

We put all our energy  
into saving yours



**ANALYST CALL October 16, 2014**  
**Q2 & H1 FY 15 Results**  
**DEMERGER & THE WAY FORWARD**



# Agenda



Smart solutions.  
Strong relationships.

## Q2 FY15 Results

Asset disposal

Rationale & plan for demerger

Q&A



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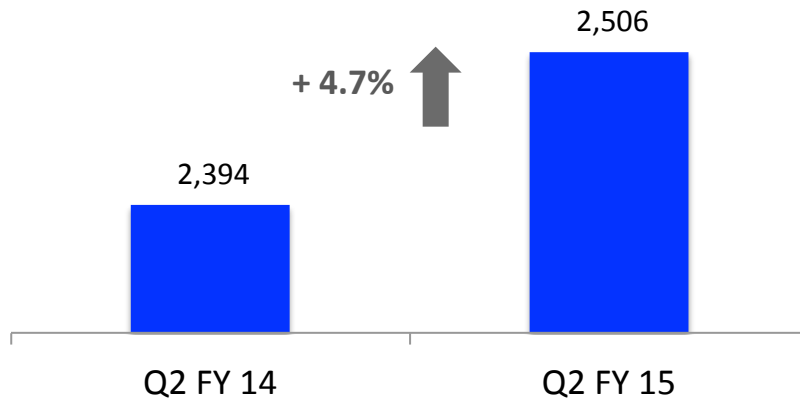
# Q2 & H1 FY15 Highlights - CG Global



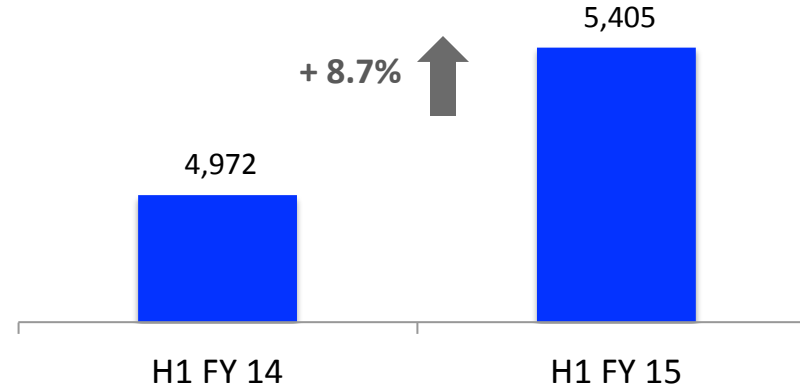
Smart solutions.  
Strong relationships.

INR Cr.

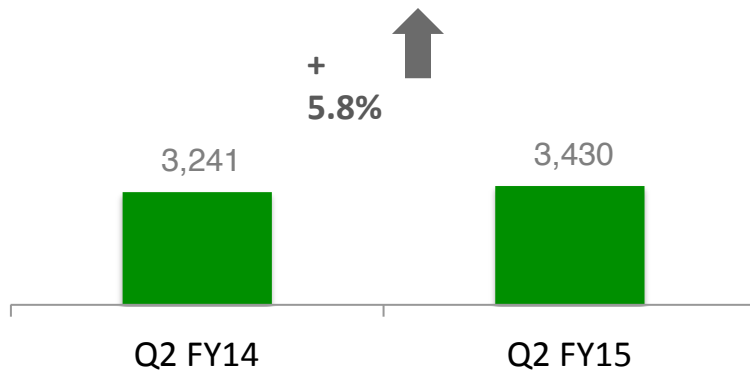
## Orders



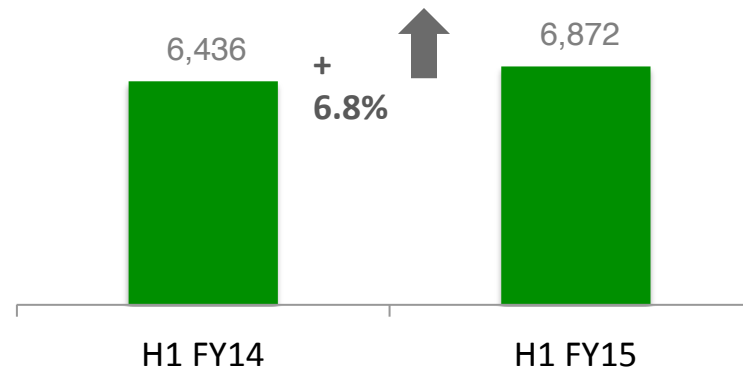
## Orders



## Revenue



## Revenue



Healthy Order Backlog- UEOB: 9,108 Crore

Strong sales growth; Robust Order Intake



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# Consolidated Financials - H1 2015



Smart solutions.  
Strong relationships.

	HY Sept 2013	HY Sept 2014	Change	INR Cr. Except EPS
Revenue	6,436	6,872	6.8%	
EBITDA w/o Other Income Margin	306 4.8%	341 5.0%		
EBIT	255	292		
PAT	118	134	12.8%	
EPS	1.86	2.13		

# Consolidated Segment Results - H1 2015



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Strong relationships.

	HY Sept 2013	HY Sept 2014	Change	INR Cr.
<b>Power</b>				
Order Intake	3,923	4,308	9.8%	
Revenue	3,870	4,157	7.4%	
EBIT	68	83		
<i>EBIT Margin</i>	1.8%	2.0%		
<b>Consumer</b>				
Revenue	1,477	1,604	8.6%	
EBIT	171	198		
EBIT Margin	11.6%	12.3%		
<b>Industrial</b>				
Order Intake	1,048	1,098	4.8%	
Revenue	909	914	0.6%	
EBIT	72	73		
<i>EBIT Margin</i>	7.9%	8.0%		



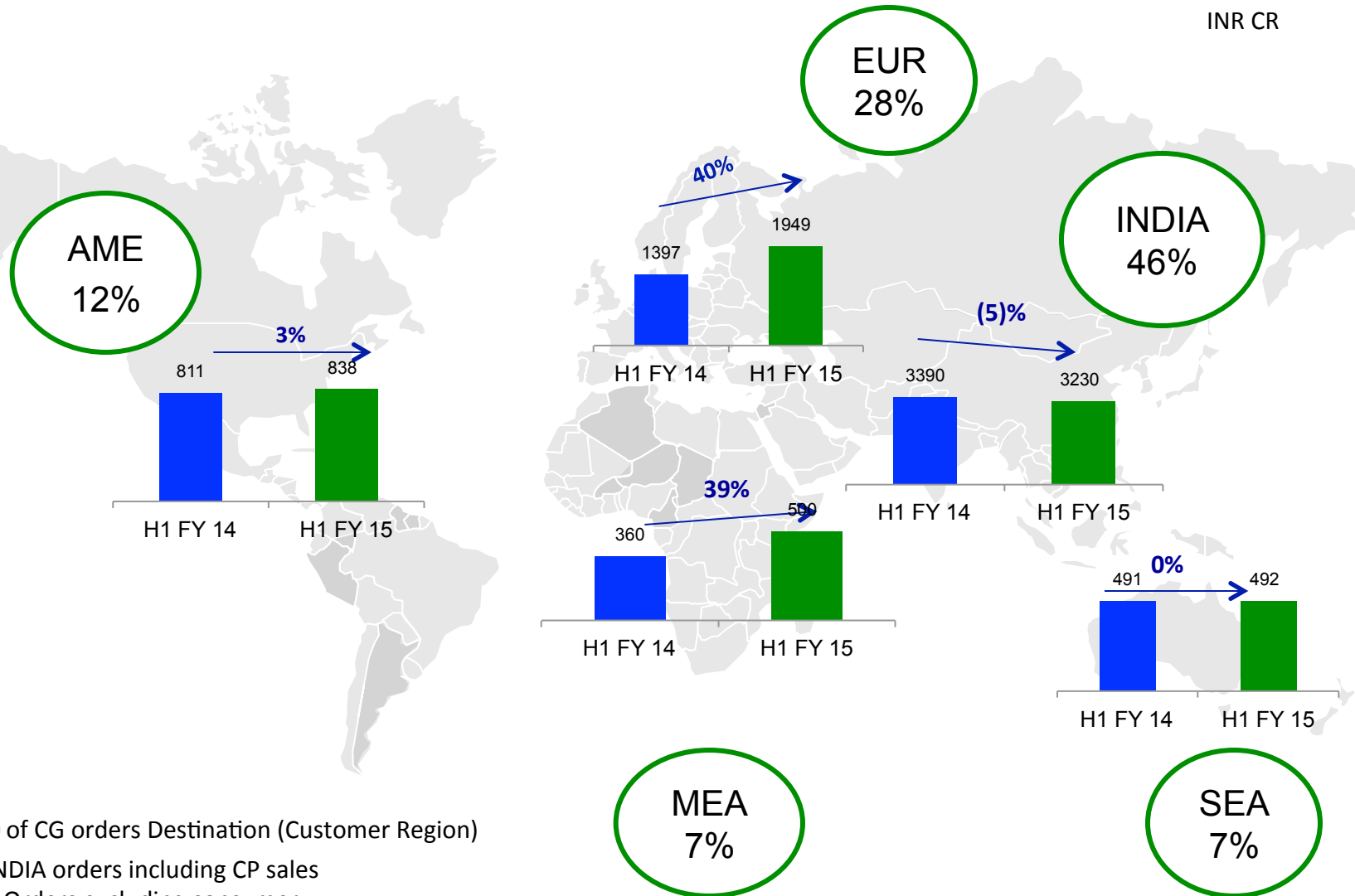
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# Orders Split & growth by Region- H1 FY 14-15



Smart solutions.  
Strong relationships.

INR CR



% of CG orders Destination (Customer Region)

INDIA orders including CP sales

^ Orders excluding consumer

Export orders account for 26% of India Orders<sup>^</sup>



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# Agenda



Smart solutions.  
Strong relationships.

**Q2 FY15 Results**

**Asset disposal**

**Rationale & plan for demerger**

**Q&A**



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## Sale of land

As part of its continuous asset optimisation initiatives, the Board of Directors of the Company has approved entering into a definitive agreement for sale of a portion of its land parcel at Kanjurmarg, admeasuring approx 8 acres to Ms. Evie Real Estate Private Ltd for an aggregate sum of Rs.302.26 crores.



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# Two different businesses under the same umbrella



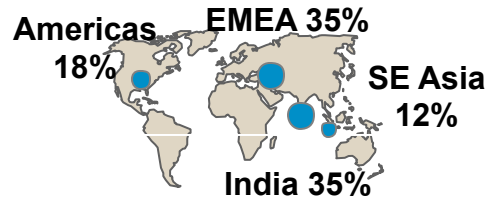
## Engineering & Infrastructure

## Domestic electrical appliances

Customer



Regions



Channels

- Direct

- Multichannel

Key Success Factors

- Technology
- Cost leadership

- Brand
- Products
- Marketing

Two strong businesses

# Benefits of the de-merger are substantial



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Strong relationships.

## Strategic

- Agile & focussed strategies
- Compete with distinct competitors in channels and products
- Potential to tie up with global partners

## Operational

- Specialized board & management
- Simplified organization structures
- Customised infra-structure & processes

## Financial

- Unlock shareholder value
- Cost & cash cycle optimization
- Focused investor opportunities

**Strong potential to create value**



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# Demerger to be completed by November 2015



## Structure

- Two entities - Crompton Consumer Products Limited (CCPL) & Crompton Greaves Limited (CGL)

## Indicative timing

- Oct'14- Aug'15: Requisite filings approval from stock exchanges, shareholders, creditors and high court
- Nov '15- Proposed listing of CCPL

## Holding structure

- CGL to hold 25% + one share of CCPL
- Share entitlement ratio: 3 :4

## Closing condition

- Obtain approval from regulators and High court

**Work underway for a successful demerger**

# Two entities going forward



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Strong relationships.

	CGL	CCPL
FY14 Revenue Mix		
Revenue Growth	<ul style="list-style-type: none"><li>• FY11 to FY14 growth: 9%</li></ul>	<ul style="list-style-type: none"><li>• FY11 to FY14 growth: 12%</li></ul>
Key product segments	<ul style="list-style-type: none"><li>• Power conversion – motors, generators and drives</li><li>• T&amp;D</li><li>• Automation</li></ul>	<ul style="list-style-type: none"><li>• Table, wall &amp; ceiling fans</li><li>• Household &amp; Agricultural pumps</li><li>• LED &amp; CFL lights &amp; luminaires</li><li>• Small domestic appliances</li></ul>
Key customer segments	<ul style="list-style-type: none"><li>• Power &amp; utilities</li><li>• Railways</li><li>• Oil &amp; Gas</li><li>• Mines &amp; minerals</li></ul>	<ul style="list-style-type: none"><li>• Households</li><li>• Commercial</li><li>• Institutions</li></ul>

**Focused and agile businesses**



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# CGL value drivers



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## Offering



- Smart grid & electronics
- UHV - Transmission
- Power conversion

## Go to market



- Services and systems offering
- Geographical expansion
- Vertical specialization
- Account mgmt

## Sourcing



- Vendor rationalization
- Centralized procurement
- Best cost country sourcing

## Manufacturing excellence



- India manufacturing hub strategy
- Lean operating model



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# CCPL value drivers



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Strong relationships.

## Brand positioning



- Pricing
- Advertising and brand building
- In-store experience
- Finish & aesthetics

## Offering



- LED & Luminaires
- Kitchen appliances
- Premium fans & geysers

## Reach



- Deepen & expand beyond tier-1
- Capturing counter share
- Modern trade & e-retail

## Cost & SCM optimization



- Rationalize footprint
- Make v/s buy optimization
- Best cost sourcing



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## CGL



### Market conditions

- Demand revival for energy efficient and smart grid infrastructure
- Market moving towards consolidation

### Why are we ready?

- Integration of acquisitions completed & synergies captured
- CGL has reached the critical mass to establish global position

## CCPL



- Consumer demand revival
- Increasing preference for brands, faster product cycles, larger premium segment

- Consumer business has reached the right size to operate independently
- Crompton is a brand ready to be leveraged for acceleration

Two potential leaders



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