



# Mallcom (India) Limited

## COMPANY BACKGROUND.....

- Incorporated in 1983, Mallcom (India) Limited is one of India's largest manufacturers and distributors of Personal Protective Equipment Products, specializing in providing expert solutions across multiple business segments.
- Starting from humble beginning, it now provides a one-stop solution for manufacturing one of the widest range of head-to-toe PPE products from helmets, eyewear, ear protection, face masks, safety garments, gloves, shoes, and many more.
- The company is also one of the largest exporters of PPE products from India exporting to 55+ countries across 6 continents.
- It has an expansive manufacturing footprint with 13 production facilities spread across India and captive test labs that ensure quality standards.

## BUSINESS MIX (As on FY23).....

- **Safety Shoes (35%):** These are required where the potential for serious injury to the foot may result from an employee's daily job duties.
- **Garments (29%):** The company has a diverse workwear range like healthcare, heavy workwear range, winter range, monsoon range, etc.
- **Hand Protection/ Safety Gloves (34%):** These typically consist of leather and nitrile gloves. Leather gloves have a backward integrated leather tannery, which reduces costs and ensures quality. They are perfect for protection from sharp objects, sparks, and heavy-duty work requirements. The optimum times to use nitrile gloves are when there is a need for higher applications requiring light chemical protection, cut resistance, or a disposable glove solution. Nitrile gloves protect against the majority of chemicals and infectious agents.
- **Others (2%):** These include items from the head protection category, such as helmets, face masks, and some fall prevention equipment.

## KEY STRENGTHS.....

- Strong clientele across the Globe like Ansell, Indian Oil, Honeywell, CEAT, etc.
- One of the broadest ranges of protective gear available, serving a variety of sectors including oil and gas, construction, chemical, auto ancillary, and many others
- Experienced Management with nearly 4 decades of Industry experience.
- 13 manufacturing units across India, equipped with best-in-class machinery
- Dedicated R&D centers and teams for product innovation and improvement
- New range of product launches every season

## FINANCIAL HIGHLIGHTS.....

(INR Mn)	Op. Income	EBITDA	EBITDA%	PAT	PAT%	EPS
<b>FY20</b>	2,877	315	10.95%	189	6.57%	30.26
<b>FY21</b>	3,169	416	13.13%	283	8.93%	45.30
<b>FY22</b>	3,572	497	13.91%	316	8.85%	52.28
<b>FY23</b>	4,106	585	14.25%	369	8.99%	59.19

### Key Data

<b>BSE Code</b>	539400
<b>NSE Code</b>	MALLCOM
<b>Reuters</b>	MLCM.BO
<b>Bloomberg</b>	MALI:IN

### Market Data (INR) As on 31<sup>th</sup> March, 2023

<b>Face Value</b>	10.0
<b>CMP</b>	735.3
<b>52 Week H/L</b>	897.4 / 590.0
<b>MCAP (Mn)</b>	4,588.3
<b>Shares O/S (Mn)</b>	6.2
<b>1 Yr Avg. Vol. ('000)</b>	3.5

### Performance As on 31<sup>st</sup> March, 2023

	3M	6M	12M
<b>Mallcom</b>	-9.2%	-6.2%	1.9%
<b>Sensex</b>	-3.1%	2.8%	0.8%
<b>BSE Smallcap</b>	(6.3)%	(3.4)%	(4.5)%

### Shareholding Pattern As on 31<sup>st</sup> March, 2023

<b>Promoters</b>	73.78%
<b>Public</b>	25.47%
<b>FPI</b>	0.75%

## BUSINESS SEGMENTS.....

### Foot Protection:

- Provides sturdy shoes that can tackle challenges in construction, mining, metallurgical, and other manufacturing industries offering various product ranges like basic, outdoor, lifestyle, insulated, and cleanroom occupational.
- With an annual production capacity of more than 3 Mn pairs, Mallcom is the leading safety shoe manufacturer and distributor in India.
- Mallcom has 25+ years of experience in safety shoes with 15,000 sq.m. manufacturing facilities with about 700 plus manpower engagement.

### Body Protection:

- Mallcom’s exclusive workwear ranges from lightweight to heavy-duty industrial workwear. It also makes winter protection, rain protection, uniforms, and corporate casual wear that provide high protection and are utilized in several sectors such as hospitality, health care, and general industrial purposes.
- The company has 150,000 sq. ft. two manufacturing facilities, with 15,000 m/day cutting and 800,000m storage availability.

### Hand Protection:

- Mallcom has gained expertise in the production of hand gears suiting the application required. It can meet crucial industrial applications from driving to welding to cut resistance. A wide range of hand protection gears lies in the repertoire of Mallcom, including leather gloves, string-knitted gloves, and nitrile gloves.
- For leather gloves Mallcom has backward integrated with a tannery, that has about 60,000 sq. ft. dedicated space for manufacturing it. While Nitrile gloves protect against most chemicals and infectious agents it is best when there is a need for greater applications requiring mild chemical protection, cut resistance, or a disposable glove solution.

### Head Protection:

- Mallcom works in close coordination with the designers and the users to provide dynamic head protection gear. The company manufactures helmets, face masks, and trades eyewear, ear protection, etc.
- The company has various face mask categories available like surgical masks, Foldable FFP1, FFP2, and N95 masks. They also have various helmet ranges like Jasper Helmets, Bump caps, and Diamond series Helmets.

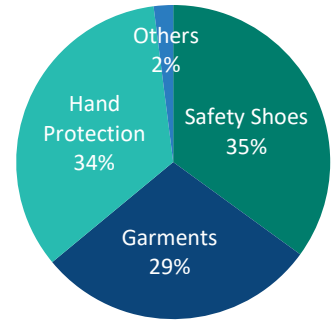
## GROWTH DRIVERS.....

- Increase existing client wallet share by taking on high-value contracts and identifying cross-selling and up-selling opportunities.
- Providing various product ranges to new clients in existing verticals.
- Build “Mallcom” brand in the Indian sub-continent, Middle East, and Africa; increase market share in North American geography
- Focus on strengthening product mix to boost margin, and drive the next-generation product pipeline in addition to the existing product portfolio for future growth.
- Planned CAPEX in Sanand II and increased capacity to manufacture nitrile gloves.
- Continued focus on high-growth industries such as healthcare, construction, engineering, automobile, and manufacturing.
- To capitalize on the strong R&D team and knowledge, and innovate by adding new features to the existing product lines.
- Constant focus on meeting quality standards and compliance.

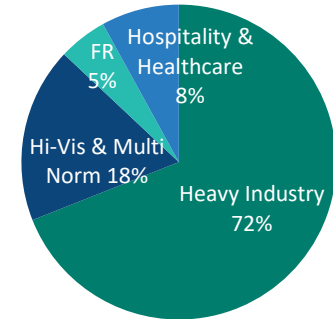
## PEER COMPARISON (TRAILING MONTHS) INR MN.....

Company	Op. Income	EBITDA	EBITDA%	Net Profit	PAT%	Mkt. Cap
Mallcom (India) Ltd	4,106	585	14.25%	369	8.99%	4,588
Bata India Ltd	34,516	7,938	23.00%	3,230	9.36%	1,82,381
Liberty Shoes Ltd	6,543	618	9.44%	129	1.97%	3,323
Acknit Industries Ltd.	2,385	182	7.63%	90	3.78%	423
Arvind Ltd	83,825	8,000	9.54%	4,132	4.93%	22,319

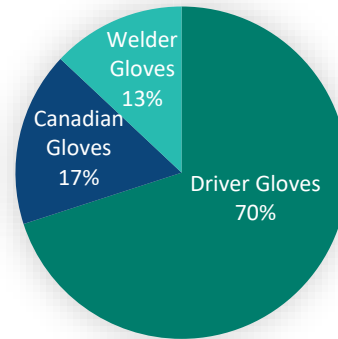
## Product Revenue Matrix (As on FY23)



## Workwear Range (As on 9MFY23)



## Leather Gloves Range (As on 9MFY23)



## INCOME STATEMENT (CONSOLIDATED) .....

Income Statement (INR Mn)	FY20	FY21	FY22	FY23
<b>Operational Income</b>	<b>2,877</b>	<b>3,169</b>	<b>3,572</b>	<b>4,106</b>
Total Expenses	2,562	2,753	3,075	3,521
<b>EBITDA</b>	<b>315</b>	<b>416</b>	<b>497</b>	<b>585</b>
<b>EBITDA Margins (%)</b>	<b>10.95%</b>	<b>13.13%</b>	<b>13.91%</b>	<b>14.25%</b>
Depreciation	56	58	83	83
Finance Cost	26	16	20	25
Other Income	5	32	31	31
Exceptional Item	15	-	-	-
<b>PBT</b>	<b>253</b>	<b>374</b>	<b>425</b>	<b>509</b>
Tax	64	91	109	140
<b>Profit After Tax</b>	<b>189</b>	<b>283</b>	<b>316</b>	<b>369</b>
<b>PAT Margins (%)</b>	<b>6.57%</b>	<b>8.93%</b>	<b>8.85%</b>	<b>8.99%</b>
Other Comprehensive Income	-	-	(1)	1
<b>Total Comprehensive Income</b>	<b>189</b>	<b>283</b>	<b>315</b>	<b>370</b>
<b>Diluted EPS (INR)</b>	<b>30.26</b>	<b>45.30</b>	<b>52.28</b>	<b>59.19</b>

## BALANCE SHEET (CONSOLIDATED) .....

PARTICULARS (INR MN)	FY21	FY22	FY23	PARTICULARS (INR MN)	FY21	FY22	FY23
<b>Assets</b>				<b>Equity and Liabilities</b>			
<b>1. Non-Current Assets:</b>	<b>695</b>	<b>815</b>	<b>1,184</b>	<b>1. Equity</b>	<b>1,468</b>	<b>1,721</b>	<b>2,032</b>
(a) Property, Plant, and Equipment's	474	629	1,070	Equity Share Capital	62	62	62
(b) Intangible Assets	45	1	1	Other Equity	1,353	1,617	1,970
(c) Capital Work In Progress	146	147	83	Minority Interest	53	42	-
(d) Financial Assets				<b>2. Non-Current Liabilities</b>	<b>42</b>	<b>124</b>	<b>112</b>
(i) Loans	10	10	13	(a) Long Term Borrowings	36	60	40
(e) Non - Current Tax Assets (Net)	20	28	18	(b) Other Financial Liabilities	-	60	63
<b>2. Current Assets</b>	<b>1,830</b>	<b>1,933</b>	<b>2,358</b>	(c) Deferred Tax Liabilities	6	4	9
Inventories	572	715	857	<b>3. Current Liabilities</b>	<b>1,015</b>	<b>903</b>	<b>1,398</b>
Financial Assets				(i) Financial Liabilities			
(a) Investments	188	-	270	(a) Short-Term Borrowings	533	474	868
(b) Trade Receivable	482	694	588	(b) Trade Payables	363	354	413
(c) Cash and Cash Equivalents	40	39	42	(c) Other Financial Liabilities	37	10	51
(d) Other Bank Balances	267	247	359	(ii) Other Current Liabilities	81	65	66
(e) Loans	1	1	1	(iii) Provisions	1	-	1
Other Current Assets	280	237	242	<b>Total Equity and Liabilities</b>	<b>2,525</b>	<b>2,748</b>	<b>3,542</b>
<b>Total Assets</b>	<b>2,525</b>	<b>2,748</b>	<b>3,542</b>				

## INVESTOR RELATIONS TEAM AT VALOREM ADVISORS .....

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