Date: June 5, 2022

Dear Sir/Madam,

Sub: Investor presentation

Please find enclosed herewith the presentation to be made in an Investor Meet on June 7, 2022 & June 8, 2022.

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

Thanking you,

For Crompton Greaves Consumer Electricals Limited

Pragya Kaul
Company Secretary & Compliance Officer

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

- Large market with secular growth
  - INR 41,000 Cr. estimated to grow to INR 55,000 Cr.
  - 6% CAGR (22-27) \(^1\)

- Leading brand in Consumer Electricals
  - #1 in Fans
  - #1 in Residential Pumps
  - Top 3 in Lighting & Water Heaters

- Market leading distribution reach
  - Channel Partners – 4,000+
  - Retailers – 1,50,000+

- Highly experienced management team
  - 80+ Years of Experience with Top Management

- Strong track record of product innovation
  - ~50% revenue from new products \(^2\)

- Institutionalized cost saving program
  - 2-3% savings YoY

- Industry leading financial metrics
  - 17% PAT CAGR \(^3\)
  - 155% FCF Conversion
  - 57% ROCE \(^4\)

Source: Market size and market growth estimates based on Market Pulse and Management Estimates

Note: (1) Market growth across categories (2) SKUs launched in the last 3 years are classified as new products (3) PAT CAGR is calculated based on reported PAT for FY16-22. (4) RoCE is adjusted for Butterfly acquisition.
Crompton has cemented its position as the market leader in fans and residential pumps while delivering long term industry-leading profitable growth through strengthened product portfolio.

<table>
<thead>
<tr>
<th></th>
<th>Fans</th>
<th>Lighting</th>
<th>Pumps</th>
<th>Appliances</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market Share</strong></td>
<td>28%</td>
<td>8% (LED Lighting)</td>
<td>17%</td>
<td>13% (Water Heater) 8% (Air Coolers)</td>
</tr>
<tr>
<td><strong>Market Position</strong></td>
<td>#1</td>
<td>#3</td>
<td>#2</td>
<td>#3 (Water Heater) #4 (Air Coolers)</td>
</tr>
</tbody>
</table>

*Source: Market Pulse data for Fans and Lighting; Management Estimates for Pumps, Water Heaters and Air Coolers*
Crompton’s Five Dimensional growth strategy has delivered consistent, market leading performance by successfully enabling the business using technology resulting in greater people productivity, better process efficiency and more relevant products.

<table>
<thead>
<tr>
<th>Brand Excellence</th>
<th>Portfolio Excellence</th>
<th>GTM Excellence</th>
<th>Operational Excellence</th>
<th>Organisational Excellence</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Stepped up media spends</td>
<td>▪ Deployed refined 'New Product Development' stage gate process</td>
<td>▪ Improved ND &amp; WD in Fans and Water Heater</td>
<td>▪ Leveraged technology to improve OTIF (&gt;93% in FY 22) &amp; ‘0’ business disruptions in warehousing</td>
<td>▪ Launched dedicated learning platform for developing employee capabilities</td>
</tr>
<tr>
<td>▪ Launched brand campaigns for Fans, Lighting, Water Heater - Avg. 5% increase in Spont Recall</td>
<td>▪ Focus on four identified themes – Energy Efficiency, Healthy Living, Smart Connectivity &amp; Consumer Centric Design</td>
<td>▪ Increased share in Star &amp; A outlets (28% GoLY)</td>
<td>▪ Defined digital roadmap for the next phase of transformation journey</td>
<td>▪ Leveraged AI driven tools to gauge the concerns of the employees</td>
</tr>
<tr>
<td>▪ Improved traffic and discoverability through structured digital marketing</td>
<td>▪ Improved design quotient - SilentPro Enso wins prestigious IF Design Awards. Silentpro Blossom wins Reddot award</td>
<td>▪ Strong growth in focused alternate channels (FY 22 GoLY: ~182% in Rural, ~100% in L&amp;I, ~40% in ECom)</td>
<td>▪ Continued focus on Cost Control (FY 22 savings ~Rs. 203 Cr.)</td>
<td>▪ Actions to improve the Employee engagement survey in progress</td>
</tr>
<tr>
<td>▪ Re-defined brand architecture for Fans, Lighting and Pumps</td>
<td>▪ Setup of new R&amp;D centre including design studio (Facility Area : 47,183 Sq. Ft.)</td>
<td>▪ Increased digital engagement with channel partners</td>
<td>▪ Formed ESG committee to drive actions on the relevant areas</td>
<td>▪ Formed Diversity &amp; Inclusion Council and rolled out D&amp;I policy</td>
</tr>
</tbody>
</table>
### Key Investment Highlights

1. **Large market opportunity of >INR 550bn with attractive macro drivers**

2. **Leading brand in consumer electricals with market leadership and consistent market share gain across major categories**

3. **Widest pan-India distribution network with 4k+ channel partners and 150k+ retailers**

4. **Strong track record of product innovation with ~50% revenue from new products**

5. **Institutionalized cost savings program resulting in 2-3% savings YoY**

6. **Highly independent and experienced board with robust corporate governance processes**

7. **Demonstrated track record of robust growth and profitability with best-in-class ROCE & Cash Con.**

8. **Entry into adjacent categories in line with long term strategy plan**

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**Crompton**
## Consumer electricals present a huge market opportunity of INR 550bn* growing at ~6% CAGR

<table>
<thead>
<tr>
<th></th>
<th>FY 22 Est. Market Size (INR Bn)</th>
<th>Market Growth (CAGR 22-27)</th>
<th>Long Term Growth Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fans</td>
<td>106</td>
<td>5-7%</td>
<td>• Thrust on affordable houses under the Pradhan Mantri Awas Yojana</td>
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<td></td>
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<td>• Urban replacement cycle getting shorter due to premiumisation</td>
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<td></td>
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<td>• Accelerated shift to the organized sector</td>
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<tr>
<td>Lighting</td>
<td>140</td>
<td>4-6%</td>
<td>• Increasing adoption of connected lighting solutions</td>
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<td></td>
<td>• Higher spend on promoting tourism and city beautification projects</td>
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<td>• Government initiatives like the Smart Cities Mission, UJALA etc.</td>
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<td></td>
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<td></td>
<td>• Resurgence in commercial office space absorption</td>
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<tr>
<td>Pumps</td>
<td>67</td>
<td>6-8%</td>
<td>• Intensified demand for water and wastewater management</td>
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<td></td>
<td></td>
<td></td>
<td>• Increase in demand of high performance and energy efficient water pumps</td>
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<td></td>
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<td></td>
<td>• Implementation of ‘KUSUM’ scheme intending to install solar water pumps</td>
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<td></td>
<td></td>
<td></td>
<td>• Increase in demand in certain geographies due to ‘Har Ghar Nal Yojna’</td>
</tr>
<tr>
<td>Appliances</td>
<td>100</td>
<td>8-10%</td>
<td>• Rising demand for replacement of conventional water heaters with advanced systems</td>
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<td>• Growing demand among the middle class</td>
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<td></td>
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<td></td>
<td>• Rising temperatures and the lower price of air coolers as compared to ACs</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>• Demand for comfort home products due to behavioral shift in the new working culture</td>
</tr>
</tbody>
</table>

* Source: Market size estimates based on Market Pulse and Management Estimates
Future revenue growth expected to increase due to
(i) favourable demographics, (ii) strong regulatory tailwinds, (iii) low penetration and premiumization

### Favourable Demographics

| Rising disposable income (GDP Per Capita, in US$) - Statista |
|-------------------------|---------|
| FY 16                   | 1,732   |
| FY 21                   | 2,191   |
| FY 26 (E)               | 3,115   |

| Increasing urbanization (% of total population) - The Wire |
|-----------------|---------|
| FY 16           | 32.8%   |
| FY 21           | 34.4%   |
| FY 26 (E)       | 36.0%   |

### Government push

**Focus on Housing for All** (Central govt. budgetary allocation, in INR bn) – PrsIndia.org

<table>
<thead>
<tr>
<th>FY 16</th>
<th>FY 21</th>
<th>FY 22</th>
</tr>
</thead>
<tbody>
<tr>
<td>89</td>
<td>467</td>
<td>545</td>
</tr>
</tbody>
</table>

### Increasing Penetration and Channel Dynamics

| Increasing penetration – Statista, India Residential Energy Survey |
|-------------------------|---------|
| LED Bulbs               | 88%     |
| Fans                    | 80%     |
| Mixer Grinder           | 35%     |
| Air Cooler              | 17%     |

### National Infrastructure Pipeline (NIP): Extension of initial sanctioned Rs. 111 lakh Crore towards to cover 7,400 projects

<table>
<thead>
<tr>
<th>FY 16</th>
<th>FY 21</th>
<th>FY 26 (E)</th>
</tr>
</thead>
<tbody>
<tr>
<td>36.0%</td>
<td>34.4%</td>
<td>32.8%</td>
</tr>
</tbody>
</table>

### Ecommerce acceleration - Transforming online consumer and dealer experience

- Expected revenue CAGR 2022 - 2025 of 28%
- User penetration is expected to hit 65.6% by 2025 from 46.2% in 2021
Leading Brand: Strong brand recall

... with strong spontaneous recall across major categories; 20-30% improvement in the last 6 years driven by focused marketing efforts

**Key Actions**

- Mass media plan rollout for New Product propositions - Silent Pro, Energion, Aura Fans
- Advertised Fans on TV at least once a year. Digital used as a supplementary medium from FY19-20 onwards
- Enhanced TVC activity for 20%+ SOV in a media heavy category

**Key Actions**

- On ground activations, Print and Outdoor media adopted in key geographies to drive preference

**Key Actions**

- Digital used as a supplementary medium from FY19-20 onwards
- Enhanced TVC activity for 24%+ SOV
## Leading Brand: Consistent share gain

<table>
<thead>
<tr>
<th>Focus Segments</th>
<th>FY 16</th>
<th>FY 18</th>
<th>FY 22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fans</td>
<td>21%</td>
<td>28%</td>
<td>+650 bps</td>
</tr>
<tr>
<td>LTG - LED</td>
<td>4%</td>
<td>8%</td>
<td>+350 bps</td>
</tr>
<tr>
<td>Pumps</td>
<td>14%</td>
<td>17%</td>
<td>+300 bps</td>
</tr>
<tr>
<td>Geysers</td>
<td>6%</td>
<td>13%</td>
<td>+650 bps</td>
</tr>
<tr>
<td>Coolers</td>
<td>2%</td>
<td>8%</td>
<td>+400 bps</td>
</tr>
</tbody>
</table>

- **Fans**: New brand architecture has helped drive growth in the premium segment. Successful launch of Anti Dust and Aura 2.0 Fans.
- **LTG - LED**: Increased spend on advertising to drive awareness & consideration with 24%+ SOV. Product portfolio refresh has driven increased share.
- **Pumps**: Strong brand perception of residential pumps and focus on BTL activities aiding business growth.
- **Geysers**: Structured anchor and tactical campaigns and. Strong E-Commerce strategy.
- **Coolers**: Addressing product gaps translating to exponential growth.

*Crompton’s strong brand has not only strengthened share in the focus segments but also translated to strong performance in the growing appliance segment.*

Source: Market Pulse data for Fans and Lighting; Management estimates for Pumps, Water Heaters and Air Coolers
Go-to-Market: Wide pan-India footprint

Crompton has a pan India footprint with 4k+ distributors, 150k+ retailers and 620+ service centres

Executive Decisions

Reach, Extraction, Visibility
- MBO Expansion
- Star & A class outlets expansion
- Extraction based on norms

Expand Rural, Accelerate E-Commerce
- Ramp up infra 10k -100K pop strata
- E-Commerce excellence
- S.M.A.R.T reviews

B2B Funnel Management, Stakeholders Engagement
- Lead – Bid – PO
- Specifier engagement
- Focus on key accounts

Capability Development, Simplification & Service
- Competency framework for next level role
- Radical simplification of process
- Customer (DSAT) & consumer Experience
### Key Initiatives

**Channel Strategy**
- **Hybrid Model**: Introduced to help double active billing points
- **Rural Coverage**: Focused effort to tap into towns with 10-100K population
- **Product**: Leveraged Fans reach to push new products like Geysers & Coolers

**Processes**
- **People**: 3-tiered induction plan coupled with managerial excellence workshops for line managers
- **Channel**: Transparent and uniform channel policy, implemented RDP
- **After Sales**: Well established grievance redressed processes with monthly tracking to check losses

**Technology**
- **Tally Patch**: Enables connections with channel partners and retailers
- **Field Assist**: Sets beat plans and track performance for sales team
- **Dealer Portal**: Improves engagement and visibility for top customers

### Key Results

- **2,000+ new channel appointments in FY22**
- **28% increase in Star & A Class outlets sales**
- **89% of complaints resolved within 24 hr.**
- **93% of complaints closed with happy code**
- **>85% sales covered through tally patch**
- **>96% Field Assist app usage**
- **Increased engagement with top dealers via dealer portal**

**2,250+ new towns covered (10k-1 Lakh pop. centre)**

**1 lakh+ monthly billed outlets**
Rebooting rural business and creating rural centre of excellence

**Go-to-Market: Accelerating growth in alternate channels**

**Rurban (10k – 1 lakh pop. centre: ~21 Cr population)**

- Coverage as of Jun-21: 1,022
- Coverage as of Mar-22: 2,250
- Plan for Mar-23: 5,250
- Universe: 9,400

- Crompton – Super – Sub Stockiest – Retailer Model
- Core range in all 4 product lines
- Market coverage as per norms & enable secondary

**Rural (<10k pop. centre: ~78 Cr population)**

- Controlled distribution in partnership for the remaining rural population - CSC Grameen eStore, Micro Finance Institution

**Channel of the Future – ECommerce & MOR**

**E-Commerce**

- Revamped marketing
- Focus on driving power SKUs
- Joint business planning and forecasting with platforms
- Data backed discussions with platforms for POs
- Revamped S&OP process

**MOR**

- Presence in 1,000+ stores
- Best-in-class visibility & merchandising
- Maximise category reach per store / retail chain

**FY 22**

**FY 26**

- ~10x revenue growth
- 6x revenue growth

- #1 in Fans and Heaters
- ~10x revenue growth
Innovation: New product development driven by identified focused themes

**Energy Efficiency**
- Power / energy consumption
- Water consumption
- Energy efficient material
- Energy loss detector
- Energy savers

**Healthy Living**
- Antibacterial & Antifungal
- Virus Killing
- Pollution free
- Kitchen hygiene
- Bathroom hygiene
- Hygiene at house entry

**Smart Connectivity**
- Smart home
- Smart connectivity
- Smart appliance
- Smart product converters/ adapter
- Smart / Intelligent feature

**Consumer Centric Design**
- Comfort & Convenient
- Add exciting feature in available product
- Redefining the user perception
## Consumer Insight

<table>
<thead>
<tr>
<th><strong>Current Products</strong></th>
<th><strong>New Products</strong></th>
<th><strong>Key Features</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Anti dust designer fan with metallic finish - <em>Markle Designer</em></td>
<td><img src="image" alt="Markle Designer" /></td>
<td><strong>Markle Designer</strong> - Consumes just 55-Watt power, lowest in the segment</td>
</tr>
<tr>
<td>Energy efficient fan - <em>Energion HS</em></td>
<td><img src="image" alt="Energion HS" /></td>
<td><strong>Energion HS</strong> - 35W BLDC Motor consumers 50% less energy</td>
</tr>
<tr>
<td>Combination of style, silence and savings – <em>SilentPro Blossom</em></td>
<td><img src="image" alt="Blossom" /></td>
<td><strong>SilentPro Blossom</strong> - IOT fan with superior air delivery, attractive design and energy efficiency</td>
</tr>
<tr>
<td><strong>Fans</strong></td>
<td><img src="image" alt="Solar Pump" /></td>
<td><strong>Solar Pump</strong> - Easy installation BLDC pump in remote areas</td>
</tr>
<tr>
<td><strong>Lighting</strong></td>
<td><img src="image" alt="Mini Neo" /></td>
<td><strong>Mini Neo</strong> - Best in class design premium pump with 2 year warranty</td>
</tr>
<tr>
<td><strong>Pumps</strong></td>
<td><img src="image" alt="Armor Digital Control Panel" /></td>
<td><strong>Control Panel</strong> - Digital Display for current and Voltage</td>
</tr>
<tr>
<td><strong>Appliances</strong></td>
<td><img src="image" alt="Cool Breeze" /></td>
<td><strong>Cool Breeze</strong> - Modern aesthetics, designed with honeycomb pads with 4-way air deflection</td>
</tr>
<tr>
<td><strong>Cooling comfort – Cool Breeze</strong></td>
<td><img src="image" alt="Solarium Evo" /></td>
<td><strong>Solarium Evo</strong> - Superior Glassline Coating and smart shield corrosion protection</td>
</tr>
<tr>
<td><strong>Improved protection &amp; aesthetics - Solarium Evo</strong></td>
<td><img src="image" alt="Insta Fervor" /></td>
<td><strong>Insta Fervor</strong> - Quick heating with 400W heating element for large rooms</td>
</tr>
<tr>
<td><strong>Room Heater range - Insta Fervor</strong></td>
<td><img src="image" alt="Immensa" /></td>
<td><strong>Immensa</strong> - 16 million colours, voice control support using Amazon Alexa</td>
</tr>
<tr>
<td><strong>Star Lord</strong> - Ultra slim rim for wider light with wide voltage protection</td>
<td><img src="image" alt="Super Lumen" /></td>
<td><strong>Super Lumen</strong> - Wide light distribution - 2x brighter with metal body</td>
</tr>
<tr>
<td><strong>More space coverage - Super Lumen batten, Star Lord</strong></td>
<td><img src="image" alt="Star Lord" /></td>
<td><strong>Star Lord</strong> - Ultra slim rim for wider light with wide voltage protection</td>
</tr>
<tr>
<td><strong>Rust free anti jamming - Mini Neo</strong></td>
<td><img src="image" alt="Mini Neo" /></td>
<td><strong>Mini Neo</strong> - Best in class design premium pump with 2 year warranty</td>
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<td><strong>Dry run and voltage protection, Off-Timer - Armor Digital Control Panel</strong></td>
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<td><strong>Catering to solar pumps demand</strong></td>
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</tr>
</tbody>
</table>

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*Images not shown in the text.*
Buying Strategies
- Alternate vendor development
- Cost sheet-based negotiation
- Bundling of materials
- Bundling of geographies
- Low-cost country sourcing
- Consortium based purchase
- Reverse auction / e-Auction
- Commodity index-based purchase

Commercial Terms
- Price equalization
- Discounts based on Annual contracts
- Credit / Tax benefit pass back
- Payment terms and duration optimization
- Tax efficient procurement
- Share of business between vendors
- Hedging to counter volatility
- Centralized sourcing for suppliers

Process Improvements
- Avoid buying needless items
- Increased utilization of purchased items
- Rationalization of under-utilized items
- Proactive demand management
- Material order lot planning
- Compliance to policy and regulations
- Plant process norms optimization
- Transparency through central consolidation

Technical Modifications
- Standardization of SKUs
- Change of specifications
- Change of material of construction
- Move to better alternate products
- In-house vs Outsource
- Equipment efficiency measures
- Network flow optimization
- Market based material re-engineering

Continued cost saving program has driven meaningful margin expansion (YoY savings of 2-3% of revenue)
**Organisation being built for Sustained Excellence**

**Crompton**

**Crompton Behaviour Framework**

**Organisation Capability**
- Go-to-Market & Service Excellence
- Innovation and Category Management Excellence
- Quality and Manufacturing Excellence

**Employee Engagement**
- Driving engagement based on themes of Collaboration, Decision Making, Innovation and Learning & Development

**Best-in-Class HR Processes**
- Use of data through scientific tools
- Management development programs
- Leverage AI in talent management

**Employee Relations and Compliance**
- Driving 5-year LT Strategy
- Driving 100% compliance
- Building IR capability
## Highly Independent and Experienced Board

<table>
<thead>
<tr>
<th>Board Member</th>
<th>Work Ex.</th>
<th>Affiliations</th>
<th>FMCG</th>
<th>Marketing</th>
<th>Distribution</th>
<th>Operations</th>
<th>M&amp;A</th>
<th>HR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hemant Nerurkar</td>
<td>35+</td>
<td>Tata Steel</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<td>Shantanu Khosla</td>
<td>30+</td>
<td>P&amp;G</td>
<td>✓</td>
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<td>MD, Crompton</td>
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<td>Ex-MD &amp; CEO, P&amp;G India</td>
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<td>Mathew Job</td>
<td>25+</td>
<td>Racold, Grohe</td>
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<td>✓</td>
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<td>Exec Dir, CEO-Crompton, Ex MD – Racold</td>
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<td>D Sundaram</td>
<td>35+</td>
<td>HUL</td>
<td>✓</td>
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<tr>
<td>Independent Dir, Ex-Vice Chairman, HUL</td>
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<tr>
<td>P M Murthy</td>
<td>42+</td>
<td>Asian Paints</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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</tr>
<tr>
<td>Independent Dir, Ex-MD, Asian Paints</td>
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</tr>
<tr>
<td>Smita Anand</td>
<td>30+</td>
<td>Korn Ferry, AonHewitt</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Independent Dir, Ex-MD, Korn Ferry</td>
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<tr>
<td>P.R Ramesh</td>
<td>40+</td>
<td>Nestle India</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Independent Dir, Ex-Director Deloitte</td>
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<tr>
<td>Hiroo Mirchandani</td>
<td>35+</td>
<td>Tata Tele, Nilkamal, MedPlus Health</td>
<td>✓</td>
<td>✓</td>
<td></td>
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<tr>
<td>Independent Dir, Ex- Exec. Committee Member - Pfizer</td>
<td></td>
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<tr>
<td>Promeet Ghosh</td>
<td>30+</td>
<td>Temasek, Bank of America</td>
<td>✓</td>
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<tr>
<td>Non-Independent Director</td>
<td></td>
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</tbody>
</table>
### Governance initiatives

- Board comprising of 2/3rd of independent directors
- Quick adoption of changes in compliance requirements; zero tolerance for non-compliances
- Transparency in disclosures through annual report, website and exchange filings
- Voluntary disclosures to the public; immediate redressal of shareholders’ grievances

### Environmental & Sustainability Initiatives

- **Skill Development** - 120 youth trained across 4 locations (Baddi, Ahmednagar, Coimbatore, Odisha) and 70% of the total beneficiaries employed

- **Health and Response to COVID** - Distributed personal protective gear, N95 masks and 1,080 sanitizer bottles, extended support to primary health centre via increased and enhanced patient capacity of the hospital, Installed Blood Bank at Baddi benefitting approx. 0.5 lakh people

- **Water Conservation** - 200+ water structures completed impacting 50,000+ people in 10 villages and 5 districts across Maharashtra

- **Community Development** - Distributed over 8,000 boxes to students, which contained ration supplies, biscuits, spices, toiletries, notebooks and stationery; Designed ‘My Everyday Happy Book’ to help over 4,000 students from 16 schools

- **Employee Volunteering** - Launched ‘Be My Santa’ campaign where employees participated for raising grant money to either adopt a wish or to donate funds to children living with critical illness; Employees invested 300 hrs annually for CSR related activities

- **Sustainability** - Saved 680+ MWH electricity & 6,000+ KL water over last year across factories
**Next Steps on ESG**

1. **ESG Diagnostics and Purpose Definition (Initiated)**
   - Define and articulate a clear and relevant purpose
   - Identify gaps in policies, processes, systems and performance

2. **SEBI’s Business Responsibility and Sustainability Reporting**
   - Readiness assessment to identify gaps
   - Focus on closing the gaps against all Essential Indicators

3. **ESG Governance and Climate Action Plan**
   - Institute an ESG governance framework
   - Develop ESG roadmap and climate action plan

4. **SEBI LODR Amendment**
   - Update ESG risk themes in the risk register
   - Identify emerging risk themes - eg. climate risk, customer/partner ESG expectations

5. **ESG Reporting and Ratings**
   - Publish ESG report in alignment with BRSR and GRI Standards
   - Actively procure an ESG ratings on S&P’s Corporate Sustainability Assessment (DJSI)
Awards & Accolades

Prestigious ‘Brand of the Decade Award’ by Herald Global and BARC Asia

Crompton featured in under LEADERSHIP category of S&P BSE 100 (BSE 100) Companies evaluated on Indian Corporate Governance Scorecard by IiAS

Crompton’s SilentPro Enso Ceiling Fan was the winner at the prestigious iF Design Awards

Crompton’s SilentPro campaign won the #ETBrandDisruption Gold Award under ‘Technology-Driven Campaign’ category

Crompton’s Blossom Smart Fan was declared the Red Dot Winner 2022 for Product Design
Crompton has delivered revenue CAGR of 8%, EBITDA CAGR of 14% and PAT CAGR of 17% growth since demerger with strong FCF conversion (c. 155% of PAT)

Note: (1) Revenue adjusted for GST (in FY16-18) and excludes other income. (2) EBITDA excludes other income (3) FY16 PAT is taken as the sum of H1FY16 PAT from business division of CG Power and Industrial Solutions and H2FY16 PAT from CGCEL FY16 Annual Report (4) FCF = Cash flow from Operations + Cash flow from Investing (excluding Capex) (5) Cash conversion is adjusted for early payment to vendors
Butterfly Acquisition
Butterfly transaction overview

A transformational step to becoming a leading player in Small Domestic Appliances (SDA)

- Good FIT, aligned with Long Term Strategy and Vision
  - Immediately achieves scale in kitchen appliances, increasing share of SDA in mix
  - Creates a platform for a full kitchen play – a strong connect with every home

- Complementary Product Portfolio Geared to Enable foray into New Markets
  - Complementary segmental presence
  - Enhanced R&D, technology, manufacturing capabilities key to future expansion

- Ability to Unlock Synergies
  - Growth Synergies including new markets, products and brand
  - Cost Synergies including in-house manufacturing, economies of scale, etc

Butterfly is amongst the Top 3 Brands in India in kitchen and small domestic appliances

- #1 brand in South in Table Top Wet Grinders and LPG Stoves
- Top 3 brand in South in Mixers & Cookers
- Well positioned for breakout growth with a pan-India expansion
A full kitchen play which increases connect with the entire home
Strong brand recall

A high-recall brand well known pan-India forms a concrete launchpad for a deeper penetration across the country

**Consumer Brand Perception**

Associated with a perception of:
- Durability
- Availability
- Good Aesthetics
- Product Quality

**Retailer Brand Perception**

Associated with a perception of:
- Durability
- Consumer Demand
- After Sales Service

High retailer NPS* across categories in South

Sources: Company, Research Reports, Analyst Estimates. *Note: NPS = Net Promoter Score
Growth driven by multiple categories and strong presence across channels

Strong performance coupled with healthy margins

~17% CAGR over past 4 years

**FY 22 Revenue Category Split**

<table>
<thead>
<tr>
<th>Category</th>
<th>Est. Market Size</th>
<th>Revenue</th>
<th>Mfg. %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mixer Grinders</td>
<td>~2,800 cr.</td>
<td>295 cr. (29%)</td>
<td>100% Mfg.</td>
</tr>
<tr>
<td>LPG Stoves</td>
<td>~2,200 cr.</td>
<td>249 cr. (25%)</td>
<td>73% Mfg.</td>
</tr>
<tr>
<td>Pressure Cookers</td>
<td>~1,700 cr.</td>
<td>180 cr. (18%)</td>
<td>100% Mfg.</td>
</tr>
<tr>
<td>Table Top Wet Grinder</td>
<td>~380 cr.</td>
<td>127 cr. (13%)</td>
<td>100% Mfg.</td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
<td>153 cr. (15%)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>~7,080</td>
<td>1,005</td>
<td></td>
</tr>
</tbody>
</table>

**FY 22 Revenue Channel Split**

<table>
<thead>
<tr>
<th>Channel</th>
<th>Revenue (in Crs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>443</td>
</tr>
<tr>
<td>Trade</td>
<td>369</td>
</tr>
<tr>
<td>Online</td>
<td>143</td>
</tr>
<tr>
<td>B2B</td>
<td>35</td>
</tr>
<tr>
<td>MOR</td>
<td>15</td>
</tr>
<tr>
<td>Others</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,005</td>
</tr>
</tbody>
</table>
Complete SDA portfolio with a strong presence in kitchen segment

#1 Butterfly
Immediate scale in key kitchen segments...
- Mixers & Grinders
- Stoves & Cooktops
- Tabletop Wet Grinders
- Cookers

#2 Crompton
...backed by capabilities in existing appliance segments...
- Heaters
- Fans
- Coolers
- Irons

#3...a strong distribution and pan-India presence...

#4...and a ready manufacturing & R&D infrastructure...

...creates a perfect opportunity for innovation and expansion in core and adjacent categories

Sources: Company, Research Reports, Analyst Estimates
### Strategic Roadmap: Where to Play

<table>
<thead>
<tr>
<th>Historical (15-22)</th>
<th>Medium term (next 2-3 years)</th>
<th>Long term (3-5 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fans</strong></td>
<td>Maintained #1 in Fans</td>
<td>Maintain #1 in Fans, 2x premium fans growth over FY 21</td>
</tr>
<tr>
<td><strong>Pumps</strong></td>
<td>Maintained leadership in Residential</td>
<td>Maintain #1 in Residential and grow share of Agri.</td>
</tr>
<tr>
<td><strong>Lighting</strong></td>
<td>Top 3 in Lighting B2C</td>
<td>Become a top 2 player in LED, wind down CFL</td>
</tr>
<tr>
<td><strong>Appliances</strong></td>
<td>#3 in Geysers &amp; #4 in Air Coolers; Acquired Butterfly</td>
<td>Become Top 3 player in SDA Segment</td>
</tr>
<tr>
<td><strong>New segments</strong></td>
<td>Evaluated attractive adjacencies</td>
<td>Enter and establish an adjacency</td>
</tr>
</tbody>
</table>

Crompton will maintain market leadership across core segments; attain leadership position in emerging segments and be among the top 3 in the new segments.
Strategic roadmap: How to Win

Strategic initiatives to capitalize on the Opportunity

**Brand Excellence**
- **Advertising**: Continue to invest in the brand and improve spontaneous recall for all categories through focused campaigns
- **Discoverability**: Focus on increasing organic sessions
- **Brand Strategy**: Focus categories where there is a plan to become a top 3 player pan-India
- **Consumer Insights**: Conduct market research planned under 3D framework – Discover, Develop and Deliver

**Portfolio Excellence**
- **Portfolio Expansion**: Strengthen the premium portfolio in Fans and Pumps. Introduce exclusive portfolio for Ecommerce
- **Innovation**: Air purification and cleaning technologies related product development
- **Transition**: Ensure 100% readiness to changing regulatory norms
- **Evaluation and entry into new segments**

**GTM Excellence**
- **Distribution**: Increase in monthly billed outlets, extraction from Star & A Class outlets. Focus extraction based on norms
- **Trade Marketing Re Imagined**: through simplification, speed and transparency of policies
- **Alternate Channels**: Expand Rural (Direct and Indirect) and accelerate Ecommerce
- **Dealer engagement**: Institutionalize technology for higher engagement

**Operational Excellence**
- **Operations**: Focus on improving placement efficiency and OTIF; Optimize manufacturing footprint including increased in-housing
- **Cost savings**: Continue to drive margin improvement
- **After sales support**: Maintain best-in-class after sales service
- **Quality**: Reduce defect % and increase customer delight
- **I.T:** Develop safe and secure IT systems with robust governance

**Organisational Excl.**
- Build capability in the areas of GTM, Innovation, Operational excellence
- Become Employer of Choice in consumer durables industry by employee engagement and organization purpose and culture
- Build best in class people processes based on data and employee experience – Reduced time for recruitment, enhanced learning & development
Thank You!