

Century Plyboards (I) Ltd

HOLD



Asian Markets Securities Pvt. Ltd.

Weak demand across businesses, higher fixed cost, forex losses weigh

Institutional Research

CMP (Rs)	269
Target (Rs)	270

Nifty: 10,683; Sensex: 35,149

Key Stock Data

BSE Code	532548
NSE Code	CENTURYPLY
Bloomberg	CPBI IN
Shares O/s mn (FV Rs1)	222.5
Market cap (Rsbn)	59.8
52-week High/Low	364/235
3-m daily avg vol.	2,66,918

Price Performance

(%)	1m	3m	12m
CENTURYPL	(21.1)	(15.9)	1.6
NIFTY	1.3	2.2	12.1
Sensex	2.2	3.3	14.6

Shareholding Pattern

(%)	Sep17	Dec17	Mar18
Promoter	72.0	72.0	72.0
FII	11.4	11.2	11.2
DII	3.8	4.7	4.7
Others	12.8	12.2	12.2

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CENTURYPLYBOARDS (INDIA) LIMITED (CPIL) posted a weak quarter led by subdued demand scenario across businesses. Profitability got impacted by forex loss of Rs53mn compared to forex gains of Rs137mn yoy, coupled with higher fixed cost and depreciation because of low utilisation of newly commissioned MDF plant. Topline growth of 11% was led by new MDF business, which is now 6% of net sales, while core plywood segment (64% of sales) posted dip in topline. Laminates continue the good show with topline growth of 14%. Margins performance was disappointing with EBITDAM dip of 400bps in Plywood and MDF division each. The management sounded upbeat regarding scale up in MDF business albeit realisation and margin to remain under pressure due to excess capacity. Overall, the management guided for healthy topline growth with margin expansion in FY19. Long term outlook for the company appears good considering CPIL's multi faceted business presence across plywood, Laminate, MDF and superior brand and aggressive expansion and marketing strategy in the backdrop of promising market opportunity. However, near term headwind of subdued market, weak INR will remain an overhang. **HOLD**.

Segment performance

CPIL posted 11% increase in revenue at Rs5441mn. Plywood segment (59% of revenue) witnessed 2% growth in volume though realisation dipped 10% causing 8% drop in revenue. Non-availability of material at Assam plant, weak demand and 26% drop in commercial veneer volume led to the decline. The Company is facing challenges for RM sourcing as LAOS and Myanmar have banned export of veneer leading to higher RM cost. EBITDAM dipped 400bps yoy to 16.1%.

Laminates (contributing 18% to revenues) (Rs992mn) witnessed sales growth of 13.5%, led by strong volume growth of 17.2% to 1.59mn sheets, though intense competition led to decrease in realization by 3.1% to Rs623/CBM. EBITDAM dipped 20bp to 12.2% impacted by higher RM prices.

MDF plant started on October 4, 2017 contributed sales of 27,250 CBM/Rs623mn volume/value for the quarter and 48307CBM and Rs1128mn revenue for FY18 (6% of revenue). Utilization levels for the quarter stood 50-52%. EBITDAM dipped to 16% from 20% qoq. The management is expecting to reach 80% utilization in FY19 generating revenues of Rs3000/3500mn though realisation margin to remain under pressure due to new capacity coming up.

Profitability also got impacted by Forex loss of Rs 53mn vis-à-vis forex gains of Rs137mn yoy, higher fixed cost and depreciation (+78%) related to MDF plant causing PAT declining by 36% to Rs357mn. For FY18, revenue stood at Rs19.67bn (up 10.4%), EBITDA at Rs3060mn (+4.8%) and PAT Rs1566mn (-15.6%) respectively, yielding an EPS of Rs7.

Capacity increment in MDF, Laminates, new door unit

The company invested Rs1.7bn in FY18 and has earmarked capex of Rs1.9bn for FY19. One line of laminate got commissioned in January 2018 and second line will be ready in 1HFY19. The door unit (in JV, capex Rs600mn) is planned next year. The Company has Rs350mn investment in solar panel project. Seeing the traction for MDF, the Company has planned an additional line for 400CBM/day capacity of thin sized MDF ranging (1mm to 4mm) at the existing location with a capex of Rs1000mn. Once utilization levels crosses 90%, the company plans for additional plant for MDF in Assam/AP.

MDF business to drive growth, limited room for margin uptick, HOLD

We estimate plywood /laminate volume growth of 8% and 15% CAGR over FY18/20 and strong growth in new businesses of MDF and particle board contributing 15% to the revenue in FY20. We forecast sales, EBITDA and PAT to grow at a CAGR of 18%, 23% and 17% respectively over FY18-20E. Forex impact in the face of weak INR remains key risk. At 32/28x FY19/20 EEPS, the stock seems fairly priced. In the context of promising long-term outlook for CPIL, being the ONLY INTEGRATED WOOD PRODUCT, we recommend **HOLD**.

Exhibit 1: Key Financials

Y/E Mar (Rsmn)	FY16	FY17	FY18	FY19E	FY20E
Sales	16357	17825	19672	23695	27426
yoy (%)	4.5	9.0	10.4	20.5	15.7
EBITDA	2835	2921	3060	3862	4608
yoy (%)	13.5	3.0	4.8	26.2	19.3
PAT	1698	1856	1566	1851	2148
yoy (%)	12.6	9.3	-15.6	18.2	16.0
Equity	223	223	223	223	223
EPS (Rs)	7.6	8.3	7.0	8.3	9.7

Source: Company, AMSEC Research

Exhibit 2: Key Indicators

Y/E Mar	FY16	FY17	FY18	FY19E	FY20E
EBITDAM (%)	17.3	16.4	15.6	16.3	16.8
NPM (%)	10.3	10.4	7.8	7.7	7.8
PER (x)	32.4	33.7	38.2	32.3	27.9
P/BV (x)	10.5	8.8	7.1	6.0	5.1
EV/Sales (x)	3.6	3.8	3.3	2.8	2.4
EV/ EBITDA (x)	20.9	23.3	21.2	16.9	14.1
RoCE (%)	26.0	23.0	17.3	18.7	19.4
RoE (%)	36.0	30.1	20.3	20.2	19.7

Exhibit 3: Key Assumptions

Key Assumptions	FY17	FY18	FY19E	FY20E
Revenue Rs mn				
Plywood	12609	12633	13884	15578
yoy%	7.4%	0.2%	9.9%	12.2%
Laminates	3635	4166	4807	5688
yoy%	8.4%	14.6%	15.4%	18.3%
MDF	0	1128	2981	3817
yoy%	-	-	164.3%	28.0%
Particle Board	165	263	422	553
yoy%		59.7%	60.4%	31.1%
Others	1415	1482	1602	1790
yoy%	-	4.7%	8.0%	11.8%
Total Revenues	17825	19672	23695	27426
Revenue Breakup (%)				
Plywood	71	64	59	57
Laminates	20	21	20	21
MDF	0	6	13	14
Particle Board	1	1	2	2
Others	8	8	7	7
Total	100	100	100	100
EBITDA Rs mn				
Plywood	2164	1812	2041	2337
Laminates	586	631	731	882
MDF	0	213	575	763
Particle Board	52	104	165	216
Others	120	301	351	410
Total EBITDA	2921	3060	3862	4608
EBITDAM%				
Plywood	17.2	14.3	14.7	15.0
Laminates	16.1	15.1	15.2	15.5
MDF	-	18.9	19.3	20.0
Particle Board	31.3	39.5	39.0	39.0
EBITDAM%	16.4	15.6	16.3	16.8

Source: Company, AMSEC Research

Exhibit 4: 4QFY18 Financials (Standalone)

Y/E Mar (Rs.mn)	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	yoy (%)	qoq (%)	FY17	FY18	yoy%
Gross Sales	5258	4734	4746	5099	5441	3.5	6.7	19203	20020	4.3
Less: Excise Duty	373	348	0	0	0	-	-	1379	348	(74.7)
Net Sales	4885	4386	4746	5099	5441	11.4	6.7	17825	19672	10.4
Net Sales & Other Operating Income	4885	4386	4746	5099	5441	11.4	6.7	17825	19672	10.4
Total Expenditure	4048	3775	4005	4222	4610	13.9	9.2	14903	16612	11.5
(Increase) / Decrease In Stocks	14	8	57	-273	-244	(1,908.2)	(10.4)	16	-452	(2,905.2)
Purchase of Finished Goods	920	892	870	840	710	(22.8)	(15.5)	3155	3313	5.0
Cost of Services & Raw Materials	1597	1439	1617	2040	2273	42.3	11.4	6010	7369	22.6
Operating & Manufacturing Expenses	850	747	784	892	1119	31.8	25.5	3156	3543	12.3
Employee Cost	667	689	676	723	752	12.7	4.0	2567	2839	10.6
EBIDTA	838	611	741	878	832	(0.7)	(5.3)	2921	3060	4.8
Other Income	141	5	6	42	13	(90.8)	(69.4)	226	67	(70.4)
Operating Profit	979	616	747	920	845	(13.8)	(8.2)	3147	3127	(0.6)
Interest	26	63	79	63	122	377.3	94.5	286	327	14.1
PBDT	954	553	668	857	723	(24.2)	(15.7)	2861	2801	(2.1)
Depreciation	156	132	138	263	277	78.2	5.4	524	810	54.7
PBT	798	421	529	594	445	(44.2)	(25.1)	2337	1990	(14.8)
Tax	239	80	128	128	88	(63.1)	(31.0)	481	424	(12.0)
Profit After Tax	559	341	401	467	357	(36.1)	(23.4)	1856	1566	(15.6)
Other comprehensive	-3	-5	-2	-3	4	(246.6)	(247.2)	-20	-6	(69.8)
Equity Capital	222.5	222.5	222.5	222.5	222.5			222.5	222.5	
EPS (Adjusted)	2.5	1.5	1.8	2.1	1.6			8.3	7.0	
EBIDTA (%)	17.1	13.9	15.6	17.2	15.3	(187bp)	(193bp)	16.4	15.6	(83bp)
PATM (%)	11.4	7.8	8.5	9.2	6.6	(488bp)	(259bp)	10.4	8.0	(245bp)
Tax / PBT (%)	30.0	19.0	24.2	21.5	19.8	(1017bp)	(169bp)	20.6	21.3	70bp
Raw material / Net sales (%)	51.8	53.3	53.6	51.1	50.3	(148bp)	(80bp)	51.5	52.0	49bp
Other exp/Net sales	17.4	17.0	16.5	17.5	20.6	318bp	308bp	17.7	18.0	31bp
Employee cost / Net Sales (%)	13.7	15.7	14.2	14.2	13.8	16bp	(35bp)	14.4	14.4	3bp

Source: Company, AMSEC Research

Exhibit 5: 4QFY18 Segmental Financials (Standalone)

Particulars, Rs mn	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	yoy (%)	qoq (%)	FY17	FY18	yoy%
Gross Segment Revenue										
Plywood and Allied Business	3743	3427	3059	3227	3230	(13.7)	0.1	13561	12943	(4.6)
Laminate and allied products	1099	891	1246	999	1194	8.6	19.5	4123	4330	5.0
MDF	6	6	1	476	648	10,896.6	36.1	36	1131	3,080.0
Particle Board	117	111	145	100	109	(7.2)	8.8	252	465	84.4
CFS	235	239	250	276	233	(0.9)	(15.6)	884	997	12.7
Others	91	94	110	75	98	7.0	30.6	436	378	(13.4)
Total segment revenue	5292	4769	4811	5153	5511	4.1	7.0	19291	20244	4.9
Less: Intersegment Revenue	33	35	66	53	70	108.6	30.7	88	224	155.3
Gross Sales	5258	4734	4745	5099	5441	3.5	6.7	19203	20020	4.3
Segment Result										
Plywood and Allied Business	740	385	403	422	480	(35.2)	13.9	2144	1689	(21.2)
Laminate and allied products	110	92	210	122	115	3.8	(6.2)	519	538	3.6
MDF	-6	-2	0	1	-24	280.2	(2,425.0)	-2	-25	1,469.3
Particle Board	-33	-37	2	8	-12	(62.5)	(249.7)	-69	-39	(43.7)
CFS	60	67	68	85	62	3.6	(27.1)	235	282	19.8
Others	-21	-4	1	3	-14	(33.0)	(514.8)	-77	-14	(81.5)
Total EBIT	850	500	684	642	606	(28.7)	(5.6)	2751	2431	(11.6)
Less: Finance cost	26	63	79	63	122	377.3	94.5	286	327	14.1
Other Unallocable Expen	26	16	76	-15	38	48.0	(350.4)	128	115	(10.3)
Total PBT	798	421	529	594	445	(44.2)	(25.1)	2337	1990	(14.8)
Capital Employed										
Plywood and Allied Business	5397	5427	5715	5399	4427	(18.0)	(18.0)	5397	4427	(18.0)
Laminate and allied products	1603	1741	1919	1932	2013	25.6	4.2	1603	2013	25.6
MDF	2645	3258	3570	3307	3635	37.4	9.9	2645	3635	37.4
Particle Board	567	542	506	502	502	(11.5)	0.0	567	502	(11.5)
CFS	495	446	455	428	400	(19.3)	(6.7)	495	400	(19.3)
Others	56	46	70	78	93	66.8	19.7	56	93	66.8
Total Capital Employed	10764	11460	12235	11646	11070	2.8	(4.9)	10764	11070	2.8
EBIT/Sales (%)										
Plywood and Allied Business	19.8	11.2	13.2	13.1	14.9	(492bp)	180bp	15.8	13.0	(276bp)
Laminate and allied products	10.0	10.3	16.9	12.2	9.6	(44bp)	(263bp)	12.6	12.4	(17bp)
MDF	-108.0	-29.9	27.0	0.2	-3.7	10425bp	(395bp)	-4.4	-2.2	223bp
Particle Board	-28.3	-33.6	1.7	8.3	-11.4	1688bp	(1974bp)	-27.6	-8.4	-
CFS	25.5	28.1	27.1	30.9	26.7	116bp	(422bp)	26.6	28.3	166bp
Others	-23.3	-4.2	0.5	4.6	-14.6	872bp	(1917bp)	-17.6	-3.8	1386bp
Total EBIT/Sales	16.1	10.5	14.2	12.5	11.0	(507bp)	(146bp)	14.3	12.0	(225bp)
EBIT/Capital Employed (%)										
Plywood and Allied Business	13.7	7.1	7.1	7.8	10.8	(287bp)	303bp	39.7	38.2	(157bp)
Laminate and allied products	6.9	5.3	10.9	6.3	5.7	(119bp)	(63bp)	32.4	26.7	(566bp)
MDF	-0.2	-0.1	0.0	0.0	-0.7	(42bp)	(70bp)	-0.1	-0.7	(62bp)
Particle Board	-5.9	-6.9	0.5	1.7	-2.5	338bp	(413bp)	-12.2	-7.8	446bp
CFS	12.1	15.1	14.9	19.9	15.5	342bp	(436bp)	47.5	70.5	2298bp
Others	-38.3	-8.5	0.8	4.4	-15.4	2293bp	(1981bp)	-138.0	-15.3	12271bp
Total EBIT/Capital Employed (%)	7.9	4.4	5.6	5.5	5.5	(242bp)	(4bp)	25.6	22.0	(359bp)
Volume data										
Volume										
Plywood (CBM)	65,348	62,990	61,858	62,366	66,712	2.1	7.0	2,51,720	2,53,926	0.9
Laminates (No's)	13,59,342	10,34,746	15,44,859	13,34,656	15,92,657	17.2	19.3	49,25,024	55,06,918	11.8
CFS (TEU's)	19,004	20,970	20,950	20,866	18,150	(4.5)	(13.0)	80,153	80,936	1.0
MDF (CBM)	-	-	-	20,639	27,250	-	32.0	-	48,307	-
Net sales (Rs.mn)										
Plywood	3,488	3,172	3,045	3,204	3,212	(7.9)	0.2	12609	12633	0.2
Laminates	874	685	1,065	873	992	13.5	13.7	3241	3615	11.5
CFS	233	238	249	275	231	(1.1)	(16.1)	876	993	13.3
Prelam & Extra Grade laminates	110	99	145	111	195	76.6	76.0	394	550	39.5
MDF	-	-	-	473	648	-	37.0	0	1128	-
Particle Board	79	73	84	54	52	(34.6)	(3.9)	165	263	59.7
Others	100	118	157	109	112	12.0	2.3	539	489	(9.2)
Total	4,885	4,386	4,746	5,099	5,441	11.4	6.7	17,825	19,672	10.4
Average realization										
Plywood (Rs/CBM)	53,380	50,352	49,230	51,381	48,141	(9.8)	(6.3)	50,092	49,751	(0.7)
Laminates (Rs/No.)	643	662	689	654	623	(3.1)	(4.7)	658	657	(0.2)
CFS (Rs/TEU)	12,282	11,354	11,890	13,184	12,722	3.6	(3.5)	10,933	12,271	12.2
MDF (Rs/CBM)	-	-	-	22,908	23,765	-	3.7	-	23,351	-
EBITM										
Plywood	21.2	12.1	13.2	13.2	14.9	(628bp)	179bp	17.0	13.4	(363bp)
Laminates *	11.2	11.7	17.4	12.4	9.6	(156bp)	(277bp)	14.3	12.9	(137bp)
CFS	25.7	28.2	27.2	30.9	26.9	120bp	(408bp)	26.9	28.4	153bp
MDF	-	-	-	0.2	-3.7	(373bp)	(395bp)	-	-2.2	-
EBIDTAM										
Plywood	20.2	12.9	14.0	14.1	16.1	(410bp)	200bp	16.6	14.2	(240bp)
Laminates *	12.4	13.3	18.4	14.8	12.2	(20bp)	(260bp)	14.4	15.2	80bp
CFS	37.6	38.4	37.2	40.1	37.7	10bp	(240bp)	39.1	38.4	(70bp)
MDF	-	-	-	20.0	16.0	1600bp	(400bp)	-	19.0	-

Source: Company, AMSEC Research, * Including Pre Lam & Exteria Grade Laminates

4Q Concall Highlights

Financial updates

- Out of the 10% growth for FY18, 4% growth has come from existing business, 6% from MDF the quarter
- Higher RM costs, forex loss, high depreciation dent profitability in 4Q (-36% yoy)
- FY18 was a challenging year. Market was concerned about GST. Now with GST and E way bill, some green shoots can be expected for FY19.
- Usually 5/7% price hike is taken by the company, which was not possible in year gone by. Hence some stress in profitability.
- **Forex fluctuation** – The PBT for FY18 was lower by Rs350mn, mainly on the back of adverse forex difference amounting to Rs247mn as there is forex loss of Rs66mn vis-à-vis forex gain of Rs 181.3mn in FY17. Century has never hedged its exposure in last 14 years. However foreign loans have been trimmed to some extent. 1/3rd of the exposure is covered to exports of Laminates
- **Solar Panel project** – Already installed in Chennai with 1056 KWP. Expected to generate 1.4mn units per year, which will save Rs11.2mn annually on electricity bill. To install in all other units additional 5013 KWP which will bring total group generation of 6MWP, which is equivalent to 7.35 mn units
- **New Supply change management** – Century has gone for new supply change management which will increase inventory days and improve ROI for dealers.

Plywood

- Achieved topline of Rs12,500mn for FY18. Non-availability of high-value face veneer from LAOS and Myanmar and shortage of RM at Assam plywood unit impacted volume and margins.
- Incremental revenues of Rs1500mn is expected for FY19 on the back of new Guwahati plant. Volume growth and EBITDAM to be in the range of 14/15% for FY19.
- Sainik is 17/25% cheaper than premium product for Centuryply. Sainik PF and MR are not very low grade (4th Grade). MDF will replace the 4th grade of plywood.
- Sainik MR is 50% outsourced. Sainik PF, most of it is in house. Talks are on for outsourcing model. Rookie plant will produce Sainik. Expecting higher growth in lower grade plywood segment. Expecting 7/9% growth in premium range of products.
- Due to GST, there is market shift from Unorganized to organized in the low-end products. Margins in lower segment is better than premium products, being outsourced products.
- RM prices have shot up to Rs400/plank vis-à-vis Rs250 earlier. Prices are still high at Rs350/plank and hence planning to resort to price hike from 1st of June 2018.
- Update on Face veneer – There is no exports from Laos for face veneer. Myanmar has allowed cutting of timber, however only Govt agencies are allowed. The process is taking longer time. After a month or two things are expected to normalize.
- Sourcing of RM from Salomon island. Exploring sourcing from other Africa markets.
- Century is planning to come up with a unit in Gabbon. 100 units have started in Gabbon. Century has started into trading of Face veneer from Gabbon.
- 8/9% growth expected in next quarter and then 10/11% for rest quarters.
- No degrowth in premium verticals. West Bengal, Mumbai, Gujarat, North Indian market is growing. MP, Chhattisgarh de growth in premium segment.

Laminates

- Higher growth came in from export markets, albeit at lower realisation.
- Pass on of savings because of lower GST rate, increase in RM prices (crude derivative) led to lower margins. Century has resorted to price hike to combat higher RM costs
- 25% capacity expansion done in Laminates, 25% to be done in this quarter. Expecting 70% capacity utilization for FY19.
- Incremental revenues of Rs750mn expected in FY19 with 15% EBITDAM

MDF

- Century's products are well accepted by the market
- Particle boards only goes to institutional buyers, while MDF is getting acceptance from household's as well. It will cannibalize plywood sales
- Only 200 CBM/ day capacity was there in domestic market, prior to 20 years. Now the number is close to 4,000CBM/day (Green, Balaji, Sirdi). Led by higher availability, demand is good from Handicraft, partition, roofing, photo frame.
- Century is running at 70% of installed capacity. Last week it was running at 80%. For FY19, 80% CU is expected. EBITDAM of 20% expected due to machine installed which will help in savings in glue and electricity.
- Expecting imports to stop in coming 3/4 months as Rs depreciation will narrow the pricing difference between domestic and imported products
- Other players have obligation to export 15/20% of capacity as technology is imported from overseas markets.
- Till March 2018, Century did not cut prices. In April, competition has gone for 4% price cut and entire industry is following the trend.
- Planning to expand capacity 600 to 1000 CBM/day with capex of 100-120crs at existing locations.
- Demand from market is excellent though with new plants coming up, excess capacity will keep realisation and margin under pressure.
- Going ahead plan to come up with one more facility in Assam or AP.

Particle Boards

- The company has approached IKEA for outsourcing arrangement of particle board products.
- MDF and Particle board put together has garnered revenues of Rs1,500mn for FY18. Expecting incremental revenues of Rs2,500mn for FY19

Outlook

- Expecting topline of Rs25,000mn for FY19 i.e 25% growth yoy with ~100bps margin expansion to 16.5%.
- Tax rate to increase from 22% to 24/25% as profit from new capacity for laminates and MDF/particle board are not tax exempt.

Exhibit 6: Quarterly Net Revenue Trend

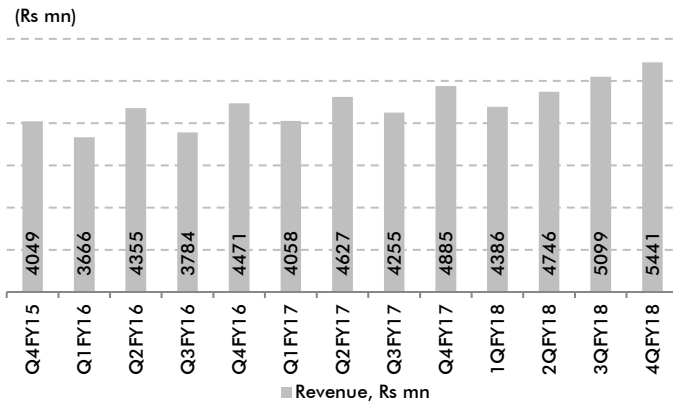


Exhibit 7: Quarterly EBITDA Trend

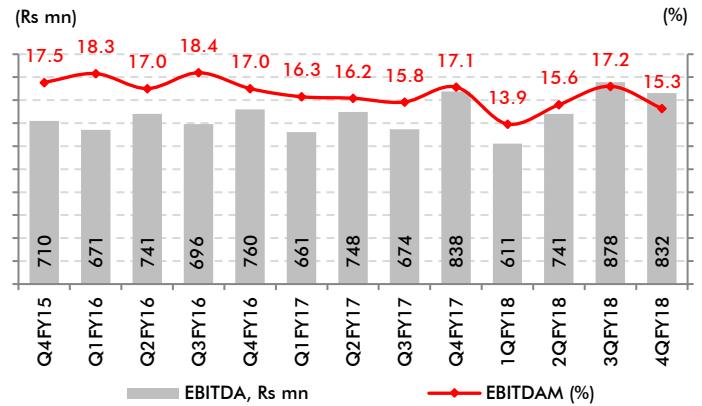


Exhibit 8: Quarterly PAT Trend

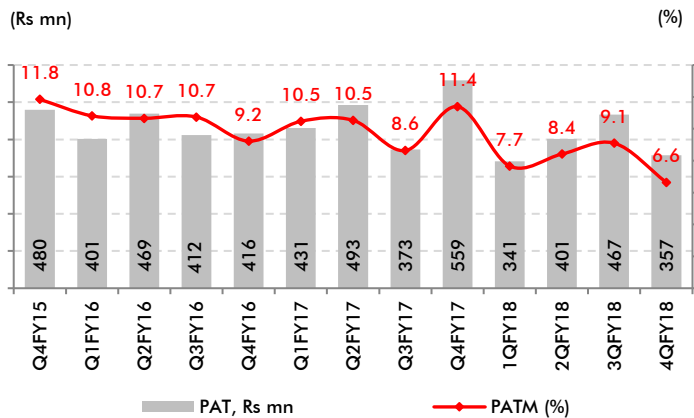
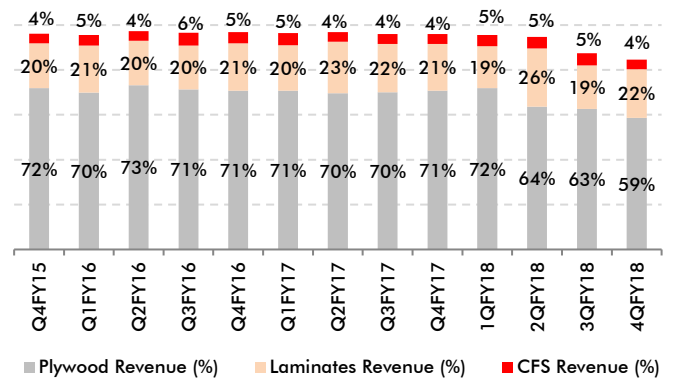


Exhibit 9: Segment Revenue Contribution



Source: Company, AMSEC Research

Quarterly Segment performance-Plywood

Exhibit 10: Net Revenue

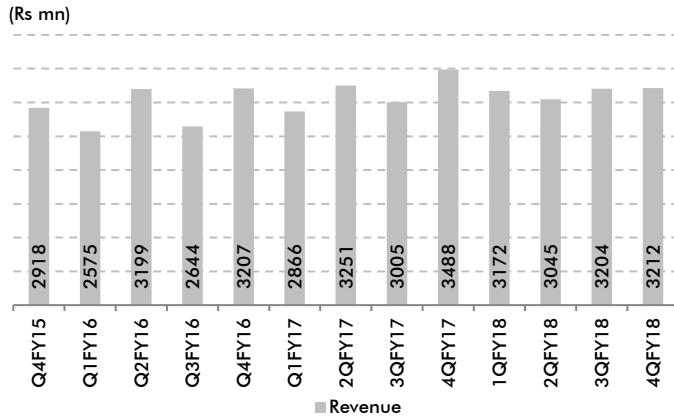


Exhibit 11: EBIT

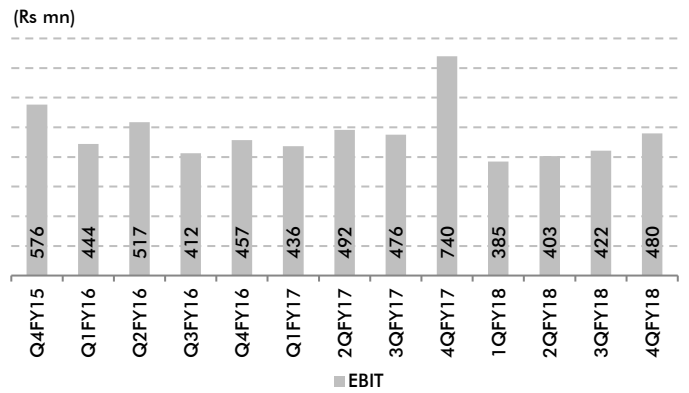


Exhibit 12: EBIT/Sales

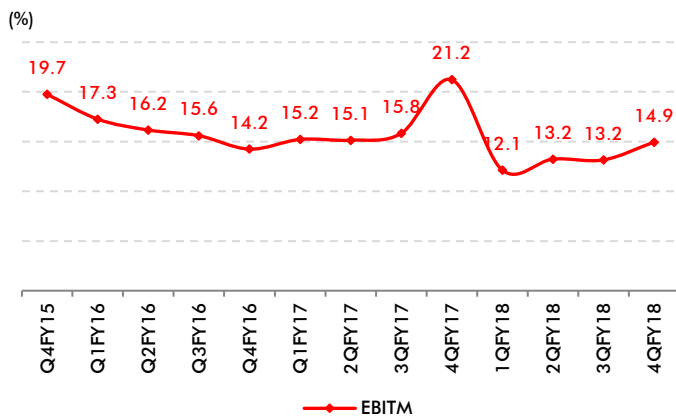
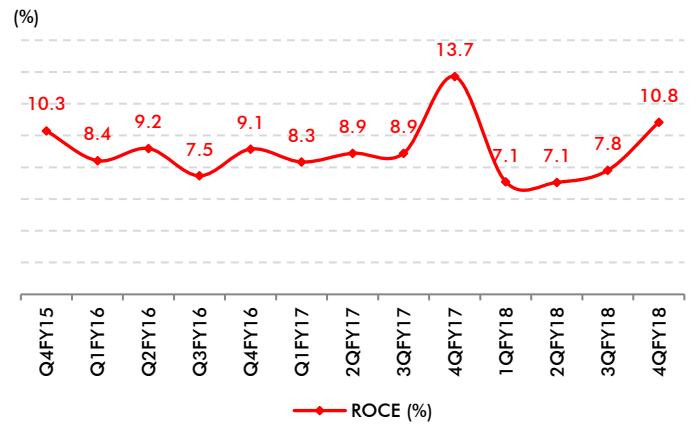


Exhibit 13: ROCE



Source: Company, AMSEC Research

Quarterly Segment performance -Laminates

Exhibit 14: Net Revenue

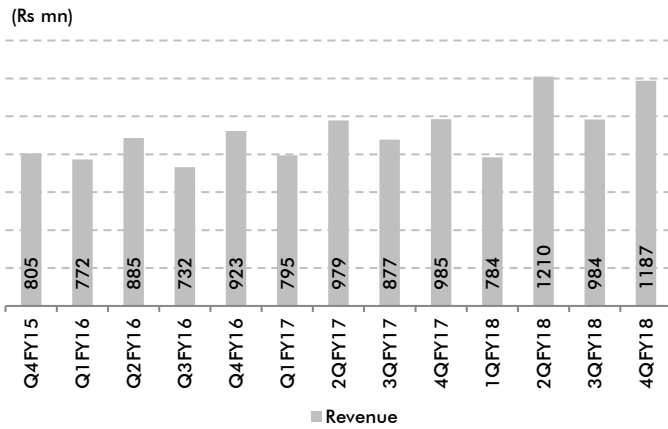


Exhibit 15: EBIT

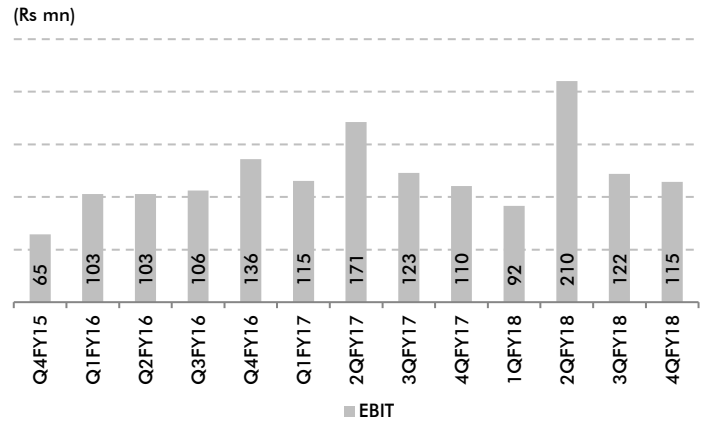


Exhibit 16: EBIT/Sales

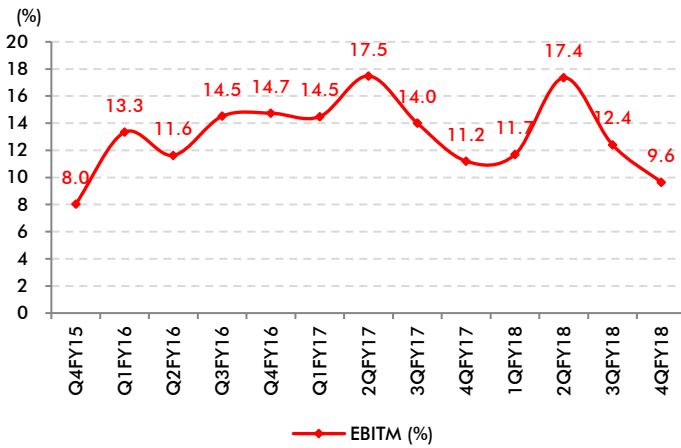
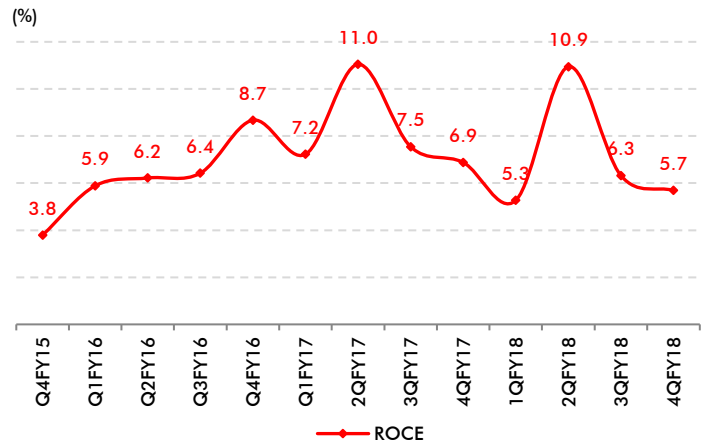


Exhibit 17: ROCE



Source: Company, AMSEC Research

Quarterly Segment performance -CFS

Exhibit 18: Net Revenue

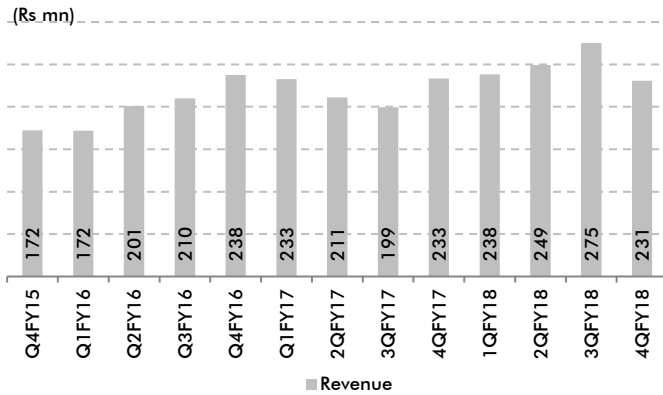


Exhibit 19: EBIT

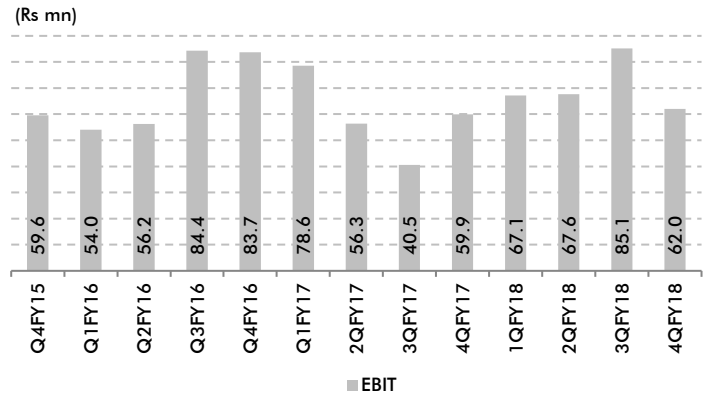


Exhibit 20: EBIT/Sales

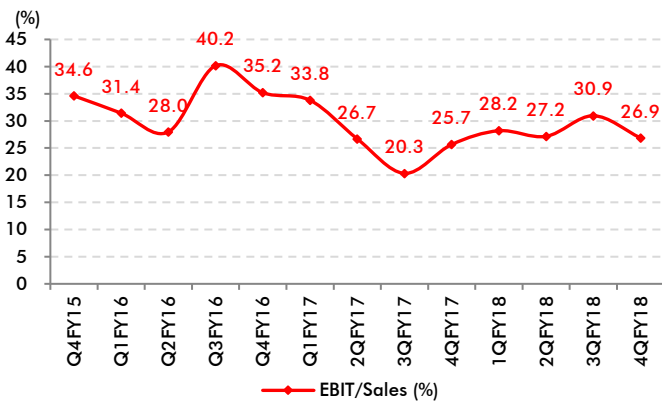
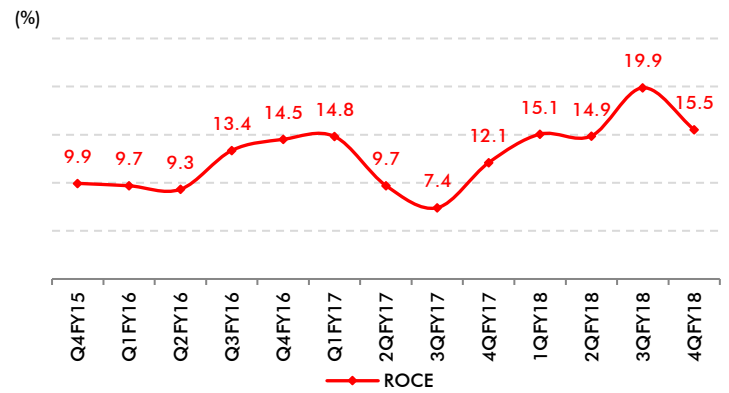


Exhibit 21: ROCE



Source: Company, AMSEC Research

Financial snapshot (Standalone)

Exhibit 22: Revenue

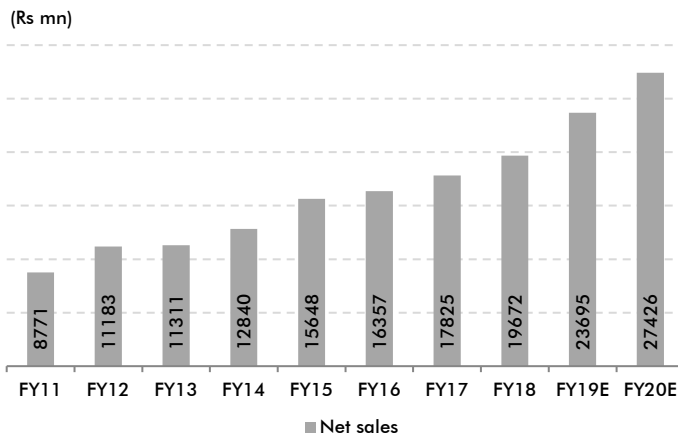


Exhibit 23: EBIDTA&EBIDTAM (%)

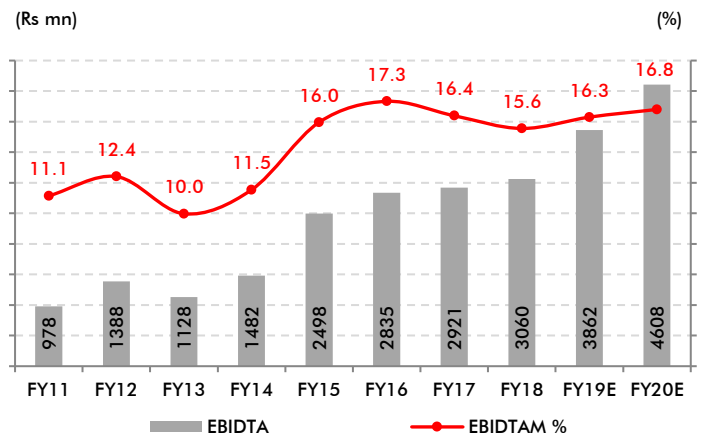


Exhibit 24: PAT & PATM (%)

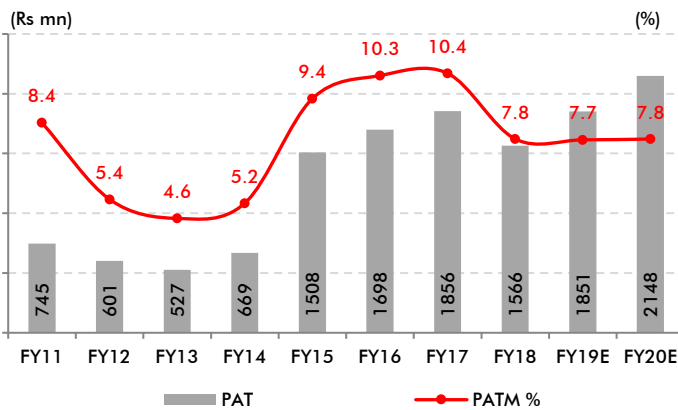


Exhibit 25: Return Ratios

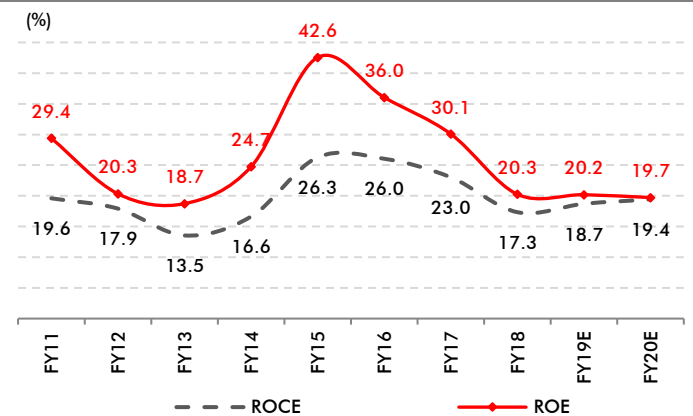


Exhibit 26: Dividend and Dividend payout ratio

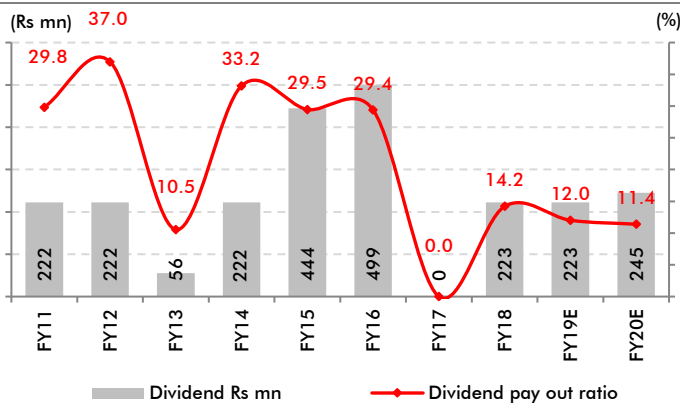
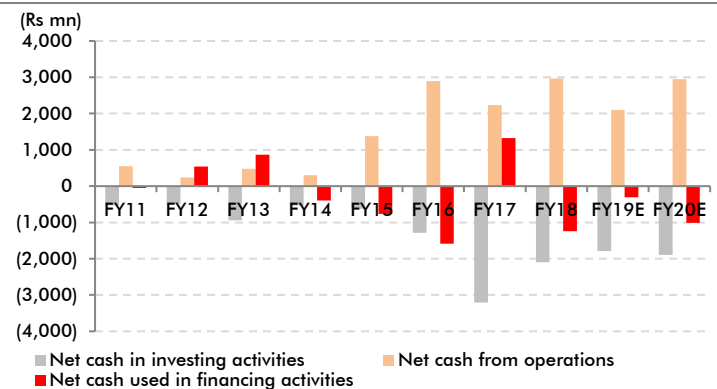


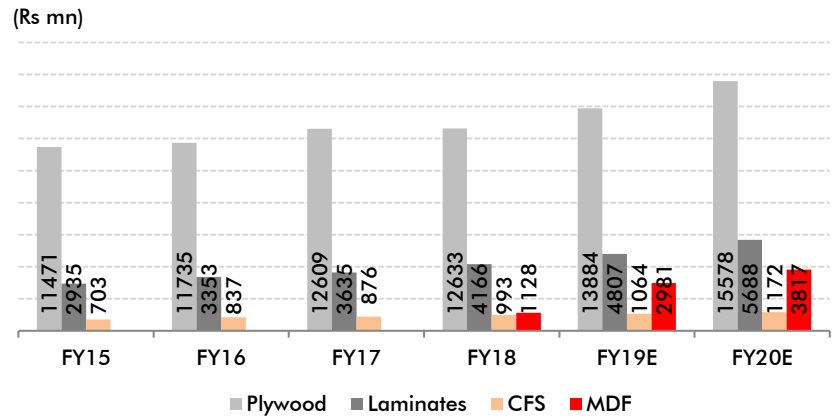
Exhibit 27: Cash Flow



Source: Company, AMSEC Research

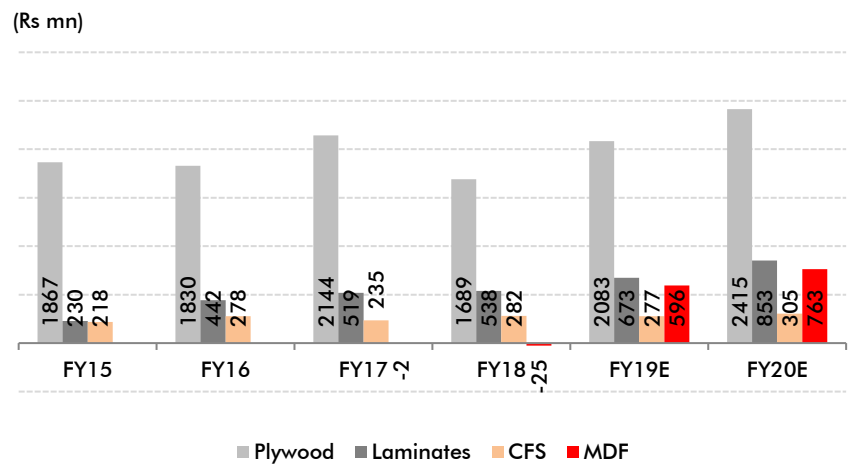
Yearly Segment performance

Exhibit 28: Segment revenue trend



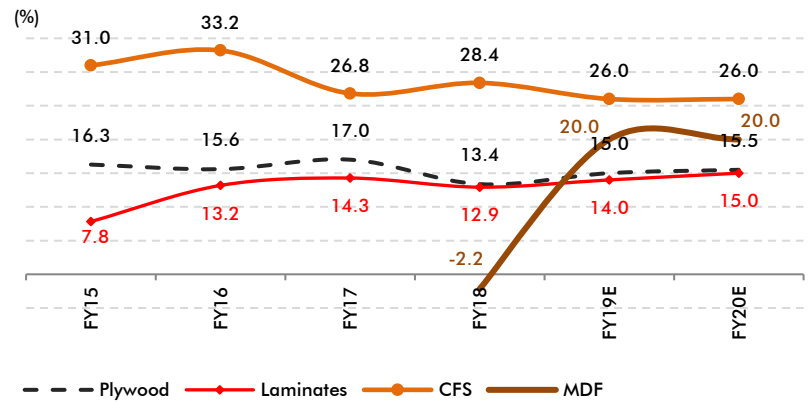
Source: Company, AMSEC Research

Exhibit 29: Segment EBIT trend



Source: Company, AMSEC Research

Exhibit 30: Segment EBITM trend



Source: Company, AMSEC Research

Century Plyboards (India) Ltd. Financials (Standalone)

(Rs mn)

Profit and Loss Account

Y/E (Mar)	FY16	FY17	FY18	FY19E	FY20E
Net sales	16357	17825	19672	23695	27426
Inc./Dec. in Stock	81	-16	452	197	180
Raw material cons.	8514	9165	10170	12156	13987
Power & Fuel cost	301	374	449	521	599
Employee cost	2278	2567	2839	3265	3755
Other mfg Exp.	896	996	1175	1351	1541
General & Adm. Exp.	302	312	368	416	470
Selling & Advt. Exp.	779	907	1070	1230	1415
Misc. Expenses	579	768	973	1090	1232
Total expenditure	13603	14887	17064	20030	22999
Operating profit	2835	2921	3060	3862	4608
Other income	65	226	67	74	81
Interest expense	465	286	327	327	324
Gross Profit	2435	2861	2801	3609	4365
Dep. & Amortization	437	524	810	1204	1538
PBT	1998	2337	1990	2404	2826
Provision for Tax	300	481	424	553	678
Reported Net Profit	1698	1856	1566	1851	2148
Share O/s mn	223	223	223	223	223
EPS Rs	7.6	8.3	7.0	8.3	9.7

Cash Flow Statement

Y/E (Mar)	FY16	FY17	FY18	FY19E	FY20E
PBT	1998	2337	1990	2404	2826
Non-cash adjust.	995	633	1130	1531	1862
Chg. in working cap.	365	-283	263	-1242	-1020
Tax & Interest Paid	-463	-457	-422	-593	-718
Cashflow from op.	2895	2230	2961	2101	2950
Capital expenditure	-1266	-2897	-2092	-1785	-1890
Change in invest.	1	0	0	0	0
Cashflow from inv.	-1287	-3208	-2092	-1785	-1890
Issue of equity	0	0	0	0	0
Issue/repay debt	0	0	-648	287	-394
Interest Paid	-261	-239	-327	-327	-324
Dividends paid	-499	0	-223	-223	-245
Other fin. Cash flow	-208	-47	0	0	0
Cash flow from fin.	-1588	1326	-1243	-308	-1013
Chg cash & cash eq	20	349	-373	8	47
Open. cash eq	170	190	539	165	173
Clsq cash & cash eq	191	539	165	173	221
CashFlow to firm	1629	-667	869	316	1060

Key Ratios

Y/E Mar	FY16	FY17	FY18	FY19E	FY20E
PER SHARE					
EPS Rs	7.6	8.3	7.0	8.3	9.7
CEPS Rs	9.6	10.7	10.7	13.7	16.6
Book Value Rs	23.6	31.8	37.7	44.8	53.1
VALUATION					
EV / Net Sales	3.6	3.8	3.3	2.8	2.4
EV / EBITDA	20.9	23.3	21.2	16.9	14.1
P / E Ratio	32.4	33.7	38.2	32.3	27.9
P / BV Ratio	10.5	8.8	7.1	6.0	5.1
GROWTH YOY%					
Sales Growth	4.5	9.0	10.4	20.5	15.7
EBITDA Growth	13.5	3.0	4.8	26.2	19.3
Net Profit Growth	12.6	9.3	-15.6	18.2	16.0
Gross Fixed Asset Growth	-1.7	43.0	108.9	40.3	18.8
PROFITABILITY					
Gross Profit/ Net sales (%)	30.4	30.9	27.6	30.3	31.0
EBITDA / Net Sales (%)	17.3	16.4	15.6	16.3	16.8
NPM / Total income (%)	10.3	10.4	7.8	7.7	7.8
Raw Material/Net Sales (%)	52.0	51.4	51.7	51.3	51.0
Int/PBIT (%)	19.4	11.9	14.5	12.3	10.5
ROE (%)	36.0	30.1	20.3	20.2	19.7
ROCE (%)	26.0	23.0	17.3	18.7	19.4
ROIC (%)	26.3	24.8	20.1	19.1	19.1
Tax / PBT (%)	15.0	20.6	21.3	23.0	24.0
TURNOVER (Days)					
Net Working Cycle	106	88	72	74	74
Debtors Velocity	64	69	58	60	60
Inventory	74	65	74	73	73
Creditors Velocity	36	56	63	62	62
Gross Asset Ratio	6.8	6.1	3.7	2.8	2.5
Total Asset Ratio	1.5	1.3	1.2	1.3	1.4
LIQUIDITY (x)					
Gross Debt-Equity Ratio	0.9	0.8	0.6	0.6	0.4
Net Debt-Equity Ratio	0.8	0.8	0.6	0.5	0.4
Interest Coverage	5.2	8.4	6.9	8.1	9.5
Current Ratio (x)	1.2	1.2	1.2	1.3	1.5
Quick Ratio (x)	0.7	0.8	0.7	0.8	0.9
PAYOUT					
Payout (%)	29.4	0.0	14.2	12.0	11.4
Dividend (%)	1.0	1.0	1.0	1.1	1.2
Yield (%)	0.4	0.4	0.4	0.4	0.4

Balance Sheet

Y/E (Mar)	FY16	FY17	FY18	FY19E	FY20E
SOURCES OF FUNDS :					
Share Capital	223	223	223	223	223
Reserves Total	5028	6864	8157	9741	11594
Total Shareh. Funds	5251	7086	8379	9963	11816
Non-Current Liab.					
Long term borrowings	640	1467	1669	1670	1587
Deferred tax liability	0	0	0	-40	-80
Other long term liab.	3	2	7	8	9
Long-term provisions	0	104	101	119	136
Long-term trade pay.	0	0	0	0	0
Current Liabilities					
Short term borrowings	3410	4103	3353	3587	3229
Trade payables	843	1411	1764	2065	2376
Other current liabilities	873	911	1019	1202	1370
Short term provisions	68	82	15	48	86
Total Equity & Liab.	11420	15547	16593	18959	20913
APPLICATION OF FUNDS :					
Non Current Assets					
Fixed Assets					
Gross Block	2397	3427	7161	10044	11934
Less: Accum Dep.	421	931	1741	2946	4484
Net Block	1976	2497	5420	7098	7450
Capital WIP	297	2839	1198	100	100
Noncurrent Investment	497	960	960	960	960
Long term loans & adv.	730	789	807	953	1086
Other non-current ass.	553	343	260	307	349
Current Assets					
Current investment	0	0	0	0	0
Inventories	2752	2638	3382	3991	4549
Sundry Debtors	2868	3353	3145	3895	4508
Cash and Bank	191	539	165	173	221
Short Loans & Adv.	48	46	139	164	187
Others Current Assets	878	1543	1117	1318	1502
Total Assets	11420	15547	16593	18959	20913
Net working capital	1018	693	1346	2130	3303
Total Gross Debt	4496	5955	5307	5594	5199
Total Net debt	4306	5416	5142	5421	4979
Total capital employed	9747	13041	13686	15517	16936

Recommendation rationale

Buy: Potential upside of	> +15% (absolute returns)
Accumulate:	> +5 to +15%
Reduce:	+5 to -5%
Sell:	< -5%
Not Rated (NR):	No investment opinion on the stock

Sector rating

Overweight:	The sector is expected to outperform relative to the Sensex.
Underweight:	The sector is expected to underperform relative to the Sensex.
Neutral:	The sector is expected to perform in line with the Sensex.

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