BP Wealth | STOXBOX

Result Update

Q3 FY26

CCL Products Ltd.

Institutional Research

CCL Products Ltd.

FMCG | Q3FY26 Result Update **05th February 2026**

Strong Execution with Upgraded Growth Outlook

CCL Products Ltd. reported a solid operating performance in Q3FY26, marked by strong year-on-year growth across profitability metrics, driven by healthy volume traction, improving operating leverage, and continued strength in export-led demand. Revenue increased sharply to Rs. 1,050.6 crores, up 38.5% YoY, reflecting sustained order inflows from key global clients, although revenues declined 6.8% QoQ due to a high base in the previous quarter and normal seasonality. Gross profit grew 27.9% YoY to Rs. 389.4 crores, with gross margins moderating to 37.1% compared to 40.1% last year, primarily on account of elevated green coffee prices and cost pass-through lag. At the operating level, EBITDA rose to Rs. 185.0 crores, with EBITDA margins expanding to 17.6% from 16.4% a year ago, supported by scale benefits, operational efficiencies, and better capacity utilisation. The margin improvement despite softer gross margins highlight the company's ability to manage costs effectively and extract operating leverage. Profit after tax surged 59.0% YoY to Rs. 100.3 crores, with PAT margins improving to 9.5% from 8.3% in the previous year, aided by stronger operating performance and controlled finance costs, though PAT remained broadly flat on a sequential basis. The company also declared an interim dividend of Rs. 2.75 to be recorded on February 10, 2026.

Valuation and Outlook

CCL Products' outlook remains positive and well-supported by strong operating fundamentals, with management's upgrade in EBITDA growth guidance underscoring confidence in the business trajectory. Stable green coffee prices, a robust cost-plus pricing model, and improving capacity utilisation provide clear visibility on margin sustainability, while rising EBITDA per kg reflects enhanced operating efficiency. Continued strength in export demand, improving performance of the Vietnam operations, and strong momentum in the India branded business are expected to drive growth over the medium term. Additionally, disciplined working capital management and debt reduction efforts strengthen the balance sheet, allowing the company to fund expansion without compromising financial stability. As capacity utilisation ramps up toward optimal levels and branded and value added products gain further traction, CCL Products is well positioned to outperform industry growth while maintaining healthy margins, despite near-term commodity price volatility.

Key Highlights

Particulars (Rs. Crs.)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Net Sales	1,051	758	38.5%	1,127	-6.8%
Gross profit	389	304	27.9%	389	0.1%
Gross margin (%)	37.1%	40.1%	-308 bps	34.5%	253 bps
EBITDA	185	124	48.6%	197	-6.2%
OPM (%)	17.6%	16.4%	120 bps	17.5%	11 bps
PAT	100	63	59.0%	101	-0.6%
PAT Margin	9.5%	8.3%	123 bps	9.0%	59 bps

Source: Company, BP Equities Research

Sector Outlook **Positive**

Stock

CMP (Rs.)	990
BSE code	519600
NSE Symbol	CCL
Bloomberg	CCLP IN
Reuters	CCLP.BO

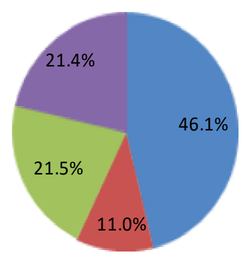
Key Data

Nifty	25,643
52 Week H/L (Rs,)	1,074/525
O/s Shares (Crs.)	13
Market Cap (Rs. Crs.)	13,202
Face Value (Rs.)	2

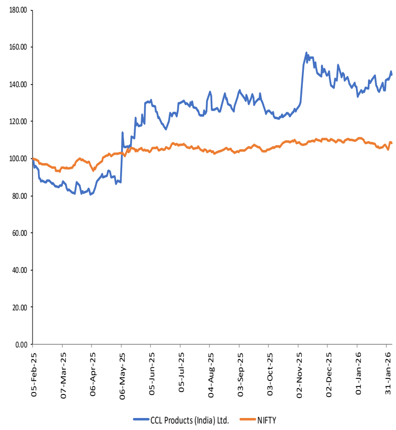
Average Volume

3 months	5,40,623
6 months	3,52,476
1 year	5,63,400

Share Holding Pattern (%)



Relative Price Chart



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Key Concall Highlights

Guidance and Outlook

Management upgraded FY26 EBITDA growth guidance to ~25% from the earlier 15-20%, driven by strong volume traction and operating leverage.

FY27 EBITDA growth guidance of 15-20% has been maintained, with a clearer update expected once coffee price trends stabilise.

Long-term focus remains on sustaining EBITDA per kg at Rs. 135-140 levels.

"FY26 EBITDA growth guidance upgraded to ~25% on strong volumes and operating leverage, while FY27 growth of 15–20% is retained with long-term EBITDA/kg target of Rs.135–140 intact. "

Margins and Profitability

EBITDA per kg improved to Rs. 135-140, supported by the company's cost-plus pricing model, which protects margins from coffee price volatility.

India branded business continues to operate at 5-8% margins, with profits being reinvested to drive faster growth and market penetration.

Vietnam margins improved due to better utilisation of freeze-dried capacity, which was underutilised last year.

"EBITDA/kg improved to Rs.135–140 aided by cost-plus pricing, higher Vietnam utilisation, and continued reinvestment in India branded business to scale margins over time."

Capacity and Expansion

Overall capacity utilisation stood at 65-70% in Q3FY26.

Management expects utilisation to reach 85-90% over the next two years, post which capacity expansion or strategic partnerships will be evaluated.

Small pack capacities (sticks and sachets) are nearing peak utilisation, prompting near-term modular expansion plans.

"Capacity utilization at 65–70% is expected to rise to 85–90% over two years."

Green Coffee Prices and Input Costs

Green coffee prices remained stable in the Rs. 3,600-4,000 range, significantly lower volatility versus last year.

Post Vietnam Tet holidays, some price volatility could emerge, though Brazil crop outlook remains favourable.

Cost-plus model ensures EBITDA per kg remains insulated even if coffee prices soften.

"Stable green coffee prices at Rs.3,600–4,000 and a cost-plus model provide insulation to EBITDA despite potential short-term volatility post Tet holidays."

Working Capital and Debt

Softening coffee prices have enabled lower green coffee inventory holding, aiding working capital efficiency.

Debt reduction continues despite strong volume growth, supported by improved inventory management and faster customer realisations.

FY26 gross debt guidance maintained at Rs. 1,250 crores, with current levels tracking better than planned.

"FY26 gross debt guidance of Rs.1,250 crore maintained."

India Branded and Private Label Business

India branded coffee business is growing 40–50% YoY, with FY26 sales expected at Rs. 30–40 crores, and total India sales around Rs. 50 crores.

Distribution expanded pan-India with presence across 1,40,000 outlets, moving beyond South India.

On e-commerce and modern trade platforms, CCL is a top 2-3 player, with double-digit market share on platforms like Blinkit and Reliance.

"India branded coffee is growing 40–50% YoY with pan-India distribution across 1.4 lakh outlets and strong traction on e-commerce and modern trade platforms."

Market Position and Competition

At peak utilisation, CCL expects to achieve 12–13% global market share in the outsourced instant coffee segment.

The company continues to outgrow the industry due to a diversified client base, strong servicing capabilities, and cost-efficient operations.

Southeast Asia remains a key growth region, with strong presence in 2-in-1 and 3-in-1 coffee products.

Innovation and Product Development

Innovation remains core, with continued focus on specialty instant coffee, freeze-dried variants, and micro-grinds.

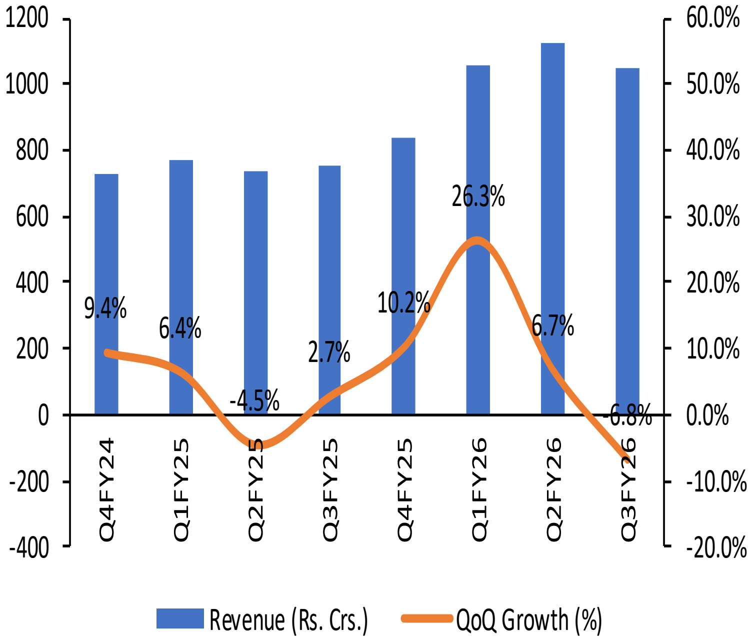
The plant-based meat segment has been discontinued due to weak demand.

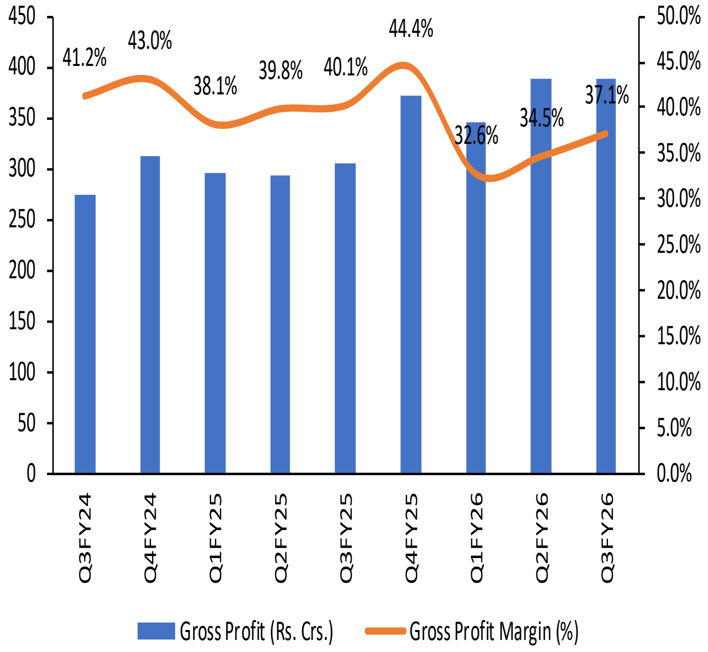
New categories such as traditional snacks under the Malgudi brand are being piloted on a limited scale.

"Innovation remains focused on specialty and freeze-dried coffee products, with exit from plant-based meat and selective pilot of Malgudi-branded traditional snacks."

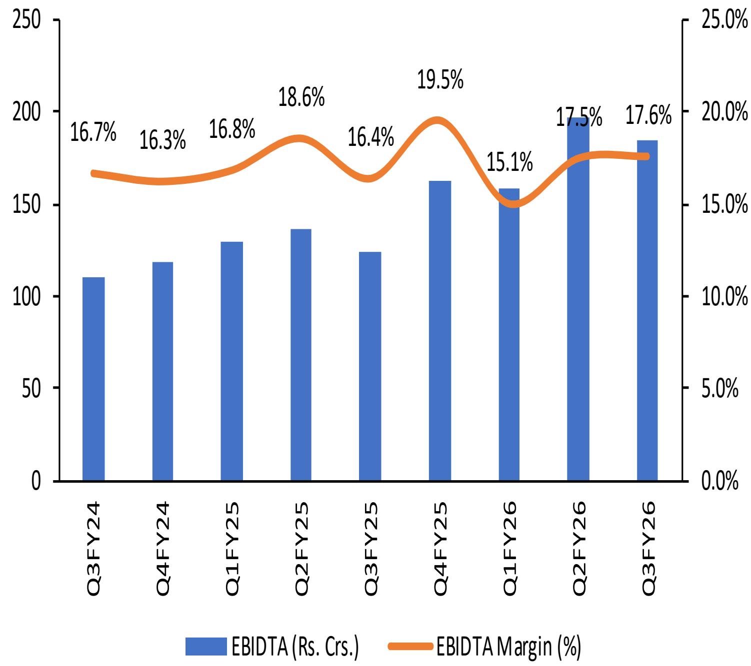
Quarterly Snapshot

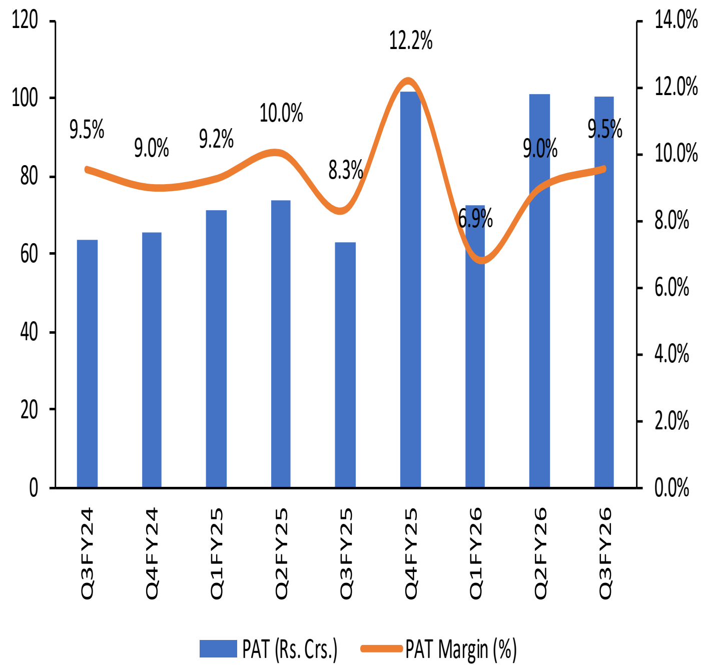
Robust revenue growth on YoY basis	Gross margin improved sequentially





Improved cost discipline resulted in higher EBIDTA margins	PAT margins witnessed an improvement





Source: Company, BP Equities

Key Financials							
YE March (Rs. Crs.)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue	**1,462**	**2,071**	**2,654**	**3,106**	**4,083**	**4,644**	**5,306**
Revenue Growth (Y-oY)	*17.7%*	*41.7%*	*28.1%*	*17.0%*	*31.5%*	*13.7%*	*14.3%*
EBITDA	**324**	**387**	**428**	**535**	**691**	**816**	**947**
EBIT Growth (Y-o-Y)	*10.8%*	*19.3%*	*10.8%*	*25.0%*	*29.2%*	*18.0%*	*16.2%*
Net Profit	**204**	**284**	**250**	**310**	**375**	**491**	**603**
Net Profit Growth (Y-o-Y)	*12.1%*	*39.0%*	*(11.9%)*	*24.1%*	*20.8%*	*31.0%*	*22.8%*
Diluted EPS	**15.3**	**21.2**	**18.7**	**23.2**	**28.0**	**36.7**	**45.0**
Diluted EPS Growth (Y-o-Y)	*68.0%*	*39.0%*	*(11.9%)*	*24.1%*	*20.8%*	*31.0%*	*22.8%*
Profitability Ratios							
EBITDA (%)	**22.2%**	**18.7%**	**16.1%**	**17.2%**	**16.9%**	**17.6%**	**17.9%**
NPM (%)	14.0%	13.7%	9.4%	10.0%	9.2%	10.6%	11.4%
ROE (%)	**16.3%**	**19.2%**	**14.9%**	**15.8%**	**16.6%**	**18.5%**	**19.2%**
ROCE (%)	19.5%	19.2%	15.1%	17.3%	20.4%	22.1%	23.0%
Valuation Ratios							
P/E (x)	**64.6x**	**46.5x**	**52.8x**	**42.5x**	**35.2x**	**26.9x**	**21.9x**
EV/EBITDA	40.9x	34.5x	31.6x	25.5x	19.6x	16.5x	14.1x
P/BV (x)	**10.6x**	**8.9x**	**7.9x**	**6.7x**	**5.8x**	**5.0x**	**4.2x**
Market Cap. / Sales (x)	9.0x	6.4x	5.0x	4.2x	3.2x	2.8x	2.5x

Source: Company, BP Equities

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Analyst (s) holding in the Stock : Nil

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