

TTK PRESTIGE LIMITED
GIST OF INFORMATION TO BE SHARED WITH ANALYSTS - Q3 of FY 2019-20

GENERAL BACKDROP FOR Q3 OF FY 2019-20

A. GENERAL ECONOMY

Overall Economic conditions remained sluggish inspite of festive season
Rural Demand situation continued to be under stress
E-Commerce channel witnessed a strong growth
Large formats also showed a good trend. Corporate gifting was subdued due to the slowdown.
Proliferation of brands has increased especially at the bottom end.
Export markets continue to be sluggish.
Government initiatives yet to have an impact consumer demand

B. SPECIFIC TO COMPANY

Slowdown in Rural Demand impacted the key thrust area of the company
Rebuilding of rural channels underway. Started recovering ground as compared to first-half.
Broad basing the Large Format channel continues. This has started paying dividends.
Revised trade policies have gained more acceptance
Company followed a cautious primary billing policy given the 'tight liquidity' both in general trade and modern format stores
E-Commerce contribution continued to be significant and is a key growth driver.
Launch of the new Svachh cookers met with a good response.
However, the transition to the new product line has meant some destocking of the old by the trade
Consolidation of export customers, that can improve exports going forward
Stable EBITDA Margins in adverse demand environment

**KEY PERFORMANCE HIGHLIGHTS OF QUARTER ENDED 31ST DECEMBER 2019
(AS COMPARED TO Q3 OF PREVIOUS YEAR)**

Domestic Sales down by around 1.43% from Rs.542.42 Crs to Rs.534.65 Crs
Besides Rural Stress, other geographical segments witnessed mixed signals - some growing, some tepid & some depressed
Export Sales grew by around 19% from Rs.9.60 Crs to Rs.11.41 Crs.
Total Sales down by around 1.08% from Rs. 552.03 Crs to Rs.546.07 Crs.
Comparable base of Q3 of PY is very high as the growth in that quarter was steep at around 23%
EBITDA down by 3.44% from Rs.91.89 Crs to Rs. 88.73 Crs mainly due to costs associated with launch of new Svachh range
EBITDA margins was around 16.25%
Profit before Tax down by 6.84 % from Rs.84.85 Crs to Rs.79.05 Crs largely due to higher depreciation
Profit after Tax grew by about 7.16% from Rs. 56.84 Crs to Rs.60.91 Crs
EPS stood at Rs.43.94 (PY Q3 Rs. 41.01)
Consolidated turnover down by 1.06% from Rs.593.54 Crs to Rs.587.27 Crs
Consolidated Profit after Tax stood at Rs.60.20 Crs (PY Q3 Rs.58.25 Cr)
Consolidated EPS was Rs. 43.43 (PY Rs.42.03)

KEY BUSINESS FACTS FOR Q3 OF 2019-20

Introduced 36 new SKUs during the quarter
Progressive recovery in rural channel and modern format stores on account of broad-basing exercise
Growth appears flat mainly due to base effect
The entirely new range of Svachh Pressure Cookers has received wide acceptance
To ensure clearing of inventory of earlier models of cookers, primary sale of new models kept under control
Save for Cookware, volume growth seen in Pressure cookers and key appliance categories
Composition of sales and price-points had an impact on absolute value growth but margins remained healthy.
Corporate gifting was at its lowest in this festive season adversely impacting cookware and induction cooktop sales
Cleaning Solutions business continues to grow well
Prestige Xclusive chain strength stood at 583 contributing significantly to total sales
Given the 'trade liquidity' concerns, company followed a cautious policy on primary sales to general as well as large format channels
Optimised and controlled Inventory given the market conditions. Actively working on making sure receivables are in control.
The company continues to carry substantial free cash in excess of Rs.320 crores post capex and investments in UK subsidiary

KEY PERFORMANCE HIGH LIGHTS OF 9 MONTHS' ENDED - 31ST DECEMBER 2019
(AS COMPARED TO 9 MONTHS' ENDED OF PREVIOUS YEAR)

Domestic Sales grew by around 2.39% from Rs.1482.78 Crs to Rs.1518.27 Crs
All channels have grown with the exception of Rural sales, which was on a high base last year. Also, Teleshopping channel has closed.
Export Sales down by around 13% from Rs. 40.39 Crs to Rs.34.99 Crs. But this will be made up in the coming quarter.
Total Sales grew by around 1.97% from Rs. 1523.17 Crs to Rs.1553.26 Crs
EBITDA grew by 1.93 % from Rs 239.45 Crs to Rs. 244.06 Crs
EBITDA margins was around 15.71%
Profit before Tax down by 0.39 % from Rs.218.69 Crs to Rs.217.84 Crs
Profit after Tax grew by about 21.25% from Rs. 146.51 Crs to Rs.177.65Crs
EPS stood at Rs.128.16 (PY Q3 105.70)
Consolidated turnover grew by 1.85% from Rs.1624.74 Crs to Rs.1654.76 Crs
Consolidated Profit after Tax stood at Rs.176.35 Crs (PY Q3 Rs. 147.58 Crs)
Consolidated EPS was Rs. 127.22 (PY Rs.106.47)

SALES BREAKUP - STANDALONE				(Rs. Crs)		
	Q3 2019-20	Q3 2018-19	GROWTH	9 Months' 2019-20	9 Months' 2018-19	GROWTH
COOKERS	158	169	-6%	480	508	-5%
COOKWARE	78	86	-9%	237	236	1%
APPLIANCES	288	280	3%	779	729	7%
OTHERS	22	17	29%	57	50	14%
TOTAL	546	552	-1%	1553	1523	2%

PROPORTION TO SALES	Q3 2019-20	Q3 2018-19	9 Months' 2019-20	9 Months' 2018-19
COOKERS	28.95%	30.62%	30.90%	33.34%
COOKWARE	14.30%	15.60%	15.28%	15.50%
APPLIANCES	52.72%	50.71%	50.15%	47.87%
OTHERS	4.03%	3.08%	3.67%	3.28%
TOTAL	100.00%	100.00%	100.00%	100.00%

UK SUBSIDIARY - HORWOOD

The uncertainty over Brexit continued to impact business
Maintained the sales at previous year level
The salience of the Subsidiary's brands is far higher than all the peers
Investments being made to improve market share and multi-channel presence
Better performance as compared to peers
Acquired 51% stake in new EcoSoul Life business through stepdown subsidiary.

GOING FORWARD

Company will continue to broad base & consolidate its presence in a host of modern format stores
Rural demand is expected to pick-up following the good monsoon. New accounts are also being pursued and added
Rebuilding of rural channels expected to yield results
Around 40 new SKUs slated to be launched in Q4
Export business expected to gain traction from Q1 of FY 21
In general, Company has a positive outlook going forward