



February 8, 2022

BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400 001  
Scrip Code: 543260

National Stock Exchange of India Ltd.  
Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex  
Bandra (E), Mumbai - 400 051  
NSE Symbol: STOVEKRAFT

Dear Sir/Madam,

**Sub: Investor Release – February 8, 2022**

We are enclosing herewith Investor Release dated February 8, 2022

Please take the same on record.

Thanking you,  
**For Stove Kraft Limited**

\_\_\_\_\_  
Elangovan. S  
Company Secretary



**Stove Kraft Limited**

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Investor Release

## Stove Kraft Limited reports strong performance for Q3 & 9M FY22

**Karnataka, 8<sup>th</sup> February, 2022** – Stove Kraft Limited, one of the leading brands for home & kitchen appliances in India, one of the dominant players for pressure cookers and amongst the market leaders in the sale of free-standing hobs, cooktops and non stick cookware announced its Unaudited Financial Results for the Quarter and Nine Months ended 31<sup>st</sup> December 2021

### 9M FY22 Performance

Revenue from Operations <b>Rs. 875 crores</b>  <b>+40.3%</b>	EBITDA <b>Rs. 87.1 crores</b>  <b>-4.9%</b>	Profit Before Tax (PBT) <b>Rs. 55.6 crores</b>  <b>-10.2%</b>	Profit After Tax (PAT)* <b>Rs. 47.6 crores</b>  <b>-23.2%</b>
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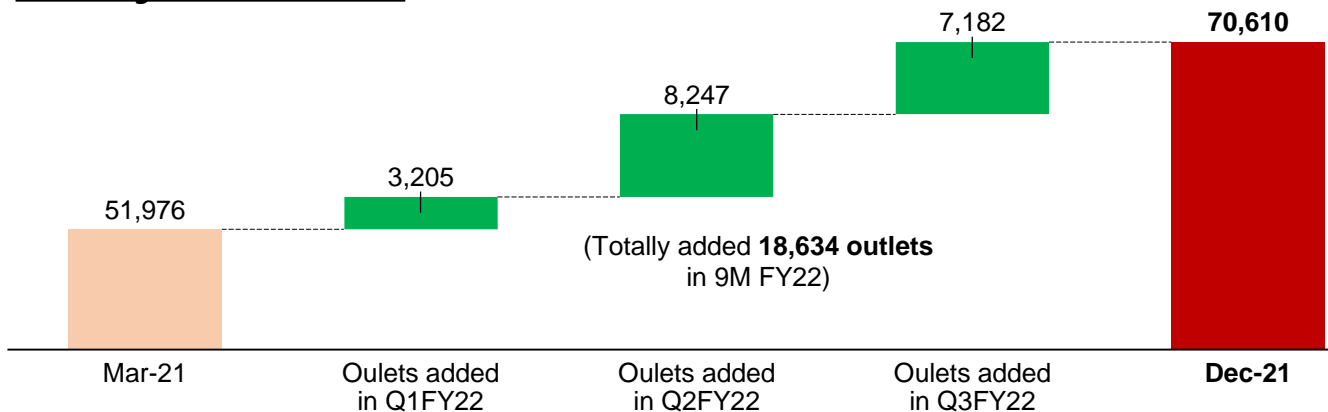
### Key Financial Highlights:

Particulars (Rs. Crs.)	Q3 FY22	Q3 FY21	Y-o-Y	9M FY22	9M FY21	Y-o-Y
Revenues	<b>298.0</b>	294.7	1.1%	<b>875.0</b>	623.5	40.3%
EBITDA <sup>^</sup>	<b>21.5</b>	44.0	-51.1%	<b>87.1</b>	91.6	-4.9%
EBITDA Margins (%)	<b>7.2%</b>	14.9%		<b>10.0%</b>	14.7%	
Profit Before Tax	<b>10.0</b>	33.5	-70.0%	<b>55.6</b>	62.0	-10.2%
Profit After Tax	<b>11.1</b>	33.5	-66.8%	<b>47.6*</b>	62.0	-23.2%
PAT Margins (%)	<b>3.7%</b>	11.4%		<b>5.4%</b>	9.9%	

<sup>^</sup> EBITDA excludes an exceptional charge against profits of Rs. 2.9 crores in Q3FY22 & Rs. 7.8 crores in 9MFY22 from an aged receivable not pertaining to current period operations

\* Profit After Tax (PAT) is lower by Rs. 8.1 crores in 9MFY22 as the Company has started paying/providing for income taxes after setting off accumulated losses b/f from previous years

### Increasing Number of Outlets

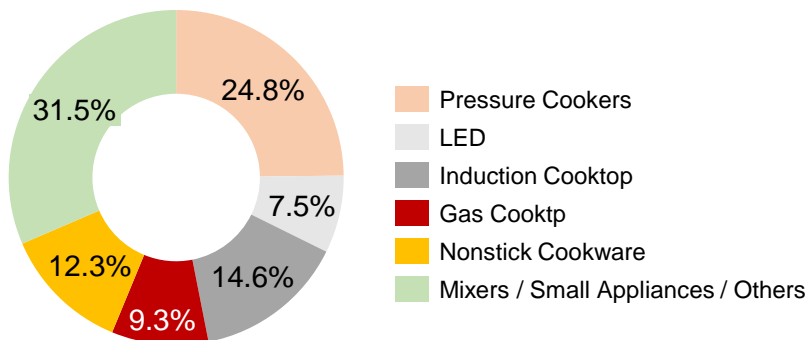


### Increased Volumes during the nine months of the year

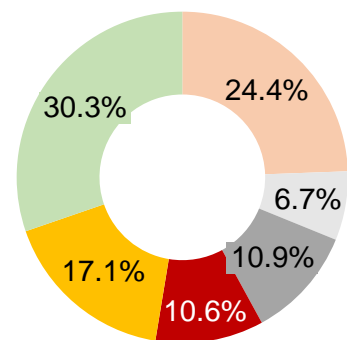
Products (in lakhs)	Q3 FY22	Q3 FY21	Y-o-Y	9M FY22	9M FY21	Y-o-Y
LED	26.3	28.9	(9.1)%	74	57	28.8%
Small Appliances/Mixers/Others	22.5	29.1	(22.6)%	71	58	23.6%
Nonstick Cookware*	15.0	22.0	(31.9)%	69.1	63.2	9.4%
Pressure Cookers*	11.1	12.3	(9.9)%	35	24.7	41.3%
Induction Cooktop	4.1	2.8	47.9%	9	6	65.2%
Gas Cook Top	1.6	2.2	(8.2)%	6	5	8.3%

\*Represents quantity sold in single units and not as combos

Revenue Breakup : Q3 FY22



Revenue Breakup : 9M FY22



### Upcoming New Product Offerings





**Commenting on the Results, Mr. Rajendra Gandhi, Managing Director said,**

This quarter saw a tepid growth in revenue vis-à-vis last year. This was primarily driven by a higher base in FY20 since Diwali was in middle of November last year and consequently had a positive impact in third quarter of FY20. For this year, majority of the Diwali purchases occurred before 3<sup>rd</sup> quarter and as a result volumes were relatively muted when compared to last year.

During the current quarter, the Company witnessed cost pressures from raw material price increase. However, the Company did not pass on this increase to end-consumers as Company was expecting this increase to reverse, which did not happen. As a result, both gross margin and EBITDA margin saw a decline when compared to last year. However, the Company has increased its price in Q4 and going forward, the impact of raw material price increase will be limited on our margins. In addition, the Company continues to focus on backward integration of the facilities, thereby increasing efficiencies and reducing costs.

EBITDA, Profit before Tax and Profit after Tax stood at Rs. 21.5 crores, 10 crores and 11.1 crores respectively.

We continue to invest and expand our product offerings both organically and inorganically. The Company is entering into branded modular kitchen segment and electric switches & accessories segment through acquisition of Metsmith and business of SKAVA Electric respectively.

These segments represent attractive market opportunity and will allow us to offer additional products with an attractive value proposition to our clients. Both these businesses will leverage key strengths that Stove Kraft possesses – manufacturing expertise, strong brand recall and pan-India distribution network. We envisage to make additional investments in both these businesses to ramp-up capacity as well as automate production lines.

We continue to focus on increasing our distribution and retail network across India and have added 7,182 retail outlets in Q3 FY22. This represents an increase of 11.3% vis-à-vis Sep 2021 and 36% vis-à-vis March 2021 .

The expansion of distribution network coupled with increased product offerings and technology upgradation will offer significant growth opportunities in the future and also allow Company to increase its market share”



### **About Stove Kraft Limited (SKL)**

SKL is a kitchen solutions and an emerging home solutions brand. It is one of the leading brands for home and kitchen appliances in India, and one of the dominant players for pressure cookers and amongst the market leaders in the sale of free-standing hobs, cooktops and non stick cookware. SKL is also engaged in the manufacturing and retail of a wide and diverse suite of home and kitchen solutions under the Pigeon and Gilma brands and propose to commence manufacturing of home and kitchen solutions under the BLACK + DECKER brand, covering the entire range of value, semi-premium and premium home and kitchen solutions, respectively.

The flagship brands, Pigeon and Gilma, have enjoyed a market presence of over 15 years and enjoy a high brand recall amongst customers for quality and value for money. SKL has well-equipped and backward integrated manufacturing facilities at Bengaluru (Karnataka) and Baddi (Himachal Pradesh), which enables the Company to control and monitor the quality and costs.

SKL has a separate distribution network for each of the Pigeon, Gilma and BLACK + DECKER brands. Further, there is a separate distribution network for the Pigeon LED products. The manufacturing facilities in Bengaluru and Baddi are well connected with 9 strategically located C&F agents. Additionally, SKL has 700+ distributors in 27 states and five union territories of India and 12 distributors for the products that are exported. The C&F agents and distributors are, in turn, connected with a dealer network comprising of over 70,000+ retail outlets, which are driven through a sales force of 600+ personnel.

### **Contact Details**

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Any forward-looking statements about expected future events, financial and operating results of the Company are based on certain assumptions which the Company does not guarantee the fulfilment of. These statements are subject to risks and uncertainties. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry, global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, technological changes, investment and business income, cash flow projections, interest, and other costs. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.