Carysil Limited (ACRIN)

CMP: ₹960 | Target ₹ 1250 (30%) | Target Period: 12 months | BUY

November 9, 2026

Healthy outlook maintained!

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.

Q2FY27 performance: Carysil reported 14.6% YoY growth in consolidated revenue to ₹275.7 crore in Q2FY27, driven by healthy volume growth across its key product categories. Quartz sink and stainless-steel sink volumes grew 9.9% and 7.8% YoY to 217,000 units and 47,000 units, respectively, while faucet volumes increased 8% to 10,000 units. Capacity utilisation remained healthy at 92% for quartz sinks and 91% for steel sinks. Kitchen appliances volumes remained largely flat at 11,000 units. EBITDA grew at a slower pace of 12.3% YoY to ₹51.8 crore, with margins contracting 38 bps to 18.8%, **impacted by elevated sea freight and raw material costs, which together affected margins by ~150–200bps**. PAT increased 4.3% YoY to ₹28.4 crore.

Investment Rationale:

- **Healthy outlook maintained:** The Management **retained its FY27 revenue growth guidance of 15% and EBITDA margin guidance of 18–20%, with an aspiration to remain at the upper end of the margin band.** Revenue growth could exceed guidance if pending large deals materialise. Domestic revenue is targeted to reach ₹500 crore over the next 3–4 years, supported by improving profitability as input and freight costs normalise. **The company implemented a 5% price hike across product categories last month. With raw material prices stabilising and freight rates cooling off, management expects gradual margin recovery. With this, we maintain our consolidated revenue growth projection at a CAGR of 16.3% over FY26-28, with margins at 19.5% and 19.7% for FY27/FY28, respectively.**
- **Capex on schedule:** To fulfill the growing demand, major capacity additions remain **firmly on schedule for commissioning by the end of FY27. These expansions include 250,000 new units for quartz sinks, 150,000 units for stainless steel sinks, and the doubling of both kitchen appliances and faucet capacities to 100,000 units each.** The company indicated that it is managing surge orders by implementing strategic employee incentive schemes and optimizing production cycles to run over 100% capacity during peak demand periods, till the new capacities come online, ensuring that global supply chain opportunities are fully capitalized upon.

Rating and Target Price: We maintain **BUY** rating for **Carysil with a revised price target of Rs.1250** valuing it at 25x its FY28E EPS.

CARYSIL

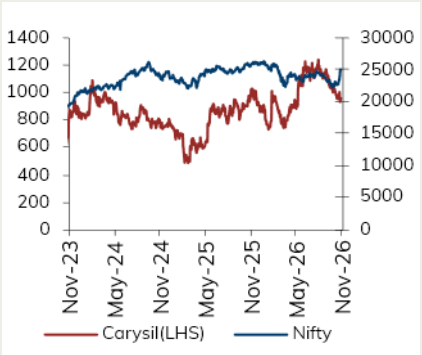
Particulars

(₹ Crore)	Amount
Market Capitalization	2,703
Debt (FY26)	270
Cash (FY26)	59
EV	2,914
52-week H/L (₹)	1281 / 732
Equity Capital	5.7
Face Value (₹)	2

Shareholding pattern

	Dec-25	Mar-26	Jun-26	Sep-26
Promoters	41.3	41.3	41.3	41.3
FII	1.6	1.6	1.6	2.1
DII	11.7	11.9	11.9	12.1
Other	45.3	45.1	45.1	44.5

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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Result Update

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%	206	247	18.0%
EBITDA Margin (%)	18.8	16.8	19.2		19.5	19.7	
PAT	58	64	98	20.2%	115	141	19.9%
EPS (₹)	21.6	22.8	35.1		40.9	50.4	
P/E (x)	44.0	41.7	27.1		23.2	18.9	
RoCE (%)	14.9	13.6	16.6		17.0	18.2	
RoNW (%)	16.2	12.0	16.0		15.9	16.5	

Source: Company, ICICI Direct Research

Q2FY27 – Key Performance highlights

- **Margin pressures and recovery outlook: Consolidated EBITDA margin declined 83bps YoY to 19.4%,** below company's internal expectations, **impacted by elevated sea freight and raw material costs, which together affected margins by ~150-200bps.** Employee and other expenses increased 16.2% and 23.5% YoY, respectively, reflecting strategic hiring and workforce training ahead of capacity expansions**. The company implemented a 5% price hike across product categories last month. With raw material prices stabilising and freight rates cooling off, management expects gradual margin recovery.**
- **FY27 Management guidance:** Management **retained its FY27 revenue growth guidance of 15% and EBITDA margin guidance of 18-20%, with an aspiration to remain at the upper end of the margin band.** Revenue growth could exceed guidance if pending large deals materialise. Domestic revenue is targeted to reach ₹500 crore over the next 3-4 years, supported by improving profitability as input and freight costs normalise.
- **Domestic business gaining momentum: Domestic revenue grew 30% in H1FY27, with its contribution to consolidated revenue increasing to 21% from 19%. The company targets ₹500 crore domestic revenue over the next 3-4 years**. In partnership with PwC, **Carysil is restructuring its sales organisation into dedicated B2B, B2C and e-commerce verticals, while expanding distribution across 8-10 key regional markets**. Brand-building initiatives include expanding galleries, strengthening builder relationships and increasing online presence through Amazon and Flipkart. Bobby Deol has been appointed brand ambassador for FY27-FY28. The existing 5% distributor discount will be redirected towards brand-building and advertising, without impacting margins.
- **Export market - strong client traction:** Carysil currently exports to 55+ countries, with key global customers including IKEA, Lowe's, GROHE and Home Depot. In H1FY27, **Carysil Products UK reported its highest-ever half-year revenue of £6.2mn, while United Granite US grew over 10% to US$5.6mn.** The company expanded its Home Depot relationship in North America, secured its first direct order from Amazon US and commenced dispatches to new markets through Hafele, including Australia, New Zealand, Thailand and Indonesia. **Management is witnessing increased US enquiries and factory visits from customers seeking supply-chain diversification amid easing tariff uncertainty and European supply-chain disruptions**.
- **Quartz sink - core growth driver**: Quartz sinks contributed ~54% of Q2FY27 revenue, with volumes growing ~10% YoY to 217,000 units. Capacity utilisation remained elevated at 92% in Q2FY27 and 90% in H1FY27. **An additional capacity of 2.5 lakh units p.a. is on track for commissioning by FY27 end. The company is also preparing to launch its nanotechnology-based premium sinks globally in 2027, initially targeting Europe and the US**. The new range, featuring a silk-smooth finish, is expected to command ~20% value premium over conventional granite sinks.
- **Steel sinks - capacity expansion underway:** Volumes grew 8% YoY to 47,000 units in Q2FY27, with capacity utilisation at 91% during the quarter and 85% in H1FY27. **An additional capacity of 1.5 lakh units p.a. is on track for commissioning by FY27-end. Management highlighted increased enquiries from US customers amid shifting global supply chains**. New premium stainless-steel sink offerings will be unveiled at KBIS, Las Vegas.
- **Kitchen appliances and faucets - localisation and expansion:** Kitchen **appliance volumes grew 12% YoY, while faucets grew 8% in Q2FY27. Carysil is doubling capacity in both categories to 1 lakh units p.a. each, with commercial operations expected by FY27 end. The expansion covers hobs, ovens, microwaves and food waste disposers**. Ahead of BIS

certification requirements effective March 2027, **the company is accelerating localisation, targeting a 70-80% reduction in imports through increased in-house manufacturing.** The transition has resulted in temporary supply-chain and assembly bottlenecks, although management expects sequential improvement. New premium appliance launches are planned for 2027.

- **Surfaces segment - UK weakness, premium positioning:** Surfaces contributed 23% of Q2FY27 consolidated revenue. **Carysil Surfaces UK reported H1FY27 revenue of £5.8mn versus £7.0mn in the corresponding period last year, a ~17% YoY decline. The segment is repositioning towards exotic natural stones and premium products, with stronger traction among high-end US customers despite inflationary pressures**. A dedicated segment head has been appointed to address the UK weakness and drive growth.

Exhibit 1: Quarter Performance

	Q2 FY27	Q2 FY26	YoY (%)	Q1 FY27	QoQ (%)	Comments
Net Sales	275.7	240.7	14.6	262.1	5.2	Topline growth led by quartz and steel sinks along with appliances and faucets
Other Income	4.5	4.6	-3.0	4.0	13.1	
Net Purchase of Stock in Trade	20.9	20.4	2.7	17.0	22.7	
Cost of Materials Consumed	107.4	95.5	12.5	102.6	4.7	
Staff cost	24.7	21.2	16.2	24.5	0.8	
Other expenditure	71.0	57.5	23.5	64.7	9.8	
EBITDA	51.8	46.1	12.3	53.4	-3.0	
EBITDA Margin (%)	18.8	19.2	-38 bps	20.4	-160 bps	Margin contraction due to raw material, salary and logistics cost inflation
Depreciation	11.5	9.5	20.3	10.6	8.6	
Interest	4.7	4.9	-3.3	4.7	0.4	
PBT	40.1	36.3	10.3	42.1	-4.8	
Taxes	11.1	8.9	24.2	10.1	10.0	
PAT	28.4	27.2	4.3	31.4	-9.7	

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

	FY27E			FY28E			
(₹ Crore)	Old	New	% Change	Old	New	% Change	Comments
Revenue	1,059.0	1,059.0	0.0	1,250.6	1,250.6	0.0	
EBITDA	212.1	206.3	-2.7	253.7	246.9	-2.7	
EBITDA Margin (%)	20.0	19.5	-55 bps	20.3	19.7	-55 bps	Moderate our margins estimates
PAT	118.8	114.5	-3.6	146.2	141.1	-3.5	
EPS (₹)	41.8	40.2	-3.6	51.4	49.6	-3.5	

Source: Company, ICICI Direct Research

Financial summary

Exhibit 3: Profit and loss statement ₹ crore

(₹ Crore)	FY25	FY26	FY27E	FY28E
Net Sales	**816**	**924**	**1,059**	**1,251**
YoY Growth	19.3%	13.3%	14.6%	18.1%
Cost of goods sold	377	428	495	588
Gross Profit	439	496	564	663
Employee benefit expenses	79	89	99	111
Other Expenses	222	230	258	305
EBITDA	**137**	**177**	**206**	**247**
YoY Growth	6.7%	29.0%	16.5%	19.7%
Interest	23	20	21	19
Depreciation	36	40	45	54
Other income	10	13	14	16
PBT	88	130	154	190
Exceptional Items	-	(1)	-	-
Total Tax Expense	24	31	39	48
PAT attributable to Shareholders	**64**	**98**	**115**	**141**
PAT Growth rate	10.1%	54.0%	16.6%	23.2%
Adjusted EPS (Diluted)	**23**	**35**	**41**	**50**

Source: Company, ICICI Direct Research

Exhibit 4: Cash flow statement ₹ crore

(₹ Crore)	FY25	FY26	FY27E	FY28E
PAT	**64**	**98**	**115**	**141**
Interest paid	23	20	21	19
Depreciation	36	40	45	54
Other Income	(9)	(11)	(14)	(16)
Cash Flow before wc changes	114	147	166	198
Cash generated from operations	(55)	(39)	(52)	(74)
Net cash flow from operating activities	**59**	**108**	**115**	**124**
(Purchase)/Sale of Fixed Assets (Net)	(47)	(118)	(85)	(70)
Others	(10)	31	14	16
Net Cash flow from Investing Activities	**(57)**	**(87)**	**(70)**	**(54)**
Interest paid	(23)	(20)	(21)	(19)
Proceeds from Long Term Borrowings	(33)	4	18	(20)
Others	109	(15)	(8)	(7)
Net Cash flow from Financing Activities	**53**	**(31)**	**(11)**	**(46)**
Net Cash flow	**56**	**(9)**	**33**	**24**
Opening Cash and Cash Equivalent	**13**	**68**	**59**	**92**
Closing cash and cash equivalents	**68**	**59**	**92**	**116**

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	709	841
Net Worth	531	614	721	855
Total Debt	265	270	287	267
Deferred Tax Liability	6	8	8	8
Total Liabilities	**933**	**1,042**	**1,182**	**1,316**
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	92	116
Other Current Assets	58	48	53	61
Total Current Assets	474	521	621	740
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	474	572
Total Assets	**933**	**1,042**	**1,182**	**1,316**

Source: Company, ICICI Direct Research

Exhibit 6: Key ratios

(₹ Crore)	FY25	FY26	FY27E	FY28E
Per share Data (₹)				
Adjusted EPS (Diluted)	22.8	35.1	40.9	50.4
Cash EPS	35.6	49.2	57.1	69.5
BV per share (Diluted)	189.7	219.3	257.5	305.3
Dividend per share	2.4	3.0	3.0	3.0
Operating Ratios (%)				
EBITDA / Net Sales	16.8	19.2	19.5	19.7
PAT / Net Sales	2.9	3.3	3.7	3.8
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	15.9	16.5
RoCE	13.6	16.6	17.0	18.2
RoIC	13.9	16.9	17.2	18.9
Valuation Ratios (x)				
EV / EBITDA	27.1	21.1	18.0	14.9
P/E (Diluted)	42.2	27.4	23.5	19.1
EV / Net Sales	4.6	4.0	3.5	2.9
Market Cap / Sales	4.3	3.8	3.3	2.8
Price to Book Value	5.1	4.4	3.7	3.1
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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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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