

Crompton

Crompton Greaves Consumer Electricals Limited

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Date: September 20, 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: 130/2023-24	Our Reference: 130/2023-24

Dear Sir/Madam,

Sub: Investor presentation

Further to our letter dated September 15, 2023, intimating the stock exchanges about one-on-one investor meetings, enclosed please find a copy of the presentation which the Company will use during the investor meetings.

Thanking you,

For Crompton Greaves Consumer Electricals Limited

Rashmi Khandelwal
Company Secretary & Compliance Officer
ACS - 28839

Encl: A/a



Investor Presentation

On Proposed Merger

September 2023

Disclaimer

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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.

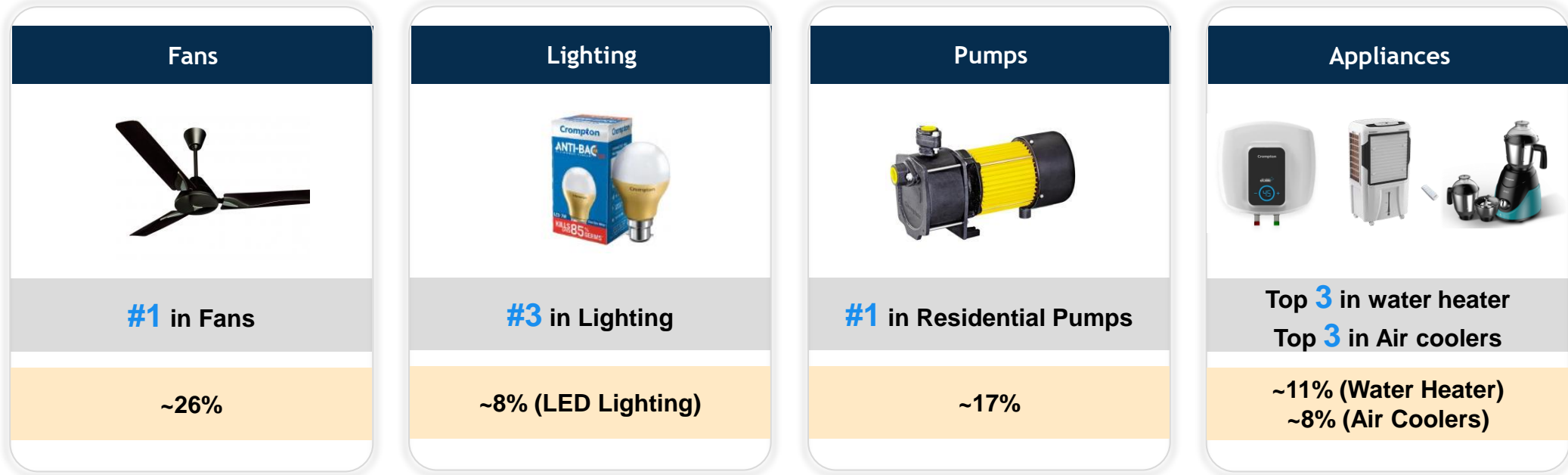
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- 2 **Overview of the Proposed Merger**
- 3 **Key Indicative Activities and Timelines**
- 4 **Advisors**

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



Market leading distribution reach

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

Professionally managed

Independent Board-led
Business unit leaders having 125+ years of experience

Strong track record of product innovation

~51% revenue from new products¹

Industry leading financial metrics

15% Revenue CAGR²
1.2x Cash Conversion Ratio³
7.7x Interest Coverage⁴

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) Revenue growth from FY20 to FY23, including Butterfly financials (3) Cash Flow from Operations as a ratio of PAT, FY23 figures (4) Profit Before Tax + Depreciation + Interest as a Ratio of Finance Cost, FY23 figures

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



Market Share

Mixer Grinder



~10%

Gas Stoves



~15%

Pressure Cooker



~5%

Others¹



~2%



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 FY23

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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

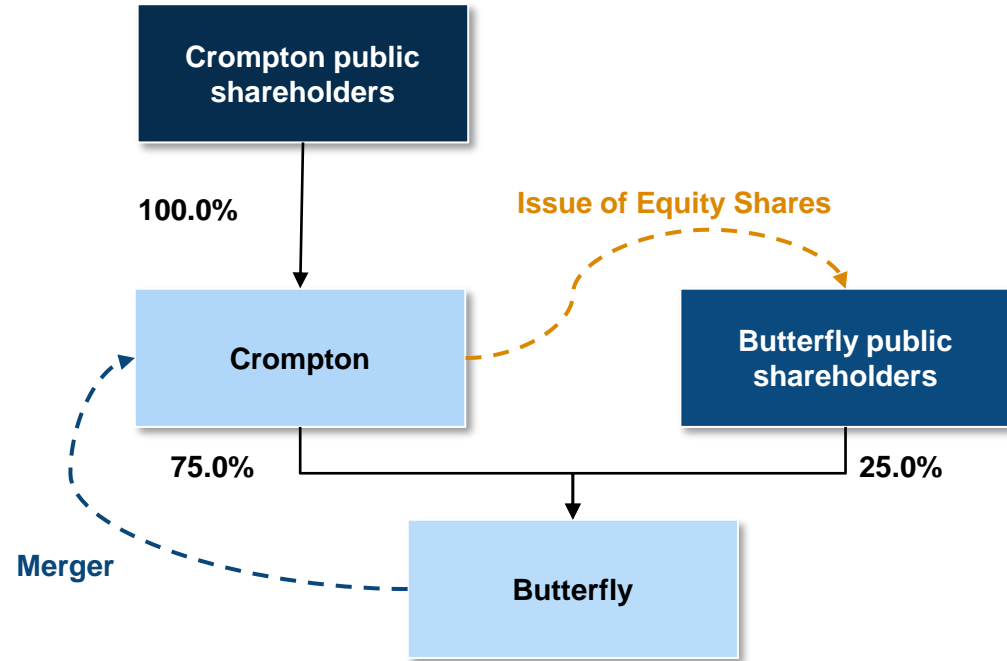
- ▶ Stock Exchanges and SEBI (Completed)
- ▶ Shareholders', Creditors, NCD holders' approvals
- ▶ NCLT (Mumbai and Chennai benches)
- ▶ Other regulatory approvals, as may be required



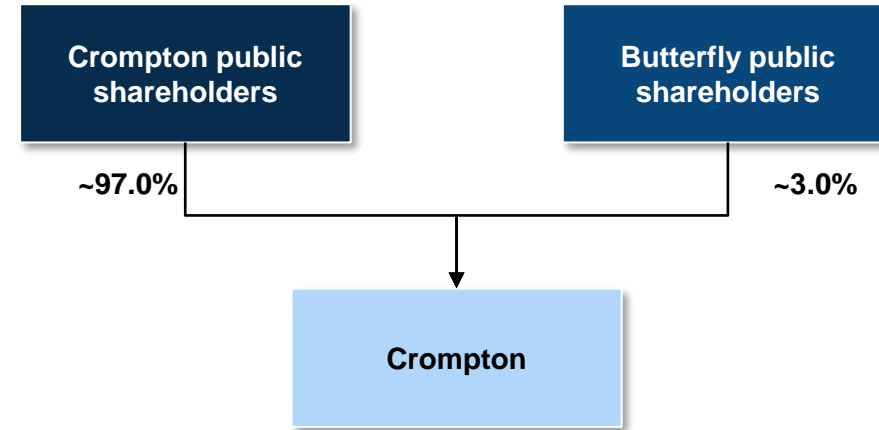
Key Events & Indicative Timelines

- ▶ Announcement of Scheme: **Q4 FY23**
- ▶ Stock exchange and SEBI approval: **Q2 FY24**
- ▶ NCLT convened shareholders meeting: **Q3 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

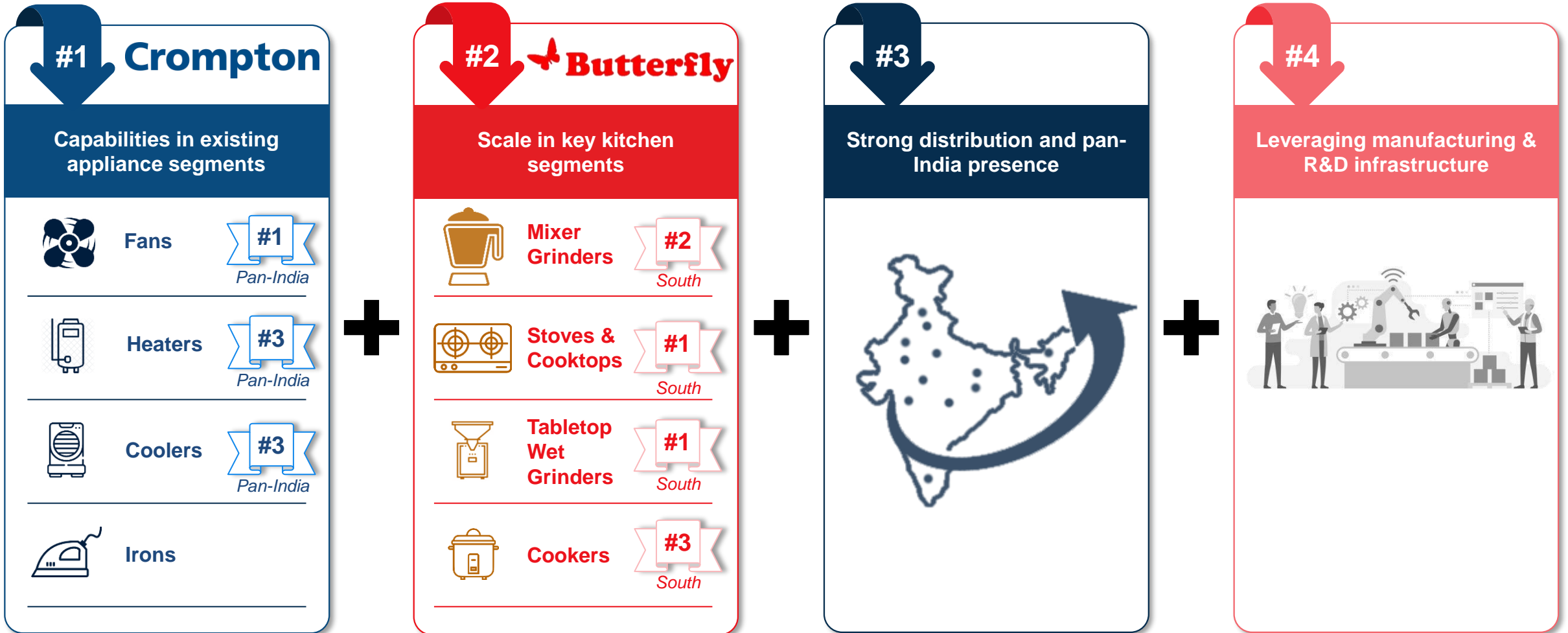
- Simplification of the corporate and governance structure
- Unified corporate structure providing
 - greater operational flexibility
 - and more efficient allocation of capital

3

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

Unlocking Combined Business Potential

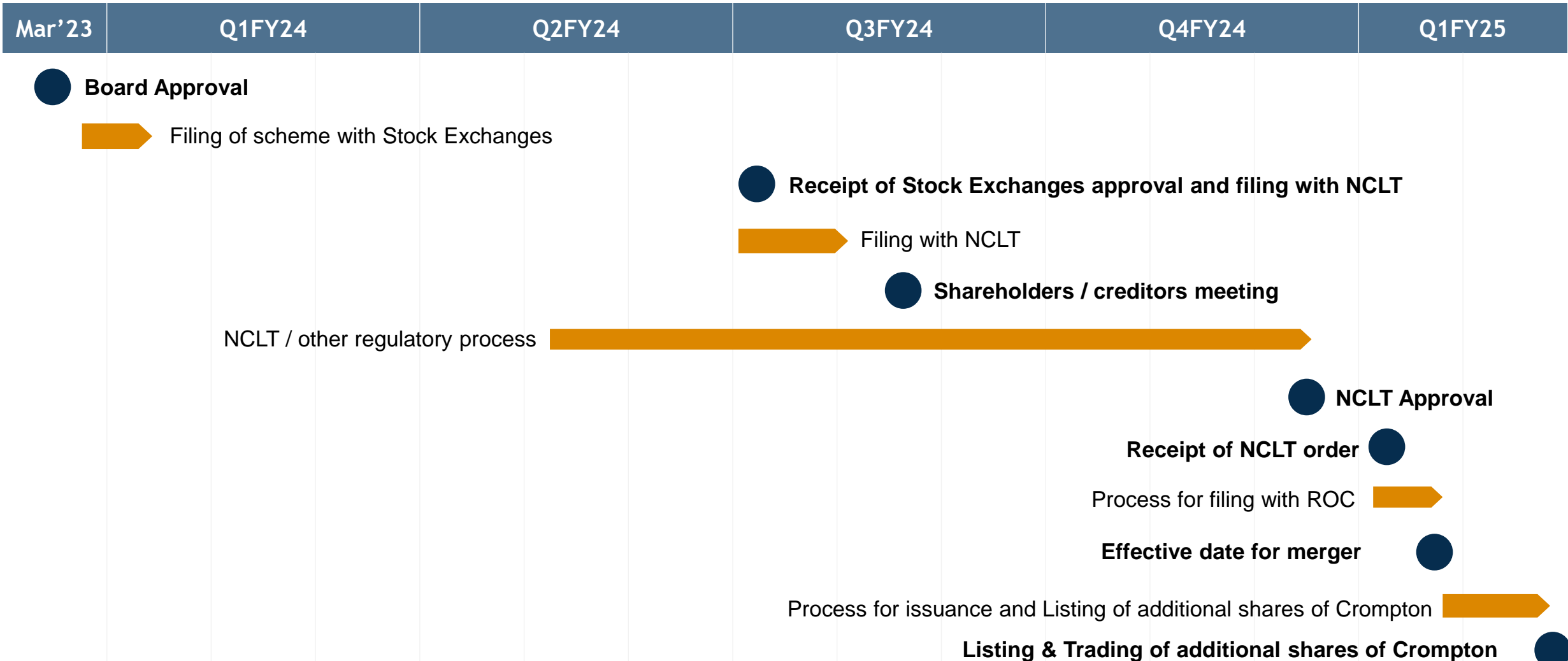


The proposed merger is a step in the right direction to unlock the potential of the combined business

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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!