

Century Plyboards (I) Ltd

BUY



Asian Markets Securities Pvt. Ltd.

Impairment losses drag profitability...

Institutional Research

CMP (Rs)	170
Target (Rs)	195
Upside (%)	15%

Nifty: 11,890 Sensex: 40,790

Key Stock Data

Bloomberg	CPBI IN
Shares O/s Mn (FV INR1)	222.2
Mkt Cap(USD Mn/INR Bn)	0.5/37.1
52-week high/low	222/112
6m daily avg vol(INR Mn)	32
Free Float %	27

Price Performance

(%)	3m	1yr	3yr
CENTURYPL	32.9	(4.9)	(6.0)
Nifty	7.6	14.1	14.3
NSE500	7.5	9.8	12.2
BSE Midcap	7.5	9.8	6.9
	2yr	3yr	5yr
Avg.PER (x)	22	25	30

Shareholding Pattern

(%)	Jun19	Sep19	Dec19
Promoter	72.8	72.9	72.9
FII	7.7	7.3	7.2
DII	6.8	6.8	7.4
Others	12.7	13.0	12.6

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CENTURYPLYBOARDS (INDIA) LIMITED (CPBI) reported inline quarterly numbers, however impairment of (Laos) assets dragged profitability. Despite a lower volume growth across board, EBITDAM expansion (ex of impairment) was healthy (+270bps to 15.8%) due to lower input costs (Phenol, power/fuel) and higher contribution from value added products. However, adjusting for impairment, EBITDAM stood lower at 8.2%. Particle Board and MDF are operating at healthy utilization levels, hence CPBI is setting up a fungible greenfield plant in UP with capacity of 900/600CBM each, incurring total capex of Rs4.5-5bn over FY21-22E. The plan is slightly on the back foot due to NGT's stay order & further clarity to be received soon. CPBI is going ahead with debottlenecking exercise in MDF and Particle, increasing capacities to the tune of 15-20%. Also, Gabbon plant for face veneer to commission in 1H21E.

For 9MFY20, it trimmed off debt by 40% to Rs3.2bn, while WC continue to improve, thanks to Vector Consultants and change in product mix. We broadly maintain our estimates for FY19-21E. Assigning 20x on FY21 EEPS, we arrive at a target price of Rs195. **Maintain BUY**

Lower volume growth, healthy margin expansion (Ex plywood)

Led by slow real activities, CPBI posted a meagre 3% increase in revenue at Rs5,954mn. Core Plywood segment (54% of revenue) witnessed tad lower volume (+3%), impacted by lower sales (-41%) of the commercial veneer. Segmental EBITDAM nosedived to -1.7% due to impairment loss. Laminates volumes grew 6% to 1.55mn, on a high base yoy. Margins shot up 490bps to 13.9% on the back of low phenol costs and rich sales mix. MDF/Particle Board volume grew 4/1%, while margins expand handsomely by 910/630bps to 25.1/27.1% respectively due to benign input costs and higher contribution from value-add products. Adjusted for plywood (Laos) impairment, blended EBITDAM trim 495bp to 8.2%. PAT tumbled 54% to Rs191mn yielding an EPS of Rs0.9. For 9MFY20, it recorded revenue of Rs17,585mn with EBITDAM and PATM of 13.3% (-78bps) & 6.8% (-63bps).

Capex related

In order to have a sustainable supply for face veneer, CPBI is coming up with a facility in Gabon by 1HFY21E. In UP, CPBI's fungible greenfield capex (Rs4.5-5bn) for Particle Board and MDF is currently on backseat due to NGT's stay order. Final decision to be out soon and post that it is expected to take 15-18months for final commissioning. Meanwhile, incremental growth to come from debottlenecking exercise in MDF/particle (15-20% capacity expansion)

Maintain estimates for FY19-21E. BUY

We factor revenue CAGR of 2/12/20/11% in Plywood/Laminate/MDF/Particle Board division with margins of 14.3/16.3% and EPS CAGR of 17% over FY19-21E. CPBI has spent Rs7.5bn over FY16-19 and envisages capex to the tune of Rs5-6bn over next three years. Return ratio expansion may be capped due to higher capital employed across verticals. Assigning 20x on FY21 EEPS, we arrive at a revised target price of Rs195. **Maintain BUY**

Key risks – Delay in commissioning of capex plans & sharp jump in crude prices

Exhibit 1: Key Financials

Y/E Mar (Rsmn)	FY17	FY18	FY19	FY20E	FY21E
Sales	17,825	19,672	22,638	23,880	25,819
yoy (%)	9.0	10.4	15.1	5.5	8.1
Operating Profit	2,921	3,060	3,004	3,415	4,198
yoy (%)	3.0	4.8	-1.9	13.7	22.9
PAT	1,856	1,566	1,588	1,779	2,170
yoy (%)	9.3	-15.6	1.4	12.0	22.0
OPM (%)	16.4	15.6	13.3	14.3	16.3
NPM (%)	10.4	7.8	7.0	7.4	8.4
EPS (Rs)	8.3	7.0	7.1	8.0	9.7

Exhibit 2: Key Indicators

Y/E Mar	FY17	FY18	FY19	FY20E	FY21E
Equity	223	223	223	223	223
RoNW (%)	30.1	20.3	17.6	17.0	17.9
RoCE (%)	23.0	17.3	17.9	19.7	22.5
ROIC (%)	20.8	16.6	17.4	18.8	21.9
D:E (x)	0.8	0.6	0.5	0.3	0.2
PER (x)	20.4	24.2	23.8	21.3	17.4
P/BV (x)	5.3	4.5	3.9	3.4	2.9
EV/Sales (x)	2.4	2.2	1.9	1.7	1.6
EV/ EBITDA (x)	14.8	14.1	14.2	11.9	9.7

Source: Company, AMSEC Research

Exhibit 3: Key Assumptions

Key Assumptions	FY17	FY18	FY19	FY20E	FY21E	CAGR 19-21E
Revenue Rs mn						
Plywood	12,609	12,633	12,734	12,824	13,337	2%
yoy%	7%	0%	1%	1%	4%	
Laminates	3,635	3,700	4,322	4,756	5,393	12%
yoy%	8%	2%	17%	10%	13%	
MDF	-	1,128	2,951	3,688	4,247	20%
yoy%	-	-	162%	25%	15%	
Particle Board	165	729	975	1,036	1,193	11%
yoy%		343%	34%	6%	15%	
Others	1,415	1,482	1,656	1,575	1,649	0%
yoy%	-	5%	12%	-5%	5%	
Total Revenues	17,825	19,672	22,638	23,880	25,819	7%

Revenue Breakup (%)						
Plywood		71	64	56	54	52
Laminates		20	19	19	20	21
MDF		0	6	13	15	16
Particle Board		1	4	4	4	5
Others		8	8	7	7	6
Total		100	100	100	100	100

EBITDA Rs mn						
Plywood		2,164	1,812	1,744	1,359	1,801
Laminates		586	596	386	630	739
MDF		-	213	383	893	1,049
Particle Board		52	139	219	290	340
Others		345	368	331	373	357
Total EBITDA		3,147	3,127	3,064	3,545	4,286

EBITDAM%						
Plywood		17.2	14.3	13.7	10.6	13.5
Laminates		16.1	16.1	8.9	13.3	13.7
MDF		-	18.9	13.0	24.2	24.7
Particle Board		22.3	19.0	22.5	28.0	28.5
EBITDAM%		16.4	15.6	13.3	14.3	16.3

Source: Company, AMSEC Research

Exhibit 4: 3QFY20 Financials (Standalone)

Y/E Mar (Rs.mn)	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	yoy (%)	qoq (%)	9MFY19	9MFY20	yoy%
Net Sales	5,789	5,832	5,737	5,894	5,954	2.9	1.0	16,806	17,585	4.6
Total Expenditure	5,030	5,196	4,811	4,966	5,468	8.7	10.1	14,439	15,245	5.6
(Increase) / Decrease In Stocks	-91	-6	5	1	247	(369.8)	20,282.6	-98	253	(357.3)
Purchase of Finished Goods	644	678	594	915	675	4.7	(26.3)	1,777	2,184	22.9
Cost of Services & Raw Materials	2535	2356	2322	2042	2120	(16.4)	3.8	7,108	6,483	(8.8)
Operating & Manufacturing Expenses	1132	1330	1045	1124	1125	(0.7)	0.0	3,212	3,293	2.5
Employee Cost	810	837	845	884	846	4.4	(4.3)	2,440	2,575	5.5
Impairment loss on Asset	0	0	0	0	456	-	-	0	456	-
EBIDTA	759	637	926	928	486	(35.9)	(47.6)	2367	2340	(1.1)
Other Income	16	29	11	86	13	(18.4)	(85.0)	31	110	248.6
Operating Profit	775	666	938	1013	499	(35.6)	(50.7)	2399	2450	2.1
Interest	62	94	90	108	92	47.5	(14.7)	352	290	(17.7)
PBDT	713	572	848	905	407	(42.9)	(55.0)	2047	2160	5.6
Depreciation	136	143	169	170	173	27.4	1.8	357	513	43.7
PBT	577	429	679	735	234	(59.4)	(68.2)	1690	1647	(2.5)
Tax	162	87	197	213	43	(73.6)	(79.9)	444	454	2.3
Profit After Tax	414	342	481	521	191	(53.9)	(63.4)	1246	1194	(4.2)
Equity Capital	222.5	222.5	222.5	222.5	222.5			222.5	222.5	
EPS (Adjusted)	1.9	1.5	2.2	2.3	0.9			5.6	5.4	
EBIDTA (%)	13.1	10.9	16.1	15.7	8.2	(495bp)	(757bp)	14.1	13.3	(78bp)
PATM (%)	7.2	5.9	8.4	8.8	3.2	(395bp)	(564bp)	7.4	6.8	(63bp)
Tax / PBT (%)	28.2	20.4	29.1	29.0	18.3	(983bp)	(1069bp)	26.3	27.5	128bp
Raw material / Net sales (%)	53.3	51.9	50.9	50.2	51.1	(226bp)	89bp	52.3	50.7	(156bp)
Other exp/Net sales	19.6	22.8	18.2	19.1	18.9	(67bp)	(19bp)	19.1	18.7	(38bp)
Employee cost / Net Sales (%)										

Source: Company, AMSEC Research

Exhibit 5: 3QFY20 Segmental Financials (Standalone)

Particulars, Rs mn	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	yoy (%)	qoq (%)	9MFY19	9MFY20	yoy%
Segment Revenue										
Plywood	3,143	3,235	3,157	3,165	3,229	2.7	2.0	9,546	9,551	0.1
Laminate	1,138	1,231	1,071	1,352	1,149	1.0	(15.0)	3,159	3,572	13.1
MDF	882	760	919	777	966	9.5	24.4	2,194	2,662	21.3
Particle Board	265	241	249	262	250	(5.6)	(4.5)	734	761	3.7
CFS	250	219	225	220	220	(11.8)	(0.1)	818	665	(18.6)
Others	121	154	125	124	149	22.9	19.8	380	398	4.6
Total segment revenue	5,799	5,840	5,746	5,900	5,963	2.8	1.1	16,830	17,609	4.6
Less: Intersegment Revenue	10	8	9	7	9	-12.0	32.4	24	24	(0.7)
Income from operation	5,789	5,832	5,737	5,893	5,954	2.9	1.0	16,806	17,585	4.6
Segment Result										
Plywood	385	365	470	450	-56	(114.5)	(112.4)	1,463	864	(40.9)
Laminate	89	96	96	178	141	59.2	(20.9)	242	415	71.8
MDF	95	63	169	133	196	106.0	47.4	137	498	263.2
Particle Board	45	50	56	66	56	25.8	(15.8)	127	178	40.6
CFS	54	32	39	32	38	(28.5)	20.5	228	109	(51.9)
Others	8	11	8	13	15	79.4	19.3	16	36	122.5
EBIT	675	618	838	872	390	(42.2)	(55.2)	2212	2100	(5.1)
Less: Finance cost	62	94	90	108	92	47.5	(14.7)	352	290	(17.7)
Other Unallocable Expenditure	36	96	70	29	64	77.0	122.3	171	163	(4.3)
Total Profit/(Loss) before tax	577	429	679	735	234	(59.5)	(68.2)	1690	1647	(2.5)
Capital Employed										
Plywood and Allied Business	5,164	5,301	5,237	4,895	5,776	11.9	18.0	5,164	5,776	11.9
Laminate and allied products	2,188	2,254	2,135	2,127	1,930	(11.8)	(9.3)	2,188	1,930	(11.8)
MDF	3,528	3,380	3,370	3,420	3,357	(4.8)	(1.8)	3,528	3,357	(4.8)
Particle Board	651	648	652	644	658	1.0	2.1	651	658	1.0
Container Freight station services	474	453	409	441	378	(20.2)	(14.3)	474	378	(20.2)
Others	37	22	86	115	114	212.3	(0.9)	37	114	212.3
Total	12,042	12,057	11,889	11,642	12,213	1.4	4.9	12,042	12,213	1.4
EBIT/Sales (%)										
Plywood and Allied Business	12.3	11.3	14.9	14.2	-1.7			15.3	9.0	(628bp)
Laminate and allied products	7.8	7.8	9.0	13.2	12.3	448bp	(91bp)	7.6	11.6	397bp
MDF	10.8	8.3	18.4	17.1	20.3	949bp	317bp	6.2	18.7	1245bp
Particle Board	16.8	20.9	22.4	25.4	22.4	559bp	(299bp)	17.3	23.4	614bp
Container Freight station services	21.5	14.8	17.4	14.5	17.5	(408bp)	299bp	27.8	16.5	(1138bp)
Others	6.9	7.4	6.5	10.1	10.1	317bp	(4bp)	4.2	8.9	474bp
EBIT	11.6	10.6	14.6	14.8	6.5	(510bp)	(823bp)	13.1	11.9	(122bp)
EBIT/Capital Employed (%)										
Plywood and Allied Business	7.5	6.9	9.0	9.2	-1.0			28.3	15.0	(1337bp)
Laminate and allied products	4.0	4.2	4.5	8.4	7.3	326bp	(107bp)	11.0	21.5	1047bp
MDF	2.7	1.9	5.0	3.9	5.8	314bp	195bp	3.9	14.8	1094bp
Particle Board	6.8	7.8	8.5	10.3	8.5	168bp	(181bp)	19.5	27.1	763bp
Container Freight station services	11.3	7.2	9.6	7.2	10.2	(119bp)	293bp	48.1	29.0	(1911bp)
Others	22.8	52.9	9.4	10.9	13.1	(973bp)	222bp	43.8	31.2	(1261bp)
EBIT	5.6	5.1	7.1	7.5	3.2	(241bp)	(429bp)	18.4	17.2	(117bp)

Source: Company, AMSEC Research

Segment Analysis	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	yoy (%)	qoq (%)	9MFY19	9MFY20	yoy%
Volume										
Plywood (CBM)	62,217	62,349	62,678	61,812	63,996	2.9	3.5	1,90,288	1,88,486	(0.9)
Laminates (No's)	14,69,058	15,99,771	14,07,387	18,22,347	15,53,737	5.76	(14.7)	42,79,192	47,83,471	11.8
CFS (TEU's)	16,384	14,638	15,703	15,772	15,176	(7.4)	(3.8)	54,372	46,651	(14.2)
MDF (CBM)	40,138	35,395	41,177	33,271	41,554	3.5	24.9	96,834	1,16,002	19.8
Particle Board (CBM)	16,254	14,489	15,277	16,041	16,334	0.5	1.8	47,047	47,652	1.3
Net sales (Rs.mn)										
Plywood	3,131	3,225	3,148	3,158	3,219	2.8	1.9	9,509	9,525	0.2
Laminates	1,120	1,207	1,055	1,329	1,125	0.5	(15.3)	3,115	3,509	12.6
CFS	246	217	222	218	219	(11.2)	0.3	775	659	(14.9)
MDF	882	760	918	777	965	9.4	24.2	2,191	2,660	21.4
Particle Board	265	241	249	262	250	(5.7)	(4.7)	734	760	3.7
Others	145	182	145	150	177	22.0	18.0	483	472	(2.2)
Total	5,789	5,832	5,737	5,894	5,954	2.9	1.0	16,806	17,585	4.6
Average realization										
Plywood (Rs/CBM)	50,327	51,731	50,220	51,094	50,298	(0.1)	(1.6)	49,970	50,533	1.1
Laminates (Rs/No.)	762	754	750	729	724	(5.0)	(0.7)	728	734	0.8
CFS (Rs/TEU)	15,033	14,838	14,163	13,822	14,404	(4.2)	4.2	14,244	14,126	(0.8)
MDF (Rs/CBM)	21,964	21,469	22,301	23,342	23,216	5.7	(0.5)	22,630	22,927	1.3
Particle Board (CBM)	16,291	16,647	16,292	16,327	15,281	(6.2)	(6.4)	15,591	15,957	2.4
EBITM										
Plywood	12.3	11.3	14.9	14.2	-1.7	-	-	15.4	9.1	(632bp)
Laminates	7.9	7.9	9.1	13.4	12.5	462bp	(88bp)	7.8	11.8	407bp
CFS	21.8	14.9	17.6	14.6	17.6	(425bp)	295bp	29.4	16.6	(1278bp)
MDF	10.8	8.3	18.4	17.1	20.3	951bp	319bp	6.3	18.7	1246bp
EBIDTAM										
Plywood	12.1	9.7	14.6	15.5	-1.7	-	-	15.0	9.4	(560bp)
Laminates	9.0	8.9	10.5	14.4	13.9	490bp	(50bp)	8.7	13.0	430bp
CFS	29.0	23.9	34.2	31.9	34.9	590bp	300bp	34.7	33.7	(100bp)
MDF	16.0	15.3	23.5	22.3	25.1	910bp	280bp	12.0	24.0	1200bp
Particle Board	20.8	25.4	27.4	29.7	27.1	630bp	(260bp)	21.5	28.1	660bp

Source: Company, AMSEC Research

Exhibit 6: Quarterly Net RevenueTrend

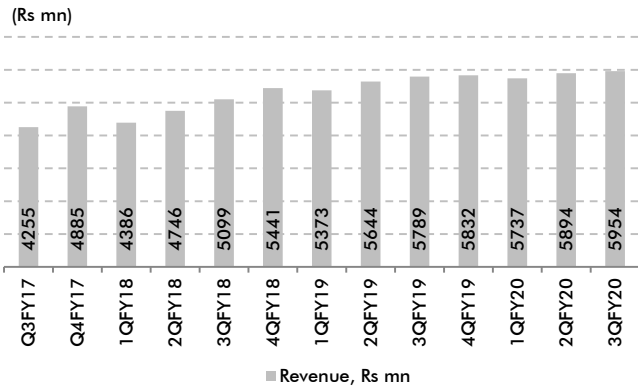


Exhibit 7: Quarterly EBIDTA Trend

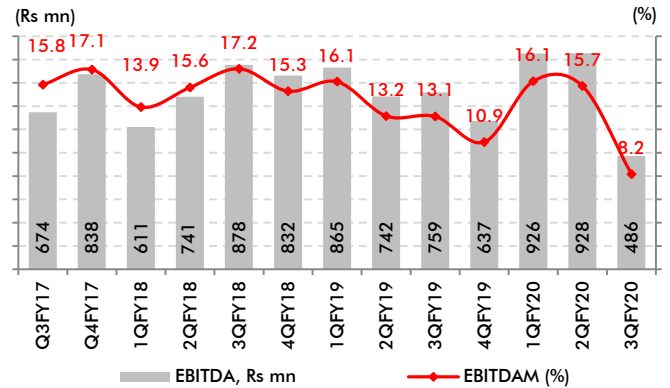


Exhibit 8: Quarterly PAT Trend

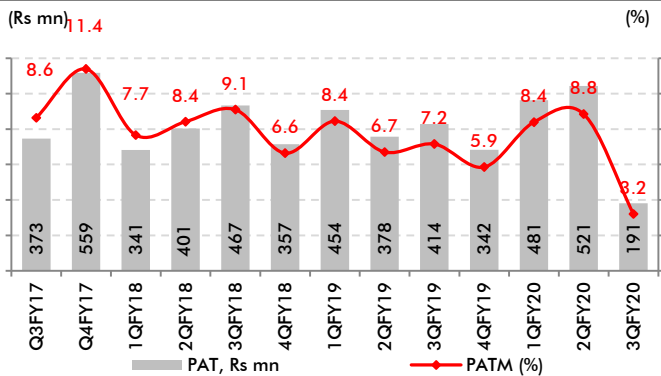
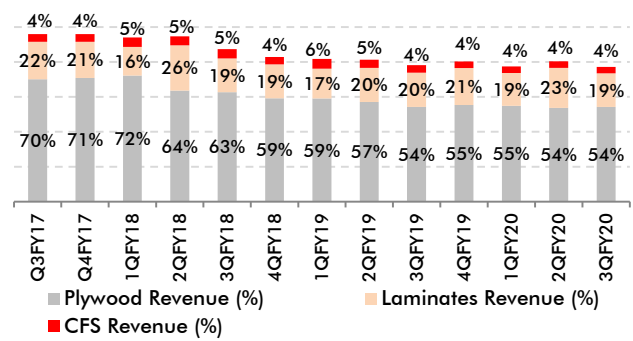


Exhibit 9: Segment Revenue Contribution



Quarterly Segment Performance-Plywood

Exhibit 10: Net Revenue

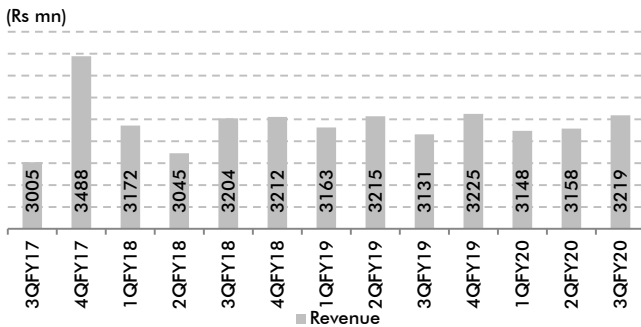


Exhibit 11: EBIT

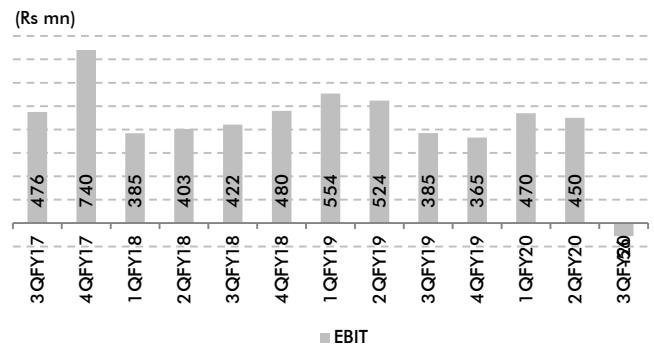


Exhibit 12: EBIT/Sales

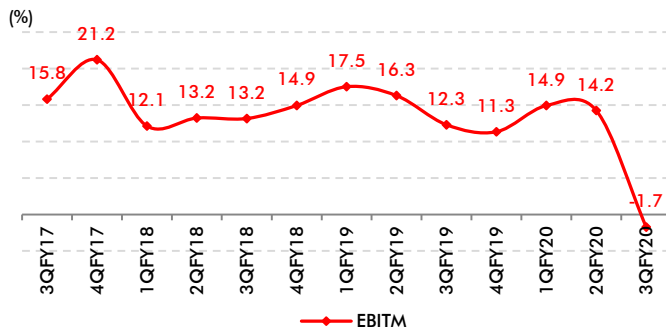
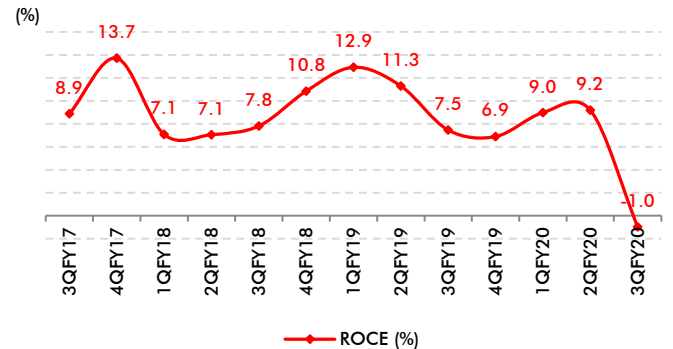


Exhibit 13: ROCE



Source: Company, AMSEC Research

Quarterly Segment performance -Laminates

Exhibit 14: Net Revenue

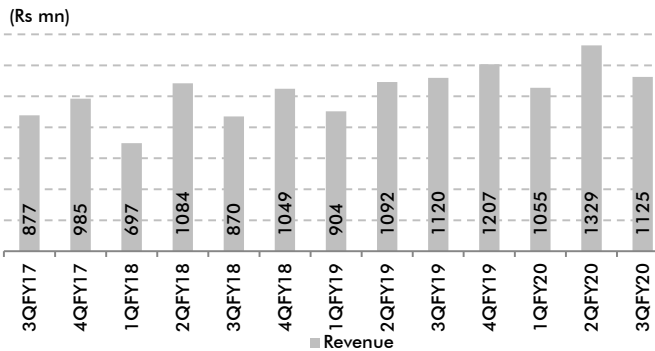


Exhibit 15: EBIT

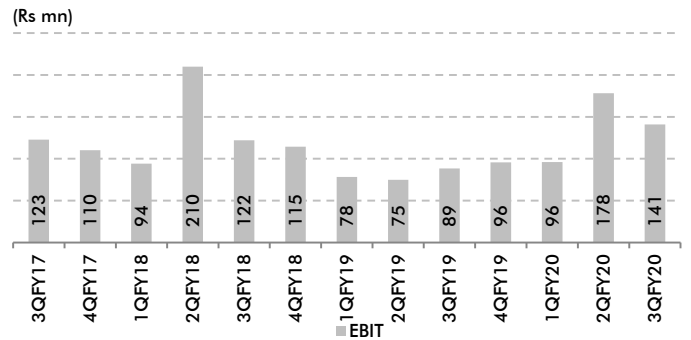


Exhibit 16: EBIT/Sales

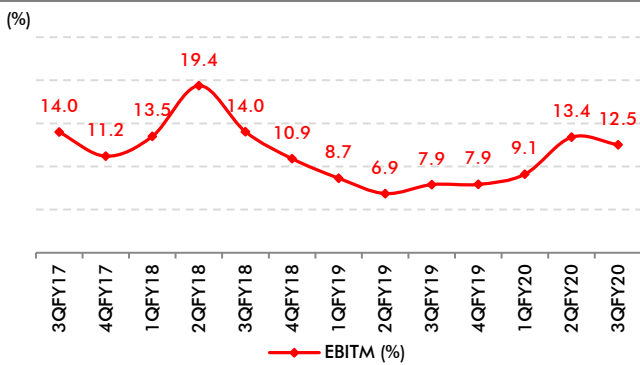
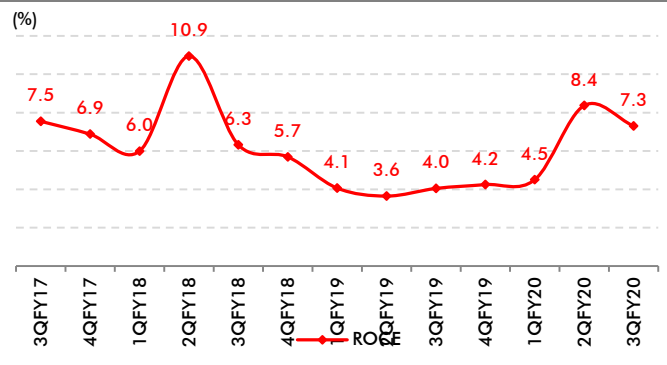


Exhibit 17: ROCE



Quarterly Segment performance -CFS

Exhibit 18: Net Revenue

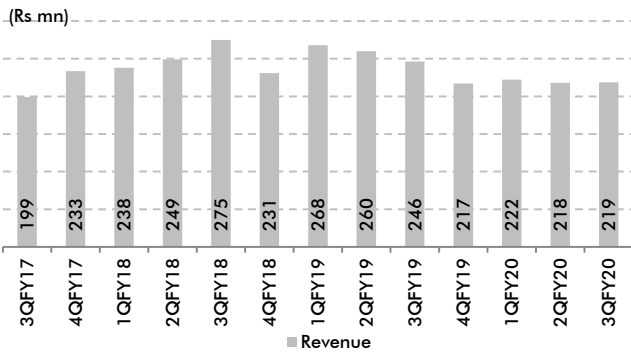


Exhibit 19: EBIT

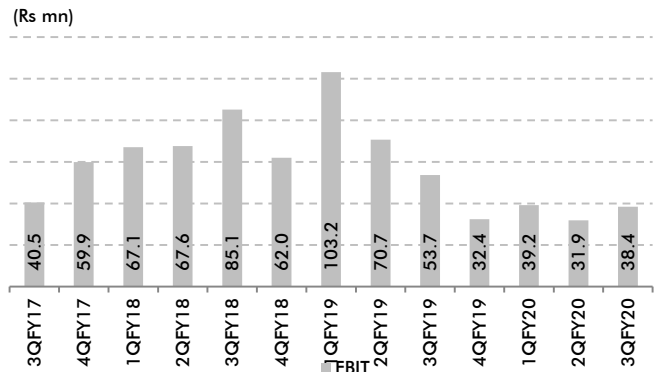


Exhibit 20: EBIT/Sales

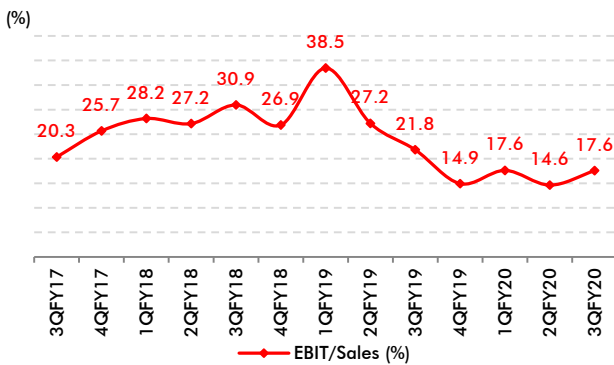
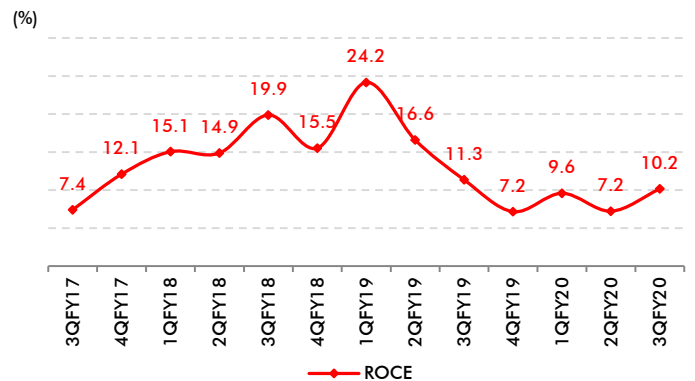


Exhibit 21: ROCE



Source: Company, AMSEC Research

Financial snapshot (Standalone)

Exhibit 22: Revenue

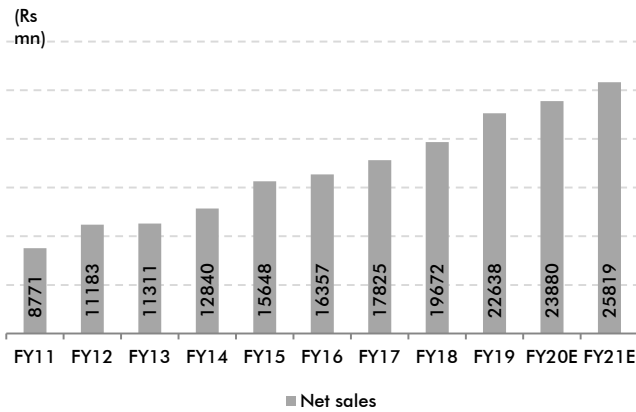


Exhibit 23: EBIDTA & EBIDTAM (%)

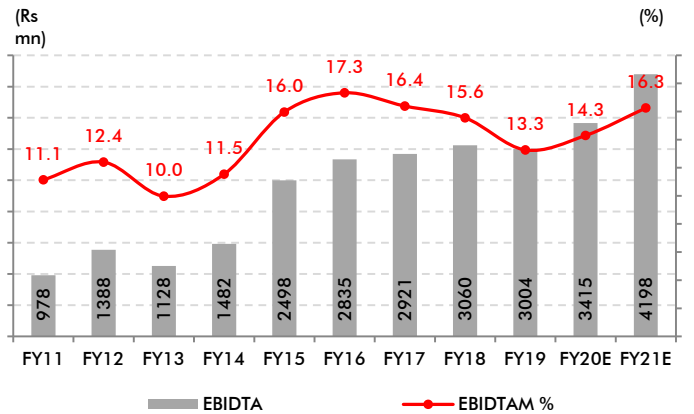


Exhibit 24: PAT & PATM (%)

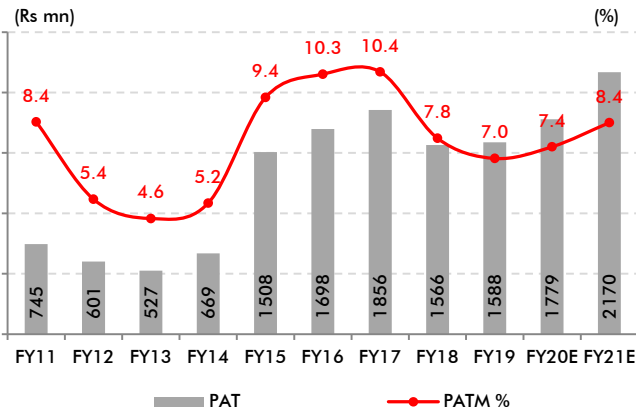


Exhibit 25: Return Ratios

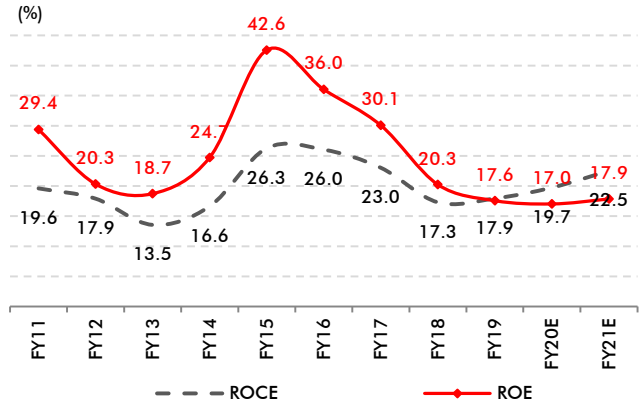


Exhibit 26: Dividend and Dividend payout ratio

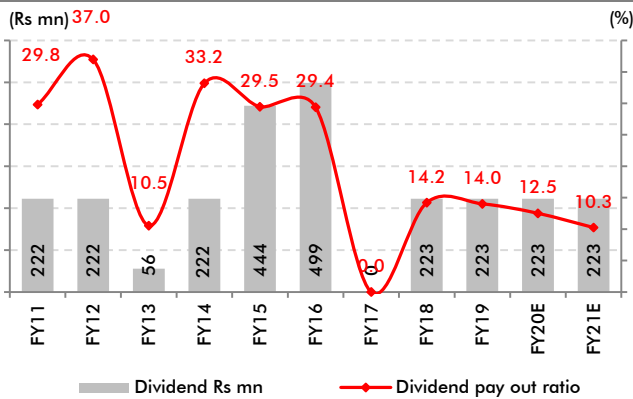
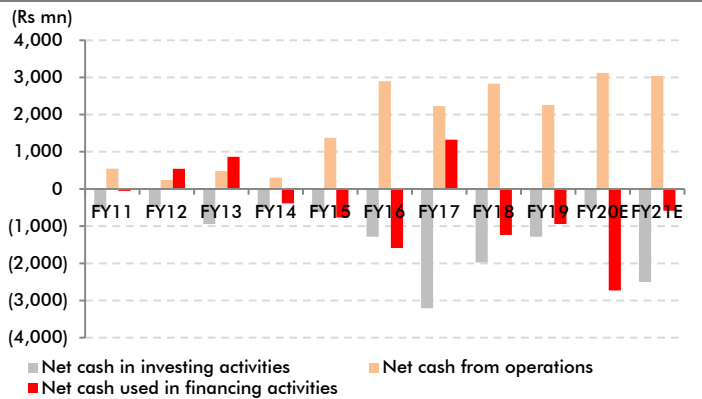


Exhibit 27: Cash Flow



Source: Company, AMSEC Research

Financials (Standalone)

(Rs mn)

Profit and Loss Account

Y/E (Mar)	FY17	FY18	FY19	FY20E	FY21E
Net sales	17,825	19,672	22,638	23,880	25,819
RM cost	9181	10230	11816	12107	12987
Power & Fuel cost	374	638	842	926	1037
Employee cost	2567	2839	3277	3474	3821
Other expenses	2781	2905	3701	3959	3777
Total expenditure	14,903	16,612	19,635	20,465	21,622
Operating profit	2,921	3,060	3,004	3,415	4,198
Other income	226	67	60	130	88
Interest expense	286	327	446	365	370
Gross Profit	2,861	2,800	2,618	3,180	3,916
Depreciation	524	810	500	675	860
PBT	2,337	1,990	2,119	2,505	3,056
Provision for Tax	481	424	531	726	886
Reported Net Profit	1,856	1,566	1,588	1,779	2,170
Share O/s mn	223	223	223	223	223
EPS Rs	8.3	7.0	7.1	8.0	9.7

Balance Sheet

Y/E (Mar)	FY17	FY18	FY19	FY20E	FY21E
SOURCES OF FUNDS :					
Share Capital	223	223	223	223	223
Reserves Total	6,864	8,157	9,469	10,979	12,881
Total Share. Funds	7,086	8,379	9,691	11,202	13,103
Non-Current Liab.					
Long term borrowings	1,467	1,669	1,323	926	1,111
Deferred tax liability	-	-	-	-	-
Other long term liab.	2	7	6	6	7
Long-term provisions	104	53	20	22	24
Long-term trade pay.	-	-	-	-	-
Current Liabilities					
Short term borrowings	4,103	3,353	3,363	1,600	1,440
Trade payables	1,411	1,764	1,625	1,701	1,839
Other current liabilities	1,291	1,303	1,542	1,714	1,884
Short term provisions	82	63	95	105	117
Total Equity & Liab.	15,547	16,593	17,665	17,275	19,526
APPLICATION OF FUNDS :					
Non Current Assets					
Fixed Assets					
Gross Block	3,450	7,187	9,474	10,162	12,662
Less: Accum Dep.	953	1,767	2,188	2,863	3,723
Net Block	2,497	5,420	7,289	7,303	8,943
Capital WIP	2,839	1,198	188	100	100
Noncurrent Investment	960	960	975	900	900
Long term loans & adv.	789	807	754	830	929
Other non-current ass.	343	260	235	259	290
Current Assets					
Current investment	-	-	-	-	-
Inventories	2,638	3,382	4,010	3,695	3,846
Sundry Debtors	3,353	3,145	2,936	2,944	3,183
Cash and Bank	538	165	226	87	39
Short Loans & Adv.	46	191	76	84	94
Others Current Assets	1,543	1,065	976	1,073	1,202
Total Assets	15,547	16,593	17,665	17,275	19,526
Net working capital	4,796	4,651	4,735	4,277	4,485
Total Gross Debt	5,955	5,382	5,137	3,040	3,091
Total Net debt	5,416	5,217	4,911	2,953	3,052
Total capital employed	13,041	13,762	14,828	14,242	16,194

Cash Flow Statement

Y/E (Mar)	FY17	FY18	FY19	FY20E	FY21E
PBT	2337	1,990	2,119	2,505	3,056
Non-cash adjust.	633	1,134	978	1,040	1,230
Chg. in working cap.	-283	254	-294	299	-361
Tax & Interest Paid	-457	-544	-544	-726	-886
Cashflow from op.	2230	2,834	2,259	3,117	3,038
Capital expenditure	-2880	-1,921	-1,326	-600	-2,500
Change in invest.	-328	-53	47	75	-
Cashflow from inv.	-3208	-1,974	-1,279	-526	-2,500
Issue of equity	0	-	-	-	-
Issue/repay debt	1613	-641	-319	-2,097	51
Interest Paid	-286	-326	-355	-365	-370
Dividends paid	0	-267	-268	-268	-268
Other fin. Cash flow	0	-	-	-	-
Cash flow from fin.	1326	-1,233	-942	-2,730	-587
Chg cash & cash eq	348	-373	39	-138	-49
Open. cash eq	190	538	165	196	87
Clsq cash & cash eq	538	165	196	87	39
CashFlow to firm	-650	913	934	2517	538

Key Ratios

Y/E Mar	FY17	FY18	FY19	FY20E	FY21E
PER SHARE					
EPS Rs	8.3	7.0	7.1	8.0	9.7
CEPS Rs	10.7	10.7	9.4	11.0	13.6
Book Value Rs	31.8	37.7	43.6	50.3	58.9
VALUATION					
EV / Net Sales	2.4	2.2	1.9	1.7	1.6
EV / EBITDA	14.8	14.1	14.2	11.9	9.7
P / E Ratio	20.4	24.2	23.8	21.3	17.4
P / BV Ratio	5.3	4.5	3.9	3.4	2.9
GROWTH YOY%					
Sales Growth	9.0	10.4	15.1	5.5	8.1
EBITDA Growth	3.0	4.8	-1.9	13.7	22.9
Net Profit Growth	9.3	-15.6	1.4	12.0	22.0
Gross Fixed Asset Growth	43.9	108.3	31.8	7.3	24.6
PROFITABILITY					
Gross Profit/ Net sales (%)	30.6	23.0	25.4	27.3	27.1
EBITDA / Net Sales (%)	16.4	15.6	13.3	14.3	16.3
NPM / Total income (%)	10.4	7.8	7.0	7.4	8.4
Raw Material/Net Sales (%)	51.5	52.0	52.2	50.7	50.3
Int/PBIT (%)	11.9	14.5	17.8	13.3	11.1
ROE (%)	30.1	20.3	17.6	17.0	17.9
ROCE (%)	23.0	17.3	17.9	19.7	22.5
ROIC (%)	20.8	16.6	17.4	18.8	21.9
Tax / PBT (%)	20.6	21.3	25.1	29.0	29.0
TURNOVER (Days)					
Net Working Cycle	94	88	86	75	73
Debtors Velocity	69	58	47	45	45
Inventory	54	63	65	56	54
Creditors Velocity	29	33	26	26	26
Gross Asset Ratio	6.1	3.7	2.7	2.4	2.3
Total Asset Ratio	1.3	1.2	1.3	1.4	1.4
LIQUIDITY (x)					
Gross Debt-Equity Ratio	0.8	0.6	0.5	0.3	0.2
Net Debt-Equity Ratio	0.8	0.6	0.5	0.3	0.2
Interest Coverage	8.4	6.9	5.6	7.5	9.0
Current Ratio (x)	1.2	1.2	1.2	1.5	1.6
Quick Ratio (x)	0.8	0.7	0.6	0.8	0.9
PAYOUT					
Payout (%)	0.0	14.2	14.0	12.5	10.3
Dividend (%)	100%	100%	100%	100%	100%
Yield (%)	0.6	0.6	0.6	0.6	0.6

Recommendation rationale

Buy: Potential upside of	> +15% (absolute returns)
Accumulate:	>+5 to +15%
Hold/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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