Viewpoint

Result Update

Carysil Ltd

Unlocking growth with expansion

Building Materials	Sharekhan code: CARYSIL
View: Positive ↔	CMP: **Rs. 979** (as on Nov 11, 2025)
	Price Target: **Rs. 1,206** ↑

3R MATRIX

	+	=	-
Right Sector (RS)	✓		
Right Quality (RQ)	✓		
Right Valuation (RV)	✓		

\+ Positive = Neutral – Negative

What has changed in 3R MATRIX

	Old		New
RS		↔	
RQ		↔	
RV		↔	

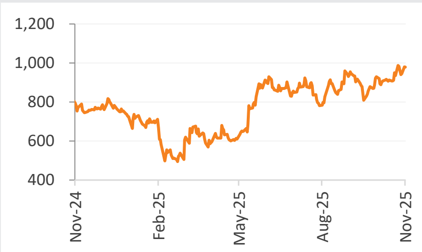
Company details

Market cap:	Rs. 2,782 cr
52-week high/low:	Rs. 1,071/487
NSE volume: (No of shares)	1.7 lakh
BSE code:	524091
NSE code:	CARYSIL
Free float: (No of shares)	1.7 cr

Shareholding (%)

Promoters	41.3
FII	1.4
DII	11.3
Others	45.9

Price chart



Source: NSE India, Mirae Asset Sharekhan Research

Price performance

(%)	1m	3m	6m	12m
Absolute	6.4	22.9	51.0	23.8
Relative to Sensex	4.5	18.8	49.3	15.4

Source: Mirae Asset Sharekhan Research, Bloomberg

Summary

- Robust growth drove consolidated revenue up 16.2% y-o-y to Rs. 240.7 crore, while EBITDA rose 24% y-o-y to Rs. 46.1 crore.
- Major non-US contract inked with IKEA, under which company will supply ~75% of IKEA's global (ex-US) quartz-sink requirements.
- Guidance of an 18–20% EBITDA margins (despite tariff headwinds)and a Rs. 1,000-crore annualised revenue run-rate retained for FY26, with a ~15% revenue CAGR expected in 3–4 years.
- Stock trades at 32.0x/23.8x/18.1x FY26/FY27/FY28 EPS; we remain positive, expecting a ~23% upside led by strong earnings growth, margin stability, and attractive valuations.

Q2FY26 snapshot

- Quartz sink revenues rose 20.8% y-o-y to Rs. 117.2 crore, with volumes up 23.7% y-o-y to 197,600 units, marking the fifth consecutive quarter of growth.
- Stainless steel sink revenues grew 12% y-o-y to Rs. 24.5 crore, as volumes rose 7.7% y-o-y to 43,400 units.
- Appliances' and others segment's revenues and volumes rose 30.4% and 25.8% y-o-y to Rs. 33.9 crore and 19,000 units, respectively.
- Export revenues rose 15% y-o-y to Rs. 193 crore, while domestic revenues rose 23% y-o-y to Rs. 47.7 crore.

With the order to supply ~75% of IKEA's global non-US quartz sink requirements, contracts from major big-box retail chains, and other orders, Carysil is on a capacity expansion spree –

- One-lakh unit quartz sink capacity to be operational by Dec-end at a capex of Rs.5 crore; taking total sink capacity to 1.1 million units annually.
- Stainless steel sink capacity to rise by 70,000 to 250,000 units by FY26-end, followed by an additional 150,000 units later; 7,400 sq.m. acquired in Bhavnagar, Gujarat for Rs.6 crore for this expansion.
- New appliances manufacturing facility to take in-house capacity to 150,000 units per annum by Q2FY27.
- Faucet capacity, with a 75% utilisation currently, to double to 100,000 units per annum in FY27, to cater export markets too.
- Company plans to diversify into hard (quartz, marble, granite) surfaces in the Uk market, which constitute ~90% of the global market, with a view to double revenue from UK surfaces business in 3-5 years, akin to its US (United Granite) subsidiary that continues to deliver profitable growth.

The result? Carysil eyes Rs. 500-crore in India revenues in five years, led by onboarding senior leadership, more distributors and new experience centres. It also stated that the US tariffs will only have a minimal impact as just 12–13% of total revenue—exported directly from India—is affected by the 50% US tariff.

Management Commentary

- Utilisation: Quartz sink utilisation at ~88%, stainless steel at 95%, faucets at 75%, indicating strong capacity usage.
- Rising demand: Stainless steel unit at near full capacity; third shift production to meet OEM and retail demand.
- Subsidiaries: US operations turned profitable in Q2FY26 and would sustain this trajectory.

Revision in earnings estimates – We introduce FY28E figures in our estimates.

Our Call

Valuation – Retain Positive view; expect a 23% upside: Carysil is well positioned for strong growth, on 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 a focus on mid-to-premium segment. We estimate a 34% consolidated earnings CAGR over FY25–28E, with valuations at 32.0x/23.8x/18.1x FY26–28E EPS offering upside potential. We retain a Positive view with and expect a ~23% upside.

Key Risks

Demand slowdown, rise in interest rates, and fluctuations in foreign currency are other key risks.

Valuation (Consolidated) Rs cr

Particulars	FY25	FY26E	FY27E	FY28E
Revenue	815.6	946.1	1,106.9	1,295.1
OPM (%)	16.8	18.3	18.5	18.9
Adjusted PAT	64.3	86.9	117.1	153.6
y-o-y growth (%)	11.1	35.1	34.7	31.2
Adjusted EPS (Rs.)	22.6	30.6	41.2	54.1
P/E (x)	43.3	32.0	23.8	18.1
P/B (x)	5.2	4.5	3.8	3.1
EV/EBITDA (x)	20.6	16.3	13.8	11.6
RoNW (%)	14.6	15.3	17.6	19.2
RoCE (%)	11.3	12.4	14.3	15.8

Source: Company; Mirae Asset Sharekhan estimates

Results (Consolidated) **Rs cr**

Particulars	Q2FY26	Q2FY25	y-o-y (%)	Q1FY26	q-o-q (%)
Net sales	**240.7**	**207.1**	**16.2**	**227.0**	**6.0**
Other income	4.6	1.8	154.4	1.3	267.5
Total income	**245.3**	**208.9**	**17.4**	**228.3**	**7.5**
Total expenses	194.6	169.9	14.5	183.1	6.2
Operating profit	**46.1**	**37.2**	**24.0**	**43.9**	**5.2**
Depreciation	9.5	9.8	-3.0	9.4	1.1
Interest	4.9	5.6	-13.5	5.3	-9.0
Profit Before Tax	**36.3**	**23.6**	**54.2**	**30.3**	**19.8**
Taxes	8.9	6.5	38.1	7.4	20.2
PAT	27.4	17.1	60.4	22.9	19.7
Exceptional items	0.0	0.0	NA	0.0	NA
Minority Interest	0.2	0.3	-25.8	0.1	155.6
Adj PAT	**27.2**	**16.8**	**61.9**	**22.8**	**19.1**
EPS (Rs.)	9.6	6.3	52.9	8.0	19.1
OPM (%)	19.2	18.0	119 bps	19.3	-16 bps
NPM (%)	11.4	8.3	314 bps	10.1	130 bps
Tax rate (%)	24.5	27.4	-287 bps	24.5	8 bps

Source: Company; Mirae Asset Sharekhan Research

Outlook and Valuation

■ Sector Outlook – Healthy long-term growth tailwinds in the home improvement space

The global market for kitchen sinks is valued at $3.2 billion in 2021 and is anticipated to register a CAGR of 4% over 2021-2025. Of the total global non-stainless steel sink market, over 60% is Quartz Sink. About 75% of quartz sinks are manufactured using the Schock technology. A focus on modernisation, rising per capita income and thriving residential construction activities would boost demand for the sector. The kitchen appliances market is witnessing a CAGR of 6% over 2020-2027 and is expected to reach a market size of $378 billion by 2027. The global faucet market is witnessing a CAGR of 8% over 2020-2027 and is expected to reach a market size of $40 billion by 2027.

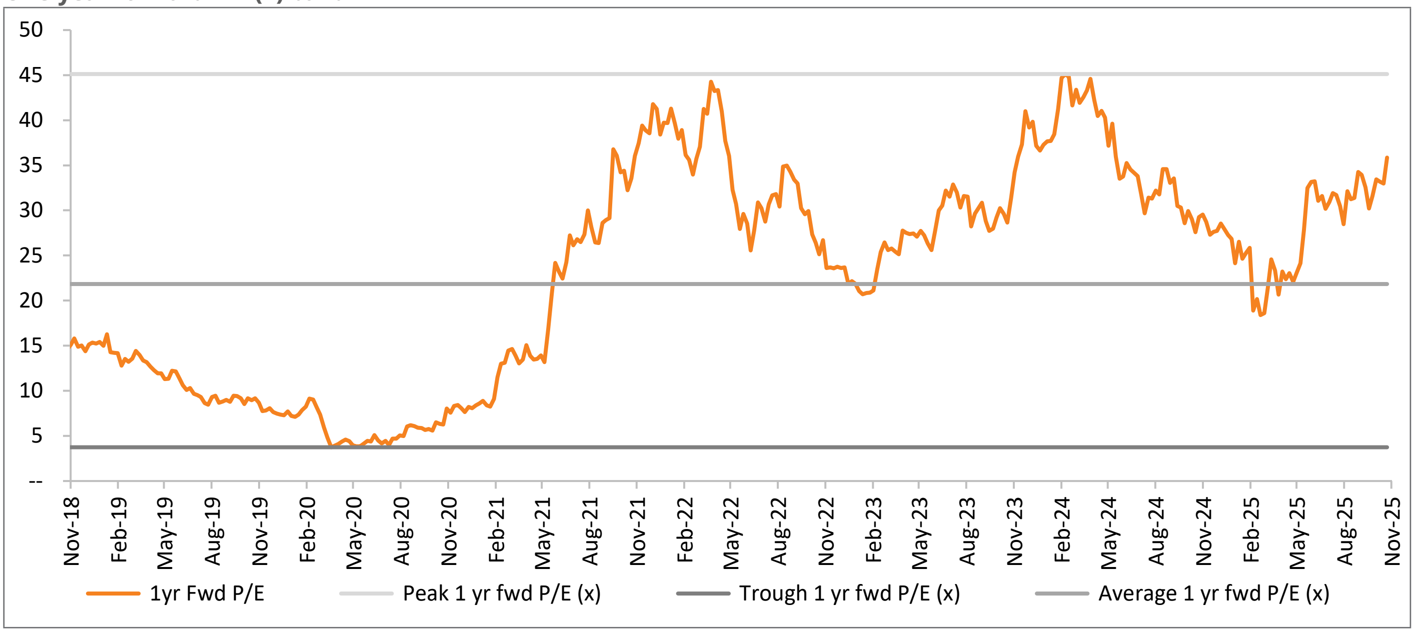
■ Company Outlook – Healthy demand and capacity expansions to drive growth

Carysil has steadily expanded production to meet rising export and domestic demand. In FY24, it supplied about 120,000 quartz sinks to Karran, with the new Lowe's deal adding 150,000 units annually, pushing FY25-26 supply to around 240,000 units—nearly doubling business with Karran. The company plans to increase stainless steel sink capacity by 70,000 units to 250,000, expected by Q4FY26. With major export deals and a goal to double domestic revenue midterm, Carysil is well-positioned for continued growth through capacity expansions.

■ Valuation – Retain Positive view; expect an upside of 23%

Carysil is well positioned for strong growth, on 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 a focus on mid-to-premium segment. We estimate a 34% consolidated earnings CAGR over FY25–28E, with valuations at 32.0x/23.8x/18.1x FY26–28E EPS offering upside potential. We retain a Positive view with and expect a ~23% upside.

One-year forward P/E (x) band



Source: Company; Mirae Asset Sharekhan Research

About company

Carysil was incorporated in 1987 and is engaged in the manufacturing of Composite Quartz Sinks. The company started its operations with the help of technical collaboration with Schock & Co., Germany. The company has its manufacturing plant located in Bhavnagar, Gujarat, India, and has a total installed production capacity of 10 lakhs Quartz kitchen sinks per annum. The company also manufactures Stainless-Steel Kitchen Sinks having a capacity of 1.8 lakhs sinks with a core focus on high-end Quadro Sinks and PVD Sinks. The company has a wide range of built-in kitchen appliances under its 'Carysil' brand, having varieties of kitchen chimneys, dishwashers, cook-tops, built-in ovens, Wine Chillers etc. The company also offers bathroom solutions like premium sanitary ware, washbasins, and composite 3D tiles to name a few, under its 'Sternhagen' brand.

Investment theme

Carysil gets a distinct advantage with Schock technology as it acts as a high entry barrier for other players to gain access to technology, which includes a go-ahead from existing players. Carysil is expected to benefit from a strong rebound in export revenue with demand rebound in key markets such as the U.K. and U.S., while its domestic revenue ramp-up is aided by in-house manufacturing of appliances and a rise in B2B revenue. The strong demand outlook is complemented by doubled capacities of quartz/stainless steel sink capacities and continuous expansion in other product adjacencies (kitchen appliances and bathware).

Key Risks

- Slowdown in global demand especially in key U.S., U.K., and European markets.
- Slowdown in domestic demand, rise in interest rates, and fluctuations in foreign currency are other key risks.

Additional Data

Key management personnel

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

Source: Company Website

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Abakkus Emerging Opportunities Fun	5.34
2	Kacholia Ashish	3.52
3	DSP Investment Managers Pvt Ltd	3.52
4	INVESTOR EDUCATION & PROTECTN FD	1.64
5	Ohana India Growth Fund	1.1
6	Dimensional Fund Advisors LP	0.36
7	NAIK TEJAL JAGDIS	0.3
8	State Street Corp	0.25
9	Quant Money Managers Ltd	0.15
10	Sanghrajka Mala Mehulkumra	0.13

Source: Bloomberg

SOMIL RAMESH MEHTA

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Understanding the Mirae Asset Sharekhan 3R Matrix

Right Sector	
Positive	Strong industry fundamentals (favorable demand-supply scenario, consistent industry growth), increasing investments, higher entry barrier, and favorable government policies
Neutral	Stagnancy in the industry growth due to macro factors and lower incremental investments by Government/private companies
Negative	Unable to recover from low in the stable economic environment, adverse government policies affecting the business fundamentals and global challenges (currency headwinds and unfavorable policies implemented by global industrial institutions) and any significant increase in commodity prices affecting profitability.
Right Quality	
Positive	Sector leader, Strong management bandwidth, Strong financial track-record, Healthy Balance sheet/cash flows, differentiated product/service portfolio and Good corporate governance.
Neutral	Macro slowdown affecting near term growth profile, Untoward events such as natural calamities resulting in near term uncertainty, Company specific events such as factory shutdown, lack of positive triggers/events in near term, raw material price movement turning unfavourable
Negative	Weakening growth trend led by led by external/internal factors, reshuffling of key management personal, questionable corporate governance, high commodity prices/ weak realisation environment resulting in margin pressure and detoriating balance sheet
Right Valuation	
Positive	Strong earnings growth expectation and improving return ratios but valuations are trading at discount to industry leaders/historical average multiples, Expansion in valuation multiple due to expected outperformance amongst its peers and Industry up-cycle with conducive business environment.
Neutral	Trading at par to historical valuations and having limited scope of expansion in valuation multiples.
Negative	Trading at premium valuations but earnings outlook are weak; Emergence of roadblocks such as corporate governance issue, adverse government policies and bleak global macro environment etc warranting for lower than historical valuation multiple.

Source: Mirae Asset Sharekhan Research

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