

Crompton

Crompton Greaves Consumer Electricals Limited

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

Date: August 14, 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: 89/2023-24	Our Reference: 89/2023-24

Dear Sir/Madam,

Sub: Highlights of Q-1 of FY 2023-24

This is in continuation of our earlier letter dated August 12, 2023, regarding Outcome of Board Meeting held on August 12, 2023 wherein the Company had approved Unaudited Financial Results for the quarter ended June 30, 2023.

In this regard, please find enclosed the highlights of Q-1 of FY 2023-24.

You are requested to take the same on your record.

Thanking you,

For Crompton Greaves Consumer Electricals Limited

Rashmi Khandelwal
Company Secretary & Compliance Officer
ACS - 28839

Encl: A/a

Crompton

ENERGION
ROVERR

THE AGE OF THE SMARTEST
FANS BEGINS NOW.

ACTIV
BLDC
TECHNOLOGY



works with
amazon alexa

works with
Ok Google

Investor Update - Q1 FY24

12th August 2023



We have **India's largest grounds-up range of BLDC Fans** in the industry

Crompton

70+ SKUs in BLDC Fans across price points

**SILENTPRO
BLOSSOM SMART**



**SILENTPRO
BLOSSOM**



ROVER SMART



**ROVER
UNDERLIGHT**



**ENERGION ROVER
NON-UNDERLIGHT**



**ENERGION
STYLUS SMART**



SILENT PRO ENSO



**ENERGION
GROOVE PLUS**



**ENERGION GROOVE
ANTIDUST**



**ENERGION GROOVE
REM**



ENERGION HS



ENERGION COOKIE



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Crompton 2.0: Transformation on Track



Environment Scan



Quarter Performance



Financial Statements

Crompton 2.0: Transformation in Progress

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**

1

Crompton

Premiumization

- Higher share of premium fans; growth 22% YoY; saliency improved to 28%
- New brand architecture for pumps aiding premiumization
- Entered built-in kitchen portfolio with industry first features

2

GTM excellence

- Strong growth of 32% YoY in Alternate channels
- Reach expansion in Small Domestic Appliances and B2C Lighting
- Significant improvement in in-store visibility under retail transformation

3

Brand Investments

- Higher A&P spends at 4.2%*
- Rolled out marketing campaigns for Fans & Air Coolers; achieved high SOV

4

Innovation

- New products in premium & BLDC categories fans such as Toro & Groove
- Variants added in Pumps Mini-series based on brand architecture
- Water Heater variants to drive traction in e-com

1

Butterfly®

Restructuring channel mix

- Strong double-digit growth in B2C channels led by Retail, MT and optimization of E-commerce
- Continuous de-risking of Corporate and non-core channels

2

Power of One

- Pilot markets identified for expanding Butterfly into North & West
- Investments made in channel expansion and sales capability
- Business integration underway

3

Brand Investments

- Higher A&P spends at 5.4%
- Launched several ATL & BTL activities to drive consumer awareness across categories
- Specific focus on digital discoverability

4

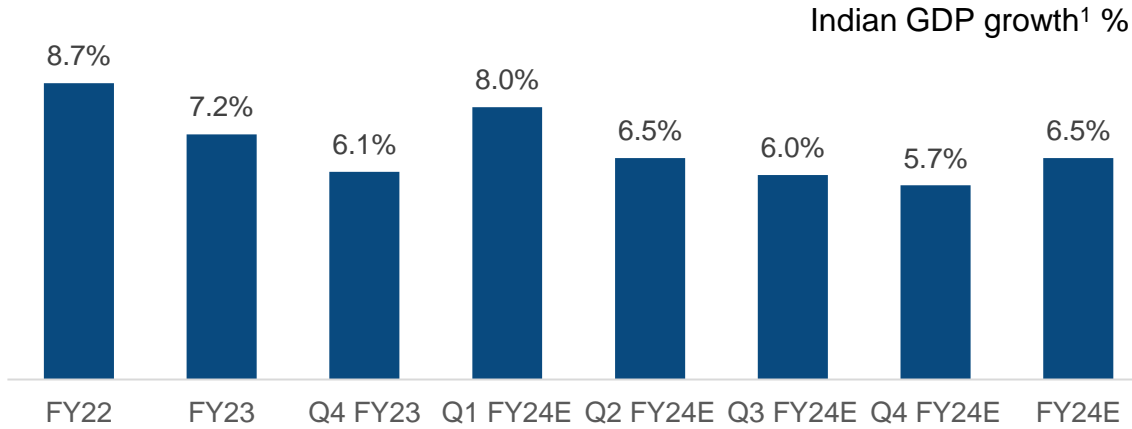
Innovation

- New products launched across ranges – Cooking, Food Processing and Cookware

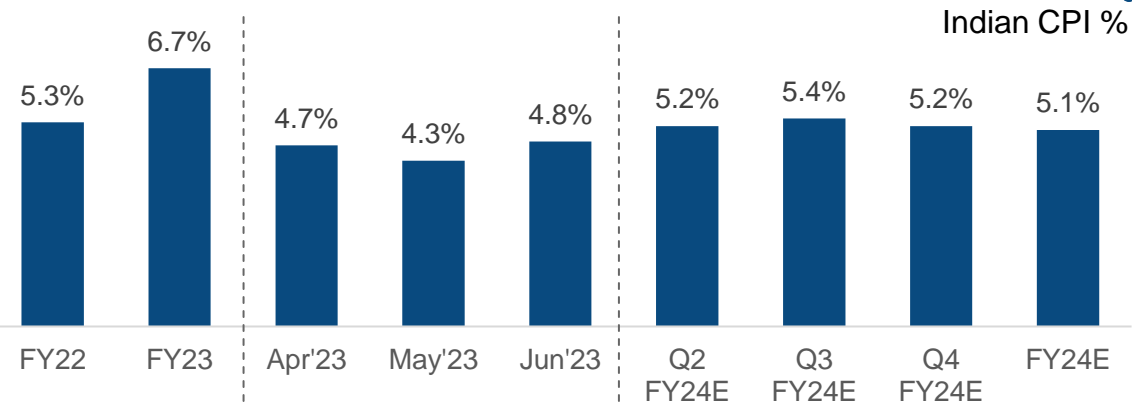
Environment Scan

Navigating the current environment: **Subdued consumer sentiment;** **Improved momentum from Jun 2023 onwards**

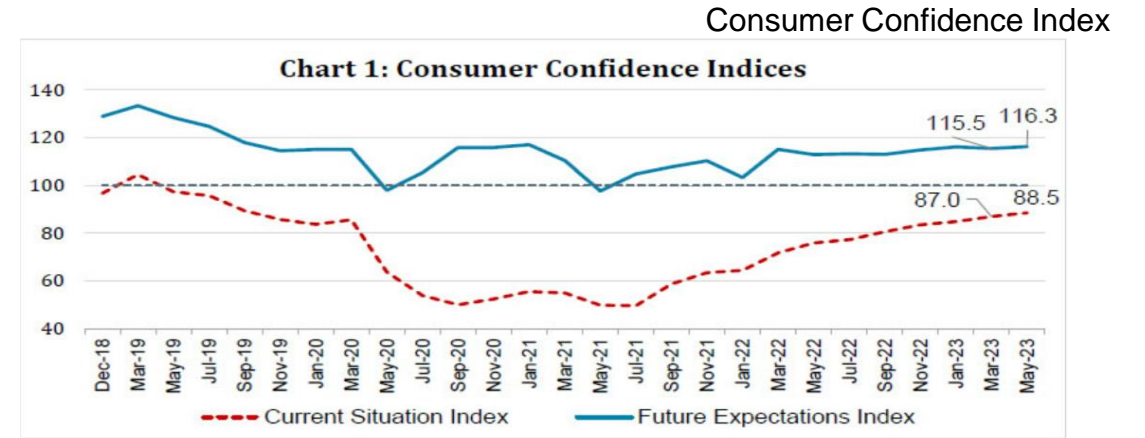
India GDP growth expected to slow down over the next 4 quarters – Lower GDP growth expectations for FY24 vs FY23



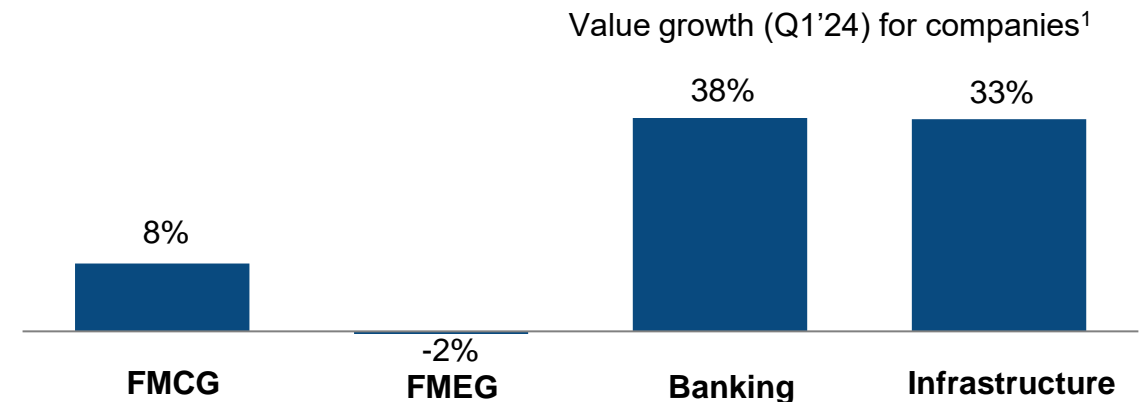
CPI surged to 4.8% in Jun'23 after hitting a 25-month low of 4.3% in May'23



Overall consumer demand below pre covid levels; Recovery seen over last few months²



Revenue growth in FMCG & FMEG sector remains soft; Significant growth in Banking & Infrastructure sector signaling strong tailwinds



Source – 1. National Statistical office (NSO) India data 2. RBI consumer confidence survey (May'23) 3. RBI monetary policy statement (Apr'23)

Listed companies with >Rs. 5k Cr market cap as on 4th Aug'23 in each sector considered for analysis. Information sourced from financial releases, investor presentations, brokerage reports

Quarter Highlights

1

In a subdued macroeconomic environment, **ECD** delivered competitive growth of 6% YoY.

2

Expansion in **Lighting** margins driven by cost optimization initiatives; long-term measures initiated to bring lighting back on its Revenue growth trajectory

3

For **Butterfly**, strategic channel restructuring led to growth in retail channel, while de-risking non-core channels

4

Significant step up in **investments into Brands**; Increased spends towards ATL, BTL and Digital

5

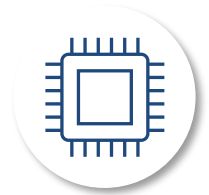
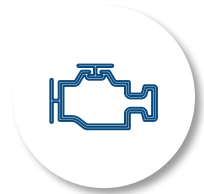
New organization structure in place; strengthening people capabilities

6

Built-in Kitchen Appliances is taking off; investments made towards long-term growth

Rs. Cr

Segment Revenue	Q1 FY23	Q1 FY24	YoY	Q4 FY23	QoQ
ECD	1,347	1,429	6%	1,326	8%
Lighting	262	229	-13%	278	-18%
Butterfly	254	219	-14%	187	17%
Total	1,863	1,877	1%	1,791	5%



Rs. Cr

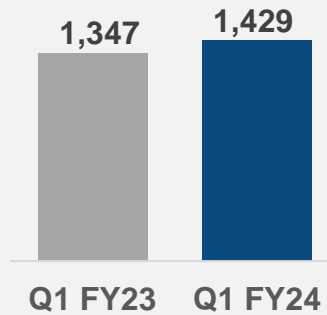
Segment EBIT	Q1 FY23	Q1 FY24	YoY	Q4 FY23	QoQ
ECD	229	182	-21%	218	-17%
ECD %	17.0%	12.7%	-430 bps	16.4%	-370 bps
Lighting	23	27	18%	30	-10%
Lighting%	8.8%	11.9%	+310 bps	10.9%	-100 bps
Butterfly	22	16	-27%	4	328%
Butterfly%	8.6%	7.3%	-130 bps	2.0%	+530 bps
Total	274	225	-18%	252	-11%

Crompton Performance

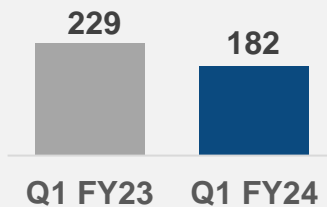
ECD Performance: Growth driven by Premium Fans and Appliances category; in Pumps agri segment delivered growth

Performance

Revenue (Rs. Cr)



EBIT (Rs. Cr)



Highlights

1

Segment grew by 6% YoY driven by growth in Appliances category

- ❑ **Fans** exhibited growth of 5% YoY aided by strong growth momentum in ceiling premium Fans at (22% YoY) and TPW Fans.
 - Within premium range, growth was led by BLDC segment. More decorative offerings added in the BLDC range such as Baby Enso and Groove with Energy savings of 50%
 - Growth in TPW was driven by East market, E-commerce and through channel expansion & new product launches
 - Media campaigns on 'star rated fans' and 'ActivBLDC' has resulted in good traction with high SOV
- ❑ **In Pumps**, growth in Agricultural and Speciality Pumps was offset by Residential Pumps which remained flat
 - While the volumes in Residential segment grew marginally, the overall growth was impacted by unseasonal rains
 - Focus on improving traction in alternate channel resulted in 70% YoY growth
- ❑ **Appliances** category delivered strong performance across Q1 driven by growth in kitchen appliances and seasonally strong Air coolers
 - Core categories like Water Heaters and Air coolers combined grew by 11% YoY
 - Focused category Mixer Grinder grew by >50% YoY
- ❑ **Built-in Kitchen Appliances** Q1 revenue stood at Rs. 11 Cr led by Chimney & Hobs

2

EBIT margins stood at 12.7%

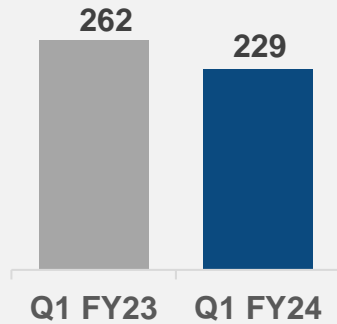
- ❑ On account of increased A&P spends
- ❑ Includes loss of Rs. 7 Cr in Built-in Kitchen Appliances

Lighting Performance: Margin improvement despite Revenue decline and significant pricing pressure

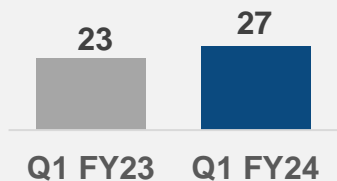
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Performance

Revenue (Rs. Cr)



EBIT (Rs. Cr)



Highlights

1

Lighting segment declined by 13%

- Actions on restructuring portfolio initiated with focus on:
 - Strengthening dealer network with range addition – e.g. expanding and driving placement of outdoor range
 - Driving premiumisation – e.g. extending the ‘Trio’ property across categories
- Focused B2C Sales organization structure created; Lighting B2C sales integrated into business
- Demand for B2C Lighting has been subdued across industry
- Pricing reductions, especially in Bulbs and Battens, led to lower channel stocking

2

Lighting EBIT margins improved by 310 bps YoY to ~12%; EBIT growth 18%

- Cost initiatives, both indirect and direct, led to expansion in margin

Fans and Air Coolers campaigns to drive awareness

1 star rated fans campaign film

STAR-RATED POWER ENERGY-EFFICIENT FANS. Ab sabke budget mein.

Highest SOV of 35% for Crompton Fans in media

BLDC fans campaign film

Ace Electricity Bill

Why is ActivBLDC > BLDC?

Digital: Influencer videos to drive discoverability

Fans

14 Influencer Videos, 5.2 Lakh+ Views

Energron Chromair vs Atomborg RenssaPlus | Product Comparison

Crompton SilentPro Enso BLOC FAN demo and review

Budget Fan with Remote - Crompton Energron Vs Atomborg Renssa Comparison!

Anti-Dust Crompton Ceiling Fan

Crompton Energron Groove Vs Atomborg Renssa Plus | Best BLDC Ceiling Fans Comparison & Review 2023

Air Coolers

6 Influencer Videos, 2.3 Lakh+ Views

Crompton Marvel Neo 40 Air Cooler

DRY RUN PROTECTION Crompton Jedi PAC 35 Air Cooler Review

Air Coolers Campaign



Highest SOV of 41% for Crompton Air Coolers in media





Fans:

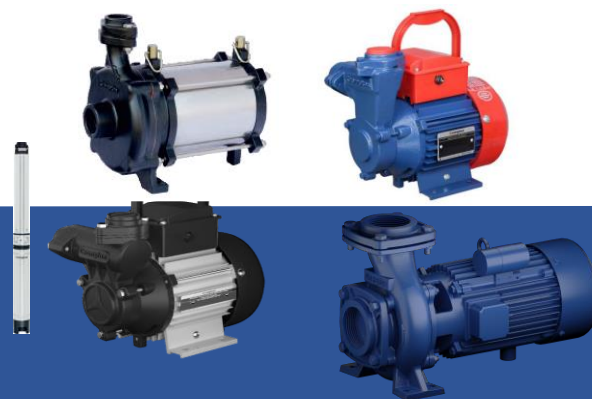
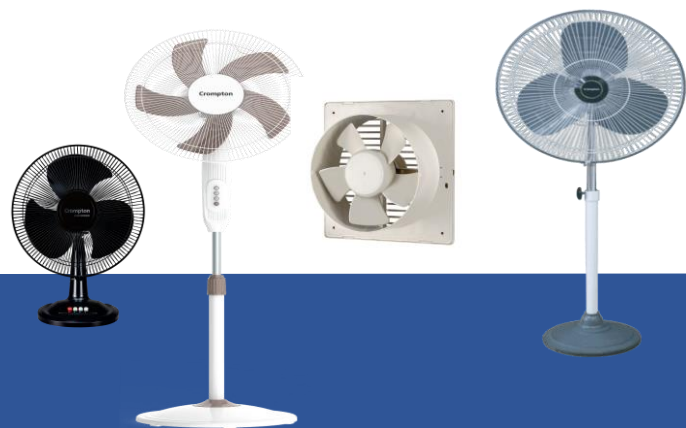
- **Toro** – star rated, anti-dust, anti-rust, wider blades
- **Groove 36”** – BLDC, remote control, high speed, 5 star rated
- **Baby Enso 36”** – BLDC, smart remote, noiseless, 50% energy saving
- **Gale Classic TPW 400 mm**- high speed TPW, soft indexing, oscillation
- **PentaPro** – 5 blades, higher air delivery, refreshed aesthetics, silent operations
- **Axial Air 200 mm** – exhaust, silent operation, durable & sleek

Pumps:

- **Master, Star & Champ Dura** – Mini series, tank filling speed (20-40% faster), anti-jam winding & insert, anti-drip
- **4VO Plus** – 4 Star Series with High starting torque with winding to prevent pump jamming, energy saving
- **Ultimo/Nile Plus** –Wide voltage operation, Anti-drip adapter with ‘F’ Class insulation.
- **OW revamp series** – Revised design for Energy efficient operations
- **Bigger Frame MBG**- Better hydraulics for enhanced performance

Lighting:

- **Trio Batten** – premium range, first in the Industry with indirect lighting mode with low glare reducing the strain on eyes
- **Gate Lamps** – range of outdoor and garden lights with 1 year warranty
- **Strip Light** – decorative strip light with 120 Led/m
- **LED Torches** – unique designs, superior quality, rechargeable torches



Mixer Grinders



- **Fresh Mix Juicer** – high grade SS mesh for maximum juice extraction; unbreakable with transparent lids for increased durability; leakage free jars
- **DS51 Plus** – motor stability, inbuilt pulse switch, SS Jars, ergonomic jar Handles, overload protector

Water Heaters



- **Classic Vertical (6L/10L/15L)** – powerful heating, 4-star rated, advanced 3-level safety
- **Solarium Neo** – tank for long life
- **Solarium Care** – 5 star rated, customized bath modes, superior glass line coating, smart shield corrosion protection
- **Rapidjet** – 4 level safety, anti-siphon protection

Small Domestic Appliances



Electric Kettle:

- **Insta Delite 1.5L/1.8L**

Rice Cooker:

- **Harvest Pro Non-stick with 1.8L**

Dry Iron:

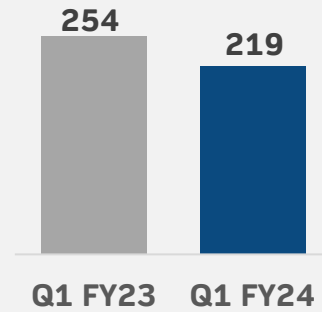
- **Allure**
- **BrioXL**

Butterfly Performance

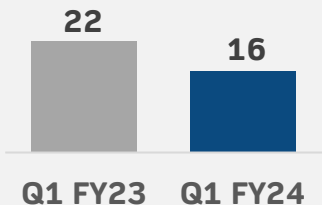
Butterfly Performance: Strategic channel restructuring led to growth in retail channel and material margin improvement

Performance

Revenue (Rs. Cr)



EBIT (Rs. Cr)



Highlights

1

Revenue declined by 14% while retail channel continues to grow strongly for consecutive quarters

- Strong double-digit growth in General & MOR channels
- Channel rebalancing between Retail and E-commerce completed; non-core channel de-risking underway
- Share of business from new products at 14% of total Q1 Sales
- Carried out several ATL & BTL activities to support new product launches, strengthen the 'Butterfly' brand and increase consumer awareness.
- Company's market position remained relatively unchanged even though the industry continues to face demand challenges.
- Continued our endeavor to strengthen our people, processes and compliance – resulting in lower attrition and fewer safety related incidents

2

Material Margin at 42%, expansion of 650 bps YoY. Significant improvement driven by rebound in Trade channel along with value engineering.

Marketing Campaigns

Butterfly 40
Super Upgrade Offer
 April 16 - May 16

Upgrade your kitchen with Butterfly, for a super efficient and healthier cooking.

EXCHANGE OFFER
UP TO 45% OFF*
 On all Butterfly products

OUR BEST-SELLERS

<p>TRIPLY TEZ Pressure Cooker</p> <p>5-layer stainless steel for 20%* faster, even and healthy cooking.</p> <p>2L MRP ₹2,699 3L MRP ₹2,999 5L MRP ₹3,899</p>	<p>BLUELINE SPILLFREE Pressure Cooker</p> <p>Deep lid cookers. No more spillovers.</p> <p>2L MRP ₹2,399 3L MRP ₹2,699 5L MRP ₹3,499</p>
<p>ELEKTRA Food Processor</p> <p>5.5HP 1000W</p> <p>MRP ₹11,999</p>	<p>MAGNUM Mixer Grinder</p> <p>1.2 HP 1100W 100 WATT</p> <p>1L MRP ₹7,199 4L MRP ₹8,299</p>

UPGRADE YOUR COOKING EXPERIENCE.

AVAILABLE AT ALL LEADING STORES | CUSTOMER CARE: 9562 01 9562

Digital Campaigns

TARLA DALAL MOVIE COLLAB

57th JULY

Butterfly

TARLA

TAMIL NEW YEAR - YOUTUBE

Butterfly

Consumer Interactions



Cooking contest at Karnataka in 24 Cities with 500+ participants at each event



Kalyanamalai Event at Tamil Nadu in 10 Towns with 500+ participants at each event

Cooking



Stainless Steel Gas Stove:

- **Bolt 3B** – Stainless Steel 3 burner gas stove with jointless body, jumbo burner, 360-degree nozzle, spill tray

Glass-Top Gas Stove:

- **Prime 2B** – Glass top with SS frame for extra durability; for price conscious consumers without compromising on build & quality

Food Processing



Mixer Grinder:

- **Magic MG (750 W)** - grinding , chopping, Atta Kneading & Juicing Functions

Wet Grinder:

- **TTWG (110 V)** - compact 110 V for US & Canada consumers. Easy to carry on-the-go

Cookware Range



Kettle:

- **Multi Kettle 1.2L**– Multi-purpose - Cooking, Heating, Egg Boiling, Veg. Boiling, Noodles Making, Heat Resistant Handle, Automatic Shut-Off

Cooker:

- **Thermal cooker** – Premium Stainless-Steel material, Energy efficiency, time savings, Traditional cooking pot in Kerala

Financial Performance

Crompton Consolidated Financial Performance: Although Revenue remained flat, maintained overall profitability due to mix and margin improvement

Particulars	Q1 FY24	Q1 FY23	Y-o-Y	Q4 FY23	Q-o-Q
Net Sales	1,877	1,863	1%	1,791	5%
Less: Material Cost	1,298	1,278	2%	1,226	6%
Material Margin	579	585	-1%	565	2%
Material Margin %	30.8%	31.4%		31.5%	
EBITDA	186	220	-16%	211	-12%
EBITDA %	9.9%	11.8%		11.8%	
Less: Depreciation & Amortization	29	28	6%	30	-4%
EBIT	157	192	-19%	181	-14%
EBIT %	8.3%	10.3%		10.1%	
Less: Exceptional Item	0	6	-100%	0	
Less: Finance Cost	21	23	-9%	27	-25%
Add: Other Income	20	10	90%	17	18%
PBT	156	174	-10%	170	-9%
PBT %	8.3%	9.3%		9.5%	
Tax Expenses	34	48	-29%	39	-13%
PAT	122	126	-3%	132	-7%
PAT %	6.5%	6.8%		7.3%	
EPS	1.86*	1.99*		2.07*	

Highlights

- Revenue growth at 1% YoY; ECD grew by 6%; softness in Lighting and Butterfly
- Material Margin at 30.8% majorly due to:
 - Higher BEE costs in Fans
 - Price corrections in pumps
 - This was positively offset by improvement in margins in lighting and appliances as well as rebound in Trade for Butterfly
- EBITDA Margin at 9.9% on account of higher A&P spends at ~4.5% during the quarter vs ~3.0% for Q1 FY23
- PAT & PAT Margin remained flat
- We continue to operate on negative working capital with strong cash generation from operations in Q1

CSR



Water Conservation



Project Jal Jeevan

Aim to increase the ground water and support villages to be water neutral



Skill Development



Project Nayi Disha

To provide employable skills to youth around manufacturing units

Project Swabhiman

Entrepreneurship support to small scale enterprises and boost local economy

Project Samrudhi

To upskill existing technicians working in the informal sector and increase their livelihood



Education



Project Umang

Enabling girl students to pursue higher education through scholarship support for a brighter future

Project Patang

Learning curve of students from government schools to be improved in Languages and Mathematics



Employee Engagement



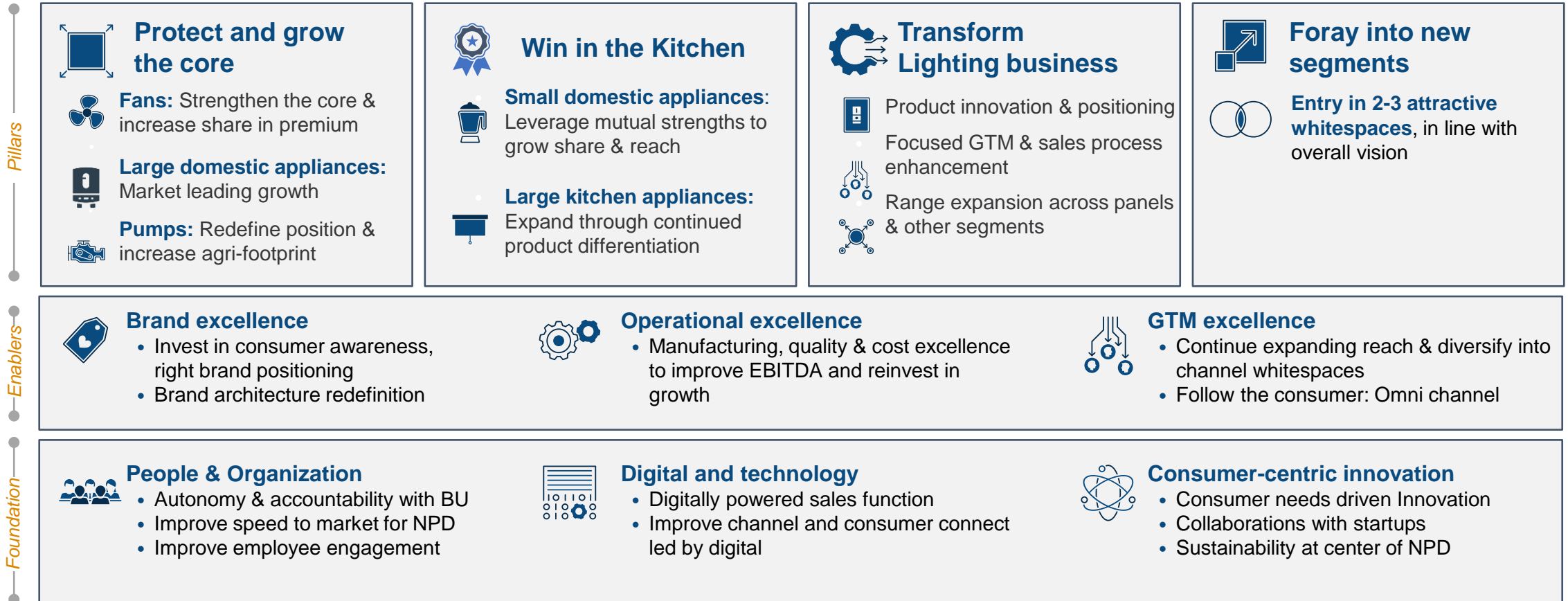
Crompton Care

On Environment Day, Crompton employees donated 1,260 kgs of old clothes to make 400 upcycled school bags for needy students

Key Strategic Tenets

Crompton 2.0:

Accelerated growth at healthy margins to deliver strong TSR



Crompton



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