

Date: October 26, 2022

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: 102/2023-23	Our Reference: 102/2022-23

Dear Sir/Madam,

Sub: Press Release and Highlights of Q-2 of FY 2022-23

This is in continuation of our letter dated October 26, 2022 regarding Outcome of Board Meeting held on October 26, 2022 wherein the Company had approved the Statement showing the Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended September 30, 2022.

In this regard, please find the following:

1. Press release on the Unaudited Financial Results for the quarter and half year ended September 30, 2022;
2. Highlights of Q-2 of FY 2022-23

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

Thanking you,

For **Crompton Greaves Consumer Electricals Limited**

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Kaleeswaran Arunachalam
Chief Financial Officer

Encl: A/a

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Crompton Greaves Consumer Electricals Limited Consolidated Results for Quarter Ended September 2022

Consolidated (including Butterfly) Q2 revenue grew by 23% and H1 grew by 46%

Mumbai, Oct 26, 2022: The Board of Directors, at its meeting held on Oct 26, 2022 approved the results of the Company for the quarter ended September 30, 2022.

Consolidated revenue for the quarter at Rs. 1,700 Cr. registered a growth of 23% YoY. EBIDTA was at Rs. 193 Cr. with EBIDTA margin at 11.4% and PAT stood at Rs. 131 Cr.

Standalone revenue for the quarter at Rs. 1,332 Cr. declined 4% YoY. EBIDTA was at Rs. 151 Cr. with EBIDTA margin at 11.3% and PAT stood at Rs. 132 Cr.

Current Quarter segment wise growth was impacted due to previous year high base, driven by post COVID pre buying. Crompton Appliances maintained its strong growth momentum. The long-term strategic investments in key initiatives were continued through the quarter including Brand building, Innovation Center and Go-to Market. Alternative channels have delivered robust growth with increasing contribution to overall revenue. Butterfly business continued to perform in line with plans; the Butterfly offline business grew in double digits aiding gross margin improvement.

Commenting on the Quarter results, Company's Managing Director, Shantanu Khosla said "Consolidated Q2 delivered a revenue growth of 23% aided by the Butterfly acquisition amidst unfavourable base period and high retail inflation. H1 registered a strong growth wherein consolidated revenue grew by 46% and standalone Crompton grew by 21%. We continue to focus our efforts in restoring margins through accelerated cost savings, premiumisation across segments and appropriate pricing actions."

About Crompton:

Crompton is India's market leader in fans, no. 1 player in residential pumps and has leading market positions in its other product categories. The Company manufactures and markets a wide spectrum of consumer products - Fans, Lights, Pumps and Appliances including Kitchen Appliances. The Company has strong dealer base across the country and wide service network offering robust after sales service to its customers.



Information Update Q2 FY23

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CGCEL

Consolidated Q2 revenue has grown by 23% vs LY and H1 grew by 46%

- CGCEL had a difficult quarter owing to unfavourable base period and high retail inflation creating weak consumer demand. However, H1 registered strong double digit growth
- Alternate channels have delivered exponential growth and increasing revenue contribution (15% revenue contribution in Q2 v/s 11% LY)
- The continued focus was to drive product mix across categories, investment in brand building, reach expansion and accelerate cost excellence program
- Market share in Premium Fans and Water Heaters continue to improve quarter on quarter
- Butterfly Acquisition:
 - ❑ 6% stake in BGMAL was sold through Offer for Sale (OFS) process (post which total shareholding is 75%)
 - ❑ The work on identified synergies is being monitored continuously and progressing well
- Built-In Kitchen Appliances:
 - ❑ 20+ Signature Studios have been opened across metro cities and more in pipeline
 - ❑ The focus has been to invest resources in creating consumer awareness

Key Highlights of Q2

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Butterfly

- Q2 revenue declined but H1 recorded growth of 20% vs LY
- As a strategic choice, the channel mix was restructured in favour of retail vs online to drive healthy balance across channels and improve overall profitability in the long run
- The renewed approach has delivered double digit growth in retail during the quarter across key categories while maintaining its market leadership position at no.2 in E-Commerce segment
- Capabilities across sales, marketing, HR, R&D & Operations were strengthened
- The focus on several safety initiatives has resulted into 50% reduction in safety incidents
- Operational excellence program has been initiated to enhance productivity, improve quality and safety in operations
- Numeric distribution and market share has improved across core categories - in the top 3 across core categories
- Strong ATL and BTL campaigns were launched along-with timely promotional schemes

Key Highlights of Q2

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Revenue

ECD Performance

- Fans business impacted due to slow channel filing and shift in demand driven by commodity price easing and BEE transition
- Appliances continued growth momentum on back of reach expansion and continuous portfolio refresh

Lighting Performance

- Conventional business declining for consecutive quarters
- B2C LED business was flattish and B2B trade business looking up

- Mixers growing steadily in H1 with higher sales in alternate channels
- Decline in stoves and cookers led by industry wide drop in online channels
- Fastest growing non-core categories include Electric Rice Cookers and Electric Kettles



Margins

Material margins stood at 31.3% v/s 32.0% LY

- Mainly due to consumption of high cost inventory

Material margins stood at 35.3% v/s 34.4% LY

- Improvement is driven by channel mix and cost optimization



Channel

- Contribution of alternate channels to overall sales increased to 15% v/s 11% LY
- CSD and Rural channel leading the growth quarter on quarter with combined growth of ~45% v/s LY

- Retail channel growing consistently across categories
- Newer channels like exports and corporate are growing

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Butterfly

Fans

Ceiling Fans:

- ▶ Energion CromAir Antidust – **5-Star** rated fan with **ActivBLDC Technology** with superior speed and 5 year warranty
- ▶ High Speed Lilac – **Metallic painted decorative fan** with superior speed, air delivery and look

Pumps

Residential:

- ▶ Flomax – **Superior winding residential pumps**

Appl.

Mixer Grinders

- ▶ Questa – **500W** mixer with motor **Vent-X** technology and overload protector

Water Heater:

- ▶ Gracee, Juno – **Enhanced aesthetics** with rust & shock proof **ABS** body and 4 level safety

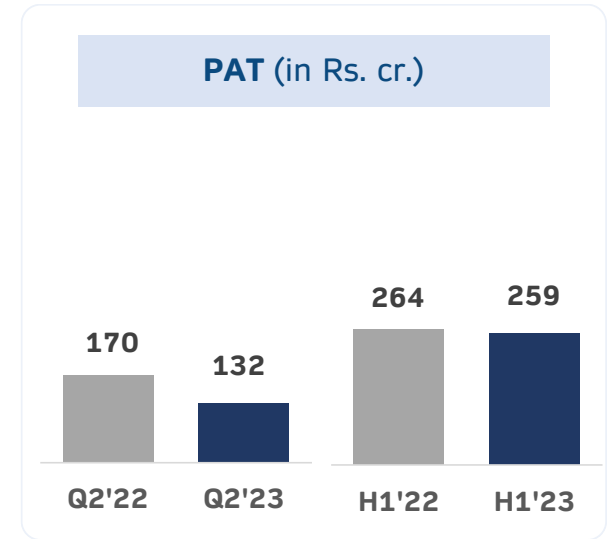
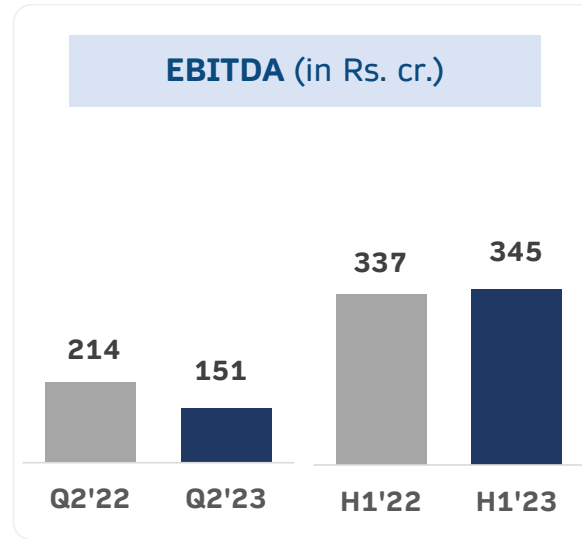
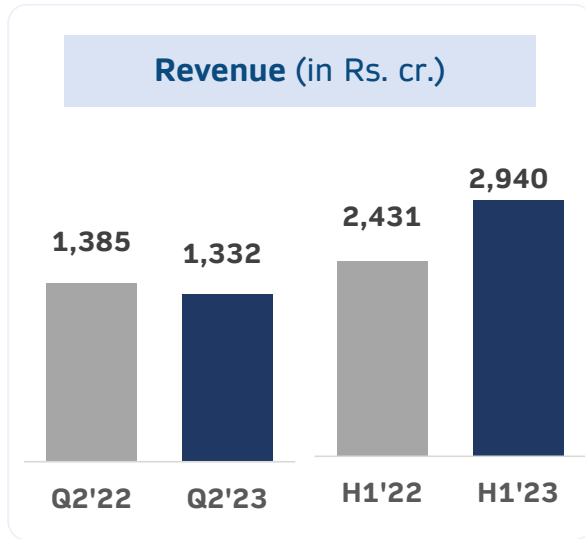
Others

- ▶ QuickServe – **700W** sandwich maker with superior look and coating
- ▶ Harvest Pro – **New range** of rice cookers



CGCEL Standalone Financial Performance

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- Q2 revenue declined by 4% vs LY (3 year CAGR is 7.4%). High retail inflation, extended monsoon and base variation blighted Q2 growth wherein Sep was largely impacted. H1 Revenue growth vs LY is 21%, strong double digit growth across the segments
- EBITDA for the quarter stood at 11.3% and PAT at 9.9%
- Investments in A&P, capability building for New Business, R&D, Manufacturing excellence and alternate channels continued

CGCEL Standalone Segment Performance

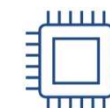
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Segment Revenue	Q2 FY23	Q2 FY22	Y-o-Y	H1 FY23	Y-o-Y
ECD	1,062	1,096	-3%	2,409	22%
Lighting	269	288	-7%	530	18%
Total	1,332	1,385	-4%	2,940	21%



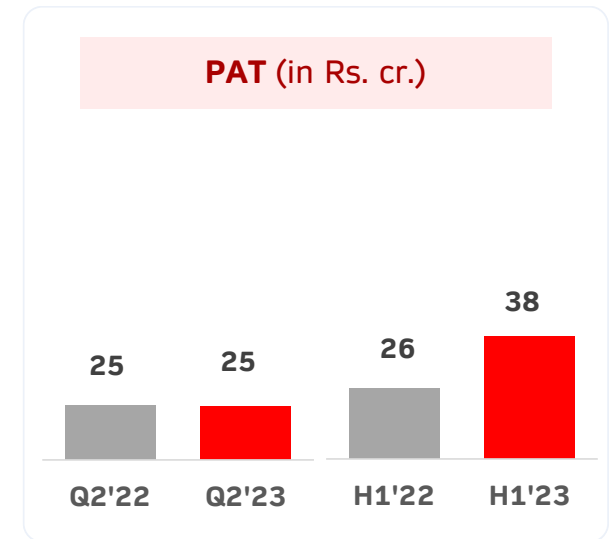
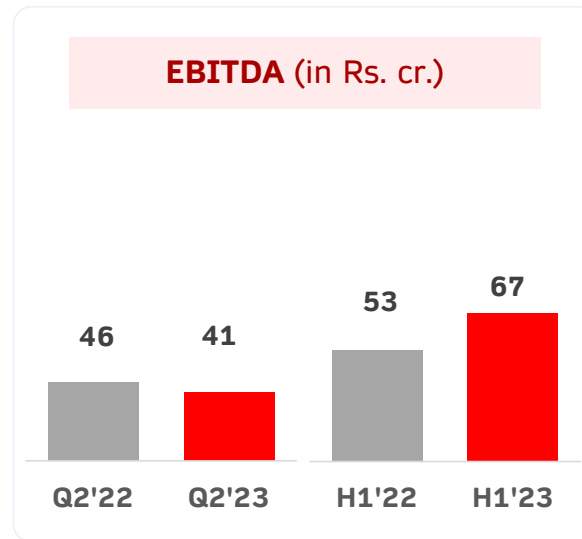
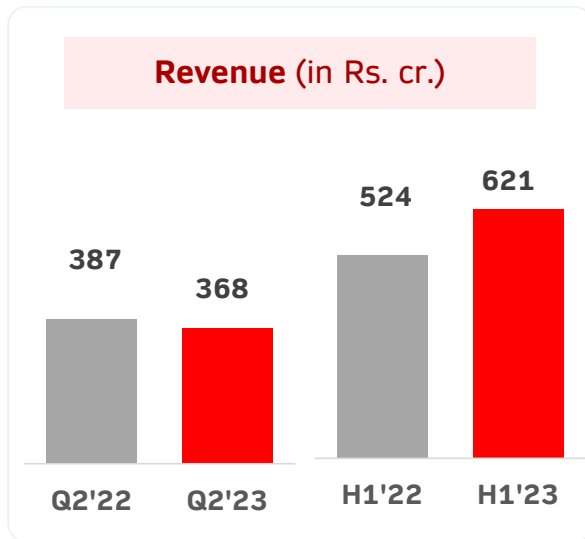
Segment EBIT	Q2 FY23	Q2 FY22	Y-o-Y	H1 FY23	Y-o-Y
ECD	181	230	-21%	410	6%
ECD %	17.1%	21.0%		17.0%	
Lighting	22	33	-35%	45	-9%
Lighting%	8.0%	11.4%		8.4%	



- ECD revenue for the quarter declined by -3%, whereas H1 recorded 22% growth vs LY
 - Fans business witnessed a slowdown towards end of Q2, however premium fans share to total Fans business has increased Q-o-Q
 - Appliance business has grown by 12%. Mixer grinder portfolio grew by 15% and Geysers by 6%
- Lighting revenue declined by 7%. Conventional lighting business declined by 35%. B2C LED business was flattish.

BGAL Standalone Financial Performance

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- Q2 revenue declined by 5% but H1 recorded growth of 20% v/s LY
- Core categories grew strongly in retail channel – Gas Stoves (33%+), Pressure Cookers (39%+), Mixer Grinders (7%+)
- Fastest growing non-core categories are Electric Rice Cookers (168% GoLY) and Electric Kettles (84% GoLY)
- EBITDA stood at 11.2% and PAT is 6.8%, marginally improved vs LY

CGCEL Q2 Consolidated Profit & Loss Statement

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Particulars	Q2 FY23	Q2 FY22	Y-o-Y	H1 FY23	Y-o-Y
Net Sales	1,700	1,385	23%	3,562	46%
Less: Material Cost	1,153	942	22%	2,431	47%
Material Margin as a % of Net Sales	546 32.1%	444 32.0%	23%	1,131 31.7%	44%
EBIDTA as a % of Net Sales	193 11.4%	214 15.5%	-10%	413 11.6%	22%
EBIT as a % of Net Sales	165 9.7%	204 14.7%	-19%	357 10.0%	11%
Less: Exceptional Item	0	0	0%	6	
Less: Finance Cost	30	8	272%	52	190%
Add: Other Income	18	17	9%	29	-21%
Profit Before Tax as a % of Net Sales	153 9.0%	213 15.4%	-28%	327 9.2%	-4%
Tax Expenses	23	54	-58%	70	-18%
Net Profit as a % of Net Sales	131 7.7%	159 11.5%	-18%	257 7.2%	1%



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