

**BUY**

TP: Rs 735 | ▲ 37%

**CENTURY PLYBOARDS**

Construction Materials

17 May 2022

### Strong quarter; raise to BUY post correction

- Q4 revenue/PAT came in at Rs 8.9bn/Rs 0.9bn led by robust price realisations across segments (ex-plywood)
- EBITDA grew 27% YoY to Rs 1.6bn with 80bps margin expansion to 18% as employee cost declined 110bps
- We maintain our TP at Rs 735 (achieved on 23 Mar); upgrade from HOLD to BUY post recent correction

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**Strong growth aided by higher realisations:** CPBI reported standalone Q4FY22 revenue growth of 21% YoY to Rs 8.9bn, with plywood up 19%, MDF 37%, laminates 14% and particle board 57%. Volumes in the plywood, MDF and laminate segments grew 13%, 1% and 1% YoY respectively. Realisations increased 28% YoY in MDF and 9% in laminates whereas plywood saw a 6% decline.

**MDF continues to perform well:** MDF EBITDA margin expanded 600bps YoY to 32.8% backed by higher capacity utilisation and price hike benefits. Management expects stronger demand traction ahead due to (a) higher acceptance of MDF 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 by 350cbm/day at the existing Hoshiarpur unit is in full swing and commissioning is likely by October-end. The MDF project in Andhra Pradesh is on track to come online in H2FY24 with a capacity of 950cbm/day at a capex of Rs 6bn.

**Well-placed to benefit from demand revival:** We expect CPBI's growth momentum to sustain over the near-to-medium term supported by (a) double-digit growth in plywood and laminates given a pickup in the housing sector alongside a gradual demand shift from unorganised to organised players, and (b) double-digit growth and better margins in MDF and particle boards amid buoyant demand for readymade furniture and exports. Overall, we believe the company's EBITDA margin will expand backed by a higher MDF contribution, superior product mix, operating leverage and cost rationalisation.

**Valuations reasonable; BUY:** CPBI achieved our TP of Rs 735 on 23 Mar 2022 but has since corrected ~30% and is now trading at 28x FY24E EPS compared to its 5Y median of 31.4x. We find valuations attractive and upgrade the stock to BUY from HOLD while retaining our TP at Rs 735, set at an unchanged 35x FY24E P/E multiple. In our view, CPBI's long-term growth story remains intact given its strong fundamentals, impressive return ratios and healthy balance sheet.

### Key changes

Target	Rating
◀ ▶	▲

Ticker/Price	CPBI IN/Rs 538
Market cap	US\$ 1.5bn
Free float	27%
3M ADV	US\$ 3.4mn
52wk high/low	Rs 749/Rs 342
Promoter/FPI/DII	73%/7%/20%

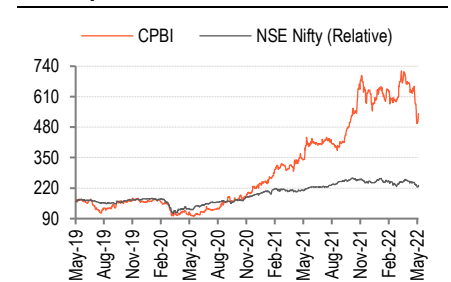
Source: NSE | Price as of 17 May 2022

### Key financials

Y/E 31 Mar	FY22P	FY23E	FY24E
Total revenue (Rs mn)	30,270	35,677	41,343
EBITDA (Rs mn)	5,308	6,407	7,420
Adj. net profit (Rs mn)	3,148	4,012	4,675
Adj. EPS (Rs)	14.2	18.1	21.0
Consensus EPS (Rs)	14.2	17.0	21.4
Adj. ROAE (%)	22.3	23.0	21.7
Adj. P/E (x)	38.0	29.8	25.6
EV/EBITDA (x)	22.7	18.6	16.1
Adj. EPS growth (%)	57.7	27.5	16.5

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

### Stock performance



Source: NSE



## Earnings call highlights

### Demand and RM outlook

- Management stated that growth slowed in Jan'22 due to the third Covid wave. However, business has picked up strongly since then. Real estate is booming, and CPBI expects to achieve continued market share gains over its regional and unorganised counterparts in FY23.
- As per management, high timber prices in North India led the company to take price hikes, albeit with a lag. Timber prices in South India are stable.

### MDF & Allied Products

- CPBI's Q4FY22 MDF volumes grew 5% YoY (-14% QoQ) and the business posted 37% YoY revenue growth to Rs 1.6bn aided by a 31% rise in realisations to Rs 33,787/cbm. EBITDA margin improved 600bps YoY to 32.8% backed by benefits from price hikes taken during previous quarters.
- Management expects volume and value growth of +25% each for FY23. However, margins will be under pressure as several capacities are coming onstream – EBITDA margin is guided to be in the range of 25-30%.
- CPBI's MDF plant is currently running at 95-96% utilisation. Expansion at the Hoshiarpur unit is in full swing and should be completed by the end of Oct'22, adding new capacity of 350cbm/day to the current 600cbm/day. The MDF project at Andhra Pradesh is on track to be commissioned by H2FY24 with a capacity of 950cbm/day at a capex of Rs 6bn. This will take the company's total MDF capacity to 1,900cbm/day.

### Plywood & Allied Products

- Revenue in the plywood segment improved 19.4% YoY to Rs 4.8bn in Q4 driven by strong 13%/23% volume growth in the plywood/commercial veneer segments. However, deco-ply reported a volume decline of 2% during the quarter.
- EBITDA margin for the plywood business expanded 230bps YoY to 15.1%.
- Management expects plywood margins to sustain at 13-15% in FY23 and has guided for 15%/20% volume/value growth led by a boom in real estate and consistent branding in 'Sainik' and 'Century' for the past two years.
- CPBI is increasing capacity via debottlenecking and expansion wherever possible.

### Particleboard & Allied Products

- Particleboard volumes increased by 23% YoY and realisations by 27% in Q4, leading to 57% higher revenue. The segment earned an EBITDA margin of 28.6% vs. 18.6% in Q4FY21.
- Management has guided for a +25% EBITDA margin and volume/value growth of 10%/20% in FY23.

**Laminates & Allied Products**

- Volumes in the laminates segment were flattish (+1% YoY) in Q4 but a 11% rise in realisations aided 13.5% revenue growth. However, EBITDA shrank 41% and hence the segmental EBITDA margin contracted to 12% vs. 23.1% in Q4FY21.
- CPBI has finalised the setup of a greenfield laminate manufacturing facility in two phases with an installed capacity of 4mn sheets for a capex of Rs 2bn. The first phase is to be commissioned by Q2FY24.
- Management has guided for 15% growth each in volumes and value with an EBITDA margin of 14-16% in FY23.

**Container freight station (CFS)**

- CFS volumes grew 15% YoY in Q4 but a 15% drop in realisations caused revenue to fall. EBITDA declined by 17% YoY with margins down to 22.8% vs. 27.1% in Q4FY21.

**Working capital**

- CPBI's working capital cycle stood at 63 days in FY22 vs. 69 days in FY21.

**Fig 1 – Standalone quarterly performance**

(Rs mn)	Q4FY22	Q4FY21	YoY (%)	Q3FY22	QoQ (%)	FY22	FY21	YoY (%)
<b>Total revenues</b>	<b>8,953</b>	<b>7,386</b>	<b>21.2</b>	<b>8,485</b>	<b>5.5</b>	<b>30,009</b>	<b>21,135</b>	<b>42.0</b>
Total raw material consumed	4,595	3,757	22.3	4,448	3.3	15,216	10,594	43.6
% of sales	51.3	50.9	46bps	52.4	(110bps)	50.7	50.1	58bps
Employee exp	1,117	1,003	11.4	999	11.8	3,998	3,183	25.6
% of sales	12.5	13.6	(110bps)	11.8	71bps	13.3	15.1	(174bps)
Other exp	1,631	1,358	20.1	1,521	7.3	5,448	4,004	36.1
% of sales	18.2	18.4	(17bps)	17.9	30bps	18.2	18.9	(79bps)
Total expenditure	7,343	6,118	20.0	6,968	5.4	24,663	17,781	38.7
% of sales	82.0	82.8	(81bps)	82.1	(10bps)	82.2	84.1	(195bps)
<b>EBITDA</b>	<b>1,609</b>	<b>1,268</b>	<b>26.9</b>	<b>1,517</b>	<b>6.1</b>	<b>5,346</b>	<b>3,354</b>	<b>59.4</b>
<b>EBITDA margin (%)</b>	<b>18.0</b>	<b>17.2</b>	<b>81bps</b>	<b>17.9</b>	<b>10bps</b>	<b>17.8</b>	<b>15.9</b>	<b>195bps</b>
Depreciation	172	159	8.0	172	0.2	675	626	7.8
Other income	52	37	42.1	58	(10.5)	228	107	112.7
Interest cost	32	29	10.9	21	49.5	96	108	(11.0)
<b>PBT</b>	<b>1,458</b>	<b>1,117</b>	<b>30.5</b>	<b>1,382</b>	<b>5.4</b>	<b>4,802</b>	<b>2,726</b>	<b>76.1</b>
Taxes	547	291	88.1	410	33.6	1,549	694	123.2
Effective tax rate (%)	37.5	26.0	1,150bps	29.6	791bps	32.3	25.5	681bps
<b>PAT before extraordinary</b>	<b>910</b>	<b>826</b>	<b>10.2</b>	<b>973</b>	<b>(6.4)</b>	<b>3253</b>	<b>2,032</b>	<b>60.1</b>
Less: extraordinary items	0	6	-	0	-	0	(112)	-
<b>RPAT</b>	<b>910</b>	<b>832</b>	<b>9.4</b>	<b>973</b>	<b>(6.4)</b>	<b>3253</b>	<b>1,921</b>	<b>69.4</b>

Source: Company, BOBCAPS Research

**Fig 2 – Standalone segmental performance**

(Rs mn)	Q4FY22	Q4FY21	YoY (%)	Q3FY22	QoQ (%)	FY22	FY21	YoY (%)
<b>Revenue</b>								
Plywood & Allied products	4,767	3,992	19.4	4,388	8.7	15,838	11,232	41.0
Laminates & Allied products	1,736	1,529	13.5	1,494	16.2	5,747	4,150	38.5
MDF & Allied products	1,628	1,191	36.7	1,797	(9.4)	5,609	3,594	56.1
Particle Board & Allied products	470	300	56.9	419	12.3	1,508	901	67.4
Container Freight Station	217	219	(0.7)	208	4.4	791	830	(4.7)
Others	149	166	(10.0)	191	(21.8)	568	459	23.7
<b>Total</b>	<b>8,967</b>	<b>7,397</b>	<b>21.2</b>	<b>8,496</b>	<b>5.5</b>	<b>30,061</b>	<b>21,166</b>	<b>42.0</b>
Less: Inter Segment revenue	15	10	42.1	12	23.8	53	31	67.0
<b>Net revenue</b>	<b>8,953</b>	<b>7,386</b>	<b>21.2</b>	<b>8,485</b>	<b>5.5</b>	<b>30,009</b>	<b>21,135</b>	<b>42.0</b>
<b>EBIT</b>								
Plywood & Allied products	769	603	27.5	618	24.3	2,231	1,285	73.7
Laminates & Allied products	216	371	(41.6)	177	22.4	863	696	24.1
MDF & Allied products	540	299	80.4	504	7.1	1,652	764	116.2
Particle Board & Allied products	136	47	191.1	102	32.9	376	139	170.7
Container Freight Station	25	33	(23.0)	37	(32.6)	77	134	(42.4)
Others	10	21	(54.4)	27	(64.2)	73	59	23.3
<b>Total</b>	<b>1,696</b>	<b>1,373</b>	<b>23.5</b>	<b>1,466</b>	<b>15.7</b>	<b>5,273</b>	<b>3,077</b>	<b>71.4</b>
<b>EBIT Margin (%)</b>								
Plywood & Allied products	16.1	15.1	102bps	14.1	203bps	14.1	11.4	265bps
Laminates	12.5	24.2	(1,177bps)	11.8	63bps	15.0	16.8	(174bps)
MDF	33.2	25.1	804bps	28.1	510bps	29.5	21.3	819bps
Particle Board	28.9	15.6	1,334bps	24.5	449bps	24.9	15.4	950bps
Container Freight Station	11.6	14.9	(335bps)	18.0	(637bps)	9.8	16.2	(640bps)

Source: Company, BOBCAPS Research

**Fig 3 – Consolidated quarterly performance**

(Rs mn)	Q4FY22	Q4FY21	YoY (%)	Q3FY22	QoQ (%)	FY22	FY21	YoY (%)
<b>Total revenues</b>	<b>9,011</b>	<b>7,450</b>	<b>20.9</b>	<b>8,548</b>	<b>5.4</b>	<b>30,270</b>	<b>21,304</b>	<b>42.1</b>
Total raw material consumed	4,506	3,693	22.0	4,411	2.1	15,021	10,405	44.4
% of sales	50.0	49.6	44bps	51.6	(160bps)	49.6	48.8	78bps
Employee exp	1,163	1,055	10.3	1,040	11.7	4,176	3,316	25.9
% of sales	12.9	14.2	(125bps)	12.2	73bps	13.8	15.6	(177bps)
Other exp	1,734	1,444	20.1	1,595	8.8	5,765	4,228	36.4
% of sales	19.2	19.4	(13bps)	18.7	59bps	19.0	19.8	(80bps)
Total expenditure	7,403	6,192	19.6	7,046	5.1	24,962	17,949	39.1
% of sales	82.2	83.1	(94bps)	82.4	(27bps)	82.5	84.3	(179bps)
<b>EBITDA</b>	<b>1,607</b>	<b>1,259</b>	<b>27.7</b>	<b>1,501.5</b>	<b>7.0</b>	<b>5,308</b>	<b>3,355</b>	<b>58.2</b>
<b>EBITDA margin (%)</b>	<b>17.8</b>	<b>16.9</b>	<b>94bps</b>	<b>17.6</b>	<b>27bps</b>	<b>17.5</b>	<b>15.7</b>	<b>179bps</b>
Depreciation	189	176	7.1	187	0.7	743	687	8.2
Other income	54	102	(47.4)	59	(9.3)	231	173	33.2
Interest cost	37	34	7.0	26	40.2	114	128	(10.6)
<b>PBT</b>	<b>1,436</b>	<b>1,150</b>	<b>24.8</b>	<b>1,347</b>	<b>6.6</b>	<b>4,682</b>	<b>2,714</b>	<b>72.5</b>
Taxes	533	287	85.4	408	30.4	1,535	690	122.5
Effective tax rate (%)	37.1	25.0	1212bps	30.3	679bps	32.8	25.4	736bps
<b>PAT</b>	<b>903</b>	<b>863</b>	<b>4.6</b>	<b>939</b>	<b>(3.8)</b>	<b>3,147</b>	<b>2,024</b>	<b>55.5</b>
Less: Extraordinary items	0	6	-	0	-	0	(112)	-
Less: Minority interest	2	(3)	(168.3)	(2)	(205.3)	1	2	(58.4)
<b>PAT after minority interest</b>	<b>901</b>	<b>866</b>	<b>4.0</b>	<b>937</b>	<b>(3.8)</b>	<b>3,146</b>	<b>1,915</b>	<b>64.3</b>

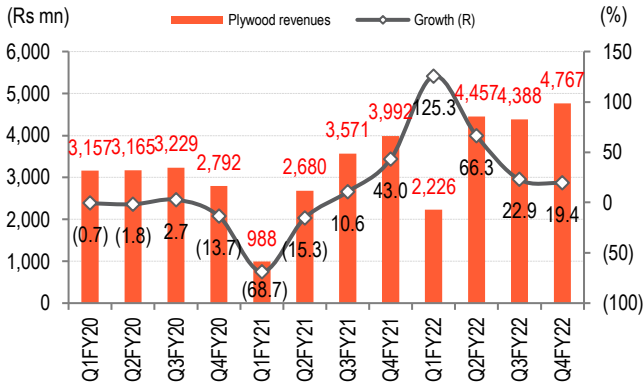
Source: Company, BOBCAPS Research

**Fig 4 – Consolidated segmental performance**

(Rs mn)	Q4FY22	Q4FY21	YoY (%)	Q3FY22	QoQ (%)	FY22	FY21	YoY (%)
<b>Revenue</b>								
Plywood & Allied products	4,825	4,056	19.0	4,454	8.3	16,100	11,401	41.2
Laminates & Allied products	1,736	1,529	13.5	1,494	16.2	5,747	4,150	38.5
MDF & Allied products	1,628	1,191	36.7	1,797	-9.4	5,609	3,594	56.1
Particle Board & Allied products	470	300	56.9	419	12.3	1,508	901	67.4
Container Freight Station	217	219	(0.7)	208	4.4	791	830	(4.7)
Others	149	166	(10.0)	188	(20.5)	568	459	23.7
<b>Total</b>	<b>9,025</b>	<b>7,460</b>	<b>21.0</b>	<b>8,560</b>	<b>5.4</b>	<b>30,323</b>	<b>21,335</b>	<b>42.1</b>
Less: Inter Segment revenue	15	10	42.1	12	23.8	53	31	67.0
<b>Net revenues</b>	<b>9,011</b>	<b>7,450</b>	<b>20.9</b>	<b>8,548</b>	<b>5.4</b>	<b>30,270</b>	<b>21,304</b>	<b>42.1</b>
<b>EBIT</b>								
Plywood & Allied products	757	643	17.9	586	29.3	2,133	1,293	64.9
Laminates & Allied products	216	371	(41.6)	177	22.4	863	696	24.1
MDF & Allied products	540	299	80.4	504	7.1	1,652	764	116.2
Particle Board & Allied products	136	47	191.1	102	32.9	376	139	170.7
Container Freight Station	25	33	(23.0)	37	(32.6)	77	134	(42.4)
Others	6	20	(70.8)	29	(79.7)	72	58	23.9
<b>Total</b>	<b>1,681</b>	<b>1,412</b>	<b>19.0</b>	<b>1,436</b>	<b>17.1</b>	<b>5,173</b>	<b>3,084</b>	<b>67.7</b>
<b>EBIT Margin (%)</b>								
Plywood & Allied products	15.7	15.8	(15bps)	13.2	254bps	13.2	11.3	190bps
Laminates & Allied products	12.5	24.2	(1,177bps)	11.8	63bps	15.0	16.8	(174bps)
MDF & Allied products	33.2	25.1	804bps	28.1	510bps	29.5	21.3	819bps
Particle Board & Allied products	28.9	15.6	1,334bps	24.5	449bps	24.9	15.4	950bps
Container Freight Station	11.6	14.9	(335bps)	18.0	(637bps)	9.8	16.2	(640bps)

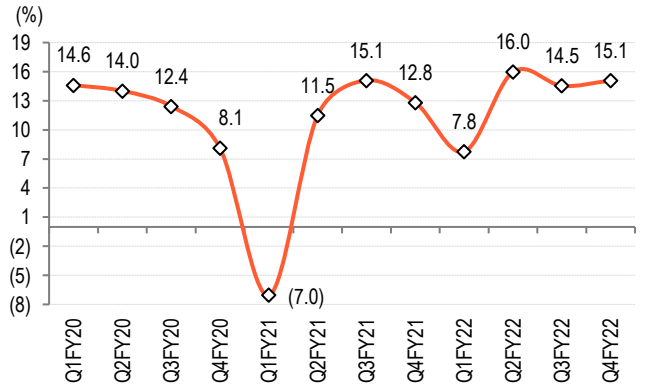
Source: Company, BOBCAPS Research

**Fig 5 – Standalone plywood revenue**



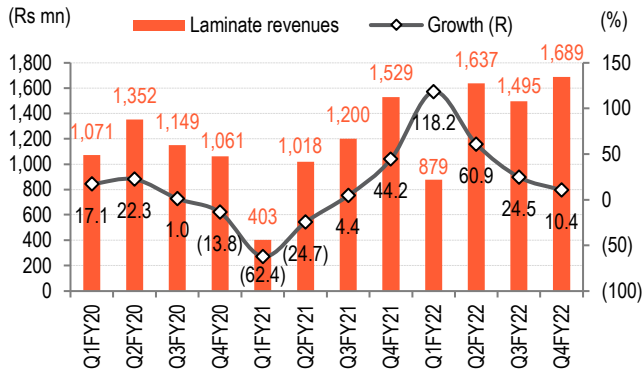
Source: Company, BOBCAPS Research

**Fig 6 – Standalone plywood EBITDA margin**



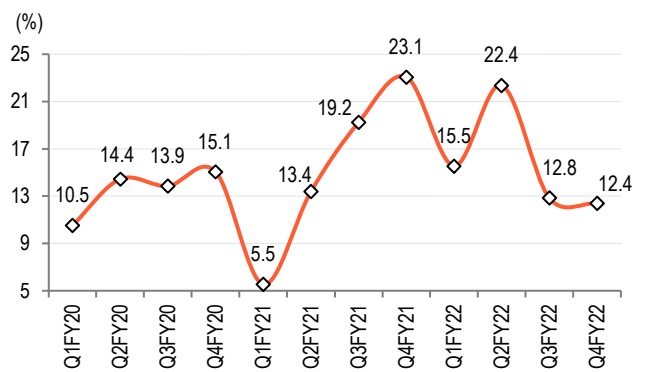
Source: Company, BOBCAPS Research

**Fig 7 – Standalone laminates revenue**



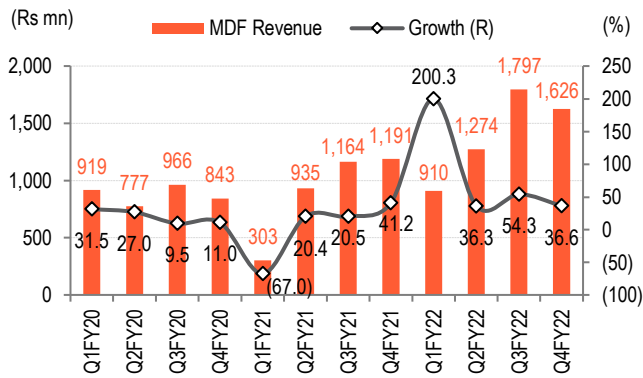
Source: Company, BOBCAPS Research

**Fig 8 – Standalone laminates EBITDA margin**



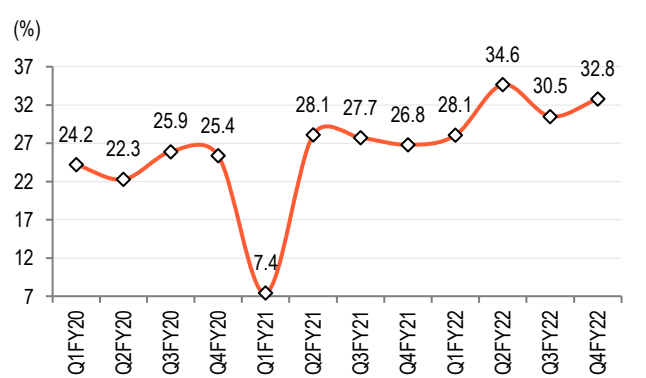
Source: Company, BOBCAPS Research

**Fig 9 – Standalone MDF revenue**



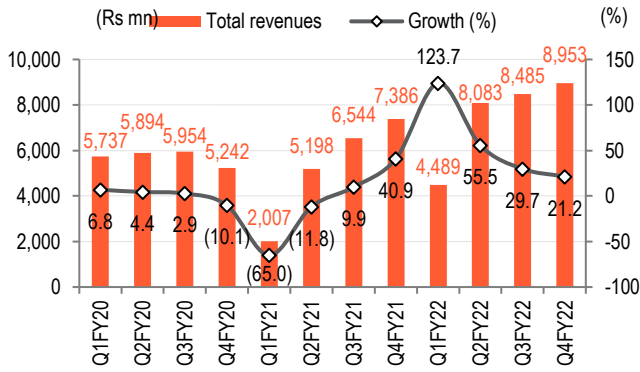
Source: Company, BOBCAPS Research

**Fig 10 – Standalone MDF EBITDA margin**



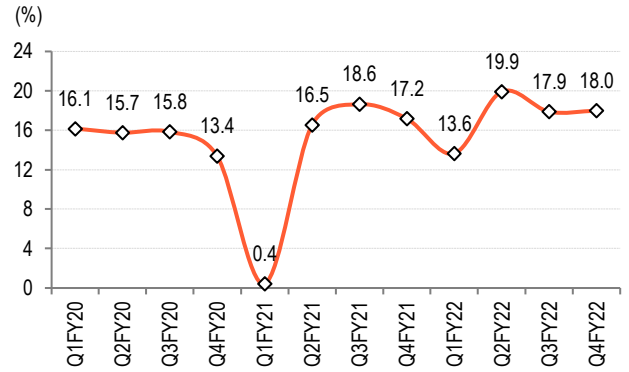
Source: Company, BOBCAPS Research

**Fig 11 – Standalone total revenue**



Source: Company, BOBCAPS Research

**Fig 12 – Standalone EBITDA margin**



Source: Company, BOBCAPS Research

## Valuation methodology

We expect CPBI's growth momentum to sustain over the near-to-medium term supported by (a) double-digit growth in plywood and laminates given a pickup in the housing sector alongside a gradual demand shift from unorganised to organised players, and (b) double-digit growth and better margins in MDF and particle boards amid buoyant demand for readymade furniture and exports.

CPBI achieved our TP of Rs 735 on 23 Mar 2022 but has since corrected ~30% and is now trading at 28x FY24E EPS compared to its five-year median of 31.4x. We find valuations attractive and upgrade the stock to BUY from HOLD while retaining our TP at Rs 735, set at an unchanged 35x FY24E P/E multiple. In our view, the company's long-term growth story remains intact given its strong fundamentals, superior product mix, operating leverage, impressive return ratios and healthy balance sheet.

## Key risks

Key downside risks to our estimates are:

- increasing competition from the informal sector,
- slowdown in economic revival and in housing demand,
- significant pickup in MDF imports,
- steep fall in MDF margins and export realisations, and
- sharp uptick in chemical and wood costs.

## Sector recommendation snapshot

Company	Ticker	Market Cap (US\$ bn)	Price (Rs)	Target (Rs)	Rating
Century Plyboards	CPBI IN	1.5	538	735	BUY
Cera Sanitaryware	CRS IN	0.7	4,062	5,715	BUY
Greenpanel Industries	GREENP IN	0.8	498	595	HOLD
Greenply Industries	MTLM IN	0.3	186	260	BUY
Kajaria Ceramics	KJC IN	1.9	943	1,460	BUY
Pidilite Industries	PIDI IN	14.2	2,170	2,445	HOLD
Somany Ceramics	SOMC IN	0.3	604	1,140	BUY

Source: BOBCAPS Research, NSE | Price as of 17 May 2022



## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22P	FY23E	FY24E
<b>Total revenue</b>	<b>23,170</b>	<b>21,304</b>	<b>30,270</b>	<b>35,677</b>	<b>41,343</b>
EBITDA	3,308	3,355	5,308	6,407	7,420
Depreciation	(763)	(687)	(743)	(994)	(1,174)
EBIT	2,545	2,669	4,566	5,413	6,246
Net interest inc./(exp.)	(389)	(128)	(114)	(127)	(82)
Other inc./(exp.)	43	173	231	208	187
Exceptional items	0	0	0	0	0
EBT	2,199	2,714	4,682	5,494	6,351
Income taxes	(519)	(690)	(1,535)	(1,406)	(1,600)
Extraordinary items	(427)	(112)	0	0	0
Min. int./Inc. from assoc.	253	2	1	(75)	(75)
<b>Reported net profit</b>	<b>1,506</b>	<b>1,915</b>	<b>3,148</b>	<b>4,012</b>	<b>4,675</b>
Adjustments	73	82	0	0	0
<b>Adjusted net profit</b>	<b>1,579</b>	<b>1,996</b>	<b>3,148</b>	<b>4,012</b>	<b>4,675</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22P	FY23E	FY24E
Accounts payables	1,515	2,089	2,528	2,541	2,945
Other current liabilities	1,284	1,617	1,694	2,248	2,605
Provisions	227	325	191	357	367
Debt funds	2,681	1,422	2,182	1,450	900
Other liabilities	0	0	0	0	0
Equity capital	223	223	223	223	223
Reserves & surplus	10,684	12,451	15,346	19,096	23,454
Shareholders' fund	10,906	12,674	15,568	19,319	23,676
<b>Total liab. and equities</b>	<b>16,596</b>	<b>18,114</b>	<b>22,137</b>	<b>25,963</b>	<b>30,617</b>
Cash and cash eq.	248	908	2,610	1,287	2,580
Accounts receivables	2,568	3,027	3,524	4,203	4,871
Inventories	3,980	3,692	5,264	6,353	7,363
Other current assets	1,217	1,476	1,372	2,248	2,605
Investments	63	1,169	64	64	64
Net fixed assets	7,777	7,551	7,696	10,202	11,528
CWIP	160	285	1,766	1,766	1,766
Intangible assets	9	8	8	8	8
Deferred tax assets, net	573	(1)	(167)	(167)	(167)
Other assets	0	0	0	0	0
<b>Total assets</b>	<b>16,596</b>	<b>18,114</b>	<b>22,137</b>	<b>25,963</b>	<b>30,617</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22P	FY23E	FY24E
<b>Cash flow from operations</b>	<b>3,643</b>	<b>3,884</b>	<b>2,574</b>	<b>3,298</b>	<b>4,744</b>
Capital expenditures	(235)	(535)	(2,369)	(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>(1,265)</b>	<b>(3,500)</b>	<b>(2,500)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(2,639)	(1,259)	760	(732)	(550)
Interest expenses	(389)	(128)	(114)	(127)	(82)
Dividends paid	(535)	(8)	(491)	(337)	(393)
Other financing cash flows	139	(187)	(1)	75	75
<b>Cash flow from financing</b>	<b>(3,424)</b>	<b>(1,582)</b>	<b>154</b>	<b>(1,121)</b>	<b>(950)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>(15)</b>	<b>661</b>	<b>1,463</b>	<b>(1,324)</b>	<b>1,294</b>
<b>Closing cash &amp; cash eq.</b>	<b>248</b>	<b>908</b>	<b>2,372</b>	<b>1,287</b>	<b>2,580</b>

### Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22P	FY23E	FY24E
Reported EPS	6.8	8.6	14.2	18.1	21.0
Adjusted EPS	7.1	9.0	14.2	18.1	21.0
Dividend per share	1.0	0.0	0.0	1.3	1.5
Book value per share	49.0	57.0	70.0	86.8	106.4

### Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22P	FY23E	FY24E
EV/Sales	5.4	5.8	4.0	3.3	2.9
EV/EBITDA	37.8	36.8	22.7	18.6	16.1
Adjusted P/E	75.7	59.9	38.0	29.8	25.6
P/BV	11.0	9.4	7.7	6.2	5.1

### DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22P	FY23E	FY24E
Tax burden (Net profit/PBT)	71.8	73.6	67.2	73.0	73.6
Interest burden (PBT/EBIT)	86.4	101.7	102.5	101.5	101.7
EBIT margin (EBIT/Revenue)	11.0	12.5	15.1	15.2	15.1
Asset turnover (Rev./Avg TA)	133.5	122.8	150.4	148.3	146.1
Leverage (Avg TA/Avg Equity)	1.7	1.5	1.4	1.4	1.3
Adjusted ROAE	15.3	16.9	22.3	23.0	21.7

### Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22P	FY23E	FY24E
<b>YoY growth (%)</b>					
Revenue	1.6	(8.1)	42.1	17.9	15.9
EBITDA	5.9	1.4	58.2	20.7	15.8
Adjusted EPS	2.4	26.4	57.7	27.5	16.5
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	14.3	15.7	17.5	18.0	17.9
EBIT margin	11.0	12.5	15.1	15.2	15.1
Adjusted profit margin	6.8	9.4	10.4	11.2	11.3
Adjusted ROAE	15.3	16.9	22.3	23.0	21.7
ROCE	13.5	14.4	19.3	20.9	20.5
<b>Working capital days (days)</b>					
Receivables	44	48	39	40	40
Inventory	135	135	109	118	120
Payables	29	37	34	32	30
<b>Ratios (x)</b>					
Gross asset turnover	2.1	1.9	2.6	2.6	2.4
Current ratio	1.5	1.8	1.9	2.5	2.8
Net interest coverage ratio	6.5	20.9	39.9	42.6	75.9
Adjusted debt/equity	0.2	0.0	0.0	0.0	(0.1)

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

## Disclaimer

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

**BUY** – Expected return >+15%

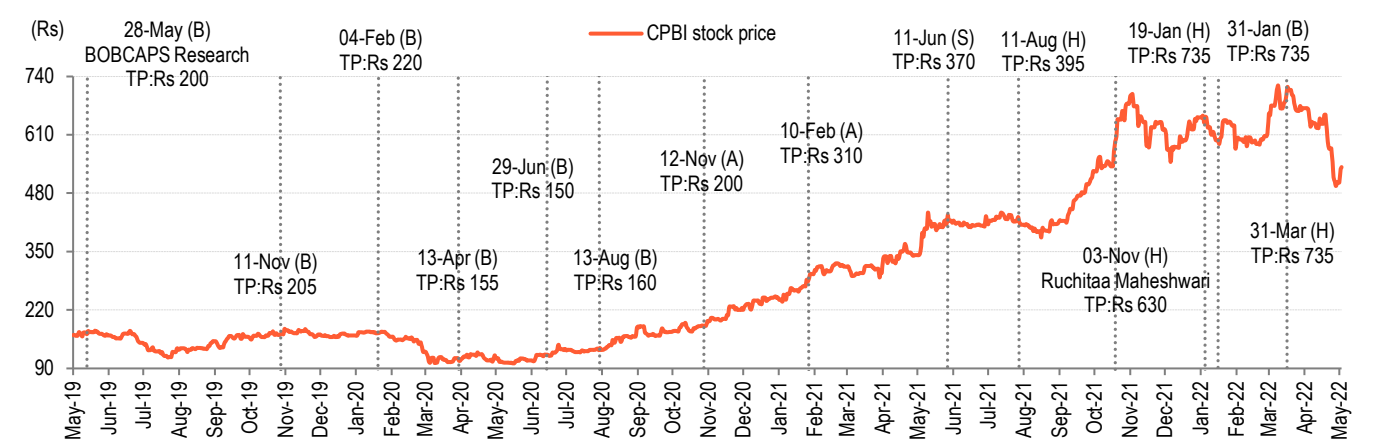
**HOLD** – Expected return from -6% to +15%

**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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