

CARYSIL

German Engineered

VIEWPOINT

Result Update - Q3FY2026

SECTOR

Building Materials

COMPANY DETAILS

| | |
|-------------------------------|---------------|
| Market cap: | Rs. 2,629 cr |
| 52-week high/low: | Rs. 1,071/487 |
| NSE volume: (No of shares) | 1.5 lakh |
| BSE code: | 524091 |
| NSE code: | CARYSIL |
| Free float: (No of shares) | 1.7 cr |

Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

| | |
|-----------|------|
| Promoters | 41.3 |
| FII | 1.6 |
| DII | 11.3 |
| Others | 45.8 |

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

| (%) | 1m | 3m | 6m | 12m |
|--------------------|-----|------|------|------|
| Absolute | 5.3 | -5.7 | 15.9 | 25.5 |
| Relative to Sensex | 6.9 | -5.7 | 11.7 | 18.6 |

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **Positive**

CMP: **Rs. 925**

Price Target: **Rs. 1,206**

Quick Snapshot

- Consolidated net revenues rose 9.6% y-o-y to Rs. 223 crore. Operating profit rose 46.5% y-o-y to Rs. 42.2 crore, while adjusted net profit increased 68.6% y-o-y to Rs. 21 crore.
- Quartz sink realisations fell 8.8% y-o-y on temporary discounts offered to offset tariff impact. Following the tariff reduction from 50% to 18%, these discounts have now been rolled back on a pro-rata basis.
- EU trade agreement and US tariff cuts create significant growth opportunities and enhance export competitiveness.
- Stock trades at 30.0x/21.3x/15.9x FY26/FY27/FY28 EPS. We remain positive on the stock and maintain out PT at Rs. 1,206.

Result overview

- Quartz sinks' revenue grew 15.5% y-o-y, with volumes up 26.6% y-o-y. Stainless steel sinks' revenue and volumes increased 26.9% y-o-y and 22.5% y-o-y, respectively. Appliance revenue fell 15.8% y-o-y, although volumes increased 24% y-o-y.
- A fall in quartz sink realization was due to 15–20% discounting to offset tariff impact. With tariffs now slashed, prices have been restored. Additionally, the EU trade agreement is expected to open further growth opportunities.
- Additional capacity of 1 lakh quartz sink units is expected to become operational in Q1FY27. Stainless steel sink additional capacity of 70,000 units also expected by Q1FY27.
- Domestic business continues to perform well, supported by OEM partnerships with players such as Kohler and Hafele. Management sees strong potential in the online segment and targets Rs. 500 crore India revenue over the next five years.
- Gross debt has reduced from Rs. 253 crore to Rs. 228 crore.
- Export demand across the US, Europe, and other regions continues to grow. The UK remains soft due to macro challenges, although business fundamentals remain intact. Growth opportunities are emerging in Gulf countries, along with expansion into Australia, New Zealand, Canada, and South Africa.
- Management continues to target an annual revenue growth run-rate of 15–20%.

Our Call

Carysil is well positioned for strong growth, supported by robust export momentum, key partnerships with IKEA and Lowe's (via Karran), and rising demand for stainless-steel sinks. Domestic revenue is set to double, driven by focus on the mid-to-premium segment. We estimate a 38% consolidated earnings CAGR over FY25–28E, with valuations at 30.0x/21.3x/15.9x FY26–28E EPS offering upside potential. We retain a Positive view on the stock with an unchanged PT of Rs. 1,206.

Key Risks

Slowdown in demand, rise in interest rates and forex fluctuations.

Valuation

| Particulars | Rs cr | | | | |
|--------------------|-------|-------|-------|---------|---------|
| | FY24 | FY25 | FY26E | FY27E | FY28E |
| Revenue | 683.8 | 815.6 | 937.9 | 1,106.8 | 1,306.0 |
| OPM (%) | 18.8 | 16.8 | 18.8 | 19.5 | 20.1 |
| Adjusted PAT | 57.9 | 64.3 | 89.1 | 125.5 | 167.6 |
| y-o-y growth (%) | 10.4 | 11.1 | 38.5 | 40.8 | 33.5 |
| Adjusted EPS (Rs.) | 21.6 | 22.6 | 31.4 | 44.2 | 59.0 |
| P/E (x) | 43.6 | 41.6 | 30.0 | 21.3 | 15.9 |
| P/B (x) | 7.0 | 5.0 | 4.3 | 3.6 | 2.9 |
| EV/EBITDA (x) | 21.2 | 19.9 | 15.5 | 12.6 | 10.4 |
| RoNW (%) | 17.6 | 14.6 | 15.7 | 18.7 | 20.5 |
| RoCE (%) | 12.5 | 11.3 | 12.7 | 15.0 | 16.8 |

Source: Company; Mirae Asset Sharekhan estimates

Concall highlights

- Carysil sees strong opportunities in global markets and domestic OEM demand. Accordingly, it has acquired land adjacent to the factory and planned capex to enhance manufacturing capacity.
- **Built-in appliances:** Phase-1 chimney manufacturing (50,000 units p.a.) is operational; Phase-2 covering hobs, ovens, microwaves and food waste disposers is under implementation and expected to be operational in FY27, taking total capacity to 100,000 units per annum.
- **Faucets:** The company has started assembly-cum-manufacturing of kitchen faucets with an initial capacity of 50,000 units, expanding to 100,000 units annually. Stainless steel faucets are fully lead-free and compliant with US and EU standards. Orders have begun flowing from global bathroom and kitchen brands. The portfolio includes stainless steel and brass chrome faucets.
- **UK:** The market remains soft due to economic challenges, though fundamentals remain strong. To strengthen brand presence, Carysil is launching branded sinks and appliances through experience centres, including an exclusive showroom in Manchester.
- **Emerging market expansion:** Following success in the Middle East, Carysil opened a second experience centre in Muscat and plans additional centres in Sharjah and other locations. The company continues expanding across Qatar, Saudi Arabia, Bahrain, Romania, Morocco, Egypt, and Bulgaria, while strengthening presence in Australia, New Zealand, Canada, and South Africa.
- **Appliances business:** Sales of appliances manufactured and traded in India are currently 100% domestic. In UAE and Gulf markets, appliances account for 80–90% of sales mix, with revenue expected to reach ~Rs. 40 crore next year.
- **Surfaces business:** The company has shifted focus toward higher-value exotic stone cutting, improving gross margins from 35% to ~50%. It is also undertaking complex surface fabrication for bathrooms and other applications to further enhance margins. Demand in the UK remains slow, while US surfaces business is expected to grow around 15% this year.
- **Margins:** Gross margin improvement was primarily driven by lower raw material prices, with MMA prices declining from about \$2.2 in April to \$1.5 in December.
- **Geography wise revenue mix:** UK – 33%, US – 24%, India – 20%, Europe – 16% and ROW – 7.0%.

Results

| Particulars | Rs cr | | | | |
|--------------------------|--------------|--------------|-------------|--------------|--------------|
| | Q3FY26 | Q3FY25 | Y-o-Y % | Q2FY26 | Q-o-Q % |
| Net sales | 222.6 | 203.1 | 9.6 | 240.7 | -7.5 |
| other income | 2.6 | 4.3 | -39.4 | 4.6 | -43.6 |
| Total income | 225.2 | 207.4 | 8.6 | 245.3 | -8.2 |
| Total expenses | 180.4 | 174.3 | 3.5 | 194.6 | -7.3 |
| Operating profit | 42.2 | 28.8 | 46.5 | 46.1 | -8.5 |
| Depreciation | 9.5 | 9.2 | 3.5 | 9.5 | -0.2 |
| Interest | 4.7 | 5.8 | -17.7 | 4.9 | -2.5 |
| Profit Before Tax | 29.4 | 18.2 | 62.0 | 36.3 | -19.1 |
| Taxes | 8.1 | 5.6 | 44.8 | 8.9 | -8.7 |
| PAT | 21.3 | 12.5 | 69.7 | 27.4 | -22.5 |
| Exceptional items | 0.0 | 0.0 | NA | 0.0 | NA |
| Minority Interest | 0.2 | 0.0 | NA | 0.2 | -21.7 |
| Adj PAT | 21.1 | 12.5 | 68.6 | 27.2 | -22.5 |
| EPS | 7.4 | 4.4 | 68.6 | 9.6 | -22.5 |
| | | | BPS | | BPS |
| OPM(%) | 19.0 | 14.2 | 477 | 19.2 | -21 |
| NPM(%) | 9.6 | 6.2 | 338 | 11.4 | -184 |
| Tax rate (%) | 27.7 | 31.0 | -328 | 24.5 | 314 |

Source: Company; Mirae Asset Sharekhan Research

Additional Data
Top 10 shareholders

| Sr. No. | Holder Name | Holding (%) |
|---------|------------------------------------|-------------|
| 1 | Parekh Chirag Ashwin | 30.35 |
| 2 | Abakkus Emerging Opportunities Fun | 5.34 |
| 3 | Acrycol Minerals Ltd | 4.86 |
| 4 | Parekh Jatin Ramniklal | 4.06 |
| 5 | Kacholia Ashish | 3.52 |
| 6 | DSP Finance Pvt Ltd | 3.52 |
| 7 | Parekh Shetal Chirag | 1.93 |
| 8 | INVESTOR EDUCATION & PROTECTN FD | 1.70 |
| 9 | Ohana India Growth Fund | 1.10 |
| 10 | Dimensional Fund Advisors LP | 0.41 |

Source: Bloomberg

Key management personnel

| Name | Designation |
|------------------|--------------------------------|
| Chirag A. Parekh | Chairman and Managing Director |
| Marcus Smyth | CEO : UK Operations |
| Anand Sharma | CFO and COO |

Source: Company Website

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