

September 30, 2025

Visit Update

☒ Change in Estimates | ☒ Target | ☐ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	686		678	
Sales (Rs.m)	23,378	26,413	23,523	26,688
% Chng.	(0.6)	(1.0)		
EBITDA (Rs.m)	5,303	6,303	5,498	6,561
% Chng.	(3.6)	(3.9)		
EPS (Rs.)	16.2	19.9	16.7	20.7
% Chng.	(3.3)	(3.6)		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	21,364	23,378	26,413	28,773
EBITDA (Rs. m)	5,104	5,303	6,303	6,943
Margin (%)	23.9	22.7	23.9	24.1
PAT (Rs. m)	3,389	3,621	4,454	4,831
EPS (Rs.)	15.3	16.2	19.9	21.6
Gr. (%)	(1.7)	5.4	23.0	8.4
DPS (Rs.)	1.5	1.3	1.5	1.5
Yield (%)	0.3	0.2	0.3	0.3
RoE (%)	20.4	15.5	16.5	15.4
RoCE (%)	26.8	20.9	22.2	20.7
EV/Sales (x)	5.6	5.1	4.4	3.9
EV/EBITDA (x)	23.4	22.5	18.3	16.1
PE (x)	37.2	35.2	28.6	26.4
P/BV (x)	5.8	5.1	4.4	3.8

Key Data

CELO.BO | CELLO IN

52-W High / Low	Rs.924 / Rs.485
Sensex / Nifty	80,365 / 24,635
Market Cap	Rs.126bn / \$ 1,419m
Shares Outstanding	221m
3M Avg. Daily Value	Rs.122.24m

Shareholding Pattern (%)

Promoter's	75.00
Foreign	6.51
Domestic Institution	13.80
Public & Others	4.69
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	5.7	4.3	(35.3)
Relative	4.9	0.5	(31.1)

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Ramp-up of glassware facility to drive growth

We visited CELLO's new glassware facility at Falna, Rajasthan, and interacted with the management to gain insights on the outlook for Consumerware segment with the ramp-up of the facility and recent ADD on vacuum insulated flasks and other stainless steel vacuum vessels imported from China, and export pick-up in the Writing Instruments and Stationery segment. CELLO has been engaged in the glassware products business for 6 years, initially relying on imports. Thus, the company has developed a deep understanding of the glassware market, including customer preferences and the dynamics of product lines, pricing and distribution. With the commissioning of Falna facility, total production capacity for Opalware & Glassware has increased to ~45,000tpa for Opalware & Glassware (Daman & Falna).

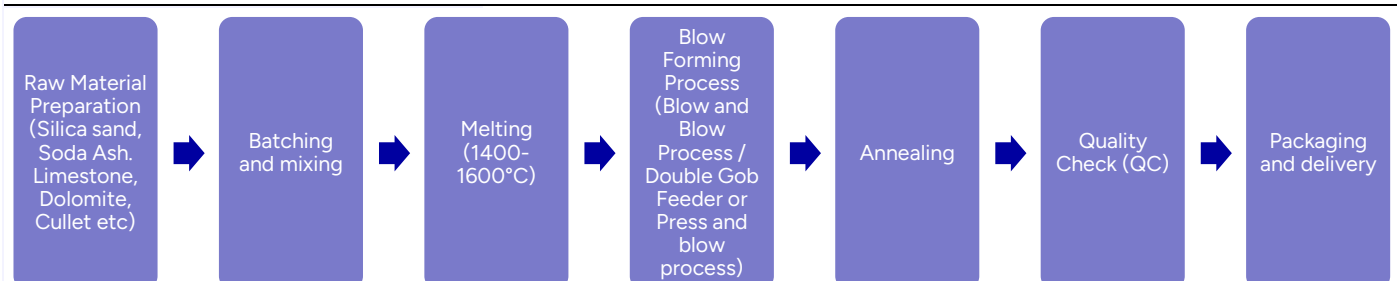
We estimate revenue/EBITDA/PAT CAGR of 10.4%/10.8%/12.5% for FY25-28E. We assign SOTP-based TP of Rs686 (Rs678 earlier), implying PE of 33x Sep'27E. Maintain 'Buy'.

Key takeaways:

- **Falna glassware facility - Enhancing self-reliance and growth:** The company has commissioned a glassware manufacturing facility in Rajasthan, operational in a phased manner from 16th Mar'24, with a total capacity of 70tpd (around 18,000-20,000tpa). The plant, built with European machinery including a German furnace and Italian press-and-blow systems, ensures high productivity and superior precision in design and finish. The facility is currently operating 4 press lines and 1 press-and-blow line, with utilization at 60%, which is expected to reach 80% by Q3/Q4FY26.
- It is strategically located near raw material suppliers and benefits from dry weather conditions, making it an ideal environment for glass production. Major raw materials—silica (70%), soda ash (13%), limestone and dolomite (13%)—are sourced domestically from players such as Tata Chemicals, Reliance and Aditya Birla.
- The facility houses advanced equipment, including fire-polishing machines and a servo gob feeder, and produces ~70 SKUs, which is expected to rise to over 100 by Q3FY26.
- Of the required molds, 80–85% are procured from China at a cost of USD10,000–20,000 per unit, with the remainder produced in-house.
- The company incurred total capex of Rs2.6bn on the new glass facility and expects 23% capital incentive from the government over the next 10 years.
- On the energy front, the plant sources gas from IGL at Rs48–49 per SCM, with LPG as backup, and is installing a 2.1MW solar plant (to be operational by Nov'25) that will meet 20% of power needs, reduce energy costs by ~20% at the plant level, and is part of a broader plan to cut power and fuel expenses by ~40% in coming years.

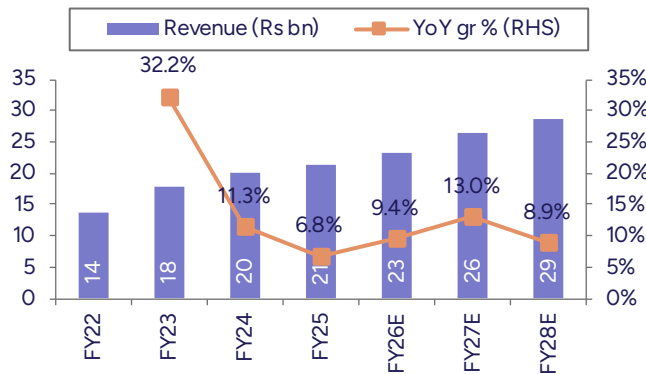
- The facility has already achieved EBITDA breakeven and has strong revenue potential, estimated at Rs1,000–1,200mn in FY26 and Rs2,000–2,500mn in FY27. The company is also adding a coldware and decorative glass line, which is expected to enhance value by ~20%. In line with anticipated import restrictions on the glassware segment, this strategic investment will reduce reliance on overseas suppliers and positions the company to benefit from rising domestic demand.
- **Expansion of other consumerware products manufacturing at Falna:** Starting Nov'25, the Falna facility will expand production to include plasticware and steel bottles. In the near term, 2 steel bottle lines and 1 plasticware line are planned, with a dedicated capex of Rs1–1.2bn. The management aims to develop the site into a large-scale, multi-product facility similar to its Daman plant.
- **Consumerware segment to benefit from ADD on vacuum insulated flask and other stainless steel vacuum vessels imported from China:** The ADD came into effect in Mar'25. CELLO, being the second-largest importer in this segment, is now strategically tying up with domestic manufacturers to substitute imports, as domestic capacity is insufficient to meet demand. Previously, Chinese imports were priced lower than domestic production, but with the new duty, domestic OEMs are ramping up capacities to bridge the gap and cater to the rising market demand. The ADD will help organized players like CELLO gain market share in future.
- **Initiatives to reduce working capital days:** The company's working capital has increased due to : (a) inventory build-up of steel products, equivalent to 4–5 months of sales, caused by regulatory restrictions;. With normalization, inventory days are expected to reduce by 25–30 days, (b) higher receivables, as the company extended credit period during weak demand; collections are now improving, and receivable days are expected to return to levels seen 1.5 years ago; and (c) reduction of ~15 days in creditor levels, as the company has been paying suppliers faster to avail cash discounts. Overall, working capital intensity is expected to decline in the coming months, supporting better cash flows.

Exhibit 1: Glassware manufacturing process



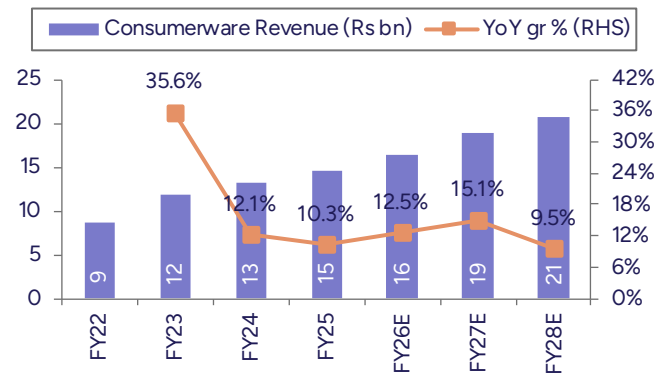
Source: Company, PL

Exhibit 2: Revenue to grow at ~10.4% CAGR over FY25-28E



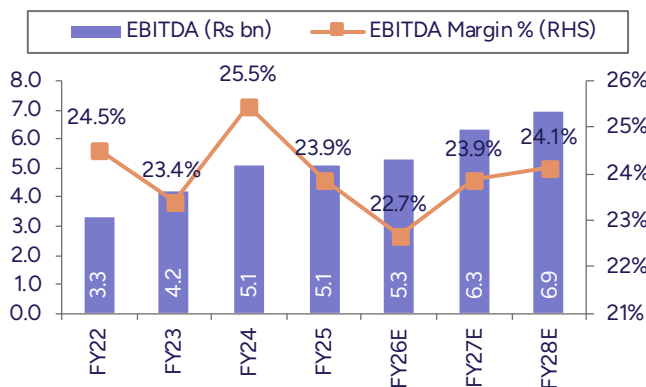
Source: Company, PL

Exhibit 3: Consumerware to clock 12.3% CAGR in FY25-28E



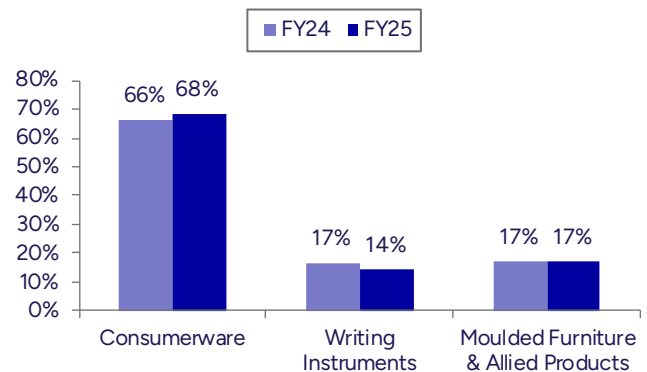
Source: Company, PL

Exhibit 4: EBITDA margin to improve by 20bps FY25-28E



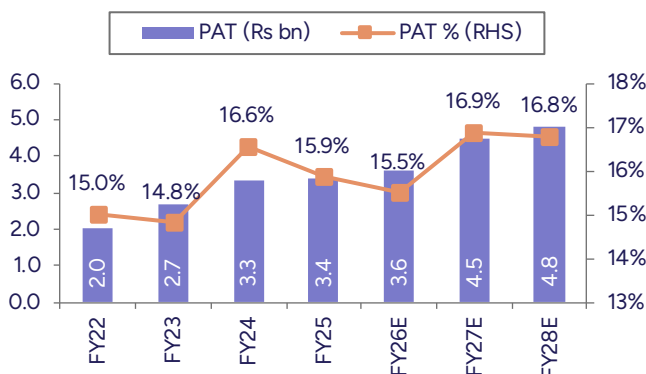
Source: Company, PL

Exhibit 5: Consumerware contributed 68% in FY26



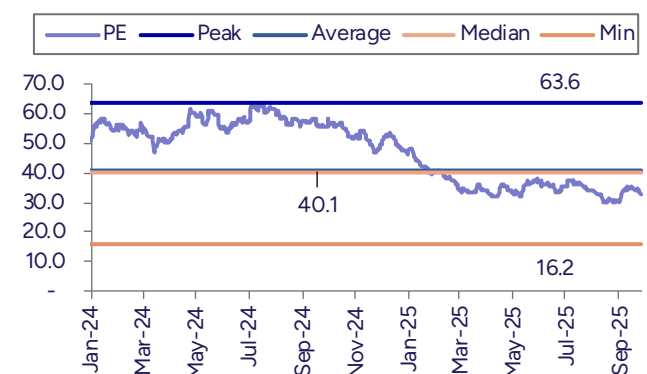
Source: Company, PL

Exhibit 6: PAT CAGR est at 12.5% over FY25-28E



Source: Company, PL

Exhibit 7: CELLO trading at PE of 42x/30x FY26/FY27E



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	21,364	23,378	26,413	28,773
YoY gr. (%)	6.8	9.4	13.0	8.9
Cost of Goods Sold	10,315	11,292	12,653	13,684
Gross Profit	11,049	12,086	13,760	15,088
Margin (%)	51.7	51.7	52.1	52.4
Employee Cost	2,112	2,361	2,509	2,733
Other Expenses	2,965	3,451	3,921	4,309
EBITDA	5,104	5,303	6,303	6,943
YoY gr. (%)	0.1	3.9	18.9	10.1
Margin (%)	23.9	22.7	23.9	24.1
Depreciation and Amortization	620	933	1,049	1,182
EBIT	4,484	4,370	5,254	5,761
Margin (%)	21.0	18.7	19.9	20.0
Net Interest	15	5	7	7
Other Income	447	510	750	750
Profit Before Tax	4,917	4,875	5,997	6,504
Margin (%)	23.0	20.9	22.7	22.6
Total Tax	1,267	1,254	1,543	1,673
Effective tax rate (%)	25.8	25.7	25.7	25.7
Profit after tax	3,649	3,621	4,454	4,831
Minority interest	258	-	-	-
Share Profit from Associate	(3)	-	-	-
Adjusted PAT	3,389	3,621	4,454	4,831
YoY gr. (%)	2.4	6.9	23.0	8.4
Margin (%)	15.9	15.5	16.9	16.8
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	3,389	3,621	4,454	4,831
YoY gr. (%)	2.4	6.9	23.0	8.4
Margin (%)	15.9	15.5	16.9	16.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,389	3,621	4,454	4,831
Equity Shares O/s (m)	221	224	224	224
EPS (Rs)	15.3	16.2	19.9	21.6

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	8,886	9,905	11,231	12,562
Tangibles	8,835	9,849	11,169	12,485
Intangibles	51	56	61	76
Acc: Dep / Amortization	2,731	3,664	4,713	5,895
Tangibles	2,697	3,617	4,653	5,819
Intangibles	35	47	60	76
Net fixed assets	6,155	6,241	6,517	6,667
Tangibles	6,138	6,231	6,516	6,666
Intangibles	17	9	1	0
Capital Work In Progress	188	1,000	350	350
Goodwill	-	-	-	-
Non-Current Investments	418	428	443	456
Net Deferred tax assets	(135)	(121)	(105)	(87)
Other Non-Current Assets	221	1,055	383	383
Current Assets				
Investments	5,688	7,688	9,688	11,688
Inventories	5,246	5,380	6,079	6,622
Trade receivables	6,578	6,940	7,841	8,541
Cash & Bank Balance	876	829	2,662	3,932
Other Current Assets	912	468	528	575
Total Assets	26,418	30,301	34,811	39,577
Equity				
Equity Share Capital	1,104	1,119	1,119	1,119
Other Equity	20,571	23,874	28,037	32,532
Total Network	21,675	24,993	29,157	33,652
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	48	52	59	64
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	5	15	15	15
Trade payables	1,502	1,611	1,820	1,982
Other current liabilities	579	1,015	1,140	1,237
Total Equity & Liabilities	26,418	30,301	34,811	39,577

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	4,913	4,875	5,997	6,504
Add. Depreciation	620	933	1,049	1,182
Add. Interest	15	5	7	7
Less Financial Other Income	447	510	750	750
Add. Other	(421)	(1,364)	(103)	(775)
Op. profit before WC changes	5,127	4,449	6,950	6,918
Net Changes-WC	(1,300)	346	(1,360)	(1,058)
Direct tax	(1,200)	(1,254)	(1,543)	(1,673)
Net cash from Op. activities	2,627	3,541	4,046	4,187
Capital expenditures	(1,668)	(1,831)	(676)	(1,331)
Interest / Dividend Income	108	510	750	750
Others	(3,974)	(1,746)	(1,800)	(1,800)
Net Cash from Invst. activities	(5,534)	(3,067)	(1,726)	(2,381)
Issue of share cap. / premium	7,131	15	-	-
Debt changes	(3,622)	39	10	8
Dividend paid	(386)	(331)	(291)	(336)
Interest paid	(11)	5	7	7
Others	0	-	-	-
Net cash from Fin. activities	3,112	(273)	(274)	(321)
Net change in cash	205	202	2,046	1,485
Free Cash Flow	959	1,711	3,371	2,856

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	15.3	16.2	19.9	21.6
CEPS	18.1	20.3	24.6	26.9
BVPS	98.1	111.6	130.2	150.3
FCF	4.3	7.6	15.1	12.8
DPS	1.5	1.3	1.5	1.5
Return Ratio(%)				
RoCE	26.8	20.9	22.2	20.7
ROIC	28.1	21.9	26.5	27.1
RoE	20.4	15.5	16.5	15.4
Balance Sheet				
Net Debt : Equity (x)	(0.3)	(0.3)	(0.4)	(0.5)
Net Working Capital (Days)	176	167	167	167
Valuation(x)				
PER	37.2	35.2	28.6	26.4
P/B	5.8	5.1	4.4	3.8
P/CEPS	31.4	28.0	23.2	21.2
EV/EBITDA	23.4	22.5	18.3	16.1
EV/Sales	5.6	5.1	4.4	3.9
Dividend Yield (%)	0.3	0.2	0.3	0.3

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	4,901	5,568	5,888	5,290
YoY gr. (%)	0.2	5.7	14.9	5.7
Raw Material Expenses	2,371	2,800	2,833	2,435
Gross Profit	2,530	2,769	3,056	2,856
Margin (%)	51.6	49.7	51.9	54.0
EBITDA	1,186	1,273	1,352	1,091
YoY gr. (%)	(1.4)	(3.6)	1.5	(15.6)
Margin (%)	24.2	22.9	23.0	20.6
Depreciation / Depletion	148	151	180	186
EBIT	1,038	1,122	1,173	904
Margin (%)	21.2	20.2	19.9	17.1
Net Interest	3	3	3	1
Other Income	133	124	130	172
Profit before Tax	1,168	1,243	1,299	1,075
Margin (%)	23.8	22.3	22.1	20.3
Total Tax	300	318	338	269
Effective tax rate (%)	25.7	25.6	26.0	25.0
Profit after Tax	868	925	962	807
Minority interest	-	-	-	-
Share Profit from Associates	(51)	(61)	(80)	(76)
Adjusted PAT	816	864	882	730
YoY gr. (%)	2.0	1.8	(1.6)	(12.3)
Margin (%)	16.7	15.5	15.0	13.8
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	816	864	882	730
YoY gr. (%)	2.0	1.8	(1.6)	(12.3)
Margin (%)	16.7	15.5	15.0	13.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	-	-
Avg. Shares O/s (m)	221	221	221	221
EPS (Rs)	3.7	3.9	4.0	3.3

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	13-Aug-25	BUY	678	563
2	04-Jul-25	BUY	746	621
3	27-May-25	BUY	746	623
4	03-Apr-25	BUY	770	545
5	21-Feb-25	BUY	770	596

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Amber Enterprises India	BUY	9,782	7,254
2	Astral Ltd.	BUY	1,503	1,269
3	Avalon Technologies	Accumulate	943	878
4	Bajaj Electricals	Accumulate	664	572
5	Cello World	BUY	678	563
6	Century Plyboard (I)	Hold	702	738
7	Cera Sanitaryware	Accumulate	7,178	6,244
8	Crompton Greaves Consumer Electricals	BUY	430	319
9	Cyient DLM	Accumulate	540	480
10	Finolex Industries	Accumulate	228	203
11	Greenpanel Industries	BUY	374	280
12	Havells India	Accumulate	1,645	1,532
13	Kajaria Ceramics	Hold	1,192	1,242
14	Kaynes Technology India	Hold	6,367	6,326
15	KEI Industries	BUY	4,527	3,970
16	Polycab India	BUY	8,091	6,926
17	R R Kabel	Accumulate	1,516	1,337
18	Supreme Industries	Hold	4,346	4,243
19	Syrma SGS Technology	Hold	705	706
20	Voltas	Hold	1,441	1,420

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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