

Kajaria Ceramics (KJC IN)

Q4FY26 Result Update

May 01, 2026

 Estimate Change | Target | Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	Accumulate		BUY	
Target Price	1,323		1,147	
Sales (INR mn)	52,919	56,746	52,313	56,011
% Chng.	1.2	1.3		
EBITDA (INR mn)	9,204	9,874	8,893	9,522
% Chng.	3.5	3.7		
EPS (INR)	36.3	39.6	34.3	37.7
% Chng.	5.8	5.0		

Key Data

KAJR.BO | KJC IN

BSE Code	500233
NSE Code	KAJARIACER
52-W High / Low	INR 1,322 / INR 760
Face Value	1
Sensex / Nifty	76,914 / 23,998
Market Cap	INR 189 bn / \$ 1,993 mn
Shares Outstanding	159.27 mn
3M Avg. Daily Value	INR 457.99 mn

Shareholding Pattern (%)

Promoters	47.69
FIs	11.66
Mutual Funds	22.19
Domestic Institutions	4.13
Public & Others	14.34
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	29.1	31.6	(1.7)	47.6
Relative	20.7	40.8	7.3	54.0

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	46,351	48,304	52,919	56,746
EBITDA (INR mn)	6,262	8,650	9,204	9,874
Margin (%)	13.5	17.9	17.4	18.0
PAT (INR mn)	3,426	4,885	5,794	6,309
EV (INR mn)	185,054	182,908	179,477	175,415
Total Debt (INR mn)	1,759	1,303	1,103	903
C&C Eq. (INR mn)	5,829	7,551	10,782	14,644
EPS (INR)	21.5	30.7	36.4	39.6
Gr. (%)	(18.0)	42.5	18.6	8.9
DPS (INR)	12.0	6.0	8.0	8.7
Yield (%)	1.0	0.5	0.7	0.7
RoE (%)	12.8	16.8	17.7	16.9
RoCE (%)	17.6	24.5	23.6	22.7
EV/Sales (x)	4.0	3.8	3.4	3.1
EV/EBITDA (x)	29.6	21.1	19.5	17.8
PE (x)	55.2	38.7	32.7	30.0
P/BV (x)	6.9	6.2	5.4	4.8

Margin expansion led by price hikes & cost optimization

Quick Pointers

- Tiles volume grew by 11.3% in Q4FY26
- EBITDA margin expanded by ~790bps YoY, mainly with low-cost inventory, price hike and cost optimization

Management has refrained from providing volume guidance for FY27 and beyond due to past deviations and external uncertainties but expects to maintain EBITDA margins to ~18-19% range. Margins expanded sharply to ~19.2% (+790bps YoY), supported by a combination of cost optimisation measures, improved operating efficiencies across production and supply chain, better price realisations led by calibrated price hikes taken during the quarter and low-cost inventory. Realisations improved QoQ as the company passed on higher gas costs while maintaining pricing discipline. Price hikes of ~12-13% in North and similar levels in South, along with ~16-17% in Morbi, were implemented to offset higher gas costs, supporting realization improvement. Working capital days improved by ~14 days to 51 days from Dec-25, driven by reduction in inventory and receivables. We have considered 5.0% CAGR in tiles volume over FY26-28E with cons. EBITDA margin of 17.4% in FY28. We expect Revenue/EBITDA/PAT CAGR of 8.4%/6.8%/13.6% over FY26-28E. We revised upwards our earnings estimates for FY27/FY28 by 5.8%/4.9%, while downgrading our rating to 'Accumulate' from 'BUY' as stock has given ~30% return post our [Kajaria Management Meet update](#). We value the stock at 33x Mar'28E EPS to arrive at revised TP of INR1,323 (earlier INR 1,147). Downgrade to 'Accumulate.'

Q4FY26 financial performance: Revenues grew by 12.4% YoY to INR13.7bn (PL: INR13.4bn), driven by volume growth of 11.3% YoY. Tiles segment revenue grew 11.4% YoY to INR12.1bn (contributes 88% revenue) and other segment revenues grew by 16.3% YoY. Bathware division (contribute ~8% rev.) grew by 5.5% YoY to INR1.2bn. Adhesives grew by 92.0% YoY to INR442mn. Gross margins contracted by ~160bps YoY to 54.2% (PL: 58.0%). EBITDA grew by 90.4% YoY to INR2.6bn (PL: INR2.3bn). EBITDA margins expanded by ~790bps YoY to 19.2% (PL: 17.1%). Fuel expenses (as a % of sales) stood at 16.3% in Q4FY26 from 19.1% in Q4FY25. PBT grew by 106.2% YoY to INR2.2bn (PL: INR1.9bn). PAT grew by 266% YoY to INR1.6bn (PL: INR1.5bn).

Quarter Summary

Y/e Mar	Q4'26E	Q4'26A	% Var.	Q4'25A	YoY gr. (%)
Net Sales (INR mn)	13,417	13,734	2.0	12,219	12.0
EBITDA (INR mn)	2,294	2,635	15.0	1,384	90.0
Margin (%)	17.1	19.2	210 bps	11.3	790 bps
PAT (INR mn)	1,472	1,557	6.0	663	135.0

Source: Company, PL

 Praveen Sahay
 praveensahay@plindia.com | +91-22-66322369

 Rahul Shah
 rahulshah@plindia.com | +91-22-66322534

Conference Call Highlights

- Q4FY26 production declined by ~7% due to Morbi shutdowns, while revenue grew ~12%, leading to a drawdown in finished goods inventory.
- Fuel costs as a % of sales declined in Q4FY26 due to lower production and higher sales, although fuel cost per sq. meter increased
- The company implemented price hikes of ~12-13% in the North, while Morbi saw higher increases of ~16-17% due to elevated gas costs
- Gas prices in Q4FY26 stood at INR 55.5/SEM (North), INR 49.6 (South) and INR 46.6 (West), which have increased to INR 62.5, INR 81 and INR 79, respectively, in Apr'26.
- Morbi players are facing ~35-40% cost inflation due to higher gas prices, leading to product price increases from ~INR 20 to INR 27-28/sq ft, while Kajaria's hikes are relatively lower given its already higher base pricing.
- Outsourcing is expected to reach ~40mn square meters In FY27.
- Working capital cycle improved by 14 days to 51 days as on Mar'26 (vs 65 days in Dec'25), driven by lower inventory and receivables.
- The company plans to increase ad spends in FY27 by ~40-50% over the INR 0.9-1.0bn spent in FY26.

Exhibit 1 : Q4FY26 Result Overview, Sales increased by 12.4% YoY, PAT grew by 266.2% YoY

Y/e March (INR mn)	Q4FY26	Q4FY25	YoY gr. (%)	Q4FY26E	% Var.	Q3FY26	QoQ gr. (%)	FY26	FY25	YoY gr. (%)
Net Sales	13,734	12,219	12.4	13,417	2.4	11,683	17.6	48,304	46,351	4.2
Expenditure										
Operating & Manufacturing Expenses	6,290	5,395	16.6	5,635	11.6	4,857	29.5	20,675	19,655	5.2
% of Net Sales	45.8	44.2		42.0		41.6		42.8	42.4	
Gross Profit	7,443	6,824	9.1	7,782	(4.4)	6,826	9.1	27,629	26,695	3.5
% of Net Sales	54.2	55.8	(1.6)	58.0		58.4		57.2	57.6	
Personnel Cost	1,281	1,433	(10.6)	1,503	(14.8)	1,353	(5.3)	5,299	5,661	(6.4)
% of Net Sales	9.3	11.7		11.2		11.6		11.0	12.2	
Other Expenses	1,284	1,667	(23.0)	1,342	(4.3)	1,210	6.1	4,796	5,649	(15.1)
% of Net Sales	9.4	13.6		10.0		10.4		9.9	12.2	
Total Expenditure	11,099	10,835	2.4	11,123	(0.2)	9,671	14.8	39,654	40,089	(1.1)
EBITDA	2,635	1,384	90.4	2,294	14.8	2,012	31.0	8,650	6,262	38.1
Margin (%)	19.2	11.3	7.9	17.1		17.2		17.9	13.5	4.4
Depreciation	423	434	(2.5)	416	1.7	415	2.0	1,694	1,654	2.4
EBIT	2,211	949	133.0	1,878	17.7	1,597	38.5	6,956	4,608	51.0
Other income	125	125	0.2	126	(1.1)	117	7.1	529	427	23.7
Interest	57	60	(4.5)	58	(1.8)	59	(3.7)	226	200	13.0
PBT	2,239	1,084	106.6	1,946	15.1	1,250	79.1	6,828	4,843	41.0
Total Taxes	674	344	95.9	490	37.6	386	74.8	1,928	1,360	41.8
ETR (%)	30.1	31.8		25.2		30.8		28.2	28.1	
Extra-ordinary income / (exp)	(40)	70		-		(404)		(440)	-	
Adjusted PAT	1,557	425	266.2	1,472.1	5.8	877	77.5	4,854	2,944	64.9

Source: Company, PL

Exhibit 2 : Segmental Breakup: Tiles revenue grew by 11.4% YoY, with volume growth of 11.3% YoY

Y/e March (INR mn)	Q4FY26	Q4FY25	YoY gr. (%)	Q3FY26	QoQ gr. (%)	FY26	FY25	YoY gr. (%)
Revenues								
Tiles	12,126	10,884	11.4	10,299	17.7	42,803	30,837	38.8
Others	1,608	1,382	16.3	1,384	16.2	5,501	15,514	-64.5
Sales Volumes (Tiles in mn sq. m)								
Own Manufacturing	17.0	15.8	7.5	15.4	10.0	62.8	46.0	36.7
Subsidiaries	7.3	6.5	12.2	7.0	3.9	26.3	16.8	56.2
Outsource	9.3	7.9	18.1	6.6	41.5	29.4	21.8	35.0
Realisation (INR/Sqm)								
Own Manufacturing	374	371	1.0	365	2.5	370	373	(0.9)
Subsidiaries	341	352	(3.0)	328	4.0	343	357	(3.9)
Outsource	355	351	1.3	363	(2.0)	359	352	1.8

Source: Company, PL

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	46,351	48,304	52,919	56,746
YoY gr. (%)	3.6	4.2	9.6	7.2
Cost of Goods Sold	19,655	20,675	22,081	24,004
Gross Profit	26,695	27,629	30,838	32,743
Margin (%)	57.6	57.2	58.3	58.0
Employee Cost	5,661	5,299	5,927	6,526
Other Expenses	5,649	4,796	5,292	5,561
EBITDA	6,262	8,650	9,204	9,874
YoY gr. (%)	(9.4)	38.1	6.4	7.3
Margin (%)	13.5	17.9	17.4	18.0
Depreciation and Amortization	1,654	1,694	1,811	1,933
EBIT	4,608	6,956	7,393	7,941
Margin (%)	9.9	14.4	14.0	14.0
Net Interest	200	226	209	174
Other Income	427	529	639	720
Profit Before Tax	4,835	6,818	7,822	8,487
Margin (%)	10.4	14.1	14.8	15.0
Total Tax	1,360	1,928	2,073	2,224
Effective Tax Rate (%)	28.1	28.3	27.0	27.0
Profit After Tax	3,475	4,890	5,749	6,263
Minority Interest	57	16	(32)	(32)
Share Profit from Associate	8	10	12	13
Adjusted PAT	3,426	4,885	5,794	6,309
YoY gr. (%)	(18.0)	42.6	18.6	8.9
Margin (%)	7.4	10.1	10.9	11.1
Extra Ord. Income / (Exp)	-	(316)	-	-
Reported PAT	3,426	4,569	5,794	6,309
YoY gr. (%)	(18.0)	33.3	26.8	8.9
Margin (%)	7.4	9.5	10.9	11.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,426	4,569	5,794	6,309
Equity Shares O/s (m)	159	159	159	159
EPS (INR)	21.5	30.7	36.4	39.6

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	27,496	28,762	30,762	32,762
Tangibles	27,488	28,756	30,756	32,756
Intangibles	8	6	6	6
Acc: Dep / Amortization	10,641	12,335	14,146	16,079
Tangibles	10,641	12,335	14,146	16,079
Intangibles	-	-	-	-
Net Fixed Assets	16,855	16,427	16,616	16,683
Tangibles	16,847	16,421	16,610	16,677
Intangibles	8	6	6	6
Capital Work In Progress	1,087	1,193	1,193	1,193
Goodwill	319	319	319	319
Non-Current Investments	302	354	354	354
Net Deferred Tax Assets	(891)	(1,015)	(1,015)	(1,015)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	37	37	37	37
Inventories	6,181	5,515	6,346	6,950
Trade Receivables	5,702	6,285	6,669	6,996
Cash & Bank Balance	5,829	7,551	10,782	14,644
Other Current Assets	571	523	523	523
Total Assets	37,562	40,292	45,127	50,153
Equity				
Equity Share Capital	159	159	159	159
Other Equity	27,284	30,497	34,756	39,393
Total Network	27,443	30,656	34,915	39,553
Non-Current Liabilities				
Long Term Borrowings	714	491	491	491
Provisions	-	-	-	-
Other Non Current Liabilities	779	812	889	954
Current Liabilities				
ST Debt / Current of LT Debt	1,046	812	612	412
Trade Payables	3,381	3,195	3,543	3,897
Other Current Liabilities	2,651	2,663	3,013	3,183
Total Equity & Liabilities	37,562	40,292	45,127	50,153

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	3,345	6,798	5,794	6,309
Add. Depreciation	1,654	1,694	1,811	1,933
Add. Interest	134	226	140	117
Less Financial Other Income	427	529	639	720
Add. Other	1,037	211	(1,597)	(1,289)
Op. Profit before WC Changes	6,170	8,929	6,148	7,070
Net Changes-WC	12	(601)	717	573
Direct Tax	(1,172)	(1,691)	(2,073)	(2,224)
Net Cash from Op. Activities	6,182	6,637	6,864	7,643
Capital Expenditures	(2,205)	(1,273)	(2,000)	(2,000)
Interest / Dividend Income	-	-	-	-
Others	(1,515)	(2,090)	-	-
Net Cash from Inv. Activities	(3,721)	(3,364)	(2,000)	(2,000)
Issue of Share Cap. / Premium	14	-	-	-
Debt Changes	100	(447)	(200)	(200)
Dividend Paid	(1,752)	(1,911)	(1,535)	(1,671)
Interest Paid	-	-	-	-
Others	(447)	(544)	-	-
Net Cash from Fin. Activities	(2,086)	(2,902)	(1,735)	(1,871)
Net Change in Cash	376	371	3,130	3,772
Free Cash Flow	3,977	5,363	4,864	5,643

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Net Revenues	11,027	11,860	11,683	13,734
YoY gr. (%)	0.6	2.1	1.1	12.4
Raw Material Expenses	4,425	5,103	4,857	6,290
Gross Profit	6,603	6,757	6,826	7,443
Margin (%)	59.9	57.0	58.4	54.2
EBITDA	1,869	2,135	2,012	2,635
YoY gr. (%)	9.3	30.6	31.2	90.4
Margin (%)	16.9	18.0	17.2	19.2
Depreciation / Depletion	436	419	415	423
EBIT	1,432	1,716	1,597	2,211
Margin (%)	13.0	14.5	13.7	16.1
Net Interest	52	58	59	57
Other Income	132	155	117	125
Profit before Tax	1,522	1,817	1,250	2,239
Margin (%)	13.8	15.3	10.7	16.3
Total Tax	396	472	386	674
Effective Tax Rate (%)	26.0	26.0	30.8	30.1
Profit After Tax	1,126	1,346	864	1,565
Minority Interest	13	10	(16)	8
Share Profit from Associate	-	-	-	-
Adjusted PAT	1,103	1,330	1,284	1,597
YoY gr. (%)	13.1	42.5	4.0	134.8
Margin (%)	10.0	11.2	7.5	11.3
Extra Ord. Income / (Exp)	9	5	-404	-40
Reported PAT	1,112	1,335	880	1,557
YoY gr. (%)	16.8	47.7	5.2	112.4
Margin (%)	10.1	11.3	7.5	11.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,112	1,335	880	1,557
Avg. Shares O/s (m)	159	159	159	159
EPS (INR)	6.9	8.4	8.1	10.0

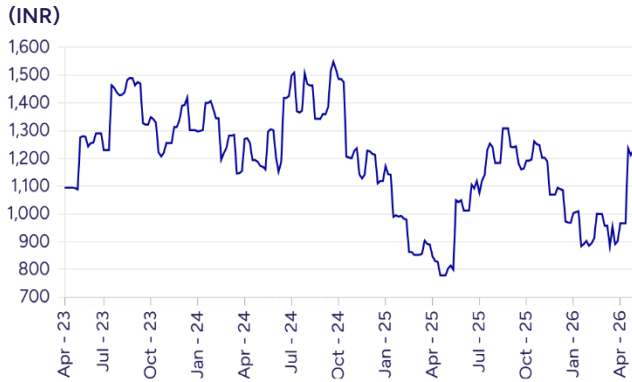
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	21.5	30.7	36.4	39.6
CEPS	31.9	41.3	47.7	51.7
BVPS	172.3	192.4	219.2	248.3
FCF	25.0	33.7	30.5	35.4
DPS	12.0	6.0	8.0	8.7
Return Ratio (%)				
RoCE	17.6	24.5	23.6	22.7
ROIC	14.6	21.7	23.5	24.9
RoE	12.8	16.8	17.7	16.9
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	67	65	65	65
Valuation (x)				
PER	55.2	38.7	32.6	29.9
P/B	6.8	6.1	5.4	4.7
P/CEPS	37.2	28.7	24.8	22.9
EV/EBITDA	29.5	21.1	19.5	17.7
EV/Sales	3.9	3.7	3.3	3.0
Dividend Yield (%)	1.0	0.5	0.6	0.7
FCFF Yield (%)	2.1	2.8	2.5	2.9
PEG Ratio	(3.1)	0.9	1.7	3.3

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	02-Apr-26	BUY	1147	966
2	30-Mar-26	BUY	1147	920
3	30-Jan-26	BUY	1056	902
4	07-Jan-26	Hold	1053	1003
5	22-Dec-25	Hold	1083	1049
6	17-Oct-25	Hold	1288	1251
7	06-Oct-25	Hold	1281	1208
8	23-Jul-25	Hold	1192	1242
9	02-Jul-25	Accumulate	1171	1075
10	07-May-25	Accumulate	878	800

Analyst Coverage Universe

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	BUY	1175	963
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	BUY	1147	966
14	Kaynes Technology India	BUY	5444	3707
15	KEI Industries	BUY	5545	4048
16	LG Electronics India	BUY	1813	1319
17	Polycab India	BUY	9611	6878
18	Premier Energies	Hold	905	943
19	R R Kabel	BUY	1844	1334
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	3600	3084

PL's Recommendation Nomenclature (Absolute Performance)

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

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Corporate Office: 6th Floor, Tower 2B South Annex, One World Centre, 841, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

Registered Office: 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018

Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

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