

Share Review

On Andrew's RADA -Mondi Group PLC [MNDI.L]

First share reviewed on 23rd October £11.12. The share price on 15 November is £10.18

Mondi PLC manufactures and sells packaging and business paper products. Mondi is an international packaging and paper Group, with production operations across 30 countries and over 25,700 employees. The company has been at the forefront of the green agenda by offering virgin and recycled containerboard, and converted products, including corrugated boxes, corrugated board, and point of sale displays; The Company's products include containerboard, kraft paper, corrugated packaging, industrial bags extrusion coating, release liner, consumer goods packaging, advanced films & components, office paper and professional printing paper.

- Mondi is a full-range supplier to multiple industries. And can offer customised packaging and paper solutions as well as a wide range of specialities.
- Low-cost production in emerging markets is a primary driver of their success
- Leading market positions in western and emerging Europe, Russia and South Africa
- Its key operations and has leading market positions central Europe, Russia and South Africa

Fundamental Analysis

Financial Highlights

The strong profitability and relentless focus on performance is reflected in a return on capital employed of 14.8%, which remains well above our through-the-cycle hurdle rate of 13%.

- Underlying operating profit of €366 million, up 35%
- Underlying earnings of 49.4 euro cents per share, up 60%
- Cash generated from operations of €431 million, up 21%
- ROCE of 14.8%, well in excess of through-the-cycle hurdle rate of 13%
- Share price growth since 2 Jan 2013 69% [Jan 2 £6.58: 22 Oct £11.12]
- Share price growth since 3 Jan 2012 232% [Jan 3 £4.80: 13 Set £11.12]

Financial Summary	6 months 30 June 2013 € million	6 months 30 June 2012 € million	Change %
Group Revenue	3,342	2,819	18.5
Operating Profit	285	272	4.8
Profit before Tax	229	222	3.2
Net Debt	1,844	1,257	46.7
Basic EPS	35.3p	31.7p	11.4
Group Return on Capital Emp	14.8%	13.4%	10.4

Further information concerning this share can be found in [mondi group half year report 2013](#)

Operational and Shareholder Highlights

- A focus over the past six months has been on integrating and optimising the significant acquisitions made towards the end of 2012 and executing the major expansion projects initiated over the past eighteen months. Major capital projects on time and within budget
- Interim dividend of 9.55 euro cents per share, up 7% on the prior year interim Dividend of 8.90 euro cents per share has been declared. 6 November 2013 Interim management statement

Technical Analysis

Moving averages give a good indication of the vitality of the share in the long run. MNDI has seen a rising share price over the two year period. Since a fall in the share price in June 2013 there has been upward trajectory which a minor retracement in September 2013. Moving averages for this share has been on an incline with the 200 day Moving Average on a steep upward momentum. The Candlestick patterns have seen bullish movements from the 15 October with four rising white soldiers appearing on the 15 October. The 16 October candlestick saw buyer's optimism in this share and I am monitoring this for further progress. *Please note past performance is no guide to the future.* If MNDI can continue its Stirling progress, returns should show be positive in the medium to long term. First share reviewed on 23rd October £11.12. The share price on 15 November is £10.18

