

**HOLD**

TP: Rs 630 | ▲ 4%

**CENTURY PLYBOARDS**

Construction Materials

03 November 2021

## Best quarter ever but valuations full

- Q2 revenue/PAT came in at Rs 8.1bn/Rs 1bn led by robust price realisations across segments
- EBITDA grew 87% YoY to Rs 1.6bn as margins expanded in all three major businesses
- We raise our target P/E from 25x to 37x on a robust growth trajectory and roll to a new Sep'22 TP of Rs 630 (vs. Rs 395); retain HOLD

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**Strong growth aided by higher realisations:** CPBI reported standalone Q2FY22 revenue growth of 56% YoY to Rs 8.1bn, with plywood/MDF/laminates up 66%/36%/61% led by the unlocking of pent-up demand post the second Covid wave as well as an improving business climate for real estate. Volumes in the plywood segment grew 64% YoY and laminates 36% while MDF remained flat. Realisations increased across segments with plywood up 22% YoY, laminates 18% and MDF 21%. CPBI expects demand trends to remain strong due to a pickup in housing activity across geographies.

**MDF continues to deliver robust growth:** MDF EBITDA margin expanded 655bps YoY to 34.6% backed by higher capacity utilisation and price hike benefits.

Management expects stronger demand in the MDF segment due to (a) its higher acceptance in the domestic market and (b) lower imports owing to improved demand in respective geographies and higher shipping costs. As per management, work on MDF expansion at the existing Hoshiarpur unit is in full swing, but commissioning of the MDF project in Andhra Pradesh is likely to be delayed to H2FY24.

**Rs 50bn revenue roadmap by FY26:** Management has chalked out a roadmap to achieve Rs 50bn in revenue by FY26 led by (a) anticipated double-digit growth in the wood panel industry over the next five years, (b) aggressive branding, (c) market share gains in plywood, MDF and laminates, (d) cumulative capex of Rs 12.3bn, and (e) higher ROCE.

**Valuations full; retain HOLD:** CPBI's results were robust with both key divisions of MDF and plywood witnessing growth. We broadly maintain revenue estimates but raise margins to incorporate the above-expected MDF and plywood performance in H1. Based on the robust growth trajectory, we raise our target one-year forward P/E from 25x to 37x, ~16% premium to the stock's five-year median of ~32x. On rollover, we move to a new Sep'22 TP of Rs 630. While we continue to like CPBI for its broad wood panel product portfolio, improved balance sheet and healthy return ratios, the stock is trading at ~41x FY23E EPS which looks expensive – retain HOLD.

## Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	CPBI IN/Rs 606
Market cap	US\$ 1.8bn
Free float	27%
3M ADV	US\$ 2.2mn
52wk high/low	Rs 615/Rs 178
Promoter/FPI/DII	73%/5%/22%

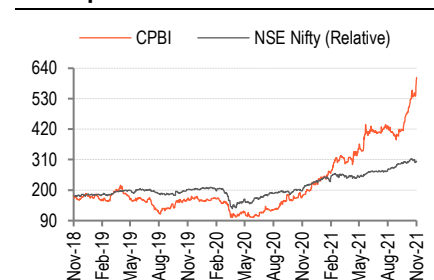
Source: NSE | Price as of 3 Nov 2021

## Key financials

Y/E 31 Mar	FY21A	FY22E	FY23E
Total revenue (Rs mn)	21,304	25,467	30,401
EBITDA (Rs mn)	3,355	4,542	5,509
Adj. net profit (Rs mn)	1,996	2,701	3,357
Adj. EPS (Rs)	9.0	12.2	15.1
Consensus EPS (Rs)	9.0	12.4	15.3
Adj. ROAE (%)	16.9	19.4	20.0
Adj. P/E (x)	67.5	49.9	40.1
EV/EBITDA (x)	41.3	29.9	24.5
Adj. EPS growth (%)	26.4	35.3	24.3

Source: Company, Bloomberg, BOBCAPS Research

## Stock performance



Source: NSE



## Earnings call highlights

### MDF

- Due to the monsoons, CPBI's Q2FY22 MDF volumes were muted YoY but increased 29% QoQ. The 36% YoY revenue growth in MDF to Rs 1.3bn was aided by a 21% YoY rise in realisations (to Rs 26,385/cbm). EBITDA margin improved 655bps to 34.6% backed by comparatively higher capacity utilisation and benefits arising from price hikes taken during previous quarters.
- Management stated that raw material cost has been passed on with a lag and expects to take a further price hike in Q3.
- CPBI anticipates higher volumes in Q3 and Q4FY22 due to increased acceptance of MDF in the domestic market and lower imports owing to higher shipping costs. Management expects continued strong demand over the long term with margins largely sustainable due to the reduction in imports.
- CPBI's MDF plant is currently running at full utilisation. MDF expansion at the Hoshiarpur unit is in full swing and should be completed by Jul'22, adding new capacity of 132,000cbm. The current total capacity stands at 198,000cbm. Commissioning of the MDF project at Andhra Pradesh is likely to be delayed to H2FY24.

### Plywood

- Revenue in the plywood segment has improved 66% YoY to Rs 6.7bn driven by strong 64%/32% volume growth in the plywood/decoply segments. However, commercial veneer volumes declined ~10% YoY. A change in product mix aided growth in blended realisation by 22% YoY to Rs 2,319/Rs,1901.
- The robust volume growth in plywood was mainly due to (a) pent-up demand, and (b) market share gains from increased advertisement and marketing activities. Management expects strong demand to continue alongside a gradual shift from unorganised to organised players, with likely double-digit growth over the near-to-medium term.
- Operating margin for the plywood business improved 285bps YoY to 16%. Management expects plywood margins to sustain at 13-15%. The 'Sainik' brand contributed 33% to segmental revenues vs. 28-29% in Q2FY21. As per management, Sainik is a lower-end product which is expected to contribute more than the premium segment, thus bringing down average realisations and margins.
- The company is increasing capacity via debottlenecking and expansion wherever possible.

### Particle Board

- Expansion plans are on the cards but no concrete decisions have been taken yet.

**Engagement of Boston Consulting Group (BCG)**

- CPBI has engaged BCG to rationalise its cost structure, and the consultant has identified possibilities for cost reduction to the tune of Rs 300mn annually. The company is expected to work on such possibilities, which in turn would aid margin expansion. CPBI has decided to further engage BCG to boost sales, production and cost reduction in the laminates business. Vector has also been engaged to finetune supply chain inefficiencies.

**Capex**

- The company plans to incur capex of Rs 12.3bn over the next five years, which comprises Rs 8.5bn in MDF, Rs 1.6bn in plywood, Rs 1.5bn in laminates, and Rs 0.7bn in particle board. The turnover from this capex is estimated to be 2x.

**Others**

- Revenue contribution of OEMs is +70% and the balance come from retail.

**Fig 1 – Standalone quarterly performance**

(Rs mn)	Q2FY22	Q2FY21	YoY (%)	Q1FY22	QoQ (%)	H1FY22	H1FY21	YoY (%)
<b>Total revenues</b>	<b>8,083</b>	<b>5,198</b>	<b>55.5</b>	<b>4,489</b>	<b>80.1</b>	<b>12,572</b>	<b>7,205</b>	<b>74.5</b>
Total raw material consumed	4,191	2,610	60.6	1,982	111.4	6,173	3,555	73.6
% of sales	51.8	50.2	165bps	44.2	768bps	49.1	49.3	(24bps)
Employee exps	996	764	30.4	887	12.3	1,883	1,330	41.6
% of sales	12.3	14.7	(237bps)	19.8	(743bps)	15.0	18.5	(348bps)
Other exp	1,289	966	33.4	1,008	27.9	2,296	1,453	58.0
% of sales	15.9	18.6	(264bps)	22.4	(650bps)	18.3	20.2	(190bps)
Total expenditure	6,476	4,340	49.2	3,877	67.0	10,352	6,338	63.3
% of sales	80.1	83.5	(337bps)	86.4	(625bps)	82.3	88.0	(562bps)
<b>EBITDA</b>	<b>1,607.3</b>	<b>858.5</b>	<b>87.2</b>	<b>612.1</b>	<b>162.6</b>	<b>2,219.4</b>	<b>866.9</b>	<b>156.0</b>
<b>EBITDA margin (%)</b>	<b>19.9</b>	<b>16.5</b>	<b>337bps</b>	<b>13.6</b>	<b>625bps</b>	<b>17.7</b>	<b>12.0</b>	<b>562bps</b>
Depreciation	169	162	3.9	163	3.2	332	305	8.8
Other income	68	12	451.4	49	38.9	117	59	100.4
Interest cost	16	18	(12.6)	27	(42.3)	43	68	(37.5)
<b>PBT</b>	<b>1491</b>	<b>691</b>	<b>115.9</b>	<b>471</b>	<b>216.8</b>	<b>1962</b>	<b>552</b>	<b>255.4</b>
Taxes	461	176	161.1	132	249.3	593	123	382.9
Effective tax rate (%)	30.9	25.5	534bps	28.0	287bps	30.2	22.2	797bps
<b>PAT</b>	<b>1,031</b>	<b>514</b>	<b>100.4</b>	<b>339</b>	<b>204.2</b>	<b>1,370</b>	<b>430</b>	<b>218.9</b>

Source: Company, BOBCAPS Research

**Fig 2 – Standalone segmental performance**

(Rs mn)	Q2FY22	Q2FY21	YoY (%)	Q1FY22	QoQ (%)	H1FY22	H1FY21	YoY (%)
<b>Revenue</b>								
Plywood & Allied products	4,457	2,680	66.3	2,226	100.2	6,684	3,669	82.2
Laminates	1,637	1,018	60.9	879	86.3	2,516	1,421	77.1
MDF	1,274	935	36.3	910	40.0	2,185	1,238	76.4
Particle Board	381	256	48.7	238	60.4	619	340	82.3
Container Freight Station	181	199	(9.1)	184	(1.7)	366	402	(9.1)
Others	166	115	43.8	63	165.0	228	147	55.0
<b>Total</b>	<b>8,098</b>	<b>5,205</b>	<b>55.6</b>	<b>4,500</b>	<b>79.9</b>	<b>12,598</b>	<b>7,217</b>	<b>74.6</b>
Less: Inter Segment revenue	15	6	130.7	11	30.4	26	12	117.2
<b>Net revenue</b>	<b>8,083</b>	<b>5,198</b>	<b>55.5</b>	<b>4,489</b>	<b>80.1</b>	<b>12,572</b>	<b>7,205</b>	<b>74.5</b>
<b>EBIT</b>								
Plywood & Allied products	702	342	105.2	142	393.4	844	265	218.6
Laminates	351	113	209.0	120	193.2	470	115	307.4
MDF	397	213	85.9	212	87.2	608	189	222.7
Particle Board	88	42	110.0	49	81.5	137	43	216.8
Container Freight Station	5	32	(83.6)	9	(44.7)	15	73	(80.2)
Others	35	19	78.5	2	1619.1	37	12	202.5
<b>Total</b>	<b>1,577</b>	<b>762</b>	<b>107.0</b>	<b>534</b>	<b>195.5</b>	<b>2,111</b>	<b>698</b>	<b>202.5</b>
<b>EBIT Margin (%)</b>			<b>(bps)</b>		<b>(bps)</b>			<b>(bps)</b>
Plywood & Allied products	15.7	12.8	298	6.4	936	12.6	7.2	541
Laminates	21.4	11.2	1027	13.6	781	18.7	8.1	1,056
MDF	31.1	22.8	831	23.3	786	27.8	15.2	1,262
Particle Board	23.2	16.4	675	20.5	269	22.1	12.7	939
Container Freight Station	2.9	15.8	(1,295)	5.1	(223)	4.0	18.3	(1,428)

Source: Company, BOBCAPS Research

**Fig 3 – Consolidated quarterly performance**

(Rs mn)	Q2FY22	Q2FY21	YoY (%)	Q1FY22	QoQ (%)	H1FY22	H1FY21	YoY (%)
<b>Total revenues</b>	<b>8,136</b>	<b>5,222</b>	<b>55.8</b>	<b>4,575</b>	<b>77.8</b>	<b>12,712</b>	<b>7,253</b>	<b>75.3</b>
Total raw material consumed	4,138	2,558	61.8	1,965	110.5	6,103	3,490	74.9
% of sales	50.9	49.0	187 bps	43.0	790 bps	48.0	48.1	(11bps)
Employee exps	1,043	789	32.2	930	12.1	1,972	1,375	43.4
% of sales	12.8	15.1	(229bps)	20.3	(751bps)	15.5	19.0	(344bps)
Other exp	1,358	1,010	34.5	1,078	26.0	2,437	1,528	59.4
% of sales	16.7	19.3	(264bps)	23.6	(687bps)	19.2	21.1	(190bps)
Total expenditure	6,539	4,357	50.1	3,973	64.6	10,512	6,393	64.4
% of sales	80.4	83.4	(306bps)	86.8	(648bps)	82.7	88.1	(545bps)
<b>EBITDA</b>	<b>1,598</b>	<b>865</b>	<b>84.6</b>	<b>602</b>	<b>165.3</b>	<b>2,200</b>	<b>860</b>	<b>155.9</b>
<b>EBITDA margin (%)</b>	<b>19.6</b>	<b>16.6</b>	<b>306 bps</b>	<b>13.2</b>	<b>648 bps</b>	<b>17.3</b>	<b>11.9</b>	<b>545bps</b>
Depreciation	186	177	5.2	181	3.0	367	334	9.8
Other income	65	13	405.4	52	25.0	118	59	100.7
Interest cost	21	24	(12.3)	31	(33.8)	52	78	(33.7)
<b>PBT</b>	<b>1,456</b>	<b>678</b>	<b>114.8</b>	<b>443</b>	<b>229.0</b>	<b>1,899</b>	<b>506</b>	<b>275.1</b>
Taxes	462	175	163.6	132.0	250.1	594	122	388.6
Effective tax rate (%)	31.7	25.9	587bps	29.8	192bps	31.3	24.0	727bps
<b>PAT</b>	<b>994</b>	<b>503</b>	<b>97.8</b>	<b>311</b>	<b>220.0</b>	<b>1,305</b>	<b>385</b>	<b>239.2</b>
Less: Minority interest	-	-	-	-	-	-	0	-
<b>PAT after minority interest</b>	<b>3</b>	<b>0</b>	<b>577.9</b>	<b>3</b>	<b>0.0</b>	<b>6</b>	<b>(5)</b>	<b>(215.2)</b>

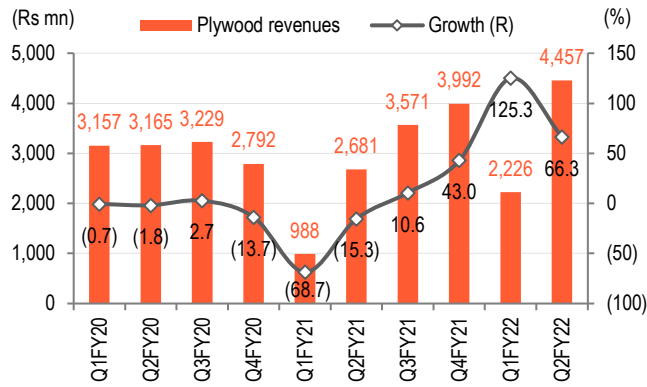
Source: Company, BOBCAPS Research

**Fig 4 – Consolidated segmental performance**

(Rs mn)	Q2FY22	Q2FY21	YoY(%)	Q1FY22	QoQ(%)	H1FY22	H1FY21	YoY(%)
<b>Revenue</b>								
Plywood & Allied products	4,508	2,705	66.7	2,313	94.9	6,821	3,716	83.5
Laminates	1,637	1,018	60.9	879	86.3	2,516	1,421	77.1
MDF	1,274	935	36.3	910	40.0	2,185	1,238	76.4
Particle Board	381	256	48.7	238	60.4	619	340	82.3
Container Freight Station	181	199	(9.1)	184	(1.7)	366	402	(9.1)
Others	169	115	46.4	63	169.7	231	147	57.0
<b>Total</b>	<b>8,151</b>	<b>5,229</b>	<b>55.9</b>	<b>4,587</b>	<b>77.7</b>	<b>12,738</b>	<b>7,265</b>	<b>75.3</b>
Less: Inter Segment revenue	15	6	130.7	11	30.4	26	12	117.2
<b>Net revenues</b>	<b>8,136</b>	<b>5,222</b>	<b>55.8</b>	<b>4,575</b>	<b>77.8</b>	<b>12,712</b>	<b>7,253</b>	<b>75.3</b>
<b>EBIT</b>								
Plywood & Allied products	674	335	101.2	116	483.3	789	229	245.0
Laminates	351	113	209.0	120	193.2	470	115	307.4
MDF	397	213	85.9	212	87.2	608	189	222.7
Particle Board	88	42	110.0	49	81.5	137	43	216.8
Container Freight Station	5	32	(83.6)	9	(44.7)	15	73	(80.2)
Others	33	19	68.4	5	585.9	37	12	207.7
<b>Total</b>	<b>1,547</b>	<b>755</b>	<b>105.0</b>	<b>510</b>	<b>203.6</b>	<b>2,057</b>	<b>662</b>	<b>210.9</b>
<b>EBIT Margin (%)</b>			<b>(bps)</b>		<b>(bps)</b>			<b>(bps)</b>
Plywood & Allied products	14.9	12.4	256	5.0	995	11.6	6.2	542
Laminates	21.4	11.2	1027	13.6	781	18.7	8.1	1,056
MDF	31.1	22.8	831	23.3	786	27.8	15.2	1,262
Particle Board	23.2	16.4	675	20.5	269	22.1	12.7	939
Container Freight Station	2.9	15.8	(1,295)	5.1	(223)	4.0	18.3	(1,428)

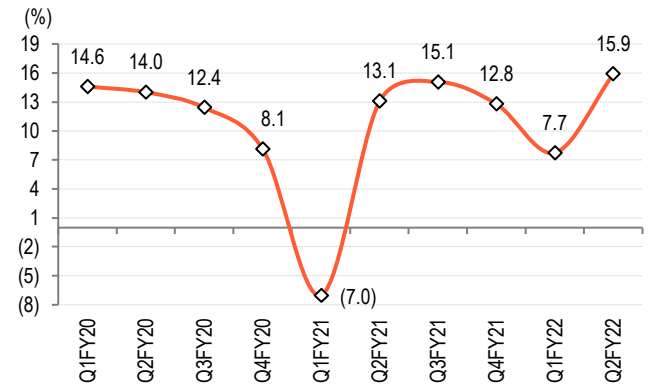
Source: Company, BOBCAPS Research

**Fig 5 – Standalone plywood revenue**



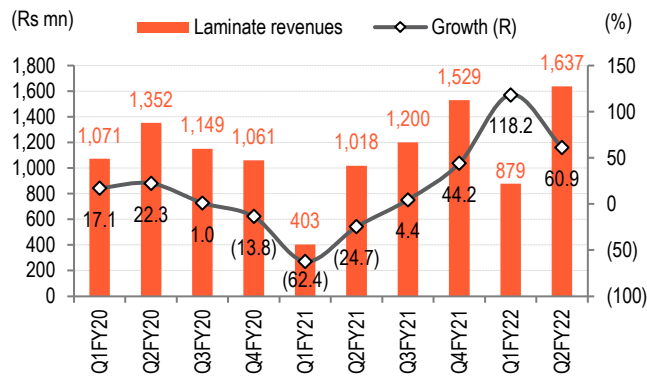
Source: Company, BOBCAPS Research

**Fig 6 – Standalone plywood EBITDA margin**



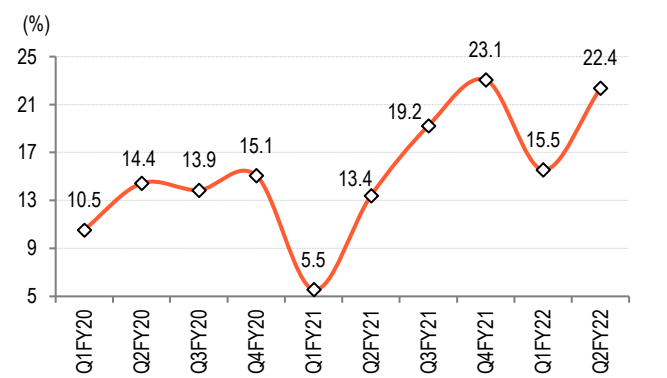
Source: Company, BOBCAPS Research

**Fig 7 – Standalone laminates revenue**



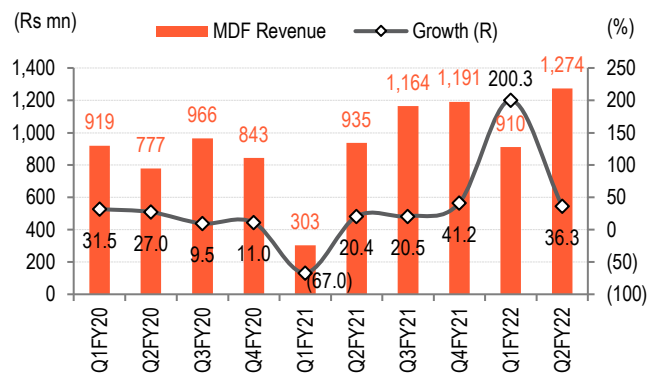
Source: Company, BOBCAPS Research

**Fig 8 – Standalone laminates EBITDA margin**



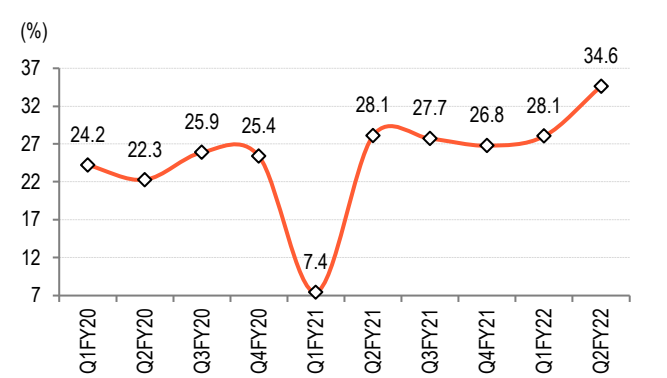
Source: Company, BOBCAPS Research

**Fig 9 – Standalone MDF revenue**



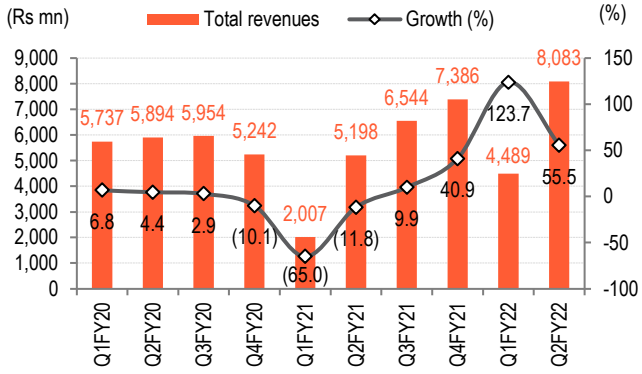
Source: Company, BOBCAPS Research

**Fig 10 – Standalone MDF EBITDA margin**



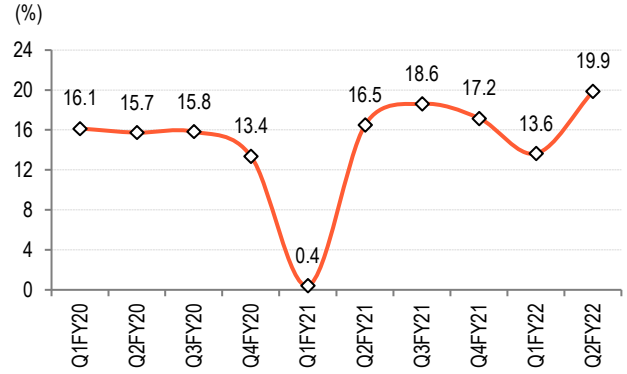
Source: Company, BOBCAPS Research

**Fig 11 – Standalone total revenue**



Source: Company, BOBCAPS Research

**Fig 12 – Standalone EBITDA margin**



Source: Company, BOBCAPS Research

## Valuation methodology

CPBI's Q2FY22 results were robust with both key divisions of MDF and plywood witnessing growth. We broadly maintain revenue estimates but raise margins to incorporate the above-expected MDF and plywood performance in H1FY22.

Based on CPBI's robust growth trajectory, we raise our target one-year forward P/E from 25x to 37x, ~16% premium to the stock's five-year median of ~32x. On rollover, we move to a new Sep'22 TP of Rs 630 (vs. Rs 395). While we continue to like CPBI for its broad wood panel product portfolio, improved balance sheet and healthy return ratios, the stock is trading at ~40x FY23E EPS which looks expensive – retain HOLD.

**Fig 13 – Revised estimates**

(Rs mn)	New			Old			Change (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	25,467	30,401	36,687	25,467	30,401	36,687	-	-	-
EBITDA	4,542	5,509	6,898	4,476	5,380	6,821	1.5	2.4	1.1
EBITDA margin (%)	17.8	18.1	18.8	17.6	17.7	18.6	20bps	40bps	20bps
PAT	2,701	3,357	4,221	2,666	3,279	4,168	1.3	2.4	1.3

Source: BOBCAPS Research

**Fig 14 – Key assumptions**

(Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Plywood revenues	12,343	11,232	13,459	15,199	16,883
Growth (%)	(3.4)	(9.0)	19.8	12.9	11.1
Laminates revenues	4,633	4,150	5,145	5,919	6,810
Growth (%)	5.5	(10.4)	24.0	15.0	15.0
MDF	3,504	3,592	4,431	6,433	9,632
Growth (%)	18.7	2.5	23.3	45.2	49.7

Source: Company, BOBCAPS Research

**Fig 15 – Peer comparison**

Company	Ticker	Rating	Target Price (Rs)	Revenue CAGR FY21-23E (%)	EPS (Rs)		ROE (%)		Target P/E (x)
					FY22E	FY23E	FY22E	FY23E	
Kajaria Ceramics	KJC IN	HOLD	1,393	21.5	22.8	29.6	18.9	23.3	47
Greenply Ind	MTLM IN	HOLD	230	18.7	9.2	11.3	23.0	22.9	20
Greenpanel Industries	GREENP IN	HOLD	395	27.6	14.1	18.3	21.1	22.1	20
Century Plyboard	CPBI IN	HOLD	630	19.5	12.1	15.1	19.9	20.5	37
Cera Sanitaryware	CRS IN	HOLD	5,893	17.1	109.8	134.9	15.4	16.9	40
Astral	ASTRA IN	SELL	1,210	16.3	20.2	25.2	20.3	22.6	48
Finolex Ind	FNXP IN	HOLD	185	4.2	7.3	7.5	13.9	13.2	24
Supreme Ind	SI IN	BUY	2,735	22.7	76.2	91.2	28.5	29.9	30

Source: BOBCAPS Research



## Key risks

Key upside risks to our estimates are:

- **Sharp decline in raw material prices:** Lower raw material prices may result in better-than-expected profitability.
- **Lower activity in unorganised market:** If the unorganised market witnesses below-expected traction, CPBI's growth could outperform estimates.

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Total revenue</b>	<b>23,170</b>	<b>21,304</b>	<b>25,467</b>	<b>30,401</b>	<b>36,687</b>
EBITDA	3,308	3,355	4,542	5,509	6,898
Depreciation	(763)	(687)	(810)	(861)	(1,115)
EBIT	2,545	2,669	3,732	4,647	5,783
Net interest inc./(exp.)	(389)	(128)	(95)	(96)	(82)
Other inc./(exp.)	43	173	88	61	43
Exceptional items	0	0	0	0	0
EBT	2,199	2,714	3,725	4,612	5,743
Income taxes	(519)	(690)	(954)	(1,181)	(1,447)
Extraordinary items	(427)	(112)	0	0	0
Min. int./Inc. from assoc.	253	2	(70)	(75)	(75)
<b>Reported net profit</b>	<b>1,506</b>	<b>1,915</b>	<b>2,701</b>	<b>3,357</b>	<b>4,221</b>
Adjustments	73	82	0	0	0
<b>Adjusted net profit</b>	<b>1,579</b>	<b>1,996</b>	<b>2,701</b>	<b>3,357</b>	<b>4,221</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	1,515	2,089	1,954	2,166	2,613
Other current liabilities	1,284	1,617	1,605	1,916	2,312
Provisions	227	325	255	304	367
Debt funds	2,681	1,422	1,300	1,450	900
Other liabilities	0	0	0	0	0
Equity capital	223	223	223	223	223
Reserves & surplus	10,684	12,451	14,947	18,097	22,038
Shareholders' fund	10,906	12,674	15,170	18,319	22,261
<b>Total liab. and equities</b>	<b>16,596</b>	<b>18,114</b>	<b>20,341</b>	<b>24,288</b>	<b>28,661</b>
Cash and cash eq.	248	908	465	143	875
Accounts receivables	2,568	3,027	3,140	3,582	4,322
Inventories	3,980	3,692	4,535	5,414	6,533
Other current assets	1,217	1,476	1,605	1,916	2,312
Investments	63	1,169	64	64	64
Net fixed assets	7,777	7,551	10,240	12,879	14,264
CWIP	160	285	285	285	285
Intangible assets	9	8	8	8	8
Deferred tax assets, net	573	(1)	(1)	(1)	(1)
Other assets	0	0	0	0	0
<b>Total assets</b>	<b>16,596</b>	<b>18,114</b>	<b>20,341</b>	<b>24,288</b>	<b>28,661</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Cash flow from operations</b>	<b>3,643</b>	<b>3,884</b>	<b>2,374</b>	<b>3,330</b>	<b>4,144</b>
Capital expenditures	(235)	(535)	(3,500)	(3,500)	(2,500)
Change in investments	1	(1,106)	1,105	0	0
Other investing cash flows	0	0	0	0	0
<b>Cash flow from investing</b>	<b>(234)</b>	<b>(1,641)</b>	<b>(2,395)</b>	<b>(3,500)</b>	<b>(2,500)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(2,639)	(1,259)	(122)	150	(550)
Interest expenses	(389)	(128)	(95)	(96)	(82)
Dividends paid	(535)	(8)	(276)	(282)	(355)
Other financing cash flows	139	(187)	70	75	75
<b>Cash flow from financing</b>	<b>(3,424)</b>	<b>(1,582)</b>	<b>(422)</b>	<b>(153)</b>	<b>(912)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>(15)</b>	<b>661</b>	<b>(443)</b>	<b>(323)</b>	<b>733</b>
<b>Closing cash &amp; cash eq.</b>	<b>248</b>	<b>908</b>	<b>465</b>	<b>143</b>	<b>875</b>

### Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	6.8	8.6	12.2	15.1	19.0
Adjusted EPS	7.1	9.0	12.2	15.1	19.0
Dividend per share	1.0	0.0	1.0	1.1	1.3
Book value per share	49.0	57.0	68.2	82.3	100.0

### Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	6.1	6.5	5.3	4.4	3.7
EV/EBITDA	42.4	41.3	29.9	24.5	19.7
Adjusted P/E	85.3	67.5	49.9	40.1	31.9
P/BV	12.4	10.6	8.9	7.4	6.1

### DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	71.8	73.6	72.5	72.8	73.5
Interest burden (PBT/EBIT)	86.4	101.7	99.8	99.2	99.3
EBIT margin (EBIT/Revenue)	11.0	12.5	14.7	15.3	15.8
Asset turnover (Rev./Avg TA)	133.5	122.8	132.5	136.2	138.6
Leverage (Avg TA/Avg Equity)	1.7	1.5	1.4	1.3	1.3
<b>Adjusted ROAE</b>	<b>15.3</b>	<b>16.9</b>	<b>19.4</b>	<b>20.0</b>	<b>20.8</b>

### Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
<b>YoY growth (%)</b>					
Revenue	1.6	(8.1)	19.5	19.4	20.7
EBITDA	5.9	1.4	35.4	21.3	25.2
Adjusted EPS	2.4	26.4	35.3	24.3	25.8
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	14.3	15.7	17.8	18.1	18.8
EBIT margin	11.0	12.5	14.7	15.3	15.8
Adjusted profit margin	6.8	9.4	10.6	11.0	11.5
Adjusted ROAE	15.3	16.9	19.4	20.0	20.8
ROCE	13.5	14.4	18.1	19.0	20.0
<b>Working capital days (days)</b>					
Receivables	44	48	44	40	39
Inventory	135	135	114	116	115
Payables	29	37	35	30	29
<b>Ratios (x)</b>					
Gross asset turnover	2.1	1.9	2.0	1.8	1.9
Current ratio	1.5	1.8	2.1	2.3	2.5
Net interest coverage ratio	6.5	20.9	39.2	48.3	70.3
<b>Adjusted debt/equity</b>	<b>0.2</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>

Source: Company, BOBCAPS Research | Note: TA = Total Assets

## Disclaimer

### Recommendation scale: Recommendations and Absolute returns (%) over 12 months

**BUY** – Expected return >+15%

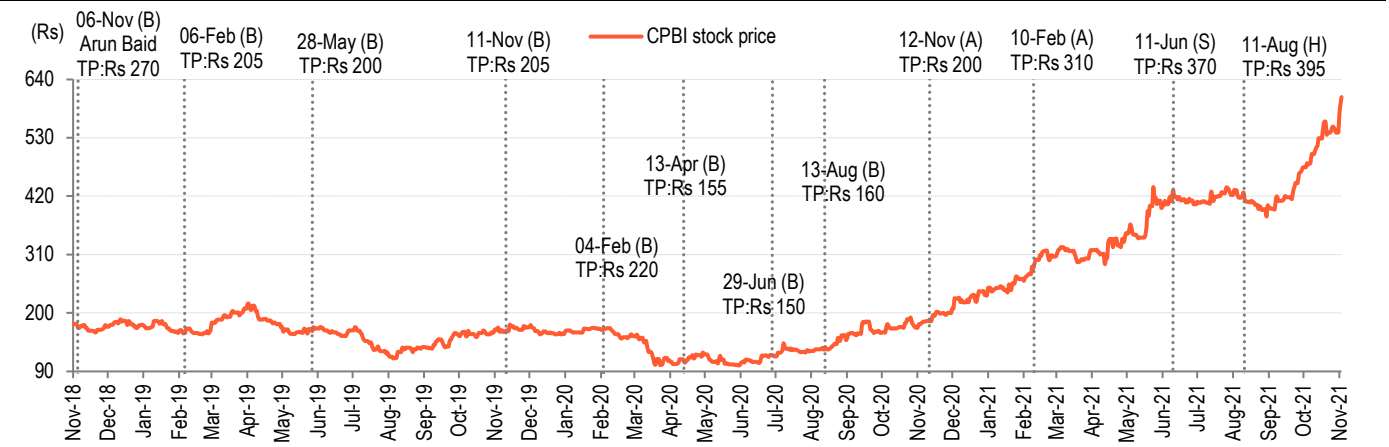
**HOLD** – Expected return from -6% to +15%

**SELL** – Expected return <-6%

**Note:** Recommendation structure changed with effect from 21 June 2021

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### Ratings and Target Price (3-year history): CENTURY PLYBOARDS (CPBI IN)



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