



Guidance robust for FY26, Gaining market share globally

Carysil Ltd reported a robust Q1FY26 performance which saw a beat of 3%/9%/9% on Revenue/EBITDA/PAT. Operating margins reported were a 7quarter high led by strong operating leverage across product segments.

Key business highlights

- Exports Revenue for the quarter stood at Rs 1,875 Mn up by 14% on YoY and 15% on QoQ
- Domestic Revenue for the quarter stood at Rs 398 Mn up by 10% on YoY and 6% on QoQ
- Quartz sinks volume up 22% YoY and 10% QoQ
- Stainless sinks volume grew 9% YoY and de-grew 6% QoQ
- Kitchen appliances volumes grew 57% YoY and 3% QoQ

Outlook:

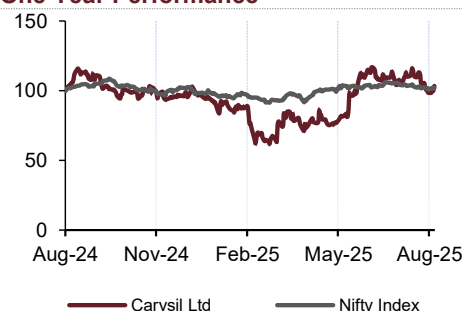
- Revenue Guidance: Annual revenue runrate of ~1Bn likely to start from Q2FY26, as against earlier guidance of Q3/Q4FY26
- Capacity utilization in quartz sinks to reach peak utilization by Q3FY26 (on 10lac sinks)
- Margin guidance: 18-20% (FY25 – 17%)
- Capacity Addition: Additional 2.5lac quartz sinks likely by end of FY26, 0.7lac sinks by Q4FY26 and further 2.5lac sinks by Q2FY27 (dependent on certain contracts being discussed). Incremental combined revenue of the expansion is ~200crs.
- Target of 500crs in domestic market over 5years (have appointed Deloitte to scale up)
- 25% tariff of USA can be absorbed as competitiveness will sustain, however 50% will be difficult to pass on (20% USA exposure so risk is not too significant)

BUY 1,037 26

Market data

Current price	Rs	822
Market Cap (Rs.Bn)	(Rs Bn)	23
Market Cap (US\$ Mn)	(US\$ Mn)	267
Face Value	Rs	2
52 Weeks High/Low	Rs	947 / 482.3
Average Daily Volume	('000)	564
BSE Code		524091
Bloomberg		CARYSIL.IN
Source: Bloomberg		

One Year Performance



Source: Bloomberg

% Shareholding	Jun-25	Mar-25
Promoters	41.37	41.37
Public	58.63	58.63
Others	0.00	0.00
Total	100.00	100.00

Source: Bloomberg

Financial Summary

Y/E Mar (Rs mn)	FY 22	FY 23	FY 24	FY 25	FY 26E	FY 27E
Net sales	4,839	5,939	6,838	8,155	9,838	11,172
Growth	56.24%	22.73%	15.13%	19.27%	20.64%	13.56%
EBITDA	1,033	1,074	1,287	1,368	1,894	2,234
Growth	57.04%	3.93%	19.88%	6.26%	38.44%	17.99%
Margins (%)	21.4	18.1	18.8	16.8	19.3	20.0
Adjusted net profit	653	528	584	643	1,009	1,227
Growth	65.97%	-19.04%	10.47%	10.16%	57.01%	21.59%
EPS (Rs)	23.0	18.6	20.5	22.6	35.5	43.2
P/E (x)	35	43	39	35	22	18
EV/EBITDA (x)	23	23	20	18	13	11
RoCE (%)	21.72%	15.35%	14.67%	12.66%	17.14%	18.05%
RoE (%)	25.40%	17.21%	16.30%	12.10%	16.11%	16.50%

Source: Dalal & Broacha

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Concall Highlights:

Quartz Sinks

- New order win from IKEA for 75% of Non-US business for quartz sinks. Company to incur capex of ~20crs to expand capacity.
- Supply to Karran USA has been better than expectations and no order delay/cancellations faced. Products already displayed in 1800 stores in USA.
- Competitors based out in Germany, Italy and Canada

Stainless Sinks

- Participated in large RFQ of 5lac stainless sinks of a global retailer. If order won, capacity to be expanded by 2.5lac units at a capex of ~30crs.

Appliances & Faucets

- Big capex plans which should kickstart from end of FY26, receiving strong traction from global retailers for sourcing faucets. In talks with an European major for technology transfer in faucets business.

Overseas Business

- All subsidiaries demonstrated resilient performance with United Granite turning EBITDA +ve and will turn PAT +ve by end of FY26.
- Adding multiple customers QoQ in UK, relationship with Howdens going strong
- Strong response in appliances segment in GCC. Planning to open additional 2 showrooms.

Domestic Business

- Targeting 500crs revenue in 5 years from now (FY25 – 150crs), Deloitte appointed for strategy
- Targeting 5000+dealers in FY26

Valuations and Outlook:

We remain optimistic on Carysil in the mid to long term primarily due to its positioning as one of the leaders in global quartz sinks market which is growing at 15-20% CAGR. We expect Sales/Ebitda/Pat to grow at healthy rate on the basis of partnerships with global retailers providing revenue visibility, expanding into newer geographies, strategic acquisitions in UK and increased demand for the products they offer.

With the recent order wins from large global retailers demonstrates company's capability and should help sustain growth momentum even in turbulent global uncertainties.

We raise our EPS estimates by 8%/6% in FY26E/27E based on how Q1 has panned out along with a strong management guidance.

We value the company at 24x FY27EPS of Rs 43.2 and arrive at a target price of Rs 1,037 and maintain BUY recommendation.

Quarterly Snapshot

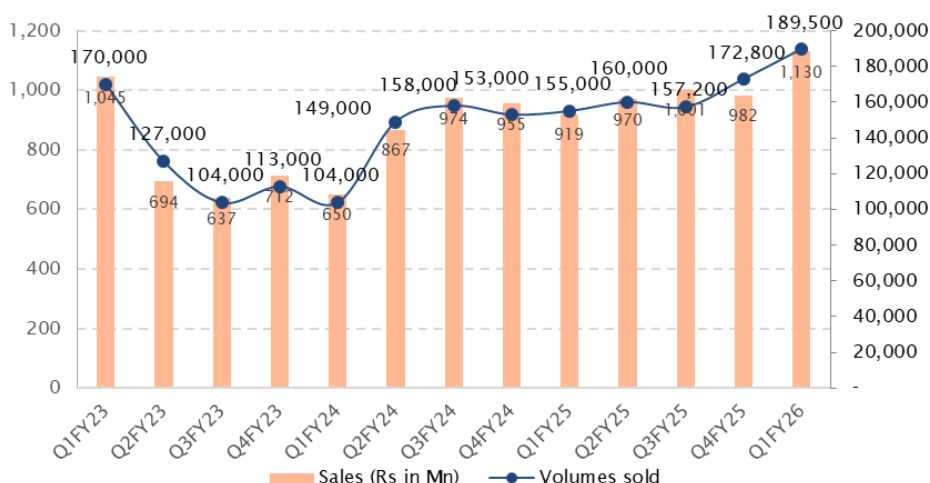
(Rs Mn)	Q1FY26	Q1FY25	YoY Growth	Q4FY25	QoQ Growth
Revenue from operations	2,270	2,012	13%	2,042	11%
Other income	13	14	-11%	23	-45%
Total Income	2,283	2,026		2,065	
Cost of goods sold	1,076	940	15%	936	15%
Employee Benefit expenses	222	188	18%	200	11%
Other Expenses	533	525	1%	561	-5%
EBITDA (excl other income)	439	359	22%	344	27%
Less : Depreciation	94	87	9%	82	15%
PBIT	344	272	26%	262	31%
Less: Interest cost	53	61	-12%	54	-1%
PBT (after exceptional)	303	225	35%	231	31%
Less : Tax	74	67		48	
PAT	229	159	45%	183	25%
EPS	8.0	5.9		6.6	
Margins(%)					
Gross Margins	52.6%	53.3%	(70)	54.1%	(155)
EBITDA Margins	19.3%	17.8%	149	16.9%	246
Net profit Margin	10.0%	7.8%	221	8.9%	117
As a % of sales					
RM as a % of sales	47.4%	46.7%		45.9%	
EE as a % of sales	9.8%	9.3%		9.8%	
Other exp as a % of sales	23.5%	26.1%		27.5%	

* Consolidated

Source: Company, Dalal & Broacha Research

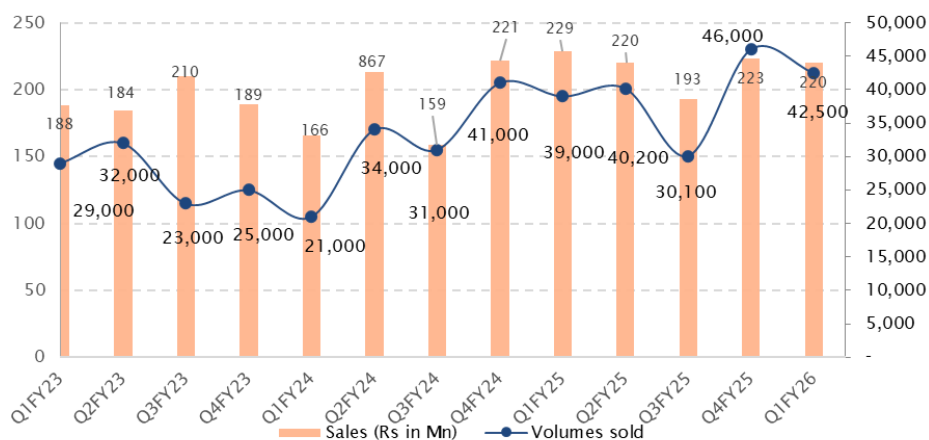
Focus Charts

Exhibit 1: Quartz sink sales and volume



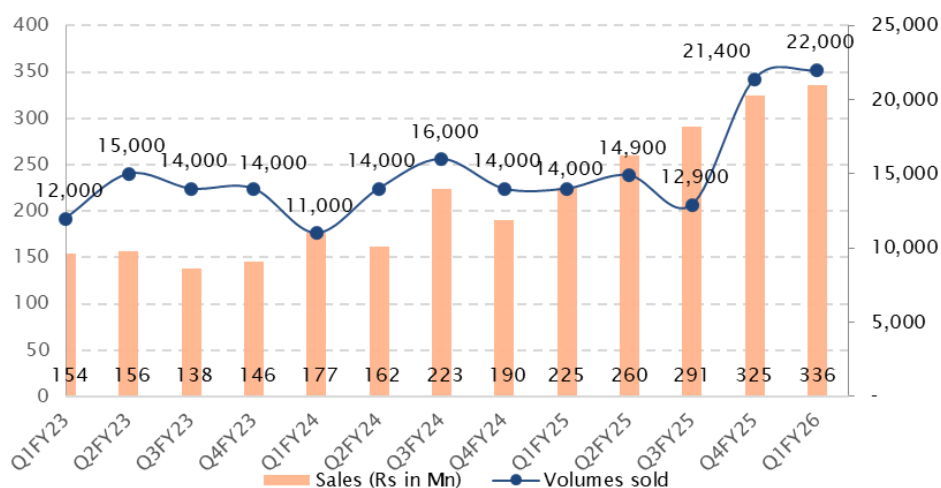
Source: Company, Dalal & Broacha Research

Exhibit 2: Stainless sink sales and volume



Source: Company, Dalal & Broacha Research

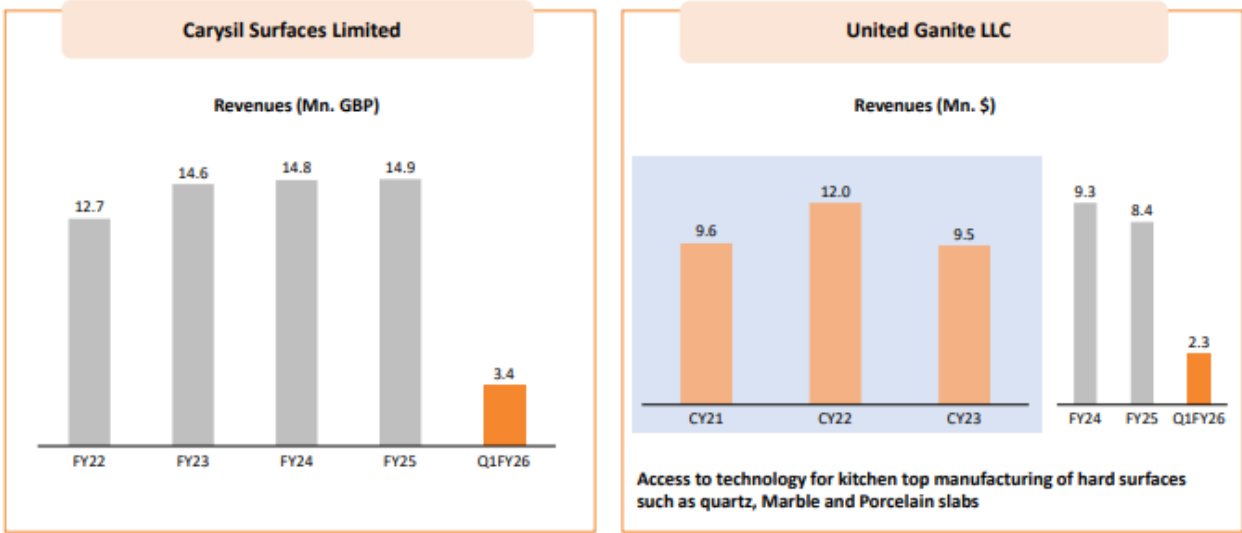
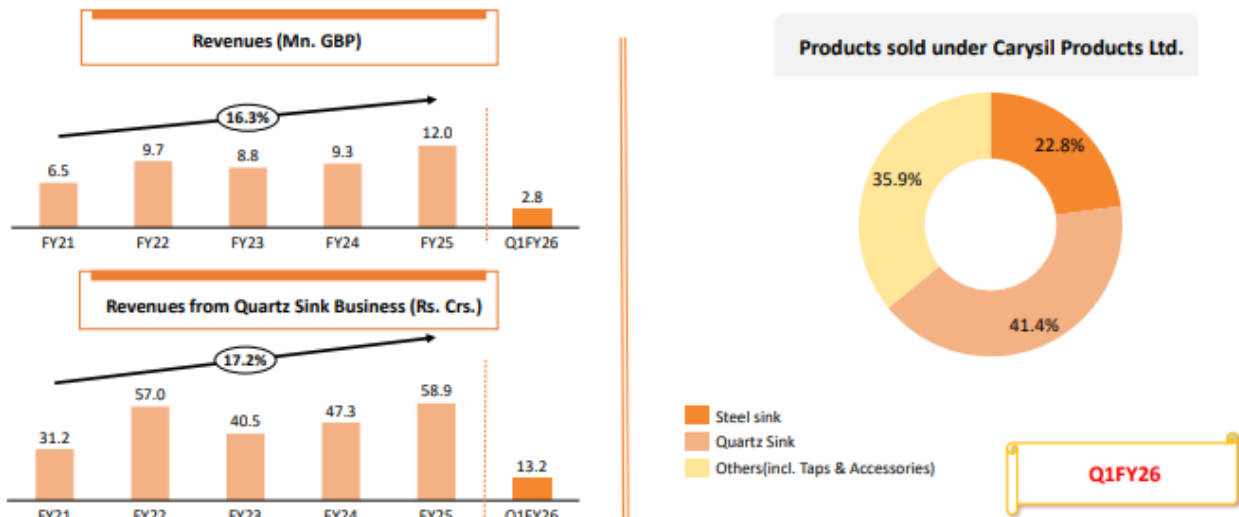
Exhibit 3: Kitchen Appliances Sales and volume



Source: Company, Dalal & Broacha Research

Focus Charts

Exhibit 4: Overseas operations seeing good traction



Source: Company, Dalal & Broacha Research

Quarterly Breakup

(Rs in Mns)					
Q1FY26					
	Standalone		Consolidated		Subsidiary
SALES	1,249		2,270		1,021
cogs	556		1,076		520
Gross Profit and GP margins	693	55.5%	1,194	52.6%	501 49.1%
EBITDA	280		439		158.8
EBITDA margins	22.4%		19.3%		15.6%
PAT	153.2		229		75.9
Q4FY25					
	Standalone		Consolidated		Subsidiary
SALES	1,087		2,042		955
cogs	436		936		500
Gross Profit and GP margins	651	59.9%	1,106	54.1%	455 47.6%
EBITDA	214		344		130.5
EBITDA margins	19.7%		16.9%		13.7%
PAT	117		183		66.1
Q3FY25					
	Standalone		Consolidated		Subsidiary
SALES	1,057		2,031		974
cogs	449		975		526
Gross Profit and GP margins	608	57.5%	1,056	52.0%	448 46.0%
EBITDA	157		288		131.3
EBITDA margins	14.8%		14.2%		13.5%
PAT	86.5		125.3		38.8
Q2FY25					
	Standalone		Consolidated		Subsidiary
SALES	1,054		2,071		1,017
cogs	443		919		476
Gross Profit and GP margins	611	58.0%	1,152	55.6%	541 53.2%
EBITDA	174		372		197.9
EBITDA margins	16.5%		18.0%		19.5%
PAT	78.1		171.1		93
Q1FY25					
	Standalone		Consolidated		Subsidiary
SALES	1,005		2,012		1,007
cogs	417		940		522
GP	587	58.5%	1,072	53.3%	485 48.1%
EBITDA	218		373		155
	21.7%		18.5%		15.4%
PAT	92.6		158.6		66

Source: Company, Dalal & Broacha Research

FINANCIALS

P&L (Rs mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Sales	3,097	4,839	5,939	6,838	8,155	9,838	11,172
Total Operating Expenses	1,418	2,095	3,024	3,149	3,770	4,501	5,083
Employee Cost	222	336	449	603	794	935	1,005
Other Expenses	799	1,375	1,392	1,799	2,223	2,509	2,849
Operating Profit	658	1,033	1,074	1,287	1,368	1,894	2,234
Depreciation	127	177	264	324	359	408	458
PBIT	531	856	810	963	1,009	1,486	1,776
Other income	80	101	16	53	98	80	80
Interest	73	96	145	209	229	220	220
PBT (Before exceptional)	538	861	681	808	878	1,346	1,636
Exceptional	-	-	-	-	-	-	-
PBT (post exceptional)	538	861	681	808	878	1,346	1,636
Provision for tax	145	208	153	224	235	336	409
Reported PAT	393	653	528	584	643	1,009	1,227
Net Profit	393	653	528	584	643	1,009	1,227
Adjusted Profit	393	653	528	584	643	1,009	1,227

Balance Sheet (Rs mn)	FY21	FY22	FY23E	FY24	FY25	FY26E	FY27E
Equity capital	53	53	54	54	57	57	57
Reserves	1,886	2,516	3,017	3,528	5,257	6,209	7,380
Net worth	1,940	2,569	3,070	3,581	5,313	6,266	7,437
Non Current Liabilities	310	538	949	1,317	1,043	920	922
Current Liabilities	1,662	2,426	3,104	3,548	3,497	3,561	3,719
TOTAL LIABILITIES	3,912	5,533	7,123	8,447	9,853	10,747	12,077
Non Current Assets	1,703	2,458	3,514	4,304	4,589	4,581	4,723
Fixed Assets	1,380	2,031	2,384	3,006	3,122	3,120	3,263
Goodwill	239	239	1,034	1,135	1,135	1,135	1,135
Non Current Investments	-	-	-	-	-	-	-
Deferred Tax Asset	-	-	-	-	-	-	-
Other Financial Assets	12	16	40	27	189	183	183
Other Non Current Assets	71	171	56	136	142	142	142
Current Assets	2,209	3,076	3,609	4,143	5,264	6,166	7,354
Current investments	-	-	-	-	-	-	-
Inventories	546	1,042	1,306	1,732	2,211	2,668	3,030
Trade Receivables	830	1,004	1,031	1,378	1,460	1,761	2,000
Cash and Bank Balances	201	113	102	125	680	805	1,373
Advances	1	2	3	4	3	3	3
Other Current Assets	630	915	1,167	904	909	928	949
TOTAL ASSETS	3,912	5,533	7,123	8,447	9,853	10,747	12,077

FINANCIALS

Cashflow Statement	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Cash flow from operating activities							
Profit before tax	538	861	681	808	878	1,346	1,636
Depreciation & Amortization	127	177	264	324	359	408	458
Interest expenses	73	96	145	209	229	220	220
Operating profit before working capital change	738	1,134	1,090	1,341	1,466	1,974	2,314
Working capital adjustment	(28)	(294)	(394)	(703)	(599)	(561)	(438)
Gross cash generated from operations	710	840	696	638	867	1,413	1,876
Direct taxes paid	(145)	(208)	(153)	(224)	(235)	(336)	(409)
Others	(111)	(115)	85	153	(72)	14	9
Cash generated from operations	454	516	534	567	560	1,090	1,477
Cash flow from investing activities							
Capex	(359)	(731)	(1,411)	(1,048)	(475)	(406)	(600)
Investment	-	(3)	(1)	(2)	6	-	-
Others	12	9	-	-	-	-	-
Cash generated from investment activities	(348)	(725)	(1,411)	(1,050)	(469)	(406)	(600)
Cash flow from financing activities							
Proceeds from issue of share	-	-	-	-	-	-	-
Borrowings/ (Repayments)	37	340	850	772	(358)	(250)	-
Interest paid	(73)	(96)	(145)	(209)	(229)	(220)	(220)
Dividend paid	(53)	(64)	(64)	(64)	(64)	(64)	(64)
Others	-	4	-	-	-	-	-
Cash generated from financing activities	(88)	184	641	500	(651)	(534)	(284)
Net cash increase/ (decrease)	18	(25)	49	16	(560)	150	593

Ratios	FY21	FY22	FY23E	FY24	FY25	FY26E	FY27E
OPM	21.24%	21.35%	18.08%	18.83%	16.77%	19.25%	20.00%
NPM	12.37%	13.21%	8.87%	8.47%	7.79%	10.18%	10.91%
Tax Rate	26.96%	24.19%	22.42%	27.75%	26.79%	25.00%	25.00%

Growth Ratios (%)

Net Sales	12.12%	56.24%	22.73%	15.13%	19.27%	20.64%	13.56%
Operating Profit	41.79%	57.04%	3.93%	19.88%	6.26%	38.44%	17.99%
PBIT	76.60%	59.91%	-20.89%	18.62%	8.72%	53.26%	21.59%
PAT	226.98%	65.97%	-19.04%	10.47%	10.16%	57.01%	21.59%

Per Share (Rs.)

Net Earnings (EPS)	13.84	22.97	18.60	20.54	22.63	35.53	43.20
Cash Earnings (CPS)	18.30	29.21	27.87	31.96	35.27	49.89	59.32
Dividend	0.00	0.15	0.15	0.15	0.15	0.15	0.15
Book Value	68.28	90.44	108.07	126.05	187.03	220.56	261.76
Free Cash Flow	3.34	-7.57	-30.86	-16.93	2.98	24.06	30.85

Valuation Ratios

P/E(x)	57.52	34.65	42.81	38.75	35.18	22.40	18.43
P/B(x)	11.66	8.80	7.37	6.31	4.26	3.61	3.04
EV/EBIDTA(x)	35.61	23.11	23.02	19.79	17.97	12.79	10.58
Div. Yield(%)	-	0.02	0.02	0.02	0.02	0.02	0.02
FCFF Yield(%)	0.42	(0.95)	(3.88)	(2.13)	0.37	3.02	3.88

Return Ratios (%)

ROE	20.27%	25.40%	17.21%	16.30%	12.10%	16.11%	16.50%
ROCE	17.99%	21.72%	15.35%	14.67%	12.66%	17.14%	18.05%

Source: Company, Dalal & Broacha Research

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