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Best Ideas 2018, Hosted by MOI Global Gaurav Aggarwal, CFA, CPA, CIPM

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Time Technoplast

(ISIN: INE508G01029)

“Not just another boring plastic
manufacturing company”!



Disclaimer

This Presentation is not a prospectus and does not constitute investment advice or an offer or solicitation to buy or sell any designated investments discussed herein.

Overview

- Time Technoplast (TIME) is a Mumbai, India HQ diversified plastic product manufacturer (#1 in Asia in industrial packaging) with operations in India (~70% of revenues), U.A.E, Bahrain, Egypt, Indonesia, Thailand, Malaysia, Taiwan, and Vietnam; 3600 employees, over 900 institutional customers
- Largest producer worldwide of large size plastic drums and has 70% market share in India
- Last 10 years: over 20% CAGR sales, 14% NP

5 Key Drivers

- Current VAP mix is 17%. Conservatively, this will go to 25% by 2020 and EBITDA margins will go up at least 1% from this shift alone
- CU of 70% in overseas operations (seeing faster growth in core industrial packaging biz) - similar 15% margin now so will improve
- Long runway of shift from steel to plastic in Asia
- Low polymer price regime
- Visibility of double-digit earnings growth is high - along with shareholder friendly, proven mgmt

Management

- Passionate and driven management led by Mr. Anil Jain – focused on 2%/yr ROCE growth from 15% :- when asked in an analyst call which overseas country has the most potential, he said it was like choosing among his babies.
- Even though the management has received offers for overseas business in line with recent acquisitions in the space they have not sold given the 20%+ growth seen in overseas business over the last 5 years and future potential.
- Several indicators of rooted cost/social consciousness

Valuation

- Time Technoplast was selling close to its book value of \$150m (MV=\$167m) and had a 1% dividend yield (DY) when we first bought a stake in September 2014.
- The stock is currently trading at 24X F2018E earnings, 3X book value, 0.3% DY.
- 30% upside over next 2-3 years visible without factoring in new pipeline of products



Learn more about us

- www.metisopportunity.com
- <https://www.linkedin.com/in/gauravmetis/>
- <https://www.linkedin.com/in/piyush-sharma-7a9a0b1/>

Understanding our philosophy and process more important than one of our best ideas...we are in it for long-run and always look forward to integrating market feedback.