CROMPTON GREAVES CONSUMER (CROGR)

ICICI Direct

CMP: ₹ 252 | Target ₹ 300 (19%) | Target Period: 12 months | BUY

August 21, 2026

Company Update

Deepening its position as a multi-category FMEG player...

About the stock: Crompton Greaves Consumer electricals (CGCE) is one of the leading fast moving electrical goods (FMEG) companies with presence in electrical consumer durables (ECD). With a legacy spanning over 85+ years and robust distribution backbone of 2800+ distributors, 2,70,000+ retail touchpoints and over 1300 service centres, CGCE is well positioned to capitalize its network for existing segments as well as provide a runway for its newer businesses to scale.

Event Update: CGCE conducted an annual Investor meet on 20th August 2026 to unveil Crompton 2.0 phase alongwith medium term guidance.

Key Takeaways:

- **FY31 Target:** The company is targeting 2X revenue by FY31, implying ~15% CAGR over FY26-31E and 12%+ exit EBITDA margin vs ~10% currently. The existing business shall grow at steady pace while ~20% of revenue shall be contributed from new businesses by FY31 which shall include wires, solar pumps, solar rooftops and water purifiers.
- **TAM doubled; with new categories to reduce seasonality factor:** With the addition of new products, TAM for CGCE has doubled from ~₹80,000 crore to ~₹1,60,000 crore. Further, these products provide diversification and reduce seasonality linked revenue. Existing wide distribution network, strong brand, and management's execution abilities provides us comfort of optimistic output in new categories.
- **Industry leading margins to further improve:** CGCE earns industry leading 10% EBITDA margin which compares to mid-high single digit for most peers. Going ahead, new product segments are expected to be margin accretive. This shall be coupled with premiumisation trend, existing distribution network optimisation and operating leverage, which shall support margin improvement. Management has guided for exit EBITDA margin of 11-12% for FY29E and 12%+ for FY31E.
- **Recent performance:** After a broadly single-digit growth performance since FY24, CGCE has now delivered double-digit growth and double-digit margin for 2 consecutive quarters, despite West Asia-led volatility.

Rating and Target Price:

Considering the steady core categories performance and addition of new products, we believe the company is well set to consistently deliver double digit topline growth and double-digit margin. Net cash balance sheet is comfortable while company is allocating capital judiciously in new product segments, which alongwith its wide distribution network makes risk-reward favorable. Management remains open for inorganic opportunity and international expansion if opportunity arises. We maintain BUY rating on the stock with a target price of ₹300, valuing it at 26x PE on FY28E EPS.

Crompton
Amazing, Every Day

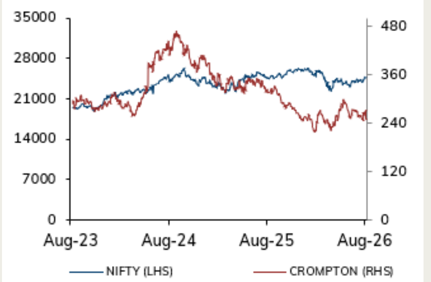
Particulars

Particular	Amount
Market Cap (₹ Crore)	16,213.4
FY26 Debt (₹ Crore)	0
FY26 Cash (₹ Crore)	183.9
EV (Rs Crore)	16,029.5
52 Week H/L (₹)	338 / 217
Equity Capital (₹ Crore)	128.8
Face Value	2

Shareholding pattern

	Sep-25	Dec-25	Mar-26	Jun-26
Promoter	0	0	0	0
FII	25.6	20.6	20.5	19.9
DII	61.2	65.7	66.1	66.5
Public	13.2	13.7	13.4	13.6

Price Chart



Key risks

(i) Intensifying competition

(ii) Underwhelming demand uptick

(iii) Execution risk in new ventures

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ICICI Securities – Retail Equity Research

Key Financial Summary

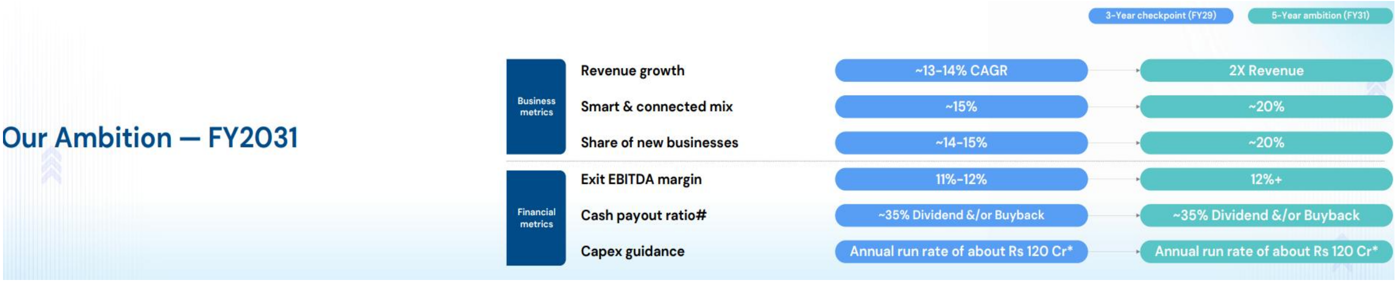
(₹ crore)	FY23	FY24	FY25	FY26	3 Year CAGR	FY27E	FY28E	2 Year CAGR
Net Sales	6870	7313	7864	8095	5.6%	9278	10451	13.6%
EBITDA	770	714	888	827	2.4%	988	1160	18.5%
EBITDA Margin (%)	11.2	9.8	11.3	10.2		10.7	11.1	
Adj. Net Profit	463	440	556	502	2.7%	624	736	21.0%
EPS (₹)	7.3	6.8	8.6	7.8		9.7	11.4	
P/E (x)	34.6	36.8	29.2	32.3		26.0	22.0	
RoE (%)	17.4	14.7	16.4	16.9		17.5	18.8	
RoCE (%)	17.6	15.9	18.7	20.1		20.9	22.8	

Source: Company, ICICI Direct Research

Highlights from the Investor Meet

- **FY31 targets:** Management targets 2X revenue by FY31 with 12%+ exit EBITDA margin. ~20% of revenue is expected to come from new businesses, while ~20% Smart & Connected mix is targeted. Revenue growth ambition is ~15%, with core category share gains, premiumisation and scaling of newer businesses providing multiple levers to achieve the targets.

Exhibit 1: FY 2031 Targets



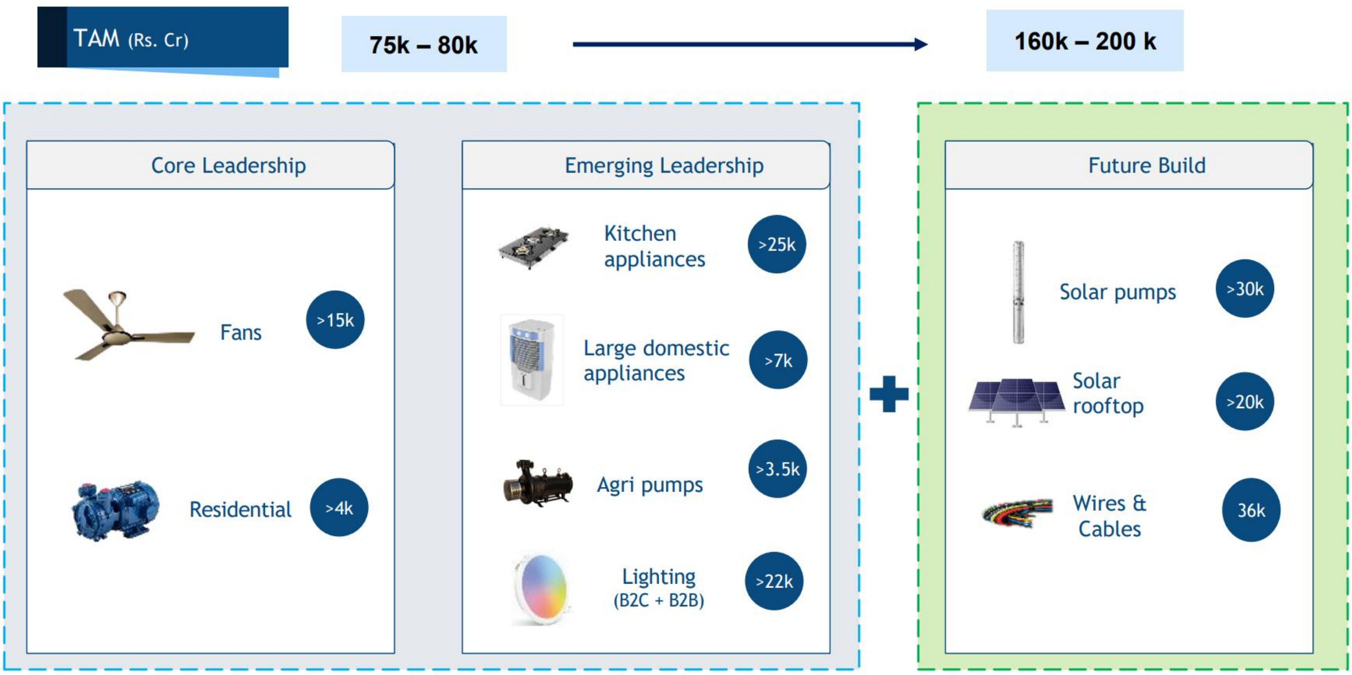
Our Ambition — FY2031

		3-Year checkpoint (FY29)	5-Year ambition (FY31)
Business metrics	Revenue growth	~13-14% CAGR	2X Revenue
	Smart & connected mix	~15%	~20%
	Share of new businesses	~14-15%	~20%
Financial metrics	Exit EBITDA margin	11%-12%	12%+
	Cash payout ratio#	~35% Dividend &/or Buyback	~35% Dividend &/or Buyback
	Capex guidance	Annual run rate of about Rs 120 Cr*	Annual run rate of about Rs 120 Cr*

Source: Company, ICICI Direct Research

- **Diversification to decrease seasonality-based revenue:** TAM is expected to double from ~₹80,000 crore to ~₹1,60,000 crore+ through newer categories including wires, solar rooftop and solar pumps. This should help bring more diversification and reduce the impact of seasonality, with newer categories being less weather-dependent.

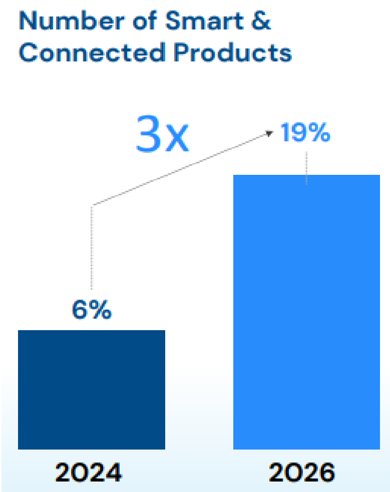
Exhibit 2: TAM Expansion



Source: Company, ICICI Direct Research

- **Smart & Connected:** Smart & Connected products have scaled 3x, with connected products being expanded across categories through performance monitoring, intelligent service and OTA-ready architecture. Management targets ~20% Smart & Connected mix by FY31.

Exhibit 3: Smart Connected Products Expansion



Source: Company, ICICI Direct Research

- **Fans:** Around 50% of fan manufacturing is currently in-house, with the ₹350 crore greenfield facility expected to further increase in-house manufacturing. The facility is targeted to start commercial fan production in Q1FY29. BEE tightening is also leading to consolidation among smaller/unorganised players, which should benefit organised players like Crompton.

Exhibit 4: FAN Greenfield Facility

Key figures for greenfield facility

INR 350 Cr
Initial investment

50 Acre
Plant plot area

~45%
Demand proximity to plant

2000+
Employment generation

Timelines for execution

Milestone	Timeline*
Land acquisition	Q4FY27
Construction commencement	Q2FY28
Phase 1 – Fans Commercial production begin	Q1FY29
Phase 2 – Production scale-up	Q1FY30

Source: Company, ICICI Direct Research

- **Solar Rooftops & Pumps:** Solar rooftop has built a ₹500 crore B2G order book with 6–9 months execution visibility, with the plan to scale it to B2C alongside B2G across 17 cities. In solar pumps, the company has installed ~22,500 pumps so far and plans to reach ~40,000 installations by FY27.

- **Water Biofier:** Crompton also launched Crompton Rhion, a premium water purifier using CDI technology, a first-of-its-kind global residential application purifier through its partnership with a South Korean company Sion Tech. It retains essential minerals in purified water, and gives more purified output when compared to traditional RO. (70% compared to 40% of RO)
- **Butterfly Gandhimathi Appliances:** The subsidiary plans to double its business in three years by growing outside its main South Indian markets, building strong brand preference, scaling design-led Idea First series, and investing early in capacity, branding, and supply chains. By fiscal year 2031, it aims to lead its core categories, rank in the top three for premium kitchen appliances, and achieve 30% of its sales from new products.

Exhibit 5: Butterfly Target

Source: Company, ICICI Direct Research

Financial summary

Exhibit 6: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Revenue	**7,864**	**8,095**	**9,278**	**10,451**
Growth (%)	7.5	2.9	14.6	12.6
Expenses				
Raw material exp	5,273	5,516	6,286	7,044
Employee exp	639	681	761	857
Other exp	1,063	1,072	1,243	1,390
Total Operating exp	6,975	7,269	8,290	9,291
EBITDA	**888**	**827**	**988**	**1,160**
Growth (%)	24.5	-6.9	19.5	17.4
Depreciation	153	172	192	209
Interest	48	43	27	25
Other Income	69	66	83	97
PBT	756	-79	852	1,024
Total Tax	192	151	215	272
Minority Interest	8	11	14	16
Adjusted PAT	**556**	**502**	**624**	**736**
Growth (%)	26.4	-9.7	24.2	17.9
EPS (₹)	8.6	7.8	9.7	11.4

Source: Company, ICICI Direct Research

Exhibit 7: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit after Tax	556	502	624	736
Add: Depreciation	153	172	192	209
(Inc)/dec in Current Assets	-44	-353	-125	-318
Inc/(dec) in CL and Provisions	83	439	-149	296
Others	48	43	27	25
CF from operating activities	796	804	569	948
(Inc)/dec in Investments	-32	-250	-194	-233
(Inc)/dec in Fixed Assets	-227	-175	-150	-173
Others	67	-20	36	30
CF from investing activities	-192	-445	-309	-376
Issue/(Buy back) of Equity	0	0	0	0
Inc/(dec) in loan funds	-299	-300	0	0
Dividend paid & dividend tax	-193	-225	-290	-386
Others	-20	-3	-27	-25
CF from financing activities	-513	-528	-317	-411
Net Cash flow	92	-169	-56	161
Opening Cash	261	353	184	127
Closing Cash	**353**	**184**	**127**	**289**

Source: Company, ICICI Direct Research

Exhibit 8: Balance sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Liabilities				
Equity Capital	129	129	129	129
Reserve and Surplus	3,261	2,838	3,428	3,778
Total Shareholders' funds	**3,390**	**2,966**	**3,557**	**3,907**
Minority Interest	458	469	483	499
Debt	300	0	0	0
Other liabilities	144	153	168	185
Total Liabilities	**4,292**	**3,589**	**4,208**	**4,590**
Assets				
Gross Block	2,421	2,295	2,607	2,688
Less: Acc Depreciation	411	513	625	745
Total Fixed Assets	**2,044**	**1,812**	**2,026**	**1,990**
Goodwill	1,285	779	779	779
Other investments	0	0	0	0
Inventory	882	744	991	1,088
Debtors	713	1,086	991	1,174
Other Current assets	216	334	306	345
Cash	353	184	127	289
Total Current Assets	**2,164**	**2,348**	**2,417**	**2,896**
Creditors	1,412	1,870	1,601	1,804
Provisions	334	298	379	427
Other CL	309	326	364	410
Total Current Liabilities	**2,054**	**2,493**	**2,345**	**2,641**
Net current assets	110	-146	72	255
Other non-current assets	131	173	165	168
Total Assets	**4,292**	**3,589**	**4,208**	**4,590**

Source: Company, ICICI Direct Research

Exhibit 9: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per share data (₹)				
EPS	8.6	7.8	9.7	11.4
Cash EPS	11.0	10.5	12.7	14.7
BV	52.7	46.1	55.3	60.7
DPS	3.0	3.5	4.5	6.0
Operating Ratios (%)				
EBITDA Margin	11.3	10.2	10.7	11.1
PAT Margin	7.1	6.2	6.7	7.0
Asset Turnover	3.2	3.5	3.6	3.9
Inventory Days	40.9	33.6	39.0	38.0
Debtor Days	33.1	49.0	39.0	41.0
Creditor Days	65.5	84.3	63.0	63.0
Return Ratios (%)				
RoE	16.4	16.9	17.5	18.8
RoCE	18.7	20.1	20.9	22.8
RoIC	35.4	36.8	34.7	41.0
Valuation Ratios (x)				
P/E	29.2	32.3	26.0	22.0
EV / EBITDA	17.2	18.0	14.9	12.4
EV / Net Sales	1.9	1.8	1.6	1.4
Market Cap / Sales	2.0	2.0	1.7	1.5
Price to Book Value	4.8	5.5	4.6	4.2
Solvency Ratios				
Debt / Equity	0.1	0.0	0.0	0.0
Current Ratio	1.0	1.0	1.2	1.2
Quick Ratio	0.5	0.7	0.7	0.7

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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