

**CMP: INR 254**

**Rating: BUY**

**Target Price: INR 355**

**Stock Info**

BSE	542905
NSE	HINDWAREAP
Bloomberg	1555197D:IN
Reuters	HIIL.NS
Sector	Consumer Durables
Face Value (INR)	2
Mkt Cap (INR Bn)	21.28
52w H/L (INR)	463/177
Avg yearly Vol (in 000')	217.79

**Shareholding Pattern %**

(As on Mar, 2025)

Promoters	52.74%
Public & Others	47.26%

Stock Performance (%)	1m	6m	12m
HHIL	+27.4	-11.0	-7.7
Nifty 50	+2.0	+2.9	+4.6

**HHIL Vs Nifty 50**



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Hindware Home Innovation Limited (formerly Somany Home Innovation Ltd), formed in 2017 and demerged from HSIL Ltd in 2018, is a consumer-centric company under the Hindware brand. It operates across three key segments: building products, consumer appliances, and furniture retail. The company operates a vast distribution network with over 35,000 retail touchpoints and has completed capacity expansion at its Telangana plant to 48,000 MTPA, alongside developing a 12,500 MTPA greenfield facility in Uttarakhand, expected to be operational by Q3 FY25. It has also partnered in a 50:50 joint venture, Hintastica, with France's Groupe Atlantic for water heating solutions.

**Green Shoots Emerging in PVC:** The Pipes & Fittings segment posted 12% YoY volume growth despite raw material volatility, indicating underlying demand strength. CPVC now accounts for 39% of segment revenue, and early signs of stability in PVC resin prices offer margin recovery potential. The upcoming Roorkee plant and planned entry into high-value SKUs like foam core and DWC pipes support future scalability

**Bathware Regaining Momentum Through Strategic Focus:** Company is actively working to reclaim market share in the Bathware segment by strengthening its supply chain, focusing on premium SKUs, and enhancing after-sales service. Prioritizing top-tier cities and weighted dealers is expected to improve channel effectiveness. Though margins remain under pressure, efforts toward cost control and higher capacity utilization aim to restore profitability

**Rationalization Driving Focused Execution in Consumer Appliances:** The company has streamlined its appliances portfolio to focus on kitchen-centric products with high demand, such as chimneys, cooktops, and hobs. This shift toward core categories is aimed at driving profitable growth. With the segment expected to break even, the restructuring appears to be transitioning into a phase of stable execution and operating efficiency

**Margin Focus Through Exit from Loss-Making Segments:** Company is enhancing overall profitability by exiting low-margin and loss-making product categories, particularly in consumer appliances. This strategic rationalization is aimed at improving EBITDA margins and focusing resources on high-growth, core segments

**Outlook:** Hindware Home Innovation Ltd is showing clear signs of recovery, backed by improved quarterly results and strategic focus across segments. Bathware is on a turnaround path with supply chain upgrades and margin-focused actions, while the Pipes segment continues to grow with new product additions and strong B2C demand. The Consumer Appliances business is moving toward breakeven with a streamlined kitchen portfolio. With a simplified structure and targeted capex, the company is well-positioned for double-digit growth in FY26. We have BUY rating with target price of INR 355.

Valuation summary						
Y/E Mar, Rs mn	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	28,723	27,763	25,230	28,005	31,506	35,917
EBIDTA	2,455	2,990	1,836	2,492	2,867	3,340
Net Profit	665	580	-509	448	788	1,077
Diluted EPS	7.96	3.45	-8.78	5.36	9.42	12.88
PER, x	31.9	73.6	-28.9	47.4	27.0	19.7
EV/EBIDTA, x	8.7	9.3	16.3	12.0	10.4	9.0
P/BV, x	3.2	3.0	2.7	2.5	2.4	2.3
ROE, %	10.4	4.7	-6.5	5.3	7.8	10.1
Debt/Equity (x)	1.2	1.4	1.14	1	0.85	0.65

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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