Sector - Household Appliances

Stove Kraft Ltd.

11th August 2025 | Close* – ₹604/- | View – **ACCUMULATE**

Q1FY26 Result Highlights

- **Strong performance on margin front:** Revenue grew by 8.2% YoY and 8.7% QoQ to ₹3401mn. EBITDA margin expanded by 40bps YoY and 106bps QoQ to 10.5% driven by higher margin products. PAT grew by 27.2%YoY and 620% QoQ to ₹104mn.
- **Building strong ground presence**: Stove Kraft expanded its retail footprint by adding 18 new stores, bringing the total to 281. During the period, it acquired 1,14,087 new customers and sold 2,16,783 units, resulting in an average monthly sales per store of ₹36mn.
- **Key Segment performance**: During the quarter, induction cooktops/small appliances/non-stick cookware and cookers recorded YoY value growth of 18.4%/18.2%/10.7%, and 2.2% respectively. However, gas cooktops declined by 9.2% YoY. In volume terms, small appliances/non-stick cookware, and gas cooktops declined by 4.4%/21.3% and 3.5% YoY respectively, while induction cooktops and cookers saw volume growth of 10.1% and 4.0% YoY. Induction cooktop/ nonstick cookware/ small appliances/ pressure cooker and gas cooktop contributed 9%/24%/40%/19% and 7% to the revenue.
- **Q1FY26 Conference call Highlights:**
  - **Margins:**
    - Gross margins improved by 13 bps YoY and 7.9% QoQ, with a 4-year CAGR of 12.9%.
    - EBITDA margin reached 10.5% in Q1FY26, rising by 40 bps YoY and 106 bps QoQ.
    - Margin expansion was driven by higher-margin products such as cast-ironware and new kettles, along with better operating leverage.
  - **Material Costs:**
    - Imported input components have been reduced to 30%, down from 40–45%, through increased indigenization.
    - Cost reductions have been achieved by in-house production of previously imported items like glass lids.
  - **Competitive Landscape:**
    - The kitchen chimney market is facing limited competition from serious domestic players, presenting a low-penetration growth opportunity.
  - **Partnerships:**
    - Revenue generation from the IKEA partnership is expected from Q4FY26, with full-scale contribution by FY28.
    - FOFO stores are being expanded (22 existing, 38 transitioning), and partnerships with US and UK players have been formed for new product categories.
  - **Product Development:**
    - Kitchen chimney production has been internalized, seen as a long-term growth driver.
    - Cast iron cookware generated ₹177mn in Q1.
    - A phased approach—trading, manufacturing, and backward integration—has been adopted for new categories.
    - The personal care segment has been entered, initially via trading and primarily through online channels.

Important Statistics

Nifty	24,363.30
Sensex	79,857.79
Close* (₹)	604
MCAP (₹ bn)	~20
52 Week H/L (₹)	975/525
NSE Code	STOVEKRAFT
BSE Code	543260
Bloomberg Code	STOVEKRA:IN

Close as on 8th August 2025*

Shareholding Pattern	June'25 (%)
Promoters	55.84
DIIs	7,76
FIIs	1.2
Public	29.71
Others	5.48

FINANCIALS

(₹ mn)

Particulars	2023	2024	2025	2026E	2027E
Revenue	12838	13643	14498	16819.25	19319
EBITDA	990	1188	1507	1925	2355
EBITDA Margin	7.7%	8.7%	10.4%	11.4%	12.2%
PAT	358	341	385	607	813
PAT Margin	2.8%	2.5%	2.7%	3.6%	4.2%
EPS	10.8	10.3	11.6	18.4	24.6
ROE	8.9%	7.8%	10.6%	10.8%	11.6%
PE	55.7	58.4	51.8	32.7	24.5

Source: Company, Way2Wealth

Relative Performance

Return (%)	1 Yr	3Yr	5 Yr
SKL	**13.0**	**(2.8)**	**22.4**
Nifty 50	10.0	48.5	151.8
Sensex	10.2	45.6	144.5

Source: Company, Way2Wealth

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- **Guidance & Financial Outlook:**
  - Export growth of 50% for FY26, with a quarterly run rate of ~₹60crs.
  - An improvement of at least 1% in EBITDA margin over FY25.
  - Capex for FY26 has been guided at ~₹500mn
  - Gross margins are expected to reach 40% in the coming years, with a minimum 1% improvement in FY26.

VIEW

For SKL, Q1FY26 saw a subdued topline YoY performance however margins remain stable enabled by in-house manufacturing along with strategic access across channels. The company has formed a strategic partnership with IKEA where the company will develop and supply cookware globally from FY26. The company is anticipating ₹1500mn of revenue from the IKEA partnership, most of which will be accrued in FY27. Moreover, the company is setting up bakeware line for Walmart which is premium product and with this company expects its exports contribution to increase to 25% from current 12%. 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 continue to view it as an ***ACCUMULATE*** stock trading at **P/E 24.5x FY27E EPS** of **₹24.6.**

11th August 2025 Close* – ₹604/- View – **ACCUMULATE**

FINANCIAL PERFORMANCE

(₹ mn)

Particulars	Q1FY26	Q1FY25	YoY	Q4FY25	QoQ	FY25	FY24	YoY
Operating Revenues	**3,401.1**	**3,144.5**	**8.2**	**3,129.9**	**8.7**	**14,498.2**	**13,643.3**	**6.3**
Cost of Matl	1,998.5	1,756.4	13.8	1,737.4	15.0	8,312.0	8,129.8	**2.2**
Stock Purchases	167.3	205.2	(18.5)	202.5	(17.4)	928.4	1,017.4	**(8.7)**
Inventory Changes	(68.4)	(18.4)	271.1	(17.8)	284.5	(266.7)	(543.5)	**(50.9)**
Gross Margin (%)	*38.3*	*38.2*	*13*	*38.6*	*(26)*	*38.1*	*36.9*	**316**
Employee Exps	442.3	419.6	5.4	390.4	13.3	1,718.6	1,665.6	**3.2**
Other Exps	505.2	465.2	8.6	522.9	(3.4)	2,299.2	2,186.0	**5.2**
EBITDA	**356.2**	**316.6**	**12.5**	**294.6**	**20.9**	**1,506.7**	**1,188.1**	**26.8**
EBITDA Margin (%)	*10.5*	*10.1*	*40*	*9.4*	*106*	*10.4*	*8.7*	**193**
Other Income	20.8	10.2	102.8	13.1	59.0	3.9	0.6	**598.2**
Depreciation	171.0	150.4	13.7	206.5	(17.2)	712.4	492.8	**44.5**
Interest Cost	72.5	67.2	8.0	90.3	(19.7)	310.4	240.3	**29.2**
PBT	133.4	109.3	22.1	10.9	1,126.4	487.9	455.5	**7.1**
Tax	29.1	27.3	6.7	(3.6)	(908.3)	102.8	114.2	**(9.9)**
Minority Interest	-	-	**-**	-	**-**	-	-	
Net Profit	**104.3**	**82.0**	**27.2**	**14.5**	**620.5**	**385.0**	**341.3**	**12.8**
EPS (₹)	3.2	2.5	27.1	0.4	620.5	11.6	10.3	**12.7**

As % to Sales	**Q1FY26**	**Q1FY25**	**YoY (bps)**	**Q4FY25**	**QoQ (bps)**	**FY25**	**FY24**	**YoY (bps)**
Raw Matl Cost	61.7	61.8	(13)	61.4	26	61.9	63.1	(117)
Employee Exps	13.0	13.3	(34)	12.5	53	11.9	12.2	(35)
Other Exps	14.9	14.8	6	16.7	(185)	15.9	16.0	(16)

Source: *Company, Way2Wealth*

Revenue Breakup (%)	**Q1FY26**	**Q1FY25**	**YoY (BPS)**	**Q4FY25**	**QoQ (BPS)**	**FY25**	**FY24**	**YoY (BPS)**
Nonstick Cookware	24.0	25.0	(100)	14.0	1,000	18.0	21.0	(300)
Mixer/ Small Appliances	40.0	36.0	400	45.0	(500)	43.0	32.0	1,100
Pressure Cookers	19.0	21.0	(200)	20.0	(100)	21.0	23.0	(200)
Induction Cook top	9.0	8.0	100	12.0	(300)	11.0	13.0	(200)
Gas Cooktop	7.0	7.0	-	8.0	(100)	7.0	8.0	(100)

Source: *Company, Way2Wealth*

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Disclosure of Interest Statement: Stove Kraft Ltd. as on 11th August 2025

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 Analyst : Analyst's Relative : Yes / No Analyst's Associate/Firm : Yes/No	 No No No
Conflict of Interest	No
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