

Century Plyboards (I) Ltd

Accumulate



Asian Markets Securities Pvt. Ltd.

Pain in Plywood continues....

Institutional Research

CMP (Rs)	173
Target (Rs)	197

Nifty: 11,929; Sensex: 39,750

Key Stock Data

Bloomberg	CPBI IN
Shares O/s Mn (FV INR1)	222.2
Mkt Cap(USD Mn/INR Bn)	0.6/38.5
52-week high/low	283/150
6m daily avg vol(INR Mn)	40
Free Float %	28%

Price Performance

(%)	1m	3m	12m
CENTURYPL	(3.3)	3.5	(37.7)
NIFTY	1.5	10.5	11.6
Sensex	1.7	10.8	13.0

Shareholding Pattern

(%)	Sep18	Dec18	Mar19
Promoter	72.3	72.7	72.7
FII	10.0	8.7	7.7
DII	4.4	5.3	6.3
Others	13.3	13.3	13.3

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CENTURYPLYBOARDS (INDIA) LIMITED (CPBI) recorded 7% topline growth primarily on the back of Particle Board/MDF/Laminates, while plywood division (55% of topline) stood flat yoy. Margins in plywood nosedived 640bps due to change in product mix and higher advt/CSR spend. Overall margins at company level dip 437bps yoy to 10.9%, due to pain across the board, barring Particle Board. For FY19, plywood division volumes continue to remain sluggish led by slower offtake of premium plywood and commercial veneers, while laminates, MDF and Particle Board record decent volume growth yoy. Particle Board and MDF are operating at ~100/67% utilization levels. CPBI is contemplating on setting up Greenfield capacity for Particle Board (500/CBM a day) in UP and also increasing MDF capacity (470 CBM/day) at existing Punjab plant. CPBI has trimmed down forex borrowings by ~70% to Rs1,100mn. Debtor days improved by 11 days to 47days, while net working capital days stood at 72days. Management is optimistic of double-digit growth for all verticals with some expansion in margins.

CPBI plans to spend Rs2.8bn in MDF (Rs1.5bn) and Particle Board (Rs1.25bn) in near term. Higher capex spends and limited scope of margin expansion in core category may deteriorate return ratio profile. Resultantly, we downgrade our target multiple from 24x to 22x and arrive at a target price of Rs197 on FY21 EEPS. Downgrade to Accumulate

Segment Performance

CPBI posted 7% increase in revenue at Rs5,832mn. Core Plywood segment (55% of revenue) witnessed flattish sales, impacted by lower sales (-36%) of the commercial veneer. Margins came down 640bps to 9.7% due to product mix change and higher marketing/csr expenses (Rs90mn). Laminates (contributing 21% to revenues) witnessed volume growth of 7% and improved realizations (+8%) led to strong 15% growth in segment revenues to Rs1,207mn. Improved utilization levels led to strong volume growth in MDF by 30% yoy to 35,395CBM, while margins fell 70bps yoy/qoq. Particle Board continued the traction with volume/revenue growth of 28/27% yoy. Blended EBITDAM dipped 437bps to 10.9%. Higher OI, lower depreciation due to change in depreciation policy, lower interest costs capped PAT fall to 4% yoy.

For FY19, net sales grew 15%, of which 50% was due to MDF. EBITDAM/PATM stood 13.3/7% vis-à-vis 15.6/8% respectively.

Capex details

CPBI spent Rs1.4bn in FY19, across verticals along with set up of Solar panel and corporate office. CPBI is coming up with a facility for face veneer in Gabon with capex of Rs250/300mn in FY20E. In MDF, CPBI is looking for brownfield capacity expansion of Rs1.5bn for capacity expansion of 470CBM/day from current capacity of 600CBM/day, once the utilization level crosses 90% compared to 67% as on FY19. Particle board is current running at more than 100% utilization levels and CPBI has plans to come up with a new facility in UP (500CBM/day), for a capex of Rs1,250mn. Further clarity on these plans to be clear in coming quarters. Door project is currently on hold.

Downgrade to Accumulate

We factor revenue CAGR of 4/14/20/18% in Plywood/Laminate/MDF/Particle Board division with margins of 13.6/14% and EPS CAGR of 12% over FY19-21E. CPBI has spent Rs7.5bn in over FY16-19 and envisages capex to the tune of Rs2.5/3bn over next two years. Higher capital employed in the business coupled with limited scope of margin expansion in core category to weigh profitability and return ratios. Therefore, we downgrade our target multiple from 24x to 22x and arrive at a TP of Rs197 based on FY21EEPS.

Exhibit 1: Key Financials

Y/E Mar (Rsmn)	FY17	FY18	FY19	FY20E	FY21E
Sales	17825	19672	22638	24707	27076
yoy (%)	9.0	10.4	15.1	9.1	9.6
EBITDA	2921	3060	3004	3349	3780
yoy (%)	3.0	4.8	-1.9	11.5	12.9
PAT	1856	1566	1588	1663	1991
yoy (%)	9.3	-15.6	1.4	4.8	19.7
Equity	223	223	223	223	223
EPS (Rs)	8.3	7.0	7.1	7.5	8.9

Exhibit 2: Key Indicators

Y/E Mar	FY17	FY18	FY19	FY20E	FY21E
EBITDAM (%)	16.4	15.6	13.3	13.6	14.0
NPM (%)	10.4	7.8	7.0	6.7	7.3
PER (x)	20.7	24.6	24.2	23.1	19.3
P/BV (x)	5.4	4.6	4.0	3.5	3.0
EV/Sales (x)	2.5	2.2	1.9	1.7	1.6
EV/EBITDA (x)	15.0	14.3	14.5	12.8	11.2
RoCE (%)	23.0	17.3	17.9	18.8	20.1
RoE (%)	30.1	20.3	17.6	16.0	16.7

Source: Company, AMSEC Research

Exhibit 3: Key Assumptions

Key Assumptions	FY18	FY19	FY20E	FY21E	CAGR 19-21E
Revenue Rs mn					
Plywood	12,633	12,734	13,237	13,760	4%
yoy%	0%	1%	4%	4%	
Laminates	3,700	4,322	4,938	5,641	14%
yoy%	2%	17%	14%	14%	
MDF	1,128	2,951	3,552	4,275	20%
yoy%	-	162%	20%	20%	
Particle Board	729	975	1,143	1,363	18%
yoy%	343%	34%	17%	19%	
Others	1,482	1,656	1,837	2,037	11%
yoy%	5%	12%	11%	11%	
Total Revenues	19,672	22,638	24,707	27,076	9%
Revenue Breakup (%)					
Plywood	64	56	54	51	
Laminates	19	19	20	21	
MDF	6	13	14	16	
Particle Board	4	4	5	5	
Others	8	7	7	8	
Total	100	100	100	100	
EBITDA Rs mn					
Plywood	1,812	1,744	1,827	1,913	
Laminates	596	386	464	542	
MDF	213	383	480	641	
Particle Board	139	219	274	341	
Others	301	271	304	344	
Total EBITDA	3,060	3,004	3,349	3,780	
EBITDAM%					
Plywood	14.3	13.7	13.8	13.9	
Laminates	16.1	8.9	9.4	9.6	
MDF	18.9	13.0	13.5	15.0	
Particle Board	19.0	22.5	24.0	25.0	
EBITDAM%	15.6	13.3	13.6	14.0	

Source: Company, AMSEC Research

Exhibit 4: 4QFY19 Financials (Standalone)

Y/E Mar (Rs.mn)	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	yoY (%)	qoq (%)	FY18	FY19	yoY%
Net Sales	5441	5373	5644	5789	5832	7.2	0.7	19672	22638	15.1
Total Expenditure	4610	4507	4902	5030	5196	12.7	3.3	16612	19634	18.2
(Increase) / Decrease In Stocks	-244	63	-70	-91	-6	(97.7)	(93.9)	-452	-104	(77.0)
Purchase of Finished Goods	710	515	618	644	678	(4.5)	5.3	3313	2455	(25.9)
Cost of Services & Raw Materials	2273	2176	2397	2535	2356	3.7	(7.0)	7369	9464	28.4
Operating & Manufacturing Expenses	1119	963	1117	1132	1330	18.8	17.5	3543	4542	28.2
Employee Cost	752	790	840	810	837	11.3	3.3	2839	3277	15.4
EBIDTA	832	865	742	759	637	(23.4)	(16.2)	3060	3004	(1.9)
Other Income	13	6	10	16	29	124.2	85.0	67	60	(9.5)
Operating Profit	845	871	752	775	666	(21.2)	(14.1)	3127	3064	(2.0)
Interest	122	134	155	62	94	(23.1)	50.1	327	446	36.4
PBDT	723	737	597	713	572	(20.8)	(19.7)	2801	2618	(6.5)
Depreciation	277	108	113	136	143	(48.4)	5.2	810	500	(38.3)
PBT	445	628	485	577	429	(3.7)	(25.6)	1990	2119	6.5
Tax	88	175	106	162	87	(0.9)	(46.3)	424	531	25.3
Profit After Tax	357	454	378	414	342	(4.4)	(17.5)	1566	1588	1.4
Equity Capital	222.5	222.5	222.5	222.5	222.5			222.5	222.5	
EPS (Adjusted)	1.6	2.0	1.7	1.9	1.5			7.0	7.1	
EBIDTA (%)	15.3	16.1	13.2	13.1	10.9	(437bp)	(220bp)	15.6	13.3	(229bp)
PATM (%)	6.6	8.4	6.7	7.2	5.9	(71bp)	(130bp)	8.0	7.0	(95bp)
Tax / PBT (%)	19.8	27.8	22.0	28.2	20.4	57bp	(782bp)	21.3	25.1	377bp
Raw material / Net sales (%)	50.3	51.3	52.2	53.3	51.9	161bp	(140bp)	52.0	52.2	19bp
Other exp/Net sales	20.6	17.9	19.8	19.6	22.8	223bp	325bp	38.8	41.2	243bp
Employee cost / Net Sales (%)	13.8	14.7	14.9	14.0	14.3	53bp	36bp	31.1	29.7	(135bp)

Source: Company, AMSEC Research

Exhibit 5: 4QFY19 Segmental Financials (Standalone)

Particulars, Rs mn	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	yoy (%)	qoq (%)	FY18	FY19	yoy%
Segment Revenue										
Plywood	3230	3179	3224	3143	3235	0.1	2.9	12944	12781	(1.3)
Laminate	1056	915	1106	1138	1231	16.6	8.2	3854	4390	13.9
MDF	648	699	612	882	760	17.3	(13.8)	1131	2954	161.1
Particle Board	190	182	286	265	241	27.0	(8.9)	749	975	30.1
CFS	233	304	264	250	219	(5.8)	(12.3)	997	1037	4.0
Others	98	99	160	121	154	57.2	27.1	378	534	41.5
Total segment revenue	5454	5378	5653	5799	5840	7.1	0.7	20052	22670	13.1
Less: Intersegment Revenue	13	6	9	10	8	(39.7)	(22.0)	32	32	0.6
Income from operation	5441	5373	5644	5789	5832	7.2	0.7	20020	22638	13.1
Segment Result										
Plywood	480	554	524	385	365	(23.9)	(5.1)	1689	1829	8.3
Laminate	115	78	75	89	96	(16.4)	8.2	517	337	(34.7)
MDF	-24	47	-5	95	63	(360.6)	(33.7)	-25	200	(914.5)
Particle Board	-12	38	44	45	50	(504.5)	13.1	-18	177	(1,092.0)
CFS	62	103	71	54	32	(47.8)	(39.7)	282	260	(7.8)
Others	-14	0	7	8	11	(180.1)	37.1	-14	27	(293.2)
EBIT	606	821	716	675	618	2.1	(8.4)	2431	2831	16.4
Less: Finance cost	122	134	155	62	94	(23.1)	50.0	327	446	36.4
Other Unallocable Expenditure	38	58	76	36	96	149.8	164.2	115	266	132.5
Total Profit/(Loss) before tax	445	628	485	577	429	(3.7)	(25.6)	1990	2118	6.4
Capital Employed										
Plywood and Allied Business	4427	4286	4642	5164	5301	19.7	2.6	4427	5301	19.7
Laminate and allied products	2013	1924	2054	2188	2254	12.0	3.0	2013	2254	12.0
MDF	3635	3671	3630	3528	3380	(7.0)	(4.2)	3635	3380	(7.0)
Particle Board	502	680	658	651	648	29.0	(0.5)	502	648	29.0
Container Freight station services	400	427	426	474	453	13.3	(4.3)	400	453	13.3
Others	93	88	102	37	22	(76.7)	(40.8)	93	22	(76.7)
Total	11070	11076	11512	12042	12057	8.9	0.1	11070	12057	8.9
EBIT/Sales (%)										
Plywood and Allied Business	14.9	17.4	16.3	12.3	11.3	(356bp)	(95bp)	13.0	14.3	126bp
Laminate and allied products	10.8	8.5	6.8	7.8	7.8	(307bp)	(0bp)	13.4	7.7	(573bp)
MDF	-3.7	6.7	-0.8	10.8	8.3	1202bp	(249bp)	-2.2	6.8	894bp
Particle Board	-6.6	21.1	15.3	16.8	20.9	2741bp	406bp	-2.4	18.2	-
Container Freight station services	26.7	33.9	26.8	21.5	14.8	(1188bp)	(673bp)	28.3	25.1	(321bp)
Others	-14.6	0.4	4.5	6.9	7.4	2201bp	54bp	-3.8	5.1	890bp
EBIT	11.1	15.3	12.7	11.6	10.6	(51bp)	(106bp)	12.1	12.5	36bp
EBIT/Capital Employed (%)										
Plywood and Allied Business	10.8	12.9	11.3	7.5	6.9	(395bp)	(56bp)	38.2	34.5	(366bp)
Laminate and allied products	5.7	4.1	3.6	4.0	4.2	(144bp)	20bp	25.7	15.0	(1071bp)
MDF	-0.7	1.3	-0.1	2.7	1.9	253bp	(83bp)	-0.7	5.9	659bp
Particle Board	-2.5	5.7	6.7	6.8	7.8	1024bp	93bp	-3.6	27.3	3088bp
Container Freight station services	15.5	24.2	16.6	11.3	7.2	(836bp)	(419bp)	70.5	57.4	(1312bp)
Others	-15.4	0.5	7.1	22.8	52.9	6829bp	3007bp	-15.3	127.0	14229bp
EBIT	5.5	7.4	6.2	5.6	5.1	(34bp)	(48bp)	22.0	23.5	151bp

Source: Company, AMSEC Research

Segment Analysis	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	yoy (%)	qoq (%)	FY18	FY19	yoy%
Volume										
Plywood (CBM)	66,712	63,734	64,337	62,217	62,349	(6.5)	0.2	2,53,926	2,52,637	(0.5)
Laminates (No's)	14,96,788	13,18,930	14,91,204	14,69,058	15,99,771	6.9	8.9	54,21,347	58,78,963	8.4
CFS (TEU's)	18,150	20,035	17,953	16,384	14,638	(19.3)	(10.7)	80,936	69,010	(14.7)
MDF (CBM)	27,250	29,659	27,037	40,138	35,395	29.9	(11.8)	48,307	1,32,229	173.7
Particle Board (CBM)	11308	11357	19436	16254	14489	28.1	(10.9)	45,993	61,536	33.8
Net sales (Rs.mn)										
Plywood	3,212	3,163	3,215	3,131	3,225	0.4	3.0	12,633	12,734	0.8
Laminates	1,049	904	1,092	1,120	1,207	15.0	7.8	3,700	4,322	16.8
CFS	231	268	260	246	217	(5.9)	(11.8)	993	992	(0.2)
MDF	648	698	612	882	760	17.3	(13.8)	1,254	2,951	135.3
Particle Board	190	182	286	265	241	27.1	(8.9)	729	975	33.6
Others	112	157	180	145	182	62.4	25.1	363	665	83.3
Total	5,441	5,373	5,644	5,789	5,832	7.2	0.7	19,672	22,638	15.1
Average realization										
Plywood (Rs/CBM)	48,141	49,627	49,963	50,327	51,731	7.5	2.8	49,751	50,404	1.3
Laminates (Rs/No.)	701	685	732	762	754	7.6	(1.0)	682	735	7.7
CFS (Rs/TEU)	12,722	13,382	14,488	15,033	14,838	16.6	(1.3)	12,271	14,370	17.1
MDF (Rs/CBM)	23,765	23,544	22,617	21,964	21,469	(9.7)	(2.3)	25,967	22,320	(14.0)
Particle Board (CBM)	16,785	16,052	14,736	16,291	16,647	(0.8)	2.2	15,857	15,840	(0.1)
EBITM										
Plywood	14.9	17.5	16.3	12.3	11.3	(361bp)	(97bp)	13.4	14.4	99bp
Laminates	10.9	8.7	6.9	7.9	7.9	(298bp)	3bp	14.0	7.8	(617bp)
CFS	26.9	38.5	27.2	21.8	14.9	(1195bp)	(690bp)	28.4	26.2	(217bp)
MDF	-3.7	6.7	-0.8	10.8	8.3	1203bp	(249bp)	-2.0	6.8	874bp
EBIDTAM										
Plywood	16.1	17.3	15.5	12.1	9.7	(640bp)	(240bp)	14.3	13.6	(70bp)
Laminates	12.6	9.4	8.0	9.0	8.9	(370bp)	(10bp)	15.8	8.8	(700bp)
CFS	37.7	40.2	33.8	29.0	23.9	(1380bp)	(510bp)	38.4	32.4	(600bp)
MDF	16.0	13.0	6.0	16.0	15.3	(70bp)	(70bp)	18.0	13.0	(500bp)
Particle Board	18.1	26.6	18.9	20.8	21.8	370bp	100bp	19.0	22.5	350bp

Source: Company, AMSEC Research

Exhibit 6: Quarterly Net Revenue Trend

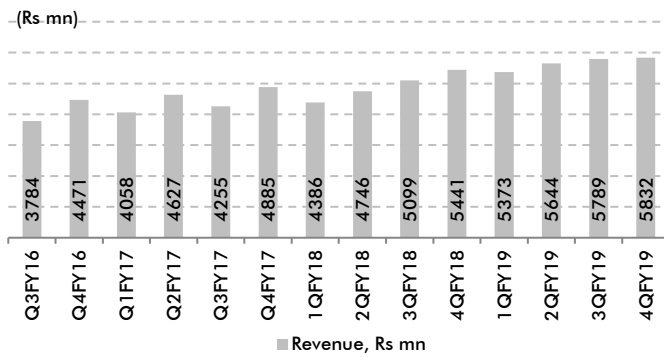


Exhibit 7: Quarterly EBITDA Trend

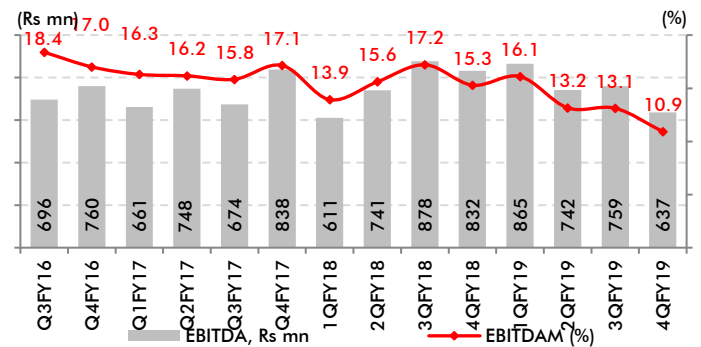


Exhibit 8: Quarterly PAT Trend

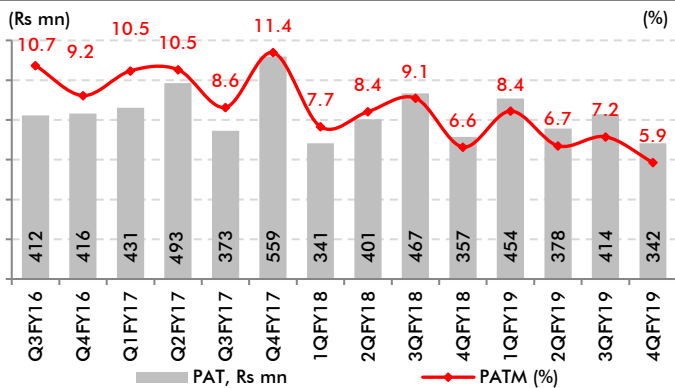
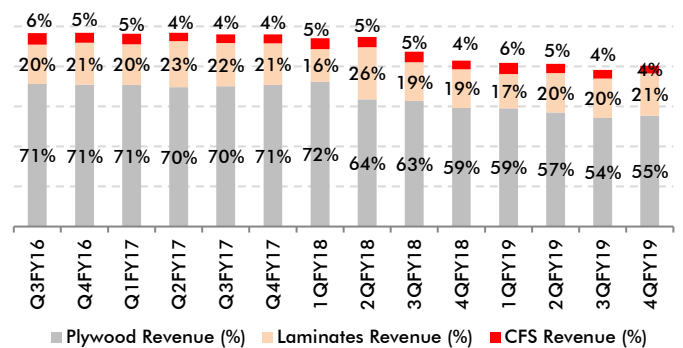


Exhibit 9: Segment Revenue Contribution



Quarterly Segment Performance-Plywood

Exhibit 10: Net Revenue

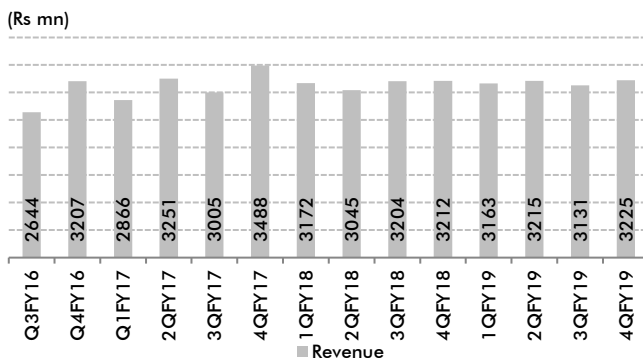


Exhibit 11: EBIT

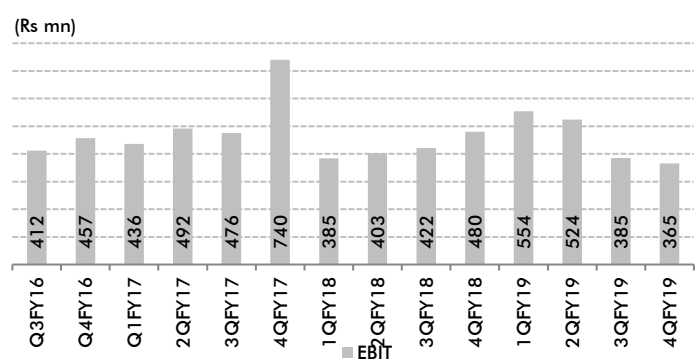


Exhibit 12: EBIT/Sales

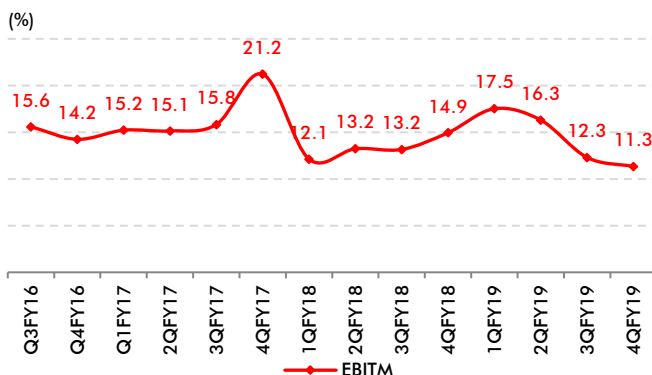
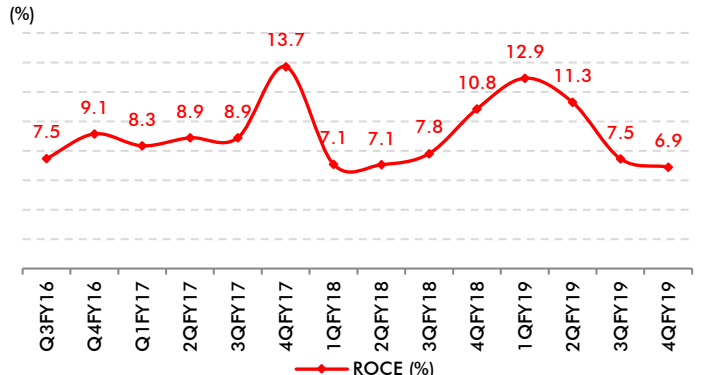


Exhibit 13: ROCE



Source: Company, AMSEC Research

Quarterly Segment performance -Laminates

Exhibit 14: Net Revenue

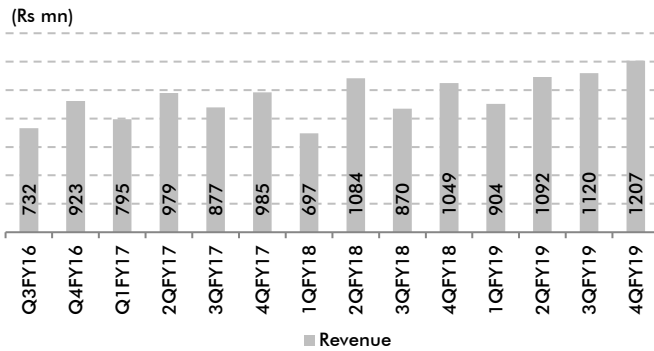


Exhibit 15: EBIT

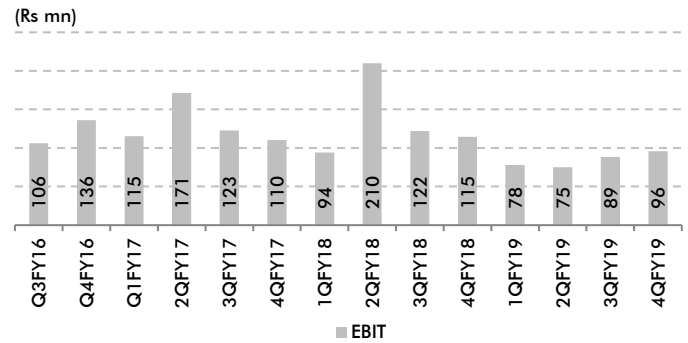


Exhibit 16: EBIT/Sales

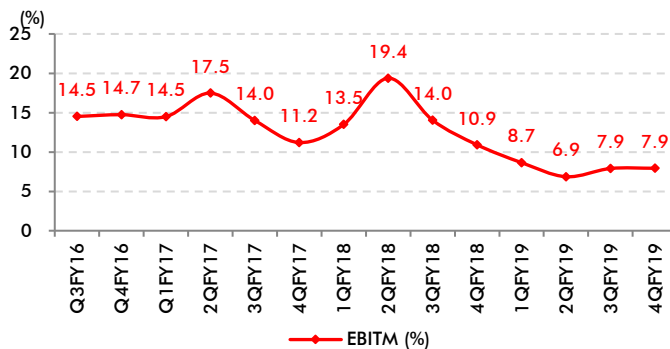
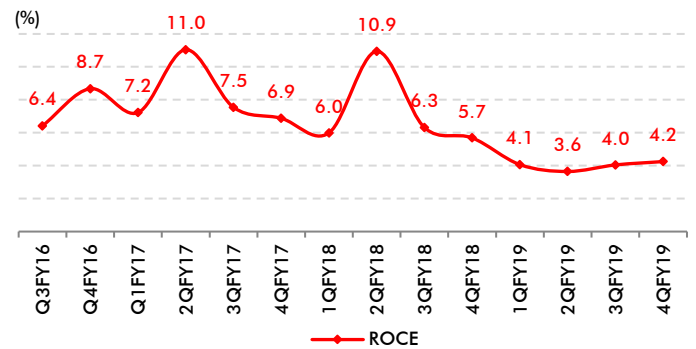


Exhibit 17: ROCE



Source: Company, AMSEC Research

Quarterly Segment performance -CFS

Exhibit 18: Net Revenue

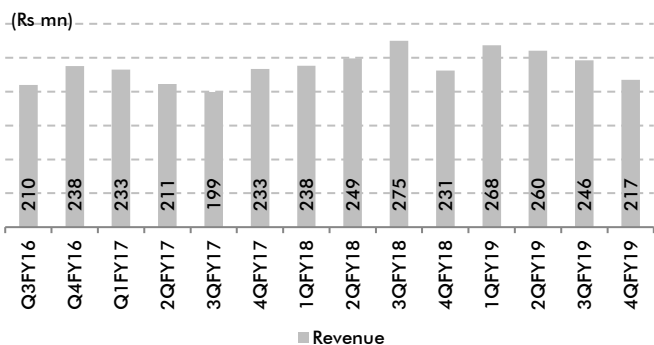


Exhibit 19: EBIT

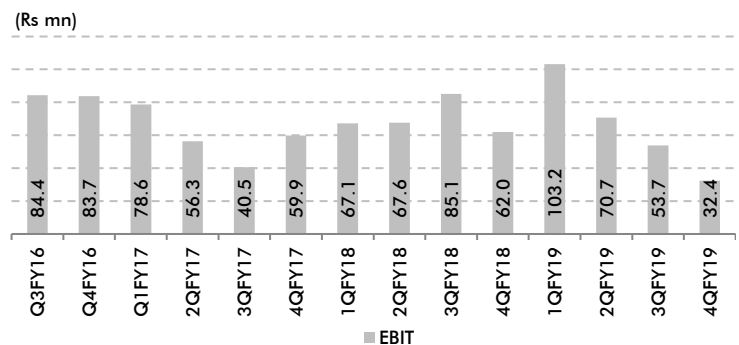


Exhibit 20: EBIT/Sales

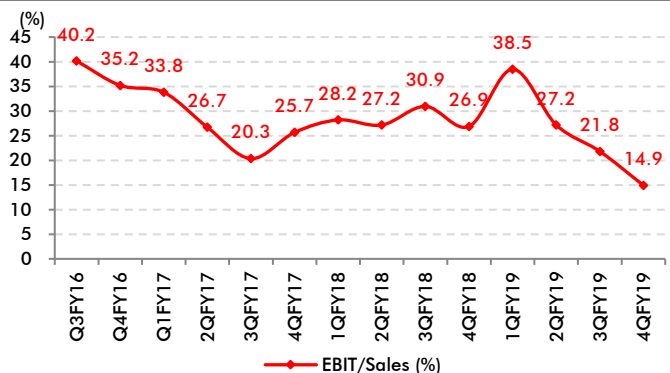
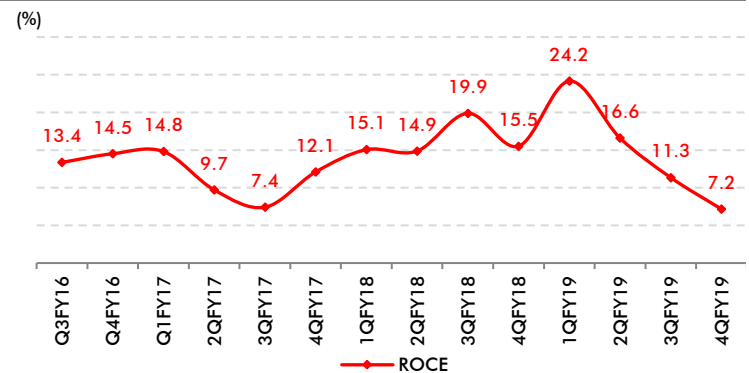


Exhibit 21: ROCE



Source: Company, AMSEC Research

Financial snapshot (Standalone)

Exhibit 22: Revenue

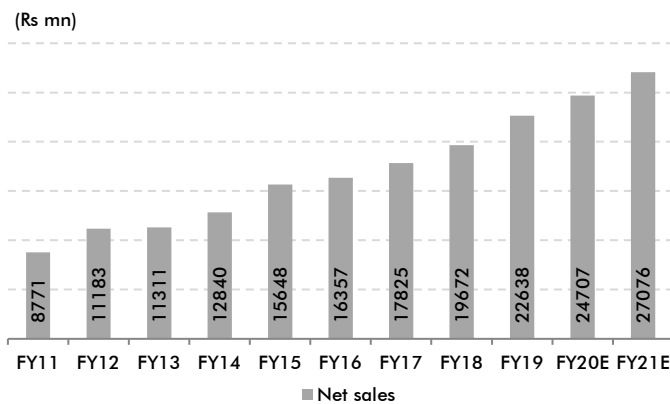


Exhibit 23: EBIDTA & EBIDTAM (%)

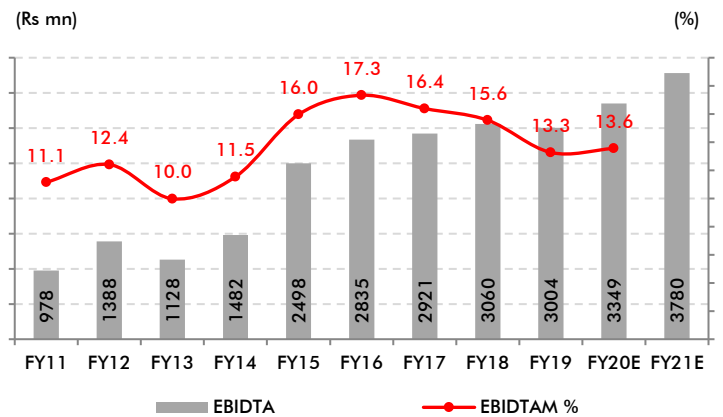


Exhibit 24: PAT & PATM (%)

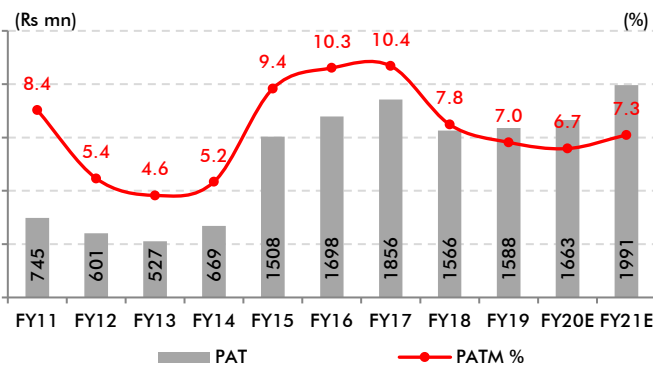


Exhibit 25: Return Ratios

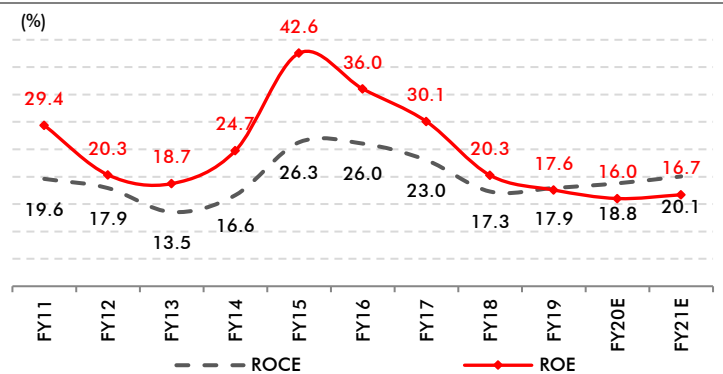


Exhibit 26: Dividend and Dividend payout ratio

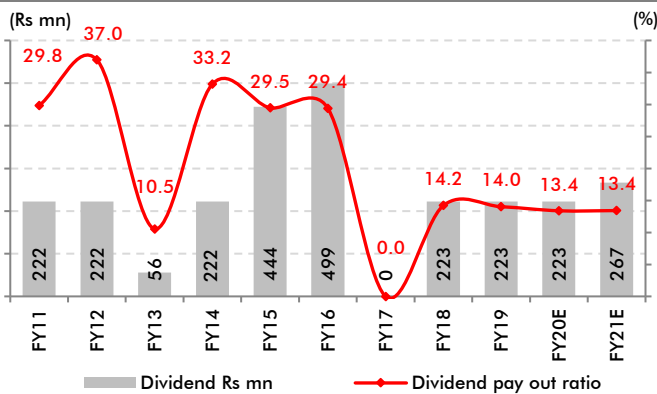
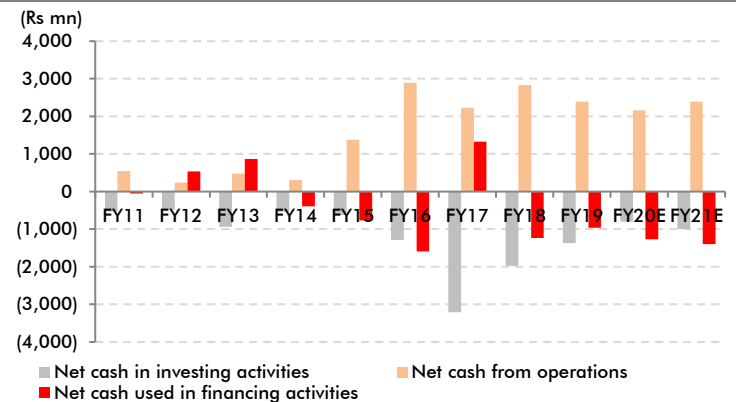


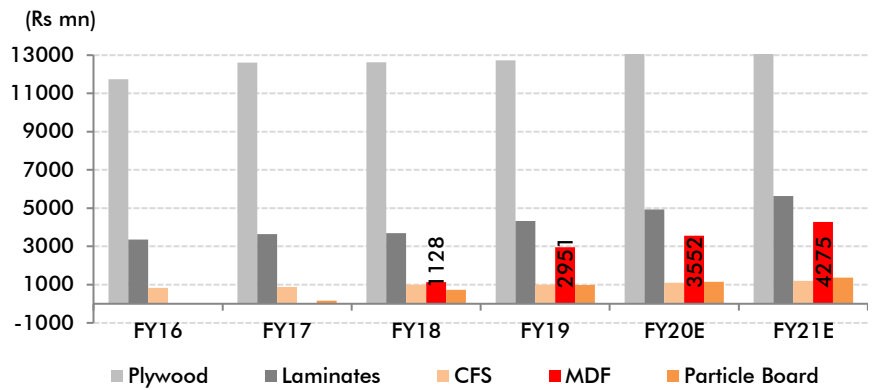
Exhibit 27: Cash Flow



Source: Company, AMSEC Research

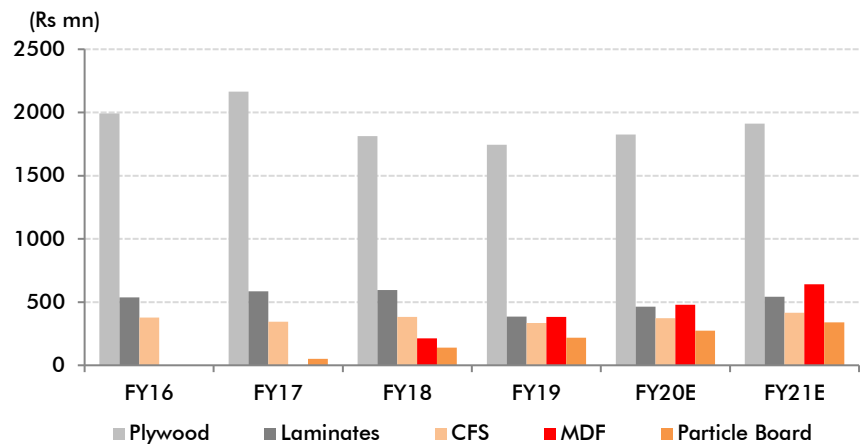
Yearly Segment performance

Exhibit 28: Segment revenue trend



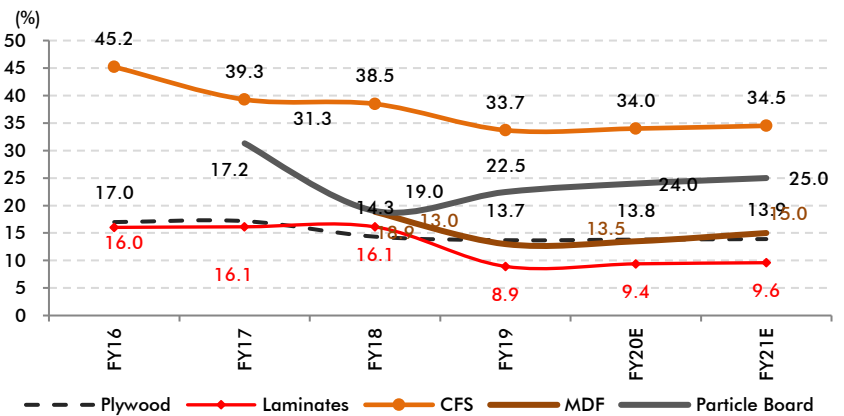
Source: Company, AMSEC Research

Exhibit 29: Segment EBITDA trend



Source: Company, AMSEC Research

Exhibit 30: Segment EBITDAM trend



Source: Company, AMSEC Research

Financials (Standalone)**(Rs mn)****Profit and Loss Account**

Y/E (Mar)	FY17	FY18	FY19	FY20E	FY21E
Net sales	17825	19672	22638	24707	27076
Inc./(Dec.) in Stock	-16	452	104	116	142
Raw material cons.	9165	10682	11919	13021	14215
Power & Fuel cost	374	638	746	880	968
Employee cost	2567	2839	3277	3867	4253
Other mfg Exp.	1053	1384	1619	1910	2101
General & Adm. Exp.	260	249	291	343	378
Selling & Advt. Exp.	866	666	786	928	1020
Misc. Expenses	803	588	1030	526	501
Total expenditure	14887	17064	19738	21474	23437
Operating profit	2921	3060	3004	3349	3780
Other income	226	67	60	67	73
Interest expense	286	327	446	530	460
Gross Profit	2861	2800	2618	2886	3394
Dep. & Amortization	524	810	500	543	589
PBT	2337	1990	2119	2343	2804
Provision for Tax	481	424	531	679	813
Reported Net Profit	1856	1566	1588	1663	1991
Share O/s mn	223	223	223	223	223
EPS Rs	8.3	7.0	7.1	7.5	8.9

Balance Sheet

Y/E (Mar)	FY17	FY18	FY19	FY20E	FY21E
SOURCES OF FUNDS :					
Share Capital	223	223	223	223	223
Reserves Total	6864	8157	9469	10864	12534
Total Shareh. Funds	7086	8379	9691	11087	12756
Non-Current Liab.					
Long term borrowings	1467	1669	1323	1124	787
Deferred tax liability	0	0	0	0	0
Other long term liab.	2	7	6	6	7
Long-term provisions	104	53	20	22	25
Long-term trade pay.	0	0	0	0	0
Current Liabilities					
Short term borrowings	4103	3353	3363	3027	2724
Trade payables	1411	1764	1625	1784	1947
Other current liabilities	1291	1303	1542	1758	1945
Short term provisions	82	63	95	109	123
Total Equity & Liab.	15547	16593	17665	18917	20315
APPLICATION OF FUNDS :					
Non Current Assets					
Fixed Assets					
Gross Block	3450	7187	9553	10441	11441
Less: Accum Dep.	953	1767	2267	2810	3399
Net Block	2497	5420	7289	7635	8046
Capital WIP	2839	1198	188	100	100
Noncurrent Investment	960	960	975	975	975
Long term loans & adv.	789	807	754	860	963
Other non-current ass.	343	260	235	268	301
Current Assets					
Current investment	0	0	0	0	0
Inventories	2638	3382	4010	4380	4792
Sundry Debtors	3353	3145	2936	3181	3486
Cash and Bank	538	165	225	318	310
Short Loans & Adv.	46	191	76	87	97
Others Current Assets	1543	1065	976	1112	1246
Total Assets	15547	16593	17665	18917	20315
Net working capital	693	1299	1372	2084	2882
Total Gross Debt	5955	5382	5137	4665	4051
Total Net debt	5417	5217	4912	4347	3741
Total capital employed	13041	13762	14828	15752	16808

Cash Flow Statement

Y/E (Mar)	FY17	FY18	FY19	FY20E	FY21E
PBT	2337	1990	2119	2343	2804
Non-cash adjust.	633	1133	858	1073	1049
Chg. in working cap.	-283	254	-132	-574	-653
Tax & Interest Paid	-457	-544	-451	-679	-813
Cashflow from op.	2230	2834	2394	2163	2387
Capital expenditure	-2880	-1921	-1360	-800	-1000
Change in invest.	-328	-53	-14	0	0
Cashflow from inv.	-3208	-1974	-1374	-800	-1000
Issue of equity	0	0	0	0	0
Issue/repay debt	1613	-641	-245	-472	-614
Interest Paid	-286	-326	-446	-530	-460
Dividends paid	0	-267	-268	-268	-322
Other fin. Cash flow	0	0	0	0	0
Cash flow from fin.	1326	-1233	-959	-1270	-1396
Chg cash & cash eq	348	-373	61	93	-9
Open. cash eq	190	538	165	225	318
Clsq cash & cash eq	538	165	225	318	310
CashFlow to firm	-650	913	1034	1363	1387

Key Ratios

Y/E Mar	FY17	FY18	FY19	FY20E	FY21E
PER SHARE					
EPS Rs	8.3	7.0	7.1	7.5	8.9
CEPS Rs	10.7	10.7	9.4	9.9	11.6
Book Value Rs	31.8	37.7	43.6	49.8	57.3
VALUATION					
EV / Net Sales	2.5	2.2	1.9	1.7	1.6
EV / EBITDA	15.0	14.3	14.5	12.8	11.2
P / E Ratio	20.7	24.6	24.2	23.1	19.3
P / BV Ratio	5.4	4.6	4.0	3.5	3.0
GROWTH YOY%					
Sales Growth	9.0	10.4	15.1	9.1	9.6
EBITDA Growth	3.0	4.8	-1.9	11.5	12.9
Net Profit Growth	9.3	-15.6	1.4	4.8	19.7
Gross Fixed Asset Growth	43.9	108.3	32.9	9.3	9.6
PROFITABILITY					
Gross Profit/ Net sales (%)	30.6	23.0	26.3	24.6	24.6
EBITDA / Net Sales (%)	16.4	15.6	13.3	13.6	14.0
NPM / Total income (%)	10.4	7.8	7.0	6.7	7.3
Raw Material/Net Sales (%)	51.5	52.0	52.2	52.2	52.0
Int/PBIT (%)	11.9	14.5	17.8	18.9	14.4
ROE (%)	30.1	20.3	17.6	16.0	16.7
ROCE (%)	23.0	17.3	17.9	18.8	20.1
ROIC (%)	24.7	20.0	18.5	18.6	19.9
Tax / PBT (%)	20.6	21.3	25.1	29.0	29.0
TURNOVER (Days)					
Net Working Cycle	77	72	72	72	72
Debtors Velocity	69	58	47	47	47
Inventory	65	74	75	75	75
Creditors Velocity	56	60	50	50	50
Gross Asset Ratio	6.1	3.7	2.7	2.5	2.5
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	0.4	0.3
Net Debt-Equity Ratio	0.8	0.6	0.5	0.4	0.3
Interest Coverage	8.4	6.9	5.6	5.3	6.9
Current Ratio (x)	1.2	1.2	1.2	1.4	1.5
Quick Ratio (x)	0.8	0.7	0.6	0.7	0.8
PAYOUT					
Payout (%)	0.0	14.2	14.0	13.4	13.4
Dividend (%)	100%	100%	100%	120%	130%
Yield (%)	0.6	0.6	0.6	0.7	0.8

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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