

MULTIBASE INDIA

ON CUSP OF EXPLOSIVE GROWTH

BY

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COMPANY DETAILS

- Parentage of Dow Corning(75% holding).
- Incorporated in 1991, Acquired by Multibase SA(subsidiary of Dow Corning) in 2002.
- Manufacturing Plant at Daman.
- Manufactures Silicon based Thermoplastics, Thermoplastic Elastomers(TPE) & Siloxane Masterbatches.
- Wide range of applications in Automotive, Personal Care, Personal Hygiene, Stationery, Consumer Appliances, Wires & Cables, Engg Polymers.

PRODUCTS

- Automotives :
 - 1. Safety : Airbags covers.
 - 2. Aesthetics : Mats, Central Console Skins, Knobs, Cup Holders, Seat Belt Housing, AC Grills etc.
 - 3. Fluid Transportation : Air Duct Housing, Window cleaning duct.
 - 4. Weather : Acoustics & Thermal Seals
 - 5. Dash Board, Door Panel, Wheel Rims etc.

PRODUCTS

- Consumer :
- 1. Personal Care & Hygiene : Tooth brush, razor handles, hairbrush handles, cosmetic packaging.
- 2. Appliances : Washing Machine, Juicers/Mixers, Kitchen Appliances.
- 3. Sports : Swimming accessories such as flippers mask, snorkelling mask.
- 4. Electronics : Mobile phone housing, keyboard, ear buds.

PRODUCTS

- Industrial :
- 1. Wires & Cables : Optical Fibres, Pipe Extrusion, HFFR Wires & Cables.
- 2. Electricals : Switches, Contactors, Electrical Housings
- 3. Fluids & Product Delivery : Gaskets & Seals, Water Cooler seals, Flexible tubes & hoses.
- 4. Packaging : Carry bags, Stationary, Food trays,
- 5. Window seals : Window & door seals, refrigerator seals.

FINANCIALS

	MAR-12	MAR-13	MAR-14	MAR-15	MAR-16	MAR-17	MAR-18
SALES	39.70	45.15	54.56	61.65	70.31	86.48	108.54
EBIDT	3.36	6.30	7.24	10.47	13.92	19.00	28.56
OPM	8.46%	13.95%	13.27	16.98%	19.8%	21.97%	26.31%
PAT	2.20	4.49	5.08	7.22	9.88	13.30	19.56
NET MARGINS	5.54%	9.94%	9.31%	11.71%	14.05%	15.38%	18.02%

KEY RATIOS 5 years:

Sales Growth - 16.5%

Profit Growth - 42.9%

ROE - 20.1%

ROCE - 27.3%

Debt - Nil

Equity - 12.62

Market Cap - ~740 Cr

PE – 37.7

Book Value – 66.4

POSITIVES/TRIGGERS

- Strong parentage of Dow Corning & good access to their R&D.
- Changes in safety norms of Cars in India will lead to higher demand for safety equipments like airbags.
- TPE is rapidly replacing Rubber & Plastics in automotives due to Soft, Colorability, Resilience, Flexibility & Strength.
- Strong balance sheet with zero debt.

NEGATIVES/RISKS

- Any adverse/downturn in automotive industry.
- Very less information available in public domain.
- No Institution Holding(FPI of 0.83%).
- Company does not pay any dividend.
- Very Low Liquidity.
- Expensive valuations at PE of 37.7

INVESTMENT RATIONALE

- Backed by strong R&D of Parent, the company will continue to innovate & introduce newer products in India.
- Increase in margins with increase in sales reinforces the quality of products & their acceptability.
- Stringent safety norms in Indian Automotives will lead to increased demand.
- Huge opportunity size compared to their market cap.

Disclaimer

- This is not a stock recommendation. Please do your own due diligence before investing.
- Invested & hence views may be biased.
- Thank You.