Sushil Finance
ACTIONABLE KNOWLEDGE

Kajaria Ceramics Ltd

Market Cap.	52 Week H/L	CMP	Target Price
Rs.19,308 Cr.	Rs.1,322 / 870	Rs.1,210	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)	330,015 Shares

Price Performance (%)

1M	3M	6M
(1)	1	33

200 days EMA Rs. 1,105

SHARE HOLDING (%)

Promoters	47.7
FII	11.6
FI / MF	23.4
Bodies Corporate	2.6
Public & Others	14.7

Kajaria Ceramics Ltd. recently announced its performance for the quarter ended June 30, 2026. Following are the key highlights.

Particulars (Rs.in cr)	Q1 FY27	Q1 FY26	YoY	Q4 FY26	QoQ
Net Sales	1,328.1	1,102.7	20.4%	1,373.0	(3.3%)
EBITDA	260.4	186.9	39.3%	263.5	(1.2%)
EBITDA Margin	***19.6%***	***16.9%***	***270 bps***	***19.2%***	***40 bps***
Profit before Tax	231.4	152.2	52.1%	228.3	1.3%
Profit after Tax	171.1	112.6	52.0%	160.9	6.3%
PAT Margin	***12.9%***	***10.2%***	***270 bps***	***11.7%***	***120 bps***
AEPS	10.6	6.8	55.4%	9.8	8.8%

Highlights from the Quarter (Q1 FY27)

Consolidated sales were at Rs.1,328 cr, recording a 20.4% yoy growth, supported by healthy volume of 6% yoy in May-June months. Management expects project business to do well as it won a big builders of India, with Kajaria securing a lion's share adding a volume driver alongside its traditional distribution strength. The company plans to add ~100 dealers this year, roughly half of them exclusive, while also designing showrooms in smaller towns, where the demand is robust.

On the pricing front, after the Gulf war on 28 February, Morbi's sole gas supplier (GSPC) hiked prices from ~Rs.48 to Rs.86–Rs.88 per SCM, while North India saw only a 10–12% increase; Morbi manufacturers raised product prices 40–45%, Kajaria raised only 10–11% from its North and South plants. As result, price differential shrank from ~40% historically to below 20%, a structural competitive shift that makes Kajaria's branded offering far more attractive to price-sensitive buyers.

Two large-scale plants approved: A brownfield 1 crore sq meter line at Srikalahasti (Rs.210 cr) and a new 1.1 cr sq meter line at Gailpur, Rajasthan (Rs.165 cr), both targeting completion by April 2027. The Gailpur expansion alone is expected to generate Rs.400–450 cr in turnover with better margins than the existing base

Margins: EBITDA margin improved to 19.60% from 16.72% YoY, helped by price increases flowing through; full-year guidance is 18–19%. Kajaria has guided for Rs.1,000 cr EBITDA for FY27 on accounted of increase in operating leverage.

OUTLOOK AND VALUATION

With the cost optimization measures by the company and capacity expansion , 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 36% from current levels with an investment horizon of 12-18 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	55.1	13.0
FY26	4,830.0	532.7	11.0%	33.5	36.0	18.3
FY27E	**5,226.0**	**579.8**	**11.1%**	**36.4**	**33.1**	**17.9**
FY28E	**5,748.6**	**633.2**	**11.0%**	**39.8**	**30.3**	**17.6**

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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
5-May-26	Q4FY26 Update	Buy	1,062	1,650

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	55.1	36.0	33.1	30.3
P/BV	7.0	6.3	5.6	5.0
P/SALES	4.1	4.0	3.7	3.3
EV/EBITDA	30.4	22.0	20.2	18.5
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 OwnershipNo	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