

**CMP: INR 972**

**Rating: BUY**

**Target Price: INR 1,431**

#### Stock Info

BSE	500187
NSE	AGI
Bloomberg	AGIG:IN
Reuters	AGI.PS
Sector	Packaging
Face Value (INR)	2
Mkt Cap (INR Bn)	62.89
52w H/L (INR)	1308/599
Avg yearly Vol (in 000')	274

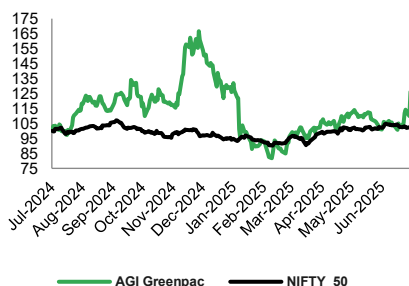
#### Shareholding Pattern %

(As on June, 2025)

Promoters	60.23%
Public & Others	39.77%

Stock Performance (%)	1m	6m	12m
AGIG	+24.1	-1.3	+21.0
Nifty 50	+0.4	+8.2	+2.25

#### AGIG Vs Nifty 50



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AGI Greenpac reported strong numbers for Q1FY26 (consolidated). Revenue came in at INR 6.87 billion, shrinking by -2.4% QoQ and growing by +12.8% YoY (+4% compared to our estimates). Adjusted EBITDA stood at INR 1.54 billion, remaining flat +0% QoQ and growing by +13% YoY (+4% compared to our estimates). Adjusted EBITDA margins were 22.43%, compared to 21.87% QoQ and 24.09% YoY (against our estimate of 22.50%). Adjusted PAT came in at INR 889 million, growing by +7% QoQ and +27% YoY (+4% compared to our estimates). Adjusted PAT margins were 11.5%, compared to 10.48% QoQ and 11% YoY (against our estimate of 11.52%).

**Diversification into the Aluminum Can Market:** AGI Greenpac is entering the aluminum can segment with an INR 10,000 Mn investment in a new Uttar Pradesh facility, starting with a 950 Mn annual can capacity by FY28 and scaling to 1.6 Bn by FY30. This new product line complements its existing glass packaging business, serving overlapping clients in beverages and alcohol. The business is expected to generate robust EBITDA margins of 17–19% and leverage AGI's existing customer base and supply chain strengths for faster scale-up.

**Capacity Addition with New Greenfield Glass Plant:** Company is setting up a new 500-ton-per-day glass manufacturing plant in Madhya Pradesh. This will increase overall production capacity by about 25% and help the company serve northern and central India more efficiently. The plant is expected to come online by March 2027, supporting long-term growth from a broader market base.

**Focused Growth in Premium and Value-Added Segments:** AGI continues to push into high-margin segments such as specialty glass for cosmetics, perfumes, and pharmaceuticals. By offering customized, innovative, and premium packaging solutions, the company enhances its value proposition to clients, which is key to sustaining higher margins and expanding its export base.

**Outlook:** AGI Greenpac is well-positioned to deliver sustained growth, backed by strong Q1FY26 performance and strategic initiatives. The company's diversification into aluminum cans and a 25% capacity expansion via a new glass plant will significantly enhance scale and market presence over the next 3–5 years. Continued focus on premium and value-added segments is expected to support margin resilience. **We maintain our BUY rating and revise our target price to INR 1,431.**

Valuation summary							
Y/E Mar, Rs mn	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E
Net Sales	22,815	24,209	25,288	27,907	29,469	38,003	43,891
EBIDTA	4,616	5,641	6,139	6,594	7,019	10,012	11,757
Net Profit	2,488	2,513	3,224	3,805	4,085	5,626	7,326
Diluted EPS	38.5	38.8	49.8	58.8	63.1	87.0	113.2
PER, x	20.5	20.3	15.8	13.4	12.5	9.1	7.0
EV/EBIDTA, x	12.0	9.5	8.6	7.7	7.4	5.3	4.0
P/BV, x	3.2	2.8	2.4	2.1	1.8	1.5	1.3
ROE, %	15.5%	13.9%	15.4%	15.6%	14.5%	17.1%	19.1%
Debt/Equity (x)	0.46	0.34	0.26	0.20	0.22	0.22	0.06

## AGI Greenpac Q1FY26 Concall Highlights

- Overall capacity utilization exceeded 95% across existing glass plants
- As of June 30, 2025, net debt stood at INR 2,070 Mn.
- The company prepaid INR 1,935 Mn of term loans in July 2025, underscoring a conservative debt strategy.
- Premium segments like cosmetics, perfumery and alcohol now account for an increasing share of sales, lifting margins.
- Management reconfirmed FY26 revenue guidance of 8–10% YoY growth, driven by debottlenecking and mix improvement.
- From FY27 onwards, the company targets a stepped up 15–20% YoY revenue increase, aiming to double its top line every four years.
- An INR 7,000 Mn capex will boost glass capacity by 25%, addressing premium and bulk segments.
- The board approved a INR 10,000 Mn, two phase aluminum cans project: 950 Mn cans by Q3 FY28, scaling to 1.6 Bn by 2030.
- Specialty glass exports currently represent about 10–11% of that segment, with a 15–20% export share targeted soon.
- Overall ROC stood at ~18–19%; new glass lines are expected to exceed 25% ROC, and the cans business to deliver ~17–19% ROC at full scale.
- The aluminum can project carries a projected IRR of approximately 14–15%, implying an estimated 6 year payback.
- Asset turnover is anticipated at 0.9–1.1× for glass and ~1.2× for aluminum cans once ramped up.
- Stable state gross margins for the cans business are expected near 35–36%, with steady state EBITDA margins of 17–19%.
- Initial capex funding will be ~60% debt and ~40% internal accruals.
- The cans line will source 3104 spec aluminum coils from Novelis, South Korea, Thailand and, eventually, Hindalco India.
- India's current aluminum can supply demand balance around ~3.5 Bn units faces announced expansions of ~600 Mn units; AGI Greenpac's 1.6 Bn units will make it a major third entrant.

**Outlook:** Company's Q1 performance highlights strong execution in a tight capacity environment and an improving margin mix. Near-term growth will be sustained by debottlenecking and premiumization, while the glass-expansion and aluminum-cans investments underpin a strategic pivot into higher-value packaging formats. With expanding scale, targeted product diversification and a clear roadmap for capacity additions, the company is well positioned to drive sustainable earnings growth and deepen its foothold across key liquid-packaging segments. **We maintain our BUY rating and revise our target to INR 1,358.**

**Exhibit: Income Statement (Consol)**

Income Statement							
Y/E Mar, Rs mn	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E
<b>Net sales</b>	<b>22,815</b>	<b>24,209</b>	<b>25,288</b>	<b>27,907</b>	<b>29,469</b>	<b>38,003</b>	<b>43,891</b>
Growth, %	<b>59.5%</b>	<b>6.1%</b>	<b>4.5%</b>	<b>10.4%</b>	<b>5.6%</b>	<b>29.0%</b>	<b>15.5%</b>
Other income	259	242	748	823	905	995	1,095
Raw material expenses	7,621	7,398	7,540	8,430	8,690	12,151	15,331
<b>Gross Margin %</b>	<b>66.60%</b>	<b>69.44%</b>	<b>70.18%</b>	<b>69.79%</b>	<b>70.51%</b>	<b>68.03%</b>	<b>65.07%</b>
Employee expenses	1,729	1,974	2,175	2,482	2,597	3,179	3,393
Power and Fuel	4,711	4,630	4,678	5,169	5,408	6,619	7,065
Other expenses	4,138	4,566	4,756	5,232	5,755	6,043	6,345
<b>EBITDA (Core)</b>	<b>4,616</b>	<b>5,641</b>	<b>6,139</b>	<b>6,594</b>	<b>7,019</b>	<b>10,012</b>	<b>11,757</b>
Growth, %	<b>74.7%</b>	<b>22.2%</b>	<b>8.8%</b>	<b>7.4%</b>	<b>6.4%</b>	<b>42.6%</b>	<b>17.4%</b>
Margin, %	20.23%	23.30%	24.28%	23.63%	23.82%	26.34%	26.79%
Depreciation	1,263	1,613	1,772	1,824	1,852	2,934	3,263
Interest paid	571	870	847	447	547	664	214
Other Income	259	242	748	823	905	995	1,095
Non-recurring Items							
<b>Pre-tax profit</b>	<b>3,042</b>	<b>3,399</b>	<b>4,268</b>	<b>5,146</b>	<b>5,525</b>	<b>7,409</b>	<b>9,375</b>
Tax provided	554	886	1,044	1,341	1,440	1,783	2,049
<b>Profit after tax</b>	<b>2,488</b>	<b>2,513</b>	<b>3,224</b>	<b>3,805</b>	<b>4,085</b>	<b>5,626</b>	<b>7,326</b>
Growth, %	<b>112.5%</b>	<b>1.0%</b>	<b>28.3%</b>	<b>18.0%</b>	<b>7.4%</b>	<b>37.7%</b>	<b>30.2%</b>
Wtd avg shares (m)	65	65	65	65	65	65	65

**Exhibit: Balance Sheet (Consol)**

Balance Sheet							
As at 31st Mar, Rs mn	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E
PPE	13,727	14,859	15,527	14,103	12,652	23,262	20,845
CWIP	1,415	524	1,032	4,532	11,032	3,032	5,032
Financial Assets	319	333	336	320	305	291	277
Other Non Current Assets	5,138	5,765	5,321	5,321	5,321	5,321	5,321
<b>Total Non current Assets</b>	<b>20,620</b>	<b>21,503</b>	<b>22,242</b>	<b>24,302</b>	<b>29,336</b>	<b>31,906</b>	<b>31,475</b>
Inventories	3,276	3,967	3,990	4,282	4,440	7,351	7,279
Receivables	3,426	3,207	3,964	4,358	4,440	5,293	5,511
Cash & CE	2,792	3,610	3,637	4,948	4,780	5,284	6,370
Other Current Assets	1,037	1,238	1,086	1,258	1,497	1,824	2,270
<b>Total Current Assets</b>	<b>10,530</b>	<b>12,023</b>	<b>12,677</b>	<b>14,845</b>	<b>15,158</b>	<b>19,752</b>	<b>21,429</b>
<b>Total assets</b>	<b>31,195</b>	<b>33,570</b>	<b>34,962</b>	<b>39,191</b>	<b>44,537</b>	<b>51,702</b>	<b>52,948</b>
<b>Total Equities</b>	<b>16,066</b>	<b>18,146</b>	<b>20,978</b>	<b>24,459</b>	<b>28,221</b>	<b>32,956</b>	<b>38,444</b>
Non current borrowings	5,623	4,975	3,785	3,785	5,285	6,785	1,985
Other Non current liabilities	2,625	2,681	2,767	2,768	2,770	2,772	2,774
<b>Total Non current liabilities</b>	<b>8,248</b>	<b>7,657</b>	<b>6,552</b>	<b>6,554</b>	<b>8,055</b>	<b>9,557</b>	<b>4,759</b>
Current borrowings	1,692	1,186	1,743	1,195	797	599	402
Trade Payables	2,597	4,006	3,544	4,052	4,440	4,901	5,407
Other Current Liabilities	2,592	2,575	2,146	2,932	3,024	3,689	3,936
<b>Total Current Liabilities</b>	<b>6,881</b>	<b>7,767</b>	<b>7,433</b>	<b>8,179</b>	<b>8,261</b>	<b>9,189</b>	<b>9,745</b>
<b>Total equity &amp; liabilities</b>	<b>31,195</b>	<b>33,570</b>	<b>34,962</b>	<b>39,191</b>	<b>44,537</b>	<b>51,702</b>	<b>52,948</b>

**Exhibit: Cash Flow (Consol)**

Cash Flow							
Y/E Mar, Rs mn	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E
Pre-tax profit	2,782	3,158	3,520	4,323	4,620	6,414	8,280
Depre & Other Items	968	969	1,476	1,305	1,317	2,147	2,309
Chg in working capital	6,371	102	-881	436	0	-2,965	162
<b>Cash flow from operating activities</b>	<b>10,121</b>	<b>4,228</b>	<b>4,115</b>	<b>6,064</b>	<b>5,937</b>	<b>5,596</b>	<b>10,751</b>
Capital expenditure	-2,223	-1,854	-2,948	-3,900	-6,900	-5,545	-2,845
Other investing activities	-693	39	39	16	15	40	13
<b>Cash flow from investing activities</b>	<b>-2,915</b>	<b>-1,815</b>	<b>-2,908</b>	<b>-3,884</b>	<b>-6,885</b>	<b>-5,504</b>	<b>-2,832</b>
Free cash flow	6,130	3,166	1,766	1,963	-941	398	7,889
Equity raised/(repaid)	0	0	0	0	0	0	0
Debt raised/(repaid)	-4,318	-1,154	-634	-548	1,102	1,302	-4,998
Other financing activities	-549	-525	-622	-322	-322	-890	-1,836
<b>Cash flow from financing activities</b>	<b>-4,999</b>	<b>-1,597</b>	<b>-1,179</b>	<b>-870</b>	<b>780</b>	<b>413</b>	<b>-6,833</b>
Net chg in cash	2,206	817	27	1,311	-168	504	1,086
Opening cash balance	586	2,792	3,610	3,637	4,948	4,780	5,284
Closing cash balance	2,792	3,610	3,637	4,948	4,780	5,284	6,370

**Exhibit: Ratios (Consol)**

Ratios	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E
<b>Per Share data</b>							
EPS (INR)	38.5	38.8	49.8	58.8	63.1	87.0	113.2
Growth, %	112.54%	1.03%	28.29%	18.01%	7.37%	37.71%	30.22%
Book NAV/share (INR)	248.3	280.5	324.2	378.1	436.2	509.4	594.2
DPS (INR)	5.0	6.0	6.0	7.5	7.5	7.5	7.5
<b>Return ratios</b>							
Return on assets (%)	7.97%	7.49%	9.22%	9.71%	9.17%	10.88%	13.84%
Return on equity (%)	15.49%	13.85%	15.37%	15.56%	14.48%	17.07%	19.06%
Return on capital employed (%)	14.86%	16.55%	18.58%	18.04%	16.74%	18.99%	22.19%
<b>Turnover ratios</b>							
Asset turnover (x)	0.7	0.7	0.7	0.7	0.7	0.7	0.8
Sales/Working Capital (x)	26.6	37.5	15.7	16.2	13.9	7.2	8.3
Receivable days (on Sales)	54.8	48.4	57.2	57.0	55.0	50.8	45.8
Inventory days (On Sales)	52.4	59.8	57.6	56.0	55.0	70.6	60.5
Payable days (On Sales)	41.5	60.4	51.2	53.0	55.0	47.1	45.0
Working capital days	65.7	47.8	63.6	60.0	55.0	74.4	61.4
Receivable days (on Sales)	54.8	48.4	57.2	57.0	55.0	50.8	45.8
Inventory days (On COGS)	156.9	195.7	193.1	185.4	186.5	220.8	173.3
Payable days (On COGS)	124.4	197.6	171.6	175.5	186.5	147.2	128.7
Working capital days	87.3	46.5	78.8	66.9	55.0	124.4	90.4
<b>Liquidity ratios</b>							
Current ratio (x)	1.5	1.5	1.7	1.8	1.8	2.1	2.2
Quick ratio (x) (excl. c&ce)	1.1	1.1	1.2	1.2	1.3	1.6	1.5
Interest cover (x)	6.3	4.9	6.0	12.5	11.1	12.2	44.8
Dividend cover (x)	7.7	6.5	8.3	7.8	8.4	11.6	15.1
Total debt/Equity (%)	0.5	0.3	0.3	0.2	0.2	0.2	0.1
Net debt/Equity (%)	0.3	0.1	0.1	0.0	0.0	0.1	(0.1)
<b>Valuation</b>							
PER (x)	20.5	20.3	15.8	13.4	12.5	9.1	7.0
PEG (x) - y-o-y growth	112.54%	1.03%	28.29%	18.01%	7.37%	37.71%	30.22%
Price/Book (x)	3.2	2.8	2.4	2.1	1.8	1.5	1.3
EV/Net sales (x)	0.2	0.1	2.1	0.0	0.0	0.1	(0.1)
EV/EBITDA (x)	12.0	9.5	8.6	7.7	7.4	5.3	4.0
EV/EBIT (x)	15.4	12.5	10.3	9.1	8.6	6.6	4.9

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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