



Stellar Performance; Maintain BUY

Est. Vs. Actual for Q2FY26: Revenue – **BEAT**; EBITDA – **BEAT**; PAT – **BEAT**

Changes in Estimates post Q2FY26

FY26E/FY27E: Revenue: 1%/1%; EBITDA: 5%/7%; PAT: 7%/9%

Recommendation Rationale

- **CCL Brews another Stellar Quarter:** CCL Products delivered a robust performance in Q2FY26, with revenue surging 52.6% YoY to Rs 1,127 Cr, exceeding estimates on the back of strong volume-led growth of 25–30%. Growth remained broad-based across both B2B and B2C segments, supported by market share gains across channels and geographies. The B2C segment contributed Rs110 Cr in revenue during the quarter, reflecting increasing traction in branded sales. CCL continues to consolidate its position as a leading player in modern trade and e-commerce, holding double-digit market share pan-India, and ranking as the #2 player in AP and Telangana. The company maintained its long-term volume growth guidance of 10–20%, driven by deepening penetration, expansion in smaller pack formats, and rising presence in new markets and channels.
- **Resilient EBITDA Despite Cost Headwinds:** EBITDA grew 43.8% YoY in Q2FY26, despite a 107 bps contraction in margin to 17.5% due to elevated input costs. Management reaffirmed confidence in sustaining 15–20% annual EBITDA growth, expecting performance to trend toward the upper end of the guidance range, supported by healthy volumes and continued cost efficiencies.
- **Debt Moderation on Track:** Inventory rationalisation and improved stock utilisation drove stronger working capital efficiency, resulting in a reduction in debt to Rs 1,580 Cr, ahead of guidance. Management reaffirmed its target of bringing net debt down to Rs1,350 Cr by December and Rs1,200 Cr by March, supported by disciplined procurement planning and steady cash flow generation.

Sector Outlook: Positive

Company Outlook & Guidance: Considering the long-term growth outlook, we have increased our FY26/27 estimates and maintain our **BUY** recommendation on the stock.

Current Valuation: 23x Sep'27E EPS (Earlier Valuation: 23x Mar'27E EPS).

Current TP: Rs 1,140/share (Earlier TP: Rs 970/share)

Recommendation: With a 17% upside from the CMP, we maintain our **BUY** rating on the stock.

Financial Performance: CCL Products' consolidated revenue for Q2FY26 stood at Rs 1,127 Cr, registering a 52.6% YoY growth. Gross margins declined by 524 bps to 34.5%, due to cost input pressures. EBITDA increased to Rs 197 Cr, up 43.8% YoY, while EBITDA margins declined by 107 bps YoY to 17.5%. The company's PAT stood at Rs 101 Cr, up 36.4% YoY.

Key Financials (Consolidated)

(Rs Cr)	Q2FY26	QoQ (%)	YoY (%)	Axis Est.	Variance
Net Sales	1,127	6.7	52.6	842	33.8
EBITDA	197	24.0	43.8	149	32.3
EBITDA Margin (%)	17.5	243 bps	-107 bps	17.7	-20 bps
Net Profit	101	39.2	36.4	64	57.6
EPS (Rs)	7.6	39.2	36.4	4.8	58.0

Source: Company, Axis Research

(CMP as of 06th November, 2025)

CMP (Rs)	972
Upside /Downside (%)	17%
High/Low (Rs)	968/475
Market cap (Cr)	12980
Avg. daily vol. (6m) Shrs '000	663
No. of shares (Cr)	13

Shareholding (%)

	Mar-25	Jun-25	Sep-25
Promoter	46.1	46.1	46.1
FII	10.2	10.6	10.5
MFs/UTI	18.4	18.9	19.6
Banks/FIs	0.0	0.0	0.0
Others	25.3	24.4	23.8

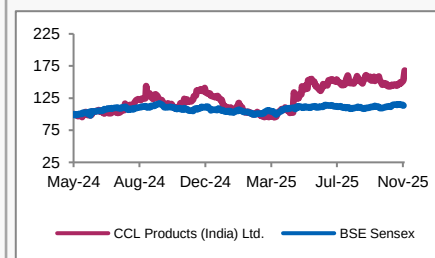
Financial & Valuations

Y/E Mar (Rs Cr)	FY25	FY26E	FY27E
Net Sales	3,106	3,848	4,747
EBITDA	555	741	947
Net Profit	310	445	614
EPS, Rs	23.3	33.4	46.1
PER, x	41.7	29.1	21.1
EV/EBITDA, x	26.4	19.7	15.3
ROE, %	15.8	19.0	21.2
Debt/Equity (%)	0.9	0.8	0.6

Change in Estimates (%)

Y/E Mar	FY26E	FY27E
Sales	1%	1%
EBITDA	5%	7%
PAT	7%	9%

Relative Performance



Source: Ace Equity, Axis Securities

Results Gallery

[Q1FY26](#)

[Q4FY25](#)

[Q3FY25](#)

[Q2FY25](#)

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Outlook & Recommendation

CCL Products has maintained consistent performance despite volatility in coffee prices. Following supply chain disruptions, several global coffee companies are looking to de-risk their supplies by partnering with manufacturers with a presence across multiple geographies. In this context, the company is well-positioned as a preferred choice due to the following factors: 1) It has facilities in Vietnam and India, unlike Brazilian players that operate only in their home country. This geographic advantage has helped CCL strengthen its foothold in international markets, gain market share, and access new business. Additionally, it is looking to invest further in the UK and US markets. The company targets a 15% global market share in the next few years; 2) It operates a cost-efficient business model; 3) It is doubling its capacity across Vietnam and India; 4) It is expanding capacity in value-added products such as FDC and small packs in Vietnam; and 5) It is aggressively scaling up its domestic business, led by its branded segment. **We have increased our FY26/27 estimates and maintain our BUY recommendation on the stock with a TP of Rs 1,140/share, implying an upside potential of 17% from the CMP.**

Other Concall Highlights

- 1. Gradual Ramp-Up of New Capacity Underway:-**CCL operates total capacities of ~77,000 MT across India (40,000 MT) and Vietnam (37,000 MT), with overall utilisation at 65–70% in Q2. While legacy plants are running at full capacity, the new facilities are currently operating at ~15–20%. Management expects a steady ramp-up, with roughly 30% of the new capacity being absorbed annually, targeting full utilisation over the next three to four years.
- 2. Strengthening Distribution Backbone to Drive FMCG Transition:-** CCL continues to deepen its regional presence, with strong traction across both North and South India. Growth in the South is led by increased penetration through small packs and expansion into smaller towns and wholesale channels, while the North benefits from a lower base and accelerating volume growth. The company is actively leveraging e-commerce, quick commerce, and modern trade in the West and Northeast, supported by innovations such as flavoured coffee.

Strategically, CCL is evolving beyond its core coffee business toward becoming a diversified FMCG player. Its robust distribution network—now directly covering ~1.3–1.4 lakh outlets—serves as the foundation for this transition. By seeding adjacent categories like iced tea and snacks, CCL aims to build a scalable, brand-driven FMCG portfolio, reinforcing its long-term growth vision.

Key Risks to Our Estimates and TP

- Delay in capacity utilisation, the emergence of supply chain constraints, and increased coffee prices.

Change in Estimates

	Old		New		% Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	3,815	4,687	3,848	4,747	1%	1%
EBITDA	708	887	741	947	5%	7%
PAT	417	562	445	614	7%	9%
EPS	31.3	42.2	33.4	46.1	7%	9%

Source: Company, Axis Securities

Results Review

Rs Cr	Q2FY25	Q1FY26	Axis Est.	Q2FY26	% Change (YoY)	% Change (QoQ)	Var (%) Axis Sec Est.
Net Sales	738	1,056	842	1,127	52.6	6.7	33.8
Gross Profit	294	345	350	389	32.5	13.0	11.2
Gross Margin (%)	39.8	32.6	41.6	34.5	-524 bps	190 bps	-703 bps
Employee Expenses	40	42	47	47	17.3	13.0	1.0
Other Expenses	116	144	148	145	24.5	0.8	(2.4)
EBITDA	137	159	149	197	43.8	24.0	32.3
EBITDA Margin (%)	18.6	15.1	17.7	17.5	-107 bps	243 bps	-20 bps
Oth. Inc	1	2	4	1	172.9	(38.2)	(61.4)
Interest	27	34	36	33	22.6	(3.2)	(9.3)
Depreciation	24	34	28	39	64.1	15.9	37.4
PBT	87	94	78	127	45.6	34.9	62.9
Tax	13	22	14	26	96.5	20.7	85.3
PAT	74	72	64	101	36.4	39.2	57.6
EPS	5.6	5.4	4.8	7.6	36.4	39.2	58.0

Source: Company, Axis Securities

Financials (consolidated)

Profit & Loss

(Rs Cr)

Y/E Mar	FY25	FY26E	FY27E	FY28E
Net sales	3,106	3,848	4,747	5,782
Growth, %	17.0	23.9	23.4	21.8
Total income	3,106	3,848	4,747	5,782
Raw material expenses	(1,843)	(2,257)	(2,776)	(3,470)
Employee expenses	(172)	(206)	(248)	(310)
Other Operating Expenses	(536)	(643)	(776)	(941)
EBITDA (Core)	555	741	947	1,062
Growth, %	24.7	33.5	27.9	12.1
Margin, %	17.9	19.3	20.0	18.4
Depreciation	(98)	(113)	(118)	(123)
EBIT	457	628	830	939
Growth, %	31.4	37.6	32.1	13.2
Margin, %	14.7	16.3	17.5	16.2
Interest paid	(113)	(118)	(124)	(131)
Other Income	8	7	8	9
Non-recurring Items	-	-	-	-
Pre-tax profit	352	517	714	818
Tax provided	(42)	(72)	(100)	(114)
Profit after tax	310	445	614	703
Growth, %	24.1	43.3	38.0	14.5

Source: Company, Axis Securities

Balance Sheet

(Rs Cr)

Y/E Mar	FY25	FY26E	FY27E	FY28E
Cash & bank	98	125	249	402
Marketable securities at cost	-	-	-	-
Debtors	690	855	1,055	1,285
Inventory	1,052	1,304	1,609	1,959
Other current assets	247	247	247	247
Total current assets	2,088	2,531	3,160	3,893
Investments	0	0	0	0
Gross fixed assets	2,154	2,254	2,354	2,454
Less: Depreciation	(533)	(645)	(763)	(886)
Add: Capital WIP	450	450	450	450
Net fixed assets	2,072	2,059	2,042	2,019
Non-current assets	81	81	81	81
Total assets	4,241	4,672	5,283	5,994
Current liabilities	1,638	1,691	1,755	1,829
Provisions	5	5	5	5
Total current liabilities	1,643	1,696	1,760	1,834
Non-current liabilities	631	631	631	631
Total liabilities	2,274	2,327	2,391	2,464
Paid-up capital	27	27	27	27
Reserves & surplus	1,941	2,319	2,866	3,503
Shareholders' equity	1,967	2,345	2,893	3,529
Total equity & liabilities	4,241	4,672	5,283	5,994

Source: Company, Axis Securities

Cash Flow
(Rs Cr)

Y/E Mar	FY25	FY26E	FY27E	FY28E
Pre-tax profit	352	517	714	818
Depreciation	98	113	118	123
Chg in working capital	(96)	(364)	(441)	(507)
Total tax paid	(30)	(72)	(100)	(114)
Other operating activities	(10)	(10)	(10)	(10)
Cash flow from operating activities	315	184	281	309
Capital expenditure	(418)	(100)	(100)	(100)
Other investing activities	-	-	-	-
Cash flow from investing activities	(418)	(100)	(100)	(100)
Free cash flow	(103)	84	181	209
Other financing activities	(59)	(59)	(59)	(59)
Cash flow from financing activities	(21)	(59)	(59)	(59)
The net change in cash	(124)	25	122	150
Opening cash balance	170	98	125	249
Closing cash balance	98	125	249	402

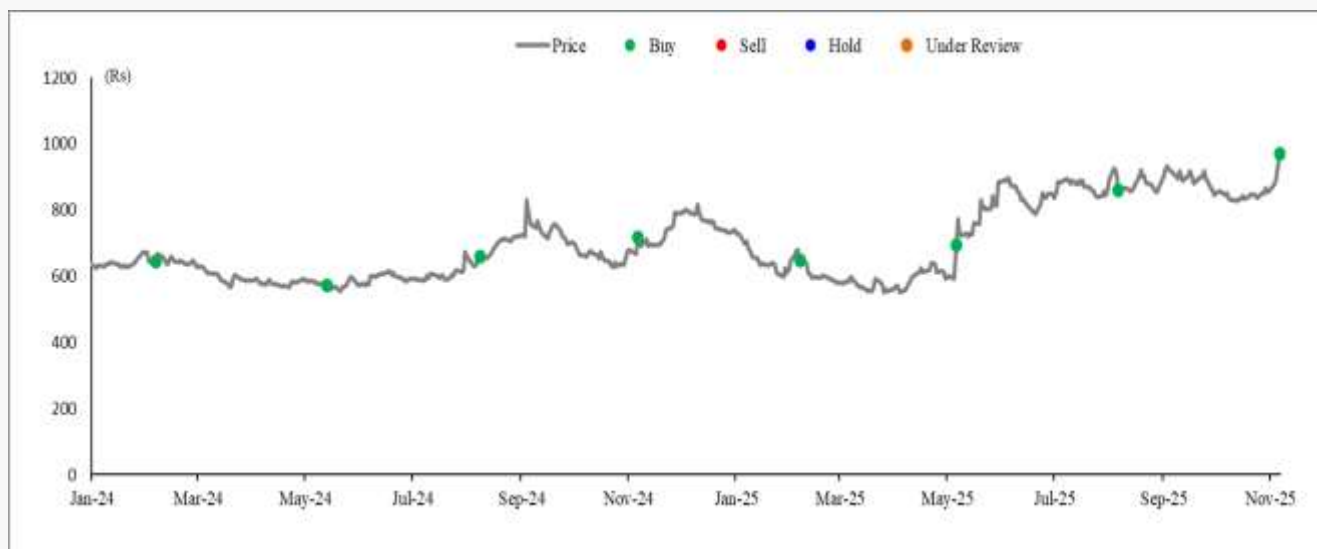
Source: Company, Axis Securities

Ratio Analysis
(%)

Y/E Mar	FY25	FY26E	FY27E	FY28E
Per Share data				
EPS (INR)	23.3	33.4	46.1	52.9
Growth, %	24.1	43.3	38.0	14.5
Book NAV/share (INR)	147.9	176.3	217.4	265.3
FDEPS (INR)	23.3	33.4	46.1	52.9
CEPS (INR)	30.7	41.9	55.0	62.1
CFPS (INR)	15.1	14.0	21.2	23.3
Return ratios				
Return on assets (%)	10.9	12.6	14.8	14.8
Return on equity (%)	15.8	19.0	21.2	19.9
Return on capital employed (%)	17.4	20.2	22.7	21.7
Turnover ratios				
Asset turnover (x)	0.9	1.0	1.1	1.2
Sales/Total assets (x)	0.8	0.9	1.0	1.0
Sales/Net FA (x)	1.6	1.9	2.3	2.8
Working capital/Sales (x)	0.1	0.2	0.2	0.3
Receivable days	81.1	81.1	81.1	81.1
Inventory days	123.7	123.7	123.7	123.7
Payable days	31.6	32.2	32.5	31.8
Working capital days	41.3	67.8	88.9	105.0
Liquidity ratios				
Current ratio (x)	1.3	1.5	1.8	2.1
Quick ratio (x)	0.6	0.7	0.9	1.1
Interest cover (x)	4.0	5.3	6.7	7.2
Total debt/Equity (%)	0.9	0.8	0.6	0.5
Valuation				
PER (x)	41.7	29.1	21.1	18.4
PEG (x) - y-o-y growth	1.7	0.7	0.6	1.3
Price/Book (x)	6.6	5.5	4.5	3.7
EV/Net sales (x)	4.7	3.8	3.1	2.5
EV/EBITDA (x)	26.4	19.7	15.3	13.5
EV/EBIT (x)	32.1	23.3	17.5	15.3

Source: Company, Axis Securities

CCL Products Price Chart and Recommendation History



Date	Reco	TP	Research
07-Feb-24	BUY	720	Result Update
14-May-24	BUY	670	Result Update
09-Aug-24	BUY	760	Result Update
07-Nov-24	BUY	820	Result Update
07-Feb-25	BUY	730	Result Update
07-May-25	BUY	800	Result Update
07-Aug-25	BUY	970	Result Update
07-Nov-25	BUY	1,140	Result Update

Source: Axis Securities Research

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