

CCL Products India Ltd: Earnings below Expectation

October 16, 2026 | CMP: INR 1,002 | Target Price: INR 1,300

Expected Share Price Return: 30% | Dividend Yield: 0.0% | Potential Upside: 30%

Sector View: Positive

Change in Estimates	✓
Change in Target Price	✓
Change in Recommendation	✗

Company Info	
BB Code	CCLP IN
Face Value (INR)	10.0
52-week High/Low (INR)	1242 / 824
Mkt Cap (Bn)	INR 133 / USD 1.5
Shares o/s (Mn)	133
3M Avg. Daily Volume (NSE)	152,405

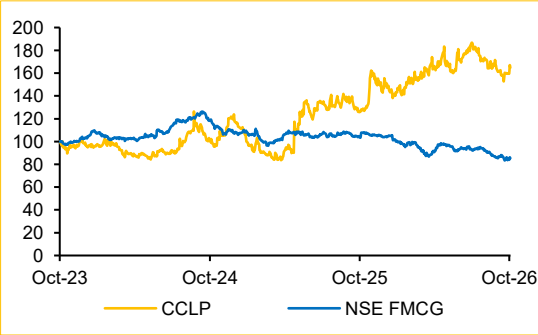
Change in CIE Estimates						
	FY27E			FY28E		
INR Bn	New	Old	Dev. (%)	New	Old	Dev. (%)
Revenue	49.9	49.9	0.0	59.2	59.2	0.0
EBITDA	8.4	8.8	(4.1)	10.1	10.6	(4.8)
EBITDAM%	16.9	17.6	(7)bps	17.0	18	(10)bps
PAT	4.9	5.1	(3.8)	6.4	6.8	(6.1)
EPS (INR)	36.9	38.35	(3.8)	48.0	51.1	(6.1)

Actual vs CIE Estimates			
INR Mn	Q2FY27A	CIE Est.	Dev. %
Revenue	12,108	12,309	(1.6)
EBITDA	2,121	2,208	(4.0)
EBITDAM %	17.5	17.9	(42)bps
PAT	1,301	1,392	(6.6)

Key Financials				
INR Bn	FY26	FY27E	FY28E	FY29E
Net Sales	44.6	49.9	59.2	67.8
YoY Growth (%)	43.5	11.9	18.7	14.5
EBITDA	7.3	8.4	10.1	11.6
EBITDA Margin (%)	16.4	16.9	17.0	17.1
YoY Growth (%)	32.0	15.1	19.5	14.8
Net Profit	3.9	4.9	6.4	7.6
EPS, Rs	29.2	36.9	48.0	56.8
PER, x	34.3	27.1	20.8	17.6
EV/EBITDA, x	19.7	16.5	13.5	11.4
ROE, %	18.0	19.2	20.9	20.5
Debt/Equity (%)	0.6	0.4	0.3	0.2

Shareholding Pattern (%)			
	Sep-26	Jun-26	Mar-26
Promoters	46.14	46.14	46.11
FIIs	12.11	12.07	11.24
DIIIs	21.41	21.10	21.43
Public	20.32	20.69	21.22

Relative Performance (%)			
YTD	1Y	6M	3M
NIFTY FMCG	(18.2)	(9.8)	(8.1)
CCLP	30.1	(0.4)	(8.9)



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Q2FY27 Operating Performance below Expectation

CCL Products (CCLP) profitability was below estimate due to higher opex. Revenue growth was broadly in line, driven by (a) Double-digit volume growth, supported by a sustained demand amid ~18% YoY lower green coffee price and (b) Continued strong momentum in the branded business. Revenue growth was lower than volume growth due to a reduced realisation, resulting from softer green coffee price, consistent with the company's cost-plus pricing model. EBITDA/kg remained stable at INR 140. CCLP conservatively maintained its FY27 guidance of 15% volume and EBITDA growth, citing 'wait and watch' approach adopted by customers.

Branded Business (Continental) Remains Resilient

Branded business revenue stood at INR 1.4 Bn (INR 2.65 Bn 1HFY27), registering ~25% YoY growth. The management reiterated its FY27 branded revenue guidance of INR 5.5–6.0 Bn. Domestic revenue stood at INR 2.10 Bn.

Valuation: We have decreased our FY27/FY28 estimates to account for higher opex (ad-spends, freight cost etc.). We expect Revenue/EBITDA/PAT CAGR of 15%/16%/25% over FY26-29E and value the company using the DCF approach, having a revised TP of INR 1,300 (vs. INR 1,420), with a 30% upside and a BUY rating. This equates to an implied PE of 25x on Sep-28 EPS and PEG of 1.4.

Q2FY27: Operating Performance Below Expectation

- Revenue was up 7.5% YoY and up 0.9% QoQ to INR 12,108 Mn (vs. CIE estimate of INR 12,309 Mn), Volume grew in the range of 10%–15% (vs. CIE estimate of 15%)
- EBITDA was up 7.6% YoY and down 0.7% QoQ to INR 2,121 Mn (vs. CIE estimates of INR 2,208 Mn). EBITDA margin remained flat YoY and 139 bps QoQ to 17.5% (vs. CIE estimates of 17.9%). Higher other expenses, which increased 35.9% YoY due to higher freight cost, lower forex gain etc., weighed on operating profitability
- PAT was up 29.0% YoY and up 11.3% QoQ to INR 1,301 Mn (vs. CIE estimates of INR 1,392 Mn), supported by lower interest cost and a lower effective tax rate on a YoY basis
- CCL's gross and net debt stood at INR 11.0 Bn and INR 7.4 Bn, respectively, as of September 2026. Management maintained its FY27 guidance of INR 10–12 Bn for gross debt and INR 8.0 Bn for net debt, factoring in higher working capital requirement.

CCL Products India Ltd.	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)
Revenues (INR Mn)	12,108	11,267	7.5	12,004	0.9
COGS	7,515	7,376	1.9	7,784	(3.5)
Gross Profit (INR Mn)	4,592	3,891	18.0	4,220	8.8
Gross Margin (%)	37.9%	34.5%	339 bps	35.2%	277 bps
Employee Cost	504	473	6.7	519	(2.7)
Other Expenses	1,967	1,447	35.9	1,766	11.4
EBITDA (INR Mn)	2,121	1,971	7.6	1,935	9.6
EBITDA Margin (%)	17.5%	17.5%	2 bps	16.1%	139 bps
Depreciation	405	389	4.1	390	3.8
EBIT (INR Mn)	1,716	1,582	8.5	1,545	11.0
EBIT Margin (%)	14.2%	14.0%	13 bps	12.9%	130 bps
Other Income	52	15	252.4	31	66.4
Interest	260	326	(20.4)	287	(9.4)
EO Items	-	-	-	-	-
PBT	1,509	1,271	18.7	1,290	16.9
Tax	208	262	(20.8)	122	70.9
Adj. PAT (INR Mn)	1,301	1,009	29.0	1,169	11.3
Adj. EPS (INR)	9.8	7.6	29.0	8.8	11.3

Source: CCLP, Choice Institutional Equities

Management Call – Highlights

For FY27, the company has maintained 15% volume growth along with 15% EBITDA growth

For Branded business, CCLP has guided revenue of INR 5.5–6.0 Bn in FY27

Net debt level in FY27 projected at INR 8 Bn

EBITDA: Higher other expenses partly reflect pass-through cost: Increased freight and insurance expenses, higher volumes and domestic marketing investments contributed to the rise in other expenses. Management clarified that higher freight and insurance cost under CIF contracts are passed on to customers, with no material impact on operating profitability

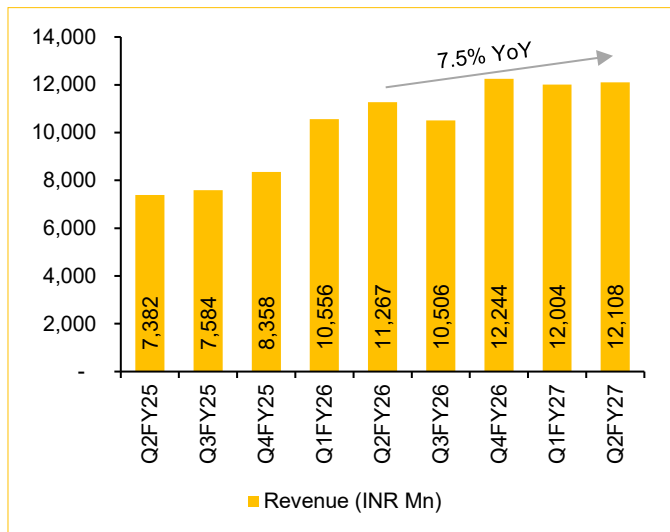
Coffee Prices: Green coffee price has remained range-bound at USD 3,700–3,800/MT. With Vietnam's harvest expected in November–December and the possibility of further price declines, customers are adopting a wait-and-watch approach before entering into longer-term contracts. Nevertheless, CCLP's order book for Q3 and Q4 remains robust, supporting the management's FY27 volume growth guidance of ~15%

Domestic Business:

- Domestic business revenue stood at INR 2.1 Bn in Q1FY27 (**INR 3.90 Bn in FY1FY27**), with the B2C branded business contributing INR 1.40 Bn (**INR 2.65 Bn in H1FY27**). CCLP has guided branded business revenue of INR 5.5–6.0 Bn in FY27 led by distribution expansion in South and expansion in North and West markets
- The **Malgudi snacks** remains in pilot phase. Launched banana chips, with encouraging test-market responses, while Continental tea has received a positive response in key markets. Management remains open to strategically attractive, reasonably priced acquisitions in international coffee brands and domestic FMCG adjacencies
- **International branded business expansion:** Percol is expected to generate INR 250–300 Mn in FY27 revenue (in line with FY26), with profitability anticipated next year as investments behind the brand continue.

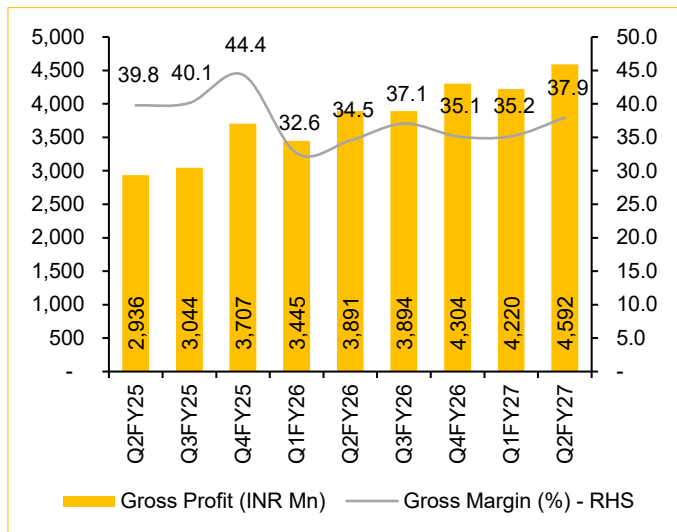
Utilisation level: Capacity utilisation stands at approximately **70% across India and Vietnam**, with FDC facilities operating at an utilisation level higher than the company's average. FDC capacity could approach full utilisation over the next 12–18 months. Management is evaluating a potential 6,000-tonne brownfield expansion in India or Vietnam, as well as strategic partnerships. There is no plan to add capacity for SDC in the next 2-3 years.

Revenue growth was broadly in line, driven by (a) Double-digit volume growth and (b) Continued strong momentum in the branded business



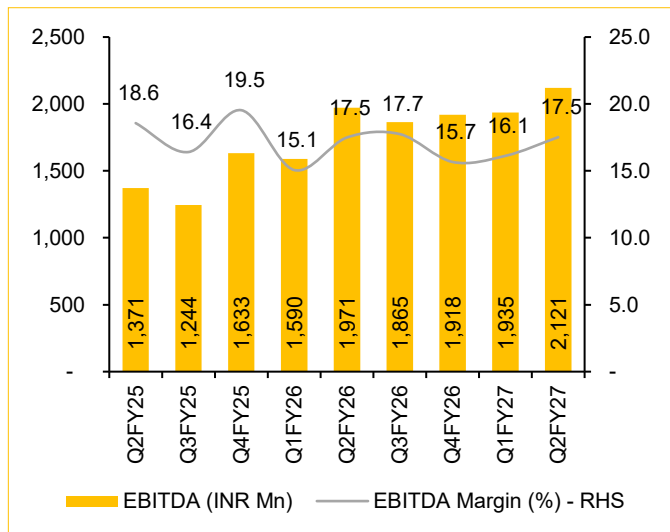
Source: CCLP, Choice Institutional Equities

Decline in coffee price (~18% YoY) led to gross margin expansion



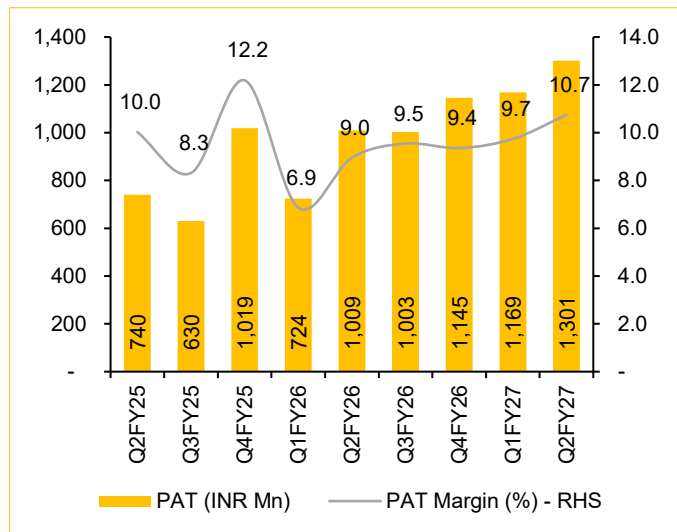
Source: CCLP, Choice Institutional Equities

EBITDA margin remained flat on a YoY basis



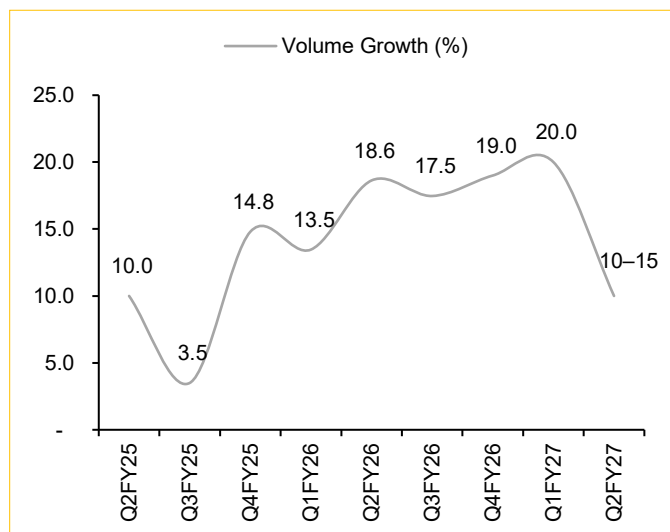
Source: CCLP, Choice Institutional Equities

PAT growth remained healthy



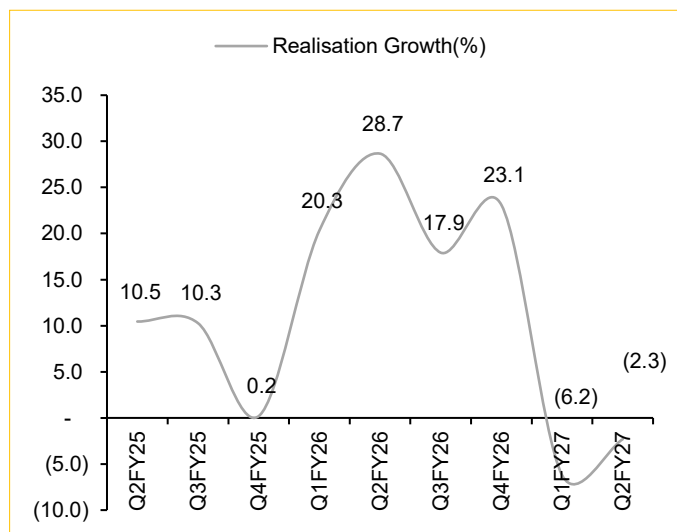
Source: CCLP, Choice Institutional Equities

Volume growth is estimated to be in the range of 10–15%



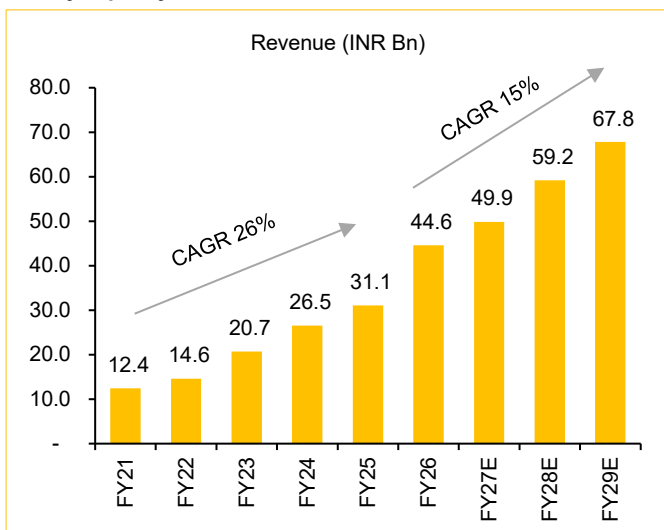
Source: CCLP, Choice Institutional Equities

Decline in coffee prices (~18% YoY) led to lower realisation



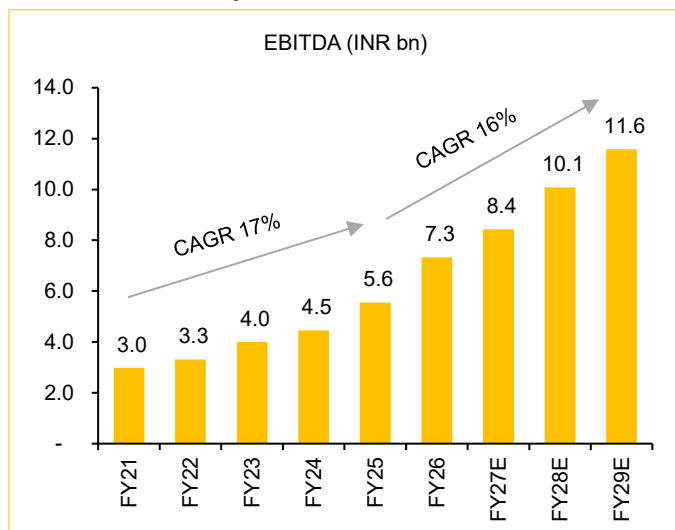
Source: CCLP, Choice Institutional Equities

Led by capacity utilisation, revenue momentum to continue



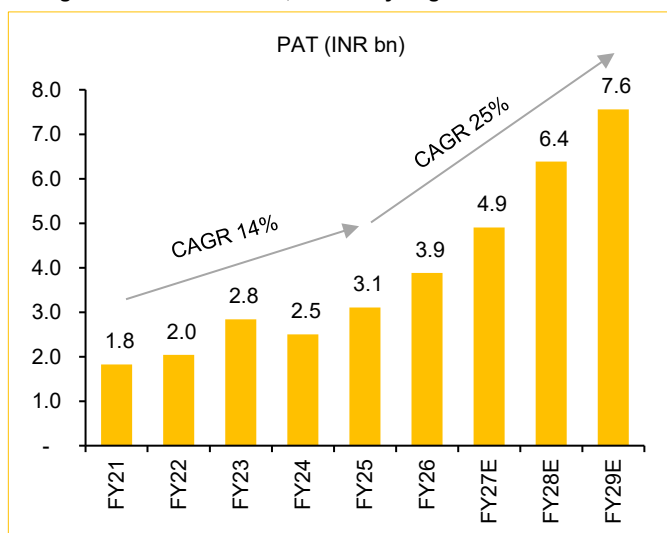
Source: CCLP, Choice Institutional Equities

Absolute EBITDA likely to maintain momentum



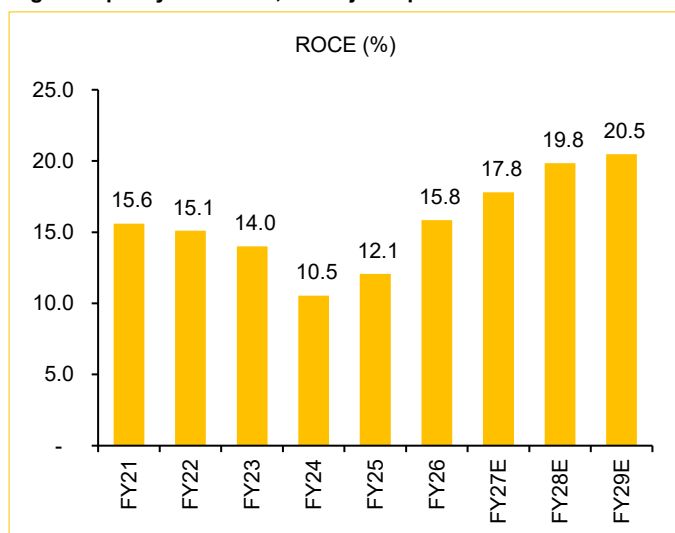
Source: CCLP, Choice Institutional Equities

Owing to lower interest cost, PAT likely to grow ahead of EBITDA



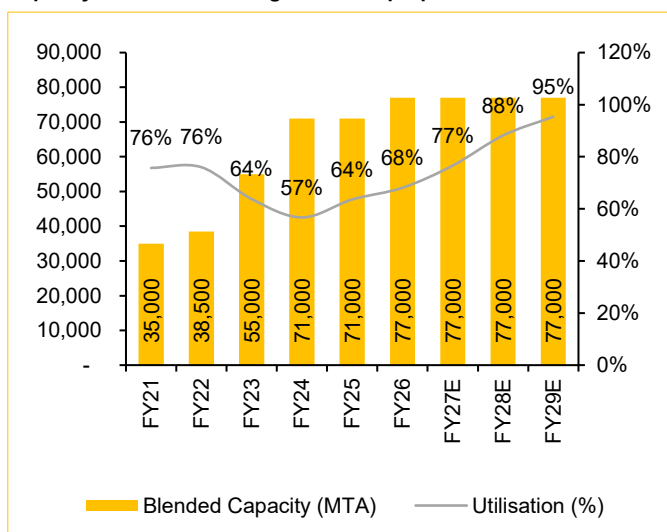
Source: CCLP, Choice Institutional Equities

Higher capacity utilisation, no major capex to drive ROCE



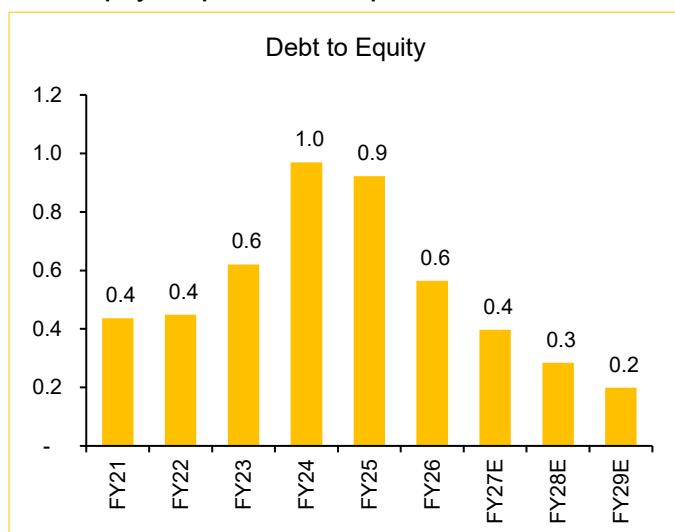
Source: CCLP, Choice Institutional Equities

Capacity utilisation to see gradual ramp-up



Source: CCLP, Choice Institutional Equities

With coffee price easing (lower WC) & no major capex in near term, debt to equity is expected to see improvement



Source: CCLP, Choice Institutional Equities

Income Statement (INR Mn)

Particular	FY26	FY27E	FY28E	FY29E
Revenue	44,574	49,876	59,215	67,799
Gross Profit	15,534	18,223	21,864	25,033
EBITDA	7,329	8,438	10,087	11,576
Depreciation	(1,519)	(1,547)	(1,575)	(1,687)
EBIT	5,810	6,890	8,511	9,889
Interest Expense	(1,287)	(1,146)	(1,031)	(1,042)
Other Income	84	169	211	263
PAT	3,881	4,908	6,383	7,562
EPS (INR)	29.2	36.9	48.0	56.8

Ratio Analysis	FY26	FY27E	FY28E	FY29E
Growth Ratios (%)				
Revenue	43.5	11.9	18.7	14.5
EBITDA	32.0	15.1	19.5	14.8
EBIT	27.2	18.6	23.5	16.2
PAT	25.1	26.5	30.1	18.5
Margins (%)				
Gross Margin	34.9	36.5	36.9	36.9
EBITDA Margin	16.4	16.9	17.0	17.1
PAT Margin	8.7	9.8	10.8	11.2
Profitability (%)				
ROE	18.0	19.2	20.9	20.5
ROCE	15.8	17.8	19.8	20.5
Turnover ratios				
Asset Turnover (x)	1.0	1.1	1.2	1.3
Receivable Days	61.7	61.7	61.7	61.7
Inventory Days	85.8	80.0	80.0	80.0
Payable Days	19.4	19.4	19.4	19.4
Working Capital Days	128.0	122.3	122.3	122.3
Liquidity ratios				
Current ratio (x)	1.5	1.8	2.2	2.7
Quick ratio (x)	0.8	1.0	1.3	1.6
Interest cover (x)	4.5	6.0	8.3	9.5
Total Debt/Equity (%)	0.6	0.4	0.3	0.2
Valuation				
PER (x)	34.3	27.1	20.8	17.6
EV/EBITDA (x)	19.7	16.5	13.5	11.4
EV/EBIT (x)	24.8	20.2	16.0	13.4

Source: CCLP, Choice Institutional Equities

Balance Sheet (INR Mn)

Particular	FY26	FY27E	FY28E	FY29E
Cash & Cash Equivalents	2,165	4,557	6,723	8,931
Other Bank Balance	10	10	10	10
Debtors	8,169	8,432	10,011	11,463
Inventory	10,421	10,932	12,979	14,860
Other Current Assets	1,327	1,327	1,327	1,327
Total Current Assets	22,093	25,259	31,050	36,591
Gross Fixed Assets	27,120	27,620	28,120	30,120
Less: Depreciation	(6,847)	(8,394)	(9,969)	(11,657)
Add: Capital WIP	35	35	35	35
Net Fixed Assets	20,308	19,261	18,185	18,498
Non-current Assets	834	834	834	834
Total Assets	43,263	45,382	50,097	55,951
Current Liabilities	15,190	13,833	13,831	13,788
Provisions	41	41	41	41
Total Current Liabilities	15,231	13,874	13,872	13,829
Non-Current Liabilities	4,587	3,819	2,819	1,819
Total Liabilities	19,817	17,693	16,691	15,648
Paid-Up Capital	267	267	267	267
Reserves & Surplus	23,178	27,421	33,139	40,036
Shareholders' Equity	23,446	27,688	33,407	40,303
Total Equity & Liabilities	43,263	45,382	50,097	55,951

Cash Flows (INR Mn)	FY26	FY27E	FY28E	FY29E
Cash Flows from Operations	8,583	6,947	5,862	7,415
Cash Flows from Investing	(699)	(500)	(500)	(2,000)
Cash Flows from Financing	(7,569)	(4,055)	(3,196)	(3,207)

DuPont Analysis	FY26	FY27E	FY28E	FY29E
Tax Burden (%)	84%	83%	83%	83%
Interest Burden (%)	79%	86%	90%	92%
EBIT Margin (%)	13%	14%	14%	15%
Asset Turnover (x)	1.0	1.1	1.2	1.3
Equity Multiplier (x)	2.0	1.7	1.6	1.4
ROE (%)	18.0%	19.2%	20.9%	20.5%

Source: CCLP, Choice Institutional Equities

Historical Price Chart: CCLP



Date	Rating	Target Price
April 07, 2026	BUY	1,350
May 08, 2026	BUY	1,365
July 28, 2026	BUY	1,420
Oct 16, 2026	BUY	1,300

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Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

*Large Cap: More Than INR 20,000 Cr Market Cap
*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

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