

TTK Prestige | HOLD

Weak quarter; in investment phase

TTK Prestige's 4Q revenue grew by 4% YoY and was a beat of 4% on the account of strong growth in cookware segment and export sales. Domestic performance was disappointing and only grew by 3% due to sustained pressure in MFI and institutional channel. Operational performance was a sharp miss and was 11% below our estimates largely on account of 35% YoY increase in other expenses, leading to 430bps YoY fall in EBITDA margin. This was on account of ~INR 160mn soft operational expense. The management highlighted that at a broad level all categories have now started coming back to growth and the company would benefit from the same; this coupled with anniversarisation of MFI and institutional sales should lead to better revenue growth performance in FY26 and beyond. The management, however, highlighted that margins could remain under pressure over the next 8 quarters on account of soft investments to the tune of INR 2bn towards capability building, automation and R&D investment, which will start to bear fruit in the coming years. In addition, the company is also planning to incur a capex of INR 3bn over the next 3 years towards capacity building. Given that these benefits are expected to exert a short-term pressure on margins we sharply cut our EPS estimates by 35%/31% over FY26/FY27E, leading to a revised target price of INR 600 (earlier INR 800). We value TTK using SOTP method, with standalone business at 35x FY27 EPS and Subsidiaries + Associates at 1x FY27 EV/Sales. We maintain HOLD.

- **Muted revenue growth with sharp decline in profitability:** On standalone basis, TTK Prestige reported 4% YoY revenue growth to INR 6bn (4% beat) in 4QFY25. EBITDA declined 29% YoY to INR 555mn (11% miss) as EBITDA margin contracted 430bps YoY to 9.2% (JMF: 10.8%) despite gross margin expansion of ~150bps YoY to 42.2% (JMF: 41.3%) due to higher other /employee expenses by ~540/40bps YoY. The company has taken an impairment loss of ~INR 320mn due to possible effect of the global trade and geopolitical conflicts in UK operations. Reported PAT declined 94% YoY to INR 39mn (92% miss)
- **Cooker under pressure:** Pressure cookers grew only 2% YoY, affected by underperformance in MFI and institutional channel. Cookware was the best performing category in this quarter with 14% YoY growth. Appliances saw a stable performance with growth of 1% YoY whereas other segment saw a healthy growth of 8% YoY. The Judge brand showed good double-digit growth, as its repositioning to reach the mass market has started materialising.
- **Weak MFI and institutional channels continue to cause problems:** Demand in the traditional channel (grew by 10.2%) which includes general trade, exclusive stores, e-commerce and modern formats was good during the quarter, while the alternate channel which includes rural channel dependant on MFI and institutional channel pulled down the overall growth for the quarter to 2.7%. Sales lost on account of this was ~INR 320mn during this quarter and INR ~1.2bn for the year.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	25,007	25,303	27,694	31,375	35,454
Sales Growth (%)	-4.8	1.2	9.5	13.3	13.0
EBITDA	3,109	2,638	2,778	3,408	3,935
EBITDA Margin (%)	12.4	10.4	10.0	10.9	11.1
Adjusted Net Profit	2,388	1,949	1,845	2,255	2,604
Diluted EPS (INR)	17.2	14.2	13.5	16.5	19.0
Diluted EPS Growth (%)	-8.2	-17.4	-5.3	22.2	15.5
ROIC (%)	22.4	17.1	14.9	16.8	18.4
ROE (%)	12.0	9.9	9.5	11.0	11.9
P/E (x)	37.5	45.4	47.9	39.2	34.0
P/B (x)	4.3	4.7	4.4	4.2	3.9
EV/EBITDA (x)	26.8	31.9	30.4	24.7	21.1
Dividend Yield (%)	0.9	0.9	0.9	1.1	1.2

Source: Company data, JM Financial. Note: Valuations as of 27/May/2025



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Recommendation and Price Target

Current Reco.	HOLD
Previous Reco.	HOLD
Current Price Target (12M)	600
Upside/(Downside)	-7.1%
Previous Price Target	800
Change	-25.0%

Key Data – TTKPT IN

Current Market Price	INR646
Market cap (bn)	INR88.5/US\$1.0
Free Float	27%
Shares in issue (mn)	138.6
Diluted share (mn)	136.9
3-mon avg daily val (mn)	INR53.4/US\$0.6
52-week range	1,025/582
Sensex/Nifty	81,552/24,826
INR/US\$	85.3

Price Performance

%	1M	6M	12M
Absolute	1.4	-26.0	-8.3
Relative*	-0.3	-28.3	-15.5

* To the BSE Sensex

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
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Key takeaways from the Concall

Revenue:

- The revenue performance was driven by general trade and e-commerce, while rural, institutional, and MFI-linked channels remained weak, resulting in an estimated sales loss of INR 1.25bn for the full year

Margins:

- Margin contraction is attributed to planned soft operational expenses as part of long-term investments in branding, technology, and talent.
- The management guided that margin will remain “soft for the next 6–8 quarters” due to upfront investments, but it expects a gradual improvement thereafter.

Segmental Performance

- Cookware was the strongest performer, growing 13.8% in 4Q and 7.3% in FY25, driven by innovation and steady demand in urban markets.
- Appliances, the largest category, posted flat growth with INR 1.2bn in FY25 as demand remained “steady but not strong”.
- Cookers saw 4Q growth of 2.4% but declined 1.4% for the full year, due to dependence on weak institutional and rural channels.
- Others (accessories, miscellaneous products) posted 8.1% growth in 4Q and 5.8% growth in FY25, supported by general trade and e-commerce.

Capex and Opex Plans

- The company has a committed investment plan of INR 5bn (INR 3bn in capex/ INR 2bn soft investments) over the next 3 years, initiated in 4QFY25.
- This will cover both hard capex (infrastructure, R&D, retail expansion) and soft investments (branding, digital capabilities, system upgrades).
- These investments are aimed at long-term capability building, with an expectation of operating leverage benefits as scale improves.

Horwood Homewares (UK)

- FY25 revenue: £14.2mn (flat YoY); 4Q revenue: £3.5mn, reported a small EBITDA profit (£0.31mn), but the management recognised long-term challenges.
- ~INR 7bn goodwill impairment on consolidated was taken on the UK operations, citing macroeconomic pressure and a realistic reassessment of future prospects.

Ultrafresh Modular Solutions (India)

- FY25 revenue: INR 325mn (4.1% YoY); EBITDA loss widened to INR 93mn (from ~INR 60mn loss in FY24)
- Losses were due to delayed site readiness, though the company sees long-term potential as strategic investments continue

Future Growth and Strategy

- The management expressed optimism for FY26, citing early signs of category-wide growth in 1QFY26.
- The Judge brand, repositioned for mass-market affordability, is seeing double-digit growth and is central to the volume growth strategy.
- The team remains confident in channel recovery and intends to scale general trade and e-commerce while reviving alternate channels.

Outlook

- The management expects growth across all product categories in FY26, with early signs of revival already visible.
- Export performance is expected to improve, especially following a temporary 90-day suspension of certain US tariffs.

Exhibit 1. Quarterly segmental performance

Net Revenues (INR Mn)	Quarterly			Chg (%)		Q4FY25E		Reported		Chg (%)
	Q4FY24	Q3FY25	Q4FY25	YoY	QoQ	JM Est	Chg (%)	FY24	FY25	YoY
Pressure Cookers and Pans	1,883	1,922	1,928	2%	0%	1,800	7%	7,963	7,851	-1%
Non-Stick Cookware	902	1,075	1,026	14%	-5%	900	14%	4,023	4,315	7%
Electrical Appliances	2,709	3,337	2,748	1%	-18%	2,750	0%	11,800	11,843	0%
Others	311	333	336	8%	1%	344	-2%	1,222	1,294	6%
Total Segment Revenue	5,804	6,667	6,038	4%	-9%	5,794	4%	25,008	25,303	1%

Source: Company, JM Financial

Exhibit 2. Standalone quarterly performance

INR mn	Quarterly			Chg (%)		Q4FY25E		Reported		Chg (%)
	Q4FY24	Q3FY25	Q4FY25	YoY	QoQ	JM Est	Chg (%)	FY24	FY25	YoY
Net Operating Revenue	5,804	6,668	6,038	4%	-9%	5,794	4%	25,007	25,303	1%
Material Cost	3,442	3,885	3,492	1%	-10%	3,401	3%	14,718	14,688	0%
Gross Profit	2,362	2,783	2,546	8%	-9%	2,393	6%	10,289	10,615	3%
Employee Cost	552	588	600	9%	2%	590	2%	2,293	2,485	8%
Other expenditure	1,027	1,465	1,392	35%	-5%	1,180	18%	4,888	5,492	12%
EBITDA	783	730	555	-29%	-24%	623	-11%	3,109	2,638	-15%
Interest	25	25	26	4%	5%	26	-1%	89	103	15%
Depreciation	158	158	171	8%	8%	158	8%	589	644	9%
Other income	216	171	171	-21%	0%	200	-15%	751	752	0%
PBT	817	718	529	-35%	-26%	638	-17%	3,182	2,644	-17%
Tax	186	175	167	-10%	-4%	163	2%	794	694	-13%
Recurring PAT	631	543	362	-43%	-33%	476	-24%	2,388	1,949	-18%
Extraordinary items	0	0	-323			0		0	-323	
Minority Interest	0	0	0			0		0	0	
Share of Associate	0	0	0			0		0	0	
Reported PAT	631	543	39	-94%	-93%	476	-92%	2,388	1,627	-32%
Ratios (% of net sales)										
Gross Margin (%)	40.7%	41.7%	42.2%	147 bps	43 bps	41.3%	87 bps	41.1%	42.0%	81 bps
EBITDA margin (%)	13.5%	10.9%	9.2%	-431 bps	-176 bps	10.8%	-157 bps	12.4%	10.4%	-201 bps
Employee Cost	9.5%	8.8%	9.9%	43 bps	113 bps	10.2%	-24 bps	9.2%	9.8%	65 bps
Other expenditure	17.7%	22.0%	23.0%	535 bps	107 bps	20.4%	268 bps	19.5%	21.7%	216 bps
Tax rate (% of PBT)	22.7%	24.3%	31.5%	879 bps	721 bps	25.5%	604 bps	24.9%	26.3%	132 bps

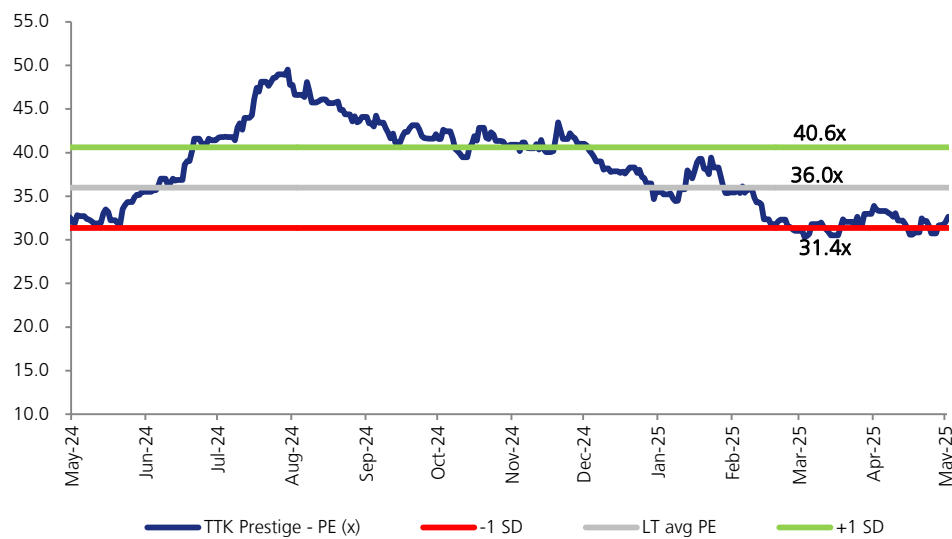
Source: Company, JM Financial

Exhibit 3. We cut our EPS estimate for FY26/FY27E by 35.3%/31.4%

Particulars (INR Mn)	FY26E			FY27E		
	Revised	Old	Chg (%)	Revised	Old	Chg (%)
Net revenue	27,694	28,283	-2.1%	31,375	31,121	0.8%
EBITDA	2,778	3,734	-25.6%	3,408	4,304	-20.8%
Margin (%)	10.0%	13.2%		10.9%	13.8%	
PAT	1,845	2,887	-36.1%	2,255	3,328	-32.2%
EPS (INR/share)	13.5	20.8	-35.3%	16.5	24.0	-31.4%
Net revenue break-up (INR Mn)						
Pressure Cookers and Pans	8,401	8,684	-3.3%	9,409	9,465	-0.6%
Non-Stick Cookware	4,747	4,799	-1.1%	5,411	5,374	0.7%
Electrical Appliances	13,146	13,369	-1.7%	14,986	14,706	1.9%
Others	1,401	1,432	-2.1%	1,570	1,575	-0.4%
Total Revenue	27,694	28,283	-2.1%	31,375	31,121	0.8%

Source: Company, JM Financial

Exhibit 4. 1-yr Forward P/E chart



Source: Company, JM Financial

Financial Tables (Standalone)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	25,007	25,303	27,694	31,375	35,454
Sales Growth	-4.8%	1.2%	9.5%	13.3%	13.0%
Other Operating Income	0	0	0	0	0
Total Revenue	25,007	25,303	27,694	31,375	35,454
Cost of Goods Sold/Op. Exp	14,718	14,688	16,076	18,056	20,403
Personnel Cost	2,293	2,485	2,634	2,758	2,890
Other Expenses	4,888	5,492	6,206	7,153	8,226
EBITDA	3,109	2,638	2,778	3,408	3,935
EBITDA Margin	12.4%	10.4%	10.0%	10.9%	11.1%
EBITDA Growth	-13.5%	-15.1%	5.3%	22.7%	15.5%
Depn. & Amort.	589	644	766	829	924
EBIT	2,520	1,995	2,012	2,580	3,011
Other Income	751	752	710	728	795
Finance Cost	89	103	90	90	90
PBT before Excep. & Forex	3,182	2,644	2,633	3,218	3,716
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	3,182	2,644	2,633	3,218	3,716
Taxes	794	694	788	963	1,112
Extraordinary Inc./Loss(-)	0	-323	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	2,388	1,627	1,845	2,255	2,604
Adjusted Net Profit	2,388	1,949	1,845	2,255	2,604
Net Margin	9.5%	7.7%	6.7%	7.2%	7.3%
Diluted Share Cap. (mn)	138.6	136.9	136.9	136.9	136.9
Diluted EPS (INR)	17.2	14.2	13.5	16.5	19.0
Diluted EPS Growth	-8.2%	-17.4%	-5.3%	22.2%	15.5%
Total Dividend + Tax	832	821	821	958	1,095
Dividend Per Share (INR)	6.0	6.0	6.0	7.0	8.0

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	3,182	2,644	2,633	3,218	3,716
Depn. & Amort.	589	644	766	829	924
Net Interest Exp. / Inc. (-)	-449	-649	-620	-638	-705
Inc (-) / Dec in WCap.	14	-461	-345	-531	-589
Others	440	-334	0	0	0
Taxes Paid	-785	-694	-788	-963	-1,112
Operating Cash Flow	2,991	1,149	1,646	1,915	2,235
Capex	-667	-648	-1,750	-1,500	-500
Free Cash Flow	2,324	501	-104	415	1,735
Inc (-) / Dec in Investments	-1,762	1,346	0	0	0
Others	579	752	710	728	795
Investing Cash Flow	-1,850	1,449	-1,040	-772	295
Inc / Dec (-) in Capital	0	-2,507	0	0	0
Dividend + Tax thereon	-832	-821	-821	-958	-1,095
Inc / Dec (-) in Loans	0	0	0	0	0
Others	-219	-103	-90	-90	-90
Financing Cash Flow	-1,051	-3,431	-911	-1,048	-1,185
Inc / Dec (-) in Cash	91	-833	-305	94	1,345
Opening Cash Balance	5,785	6,573	5,740	5,435	5,529
Closing Cash Balance	5,875	5,740	5,435	5,529	6,874

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	20,586	18,885	19,908	21,205	22,714
Share Capital	139	137	137	137	137
Reserves & Surplus	20,448	18,748	19,771	21,068	22,577
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	0	0	0	0	0
Def. Tax Liab. / Assets (-)	302	291	291	291	291
Total - Equity & Liab.	20,888	19,175	20,199	21,496	23,005
Net Fixed Assets	5,466	5,470	6,454	7,125	6,701
Gross Fixed Assets	8,329	9,201	10,951	12,451	12,951
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	3,101	3,744	4,510	5,339	6,263
Capital WIP	238	14	14	14	14
Investments	5,659	4,314	4,314	4,314	4,314
Current Assets	15,024	14,571	15,100	16,480	19,248
Inventories	4,583	5,275	5,774	6,541	7,391
Sundry Debtors	2,644	2,440	2,670	3,025	3,419
Cash & Bank Balances	6,573	5,740	5,435	5,529	6,874
Loans & Advances	1,224	1,116	1,221	1,384	1,564
Other Current Assets	0	0	0	0	0
Current Liab. & Prov.	5,261	5,180	5,669	6,423	7,258
Current Liabilities	2,287	2,235	2,447	2,772	3,132
Provisions & Others	2,974	2,945	3,223	3,651	4,126
Net Current Assets	9,763	9,392	9,431	10,057	11,990
Total - Assets	20,888	19,175	20,199	21,496	23,005

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	9.5%	7.7%	6.7%	7.2%	7.3%
Asset Turnover (x)	1.2	1.3	1.4	1.5	1.6
Leverage Factor (x)	1.0	1.0	1.0	1.0	1.0
RoE	12.0%	9.9%	9.5%	11.0%	11.9%

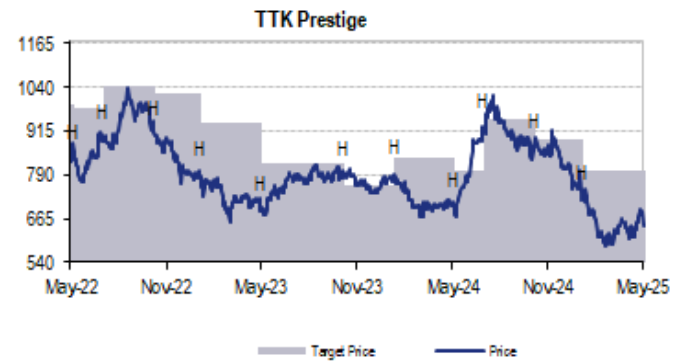
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	148.5	137.9	145.4	154.9	165.9
ROIC	22.4%	17.1%	14.9%	16.8%	18.4%
ROE	12.0%	9.9%	9.5%	11.0%	11.9%
Net Debt/Equity (x)	-0.3	-0.3	-0.3	-0.3	-0.3
P/E (x)	37.5	45.4	47.9	39.2	34.0
P/B (x)	4.3	4.7	4.4	4.2	3.9
EV/EBITDA (x)	26.8	31.9	30.4	24.7	21.1
EV/Sales (x)	3.3	3.3	3.0	2.7	2.3
Debtor days	39	35	35	35	35
Inventory days	67	76	76	76	76
Creditor days	38	36	36	36	36

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
10-Nov-20	Hold	550	
1-Dec-20	Hold	550	0.0
10-Feb-21	Hold	780	41.8
25-May-21	Hold	840	7.7
27-Jul-21	Hold	965	14.9
27-Oct-21	Hold	1,010	4.7
16-Nov-21	Hold	1,040	3.0
2-Feb-22	Hold	1,050	1.0
24-Feb-22	Hold	990	-5.7
31-May-22	Hold	980	-1.0
29-Jul-22	Hold	1,040	6.1
4-Nov-22	Hold	1,020	-1.9
31-Jan-23	Hold	940	-7.8
26-May-23	Hold	820	-12.8
30-Oct-23	Hold	760	-7.3
6-Feb-24	Hold	840	10.5
30-May-24	Hold	800	-4.8
26-Jul-24	Hold	950	18.8
31-Oct-24	Hold	890	-6.3
29-Jan-25	Hold	800	-10.1

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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