18th October 2022

KJMC Research

Non-Paper Containers & Packaging (Rigid)

Mold-Tek Packaging Ltd

BUY

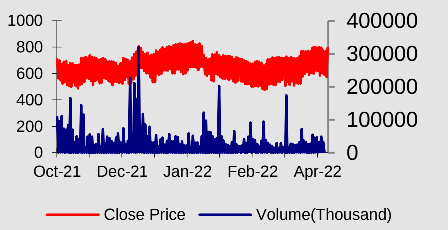
Unleashing the Opportunity for Growth in high margin Categories

CMP	Rs 871.60
Target Price	Rs 1,125

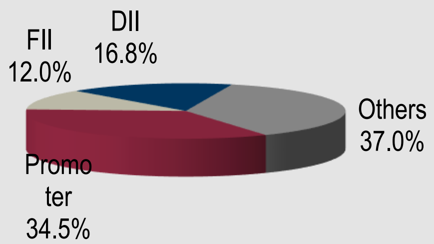
Key Data

Face value	5
Market cap (Rs Cr)	2,877
Total O/S shares (Cr)	3.31
Free Float (%)	65.8
52 week High/Low	1058/645.15
Avg. Monthly Volume (BSE)	12,155
Avg. Monthly volume (NSE)	71,187
BSE Code	533080
NSE Code	MOLDTKPAC
Refinitiv Code	MOLT.NS
Date of Incorporation	1985
Last Dividend Declared (Rs)	8
Indices	S&P BSE SmallCap

One Year Price/Volume Chart



Shareholding Pattern as 30th June 22



Source: Company, KJMC Research

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Pioneers in producing packaging solutions for the Paints, Lubricants, Food & FMCG products.

Key Highlights

Mold-Tek is the Category leader in the Rigid Packaging Space – The Company is the market leader in Indian Plastic Packaging, Injection molded plastic containers segment in India with ~25% market share. It is the first Company in India to introduce the "In-Mold Labelling (IML)" concept for decorating plastic using ROBOTS at 1/3rd the cost of imported ones apart from manufacturing IML labels in-house. Thus, it gets a significant cost advantage over its competitors who mainly rely on imports. The Company is always staying ahead of its competitors by launching new innovative products with customization of IML technology and quality accreditation which make headway in the industry to its legacy. The Company is the preferred supplier for leading companies in the Paints, Lubes, and Food & FMCG industry, and some of the marquee clients are Asian Paints, Berger Paints Hindustan Unilever, Castrol/Shell, BPCL, Cadbury, Mondelez, Arun/Amul ice cream, Hatsun Agro, ITC, Nestle, Haldiram, Dabur, P&G, MTR, Veeba, etc.

Entering into high value added products with significant growth plans – With a continued focus on innovation and working towards enhancing the utility and features of its existing products to create better products, it introduced pail packaging for the paint industry in the early nineties followed by IML technology in 2011. In FY21-22, the Company had forayed into Injection Blow Moulding (IBM) packaging products with In-Mold Labelling (IML) for Pharma & Cosmetics. Indian IBM market size is more than Rs 5,000 Cr, which is growing at a rate of 8-9% p.a. Mold-Tek is combining IBM with IML with an intention to target – 1) Regulated Pharma packaging, 2) FMCG, 3) Cosmetics, and 4) OTC pharma market which are growing segments with scope for good value addition through better engineering. The Company's USP in this area would be IBM packs decorated with IML, and the management targets to achieve additional 5-6% market share in the next 3-4 years. The diversification into IBM will further boost growth for the next coming years and the Company aims to reach Rs 1,000 Cr revenue in the next 3-4 years.

Forthcoming plants to accelerate Volume which will drive Revenue growth – The Company has announced a capex of Rs 250 Cr for the next 2-3 years, out of this Rs 125 Cr would be spent in FY23 which is two and half times of last 5 years average annual capex. This would enhance, inter alia, various capacities like the Sultanpur unit for Pharma, Food & FMCG, Daman unit focusing on Food & FMCG for the Western region, Kanpur unit for bulk packs focusing on Paints and entry into North, increasing capacity of Mysore & Vizag units.

Strengthen its Roots in F&F segment to improve margins and profitability ahead – The Company has increased the contribution from Food & FMCG (F&F) segment significantly, which was ~4% in FY14, and now stands at ~24%. With customization of IML technology and quality accreditation, it has made headway in the F&F industry. IML products are hygienic and are made without any human contact making them best suited for Food & FMCG packaging which offers a better margin. Thus, it also encourages its current customers who are using screen printing and heat transfer labelling to shift to IML packaging products. The Company's IML products are a fully backward integrated play as it develops in-house molds, robots, and labels giving it a significant cost advantage over its peers. Over the last 10 years, EBITDA per Kg has shot up from Rs 16.8 to Rs 41.8 per kg till FY22 on the back of focus on high- margin F&F products. The Company has launched a range of products for sweets, confectionary, and online food delivery and added about 82 new customers in F&F in the first quarter of FY23 with the introduction of 930+ designs and over 800 SKUs. The management is confident to continue 30-40% growth in the F&F segment.

Sustain Capital Allocation in the Whole Packaging Industry – The Company commands one of the best ROCEs ~20% in the packaging space. This is mainly due to sustainable competitive advantages centered on – 1) Market leader in rigid plastic packaging, 2) Operational excellence, 3) 100% backward integration, 4) In-house development and adoption of the latest technology, 5) Strategically located manufacturing plants with well- diversified geographic presence, 6) Continued focus on innovation, 7) Focus on cost reduction and improving cost efficiency, and 8) Continue investing in research and design to develop new products. These competitive advantages, backed by a strong balance sheet have created greater entry barriers coupled with pricing power that the Company possesses.

Excellent cash flow generation over the period – The Company has generated an excellent operating cash flow (OCF) in the past years – in FY21 of Rs 61 Cr – 3x that of Rs 26 Cr in FY14. In contrast, free cash flow (FCF) was mainly negative due to higher growth and expansion plans that required higher capex. In FY22, OCF dropped to Rs 2 Cr vs Rs 61 Cr in FY21, which was mainly due to higher receivable days majorly on account of its key clients like Asian Paints and other clients which have increased their credit periods. The Company's ability to convert EBITDA i.e. operating profits in OCF has remained robust over the years. We believe, the Company will generate healthy cash flow over FY22-FY24E on account of multiyear expansion plans and focus on innovation with cost reduction, etc.

Valuation: **We anticipate Mold-Tek's Revenue/EBITDA/PAT to grow at a CAGR of ~36%/42%/49% over FY22-FY24E, we initiate coverage on Mold-Tek Packaging with a "BUY" recommendation with a (1 year) Target price of Rs 1,125 (upside of 29%) valuing the Company at a ~26x (historical average) of FY24EPS.**

Financial Snapshot

(Rs in INR Cr)

Particulars	FY20	FY21	FY22E	FY23E	FY24E
Revenue	438	479	631	841	1,163
EBITDA	78	95	122	171	245
Profit after tax (PAT)	37	48	64	96	141
EPS (Rs) Adjusted	13.0	16.1	21.1	29.0	42.5
ROCE (%)	19.3	20.3	19.1	23.2	27.9

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Mold-Tek Packaging Ltd - Business Overview

Established in 1986, one of the leading players in rigid plastic packaging in India. With 10 manufacturing units and 2 stock points pan-India. Overall installed capacity as of FY22 stands at over 45,000 TPA. The Company has been the innovator and torch bearer in introducing many world- class packaging products in India for Lubes, Paints, Food, and FMCG products. The Company is the first in India to introduce "In –Mold Labelling" (IML) concept for decorating plastic containers using ROBOTS. Also, it is the sole Company globally to design and manufacture in- house ROBOTS for the IML decoration apart from manufacturing IML labels in-house. Thus, it is a fully backward integrated packaging company, right from product design, Mold making label printing & Robot manufacturing along with injection molding all under one roof. The Company has introduced certain world class packaging products in India for paints, oil, lubricants food and FMCG industries through continuous innovations. In FY20-21, it has forayed into Injection Blow Moulding (IBM) packaging products for Pharma & Cosmetics which has opened up vast opportunities to enter into new markets for which market size is more than Rs 5,000 Cr. and growing at a rate of 8% - 9% p.a.

Exhibit 1 – Evolution in the Company

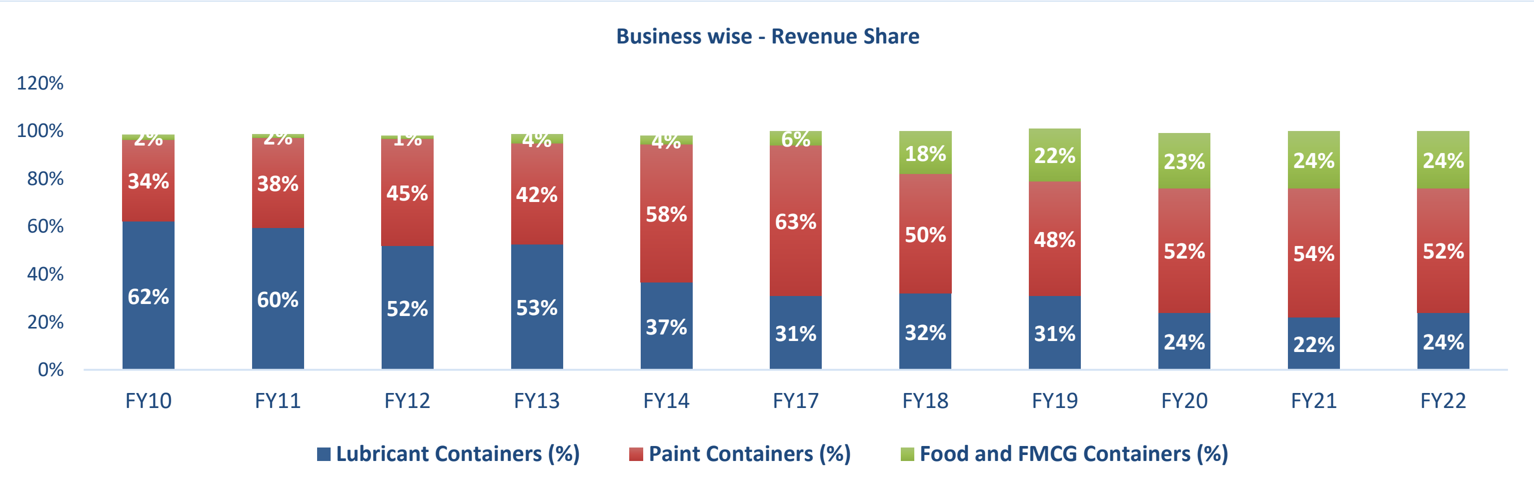
Year	Journey So Far
1985	Mold-Tek Plastics Private Limited ("MTPL") was incorporated
1991	Commenced manufacturing of plastics pails
1993	MTPL went public through an Initial Public Offer (IPO)
1998	Introduced plastic containers for lubricant packaging with innovative "pull up spout". Also developed new concept including single and double lock pails
	Applied for a patent for the innovation of pull up spout with tamper proof seal
2006	Introduced cosmos model pails with improvised tamper proof system
2007	Granted a patent for the innovation of pull up spout with tamper proof seal
2008	High Court of Judicature, Andhra Pradesh at Hyderabad by its order dated July 25, 2008 has approved the Scheme of Arrangement between Teckmen Tools Private Limited, the Transferor Company, Mold-Tek Technologies Limited, the Transferee Company and the Demerged Company and Moldtek Plastics Limited, the Resulting Company
2010	Name of Moldtek Plastics Limited was changed to Mold-Tek Packaging Limited with effect from March 12, 2010
2011	Introduced IML decoration and also auto filling lines, and pails for anti-counterfeit lid
2012	Won Indiastar 2012 award by Indian Packaging Industry for "Castrol New Generation ACF Pail Ltd"
2013	Succeeded in developing in house Robots and IML label printing capabilities for IML
	Won SME of the year - Emerging India Award, 2013 by ICICI Bank and CNBC TV18
	Won Tech - Savvy SME of the year - Emerging India Award, 2013 by ICICI Bank and CNBC TV18
2014	Received "Quality Champion Award" from Asian Paints Limited, for the exemplary quality performance during the period April 2012 to September, 2014
2015	Introduced innovation for edible oil packaging.
	Mr. Rao (MD) was conferred with outstanding achievement award by CPMA & Elite Plus Business Services Group for Exceptional contribution to rigid plastic packaging sector in India in the last three decades.
2016	The Company won two awards Asian Paints PACON - PACON 2016 for Innovation and 3rd rank in plastic in PANCON
2017	The Company won INDIASTAR - 2017 awards for the "Rotolock" container in collaboration with MTR Foods Pvt Ltd
	The Company received Dun & Bradstreet - RBL SME Business Excellence Award.
	Set up new plant in at Technology Park in the RAK trade free zone of RAS AL-KAHIMAH, UAE
2018	Received the SIES SOP Star Award 2018, in product packaging for Tamper Evident & Leak Proof Square Packs with IML decoration
2019	Received SIES SOP Star award 2019, in product packaging for design and development of twist packs ranging from 500 to 1000 ml
	Started operations of two new units in Karnataka, Mysore District and Andhra Pradesh, Visakhapatnam District
2020	Received SIES SOP star award 2020, for San Q - 5 Litres for 5 litres sanitizers
2021	Introduced Digital Packaging through Dynamic QR coded IML containers
2021-22	Foraying into Injection Blow Moulding (IBM) Packaging Products with In-Mold Labelling (IML) for Pharma & Cosmetics

Source: Company

Exhibit 2 – In a Nutshell

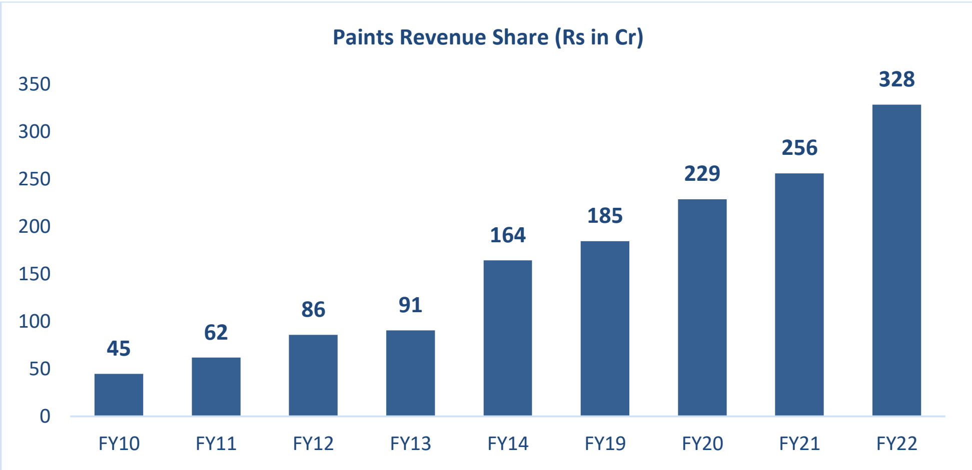
Source: Company & KJMC Research

Exhibit 3 – Perfect Proxy to play Paint and Food & FMCG Business as ~75% of its Sales comes from those segments



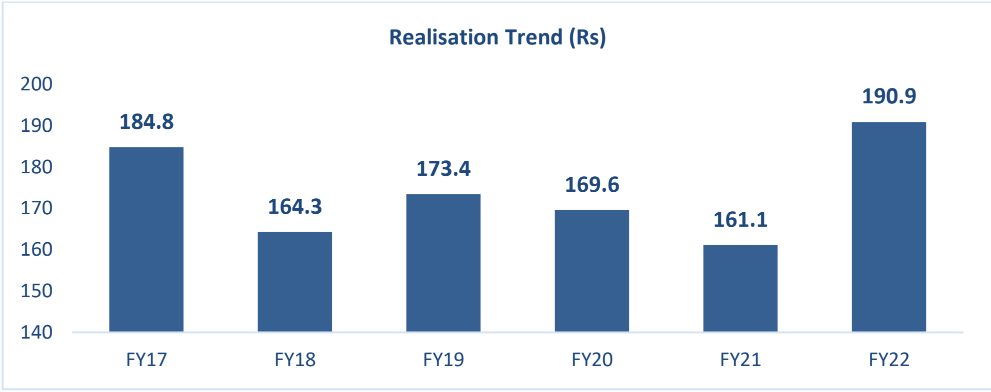
Source: Company & KJMC Research

Exhibit 4 – Paints Segment contributes ~52% towards total revenue



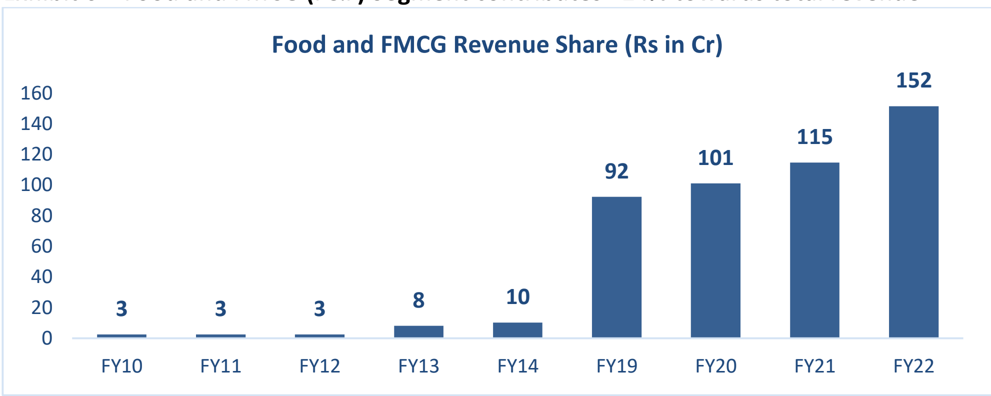
Source: Company & KJMC Research

Exhibit 5 – Improving the Realization in the Paints Business



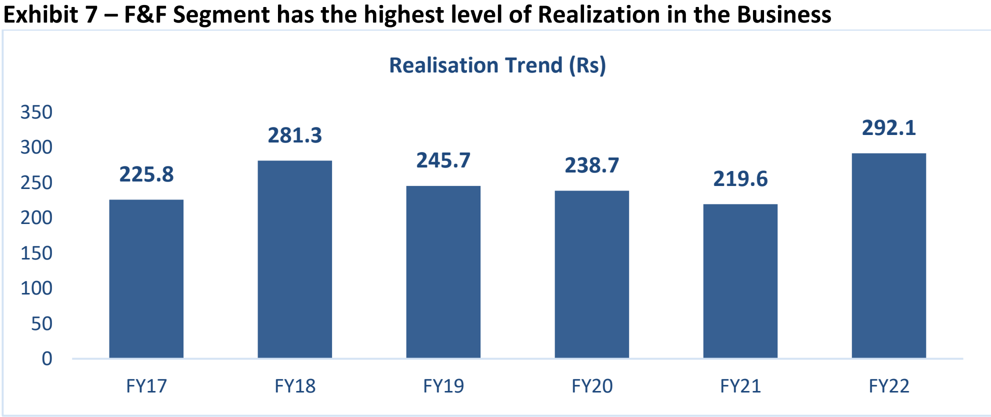
Source: Company & KJMC Research

Exhibit 6 – Food and FMCG (F&F) Segment contributes ~24% towards total revenue



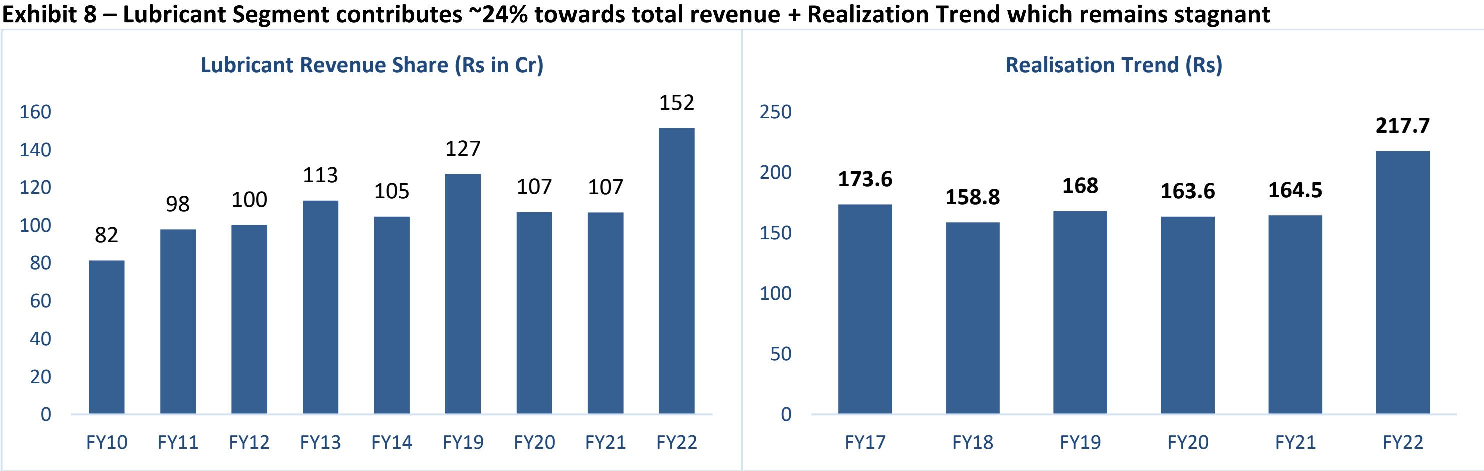
Source: Company & KJMC Research

Exhibit 7 – F&F Segment has the highest level of Realization in the Business



Source: Company & KJMC Research

Exhibit 8 – Lubricant Segment contributes ~24% towards total revenue + Realization Trend which remains stagnant



Source: Company & KJMC Research

Exhibit 9 – Esteemed clientele in Food, FMCG and Pharmaceutical Industries

Source: Company

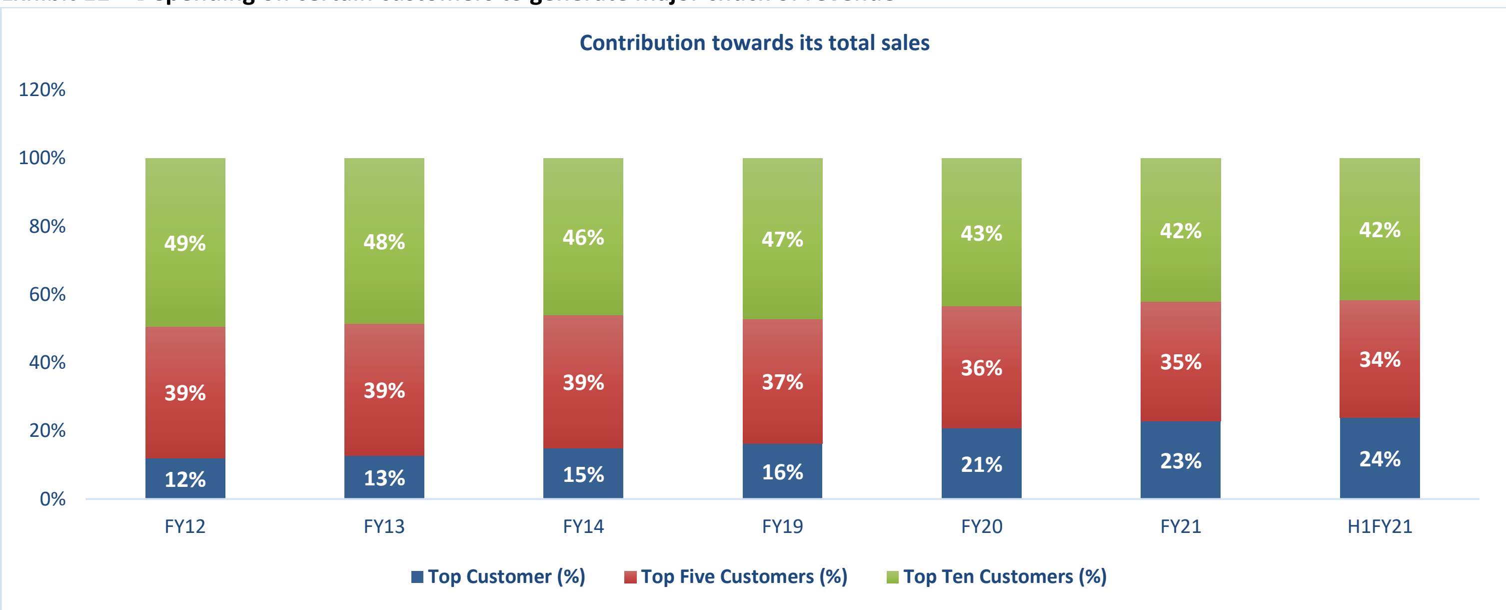
Exhibit 10 – Esteemed clientele in Paint Industry

Source: Company

Exhibit 11 – Esteemed clientele in Lubricant and Grease Industry

Source: Company

Exhibit 12 – Depending on certain customers to generate major chuck of revenue



Source: Company & KJMC Research

Exhibit 13 – Ranking of the Key Customers

Source: Company & KJMC Research

Product Profile in the Packaging Categories

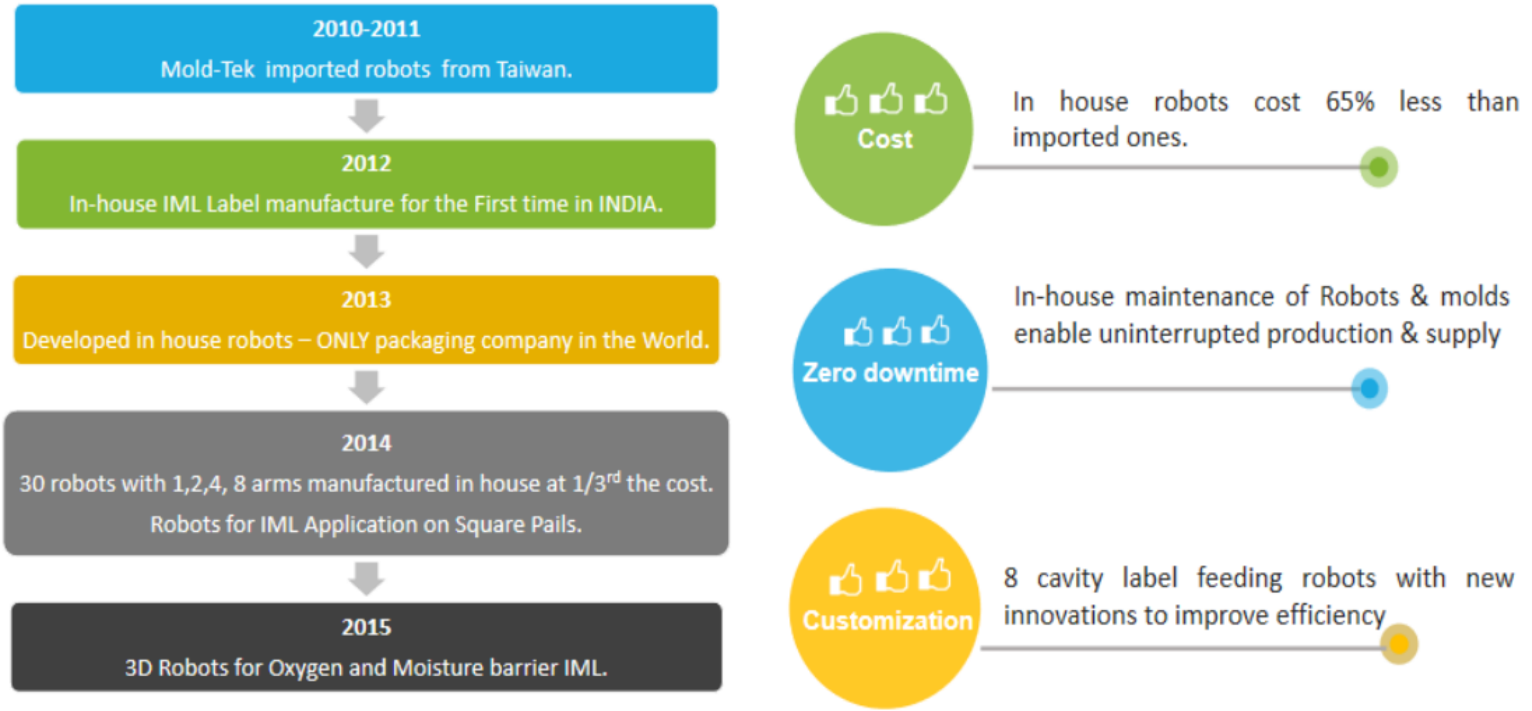
The Company mainly caters to three business segments – 1) Paint Industry, 2) Lubricant (lubes) & Oil Industry, and 3) Food and FMCG Industry. In addition to it, the Company has also actively added customers in Restaurant packs, Confectionary, fertilizers, seeds, cashews packaging, etc. Its products are available in different sizes and shape viz circular, rectangular, curving, and special shapes as per the customer requirements. In the early 1990s, the Company introduced the plastic pail packaging concept used for the paint industry which has succeeded in gradually replacing tin packaging for paints. From 1997-1998, the Company introduced plastic containers for lubricant packaging with innovative “pull up spout” and also developed new concepts including single and double lock pails. Over a period of time such packaging replaced tin and metal can packs which were used in the lube packaging.

The core competency of the Company lies in providing products that are focused on the specific customer’s needs. In the last few years, the Company has increased its product range with innovative packaging solutions, keeping in mind the evolving needs of the packaging industries. The Company is engaged in the manufacturing of injection molded rigid plastics packaging containers for paints, lubes and oils, cosmetics, pharmaceuticals, food, and FMCG sector through various technologies including IML decoration using Robots as per the requirements of the customers. Usually, the Company decorates its products using screen printing, heat transfer labelling technique, and In – Mold labelling (IML) which is one of the modern and premium container decoration techniques globally.

Mold-Tek is the first Company in India to introduce In – Mold labelling (IML)

In late 2011, the Company started development work on IML manufacturing through imported labels and Robots. IML provides various benefits of packaging including higher brand recall as the label does not get separated. These IML labels provide better aesthetics and the process eliminates labor and saves space required for production. The Company is the pioneer to introduce the IML concept using in-house Robots, at a reasonable cost in India. The Robots have installed in Taiwan in the year 2011 and gained expertise in IML technology. Further, the Company has developed technology to produce in house labels and even Robots at a competitive cost.

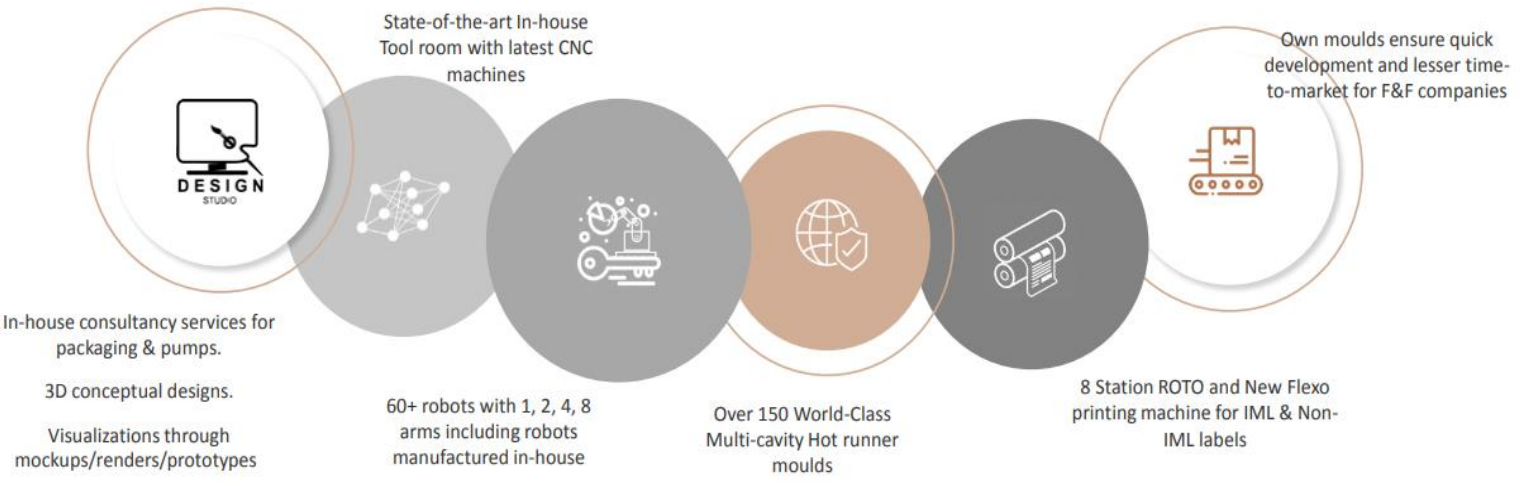
Exhibit - 14



Source: Company

The Company’s IML containers are 100% recyclable thus becoming preferred packaging solutions for customers focusing on sustainability. With doubling the IML production capacity by adding an Italian Flexo machine to cater to the increasing demand.

Exhibit 15 - Mold-Tek is one of the few Companies with integrated facilities from Mould Design & Manufacturing, Robot & IML label manufacturing



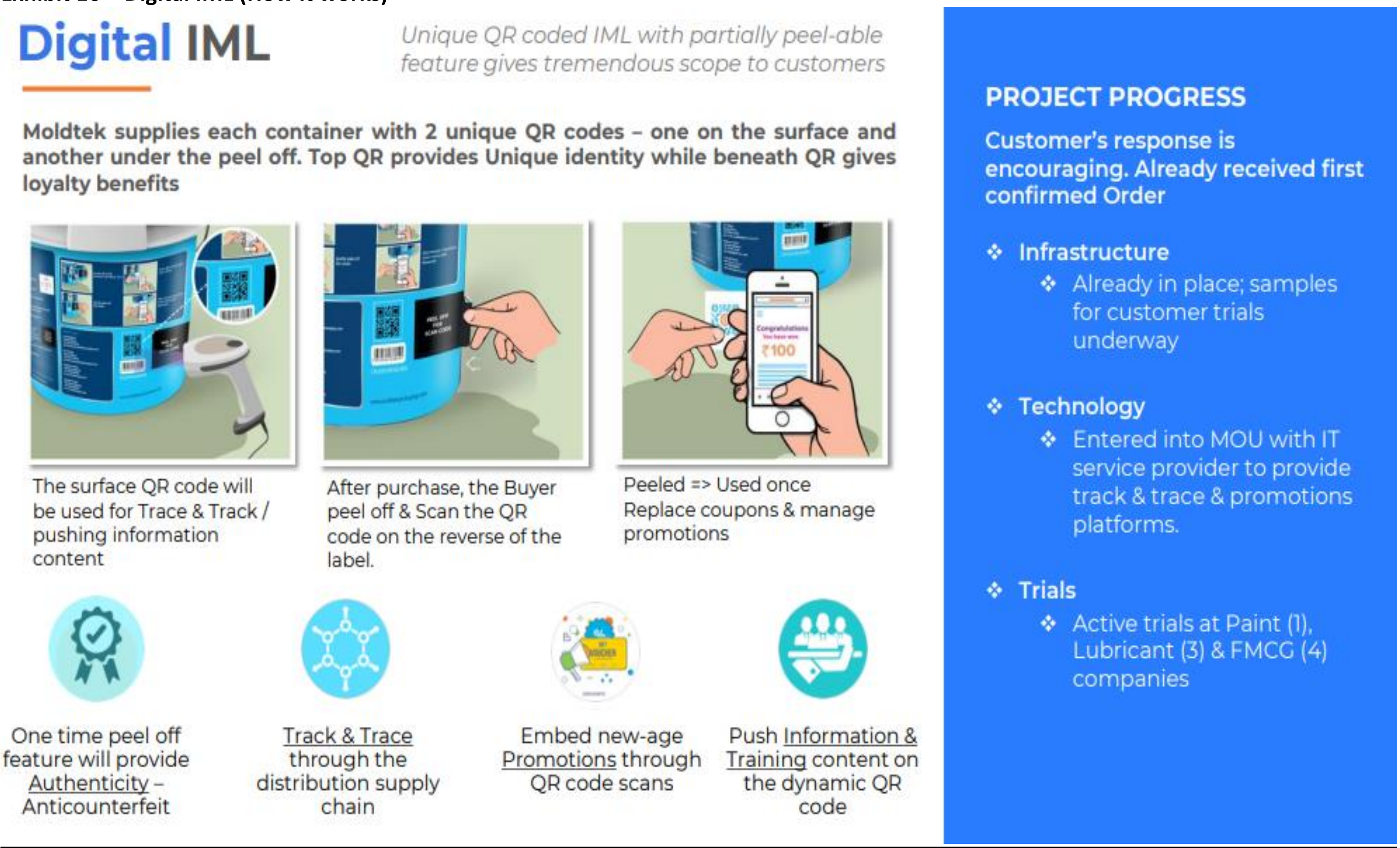
Source: Company

The Company is in the advance stage of introducing the QR- coded IML with Shell, Bharat, Valvoline, and Castrol. Expected to breakthrough in Q3FY23.

Variable Printing and QR codes – Digital

The Company is the 1st in India to successfully launch Variable printing to provide unique codes for products. This futuristic QR code IML technique provides complete traceability all across the supply chain. This smart packaging concept also revolutionizes consumer – brand interaction and promotional schemes. There has been considerable interest in this concept across industries and few customers are at an advanced stage. The management is quite confident of growth in IML share from existing customers and entry into new industries through these features.

Exhibit 16 – Digital IML (How it works)



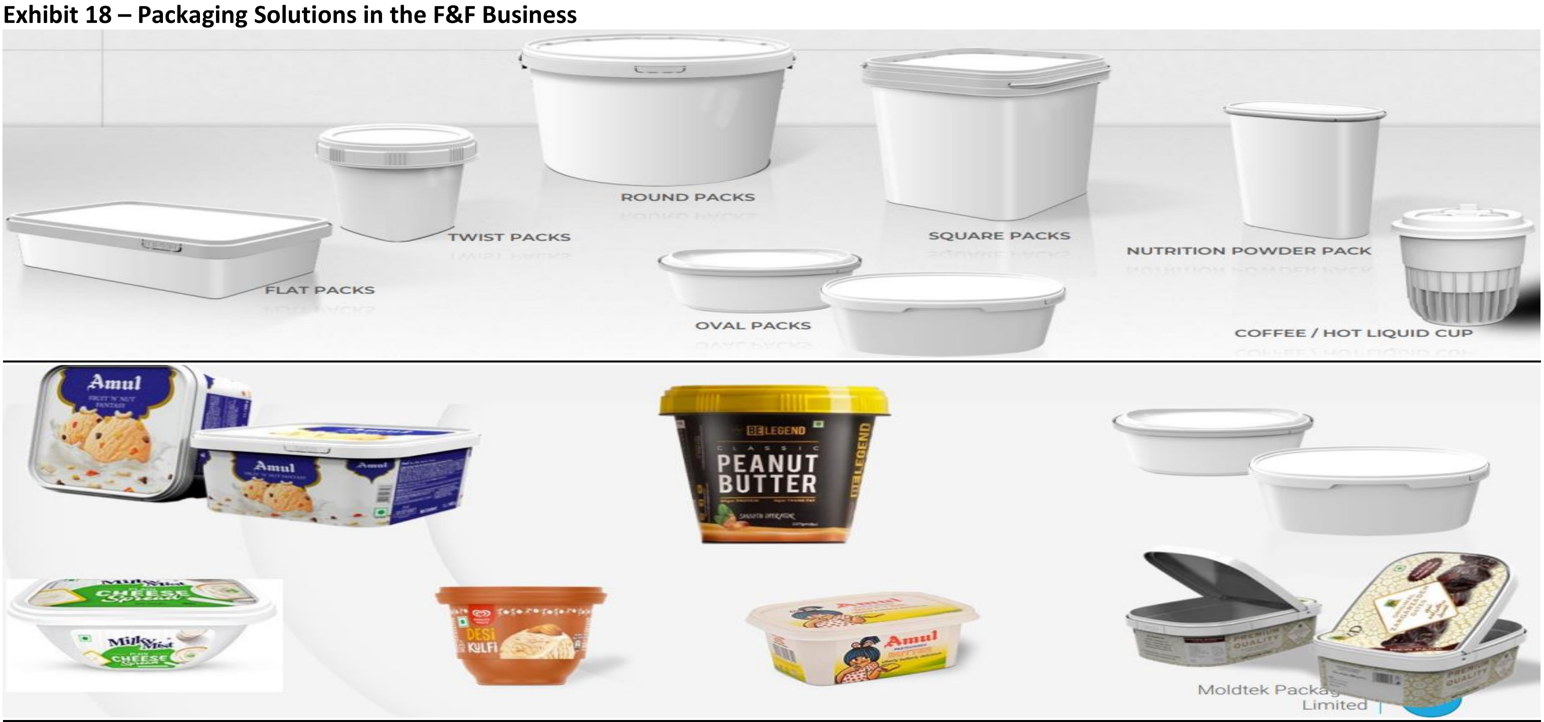
Source: Company

Exhibit 17 – Packaging Solutions in the Paints Business

On Oct 2022, the Company received a "Letter of Award" (LOA) from Grasim Industries Ltd – Birla Paints Division for the supply of Packing Material (PAILS). Which Co-located facility will be set-up by the Company at Panipat to cater to their demands.

Source: Company

Exhibit 18 – Packaging Solutions in the F&F Business



Source: Company

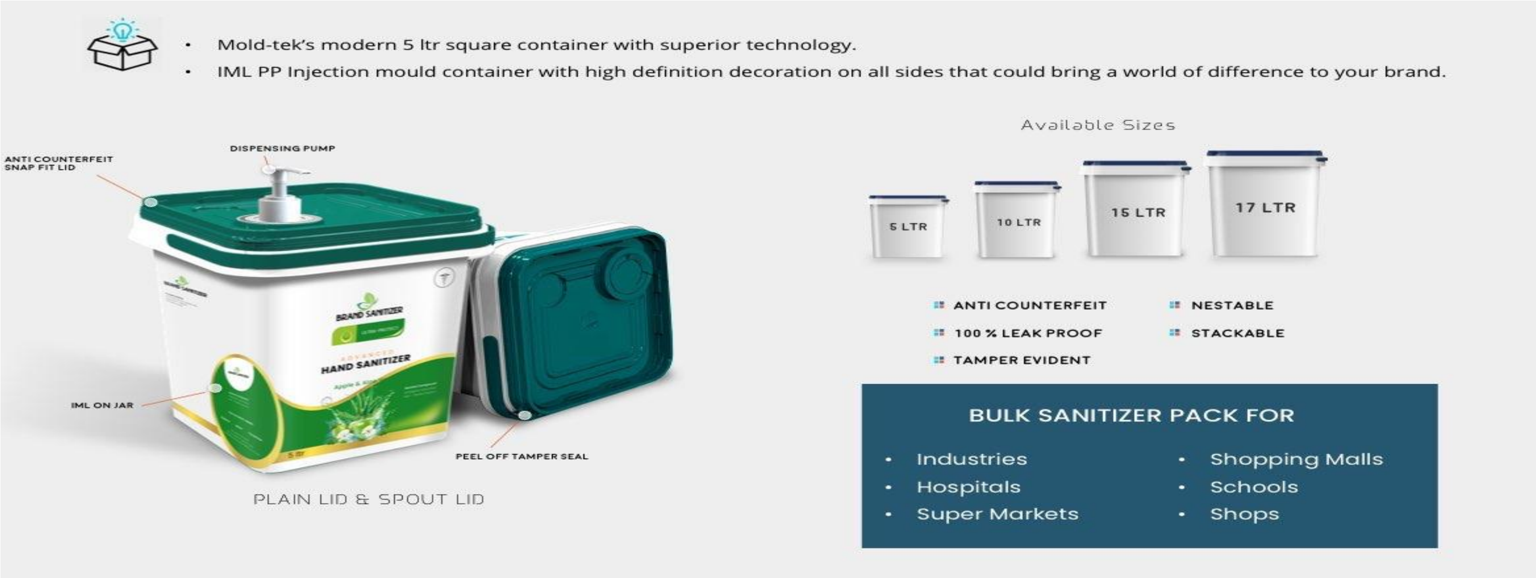
Exhibit 19 – Introduced Square shaped packs for edible oil and ghee packaging with IML decoration and also air moisture barrier containers for food segment as a part of its innovations efforts

Source: Company

Exhibit 20 – Packaging Solutions in the Lubes Business

Source: Company

Exhibit 21 – Continued focus on innovation even though in pandemic period



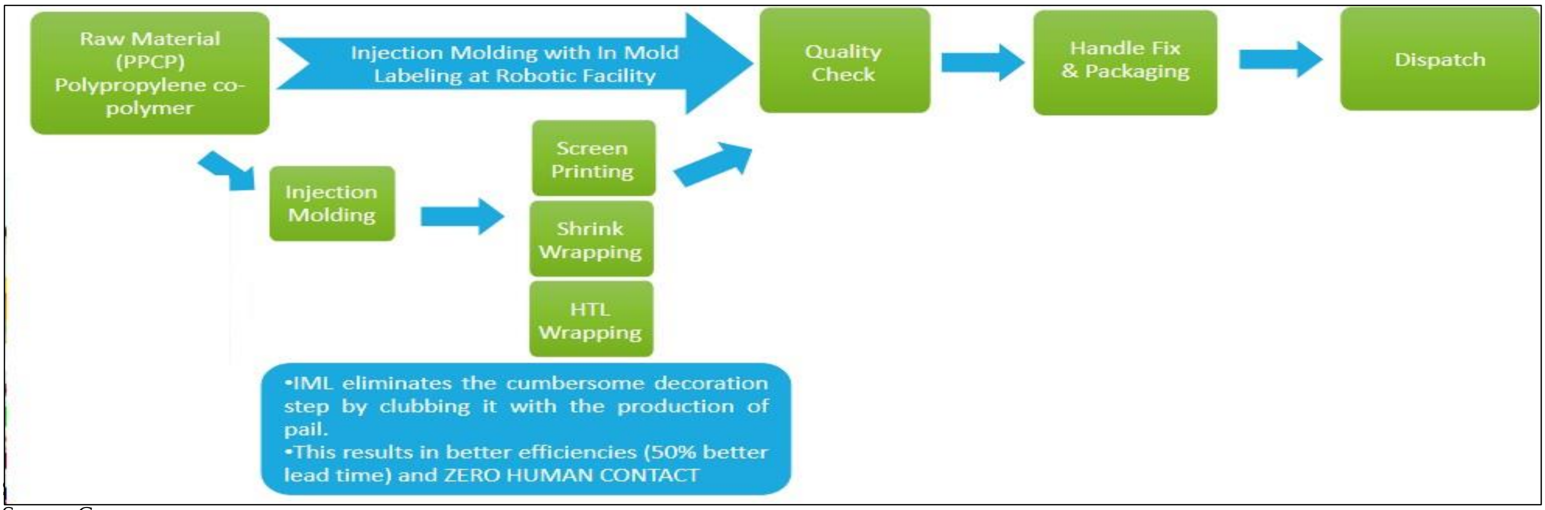
As an innovator and pioneer in India of rigid packaging, the Company is in the front seat for any innovation even in tough times like Covid-19 pandemic. During the pandemic, Mold-Tek has launched a new range of products such as containers for hand washing, sanitizers, and high quality dispensing pumps. Furthermore, in the space of the dispensing pumps, the Company's main suppliers are Wipro and another 4-5 cosmetic companies in Bombay and surrounding areas. Also, the Company is in the final phase of talks with Himalaya *(doing some changes and adopting the new pack design).*

Source: Company

Value Chain and Process Flow

The Company has installed machineries possessing different technologies required in the manufacturing process which vary from product to product. It operates in an industry which requires continuous technology upgradation for manufacturing products and research activities to stay ahead of the market. Currently, the Company offers six kinds of decoration options to its customers – 1) In-Mold Labelling (IML), 2) Automatic Screen Printing, 3) Heat Transfer Label, 4) IML Robotic Decoration, 5) Offset Printing, and 6) Shrink Sleeving.

Exhibit 22 – Steps involved in the manufacturing process of the Company



Source: Company

Polypropylene is the major raw material for the Company and around 95% is sourced from Reliance Industries and IOCL.

The main steps in the manufacturing process are explained as

- Raw Material and Procurement – The ingredient in the manufacturing process include Poly Propylene Co – polymer, High Density Polyethylene, Low Density Polyethylene and Linear Low Density Polyethylene, etc. (produced mainly from the domestic market).
- Injection Molding – It consists of high pressure injection of the melted plastic into a mold which shapes the polymer into the desired shape.
- In – Mold Labelling (IML) – In the IML process, a Robot places an IML label into the mold prior to injecting the plastic. It is single step process wherein both molding and labelling take place simultaneously. The IML operations are hands free as handling is done by Robots.
- Screen Printing – In the following process, ink is transfer onto the pail by squeeze pressure as per the design and specifications required by the clients. The whole process is automated which ensure better alignment of different colour on the pails. This is use for decorating/ printing design for paints and lubricants pails.
- Heat Transfer Labelling – The Company transfer the design that is printed on the release layer on to the object by heat transfer machine. This following process gives ~80% coverage of print on the product and the printed surface is susceptible to scratching and sun fading.
- Quality Check – The Company is totally quality centric organization. It follow systematic online quality control, clean room at manufacturing and packaging and GMP practices. The quality assurance system is constantly being developed and extended in order to enhance customer satisfaction.

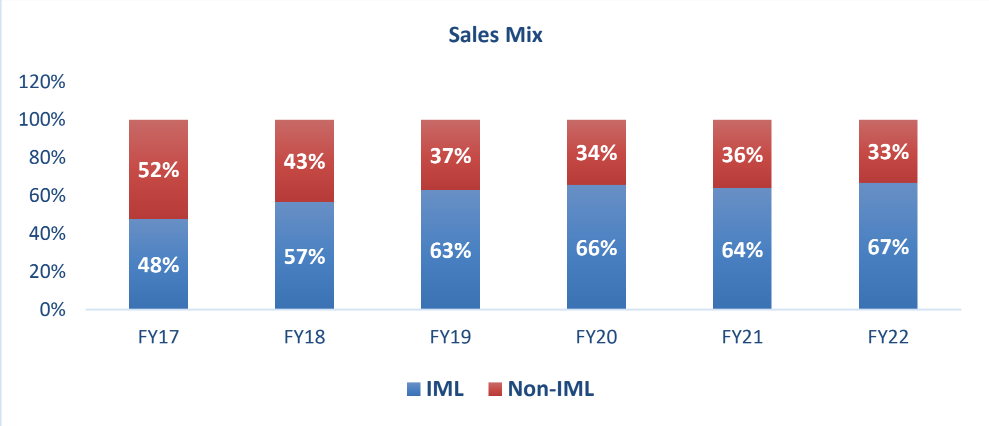
> Focus on cost reduction and improving cost efficiency via backward integration has increased Company's EBITDAM and PATM considerably during the last few years.

> Mold-Tek is the only packaging Company in the world to design and manufacture in house ROBOTS for IML decoration apart from manufacturing IML labels in-house. Further, the management has the vision to take IML share to 70% in the next couple of years.

Focus on cost reduction and improving cost efficiency

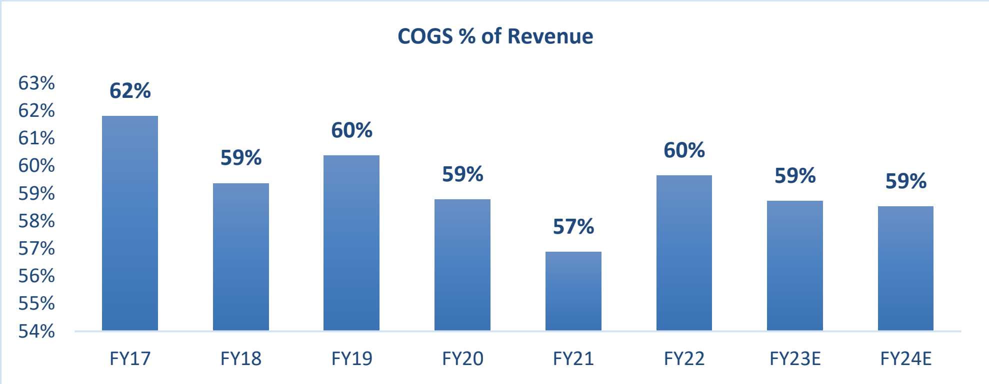
With a focus on backward integration and through research and innovation, the Company has adopted various cost reduction measures which includes the installation of high speed machines, using oil based paints, in house development of molds, IML label, and Robots etc. The Company has successfully built many robots which are used to produce complex multi- cavity molds and IML decorations (both 2D and 3D). Currently, the management is very well focused to increase the share of IML in the revenue, as IML packaging requires lesser space and lower labor costs leading to lower investments and better performance. The increasing demand for IML containers will drive better operating and cost efficiency. As the Company intends to continue to focus on cost reduction and cost efficiency coupled with superior quality through innovation to become a preferred supplier for the customers.

Exhibit 23 – Sales Mix



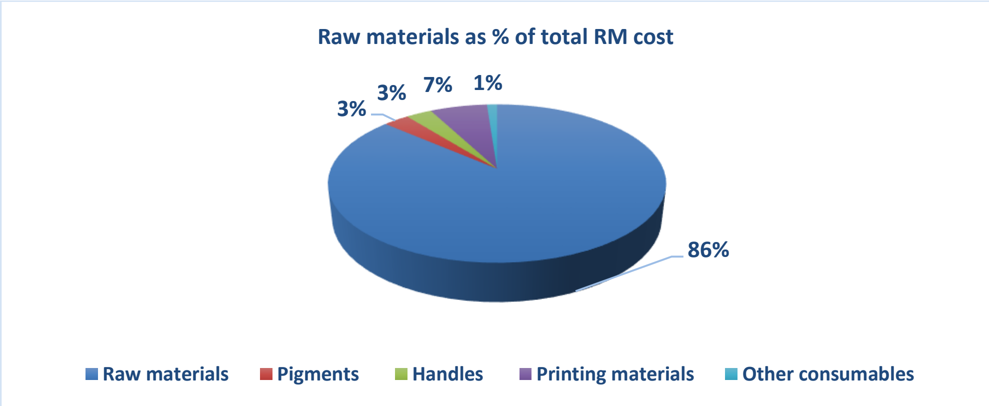
Source: Company & KJMC Research

Exhibit 24 – Increasing the contribution towards IML portion in Top-line, resulted in declined cost of goods sold (COGS)



Source: Company & KJMC Research

Exhibit 25 – Break-up of Cost of material consumed (FY22)



Source: Company & KJMC Research

Exhibit 26 – IML is increasingly being preferred in the packaging industry due to its attractiveness and better durability compared to screen printing and heat transfer technologies

Source: Company

Exhibit – Moving towards more advance technology for better realization

- Screen Printing –Labour intensive & low quality print compared to other technologies
- HTL – Heal Transfer Label ling- Better quality but is not completely hands-free operation & not 100% recyclable
- IML – In Mould Labelling – HD Photographic label with provisions of giving glossy finish
  - 100% HYGIENIC OPERATION
  - 100% RECYCLABLE PRODUCTS

Advantages of In-mould Labelling (IML) over HTL

In-mould Labelling (IML)
- Photorealistic quality
- Nearly 100% coverage (358 degrees)
- Hands-free & hygienic Robotic operation & no SOLVENTS
- 100% Recyclable
- Helps in Anti-counterfeit

Heat Transfer Label (HTL)
- Surface Printing, so easily removable with solvents
- Only 80% coverage
- Post molding operation involves multi-stage process
- Film used for the process not eco-friendly
- Easy to duplicate

Source: Company

Exhibit 27 – Integration of the IML Technology

Source: Company

Rigid plastics offer an edge over flexible packaging and the majority of the available recycled content comes from rigid packaging. The Company has already started utilizing recycled raw material for paint and lubricant industries while not compromising on aesthetics with a vision towards offering the clients greener solutions.

Growth Opportunity in the Packaging Industry

With the strong demographic factors such as increasing disposable income level, rising consumer awareness and demand for processed food, the multinational giants taking rapid strides in the food, beverage, cosmetics, paints and other non-food space. These factors are forcing both packaging suppliers and end – user industry to shift from bulk packaging to retail, unit – level and small – sized packaging. The global Packaging market valued at USD 1002 billion in 2021 is expected to reach USD 1275 billion by 2027, registering a CAGR of ~4%. The global rigid plastic packaging market size was valued at USD 198.9 billion in 2021 and is expected to grow at a CAGR of ~4.7% from 2021 to 2026. The market is expected to witness significant growth in the future due to its multiple applications in end-use industries such as beverage, paints, food, etc.

In India, the packaging industry has witnessed constant changes over the years while it emerged as one of the largest sectors in India economy. According to the packaging Industry Association of India (PIAI), the sector is growing at 22-25% per annum. The FMCG, food processing sector, and pharmaceutical are also some of the biggest contributors driving the growth of the packaging industry in the country over the years.

The global packaging industry is developing and expanding day by day and Indian industry is also growing rapidly. The industry has evolved significantly in the past two years of the pandemic from smart packaging to sustainable and safe packaging with innovation and upgrading the technologies to reduce cost and increasing efficiencies. The large players have announced moving to the sustainable packaging in the phased manner. With growing awareness, the requirement for ecofriendly and sustainable packaging is steadily on the go. To go with the trend, the Company (Mold-Tek) has changed its packaging landscape by creating sustainable and innovation packaging solutions. Sustainable packaging is the slogan of the Company, its product brochure mention the importance sustainability and demonstrates the same with features incorporated in the entire range of products manufactured. Its more than 90% inputs are sourced sustainably. The Company has ISO procedures for sustainable souring.

Exhibit 28 – Package Industry Market Segments

Parameter	Rigid Packaging	Flexible Packaging
Overview	Rigid plastic refers to products and packaging made of plastic resin, consisting predominantly of moulded plastic, such as food containers, tubes, cups, bottles, pots, cans and closures.	Flexible packaging is defined as a package whose shape is not rigid and can be easily changed, when filled and during use. It includes packaging utilizing paper, plastic film, foil, metalized or coated papers, and any combination of these.
Key Material Used	The major material in rigid plastics are PET, PP and HDPE	Plastics papers and metals are the key material used in flexible packaging products, which are made from foil or paper sheet or laminated paper and plastic layers.
Manufacturing process	Based on the production process, the rigid plastic segment is divided into injection molding, blow molding and injection blow molding.	-
USPs	Rigid plastics offer an edge over flexible packaging and the majority of the available recycled content comes from rigid packaging, although the capacity to use recycled content is not restricted by package format. For both recyclability and re-usability rigid packaging offers the best alternative compared to flexible, glass or metal packaging.	One of the key functions of a package is to contain and protect the product by creating an effective barrier between the product and the environment to prevent the product from becoming waste.
End Users	Food, Beverage, non - food	Various applications of flexible packaging in the food industry include packaging of ready to eat food items, boil in bag pouches, and foods that are often transferred from freezer to microwave.
Sizes	Suitable for Bigger Packs	For Smaller Packs
Cost Savings	High	Low

Source: Company

Exhibit 29 – Rigid Plastic Packaging across end-use sectors

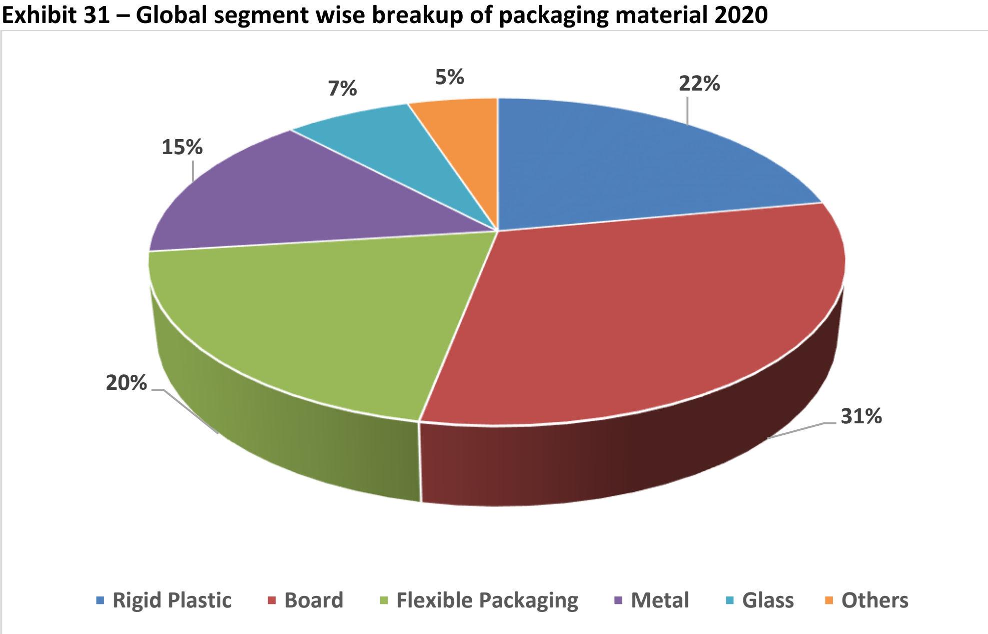
Beverage	Food	Non - Food
•CSD •Bottled water •Fruit beverage - Fruit Juice & drink, nectar, squash. •Alcoholic Beverage - Liquor, Beer •Others - energy drink	•Cooking - Edible Oil & Vanaspati •Milk & dairy Product - malted milk, butter, ghee, yoghurt, Milk powder, ice cream •Confectionaery •Other Foods - Pickle, Sause, honey, jam etc.	•Pharmaceutical products •Household & cleaning products •Paints •Lubcriacnts •Cosmetics •Other non-food- agro chemicals, adhesives etc.

Source: Company

Exhibit 30 - Rigid Plastic Packaging market across India by end-use sectors

Source: CART Report (CY20)

Exhibit 31 – Global segment wise breakup of packaging material 2020



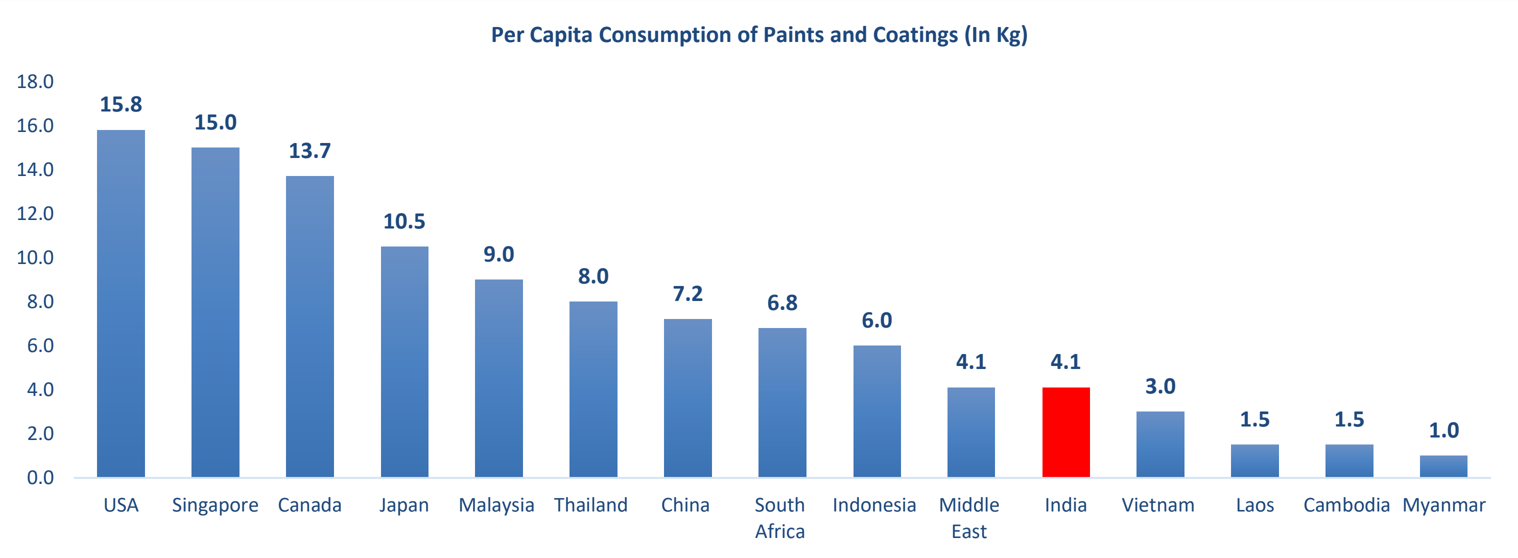
Source: Huhtamaki India

Mold-Tek packaging is a proxy to Paints and FMCG industry, which together contributes ~76% towards its total revenue on a consolidated basis.

Growth in the Paint Industry which contributes ~52% towards total sales

The Indian paint industry has historically grown in double digits except for the years 2020 and 2021 which is now valued over 62,000 Cr (USD 8 billion) and is the world's fastest growing major paint industry. It has recorded consistent double digit growth in the last two decades – the revenue CAGR between FY2014 and FY19 was around 11% almost double the growth rate of India's GDP. The decorative paint category constitutes almost 75% of the overall market and includes multiple categories like exterior wall paints, interior wall paints, wood finishes & enamel as well as auxiliary products like primers & putty. The industrial paint category constitutes the balance 25% which includes protective, automotive, general industrial, marine, powder, specialty coatings, etc. An increase in demand is expected for both the decorative and industrial paints during the forecast with the massive infrastructure initiatives by the Govt. of India.

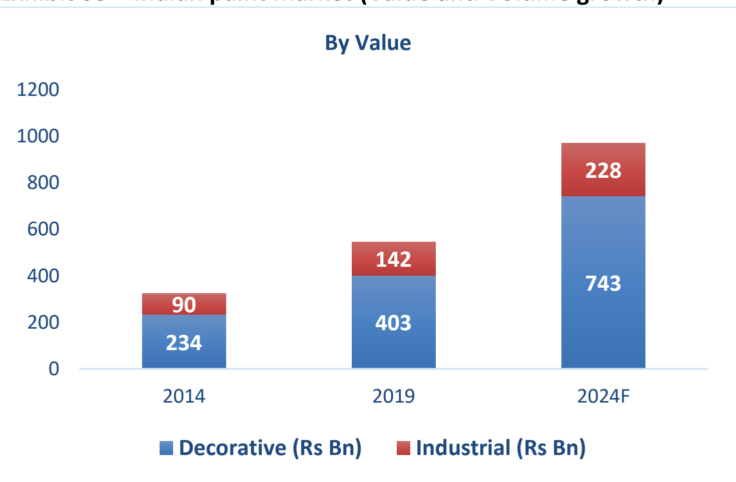
Exhibit 32 – India per Capita Paint Consumption

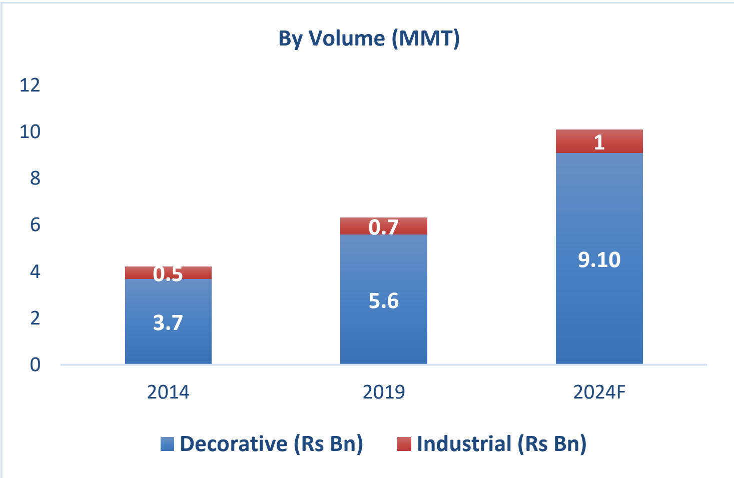


Source: Indigo Paints

The average consumption of paints and coatings for Asian Pacific is 4.7 kg while that of the developed nations in Asia Pacific have an average consumption of 9.7 kg.

Exhibit 33 – Indian paint market (Value and Volume growth)





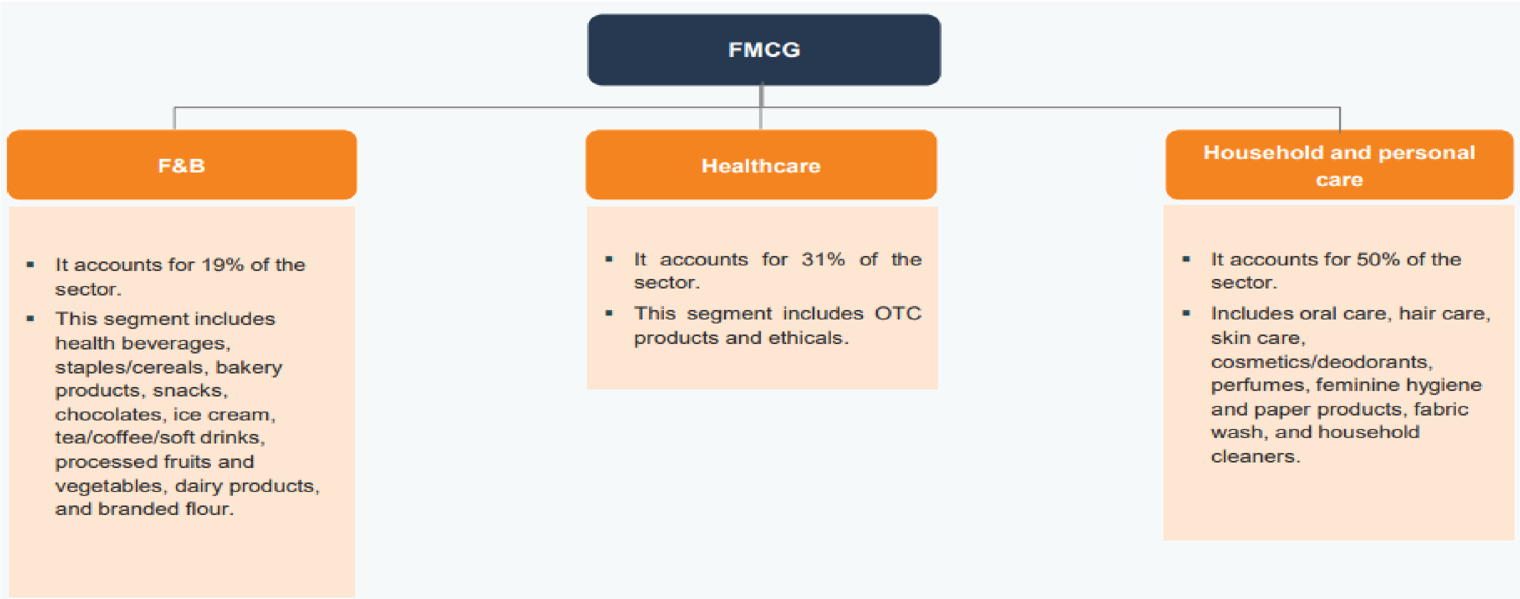
Source: Indigo Paint

Growth drivers for India's FMCG Sector
Shift to Organized Market, Increase in Penetration, Rural Consumption and Easy access, etc.

Growth in the FMCG industry which contributes ~24% towards total sales

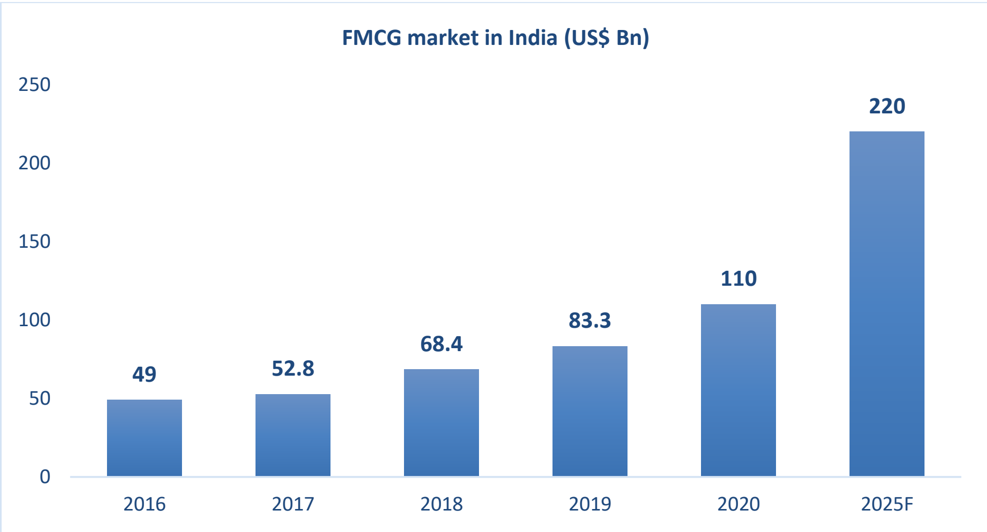
Fast moving consumer goods (FMCG) sector is India's fourth – largest sector and has been expanding at a healthy rate over the years as a result of rising disposable income, rising youth population, and rising brand awareness among consumers. With household and personal care accounting for ~50% of FMCG sales in India, the industry is an important contributor to India's GDP.

Exhibit 34 – Main segments of FMCG



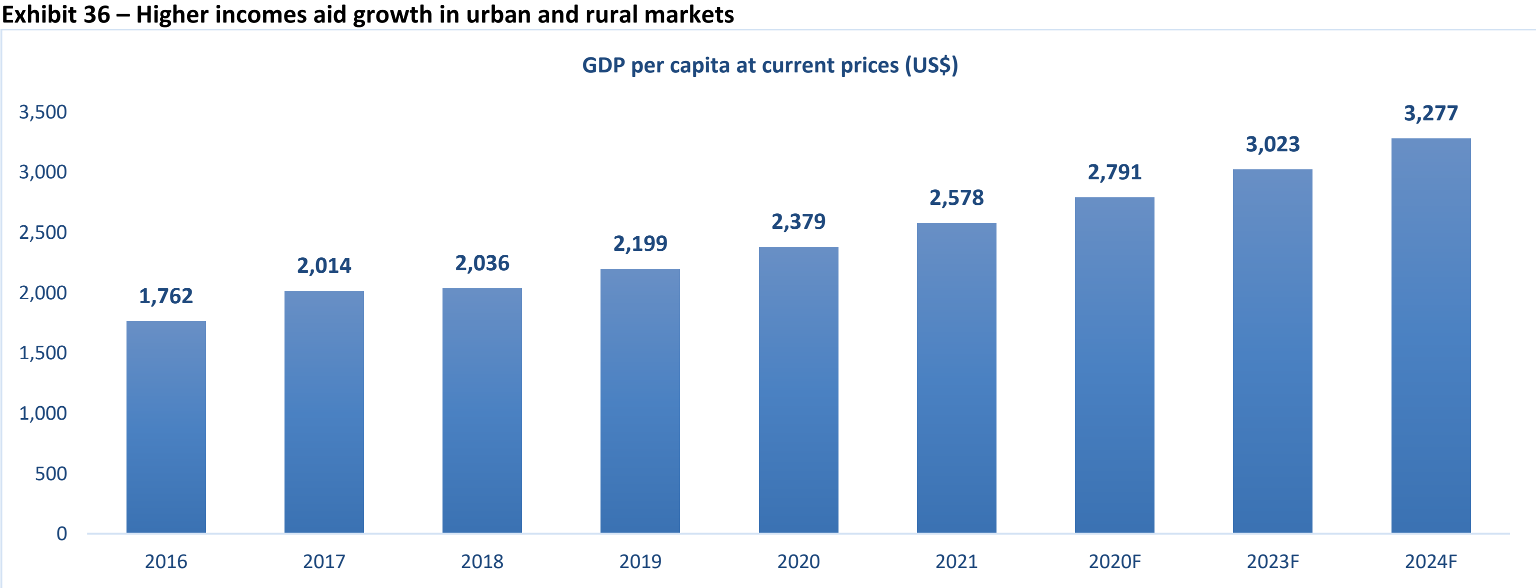
Source: IBEF (India Brand Equity Foundation)

Exhibit 35 – Trends in FMCG revenues over the years



Source: IBEF

Exhibit 36 – Higher incomes aid growth in urban and rural markets



Source: IBEF

The Company is a market leader in Indian Plastic Packaging with ~25% market share.

Key Investment rationale

Mold-Tek is the Category leader in the Rigid Packaging Space

The Company is the market leader in manufacturing injection molded rigid plastic packaging containers in India. It has introduced certain world class packaging products for paints, oil, lubricants, food and FMCG industries through continuous innovations. It was the first Company in India to introduce the "In-Mold Labelling (IML)" concept for decorating plastic containers using ROBOTS. And also the only packaging Company in the world to design and manufacture ROBOTS in-house for IML decoration at 1/3rd the cost of imported ones. The Company is among the few Companies in packaging industry who have been successful in development of various new technologies which are commercially viable. Thus, it is a fully backward integrated packaging Company, right from Product design, Mold making, Label printing & Robot manufacturing along with injection molding all under one roof.

The Company operates in the industry which requires continuous technology up-gradation for manufacturing products and research activities to stay ahead of the market and its competitors. With the leadership position and low cost – production offers the Company superior competitive advantages such as product pricing, economies of scale, and the ability to scale the business, increase customer loyalty and further expand the client base, all those have help the Company to turn tremendous growth in revenues, EBITDA and even the profitability.

Exhibit 37 – Constant Innovation and Superior Excellence has led to market share gain

1990-91	•Introduced plastic pail packaging concept used for paint industry which has succeeded to gradually replace the tin packaging for paints.
1997-98	•Introduced plastic containers for lubricant packaging with innovative "pull up spout" and also developed new concepts including single and double lock pails.
1998-99	•The Company applied for a patent for the innovation of pull up spout with tamper proof seal which was granted in the year 2007
2011-12	•Started development work on IML decoration through Robots whichprovide various benefits of packaging including higher brand recall.
2012-13	•Succeeded in devloping its own in-house Robots and IML label printing capabilities for IML which gave a cost advantage compared to imported Robots and IML Labels
2020-21	•The Company introduced digital packing for the first time in India through dynamic QR coded IML containers.
2021-22	•The Company Forayed into Injection Blow Moulding (IBM) packaging products with In-Mold Labelling (IML) for Pharma & Cosmetics (Entering into high value added IBM products.

Source: Company & KJMC Research

Injection Blow Molding (IBM) is the process whereby the plastic preform is injection molded and the preform travels on the core rod to the blow mold station, where blow air enters through the core rod and lifts the hot preform material off the rod and forms it by air pressure to the design of the female blow mold.

Entering into high value added products with significant growth plans

The Company has been continuously working towards enhancing the utility and feature of its existing products and create new packaging products with niche offerings and heading towards better value addition products. The Company announced to enter into Injection Blow Molding (IBM) with IML with an intention to target – 1) Regulated Pharma packaging, 2) FMCG, 3) Cosmetics and 4) OTC pharma market, which are growing segments with scope for good value addition through better engineering.

The Indian IBM packaging market size is more than Rs. 5,000 Cr growing at a rate of 8-9% per annum, which opens up vast opportunities in the Pharma, Cosmetics and FMCG industries. **The USP for the Company in the newly entered IBM area would be IBM packages decorated with IML**, a new concept in India merging world-class hygiene and decoration. The management goals to reach approximately 5-6% market share in the next 4-5 years. The Company already been an innovator for introducing numerous technology and concept like locking systems, drop resistance, sustainability and tamper evidence across industries like paints, foods, FMCG, cosmetics etc.

Exhibit 38 – IBM targeted market size

Source: Company & KJMC Research

Pharma applications of IBM Containers
HDPE tablet containers & CRC Caps.

Exhibit 39 -Product Profile in Pharma (CRCs and Tablet Bottles)

Source: Company

The Company has a significant market opportunity mainly due to locational advantage as Hyderabad being the hub of Indian Pharma industry. The in-house design studio, in collaboration with cutting edge pharmaceutical research and consulting organizations, came up with smart design that makes the Company's packs more sustainable, user – friendly and cost effective. The Company's main vision is to partner with the premier Pharma & Biotechnology organizations, to co – developed new packs with improved utility, tamper evidence, aesthetics, in order to help them be more competitive in the global markets.

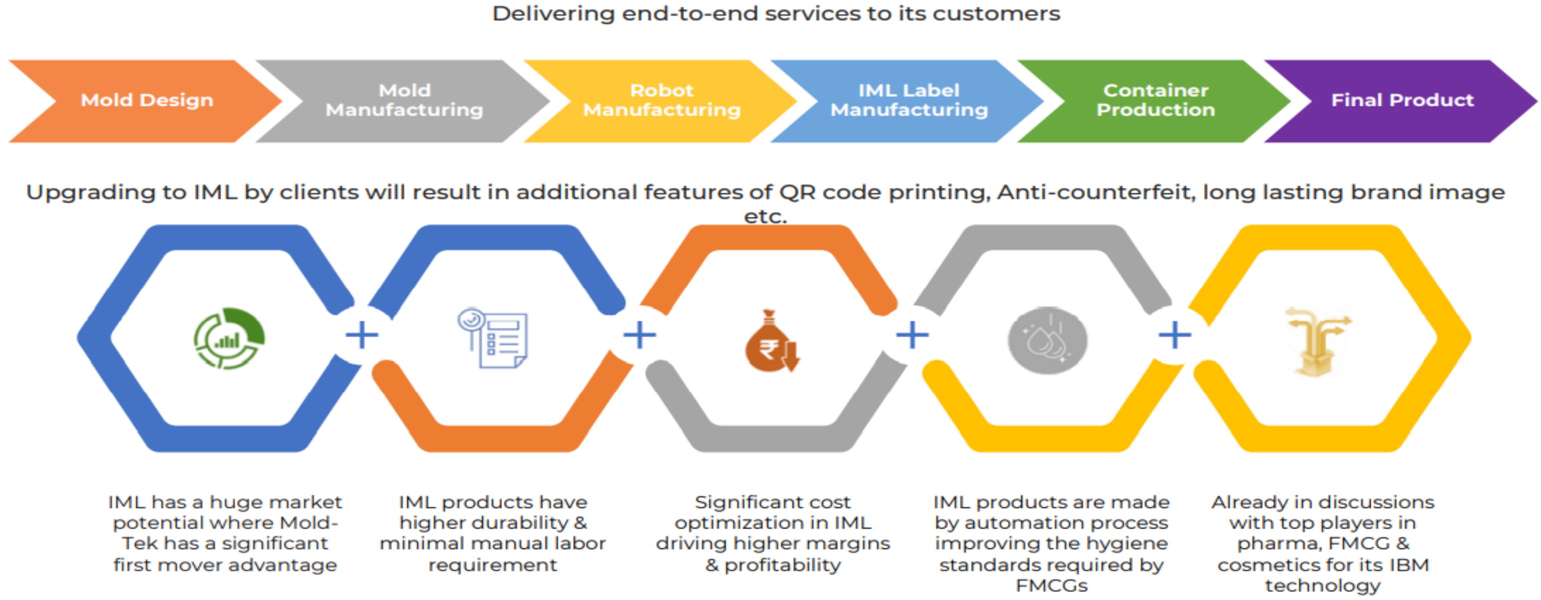
The IBM process gives the advantages of both the methods – Injection Molding and Blow Molding. With superior leverage and command over the product design, mold making and IML, the Company has the ability to introduce better solutions and packaging alternatives to customers across regulated Pharma, Food, FMCG, Cosmetics and OTC pharma products.

Exhibit 40 – Product Profile in Cosmetics & FMCG Sector

- Already approached by companies like Unilever, P&G, Mondelez etc for IBM packs
- Need for world class decoration and unique shapes is driving shift towards IBM
- 360 degree IML on IBM packs for ultra HD branding - 1st time in India
- Leverage Design studio for new concepts

Source: Company

Exhibit 41 – IML + IBM = Augment higher growth



Source: Company

Products development for Foods & FMCG

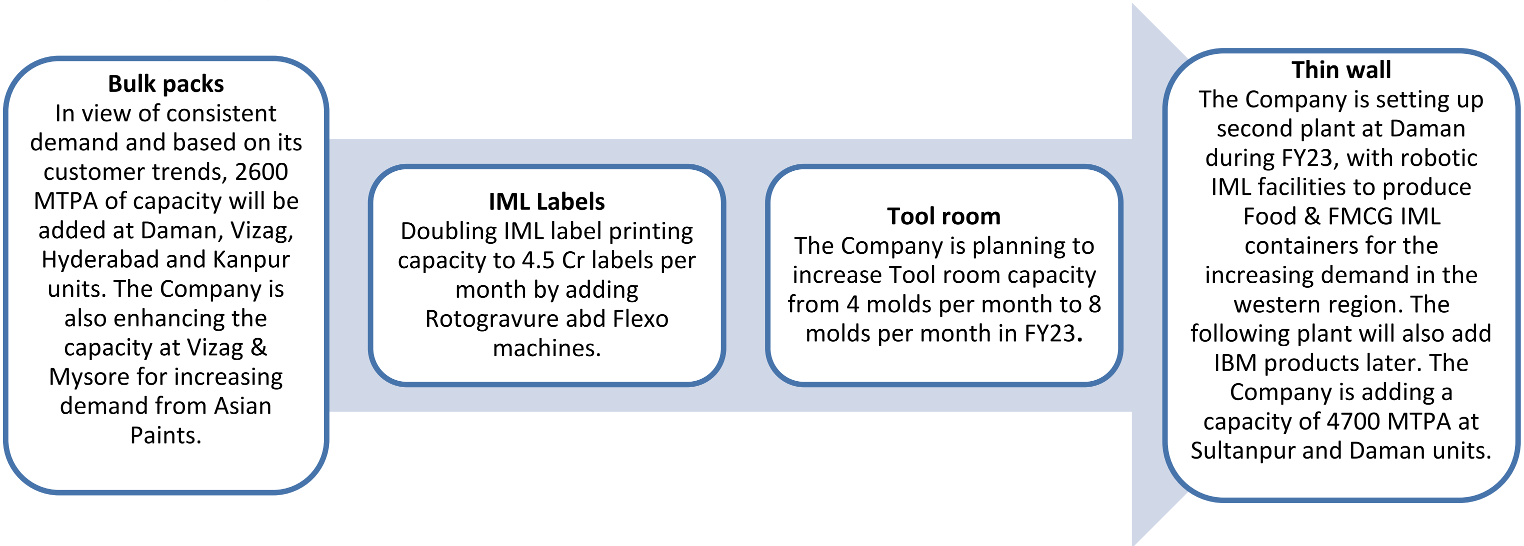
With focus on increasing the product range, the Company expanded its footprint into new segments like – restaurants, sweets, cashews, fertilizers, seeds etc. The Company also introduced new pails for DEF market (Diesel Exhaust Fluid) in the country and grabbed a major portion of orders from top lubricant clients, which may offer sizeable growth opportunity in the near future. The Company is also eyeing export opportunity as well and has got initial small success in USA market for restaurant/ sweet box. In a recent development, the Company has received 2-3 major inquires and sample submissions for their restaurant packs for the sweet box and even for Idli dough, for dough packing. Some of these products will be growth drivers over the next 2-3 years.

Entering into new domain of Injection Blow Molding (IBM) which is a new market opportunity estimated at Rs 5000 Cr p.a. To capture the opportunity, the Company is coming up with major plant of IBM at Sultanpur with 2600 MT P.A capacity which will be operational by December – January. The plant will be used for pharmaceutical (IBM products), cosmetics. OTC counter products. With leverage its grip in Injection Molding (Mold design, IML, productivity) and provide low – weight options to customers in Pharma, FMCG & Cosmetics. The Company has received major order for a national wide OTC pharma products which are sold in 2 packs size that are expected to complete fill the IBM pilot plant capacity from Oct/Nov 2022. However, pharma products expected to start from FY23-24.

Forthcoming plants to accelerate Volume which will drive the Revenue growth

The Company has been investing in innovating product range, capacity enhancement, setting up new manufacturing plants near to client's location to reap transport and cost benefits. This strategy has resulted in better utilizations, superior margin and well balanced capital allocation in the whole packaging industry. Going forward, with diversification into IBM products and various geographical expansions in place, the Company plans to invest ~Rs 250 Cr in next three years. In FY23, the Company has laid out plans to invest Rs 125 Cr to enhance various capacities, set up new plant at Daman, start new plant construction at Kanpur and complete mainly the Sultanpur pharma project at least buildings and the main machineries would be completed, etc.

Exhibit 42 – Capacity Expansion across the different verticals

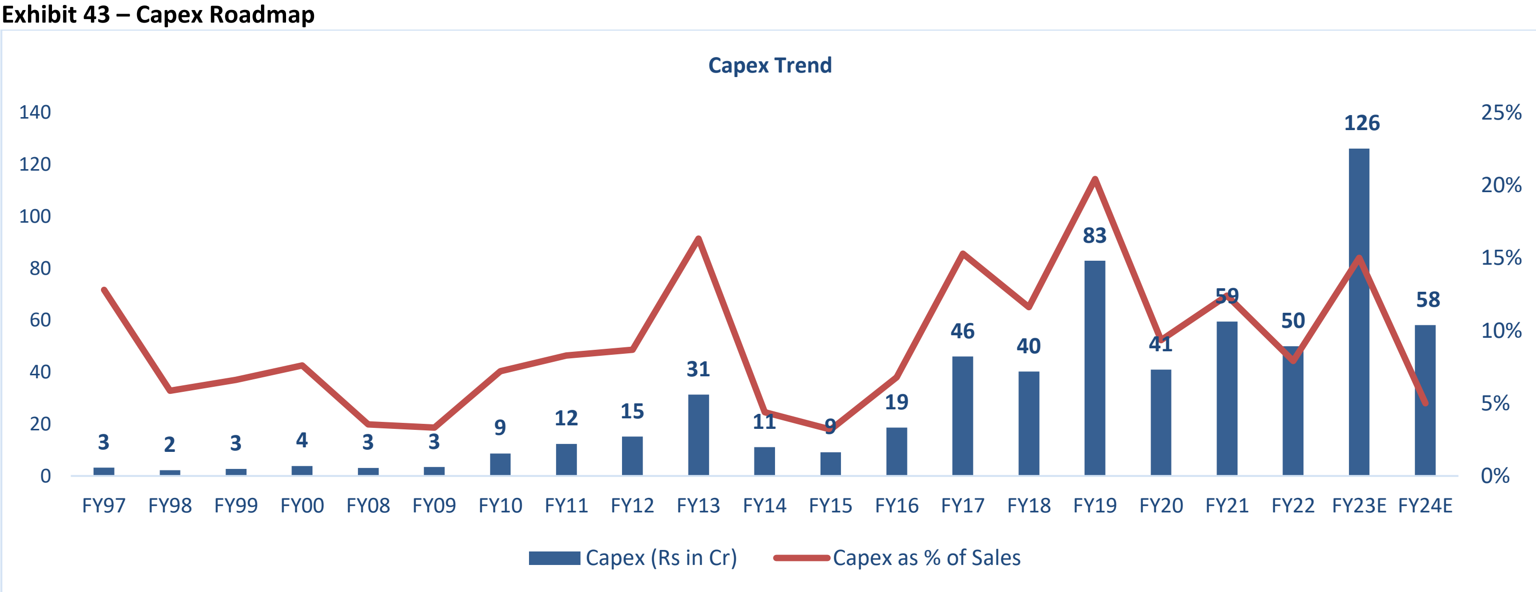


Source: Company & KJMC Research

Aggressive Capex plan between FY16-24E

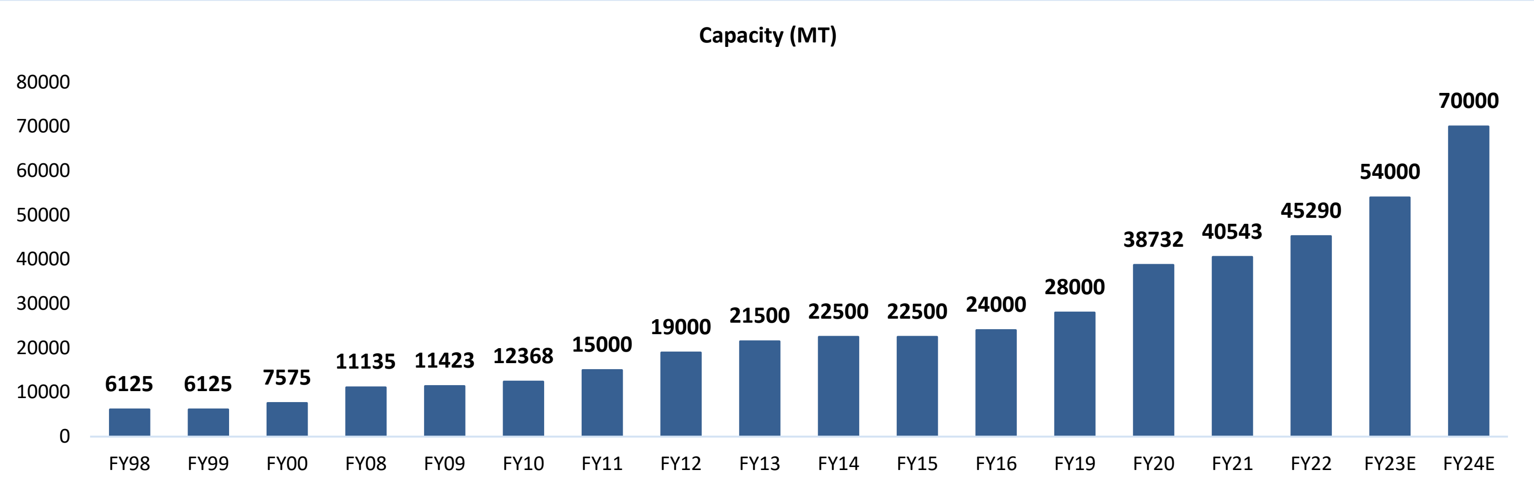
With a gross investment at ~ Rs 130-140 Cr done till FY16 i.e. 30 years from inception, the new investment in last 5-6 years made are Rs 320 Cr i.e. close to 229% of 30 years investment have made in last 6 years. The new announcement in terms of the capex and other capacity plans that were announced at the time of QIP in Dec 2021. In the coming 2-3 years, the Company will be investing ~Rs 250 Cr for the said expansion plans.

Exhibit 43 – Capex Roadmap



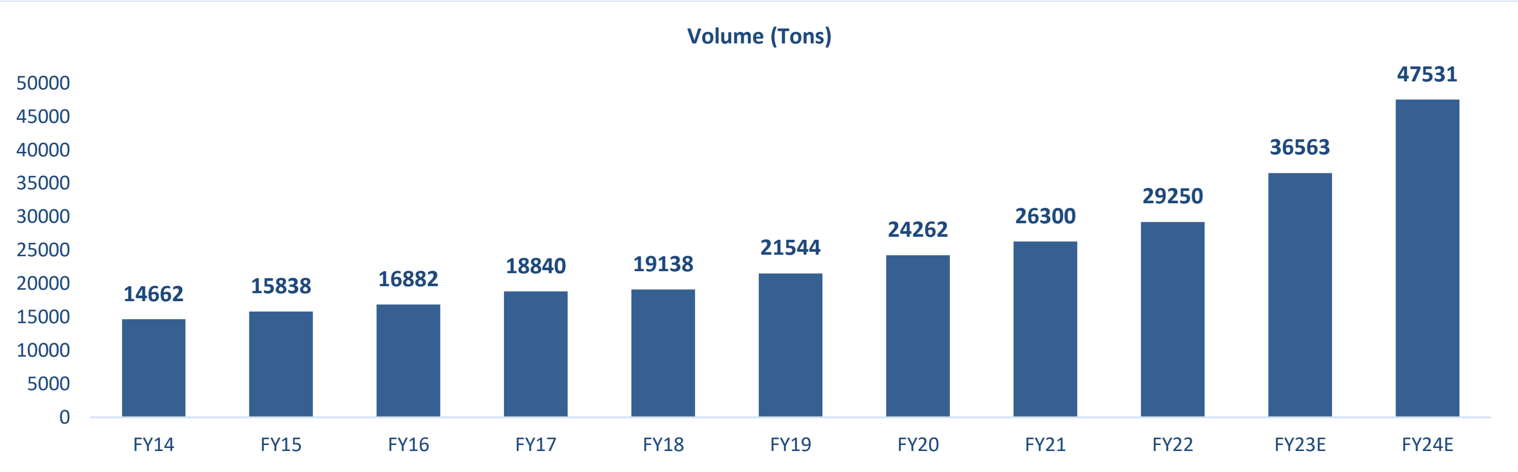
Source: Company & KJMC Research

Exhibit 44 – Focus on Capacity Expansion to drive revenue growth



Source: Company & KJMC Research

Exhibit 45 – Mold-Tek sales volume is projected to grow at a ~28% CAGR between FY22-FY24E



Source: Company & KJMC Research

Exhibit 46 – Manufacturing Units and Capacity Utilization

Unit	Manufacturing Locations	Capacity in MT 12m	Capacity in MT in 3M (Q1)	Production	Utilisation (%)
Unit I	Sanga Reddy District, Telangana	13850	3463	2925	**84.5%**
Unit II	Medchal District, Telangana	3750	938	722	**77.0%**
Unit III	Nani - Daman	9700	2425	1927	**79.5%**
Unit IV	Sanga Reddy District, Telangana	1250	313	240	**76.7%**
Unit VI	Medchal District, Telangana	750	188	139	**73.9%**
Unit VII	Satara District, Maharashtra	5040	1260	914	**72.5%**
Unit VIII	Mysore Area, Chikkaiahnachatra, Karanataka	5400	1350	1254	**92.9%**
Unit IX	Visakhapatnam (Dist), Andhra Pradesh	4800	1200	1010	**84.2%**
Unit X	Sultanpur Village, Sangareddy District, Telangana	**Forthcoming**			
Unit XI	Kanpur Dehat, Uttar Pradesh	1500	375	153	**40.8%**

Source: Company & KJMC Research

Superior Capacity Utilization resulting best in class Operating Efficiencies

As of March 31, 2022, total plant-wide installed manufacturing capacity was 45,290 metric tonnes and the level of utilization was approximately 76% on a mixed basis. With the superior utilization level, resulting in greater production volumes and higher sales, which allows the Company to spread the fixed costs over a higher number of units sold, thereby increasing the operating and profit margins.

The Company has always focused on improving operational efficiency by reducing operating costs in order to improve operating results. The Company focus on investing in Research & Development efforts in its in-house tool room to continually upgrade the quality and functionality of the products and manufacturing processes addressing specific customer requirements and market segment and to improve operational efficiencies. While the Company's centralized tool room provides advantages such as early development of products at cheaper costs, thus the Company will continue to make investments in R&D including and not limit to develop robots, new molds and process since it depends majorly on such process for upgrading the technologies and developed from time to time.

Exhibit 47 - Strategically located manufacturing plants and diversified geographic presence

Source: Company

The Company has always placed emphasis on a strategic initiative to meet the needs of its key clients in the particular region. Strategically located manufacturing plants allows the Company to achieve greater economies of scale and cost efficiencies, reduce logistics cost, manage product flow and eliminate duplication of business functions. This helps them in acquiring new customers and repeat orders from the customers end. The Company intends to set up manufacturing unit in different geographical regions closer to the customers for better efficiency and timely delivery of the products. The Company has always focused on establishing and increasing new manufacturing units for efficiency and growth.

New Plants/Facility

Sultanpur (Hyderabad) – State of art facility for Pharma, Food & FMCG.

Daman – New FSSC 22000 facility focusing on Food & FMCG for the Western region.

Kanpur – New facility for Bulk packs focusing on Paints. Its entry into North, further product range expansion.

Expansion of existing plants

Mysore – Increasing capacity in line with customer plans.

Vizag – Increasing capacity in line with customer plans and also adding lubricant packs.

U1, Hyderabad – Pilot IBM plant, Die cutting

U6, Hyderabad – New & advanced printing.

Considerations

North – The Company is considering a plant in Haryana with focus on Paints, Food & FMCG (Expandable to IBM). **The new facility is expected to be set up and operational by the end of calendar year 2023 and shall call for an investment of Rs 30 Cr approx.**

North – The Company also propose to set up Food and FMCG IML container manufacturing facilities in Panipat to capture demand for these products in Northern India.

South – The Company is considering a plant in Tamil Nadu focus on Paints & Lubricants (Expandable to FMCG)

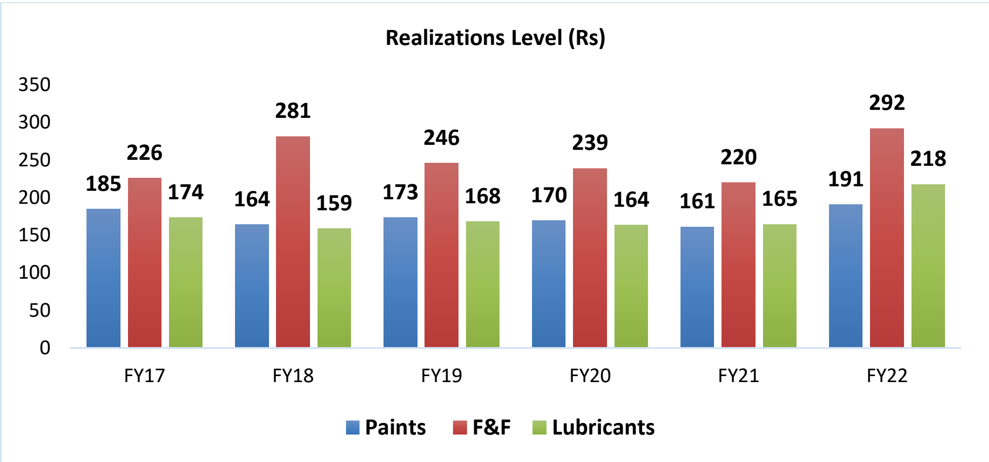
The Company has been a single supplier for all Kwality wall packs. Ramping up capacity to 2.5x. New Kissan Jam IML pack launched.

Strengthen its Roots in F&F segment to improve margins and profitability ahead

The demand visibility from Food & FMCG (F&F) continues to remains strong. The Company has bagged an order for one new IML product and 3 more order which are in finalization stage. With annual revenue potential from these 4 products is to tune of ~Rs 40 Cr. Currently, the Company has derived ~24% of net sales from the F&F segment. With customization of IML technology and quality accreditation, it has able to make headway in food and FMCG segment. IML products are hygienic and are manufactured without human contact, which makes them more suitable for F&F packaging and offer an increased margin. With diversification towards F&F industry the Company will able to participate in the growth story of the different sectors and mitigate its dependence from paints segment which contributes ~52% towards sales as of FY22. As Covid-19 is in ending phase and players in F&F companies like HUL, P&G, GSK, Arun Ice Cream, Amul etc. adopting new technologies especially IML part, which will eventually benefit the Company. All these companies were generally not adopting any new concepts of packaging in the last 1-2 years due to Covid and uncertainty in demand.

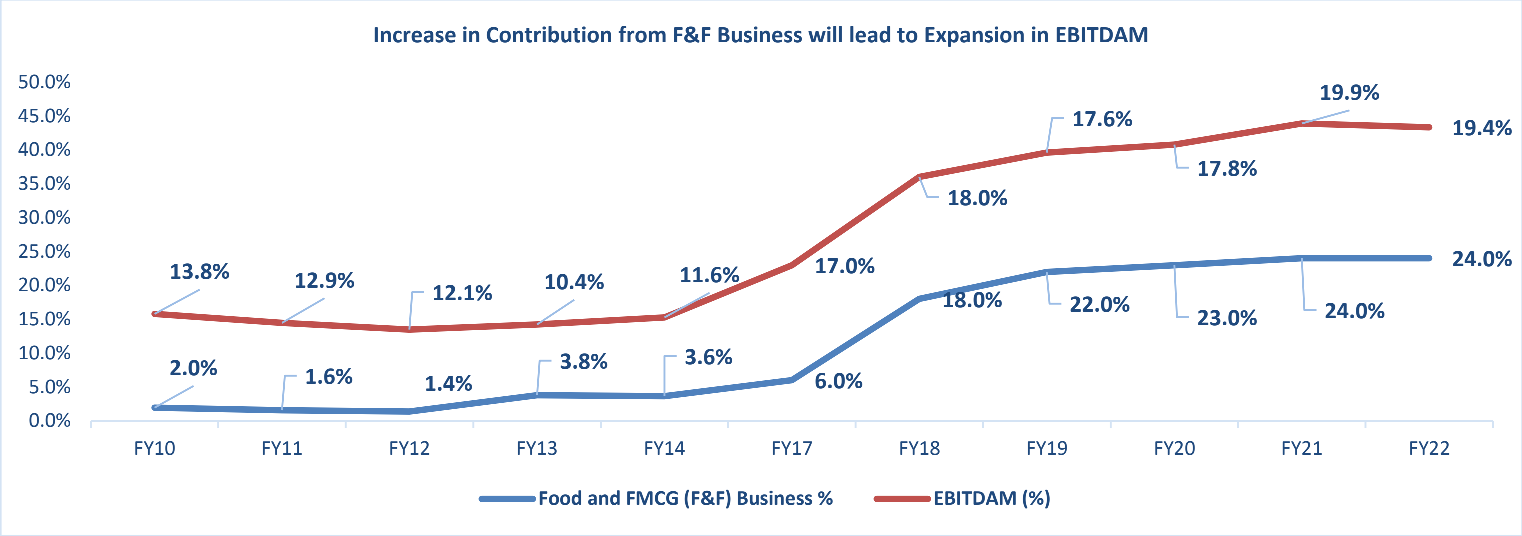
But over the last 4-5 months, some customers have begun to release their authorizations with the development of new products with IML technology. The Company has expanded its footprint into new segments like – restaurants, dates, seeds, fertilizers, etc. Some of these might be the growth drivers over the next 2-3 years. The Company has launched a range of products for sweets, confectionary and online food delivery and added about 82 new customers in F&F in the first quarter of FY23 with the introduction of 930+ design and over 800 SKUs. The Company is in a better position to leverage its experience and increase contribution from this segment. Further, the Company is also leveraging its grip in Injection Molding (Mold design, IML productivity) to provide low – weight options to customers in Pharma, FMCG & Cosmetics which will drive the growth. The management is confident for gearing up to 30-40% YoY growth in F&F sales. We believe that the increase in the contribution of the F&F segment EBITDA margin will improve faster as this division has a higher level of realization rate compared to the paint and lubricant sector.

Exhibit 48 – Realization breakup



Source: Company & KJMC Research

Exhibit 49 – Increasing contribution from F&F will drive EBITDA margin for the Company



Source: Company & KJMC Research

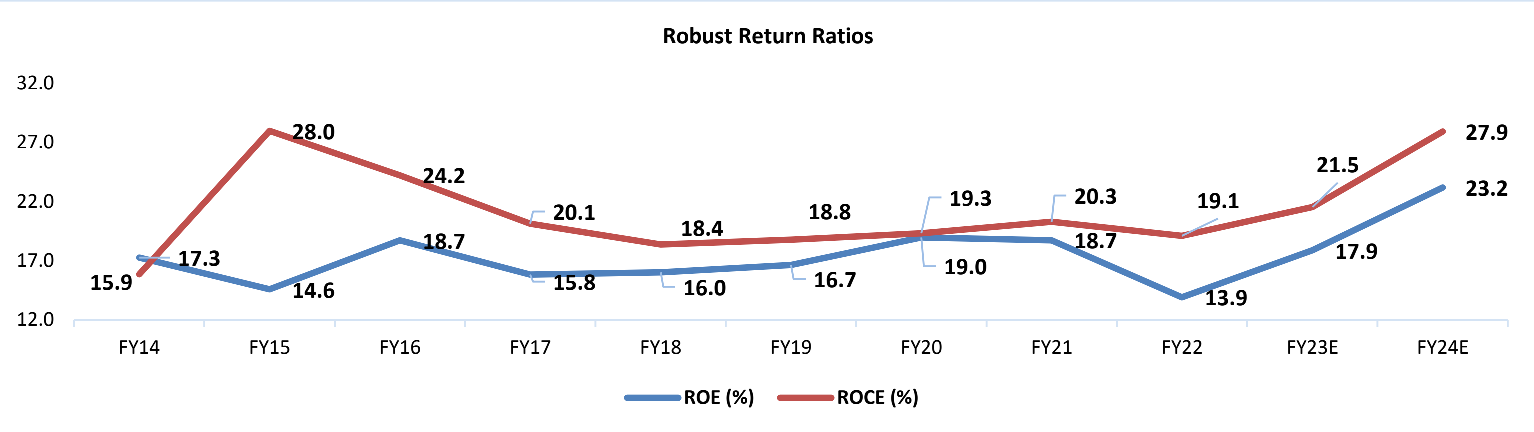
Exhibit 50 – New Avenue of growth in the F&F segment

Source: Company

Sustain Capital Allocation in the Whole Packaging Industry

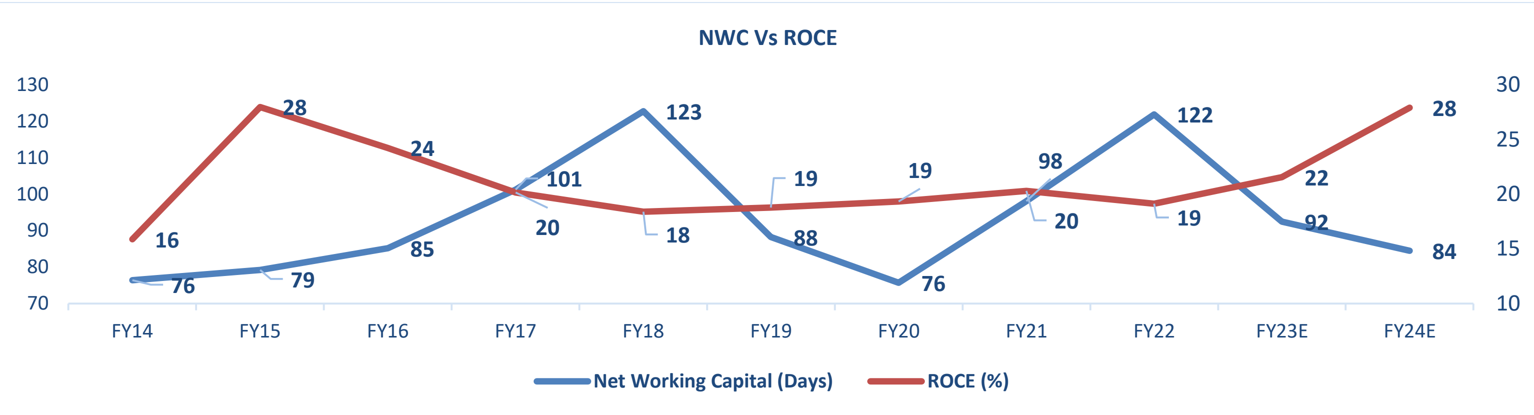
The Company commands one of the best ROCE ~20% in the packaging space. Which is mainly due to sustainable competitive advantages centered on – 1) Market leaders in rigid plastic packaging, 2) Operational excellence, 3) 100% backward integration, 4) In house development and adoption of latest technology, 5) Strategically located manufacturing plants and well diversified geographic presence, 6) Continued focus on innovation, 7) Focus on cost reduction and improving cost efficiency and 8) Continued investment in research and design to develop new products. These competitive advantages, backed by a strong balance sheet have created greater barriers to entry for competitors and hence greater the pricing power that the firm possesses.

Exhibit 51 – Virtuous Cycle of High ROE & ROCE



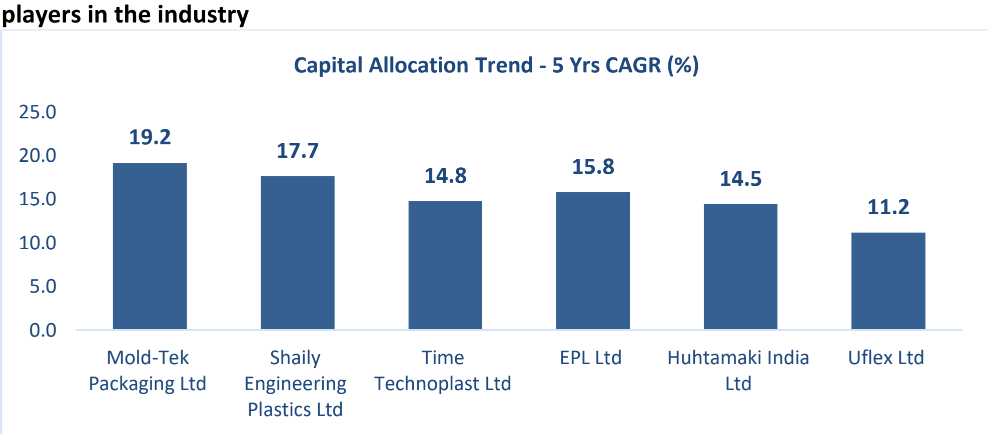
Source: Company & KJMC Research

Exhibit 52 – Efficient/Reduction in net working capital (NWC) cycle leads to increase in ROCE levels



Source: Company & KJMC Research

Exhibit 53 – Ability to generate and sustain ROCEs substantially higher than any players in the industry



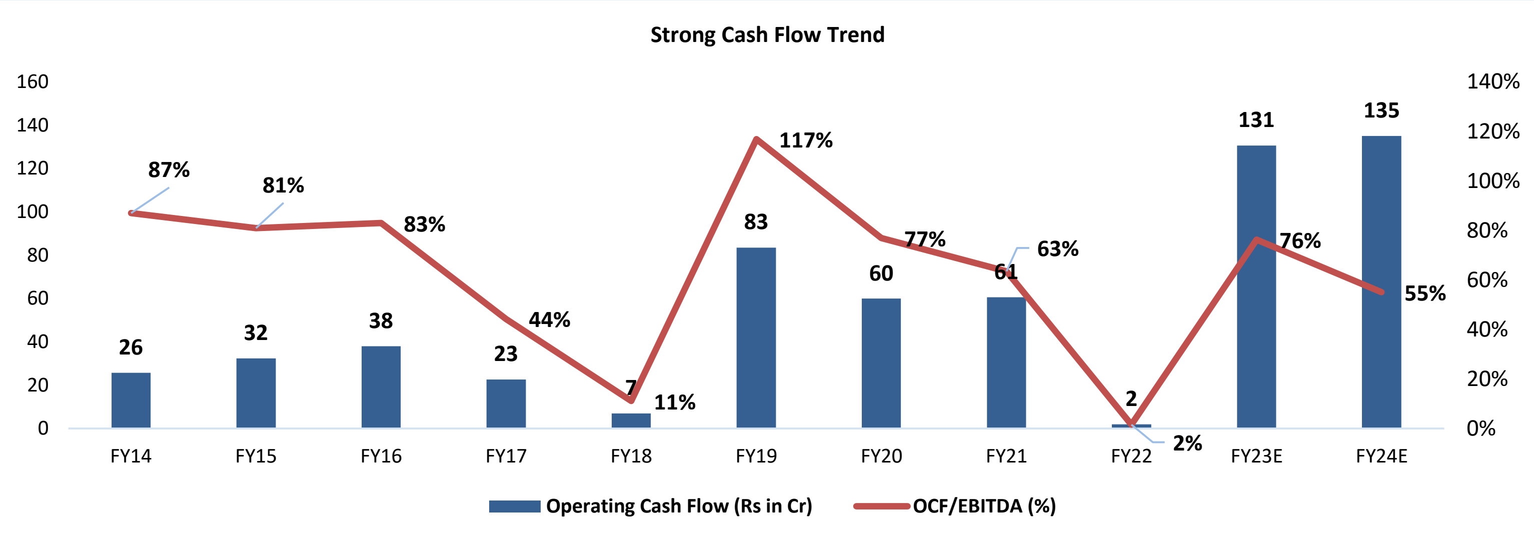
Source: Company & KJMC Research

Excellent cash flow generation over the period

The Company has generated excellent operating cash flow (OCF) in the past years – this reflects in FY21 of Rs 61 Cr. - ~3x that of Rs 26 Cr in FY14. In contrast, free cash flow (FCF) was mainly negative due to higher growth and expansion plans that required higher capital expenditures e.g. reinvestment of capital in the Company for expansion in new geographic areas, expansion of capacity and for the innovation of new product baskets. In FY22, OCF was hit and dropped to ~ Rs 2 Cr vs Rs 61 Cr in FY21. This is mainly due to higher receivable days majorly on account of its key clients like Asian Paints and others have increased their credit period during the year and also due to launching new products in the F&F segment.

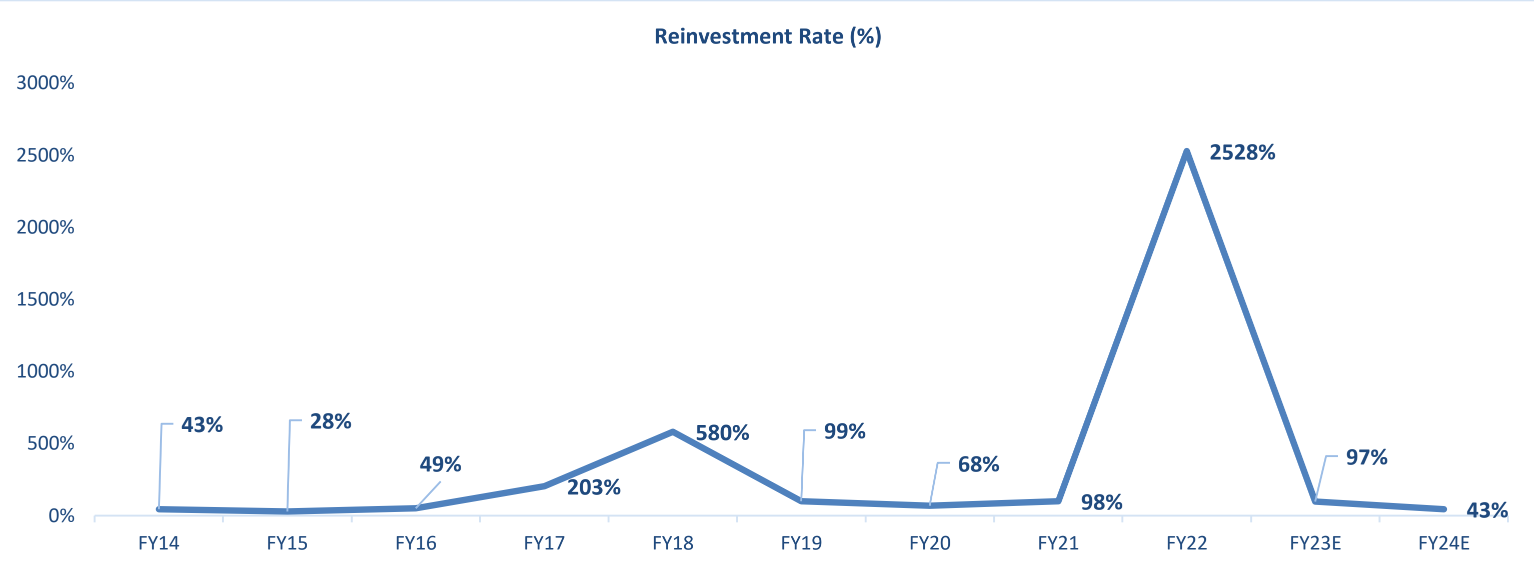
The Company's ability to convert EBITDA i.e. operating profits in operating cash flow has remained robust over the years. The OCF/EBITDA remains more than 60% since last 9 years (Average), which gives confident for better cash flow generation ahead. We anticipate healthy cash flow generation over FY22-FY24E, mainly due to its focus like entering high value products, increasing contribution in F&F segment, capacity expansion plus best in class utilizations level, continued focus on innovation, cost reduction and improving cost efficiency, etc.

Exhibit 54 – Healthy Operating cash flow journey to continue



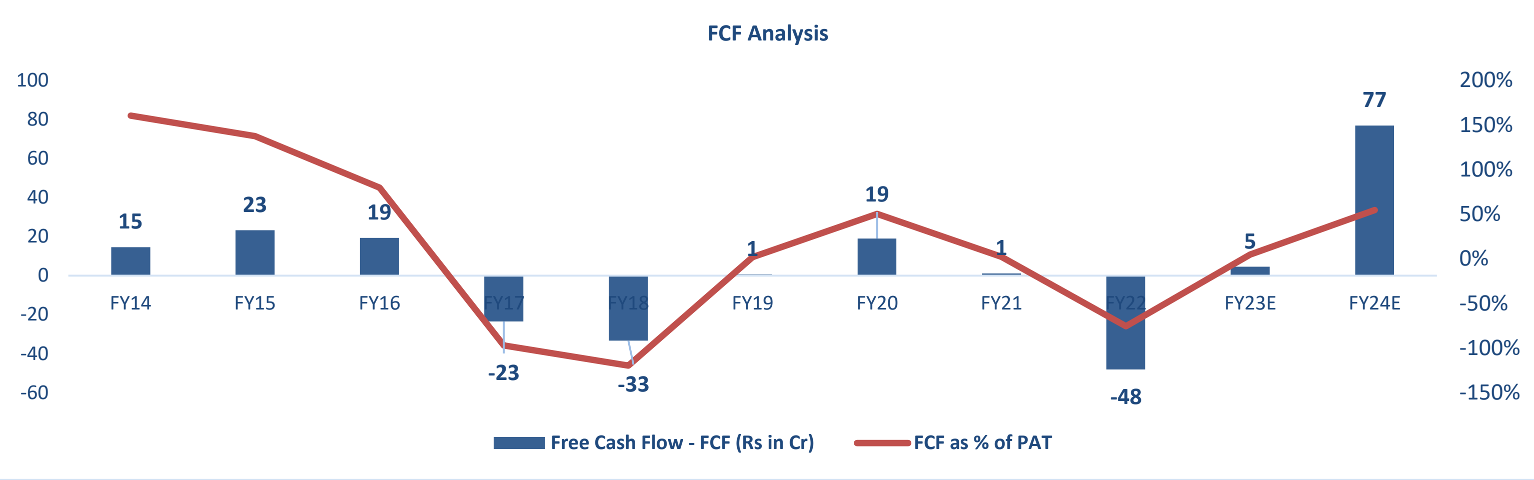
Source: Company & KJMC Research

Exhibit 55 – Focus on reinvestment capital again in the business towards growth



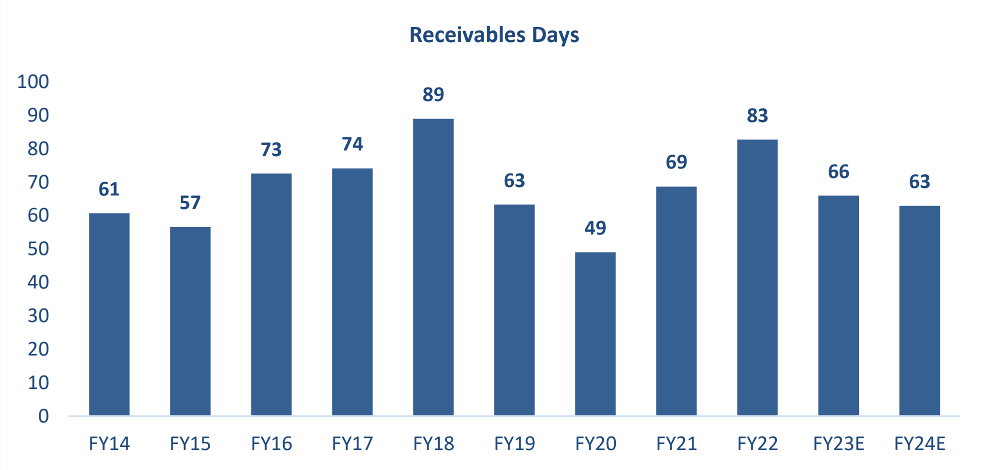
Source: Company & KJMC Research

Exhibit 56 – Positive free cash flow expected to start mainly from FY24E onwards



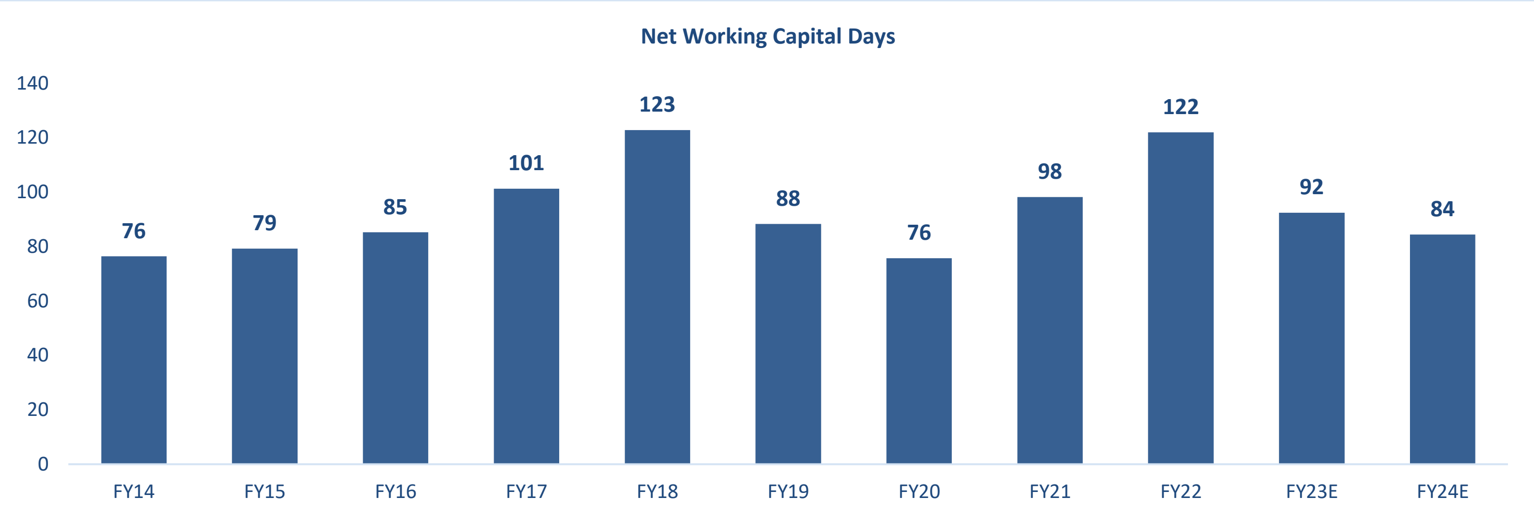
Source: Company & KJMC Research

Exhibit 57 – Receivable Trend



Source: Company & KJMC Research

Exhibit 58 – Steady Working capital trend



Source: Company & KJMC Research

Robust performance across key metrics

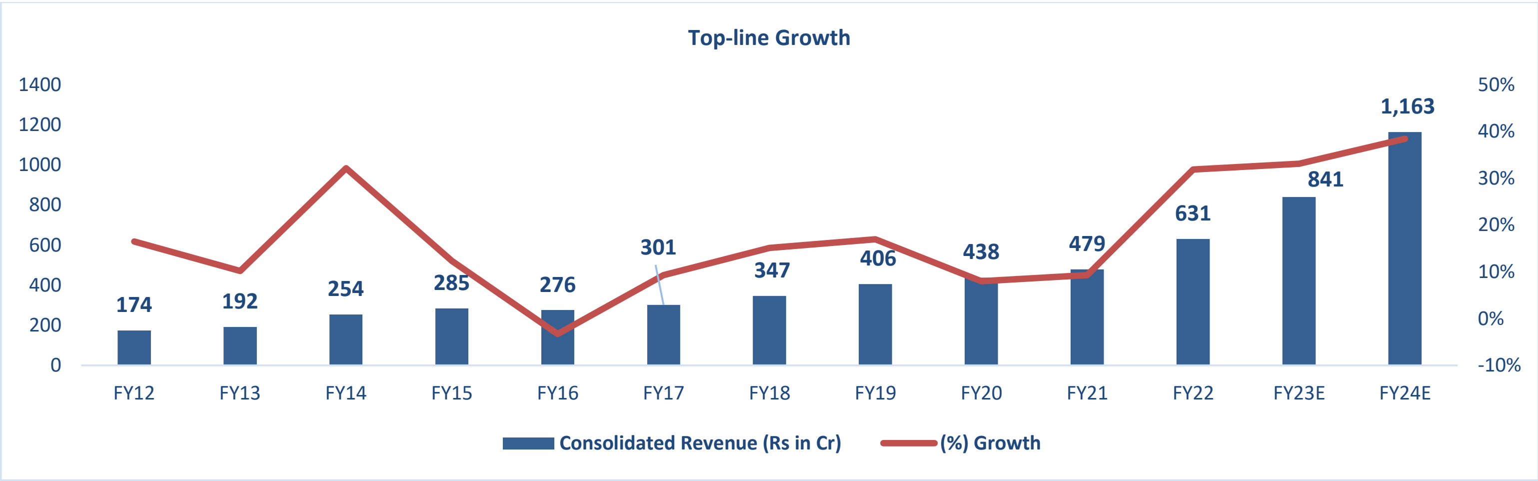
The Company's strong fundamentals and resilience are reflected in its Revenue/EBITDA/PAT growth. This was despite the unprecedented volatility in material prices, higher inflation, etc.

Consolidated Overview

The Company has clocked strong revenue CAGR of ~15% over FY13-FY22 resulting in 3 fold increase in its base from Rs 192 Cr in FY13 to Rs 631 Cr in FY22. Its core EBITDA has increased to a CAGR of about 23% from FY13-FY22, resulting in a 6-fold increase from Rs 20 Cr in FY13 to Rs 122 Cr in FY22. Its profitability base has grown at a CAGR of ~31% over FY13-FY22 resulting in 11 fold increase in its base from Rs 6 Cr in FY13 to Rs 64 Cr in FY22. The Company has also focused on providing a healthy margin, which is very visible in the last 10 years. It has expanded its EBITDAM from 10.4% in FY13 to 19.4% in FY22. The Company has also expanded its return ratio which is now best in whole packaging industry its returns on capital investment is visible over the years, whereas it ROCE has improved from 15.9% in FY14 to 19.1% in FY22.

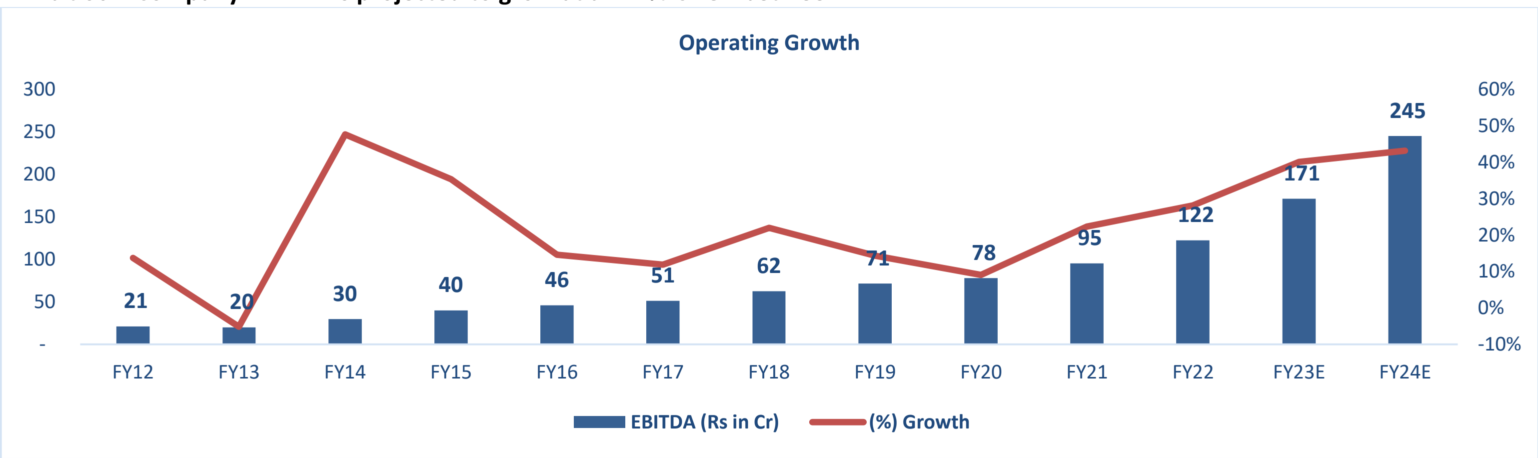
Since inception, the Company's strategy is to build the competitive strengths and business opportunity to become one of the leading rigid packaging companies in the world. Its objective is to improve and consolidate the position in the manufacturing and marketing of the rigid products. The same has been achieve by implementing the strategies such as – 1) Focus on innovation, 2) cost reduction and improving cost efficiency (Getting closer to the customer plants), 3) Increasing contribution from high margin products, 4) 100% backward integration (Mold-Tek is one of the few companies to develop in-house molds, robots, and labels giving it a significant cost advantage over its competitors who mainly reply on imports), 5) Deep rooted customer relationship, and 6) Geographical and Capacity expansion, etc.

Exhibit 59 – Company Top-line is projected to grow at a ~36% CAGR between FY22-FY24E



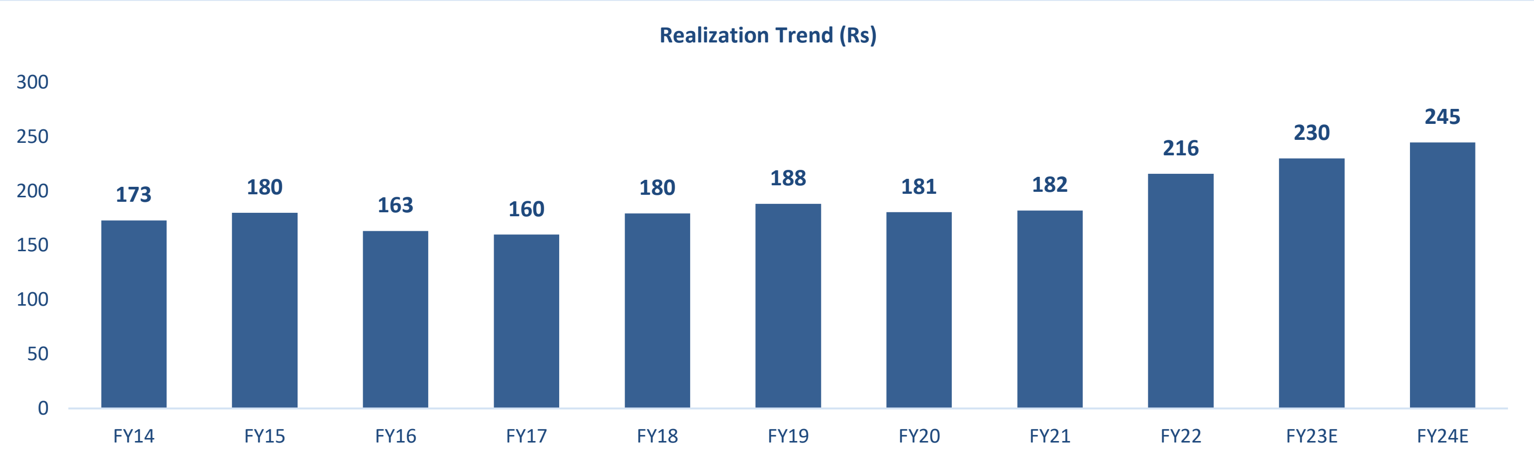
Source: Company & KJMC Research

Exhibit 60 – Company EBITDA is projected to grow at a ~42% CAGR between FY22-FY24E



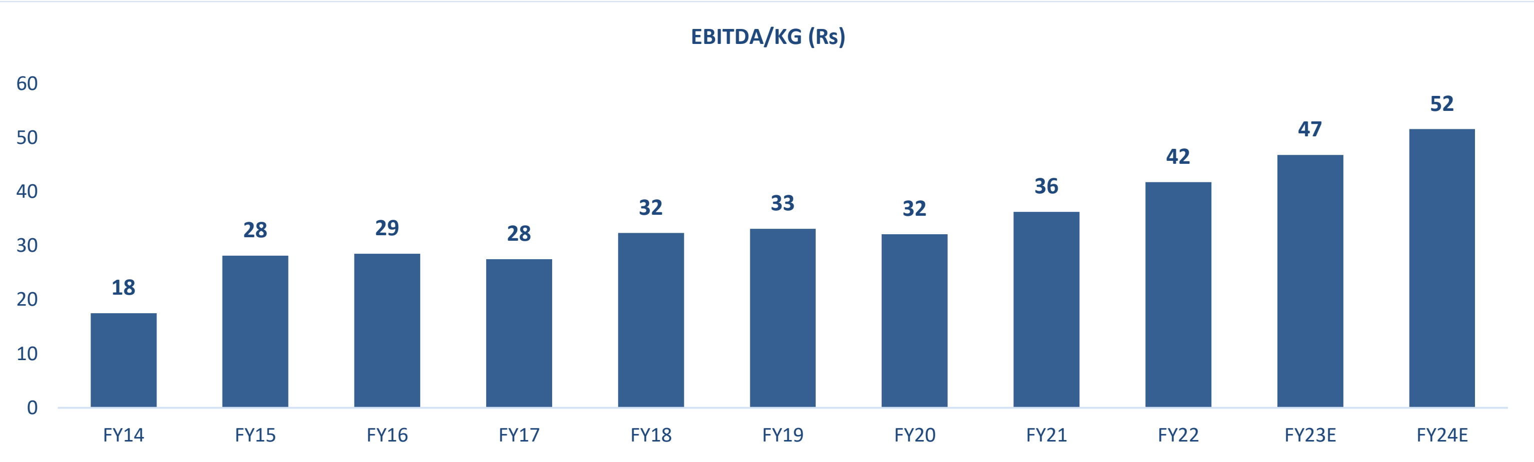
Source: Company & KJMC Research

Exhibit 61 – Improving in realization with better product mix and backward integration



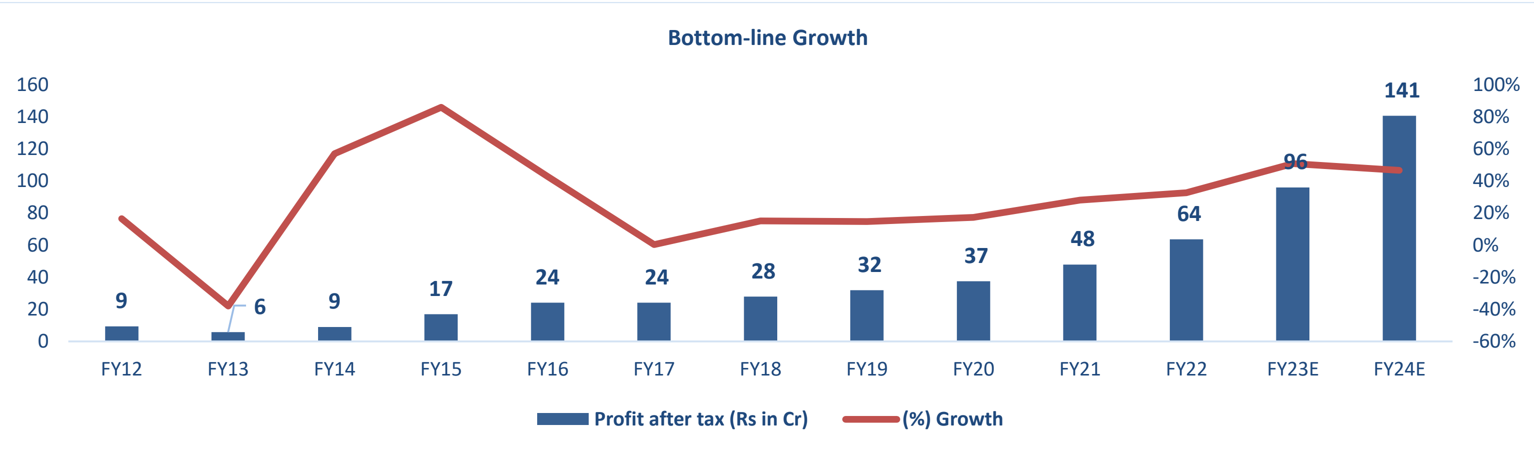
Source: Company & KJMC Research

Exhibit 62 – EBITDA per Kg set to improve with increasing contribution from value added products



Source: Company & KJMC Research

Exhibit 63 – Company profitability is projected to grow at a ~49% CAGR between FY22-FY24E

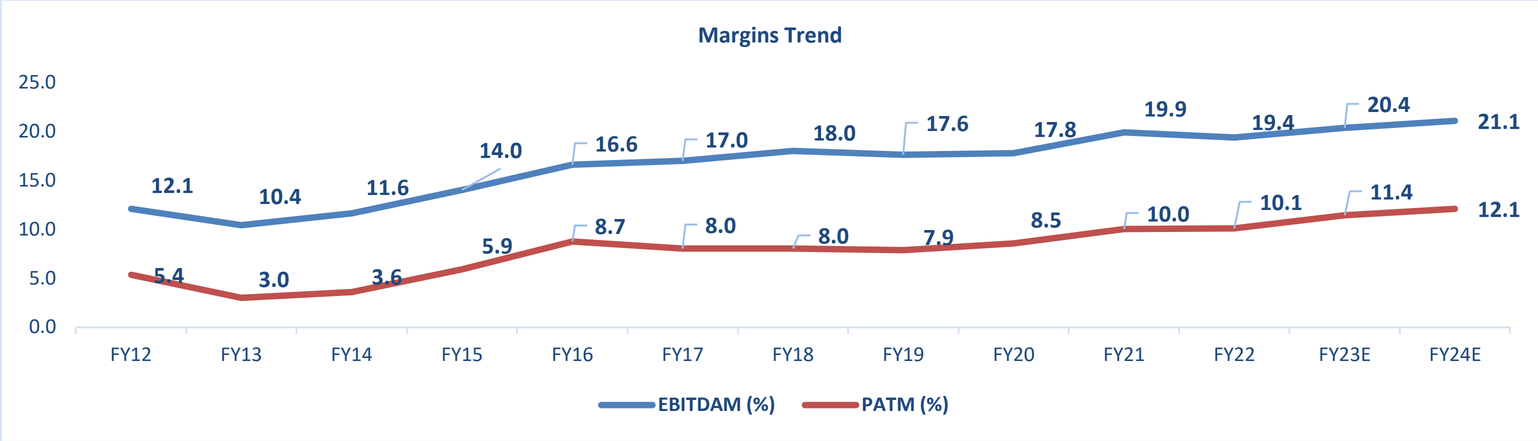


Source: Company & KJMC Research

Margin Landscape

We expect EBITDA and PAT margins to grow at a healthy space on the back of entering into high value added products. Further, it has started increase contribution from food & FMCG segment which offer better margin with customization of IML technology, the Company have been able to make headway for robust margin expansion. The Company has outperformed its peers (flexi packaging) by a wide margin range with adoption of cost reduction/advantage emanating from backward integration.

Exhibit 64 – EBITDAM and PATM to grow significantly

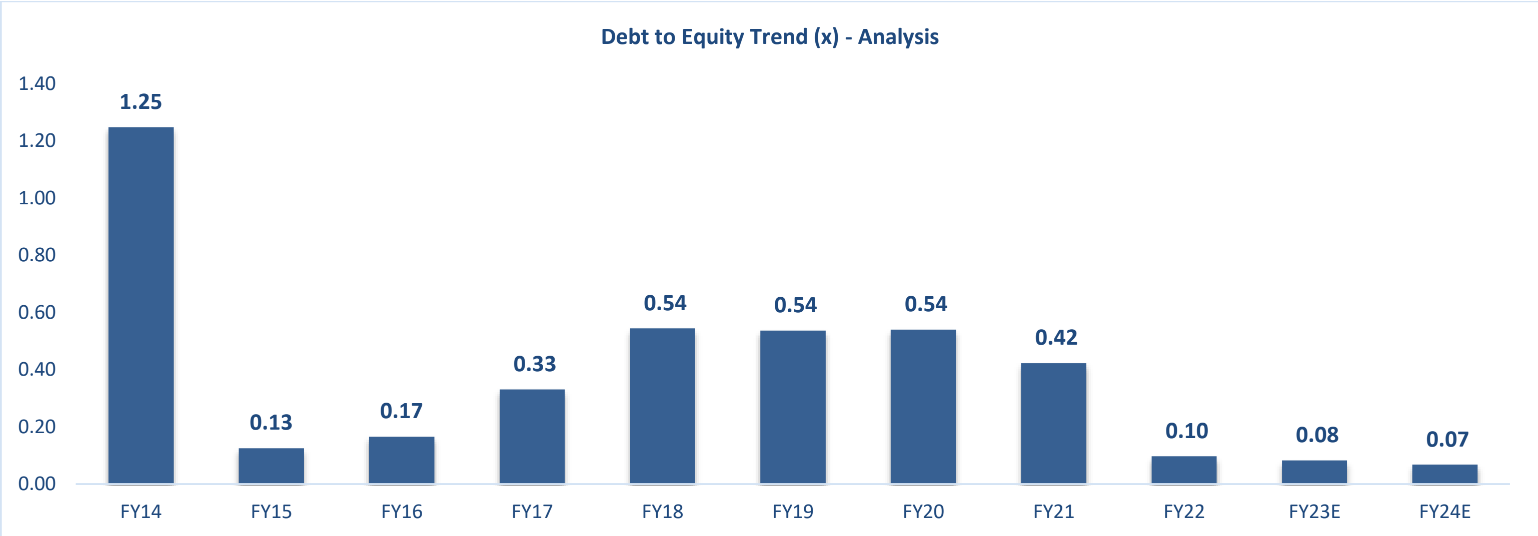


Source: Company & KJMC Research

Deleveraging the balance sheet

During the year (FY22), the Company has raised funds through Qualified Institutional Placement (QIP) to the tune of Rs. 103.6 Cr. which majorly was used for debt repayment. The total debt has come down from Rs 108 Cr in FY21 to Rs 44 Cr in FY22. The Company has planned a capex of Rs 250 Cr for the next 2-3 years. Out of this, Rs 125 Cr will be spent in FY23. Most of the capex will be spent from internal accruals. With the significant reduction in debt (almost 60%), we believe that operating cash flow is fairly sufficient for the forthcoming capex plans. This will result in expansion of ROCE further.

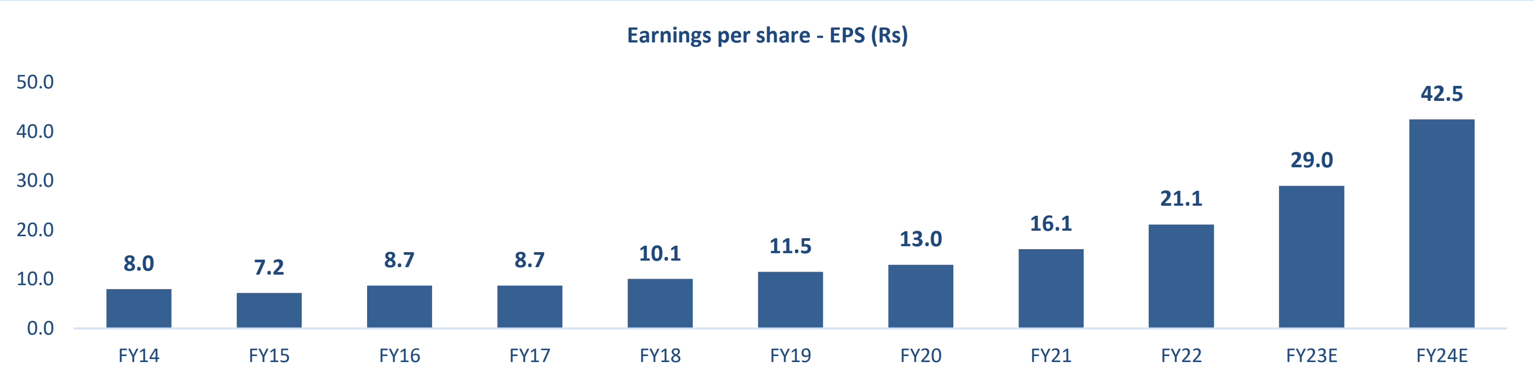
Exhibit 65 – We expect debt to equity to be at ~0.07 – 0.10x in the medium term



Source: Company & KJMC Research

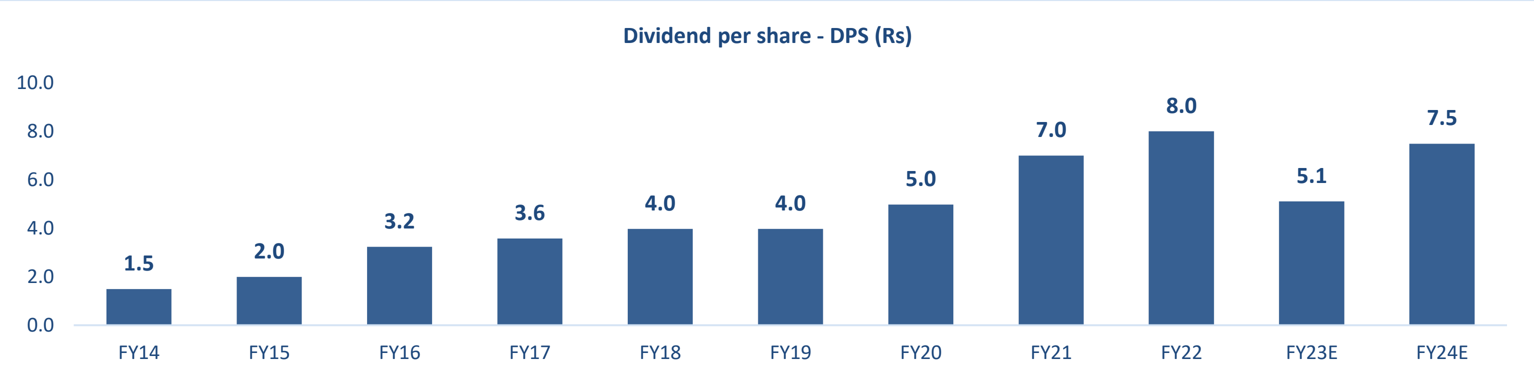
Per share scenario for Mold-Tek remains healthier throughout the periods

Exhibit 66 – Earnings per share (EPS) Trend



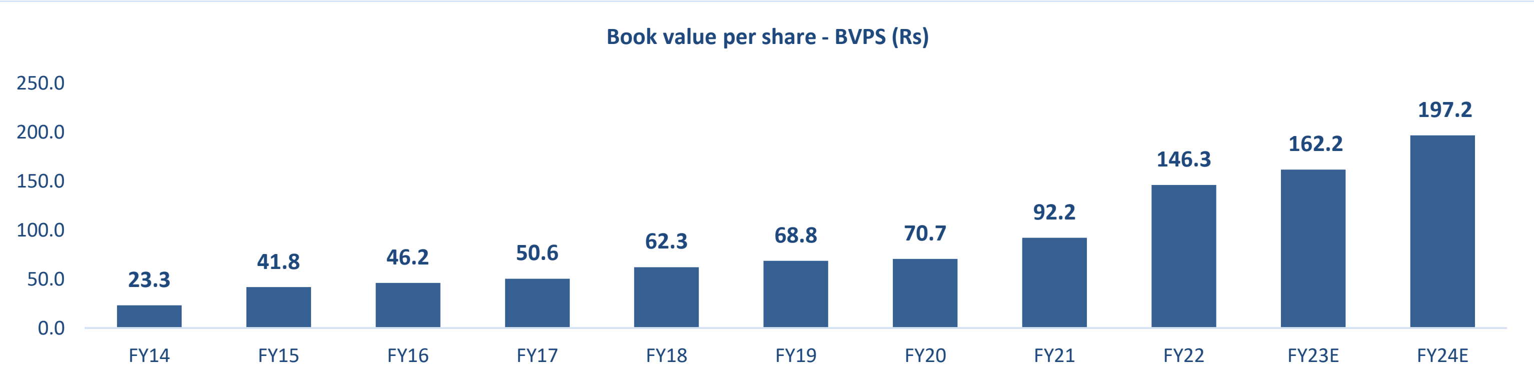
Source: Company & KJMC Research

Exhibit 67 – Dividend per share (DPS) Trend



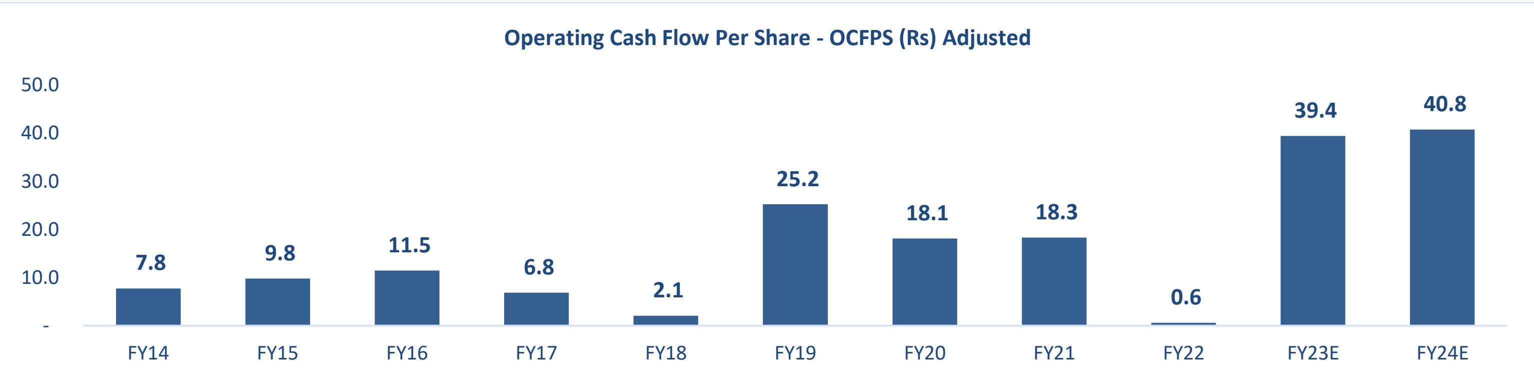
Source: Company & KJMC Research

Exhibit 68 – Book value per share (BVPS) Trend



Source: Company & KJMC Research

Exhibit 69 – Cash Flow per share Trend



Source: Company & KJMC Research

SWOT Analysis

STRENGTHS

- The Company is the leader in Injection molded plastic containers in India. With ~25% market share in Rigid plastic packaging space.
- Only packaging Company in the world with an In-house tool room capability of making ROBOTS
- Pioneer in the field of In-Mold labelling (IML) in India. HD photographic labels, produced by 100% hand-free operation & are 100% recyclable
- Continued innovation in packaging product to cater the needs of various customers.
- Investing in Research to develop new products
- Industry leading margins and return ratio due to the cost advantage emanting from backward integration
- Amongst the few companies which has got a 'green channel clearance' from Asian Paints
- Ability to pass the inflammatory situation in raw material pricing - to maintain/ improve the margin
- Monopoly supplier to many reputed clients
- Industry leading operating, profitability margin with strong return ratio and deleveraging balance sheet will help to generate steady cash flow.

WEAKNESSES

- Highly dependent on certain customers for a substantial portion of revenues

OPPORTUNITIES

- Packaging is the fifth largest sector in India economy and is one of the fastest growing sectors in the country. Which is growing at 22-25% p.a as per Packaging Industry Association of India (PIAI)
- Multiple expansion plans laid over the next few years with huge capex plans, gives an edge for strong revenue visibility for the next 3-4 years (Mold-tek)
- The Company has entered into IBM packaging products with market size is more than Rs 5000 Cr (growing at a rate of 8-9% per annum) . Mold-Tek target to achieve around 5-6% market sharein next 4-5 years.
- With control of Covid pandemic, introduction of IBM technology, expansion in capacities, diversification into new higher margin products will add further boost the growth at least for next 3-4 years. Management target to reach ~ Rs 1000 Cr revenue in the coming period.

THREATS

- Slower growth of the Indian economy and stress in sector such as Paints, Lubes and Food & FMCG sector could impact the performance of the Company.
- The ongoing inflationary trend also poses risk to both consumer demand and consumption which might impact the Company's volume growth.

Source: Company & KJMC Research

Comparing Mold-Tek with all leading Flexible Packaging companies.

Peer Comparison & Analysis

The Indian packaging industry is a rapidly growing industry and has influence over all industries directly or indirectly. The Company is the market leader in Injection molded plastic containers in India and mainly engaged in the manufacturing of rigid plastic packaging containers for paints, lubes, oils, food, FMCG and other sectors including cosmetics and pharmaceutical. The Company outperforms its peers primarily across all key metrics. It has consistently outperformed in a challenging macro environment as its strength reflects in its financials. It has superior brand equity and positioning as a key and most preferred amongst its customer pool. Asian Paints which is the largest client for them, who has awarded them a "green channel clearance" from all its plants. The Company has always kept itself one step ahead with peers and industry due to continue innovations, strong relationship with its key clients, lean balance sheet which help to generate steady cash flow, efficiency capital allocation, robust reinvestment rate, etc. The Company is a dominant player with several first mover advantage with already at the forefront of any underlying demand in paints, lubes, FMCG, cosmetics and pharmaceutical sector with industry leading growth, margins and return ratios.

Exhibit 70 – Competitive Landscape with Leading Companies in the Packaging Space **(Rs in INR Bn)**

Particulars	Mcap	Revenue			EBITDA			PAT			EPS (Rs)			ROE (%)		
		FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E
Mold-Tek Packaging Ltd	28.7	6.3	8.4	11.6	1.2	1.7	2.5	0.6	1.0	1.4	21.1	29.0	42.5	13.9	17.9	21.5
Shaily Engineering Plastics Ltd	17.3	5.7	7.3	8.8	0.8	1.1	1.5	0.4	0.5	0.8	39.3	59.5	87.7	12.9	13.0	16.5
Time Technoplast Ltd	23.2	36.5	42.0	47.3	5.1	5.7	6.7	1.9	2.3	3.0	8.3	10.1	13.1	3.6	10.7	12.5
EPL Ltd	49.8	34.3	37.8	42.4	5.8	6.5	8.0	2.2	2.5	3.5	6.8	8.0	11.1	12.5	13.2	16.8
Huhtamaki India Ltd	17.4	26.3	29.1	31.2	1.1	2.0	2.8	0.1	0.8	1.2	1.1	10.3	16.3	1.1	10.3	15.0
Uflex Ltd	52.4	131.3	137.8	147.5	21.7	23.8	25.4	11.4	11.8	12.9	157.5	163.2	178.8	17.0	14.9	13.9

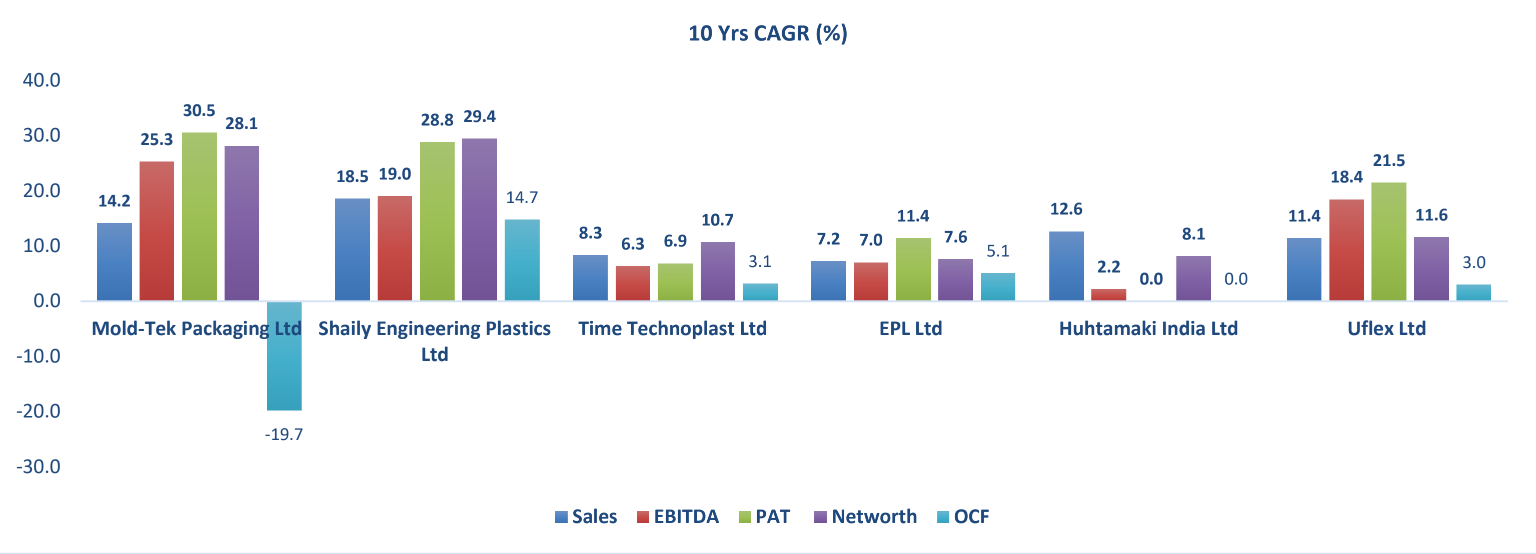
Source: Company, Refinitiv & KJMC Research

Exhibit 71 – Valuation Landscape

Particulars	EV/EBITDA (x)			PE (x)		
	FY22	FY23E	FY24E	FY22	FY23E	FY24E
Mold-Tek Packaging Ltd	23.9	17.0	11.9	45.2	30.0	20.5
Shaily Engineering Plastics Ltd	23.0	16.5	12.3	49.2	31.7	21.5
Time Technoplast Ltd	6.2	5.5	4.7	12.4	10.2	7.9
EPL Ltd	9.6	8.4	7.0	22.5	19.1	14.3
Huhtamaki India Ltd	5.1	2.7	2.0	21.1	2.3	1.4
Uflex Ltd	4.4	4.0	3.7	4.6	4.5	4.1
Mean (x)	**9.7**	**7.4**	**5.9**	**22.0**	**13.6**	**9.8**
Median (x)	**6.2**	**5.5**	**4.7**	**21.1**	**10.2**	**7.9**

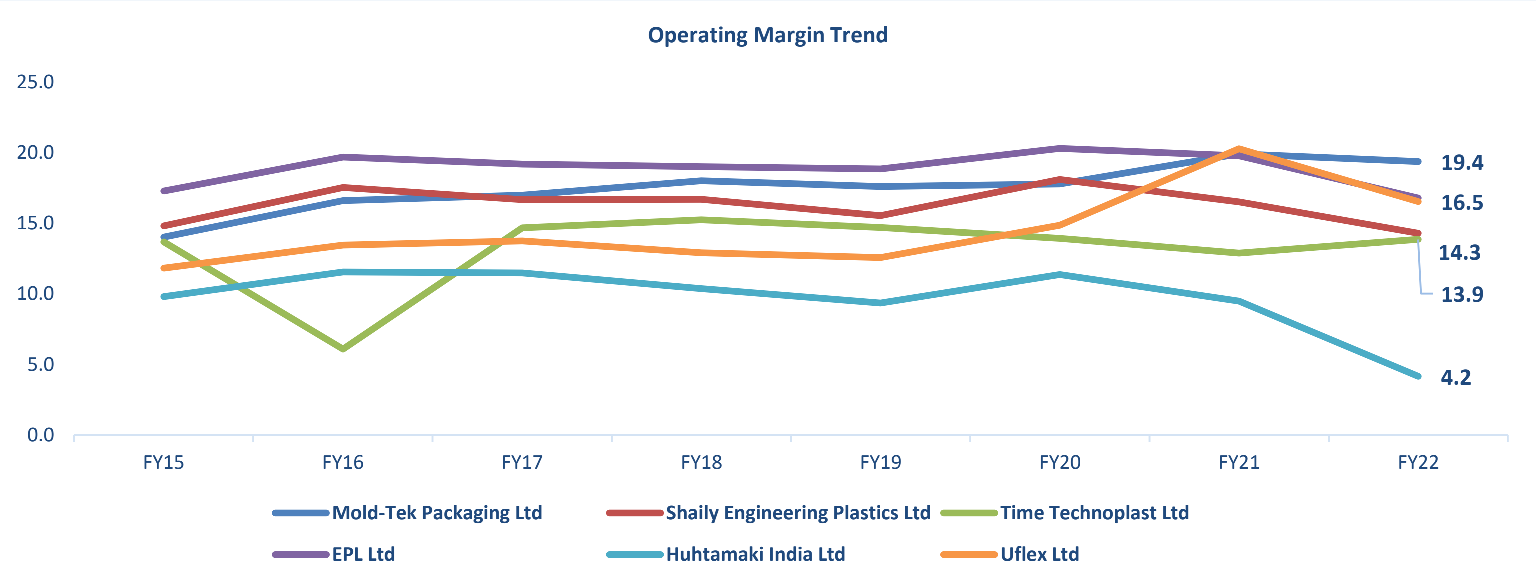
Source: Company, Refinitiv & KJMC Research (Updated on 18th Oct 2022)

Exhibit 72 – Comparison of key financial metrics



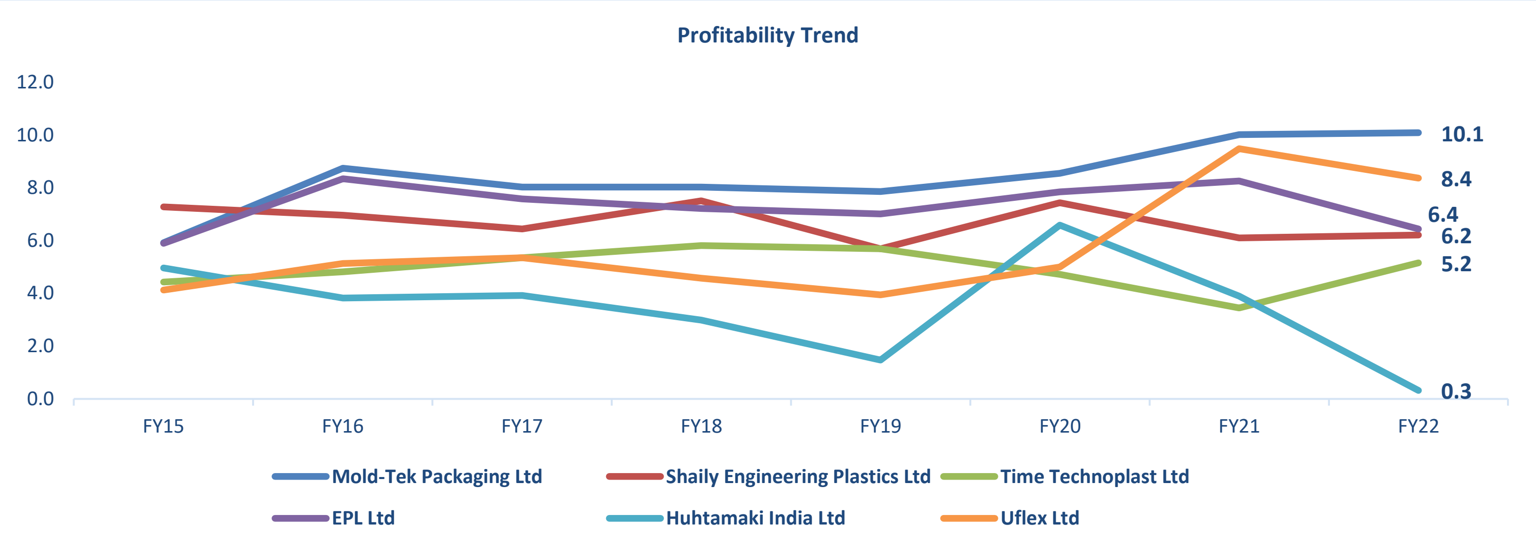
Source: Company & KJMC Research

Exhibit 73 – Mold-Tek has industry leading EBITDAM in the packaging space



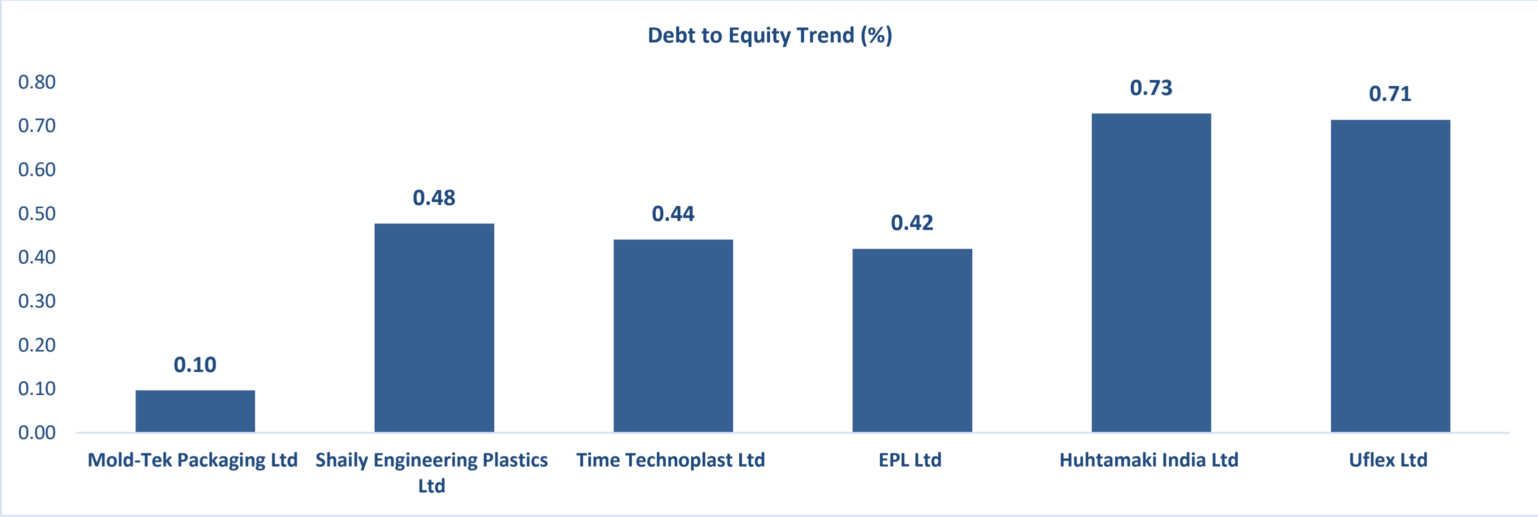
Source: Company & KJMC Research

Exhibit 74 – Strong PATM trend



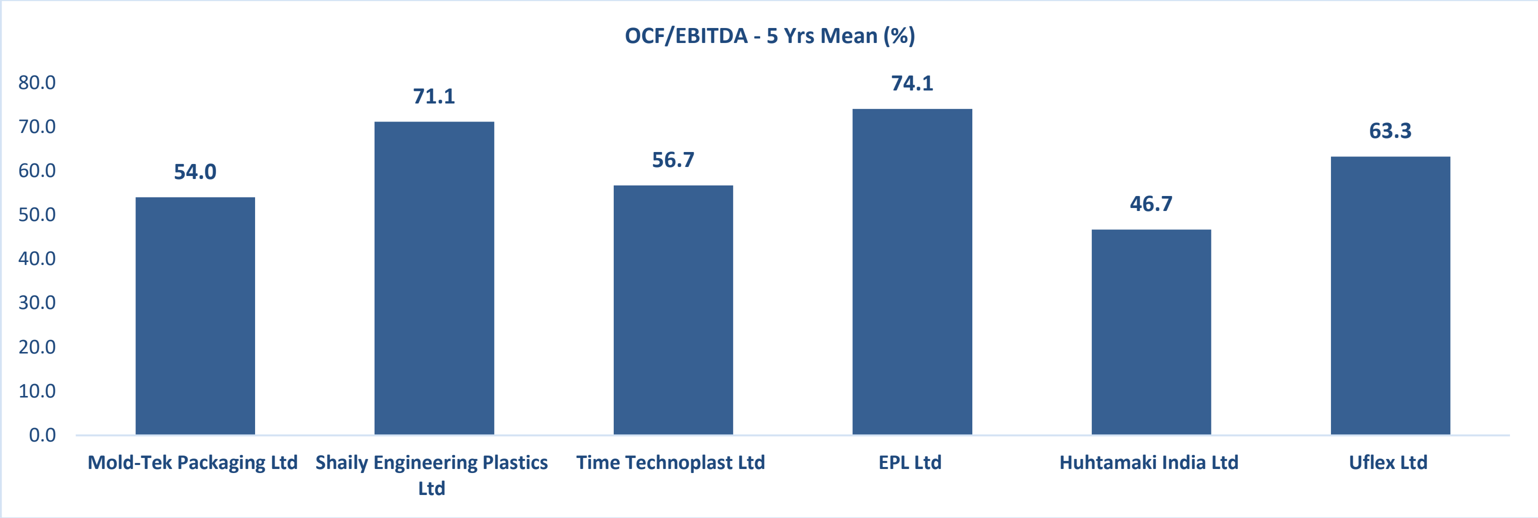
Source: Company & KJMC Research

Exhibit 75 – Lean balance sheet



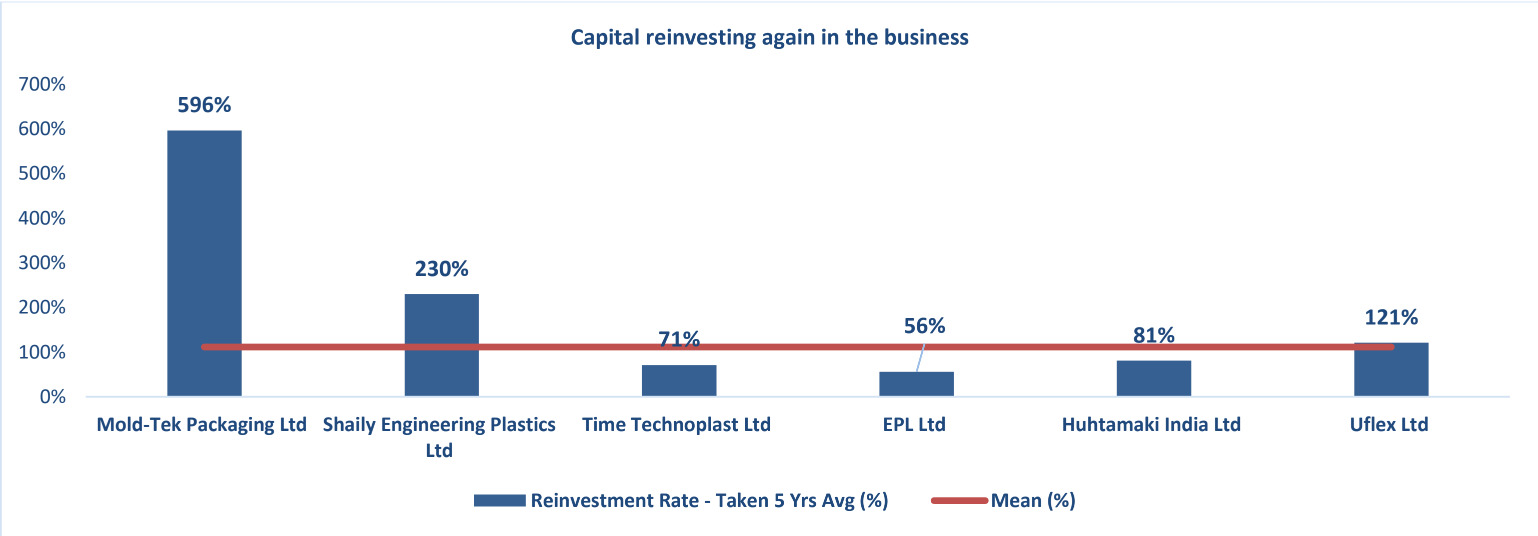
Source: Company & KJMC Research

Exhibit 76 – OCF/EBITDA trend



Source: Company & KJMC Research

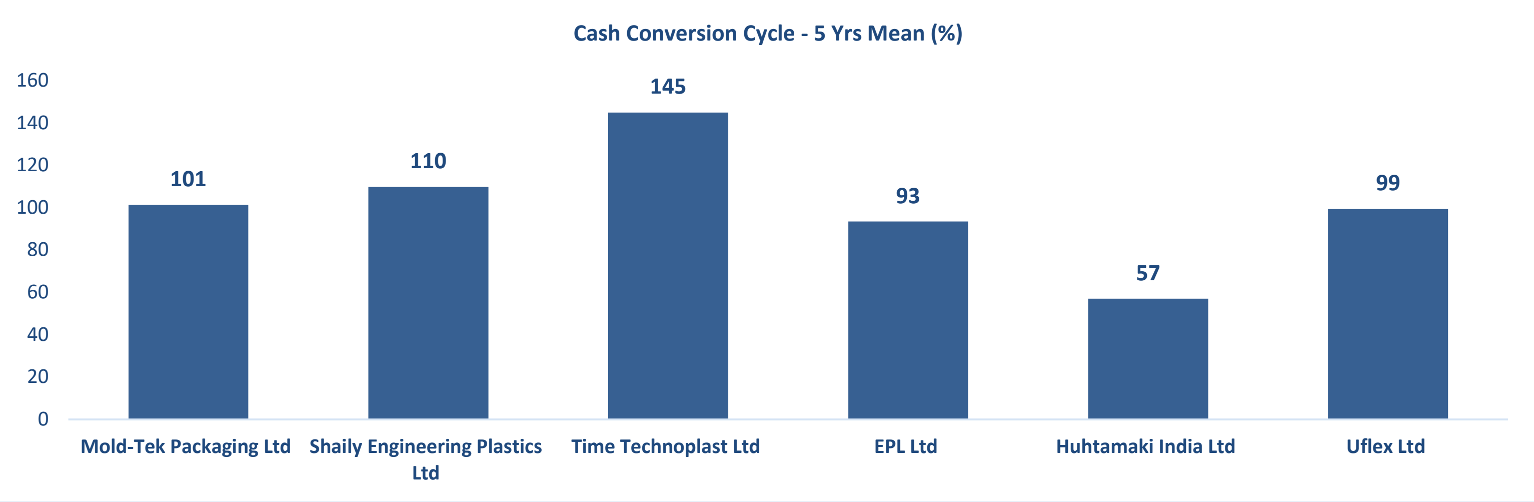
Exhibit 77 – Higher reinvestment of its cash flow leads to generate high ROCE among its peers



Source: Company & KJMC Research

Capital = OCF

Exhibit 78 – Cash conversion cycle to remain stable



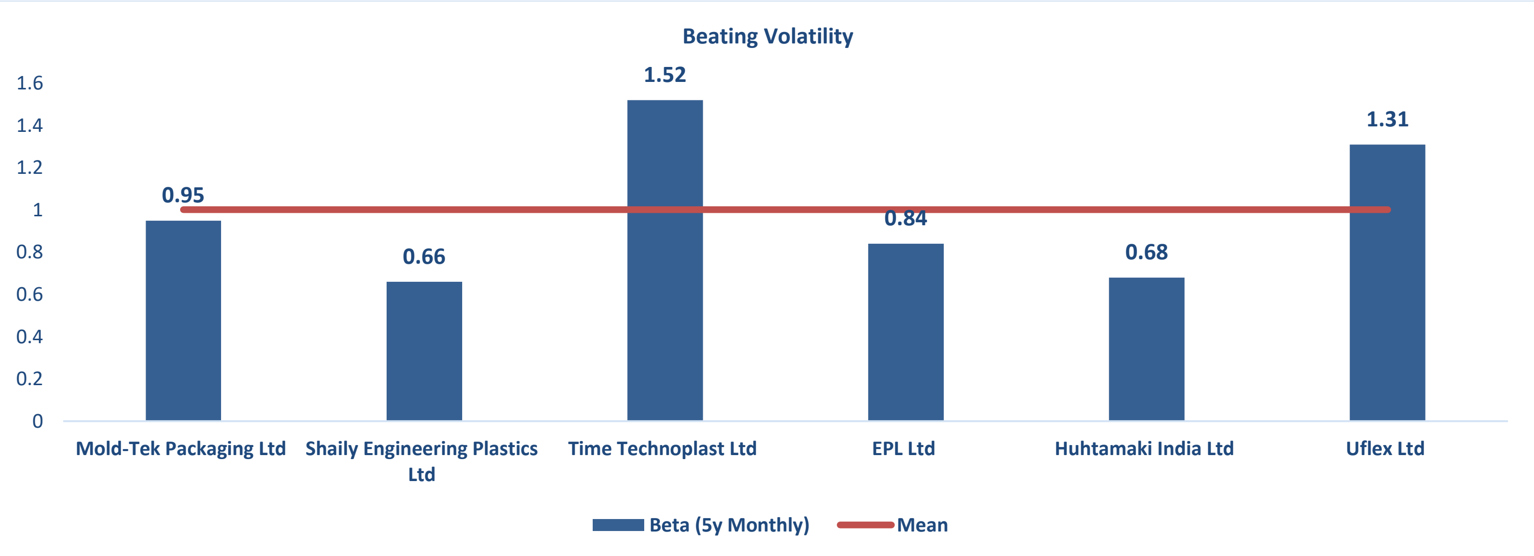
Source: Company & KJMC Research

Exhibit 79 – Control in operating expenses to maximize margins and improve profitability

Parameters (Rs in INR Cr)	Mold-Tek Packaging Ltd			Shaily Engineering Plastics Ltd			Time Technoplast Ltd			EPL Ltd			Huhtamaki India Ltd			Uflex Ltd		
	FY20	FY21	FY22	FY20	FY21	FY22	FY20	FY21	FY22	FY20	FY21	FY22	FY20	FY21	FY22	FY20	FY21	FY22
Revenue from Operations	438	479	631	336	361	568	3578	3005	3650	2761	3092	3433	2599	2463	2625	7405	8891	13127
Cost of Material Consumed	257	278	385	199	227	379	2509	2092	2595	1181	1289	1574	1727	1623	1927	4295	4681	8010
as % of Sales	*58.6*	*58.0*	*60.9*	*59.2*	*63.0*	*66.8*	*70.1*	*69.6*	*71.1*	*42.8*	*41.7*	*45.9*	*66.4*	*65.9*	*73.4*	*58.0*	*52.6*	*61.0*
Employee Expenses	50	33	39	26	34	43	170	159	183	531	606	650	252	276	258	726	799	921
as % of Sales	*11.4*	*6.9*	*6.1*	*7.7*	*9.5*	*7.6*	*4.8*	*5.3*	*5.0*	*19.2*	*19.6*	*18.9*	*9.7*	*11.2*	*9.8*	*9.8*	*9.0*	*7.0*
Other Expenses	54	79	96	37	34	59	223	355	384	515	581	689	326	341	386	1356	1609	1749
as % of Sales	*12.3*	*16.5*	*15.1*	*10.9*	*9.3*	*10.4*	*6.2*	*11.8*	*10.5*	*18.6*	*18.8*	*20.1*	*12.5*	*13.8*	*14.7*	*18.3*	*18.1*	*13.3*

Source: Company & KJMC Research

Exhibit 80 – Ability to sail through the volatility in the capital market



Source: Refinitiv & KJMC Research

Comparison with Paints Sector (A Proxy Play)

Exhibit 81 – Revenue growth

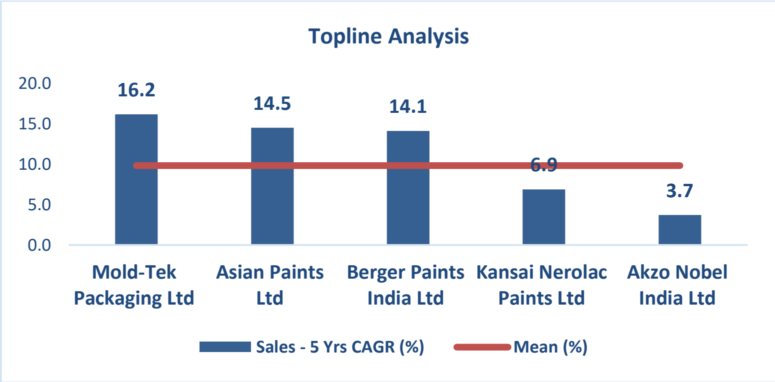
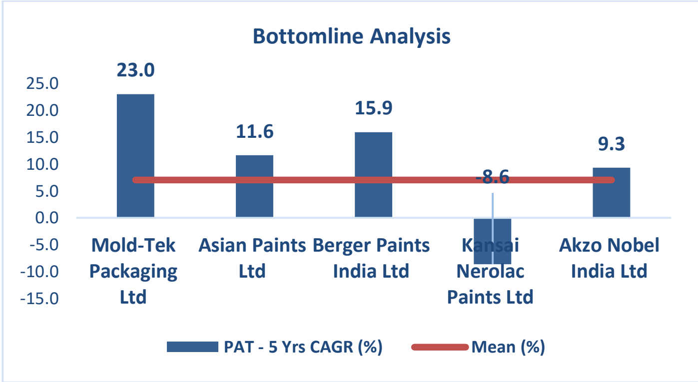


Exhibit 82 – Profitability growth



Source: Company, Refinitiv & KJMC Research

Exhibit 83 – Operating margin analysis

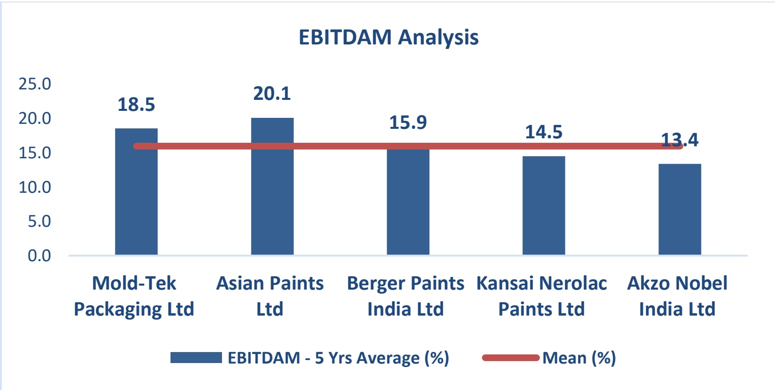
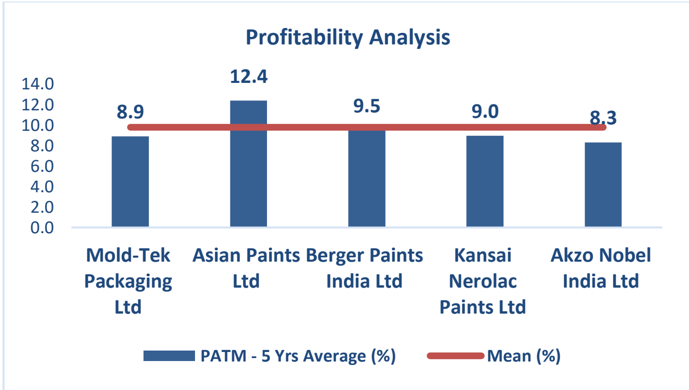


Exhibit 84 – PAT margin analysis



Source: Company, Refinitiv & KJMC Research

Exhibit 85 – Leverage scenario

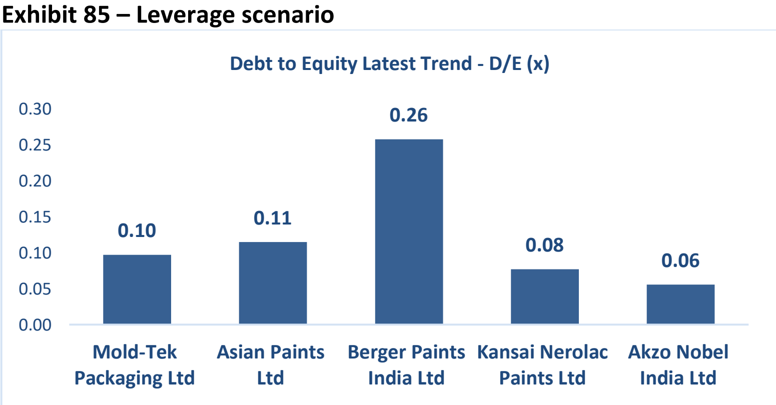
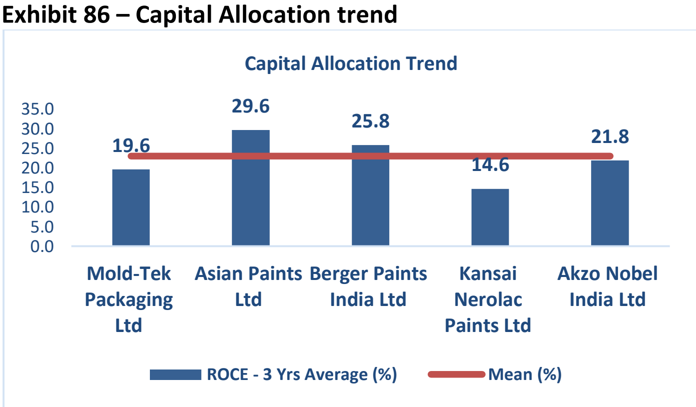


Exhibit 86 – Capital Allocation trend



Source: Company, Refinitiv & KJMC Research

Exhibit 87 – Ability to convert EBITDA into Cash Flow

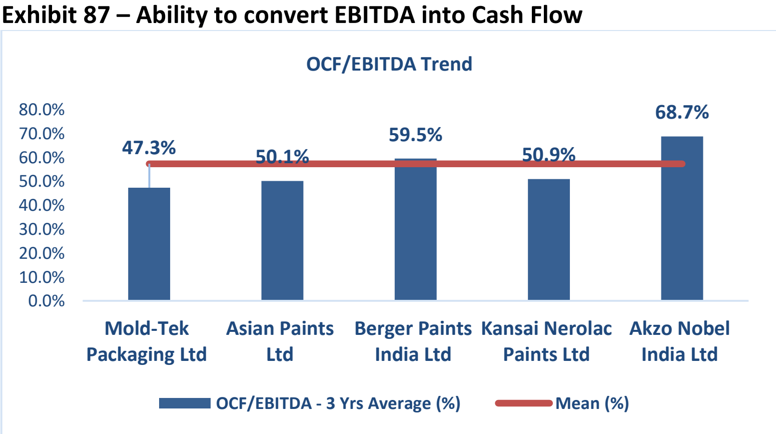
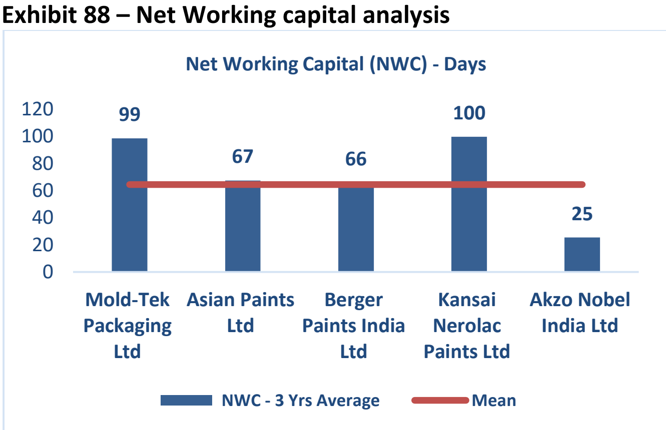


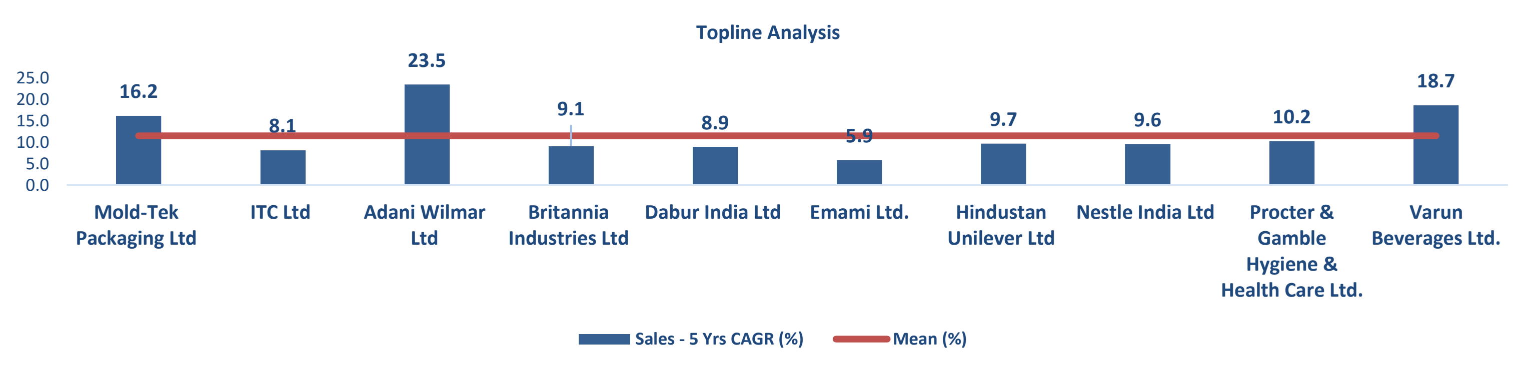
Exhibit 88 – Net Working capital analysis



Source: Company, Refinitiv & KJMC Research

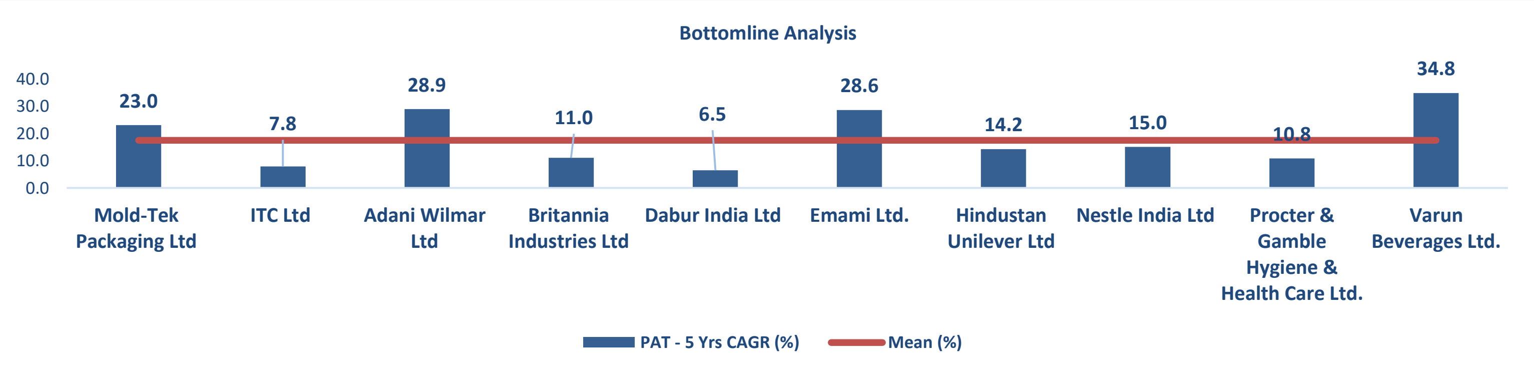
Comparison with FMCG Sector (A Proxy Play)

Exhibit 89 – Revenue growth



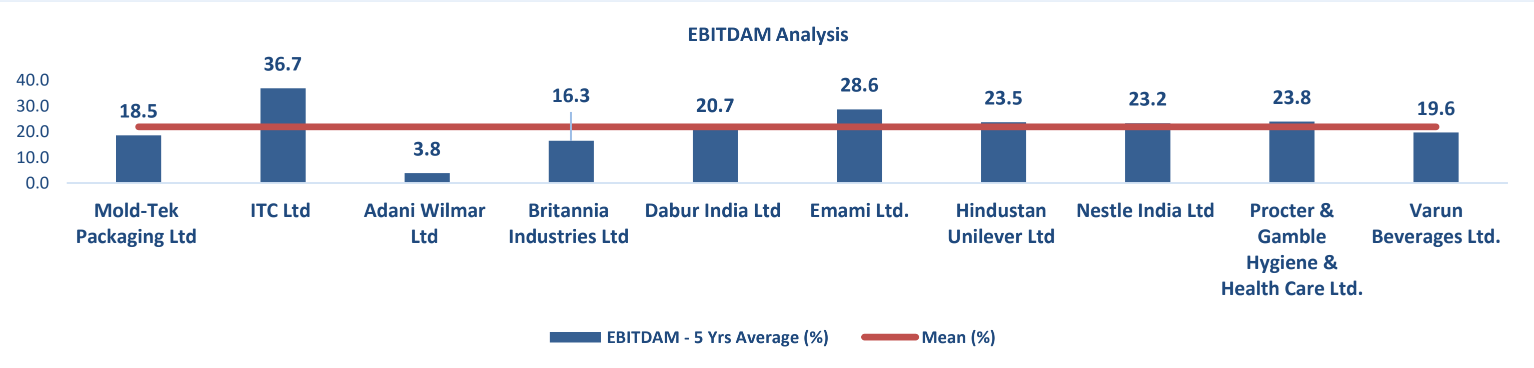
Source: Company, Refinitiv & KJMC Research

Exhibit 90 – Profitability growth



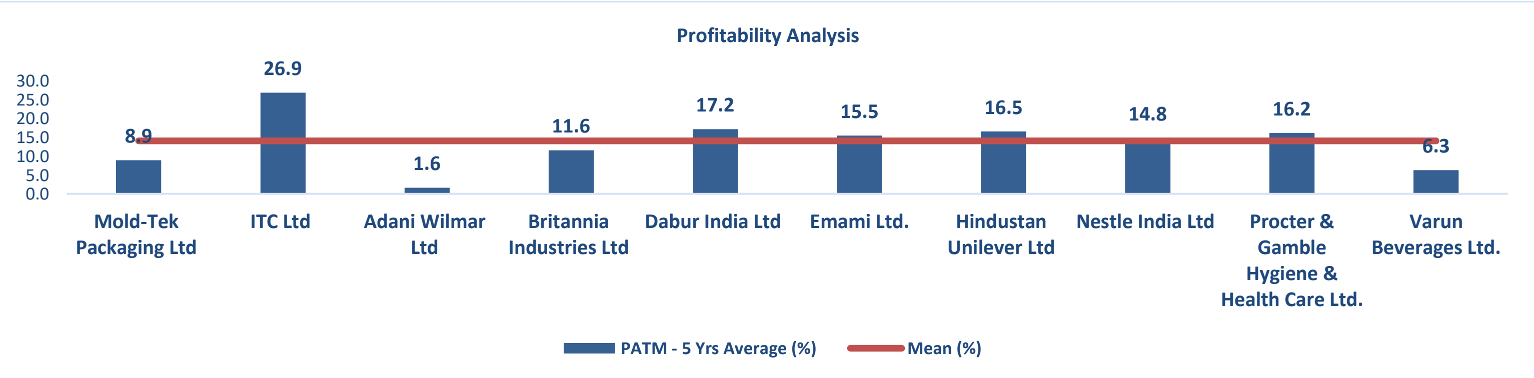
Source: Company, Refinitiv & KJMC Research

Exhibit 91 – Operating margin analysis



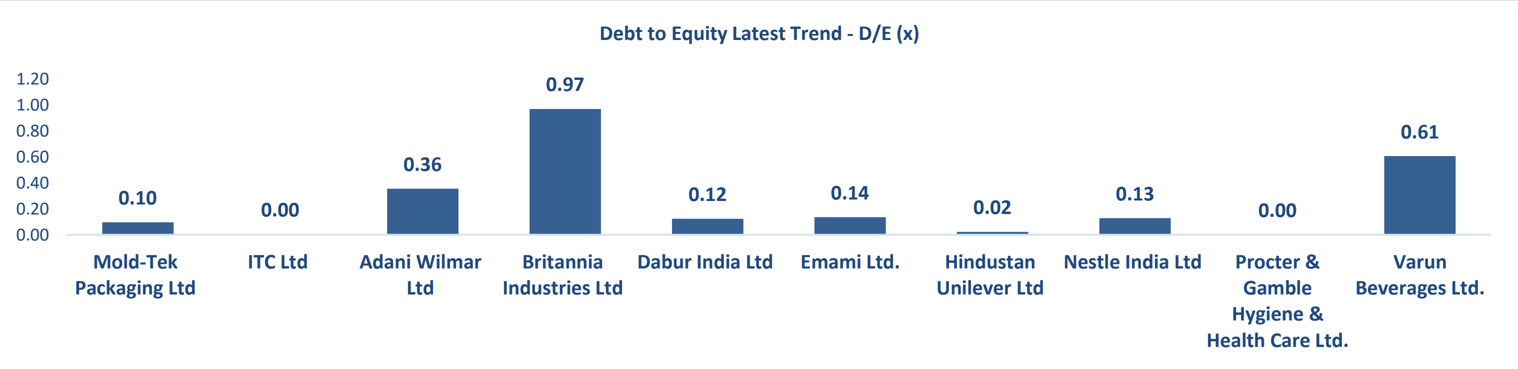
Source: Company, Refinitiv & KJMC Research

Exhibit 92 – PAT margin analysis



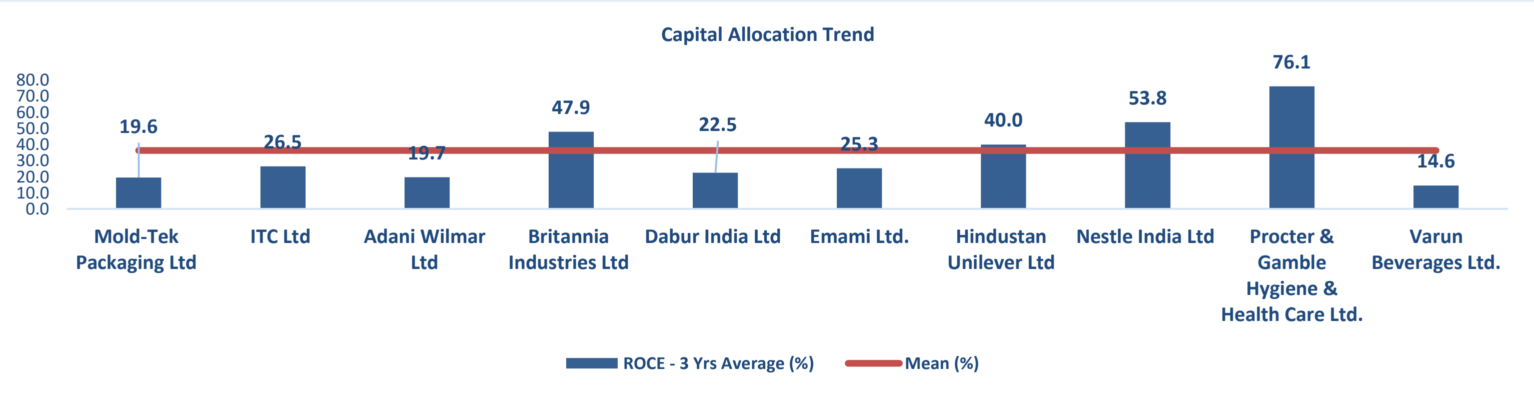
Source: Company, Refinitiv & KJMC Research

Exhibit 93 – Leverage scenario



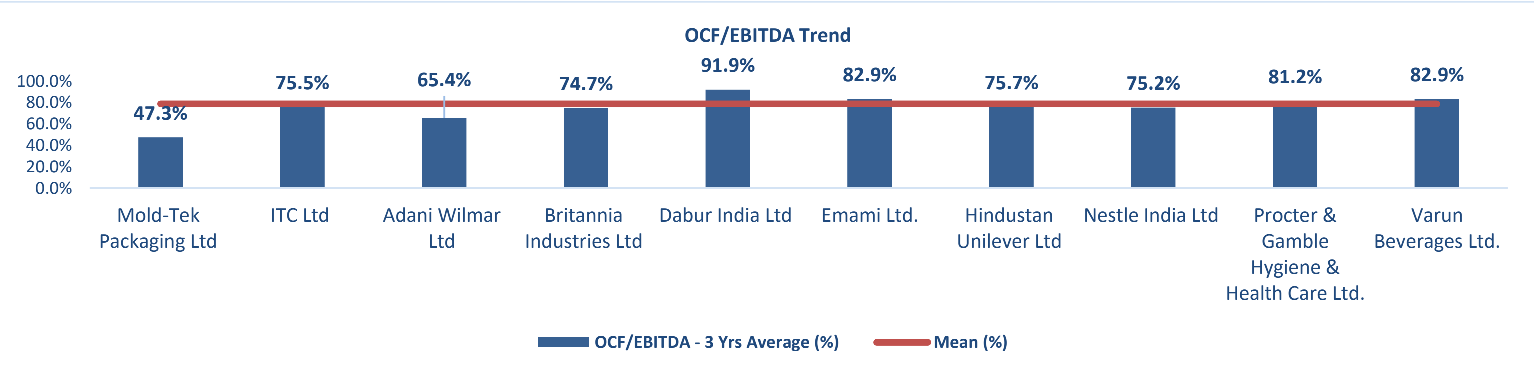
Source: Company, Refinitiv & KJMC Research

Exhibit 94 - Capital Allocation trend



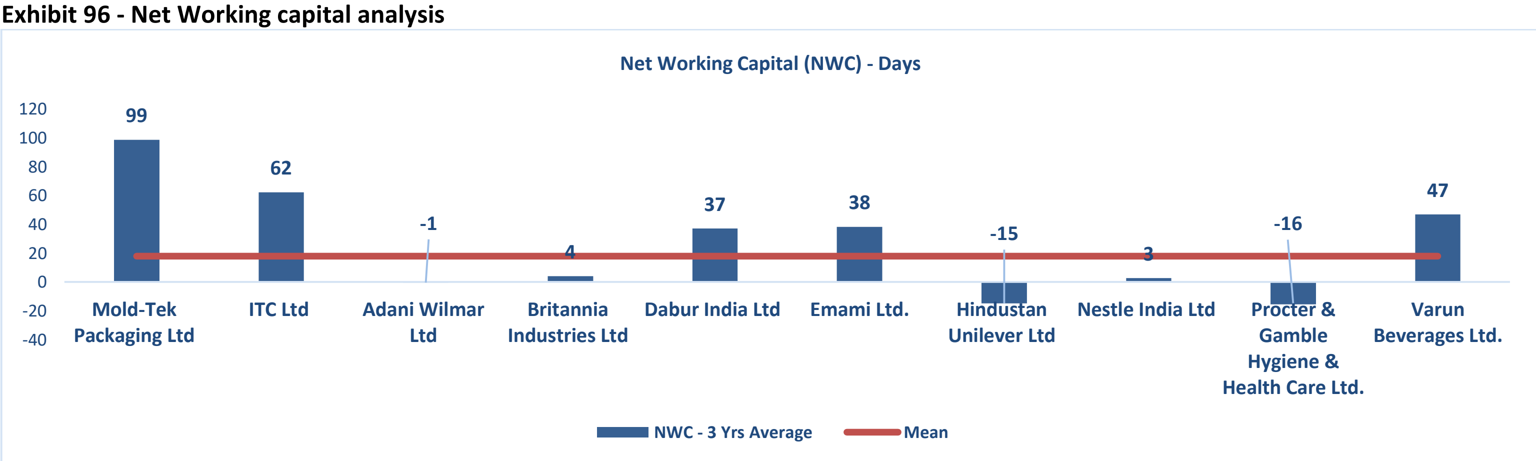
Source: Company, Refinitiv & KJMC Research

Exhibit 95 - Ability to convert EBITDA into Cash Flow



Source: Company, Refinitiv & KJMC Research

Exhibit 96 - Net Working capital analysis



Source: Company, Refinitiv & KJMC Research

Growth Story in Charts

Exhibit 97 - Growing revenue on a card

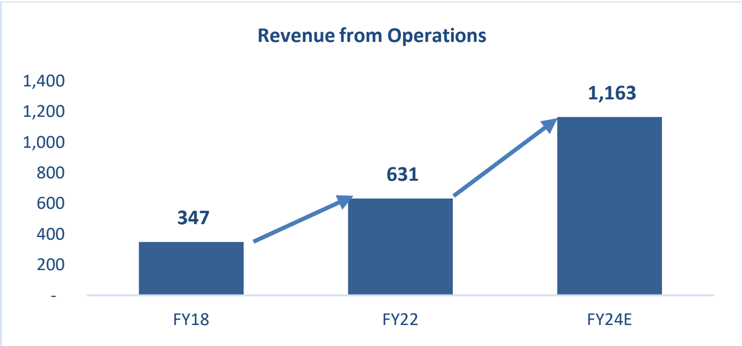
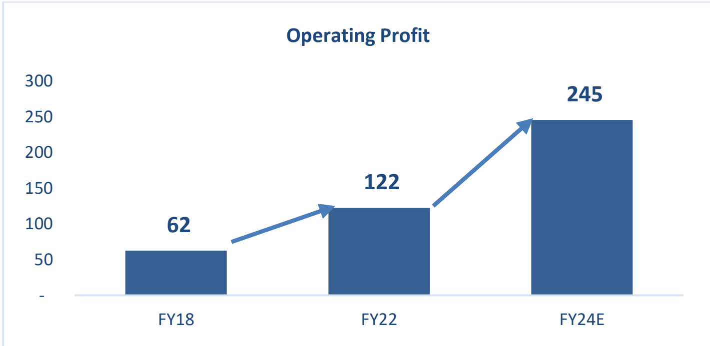
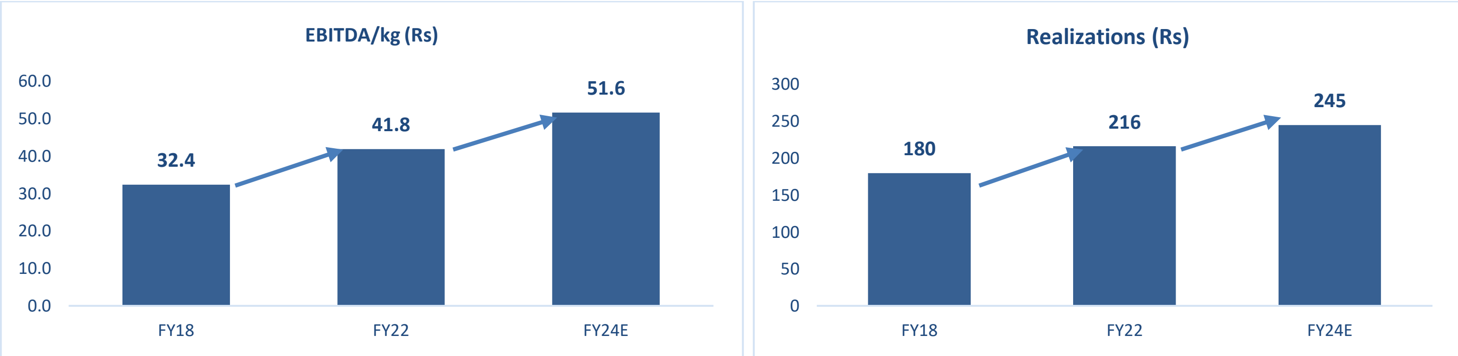


Exhibit 98 – With steady EBITDA levels



Source: Company& KJMC Research

Exhibit 99 – Steady EBITDA/kg + Realizations trend with focus on value added products



Source: Company & KJMC Research

Exhibit 100 – Profitability to grow further

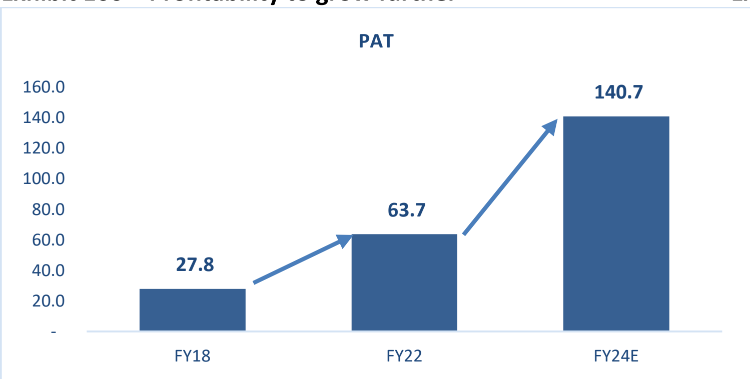
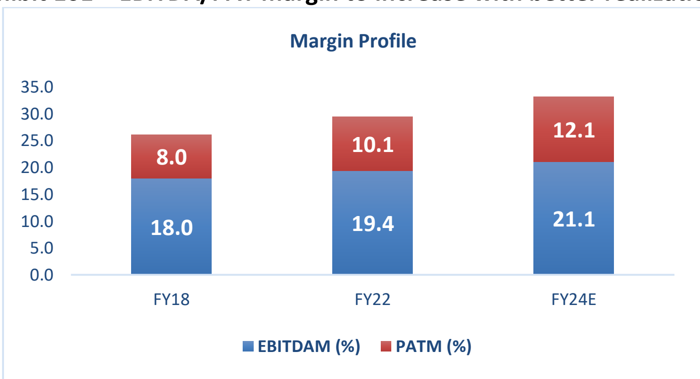


Exhibit 101 – EBITDA/PAT margin to increase with better realization



Source: Company & KJMC Research

Exhibit 102 – Focus on improving Capital Allocation

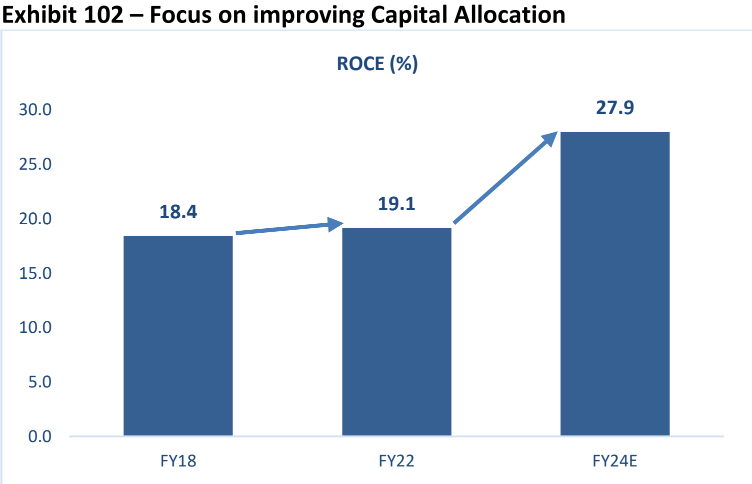
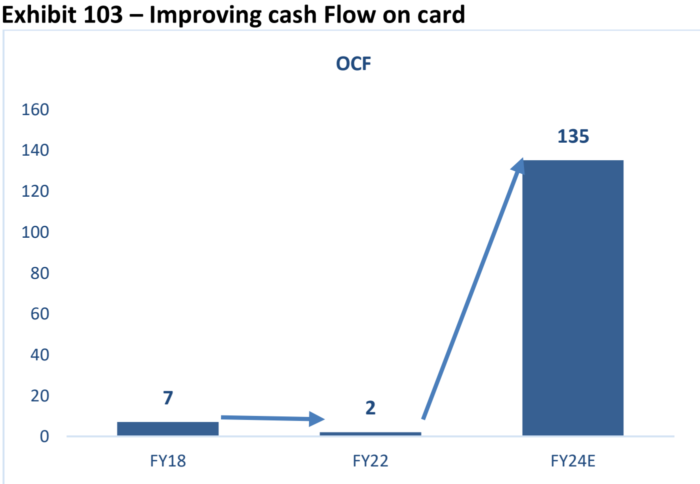


Exhibit 103 – Improving cash Flow on card



Source: Company & KJMC Research

Benchmark Comparison with Packaging, Paints and FMCG Companies

Companies	CMP (Rs)	Mcap (Bn)	5 yrs CAGR (%)			PATM (%)			ROCE (%)			EV/EBITDA (x)			P/E (x)		
			Sales	EBITA	PAT	FY22	FY2E	FY2E	FY22	FY2E	FY2E	FY22	FY2E	FY2E	FY22	FY2E	FY2E
Comparison with Packaging Players																	
Mold-Tek Packaging Ltd	**871..6**	**28.8**	**16.2**	**18.3**	**23.0**	**10.1**	**11.4**	**12.1**	**19.1**	**21.5**	**27.9**	**23.9**	**17.0**	**11.9**	**45.2**	**30.0**	**20.5**
Shaily Engineering Plastics Ltd	1890.8	17.3	15.6	11.2	10.2	6.2	7.5	9.1	11.2	14.6	18.5	23.0	16.5	12.3	49.2	31.7	21.5
Time Technoplast Ltd	103.0	23.3	4.1	1.7	1.0	5.2	5.4	6.3	13.7	12.8	14.6	6.2	5.5	4.7	12.4	10.2	7.9
EPL Ltd	157.8	49.9	8.8	5.5	5.8	6.4	6.7	8.3	13.6	14.5	18.5	9.6	8.4	7.0	22.5	19.1	14.3
Huhtamaki India Ltd	231.3	1.7	5.4	-16.2	-39.9	0.3	2.7	3.9	6.8	12.5	17.3	5.1	2.7	2.0	21.1	2.3	1.4
Uflex Ltd	726.8	52.5	17.8	25.3	37.1	8.4	8.5	8.8	14.2	15.1	14.8	4.4	4.0	3.7	4.6	4.5	4.1
Mean		**28.9**	**10.3**	**5.5**	**2.9**	**5.3**	**6.2**	**7.3**	**11.9**	**13.9**	**16.7**	**9.7**	**7.4**	**5.9**	**22.0**	**13.6**	**9.8**
Median		**23.3**	**8.8**	**5.5**	**5.8**	**6.2**	**6.7**	**8.3**	**13.6**	**14.5**	**17.3**	**6.2**	**5.5**	**4.7**	**21.1**	**10.2**	**7.9**
Comparison with Paints Players																	
Asian Paints Ltd	3,231.8	3,100	14.5	10.7	11.6	10.9	12.5	13.6	25.9	33.7	36.2	64.0	46.4	39.0	98.5	69.6	57.4
Berger Paints India Ltd	620.0	602.2	14.1	13.3	15.9	9.5	10.1	11.0	25.3	28.2	30.6	45.7	35.8	30.1	72.3	55.5	45.8
Kansai Nerolac Paints Ltd	484.9	261.3	6.9	-4.9	-8.6	5.6	7.5	9.1	10.9	15.4	18.7	40.3	27.1	20.8	72.8	45.0	33.1
Akzo Nobel India Ltd	2,155.0	98.1	3.7	13.5	9.3	9.2	9.4	9.9	25.3	30.9	35.7	19.6	18.0	15.5	33.8	27.8	23.9
Mean		**1,015.4**	**9.8**	**8.2**	**7.1**	**8.8**	**9.9**	**10.9**	**21.9**	**27.0**	**30.3**	**42.4**	**31.8**	**26.4**	**69.4**	**49.5**	**40.1**
Median		**431.8**	**10.5**	**12.0**	**10.5**	**9.4**	**9.7**	**10.5**	**25.3**	**29.5**	**33.2**	**43.0**	**31.5**	**25.4**	**72.6**	**50.3**	**39.5**
Comparison with FMCG Players																	
Adani Wilmar Ltd	695.2	903.5	23.5	14.6	28.9	1.5	1.8	2.1	16.8	15.9	16.7	**52.1**	**40.3**	**33.4**	**112**	**77.6**	**62.5**
Britannia Industries Ltd	3,757.7	905.1	9.3	10.0	11.0	10.8	10.7	11.8	59.6	39.7	46.3	41.8	37.9	31.8	59.3	53.8	44.4
Colgate Palmolive (India) Ltd.	1,580.0	429.7	5.1	8.9	12.0	21.3	20.2	20.8	76.3	77.2	85.8	27.0	26.5	24.1	39.9	39.6	35.9
Dabur India Ltd.	531.0	940.8	8.9	8.6	6.2	16.0	16.7	17.2	22.3	21.7	22.6	41.6	38.1	33.2	54.1	47.2	41.1
Emami Ltd.	459.7	202.8	5.7	7.3	28.8	26.5	20.6	22.3	28.8	36.9	38.6	21.4	20.7	18.0	24.0	27.9	23.7
Godrej Consumer Products Ltd.	835.0	853.9	5.4	4.8	5.1	14.5	13.8	15.6	18.8	16.3	18.6	34.2	33.1	27.1	48.1	46.2	37.2
Hindustan Unilever Ltd.	2,605.0	6,120.7	10.8	14.4	14.2	17.0	16.7	17.9	19.9	22.8	25.7	47.1	43.4	37.3	68.6	62.5	53.0
ITC Ltd.	340.8	4,226.3	8.9	5.7	8.8	25.1	25.4	26.4	29.1	35.6	38.3	19.8	17.3	15.7	27.7	23.8	21.7
Marico Ltd.	516.2	667.5	10.3	10.2	10.7	12.9	13.7	14.5	42.4	44.6	51.0	39.3	34.3	29.2	54.5	48.0	40.7
Nestle India Ltd.	19,375.0	1,868.1	9.6	13.4	18.1	16.2	14.7	15.9	57.1	93.4	94.6	51.9	49.3	41.8	78.4	76.3	63.6
P&G Hygiene and Health Care Ltd	13,850.0	449.6	11.4	7.4	10.8	18.2	16.6	17.0	104.9	NA	102.4	49.7	49.7	43.4	69.0	69.7	61.2
Varun Beverages Ltd.	999.9	649.5	21.8	18.6	34.8	7.9	10.6	11.5	17.1	22.6	24.8	40.4	26.6	22.8	93.6	50.1	40.5
Mean		**1,518.1**	**10.9**	**10.3**	**15.8**	**15.6**	**15.1**	**16.1**	**41.1**	**38.8**	**47.1**	**38.9**	**34.8**	**29.8**	**60.8**	**51.9**	**43.8**
Median		**878.7**	**9.4**	**9.5**	**11.5**	**16.1**	**15.7**	**16.5**	**29.0**	**35.6**	**38.5**	**41.0**	**36.1**	**30.5**	**56.9**	**49.0**	**40.9**

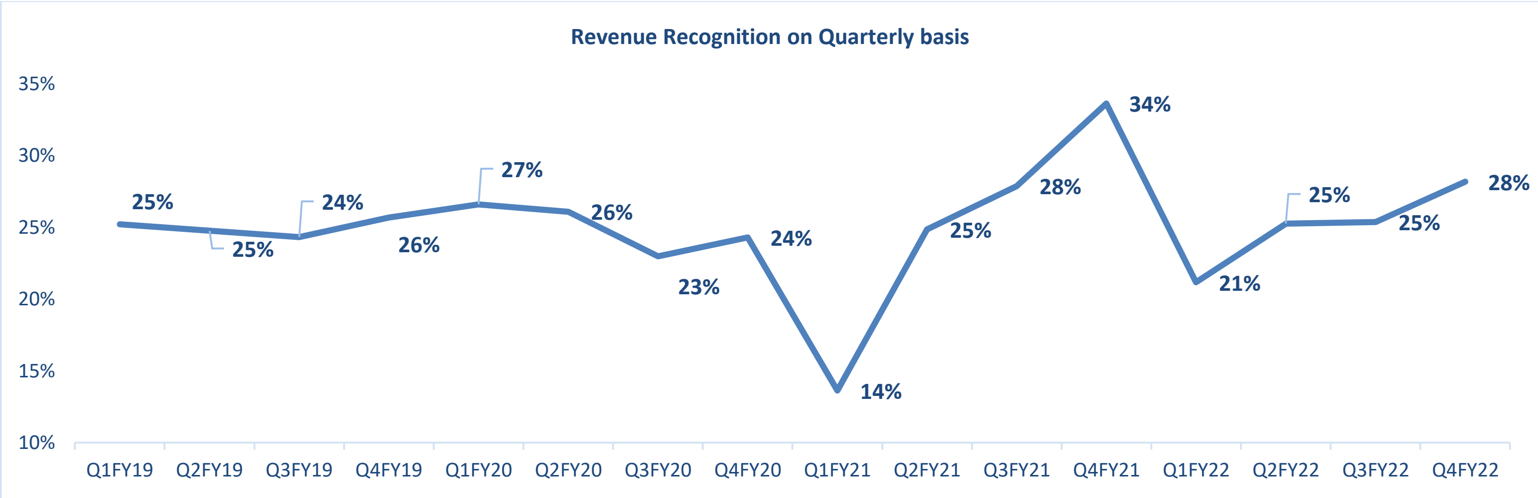
Source: Company, Refinitiv & KJMC Research *Price & Mcap updated as of 18th October 2022 **NA = Not Available

Quarterly Analysis

Parameters (Rs in INR Cr)	Quarter ended 31 June 2022	Quarter ended 31 March 2022	Q-o-Q Growth (%)	Quarter ended 31 June 2021	Y-o-Y Growth (%)	Year Ended 31-Mar-2022	Year Ended 31-Mar-2021	Y-o-Y Growth (%)
Total revenue from operations	208	178	16.8	134	55.4	631	479	31.9
Total Exp.	171	146	16.8	108	57.4	511	384	32.9
EBITDA	37	32	17.0	25	47.0	121	94	27.7
EBITDAM (%)	17.9	17.9	2 bps	18.9	-103 bps	19.1	19.7	-62 bps
Other income	0.1	1.1	-87.7	0.1	11.1	1.6	0.9	76.3
Depreciation & Amortisation	7	7	3.8	6	15.7	26	22	22.9
Profit before Interest and Tax	30	25	20.6	19	57.0	94	73	29.1
Interest	1.0	1.1	-10.7	2.7	-62.7	9.3	9.9	-6.2
Profit before tax (PBT)	29	25	17.4	17	76.1	87	64	35.3
Tax expense	7.4	7.5	-0.9	4.5	66.4	22.9	16.0	43.0
Tax rate (%)	25.5	30.2	-473 bps	27.0	-149 bps	26.4	25.0	143 bps
Profit after tax (PAT)	22	17	25.4	12	79.7	64	48	32.7
PATM (%)	10.4	9.7	71 bps	9.0	141 bps	10.1	10.0	7 bps
EPS	6.68	5.41	23.5	4.05	64.9	21.1	16.1	31.0

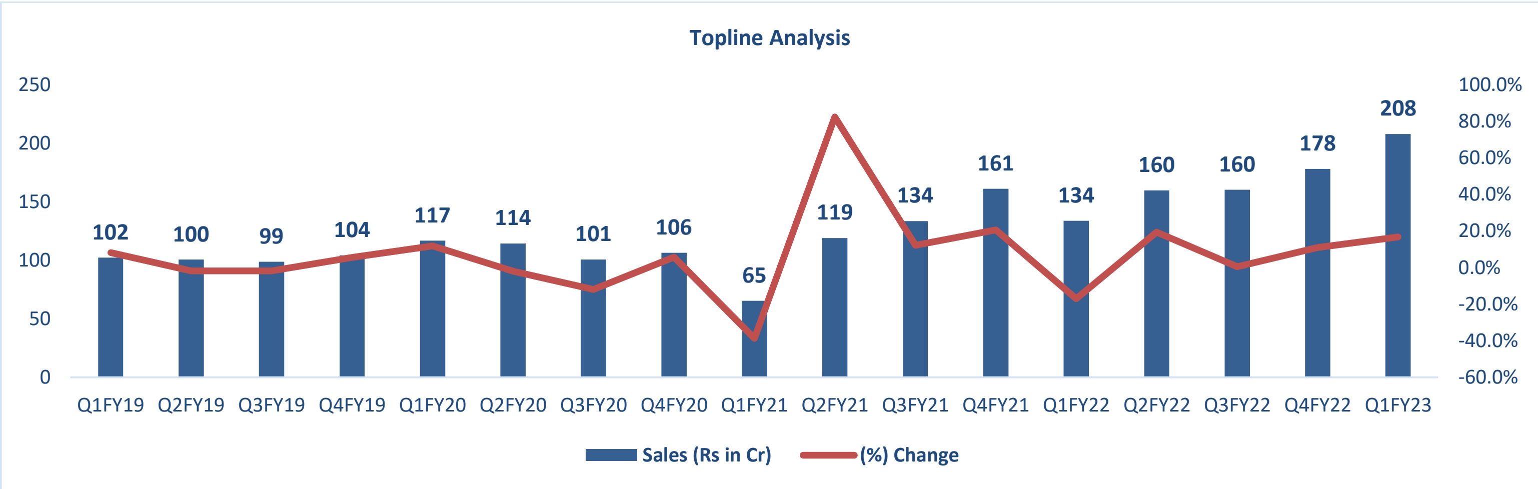
Source: Company & KJMC Research

Exhibit 104 – Seasonality proof business



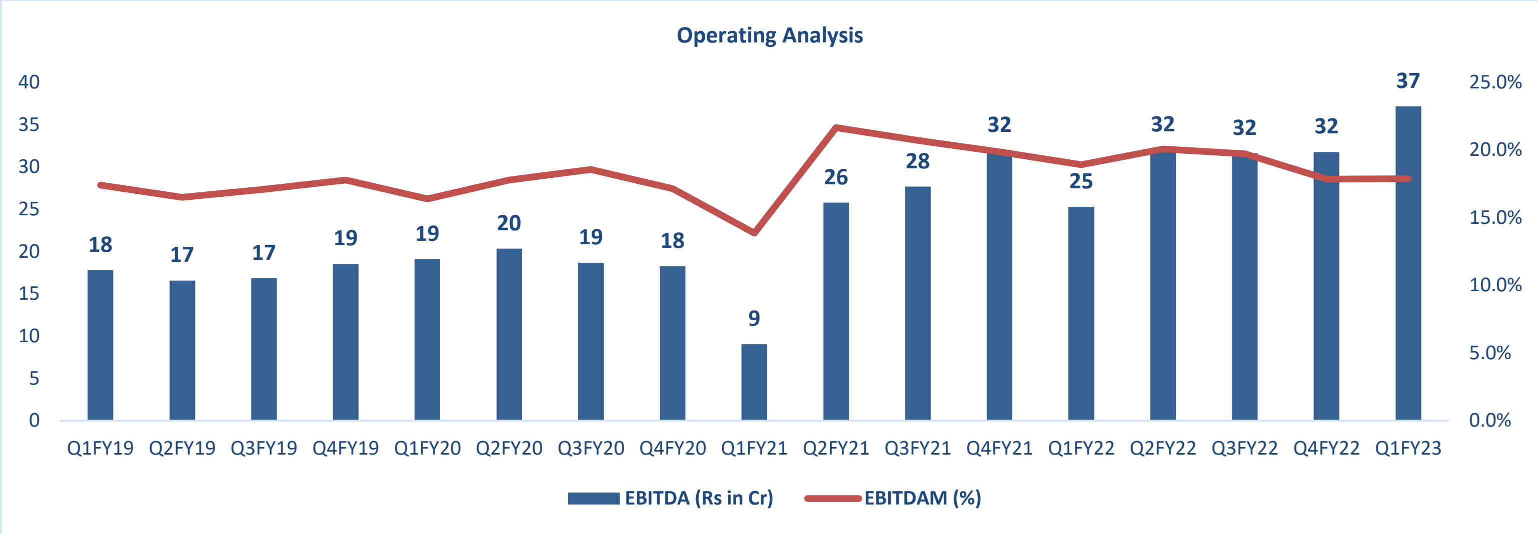
Source: Company & KJMC Research

Exhibit 105 - Quarterly revenue trend



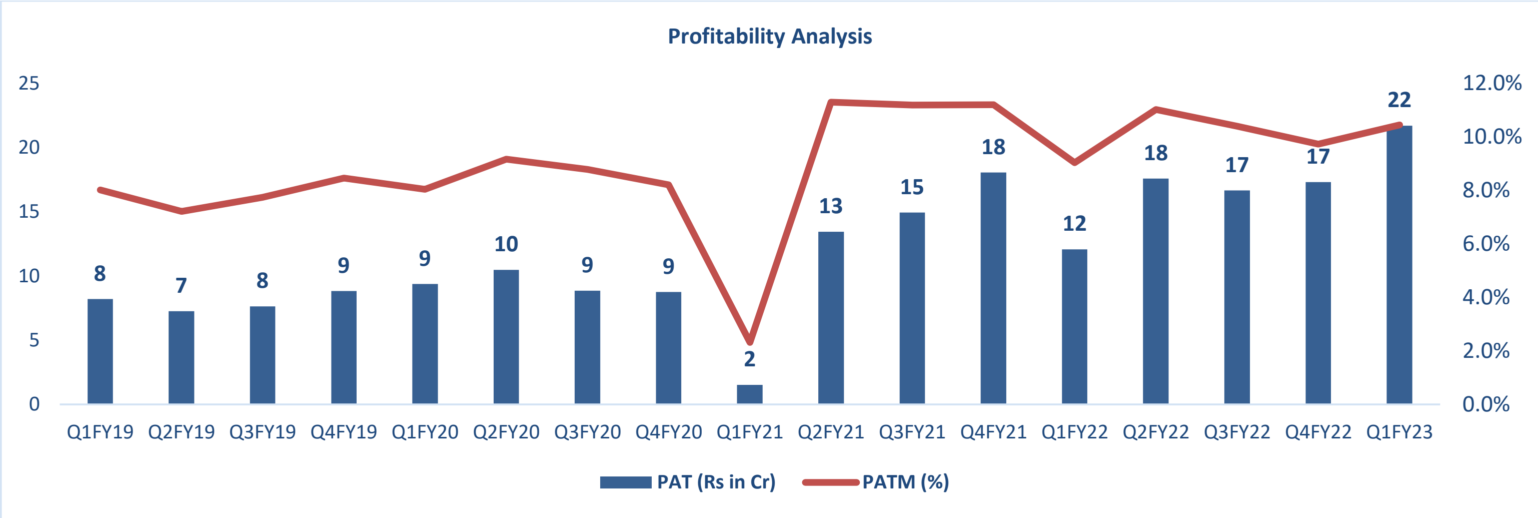
Source: Company & KJMC Research

Exhibit 106 - Quarterly EBITDA trend



Source: Company & KJMC Research

Exhibit 107 – Quarterly Profitability trend



Source: Company & KJMC Research

The Company has generated a robust shareholder return, its stock price has grown at 55% CAGR in the last 10 years. We anticipate a brighter outlook for the Company ahead as well.

Strengthening its Paints Segments Portfolio
The Company has received LOA from Grasim Industries Ltd – Birla Paints Division for supply of Packing Material (PAILS).

Valuation & View

With a strong offering in the packaging solutions, the Company is a market leader in rigid packaging space with the dominating market position. The Company is the fastest growing packaging company with deep and wide moat like – 1) 100% backward integration, 2) Operational excellence, 3) world class research & development, 4) Pioneers in the field of In-Mold labelling (IML) in India, 5) Diversified, Geographic presence, 6) Continue focus on product innovations and 7) Industry leading financial performance with best in class capital allocation, etc. In FY22, the whole industry was facing the inflation pressure in raw material pricing and failed to pass on to the end users. Mold-Tek is one of those who is well efficient to pass the inflammatory pressure in raw material pricing to its clients. It has maintained or rather improved the EBITDA margin in the steep inflation environment.

The Company has significant growth plans in the next 2-3 years with focus on value added products and geographical expansion with diversifying into Injection blow molded (IBM) products. The Company has laid out the Capex plan of ~Rs 250 Cr for the next 2-3 years to support the growth plan. Out which Rs 125 Cr would be spent during FY23 which is almost two and half times of the last 5 years average annual capex. This will go in an expansion of Bulk packs, IML labels, Tool room, thin wall, etc. Thus, with the huge capex, its capacity will be expanded ~54000 MT in FY23 and approx. 70,000 MT in FY24E which drive significant revenue visibility. Management has targeted to reach ~Rs 1000 Cr turnovers in next 3-4 years.

Exhibit 108 – Major Clientele to drive the next level growth

Source: Company

Exhibit 109 - Key Assumption (Consolidated)

Parameters	FY21	FY22	FY23E	FY24E	Comments
Revenue	**479**	**631**	**841**	**1,163**	We have built in 25-30% volume growth over FY22-FY24E, with an increase in realizations. On the back of significant growth plans for the next 2-3 years with focus on high value added products through both product and geographic expansion. The Company is coming up with new plants in Sultanpur (Hyderabad) for Pharma, Food & FMCG. In Daman with focusing on Food & FMCG for the western region and in Kanpur with focus on Paints and its entry into North, region. Further, it is also increasing its capacities in existing units like Mysore & Vizag, etc.
(%) of Growth	*9%*	*32%*	*33%*	*38%*	
Volume (Mn tons)	**26300**	**29250**	**36563**	**47531**	
(%) of Growth	*8%*	*11%*	*25%*	*30%*	
Realizations (Rs)	**182**	**216**	**230**	**245**	
(%) of Growth	*1%*	*19%*	*6%*	*6%*	
EBITDA	**95**	**122**	**171**	**245**	We expect the Company's EBITDA to grow at a CAGR of ~42% between FY22-FY24E, with focus on increasing contribution from high margin product like FMCG and Pharma, etc. Focus on innovations towards enhancing the products utility and feature of existing products with IML/IBM packaging. Thus, this will also improve its EBITDA/kg going ahead.
(%) of Growth	*22%*	*28%*	*40%*	*43%*	
EBITDA/Kg (Rs)	**36.3**	**41.8**	**46.8**	**51.6**	
(%) of Growth		*15%*	*12%*	*10%*	
Profit after tax (PAT)	**48**	**64**	**96**	**141**	We expect the Company's PAT to grow at a CAGR of ~49% between FY22-FY24E, due to significant debt reduction, cost reduction and improving efficiency with leadership position in the rigid packaging industry.
(%) of Growth	*28%*	*33%*	*51%*	*47%*	
EPS (Rs)	**16**	**21**	**29**	**42**	

Source: Company & KJMC Research

Exhibit 110 - Valuation Snapshot (Rs in INR Cr)

Valuation Method	Multiple	Value
PE Multiple	26	
Profit after tax (FY24E)		141
Equity value of Mold-Tek Packaging Ltd		3,725
Shares Outstanding (O/s)		3.31
Target Price (Rs)		1,125
CMP (Rs)		872
Upside (%)		29%

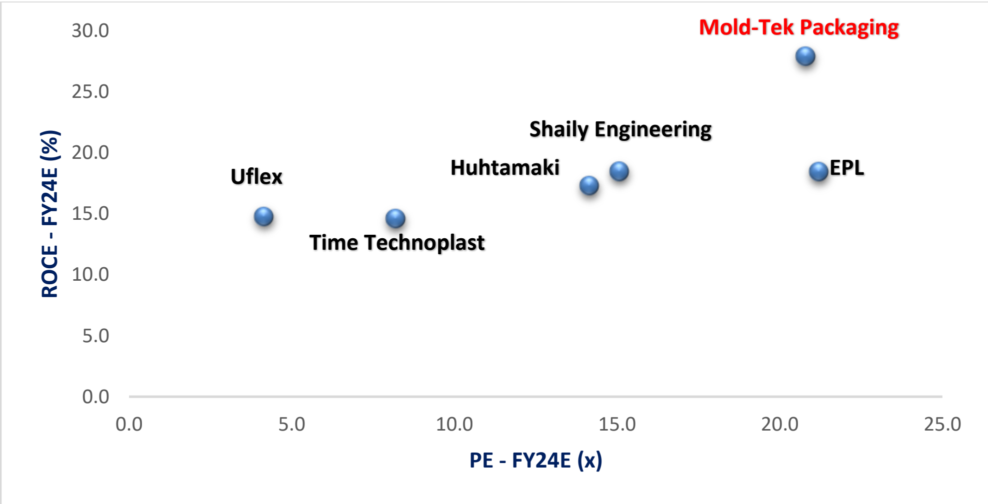
Source: KJMC Research

Exhibit 111 - Proven track record for building successful brands

Growth Parameters	Historical Analysis (FY07-FY21)				Future Analysis (FY10-FY24E)			
	Volume	Revenue	EBITDA	PAT	Volume	Revenue	EBITDA	PAT
3 yrs CAGR	9.8	20.0	25.2	30.4	27.5	35.7	41.6	48.7
5 yrs CAGR	11.2	16.2	18.3	23.0	18.3	27.7	33.2	39.2
7 yrs CAGR	9.6	14.8	17.8	17.6	16.4	22.4	25.6	31.0
10 yrs CAGR	9.0	14.1	22.3	30.5	13.0	16.9	22.3	26.6
12 yrs CAGR	NA	13.9	18.3	20.6	12.5	17.8	25.6	33.7
15 yrs CAGR	NA	15.1	21.7	23.5	NA	17.5	21.2	23.5

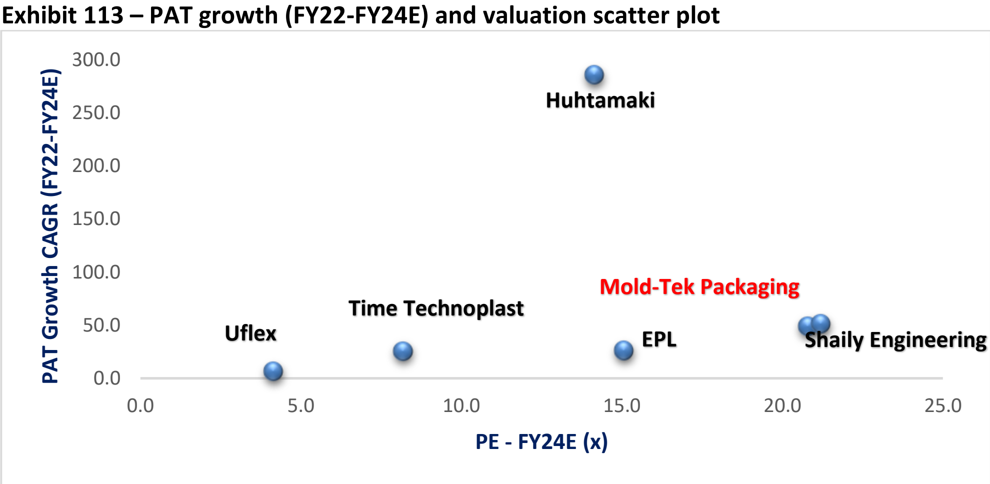
Source: Company & KJMC Research NA = Not available

Exhibit 112 – ROCE and valuation scatter plot



Source: Company, Refinitiv & KJMC Research

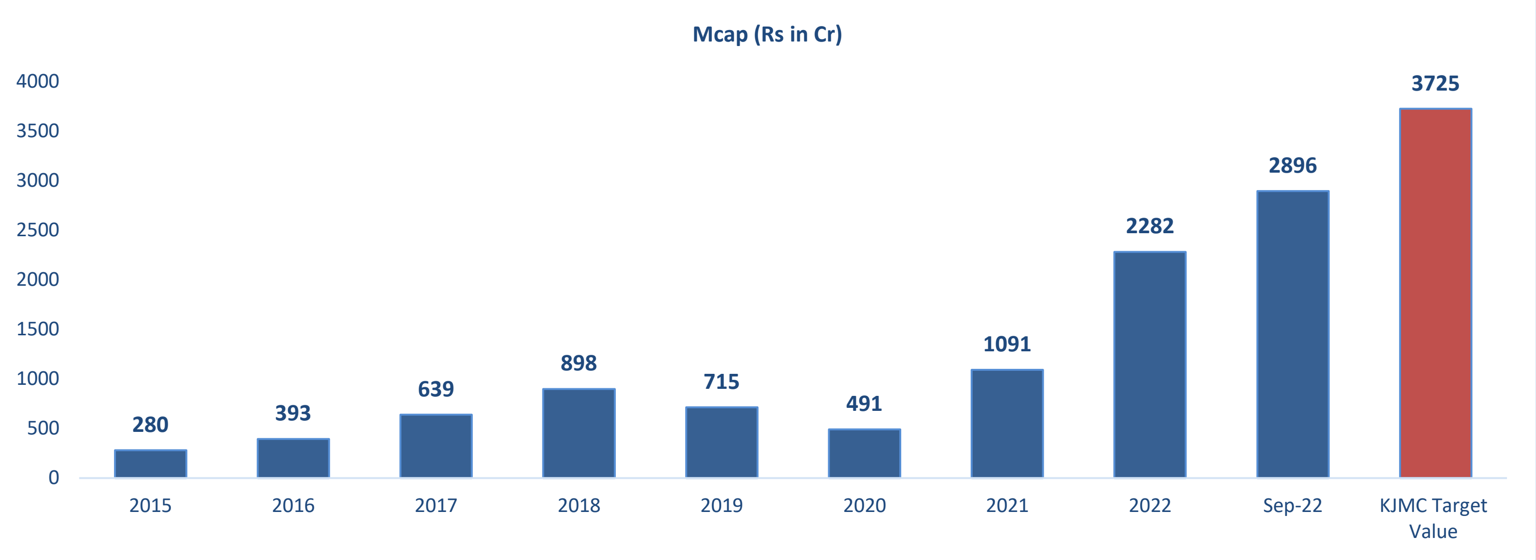
Exhibit 113 – PAT growth (FY22-FY24E) and valuation scatter plot



Source: Company, Refinitiv & KJMC Research

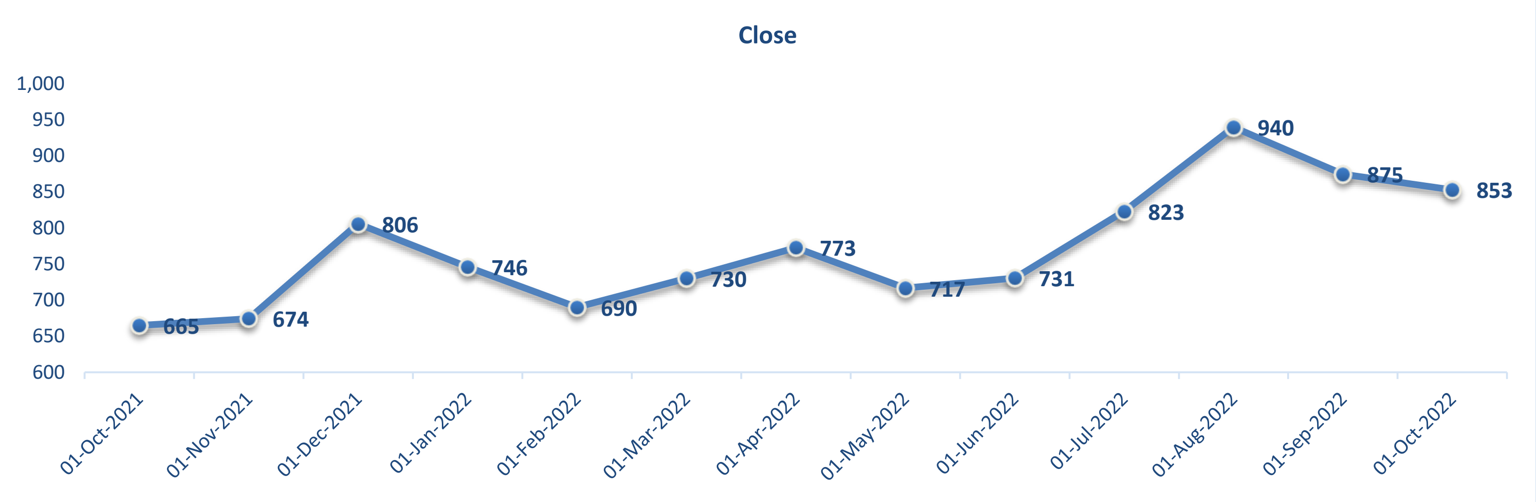
View – Given the strong expansion and diversification plans, we expect Mold-Tek to deliver consistent performance over the next few years. Its industry leading capital allocation, lean balance sheet, healthy margin and return ratios with strong operating cash flow and superior dividend pay-outs ratios gives it an edge. **We anticipate Mold-Tek's Revenue/EBITDA/PAT to grow at a CAGR of ~36/42/49% over FY22-FY24E, we initiate coverage on Mold-Tek Packaging with a "BUY" recommendation with a (1 year) Target price of Rs. 1,125 (upside of 29%) valuing the Company at a ~26x (historical average) on FY24E EPS.**

Exhibit 114 – Creating Sustained value for Investors
(Market Capitalisation as at 31st March, except for KJMC Target value)



Source: Refinitiv & KJMC Research

Exhibit 115 - Last one year closing share price performance (Monthly basis)



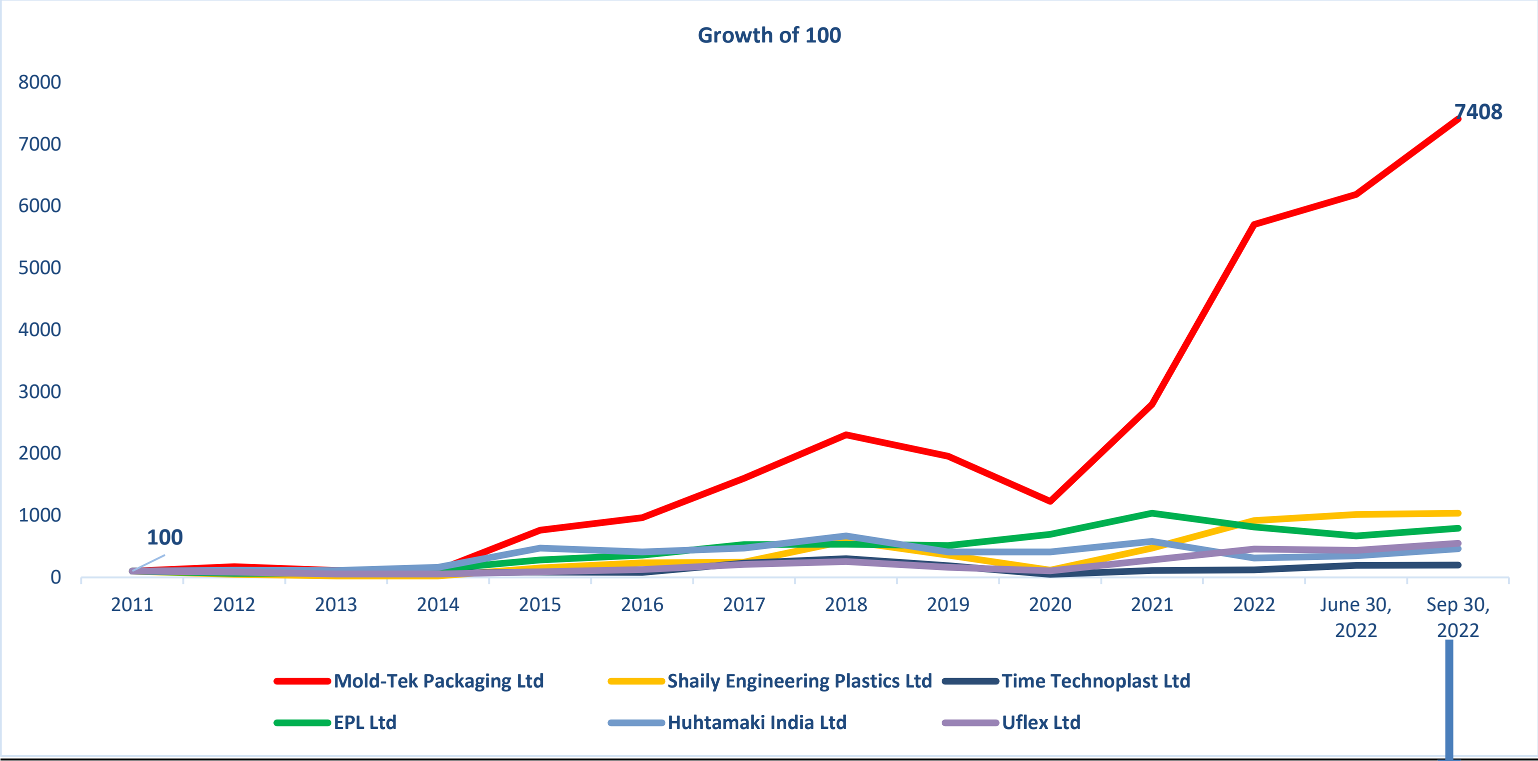
Source: Refinitiv

Risk Factors

- ✓ Client concentration – Top 5 clients contribute the majority of the revenue
- ✓ Higher dependency on Paint industry
- ✓ The ongoing inflationary trend also poses risk to both consumer demand and consumption, which might impact the Company's volume growth
- ✓ Delay in capacity expansion.

Ability to Outperform in the Long Run

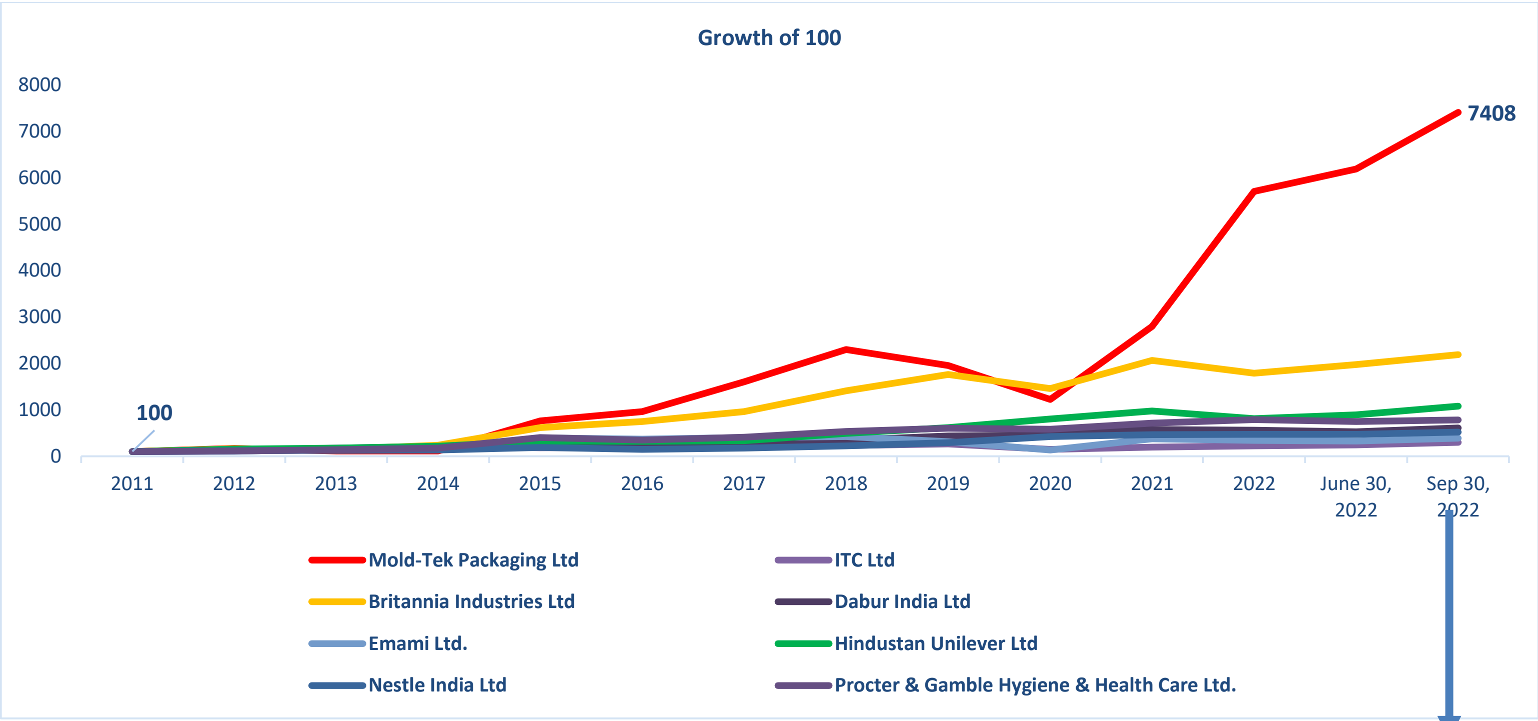
Exhibit 116 – Mold-Tek Vs Other players in the packaging space



Source: Refinitiv & KJMC Research

Shaily Engineering – **1036**
Time Technoplast – **198**
EPL – **793**
Huhtamaki India – **461**
Uflex - **548**

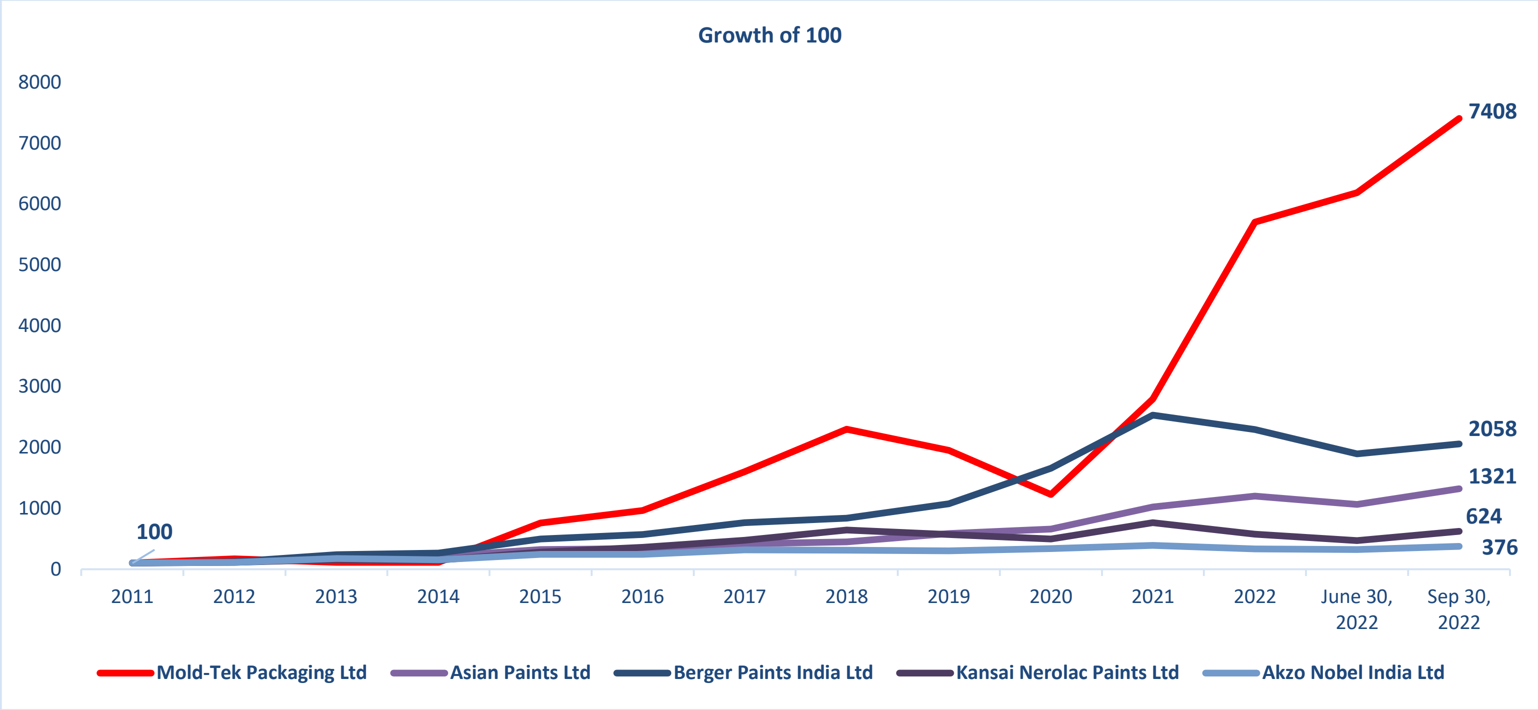
Exhibit 117 – Mold-Tek Vs FMCG players (Proxy play)



Source: Refinitiv & KJMC Research

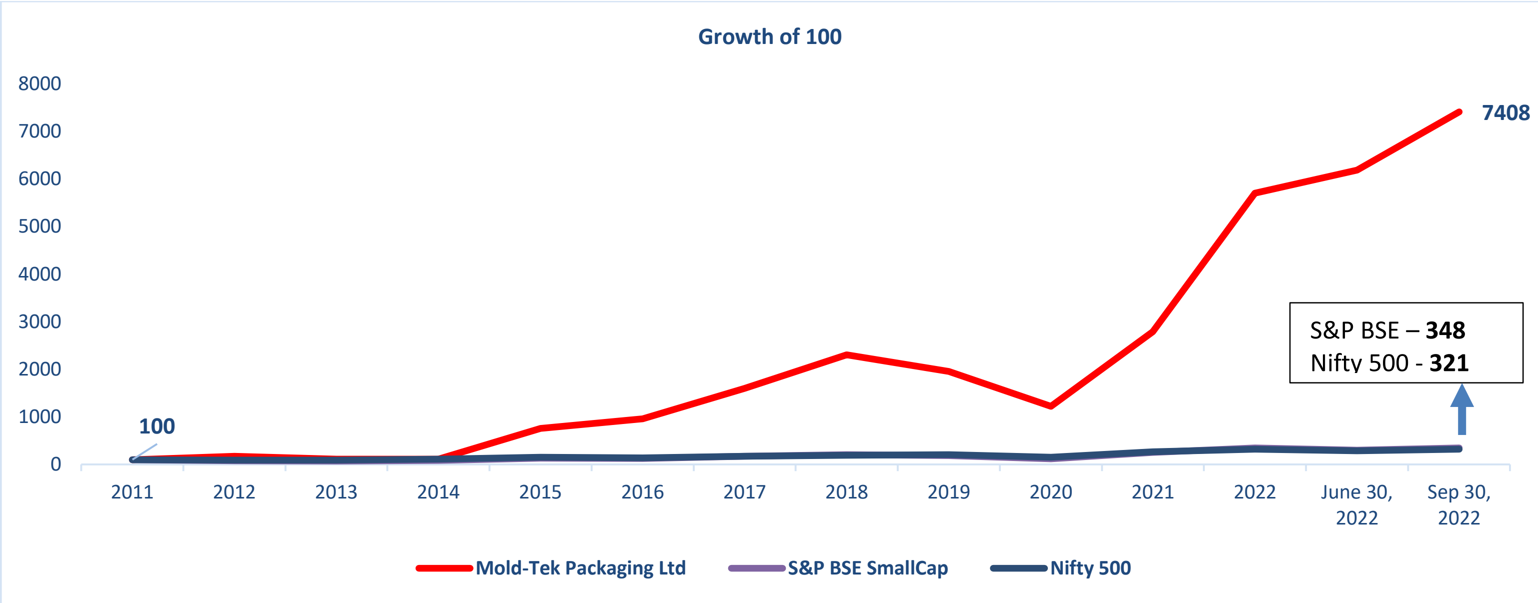
ITC – **300**
Britannia Inds – **2187**
Dabur India – **608**
Emami – **388**
HUL - **1079**
Nestle India - **519**
Procter & Gamble - **779**

Exhibit 118 – Mold-Tek Vs paints players



Source: Refinitiv & KJMC Research

Exhibit 119 – Mold-Tek Vs Benchmark



Source: BSE/NSE & KJMC Research

Board of Directors

Exhibit 120 - Brief Overview:

Name	Designation	Qualification	Age	Remuneration - FY22 (Rs in Cr)	Remuneration as % of PAT (FY22)	Overall Experience	Employment Details
Mr. J. Lakshmana Rao	Chairman & Managing Director	Bachelor's degree in Civil Engineering & PG Diploma in Management from the IIM, Bangalore	63	2.05	3.22%	39	Founder of Mold-Tek Group, Chairman & Managing Director of Mold-Tek Packaging Ltd and Mold-Tek Technologies Ltd
Mr. A. Subramanyam	Deputy Managing Director	Bachelor's degree in Mechanical Engineering	68	2.41	3.78%	41	Director, Mold-Tek Technologies Ltd
Mr. P. Venkateswara Rao	Deputy Managing Director	Bachelor of Arts & P.G. in Materials Management	65	1.71	2.68%	43	Director, Mold-Tek Technologies Ltd
Mr. Srinivas Madireddy	Whole-time Director	Bachelor's degree in Mechanical Engineering	56	0.89	1.40%	34	Director Teckmen Tools Pvt Ltd
Mrs. J. Mytraeyi*	Non-Executive Director	Bachelor's degree in science from Andhra University, Viskhapatnam	NA	0.80	1.26%	50	NA
Dr. T. Venkateswara Rao	Independent Non-Executive Director	Master's degree in science from Andhra University, Viskhapatnam. He also holds a degree of doctor of philosophy from Andhra University, Viskhapatnam.	NA	0.01	0.02%	33	Former Deputy Commissioner of Commercial Taxes, Government of Andhra Pradesh.
Dr. Venkata Appa Rao Kotagiri	Independent Non-Executive Director	Holds a Post-Graduation degree in 1988 from Regional Institute of Ophthalmology (Surgeon by profession)	63	0.01	0.02%	39	Founder of Bobbili Eye Hospital, Andhra Pradesh.
Mr. Eswara Rao Immaneni	Independent Non-Executive Director	A Chartered Accountant, certified arbitrator and holder of a Post Graduate certificate in Alternate Dispute Resolution from NALSAR University of Law, Hyderabad.	63	0.01	0.02%	31	Senior partner in M/s EC & Associates.
Mr. Togaru Dhanraj Tirumala Narasimha	Independent Non-Executive Director	He Holds a PGDM (IIMB) degree in 1982 from Indian Institute of Management Bangalore.	NA	0.01	0.01%	33	NA
Mrs. Madhuri Venkata Ramani Viswanadham	Independent Non-Executive Director	She holds a Chartered Accountancy degree in 2012 from Institute of Chartered Accountants of India.	NA	0.01	0.02%	14	NA

Source: Company

Exhibit 121 - Brief overview

Name	Designation	Qualification	Age	Remuneration - FY22 (Rs in Cr)	Remuneration as % of PAT (FY22)	Overall Experience	Employment Details
Mrs. A. Seshu Kumari	Chief Financial Officer & Finance Controller	Bachelor's degree in Science	62	0.51	0.80%	31	Mold-Tek Technologies Ltd
Mr. Subhojeet Bhattacharjee ^	Company Secretary and Compliance Officer	Institute of Company Secretaries of India and also holds a degree in Bachelor of Commerce B.Com (Hons) from St. Xavier's College, Kolkata.	NA				Comprises of Legal and Secretarial work.
Mr. J. Rana Prataap*	Senior Vice President Corporate	MBA in Marketing & Operations from IIM, Lucknow and a bachelor's degree in Industrial Engineering from IIT, Delhi	35	0.88	1.38%	10	Mold-Tek Technologies Ltd
Mr. A. Durga Sundeep	Senior Vice President Operations & Finance	Engineering from REC Kurukshetra and MBA from Purdue University, USA	38	0.78	1.23%	12	Mold-Tek Technologies Ltd
Mr. M. Rakesh	General Manager Marketing	Industrial Design, NID - Ahmedabad Plastics Technology, CIPET Chennai	53	0.36	0.57%	28	Reliance Industries Ltd (Mumbai), CIPET Hyderabad. Fenoplast Ltd, Hyderabad
Mr. M. Rajeshwara Rao	General Manager (unit VII)	Bachelor's degree in Mechanical Engineering and PG Diploma in Materials Management.	52	0.36	0.56%	30	Mold-Tek Technologies Ltd
Mrs. Kavya Sarraju	Chief Manager Marketing	Master of Business Administration - Marketing	34	0.31	0.49%	11	Mold-Tek Technologies Ltd

Source: Company * Mr J. Rana Prataap is son of Mr. J. Lakshmana Rao ^ Appointed w.e.f. 27th July 2022

Exhibit 123 – Additional data

Scope	Entity
Statutory Auditors	M/s. M. Anandam & Co
Internal Auditors	M/s. Praturi & Sriram
Secretarial Auditor	Mr. Ashish Kumar Gaggar
Legal Advisor	Mr. M. Radhakrishna Murthy (Advocate)
Registrar & Share Transfer Agent	M/s. XL Softech Systems Limited
Registered Office	Plot # 700, Road No. 36, Jubilee Hills, Hyderabad – 500 033, Telangana.

Source: Company

Top Key Shareholders

Exhibit 124 – Top 35 Holdings

Sr.No	Investor Name	% Outstanding	Position (M)	Value ($, M)
1	Janumahanti (Lakshman Rao)	9.43%	3.12	28.90
2	DSP Investment Managers Pvt. Ltd.	6.47%	2.14	19.82
3	Adivishnu (Subrahmanyam)	5.69%	1.89	17.45
4	Janumahanti (Sudha Rani)	5.63%	1.86	17.26
5	Sundaram Asset Management Company Limited	3.21%	1.06	9.82
6	ODIN Forvaltning AS	2.91%	0.96	8.91
7	Kasikorn Asset Management Co., Ltd.	2.63%	0.87	8.07
8	Edelweiss Asset Management Ltd.	2.11%	0.70	6.48
9	Agarwal (Madhulika)	1.95%	0.65	5.97
10	Kacholia (Ashish)	1.89%	0.62	5.78
11	Canara Robeco Asset Management Company Ltd.	1.83%	0.61	5.61
12	Adivishnu (Seshu Kumari)	1.81%	0.60	5.54
13	Goldman Sachs Asset Management International	1.62%	0.54	4.98
14	Marble Bar Asset Management LLP	1.42%	0.47	4.35
15	Madireddi (Srinivas)	1.42%	0.47	4.35
16	Padmavathi (Nandiwada)	1.24%	0.41	3.80
17	ICICI Prudential Asset Management Co. Ltd.	1.09%	0.36	3.34
18	Ashoka India Equity Investment Trust PLC	1.00%	0.33	3.05
19	Golukonda (Satyavati)	0.95%	0.31	2.90
20	Aditya Birla Sun Life AMC Limited	0.94%	0.31	3.34
21	JPMorgan Asset Management (Asia Pacific) Limited	0.93%	0.31	2.74
22	Kotak Mahindra Asset Management (Singapore) Pte. Ltd.	0.82%	0.27	2.80
23	Sravya (Sathya J)	0.67%	0.22	2.07
24	Adivishnu (Durga Sundeep)	0.66%	0.22	2.02
25	Janumahanti (Navya Mythri)	0.66%	0.22	2.01
26	Janumahanti (Rana Pratap)	0.61%	0.20	1.88
27	Rao (Bhujanga J)	0.61%	0.20	1.86
28	Pattabhi (Venkateshwara Rao)	0.56%	0.19	1.73
29	Pattabhi (Sai Lakshmi)	0.55%	0.18	1.68
30	Mold Tek Group	0.50%	0.17	1.53
31	Mythri (Adivishnu Lakshmi)	0.47%	0.16	1.45
32	Sarraju (Kavya)	0.37%	0.12	1.15
33	Adivishnu (Vivaan Subramanyam)	0.33%	0.11	1.00
34	Jandhyala (Vijay Sharan)	0.32%	0.11	0.98
35	Adivishnu (Aanvi)	0.31%	0.10	0.94

Source: Refinitiv (Updated on 12/10/2022)

Financial Statements

Profit & Loss

(All amounts in Rupees Cr, unless otherwise stated)

Particulars	FY20	FY21	FY22	FY23E	FY24E
Total revenue from operations	438	479	631	841	1,163
Other Income	1.2	0.9	1.6	2.0	2.7
Total Income	**439**	**480**	**633**	**842**	**1,166**
Cost of Goods Sold (COGS)	258	272	377	493	681
Gross Margin	182	207	256	349	485
Employee Benefit Expenses	50	33	39	55	76
Other Expenses	54	79	96	123	165
EBITDA	**78**	**95**	**122**	**171**	**245**
Depreciation and Amortisation Expenses	19	22	26	37	51
EBIT	59	74	96	135	195
Finance Cost	10	10	9	4	3
Profit before tax (PBT)	48	64	87	130	191
Tax Rate (%)	22.5%	25.0%	26.4%	26.4%	26.4%
Tax Expenses	11	16	23	34	51
Profit after tax (PAT)	**37**	**48**	**64**	**96**	**141**
Number of Shares Outstanding	2.7	2.9	3.0	3.3	3.3

Key Balance Sheet

Particulars	FY20	FY21	FY22	FY23E	FY24E
Current Assets					
Cash and Cash Equivalents	1	1	16	5	57
Inventory	50	71	96	104	128
Account Receivables	59	90	143	152	201
Investments	-	-	-	-	-
Other Assets	18	8	16	16	16
Total Current Assets	**128**	**170**	**271**	**276**	**401**
Non-Current Assets					
PP&E (including intangibles)	214	251	276	366	373
Long Term Investments	7	9	17	17	17
Other Non-Current Assets	13	7	10	10	10
Total Non-Current Assets	235	266	303	393	400
Total Assets	**363**	**436**	**574**	**669**	**801**
Current Liabilities					
Short Term Borrowings	81	92	19	19	19
Trade Payables	18	32	28	43	59
Other Current Liabilities	27	25	26	26	26
Total Current Liabilities	126	148	73	88	104
Non-Current Liabilities					
Long Term Borrowings	25	17	25	25	25
Other Non-Current Liabilities	14	16	19	19	19
Total Non-Current Liabilities	39	32	44	44	44
Total Liabilities	**166**	**181**	**117**	**132**	**148**
Equity					
Equity Share Capital	13.9	14.0	15.6	16.6	16.6
Other Equity	184	242	441	521	636
Total Equity (Shareholder's Funds)	197	256	457	537	653
Total Assets & Liabilities	**363**	**436**	**574**	**669**	**801**

Source: Company& KJMC Research

Cash Flow Statement

Particulars	FY20	FY21	FY22	FY23E	FY24E
Net Cash flow from Operating Activities	60	68	2	131	135
Net Cash flow from Investing Activities	-26	-59	-55	-126	-58
Net Cash flow from Financing Activities	-34	-10	57	-16	-25
Net Changes in Cash & Cash Equivalents	0.19	0.06	3.69	-11	52
Add: Opening Cash & Cash Equivalents	0.18	0.37	0.43	16.3	4.9
Closing Cash & Cash Equivalents	0.37	0.43	4.12	4.86	56.93

Key Ratios

Parameters	FY20	FY21	FY22E	FY23E	FY24E
Per Share Data (Rs)					
EPS	13.0	16.1	21.1	29.0	42.5
DPS	5.0	7.0	8.0	5.1	7.5
Book Value	70.7	92.2	146.3	162.2	197.2
Margins (%)					
EBITDAM	17.8	19.9	19.4	20.4	21.1
PATM	8.5	10.0	10.1	11.4	12.1
Return Ratios (%)					
ROE	19.0	18.7	13.9	17.9	21.5
ROCE	19.3	20.3	19.1	23.2	27.9
Working Capital (Days) Analysis					
Inventory	42	54	55	45	40
Debtors	49	69	83	66	63
Creditors	15	25	16	19	19
Cash Conversion Cycle (Days)	76	98	122	92	84
Valuation (x)					
PE	12.6	22.6	35.8	29.9	20.4
EV/EBITDA	7.7	12.6	19.2	17.0	11.7
P/BV	2.4	4.2	4.9	5.3	4.4

Source: Company& KJMC Research

Contact name

Mr. Girish Jain	Executive Director	jaingirish@kjmc.com	2288 5201-02 (B)
Mr. Suresh Parmar	A.V.P. – Institutional Equities	suresh.parmar@kjmc.com	22820388
Mr. Yogesh Purohit	Manager – Institutional Dealing & Sales	yogesh.purohit@kjmc.com	22820388
Retail Team	Dealing Desk	retail@kjmc.com	22885206/35004464-65

Recommendation Parameters

Expected returns in absolute terms over a one-year period

Buy	-	appreciate more than 20% over a 12- month period
Hold / Neutral	-	appreciate up to 20% over a 12- month period
Reduce	-	depreciate up to 10% over a 12- month period
Sell	-	depreciate more than 10% over a 12- month period
Not Rated	-	Not have any estimates or recommendations

KJMC Capital Market Services Limited

Member

National Stock Exchange of India Ltd (CM, WDM, Derivatives)
BSE Limited (CM, WDM)
MCX Commodity Exchange of India Ltd (Commodity)
Metropolitan Stock Exchange of India Ltd (Currency)

SEBI Regn No – INZ000221631

Mutual Fund's AMFI No : ARN – 2386

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For further details: visit our website – www.kjmcfinserv.com