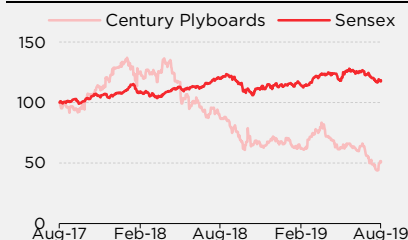


**14 August 2019**
**BSE Sensex: 37312**
**Sector: Home Improvement**
**Stock data**

|                        |           |
|------------------------|-----------|
| CMP (Rs)               | 132       |
| Mkt Cap (Rs bn/USD m)  | 29.3 /411 |
| Target Price (Rs)      | 176       |
| Change in TP (%)       | 10.9      |
| Potential from CMP (%) | 33.6      |
| Earnings change (%)    |           |
| FY20E                  | (1.9)     |
| FY21E                  | (1.0)     |

|  |          |
|--|----------|
| Bloomberg code                           | CPBI IN  |
| 1-yr high/low (Rs)                       | 238/112  |
| 6-mth avg. daily volumes (m)             | 0.2      |
| 6-mth avg. daily traded value (Rsm/USDm) | 31.9/0.4 |
| Shares outstanding (m)                   | 222.2    |
| Free float (%)                           | 27.3     |
| Promoter holding (%)                     | 72.8     |

**Price performance - relative & absolute**


| (%)        | 3-mth  | 6-mth  | 1-yr   |
|------------|--------|--------|--------|
| CPBI IN    | (19.4) | (18.8) | (41.9) |
| BSE Sensex | -      | 4.0    | (1.4)  |

**Q1FY20 Result Highlights**

- Revenue grew ~7% yoy to ~Rs5.7bn (in-line). EBITDA growth of ~7% yoy to ~Rs926m was a robust 30% beat on est. due to better profitability in MDF, Laminates, and PB. Operating profit beat led to net income beat of 35% (Rs481m; +6.1% yoy).
- **Plywood:** The segment was weak with vol. decline of ~2% yoy (commercial veneer led decline - down 33% yoy) while revenue fell ~1% yoy. EBITDA fell ~16% yoy due to RM pressure and negative operating leverage but came in better than expected.
- **Laminates:** Volume/realisation was up ~7%/10% yoy respectively while revenue grew ~17% yoy. Capacity ramp-up continued during Q1. EBITDA grew ~30% yoy due to operating leverage benefits.
- **Particle Board:** Strong capacity ramp-up led growth continued into Q1. Volume/revenue grew 35%/37% yoy, while EBITDA grew ~41% yoy. Capacity utilisation at ~100% in Q1.
- **MDF:** Pricing pressures have started to abate (realisation down 5% yoy, but up 4% qoq) - CPBI took price hikes in mid-June. Volume grew ~39% yoy (utilization at ~84%), while revenue grew ~32%. Segment EBITDA jumped ~2.4x yoy.

**Key positives:** MDF/Laminates performance.

**Key negatives:** Plywood volume performance weak.

**Impact on financials:** 2%/1% cut in FY20E/21E EPS.

**Valuation & view**

CPBI has started the year on a very strong wicket, despite the weakness in Plywood performance as other segments powered on far stronger than expected. Improving GST implementation/surveillance should improve the level-playing field and eventually tilt it in favour of organized plywood players like CPBI as they get ready for a future consumption uptick. MDF performance was a pleasant surprise, especially on the realisation front (qoq improvement), and could be an indicator that pricing has finally bottomed out (at least in North India), although we would wait for a couple of quarters before getting convinced of this trend. However, the near-term outlook on real estate and weak consumption sentiment makes us cut our target multiple to 18x (vs 20x earlier). Nevertheless, valuations remain supportive (13.3x FY21E EPS). Maintain OP (TP Rs176). CPBI is an integrated wood panel company with exposure to laminates, MDF, Particle Board along with Plywood and hence a better story in our view as it is not dependent on anyone segment. Our financials do not factor in the ~Rs4-4.5bn capex for Sitarpur unit (MDF/PB) as plans haven't been finalized yet and the unit won't contribute to revenue before FY22E.

**Key financials (quarterly)**

| (Rs m)         | Q1FY19 | Q4FY19 | Q1FY20 | % ch qoq | % ch yoy | % var from est |
|----------------|--------|--------|--------|----------|----------|----------------|
| Total Revenue  | 5,373  | 5,832  | 5,737  | (1.6)    | 6.8      | 0.4            |
| EBITDA         | 865    | 637    | 926    | 45.5     | 7.0      | 29.7           |
| OPM (%)        | 16.1   | 10.9   | 16.1   | 5.2      | 0.0      |                |
| Depreciation   | 108    | 143    | 169    | 18.4     | 56.4     | 12.9           |
| Other Income   | 6      | 29     | 11     | (60.8)   | 96.9     | (62.1)         |
| Interest       | 134    | 94     | 90     | (4.5)    | (33.4)   | (25.4)         |
| PBT            | 628    | 429    | 679    | 58.2     | 8.0      | 43.2           |
| PAT            | 454    | 342    | 481    | 40.9     | 6.1      | 35.4           |
| PAT Margin (%) | 8.4    | 5.9    | 8.4    | 2.5      | (0.1)    |                |
| EPS (Rs)       | 2.0    | 1.5    | 2.2    | 40.9     | 6.1      | 35.4           |

*Source: Company, IDFC Securities Research*

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## Exhibit 1: Quarterly results (standalone)

| (Rsm)                    | Q4FY18       | Q1FY19       | Q2FY19       | Q3FY19       | Q4FY19       | Q1FY20       | Comments   |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--|
| <b>Total Revenue</b>     | <b>5,441</b> | <b>5,373</b> | <b>5,644</b> | <b>5,789</b> | <b>5,832</b> | <b>5,737</b> | <b>Barring Ply, all other segments outperformed expectations</b> |
| YoY (%)                  | 11.4         | 22.5         | 18.9         | 13.5         | 7.2          | 6.8          |  |
| RM Costs (incl. Stock)   | 2,028        | 2,239        | 2,327        | 2,444        | 2,351        | 2,327        | ~300 bps yoy GM improvement - led by Ply/MDF/Laminates           |
| Purchases                | 710          | 515          | 618          | 644          | 678          | 594          |  |
| Personnel Expenses       | 752          | 790          | 840          | 810          | 837          | 845          |  |
| Other Expenses           | 1,119        | 963          | 1,117        | 1,132        | 1,330        | 1,045        |  |
| Total Expenditure        | 4,610        | 4,507        | 4,902        | 5,030        | 5,196        | 4,811        |  |
| <b>EBITDA</b>            | <b>832</b>   | <b>865</b>   | <b>742</b>   | <b>759</b>   | <b>637</b>   | <b>926</b>   | <b>30% beat due to better margins in all sub-segments</b>        |
| <b>EBITDA Margin (%)</b> | <b>15.3</b>  | <b>16.1</b>  | <b>13.2</b>  | <b>13.1</b>  | <b>10.9</b>  | <b>16.1</b>  |  |
| Depreciation             | 277          | 108          | 113          | 136          | 143          | 169          |  |
| Other Income             | 13           | 6            | 10           | 16           | 29           | 11           |  |
| Interest                 | 122          | 134          | 155          | 62           | 94           | 90           |  |
| PBT                      | 445          | 628          | 485          | 577          | 429          | 679          |  |
| Tax                      | 88           | 175          | 106          | 162          | 87           | 197          |  |
| Tax Rate (%)             | 19.8         | 27.8         | 22.0         | 28.2         | 20.4         | 29.1         |  |
| <b>Profit After Tax</b>  | <b>357</b>   | <b>454</b>   | <b>378</b>   | <b>414</b>   | <b>342</b>   | <b>481</b>   | <b>35% beat</b>  |
| YoY (%)                  | (36.1)       | 33.0         | (5.8)        | (11.2)       | (4.4)        | 6.1          |  |
| <b>PAT Margin (%)</b>    | <b>6.6</b>   | <b>8.4</b>   | <b>6.7</b>   | <b>7.2</b>   | <b>5.9</b>   | <b>8.4</b>   |  |

Source: Company, IDFC Securities Research

## Exhibit 2: Segment details

| (Rsm)                    | Q4FY18 | Q1FY19 | Q2FY19 | Q3FY19 | Q4FY19 | Q1FY20 | YoY (%) |
|--------------------------|--------|--------|--------|--------|--------|--------|---------|
| <b>Plywood:</b>          |        |        |        |        |        |        |         |
| Revenue                  | 3,230  | 3,179  | 3,224  | 3,143  | 3,235  | 3,157  | (0.7)   |
| EBITDA                   | 520    | 549    | 500    | 380    | 315    | 461    | (16.1)  |
| EBITDA Margin (%)        | 16.1   | 17.3   | 15.5   | 12.1   | 9.7    | 14.6   |         |
| <b>Laminates:</b>        |        |        |        |        |        |        |         |
| Revenue                  | 1,056  | 915    | 1,106  | 1,138  | 1,231  | 1,071  | 17.1    |
| EBITDA                   | 133    | 86     | 88     | 102    | 110    | 113    | 30.4    |
| EBITDA Margin (%)        | 12.6   | 9.4    | 8.0    | 9.0    | 8.9    | 10.5   |         |
| <b>Particle Board:</b>   |        |        |        |        |        |        |         |
| Revenue                  | 190    | 182    | 286    | 265    | 241    | 249    | 36.5    |
| EBITDA                   | 34     | 49     | 54     | 55     | 61     | 68     | 40.6    |
| EBITDA Margin (%)        | 18.1   | 26.6   | 18.9   | 20.8   | 25.4   | 27.4   |         |
| <b>MDF:</b>              |        |        |        |        |        |        |         |
| Revenue                  | 621    | 699    | 613    | 882    | 760    | 919    | 31.5    |
| EBITDA                   | 97     | 90     | 36     | 141    | 116    | 216    | 138.4   |
| EBITDA Margin (%)        | 15.6   | 12.9   | 5.9    | 15.9   | 15.3   | 23.5   |         |
| <b>Container Freight</b> |        |        |        |        |        |        |         |
| Revenue                  | 232    | 302    | 262    | 248    | 218    | 224    | (26.0)  |
| EBITDA                   | 87     | 121    | 89     | 72     | 52     | 77     | (37.0)  |
| EBITDA Margin (%)        | 37.7   | 40.2   | 33.9   | 29.0   | 23.9   | 34.2   |         |
| <b>Others:</b>           |        |        |        |        |        |        |         |
| Revenue                  | 86     | 95     | 154    | 113    | 147    | 117    | 23.0    |
| EBITDA                   | (14)   | 0      | 7      | 8      | 11     | 8      | 1,950.0 |
| EBITDA Margin (%)        | (16.6) | 0.4    | 4.8    | 7.4    | 7.7    | 7.0    |         |

Source: Company, IDFC Securities Research

**Exhibit 3: Plywood/Laminates - Operating Metrics**

| Particulars                              | Q4FY18           | Q1FY19           | Q2FY19           | Q3FY19           | Q4FY19           | Q1FY20           | YoY (%)      |
|--|------------------|------------------|------------------|------------------|------------------|------------------|--------------|
| <b>Plywood Volume (cbm):</b>             | <b>66,712</b>    | <b>63,734</b>    | <b>64,337</b>    | <b>62,217</b>    | <b>62,349</b>    | <b>62,678</b>    | <b>(1.7)</b> |
| - Plywood                                | 56,488           | 56,055           | 56,466           | 53,385           | 54,536           | 56,642           | 1.0          |
| - Deco Ply                               | 2,422            | 2,509            | 2,690            | 2,720            | 2,690            | 2,565            | 2.2          |
| - Commercial Veneer                      | 7,802            | 5,170            | 5,181            | 6,112            | 5,123            | 3,471            | (32.9)       |
| <b>Plywood Realisation (Rs/cbm):</b>     | <b>48,141</b>    | <b>49,627</b>    | <b>49,963</b>    | <b>50,327</b>    | <b>51,731</b>    | <b>50,220</b>    | <b>1.2</b>   |
| - Plywood                                | 45,319           | 46,563           | 47,064           | 46,792           | 48,021           | 46,497           | (0.1)        |
| - Deco Ply                               | 129,604          | 139,020          | 141,970          | 148,603          | 144,981          | 148,577          | 6.9          |
| - Commercial Veneer                      | 43,284           | 39,458           | 33,797           | 37,467           | 42,260           | 38,289           | (3.0)        |
| <b>Laminates Volume (sheets):</b>        | <b>1,496,788</b> | <b>1,318,930</b> | <b>1,491,204</b> | <b>1,469,058</b> | <b>1,599,771</b> | <b>1,407,387</b> | <b>6.7</b>   |
| - Domestic                               | 1,492,657        | 1,314,619        | 1,486,638        | 1,463,382        | 1,593,390        | 1,400,731        | 6.6          |
| - Exteria                                | 4,131            | 4,311            | 4,566            | 5,676            | 6,381            | 6,656            | 54.4         |
| <b>Laminates Realisation (Rs/sheet):</b> | <b>701.0</b>     | <b>685.0</b>     | <b>732.3</b>     | <b>762.2</b>     | <b>754.3</b>     | <b>749.8</b>     | <b>9.5</b>   |
| - Domestic                               | 687.1            | 668.6            | 716.9            | 742.5            | 735.8            | 726.5            | 8.7          |
| - Exteria                                | 5,737.1          | 5,706.3          | 5,760.0          | 5,849.2          | 5,375.3          | 5,664.1          | (0.7)        |

Source: Company, IDFC Securities Research

**Exhibit 4: Particle Board/MDF - Operating Metrics**

| Particulars            | Q4FY18 | Q1FY19 | Q2FY19 | Q3FY19 | Q4FY19 | Q1FY20 | YoY (%) |
|------------------------|--------|--------|--------|--------|--------|--------|---------|
| <b>PB:</b>             |        |        |        |        |        |        |         |
| - Volume (cbm)         | 11,308 | 11,357 | 19,435 | 16,254 | 14,849 | 15,276 | 34.5    |
| - Realisation (Rs/cbm) | 16,785 | 16,052 | 14,736 | 16,291 | 16,244 | 16,294 | 1.5     |
| <b>MDF:</b>            |        |        |        |        |        |        |         |
| - Volume (cbm)         | 27,250 | 29,659 | 27,037 | 40,138 | 35,395 | 41,177 | 38.8    |
| - Realisation (Rs/cbm) | 23,765 | 23,544 | 22,617 | 21,964 | 21,469 | 22,301 | (5.3)   |

Source: Company, IDFC Securities Research

**□ Conference Call Highlights**

- **Price hikes taken in Plywood/MDF:** CPBI has taken price hikes across its Plywood portfolio (1% overall, 3-4% for Sainik MR plywood). On the MDF side, the company has taken 3-4% price hikes across different grades of thick MDF (75% of total MDF output).
- **Q2 could see disruptions due to flooding across markets; full year to remain unaffected:** CPBI has called out that Q2 could see possible disruptions in business across its markets (esp Kerala which is an important premium product market) due to the flooding situation in various states in July/August. However, demand would get a boost post floods due to reconstruction/repair demand and as such, full year expectations remain unaffected.
- **MDF prices have stabilized:** CPBI doesn't expect MDF prices, in North India, to fall from current levels as consumption is increasing at a healthy pace. However, MDF prices are not expected to rise sharply either due to threat of lower-priced imports.
- **Myanmar face veneer prices now at sustainable level:** Prices had risen to \$1,100/MT but have now fallen to \$700/MT which CPBI believes is a more sustainable price level. CPBI would look to procure face veneer from Myanmar for its premium products while for the balance it would prefer the lower priced variants from Gabon.
- **FY20E Expectations:** Plywood revenue growth of ~7-8% (margin of 14%+), Laminates 15% plus revenue growth with margins of 11%. At a company level management is hopeful of 10% revenue growth with margins of 15%.
- **Gabon Face Veneer plant expected by December 2019:** Plant construction is in full swing currently and is expected to be commissioned by December 2019. Capex for this plant is ~Rs270m (of which Rs100m is machinery and balance is for land for which CPBI will pay instalments (~Rs30m already paid and balance to be paid over the next 42 months).

- **No plans to increase Laminates capacity currently:** CPBI has 6 laminate lines (~1mn sheets per line capacity) currently at its West Bengal plant of which 5 are running at 100% capacity. The company would aim to fully utilize all 6 lines before embarking on capacity expansion in this space.
- **Sitarpur MDF/PB capacity expansion plans in final stages:** CPBI is almost finalizing its plans to go ahead with a combined plant to manufacture ~500 cbm/day each of MDF and PB at Sitarpur (Uttar Pradesh). Plant capex is estimated at ~Rs4-4.5bn and is lower than its Hoshiarpur MDF unit capex (~Rs3.5bn for 600 cbm/day) as many plant-level facilities (e.g. electrical substation) would be common for both units. The capex would be spread out over FY20E (~Rs0.5-1bn) and FY21E (Rs3.5-4bn) and revenue from this plant would accrue from FY22E onwards. CPBI has the incentive of setting off 200% of GST remittances from this particular plant over the next ten years (which would help pay off the investment of the plant itself).
- **MDF replacing Thin Plywood at retail level:** CPBI mentioned that MDF is slowly making in-roads into retail customers as well. Plywood dealers now sell MDF as well, and it is considered a good replacement for Thin Plywood.

Exhibit 5: Change in estimates

| (Rsm)             | FY20E    |         |          | FY21E    |         |          |
|-------------------|----------|---------|----------|----------|---------|----------|
|                   | Previous | Revised | % Change | Previous | Revised | % Change |
| Revenue           | 25,211   | 24,712  | (2.0)    | 27,966   | 27,794  | (0.6)    |
| EBITDA            | 3,506    | 3,608   | 2.9      | 3,997    | 4,144   | 3.7      |
| EBITDA Margin (%) | 13.9     | 14.6    |          | 14.3     | 14.9    |          |
| PAT               | 1,871    | 1,836   | (1.9)    | 2,203    | 2,181   | (1.0)    |
| EPS (Rs)          | 8.4      | 8.2     | (1.9)    | 9.9      | 9.8     | (1.0)    |

Source: IDFC Securities Research

## Income statement

| Year to 31 Mar (Rs m)      | FY17          | FY18          | FY19          | FY20E         | FY21E         |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Net sales</b>           | <b>18,187</b> | <b>20,239</b> | <b>22,804</b> | <b>24,712</b> | <b>27,794</b> |
| % growth                   | 10.8          | 11.3          | 12.7          | 8.4           | 12.5          |
| Operating expenses         | 15,068        | 16,929        | 19,788        | 21,104        | 23,651        |
| <b>EBITDA</b>              | <b>3,120</b>  | <b>3,311</b>  | <b>3,016</b>  | <b>3,608</b>  | <b>4,144</b>  |
| % change                   | 7.8           | 6.1           | (8.9)         | 19.6          | 14.8          |
| Other income               | 226           | 79            | 71            | 79            | 86            |
| Net interest cost          | 302           | 358           | 469           | 426           | 426           |
| Depreciation               | 593           | 907           | 595           | 775           | 852           |
| Pre-tax profit             | 2,450         | 2,124         | 2,023         | 2,486         | 2,953         |
| Deferred tax               | 0             | 0             | 0             | 0             | 0             |
| Current tax                | 515           | 463           | 535           | 646           | 768           |
| <b>Profit after tax</b>    | <b>1,935</b>  | <b>1,661</b>  | <b>1,489</b>  | <b>1,840</b>  | <b>2,185</b>  |
| Preference dividend        | 0             | 0             | 0             | 0             | 0             |
| Minorities                 | (30)          | (31)          | (4)           | (4)           | (4)           |
| <b>Adjusted net profit</b> | <b>1,905</b>  | <b>1,631</b>  | <b>1,485</b>  | <b>1,836</b>  | <b>2,181</b>  |
| Non-recurring items        | 0             | 0             | 0             | 0             | 0             |
| <b>Reported net profit</b> | <b>1,905</b>  | <b>1,631</b>  | <b>1,485</b>  | <b>1,836</b>  | <b>2,181</b>  |
| % change                   | 12.7          | (14.4)        | (9.0)         | 23.7          | 18.8          |

## Balance sheet

| As on 31 Mar (Rs m)                   | FY17          | FY18          | FY19          | FY20E         | FY21E         |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Paid-up capital</b>                | <b>223</b>    | <b>223</b>    | <b>223</b>    | <b>223</b>    | <b>223</b>    |
| Preference capital                    | 0             | 0             | 0             | 0             | 0             |
| Reserves & surplus                    | 6,927         | 8,293         | 9,527         | 11,095        | 13,009        |
| <b>Shareholders' equity</b>           | <b>7,269</b>  | <b>8,699</b>  | <b>10,002</b> | <b>11,575</b> | <b>13,493</b> |
| Total current liabilities             | 2,259         | 2,648         | 2,657         | 2,914         | 3,309         |
| <b>Total debt</b>                     | <b>6,114</b>  | <b>5,754</b>  | <b>5,319</b>  | <b>5,319</b>  | <b>5,319</b>  |
| Deferred tax liabilities              | 0             | 0             | 0             | 0             | 0             |
| Other non-current liabilities         | 207           | 153           | 140           | 152           | 165           |
| Total liabilities                     | 8,580         | 8,555         | 8,116         | 8,385         | 8,793         |
| <b>Total equity &amp; liabilities</b> | <b>15,849</b> | <b>17,254</b> | <b>18,118</b> | <b>19,960</b> | <b>22,286</b> |
| Net fixed assets                      | 6,050         | 7,754         | 8,633         | 8,626         | 9,243         |
| Investments                           | 61            | 61            | 64            | 64            | 64            |
| Cash                                  | 672           | 211           | 262           | 1,453         | 2,032         |
| Other current assets                  | 8,133         | 8,370         | 8,403         | 9,061         | 10,191        |
| Deferred tax assets                   | 689           | 690           | 615           | 615           | 615           |
| Other non-current assets              | 244           | 168           | 141           | 141           | 141           |
| Net working capital                   | 6,547         | 5,934         | 6,008         | 7,599         | 8,914         |
| <b>Total assets</b>                   | <b>15,849</b> | <b>17,254</b> | <b>18,118</b> | <b>19,960</b> | <b>22,286</b> |

## Cash flow

| Year to 31 Mar (Rs m)       | FY17         | FY18         | FY19         | FY20E        | FY21E        |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Pre-tax profit              | 2,450        | 2,124        | 2,023        | 2,486        | 2,953        |
| Depreciation                | 593          | 907          | 595          | 775          | 852          |
| Chg in Working capital      | (574)        | 228          | 3            | (401)        | (736)        |
| Total tax paid              | (515)        | (463)        | (535)        | (646)        | (768)        |
| Net Interest                | 302          | 358          | 469          | 426          | 426          |
| Others                      | 6            | 12           | (13)         | 0            | 0            |
| <b>Operating cash flow</b>  | <b>2,359</b> | <b>3,100</b> | <b>2,543</b> | <b>2,651</b> | <b>2,740</b> |
| Capital expenditure         | (3,119)      | (2,610)      | (1,474)      | (768)        | (1,468)      |
| <b>Free cash flow (a+b)</b> | <b>(761)</b> | <b>490</b>   | <b>1,069</b> | <b>1,883</b> | <b>1,271</b> |
| Chg in investments          | 2            | 0            | (3)          | 0            | 0            |
| Debt raised/(repaid)        | 1,418        | (360)        | (435)        | 0            | 0            |
| Net interest                | (302)        | (358)        | (469)        | (426)        | (426)        |
| Capital raised/(repaid)     | 0            | 0            | 0            | (189)        | 0            |
| Dividend (incl. tax)        | 0            | (222)        | (222)        | (223)        | (223)        |
| Other items                 | (73)         | (44)         | 47           | 145          | (45)         |
| <b>Net chg in cash</b>      | <b>284</b>   | <b>(461)</b> | <b>51</b>    | <b>1,190</b> | <b>579</b>   |

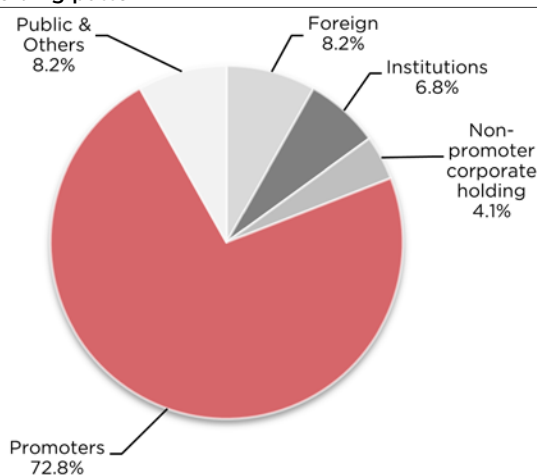
## Key ratios

| Year to 31 Mar       | FY17  | FY18 | FY19 | FY20E | FY21E |
|----------------------|-------|------|------|-------|-------|
| EBITDA margin (%)    | 17.2  | 16.4 | 13.2 | 14.6  | 14.9  |
| EBIT margin (%)      | 13.9  | 11.9 | 10.6 | 11.5  | 11.8  |
| PAT margin (%)       | 10.5  | 8.1  | 6.5  | 7.4   | 7.8   |
| RoE (%)              | 30.1  | 20.4 | 15.9 | 17.0  | 17.4  |
| RoCE (%)             | 21.3  | 17.1 | 16.1 | 17.4  | 18.3  |
| Gearing (x)          | 0.7   | 0.6  | 0.5  | 0.3   | 0.2   |
| Net debt/ EBITDA (x) | 1.7   | 1.7  | 1.7  | 1.1   | 0.8   |
| FCF yield (%)        | (2.6) | 1.7  | 3.6  | 6.4   | 4.3   |
| Dividend yield (%)   | 0.0   | 0.8  | 0.8  | 0.8   | 0.8   |

## Valuations

| Year to 31 Mar           | FY17       | FY18       | FY19       | FY20E      | FY21E      |
|--------------------------|------------|------------|------------|------------|------------|
| <b>Reported EPS (Rs)</b> | <b>8.6</b> | <b>7.3</b> | <b>6.7</b> | <b>8.2</b> | <b>9.8</b> |
| Adj. EPS (Rs)            | 8.6        | 7.3        | 6.7        | 8.2        | 9.8        |
| PE (x)                   | 15.4       | 18.0       | 19.8       | 16.0       | 13.5       |
| Price/ Book (x)          | 4.0        | 3.4        | 2.9        | 2.5        | 2.2        |
| EV/ Net sales (x)        | 1.9        | 1.7        | 1.5        | 1.4        | 1.2        |
| EV/ EBITDA (x)           | 11.2       | 10.6       | 11.5       | 9.3        | 7.9        |
| EV/ CE (x)               | 2.6        | 2.4        | 2.2        | 2.0        | 1.7        |

## Shareholding pattern



As of Jun 19

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