

Retail Research	IPO Note
Sector: Packaging	Price Band (Rs): 161 – 170
26th June 2026	Recommendation: SUBSCRIBE for Long Term

Knack Packaging Ltd.

Company Overview:

Knack Packaging Ltd. (KPL) is an integrated packaging solutions provider engaged in the manufacturing of Printed and Laminated Woven Polypropylene (PLWPP) bags, catering to industries such as food, fertilizers, chemicals, cement and other industrial segments. The company operates four manufacturing facilities located in Gujarat with integrated manufacturing and printing capabilities offering end-to-end processes from extrusion to high-quality printing. KPL has developed a diversified product portfolio with 13,379 SKUs supported by 73,000+ printing cylinders, serving a global client base of 1,950+ customers across 71 countries. Its strong export presence and focus on value-added flexible packaging solutions position it well in the industrial packaging segment with exposure to food and pet food segments supporting demand visibility.

Key Highlights:

1. Strong positioning in domestic flexible packaging segment: KPL holds ~10.1% market share in the Indian flexible bulk PLWPP bags segment (including pinch bottom bags) in FY25, highlighting its established presence in a fragmented and competitive industry. The company has built scale through capacity expansion, with aggregate effective installed capacity of 43,300 MTPA and operating at 81.6% utilization levels in FY26. Its expanding capacity base and improving product mix provide strong growth visibility while enhancing operating leverage.

2. Fully integrated manufacturing model drives efficiency: The company operates four manufacturing facilities in Gujarat with the fourth facility commissioned in Apr'26, and has end-to-end capabilities across extrusion, weaving, lamination and advanced printing processes. This integrated setup enables better control over input costs, ensures quality consistency and reduces reliance on third-party vendors, thereby supporting operating efficiency as well as faster turnaround time for large and customized orders.

3. Export-led business provides diversification and visibility: Exports contributed 56.3% of revenue in FY26, with KPL supplying products to customers across 71 countries. Its diversified geographical presence reduces dependence on domestic demand cycles and provides steady order visibility, particularly benefiting from global demand for durable, cost-effective bulk packaging solutions in the agricultural and industrial sectors.

4. Focus on value-added laminated products supports margins: KPL has a strong presence in laminated and printed woven bags, which offer higher realizations compared to standard commoditized products. Its advanced printing capabilities and strong customization focus enhance customer stickiness, improve pricing power and support margin profile over the long term.

5. Sayem-Knack JV: Knack Packaging has formed a joint venture with Sayem Knack S.A. de C.V. (Mexico), strengthening its presence in the international packaging market. The JV combines Knack's manufacturing expertise with local market access, enabling entry into regions like Mexico/North America. This partnership is expected to diversify revenues, improve customer proximity, and enhance margins through localized operations, while supporting long-term global expansion for Knack.

Valuation: Knack Packaging Ltd. operates in industrial packaging with a strong presence in flexible bulk PLWPP bags and a diversified end-user base. The company has an integrated setup with 43,300 MTPA capacity (Mar'26) and has delivered strong growth, with Revenue/EBITDA/PAT CAGR of 12.2%/25.2%/42.8% over FY24–26. Growth ahead will be driven by capacity expansion, Unit-4 ramp-up, higher share of value-added products, and export traction, while raw material volatility and competition remain key risks. At the upper band of Rs 170, the issue is valued at P/E and EV/EBITDA multiple of 22.2x and 12.4x based of FY26 earnings respectively. Considering its market position, marquee client base, well established international presence, and expansion plans in value added products and robust return ratios, we recommend investors to SUBSCRIBE the IPO for long-term investment.

Issue Details	
Date of Opening	1st July 2026
Date of Closing	3rd July 2026
Price Band (Rs)	161 – 170
Fresh Issue (Rs cr)	380
Issue Size (Rs cr)	439
No. of shares	2,58,52,941 @ upper price band
Face Value (Rs)	10
Post Issue Market Cap (Rs cr)	1,990 – 2,080
BRLMs	Systematix Corporate Services Ltd, IDBI Capital Markets & Securities Ltd and Pantomath Capital Advisors Pvt Ltd
Registrar	MUFG Intime India Pvt Ltd
Bid Lot	88 shares and in multiple thereof
QIB shares	50%
Retail shares	35%
NII shares	15%

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	8,95,96,000	89.6
Public & Others	1,04,04,000	10.4
Total	10,00,00,000	100.0

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	8,63,83,500	70.6
Public & Others	3,59,69,441	29.4
Total	12,23,52,941	100.0

Selling shareholders (OFS)	Classification	No. of shares
Alpesh Tulsibhai Patel	Promoter	6,75,750
Pravinkumar Ambalal Patel	Promoter	3,00,000
Rashminbhai Tulsibhai Patel	Promoter	6,75,750
Tulsibhai Keshavlal Patel	Promoter Group	3,62,000
Patel Kamlesh Ambalal	Promoter Group	3,07,500
Dharmisthaben Pravinbhai Patel	Promoter Group	1,25,000
Shital Alpesh Patel	Promoter Group	2,98,250
Divyaben Rashminkumar Patel	Promoter Group	2,98,250
Patel Jay Pravinkumar	Promoter Group	1,70,000
Shitalben Kamlesh Patel	Public	2,87,500
Total	-	35,00,000

Source: RHP, SBICAP Securities Research

Objects of the Offer

S.No	Particulars	Estimated utilization from net proceeds (Rs cr)
1	Partial funding of capex towards setting up of new manufacturing facility at Borisana situated at Kadi, Mehsana, Gujarat	320.0
2	General corporate purposes*	-
	Net Proceeds*	-

*To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds

Key Financials

Particulars (Rs cr)	FY24	FY25	FY26
Revenue from operations	655	736	823
EBITDA	97	133	152
Adj. PAT	46	74	94
EBITDA Margin (%)	14.8	18.1	18.5
Adj. PAT Margin (%)	7.0	10.0	11.4
RoE (%)	32.7	34.4	30.4
RoCE (%)	24.6	30.0	28.6
P/E (x)*	37.0	23.0	18.1
EV/EBITDA (x)*	19.3	13.9	12.4
Total Debt / Equity (x)	1.2	0.8	0.6
P/BV (x)*	12.1	7.9	5.5







*Note: Pre-issue P/E, EV/EBITDA and P/BV based on upper price band

Source: RHP, SBICAP Securities Research

Risk Factors

- **Supplier concentration risk:** The company is significantly dependent on key suppliers for raw materials, with its top 5 suppliers accounting for ~73% of total raw material purchases in FY26 and without long-term contractual arrangements. Any disruption in supply or inability to maintain relationships with these suppliers could adversely impact production and operational performance.
- **Customer concentration risk:** A significant portion of the company's revenue is derived from existing customers, with top-5 customers contributing ~33% of revenue in FY26, and without long-term contractual arrangements. Any reduction in orders or inability to retain these key customers could adversely impact business operations and financial performance.
- **Raw material price volatility:** The company's key raw materials include polypropylene granules, BOPP films, and LDPE granules, which are largely derived from crude oil. Any sharp volatility in crude oil prices may lead to fluctuations in input costs and impact margins.
- **Execution risk related to capacity expansion:** The company is undertaking capacity expansion through a new facility at Borisana (Gujarat). Any delay in project execution, cost overruns or slower-than-expected ramp-up could impact return ratios and growth visibility.

Product Profile

<p>Printed and Laminated Woven PP Bags</p>		<p>PLWPP Block Bottom Bags</p>	
<p>Printed and Laminated Woven PP Pinch Bottom Bags</p>		<p>Printed and Laminated Woven PP Retail Shopping Bags</p>	
<p>PP Woven Bags</p>			
<p>Printed and Laminated Woven PP bottom Gusset Bags</p>			

Source: RHP, SBICAP Securities

Growth Strategies

- Expand manufacturing capacity through ramp-up of Unit-4 (commissioned in Apr'26) and addition of new facility at Borisana (Gujarat).
- Increase focus on value-added PLWPP and specialized packaging products to improve realizations.
- Introduce new-age packaging formats such as pinch bottom, zipper and block bottom bags.
- Expand presence in higher-capacity (>50kg) packaging segment.
- Strengthen penetration in export markets and high-growth end-user industries.

Revenue Split – Product Wise

Sr.No.	Product Category	FY26	
		Rs cr	as % of revenue
1	Printed And Laminated Woven PP Bags	592.6	73%
2	Printed And Laminated Woven PP Pinch Bottom Bags	163.7	20%
3	PP Woven Bags	18.3	2%
4	Printed And Laminated Woven PP Bottom Gusset Bags	7.0	1%
5	Printed And Laminated Woven PP Retail Shopping Bags	-	-
6	PLWPP Block Bottom Bags	10.3	1%
7	Other Miscellaneous Products	15.8	2%
Total Revenue from Products		807.7	100%

Source: RHP, SBICAP Securities Research

Revenue Split – Geography Wise

Particulars	FY24		FY25		FY26	
	Rs cr	%	Rs cr	%	Rs cr	%
Exports Revenue	367.5	56%	412.9	56%	463.6	56%
Domestic Revenue	287.0	44%	323.6	44%	359.8	44%
Revenue from Operations	654.6	100%	736.5	100%	823.4	100%

Source: RHP, SBICAP Securities Research

PLWPP - Installed Capacity, Production & Utilization (in MT)

Product/Manufacturing Unit	FY24	FY25	FY26
Installed Capacity	43,300	47,500	55,800
Effective Installed Capacity	33,400	36,400	43,300
Actual Production	29,609	31,297	35,344
Capacity Utilization (%)	89%	86%	82%

Source: RHP, SBICAP Securities Research

Revenue Contribution - Top 10 Customers

Sr.No.	Name of Customers	FY26	
		Rs cr	as % of revenue
1	Cargill	137.7	17%
2	Sacos Y Empaques Internacionales S. A. de C.V.	48.0	6%
3	Customer II	32.9	4%
4	Customer VIII	31.5	4%
5	Customer III	20.4	2%
6	Customer IV	14.1	2%
7	Baba Agro Food Ltd	13.7	2%
8	Drools Pet Food Pvt. Ltd.	13.0	2%
9	Customer V	12.8	2%
10	Yash Packaging	12.4	2%
Total		336.6	41%

Source: RHP, SBICAP Securities Research

Note: Names of certain customers have not been disclosed in the RHP due to non-receipt of consent for inclusion in the Offer Documents.

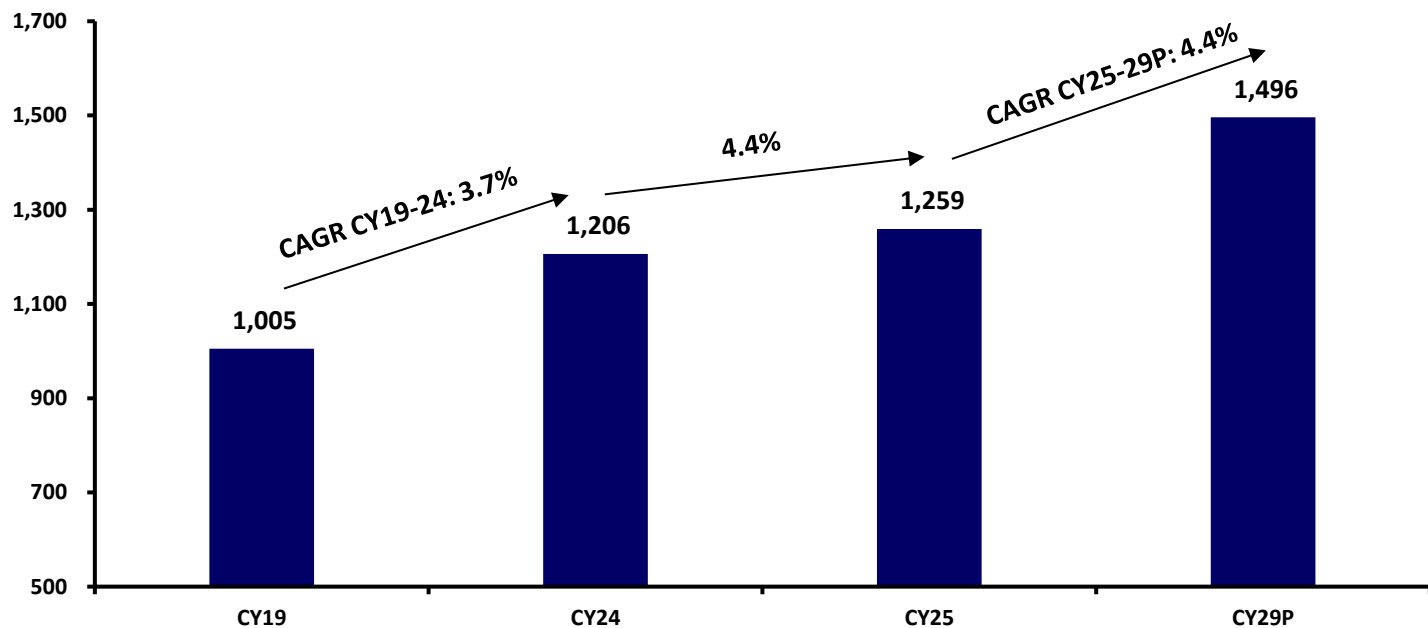
Revenue Contribution – Country Wise

Sr.No.	Country	FY26	
		Rs cr	as % of revenue
1	USA	194.8	24%
2	Mexico	50.4	6%
3	South Africa	44.6	5%
4	Sudan	32.3	4%
5	Haiti	15.8	2%
6	Honduras	13.7	2%
7	Mauritania	11.2	1%
8	Saudi Arabia	10.5	1%
9	United Kingdom	9.9	1%
10	Chile	8.5	1%
11	Australia	6.9	1%
12	Spain	6.9	1%
13	Oman	5.7	1%
14	Russia	5.5	1%
15	UAE	5.0	1%
16	Ivory Coast	5.0	1%
17	Egypt	4.5	1%
18	Portugal	4.5	1%
19	Other Countries (Exports)	28.0	3%
Total Exports Revenue		463.6	56%

Source: RHP, SBICAP Securities Research

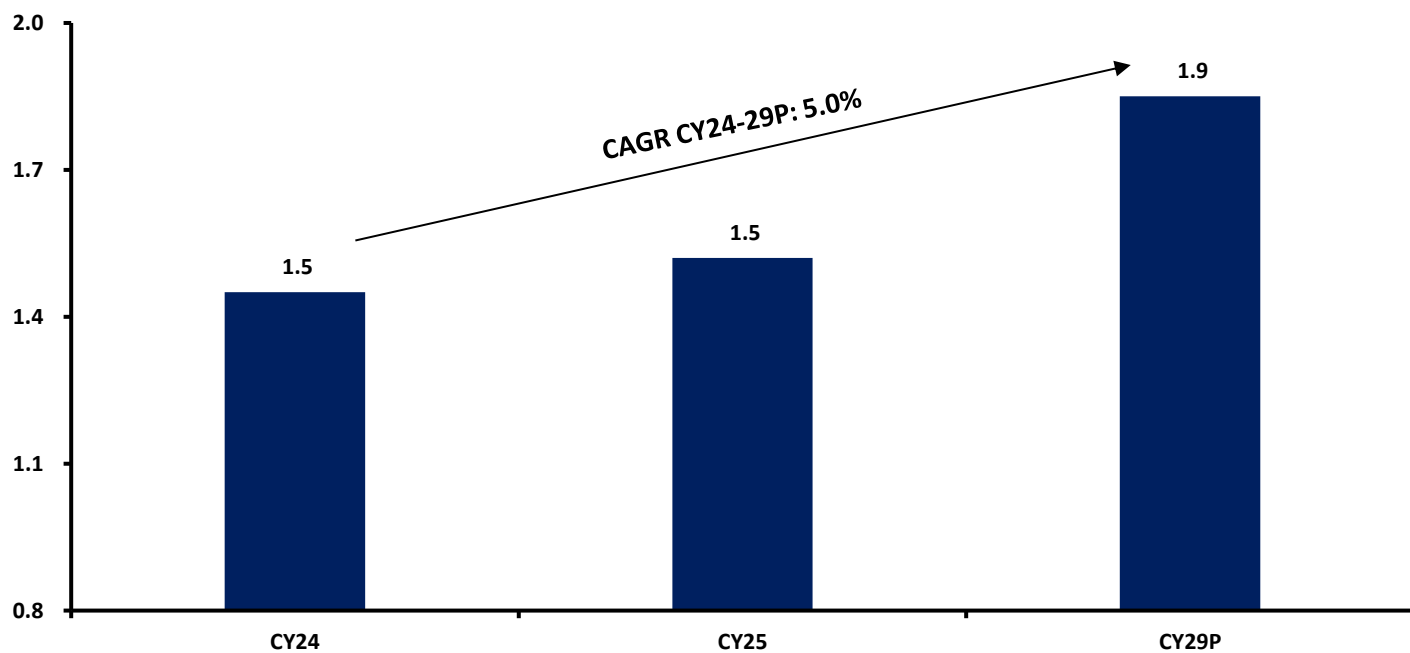
Industry Overview

Global Packaging Market Size (USD Bn)



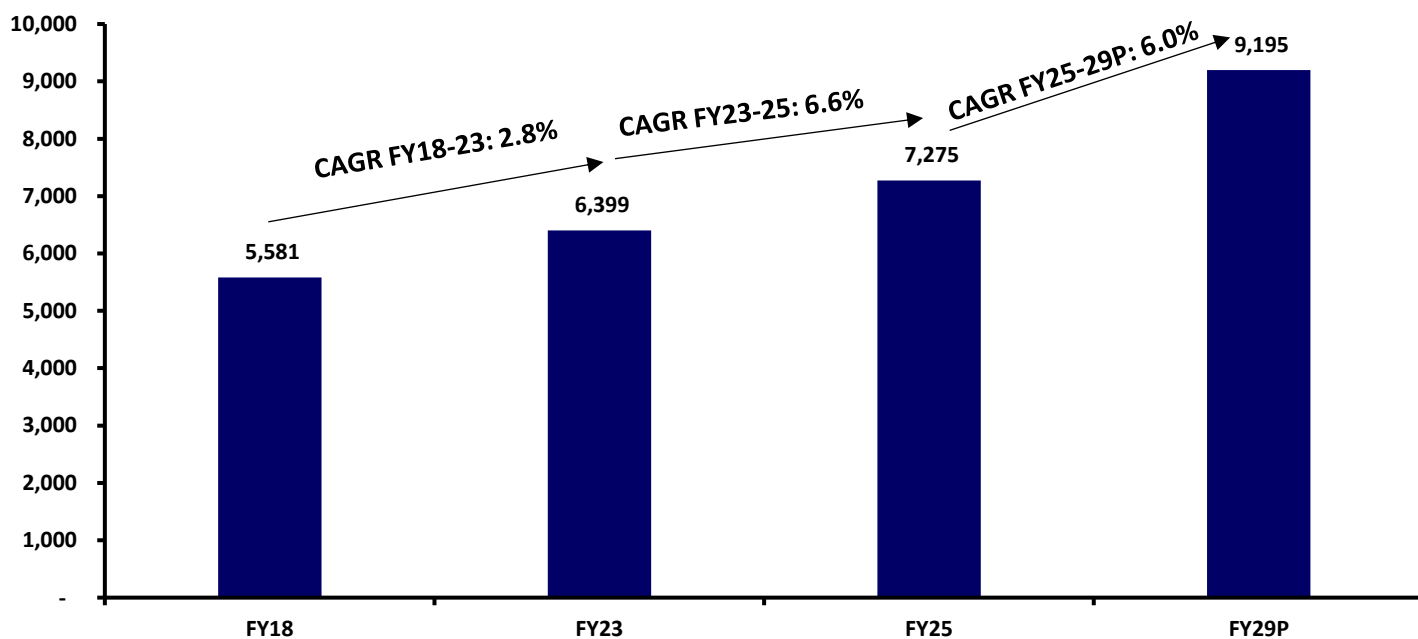
Source: RHP, SBICAP Securities Research

Global PLWPP Bags Market Size (USD Bn)



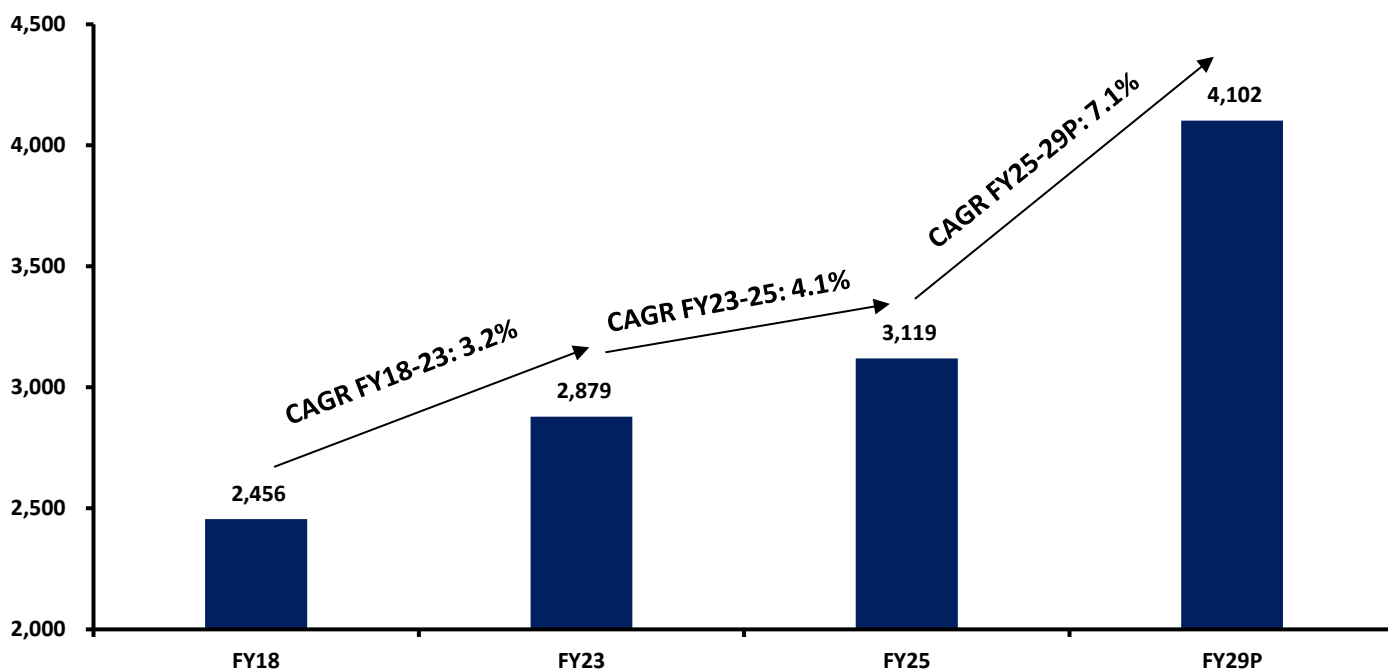
Source: RHP, SBICAP Securities Research

Indian Packaging Market Size (Rs bn)



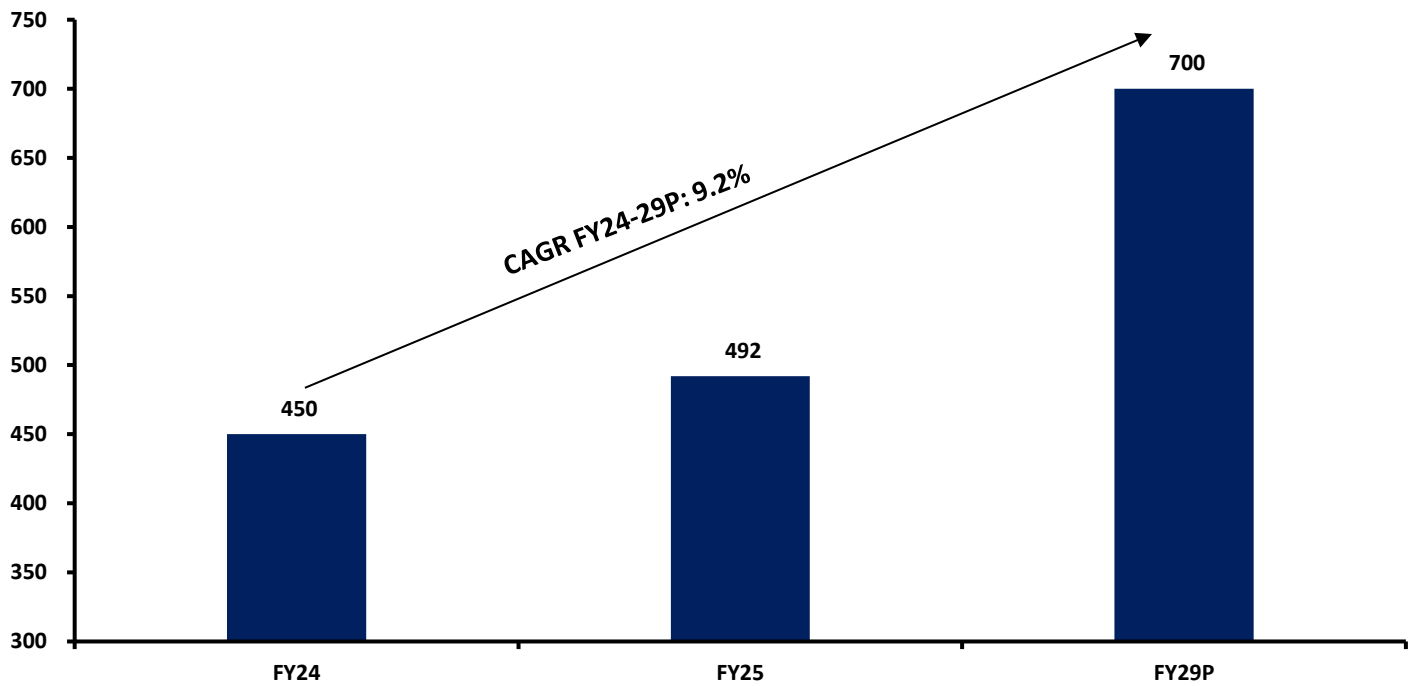
Source: RHP, SBICAP Securities Research

Indian Plastic Packaging Market Size (Rs bn)



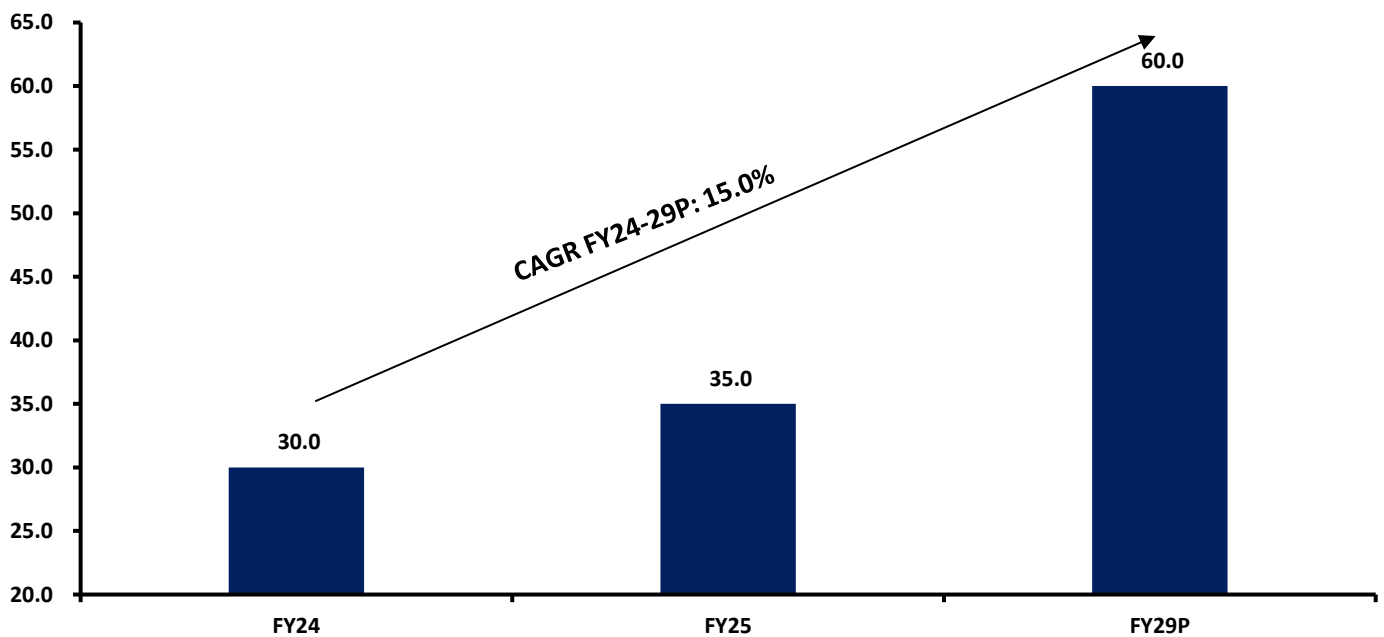
Source: RHP, SBICAP Securities Research

Indian Woven Polypropylene Bags Market Size (Rs bn)



Source: RHP, SBICAP Securities Research

Indian PLWPP Bags Market Size (Rs bn)



Source: RHP, SBICAP Securities Research

Financial Snapshot

INCOME STATEMENT			
Particulars (Rs cr)	FY24	FY25	FY26
Revenue from Operations	655	736	823
<i>YoY growth (%)</i>	-	12.5%	11.8%
COGS (incl Stock Adj)	393	445	479
Gross Profit	262	292	345
<i>Gross margins (%)</i>	40.0%	39.6%	41.9%
Employee Cost	46	42	47
Other Operating Expenses	119	116	146
EBITDA	97	133	152
<i>EBITDA margins (%)</i>	14.8%	18.1%	18.5%
Other Income	4	11	20
Interest Exp.	15	17	16
Depreciation	24	28	29
PBT	62	99	127
Exceptional item	-	-	(1)
Tax	16	25	32
Share of profit of associates and JVs	-	-	(1)
Minority Interest	-	-	-
PAT	46	74	93
<i>PAT margin (%)</i>	7.0%	10.0%	11.3%
EPS (Rs)	4.6	7.4	9.3
Adj. PAT	46	74	94
<i>Adj. PAT margin (%)</i>	7.0%	10.0%	11.4%
Adj. EPS	4.6	7.4	9.4

BALANCE SHEET			
Particulars (Rs cr)	FY24	FY25	FY26
Assets			
Net Block	148	146	233
Capital WIP	1	13	-
Intangible Assets	0	1	1
Right of use assets	13	15	12
Other Non-current Assets	3	28	49
Current Assets			
Inventories	84	92	119
Trade receivables	116	121	138
Cash and Bank Balances	4	12	7
Short-term loans and advances	1	11	5
Other Current Assets	9	13	32
Total Current Assets	214	248	301
Current Liabilities & Provisions			
Trade payables	40	35	43
Other current liabilities	9	10	34
Short-term provisions	0	0	0
Total Current Liabilities	49	45	77
Net Current Assets	165	203	224
Total Assets	330	404	518
Liabilities			
Share Capital	5	5	100
Reserves and Surplus	136	210	208
Total Shareholders' Funds	141	215	308
Total Debt	173	172	192
Lease Liabilities	17	16	13
Net Deferred Tax Liability	-	1	4
Total Liabilities	330	404	518

Cash Flow Statement (Rs cr)	FY24	FY25	FY26
Cash flow from Operating Activities	32	94	92
Cash flow from Investing Activities	(69)	(67)	(100)
Cash flow from Financing Activities	34	(19)	3
Free Cash Flow	(36)	37	(10)

RATIOS			
Particulars	FY24	FY25	FY26
Profitability			
Return on Assets	12.1%	16.4%	15.8%
Return on Capital Employed	24.6%	30.0%	28.6%
Return on Equity	32.7%	34.4%	30.4%
Margin Analysis			
Gross Margin	40.0%	39.6%	41.9%
EBITDA Margin	14.8%	18.1%	18.5%
Adj. Net Profit Margin	7.0%	10.0%	11.4%
Short-Term Liquidity			
Current Ratio (x)	1.3	1.5	1.3
Quick Ratio (x)	0.8	0.9	0.8
Avg. Days Sales Outstanding	65	60	61
Avg. Days Inventory Outstanding	78	76	91
Avg. Days Payables	26	21	23
Fixed asset turnover (x)	4.4	5.1	3.5
Debt-service coverage (x)	0.4	0.6	0.7
Long-Term Solvency			
Total Debt / Equity (x)	1.2	0.8	0.6
Interest Coverage Ratio (x)	5.0	6.9	9.0
Valuation Ratios*			
EV/EBITDA (x)	19.3	13.9	12.4
P/E (x)	37.0	23.0	18.1
P/B (x)	12.1	7.9	5.5
EV/Sales (x)	2.9	2.5	2.3
P/Sales (x)	2.6	2.3	2.1

*Valuation ratios are based on pre-issue capital at the upper price band

Source: RHP, SBICAP Securities Research

Peer Comparison – FY26

Particulars (Rs cr)	Knack Packaging	Mold-Tek Packaging	TCPL Packaging	Time Technoplast
CMP (Rs)	170	690	2,997	182
Sales	823	887	1,736	6,105
EBITDA	152	172	284	892
Adj. PAT	94	72	107	469
Mkt Cap.	2,080	2,291	2,728	8,988
Enterprise Value	1,886	2,505	3,266	9,047
EBITDA Margin (%)	18.5	19.4	16.4	14.6
Adj. PAT Margin (%)	11.4	8.1	6.2	7.7
P/E (x)	22.2	31.8	25.5	19.2
EV/EBITDA (x)	12.4	14.6	11.5	10.1
RoE (%) - Pre-Issue	30.4	10.4	14.9	11.5
RoCE (%) - Pre-Issue	28.6	12.5	16.0	15.0
EV/Sales (x)	2.3	2.8	1.9	1.5

Source: Bloomberg, RHP, SSL Research

For Knack Packaging Ltd., valuation multiples (P/E, EV/EBITDA, M.Cap/Sales, and EV/Sales) are computed at the upper price band using FY26 earnings on a post-issue capital base, whereas return ratios (ROE and ROCE) are calculated based on FY26 earnings on a pre-issue capital base.

CMP for peer companies is closing price as of 25th June, 2026.

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