

**HOLD**

TP: Rs 725 | ▼ 3%

**CENTURY PLYBOARDS**

Building Materials

18 November 2024

## Weak Q2FY25 on sharp margin pressure

- CPBI's topline beat; EBITDA missed our estimates sharply on margin pressure across segments except plywood
- Near-term pain to persist on high raw material cost and supply-side pressure, but medium-term outlook remains positive
- Maintain **HOLD** on near-term earnings risk and expensive valuations; TP remains unchanged at Rs 725

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**Mixed quarter:** CPBI's topline beat our Q2FY25 estimate (+12%), due to higher-than-expected sales volume for plywood and MDF, but there was a sharp miss in EBITDA/APAT (-18%/-44%) due to continued weak performance of laminates and sharp margin pressure across segments (except plywood). Overall, CPBI's revenue grew 18.7%, but EBITDA/APAT fell 22.9%/58.8% YoY in Q2FY25. CPBI's net debt has gone up from Rs 6.5bn in Mar'24 to Rs 11.2bn in Sep'24.

**Key highlights:** CPBI's plywood segment EBITDA grew sharply by 35.3% YoY in Q2FY25 driven by higher volumes (+19.3% YoY) and margin expansion (+145bps YoY to 13.6%). Laminate segment EBITDA fell 65.4% YoY in Q2FY25 due to weak volumes (-9.2% YoY on account of loss of market share in the domestic market and slow ramp up of the new Andhra Pradesh [AP] unit) and higher marketing spend. The MDF segment's volume grew sharply by 75.2% YoY in Q2FY25 due to quick ramp up of the new AP unit, but segment EBITDA fell by 87.4% YoY due to lower realisation (-19% YoY), higher timber prices, forex loss and low fixed cost absorption of the new AP unit. Particleboard segment EBITDA fell by 75% YoY in Q2FY25.

**Guidance intact:** CPBI aims to grow its revenue for plywood/laminate/MDF/particleboard at +12%/+10%/+40%/flat for H2FY25. It expects the operating margin for plywood (at 12-14%)/ laminate (+10-12%)/ MDF (15%)/ particleboard (12-14%) for H2FY25. The margin for newly commissioned laminate and MDF unit is expected to improve over the next few quarters in anticipation of a gradual ramp-up of the plant. The company expects its balance sheet to start getting de-levered from FY26 due to the near-completion of its large capex projects.

**Maintain HOLD; unchanged TP at Rs 725:** We expect CPBI's EPS to grow at a healthy rate of 14.8% CAGR over FY24-FY27E. However, we maintain our HOLD rating on the stock due to near-term earnings risk and expensive valuations (trades at 54.3x on 1Y forward P/E vs 5Y average of 35.9x). We have reduced our EPS estimates (-24.0%/-11.3%/-4.9% for FY25E/FY26E/FY27E) based on the weak Q2FY25 result, but our TP remains unchanged at Rs 725 as we roll forward our valuation from Jun'26 to Sep'26. Our target P/E remains unchanged at 40x.

## Key changes

Target	Rating
◀ ▶	◀ ▶

Ticker/Price	CPBI IN/Rs 749
Market cap	US\$ 2.0bn
Free float	27%
3M ADV	US\$ 2.7mn
52wk high/low	Rs 935/Rs 622
Promoter/FPI/DII	73%/4%/17%

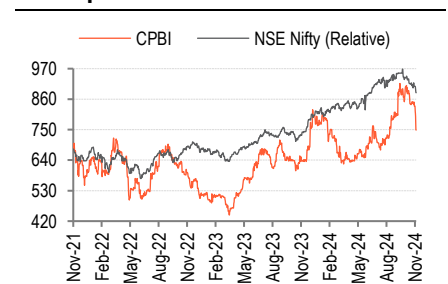
Source: NSE | Price as of 14 Nov 2024

## Key financials

Y/E 31 Mar	FY24A	FY25E	FY26E
Total revenue (Rs mn)	38,860	44,925	52,241
EBITDA (Rs mn)	5,320	5,069	6,973
Adj. net profit (Rs mn)	3,351	2,312	3,449
Adj. EPS (Rs)	15.1	10.4	15.5
Consensus EPS (Rs)	15.1	14.8	21.4
Adj. ROAE (%)	16.3	10.0	13.4
Adj. P/E (x)	49.7	72.0	48.3
EV/EBITDA (x)	31.3	32.2	22.7
Adj. EPS growth (%)	(18.0)	(31.0)	49.2

Source: Company, Bloomberg, BOBCAPS Research

## Stock performance



Source: NSE



**Fig 1 – Quarterly performance - Consolidated**

(Rs mn)	Q2FY25	Q2FY24	YoY (%)	Q1FY25	QoQ (%)	H1FY25	H1FY24	YoY (%)	BOBCAPS Q2FY25E	Variance (%)
Total operating income	11,836	9,968	18.7	10,054	17.7	21,890	18,878	16.0	10,599	11.7
Raw-Material expense	6,508	5,142	26.6	5,382	20.9	11,890	9,743	22.0		
Gross Profit	5,328	4,826	10.4	4,672	14.0	10,000	9,135	9.5		
Employee expense	1,733	1,343	29.0	1,596	8.6	3,329	2,653	25.5		
Other expense	2,482	2,040	21.7	1,964	26.4	4,446	3,707	19.9		
EBITDA	1,113	1,443	(22.9)	1,112	0.1	2,225	2,775	(19.8)	1,358	(18.0)
D&A	336	234	43.8	336	(0.1)	672	464	44.7		
EBIT	777	1,209	(35.7)	776	0.2	1,553	2,310	(32.8)		
Interest cost	172	61	180.0	150	15.1	322	123	161.6		
Non-operating expense/(income)	25	(146)	(116.9)	49	(50.2)	74	(267)	(127.7)		
PBT	580	1,294	(55.1)	577	0.7	1,157	2,455	(52.9)		
Tax	181	322	(44.0)	235	(23.3)	416	612	(32.1)		
Reported PAT	400	971	(58.8)	341	17.2	741	1,842	(59.8)		
Adjusted PAT	400	971	(58.8)	420	(4.8)	82	184	(55.5)	715	(44.1)
<b>As % of net revenues</b>			<b>(bps)</b>		<b>(bps)</b>			<b>(bps)</b>		
Gross margin	45.0	48.4	(340)	46.5	(145)	45.7	48.4	(271)		
Employee cost	14.6	13.5	117	15.9	(123)	15.2	14.1	115		
Other cost	21.0	20.5	51	19.5	143	20.3	19.6	67		
EBITDA margin	9.4	14.5	(507)	11.1	(165)	10.2	14.7	(453)		
Tax rate	31.1	24.9	618	40.8	(974)	36.0	24.9	1101		
APAT margin	3.4	9.7	(636)	4.2	(80)	0.4	1.0	(60)		

Source: Company, BOBCAPS Research

**Fig 2 – Segment Financials**

Segment analysis	Q2FY25	Q2FY24	YoY (%)	Q1FY25	QoQ (%)	H1FY25	H1FY24	YoY (%)
<b>Revenue (Rs mn)</b>								
Plywood	6,652	5,504	20.9	5,679	17.1	12,330	10,475	17.7
Laminates	1,615	1,717	(5.9)	1,540	4.9	3,156	3,275	(3.7)
MDF	2,684	1,968	36.4	2,095	28.1	4,779	3,637	31.4
Particleboard	401	384	4.4	367	9.3	767	778	(1.4)
CFS	344	264	30.0	246	39.8	589	479	23.1
Others	156	145	8.0	140	11.8	296	265	11.6
<b>Total</b>	<b>11,851</b>	<b>9,982</b>	<b>18.7</b>	<b>10,066</b>	<b>17.7</b>	<b>21,918</b>	<b>18,910</b>	<b>15.9</b>
<b>Volumes</b>								
Plywood (CBM)	111,945	93,839	19.3	98,913	13.2	210,858	181,036	16.5
Laminates (mn sheets)	2.3	2.1	10.0	1.7	31.6	4.0	3.9	2.2
MDF (CBM)	94,126	53,724	75.2	70,696	33.1	164,822	101,712	62.0
Particleboard (CBM)	19,811	18,350	8.0	18,505	7.1	38,316	37,390	2.5
<b>Realization</b>								
Plywood (Rs/CBM)	54,388	57,439	(5.3)	52,720	3.2	58,477	57,863	1.1
Laminates (Rs/sheet)	689	827	(16.7)	873	(21.1)	792	840	(5.8)
MDF (Rs/CBM)	28,438	35,118	(19.0)	29,567	(3.8)	28,994	35,758	(18.9)
Particleboard (Rs/CBM)	19,913	20,894	(4.7)	19,784	0.7	20,020	20,812	(3.8)
<b>Adjusted EBITDA (Rs mn)</b>								
Plywood	904	668	35.3	758	19.3	1,662	1,276	30.2
Laminates	67	192	(65.4)	135	(50.8)	202	341	(40.8)
MDF	62	491	(87.4)	118	(47.7)	180	937	(80.8)
Particleboard	22	88	(75.0)	65	(66.2)	87	179	(51.2)
<b>Total</b>	<b>1,113</b>	<b>1,443</b>	<b>(22.9)</b>	<b>1,112</b>	<b>0.1</b>	<b>2,225</b>	<b>2,775</b>	<b>(19.8)</b>

Segment analysis	Q2FY25	Q2FY24	YoY (%)	Q1FY25	QoQ (%)	H1FY25	H1FY24	YoY (%)
<b>Adjusted EBITDA margin (%)</b>								
Plywood	13.6	12.1	145	13.3	25	13.5	12.2	129
Laminates	4.1	11.2	(708)	8.8	(467)	6.4	10.4	(402)
MDF	2.3	24.9	(2263)	5.6	(334)	3.8	25.8	(2200)
Particleboard	5.5	23.0	(1749)	17.8	(1232)	11.4	23.0	(1165)
<b>Total</b>	<b>9.4</b>	<b>14.5</b>	<b>(506)</b>	<b>11.0</b>	<b>(165)</b>	<b>10.2</b>	<b>14.7</b>	<b>(452)</b>

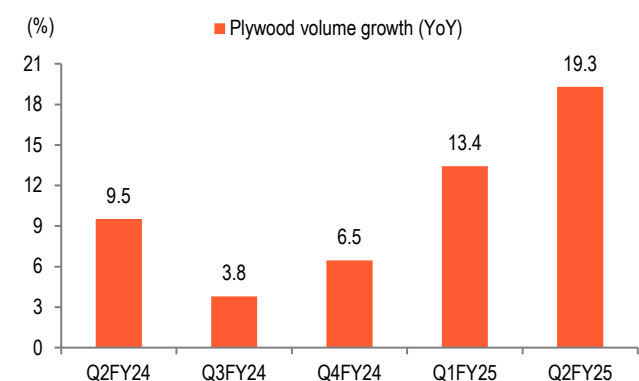
Source: Company, BOBCAPS Research

## Earnings call highlights

- Plywood:** Plywood volume grew 19.3% YoY (5Y CAGR: +13.8%) in Q2FY25 and segment EBITDA margin improved by 145bps YoY to 13.6% in Q2FY25 due to better product mix and operating leverage benefit. Going ahead, the segment volume is expected to grow at 12% in H2FY25 (vs +10% for FY25 earlier) with EBITDA margin at 12-14% in H2FY25. The company hiked prices by 2% on 1 Aug 2024 to offset the impact of high timber prices. Management believes that the timber price has now stabilised due to the steep rise in wood imports. The decision to expand the new plywood facility is likely to be taken by the end of FY25.
- Laminates:** Laminates volume de-grew by 9.2% YoY in Q2FY25 due to the loss of market share in the domestic market for standalone operations and slow ramp-up of the new unit in AP (on account of weak exports). Segment EBITDA margin fell by 708bps to 4.1% in Q2FY25 due to the slow ramp-up of the newly-commissioned AP unit and high marketing spend. The company has revised down its segment revenue growth at 10% for H2FY25 (vs +20% for FY25 earlier) with EBITDA margin of 10-12% in H2FY25 (standalone). Management expects the new laminate unit to operate at 50%+ in H2FY25 and 66% in FY26. Marketing spend is expected to come down in H2FY25 over H1FY25.
- MDF:** MDF volume grew sharply by 75.2% YoY (5Y CAGR: +23.1%) in Q2FY25 due to the quick ramp-up of newly commissioned units. However, segment EBITDA de-grew by 87.4% YoY in Q2FY25 due to the sharp contraction in EBITDA margin (334bps QoQ to 2.3%) on account of lower realisation (-19% YoY), higher timber prices, forex loss and low fixed cost absorption of the new AP unit. The company hiked prices by 3% in Nov'24. Going ahead, the company has maintained its guidance of growing MDF revenue by 40%+ in H2FY25. Management expects EBITDA margin for the standalone/consolidated operation to be 15%/10% for H2FY25. The AP plant is expected to become EBITDA positive by the end of Q3FY25 and reach 80%+ utilisation level in FY26 (Q2 utilisation level was 55-60%). Timber price for MDF is likely to remain firm for the next 12-18 months.
- Particleboard:** Particleboard volumes grew by 8.0% YoY in Q2FY25. Segment margin fell sharply (1,232bps QoQ to 5.5% in Q2FY25) on account of higher timber prices and forex loss. Going ahead, the company expects its particleboard segment revenue to be flat with EBITDA margin of 12-14% in H2FY25 (standalone). The particleboard project is expected to start production by Q4FY25. Management expects the new plant to operate at 50%+ by the end of year 1 as the company would temporarily shut the operation of its existing operational capacity (due to high operating cost structure compared to the new one) till the new capacity is fully ramped up.

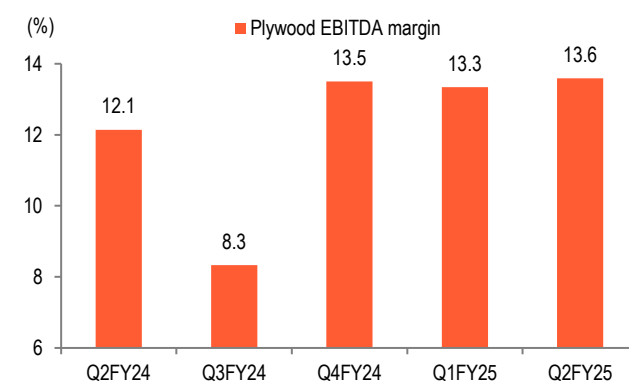
- **Capex & net debt:** CPBI's net debt rose from Rs 6.5bn in Mar'24 to Rs 11.1bn in Sep'24 due to debt availed for its ongoing capex projects. The company expects its balance sheet to start getting de-levered from FY26 due to the near completion of its large capex projects.
- **Forex loss:** CPBI booked forex loss of Rs 130mn in Q2FY25.

**Fig 3 – CPBI's plywood volumes grew at 19.3% YoY (5Y CAGR: +13.8%) in Q2FY25**



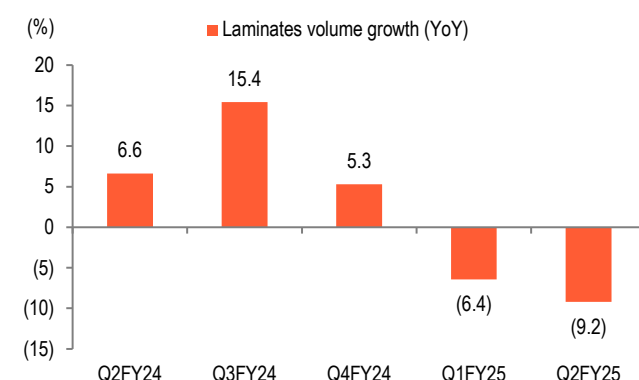
Source: Company, BOBCAPS Research

**Fig 4 – Plywood margin improved by 145bps YoY in Q2FY25 due to better product mix and operating leverage**



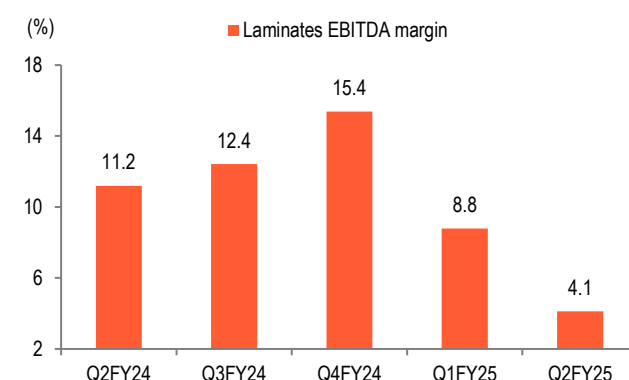
Source: Company, BOBCAPS Research

**Fig 5 – Laminate volume de-grew by 9.2% YoY in Q2FY25, despite start of greenfield unit in Jan'24**



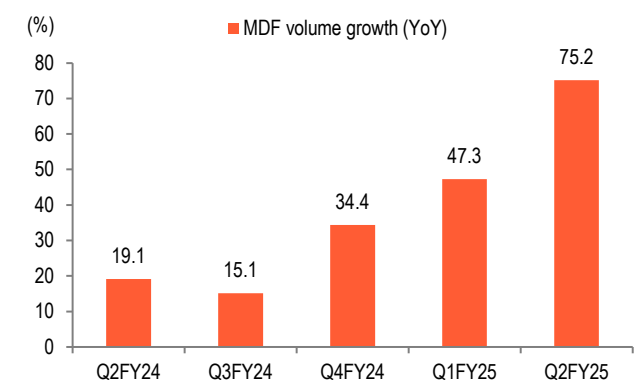
Source: Company, BOBCAPS Research

**Fig 6 – Laminate EBITDA margin fell sharply in Q2FY25 due to high brand spend and negative operating leverage**



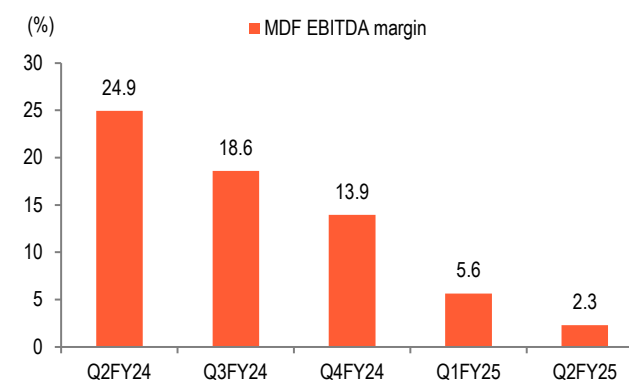
Source: Company, BOBCAPS Research

**Fig 7 – MDF volume grew sharply by 75.2% YoY (5Y CAGR: +23.1%) in Q2FY25**



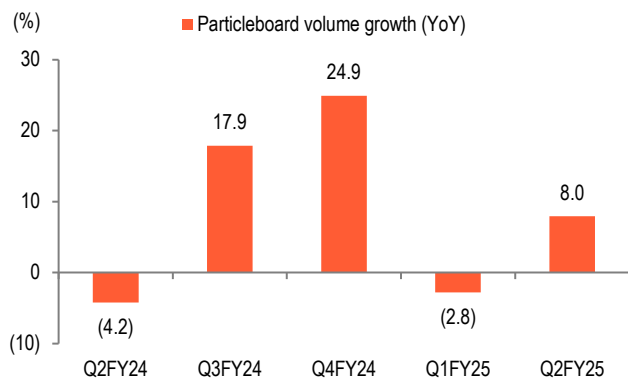
Source: Company, BOBCAPS Research

**Fig 8 – MDF EBITDA margin dropped to a multi-year low in Q2FY25 on weak realisation and high timber prices**



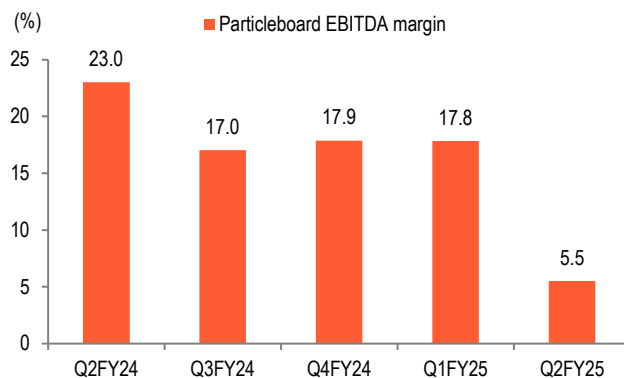
Source: Company, BOBCAPS Research

**Fig 9 – Particleboard volumes grew by 8% YoY in Q2FY25 over a weak base**



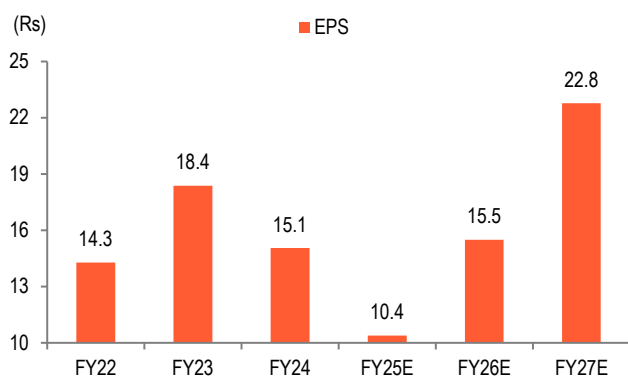
Source: Company, BOBCAPS Research

**Fig 10 – Particleboard EBITDA margin fell to a multi-year low in Q2FY25 on weak realisation and high timber prices**



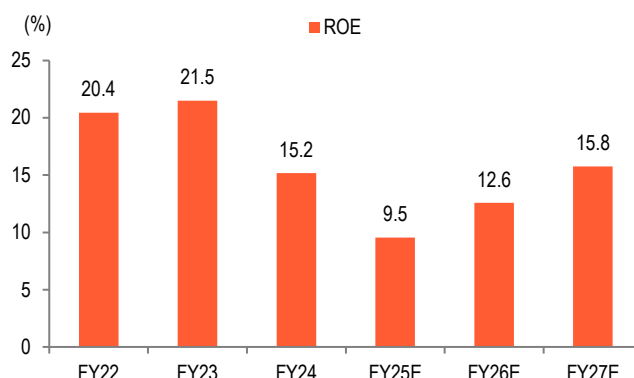
Source: Company, BOBCAPS Research

**Fig 11 – CPBI's EPS is forecast to grow at a healthy 14.8% CAGR over FY24-FY27E**



Source: Company, BOBCAPS Research

**Fig 12 – ROE is projected to decline in FY25 and then improve gradually to 15.8% in FY27E**



Source: Company, BOBCAPS Research

## Valuation methodology

We expect CPBI's EPS to grow at a healthy rate of 14.8% CAGR over FY24-FY27E. However, we maintain our HOLD rating on the stock due to near-term earnings risk and expensive valuations (trades at 54.3x on 1Y forward P/E vs 5Y average of 35.9x).

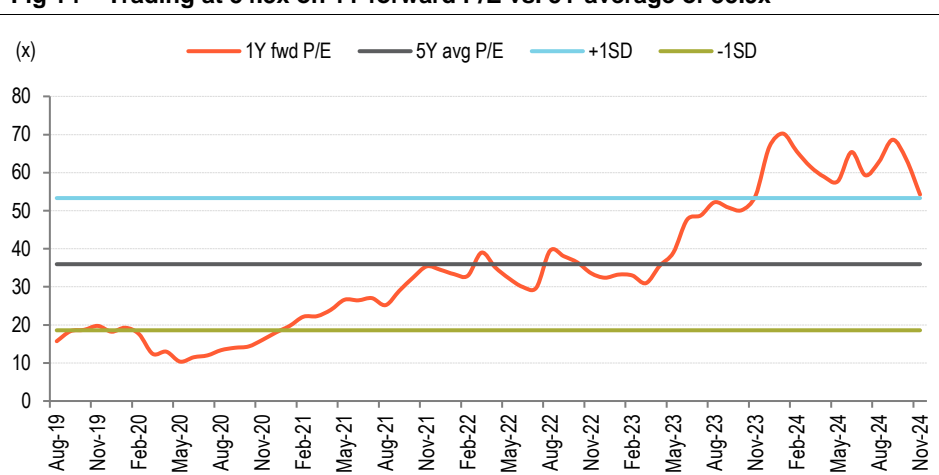
We have reduced our EPS estimates (-24.0%/-11.3%/-4.9% for FY25E/FY26E/FY27E) based on the weak Q2FY25 result, but our TP remains unchanged at Rs 725 as we roll forward our valuation from Jun'26 to Sep'26. Our target P/E remains unchanged at 40x.

**Fig 13 – Revised estimates**

Consolidated (Rs bn)	New			Old			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	44.9	52.2	62.1	43.1	51.2	60.1	4.2	2.0	3.3
EBITDA	5.1	7.0	9.2	5.7	7.2	9.2	(11.5)	(2.8)	0.4
EBITDA Margin (%)	11.3	13.3	14.8	13.3	14.0	15.2	(201bps)	(66bps)	(43bps)
Adjusted PAT	2.3	3.4	5.1	3.0	3.9	5.3	(24.0)	(11.3)	(4.9)
EPS (Rs)	10.4	15.5	22.8	13.7	17.5	23.9	(24.0)	(11.3)	(4.9)

Source: Company, BOBCAPS Research

**Fig 14 – Trading at 54.3x on 1Y forward P/E vs. 5Y average of 35.9x**



Source: Bloomberg, BOBCAPS Research

**Fig 15 – Key assumptions**

	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Revenue mix (%)</b>						
Plywood	53.1	55.9	55.9	54.5	51.2	48.3
Laminates	19.0	18.0	16.9	15.1	14.7	14.0
MDF	18.5	17.6	19.3	23.9	27.2	29.4
Particleboard	5.0	4.8	4.0	3.5	4.8	6.5
Others	4.5	3.8	3.8	3.1	2.1	1.8
<b>Sales volume growth (%)</b>						
Plywood	33.9	21.3	4.4	14.6	9.9	9.9
Laminates	22.1	6.9	6.5	2.6	12.3	10.0
MDF	20.8	4.1	18.7	66.3	29.4	19.2
Particleboard	32.7	0.1	5.0	3.1	60.0	60.0

	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Adjusted EBITDA margin (%)</b>						
Plywood	12.9	10.7	11.6	13.5	13.1	12.9
Laminates	15.9	14.8	12.2	9.1	12.4	14.0
MDF	31.8	27.4	20.8	7.3	14.3	17.6
Particleboard	27.3	27.3	20.2	12.5	12.6	18.3

Source: Company, BOBCAPS Research

## Key risks

- Better-than-expected pickup in the real estate market and faster ramp-up of new projects would be key upside risks to our estimates.
- Sharp corrections in MDF or particleboard prices and slow ramp-up of new projects represent key downside risks.

## Sector recommendation snapshot

Company	Ticker	Market Cap (US\$ bn)	Price (Rs)	Target (Rs)	Rating
Apollo Pipes	APOLP IN	0.2	483	550	HOLD
Astral	ASTRA IN	5.5	1,731	2,000	HOLD
Century Plyboards	CPBI IN	2.0	749	725	HOLD
Cera Sanitaryware	CRS IN	1.1	7,009	8,500	BUY
Finolex Industries	FNXP IN	1.9	265	300	HOLD
Greenlam Industries	GRLM IN	0.8	517	530	HOLD
Greenpanel Industries	GREENP IN	0.5	342	365	HOLD
Greenply Industries	MTLM IN	0.5	324	380	HOLD
Hindware Home Innovation	HINDWARE IN	0.2	254	400	BUY
Kajaria Ceramics	KJC IN	2.2	1,155	1,450	HOLD
Prince Pipes & Fittings	PRINCEPIP IN	0.6	442	650	BUY
Somany Ceramics	SOMC IN	0.3	644	850	BUY
Supreme Industries	SI IN	6.8	4,543	5,250	BUY

Source: BOBCAPS Research, NSE | Price as of 14 Nov 2024

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Total revenue</b>	<b>36,466</b>	<b>38,860</b>	<b>44,925</b>	<b>52,241</b>	<b>62,138</b>
EBITDA	5,927	5,320	5,069	6,973	9,205
Depreciation	775	947	1,341	1,512	1,602
EBIT	5,151	4,372	3,728	5,461	7,603
Net interest inc./(exp.)	(170)	(308)	(539)	(673)	(673)
Other inc./(exp.)	477	439	(20)	(178)	(158)
Exceptional items	340	1	0	0	0
EBT	5,119	4,502	3,169	4,610	6,772
Income taxes	1,278	1,138	857	1,160	1,704
Extraordinary items	0	111	0	0	0
Min. int./Inc. from assoc.	(8)	11	0	0	0
<b>Reported net profit</b>	<b>3,833</b>	<b>3,264</b>	<b>2,312</b>	<b>3,449</b>	<b>5,067</b>
Adjustments	255	87	0	0	0
<b>Adjusted net profit</b>	<b>4,088</b>	<b>3,351</b>	<b>2,312</b>	<b>3,449</b>	<b>5,067</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Accounts payables	2,749	2,861	3,415	3,972	4,724
Other current liabilities	1,619	2,278	1,498	1,498	1,498
Provisions	85	93	111	130	154
Debt funds	3,134	7,184	9,612	9,612	9,612
Other liabilities	540	1,043	1,043	1,043	1,043
Equity capital	223	223	223	223	223
Reserves & surplus	18,850	21,894	24,049	27,263	31,985
Shareholders' fund	19,035	22,066	24,221	27,435	32,157
<b>Total liab. and equities</b>	<b>27,163</b>	<b>35,526</b>	<b>39,900</b>	<b>43,689</b>	<b>49,188</b>
Cash and cash eq.	2,782	671	(206)	931	2,832
Accounts receivables	3,903	4,168	4,818	5,603	6,665
Inventories	5,290	6,456	6,853	7,931	9,659
Other current assets	969	1,554	1,855	2,157	2,566
Investments	1	28	28	28	28
Net fixed assets	10,671	19,117	25,450	25,938	26,336
CWIP	2,362	2,666	666	666	666
Intangible assets	17	17	17	17	17
Deferred tax assets, net	2	4	4	4	4
Other assets	1,164	844	414	414	414
<b>Total assets</b>	<b>27,163</b>	<b>35,526</b>	<b>39,900</b>	<b>43,689</b>	<b>49,188</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Cash flow from operations</b>	<b>4,463</b>	<b>3,268</b>	<b>2,655</b>	<b>4,223</b>	<b>5,078</b>
Capital expenditures	(4,865)	(9,198)	(5,244)	(2,000)	(2,000)
Change in investments	2	(27)	0	0	0
Other investing cash flows	137	328	(20)	(178)	(158)
<b>Cash flow from investing</b>	<b>(4,726)</b>	<b>(8,897)</b>	<b>(5,264)</b>	<b>(2,178)</b>	<b>(2,158)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	952	4,049	2,428	0	0
Interest expenses	(170)	(308)	(539)	(673)	(673)
Dividends paid	(223)	(223)	(158)	(235)	(345)
Other financing cash flows	(124)	0	0	0	0
<b>Cash flow from financing</b>	<b>435</b>	<b>3,518</b>	<b>1,732</b>	<b>(908)</b>	<b>(1,018)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>172</b>	<b>(2,111)</b>	<b>(877)</b>	<b>1,137</b>	<b>1,902</b>
<b>Closing cash &amp; cash eq.</b>	<b>2,782</b>	<b>671</b>	<b>(206)</b>	<b>930</b>	<b>2,832</b>

### Per Share

Y/E 31 Mar (Rs)	FY23A	FY24A	FY25E	FY26E	FY27E
Reported EPS	17.2	14.7	10.4	15.5	22.8
Adjusted EPS	18.4	15.1	10.4	15.5	22.8
Dividend per share	1.0	1.0	0.7	1.1	1.6
Book value per share	85.7	99.4	109.1	123.5	144.7

### Valuations Ratios

Y/E 31 Mar (x)	FY23A	FY24A	FY25E	FY26E	FY27E
EV/Sales	4.6	4.3	3.6	3.0	2.5
EV/EBITDA	28.2	31.3	32.2	22.7	17.1
Adjusted P/E	40.8	49.7	72.0	48.3	32.9
P/BV	8.7	7.5	6.9	6.1	5.2

### DuPont Analysis

Y/E 31 Mar (%)	FY23A	FY24A	FY25E	FY26E	FY27E
Tax burden (Net profit/PBT)	79.9	74.4	73.0	74.8	74.8
Interest burden (PBT/EBIT)	99.4	103.0	85.0	84.4	89.1
EBIT margin (EBIT/Revenue)	14.1	11.3	8.3	10.5	12.2
Asset turnover (Rev./Avg TA)	134.2	109.4	112.6	119.6	126.3
Leverage (Avg TA/Avg Equity)	1.4	1.6	1.6	1.6	1.5
<b>Adjusted ROAE</b>	<b>21.5</b>	<b>15.2</b>	<b>9.5</b>	<b>12.6</b>	<b>15.8</b>

### Ratio Analysis

Y/E 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
<b>YoY growth (%)</b>					
Revenue	20.5	6.6	15.6	16.3	18.9
EBITDA	10.6	(10.2)	(4.7)	37.6	32.0
Adjusted EPS	28.6	(18.0)	(31.0)	49.2	46.9

### Profitability & Return ratios (%)

EBITDA margin	16.3	13.7	11.3	13.3	14.8
EBIT margin	14.1	11.3	8.3	10.5	12.2
Adjusted profit margin	11.2	8.6	5.1	6.6	8.2
Adjusted ROAE	23.6	16.3	10.0	13.4	17.0
ROCE	25.4	16.4	11.0	14.3	17.8

### Working capital days (days)

Receivables	39	39	39	39	39
Inventory	53	61	56	55	57
Payables	28	27	28	28	28

### Ratios (x)

Gross asset turnover	2.6	1.9	1.6	1.6	1.7
Current ratio	1.7	1.2	1.3	1.5	1.8
Net interest coverage ratio	30.3	14.2	6.9	8.1	11.3
<b>Adjusted debt/equity</b>	<b>0.0</b>	<b>0.3</b>	<b>0.4</b>	<b>0.3</b>	<b>0.2</b>

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



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**BUY** – Expected return >+15%

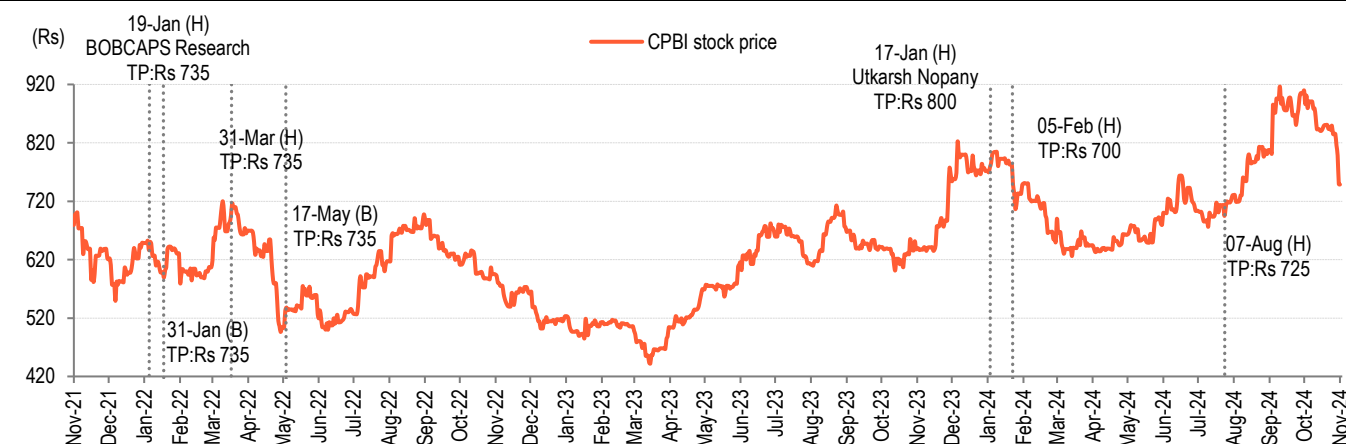
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**SELL** – Expected return <-6%

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

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