



Titan Biotech Ltd.



NSE Code	TITANBIO.NS
BSE Code	524717
Group	X
CMP	169.00-Rs. 200
Max Buy Price	250.00
Capitalization	150 CR
Company URL	https://titanbiotechltd.com/

INTRODUCTION

Titan Biotech Limited is one of the leading manufacturers & exporters of the biological products used in the field of Pharmaceutical, Nutraceutical, Food & Beverages, Biotechnology & Fermentation, Cosmetic, Veterinary & Animal Feed, Agriculture Industries, Microbiology Culture Media & Plant Tissue Culture Media etc. With the experience of more than 25 years and the remarkable market presence in 75+ countries.



Products: Company have Product Categories involving Food Ingredients, Collagen and Proteins, Pharmaceuticals, Probiotics, Agriculture Products, Animal Nutrition.

Food Ingredients

- Hydrolysed Vegetable Protein
- Yeast Extract Powder
- Calcium Propionate Powder
- Potassium Sorbate
- Calcium Lactate



Collagen and Proteins

- Undenatured Sternum Chicken
- Specter-Whey Protein
- Titagen - Collagen Peptides
- Brown Rice Protein
- Pea Protein Isolate



Pharmaceuticals

- Methyl Sulfonyl Methane
- Cow Colostrum Powder
- Specter - Whey Protein
- Hyaluronic Acid
- Peptone



Agriculture Products

- Amino Acid Mixture
- Bio-Fertilizer
- Bio-Pesticides
- Insecticides
- Fungicides



Animal Nutrition

- Mannan Oligosaccharide
- Amino Chelated Minerals
- Sodium Butyrate
- Calcium Butyrate



GROWTH FACTORS

Product & Marketing: The company have high quality R&D and devised multiple range of products with International Customer base. It also provides good marketing for the local & global clients through exhibitions. The Online Availability + Supplier Chain ensures good stream of revenue.

Revenue Growth: The company is witnessing CAGR of 25% growth in Revenue & Profits for the past 5 years. This is Incredible.

COVID Opportunity Covid Test Kit is a driving source of revenue for the company. The Covid impact coupled with China Regulations is expected to make this company grow next few years.

Expansion Modernization of existing plant in Rajasthan to meet with International Qualities will generate more products & thereafter revenue increase in upcoming years.

Agriculture Sector The company is well positioned to gain from the Farmers Amendment Act 2020 which would increase the Farmer Income through Contractual Farming & High-Fi Corporate Buyers. More on this [here](#).

New Markets The company is entering new markets & also growing the share of owned brands through exhibitions and online presence.

Moderate Debt Moderate debt with Good Interest Coverage Ratio would de-risk any troubles in the next 5 years.

Intrinsic Value Discount The company is trading at 80% Intrinsic Value discount due to the Huge EPS growth in the immediate past years. This may not be repeatable after few years but we maintain a good discount on current price.

COMPANY WITNESSED 500% GROWTH IN QR NET PROFIT AFTER THE RECOMMENDATION

STILL GOOD BUY

SWOT Analysis

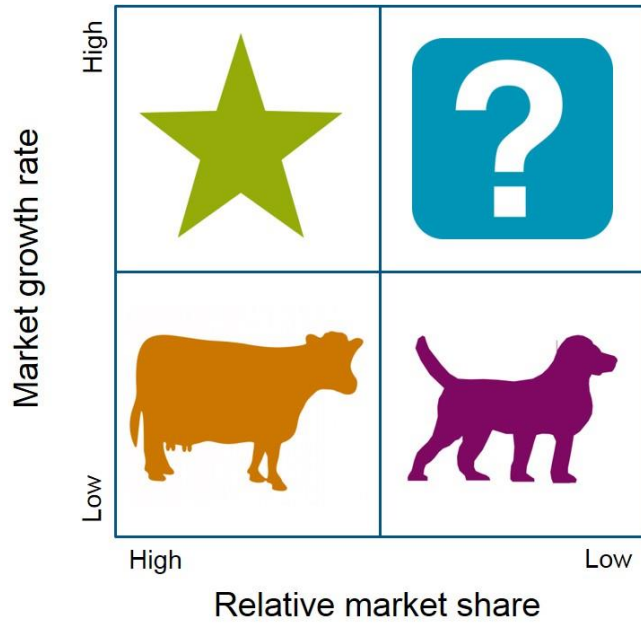
SWOT (Strength-Weakness-Opportunity-Threat) Analysis:



<p>STRENGTH</p> <ul style="list-style-type: none"> Variety Products Online Presence Global Clients Expansion Plans 	<p>WEAKNESS</p> <ul style="list-style-type: none"> Debt Near term COVID Dependency Rising Input Costs
<p>OPPPORTUNITY</p> <ul style="list-style-type: none"> Brand Building More Clients 	<p>THREAT</p> <ul style="list-style-type: none"> International Players China Re-entry

BCG Matrix

BCG (Boston Consulting Group) Matrix is **Dog** since the Sector has low growth potential & the company is having a low share currently.



P&L

In the past the company witnessed 25% above compounded growth in Revenue, Net Profit & EPS. The current year results including QR is also growing at 80% rate.

Profit & Loss

Consolidated Figures in Rs. Crores / [View Standalone](#)

	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	TTM
Sales +	40	46	53	57	65	79	111
Expenses +	36	42	47	50	56	66	76
Operating Profit	4	4	5	7	9	13	35
OPM %	10%	9%	10%	12%	14%	17%	32%
Other Income	0	1	0	0	1	1	1
Interest	1	1	1	2	2	2	2
Depreciation	1	1	1	1	2	2	2
Profit before tax	2	3	3	4	6	10	33
Tax %	33%	34%	35%	35%	30%	25%	
Net Profit	2	2	2	3	4	7	24
EPS in Rs	2.11	2.29	2.82	3.28	4.26	8.56	28.59

CHECKLIST

Following are the Core Checklist to ensure Value & Growth Parameters.

Parameter	Description	Legend
Revenue Growth	Yes	Good
Profit Growth	Yes	Good
Profit Margin	Good	Good
EPS Growth	Good	Good
Trailing Growth	Yes	Good
PE Ratio	5	Good
PB Ratio	2	Good
PEG Ratio	0.16	Good
DE Ratio	0.3	Okay
Current Ratio	3	Good
Quick Ratio	1.4	Good
ROE	20%	Good
ROCE	20%	Good
Reserves	Increasing	Good
Cash Flow	Negative	Bad
Paying Tax	Yes	Good

Paying Dividends	Yes	Good
Power of Brand	Moderate	Okay
Future Sector Growth	Yes	Good
Expected Company Growth Rate	25%	Good
Expansion Plans	Yes	Good
Promoter Holdings	54%, Increasing	Good
Corporate Governance	Yes	Good
Fraud Reported	No	Good
Celebrity Investors	No, they may enter after Capitalization Growth	Okay
Trading at Discount	Yes, 20% from All Time High of Rs. 350	Good
N-Point Checklist	50 point	Good
Risk Category	Medium Risk	Good
Returns Category	High Returns	Good
Advisor Invested	Yes, Displays Credibility & Trust in Multibagger	Good

RISKS

Following are the Risks associated with the investment:

- Pharma Sector is over-populated with lot of Niche players & Established brands. Delay in acquiring Patents, Quality Violations could impact the Market Share & Global Sales
- Rise of raw material prices would impact profitability
- COVID Restrictions would impact workforce utilization
- Non-Implementation of Farmers Act 2020 would degrade the Agriculture Growth possibilities
- The high number of Subsidiaries would impose some threat to the parent company

SUMMARY

Given the Facts & Analysis we recommend this company as a **Premium Multibagger** in the order of 5-bagger plus returns for a 5-year holding period.

BUYING STRATEGY

You can Invest 50-70% in current price & accumulate remaining as monthly installments in next 6 months. Any crash in price is an Opportunity.

Current Price compared to 52 week high may be high but the Valuation based on PE, PB & Intrinsic Value Discount shows Low. Hence any corrections are opportunity to buy till the Portfolio Limit of stock reached.

NSE & BSE

If the company is not available in NSE, you can choose BSE by specifying the Group of the company.

INVESTOR VALIDATION

Recommended

2 YEAR MULTIBAGGER PLAN

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- Solid Expansion Plans
- Sector Growth 10% till 2025
- Trading near Book Value
- No Debt Company
- EPS Growth Restoring after Corona
- Trading Near Book Value
- 500% ROI Expected

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