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KNACK PACKAGING LIMITED

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IPO Report

01st July'26

Snapshot

Company is one of the leading, integrated, innovation-oriented, export led and sustainable oriented packaging solutions provider, offering a diverse range of packaging solutions, including Printed and Laminated Woven Polypropylene ("**PLWPP**") bags and PLWPP Pinch Bottom bags that are customized, high-strength packaging solutions for a wide range of sectors, including food products and pet foods. Company's solutions enhance brand visibility on packaging, reduce the risk of counterfeiting, and improve operational performance..

VALUATION

Company is bringing the issue at price band of Rs 161-170 per share at p/e multiple of 22x on post issue annualized 9months FY26 PAT basis.
Company has focus on operational efficiency through integrated and digitised processes with capability to deliver complex product design with accuracy with customer-centric custom packaging solutions with presence across Indian and global market catering to various industries & experienced and skilled management and board of directors.
Hence, we recommend "Subscribe" to issue.

Price Band (Rs./Share)	**161-170**
Opening date of the issue	**01st July '2026**
Closing Date of the issue	**03rd July '2026**
No of shares pre issue	10,00,00,000 Eq Shares
Issue Size	Rs 436-440 Cr
Fresh issue	Rs 380 Cr
Fresh issue	2,23,52,941 Eq Shares
Offer For Sale	Rs 60 Cr
Offer For Sale	35,00,00 Eq Sharers
Employee Discount	Rs 16/share
Face Value (Rs/ share)	Rs 10/share
Bid Lot	88
BIDDING DETAILS	
QIBs (Including Anchor)	50% of the offer (Approx 1,28,67,646 eq Shares)
Non-Institutional	15% of the offer (Approx 38,60,295 eq Shares)
Retail	35% of the offer (Approx 90,07,353 eq Shares)
Employee	1,29,870 eq Shares
Lead managers	Systematix Corporate, IDBI Capital, Pantomath Capit
Registrar to the issue	MUFG Intime India Pvt Ltd

WHAT WE LIKE

Focus on operational efficiency through integrated and digitised processes

Company have adopted a structured and technology-driven approach to manage supply chain, procurement, and production functions to support operational efficiency and cost control. Knack Galaxy, company's proprietary solution, is central to this, which integrates and tracks critical business functions in real-time such as procurement, production, dispatch, and logistics management. It is designed to serve customers through order and delivery tracking, internal teams via resource planning and monitoring, and suppliers through seamless coordination of incoming materials

Presence across Indian and global market catering to various industries

Company operate across both domestic and international markets, enabling company to serve a wide range of customers across geographies and industries. Company's international presence is supported by its wholly owned Subsidiary, Knack Packaging SA (RF) Proprietary Limited in South Africa. For March 31, 2026, company's revenue from operations was distributed between export and domestic sales,
contributing approximately 56.30% and 43.70% respectively the years, established long-standing relationship with its customers such M/s 7 Seas Impex, Elkins Tradelink Ltd. and other customers.

Capability to deliver complex product design with accuracy

Company has developed capabilities in engineering and manufacturing product designs that involve a high degree of complexity, technical precision, and process consistency. These capabilities cover a range of design and production aspects, including bag construction techniques, multi-layer lamination, and the incorporation of add-on features such as valve closures, integrated handles, various perforation patterns, and custom structural formats as per product requirements.

COMPANY BACKGROUND

Company hold approximately 10.1% of market share in the Indian market for flexible bulk PLWPP bags, including PLWPP pinch bottom bags in Fiscal 2025 . Company is also one of the early movers in the manufacturing of BOPP/ PLWPP bags, and the first company in India (and Asia) to provide laser cut and easy-open feature integrated into their PLWPP pinch bottom bags (*Source: Technopak Report*).With a legacy of over two decades of its Promoters, company offer a wide array of bulk packaging solution which has been developed over the decades through technological enhancements and industry experience. Company also provide add-on solutions such as circular & back seam construction, half, full & register window, zig-zag cut, heatcut & bladecut etc., providing customers with enhanced and customized packaging options. Company's diverse range of packaging solutions along with customised add-ons, makes it a one stop solution for its customers.

Company have been serving top brands under a B2B2C model, including household Indian names such as Baba Agro Food Limited, Drools Pet Food Private Limited, Ebro India Private Limited, Laxmi Protein Products Pvt. Limited, Mosaic India Private Limited, KRBL Limited, Shriram Woven Sacks and DCM Shriram Limited, as well as international brands across 71 countries like Cristo S.A., Sacos y Empaques Internacionales S.A. de C.V., Cargill and Repi Soap and Detergent PLC. These brands use company's 5kg to 50kg packaging solutions, to offer their products which are typically in powder or granule form, to their respective customers. The key industries which company serve include grains and pulses – rice, dal, lentils, etc., flour & spices, sugar, salts, fruits & nuts, animal & pet foods, agriculture, seeds, charcoal, detergents powders & granules, fertilizers, chemicals, cement, tile adhesives, building materials, mineral bags etc.

Besides having the highest profitability ratio, of 18.1% EBITDA and PAT margin of 10.0% in Fiscal 2025, company have the highest Return on Equity (ROE) and Return on Capital Employed (ROCE) amongst the selected direct peer group in the Fiscal 2025. Additionally, Company has recorded EBITDA margin of 18.5% and PAT Margin of 11.3% in Fiscal 2026 *(Source: Technopak Report)*.

Company follow vertically integrated manufacturing processes (from PP granule processing to tapes, fabric, printing, lamination and packaging the final products of PLWPP bags and PLWPP pinch bottom bags) at its manufacturing facilities in Gujarat, spanning a net land area of 1,233,435.57 sq. ft. with 924,407.55 sq. ft.of constructed space respectively. Company also have a dedicated workforce of 1,959 employees including both on-roll and contractual staff, as of May 31, 2026. Further, these facilities are equipped with advanced machineries ensuring effective installed capacity of 43,300 MTPA.

Through its in-house printing facility, company offer end-to-end design services to clients, including artwork selection or creation and cylinder development. As of May 31, 2026, company possess 73,000+ cylinders developed for over 1,950+ customers and 13,379 SKUs, through which company serve as custodians of its customers' branding material, thereby fostering long-term customer retention. Company maintain a 92,065.47 sq. ft warehouse dedicated to cylinder storage. This service helps company maintain consistent print quality across its products, which is essential for maintaining brand consistency for its customers.

Company has globally recognized certifications such as ISO 90001:2015 for quality management systems, ISO 14001:2015 for environment management systems, ISO 45001:2015 for occupational health and safety management systems, issued by ISOQAR and EN 15343 for recycled plastic content traceability. Company also have the BRCGS packaging material certification and ECOVADIS (Bronze) medal in the year 2024, certifying company's compliance with global quality standards and sustainability management. Company have also been officially recognized as a Two Star Export House by the Government of India.

OBJECTS OF OFFER

The Net Proceeds of the Fresh Issue are proposed to be utilised for the following purposes:
1. Partial funding of capital expenditure towards setting up of new manufacturing facility at Borisana situated at Kadi, Mehsana, Gujarat ("Project Site"); and
2. General corporate purposes

RISKS

Company is significantly dependent on its key suppliers for sourcing raw materials and company do not have any contractual arrangements with them. Accordingly, its inability to maintain relationship with key suppliers may adversely impact its business, operations and financial results..

Source:RHP

Consolidated Financials (Rs in Mn)

Financials	FY24	FY25	FY26
Total Revenue (A)	6545.59	7364.90	8234.34
Total Expenditure (B)	5576.33	6030.38	6714.75
EBIDTA	969.26	1334.52	1519.59
EBIDTA Margin	14.81	18.12	18.45
Other Income	44.49	108.85	203.35
Depreciation	243.35	281.52	293.00
EBIT	770.40	1161.85	1429.94
Interest	152.90	169.57	159.13
PBT	617.50	992.28	1270.81
Share of profit in Asso	0.00	0.00	-9.41
PBIT	617.50	992.28	1261.40
Exceptional	0.00	0.00	10.77
PBT	617.50	992.28	1250.63
Tax	157.73	254.18	323.39
PAT	459.77	738.10	927.24
NPM	7.02	10.02	11.26
ROE%	38.97	41.54	35.47
EPS	4.60	7.38	9.27
Eq Cap	50.00	50.00	1,000.00
Net Worth	1,406.22	2,147.09	3,081.85

(Source: RHP)

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