quarter with combined growth of ~40% v/s LY
Butterfly	▪ Mixer Grinders had a muted growth in Q3 but grew double digit on a 9-month period with retail leading the growth ▪ Wet grinders faced challenges due to increase in GST rates from 5% to 18% ▪ Other category majorly Kettles and Flasks grew strongly	**Material margins stood at 38.6% v/s 36.2% LY** ▪ Improvement is driven by channel mix and process cost optimization	▪ Increase in retail share in overall channel mix ▪ Alternate channels like MOR, and corporate are growing strongly

CGCEL New Product Launches

Fans

Ceiling Fans:

- Energion Groove with Wood finish – **High speed 5 Star Energy Efficient BLDC Fan**

Pumps

Residential:

- AB-15 – **Automatic pressure controller pump with pipe leakage detection & anti jam sensor**

Light.

Batten:

- Laser Neo 3-in-1 – **Light weight 3-in-1 batten with trendy aesthetics, and surge protection**

Appl.

Mixer Grinders

- Questa Royal – **750W mixer with motor Vent-X technology and overload protector**

Water Heater:

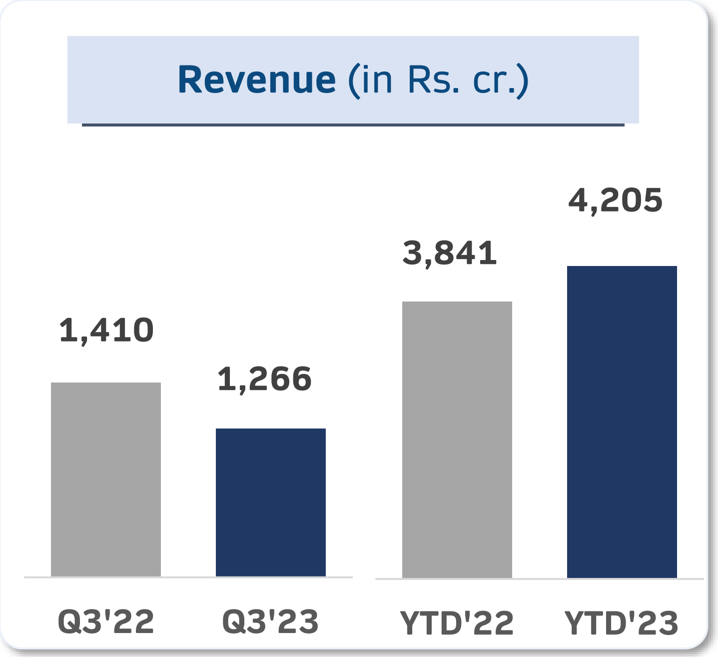
- Amica Classic – **High quality coated tank with quick heating and nano polybond technology**

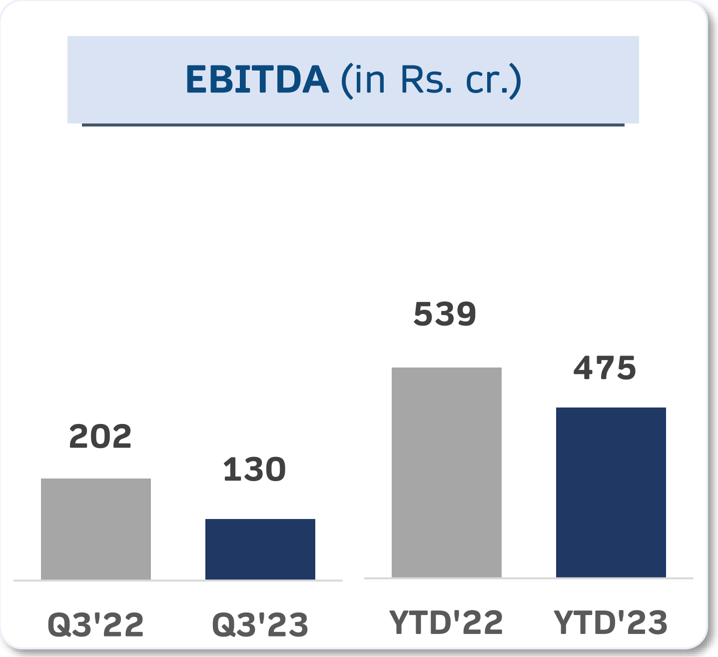
Others

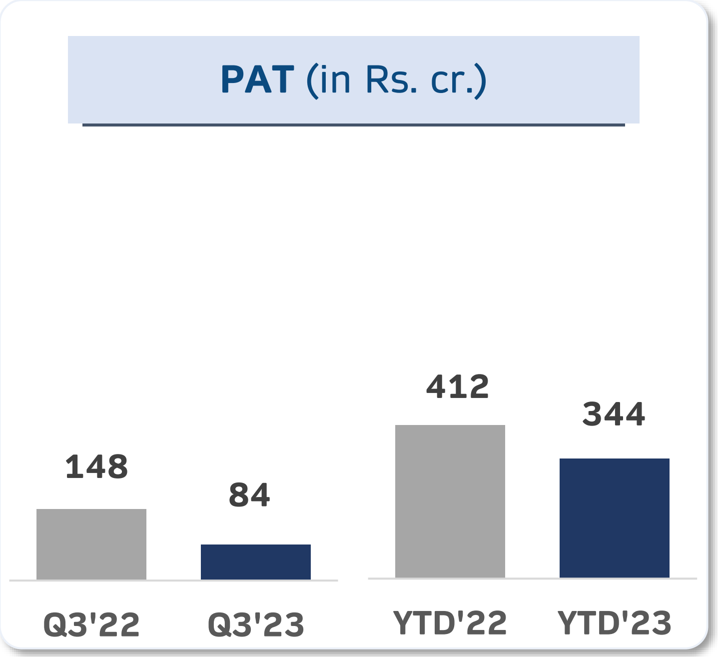
- BlendServe – **300W hand blender with silent DC motor with detachable stem**
- Nouris Pro – **Mechanical Air Fryer with super Helix Heating element for quick frying**

CGCEL Standalone Financial Performance

Crompton







- Q3 revenue declined by 10% vs LY due to the continued slowdown in Q3, impact of affected festive demand and the BEE transition
- EBITDA for the quarter stood at 10.4% and PAT at 6.7%
- Investments in A&P, capability building for New Business, R&D, Manufacturing excellence and alternate channels continued

CGCEL Standalone Segment Performance

Crompton

Segment Revenue	Q3 FY23	Q3 FY22	Y-o-Y	YTD Dec 22	Y-o-Y
ECD	1,020	1,099	-7%	3,430	11%
Lighting	246	311	-21%	776	2%
Total	**1,266**	**1,410**	**-10%**	**4,205**	**9%**

Segment EBIT	Q3 FY23	Q3 FY22	Y-o-Y	YTD Dec 22	Y-o-Y
ECD	162	213	-24%	572	-5%
ECD %	15.8%	19.4%		16.7%	
Lighting	25	33	-23%	70	-15%
Lighting%	10.2%	10.5%		9.0%	

- ECD revenue for the quarter declined by ~7%, whereas YTD Dec growth is ~11%
  - Within Fans sub-segments, mid segment was slightly higher impacted in Q3
  - Appliances business consistently growing every quarter. Q3 growth is ~13% v/s LY wherein Mixer Grinder grew by ~20% and Geysers grew by ~12%
- Lighting revenue declined by ~21% wherein conventional lighting business declined by ~30% v/s LY and B2C LED Lamps business was impacted due to competitive intensity and pricing pressure

Key action areas to revive growth

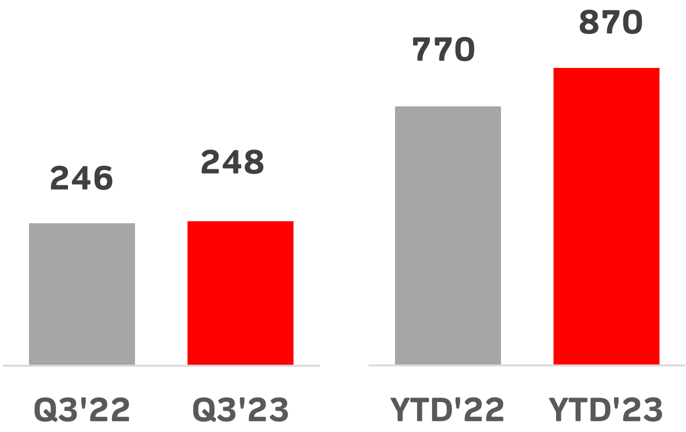
Crompton

1. Fans - Ramp up production and optimise cost further
2. Pumps - Strengthen the product portfolio through new brand architecture and strategic pricing actions
3. Lighting - Structured GTM approach to drive reach expansion along with aggressive cost saving initiatives
4. Appliances - Further penetrate in new categories by addressing the gaps in product portfolio

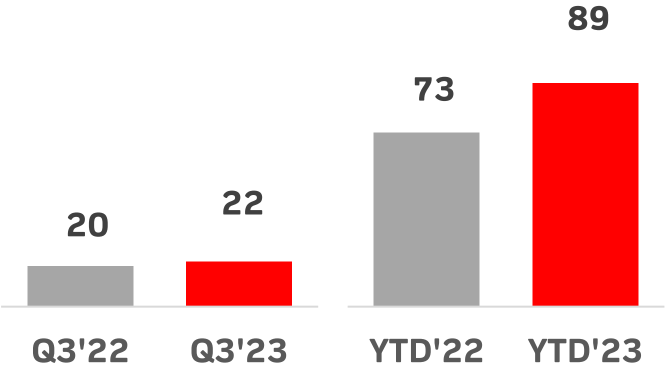
BGAL Standalone Financial Performance

Crompton

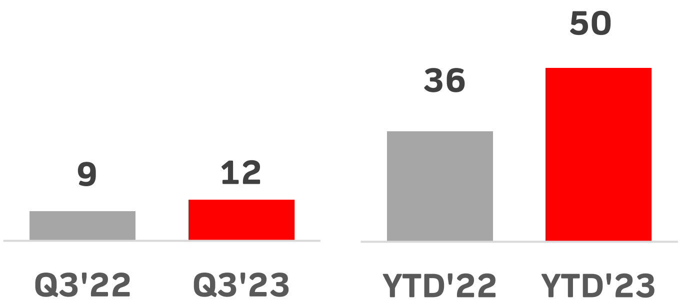
Revenue (in Rs. cr.)



EBITDA (in Rs. cr.)



PAT (in Rs. cr.)



- Flat growth in Q3 but YTD Dec recorded growth of ~13% v/s LY
- Aggressive efforts on new product development helped in successful launch of 25 new products and leading to 14% contribution to Q3 total sales
- Core categories witnessed muted growth but growing at healthy double-digit on YTD Dec basis
- EBITDA stood at 8.7% and PAT is 4.7%

CGCEL Q3 Consolidated Profit & Loss Statement

Crompton

Particulars	Q3 FY23	Q3 FY22	Y-o-Y	YTD Dec 22	Y-o-Y
Net Sales	1,516	1,411	7%	5,079	32%
Less: Material Cost	1,023	964	6%	3,454	32%
Material Margin	**493**	**447**	**10%**	**1,624**	**32%**
as a % of Net Sales	**32.5%**	**31.7%**		**32.0%**	
EBIDTA	**152**	**202**	**-25%**	**565**	**5%**
as a % of Net Sales	**10.1%**	**14.3%**		**11.1%**	
EBIT	**123**	**192**	**-36%**	**480**	**-6%**
as a % of Net Sales	**8.1%**	**13.6%**		**9.4%**	
Less: Exceptional Item	0	0	0%	6	0%
Less: Finance Cost	29	7	341%	82	230%
Add: Other Income	21	14	52%	50	-1%
Profit Before Tax	**115**	**199**	**-42%**	**442**	**-18%**
as a % of Net Sales	**7.6%**	**14.1%**		**8.7%**	
Tax Expenses	26	50	-48%	97	-29%
Net Profit	**88**	**148**	**-41%**	**345**	**-14%**
as a % of Net Sales	**5.8%**	**10.5%**		**6.8%**	

In Q3, invested ~Rs 16 Cr for the BEE transition and other growth initiatives

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