



## BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

March 25, 2023

To, The Manager - Listing <b>BSE Limited ("BSE")</b> , Corporate Relationship Department, 2nd Floor, New Trading Ring, P.J. Towers, Dalal Street, Mumbai – 400 001.	To, The Manager - Listing <b>National Stock Exchange of India Limited ("NSE")</b> , "Exchange Plaza", 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East), Mumbai – 400 051.
<b>BSE Scrip Code: 517421</b>	<b>NSE Symbol: BUTTERFLY</b>
<b>ISIN: INE295F01017</b>	<b>ISIN: INE295F01017</b>

Dear Sir/Madam,

Sub: **Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

- i) Press Release
- ii) Investor Presentation

This is in continuation of our earlier letter today dated March 25, 2023, informing approval of the Board in respect of Scheme of amalgamation of the Butterfly Gandhimathi Appliances Limited with Crompton Greaves Consumer Electricals Limited. In this regard, please find attached the following:

1. Press Release
2. Investor presentation

The above information is also being made available on the website of the Company at [www.butterflyindia.com](http://www.butterflyindia.com)

Kindly take the above information on record and acknowledge.

Thanking you,

**For Butterfly Gandhimathi Appliances Limited**

**R. Sriram**  
**Managing Director**  
**DIN:09550640**

Encl: a/a

## **Crompton Greaves Consumer Electricals Ltd. (“Crompton”) and Butterfly Gandhimathi Appliances Ltd. (“Butterfly”) announce merger**

- *Merger is expected to accelerate & smoothen the realization of synergies of the combined business*
- *Simplification of corporate and governance structure and convergence of public shareholders of Butterfly at parent level*
- *Alignment of interest for shareholders of both companies with benefits to all stakeholders*

March 25, 2023: Crompton and Butterfly, today, announced a proposed scheme of amalgamation of Butterfly with Crompton (“**Merger**”).

Upon Merger, the public shareholders of Butterfly as on the record date will receive 22 equity shares of Crompton for every 5 equity shares held by them in Butterfly, as a consideration for the Merger. Post-Merger, the public shareholders of Butterfly will hold ~3.0% stake in the combined entity.

The scheme is subject to the necessary statutory and regulatory approvals including approval of the stock exchanges, SEBI, the respective shareholders and creditors of each of the companies and NCLT (Mumbai and Chennai benches).

### **Strategic Rationale for the Merger**

The Merger will unlock various revenue and cost synergies, achieve economies of scale by pooling the combined resources and provide an impetus to grow across all parts of India. The combined entity is expected to benefit from pooling of human capital that has diverse skills, talent, and vast experience to compete in an increasingly competitive industry. Additionally, it will enable more efficient allocation of capital and result in simplification of the corporate structure.

**Mr. Shantanu Khosla, Managing Director – Crompton** said “The merger is an important strategic step in the Company’s journey and will help unlock the full potential of the combined businesses. It will enable a faster execution of our Go-To Market strategy and enable greater focus on product innovation. We are confident that this will create significant value for all of our stakeholders.”

**Mr. Rangarajan Sriram, Managing Director – Butterfly** said “The proposed merger will enable Butterfly to better leverage the pan-India reach of Crompton, integrate more closely with Crompton’s consumer appliances business and tap cross-selling opportunities. It will also provide greater avenues for growth and development of our people.”

### **Advisors**

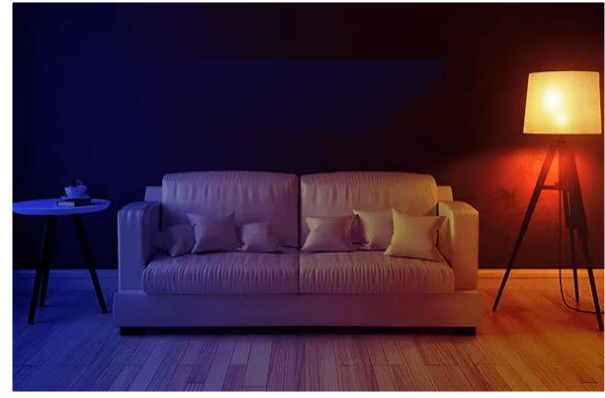
Kotak Investment Banking is the financial advisor and also provided fairness opinion to the Board of Directors of Crompton on the share exchange ratio. SBI Capital Markets provided the fairness opinion to Butterfly’s Board for the Merger. Ernst & Young Merchant Banking Services LLP and PwC Business Consulting Services LLP, the independent valuers appointed by Crompton and Butterfly respectively, have recommended a share exchange ratio for the Merger. Khaitan & Co acted as the legal advisor.

### **About Crompton Greaves Consumer Electricals Limited**

With a brand legacy of 80+ years, Crompton is India's market leader in the category of fans and residential pumps. Over the years, the organization has continuously strived to produce a range of innovative products that cater to the modern consumer including superior quality and high-performance water heaters, anti-dust fans, antibacterial LED bulbs and a range of other categories like air coolers, food processors like mixer grinders, electric kettles and garment care like irons. The company has further invested in brand and innovation to not only better understand and meet consumer needs, but to also help drive energy efficiency. The consumer business also has a well-established and organized distribution network driven by a strong dealer base across the country offering a wide service network and robust after sales service to its customers. Connect with us on [www.crompton.co.in](http://www.crompton.co.in)

### **About Butterfly Gandhimathi Appliances Limited**

Butterfly is a leading manufacturer/marketer of domestic kitchen and domestic electrical appliances under the 'BUTTERFLY' brand. Leading products are LPG Stoves, Mixer grinders, Table Top Wet Grinders, Pressure Cookers, Stainless Steel Cookware and Non-Stick Cookware. Connect with us on [www.butterflyindia.com](http://www.butterflyindia.com)



# Investor Presentation

On Proposed Merger

March 2023

# Disclaimer

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This presentation has been prepared by Crompton Greaves Consumer Electricals Ltd. ("**Crompton**") and Butterfly Gandhimathi Appliances Ltd. ("**Butterfly**") for information purposes only in relation to a potential arrangement between Crompton and Butterfly pursuant to the scheme of amalgamation and solely for the use of person to whom it is addressed. By attending the meeting where this presentation is made or by reading the slides of this presentation, you agree to be bound by the following conditions.

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No statement in this presentation (including any statement of estimated synergies) is intended as a profit forecast or estimate for any period and no statement in this presentation should be interpreted to mean that cash flow from operations, free cash flow, earnings, earnings per share basis for any of Crompton or Butterfly, as appropriate, for the current or future financial years would necessarily match or exceed the historical published cash flow from operations, free cash flow, earnings, earnings per share or income on a clean current cost of supplies basis for any of Crompton or Butterfly, as appropriate.

This presentation includes statements that are, or may be deemed to be "forward-looking statements" and other estimates and projections with respect to management's subjective views of the anticipated future performance, financial condition, results of operations and businesses of Crompton or Butterfly. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. No assurance can be given that the forward-looking statements in this presentation will be realised. Forward-looking statements include, among other things, statements concerning the potential exposure of any of Crompton or Butterfly to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions including as to future potential cost savings, synergies, earnings, cash flow, return on average capital employed, production and prospects.

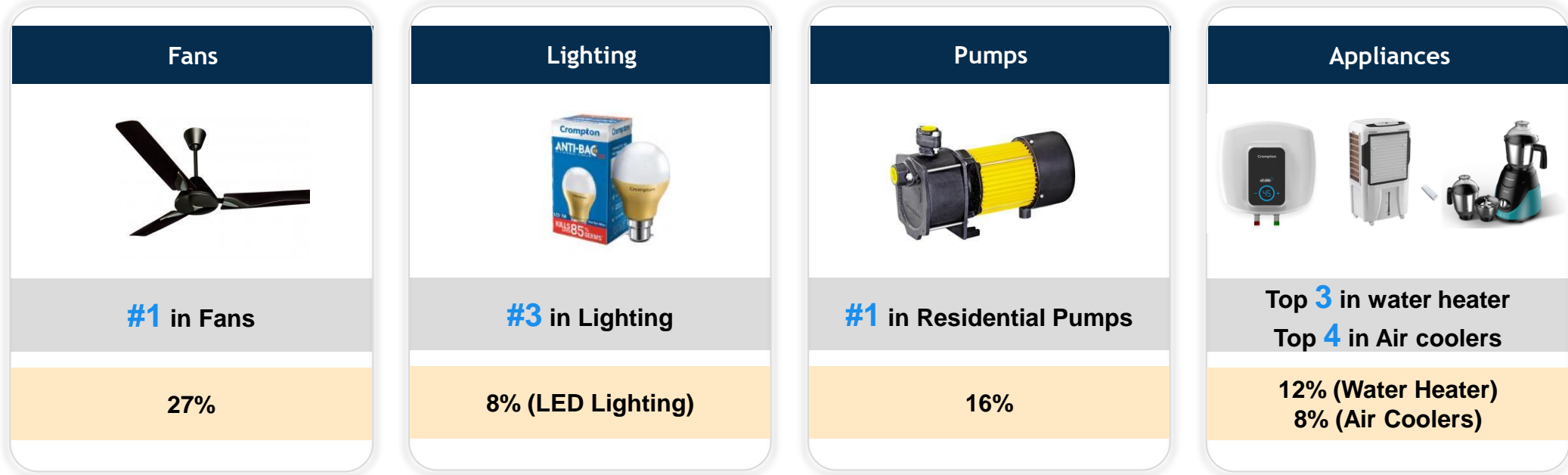
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Crompton is the #1 electrical consumer durables company with an 80+ year old brand and a pan-India footprint



Leadership



Market Share

**Market leading distribution reach**

Channel Partners – 4,000+  
Retailers – 1,50,000+

**Highly experienced management team**

Collective experience of 80+ years with Top Management

**Strong track record of product innovation**

~51% revenue from new products<sup>1</sup>

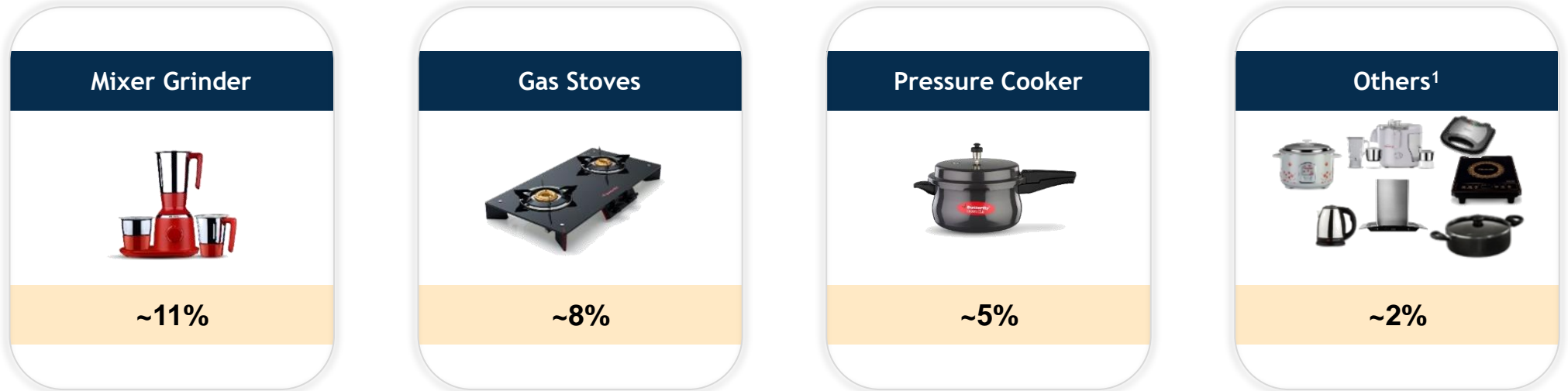
**Industry leading financial metrics**

17% PAT CAGR<sup>2</sup>  
155% FCF Conversion  
57% ROCE<sup>3</sup>

Source: Market size and market growth estimates based on Market Pulse and Management Estimates Note: (1) SKUs launched in the last 3 years are classified as new products (2) PAT CAGR is calculated based on reported PAT for FY16-22. (3) RoCE is adjusted for Butterfly acquisition.



Butterfly is a leading kitchen appliances player with a strong foothold in South India



**45+ year old brand**

Well reputed brand with high consumer recall in South, known for Aesthetics and Product Quality

**Top 3**

In core categories of Mixers, cookers, stoves in South-India

**123**

**No 1**

In South India for Wet Grinders and LPG Stoves

**500+ | 25,000+**

Exclusive Distributors

Total Touchpoints pan-India with deep penetration in South India

**E-Commerce**

**#1** in Flipkart in mixer grinders

**#1** in Flipkart and Amazon in wet grinders and gas stoves

**In-house Capability**

~80% of Revenues from In-house Manufactured Products

1. Others include non-stick cookware, chimneys, hobs, induction stoves, electric kettles, rice cookers, OTG, sandwich makers, water purifiers & coffee makers  
Source: Nirmal Bang Institutional Equities Research report, management and expert estimates, Butterfly sales data FY22

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## Crompton + Butterfly



### Transaction Overview

- ▶ Merger of Butterfly into Crompton
- ▶ Public shareholders of Butterfly to get Crompton's equity shares
- ▶ Transaction will result in a single listed entity



### Transaction Rationale

- ▶ Unlocking full potential of combined business
- ▶ Simplification of corporate structure
- ▶ Alignment of interest of all stakeholders



### Key Approvals Required

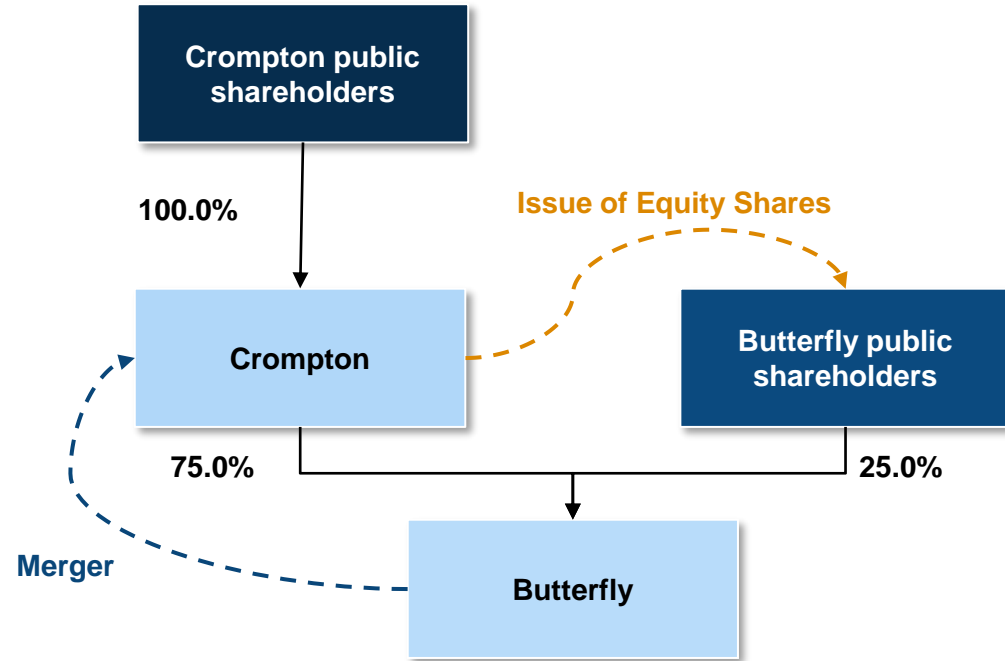
- ▶ Stock Exchanges and SEBI
- ▶ Shareholders', Creditors, NCD holders approvals
- ▶ NCLT (Mumbai and Chennai benches)
- ▶ Other regulatory approvals, as may be required



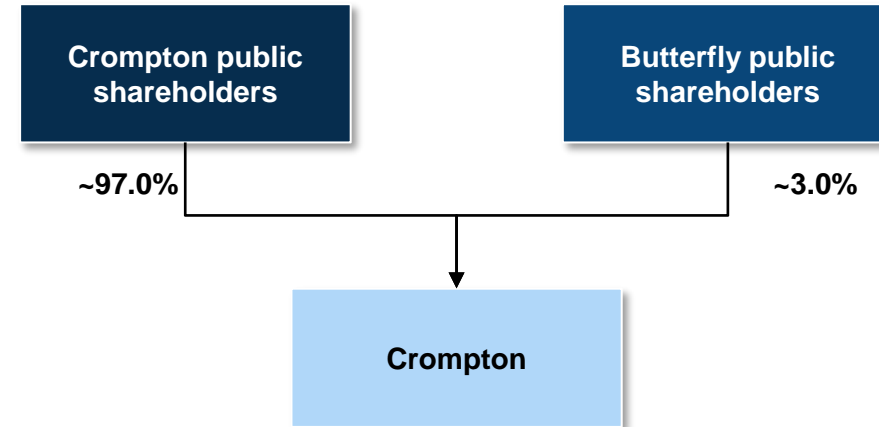
### Key Events & Indicative Timelines

- ▶ Announcement of Scheme: **Q4 FY23**
- ▶ Stock exchange and SEBI approval: **Q1 FY24**
- ▶ NCLT convened shareholders meeting: **Q2 FY24**
- ▶ NCLT approval: **Q4 FY24**
- ▶ Overall indicative timeline for effecting the Scheme: **12 – 14 months**

## Proposed Transaction



## Resultant Structure\*



## Transaction Overview

- Merger of Butterfly with Crompton
- As a consideration, the shareholders of Butterfly will be issued 22 equity shares of Crompton for every 5 equity shares held in Butterfly
- As part of this scheme, existing shareholding of Crompton in Butterfly will get cancelled

Note: \* Based on outstanding shares as of March 23, 2023

1

## UNLOCKING FULL POTENTIAL OF COMBINED BUSINESS

- Various revenue and cost synergies to be realized over short to medium term
- Faster Go-To-Market strategy for pan-India expansion
- Enabling greater scale for product innovation
- Ability to cross-sell products across channels
- Pooling of human capital with diverse skills

2

## SIMPLIFICATION OF CORPORATE STRUCTURE

- Simplification of the corporate and governance structure
- Unified corporate structure providing
  - greater operational flexibility
  - and more efficient allocation of capital

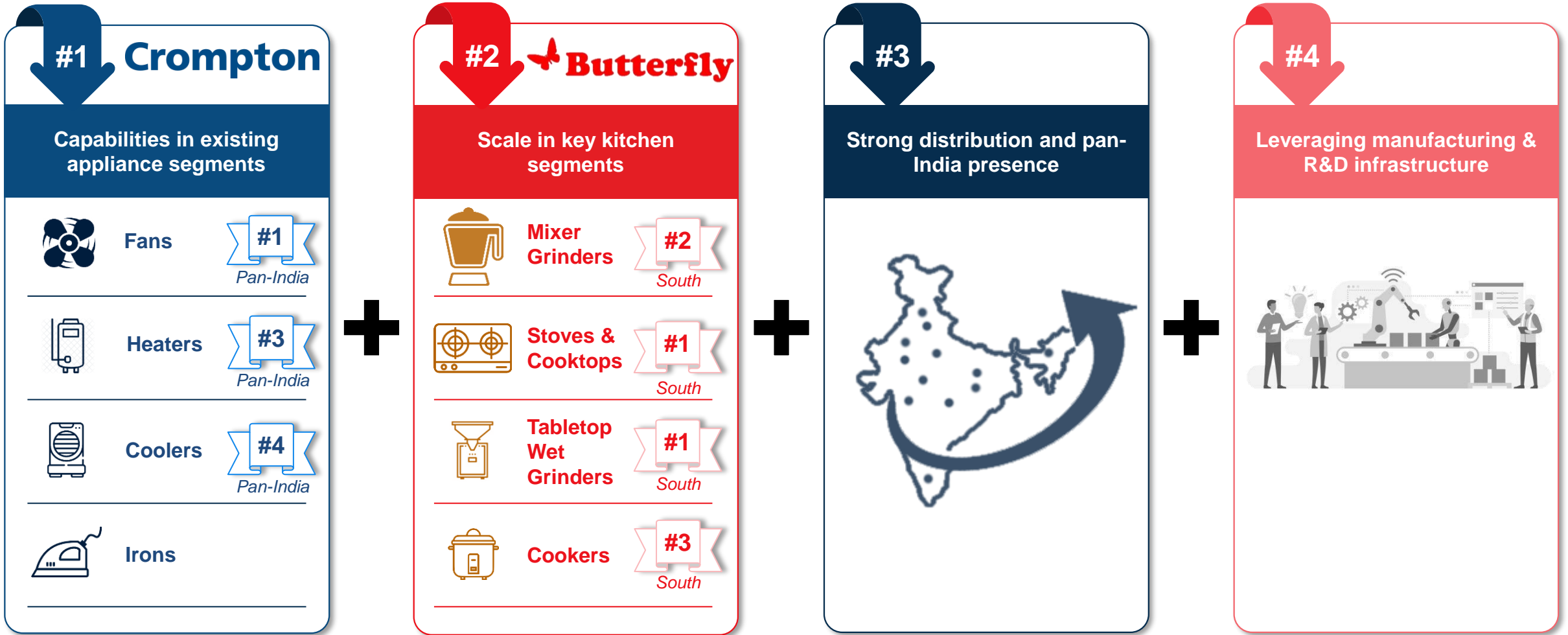
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## ALIGNMENT OF INTEREST OF ALL STAKEHOLDERS

- Converge the public shareholding of subsidiary at holding company level
  - Participation in a diversified appliance products business with wide geographical presence
- Both the sets of shareholders to benefit from the combined business synergies
- Greater avenues for growth and development of people

**Proposed merger expected to be EPS accretive from first year of it being effective**

# Unlocking Combined Business Potential

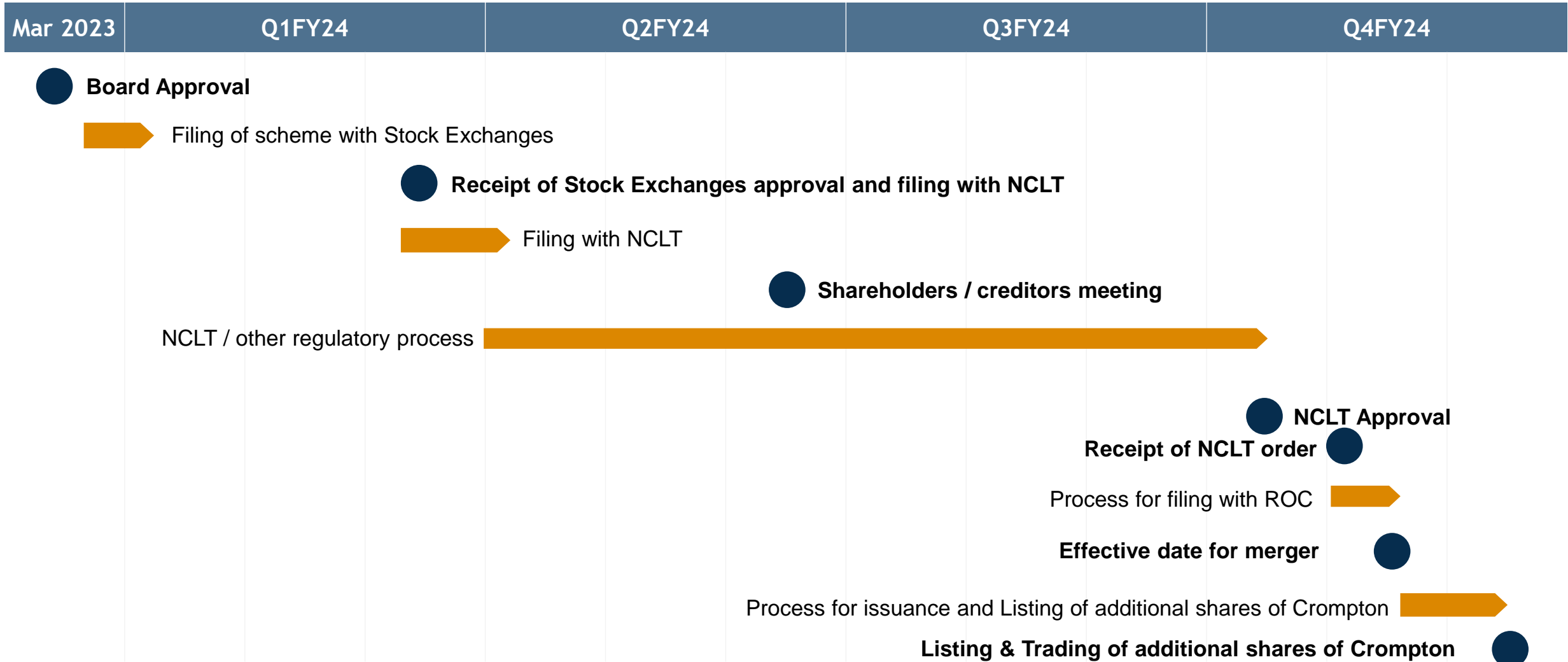


The proposed merger is a step in the right direction to unlock the potential of the combined business

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# Key indicative activities and timelines



Implementation of the scheme is expected to take around ~ 12 - 14 months subject to receipt of the requisite approvals



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**Crompton**  
Financial Advisor & Fairness Opinion Provider



**Butterfly**  
Fairness Opinion Provider



**Legal Advisor**



**Valuation Advisors**



Thank You!