

A circular inset image showing several brown cardboard boxes on a white conveyor belt. The boxes are moving from left to right. The background is dark, and the lighting is focused on the boxes.

**WEEKEND
SERIES - SEP 24**

Packaging Sector

Sector & Stock analysis

INFORMATIVE REPORT BY TEAM ENSURE CAPITAL

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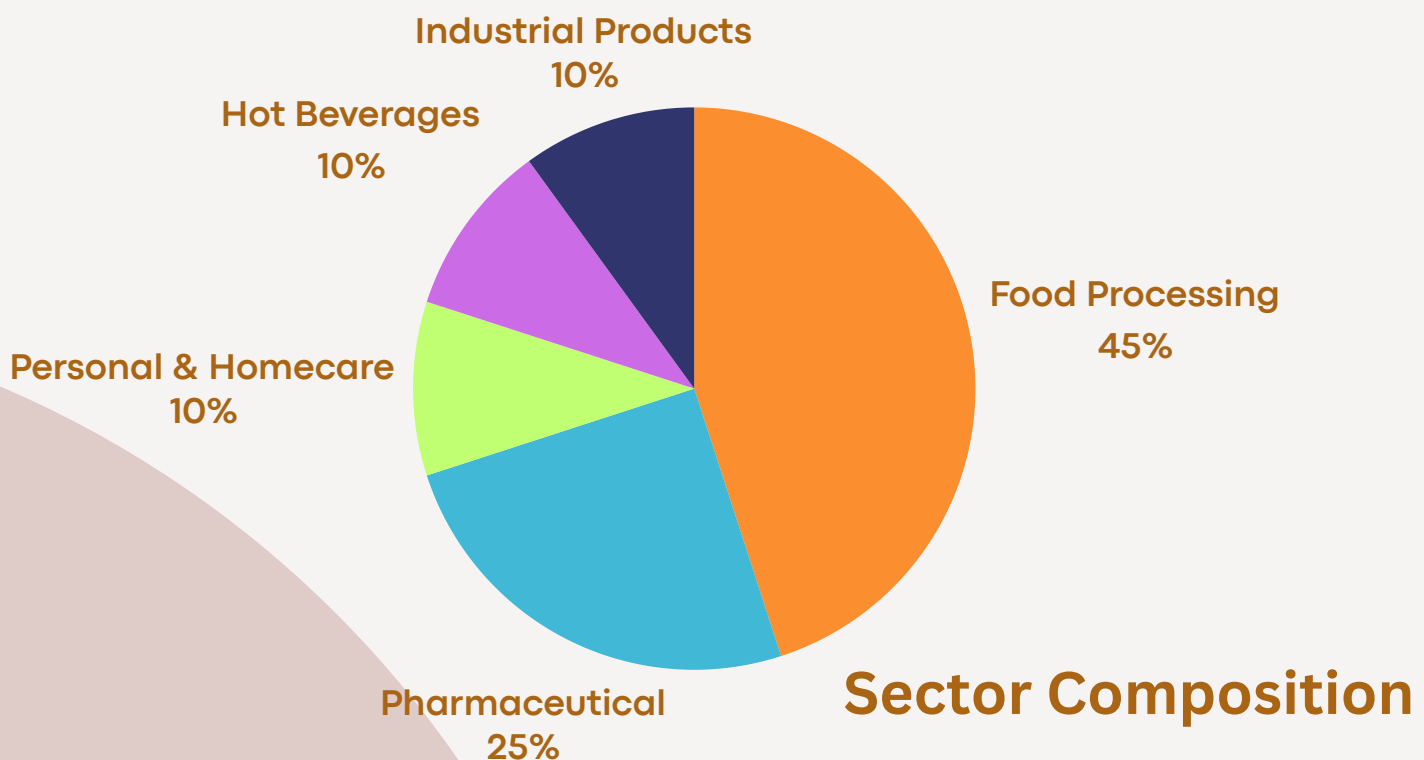
*All information for learning purpose & source from rating agencies & business media

Market Overview

The global packaging industry is developing and expanding day by day and Indian packaging industry is growing rapidly.

This growth is primarily driven by factors like growing pharmaceutical, food processing, manufacturing industry, FMCG, healthcare sector and ancillary in the emerging economies like China, India, Brazil, Russia and few other East European countries.

- It is 5th largest sector of India's economy
- Costs of processing and packaging food can be up to 40% lower than parts of Europe which, combined with India's resources of skilled labour, make it an attractive venue for investment.
- India is a net exporter of packaging products and the largest exporter of sub-segments— BOPET & FIBC.
- CAGR of 26.7% during the period of 2020-2025.
- The increasing market size of packed food products, projected to reach US\$ 3.4 billion by 2027, underscores the industry's pivotal role in supporting diverse sectors.
- Permit of 100% FDI through the automatic route



Growth Drivers

- Growth in consumer-packaged goods - 40% of India's population will be living in urban areas by 2025 up from 31% in 2010 which will lead to increasing consumption of FMCG and packaged food products.
- Increasing investments in End-user Industries - Growing investments in food processing, personal care, and pharmaceutical industries have created opportunities for packaging market expansion.
- Growth of organized retail
- Increasing use of Flexible Packaging
- Growth in the usage of Metal Packaging
- Usage of recyclable packaging material
- Usage of glass packaging for Beverages
- Increasing usage of Tetra packs for dairy and juice products



Challenges

- Rapid changes in technology
- Shortage and Rising cost of raw material
- Costly Skilled Manpower
- Rising input costs
- Highly inadequate credit flow
- Lack of Market Access & Advanced technology
- Lack of exposure to Best Management and Manufacturing Practices
- Lack of 100% commitment to the quality standards
- Lack of Marketing, Distribution and Branding
- Non-availability of skilled man-power

AGI Greenpac Ltd



Company forayed into the container glass business in 1981, with the acquisition of 'The Associated Glass Industries Limited' (AGI) and are one of the leading manufacturers of glass containers in India, with the capability of using diverse fuel options and product applications across downstream sectors.

Diversified into the manufacturing of PET bottles with the acquisition of Garden Polymers Private Limited (GPPL) in 2011.

They commenced the production of security caps and closures under the brand 'AGI Clozures' in 2018, further bolstering our portfolio with patented and technologically superior products that prevent counterfeiting of packaged products in the liquor and edible oil industries.

Segments - A

AGI GLASPAC

Comprehensive glass packaging solutions, primarily catering to the B2B market. With a strong foothold across diverse industries, they deliver tailored packaging solutions that meet the specific needs of clients. The state-of-the-art specialty plant in Bhongir produces premium glass packaging for sectors like cosmetics, perfumery, and candles. They have expanded into the B2C segment with our Sand Dunes and GreenDrop brands.

3

Plants in India

1,754 tonnes

Per day capacity, including the newly operational specialty glass plant

2.5 ml to 5,000 ml

Bottle range

Products	Industries Served	Manufacturing Plants	Capacity (per day)
Containers and Bottles <ul style="list-style-type: none">Soft drinkBeerWineSpiritsWhiskyMedicineVialsChemicalsWater	<ul style="list-style-type: none">BeveragesLiquorWineBeerPharmaceuticalsCosmeticPersonal careHospitality	<ul style="list-style-type: none">Bhongir, TelanganaSpecialty glass plant at Bhongir, Telangana	950 tonnes
Food Jars and Cosmetics <ul style="list-style-type: none">Nail polishPerfumeFace creamsFoundationCandle jar		<ul style="list-style-type: none">Sanathnagar, Hyderabad, Telangana	154 tonnes
			650 tonnes

Segments - B

AGI PLASTEK

Leading supplier of PET packaging solutions, delivering high-quality bottles that meet stringent regulatory standards catering to pharmaceuticals, also beverages, food and soft drinks, personal care, agrochemicals, and dairy sectors.

3

Plants in India

11,892 tonnes

Per annum capacity

Products	Industries Served	Manufacturing Plants	Capacity (per annum)
<ul style="list-style-type: none">PET bottlesHigh Density Polyethylene (HDPE) bottlesPolypropylene (PP) product	<ul style="list-style-type: none">Alcoholic beveragesLiquorPharmaceuticalsFast Moving Consumer Goods (FMCG)DairyAgrochemicalsPersonal careHospitality	<ul style="list-style-type: none">Dharwad, KarnatakaSangareddy, TelanganaSelaqui, Uttarakhand	<p>6,288 tonnes</p> <p>2,542 tonnes</p> <p>3,062 tonnes</p>

Segments - C

AGI CLOSURES

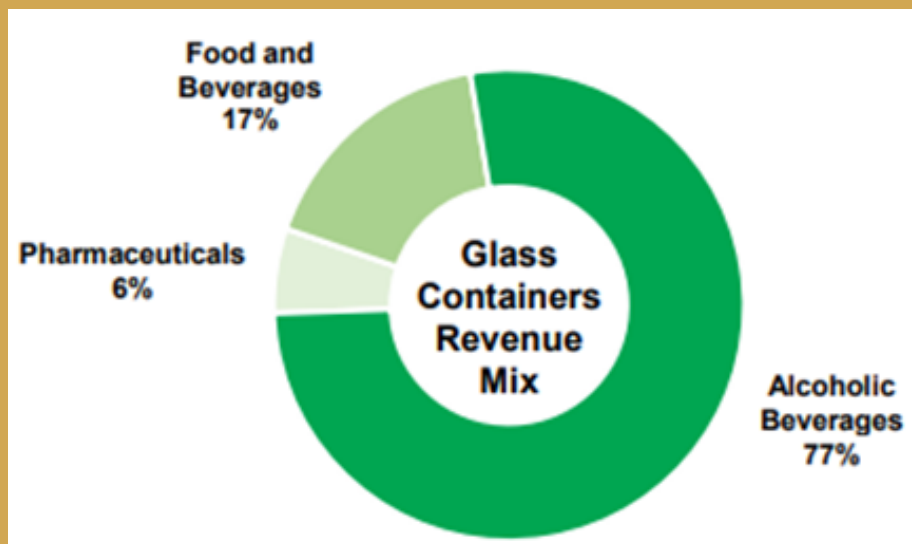
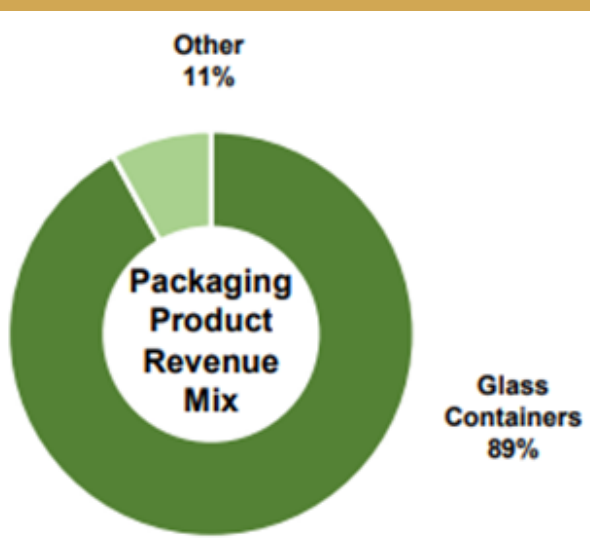
Specialising in producing counterfeit-resistant security caps and closures, we focus on the alco-bev industry.

1,057 million

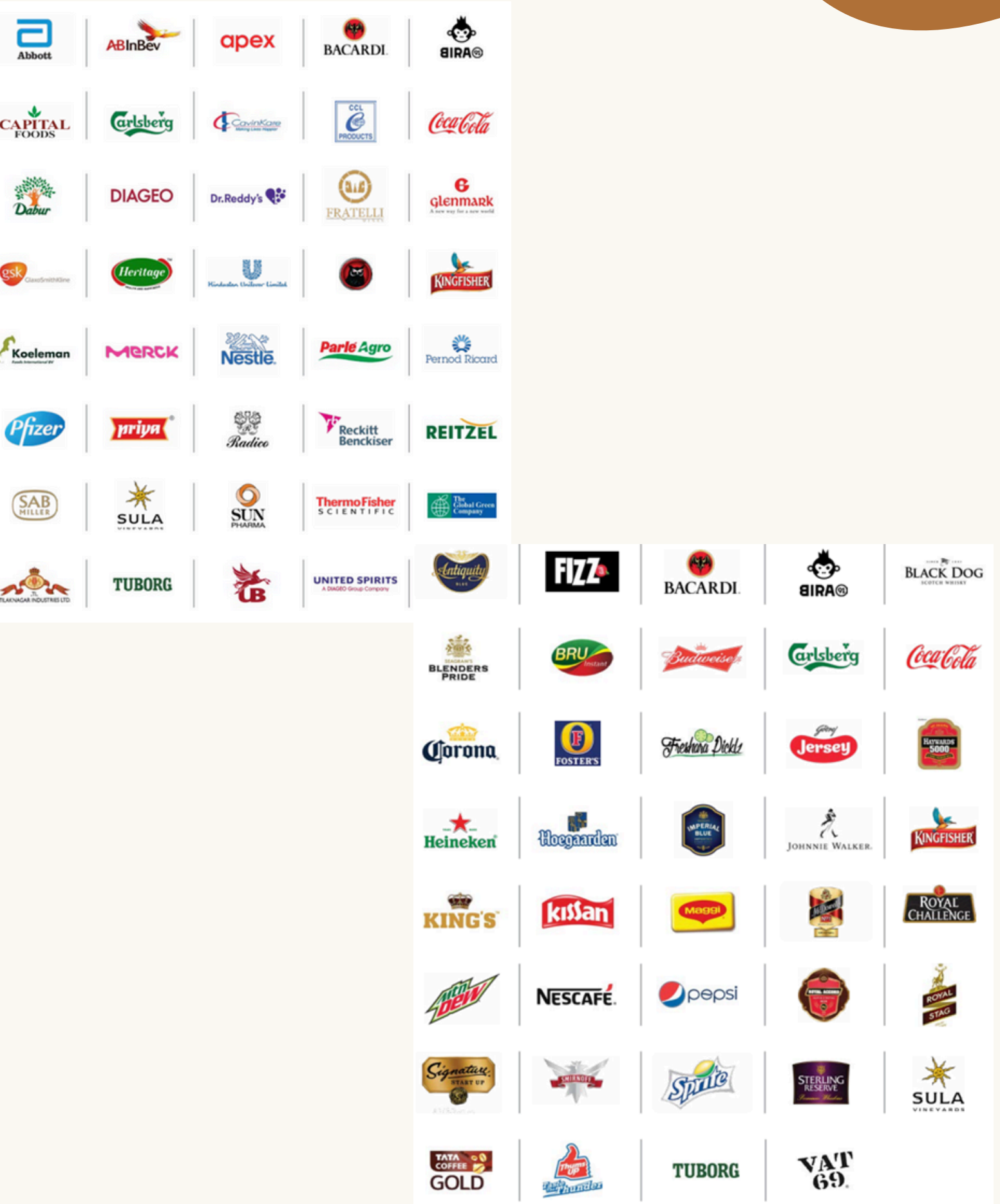
Pieces per annum (large and small caps)

Products	Industries Served	Manufacturing Plants	Capacity (per annum)
Counterfeit-resistant security caps and closures	<ul style="list-style-type: none">LiquorSpiritsPharmaceuticalsCosmetics	<ul style="list-style-type: none">Sangareddy, Telangana	<p>205 million pieces (large caps)</p> <p>852 million pieces (small caps)</p>

Product Wise Revenue Segmentation



Clients



Financials

Share Price	₹ 939.95
Market Cap (In Cr.)	₹ 4,700.00
P/E Ratio	18.70%
Industry P/E	37.36%
Beta	0.72
Total Debt (in Cr.)	497.37
Debt/Equity Ratio	0.34
Revenues FY 24(In Cr.)	₹ 2,420.00
Revenues FY 23(In Cr.)	₹ 2,281.00
Revenues FY 22(In Cr.)	₹ 1,430.00
Profit FY 24(In Cr.)	₹ 251.00
Profit FY 23(In Cr.)	₹ 248.00
Profit FY 22(In Cr.)	₹ 116.00
Book Value per share	280.47
P/B Ratio	3.36
EPS	38.85
Dividend Yield %	0.64
ROE %	13.85

Share Holding Pattern	% held
Promoters	60.24%
FII	7.14%
DII	1.22%
Public	31.39%
Others	0.01%

3Yr CAGR Sales Mar-24	14.31%
3Yr CAGR Net Profit Mar-24	68.94%

Income Statement (Yearly)	In Cr.				
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenue	1859.00	1852.00	1430.00	2281.00	2420.00
Net Profit	48.00	88.00	116.00	248.00	251.00
EPS	6.69	12.71	17.99	40.44	38.85
Book Value per share	173.85	190.66	215.16	248.31	280.47
ROE	3.85	7.13	13.88	16.28	13.85
Debt to Equity Ratio	0.75	0.65	0.83	0.46	0.34

Income Statement (Quarterly)	In Cr.				
	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Revenue	558.00	615.00	622.00	624.00	566.00
Net Profit	63.00	56.00	67.00	64.00	63.00
EPS	9.81	8.68	10.37	9.98	9.77

Ratios

	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
EPS(Rs.)	6.69	12.71	17.99	40.44	38.85
Gross Profit Margin (%)	15.67	16.62	21.46	21.36	24.29
Operating Margin (%)	7.98	10.07	14.47	15.83	17.63
Net Profit Margin (%)	2.6	4.75	13.51	11.46	10.38
Return on Equity (%)	3.85	7.13	13.88	16.28	13.85
ROCE (%)	6.59	8.51	8.17	14.85	16.54
Debt to Equity	0.75	0.65	0.83	0.46	0.34
Inventory Turnover Ratio	4.56	4.25	1.18	2.23	2.17
P/E Ratio	6.03	12.08	16.45	8.01	18.70%

Recent

Developments

- Green Building Design - 154 TPD Specialty Glass Unit has achieved the prestigious Platinum rating for Green Building Certification by the Indian Green Building Council (IGBC). Only organization in the Indian Container Glass Industry to have installed ESP (Electrostatic Precipitator) in furnace, to reduce flue gas emission, in all the plants.
- Light Saving Building Design - Designed all facilities, especially shop floors to ensure no artificial lighting is required during daytime & LED lighting is extensively used replacing conventional HPSV/ fluorescent lamps
- Renewable Energy - Increasing the share of renewable power in overall energy consumption through the installation of a 14.53 MW on-site solar power plant at the Bhongir plant The Sanathnagar, Hyderabad plant has a total solar power capacity of 3.80 MW. Of this, 2.8 MW started generating electricity on June 15, 2024. At our Caps & Closure and Plastic business, we have an on-site rooftop solar power plant installation of 1.23 MW.
- Water Conservation - At Bhongir plant, we have Created 6 rainwater storage ponds with a total storage capacity of around 36,450 Cu.Mtr which's used as process water during rainy season. Installed RO unit of 350 KLD and processing entire ETP/STP water and reusing it for plant processing purpose

News

Company will invest ₹230 crore on modernisation of furnaces, cutting-edge technologies and on de-bottlenecking measures to ramp up production in Telangana amid a growing demand for glass packaging solutions.

Current - daily production capacity of 154 tonnes, the ₹400 crore specialty glass plant.

A chunk of the ₹230 crore investment will be on the commercial glass facilities and rest at the specialty glass unit.



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*All information for learning purpose & source from rating agencies & business media. We are not recommending on making any positions such as buy or sell.