



PL Capital
PRABHUDAS LILLADHER

Cello World (CELLO IN)

Rating: BUY | CMP: Rs596 | TP: Rs770



Widening TAM to drive growth

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Cello World (CELLO IN)

Company Initiation

Rating: BUY | CMP: Rs596 | TP: Rs770

Widening TAM to drive growth

We initiate coverage on Cello World (CELLO) with a 'BUY' rating and SOTP-based TP of Rs770 valuing its Consumerware business at 37x FY27EPS, which implies 33x FY27E earnings. Cello World is a leading Indian consumer product company mainly dealing in consumer houseware, glassware, writing instruments, and molded furniture. We believe CELLO is well-positioned for growth across its segments given its 1) strong brand and diversified product portfolio, 2) proven track record of scaling new businesses and product categories, 3) plans to explore inorganic growth opportunities and 4) skilled and experienced management team. We estimate revenue/EBITDA/PAT CAGR of 15.9%/18.7%/24.2% over FY25-27E led by 1) improving business/product mix, 2) various sector-specific tailwinds, and 2) recent capacity expansions in opalware and glassware segments. Initiate 'BUY'.

- Diversified business – Leveraging TAM opportunity:** CELLO's diversified product portfolio spans consumerware, writing instruments, and molded furniture. TAM is expected to clock 13.4% CAGR to reach Rs1,080bn by FY27E from Rs653bn in FY23. This diversification provides resilience and allows CELLO to capitalize on high-growth areas like glassware, which is expected to grow at 15.8% CAGR. With a broad portfolio of over 17,000 SKUs and continuous product innovation, CELLO targets new customer segments to enhance market share. Strategic focus on products, strong distribution network, and competitive pricing have helped strengthen its market position. CELLO's Consumer Ware segment (contributes >66% to revenue) reported 25.5% revenue CAGR against peers Borosil/La Opala of 34.8%/20.0% over FY21-24 and is expected to log 19.4% CAGR over FY25-27E.
- Strong brand presence with extensive distribution network:** CELLO is a leader in the branded consumerware industry with ~5% market share and has built strong brand recall through a wide range of high-quality, competitively priced products. The company invests significantly in branding and promotional activities, utilizing various marketing strategies to enhance visibility. CELLO's extensive pan-India distribution network, with 3,500+ distributors and 1,45,000+ retailers, plays a vital role in driving growth. With continuous innovation, growing digital presence, and operational agility, CELLO is well-positioned for sustained growth.
- In-house manufacturing, capacity expansion to drive growth:** CELLO's in-house manufacturing, which accounted for 77.8%/77.2% sales in FY24/9MFY25, enables quick production scaling, faster product launches, quality control, and reduced supply chain risks. Recent capacity expansions in glassware/opalware facilities in Rajasthan/Daman, will help strengthen production capabilities and reduce reliance on imports. With significant installed capacity across multiple product categories, we expect CELLO to report revenue/PAT CAGR of 15.9%/24.2% over FY25-27E.
- Inorganic opportunities to drive profitability:** CELLO recently announced the merger of Wim Plast Ltd (WPL) to leverage synergies from latter's manufacturing facilities. CELLO is also exploring inorganic growth opportunities, including acquiring companies to complement its product lines.

Key Financials - Consolidated

Y/e Mar	FY24	FY25E	FY26E	FY27E
Sales (Rs. m)	20,003	21,097	24,278	28,330
EBITDA (Rs. m)	5,097	5,156	6,121	7,265
Margin (%)	25.5	24.4	25.2	25.6
PAT (Rs. m)	3,263	3,390	4,307	5,229
EPS (Rs.)	15.4	15.3	19.2	23.4
Gr. (%)	12.6	(0.2)	25.4	21.4
DPS (Rs.)	2.0	2.0	2.0	2.0
Yield (%)	0.3	0.3	0.3	0.3
RoE (%)	43.9	21.3	19.4	19.7
RoCE (%)	44.0	27.3	25.6	26.1
EV/Sales (x)	6.4	6.1	5.2	4.3
EV/EBITDA (x)	25.2	25.0	20.7	16.9
PE (x)	38.7	38.8	31.0	25.5
P/BV (x)	11.0	6.5	5.5	4.6

Key Data

CELO.BO | CELLO IN

52-W High / Low	Rs. 1,025 / Rs. 592
Sensex / Nifty	75,311 / 22,796
Market Cap	Rs. 132 bn/ \$ 1,517 m
Shares Outstanding	221m
3M Avg. Daily Value	Rs. 139.17m

Shareholding Pattern (%)

Promoter's	75.00
Foreign	7.47
Domestic Institution	13.54
Public & Others	3.97
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(11.2)	(35.0)	(27.5)
Relative	(10.6)	(30.1)	(30.1)

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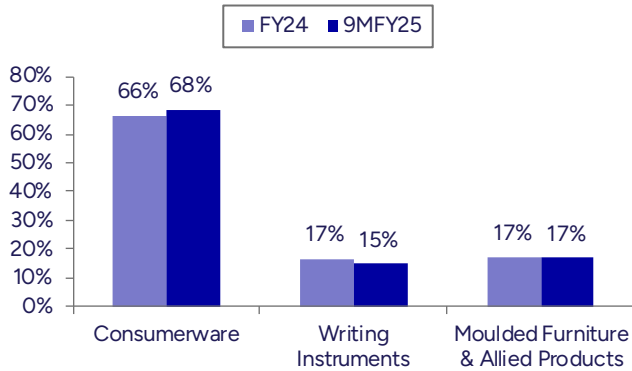
Cello World – Diversified product portfolio

Cello World (CELLO) is a leading consumer goods company known for its diverse product range spanning consumer houseware, writing instruments & stationery, and molded furniture & allied products. Established in 1962, Cello World Ltd was incorporated in 2018. In Nov/2024, the company merged the Moulded Furniture & Allied Products segment of WPL, a listed entity, with itself to increase efficiencies and generate synergy benefits. This move further solidifies its position in both domestic and international markets.

- CELLO has the most diversified product portfolio, with 17,000+ SKUs, among peers in consumerware, writing instruments, molded furniture and allied products.
- Consumer Ware segment is the largest contributor to revenue, at ~66%/68% in FY24/9MFY25.
- CELLO operates 14 manufacturing facilities across 6 locations in India. It recently started commercial trial production at the new glassware manufacturing facility in Rajasthan, with an installed annual capacity of ~20,000 tons.
- CELLO has an installed annual capacity of 57.77mn units of consumer houseware products, 45,000 tons of opalware and glassware, 705.0mn units of writing instruments and stationery products, and 12.8mn units of molded furniture and allied products.
- CELLO derived around 77.8%/77.2% revenue from its in-house manufacturing to maintain quality in FY24/9MFY25.
- It has an extensive pan-India network of ~3,500 distributors and 1,45,000 retailers across products segments. The company is a dominant player in western & central India.
- CELLO has built a strong brand identity through effective advertisements and marketing campaigns, thus enhancing brand awareness and recall.
- Cello Plastic Industrial Works (CPIW), a partnership firm owned and controlled by CELLO promoters, owns the key brands Cello, Unomax, Kleeno and Puro. CELLO has entered into an agreement with CPIW (dated 29th Sep'22) for exclusive, worldwide, sub-licensable license to use trademarks for 20 years at zero annual fee, to be renegotiated thereafter every 5 years.

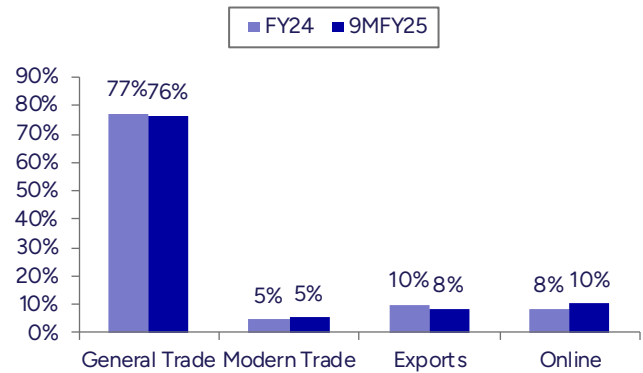
We believe CELLO is well placed to benefit in both domestic and international markets given its a) strong diverse product portfolio, b) robust distribution network, c) brand image and d) product quality. Over FY21-24, overall revenue/EDITDA/PAT CAGR stood at 24%/22.6%/29.2%, with Consumerware/Writing Instruments/Moulded Furniture & Allied Products revenue and EBIT CAGR at 25.5%/44.2%/8.4% and 21.5%/48.1%/11.3%, respectively.

Exhibit 1: Consumerware contributes ~68% rev. in 9MFY25



Source: Company, PL

Exhibit 2: GT highest contributor to revenue at ~76%






Source: Company, PL

Exhibit 3: CELLO - A leading consumer products company in India

<p>17,000+ No. of SKUs*</p>	<p>Most Diversified Product Portfolio Among Peers Consumer Ware, Writing Instruments, Moulded Furniture and Allied Products</p>	<p>14 Own manufacturing facilities</p>
<p>3,500+ No. of Distributors*</p>	<p>Diverse range of products across different product categories, types of material and price points</p>	<p>77.2% Revenues from in house manufacturing – 9M FY25</p>
<p>1,45,000+ No. of Retailers*</p>	<p>Over Six decades of experience with track record of scaling up new businesses and product categories with Promoters have 80+ years combined experience</p>	<p>26.3% EBITDA Margins – 9M FY25</p>
<p>27.3% One of the Highest RoCE* in the Industry - FY24</p>	<p>PAN India Distribution Network Presence across multiple channels with Nationwide sales and distribution network</p>	<p>16.2% PAT (Attributable to Owners) Margins – 9M FY25</p>
	<p>Backed by private equity investors – ICICI Venture, Tata Capital</p>	
	<p>Appointed Celebrity Brand Ambassador for endorsing and strengthening the brand</p>	

Source: Company, PL

Exhibit 4: CELLO – Business verticals overview

Business Vertical	Consumer Ware	Writing Instruments ¹	Moulded Furniture and Allied Products ²
Market Size (Rs. Bn.) ³	377.00	133.50	205.00
Product Categories	<ul style="list-style-type: none"> ✓ Houseware ✓ Insulatedware ✓ Cleaning Aids ✓ Electronic Appliances 	<ul style="list-style-type: none"> ✓ Glassware ✓ Opalware ✓ Porcelain 	<ul style="list-style-type: none"> ✓ Pen & Pencil ✓ Highlighters ✓ Correction Pens ✓ Markers
Brands			
Revenue Contribution – FY24 (%)	66.20%	16.70%	17.10%
EBIT – FY24 (%) ¹	24.05%	25.77%	21.48%

Source: Company, PL; Note: 1. Does not include exports; 2. Includes plastic molded furniture and air cooler markets

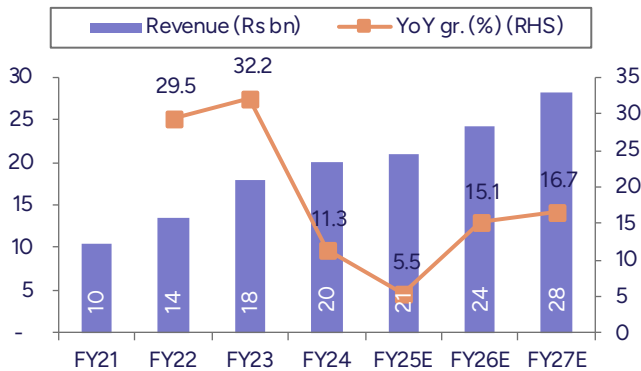
Exhibit 5: CELLO – Diversified product portfolio

Product Categories	Operating Entity	Brands	Sub-Brands	Product Range
Consumerware	Cello World Ltd Cello Industries Pvt Ltd Cello Houseware Pvt Ltd Cello Household Products Pvt Ltd Cello Consumerware Pvt Ltd	Cello	Puro, Chef, H2O, Modustack, Kleeno, Maxfresh and Duro	Houseware Insulated ware Electronic appliances and cookware Cleaning aids Opalware Glassware Porcelain
Writing Instruments	Unomax Stationery Pvt Ltd	Unomax	Ultron2X and Geltron	Writing instruments Stationery
Moulded Furniture and Allied Products	Cello World Ltd	Cello		Molded furniture Allied products

Source: Company, PL

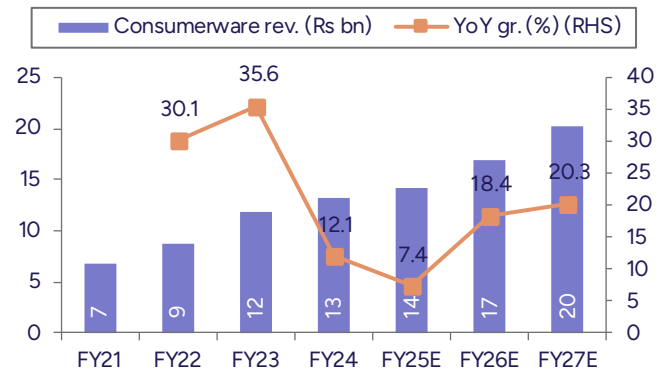
Story in Charts

Exhibit 6: Revenue to log 15.9% CAGR over FY25-27E



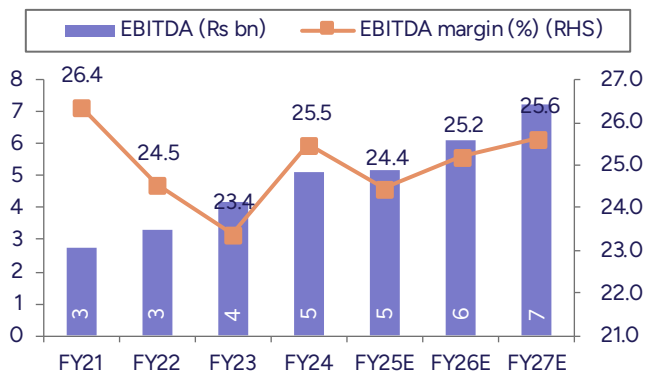
Source: Company, PL

Exhibit 7: Consumerware rev CAGR of 19.4% in FY25-27E



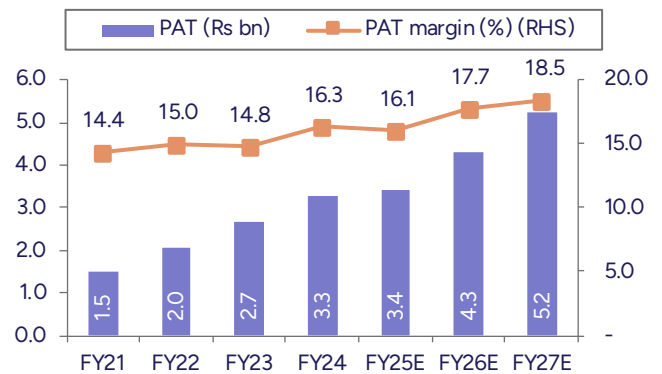
Source: Company, PL

Exhibit 8: EBITDA margin est. +120bps to improve in FY25-27E



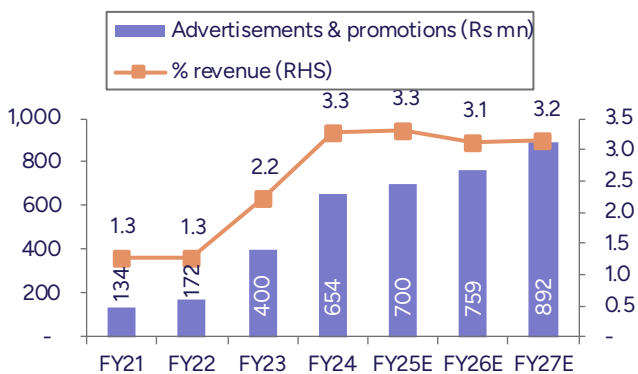
Source: Company, PL

Exhibit 9: PAT CAGR of 24.2% over FY25-27E



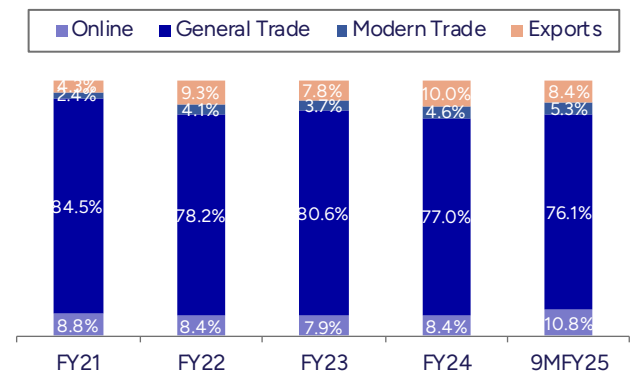
Source: Company, PL

Exhibit 10: Advt & promotion expenses rise to 3.2% of rev



Source: Company, PL

Exhibit 11: GT rev contribution continues to be higher



Source: Company, PL

Investment Arguments

Diversified business- Leveraging TAM opportunity

CELLO's TAM to reach Rs1,080bn by FY27E, at 13.4% CAGR over FY23-27E

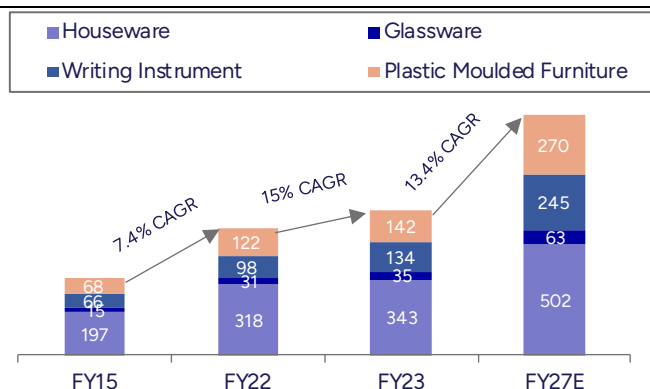
Glassware and opalware segments expected to achieve 23.3% CAGR over FY23-27E

The business model is well-diversified with revenue spread across verticals such as consumerware, writing instruments and molded furniture & allied products. TAM for CELLO stood at Rs653bn TAM in FY23 and is expected to reach Rs1,080bn by FY27E at a CAGR of 13.4%. Concurrently, the diversified model offers an inherent hedge—should there be a downturn in specific sectors. We expect the consumerware contribution to grow rapidly to 71.6% of revenue by FY27E (from 66.2% in FY24) with the expansion in glassware segment.

- CELLO's consumer houseware addressable market is expected to report 10.0% CAGR over FY23-27E, and CELLO's consumer houseware segment to achieve a 14.5% CAGR during same period.
- CELLO's glassware and opalware segments are expected to together achieve a CAGR of 23.3% over FY23-27E, driven by capacity additions in both segments, while the consumer glassware sector is anticipated to grow at 16.0% CAGR during the period. Thus, glassware vertical growth will positively impact CELLO's consumerware margins, as it generally has better operating margins compared to the consumer houseware segment.
- The branded market, which constituted 64% of TAM in FY23, is expected to rise to 70% by FY27E.
- Branded players are gaining market share in the consumerware segment on account of quality assurance, standardized products, superior customer service, transparent pricing and consumer trust associated with well-established brands.
- Additionally, the diverse product range and availability of products on all major channels are significantly helping the company to gain market share.

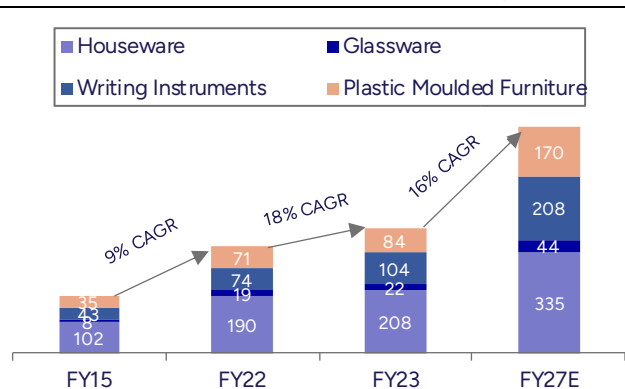
Thus, CELLO is well-positioned to capitalize on the widening TAM opportunity with its 1) aggressive marketing strategies, 2) broad distribution network, and 3) expanding product portfolio.

Exhibit 12: TAM CAGR est at 13.4% over FY23-27E



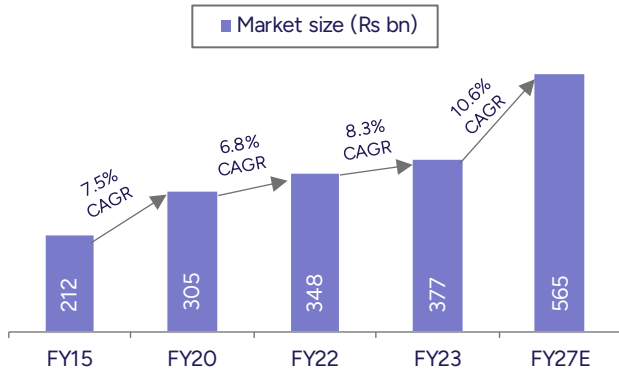
Source: Company, PL

Exhibit 13: Branded market share to reach 70% by FY27E



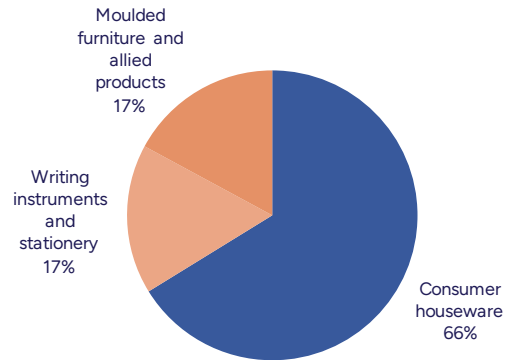
Source: Company, PL

Exhibit 14: Consumerware TAM CAGR est at 10.6% FY23-27E



Source: Company, PL

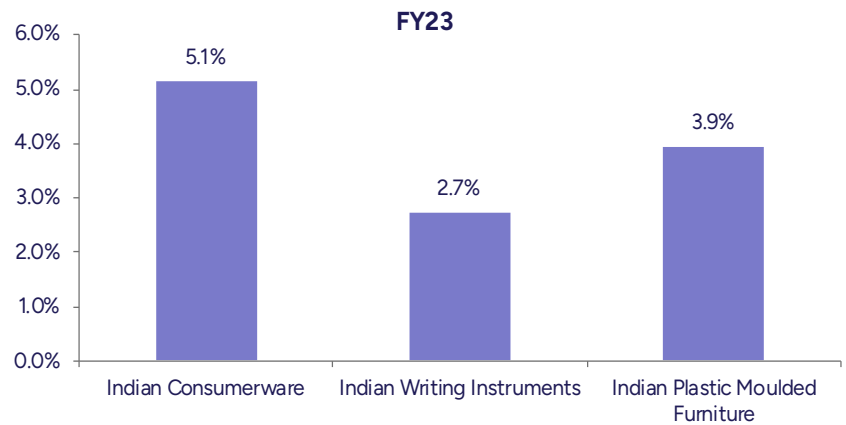
Exhibit 15: Consumerware remains the largest segment (FY24)



Source: Company, PL

CELLO's market share in the branded market is increasing

Exhibit 16: CELLO market share in branded products – Segment wise



Source: Company, PL

Exhibit 17: CELLO – Market share across segments

(Rs bn)		FY23	FY27E	CAGR FY23-27
Indian Consumerware (Houseware+ Glassware)	Overall market size	377	565	10.6%
	Branded market size	230	379	13.3%
	Branded as % of overall	61%	67%	
	CELLO Revenue (Rs bn)	11.8	20.3	14.5%
	CELLO Market share (%) - overall	3.1%	3.6%	
	CELLO Market share (%) - branded	5.1%	5.4%	
Indian Writing Instruments	Overall market size	134	245	16.4%
	Branded market size	104	208	18.9%
	Branded as % of overall	78%	85%	
	CELLO Revenue (Rs bn)	2.9	3.9	8.4%
	CELLO Market share (%) - overall	2.1%	1.6%	
	CELLO Market share (%) - branded	2.7%	1.9%	
Indian Plastic Moulded Furniture	Overall market size	142	270	17.4%
	Branded market size	84	170	19.4%
	Branded as % of overall	59%	63%	
	CELLO Revenue (Rs bn)	3.3	4.1	5.6%
	CELLO Market share (%) - overall	2.3%	1.5%	
	CELLO Market share (%) - branded	3.9%	2.4%	
All products combined	Overall market size	653	1080	13.4%
	Branded market size	418	757	16.0%
	Branded as % of overall	64%	70%	
	CELLO Revenue (Rs bn)	18.0	28.3	12.1%
	CELLO Market share (%) - overall	2.8%	2.6%	
	CELLO Market share (%) - branded	4.3%	3.7%	

Source: Company, PL

Exhibit 18: Segmentation of Indian consumer glassware market basis price

Players	Product	Economy	Mid-Premium	Premium
Cello	Melamine	-	✓✓✓	✓
	Opalware	✓✓✓	✓	-
	Porcelain	-	✓✓	-
	Glassware	✓✓	✓	✓
Milton	Melamine	✓✓	✓	-
	Opalware	-	-	-
	Porcelain	-	-	-
	Glassware	✓✓✓	✓	✓
Borosil	Melamine	-	-	-
	Opalware	✓✓✓	✓	✓
	Porcelain	-	-	-
	Glassware	✓✓✓	✓✓	✓
La Opala	Melamine	-	-	-
	Opalware	✓✓	✓✓✓	✓
	Porcelain	-	-	-
	Glassware	✓✓	✓	-

Source: Company, PL

Glassware & opalware segments report CAGR of 32.2% over FY21-24

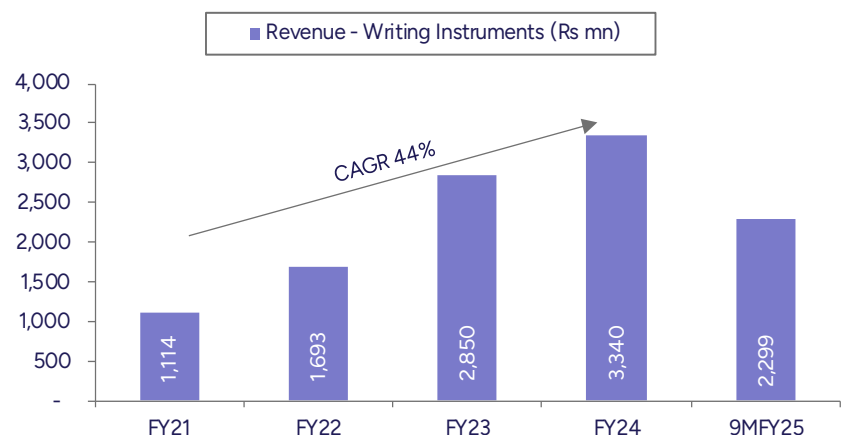
Writing instruments and stationery product category, launched under 'Unomax' brand in CY19, reports 44% CAGR over FY21-24

Glassware & opalware business, launched in CY17, reports ~32% CAGR over FY21-24

Successful scaling of new ventures to widen TAM: CELLO has a proven track record of successfully expanding into new businesses and product categories. The company consistently introduces new products across both existing and new ventures. The company's strategy to grow wallet share and expand consumer base by leveraging innovation prowess will diversify its product range and introduce new offerings within all 3 segments. This expansion will target various areas such as kitchenware, porcelain, appliances, cookware, glassware, writing instruments and stationery. By doing so, CELLO aims to enhance customer engagement, boost repeat orders from existing customers, attract new buyers, and ultimately expand market presence while scaling its operations.

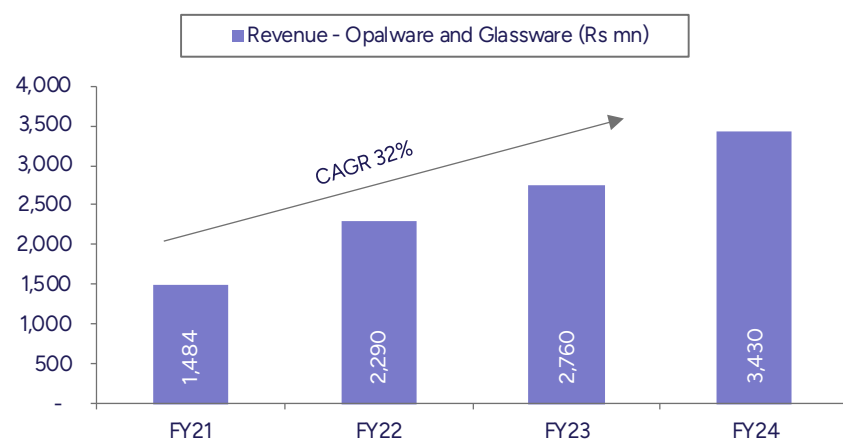
- Launched in CY17, glassware and opalware revenue rose to Rs3.4bn at a CAGR of 32.2% over FY21-24.
- CELLO launched writing instruments and stationery product category in CY19 under the Unomax brand and increased volume to 522mn at 31.3% CAGR and revenue to Rs3.34bn at 44.2% CAGR over FY21-24.
- Its cleaning aids (Kleeno) business was launched in CY17 under the Kleeno sub-brand; revenue from the segment rose to Rs761mn at CAGR of 15.7% over FY21-24.

Exhibit 19: Scaling up of writing instruments under Unomax brand



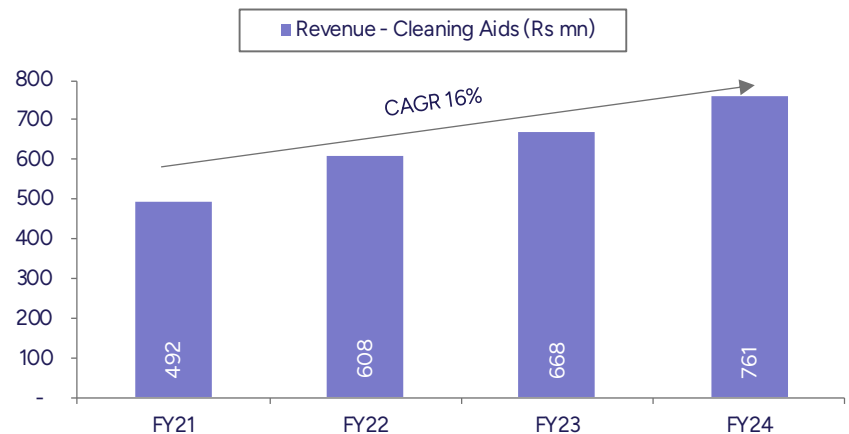
Source: Company, PL

Exhibit 20: Opalware & glassware business grows at 32% CAGR in FY21-24



Source: Company, PL

Exhibit 21: Cleaning aids (Kleeno) business clocks 16% CAGR in FY21-24



Source: Company, PL, RHP, FY24 Projected

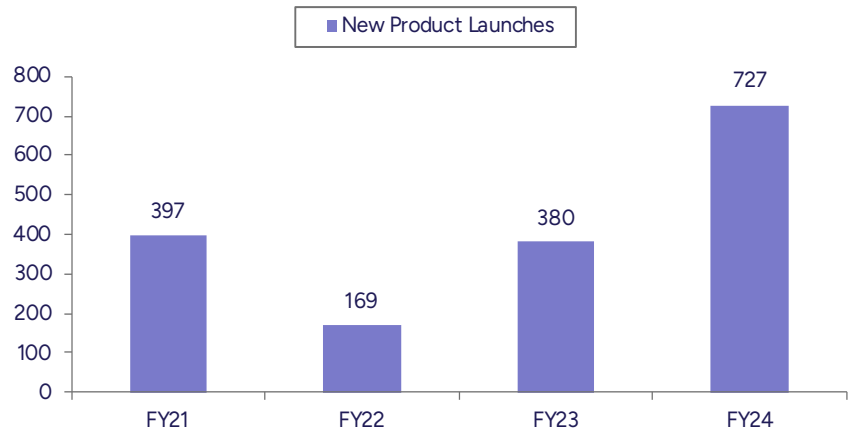
Offering a diversified product portfolio across price points to expand TAM:

CELLO offers a diverse range of products, with 17,000+ SKUs available at various price points. Thus, the company serves as a **one-stop shop** for consumer houseware across all income levels. The diversified product portfolio has also enabled it to maintain stable profit margins over years and withstand fluctuations in raw material prices.

CELLO drives sales through new products launches across segments

- CELLO products are made of different types of materials such as plastic, steel, opal, glass, copper and melamine. The company has the most diversified product portfolio among peers.
- The company introduced 169/380/727 new products during FY22/FY23/FY24 across 3 product categories.
- CELLO's consumerware revenue reported 25.5% CAGR over FY21-24, against peers Borosil/La Opala at 34.8%/20.0%.
- CELLO has a 25-member in-house design team dedicated to product design. CELLO's strategy involves diversifying its consumer houseware product range by continuously introducing new items in kitchenware, porcelain, appliances, cookware, glassware, writing instruments and stationery. Its primary focus is on acquiring new customers and enhancing revenue from existing ones, aiming to bolster market share and overall business scalability.

Exhibit 22: Rising intensity of new product launches



Source: Company, PL

Exhibit 23: Products launched in 9MFY24



Source: Company, PL

CELLO present across mid-price range: CELLO's strong focus on offering a wide product portfolio is a significant competitive advantage, especially in dynamic and price-sensitive market. CELLO's wide product portfolio allows it to cater to diverse consumer needs, reducing dependence on any single segment. By offering high-quality products at competitive prices, it creates strong value for customers. This combination acts as a moat, making it hard for competitors to match their offering.

Exhibit 24: CELLO offers consumerware products across various price ranges

Product Categories	Players	Price Range (Rs)
Cookware	Borosil	40–4,195
	CELLO	449–3,999
	Corelle	5,299–33,655
	Hawkins	395–3,050
	LocknLock	2,295–6,390
	Milton	425–3,570
	Signoraware	39–5,480
	StoveKraft	445–5,695
	TTK Prestige	350–5,880
	Tupperware	6,400–10,290
Dinnerware and Serveware	Borosil	215–6,895
	CELLO	380–5,295
	Corelle	325–48,373
	LaOpala	350–8,495
	Milton	150–2,550
	Roxx	295–3,495
	Signoraware	430–3,645
	Tupperware	325–10,000
Drinkware	Borosil	170–3,995
	CELLO	50–2,230
	LocknLock	170–2,495
	Milton	150–3,800
	Roxx	215–1,999
	Signoraware	85–2,700
	StoveKraft	399–1,295
	TTK Prestige	330–4,995
Kitchen Appliances	Tupperware	840–3,500
	Borosil	1,440–15,990
	CELLO	1,295–10,995
	StoveKraft	1,195–9,295
Lunch Box and Storage	TTK Prestige	970–11,760
	Borosil	315–5,820
	CELLO	160–3,850
	Corelle	249–929
	LocknLock	125–6,820
	Milton	210–3,545
	Roxx	250–2,799
	Signoraware	56–3,940
	Tupperware	260–3,500

Source: Technopak, Company, PL

Strong brand presence with pan-India network

Strong brand recall is essential for any consumer-facing business. CELLO, one of the largest players in the branded consumerware industry with a market share of ~5%, has successfully established itself as a leader. This is largely due to its ability to offer a wide range of high-quality products across 3 key segments, all at competitive prices. Over the years, CELLO has established a strong domestic distribution network consisting of 3,500+ distributors covering 1,45,000+ retailers.

A&P spends continuously increasing, to be maintained at ~3% of revenue

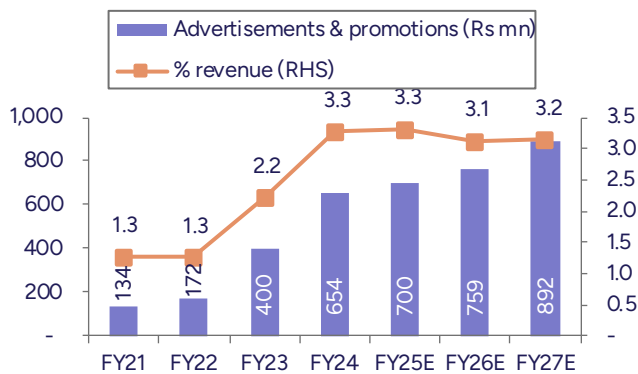
CELLO focused on branding activities across ATL, BTL, digital channels, exhibitions, and other platforms

Robust brand presence & established market position: CELLO's extensive operations enable a focused approach towards branding and promotional activities within the consumer products industry. The company aims to elevate visibility, especially for newly launched products, capitalizing on the well-established "Cello" brand's strong recall in India. Continuous investments in marketing endeavors have been pivotal in strengthening brand equity and recall. CELLO continues to focus on promotional efforts, recognizing their significance in enhancing brand awareness, bolstering consumer recognition, and promoting new product ranges.

CELLO has adopted diverse strategies like above and below-the-line marketing, retail and product branding, and leveraging various advertisement channels such as television, digital, and social media, to 1) increase market share, 2) boost brand awareness and 3) enhance product penetration. The company is on a constant lookout for opportunities to amplify its digital footprint and engagements and form strategic brand partnerships and associations.

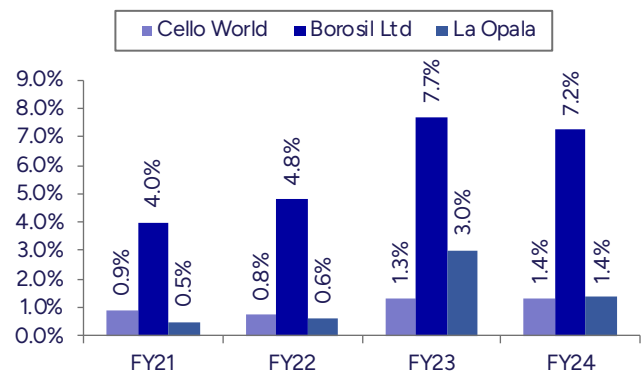
Some of its popular marketing taglines are *Cello – Companion for Life*, *Cello – Rishtha Zindagi Bhar Ka*, *Hot Chahiye Toh Cello*, and *Don't Just Write, Glide*.

Exhibit 25: A&P expenses rise to 3.2% of revenue



Source: Company, PL

Exhibit 26: Advt expenses up from 0.9% to 1.4% of revenue



Source: Company, PL

Exhibit 27: CELLO - Focused on branding and promotional activities



Source: Company, PL

Strong domestic distribution network comprising 900 distributors covering 74,037 retailers for consumer houseware,

29 super-stockists, 1,522 distributors covering 64,868 retailers for writing instruments,

1,067 distributors covering 6,840 retailers for molded furniture & allied products

Pan-India distribution network: CELLO’s TAM across segments is fragmented and distribution-led with channel partners and retail touchpoints playing a critical role in capturing market share. Over the years, CELLO has established a strong domestic distribution network consisting of 900 distributors covering 74,037 retailers for consumer houseware, 29 super-stockists, 1,522 distributors covering 64,868 retailers for writing instruments, and 1,067 distributors covering 6,840 retailers for molded furniture & allied products.

- CELLO attributes much of its robust revenue growth and successful product launches to its pan-India distribution network. This network serves as a cornerstone, facilitating not only healthy sales growth at the product level but also ensuring optimal inventory management.
- The company's extensive network of distributors plays a pivotal role beyond sales, offering invaluable insights into consumer preferences and market feedback, which in turn helps to i) check for product-market fit at an early stage before scaling up production, and (ii) structure appropriate pricing discounts and advertisement campaigns during festive seasons.
- CELLO ensures that its products reach consumers through all major channels. Sales through modern trade, export and online channels grew at 53.2%, 64.5% and 22.0% CAGR, respectively, over FY21-24.

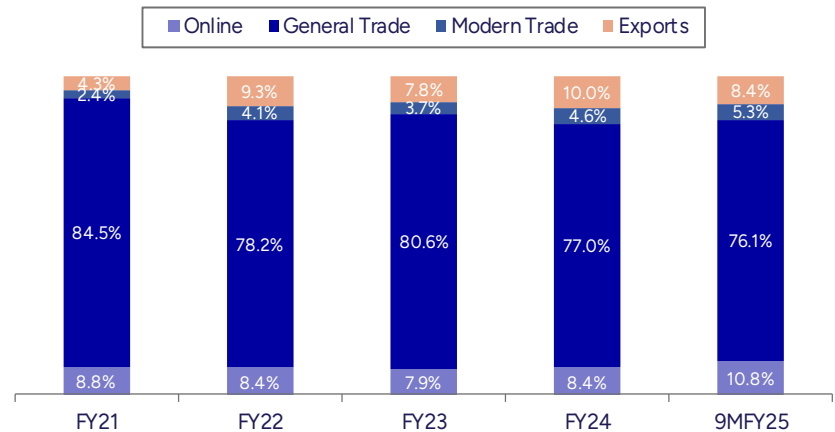
Maintaining a delicate equilibrium between product availability and inventory levels remains a core focus area for CELLO. This equilibrium enables it to efficiently allocate resources while swiftly responding to its extensive network of distributors, trade consumers and ever-evolving landscape of consumer preferences and demand. CELLO's operational agility enables it to adapt and thrive in a dynamic market.

Exhibit 28: CELLO - Pan-India distribution network across segments

Product Categories	Pan India Distribution Network
Consumer Houseware	900 Distributors and 74,073 retailers
Writing Instruments	29 Super-stockiest. 1,522 distributors and 64,869 retailers
Moulded Furniture and Allied Products	1,067 distributors and 6,840 retailers

Source: Company, PL

Exhibit 29: GT contribution continues to be high



Source: Company, PL

Exhibit 30: Distribution channel mix – GT accounts for >75% of sales

Channel Revenue	FY21		FY22		FY23		FY24	
	(Rs mn)	(% of rev.)	(Rs mn)	(% of rev.)	(Rs mn)	(% of rev.)	(Rs mn)	(% of rev.)
General Trade	8,863	84.5	10,630	78.2	14,477	81	15,402	77.0
Export	449.66	4.3	1,263	9.3	1,402	7.8	2,000	10.0
Online sales	925.8	8.8	1,138	8.4	1,421	7.9	1,680	8.4
Modern Trade	255.84	2.4	560.61	4.1	666.09	3.7	920	4.6
Total	10,495	100	13,592	100	17,967	100	20,003	100

Source: Company, PL

Exhibit 31: CELLO has the largest distribution network in consumerware

Category	Players	Dealers/Distributors	Retail Outlets
Consumerware	CELLO	900	74,037
	Milton	NA	55,000
	LaOpala	235+	22,000+
	Borosil	250+	24,000
	Tupperware	55,000 + Direct Sellers	100+ Stores
	TTK Prestige	NA	670+ Stores
	Stovekraft	700+	61,400+
	Hawkins	NA	NA
	Roxx	NA	6,000 (MBOs), 4 (EBOs)
Stationery	Unomax (CELLO)	29 super stockist, 1,522 distributors	64,862
	Camlin	1,670	1,50,000+
	Linc	2,650+	2,53,550+
	Doms	125+ super stockist/ 4,750 distributors	1,35,000
	Rorito	1,800 (Redistributor stockist), 27 main stockist	5,00,000

Source: Company, PL

In-house manufacturing & capacity expansion to drive growth

In-house manufacturing enables CELLO to 1) produce a diverse range of products, 2) quickly scale up production for meeting increased demand, 3) reduce time to market for new products, 4) ensure quality control, 5) exercise better control over its supply chain and 6) mitigate supply chain risks. The company has been undertaking continuous capacity expansion across categories over the years.

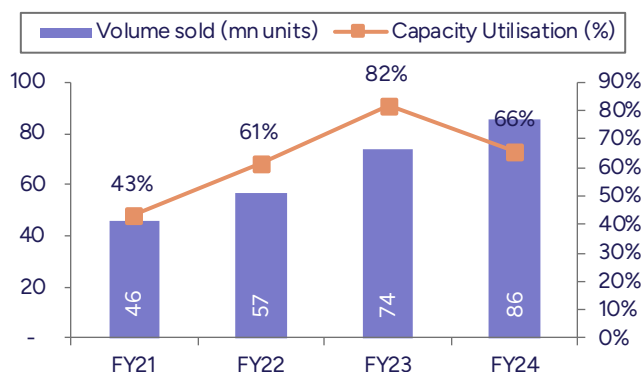
CELLO derives 77.8% of its sales from in-house manufacturing in FY24

Commencement of commercial production at Falna glassware facility and expansion of opalware capacity to lead to ~27.5% CAGR in O&G revenue over FY25-27E

- CELLO derived 77.8% of its sales from in-house manufacturing in FY24 (79%/83%/80% in FY21/22/23), through its 14 manufacturing facilities across 6 locations.
- Around 22% of its revenue comes from products (mainly steel and glassware) manufactured by third-party contract manufacturers.
- CELLO has an annual installed capacity of ~58mn units for houseware and 45,000 tons of opalware and glassware.
- In Q4FY24, the company commissioned a manufacturing facility in Falna, Rajasthan, in a phased manner through its subsidiary, Cello Consumerware Pvt Ltd. Additional glassware furnace at same facility, become operational by Q3FY25 with an annual capacity of 20,000 tons. This strategic move is aimed at reducing dependence on imported glassware.
- In FY24, the company enhanced its opalware production capacity in Daman by 10,000tpa, increasing the total capacity to 25,000tpa. Also, the available land in Falna, Rajasthan, is planned to be utilized for future expansion initiatives.
- Capacity for writing instruments and stationery products stands at 705mn units per annum, and molded furniture and allied products at 12.8mn units per annum.

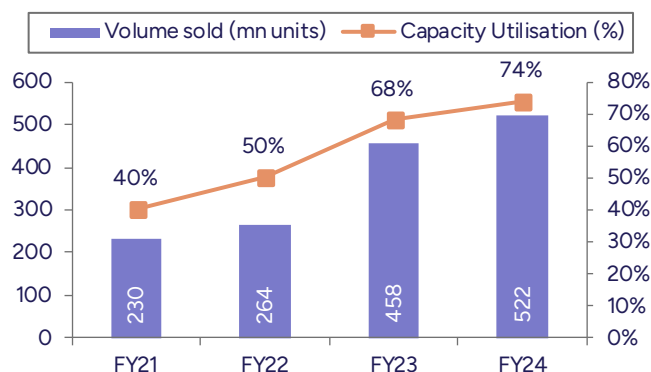
We believe the recent expansions will be a key growth lever for CELLO, resulting in Revenue/PAT CAGR of 15.9%/24.2% over FY25-27E.

Exhibit 32: Consumerware vol CAGR of 23% over FY21-24



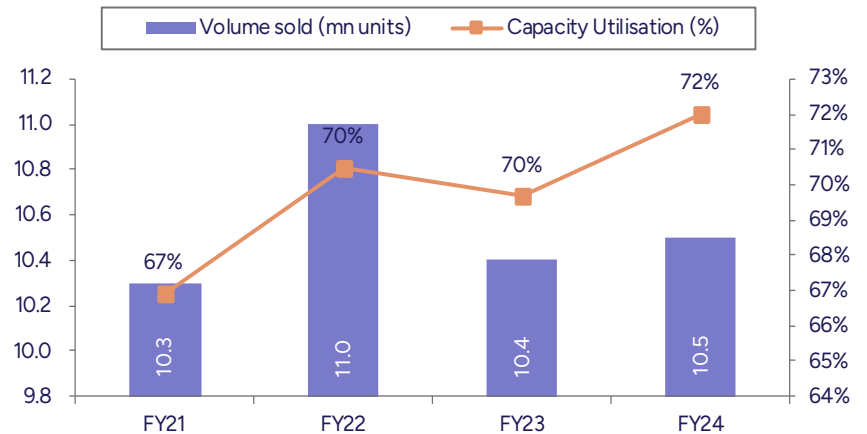
Source: Company, PL, DRHP, FY24 Calculated

Exhibit 33: Writing instruments vol CAGR of 31% in FY21-24



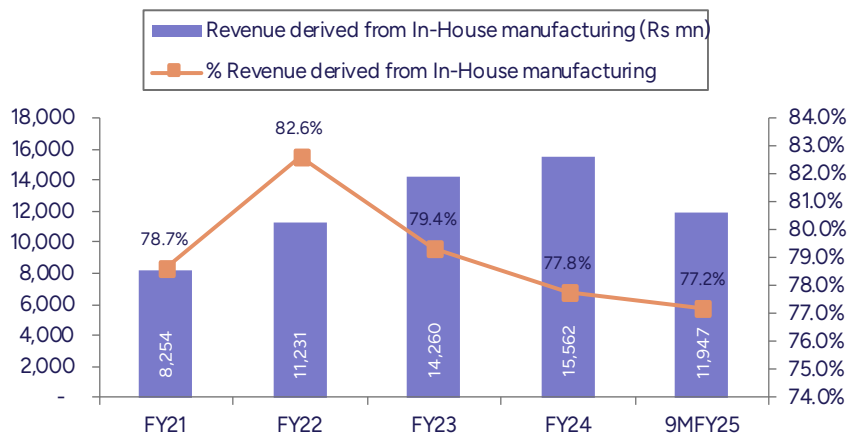
Source: Company, PL, DRHP, FY24 Calculated

Exhibit 34: Molded furniture capacity utilization at 72%



Source: Company, PL, FY24 Calculated

Exhibit 35: In-house manufacturing major contributor to sales



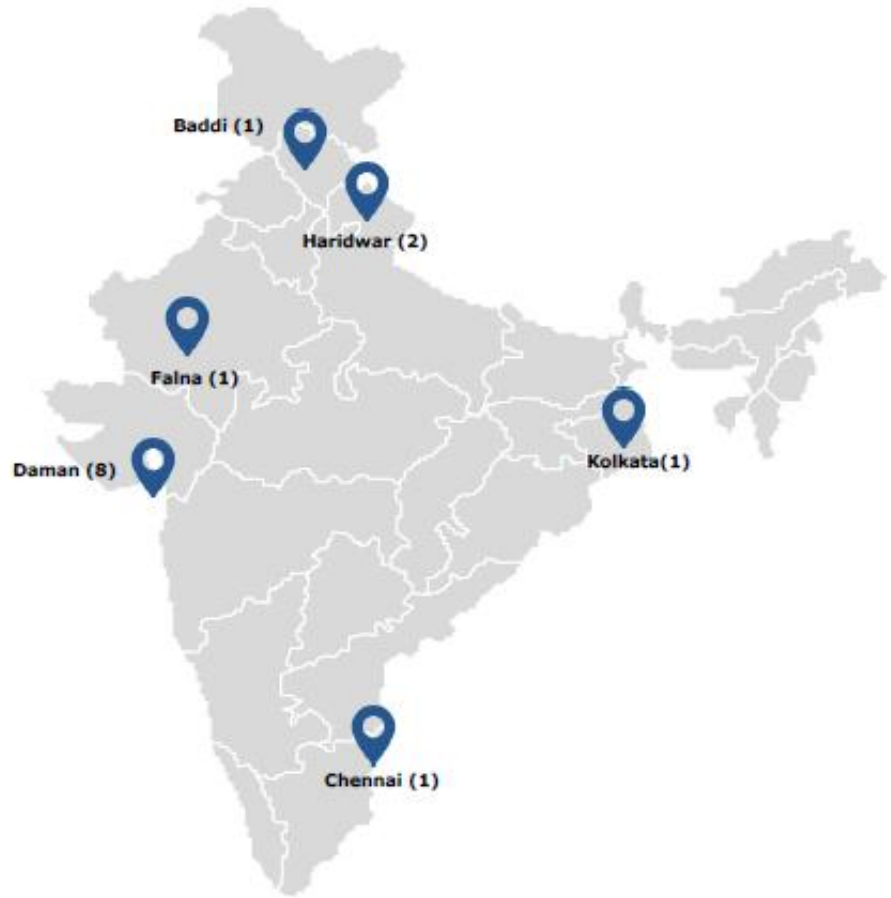
Source: Company, PL

Exhibit 36: CELLO manufactures a diverse range of products

Mfr. Unit	Products Manufactured
Daman Unit-I	Plastic moulded furniture and other articles
Daman Unit-II	Plastic moulded furniture and other articles
Daman Unit-III	Plastic Extrusion Sheet
Daman Unit-IV	Household and Insulated ware
Daman Unit-V	Household and Insulated ware
Daman Unit-VI	Opalware and Glassware
Daman Unit-VII	Stationery and allied products
Daman Unit-VIII	Stationery and allied products
Haridwar Unit-I	Plastic moulded furniture and other articles
Haridwar Unit-II	Houseware, insulated ware, melamine and allied products
Baddi Unit-I	Plastic Extrusion Sheet
Chennai Unit-I	Plastic moulded furniture, other articles and tooling unit
Kolkata Unit-I	Plastic moulded furniture and other articles
Rajasthan Unit	Glassware Facility

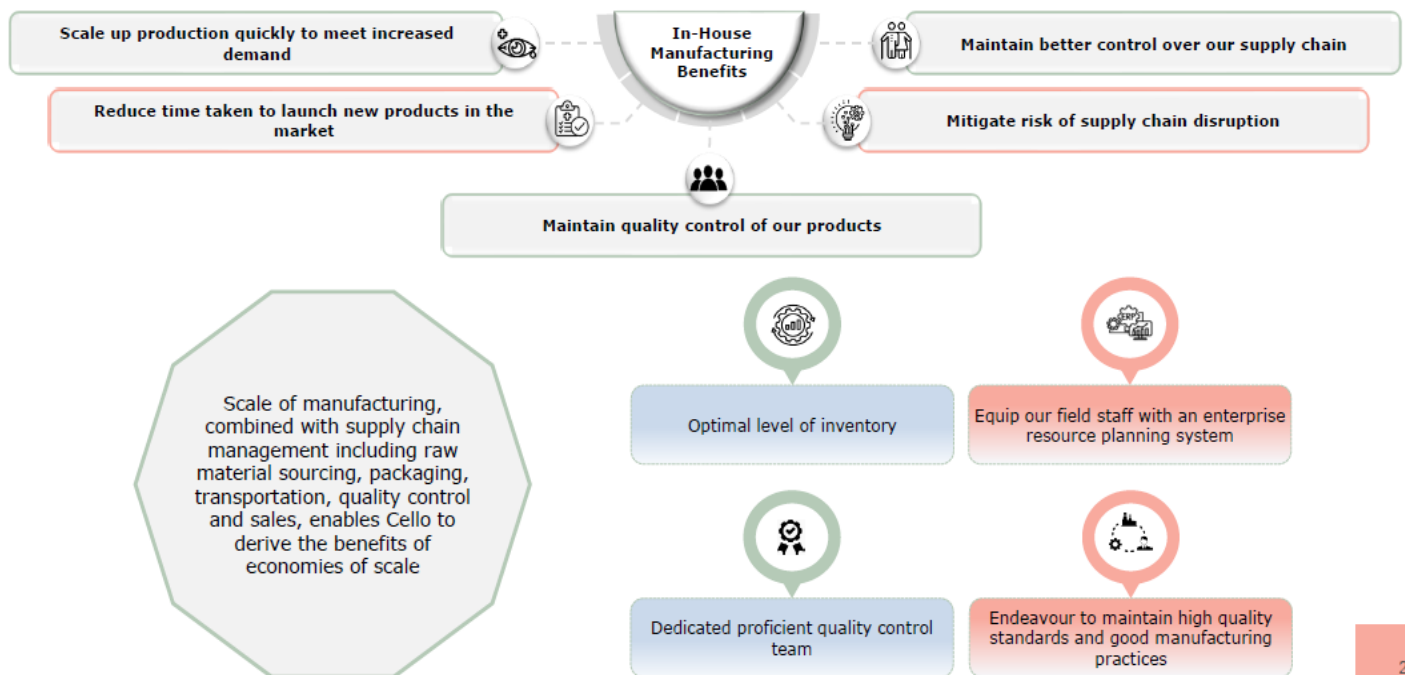
Source: Company, PL

Exhibit 37: CELLO – Manufacturing facilities across India



Source: Company, PL

Exhibit 38: In-house manufacturing gives better control on business



Source: Company, PL

Wim Plast merger to drive profitability

CELLO recently announced the merger of Wim Plast Ltd (WPL) with itself, to leverage latter's manufacturing facilities for synergies across its plastic product lines. The merger is expected to enhance efficiency and shareholder value.

CELLO did not see any value in maintaining 2 separate listed entities with similar businesses. Further, WPL has numerous manufacturing facilities spread across the country, which enables it to share resources with other plastic product lines. Currently, CELLO holds 54.9% stake in WPL. We believe the merger would be the value-accretion can be potentially asymmetric.

WPL merger will drive operational and financial efficiencies

Exhibit 39: CELLO shareholding

	Pre-scheme		Post-scheme	
	Equity shares (mn)	% holdings	Equity shares (mn)	% holdings
Promoters	165.66	75.0%	165.73	74.0%
Public	55.22	25.0%	58.13	26.0%
TOTAL	220.90		223.86	

Source: Company, PL

CELLO exploring inorganic opportunities in complementary and niche product lines

CELLO raises Rs7.37bn through a QIP, to drive growth

- **Synergies and Rationale behind merger** - Demerger of the manufacturing business from WPL to CELLO will ensure focused attention, improve efficiencies, create synergies across CELLO's manufacturing units, and lead to better resource allocation, ultimately enhancing shareholder value. Further, a unified approach to customer engagement, distribution, and supply chain management will drive operational and financial efficiencies
- **Consideration** - No cash consideration is being paid under the scheme. Shareholders of WPL (other than CELLO) will receive 55 fully paid-up CELLO equity shares of Rs5 each for every 100 WPL equity shares of Rs10 each. Consideration for the amalgamation is being discharged on an arm's length basis.

Exploring inorganic growth opportunities

CELLO has been exploring inorganic growth opportunities for some time, with a few are currently under active consideration. Progress has been delayed with the company ensuring thorough due diligence and clarity on key aspects before moving forward. The focus is on acquiring smaller plastic companies with complementary and niche product lines that offer synergies with existing portfolio. Inorganic growth is expected to generate additional revenue of Rs1.5-1.75bn, accounting for up to ~7% of FY25E revenue.

Additional capital raised through QIP (Jul'24): CELLO raised Rs7.37bn through a QIP, placing 8.65mn equity shares at a price of Rs896 per share in Jul'24. The company is well placed for inorganic expansion through internal accrual or debt funding.

Exhibit 40: Utilization of proceeds

Particulars	Amount Raised (Rs bn)	Amount Utilized Dec-24 (Rs bn)	Amount Unutilized - Dec24 (Rs bn)
New Manuf Plant (CCPL - Stainless Steel and Plastic)	1.05	0.04	1.01
Investment in Subsidiaries (CHPL,CCPL, CIPI and Unomax)	2.37	2.37	0.00
Repayment of Loan (Wimplast)	1.00	1.00	0.00
Repayment of Loan (Cello to Promoters)	0.83	0.83	0.00
Working Cap	0.80	0.80	0.00
General Corporate Purpose	1.08	1.08	0.00
Net Proceeds	7.13	6.12	1.01

Source: Company, PL

Opalware market – Three major categories Imported, Branded & Local products

Opalware – Presence across various price points and strong brand reputation, driving market share growth

Channel Check Takeaways

Opalware segment

- **Range of products:** The opalware market is broadly divided into three categories: imported, branded (Cello, Borosil, La Opala, etc.) and local players (Ocean, Yera, etc.).
 - Imported products are the costliest, followed by Indian and local brands.
 - CELLO has a limited range of products compared to Borosil and La Opala.
 - La Opala and Borosil both have exclusive stores in Crawford Market, Mumbai, but CELLO doesn't have one.
- **Product pricing:** CELLO's opalware products are priced higher than Borosil, which has products in both premium and economy ranges. A typical 27-piece dinner set of Borosil (Larah) costs Rs1,550-3,500, whereas CELLO's dinner sets range from Rs1,850-4,000. Both brands provide a margin of 8-9% to dealers/wholesalers, whereas local brands (4ever, Ocean, etc.) provide a margin of 20-30%.
- **Brand reputation:** Our channel checks indicate that CELLO and Borosil both command a good brand reputation and compete with imported opalware.

Bottle & container business

- CELLO competes with Borosil, Milton, Nayasa and other brands in case of insulated bottles. CELLO's insulated bottles are priced higher than other brands as per our channel checks. This premium is due to its superior brand positioning in the market.
- A 1-liter CELLO bottle, its highest selling product, starts at around Rs850 with dealer margin at 5-6%, whereas Borosil is offering bottles at discounted rates (starting at Rs790-800) and dealer/wholesaler margins of 7-8% to capture the market.

Exhibit 41: CELLO offers complete range of products



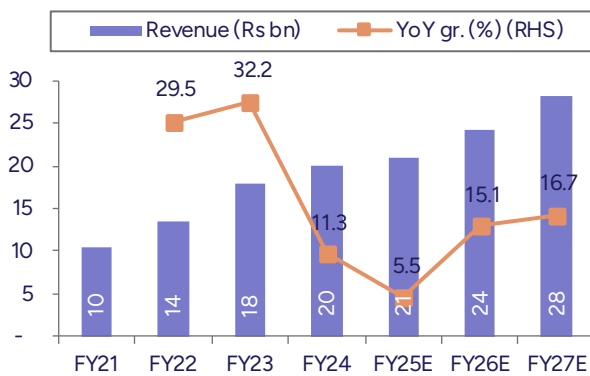
Source: Company, PL

Financials & Valuations

Estimated revenue CAGR of 15.9% over FY25-27E

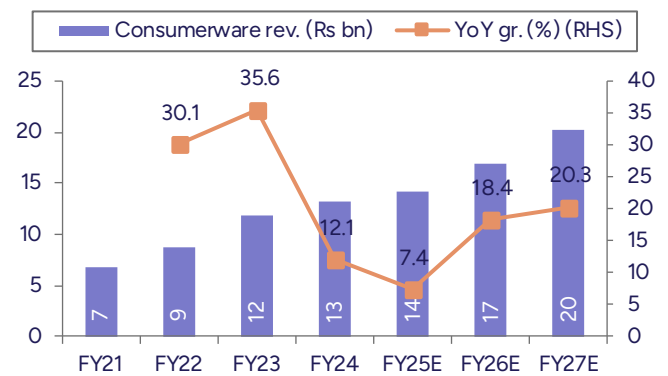
CELLO is growing its business by increasing sales, and expanding brand portfolio, product offerings and distribution network. We expect CELLO to report healthy revenue growth led by opalware capacity expansion from 15,000tpa to 25,000tpa in Daman (Aug'23), greenfield expansion in glassware (20,000tpa) in Falna (Rajasthan) along with an extensive distribution network expansion. Consequently, overall topline is likely to register 15.9% CAGR over FY25-27E to Rs28.3bn. We expect consumerware to clock sales CAGR of 19.4% and writing instruments, 10.7% CAGR over FY25-27E, and contribute ~72% and ~14% to revenue in FY27, respectively.

Exhibit 42: Revenue CAGR of 15.9% est over FY25-27E



Source: Company, PL

Exhibit 43: Consumerware rev CAGR of 19.4% in FY25-27E



Source: Company, PL

Exhibit 44: Opalware & glassware to drive consumerware revenue

	FY22	FY23	FY24	FY25E	FY26E	FY27E
Revenues (Rs mn)						
Consumerware	8,711	11,811	13,242	14,227	16,852	20,278
Writing instruments	1,693	2,850	3,340	3,211	3,546	3,937
Molded furniture and allied products	3,188	3,306	3,420	3,659	3,880	4,115
Revenue growth (%)						
Consumerware		35.6	12.1	7.4	18.4	20.3
Writing instruments		68.3	17.2	-3.9	10.4	11.0
Molded furniture and allied products		3.7	3.4	7.0	6.1	6.1
Revenue mix (%)						
Consumerware	64.1	65.7	66.2	67.4	69.4	71.6
Writing instruments	12.5	15.9	16.7	15.2	14.6	13.9
Molded furniture and allied products	23.5	18.4	17.1	17.3	16.0	14.5

Source: Company, PL

Stability in commodity prices to improve gross margin

CELLO uses a wide range of raw materials to manufacture an extensive portfolio of products. The company sources raw materials on purchase order basis and does not enter into long-term contracts with suppliers.

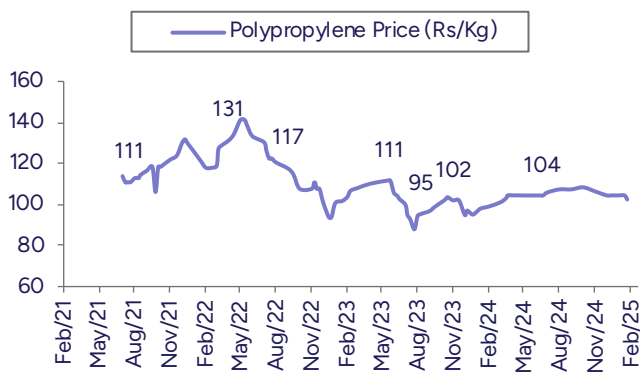
Plastic granules and polymers constituted around 50% of COGS (56%/53%/48% in FY21/FY22/FY23), with polypropylene being crucial for several product categories. Volatility in prices poses a potential challenge, as a sharp increase could significantly impact the company's gross margin and reduce sales volume.

Exhibit 45: Raw materials across product categories

Consumerware	Writing Instruments	Moulded Furniture and Allied Products
Plastic granules	Plastic granules	Plastic granules
Isocyanates & polyols	Ink	Packaging materials
Stainless steel	Tips of writing instruments	
Glass	Packaging materials	
Silica sand		
Soda ash		
Sodium silico fluoride		
Alumina trihydrate		
Borax		
Barium carbonate		
Packaging materials		

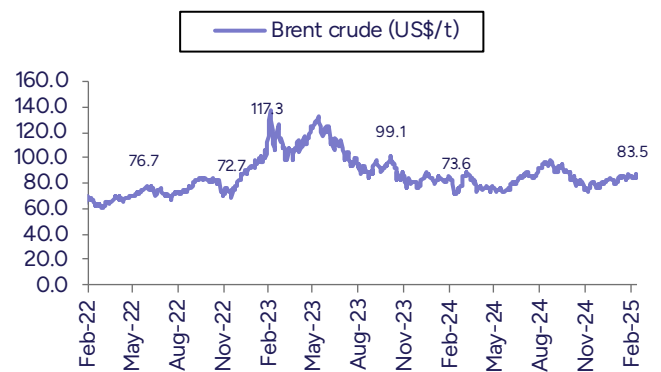
Source: Company, PL

Exhibit 46: Polypropylene prices up 1.3% YoY in Feb'25



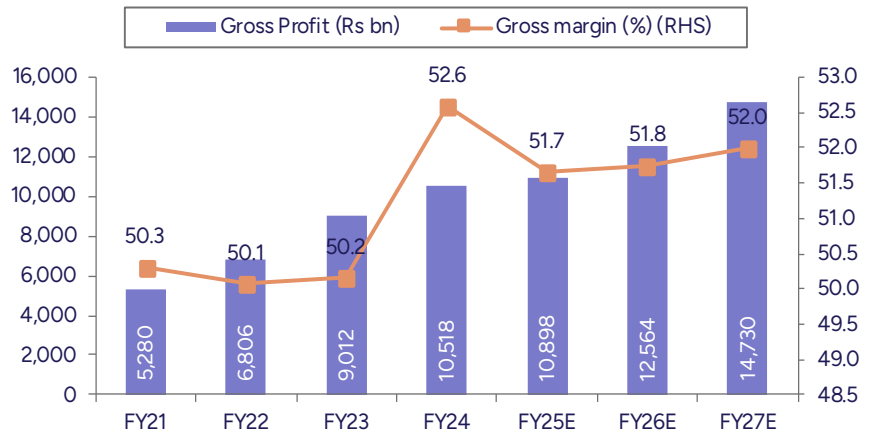
Source: Company, PL

Exhibit 47: Crude prices down 5.9% YoY in Feb'25



Source: Company, PL

Exhibit 48: Gross margin to expand 30bps over FY25-27E



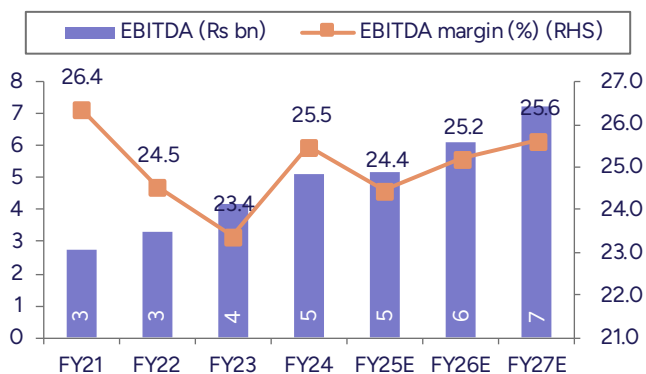
Source: Company, PL

EBITDA/PAT CAGR of 18.7%/24.2% estimated in FY25-27E

EBITDA margin contracts by 90bps over FY21-24 on rise in overhead expenses and expected to expand by 120bps over FY25-57E.

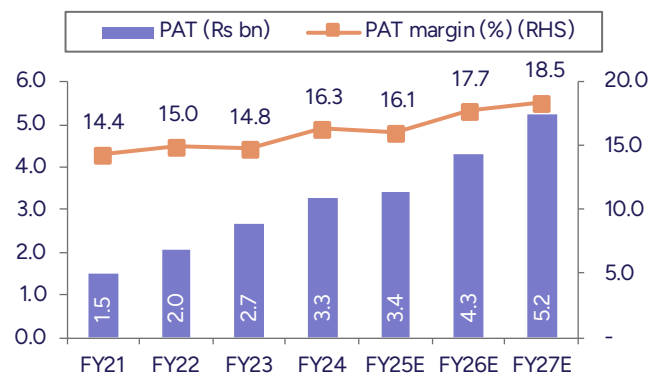
- Operational efficiencies and supply chain management have helped CELLO to better control expenses and resulted in higher operating margins across segments. Further, as its business grows, economies of scale across its procurement value-chain could lead to cost efficiencies.
- EBITDA margin contracted by 90bps over FY21-24 due to rise in overhead expenses.
- Going ahead, the key focus will remain on improving efficiency and utilization levels and product profile that can drive margin expansion.
- We estimate EBITDA CAGR of 18.7% over FY25-27E, led by improving revenue mix based on rising contribution from the high-margin opalware and glassware business and benefits of economies of scale. We estimate margin to improve by 120bps from 24.4% in FY25E to 25.6% by FY27E and PAT (including minority interest) CAGR of 24.2% over FY25-27E.

Exhibit 49: EBITDA margin to expand 120bps over FY25-27E



Source: Company, PL

Exhibit 50: PAT CAGR of 24.2% over FY25-27E



Source: Company, PL

Exhibit 51: Peer comparison – Revenue growth driving profitability

Particulars (Rs mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E	CAGR % FY25-27E
Revenue							
Borosil Ltd	8,399	7,416	9,423	10,817	12,426	14,289	14.9
Cello World	13,592	17,967	20,003	21,097	24,278	28,330	15.9
La Opala	3,227	4,523	3,651	3,864	4,367	4,698	10.3
Consumerware Revenue							
Borosil Ltd	5,730	7,416	9,423	10,817	12,426	14,289	14.9
Cello World	8,711	11,811	13,242	14,227	16,852	20,278	19.4
La Opala	3,227	4,523	3,651	3,864	4,367	4,698	10.3
EBITDA							
Borosil Ltd	1,682	667	1,327	1,736	2,262	2,601	22.4
Cello World	3,336	4,205	5,097	5,156	6,121	7,265	18.7
La Opala	1,414	1,722	1,360	1,386	1,701	1,978	19.5
EBITDA margin (%)							
Borosil Ltd	20.0	9.0	14.1	16.0	18.2	18.2	
Cello World	24.5	23.4	25.5	24.4	25.2	25.6	
La Opala	43.8	38.1	37.3	35.9	39.0	42.1	
EBIT							
Borosil Ltd	1,343	592	966	966	1,356	1,561	27.1
Cello World	3,019	3,870	4,780	4,899	5,801	7,042	19.9
La Opala	1,277	1,722	1,143	1,187	1,480	1,735	20.9
EBIT margin (%)							
Borosil Ltd	16.0	8.0	10.3	8.9	10.9	10.9	
Cello World	22.2	21.5	23.9	23.2	23.9	24.9	
La Opala	39.6	38.1	31.3	30.7	33.9	36.9	
RoCE (%)							
Borosil Ltd	18.4	16.3	15.1	NA	NA	NA	
Cello World	28.3	31.1	27.3	27.3	25.6	26.1	
La Opala	33.8	47.4	35.9	NA	NA	NA	
Capacity – Opalware (MT)							
Borosil Ltd		30,660	30,660	NA	NA	NA	
Cello World	15,000	15,000	25,000	45,000	45,000	45,000	
La Opala	36,000	36,000	31,000	NA	NA	NA	

Source: Company, PL, Bloomberg estimates for Borosil & La Opala



Outlook & Valuation

We believe CELLO is well placed to grow in consumerware, writing instruments and molded plastics segments given its 1) strong brand name and diversified product portfolio, 2) superior track record of scaling new businesses and product categories, and 3) skilled and experienced management team. The company will continue to report industry leading growth/return metrics, in our view.

- We expect revenue/EBITDA/PAT CAGR of 15.9%/18.7%/24.2% for FY25-27E with median RoIC/RoCE of 26%/27%.
- We initiate coverage on CELLO with a 'BUY' rating and SOTP-based TP of Rs770 valuing its consumerware business at 37x FY27EPS, which implies 33x FY27E earnings.

Exhibit 52: SOTP Valuation – Consumerware accounts for ~80% of the SOTP

Particulars	EPS (Rs)	Target PE Multiple (x)	Fair Value (Rs)
Consumer houseware	17.1	37	640
Writing instruments and stationery	3.6	25	91
Moulded furniture and allied products	2.6	15	39
Total			770

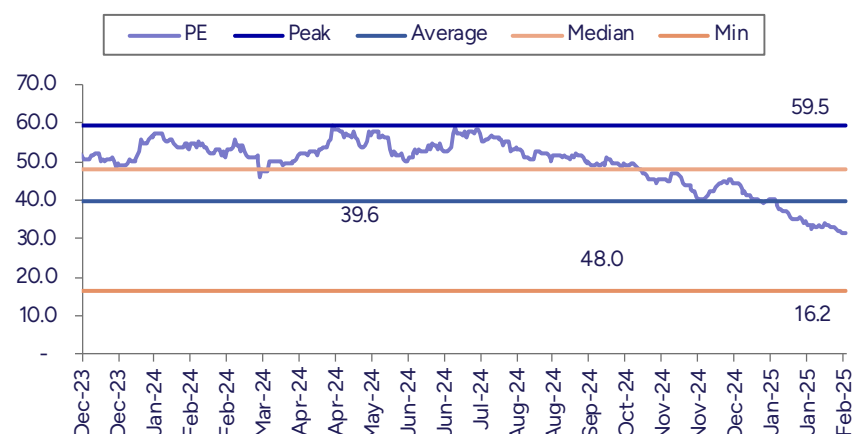
Source: Company, PL

Exhibit 53: Valuation matrix

Name	CMP (Rs)	TP (Rs)	Mcap (Rs bn)	EPS (Rs)				PE (x)				RoE (%)				RoCE (%)			
				FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E
Cello	604	770	128	15.4	15.3	19.2	23.4	39x	39x	31x	26x	22.4	21.3	19.4	19.7	27.3	27.3	25.6	26.1
Crompton	331	504	213	6.8	8.5	10.5	12.6	48x	39x	31x	26x	15.5	17.2	19.3	21.0	17.8	21.3	25.1	27.6
Bajaj Electricals	656	647	76	11.8	9.8	16.0	18.5	56x	67x	41x	35x	8.1	6.3	8.4	9.2	14.1	12.3	13.9	14.8
Havells	1517	1890	951	20.3	22.2	28.4	35.2	75x	68x	53x	43x	18.1	17.5	19.7	21.2	24.9	24.2	27.1	29.2
LaOpala	208	-	34	11.5	10.9	12.4	13.9	18x	19x	17x	15x	15.7	13.7	15.0	15.4	15.7	-	-	-
Borosil	319	-	46	5.8	6.0	9.0	10.5	55x	53x	35x	30x	12.1	10.3	12.6	12.9	12.7	-	-	-

Source: Company, PL

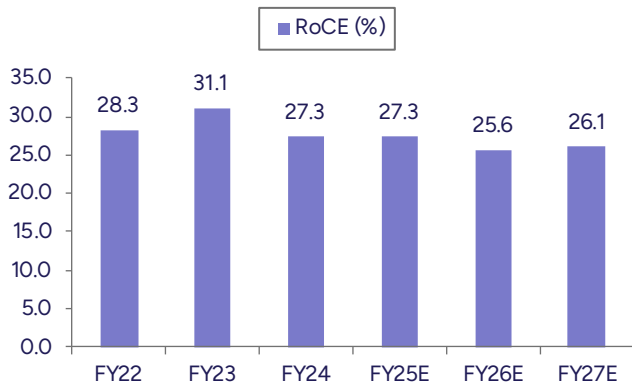
Exhibit 54: CELLO trading at PE of 31x/26x FY26/FY27E



Source: Company, PL

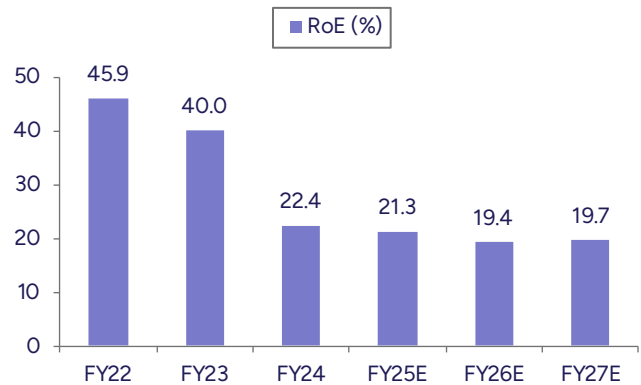
Financials

Exhibit 55: RoCE to reach ~26.1% by FY27E



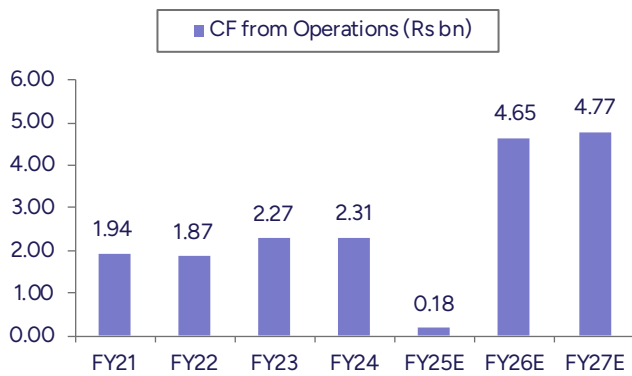
Source: Company, PL

Exhibit 56: RoE to reach ~19.7% in FY27E



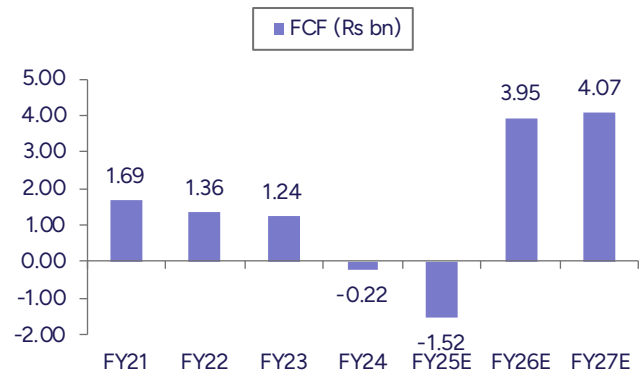
Source: Company, PL

Exhibit 57: Operating cash flow increasing with scale



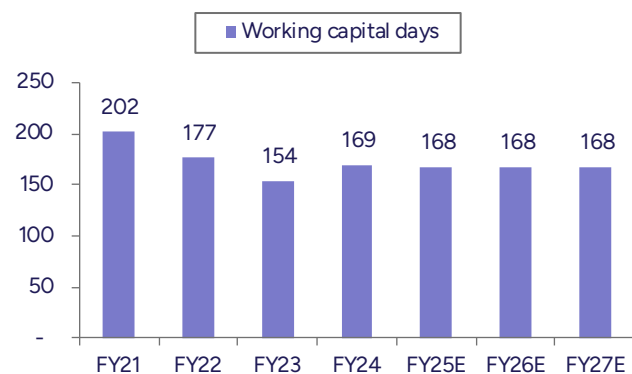
Source: Company, PL

Exhibit 58: Free cash flow to reach Rs4.07bn by FY27E



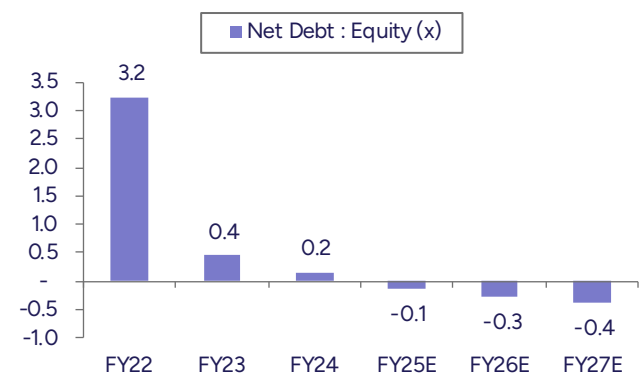
Source: Company, PL

Exhibit 59: Working capital days improving

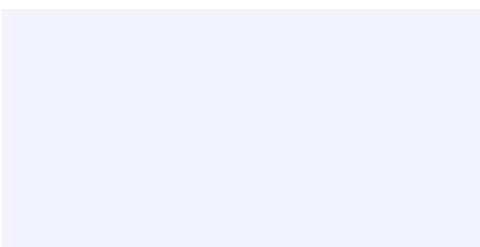


Source: Company, Company, PL

Exhibit 60: Gross debt to equity to improve steadily



Source: Company, Company, PL



Key Risks

Volatility in prices of raw materials: Fluctuations in prices of raw materials, especially plastic granules and polymers, besides disruptions in their availability may have an adverse effect on the business, operations, financials and cash flows.

Risk associated with trademark license: CELLO does not own trademarks of its key brands like 'Cello', 'Unomax', 'Kleeno', 'Puro' and their respective logos. These brands are under the ownership of promoter group entities. Inability to renew the license agreements or any changes to the terms may potentially influence CELLO's earnings estimates.

Concentration risk in consumerware market: CELLO faces concentration risk, due to its heavy reliance on the consumerware segment, which accounts for more than 66% of revenue.

Q3FY25 Result Update

Quick Pointers:

- Consumerware segment grew 7.7% with contraction in gross margins (-190bps).
- EBITDA margin contracted by ~220bps YoY.

Q3FY25 Revenues grew by 5.7% YoY, PAT grew by 1.8% YoY: Revenues grew by 5.7% YoY to Rs5.6bn. Gross margin contracted by 180bps YoY to 49.7% YoY due to RM inflation, change in product mix and product discounting. EBITDA declines by 3.6% YoY to Rs1.3bn. EBITDA margin contracted by ~220bps YoY to 22.9%. PBT grew 2.4% YoY to Rs1.2bn. PAT grew 1.8% YoY to Rs864mn. Consumerware segment grew 7.7% YoY to 3.8bn and gross margins contracted by 190bps to 50.1% due to festive season discounting. The moderate growth in consumer-ware segment was generally consistent with industry trends, where there continues to be pressure on the demand side, driven by subdued consumer consumption and discretionary spending. Writing Instruments decline by 4.8% to 773mn and gross margins contracted by 380bps to 54.7%. Writing instruments exports declined due to shipping issues and global slowdown, while domestic sales remained stagnant. Moulded furniture and allied products grew 7.1% to 931mn with sequential recovery in exports and gross margins expanded by 125bps to 44.1%.

9MFY25 Revenues grew by 4.0% YoY, PAT grew by 3.4% YoY: Revenues grew by 4.0% YoY to Rs15.5bn. Gross margin contracted by 80bps YoY to 51.6% YoY. EBITDA grew by 1.0% YoY to Rs3.8bn. EBITDA margin contracted by ~70bps YoY to 24.2%. PBT grew 2.2% YoY to Rs3.6bn. PAT grew 3.4% YoY to Rs2.5bn. Consumerware segment grew 6.0% YoY to 10.1bn and gross margins contracted by 60bps to 52.3%. Writing Instruments decline by 6.8% to 2.3bn and gross margins contracted by 230bps to 56.3%. Moulded furniture and allied products grew 6.9% to 2.6bn and gross margins expanded by 50bps to 45.0%. In-house manufacturing contributed 77.2% of the company's revenues in 9M FY25.

Con call highlights: **1)** CELLO has guided revenue growth of 15-17% while maintaining EBITDA margins for FY26. **3)** capacity utilization for new glassware plant is expected to reach approximately 75%-80% by H1FY26 with additional revenue of Rs1.5bn in FY26 and Rs2.5bn in FY27. **4)** company has improved its working capital days by ~23 days from 197 days in Q2FY25 to 174 days in Q3FY25 and further plans to reduce it by 15 days. **5)** In the writing instrument segment, exports declined due to shipping issues and a global slowdown, while domestic sales remained stagnant; however, export orders are gradually recovering. **6)** Gross margins in consumerware segment and writing instruments have contracted due to raw material inflation, changes in product mix, and discounts offered in response to weak demand. **7)** New products contributed ~15% to total revenue in 9MFY25. **8)** Opalware capacity utilization is currently at 80% and plans it to reach 90-95% in FY26. **9)** Company has planned capex of Rs 2.75bn for FY25 and Rs 0.75bn to Rs1bn for FY26.

Exhibit 61: Q3FY25 Result Overview (Rs mm)

Y/e March	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	9MFY25	9MFY24	YoY gr. (%)
Net Sales	5,568	5,271	5.7%	4,901	13.6%	15,476	14,878	4.0%
Expenditure								
Operating & Manufacturing Expenses	2,800	2,557	9.5%	2,371	18.1%	7,483	7,073	5.8%
<i>% of Net Sales</i>	<i>50.3%</i>	<i>48.5%</i>	<i>1.8%</i>	<i>48.4%</i>		<i>48.4%</i>	<i>47.5%</i>	<i>0.8%</i>
Gross Profit	2,769	2,714	2.0%	2,530	9.4%	7,993	7,805	2.4%
<i>% of Net Sales</i>	<i>49.7%</i>	<i>51.5%</i>	<i>-1.8%</i>	<i>51.6%</i>	<i>-2 bps</i>	<i>51.6%</i>	<i>52.5%</i>	<i>-0.8%</i>
Personnel Cost	513	492	4.1%	525	-2.4%	1,560	1,415	10.2%
<i>% of Net Sales</i>	<i>9.2%</i>	<i>9.3%</i>	<i>-0.1%</i>	<i>10.7%</i>		<i>10.1%</i>	<i>9.5%</i>	<i>0.6%</i>
Other Expenses	983	900	9.2%	819	20.1%	2,682	2,674	0.3%
<i>% of Net Sales</i>	<i>17.7%</i>	<i>17.1%</i>	<i>0.6%</i>	<i>16.7%</i>		<i>17.3%</i>	<i>18.0%</i>	<i>-0.6%</i>
Total Expenditure	4,296	3,949	8.8%	3,715	15.6%	11,724	11,162	5.0%
EBITDA	1,273	1,321	-3.6%	1,186	7.3%	3,752	3,716	1.0%
<i>Margin (%)</i>	<i>22.9%</i>	<i>25.1%</i>	<i>-2.2%</i>	<i>24.2%</i>		<i>24.2%</i>	<i>25.0%</i>	<i>-0.7%</i>
Other income	124	45	176.1%	133	-7.0%	317	233	36.2%
Depreciation	151	147	2.4%	148	1.5%	440	392	12.4%
EBIT	1,246	1,219	2.2%	1,171	6.4%	3,628	3,557	2.0%
Interest	3	5	-46.9%	3	-11.8%	11	18	-36.8%
PBT before exceptional item	1,243	1,214	2.4%	1,168	6.5%	3,617	3,539	2.2%
Total Taxes	318	307	3.7%	300	6.2%	930	938	-0.9%
<i>ETR (%)</i>	<i>25.6%</i>	<i>25.3%</i>	<i>0.3%</i>	<i>25.7%</i>		<i>25.7%</i>	<i>26.5%</i>	<i>-0.8%</i>
Share of JV/Associates	0	0		0		-3	-1	
Minority Interest	61	58		51		178	178	
Adj. PAT	864	849	1.8%	816	5.8%	2,506	2,423	3.4%

Source: Company, PL

Exhibit 62: Segment Breakup (Rs mn)

Y/e March	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	9MFY25	9MFY24	YoY gr. (%)
Revenues								
Consumerware	3,864	3,589	7.7%	3,423	12.9%	10,561	9,965	6.0%
Writing Instruments	773	812	-4.8%	695	11.3%	2,299	2,467	-6.8%
Moulded Furniture & Allied Products	931	870	7.1%	783	18.9%	2,615	2,446	6.9%
Gross Profit								
Consumerware	1,935	1,864	3.8%	1,799	7.6%	5,525	5,293	4.4%
<i>Gross margin (%)</i>	<i>50.1%</i>	<i>51.9%</i>	<i>-1.9%</i>	<i>52.5%</i>	<i>-2.5%</i>	<i>52.3%</i>	<i>53.1%</i>	<i>-0.8%</i>
Writing Instruments	423	475	-10.9%	377	12.3%	1,293	1,423	-9.1%
<i>Gross margin (%)</i>	<i>54.7%</i>	<i>58.5%</i>	<i>-3.8%</i>	<i>54.2%</i>	<i>0.5%</i>	<i>56.2%</i>	<i>57.7%</i>	<i>-1.4%</i>
Moulded Furniture & Allied Products	411	374	9.7%	354	16.2%	1,176	1,091	7.8%
<i>Gross margin (%)</i>	<i>44.1%</i>	<i>43.1%</i>	<i>1.1%</i>	<i>45.2%</i>	<i>-1.0%</i>	<i>45.0%</i>	<i>44.6%</i>	<i>0.4%</i>

Source: Company, PL

Exhibit 63: Quarterly Snapshot: Moderate growth due to subdued consumer consumption and discretionary spending

Particulars (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Revenue from Operations	4,718	4,890	5,271	5,125	5,007	4,901	5,568
YoY gr.	9.1%	9.0%	24.0%	5.1%	6.1%	0.2%	5.7%
Gross Profit	2,481	2,610	2,714	2,713	2,694	2,530	2,769
Margin %	52.6%	53.4%	51.5%	52.9%	53.8%	51.6%	49.7%
Other Expenses	1,289	1,407	1,393	1,381	1,402	1,344	1,496
% of sales	27.3%	28.8%	26.4%	26.9%	28.0%	27.4%	26.9%
EBITDA	1,192	1,203	1,321	1,333	1,293	1,186	1,273
Margin	25.3%	24.6%	25.1%	26.0%	25.8%	24.2%	22.9%
YoY gr.					8.4%	-1.4%	-3.6%
Other Income	81	107	45	66	60	133	124
Depreciation	118	127	147	175	141	148	151
Interest	6	7	5	8	6	3	3
PBT	1,149	1,176	1,214	1,215	1,206	1,168	1,243
Tax	321	310	307	250	311	300	318
ETR	27.9%	26.4%	25.3%	20.6%	25.8%	25.7%	25.6%
Profit before JV/Associates/Minority Interest	828	866	907	965	894	868	925
Share of JV/Associates	-0	-0	-0	-4	-3	-	-
Non-controlling Interest	54	66	58	73	65	51	61
Adj PAT	774	800	849	888	826	816	864
Adj. PAT margin %	16.4%	16.4%	16.1%	17.3%	16.5%	16.7%	15.5%
YoY gr.					6.6%	2.1%	1.8%

Source: Company, PL



Annexure:

Board of Directors & KMP

Exhibit 64: Key management posts held by family members

Name	Designation	Management Role
Family Member Representation on Board of Directors		
Mr Pradeep Ghisulal Rathod	Chairman and Managing Director	Yes
Mr Pankaj Ghisulal Rathod	Joint Managing Director	Yes
Mr Gaurav Pradeep Rathod	Joint Managing Director	Yes
Other Board of Directors		
Mr Gagandeep Singh Chhina	Non-Executive Director	
Mr Piyush Sohanraj Chhajed	Independent Director	
Mr Pushap Raj Singhvi	Independent Director	
Mr Arun Kumar Singhal	Independent Director	
Ms Sunipa Ghosh	Independent Director	
Ms Manali Nitin Kshirsagar	Independent Director	

Source: Company, PL

Exhibit 65: KMP & senior management team

KMP Name	Designation
Mr Pradeep Ghisulal Rathod	Chairman and Managing Director
Mr Pankaj Ghisulal Rathod	Joint Managing Director
Mr Gaurav Pradeep Rathod	Joint Managing Director
Senior Management Personnel	
Mr Atul Parolia	Chief Financial Officer
Ms Hemangi Trivedi	CS and Compliance Officer
Mr Rajesh Bang	CFO - Cello Household Products Pvt Ltd
Mr Sreyas Jain	CFO - Unomax Stationery Pvt Ltd
Mr Mahesh Kedia	General Manager – Cello Industries Pvt Ltd
Mr Satish Pancholi	General Manager, Finance and Accounts
Mr Madhusudan Jangid	CFO – Wim Plast Ltd

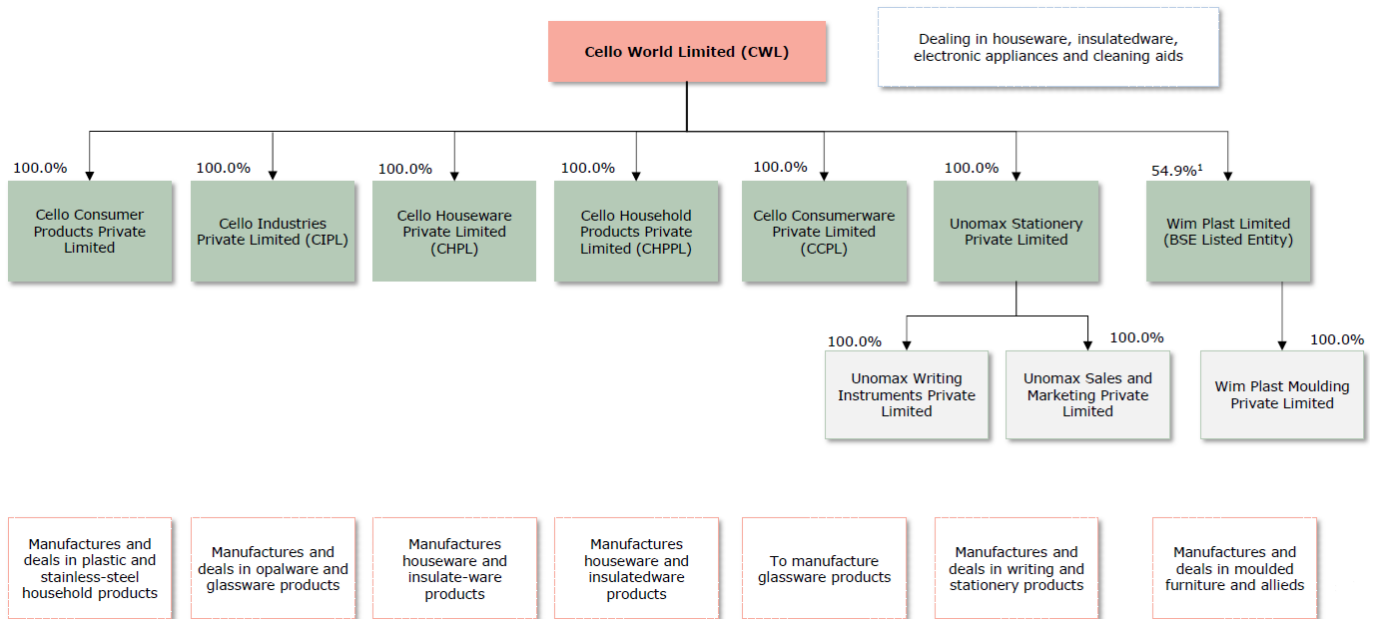
Source: Company, PL

Exhibit 66: Auditors

KMP Name	Designation
M/s Deloitte Haskins & Sells LLP	Statutory Auditors
M/s Sarvaiya & Co	Secretarial Auditors
M/s Shah Gohil & Associates	Internal Auditors

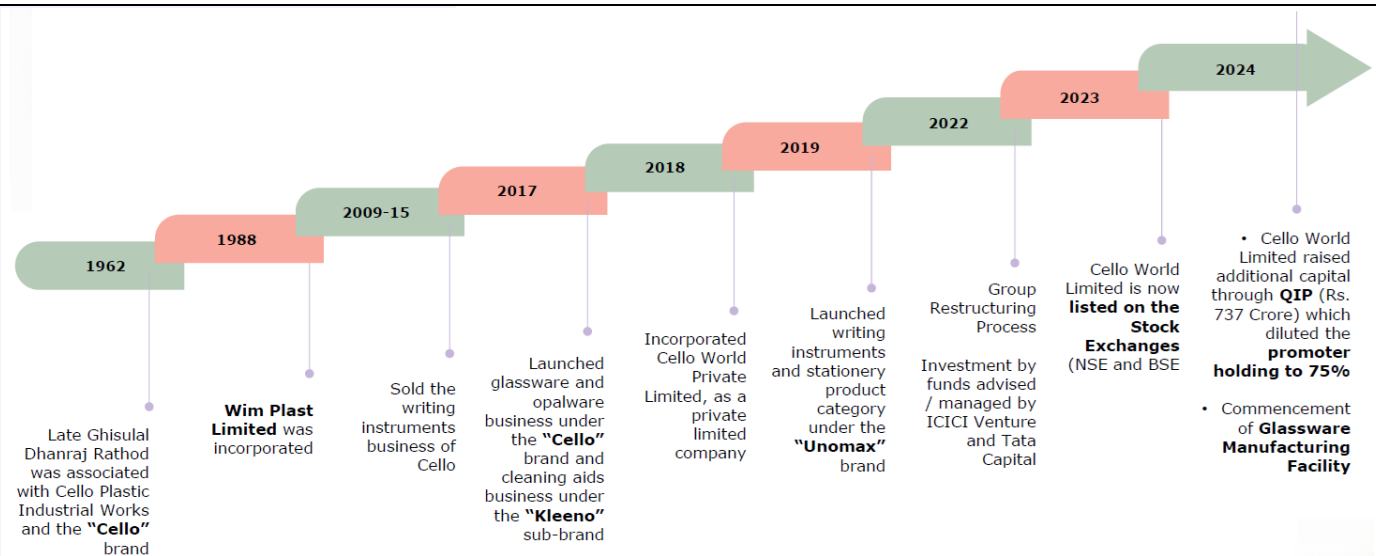
Source: Company, PL

Exhibit 67: Corporate structure



Source: Company, PL

Exhibit 68: CELLO – Milestones



Source: Company, PL

Exhibit 69: Diversified product portfolio

Consumer Ware				Writing Instruments		Moulded Furniture and Allied Products	
 Cookware	 Insulatedware	 Hot Drinks	 Dessert Set	 Liquid Ball Point Pens	 Geltron Pop Gel	 Lifestyle Collection	 Premium Collection
 Lunch Packs	 Kids Tiffin & Bottles	 Condiment Set	 Bowl Set	 Mechanical Pencil	 Highlighters	 Horeca Collection	 Stools Collection
 Kitchen Appliances	 Kleeno	 Cups & Saucers	 Bakeware	 Markers	 Gift Sets	 Storage Collection	 Crates
 Pet Bottle	 Storage	 Borosilicate Drinkware	 Gift Set	 Roller Pens	 Fountain Pens	 Dustbin	 Air Cooler

Source: Company, PL

Exhibit 70: Consumer houseware product portfolio

Houseware	Insulatedware	Electronic appliances and cookware	Cleaning aids	Opalware	Glassware
<ul style="list-style-type: none"> • Plastic Bootles • Containers • Jugs • Buckets • Drums 	<ul style="list-style-type: none"> • Casseroles • Bottles • Flasks • Lunch boxes • Water Jugs • Tiffin 	<ul style="list-style-type: none"> • Mixers • Sandwich makers • Irons • Hot plates • Pots • Pans 	<ul style="list-style-type: none"> • Brushes • Wipers • Brooms • Mops • Gloves • Dustbins 	<ul style="list-style-type: none"> • Dinner Sets • Cups, Saucers and Mugs • Bowls • Lunch Packs • Gift Sets • Dessert Sets • Condiment Sets • Quick Bite Sets • Vegetable Bowl Sets • Pudding Sets • Hot Snacks Sets • Coffee Sets • Noodle Bowl Sets • Dry Fruit Sets 	<ul style="list-style-type: none"> • Tumblers • Jugs • Bottles • Lunch Packs • Storage Containers • Mixing Bowls • Bakeware • Tea & Coffee Sets • Gift Sets

Source: Company, PL

Exhibit 71: Writing instrument and stationery product portfolio

Writing Instrument	Stationery
Ball point pen	Highlighters
Gel pen	Markers
Roller pen	Correction Pens
Fountain pen	
Metal pen	
Mechanical pencil	

Source: Company, PL

Exhibit 72: Molded furniture and allied products portfolio

Moulded Furniture	Allied Products
Chairs	Moulds
Tables	Bubble-guards
Trolleys	Crates
Stoles	Pallets
Cabinets	Dustbin
Ladders	Storage items

Source: Company, PL

Exhibit 73: Peer comparison – Product segment presence

Key Players	Drinkware			Insulated ware			Dinnerware & Serveware					Glassware			Cookware			Small Kitchen Appliances	Stationery	Cleaning Supplies	Moulded Furniture	Air Coolers	
	Plastic	Plastic + Steel	Steel	Glass/Copper	Plastic	Plastic + Steel	Steel	Opalware	Melamine	Porcelain	Steel	Plastic	Borosilicate	Sodalime	Vitrele	Hard-Anodised	Non-Stick						Stainless Steel
Cello	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓
Milton	✓	✓	✓	✓	✓	✓	✓	X	✓	X	X	X	✓	✓	X	✓	✓	✓	X	✓	✓	X	X
LaOpala	X	X	X	X	X	X	X	✓	X	X	X	X	✓	X	X	X	X	X	X	X	X	X	X
Borosil	X	X	✓	✓	X	X	✓	✓	X	X	X	X	✓	✓	X	✓	✓	✓	✓	X	X	X	X
Corelle	X	X	X	X	X	X	X	X	X	X	X	X	✓	✓	X	X	X	X	X	X	X	X	X
LocknLock	✓	X	✓	X	✓	X	✓	X	X	X	X	X	X	X	X	✓	X	X	X	X	X	X	X
Tupperware	✓	X	✓	X	✓	X	X	X	X	X	X	X	X	X	X	X	✓	X	X	X	X	X	X
Signoraware	✓	X	✓	✓	✓	✓	✓	X	X	X	X	✓	✓	X	X	X	✓	✓	X	X	X	X	X
Roxx	X	X	✓	✓	X	X	✓	✓	X	✓	X	X	✓	X	X	X	X	X	X	X	X	X	X
Prestige	X	X	✓	✓	X	X	✓	X	X	X	✓	X	X	X	✓	✓	✓	✓	✓	X	✓	X	✓
Hawkins	X	X	X	X	X	X	X	X	X	X	X	X	X	X	✓	✓	✓	✓	X	X	X	X	X
Gala	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	✓	X
Scotchbrite	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	✓	X
Camlin	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	✓	X	X	X
Luxor	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	✓	X	X	X
LINC	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	✓	X	X	X
DOMS	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	✓	X	X	X
Flair	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	✓	X	X	X
Supreme	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	✓	X
Nilkamal	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	✓	X
Stovekraft	X	X	✓	X	X	✓	✓	X	X	X	X	X	X	X	X	✓	✓	✓	✓	X	✓	X	X

Source: Technopak, Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Net Revenues	20,003	21,097	24,278	28,330
YoY gr. (%)	11.3	5.5	15.1	16.7
Cost of Goods Sold	9,484	10,199	11,714	13,600
Gross Profit	10,518	10,898	12,564	14,730
Margin (%)	52.6	51.7	51.8	52.0
Employee Cost	1,895	2,078	2,294	2,606
Other Expenses	3,223	3,333	3,768	4,415
EBITDA	5,097	5,156	6,121	7,265
YoY gr. (%)	21.2	1.2	18.7	18.7
Margin (%)	25.5	24.4	25.2	25.6
Depreciation and Amortization	567	639	830	973
EBIT	4,530	4,517	5,291	6,292
Margin (%)	22.6	21.4	21.8	22.2
Net Interest	26	16	11	12
Other Income	251	382	510	750
Profit Before Tax	4,755	4,884	5,790	7,029
Margin (%)	23.8	23.1	23.8	24.8
Total Tax	1,236	1,251	1,483	1,800
Effective tax rate (%)	26.0	25.6	25.6	25.6
Profit after tax	3,519	3,633	4,307	5,229
Minority interest	251	240	-	-
Share Profit from Associate	(5)	(3)	-	-
Adjusted PAT	3,263	3,390	4,307	5,229
YoY gr. (%)	22.6	3.9	27.1	21.4
Margin (%)	16.3	16.1	17.7	18.5
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	3,263	3,390	4,307	5,229
YoY gr. (%)	22.6	3.9	27.1	21.4
Margin (%)	16.3	16.1	17.7	18.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,263	3,390	4,307	5,229
Equity Shares O/s (m)	212	221	224	224
EPS (Rs)	15.4	15.3	19.2	23.4

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Non-Current Assets				
Gross Block	5,857	7,552	9,048	10,405
Tangibles	5,810	7,500	8,990	10,342
Intangibles	48	53	58	63
Acc: Dep / Amortization	2,238	2,877	3,707	4,680
Tangibles	2,215	2,846	3,668	4,632
Intangibles	23	31	39	48
Net fixed assets	3,619	4,675	5,341	5,724
Tangibles	3,595	4,654	5,322	5,710
Intangibles	24	22	18	14
Capital Work In Progress	1,800	1,800	1,000	350
Goodwill	-	-	-	-
Non-Current Investments	722	706	737	776
Net Deferred tax assets	(105)	(9)	7	27
Other Non-Current Assets	324	3,457	1,931	691
Current Assets				
Investments	1,141	1,541	3,541	5,541
Inventories	4,622	5,202	5,986	6,985
Trade receivables	6,106	6,358	7,317	8,538
Cash & Bank Balance	651	1,383	3,417	5,794
Other Current Assets	605	441	507	592
Total Assets	19,718	25,857	30,120	35,396
Equity				
Equity Share Capital	1,061	1,104	1,119	1,119
Other Equity	10,431	19,187	23,046	27,827
Total Networth	11,492	20,291	24,165	28,947
Non-Current Liabilities				
Long Term borrowings	277	277	277	277
Provisions	25	27	31	36
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	3,350	145	145	145
Trade payables	1,442	1,875	2,158	2,518
Other current liabilities	743	627	717	830
Total Equity & Liabilities	19,718	25,857	30,120	35,396

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
PBT	4,750	4,881	5,790	7,029
Add. Depreciation	567	639	830	973
Add. Interest	26	16	11	12
Less Financial Other Income	251	382	510	750
Add. Other	(209)	(3,649)	973	436
Op. profit before WC changes	5,134	1,886	7,604	8,451
Net Changes-WC	(1,667)	(460)	(1,474)	(1,877)
Direct tax	(1,160)	(1,251)	(1,483)	(1,800)
Net cash from Op. activities	2,307	175	4,648	4,773
Capital expenditures	(2,528)	(1,695)	(695)	(707)
Interest / Dividend Income	65	382	510	750
Others	(93)	(209)	(2,454)	(2,000)
Net Cash from Invt. activities	(2,556)	(1,522)	(2,640)	(1,957)
Issue of share cap. / premium	-	43	15	-
Debt changes	329	(3,179)	16	20
Dividend paid	(46)	(442)	(448)	(448)
Interest paid	(22)	-	-	-
Others	-	-	-	-
Net cash from Fin. activities	260	(3,577)	(417)	(427)
Net change in cash	11	(4,924)	1,591	2,389
Free Cash Flow	(221)	(1,520)	3,952	4,066

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25E	FY26E	FY27E
Per Share(Rs)				
EPS	15.4	15.3	19.2	23.4
CEPS	18.0	18.2	22.9	27.7
BVPS	54.1	91.9	107.9	129.3
FCF	(1.0)	(6.9)	17.7	18.2
DPS	2.0	2.0	2.0	2.0
Return Ratio(%)				
RoCE	44.0	27.3	25.6	26.1
ROIC	36.9	22.4	25.1	29.9
RoE	43.9	21.3	19.4	19.7
Balance Sheet				
Net Debt : Equity (x)	0.2	(0.1)	(0.3)	(0.4)
Net Working Capital (Days)	169	168	168	168
Valuation(x)				
PER	38.7	38.8	31.0	25.5
P/B	11.0	6.5	5.5	4.6
P/CEPS	33.0	32.7	26.0	21.5
EV/EBITDA	25.2	25.0	20.7	16.9
EV/Sales	6.4	6.1	5.2	4.3
Dividend Yield (%)	0.3	0.3	0.3	0.3

Source: Company Data, PL Research

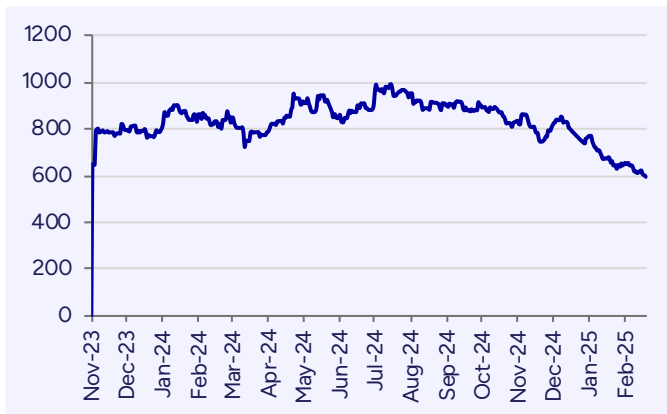
Quarterly Financials (Rs m)

Y/e Mar	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Net Revenue	5,125	5,007	4,901	5,568
YoY gr. (%)	-	6.1	0.2	5.7
Raw Material Expenses	2,411	2,312	2,371	2,800
Gross Profit	2,713	2,694	2,530	2,769
Margin (%)	52.9	53.8	51.6	49.7
EBITDA	1,333	1,293	1,186	1,273
YoY gr. (%)	-	8.4	(1.4)	(3.6)
Margin (%)	26.0	25.8	24.2	22.9
Depreciation / Depletion	175	141	148	151
EBIT	1,157	1,151	1,038	1,122
Margin (%)	22.6	23.0	21.2	20.2
Net Interest	8	6	3	3
Other Income	66	60	133	124
Profit before Tax	1,215	1,206	1,168	1,243
Margin (%)	23.7	24.1	23.8	22.3
Total Tax	250	311	300	318
Effective tax rate (%)	20.6	25.8	25.7	25.6
Profit after Tax	965	894	868	925
Minority interest	(4)	(3)	-	-
Share Profit from Associates	(73)	(65)	(51)	(61)
Adjusted PAT	896	832	816	864
YoY gr. (%)	-	7.4	2.0	1.8
Margin (%)	17.5	16.6	16.7	15.5
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	896	832	816	864
YoY gr. (%)	-	7.4	2.0	1.8
Margin (%)	17.5	16.6	16.7	15.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	-	-
Avg. Shares O/s (m)	195	212	221	221
EPS (Rs)	4.6	3.9	3.7	3.9

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
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Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	BUY	1,808	1,470
2	Avalon Technologies	BUY	900	733
3	Bajaj Electricals	Reduce	647	733
4	Century Plyboard (I)	Hold	811	804
5	Cera Sanitaryware	Accumulate	7,456	6,200
6	Crompton Greaves Consumer Electricals	BUY	504	339
7	Cyient DLM	BUY	692	515
8	Finolex Industries	Accumulate	229	195
9	Greenpanel Industries	Hold	373	352
10	Havells India	BUY	1,890	1,578
11	Kajaria Ceramics	BUY	1,224	960
12	Kaynes Technology India	BUY	5,528	4,661
13	KEI Industries	BUY	5,041	4,128
14	Polycab India	BUY	8,233	6,251
15	R R Kabel	BUY	1,812	1,245
16	Supreme Industries	BUY	5,040	4,022
17	Syrma SGS Technology	BUY	629	505
18	Voltas	BUY	1,593	1,261

PL's Recommendation Nomenclature

- 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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