

October 1, 2012

TTK PRESTIGE LTD.

BSE Code: 517506

NSE Code: TTKPRESTIG

Reuters Code: TTKLNS

Bloomberg Code: TTKPT:IN

TTK Prestige Ltd (TTKPRESTIG), established in October 1955, is an Indian company which operates in two business segments - Kitchen Appliances and Property & Investment. The company has been enlarging its products through global firms to bring advanced product ranges and foreign brands through tie-ups. Furthermore, as a part of its expansion plan, TTKPRESTIG has signed a deal with the US company, World Kitchen that would enable it to enter the high-end tableware/cookware and storeware segments. Looking at the company's initiative to collaborate with foreign firms, it can be said that soon TTKPRESTIG's portfolio would include various well known foreign brands.

Investor's Rationale

Net profit grew by 21.1% YoY in Q1FY'13, driven by rise in sales of kitchen appliances

Despite of triple digit growth in interest cost by 432.7% YoY and in taxation charges by 20.0% YoY, TTK Prestige Ltd (TTKPRESTIG) witnessed a growth of 21.1% YoY in its net profit at ₹0.3 billion in Q1FY'13 as the kitchen appliances segment posted better than expected numbers in Q1FY'13. The company has registered a growth of 29.8% YoY in the sales of kitchen appliances at ₹3.0 billion.

Top line posted a growth of 29.8% YoY on robust growth in sales figures within kitchen appliances segment

TTKPRESTIG witnessed a rise in its net sales by 29.8% YoY to ₹3.0 billion, driven mainly by a robust growth in the sale of appliances by 36.0% YoY at ₹1.2 billion, of which, cook wares and cookers grew by 32.0% YoY and 23.0% YoY to ₹0.5 billion and ₹1.2 billion from ₹0.4 billion and ₹0.9 billion respectively. Besides, top line was further supported by a rise in export sales by 125.6% YoY to ₹0.2 billion.

EBITDA margin fell by 14bps on higher cost of material consumed

TTKPRESTIG has reported an expansion of 28.6% YoY in EBITDA to ₹0.5 billion in Q1FY'13. However, the company has reported a decline in its EBITDA margin by 14bps to 15.8% in Q1FY'13, against 15.9% in Q1FY'12 on account of a 30.0% YoY incline in the operating expenses to ₹2.5 billion which was mainly because of a rise in cost of material consumed by 54.1% YoY to ₹0.8 billion.

NPM plunged by 72bps on a massive rise in finance costs

TTKPRESTIG posted a decline in its net profit margin by 72bps to 10.1% as against 10.8% in the same period previous year, mainly due to a massive growth in finance cost by 432.7% YoY to ₹0.03 billion. Furthermore, taxation charges grew by 20.0% to ₹0.1 billion.

Market Data

CMP (₹)	3,732.1	
Target Price	4,280.0	
Stop Loss	3,481.1	
Duration	Short-term	
52-week High-Low (₹)	3,998.9/2,161	
Rise from 52WL (%)	72.7	
Correction from 52WH (%)	(6.7)	
Beta	1.0	
1 year Average Volume (mn)	0.1	
	3M-	1.6
Stock Return (%)	6M-	3.1
	9M-	30.4
Market Cap (₹bn)	42.3	
Enterprise Value (₹bn)	42.9	

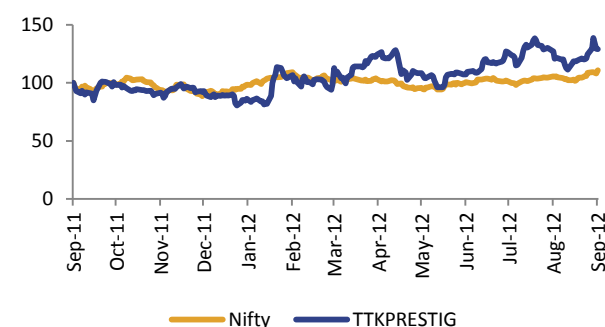
Shareholding Pattern

	Jun'12	Mar'12	Chg
Promoters (%)	74.9	74.9	-
FII (%)	11.8	8.9	2.9
DII (%)	3.4	5.3	(1.9)
Public & Others (%)	9.9	10.9	(1.0)

Quarterly Performance

(₹bn)	Q1 FY'13	Q1 FY'12	Q4 FY'12	YoY Change(%)	QoQ Change(%)
Revenue	3.0	2.3	2.3	29.8	30.1
Op. exp	2.5	2.0	2.0	30.0	26.8
EBITDA	0.5	0.4	0.3	28.6	51.3
OPM (%)	15.8	15.9	13.6	(14bps)	221bps
Net profit	0.3	0.3	0.2	21.1	55.4
NPM (%)	10.1	10.8	8.5	(72bps)	166bps
EPS (₹)	27.1	22.4	17.4	21.1	55.4

One Year Price Chart





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