

# Cera Sanitaryware (CRS IN)

**Q4FY26 Result Update**

May 09, 2026

 Estimate Change |  Target |  Reco.

## Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	7,429		6,747	
Sales (INR mn)	24,506	27,750	23,176	25,920
% Chng.	5.7	7.1		
EBITDA (INR mn)	3,450	3,935	3,263	3,675
% Chng.	5.7	7.1		
EPS (INR)	215.8	243.9	204.6	228.5
% Chng.	5.5	6.7		

## Key Data

CERA.BO | CRS IN

BSE Code	532443
NSE Code	CERA
52-W High / Low	INR 7,275 / INR 4,461
Face Value	5
Sensex / Nifty	77,328 / 24,176
Market Cap	INR 75 bn / \$ 789 mn
Shares Outstanding	12.9 mn
3M Avg. Daily Value	INR 86.58 mn

## Shareholding Pattern (%)

Promoters	54.41
FIs	2.26
MF	11.94
DII	14.18
Public & Others	17.18
Promoter's Pledge	-

## Stock Performance (%)

	1M	3M	6M	12M
Absolute	14.4	11.9	(3.6)	4.7
Relative	14.8	20.9	3.8	8.8

## Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	19,153	20,501	24,506	27,750
EBITDA (INR mn)	2,907	2,692	3,450	3,935
Margin (%)	15.2	13.1	14.1	14.2
PAT (INR mn)	2,480	2,120	2,784	3,147
EV (INR mn)	67,750	66,090	65,296	63,734
Total Debt (INR mn)	155	9	9	9
C&C Eq. (INR mn)	262	481	275	837
EPS (INR)	192.3	164.4	215.9	244.0
Gr. (%)	2.6	(14.5)	31.3	13.0
DPS (INR)	65.0	75.0	70.0	70.0
Yield (%)	1.1	1.3	1.2	1.2
RoE (%)	18.4	15.0	17.7	17.6
RoCE (%)	23.1	20.0	24.1	23.9
EV/Sales (x)	3.5	3.2	2.7	2.3
EV/EBITDA (x)	23.3	24.6	18.9	16.2
PE (x)	30.1	35.2	26.8	23.7
P/BV (x)	5.5	5.1	4.5	3.9

## Margins Recovery Ahead; Growth Momentum Intact

### Quick Pointers

- CERA targets 18–20% FY27 growth backed by price hikes and demand recovery.
- Senator & Polypluz scaling up aggressively.
- CRS took a price hike of 12% in Sanitaryware & 16% in Faucetware .

We are maintaining our 'BUY' rating. Cera Sanitaryware (CRS) has reported double-digit revenue growth in Q4FY26 and expects similar growth in coming qtrs. In Q4FY26, EBITDA margin got contracted due to higher trade discounts, rising brass costs, However in FY27 with the price hikes company expects margin to remain stable at 14–15%. The company has taken price hikes of ~12% in sanitaryware and ~16% in faucetware segment in Q4FY26. CRS has guided for FY27 revenue growth of ~18–20%, primarily driven by ~18% growth in Faucetware, ~12% growth in Sanitaryware, along with meaningful contribution from the Senator and Polypluz brands. We are upgrading our earnings estimates by 5.5%/6.8% for FY27/FY28. We estimate revenue/EBITDA/PAT CAGR of 16.3%/20.9%/24.1% over FY26–28E. Maintained 'BUY' rating with a TP to INR 7,429, based on 30x Mar'28 earnings.

**Q4FY26 financial performance:** Revenues grew by 11.4% YoY at INR 6.4bn (PLe: INR 6.2bn). Gross margins contracted by 500bps to 45.5% due to elevated brass prices (PLe: 50.4%). EBITDA declined by 7.3% YoY to INR 979mn (PLe: INR 781mn) and EBITDA margin contracted by ~300bps YoY to 15.2%. (PLe: 12.5%). PBT decline by 15.3% YoY to INR 929mn (PLe: INR 876mn). Adj. PAT decline by 9.6% YoY to INR 773mn (PLe: INR 684mn).

**FY26 financial performance:** Revenues grew by 7.0% YoY at INR 20.5bn. EBITDA declined by 7.4% YoY to INR 2.7bn and EBITDA margin contracted by ~200bps YoY to 13.1%. PBT declined by 12.1% YoY to INR 2.7bn. Adj. PAT declined by 17.2% YoY to INR 2.0bn..

### Quarter Summary

Y/e Mar	Q4'26E	Q4'26A	% Var.	Q4'25A	YoY gr. (%)
Net Sales (INR mn)	6,249	6,438	3.0	5,780	11.0
EBITDA (INR mn)	781	979	25.0	1,056	-7.0
Margin (%)	12.5	15.2	270 bps	18.3	-310 bps
PAT (INR mn)	684	773	13.0	856	-10.0

Source: Company, PL

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## Conference Call Highlights:

- Management guided for FY27 revenue growth of ~18–20%, supported by ~12% growth in the Sanitaryware segment (~7–8% volume growth and ~5–6% price-led growth) and ~18% growth in Faucetware (~10–12% volume growth and ~8% price impact). In addition, newly launched brands Senator and Polypluz are expected to contribute INR700–800mn to revenues, while the Tiles segment is projected to contribute INR2.5bn to the topline in FY27. Management expects overall EBITDA margins to remain in the range of ~14–15% for FY27.
- **Sanitaryware & Faucetware segment:** Management highlighted sharp inflation in brass prices, which increased ~30% YoY, along with higher gas and clay costs impacting gross margins. To offset cost pressures, CERA implemented cumulative price hikes of ~12% in Sanitaryware and ~16% in Faucetware over the last two months, while also targeting tighter discount control as retail demand improves.
  - Faucetware demand remained strong during the quarter, with capacity utilisation at 106% and Mar'26 production reaching 0.43mn pieces. CRS is expanding faucetware capacity to 0.5mn pieces per month with a minimal capex outlay of INR50mn, expected to become operational from Q4FY27 onwards.
  - Capacity utilization during the quarter stood at 70% for Sanitaryware and 106% for Faucetware.
- **Senator and Polypluz:** CERA continued to invest aggressively in its emerging growth brands, Senator and Polypluz, during FY26. Senator expanded its retail footprint to 40 flagship stores, with plans to scale up to 60 stores in FY27, while Polypluz strengthened its distribution network with 102 distributors and ~1,000 dealers, targeting expansion to 200 distributors and 2,000 dealers by FY27-end.
  - Revenue contribution from Senator and Polypluz stood at INR190mn in FY26 (Senator: INR105mn; Polypluz: INR85mn). Management expects the combined revenue contribution to increase significantly to INR700–800mn in FY27, with Senator contributing INR400–450mn and Polypluz contributing INR300–350mn.
  - While these brands are currently in an investment and scale-up phase, management indicated that operating breakeven is expected next year, with profitability likely to remain marginal after excluding publicity and brand-building expenses.

## Other highlights:

- Tier1/Tier2/Tier3 Cities contributed 36%/24%/40% of total sales in Q3FY26
- 41% of total sales came from premium category, 38% from mid-category and 21% from entry-level category in Q4FY26
- Gas prices accounts for 2.3% of sales stood at INR 35.55/SCM vs INR 36.03 in Q4FY25, Gail: Sabarmati supply mix stood at the ratio of 64:36 in Q4FY26
- Gas supply disruptions and elevated gas prices in Morbi have impacted the unorganized sanitaryware ecosystem, creating supply-side challenges across the industry. CERA remains relatively insulated due to inventory availability, internal manufacturing capabilities and subsidized gas sourcing arrangements, enabling the company to maintain supply continuity and potentially gain market share in Q1–Q2FY27.
- The company continued to enhance brand visibility through strategic franchisee and institutional tie-ups with leading brands such as McDonald's, JSW One Homes, Shalby Hospitals and Federal Bank across India.

- Project business contribution increased from ~30% historically to ~39-40% currently due to weaker retail demand over the past two years. With retail recovery underway, management expects the revenue mix to stabilise at ~60% retail and ~40% projects going forward.
- Marketing and publicity spend stood at INR490mn in FY26, with management expecting a further increase in FY27 driven by ongoing brand-building initiatives.
- Capex in FY26 stood at INR146mn, primarily towards routine maintenance and selective retail and brand-related investments. For FY27, management has budgeted total capex of INR430–450mn, including INR250mn of regular annual maintenance capex, INR50mn towards Faucetware capacity expansion, and INR150mn for acquisition of additional office space.

**Exhibit 1 : Q4FY26 Result overview: Sales increased by 11.4% YoY, EBITDA margins contracted by 300bps to 15.2%**

Y/e March (INR mn)	Q4FY26	Q4FY25	YoY gr. (%)	Q4FY26E	% Var.	Q3FY26	QoQ gr. (%)	FY26	FY25	YoY gr. (%)
<b>Net Sales</b>	6,438	5,780	11.4	6,249	3.0	4,990	29.0	20,501	19,153	7.0
<b>Expenditure</b>										
Operating & Manufacturing Expenses	3,510	2,857	22.9	3,102	13.1	2,489	41.0	10,383	9,096	14.1
% of Net Sales	54.5	49.4	5.1	49.6	4.9	49.9		50.6	47.5	3.2
<b>Gross Profit</b>	2,928	2,923	0.2	3,146	(6.9)	2,501	17.1	10,118	10,056	0.6
% of Net Sales	45.5	50.6	(5.09)	50.4	(4.87)	50.1		49.4	52.5	(3.2)
Personnel Cost	594	605	(1.7)	704	(15.6)	702	(15.4)	2,594	2,415	7.4
% of Net Sales	9.2	10.5		11.3		14.1		12.7	12.6	0.0
Other Expenses	1,355	1,262	7.3	1,662	(18.5)	1,288	5.2	4,832	3,800	27.2
% of Net Sales	21.0	21.8	(0.8)	26.6	(5.6)	25.8		23.6	19.8	3.7
<b>Total Expenditure</b>	5,459	4,724	15.6	5,468	(0.2)	4,479	21.9	17,809	16,245	9.6
<b>EBITDA</b>	979	1,056	(7.3)	781	25.42	511	91.8	2,692	2,907	(7.4)
Margin (%)	15.2	18.3	(3.06)	12.5	2.72	10.2		13.1	15.2	(2.05)
Depreciation	99	102	(2.3)	98	1.5	98	1.5	387	385	0.4
<b>EBIT</b>	880	954	(7.8)	683	28.9	413	113.2	2,305	2,522	(8.6)
Other income	63	158		214		114	(44.9)	529	625	(15.4)
Interest	14	16	(11.5)	21	(31.4)	20	(28.2)	65	71	(9.1)
<b>PBT</b>	929	1,096	(15.3)	876	5.9	507	83.2	2,691	3,061	(12.1)
Total Taxes	262	225	16.4	193	35.7	86	205.4	649	596	8.9
<b>ETR (%)</b>	28.2	20.5	7.7	22.0	6.2	16.9		24.1	19.5	4.7
Exceptionals	107	(15)		-	-	(185)		(78)	(15)	
<b>Adj. PAT</b>	773	856	(9.6)	684	13.1	237	226.8	2,042	2,465	(17.2)

Source: Company, PL

**Exhibit 2 : Segmental breakup: Sanitaryware/Faucetware revenue grew by 10.7%/24.3% YoY in Q4FY26**

Y/e March (INR mn)	Q4FY26	Q4FY25	YoY gr. (%)	Q3FY26	QoQ gr. (%)	FY26	FY25	YoY gr. (%)
<b>Revenues</b>								
Sanitaryware (SW)	2,962	2,674	10.7	2,395	23.7	6,785	6,610	2.7
Faucets (FW)	2,768	2,226	24.4	1,996	38.7	5,583	5,104	9.4
Tiles	579	632	(8.3)	499	16.1	1,455	1,342	8.4
Wellness	129	98	31.2	100	29.0	239	316	(24.4)
<b>Total</b>	6,438	5,780	11.4	4,990	29.0	20,501	19,153	7.0

Source: Company, PL

## Financials

### Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
<b>Net Revenues</b>	19,153	20,501	24,506	27,750
YoY gr. (%)	2.4	7.0	19.5	13.2
Cost of Goods Sold	9,096	10,383	11,567	13,042
Gross Profit	10,056	10,118	12,939	14,707
Margin (%)	52.5	49.4	53.0	53.0
Employee Cost	2,415	2,594	3,235	3,663
Other Expenses	3,800	4,832	4,950	5,633
<b>EBITDA</b>	<b>2,907</b>	<b>2,692</b>	<b>3,450</b>	<b>3,935</b>
YoY gr. (%)	(1.2)	(7.4)	28.2	14.0
Margin (%)	15.2	13.1	14.1	14.2
Depreciation and Amortization	385	387	415	435
<b>EBIT</b>	<b>2,522</b>	<b>2,305</b>	<b>3,035</b>	<b>3,500</b>
Margin (%)	13.2	11.2	12.4	12.6
Net Interest	71	65	65	65
Other Income	625	529	750	770
<b>Profit Before Tax</b>	<b>3,061</b>	<b>2,691</b>	<b>3,721</b>	<b>4,205</b>
Margin (%)	16.0	13.1	15.2	15.2
Total Tax	596	649	937	1,058
Effective Tax Rate (%)	19.5	24.1	25.2	25.2
<b>Profit After Tax</b>	<b>2,465</b>	<b>2,042</b>	<b>2,784</b>	<b>3,147</b>
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>2,480</b>	<b>2,120</b>	<b>2,784</b>	<b>3,147</b>
YoY gr. (%)	1.7	(14.5)	31.3	13.0
Margin (%)	12.9	10.3	11.4	11.3
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>2,480</b>	<b>2,120</b>	<b>2,784</b>	<b>3,147</b>
YoY gr. (%)	1.7	(14.5)	31.3	13.0
Margin (%)	12.9	10.3	11.4	11.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	2,480	2,120	2,784	3,147
<b>Equity Shares O/s (mn)</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>
<b>EPS (INR)</b>	<b>192.3</b>	<b>164.4</b>	<b>215.9</b>	<b>244.0</b>

Source: Company, PL

### Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>3,625</b>	<b>4,000</b>	<b>4,610</b>	<b>5,220</b>
Tangibles	3,625	4,000	4,610	5,220
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>279</b>	<b>690</b>	<b>1,105</b>	<b>1,540</b>
Tangibles	279	690	1,105	1,540
Intangibles	-	-	-	-
<b>Net Fixed Assets</b>	<b>3,352</b>	<b>3,314</b>	<b>3,509</b>	<b>3,684</b>
Tangibles	3,346	3,310	3,505	3,680
Intangibles	6	5	5	5
Capital Work In Progress	107	72	72	72
Goodwill	-	-	-	-
Non-Current Investments	852	605	596	599
Net Deferred Tax Assets	(389)	(432)	(432)	(432)
Other Non-Current Assets	-	-	-	-
<b>Current Assets</b>				
Investments	6,717	8,012	9,012	10,012
Inventories	4,058	3,958	4,513	5,051
Trade Receivables	2,680	2,739	3,123	3,495
Cash & Bank Balance	262	481	275	837
Other Current Assets	380	402	423	473
<b>Total Assets</b>	<b>18,409</b>	<b>19,582</b>	<b>21,523</b>	<b>24,224</b>
<b>Equity</b>				
Equity Share Capital	64	64	64	64
Other Equity	13,439	14,659	16,645	19,005
<b>Total Networth</b>	<b>13,503</b>	<b>14,723</b>	<b>16,710</b>	<b>19,070</b>
<b>Non-Current Liabilities</b>				
Long Term Borrowings	-	-	-	-
Provisions	104	83	83	83
Other Non Current Liabilities	401	368	368	368
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	155	9	9	9
Trade Payables	1,910	2,199	2,493	2,784
Other Current Liabilities	1,645	1,452	1,113	1,163
<b>Total Equity &amp; Liabilities</b>	<b>18,409</b>	<b>19,582</b>	<b>21,523</b>	<b>24,224</b>

Source: Company, PL

**Cash Flow (INR mn)**

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	3,061	2,691	3,995	4,486
Add. Depreciation	385	387	415	435
Add. Interest	71	65	75	75
Less Financial Other Income	625	529	750	770
Add. Other	(818)	(605)	-	-
Op. Profit before WC Changes	2,699	2,538	4,485	4,996
Net Changes-WC	(922)	273	(726)	(699)
Direct Tax	(570)	(692)	(977)	(1,099)
<b>Net Cash from Op. Activities</b>	<b>1,207</b>	<b>2,119</b>	<b>2,782</b>	<b>3,197</b>
Capital Expenditures	(274)	(209)	(610)	(610)
Interest / Dividend Income	36	31	-	-
OtheINR	1,520	(707)	(1,003)	(1,003)
<b>Net Cash from Inv. Activities</b>	<b>1,282</b>	<b>(885)</b>	<b>(1,613)</b>	<b>(1,613)</b>
Issue of Share Cap. / Premium	(1,621)	-	-	-
Debt Changes	(8)	(147)	-	-
Dividend Paid	(780)	(838)	(838)	(838)
Interest Paid	(20)	(14)	(75)	(75)
OtheINR	(147)	(148)	-	-
<b>Net Cash from Fin. Activities</b>	<b>(2,576)</b>	<b>(1,147)</b>	<b>(913)</b>	<b>(913)</b>
<b>Net Change in Cash</b>	<b>(87)</b>	<b>87</b>	<b>256</b>	<b>671</b>
Free Cash Flow	933	1,910	2,172	2,587

Source: Company, PL

**Quarterly Financials (INR mn)**

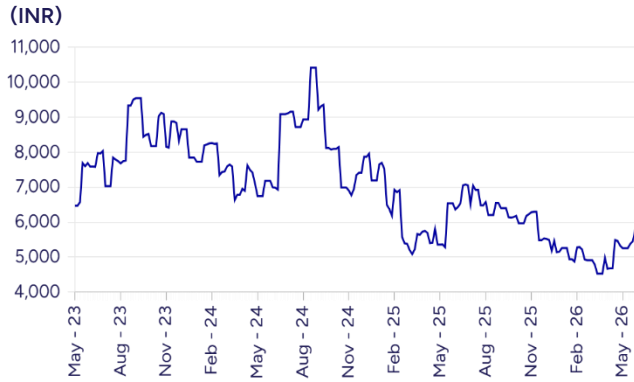
Y/e Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26
<b>Net Revenues</b>	<b>4,194</b>	<b>4,879</b>	<b>4,990</b>	<b>6,438</b>
YoY gr. (%)	5.4	-	11.1	11.4
Raw Material Expenses	1,981	2,403	2,489	3,510
Gross Profit	2,213	2,476	2,501	2,928
Margin (%)	52.8	50.7	50.1	45.5
<b>EBITDA</b>	<b>531</b>	<b>671</b>	<b>511</b>	<b>979</b>
YoY gr. (%)	(5.5)	(3.5)	(14.1)	(7.3)
Margin (%)	12.7	13.8	10.2	15.2
Depreciation / Depletion	91	98	98	99
<b>EBIT</b>	<b>440</b>	<b>573</b>	<b>413</b>	<b>880</b>
Margin (%)	10.5	11.7	8.3	13.7
Net Interest	14	16	20	14
Other Income	186	166	114	63
<b>Profit before Tax</b>	<b>611</b>	<b>722</b>	<b>507</b>	<b>929</b>
Margin (%)	14.6	14.8	10.2	14.4
Total Tax	146	156	86	262
Effective Tax Rate (%)	23.9	21.6	16.9	28.2
<b>Profit After Tax</b>	<b>465</b>	<b>566</b>	<b>421</b>	<b>667</b>
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>465</b>	<b>566</b>	<b>237</b>	<b>773</b>
YoY gr. (%)	-	(16.8)	(48.4)	(9.6)
Margin (%)	11.1	11.6	4.7	12.0
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>465</b>	<b>566</b>	<b>237</b>	<b>773</b>
YoY gr. (%)	-	(16.8)	(48.4)	(9.6)
Margin (%)	11.1	11.6	4.7	12.0
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>465</b>	<b>566</b>	<b>237</b>	<b>773</b>
Avg. Shares O/s (mn)	13	13	13	13
<b>EPS (INR)</b>	<b>36.1</b>	<b>43.9</b>	<b>18.4</b>	<b>60.0</b>

Source: Company, PL

**Key Financial Metrics**

Y/e Mar	FY25	FY26	FY27E	FY28E
<b>Per Share (INR)</b>				
EPS	192.3	164.4	215.9	244.0
CEPS	222.1	194.3	248.0	277.7
BVPS	1,047.0	1,141.6	1,295.6	1,478.6
FCF	72.3	148.1	168.4	200.6
DPS	65.0	75.0	70.0	70.0
<b>Return Ratio (%)</b>				
RoCE	23.1	20.0	24.1	23.9
ROIC	30.6	30.7	35.3	37.2
RoE	18.4	15.0	17.7	17.6
<b>Balance Sheet</b>				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	92	80	77	76
<b>Valuation (x)</b>				
PER	30.0	35.1	26.7	23.6
P/B	5.5	5.0	4.4	3.9
P/CEPS	26.0	29.7	23.3	20.8
EV/EBITDA	23.3	24.5	18.9	16.1
EV/Sales	3.5	3.2	2.6	2.2
Dividend Yield (%)	1.1	1.2	1.2	1.2
FCFF Yield (%)	1.2	2.5	2.9	3.4
PEG Ratio	11.7	(2.5)	0.8	1.8

Source: Company, PL

**Price Chart**

**Recommendation History**

No.	Date	Rating	TP (INR)	Share Price (INR)
1	02-Apr-26	BUY	6747	4677
2	06-Feb-26	BUY	6800	5054
3	07-Jan-26	BUY	7372	5177
4	13-Nov-25	BUY	7178	5761
5	06-Oct-25	BUY	7424	6149
6	07-Aug-25	Accumulate	7178	6244
7	02-Jul-25	Accumulate	7389	6788
8	10-May-25	BUY	7319	5832
9	08-Apr-25	BUY	7456	5398
10	27-Mar-25	BUY	7456	5651

**Analyst Coverage UniveINRe**

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Amber Enterprises India	BUY	8646	6405
2	Astral Ltd.	BUY	1876	1554
3	Avalon Technologies	Hold	1233	1256
4	Bajaj Electricals	BUY	449	349
5	Cello World	BUY	621	405
6	Century Plyboard (I)	BUY	841	720
7	Cera Sanitaryware	BUY	6747	4677
8	Crompton Greaves Consumer Electricals	BUY	344	232
9	Cyient DLM	HOLD	370	358
10	Finolex Industries	BUY	203	159
11	Greenpanel Industries	BUY	370	182
12	Havells India	Accumulate	1505	1349
13	Kajaria Ceramics	Accumulate	1323	1188
14	Kaynes Technology India	BUY	5444	3707
15	KEI Industries	Accumulate	5660	5018
16	LG Electronics India	BUY	1813	1319
17	Polycab India	BUY	10282	8416
18	Premier Energies	Hold	905	943
19	R R Kabel	BUY	1964	1571
20	Supreme Industries	BUY	4626	3692
21	Syrma SGS Technology	BUY	905	809
22	Vikram Solar	BUY	232	186
23	Voltas	Accumulate	1423	1235
24	Waaree Energies	BUY	3713	3119

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>BUY</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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