

TTK PRESTIGE LIMITED
GIST OF INFORMATION TO BE SHARED WITH ANALYSTS - Q1 of FY 2020-21

GENERAL BACKDROP FOR Q1 OF FY 2020-21

A. GENERAL ECONOMY

Economy severely affected due to complete lock down in April and partial lock down thereafter
Consumer spending was limited to essentials - FMCG as well as durables
Domestic kitchen and home appliance demand was encouraging as people were stuck at homes
Rural demand was mixed depending on categories
Large format channel was completely out of action due to lock down
E-Commerce was the most active channel as general trade was switching between full or partial lockdowns as per State directives
Movement of non-essential goods faced difficulties even after partial easing of lockdown.
Migrant workmen issue affected many manufacturing units
Component supply chain was severely impacted due to total lock down of key manufacturing locations as well as liquidity issues
Active south-west monsoon has improved sowing coverage, though certain regions were severely affected by floods
Export market shows promise

B. SPECIFIC TO COMPANY

More than half of the quarter was lost due to lockdown
Even after partial easing of lockdown, less than 60% of market was open for trade for company's products
Manufacturing activities started in all locations since Mid May but operating at 60% of precovid levels.
Company's dependence on migrant workmen is minimal and adequate human resource is available to increase production at short notice.
Large format sales was affected due to lock down of outlets
Company followed a cautious primary billing policy given the 'tight liquidity' situation in trade
E-Commerce, General Trade and Prestige Xclusive Channels were more buoyant.
Consolidation of export customers, that can improve exports going forward.

KEY PERFORMANCE HIGH LIGHTS OF QUARTER ENDED 30th June 2020

(AS COMPARED TO Q1 OF PREVIOUS YEAR)

Due to Covid impact no meaningful comparison is possible with corresponding quarter of FY 20.

Domestic Sales was Rs. 196.40 Crores (PY: Rs.420.61 Crores)
Export Sales for the quarter was Rs.12.14 Crores (PY Rs.12.99 Crores).
Total Sales : Rs.208.54 Crores (PY Rs. 433.60 Crores)
EBITDA :Rs.14.49 Crores (PY Rs. 62.65 Crores) after absorbing over Rs. 20 crores of idle costs including payroll caused by lockdown
EBITDA margin was around 6.95% after absorbing idle overheads during Lock down period
Profit before Tax: Rs.5.47 Crores (PY Rs.55.20 Crores)
Profit after Tax : Rs.4.09 Crores (PY: Rs.36.47 Crores)
EPS stood at Rs.2.95 (PY Q1 Rs. 26.31)
Consolidated turnover: Rs. 226.64 Crores(PY Rs. 461.20 Crores)
Consolidated Profit after Tax (before exceptional items) stood at (Rs.2.14) Crs (PY Q1 Rs.35.81 Cr)
Consolidated EPS (before exceptional item) was Rs.1.54 (PY Rs.25.83)

KEY BUSINESS FACTS FOR Q1 OF 2020-21

Introduced 38 new SKUs during the quarter.
Growth severely affected by the Covid-19 Pandemic.
Less than 60% of the addressable market was available for sale, while operating channels have grown.
Sales performance better than the company's 'Covid sensitive' budget.
Institutional, Modern format and Direct Rural channel remained dormant due to Covid pandemic
Swachh range of pressure cookers received good response across all markets.
Appliance sales was more significant; Cleaning Solutions category have done very well
Did not resort to any pay cut and paid full remuneration to all during the entire lockdown period
Soft investments made to improve and consolidate digital management of overall business
Prestige Xclusive chain strength stood at 590 contributing significantly to total sales.
Prestige Lifestyle - a new retail format - opened 2 stores in Bangalore
Given the 'trade liquidity' concerns, company followed a cautious policy on primary sales
Optimised and controlled Inventory given the market conditions.
Notwithstanding tight liquidity in markets, trade collections are satisfactory and being improved upon.
Alternate arrangements to substitute imports from China progressed satisfactorily
The company continues to carry substantial free cash in excess of Rs.300 crores post capex and investments in UK subsidiary
All vendors have been paid within due dates and supply chain remains largely comfortable in spite of lock down in some industrial belts

SALES BREAKUP - STANDALONE			
	(In Rs. Crs)		
	Q1 2020-21	Q1 2019-20	GROWTH
COOKERS	57.91	139.88	-59%
COOKWARE	35.27	64.58	-45%
APPLIANCES	105.56	212.49	-50%
OTHERS	9.80	16.65	-41%
TOTAL	208.54	433.60	-52%

PROPORTION TO SALES	Q1 2020-21	Q1 2019-20
COOKERS	27.77%	32.26%
COOKWARE	16.91%	14.89%
APPLIANCES	50.62%	49.01%
OTHERS	4.70%	3.84%
TOTAL	100.00%	100.00%

UK SUBSIDIARY - HORWOOD

The uncertainty over Brexit compounded by Covid-19 crisis
Sales was better than revised budget though not comparable to Q1 of previous year
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
The subsidiary has made transformational changes and has developed a significant online presence.

GOING FORWARD

The new normal of working from home augurs well for kitchen and home appliance business
In the markets which are open, the trend in sales in July was encouraging and growth was significant
Company has rejigged its sales and distribution strategy to cope with new challenges posed by Covid-19
Company has put in place various programs to improve efficiency and lower the break-even point
Export business appears to be more promising than FY 20
Company has a positive outlook for the remaining period of FY 21, subject to further easing of lockdown conditions.