

11<sup>th</sup> November 2025

Close\* – ₹647/-

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## Q2FY26 Result Highlights

- **Strong performance on across parameters:** Revenue grew by 13.4% YoY and 39.5% QoQ to ₹4,744 mn. EBITDA margin expanded by 25bps YoY and 149bps QoQ to 12.0% driven by higher margin products. PAT grew by 27.8%YoY and 104% QoQ to ₹214mn
- **Building strong ground presence:** Stove Kraft expanded its retail footprint by adding 16 new stores, bringing the total to 296. During the period, it acquired 1,64,720 new customers and sold 2,57,566 units, resulting in average monthly sales per store of ₹38 million.
- **Key Segment performance:** During the quarter, induction cooktops/ Cooker/ Small appliance and Gas Cooktops registered volume growth 4%/ 7.9%/ 6.7% and 22.2% YoY while Nonstick cookware de-grew by 5.6% YoY respectively. Gas Cooktops/ Small Appliance/ Non-stick cookware/ cooker and induction cooktops 25.4%/21.2%/15.2%/9.9% and 5.5% respectively.
- **Q2FY26 Conference call Highlights:**
  - **Macro & Demand Trends:**
    - Robust festive demand, strong post-Diwali trends, and GST reduction (12%→5%) expected to **boost volume growth**.
    - Growth is supported by rising **domestic consumption, modern kitchen adoption**, and **digital retail expansion**.
- **Strategic Partnerships:** IKEA partnership starts FY26 for ceramic cookware (replacing PTFE nonstick); meaningful revenue expected from FY27.
- **Competition & Market Position:** Holds volume leadership in pressure cookers, gaining share in terms of value through premiumization. During the quarter 40% of non-export sales from South India; 60% from other regions.
- **Others:**
  - The company is focused on reducing borrowing costs through better inventory control.
  - Retail store investment: ₹1.8–2.0 mn per store (including inventory and fixtures) under the COFO franchise model.
  - During the quarter gross margin at 38.5% (+33 bps YoY) and EBITDA margin at 12% (+25 bps YoY).
  - The company operates on a cost-plus model, maintaining steady margins across categories and channels.
  - Aluminum cost pressures are offset by price hikes, though with a one-quarter lag in some channels.
- **Guidance:**
  - The company targets ~1% improvement in EBITDA margins YoY and aims to achieve ~39% gross margins in H2FY26, with a 40% near-term goal.
  - The company expects H2FY26 revenue to be close to H1 levels, with a possible variation of ₹250–300 mn
  - SKL plans to expand retail footprint to 500 stores by FY27, targeting ₹3000 mn in revenue from this vertical

## Important Statistics

Nifty	25,574
Sensex	83,535
Close* (₹)	647
MCAP (₹ bn)	21.42
52 Week H/L (₹)	975/525
NSE Code	STOVEKRAFT
BSE Code	543260
Bloomberg Code	STOVEKRA:IN

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Shareholding Pattern	Sep'25 (%)
Promoters	55.8
DIIIs	7.9
FIIIs	0.95
Public & Others	35.36

## FINANCIALS

	(₹ mn)				
Particulars	2023	2024	2025	2026E	2027E
Revenue	12838	13643	14498	16339	18560
EBITDA	990	1188	1507	1842	2193
EBITDA Margin	7.7%	8.7%	10.4%	11.3%	11.8%
PAT	358	341	385	548	716
PAT Margin	2.8%	2.5%	2.7%	3.4%	3.9%
EPS	10.80	10.30	11.64	17.65	25.68
ROE	8.9%	7.8%	10.6%	11.5%	14.8%
P/E	59.6	62.5	55.3	36.5	25.1

Source: Company, Way2Wealth

## Relative Performance

Return (%)	1 Yr	3Yr	5 Yr
SKL	(20.1)	0.8	43.8
Nifty 50	5.9	41.8	102.4
Sensex	5.0	37.8	93.0

Source: Company, Way2Wealth

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For SKL, Q2FY26 revenue grew by 13% YOY led by recent GST rate cuts and festive demand. 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 FY26. The company is anticipating ₹1500mn 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. However, near term US tariffs can impact on export business. Hence, we recommend **HOLD** stock trading at **P/E 25.1x FY27E EPS of ₹25.6**

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## FINANCIAL PERFORMANCE

(₹ mn)								
Particulars (Rs mn)	Q2FY26	Q2FY25	YoY	Q1FY26	QoQ	H1FY26	H1FY25	YoY
<b>Operating Revenues</b>	<b>4,744</b>	<b>4,183</b>	<b>13.4</b>	<b>3,401</b>	<b>39.5</b>	<b>8,145</b>	<b>7,328</b>	<b>11.2</b>
Cost of Matl	2,595	2,439	6.4	1,998	29.8	4,593	4,196	9.5
Stock Purchases	170	301	(43.4)	167	1.9	338	506	(33.3)
Inventory Changes	151	(155)	(197.4)	(68)	(321.2)	83	(174)	(147.7)
<b>Gross Margin (%)</b>	<b>38.5</b>	<b>38.2</b>	<b>33 bps</b>	<b>38.3</b>	<b>19 bps</b>	<b>38.4</b>	<b>38.2</b>	<b>24 bps</b>
Employee Exps	479	449	6.8	442	8.3	921.4	868.3	6.1
Other Exps	781	659	18.5	505	54.6	1,286.0	1,124.2	14.4
<b>EBITDA</b>	<b>567.8</b>	<b>490.1</b>	<b>15.8</b>	<b>356.2</b>	<b>59.4</b>	<b>924.0</b>	<b>806.8</b>	<b>14.5</b>
<b>EBITDA Margin (%)</b>	<b>12.0</b>	<b>11.7</b>	<b>25 bps</b>	<b>10.5</b>	<b>149 bps</b>	<b>11.3</b>	<b>11.0</b>	<b>33 bps</b>
Other Income	(28.8)	(18.6)	55.4	20.8	(239.0)	(8.1)	(8.3)	(2.9)
Depreciation	205.6	174.0	18.1	171.0	20.2	376.6	324.5	16.1
Interest Cost	61.8	79.1	(21.8)	72.5	(14.7)	134.3	146.2	(8.1)
PBT	271.5	218.5	24.3	133.4	103.5	405.0	327.8	23.5
Tax	57.9	51.3	12.8	29.1	99.1	87.0	78.6	10.7
Minority Interest	-	-	-	-	-	-	-	-
<b>Net Profit</b>	<b>213.6</b>	<b>167.2</b>	<b>27.8</b>	<b>104.3</b>	<b>104.7</b>	<b>317.9</b>	<b>249.2</b>	<b>27.6</b>
EPS (Rs)	6.5	5.1	27.7	3.2	104.7	9.6	7.5	27.5

As % to Sales	Q2FY26	Q2FY25	YoY (bps)	Q1FY26	QoQ (bps)	H1FY26	H1FY25	YoY (bps)
Raw Matl Cost	61.5	61.8	(33)	61.7	(19)	61.6	61.8	(24)
Employee Exps	10.1	10.7	(63)	13.0	(291)	11.3	11.9	(54)
Other Exps	16.5	15.8	71	14.9	160	15.8	15.3	45

Source: Company, Way2Wealth

Revenue Breakup (%)	Q2FY26	Q2FY25	YoY (BPS)	Q1FY26	QoQ (BPS)	H1FY26	H1FY25	YoY (BPS)
<b>Nonstick Cookware</b>	19.0	19.0	-	24.0	(500)	21.0	23.0	(200)
<b>Mixer/ Small Appliances</b>	41.0	39.0	200	40.0	100	40.0	37.0	300
<b>Pressure Cookers</b>	20.0	22.0	(200)	19.0	100	20.0	22.0	(200)
<b>Induction Cook top</b>	10.0	12.0	(200)	9.0	100	10.0	10.0	-
<b>Gas Cooktop</b>	8.0	8.0	-	7.0	100	8.0	8.0	-

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