

**Q4FY26 Result Highlights**

➤ **Key Strategic Takeaways**

- Demand inflection led by induction + small appliances: Structural shift underway with induction cooktops and small appliances moving from discretionary to "necessity" consumption.
- Geopolitical tailwinds (Iran war) triggered sharp spike in induction demand, accelerating category adoption.
- Backward integration advantage becoming visible leading to better supply chain resilience vs peers amid volatility.
- Exports turning around (tariff normalization + IKEA ramp-up visibility).
- Capex cycle largely complete the company is entering harvesting phase (operating leverage ahead).

➤ **Q4FY26 Financial Performance**

- Revenue stood at ₹414.5crs (+32.4% YoY)
- EBITDA came in at ₹39.5crs (+39% YoY)
- EBITDA margin improved to 9.5% (+113 bps YoY)
- PAT grew sharply to ₹6.1crs (+318% YoY)

Growth was largely volume-led, with EBITDA growth outpacing revenue, indicating early operating leverage benefits, even as gross margins remained broadly stable.

➤ **FY26 Performance (Transition year)**

For the full year, the company reported 10.9% revenue growth with EBITDA margins at 10.3%. Performance was impacted by export-related headwinds and cost volatility in the earlier part of the year. However, the strong Q4 exit suggests that these challenges are now behind, setting up FY27 for re-acceleration.

**Key Business Drivers & Segmental Trends**

➤ **Induction Cooktops – Structural growth emerging**

Induction cooktops continued to be the standout segment, delivering ~89% YoY value growth and ~67% volume growth. The segment now contributes 15.5% of total revenue.

Management highlighted that the category is undergoing a structural shift, transitioning from a backup cooking solution to a primary appliance in households. This shift has been accelerated by LPG-related disruptions and improving consumer acceptance of electric cooking.

- Capacity ramp-up: ~2 mn units to 4–5 mn units run-rate
- Demand currently exceeds supply, indicating strong near-term visibility

This is likely the most important growth lever for the company over the next 2–3 years.

➤ **Small Appliances – High volume expansion, mix-led moderation**

The small appliances segment contributed ~40% of revenues, with ~98% YoY volume growth but only ~13% value growth.

- **This divergence was driven by:**
  - Higher contribution from lower ASP products (kettles, rice cookers)
  - Increased penetration into price-sensitive segments

While this has led to some near-term realization pressure, it reflects deeper category penetration, which could drive future premiumization.

**Important Statistics**

<b>Nifty</b>	23,643
<b>Sensex</b>	75,238
<b>Close* (₹)</b>	552
<b>MCAP (₹ crs)</b>	~1,795
<b>52 Week H/L (₹)</b>	814/447
<b>NSE Code</b>	STOVEKRAFT
<b>BSE Code</b>	543260
<b>Bloomberg Code</b>	STOVEKRA:IN

Close\* as on 15<sup>th</sup> May 2026

Shareholding Pattern	Mar'26 (%)
<b>Promoters</b>	55.80
<b>FIIIs</b>	0.80
<b>DIIIs</b>	8.00
<b>Public &amp; Others</b>	35.50

**FINANCIALS**

(₹ mn)

Particulars	2023	2024	2025	2026	2027E	2028E
Revenue	12810	13610	14480	16070	18040	20481
EBITDA	1010	1210	1520	1660	1945	2279
EBITDA Margin	8%	9%	11%	10%	11%	11%
PAT	360	340	390	510	602	846
PAT Margin	2.8%	2.5%	2.7%	2.6%	3.3%	4.1%
EPS	10.83	10.33	11.65	12.68	18.2	25.63
ROE	8.9%	7.8%	8.2%	8.6%	10.5%	13.9%
P/E	35	41	60	40	29	21

Source: Company, Way2Wealth

**Relative Performance**

Return (%)	1 Yr	3Yr	5 Yr
<b>SKL</b>	-14.62	11.83	8.18
<b>Nifty 50</b>	-3.99	28.61	61.35
<b>Sensex</b>	-7.29	20.86	54.73

Source: Company, Way2Wealth

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18<sup>th</sup> May 2026

Close\* - ₹552/-

View - **HOLD**

- **Cookware / Pressure Cookers – Stable growth with premiumization**
  - **The cookware segment continues to deliver steady growth, supported by:**

- Shift from aluminium to stainless steel products
- Benefits from formalization post GST reduction

This segment remains critical for margin stability and cash generation.

- **Exports – Recovery underway**

Exports improved sequentially, contributing 8.7% in Q4 vs 3.8% in Q3, with FY26 mix at ~11%.

- **Key drivers going forward:**

- Normalization of US tariffs
- Ramp-up of IKEA business
- Improved competitiveness vs SE Asian peers

- **IKEA – Emerging growth driver**

The IKEA **partnership** is expected to commence revenue contribution from Q1 FY27, with a phased ramp-up.

- FY27 expected revenue: ₹40–50crs
- Steady-state potential: ₹200–250crs annually

This provides long-term export visibility and global scale opportunity, while also validating Stove Kraft’s manufacturing capabilities.

- **Channel Mix & Distribution Strategy**

The company continues to strengthen its presence in organized channels, with e-commerce emerging as the largest channel (~36% mix).

- Ecommerce: 35.9%
- General trade: 29.7%
- Modern trade: 12.4%
- Exports: 10.7%

Management emphasized its leadership position in ecommerce, particularly in key categories like induction cooktops and pressure cookers.

**At the same time, retail expansion remains on track:**

- 329 stores currently, targeting 500 stores by FY27
- Strong unit economics, with mature stores delivering 25–30% growth

The company is increasingly shifting towards a franchise-led model, which should enable faster expansion with lower capital intensity.

- **Margins & Cost Structure**

Despite strong revenue growth, gross margins remained largely flat YoY, primarily due to:

- Product mix shift towards lower ASP appliances
- Commodity price volatility

However, EBITDA margins improved, supported by operating leverage.

- **Operating expenses increased in line with revenue growth, driven by:**

- Sales-linked commissions
- Freight and logistics
- Marketing and warranty provisions

Cost increases are largely variable and growth-linked, not structural.

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➤ **Cash Flow, Capex & Balance Sheet**

The company has largely completed its investment cycle, with FY26 marking the end of heavy capex phase.

- Reported capex: ₹111crs
- Actual cash outflow: ~₹70–75crs
- FY27 capex guidance: ~₹40crs

Working capital has seen a meaningful improvement, with the cycle now below 30 days, driven by:

- Channel financing initiatives
- Better payable management
- Inventory optimization

This sets the stage for stronger free cash flow generation going forward.

➤ **Guidance & Outlook**

Management remains confident on growth and margins:

- Revenue growth: >15% in FY27
- EBITDA margins: ~11% with upside from scale
- Gross margin: Targeting ~100 bps annual improvement

Additionally, the company indicated that current capacities could support ₹2,500–3,000crs revenue, implying significant headroom for growth without large capex.

**VIEW**

For Stove Kraft Limited, Q4FY26 revenue grew strongly by 32% YoY, led by robust demand in induction cooktops and small appliances. EBITDA margins improved on operating leverage, while gross margins remained largely stable due to product mix. The company will commence supplies to IKEA from Q1FY27, with ₹40–50crs expected in FY27 and a larger scale-up thereafter. Hence, we recommend **HOLD** the stock trading at **P/E 25x FY28E EPS of ₹25.63**.

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**FINANCIAL PERFORMANCE**

(₹ mn)

Particulars	Q4FY26	Q4FY25	YoY	Q3FY26	QoQ	FY26	FY25	YoY
<b>Operating Revenues</b>	<b>4,145</b>	<b>3,130</b>	<b>32.4%</b>	<b>3,784</b>	<b>9.6%</b>	<b>16,074</b>	<b>14,498</b>	<b>10.9%</b>
Cost of Matl	2,388	1,737	<b>37.5%</b>	2,042	<b>16.9%</b>	9,024	8,312	<b>8.6%</b>
Stock Purchases	232	202	<b>14.7%</b>	177	<b>31.5%</b>	746	928	<b>-19.6%</b>
Inventory Changes	(77)	(18)	<b>332.6%</b>	73	<b>-206.0%</b>	78	(267)	<b>-129.4%</b>
<b>Gross Margin (%)</b>	<b>38.6</b>	<b>38.6</b>	<b>5.3</b>	<b>39.4</b>	<b>-79.3</b>	<b>38.7</b>	<b>38.1</b>	<b>62.5</b>
Employee Exps	496	390	<b>26.9%</b>	468	<b>5.9%</b>	1,884.7	1,718.6	<b>9.7%</b>
Other Exps	712	523	<b>36.1%</b>	682	<b>4.4%</b>	2,679.5	2,299.2	<b>16.5%</b>
<b>EBITDA</b>	<b>394.5</b>	<b>294.6</b>	<b>33.9%</b>	<b>342.8</b>	<b>15.1%</b>	<b>1,661.4</b>	<b>1,506.7</b>	<b>10.3%</b>
<b>EBITDA Margin (%)</b>	<b>9.5</b>	<b>9.4</b>	<b>10.7</b>	<b>9.1</b>	<b>45.7</b>	<b>10.34</b>	<b>10.39</b>	<b>-5.7</b>
Other Income	(56.7)	13.1	<b>-534.3%</b>	(19.0)	<b>198.1%</b>	(83.8)	3.9	<b>-2242.5%</b>
Depreciation	210.1	206.5	<b>1.8%</b>	208.6	<b>0.7%</b>	795.3	712.4	<b>11.6%</b>
Interest Cost	77.0	90.3	<b>-14.7%</b>	61.1	<b>26.1%</b>	272.4	310.4	<b>-12.2%</b>
PBT	50.8	10.9	<b>366.5%</b>	54.1	<b>-6.2%</b>	509.8	487.9	<b>4.5%</b>
Tax	(9.8)	(3.6)	<b>170.8%</b>	12.6	<b>-177.1%</b>	89.9	102.8	<b>-12.6%</b>
Minority Interest	-	-	<b>#DIV/0!</b>	-	<b>#DIV/0!</b>	-	-	<b>#DIV/0!</b>
<b>Net Profit</b>	<b>60.5</b>	<b>14.5</b>	<b>317.9%</b>	<b>41.5</b>	<b>45.9%</b>	<b>419.9</b>	<b>385.0</b>	<b>9.1%</b>
EPS (₹)	18.3	4.4	<b>317.6%</b>	12.5	<b>45.9%</b>	127.0	116.6	<b>9.0%</b>

As % to Sales	Q4FY26	Q4FY25	YoY (bps)	Q3FY26	QoQ (bps)	FY26	FY25	YoY (bps)
Raw Matl Cost	61.4	61.4	(5)	60.6	79	61.3	61.9	(63)
Employee Exps	12.0	12.5	(52)	12.4	(41)	11.7	11.9	(13)
Other Exps	17.2	16.7	47	18.0	(84)	16.7	15.9	81

Source: Company, Way2Wealth

18<sup>th</sup> May 2026

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**Disclosure of Interest Statement: Stove Kraft Ltd. as on 18<sup>th</sup> May 2026**

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