

**ADD**

TP: Rs 310 | ▲ 7%

**CENTURY PLYBOARDS**

Construction Materials

10 February 2021

## Strong operational performance; MDF expansion to spur growth

Century Plyboards' (CPBI) standalone revenue rose 10% YoY in Q3FY21, with plywood/MDF up 11%/21% YoY. Standalone operating margins expanded 280bps to 18.6%, resulting in EBITDA/PBT growth of 29%/53% YoY. CPBI is expanding MDF capacity by ~70% and sees plywood also doing well in FY22. We increase FY21-FY23 EBITDA estimates by 21-32% due to faster-than-expected recovery and benefits of new capex. We also raise our target P/E to 22x from 20x and roll over to a new Mar'22 TP of Rs 310 (vs. Rs 200). Retain ADD on limited upside.

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**Plywood and MDF segments lead growth:** CPBI's standalone Q3 revenue increased 10% YoY to Rs 6.5bn, with plywood/MDF/laminates growing at 11%/21%/4%. As per management, demand has improved significantly and plywood should register double-digit growth in FY22. The company will incur capex of Rs 2bn at its existing MDF plant to raise capacity by ~70% to 1,000cbm/day by end-FY22.

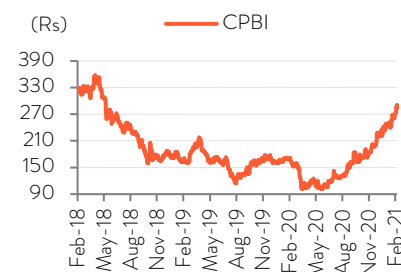
**Strong margin gains:** CPBI's operating margins expanded 280bps YoY due to higher gross margins (+93bps) and lower employee cost (-120bps YoY) and other expenditure (-65bps YoY). EBITDA/PBT thus grew 29%/53% YoY. Laminate margins surged 520bps YoY to 19.2% due to benefits of low-cost raw material and cost rationalisation, whereas plywood margins increased 270bps on operating leverage. Management has indicated that margins are sustainable as it has taken a price increase of 2% in plywood and 7-10% in MDF/laminates.

**Maintain ADD:** CPBI has turned net debt-free in Q3. This coupled with swift demand recovery post-Covid and potential benefits of new MDF capex leads us to raise FY21-FY23 earnings estimates 30-52% and increase our target P/E to 22x. We like CPBI for its product portfolio, strong brand and wide distribution but maintain ADD as current valuations of 20.9x FY23E EPS offer slim upsides.

Ticker/Price	CPBI IN/Rs 291
Market cap	US\$ 889.1mn
Shares o/s	223mn
3M ADV	US\$ 1.4mn
52wk high/low	Rs 301/Rs 95
Promoter/FPI/DII	73%/5%/22%

Source: NSE

## STOCK PERFORMANCE



Source: NSE

## KEY FINANCIALS

Y/E 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
Total revenue (Rs mn)	22,804	23,170	20,428	25,137	29,448
EBITDA (Rs mn)	3,124	3,308	3,225	4,425	5,211
Adj. net profit (Rs mn)	1,542	1,579	1,794	2,598	3,095
Adj. EPS (Rs)	6.9	7.1	8.1	11.7	13.9
Adj. EPS growth (%)	(3.5)	2.4	13.6	44.8	19.1
Adj. ROAE (%)	16.9	15.3	15.4	19.3	19.5
Adj. P/E (x)	41.9	40.9	36.0	24.9	20.9
EV/EBITDA (x)	22.5	21.2	21.2	15.0	12.6

Source: Company, BOBCAPS Research

**BOB Capital Markets Ltd is a wholly owned subsidiary of Bank of Baroda**

Important disclosures, including any required research certifications, are provided at the end of this report.



**FIG 1 – STANDALONE QUARTERLY PERFORMANCE**

(Rs mn)	Q3FY21	Q3FY20	YoY (%)	Q2FY21	QoQ (%)	9MFY21	9MFY20	YoY (%)
<b>Total revenues</b>	<b>6,544</b>	<b>5,954</b>	<b>9.9</b>	<b>5,198</b>	<b>25.9</b>	<b>13,749</b>	<b>17,585</b>	<b>(21.8)</b>
Total raw material consumed	3,282	3,041	7.9	2,610	25.8	6,837	8,920	(23.4)
% of sales	50.1	51.1	(93bps)	50.2	(5bps)	49.7	50.7	(100bps)
Employee exps	850	846	0.5	764	11.3	2,180	2,575	(15.3)
% of sales	13.0	14.2	(121bps)	14.7	(170bps)	15.9	14.6	121bps
Other exp	1,193	1,124	6.1	966	23.5	2,646	3,293	(19.6)
% of sales	18.2	18.9	(65bps)	18.6	(35bps)	19.2	18.7	52bps
Total expenditure	5,325	5,012	6.3	4,340	22.7	11,663	14,788	(21.1)
% of sales	81.4	84.2	(279bps)	83.5	(211bps)	84.8	84.1	74bps
<b>EBIDTA</b>	<b>1,218</b>	<b>943</b>	<b>29.3</b>	<b>859</b>	<b>41.9</b>	<b>2,085</b>	<b>2,797</b>	<b>(25.4)</b>
EBITDA margin (%)	18.6	15.8	279bps	16.5	211bps	15.2	15.9	(74bps)
Depreciation	162	173	(6.4)	162	0.0	467	513	(8.9)
Other income	12	13	(7.5)	12	(4.3)	70	110	(35.9)
Interest cost	11	92	(88.4)	18	(40.0)	79	290	(72.7)
<b>PBT</b>	<b>1,057</b>	<b>690</b>	<b>53.2</b>	<b>691</b>	<b>53.1</b>	<b>1,610</b>	<b>2,104</b>	<b>(23.5)</b>
Taxes	280	43	553.9	176	59.0	403	454	(11.1)
Effective tax rate (%)	26.5	6.2	2,031bps	25.5	98bps	25.0	21.6	348bps
<b>PAT before extraordinary</b>	<b>777</b>	<b>647</b>	<b>20.0</b>	<b>514</b>	<b>51.0</b>	<b>1,206</b>	<b>1,650</b>	<b>(26.9)</b>
Less: extraordinary items	(118)	(456)	(74.1)	0	NM	(118)	(456)	(74.1)
RPAT	659	191	245	514	28	1,088	1,194	(9)

Source: Company, BOBCAPS Research

**FIG 2 – STANDALONE SEGMENTAL PERFORMANCE**

(Rs mn)	Q3FY21	Q3FY20	YoY (%)	Q2FY21	QoQ (%)	9MFY21	9MFY20	YoY (%)
<b>Revenue</b>								
Plywood & Allied products	3,571	3,229	10.6	2,680	33.2	7,240	9,551	(24.2)
Laminates	1,200	1,149	4.4	1,018	17.9	2,621	3,573	(26.6)
MDF	1,165	966	20.6	935	24.6	2,403	2,662	(9.7)
Particle Board	262	250	4.8	256	2.0	601	760	(20.9)
Container Freight Station	209	220	(5.2)	199	4.6	611	665	(8.2)
Others	146	149	(1.6)	115	27.0	294	398	(26.2)
<b>Total</b>	<b>6,553</b>	<b>5,963</b>	<b>9.9</b>	<b>5,205</b>	<b>25.9</b>	<b>13,770</b>	<b>17,609</b>	<b>(21.8)</b>
Less: Inter Segment revenue	9	9	6.5	6	44.7	21	24	(13.0)
<b>Net revenues</b>	<b>6,544</b>	<b>5,954</b>	<b>9.9</b>	<b>5,198</b>	<b>25.9</b>	<b>13,749</b>	<b>17,585</b>	<b>(21.8)</b>
<b>EBIT</b>								
Plywood & Allied products	417	(56)	(845.2)	342	21.8	682	864	(21.1)
Laminates	210	141	48.8	113	84.7	325	415	(21.7)
MDF	277	196	41.3	213	29.7	465	498	(6.5)
Particle Board	49	56	(13.0)	42	15.8	92	178	(48.4)
Container Freight Station	28	38	(27.4)	32	(11.5)	101	109	(7.4)
Others	26	15	74.6	19	34.4	38	36	7.4
<b>Total</b>	<b>1,006</b>	<b>390</b>	<b>157.8</b>	<b>762</b>	<b>32.0</b>	<b>1,704</b>	<b>2,100</b>	<b>(18.9)</b>
<b>EBIT Margin (%)</b>								
Plywood & Allied products	11.7	(1.7)	1,340bps	12.8	(109bps)	9.4	9.0	37bps
Laminates	17.5	12.3	521bps	11.2	631bps	12.4	11.6	78bps
MDF	23.7	20.3	348bps	22.8	94bps	19.4	18.7	66bps
Particle Board	18.6	22.4	(382bps)	16.4	222bps	15.3	23.4	(813bps)
Container Freight Station	13.4	17.5	(409bps)	15.8	(244bps)	16.6	16.5	13bps

Source: Company, BOBCAPS Research

**FIG 3 – CONSOLIDATED QUARTERLY PERFORMANCE**

(Rs mn)	Q3FY21	Q3FY20	YoY (%)	Q2FY21	QoQ (%)	9MFY21	9MFY20	YoY (%)
<b>Total revenues</b>	<b>6,601</b>	<b>6,050</b>	<b>9.1</b>	<b>5,222</b>	<b>26.4</b>	<b>13,854</b>	<b>17,868</b>	<b>(22.5)</b>
Total raw material consumed	3,222	3,136	2.7	2,558	26.0	6,712	9,061	(25.9)
% of sales	48.8	51.8	(302bps)	49.0	(17bps)	48.4	50.7	(226bps)
Employee exps	886	885	0.2	789	12.3	2,261	2,684	(15.8)
% of sales	13.4	14.6	(120bps)	15.1	(168bps)	16.3	15.0	130bps
Other exp	1,256	1,189	5.7	1,010	24.3	2,784	3,491	(20.3)
% of sales	19.0	19.6	(62bps)	19.3	(31bps)	20.1	19.5	56bps
Total expenditure	5,364	5,209	3.0	4,357	23.1	11,757	15,235	(22.8)
% of sales	81.3	86.1	(483bps)	83.4	(217bps)	84.9	85.3	(40bps)
<b>EBIDTA</b>	<b>1,237</b>	<b>841</b>	<b>47.0</b>	<b>865</b>	<b>42.9</b>	<b>2,097</b>	<b>2,633</b>	<b>(20.4)</b>
% of sales	18.7	13.9	483bps	16.6	217bps	15.1	14.7	40bps
Depreciation	176	200	(11.8)	177	(0.3)	510	586	(12.9)
Other income	12	13	(6.0)	13	(4.8)	71	115	(38.1)
Interest cost	16	96	(83.6)	24	(33.4)	94	301	(68.9)
<b>PBT</b>	<b>1,057</b>	<b>559</b>	<b>89.2</b>	<b>678</b>	<b>55.9</b>	<b>1,564</b>	<b>1,860</b>	<b>(15.9)</b>
Taxes	281	44	536.7	175	60.4	403	459	(12.3)
Effective tax rate (%)	26.6	7.9	1,869bps	25.9	74bps	25.8	24.7	108bps
<b>PAT</b>	<b>776</b>	<b>515</b>	<b>50.8</b>	<b>503</b>	<b>54.4</b>	<b>1,161</b>	<b>1,401</b>	<b>(17.1)</b>
Less: Extrarodinary items	1	(511)	(100.1)	0	NM	6	(511)	(101.1)
Less: Minority interest	(118)	(246)	(52.0)	0	NM	(118)	(246)	(51.9)
PAT after minority interest	659	250	163.5	502	31.1	1,048	1,136	(7.7)

Source: Company, BOBCAPS Research

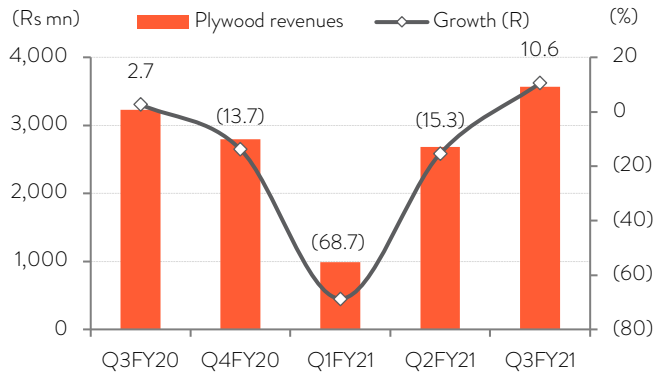
**FIG 4 – CONSOLIDATED SEGMENTAL PERFORMANCE**

(Rs mn)	Q3FY21	Q3FY20	YoY (%)	Q2FY21	QoQ (%)	9MFY21	9MFY20	YoY (%)
<b>Revenue</b>								
Plywood & Allied products	3,628	3,325	9.1	2,705	34.2	7,345	9,834	(25.3)
Laminates	1,200	1,149	4.4	1,018	17.9	2,621	3,573	(26.6)
MDF	1,165	966	20.6	935	24.6	2,403	2,662	(9.7)
Particle Board	262	250	4.8	256	2.0	601	760	(20.9)
Container Freight Station	209	220	(5.2)	199	4.6	611	665	(8.2)
Others	146	149	(1.6)	115	27.0	294	398	(26.3)
<b>Total</b>	<b>6,610</b>	<b>6,059</b>	<b>9.1</b>	<b>5,229</b>	<b>26.4</b>	<b>13,875</b>	<b>17,892</b>	<b>(22.5)</b>
Less: Inter Segment revenue	9	9	6.5	6	44.7	21	24	(13.0)
<b>Net revenues</b>	<b>6,601</b>	<b>6,050</b>	<b>9.1</b>	<b>5,222</b>	<b>26.4</b>	<b>13,854</b>	<b>17,868</b>	<b>(22.5)</b>
<b>EBIT</b>								
Plywood & Allied products	422	(235)	(279.3)	335	25.9	650	582	11.8
Laminates	210	141	48.8	113	84.7	325	415	(21.7)
MDF	277	196	41.3	213	29.7	465	498	(6.5)
Particle Board	49	56	(13.0)	42	15.8	92	178	(48.4)
Container Freight Station	28	38	(27.4)	32	(11.5)	101	109	(7.4)
Others	26	13	95.2	19	34.2	38	34	12.7
<b>Total</b>	<b>1,011</b>	<b>209</b>	<b>382.9</b>	<b>755</b>	<b>33.9</b>	<b>1,672</b>	<b>1,816</b>	<b>(7.9)</b>
<b>EBIT Margin (%)</b>								
Plywood & Allied products	11.6	(7.1)	1,869bps	12.4	(76bps)	8.9	5.9	294bps
Laminates	17.5	12.3	521bps	11.2	631bps	12.4	11.6	78bps
MDF	23.7	20.3	348bps	22.8	94bps	19.4	18.7	66bps
Particle Board	18.6	22.4	(382bps)	16.4	222bps	15.3	23.4	(813bps)
Container Freight Station	13.4	17.5	(409bps)	15.8	(244bps)	16.6	16.5	13bps

Source: Company, BOBCAPS Research

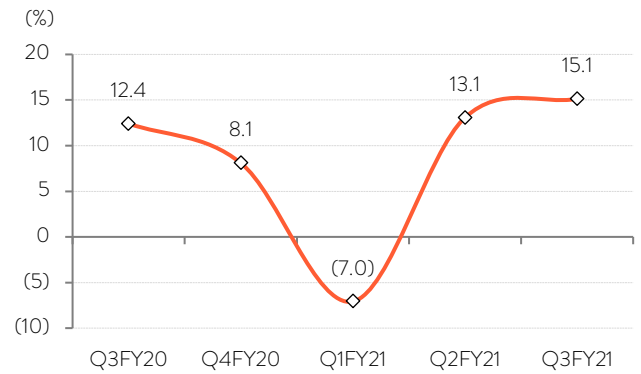
**STANDALONE QUARTERLY TRENDS**

**FIG 5 – PLYWOOD REVENUES**



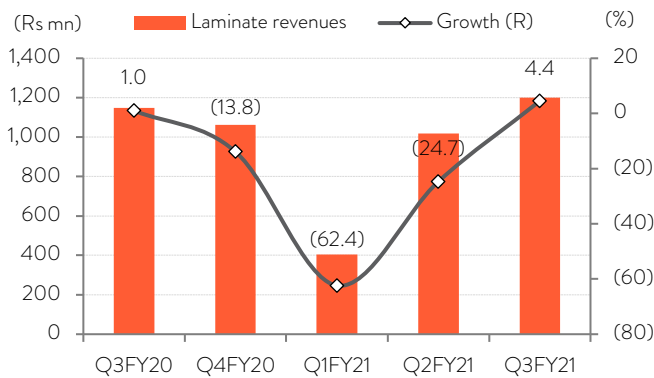
Source: Company, BOBCAPS Research

**FIG 6 – PLYWOOD EBITDA MARGINS**



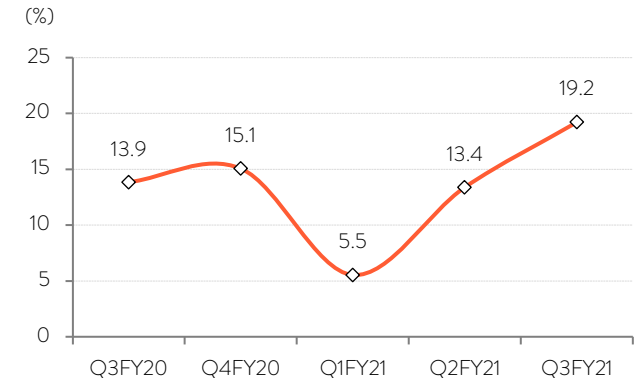
Source: Company, BOBCAPS Research

**FIG 7 – LAMINATE REVENUES**



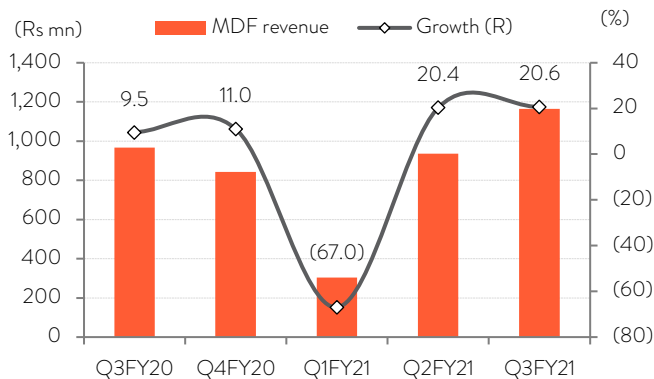
Source: Company, BOBCAPS Research

**FIG 8 – LAMINATE EBITDA MARGINS**



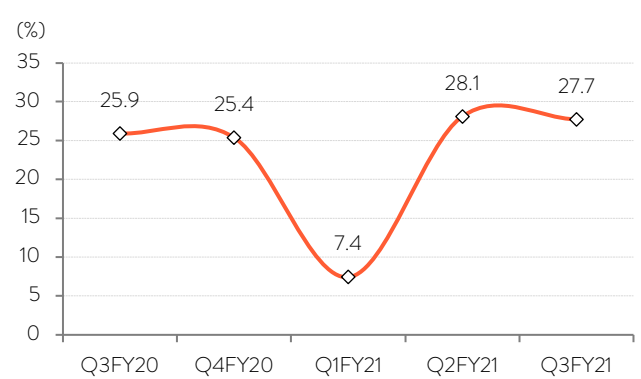
Source: Company, BOBCAPS Research

**FIG 9 – MDF REVENUES**

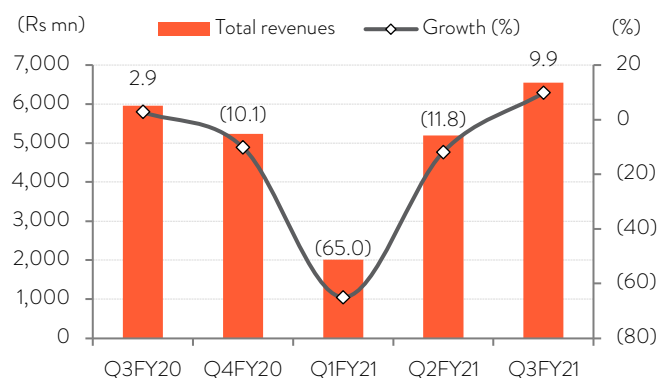


Source: Company, BOBCAPS Research

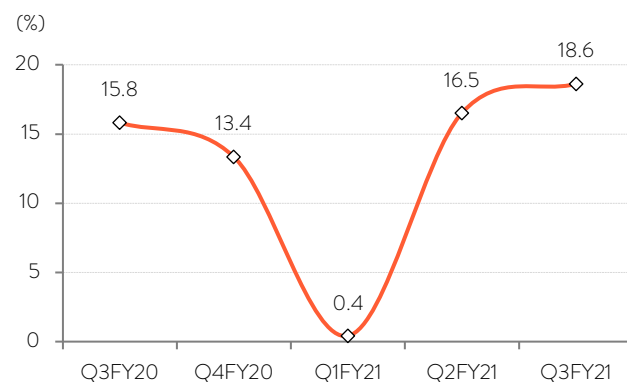
**FIG 10 – MDF EBITDA MARGINS**



Source: Company, BOBCAPS Research

**FIG 11 – TOTAL REVENUES**

Source: Company, BOBCAPS Research

**FIG 12 – EBITDA MARGINS**

Source: Company, BOBCAPS Research

### Earnings call highlights

- Demand recovered for all of CPBI's products during Q3FY21 with momentum from metro markets gathering pace.
- The ~Rs 2bn MDF brownfield expansion will be operational by Q4FY22, raising capacity to 1,000cbm/day from 600cbm/day currently.
- The company is looking at South India as a possible location for another MDF facility. This new unit could become operational in ~24 months at an estimated cost of Rs 4bn.
- Gabon face veneer capacity began operations from Q4FY21.
- CPBI has turned net debt-free as of Q3FY21.
- The working capital cycle during the quarter had declined to 51 days. Management believes 60-65 days represents a sustainable level.
- In Q3, the company booked an exceptional charge of Rs 118.1mn in the plywood segment due to reversal of excise refunds of earlier years, as per a Supreme Court ruling.

### Plywood

- During the quarter, CPBI's premium products grew in double digits but the economy segment saw better growth, resulting in lower blended realisations.
- Management expects double-digit growth in the plywood segment going ahead as demand is healthy.
- Plywood prices were hiked ~2% recently and margins can be sustained if volume growth improves.
- The company expects robust demand for plywood for at least 7-8 months.

**Laminates**

- Laminate operating margins improved in Q3 due to cost-cutting measures and discount rationalisation.
- Management believes 17-18% margins are sustainable in this segment.
- As raw material prices have increased, CPBI has taken a 7% price hike.

**MDF**

- MDF demand momentum is strong and expected to remain so for the next 1-2 years at least.
- The company has taken a price increase of 10% in MDF during Q3.
- Higher sea freight rates and an increase in global MDF prices have made imports costlier, bolstering demand for domestic manufacturers.
- Management sees no significant capacity additions in the MDF sector over the next two years and thus believes prices will stay high.

## Valuation methodology

CPBI is the joint market leader in India's organised plywood industry along with Greenply Industries (MTLM IN). It is also the third largest laminate player and also has an MDF plant in the country. With this, CPBI has evolved into the largest integrated wood panel company in India, equipped with a wide distribution reach, strong brand focus and comprehensive portfolio.

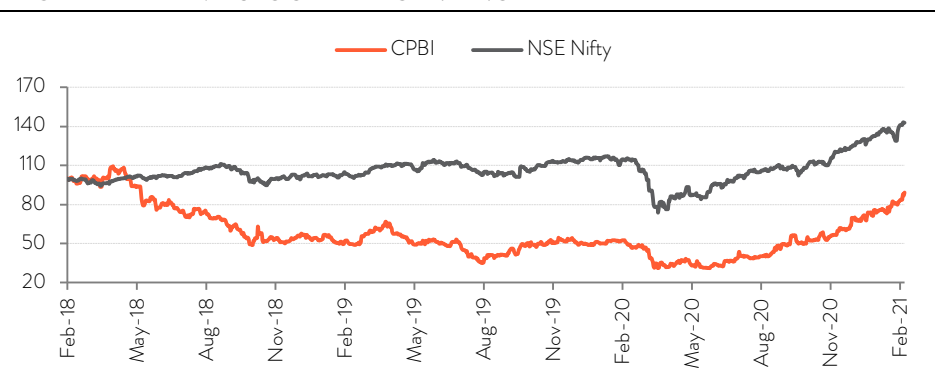
We increase our FY21/FY22/FY23 EBITDA estimates by 32%/21%/26% and PAT estimates by 52%/30%/40% due to the faster-than-expected demand recovery and potential benefits from new capex. We also raise our target P/E to 22x from 20x considering better growth visibility post MDF expansion and the significant balance sheet improvement (net debt-free). On rolling valuations over, we have a new Mar'22 target price of Rs 310 (vs. Rs 200). Retain ADD as current valuations of 20.9x FY23E EPS offer slim upsides.

**FIG 13 – REVISED ESTIMATES**

(Rs mn)	New			Old			Change (%)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Revenues	20,428	25,137	29,448	19,555	23,605	26,091	4.5	6.5	12.9
EBITDA	3,225	4,425	5,211	2,437	3,671	4,141	32.4	20.5	25.8
PAT	1,708	2,598	3,095	1,124	1,999	2,206	52.0	29.9	40.3

Source: BOBCAPS Research

**FIG 14 – RELATIVE STOCK PERFORMANCE**



Source: NSE

## Key risks

- **Regulatory concerns on raw material sourcing:** Wood is a key raw material for plywood and MDF manufacturing. Any regulatory restriction on sourcing of wood or face veneer will affect the company's profitability.
- **Sharp rise in raw material prices:** Higher raw material prices and an inability to pass these on to consumers may hurt profitability.

- **Prolonged slowdown in housing market:** A continued slowdown in the housing market would hit growth prospects.
- **Significant capex in MDF:** Any decision by the company to significantly expand its MDF capacity may affect future profitability from this segment.
- **Prolonged Covid-19 outbreak:** If pandemic fears prevail for a prolonged period of time, revenues will be adversely affected.



## FINANCIALS

### Income Statement

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
<b>Total revenue</b>	<b>22,804</b>	<b>23,170</b>	<b>20,428</b>	<b>25,137</b>	<b>29,448</b>
EBITDA	3,124	3,308	3,225	4,425	5,211
Depreciation	(595)	(763)	(695)	(794)	(930)
EBIT	2,529	2,545	2,531	3,631	4,281
Net interest income/(expenses)	(469)	(389)	(115)	(79)	(56)
Other income/(expenses)	22	43	86	103	124
EBT	2,081	2,199	2,502	3,655	4,349
Income taxes	(535)	(519)	(675)	(987)	(1,174)
Extraordinary items	(58)	(427)	(118)	0	0
Min. int./Inc. from associates	(4)	253	0	(70)	(80)
<b>Reported net profit</b>	<b>1,484</b>	<b>1,506</b>	<b>1,708</b>	<b>2,598</b>	<b>3,095</b>
Adjustments	58	73	86	0	0
<b>Adjusted net profit</b>	<b>1,542</b>	<b>1,579</b>	<b>1,794</b>	<b>2,598</b>	<b>3,095</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Accounts payables	1,595	1,515	1,455	1,722	2,017
Other current liabilities	1,070	1,284	1,007	1,309	1,533
Provisions	120	227	102	126	147
Debt funds	5,319	2,681	1,150	1,100	500
Equity capital	223	223	223	223	223
Reserves & surplus	9,527	10,684	12,125	14,326	16,943
Shareholders' fund	9,749	10,906	12,348	14,548	17,166
<b>Total liabilities and equities</b>	<b>18,107</b>	<b>16,596</b>	<b>16,045</b>	<b>18,857</b>	<b>21,495</b>
Cash and cash eq.	262	248	238	217	86
Accounts receivables	2,957	2,568	2,351	2,893	3,389
Inventories	4,613	3,980	3,806	4,614	5,406
Other current assets	974	1,217	1,063	1,240	1,452
Investments	64	63	63	63	63
Net fixed assets	8,346	7,767	7,773	9,078	10,348
CWIP	268	160	160	160	160
Intangible assets	18	18	18	18	18
Deferred tax assets, net	603	573	573	573	573
<b>Total assets</b>	<b>18,107</b>	<b>16,596</b>	<b>16,045</b>	<b>18,857</b>	<b>21,495</b>

Source: Company, BOBCAPS Research

**Cash Flows**

Y/E 31 Mar (Rs mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Net income + Depreciation	2,079	2,269	2,403	3,392	4,024
Interest expenses	469	389	115	79	56
Changes in working capital	2	749	84	(935)	(959)
Other operating cash flows	133	236	0	70	80
<b>Cash flow from operations</b>	<b>2,684</b>	<b>3,643</b>	<b>2,602</b>	<b>2,606</b>	<b>3,202</b>
Capital expenditures	(1,474)	(235)	(700)	(2,100)	(2,200)
Change in investments	(3)	1	0	0	0
<b>Cash flow from investing</b>	<b>(1,477)</b>	<b>(234)</b>	<b>(700)</b>	<b>(2,100)</b>	<b>(2,200)</b>
Debt raised/repaid	(435)	(2,639)	(1,531)	(50)	(600)
Interest expenses	(469)	(389)	(115)	(79)	(56)
Dividends paid	(257)	(535)	(266)	(468)	(557)
Other financing cash flows	6	139	0	70	80
<b>Cash flow from financing</b>	<b>(1,155)</b>	<b>(3,424)</b>	<b>(1,912)</b>	<b>(526)</b>	<b>(1,133)</b>
<b>Changes in cash and cash eq.</b>	<b>51</b>	<b>(15)</b>	<b>(10)</b>	<b>(21)</b>	<b>(131)</b>
<b>Closing cash and cash eq.</b>	<b>262</b>	<b>248</b>	<b>238</b>	<b>217</b>	<b>86</b>

**Per Share**

Y/E 31 Mar (Rs)	FY19A	FY20A	FY21E	FY22E	FY23E
Reported EPS	6.7	6.8	7.7	11.7	13.9
Adjusted EPS	6.9	7.1	8.1	11.7	13.9
Dividend per share	1.0	1.0	1.0	1.8	2.1
Book value per share	43.8	49.0	55.5	65.4	77.1

**Valuations Ratios**

Y/E 31 Mar (x)	FY19A	FY20A	FY21E	FY22E	FY23E
EV/Sales	3.1	3.0	3.3	2.6	2.2
EV/EBITDA	22.5	21.2	21.2	15.0	12.6
Adjusted P/E	41.9	40.9	36.0	24.9	20.9
P/BV	6.6	5.9	5.2	4.4	3.8

**DuPont Analysis**

Y/E 31 Mar (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Tax burden (Net profit/PBT)	74.1	71.8	71.7	71.1	71.2
Interest burden (PBT/EBIT)	82.3	86.4	98.9	100.7	101.6
EBIT margin (EBIT/Revenue)	11.1	11.0	12.4	14.4	14.5
Asset turnover (Revenue/Avg TA)	129.1	133.5	125.2	144.0	146.0
Leverage (Avg TA/Avg Equity)	1.9	1.7	1.4	1.3	1.3
Adjusted ROAE	16.9	15.3	15.4	19.3	19.5

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

**Ratio Analysis**

Y/E 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
<b>YoY growth (%)</b>					
Revenue	12.7	1.6	(11.8)	23.1	17.1
EBITDA	(6.3)	5.9	(2.5)	37.2	17.8
Adjusted EPS	(3.5)	2.4	13.6	44.8	19.1
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	13.7	14.3	15.8	17.6	17.7
EBIT margin	11.1	11.0	12.4	14.4	14.5
Adjusted profit margin	6.8	6.8	8.8	10.3	10.5
Adjusted ROAE	16.9	15.3	15.4	19.3	19.5
ROCE	12.6	13.5	13.7	18.2	18.7
<b>Working capital days (days)</b>					
Receivables	52	44	44	38	39
Inventory	134	135	136	119	121
Payables	31	29	32	28	28
<b>Ratios (x)</b>					
Gross asset turnover	2.4	2.1	1.8	2.0	2.0
Current ratio	1.3	1.5	2.2	2.4	2.6
Net interest coverage ratio	5.4	6.5	22.0	46.1	76.4
Adjusted debt/equity	0.5	0.2	0.1	0.1	0.0

Source: Company, BOBCAPS Research

## Disclaimer

### Recommendations and Absolute returns (%) over 12 months

**BUY** – Expected return >+15%

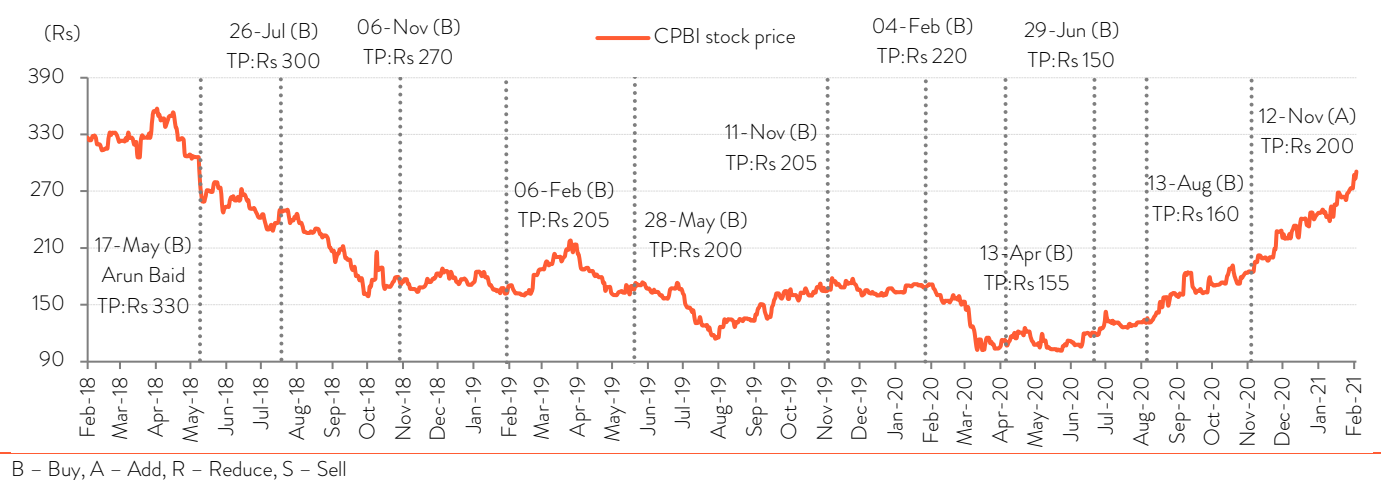
**ADD** – Expected return from >+5% to +15%

**REDUCE** – Expected return from -5% to +5%

**SELL** – Expected return <-5%

**Note:** Recommendation structure changed with effect from 1 January 2018 (Hold rating discontinued and replaced by Add / Reduce)

### RATINGS AND TARGET PRICE (3-YEAR HISTORY): CENTURY PLYBOARDS (CPBI IN)



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