



**Driving Customer Aspirations**  
Enriching Experiences | Innovative Offerings

# Q2 & H1 FY22 Financial Result Presentation

November 11<sup>th</sup>, 2021



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# Business Overview



Consumer Appliances  
Business (CAB)



Retail Segment  
(Focus on Franchise &  
E-commerce business)

**Premium Consumer Appliances and  
Building Products Company**

**hindware**

Owner of Brand  
Hindware™



Building Product  
Segment

**Strong Growth  
Outlook**

**26**

New launches in  
H1 FY22



32 patents filed  
since inception

**Leader in**

Sanitaryware and  
second largest in  
the faucets  
segment

**Industry  
leading growth  
in Plastic  
Pipes &  
Fittings  
Business**



Retail Touch Points  
**35,000+**



Distribution Partners  
**3,100+**



Modern & Retail Outlets  
**700+**

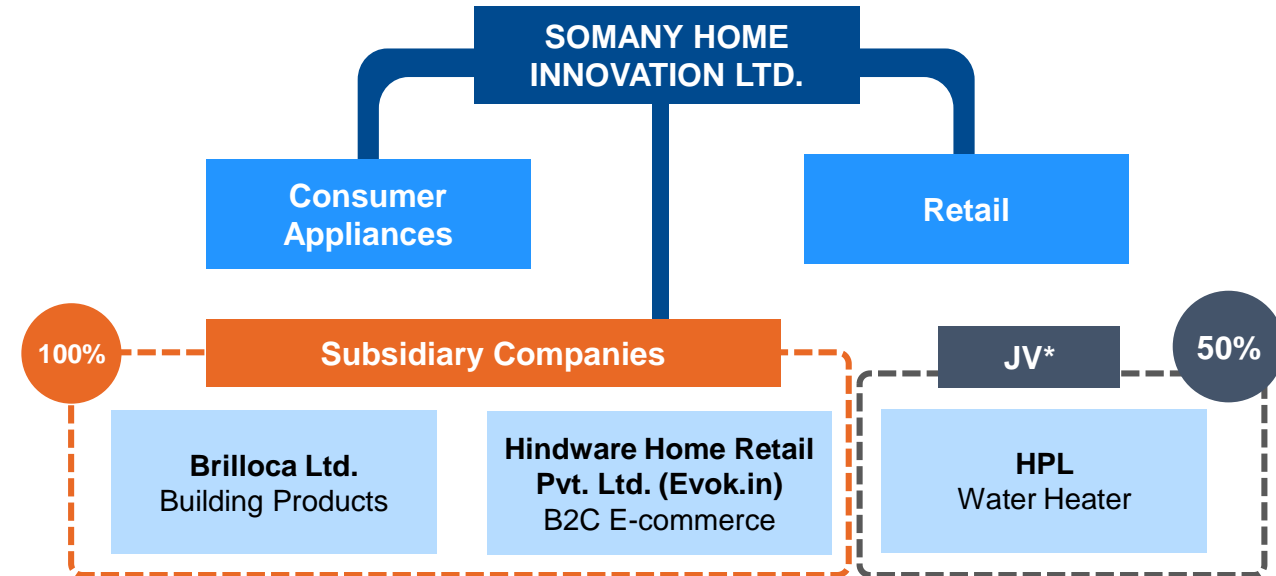


Omni-channel  
presence

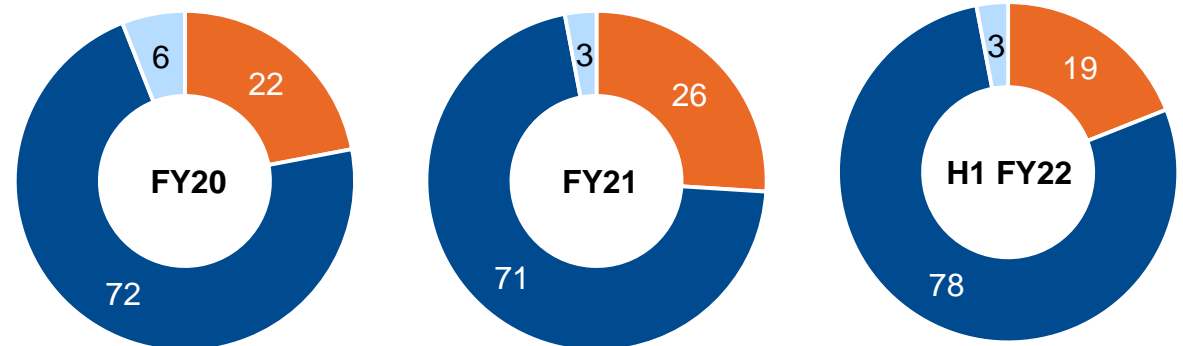
**3 Distinct Channels**  
Sanitaryware & Faucets  
Consumer Appliances  
Hardware (Pipes)

# About Us

- ⌚ The Consumer Appliances and Building Products Company
- ⌚ **Hindware™**, a reliable and trusted brand across India
- ⌚ Leveraging innovation and expansive distribution infrastructure across businesses
  - **Consumer Appliances Business** – fastest growing player with innovative product offerings across varied categories
  - **Building Products Business** –
    - Leading player in sanitaryware & faucets space
    - Growing presence in plastic pipes and fittings solutions with a recent foray in overhead water storage & column pipes segment
  - **Retail Business** - Specialty home interior products under the brand 'Evok by hindware'
- ⌚ **Hintastica Private Limited (HPL)** is a JV with Groupe Atlantic, leaders in heating solutions globally



## Revenue Mix (%)



\*Note: Wholly-owned subsidiary of SHIL as on 31<sup>st</sup> March 2021

# Our Approach



## Introduce innovative products across categories

- ⊙ Several successful launches at regular intervals
- ⊙ Strong R&D capabilities help in introducing an innovative range of products to gain market share



## Leverage distribution channels

- ⊙ Harnessing distinct distribution networks to market newer products and cross-selling
- ⊙ Expansive distribution reach across all segments, enabling us to service existing markets & reach out to newer markets
- ⊙ Strong connect with trade partners



## Prudent capital allocation

- ⊙ Investments undertaken in recent past towards new product segments and distinct distribution networks have started delivering results
- ⊙ Capital allocation towards fast growing profitable segments
- ⊙ Closure of 8 retail furniture stores, attuned to the strategy of investing in profit making businesses



## Multiple revenue streams

- ⊙ Scaling up presence in fast growing Consumer appliances and Plastic pipes and fittings segments
- ⊙ Differentiated product mix supported by intelligent marketing and branding campaigns



## Capital efficient model

- ⊙ Emphasis on further improving capital return ratios in long term
- ⊙ Robust supply chain and strategic outsourced manufacturing enables us to offer a wider product basket with minimal capital expenditure

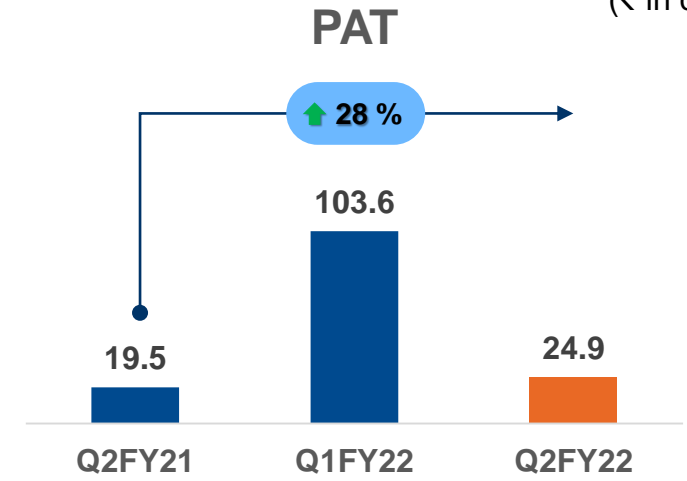
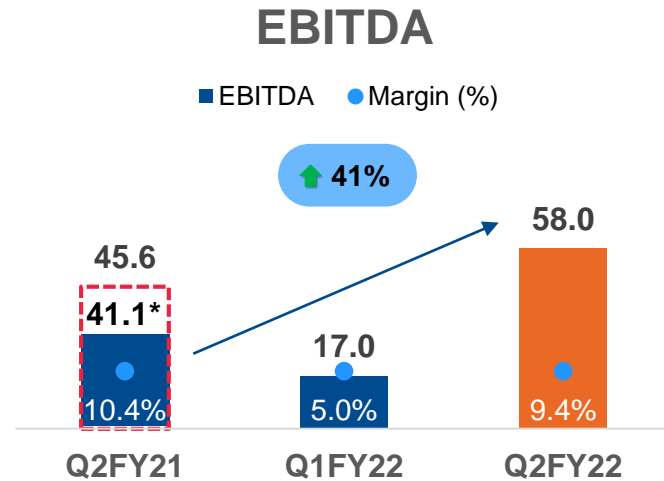
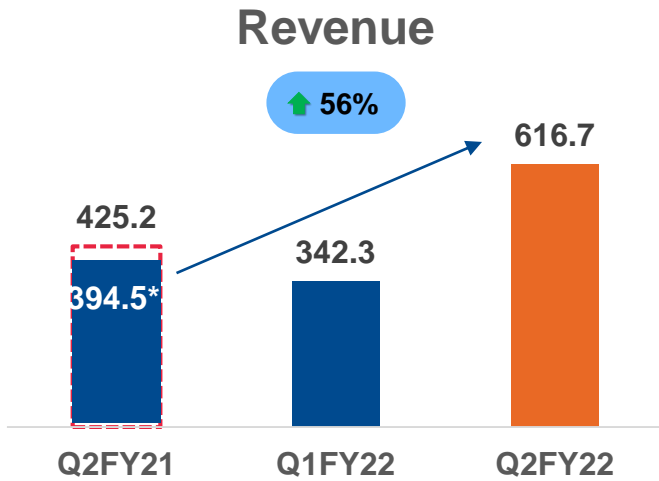
# Q2 & H1 FY22 Financial Performance



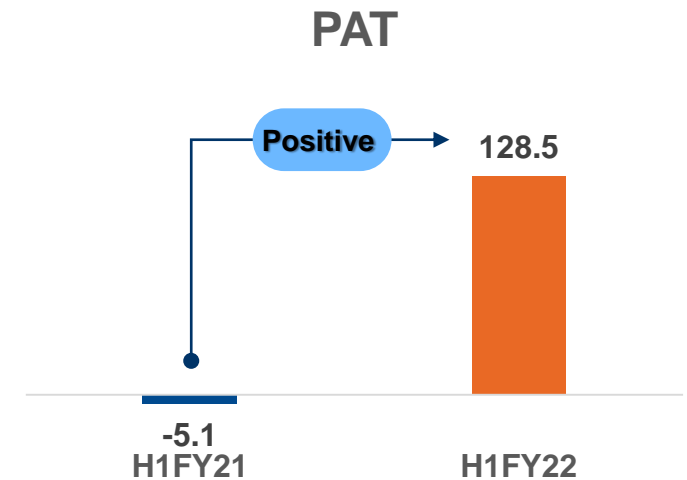
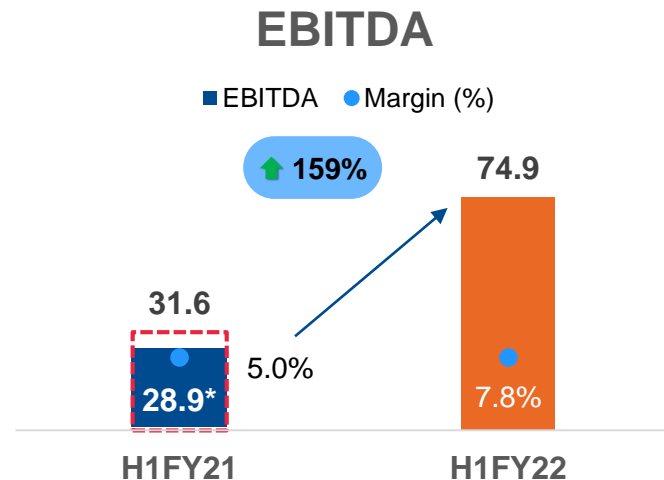
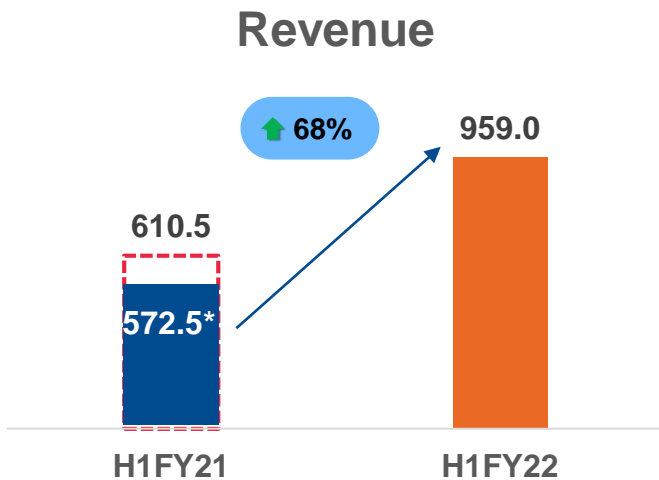
# Q2 & H1 FY22 Performance (Consolidated)

(₹ in crore)

Q2 FY22



H1 FY22

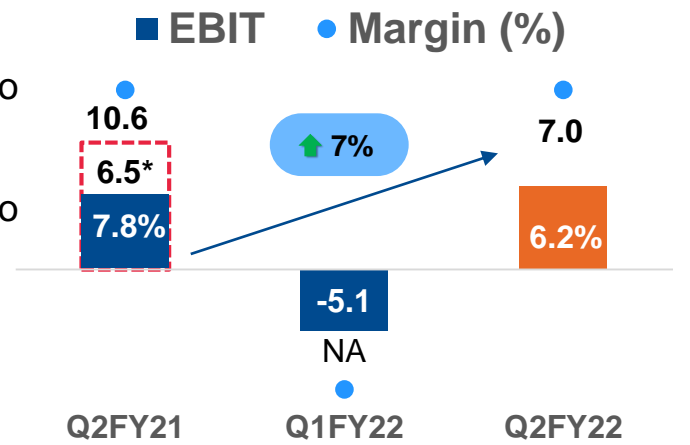
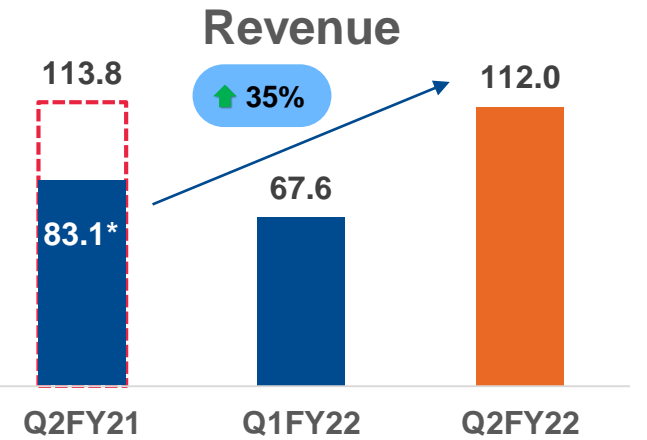


Note\*: Revenue, EBITDA and EBITDA margins of Q2 FY21 and H1 FY21 are adjusted for contribution from Water Heater business, which was transferred under slump sales to HPL, which is now a 50:50 JV with Groupe Atlantic, to make it comparable to Q2 FY22 and H1 FY22 figures, respectively. Revenue, EBITDA and EBITDA margins Y-o-Y growth have been calculated on the management reported adjusted figures

# Q2 FY22 – Consumer Appliance Business Update

(₹ in crore)

- ⊙ Healthy growth in revenue and profitability
  - Revenue for the quarter grew to ₹112.0 crore, growing by 66% on sequential basis, and grew by 35% Y-o-Y (over adjusted revenue for Q2 FY21)
  - EBIT came in at ₹7.0 crore
  - EBIT margin stood at 6.2% compared to 7.8% in Q2 FY21
- ⊙ Strategic initiatives such as new product launches, expanding distribution network and marketing campaigns led to growth in revenue
- ⊙ 11 new launches across product categories in Q2 FY22 to offer products of convenience to the customers
- ⊙ Price increases were taken in Q2 FY22 across product categories to mitigate commodity inflation
- ⊙ SHIL was recognized as a great place to work by the Great Places to Work Institute, India in August 2021



Note\*: Revenue, EBIT and EBIT margins of Q2 FY21 and H1 FY21 are adjusted for contribution from Water Heater business, which was transferred under slump sales to HPL, which is now a 50:50 JV with Groupe Atlantic, to make it comparable to Q2 FY22 and H1 FY22 figures, respectively. Revenue, EBIT and EBIT margins Y-o-Y growth have been calculated on the management reported adjusted figures



⦿ Stellar growth witnessed

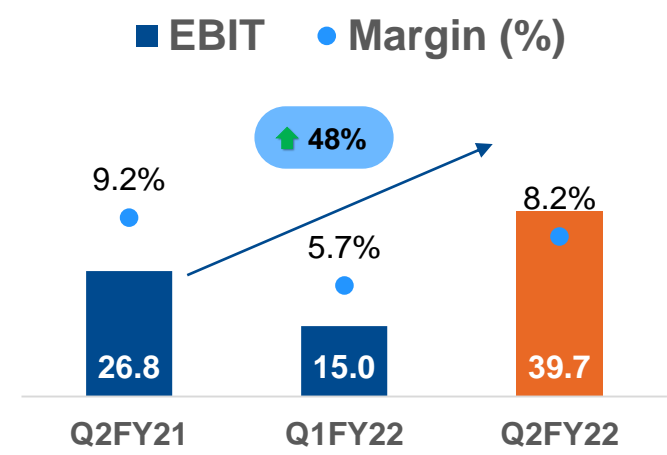
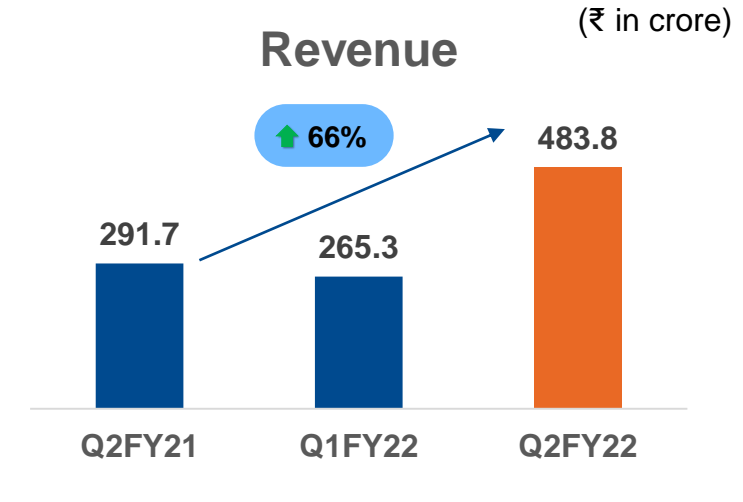
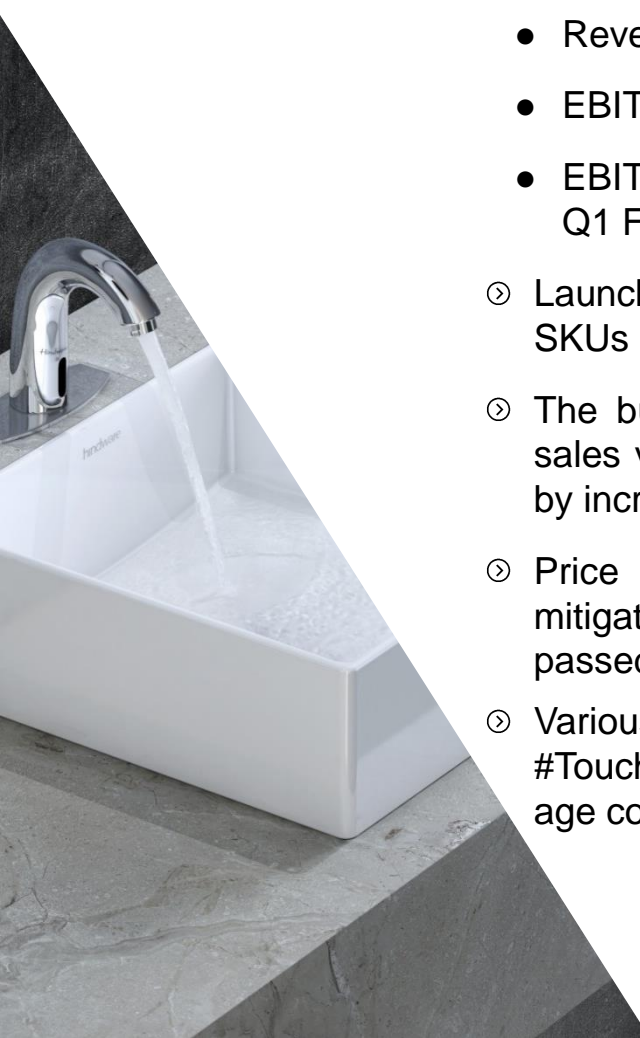
- India's fastest growing Sanitaryware and Faucet player over past quarters
- Revenue grew by 66% Y-o-Y and 82% sequentially to ₹483.8 crore
- EBIT grew by 48% Y-o-Y and 1.6x on a sequential basis to ₹39.7 crore
- EBIT margin stood at 8.2% as compared to 9.2% in Q2 FY21 and 5.7% in Q1 FY22

⦿ Launched 17 new SKUs and 10 new designs in Sanitaryware and 7 new SKUs in Faucet

⦿ The business witnessed improved realizations on the back of improving sales volumes and the launch of new and innovative product range, aided by increasing demand in real estate sector

⦿ Price increases were taken in Q2 FY22 across product categories to mitigate commodity inflation and going forward input increase will be passed on

⦿ Various campaigns such as Selfie Day, Morning Room, #TouchFreelsCarefree helped drive traffic to stores and connect with new age consumers



(₹ in crore)



⊙ TRUFLO registered a growth of 74% Y-o-Y and 81.5% on a sequential basis to report revenue of ₹158.1 crore

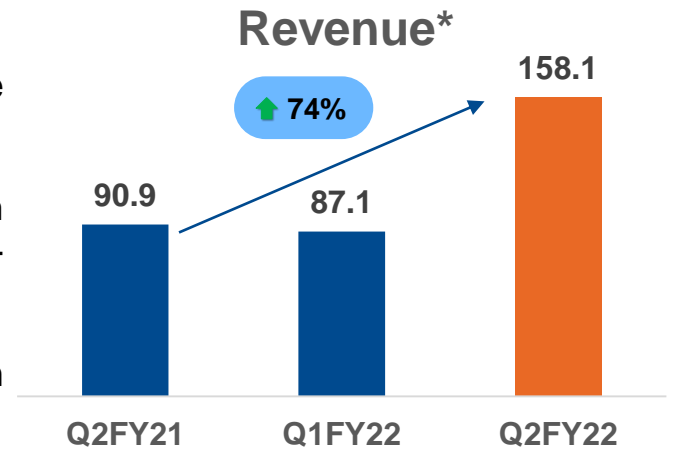
- Pipes Business contributes positively to the bottom line

⊙ Re-initiated plumber connect programs through physical meets and connected with 20,000+ plumbers in Q2 FY22

⊙ Expansion of distribution channel has resulted in significant growth in sales

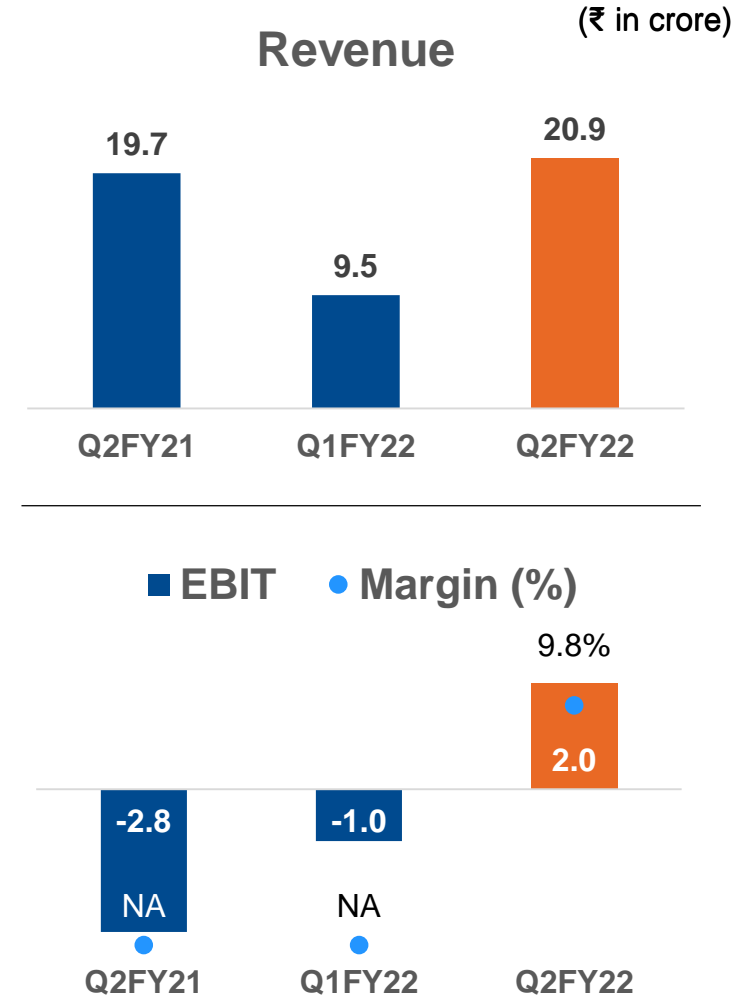
⊙ Institutional business revenue is increasing on the back of our products being enlisted with various government authorities

⊙ Robust housing demand likely to provide boost to demand for PVC / CPVC pipes



*Note\*: Revenue is as per management reported figures*

- ⌚ Increased demand for home renovations led to growth in revenue and profitability
  - Revenue stood at ₹20.9 crore, growing by 6% Y-o-Y and 1.2x sequentially
  - EBIT came in at ₹2.0 crore compared to EBIT loss of ₹2.8 crore in Q2 FY21 and ₹1 crore in Q1 FY22
  - EBIT margin for the quarter stood at 9.8%
- ⌚ Business regained momentum following subdued Q1 FY22 which was impacted COVID related lockdowns across states
- ⌚ Focus on delivering profits by improving efficiency and lowering costs
- ⌚ The Franchise store count now stands at 29



# Business Segment Overview



# Consumer Appliance Business



# Consumer Appliances Business

- ④ **Emphasis on innovation**
  - Widest range of connected and smart appliances in the industry
- ④ **Forward looking portfolio spanning categories**
  - Kitchen appliances & food sanitizer
  - Air coolers
  - Water heaters
  - Water purifiers
  - Ceiling & pedestal fans
  - Kitchen & Furniture fittings (*brand FGV Powered by Hindware™, a strategic tie-up with Italian company Formenti & Giovenzana*)
- ④ **Strong Distribution reach**
  - 10,000+ Retail outlets
  - 1,000+ Distributor partners
  - 700+ Modern & large retail outlets
  - 120+ Exclusive Kitchen galleries

**#2**

**Player in the Kitchen  
Chimney Segment**

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**#5**

**Player in the Air  
Cooler Segment**

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**#6**

**Player in the Water  
Heater Segment**



# Emphasis on R&D and Innovation

- ⊙ Recognized in-house R&D, registered with DSIR
  - Registered 4 new patents in FY22, taking the total to 32 patents since inception
- ⊙ Hindware Konnect, an IoT platform, connects intelligent products to customers through Hindware appliances mobile app for remote operation
  - Works with Alexa and Ok Google
- ⊙ Hindware, mentioned among the top companies in the Smart Homes domain at Google's IO, a global event

## Achelous Premium iPro Water Purifier

- India's 1st IoT enabled water purifier
- Makes life easy for consumers as it tells them the exact time to replace the RO membrane and filters

## Optimus iPro Chimney

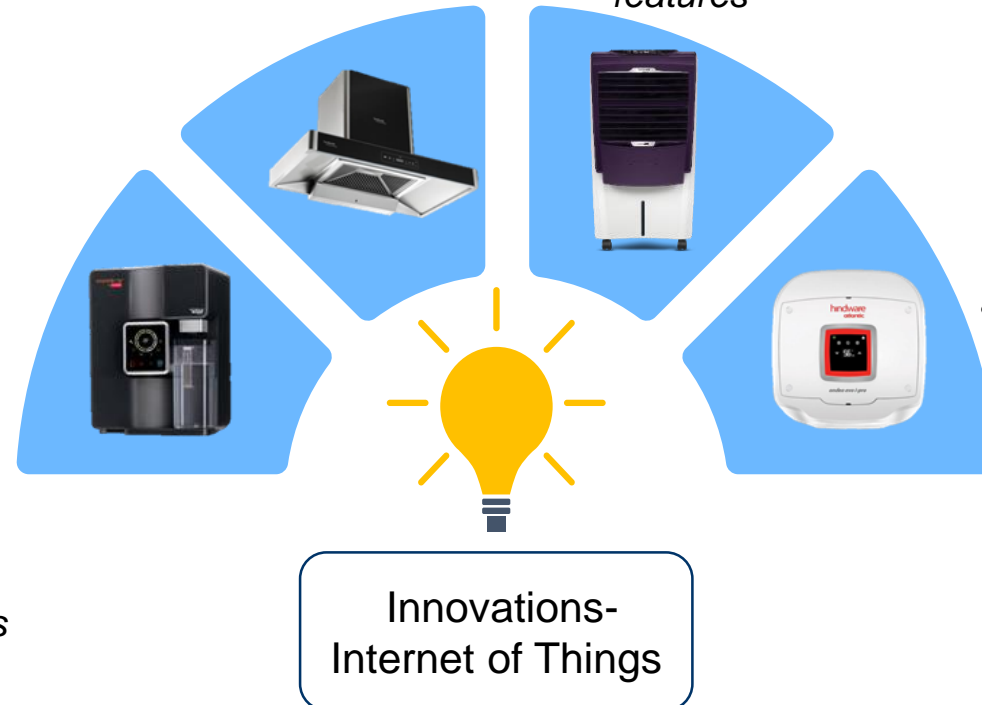
- India's 1st ever IoT – enabled chimney
- MaxX Silence Technology\*

## Spectra iPro

- Equipped with features such as Geo-fencing and Wi-Fi Direct, and Alexa-controlled features

## Ondeo Evo iPro Water Heater

- Operate from anywhere, track monthly power consumption and status of your complaint 24x7



\* Patent applied

# Diverse and Exciting Products & Brands

hindware



Kitchen Appliances

hindware  
SNOWCREST



Air Coolers

hindware

moonbow  
by hindware



Water Purifiers

hindware  
SNOWCREST



Fans

FORNENTI & GIOVENZANA  
Powered by hindware  
Italian Designs - Great Value



Kitchen & Furniture Fittings

hindware  
atlantic



Water Heaters



# Brand Campaigns

New TVC campaign for Hindware MaxX Silent Chimneys ran for 6 weeks across 24 TV channels and its high impact integrated content made waves on the TV, Print and digital platforms



The print ad campaign for the new line of cooktops printed in 22 leading newspapers across India with around 64 insertions, helping connect with consumers during the festive season



# Building Products Division



- ③ **Leading player in sanitaryware & faucets segments**
  - Brands available across price points – luxury, premium and mass categories
  
- ③ **Strong Network of distribution and service**
  - 250+ Brand Stores for an immersive customer experience
  - 225+ Distributors for wide network
  - 7000+ direct retail touchpoints: Indirect reach covering around 20,000 touchpoint
  - Catering to 1100+ institutional clients
  - A service network of 400+ technicians pan India covering more than 640 districts, with a TAT of 24 hours in metro markets and 48 hours in upcountry markets
  
- ③ **Building eco-system for accelerated growth**
  - Constant engagement with intermediaries & end-users
  - Providing platform to all the channel partners to help them keep track of their operations
  - Establish Hindware as a modern, innovative, design-led brand to connect with millennials
  - Increased product consideration and awareness using beautiful design & thoughtful features (technology and innovation) as a bedrock for all new product launches
  - Increased brand salience at retail (product displays and refreshed in-shop imagery)
  - Expand the distribution reach to establish a truly pan-India presence



## Market Size

~₹4,800 crore

Sanitaryware

~ ₹9,000 crore

Faucets



hindware



Sanitaryware & Faucets

hindware  
ITALIAN COLLECTION  
Thoughtful is beautiful.



Sanitaryware & Faucets

QUEO  
NOTHING LESS WILL DO



Sanitaryware & Faucets

BENELAVE™  
The smart choice



Sanitaryware & Faucets

NEOM  
THE MODERN TILE



Tiles

TANKLESS  
FUTURE OF BATHROOM

151  
TIME IN INDIA

- Unique Space Saving Design
- Water Saving Efficient 4L Flushing
- Hassle-Free Installation

GRABS ATTENTION.  
WITHOUT MAKING NOISE.

WATER CLOSETS WITH **AQUASHEET**  
TECHNOLOGY FOR QUIETER FLUSHING.\*

\*QUIETER THAN A REGULAR FLUSH

TOUCH-FREE TECHNOLOGY

WATER CLOSETS WITH TOUCH-FREE FLUSHING  
FOR GREATER SAFETY & HYGIENE.

#TouchFreeIsCarefree

AUTOMATE

INTELLIGENT CLOSETS

A range of Hi-tech Toilets that come with a remote control to cater to all your needs at just the press of a button.

- Easy Computerized Control Panel
- Foot Press Flush
- Minimalist Touch Remote

E Clenz

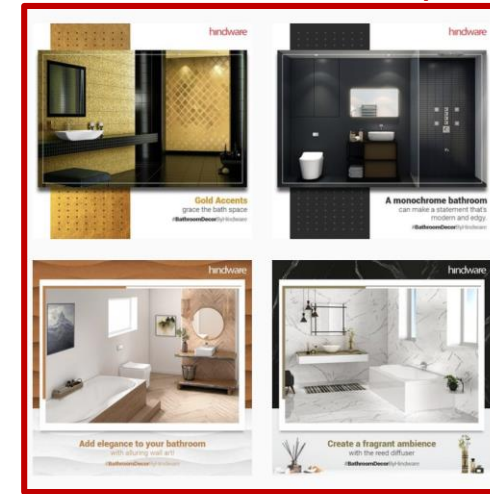
Intelligent wall mounted  
water closet at a smart price

SENSOR  
FAUCETS

- INFRA RED SENSOR
- LOW CONTACT
- WORLD CLASS TECH
- LONGER LIFE CYCLE
- SAVE WATER

New Campaign on Touchfree made waves on the TV, print and digital media with its high impact content integration. It showcased the brand's strength in the sensor-enabled product category.

## Bathroom Decor Tips



Morning Room



#TouchfreeIsCarefree



- ⊙ TRUFLO by Hindware™, is the fastest growing plastic pipes and fittings brand in India
  - With 1,100+ SKUs already being offered and many more being added, TRUFLO aims to be amongst the top 5 players in 5 years
- ⊙ Offers best-in-class, NSF-certified (uses CPVC compound Durastream, supplied by ~US\$10 bn Sekisui Chemical Co. Ltd.), CPVC pipes for hot and cold water plumbing applications, along with lead-free UPVC pipes, SWR pipes, PVC pipes for potable water, column pipes and overhead water storage tanks
- ⊙ Export to ASEAN and Middle Eastern countries

## Market Size

**~₹10,000 crore**

TRUFLO by Hindware™, addressable market size





adani™





# Retail Division



- ⊙ Specialty home interior products through modern format stores and digital platforms under the brand 'EVOK'
- ⊙ Offering a range of 3,600+ products across 16,700+ pin codes
- ⊙ 2 Display and Sales centres in Delhi and Faridabad and a growing chain of franchise stores
- ⊙ Strong e-commerce presence through online portal [EVOK.in](https://www.evok.in) and other sites like Amazon, Flipkart, Pepperfry, etc.
- ⊙ Delivering and installing furniture in 16,700+ pin codes across India
- ⊙ Priorities of go-to-market approach
  - Maintain franchise – based large format store
  - Focus on on-line retail channels
  - Reach new geographies
- ⊙ Emphasis on minimising overheads; higher profitability – move from Cash burn to Cash earn

## 2

Company owned stores

## 29

Franchise Stores



# Thank You



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