Sejal Glass Ltd — May 2026 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

Result: Beat (Revenue) / Beat (Margins) **One-line:** Sejal Glass delivered a strong exit to FY26, hitting its □400 Cr revenue milestone and expanding margins to 17.5%, though the thesis-critical shift to high-margin specialty glass (Fire/Bulletproof) has been delayed by another two quarters.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance / Prior Quarter	Strong Beat	FY26 Revenue of □401.36 Cr vs target of "□400 Cr+". Q4 EBITDA margin of 17.5% vs 16.03% in Q3.	□
Earnings Quality	High	Growth driven by healthy execution and value-added product mix; Glasstech units reached EBITDA breakeven.	□
Guidance Confidence	Neutral	Re-affirmed FY27 revenue of □500 Cr+ (25% growth); however, specialty product timelines continue to slip.	□
Management Credibility	Mixed	Successfully met revenue targets and stabilized domestic acquisitions, but repeatedly pushing back specialty glass launches.	□
Business Quality Signal	Improving	Reached the milestone of □400 Cr+; India capacity utilization is trending upward from "distress" levels.	□
Key Q&A Exchange	Q#1 - UAE Outlook	Mgmt confirmed UAE supply chain/slowdown risks are manageable; April/May run-rates (AED 10M/month) are stable.	□
The Street's Primary Anxiety	Asset Utilization	Analysts focused on the "distress" levels of utilization at acquired Glasstech units (Taloja/Erode).	□
Capital Cycle Stage	Consolidation	Integrating two domestic acquisitions while scouting a third; balance sheet deleveraging continues.	□
Margin / Return Ratio Trajectory	Improving	Consolidated EBITDA margins rose to 17.5% in Q4 (from 14.5% YoY and 16.03% QoQ).	□
Pricing Power	Stable	Passing on 80-90% of raw material (float glass) cost increases to B2B customers.	□
FCF Conversion & Quality	Moderate	Scaling operations and domestic inventory likely consumed cash; full-year PAT of □29.03 Cr provides a buffer.	□
Competitive Moat Signals	Stable	Exclusive Saint-Gobain tie-up and specialized Spain technology license for fire glass provide barriers.	□
Balance Sheet Strength	Adequate	Consolidated debt at □138 Cr; significant portion (□70 Cr) is promoter-funded.	□
Working Capital Efficiency	Improving	UAE payments remain timely with "zero bad-debts"; domestic debtors being closely monitored.	□
Mgmt Guidance Track Record	Reliable on Scale	Consistently met revenue targets; less reliable on specialty product launch timelines.	□
Key Vulnerability / Red Flag	Specialty Delays	High-margin Fire-rated glass launch pushed from Q1 FY27 to Q3 FY27; delays impact the margin-expansion thesis.	□
Management Tone	Bullish	Confident in "India Story" and targeting a 50/50 India-UAE revenue split within two years.	□

Sentiment: □Neutral

Key Takeaways (Positives & Negatives): * **Positives:** The company successfully crossed the ₹400 Cr revenue threshold for FY26, proving its ability to scale operations significantly (+64% YoY). The domestic Glasstech acquisitions have finally reached EBITDA breakeven, and the UAE operations remain a resilient cash generator (AED 60 Mn order book) despite geopolitical concerns. Consolidation of margins at 17.5% in Q4 indicates that operating leverage is starting to kick in. * **Negatives:** The core "specialty glass" catalyst—Fire Safety and Bulletproof glass—has seen another timeline walk-back, with production now slated for Q3 FY27 (vs. Q1 FY27 previously). Domestic utilization remains precariously low, with the Erode facility operating at just 13% tempering and 3% IG (Insulated Glass) capacity, creating a massive drag on ROCE. * **Street Concern:** Analysts are skeptical of the pace of domestic asset sweating. Management's response: "Re-engineering" took two quarters; Glasstech reached EBITDA breakeven in late Q4, and they expect ₹110 Cr+ revenue from these units in FY27. * **Watchpoint:** Success of the Fire Safety product launch in Q3 FY27 and the integration of a third potential domestic acquisition currently in due diligence.

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2. BUSINESS PERFORMANCE

2A. KEY METRICS

PPT not available — numbers from concall.

Metric	Current Qtr (Q4 FY26)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Revenue (Consol)	₹116.85 Cr	↑ 72.1%	↑ 14.9%	↑	Driven by execution, value-added products, and integrated facilities.
Revenue (FY26 Total)	₹401.36 Cr	↑ 63.8%	N/A	↑	Crossed ₹400 Cr milestone; 70% revenue from UAE.
EBITDA (Consol)	₹20.47 Cr	↑ 108.0%	↑ 25.5%	↑	Operating leverage and better product mix.
EBITDA Margin (%)	17.50%	↑ 300 bps	↑ 147 bps	↑	16.55% for full year; targeting 18% for FY27.
PAT (Consol)	₹11.42 Cr	↑ 200.0%	↑ 123.9%	↑	9.8% margin in Q4; full-year PAT at ₹29.03 Cr.
Net Debt (Consol)	₹138.00 Cr	Not in doc	→	→	₹70 Cr is promoter-funded; D/E ratio < 0.5x.
Util. (Silvassa Lami)	87.00%	Not in doc	↓ 300 bps	→	Core facility running near peak capacity.
Util. (Taloja IG)	21.00%	New	↑ 500 bps	↑	Improving from "distress" levels; target 30% FY27.
Util. (Erode IG)	3.00%	New	↑ 100 bps	→	Remains severely under-utilized.
Order Book (UAE)	AED 60 Mn	Not in doc	→	→	~₹135 Cr equivalent; high visibility in GCC.
Standalone Revenue*	~₹31.50 Cr	Not in doc	↓ 17.1%	↓	Calculated from Consol minus UAE/Glasstech segments.

**Estimated based on segment commentary.*

2B. SEGMENT BREAKDOWN

Segment	Revenue (FY26 ₹Cr)	YoY Growth	Margin (EBITDA)	Trend	vs Co. Avg	Key Development
UAE Operations	~₹280.95*	Strong	~18.0%	→	Above	90% utilization in core lines; AED 60M order book.
India (Silvassa)	₹63.00	Stable	~17-18%	→	Above	Mature plant; shifting mix toward Lami/IG glass.
Glasstech (Taloja/Erode)	₹40.00	New	Neg/Break-even	↑	Below	Reached EBITDA breakeven in late Q4; target ₹110 Cr FY27.

**Estimated based on 70% revenue mix commentary.*

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Revenue	₹500 Cr+ for FY27 (25% growth).	**Feasible.** Needs ₹125 Cr/quarter run-rate; Q4 reached ₹116 Cr.	Delivered FY26 ₹400 Cr target.	Low.
Guidance	Margins	17.5% to 18.0% EBITDA.	**Feasible.** Already achieved 17.5% in Q4 FY26.	Improving track record.	Moderate.
Guidance	India Rev	₹200 Cr India Revenue for FY27.	**Aggressive.** Implies 94% growth YoY for India segment.	Glasstech now at breakeven.	High.
Strategy	Product	Fire Safety Glass in Q3 FY27.	**Delayed.** Prior guidance was Q4 FY26, then Q1 FY27.	Timeline walk-backs.	High.
Strategy	Capex	New UAE machinery install Q2/Q3.	**Delayed.** Geopolitical issues caused 1-quarter delay.	Mixed.	Moderate.
Strategy	Inorganic	Second acquisition in due diligence.	**High Risk.** Legal/DD phase; results expected soon.	Success with Glasstech.	Moderate.
Strategy	Railways	Vande Bharat/AC coach orders.	**Starting.** Contribution currently ~2-3% of revenue.	Approvals obtained.	Low.
Balance	Deleveraging	Utilize warrant call money.	**Strategic.** Call within 18 months to fund acquisitions.	Credible use of funds.	Low.

4. ANALYST Q&A

Q#	Relevance (1–5)	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility (1–5)	Verdict
1	5.0	Abhi Jain / A.J. Capital	UAE Outlook	Management Commentary	"Address the genie in the bottle... the UAE operations and how do you see the future outlook... how long this disruption can go on?"	Management stated that despite a slight slowdown in real estate, April revenue was stable at AED 10.2M and the order book is robust at AED 60M. Stable operations in the GCC are critical as they provide 70% of consolidated revenue and higher margins than domestic standard glass.	None	4.5	Reassured on GCC cash flow
2	4.0	Abhi Jain	Margins	Financials	"Could you give us some more nuance around the margin and do you think that the margin will be impacted by this situation?"	Management indicated they can pass on 80-90% of raw material cost increases to customers, limiting the EBITDA impact to 1-1.5%. This pricing power is a key moat in project-based B2B glass supply where energy costs are volatile.	None	4.0	Strong pass-through ability
3	4.5	Abhi Jain	Medium-term Growth	Management Commentary	"How do you see the next 2-3 years unfolding...	Management targets minimum 25% growth in FY27,	None	3.5	Ambitious roadmap

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					FY29 or FY30?"	reaching a 50/50 revenue split between India and UAE through capacity utilization and potential acquisitions. This roadmap shifts the investment thesis from a UAE-centric play to a diversified industrial glass manufacturer.			
4	3.5	Rohit Bahirwani / Vijit Global	New Verticals	Business Overview	"If you could just give timelines related to different verticals... fire safety glass... bullet proof glass... railway segment?"	Management confirmed railway supplies have started (2-3% revenue) but pushed the Fire Safety product launch to Q3 FY27. Delays in high-margin specialty products will keep FY27 margins capped at the 18% range rather than seeing a significant upside breakout.	None	3.0	Timeline walk-back
5	5.0	Rohit Bahirwani	Asset Utilization	Business Overview	"If you could provide us the capacity utilization separately for Glasstech... and Sejal	Management admitted Erode unit utilization is at distress levels (3-13%),	None	5.0	Quantified util. drag

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					Glass existing units?"	while Taloja is at 33%; Silvassa remains the core performer at 64-87%. Low utilization at acquired units remains the primary drag on consolidated ROCE and net margins.			
6	4.0	Rohit Bahirwani	Glasstech Breakeven	Financials	"Have we reached EBITDA breakeven in Glasstech yet?"	Management confirmed that Glasstech reached EBITDA breakeven in the last month (April/ May) and expects 10% EBITDA margins in FY27. This signifies the end of the "drain phase" for these acquisitions and the start of positive contribution.	None	4.0	Breakeven achieved
7	4.0	Shanki Bansal	UAE Credit Risk	Financials	"How are the payments... in UAE, people are asking deferrals... any write-off or any delinquency?"	Management clarified there is zero bad debt in the UAE with PDCs being honored and reputable facade companies as clients. This mitigates the "geopolitical risk"	None	4.0	High payment quality

Q#	Relevance (1–5)	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility (1–5)	Verdict
						argument concerning working capital quality in the GCC region.			
8	4.5	Shanki Bansal	Expansion Funding	Capex and Allocation	"For UAE new machine, are we planning to take more debt... or from internal accrual?"	Management plans a mix of internal accruals and local UAE debt to fund new machinery, which was delayed by one quarter. The use of local GCC debt for GCC expansion optimizes interest costs and provides a natural currency hedge.	None	4.0	Prudent funding mix
9	4.0	Runit Kapoor / Investire	India Degrowth	Financials	"Standalone numbers... there's a degrowth in India numbers if I include Glasstech particularly. Why is that so?"	Management explained that after acquisition, "re-engineering" and labor alignment took two quarters, leading to lower volumes during the integration phase. Integration pains have likely bottomed out, with FY27 India revenue projected to	None	3.5	Integration pain bottomed

Q#	Relevance (1–5)	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility (1–5)	Verdict
						double to ₹200 Cr.			
10	4.5	Pawan / Viansh Ventures	Saint-Gobain Tie-up	Business Overview	"With respect to Saint Gobain collaboration... do you get a cheaper rate versus what Saint Gobain would be probably giving some other peers?"	Management confirmed a 4-5% price advantage via credit notes and access to special glass sizes that reduce wastage percentage. This exclusive tie-up is a structural moat that ensures superior raw material procurement compared to unorganized fabricators.	None	4.0	Moat confirmed

PATTERN FLAGS & SENTIMENT * **The "Specialty Glass" Delay:** Analysts expressed concern about the timing of Fire Safety and Bulletproof glass launches, which have seen their timelines shift repeatedly. Management's push to Q3 FY27 (from Q1) was accepted but suggests that high-margin contributions are now a H2 FY27 story. * **Integration over Expansion:** Analysts pressed on the low utilization of Glasstech units (2-13% at Erode). Management's defensive but quantified response (re-engineering required two quarters) suggests they are now pivoting to "sweat" these assets. * **Analyst Sentiment Verdict:** Analysts appeared cautiously optimistic. The strong Q4 margin performance (17.5%) and UAE payment stability resolved immediate fears about GCC disruption. However, skepticism remains regarding the ambitious target to double India revenue (₹103 Cr to ₹200 Cr) in a single year. Credibility improved on execution/scale but remains under watch on specialty product delivery.

GUIDANCE GAPS REVEALED IN Q&A | Topic | What Mgmt Claimed (Opening / Prior Q) | What Q&A Revealed | Gap / Walk-back | Risk to Thesis | | :--- | :--- | :--- | :--- | :--- | | Fire Safety Glass | Launch in Q1 FY27 (Prior Q guidance) | Market entry in Q3 FY27 | 2-quarter delay | Near-term margin upside deferred. | | UAE Capex | Installation ongoing | Delayed by 1 quarter due to geopolitical issues | Timeline slip | Capacity expansion deferred to H2 FY27. | | India Revenue | High growth | FY26 standalone actually saw volume dips due to "re-engineering" | Integration slowdown | FY26 domestic growth was flatter than optics suggested. |

5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (Q3 FY26)	This Quarter (Q4 FY26)	Direction
EBITDA Margins	16.03% (Q3)	17.50% (Q4)	↑ (Improving)
Glasstech P&L	Operating at a loss (drag)	Reached EBITDA Breakeven	↑ (Turnaround)
Fire Safety Launch	Expected Q1 FY27	Pushed to Q3 FY27	↓ (Delay)
Revenue Scale	Tracking ₹400 Cr	Achieved ₹401.36 Cr	↑ (Met Target)
India Utilization	Erode IG at 2%; Taloja IG at 16%	Erode IG at 3%; Taloja IG at 21%	→ (Slow Growth)
UAE Market Tone	Cautious/Uncertain	Stable (AED 10M/month run-rate)	↑ (Resilience)
Railway Vertical	Approvals in process	Supply started; bidding for Vande Bharat	↑ (Execution)

Investor Note: The investment thesis remains centered on Sejal Glass transitioning from a standard glass processor to a high-value specialty glass player. While the core financial performance (Revenue/EBITDA) is beating expectations, the "high-value" pivot is taking longer than management projected. The successful EBITDA breakeven of domestic acquisitions removes a major downward risk, but the stock's re-rating now depends entirely on whether domestic utilization can double to 40%+ by H2 FY27 and if the Fire Safety glass finally hits the market in Q3. Monitoring the upcoming acquisition is critical to ensure management does not over-extend its operational bandwidth before stabilizing Erode/Taloja.