Carysil Limited (ACRIN)

CMP: ₹1195 | Target ₹ 1410 (18%) | Target Period: 12 months | BUY

August 12, 2026

Result Update

Healthy Quarter!

About the stock: Carysil stands as a global leader in kitchen solutions, specializing in premium quartz and stainless-steel sinks, faucets, and built-in appliances. Headquartered in India, with subsidiaries in the UK, Germany, and the UAE, Carysil's reach extends to over 58 countries.

- With the ramp up of its new capacities, Carysil has guided for a 15-20% topline growth in medium term.

Q1FY27 performance: Carysil Limited reported its Q1FY27 results with consolidated revenue at ₹262.1 crore, 15.5% YoY. The Quartz sink segment revenues grew 18.7% YoY at ₹ 134 crore while Stainless-Steel sink segment revenues grew 44.1% YoY at ₹ 32 crore. Kitchen Appliances and Surfaces segment revenues at ₹ 31 crore and ₹ 66 crore, were down 7.9% and up 12.3% YoY, respectively. EBITDA came in at ₹56 crore with a margin of 21.2%, up 175 bps, given the operating leverage. PAT stood at ₹32.1 crore, up 39.9% YoY.

Investment Rationale:

- **Revenues to grow at CAGR of 16.3% over FY26-28E:** The **domestic sales grew 39.8% YoY at ₹56 crore, while exports at ₹111 crore was up 10.6% YoY**. Management has maintained its FY27 full-year revenue growth guidance of ~15% YoY, targeting a 15-20% CAGR over the next five years to achieve its next ₹1,000 crore revenue milestone. Despite macroeconomic headwinds in select international markets and near-term container availability issues, **management expressed strong confidence in full-year delivery, backed by record export order logs, domestic expansion, and planned capacity additions across product verticals. Profitability guidance was maintained at an 18-20% EBITDA margin, with execution tracking toward the upper end. With this, we bake in consolidated revenue growth at a CAGR of 16.3% for FY27 and FY28 with margins at 20% and 20.3% respectively.**
- **Capex on schedule to address high demand:** Management has **outlined a total capital expenditure outlay of ₹80-90 crore for FY27 to remove capacity bottlenecks and support its target of next ₹1,000 crore in revenues**. The **core allocation of ₹40-50 crore is allocated toward primary manufacturing expansion across four key verticals: adding 250,000 quartz sinks (to 1.25M units p.a.), 150,000 stainless steel sinks, doubling faucet capacity to 100,000 units p.a., and doubling built-in appliance capacity to 100,000 units p.a., all targeted for completion by March 2027**. For Quartz sinks, the ongoing capacity expansion project to add 250,000 units p.a. (taking total capacity to 1.25 million units p.a.) remains fully on schedule for commissioning by the end of FY27

Rating and Target Price: We maintain BUY rating for Carysil with a revised price target of Rs.1410 valuing it at 27x its FY28E EPS.

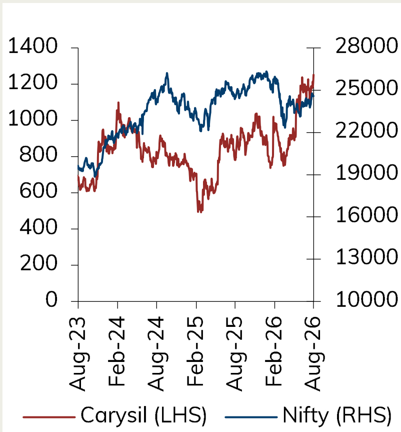
Particulars

(₹ Crore)	Amount
Market Capitalization	3,403
Debt (FY26)	270
Cash (FY26)	59
EV	3,614
52-week H/L (₹)	1281 / 732
Equity Capital	5.7
Face Value (₹)	2

Shareholding pattern

	Sep-25	Dec-25	Mar-26	Jun-26
Promoters	41.3	41.3	41.3	41.3
FII	1.6	1.6	1.6	1.6
DII	11.4	11.7	11.9	11.9
Other	45.8	45.3	45.1	45.1

Price Chart



Key risks

(i) Volatility in crude derived raw material prices specifically MMA

(ii) Delay in completion of new capacity expansion plan

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ICICI Securities – Retail Equity Research

Key Financial Summary

(₹ Crore)	FY24	FY25	FY26	5-year CAGR (FY21-26)	FY27E	FY28E	2-year CAGR FY26-28E)
Operating Revenues	684	816	924	24.4%	1,059	1,251	16.3%
EBITDA	129	137	177	21.9%	212	254	19.7%
EBITDA Margin (%)	18.8	16.8	19.2		20.0	20.3	
PAT	58	64	98	20.2%	119	146	22.0%
EPS (₹)	21.6	22.8	35.1		42.4	52.2	
P/E (x)	54.6	51.9	33.7		27.8	22.6	
RoCE (%)	14.9	13.6	16.6		17.4	18.7	
RoNW (%)	16.2	12.0	16.0		16.4	16.9	

Source: Company, ICICI Direct Research

Q1FY27 – Key Performance highlights

- **Management Guidance:** Management has **maintained its FY27 revenue growth guidance of ~15% YoY, targeting a 15–20% CAGR over the next five years to achieve its intent of additional ₹1,000 crore revenue milestone**. **Profitability guidance remains at 18-20% EBITDA margin, with execution tracking toward the upper end (Q1 FY27 EBITDA margin reached 21.2%)**. Despite macroeconomic headwinds in select international markets and near-term container availability issues, management expressed strong confidence in full-year delivery, backed by record export order logs, domestic expansion, and planned capacity additions across product verticals.

- **Quartz sink segment:** The Quartz sink segment revenues, representing 51% of total consolidated product revenues, grew 18.7% YoY at ₹ 134 crore. Sales volume increased by 6.3% YoY to 201.5k units, supported by healthy demand across key OEM partners like IKEA, GROHE, and Karran USA. Capacity utilization improved significantly to 80% during the quarter. **As per the management, the ongoing capacity expansion project to add 250,000 units p.a. (taking total capacity to 1.25 million units p.a.) remains fully on schedule for commissioning by the end of FY27.**

- **Steel sink segment:** The Stainless-Steel sink segment revenues, forming 11% of consolidated product revenues, grew 44.1% YoY at ₹ 32 crore. Volumes expanded by 16.3% YoY to reach 49.4k units, Capacity utilization stood at 94% during the quarter. **Mid-way through the quarter, Carysil commissioned an additional 70,000 units p.a. capacity, taking total installed steel sink capacity to 250,000 units p.a. To overcome capacity bottlenecks, management announced a second phase of expansion to add another 150,000 units p.a. by March 2027**.

- **Kitchen appliances and faucets segment:** Kitchen Appliances and Faucets segment revenues at ₹ 31 crore were down 7.9% and up 12.3% YoY, possibly the product mix led. The Kitchen Appliances and Faucets segment Faucet volumes grew 43.4% YoY to 12.5k units (vs. 8.7k units in Q1 FY26), while kitchen appliances volumes rose 12.1% YoY to 9.8k units (vs. 8.8k units in Q1 FY26). Built-in appliances have witnessed strong demand in GCC markets (UAE/Oman), where built-in products account for 80% of segment sales and built-in refrigerators comprise over 40%. The initial domestic rollout of built-in refrigerators in India was completely sold out, validating long-term premiumization trends. In-house manufacturing intensity stands high at 63% for finished appliances.

- **Surfaces segment:** The Surfaces segment revenues at ₹ 66 crore, were up 12.3% YoY. Quartz Surfaces segment accounted for 25% of consolidated revenues in Q1 FY27, driven primarily by international subsidiaries including Carysil Surfaces Limited in the UK (£3.4 million revenue vs. £3.2 million in Q1 FY26) and United Granite LLC in the US ($2.8 million revenue). While the domestic commercial launch in India has not yet commenced, management is building a highly differentiated, technology-led market positioning centered on automated CNC fabrication technology which is on track for completion by March 2027. Simultaneously, retail distribution is ramping up with the launch of the brand's experience centers and a planned rollout of the first 10 flagship surface brand stores across India by the end of FY27.

- **Domestic market focus:** The Indian domestic market continues to serve as Carysil's primary growth engine, expanding 39.8% YoY to reach ₹56 crore in Q1 FY27 compared to ₹40 crore in Q1 FY26. This performance increased India's revenue contribution to 33% of consolidated sales, up from 28% in the prior-year period. **Growth was fuelled by a robust 25% YoY increase in sales volume alongside a 12% improvement in price realization**, underscoring strong pricing power and brand premiumization. Retail distribution expansion is progressing rapidly, with plans to add 30 to 50 new galleries to its network of over 5,000 dealers and 150+ galleries. Furthermore, company-owned experience centers in key urban hubs like Gurugram, Pune, Indore, and Ahmedabad are accelerating brand visibility. In the B2B project segment, which accounts for ~20% of domestic revenue, management maintains a selective, high-margin stance, catering specifically to tier-1 luxury real estate developers such as DLF in Delhi NCR.

- **International market update:** International markets accounted for 67% of total consolidated revenue in Q1 FY27, generating ₹111 crore (+10.6% YoY). Management reported achieving its highest-ever export order booking position, anchored by expanded channel partnerships with major global retail platforms such as Home Depot and Amazon, driving OEM facility utilization to ~90% in June. The primary operational hurdle for international sales was supplying chain logistics, where global container shortages and shipping delays delayed dispatches by 1-2 weeks. However, underlying order backlog and global inventory demand remain historically strong across key export corridors.

- **Capex:** Management has **outlined a total capital expenditure outlay of ₹80-90 crore for FY27 to remove capacity bottlenecks and support its target of next ₹1,000 crore in revenues**. The core allocation of **₹40-50 crore is allocated toward primary manufacturing expansion across four key verticals: adding 250,000 quartz sinks (to 1.25M units p.a.), 150,000 stainless steel sinks, doubling faucet capacity to 100,000 units p.a., and doubling built-in appliance capacity to 100,000 units p.a., all targeted for completion by March 2027**, while another ~**₹20 crore will be deployed toward ancillary operational enhancements and technology upgrades**. Looking beyond FY27, management signalled a minimum annual capex baseline of ₹50 crore to sustain long-term growth momentum.

Exhibit 1: Quarter Performance

	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	Comments
Net Sales	262.1	227.0	15.5	233.7	12.2	Revenue growth driven by domestic growth of ~39.8%
Other Income	4.0	1.3	215.1	4.6	-14.1	
Net Purchase of Stock in Trade	17.0	27.8	-38.7	17.3	-1.6	
Cost of Materials Consumed	102.6	79.8	28.6	87.1	17.7	
Staff cost	24.5	22.2	10.1	23.1	5.8	
Other expenditure	64.7	53.3	21.3	61.1	5.8	
EBITDA	53.4	43.9	21.8	45.0	18.6	
EBITDA Margin (%)	20.4	19.3	106 bps	19.3	111 bps	
Depreciation	10.6	9.4	12.0	11.1	-4.4	
Interest	4.7	5.3	-12.4	4.8	-1.7	
PBT	42.1	30.3	38.9	33.8	24.5	
Taxes	10.1	7.4	35.7	6.5	56.1	
PAT	31.4	22.8	37.7	27.1	16.0	

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

	FY27E		%	FY28E		%	Comments
(₹ Crore)	Old	New	Change	Old	New	Change	
Revenue	1,059.0	1,059.0	0.0	1,250.6	1,250.6	0.0	Realigned estimates
EBITDA	208.9	212.1	1.5	251.2	253.7	1.0	
EBITDA Margin (%)	19.7	20.0	31 bps	20.1	20.3	21 bps	
PAT	116.4	118.8	2.0	144.3	146.2	1.3	
EPS (₹)	40.9	41.8	2.0	50.7	51.4	1.3	

Source: Company, ICICI Direct Research

Financial summary

Exhibit 3: Profit and loss statement ₹ crore

(₹ Crore)	FY25	FY26	FY27E	FY28E
Net Sales	**815.6**	**924.0**	**1,059.0**	**1,250.6**
YoY Growth	19.3%	13.3%	14.6%	18.1%
Cost of goods sold	377.0	428.4	494.9	587.6
Gross Profit	438.5	495.6	564.1	663.1
Employee benefit expenses	79.4	88.7	99.4	111.3
Other Expenses	221.8	229.7	252.6	298.1
EBITDA	**137.3**	**177.2**	**212.1**	**253.7**
YoY Growth	6.7%	29.0%	19.7%	19.6%
Interest	23.4	19.7	21.0	19.0
Depreciation	35.9	39.6	45.3	53.5
Other income	9.8	13.1	14.4	15.9
PBT	87.9	129.9	160.2	197.0
Exceptional Items	-	(1.1)	-	-
Total Tax Expense	23.5	30.9	40.4	49.6
PAT attributable to Shareholders	**63.7**	**98.2**	**118.8**	**146.2**
PAT Growth rate	10.1%	54.0%	21.0%	23.0%
Adjusted EPS (Diluted)	**22.8**	**35.1**	**42.4**	**52.2**

Source: Company, ICICI Direct Research

Exhibit 4: Cash flow statement ₹ crore

(₹ Crore)	FY25	FY26	FY27E	FY28E
PAT	**63.7**	**98.2**	**118.8**	**146.2**
Interest paid	23.4	19.7	21.0	19.0
Depreciation	35.9	39.6	45.3	53.5
Other Income	(9.4)	(10.6)	(14.4)	(15.9)
Cash Flow before wc changes	113.6	146.9	170.7	202.8
Cash generated from operations	(54.8)	(38.7)	(51.8)	(73.5)
Net cash flow from operating activities	**58.8**	**108.2**	**118.9**	**129.3**
(Purchase)/Sale of Fixed Assets (Net)	(47.1)	(117.9)	(84.7)	(70.0)
Others	(9.6)	30.9	14.4	15.9
Net Cash flow from Investing Activities	**(56.6)**	**(86.9)**	**(70.3)**	**(54.1)**
Interest paid	(23.4)	(19.7)	(21.0)	(19.0)
Proceeds from Long Term Borrowings	(32.8)	4.2	17.5	(20.0)
Others	109.5	(15.2)	(7.5)	(7.3)
Net Cash flow from Financing Activities	**53.3**	**(30.7)**	**(11.0)**	**(46.3)**
Net Cash flow	**55.5**	**(9.4)**	**37.6**	**28.8**
Opening Cash and Cash Equivalent	**12.5**	**68.0**	**58.6**	**96.2**
Closing cash and cash equivalents	**68.0**	**58.6**	**96.2**	**125.0**

Source: Company, ICICI Direct Research

Exhibit 5: Balance sheet ₹ crore

(₹ Crore)	FY25	FY26	FY27E	FY28E
Liabilities				
Share Capital	6	6	6	6
Reserves & Surplus	521	603	713	851
Net Worth	531	614	726	864
Total Debt	265	270	287	267
Deferred Tax Liability	6	8	8	8
Total Liabilities	**933**	**1,042**	**1,186**	**1,326**
Gross Block	426	517	627	697
Less Accumulated Depreciation	249	311	375	392
Net Block	249	311	375	392
Net Intangibles	151	153	153	153
Capital WIP	12	25	-	-
Total Fixed Assets	249	311	375	392
Non-current Investments				
Inventory	221	259	297	351
Debtors	146	161	184	218
Long-term loans and advances	1	0	0	0
Cash & Bank Balances	68	59	96	125
Other Current Assets	58	48	53	61
Total Current Assets	474	521	626	749
Trade Payable	80	102	116	138
Other Current Liabilities	32	25	25	25
Short term provision	5	5	5	5
Net Current Assets	358	389	479	581
Total Assets	**933**	**1,042**	**1,186**	**1,326**

Source: Company, ICICI Direct Research

Exhibit 6: Key ratios

(₹ Crore)	FY25	FY26	FY27E	FY28E
Per share Data (₹)				
Adjusted EPS (Diluted)	22.8	35.1	42.4	52.2
Cash EPS	35.6	49.2	58.6	71.3
BV per share (Diluted)	189.7	219.3	259.1	308.6
Dividend per share	2.4	3.0	3.0	3.0
Operating Ratios (%)				
EBITDA / Net Sales	16.8	19.2	20.0	20.3
PAT / Net Sales	2.9	3.3	3.8	4.0
Debtor Days	65.3	63.5	63.5	63.5
Creditor Days	35.7	40.1	40.1	40.1
Return Ratios (%)				
RoNW	12.0	16.0	16.4	16.9
RoCE	13.6	16.6	17.4	18.7
RoIC	13.9	16.9	17.9	19.5
Valuation Ratios (x)				
EV / EBITDA	30.2	23.5	19.5	16.1
P/E (Diluted)	51.9	33.7	27.8	22.6
EV / Net Sales	5.1	4.5	3.9	3.3
Market Cap / Sales	4.8	4.3	3.7	3.2
Price to Book Value	6.2	5.4	4.6	3.8
Solvency ratios (x)				
Net Debt / Equity	1.0	1.0	1.0	1.0
Net Debt / EBITDA	1.4	1.2	0.9	0.6
Current Ratio	3.6	3.5	3.6	3.7
Quick Ratio	1.7	1.6	1.6	1.7

Source: Company, ICICI Direct Research

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