

9th February 2026

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## Q3FY26 Result Highlights

- Q3FY26 revenue declined 6.4% YoY to ₹378.4crs due to export weakness. Gross profit declined 1.7% YoY to ₹149.2crs, though gross margins expanded by 188bps YoY to 39.4%. EBITDA declined 12.9% YoY to ₹35.3crs with margins of 9.3%. PAT declined to ₹4.1crs with PAT margin of 1.1%.
- For 9MFY26, revenue grew 4.9% YoY to ₹1,192.9crs. Gross margin improved to 38.8%, driven by better cost control and product mix. EBITDA rose 5.4% YoY to ₹127.7crs with EBITDA margins of 10.7%. PAT stood at ₹35.9crs, marginally lower YoY due to one-time extraordinary items.
- The Management has guided for at least 100bps YoY improvement in gross, EBITDA, and PAT margins, with a longer-term aspiration to reach 41–42% gross margins over the next three years.
- The company launched a new dosa/roti maker which has seen strong acceptance in South India. Upcoming launches include instant water heaters and dry irons. Innovation remains anchored around consumer needs and affordability.
- For Q3FY26, channel mix was ~38.5% General Trade, 34% e-commerce, 12% Modern Trade, 8.5% own retail, ~3.3% corporate sales, and ~3.7% OEM exports.

## Domestic Business Remains Strong

- Domestic business contributes ~96% of Q3FY26 revenues, reaffirming India as the company's core growth and cash-flow engine.
- Over 9MFY26, domestic contribution stood at ~88–89%, with Q3FY26 seeing an even higher skew due to export weakness.
- The Management emphasized that strategic decisions, capex, and product launches are primarily driven by domestic demand visibility.
- Wedding-led demand remains a structural tailwind, though Q3FY26 saw fewer wedding days YoY, impacting discretionary categories. Q4FY26 and Q1FY27 are seasonally weaker due to lower festive and wedding activity.
- January trends strong; management is confident of double-digit domestic growth ahead.

## Pigeon Brand

- Pigeon revenues grew ~9.3% YoY in Q3FY26, despite overall demand softness and export weakness, supported primarily by domestic volumes. The company is targeting 500 exclusive Pigeon stores by 2027. During Q3FY26, 17 new stores were added, taking the total to ~313 stores across 21 states and 138 cities. Expansion is being executed through a mix of COCO and COFO models.
- Category wise performance: (i) Small appliances volumes grew ~38% YoY, driven by induction cooktops and new launches; value growth lagged due to mix, (ii) Pressure cookers grew ~9% YoY, aided by brand strength and replacement demand, (iii) Cookware growth was muted, partly due to SKU rationalization and focus on profitable products, (iv) Cooktops were impacted by the exit from oil-PSU distribution channels, which earlier contributed ~60–70% of cooktop sales, (v) The company remains market leader by volume in induction cooktops, (vi) Stainless steel cooktops are in structural decline, now forming <5–6% of LPG cooktops.

## Export Weakness Temporary

- Export sales declined sharply in Q3FY26 due to inventory pile-up at US customers following delayed deliveries in Q1FY26, lack of new category orders, and continued tariff uncertainty. Export contribution fell to ~3.7% in

## Important Statistics

Nifty	25,643
Sensex	83,314
Close* (₹)	507
MCAP (₹ bn)	16.79
52 Week H/L (₹)	820/453
NSE Code	STOVEKRAFT
BSE Code	543260
Bloomberg Code	STOVEKRA:IN

Close\* as on 6th February 2026

Shareholding Pattern	Dec'25 (%)
Promoters	55.79
DII's	8.34
FII's	0.87
Public & Others	35.00

## FINANCIALS

(₹ crs)

Particulars	2023	2024	2025	2026E	2027E	2028E
Revenue	1281	1361	1448	1584	1794	2041
EBITDA	101	121	152	169	197	231
EBITDA Margin	8%	9%	11%	11%	11%	11%
PAT	36	34	39	49	64	89
PAT Margin	2.8%	2.5%	2.7%	3%	3.5%	4.4%
EPS	10.83	10.33	11.65	14.78	19.5	27.83
ROE	8.9%	7.8%	8.28%	9.7%	13.7%	15.3%
P/E	35	41	60	40	35	25

Source: Company, Way2Wealth

## Relative Performance

Return (%)	1 Yr	3Yr	5 Yr
SKL	(33.25)	13.79	18.85
Nifty 50	8.44	44.08	72.5
Sensex	6.57	37.99	65.08

Source: Company, Way2Wealth

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Q3FY26 versus ~11.4% for 9MFY26. The Management stated exports declined by ~₹27crs YoY.

- Weaknesses due to: (i) Inventory pile-up at U.S. customers, (ii) Tariff uncertainty delaying new categories, (iii) Delayed shipment

## IKEA to Drive FY27

- The IKEA business remains strategically important. While revenue contribution has been delayed due to pending global testing and certification approvals (including lab shutdowns in February), management expects initial revenues to start from FY27. IKEA is viewed as a stable, long-term global opportunity not dependent on any single geography.
- FY27 priorities include export revival, IKEA scale-up, premium cookware expansion, and further working capital tightening, rather than aggressive capacity additions.

## Working Capital & Debt Reduction

- The Management mentioned that the working capital days reduced to 43 days from 59 days in FY24 and 64 days in FY25. This resulted in a significant reduction in working capital debt, which declined to ₹80.6crs by the end of Q3FY26. Operating cash flow for 9MFY26 stood at ~₹242crs, aided by working capital optimization.

## VIEW

For SKL, Q3FY26 revenue de-grew by 6% YOY. Gross Margins also improved during the quarter led by price hikes and focusing on higher margin products. The company has formed a strategic partnership with IKEA where the company will develop and supply cookware globally from FY27. The company is anticipating ₹150crs of revenue from the IKEA partnership, most of which will be accrued in FY27. Considering better than expected industry growth and continued strong growth potential and now with sustainable double-digit margins potential we remain positive on the stock. Hence, we recommend **HOLD** the stock trading at **P/E 25x FY28E EPS of ₹27.83**.

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## FINANCIAL PERFORMANCE

(₹ crs)

Particulars	Q3FY26	Q3FY25	YoY	Q2FY26	QoQ	9MFY26	9MFY25	YoY
<b>Operating Revenues</b>	<b>378</b>	<b>404</b>	<b>-6.4%</b>	<b>474</b>	<b>-20.2%</b>	<b>1,193</b>	<b>1,137</b>	<b>4.9%</b>
Cost of Matl	204	238	<b>-14.1%</b>	259	<b>-21.3%</b>	664	657	<b>0.9%</b>
Stock Purchases	18	22	<b>-19.7%</b>	17	<b>3.6%</b>	51	73	<b>-29.2%</b>
Inventory Changes	7	(8)	<b>-196.3%</b>	15	<b>-52.0%</b>	16	(25)	<b>-162.4%</b>
<b>Gross Margin (%)</b>	<b>39.4</b>	<b>37.6</b>	<b>188.9</b>	<b>38.5</b>	<b>91.5</b>	<b>38.8</b>	<b>38.0</b>	<b>79</b>
Employee Exps	47	46	<b>1.7%</b>	48	<b>-2.4%</b>	138.9	132.8	<b>4.6%</b>
Other Exps	68	65	<b>4.5%</b>	78	<b>-12.7%</b>	196.8	177.6	<b>10.8%</b>
<b>EBITDA</b>	<b>34.3</b>	<b>40.5</b>	<b>-15.4%</b>	<b>56.8</b>	<b>-39.6%</b>	<b>126.7</b>	<b>121.2</b>	<b>4.5%</b>
<b>EBITDA Margin (%)</b>	<b>9.1</b>	<b>10.0</b>	<b>-96.8</b>	<b>12.0</b>	<b>-290.3</b>	<b>10.6</b>	<b>10.7</b>	<b>-4.1</b>
Other Income	(1.9)	(0.1)	-	(2.9)	<b>-34.0%</b>	(2.7)	(0.9)	<b>196.8%</b>
Depreciation	20.9	18.1	<b>15.0%</b>	20.6	<b>1.5%</b>	58.5	50.6	<b>15.7%</b>
Interest Cost	6.1	7.4	<b>-17.3%</b>	6.2	<b>-1.2%</b>	19.5	22.0	<b>-11.2%</b>
PBT	5.4	14.9	<b>-63.7%</b>	27.2	<b>-80.0%</b>	46.0	47.7	<b>-3.7%</b>
Tax	1.3	2.8	<b>-54.5%</b>	5.8	<b>-78.2%</b>	10.0	10.6	<b>-6.3%</b>
Minority Interest	-	-	-	-	-	-	-	-
<b>Net Profit</b>	<b>4.2</b>	<b>12.2</b>	<b>-65.8%</b>	<b>21.4</b>	<b>-80.5%</b>	<b>36.0</b>	<b>37.1</b>	<b>-3.0%</b>
EPS (₹)	1.3	3.7	<b>-65.8%</b>	6.5	<b>-80.5%</b>	10.9	11.2	<b>-3.1%</b>

As % to Sales	Q3FY26	Q3FY25	YoY (bps)	Q2FY26	QoQ (bps)	9MFY26	9MFY25	YoY (bps)
Raw Matl Cost	60.6	62.4	(189)	61.5	(91)	61.2	62.0	(79)
Employee Exps	12.4	11.4	98	10.1	226	11.6	11.7	(4)
Other Exps	18.0	16.1	187	16.5	156	16.5	15.6	87

Source: Company, Way2Wealth

Revenue Breakup (%)	Q3FY26	Q3FY25	YoY (BPS)	Q2FY26	QoQ (BPS)	9MFY26	9MFY25	YoY (BPS)
<b>Nonstick Cookware</b>	12.0	16.0	(400)	19.0	(700)	19.0	20.0	(100)
<b>Mixer/ Small Appliances</b>	46.0	46.0	-	41.0	500	42.0	41.0	100
<b>Pressure Cookers</b>	23.0	20.0	300	20.0	300	21.0	21.0	-
<b>Induction Cook top</b>	12.0	12.0	-	10.0	200	11.0	11.0	-
<b>Gas Cooktop</b>	7.0	6.0	100	8.0	(100)	7.0	7.0	-

Source: Company, Way2Wealth

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Name of the Security	Stove Kraft Ltd.
Name of the analyst	Dhananjay Kansara
Analysts' ownership of any stock related to the information contained	
Financial Interest	No
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
Broking relationship with company covered	NIL
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