

Building materials

Volume growth momentum to sustain

Volume growth for major branded building material categories is likely to accelerate QoQ in Q4FY21 driven by: a) impressive growth traction in secondary real estate market, b) pent-up demand in renovation / refurbishment segment, and c) sustained consolidation particularly in categories like plumbing pipes and laminates. We thus foresee all categories to recover beyond pre-Covid levels in Q4FY21. With expected increase in input costs (due to higher crude prices which were not passed on fully in Q4), we expect categories like tiles, pipes and adhesives to witness gross margin moderation on sequential basis. However, EBITDA margins are likely to remain firm QoQ largely driven by operating leverage. We estimate our building material coverage universe to report aggregate revenue / EBITDA / PBT increase of 38.5% / 64% / 97.1% YoY respectively (ex-PIDI: 36.1% / 63.3% / 107.2% YoY) in Q4FY21.

Key highlights and monitorables for the quarter:

- ▶ **Plumbing pipe sector:** Sustained consolidation in PVC pipe segment is likely to drive high single-digit volume growth for PVC pipe processors. However, sustained sharp increase in PVC prices (18% rise QoQ) might impact gross/EBITDA margins QoQ for these players due to partial pass-on to consumers. CPVC pipe players on the other hand are likely to report strong volume offtake and firm margins QoQ. **Key monitorables:** 1) trend in polymer prices, and 2) availability of PVC resin.
- ▶ **Ceramic tile sector:** Branded tile players are likely to report high single-digit volume growth QoQ due to firm demand from tiers-2/3/4 cities and market share gains from Morbi players in particular. With higher gas cost QoQ, we expect gross margins to moderate for the quarter under preview. EBITDA margins however are likely to remain above pre-Covid levels driven by operating leverage and better product mix. **Key monitorables:** 1) trend in gas prices, 2) Morbi exports, and 3) product mix trend.
- ▶ **Sanitaryware sector:** While we expect volume recovery in branded sanitaryware sector to be much better than anticipated, the category is unlikely to grow like tiles with the category demand largely dependent on new real estate construction, which is still below pre-Covid levels particularly in metros and tier-1 cities. With better recovery QoQ and lower outsourcing mix, we expect sanitaryware segment to report better margins. **Key monitorables:** import substitution, and pricing trend in sanitaryware and faucet segment.

Quarterly summary

(Rs mn)	Revenue			EBITDA			PBT			EBITDA margin (%)		
	JFM*	YoY	QoQ	JFM*	YoY	QoQ	JFM*	YoY	QoQ	JFM*	YoY	QoQ
		(%)	(%)		(%)	(%)		(%)	(%)		(%)	(bps)
Pidilite	22,934	48.5	(0.2)	4,994	66.0	(22.1)	4,430	73.8	(26.1)	21.8	230	(610)
Kajaria	9,000	38.0	7.4	1,800	92.8	(1.0)	1,570	134.3	(0.7)	20.0	568	(168)
Somany	5,453	53.1	10.7	683	392.5	7.8	461	NA	10.2	12.5	863	(34)
Greenply	4,000	16.0	17.5	509	70.5	22.0	430	125.7	27.4	12.7	406	47
Century Ply	6,900	31.6	5.4	1,245	77.7	2.2	1,064	133.0	0.6	18.0	468	(58)
Greenlam	4,000	23.4	19.5	720	59.3	24.3	557	97.9	33.1	18.0	405	69
Greenpanel	3,650	53.5	15.2	865	90.8	26.5	599	415.4	61.0	23.7	463	212
Astral	10,488	66.8	16.9	2,058	82.8	7.2	1,772	169.8	6.5	19.6	172	(177)
Supreme	19,724	37.9	7.0	3,591	31.3	(10.6)	3,022	39.7	(13.2)	18.2	(91)	(357)
Prince Pipes	6,300	46.3	14.8	1,095	90.0	6.4	938	133.3	5.4	17.4	400	(137)
CERA	4,200	43.2	35.6	630	48.6	58.7	594	63.0	52.8	15.0	54	218
Visaka	3,201	40.6	14.0	486	137.2	16.2	368	387.4	18.1	15.2	618	29
Time Technoplast	9,711	6.0	16.3	1,381	17.0	23.0	709	26.4	38.6	14.2	134	77
Total	1,09,562	38.5	9.6	20,058	64.0	(2.9)	16,515	97.1	(5.2)	18.3	284	(237)
Total Ex-Pidilite	86,627	36.1	12.6	15,063	63.3	5.7	12,084	107.2	5.7	17.4	290	(114)

*JFM: Jan-Mar'21, Source: I-Sec research

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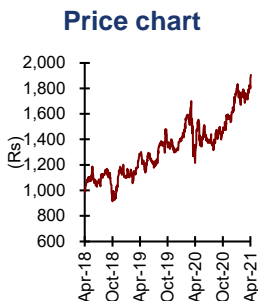
- ▶ **Wood panel sector:** Demand for wood panel (MDF, plywood and laminates) is likely to accelerate QoQ in Q4FY21. With consumers preferring alternatives like ready-made furniture where MDF is largely used, demand for MDF is likely to remain robust. **Key monitorables:** 1) volume recovery in each category, 2) trend in timber and resin prices, and 3) MDF demand-supply trend and prices.
- ▶ **Adhesives and construction chemicals sector:** The space may witness a sharp recovery with likely sustenance of strong pent-up demand for maintenance-driven products in Q4FY21. Gross margins may however decline YoY due to sharp increase in input costs (VAM in particular) post Q2. **Key monitorables:** 1) trend in input costs, and 2) volume recovery in PVA segment in particular.

Pidilite Industries

(QoQ chg: 4.4%; YoY chg: 23.6%)

Quarterly estimates

(Rs mn, year ending March 31)



Particulars	Q4FY21E	Q4FY20	YoY (%)	Q3FY21	QoQ (%)	FY21	FY20	YoY (%)
Net Sales	22,934	15,447	48.5	22,990	(0.2)	73,506	72,945	0.8
Expenditure	17,940	12,438	44.2	16,582	8.2	56,314	57,185	(1.5)
Raw Materials	10,130	5,877	72.4	8,945	13.3	29,942	30,189	(0.8)
Cost of traded goods	1,420	1,018	39.5	1,457	(2.5)	4,379	3,836	14.2
Staff Cost	2,650	2,131	24.4	2,603	1.8	9,832	9,272	6.0
Other Expenditure	3,740	3,412	9.6	3,577	4.6	12,162	13,887	(12.4)
Operating Profit	4,994	3,009	66.0	6,408	(22.1)	17,193	15,760	9.1
OPM (%)	21.8	19.5	230bps	27.9	-610bps	23.4	21.6	180bps
Other Income	180	140	28.9	204	(11.7)	801	1,494	(46.4)
Interest	144	98	47.1	121	19.3	442	336	31.5
Depreciation	600	501	19.8	495	21.3	2,035	1,699	19.7
Exceptional items	0	-330		0		0	-552	
PBT	4,430	2,550	73.8	5,997	(26.1)	15,517	15,219	2.0
Tax	950	656	44.8	1,548	(38.6)	3,876	3,477	11.5
PAT	3,480	1,894	83.8	4,449	(21.8)	11,641	11,742	(0.9)
Minority Interest	-50	10	(590.2)	-46	8.7	13	-56	(123.8)
Profit in associate company	18	1	1,700.0	16	13.9	45	30	47.2
Adjusted PAT	3,448	1,905	81.0	4,418	(22.0)	11,699	11,716	(0.1)
Reported PAT	3,448	1,575	118.9	4,418	(22.0)	11,699	11,164	4.8
Adjusted NPM (%)	15.0	10.2	480bps	19.2	-420bps	15.9	15.3	60bps

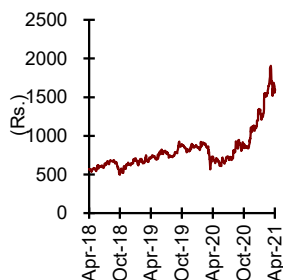
Source: Company data, I-Sec research

- **Net revenues to grow by 48.5% YoY.** Net revenues are likely to grow 48.5% YoY driven by: a) strong demand seen in maintenance-driven adhesives and construction chemicals product portfolio, b) expected recovery in PVA segment, and c) incremental revenues from the recent HAMSPL acquisition.
- **EBITDA margin to decline 610bps QoQ led by higher input cost.** We expect EBITDA margin to contract 610bps QoQ due to sharp spurt in VAM prices in particular. However, operating leverage, higher HAMSPL's margins and sustained cost rationalisation will improve EBITDA margin by 230bps YoY.
- **PBT to grow 73.8% YoY.** Strong operating performance in the quarter is likely to push its PBT higher by 73.8% YoY.
- **Key factors to watch out:** i) Growth in consumer bazaar segment volumes, ii) trend in VAM prices, and iii) near-term demand in B2B segment.

Astral Ltd

(QoQ chg: 20.8%; YoY chg: 124.0%)

Price chart



Quarterly estimates (consolidated)

(Rs mn, year ending March 31)

Particulars	Q4FY21E	Q4FY20	YoY (%)	Q3FY21	QoQ (%)	FY21	FY20	YoY (%)
Net Sales	10,488	6,289	66.8	8,975	16.9	30,973	25,779	20.1
Total Op. Income	10,488	6,289	66.8	8,975	16.9	30,973	25,779	20.1
Expenditure	8,430	5,163	63.3	7,055	19.5	25,016	21,350	17.2
Raw Materials	6,395	3,861	65.6	5,490	16.5	19,056	15,730	21.1
Cost of traded goods	95	41	131.7	72	31.9	254	227	11.9
Staff Cost	650	417	55.9	524	24.0	2,085	1,752	19.0
Other Expenditure	1,290	844	52.8	969	33.1	3,621	3,641	(0.5)
Operating Profit	2,058	1,126	82.8	1,920	7.2	5,957	4,429	34.5
OPM (%)	19.6	17.9	170bps	21.4	-180bps	19.2	17.2	200bps
Other Income	65	1	6,400.0	61	6.6	214	121	76.9
Interest	37	181	(79.6)	17	117.6	104	394	(73.6)
Depreciation	314	289	8.7	300	4.7	1,187	1,079	10.0
PBT	1,772	657	169.8	1,664	6.5	4,880	3,077	58.6
Tax	401	135	197.0	413	(2.9)	1,122	565	98.6
PAT	1,371	522	162.7	1,251	9.6	3,758	2,512	49.6
Minority Interest & Share of loss on JV	27	11	140.9	19	39.5	116	33	250.0
Reported PAT	1,345	511	163.2	1,232	9.2	3,643	2,479	46.9
NPM (%)	12.8	8.1	470bps	13.7	-90bps	11.8	9.6	220bps

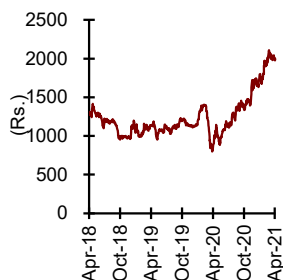
Source: Company data, I-Sec research

- **Net revenues to grow 66.8% YoY.** We expect ASTRA's consolidated revenues to grow 66.8% YoY driven by strong growth in both pipe (driven by market share gains and higher PVC prices) and adhesive segment (led by pent-up demand and low base YoY).
- **Consolidated EBITDA margin is likely to expand 170bps YoY to 19.6%.** We expect EBITDA margin to expand 170bps YoY to 19.6% led by better product mix in pipes and operating leverage in both pipe and adhesive segment.
- **PBT to increase sharply to Rs1.77bn, up 170% YoY.** Strong operating performance and lower interest cost is likely to push PBT higher by 170% YoY to Rs1.77bn.
- **Key factors to watch out:** i) Standalone pipe and adhesive volumes, ii) trend in polymer prices, and ii) gross margins in pipe/adhesive segment.

Supreme Industries

(QoQ chg: 14.1%; YoY chg: 94.0%)

Price chart



Quarterly estimates

(Rs mn, year ending March 31)

Financial Snapshot	Q4FY21E	Q4FY20	YoY (%)	Q3FY21	QoQ (%)	FY21	FY20	YoY (%)
Net Sales	19,724	14,305	37.9	18,438	7.0	62,449	55,115	13.3
Total Op. Income	19,724	14,305	37.9	18,438	7.0	62,449	55,115	13.3
Expenditure	16,133	11,571	39.4	14,422	11.9	51,113	46,770	9.3
Raw Materials	12,623	8,481	48.8	11,610	8.7	40,264	35,783	12.5
Staff Cost	860	742	15.9	813	5.8	3,033	2,766	9.6
Other Expenditure	2,650	2,347	12.9	1,999	32.6	7,816	8,221	(4.9)
Operating Profit	3,591	2,734	31.3	4,016	(10.6)	11,336	8,345	35.8
OPM (%)	18.2	19.1	-90bps	21.8	-360bps	18.2	15.1	310bps
Other Income	1	1	66.7	3	(60.0)	7	14	(50.3)
Interest	-10	42	(123.8)	-12	(19.4)	80	202	(60.2)
Depreciation	580	529	9.7	549	5.6	2,160	2,057	5.0
PBT	3,022	2,164	39.7	3,481	(13.2)	9,103	6,101	49.2
Exceptional Income	0	0		0		0	0	
Tax on above	0	0		0		0	0	
PBT post exceptional income	3,022	2,164	39.7	3,481	(13.2)	9,103	6,101	49.2
Tax	740	1,061	(30.3)	886	(16.5)	2,300	1,739	32.2
PAT	2,282	1,103	106.9	2,595	(12.0)	6,803	4,362	56.0
Share of Associate	259	70	271.0	528	(51.0)	1,015	312	225.4
Reported PAT	2,541	1,173	116.7	3,123	(18.6)	7,819	4,674	67.3
Core PAT	2,282	1,103	106.9	2,595	(12.0)	6,803	4,362	56.0
Adjusted Consol PAT	2,541	1,173	116.7	3,123	(18.6)	7,819	4,674	67.3
NPM (%)	12.9	8.2	270bps	16.9	-400bps	12.5	8.5	400bps

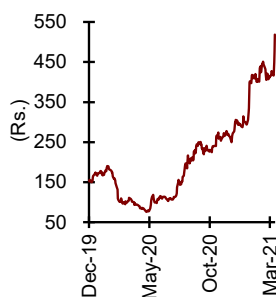
Source: Company data, I-Sec research

- **Net revenues to grow 37.9% YoY.** Strong growth in pipe segment (driven by industry consolidation and higher PVC prices) and sharp increase in polymer prices would drive 38% YoY growth in revenues.
- **EBITDA margin may decline 90bps YoY to 18.2%.** We expect EBITDA margin to decline 90bps YoY at 18.2% led by higher discounts in agriculture pipe segment and higher base YoY.
- **PBT is expected to grow 39.7% YoY.** Strong revenue growth is expected to drive PBT higher by 39.7% YoY.
- **Key factors to watch out:** i) Trend in polymer prices, ii) growth across segments, and ii) growth traction in value-added products.

Prince Pipes & Fittings

(QoQ chg: 70.0%; YoY chg: 365.4%)

Price chart



Quarterly estimates

(Rs mn, year ending March 31)

Particulars	Q4FY21E	Q4FY20	YoY (%)	Q3FY21	QoQ (%)	FY21	FY20	YoY (%)
Net Sales	6,300	4,308	46.3	5,490	14.8	19,402	16,357	18.6
Total Op. Income	6,300	4,308	46.3	5,490	14.8	19,402	16,357	18.6
Expenditure	5,205	3,731	39.5	4,461	16.7	16,158	14,069	14.9
Raw Materials	4,100	2,882	42.3	3,446	19.0	12,709	10,779	17.9
Cost of traded goods	155	112	38.2	117.5	32.0	373.4	484.9	(23.0)
Staff Cost	300	242	24.1	275	9.1	1,022	892	14.6
Other Expenditure	650	496	31.2	622	4.5	2,053	1,912	7.4
Operating Profit	1,095	576	90.0	1,029	6.4	3,243	2,288	41.8
OPM (%)	17.4	13.4	400bps	18.8	-140bps	16.7	14.0	270bps
Other Income	48	52	(7.1)	46.3	3.8	179.1	69.4	157.9
Interest	40	82	(51.3)	35	13.8	197	332	(40.6)
Depreciation	165	144	14.7	151	9.4	608	520	17.0
Exceptional income	0	0		0		0	0	
PBT	938	402	133.3	890	5.4	2,617	1,506	73.8
Tax	221	119	85.3	222	(0.4)	654	381	71.8
PAT	717	283	153.6	668	7.3	1,963	1,125	74.5
Minority Interest	0.0	0	#DIV/0!	0.0	#DIV/0!	0.0	0.0	#DIV/0!
Reported PAT	717	283	153.6	668	7.3	1,963	1,125	74.5
NPM (%)	11.4	6.6	480bps	12.2	-80bps	10.1	6.9	320bps

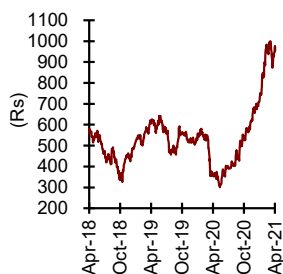
Source: Company data, I-Sec research

- **Net revenues to grow 46.3% YoY:** Revenues are likely to grow 46% YoY driven by higher plumbing demand and accelerated consolidation in the PVC pipe segment (led by higher PVC prices in particular).
- **EBITDA margin to expand 400bps YoY to 17.4%:** We expect EBITDA margin to improve 400bps YoY to 17.4% led by operating leverage, inventory gains and superior product mix.
- **PBT is expected to rise 133.3% YoY to Rs938mn.** We expect strong operational performance to drive PBT higher by 133.3% YoY.
- **Key factors to watch out:** i) Near-term volume and pricing growth in CPVC pipe segment post its tie-up with Lubrizol, ii) gross margins, and iii) trend in PVC prices.

Kajaria Ceramics

(QoQ chg: 20.3% YoY chg: 146.3%)

Price chart



Quarterly estimates (consolidated)

(Rs mn, year ending March 31)

Particulars	Q4FY21E	Q4FY20	YoY (%)	Q3FY21	QoQ (%)	FY21	FY20	YoY (%)
Net Sales	9,000	6,520	38.0	8,383	7.4	27,284	28,080	(2.8)
Total Op. Income	9,000	6,520	38.0	8,383	7.4	27,284	28,080	(2.8)
Expenditure	7,200	5,587	28.9	6,566	9.7	22,305	24,114	(7.5)
Raw Materials	2,300	1,322	73.9	1,939	18.6	7,424	6,898	7.6
Cost of traded goods	1,360	1,084	25.5	1,583.4	(14.1)	4,523	4,506	0.4
Staff Cost	960	869	10.5	895	7.3	3,242	3,550	(8.7)
Other Expenditure	2,580	2,312	11.6	2,148	20.1	7,116	9,160	(22.3)
Operating Profit	1,800	934	92.8	1,818	(1.0)	4,979	3,966	25.5
OPM (%)	20.0	14.3	570bps	21.7	-170bps	18.2	14.1	410bps
Other Income	85	69	22.8	64.5	31.8	224	242	(7.4)
Interest	25	49	(49.3)	26	(4.2)	106	195	(45.8)
Depreciation	290	283	2.3	276	5.2	1,091	1,081	1.0
Exceptional income	0	0		0		0	0	
PBT	1,570	670	134.3	1,581	(0.7)	4,005	2,931	36.6
Tax	350	182	92.3	370	(5.5)	1,008	589	71.1
PAT	1,220	488	149.9	1,210	0.8	2,997	2,342	28.0
Minority Interest	20.0	-8	(359.7)	20.9	(4.3)	-12	-18	(31.7)
Reported PAT	1,200	496	142.0	1,189	0.9	3,010	2,360	27.5
NPM (%)	13.3	7.6	570bps	14.2	-90bps	11.0	8.4	260bps

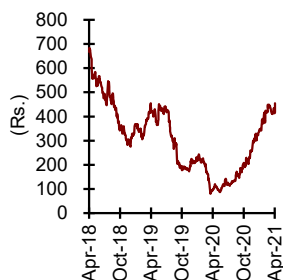
Source: Company data, I-Sec research

- **Net revenues to grow 38% YoY:** Revenues are likely to grow by a sharp 38% YoY due to sustained higher demand from tiers-2/3/4 cities/towns and market share gains with Morbi players focusing more on exports.
- **EBITDA margin to improve 570bps YoY:** We expect EBITDA margin to improve by 570bps YoY to 20% led by operating leverage and superior product mix.
- **PBT likely at Rs1.57bn, up 134% YoY.** Strong operational performance and lower interest cost is expected to push PBT higher by 134% YoY.
- **Key factors to watch out:** i) Volume growth, ii) gross margins, and iii) trend in gas prices.

Somany Ceramics

(QoQ chg: 23.0%; YoY chg: 293.8%)

Price chart



Quarterly estimates

(Rs mn, year ending March 31)

Particulars	Q4FY21E	Q4FY20	YoY (%)	Q3FY21	QoQ (%)	FY21	FY20	YoY (%)
Net Sales	5,430	3,537	53.5	4,903	10.7	16,249	16,002	1.5
Other Op. Income	23	23	(1.3)	22	4.1	62	98	(37.5)
Total Op. Income	5,453	3,561	53.1	4,925	10.7	16,311	16,101	1.3
Expenditure	4,770	3,422	39.4	4,292	11.1	14,617	14,809	(1.3)
Raw Materials	1,550	617	151.2	1,184	30.9	4,871	3,847	26.6
Cost of traded goods	830	650	27.8	916	(9.4)	2,719	2,826	(3.8)
Staff Cost	650	619	5.1	708	(8.2)	2,253	2,370	(4.9)
Other Expenditure	1,740	1,537	13.2	1,484	17.3	4,774	5,766	(17.2)
Operating Profit	683	139	392.5	633	7.8	1,694	1,292	31.1
OPM (%)	12.5	3.9	860bps	12.9	-40bps	10.4	8.0	240bps
Other Income	35	30	16.7	33	6.4	127	127	(0.2)
Interest	95	115	(17.3)	94	1.0	403	488	(17.5)
Depreciation	162	161	0.5	154	5.3	611	574	6.5
PBT before exceptional items	461	-108	(528.5)	418	10.2	807	358	125.8
Exceptional item	0	0		0		0	-262	
PBT	461	-108	(528.5)	418	10.2	807	96	742.8
Tax	116	-18	(762.9)	107	8.2	203	-99	(304.3)
Reported PAT	345	-90	(482.9)	311	10.8	605	195	210.1
Minority Interest	23	3	618.8	29	(19.9)	16	45	(64.9)
Reported PAT after MI	322	-93	(445.1)	282	14.0	589	150	292.6
Adj PAT after MI	322	-93	(445.1)	282	14.0	589	141	318.5
NPM (%)	5.9	(2.6)	850bps	5.8	10bps	3.6	0.9	270bps

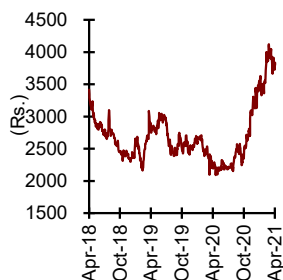
Source: Company data, I-Sec research

- **Net revenues to grow 53% YoY:** Revenues are likely to grow by 53% YoY driven by market share gains with Morbi players focusing more on exports, higher demand from non-metros and lower base YoY.
- **EBITDA margin to improve 860bps YoY to 12.5%:** We expect EBITDA margin to improve 860bps YoY to 12.5% driven by operating leverage and better product mix.
- **PBT expected at Rs461mn vs PBT loss YoY.** We expect strong operating performance and lower interest cost to push PBT to Rs461mn vs loss YoY.
- **Key factors to watch out:** i) Volume growth, ii) trend in gas prices, and ii) commentary on treasury operations.

CERA Sanitaryware

(QoQ chg: 12.7%; YoY chg: 67.6%)

Price chart



Quarterly estimates

(Rs mn, year ending March 31)

Particulars	Q4FY21E	Q4FY20	YoY (%)	Q3FY21	QoQ (%)	FY21	FY20	YoY (%)
Net Sales	4,200	2,932	43.2	3,098	35.6	11,903	12,092	(1.6)
Expenditure	3,570	2,508	42.3	2,701	32.2	10,405	10,470	(0.6)
Raw Materials	540	75	615.3	167	224.1	1,527	800	91.0
Cost of traded goods	1,620	1,315	23.2	1,634	(0.9)	4,828	5,052	(4.4)
Staff Cost	370	387	(4.3)	342	8.2	1,385	1,604	(13.7)
Other Expenditure	1,040	731	42.3	559	86.2	2,665	3,015	(11.6)
Operating Profit	630	424	48.6	397	58.7	1,498	1,621	(7.6)
OPM (%)	15.0	14.5	50bps	12.8	220bps	12.6	13.4	-80bps
Other Income	60	43	41.0	85	(29.5)	253	156	62.8
Interest	11	12	(5.3)	10	15.5	40	44	(9.5)
Depreciation	85	91	(6.1)	84	1.4	333	327	2.0
PBT	594	364	63.0	389	52.8	1,378	1,406	(2.0)
Tax	150	-20	(839.3)	98	53.3	351	247	42.4
PAT	444	385	15.4	291	52.6	1,027	1,159	(11.4)
Minority Interest	0	0		0		0	0	
Reported PAT	444	385	15.4	291	52.6	1,027	1,159	(11.4)
NPM (%)	10.6	13.1	-250bps	9.4	120bps	8.6	9.6	-100bps

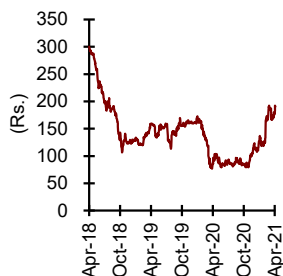
Source: Company data, I-Sec research

- **Net revenues to increase by 43.2% YoY.** After getting impacted in Q3FY21 due to workers strike, company's revenues are likely to bounce back with 43% YoY growth.
- **EBITDA margin to increase 50bps YoY to 15%.** We expect EBITDA margin to improve by 50bps due to operating leverage and superior product mix.
- **PBT is expected to increase 63% YoY at Rs594mn.** Better operational performance is expected to increase PBT by 63% YoY.
- **Key factors to watch out:** i) Segment-wise growth, ii) outsourcing mix, and iii) pricing trends across product segments.

Greenply Industries

(QoQ chg: 50.6%; YoY chg: 95.5%)

Price chart



Quarterly estimates

(Rs mn, year ending March 31)

	Q4FY21E	Q4FY20	YoY (%)	Q3FY21	QoQ (%)	FY21	FY20	YoY (%)
Net Sales	4,000.0	3,447.0	16.0	3,404.0	17.5	11,686.4	14,204.3	(17.7)
Total Op. Income	4,000.0	3,447.0	16.0	3,404.0	17.5	11,686.4	14,204.3	(17.7)
Expenditure	3,491.0	3,148.4	10.9	2,986.8	16.9	10,465.1	12,648.0	(17.3)
Raw Materials	1,446.0	1,360.5	6.3	1,192.4	21.3	4,343.7	5,421.7	(19.9)
Cost of traded goods	815.0	741.5	9.9	779.7	4.5	2,376.5	2,933.2	(19.0)
Staff Cost	450.0	385.8	16.6	385.1	16.9	1,503.5	1,629.2	(7.7)
Other Expenditure	780.0	660.6	18.1	629.5	23.9	2,241.4	2,663.9	(15.9)
Operating Profit	509.0	298.6	70.5	417.2	22.0	1,221.3	1,556.3	(21.5)
OPM (%)	12.7	8.7	400bps	12.3	40bps	10.5	11.0	-50bps
Other Income	15.0	13.0	15.7	15.8	(5.3)	43.8	20.4	114.7
Interest	34.0	54.9	(38.1)	36.5	(6.8)	163.1	207.9	(21.6)
Depreciation	60.0	66.2	(9.3)	59.2	1.4	227.0	257.2	(11.8)
Extraord inc/(exp)				0.0		0.0	(499.7)	
PBT	430.0	190.5	125.7	337.4	27.4	875.0	611.9	43.0
Tax	115.0	(88.3)	(230.2)	86.8	32.6	214.4	134.4	59.5
PAT	315.0	278.8	13.0	250.7	25.7	660.6	477.4	38.4
Share of profit/(loss)								
from JV	5.0	(5.9)	(184.3)	0.8	564.0	27.9	4.9	466.1
Adj. PAT	310.0	284.7	8.9	249.9	24.0	632.8	972.2	(34.9)
NPM (%)	7.9	8.1	-20bps	7.4	50bps	5.7	3.4	230bps

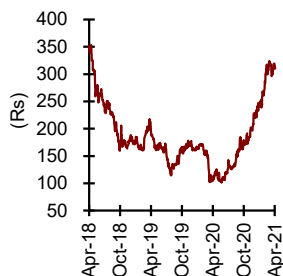
Source: Company data, I-Sec research

- **Net revenues to increase 16% YoY.** We expect consolidated revenues to increase 16% YoY led by strong recovery in plywood segment.
- **EBITDA margin to improve 400bps YoY.** We expect consolidated EBITDA margin to improve to 12.7%, up 400bps YoY, led by operating leverage, improving efficiency at the plant level, and cost rationalisation.
- **PBT is expected to rise 125.7% YoY to Rs430mn.** Better operational performance and lower interest cost will help push PBT higher by 125.7% YoY to Rs430mn.
- **Key factors to watch out:** i) Domestic plywood and Gabon CV volume growth, ii) near-term demand recovery in plywood segment, and iii) working capital discipline.

Century Plyboards

(QoQ chg: 36.5%; YoY chg: 198.7%)

Price chart



Quarterly estimates

(Rs mn, year ending March 31)

Particulars	Q4FY21E	Q4FY20	YoY (%)	Q3FY21	QoQ (%)	FY21	FY20	YoY (%)
Net Sales	6,900.0	5,241.9	31.6	6,543.6	5.4	20,648.6	22,826.8	(9.5)
Total Op. Income	6,900.0	5,241.9	31.6	6,543.6	5.4	20,648.6	22,826.8	(9.5)
Expenditure	5,655.0	4,541.2	24.5	5,325.1	6.2	17,318.2	19,329.5	(10.4)
Raw Materials	2,625.0	1,895.5	38.5	2,504.9	4.8	7,992.4	8,631.8	(7.4)
Cost of traded goods	790.0	667.3	18.4	776.6	1.7	2,259.4	2,851.0	(20.8)
Staff Cost	920.0	866.4	6.2	850.4	8.2	3,100.0	3,441.3	(9.9)
Other Expenditure	1,320.0	1,111.9	18.7	1,193.2	10.6	3,966.4	4,405.4	(10.0)
Operating Profit	1,245.0	700.7	77.7	1,218.5	2.2	3,330.4	3,497.3	(4.8)
OPM (%)	18.0	13.4	460bps	18.6	-60bps	16.1	15.3	80bps
Other Income	9.7	1.1	751.6	11.8	(18.1)	80.0	110.8	(27.8)
Interest	20.9	82.6	(74.7)	10.7	94.7	100.0	372.4	(73.2)
Depreciation	170.0	162.7	4.5	162.2	4.8	637.1	675.5	(5.7)
Exceptional income	0.0	0.0		-118.1		-118.1	-456.3	
PBT	1,063.8	456.5	133.0	939.3	13.3	2,555.3	2,103.8	21.5
Adjusted PBT	1,063.8	456.5	133.0	1,057.4	0.6	2,673.4	2,560.1	4.4
Tax	290.0	68.5	323.2	280.4	3.4	693.1	522.1	32.7
Tax rate (%)	27%	15%		30%		27%	25%	
Reported PAT	773.8	387.9	99.5	658.8	17.4	1,862.1	1,581.7	17.7
Adjusted PAT	773.8	387.9	99.5	776.9	(0.4)	1,980.2	2,038.0	(2.8)
Adj NPM (%)	11.2	7.4	380bps	11.9	-70bps	9.6	8.9	70bps

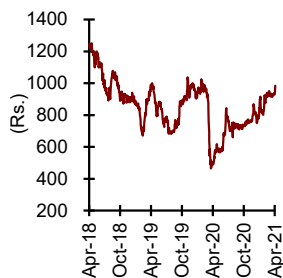
Source: Company data, I-Sec research

- **Net revenues to increase by 31.6% YoY.** We expect overall revenues to increase by 31.6% YoY due to strong growth across segments.
- **EBITDA margin to grow 460bps YoY.** We expect EBITDA margin to improve 460bps YoY driven by improvement in MDF and plywood margins in particular.
- **Adj. PBT is expected to increase 133% YoY to Rs1.06bn.** Strong operational performance and lower interest costs will drive adj. PBT higher by 133% YoY to Rs1.06bn.
- **Key factors to watch out:** i) Volumes in plywood, laminates and MDF segments, ii) gross margins in laminates and MDF segment in particular, and iii) commentary on expansion plans in MDF segment.

Greenlam Industries

(QoQ chg: 18.0%; YoY chg: 80.3%)

Price chart



Quarterly estimates

(Rs mn, year ending March 31)

Particulars	Q4FY21E	Q4FY20	YoY (%)	Q3FY21	QoQ (%)	FY21	FY20	YoY (%)
Net Sales	4,000	3,240	23.4	3,346	19.5	11,843	13,206	(10.3)
Total Op. Income	4,000	3,240	23.4	3,346	19.5	11,843	13,206	(10.3)
Expenditure	3,280	2,788	17.6	2,767	18.5	10,060	11,423	(11.9)
Raw Materials	1,890	1,525	24.0	1,572	20.2	5,670	6,489	(12.6)
Cost of traded goods	60	89	(32.9)	31	95.4	167	215	(22.6)
Staff Cost	650	586	10.8	538	20.9	2,059	2,220	(7.2)
Other Expenditure	680	588	15.7	626	8.6	2,165	2,500	(13.4)
Operating Profit	720	452	59.3	579	24.3	1,782	1,782	(0.0)
OPM (%)	18.0	14.0	400bps	17.3	70bps	15.1	13.5	160bps
Other Income	20	23	(14.6)	19	7.9	65	44	47.6
Interest	38	52	(27.6)	39	(2.5)	172.5	218.4	(21.0)
Depreciation	145	142	2.5	140	3.6	560	525	6.7
Exceptional income	0	0		0		0	0	
PBT	557	281	97.9	419	33.1	1,115	1,083	2.9
Tax	130	64	102.1	99	31.2	260	217	20.0
PAT	427	217	96.6	320	33.6	855	867	(1.4)
Minority Interest	0.0	0.0		0.0		0.0	0.0	
Reported PAT	427	217	96.6	320	33.6	855	867	(1.4)
NPM (%)	10.7	6.7	400bps	9.6	110bps	7.2	6.6	600bps

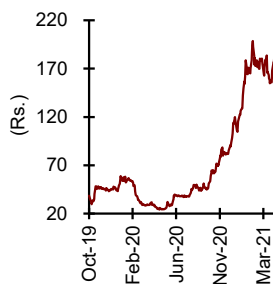
Source: Company data, I-Sec research

- **Net revenues to increase 23.4% YoY.** We expect overall revenues to increase 23.4% YoY led by higher demand in laminates (both domestic and exports) segment and recovery in veneer and allied product revenues QoQ.
- **EBITDA margin to improve 400bps YoY.** We expect EBITDA margin to improve by 400bps YoY to 18% driven by operating deleverage, superior mix and recent price hikes.
- **PBT is expected to increase 97.9% YoY to Rs557mn.** On the back of superior operational performance, we expect PBT to rise 97.9% YoY to Rs557mn.
- **Key factors to watch out:** i) Domestic volume growth in laminate segment, ii) trend in laminate export volumes, and iii) EBITDA margin of each segment.

Greenpanel Industries

(QoQ chg: 11.2%; YoY chg: 573.7%)

Price chart



Quarterly estimates

(Rs mn, year ending March 31)

Particulars	Q4FY21E	Q4FY20	YoY (%)	Q3FY21	QoQ (%)	FY21	FY20	YoY (%)
Net Sales	3,650.0	2,377.7	53.5	3,169.3	15.2	9,969.6	8,765.7	13.7
Other Op. Income	0.0	0.0		0.0		0.0	0.0	#DIV/0!
Total Op. Income	3,650.0	2,377.7	53.5	3,169.3	15.2	9,969.6	8,765.7	13.7
Expenditure	2,784.9	1,924.2	44.7	2,485.2	12.1	8,040.9	7,388.0	8.8
Raw Materials	1,540.0	933.2	65.0	1,373.1	12.2	4,313.9	3,833.6	12.5
Cost of traded goods	39.9	29.3	36.2	35.7	11.7	111.8	103.1	8.4
Staff Cost	245.0	250.4	(2.2)	251.9	(2.7)	932.4	988.9	(5.7)
Other Expenditure	960.0	711.2	35.0	824.6	16.4	2,682.9	2,462.4	9.0
Operating Profit	865.1	453.5	90.8	684.0	26.5	1,928.7	1,377.7	40.0
OPM (%)	23.7	19.1	460bps	21.6	210bps	19.3	15.7	360bps
Other Income	0.0	9.8	(100.0)	4.0	(100.0)	14.5	22.3	(35.2)
Interest	90.0	167.9	(46.4)	142.1	(36.6)	498.8	482.9	3.3
Depreciation	176.0	179.2	(1.8)	173.9	1.2	692.4	691.7	0.1
Extraord inc/(exp)	0.0			0.0		0.0	(108.4)	
PBT	599.1	116.2	415.4	372.1	61.0	752.1	117.1	542.2
Tax	149.0	(67.6)	(320.3)	67.6	120.5	178.5	(27.5)	(748.9)
Reported PAT	450.1	183.9	144.8	304.5	47.8	573.6	144.6	296.7
Share of profit/(loss) from JV	0.0	0.0	#DIV/0!	0.0	#DIV/0!	0.0	0.0	#DIV/0!
Adj. PAT	450.1	183.9	144.8	304.5	47.8	573.6	253.0	126.8
<i>Reported NPM (%)</i>	<i>12.3</i>	<i>7.7</i>	<i>460bps</i>	<i>9.6</i>	<i>270bps</i>	<i>5.8</i>	<i>1.6</i>	<i>420bps</i>

Source: Company data, I-Sec research

- **Net revenues to post impressive growth of 53.5% / 15.2% YoY / QoQ.** We expect GNPL to post impressive revenue growth of 53.5% / 15.2% YoY / QoQ driven by strong growth in the MDF segment on the back of higher demand for modular furniture.
- **EBITDA margin to jump 460bps/210bps YoY/QoQ to 23.7%.** We expect its EBITDA margin to improve sharply to 23.7% led by operating leverage, firm realisation, cost efficiencies and superior product mix YoY.
- **PBT is expected to increase sharply to Rs599mn.** Strong operating performance and lower interest cost for the quarter may push PBT higher to Rs599mn.
- **Key factors to watch out:** i) Volume growth in MDF and plywood segments, ii) MDF revenue mix (domestic vs exports), and iii) EBITDA margin segment-wise.

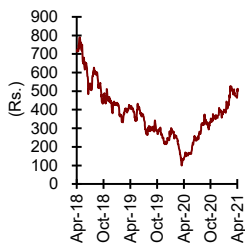
Visaka Industries

(QoQ chg: 20.4%; YoY chg: 214.3%)

Quarterly estimates

(Rs mn, year ending March 31)

Price chart



Particulars	Q4FY21E	Q4FY20	YoY (%)	Q3FY21	QoQ (%)	FY21	FY20	YoY (%)
Net Sales	3,201	2,277	40.6	2,809	14.0	11,125	10,504	5.9
Total Op. Income	3,201	2,277	40.6	2,809	14.0	11,125	10,504	5.9
Expenditure	2,715	2,072	31.0	2,390	13.6	9,232	9,415	(1.9)
Raw Materials	1,550	1,064	45.6	1,303	19.0	5,150	5,132	0.4
Staff Cost	310	278	11.4	286	8.5	1,186	1,160	2.3
Other Expenditure	855	730	17.2	802	6.6	2,895	3,123	(7.3)
Operating Profit	486	205	137.2	418	16.2	1,893	1,089	73.8
OPM (%)	15.2	9.0	620bps	14.9	30bps	17.0	10.4	660bps
Other Income	20	17	20.0	22	(8.4)	82	66	23.4
Interest	35	47	(25.0)	27	27.8	132	174	(24.2)
Depreciation	103	99	3.6	101	1.9	402	410	(1.8)
PBT	368	76	387.4	312	18.1	1,440	571	152.1
Tax	100	7	1,341.1	81	23.6	374	78	378.5
Tax rate (%)	27.2%	9.2%		26.0%		26.0%	13.7%	
PAT	268	69	290.8	231	16.1	1,066	493	116.2
Reported PAT	268	69	290.8	231	16.1	1,066	493	116.2
NPM (%)	8.4	3.0	540bps	8.2	20bps	9.6	4.7	490bps

Source: Company data, I-Sec research

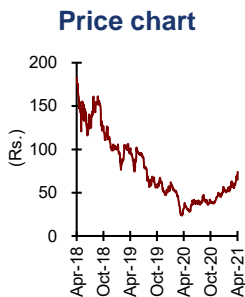
- **Net revenues to grow 40.6% YoY.** We expect revenues to grow 40.6% YoY with sustained growth momentum in ACS and Vnext segments.
- **EBITDA margin to expand 620bps YoY to 15.2%** largely on the back of higher realisation in ACS and Vnext segments and operating leverage.
- **PBT to jump sharply to Rs231mn.** Led by improved operational performance in ACS and Vnext segments, overall PBT is likely to improve 171% YoY.
- **Key factors to watch out:** i) Volumes and revenues across product segments, ii) EBITDA margin of each segment, and iii) near-term pricing trends in ACS and FCB segments in particular.

Time Technoplast

(QoQ chg: 39.2%; YoY chg: 133.4%)

Quarterly estimates

(Rs mn, year ending March 31)



Particulars	Q4FY21E	Q4FY20	YoY (%)	Q3FY21	QoQ (%)	FY21	FY20	YoY (%)
Net Sales	9,711.1	9,161.4	6.0	8,348.1	16.3	30,248.4	35,780.3	(15.5)
Total Op. Income	9,711.1	9,161.4	6.0	8,348.1	16.3	30,248.4	35,780.3	(15.5)
Expenditure	8,330.0	7,981.1	4.4	7,225.5	15.3	26,286.4	30,791.3	(14.6)
Raw Materials	6,830.0	6,487.0	5.3	5,833.2	17.1	21,183.7	25,043.6	(15.4)
Staff Cost	480.0	508.9	(5.7)	391.6	22.6	1,600.9	1,704.2	(6.1)
Other Expenditure	1,020.0	985.2	3.5	1,000.8	1.9	3,501.9	4,043.5	(13.4)
Operating Profit	1,381.1	1,180.3	17.0	1,122.6	23.0	3,961.9	4,989.1	(20.6)
OPM (%)	14.2	12.9	130bps	13.4	80bps	13.1	13.9	-80bps
Other Income	8.0	9.7	(17.8)	6.2	28.1	23.7	22.7	4.5
Interest	260.0	259.5	0.2	239.8	8.4	1,000.0	1,082.0	(7.6)
Depreciation	420.0	369.6	13.6	377.6	11.2	1,547.0	1,562.1	(1.0)
Exceptional income	0.0	0.0		0.0		0.0	0.0	
PBT	709.1	560.9	26.4	511.4	38.6	1,438.7	2,367.6	(39.2)
Adjusted PBT	165.0	158.0	4.4	113.1	45.9	354.0	617.4	(42.7)
Tax	23.3%	28.2%		22.1%		24.6%	26.1%	
Tax rate (%)	544.1	402.9	35.0	398.3	36.6	1,084.6	1,750.3	(38.0)
Reported PAT	18.0	19.9	(9.7)	13.8	30.0	46.3	58.9	(21.5)
Adjusted PAT	526.1	383.0	37.4	384.5	36.8	1,038.4	1,691.4	(38.6)
Adj NPM (%)	5.4	4.2	120bps	4.6	80bps	3.4	4.7	-130bps

Source: Company data, I-Sec research

- **Net revenues to grow 16% QoQ.** We expect TTPL to report 16% QoQ increase in its revenues driven by sequential recovery across product segments and higher polymer prices.
- **EBITDA margin to improve 80bps QoQ to 14.2%** on the back of higher realisation aided by the increase in polymer prices, operating leverage and cost-control initiatives adopted by the company post Covid.
- **PBT to increase 38.6% QoQ to Rs511.4mn** due to superior operational performance.
- **Key factors to watch out:** i) Volume and revenue growth across product segments, ii) EBITDA margin of each segment, and iii) near-term pricing trend in polymer prices.

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