BP Wealth | STOXBOX

Result Update

Q3 FY26

Carysil Ltd.

Institutional Research

Carysil Ltd.

FMCG | Q3FY26 Result Update **06th February 2026**

Strong YoY Growth Led by Quartz Sinks; Margins Moderate QoQ

Carysil Ltd. reported a strong operating performance in Q3FY26, with consolidated revenue surging to Rs. 222.6 crores, up 9.6% YoY, driven by robust demand for quartz sinks, although revenues moderated 7.5% QoQ due to a high base. Gross profit stood at Rs. 122.1 crores (up 15.6% YoY / down 2.2% QoQ), with gross margins expanding to 54.8% in Q3FY26 from 52.0% in Q3FY25, supported by lower imported raw material costs. EBITDA rose to Rs. 42.2 crores, marking a healthy 46.5% YoY growth despite an 8.5% QoQ decline, while EBITDA margins improved sharply to 19.0% from 14.2% in the corresponding quarter last year. PAT increased to Rs. 21.2 crores (up 71.6% YoY / down 22.5% QoQ), with PAT margins expanding to 9.6% in Q3FY26 versus 6.1% in Q3FY25. Management remains focused on margin protection by prioritizing high-margin product models and accelerating the development of technologically advanced, design-led, and value-added offerings to sustain realizations. Additionally, the company extended selective discounts to key US customers to mitigate earlier tariff-related headwinds, which impacted the US business by approximately 15-20% during Q3FY26.

Valuation and Outlook

Carysil's outlook post Q3FY26 remains constructive, supported by strong volume momentum in its core quartz and stainless steel sink segments and improving demand visibility across key export markets. The normalization of US tariffs from 50% to 18% is a meaningful positive, as management has begun rolling back the incremental discounts extended in Q3FY26, which should aid realizations and drive margin recovery in the coming quarters. Gross margins are expected to remain healthy in the near term, aided by benign imported raw material (MMA) prices, which management expects to stay in the range of USD 1.5-1.6, alongside a continued focus on high-margin, technology-led and design-oriented products. Capacity expansion in quartz sinks, stainless steel sinks, built-in appliances, and faucets, scheduled to come on stream by April 2026, are likely to support incremental growth with immediate utilization given strong order visibility from key customers such as IKEA and leading US retailers. Additionally, favorable free trade agreements with the US, UK, EU, and other regions enhance export competitiveness, positioning Carysil well for sustained revenue growth and margin expansion over the medium term, despite near-term macro and geographic-specific challenges.

Key Highlights

Particulars (Rs. Crs.)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Net Sales	223	203	9.6%	241	-7.5%
Gross profit	122	106	15.6%	125	-2.2%
Gross margin (%)	54.8%	52.0%	284 bps	51.9%	297 bps
EBITDA	42	29	46.5%	46	-8.5%
OPM (%)	19.0%	14.2%	477 bps	19.2%	-21 bps
PAT	21	12	71.6%	27	-22.5%
PAT Margin	9.6%	6.1%	345 bps	11.4%	-184 bps

Source: Company, BP Equities Research

Sector Outlook	Positive

Stock

CMP (Rs.)	925
BSE code	524091
NSE Symbol	CARYSIL
Bloomberg	CARYSIL IN
Reuters	CARY.BO

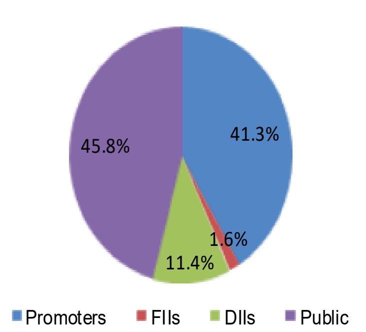
Key Data

Nifty	25,694
52 Week H/L (Rs,)	1,072/482
O/s Shares (Crs.)	3
Market Cap (Rs. Crs.)	2,675
Face Value (Rs.)	2

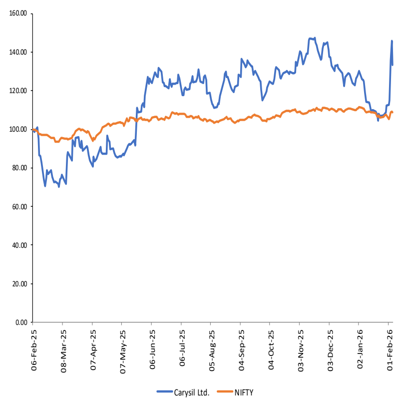
Average Volume

3 months	1,38,640
6 months	1,58,375
1 year	1,78,200

Share Holding Pattern (%)



Relative Price Chart



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Key Concall Highlights

Guidance

Management expects the overall business environment to improve, forecasting significant growth opportunities in European markets due to trade deals and anticipating further improvement in export business with ongoing capacity expansion and demand.

The company aims for at least 15-20% revenue growth, targeting Rs. 500 crores from the Indian market in the next five years, driven by online business, and expects to cross the USD 100 million mark by Q4FY26, with plans for another USD 100 million in sales for Carysil 2.0.

"Management remains confident on strong growth, targeting 15–20% revenue CAGR driven by Europe trade opportunities, export expansion, and scaling India business to ₹500 cr over five years, while aiming to cross USD 100 mn by Q4FY26 and add another USD 100 mn under Carysil 2.0."

Capacity Expansion

Quartz sink and stainless steel sink capacity expansions are expected to be operational by April 2026, with immediate utilization anticipated due to strong demand visibility and improved tariff environment.

Built-in appliance capacity is being scaled up to 1,00,000 units per annum, alongside phased expansion in faucets and other kitchen solutions.

"Sink capacities go live by April 2026 with strong utilization, while appliances scale to 1 lakh units with phased expansion in other kitchen products."

Raw Material and Cost Outlook

Management expects MMA prices to remain benign in the USD 1.5-1.6 range over the next 2-3 months, which should continue to support gross margins in the near term.

The company reiterated its margin-conscious approach, focusing on high-margin models and value-added products to sustain realizations.

Pricing, Discounts & US Tariffs

Carysil extended incremental discounts of 15-20% to key US customers in Q3FY26 to counter the elevated 50% tariff, which impacted realizations despite strong volume growth.

With the India-US bilateral tariff reduced from 50% to 18%, management plans to roll back these additional discounts with immediate effect on a pro-rata basis, aiding margin recovery.

"Temporary 15–20% discounts given in Q3FY26 to offset high US tariffs will be rolled back after tariff reduction to 18%, supporting margin recovery."

Volume Growth & Key Customers

Quartz and stainless steel sink volumes grew by 27% and 23% YoY, respectively, in Q3FY26, driven by strong domestic demand and robust OEM business.

IKEA and key US customers together contribute over 60% of overall revenues, with IKEA accounting for 70-80% of Carysil's global sink business.

Geography & Market Outlook

Management expects improved growth opportunities in Europe supported by FTAs, while the US surfaces business is projected to grow approximately 15% in the current year. The UK market remains relatively soft.

FTAs with the UK, EU, Australia, UAE, and Oman are expected to provide strong long-term momentum for export growth.

"Europe offers strong growth led by FTAs, US surfaces to grow ~15%, while UK remains soft; multiple FTAs support long-term export momentum."

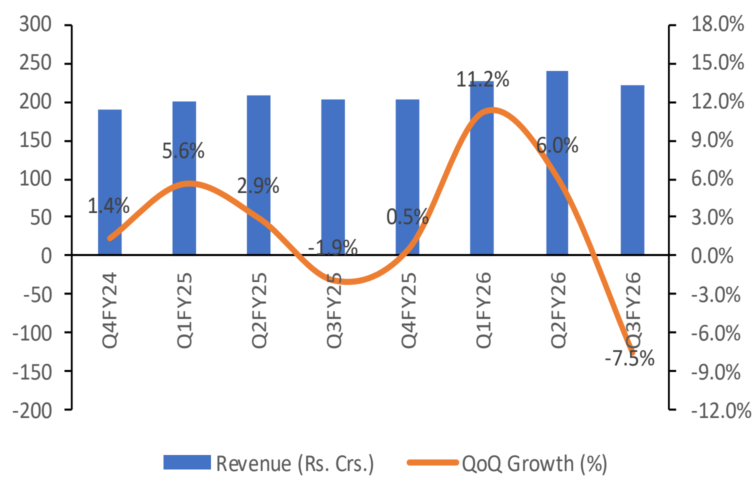
Strategic Focus

Continued emphasis on high-technology, design led, and premium products has driven gross margins in the surfaces fabrication business from 35% to over 50%.

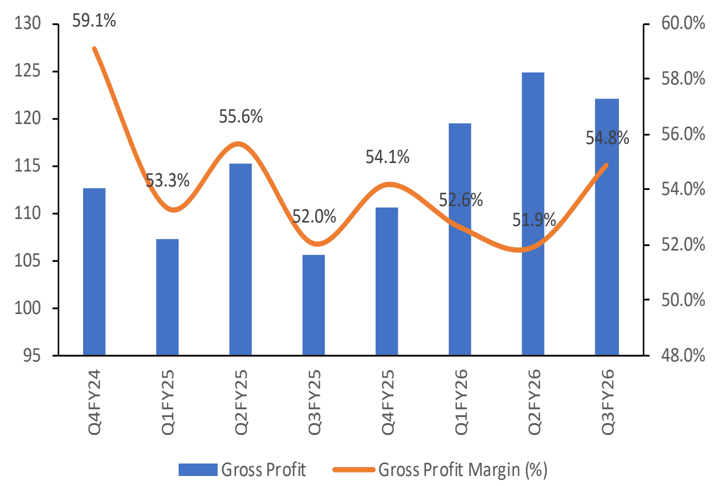
The company highlighted strong OEM traction with global and domestic brands, reinforcing its positioning as a preferred supplier.

Quarterly Snapshot

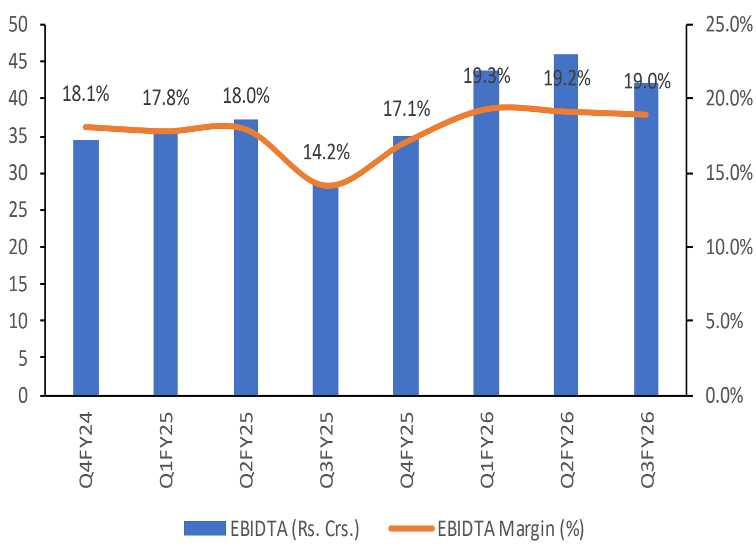
Robust revenue growth on YoY basis



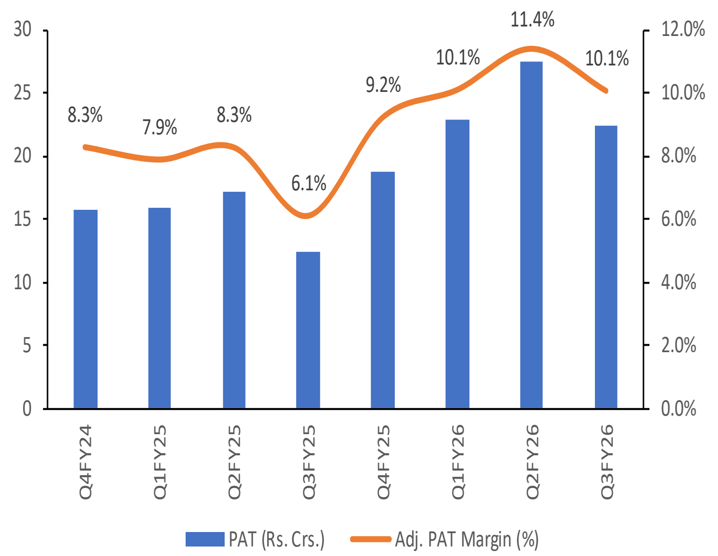
Gross margin improved supported by low raw material price



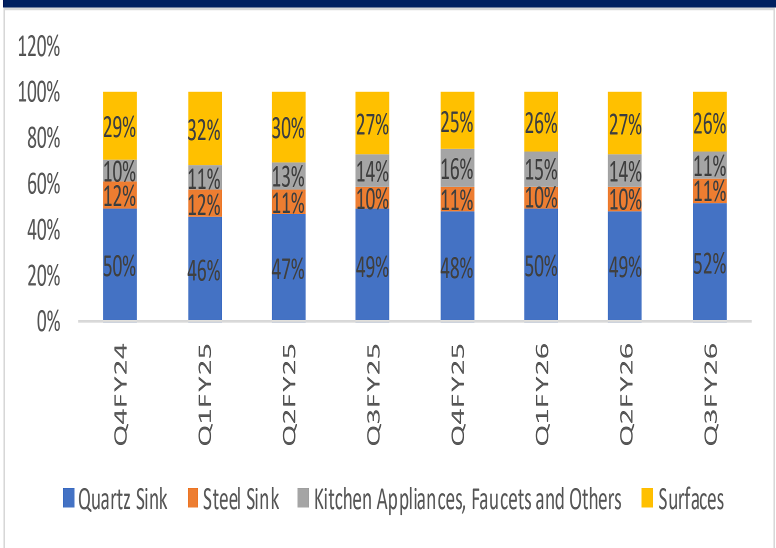
Improved cost discipline resulted in higher EBIDTA margins YoY



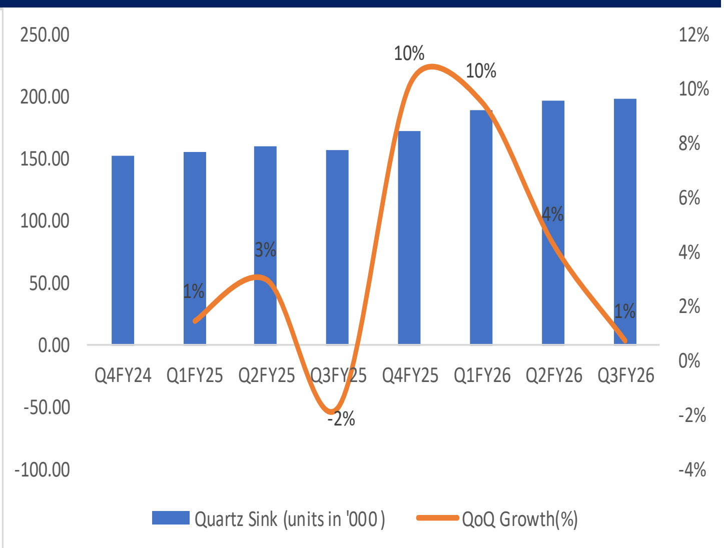
PAT margin improved supported by high demand



Segment wise revenue split



Quartz sink units produced (in '000)



Source: Company, BP Equities

Key Financials						
YE March (Rs. Crs.)	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Revenue	**594**	**684**	**816**	**961**	**1,128**	**1,337**
Revenue Growth (Y-oY)	*22.7%*	*15.1%*	*19.3%*	*17.9%*	*17.4%*	*18.6%*
EBITDA	**110**	**131**	**140**	**180**	**217**	**258**
EBIT Growth (Y-o-Y)	*4.6%*	*19.4%*	*7.0%*	*28.7%*	*20.5%*	*18.8%*
Net Profit	**52**	**58**	**64**	**98**	**123**	**151**
Net Profit Growth (Y-o-Y)	*(19.1%)*	*10.4%*	*10.1%*	*54.1%*	*25.6%*	*22.4%*
Diluted EPS	**18.5**	**20.4**	**22.4**	**34.6**	**43.5**	**53.2**
Diluted EPS Growth (Y-o-Y)	*(19.1%)*	*10.4%*	*10.1%*	*54.1%*	*25.6%*	*22.4%*
Profitability Ratios						
EBITDA (%)	**18.4%**	**19.1%**	**17.2%**	**18.7%**	**19.2%**	**19.3%**
NPM (%)	8.8%	8.5%	7.8%	10.2%	10.9%	11.3%
ROE (%)	**17.1%**	**16.2%**	**12.0%**	**15.7%**	**16.6%**	**17.0%**
ROCE (%)	21.0%	20.4%	16.6%	22.2%	23.9%	22.1%
Valuation Ratios						
P/E (x)	**50.1x**	**45.4x**	**41.2x**	**26.7x**	**21.3x**	**17.4x**
EV/EBITDA	24.8x	21.0x	19.4x	14.9x	12.3x	10.3x
P/BV (x)	**8.6x**	**7.3x**	**4.9x**	**4.2x**	**3.5x**	**3.0x**
Market Cap. / Sales (x)	4.4x	3.8x	3.2x	2.7x	2.3x	2.0x

Source: Company, BP Equities

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Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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