

May 25, 2017

Result Update

Rating matrix		
Rating	:	Buy
Target	:	₹ 325
Target Period	:	12-18 months
Potential Upside	:	30%

What's Changed?		
Target	Changed from ₹ 250 to ₹ 325	
EPS FY18E	Unchanged	
EPS FY19E	Changed from ₹ 12.4 to ₹ 13.1	
Rating	Unchanged	

Quarterly Performance					
(₹ crore)	Q4FY17	Q4FY16	YoY (%)	Q3FY17	QoQ (%)
Revenue	487.4	447.1	9.0	422.9	15.2
EBITDA	83.8	76.0	10.2	67.3	24.5
EBITDA (%)	17.2	17.0	18 bps	15.9	128 bps
PAT	55.9	41.6	34.5	37.3	49.9

Key Financials				
(₹ Crore)	FY16	FY17E	FY18E	FY19E
Net Sales	1,658.5	1,782.5	2,237.7	2,645.5
EBITDA	282.8	292.0	384.4	476.7
Net Profit	168.1	185.6	221.7	290.8
EPS (₹)	7.6	8.4	10.0	13.1

Valuation summary				
(x)	FY16	FY17E	FY18E	FY19E
P/E	32.9	29.8	25.0	19.0
Target P/E	43.0	38.9	32.6	24.8
EV / EBITDA	21.1	20.6	15.8	12.7
P/BV	10.5	8.0	6.5	5.2
RoNW (%)	31.8	27.0	26.0	27.1
RoCE (%)	25.1	21.3	21.2	23.7

Stock data	
Particular	Amount (₹ crore)
Market Capitalization	5,534.3
Total Debt	455.4
Cash	17.0
EV	5,972.7
52 week H/L (₹)	271 / 155
Equity capital	22.3
Face value (₹)	1.0

Price performance (%)				
Return %	1M	3M	6M	12M
Greenply Industries	(3.5)	(5.3)	9.4	37.2
Century Plyboards	(5.7)	9.2	41.2	56.1

Research Analyst	
Deepak Purswani, CFA	deepak.purswani@icicisecurities.com
Vaibhav Shah	vaibhav.shah@icicisecurities.com

Century Plyboards (India) (CENPLY)

₹ 249

Laminates division to benefit from new GST rate

- Century Plyboards' (CPIL) topline grew 9.3% YoY to ₹ 488.5 crore (our estimate: ₹ 469.7 crore) due to 8.8% YoY growth in plywood & allied division to ₹ 348.8 crore & 6.7% YoY growth in laminates & allied division to ₹ 98.5 crore
- EBITDA margin expanded 14 bps YoY to 17.1% (our estimate: 16.8%) due to 410 bps margin expansion in plywood & allied division
- PAT grew robustly by 34.5% YoY to ₹ 55.9 crore (our expectation: ₹ 43.5 crore) despite higher effective tax rate due to higher other income (₹ 14.2 crore in Q4FY17 vs. ₹ 1.4 crore in Q4FY16)
- The board has recommended a final dividend of ₹ 1/share for FY17

Laminates division expected to benefit from new GST rate...

In the recently announced GST rate by the GST Council, laminates will fall in the 18% tax bracket vs. the earlier tax bracket of 27-29% (excise duty of 12.5%, VAT of 12.5-15%). This is expected to result in a significant reduction in price differential between organised & unorganised laminate players by 8-10% that is expected to speed up the shift from unorganised to organised laminates and bodes well for CPIL. Consequently, the management has guided for topline growth of ~20% YoY in the laminates division. To capture this incremental opportunity, CPIL is undergoing a capacity expansion in laminates division from 4.8 mn sheets to 7.2 mn sheets, which is expected to be commissioned by September, 2017. However, GST rates for plywood and MDF have come in at 28%. This is at par with the current incidence of 27-29% and would not have any major impact on company. Further, management also indicated that this higher rate would make it more difficult for unorganised players to survive.

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

CPIL is setting up an MDF facility in Punjab with annual capacity of 1,80,000 CBM & investment of ₹ 380 crore (already spent ~₹ 245 crore). The management expects the plant to contribute revenues to the tune of ₹ 250 crore in FY18E. Also, it is confident on MDF growth prospects as it would look to push in value added products like doors, pre-laminated boards and other furniture along with plain MDF.

Plywood & allied division revenues grow 8.8% YoY to ₹ 348.8 crore...

Plywood & allied division reported strong revenue growth of 8.8% YoY to ₹ 348.8 crore despite higher base. Plywood division volumes grew 3.1% YoY to 52284 CBM. The plywood division margins improved 410 bps YoY to 20.1% due to lowering of input costs and foreign exchange benefits. Due to unavailability of premium Keruing timber, CPIL started importing timber from Solomon Islands, which is cheaper than Keruing timber. We expect plywood & allied segment revenues to grow at 10.5% CAGR to ₹ 1538.5 crore over FY17-19E.

Gives strong guidance; maintain BUY...

We remain positive on CPIL as the share of Indian organised plywood players (currently 30% of plywood market) is set to expand with expected GST rollout, higher brand aspirations & CPIL's strong brand presence. With full contribution from high margin MDF division in FY19E, we expect topline, bottomline to grow 18.2%, 31.1% YoY to ₹ 2645.5 crore, ₹ 290.8 crore, respectively. Also, a lower GST rate for laminates bodes well for the company. Consequently, we expect topline, bottomline to grow 16.8%, 25.2% CAGR, respectively, in FY17-19E. We continue to maintain our **BUY** rating on stock with a revised TP of ₹ 325 (25x FY19E EPS).

Variance analysis

Particular	Q4FY17	Q4FY17E	Q4FY16	YoY Chg (%)	Q3FY17	QoQ Chg (%)	Comments
Net Sales	487.4	469.7	447.1	9.0	422.9	15.2	Topline growth can be attributed to 8.8% YoY growth in revenues from plywood and allied division
Other Income	14.2	2.0	1.4	945.1	3.3	327.5	Other income came in higher due to forex gain
Material Consumed	159.7	168.5	161.1	-0.9	144.8	10.3	
Purchase of Stock in Trade	92.0	81.8	69.0	33.4	73.7	24.9	
Employee Benefit Expenses	66.7	68.5	62.1	7.5	63.8	4.7	
Other Expenses	85.0	72.4	79.5	6.9	74.4	14.2	
EBITDA	83.8	79.4	76.0	10.2	67.3	24.5	
EBITDA Margin (%)	17.1	16.8	17.0	14 bps	15.9	124 bps	EBITDA margins expanded 14 bps YoY due to 410 bps YoY expansion in plywood & allied division margins
Depreciation	15.6	15.0	12.0	29.9	15.0	4.1	
Interest	2.6	12.0	10.2	-74.9	11.2	-77.2	
PBT	79.8	54.4	55.2	44.5	44.5	79.5	
Taxes	23.9	10.9	13.7	75.0	7.2	233.7	
PAT	55.9	43.5	41.6	34.5	37.3	49.9	PAT grew robustly despite higher effective tax rate due to higher other income

Source: Company, ICICIdirect.com Research

Change in estimates

Particulars (₹ crore)	FY17		FY18E		FY19E			Comments
	New	Old	New	% change	Old	New	% change	
Revenue	1,782.5	2,157.3	2,237.7	3.7	2,594.5	2,645.5	2.0	We have tweaked our estimates slightly in line with bullish management commentary
EBITDA	292.0	380.4	384.4	1.0	469.3	476.7	1.6	
EBITDA Margin (%)	16.4	17.6	17.2	-42 bps	18.1	18.0	-8 bps	
PAT	185.6	222.2	221.7	-0.2	275.7	290.8	5.5	
EPS (₹)	8.4	10.0	10.0	-0.2	12.4	13.1	5.5	

Source: Company, ICICIdirect.com Research

Assumptions

Volume Assumptions	FY14	FY15	FY16	FY17	Current		Earlier		Comments
					FY18E	FY19E	FY18E	FY19E	
Plywood & Veneer(In CBM)	221,355	234,000	241,794	251,720	273,228	297,658	267,430	291,418	We have tweaked our estimates marginally
MDF (CBM)	0	0	0	0	99,000	162,000	90,000	162,000	
Laminate Sheets (In Mn)	2.9	3.6	4.3	5.0	5.7	6.5	5.8	6.5	
Pre-laminated Boards (In Mn SQM)	1.1	1.3	1.0	0.9	0.9	1.0	0.9	1.0	

Source: Company, ICICIdirect.com Research

Conference Call Highlights

- **Growth outlook:** The management foresees ~20% YoY growth in revenues from the laminates division and revenues to the tune of ~₹ 250 crore from the MDF division. On the plywood front, it expects 8-10% revenue growth for FY18E
- **MDF plant:** CPIL's 600 CBM per day capacity MDF plant is expected to be come on stream by July, 2017. It entails an investment of ₹ 380 crore with ₹ 245 crore spent till March, 2017. The company would also use the MDF produce to make value added products like doors, pre-laminated boards and furniture
- **Pre-lam particle board plant:** The company has completed the expansion of particle board plant and expects it to be commissioned in a couple of months
- **Laminates capacity expansion:** The company is ramping up its laminates capacity by 50% from 4.8 mn sheets to 7.2 mn sheets
- **Capex:** The company has a capex plan of ₹ 223 crore for FY18E and ₹ 60 crore for FY19E
- **GST rate:** The GST rate for plywood & MDF has been set at 28%, which is neutral as the current incidence was also in the range of ~27-29%. However, the company is witnessing strong plywood demand and expects a steady shift from unorganised to organised segment post GST rollout as it would be difficult for several unorganised plywood players to survive. Further, for laminates, the rate has been fixed at 18%, which is ~8-10% lower than the current incidence. It is a huge positive for the company as it would help CPIL capture market share from unorganised players
- **Other income:** It came in higher as the company benefited from a strengthening dollar. It included a forex gain of ~₹ 20 crore out of total other income of ₹ 22.7 crore for FY17
- **Tax rate:** Tax rate during the quarter came in higher due to forex gain, which was fully taxable. However, the management expects the tax rate to be in the range of ~17-18% for FY18E & FY19E
- **Plywood segment margins:** The plywood division margins improved 410 bps YoY to 20.1% due to lowering of input costs and foreign exchange benefits. Due to unavailability of premium Keruing timber, the company started importing timber from Solomon Islands, which is cheaper than the Keruing timber

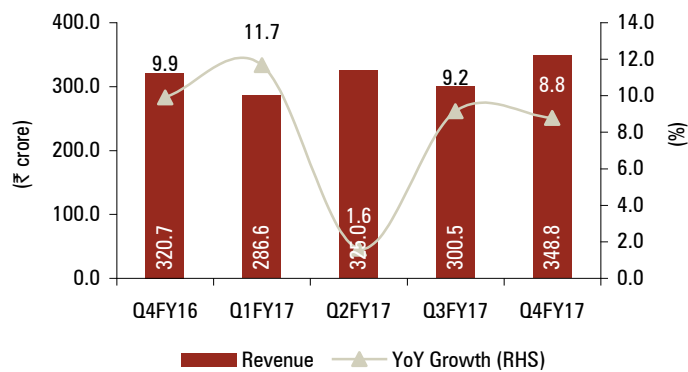
Company Analysis

Leading plywood player in India...

CPIL, with seven manufacturing plants and an aggregate capacity of 209,420 CBM, is a leading plywood player in India. At CPIL, one of the principal initiatives that was 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.

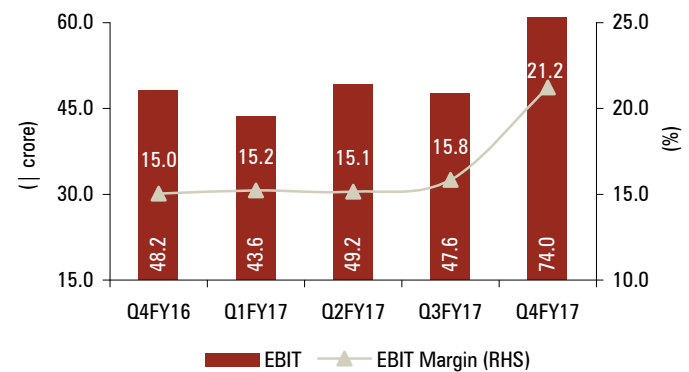
In Q4FY17, plywood and allied division revenues grew 8.8% YoY to ₹ 348.8 crore despite a higher base. Plywood division volumes grew 3.1% YoY to 52284 CBM.

Exhibit 1: Quarterly plywood & allied products revenue



Source: Company, ICICIdirect.com, Research

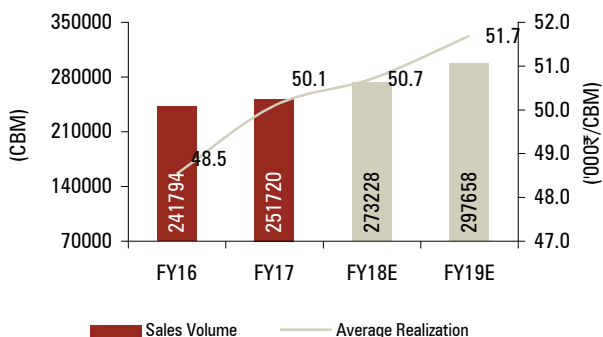
Exhibit 2: Quarterly plywood and allied products EBIT & EBIT margin



Source: Company, ICICIdirect.com, Research

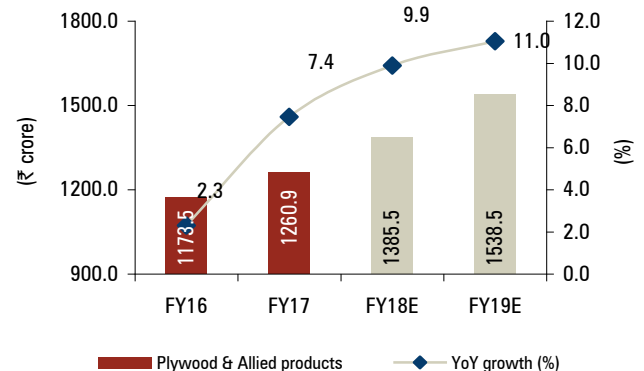
Going ahead, we expect plywood sales volume to be at 297658 CBM in FY19E with average realisation of ₹ 51686 per CBM. This would lead to revenue CAGR of 10.5% during FY17-19E to ₹ 1538.5 crore.

Exhibit 3: Plywood sales volume and average realisation



Source: Company, ICICIdirect.com, Research

Exhibit 4: Plywood revenue and growth trend



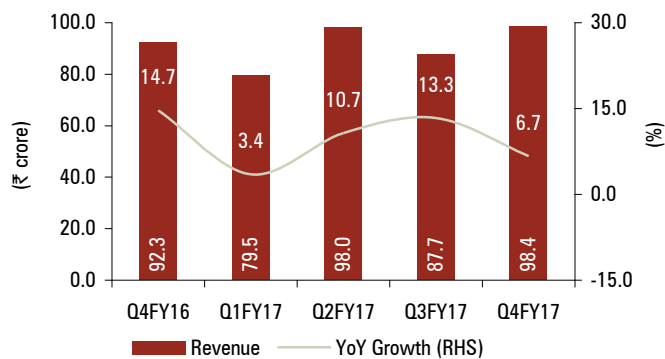
Source: Company, ICICIdirect.com, Research

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.

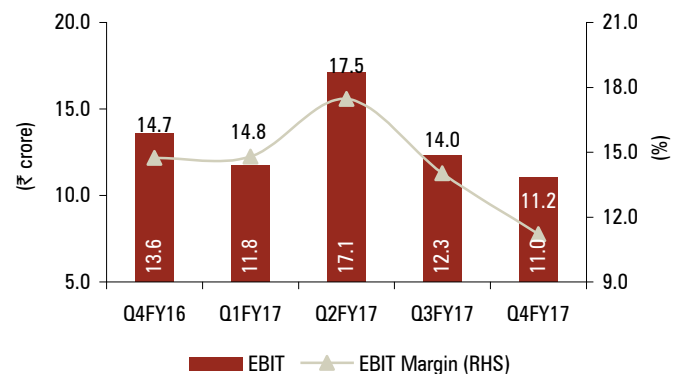
In Q4FY17, CPIL's laminates and allied division reported revenue growth of 6.7% YoY to ₹ 98.5 crore on the back of strong domestic performance. Domestic laminates revenues grew 10.1% YoY to ₹ 64.7 crore led by volume growth of 13.6% to 9.6 lakh sheets. However, export revenues de-grew 2.3% YoY to ₹ 22.7 crore despite volume growth of 9.4% YoY to 4 lakh sheets mainly on account of sharp decline in realisations from ₹ 634/ sheet in Q4FY16 to ₹ 566/ sheet in Q4FY17. Going ahead, we expect revenues to grow at 17.3% CAGR to ₹ 500.1 crore in FY17-19E.

Exhibit 5: Quarterly laminate & allied products revenue



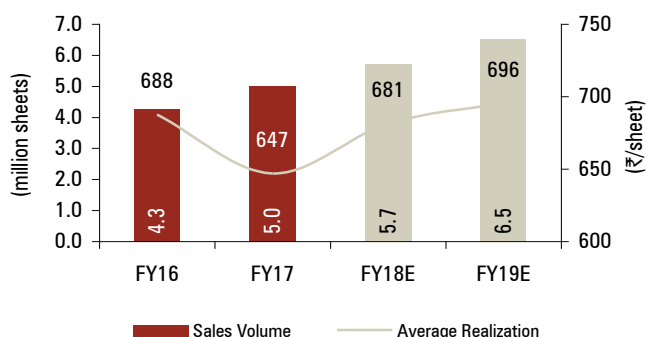
Source: Company, ICICIdirect.com, Research

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



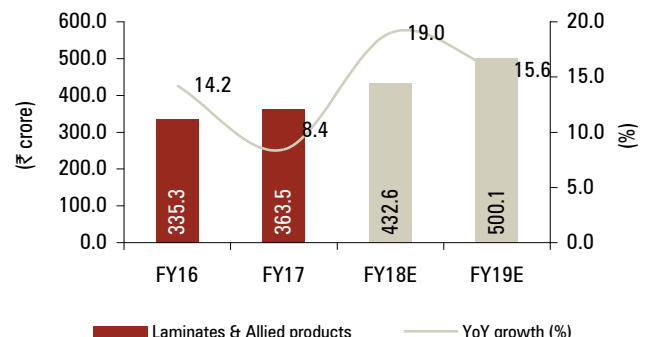
Source: Company, ICICIdirect.com, Research

Exhibit 7: Laminate sales volume and average realisation trend



Source: Company, ICICIdirect.com Research

Exhibit 8: Laminate revenue and growth trend



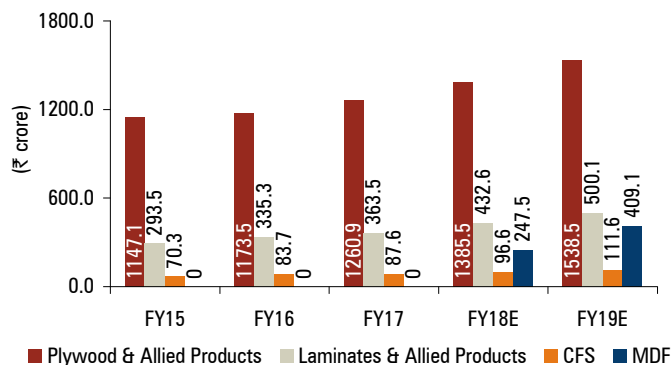
Source: Company, ICICIdirect.com Research

We expect revenues to witness robust growth of 21.8% CAGR to ₹ 2645.5 crore during FY17-19E

Net revenues to grow at 21.8% CAGR during FY17-19E...

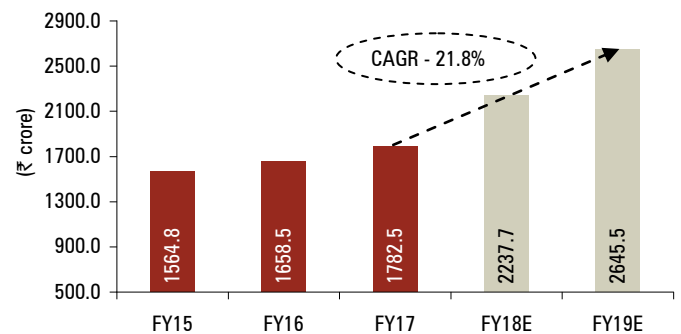
On the basis of our demand drivers, we expect the plywood and panel industry to grow at a decent rate. With the structural shift in the industry, we believe CPIL would be a key beneficiary, going ahead. CPIL's strong brand equity, raw material security and robust distribution network would give a significant 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 expect CPIL's net revenue to grow at 21.8% CAGR to ₹ 2645.5 crore in FY17-19E.

Exhibit 9: Segmental net revenue trend



Source: Company, ICICIdirect.com Research

Exhibit 10: Total net revenue trend



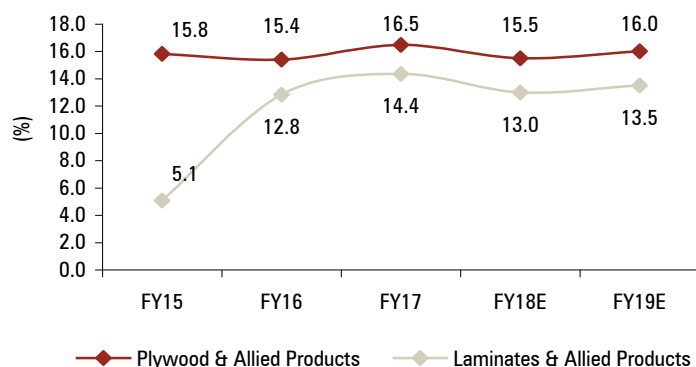
Source: Company, ICICIdirect.com Research

We expect EBIT margin to expand 70 bps to 15.4% post a change in product mix with revenues flowing in from value added products over FY17-19E

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

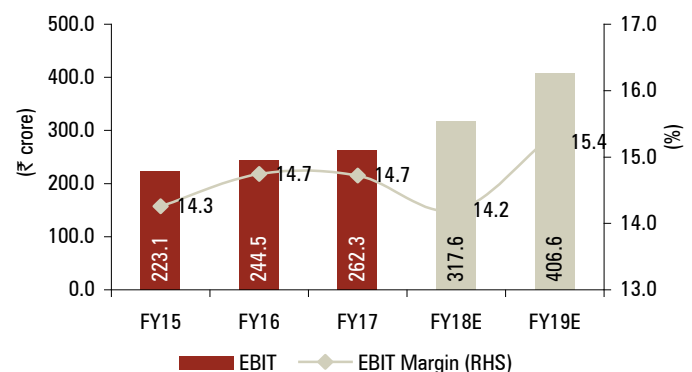
CPIL's prudent strategy to augment the capacity in both plywood and laminates in challenging times for the business would benefit in times of rebound. The plywood division and laminate division were operating at 85% and 89% of their respective capacities as on FY16. Hence, going ahead, we expect operating leverage to play out well for CPIL. Consequently, EBIT is expected to grow to ₹ 406.6 crore in FY17-19E. We expect the EBIT margin to expand 70 bps to 15.4% post a change in product mix with revenues flowing in from value added products over FY17-19E.

Exhibit 11: Segmental EBIT trend



Source: Company, ICICIdirect.com Research

Exhibit 12: EBIT margin trend



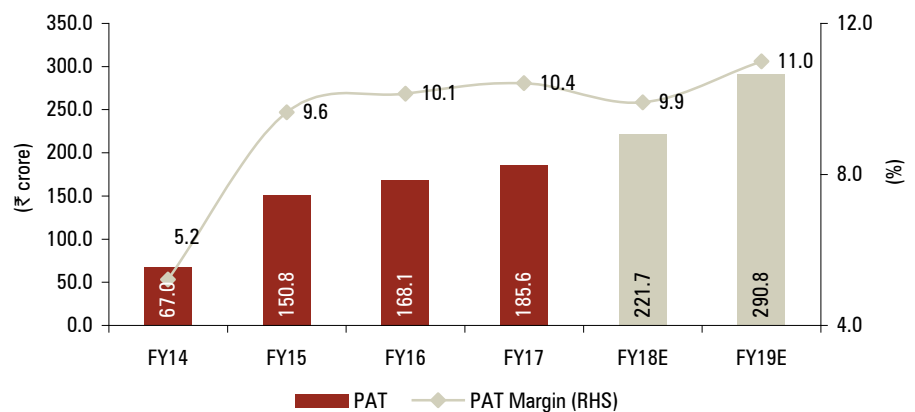
Source: Company, ICICIdirect.com Research

We envisage healthy bottomline growth of 25.2% CAGR in FY17-19E to ₹ 290.8 crore aided mainly by the strong topline performance and margin show

PAT to grow at 25.2% 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 25.2% CAGR to ₹ 290.8 crore on the back of strong revenue growth and margin show.

Exhibit 13: PAT growth trend

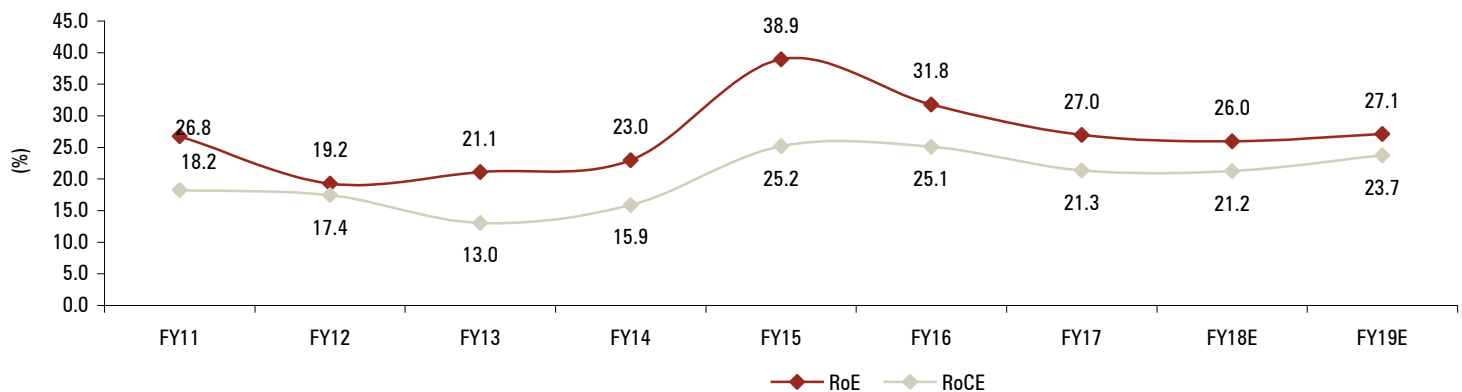


Source: Company, ICICIdirect.com Research

Healthy return ratios...

The average RoE and RoCE of CPIL during FY09-14 have remained at the level of 24.4% and 18.8%, respectively. Going forward, RoE and RoCE should moderate to 27.1% and 23.7%, respectively in FY19E.

Exhibit 14: RoE and RoCE trend



Source: Company, ICICIdirect.com Research

We maintain a **BUY** recommendation on CPIL with a target price of ₹ 325/share. Our target price implies 25x FY19E EPS.

Valuation

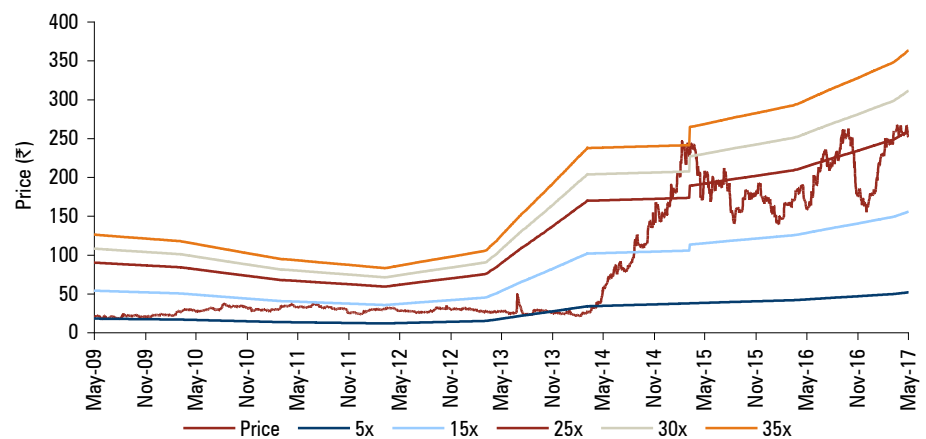
We remain positive on CPIL as the share of Indian organised plywood players (currently 30% of plywood market) is set to expand with anticipated GST rollout, higher brand aspirations & CPIL's strong brand presence. In FY19E, we expect the topline, bottomline to grow 18.2%, 31.1% YoY to ₹ 2645.5 crore, ₹ 290.8 crore, respectively, with full contribution from the high margin MDF division. Also, a lower GST rate for laminates bodes well for the company. Consequently, we expect topline, bottomline to grow at 16.8%, 25.2% CAGR, respectively, over FY17-19E. We continue to maintain our **BUY** recommendation on the stock with a revised target price of ₹ 325 (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	32.9	21.1	31.8	25.1
FY17E	1782.5	7.5	8.4	10.4	29.8	20.6	27.0	21.3
FY18E	2237.7	25.5	10.0	19.5	25.0	15.8	26.0	21.2
FY19E	2645.5	18.2	13.1	31.1	19.0	12.7	27.1	23.7

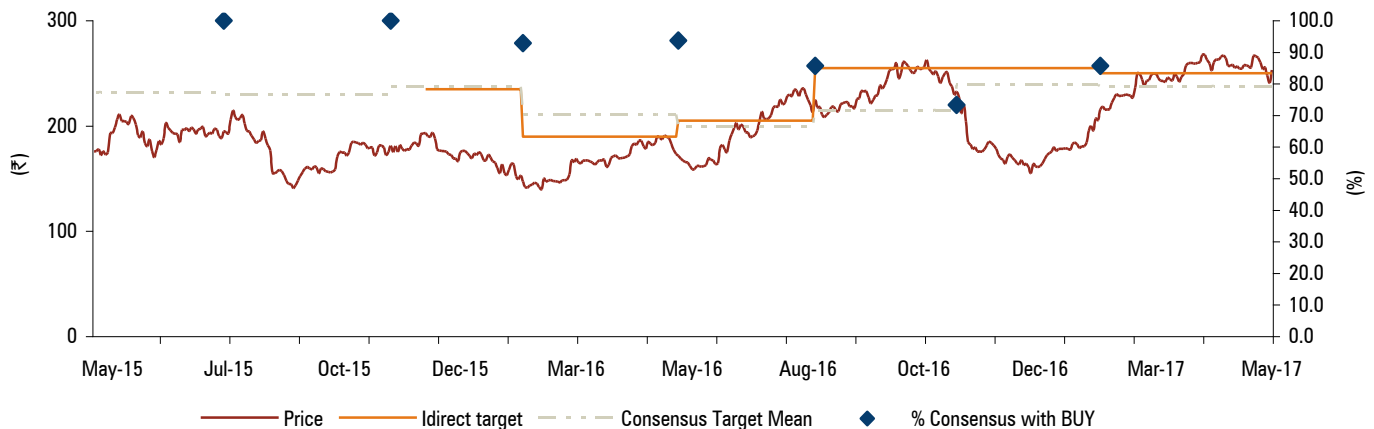
Source: Company, ICICIdirect.com Research

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						Shareholding Pattern				
Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)	(in %)	Jun-16	Sep-16	Dec-16	Mar-17
1	Bhajanka (Saijan)	31-Dec-16	11.4%	25.2	0.0	Promoter	73.3	72.2	72.0	72.0
2	Agarwal (Sanjay)	31-Dec-16	10.9%	24.2	0.0	Public	26.7	27.8	28.0	28.0
3	Agarwal (Divya)	31-Dec-16	7.5%	16.7	0.0	Others	0.0	0.0	0.0	0.0
4	Bhajanka (Santosh)	31-Dec-16	7.0%	15.6	0.0	Total	100.0	100.0	100.0	100.0
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					

Source: Reuters, ICICIdirect.com Research

Recent Activity

Investor name			Sells		
Investor name	Value (m)	Shares (m)	Investor name	Value (m)	Shares (m)
Kajaria (Sonu)	1.6	0.6	Norges Bank Investment Management (NBIM)	-6.1	-2.5
Goldman Sachs Asset Management International	2.3	0.6	Canara Robeco Asset Management Company Ltd.	-0.5	-0.2
Gupta (Surender Kumar)	0.5	0.1	Mondrian Investment Partners Ltd.	-0.2	-0.1
IDBI Asset Management Limited	0.2	0.0	Robeco Hong Kong Limited	-0.3	-0.1
BOI AXA Investment Managers Private Limited	0.2	0.0	DHFL Pramerica Asset Managers Private Limited	-0.3	-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	2,237.7	2,645.5
Raw Material Expense	625.7	602.6	906.4	1,058.7
Purchase of Traded Goods	217.6	315.5	268.5	317.5
Employee benefit expenses	230.6	256.7	322.2	381.0
Other Expenses	301.7	315.7	356.2	411.7
Total Expenses	1,375.6	1,490.4	1,853.4	2,168.8
EBITDA	282.8	292.0	384.4	476.7
Interest	46.7	28.6	47.3	52.0
Depreciation	44.6	52.4	73.9	78.4
Other income	6.3	22.7	7.2	8.3
PBT	197.7	233.7	270.4	354.6
Exceptional Items	-	-	-	-
Taxes	29.7	48.1	48.7	63.8
PAT	168.1	185.6	221.7	290.8
PAT Growth rate (%)	11.4	10.4	19.5	31.1
Adjusted EPS (Diluted)	7.6	8.4	10.0	13.1

Source: Company, ICICIdirect.com Research

Cash flow statement (₹ Crore)

(₹ Crore)	FY16	FY17E	FY18E	FY19E
Profit after Tax	168.1	185.6	221.7	290.8
Depreciation	44.6	52.4	73.9	78.4
Interest	46.7	28.6	47.3	52.0
Others	(16.0)	(78.3)	67.5	57.1
Cash Flow before wc changes	273.1	236.4	459.0	542.1
Net Increase in Current Assets	(25.4)	7.5	(123.4)	(129.2)
Net Increase in Current Liabilities	41.7	28.4	(188.3)	(187.4)
Net CF from operating activities	289.5	272.3	147.4	225.5
(Purchase)/Sale of Fixed Assets	(125.3)	(98.1)	(223.0)	(60.0)
Net CF from Investing activities	(128.7)	(275.7)	(75.7)	(97.7)
Dividend	(60.1)	(26.7)	(55.4)	(72.7)
Interest paid	(46.9)	(28.6)	(47.3)	(52.0)
Inc / (Dec) in Loans	(51.8)	94.6	100.0	-
Net CF from Financing activities	(158.8)	39.2	(2.7)	(124.7)
Net Cash flow	2.0	35.9	69.0	3.1
Opening Cash	17.1	19.0	54.9	123.9
Closing Cash/ Cash Equivalent	19.0	54.9	123.9	127.0

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	831.7	1,049.8
Total Shareholders funds	528.9	687.7	854.0	1,072.1
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	1,490.0	1,708.0
Assets				
Gross Block	444.1	542.2	765.2	825.2
Less Acc. Dep	241.1	293.5	367.4	445.8
Net Block	202.9	248.7	397.8	379.4
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	502.6	487.0
Investments	49.7	49.7	49.7	49.7
Inventory	275.2	254.2	319.1	377.3
Sundry Debtors	289.8	287.0	397.1	536.4
Loans & Advances	176.8	190.0	250.8	311.0
Cash & Bank Balances	19.0	54.9	123.9	127.0
Other Current Assets	24.5	26.3	33.0	39.0
Total Current Assets	785.2	812.4	1,124.0	1,390.7
Trade Payable	84.8	91.1	96.0	113.5
Other Current Liabilities	67.8	72.5	77.6	90.9
Provisions	9.0	9.7	12.2	14.4
Net Current Assets	623.6	639.1	938.1	1,171.8
Total Assets	971.0	1,224.0	1,490.0	1,708.0

Source: Company, ICICIdirect.com Research

Key ratios

	FY16	FY17E	FY18E	FY19E
Per Share Data (₹)				
EPS - Diluted	7.6	8.4	10.0	13.1
Cash EPS	9.6	10.7	13.3	16.6
Book Value	23.8	31.0	38.4	48.3
Dividend per share	1.0	1.2	2.5	3.3
Operating Ratios (%)				
EBITDA / Net Sales	17.1	16.4	17.2	18.0
PAT / Net Sales	10.1	10.4	9.9	11.0
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	26.0	27.1
RoCE	25.1	21.3	21.2	23.7
RoIC	25.7	26.9	24.4	26.8
Valuation Ratios (x)				
EV / EBITDA	21.1	20.6	15.8	12.7
P/E (Diluted)	32.9	29.8	25.0	19.0
EV / Net Sales	3.6	3.4	2.7	2.3
Market Cap / Sales	3.3	3.1	2.5	2.1
Price to Book Value	10.5	8.0	6.5	5.2
Dividend Yield	0.4	0.5	1.0	1.3
Solvency Ratios (x)				
Net Debt / Equity	0.8	0.7	0.6	0.5
Debt / EBITDA	1.6	1.9	1.7	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)	249	325	Buy	5548	7.6	8.4	10.0	32.9	29.8	25.0	21.1	20.6	15.8	10.5	8.0	6.5	31.8	27.0	26.0
Greenply (MTML)	287	265	Hold	3464	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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Buy: >10%/15% for large caps/midcaps, respectively;

Hold: Up to +/-10%;

Sell: -10% or more;



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

**ICICIdirect.com Research Desk,
ICICI Securities Limited,
1st Floor, Akruti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com**

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