

Market Cap.

Rs.16,908 Cr.

52 Week H/L

Rs.1,322 / 761

CMP

Rs.1,062

Target Price

Rs.1,650

CONS

STOCK DATA

BUY

 Reuters Code **KAJR.BO**
 Bloomberg Code **KJC IN**

 BSE Code **500233**
 NSE Symbol **KAJARIACER**

 Face Value **Rs. 1**

 Shares Outstanding **15.9 Cr.**

 Avg. Daily Volume (6m) **3,11,706 Shares**

Price Performance (%)

1M	3M	6M
13	21	(5)

200 days EMA Rs. 1,059

SHARE HOLDING (%)

Promoters	47.7
FII	10.2
FI / MF	24.6
Bodies Corporate	3.6
Public & Others	13.9

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Kajaria Ceramics Ltd. recently announced its performance for the quarter ended March 31, 2026. Following are the key highlights.

Particulars (Rs.in cr)	Q4 FY26	Q4 FY25	YoY	Q3 FY26	QoQ
Net Sales	1,373.0	1,222.0	12.4%	1,168.0	17.6%
EBITDA	263.5	138.4	90.4%	201.2	31.0%
EBITDA Margin	19.2%	11.3%	790 bps	17.2%	200 bps
Profit before Tax	228.3	108.4	110.6%	125.0	82.6%
Profit after Tax	160.9	74.0	117.5%	86.4	86.1%
PAT Margin	11.7%	6.1%	560 bps	7.4%	430 bps
AEPS	9.8	2.7	265.9%	5.5	77.6%

Highlights from the Quarter (Q4 FY26)

Consolidated sales were at Rs.1,373 cr (multi quarter high sales), recording a 12.4% yoy growth. Tile revenue grew by 9% yoy, after almost 5 quarters of flattish to negative growth. Higher revenue was account of healthy volume growth in the tiles of 11% yoy in Q4FY26. Higher gas prices resulted in a big vaccum in the domestic markets, as it became very unviable for the unorganized players in Morbi to continue their operations. Going ahead, Management indicated that organized players like Kajaria, with multi-location plants, are expected to gain a significant advantage and benefit from the disruptions in Morbi for FY26-27. Kajaria has implemented price hikes of 12-13% in North plants and 16-17% in Morbi, covering increased gas costs and adding some margin, while maintaining a competitive advantage due to already higher prices and lower average fuel costs from biofuel use. In Q4 FY26, Kajaria Ceramics achieved an EBITDA margin of 19.2%, a significant improvement from 11.3% in Q4 FY25, driven by cost optimization, improved sales realization, and overall efficiencies in production, sales, and supply chain management

Kajaria plans to do 40-50% higher advertisement spend this year to increase brand presence. The Board is considering the expansion of the Srikalahasti manufacturing facility at an approximate cost of Rs.210 crore for putting up 10 MSM capacity of Glazed Vitrified Tiles, increasing its total capacity by ~12%. This expansion is expected to be completed by March 2027 and will be funded by internal accruals.

The management have announced the buy back of 21.5L equity shares, with the buy back price of Rs.1,380, for an amount upto Rs.296.7 cr.

OUTLOOK AND VALUATION

With the cost optimization measures by the company and improvement in consumer demand, we expect the bottomline to grow faster clip, at 22% CAGR in FY25-28, with FY28E EPS to be Rs. 39.8. We arrive at a Target Price of Rs. 1,650, showcasing an upside potential of 55% from current levels with an investment horizon of 18-24 months, with a BUY rating on the stock.

Particulars	Revenue (Rs. Cr)	PAT (Rs. Cr)	NPM (%)	EPS (Rs.)	P/E (X)	ROE (%)
FY25	4,635.1	347.9	7.5%	21.9	50.5	13.0
FY26	4,830.0	532.7	11.0%	33.5	33.0	18.3
FY27E	5,226.0	579.8	11.1%	36.4	30.3	17.9
FY28E	5,748.6	633.2	11.0%	39.8	27.8	17.6



Earlier Recommendation

Date	Report Type	Reco	Price (Rs.)	Target (Rs.)
20-Sep-24	Initiating Coverage	Buy	1,478	1,792
28-Jul-25	Q1FY26 Update	Buy	1,189	1,716
2-Dec-25	Q2FY26 Update	Buy	1,070	1,653

Profit & Loss Statement

(Rs. Cr)

Particulars	FY25	FY26	FY27E	FY28E
Revenue	4,635.1	4,830.0	5,226.0	5,748.6
Cost of Raw Materials	1,965.5	2,067.5	2,192.5	2,422.4
Employee Cost	566.1	529.9	574.9	632.4
Other Expenses	1,476.9	1,368.1	1,515.6	1,667.1
EBITDA	626.6	864.6	943.2	1,026.8
Depreciation	165.4	169.4	182.9	198.3
Interest Cost	20.0	22.6	23.0	23.0
Other Income	42.7	52.9	57.0	62.0
PBT	483.9	681.5	794.3	867.5
Tax	136.0	192.8	214.4	234.2
APAT	347.9	532.7	579.8	633.2

Balance Sheet Statement

(Rs. Cr)

Particulars	FY25	FY26	FY27E	FY28E
Net block	1,583.9	1,535.1	1,509.0	1,511.9
Capital WIP	108.7	119.3	156.8	201.2
Right of use of asset	132.7	139.5	146.9	153.4
Sundry debtors	570.2	628.5	642.9	718.6
Inventories	618.1	551.5	644.8	712.5
Cash and bank	582.9	755.1	868.4	1,008.9
Loans and advances	6.9	5.8	80.0	92.0
Others	102.0	242.4	327.0	383.0
Total Assets	3,756.7	4,029.2	4,459.1	4,875.7
Equity Share Capital	15.9	15.9	15.9	15.9
Reserves	2,728.4	3,049.7	3,390.7	3,785.1
Net worth	2,810.1	3,130.5	3,476.6	3,877.0
Total loans	175.9	130.3	136.3	145.3
Other Current Liabilities	770.6	768.4	846.2	853.3
Total Liabilities	3,756.7	4,029.2	4,459.1	4,875.7

Source: Company, Sushil Finance Research

Cash Flow Statement

(Rs. Cr)

Particulars	FY25	FY26	FY27E	FY28E
PAT	347.9	532.7	579.8	633.2
Depreciation	165.4	169.4	182.9	198.3
Finance Cost	20.0	22.6	23.0	23.0
Provision for Taxes	136.0	192.8	214.4	234.2
Changes in Working capital	2.0	(9.4)	(24.3)	(149.8)
Cash Flow from Operating	671.3	908.1	975.8	939.0
Changes in PP&E	(215.7)	(120.6)	(156.8)	(201.2)
Changes In Others	(83.2)	(157.7)	(103.8)	(99.9)
Cash Flow from Investing	(298.9)	(278.2)	(260.6)	(301.1)
Changes in Debt	5.3	(45.6)	5.9	9.1
Others	(22.4)	27.2	(130.3)	(28.9)
Cash Flow from Financing	(303.6)	(464.2)	(601.9)	(497.4)
Cash at the Start of the Year	514.1	582.9	755.1	868.4
Changes in cash flow	68.8	165.7	113.3	140.5
Total Cash & Cash Equivalents	582.9	748.5	868.4	1008.9

Financial Ratio Statement

Particulars	FY25	FY26	FY27E	FY28E
Growth (%)				
Revenue	1.2%	4.2%	8.2%	10.0%
EBITDA	-10.5%	38.0%	9.1%	8.9%
Net Profit	-18.5%	53.1%	8.8%	9.2%
Profitability (%)				
EBITDA Margin	13.5%	17.9%	18.0%	17.9%
Net Profit Margin	7.5%	11.0%	11.1%	11.0%
ROCE	15.6%	21.7%	21.6%	21.4%
ROE	13.0%	18.3%	17.9%	17.6%
Per Share Data (Rs.)				
EPS	21.9	33.5	36.4	39.8
BVPS	172.4	192.6	214.0	238.8
Valuation (x)				
P/E	48.6	31.7	29.2	26.7
P/BV	6.2	5.5	5.0	4.4
P/SALES	3.6	3.5	3.2	2.9
EV/EBITDA	26.7	19.4	17.8	16.3
Turnover				
Debtor days	45	45	45	46
Inventory days	115	107	107	107
Creditor days	63	63	63	63

Source: Company, Sushil Finance Research

Rating Scale :

This is a guide to the rating system used by our Institutional Research Team. Our rating system comprises of three rating categories.

Total Expected Return Matrix (Rating and Return)	BUY : Over 12%	HOLD : -12% to 12%	SELL : Below -12%
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Analyst Stock Ownership	No
Stock Recommended to Clients	Yes
Remuneration/Benefits received from company in 12 months	No
Merchant Banking Market Making activities / projects	No
Sushil Financial Services Pvt. Ltd and Group Companies Holding	No
Sushil Financial Services Pvt. Ltd and Group Directors Holding	Yes
Broking Relationship with the company covered	No