



East India Securities Ltd
Excellent | Investment | Solutions

Stylam Industries Ltd

Building a durable surface for growth | Initiate with ACCUMULATE

Stylam Industries Ltd (Stylam) is engaged in the manufacturing of luxury grade decorative laminates under its eponymous brand, "Stylam". It has the largest manufacturing facility in Asia of laminates, which are used as surfacing materials for paneling, partitioning, furniture, table tops and work surfaces. Considering the future growth visibility, we assign ACCUMULATE rating with target price of Rs1,267 per share.

Investment Rationale

- **Established player in the luxury grade laminates space since 3 decades:** Stylam is a prominent player in global markets in the high-quality decorative laminates and allied products industry. Stylam's manufacturing capacity enables it to supply products to its customers across the globe
- **Diversified product portfolio:** Stylam boasts of a wide range of high-pressure laminates with over 1,500+ Designs and 150+ textures and finishes. Products such as exterior laminates, bathroom cubicles and acrylic solid surface continue to find increasing acceptance in its markets.
- **Ability to maintain profitability and operational cash flow despite operating in a highly fragmented industry:** In the past 5 years, the working capital cycle has been maintained at ~ 3-month period with occasional spike upto ~100 days. Return on Capital Employed has improved over the past two years to >18%, post expansion of the capacity from 11.0 mn sheets to 14.3 mn sheets
- **Vision 2022-25 - Expansion and deleveraging:** Stylam has recently expanded its laminate production line. It proposes to expand into plywood segment under a wholly owned subsidiary. Stylam proposes to be a Net Debt free company over the period FY2022-25.

Key Risks

- Stylam's exports may be impacted due to a slowdown in the global economy.
- Raw material risks arising from supply chain constraints and the surge in oil prices can potentially hurt the near-term growth prospects of Stylam.
- Being a pioneer in the manufacturing of solid acrylic surfaces in India, Stylam may face some reluctance from customers in replacing products that were so far being used by them.

Valuation

Stylam is currently trading at P/E of 14.1x on FY24 basis. We have valued the stock based on P/E methodology. Since, the entire capacity is expected to be fully utilised by FY24, we have assigned multiple of 15.1x (2-year forward) on FY24E PAT of Rs1,426mn to arrive at a target price of **Rs1,267** per share, which is potential upside of ~7.0% from current market price and recommend "ACCUMULATE" on the stock.

Rating: **Accumulate** Upside/(Downside): **7.0%**
CMP: **1,183.5** Target Price: **1,267**

Market Data

Bloomberg:	SYIL:IN
52-week H/L (Rs):	1269 / 760
Mcap (Rs bn/USD bn):	20.0/0.25
Shares outstanding (mn):	16.9
Free float:	45.4%
Daily vol. (3mth Avg)	53 mn
Face Value (Rs):	10

Source: ACE Equity, EISEC Research

Shareholding pattern

	Sep-22	Jun-22	Mar-22	Dec-21
Promoter	54.6	54.6	54.6	54.6
FIIIs	5.3	5.3	5.2	4.9
DIIIs	11.2	11.1	9.3	9.3
Public/others	28.9	29.0	30.9	31.2

Source: Ace Equity

Price Performance (%)*

YE Mar (R)	1M	3M	6M	12M
BSE Small cap	3.1	2.2	22.6	2.7
Stylam	13.4	6.7	35.2	16.5

*As on 15 December 2022 Source: Ace Equity, EISEC Research

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Y/E Mar (Rs mn)	Revenue	YoY (%)	EBITDA	EBITDA (%)	Adj PAT	YoY (%)	Fully DEPS	RoE (%)	RoCE (%)	P/E (x)	EV/EBITDA (x)
FY20	4,621	0.3%	796	17.2%	341	-2.8%	20.1	19.5%	12.9%	58.9	26.3
FY21	4,795	3.8%	990	20.6%	552	62.1%	32.6	23.8%	18.7%	36.3	20.7
FY22	6,593	37.5%	1,037	15.7%	611	10.6%	36.1	23.5%	18.2%	32.8	20.0
FY23E	10,172	54.3%	1,634	16.1%	967	58.3%	57.1	27.0%	20.7%	20.7	13.3
FY24E	13,029	28.1%	2,297	17.6%	1,426	47.4%	84.1	31.4%	20.2%	14.1	10.2

Source: Company, EISEC Research Estimates

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Business

Stylam Industries Ltd (Stylam) was set up by the late Mr. N. R. Aggarwal in 1991 by the name of Golden Laminate Pvt Ltd, along with his sons, Mr. Jagdish Gupta and Mr. Satish Gupta. The company changed its name from Golden Laminates Limited to Stylam Industries Limited in January 2010. After the death of Mr. Satish Gupta, Mr. Jagdish Gupta is at the helm of affairs of Stylam.

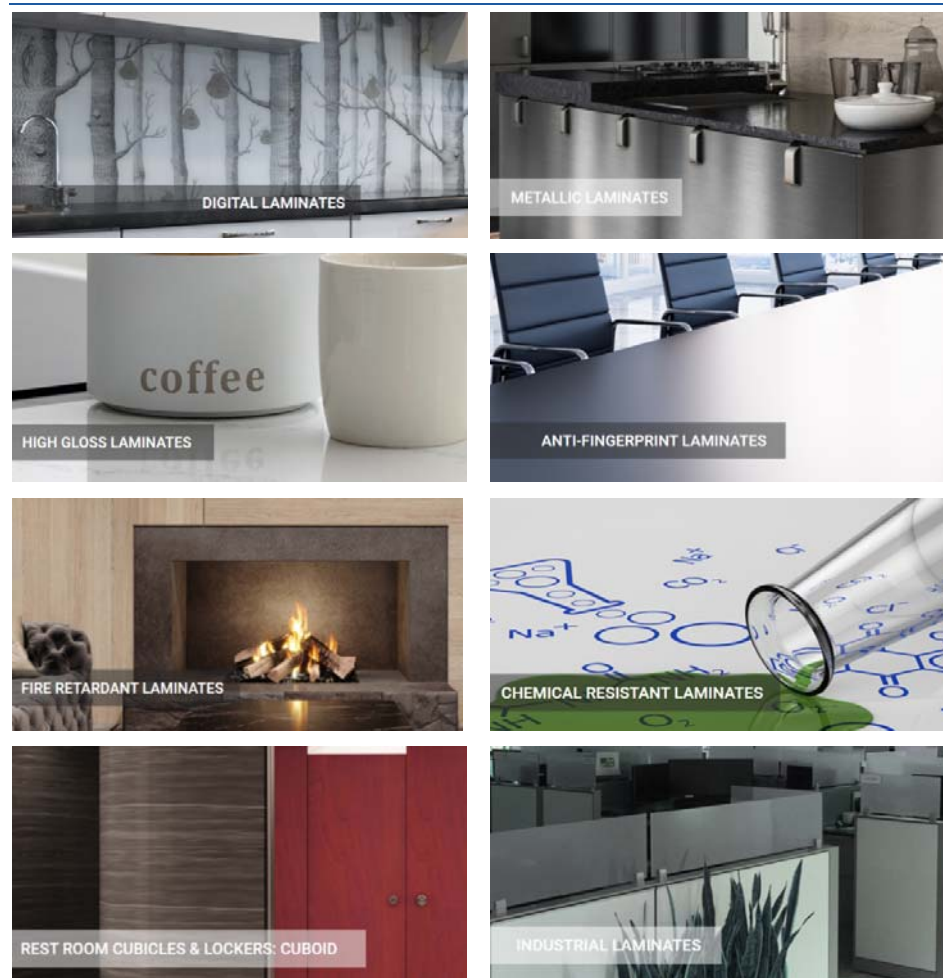
Products

- Stylam has a diversified product portfolio comprising various grades of laminates and acrylic solid surfaces.

Laminates:

- The company is engaged in the manufacturing of luxury grade decorative laminates under the brand name “Stylam”. Laminates are used as surfacing materials for paneling, partitioning, furniture, table tops and work surfaces.
- Special purpose high pressure laminates includes cabinet liners, high-wear, fire-rated, electrostatic dissipative and chemical resistant laminates. Compact laminates are widely used in restroom cubicles, lockers, kitchen shutters and partitions.
- Another product in this category is pre-laminated particle board, which is used in office furniture, readymade furniture and in partitions.

Fig 1: Laminate Applications



Source: Company, EISEC Research

- The demand for Stylam’s products is directly related to the growth of infrastructure and real estate sector. The major end-use segments comprise residential construction, residential replacement and commercial sector i.e. furniture and interior infrastructure.

Acrylic:

- In 2017, Stylam forayed into manufacture of solid acrylic panels in the subsidiary Golden Chem-Tech Ltd, which was subsequently merged with Stylam.
- Solid Acrylic panel, also known as artificial marble, is a non-porous and low-maintenance engineered composite material. It mimics the appearance of stone and other naturally occurring materials and can be joined without much trace.
- Typically, acrylic is manufactured in sheet form for fabrication into finished work tops, countertops and the like. It can also be heated and bent into three dimensional shapes using a process called thermoforming, adding to the versatility of the product.
- Acrylic solid surface is described as a man-made material composed of alumina trihydrate (ATH), acrylic, epoxy or polyester resins and pigments. It is generally used in seamless countertop installations and can be heated and bent in three-dimensional shapes through a process known as thermoforming. Acrylic solid surfaces are used for a wide range of applications, for residential and commercial purposes. It is used in kitchen countertops, sinks, bathrooms, furniture fittings, wall cladding etc. It is also used in commercial spaces such as offices, retail outlets, malls, hotels and bars, hospitals and clinics.
- Acrylic solid surfaces are durable and affordable, offering a great alternative for natural stone surfaces like granite and quartzmarble countertops.

Fig 2: Acrylic Surface Applications



Source: Company, EISEC Research

- Acrylic Solid surfaces are rapidly becoming popular material in residential applications adding value to the property.

Operations

- Stylam has two manufacturing capacities located in Panchkula and Manaktabra, Haryana. Stylam has the largest laminate manufacturing capacity in Asia.
- Stylam has a world-class infrastructure that enables it to manufacture large quantities of diverse surface solutions for the building materials industry. Its plant is one of the most dynamic laminates manufacturing units in the country, owing to its latest machinery and equipment.
- Stylam operates one of Asia's largest single location laminate production operations, spanning 44 acres and capable of producing 14.3 million sheets per annum.
- Stylam's acrylic surface manufacturing and technology is state of the art.
- Over the years, the manufacturing capacity has expanded as follows:

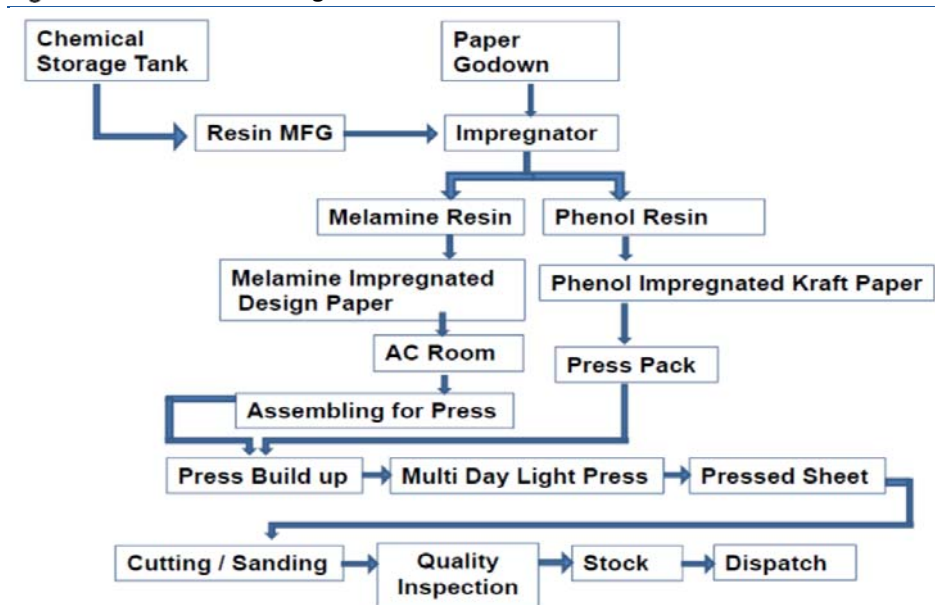
Fig 3: Operations:

Particulars	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22
Laminates (mn. sheets p.a.)	9.7	11.0	11.0	14.3	14.3
Acrylic Surface (lakh sheets p.a.)	3.2	3.2	3.2	3.2	3.2

Source: Company, EISEC Research

- Stylam is capable of manufacturing laminates in a wide array of sizes depending on the applications including sheets, panels, and boards.
- Stylam has the largest capacity of hydraulic press in India having 28 daylight openings in 1220 x 2440 mm size and in other various sizes (1300 x 2800 mm, 1300 x 3050 mm, 1860 x 3660 mm, 1860 x 4320 mm).
- Stylam is a pioneer in Hot Coating technology from KLEIBERIT and BARBERAN in Germany and Spain. This state-of-the-art machine, the first of its kind in India, uses cutting-edge proprietary technology from Germany to generate immaculate finished quality laminates.
- The steps involved in laminate manufacturing process are as follows:

Fig 4: Laminate Manufacturing Process



Source: Company, EISEC Research

- Stylam's manufacturing capacity enables it to supply products to its customers across the globe.

Fig 5: Manufacturing Facilities



Source: Company, EISEC Research

Capital Allocation History

Sale of BPO Centre:

- Stylam had planned to diversify into IT/BPO Sector in the year 2012-13 and purchased land admeasuring 5,573 sq. metres in Panchkula Technology Park in Haryana.
- Stylam set up a new Business Process Outsourcing/ Call Centre with total covered area of 149,891 sq. ft., at Panchkula Technology Park, near Chandigarh, at a total project cost of Rs.48 crore. Stylam had borrowed a Term loan of Rs.21 crore for the BPO centre.
- With the expansion in the laminate business and the strategy going forward to concentrate on its core business related with 'Building Materials', Stylam decided to sell-off the tower.
- The property was sold in FY 2020 for Rs.33.77 crore. The loss on Stylam's books of Rs.15.21 crore reflects as an exceptional item in the Profit & Loss account for FY 2020.
- As per Stylam management, it has saved the maintenance cost of the property and the proceeds from the sale were used to reduce its debt exposure. The finance cost will also decline in the coming quarters.

Closure of Adhesive business:

- Stylam had a group concern - Golden ChemTech Limited (GCL) which was engaged in the manufacturing of adhesives till September, 2017. However, GCL has discontinued manufacturing of adhesives post September 2017.
- Subsequently, GCL installed a new production line at Panchkula, Haryana to manufacture solid acrylic surface with an installed capacity of 3.20 lakh sheets per annum.
- The businesses of Stylam and GCL have been amalgamated in March, 2020 in an all equity transaction in the ratio of 100 shares of Stylam for 371 shares of GCL.

About Stylam

Shareholding

The details of the shareholding as on 30th September 2022 are indicated in the following table:

Fig 6: Latest Shareholding

Particulars	% Holding
Promoter Group	54.61
Mutual Funds / UTI	4.42
Alternate Investment Funds	6.00
Public	34.97
Total Shareholding	100.00

Source: AceEquity, EISEC Research

Board of Directors

Fig 7: Details of Board of Directors

Name	Designation	Profile
Jagdish Gupta	Managing Director	Mr Jagdish Gupta, the cofounder of Stylam, has been at the forefront of the Company's growth, constantly developing new business strategies across geographies. He has been instrumental in making Stylam an industry leader and in introducing new initiatives while incorporating the best corporate governance practices and promoting the highest level of integrity and probity. He provides overall guidance, direction and strategy to the Company while also looking after its international markets.
Manit Gupta	Executive Whole-time Director	Mr Manit Gupta is a chemical engineer and holds an MBA degree. He was appointed as the Director in 2015. He heads the international marketing division and looks after other commercial management aspects of the Company.
Manav Gupta	Executive Whole-time Director	Mr Manav Gupta is computer engineer and holds an MBA degree. He was appointed as the whole time Director in 2019. He heads domestic marketing and sales at Stylam and looks after general administration and raw material sourcing. He provides overall guidance, direction and strategy to the Company while also looking after its international markets.
Sachin Bhatla	Executive Whole-time Director (Technical)	Mr Sachin Bhatla is an engineer by qualification, with a rich experience across various technical roles and operations. Associated with Stylam for more than 16 years, he was promoted to the designation of Director – Technical in 2018. He looks after the technical advancement of Stylam. He provides overall guidance, direction and strategy to the Company while also looking after its international markets.
Sachin Kumar Bhartiya	Nominee Director	Mr Sachin Bhartiya is a nominee director on the board of the Company on behalf of Lighthouse Funds.
Renu Sood	Independent Director	Ms Renu Sood has substantial experience in infrastructure field.
Satpal Garg	Independent Director	Mr Satpal Garg is a successful entrepreneur with experience in building, scaling and running businesses.
Vinod Kumar	Independent Director	Mr Vinod Kumar is an independent director of Stylam.

Source: Company, EISEC Research

Key management personnel

Fig 8: Details of Management Personnel

Name	Designation
Jagdish Gupta	Managing Director
Manit Gupta	Executive Whole-time Director
Manav Gupta	Executive Whole-time Director
Sachin Bhatla	Executive Whole-time Director (Technical)
Kishan Nagpal	Chief Financial Officer
Sanjeev Kumar Sehgal	Company Secretary

Source: Company, EISEC Research

Peer Comparison

- The domestic laminates industry is highly fragmented with majority of sector comprising unorganized players though there has been increasing shift in consumer preference from unbranded to branded goods.
- The main competitors are the companies forming part of the unorganised sector and companies that are on the verge of transiting to the organised sector from an unorganised unit, where pricing plays a key role.
- Amongst the listed players, inter alia, Greenlam Industries and Century Plyboards (India) Ltd are competitors.
- Greenlam Industries Ltd is engaged in the business of manufacturing laminates, decorative veneers and allied products.
- Century Plyboards (India) Ltd is a manufacturer and exporter of plywoods, laminates, doors, PVCs and veneers.
- A comparison of Stylam with some of its domestic peers is as follows:

Fig 9: Industry Comparison

Company Name	Net Sales (Rs mn)			EBITDA (Rs mn)			EBITDA Margin %			PAT (Rs mn)			PAT Margin %		
	FY20	FY21	FY22	FY20	FY21	FY22	FY20	FY21	FY22	FY20	FY21	FY22	FY20	FY21	FY22
Stylam Industries	4,621	4,795	6,593	796	990	1,037	17.2%	20.6%	15.7%	341	552	611	7.4%	11.5%	9.3%
Greenlam Industries	13,206	11,996	17,034	1,827	1,809	1,943	13.5%	14.5%	11.0%	867	737	906	6.6%	6.1%	5.3%
Century Plyboards	2,317	2,130	3,027	292	353	554	11.6%	15.0%	16.7%	125	191	313	5.2%	8.6%	9.9%

Source: AceEquity, EISEC Research

Company Name	Mcap Rs mn	Sale Price per Sheet			CAGR FY17-22			ROE (%)			RoCE (%)			Dividend Payout		
		FY20	FY21	FY22	Revenue	EBITDA	PAT	FY20	FY21	FY22	FY20	FY21	FY22	FY20	FY21	FY22
Stylam Industries	20,058	595	696	724	17.5%	19.2%	27.2%	19.5%	23.8%	23.5%	12.9%	18.7%	18.2%	-	-	25.0%
Greenlam Industries	40,758	797	765	901	9.6%	6.6%	12.8%	18.7%	13.7%	14.8%	17.4%	14.0%	14.6%	11.1%	16.4%	16.0%
Century Plyboards	124,861	713	712	808	10.7%	10.6%	10.1%	12.1%	16.2%	22.2%	15.1%	19.5%	29.6%	14.8%	11.6%	10.7%

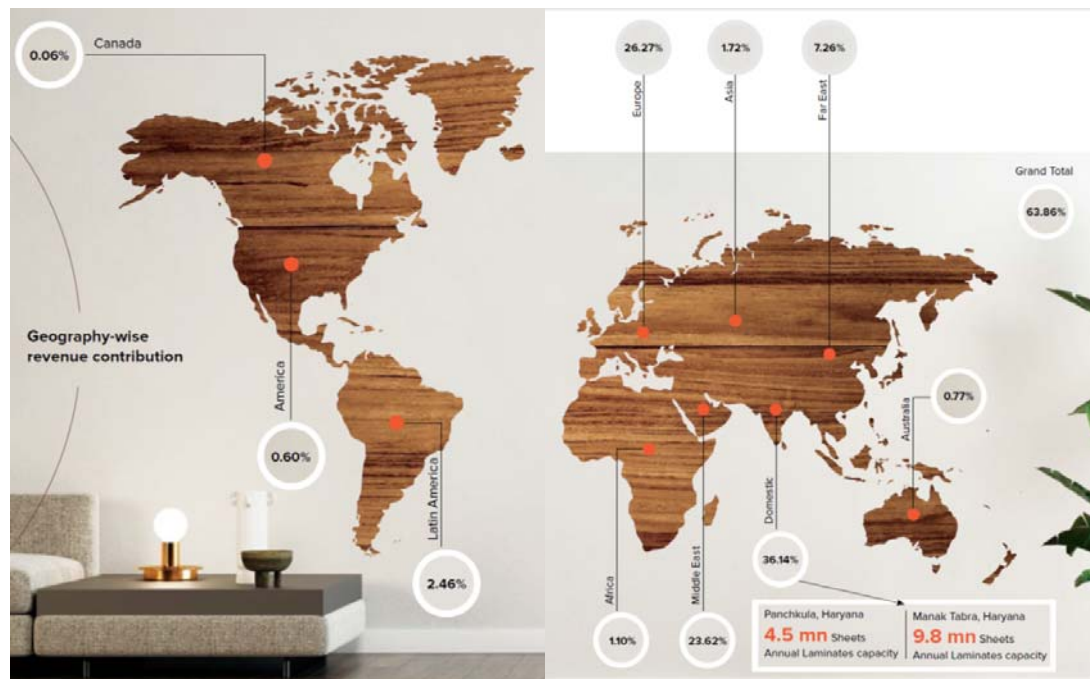
Source: AceEquity, EISEC Research

Why invest in Stylam?

1. Established player in the luxury grade laminates space since 3 decades.

- Stylam is a prominent player in global markets in the high-quality decorative laminates and allied products industry. Stylam's manufacturing capacity enables it to supply products to its customers across the globe.
- It has a robust and resilient network of distributors and a strong worldwide and local supply chain. Its operations span 80 countries, with the majority of our customers being in Europe, North America, Russia, the Middle East, and Africa.

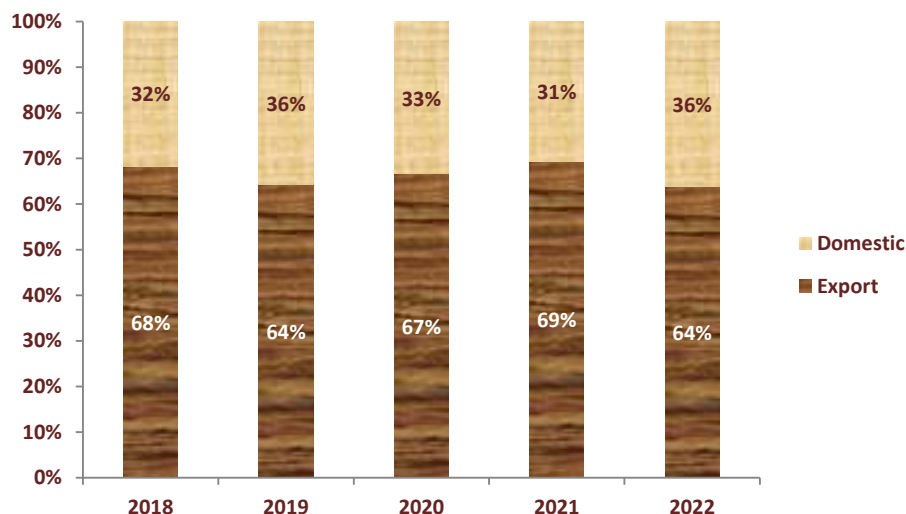
Fig 10: Geography-wise Revenue contribution



Source: Company, EISEC Research

- In the export segment, demand is buoyant on account of shift from wood based panel products to engineered panels like Medium Density Fibre (MDF) and particle board. Stylam exports laminates primarily to European and South East Asian countries.
- The global decorative laminates market size was valued at USD7.0 Bn in 2021. It is projected to reach USD 10.0 Bn by 2031, growing at a CAGR of 3.4% from 2022 to 2031 (Source: alliedmarketresearch.com).
- In the domestic market, Stylam's distributors and C&F agents, along with inventory management remain its strong business enablers. Stylam has expanded its pan-India footprint by designing a product range that has become a benchmark in the laminate and adhesive industry.
- Stylam's distribution network in the Southern part of the country is strong, while it is gaining a stronger foothold in the Northern and Western India as well.

Fig 11: Export Vs Domestic Sales



Source: Company, EISEC Research




- Stylam has predominantly been an exporter of its products. However, over the past 5 years, the share of domestic sales has been increasing.
- Over the past 5 years, while exports grew at a CAGR of 15.3%, domestic sales grew at a CAGR of 22.0%.

2. Diversified Product Portfolio.

- The general trend worldwide is a change in consumer preference in terms of ready-made furniture and machine-made furniture, which requires engineered products like MDF and particleboard.
- Laminates have utilities in cubicles board, HPL exterior cladding, having multiple surfaces available in high gloss, metallic, anti-bacterial, chalkboard, electrostatic, magnetic, mirror, chemical retardant, and so on.
- Stylam boasts of a wide range of high-pressure laminates with over 1,500+ Designs and 150+ textures and finishes.
- Products such as exterior laminates, bathroom cubicles and acrylic solid surface continue to find increasing acceptance in its markets.
- Stylam’s research and development standards are best-in-class and attuned to evolving market demand and customer preferences across geographies

Fig 12: Diversified Product Portfolio

<p>Stylam laminates have set benchmarks in the past because of the unique design range and consistently high quality.</p>	<p>FASCIA brings a unique façade system, manufactured using special quality resins, thereby providing effective weather protection.</p>	<p>CUBOID - modular restroom and locker cubicle systems. The range has been crafted with the finest materials and highest quality of fixtures and fittings.</p>	<p>Granex Solid Surfaces is an extremely versatile product - tough, durable, non-porous and repairable, that can be customized to integrate seamlessly.</p>
<p>Marvella Solid Surfaces: the perfect recipe for an exquisite décor. These surfaces offer unique and spellbinding patterns along with long-lasting sturdiness.</p>	<p>Anti-Fingerprint Laminates are used in the most demanding interior design applications. A unique technology during manufacturing ensures that finger marks are almost never visible.</p>	<p>GLOSSPRO+ Laminates are crafted with State-of-the-art machines having a cutting-edge German Technology. The brilliance of gloss shall stay through years without any signs of wearing out.</p>	<p>Anti-bacterial & Anti-Fungus Laminates are intended for applications where there is a need for additional protection on the surfaces against bacteria/fungus.</p>

<p>UNICORE LAMINATES</p> <p>What makes UNICORE unique is the identical colour of the decorative surface and its core layers as well.</p>	<p>DiGi <i>delight</i> DIGITAL LAMINATES</p> <p>Digital Laminates have just the features everyone has needed. A whole new world of creative and quality laminates among customized designs.</p>	<p>SYNCHRO LAMINATES</p>  <p>Stylam Synchro Laminates have the real feel of wood and an elegant natural look while carrying all advantages of a laminate.</p>	<p>CHEMICAL RESISTANT LAMINATES</p>  <p>Plus Guard Stylam Laminate provides a highly durable surface in lab conditions and has better abrasion and scratch resistance.</p>
<p>POST FORMING LAMINATES</p> <p>Post Forming Laminates enhance the decorative property of the edges of any regular laminate by ensuring no seams around the corners and a smooth, evenly laminated surface.</p>	<p>MAGNETIC LAMINATES</p>  <p>Magnetic Laminates have a strong magnetic effect and can be written on with chalks or special board markers. They are ideal for a wide variety of applications.</p>	<p>MIRROR SHIELD LAMINATE</p> <p>Mirror laminates are considered ideal for adding flair to light duty, horizontal or vertical applications. They can be used on walls, furniture, retail fixtures, signages, exhibits and display areas.</p>	<p>CHALK BOARDS & MARKER BOARDS</p> <p>Chalkboard Laminate is the perfect solution for any space or application that demands a durable and affordable writing surface.</p>

Source: Company, EISEC Research

- The demand for residential infrastructure has greatly increased due to the rise in global population and the growth of nuclear households. This has fuelled the use of decorative laminates on floors, walls, doors as well as windows.
 - An increase in the number of hotels and restaurants that majorly use acrylic solid surfaces for countertops, furniture, wall claddings, exterior facades, etc. is a key factor for boosting the growth of the global acrylic solid surface market.
 - Growing urbanisation, infrastructure development, and technological advancements are some of the other factors that are anticipated to contribute to the growth of the global acrylic solid surface market.
- 3. Ability to maintain profitability and working capital cycle despite operating in a highly fragmented industry.**
- The unorganized sector comprises ~30% of the domestic market and there are no significant entry barriers in this sector.
 - However, the presence of Stylam's robust sales and distribution network across the globe has made a significant difference to its profitability and cash flows.

Fig 13: Financial Parameters

Y/E March	FY18	FY19	FY20	FY21	FY22
Return on Capital Employed	9.2%	13.8%	12.9%	18.7%	18.2%
Working Capital Cycle	86 days	85 days	90 days	88 days	102 days

Source: Company, EISEC Research

- In the past 5 years, the working capital cycle has been maintained at ~ 3 month period with occasional spike upto ~100 days. The primary reason being receivables period.
 - The Return on Capital Employed has improved over the past two years to >18%, post expansion of the capacity from 11.0 mn sheets to 14.3 mn sheets.
- 4. Vision 2022-25: Expansion and deleveraging.**

Laminate:

- The company undertook a capex amounting to ~Rs.58 cr. in FY19-FY21 period for addition of a new production line, value addition in the product-mix (hot coating line for improving finishing of the finished goods), short cycle press & polyester solid surface and for regular/ routine capex. It is being funded from internal accruals.

Plywood:

- Stylam decided to enter the plywood segment anchoring on its strong industry presence in the existing business segments. It plans to set up a greenfield project which is expected to be completed under a wholly-owned subsidiary Stylam Panels Limited.
- Plywood is popular amongst housing market while MDF has gained approval in the large commercial spaces. The housing market being much larger, plywood holds a significant market share. There is a perception of Plywood being more durable and the skill required to use plywood is lower.
- The Indian consumption is 80:20 in favour of plywood usage, but unfortunately the market has limited organised players. Even though the organised players have seen faster growth over the last few years, the number of players with any substantial market share and pan-India presence remains handful.
- As a natural extension to the laminate business, Stylam expects to leverage its strong distribution network and brand association in the country, which will help reduce the gestation period of the plywood and allied product business.

Leverage:

- Over the past 5 years, Stylam's net debt position was as follows:

Fig 14: Net Debt

Y/E March	FY18	FY19	FY20	FY21	FY22
Net Debt (Rs. Mn)	15.7	18.7	11.2	4.4	7.1

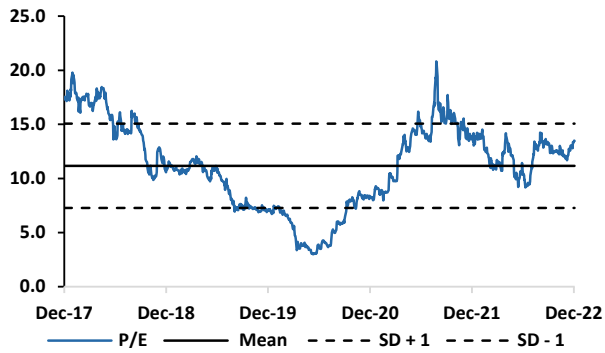
Source: Company, EISEC Research

- Stylam proposes to be a Net Debt free company over the period FY2022-25.

Valuation

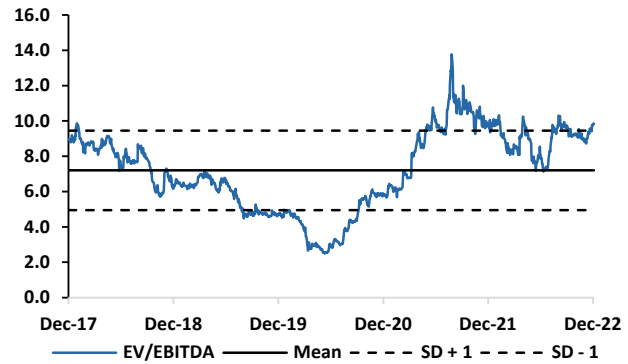
Stylam is currently trading at P/E of 14.1x on FY24 basis. We have valued the stock based on P/E methodology. Since, the entire capacity is expected to be fully utilised by FY24, we have assigned multiple of 15.1x (2-year forward) on FY24E PAT of Rs1,426mn to arrive at a target price of **Rs1,267** per share, which is potential upside of ~7.0% from current market price and recommend **“ACCUMULATE”** on the stock.

Fig 15: 2-year forward P/E chart



Source: ACE Equity, Company, EIS Research

Fig 16: 2-year forward EV/EBITDA chart



Source: ACE Equity, Company, EIS Research

Financials Consolidated

Income Statement	FY20	FY21	FY22	FY23E	FY24E
YE March (Rs mn)					
Revenues	4,621	4,795	6,593	10,172	13,029
% Growth	0.3%	3.8%	37.5%	54.3%	28.1%
Raw Materials	2,491	2,465	3,755	5,708	7,296
% of sales	53.9%	51.4%	57.0%	56.1%	56.0%
Personnel	375	383	548	684	879
% of sales	8.1%	8.0%	8.3%	6.7%	6.8%
Mfg. & Other Expenses	960	957	1,254	2,147	2,557
% of sales	20.8%	20.0%	19.0%	21.1%	19.6%
EBITDA	796	990	1,037	1,634	2,297
EBITDA Margin (%)	17.2%	20.6%	15.7%	16.1%	17.6%
Depreciation & Amortization	210	231	233	259	282
EBIT	586	758	804	1,375	2,015
Finance cost	109	60	78	90	110
PBT From Operations	477	698	726	1,285	1,905
Other Income	10	11	80	5	1
Share from Associates	0	0	0	0	0
PBT	487	709	806	1,290	1,906
Tax-Total	146	157	195	323	480
Reported PAT	341	552	611	967	1,426
Minority Interest	0	0	0	0	0
Adjusted PAT	341	552	611	967	1,426
PAT Margin	7.4%	11.5%	9.3%	9.5%	10.9%
% Growth	-2.8%	62.1%	10.6%	58.3%	47.4%

Source: Company, EISEC Research Estimates

Key Ratios	FY20	FY21	FY22	FY23E	FY24E
YE March					
Growth Ratios (%)					
Net Sales	0.3%	3.8%	37.5%	54.3%	28.1%
EBITDA	3.0%	24.4%	4.7%	57.6%	40.6%
Adjusted Net Profit	-2.8%	62.1%	10.6%	58.3%	47.4%
Margin Ratio (%)					
EBITDA Margin	17.2%	20.6%	15.7%	16.1%	17.6%
PBT margins	10.5%	14.8%	12.2%	12.7%	14.6%
PAT Margin	7.4%	11.5%	9.3%	9.5%	10.9%
Return Ratios					
ROE	19.5%	23.8%	23.5%	27.0%	31.4%
ROCE	12.9%	18.7%	18.2%	20.7%	20.2%
ROIC	13.9%	19.1%	17.2%	21.2%	21.2%
Turnover Ratios (days)					
Gross Block Turnover (x)	1.8	1.6	2.2	2.8	2.5
Inventory	53	55	74	75	75
Debtors	69	75	66	65	65
Creditors	64	56	44	40	40
Cash Conversion Cycle	58	74	95	100	100
Solvency ratio (x)					
Debt-equity	0.5	0.2	0.3	0.4	0.8
Net Debt-Equity	0.4	0.2	0.2	0.4	0.6
Gross Debt/EBITDA	1.2	0.6	0.8	1.1	1.7
Current ratio	2.2	2.8	3.7	3.9	4.0
Interest Coverage Ratio	5.5	12.8	11.3	-	-
Per share (Rs.)					
Basic EPS (reported)	20.1	32.6	36.1	57.1	84.1
BV	120.5	153.1	186.5	236.7	299.8
CEPS	32.5	46.3	49.8	72.3	100.8
DPS	0.0	0.0	9.0	14.3	21.0
Dividend Payout (%)	0.0%	0.0%	25.0%	25.0%	25.0%
Valuation					
P/E	58.9	36.3	32.8	20.7	14.1
P/BV	9.8	7.7	6.3	5.0	3.9
EV/EBITDA	26.3	20.7	20.0	13.3	10.2
Dividend Yield (%)	0.0%	0.0%	0.8%	1.2%	1.8%

Source: Company, EISEC Research Estimates

Balance Sheet	FY20	FY21	FY22	FY23E	FY24E
YE March (Rs mn)					
Capital	85	85	85	85	85
Reserves & Surplus	1,958	2,510	3,076	3,928	4,997
Shareholders' Funds	2,042	2,595	3,161	4,012	5,082
Minority Interest	0	0	0	0	0
Total Loan Funds	942	592	794	1,794	3,844
Deferred tax liabilities	134	122	108	108	108
Total Liabilities	3,119	3,308	4,063	5,915	9,034
Gross Block	2,831	2,966	3,107	3,520	5,120
Accumulated Depreciation	882	1,088	1,320	1,579	1,860
Net Block	1,950	1,878	1,787	1,941	3,259
Capital WIP	124	27	13	600	1,250
Net Fixed Assets	2,074	1,905	1,800	2,541	4,509
Investments	15	14	11	11	11
Other non current assets	0	0	0	0	0
Total Non Current Assets	2,089	1,919	1,811	2,553	4,521
Inventories	667	718	1,329	2,090	2,677
Current Investments	0	0	0	0	0
Sundry Debtors	874	986	1,188	1,812	2,320
Cash & Bank Balances	61	151	87	153	536
Other current Assets	262	296	475	475	475
Total Current Assets	1,864	2,153	3,078	4,529	6,008
Sundry Creditors	806	733	792	1,115	1,428
Provisions	28	31	34	52	67
Total Current Liabilities	834	764	826	1,167	1,495
Net Current Assets	1,030	1,389	2,252	3,362	4,513
Total Assets	3,119	3,308	4,063	5,915	9,034

Source: Company, EISEC Research Estimates

Cash Flow	FY20	FY21	FY22	FY23E	FY24E
YE March (Rs mn)					
Operating profit before WC changes	714	772	-542	-776	281
Changes in working capital	-55	17	708	1,043	768
Cash flow from operations	659	789	166	267	1,049
Capex	243	59	142	1,000	2,250
Adj. FCF	416	730	24	-733	-1,201
Cash flow from investments	191	-54	-360	-995	-2,249
Cash flow from financing	-804	-644	129	794	1,584
Net change in cash	46	90	-65	67	383

Source: Company, EISEC Research Estimates

Capacity & Cap. Utilisation	FY20	FY21	FY22	FY23E	FY24E
Capacity (Mn Sheets)					
- Laminates	11.00	14.30	14.30	14.30	14.30
Capacity Utilisation (%)					
- Laminates	70.6%	48.3%	63.6%	87.1%	99.0%
Average Sales Realisation					
- Laminates	595	695	725	817	921

Source: Company, EISEC Research Estimates

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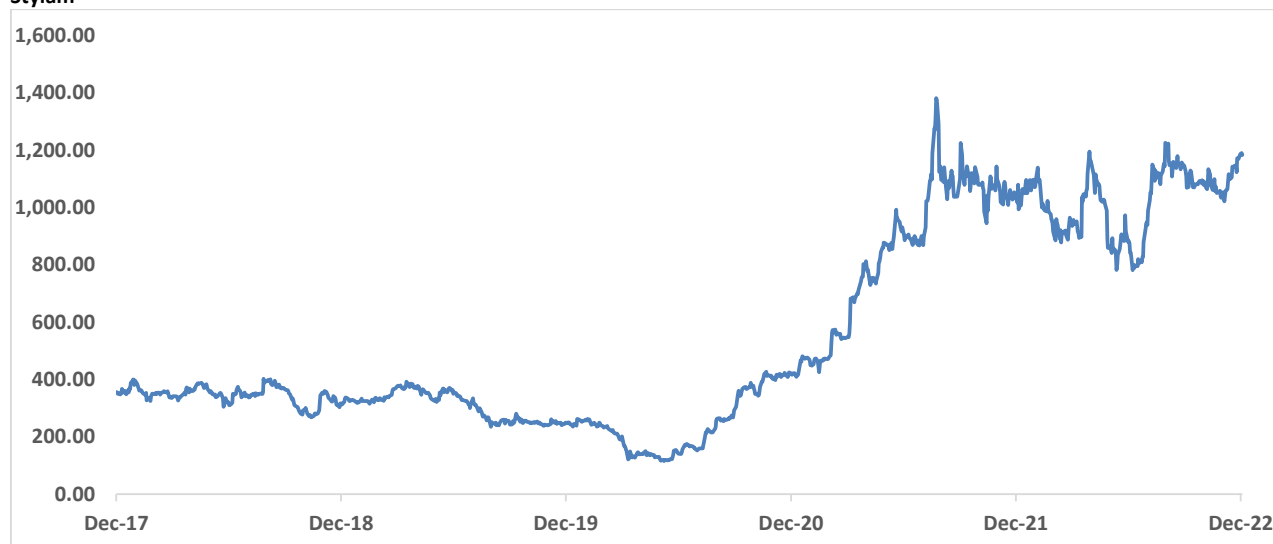
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