

February 12, 2025

Q3FY25 Result Update

☑ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	HOLD		HOLD	
Target Price	811		811	
Sales (Rs. m)	51,535	59,341	51,484	59,424
% Chng.	0.1	(0.1)		
EBITDA (Rs. m)	7,112	8,693	7,105	8,706
% Chng.	0.1	(0.1)		
EPS (Rs.)	17.6	23.1	17.6	23.2
% Chng.	0.1	(0.2)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25E	FY26E	FY27E
Sales (Rs. m)	38,860	45,625	51,535	59,341
EBITDA (Rs. m)	5,319	5,073	7,112	8,693
Margin (%)	13.7	11.1	13.8	14.7
PAT (Rs. m)	3,375	2,377	3,918	5,149
EPS (Rs.)	15.2	10.7	17.6	23.1
Gr. (%)	(12.0)	(29.6)	64.8	31.4
DPS (Rs.)	0.1	0.1	0.2	0.3
Yield (%)	0.0	0.0	0.0	0.0
RoE (%)	16.4	10.2	15.0	17.1
RoCE (%)	18.7	12.4	16.1	18.3
EV/Sales (x)	4.8	4.1	3.7	3.1
EV/EBITDA (x)	34.8	37.1	26.5	21.4
PE (x)	53.0	75.2	45.6	34.7
P/BV (x)	8.1	7.4	6.4	5.5

Key Data

CNTP.BO | CPBI IN

52-W High / Low	Rs.939 / Rs.614
Sensex / Nifty	76,294 / 23,072
Market Cap	Rs.179bn/ \$ 2,056m
Shares Outstanding	222m
3M Avg. Daily Value	Rs.295.5m

Shareholding Pattern (%)

Promoter's	72.64
Foreign	4.53
Domestic Institution	17.46
Public & Others	5.37
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	1.6	11.9	9.6
Relative	3.1	16.9	2.9

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Plywood healthy volume growth continue

CPBI has maintained its revenue guidance in its Plywood/Laminate/MDF/PB segments at 12%/10%/40%/+flat for Q4FY25. The company has also maintained its EBITDA margin guidance at 12.14%/10.12%/15% for Plywood/Laminate/MDF except PB reduced to single digit from 12-15% for Q4FY25. We believe Plywood performance will continue with healthy volume growth and MDF with improved utilization benefit in margin in Q4FY25. Additionally, achieving the EBITDA margin guidance for Laminate appears challenging. We expect overall revenue/EBITDA/PAT CAGR of 15.1%/17.8%/16.4% with Plywood/Laminate/MDF volume CAGR of 11.6%/8.5%/32.2%. We downward revise Century Plyboards (CPBI) FY25E earnings by 4.3% to factor in lower PAT in Q3FY25. We maintain 'Hold' rating with unchanged TP of Rs811, valuing at 35x FY27E.

Revenues up 21.7% YoY, PAT down 6.1% YoY: Revenue increased 21.7% YoY to Rs11.4bn (PL: Rs 10.7bn). Plywood/Laminate/MDF/PB (contributed 54.2% / 14.6% / 24.0% / 3.1%) revenue at Rs 6.2bn/ Rs1.7bn/ Rs2.7bn/ Rs0.4bn (+20.2%/3.1%/46.0%/~3.1% YoY), was above our estimate of Rs 5.8bn/Rs1.6bn/Rs2.7bn/Rs0.4bn. GM contracted by ~40bps YoY to 46.8% (PL: 47.0%). EBITDA was Rs1.3bn (PL: Rs1.3bn), up 22.1% YoY. EBITDA margin stood at 11.4%, expanded by 10bps YoY (PL: 12.0%) mainly with sales growth. EBITDA margin of Plywood/Laminate/MDF/PB was 12.9%/5.8%/13.3%/0.5% (~+330bps/-640bps/-660bps/-1530bps YoY). PBT declined by 5.0% YoY to Rs799mn (PL: Rs901mn). PAT stood at Rs588mn (down 6.1% YoY, PL: Rs676mn). Total debt to equity ratio stood at 0.31x.

Concall highlights: **1)** The management has guided Plywood/Laminate/MDF/PB sales growth at 12%/10%/40%/+flat with EBITDA margin of 12-14%/10-12%/15%/single digit in Q4FY25.. **2)** CPBI market share has grown from 4% to 8% in plywood segment and expected to reach 13-14% in future. **3)** CPBI imports 80% of its raw materials for plywood (Acacia, Pine, and Eucalyptus) while the remaining 20% is sourced domestically. **4)** CPBI has allocated Rs 1,500mn to establish a plywood plant in Hoshiarpur with an 80,000 CBM capacity, expected to be operational within a year, along with a 20,000 CBM brownfield expansion at its Kandla plant. **5)** The new MDF plant in Andhra Pradesh, which became EBITDA positive in Q3FY25, has a capacity of 800 CBM/day, which will increase to 1,000 CBM/day in the future. **6)** In the MDF segment, the company has export obligations that will be met once raw material prices decline, with a time horizon of six years. **7)** CPBI took blended 3-4% price hike in the domestic MDF market in Q3FY25. **8)** In Q2FY25, the company lost market share in the laminate segment and appointed Mr Vishnu Goel as CEO for this segment. With this leadership change, it expects to break even in new plant by Q2FY26. **9)** The PB segment was impacted by lower volumes and higher raw material costs, but the company expects EBITDA breakeven by FY27.

Exhibit 1: Q3FY25 Result Overview: Revenue up 21.7% YoY, PAT down 6.1% YoY

Y/e March (Rs mn)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	9MFY25	9M FY24	YoY gr. (%)
Net Sales	11,405	9,374	21.7	11,836	(3.6)	33,295	28,252	17.8
Expenditure								
Operating & Manufacturing Expenses	6,070	4,953	22.5	6,508	(6.7)	17,960	14,696	22.2
% of Net Sales	53.2	52.8	0.4	55.0		53.9	52.0	1.9
Gross Profit	5,335	4,421	20.7	5,328	0.1	15,335	13,556	13.1
% of Net Sales	46.8	47.2	(0.4)	45.0	1.8	46.1	48.0	(1.9)
Personnel Cost	1,767	1,340	31.9	1,733	2.0	5,097	3,993	27.6
% of Net Sales	15.5	14.3	1.2	14.6		15.3	14.1	1.2
Other Expenses	2,272	2,020	12.5	2,482	(8.4)	6,719	5,728	17.3
% of Net Sales	19.9	21.6	(1.6)	21.0		20.2	20.3	(0.1)
Total Expenditure	10,110	8,313	21.6	10,723	(5.7)	29,775	24,417	21.9
EBITDA	1,295	1,061	22.1	1,113	16.3	3,520	3,836	(8.2)
Margin (%)	11.4	11.3	0.04	9.4	2.0	10.6	13.6	(3.0)
Other income	23	93		(25)	(194.7)	83	361	
Depreciation	340	229	48.4	336	1.2	676	460	47.0
EBIT	978	925	5.8	753	30.0	2,926	3,736	(21.7)
Interest	179	83	115.1	172	4.0	501	206	142.9
PBT	799	842	(5.0)	580	37.7	1,956	3,296	(40.7)
Total Taxes	211	215	(1.9)	181	16.9	627	827	(24.2)
ETR (%)	26.4	25.5	0.8	31.1		32.0	25.1	7.0
PAT	588	627	(6.1)	400	47.1	1,329	2,469	(46.2)

Source: Company, PL

Exhibit 2: Segmental Breakup: Plywood (54.2% rev) reported vol growth of 15.6% with EBIT margin of 11.8%

Y/e March (Rs mn)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	9MFY25	9MFY24	YoY gr. (%)
Revenue								
Plywood	6,181	5,143	20.2	6,652	(7.1)	18,511	15,618	18.5
Laminate	1,669	1,619	3.1	1,615	3.3	4,825	4,894	(1.4)
MDF	2,736	1,874	46.0	2,684	1.9	7,515	5,511	36.4
Particle Board	356	368	(3.1)	401	(11.0)	1,123	1,146	(2.0)
EBIT								
Plywood	729	441	65.1	910	(19.9)	2,498	1,817	37.5
Laminate	20	184	(89.0)	13	58.4	139	510	(72.8)
MDF	323	295	9.3	(56)	(678.0)	298	1,151	(74.1)
Particle Board	6	53	(88.7)	12	(51.6)	80	219	(63.5)
EBIT margin (%)								
Plywood	11.8	8.6	3.2	13.7	(1.9)	13.5	11.6	
Laminate	1.2	11.3	(10.1)	0.8	0.4	2.9	10.4	
MDF	11.8	15.8	(4.0)	-	2.1	4.0	20.9	
Particle Board	1.7	14.4	(12.8)	3.1	(1.4)	7.1	19.1	

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Net Revenues	38,860	45,625	51,535	59,341
YoY gr. (%)	6.6	17.4	13.0	15.1
Cost of Goods Sold	22,337	24,533	27,571	31,629
Gross Profit	16,522	21,092	23,964	27,712
Margin (%)	42.5	46.2	46.5	46.7
Employee Cost	5,398	6,936	7,576	8,337
Other Expenses	3,972	6,920	9,276	10,681
EBITDA	5,319	5,073	7,112	8,693
YoY gr. (%)	(4.8)	(4.6)	40.2	22.2
Margin (%)	13.7	11.1	13.8	14.7
Depreciation and Amortization	947	1,350	1,575	1,712
EBIT	4,372	3,723	5,536	6,981
Margin (%)	11.3	8.2	10.7	11.8
Net Interest	308	651	550	550
Other Income	439	173	250	450
Profit Before Tax	4,502	3,245	5,236	6,881
Margin (%)	11.6	7.1	10.2	11.6
Total Tax	1,138	868	1,318	1,732
Effective tax rate (%)	25.3	26.7	25.2	25.2
Profit after tax	3,364	2,377	3,918	5,149
Minority interest	(11)	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	3,375	2,377	3,918	5,149
YoY gr. (%)	(12.0)	(29.6)	64.8	31.4
Margin (%)	8.7	5.2	7.6	8.7
Extra Ord. Income / (Exp)	(111)	(133)	-	-
Reported PAT	3,264	2,244	3,918	5,149
YoY gr. (%)	(14.8)	(31.3)	74.6	31.4
Margin (%)	8.4	4.9	7.6	8.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,264	2,244	3,918	5,149
Equity Shares O/s (m)	223	223	223	223
EPS (Rs)	15.2	10.7	17.6	23.1

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Non-Current Assets				
Gross Block	24,943	31,238	34,438	36,938
Tangibles	24,926	31,221	34,421	36,921
Intangibles	17	17	17	17
Acc: Dep / Amortization	5,809	7,486	9,061	10,774
Tangibles	5,809	7,486	9,061	10,774
Intangibles	-	-	-	-
Net fixed assets	19,134	23,752	25,377	26,164
Tangibles	19,117	23,735	25,359	26,147
Intangibles	17	17	17	17
Capital Work In Progress	2,666	2,982	2,982	2,982
Goodwill	-	-	-	-
Non-Current Investments	263	263	1,263	1,263
Net Deferred tax assets	(398)	(398)	(398)	(398)
Other Non-Current Assets	609	609	609	609
Current Assets				
Investments	-	-	-	-
Inventories	6,456	7,079	7,955	9,445
Trade receivables	4,168	4,918	5,527	6,365
Cash & Bank Balance	671	(361)	1,134	3,446
Other Current Assets	1,477	1,213	1,367	1,574
Total Assets	35,526	40,536	46,296	51,930
Equity				
Equity Share Capital	223	223	223	223
Other Equity	21,894	24,080	27,567	32,150
Total Networth	22,117	24,302	27,790	32,373
Non-Current Liabilities				
Long Term borrowings	1,570	1,970	2,470	2,470
Provisions	113	113	113	113
Other non current liabilities	4	4	4	4
Current Liabilities				
ST Debt / Current of LT Debt	5,614	7,114	8,114	8,114
Trade payables	2,861	3,359	3,785	4,360
Other current liabilities	2,372	2,798	3,145	3,621
Total Equity & Liabilities	35,526	40,536	46,296	51,930

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
PBT	4,392	3,336	5,236	6,881
Add. Depreciation	947	1,350	1,575	1,712
Add. Interest	308	651	550	550
Less Financial Other Income	439	173	250	450
Add. Other	5	(39)	(250)	(450)
Op. profit before WC changes	5,652	5,297	7,112	8,693
Net Changes-WC	(1,960)	(185)	(867)	(1,483)
Direct tax	(1,177)	(868)	(1,318)	(1,732)
Net cash from Op. activities	2,515	4,245	4,927	5,478
Capital expenditures	(8,501)	(6,284)	(3,200)	(2,500)
Interest / Dividend Income	315	173	250	450
Others	2,404	(133)	(1,000)	-
Net Cash from Invst. activities	(5,781)	(6,244)	(3,950)	(2,050)
Issue of share cap. / premium	-	-	-	-
Debt changes	4,049	1,900	1,500	-
Dividend paid	(222)	(282)	(431)	(566)
Interest paid	(254)	(651)	(550)	(550)
Others	(44)	-	-	-
Net cash from Fin. activities	3,530	967	519	(1,116)
Net change in cash	264	(1,033)	1,496	2,312
Free Cash Flow	(5,986)	(2,039)	1,727	2,978

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25E	FY26E	FY27E
Per Share(Rs)				
EPS	15.2	10.7	17.6	23.1
CEPS	19.4	16.7	24.7	30.8
BVPS	99.4	109.2	124.9	145.5
FCF	(26.9)	(9.2)	7.8	13.4
DPS	0.1	0.1	0.2	0.3
Return Ratio(%)				
RoCE	18.7	12.4	16.1	18.3
ROIC	13.0	8.6	11.9	14.0
RoE	16.4	10.2	15.0	17.1
Balance Sheet				
Net Debt : Equity (x)	0.3	0.4	0.3	0.2
Net Working Capital (Days)	73	69	69	70
Valuation(x)				
PER	53.0	75.2	45.6	34.7
P/B	8.1	7.4	6.4	5.5
P/CEPS	41.4	48.0	32.5	26.1
EV/EBITDA	34.8	37.1	26.5	21.4
EV/Sales	4.8	4.1	3.7	3.1
Dividend Yield (%)	0.0	0.0	0.0	0.0

Source: Company Data, PL Research

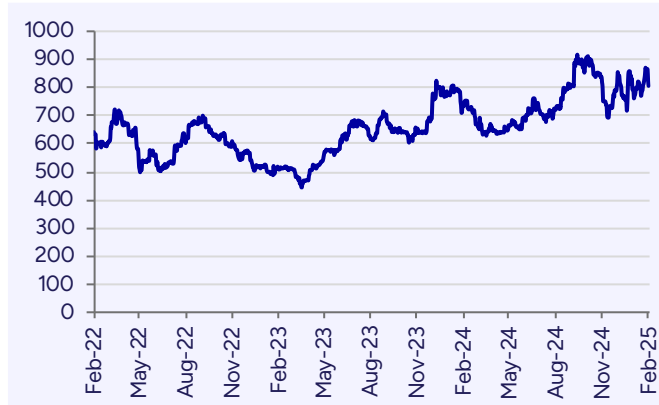
Quarterly Financials (Rs m)

Y/e Mar	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Net Revenue	10,607	10,054	11,836	11,405
YoY gr. (%)	9.9	12.8	18.7	21.7
Raw Material Expenses	5,657	5,382	6,508	6,070
Gross Profit	4,950	4,672	5,328	5,335
Margin (%)	46.7	46.5	45.0	46.8
EBITDA	1,483	1,112	1,113	1,295
YoY gr. (%)	(9.5)	(16.5)	(22.9)	22.1
Margin (%)	14.0	11.1	9.4	11.4
Depreciation / Depletion	254	336	336	340
EBIT	1,230	776	777	955
Margin (%)	11.6	7.7	6.6	8.4
Net Interest	102	150	172	179
Other Income	78	84	(25)	23
Profit before Tax	1,206	710	580	799
Margin (%)	11.4	7.1	4.9	7.0
Total Tax	311	235	181	211
Effective tax rate (%)	25.8	33.2	31.1	26.4
Profit after Tax	895	474	400	588
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	1,005	341	400	588
YoY gr. (%)	(12.3)	(60.8)	(58.7)	(6.1)
Margin (%)	9.5	3.4	3.4	5.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,005	341	400	588
YoY gr. (%)	(12.3)	(60.8)	(58.7)	(6.1)
Margin (%)	9.5	3.4	3.4	5.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,005	341	400	588
Avg. Shares O/s (m)	223	223	223	223
EPS (Rs)	4.5	1.5	1.8	2.6

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jan-25	Hold	811	823
2	18-Nov-24	Hold	784	749
3	08-Oct-24	Hold	881	851
4	07-Aug-24	Hold	714	707
5	07-Jul-24	BUY	757	743
6	27-May-24	Hold	674	656
7	11-Apr-24	BUY	848	644

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	BUY	1,808	1,470
2	Avalon Technologies	BUY	900	733
3	Bajaj Electricals	Reduce	647	733
4	Century Plyboard (I)	Hold	811	823
5	Cera Sanitaryware	Hold	7,712	7,188
6	Crompton Greaves Consumer Electricals	BUY	536	368
7	Cyient DLM	BUY	692	515
8	Finolex Industries	Accumulate	229	195
9	Greenpanel Industries	Hold	373	352
10	Havells India	BUY	1,890	1,578
11	Kajaria Ceramics	BUY	1,224	960
12	Kaynes Technology India	BUY	5,528	4,661
13	KEI Industries	BUY	5,041	4,128
14	Polycab India	BUY	8,233	6,251
15	R R Kabel	BUY	1,812	1,245
16	Supreme Industries	BUY	5,040	4,022
17	Syrma SGS Technology	BUY	629	505
18	Voltas	BUY	1,593	1,261

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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