

TIME TECHNOPLAST LTD.

Buy at CMP: Rs 391 | Target: Rs 449 (15%) | SL: Rs 355

Sector

Nov 25, 2024

Plastic Products

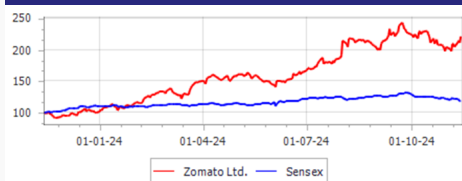
Script Details

BSE Group	A
BSE Code	532856
NSE Code	TIMETECHNO
Bloomberg Code	TIME IN
Market Cap (INR Cr.)	8,880
Free Float (%)	48.4%
52wk Low/High	474/162
Beta (1yr Nifty 50)	0.00
Face Value (INR)/ D. Yield (%)	1/0.5
Total paid Up Shares (Mn.)	226.9

Share Holding Pattern (%)

Promoters	Public	Others
51.6%	48.4%	-

Share Price Relative Performance



Zomato Limited is a leading food service platform offering food delivery, dining-out, and its B2B service Hyperpure. Its customer loyalty program, Zomato Pro, and all offerings enhance customer engagement, driving growth in the restaurant industry by improving food assortment, affordability, accessibility, and quality.

Investment Rationale

- ◆ **Company's diverse and dominant product portfolio is set to fuel growth in business:** TIMETECHNO operates in three product segments: Polymer Products, Value-Added Products, and Hi-Tech Products. Its established products include drums, containers, jerry cans, conipack pails, and HDPE pipes, while its value-added products, such as IBC composites, LPG, CNG, Oxygen cylinders, and MOX films, contribute higher margins. The revenue split between established products and value-added products stands at 75:25. The company holds a dominant position in the domestic industrial packaging market, with a 55% market share and leadership in 9 out of 11 countries. It is the second-largest manufacturer of MOX films in India and the first to launch IBC containers and Type-4 composite cylinders for LPG and CNG in the country. In Q2FY25, the industrial packaging segment contributed 74% of total sales, with 12% from IBC (value-added products), 10% from composite products, and 3% from MOX films.
- ◆ **New Product launched in Value add Product segment will boost margin and top-line:** The company has received PESO approval to manufacture high-pressure Type-4 composite cylinders for green hydrogen fuel and is developing 14.5 kg LPG cylinders to meet new government specifications. It is also exploring cylinder applications in buses, biogas plants, and refueling units, and plans to increase CNG capacity to 600 cascades by Q4 FY25. Management targets raising revenue from value-added products, like composite cylinders and energy storage solutions, to 35% in the next 2-3 years, up from 25%. Revenue is expected to grow by 15% in FY25, with margins improving as the share of value-added products and utilization rates rise.
- ◆ **₹2,200 Cr Opportunity: Powering India's Clean Energy Shift with Type-IV CNG Cylinders:** Investing in Type-IV CNG cylinders offers a strong opportunity, driven by India's low CNG penetration and government clean energy initiatives. The CNG market is valued at ₹28,877 crore, with an annual potential of ₹6,288 crore in segments like cascades, buses, bio-gas, and mobile refueling units. Type-IV cylinders, known for their lightweight design and higher storage efficiency, are expected to capture a significant share of the ₹2,200 crore annual market, accelerating the shift to cleaner fuels as CNG infrastructure expands.
- ◆ **Outlook and Valuations:** We model a Revenue/PAT CAGR of 15%/10% and estimate TIMETECHNO to clock PAT of Rs 485 Cr by FY27E. TIMETECHNO is trading at forward PE (x) of 18.3 and we value at 21(x) FY27E and Recommend BUY on TIMETECHNO with Target Price of Rs. 449 (15%) .

Year	Revenue	EBITDA	PAT	PE Ratio (x)	EV/EBITDA (x)
FY24	5,320	372	362	24.6	12.3
FY25E	6,117	856	367	24.2	20.5
FY26E	7,035	985	422	21.0	17.8
FY27E	8,090	1,133	485	18.3	15.5

Source: Company Data, Ace Equity, GEPL Research

TECHNICAL VIEW

Observation

- TIMETECHNO has demonstrated strong structural development following a breakout above its 2017 multiyear high in February 2024. The stock has maintained an upward trajectory, consistently forming higher tops and higher bottoms.
- Notably, after each 17-20% decline, the stock has rebounded with approximately 46% price growth, and this week it appears poised for another pullback reversal, having completed a 20% correction from its recent high. Based on this repeating pattern observed since January 2024, the stock now looks set for a strong upswing.
- TIMETECHNO has also found support at its 26-week EMA, suggesting a likely bullish mean reversion from this level.
- On the ratio chart comparing TIMETECHNO to the NIFTY, a large base formation on the weekly scale highlights its high relative strength, indicating the stock's potential for continued out-performance.



Inference & Expectations

- Considering these factors, it can be inferred that TIMETECHNO stock is set to continue uptrend.
- Going ahead we expect the prices to move higher till 449 level.
- The stop loss must be at 355 level, strictly on the closing basis.

Source: Tradingview.in, GEPL Research



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