

Crompton Greaves Consumer Electricals Ltd.

ACCUMULATE

Sector: Household Appliances

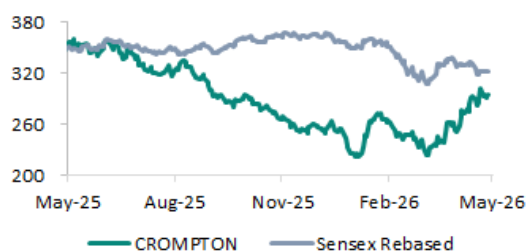
25th May, 2026

Key Changes	Target ▲	Rating ▼	Earnings ▼	Target	Rs. 329
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Mid Cap	CROMPTON:IN	75,415	CROMPTON	539876	12 Months
				CMP	Rs. 295
				Return	+12%

Data as of: 22-May-2026, 18:00 hrs

Company Data			
Market Cap (Rs.cr)	18,970		
52 Week High — Low (Rs.)	364 - 218		
Enterprise Value (Rs. cr)	18,915		
Outstanding Shares (cr)	64.4		
Free Float (%)	99.5		
Dividend Yield (%)	1.0		
6m average volume (cr)	0.4		
Beta	1.1		
Face value (Rs.)	2.0		
Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	0.0	0.0	0.0
FII's	25.6	20.6	20.5
MFs/Institutions	61.2	65.7	66.1
Public	11.7	12.2	12.1
Others	1.5	1.6	1.3
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	11.0%	10.2%	-14.8%
Absolute Sensex	-8.9%	-11.5%	-6.8%
Relative Return	19.9%	21.7%	-8.0%

*over or under performance to benchmark index



Y.E March (cr)	FY26A	FY27E	FY28E
Sales	8,096	9,330	10,561
Growth (%)	2.9	15.2	13.2
EBITDA	893	1,019	1,225
EBITDA Margin (%)	11.0	10.9	11.6
PAT Adjusted	526	604	757
Growth (%)	-6.8	15.0	25.2
Adjusted EPS	8.2	9.4	11.8
Growth (%)	-6.8	15.0	25.2
P/E	32.5	31.4	25.1
P/B	5.0	5.0	4.4
EV/EBITDA	19.2	18.6	15.3
ROE (%)	-6.7	15.9	17.7
D/E	0.1	0.1	0.0

Solar business scaling aggressively

Crompton Greaves Consumer Electricals Ltd (Crompton) is a Mumbai-based electrical equipment company. Its products include lighting and electrical consumer durable (ECD) goods such as LED lights, fans, pumps, water heaters, air coolers and kitchen appliances.

- Consolidated revenue for Q4FY26 grew 10.8% YoY to Rs. 2,283cr, due to broad-based recovery across segments, led by strong ECD momentum, industry-leading lighting growth, and Butterfly Gandhimathi Appliances acceleration.
- ECD revenue increased 9.5% YoY to Rs. 1,755cr, driven by broad-based strength in pumps, small domestic appliances, fans and improving traction in BLDC fans.
- Lighting Q4FY26 revenue grew 14.3% YoY to Rs. 316cr, due to strong execution across the B2C and B2B segments, making it the segment's best growth performance in six years.
- BGAL revenue rose 16.9% YoY to Rs. 212cr, due to strong performance across categories, alongside price hikes and mix improvement .
- EBITDA increased 1.2% YoY to Rs. 287cr, while EBITDA margin contracted 120bps YoY to 12.5%, owing to increased commodity costs and higher other expenses.
- PAT swung to a loss of Rs. 531cr from a profit of Rs. 172cr in Q4FY25, due to a Rs. 716cr exceptional impairment on its investment in Butterfly.

Outlook & Valuation

The company showed resilient execution despite challenging external conditions, aided by strategic portfolio expansion, successful regulatory compliance and sustained market share gains across categories. Going forward, the aggressive scaling of solar business, national expansion of Crompton Armor wires, and the launch of its super-premium Rhion product line are expected to unlock new growth avenues and drive premiumisation. The turnaround of Butterfly, BLDC's portfolio momentum and innovation-led kitchen appliances strengthen the company's competitive positioning. Management's proactive pricing actions and ongoing cost optimisation initiatives under Project Unnati are expected to support margin recovery, but profitability remains vulnerable to near-term commodity pressures. Hence, **we downgrade our rating on the stock to ACCUMULATE from BUY with a revised target price of Rs. 329, based on 28x rolled-forward FY28E adjusted EPS.**

Quarterly Financial Consolidated

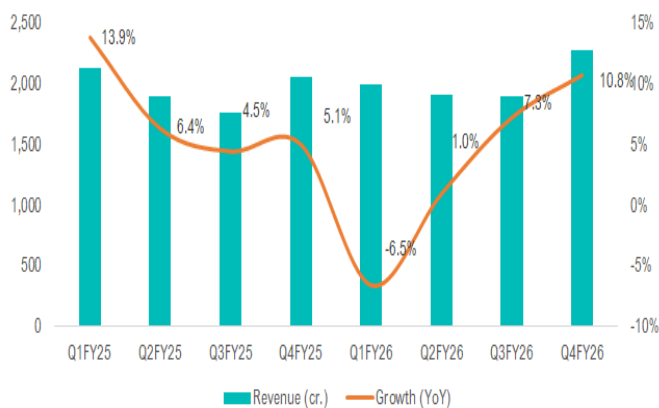
Rs.cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Sales	2,283	2,061	10.8	1,898	20.3	8,096	7,864	2.9
EBITDA	287	283	1.2	208	37.7	893	970	-7.9
Margin (%)	12.5	13.7	-120bps	11.0	150bps	11.0	12.3	-130bps
EBIT	242	244	-0.7	164	47.1	721	817	-11.7
PBT	-484	231	n.m.	136	n.m.	-79	756	n.m.
Rep. PAT	-531	172	n.m.	101	n.m.	-231	564	n.m.
Adj PAT	185	172	7.7	121	52.8	526	564	-6.8
Adj. EPS (Rs)	2.9	2.7	7.7	1.9	52.8	8.2	8.8	-6.8



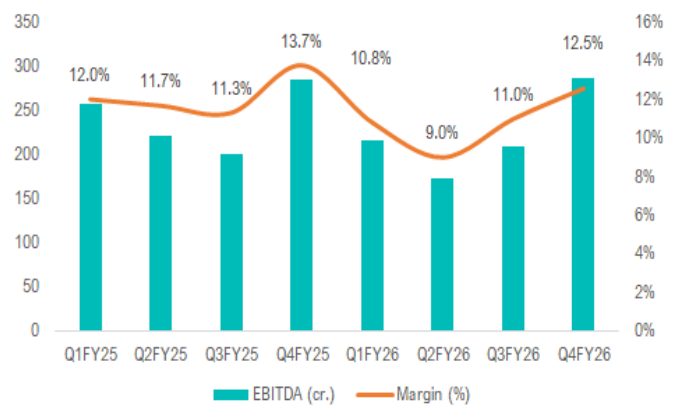
Key concall highlights

- Crompton successfully transitioned to the BEE 2.0 regulatory norms from January 1, 2026, without any business disruption, demonstrating strong supply chain readiness and execution capabilities across the fans portfolio.
- The solar rooftop business has achieved significant traction with 5,000 homes already installed, a robust order book of Rs. 500cr and phased retail rollout starting April 2026.
- Crompton Armor, the company's premium insulated wires brand, was launched in March 2026 in South India with features such as higher copper density and enhanced fire safety standards.
- The management indicated that war-related disruptions and geopolitical action towards the end of FY26 created additional cost headwinds, forcing the company to implement price hikes of 7-8% across categories.
- LPG supply constraints boosted demand for electric cooking appliances such as induction cooktops, kettles and electric cookers, creating tailwinds for Crompton's kitchen appliance portfolio throughout the quarter.
- The management reiterated its aspiration to build a Rs. 2,000cr solar business (combining solar pumps and solar rooftops) over the next 3-4 years, indicating aggressive growth expectations in renewable energy.

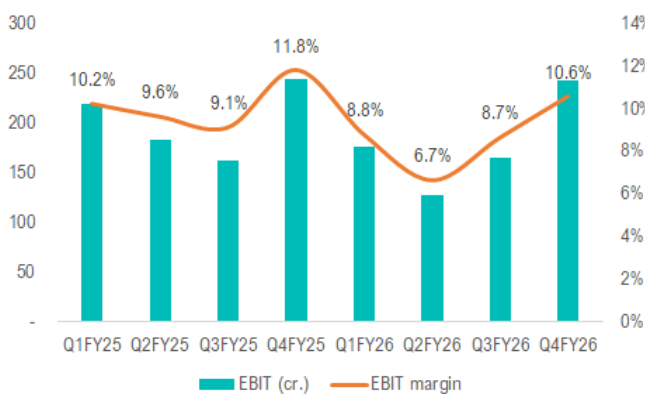
Revenue



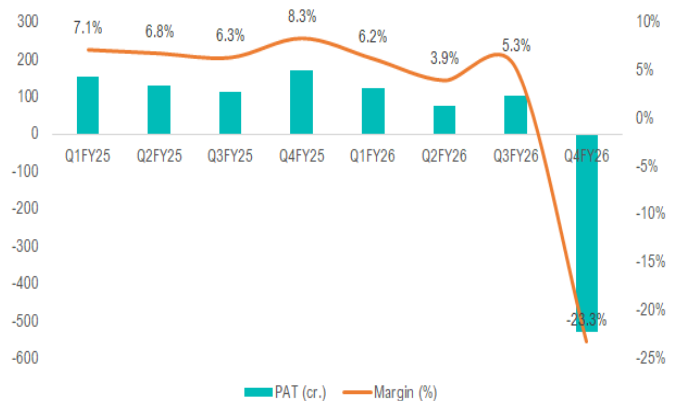
EBITDA



EBIT



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change -%	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	9,288	-	9,330	10,561	0.5	-
EBITDA	1,113	-	1,019	1,225	-8.4	-
Margins (%)	12.0	-	10.9	11.6	-107bps	-
Adj. PAT	682	-	604	757	-11.4	-
EPS	10.6	-	9.4	11.8	-11.5	-



Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Sales	7,313	7,864	8,096	9,330	10,561
% change	6.5	7.5	2.9	15.2	13.2
EBITDA	781	970	893	1,019	1,225
% change	-6.7	24.1	-7.9	14.2	20.2
Depreciation	129	153	172	174	179
EBIT	652	817	721	845	1,047
Interest	79	60	44	40	38
Exceptional item			-756		
PBT	573	756	-79	806	1,009
% change	-6.4	32.0	-110.5	-1116.1	25.2
Tax	131	192	151	201	252
Tax Rate (%)	22.9	25.4	-191.0	25.0	25.0
Reported PAT	442	564	-231	604	757
PAT att. to common shareholders	-	-	-	-	-
Adj.*	-	-	756	-	-
Adj. PAT	442	564	526	604	757
% change	-7.3	27.7	-6.8	15.0	25.2
No. of shares (cr)	64.3	64.4	64.4	64.4	64.4
Adj EPS (Rs.)	6.9	8.8	8.2	9.4	11.8
% change	-8.3	27.5	-6.8	15.0	25.2
DPS (Rs.)	3.0	3.0	3.0	3.6	4.5

Cashflow

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	571	717	-59	778	935
Non-cash adj.	125	-28	560	-22	64
Other adjustments	-	-	-	-	-
Changes in W.C	147	61	223	-178	-220
C.F. Operation	843	750	723	578	779
Capital exp.	-81	-103	-79	-164	-154
Change in inv.	-115	4	-130	-10	-49
Other invest.CF	-12	-32	35	-61	-65
C.F - Investment	-207	-131	-175	-235	-268
Issue of equity	89	20	2	-	-
Issue/repay debt	-325	-300	-300	-5	-5
Dividends paid	-191	-193	-193	-230	-288
Other finance.CF	-114	-115	-109	-40	-38
C.F - Finance	-541	-587	-599	-274	-330
Chg. in cash	95	32	-50	69	181
Closing Cash	261	353	184	252	433

Balance Sheet

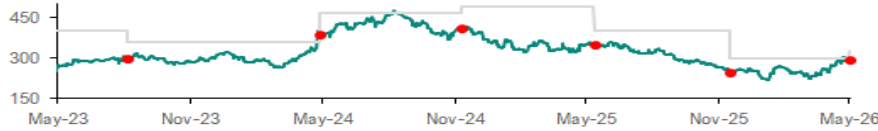
Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	261	353	184	252	433
Accts. Receivable	721	702	1,085	1,232	1,373
Inventories	830	882	744	853	953
Other Cur. Assets	893	938	1,305	1,566	1,900
Investments	-	-	-	-	-
Gross Fixed Assets	537	640	720	884	1,038
Net Fixed Assets	475	592	622	620	596
CWIP	11	14	9	-	-
Intangible Assets	2,769	2,724	1,956	2,015	2,077
Def. Tax -Net	9	27	53	55	58
Other Assets	113	115	125	125	125
Total Assets	6,082	6,346	6,083	6,719	7,516
Current Liabilities	1,732	1,820	2,277	2,548	2,883
Provisions	208	200	170	167	163
Debt Funds	683	479	199	194	189
Other Liabilities	10				
Equity Capital	129	129	129	129	129
Res. & Surplus	3,320	3,719	3,307	3,682	4,151
Shareholder Funds	3,449	3,848	3,436	3,810	4,280
Minority Interest	-	-	-	-	-
Total Liabilities	6,082	6,346	6,083	6,719	7,516
BVPS	54	60	53	59	66

Ratio

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	10.7	12.3	11.0	10.9	11.6
EBIT margin (%)	8.9	10.4	8.9	9.1	9.9
Net profit mgn.(%)	6.0	7.2	-2.9	6.5	7.2
ROE (%)	12.8	14.7	-6.7	15.9	17.7
ROCE (%)	15.8	18.9	19.8	21.1	23.4
W.C & Liquidity					
Receivables (days)	36.1	32.7	49.0	48.3	47.6
Inventory (days)	60.8	61.2	49.4	48.3	47.6
Payables (days)	96.2	96.9	122.7	123.3	124.1
Current ratio (x)	1.3	1.3	1.4	1.5	1.6
Quick ratio (x)	0.8	0.8	1.0	0.9	1.0
Turnover & Leverage					
Gross asset T.O (x)	14.0	13.4	11.9	11.6	11.0
Total asset T.O (x)	1.2	1.3	1.3	1.5	1.5
Int. covge. ratio (x)	8.2	13.5	16.4	21.3	27.8
Adj. debt/equity (x)	0.2	0.1	0.1	0.1	0.0
Valuation					
EV/Sales (x)	2.4	2.9	2.1	2.0	1.8
EV/EBITDA (x)	22.5	23.6	19.2	18.6	15.3
P/E (x)	38.9	40.4	32.5	31.4	25.1
P/BV (x)	5.0	5.9	5.0	5.0	4.4



Recommendation Summary - last 3 years



Dates	Rating	Target
28-Aug-23	BUY	362
21-May-24	BUY	465
03-Dec-24	BUY	491
05-Jun-25	BUY	403
10-Dec-25	BUY	297
25-May-26	ACCUMULATE	329

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%


Not rated/Neutral


Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

 Upgrade

 No Change

 Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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