

BUY

TP: Rs 500 | ▲ 47%

CROMPTON GREAVES

Consumer Durables

01 July 2022

Annual Report Analysis: Fortifying its market position

- Leadership maintained in fans and pumps, while being a top player in lighting. BGAL acquisition to strengthen adjacency offerings
- It's cost savings program is one of its biggest margin shields, savings of Rs2 bn in FY22 (3.8% of sales); cumulatively Rs5 bn in last 3yrs
- Efforts towards brand building, R&D, scaling up distribution network should reinforce its market position. Maintain BUY with TP of Rs500

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Crompton was able to navigate FY22 well due to its cost-saving program, product mix improvement, and calibrated pricing. As a part of building its adjacent products, it acquired Butterfly Gandhimati (BGAL) in FY22. Its leadership position continued in fans segment, while lighting saw subdued demand in B2B lighting partly offsetting double-digit growth in B2C segment. Project Unnati aimed at aggressive cost cutting led to the savings of Rs2 bn (3.8% of FY22 revenue). Efforts towards brand building, R&D, scaling up distribution network should reinforce its market position in fans and pump division. Maintain BUY with a TP of Rs500.

BGAL to help increase presence in adjacency products – FY22 Crompton completed acquisition of 55% stake BGAL for Rs14 bn (subsequently hiked to 81% following its open offer in Q1FY23). Butterfly is amongst the top three kitchen and small domestic appliances players in India. Management has stated it would be focusing on prioritizing revenue growth over margin and anticipates operating leverage to drive EBIT margin. With this acquisition, Crompton is enhancing its offerings in adjacent products, with an advantage of leveraging its existing distribution network

5-dimesnional growth strategy: The company has devised a growth strategy to achieve its long-term strategic growth through Branding, Portfolio, Go-To-Market Reach, Operational and Organizational focus.

Project Unnati through its design optimization, commercial negotiation, and operational efficiency via in-house manufacturing has achieved a cost savings of Rs2 bn in FY22 (3.8% of revenue). Notably, company has achieved cost saving of Rs5bn over FY20-FY22.

Increase in Debt, mainly led by acquisition – The company's Net Debt increased to Rs6.9 bn from Net cash of Rs1.3 bn in FY21, primarily due to acquisition of Butterfly. Net Debt/equity stood at 0.3x. Pertinently, return ratios were impacted, but we believe that it should mean revert by FY24 as BGAL becomes earnings accretive.

Key changes

Target	Rating
◀ ▶	◀ ▶

Ticker/Price	CROMPTON IN/Rs 340
Market cap	US\$ 2.7bn
Free float	94%
3M ADV	US\$ 7.0mn
52wk high/low	Rs 513/Rs 312
Promoter/FPI/DII	6%/38%/44%

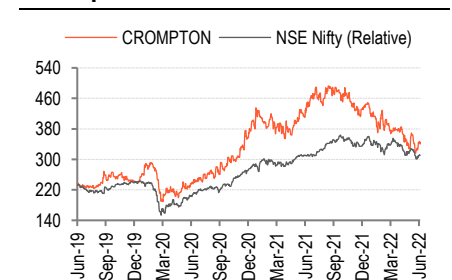
Source: NSE | Price as of 30 Jun 2022

Key financials

Y/E 31 Mar	FY22A	FY23E	FY24E
Total revenue (Rs mn)	53,941	74,589	85,017
EBITDA (Rs mn)	7,694	10,057	11,922
Adj. net profit (Rs mn)	5,914	7,237	9,171
Adj. EPS (Rs)	9.3	11.1	14.1
Consensus EPS (Rs)	9.3	10.5	12.6
Adj. ROAE (%)	27.0	25.1	24.7
Adj. P/E (x)	36.4	30.5	24.2
EV/EBITDA (x)	27.6	21.4	18.3
Adj. EPS growth (%)	(4.1)	19.3	26.1

Source: Company, Bloomberg, BOBCAPS Research

Stock performance

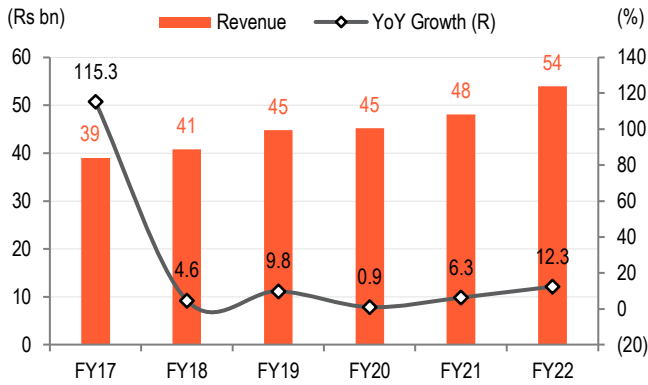


Source: NSE



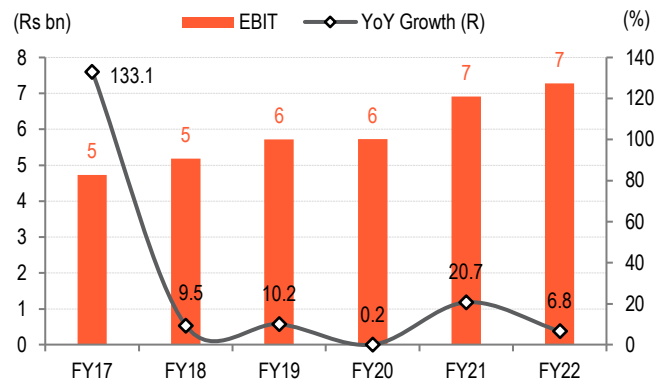
Annual report in Charts

Fig 1 – Revenue growth



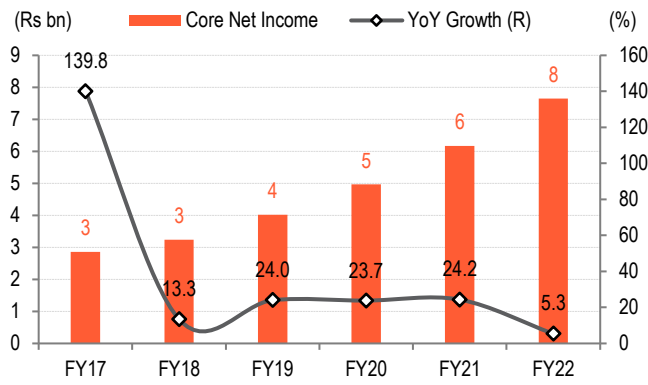
Source: Company, BOBCAPS Research

Fig 2 – EBIT growth



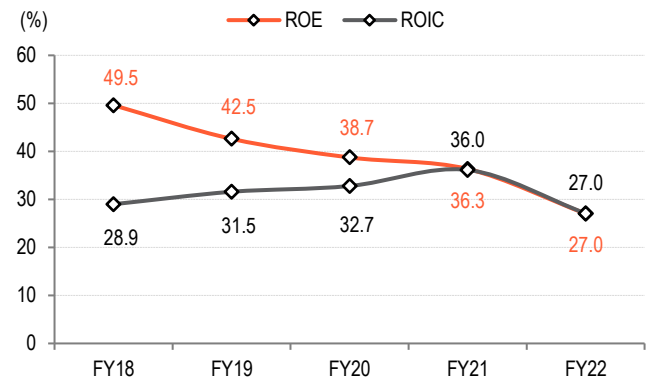
Source: Company, BOBCAPS Research

Fig 3 – PAT growth



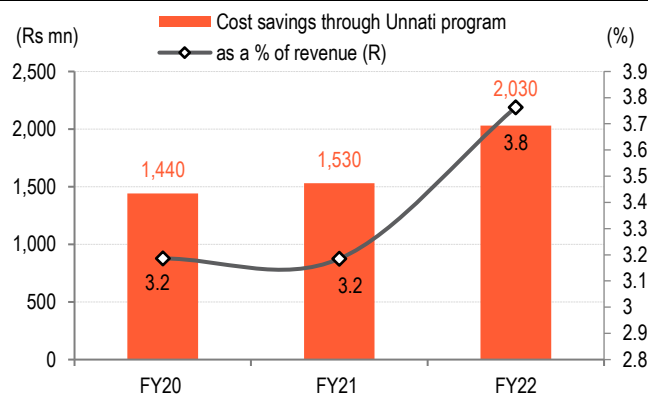
Source: Company, BOBCAPS Research

Fig 4 – Return ratios



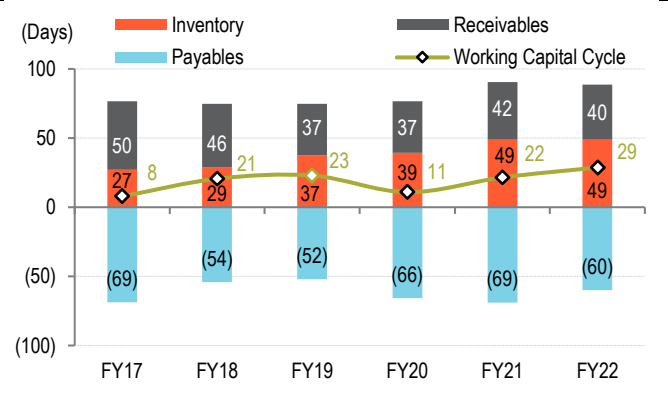
Source: Company, BOBCAPS Research

Fig 5 – Cost savings



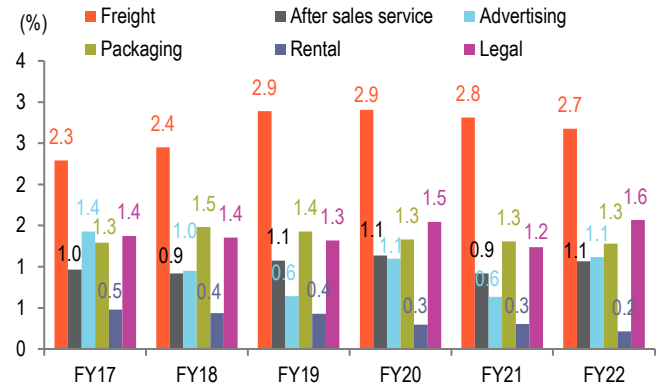
Source: Company, BOBCAPS Research

Fig 6 – Working capital management



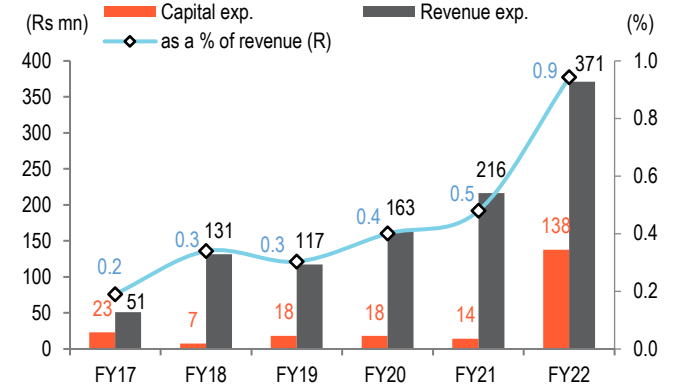
Source: Company, BOBCAPS Research

Fig 7 – Trend in key expense



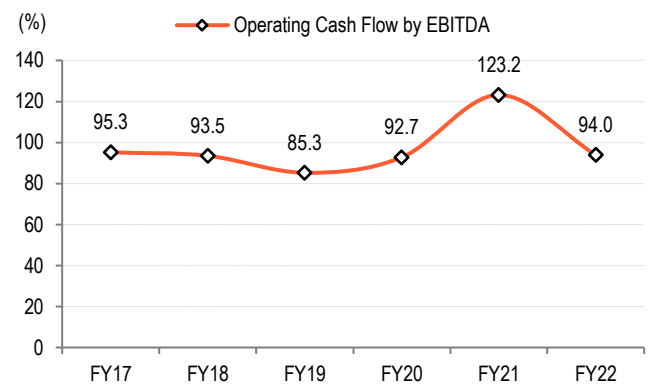
Source: Company, BOBCAPS Research

Fig 8 – R&D spend



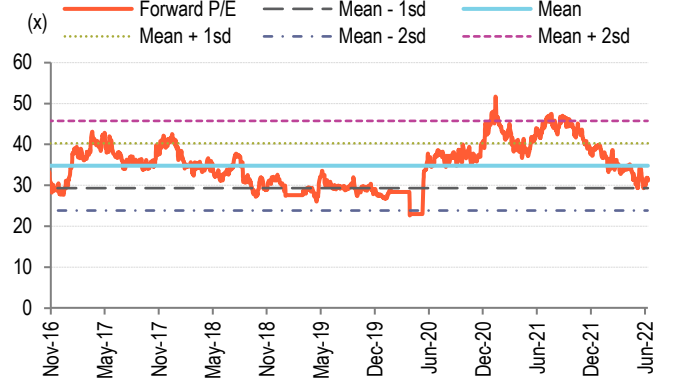
Source: Company, BOBCAPS Research

Fig 9 – CFO/ EBITDA conversion



Source: Company, BOBCAPS Research

Fig 10 – 1-Yr fwd PE chart



Source: Company, BOBCAPS Research

Annual report analysis: Key takeaways

Crompton has multiple margin levers in place, which has assisted the company in navigating an inflationary environment. Unnati, the company's cost-cutting initiative, has resulted in savings of Rs 2 bn (3.8% of revenue). Similarly, improved product mix, calibrated pricing, and prudent cash management have all contributed to overall margin improvement. The company has acquired Butterfly Gandhimati, with plans to strengthen its position in the southern market. Meanwhile, the company's other initiatives, such as the "Hot Water Campaign," "Star Lord 3-in-1," and "SAATHI," have received immense recognition. Going forward, management believes that consumer preferences are shifting toward smart, intelligent, and connected products, and pertinently company has made appropriate efforts towards R&D. Overall, Crompton remains on solid ground, with continued leadership in the fan segment, encouraging response in the lighting segment, and a recent foray into kitchen appliances through BGAL.

Fig 11 – Segment financials

Particulars (Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22
Electric Consumer Durables	28,871	28,281	32,136	33,890	37,571	43,110
Growth YoY (%)	131.2	(2.0)	13.6	5.5	10.9	14.7
Lighting Products	11,296	12,770	12,653	11,312	10,464	10,831
Growth YoY (%)	100.7	13.1	(0.9)	(10.6)	(7.5)	3.5

Source: Company, BOBCAPS Research

ECD

Segment has witnessed shift from price consciousness towards technologically advanced products. Products like smart, Internet of Things (IoT)- enabled ceiling fans are no longer a necessity but are also seen as an important part of home décor.

Fig 12 – Product portfolio

Fans	Pumps	Appliances
Ceiling Fans	Residential Pumps	Water Heaters
Table Fans	Agricultural Pumps	Air Coolers
Pedestal Fans	Solar Pumps	Mixer Grinders
Wall mounted Fans	Specialty Pumps	Irons
Ventilating Fans		Small Domestic Appliances
Heavy-Duty Exhaust Fans		
Air Circulators		
Industrial Fans		

Source: Company, BOBCAPS Research

Fans

Crompton has witnessed strong growth in the premium and decorative segments, leading to an all-time high market share. The energy labelling program, increasing adoption of energy efficient fans, development of real estate, hospitality & retail sectors and changing climatic conditions are expected to bolster the market growth. Crompton's market share improved by 3ppt to 29% as of Mar'22.

Going forward company aims to maintain leadership position through cost-effective BEE implementation, building competency in electronics and produce energy-efficient and premium products. Also, company aims to maintain leadership position with 28-29% market share.

Pumps

Industry-wide slowdown and prolonged monsoon impacted the growth of pump division. Nevertheless, company gained market share in both agricultural and specialty pumps

Going forward, company plans to introduce differentiated products in both domestic and agriculture pumps through deploying modern technologies and processes.

Appliances

The company continued its growth trajectory in terms of both value and volume, primarily driven by water heaters and small appliances.

Going forward, the company plans to expand its portfolio across categories and offer competitive products across price points. Besides, company plans to leverage south-based Butterfly’s manufacturing facility, robust distribution network, strong presence in e-commerce channel, and dedicated R&D.

Lighting Industry

B2B and B2G lighting business was significantly affected by the economic slowdown and subdued execution of government orders. However, Company reported strong growth in the B2C segment with double-digit growth in LED lighting.

Going forward, company plans to clock strong growth in the B2C lighting segment by launching more innovative and differentiated products. Further, it continues to aggressively spend on marketing and advertising to enhance its brand recall and consumer awareness.

Fig 13 – Product portfolio

Fans		
LED Lamps	High Mast/ Streetlighting Poles	Compact Fluorescent Lamps
LED Battens	Interior and Architectural Lighting	Fluorescent Tubular Lights
LED Panels	High Intensity Discharge Lamps	
LED Streetlights and Floodlights	Incandescent Lamps	

Source: Company, BOBCAPS Research

- Crompton has completed acquisition of Butterfly Gandhimati for a consideration of Rs14bn. Butterfly is amongst the top three kitchen and small domestic appliances players in India. The management plans to leverage Butterfly’s manufacturing facilities, R&D capabilities and distribution strengths in the dealer network as well as across e-commerce platforms.
- E-Commerce business, continued to be a key strategic route, registered a growth of ~39%. Besides, rural sales expanded by ~182%.

- Company's Go-to-Market strategy initiated last year improved Fans ND / WD by 3.4%/4.8% respectively, thereby improving the market share 2%+. A similar impact was also observed in key product categories of Appliances and Lighting.
- Crompton has inaugurated R&D center in Mumbai sprawling 50,000 sq.ft and plans to scale up its R&D efforts

Fig 14 – 5-Dimensional growth strategy

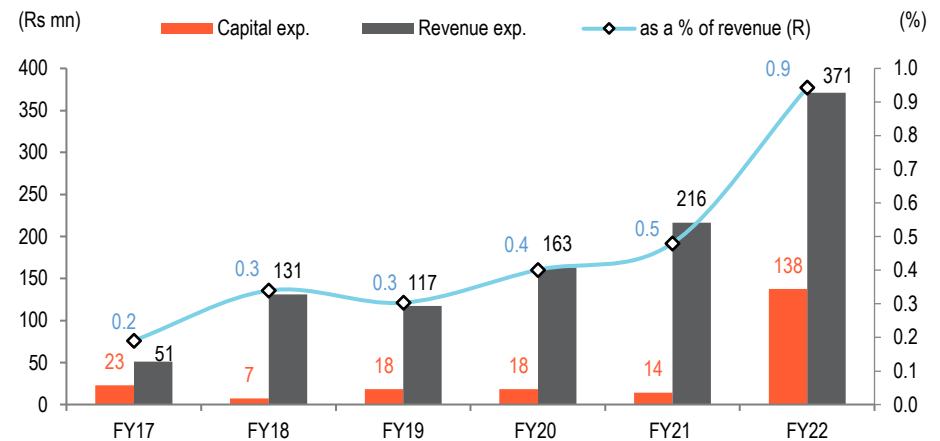


Source: Company, BOBCAPS Research

R&D initiatives

In pursuit of sustaining market leadership position, the company has been continuously focusing on best-in-class technology product innovations, with efficient product lifecycle, including design, development and manufacturing process. As a part of this initiative, the company has inaugurated R&D center in Mumbai sprawling 50,000 sq.ft and plans to scale up its R&D efforts.

Fig 15 – R&D spend



Source: Company, BOBCAPS Research

Also, the company has increased by 121% YoY in FY22, with considerable increase in capital expenditure from Rs14mn to Rs138mn. Some of the new launches across categories include:

Fans

- Inspired by the natural fauna, company launched SilentPro Blossom Smart fan which are 2X more silent compared to ordinary fan & has the latest ActivBLDC technology which gives it 5 Star rating.
- Launched wooden range of fans for consumer.
- Industry leading performance in terms of air delivery of range Gale Plus TPW fans.

Pumps

- Launched Best-in-class Mini Champ plus unique features like Anti Drip Adapter preventing water from entering into motor.
- Launched Hybrid Anti Jam winding (Patent applied) to prevent pump from jamming due to rust.
- Launched V4 Ultima and Magna Range, Ultima Range with “Ultimate performance and ultimate reliability”, Magna Range with “Maximum performance and maximum reliability” to address varying water level situations and usage of household submersible pumps.

Appliances

- Water Heaters - Crompton launched 14 products in Storage Water Heater out of this, 13 products are with 5-star rating, 2 in instant water heater and 1 gas water heater.
- Air Coolers - Company launched 7 Desert Cooler, 4 Personal Cooler, 1 IoT-enabled Smart Cooler, 1 Window Cooler and 1 Tower Cooler.
- Mixer Grinder & Iron Category - Revamped line-up of Mixer Grinder with launch of 6 products in various segment to strengthen portfolio. Launched 6 new models for Iron Category with industry-leading features and performance.
- Small Domestic Appliances & Room Heaters - Entered SDA segment with the launch of products in Kettle and Sandwich Maker category and 6 new models in Room heaters to enter and explore the opportunity of this new segment.

Lighting

- Introduction of Star Cosmos series in ceiling lights to cater to the bottom of the pyramid.
- Slim Shakti batten with a unique design and Penta Glow feature is a first in the segment.

Key financial metrics

Fig 16 – Trend in other expense

Particulars (Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22
Consumption of stores and spares	137	163	171	149	114	158
as a % of revenue	0.4	0.4	0.4	0.3	0.2	0.3
Power and fuel	68	86	62	56	46	57
as a % of revenue	0.2	0.2	0.1	0.1	0.1	0.1
Rent	178	187	192	134	147	116
as a % of revenue	0.5	0.5	0.4	0.3	0.3	0.2
Rates and taxes	188	387	134	43	22	22
as a % of revenue	0.5	0.9	0.3	0.1	0.0	0.0
Freight and forwarding outward	999	894	1,294	1,313	1,352	1,444
as a % of revenue	2.6	2.2	2.9	2.9	2.8	2.7
Packing materials	605	503	639	602	628	691
as a % of revenue	1.5	1.2	1.4	1.3	1.3	1.3
After sales service	374	377	480	513	441	576
as a % of revenue	1.0	0.9	1.1	1.1	0.9	1.1
Sales promotion	668	450	625	494	518	292
as a % of revenue	1.7	1.1	1.4	1.1	1.1	0.5
Corporate social responsibility expenses (Refer Note 36)	15	1	72	100	110	125
as a % of revenue	0.0	0.0	0.2	0.2	0.2	0.2
Advertising	388	557	287	495	304	602
as a % of revenue	1.0	1.4	0.6	1.1	0.6	1.1
Legal and professional charges	552	536	591	699	595	845
as a % of revenue	1.4	1.3	1.3	1.5	1.2	1.6
Bad Debts written off	-	-	-	-	141	60
as a % of revenue	-	-	-	-	0.3	0.1
Allowance for doubtful debt	-	-	-	-	(20)	90
as a % of revenue	-	-	-	-	(0.0)	0.2
Miscellaneous expenses	493	364	563	801	395	527
as a % of revenue	1.3	0.9	1.3	1.8	0.8	1.0
Total	4,664	4,506	5,109	5,399	4,792	5,605

Source: Company, BOBCAPS Research

Fig 17 – Contingent Liabilities

Particulars (Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22
Claims against the Group not acknowledged as debts	5	7	7	237	237	235
Income tax liability	208	208	268	287	290	290
Excise duty/ customs duty / service tax liability	1	-	-	56	60	89
GST/ Entry Tax/ Sales tax / VAT liability	257	388	306	571	1,130	1,191
Employee State Insurance and Labor matter	-	-	-	-	-	5
Total	469	603	582	1,151	1,717	1,809
Net worth	5,178	7,895	10,973	14,683	19,314	24,530
CL as a % of Net worth	9.1	7.6	5.3	7.8	8.9	7.4

Source: Company, BOBCAPS Research

Fig 18 – Auditors’ remuneration

Particulars (Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22
Auditor's remuneration	6.5	7.1	7.6	9.0	8.4	10.2
as a % of EBITDA	0.1	0.1	0.1	0.2	0.1	0.1

Source: Company, BOBCAPS Research

Fig 19 – Working Capital Management

Particulars (Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22
Account receivables	4,728	5,536	5,660	4,635	4,912	6,154
Receivable days	44	50	46	37	37	42
Inventory	2,734	3,032	3,524	4,636	5,186	7,210
Inventory days	26	27	29	37	39	49
Account Payables	7,128	7,682	6,650	6,436	8,647	10,178
Payable days	67	69	54	52	66	69
Cash conversion cycle	3	8	21	23	11	22

Source: Company, BOBCAPS Research

Fig 20 – Trend in acceptances

Particulars (Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22
Acceptances	2,833	2,589	1,586	1,266	1,016	2,455
as a % of trades payable	40	34	24	20	12	24

Source: Company, BOBCAPS Research

Fig 21 – Movement in debt

Particulars (Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22
Short term borrowings	-	-	-	-	1,800	16,030
Change YoY (%)						790.5
Long term borrowings	6,478	6,486	3,493	1,797	2,988	46
Change YoY (%)		0.1	(46.2)	(48.5)	66.2	(98.5)

Source: Company, BOBCAPS Research

Fig 22 – Management remuneration

Particulars (Rs mn)	Designation	FY18	FY19	FY20	FY21	FY22
EBIT		5,184	5,714	5,723	6,908	7,272
Mr. Shantanu Khosla	Managing Director	73	75	81	52	112
as a % of EBIT		1.4	1.3	1.4	0.8	1.5
Mr. Mathew Job	Chief Executive Officer				37	80
as a % of EBIT					0.5	1.1
Mr. H. M. Nerurkar	Chairman, Independent director	2	2	3	3	4
as a % of EBIT		0.0	0.0	0.0	0.0	0.1

Source: Company, BOBCAPS Research, Mr. Khosla's remuneration excludes perquisite value of ESOP exercised of Rs1.06bn

Fig 23 – Branding campaign

TV Commercial

Star Lord Energy fans Water heaters

Print Ad

Air Coolers

Social Media Post

Pumps

E-commerce Banner

Immensa lights

Social Media Post

SilentPro Enso

Source: Company, BOBCAPS Research

Fig 24 – Landmark installation

BELGAUM-KHANAPUR ROAD PROJECT (NHAI)

Total road length
23 kms

Total no. of luminaires
3,000

Lighting requirement
Met as per National Highways Authority of India (NHAI) requirement

Source: Company, BOBCAPS Research

Fig 25 – Extensive offerings

Fans



SilentPro Grey + rose gold SilentPro Mist White Markle Designer Navy Blue Gianna Rose Ash Gianna Tapioca Markle Designer Orange Rust Torpedo Table Fan - Blue Torpedo Wall Mounting Fan - Yellow High Flo Wave Plus - Pedestal

Pumps



Mini Champ Plus Mini Everest MINH-52 Mini Pacific I Mini Neo V4 Ultima Magna

Appliances



Optimus Neo 35i Aneo Neo DuroElite Fabrismart 1600W Steam Iron Rapid Jet Plus Crompton Insta Delight Insta Comfy Lite

Lighting

B2B



Neptune Neo II Raptor Neo 1 & 2 Raptor Pro 1 & 2 Wanderer 20 25 30w

B2C



Immensa Star Lord 3 in 1 Star Cosmos Star Miranda Deoo Candle Deoo Sooket Laser Ray Neo

Source: Company, BOBCAPS Research

Valuation methodology

Crompton has navigated the prevailing inflationary environment with relatively lower margin erosion, led by initiatives such as brand building, R&D ramp-up, and strengthening of the distribution network. We are positive on the company given its leadership position in the ECD category and demonstrated market share gains. Further, the BGAL acquisition opens up new growth avenues in kitchen appliances. We value the stock at 35x FY24E EPS, in line with its five-year average, and maintain BUY rating with a TP of Rs 500.

Fig 26 – Key assumption

Particulars (Rs mn)	FY22A	FY23E	FY24E
Revenue	53,941	74,589	85,017
EBITDA	7,694	10,185	12,173
EBITDA M (%)	14.3	13.7	14.3
EPS (Rs)	9.3	11.3	14.4

Source: Company, BOBCAPS Research

Key risks

Key downside risks to our estimates are:

- demand being impacted by price increases due to raw material inflation and/or a potential new Covid wave,
- intense competition leading to challenges in growing market share, and
- synergies not playing out as anticipated post BGAL integration.

Sector recommendation snapshot

Company	Ticker	Market Cap (US\$ bn)	Price (Rs)	Target (Rs)	Rating
Amber Enterprises	AMBER IN	1.0	2,247	3,500	HOLD
Blue Star	BLSTR IN	1.1	904	1,200	HOLD
Crompton Greaves	CROMPTON IN	2.7	340	500	BUY
Dixon Technologies	DIXON IN	2.7	3,575	4,600	BUY
Havells India	HAVL IN	8.7	1,098	1,500	BUY
Orient Electric	ORIENTEL IN	0.7	272	350	HOLD
Polycab India	POLYCAB IN	4.2	2,201	3,000	BUY
V-Guard Industries	VGRD IN	1.2	225	250	HOLD
Voltas	VOLT IN	4.1	972	1,250	BUY
Whirlpool India	WHIRL IN	2.5	1,561	2,901	BUY

Source: BOBCAPS Research, NSE | Price as of 30 Jun 2022

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Total revenue	45,203	48,035	53,941	74,589	85,017
EBITDA	5,991	7,205	7,694	10,057	11,922
Depreciation	(268)	(297)	(423)	(786)	(852)
EBIT	5,723	6,908	7,272	9,271	11,070
Net interest inc./(exp.)	(173)	(115)	373	(107)	536
Other inc./(exp.)	357	443	0	0	0
Exceptional items	0	0	(130)	0	0
EBT	5,907	7,236	7,515	9,127	11,562
Income taxes	(943)	(1,070)	(1,732)	(1,924)	(2,441)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	4,964	6,166	5,784	7,237	9,171
Adjustments	0	0	130	0	0
Adjusted net profit	4,964	6,166	5,914	7,237	9,171

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Accounts payables	6,436	8,647	10,178	10,272	10,654
Other current liabilities	8,091	10,694	12,000	12,095	12,476
Provisions	191	214	1,096	1,096	1,096
Debt funds	1,797	2,988	16,075	4,756	0
Other liabilities	191	214	9,756	9,756	9,756
Equity capital	1,255	1,255	1,267	1,267	1,267
Reserves & surplus	13,429	18,059	23,263	30,316	39,213
Shareholders' fund	14,683	19,314	24,530	31,583	40,480
Total liab. and equities	27,518	36,173	64,486	60,314	64,837
Cash and cash eq.	481	6,040	9,152	3,124	4,539
Accounts receivables	4,635	4,912	6,154	6,848	8,717
Inventories	4,636	5,186	7,210	8,353	9,451
Other current assets	7,665	9,929	8,484	8,484	8,484
Investments	0	0	0	0	0
Net fixed assets	1,251	1,328	4,886	5,144	5,444
CWIP	0	0	0	0	0
Intangible assets	45	28	15,124	15,124	15,124
Deferred tax assets, net	507	586	0	0	0
Other assets	8,299	8,165	13,475	13,053	12,630
Total assets	27,518	36,173	64,486	60,130	64,388

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Cash flow from operations	5,556	8,878	7,234	5,657	5,926
Capital expenditures	(494)	(202)	0	(258)	(292)
Change in investments	0	0	0	0	0
Other investing cash flows	375	(5,023)	(17,599)	0	0
Cash flow from investing	(120)	(5,225)	(17,599)	(258)	(292)
Equities issued/Others	52	73	603	0	0
Debt raised/repaid	(3,000)	0	0	(11,319)	(4,756)
Interest expenses	0	0	0	(833)	(190)
Dividends paid	0	0	0	0	0
Other financing cash flows	769	(1,107)	7,867	12,153	4,946
Cash flow from financing	(2,179)	(1,034)	8,470	0	0
Chg in cash & cash eq.	517	2,959	(922)	(6,027)	1,414
Closing cash & cash eq.	481	6,040	9,152	3,124	4,539

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22A	FY23E	FY24E
Reported EPS	7.9	9.7	9.1	11.1	14.1
Adjusted EPS	7.9	9.7	9.3	11.1	14.1
Dividend per share	0.0	5.5	2.5	3.3	4.2
Book value per share	23.4	30.8	39.1	50.3	64.5

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22A	FY23E	FY24E
EV/Sales	4.8	4.5	3.9	2.9	2.6
EV/EBITDA	36.2	29.9	27.6	21.4	18.3
Adjusted P/E	43.3	34.9	36.4	30.5	24.2
P/BV	14.5	11.1	8.7	6.8	5.3

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22A	FY23E	FY24E
Tax burden (Net profit/PBT)	84.0	85.2	77.4	79.3	79.3
Interest burden (PBT/EBIT)	103.2	104.7	105.1	98.4	104.4
EBIT margin (EBIT/Revenue)	12.7	14.4	13.5	12.4	13.0
Asset turnover (Rev./Avg TA)	166.8	150.8	107.2	119.7	136.6
Leverage (Avg TA/Avg Equity)	2.1	1.9	2.3	2.2	1.7
Adjusted ROAE	38.7	36.3	27.0	25.8	25.5

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22A	FY23E	FY24E
YoY growth (%)					
Revenue	0.9	6.3	12.3	15.8	13.1
EBITDA	2.5	20.3	6.8	19.7	17.1
Adjusted EPS	23.4	24.1	(4.1)	19.3	26.1
Profitability & Return ratios (%)					
EBITDA margin	13.3	15.0	14.3	13.5	14.0
EBIT margin	12.7	14.4	13.5	12.4	13.0
Adjusted profit margin	11.0	12.8	11.0	9.7	10.8
Adjusted ROAE	38.7	36.3	27.0	25.1	24.7
ROCE	36.6	35.3	25.6	23.2	22.6
Working capital days (days)					
Receivables	37	37	42	40	45
Inventory	37	39	49	49	49
Payables	52	66	69	60	55
Ratios (x)					
Gross asset turnover	31.4	24.5	25.2	27.6	27.8
Current ratio	1.6	1.9	1.0	1.4	2.1
Net interest coverage ratio	33.1	59.9	(19.5)	86.9	(20.6)
Adjusted debt/equity	0.1	0.2	0.7	0.2	0.0

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Disclaimer

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

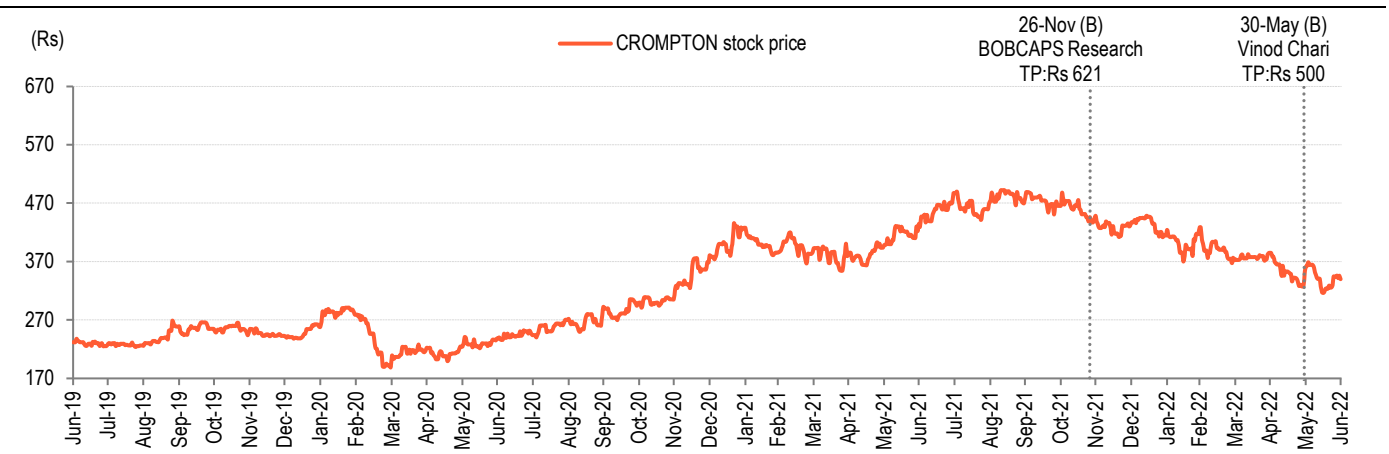
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): CROMPTON GREAVES (CROMPTON IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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