

## Century Plyboards (India) (CENPLY)

₹ 214

### Delivers strongly amid demonetisation blues...

- Century Plyboards' (CPIL) Q3FY17 results were above our estimates on all fronts despite demonetisation
- Topline grew 8.8% YoY to ₹ 422.9 crore (our estimate: ₹ 359.1 crore) due to 13.6% YoY growth in plywood & allied division to ₹ 300.5 crore & 13.3% YoY growth in laminate & allied division to ₹ 87.2 crore
- EBITDA margin contracted 122 bps YoY to 16.7% as the company had provided certain discounts to dealers post demonetisation
- PAT de-grew 10.3% YoY to ₹ 37.3 crore and was above our estimate of ₹ 27.6 crore due to better than expected operating performance

### Plywood division revenues grow 13.6% YoY to ₹ 300.5 crore...

Plywood and allied division revenues grew 13.6% YoY to ₹ 300.5 crore despite demonetisation mainly led by volume growth. Plywood division volumes grew 7.2% YoY to 47590 CBM. Furthermore, sales volume of its mid-category brand 'Sainik' came in at 11819 CBM while premium plywood volumes came at 35771 CBM. We expect plywood & allied segment revenues to grow at 18.2% CAGR to ₹ 1939.8 crore in FY16-19E. Further, its EBIT margin is expected to remain flat at 15.5% in FY19E.

### Laminate division shines on the back of strong domestic performance...

CPIL's laminates & allied division reported strong revenue growth of 19.9% YoY to ₹ 87.7 crore due to strong domestic performance. Domestic laminates revenues grew 18.8% YoY to ₹ 55.7 crore led by volume growth of 12.6% to 8.2 lakh sheets. However, export revenues de-grew 3.7% YoY to ₹ 20.5 crore despite volume growth of 13.9% YoY to 3.8 lakh sheets mainly on account of a sharp decline in realisations from ₹ 646/ sheet in Q3FY16 to ₹ 543/ sheet in Q3FY17. However, the management expects the realizations to improve in the subsequent quarters. Further, EBIT margins expanded 60 bps YoY to 14.0%. We expect laminate segment revenues to grow at 13.2% CAGR to ₹ 486.4 crore.

### New MDF capacity to start operations by Q1FY18E...

CPIL is setting up an MDF facility in Punjab with annual capacity of 1,80,000 CBM & investment of ₹ 380 crore (already spent ~₹ 207 crore). The management expects the plant to operate at 50% capacity utilisation at start and expects it to rise to ~70-80% by year end. The company is confident on its MDF growth prospects as it would look to push in value added products like doors, pre-laminated boards and wooden flooring (made of HDF) along with plain MDF. Furthermore, the company is ramping up its laminates capacity by ~50% from 4.8 mn sheets to 7.2 mn sheets. The company has also decided to completely wind up its furniture business which it started in 2012. Over the years, the division has accumulated losses of ~₹ 25 crore.

### Stays strong despite demonetisation; maintain BUY...

We remain positive on CPIL as share of Indian organised plywood players (currently 30% of plywood market) is set to expand with anticipated GST rollout, higher brand aspirations & CPIL's strong brand presence. Despite demonetisation, CPIL has delivered a strong performance and has maintained its market share. In FY19E, we expect the topline, bottomline to grow 20.3%, 24.1% YoY to ₹ 2594.5 crore, ₹ 275.7 crore, respectively, with full contribution from the high margin MDF division. Consequently, we expect topline, bottomline to grow 16.1%, 17.9% CAGR, respectively, in FY16-19E. We roll over our valuation to FY19E & continue to maintain our BUY rating on stock with a revised TP of ₹ 250 (20x FY19E EPS).

#### Rating matrix

Rating	:	Buy
Target	:	₹ 250
Target Period	:	12-18 months
Potential Upside	:	17%

#### What's Changed?

Target	Changed from ₹ 250 to ₹ 250		
EPS FY17E	Changed from ₹ 7.3 to ₹ 8.4		
EPS FY18E	Changed from ₹ 10.5 to ₹ 10.0		
EPS FY19E	Introduced at ₹ 12.4		
Rating	Unchanged		

#### Quarterly Performance

(₹ crore)	Q3FY17	Q3FY16	YoY (%)	Q2FY17	QoQ (%)
Revenue	422.9	378.4	11.8	459.3	-7.9
EBITDA	70.6	69.6	1.4	75.7	-6.8
EBITDA (%)	16.7	18.4	-170 bps	16.5	20 bps
PAT	37.3	41.2	-9.4	49.3	-24.3

#### Key Financials

(₹ Crore)	FY16	FY17E	FY18E	FY19E
Net Sales	1,658.5	1,783.7	2,157.3	2,594.5
EBITDA	282.8	303.5	380.4	469.3
Net Profit	168.1	185.8	222.2	275.7
EPS (₹)	7.6	8.4	10.0	12.4

#### Valuation summary

(x)	FY16	FY17E	FY18E	FY19E
P/E	28.3	25.6	21.4	17.2
Target P/E	33.0	29.9	25.0	20.1
EV / EBITDA	18.4	17.8	14.3	11.5
P/BV	9.0	7.3	6.0	4.9
RoNW (%)	31.8	28.6	28.0	28.3
RoCE (%)	25.1	19.7	20.6	22.7

#### Stock data

Particular	Amount (₹ crore)
Market Capitalization	4,754.5
Total Debt	455.4
Cash	17.0
EV	5,192.9
52 week H/L (₹)	267 / 136
Equity capital	22.3
Face value (₹)	1.0

#### Price performance (%)

Return %	1M	3M	6M	12M
Greenply Industries	3.1	(11.0)	3.2	44.0
Century Plyboards	19.4	(14.7)	(8.5)	40.4

#### Research Analyst

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## Variance analysis

Particular	Q3FY17	Q3FY17E	Q3FY16	YoY Chg (%)	Q2FY17	QoQ Chg (%)	Comments
Net Sales	422.9	359.1	378.4	11.8	459.3	-7.9	Topline growth could be attributed to 13.6% YoY growth in plywood & allied division to ₹ 300.5 crore and 13.3% YoY growth in the laminate & allied division to ₹ 87.2 crore
Other Income	0.0	1.3	0.8	-96.4	1.3	-97.8	
Material Consumed	144.8	128.0	153.4	-5.6	143.2	1.1	
Purchase of Stock in Trade	73.7	69.9	61.2	20.5	89.2	-17.4	
Changes in Inventories of WIP	1.6	6.3	-30.8	-105.2	8.1	-80.2	
Loss/(Gain) on Forex Fluctuation	-3.3	0.0	-3.0	8.3	-0.9	268.1	
Employee Benefit Expenses	63.8	62.4	58.8	8.5	62.4	2.1	
Other Expenses	74.4	60.1	71.4	4.2	85.0	-12.5	
EBITDA	70.6	51.9	69.6	1.4	75.7	-6.8	
EBITDA Margin (%)	16.7	14.3	18.4	-170 bps	16.5	20 bps	EBITDA margins contracted as the company had provided certain discounts to dealers post demonetization
Depreciation	15.0	12.6	11.4	31.6	12.6	18.5	
Interest	11.2	7.9	11.0	1.7	6.0	85.7	
PBT	44.5	32.7	48.0	-7.4	58.4	-23.8	
Taxes	7.2	5.1	6.9	4.3	9.1	-21.1	
PAT	37.3	27.6	41.2	-9.4	49.3	-24.3	PAT de-grew by 9.4% YoY to ₹ 37.3 crore. However, it was above our estimate of ₹ 27.6 crore mainly on account of better than expected operating performance despite demonetization impact

Source: Company, ICICIdirect.com Research

## Change in estimates

Particulars (₹ crore)	FY17E			FY18E			FY19E	Comments
	Old	New	% change	Old	New	% change	Introduced	
Revenue	1,818.1	1,783.7	-1.9	2,350.2	2,157.3	-8.2	2,594.5	We have revised our volume estimates after factoring in a dip in demand post demonetization
EBITDA	317.4	303.5	-4.4	409.4	380.4	-7.1	469.3	
EBITDA Margin (%)	17.5	17.0	-48 bps	17.4	17.6	23 bps	18.1	
PAT	185.7	185.8	0.0	233.4	222.2	-4.8	275.7	
EPS (₹)	8.4	8.4	0.0	10.5	10.0	-4.8	12.4	

Source: Company, ICICIdirect.com Research

## Assumptions

Volume Assumptions	Current			Earlier		Introduced		Comments	
	FY14	FY15	FY16	FY17E	FY18E	FY17E	FY18E		
Plywood & Veneer(In CBM)	221,355	234,000	241,794	253,538	267,430	260,195	274,856	291,418	We have revised our volume estimates downwards after factoring in the impact of demonetization
MDF (CBM)	0	0	0	0	90,000	0	117,000	162,000	
Laminate Sheets (In Mn)	2.9	3.6	4.3	5.0	5.8	5.2	5.4	6.5	
Pre-laminated Boards (In Mn SQM)	1.1	1.3	1.0	0.8	0.9	0.7	1.4	1.0	

Source: Company, ICICIdirect.com Research

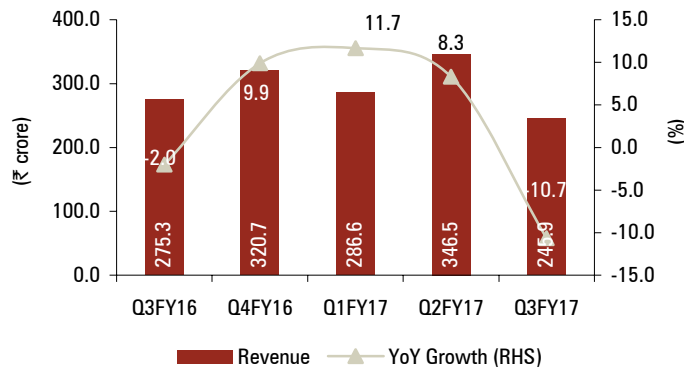
## Company Analysis

### Leading plywood player in India...

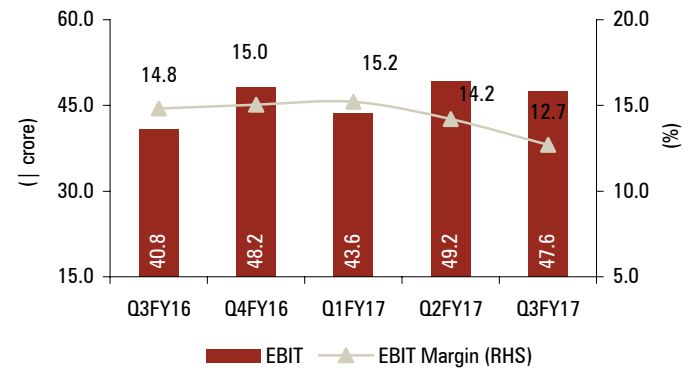
CPIL, with seven manufacturing plants and an aggregating capacity of 209,420 CBM, is a leading plywood player in India. At CPIL, one of the principal initiatives that were taken was the prudent addition to the capacity of respective businesses. This decision to increase production capacity in the midst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

In Q3FY17, plywood and allied division revenues grew 13.6% YoY to ₹ 300.5 crore despite demonetisation mainly led by volume growth. Plywood division volumes grew 7.2% YoY to 47590 CBM.

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



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

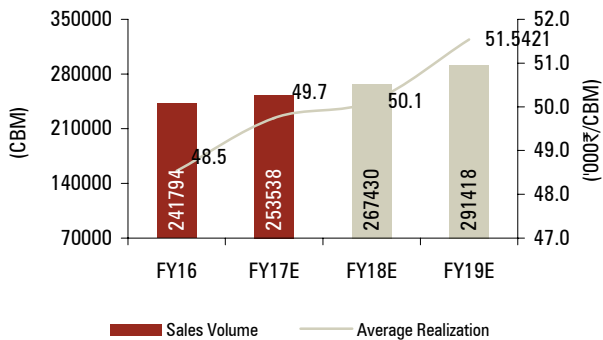


Source: Company, ICICIdirect.com, Research

Source: Company, ICICIdirect.com, Research

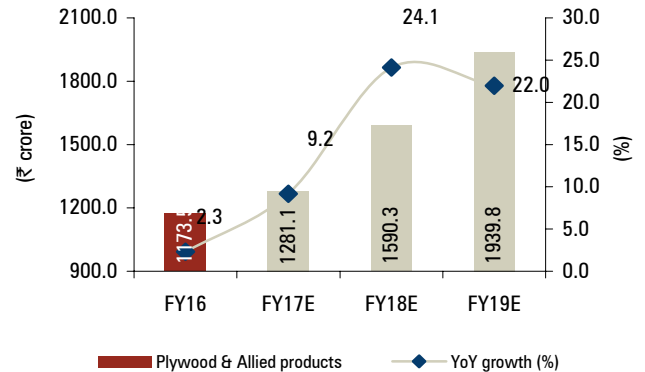
Going ahead, we expect plywood sales volume to be at 291418 CBM in FY19E with average realisation of ₹ 51542 per CBM. This would lead to revenue CAGR of 18.2% during FY16-19E to ₹ 1939.8 crore.

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



Source: Company, ICICIdirect.com, Research

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



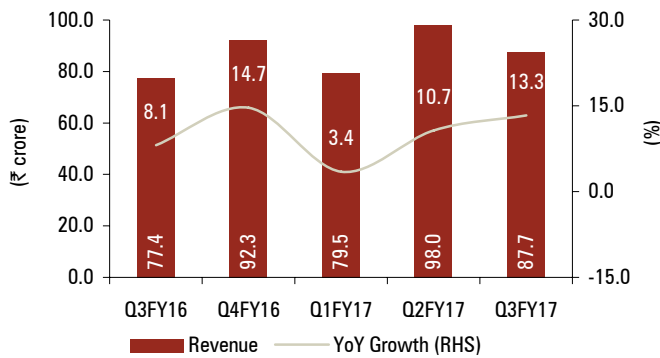
Source: Company, ICICIdirect.com, Research

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

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

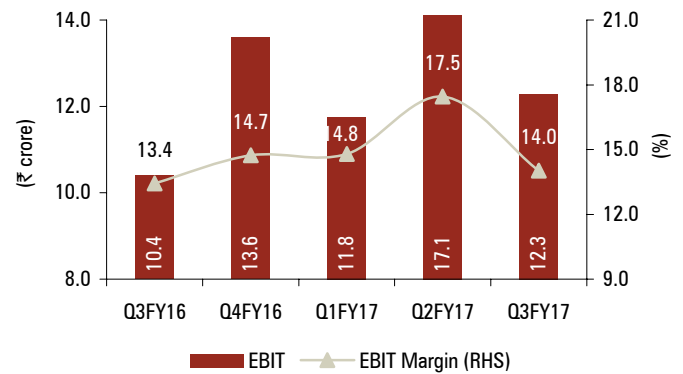
In Q3FY17, CPIL's laminates and allied division reported strong revenue growth of 19.9% YoY to ₹ 87.7 crore on the back of strong domestic performance. Domestic laminates revenues grew by 18.8% YoY to ₹ 55.7 crore led volume growth of 12.6% to 8.2 lakh sheets. However, the export revenues de-grew 3.7% YoY to ₹ 20.5 crore despite volume growth of 13.9% YoY to 3.8 lakh sheets mainly on account of sharp decline in realizations from ₹ 646/sheet in Q3FY16 to ₹ 543/sheet in Q3FY17. Further, the EBIT margins expanded 60 bps YoY to 14.0%. Going ahead, we expect revenues to grow at 13.2% CAGR to ₹ 486.4 crore during FY16-19E

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



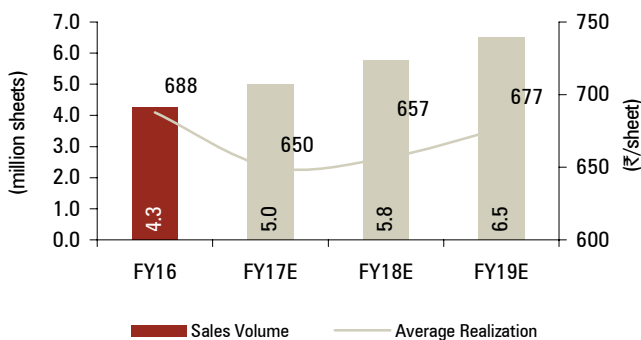
Source: Company, ICICIdirect.com, Research

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



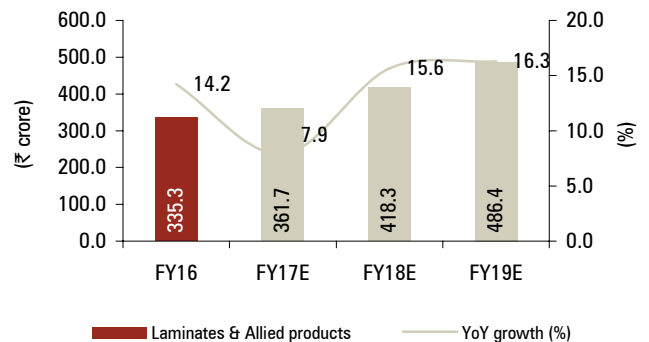
Source: Company, ICICIdirect.com, Research

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



Source: Company, ICICIdirect.com Research

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



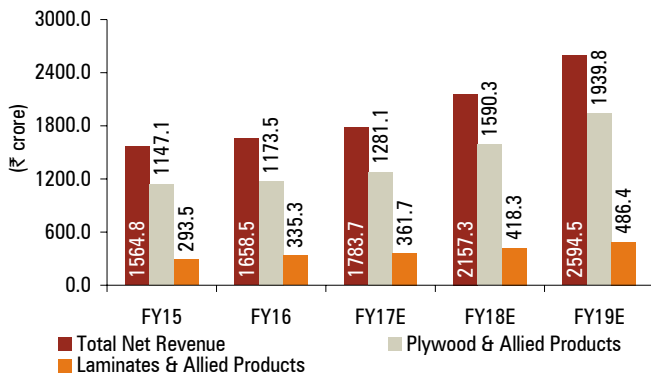
Source: Company, ICICIdirect.com Research

We expect revenues to witness robust growth of 16.1% CAGR to ₹ 2594.5 crore in FY16-19E

### Net revenues to grow at 16.1% CAGR in FY16-19E...

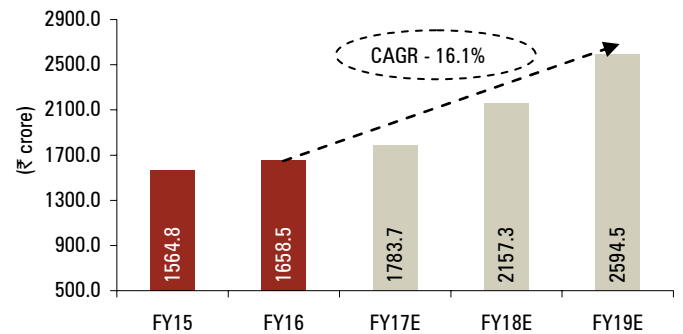
On the basis of our demand drivers, we expect the plywood and panel industry to grow at a decent rate. With the structural shift in the industry, we believe CPIL would be a key beneficiary, going ahead. CPIL's strong brand equity, raw material security and robust distribution network would give a significant boost to its revenues in the coming years. The company has been able to counter a progressive commoditisation of plywood with increased realisation of its well established brands. Hence, CPIL's products command 15-30% premium over other products. Consequently, we estimate CPIL's net revenue will grow at 16.1% CAGR to ₹ 2594.5 crore over FY16-19E.

**Exhibit 9: Segmental net revenue trend**



Source: Company, ICICIdirect.com Research

**Exhibit 10: Total net revenue trend**



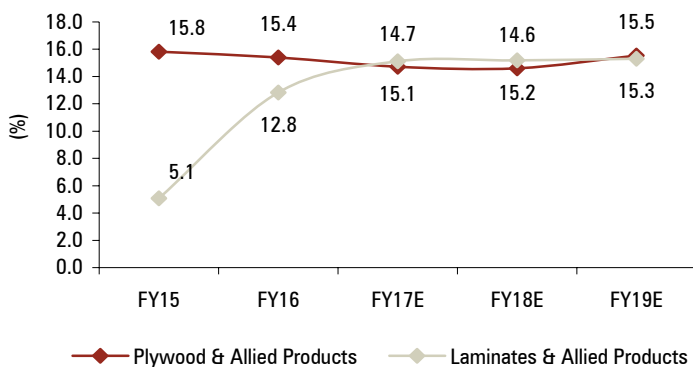
Source: Company, ICICIdirect.com Research

We expect EBIT margin to expand 90 bps to 15.6% post change in product mix with revenues flowing in from value added products over FY16-19E.

### EBIT margin expected to expand on back of operating leverage...

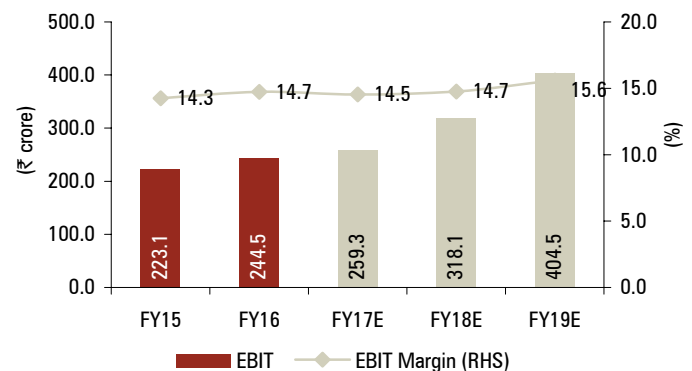
CPIL's prudent strategy to augment the capacity in both plywood and laminates in challenging times for the business would benefit in times of rebound. The plywood division and laminate division were operating at 85% and 89% of their respective capacities as on FY16. Hence, going ahead, we expect operating leverage to play out well for CPIL. Consequently, EBIT is expected to grow at 18.3% CAGR to ₹ 404.5 crore during FY16-19E. We expect the EBIT margin to expand 90 bps to 15.6% post change in product mix with revenues flowing in from value added products over FY16-19E.

**Exhibit 11: Segmental EBIT trend**



Source: Company, ICICIdirect.com Research

**Exhibit 12: EBIT margin trend**



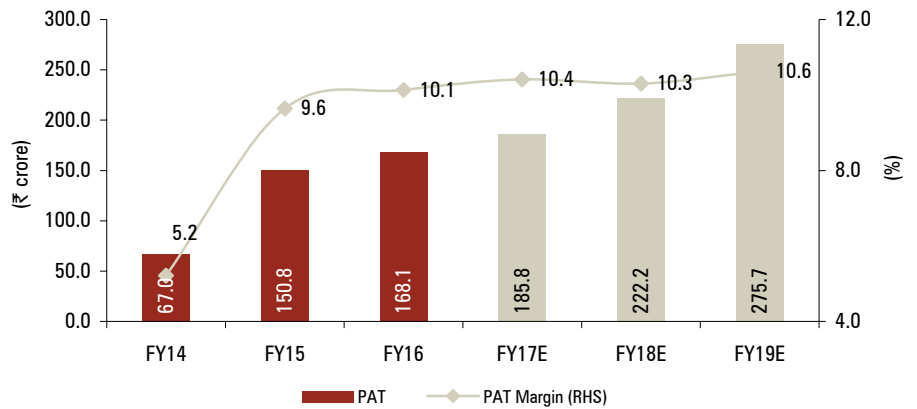
Source: Company, ICICIdirect.com Research

We envisage healthy bottomline growth of 17.9% CAGR during FY16-19E to ₹ 275.7 crore aided mainly by the strong topline performance and margin show

### PAT to grow at 17.9% CAGR in FY16-19E...

CPIL imports substantially for its raw material requirements. The company reviews foreign currency risk periodically and takes hedging initiatives accordingly. In FY14, due to forex volatility, CPIL had to book losses worth ~₹ 44 crore on its un-hedged open positions of buyer's credit, which impacted its bottomline substantially. With a strong brand recall, robust distribution network, structural change in raw material procurement method and expansion in margin on account of operating leverage, we expect earnings to grow at a faster pace, going ahead. Hence, we anticipate bottomline will grow at 17.9% CAGR to ₹ 275.7 crore on the back of strong revenue growth and margin show.

**Exhibit 13: PAT growth trend**

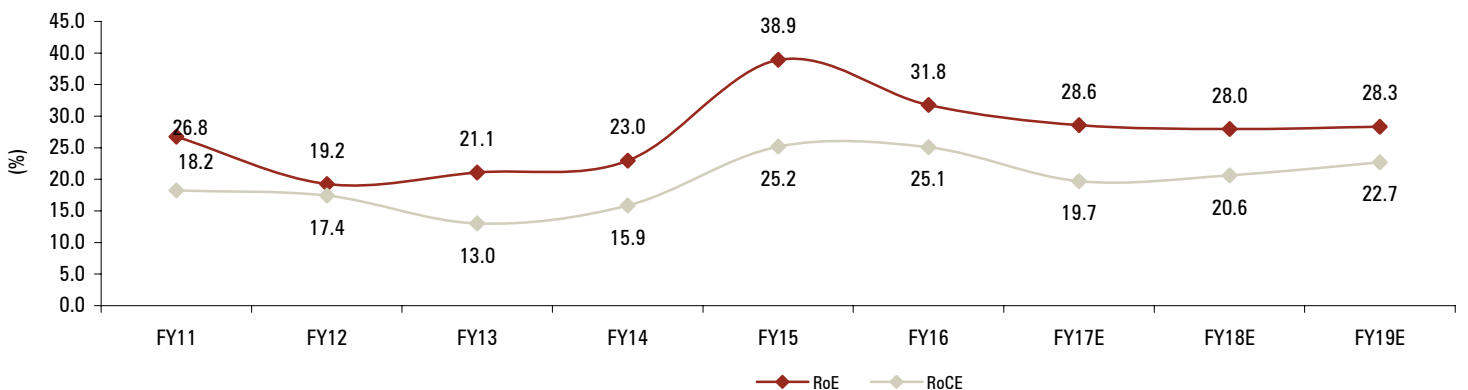


Source: Company, ICICIdirect.com Research

### Healthy return ratios...

The average RoE and RoCE of CPIL during FY09-15 have remained at the level of 24.4% and 18.8%, respectively. Going forward, RoE and RoCE should moderate to 28.3% and 22.7%, respectively in FY19E.

**Exhibit 14: RoE and RoCE trend**



Source: Company, ICICIdirect.com Research



## Conference Call Highlights

- **MDF plant:** CPIL's 600 CBM/ day capacity MDF plant is expected to come on stream by April, 2017. It entails an investment of ₹ 380 crore with ₹ 207 crore spent till December, 2016. The company would also use the MDF produce to make value added products like doors, pre-laminated boards. While it would also produce high density fibreboard (HDF) for manufacturing wooden flooring
- **Market share:** The company looked to maintain market share in difficult times post demonetisation. Hence, it gave dealers some discounts which led to a margin contraction. However, going forward, the management has indicated that they would reduce these discounts over the time
- **Demonetisation impact:** The management believes that demonetisation impact is over as the company witnessed ~5% growth in January, 2017. Though the unorganised sector is still witnessing problems, the company believes that it has a great opportunity to capture market share from unorganised players post demonetisation
- **Pre-lam particle board plant:** Currently, the company has a capacity of producing 1000 boards/day at its pre-lam unit and it would augment its capacity to 3000 boards/day by commissioning one more unit in next 3-4 months
- **Commercial veneer:** The realisations of commercial veneer increased sharply during the quarter as company sold premium veneer. It expects to maintain such realizations, going forward
- **Pricing changes:** The company has not taken any price hikes post demonetisation. It would benefit from softening raw material prices and so would look to maintain prices, going forward before the final rate of GST is known. Further, the unorganised players have already take price hikes of ~5% post demonetisation and could also take further price hikes. This would lead to contraction in price differential between organised and un-organised products which would help the company gain market share from un-organised players
- **Winding up furniture business:** The company has decided to completely wind up its furniture business which it started in 2012. Over the years, the division has accumulated losses of ~₹ 25 crore
- **Laminates capacity expansion:** The company is planning to ramp-up its laminates capacity by 50% to 7.2 mn sheets
- **GST rate:** The management expects a GST rate of either 18% against the current incidence of ~27-29%. Post GST implementation, a level playing field would be established and organised players are set to benefit

## Valuation

We maintain a **BUY** recommendation on CPIL with a target price of ₹ 250/share. Our target price implies 20x FY19E EPS.

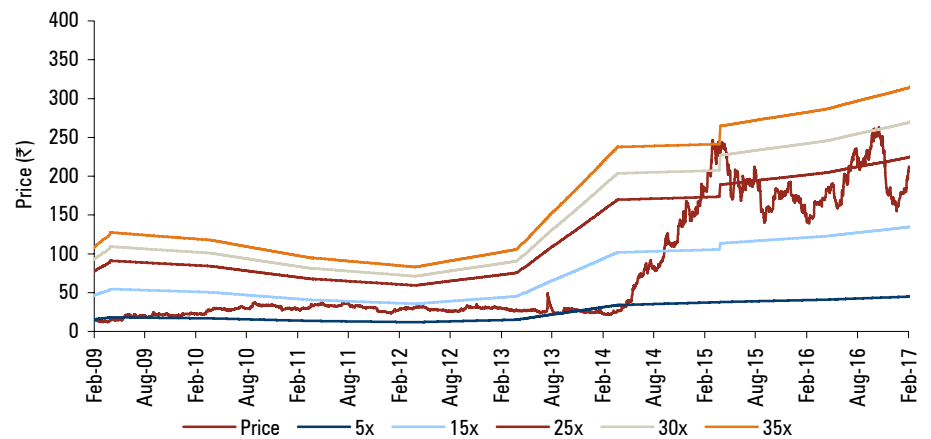
We remain positive on CPIL as share of Indian organised plywood players (currently 30% of plywood market) is set to expand with anticipated GST rollout, higher brand aspirations & CPIL's strong brand presence. Despite demonetisation, CPIL has delivered a strong performance and has maintained its market share. In FY19E, we expect the topline/bottomline to grow by 20.3%, 24.1% YoY to ₹ 2594.5 crore, ₹ 275.7 crore, respectively, with full contribution from the high margin MDF division. Consequently, we expect topline, bottomline to grow 16.1%, 17.9% CAGR in FY16-19E. We have rolled over our valuation to FY19E. We continue to maintain our **BUY** recommendation on the stock with a revised TP of ₹ 250 (20x FY19E EPS).

**Exhibit 15: Valuation Metrics**

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY16	1658.5	6.0	7.6	11.4	28.3	18.4	31.8	25.1
FY17E	1783.7	7.6	8.4	10.5	25.6	17.8	28.6	19.7
FY18E	2157.3	20.9	10.0	19.6	21.4	14.3	28.0	20.6
FY19E	2594.5	20.3	12.4	24.1	17.2	11.5	28.3	22.7

Source: Company, ICICIdirect.com Research

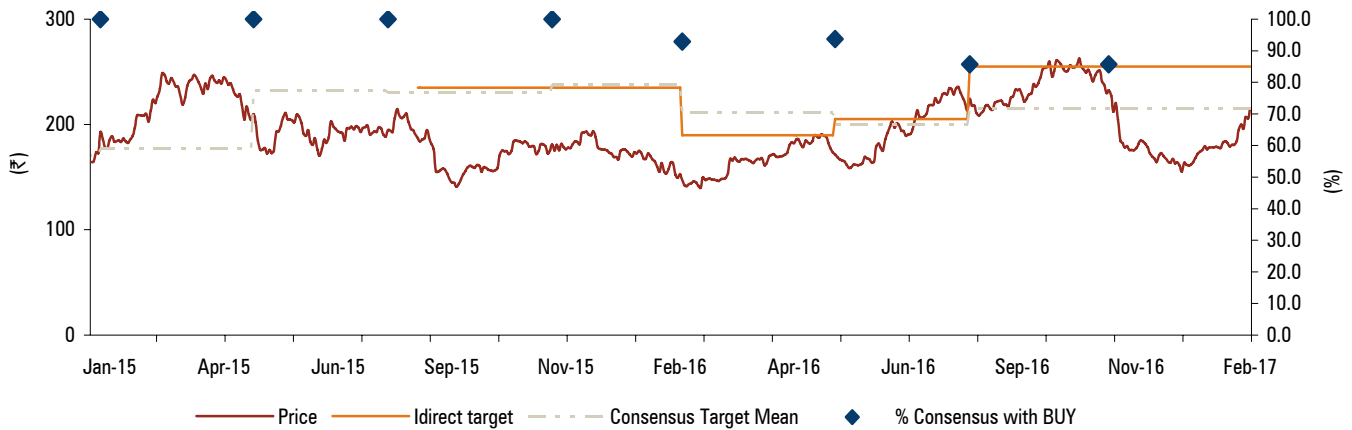
**Exhibit 16: Century one year forward P/E**



Source: Company, ICICIdirect.com Research



## Recommendation History vs. Consensus



Source: Bloomberg, Company, ICICIdirect.com Research

## Key events

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

Source: Company, ICICIdirect.com Research

## Top 10 Shareholders

Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1	Bhajanka (Sajjan)	31-Dec-16	11.4%	25.2	0.0
2	Agarwal (Sanjay)	31-Dec-16	10.9%	24.2	0.0
3	Agarwal (Divya)	31-Dec-16	7.5%	16.7	0.0
4	Bhajanka (Santosh)	31-Dec-16	7.0%	15.6	0.0
5	Khemani (Vishnuprasad)	31-Dec-16	5.7%	12.6	0.0
6	Sriram Vanijya Pvt. Ltd.	31-Dec-16	3.8%	8.5	0.0
7	Brijdham Merchants Pvt. Ltd.	31-Dec-16	3.5%	7.7	0.0
8	Sumangal International Pvt. Ltd.	31-Dec-16	3.5%	7.7	0.0
9	Sumangal Business Pvt. Ltd.	31-Dec-16	3.1%	6.8	0.0
10	Sriram Merchants Pvt. Ltd.	31-Dec-16	3.0%	6.7	0.0

## Shareholding Pattern

(in %)	Mar-16	Jun-16	Sep-16	Dec-16
Promoter	73.3	73.3	72.2	72.0
Public	26.7	26.7	27.8	28.0
Others	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0

Source: Reuters, ICICIdirect.com Research

## Recent Activity

Investor name	Value (m)	Shares (m)	Investor name	Value (m)	Shares (m)
Agarwal (Hari Prasad) HUF	5.7	1.6	Norges Bank Investment Management (NBIM)	-6.1	-2.5
Sundaram Asset Management Company Limited	2.2	0.7	Franklin Templeton Asset Management (India) Pvt. Ltd.	-3.2	-1.0
Kajaria (Sonu)	1.6	0.6	Wellington Management Company, LLP	-2.7	-0.9
BNP Paribas Asset Management, Inc.	1.1	0.4	J.P. Morgan Asset Management (Hong Kong) Ltd.	-0.3	-0.1
Canara Robeco Asset Management Company Ltd.	0.4	0.1	Mondrian Investment Partners Ltd.	-0.2	-0.1

Source: Reuters, ICICIdirect.com Research

## Financial summary

### Profit and loss statement (₹ Crore)

(₹ Crore)	FY16	FY17E	FY18E	FY19E
Net Sales	1,658.5	1,783.7	2,157.3	2,594.5
Raw Material Expense	625.7	706.6	864.9	1,043.3
Purchase of Traded Goods	217.6	214.0	258.9	311.3
Employee benefit expenses	230.6	248.1	300.0	360.8
Other Expenses	301.7	311.5	353.1	409.8
Total Expenses	1,375.6	1,480.2	1,776.9	2,125.3
EBITDA	282.8	303.5	380.4	469.3
Interest	46.7	38.2	47.1	59.8
Depreciation	44.6	50.5	69.2	72.3
Other income	6.3	6.3	6.9	7.6
PBT	197.7	221.2	271.0	344.7
Exceptional Items	-	-	-	-
Taxes	29.7	35.4	48.8	68.9
PAT	168.1	185.8	222.2	275.7
PAT Growth rate	11.4	10.5	19.6	24.1
Adjusted EPS (Diluted)	7.6	8.4	10.0	12.4

Source: Company, ICICIdirect.com Research

### Cash flow statement (₹ Crore)

(₹ Crore)	FY16	FY17E	FY18E	FY19E
Profit after Tax	168.1	185.8	222.2	275.7
Depreciation	44.6	50.5	69.2	72.3
Interest	46.7	38.2	47.1	59.8
Others	(16.0)	(5.6)	5.2	(11.0)
Cash Flow before wc changes	273.1	304.2	392.5	465.9
Net Increase in Current Assets	(25.4)	(36.1)	(60.9)	(65.6)
Net Increase in Current Liabilities	41.7	(34.6)	(118.2)	(132.6)
Net CF from operating activities	289.5	233.5	213.4	267.7
(Purchase)/Sale of Fixed Assets	(125.3)	(50.8)	(380.0)	(40.0)
Net CF from Investing activities	(128.7)	(355.0)	(118.4)	(63.6)
Dividend	(60.1)	(65.0)	(77.8)	(96.5)
Interest paid	(46.9)	(38.2)	(47.1)	(59.8)
Inc / (Dec) in Loans	(51.8)	219.6	83.2	58.5
Net CF from Financing activities	(158.8)	116.4	(41.7)	(97.8)
Net Cash flow	2.0	(5.0)	53.2	106.3
Opening Cash	17.1	19.0	14.0	67.2
Closing Cash/ Cash Equivalent	19.0	14.0	67.2	173.5

Source: Company, ICICIdirect.com Research

### Balance sheet (₹ Crore)

(₹ Crore)	FY16	FY17E	FY18E	FY19E
<b>Liabilities</b>				
Equity Capital	22.3	22.3	22.3	22.3
Reserve and Surplus	506.6	627.4	771.8	951.0
Total Shareholders funds	528.9	649.6	794.1	973.3
Minority Interest	-	-	-	-
Total Debt	455.4	675.0	758.2	816.7
Deferred Tax Liability	(13.6)	(13.6)	(13.6)	(13.6)
Total Liabilities	971.0	1,311.0	1,539.0	1,776.0
<b>Assets</b>				
Gross Block	444.1	502.1	882.1	922.1
Less Acc. Dep	241.1	298.8	368.0	440.3
Net Block	202.9	203.3	514.1	481.7
Net Intangibles Assets	1.2	2.7	4.8	7.6
Capital WIP	93.2	394.1	113.1	113.1
Total Fixed Assets	297.3	600.1	632.0	602.5
Investments	49.7	49.7	49.7	49.7
Inventory	275.2	273.7	331.0	398.1
Sundry Debtors	289.8	337.2	413.7	497.6
Loans & Advances	176.8	190.2	230.0	276.6
Cash & Bank Balances	19.0	14.0	67.2	173.5
Other Current Assets	24.5	26.3	31.8	38.2
Total Current Assets	785.2	841.3	1,073.8	1,384.0
Trade Payable	84.8	97.7	118.2	142.2
Other Current Liabilities	67.8	72.6	86.8	103.5
Provisions	9.0	9.7	11.8	14.1
Net Current Assets	623.6	661.3	857.0	1,124.2
Total Assets	971.0	1,311.0	1,539.0	1,776.0

Source: Company, ICICIdirect.com Research

### Key ratios

	FY16	FY17E	FY18E	FY19E
<b>Per Share Data (₹)</b>				
EPS - Diluted	7.6	8.4	10.0	12.4
Cash EPS	9.6	10.6	13.1	15.7
Book Value	23.8	29.2	35.7	43.8
Dividend per share	1.0	2.9	3.5	4.3
<b>Operating Ratios (%)</b>				
EBITDA / Net Sales	17.1	17.0	17.6	18.1
PAT / Net Sales	10.1	10.4	10.3	10.6
Inventory Days	60.6	56.0	56.0	56.0
Debtor Days	63.8	69.0	70.0	70.0
Creditor Days	18.7	20.0	20.0	20.0
<b>Return Ratios (%)</b>				
RoE	31.8	28.6	28.0	28.3
RoCE	25.1	19.7	20.6	22.7
RoIC	25.7	27.9	22.8	26.6
<b>Valuation Ratios (x)</b>				
EV / EBITDA	18.4	17.8	14.3	11.5
P/E (Diluted)	28.3	25.6	21.4	17.2
EV / Net Sales	3.1	3.0	2.5	2.1
Market Cap / Sales	2.9	2.7	2.2	1.8
Price to Book Value	9.0	7.3	6.0	4.9
Dividend Yield	0.5	1.4	1.6	2.0
<b>Solvency Ratios (x)</b>				
Net Debt / Equity	0.8	1.0	0.9	0.7
Debt / EBITDA	1.6	2.2	2.0	1.7
Current Ratio	4.2	4.1	4.1	4.1
Quick Ratio	2.4	2.5	2.5	2.5

Source: Company, ICICIdirect.com Research

### ICICIdirect.com coverage universe (Plywood)

Sector / Company	CMP			M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			P/B (x)			RoE (%)		
	(₹)	TP(₹)	Rating		FY16	FY17E	FY18E	FY16	FY17E	FY18E	FY16	FY17E	FY18E	FY16	FY17E	FY18E	FY16	FY17E	FY18E
Century Plyboard (CENPLY)	214	250	Buy	4755	7.6	8.4	10.0	28.3	25.6	21.4	18.4	17.8	14.3	9.0	7.3	6.0	31.8	28.6	28.0
Greenply (MTML)	271	265	Hold	3273	10.8	10.1	12.2	25.1	26.9	22.3	14.1	14.8	14.0	5.4	4.3	3.6	21.6	15.8	16.2

Source: Company, ICICIdirect.com Research

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