

Earnings
Presentation

Q1
FY 2023



TIME TECHNOPLAST LTD.
Bringing Polymers To Life

BSE: 532856 | NSE: TIMETECHNO | ISIN: INE508G01029 | CIN: L27203DD1989PLC003240

MANAGEMENT COMMENTARY



“

We are pleased to inform that the Company has started Fiscal 23 on an encouraging note with a healthy performance driven by good demand in Industrial packaging and robust growth in composite cylinder business. Q1 Revenue and PAT are up by 25% and 56% year-on-year led by higher utilization of capacities. This is despite global uncertainties and continued inflationary pressure in key raw materials. The company continues to receive overwhelming response for its Type-IV Composite cylinders for CNG Cascades. In addition, during the quarter, NED Energy Limited, a subsidiary of Time Technoplast Limited has signed a Memorandum of Understanding (MOU) with TESLA POWER USA INC for orders worth ₹100 crores (approx.) to supply VRLA Batteries of different sizes for applications across Power, Solar, UPS etc. With strong outlook on Indian pharmaceutical and chemical business driven by migration of chemical companies out of China coupled with a good demand for CNG cascades, we expect to continue our growth momentum for the rest of the year.”

Mr. Bharat Kumar Vageria

Managing Director

Agenda



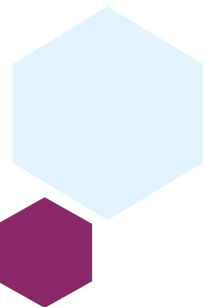
01 **Quarter Highlights**



02 **Company Overview**



03 **Appendix**



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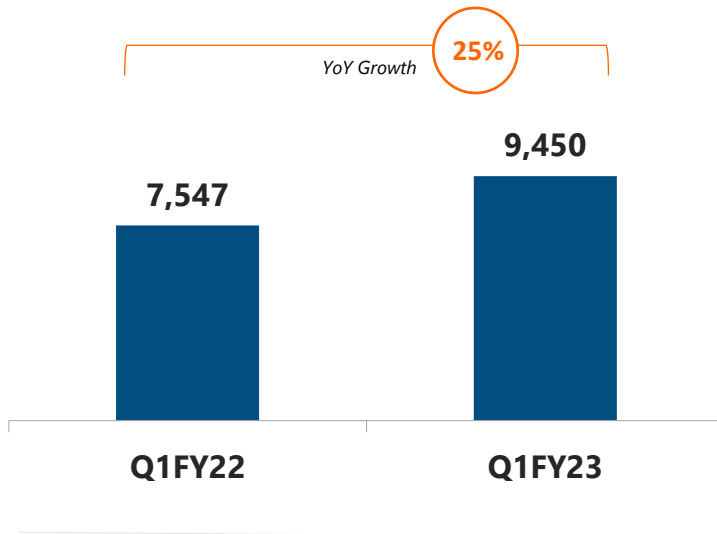
01

Quarter Highlights

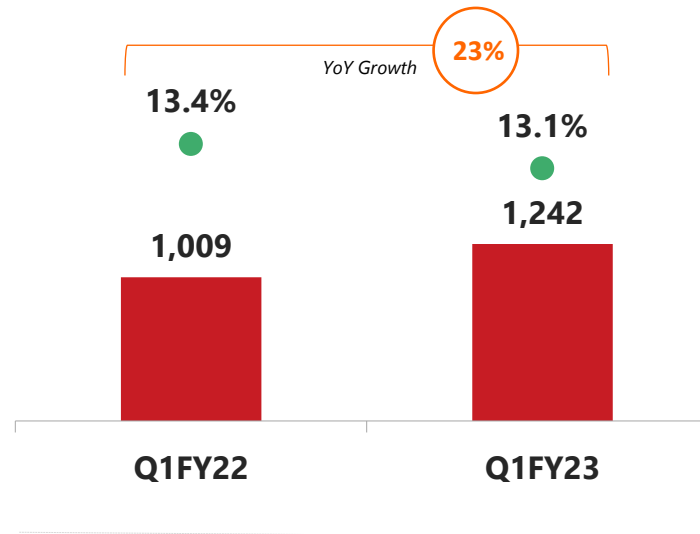


Q1FY23 Financial Snapshot

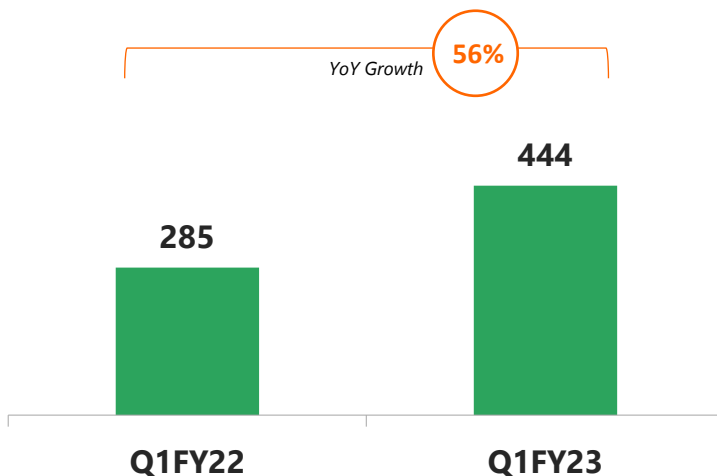
Total Income (₹ Mn)



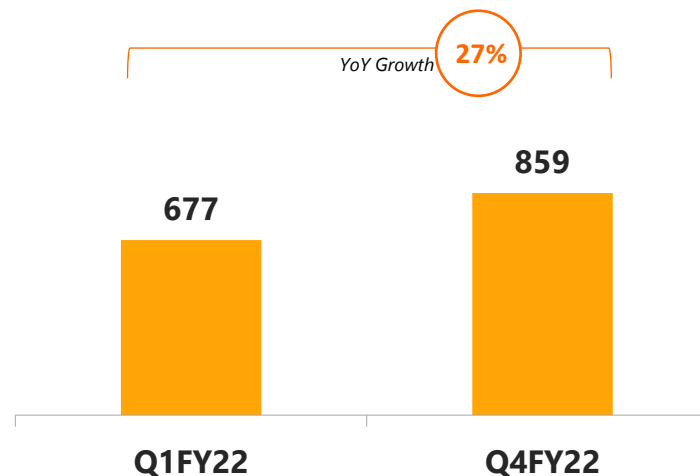
EBITDA (₹ Mn) and Margin (%)



PAT (₹ Mn)



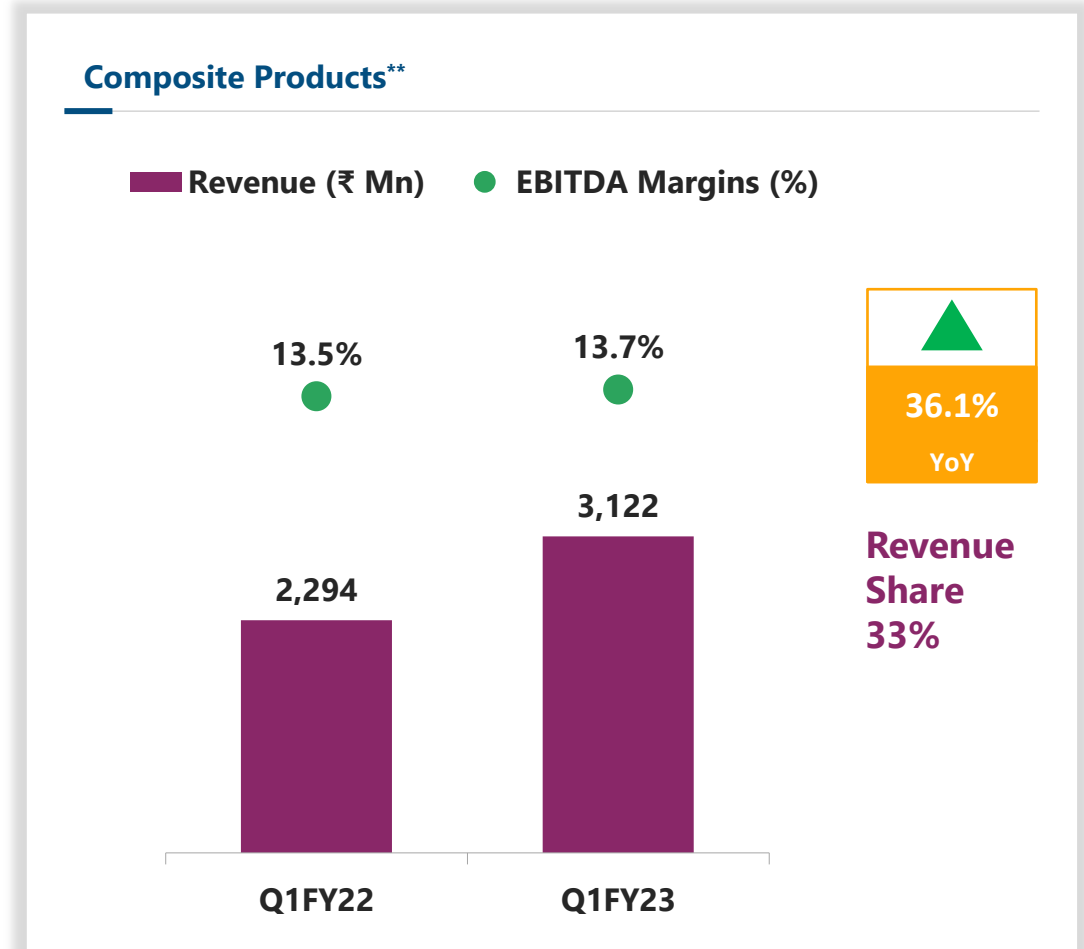
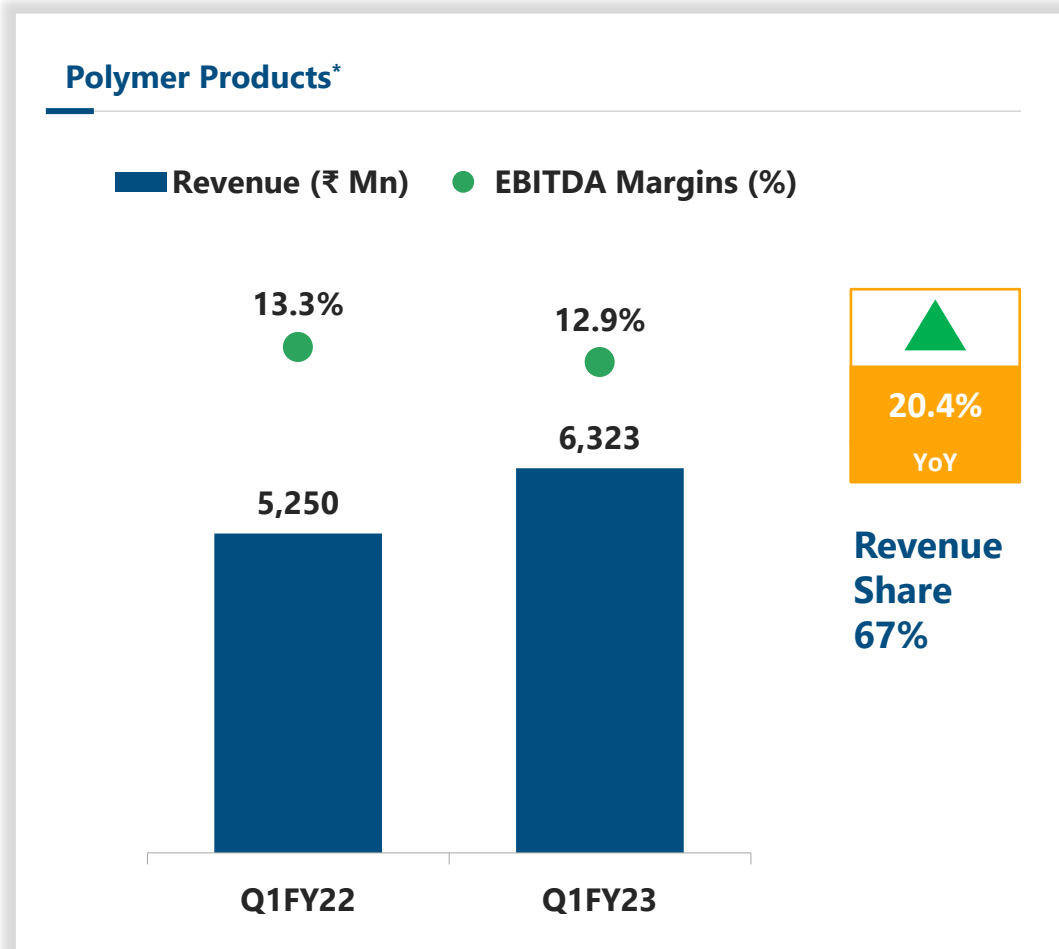
Cash Profit (₹ Mn)



| Particulars | India | Overseas |
|--------------------------|-------|----------|
| Volume Growth (13% YoY) | 14% | 12% |
| Revenue Growth (25% YoY) | 27% | 23% |
| Revenue Contribution | 63% | 37% |
| EBITDA Margin | 13.3% | 12.9% |
| PAT Margin | 4.1% | 5.7% |
| Cash Profit Margin | 8.9% | 9.4% |

- Total Debt reduced by ₹ 263 Mn in Q1FY23 from year ended FY22.
- Net cash from Operating Activities in Q1FY23 is ₹ 804 Mn
- Value added products grew by 36% in Q1FY23 as compared to Q1FY22, while established products grew by 23%. The company's focus remains to increase the share of value added products in its revenue and improve margins.

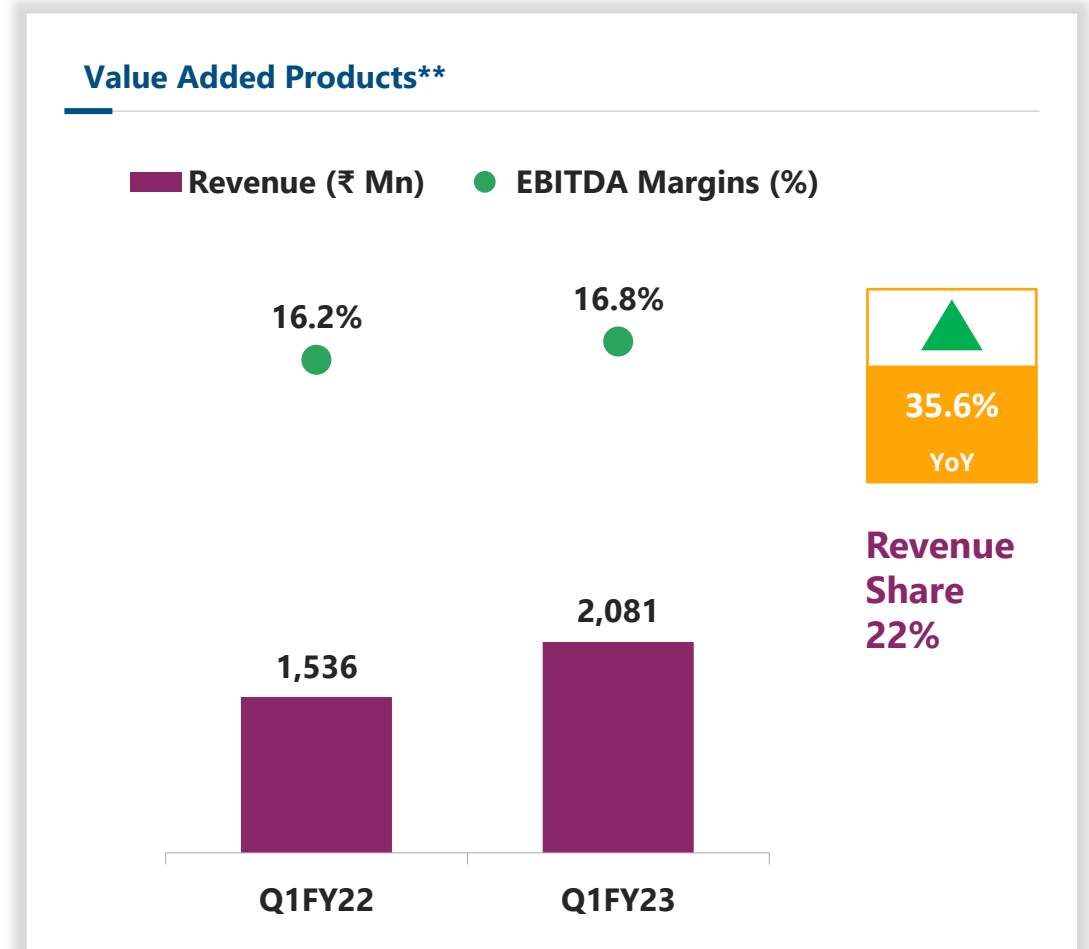
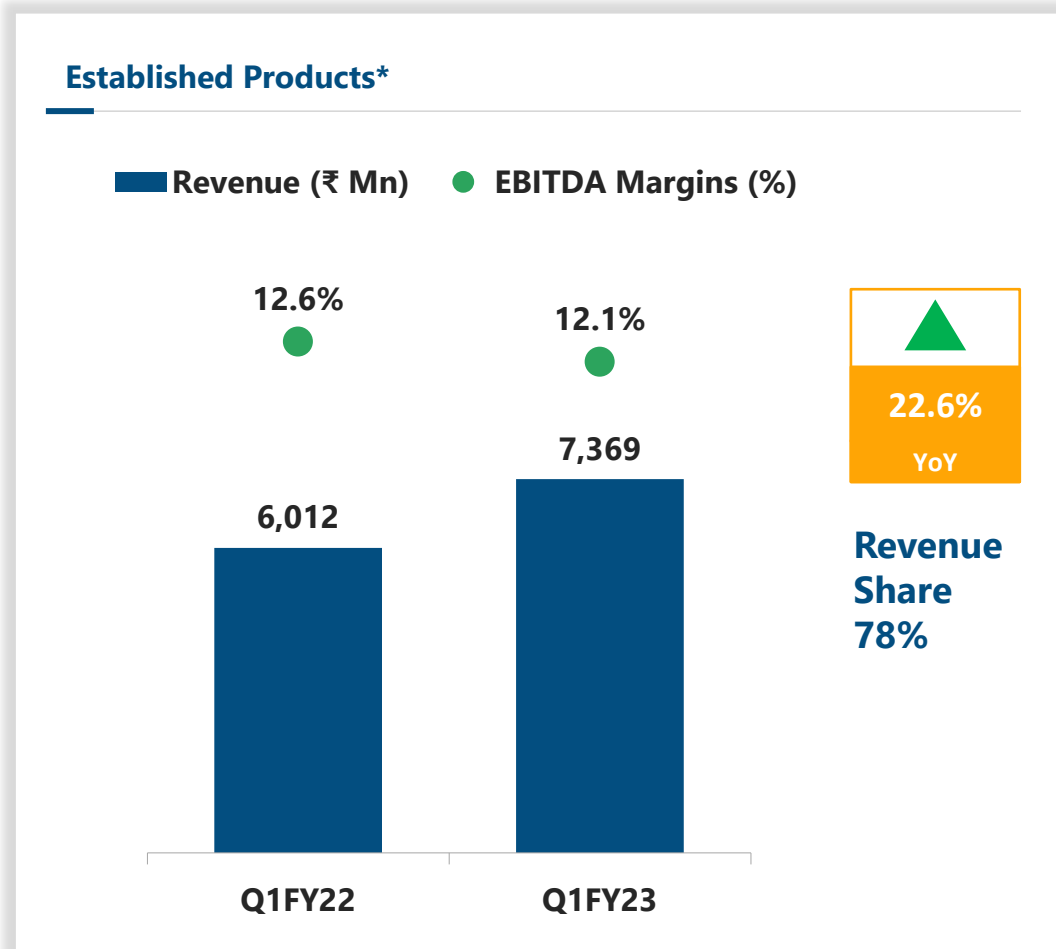
Segmental Performance



***Polymer Products:** HM-HDPE plastic Drums/Jerry Cans and Pails, Polyethylene (PE) pipes, Turf & Matting, Disposable Bins and MOX Films

****Composite Products:** Intermediate Bulk Containers (IBC), Composite Cylinders (LPG and CNG), Energy storage devices, Auto Products and Steel Drums.

Strategic Direction towards Value Added Products



***Established Products**- HM-HDPE plastic Drums/Jerry Cans and Pails, Polyethylene (PE) pipes, Turf & Mattings, Disposable Bins, Energy storage devices, Auto Products and Steel Drums.

****Value Added Products**- Intermediate Bulk Containers (IBC), Composite Cylinders (LPG and CNG) and MOX Films.

Product Segment Wise Value and Volume Numbers

| Particulars | Value | | | Volume | | | |
|---|--------------|--------------|--------------|--------|---------------|---------------|--------------|
| | Q1FY23 | Q1FY22 | YoY Growth | Unit | Q1FY23 | Q1FY22 | YoY Growth |
| | (₹ Mn) | (₹ Mn) | % | | | | % |
| TURNOVER | | | | | | | |
| REGULAR BUSINESS | | | | | | | |
| Packaging (Excl. IBC Business), Lifestyle , Auto , Batteries Business etc. | 7,006 | 5,695 | 23.0% | M.T. | 53,902 | 48,351 | |
| PE Pipes | 363 | 317 | 14.5% | M.T. | 3,065 | 2,916 | |
| Sub - Total | 7,369 | 6,012 | 22.6% | | 56,967 | 51,267 | 11.1% |
| VALUE ADDED PRODUCTS | | | | | | | |
| IBC Business | 1,147 | 894 | 28.2% | Nos. | 1,30,700 | 1,14,145 | |
| Composite Cylinders (LPG and CNG)* | 626 | 364 | 72.3% | Nos. | 1,74,180 | 1,68,009 | |
| MOX Film | 308 | 277 | 11.1% | M.T. | 1,297 | 1,187 | |
| Sub - Total | 2,081 | 1,535 | 35.6% | | | | 22.9% |
| Total | 9,450 | 7,547 | 25.2% | | | | 13.0% |

*Includes business from CNG cylinders of Rs. 301 Mn (P.Y. Rs. 64 Mn)

Q1FY23 Highlights

Total capex in Q1FY23 towards brownfield expansion, maintenance, re-engineering and automation ₹ 485 Mn.

Established Products ₹ 145 Mn.

Value Added Products ₹ 340 Mn.

- Capacity utilization: Overall 77% (India: 72%; Overseas: 84%)
- Continued focus on improving Working Capital cycle time and targeting to achieve 90 days in next 12-18 months.

Consolidation cum Restructuring of Overseas business

- The Board of Directors and Members have approved the consolidation cum restructuring of overseas business by way of disinvestment of majority stake to Strategic Partner/ Investor Partner. The proceeds will be used for Repayment of Debt, Capex for Composite Cylinders (LPG/CNG/Hydrogen) & Core Business in India to meet huge market demand and also used to benefit the shareholders.
- The Company has appointed JP Morgan India and Ernst & Young India as Advisors to handle entire process of consolidation cum restructuring. The process is still under discussion on the terms and conditions of the transaction as at June 30, 2022.

Industrial Packaging

- All three locations in the USA i.e. Chicago, Houston and Iowa continue to show healthy performance as good demand for IBCs and large sized drums continues.
- Brownfield expansion in India and overseas locations to continue for future growth and leveraging of existing infrastructures.

Q1FY23 Highlights

Pipes

- Unprecedented hike in raw material prices resulting in delay in procurement by EPC contractors on account of pending price hike from Government authorities
- The pipes/ducts have substantial business potential specially in government projects like Smart Cities, Jal Jeevan Mission and Swachh Bharat Mission.

Mox Films

- Company innovating new applications of the MOX films and is launching new products in the market like Truck covers, Pond Liners, Mulching Film, Poly house Films and Films for Agricultural use.
- Continued focus on export markets of Thailand, Malaysia, Germany UK & USA.

Composite Cylinder- LPG application

- Most awaited single largest order of over 0.75 million Type-IV LPG Composite cylinders received from Indian Oil Corporation Limited (IOCL) in March 2022, to be supplied over the next 12 months. Supplies against this orders have already started and continuing.
- Furthermore, IOCL has said that the same order quantity may be repeated at their discretion for a further period of up to 12 months, on same terms and conditions.
- Good potential in period ahead on account of the Pradhan Mantri Ujjwala Yojana of the Government of India.
- Continued good response from overseas customers. The Company currently has approvals in over 50 countries and is exporting Composite Cylinders to over 42 nations.
- Keeping with the growing demand for LPG Composite Cylinders both domestically and internationally, the Company plans to add additional 1.0 million cylinder manufacturing capacity with a capital outlay of about ₹ 900 million in the period of next 12 months.

Q1FY23 Highlights

Composite Cylinder- CNG application (Cascades)

- Company receiving over whelming response in a short period of time for CNG Cascades with Fully Wrapped Carbon Fibre Reinforced Type-IV Composite Cylinder
- Current order book position of over ₹ 2.5 billion.

Composite Cylinder- CNG application (on-board)

- During the FY22, the Company has finally received approval from PESO and Bureau Veritas under ISO: 11439-2013 as applicable for manufacturing of Fully Wrapped Carbon Fibre Reinforced Type-IV Composite Cylinder for On Board (vehicle) applications, for the first time in India.
- Besides the OEMs, who have explicitly expressed their preference for Type-IV cylinders vis-à-vis Type-I (steel cylinders), the Company is also going to target the secondary market in the Automobile industry.

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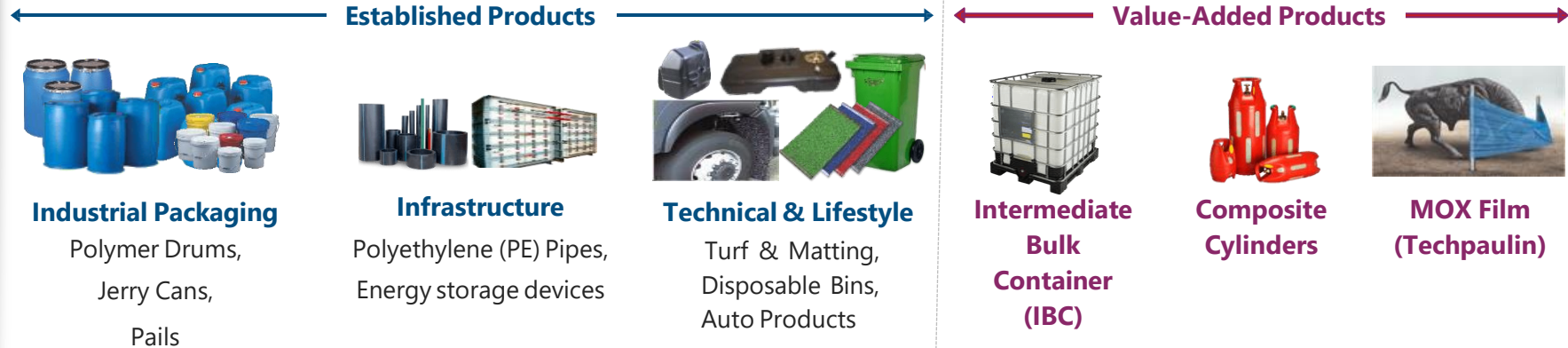
Company Overview



Time Technoplast

- Time Technoplast Limited (Time Tech) is a **multinational company** and one of the **leading manufacturer** of technology based polymer and composite products
- Strong presence in **Asia & MENA regions with presence in 10 different countries outside India**
- Has **14+ recognized brands** and works with **>900 institutional customers globally**
- Well established inhouse **R&D team of around 30 people** having experience of more than **15 years** for upgrading existing and developing futuristic products by using latest processing technology

Business Mix



Marquee Clients



Chemicals

BASF, Huntsman, Bayer, Aditya Birla Chemicals, Du Pont, Dow, Eco Lab, Solvay, Etc.



Petrochemicals

Shell, Indian Oil, Gulf, ExxonMobil, Total, etc.



Auto

Ashok Leyland, Tata Motors, Eicher Motors, Volvo, Etc.



Others

Cargill, GE, L&T, Nestle, Wipro, LEAP India, Etc.

Innovative and Tech Oriented Products

| | | | | | | |
|---|--|--|--|---|--|---|
| Innovative Polymer Products | Industrial Packaging | | | Infrastructure | | |
| | Drums & Containers  | Jerry Cans  | Conipack Pails  | HDPE Pipes  | DWC Pipes  | Energy Storage Devices  |
| | Auto Components and Lifestyle | | | | | |
| Rain Flaps  | Fuel Tanks  | | | Mats  | | |
| Value Added Products | Composite IBCs   | Composite Cylinders   | | MOX Films   | | |
| |  DEF (Urea) Tanks |  CNG Cascade | |  CNG (On Board Application) and more... | | |
| Hi-Tech Products | | | | | | |

Focus on Innovative & Tech oriented polymer products and have several firsts to our credit-

- **1st** to launch PE drums to replace steel
- **1st** to launch Tubular Gel Batteries
- **1st** to launch Anti-Spray Rain Flaps
- **1st** Plastic Fuel tanks in CVs
- **1st** to launch IBC
- **1st** to launch Composite Gas cylinders

03

Appendix

Consolidated Income Statement

| Particulars (₹ Mn) | Q1FY23 | Q1FY22 | FY22 | FY21 |
|-------------------------------------|--------------|--------------|---------------|---------------|
| Total Income | 9,450 | 7,547 | 36,528 | 30,087 |
| Total Expenses | 8,208 | 6,538 | 31,440 | 26,178 |
| EBITDA | 1,242 | 1,009 | 5,088 | 3,909 |
| EBITDA Margin (%) | 13.1% | 13.4% | 13.9% | 13.0% |
| Finance Cost (Net) | 231 | 234 | 920 | 977 |
| Depreciation | 407 | 385 | 1,574 | 1,510 |
| PBT | 604 | 390 | 2,594 | 1,422 |
| Tax | 152 | 98 | 672 | 364 |
| PAT before Minority Interest | 452 | 292 | 1,922 | 1,058 |
| Minority Interest | 8 | 7 | 42 | 24 |
| PAT after Minority Interest | 444 | 285 | 1,880 | 1,034 |
| PAT Margins (%) | 4.7% | 3.8% | 5.1% | 3.4% |
| EPS (₹) | 1.96 | 1.26 | 8.31 | 4.57 |

Consolidated Balance Sheet

| Particulars (₹ Mn) | FY22 | FY21 | Particulars (₹ Mn) | FY22 | FY21 |
|---------------------------------------|---------------|---------------|--|---------------|---------------|
| Equity & Liabilities | | | ASSETS | | |
| Shareholder's Funds | | | | | |
| Share Capital | 226 | 226 | | | |
| Other Equity | 20,501 | 18,803 | Non-Current Assets | | |
| Total Shareholder's Fund | 20,727 | 19,029 | Fixed Assets | | |
| Minority Interest | 534 | 483 | Property, Plant & Equipment | 12,319 | 12,233 |
| Non-Current Liabilities | | | Capital Work-in-Progress | 702 | 403 |
| Long-Term Borrowings | 2,527 | 2,616 | Right-to-Use Assets | 816 | 575 |
| Lease Liabilities | 805 | 534 | Intangible Assets | 1 | 2 |
| Deferred Tax Liabilities (Net) | 902 | 825 | Others Financial Assets/Long Term Loans & Advances | 357 | 289 |
| Total Non Current Liabilities | 4,234 | 3,975 | Total Non Current Assets | 14,195 | 13,502 |
| Current Liabilities | | | Current Assets | | |
| Short-Term Borrowings | 5,727 | 5,481 | Inventories | 9,077 | 7,598 |
| Trade Payables | 3,850 | 3,244 | Trade Receivables | 8,669 | 7,983 |
| Other Financial Liabilities | 88 | 91 | Cash and Cash Equivalents & Bank Balance | 941 | 870 |
| Other Current Liabilities | 383 | 335 | Other Advances | 1,626 | 1,497 |
| Short-Term Provisions | 147 | 136 | Other Current Assets | 999 | 994 |
| Current Tax Liabilities | 354 | 271 | Total Current Assets | 21,312 | 18,942 |
| Total Current Liabilities | 10,549 | 9,558 | Assets Classified As Held For Sale* | 537 | 601 |
| TOTAL - EQUITY AND LIABILITIES | 36,044 | 33,045 | TOTAL - ASSETS | 36,044 | 33,045 |

*In accordance with Ind AS 105 for Non-current Assets Held for Sale and Discontinued Operations, the management has identified and classified certain assets as held for sale

Consolidated Cash Flow

| Particulars (₹ Mn) | FY22 | FY21 |
|---|----------------|----------------|
| Net cash flow from operating activities | 2,908 | 2,570 |
| Profit before tax & extraordinary items | 2,594 | 1,422 |
| Depreciation | 1,574 | 1,510 |
| Interest | 920 | 977 |
| Others | 42 | (25) |
| Working Capital Changes | (1,682) | (972) |
| Tax Payment | (540) | (343) |
| Net cash used in Investing Activities | (1,792) | (1,052) |
| Purchase of fixed assets | (1,868) | (1,020) |
| Sale of fixed assets | 76 | (32) |
| Net cash used in financing activities | (1,038) | (1,507) |
| Net proceeds from borrowings | 156 | (223) |
| Repayment of lease liability | (109) | (85) |
| Dividend paid & tax on dividend | (165) | (222) |
| Interest paid | (920) | (977) |
| Net increase/(decrease) in cash & cash equivalents | 78 | 11 |
| Cash & cash equivalents as at (opening balance) | 607 | 596 |
| Cash & cash equivalents as at (closing balance) | 685 | 607 |



Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", seek to", "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "forward-looking statements". These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.





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Bringing Polymers To Life

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