

NEAPS/BSE ONLINE

26th May, 2026

**The Corporate Relationship Department
BSE Limited**

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1st Floor, New Trading Ring
Rotunda, Dalal Street,
Mumbai – 400001
(BSE Scrip Code: 542905)

Listing Department

National Stock Exchange of India Limited

Plot No. C-1, Block-G,
Exchange Plaza, 5th Floor,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400051
(NSE Symbol: HINDWAREAP)

Dear Sir/Madam,

Sub: Transcript of the Earnings Conference Call held on 20th May, 2026

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Earnings Conference Call held on Wednesday, 20th May, 2026 for discussion of the financial results of the Company for the fourth quarter and year ended 31st March, 2026.

The transcript will also be available on the website of the Company i.e. www.hindwarehomes.com.

You are requested to take the above information on your record.

For Hindware Home Innovation Limited

Payal M Puri

(Company Secretary and Sr. V. P. Group General Counsel)

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hindware
smart appliances





Q4 & FY26 Earnings Conference Call

May 20, 2026



MANAGEMENT: **MR. NIRUPAM SAHAY** – CEO, BATH AND CONSUMER APPLIANCE BUSINESS
MR. RAJESH PAJNOO – CEO, PIPE BUSINESS
MR. NAVEEN MALIK – CEO & CFO, HINDWARE HOME INNOVATION LIMITED
MR. SANDEEP SIKKA – GROUP CFO

MODERATOR: **MR. RONAK OSTHWAL** – ARIHANT CAPITAL

Moderator:

Ladies and gentlemen, good day, and welcome to the Hindware Home Innovation Limited Q4 FY26 Earnings Conference Call, hosted by Arihant Capital. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ronak Ostwal from Arihant Capital. Thank you, and over to you, sir.

Ronak Ostwal:

Thank you. Good evening, and welcome everyone. On behalf of Arihant Capital, we invite you to Hindware Home Innovation Limited Q4 and FY26 earnings conference call. From the management side, we have Mr. Nirupam Sahay, CEO of Bath and Consumer Appliance Business; Mr. Rajesh Pajnoo, CEO of Pipes Business; Mr. Sandeep Sikka, the Group CFO; and Mr. Naveen Malik, CEO and CFO of Hindware Home Innovation Limited.

Kindly note that some of the remarks or observations made during today's call might be forward-looking, such as financial projections or statements regarding Company's plans, objectives, expectations, or intentions. The Company does not have any obligation to revise these forward-looking statements to reflect any further events or developments. For a comprehensive disclaimer, please refer to Slide number 2 of the results presentation.

With that, I would now like to hand over the call to the management for their opening remarks, post which we will open for Q&A session. Thank you, and over to you, Mr. Naveen.

Naveen Malik:

Good evening everyone, and welcome to Hindware Home Innovation Limited's Q4 & FY26 earnings call.

Kindly note that some remarks and observations made during today's call might be forward-looking. These may include but are not limited to financial projections and statements regarding the company's plans, objectives, expectations, or intentions. The company does not have any obligation to revise these forward-looking statements to reflect any future events or developments. For a comprehensive disclaimer, please refer to Slide No. 2 of the Result Presentation.

For FY26, the company reported consolidated revenue of ₹2,510 crore, compared to ₹2,523 crore in FY25. EBITDA stood at ₹233 crore as against ₹184 crore last year, registering a YoY growth of 27%, with EBITDA margins at 9% compared to 7% in the corresponding period last year. Profit before tax and exceptional item was ₹45 crore, compared to negative ₹28 crore in FY25.

For Q4 FY26, the company reported consolidated revenue of ₹663 crore, compared to ₹699 crore in Q4 FY25. EBITDA for the quarter stood at ₹63 crore versus ₹51 crore last year, up 23% YoY, with margins at 9% compared to 7% in Q4 FY25. Profit before tax and exceptional item for the quarter was ₹15 crore as against ₹2 crore in the corresponding quarter last year.

As communicated on our previous investor calls, in a strategic move to sharpen our focus on the kitchen appliances segment including chimneys, hobs, and cooktops, the Board has approved the discontinuation of high loss making product categories such as air coolers (other than through

the e-commerce channel), ceiling and other fans, air purifiers, water purifiers, and furniture fittings. Please refer to note no. 3(b) of published financials for further details.

With that, I now hand over to Mr. Nirupam Sahay to take you through the Bathware and Consumer Business. Over to you, Nirupam.

Nirupam Sahay:

Thank you, Naveen. For FY26, the Bathware Business reported revenue of INR1,520 crore compared to INR1,384 crore in FY25, reflecting a year-on-year growth of 10%. EBITDA stood at INR157 crore against INR121 crore last year, registering a year-on-year growth of 30% with EBITDA margins of 10.3% for FY26 compared to 8.8% for FY25, a growth of 160 basis points. Profit before tax was INR48 crore in FY26 compared to negative INR1 crore in FY25, a positive year-on-year increase with PBT margins at 3.2%.

For Q4 FY26, the business reported revenue of INR397 crore compared to INR360 crore in Q4 FY25, representing a year-on-year growth of 10%. EBITDA for the quarter stood at INR38 crore versus INR31 crore last year, with a year-on-year growth of 20% and EBITDA margin of 9.5% in Q4 FY26 versus 8.7% in Q4 FY25. Profit before tax for the quarter was INR11 crore as against INR2 crore in the corresponding quarter last year with PBT margins of 2.9%. The financial figures quoted above are excluding other income and exceptional items as reported in the earnings presentation uploaded on the stock exchanges.

While the overall demand environment remained relatively subdued during Q4 amid macroeconomic softness and geopolitical uncertainties, the underlying trajectory of the business continued to remain stable. Our sanitaryware and faucets businesses delivered healthy growth during the quarter. However, the tiles business witnessed temporary supply disruptions due to fuel shortages faced by our manufacturing partners. This in turn impacted product availability and consequently affected sales of tiles during Q4.

At the beginning of FY26, we had clearly outlined our strategic priorities for the Bathware business, and I'm happy to share that we remained committed to that roadmap throughout the year. The consistent execution of these priorities helped the business deliver steady growth and improvement in profitability despite a challenging operating environment.

Our strategy remains anchored around premiumization, strengthening engagement with our weighted dealer network, expanding distribution across Tier 2 and Tier 3 markets, and deep engagement with influencers. During the year, we continued to make steady progress across each of these areas, further improving market penetration and strengthening our revenue mix. Both our institutional and general trade channels delivered growth during the year, supported by expanding distribution reach and improving brand traction across key markets.

From a channel perspective, both institutional and general trade channels delivered steady growth during the year, despite a challenging demand environment across parts of FY26. Revenue mix remained healthy with retail as the primary contributor and institutional business contributing 25%, with both channels delivering growth and supporting a balanced diversified demand profile.

Alongside this, we continue to invest in the Hindware brand as part of our long-term equity building approach. This is now translating into stronger awareness and improving consumer preference metrics across key markets with increasing salience relative to peers.

The business also witnessed continued cost pressures during the year, particularly in fuel, brass, and other key input materials, driven by geopolitical developments and commodity volatility. While we undertook calibrated price increases and operational efficiency measures, part of the margin improvement was offset by these inflationary pressures.

Alongside growth initiatives, we also remained focused on improving operating efficiencies and strengthening the balance sheet. Through tighter receivables management, inventory optimization, and supply chain efficiencies, working capital days improved from 103 days in FY25 to 89 days in FY26. The net bank debt also reduced from INR308 crore to INR234 crore during the year, reflecting stronger cash flows and continued financial discipline.

Capacity utilization for FY26 for our sanitaryware plants stood at approximately 82%, while the faucet plant operated at 89%, supported by improving demand and operational efficiencies.

As we look ahead to FY27, we remain firmly focused on driving profitable growth across the business, while continuing to strengthen execution across our strategic priorities. We have started the year on a very encouraging note with healthy momentum across key categories and markets. Based on the business momentum we are witnessing over the last couple of quarters and improving market conditions, we remain confident of delivering growth in the range of 15% to 20% in FY27, along with an improvement in margins.

Turning to Hindware Home Innovation Limited, Q4 FY26 revenue stood at INR80 crore with EBITDA of negative INR7 crore. For FY26, revenue was INR317 crore with a negative EBITDA of INR12 crore.

As communicated during our Q2 update, we had initiated a strategic portfolio rationalization exercise focused on exiting loss-making categories and sharpening our focus on segments where we believe we have stronger market positioning and sustainable competitive advantage, particularly in kitchen appliances and water heaters. Consequently, year-on-year comparisons are not entirely like-for-like given the discontinuation in FY26 of categories in general trade such as air coolers and fans.

We continued to remain disciplined in executing the strategy through FY26. Alongside this, we focused on premiumization and new product introductions across the portfolio. As a result, the business is now witnessing an improved product mix and stronger underlying profitability metrics, the benefits of which are expected to become increasingly visible from Q1 onwards.

The quarter witnessed operational challenges where input cost volatility and intermittent availability of key raw materials impacted sales execution. In addition, margin performance was partially offset by continued cost inflation across key input materials driven by geopolitical and commodity price pressures.

FY27 will be a year of sharper execution, stronger technology integration, and focused category-led growth. As part of the strategy, we are launching our AI-enabled chimneys range, which reflects our focus on bringing smarter and more differentiated products to consumers. Over the years, we have built meaningful scale and leadership in the category, and we see a strong opportunity to further strengthen this position through continued technology adoption. You will also see innovation across our kitchen appliances and water heaters portfolio. This is aligned with our premiumization strategy as consumers are increasingly seeking design-led, feature-rich, and technologically advanced products.

We have started the new financial year on a very healthy note with encouraging performance in April. As we continue to sharpen our focus on select high-potential categories, improve product mix, and drive operating efficiencies, we expect meaningful operating leverage to come through over the course of FY27, supporting a stronger profitability trajectory.

At the same time, we are seeing consumer purchase journeys evolve rapidly, with customers increasingly researching products in this space online before making buying decisions. In line with this shift, we are strengthening our positioning as a digitally-led consumer brand through focused investments in digital marketing, content, consumer engagement, and platform visibility. Alongside this, we are also deepening our presence across modern trade, working closely with both national and regional retail partners to further expand reach, strengthen brand visibility, and improve market penetration.

With that, I now hand over to Mr. Rajesh Pajnoo to take you through the pipes and fittings business. Over to you, Rajesh.

Rajesh Pajnoo:

Thank you, Nirupam. Good evening and thank you all for joining us.

FY26 was a challenging year. Raw material volatility, unseasonal rains, subdued infrastructure spending created a difficult operating environment across the sector.

In Q4 FY26, our revenues stood at INR186 crore with an EBITDA of INR10 crore and a negative PBT of INR10 crore. And for FY26, the Company reported revenue of INR673 crore, EBITDA of INR41 crore, and a PBT loss of INR29 crore. The financial figures quoted above are excluding other income and exceptional items as reported in earnings presentation uploaded on the stock exchanges.

In Q4, the industry witnessed a sharp increase in PVC resin prices, with prices moving from approximately INR68 per kg to INR114 per kg by March. This rapid escalation created a short-term demand acceleration and pricing opportunity across the market.

Over the last 2 years, the industry, including us, had largely been operating on lean inventory levels amid continued raw material price volatility. Our strategy remained focused on maintaining working capital discipline and minimizing inventory-led risks during periods of sharp price correction. However, during the sudden spike in resin prices in March due to this geopolitical affairs, players carrying relatively higher inventories were better positioned to capitalize on the surge in market demand and temporarily supply tightness.

While January and February witnessed healthy demand momentum, March was impacted by supply constraints and cautious channel behavior due to extreme raw material volatility. As a result, despite healthy underlying demand conditions, we witnessed a revenue shortfall during the month of March 2026. The limited inventory availability during this period also impacted operating leverage and profitability, resulting in lower operational EBITDA and a PBT loss for Q4.

On the operational front, as shared in our previous call, the Roorkee plant became operational towards the end of January. I am pleased to share that the ramp-up is progressing as planned and the project remains firmly on track. As we move through FY27, we expect volumes from Roorkee to scale progressively, with a more meaningful contribution anticipated in the second half of FY27 as utilization levels improve.

For our business, working capital has been maintained at 90 days and net bank debt has increased from 385 to INR429 crore during the year, primarily on account of the capex expansion for the Roorkee plant. With the expansion phase now complete, our focus in FY27 will be on driving full utilization of this capacity, improving operational efficiency. During the year, we also expanded our SKU basket and strengthened distribution reach in key markets.

As we enter FY27, we are beginning to see early signs of stability returning to the market. April was a very strong month for us and we are seeing momentum gradually build. While we remain watchful of external factors, we are encouraged by the trajectory of demand and expect the second half of FY27 to be stronger than the first.

On the strategic front, we remain focused on expanding our product portfolio, strengthening our manufacturing footprint, and improving operational efficiencies across the business. We believe the investments and initiatives underway today will further strengthen our competitiveness position and support sustainable long-term value creation for all stakeholders.

With that, I will now hand it back to the moderator to open the floor for questions. Thank you all.

Moderator: Thank you very much. Our first question comes from the line of Maitri Shah with Sapphire Capital.

Maitri Shah: A few questions from my side. Firstly, on the growth. So we mentioned that we are looking at a 15% to 20% growth in the Bathware side, but our pipes business kind of degrew this year. We've also added capacity there and we've also exited a lot of the loss-making side in the home innovation. So any kind of color on the growth we're expecting in these two verticals?

Nirupam Sahay: In consumer appliances, we are also targeting 15% to 20% growth.

Rajesh Pajnoo: With regards to the pipes business, as I mentioned earlier, the raw material price was around INR 68 per kg in January and increased to INR 114 by the end of March. Prices then stabilized at around INR 80. Therefore, we are expecting an increase of around 14% to 15% in volume.

- Maitri Shah:** And on the Hindware Home Innovation side, when do you see this business turning EBITDA positive and PAT positive? At what scale of operation do you think this profitability will kick in?
- Nirupam Sahay:** Ma'am, we expect it in Q1 FY27 itself, and the full year will definitely be positive. So all the actions we've taken in terms of rationalization of portfolio, launch of new products, premiumization, etc., all of them are paying off already. We expect positive profitability in Q1 itself.
- Maitri Shah:** And any kind of color on how do you see the pipes business growing? Like any drivers do you see for this 14% to 15% volume growth, or is it on the basis of new capacity addition that now we're not constrained by capacity anymore?
- Rajesh Pajnoo:** See, ma'am, as we mentioned earlier, we were doing well until January. All these constraints arose due to the developments taking place globally and the volatility in raw material prices. We were unable to keep pace in March because of our low inventory levels. As I mentioned in my opening remarks, we had a strong order book but were able to execute only around 50% of the business we had done in March last year. However, we recovered that in April and recorded growth of around 50% last month. We continue to see momentum, with year-to-date growth of around 30% this month. That is why we are confident and are looking forward to a very positive year ahead.
- Maitri Shah:** We've grown in April by 50%, 5-0 or 1-5?
- Rajesh Pajnoo:** 5-0, 50%.
- Maitri Shah:** Okay, that is great. And we're able to now pass on the cost, so there's no lag coming in from there?
- Rajesh Pajnoo:** Yes, now that we are adequately equipped with inventory, we are looking forward to a bright future.
- Maitri Shah:** Okay, that is great. And we do see a lot of inflationary issues coming in and impacting the consumption of the buyers. So do you see that kind of hindering our growth for the home innovation and the Bathware sector because we're mostly catering to the retail side on both of these? So any sort of like headwinds we might face not achieving the growth?
- Nirupam Sahay:** There are obviously some cost pressures in terms of gas prices, brass prices, etc., raw material volatility. Having said that, we've taken pricing increases in both sanitaryware and faucets, both in January and then again in April-May to ensure that margins do not get hit. We have not seen a major impact on sales as a result of the price increases because it's pretty much happened not only in our industry, but across different industries. So we've seen growth momentum and with the growth momentum that we're seeing so far, we're confident of hitting the 15% to 20% growth number that we outlined earlier.
- Maitri Shah:** Okay, that is great. And any sort of overall console margin number you would like to target for FY27 and then post that for FY28?

Sandeep Sikka: Yes, I think we should be able to grow, for pipes Q4 was abnormal, Mr. Pajnoo has already spoken about it, but our plan is to expand our overall margins of the business, on a console basis ranging 1.5% to 2% systematically at least for the next 2 years.

Maitri Shah: Okay, so 1.5% to 2% annually we'll be looking at a raise for the next 2 years.

Moderator: The next question comes from the line of Vinod Krishna with Aventus Wealth.

Vinod Krishna: Sir, my question is regarding the Bathware business. So, if you remember, we had a very tepid performance because of losing market share, not in a big way, but a good market share in both the segments. So how is the positioning now and if you can comment about the competitive intensity in terms of number of players? I'm not asking the name and how is our position in both sanitary and faucets? If you can go deeper in this to make us understand, is there any new competition, how is the growth and what is our aim? We used to say, we want to grow 1.5 times of the industry. So how are we thinking about these things?

Nirupam Sahay: In Q3 FY26, the Bathware business grew at 14%. In Q4 FY26, we've grown at 10%, but that was affected by non-availability of tiles from our suppliers in the end of February and March. If we had got supplies as per plan, that would have been an additional 2% to 3% of overall growth. So we've had strong double-digit growth in Q3 and Q4, and like I said we've started this financial year well as well. So we have the growth momentum. Last year, with the kind of growth that we had overall, which is 10% for the full year, we believe that that is higher than the market growth rate and therefore we have gained market share in FY26. With the 15% to 20% growth that we've targeted for FY27, we are again confident of gaining significant market share in this financial year. So the confidence is high. We've grown well in both sanitaryware and faucets and we believe that the growth momentum that we have going forward for this year again will be in sanitaryware, faucets and tiles in double digits. So we're very confident of that 15% to 20% growth that we've talked about. It's underpinned by strong strategic plans and very strong execution on the ground. So I think there's full confidence on the fact that we will grow ahead of the market and therefore gain market share.

Vinod Krishna: Any comment on the competitive intensity? How many players across segments? Because when we see, we see different regions, different players. At national level how many players do we compete with in Bathware, sanitary and faucets? Just the number of players.

Nirupam Sahay: Yes, so at a national level, there are five or six major players. So you have some regional players, but a large part of the industry is concentrated in the top five or six. So the real intensity of competition across the country is among the top five or six players. You do have some regional competition, but not that significant. The good thing is the organized sector in this industry is fairly strong, so basically we do have a large proportion of the sales in the organized sector and within that these top five-six players. I won't name the players, but basically we have five or six.

Vinod Krishna: But would we be in the top three, in both faucets and sanitary?

Nirupam Sahay: Yes, absolutely.

Vinod Krishna:

You said you're confident about double-digit growth in the next 2 years, 3 years, what are the factors do you think is driving it? Is it distribution or is it what we did? What tailwinds are we seeing that give us confidence in achieving double-digit growth next year? And could you also comment on growth in the medium term and the factors driving it?

Nirupam Sahay:

Yes, so I'll talk about what has driven growth over the last couple of quarters and what is going to drive growth in this year and that momentum will continue into the coming years because our strategy fundamentally will not change. One which I've talked about consistently is a focus on weighted dealers. So these are the large dealers across the country. So city by city we mapped the weighted dealers, making sure that if we are present there, we increase our share of wallet and if we are not there, we enter those counters. We did that very successfully in FY26 and we'll continue that momentum. We've seen very high double-digit growth from the weighted dealers that we've focused on. So that focus will continue in FY27 and going forward. The second is in terms of increasing distribution in Tier 2 and Tier 3 towns. We focused a lot on that over the last year and we plan to continue that momentum, so that will help to drive growth as well by deepening our penetration in Tier 2 and Tier 3. The third is in terms of premiumization and new product introductions. We've had a very successful set of new product introductions in FY26 which are contributing majorly to sales and also contributing to the improvement in profitability that we're seeing of 160 basis points for the year. Yes, also our efforts in terms of deepening engagement with influencers, with plumbers. We are actually the only Bathware Company which has 1 lakh plumbers registered on our app and the number of active plumbers on the app is increasing every month. So both in terms of absolute numbers and active, which means actually transacting on the app, that has gone up dramatically over the last 6 months and we'll continue that momentum. We're renewing our focus on architects. So both in the institutional space as well through the general trade. Focus on architects and interior designers is going to strengthen in FY27. So through a combination of focus on weighted dealers, increasing our distribution in Tier 2 and Tier 3 towns, premiumization and launching new products to fill gaps either at price points or in terms of consumer benefits and deeper engagement with influencers. I think all of those have really helped us to grow and to grow profitably. We'll continue this year and in the medium term as well.

Vinod Krishna:

Last follow-up question. When will we get back to our mid-teens EBITDA margins that we used to do? Because I also remember, I think around a year back in the concall, Sandeep ji mentioned that we had made huge gains in our manufacturing processes in terms of reducing wastage or maybe better throughput, I may be wrong on the exact point. So when will we get back to our mid-teens margins, or should we not model mid-teens EBITDA margins for the Bathware business even in the medium term?

Nirupam Sahay:

So the objective that we've set for ourselves and we're confident of delivering on is a 1% to 2% improvement in the margins year-on-year. So in this financial year, we've already hit EBITDA margin of 10.3%. We're confident of delivering about between 1% and 2% improvement in the EBITDA margin in this financial year and another 1% to 2% in the next year as well.

Vinod Krishna:

So, will we go back to 15–16% and stop there, would that be our peak margin, or should we think of 14% as the right level? So where do you see margins going eventually, and where do you expect them to settle for the most part?

- Nirupam Sahay:** Right now, I'd like to talk about the outlook for the next 2 years and then obviously we'll re-evaluate where it can go after that. But yes, so we will hit the teens within this year and next year.
- Vinod Krishna:** And where are the margin gains coming from?
- Nirupam Sahay:** So manufacturing efficiencies, better capacity utilization of the plants, operating efficiencies at the plants we've focused on. We are also launching a lot of new products at higher gross margins. The premiumization strategy that I talked about also helps in terms of profitability. So really focusing on our mid-premium and premium ranges to improve the profitability mix. So those are the two primary growth drivers in terms of profitability.
- Moderator:** The next question comes from the line of Yash Mantoo, an Individual Investor.
- Yash Mantoo:** Can you please talk about the industry size for both sanitary and faucetware because I remember you used to give that number in the presentations, but I think you've stopped giving that number now. Can you please give that number?
- Nirupam Sahay:** So the sanitaryware market size is roughly about INR7,000 crore to INR8,000 crore and the faucet market is roughly about INR13,000 crore to INR14,000 crore. So it's a larger market.
- Yash Mantoo:** Okay. And when we talk about the 15% to 20% growth in Bathware, how much would that be coming from sanitary and how much would that be from faucet?
- Nirupam Sahay:** So sanitaryware will be in the early teens and faucets will be 3% or 4% higher than that.
- Yash Mantoo:** Okay. Any comment about the volume growth and the price growth because I remember we have already taken a price hike in the last quarter?
- Nirupam Sahay:** Yes, we've taken a couple of price increases over the last 4 months. So, because of the premiumization and the price increases, we're looking at volume growth to be marginally lower. So the value growth that we're talking about 15% to 20% will be marginally higher than the volume growth because of the premiumization strategy.
- Yash Mantoo:** Okay. And can you please tell me about the customer base when we talk about Tier 1, Tier 2, Tier 3 cities? How much would that be coming from tier 2 and tier 3 cities, respectively?
- Nirupam Sahay:** Yes, so we have roughly about 35% of our business coming from Tier 1, roughly about 35% coming from Tier 2 and roughly about 30% coming from Tier 3.
- Yash Mantoo:** Okay. Sir, actually I ask this because for about 3 years now, our real estate absorption and new launches have been going down, especially when we talk about homes that are priced lower than INR1 crore. So how do you think that is going to affect our Company in the near term?
- Nirupam Sahay:** So I think there is a huge amount of absorption that is still happening in the metros, Tier 1 and Tier 2. In the metros, what we are seeing is that more of them are at per mid-premium and premium range. So a lot of the new launches are actually at slightly higher prices than they were 2 years or 3 years ago. So the trend that we're seeing in the industry is a move towards

premiumization, people buying higher value products because I think the homes that they're purchasing are at a significantly higher price than they were earlier. So we are seeing that trend and therefore that focus on meeting that emerging consumer need of more premium products.

Yash Mantoo: I don't want to name the competitors, but isn't it true that some of the really premium brands are making inroads because of this premiumization in the real estate industry?

Nirupam Sahay: Yes, so I think in general the premium ranges of most companies are increasing in terms of size. But in response to an earlier question, I talked about the top five or six players basically in sanitaryware and faucets. I think the key is actually within these five or six companies. So we are focusing on a three-brand strategy. We have Queo, which is our premium brand, Hindware Italian Collection, which is mid-premium, and Hindware which is mass. So a lot of the focus is in terms of Hindware Italian Collection and Queo, both in terms of distribution, penetration, and in terms of the new product introductions. I talked about the positive impact of that on gross margin as well. So that is really the focus because that is where the consumer need is actually coming.

Yash Mantoo: And sir, just one last question from my end. We have been talking about this discount thing in the whole industry now. So do you think, that is something we're going to get rid of in, let's say, a couple of years, or is that something that might go on for long term?

Nirupam Sahay: So discounts in general in this industry are not really out of line with what is there across different industries. So I don't see a significant impact of discounts on overall profitability. It's more or less in line with what is required. It's not really disproportionate.

Moderator: The next question is from the line of Fenil Brahmhatt with Choice Institutional Equities.

Fenil Brahmhatt: So you have mentioned couple of price hikes during the quarter. So can you share some more light on that, like segment-wise or how much price hike we have taken during the quarter and are we still expecting any price hike in Q1 or Q2? That is my first question.

Nirupam Sahay: So we are largely in line with the increase that we saw in the brass cost that we had. So mid-January, we took a 15% price increase in faucets because there was a substantial increase in brass price from about INR600 to about INR800. So 15% hike we took mid-January and then on 1st May, we've taken another price hike of about 3%. So this is for faucets. In sanitaryware, on 1st February, we took a 6% increase and then gas prices obviously went up significantly in March and April. So mid-April, we took another 7%. So these price increases are to ensure that margins are protected and yes, I think they've been based purely on what we've seen in terms of gas prices and raw material prices. But we've taken steps at the right time to make sure that margins are protected.

Fenil Brahmhatt: Okay. So whatever as of now the impact we are getting from the petrochemical price and all, so this price is sufficient to tackle those impact or we are expecting some more price hike in the coming months?

Nirupam Sahay: No, so at this point of time, they're sufficient. If we see more volatility in the coming weeks and months, we'll obviously have to take a call at that stage. For now, the price hikes that we've taken are good enough.

Fenil Brahmhatt: Okay. You also mentioned some new launches and all with the higher margins. Can you share some colour on the revenue mix and from which segments are we getting higher margins and from which region or from which market?

Nirupam Sahay: Yes, so there are couple of segments that we're focusing on which we had higher gross margin and higher selling price as well. So within sanitaryware, we have smart toilets. So that is a category which is growing across the country and we are also growing ahead of the market there. The other is thermostats. So that is something that is increasingly being used in consumer homes now. So thermostats is another category where we're seeing good traction and at significantly higher gross margin. Then even in the regular product ranges, there are products which basically have a design and aesthetics which are significantly different from what is available in the market, also using superior raw materials. So we're launching a lot of those in faucets particularly. Those also offer higher gross margin. So between smart toilets, between thermostats, and between these better and differentiated design and aesthetics products with better raw materials, these are the categories where we're seeing higher gross margin.

Fenil Brahmhatt: Okay. Got it. My next question is on a pipe segment. What I observed is that, we had a negative price realization for the segment in FY25-26. Please correct me if I am wrong, and even in FY24. So, what is our expectation or management guidance on the price realization? The price will be on the same range or we can expect some higher realization in the coming quarter or the coming year like for FY27-28?

Rajesh Pajnoo: The output prices, the selling prices is directly proportional to the input price, which is the raw material price. So, the average selling prices last two years have been going down, ASPs are coming down, but there is a volume growth which is happening in the market. Now what is happening is, as I earlier said, from January onwards, the prices went up from INR68 and in March it touched around INR114 per kg level. Now it has stabilized somewhere around INR80-85. So if it stabilizes at that, definitely we are going to see a surge in average selling price per kg of the raw material and the finished product. So, we will definitely see some better margins in future. And as such, as I said, we did very good in April and May now.

Fenil Brahmhatt: Okay. So, you are mentioning margins, I think the margin is around 10% as of now for pipe segment or pipe EBITDA per kg. So, what we are expecting over there, like from 10 to what we are expecting, to 12, 15 or mid-teens or what is the number there?

Rajesh Pajnoo: It all depends, basically, everything depends on where raw material prices settle. Because if raw material prices come down further, we cannot give any guidance on that; we can only provide volume guidance. That's because your end product prices and your end selling prices also come down accordingly.

Fenil Brahmhatt: Got it. And my second last question on the exceptional item which we have in the income statement. Can you share some more color on that exceptional item or loss around 526 million

and what is the management expectation on this for FY27, FY28 or mid-term? So, it's a one-off or we can expect further into FY27 as well?

Sandeep Sikka:

In Q4 when we talk about the exceptional items, one big item is related to our impairment which has happened in the joint venture Company which is Hintastica Private Limited. We had done a slump sale of this business from HHIL to Hintastica way back in 2021. There was a goodwill of around INR34-INR35 crore odd, which has been impaired because of the reasons that, the initial plan and the current plan which we are looking at, that venture is losing money. Although there is a plan which we have now, to build faster turnover on that joint venture and make it profitable in the near future. Another hit which we took during the year was on the certain businesses which we shut down on the consumer side, which were more seasonal and they were losing. And as a result of which you will see that the performance of the consumer business in terms of a substantial reduction in the operating losses is very visible in the P&L. These are one-off items. I think to a large extent, if you see in the last few years, I'll say since 2015-16, under the Hindware brand we had launched certain new businesses. I'll say 60%, 70% of that business, let it be pipes in terms of building the turnover, let it be consumer products in terms of building the turnover and even the expansion of our faucets business is there. We have not been successful in terms of ability to have create a bottom line although they were all successful on the top line, were the seasonal businesses like, air coolers in the retail or fans business or water purifiers and air purifiers. That have been shut. And now, from the perspective of the business portfolio, we have four key businesses: sanitaryware (or what we call the Bathware business, which includes sanitaryware and faucets), the pipes business, and kitchen chimneys and hobs. These are four clear verticals where we have demonstrated growth, and we continue to grow in them, and we have also provided guidance for these businesses.

Fenil Brahmhatt:

Okay. Noted. And the last question on the losses from the JV which we have adjusted for our bottom line and that number is significantly higher for FY26. So, any color on that and what we can expect for near term or next two to three years?

Sandeep Sikka:

The higher quantum of loss is also on account of the goodwill which I spoke of, which is there. But going forward, we are fairly optimistic that this business has good potential to grow. The loss-making activities like we had set up a factory which we disposed of in the month of December. So, number of actions have been done. So, wherever required, we optimize our operations in terms of making the overall growth which we have achieved on the sales over the last so many years more profitable on the bottom line also.

Moderator:

The next question is a follow-up from the line of Vinod Krishna from Aventus Wealth.

Vinod Krishna:

Can you give any guidance on debt and how it is going to pan out over the next two-three years on both the segments combined?

Sandeep Sikka:

On combined basis, we have a net debt of INR708 crore today. A big repayment is happening this year of odd INR145 to INR150 crore. We feel that after that INR50-INR60 crore, so whatever is the accrual which we are generating is now going towards repayment of debt other than small capex which we have to do in to further ramp up our manufacturing efficiencies and

also, debottlenecking our capacity. Whatever accruals we are generating will go towards the repayment of debt.

Vinod Krishna: So, is there any target where we will go and stop, like at INR300 crore, INR200 crore, or we will make it debt-free?

Sandeep Sikka: So, I'm not saying we'll make it debt-free in the next two to three years, but definitely a substantial reduction by almost 30% to 40% should happen in next two years.

Moderator: The next question comes from the line of Aditya Banerjee, an Individual Investor.

Aditya Banerjee: I have a couple of questions. So, on the demerger side, what is the progress with regard to the demerger and by when do you expect listing of both entities?

Sandeep Sikka: This demerger, the Board approved in March last year, subsequent to which we got SEBI or the stock exchange approval somewhere in July. And after that, there have been series of court hearings and the shareholders and the unsecured creditors has also approved the scheme in their meeting held on 7th March 2026. We already filed second motion application with the Honorable NCLT of Kolkata for which the hearing has already happened. Order is reserved, we are waiting for the order. And after that, there are few more steps in the formalities as prescribed under the law. We feel that this may take another two to three months, in terms of getting the final court order. And after which we'll approach stock exchanges for the listing, which is another month, month and a half process based on our past experiences.

Aditya Banerjee: On consumer appliance side, you guided INR90 crore for Q4 FY26 with INR100 crore by Q1 FY27 and Q4 came in at INR80 crore, actually lower than Q3's INR81 crore. So, what drove this sequential decline and is this INR100 crore quarterly run rate target still intact for Q1 FY27 or are you revising the timeline?

Nirupam Sahay: Yes, so in Q4, there were issues in terms of raw material for a couple of our categories. So, the coolers that we sell through e-commerce and cooktops and hobs, for example, there were issues in terms of supplies. So, it was more an issue around availability of raw materials for certain categories which impacted that INR8 to INR10 crore which would have got us to INR90 crore. In terms of the target, basically we will hit the INR100 crore target within Q1 and Q2 of this year. So, we continue on that path of INR100 crore in a quarter.

Aditya Banerjee: Okay. And we are targeting double-digit margins over time under the outsourcing model. So, what gives confidence this business can sustainably achieve such margins in a highly competitive category?

Nirupam Sahay: We are targeting the 8% to 10% EBITDA margin in the consumer appliances business within the next two financial years. So, within FY27 and FY28, we should get that 8% to 10% EBITDA margin.

Aditya Banerjee: Okay, you mentioned supply side challenges in the tiles business during the call. So, could you help us quantify the expected impact in Q1 specifically in terms of volume loss in million square

meter or equivalent units and revenue headwinds and any margin compression you are anticipating as a result?

Nirupam Sahay:

We had an impact in March of roughly about INR10 crore in terms of non-supply of planned material that we had for tiles. In Q1 of this year, there has been improvement in terms of supplies in May. April still got impacted. So, if I were to quantify the April plus May impact, then it would be about INR4 to INR5 crore in terms of the non-availability of material that we needed. We expect that situation to improve in the coming weeks of May, the remaining nine-odd days, and in June for it to stabilize. So, we should get back to regular supplies from all our suppliers by June.

Moderator:

Thank you. Ladies and gentlemen, we will take that as our last question for today. I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Sandeep Sikka:

Thank you to everybody who joined the call. I think there has been a good set of questions, and I hope we have been able to appropriately address your queries. If there are still any further questions, please feel free to get in touch with our Investor Relations team, and we will be happy to interact through them. Thank you very much.

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