PICK OF THE WEEK

29th August, 2026

Mold-Tek Packaging Ltd

Sector: Packaging

BUY

CMP	Target Price	Upside
691	760	10%

CMP as on 28th August 2026 | Time horizon: 6-9 Months

Why Mold-Tek Packaging Ltd

- Healthy Growth Across Core Businesses
- High-Margin Pharma Scale-Up
- New Product Innovation
- Capacity Additions

About the Company

Mold-Tek Packaging Ltd. (MTPL) is India's premier rigid plastic packaging manufacturer and a pioneer in In-Mold Labelling (IML) technology. The company provides custom packaging solutions for Paints, Lubricants, Food & FMCG, and Pharmaceutical industries. MTPL leverages in-house mould-making, in-house robotics capabilities, and strategic plant consolidation to deliver high-margin, innovative packaging solutions.

Investment Rational

A. Record EBITDA/kg Reflects Structural Margin Expansion

- Mold-Tek delivered its highest-ever EBITDA/kg of Rs 46.7 in Q1FY27, supported by higher capacity utilisation, Hyderabad plant consolidation, and an enriched product mix. Consequently, management upgraded its FY27 EBITDA/kg guidance to Rs 44–45 (from Rs 42–43 earlier), signalling strong conviction in the permanence of these cost savings.

B. Pharma Packaging: A Long-Term Growth Engine

- The Pharma packaging division registered robust 39% volume growth in Q1FY27 and currently accounts for ~3.5% of total sales. Management targets scaling segment revenues to Rs 50–55 Cr by the end of FY27. Moving beyond basic packaging into high-margin diagnostic kits, ophthalmic products, dosage pens, and medical devices is expected to significantly enhance earnings quality.

C. Hyderabad Consolidation Drives Sustainable Efficiency

- The consolidation of five Hyderabad facilities into two integrated manufacturing units has permanently optimised operational efficiency. The consolidation reduced inter-unit transport, logistics bottlenecks, printing wastage, and fixed administrative overheads, ensuring persistent margin benefits going forward.

D. Core Business Growth Supports Volume Outlook

- Core categories sustained strong momentum, with Paints volumes up 11% to Rs 139 Cr in sales, while Food & FMCG volumes surged 26% YoY to Rs 66 Cr. Despite short-term weakness in Lubricants and Q-Pack due to temporary raw material disruptions, a recovery from Q2FY27 will support the full-year volume growth target of 10–12%.

Outlook & Valuation

- Mold-Tek Packaging is well-positioned for sustainable multi-year growth, backed by capacity additions, new customer onboarding, operating leverage, and an increasing high-margin pharma mix. Earnings quality is projected to strengthen as EBITDA/kg expands.

Valuation: 19x FY28E EPS

Analyst Insights

We recommend a **BUY** with a target price of Rs 760/share, implying an upside of ~10% from the CMP.

Research Analyst

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Financial Summary

	FY26	FY27E	FY28E
Net Sales (Rs Cr)	887	1,065	1,318
EBITDA (Rs Cr)	172	213	271
Net Profit (Rs)	73	108	146
EPS (Rs)	22.0	33.4	45.1
PER (x)	31	21	15
P/BV (x)	3	3	3
EV/EBITDA (x)	15	12	9
ROE (%)	9	14	16

Market Data

No. of Shares	3.32 Cr
Market Cap (Rs Cr)	2,306
52-week High	870
52-week Low	454
P/E (x)	31
BSE Code	533080
NSE Code	MOLDTKPAC

About Pick of the Week

| Product Objective

The Pick of the Week (POW) is our flagship high-conviction weekly investment recommendation, designed to identify companies that offer an attractive combination of **earnings visibility, strong business fundamentals, reasonable valuations, and identifiable near-to-medium-term catalysts.** The objective is to provide investors with **timely, actionable, and high-conviction investment ideas** that can generate superior risk-adjusted returns while maintaining a disciplined investment approach.

| Why Pick of the Week?

Markets constantly create opportunities through earnings upgrades, valuation mismatches, sector rotation, policy developments, and company-specific catalysts. While hundreds of listed companies compete for investors' attention, only a select few offer the right balance of quality, growth, valuation, and timing.

Our **Pick of the Week** aims to simplify this selection process by identifying those companies where:

- Earnings visibility has materially improved.
- Business fundamentals continue to strengthen.
- Valuations remain attractive relative to growth prospects.
- Multiple positive catalysts are expected over the next few quarters.
- The risk-reward profile appears favourable versus peers and the broader market.

Each recommendation is therefore intended to represent one of our **highest-conviction investment ideas** available at that point in time.

| Investment Horizon

The recommended investment horizon for **Pick of the Week** ideas is **6–9 months**, allowing sufficient time for business fundamentals and identified catalysts to be reflected in stock prices. However, depending on market conditions, earnings announcements, or company-specific developments, some recommendations may achieve their target returns over a shorter period.

| Risk–Return Profile

Pick of the Week recommendations represent our **highest-conviction research ideas** and are selected based on an attractive balance between expected returns and investment risk.

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Ratings	Expected absolute returns over 12 – 18 months
BUY	More than 10%
HOLD	Between 10% and -10%
SELL	Less than -10%
NOT RATED	We have forward-looking estimates for the stock, but we refrain from assigning a valuation and recommendation.
UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events.
NO STANCE	We do not have any forward-looking estimates, valuations or recommendations for the stock.

Note: Returns stated in the rating scale are our internal benchmark.