PL Capital PRABHUDAS LILLADHER

Crompton Greaves Consumer Electricals (CROMPTON IN)

Analyst Meet Update

August 21, 2026

■ Estimate Change | ■ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	330		330	
Sales (INR mn)	93,181	106,748	93,181	106,748
% Chng.	-	-		
EBITDA (INR mn)	9,896	11,763	9,896	11,763
% Chng.	-	-		
EPS (INR)	9.7	11.7	9.7	11.7
% Chng.	-	-		

Key Data	CROP.BO | CROMPTON IN
BSE Code	539876
NSE Code	CROMPTON
52-W High / Low	INR 337 / INR 217
Face Value	2
Sensex / Nifty	77,541 / 24,252
Market Cap	INR 162 bn / $ 1,695 mn
Shares Outstanding	643.91 mn
3M Avg. Daily Value	INR 802.50 mn

Shareholding Pattern (%)

Promoters	-
FIIs	19.89
Mutual Funds	53.23
Domestic Institutions	13.25
Public & Others	13.63
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(2.5)	(13.7)	(5.1)	(21.5)
Relative	(2.6)	(16.3)	1.4	(16.9)

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	78,636	80,955	93,181	106,748
EBITDA (INR mn)	8,882	8,166	9,896	11,763
Margin (%)	*11.3*	*10.1*	*10.6*	*11.0*
PAT (INR mn)	5,559	5,148	6,275	7,521
EV (INR mn)	159,469	155,407	156,156	150,218
Total Debt (INR mn)	3,395	-	-	-
C&C Eq. (INR mn)	3,530	1,840	2,415	3,929
EPS (INR)	8.6	8.0	9.7	11.7
Gr. (%)	*26.2*	*(7.4)*	*21.9*	*19.9*
DPS (INR)	3.0	3.0	3.0	3.0
Yield (%)	*1.2*	*1.2*	*1.2*	*1.2*
RoE (%)	*17.4*	*16.2*	*19.7*	*20.4*
RoCE (%)	*21.9*	*21.2*	*27.4*	*28.3*
EV/Sales (x)	2.0	1.9	1.7	1.4
EV/EBITDA (x)	18.0	19.0	15.8	12.8
PE (x)	29.2	31.5	25.9	21.6
P/BV (x)	4.8	5.5	4.8	4.1

Ambitious growth targets, execution remains key

Quick Pointers

- Guided EBITDA margin of 11-12% by FY29 & 12%+ by FY31
- INR3.5bn greenfield Fan capex with commercial production planned to start in Q1FY29

We attended the analyst meet of CROMPTON, where the management outlined its "Crompton 2.0" strategy focused on protecting and growing core categories, scaling emerging businesses, and entering new attractive whitespaces. The management has guided for revenue CAGR of 14-15% till FY29 and 2x revenue by FY31, and exit EBITDA margin of 11-12% and 12%+, supported by premiumization, new product development (NPD)-led growth, broader distribution and operational excellence. The company has partnered with a Korea-based company to enter the water purifier segment, further expanding its TAM following its entry into wires and solar products, which are relatively low-margin segments. The company continues to expand its TAM to INR1600bn through new categories such as wires, solar products and water purifiers, while targeting market-share gains through premiumization, NPD-led growth and distribution expansion. Despite the company's focus on premiumization and NPD across all categories, execution remains key to delivering its ambitious growth targets, given the scale-up required across new businesses. We estimate revenue/EBITDA/PAT CAGR of 14.8%/20.0%/20.7% over FY26-28E. We maintain our estimates and 'BUY' rating with TP of INR330, based on 28x Mar'28E earnings.

Key takeaways

NPD emerging as a key growth driver with execution risk: NPD is expected to emerge as a key growth driver for CROMPTON, with the management targeting higher NPD contribution across key categories to drive premiumization and market-share gains. However, NPD could pose a key execution risk to CROMPTON's growth ambitions, given the significant increase in NPD contribution targeted across all major categories. FY31 NPD contribution targets are as follows:

- Fans: 20% of sales, +900bps vs. FY26
- Large Domestic Appliances: 29% of sales, +500bps vs. FY26
- Pumps: 18% of sales, +500bps vs. FY26
- B2B Lighting: 20% of sales, +500bps vs. FY26

Premiumization driving value growth: Premiumization is expected to be a key growth lever, supported by rising consumer aspirations, product innovation and increasing penetration of premium categories. The management is targeting a higher premiumization mix across key categories, which will support revenue growth and improve product mix. In Fans, Pumps and Large Domestic Appliances, premiumization is expected to drive higher value realization and strengthen market positioning. FY31 premiumization contribution targets over FY26 levels are as follows:

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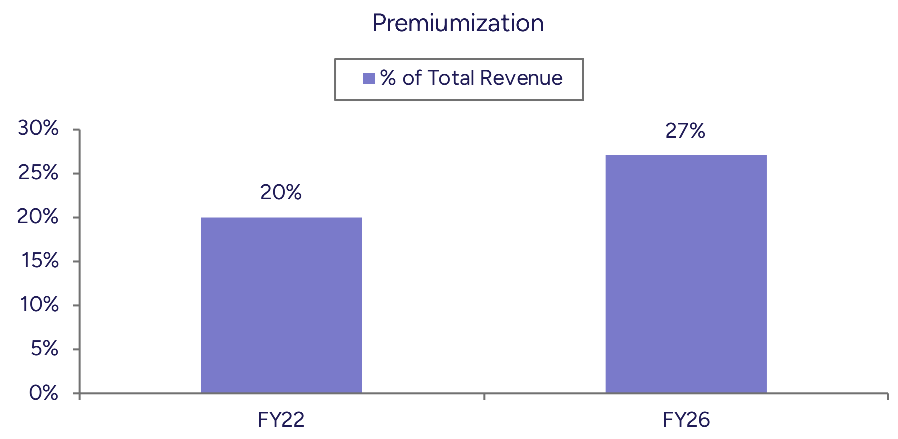
- Fans: 30% of sales, +500bps
- Large Domestic Appliances: 38% of sales, +300bps
- Pumps: 35% of sales, +700bps
- B2C Lighting: 52% of sales, +500bps

Focus on increasing market share: Market-share gains are expected to be a key growth lever, supported by premiumization, NPD, distribution expansion and entry into new sub-segments. is targeting market share gains across key categories, which should support revenue growth and strengthen its competitive positioning. By FY31, the company targets a 100 bps+ market-share improvement in Fans, 250 bps in Non Solar Pumps, 120bps in Water Heaters, 200bps in Air Coolers, and 250 bps in B2B Lighting over FY26 levels.

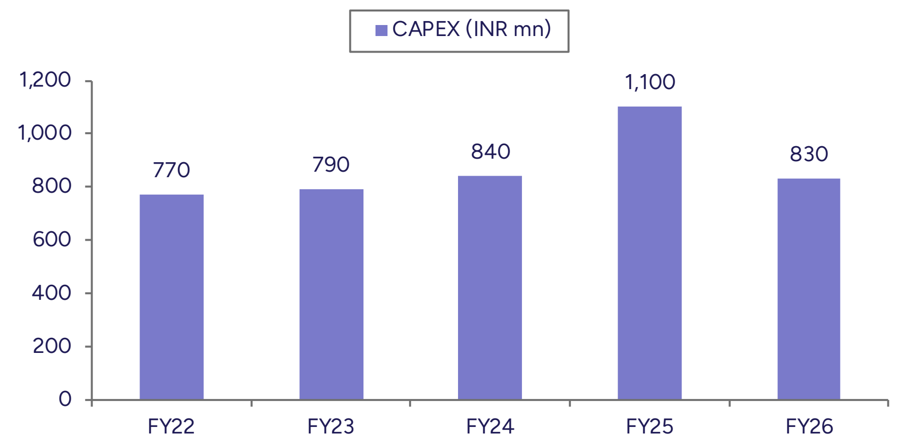
Exhibit 1: **Share of contribution of premium products increases to 27% in FY26**



Source: Company, PL

Disciplined capex with strategic investment in Fans: Capex is expected to remain disciplined, with the management guiding for an annual capex of ~INR1.2bn, excluding the greenfield capex, compared with an average annual capex of ~INR0.9bn over the last 5 years. The company has planned INR3.5bn greenfield capex for Fans, with Phase 1 commercial production targeted to begin in Q1FY29 and Phase 2 production scale-up by Q1FY30.

Exhibit 2: **Steady capex spends over last 5 years**



Source: Company, PL

TAM expansion with margin dilution risk: The company is expanding its TAM through entry into new segments such as wires (TAM INR360bn), solar rooftop (TAM INR300bn) and water purifiers, leveraging its existing brand, distribution and consumer reach. With this, the addressable market is expected to expand from INR800bn to ~INR1,600bn, providing incremental growth opportunities beyond the core portfolio. TAM expansion into lower EBITDA margin categories such as wires, solar products and water purifiers, could make the company's 12%+ FY31 EBITDA margin target more challenging to achieve.

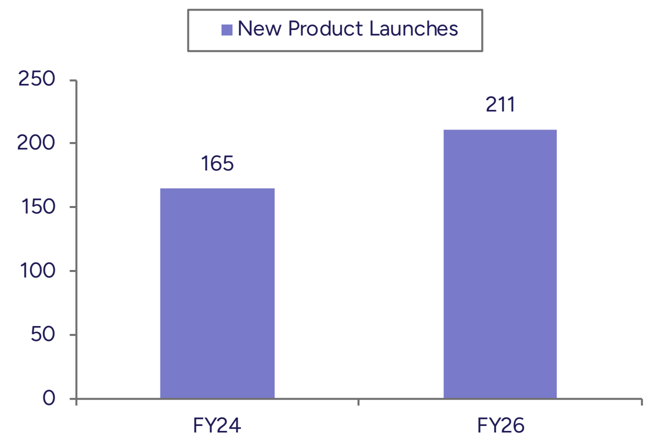
CROMPTON has launched its CDI tech water purifier and partnered with a Korea-based company to enter the water purification segment.

Strengthened market share across categories: Market share gains across categories remain a key growth lever, with market share increasing by 60bps in Fans, 30bps in B2C Lighting, 200bps in Water Heaters, 130bps in Air Coolers, 120bps in Grinders, 130bps in Butterfly Gas Stoves, 80bps in Butterfly Grinders, 180bps in Residential Pumps and 140bps in Agricultural Pumps during FY23-26. Gains were driven by BEE transition in Fans, product range and e-commerce/GT leadership in Large Domestic Appliances, and product range, premiumization and a profit-led approach in Pumps. CROMPTON has strengthened its leadership position in cooling and water heating, emerging as the No. 1 brand in Desert Coolers on e-commerce, among the Top 2 players overall, while maintaining its No. 1 position in Water Heaters.

Other key takeaways

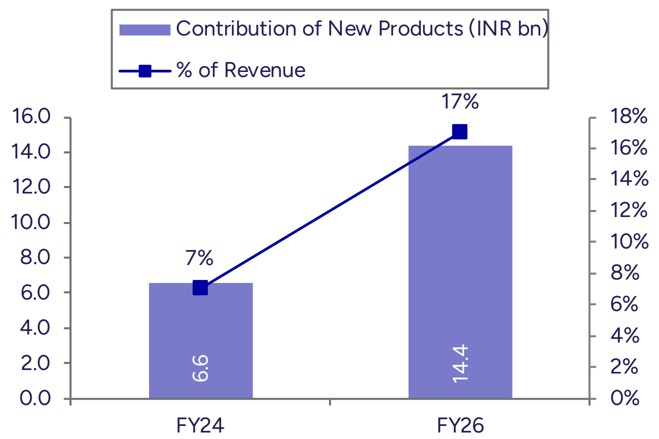
- The management clarified that it is currently not in discussion with any large player regarding the acquisition of CROMPTON.
- The company has modernized its B2C Lighting segment product mix, with Lamps & Battens contribution declining from 71.0% to 49.0%, while Ceiling Fans and Outdoor Lighting increased from 29% to 45%.
- The management targets new businesses to contribute ~20% of revenue by FY31, up from 14-15% in FY29, supporting the company's broader TAM expansion strategy.
- New product revenue more than doubled from INR6.6bn in FY24 to INR14.4bn in FY26, increasing its contribution to revenue from ~7% to ~17%. New product launches increased from 165 to 211.

Exhibit 3: New product launches increase to 211 in FY26



Source: Company, PL

Exhibit 4: New product contribution reaches 17% in FY26



Source: Company, PL

Exhibit 5: Market size – Consumer durables category

Product Category	Market Size (INR bn)
Fans	182
Ceiling Fan	137
Non-Ceiling Fan	45
Large Domestic Appliances	100
Water Heating Solutions	55
Climatic Control Solutions	45
Pumps	150
Resi Pumps	45
Non-Resi Pumps	105
Kitchen Appliances	266
Electrical Appliances	120
Large Kitchen Appliances	46
Non-Electrical Appliances	100

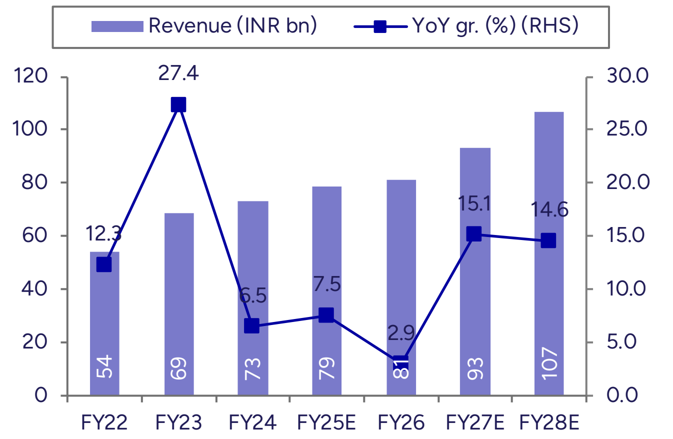
Source: Company, PL

Exhibit 6: Market size – Lighting products

Product Category	Market Size (INR bn)
Lighting B2C	139
Bulbs & Battens	66
Ceiling	47
Outdoor	17
Accessories	5
Deco	4
Lighting B2B	74
Infrastructure	19
Commercial	18
Street Lighting	17
Industrial	10
Hospitality & Retail	10
Wires	360

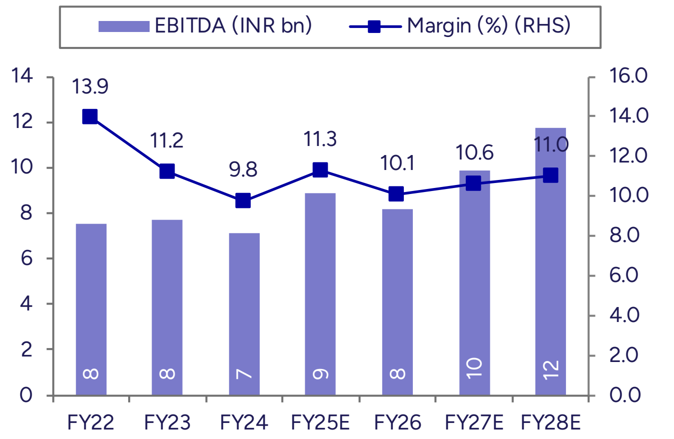
Source: Company, PL

Exhibit 7: Revenue to clock 14.8% CAGR over FY26-28E



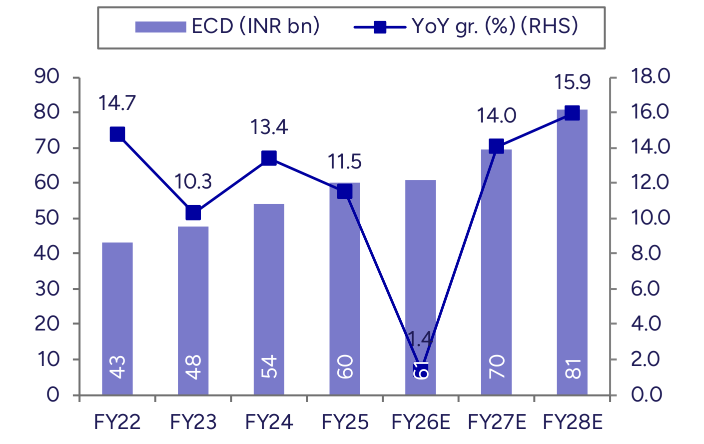
Source: Company, PL

Exhibit 8: EBITDA margin to gradually expand to 11% by FY28



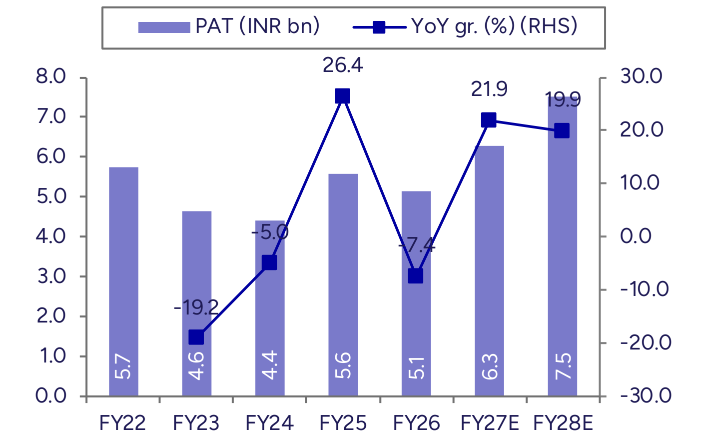
Source: Company, PL

Exhibit 9: ECD segment to grow by 15% CAGR over FY26-28E



Source: Company, PL

Exhibit 10: PAT to grow at 20.9% CAGR over FY26-28E



Source: Company, PL

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	**78,636**	**80,955**	**93,181**	**106,748**
YoY gr. (%)	*7.5*	*2.9*	*15.1*	*14.6*
Cost of Goods Sold	52,733	55,152	63,279	71,959
Gross Profit	25,902	25,803	29,902	34,789
Margin (%)	*32.9*	*31.9*	*32.1*	*32.6*
Employee Cost	6,390	6,813	7,548	8,753
Other Expenses	4,485	7,383	8,353	9,569
EBITDA	**8,882**	**8,166**	**9,896**	**11,763**
YoY gr. (%)	*24.5*	*(8.1)*	*21.2*	*18.9*
Margin (%)	*11.3*	*10.1*	*10.6*	*11.0*
Depreciation and Amortization	1,528	1,718	1,903	2,167
EBIT	**7,354**	**6,448**	**7,993**	**9,597**
Margin (%)	*9.4*	*8.0*	*8.6*	*9.0*
Net Interest	480	328	274	266
Other Income	688	656	750	834
Profit Before Tax	**7,562**	**6,777**	**8,469**	**10,165**
Margin (%)	*9.6*	*8.4*	*9.1*	*9.5*
Total Tax	1,921	1,515	2,067	2,501
Effective Tax Rate (%)	*25.4*	*22.4*	*24.4*	*24.6*
Profit After Tax	**5,641**	**5,262**	**6,402**	**7,664**
Minority Interest	81	114	127	144
Share Profit from Associate	-	-	-	-
Adjusted PAT	**5,559**	**5,148**	**6,275**	**7,521**
YoY gr. (%)	*26.4*	*(7.4)*	*21.9*	*19.9*
Margin (%)	*7.1*	*6.4*	*6.7*	*7.0*
Extra Ord. Income / (Exp)	-	(7,564)	-	-
Reported PAT	**5,559**	**(2,416)**	**6,275**	**7,521**
YoY gr. (%)	*26.4*	*(143.5)*	*(359.7)*	*19.9*
Margin (%)	*7.1*	*(3.0)*	*6.7*	*7.0*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	5,559	(2,416)	6,275	7,521
Equity Shares O/s (mn)	**644**	**644**	**644**	**644**
EPS (INR)	**8.6**	**8.0**	**9.7**	**11.7**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	**24,410**	**25,645**	**27,649**	**28,804**
Tangibles	8,316	9,404	11,109	11,964
Intangibles	16,095	16,240	16,540	16,840
Acc: Dep / Amortization	**4,113**	**7,656**	**8,322**	**9,947**
Tangibles	2,400	3,186	3,213	4,188
Intangibles	1,714	4,470	5,109	5,759
Net Fixed Assets	**20,297**	**17,988**	**19,327**	**18,857**
Tangibles	5,916	6,218	7,896	7,776
Intangibles	14,381	11,770	11,432	11,082
Capital Work In Progress	142	88	88	88
Goodwill	12,855	7,794	7,794	7,794
Non-Current Investments	259	373	327	406
Net Deferred Tax Assets	86	45	2	2
Other Non-Current Assets	835	1,319	1,341	1,364
Current Assets				
Investments	7,211	9,710	8,386	12,810
Inventories	8,817	7,442	10,212	11,698
Trade Receivables	6,912	10,846	10,220	11,708
Cash & Bank Balance	3,530	1,840	2,415	3,929
Other Current Assets	1,988	3,087	3,552	4,068
Total Assets	**63,298**	**60,826**	**63,954**	**73,056**
Equity				
Equity Share Capital	1,288	1,288	1,288	1,288
Other Equity	32,614	28,375	32,789	38,469
Total Networth	**33,901**	**29,663**	**34,077**	**39,757**
Non-Current Liabilities				
Long Term Borrowings	-	-	-	-
Provisions	1,793	1,454	1,674	1,918
Other Non Current Liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	3,395	-	-	-
Trade Payables	14,107	18,497	16,470	18,729
Other Current Liabilities	4,135	4,777	5,320	5,989
Total Equity & Liabilities	**63,298**	**60,826**	**63,954**	**73,056**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	7,562	(793)	8,469	10,165
Add. Depreciation	1,528	1,718	1,903	2,167
Add. Interest	480	440	274	266
Less Financial Other Income	688	656	750	834
Add. Other	(581)	6,603	327	412
Op. Profit before WC Changes	8,989	7,968	10,973	13,009
Net Changes-WC	167	852	(4,202)	(682)
Direct Tax	(1,782)	(1,585)	(2,067)	(2,501)
Net Cash from Op. Activities	**7,374**	**7,235**	**4,704**	**9,826**
Capital Expenditures	(1,095)	(835)	(3,242)	(1,696)
Interest / Dividend Income	277	350	420	504
Others	(493)	(1,261)	2,239	(3,508)
Net Cash from Invt. Activities	**(1,311)**	**(1,746)**	**(583)**	**(4,701)**
Issue of Share Cap. / Premium	204	24	-	-
Debt Changes	(3,528)	(3,629)	-	-
Dividend Paid	(1,930)	(1,932)	(1,932)	(1,932)
Interest Paid	(493)	(458)	(274)	(266)
Others	-	-	-	-
Net Cash from Fin. Activities	**(5,747)**	**(5,994)**	**(2,206)**	**(2,198)**
Net Change in Cash	**316**	**(505)**	**1,915**	**2,928**
Free Cash Flow	6,279	6,400	1,462	8,130

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	**19,156**	**18,983**	**22,833**	**22,350**
YoY gr. (%)	*1.0*	*7.3*	*10.8*	*11.8*
Raw Material Expenses	13,106	12,873	15,619	15,370
Gross Profit	6,050	6,110	7,214	6,981
Margin (%)	*31.6*	*32.2*	*31.6*	*31.2*
EBITDA	**1,584**	**1,953**	**2,707**	**2,245**
YoY gr. (%)	*(22.1)*	*3.9*	*2.4*	*17.1*
Margin (%)	*8.3*	*10.3*	*11.9*	*10.0*
Depreciation / Depletion	440	436	447	452
EBIT	**1,143**	**1,517**	**2,260**	**1,792**
Margin (%)	*6.0*	*8.0*	*9.9*	*8.0*
Net Interest	52	84	94	97
Other Income	134	128	158	218
Profit before Tax	**1,226**	**1,561**	**2,324**	**1,913**
Margin (%)	*6.4*	*8.2*	*10.2*	*8.6*
Total Tax	268	350	475	486
Effective Tax Rate (%)	*21.9*	*22.4*	*20.4*	*25.4*
Profit After Tax	**958**	**1,210**	**1,850**	**1,427**
Minority Interest	43	27	29	22
Share Profit from Associate	-	-	-	-
Adjusted PAT	**712**	**983**	**(5,339)**	**1,405**
YoY gr. (%)	*(43.0)*	*(10.5)*	*(415.0)*	*14.9*
Margin (%)	*3.7*	*5.2*	*(23.4)*	*6.3*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**712**	**983**	**(5,339)**	**1,405**
YoY gr. (%)	*(43.0)*	*(10.5)*	*(415.0)*	*14.9*
Margin (%)	*3.7*	*5.2*	*(23.4)*	*6.3*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**712**	**983**	**(5,339)**	**1,405**
Avg. Shares O/s (mn)	644	644	644	644
EPS (INR)	**1.1**	**1.5**	**(8.3)**	**2.2**

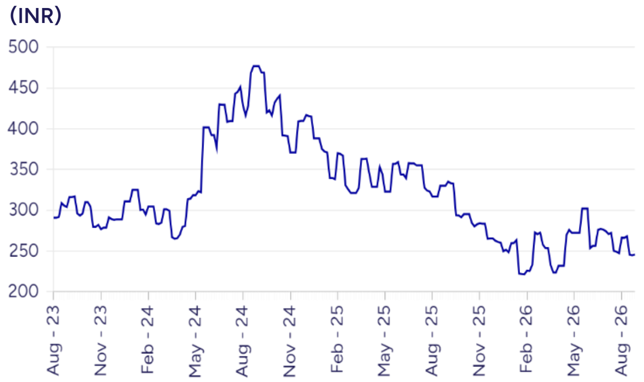
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	8.6	8.0	9.7	11.7
CEPS	11.0	10.7	12.7	15.0
BVPS	52.7	46.1	52.9	61.7
FCF	9.8	9.9	2.3	12.6
DPS	3.0	3.0	3.0	3.0
Return Ratio (%)				
RoCE	21.9	21.2	27.4	28.3
ROIC	21.1	22.8	28.7	35.9
RoE	17.4	16.2	19.7	20.4
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	8	(1)	16	16
Valuation (x)				
PER	29.2	31.5	25.9	21.6
P/B	4.8	5.5	4.8	4.1
P/CEPS	22.9	23.6	19.8	16.8
EV/EBITDA	18.0	19.0	15.8	12.8
EV/Sales	2.0	1.9	1.7	1.4
Dividend Yield (%)	1.2	1.2	1.2	1.2
FCFF Yield (%)	3.9	3.9	0.9	5.0
PEG Ratio	1.1	(4.2)	1.2	1.1

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	07-Aug-26	BUY	330	250
2	03-Jul-26	BUY	319	271
3	14-May-26	Accumulate	320	285
4	06-Apr-26	BUY	344	232
5	06-Feb-26	BUY	346	245
6	08-Jan-26	BUY	362	263
7	07-Nov-25	BUY	375	279
8	03-Oct-25	BUY	391	293
9	08-Aug-25	BUY	430	319
10	04-Jul-25	BUY	423	350

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Amber Enterprises India	Buy	9244	7222
2	Astral	BUY	1684	1464
3	Avalon Technologies	Reduce	1470	1823
4	Bajaj Electricals	Accumulate	403	383
5	Blue Star	Accumulate	1653	1514
6	Cello World	Accumulate	410	360
7	Century Plyboard (I)	Accumulate	878	770
8	Cera Sanitaryware	BUY	7221	6049
9	Crompton Greaves Consumer Electricals	BUY	330	250
10	Cyient DLM	HOLD	635	623
11	Finolex Industries	Accumulate	197	164
12	Greenpanel Industries	BUY	284	184
13	Havells India	Accumulate	1319	1187
14	Kajaria Ceramics	BUY	1403	1198
15	Kaynes Technology India	Accumulate	4390	3856
16	KEI Industries	Accumulate	6001	5500
17	LG Electronics India	HOLD	1723	1730
18	Polycab India	BUY	10764	9215
19	Premier Energies	Accumulate	1131	1047
20	R R Kabel	HOLD	2596	2525
21	Supreme Industries	BUY	4610	3395
22	Syrma SGS Technology	HOLD	1409	1378
23	Vikram Solar	Accumulate	173	157
24	Voltas	HOLD	1308	1321
25	Waaree Energies	BUY	3280	2625

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

ANALYST CERTIFICATION

Indian Clients

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