

We put all our energy
into saving yours



ANALYST CALL October 16, 2014
Q2 & H1 FY 15 Results
DEMERGER & THE WAY FORWARD

Agenda



Smart solutions.
Strong relationships.

Q2 FY15 Results

Asset disposal

Rationale & plan for demerger

Q&A



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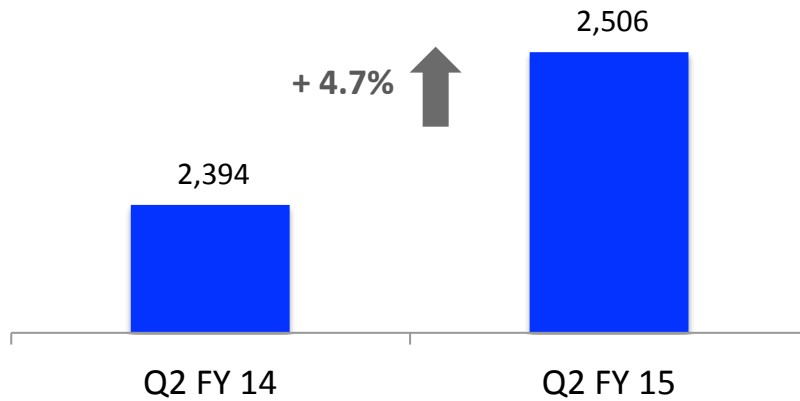
Q2 & H1 FY15 Highlights - CG Global



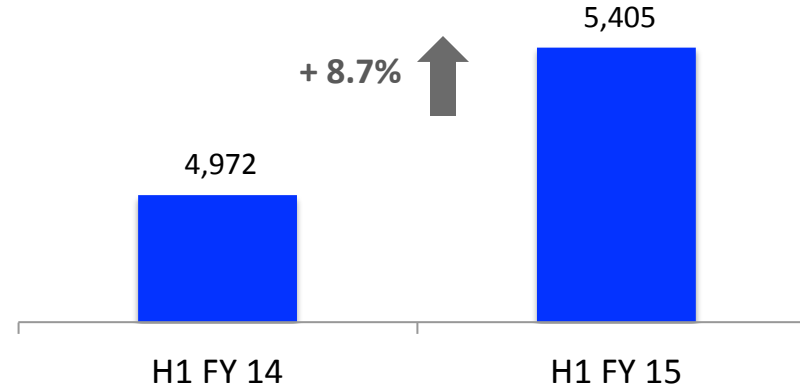
Smart solutions.
Strong relationships.

INR Cr.

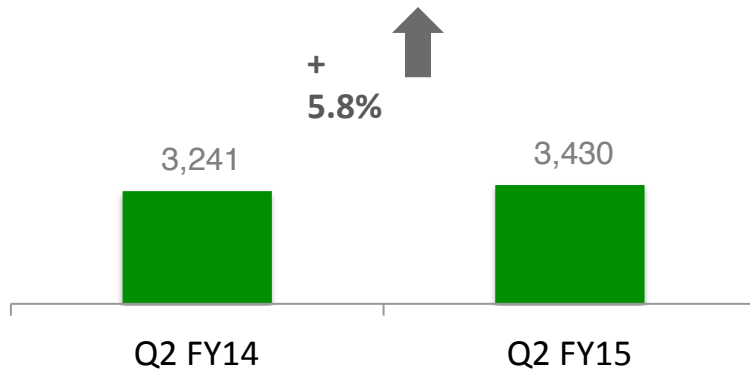
Orders



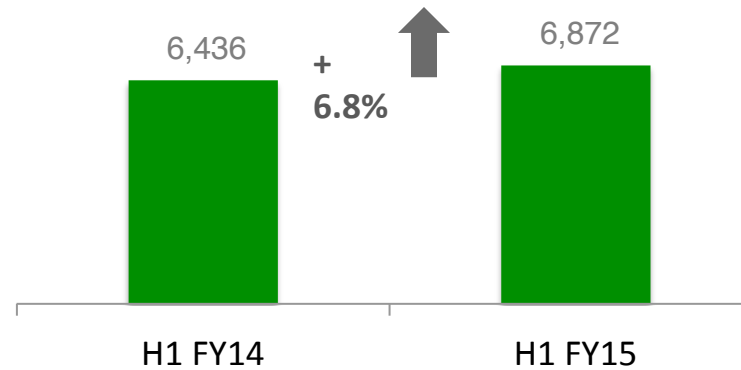
Orders



Revenue



Revenue



Healthy Order Backlog- UEOB: 9,108 Crore

Strong sales growth; Robust Order Intake



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Consolidated Financials - H1 2015



Smart solutions.
Strong relationships.

	HY Sept 2013	HY Sept 2014	Change	INR Cr. Except EPS
Revenue	6,436	6,872	6.8%	
EBITDA w/o Other Income Margin	306 4.8%	341 5.0%		
EBIT	255	292		
PAT	118	134	12.8%	
EPS	1.86	2.13		



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Consolidated Segment Results - H1 2015



Smart solutions.
Strong relationships.

	HY Sept 2013	HY Sept 2014	Change	INR Cr.
Power				
Order Intake	3,923	4,308	9.8%	
Revenue	3,870	4,157	7.4%	
EBIT	68	83		
<i>EBIT Margin</i>	1.8%	2.0%		
Consumer				
Revenue	1,477	1,604	8.6%	
EBIT	171	198		
EBIT Margin	11.6%	12.3%		
Industrial				
Order Intake	1,048	1,098	4.8%	
Revenue	909	914	0.6%	
EBIT	72	73		
<i>EBIT Margin</i>	7.9%	8.0%		



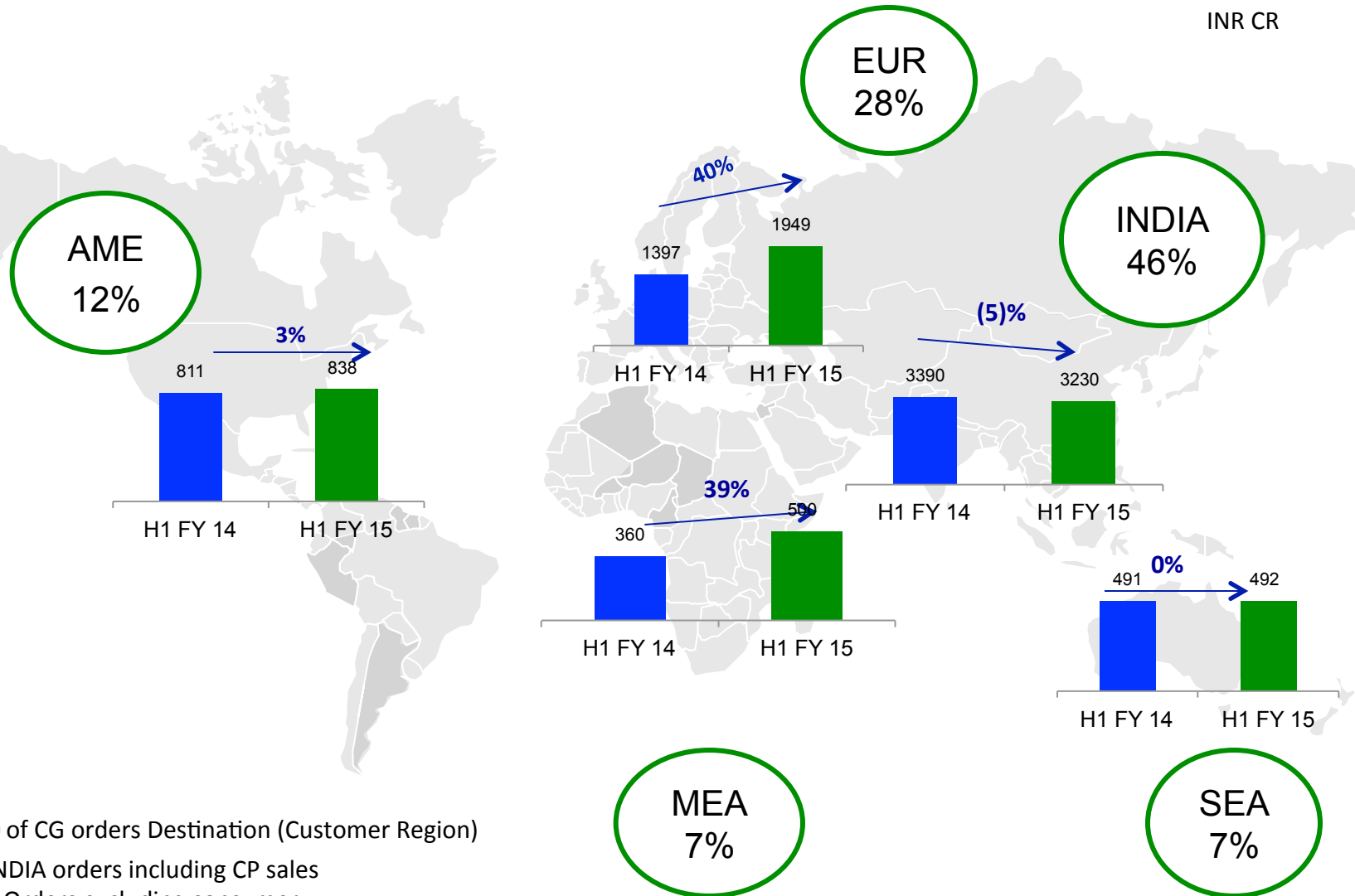
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Orders Split & growth by Region- H1 FY 14-15



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Strong relationships.

INR CR



% of CG orders Destination (Customer Region)

INDIA orders including CP sales

^ Orders excluding consumer

Export orders account for 26% of India Orders^



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Agenda



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Sale of land

As part of its continuous asset optimisation initiatives, the Board of Directors of the Company has approved entering into a definitive agreement for sale of a portion of its land parcel at Kanjurmarg, admeasuring approx 8 acres to Ms. Evie Real Estate Private Ltd for an aggregate sum of Rs.302.26 crores.

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Two different businesses under the same umbrella



Smart solutions.
Strong relationships.



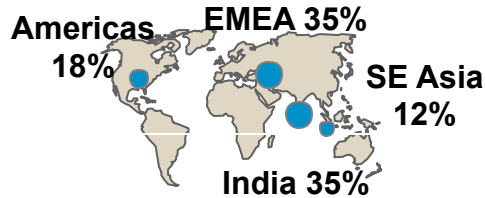
Engineering & Infrastructure

Domestic electrical appliances

Customer



Regions



100%

Channels

- Direct

- Multichannel

Key Success Factors

- Technology
- Cost leadership

- Brand
- Products
- Marketing

Two strong businesses



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Benefits of the de-merger are substantial



Smart solutions.
Strong relationships.

Strategic

- Agile & focussed strategies
- Compete with distinct competitors in channels and products
- Potential to tie up with global partners

Operational

- Specialized board & management
- Simplified organization structures
- Customised infra-structure & processes

Financial

- Unlock shareholder value
- Cost & cash cycle optimization
- Focused investor opportunities

Strong potential to create value



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Demerger to be completed by November 2015



Structure

- Two entities - Crompton Consumer Products Limited (CCPL) & Crompton Greaves Limited (CGL)

Indicative timing

- Oct'14- Aug'15: Requisite filings approval from stock exchanges, shareholders, creditors and high court
- Nov '15- Proposed listing of CCPL

Holding structure

- CGL to hold 25% + one share of CCPL
- Share entitlement ratio: 3 :4

Closing condition

- Obtain approval from regulators and High court

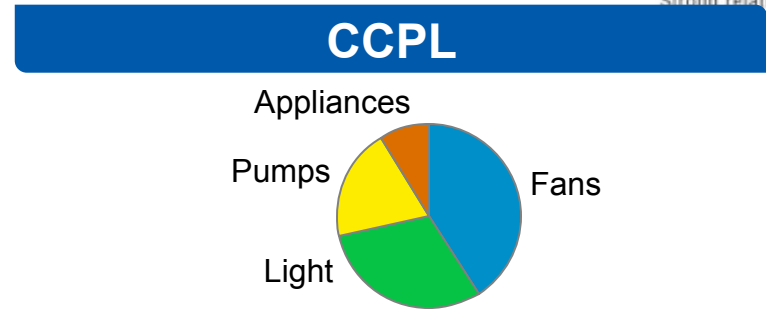
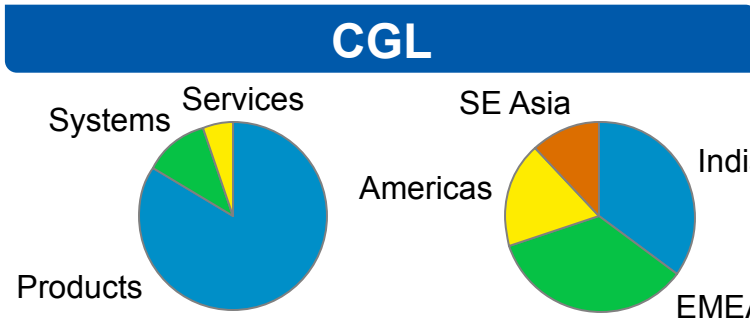
Work underway for a successful demerger

Two entities going forward



Smart solutions.
Strong relationships.

FY14 Revenue Mix



Revenue Growth

- FY11 to FY14 growth: 9%

- FY11 to FY14 growth: 12%

Key product segments

- Power conversion – motors, generators and drives
- T&D
- Automation

- Table, wall & ceiling fans
- Household & Agricultural pumps
- LED & CFL lights & luminaires
- Small domestic appliances

Key customer segments

- Power & utilities
- Railways
- Oil & Gas
- Mines & minerals

- Households
- Commercial
- Institutions

Focused and agile businesses



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CGL value drivers



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Offering



- Smart grid & electronics
- UHV - Transmission
- Power conversion

Go to market



- Services and systems offering
- Geographical expansion
- Vertical specialization
- Account mgmt

Sourcing



- Vendor rationalization
- Centralized procurement
- Best cost country sourcing

Manufacturing excellence



- India manufacturing hub strategy
- Lean operating model



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CCPL value drivers



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Brand positioning



- Pricing
- Advertising and brand building
- In-store experience
- Finish & aesthetics

Offering



- LED & Luminaires
- Kitchen appliances
- Premium fans & geysers

Reach



- Deepen & expand beyond tier-1
- Capturing counter share
- Modern trade & e-retail

Cost & SCM optimization



- Rationalize footprint
- Make v/s buy optimization
- Best cost sourcing



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CGL



Market conditions

- Demand revival for energy efficient and smart grid infrastructure
- Market moving towards consolidation

Why are we ready?

- Integration of acquisitions completed & synergies captured
- CGL has reached the critical mass to establish global position

CCPL



- Consumer demand revival
- Increasing preference for brands, faster product cycles, larger premium segment

- Consumer business has reached the right size to operate independently
- Crompton is a brand ready to be leveraged for acceleration

Two potential leaders

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