



Century Plyboards (I) Ltd

BUY

Asian Markets Securities Pvt. Ltd.

End-to-end product portfolio, de-risked raw material sourcing conducive for growth

Institutional Research

CMP (Rs)	162
Target (Rs)	226

Nifty: 7,435; Sensex: 24,480

Key Stock Data

BSE Code	532548
NSE Code	CENTURYPLY
Bloomberg	CPBI IN
Shares O/s mn (FV Rs1)	222.1
Market cap (Rsbn)	35.9
52-week High/Low	262/138
3-m daily avg vol.	2,90,708

Price Performance

(%)	1m	3m	12m
CENTURYPL	(3.4)	(11.1)	(5.9)
NIFTY	(4.2)	(10.2)	(13.0)
Sensex	(4.1)	(10.5)	(13.4)

Shareholding Pattern

(%)	Dec 15	Sep15	Jun15
Promoter	73.3	73.3	73.3
FII	10.6	8.8	8.5
DII	3.5	3.1	3.3
Others	12.6	14.7	14.8

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CENTURY PLYBOARDS (INDIA) LIMITED (CPIL) is on an overdrive to consolidate its presence in the Indian wood and panel products industry. Over the last four years, CPIL has invested heavily in manufacturing capability and branding / marketing and has emerged as a dominant player in both plywood and laminates. The Company is investing Rs5bn over FY16-18 to expand its product portfolio as also strengthen the raw material sourcing from abroad. The plywood and laminate industry is poised for healthy growth aided by growing housing and commercial realty markets, increasing urbanisation and aspirations for better living. Century Ply with its strong brand equity, vast distribution reach and end-to-end product portfolio is better placed to garner market share from unorganised players. Introduction of GST can provide further momentum to the shift. We initiate coverage with a Buy rating.

Leadership position, excellent brand franchise, distribution reach

CPIL is India's largest player in plywood enjoying 7% market share. CPIL has huge infrastructure with seven manufacturing plants and a pan-India plywood dealer network with over 14500 channel partners (up from 1,106 dealers in FY12.) supported with 35 branches / sales depots reaching over 500 towns with population more than 100,000. Strong reach, Superior product quality, excellent brand equity and aggressive marketing campaign will help CPIL outgrow the industry.

Massive expansion in to MDF and particle board will provide end-to-end product portfolio

CPIL was predominantly in to plywood till 2004 when it set up manufacturing unit for laminates and emerged a leading player in the industry with ~7% market share. Now CPIL is further expanding its product portfolio by entering in to MDF and particle board by setting up own manufacturing units at an outlay of Rs4.2bn. As such, in FY17, CPIL will become the only integrated player in Indian wood and panel industry with end-to-end portfolio that include plywood, decorative plywood, laminates, veneer, doors, MDF, particle board, pre-laminated board etc. With the sharp growth in ready-to-use furniture, MDF growth in expected to outpace plywood growth. CPIL's timely entry will keep it in good stead to capture the emerging trend.

Timely backward integration in Myanmar and Laos assures raw material availability

Post ban on export of raw timber by Myanmar in 2014, availability of face veneer (procured from matured natural timber) has been a challenge for Indian plywood industry. CPIL proactively set up a unit to process raw timber into veneer and hence survived the ban. Last year, the Company further strengthened its raw material base by setting a similar timber peeling unit in Laos and is on the lookout for more such units in timber growing countries across Asia / Africa.

Strong financials

CPILs plywood and laminates business grew @ CAGR of 12.4% and 19.4% respectively over FY11-15. Post demerger of its ferroalloy business in FY14, CPIL marked sharp improvement in its profitability with EBIT CAGR of 52% and 21% respectively for the two businesses. Led by better utilisation and higher margins, return ratios improved sharply with ROCE and ROE of 27% and 44% respectively during FY15. In 1HFY16, the Company reported revenue, EBIDTA and PAT growth of 5% 24% and 40% respectively.

To log strong earnings growth @ 18% CAGR, comforting valuations, BUY

CPIL's dominant market positioning, well-thought investment strategy in the backdrop of strong growth drivers for the wood industry promises excellent prospects ahead. We expect CPIL to report topline and earnings growth of 15% and 18.6% respectively over FY15-18E. Long term growth prospects, strong earnings growth, robust return ratios will support the valuations. We recommend BUY with long term perspective with a TP of Rs226 valuing the stock @ 20x FY18 EEPS.

Exhibit 21: Key Financials

Y/E Mar (Rs mn)	FY14	FY15	FY16E	FY17E	FY18E
Sales	12840	15648	16856	19177	23986
yoy (%)	13.5	21.9	7.7	13.8	25.1
EBITDA	1482	2498	2972	3438	4532
yoy (%)	31.3	68.6	19.0	15.7	31.8
PAT	669	1508	1828	2020	2515
yoy (%)	27.1	125.3	21.2	10.5	24.5
Equity	223	223	223	223	223
EPS (Rs)	3.0	6.7	8.2	9.0	11.3

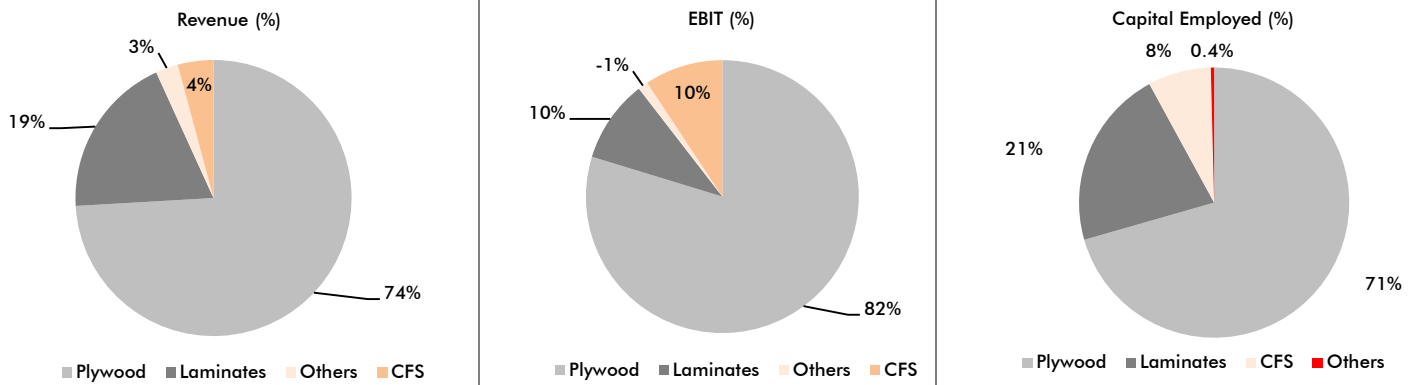
Source: Company, AMSEC Research

Exhibit 22: Key Indicators

Y/E Mar	FY14	FY15	FY16E	FY17E	FY18E
EBITDAM (%)	11.5	16.0	17.6	17.9	18.9
NPM (%)	5.2	9.4	10.8	10.5	10.4
PER (x)	53.5	23.8	19.6	17.7	14.2
P/BV (x)	12.3	9.2	7.0	5.5	4.2
EV/Sales (x)	3.2	2.6	2.5	2.3	1.8
EV/ EBITDA (x)	27.4	16.3	14.1	12.8	9.6
RoACE (%)	16.6	26.9	27.2	23.4	24.9
RoANW (%)	24.7	44.4	40.5	34.5	33.4

Business profile

Exhibit 23 :Century Ply-Segmental Breakup



Source: Company, AMSEC Research

Strong Brands

Plywood Brands



Veneer Brands



Block board Brands



Door Brands



Laminates Brands



Ready furniture/ Modular Kitchen



Source: Company, AMSEC Research

Investment Rationale

Plywood business (74% of revenue, 82% of EBIT): To grow at 10% CAGR over FY15-18

CPBL is India’s leading plywood brand, with total installed capacity of 2.1 lakh Cubic meters (CBM) spanning across six manufacturing plants pan-India : East (Kolkata), West (near Kandla), South (near Chennai), North (near Delhi), North East (near Guwahati) and Central / North (near Roorkee). CPIL commands ~25% of the organized plywood market and 7% of the overall market in India. The plywood business has grown @ CAGR of 12.4% over FY11-15 with SAINIK brand growing at a higher pace of 18%. CPIL’s brand commands premium in the market compared to most brands. The Company has differential brands viz. Century Prime (premium brand), SAINIK (mid-market brand), Maxima (affordable product) to offer products at different price points for diverse markets. SAINIK and Maxima brands in particular aimed at mid-market customers (10/20% cheaper than standard product) have done well by gaining markets from unorganised players and contributes 17% of the plywood revenue. Though current utilisation of 73% provides enough room for growth for plywood business, the management has plans to increase the capacity by 40,000 CBM in two phases by FY18 at an outlay of Rs500mn at its upcoming MDF plant in Punjab depending upon the introduction of GST. We expect CPIL’s plywood business to post 10% CAGR over FY15-18 aided by strong growth in SAINIK brand and commercial veneers.

Exhibit 24: Plywood revenue trend

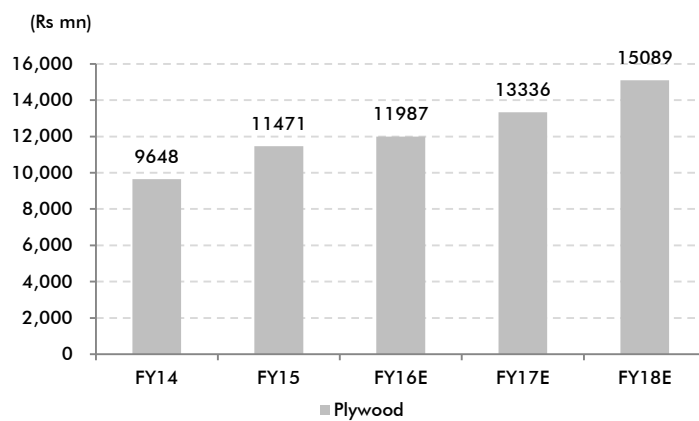


Exhibit 25 : Plywood EBIT and EBITM Trend

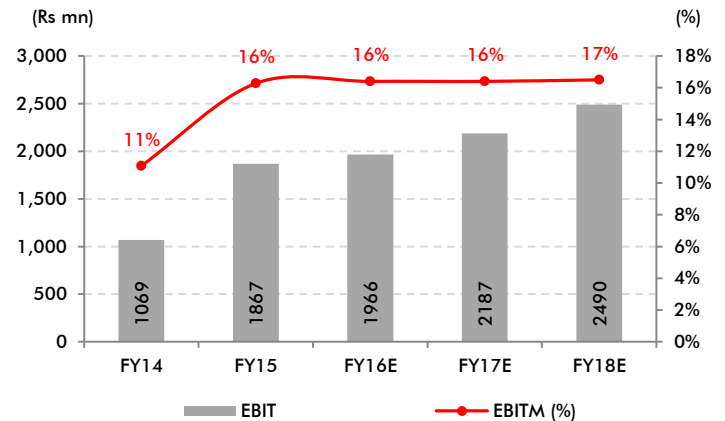


Exhibit 26 : Plywood Volume (CBM)

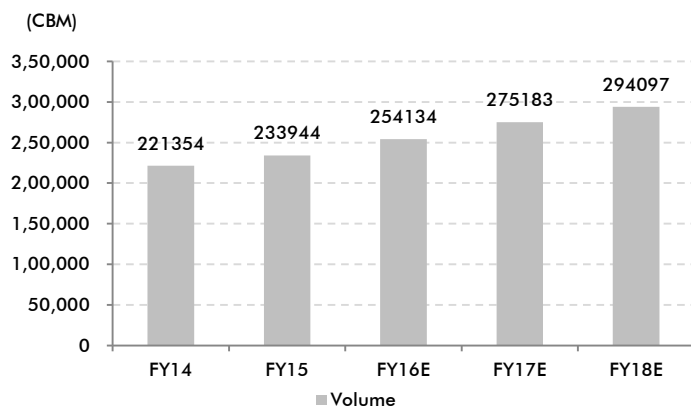
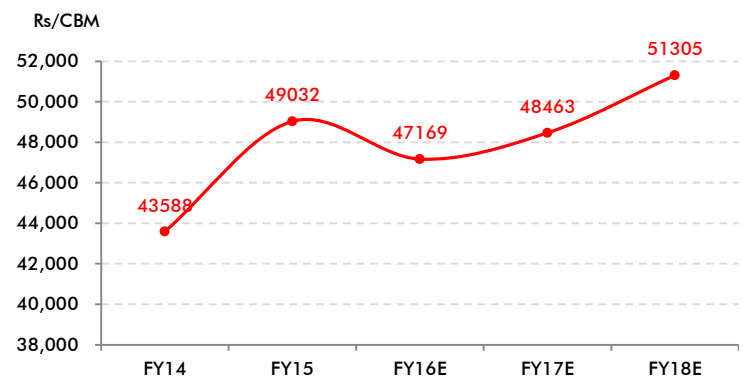


Exhibit 27 :Plywood Realisation



Source: Company, AMSEC Research

Timely backward integration in Myanmar and Laos assures raw material availability

Post ban on export of raw timber by Myanmar in 2014, availability of face veneer (procured from matured natural timber) has been a challenge for Indian plywood industry. CPIL proactively set up a unit to processing raw timber in to veneer (capacity of 40000 CBM) and hence survived the ban. The Myanmar plant undertakes peeling of raw timber and making face veneers, which are thereafter exported to India. Last year, the Company further strengthened its raw material base by setting a similar unit (capacity of 48000 CBM) in Laos (through a 51%-owned SPV). The Company thus is at an advantage compared to domestic unorganised players. Besides captive use of face veneers, CPIL markets it in the open market which accrued Rs1.37bn revenue during FY15 (12% of the total plywood revenue).

The Company proposes to increase the total capacity from 88,000 CBM to 1,20,000 CBM by installing four new lines of 8000 CBM each at Laos. With expanded capacity at Myanmar and Laos, revenue from sale of face veneer is expected to increase from Rs1.37bn in FY15 to to Rs2.5bn (16% of plywood revenue) by FY18. To further de-risk raw material supply, the company is on the lookout for more such timber peeling units in timber growing countries across Asia / Africa.

Laminates (19% of revenue, 10% of EBIT) to grow at 16% CAGR over FY15-18

Since its foray in laminate business in 2004, CPIL has emerged as one of the top-3 laminate producers in India (after Marino and Greenlam) with an installed capacity of 4.8mn sheets. It has over 700 SKUs in this segment and is adding almost 100 new SKUs every year. Unlike its peers which have a large part of the revenue from low end 0.6mm and 0.8mm thickness laminates (used as liners), over 90% of CPIL's laminate revenue is accounted for by 1mm thickness value-added decorative laminates fetching it higher realization and better margins. The laminates business has grown at CAGR of 19.4% over FY11-15 and increased by 24% yoy in 1HFY16. Exports constitute 22% of laminates revenue. With current utilisation @ 83%, the company has ample room to grow the business and has plans to add two lines of 1.2mn sheets in FY18 at an outlay of Rs400mn. We expect CPIL's laminates business to post 16% CAGR over FY15-18E.

Exhibit 28: Laminates Revenue trend

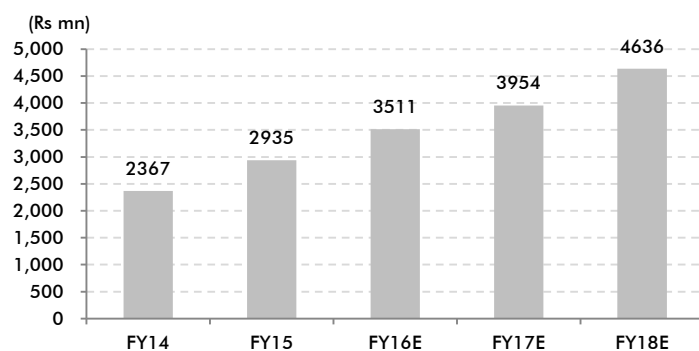


Exhibit 29 : Laminates EBIT and EBITM Trend

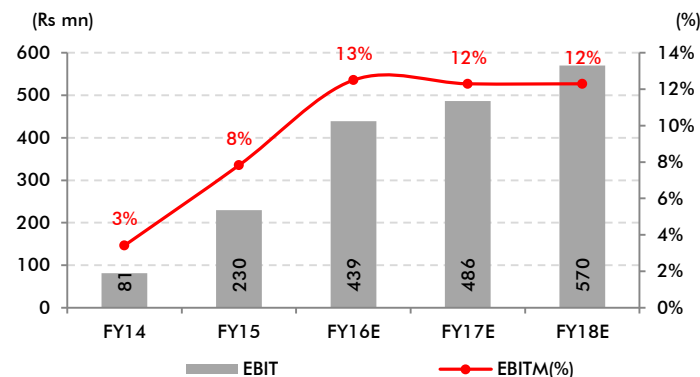


Exhibit 30 : Laminates Volume

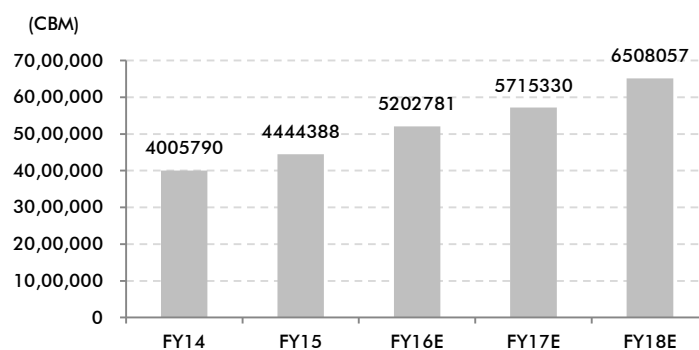
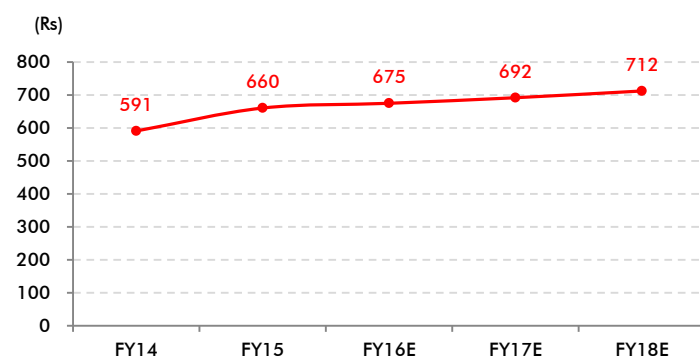


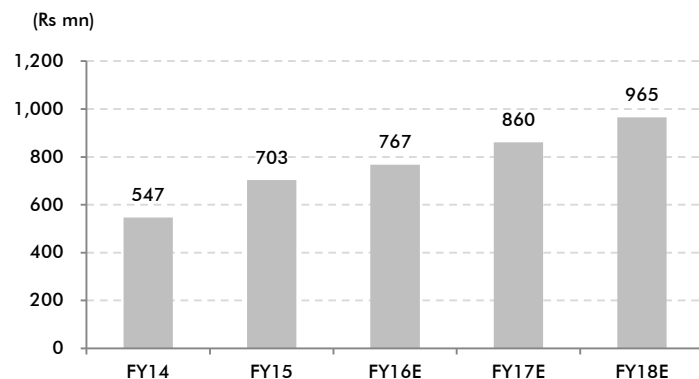
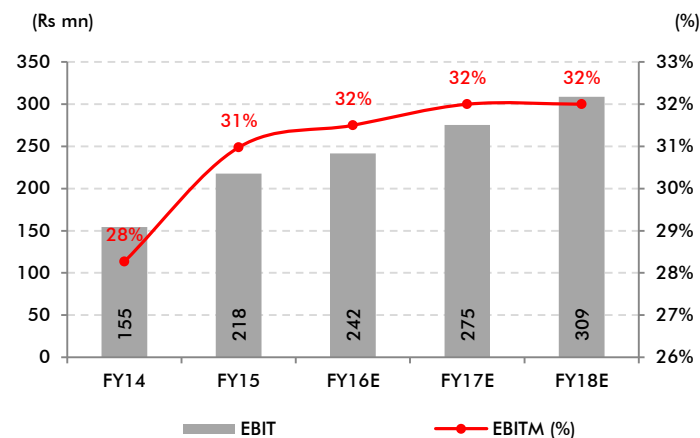
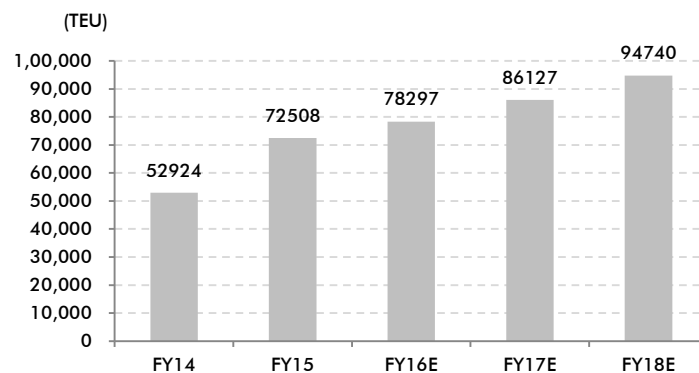
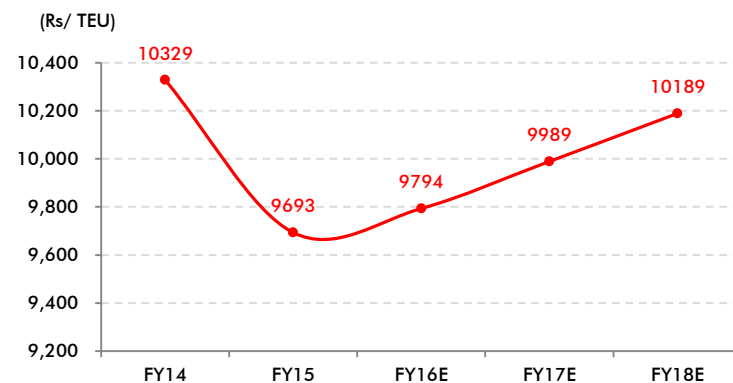
Exhibit 31 : Laminates Realisation



Source: Company, AMSEC Research

Logistics – container freight stations (4% of revenue, 10% of EBIT)

CPII owns and operates East India's largest and first privately owned CFS, located near Kolkata Port. Spread across ~100,000 square meters, it can handle up to 160,000 TEUs. The business is though small (4% of total revenue) is yielding decent EBIT of ~30%. We expect modest growth of 11% CAGR over FY15-18 in this division with sustained margins of 30% plus.

Exhibit 32: CFS Revenue trend

Exhibit 33 : CFS EBIT and EBITM Trend

Exhibit 34 : CFS Volume

Exhibit 35 :CFS Realisation


Source: Company, AMSEC Research

Foray in to new products to mark end-to-end portfolio

Medium density fiberboard (MDF)

Medium density fiberboard (MDF), though constitutes less than 4% of total panel products in India, has grown at 20% CAGR over the last five years to the present size of Rs15bn. Plywood currently accounts for ~95% of the panel industry in India, as housing furniture accounts for most of the demand.

Being eco-friendly and cost effective, MDF constitutes ~65% of total panel products globally and the trend is catching up in India with the fast growing readymade furniture market.

CPIL has firmed up plans to set up MDF manufacturing unit in Punjab with a capacity of 600 CBM per day (2.1 lakh CBM per annum) at an outlay of Rs3.5bn. The plant will be commissioned by December 2016 and will generate revenue of ~Rs5.5/6bn at peak capacity. MDF has distinct characteristics and features compared to plywood making the transition from plywood to MDF highly unpredictable and may be slower in Indian context. CPIL is treading safe by gearing up capacities for both the products to adapt to the evolving trend.

Particleboard unit

CPIL is setting up a green field particle board unit at its Chennai plant at a capex of Rs650mn and having capacity of 54000CBM which is expected to commission by March 2016. Particle board is manufactured by using saw mill dust and timber wastage. Particle board is low density product and costs ~20% cheaper than mid-market branded plywood like SAINIK as also MDF. Pre-laminated particle board is largely used in readymade furniture, kitchen cabinets, false ceiling, wall panels, partitions, cubicles etc. The manufacturing unit will backward integrate the company's existing pre-laminated board business which currently outsources particle board. The unit is expected to generate revenue of ~Rs800/ 1bn mn at peak capacity.

Strong financials

CPIL’s plywood and laminates business grew @ CAGR of 12.4% and 19.4% respectively over FY11-15. Post demerger of its ferro alloy in FY14, CPIL marked sharp improvement in its profitability with EBIT CAGR of 52% and 21% respectively for the two businesses. Led by better utilisation and higher margins, return ratios improved sharply with ROCE and ROE of 27% and 44% respectively during FY15. In 1HFY16, the Company reported revenue, EBIDTA and PAT growth of 5% 24% and 40% respectively

Financial charts (Standalone)

Exhibit 36 : Revenue trend

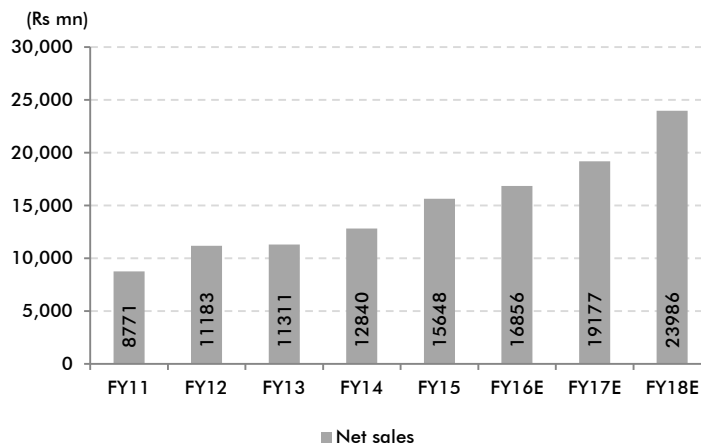


Exhibit 37 : EBITDA EBITDAM% trend

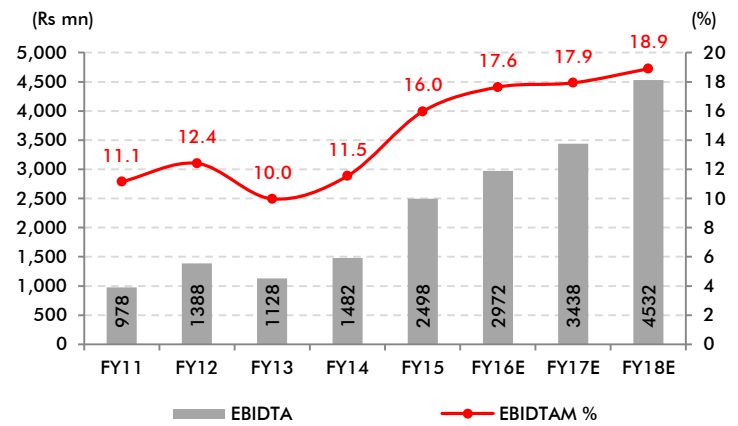


Exhibit 38 : PAT & PATM% trend

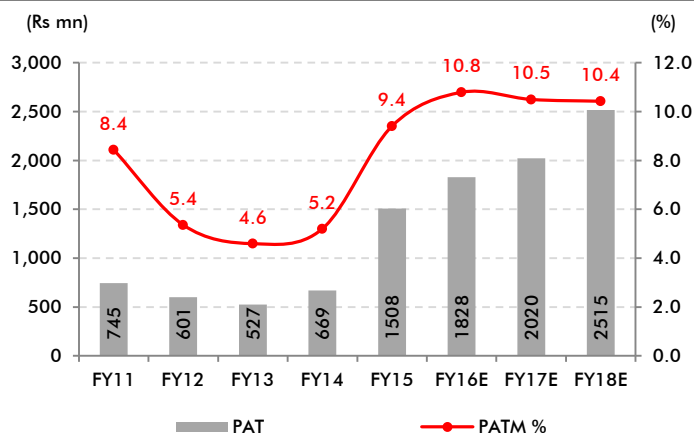
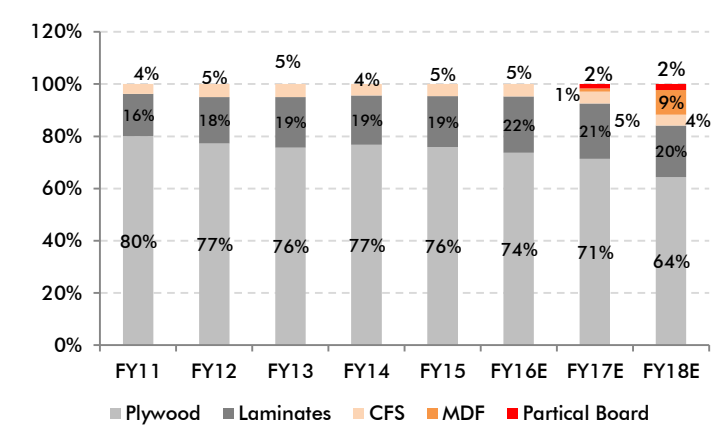


Exhibit 39 : Revenue mix (%)



Source: Company, AMSEC Research

Exhibit 40: Return Ratios

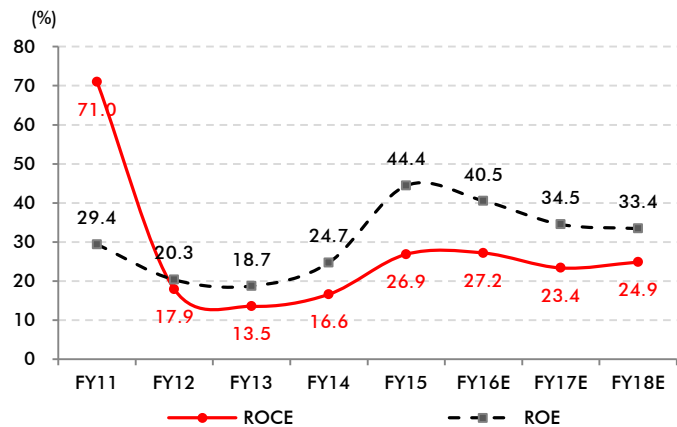


Exhibit 41 : Debt/Equity Ratio

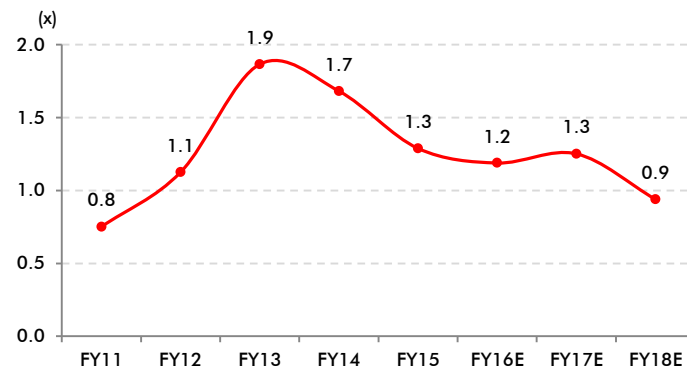


Exhibit 42 : Working Capital

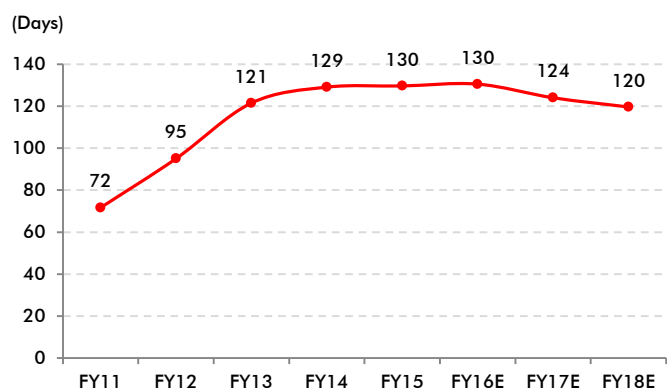
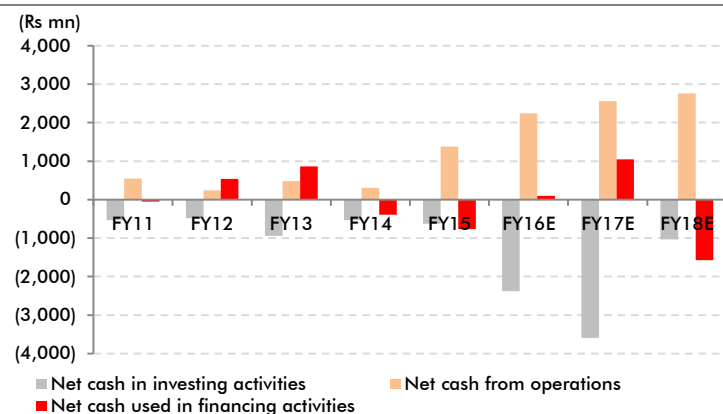


Exhibit 43 : Cash flow



Source: Company, AMSEC Research

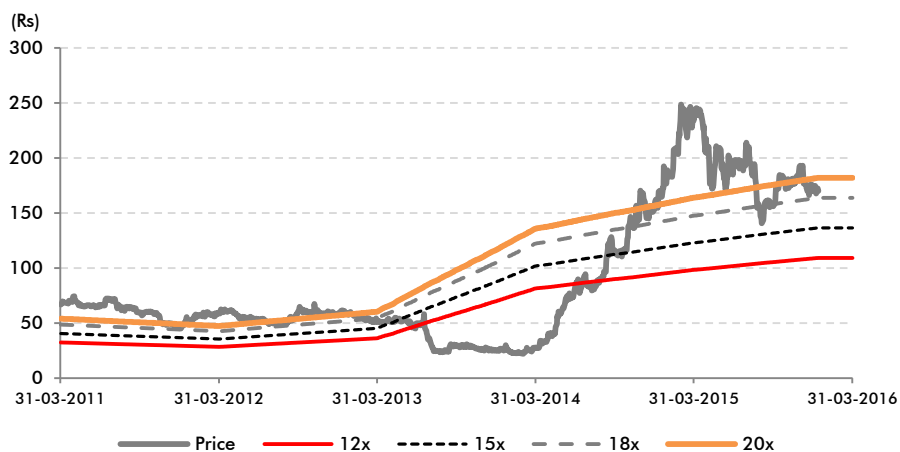
Strong growth, excellent consumption play: BUY

CPIL's dominant market positioning, well-thought investment strategy and strong growth drivers for the wood industry promises excellent growth ahead. The management is keeping watch on the progress on GST front and is geared up to fast track its capex plans in case of any positive developments. We expect CPIL to report topline and earnings growth of 15% and 18% respectively over FY15-18. We expect EBIDTA margin to expand by 260bps over FY15-18 with the share of high margin businesses viz. Veneer, particle board and MDF increasing to 21% from 11% now.

The Company has high D/E of 1.3 due to heavy investment of Rs2.4bn over the last five years. However, the strong cash generation will partially fund future capex of Rs5.5bn over FY18. We expect the D/E to come down to 0.9 by FY18. The Company enjoys tax exemptions at two of its manufacturing units (both income tax holiday and excise exemption) hence has lower tax incidence of 17%. While tax rate will increase marginally going forward, the same will remain at MAT level (~20%).

Long term growth prospects, strong earnings growth, robust return ratios (ROCE and ROE of 25% and 33% for FY18) will support the valuations. We recommend BUY with long term perspective with a TP of Rs226 valuing the stock @ 20x FY18 EEPS.

Exhibit 44 : One Year forward PER Chart



Source: Company, AMSEC Research

Risks and concerns

- Slowdown in real estate may impact the demand for wood products
- Foreign exchange risk: With over 64% of raw materials being imported, CPIL is vulnerable to foreign currency volatility.
- Slow pick up in MDF business: CPIL is investing heavily in to capital intensive MDF manufacturing. If the demand does not pick up, growth outlook for the Company may be subdued.

Exhibit 45: Century Plyboards (India) Ltd. Financial Snapshot

Financials Snapshot (Rs mn)	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16E	FY17E	FY18E
Sales	2,677	4,252	5,959	6,997	7,686	8,771	11,183	11,311	12,840	15,648	16,856	19,177	23,986
EBIDTA	228	410	801	522	833	978	1,388	1,128	1,482	2,498	2,972	3,438	4,532
PAT	106	204	446	111	809	745	601	527	669	1,508	1,828	2,020	2,515
CFO	(52)	(41)	(116)	(1)	849	545	237	481	306	1,378	2,247	2,563	2,760
CFI	(385)	(67)	(32)	(340)	(354)	(531)	(480)	(940)	(533)	(624)	(2,382)	(3,595)	(1,035)
Cash Flow from Fin.	472	150	150	349	(481)	(50)	540	868	(391)	(764)	100	1,045	(1,575)
Equity	103	198	198	228	228	228	228	223	223	223	223	223	223
Total Net Worth	1,029	1,177	1,633	1,687	2,288	2,784	3,125	2,497	2,914	3,876	5,141	6,572	8,471
Gross Debt	863	1,099	1,354	1,979	1,963	2,054	3,371	4,449	4,459	4,558	5,652	7,721	7,399
Gross Block	1,077	1,155	1,549	1,731	2,097	2,878	3,222	3,199	3,744	4,159	6,044	10,017	10,962
Long Term Invest.	301	344	328	420	505	556	732	156	379	451	519	597	686
Cash & Current Inves.	99	140	149	186	156	109	421	797	180	170	136	149	300
Key Ratios													
EPS	10.3	10.3	22.5	0.5	3.6	3.3	2.6	2.4	3.0	6.8	8.2	9.1	11.3
ROE%	13.7	18.5	31.8	6.7	40.7	29.4	20.3	18.7	24.7	44.4	40.5	34.5	33.4
ROCE%	14.4	16.0	27.8	7.7	27.6	19.6	17.9	13.5	16.6	26.9	27.2	23.4	24.9
Debt Equity	0.8	0.9	0.8	1.2	0.9	0.8	1.1	1.9	1.7	1.3	1.2	1.3	0.9
Gross Asset Turn (x)	3.4	3.8	4.4	4.3	4.0	3.5	3.7	3.5	3.7	4.0	3.3	2.4	2.3
WC Days	104	93	75	88	74	72	95	121	129	130	130	124	120
Dividend Payout %	0.2	0.2	0.6	0.2	1.0	1.0	1.0	0.2	1.0	2.0	2.2	2.4	2.6
Cost Matrix													
RM/Sales%	70.1	59.3	56.0	58.0	52.8	61.3	61.1	63.8	59.4	57.2	53.0	53.0	53.0
Employee cost/Sales%	3.7	3.9	5.2	6.7	7.3	8.6	8.9	10.5	11.8	12.4	13.1	13.1	12.8
Power & Fuel/Sales%	3.2	4.9	5.1	5.0	4.4	4.8	4.6	2.2	2.1	2.0	2.0	2.0	1.9
Gross Margin%	24.5	26.4	32.0	26.2	32.6	21.7	22.5	22.0	23.9	28.6	30.4	30.5	31.2
EBIDTAM%	8.5	9.7	13.4	7.5	10.8	11.1	12.4	10.0	11.5	16.0	17.6	17.9	18.9
PATM%	3.8	4.8	7.3	1.6	10.5	8.4	5.4	4.6	5.2	9.4	10.8	10.5	10.4
Selling Exp./ Sales%	12.0	12.5	14.0	13.0	15.8	4.3	3.8	4.9	3.2	4.9	4.9	4.8	4.7

Source: Company, AMSEC Research

Exhibit 46: Century Plyboards (India) Ltd. Quarterly Financials

Particulars, Rs mn	Q2FY15	Q3FY15	Q4FY15	Q1FY16	Q2FY16	yoy (%)	qoq (%)	1HFY15	1HFY16	yoy (%)
Gross Sales	4424	4074	4379	4001	4758	7.6	18.9	8338	8759	5.0
Less: Excise Duty	375	255	330	321	367	(2.1)	14.3	681	688	1.0
Net Sales	4048	3818	4049	3680	4391	8.5	19.3	7657	8070	5.4
Other operating income	22	40	43	29	31	44.2	6.9	41	61	49.4
Net Sales & Other Operating Income	4070	3858	4092	3709	4422	8.6	19.2	7698	8131	5.6
Total Expenditure	3456	3149	3382	3054	3684	6.6	20.6	6629	6738	1.6
(Increase) / Decrease In Stocks	-210	-162	-11	-41	273	(229.8)	(773.0)	-263	233	(188.6)
Purchase of Finished Goods	472	420	597	430	445	(5.8)	3.4	909	875	(3.8)
Cost of Services & Raw Materials	2049	1688	1517	1567	1626	(20.7)	3.8	3814	3193	(16.3)
Excise Duty	0	0	0	0	0	-	-	0	0	-
Operating & Manufacturing Expenses	635	707	754	580	763	20.1	31.4	1245	1343	7.9
Electricity, Power & Fuel Cost	0	0	0	0	0	-	-	0	0	-
Employee Cost	510	494	524	517	568	11.4	9.7	924	1085	17.4
PBIDT (Excl OI)	614	710	710	655	738	20.2	12.7	1068	1393	30.4
Other Income	39	29	92	16	5	(87.2)	(68.8)	70	21	(70.2)
Operating Profit	653	739	802	671	743	13.8	10.8	1138	1414	24.3
Interest	124	145	90	123	135	8.3	9.8	198	257	30.0
Exceptional Items	0	0	0	0	0	-	-	0	0	-
PBDT	529	594	712	548	609	15.1	11.0	940	1157	23.1
Depreciation	109	116	119	101	107	(1.6)	6.6	213	208	(2.4)
PBT	420	478	593	448	501	19.5	12.0	727	949	30.6
Tax	62	64	114	51	39	(37.7)	(23.7)	112	89	(20.2)
Profit After Tax	358	414	480	397	463	29.4	16.5	615	859	39.8
Equity Capital	223	223	223	223	223			223	223	
EPS, Rs	1.6	1.9	2.2	1.8	2.1			2.8	3.9	
EBIDTA (%)	15.1	18.4	17.4	17.7	16.7	160bp	(96bp)	14.0	17.3	331bp
PATM (%)	8.8	10.8	11.8	10.8	10.5	170bp	(25bp)	8.0	10.6	262bp
Tax / PBT (%)	14.8	13.5	19.1	11.3	7.7	(706bp)	(361bp)	15.4	9.4	(599bp)
Raw material / Net sales (%)	50.6	44.2	37.5	42.6	37.0	(1359bp)	(555bp)	49.8	39.6	(1024bp)
Employee cost / Net Sales (%)	12.6	12.9	12.9	14.1	12.9	34bp	(113bp)	12.1	13.4	138bp

Source: Company, AMSEC Research

Century Plyboards (India) Ltd. Financials (Standalone)

(Rsmn)

Profit and Loss Account

Y/E (Mar)	FY14	FY15	FY16E	FY17E	FY18E
Net sales	12840	15648	16856	19177	23986
Inc./(Dec.e) in Stock	-24	-389	-85	-75	-152
Raw material cons.	7633	8946	8934	10164	12713
Power & Fuel cost	270	311	342	383	468
Employee cost	1514	1933	2204	2512	3065
Other manufact. Exp.	830	951	999	1099	1340
General & Adm. Exp.	194	202	212	233	284
Selling & Adm Expen.	412	764	825	924	1128
Misc. Expenses	530	432	453	499	608
Total expenditure	11382	13539	13969	15814	19606
Operating profit	1482	2498	2972	3438	4532
Other income	95	181	190	199	209
Interest expense	551	433	453	481	688
Gross Profit	1025	2246	2710	3157	4054
Dep. & Amortization	332	448	453	631	910
PBT	693	1798	2256	2526	3144
Provision for Tax	24	290	429	505	629
Reported Net Profit	669	1508	1828	2020	2515
Share O/s mn	223	223	223	223	223
EPS Rs	3.0	6.8	8.2	9.1	11.3

Cash Flow Statement

Y/E (Mar)	FY14	FY15	FY16E	FY17E	FY18E
PBT	693	1798	2256	2526	3144
Non-cash adjust.	829	842	906	1112	1597
Chg. in working cap.	-1104	-918	-426	-519	-1312
Tax & Interest Paid	-112	-344	-489	-555	-669
Cashflow from oper.	306	1378	2247	2563	2760
Capital expenditure	-482	-546	-2314	-3518	-945
Change in invest.	-227	-65	-68	-78	-90
Cashflow from inv.	-533	-624	-2382	-3595	-1035
Issue of equity	-	-	-	-	-
Issue/repay debt	-	-	1115	2115	-271
Interest Paid	-253	-296	-453	-481	-688
Dividends paid	-56	-389	-467	-490	-512
Other fin. Cash flow	-305	-129	-	-	-
Cash flow from fin.	-391	-764	100	1045	-1575
Chg cash & cash eq	-617	-10	-34	13	151
Open. cash eq	797	180	170	136	149
Clsq cash & cash eq	180	170	136	149	300
CashFlow to firm	-175	832	-67	-954	1815

Key Ratios

Y/E Mar	FY14	FY15	FY16E	FY17E	FY18E
GROWTH YOY%					
Sales Growth	13.5	21.9	7.7	13.8	25.1
EBITDA Growth	31.3	68.6	19.0	15.7	31.8
Net Profit Growth	27.1	125.3	21.2	10.5	24.5
Gross Fixed Asset Growth	17.0	11.1	45.3	65.7	9.4
PROFITABILITY					
Gross Profit/ Net sales (%)	23.9	28.6	30.4	30.5	31.2
EBITDA / Net Sales (%)	11.5	16.0	17.6	17.9	18.9
NPM / Total income (%)	5.2	9.4	10.8	10.5	10.4
Raw Material/Net Sales (%)	59.4	57.2	53.0	53.0	53.0
Int/PBIT (%)	47.9	21.1	18.0	17.1	19.0
ROE (%)	24.7	44.4	40.5	34.5	33.4
ROCE (%)	16.6	26.9	27.2	23.4	24.9
ROIC (%)	17.1	23.3	23.2	19.4	20.3
Tax / PBT (%)	3.4	16.1	19.0	20.0	20.0
TURNOVER (Days)					
Net Working Cycle	129	130	130	124	120
Debtors Velocity	58	63	65	63	63
Inventory	94	89	93	88	82
Creditors Velocity	28	27	30	30	30
Gross Asset Ratio	3.7	4.0	3.3	2.4	2.3
Total Asset Ratio	1.4	1.6	1.4	1.3	1.3
LIQUIDITY (x)					
Gross Debt-Equity Ratio	1.7	1.3	1.2	1.3	0.9
Net Debt-Equity Ratio	1.6	1.2	1.2	1.2	0.9
Interest Coverage	2.1	4.7	5.6	5.8	5.3
Current Ratio (x)	1.1	1.2	1.2	1.2	1.3
Quick Ratio (x)	0.6	0.6	0.6	0.6	0.7
PAYOUT					
Payout (%)	33.2	29.5	25.6	24.2	20.3
Dividend (%)	100%	200%	210%	220%	230%
Yield (%)	0.6%	1.2%	1.3%	1.4%	1.4%
Du Pont Analysis					
NP / PBT (%)	96.6	83.9	81.0	80.0	80.0
PBT / EBIT (X)	0.6	0.9	0.9	0.9	0.9
EBIT / Sales (X)	9.0	13.1	14.9	14.6	15.1
Sales / Assets (X)	1.3	1.5	1.3	1.1	1.3
Assets / Equity (X)	3.3	2.7	2.6	2.6	2.2
ROE (%)	24.7	44.4	40.5	34.5	33.4

Balance Sheet

Y/E (Mar)	FY14	FY15	FY16E	FY17E	FY18E
SOURCES OF FUNDS :					
Share Capital	223	223	223	223	223
Reserves Total	2692	3653	4918	6349	8248
Total Shareh. Funds	2914	3876	5141	6572	8471
Non-Current Liab.					
Long term borrowings	1180	814	1608	3477	2955
Deferred tax liability	-5	-70	-130	-180	-220
Other long term liab.	16	28	30	34	41
Long-term provisions	237	-	-	-	-
Long-term trade pay.	3	-	1	1	1
Current Liabilities					
Short term borrowings	3279	3744	4044	4244	4444
Trade payables	592	652	734	835	1045
Other current liabilities	870	959	1023	1136	1313
Short term provisions	661	426	681	740	808
Total Equity & Liab.	9746	10429	13131	16859	18857
APPLICATION OF FUNDS :					
Non Current Assets					
Fixed Assets					
Gross Block	3744	4159	6044	10017	10962
Less: Accumulated Dep.	1624	2070	2523	3154	4064
Capital Work in Prog.	188	227	656	200	200
Non current Investment	379	451	519	597	686
Long term loans & adv.	914	789	852	937	1124
Other non-current ass.	24	23	25	28	33
Current Assets					
Current investment	-	-	-	-	-
Inventories	2927	3200	3520	3802	4372
Sundry Debtors	2046	2719	3002	3310	4140
Cash and Bank	180	170	136	149	300
Short Loans & Adv.	721	624	753	808	904
Others Current Assets	246	137	148	165	198
Total Assets	9746	10429	13131	16858	18857
Valuation Matrix	FY14	FY15	FY16E	FY17E	FY18E
EPS Rs	3.0	6.8	8.2	9.1	11.3
CEPS Rs	4.5	8.8	10.3	11.9	15.4
Book Value Rs	13.1	17.4	23.1	29.5	38.1
EV / Net Sales	3.2	2.6	2.5	2.3	1.8
EV / EBITDA	27.5	16.4	14.1	12.8	9.6
P / E Ratio	53.9	23.9	19.7	17.8	14.3
P / BV Ratio	12.4	9.3	7.0	5.5	4.3

About the Company

Century Plyboards (India) Limited, incorporated in 1982 by Mr. Sajjan Bhajanka and Mr. Sanjay Agarwal, is a well-known manufacturer of plywood and decorative laminates, veneers, MDF and doors, among others. It is also engaged in the container freight station managing the first private CFS at the Kolkata port.

Centuryply is the largest manufacturer of ply boards in India, with a market share of 25% in the organised market and ~7% in the overall market. The company is leader in ply boards while it ranks amongst top 3 in laminate segment. It also entered into furniture trading business in 2012 with 2 pilot retail showrooms in Kolkata and Bangalore under the brand name "Nesta". The company has also launched modular kitchen made of waterproof plywood, all proof guarantee and custom made designs.

With 6 manufacturing plants, Century has 210,000 cubic meters of Plywood and 4.8mn sheets of laminate capacity. The company has adequate raw material sourcing through the 40,000 cubic meters capacity face veneer unit in Myanmar. The company is continuously making efforts to widen its product offering in the laminates segment by adding over 100 new designs every year to its current portfolio of ~700 designs.

Centuryply has strong distribution network with 35 marketing offices, over 1500 dealers and more than 14,500 retail outlets. The company exports its products to 20 countries that include UAE, China, Taiwan, Bangladesh, Singapore, Hong Kong, Saudi Arabia, France, UK, Germany, Mexico, Canada and Switzerland, among others.

Before FY13, Centuryply was also engaged in Cement, Ferro alloy, powder, adhesives and chemical business either directly or through its subsidiaries (Cement Manufacturing Company (CMCL) and Star Cement Meghalaya (SCML).). To focus on its core business, the company demerged its cement and ferro alloy business into separate entity.

It became first company to received ISO 9002 certification for its quality management under veneer and plywood.

Board of Directors

SajjanBhajanka	Chairman & Managing Director
Hari Prasad Agarwal	Vice Chairman
Sanjay Agarwal	Managing Director
Prem Kumar Bhajanka	Managing Director
Vishnu Khemani	Managing Director
Ajay Baldawa	Executive Director
ManindraNath Banerjee	Director
MangiLal Jain	Director
SamarendraMitra	Director
Santanu Ray	Director
Asit Pal	Director
MamtaBinani	Director

Top Executives & Management

SundeepJhunjunwala	Company Secretary
Arun Kumar Julasaria	Chief Financial Officer

Statutory Auditors

Singhi & Co Chartered Accountants	Emerald House, 4th floor, Kolkata-700001
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Manufacturing Plants

Product	Locations
Plywood and Veneer Units	Kanchowki, Bishnupur, District: 24, Parganas (S), West Bengal
Plywood And Veneer Units,	Village: MotiChirai,Taluka: Bhachau, Kachahh, Gujarat
Plywood And Veneer Units	Ramba Road, Tarori, Haryana
Plywood And Veneer Units	Chinnappolapuram,Gummidipoondi, Chennai, Tamil Nadu
Plywood And Veneer Units	MirzaPalasbari Road, Kamrup, Assam
Laminate Unit	Kanchowki, Bishnupur, District: 24, Parganas (S), West Bengal
Container Freight Station	Block B &C,SonaiKhidderpore, Kolkata, West Bengal
Container Freight Station	Hide Road,Brace Bridge, Khidderpore, Kolkata, West Bengal