

Century Plyboards (India) (CENPLY)

₹ 272

MDF division to drive future growth...

- Century Plyboards' (CPIL) topline grew 8.7% YoY to ₹ 438.6 crore and was above our estimate of ₹ 426.4 crore led by 10.7% YoY growth in plywood & allied division revenues
- EBITDA margin declined 300 bps YoY to 13.9% due to 300 bps YoY decline in the plywood & allied division and 330 bps YoY decline in laminates & allied division EBITDA margins
- Net profit declined 20.8% YoY to ₹ 34.1 crore and was much below our expectation of ₹ 44.1 crore mainly on account of lower-than-expected EBITDA margin and higher effective tax (19% in Q1FY18 vs. 15.6% in Q1FY17)

Plywood & allied division revenues grow 10.7% YoY to ₹ 317.0 crore...

Plywood & allied division reported strong revenue growth of 10.7% YoY to ₹ 317.0 crore largely led by volume growth of 11.8% YoY to 52011 CBM. However, plywood division margins fell 300 bps YoY to 12.9% due to higher raw material (veneer, timber, glue etc) costs. We expect plywood & allied segment revenues to grow at 11% CAGR to ₹ 1552.7 crore in FY17-19E.

Laminates revenues impacted by poor domestic performance...

In Q1FY18, CPIL's laminates and allied division reported revenue de-growth of 1.3% YoY to ₹ 78.5 crore on the back of a poor performance in the domestic market. Domestic laminates revenues de-grew 7.2% YoY to ₹ 50.0 crore due to volume de-growth of 10.9% to 7.2 lakh sheets. However, on a positive note, export revenues grew 11.7% YoY to ₹ 18.6 crore led by volume growth of 28.6% YoY to 3.2 lakh sheets. Further, with lower GST rate at 18% for laminates (current incidence of ~25-27%), we expect a significant reduction in price differential between organised & unorganised laminate players by 8-10%, which is expected to speed up the shift from unorganised to organised laminates which bodes well for CPIL. Even CPIL is undergoing a capacity expansion in laminates division from 4.8 mn sheets to 7.2 mn sheets that is expected to be commissioned by September, 2017. Consequently, we expect laminates & allied division revenues to grow at 14.5% CAGR to ₹ 476.7 crore in FY17-19E.

New MDF capacity on track to be commissioned by July, 2017...

CPIL's newly set-up greenfield MDF unit at Punjab has commenced trial production from July 29, 2017 and the first board was produced. The full fledged commercial production is likely to stabilise in the next few months. The management is bullish on the MDF growth story and expects the new plant to contribute revenues of ~₹ 175 crore in FY18E. CPIL is also planning to set up a door unit in collaboration with a Chinese company (60:40 JV with initial investment of ~₹ 60 crore) and would also look to produce flooring tiles, PVC sheets, door & window frames.

Moving on growth path; maintain BUY...

We remain positive on CPIL's future growth strategy as the share of Indian organised plywood players (currently 30% of plywood market) is set to expand with GST rollout, higher brand aspirations & CPIL's strong brand presence. In FY19E, we expect the topline, bottomline to grow robustly by 23.5%, 40.8% YoY to ₹ 2663.2 crore, ₹ 272.4 crore, respectively, in FY19E with full contribution from the high margin MDF division. We continue to maintain our **BUY** recommendation on the stock with a revised target price of ₹ 310 (25x FY19E EPS).

Rating matrix	
Rating	Buy
Target	₹ 310
Target Period	12-18 months
Potential Upside	14%

What's Changed?	
Target	Changed from ₹ 325 to ₹ 310
EPS FY18E	Changed from ₹ 10.0 to ₹ 8.7
EPS FY19E	Changed from ₹ 13.1 to ₹ 12.3
Rating	Unchanged

Quarterly Performance					
(₹ crore)	Q1FY18	Q1FY17	YoY (%)	Q4FY17	QoQ (%)
Revenue	438.6	403.6	8.7	487.4	-10.0
EBITDA	61.1	68.3	-10.6	83.8	-27.1
EBITDA (%)	13.9	16.9	-301 bps	17.2	-327 bps
PAT	34.1	43.1	-20.8	55.9	-39.0

Key Financials				
(₹ Crore)	FY16	FY17E	FY18E	FY19E
Net Sales	1,658.5	1,782.5	2,155.9	2,663.2
EBITDA	282.8	292.0	336.1	457.7
Net Profit	168.1	185.6	193.5	272.4
EPS (₹)	7.6	8.4	8.7	12.3

Valuation summary				
(x)	FY16	FY17E	FY18E	FY19E
P/E	35.9	32.5	31.2	22.2
Target P/E	41.0	37.1	35.6	25.3
EV / EBITDA	22.9	22.4	19.5	14.5
P/BV	11.4	8.8	7.3	5.8
RoNW (%)	31.8	27.0	23.2	26.3
RoCE (%)	25.1	21.3	19.0	23.4

Stock data	
Particular	Amount (₹ crore)
Market Capitalization	6,038.7
Total Debt	455.4
Cash	17.0
EV	6,477.1
52 week H/L (₹)	313 / 155
Equity capital	22.3
Face value (₹)	1.0

Price performance (%)				
Return %	1M	3M	6M	12M
Greenply Industries	(2.8)	(4.8)	0.9	4.1
Century Plyboards	(3.2)	10.4	38.6	26.8

Research Analyst	
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Vaibhav Shah	vaibhav.shah@icicisecurities.com

Variance analysis

Particular	Q1FY18	Q1FY18E	Q1FY17	YoY Chg (%)	Q4FY17	QoQ Chg (%)	Comments
Net Sales	438.6	426.4	403.6	8.7	487.4	-10.0	Topline growth can be attributed to 10.7% YoY growth in revenues from plywood and allied division
Other Income	0.5	1.0	0.8	-32.1	14.2	-96.1	
Material Consumed	143.9	173.6	153.3	-6.1	159.7	-9.9	
Purchase of Stock in Trade	89.2	51.4	60.6	47.1	92.0	-3.0	
Employee Benefit Expenses	68.9	61.7	63.8	8.0	66.7	3.2	
Other Expenses	74.7	68.8	71.3	4.8	85.0	-12.0	
EBITDA	61.1	73.0	68.3	-10.6	83.8	-27.1	
EBITDA Margin (%)	13.9	17.0	16.9	-301 bps	17.1	-322 bps	EBITDA margins contraction can be attributed to 300 bps YoY decline in plywood division and 330 bps YoY decline in laminates & allied division EBITDA margins
Depreciation	13.2	15.6	9.3	42.5	15.6	-15.3	
Interest	6.3	7.0	8.9	-29.0	2.6	146.3	
PBT	42.1	52.5	51.0	-17.4	79.8	-47.2	
Taxes	8.0	8.4	8.0	0.6	23.9	-66.5	
PAT	34.1	44.1	43.1	-20.8	55.9	-39.0	PAT degrowth can be attributed to sharp contraction in EBITDA margins

Source: Company, ICICIdirect.com Research

Change in estimates

Particulars (₹ crore)	FY17		FY18E		FY19E			Comments
	Old	New	% change	Old	New	% change		
Revenue	1,782.5	2,237.7	2,155.9	-3.7	2,645.5	2,663.2	0.7	We have tweaked our estimates
EBITDA	292.0	384.4	336.1	-12.6	476.7	457.7	-4.0	
EBITDA Margin (%)	16.4	17.2	15.6	-161 bps	18.0	17.2	-82 bps	We have lowered our EBITDA margin assumptions after factoring in the Q1FY18 margin performance as the company is facing some raw material issues
PAT	185.6	221.7	193.5	-12.7	290.8	272.4	-6.3	EBITDA margins downgrade leads to significant bottomline degrade
EPS (₹)	8.4	10.0	8.7	-12.7	13.1	12.3	-6.3	

Source: Company, ICICIdirect.com Research

Assumptions

Volume Assumptions					Current		Earlier		Comments
	FY14	FY15	FY16	FY17	FY18E	FY19E	FY18E	FY19E	
Plywood & Veneer(In CBM)	221,355	234,000	241,794	251,720	271,087	293,924	273,228	297,658	We have tweaked our estimates marginally
MDF (CBM)	0	0	0	0	63,000	162,000	99,000	162,000	
Laminate Sheets (In Mn)	2.9	3.6	4.3	5.0	5.6	6.3	5.7	6.5	
Pre-laminated Boards (In Mn SQM)	1.1	1.3	1.0	0.9	1.0	1.0	0.9	1.0	

Source: Company, ICICIdirect.com Research

Conference Call Highlights

- **Growth Outlook:** The management foresees ~20% YoY volume growth in the plywood division with revenue to the tune of ~₹ 175 crore from the MDF division. Overall, the company expects 20% topline growth and 10% bottomline growth in FY18E
- **Industry dynamics:** Currently, plywood constitutes 90% of all wooden products while other products constitute 10%. Over the next 10 years, the management expects this mix to change significantly with plywood's share reducing to ~50% and expects MDF to grow at much more rapid pace
- **Capex:** The company has chalked out a capex plan of ₹ 221 crore for FY18E & ₹ 70 crore for FY19E
- **High raw material costs:** CPIL's margins were severely impacted on account of higher raw material costs. The Laos government also banned the export of veneer and tree felling which also impacted veneer prices. Furthermore, the Myanmar government has lifted the ban on tree felling. However, as per new guidelines by the government, all loggers need to sell their logged timber to Myanmar Timber Enterprise, which would, in turn, auction it
- **Price hike:** The company has not taken any price hike during the quarter. However, the management is planning to take a price hike during Q3FY18E
- **MDF new facility:** The new MDF facility has started trial production of MDF on July, 29, 2017. Further, the management expects production to stabilise by September, 2017 and expects the plant to operate at 60%. By October, November, the plant would be running at 80% capacity utilisation. The management expects to clock EBITDA margins to the tune of 30% in the MDF division
- **Particle board plant:** The particle board plant reported losses at EBITDA margin levels during the quarter and clocked production and sales volumes of 4000 CBM and 5500 CBM, respectively. It faced stiff competition from cheap imports during the quarter. On a positive note, the company witnessed strong volumes in July, 2017 and expects volumes to pick up over the next couple of quarters and also expects the EBITDA margins to improve significantly. At full capacity, the management expects to clock revenues to the tune of ~₹ 75-80 crore
- **Commercial veneer:** The company witnessed a significant decline in commercial veneers segment, which is expected to revive from Q4FY18E onwards
- **Laminate division realisations:** CPIL's laminate realisations in the export market declined significantly as the company has started exporting low value laminates in some new markets. However, the management is confident of clocking EBITDA margins of 15-16% in the laminates division for FY18E
- **New product segments:** The company is planning to set up a door manufacturing unit in 60:40 JV with a Chinese player. The company may also produce HDF, PVC sheets, door and window frames, etc, at this new unit

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 Q1FY18, plywood and allied division revenues grew 10.7% YoY to ₹ 317.0 crore. Plywood division volumes grew 11.8% YoY to 52011 CBM.

Exhibit 1: Quarterly plywood & allied products revenue

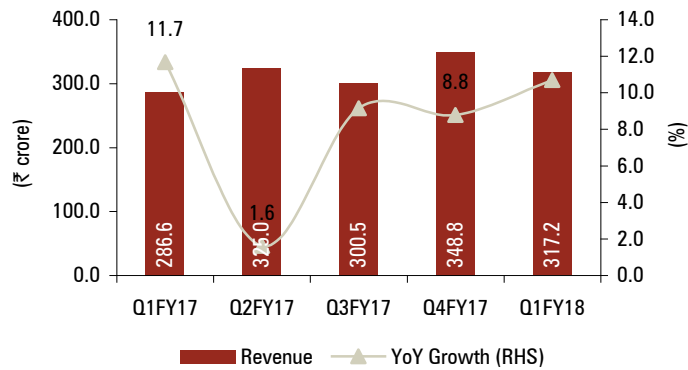
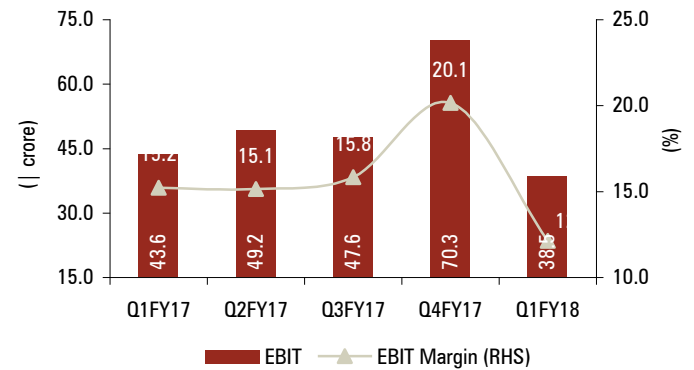


Exhibit 2: Quarterly plywood and allied products EBIT & EBIT margin

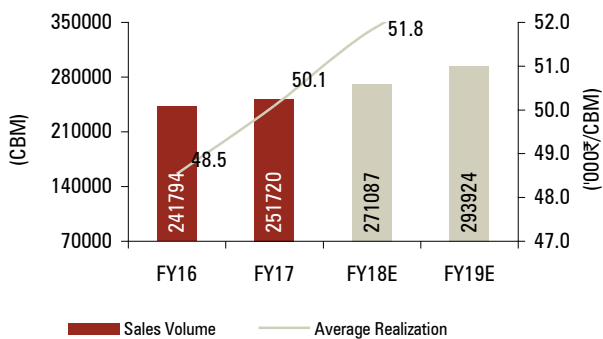


Source: Company, ICICIdirect.com, Research

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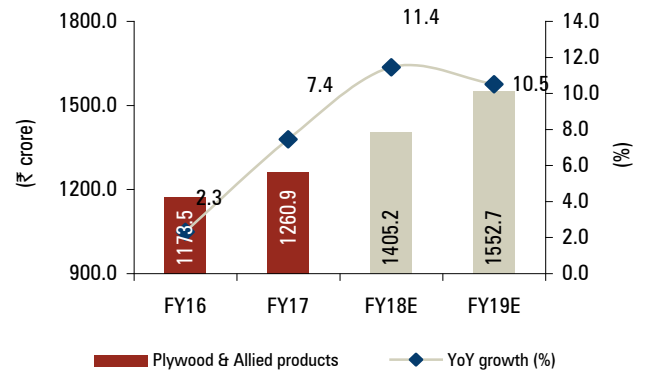
Going ahead, we expect plywood sales volume to be at 293924 CBM in FY19E with average realisation of ₹ 52825 per CBM. This would lead to revenue CAGR of 11.0% during FY17-19E to ₹ 1552.7 crore.

Exhibit 3: Plywood sales volume and average realisation



Source: Company, ICICIdirect.com, Research

Exhibit 4: Plywood revenue and growth trend



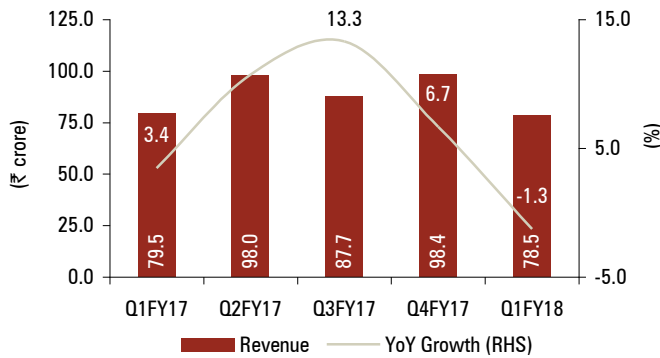
Source: Company, ICICIdirect.com, Research

Laminate business: well poised in capacity terms...

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.

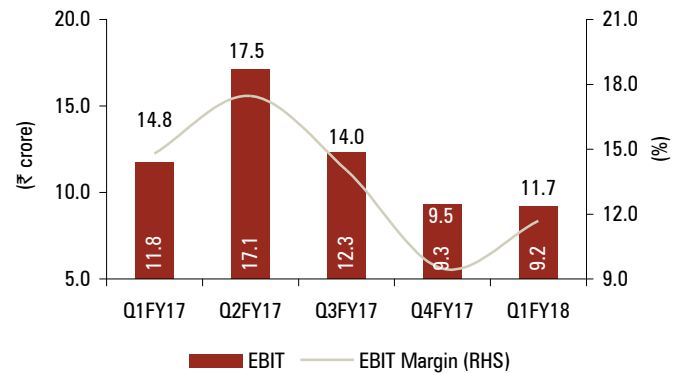
In Q1FY18, CPIL's laminates and allied division reported revenue de-growth of 1.3% YoY to ₹ 78.5 crore on the back of poor performance in the domestic market. Domestic laminates revenues de-grew 7.2% YoY to ₹ 50.0 crore due to volume de-growth of 10.9% to 7.2 lakh sheets. However, on a positive note, export revenues grew 11.7% YoY to ₹ 18.6 crore led by volume growth of 28.6% YoY to 3.2 lakh sheets. Going ahead, we expect laminates & allied division revenues to grow at 14.5% CAGR to ₹ 476.7 crore during FY17-19E.

Exhibit 5: Quarterly laminate & allied products revenue



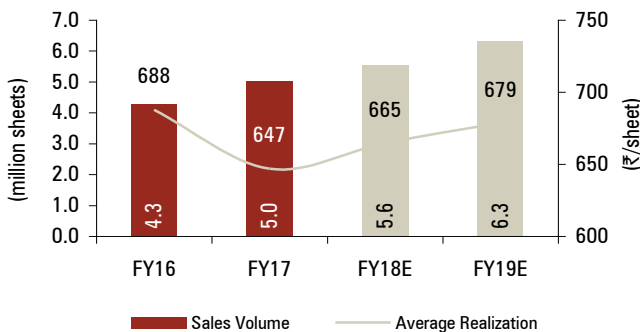
Source: Company, ICICIdirect.com, Research

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



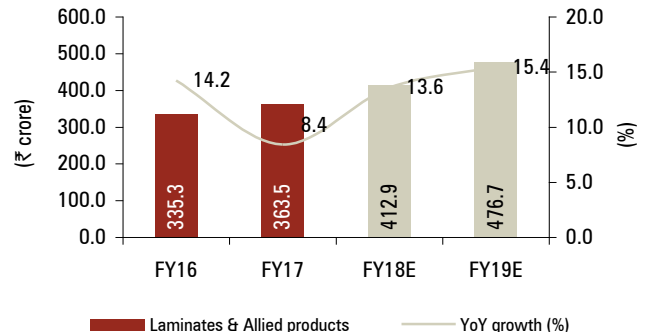
Source: Company, ICICIdirect.com, Research

Exhibit 7: Laminate sales volume and average realisation trend



Source: Company, ICICIdirect.com Research

Exhibit 8: Laminate revenue and growth trend



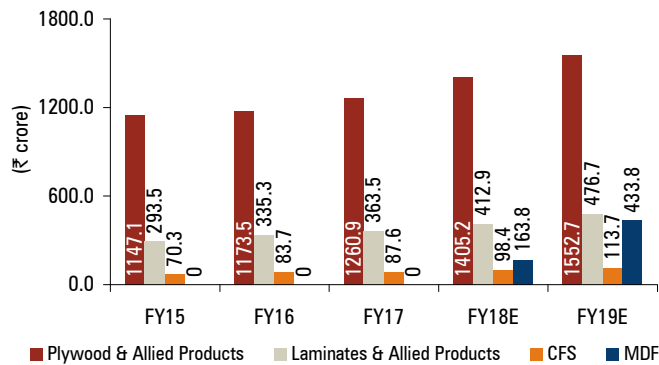
Source: Company, ICICIdirect.com Research

We expect revenues to witness robust growth of 22.2% CAGR to ₹ 2663.2 crore during FY17-19E

Net revenues to grow at 22.2% CAGR during FY17-19E...

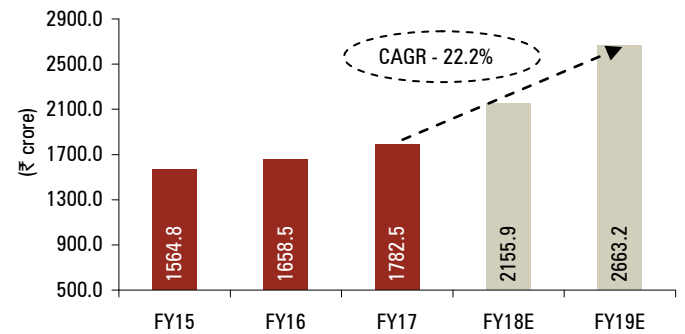
On the basis of our demand drivers, we expect the plywood and panel industry to grow at a decent rate. With the structural shift in the industry, we believe CPIL would be a key beneficiary, going ahead. CPIL's strong brand equity, raw material security and robust distribution network would give a significant 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. Furthermore, the MDF division would start contributing from H2FY18E onwards. Consequently, we estimate CPIL's net revenue will grow at 22.2% CAGR to ₹ 2663.2 crore over FY17-19E.

Exhibit 9: Segmental net revenue trend



Source: Company, ICICIdirect.com Research

Exhibit 10: Total net revenue trend



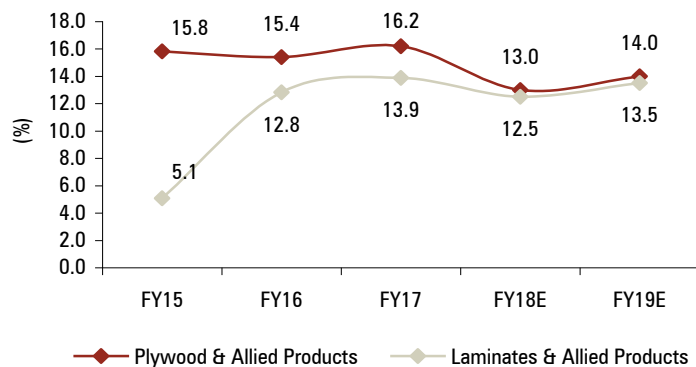
Source: Company, ICICIdirect.com Research

We expect EBIT margin in plywood division to contract 220 bps to 14.0% on account of raw material price rises over FY17-19E

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

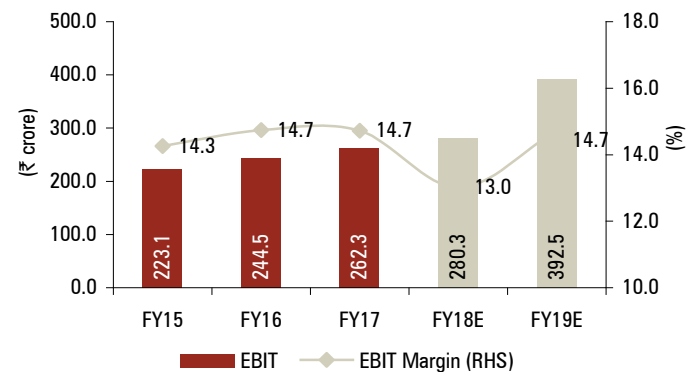
CPIL's prudent strategy to augment capacity in both plywood & laminates in challenging times for the business would benefit in times of rebound. Hence, going ahead, we expect operating leverage to play out well for CPIL. However, CPIL faced steep price rises in raw materials due to some regulatory issues at Laos and Myanmar from where it imports veneer. Raw material prices may stay elevated over the next few quarters. However, over the long term, CPIL is confident of clocking strong margins. Consequently, EBIT is expected to grow to ₹ 392.5 crore during FY17-19E. We expect the EBIT margin to expand 170 bps YoY to 14.7% in FY19E with raw material prices expected to stabilise during the period.

Exhibit 11: Segmental EBIT trend



Source: Company, ICICIdirect.com Research

Exhibit 12: EBIT margin trend



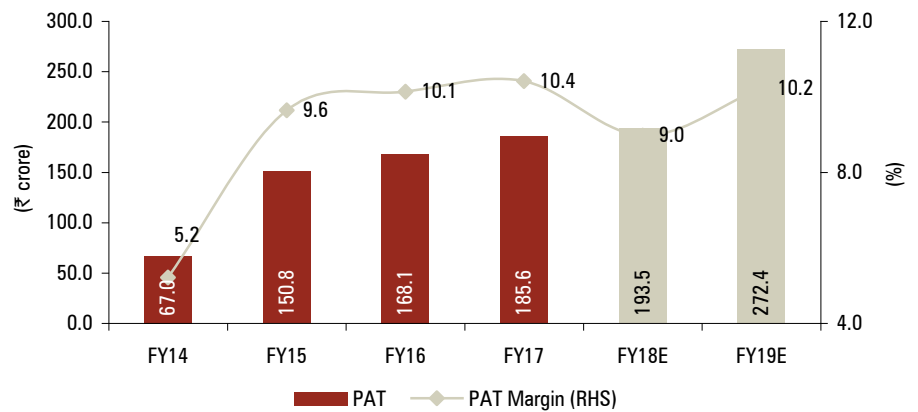
Source: Company, ICICIdirect.com Research

We envisage healthy bottomline growth of 21.2% CAGR during FY17-19E to ₹ 272.4 crore aided mainly by the strong topline performance and stable margins

PAT to grow at 21.2% CAGR in FY17-19E...

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 expect bottomline to grow at 21.2% CAGR to ₹ 272.4 crore on the back of strong revenue growth and stable margins.

Exhibit 13: PAT growth trend

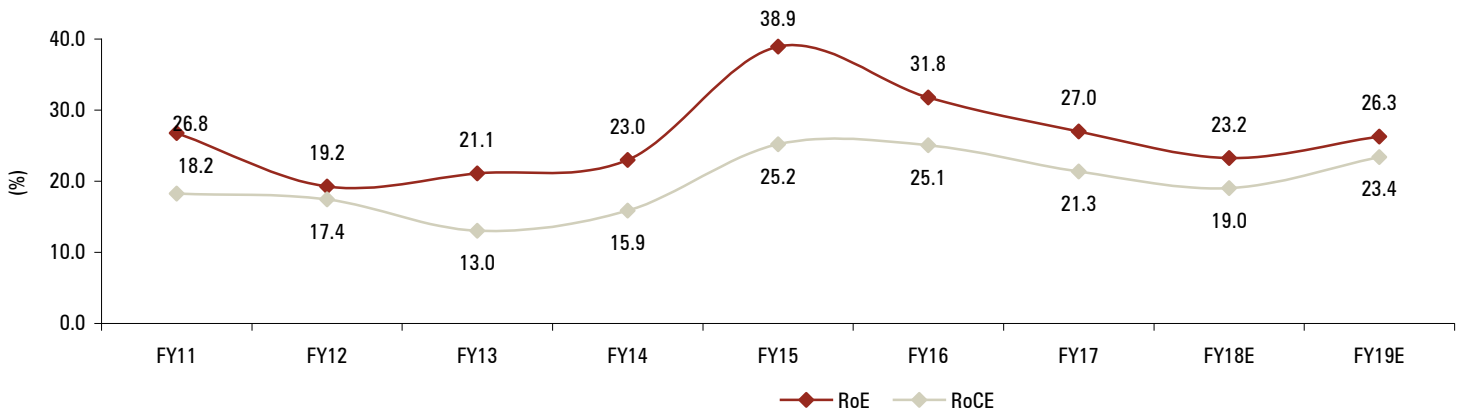


Source: Company, ICICIdirect.com Research

Healthy return ratios...

The average RoE and RoCE of CPIL during FY02-17 have remained at the level of 28.4% and 20.1%, respectively. Going forward, RoE and RoCE should moderate to 26.3% and 23.4%, respectively in FY19E.

Exhibit 14: RoE and RoCE trend



Source: Company, ICICIdirect.com Research

We maintain **BUY** recommendation on CPIL with a target price of ₹ 310/share. Our target price implies 25x FY19E EPS

Valuation

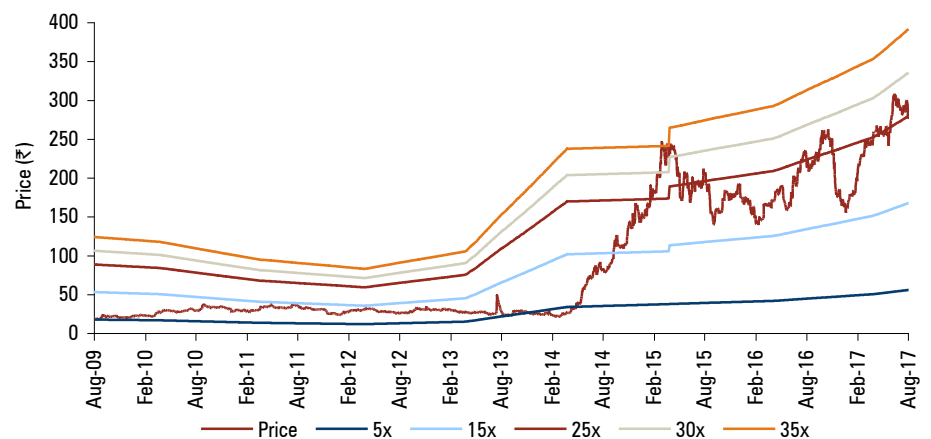
We remain positive on CPIL's future growth strategy as the share of Indian organised plywood players (currently 30% of plywood market) is set to expand with GST rollout, higher brand aspirations & CPIL's strong brand presence. In FY19E, we expect the topline, bottomline to grow robustly by 23.5%, 40.8% YoY to ₹ 2663.2 crore, ₹ 272.4 crore, respectively, in FY19E with full contribution from the high margin MDF division. We continue to maintain our **BUY** recommendation on the stock with a revised target price of ₹ 310 (25x 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	35.9	22.9	31.8	25.1
FY17E	1782.5	7.5	8.4	10.4	32.5	22.4	27.0	21.3
FY18E	2155.9	20.9	8.7	4.3	31.2	19.5	23.2	19.0
FY19E	2663.2	23.5	12.3	40.8	22.2	14.5	26.3	23.4

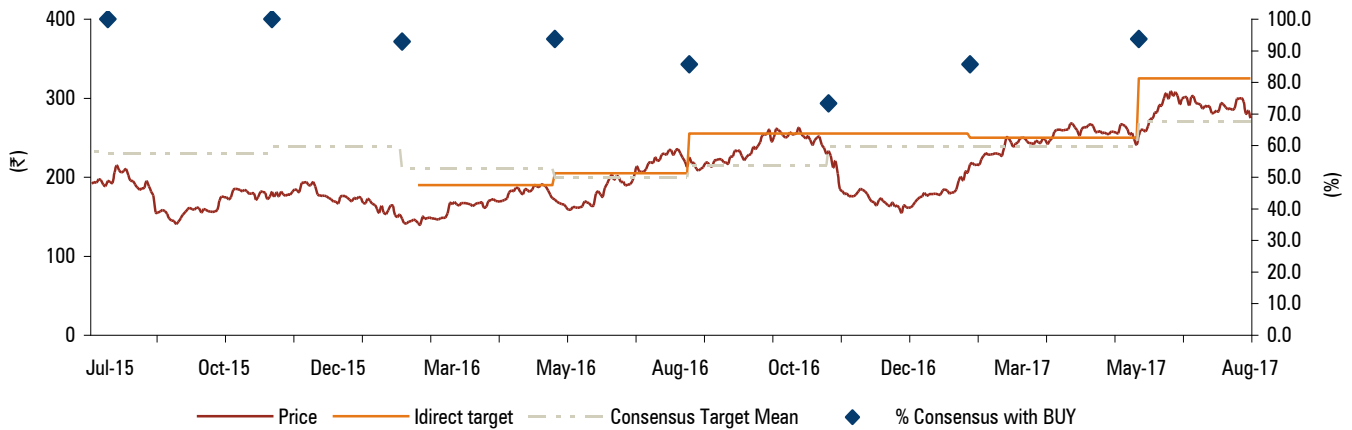
Source: Company, ICICIdirect.com Research

Exhibit 16: Century one year forward P/E



Source: Company, ICICIdirect.com Research

Recommendation History vs. Consensus chart



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)	17-Jul-17	11.3%	25.0	-0.2
2	Agarwal (Sanjay)	30-Jun-17	10.9%	24.2	0.0
3	Agarwal (Divya)	30-Jun-17	7.5%	16.7	0.0
4	Bhajanka (Santosh)	17-Jul-17	7.0%	15.4	-0.2
5	Khemani (Vishnuprasad)	30-Jun-17	5.7%	12.6	0.0
6	Sriram Vanijya Pvt. Ltd.	30-Jun-17	3.8%	8.5	0.0
7	Brijdham Merchants Pvt. Ltd.	30-Jun-17	3.5%	7.7	0.0
8	Sumangal International Pvt. Ltd.	30-Jun-17	3.5%	7.7	0.0
9	Sumangal Business Pvt. Ltd.	30-Jun-17	3.1%	6.8	0.0
10	Sriram Merchants Pvt. Ltd.	30-Jun-17	3.0%	6.7	0.0

Shareholding Pattern

(in %)	Sep-16	Dec-16	Mar-17	Jun-17
Promoter	72.2	72.0	72.0	72.0
Public	27.8	28.0	28.0	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)
Bhajanka (Keshav)	2.2	0.5	DSP BlackRock Investment Managers Pvt. Ltd.	-1.2	-0.3
Sundaram Asset Management Company Limited	2.1	0.5	Bhajanka (Sajjan)	-0.9	-0.2
Birla Sun Life Asset Management Company Ltd.	0.9	0.2	Bhajanka (Santosh)	-0.9	-0.2
Goldman Sachs Asset Management International	0.7	0.2	Robeco Hong Kong Limited	-0.2	-0.1
Canara Robeco Asset Management Company Ltd.	0.4	0.1	Tata Asset Management Limited	-0.2	-0.1

Source: Reuters, ICICIdirect.com Research

Financial summary

Profit and loss statement (₹ Crore)

(₹ Crore)	FY16	FY17	FY18E	FY19E
Net Sales	1,658.5	1,782.5	2,155.9	2,663.2
Raw Material Expense	625.7	602.6	897.5	1,090.0
Purchase of Traded Goods	217.6	315.5	258.7	319.6
Employee benefit expenses	230.6	256.7	310.5	383.5
Other Expenses	301.7	315.7	353.0	412.4
Total Expenses	1,375.6	1,490.4	1,819.7	2,205.5
EBITDA	282.8	292.0	336.1	457.7
Interest	46.7	28.6	38.5	52.0
Depreciation	44.6	52.4	62.4	72.4
Other income	6.3	22.7	6.6	7.2
PBT	197.7	233.7	241.8	340.5
Exceptional Items	-	-	-	-
Taxes	29.7	48.1	48.4	68.1
PAT	168.1	185.6	193.5	272.4
PAT Growth rate (%)	11.4	10.4	4.3	40.8
Adjusted EPS (Diluted)	7.6	8.4	8.7	12.3

Source: Company, ICICIdirect.com Research

Balance sheet (₹ Crore)

(₹ Crore)	FY16	FY17E	FY18E	FY19E
Liabilities				
Equity Capital	22.3	22.3	22.3	22.3
Reserve and Surplus	506.6	665.5	810.6	1,014.9
Total Shareholders funds	528.9	687.7	832.8	1,037.1
Minority Interest	-	-	-	-
Total Debt	455.4	550.0	650.0	650.0
Deferred Tax Liability	(13.6)	(13.6)	(13.6)	(13.6)
Total Liabilities	971.0	1,224.0	1,469.0	1,674.0
Assets				
Gross Block	444.1	542.2	763.4	833.4
Less Acc. Dep	241.1	293.5	355.9	428.3
Net Block	202.9	248.7	407.5	405.1
Net Intangibles Assets	1.2	2.7	4.8	7.6
Capital WIP	93.2	284.0	100.0	100.0
Total Fixed Assets	297.3	535.4	512.3	512.7
Investments	49.7	49.7	49.7	49.7
Inventory	275.2	254.2	307.5	379.8
Sundry Debtors	289.8	287.0	382.6	539.9
Loans & Advances	176.8	190.0	241.7	313.1
Cash & Bank Balances	19.0	54.9	122.9	59.3
Other Current Assets	24.5	26.3	31.8	39.3
Total Current Assets	785.2	812.4	1,086.4	1,331.4
Trade Payable	84.8	91.1	92.5	114.3
Other Current Liabilities	67.8	72.5	74.9	91.5
Provisions	9.0	9.7	11.7	14.5
Net Current Assets	623.6	639.1	907.2	1,111.1
Total Assets	971.0	1,224.0	1,469.0	1,674.0

Source: Company, ICICIdirect.com Research

Cash flow statement (₹ Crore)

(₹ Crore)	FY16	FY17E	FY18E	FY19E
Profit after Tax	168.1	185.6	193.5	272.4
Depreciation	44.6	52.4	62.4	72.4
Interest	46.7	28.6	38.5	52.0
Others	(16.0)	(78.3)	55.9	69.6
Cash Flow before wc changes	273.1	236.4	398.6	534.5
Net Increase in Current Assets	(25.4)	7.5	(110.8)	(144.9)
Net Increase in Current Liabilities	41.7	28.4	(164.1)	(217.3)
Net CF from operating activities	289.5	272.3	123.7	172.3
(Purchase)/Sale of Fixed Assets	(125.3)	(98.1)	(221.2)	(70.0)
Net CF from Investing activities	(128.7)	(275.7)	(68.8)	(115.8)
Dividend	(60.1)	(26.7)	(48.4)	(68.1)
Interest paid	(46.9)	(28.6)	(38.5)	(52.0)
Inc / (Dec) in Loans	(51.8)	94.6	100.0	-
Net CF from Financing activities	(158.8)	39.2	13.1	(120.1)
Net Cash flow	2.0	35.9	68.0	(63.7)
Opening Cash	17.1	19.0	54.9	122.9
Closing Cash/ Cash Equivalent	19.0	54.9	122.9	59.3

Source: Company, ICICIdirect.com Research

Key ratios

	FY16	FY17E	FY18E	FY19E
Per Share Data (₹)				
EPS - Diluted	7.6	8.4	8.7	12.3
Cash EPS	9.6	10.7	11.5	15.5
Book Value	23.8	31.0	37.5	46.7
Dividend per share	1.0	1.2	2.2	3.1
Operating Ratios (%)				
EBITDA / Net Sales	17.1	16.4	15.6	17.2
PAT / Net Sales	10.1	10.4	9.0	10.2
Inventory Days	61	52	52	52
Debtor Days	64	59	65	74
Creditor Days	19	19	16	16
Return Ratios (%)				
RoE	31.8	27.0	23.2	26.3
RoCE	25.1	21.3	19.0	23.4
RoIC	25.7	26.9	21.9	25.4
Valuation Ratios (x)				
EV / EBITDA	22.9	22.4	19.5	14.5
P/E (Diluted)	35.9	32.5	31.2	22.2
EV / Net Sales	3.9	3.7	3.0	2.5
Market Cap / Sales	3.6	3.4	2.8	2.3
Price to Book Value	11.4	8.8	7.3	5.8
Dividend Yield	0.4	0.4	0.8	1.1
Solvency Ratios (x)				
Net Debt / Equity	0.8	0.7	0.6	0.6
Debt / EBITDA	1.6	1.9	1.9	1.4
Current Ratio	4.2	3.8	4.7	5.0
Quick Ratio	2.4	2.3	2.9	3.2

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)	272	310	Buy	6056	7.6	8.4	8.7	35.9	32.5	31.2	22.9	22.4	19.5	11.4	8.8	7.3	31.8	27.0	23.2
Greenply (MTML)	270	310	Buy	3252	10.8	11.2	12.4	24.5	23.7	21.4	13.8	14.3	14.3	5.3	4.1	3.5	21.6	17.3	16.2

Source: Company, ICICIdirect.com Research

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Buy: > 10%/15% for large caps/midcaps, respectively;

Hold: Up to +/-10%;

Sell: -10% or more;



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