



“TTK Prestige Limited 1QFY22 Earnings Conference
Call hosted by Ambit Capital”

July 27, 2021



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MODERATOR: **MR. DHURUV JAIN – AMBIT CAPITAL**



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Moderator: Ladies and gentlemen, good day and welcome to the 1QFY22 Earnings Conference Call of TTK Prestige hosted by Ambit Capital. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * then 0 on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Dhruv Jain from Ambit Capital. Thank you and over to you, sir.

Dhruv Jain: Thank you. Hello everyone, welcome to TTK Prestige's 1QFY22 earnings call. We have with us, the management of TTK Prestige were represented by Mr. T. T. Jagannathan - Chairman; Mr. Chandru Kalro - Managing Director; Mr. Shankaran - the Whole-time Director and Mr. Saranyan - the CFO of the company. Thank you and over to you sir for your opening remarks.

Chandru Kalro: Good afternoon ladies and gentlemen. Thank you for coming and we have had a reasonably good quarter considering all the major challenges that this quarter has faced. Actually, almost for the better part of the quarter, unfortunately, we have had lockdowns for practically the same amount of time as last time, though in a very different way and yet we have managed to clock the 71% growth in topline and very substantial growth in the bottom-line and this is in spite of the fact that we have also had the challenge of the raw material price increases and the good thing is that June ended on a very positive note. So, we have got good outlook for the coming quarter as well and now look forward to your questions as they come about. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Ravi Swaminathan from Spark Capital. Please go ahead.

Ravi Swaminathan: My first question is with respect to the raw material inflation, so basically have we taken all the price increases that is required to offset the raw material price inflation across all the product categories?

Chandru Kalro: Yes, we have.

Ravi Swaminathan: So, there would be no further price increases needed assuming the current raw material prices?

Chandru Kalro: Yes, we have taken compensatory cost price increase based on the raw material prices currently.

Ravi Swaminathan: And if you can give the share of e-commerce sales, at what percentage is it at the overall percentage of your sales this time vis-à-vis last time, I mean if you can give a sense on, how it is growing will be great?



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- Chandru Kalro:** Last year, the e-com share was 24% for this quarter and this year, it is 32%.
- Ravi Swaminathan:** So, 32% of the overall revenue with e-commerce that of now.
- Chandru Kalro:** That is right.
- Ravi Swaminathan:** Is there any big difference in terms of trade, say in terms of profitability or something of that sort with respect to e-commerce vis-a-vis the regular channel, any blend number?
- Chandru Kalro:** See, you have seen our gross margins actually expanded during this quarter as compared to the last year same quarter and there is of course a slight difference in the margins between channels, but they are largely under control.
- Ravi Swaminathan:** And ad spends basically, how is it in this quarter vis-à-vis normalized quarter, so basically is it on the lower side or ad spends have come back to the regular spend which we do normally?
- Chandru Kalro:** We normally have a straight line kind of, we normally spend 6 to 6.5% of our revenues on ads, however, you know that for the good part of this quarter, we haven't been able to spend that money, but we have committed that money towards the end of the quarter. June has seen a start in spending which will continue, so the campaign is between June and July. So the ad spend we are expecting it to go back to normal. As we go along, we also seem the demand to be normal like last year.
- Ravi Swaminathan:** But is there a possibility of other brands, some of them are talking about ad spends not going back to the previous level because some of them have moved digital and all these things, so is there a chance of ad spends over the next 2-3 years, pertinently being lower than the 6% of topline and say 5% or even lesser?
- Chandru Kalro:** I cannot answer for other brands, but I can tell you that the digital has become an add on to conventional media because we cannot actually substitute one for the other yet. Of course, our digital spends are expanding while the other conventional media spends are not, but we believe that we will consistently try and build the brand as we have always done so far because that is what has kept us growing sustainably.
- Ravi Swaminathan:** And my final question is with respect to the overall growth, what kind of growth can we expect in FY22? Can we see double digit kind of a growth? Are we looking at that figure?
- Chandru Kalro:** We should look at that figure, but I would refrain from giving a specific guidance at this point in time, but yes, we are looking at a positive growth at the double digits. You know that we have grown by 71% for the first quarter. And we don't know about any third wave. Who knows about the third wave, so it is difficult to give a guidance, but it was looking alright. If there is no third wave, we will grow at double digit.



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- Moderator:** Thank you. The next question is from the line of Sameer Gupta from IIFL. Please go ahead.
- Sameer Gupta:** Sir, my question is specifically on gross margin, so if I look at 2-year period, 1Q FY20 versus 1Q FY22, there is a 200 bps expansion in gross margin that we are seeing and during this period, it has actually been only cookware segment which have seen positive growth and cookers which is our biggest gross margin product has actually suffered the highest decline and both aluminium and steel prices during this time are up by more than 50%, so what exactly am missing, what exactly is the source of this gross margin expansion and does e-commerce channel have materially different gross margin?
- Chandru Kalro:** No, it is not like that. You are right, that the cookware sales have expanded while the cookers haven't but the cookware margins and the cooker margins are comparable. They are not different. Actually, they are not, in fact the cookware margin is exactly the same as the cooker margin. The expansion that you are seeing is because we have had some level of channel mix and product mix that has happened and I think over a period this will all even out. I have already told you that we have taken the price increases to offset the cost increases.
- Sameer Gupta:** Yes sir, I understand that, just to dwell a little more on the channel mix and product mix aspect, so margins across channels, are they very different?
- Chandru Kalro:** They are different, but normally what happens is, there are couple of channels which are at one end and the other end with another couple of channels, so normally when one goes down, the other goes up, so it kind of balances out. So we have always managed to achieve that balance and that is what you have seen.
- Sameer Gupta:** And when we say product mix, it is probably the higher, the premium kind of products that are doing well within, let us say, a cookware or a cooker, is that understanding right?
- Chandru Kalro:** Absolutely right and we have also launched several new products during the last 7-8 months which are also healthily contributing to the cookware business.
- Sameer Gupta:** To that extent, the channel mix probably stabilizes at a more normal level. There might be some risk to margins is that would be the understanding, right?
- Chandru Kalro:** There is no risk to margin, all I am saying is that it will balance out.
- Management:** They are marginally different.
- Sameer Gupta:** Got it sir. Then that is only premiumization.
- Chandru Kalro:** Yes, there is a premiumization and what you need to know is that the company and the brand are strong enough to pass on the cost increase.



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- Sameer Gupta:** Yes, but still there is an expansion, right, that is.
- Chandru Kalro:** Yes.
- Moderator:** Thank you. The next question is from the line of Aditya Bagul from Axis Capital. Please go ahead.
- Aditya Bagul:** Sir, my questions are on essentially trying to understand the channel mix, you said 32% of our overall sales comes from the e-commerce segment, I just want to understand how has been the growth rate in the other two channels or three channels if we can, our traditional channel, the brick-and-mortar channel versus the modern trade that we have, if you can help us understand this two?
- Chandru Kalro:** The way to look at it is, you must remember in this quarter that a large part of the offline channels was not able to open because of the lockdowns in various states. Now, in spite of it, I am happy to tell you that all the offline channels, they have shown robust growths, high double-digit growths across the board and the e-com obviously have grown faster because e-com was on right through the quarter. So that is why you are seeing higher proportion of e-commerce during the quarter, but as I think everything opens up, we will kind of normalize back at that 25% is what my estimate is.
- Aditya Bagul:** And sir, my second question is, actually with regards to the comment you have made in your presentation, you have mentioned that this time around the impact of COVID second wave has been quite a ubiquitous hitting the rural regions as well, hence the growth rate might suffer during the next part of the calendar year, can you help us understand that a little more as to what are the trends you are seeing? Also, if you can help us understand if there is a temporary disruption due to monsoon in the Western part of the region?
- Chandru Kalro:** We are looking at all of these as very temporary and transient disruption, nothing serious over here. In fact, while the COVID was rampant across the rural areas also, you were also seeing that the recovery rates are in excess of 98% as we speak. So, we believe that everything has got a bounce back as it has already indicated to us in June and even July so far.
- Aditya Bagul:** Sir, is it fair to say that July run rate is tracking last year July or July 2020?
- Chandru Kalro:** We have to say that we are better than that.
- Moderator:** Thank you. The next question is from the line of Shanti Patel from Shanti Patel Investment Advisors. Please go ahead.
- Shanti Patel:** My simple question is, what will be the return on capital employed as on 31st March 2022 and what will be the return on equity as on that date if you can give some guidelines?



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- Chandru Kalro:** Do you want the guideline for 31st March FY22?
- Shanti Patel:** That is correct.
- Management:** We had a more than 35% ROCE after removing the treasury out of it. It will be better than that this year. I cannot give any exact guidance on this.
- Shanti Patel:** If we see approximately, I mean looking to the present situation, what your judgment is?
- Chandru Kalro:** Our judgment is, first quarter ROCE is better than what was last year.
- Management:** What we hear is covid situation will there be a third wave?
- Shanti Patel:** No, let us say that there is no third wave, then what will happen?
- Management:** Let us say the ROCE, we had a healthy ROCE last year instead of a bad first quarter. It will be better than last year in terms of the ratio of EBITDA on the capital employed. I cannot give you a number or so, if I give a number, it will be almost giving the full guidance.
- Chandru Kalro:** I will tell you one thing, you can see there has been over the last 3-4 quarters, there is a steady improvement in the balance sheet numbers, I think that you will accept and as we are going along, that trend is continuing.
- Shanti Patel:** And what is our market, say in respect of various verticals if you have to state?
- Chandru Kalro:** We have multiple categories that we operated. We have pressure cookers, cookware, we have mixer grinder, gas stoves. We have so many categories, so the point is that we are presently leaders in all the 5 out of the 6 major categories that we operated. We are not leaders only in mixer grinder, we are working towards leadership there.
- Moderator:** Thank you. The next question is from the line of Koundinya Nimmagadda from JM Financial. Please go ahead.
- Koundinya Nimmagadda:** Just a couple of questions, sir, firstly, can you comment a little bit about the working capital and cash flows in the quarter and also the current channel inventory levels?
- Chandru Kalro:** The working capital has gone up this quarter because we have had production and we have been to have sales for some part of the quarter and we have taken a very prudent decision to continue with the production because we didn't want supply chain disruption like last year, so therefore we have seen a working capital increase which we believe is good for us. Secondly, we also have kind of hedged ourselves by adding to our raw material inventory and therefore we are hedged for the second quarter also which is also good news. In terms of channel inventory, the channel inventory is normal like it was in Q4 and overall last year, we have seen



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a reduction in channel inventory over the previous year and we want to keep it that way because we want our collection going well which is what is happening.

Koundinya Nimmagadda: Sir, secondly, can you comment on the sales mix from different regions like East, South, North and West driven by impact of COVID wave in the East and Southern markets and how have we fared in each of these markets?

Chandru Kalro: The good news is that all zones have grown very substantially. Of course, the South has grown lesser than the other zones relatively speaking because the South was more impacted by lockdowns for a long period of time. Even as we speak, Kerala is in lockdown, but all zones have grown very substantially during this quarter as compared to Q1 of last year.

Koundinya Nimmagadda: If I may squeeze in one last question, what is the quantum of price hikes that we took, sir?

Chandru Kalro: The last price hike that we took on selected products was between 5% and 6%?

Koundinya Nimmagadda: And when was this, sir?

Chandru Kalro: We have just announced it in July actually.

Moderator: Thank you. The next question is from the line of Vipin Goel from Mirabilis Investment Trust. Please go ahead.

Vipin Goel: I have two questions, sir, first one, as you mentioned that the gross margin increase was first due to the mix of premium products within category going up, that is one and then second one was the channel mix, so my question to you is that this change in behavior of premium products coming in higher in the mix, so like is it a structural change, is it in somewhere relation to the COVID disruption, like the way we are seeing this in channel mix?

Chandru Kalro: We believe very strongly that as I said even in the answer to the previous question that this will balance out during the year, obviously when we are launching new products, there is a launch volume that will go in, etc. Structural are not, I think we need 2-3 quarters to see, but there are certain trends that are clear,, and those trends are that people are moving towards better products because they are using their kitchens more than ever before. There are trends that there is an overall movement towards brands and that is on and we have seen that on for the last 12 months.

Vipin Goel: And then second one, I think you mentioned in the inventory remark, but then just to re-clarify that we didn't have any production related issues in the quarter and?

Chandru Kalro: We did, our Tamil Nadu factories were closed for almost a month because of the lockdown.



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- Vipin Goel:** Now, the production has started and that was the reason like our channel inventory was higher because we want to catch up on the sales if in case they come up in the next quarter once things open up?
- Chandru Kalro:** Yes, if we could have helped it if the production was allowed to happen, we would have produced in Tamil Nadu also to keep the inventory ready for the next quarter.
- Moderator:** Thank you. The next question is from the line of Bhavin Vithlani from SBI Mutual Fund. Please go ahead.
- Bhavin Vithlani:** Sir, we have couple of questions, one is, if you could highlight the market growth for cookers, cookwares and gas stoves in the quarter and what is the trend that you are seeing from unorganized to organized shift?
- Chandru Kalro:** I will not be able to give you numbers for Q1 because those numbers are not yet out from the research agencies. That is the first point. As far as the last year is concerned, we have seen at least 2 to 3 percentage point shift from unorganized to organized as we are seeing in the general trade. That is something that we are seeing as a trend. In terms of category growths, you are looking at the very disturbed set of 5 quarters, so I don't think we can take a position right now, but I think we are still looking at a positive and robust growth situation for brands as we speak.
- Bhavin Vithlani:** The second question is, I am referring to the presentation where you have outlined the new product, specially the Svachh Burners that you have highlighted, if you could highlight what is the level of premium that the company will be charging for these and will this also aid to our profitability going forward?
- Chandru Kalro:** The Svachh range of gas stoves which we have launched in our opinion, are in absolute positive disruption in the category. We have enough reason for people to upgrade to this gas stove because it is great new level of convenience that the customers can get. Regarding the premium on this, obviously the product is at the premium over the lower level of products that we sell, but it is not an unjustifiable premium mix. Our pricing strategy on our innovations are still being cost plus because we are trying to target our market share gain through our innovations rather than just milking up innovation in terms of price.
- Bhavin Vithlani:** Just last question from my side, the observation has been that the Maharashtra factory still remains shut after 8 to 9 months of lockdown, if you could give us some outlook and guidance on that that will be very helpful?
- Chandru Kalro:** We are in constant discussions, the matter has gone for mediation at the system level, commissioner level and there are meetings which are happening regularly. Obviously, there is



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nothing else been fruitful yet, but I can tell you that we are making some headway, but it is very difficult to predict when we will come out of this.

Management: But we have enough capacity in other plants, so we will not suffer for any supply chain issues.

Moderator: Thank you. The next question is from the line of Achal Lohade from JM Financial. Please go ahead.

Achal Lohade: Sir, my first question is, in terms of exports, we have seen a very strong growth in this quarter, so how are you looking at the export, is there any new customer addition here or just an increase in terms of the exports, value from the same set of customers and with respect to our recent statement about 5000 crores revenue, in the last call you had indicated that we are about 12 to 18 months behind the schedule, so now would you maintain the same or is there any shift in that?

Chandru Kalro: We are consistent from what we said in the last call except that we have had one more quarter of lockdowns as you know. As regard to the export, I think it is a bit of both, we have had new customer additions as well as increased offtake from the existing customers. In fact, our exports would have been even better had we got all the containers that we required. You know there is a huge container shortage as we speak. The export pipeline is looking quite robust.

Achal Lohade: Would you be able to give any indication, what kind of export mix we could have, let us say, for FY22 or FY23 sir, basis the pipeline or indications we have?

Chandru Kalro: Basis the pipeline we can tell you, the growth rates that we had specified last time in the call, those we are online to achieve it.

Achal Lohade: And this is largely for cookware or is it for cookers as well, sir?

Chandru Kalro: Both, in fact, now we have also started exporting a bit of electric appliances also.

Achal Lohade: And just one more question if I may sir, with respect to the contribution from the Judge brand, would you be able to give some sense to what was the contribution and how are you looking at this from, let us say, 2-3 years perspective as we see that we are going to step up on the branding for the Judge as well?

Chandru Kalro: Judge brand currently is very small compared to the overall business and that is by design. However, there are lot of things that we are doing for the Judge brand itself. in terms of the product strategy, we have the new website that has just come up, we have the new marketing strategy for it, the idea is to play in segments where we don't want Prestige to play and that is the strategy and that is well on course. We expect the Judge brand to be a tactical brand for us and not trying to allow it to cannibalize into the Prestige business.



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Achal Lohade: No comment on what kind of mix we look at, let us say, three- or five-year perspective, would that be 15-20% of revenues or not really?

Chandru Kalro: I don't think we are looking at more than 10% at this stage, but it is premature to talk about it. As of now, it is very small.

Moderator: Thank you. The next question is from the line of Himanshu Nayyar from Yes Securities. Please go ahead.

Himanshu Nayyar: Firstly sir, in terms of understanding the success of our product innovation, could you share some numbers as to how much would our contribution be from new launches, the way you track it may be say in the last products launch, the last one or three years?

Chandru Kalro: Let me give you a flavor for this, it is very difficult to put a percentage because we launched so many new products across category. Our entire cooker range -80% now has gone into Svachh, the last 20% also now we are replacing with the Svachh. So actually, our pressure cooker range from next quarter onwards will be 100% in the new platform, I am just giving you a flavor. In the cookware business, our granite cookware which is the only five-layer coating contributes to over 50% of the total cookware business in the nonstick side. The other cookware in fact we have now stainless cookware, we have cast iron cookware, hard anodized cookware, close to more than 50-60% of that segment is coming from the new products. Gas stoves, we have just launched in the fresh platform and we expect that things will move towards that very soon. In mixer grinder almost 70% of our sales is coming from models we have launched in the last 2 years, so on and so forth, I can go on and on.

Himanshu Nayyar: And sir, second question would be on our distribution expansion, so do we have a specific plan in phase, I mean do we feel that we are weaker in say, certain geographies where we want to increase our dealer network or even in terms of our exclusive stores, could you highlight or give some more color on our distribution expansion both on the dealer's front and our own EBO network?

Chandru Kalro: Last four quarters, as we have been telling you consistently, we have been adding to our distribution, in fact, last year was one of our best years in terms of new outlet additions, we have added more than 2000 outlets. That exercise is going on. Even though there are lockdowns, we are kind of mapping markets, mapping new territories, mapping potential territories, etc., it is a continuous process. Aside of that, the times we live in, I think there are newer opportunities to reach product to consumer which we are taking into account, so the rural channels, the MFI channel, there are B2B online channels like Udaan, there are several new opportunities which we are using as we speak. There is a heightened focus on ensuring that our own exclusive branded outlets have also grown aggressively. So, in spite of the lockdown, we have added to the network in the first quarter as you have seen, we will continue that effort as well. We have also started our own company owned store strategy where the



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costs do not justify franchising. We have over 6 outlets now and that is another process that is going on. So, the distribution expansion is a continuous process.

Moderator: Thank you. The next question is from the line of Namit Mehta from KC Capital. Please go ahead.

Namit Mehta: Sir, just a couple of questions from my side, one, I just wanted to get your perspective on how e-commerce will change the business dynamics and competitive position to an extent, are you concerned that the horizontal platforms on which these products are put up allow for easier market entry and greater competition in the long run?

Chandru Kalro: That is true if we don't change anything else and as a brand as you know, we are highly innovation focused. We come out with new products all the time. We have our own fulfillment centers. We are developing our own website to make sure that we participate in the e-commerce channels, so it is a balancing act and I believe this is more of an opportunity rather than the problem and that is what we are taking it as.

Namit Mehta: And on the innovation point, I know that we are trending towards outsourcing more and more of our products, how does that impact our innovation cycles? Is it more difficult in terms of coordination versus some of our competitors who manufacture in-house?

Chandru Kalro: No, not at all. In fact, we have very dedicated vendors, largely exclusive to us. We have a very strong product development department which actually gives our own proprietary designs which we then get it made through them. So, there is a very well-owned process that is there and in fact this has been extremely efficient .

Moderator: Thank you. The next question is from the line of Varship Shah from Habrok Capital. Please go ahead.

Varship Shah: Sir, could you speak about our premium product range like how the prestige exclusive stores doing? What is the long-term plan there?

Chandru Kalro: I just said that we were trying to add to our range very aggressively. I have told the number of outlets that we have. I also said just now that we are moving into company owned store strategy in larger cities where it is difficult to franchise, so we have very aggressive strategy on the exclusive business outlets.

Varship Shah: And these stores will have completely different range of inventory as compared to our others?

Chandru Kalro: You are speaking about the Prestige Lifestyle Store, the new format store?

Varship Shah: Yes, like that?



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Chandru Kalro: It is too early to say because again the lockdowns have hit us. We will come back to you with the strategy on the Lifestyle Store may be quarter later.

Management: And these are on the experimental stage.

Chandru Kalro: Yes.

Moderator: Thank you. The next question is from the line of Achal Lohade from JM Financial. Please go ahead.

Achal Lohade: Sir, my question was with respect to the South given what you said better part of the quarter was kind of lockdown, so how is it evolving now and do you see the kind of pent-up demand we have had last year, would we see similar thing kind of getting repeated or this time around it is somewhat different according to you?

Chandru Kalro: The initial indications are that it will get repeated because what we are seeing, for example, in Kerala, two weeks back they were open 3 days of week in some market and what we were hearing was that they had exactly doubled the crowd on the days they were opened, so the initial indications are that the demand is very good.

Achal Lohade: And in terms of the margins, I know there is an element of seasonality as well, so how do we look at the margins because if we see last third and fourth quarter, we have had 17-19% kind of a margin, so from an annual number perspective, earlier we were kind of hitting 15% so what kind of operating margin can we look at assuming third wave?

Chandru Kalro: There are two assumptions you have to make or three assumptions you have to make to rethink in that direction. You have to then assume what the raw material prices are, we have to do the balancing act on how much we can pass on, so far, we have been able to pass on. There is a lot of assumption, but it is fair to say that we can maintain the same similar kind of margins in a band of plus, minus, 0.5 or 1% even this year.

Achal Lohade: And with respect to the price increase, for the first quarter, on an average, what would be the price increase we would have had from September 20?

Chandru Kalro: From September 20?

Achal Lohade: Yes, I mean initial round of, since we started taking the price increase given the cost inflation?

Chandru Kalro: Between 8 and 11% depending on what category you are talking about.

Achal Lohade: And I presume in appliances it would be even higher double digit compared to cooker, cookware?



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Chandru Kalro: the average increase on cookware and kitchenware we actually took it up only by 5% last year and the balance was in appliances, so you are right about what you are saying.

Achal Lohade: So, if I look at the revenue numbers from 2-year perspective, I see that we have had a kind of volume drop. I know it is hard to add volumes like that, but for each of the category, would it be fair to say that we have had kind of a double-digit drop in volumes given the impact of lockdown?

Chandru Kalro: No, it varies from category to category, for example, in cookware, we actually had a growth in spite of everything. In cooker, yes, you are right, there is a drop, again that is primarily because the lockdown is not comparable. I would tend to look at this from the 9-month run rate that we had last year and that was the good run rate and got our best ever run rate. That kind of run rate looks like it is going to come back.

Moderator: Thank you. The next question is from the line of Bhavin Vithlani from SBI Mutual Fund. Please go ahead.

Bhavin Vithlani: We are seeing strong growth in the cookware as a category, if you could give us some outlook on what exactly is changing from the customer side or this is more to do with the companies on internal newer products and certain products that we introduce which are more specific to the company?

Chandru Kalro: In cookware, nonstick has come back into fashion because people have understood the need for nonstick cookware, so that is growing. We ourselves have launched several new subcategories which is also adding to the growth, for example our focus on stainless steel cookware, our focus on cast iron cookware, we have launched newer products in Hard Anodised cookware, we have launched starlite cookware, so there are lot of new segments which we have got into, which is also causing the increase in the cookware business.

Bhavin Vithlani: The second question is, if you could give us the mix on the channel, the conventional channel, what was it in the quarter also, what are you seeing as a percentage of sales from our Prestige exclusive outlets?

Chandru Kalro: I wouldn't want to give you the percentages of all the channels given the competitive sensitivity of the matter, but I can tell you one thing that once all channels start operating, we are looking at the e-com stabilizing at about 25%. We are looking at our own retail stabilizing between 15 and 17%. That is where we are looking at.

Bhavin Vithlani: And what could be the mix of South, non-South as you mentioned that South, we did see disruption and that is continuing further also?



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- Chandru Kalro:** It is 45-55 I think, but nowadays it is very difficult to put a finger on this because there is a lot of e-com sales that happens and that distorts the tracking, as there are lots of new dynamics that have come in, but fair to say it is about 45-55.
- Bhavin Vithlani:** Just last question from my side, in your presentation, you have outlined newer category of goods and the number of new products that you have launched, these would be through the conventional channel or these will be more through the Prestige Exclusive outlets?
- Chandru Kalro:** Depending on the category, if there is a mass product, we will distribute it mass, if it is a niche product, then obviously we will distribute it either through our own exclusive branded outlets or some high-end retailers or some large format stores or maybe they are e-com, it is all category specific.
- Moderator:** Thank you. As there are no questions from the participants, I would now like to hand the conference over to the management for closing comments.
- Management:** We expect to have a much better 9 months as compared to last year and, in any case, this presentation and whatever we have told now has got some sort of futuristic statements which are intentions of the management. The success depends on various factors, both internal and external. Investors are requested to note this safe-harbor clause. Thank you.
- Moderator:** Thank you. On behalf of Ambit Capital, that concludes this conference. Thank you for joining us and you may now disconnect your lines.