

# TTK Prestige

## Driving strategic initiatives amid headwinds

We have interacted with TTK Prestige's management. Management noted that demand is picking up, with festive season demand remaining critical to monitor, while product prices remain stable. Urban demand is decent, while rural is weak. Management announced a strategic investment of INR 5bn starting in Q4FY25, with benefits expected from Q4FY26. Of this, INR 2bn will be operational expenditure, and INR 3bn capital expenditure, with the investments planned through FY28. The company is currently absorbing near-term margin pressure due to these strategic investments but remains confident that they will deliver long-term gains. The company believes this investment will accelerate revenue growth to double digits and restore EBITDA margins to the mid-teens. We model 8% CAGR for revenue, 14% for EBITDA, and 13% for APAT over FY25-28E. We retain REDUCE with a revised TP of INR 595/sh (33x Sep-27E EPS).

- **Demand and guidance:** Management noted that demand is picking up, with festive season demand remaining critical to monitor, while product prices remain stable. Urban demand is decent, while rural is weak. Management observed that following three years of underperformance, the company has initiated a planned strategic investment of INR 5bn starting Q4FY25, extending through FY28, aimed at enhancing performance. Of this amount, INR 2bn will be dedicated to R&D, consultancy, HR, innovation, marketing, brand building, GTM strategies, and cost optimization initiatives. The remaining INR 3bn will be allocated to capex. The company is currently absorbing near-term margin pressure due to these strategic investments but remains confident that they will deliver long-term gains. The company believes this investment will accelerate revenue growth to double digits and restore EBITDA margins to the mid-teens.
- **Other business highlights:** Management highlighted that the Judge brand focuses on Tier-2 and Tier-3 towns and the value segment is delivering strong growth and is expanding its reach, complementing the Prestige brand. The performance of the UK subsidiary was adversely impacted by the prolonged slowdown in the UK and EU economies; however, the business is actively strengthening its channel presence and expanding its reach across these markets. Meanwhile, Ultrafresh Modular venture remains in the initial stage of launch and will require additional time to scale up, though it has already established a good presence in the eastern region and is gradually expanding its footprint in the western and southern markets.
- **Outlook:** We expect demand to pick up, aided by higher GDP growth, rationalization of income tax, GST, and good monsoon. However, we believe competition intensity will continue to remain intense. We maintain our estimates. Our financial model forecasts an 8% CAGR for revenue, 14% for EBITDA, and 13% for APAT over FY25-28E. We have introduced FY28E financial and roll forward our valuation to Sep-27E from Mar-27E previously. We maintain REDUCE, with a revised TP of INR 595/sh (33x Sep-27E EPS).

### Financial summary (INR mn)

Year Ending March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	27,771	26,781	27,148	29,087	31,810	34,401
EBITDA	3,585	3,037	2,577	2,414	3,245	3,853
APAT	2,542	2,285	1,839	1,692	2,278	2,657
Diluted EPS (Rs)	18.3	16.5	13.4	12.4	16.6	19.4
P/E (x)	37.2	41.4	50.8	55.2	41.0	35.1
EV / EBITDA (x)	24.1	28.0	33.3	35.4	26.2	21.9
RoE (%)	13.9	11.3	9.3	8.8	11.2	12.3

Source: Company, HSIE Research

## REDUCE

CMP (as on 03 Sep 2025)	INR 682
Target Price	INR 595
NIFTY	24,715

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 550	INR 595
EPS %	FY26E	FY27E
	-	-

### KEY STOCK DATA

Bloomberg code	TTKPT IN
No. of Shares (mn)	137
MCap (INR bn) / (\$ mn)	93/1,060
6m avg traded value (INR mn)	61
52 Week high / low	INR 964/582

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	11.9	11.2	(27.7)
Relative (%)	12.2	0.9	(25.3)

### SHAREHOLDING PATTERN (%)

	Mar-25	Jun-25
Promoters	70.52	70.52
FIs & Local MFs	14.42	14.72
FPIs	7.40	7.46
Public & Others	7.66	7.30
Pl edged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

### Keshav Lahoti

keshav.lahoti@hdfcsec.com  
+91-22-6171-7353

### Rajesh Ravi

rajesh.ravi@hdfcsec.com  
+91-22-6171-7352

### Mahesh Nagda

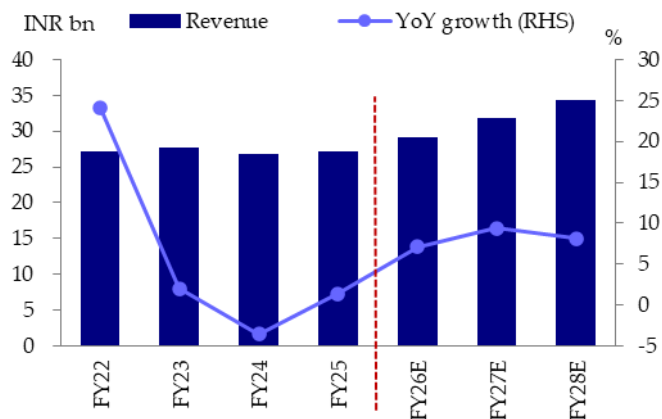
mahesh.nagda@hdfcsec.com  
+91-22-6171-7319

### Riddhi Shah

riddhi.shah@hdfcsec.com  
+91-22-6171-7359

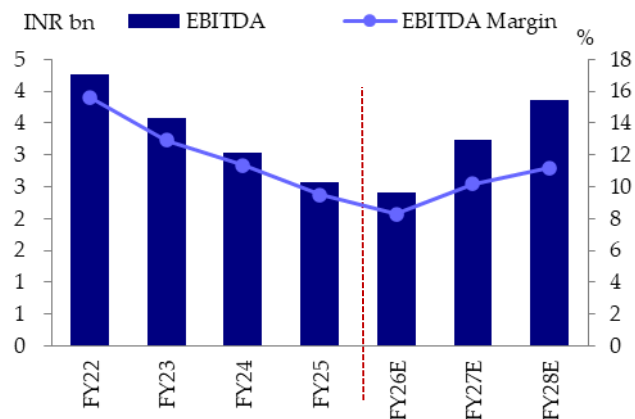
## TTK Prestige: Company Update

**Revenue to grow at 8% CAGR over FY25-28E, mainly due to volume growth and better mix**



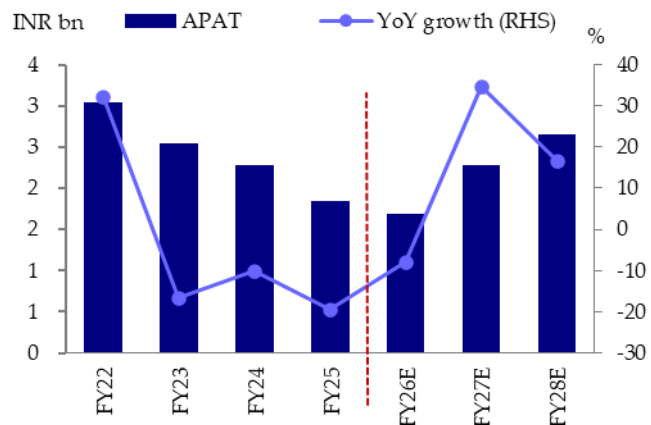
Source: Company, HSIE Research

**We project a 14% CAGR in EBITDA from FY25 to FY28, driven by volume growth and margin expansion**



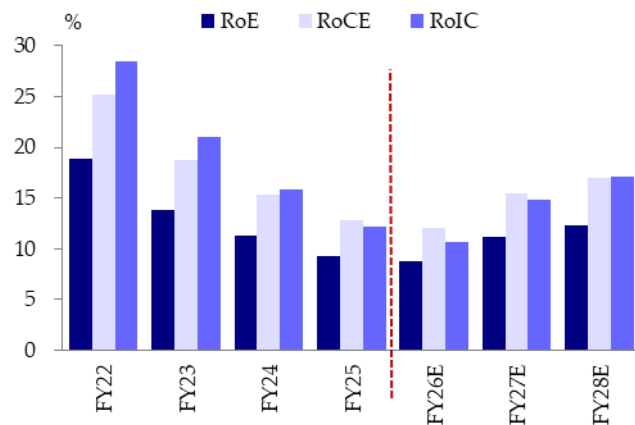
Source: Company, HSIE Research

**APAT to register 13% CAGR during FY25-28E, in line with EBITDA growth**



Source: Company, HSIE Research

**Return ratios are anticipated to pick up after the FY26E dip, yet stay lower than their historical trend**



Source: Company, HSIE Research

**Consolidated Income Statement**

Year end march (INR mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Net Revenues</b>	<b>27,771</b>	<b>26,781</b>	<b>27,148</b>	<b>29,087</b>	<b>31,810</b>	<b>34,401</b>
Growth (%)	2.0	(3.6)	1.4	7.1	9.4	8.1
Material Expenses	16,607	15,753	15,746	16,783	18,291	19,780
Employee Expense	2,364	2,666	2,897	3,141	3,308	3,543
Other Expenses	5,215	5,326	5,928	6,748	6,966	7,224
<b>EBITDA</b>	<b>3,585</b>	<b>3,037</b>	<b>2,577</b>	<b>2,414</b>	<b>3,245</b>	<b>3,853</b>
<b>EBITDA Growth (%)</b>	<b>(15.8)</b>	<b>(15.3)</b>	<b>(15.1)</b>	<b>(6.3)</b>	<b>34.4</b>	<b>18.7</b>
<b>EBITDA Margin (%)</b>	<b>12.9</b>	<b>11.3</b>	<b>9.5</b>	<b>8.3</b>	<b>10.2</b>	<b>11.2</b>
Depreciation	530	644	707	774	835	907
<b>EBIT</b>	<b>3,055</b>	<b>2,392</b>	<b>1,870</b>	<b>1,640</b>	<b>2,410</b>	<b>2,946</b>
Other Income (Including EO Items)	457	753	747	751	814	813
Interest	80	134	157	147	166	172
<b>PBT</b>	<b>3,432</b>	<b>3,012</b>	<b>2,460</b>	<b>2,244</b>	<b>3,058</b>	<b>3,587</b>
Total Tax	882	758	666	572	780	915
Exceptional Gain/ (loss)	-	-	(714)	-	-	-
<b>RPAT</b>	<b>2,542</b>	<b>2,285</b>	<b>1,124</b>	<b>1,692</b>	<b>2,278</b>	<b>2,657</b>
<b>Adjusted PAT</b>	<b>2,542</b>	<b>2,285</b>	<b>1,839</b>	<b>1,692</b>	<b>2,278</b>	<b>2,657</b>
<b>APAT Growth (%)</b>	<b>(16.6)</b>	<b>(10.1)</b>	<b>(19.5)</b>	<b>(8.0)</b>	<b>34.6</b>	<b>16.7</b>
<b>EPS</b>	<b>18.3</b>	<b>16.5</b>	<b>13.4</b>	<b>12.4</b>	<b>16.6</b>	<b>19.4</b>
<b>EPS Growth (%)</b>	<b>(16.6)</b>	<b>(10.1)</b>	<b>(18.5)</b>	<b>(8.0)</b>	<b>34.6</b>	<b>16.7</b>

Source: Company, HSIE Research

**Consolidated Balance Sheet**

Year end march (INR mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>SOURCES OF FUNDS</b>						
Share Capital - Equity	139	139	137	137	137	137
Other Equity	19,246	20,738	18,651	19,522	20,772	22,197
<b>Total Shareholders Funds</b>	<b>19,385</b>	<b>20,876</b>	<b>18,788</b>	<b>19,658</b>	<b>20,909</b>	<b>22,334</b>
NCI	33	2	(43)	(63)	(63)	(48)
Long Term Debt	408	-	443	443	443	443
Short Term Debt	-	469	74	100	100	100
<b>Total Debt</b>	<b>408</b>	<b>469</b>	<b>517</b>	<b>543</b>	<b>543</b>	<b>543</b>
Net Deferred Taxes	303	247	206	217	232	250
Other Non Current Liabilities	791	1,173	1,098	1,133	1,191	1,236
<b>TOTAL SOURCES OF FUNDS</b>	<b>20,920</b>	<b>22,767</b>	<b>20,566</b>	<b>21,488</b>	<b>22,813</b>	<b>24,316</b>
<b>APPLICATION OF FUNDS</b>						
<b>Net Block</b>	<b>4,303</b>	<b>4,284</b>	<b>4,597</b>	<b>4,720</b>	<b>4,978</b>	<b>5,179</b>
<b>Goodwill</b>	<b>1,561</b>	<b>1,605</b>	<b>961</b>	<b>961</b>	<b>961</b>	<b>961</b>
CWIP	98	238	14	200	200	200
Intangible assets	82	66	53	84	119	162
Right of Use Assets	890	1,263	1,185	1,685	1,763	1,813
Non Current Investments	2	3	52	52	52	52
Other Non Current Assets	325	490	337	356	383	409
<b>Total Non-current Assets</b>	<b>7,260</b>	<b>7,949</b>	<b>7,199</b>	<b>8,058</b>	<b>8,456</b>	<b>8,776</b>
Current-Investments	2,489	3,430	2,358	2,475	2,599	2,729
Inventories	5,930	5,541	6,111	6,163	6,711	7,257
Debtors	3,331	2,939	2,869	3,032	3,225	3,487
Cash & Equivalents	5,956	6,647	5,831	6,020	6,431	6,998
Other Current Assets	909	867	895	931	988	1,036
<b>Total Current Assets</b>	<b>18,615</b>	<b>19,424</b>	<b>18,064</b>	<b>18,621</b>	<b>19,954</b>	<b>21,508</b>
Creditors	2,712	2,401	2,387	2,789	3,050	3,299
Other Current Liabilities & Provns	2,243	2,204	2,310	2,402	2,547	2,669
<b>Total Current Liabilities</b>	<b>4,955</b>	<b>4,605</b>	<b>4,697</b>	<b>5,191</b>	<b>5,598</b>	<b>5,967</b>
<b>Net Current Assets</b>	<b>13,660</b>	<b>14,819</b>	<b>13,367</b>	<b>13,430</b>	<b>14,357</b>	<b>15,540</b>
<b>TOTAL APPLICATION OF FUNDS</b>	<b>20,920</b>	<b>22,767</b>	<b>20,566</b>	<b>21,488</b>	<b>22,813</b>	<b>24,316</b>

Source: Company, HSIE Research

### Consolidated Cash Flow

Year end march (INR mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Reported PBT	3,410	3,012	1,746	2,244	3,058	3,587
Non-operating & EO Items	(73)	(25)	684	(571)	(625)	(621)
Interest Expenses	80	134	157	147	166	172
Depreciation	530	644	707	774	835	907
Working Capital Change	(1,142)	(91)	(1,091)	229	(412)	(506)
Tax Paid	(816)	(785)	(630)	(572)	(780)	(915)
<b>OPERATING CASH FLOW ( a )</b>	<b>1,990</b>	<b>2,889</b>	<b>1,572</b>	<b>2,251</b>	<b>2,242</b>	<b>2,624</b>
Capex	(654)	(674)	(417)	(905)	(915)	(930)
Free Cash Flow (FCF)	1,335	2,215	1,156	1,346	1,327	1,694
Investments	(1,351)	(1,762)	1,694	(418)	(424)	(430)
Non-operating Income	437	581	760	565	615	615
Others	-	-	-	-	-	-
<b>INVESTING CASH FLOW ( b )</b>	<b>(1,569)</b>	<b>(1,855)</b>	<b>2,037</b>	<b>(758)</b>	<b>(723)</b>	<b>(745)</b>
Debt Issuance/(Repaid)	9	61	49	26	-	-
Interest Expenses	(39)	(39)	(62)	(147)	(166)	(172)
FCFE	1,306	2,237	1,142	1,225	1,161	1,522
Share Capital Issuance	-	-	(2,489)	-	-	-
Dividend	(485)	(832)	(832)	(821)	(1,027)	(1,233)
Others	(161)	(234)	(289)	(661)	(214)	(208)
<b>FINANCING CASH FLOW ( c )</b>	<b>(675)</b>	<b>(1,044)</b>	<b>(3,622)</b>	<b>(1,604)</b>	<b>(1,408)</b>	<b>(1,612)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>(254)</b>	<b>(9)</b>	<b>(13)</b>	<b>(111)</b>	<b>111</b>	<b>267</b>
EO Items, Others	-	-	714	-	-	-
Closing Cash & Equivalents	325	318	305	195	306	573

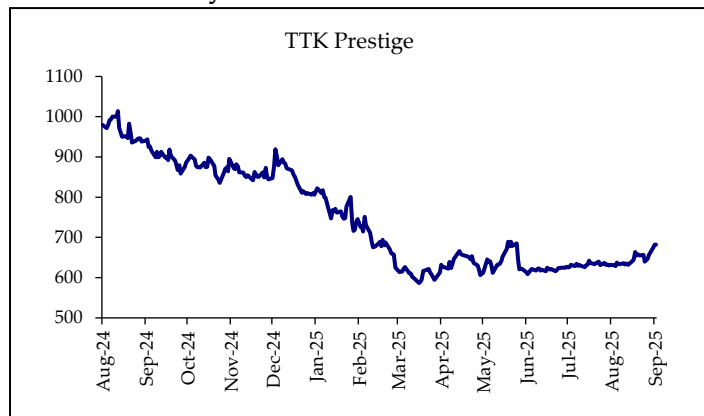
Source: Company, HSIE Research

### Key Ratios

Year end march	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>PROFITABILITY (%)</b>						
GPM	40.2	41.2	42.0	42.3	42.5	42.5
EBITDA Margin (%)	12.9	11.3	9.5	8.3	10.2	11.2
EBIT Margin	11.0	8.9	6.9	5.6	7.6	8.6
PBT Margin	12.4	11.2	9.1	7.7	9.6	10.4
APAT Margin	9.2	8.5	6.8	5.8	7.2	7.7
RoE	13.9	11.3	9.3	8.8	11.2	12.3
RoIC (or Core RoCE)	21.0	15.8	12.2	10.7	14.9	17.2
RoCE	18.7	15.3	12.9	12.1	15.5	17.0
<b>EFFICIENCY</b>						
Tax Rate (%)	25.7	25.2	27.1	25.5	25.5	25.5
Fixed Asset Turnover (x)	4.4	3.9	3.7	3.6	3.6	3.6
Inventory (days)	77	76	82	77	77	77
Debtors (days)	44	40	39	38	37	37
Other Current Assets (days)	11	12	12	12	11	11
Payables (days)	43	33	32	35	35	35
Other Current Liab & Provns (days)	26	30	31	30	29	28
Cash Conversion Cycle (days)	63	65	70	62	61	62
Net D/E (x)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Interest Coverage (x)	38.3	17.9	11.9	11.2	14.5	17.1
<b>PER SHARE DATA (Rs)</b>						
EPS	18.3	16.5	13.4	12.4	16.6	19.4
CEPS	22.2	21.1	18.6	18.0	22.7	26.0
Dividend	6.0	6.0	6.0	7.5	9.0	10.0
Book Value	140	151	137	144	153	163
<b>VALUATION</b>						
P/E (x)	37.2	41.4	50.8	55.2	41.0	35.1
P/BV (x)	4.9	4.5	5.0	4.8	4.5	4.2
EV/EBITDA (x)	24.1	28.0	33.3	35.4	26.2	21.9
EV/Revenues (x)	3.1	3.2	3.2	2.9	2.7	2.4
OCF/EV (%)	2.3	3.4	1.8	2.6	2.6	3.1
FCF/EV (%)	1.5	2.6	1.3	1.6	1.6	2.0
FCFE/Mkt Cap (%)	1.4	2.4	1.2	1.3	1.2	1.6
Dividend Yield (%)	0.9	0.9	0.9	1.1	1.3	1.5

Source: Company, HSIE Research

## 1 Yr Price History



## Rating Criteria

**BUY:** >+15% return potential  
**ADD:** +5% to +15% return potential  
**REDUCE:** -10% to +5% return potential  
**SELL:** >10% Downside return potential

**Disclosure:**

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HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066

Compliance Officer: Murli V Karkera Email: [complianceofficer@hdfcsec.com](mailto:complianceofficer@hdfcsec.com) Phone: (022) 3045 3600

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Unit No. 1602, 16th Floor, Tower A, Peninsula Business Park,  
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013  
Board: +91-22-6171-7330 [www.hdfcsec.com](http://www.hdfcsec.com)