

FIRST LIGHT

14 August 2025

RESEARCH

COHANCE LIFESCIENCES | TARGET: Rs 1,240 | +26% | BUY

Long-term guidance of USD1bn sales remains intact

HINDWARE HOME INNOVATION | TARGET: Rs 320 | +16% | BUY

Mixed Q1; gears up for accelerated growth H2FY26 onwards

SUMMARY

COHANCE LIFESCIENCES

- Reported earnings sales/EBITDA/PAT were 1%/12%/17% below estimates. EBITDA margin reported 690 bps lower than our estimates
- Niche technologies' contribution increased from 15% in FY25 to 20% in 1QFY26. Expected to increase to ~25% by end of FY26
- Lower-than-estimated earnings lead to lower ascribed PE of 52x (earlier 56x) on June'27 roll forward, to arrive at TP of Rs 1,240 (earlier Rs 1328)

[Click here](#) for the full report.

HINDWARE HOME INNOVATION

- Sharp improvement in operating performance of bathware for the first time in the past 5 quarters
- Bathware revenue growth to accelerate from Q2FY26 onwards; pipe volume targeted to grow at 9-10% in FY26
- Maintain BUY; TP raise by 7% to Rs 320 per share

[Click here](#) for the full report.

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BUY

TP: Rs 1,240 | ▲ 26%

**COHANCE
LIFESCIENCES**

| Pharmaceuticals

| 14 August 2025

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- Reported earnings sales/EBITDA/PAT were 1%/12%/17% below estimates. EBITDA margin reported 690 bps lower than our estimates
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Earnings below our estimates: Revenue was 1% below our estimates but grew by 12.5% YoY. EBITDA reported lower by 10.5% YoY, missing our estimates by 12% due to a one-time expense of Rs 171 mn, which includes ESOPS cost and 23mn forex. Adjusting against this one-time expense, EBITDA grew by 4%. Due to the integrated numbers from Sapala, NJ, Cohance and Suven Pharma, depreciation cost has risen by 44%, Other Income lowered by 27% and exceptional item of Rs 81mn resulted in a 38% decline in PAT.

Pharma CDMO sales lower due to inventory destocking: During the quarter, Pharma CDMO sales grew by 1% to Rs 2bn, due to destocking faced in 2 large molecules supplied to the innovators. Adjusting for the de-stocking, the segment grew by 30%. Destocking is likely to continue throughout FY26. However, the niche technologies segment is growing well and contributes 20% of total sales vs 15% of total sales in FY25. Niche technologies will likely drive Pharma CDMO growth and the segment will likely contribute ~25% by FY26.

Crop Chem growth driven by new projects: During the quarter, Crop Chem segment grew 28% to Rs 505 mn, driven by recovery in agrochemicals on a lower base and new product launches. The company expects shipments to pick up in the latter part of the year, hence, expects this segment to grow in double digits in FY26.

Life-cycle management supplies to drive API growth: API sales grew by 19% YoY to Rs 2.9bn. COHANCE has a healthy pipeline and is scaling up its existing product portfolio. The company has validated 2 new products in this segment and expects to validate another 7-8 products and subsequently do filings.

Valuation: We have introduced FY28 estimates and arrived at a sales/EBITDA/PAT CAGR of 21%/27%/33%; thereby expecting it to remain in the high growth trajectory. However, due to near-term headwinds, we ascribe a lower PE of 51x (earlier 56x) on June'27 roll forward basis to arrive at a PT of Rs 1240 (earlier Rs 1328).

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	COHANCE IN/Rs 986
Market cap	US\$ 4.4bn
Free float	50%
3M ADV	US\$ 2.9mn
52wk high/low	Rs 1,360/Rs 911
Promoter/FPI/DII	50%/11%/17%

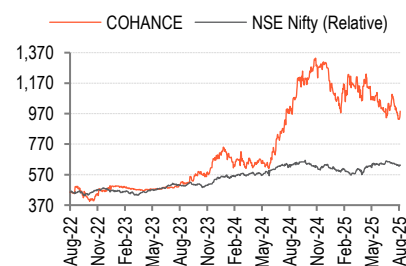
Source: NSE | Price as of 13 Aug 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	26,103	29,496	37,165
EBITDA (Rs mn)	7,996	9,144	12,822
Adj. net profit (Rs mn)	5,464	5,842	8,672
Adj. EPS (Rs)	14.3	15.1	22.6
Consensus EPS (Rs)	14.3	17.6	23.6
Adj. ROAE (%)	14.9	17.0	24.1
Adj. P/E (x)	68.8	65.5	43.5
EV/EBITDA (x)	48.2	42.2	30.1
Adj. EPS growth (%)	(4.8)	5.0	50.4

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



BUY

TP: Rs 320 | ▲ 16%

**HINDWARE HOME
INNOVATION**

| Building Materials

| 13 August 2025

Mixed Q1; gears up for accelerated growth H2FY26 onwards

- Sharp improvement in operating performance of bathware for the first time in the past 5 quarters
- Bathware revenue growth to accelerate from Q2FY26 onwards; pipe volume targeted to grow at 9-10% in FY26
- Maintain BUY; TP raise by 7% to Rs 320 per share

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Mixed Q1: HINDWARE topline came below our estimate (-13.7%), due to lower-than-expected pipe sales volume (-21% YoY vs +7% estimated) and discontinuation of the trading of low-margin non-core consumer appliances. However, the company managed to sharply beat our EBITDA estimate by 50.6% on sharp margin improvement in its core business-bathware (+233bps QoQ to 12.6% vs 10.0% estimated), as well as consumer appliance (+1317bps QoQ to 5.6%). The company has reported an exceptional loss of Rs 495mn in Q1FY26, related to discontinuation of the trading of non-core consumer appliances products. HINDWARE's revenue de-grew by 11.5% YoY in Q1FY26, but EBITDA was up 13.3% YoY in Q1FY26.

Highlights: HINDWARE has reported positive revenue growth for bathware division with a slight improvement in EBITDA margin for the first time in the past 5 quarters. Plastic pipe volume was down sharply (-21.4% YoY) vs low-single-digit volume growth reported by major peers in Q1FY26 in Q1FY26. Consumer appliance division reported positive operating profit for the first time in the past 4 quarters due to benefit of discontinuation of trading of low margin non-core products. Net debt has remained stable on QoQ basis at Rs 6.9bn in Jun'25.

Outlook: Management has shared a positive outlook for each of its segments. Bathware revenue is expected to grow at an accelerated pace from Q2FY26 and targets to clock quarterly revenue rate of Rs 4bn from H2FY26 (vs Rs 3.4bn in Q1FY26) with mid-teens EBITDA margin. The company has witnessed healthy pipe volume growth of 35% YoY in Jul'25 and targets to grow at 9-10% YoY with EBITDA margin of 8.0-9.0% in FY26. Capex is estimated to be around Rs 1.0bn for FY26.

Maintain BUY; TP raise by 7% to Rs 320: We maintain our BUY rating as we expect EBITDA to grow at a healthy 32% CAGR over FY25-FY28E in anticipation of a sharp improvement in margin (from 5.7% in FY25 to 10.6% in FY28E). We have slightly tweaked our EBITDA estimates, based on Q1. We have raised our TP to Rs 320 (Rs 300 earlier) due to roll forward of our valuation to Jun'27E (Mar'27 earlier). Our target P/E multiple remains unchanged at 25x. At CMP, the stock trades at a P/E of 48.4x/26.9x/21.4x on FY26E/FY27E/FY28E.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	HINDWARE IN/Rs 276
Market cap	US\$ 228.2mn
Free float	47%
3M ADV	US\$ 0.5mn
52wk high/low	Rs 405/Rs 177
Promoter/FPI/DII	53%/4%/7%

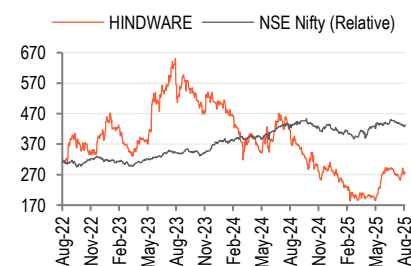
Source: NSE | Price as of 13 Aug 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	25,230	24,702	27,652
EBITDA (Rs mn)	1,430	2,214	2,907
Adj. net profit (Rs mn)	(339)	475	854
Adj. EPS (Rs)	(4.1)	5.7	10.2
Consensus EPS (Rs)	(8.3)	3.4	10.1
Adj. ROAE (%)	(4.9)	5.9	9.9
Adj. P/E (x)	(68.1)	48.6	27.0
EV/EBITDA (x)	8.7	5.6	4.8
Adj. EPS growth (%)	(158.7)	(240.3)	79.8

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



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Note: Recommendation structure changed with effect from 21 June 2021

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