Sejal Glass Ltd — Oct 2026 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

The punchline. Read this first — it frames everything below.

Result: Beat **One-line:** Sejal Glass delivered a "clean" margin recovery to 18.35% (exceeding the 15.26% trough in Q1) as domestic asset utilization in Taloja and Erode ramped up sharply, validating the turnaround thesis of the Glasstech acquisition.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance / Prior Quarter	Strong Beat (Margins/PAT)	EBITDA margins expanded 309 bps QoQ to 18.35%; PAT grew 99.7% QoQ to □14.42 Cr.	□
Earnings Quality	High	Growth driven by operational leverage (capacity utilization) and COGS optimization rather than one-offs.	□
Guidance Confidence	Strong	Management maintained 25-40% revenue growth but the H1 performance (□259 Cr) makes the upper end highly likely.	□
Management Credibility	Strong	Successfully reversed the Q1 margin dip caused by labor settlements; delivered on the promise to "sweat" Taloja/Erode assets.	□
Business Quality Signal	Improving	Specialized high-margin segments (Fire-rated) moving to trial production in Q3; structural shift toward value-added glass.	□
Key Q&A Exchange	Q#11 - Utilization	Mgmt confirmed peak utilization targets of 85-100% for tempering lines, signaling high operational ceiling.	□
The Street's Primary Anxiety	Margin Sustainability	Analysts focused on whether the 18% margin is sustainable; Mgmt cited product mix and COGS negotiation as permanent levers.	□
Capital Cycle Stage	Growth / Harvesting	Transitioning from asset integration (FY26) to harvesting higher utilization and specialized product margins.	□
Margin / Return Ratio Trajectory	Rebounding	EBITDA and PAT margins hit management's long-term targets of 18% and 10% respectively, earlier than guided.	□
Pricing Power	Stable	Successfully passing through increased logistics/input costs in UAE while negotiating better raw material terms.	□
FCF Conversion & Quality	Moderate	Working capital remains intensive due to PDC culture in UAE and upfront glass procurement from Saint-Gobain in India.	□
Competitive Moat Signals	Stable	Deepening niche in architectural glass; avoiding direct competition with float-glass giants like Saint-Gobain.	□
Balance Sheet Strength	Adequate	Long-term debt being serviced via EMIs; UAE expansion (AED 20M) to be 60% funded via internal accruals.	□
Working Capital Efficiency	Deteriorating	Inventory remains a "blockage" point as company must buy coated glass in advance based on manufacturer production runs.	□
Mgmt Guidance Track Record	Reliable	Consistently hitting or exceeding the 25-40% growth guidance floor.	□
Key Vulnerability / Red Flag	India-UAE Mix	UAE still dominant; India share growth is dependent on successful execution of the □150 Cr domestic order book.	□
Management Tone	Bullish	High confidence in hitting "Lakshya 2030" goals; aggressive on specialized product rollouts.	□

Sentiment: □Positive

Key Takeaways (Positives & Negatives): * **Positives:** The operational turnaround of the Glasstech units is ahead of schedule, with Taloja tempering utilization jumping from 55% to 69% and Erode nearly doubling from 13% to 24% QoQ. Margins have normalized following the one-off labor costs of Q1, and the UAE order book has swelled to AED 78M (□178 Cr approx), providing high revenue visibility. The upcoming commercialization of Fire-rated glass in Q4 FY27 (EBITDA >30%) offers a structural margin kicker for FY28. * **Negatives:** Working capital continues to be a drag, with management admitting to "blockage" in India due to the necessity of purchasing raw

glass in advance of project sizes being released. The export strategy for Africa remains in an embryonic phase with less than 5% contribution and slow market maturity. * **Street Concern:** Analysts remain focused on the "Bid-to-Win" ratio for the Railway segment, which is currently low (5%). Management's response that this will improve as they move from "Category C to A" supplier status suggests a long gestation period for this vertical. * **Watchpoint:** Execution of the UAE 3rd tempering line in Q3 and the successful trial of Fire-rated glass are the critical catalysts to watch for FY27 exit run-rates.

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2. BUSINESS PERFORMANCE

2A. KEY METRICS DATA SOURCE: PPT not available — numbers from concall.

Metric	Current Qtr (Q2 FY27)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Revenue (Consol)	□139.86 Cr	↑ 33.14%	↑ 18.57%	↑	Driven by improved capacity utilization in Erode/Taloja and UAE efficiency.
Revenue (H1 FY27)	□259.29 Cr	↑ 41.84%	N/A	↑	On track to exceed the □500 Cr annual target.
EBITDA (Consol)	□25.66 Cr	↑ 43.44%	↑ 42.56%	↑	Significant recovery as Q1 one-off labor costs (□1 Cr) subsided.
EBITDA Margin %	18.35%	↑ 132 bps	↑ 309 bps	↑	Efficiency gains in UAE COGS (3%) and domestic fixed cost absorption.
PAT (Consol)	□14.42 Cr	↑ 77.61%	↑ 99.72%	↑	Benefited from operating leverage and lower per-unit employee costs.
PAT Margin %	10.31%	↑ 258 bps	↑ 419 bps	↑	Hit the targeted double-digit margin guided for the full year.
EPS (□)	12.52	↑ 57.48%	↑ 53.62%	↑	Significant accretion due to volume scale-up.
Util. - Taloja (Tempering)	69.00%	N/A	↑ 1400 bps	↑	Moving toward the FY27 target of 75%.
Util. - Erode (Tempering)	24.00%	N/A	↑ 900 bps	↑	Significant jump; Erode now EBITDA positive (~10%).
Order Book (UAE)	AED 78M	↑ 8.3% (vs Q1)	↑ 8.3%	↑	Equivalent to ~□178 Cr; visibility for 6-9 months.
Order Book (India)	□150.00 Cr	N/A	↑ 200%	↑	Massive jump from □50 Cr+ in Q1; includes residential/commercial.

2B. SEGMENT BREAKDOWN

Segment	Revenue (□Cr)	YoY Growth	Margin (EBITDA)	Trend	vs Company Avg	Key Development
UAE Operations	□95.10*	~35%	High	↑	Above	COGS improved by 3% due to raw material vendor renegotiations.
India (Silvassa/GT)	□44.76*	~30%	Moderate	↑	Below	Erode turned 10% EBITDA positive; Taloja near break-even.
Specialty Products	Nominal	N/A	High (>30% target)	→	N/A	Fire-rated glass trial in Q3; targeting 5% of FY27 revenue.
Facade Division	Not stated	N/A	High	↑	Above	Noted as a key contributor to UAE EBITDA in Q2.

Calculated based on 68:32 ratio implied by H1 totals and prior quarter trends.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Revenue	25% to 40% growth (FY27).	**Feasible.** Needs ~□240 Cr in H2 to hit 25% floor; H1 already at □259 Cr.	Consistently beat.	Low
Guidance	Margins	Sustaining 18% EBITDA / 10% PAT.	**Achieved.** Q2 margins hit these levels; H2 depends on high-value mix.	Improved from Q1 miss.	Low
Guidance	Specialty Mix	5% (FY27) to 15-20% (FY28).	**Aggressive.** Requires Fire-rated glass to scale rapidly in Q4.	Trial stage in Q3.	High
Strategy	India/UAE Mix	Targeted 60:40 (UAE:India).	**On Track.** Domestic revenue share is growing via Taloja/Erode ramp-up.	Improving.	Moderate
Capex	UAE Expansion	AED 20M (Tempering Line 3 + Fire).	**On Track.** Funding 60% internal / 40% bank debt.	Trials set for Q3.	Moderate
Macro	Exports	Expand Africa/Europe market.	**Slow.** Currently <5% of revenue; salesperson appointed for Africa.	Below expectation.	High

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	4.0	Gaurav Shukla / Finvestors	Margin Sustainability	Financials	"How much of this improvement is sustainable, particularly after the integration of Taloja and Erode?"	Management confirmed the 18% EBITDA margin is sustainable for H2, driven by operational efficiencies and capacity utilization. This sets a new floor for profitability expectations in the second half.	None	4.0	Sustainable floor set
2	4.5	Gaurav Shukla / Finvestors	Specialty Mix	Business Overview	"What percentage of current revenue comes from specialized products... What contribution do you expect by FY28?"	Management admitted current specialty contribution is "minimal" but expects Fire-rated glass sales to commence in Q4 FY27. This confirms the value-added thesis is an FY28 story, not an immediate Q3 kicker.	Specific current % not given	3.5	FY28 tailwind story
3	4.0	Gaurav Shukla / Finvestors	Asset Turn	Business Overview	"What are current utilization levels for Taloja and Erode?"	Taloja Tempering hit 69% (up from 55%) and Erode Tempering hit 24% (up from 13%). Rapid domestic scaling reduces dependence on the UAE market and de-risks the geographical profile.	None	5.0	Strong domestic ramp

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4	3.5	Disha / Sapphire Capital	Margin Drivers	Financials	"Part of this increase in EBITDA is also because of product mix. Could you elaborate?"	Management clarified that "product mix" on the cost side involved renegotiating raw materials like silicon and PVB with global vendors. This demonstrates pricing power on the procurement side, which directly protects the bottom line.	None	4.0	Procurement efficiency
5	4.0	Disha / Sapphire Capital	Capacity Ceiling	Business Overview	"Peak utilization levels do we target? The max that we can reach?"	Management targets 100% for tempering lines and 85% for IG/ Laminated glass. High tempering utilization is critical as it feeds the higher-value IG/Laminated production lines.	None	4.5	Clear ceiling defined
6	3.5	Abhi Jain / AJ Capital	Growth Outlook	Management Commentary	"Next 2 years, 3 years look for Sejal from here on... can this growth continue?"	Management expects a 25% YoY CAGR based on "Viksit Bharat 2047" targets and domestic real estate demand. This provides a long-term visibility anchor for fundamental investors.	None	3.0	25% CAGR guidance
7	4.0						None	4.0	

Q#	Relevance (1–5)	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility (1–5)	Verdict
		Parag Shah	India Strategy	Business Overview	"What is the strategy to move towards a targeted 60:40 India-UAE revenue mix?"	Management is relying on Taloja/Erode utilization and potential further acquisitions. Successful asset sweating is the primary lever to dilute UAE concentration risk.			Utilization driven
8	4.5	Parag Shah	Railway Bidding	Business Overview	"What's your generalized bid-win ratio for these tenders (Railway)?"	Management reported a low 5% win ratio, citing their status as a "new entrant" moving from Category C to B. Investors should temper expectations for the Railway segment until the company achieves "Category A" status.	None	4.5	Low win ratio hurdle
9	4.0	Rachna Kukreja / SiMPL	Working Capital	Financials	"How are we improving on our working capital? Cash flow remains little weak."	Management noted WC blockage in India because they must purchase glass from manufacturers (Saint-Gobain) in advance during specific production runs. This structural inventory drag will likely keep CFO/PAT	None	4.0	Structural WC drag

Q#	Relevance (1–5)	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility (1–5)	Verdict
						ratios under pressure in the near term.			

PATTERN FLAGS & SENTIMENT * **The "One-Off" Recovery:** Analysts were satisfied that the Q1 margin dip was indeed temporary. Management's ability to point to specific COGS improvements (3% in UAE) and Erode turning EBITDA positive shifted sentiment from "skeptical" to "recovery-focused." * **Specialty Glass Delay:** A recurring pattern is the push-back of Specialty Product revenue. Initially expected to contribute in H1, it is now a Q4/FY28 story. Analysts are monitoring this closely as the primary driver for the 30% EBITDA margin goal. * **Geopolitical Resilience:** Despite tensions in the Middle East, management's tone was remarkably calm, citing a "pass-through" of logistics costs to customers.

Analyst Sentiment Verdict: **Convinced.** The tone was significantly more positive than Q1. The quantified jump in domestic utilization (Taloja/Erode) was the single biggest credibility booster. The primary unresolved issue is the slow conversion of the Railway and Specialty segments, which remains a "show-me" story for FY28.

GUIDANCE GAPS REVEALED IN Q&A | Topic | What Mgmt Claimed (Opening / Prior Q) | What Q&A Revealed | Gap / Walk-back | Risk to Thesis | | :--- | :--- | :--- | :--- | :--- | | Fire-rated Glass | Trial production in Q3. | Commercial sales only in Q4. | One-quarter shift in revenue realization. | Low; trial is still on track for Q3. | | Railway Revenue | Target 10% mix for FY28. | Bid-win ratio is currently only 5%. | High hurdle to reach 10% mix. | Moderate; depends on category upgrade. |

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5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (Q1 FY27)	This Quarter (Q2 FY27)	Direction
EBITDA Margin	15.26%	18.35%	↑ (Rebound)
PAT Margin	6.12%	10.31%	↑ (Target achieved)
Taloja Util (Temp)	55%	69%	↑ (Efficiency)
Erode Util (Temp)	13%	24%	↑ (EBITDA Positive)
India Order Book	85 Cr (July end)	150 Cr (Sept end)	↑ (Sharp jump)
UAE Order Book	AED 72M	AED 78M	↑ (Visibility)
Erode Profitability	Near break-even	10% EBITDA Positive	↑ (Turnaround)
Working Capital	"Managing internal"	"Inventory Blockage" (India)	↓ (Complexity)
Specialty Segment	Testing / Approval	trials (Trial in Q3)	→ (Progressing)

Investor Note: The core of the investment thesis—that Sejal Glass can successfully integrate and sweat domestic assets to balance its high-performing UAE business—has been validated this quarter. The 300+ bps margin expansion QoQ confirms that the labor issues of Q1 were an anomaly. However, investors must remain patient with the specialized glass segments (Fire/Railway), which are undergoing a longer-than-expected gestation period. The structural "blockage" in working capital for the India business remains the only meaningful red flag to long-term cash conversion.