# STOVE KRAFT LIMITED





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Q3 & 9M FY21 Financial Performance

## Strong Q3 FY21 Performance



Revenue from Operations

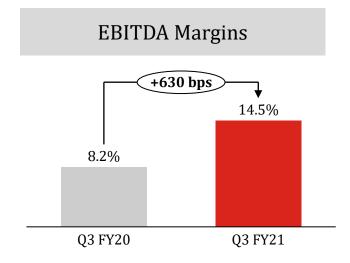
Rs. 295 crores



EBITDA

Rs. 43 crores





**Gross Profit** 

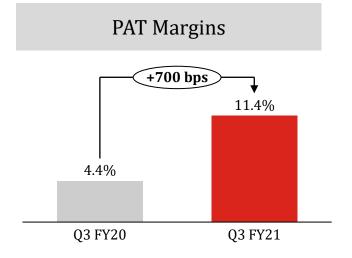
Rs. 105 crores



Profit After Tax (PAT)

Rs. 33 crores





## Strong 9M FY21 Performance



**Revenue from Operations** 

Rs. 624 crores

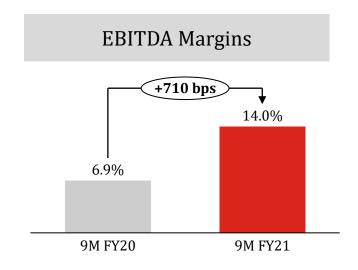


growth

+147%

**EBITDA** 

Rs. 88 crores



**Gross Profit** 

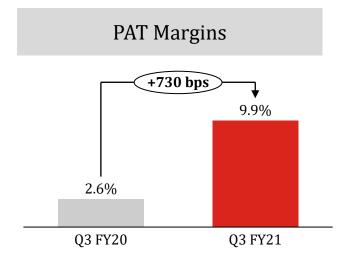
Rs. 219 crores



Profit After Tax (PAT)

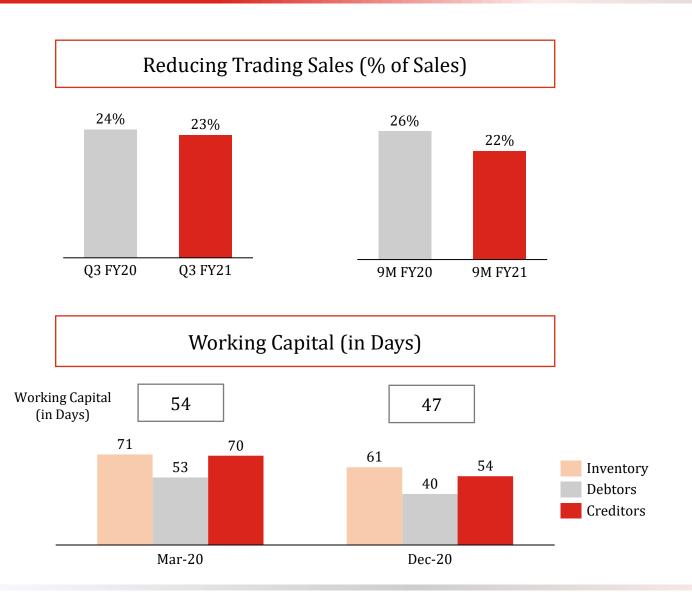
Rs. 62 crores

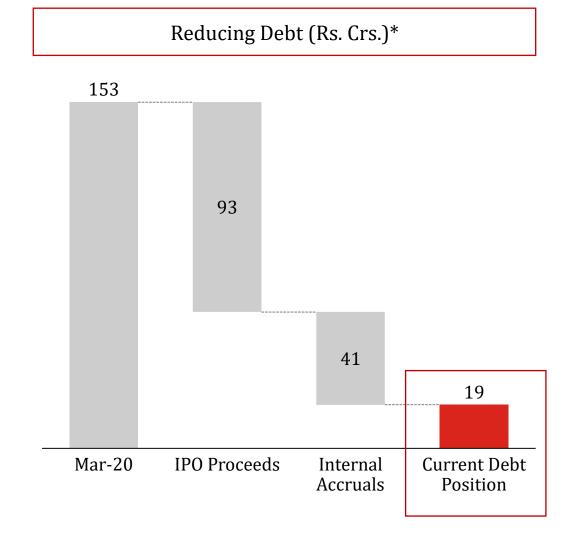




# **Improving Efficiencies**







# Profit & Loss Statement – Q3 & 9M FY21



Profit & Loss Statement (Rs. Crs.)	Q3 FY21	Q3 FY20	Y-o-Y	9M FY21	9M FY20	Y-o-Y
Revenue from Operations	294.7	200.4	47%	623.5	515.9	21%
Cost of Materials Consumed	144.7	95.7		304.7	248.4	
Purchase of stock-in-trade	45.4	37.8		106.9	110.1	
Changes in Inventories of Finished Goods and Work in Progress	-0.6	-3.3		-7.6	-23.0	
Gross Profit	105.1	70.1	50%	219.4	180.4	22%
GP %	35.7%	35.0%		35.2%	35.0%	
Employee Benefits Expense	23.6	21.1		54.8	60.4	
Other Expenses	38.8	32.5		77.0	84.5	
EBITDA	42.8	16.4	160%	87.6	35.5	147%
EBITDA %	14.5%	8.2%		14.0%	6.9%	
Other Income	0.1	0.7		0.7	2.0	
Depreciation and Amortisation Expense	3.8	3.2		10.6	8.9	
EBIT	39.0	14.0	179%	77.6	28.5	172%
Finance Costs	5.6	5.1		15.6	15.3	
PBT	33.5	8.9		62.0	13.3	
Total Tax Expense	0.0	0.0		0.0	0.0	
Profit for the year	33.5	8.9	277%	62.0	13.3	368%
PAT %	11.4%	4.4%		9.9%	2.6%	

## Delivering value to stakeholders with IPO

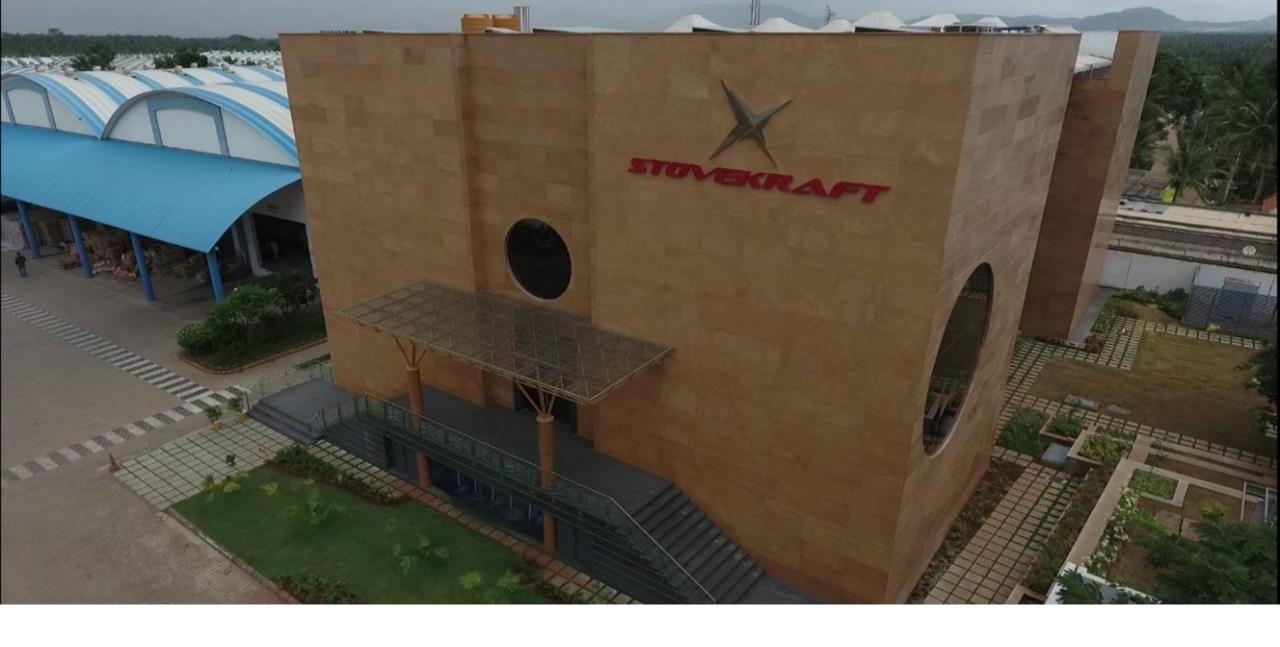




#### February 2021

- Listing of Stove Kraft Limited on BSE & NSE
- IPO Price: Rs. 385 per share
- Listing Price: Rs. 467 per share
- Objects of Issue:
  - Repayment of certain borrowings availed by Company

Stove Kraft Limited Listing at Valuation of  $\sim Rs.~1,500~Crs$  on 5th February 2021



**About Stove Kraft Limited** 

## **About Stove Kraft Limited**







Headquartered in **Bengaluru, Karnataka** 

Manufacture and retail of a wide and diverse suite of kitchen solutions under Pigeon, Gilma, and Black+Decker brands

Retail lighting solutions under the Pigeon LED brand

Well equipped backward integrated manufacturing facilities

- Bengaluru (Karnataka)
- Baddi (Himachal Pradesh)





Presence in more than **27 states & 5 UTs** in India

- **9** C&F Agents
- **651** Distributors
- **45,500+** Retail Outlets

Built a **Separate Distribution Network** for Pigeon, Gilma,

Black+Decker and Pigeon

LED















## **Key Milestones**



1999

2001

2003

2008

2010

STOVEKRAFT

Incorporated as Stove Kraft Pvt. Limited Gilma<sup>®</sup> live in tomorrow

Granted trademark registrations for Gilma



Granted trademark registrations for Pigeon

Xsidbi

Investments by SIDBI
Received factory license
for unit 1 of the
Bengaluru Facility

**SEQUOIA 些** 

First Investment by Sequoia

2014

Commenced exports to a retailer in the USA

2015



Certificate of registration of design was granted for our product 'Pressure cooker' 2018



Achieved sales of 9.1 million units

2019



LED Plant in Bangalore & Inner Lid Cooker Plant in Baddi, HP 2021



IPO with listing on NSE and BSE with a valuation of over Rs. 1,500 crores

## Competitive Strengths





## 1. Diverse range of products across consumer preferences...





- **Cookware**–Pressure cooker, wonder cast cookware, non-stick cookware, electric rice cookers and titanium hard anodized cookware
- Cooktops and other kitchen solutions –Hobs, glass cooktops, stainless steel cooktops, induction cooktops and chimneys
- **Small appliances** Mixer grinders, rice cookers, electric kettles, toasters, sandwich makers, knives, steam irons, juicers, food steamers, air fryers and electric grills
- **Other products** –Emergency lamps, water bottles and flasks, aluminum ladders, cloth dryers, water heaters, dustbins and mops



LPG Stoves

Massage apparatus

Water heaters

Chimney

Hobs

Cooktops

Kitchen sinks



- Small appliances –Food processors, juicers, hand blenders, hand mixers, mini choppers, oven toaster grills, rice cookers, coffee makers, toasters, sandwich makers and kettles
- Other products –Steam irons, dry irons, water heaters and oil fin radiators



LED bulbs

Battens

Downlights

#### Multi-brand approach to capture the entire value chain...

## Value Semi - Premium Premium



One of the market leaders for

certain products such as

• 144+ year old brand

cookware\*





 Launched in 2016 and manufacturing commenced in 2019



- Offers a modular kitchen experience
- Comprises chimneys, hobs and cooktops across price ranges and designs
- Sold exclusively though Gilma branded outlets, which are owned and operated by franchisees
- Gilma specific mobile application for customers to raise post sales service requests



- Entered into an exclusive brand licensing agreement with Stanley Black & Decker Inc. in 2016
- Retailer for and provider of post-sales service for blenders, juicers, breakfast appliances, etc.
- Separate distribution consisting of 863 dealers across 9 states

\*Source: F&S Report

## 1. ...with continuous focus on innovations



#### **Consistent launch of innovative products**



Super Cooker
Registered design with customizable products
into multiple utilities



Super Storm Advanced
With forced air-cooling technology



Infinity Glass Cooktop

Glass cooktops with a fastener free body

#### **Upcoming Launches**

Turbo Chopper



Grinder

Feather Touch Mixer



Personal Blender



Pro Chopper

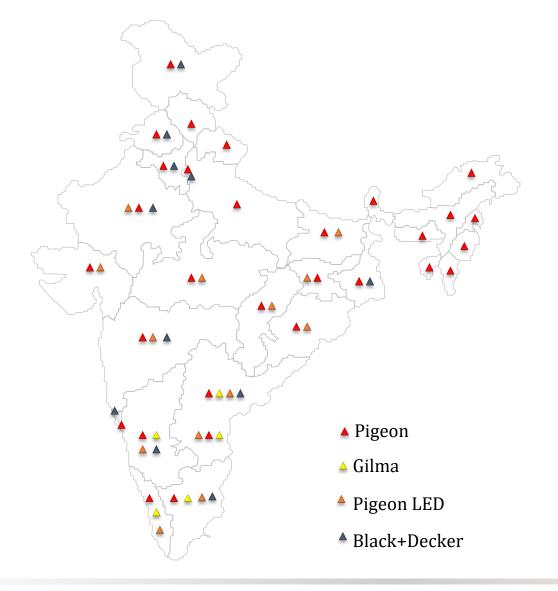


## 2. Well connected distribution network...



# Services Framework Sales:

- Implemented BIZOM for tracking and capturing movement of field sales executives and service engineers on real time basis
- Utilise DMS to track secondary and tertiary sales and maintain inventory level at the distributor's centre
- Dedicated service team with full in-house capabilities
- End services provided through company technicians
- Centralized CRM software enables tracking of customer requests, pre-installation & postsales support
- Centralized call centres and allocation of service requests to branches based on mapping
- Dedicated mobile app for Gilma customers to raise installation and post sales services requests



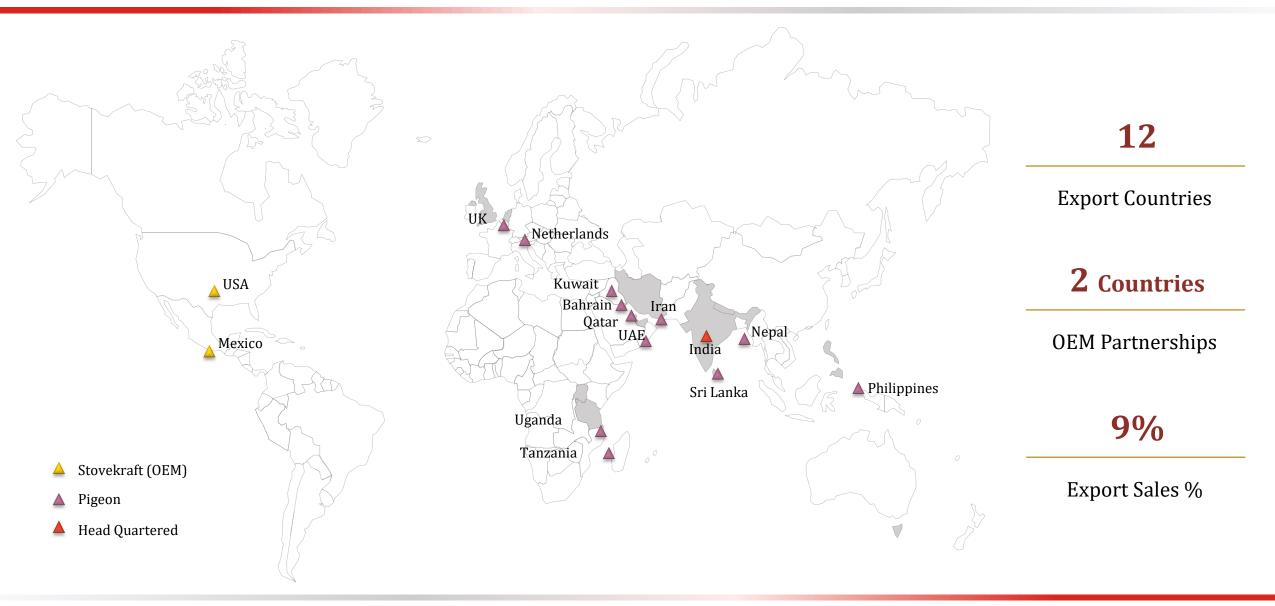
9 C & F Agents

45,500+ **Retail Outlets** 566 Personnel

**Exclusive Gilma Stores** 

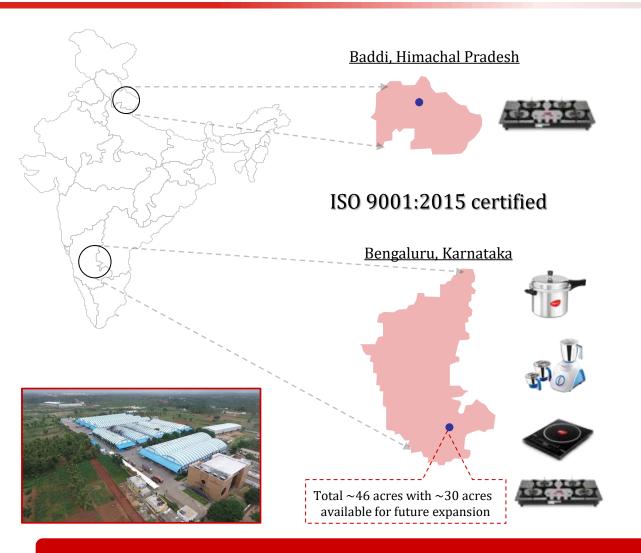
## 2. ... with huge exports opportunity





# 3. State of the Art Manufacturing Facilities with focus on quality





Products (Sep-20)	Installed Capacity (mn p.a.)
LPG Stove	1.8
Inner Lid Cooker	1.0
Total	2.8

Products (Sep-20)	Installed Capacity (mn p.a.)
Pressure Cooker	4.8
LPG Stoves	2.4
Non-Stick-Spray Coating	2.4
Non-Stick-Roller Coating	9.0
Mixer Grinder	0.6
LED Bulbs/ Batten	12.0
Iron	0.6
Induction Cooktops	1.2
Floor Mops	0.6
Vegetable Chopper	3.6
Total	37.2

New product categories for which new manufacturing lines have been setup

- Dedicated in-house R&D facility
- Comprising of 13 personnel and tie-ups with foreign companies for technology enablement
- Focus on quality is maintained at all stages
  - Sourcing of raw materials
  - ♥ Product development
  - Manufacturing stage
- Subject to a rigorous review and monitoring process undertaken at our Bengaluru Facility
- Dedicated sourcing team and quality assurance team based out of China

Both facilities have a high level of backward integration and our manufacturing process is not dependent on third party suppliers and OEMs

# 4. Wide range of branding and marketing



Brand popularity and recall value is maintained by a wide range of marketing and advertising activities coordinated by in-house team of 15 personnel

- in-shop displays, merchandising, kiosks, live demo stands and social media marketing
- continuously engage with various publications, TV channels and other media

Diversification of product portfolio to suit the needs of customers by regularly seeking insights and feedback from them

Allows customers to engage with the brand specifically designed for their budget and lifestyle















## 5. Professional Management





#### Mr. Rajendra Gandhi, Managing Director

- Founder of Stove Kraft with over **21 years** of experience
- Entrepreneur who built Stove Kraft to one of the leading brands\*for kitchen appliances in India
- Continues to be closely involved in the day-to-day affairs of the Company and is instrumental in promoting Stove Kraft's culture of innovation



#### Mr. Rajiv Mehta, Chief Executive Officer

- Independent director on the board of Stove Kraft since June 2018 & has been redesignated as the CEO with effect from September 2019
- Previously worked as the CEO of Arvind Limited
- Bachelor's degree in Chemical Engineering from the University of Mumbai and a Master's degree in Science from University of Pennsylvania; MBA from INSEAD



#### Mr. Shashidhar SK, CFO CS & Compliance Officer

- Bachelor's in commerce from Bangalore University, CGMA & FCMA by CIMA, Fellow member of the ICSI & ICAI
- 25+ years of experience in the field of corporate finance and corporate secretarial
- Ex Tata Advanced Materials Ltd (CFO & CS), Water Health India (Global CFO)

#### Ms. Neha Gandhi, Executive Director

- Holds a Bachelor's Degree in Business Administration from Christ University (Bengaluru) and completed Post Graduation Certificate Program in Sales and Marketing Management from MICA
- Served as a Graduate Trainee at Viacom18

#### Mr. Balamurugan N, Chief Operating Officer

- M.Tech. (CIM) from RV Engineering College, Bangalore, VIT University
- 21+ years of experience in manufacturing operations, quality control, project and change management, process reengineering, cost control initiatives and team management

#### Mr. Manoj N G, National Sales Head -Pigeon Division

- Holds a degree of B.Sc., (Calicut University); PGDM in business administration, Xavier Institute of Management & Entrepreneurship, Bangalore
- 16+ years of experience in the durable consumer goods sector
- Prior experience Stints with Samsung India Electronics, Panasonic India, MIRC Electronics, IFB Industries, BPL & TCL India Holdings

#### Mr. Venkitesh N, Head -Corporate Planning

- Bachelor's degree in Technology from University of Kerala
- 25+ years of experience in manufacturing, product development and project management with a stint in BPL for 13 years

#### Mr. Rohit Mago, CEO -Baddi Manufacturing Unit

- B Sc, Government Autonomous Science College, Jabalpur; MBA, Rani Durgavati Vishwavidyalya; Post-graduate certificate in retail management, XLRI Jamshedpur
- 18+ years of experience including a 14-year stint with HPCL

\*Source: F&S Report

## 5. Backed by Experienced Board



#### Ms. Shubha Rao Mayya, Independent Director

Holds a bachelor's degree in commerce from the University of Mumbai and is a chartered accountant with the Institute of Chartered Accountants of India

Prior experience includes ICICI Limited, ICICI Prudential Life Insurance Company and Tata Consultancy Services

Serves as a Director on the board of Ace Manufacturing System Limited

#### Mr. Lakshmikant Gupta, Independent Director

Holds a bachelor's degree in economics from Hans Raj College, University of Delhi and a post-graduate diploma in business management from Institute of Management Technology, Ghaziabad

Previously associated with Ibibo Group, Procter & Gamble and Girnar Software

#### Mr. Bharat Singh, Nominee Director

Previously worked as CFO of Ibibo Group and SBI Business Process Management Services

Holds a bachelor's degree in commerce from the University of Delhi and is a Chartered Accountant with the Institute of Chartered Accountants of India

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Entrepreneur who built Stove Kraft to one of the leading brands\*for kitchen appliances in India

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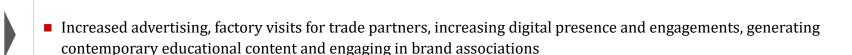
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## **Growth Strategies**



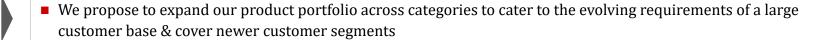


Scale up branding, promotional and digital activities



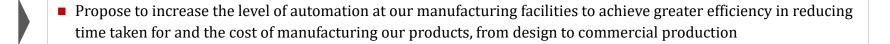


Expand our portfolio in the existing product categories



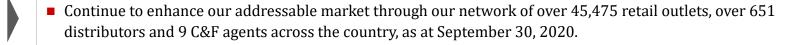


Invest in new plants and increase automation in existing manufacturing facilities





Increase our geographical reach and expansion of addressable market





Focus on and augment our LED consumer lighting business

■ Continue to introduce a wider range of LED lighting products for different end-use segments and expand to newer and broader geographies

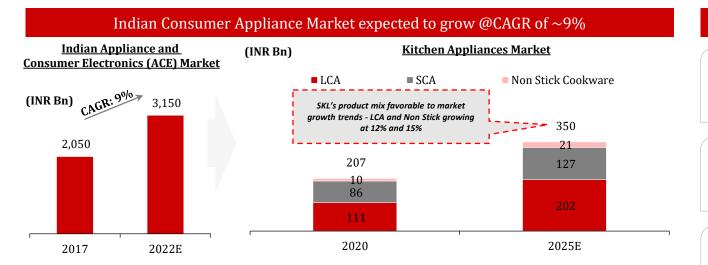


Increase exports

- Seek to expand our global reach, through constant innovation and increased customer acceptance of our products in international markets
- Our presence is currently spread across 14 countries including UAE, Qatar, Bahrain, Kuwait, Tanzania, Uganda,
   Nepal, Sri Lanka, Bangladesh, Oman, Ghana, USA, Mexico and Saudi Arabia

## Shift in Consumption Patterns and Favourable Governments Policies





#### India Government's Policies Favourable For The Consumer Appliances Industry

- Shift from unorganized sector to organized sector in Indian manufacturing with the GST Implementation.
- Lower tax brackets (5%, 12% and 18%) used for Indian Kitchen Items vs excise +VAT taxed at ~31%
- Make In India Initiative gave ACE market necessary boost which fostered Retail Manufacturing
- Pradhan Mantri Ujjwala
   Yojana Target to provide
   5 Crore LPG connection to
   under privileged women

SKL partnered with HPCL & Indian Oil for providing cooktops with every new gas connection

- Majority Kitchen appliances are electricity driven, electricity consumption tripled since 2000
- Niche market for foreign investors, as Govt. allowed 100% FDI through automatic route in the electronic hardware manufacturing sector

#### **Key Growth Drivers**

Moving towards Aspirational Lifestyle from functional Kitchen tools

Need for Space Utilization – Emerging Concept of Modular Kitchen

Growth of E-Commerce and easy Financing options

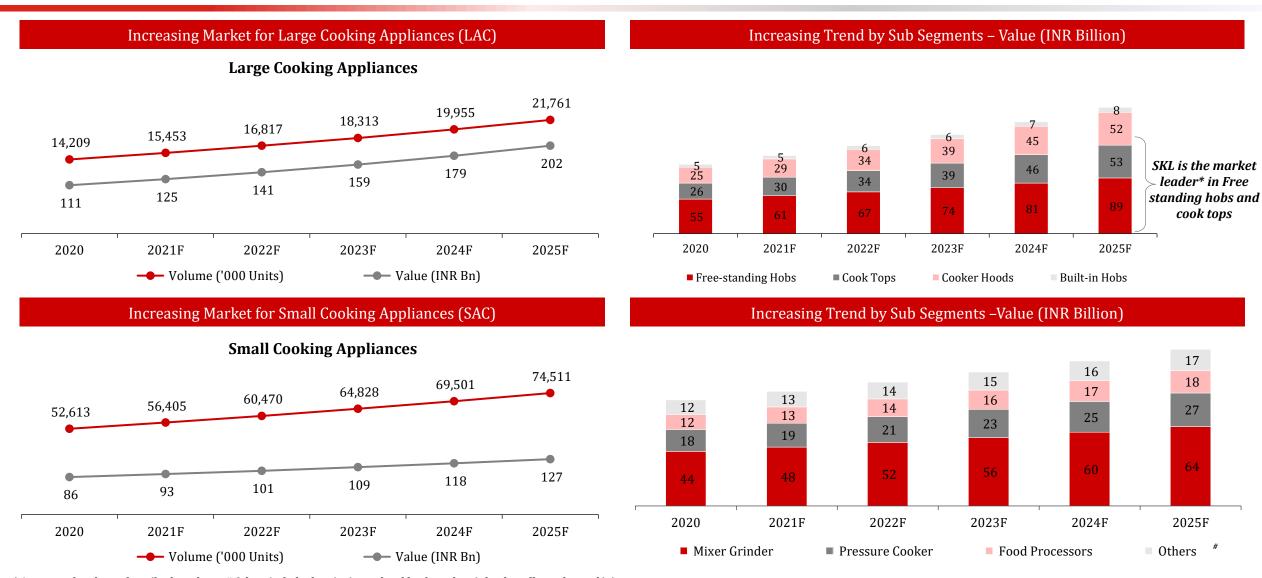
Awareness of Cookware through Mass Media and Retality Programs

**Health and Environment Concerns** 

Technological Advancements

# Indian Large & Small Cooking Appliance Market

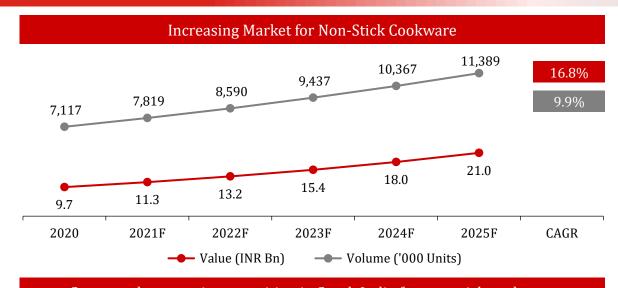




 $<sup>^*</sup>$  As per market share of retail sales volume; # Others include electric rice cooker, blenders, electric kettle, coffee maker and juice extractor

## Non – Stick Cookware and Indian Household Utility Products

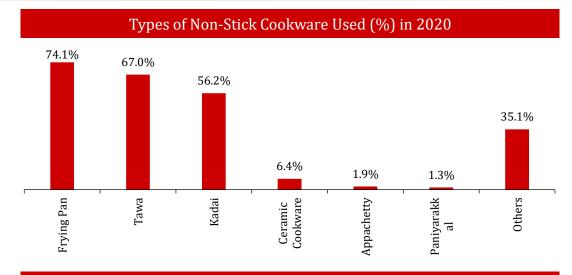




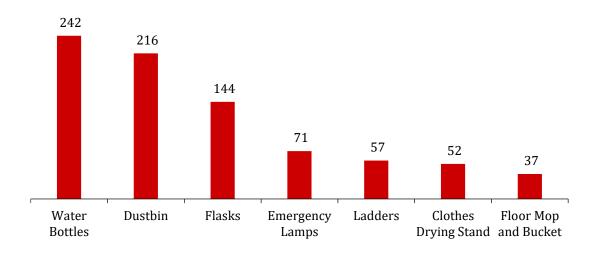
#### Company has prominent position in South India for non-stick cookware

- Stove Kraft Limited is the 3rd largest market share (12.4%) by volume in Non-Stick Cookware
- It enjoys a prominent position in the Non-Stick cookware market in the southern region
- Stove Kraft Limited has one of the few facilities in India to have an automated roller coating line for manufacturing of non-stick cookware
- It offers special range of products which cater to the regional cuisine of Southern India
- Latest innovation aimed at product efficiency and user convenience includes a new MIO<sup>™</sup> nonstick cookware range
  - Developed using latest Italian technology
  - ensuring high durability and smoothness
  - Range has 5 layer 'Scandia' coating





#### Household Utility Products - Market INR Billion in 2018



## Awards & Recognition



Awarded the 'Gold Award' by Quality Circle Forum of India (Bengaluru chapter) in the years 2013 and 2014



# Awarded 'India's Most Admired Brand 2016' by White Page International



## **CSR** Activities





#### **Enriching Lives**

In an area that was suffering from the shortage of one of the most basic needs of life, we worked to alleviate the pain of the people, however much we could. Stove Kraft saw to the drilling of a bore-well for the local village in order to meet the water-needs of the villagers. The water is now supplied by the local governing authorities through their domestic water-supply scheme. The lives of over 200 families have been enriched by the water of this well and it gives us immense pleasure to have been able to do our share for the community.

#### **Uplifting Primary Education**

Seeing to the proper development of the future generation of our country remains to be one of the primary concerns of our CSR policy. Stove Kraft sponsored the complete repair and renovation of numerous portions of a local, government primary school. We also undertook the repair and construction of hygiene facilities for young boys and girls. So that the students do not need to sit on the ground at school, we also provided desks and benches for them. Since 2010 we have started the annual ritual of providing 60 students with books and stationery for the entire year.

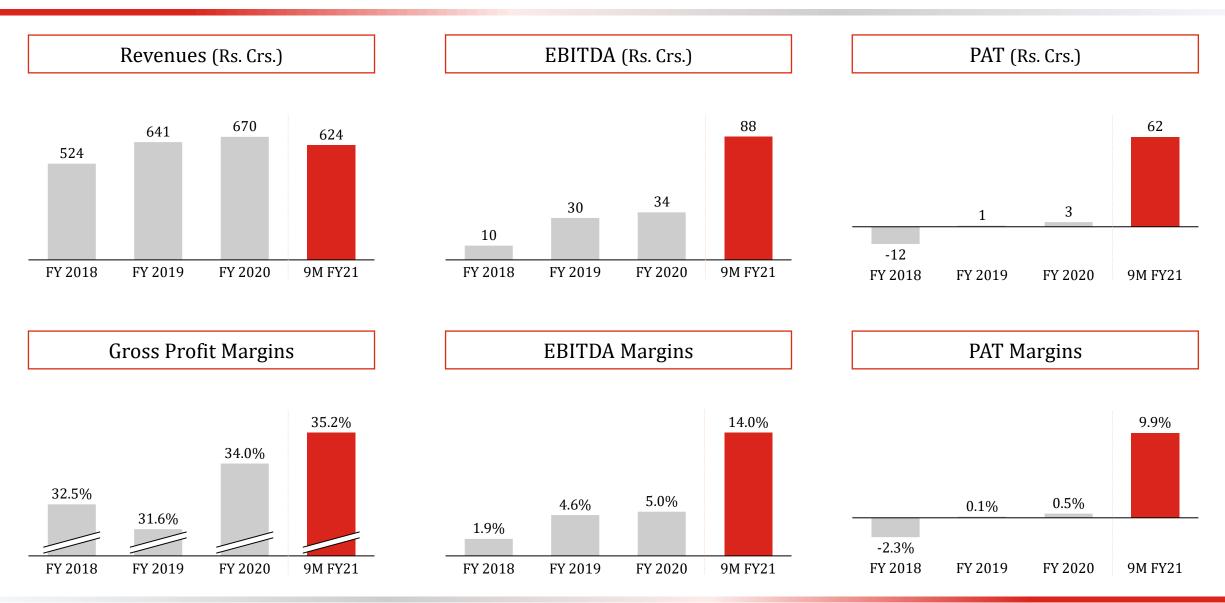




**Historical Financials** 

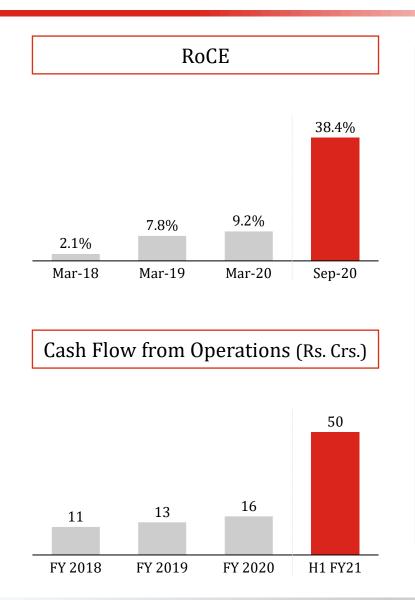
## Strong track record and financial stability

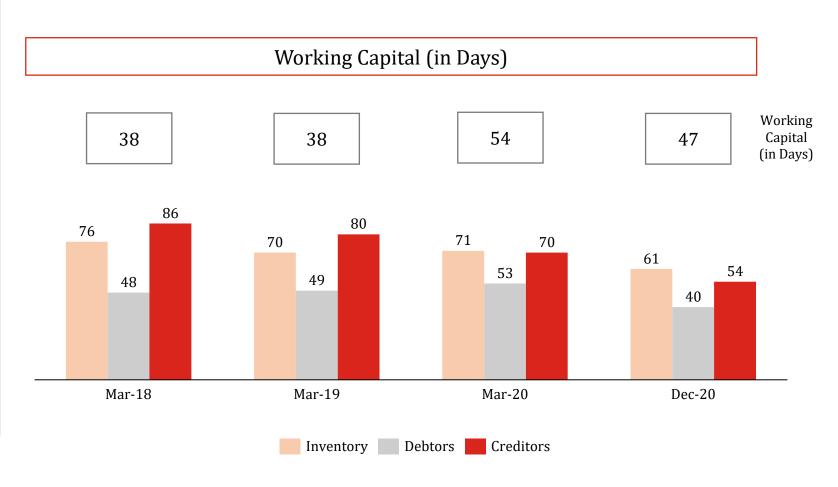




# Strong track record and financial stability







## Historical Profit & Loss Statement



Profit & Loss Statement (Rs. Crs.)	9M FY21	Mar-20	Mar-19	Mar-18
Revenue from Operations	623.5	669.9	640.9	523.7
Cost of Materials Consumed	304.7	323.2	317.5	241.1
Purchase of stock-in-trade	106.9	128.8	132.6	120.3
Changes in Inventories of Finished Goods and Work in Progress	-7.6	-10.1	-11.5	-7.9
Gross Profit	219.4	228.0	202.3	170.2
GP %	35.2%	34.0%	31.6%	32.5%
Employee Benefits Expense	54.8	82.0	69.8	59.1
Other Expenses	77.0	112.2	102.7	101.0
EBITDA	87.6	33.8	29.8	10.1
EBITDA %	14.0%	5.0%	4.6%	1.9%
Other Income	0.7	3.1	1.7	5.6
Depreciation and Amortisation Expense	10.6	12.4	12.3	11.2
EBIT	77.6	24.5	19.2	4.5
Finance Costs	15.6	20.9	17.9	16.9
PBT	62.0	3.6	1.3	-12.4
Total Tax Expense	0.0	0.4	0.5	-0.5
Profit for the year	62.0	3.2	0.8	-11.9
PAT %	9.9%	0.5%	0.1%	-2.3%

# **Historical Balance Sheet**



EQUITY AND LIABILITIES (Rs. Crs.)	30-Sept-20	31-Mar-20	31-Mar-19	31-Mar-18
Equity share capital	24.7	24.7	24.7	18.9
Other equity	-54.7	-84.9	-88.7	-199.0
Equity attributable to owners of the Company	-30.0	-60.2	-64.0	-180.1
Non-Controlling Interests	0.0	0.2	0.2	0.2
Total Equity	-29.9	-60.0	-63.7	-179.9
Financial liabilities				
Borrowings	205.4	204.8	210.0	311.3
Other Non-Current Liabilities	7.4	10.8	9.6	14.8
Deferred tax liabilities (net)	0.0	0.0	0.0	0.0
Provisions	6.4	6.3	4.6	3.4
Total Non-Current Liabilities	219.2	221.9	224.2	329.5
Financial liabilities				
Borrowings	94.1	122.1	99.9	81.0
Lease liabilities	0.3	0.2	0.0	0.0
Trade payables	176.1	150.9	134.1	145.2
Other financial liabilities	31.2	29.2	23.8	11.0
Provisions	1.8	1.7	1.5	1.6
Other current liabilities	5.6	4.8	5.4	5.2
Current tax liabilities (net)	0.0	0.4	0.5	0.0
Total Current Liabilities	309.1	309.3	265.2	244.0
Total Liabilities	528.3	531.5	489.4	573.5
Total Equity and Liabilities	498.4	471.3	425.7	393.6

# **Historical Balance Sheet**



ASSETS	30-Sept-20	31-Mar-20	31-Mar-19	31-Mar-18
Property, plant and equipment	199.6	192.9	178.7	182.1
Capital work-in-progress	0.7	4.2	0.9	0.6
Intangible assets	3.4	3.6	1.2	0.6
Financial Assets				
Investments	0.0	0.0	0.0	0.0
Other Financial assets	3.7	5.0	5.1	3.8
Deferred Tax Assets	0.0	0.0	0.0	0.0
Non-Current Assets	0.2	0.2	4.7	4.7
Other non-current assets	15.0	1.8	1.4	3.1
Total Non-Current assets	222.6	207.9	192.0	194.9
Inventories	136.6	116.6	97.4	105.1
Financial Assets				
Investments	0.0	0.0	0.0	0.0
Trade receivables	103.6	103.0	89.7	79.6
Cash and cash equivalents	5.3	15.0	28.5	0.4
Bank balances	4.8	4.4	3.0	3.4
Loans	1.8	0.4	0.5	0.0
Other financial assets	2.8	1.3	1.9	1.1
Other current assets	20.9	22.7	12.8	9.1
Total current assets	275.8	263.4	233.7	198.7
Total Assets	498.4	471.3	425.7	393.6





CIN: U29301KA1999PLC025387

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