

February 7, 2018

## Result Update

# Century Plyboards (India) (CENPLY)

₹ 294

## MDF plant goes on stream...

- Century Plyboards' (CPIL) topline grew 19.9% YoY to ₹ 509.9 crore (our estimate: ₹ 520.4 crore) led by incremental contribution from MDF division which commenced operations in October, 2017
- EBITDA margin expanded 130 bps YoY to 17.2% (our expectation: 16.7%) mainly on account of revenue contribution from high margin MDF division which clocked margins of 20%
- Net profit grew robustly by 25.1% YoY to ₹ 46.6 crore (our estimate: ₹ 45.1 crore) led by strong topline growth and margin expansion

## Laminate & allied division revenues grow 12.2% YoY to ₹ 98.4 crore...

In Q3FY18, CPIL's laminates and allied division reported a strong performance. Revenues grew 12.2% YoY to ₹ 98.4 crore on the back of a strong performance in both domestic and export market. CPIL is undergoing a capex in laminates division by setting up two new production lines post which its capacity would augment from 4.8 mn sheets to 7.2 mn sheets. Out of this, one line has become operational from January 21, 2018. Consequently, with anticipated demand pick-up coupled with timely capacity expansion, we expect laminates and allied division revenues to grow at 14.1% CAGR to ₹ 581.9 crore in FY18-20E.

## Plywood & allied division revenues grew 6.6% YoY to ₹ 320.4 crore...

Plywood and allied division revenues grew 6.6% YoY to ₹ 320.4 crore largely led by volume growth of 4.8% YoY to 49859 CBM. The muted growth was due to delay in implementation of e-way bill which has made it easier for unorganised players to trade which has impacted the business of the company. Furthermore, plywood division EBITDA margins fell 120 bps YoY to 14.8% due to higher raw material (veneer, timber, glue etc) costs. Overall, we expect plywood & allied segment revenues to grow moderately at 5.8% CAGR to ₹ 1598.4 crore in FY18-20E.

## MDF capacity started operations in Q3FY18...

The new MDF facility has commenced operations on October 3<sup>rd</sup>, 2017. The company has clocked revenues to the tune of ₹ 47.3 crore in Q3FY18 and EBITDA margins of 20%. The plant operated at 53% capacity utilization and expects it to operate at ~70% for Q4FY18E, 80% plus for FY19E, respectively. The management expects to improve MDF EBITDA margins to 24-26% over the course of time with improvement in capacity utilization. Also, the realisations are expected to improve with introduction of value added products like pre-laminated MDF and water resistant MDF. With CPIL receiving strong response for MDF, the company is looking for a brownfield expansion of 400 CBM/day at existing MDF unit and also set-up a new MDF unit at Assam (MDF to be made of bamboo). Overall, we expect MDF revenues of ₹ 362.5 crore & ₹ 439.2 crore in FY19E & FY20E, respectively.

## MDF to be a major growth driver for the company; maintain BUY...

We remain positive on CPIL's future growth strategy as the share of Indian organised plywood players (currently 30% of plywood market) is set to expand with GST rollout, higher brand aspirations & CPIL's strong brand presence. During FY18E-20E, we expect the topline, bottomline to grow robustly at 18.9%, 28.6% CAGR to ₹ 2829.8 crore, ₹ 308.8 crore, respectively, with contribution from the high margin MDF division. We continue to maintain our **BUY** recommendation on the stock with a revised target price of ₹ 350 (25x FY20E EPS).

Rating matrix		
Rating	:	Buy
Target	:	₹ 350
Target Period	:	12-18 months
Potential Upside	:	19%

What's Changed?	
Target	Changed from ₹ 320 to ₹ 350
EPS FY18E	Changed from ₹ 8.3 to ₹ 8.4
EPS FY19E	Changed from ₹ 11.4 to ₹ 11.0
EPS FY20E	Changed from ₹ 13.8 to ₹ 13.9
Rating	Unchanged

Quarterly Performance					
(₹ crore)	Q3FY18	Q3FY17	YoY (%)	Q2FY18	QoQ (%)
Revenue	509.9	422.9	20.6	474.6	7.5
EBITDA	87.7	67.3	30.4	74.1	18.5
EBITDA (%)	17.2	15.9	129 bps	15.6	160 bps
PAT	46.6	37.3	25.1	40.1	16.2

Key Financials				
(₹ Crore)	FY17	FY18E	FY19E	FY20E
Net Sales	1,782.5	2,000.9	2,451.6	2,829.8
EBITDA	292.0	341.2	430.0	525.5
Net Profit	185.6	186.8	245.1	308.8
EPS (₹)	8.4	8.4	11.0	13.9

Valuation summary				
(x)	FY17	FY18E	FY19E	FY20E
P/E	35.2	34.9	26.6	21.1
Target P/E	41.9	41.6	31.7	25.2
EV / EBITDA	24.1	20.8	16.5	13.6
P/BV	9.2	7.7	6.3	5.2
RoNW (%)	26.2	22.0	23.7	24.4
RoCE (%)	21.7	19.3	22.8	23.3

Stock data	
Particular	Amount (₹ crore)
Market Capitalization	6,525.2
Total Debt	563.0
Cash	17.0
EV	7,071.2
52 week H/L (₹)	363 / 206
Equity capital	22.3
Face value (₹)	1.0

Price performance (%)				
(%)	1M	3M	6M	12M
Greenply Industries	5.9	28.6	31.2	34.3
Century Plyboard	(4.4)	16.7	8.7	63.0
Archidply Industries	(8.1)	3.0	0.7	64.8
Sarda Plywood	(4.7)	9.4	(10.8)	13.1

Research Analyst	
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### Variance analysis

Particular	Q3FY18	Q3FY18E	Q3FY17	YoY Chg (%)	Q2FY18	QoQ Chg (%)	Comments
Net Sales	509.9	520.4	422.9	20.6	474.6	7.5	Topline growth can be attributed to incremental contribution from MDF division
Other Income	4.2	2.0	3.3	27.7	0.6	582.5	
Material Consumed	204.0	191.9	144.8	40.9	161.7	26.1	
Purchase of Stock in Trade	84.0	95.4	73.7	14.0	87.0	-3.5	
Employee Benefit Expenses	72.3	81.7	63.8	13.4	67.6	7.0	
Other Expenses	89.2	64.2	74.4	19.9	78.4	13.7	
EBITDA	87.7	87.1	67.3	30.4	74.1	18.5	
EBITDA Margin (%)	17.2	16.7	15.9	129 bps	15.6	160 bps	Margin expansion was led by revenue contribution from high margin MDF division
Depreciation	26.3	16.8	15.0	75.9	13.8	90.3	
Interest	6.3	12.9	11.2	-44.0	7.9	-20.8	
PBT	59.4	59.4	44.5	33.6	52.9	12.2	
Taxes	12.8	14.2	7.2	77.9	12.8	-0.3	
PAT	46.6	45.1	37.3	25.1	40.1	16.2	PAT growth was led by strong topline growth and margin expansion

Source: Company, ICICIdirect.com Research

### Change in estimates

Particulars (₹ crore)	FY18E		FY19E			FY20E			Comments
	Old	New	% change	Old	New	% change			
Revenue	2,000.9	2,504.8	2,451.6	-2.1	2,866.1	2,829.8	-1.3	We have tweaked our estimates	
EBITDA	341.2	433.2	430.0	-0.7	517.3	525.5	1.6		
EBITDA Margin (%)	17.1	17.3	17.5	24 bps	18.0	18.6	57 bps		
PAT	186.8	253.7	245.1	-3.4	310.0	308.8	-0.4		
EPS (₹)	8.4	11.4	11.0	-3.4	14.0	13.9	-0.4		

Source: Company, ICICIdirect.com Research

### Assumptions

Volume Assumptions	Current			Earlier		Comments
	FY16	FY17	FY18E	FY19E	FY20E	
Plywood & Veneer(In CBM)	241,794	251,720	251,144	273,005	300,306	272,482 299,731 We have tweaked our estimates
MDF (CBM)	0	20,557	54,000	153,000	180,000	162,000 180,000
Laminate Sheets (In Mn)	4.3	5.0	5.4	6.1	7.0	6.6 7.6
Pre-laminated Boards (In Mn SQM)	1.0	0.9	1.1	1.2	1.3	1.2 1.4

Source: Company, ICICIdirect.com Research

## Conference Call Highlights

- **Growth outlook:** The management foresees ~15-20% YoY revenue growth in the laminate division in Q4FY18E
- **Plywood performance:** The muted growth in the plywood division was largely due to delay in implementation of e-way bill which has resulted in free movement of goods for the unorganised players which has impacted the business of the company. Also, the company would take a price hike in plywood division, once the situation improves which would aid plywood EBITDA margins, going forward
- **Laminates division:** The laminates division revenues grew at 12.2% YoY and the management expects to clock revenue growth of ~15-20% in Q4FY18E. The company has also taken a 3% price hike on Feb 1, 2018 in laminates to pass on the rise in raw material prices
- **MDF new facility:** The new MDF facility has started contributing to topline in Q3FY18. The plant operated at 53% capacity utilization and clocked revenues of ₹ 47.3 crore at EBITDA margin of ~20%. The average realization stood at ₹ 22908/CBM and 70% of sales were in the North
- **Sainik:** Sainik volumes have fallen down by 14% YoY to ~10000 CBM as it is facing heat from low end unorganised plywood as unorganised players are benefiting from delay in implementation of e-way bill. However, the management expects the Sainik volumes to improve post e-way bill implementation
- **Industry commentary:** Over the past few years, the plywood industry has grown at ~15% CAGR. However, it expects the plywood industry to grow at a moderate pace of ~5-10% CAGR given the strong acceptance of MDF. Furthermore, MDF industry is expected to maintain its growth rate of 20-25% CAGR over the next few years given its low penetration and higher acceptance currently
- **New plants:** With strong MDF prospects in sight and increasing acceptance of the product, the company is looking to set up some MDF plants in future. It would first look to do a brownfield expansion at its existing MDF unit where it can built incremental capacity of 400 CBM/day with incremental capex of ~₹ 100 crore. Furthermore, it is also looking to set-up MDF unit in UP where there is strong MDF demand and one MDF unit in Assam (MDF to be manufactured from bamboo)
- **Cement board competition:** The management feels that cement board is not a competition to MDF given the prior's limited usage and low utility. Also, the company itself has marketed cement board for the past 20 months but have not received any strong response

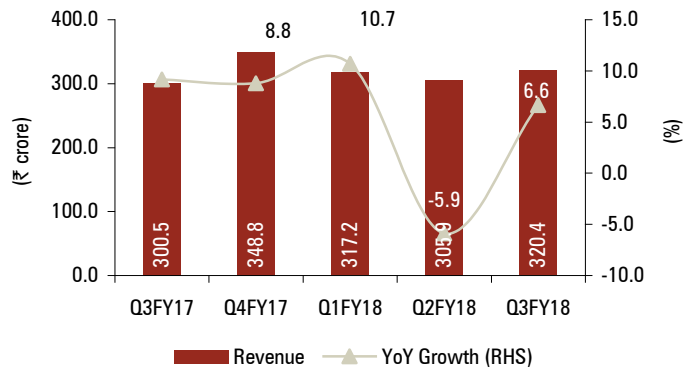
## Company Analysis

### Leading plywood player in India...

CPIL, with seven manufacturing plants and an aggregating capacity of 209,420 CBM, is a leading plywood player in India. At CPIL, one of the principal initiatives that were taken was the prudent addition to the capacity of respective businesses. This decision to increase production capacity in the midst of an economic slowdown was CPIL's conviction in long-term prospects, relatively better equipment value during such periods and quicker delivery.

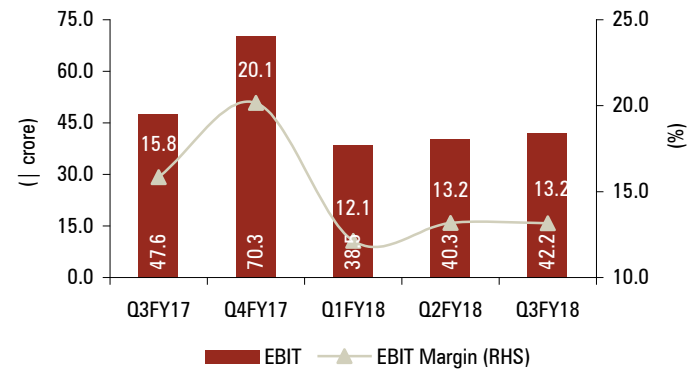
In Q3FY18, plywood & allied division revenues grew 6.6% YoY to ₹ 320.4 crore. Plywood division volumes grew 4.8% YoY to 49859 CBM.

**Exhibit 1: Quarterly plywood & allied products revenue**



Source: Company, ICICIdirect.com, Research

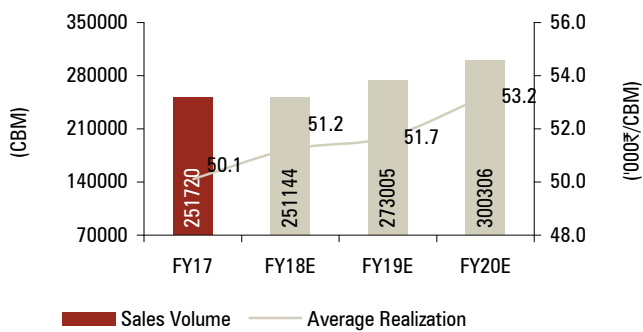
**Exhibit 2: Quarterly plywood and allied products EBIT & EBIT margin**



Source: Company, ICICIdirect.com, Research

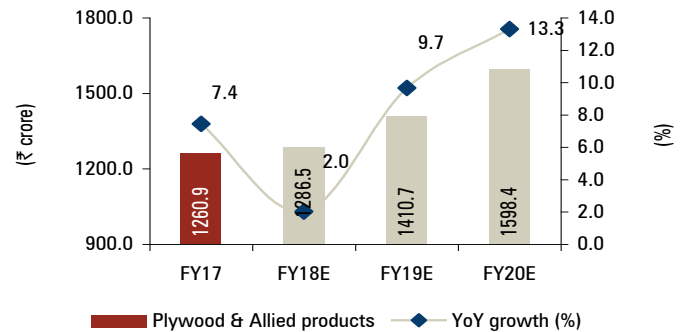
Going ahead, we expect plywood sales volume at 299731 CBM in FY20E with average realisation of ₹ 51978 per CBM. This would lead to revenue CAGR of 5.8% during FY18-20E to ₹ 1598.4 crore.

**Exhibit 3: Plywood sales volume and average realisation**



Source: Company, ICICIdirect.com, Research

**Exhibit 4: Plywood revenue and growth trend**



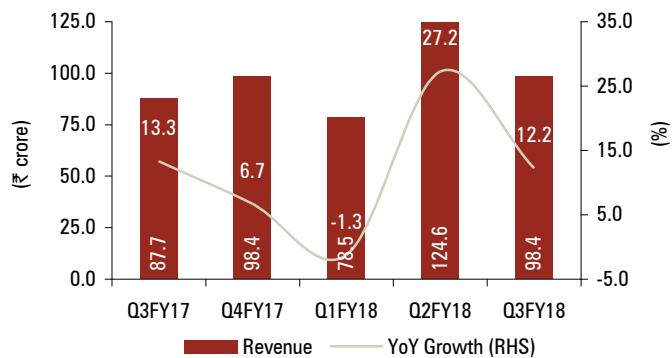
Source: Company, ICICIdirect.com, Research

### Laminate business: well poised in terms of capacity...

At a very early stage, CPIL recognised the need to cater to customers with a growing supply of varied interior products. Hence, the company extended from manufacture of plywood to laminates, decorative veneers etc. facilitating cross sale, superior leverage of existing brand and a better use of a robust dealer network. After creating a strong brand recall in plywood and leveraging it, going ahead, CPIL would now be focusing on the laminate segment through aggressive brand spending. Going ahead, we expect enhanced capacity and branding to lead to an increase in market share and, in turn, robust revenue growth. Operating leverage would lead to an increase in margins and, in turn, higher profitability.

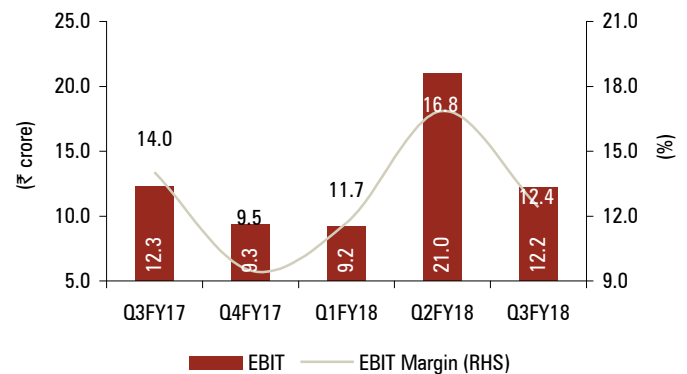
In Q3FY18, CPIL's laminates and allied division reported a strong performance. Revenues grew 12.2% YoY to ₹ 98.4 crore on the back of a strong performance in both domestic and export market. Overall, the laminate volumes grew 11.8% YoY to 13.3 lakh sheets. Going ahead, with demand improvement and capacity augmentation to capture the incremental demand, we expect laminates & allied division revenues to grow at 14.1% CAGR to ₹ 581.9 crore during FY18-20E

**Exhibit 5: Quarterly laminate & allied products revenue**



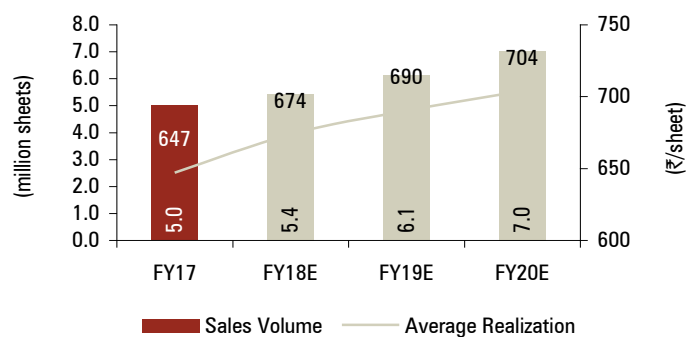
Source: Company, ICICIdirect.com, Research

**Exhibit 6: Quarterly laminate & allied products EBIT & EBIT margin**



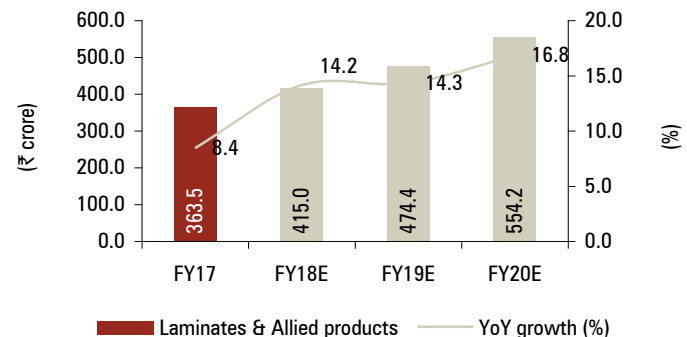
Source: Company, ICICIdirect.com, Research

**Exhibit 7: Laminate sales volume and average realisation trend**



Source: Company, ICICIdirect.com Research

**Exhibit 8: Laminate revenue and growth trend**



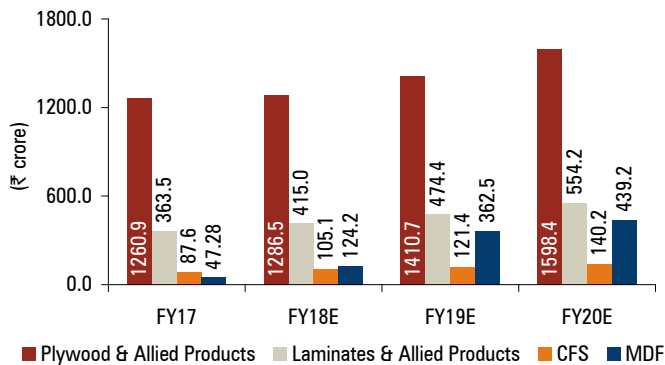
Source: Company, ICICIdirect.com Research

We expect revenues to witness robust growth of 18.9% CAGR to ₹ 2829.8 crore during FY18-20E

### Net revenues to grow at 18.9% CAGR during FY18-20E...

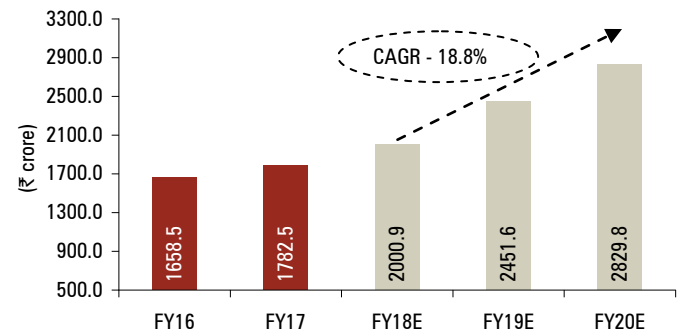
On the basis of our demand drivers, we expect the plywood and panel industry to grow at a decent rate. With the structural shift in the industry, we believe CPIL would be a key beneficiary, going ahead. CPIL's strong brand equity, raw material security and robust distribution network would give a significant boost to its revenues in the coming years. The company has been able to counter a progressive commoditization of plywood with increased realisation of its well established brands. Hence, CPIL's products command 15-30% premium over other products. Furthermore, MDF division has started contributing Q3FY18E onwards. Consequently, we estimate CPIL's net revenue will grow at 18.9% CAGR to ₹ 2829.8 crore over FY18-20E.

**Exhibit 9: Segmental net revenue trend**



Source: Company, ICICIdirect.com Research

**Exhibit 10: Total net revenue trend**



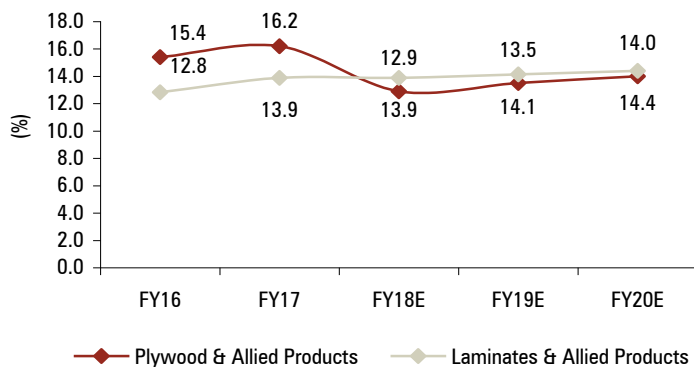
Source: Company, ICICIdirect.com Research

We expect EBIT margin of the plywood division to expand 110 bps to 14.0% on account of raw material price rises over FY18-20E.

### EBIT margin expected to expand on back of MDF revenues...

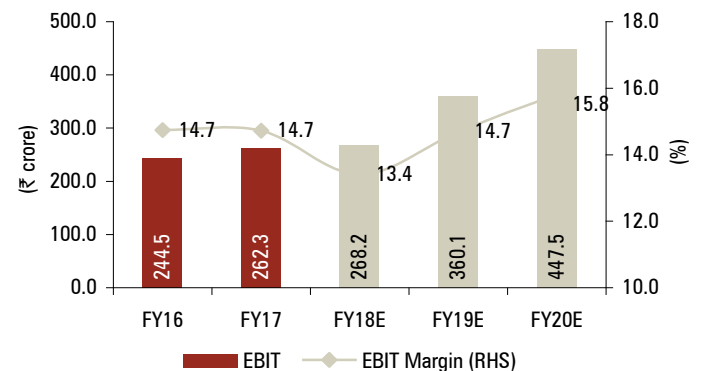
CPIL's prudent strategy to augment capacity in both plywood & laminates in challenging times for the business would benefit in times of rebound. Hence, going ahead, we expect operating leverage to play out well for CPIL. However, CPIL faced steep price rises in raw materials due to some regulatory issues at Laos and Myanmar from where it imports veneer. Raw material prices could stay elevated over the next few quarters. However, over the long term, CPIL is confident of clocking strong margins. Consequently, EBIT is expected to grow to ₹ 439.3 crore during FY18-20E. We expect the EBIT margin to expand 240 bps YoY to 15.8% in FY18-20E with high margin MDF division started contributing to revenues from Q3FY18 onwards.

**Exhibit 11: Segmental EBIT trend**



Source: Company, ICICIdirect.com Research

**Exhibit 12: EBIT margin trend**



Source: Company, ICICIdirect.com Research

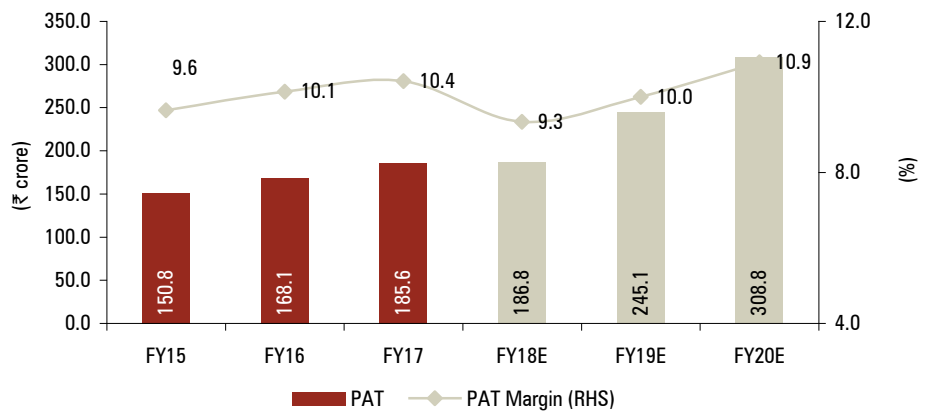


We envisage healthy bottomline growth of 28.6% CAGR during FY18-20E to ₹ 308.8 crore aided mainly by the strong topline performance and stable margins

**PAT to grow at 28.6% CAGR in FY18-20E...**

CPIL imports substantially for its raw material requirements. The company reviews foreign currency risk periodically and takes hedging initiatives accordingly. In FY14, due to forex volatility, CPIL had to book losses worth ~₹ 44 crore on its un-hedged open positions of buyer's credit, which impacted its bottomline substantially. With a strong brand recall, robust distribution network, structural change in raw material procurement method and expansion in margin on account of operating leverage, we expect earnings to grow at a faster pace, going ahead. Hence, we anticipate bottomline will grow at 28.6% CAGR to ₹ 308.8 crore on the back of strong revenue growth and margin improvement.

**Exhibit 13: PAT growth trend**

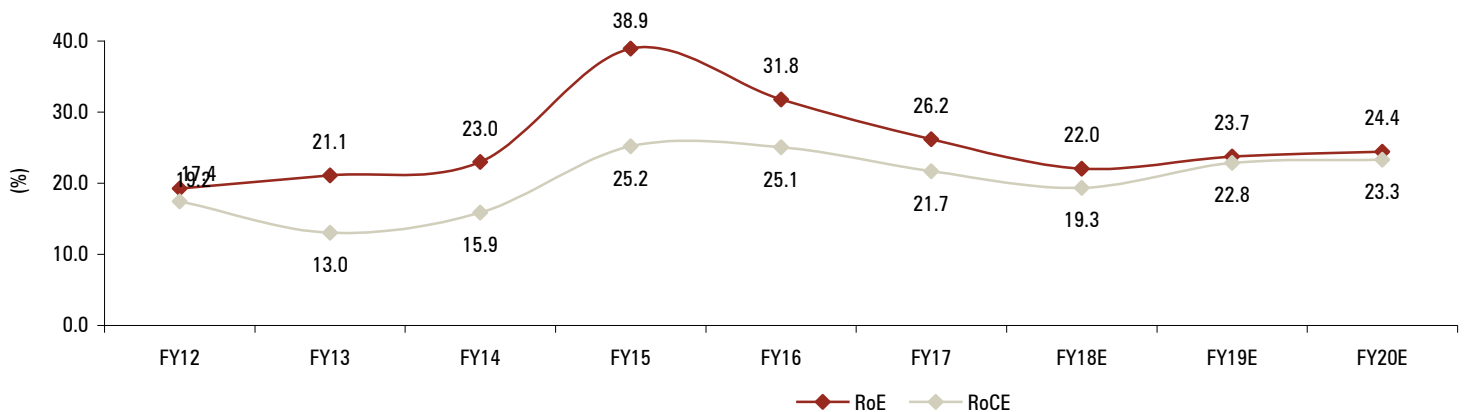


Source: Company, ICICIdirect.com Research

**Healthy return ratios...**

The average RoE and RoCE of CPIL during FY02-17 have remained at the level of 28.4% and 20.1%, respectively. Going forward, RoE and RoCE should improve to 24.4% and 23.3%, respectively in FY20E.

**Exhibit 14: RoE and RoCE trend**



Source: Company, ICICIdirect.com Research

We maintain a **BUY** recommendation on CPIL with a target price of ₹ 350/share. Our target price implies 25x FY20E EPS.

## Valuation

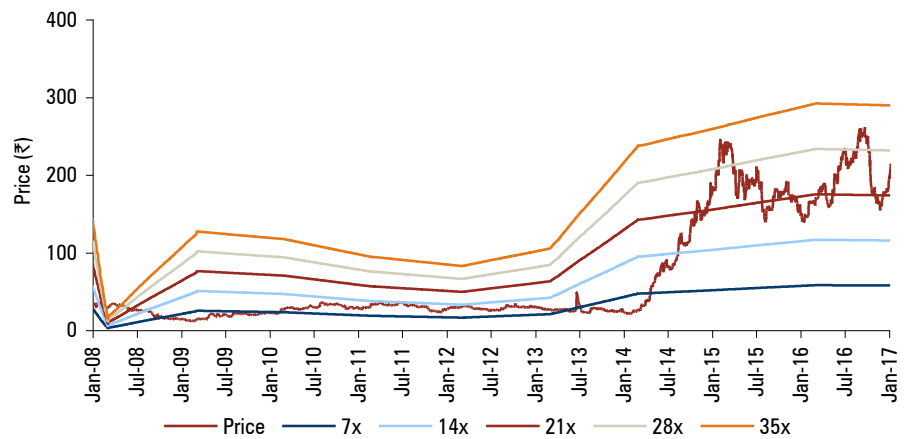
We remain positive on CPIL's future growth strategy as the share of Indian organised plywood players (currently 30% of plywood market) is set to expand with GST rollout, higher brand aspirations & CPIL's strong brand presence. During FY18E-20E, we expect the topline, bottomline to grow robustly at 18.9%, 28.6% CAGR to ₹ 2829.8 crore, ₹ 308.8 crore, respectively, with contribution from the high margin MDF division. We continue to maintain our **BUY** recommendation on the stock with a revised target price of ₹ 350 (25x FY20E EPS).

**Exhibit 15: Valuation Metrics**

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY16	1658.5	6.0	7.6	11.4	38.8	24.6	31.8	25.1
FY17	1782.5	7.5	8.4	10.4	35.2	24.1	26.2	21.7
FY18E	2000.9	12.3	8.4	0.7	34.9	20.8	22.0	19.3
FY19E	2451.6	22.5	11.0	31.2	26.6	16.5	23.7	22.8
FY20E	2829.8	15.4	13.9	26.0	21.1	13.6	24.4	23.3

Source: Company, ICICIdirect.com Research

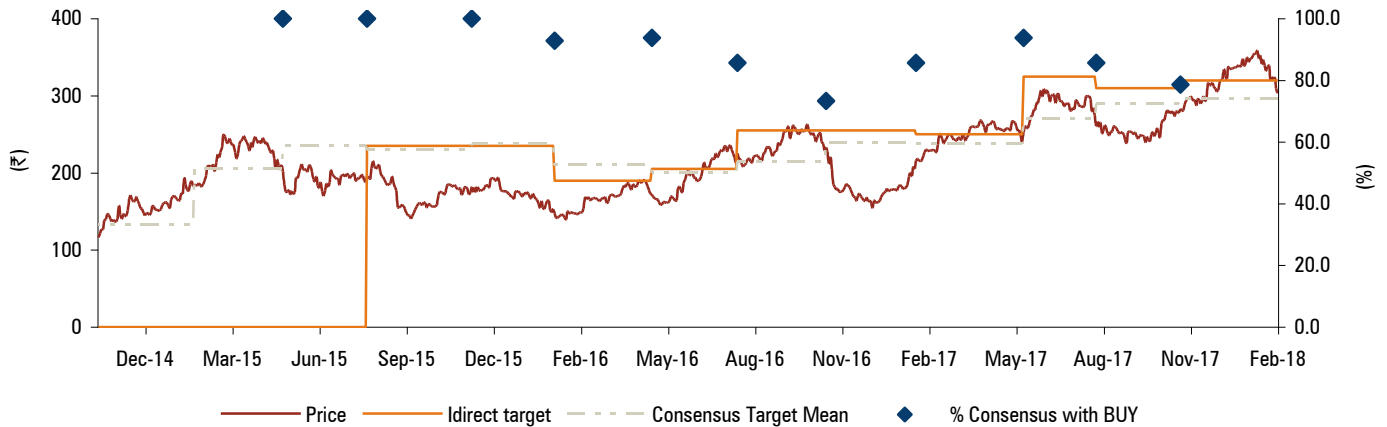
**Exhibit 16: Century one year forward P/E**



Source: Company, ICICIdirect.com Research



### Recommendation History vs. Consensus chart



Source: Bloomberg, Company, ICICIdirect.com Research

### Key events

Date	Event
FY04	Rights issue 40% at ₹ 30 premium
FY04	Bonus 1:2 ratio
FY07	Acquires 51% stake in Auro Sundaram
FY08	Stock split 1:10
FY08	Acquisition of Star Ferro & Cement Ltd
FY09	CFS business becomes operational
FY10	Acquires 51% stake in Aegis Business
FY13	Demerger of Star Ferro and Cement Ltd
FY13	Ventures into readymade furniture business
FY14	Acquires 50% stake in Century Infotech
FY14	Demerger of Aegis business
Nov-15	Plans to build an MDF facility in Punjab with annual capacity of 1,80,000 CBM with capital expenditure of ~₹ 400 crore

Source: Company, ICICIdirect.com Research

### Top 10 Shareholders

Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1	Bhajanka (Sajjan)	30-Sep-17	11.3%	25.0	0.0
2	Agarwal (Sanjay)	30-Sep-17	10.9%	24.2	0.0
3	Agarwal (Divya)	30-Sep-17	7.5%	16.7	0.0
4	Bhajanka (Santosh)	30-Sep-17	7.0%	15.4	0.0
5	Khemani (Vishnuprasad)	30-Sep-17	5.7%	12.6	0.0
6	Sriram Vanijya Pvt. Ltd.	30-Sep-17	3.8%	8.5	0.0
7	Brijdham Merchants Pvt. Ltd.	30-Sep-17	3.5%	7.7	0.0
8	Sumangal International Pvt. Ltd.	30-Sep-17	3.5%	7.7	0.0
9	Sumangal Business Pvt. Ltd.	30-Sep-17	3.1%	6.8	0.0
10	Sriram Merchants Pvt. Ltd.	30-Sep-17	3.0%	6.7	0.0

### Shareholding Pattern

(in %)	Mar-17	Jun-17	Sep-17	Dec-17
Promoter	72.0	72.0	72.0	72.0
Public	28.0	28.0	28.0	28.0
Others	0.0	0.0	0.0	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Reuters, ICICIdirect.com Research

### Recent Activity

Buys			Sells		
Investor name	Value (m)	Shares (m)	Investor name	Value (m)	Shares (m)
Agarwala (Hari Prasad)	8.5	1.6	Pictet Asset Management Ltd.	-1.5	-0.4
Aditya Birla Sun Life AMC Limited	2.7	0.5	Tata Asset Management Limited	-1.2	-0.3
Sundaram Asset Management Company Limited	1.0	0.2	AllianceBernstein L.P.	-1.5	-0.3
Taurus Asset Management Co. Ltd.	0.4	0.1	Canara Robeco Asset Management Company Ltd.	-0.6	-0.1
William Blair Investment Management, LLC	0.2	0.0	Northern Trust Investments, Inc.	-0.6	-0.1

Source: Reuters, ICICIdirect.com Research

## Financial summary

### Profit and loss statement (₹ Crore)

(₹ Crore)	FY17	FY18E	FY19E	FY20E
Net Sales	1,782.5	2,000.9	2,451.6	2,829.8
Raw Material Expense	602.6	784.4	970.2	1,096.4
Purchase of Traded Goods	315.5	240.1	294.2	339.6
Employee benefit expenses	256.7	288.1	353.0	407.5
Other Expenses	315.7	347.0	404.2	460.9
Total Expenses	1,490.4	1,659.7	2,021.6	2,304.4
EBITDA	292.0	341.2	430.0	525.5
Interest	28.6	28.7	46.0	51.8
Depreciation	52.4	79.6	76.7	85.2
Other income	22.7	6.6	6.9	7.3
PBT	233.7	239.5	314.2	395.7
Exceptional Items	-	-	-	-
Taxes	48.1	52.7	69.1	86.9
PAT	185.6	186.8	245.1	308.8
PAT Growth rate (%)	10.4	0.7	31.2	26.0
Adjusted EPS (Diluted)	8.4	8.4	11.0	13.9

Source: Company, ICICIdirect.com Research

### Balance sheet (₹ Crore)

(₹ Crore)	FY17	FY18E	FY19E	FY20E
<b>Liabilities</b>				
Equity Capital	22.3	22.3	22.3	22.3
Reserve and Surplus	686.4	826.5	1,010.3	1,241.9
Total Shareholders funds	708.6	848.7	1,032.5	1,264.1
Minority Interest	-	-	-	-
Total Debt	563.0	599.9	607.5	720.4
Deferred Tax Liability	(61.9)	(61.9)	(61.9)	(61.9)
Total Liabilities	1,210.0	1,387.0	1,578.0	1,923.0
<b>Assets</b>				
Gross Block	542.2	784.8	902.9	1,002.9
Less Acc. Dep	293.5	360.2	437.0	522.2
Net Block	248.7	424.6	465.9	480.7
Net Intangibles Assets	0.7	4.8	7.6	11.3
Capital WIP	39.6	100.0	100.0	100.0
Total Fixed Assets	289.0	529.5	573.6	592.0
Investments	96.1	96.1	96.1	96.1
Inventory	263.8	329.1	403.2	488.6
Sundry Debtors	335.3	409.3	501.4	602.1
Loans & Advances	14.6	16.4	20.1	38.7
Cash & Bank Balances	53.8	43.7	37.0	125.4
Other Current Assets	188.6	224.0	266.7	318.1
Total Current Assets	856.2	1,022.4	1,228.4	1,572.8
Trade Payable	141.1	137.0	167.9	178.3
Other Current Liabilities	123.4	111.1	136.0	141.5
Provisions	11.5	12.9	15.9	18.3
Net Current Assets	580.2	761.3	908.6	1,234.7
Total Assets	965.0	1,387.0	1,578.0	1,923.0

Source: Company, ICICIdirect.com Research

### Cash flow statement (₹ Crore)

(₹ Crore)	FY17	FY18E	FY19E	FY20E
Profit after Tax	185.6	186.8	245.1	308.8
Depreciation	52.4	79.6	76.7	85.2
Interest	28.6	28.7	46.0	51.8
Others	(78.9)	65.6	1.3	48.3
Cash Flow before wc changes	235.9	413.4	438.2	581.0
Net Increase in Current Assets	8.0	(124.8)	(77.3)	(142.4)
Net Increase in Current Liabilities	19.4	(190.1)	(151.4)	(227.9)
Net CF from operating activities	263.2	98.4	209.4	210.7
(Purchase)/Sale of Fixed Assets	(98.1)	(255.5)	(118.1)	(100.0)
Net CF from Investing activities	(301.7)	(70.1)	(116.5)	(106.3)
Dividend	(26.7)	(46.7)	(61.3)	(77.2)
Interest paid	(28.6)	(28.7)	(46.0)	(51.8)
Inc / (Dec) in Loans	107.6	36.9	7.6	112.9
Net CF from Financing activities	52.2	(38.5)	(99.6)	(16.1)
Net Cash flow	13.8	(10.2)	(6.7)	88.4
Opening Cash	19.0	53.8	43.7	37.0
Closing Cash/ Cash Equivalent	53.8	43.7	37.0	125.4

Source: Company, ICICIdirect.com Research

### Key ratios

	FY17	FY18E	FY19E	FY20E
<b>Per Share Data (₹)</b>				
EPS - Diluted	8.4	8.4	11.0	13.9
Cash EPS	10.7	12.0	14.5	17.7
Book Value	31.9	38.2	46.5	56.9
Dividend per share	1.2	2.1	2.8	3.5
<b>Operating Ratios (%)</b>				
EBITDA / Net Sales	16.4	17.1	17.5	18.6
PAT / Net Sales	10.4	9.3	10.0	10.9
Inventory Days	54	60	60	63
Debtor Days	69	75	75	78
Creditor Days	29	25	25	23
<b>Return Ratios (%)</b>				
RoE	26.2	22.0	23.7	24.4
RoCE	21.7	19.3	22.8	23.3
RoIC	21.5	21.0	24.5	25.9
<b>Valuation Ratios (x)</b>				
EV / EBITDA	24.1	20.8	16.5	13.6
P/E (Diluted)	35.2	34.9	26.6	21.1
EV / Net Sales	3.9	3.5	2.9	2.5
Market Cap / Sales	3.7	3.3	2.7	2.3
Price to Book Value	9.2	7.7	6.3	5.2
Dividend Yield	0.4	0.7	0.9	1.2
<b>Solvency Ratios (x)</b>				
Net Debt / Equity	0.7	0.7	0.6	0.5
Debt / EBITDA	1.9	1.8	1.4	1.4
Current Ratio	2.7	3.6	3.6	4.1
Quick Ratio	1.8	2.3	2.3	2.7

Source: Company, ICICIdirect.com Research

### ICICIdirect.com coverage universe (Plywood)

Sector / Company	CMP		Rating	M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			P/B (x)			RoE (%)		
	(₹)	TP(₹)			FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E
Century Plyboard (CENPLY)	294	350	Buy	6544	8.4	8.4	11.0	35.2	34.9	26.6	24.1	20.8	16.5	9.2	7.7	6.3	26.2	22.0	23.7
Greenply (MTML)	319	425	Buy	4072	11.2	11.8	12.3	30.2	28.5	27.5	17.7	19.0	16.3	5.2	4.4	3.9	17.2	15.5	14.0

Source: Company, ICICIdirect.com Research

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