# IS - C3 Shelter - Haier Smart Home Co Ltd - 600690.SS

# Investment Summary: Haier Smart Home Co Ltd (600690.SS)

**Date:** 5 September 2025  
**Stock Price:** RMB 23.76 (close previous trading day)  
**Market Cap:** Approx. RMB 306 billion  
**Recommended Action:** Buy  
**Industry:** Home Appliances, Smart Home Solutions, HVAC

## Business Overview

Haier Smart Home Co Ltd is a global leader in smart home solutions and major home appliances, operating through key divisions: white goods (refrigeration, laundry, kitchen appliances), HVAC (home air conditioning, smart building, water solutions), and smart small appliances. For the six months ended June 2025, the company reported revenue of RMB 156.5 billion with a gross profit margin around 26.4%. Its products serve both residential consumers and B2B customers such as retail chains, real estate developers, and public institutions. Haier’s products offer energy efficiency, smart IoT capabilities, and modular solutions that enhance user convenience and sustainability. Strengths include strong brand equity, advanced technology leadership (particularly in premium and energy-efficient products), and operational efficiencies. Challenges include rising raw material costs and competitive market pressures in the appliance and electronics industries.[1][2][3]

## Business Performance

* **Sales growth (5 years):** Approx. 5.5% CAGR, with 10.1% YoY growth in Q1 2025
* **Profit growth (5 years):** Net profit margin grew from 6.05% in 2022 to 6.85% in 2024; net profit up 15.1% YoY in Q1 2025
* **Operating cash flow:** RMB 12 billion over the last fiscal year; improved 15.1% YoY in Q1 2025
* **Market share:** Global leader in smart home appliances and strong in China’s HVAC market; Casarte premium brand grew 20% YoY in Q1 2025

## Industry Context

* **Product cycle maturity:** Mature appliance cycle with increasing shift toward smart and energy-efficient products
* **Market size & CAGR:** Home appliance industry growing at ~5%-7% annually; smart home sector faster growth (~10%)
* **Company's market share:** Leading in China and selected overseas markets (e.g., solar air conditioners in Pakistan: 100% market share)
* **Growth comparison:** Haier's sales and EPS growth exceed industry averages over past 3 years
* **Debt-to-total-assets ratio:** Approx. 0.32 vs. industry average near 0.4, indicating moderate leverage
* **Industry cycle:** Expansion phase driven by digital transformation, smart homes, and eco-friendly demand
* **Industry metrics:** Energy efficiency benchmarks and smart home connectivity rates higher than peers.[3][4][1]

## Financial Stability and Debt Levels

Haier exhibits robust financial health with a current ratio of 1.57 and quick ratio of 1.34, surpassing the liquidity threshold. Operating cash flow remained strong at RMB 12 billion for FY2024 with steady dividend coverage. Total debt is moderate with a debt-to-equity ratio of 0.67, below the industry average, supported by an interest coverage ratio of 9.4. Recent bond issuance improved refinancing, and the company retains a stable A credit rating. There are no significant financial stress indicators, confirming prudent debt management and solid liquidity.[2][4]

## Key Financials and Valuation

* **2024 Revenue:** RMB 286.0 billion, +4.1% YoY; Net profit RMB 19.6 billion, +14.6% YoY
* **2025 Forecast:** Revenue RMB ~306 billion; EPS projected at RMB 2.24
* **Operating margin:** Slight upward trend; net profit margin reached 6.85% in 2024
* **Valuation:** P/E ~11.5x (2025), below historical average (15x); PEG ratio favorable; Dividend yield ~4.3%
* **Stock position:** Mid-range in 52-week trading band
* **Industry specific metrics:**
* Energy efficiency rating: Above average
* Smart appliance connectivity rate: Superior to peers
* Magnetic levitation HVAC market share: #1 in China
* Analysis suggests valuation discount given strong fundamentals and growth outlook.[4][5][2]

## Big Trends and Big Events

* **Smart home tech innovation:** AI-driven product development and digital transformation boost user engagement and operational efficiency—Haier is a market leader here.
* **Sustainability:** Growing consumer demand for eco-friendly appliances aligns with Haier’s product innovations like solar air conditioners and energy-efficient HVAC solutions.
* **Global expansion:** Strategic acquisitions (e.g., Kwikot in South Africa) and new market entries enhance international footprint and diversify revenue streams.
* These trends generally benefit Haier due to its R&D focus and operational scale.[1][3]

## Customer Segments and Demand Trends

* Major segments include retail consumers (60% of sales), B2B clients such as real estate developers, healthcare, and educational institutions (40%).
* Projected sales growth 8-10% over next 2-3 years driven by premium product lines and smart home adoption.
* Customer feedback highlights high satisfaction with product functionality and energy efficiency; price sensitivity rising in mature markets with substitutes like new entrants in smart appliances.[3][1]

## Competitive Landscape

* Industry is moderately concentrated with top 4 firms controlling ~60%.
* Key competitors include Midea, Gree Electric, and Whirlpool; Haier ranks in top 3 globally with operating margins ~7-8%.
* Haier’s moats: Strong brand, integrated supply chain, technology leadership in smart and energy-efficient appliances, exclusive market access in some regions.
* Top battlefront is technological innovation and supply chain resilience—Haier excels with its digital transformation and smart manufacturing ‘lighthouse factories’.[4][3]

## Risks and Anomalies

* Raw material price volatility could pressure margins.
* Potential supply chain disruptions in global markets amid geopolitical tensions.
* Increased competition in smart home space may pressure market share and pricing.
* Continuous investment in R&D required to maintain innovation lead poses cost risks.[4]

## Forecast and Outlook

* Management guides 2025 revenue growth around 7-8%, net profit growth ~12%.
* Strong growth expected in premium appliances and overseas HVAC markets.
* Recent earnings beats driven by product optimization and operational efficiencies.[6][1]

## Leading Investment Firms and Views

* Analysts from Piper Sandler, Goldman Sachs, and Jefferies predominantly rate Haier as a **Buy** with average target price implying ~15-20% upside.
* Consensus P/E around 11.5x with stable dividend outlook and solid growth prospects.[7][5]

## Recommended Action: Buy

**Pros:**

* Strong financial stability with prudent debt levels
* Leadership in smart and energy-efficient appliance segments
* Positive growth momentum and international expansion
* Valuation attractive relative to growth and historical averages

**Cons:**

* Margin risks from raw material costs
* Competitive pressures in mature smart home markets

## Key Takeaways

Haier Smart Home stands out as a financially stable and innovative leader in the global home appliance and smart home sector. Its ability to integrate advanced technologies with sustainability positions it well for future growth amid industry digital transformation. Prudent financial management and international expansion provide resilience against external risks. Investors should monitor raw material cost trends and competitive responses in smart home segments to gauge ongoing risk. Overall, Haier’s strong fundamentals and favorable valuation support a Buy recommendation.

## Sources

* Company financial reports Q1 and H1 2025 (HKEXnews)[8][9][2]
* Industry and analyst reports (Piper Sandler, Goldman Sachs, Jefferies)[5][7]
* Market and stock data (Yahoo Finance, Marketscreener)[10][5]
* Company presentations and news releases[1][3]
* Financial Health Analysis (Debt and liquidity data)[4]

[1](https://www.linkedin.com/pulse/haier-smart-home-reports-q1-2025-results-solid-growth-ai-driven-eaqkc) [2](https://www.hkexnews.hk/listedco/listconews/sehk/2025/0828/2025082802962.pdf) [3](https://www.hkexnews.hk/listedco/listconews/sehk/2025/0829/2025082900052.pdf) [4](https://dcfmodeling.com/blogs/health/6690hk-financial-health) [5](https://www.marketscreener.com/quote/stock/HAIER-SMART-HOME-CO-LTD-50920222/) [6](https://finance.yahoo.com/news/haier-smart-home-co-ltd-131622444.html) [7](https://www.tipranks.com/stocks/hk:6690) [8](https://www.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042905130.pdf) [9](https://www.hkexnews.hk/listedco/listconews/sehk/2025/0829/2025082900023.pdf) [10](https://finance.yahoo.com/quote/6690.HK/) [11](https://www.finanzwire.com/press-release/haier-smart-home-reports-q1-2025-results-solid-growth-and-elevated-consumer-experience-through-ai-driven-innovation-cKrZOUK4n1N) [12](http://smart-home.haier.com/en/gpxx/esg/) [13](https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0327/2025032702545.pdf) [14](https://www.futunn.com/en/stock/600690-SH/earnings) [15](https://www.futunn.com/en/stock/600690-SH/announcement) [16](https://www.investing.com/equities/haier-smart-home-co-balance-sheet) [17](https://finance.yahoo.com/quote/6690.HK/analysis/) [18](https://webb-site.com/dbpub/docs.asp?p=64502) [19](https://smart-home.haier.com/en/) [20](https://quartr.com/companies/haier-smart-home-co-ltd_16491)