

Crompton

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

T: +91 22 6167 8499 F: +91 22 6167 8383

W: www.crompton.co.in CIN: L31900MH2015PLC262254

Date: July 3, 2023

To, BSE Limited ("BSE"), Corporate Relationship Department, 2 nd Floor, New Trading Ring, P.J. Towers, Dalal Street, Mumbai – 400 001.	To, National Stock Exchange of India Limited ("NSE") Exchange Plaza, 5 th 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: 63/2023-24	Our Reference: 63/2023-24

Dear Sir/Madam,

Sub: Investor Presentation

This is in continuation of our letter(s) dated July 3, 2023, wherein the Company has intimated to the stock exchange(s) regarding schedule of Analysts/ Institutional Investor(s) Meeting(s) to be held from July 4, 2023 to July 7, 2023 with the various investors in the Roadshow(s) organized by the Investec Securities.

In this regard, please find enclosed a presentation to be made in the aforesaid investor meeting(s).

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

Thanking you,

For **Crompton Greaves Consumer Electricals Limited**

Rashmi Khandelwal
Company Secretary & Compliance Officer
ACS - 28839

Encl: A/a

Crompton  Butterfly®

Investor Presentation

JULY 2023

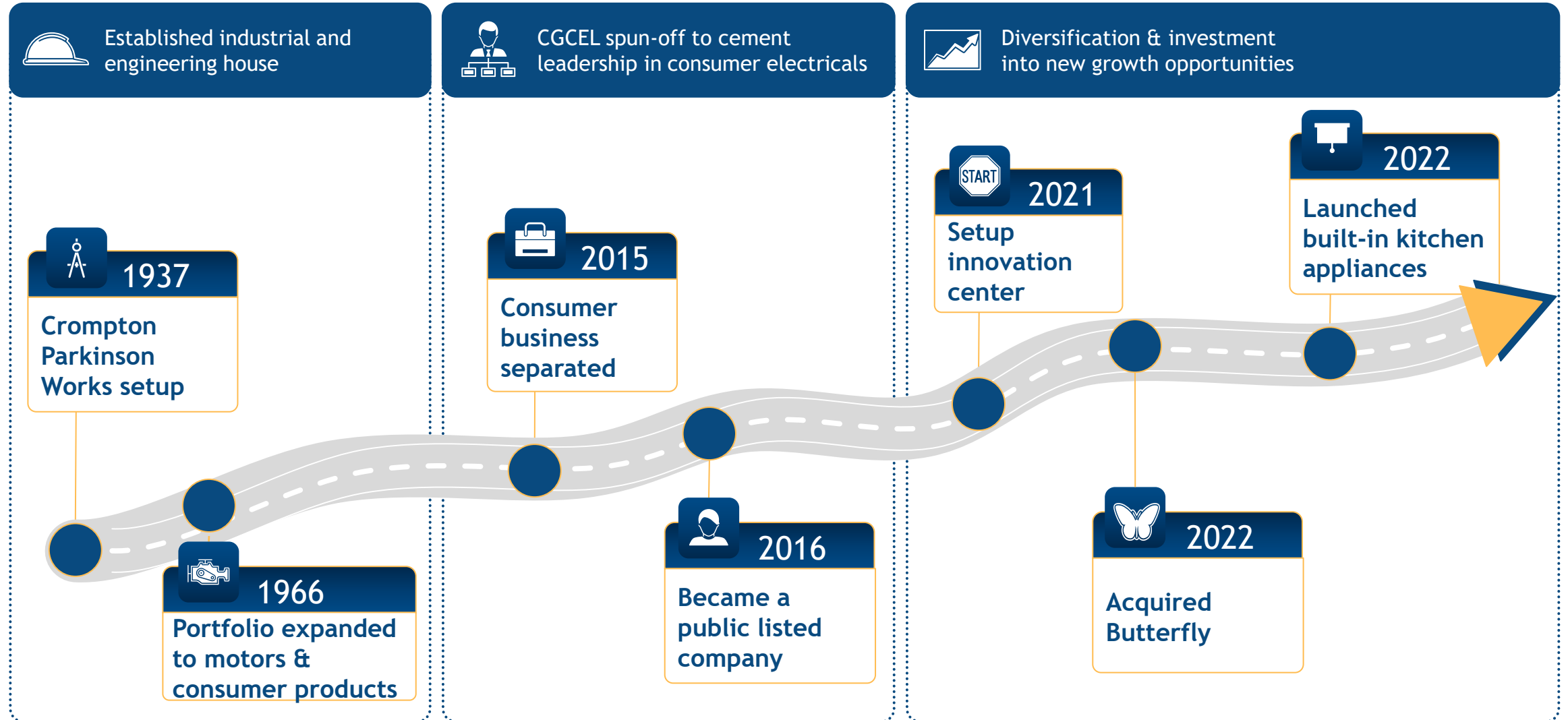


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Crompton at a glance ...

Crompton: 90+ year legacy serving consumers' core electrical needs



We are an independent Board-led and professionally managed company

Board of Directors



Mr. Hemant Nerurkar

Chairman & Independent Director



Mr. Shantanu Khosla

Executive Vice Chairman



Mr. Promeet Ghosh

Managing Director & CEO



Mr. D. Sundaram

Independent Director



Mr. P. M. Murty

Independent Director



Ms. Smita Anand

Independent Director



Mr. P. R. Ramesh

Independent Director



Ms. Hiroo Mirchandani

Independent Director



- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship & Share Transfer Committee
- CSR Committee
- Risk Management Committee
- ESG Committee
- Committee Chairman

... with business unit leaders having **125+ years of industry experience** ...

Business Unit Heads



Mr. Sriram Rangarajan¹
Kitchen Appliances



Mr. Sachin Phartiyal
Home Electricals



Mr. Rajat Chopra
Pumps



Mr. Shaleen Nayak
Lighting



Mr. Nitesh Mathur
New Business



Mr. Anand Kumar N.
Sales & Service



Industry Experience | Year of Joining Crompton

Note: 1. Managing Director of Butterfly Gandhimathi Appliances Ltd.; to also have oversight of the Crompton Small Domestic Appliances business unit

... and functional leadership & expertise of 150+ years

Functional Heads



Mr. Sanjeev Agrawal

Innovation & ESG

32+ 2019



Mr. Pravin Saraf

Manufacturing & Quality

30+ 2022



Mr. Manoj Kumar

Procurement

27+ 2023



Ms. Pragya Bijalwan

Marketing

19+ 2021



Mr. Kaleeswaran
Arunachalam

Finance & Transformation

20+ 2022



Mr. Prasanth Nair

Human Resources

20+ 2023



Mr. Vikram Sridharan

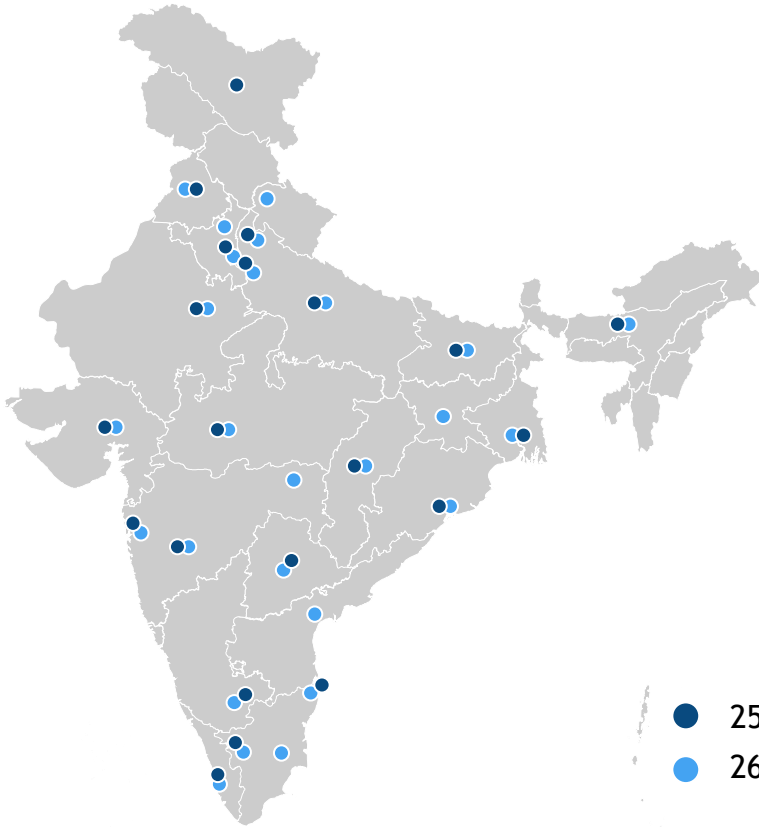
Digital & Information

18+ 2023

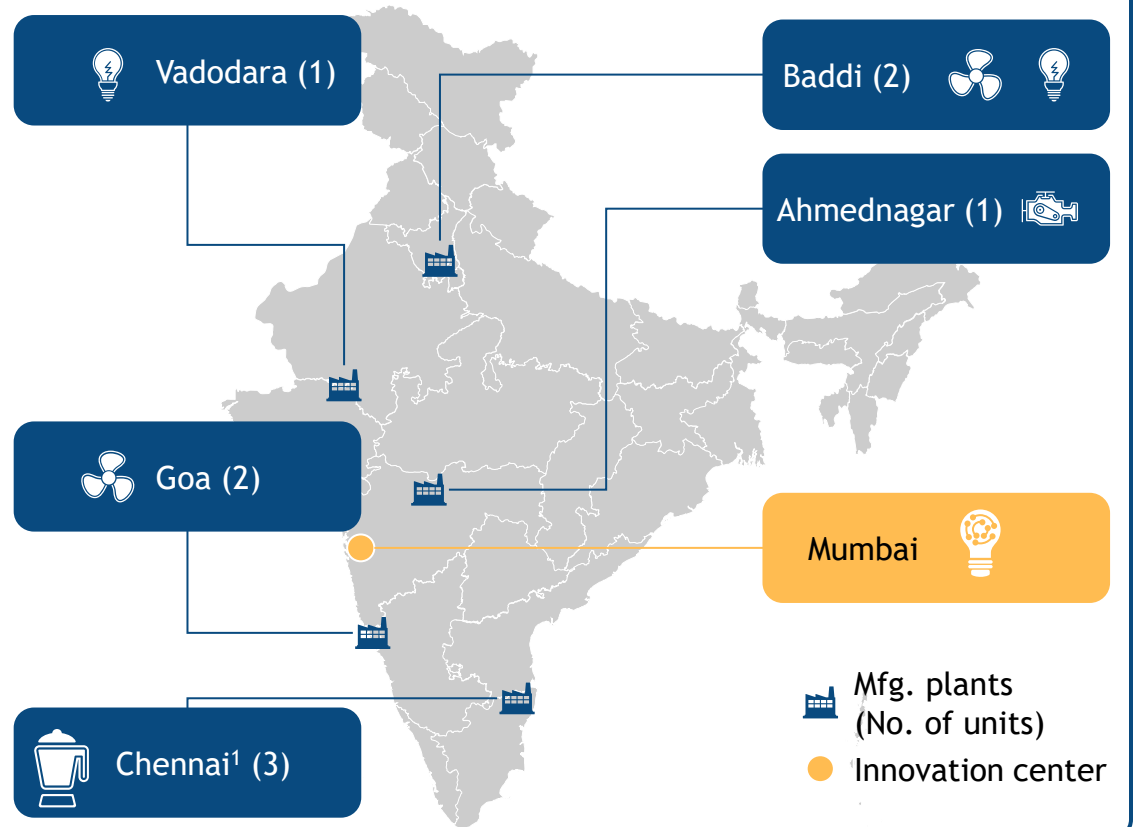
We have a pan-India channel and manufacturing presence



Pan India sales footprint (incl. Butterfly):
4.5k+ distributors, 175k+ retailers

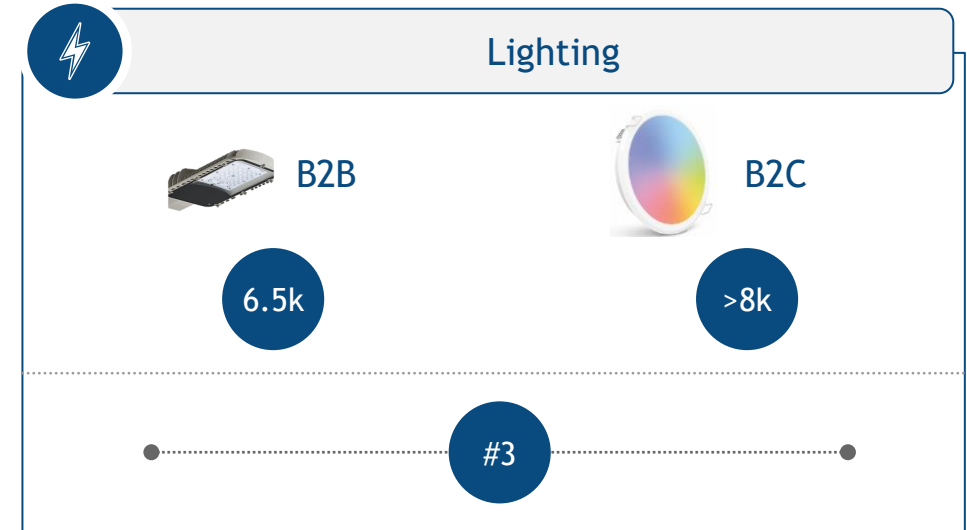
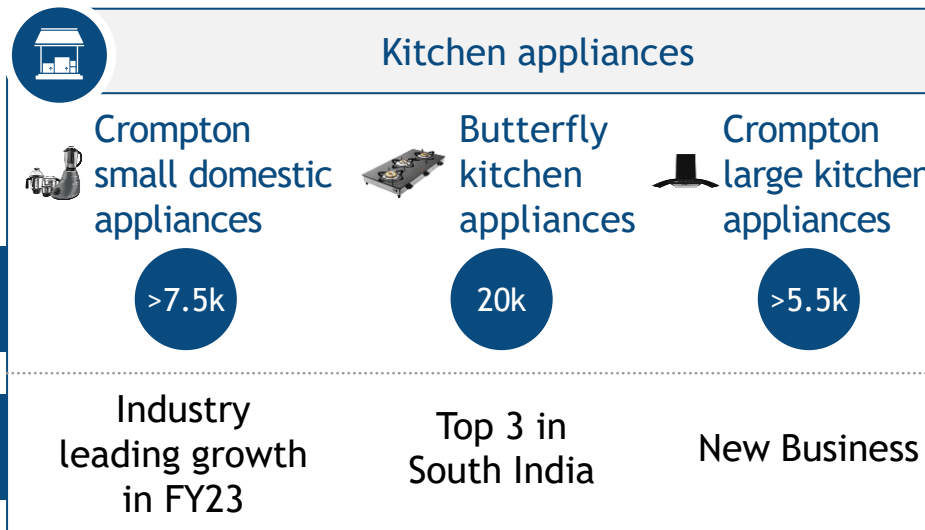
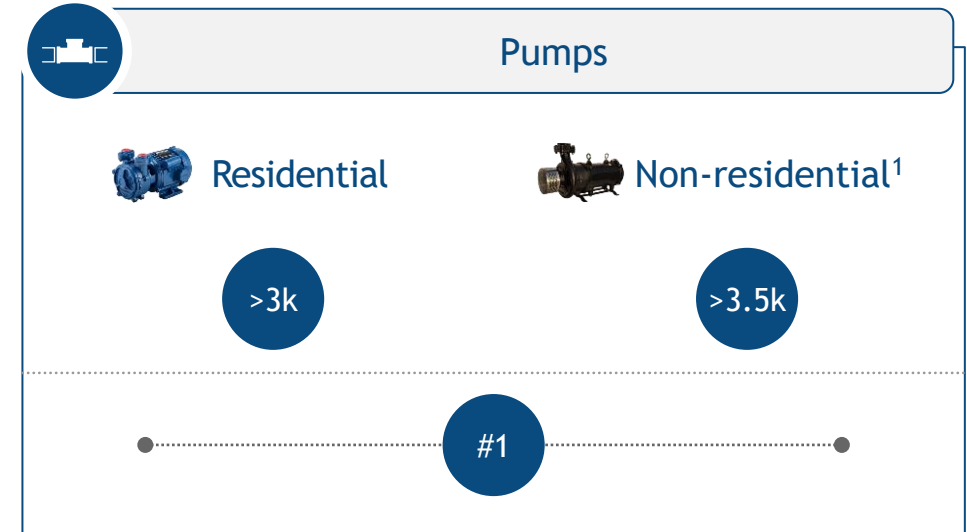
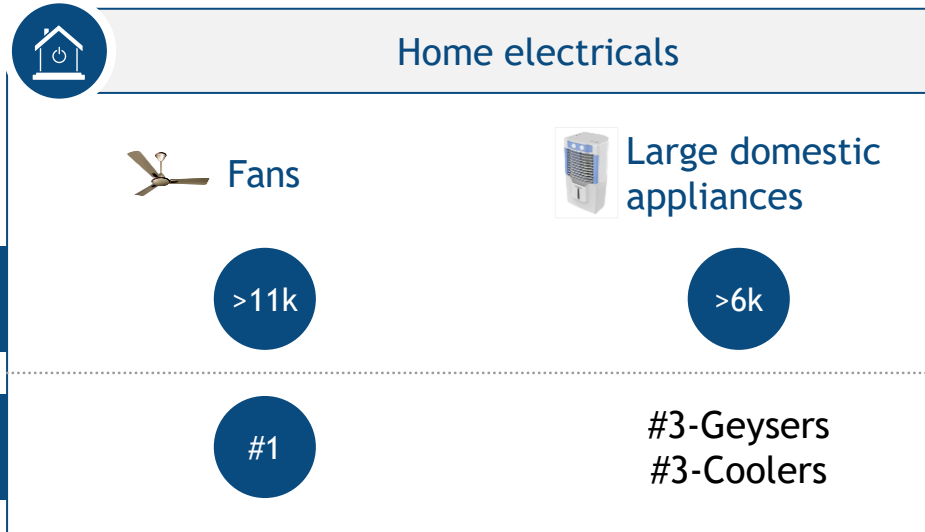


5 manufacturing locations



1. Owned by Butterfly Gandhimathi Appliances Ltd.

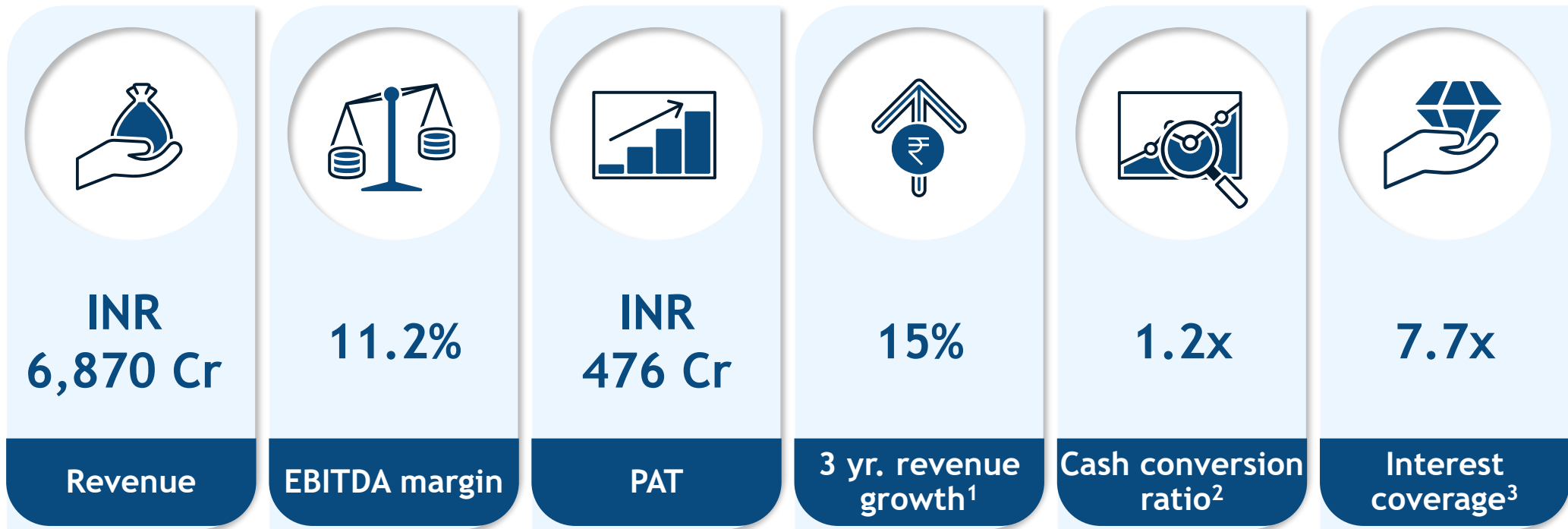
We have reinforced market leadership in core categories, and forayed into new growth categories



1. Market leader in residential pumps, limited presence in non-residential
 Note: All numbers are as of FY23, market numbers are as per available industry data

Strong financial performance in FY23, with industry leading EBITDA margins and strong cash generation

Consolidated financials



Crompton: A leading consumer brand with multiple awards & achievements



Fans leadership



ETBrandDisruption Gold award for tech driven campaign of SilentPro fans



Red Dot Winner for product design for Blossom Smart fan



Innovation



iF Design Award



Creativity award in ECD for Ceiling Lights - 'Mood Jaisa, Lighting Waisa'



Brand recognition



ET Brand Equity DigiPlus award To Crompton and our agency partner Schbang



"Dun & Bradstreet India's Top 500 Companies 2022"



Corporate governance



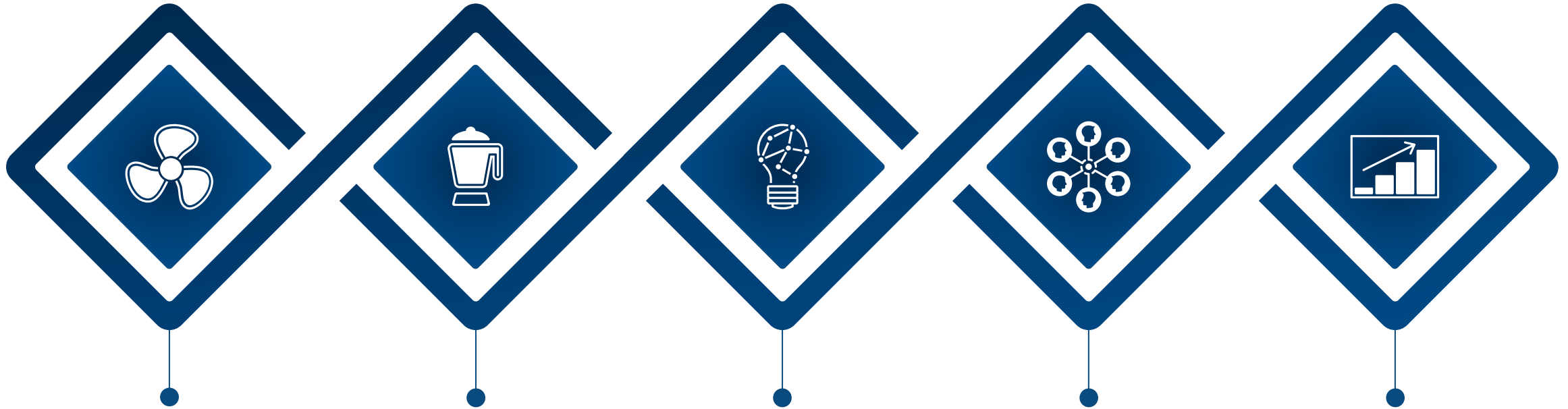
Best Managed Companies award by Deloitte



"Next Leaders" category by the Institutional Investor Advisory Services (IIAS)

Poised for Crompton 2.0

Key wins & pillars of strength



Pole position
in the core
(Fans & Pumps)

Successful foray
into the kitchen
segment

Innovation
engine at scale

Extensive
pan-India
distribution

Cash flow
leadership

Mega trends are creating tailwinds for consumer consumption

Macro-economic trends in India



Increasing urbanization



Growing per capita income

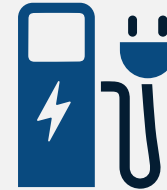


Increasing share of women in workforce



Rising focus on sustainability

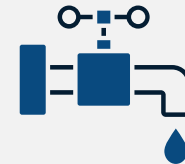
Government of India initiatives



Accelerated electrification



Cooking gas: Increase in coverage



Potable water availability

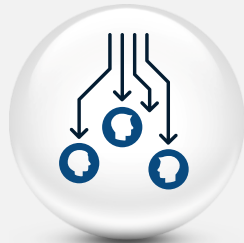


Development of affordable housing

...industry also evolving rapidly, we see **multiple opportunities for growth**



Multi-category presence by companies



Bespoke GTM models



Move towards **omnichannel & D2C sales**



Consumers **willing to pay premium** for differentiated offerings¹



Shortened cycle from **consumer insights to product launch**






Continuous disruptions and multiple new entrants²

1. Differentiated offerings include offerings of enhanced features, convenience, sustainability

2. New entrants includes players outside of the consumer electricals industry

Crompton 2.0: Key tenets to drive future growth

Crompton 1.0

-  Pole position in core categories
-  Successful foray into the kitchen
-  Innovation capability built
-  Extensive pan-India distribution
-  Profitability led

Crompton 2.0

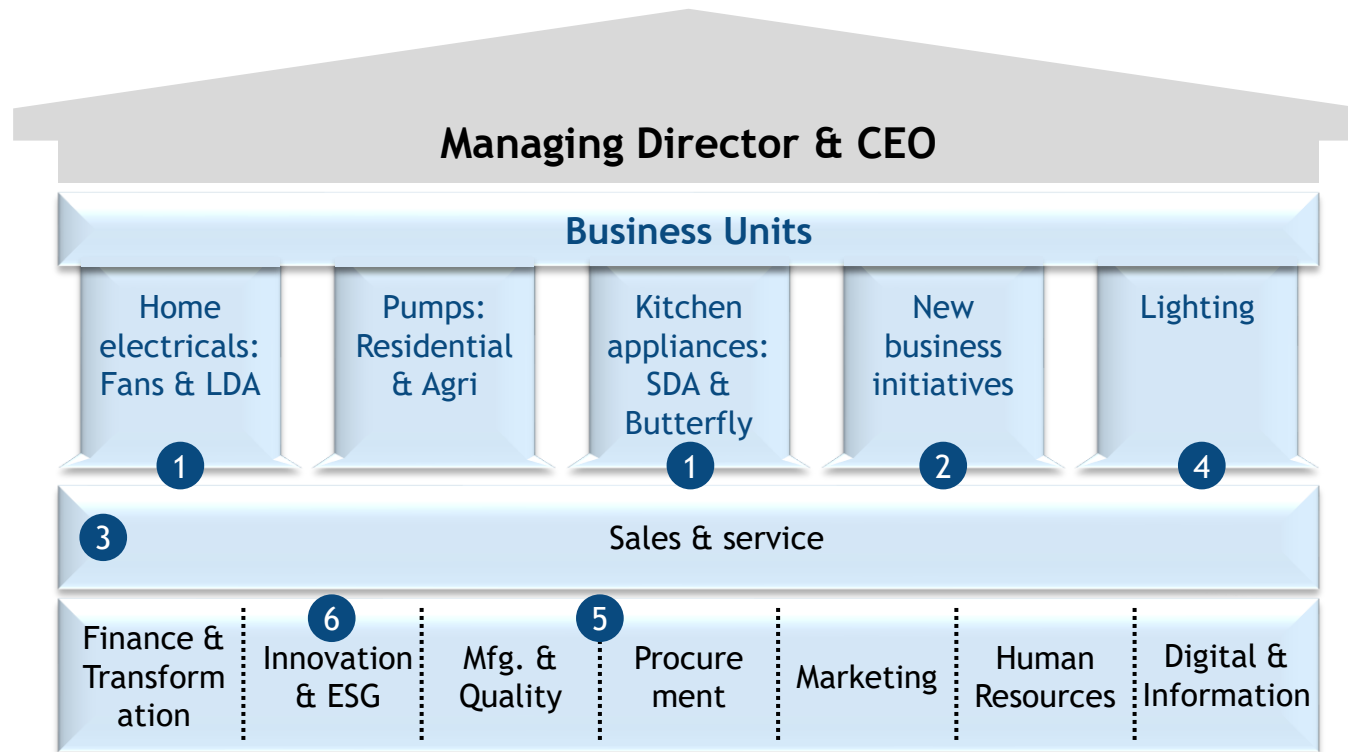
-  Enabled & empowered **organization**
-  Consumer need led **innovation**
-  **Premiumization** of the portfolio
-  **Supply chain excellence** (quality, cost)
-  **GTM excellence** (trade & alt. channel)
-  **Digital enablement** across the value chain
-  **Profit led**

Organization structure revamped to drive company objectives

Empowered Organization



New organization structure



Key org. structure changes

-  1 | BUs clustered basis common segments
-  2 | New BU created for strategic initiatives
-  3 | Sales & GTM excellence team created under global sales head
-  4 | Dedicated sales structure within lighting BU
-  5 | Centralization of manufacturing, procurement, supply chain
-  6 | Innovation head responsible for leading ESG initiatives

Note: Only major modifications in the org structure are highlighted;
LDA - Large Domestic Appliances; SDA - Small Domestic Appliances

Firmly embedding innovation at the center of growth agenda

Consumer-centric
innovation



Innovation center setup



80

Investment
(INR Cr) per annum

160+

Innovation
team size

Innovations rolled out



Quiet Pro
Chimney

Silent Pro
Blossom Smart



Smart
Pumps



Partnerships



Partnering with
IITs, startups &
accelerators

Diversification in GTM channels enabled by technology



Grow existing channels



Reach expansion (Trade)



Channel engagement

Leverage new channels



Ecommerce



Institutional channel



Modern Retail

Build future ready channels



D2C & Omnichannel build



Export markets

Focus areas for supply chain excellence



Project Unnati to continue driving **cost excellence**



Ongoing VAVE¹ & commercial initiatives



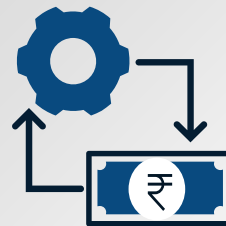
Fans:
Cost & energy effectiveness



Pumps & Lights:
Cost leadership



Appliances:
Enhanced features while sustaining margins



Project Unnati Cost Excellence



Reinvest savings from new areas into growth

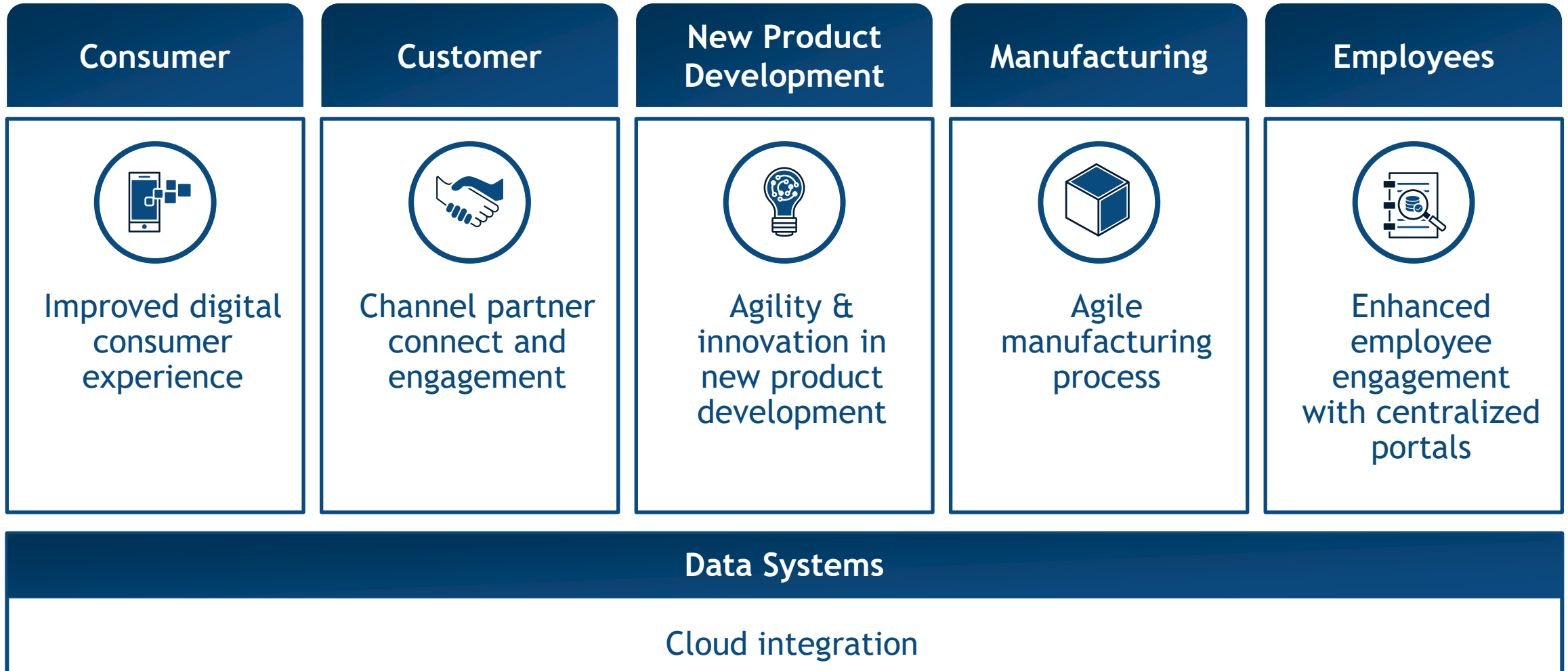


Drive Butterfly-Crompton synergy:
Increase utilization of Butterfly manufacturing assets & consolidate vendors



Ensure consolidated spend effectiveness across trade & indirect costs

Digitization to improve experience and efficiency for all the stakeholders of the organization





Category landscape

Market statistics

>11k

FY23 Mkt. size (INR Cr)

>7%

FY 18-23 Mkt. CAGR

FY 18-23 Mkt. CAGR



Premium¹

>15%



Mid-Mass

<5%



Growth levers

Strengthen the core & increase share in premium segments



Greater innovation & agility in new product introductions



Bolster leadership position in 'Bharat'



GTM excellence for premium segment

1. More than INR 3k value per fan
Note: Market numbers are as per available industry data

Large domestic appliances | Reach, range expansion to drive growth



Category landscape

Market statistics

>6k

FY23 Mkt. size (INR Cr)

~5%

FY 18-23 Mkt. CAGR

FY 18-23 Mkt. CAGR



Water Heater

>3%



Coolers

>7%



Growth levers

Continue to drive market leading growth



Leverage synergy in the home electricals category



Range expansion across segments



Further build E-Commerce presence

Pumps | Consolidate leadership in residential pumps, expand agricultural pumps portfolio



Category landscape

Market statistics

>7k

FY23 Mkt. size (INR Cr)

~1%

FY 18-23 Mkt. CAGR

FY 18-23 Mkt. CAGR



Residential

>2%



Agricultural

-4%



Solar & Specialty

>5%



Growth levers

Redefine brand position & increase agri-footprint



Residential:
Extend brand architecture across the portfolio



Agricultural:
GTM focus & range expansion



Solar and Specialty:
New product launch

Post acquisition, **Butterfly outperforming industry** in growth & profits with future **focus on revenue synergies**



Multiple initiatives taken in FY23..



Ownership transition completed



De-risking channel mix



Initial cost synergies realized



2-year brand & product roadmap built



Plans in place to expand pan-India

..to increase EBITDA by 2x in FY23 (industry flat)

	Industry performance ¹	Butterfly performance
Revenue growth (FY22-23)	6%	11%
EBITDA growth (FY22-23)	-4%	101%

Highest ever EBITDA in last 5 years

1. Calculated as a weighted average for listed kitchen appliance companies

Small domestic appliances | Focus on synergies between Crompton and Butterfly



Category landscape

Market statistics

~20k

FY23 Mkt. size (INR Cr)

>10%

FY 18-23 Mkt. CAGR

FY 18-23 Mkt. CAGR



Mixer Grinders

>15%



Cooktops

>9%



Pressure Cookers

>6%



Growth levers

Leverage mutual strengths to grow market position & reach



Define brand architecture across kitchen appliances



Enhance brand awareness & build-out kitchen appliances portfolio



GTM Synergies (Crompton + Butterfly)

Large kitchen appliances | Foray led by differentiated product offering - annual revenue run rate of INR ~60cr



Category landscape

Market statistics

>5k

FY23 Mkt. size (INR Cr)

~10%

FY 18-23 Mkt. CAGR

FY 18-23 Mkt. CAGR



Chimneys & Hobs

>10%



Dishwasher

<10%



Growth levers

Expand category through continued product differentiation



Next wave of product innovations



Expand reach to next 20 cities



Scale up Omnichannel



Category landscape

Market statistics

~15k

FY23 Mkt. size (INR Cr)

~7%

FY 18-23 Mkt. CAGR

FY 18-23 Mkt. CAGR



B2C

<10%



B2B

~5%



Growth levers

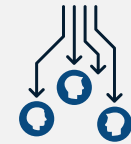
Growth led by product & execution excellence



Product innovation & improved positioning



Focused GTM & sales process enhancement



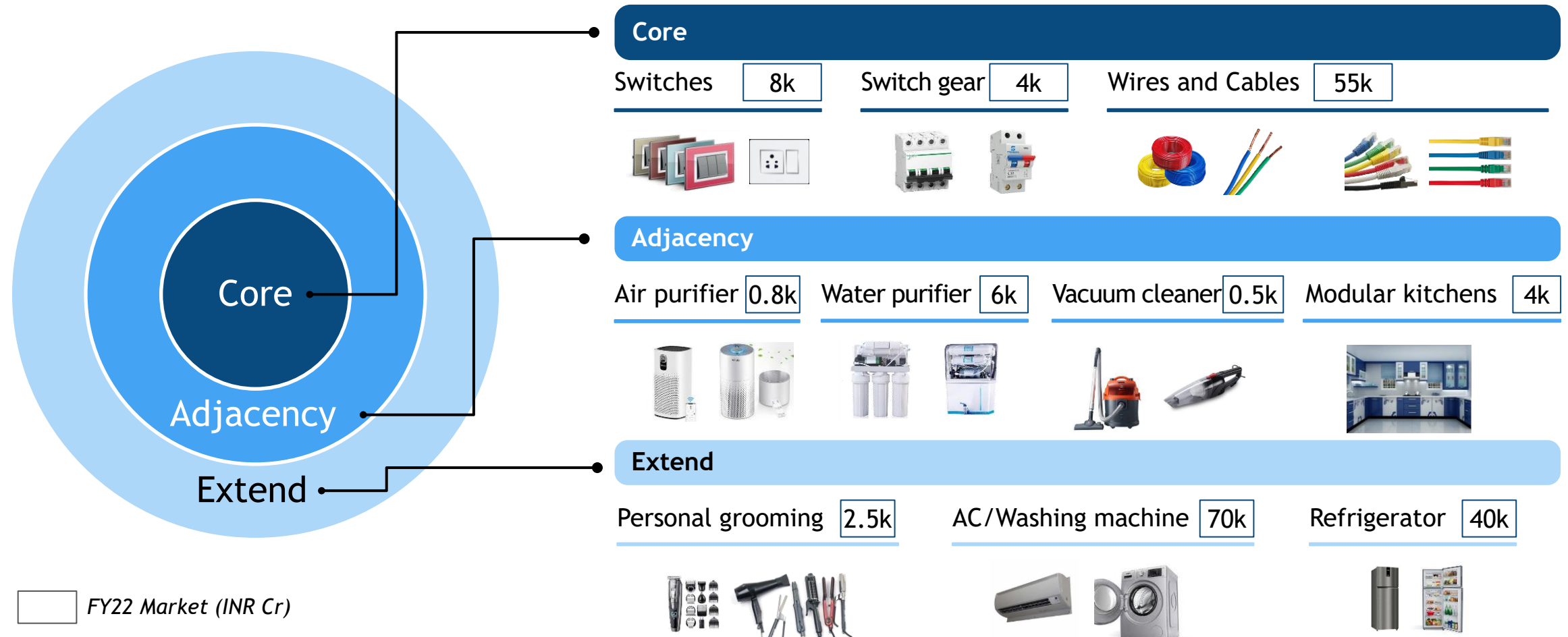
Range expansion across panels & under penetrated categories

We will continue our journey of thoughtfully diversifying into **new categories**



Non-exhaustive

Multiple potential plays; to be evaluated for whitespaces and synergies



FY22 Market (INR Cr)

ESG will continue to be a focus area for Crompton

Independent Board-led and professionally managed company



Embedded sustainability initiatives



Integrated annual reporting



Board-led ESG committee



Consistent dividend payout ratio: 40% for FY23



CSR - responsible growth

Priorities for next 2 quarters



Empower and engage people for Crompton 2.0



Crompton & Butterfly synergies: Brand architecture & GTM plan



Roll-out integrated new product introduction process



Put Lighting BU back on growth path



Develop long-term strategic manufacturing & supply chain footprint



Expand cost excellence project¹ beyond direct costs

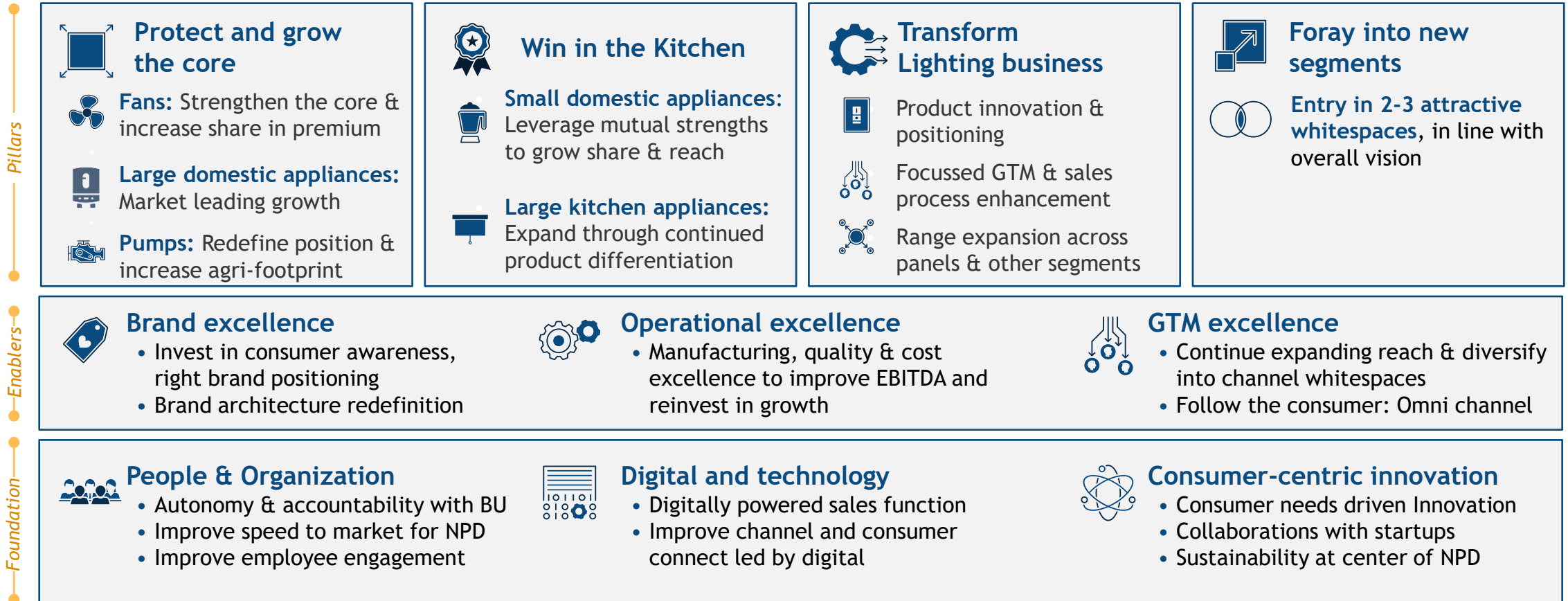


Legal² and operational integration with Butterfly

Strategic tenets for a **future-ready Crompton**

Crompton 2.0:

Accelerated growth at healthy margins to deliver strong TSR



Registered Office:

Crompton Greaves Consumer Electricals Limited,
Equinox Business Park, 1st Floor, Tower 3, LBS Marg,
Kurla (W), Mumbai - 400070, Maharashtra, India

+91 22 6167 8499

For any query, please write us at:

crompton.investorrelations@crompton.co.in

Connect with us on www.crompton.co.in



Abbreviations

Abbreviation	Full form
B2B	Business to Business
B2C	Business to Consumer
B2G	Business to Government
BLDC	Brushless Direct Current
BU	Business Unit
CAGR	Compound Annual Growth Rate
CGCEL	Crompton Greaves Consumer Electricals Limited
CSR	Corporate Social Responsibility
D2C	Direct to Consumer
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
ECD	Electronic Consumer Durables
EHS	Environment, Health and Safety
EPS	Earnings Per Share

Abbreviation	Full form
ESG	Environmental, Social, and Governance
GSSH	Group Sales and Services Head
GM	Gross Margin
GTM	Go To Market
LDA	Large Domestic Appliances
MOR	Modern Retail
MTO	Made To Order
NPD	New Product Development
NSM	National Sales Manager
PAT	Profit After Tax
SDA	Small Domestic Appliances
SKU	Stock Keeping Unit