

# Crompton

## Crompton Greaves Consumer Electricals Limited

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Date: February 23, 2022

To, <b>BSE Limited ("BSE")</b> , Corporate Relationship Department, 2 <sup>nd</sup> Floor, New Trading Ring, P.J. Towers, Dalal Street, Mumbai – 400 001.	To, <b>National Stock Exchange of India Limited ("NSE")</b> Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
<b>BSE Scrip Code: 539876</b>	<b>NSE Symbol: CROMPTON</b>
<b>ISIN: INE299U01018</b>	<b>ISIN: INE299U01018</b>
<b>Our Reference: 151/2021-22</b>	<b>Our Reference: 151/2021-22</b>

Dear Sir/Madam,

**Sub: Investor presentation**

This is in continuation of our earlier letters dated February 22, 2022 regarding acquisition of controlling stake in Butterfly Gandhimathi Appliances Limited.

In this regard, please find attached the Investor presentation.

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



# Acquisition of Butterfly Gandhimathi Appliances (Butterfly)

February 22, 2022

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

**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



### 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



**Acquiring a controlling interest in Butterfly for a consideration of INR 1,380 cr and certain Trademarks for INR 30 cr**

Up to 55% **From Promoters**  
**INR 1,380 cr**  
*INR 1,403 per share*



Trade-marks **From Promoters**  
**INR 30 cr**



**26%** **Open Offer**  
**INR 666 cr**  
*INR 1,433.90 per share*

- ▶ Expected to be financed through a mix of internal accruals and debt
- ▶ Transaction is subject to customary closing conditions

# Overview of Butterfly



## Brand

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



## Top 3

In India in Domestic Kitchen Appliances

## #1

In South India for Wet Grinders and LPG Stoves



## INR 870 cr

Revenues from branded products (100% share) in FY21 (~INR 806 cr in 9M FY22)



## CAGR ~21%

Consistent Growth over past 5 years (FY17-21)



## In-house Capability

~80% of Revenues from In-house Manufactured Products



## 500+ | 25,000+

Exclusive Distributors | Total Touchpoints pan-India with deep penetration in South India



## E-Commerce

Successful E-Commerce play with Flipkart and Amazon



## Strong R&D

First to introduce Stainless Steel Pressure Cookers, LPG Stoves in India

**Butterfly's strong brand, design & technical capabilities and success in e-commerce are powerful enabling factors for its sustained industry leading growth**

## Kitchen Appliances



LPG Stoves



Mixer Grinder



Electric Rice Cookers



Juicer Mixer Grinder



Wet Grinder



Chimney



Induction Cooktop



Built In Hobs

## Cooker & Cookware



Pressure Cookers



Non-Stick Cookware



## Others



Hand Blender



Hand Mixer



Pop Up Toaster



Sandwich Maker



Flasks & Water Bottles



Electric Kettles



Tower Fan



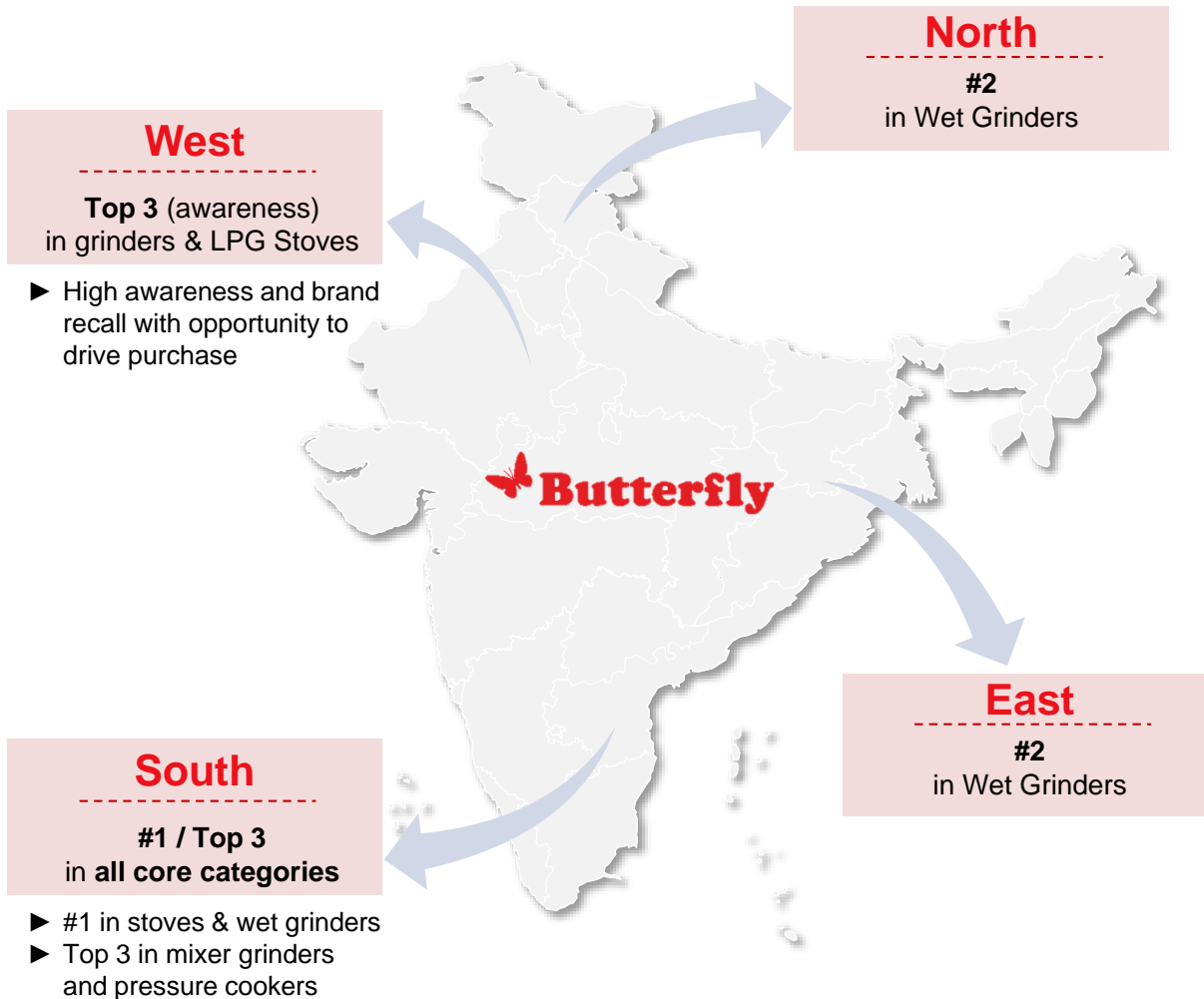
Cooler



Manual Chopper

A full kitchen play which increases connect with the entire home

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

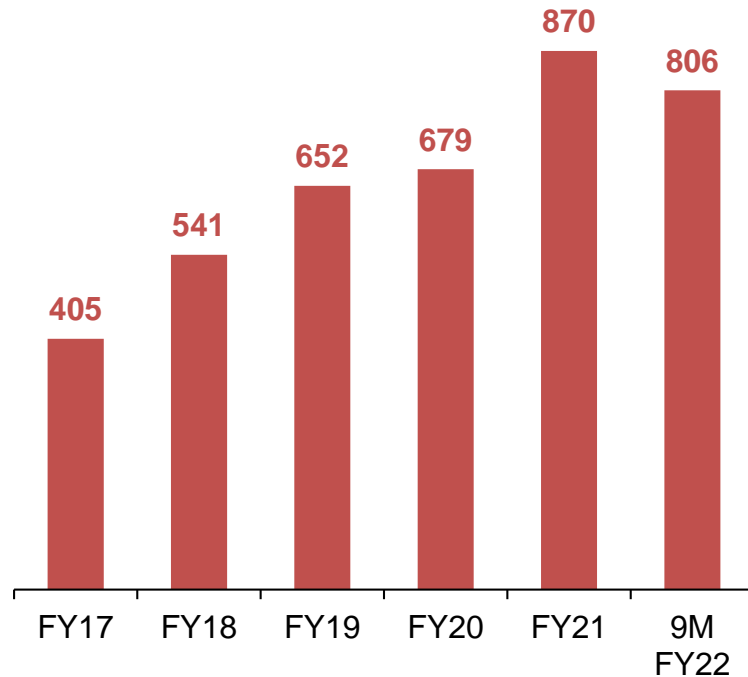
High retailer NPS\* across categories in South



## Strong performance coupled with healthy margins

### Revenue

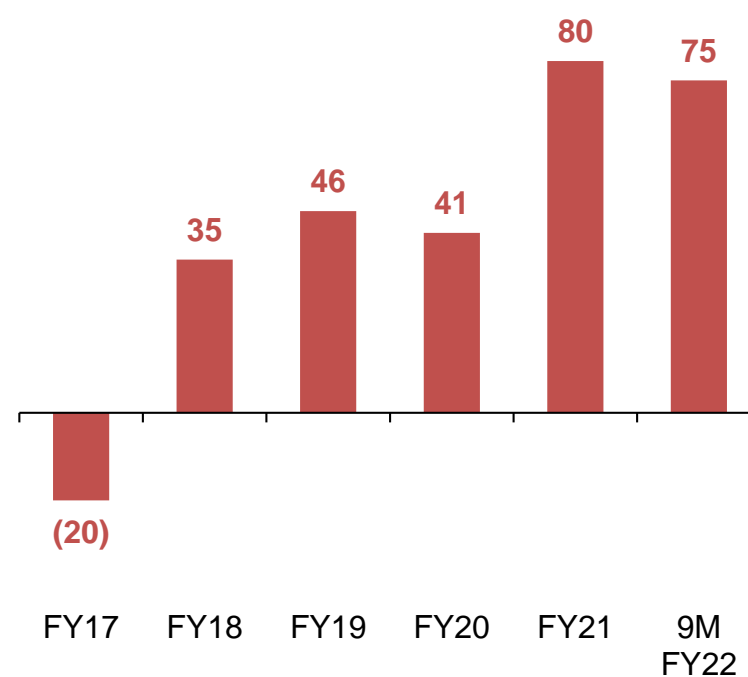
INR cr



**~21% CAGR growth over past 5 years, with 9M FY22 up ~22% YoY**

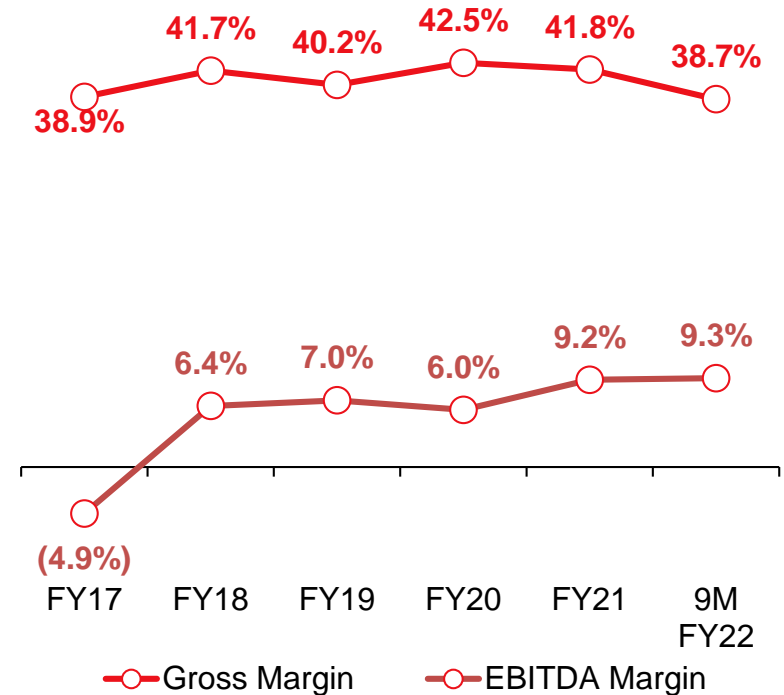
### EBITDA\*

INR cr



**Clear focus on margin over past 5 years, with 9M FY22 EBITDA up ~13% YoY**

### Margins\*



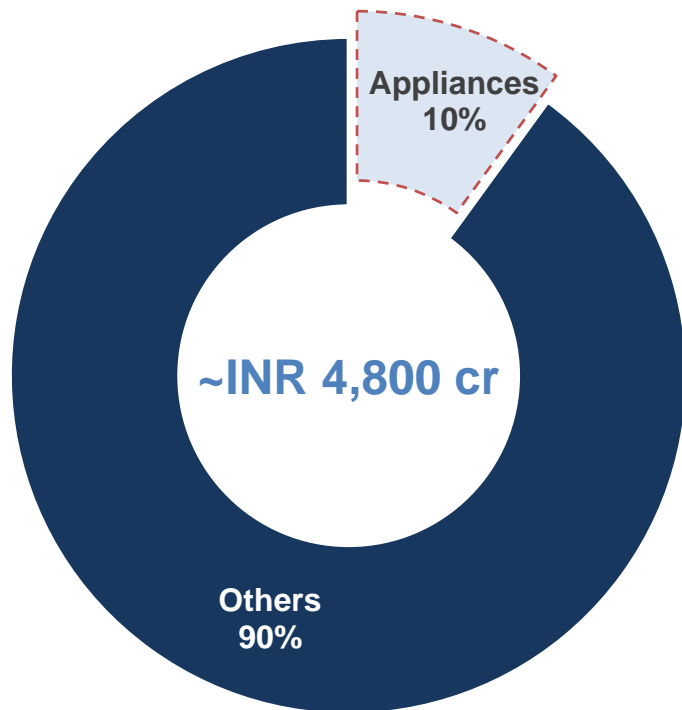
**Healthy and improving margin profile, with 9M FY22 EBITDA margin at 9.3%**

\*Note: EBITDA, EBITDA Margin and Gross Margin all considered excluding other income. Source: Company, Stock Exchange Filings, S&P CapitalIQ

# Strategic Rationale

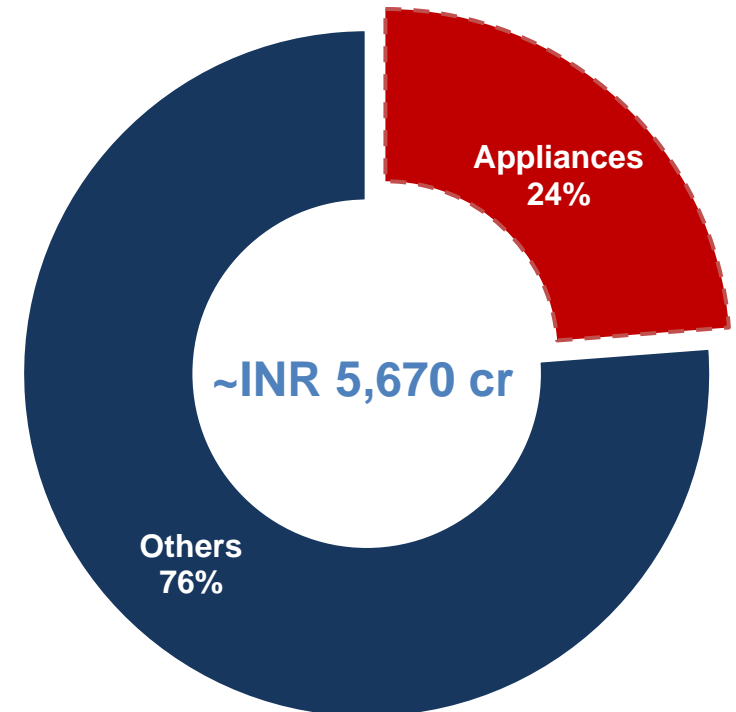
Provides immediate scale in key existing kitchen subcategories

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FY21 Revenue

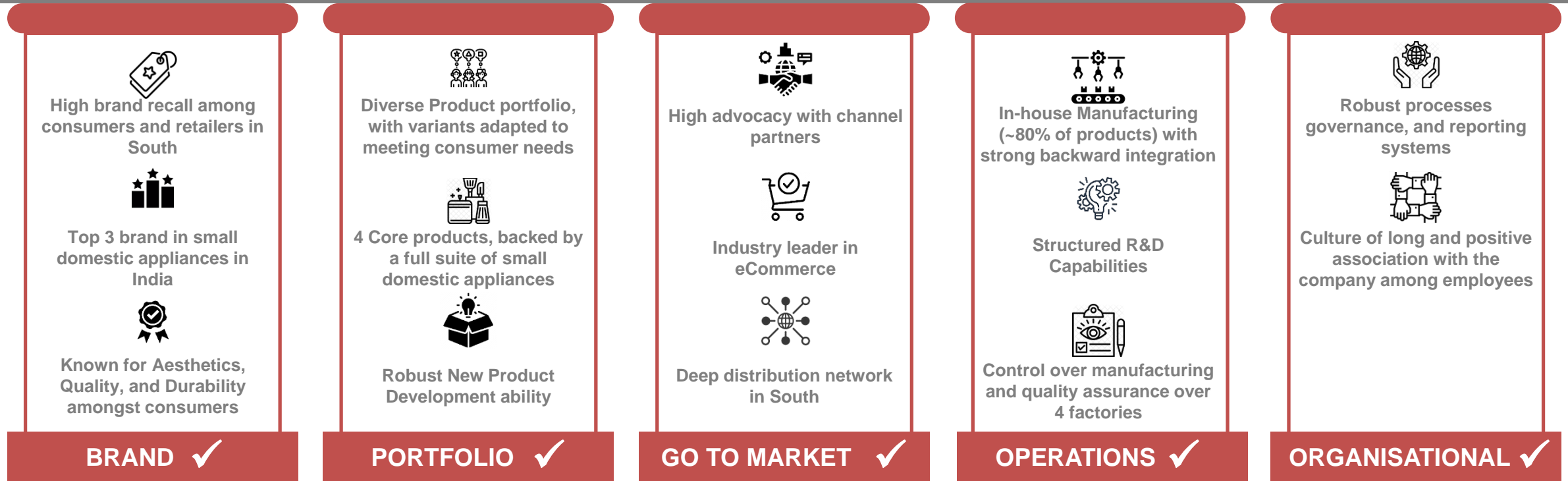
Crompton + Butterfly



FY21 Combined Revenue\*

\*Note: Combined revenue is a proforma estimate, taken as simple sum of Crompton and Butterfly revenues

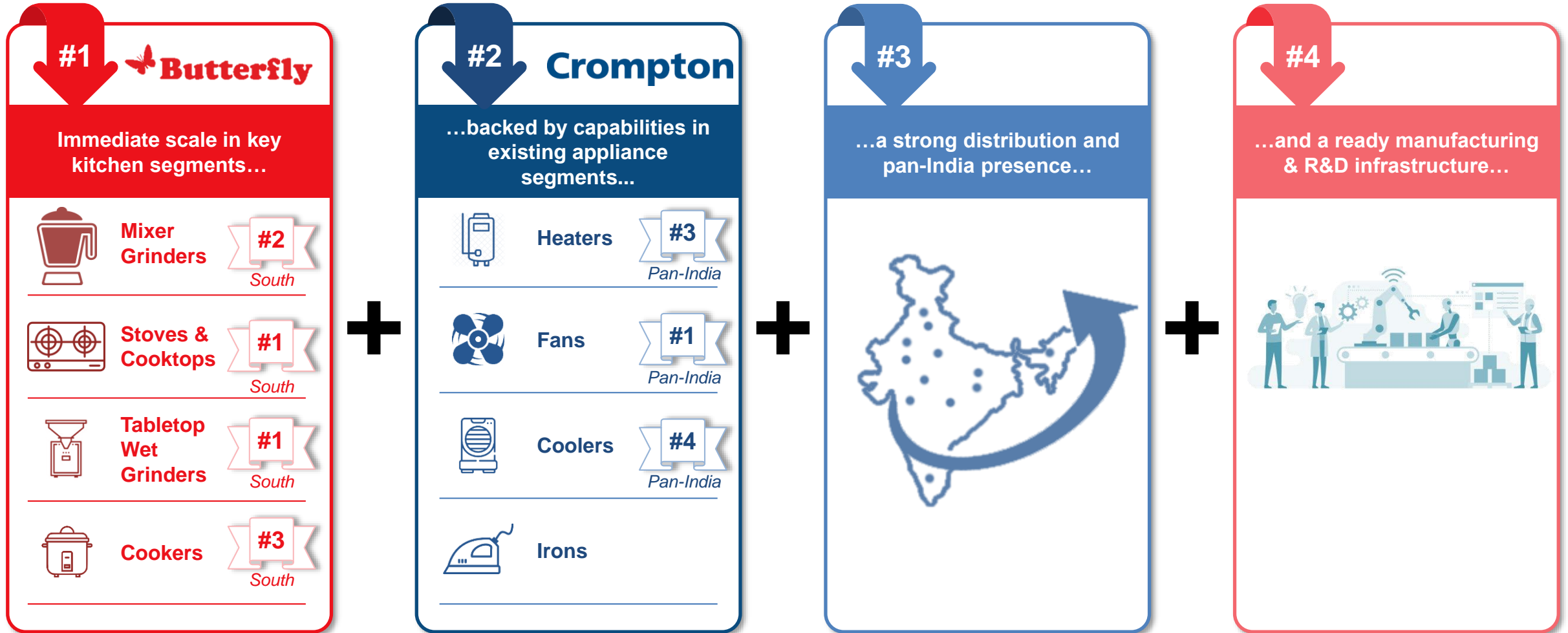
## BUTTERFLY'S EXCELLENCE



Alignment with Crompton's 5 Strategic Pillars

# Complementary Product Portfolio Geared to Enable Foray into New Markets

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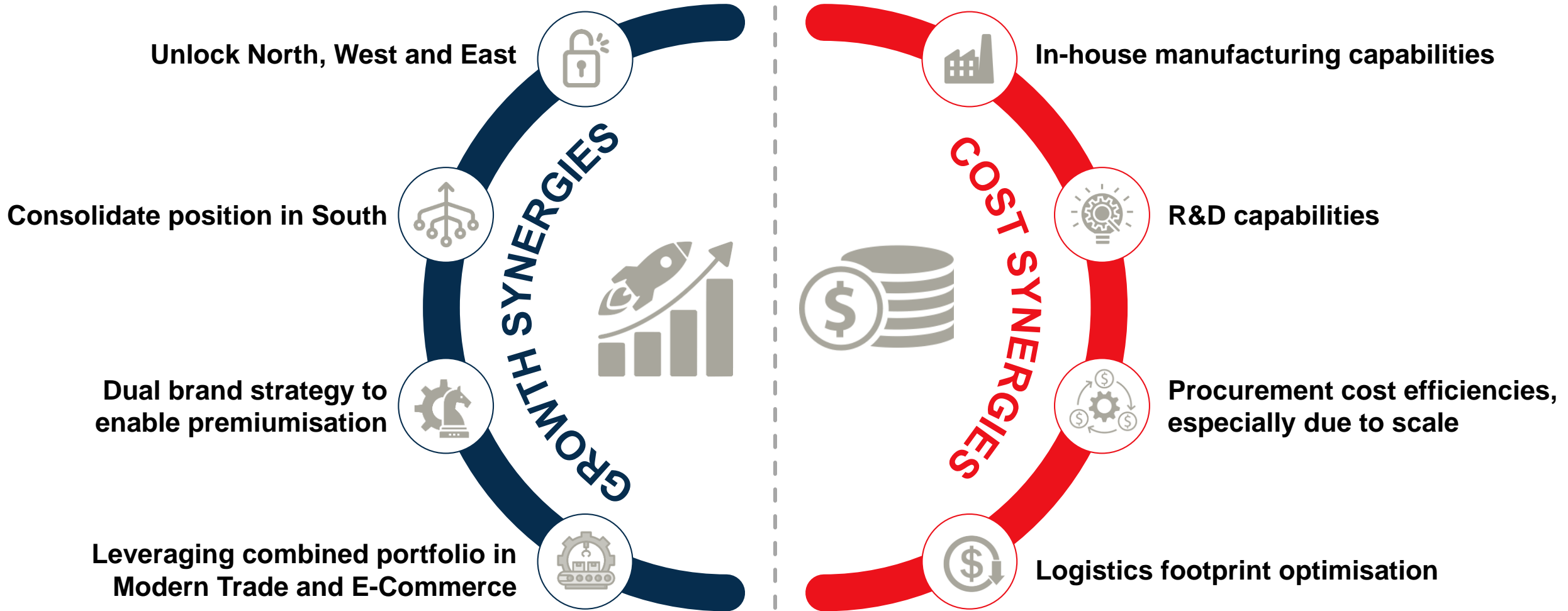


...creates a perfect opportunity for innovation and expansion in core and adjacent categories

**Crompton + Butterfly**

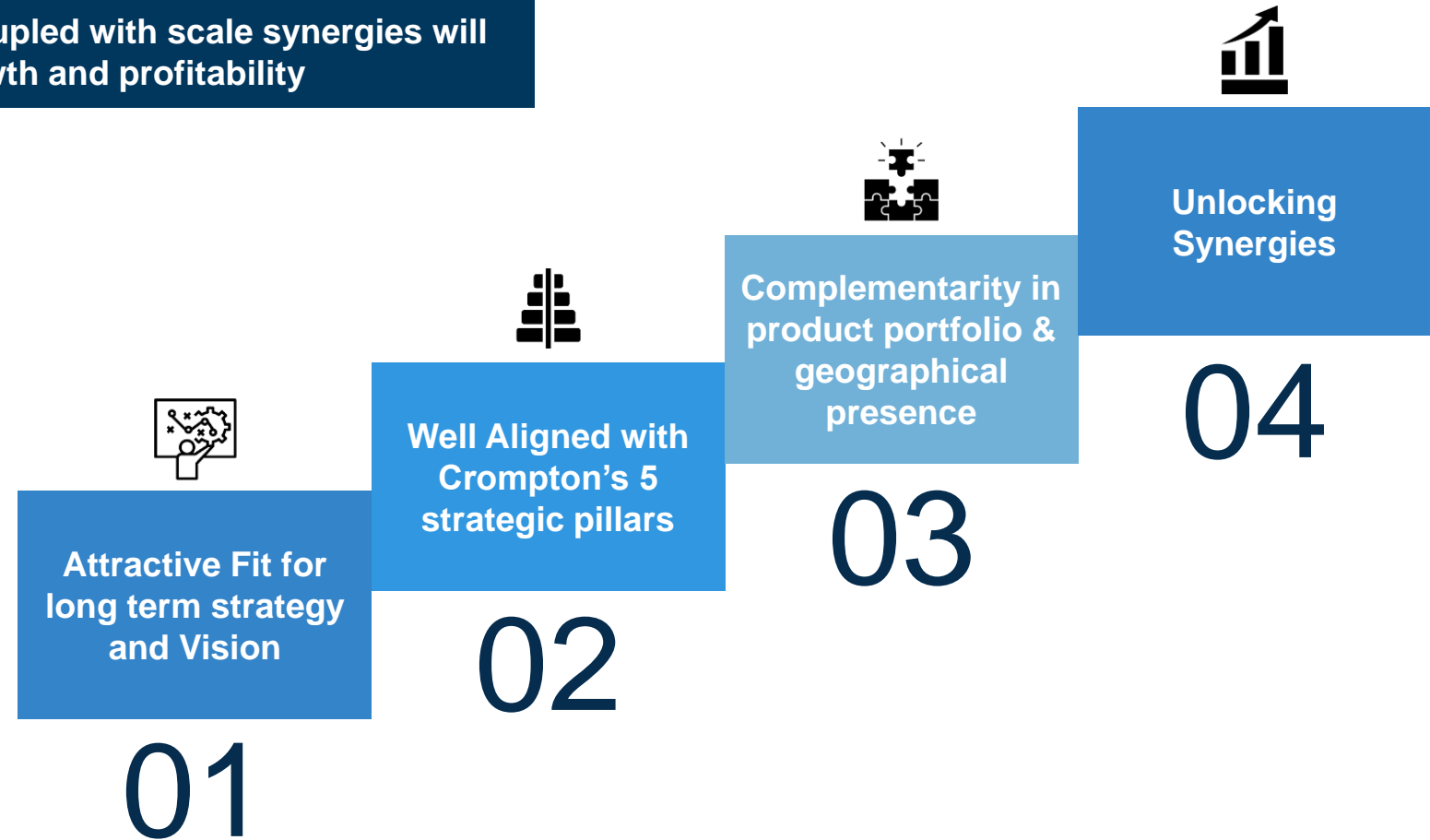
Sources: Company, Research Reports, Analyst Estimates

# Crompton's proven capability in driving efficiencies and GTM improvements will enable synergies across the entire business



Acquisition of related Trademarks will allow for the protection of the exclusivity, legacy, continuity and goodwill of the IP of Butterfly as well as consolidation and expansion in complementary segments

Complementary product portfolio coupled with scale synergies will drive robust revenue growth and profitability



Q&A



**Crompton**

**Thank you!**