

CCL Products (India) Ltd.

No. of shares (m)	13.35
Mkt cap (Rs crs/\$m)	13789/1558.9
Current price (Rs/\$)	1033/11.7
Price target (Rs/\$)	916/10.4
52 W H/L (Rs.)	1074/525
Book Value (Rs/\$)	156/1.8
Beta	0.5
Daily volume NSE (avg. monthly)	1055840
P/BV (FY26e/27e)	6.3/5.4
EV/EBITDA (FY26e/27e)	21.0/18.8
P/E (FY26e/27e)	37.7/31.5
EPS growth (FY25/26e/27e)	24.0/17.6/19.5
OPM (FY25/26e/27e)	17.9/17.1/16.8
ROE (FY25/26e/27e)	17.5/17.8/18.3
ROCE (FY25/26e/27e)	11.1/12.4/13.4
D/E ratio (FY25/26e/27e)	1.0/0.8/0.6
BSE Code	519600
NSE Code	CCL
Bloomberg	CCLP IN
Reuters	CCLP.NS

Shareholding pattern

	%
Promoters	46.1
MFs / Banks / FIs/Others	21.8
FPIs	10.5
Govt. Holding	0.0
Public & Others	21.6
Total	100.0

As on Sep 30, 2025

Recommendation

REDUCE

Analyst

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Quarterly Highlights

- Continuing volatility in green coffee prices continues to dominate headlines as coffee manufacturers struggle to stock up inventory and friction in product pricing resurfaces. CCLP woes are no different for it yearns for stable green coffee prices at a time when its volumes have grown in mid-teens in the first half of current fiscal, thus catalyzing some 44% growth in consolidated revenues to Rs 2182.36 crs.
- Motley of factors have done little to suppress margins during the first half (though margin dipped slightly to 16.3% vs 17.7% in H1FY25) not least due to increasing "velocity" in domestic business; growing volume share of freeze dried coffee; elevating contribution of small packs; richer product mix; and internal efficiencies. With little by means of avoiding replication by other manufacturers, CCLP continues to bank on value addition and internal efficiencies to protect its turf.
- Increasing depreciation (post capitalizing of new Vietnam facility) and finance costs curtailed pretax earnings growth to 26.8% in H1 of current fiscal while post tax earnings grew by a more modest 19.2% to Rs 173.31 crs as against Rs 145.42 crs. Still Q2 saw enhanced momentum in earnings for OPMs improved to 17.5% from 15.1% in Q1 of current fiscal, perceptibly driven by increased offtake in volumes and higher finished product prices.
- The stock currently trades at 37.7x FY26e EPS of Rs 27.40 and 31.5x FY28e EPS of Rs 32.73. Driven by growing volume share of both freeze dried coffee and small packs, margin appears to have turned a corner - 17.5% in Q2FY26 vs 15.1% in Q1 FY26 - with trickle -down effect on post tax earnings - estimated to advance by 17.6% in the current fiscal and 19.5% in the next fiscal. Though record coffee prices may buoy revenue growth to over 33% in the current fiscal, little "viscosity" in coffee demand to relentless rise in green coffee prices may trigger downward revision in estimates of volume growth for the next year. Weighing odds, we assign "reduce" rating on the stock with revised target of Rs 916 (previous target: Rs 681) based on 28x FY27e EPS of Rs 32.73 over a time period of 6-9 months.

Consolidated (Rs crs)	FY23	FY24	FY25	FY26e	FY27e
Income from operations	2071.22	2653.70	3105.75	4146.37	4688.41
Other Income	3.26	6.32	8.45	8.67	9.01
EBITDA (other income included)	403.11	451.62	563.55	715.85	797.29
Net Profit after EO	283.96	250.08	310.34	365.81	437.10
EPS (Rs)	21.35	18.80	23.30	27.40	32.73
EPS growth (%)	39.0	-11.9	24.0	17.6	19.5

Outlook & Recommendation

Global instant coffee industry outlook

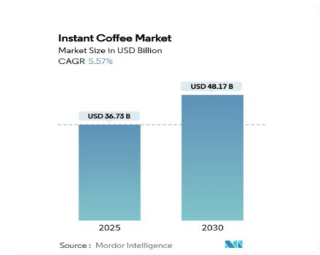
According to a report by IMARC, the global instant coffee market is estimated to grow at a CAGR of 4.5% during 2025 and 2033 supported by increasing demand for enhanced convenience among people with busy lifestyles, rising focus on health and wellness and wider availability of products. Further, manufacturers are introducing attractive product offerings such as single-serve packaging and ready-to-mix sachets, which the report contends, is propelling the instant coffee market size.

The report goes on to state that people are seeking coffee products that offer additional health benefits such as those containing functional components like vitamins and minerals which is driving demand for coffee products that contain ingredients like green tea extract, ginseng, and guarana on account of their health benefits. Rising cases of obesity and diabetes among individuals worldwide is catalyzing the demand for green coffee owing to its ability to enhance metabolism and support weight management.

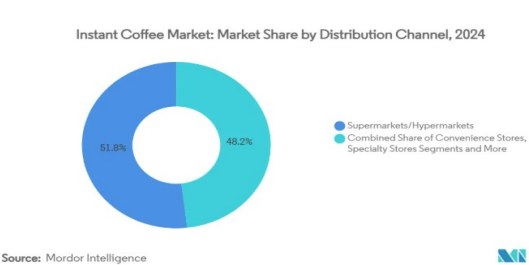
Further demand surge is precipitated by expansion of offline distribution channels such as supermarkets, hypermarkets, convenience stores, and general stores. In addition, burgeoning e-commerce industry, along with the rising consumer reliance on online shopping platforms, is galvanizing the instant coffee market growth. Online platforms also provide access to consumer reviews and ratings, helping potential buyers make informed decisions and increasing their confidence in purchasing new or unfamiliar instant coffee products.

Asia Pacific seems to be contributing most to the rising growth of instant coffee industry spearheaded by huge demand from China, India, Japan, and South Korea. In Southeast Asia, 3-in-1 and flavor instant coffee types have a strong following as they are cost-effective and convenient to prepare. As café penetration grows in this region, consumers increasingly expect similar taste in at-home options, which is leading brands to provide richer flavor and aroma.

Modor Intelligence in its recent report highlighted that it expects flavored coffee market to expand at 7.6% CAGR during 2025 and 2030 with freeze dried products expected to expand by 7.3% CAGR in the same period. It goes on to report that market analysis demonstrates a pronounced transition toward traceable, high-quality products with distinctive flavor characteristics, indicating a significant evolution in instant coffee purchasing behavior. In India, the report states, instant coffee represents 60-65% of total coffee consumption, with urban regions exhibiting higher consumption patterns due to product accessibility and cost-effectiveness, as documented by the Coffee Board.

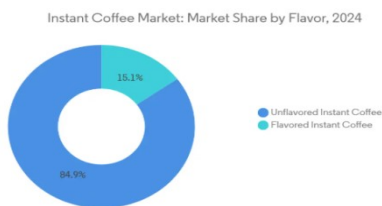


Source: Modor Intelligence



Source: Modor Intelligence

Modor Intelligence further states that freeze-dried variants are outpacing with a 7.31% CAGR from 2025 to 2030 as shoppers trade up for richer aroma. To adapt to these changing consumer preferences and intensifying competition, manufacturers are turning to advanced technologies for product enhancement and differentiation. For instance, Ofi’s new soluble coffee facility in Brazil, where the company is championing sustainable innovation through spray-freeze drying (SFD) technology - melds the operational efficiency of spray drying with the superior sensory qualities of freeze drying.



Source: Mordor Intelligence

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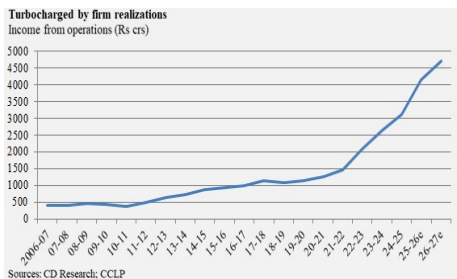


Source: IMARC

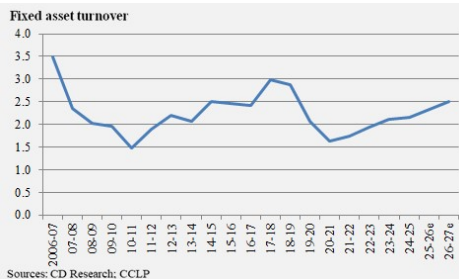
Financials & Valuation

Redundancies in capacity in India and Vietnam would help CCLP focus on growing its share of value added, differentiated products, which is aimed at strengthening its competitive advantage. Orders are tapped in private label segment across Southeast Asia, Europe, and Latin America for market share gains. Yet despite double digit growth in volumes over the next two years, margin gains would barely be eye-popping - OPM estimated at some 17.1% for the current fiscal as against 17.9% in FY25.

Modern trade and e-commerce platforms are being tapped for scaling the domestic business , which grew northwards of 40% in the first half of current fiscal (with branded business ruling the roost) , though margin in B2C business scarcely appears healthy. CCLP's domestic business plans to piggyback on growing trend of consuming instant coffee in traditionally tea drinking emerging markets. Yet hefty brand equity of entrenched coffee manufacturers/ sellers in India would pose discernible resistance to expansion of market size in non-South markets of India. Competitive intensity has also increased with proliferation of direct-to-consumer brands.

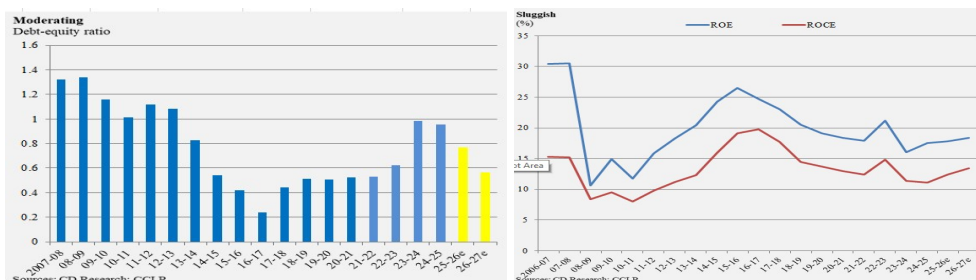


Sources: CD Research; CCLP

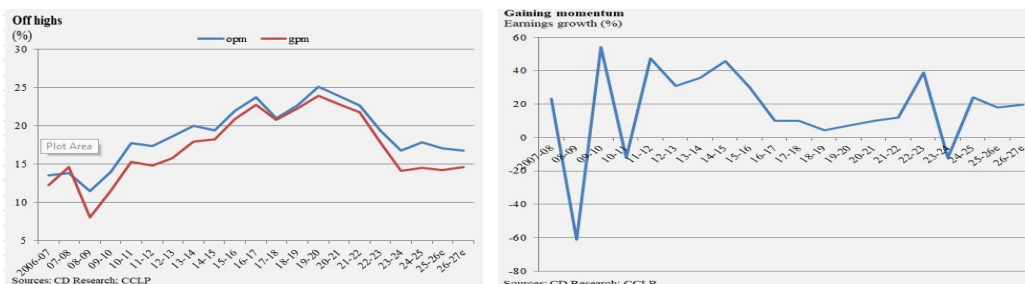


Sources: CD Research; CCLP

CCLP's capacity expansion in India and Vietnam in both freeze dried and spray dried formats have provided more room to adapt to needs of its growing client base in East Asia and Latin America. Market initiatives were ramped up in South East and Latin America for deepening market presence last fiscal. Yet surge in coffee prices in last few quarters may deter bulk buyers from entering into long term contracts, thus hindering volumes offtake.



The stock currently trades at 37.7x FY26e EPS of Rs 27.40 and 31.5x FY28e EPS of Rs 32.73. Despite record coffee prices, earning estimates for the current fiscal well-nigh remains unchanged thanks to upward revisions in interest and depreciation cost. Despite marginal benefit of operating leverage (if at all), ramp up in volumes over the next two years would help catalyze earnings growth - (earnings CAGR of almost 19%). Yet crop yields and related global supply may be affected by vagaries of weather, thus bringing demand elasticity to fore. Weighing odds, we assign "reduce" rating on the stock with revised target of Rs 916 (previous target; Rs 681) based on 28x FY27e earnings. For more info refer to our January report.



Financials

Consolidated Quarterly Results

Figures in Rs crs

	Q2FY26	Q2FY25	% chg.	H1FY26	H1FY25	% chg.
Income from operations	1126.73	738.20	52.6	2182.37	1511.49	44.4
Other Income	1.48	0.54	172.9	3.88	1.88	106.8
Total Income	1128.21	738.74	52.7	2186.25	1513.37	44.5
Total Expenditure	929.60	601.12	54.6	1826.20	1244.13	46.8
EBIDTA (other income included)	198.61	137.62	44.3	360.04	269.24	33.7
Interest	32.63	26.61	22.6	66.32	48.04	38.1
Depreciation	38.89	23.70	64.1	72.45	46.71	55.1
PBT	127.09	87.31	45.6	221.28	174.49	26.8
Tax	26.24	13.35	96.5	47.98	29.07	65.1
Net profit	100.86	73.95	36.4	173.31	145.42	19.2
Minority interest	-	-	-	-	-	-
Net profit after MI	100.86	73.95	36.4	173.31	145.42	19.2
Extraordinary Item	-	-	-	-	-	-
Adjusted Net Profit	100.86	73.95	36.4	173.31	145.42	19.2
EPS (F.V. 2)	7.57	5.55	36.4	13.01	10.92	19.2

Consolidated Income Statement

Figures in Rs crs

	FY23	FY24	FY25	FY26e	FY27e
Income from operations	2071.22	2653.70	3105.75	4146.37	4688.41
Growth (%)	41.7	28.1	17.0	33.5	13.07
Other Income	3.26	6.32	8.45	8.67	9.01
Total Income	2074.47	2660.02	3114.20	4155.04	4697.42
Total Expenditure	1671.36	2208.39	2550.66	3439.19	3900.13
EBITDA (other income included)	403.11	451.62	563.55	715.85	797.29
Interest	34.40	77.71	112.83	125.09	111.98
EBDT	368.71	373.91	450.71	590.76	685.32
Depreciation	63.70	97.67	98.46	150.03	155.50
Tax	21.04	26.16	41.92	74.92	92.72
Net profit	283.96	250.08	310.34	365.81	437.10
Minority interest	-	-	-	-	-
Net profit after MI	283.96	250.08	310.34	365.81	437.10
Extraordinary item	-	-	-	-	-
Adjusted Net Profit	283.96	250.08	310.34	365.81	437.10
EPS (Rs.)	21.35	18.80	23.30	27.40	32.73

Consolidated Balance Sheet

Figures in Rs crs

	FY23	FY24	FY25	FY26e	FY27e
SOURCES OF FUNDS					
Share Capital	26.61	26.61	26.71	26.71	26.71
Reserves	1470.69	1647.21	1940.52	2239.74	2610.08
Total Shareholders Funds	1497.29	1673.81	1967.23	2266.45	2636.78
Minority Interest	-	-	-	-	-
Long term debt	200.84	518.63	556.30	600.00	650.00
Total Liabilities	1698.13	2192.44	2523.53	2866.45	3286.78
APPLICATION OF FUNDS					
Gross Block	1600.60	1683.24	2154.48	2629.48	2649.48
Less: Accumulated Depreciation	343.65	431.71	532.88	682.91	838.41
Net Block	1256.95	1251.53	1621.60	1946.57	1811.07
Capital Work in Progress	54.01	501.05	450.47	10.00	15.00
Investments	0.00	0.00	0.00	3.60	8.40
Current Assets, Loans & Advances					
Inventory	578.29	788.42	1052.26	1210.10	1331.11
Sundry Debtors	441.41	496.81	690.28	842.14	968.46
Cash and Bank	83.43	169.81	97.72	92.79	119.14
Other Assets	144.08	286.04	247.34	279.46	307.73
Total CA & LA	1247.20	1741.07	2087.59	2424.49	2726.43
Current liabilities	830.81	1271.79	1598.58	1402.55	1135.42
Provisions	4.17	5.42	38.09	45.32	53.78
Total Current Liabilities	834.98	1277.21	1636.67	1447.88	1189.20
Net Current Assets	412.22	463.87	450.92	976.61	1537.24
Net Deferred Tax (net of liability)	-58.81	-61.96	-74.23	-86.23	-98.23
Other Assets (Net of liabilities)	33.75	37.95	74.77	15.89	13.31
Total Assets	1698.13	2192.44	2523.53	2866.45	3286.78

Key Financial Ratios

	FY23	FY24	FY25	FY26e	FY27e
Growth Ratios					
Revenue (%)	41.7	28.1	17.0	33.5	13.1
EBIDTA (%)	20.3	12.0	24.8	27.0	11.4
Net Profit (%)	39.0	-11.9	24.1	17.9	19.5
EPS (%)	39.0	-11.9	24.0	17.6	19.5
Margins					
Operating Profit Margin (%)	19.3	16.8	17.9	17.1	16.8
Gross Profit Margin (%)	17.8	14.1	14.5	14.2	14.6
Net Profit Margin (%)	13.7	9.4	10.0	8.8	9.3
Return					
ROCE (%)	14.9	11.3	11.1	12.4	13.4
ROE (%)	21.1	16.1	17.5	17.8	18.3
Valuations					
Market Cap / Sales	3.6	3.0	2.4	3.3	2.9
EV/EBIDTA	20.8	20.5	16.2	21.0	18.8
P/E	26.6	31.2	23.8	37.7	31.5
P/BV	5.2	4.7	3.9	6.3	5.4
Other Ratios					
Interest Coverage	9.9	4.6	4.1	4.5	5.7
Debt-Equity Ratio	0.6	1.0	1.0	0.8	0.6
Current Ratio	1.4	1.3	1.2	1.6	2.2
Turnover Ratios					
Fixed Asset Turnover	1.9	2.1	2.2	2.3	2.5
Total Asset Turnover	1.4	1.4	1.3	1.6	1.6
Debtors Turnover	5.4	5.7	5.2	5.4	5.2
Inventory Turnover	3.0	3.2	2.8	3.0	3.1
Creditors Turnover	28.0	25.4	15.9	16.9	20.3
WC Ratios					
Debtor Days	67.1	64.5	69.8	67.4	26.3
Inventory Days	119.8	112.9	131.7	120.1	118.9
Creditor Days	13.0	14.3	23.0	21.6	18.0
Cash Conversion Cycle	173.8	163.1	178.5	165.9	127.2

Cumulative Financial Data

	FY16-18	FY19-21	FY22-24	FY25-27e
Income from operations	3045	3463	6187	11941
Operating profit	676	829	1176	2051
EBIT	587	712	971	1673
PBT	557	669	843	1323
PAT after MI	405	503	738	1113
Dividends	120	190	200	200
OPM (%)	22.2	23.9	19.0	17.2
NPM (%)	13.3	14.5	11.9	9.3
Interest coverage	19.7	16.4	7.6	4.8
ROE (%)	24.1	19.1	18.2	17.6
ROCE (%)	17.1	13.6	11.6	12.7
Fixed asset turnover	2.9	2.0	2.0	2.6
Debtors turnover	6.9	4.8	5.2	5.4
Inventory turnover	4.4	3.5	3.0	3.1
Debtors days	53.1	76.0	70.4	67.2
Inventory days	82.4	104.5	121.1	117.3
Dividend payout ratio (%)	29.7	37.7	27.0	18.0

FY16-18 implies three year period ending fiscal 18; *as on terminal year

Galvanized by firming coffee prices, CCLP is expected to all but double its cumulative turnover during FY25-27 period when compared to that in the preceding three year period (see table). Other factors would support the revenue surge not least increasing volume share of freeze dried coffee and barely weak scaling in domestic business. Yet margin recovery (17.2% estimated for FY25-27e period Vs 19% for FY22-24) would be niggardly slow not least due to fledgling domestic business and heightening competition globally, a barely desirable "resistance".

Increased churn at its newly erected capacities in India and Vietnam has the potential to boost utilization from some 65-70% currently, thus resurrecting fixed asset turnover ratio to some 2.6 in the projected period from 2.0 (see table). Yet earnings growth (cumulative) would fail to distinctly surge not least due to rising depreciation and interest costs, thus barely spurring return on capital - ROE estimated to decline by 60 bps to 17.6%. Working capital days would hardly startle in the ensuing period.

Financial Summary- US Dollar denominated

million \$	FY23	FY24	FY25	FY26e	FY27e
Equity capital	3.2	3.2	3.1	3.0	3.0
Shareholders funds	178.1	197.6	222.1	248.7	290.5
Total debt	111.4	194.4	211.8	191.1	163.9
Net fixed assets (incl CWIP)	48.4	210.2	242.1	221.2	206.4
Investments	0.0	0.0	0.0	0.4	0.9
Net current assets	46.1	52.4	44.9	102.9	166.2
Total assets	202.5	259.8	287.1	316.5	364.0
Revenues	257.6	320.5	367.2	468.8	530.0
EBITDA	50.1	54.5	66.6	80.9	90.1
EBDT	45.9	45.2	53.3	66.8	77.5
PBT	37.9	33.4	41.7	49.8	59.9
Profit after MI	35.3	30.2	36.7	41.4	49.4
EPS(\$)	0.27	0.23	0.28	0.31	0.37
Book value (\$)	1.34	1.49	1.66	1.86	2.2

Income statement figures translated at average rates; balance sheet at year end rates; projections at current rates (Rs 88.4558/\$).
All dollar denominated figures are adjusted for extraordinary items.

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buy: >20% accumulate: >10% to ≤20% hold: ≥-10% to ≤10% reduce: ≥-20% to <-10% sell: <-20%

Rs/\$	FY21	FY22	FY23	FY24	FY25
Average	74.20	74.51	80.39	82.79	84.57
Year end	73.50	75.81	82.22	83.37	85.58

All \$ values mentioned in the write-up translated at the average rate of the respective quarter/ year as applicable. Projections converted at current exchange rate.