

Time Technoplast is a manufacturer of polymer & composite products with presence across 10 countries with 35% of revenue accruing from outside India.

Innovative Polymer Products	Industrial Packaging			Infrastructure		Auto Components
	Drums & Containers	Jerry Cans	Conipack Pails	HDPE Pipes	Energy Storage Devices	
						
Value Added Products	Composite IBCs			Composite Cylinders (LPG, CNG and Oxygen)		MOX Films
						
						

Increase in share of VAP (Value Added Products): VAP segment comprises of low competition and high margin products like Composite Cylinders (LPG & CNG), Intermediate Bulk Containers & Mox Films. Mix of VAP which stands at 26% today is expected to increase to 32% by FY26E. This will be mainly driven by increasing demand for Composite Cylinder cascades used for transporting CNG to pumps. CNG pumps are expected to increase by 3x from 5,900 today to 17,700 by 2030.

- ✦ Progress towards sale of international business: After a long wait, company has been able to divest 50% stake in its Middle East business (7.5% of consolidated sales) at a valuation of Rs. 207 Cr.
- ✦ Sale of non-core assets: Company is proactively looking to sell its non-core assets (building, plants and equipments) which is likely to fetch Rs. 125 Cr.
- ✦ Company shall utilise the proceeds from the above 2 transactions towards reduction of debt.
- ✦ Expansion in margins on the back of increase in revenue mix of Value Added Products and reduction in debt shall result in robust increase in ROCE from 12.7% in FY23 to 18.0% in FY26E (past 10 year average at 13%). This is expected to change the perception of the company from being a low growth, low margin, commodity business lacking capital allocation skills to being a growth oriented, bottom-line focused, value added play with focus on efficient capital allocation.
- ✦ We value the company at a P/E of 14x FY26E to arrive at a target of Rs. 300. (We assign a multiple of 10x to the traditional business and 22x to the VAP business).

*Figures in Rs Cr*

Year	Revenue	Growth	EBITDA	Margin	PAT	Growth	EPS	PE	EV/EBITDA	ROCE
FY23	4289	18%	577	13.5%	219	16%	9.7	22.5	9.5	12.7%
FY24E	4939	15%	704	14.3%	319	46%	14.1	15.4	7.8	15.9%
FY25E	5499	11%	796	14.5%	397	24%	17.6	12.4	6.9	16.6%
FY26E	6270	14%	920	14.7%	495	25%	21.9	10.0	6.0	18.0%

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