Result Update

Q4 FY26

Carysil Ltd.

Institutional Research

Carysil Ltd.

FMCG | Q4FY26 Result Update **22nd May 2026**

Strong Margin Expansion Driven by Capacity Scale-Up and Global Market Share Gains

Carysil Ltd. reported a strong operating performance in Q4FY26, with consolidated revenue rising to Rs. 233.7 crores, up 14.5% YoY and up 5.0% QoQ, driven by healthy growth across quartz sinks, steel sinks, appliances and surfaces businesses. Gross profit stood at Rs. 129.3 crores (up 16.9% YoY / up 5.9% QoQ), while gross margins improved to 55.3% in Q4FY26 from 54.1% in Q4FY25, supported by a favourable product mix and operational efficiencies. EBITDA increased sharply to Rs. 45.0 crores, registering robust growth of 28.9% YoY and 6.8% QoQ, with EBITDA margins expanding to 19.3% from 17.1% in Q4FY25. PAT after minority interest rose to Rs. 27.1 crores (up 45.2% YoY / up 28.6% QoQ), while PAT margins improved to 11.7% versus 9.2% in the corresponding quarter last year. During FY26, the company continued to strengthen its operating platform through capacity additions, expansion in appliances and faucet manufacturing, and deeper penetration across global markets. Management highlighted strong traction from strategic partnerships including IKEA and Karran USA, alongside improving demand visibility across export markets.

Valuation and Outlook

Carysil's outlook post Q4FY26 remains constructive, supported by strong demand visibility across export markets, continued market share gains in Europe and the UK, and aggressive capacity expansion plans across key product categories. Management has maintained its revenue growth guidance of 15-20% along with EBITDA margin guidance of 18-20%, despite geopolitical uncertainties, freight disruptions, and raw material inflation. The company continues to benefit from its strong positioning as one of the lowest-cost premium quartz and stainless steel sink manufacturers globally, enabling effective cost pass-through and sustained margin expansion. Incremental quartz sink capacity of 2,50,000 units, taking total capacity to 1.25 million units annually, along with stainless steel capacity expansion from 1,80,000 units to 2,50,000 units, is expected to support future growth and operating leverage. Additionally, Carysil's expanding product portfolio across appliances, faucets, and integrated kitchen solutions, coupled with strengthening relationships with global OEM partners such as IKEA, Lowe's, Home Depot, Kohler, Hafele, and Grohe, positions the company well for sustained long-term growth. The company's focus on AI-led operational efficiencies, premiumization, digital expansion, and increasing domestic penetration further strengthens its medium-term growth outlook.

Key Highlights

Particulars (Rs. Crs.)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
Net Sales	**234**	**204**	**14.5%**	**223**	**5.0%**
Gross profit	129	111	16.9%	122	5.9%
Gross margin (%)	**55.3%**	**54.1%**	**117 bps**	**54.8%**	**47 bps**
EBITDA	45	35	28.9%	42	6.8%
OPM (%)	**19.3%**	**17.1%**	**216 bps**	**19.0%**	**32 bps**
PAT	27	19	45.2%	21	28.6%
PAT Margin	**11.7%**	**9.2%**	**248 bps**	**9.6%**	**214 bps**

Source: Company, BP Equities Research

Sector Outlook	Positive

Stock

CMP (Rs.)	1,052
BSE code	524091
NSE Symbol	CARYSIL
Bloomberg	CARYSIL IN
Reuters	CARY.BO

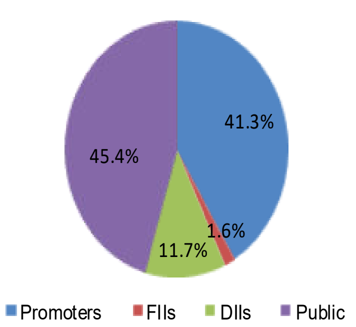
Key Data

Nifty	23,655
52 Week H/L (Rs,)	1,074/693
O/s Shares (Crs.)	3
Market Cap (Rs. Crs.)	2,989
Face Value (Rs.)	2

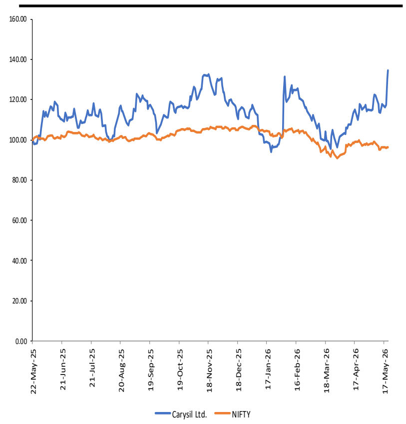
Average Volume

3 months	1,20,191
6 months	1,10,293
1 year	1,51,863

Share Holding Pattern (%)



Relative Price Chart



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Key Concall Highlights

Management's Guidance

Management maintains its revenue growth guidance of 15% to 20% and an EBITDA margin guidance of 18% to 20%, acknowledging geopolitical uncertainties.

The company targets Rs. 500 crores in India sales within five years, requiring a 30% to 40% year-on-year growth rate.

CapEx for the current fiscal year is planned at Rs. 70 crores to Rs. 75 crores, with future CapEx to be reviewed in Q2FY27.

Incremental quartz capacity of 2,50,000 units, increasing total capacity to 1.25 million units, is expected to be operational by Q4FY27, with full utilization anticipated within a year.

Stainless steel manufacturing capacity increased from 1,80,000 to 2,50,000 units per year, with the new capacity expected to mature within 90 days.

"Management maintained 15-20% revenue growth and 18–20% EBITDA margin guidance while targeting Rs. 500 crores India sales within 5 years through aggressive capacity expansion."

Margin Story

The improvement in profitability was driven by healthy operating leverage, an improved product mix, higher contribution from value-added products, and a continued focus on operational efficiency.

Management noted that differential positioning and customer relationships enabled effective cost pass-through, contributing to healthy margin expansion during the year.

The company maintains its guidance for 18% to 20% margins, acknowledging geopolitical adversities, but sees potential for margin expansion if the situation normalizes.

India's gross margins are comparable to or better than exports in some product categories due to new value-added products, though net profit is lower due to higher marketing costs.

"Margins improved due to operating leverage, premium product mix, value-added products, and strong cost pass-through capabilities."

AI Strategy

Carysil is investing in AI and digital capabilities as part of its "Carysil 2.0" strategy to build the future kitchen hub in India.

Inventory

Raw material (MMF) prices increased by 30-35%, with a 25-30% rise in the last two months of the quarter, but these costs have largely been passed on to customers.

Operational stability was maintained across all facilities in FY26 despite inflationary pressures on gas, electricity, and raw materials.

The company is experiencing freight disruptions and delays in obtaining containers and ships, impacting product delivery to customers.

Gas supply, a critical input for production, is currently 100% available after temporary unavailability for a few weeks.

"Sharp raw material inflation and freight disruptions persisted during FY26, though most cost increases were successfully passed on to customers."

Material Costs

In FY26, Carysil faced industry-wide inflationary pressure on raw materials but effectively passed on costs, contributing to healthy margin expansion.

MMF prices are currently rising, having increased by approximately 30% to 35% overall, with a 25% to 30% increase in the last two months.

Management has largely been able to pass on these MMF price increases to customers.

The company is achieving breakthroughs in technology advancements for quartz and stainless steel, which will significantly reduce manufacturing costs and improve sales prices.

"Technological advancements in quartz and stainless steel manufacturing are expected to lower production costs and improve realizations."

Competition

Carysil aims to be a world-class Indian manufacturing company capable of global competition, built on hard work, integrity, resilience, and long-term thinking.

In the UK market, Carysil is increasing its market share despite challenging conditions, leveraging its low-cost model and new customer acquisitions.

In Europe, Carysil is gaining market share from competitors, particularly among large kitchen manufacturers and retail stores.

Carysil maintains a strong competitive position due to its technology, quality, and price positioning as one of the lowest-cost producers in the premium granite and stainless steel categories.

"Carysil continues gaining market share globally due to its low-cost manufacturing model, product quality, and strong pricing competitiveness."

Market Share

In the UK market, the company is increasing its market share despite challenging conditions.

In Europe, the company is gaining market share from competition, particularly from large kitchen manufacturers and retail stores.

For the Indian market, the company aims for substantial market share gains to achieve its Rs. 500 crores sales target within five years.

Visibility and penetration into large OEM customers continue to improve, enhancing trust and long-term relationships.

"The company is steadily increasing market share across the UK, Europe, and India through deeper OEM penetration and retail expansion."

Strategic Partnerships

Management is expanding through OEM partnerships, alliances, and strategic collaborations, aiming for diversified growth.

Key global customers and OEM partners include Lowe's, IKEA, Home Depot, Kohler, Hafele, and Grohe.

The company is strengthening its India business by targeting top architects and builder institutions through a dedicated B2B vertical.

Digital partnerships include a major distribution agreement with India's largest e-commerce marketplace, with expectations of 2x–3x sales growth.

"Strong global partnerships with IKEA, Lowe's, Home Depot, Kohler, Hafele, and Grohe continue to drive long-term growth visibility."

Capital Allocation

For FY26, the company incurred total CapEx of Rs. 68 crores for plant and machinery, automation, mold development, and infrastructure investments.

FY27 CapEx is expected at Rs. 70-75 crores.

Management will review FY28 CapEx plans during Q2FY27.

Appliance manufacturing Phase-1 CapEx is estimated at Rs. 30-40 crores.

"FY27 CapEx of Rs. 70–75 crores will focus on capacity expansion, automation, and appliance manufacturing scale-up."

Macro Environment

FY26 was marked by geopolitical uncertainties, trade volatility, inflationary pressures, and tariff disruptions.

Consumer demand remained resilient across export markets with improving domestic traction for quartz sinks and strong OEM demand for stainless steel sinks.

Demand visibility improved in key international markets including the US, Europe, and Middle-East.

"Despite geopolitical uncertainties, inflation, and tariff disruptions, export demand and global growth visibility remain resilient."

Supply Chain

India is emerging as a credible global supply chain alternative supported by policy reforms, infrastructure development, and the "Make in India" initiative.

FTAs with the UK, Europe, Australia, and New Zealand are expected to support export growth.

Despite trade disruptions and shipping delays, management indicated the company is managing external challenges effectively.

"India's improving FTAs and manufacturing ecosystem are strengthening its position as a credible global supply chain alternative."

Pricing

Effective cost pass-through supported healthy margin expansion during FY26.

New products such as kitchen hoods and faucets are expected to achieve gross margins of approximately 50-60%.

The company continues to focus on technology advancements aimed at reducing manufacturing costs and improving realizations.

"Effective cost pass-through and premium product launches supported healthy profitability and strong margin expansion."

Product Development

Carysil is transitioning into an integrated kitchen and bathroom solutions company, expanding beyond quartz sinks.

Incremental quartz sink capacity of 2,50,000 units is expected by Q4FY27.

Stainless steel sink capacity increased from 1,80,000 to 2,50,000 units annually, supported by strong OEM demand and exports.

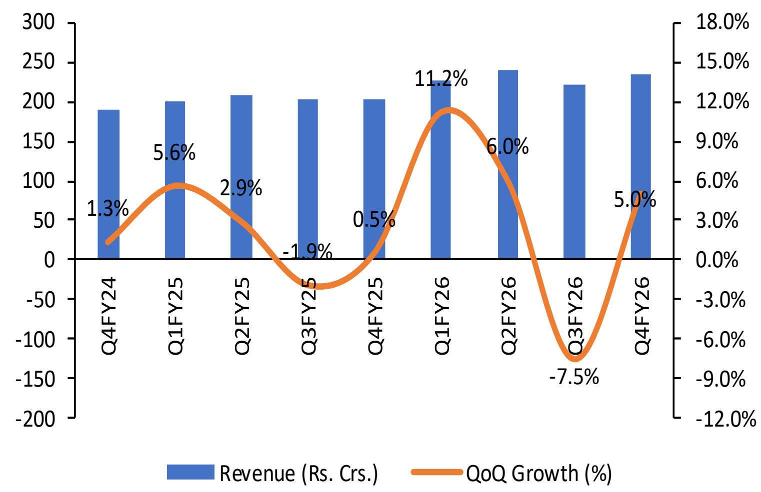
Built-in appliances commenced pilot manufacturing of hoods and hobs, while Phase-2 will include ovens and food waste disposal systems.

The faucet business launched stainless steel and brass faucets, powder-coated solutions, and RO water solutions with encouraging customer response.

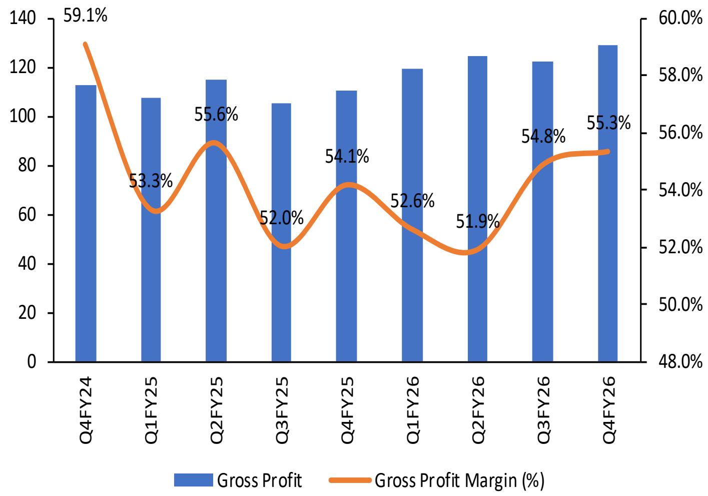
"Carysil is evolving into an integrated kitchen and bathroom solutions company with strong expansion across appliances, faucets, and premium kitchen products."

Quarterly Snapshot

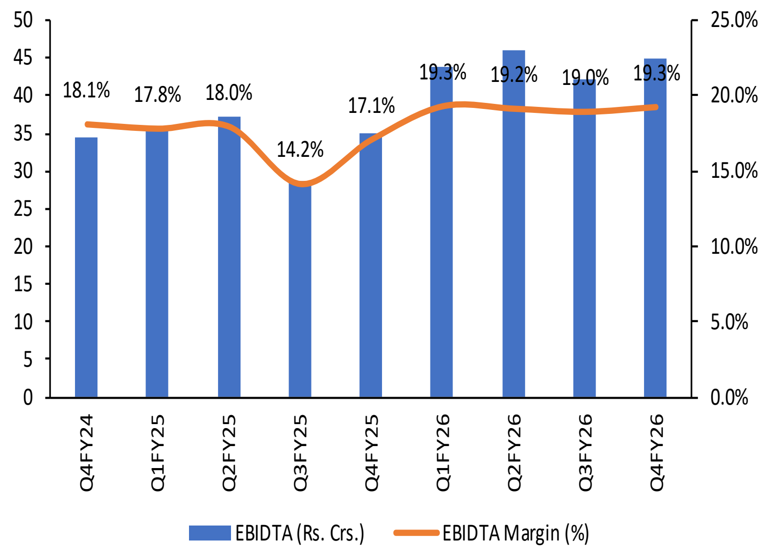
Robust revenue growth on YoY basis



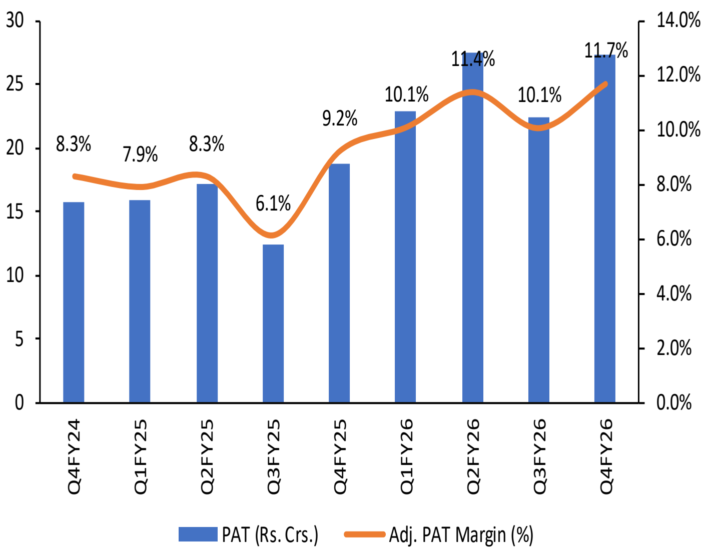
Gross margin improved supported by favourable product mix



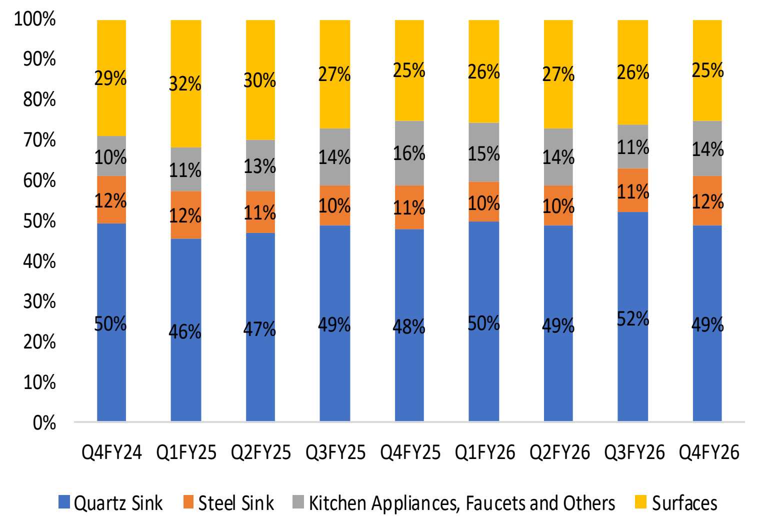
Improved cost discipline resulted in higher EBIDTA margins YoY



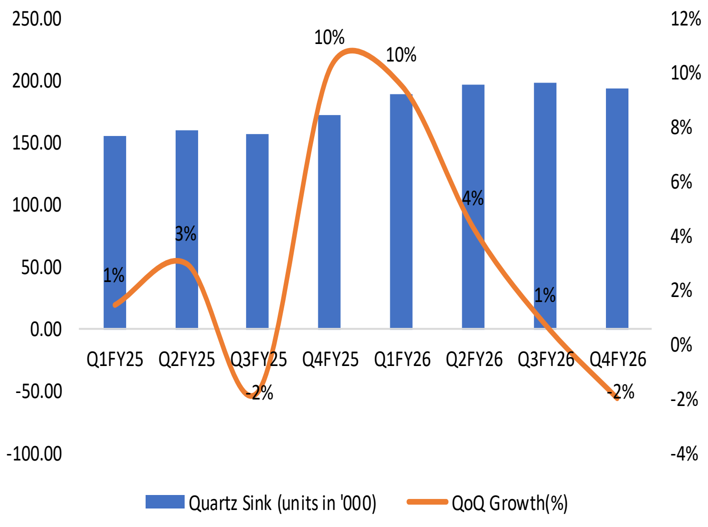
PAT margin improved supported by high demand



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**	**924**	**1,110**	**1,277**
Revenue Growth (Y-oY)	*22.7%*	*15.1%*	*19.3%*	*13.3%*	*20.1%*	*15.0%*
EBITDA	**110**	**131**	**140**	**176**	**213**	**248**
EBIT Growth (Y-o-Y)	*4.6%*	*19.4%*	*7.0%*	*25.8%*	*20.8%*	*16.6%*
Net Profit	**52**	**58**	**64**	**99**	**118**	**142**
Net Profit Growth (Y-o-Y)	*(19.1%)*	*10.4%*	*10.1%*	*55.3%*	*19.4%*	*20.5%*
Diluted EPS	**18.5**	**20.4**	**22.4**	**34.8**	**41.6**	**50.1**
Diluted EPS Growth (Y-o-Y)	*(19.1%)*	*10.4%*	*10.1%*	*55.3%*	*19.4%*	*20.5%*
Profitability Ratios						
EBITDA (%)	**18.4%**	**19.1%**	**17.2%**	**19.1%**	**19.2%**	**19.4%**
NPM (%)	8.8%	8.5%	7.8%	10.7%	10.7%	11.2%
ROE (%)	**17.1%**	**16.2%**	**12.0%**	**16.1%**	**16.3%**	**16.6%**
ROCE (%)	21.6%	20.8%	16.8%	20.6%	22.6%	22.3%
Valuation Ratios						
P/E (x)	**57.0x**	**51.6x**	**46.9x**	**30.2x**	**25.3x**	**21.0x**
EV/EBITDA	28.0x	23.7x	21.9x	17.2x	14.2x	12.1x
P/BV (x)	**9.7x**	**8.3x**	**5.6x**	**4.9x**	**4.1x**	**3.5x**
Market Cap. / Sales (x)	5.0x	4.4x	3.7x	3.2x	2.7x	2.3x

Source: Company, BP Equities

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