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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), founded in 1992, is a Mumbai, India HQ diversified plastic product manufacturer (#1 in Asia in industrial packaging (IP), #4 globally) with operations in India (~70% of revenues), U.A.E, K.S.A, Bahrain, Egypt, Indonesia, Thailand, Malaysia, Taiwan, Vietnam, & recently entered USA; 3600 employees, >900 inst. customers
- Largest producer worldwide of large size plastic drums and has dominant (50%+) market share IP
- Last 5 vs. 10 years to FY19: 11/11/16 (Sales/OP/PAT CAGR) vs. 16/13/11- net profitability focus

5 Key Drivers

- Current VAP mix is 21%. This % should go to 25% by F2022 and EBITDA margins should go up at least 1% from this shift alone; ROCE target of 20%
- CU of 74% in overseas operations - similar ~14% margin now so will improve w/econ of scale
- Long runway of shift from steel to plastic in Asia where they have setup bases across countries
- Low polymer price regime (not factoring but likely)
- 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 16% :- 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 acquisition in the space they have not sold given the 15%+ growth seen in overseas business over the last 5 years and future potential.
- Several indicators of rooted cost/social consciousness- have met 3 out of 4 co-founders

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. It is again back at this level and book value is \$240m+
- The stock is currently trading at 6X F2019 earnings, 0.7X book value, 1.5%+ DY.
- 5x EV/EBIT vs. 15x+ for a much slower growing /larger listed US comp and completed deal (10x)
- 100%+ upside over next 1 year visible without factoring in new pipeline of products/new orders



Learn more about us

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

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