

# Kajaria Ceramics (KJC IN)

Management  
Meet Update

March 30, 2026

Estimate Change |  Target |  Reco.

## Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	1,147		1,056	
Sales (INR mn)	52,313	56,011	51,096	55,993
% Chng.	2.4	-		
EBITDA (INR mn)	8,893	9,522	8,686	9,519
% Chng.	2.4	-		
EPS (INR)	34.4	37.7	33.4	37.7
% Chng.	2.9	-		

## Key Data

KAJR.BO | KJC IN

BSE Code	500233
NSE Code	KAJARIACER
52-W High / Low	INR 1,322 / INR 745
Face Value	1
Sensex / Nifty	71,948 / 22,331
Market Cap	INR 146 bn / \$ 1,545 mn
Shares Outstanding	159.27 mn
3M Avg. Daily Value	INR 331.78 mn

## Shareholding Pattern (%)

Promoters	47.69
FIIs	11.66
MF	22.19
DII	4.13
Public & Others	14.34
Promoter's Pledge	-

## Stock Performance (%)

	1M	3M	6M	12M
Absolute	(3.9)	(5.0)	(21.1)	7.1
Relative	8.6	11.8	(12.0)	15.3

## Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (INR mn)	46,351	48,004	52,313	56,011
EBITDA (INR mn)	6,262	8,161	8,893	9,522
Margin (%)	13.5	17.0	17.0	17.0
PAT (INR mn)	3,426	4,654	5,476	6,011
EV (INR mn)	142,441	140,070	137,048	133,524
Total Debt (INR mn)	1,759	1,559	1,359	1,159
C&C Eq. (INR mn)	5,829	8,000	10,821	14,146
EPS (INR)	21.5	29.2	34.4	37.7
Gr. (%)	(18.0)	35.8	17.6	9.8
DPS (INR)	4.7	6.4	7.6	8.3
Yield (%)	0.5	0.7	0.8	0.9
RoE (%)	12.8	16.0	16.8	16.3
RoCE (%)	17.6	22.8	22.7	21.8
EV/Sales (x)	3.1	2.9	2.6	2.4
EV/EBITDA (x)	22.7	17.2	15.4	14.0
PE (x)	42.8	31.5	26.8	24.4
P/BV (x)	5.3	4.8	4.2	3.8

## Market share gains amid industry disruption

### Quick Pointers

- Volume recovery (7–8%) driven by destocking and normalization in Q4FY26.
- Margins guided stable at 17–18% supported by mix and pricing.

We interacted with the management of Kajaria Ceramics (KJC), wherein they highlighted a gradual recovery in Q4FY26 led by 7–8% volume growth, supported by channel destocking and normalization of operations. Supply disruptions in Morbi (gas issues and shutdowns) have created a market share gain opportunity, aided by low dealer inventory and continued constraints in the region. Gas price volatility remains a key monitorable, especially for subsidiaries and outsourced volumes linked to Morbi, though standalone operations remain largely unaffected. Margins are guided to remain stable at 17–18%, supported by pricing actions and cost-effective factors taken by company

Long-term view: We remain positive on Kajaria Ceramics, driven by 1) market share gains amid industry disruptions, 2) shift towards value-added products, 3) strong brand and distribution, and 4) margin resilience, though near-term demand softness.

We estimate revenue/EBITDA/PAT CAGR of 8.0% / 8.0% / 13.6% with over FY26–28E. We have considered ~5.0% CAGR over FY26–28E, factoring in a subdued demand environment and ongoing geopolitical uncertainties. We upward revised our earnings estimate by 2.9% for FY27E, while maintained for FY28E. Maintain 'BUY' rating with revised DCF-based TP of Rs1,147 (Rs1,056 earlier).

## Key Takeaways

- In Q4FY26, Kajaria Ceramics is expected to deliver 7–8% volume growth, driven by channel de-stocking in Q3FY26 and normalization of distribution and production. Benefits from Morbi disruption became visible from late Mar'26, with healthy traction seen during Jan–Feb'26.
- The company carried elevated inventory (~60–62 days) at the start of Q4, aiding volume push; inventory has since reduced by Rs500–600mn, while maintaining normal levels.
- Despite soft industry demand, production cuts in Morbi have created a market share gain opportunity for Kajaria. Dealer inventory remains low (~15 days), and with Morbi shutdown (~25 days till mid-Apr'26), gains are likely to sustain in the near term.

## Gas Supply issues

- Kajaria's own production (5 plants) is not facing any gas supply issues. While GAIL supply has not been disrupted, prices have increased. GAIL is supplying gas with ~65% of average of the last 6-month consumption at earlier rates and ~35% at higher prices.
- With ~40% subsidiary capacity is situated in Morbi, where Gujarat Gas supply has been disrupted. The company has received communication indicating gas supply at nearly double the price (~Rs 80/SCM vs earlier ~Rs 44/SCM).
- Additionally, ~22–23% of the company's sales volume is outsourced (largely from Morbi), where significant disruption has been observed.

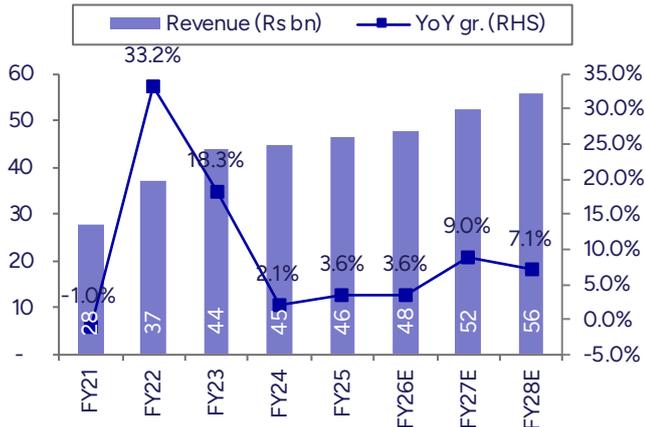
## Price hike to offset gas price inflation

- The company has undertaken price hikes (~5% in mid-Mar'26 and further 7–8% by end-Mar'26), with full impact expected from Apr'26. Additionally, industry-wide discounting withdrawal has supported realizations.

## Other highlights

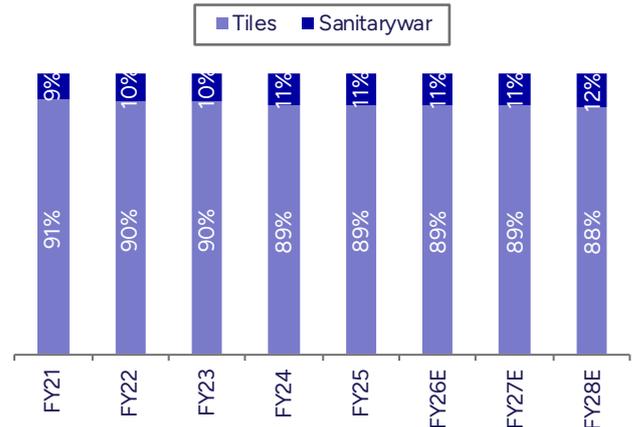
- Kajaria continues to guide for EBITDA margins of 17–18%, supported by price hikes, low-cost inventory, healthy volumes, and improving product mix.
- The company has completed capacity conversion (~9.1 msm) from ceramic to GVT, enhancing value-added mix, with benefits expected from Q1FY27 onwards.
- Exports remain impacted due to gas disruptions, elevated logistics costs, and container shortages, leading to weaker-than-expected performance in Q4FY26. Earlier, tile exports were expected to reach ~Rs 160bn in FY26 (Rs 40bn in Q3FY26 and Rs 120bn in 9MFY26).

Exhibit 1: Revenue to clock 8.0% CAGR over FY26-28E



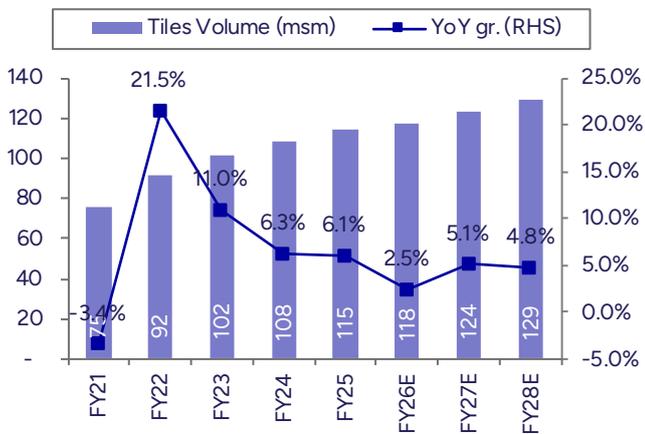
Source: Company, PL

Exhibit 2: Tiles segment to contribute 88% to the topline by FY28



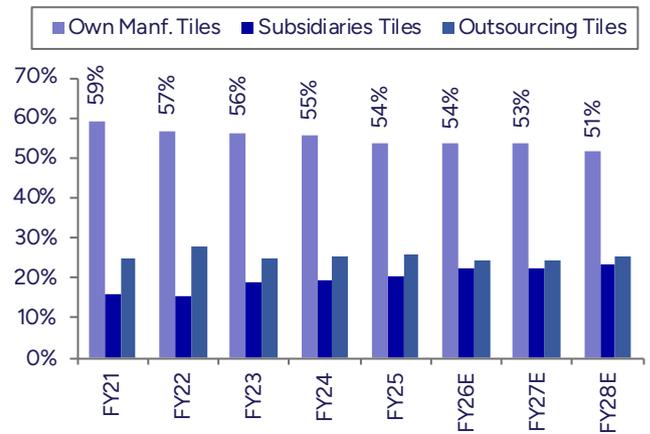
Source: Company, PL

Exhibit 3: Tiles to clock ~5.0% volume CAGR over FY26-28E



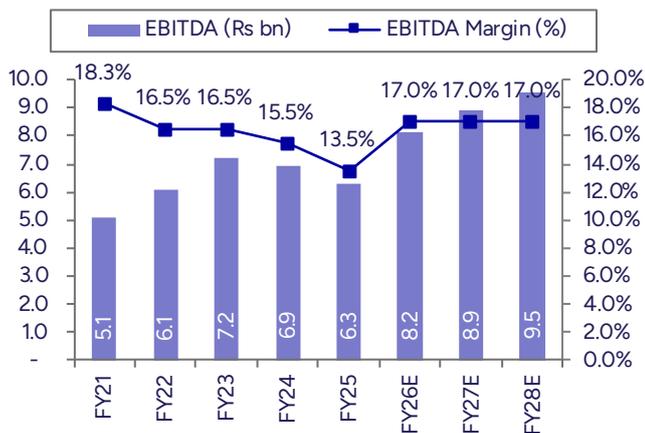
Source: Company, PL

Exhibit 4: Tile volume split: own, subsidiary & outsourcing



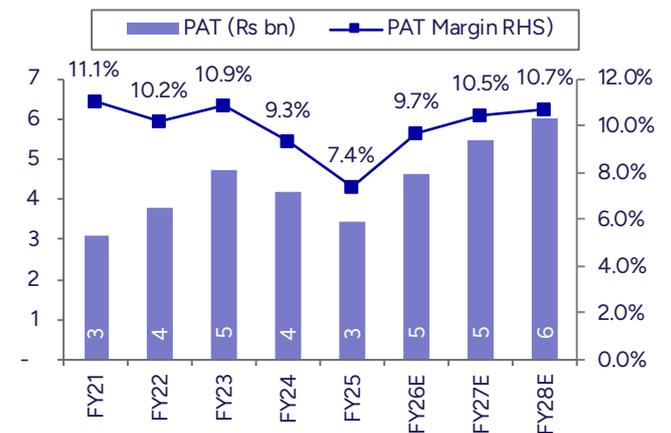
Source: Company, PL

Exhibit 4: EBITDA to clock 8.0% CAGR over FY26-28E



Source: Company, PL

Exhibit 5: PAT to clock 13.6% CAGR over FY26-28E



Source: Company, PL

## Financials

### Income Statement (INR mn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Net Revenues</b>	46,351	48,004	52,313	56,011
YoY gr. (%)	3.6	3.6	9.0	7.1
Cost of Goods Sold	19,655	19,922	21,605	22,964
Gross Profit	26,695	28,082	30,708	33,046
Margin (%)	57.6	58.5	58.7	59.0
Employee Cost	5,661	5,664	6,173	6,441
Other Expenses	5,649	4,992	5,441	6,161
<b>EBITDA</b>	<b>6,262</b>	<b>8,161</b>	<b>8,893</b>	<b>9,522</b>
YoY gr. (%)	(9.4)	30.3	9.0	7.1
Margin (%)	13.5	17.0	17.0	17.0
Depreciation and Amortization	1,654	1,686	1,814	1,953
<b>EBIT</b>	<b>4,608</b>	<b>6,474</b>	<b>7,079</b>	<b>7,569</b>
Margin (%)	9.9	13.5	13.5	13.5
Net Interest	200	227	200	173
Other Income	427	530	656	720
<b>Profit Before Tax</b>	<b>4,835</b>	<b>6,387</b>	<b>7,535</b>	<b>8,116</b>
Margin (%)	10.4	13.3	14.4	14.5
Total Tax	1,360	1,724	1,997	2,043
Effective tax rate (%)	28.1	27.0	26.5	25.2
<b>Profit after tax</b>	<b>3,475</b>	<b>4,662</b>	<b>5,539</b>	<b>6,074</b>
Minority interest	57	8	63	63
Share Profit from Associate	8	-	-	-
<b>Adjusted PAT</b>	<b>3,426</b>	<b>4,654</b>	<b>5,476</b>	<b>6,011</b>
YoY gr. (%)	(18.0)	35.8	17.6	9.8
Margin (%)	7.4	9.7	10.5	10.7
Extra Ord. Income / (Exp)	-	(285)	-	-
<b>Reported PAT</b>	<b>3,426</b>	<b>4,370</b>	<b>5,476</b>	<b>6,011</b>
YoY gr. (%)	(18.0)	27.5	25.3	9.8
Margin (%)	7.4	9.1	10.5	10.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,426	4,370	5,476	6,011
<b>Equity Shares O/s (m)</b>	<b>159</b>	<b>159</b>	<b>159</b>	<b>159</b>
<b>EPS (INR)</b>	<b>21.5</b>	<b>29.2</b>	<b>34.4</b>	<b>37.7</b>

Source: Company, PL

### Balance Sheet Abstract (INR mn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>27,496</b>	<b>29,496</b>	<b>31,796</b>	<b>34,196</b>
Tangibles	27,488	29,488	31,788	34,188
Intangibles	8	8	8	8
<b>Acc: Dep / Amortization</b>	<b>10,641</b>	<b>12,328</b>	<b>14,141</b>	<b>16,094</b>
Tangibles	10,641	12,328	14,141	16,094
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>16,855</b>	<b>17,168</b>	<b>17,654</b>	<b>18,102</b>
Tangibles	16,847	17,160	17,647	18,094
Intangibles	8	8	8	8
Capital Work In Progress	1,087	1,087	1,087	1,087
Goodwill	319	319	319	319
Non-Current Investments	302	302	302	302
Net Deferred tax assets	(891)	(891)	(891)	(891)
Other Non-Current Assets	-	-	-	-
<b>Current Assets</b>				
Investments	37	37	37	37
Inventories	6,181	6,225	6,751	7,176
Trade receivables	5,702	6,586	7,177	7,684
Cash & Bank Balance	5,829	8,000	10,821	14,146
Other Current Assets	571	571	571	571
<b>Total Assets</b>	<b>37,562</b>	<b>40,999</b>	<b>45,487</b>	<b>50,245</b>
<b>Equity</b>				
Equity Share Capital	159	159	159	159
Other Equity	27,284	30,421	34,446	38,865
<b>Total Network</b>	<b>27,443</b>	<b>30,580</b>	<b>34,605</b>	<b>39,024</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	714	714	714	714
Provisions	-	-	-	-
Other non current liabilities	779	807	879	941
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	1,046	846	646	446
Trade payables	3,381	3,421	3,711	3,944
Other current liabilities	2,651	3,082	3,383	3,627
<b>Total Equity &amp; Liabilities</b>	<b>37,562</b>	<b>40,999</b>	<b>45,487</b>	<b>50,245</b>

Source: Company, PL

**Cash Flow (INR mn)**

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	3,345	5,435	5,476	6,011
Add. Depreciation	1,654	1,686	1,814	1,953
Add. Interest	134	152	134	116
Less Financial Other Income	427	530	656	720
Add. Other	1,037	(1,893)	(1,314)	(1,134)
Op. profit before WC changes	6,170	5,381	6,110	6,945
Net Changes-WC	12	480	590	509
Direct tax	(1,172)	(1,724)	(1,997)	(2,043)
<b>Net cash from Op. activities</b>	<b>6,182</b>	<b>5,861</b>	<b>6,700</b>	<b>7,454</b>
Capital expenditures	(2,205)	(2,000)	(2,300)	(2,400)
Interest / Dividend Income	-	-	-	-
Others	(1,515)	-	-	-
<b>Net Cash from Invst. activities</b>	<b>(3,721)</b>	<b>(2,000)</b>	<b>(2,300)</b>	<b>(2,400)</b>
Issue of share cap. / premium	14	(285)	-	-
Debt changes	100	(200)	(200)	(200)
Dividend paid	(1,752)	(1,233)	(1,450)	(1,592)
Interest paid	-	-	-	-
Others	(447)	-	-	-
<b>Net cash from Fin. activities</b>	<b>(2,086)</b>	<b>(1,718)</b>	<b>(1,650)</b>	<b>(1,792)</b>
<b>Net change in cash</b>	<b>376</b>	<b>2,143</b>	<b>2,749</b>	<b>3,262</b>
Free Cash Flow	3,977	3,861	4,400	5,054

Source: Company, PL

**Quarterly Financials (INR mn)**

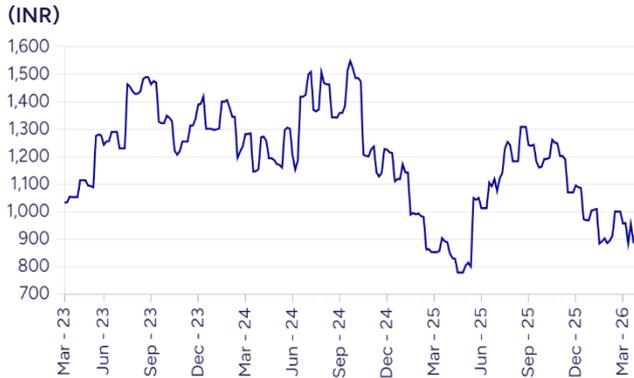
Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
<b>Net Revenues</b>	<b>12,219</b>	<b>11,027</b>	<b>11,860</b>	<b>11,683</b>
YoY gr. (%)	1.1	0.6	2.1	1.1
Raw Material Expenses	5,395	4,425	5,103	4,857
Gross Profit	6,824	6,603	6,757	6,826
Margin (%)	55.8	59.9	57.0	58.4
<b>EBITDA</b>	<b>1,384</b>	<b>1,869</b>	<b>2,135</b>	<b>2,012</b>
YoY gr. (%)	(20.0)	9.3	30.6	31.2
Margin (%)	11.3	16.9	18.0	17.2
Depreciation / Depletion	434	436	419	415
<b>EBIT</b>	<b>949</b>	<b>1,432</b>	<b>1,716</b>	<b>1,597</b>
Margin (%)	7.8	13.0	14.5	13.7
Net Interest	60	52	58	59
Other Income	125	132	155	117
<b>Profit before Tax</b>	<b>1,084</b>	<b>1,522</b>	<b>1,817</b>	<b>1,250</b>
Margin (%)	8.9	13.8	15.3	10.7
Total Tax	344	396	472	386
Effective tax rate (%)	31.8	26.0	26.0	30.8
<b>Profit after tax</b>	<b>740</b>	<b>1,126</b>	<b>1,346</b>	<b>864</b>
Minority interest	7	13	10	(16)
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>663</b>	<b>1,103</b>	<b>1,330</b>	<b>880</b>
YoY gr. (%)	(37.3)	13.1	42.5	4.0
Margin (%)	5.4	10.0	11.2	7.5
Extra Ord. Income / (Exp)	70	9	5	-
<b>Reported PAT</b>	<b>733</b>	<b>1,112</b>	<b>1,335</b>	<b>880</b>
YoY gr. (%)	(30.3)	16.8	47.7	5.2
Margin (%)	6.0	10.1	11.3	7.5
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>733</b>	<b>1,112</b>	<b>1,335</b>	<b>880</b>
Avg. Shares O/s (m)	159	159	159	159
<b>EPS (INR)</b>	<b>4.2</b>	<b>6.9</b>	<b>8.4</b>	<b>5.5</b>

Source: Company, PL

**Key Financial Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Per Share (INR)</b>				
EPS	21.5	29.2	34.4	37.7
CEPS	31.9	39.8	45.8	50.0
BVPS	172.3	192.0	217.3	245.0
FCF	25.0	24.2	27.6	31.7
DPS	4.7	6.4	7.6	8.3
<b>Return Ratio (%)</b>				
RoCE	17.6	22.8	22.7	21.8
ROIC	14.6	20.9	22.4	23.7
RoE	12.8	16.0	16.8	16.3
<b>Balance Sheet</b>				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	67	71	71	71
<b>Valuation (x)</b>				
PER	42.7	31.4	26.7	24.3
P/B	5.3	4.7	4.2	3.7
P/CEPS	28.8	23.1	20.1	18.4
EV/EBITDA	22.7	17.1	15.4	14.0
EV/Sales	3.0	2.9	2.6	2.3
Dividend Yield (%)	0.5	0.6	0.8	0.9
FCFF Yield (%)	2.7	2.6	3.0	3.4
PEG Ratio	(2.4)	0.8	1.5	2.4

Source: Company, PL

**Price Chart**

**Recommendation History**

No.	Date	Rating	TP (INR)	Share Price (INR)
1	30-Jan-26	BUY	1056	902
2	07-Jan-26	Hold	1053	1003
3	22-Dec-25	Hold	1083	1049
4	17-Oct-25	Hold	1288	1251
5	06-Oct-25	Hold	1281	1208
6	23-Jul-25	Hold	1192	1242
7	02-Jul-25	Accumulate	1171	1075
8	07-May-25	Accumulate	878	800
9	08-Apr-25	BUY	966	785
10	05-Feb-25	BUY	1224	960

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Amber Enterprises India	BUY	8617	7048
2	Astral Ltd.	BUY	1794	1504
3	Avalon Technologies	BUY	1175	1021
4	Bajaj Electricals	Accumulate	449	409
5	Cello World	BUY	621	508
6	Century Plyboard (I)	Accumulate	843	798
7	Cera Sanitaryware	BUY	6800	5054
8	Crompton Greaves Consumer Electricals	BUY	346	245
9	Cyient DLM	Accumulate	418	364
10	Finolex Industries	Accumulate	199	175
11	Greenpanel Industries	BUY	369	229
12	Havells India	Accumulate	1634	1447
13	Kajaria Ceramics	BUY	1056	902
14	Kaynes Technology India	BUY	5502	3700
15	KEI Industries	BUY	5573	3853
16	LG Electronics India	BUY	1813	1581
17	Polycab India	BUY	9744	7122
18	Premier Energies	BUY	892	683
19	R R Kabel	BUY	1844	1356
20	Safari Industries (India)	BUY	5188	4338
21	Supreme Industries	BUY	4566	3349
22	Syrma SGS Technology	BUY	929	755
23	Vikram Solar	BUY	326	215
24	Voltas	Hold	1442	1349
25	Waaree Energies	BUY	3600	2599

**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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