12th December, 2025

CCL Products (India) Ltd.

BSE: 519600 | NSE: CCL | Mkt Cap: Rs 13,153 cr

Recommendation	Time Period	Current Price	Target Price	Potential Upside
BUY	**12 months**	**985.0/-**	**1,101.0/-**	**11.8%**

CCL Products (India) Ltd (CCL) is the world's largest private label coffee processing company engaged in the production, trading and distribution of coffee products. The company, in addition to India, has operations in Vietnam and Switzerland. Vietnam is the second-largest green coffee manufacturing country after Brazil. CCL exports its products to more than 90 countries.

Key Investment Rationale:

- **Resilient business model:** CCL manufactures >200 blends in coffee. It has built a strong client relationship which is not easily replicated as the chances of churning to a new blend is rare. It enjoys cost efficiency due to scale and strategic presence. Most of the contracts are back-to-back in nature and thus minimizes pressure on working capital. The product portfolio of the company comprises of Spray-dried coffee, Granulated Coffee, Freeze Dried Coffee, Decaffeinated coffee, Fairtrade and other certified coffees, Chicory blended instant coffee, Flavoured Coffee, Speciality Coffee, etc.
- **Strategic presence in Vietnam:** Vietnam is one of the largest producers of Robusta coffee and hence, there is an assured supply of raw materials. The company's unit enjoys lifetime zero tax status. Since the plant is located in Vietnam's Daklak province which is stated as 'Robusta Capital of the world', the company benefits from perennial availability, low inventory requirements and lower logistics costs. Vietnam also provides a gateway to some of the critical markets like China, Japan, Korea, etc. which are in close proximity to Vietnam.
- **Added capacities to aid future growth:** The company has added significant capacities in its India and Vietnam facilities from 38,500 MT in FY22 to ~77,000 MT as of Sep'25. No major capex is expected in FY26 and FY27. CCL's existing plants are running at close to 100% utilization levels while the newly added capacities are currently running at 15-20% utilization. Blended utilization in 2QFY26 was 65-70%. Ramp-up of new capacities is expected to be gradual, utilizing about 30% more each year, over the next three to four years.
- **Robust 2QFY26 performance:** CCL reported strong numbers in 2QFY26 with Revenue/EBITDA/PAT growing ~53%/44%/36% YoY to Rs 1,127 cr/Rs 197 cr/Rs 101 cr respectively. Blended volumes grew upwards of 20% YoY with long-term growth guidance of 10-20%. Its B2C business (~Rs 210 cr revenue in 2QFY26) is growing aggressively by 40-50% backed by substantial volume growth.
- **Long-term vision to transition into an FMCG company:** CCL predominantly sells coffee in bulk to resellers. However, the company's long-term vision is to transition into an FMCG company. It is leveraging its established distribution network and is currently experimenting with and test-marketing adjacent categories, including iced tea (institutional and consumer) and a small test batch of snacks, before deciding on expansion.
- **Reasonable valuation:** At CMP of Rs 985, the stock trades at FY26E/FY27E Bloomberg consensus PE of 35.8x/27.1x respectively which looks reasonable given the company's strong 2QFY26 performance and its increasing focus to become a branded FMCG player.

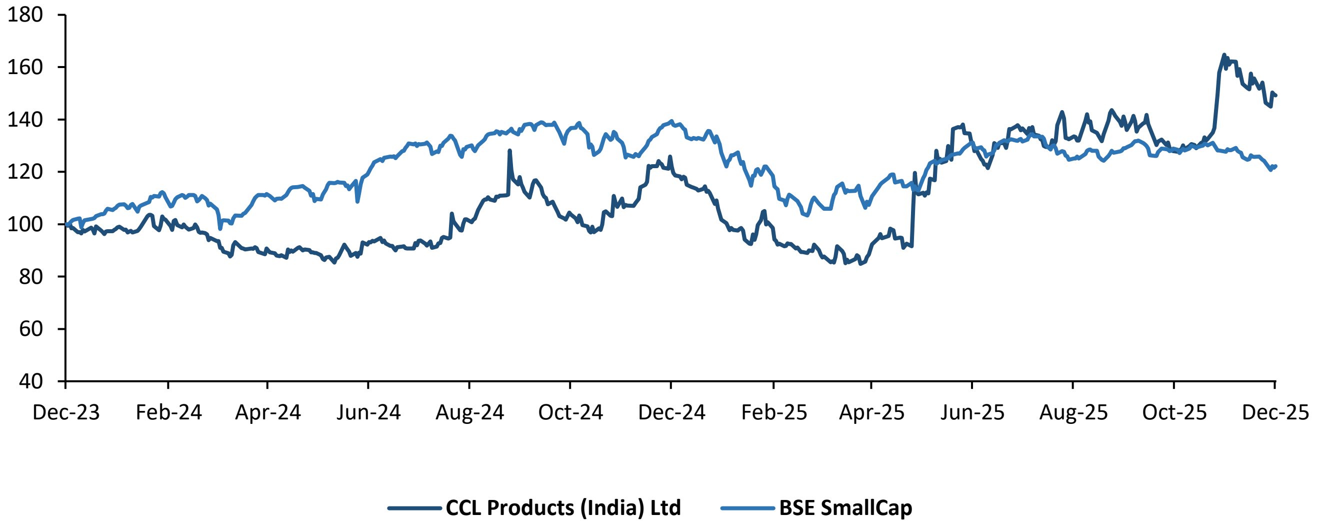
Key Risks: High volatility in coffee prices; Delay in ramping up utilization of new capacities; Competition from big players

Financial Summary

Particulars (Rs cr)	FY24A	FY25A	FY26E	FY27E
Net Sales	2,654	3,106	4,040	4,602
EBITDA	445	555	681	798
Net Profit	250	310	368	485
EBITDA Margin (%)	16.8	17.9	16.9	17.3
RoE (%)	15.8	17.0	17.4	19.7
EPS (Rs)	18.7	23.2	27.5	36.4
P/E (x)	52.6	42.4	35.8	27.1
P/BV (x)	7.9	6.7	5.8	4.9

Source: AceEquity, Bloomberg, SSL Research

Stock Performance (2-Year) – Indexed to 100



Source: ACE Equity, SSL Research

Recommendation History

Date	Stock Price	Target Price	Recommendation	Status
06th May, 2025	667.0	742.0	Buy	Closed – Target Achieved
23rd June, 2025	807.0	900.0	Buy	Closed – Target Achieved

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