

# Century Plyboards | BUY

## Ply and laminates surprise positively; maintain BUY

Century Plyboards' (Century) reported better than expected revenue (+13% 2yr CAGR; 10% above JMFe) in 4QFY21, while higher other expense led to a miss at EBITDA/adj.PAT level (8%/12% below JMFe respectively). Core plywood/MDF/ Laminate volumes grew by 44%/24%/38% YoY respectively on low base (+16%/+14%/+10% 2yr CAGR respectively). Demand momentum in ply/laminate has been encouraging as volumes grew by 8%/22% QoQ respectively (18%/15% above JMFe respectively), while MDF volumes were stable (-7% QoQ). EBITDA margin expanded by 310bps YoY to 16.9%(330bps below JMFe) due to operating leverage (employee cost/other expense declined by 300bps/210bps YoY respectively). Company has commenced brownfield expansion project (132,000 cbm p.a.) for MDF at its Hoshiarpur plant which will entail a capex of INR 2bn and is expected to commission by 4QFY22. Moreover, Century is considering greenfield expansion plan for MDF in South India, which we assume could commence in early FY24. We raise our FY23 estimate by 9% to reflect higher volume in Ply segment and higher margins in MDF segment. We maintain BUY with a Mar'22 TP of INR 470 (28x FY23E EPS). Lower than expected ply/MDF volume are key risks.

- 4QFY21 summary:** Total revenue grew 41% YoY (+13% 2yr CAGR; 10% above JMFe) on the back of ply / laminate revenue growth of 43%/44% YoY respectively (+11% 2yr CAGR each), while EBITDA grew by 72% YoY (+43% 2yr CAGR; 8% below JMFe) as gross margin contraction (-200bps YoY; 4QFY20 margins were boosted due to inventory valuation as lockdown in Mar'20 resulted into high inventories) was offset by savings in employee/other expense (-300bps/-210bps YoY respectively). EBITDA margin expanded by 310bps YoY to 16.9% in 4QFY21 (330bps below JMFe). Adj.PAT grew 2x YoY to INR 820mn (+62% 2yr CAGR; 12% below JMFe).
- Ply volumes surprise; margins stable:** Plywood revenue grew 43% YoY (+11% 2yr CAGR; 15% above JMFe), as volumes/realisations grew by 39%/3% YoY respectively (+11%/+0% 2yr CAGR respectively). EBITDA grew by 112% YoY (+30% 2yr CAGR) as margin expanded by 410bps YoY to 12.6% due to operating leverage benefit (310bps below JMFe as higher share of unallocable expense impacted margins). We expect margins of c.13-14% to be sustainable in ply segment on the back of a) encouraging underlying demand scenario, b) distribution expansion, c) premiumisation of products (VIROKILL technology) and d) operating leverage. Company now plans to set up plywood manufacturing unit in Punjab to cater to improved growth momentum. Large players like Century are well placed to gain market share as unorganised players face difficulties amid demand volatility and working capital issues.
- MDF volumes/margins stable; increasing capacity in sight:** MDF revenue grew by 41% YoY (+25% 2yr CAGR; 7% below JMFe) as volumes/realisations grew by 24%/14% YoY respectively (+14%/+10% 2yr CAGR respectively). Company has taken a price hike of c.10% over Dec'20-May'21 in order to offset the raw material cost inflation. EBITDA margins expanded by 150bps YoY (-90bps QoQ) to 26.8% (in-line with JMFe) on higher



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### Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	470
Upside/(Downside)	9.0%
Previous Price Target	370
Change	27.0%

### Key Data – CPBI IN

Current Market Price	INR431
Market cap (bn)	INR95.8/US\$1.3
Free Float	29%
Shares in issue (mn)	222.5
Diluted share (mn)	222.5
3-mon avg daily val (mn)	INR130.0/US\$1.8
52-week range	447/101
Sensex/Nifty	52,300/15,738
INR/US\$	73.1

### Price Performance

%	1M	6M	12M
Absolute	25.4	95.9	291.6
Relative*	17.9	72.7	151.1

\* To the BSE Sensex

### Financial Summary

Y/E March	FY19A	FY20A	FY21A	FY22E	FY23E
Net Sales	22,608	22,827	21,135	27,918	32,021
Sales Growth (%)	14.9	1.0	-7.4	32.1	14.7
EBITDA	3,044	3,477	3,294	4,729	5,565
EBITDA Margin (%)	13.5	15.2	15.6	16.9	17.4
Adjusted Net Profit	1,689	2,009	1,960	3,181	3,736
Diluted EPS (INR)	7.6	9.0	8.8	14.3	16.8
Diluted EPS Growth (%)	4.2	18.9	-2.4	62.3	17.5
ROIC (%)	14.8	17.6	16.8	24.3	23.9
ROE (%)	18.7	19.7	16.8	22.6	21.7
P/E (x)	56.8	47.7	48.9	30.2	25.7
P/B (x)	9.9	8.9	7.6	6.2	5.1
EV/EBITDA (x)	33.2	28.3	29.2	20.1	17.0
Dividend Yield (%)	0.2	0.2	0.3	0.3	0.4

Source: Company data, JM Financial. Note: Valuations as of 10/Jun/2021

JM Financial Research is also available on:  
Bloomberg - JMFR <GO>,  
Thomson Publisher & Reuters,  
S&P Capital IQ, FactSet and Visible Alpha

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utilisation (93%/75% in 4QFY21/4QFY20 respectively) and better pricing power. MDF segment performance has been robust due to a) healthy demand for ready made furniture, b) high demand from OEMs and c) negligible MDF imports due to high freight cost. As MDF segment is nearing peak utilisations, Century has commenced work on brownfield expansion (400cbmpd; 132,000 cbm pa) at its existing Hoshiarpur plant at a capex of INR 2bn (2x asset turn expected) which is expected to commission by 4QFY22. Century is also working on greenfield expansion plan for MDF in South India (expected capex of c.INR 5bn for 230,000cbm capacity), which it expects to come on-stream within 18-24 months of plan finalisation.

- **Laminates volumes surprise, margins improve significantly:** Laminate revenue grew 44% YoY (+11% 2yr CAGR; 11% above JMFe) as volume/realisations grew by 38%/4% respectively (+10%/+1% 2yr CAGR respectively). Company has taken a price hike of c.7% in laminates to offset the raw material cost inflation (realisations improved 4% QoQ). EBITDA margins expanded sharply by 650bps YoY to 22.3% (370bps above JMFe) mainly due to a) lower cost raw material inventory, b) better pricing power and c) operating leverage. We believe sustainable EBITDA margins at c.17-18% for laminates segment.
- **FY21 Performance:** In FY21, revenue/EBITDA/adj. PAT declined by 7%/5%/2% respectively mainly due to weak 1QFY21 performance (impacted by Covid-19 first wave). Core Ply/MDF/laminate volumes declined by 6%/4%/11% YoY. EBITDA margins expanded by 40bps YoY to 15.6% as laminate/MDF margins expanded by 430bps/110bps YoY to 17.4%/25.8% respectively, while ply margins contracted by 90bps YoY to 11.5%. In Mar'21 company has net cash surplus of INR 0.9bn. RoC/RoE stood at 16.8%/17.0% respectively. Company generated robust cash flows as OCF/FCF stood at INR 3.6bn/INR 3.1 bn respectively (INR4.3/INR4.1bn in FY21 respectively)
- **Other highlights:** a) Working capital days remained stable at 69 as on Mar'21 (67 as on Mar'20) as increase in debtor days to 51 (41 in Mar'20) was offset by increase in trade payable days to 23 (31 as on Mar'20), b) Company plans to incr capex of c.INR 2.7bn in FY22E mainly towards MDF expansion (INR 2bn) and plywood expansion (INR0.5bn)
- **Maintain BUY:** We raise our FY22/23 EPS estimates by 1%/9% respectively to reflect the company's 4QFY21 performance and outlook. We like Century for it's a) comprehensive product offering in wood panels, b) strong brand recall, c) robust PAN India distribution network, d) continuous product innovation, e) robust balance sheet and return ratios and f) capital allocation strategy towards MDF segment (highest growth segment in wood panels) and hence increase its multiple to 28x (24x earlier). We maintain BUY with Mar'22 TP of INR 470 (28x FY23EPS).

## Exhibit 1. 4QFY21/FY21 Financial Performance (Standalone)

INR mn	4Q20	4Q21	YoY	2yr CAGR	3Q21	QoQ	4Q21E	Var	FY20	FY21	YoY
<b>Net Sales</b>	<b>5,242</b>	<b>7,386</b>	<b>41%</b>	<b>13%</b>	<b>6,544</b>	<b>13%</b>	<b>6,709</b>	<b>10%</b>	<b>22,827</b>	<b>21,135</b>	<b>-7%</b>
Raw Material Cost	2,563	3,757	47%	11%	3,282	14%	3,392	11%	11,483	10,594	-8%
<b>Gross Profit</b>	<b>2,679</b>	<b>3,629</b>	<b>35%</b>	<b>14%</b>	<b>3,262</b>	<b>11%</b>	<b>3,317</b>	<b>9%</b>	<b>11,344</b>	<b>10,541</b>	<b>-7%</b>
Gross Margin	51.1%	49.1%	-200 bps		49.9%	-70 bps	49.4%	-30 bps	49.7%	49.9%	20 bps
Employee cost	866	1,003	16%	9%	850	18%	917	9%	3,441	3,183	-8%
% of sales	16.5%	13.6%	-300 bps		13.0%	60 bps	13.7%	-10 bps	15.1%	15.1%	
Other expenses	1,088	1,377	27%	1%	1,200	15%	1,043	32%	4,426	4,064	-8%
% of sales	20.8%	18.6%	-210 bps		18.3%	30 bps	15.5%	310 bps	19.4%	19.2%	
Total Expenditure	4,517	6,137	36%	8%	5,332	15%	5,352	15%	19,350	17,840	-8%
<b>EBITDA</b>	<b>724</b>	<b>1,249</b>	<b>72%</b>	<b>43%</b>	<b>1,212</b>	<b>3%</b>	<b>1,357</b>	<b>-8%</b>	<b>3,477</b>	<b>3,294</b>	<b>-5%</b>
EBITDA margin	13.8%	16.9%	310 bps		18.5%	-160 bps	20.2%	-330 bps	15.2%	15.6%	40 bps
Depreciation	163	159	-2%	6%	162	-2%	163	-2%	675	626	-7%
EBIT	562	1,090	94%	52%	1,050	4%	1,194	-9%	2,802	2,668	-5%
Net finance cost	37	-11	-130%		5	-347%	-3		183	7	-96%
Other Income	1	37	3120%	12%	12	210%	30	24%	111	107	-3%
Interest	38	26	-32%	-51%	16	56%	27	-4%	293	114	-61%
<b>PBT</b>	<b>525</b>	<b>1,101</b>	<b>110%</b>	<b>67%</b>	<b>1,045</b>	<b>5%</b>	<b>1,197</b>	<b>-8%</b>	<b>2,620</b>	<b>2,661</b>	<b>2%</b>
Tax Expense	69	284	315%	81%	280	1%	286	-1%	522	688	32%
Tax Rate	13.1%	25.8%	1280 bps		26.8%	-100 bps	23.9%	190 bps	19.9%	25.8%	590 bps
XO Inc/-Exp	-69	16		-33%	-106		69		-445	-53	
<b>Reported Net Profit</b>	<b>388</b>	<b>832</b>	<b>115%</b>	<b>56%</b>	<b>659</b>	<b>26%</b>	<b>980</b>	<b>-15%</b>	<b>1,653</b>	<b>1,921</b>	<b>16%</b>
<b>Adjusted Net Profit</b>	<b>394</b>	<b>820</b>	<b>108%</b>	<b>62%</b>	<b>736</b>	<b>11%</b>	<b>927</b>	<b>-12%</b>	<b>2,009</b>	<b>1,960</b>	<b>-2%</b>

Source: Company, JM Financial

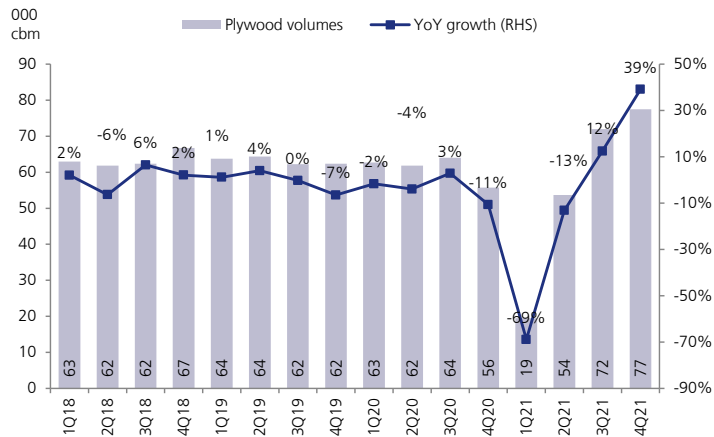
## Exhibit 2. Segmental Performance

INR mn	4Q20	4Q21	YoY	2yr CAGR	3Q21	QoQ	4Q21E	Var	FY20	FY21	YoY
<b>Volume</b>											
Plywood and Allied (cbm)	55,708	77,489	39%	11%	71,977	8%	66,956	16%	2,44,194	2,22,628	-9%
Core Plywood	50,567	72,874	44%	16%	67,544	8%	61,733	18%	2,20,813	2,07,665	-6%
Deco Ply	2,242	2,392	7%	-6%	2,314	3%	2,630	-9%	10,292	7,481	-27%
Commercial Veneer	2,899	2,223	-23%	-34%	2,119	5%	2,593	-14%	13,089	7,482	-43%
Laminates (mn Nos)	1.40	1.93	38%	10%	1.58	22%	1.68	15%	6.16	5.49	-11%
MDF (cbm)	37,173	45,949	24%	14%	49,207	-7%	51,873	-11%	1,53,175	1,47,251	-4%
<b>Realisation</b>											
Plywood and Allied (INR/cbm)	50,115	51,429	3%	0%	49,462	4%	51,907	-1%	50,410	50,314	0%
Core Plywood (INR/cbm)	46,708	48,604	4%	1%	46,670	4%	48,521	0%	46,827	47,390	1%
Deco Ply (INR/cbm)	1,47,904	1,53,219	4%	3%	1,45,765	5%	1,46,583	5%	1,46,551	1,47,159	0%
Commercial Veneer (INR/cbm)	31,632	34,503	9%	-10%	33,270	4%	36,500	-5%	35,266	34,616	-2%
Laminates (INR/sheet)	719	747	4%	1%	718	4%	789	-5%	713	712	0%
Exteria	6,209	5,608	-10%	-6%	5,963	-6%	4,153	35%	5,363	5,701	6%
MDF	22,710	25,896	14%	10%	23,663	9%	24,608	5%	22,874	24,396	7%
<b>Net revenues</b>											
	<b>5,242</b>	<b>7,386</b>	<b>41%</b>	<b>13%</b>	<b>6,544</b>	<b>13%</b>	<b>6,709</b>	<b>10%</b>	<b>22,827</b>	<b>21,135</b>	<b>-7%</b>
Plywood and Allied	2,792	3,985	43%	11%	3,560	12%	3,475	15%	12,310	11,201	-9%
Core Plywood	2,362	3,542	50%	16%	3,152	12%	2,995	18%	10,340	9,841	-5%
Deco Ply	332	367	11%	-3%	337	9%	386	-5%	1,508	1,101	-27%
Commercial Veneer	92	77	-16%	-40%	71	9%	95	-19%	462	259	-44%
Laminates	1,061	1,529	44%	11%	1,200	27%	1,384	11%	4,633	4,150	-10%
MDF	844	1,190	41%	25%	1,164	2%	1,276	-7%	3,504	3,592	3%
Particle Board	231	300	30%	11%	262	15%	343	-13%	991	901	-9%
Logistics- CFS	204	217	7%	0%	208	5%	133	64%	863	823	-5%
Others	112	157	40%	3%	138	13%	122	28%	489	435	-11%
<b>Segmental EBITDA</b>											
	<b>724</b>	<b>1,249</b>	<b>72%</b>	<b>43%</b>	<b>1,212</b>	<b>3%</b>	<b>1,357</b>	<b>-8%</b>	<b>3,477</b>	<b>3,294</b>	<b>-5%</b>
Plywood and Allied	237	503	112%	30%	535	-6%	548	-8%	1,529	1,292	-16%
Laminates	168	341	103%	78%	229	49%	258	32%	610	724	19%
MDF	214	319	49%	66%	323	-1%	341	-6%	867	927	7%
Particle Board	51	56	9%	-4%	61	-8%	74	NM	239	180	-25%
Logistics- CFS	69	59	-15%	7%	55	7%	35	70%	292	242	-17%
Others	-9	21	-347%	27%	25	-16%	23		25	58	131.6%
<b>EBITDA Margins</b>											
	<b>13.8%</b>	<b>16.9%</b>	<b>310 bps</b>		<b>18.5%</b>	<b>-160 bps</b>	<b>20.2%</b>	<b>-330 bps</b>	<b>15.2%</b>	<b>15.6%</b>	<b>40 bps</b>
Plywood and Allied	8.5%	12.6%	410 bps		15.0%	-240 bps	15.8%	-310 bps	12.4%	11.5%	-90 bps
Laminates	15.8%	22.3%	650 bps		19.1%	320 bps	18.6%	370 bps	13.2%	17.4%	430 bps
MDF	25.3%	26.8%	150 bps		27.7%	-90 bps	26.7%	10 bps	24.7%	25.8%	110 bps
Particle Board	22.1%	18.6%	-350 bps		23.2%	-450 bps	21.6%	-290 bps	24.2%	20.0%	-420 bps
Logistics- CFS	34.1%	27.2%	-690 bps		26.6%	50 bps	26.2%	100 bps	33.9%	29.4%	-450 bps
Others	-7.7%	13.5%	2120 bps		18.2%	-470 bps	19.1%	-560 bps	5.1%	13.3%	820 bps

Source: Company, JM Financial

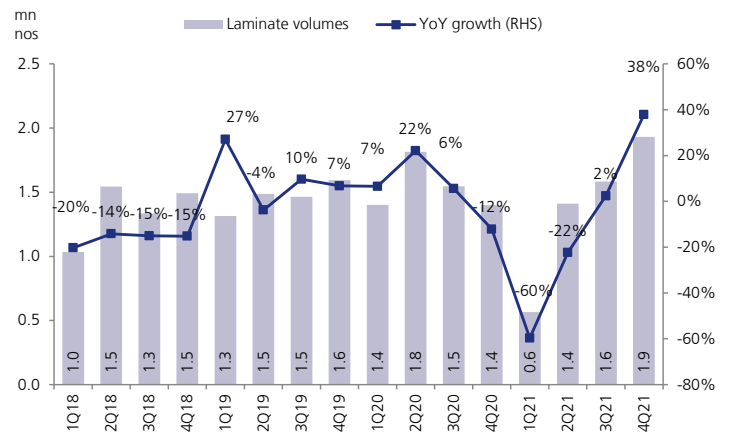
## Quarterly charts

**Exhibit 3. Plywood volume growth trend**



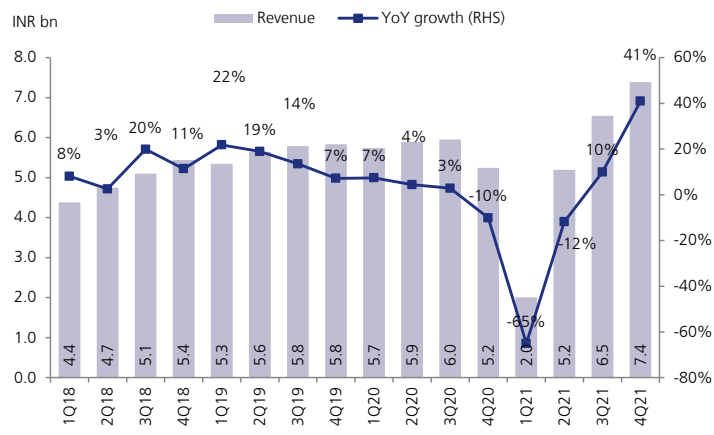
Source: Company, JM Financial

**Exhibit 4. Laminates volume growth trend**



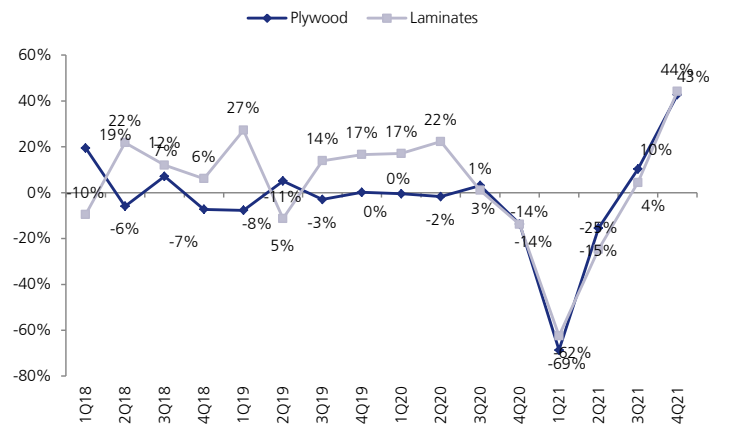
Source: Company, JM Financial

**Exhibit 5. Overall revenue growth trend**



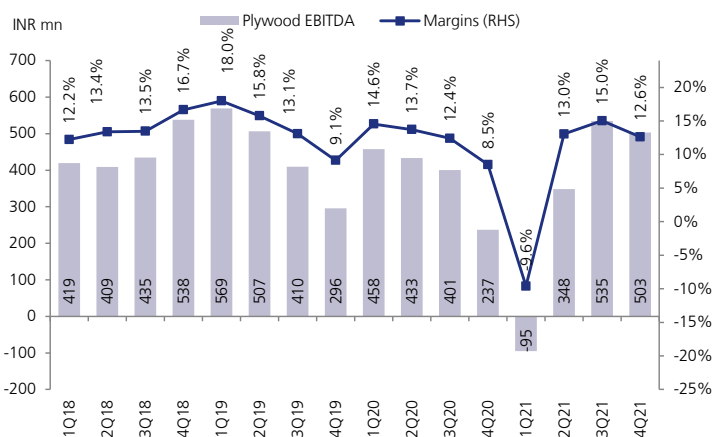
Source: Company, JM Financial

**Exhibit 6. Plywood and Laminates revenue growth trend**



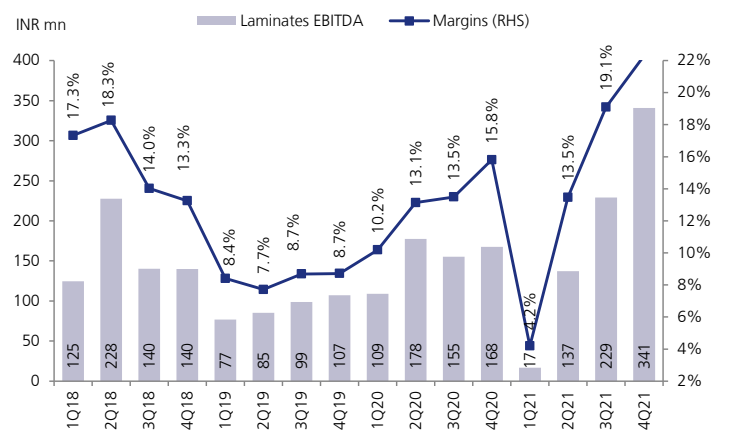
Source: Company, JM Financial

**Exhibit 7. Plywood EBITDA and margin trend**



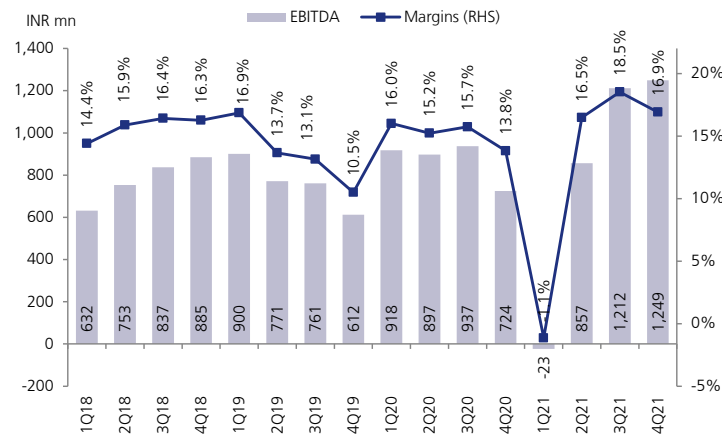
Source: Company, JM Financial

**Exhibit 8. Laminates EBITDA and margin trend**



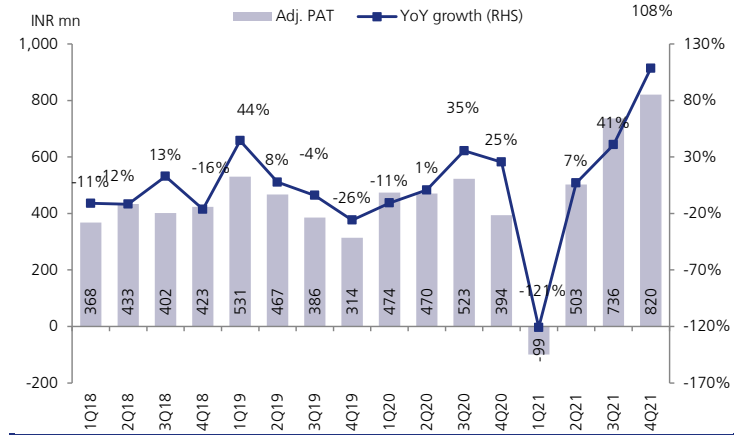
Source: Company, JM Financial

Exhibit 9. Overall EBITDA and margin trend



Source: Company, JM Financial

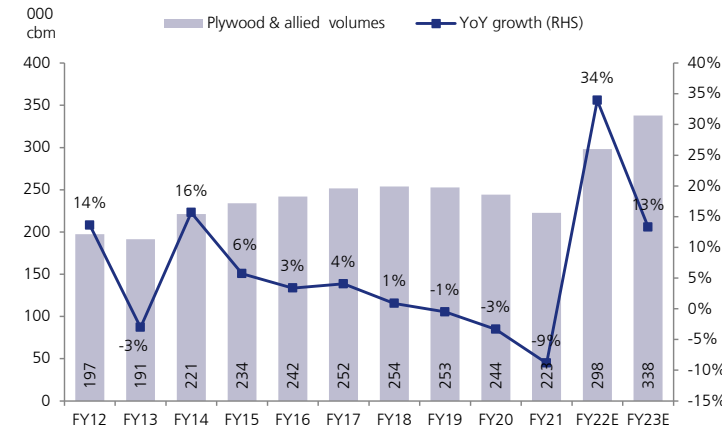
Exhibit 10. Profitability growth trends



Source: Company, JM Financial

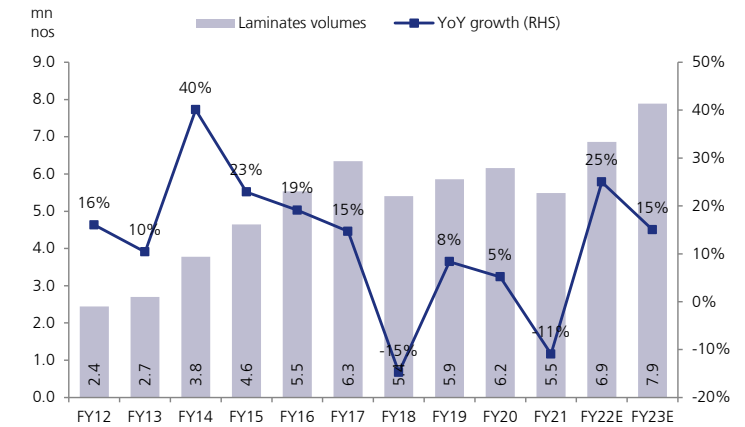
## Annual charts

Exhibit 11. Plywood volume growth trend



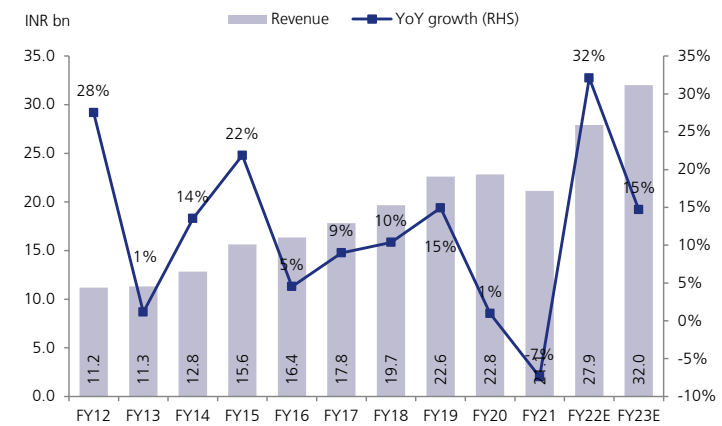
Source: Company, JM Financial

Exhibit 12. Laminates volume growth trend



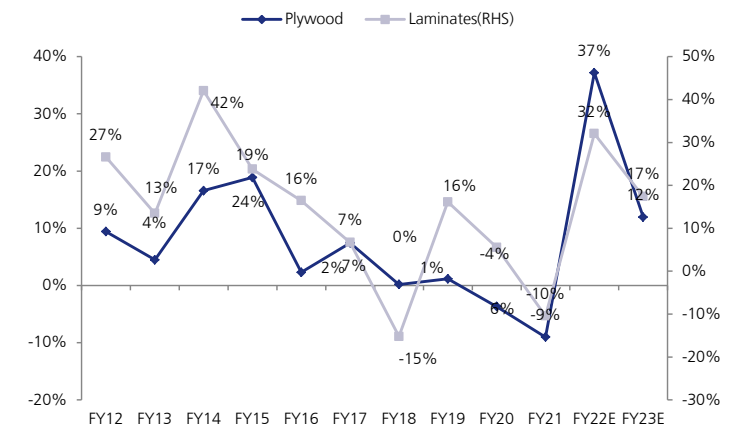
Source: Company, JM Financial

Exhibit 13. Overall revenue growth trend



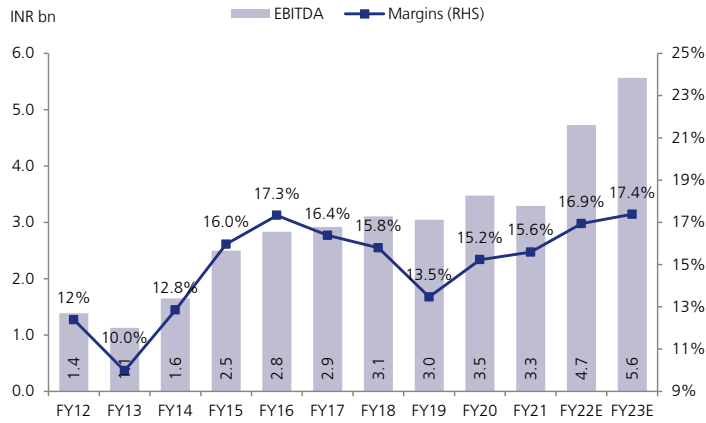
Source: Company, JM Financial

Exhibit 14. Plywood and Laminate revenue growth trend



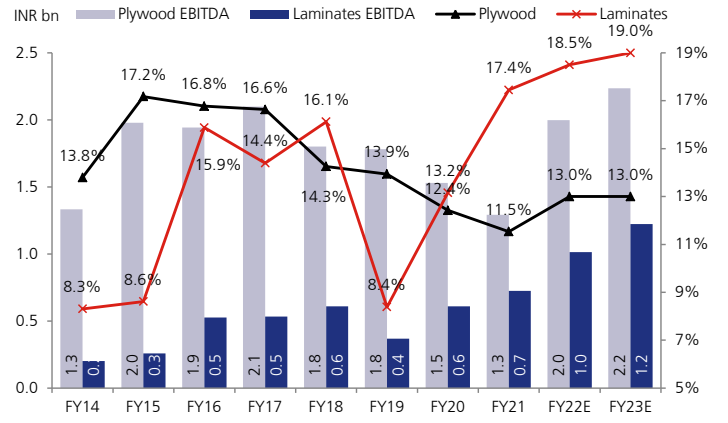
Source: Company, JM Financial

**Exhibit 15. Overall EBITDA and margin trend**



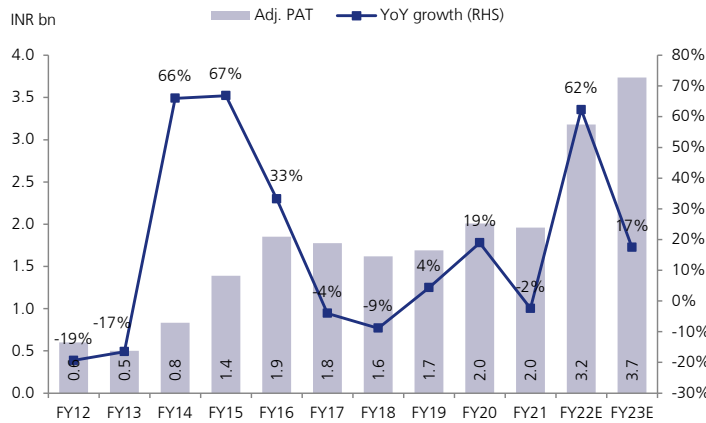
Source: Company, JM Financial

**Exhibit 16. Plywood and Laminate EBITDA and margin trend**



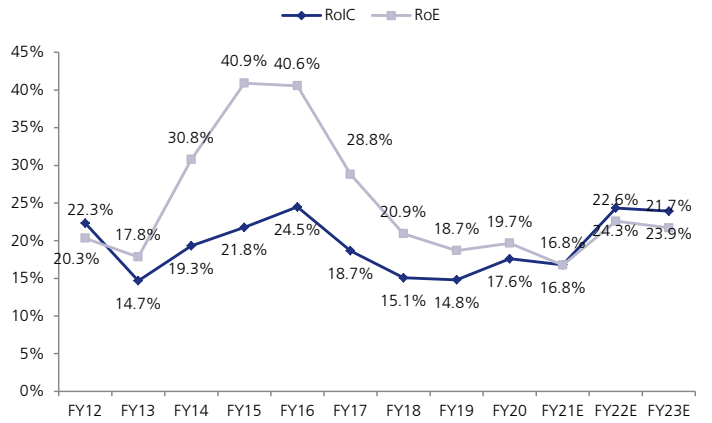
Source: Company, JM Financial

**Exhibit 17. Profitability growth trend**



Source: Company, JM Financial

**Exhibit 18. Return ratios**



Source: Company, JM Financial

## Financial Tables (Standalone)

Income Statement		(INR mn)				
Y/E March	FY19A	FY20A	FY21A	FY22E	FY23E	
Net Sales	22,608	22,827	21,135	27,918	32,021	
Sales Growth	14.9%	1.0%	-7.4%	32.1%	14.7%	
Other Operating Income	0	0	0	0	0	
<b>Total Revenue</b>	<b>22,608</b>	<b>22,827</b>	<b>21,135</b>	<b>27,918</b>	<b>32,021</b>	
Cost of Goods Sold/Op. Exp	11,816	11,483	10,594	14,238	16,171	
Personnel Cost	3,277	3,441	3,183	3,565	3,921	
Other Expenses	4,471	4,426	4,064	5,386	6,364	
<b>EBITDA</b>	<b>3,044</b>	<b>3,477</b>	<b>3,294</b>	<b>4,729</b>	<b>5,565</b>	
EBITDA Margin	13.5%	15.2%	15.6%	16.9%	17.4%	
EBITDA Growth	-2.0%	14.2%	-5.2%	43.5%	17.7%	
Depn. & Amort.	500	675	626	658	791	
EBIT	2,544	2,802	2,668	4,071	4,774	
Other Income	61	111	107	250	300	
Finance Cost	354	293	114	80	80	
PBT before Excep. & Forex	2,251	2,620	2,661	4,241	4,994	
Excep. & Forex Inc./Loss(-)	0	0	0	0	0	
PBT	2,251	2,620	2,661	4,241	4,994	
Taxes	531	522	688	1,060	1,259	
Extraordinary Inc./Loss(-)	-133	-445	-53	0	0	
Assoc. Profit/Min. Int.(-)	0	0	0	0	0	
Reported Net Profit	1,588	1,653	1,921	3,181	3,736	
<b>Adjusted Net Profit</b>	<b>1,689</b>	<b>2,009</b>	<b>1,960</b>	<b>3,181</b>	<b>3,736</b>	
Net Margin	7.5%	8.8%	9.3%	11.4%	11.7%	
Diluted Share Cap. (mn)	222.5	222.5	222.5	222.5	222.5	
<b>Diluted EPS (INR)</b>	<b>7.6</b>	<b>9.0</b>	<b>8.8</b>	<b>14.3</b>	<b>16.8</b>	
Diluted EPS Growth	4.2%	18.9%	-2.4%	62.3%	17.5%	
Total Dividend + Tax	268	268	267	311	356	
Dividend Per Share (INR)	1.0	1.0	1.2	1.4	1.6	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E March	FY19A	FY20A	FY21A	FY22E	FY23E	
Profit before Tax	2,251	2,104	2,608	4,241	4,994	
Depn. & Amort.	422	676	626	658	791	
Net Interest Exp. / Inc. (-)	293	358	99	-170	-220	
Inc (-) / Dec in WCap.	-206	1,025	631	-817	-433	
Others	-58	478	66	42	160	
Taxes Paid	-531	-380	-441	-1,060	-1,259	
<b>Operating Cash Flow</b>	<b>2,171</b>	<b>4,260</b>	<b>3,589</b>	<b>2,894</b>	<b>4,033</b>	
Capex	-1,278	-152	-516	-2,688	-3,600	
Free Cash Flow	893	4,108	3,073	206	433	
Inc (-) / Dec in Investments	-17	-615	-1,129	0	0	
Others	61	183	-593	250	300	
<b>Investing Cash Flow</b>	<b>-1,235</b>	<b>-583</b>	<b>-2,238</b>	<b>-2,438</b>	<b>-3,300</b>	
Inc / Dec (-) in Capital	-8	0	0	0	0	
Dividend + Tax thereon	-268	-535	0	-311	-356	
Inc / Dec (-) in Loans	-245	-2,733	-1,272	1,400	1,000	
Others	-354	-419	-153	-80	-80	
<b>Financing Cash Flow</b>	<b>-875</b>	<b>-3,687</b>	<b>-1,424</b>	<b>1,009</b>	<b>564</b>	
<b>Inc / Dec (-) in Cash</b>	<b>61</b>	<b>-11</b>	<b>-74</b>	<b>1,465</b>	<b>1,297</b>	
Opening Cash Balance	165	226	212	755	3,325	
Closing Cash Balance	226	215	139	2,219	4,622	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY19A	FY20A	FY21A	FY22E	FY23E	
Shareholders' Fund	9,691	10,734	12,649	15,518	18,899	
Share Capital	223	223	223	223	223	
Reserves & Surplus	9,469	10,511	12,426	15,296	18,676	
Preference Share Capital	0	0	0	0	0	
Minority Interest	0	0	0	0	0	
Total Loans	5,137	2,484	965	2,365	3,365	
Def. Tax Liab. / Assets (-)	-615	-578	-421	-379	-219	
<b>Total - Equity &amp; Liab.</b>	<b>14,213</b>	<b>12,640</b>	<b>13,193</b>	<b>17,505</b>	<b>22,045</b>	
Net Fixed Assets	7,474	7,294	7,029	9,060	11,869	
Gross Fixed Assets	9,474	10,074	10,306	11,306	13,306	
Intangible Assets	0	0	0	0	0	
Less: Depn. & Amort.	2,188	2,863	3,489	4,147	4,937	
Capital WIP	188	83	212	1,900	3,500	
Investments	978	1,137	1,169	1,169	1,169	
Current Assets	8,598	7,278	8,145	12,704	15,216	
Inventories	4,010	3,541	3,302	4,589	5,264	
Sundry Debtors	2,936	2,582	2,970	3,671	4,211	
Cash & Bank Balances	226	212	755	3,325	4,622	
Loans & Advances	1,426	943	1,119	1,119	1,119	
Other Current Assets	0	0	0	0	0	
Current Liab. & Prov.	2,837	3,069	4,256	5,428	6,209	
Current Liabilities	1,625	1,611	2,139	2,677	3,071	
Provisions & Others	1,212	1,458	2,116	2,751	3,139	
Net Current Assets	5,761	4,209	3,889	7,276	9,007	
<b>Total - Assets</b>	<b>14,213</b>	<b>12,640</b>	<b>12,087</b>	<b>17,505</b>	<b>22,045</b>	

Source: Company, JM Financial

Dupont Analysis		FY19A	FY20A	FY21A	FY22E	FY23E
Y/E March						
Net Margin		7.5%	8.8%	9.3%	11.4%	11.7%
Asset Turnover (x)		1.7	1.7	1.7	1.9	1.6
Leverage Factor (x)		1.5	1.3	1.1	1.1	1.1
RoE		18.7%	19.7%	16.8%	22.6%	21.7%

Key Ratios		FY19A	FY20A	FY21A	FY22E	FY23E
Y/E March						
BV/Share (INR)		43.6	48.2	56.8	69.7	84.9
ROIC		14.8%	17.6%	16.8%	24.3%	23.9%
ROE		18.7%	19.7%	16.8%	22.6%	21.7%
Net Debt/Equity (x)		0.5	0.2	0.0	-0.1	-0.1
P/E (x)		56.8	47.7	48.9	30.2	25.7
P/B (x)		9.9	8.9	7.6	6.2	5.1
EV/EBITDA (x)		33.2	28.3	29.2	20.1	17.0
EV/Sales (x)		4.5	4.3	4.6	3.4	3.0
Debtor days		47	41	51	48	48
Inventory days		65	57	57	60	60
Creditor days		30	30	44	42	42

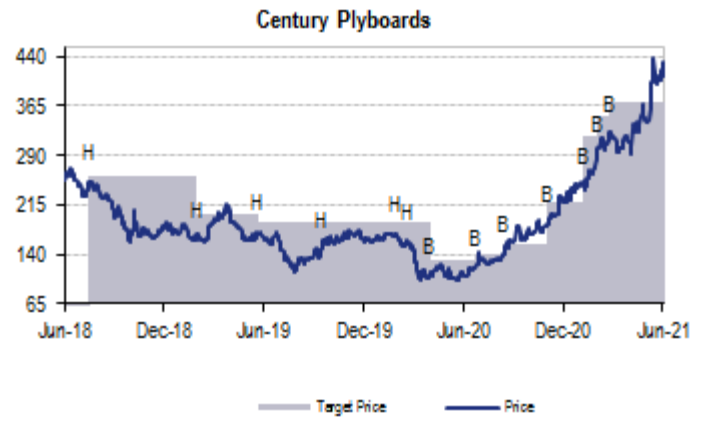
Source: Company, JM Financial



History of Earnings Estimate and Target Price

Date	Recommendation	Target Price	% Chg.
25-Jul-18	Hold	260	
5-Feb-19	Hold	200	-23.1
28-May-19	Hold	190	-5.0
23-Sep-19	Hold	190	0.0
4-Feb-20	Hold	190	0.0
28-Feb-20	Hold	190	0.0
8-Apr-20	Buy	130	-31.6
2-Jul-20	Buy	140	7.7
20-Aug-20	Buy	155	10.7
11-Nov-20	Buy	220	41.9
15-Jan-21	Buy	320	45.5
10-Feb-21	Buy	350	9.4
4-Mar-21	Buy	370	5.7

Recommendation History



## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081  
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Rating	Meaning
Buy	Total expected returns of more than 10% for large-cap stocks* and REITs and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for large-cap* stocks and REITs and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

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