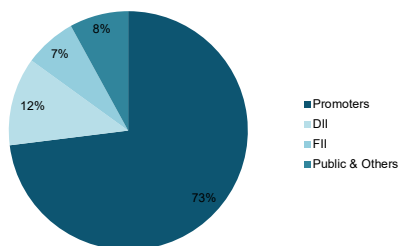


Key Share Data

| | |
|-------------------------|------------|
| Face Value (INR) | 1.0 |
| Equity Capital (INR Mn) | 222.2 |
| Market Cap (INR mn) | 127083.0 |
| 52 Week High/Low (INR) | 749/352 |
| Avg. Daily Volume (NSE) | 2,92,601 |
| BSE Code | 532548 |
| NSE Code | CENTURYPLY |
| Reuters Code | CNTP.BO |
| Bloomberg Code | CPBI:IN |

Shareholding Pattern (Jun 30, 2022)



Key Financials (INR Million)

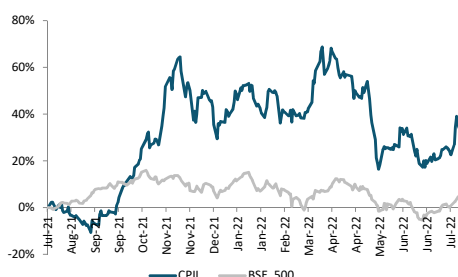
| Particulars | FY21 | FY22 | FY23E | FY24E |
|-------------|----------|----------|----------|----------|
| Net Sales | 21,134.8 | 30,008.7 | 38,011.1 | 44,034.5 |
| Growth (%) | -7.4% | 42.0% | 26.7% | 15.8% |
| EBITDA | 3,353.6 | 5,345.6 | 6,810.8 | 7,815.5 |
| PAT | 1,920.6 | 3,252.7 | 4,580.8 | 5,073.3 |
| Growth (%) | 21.4% | 69.4% | 40.8% | 10.7% |
| EPS (INR) | 8.6 | 14.6 | 20.6 | 22.8 |
| BVPS (INR) | 56.9 | 70.4 | 89.1 | 109.9 |

Key Financials Ratios

| Particulars | FY21 | FY22 | FY23E | FY24E |
|-------------------|-------|-------|-------|-------|
| P/E (x) | 66.2 | 39.1 | 27.7 | 25.0 |
| P/BVPS (x) | 10.0 | 8.1 | 6.4 | 5.2 |
| Mcap/Sales (x) | 6.0 | 4.2 | 3.3 | 2.9 |
| EV/EBITDA (x) | 38.0 | 23.7 | 19.1 | 16.4 |
| ROCE (%) | 20.0% | 26.5% | 26.7% | 25.6% |
| ROE (%) | 15.2% | 20.8% | 23.2% | 20.8% |
| EBIDTA Mar (%) | 15.9% | 17.8% | 17.9% | 17.7% |
| PAT Mar (%) | 9.1% | 10.8% | 12.1% | 11.5% |
| Debt - Equity (x) | 0.1 | 0.1 | 0.1 | 0.1 |

Source: Company, SKP Research

Price Performance CPIL vs BSE 500



Research Analyst:

Nikhil Saboo

Tel No: +91-33-40077019;

E-mail: nikhil.saboo@skpsecurities.com

Company Background

Century Plyboards (India) Ltd (CPIL), promoted by Mr. Sajjan Bhajanka, Mr. Sanjay Agarwal and Late Mr. H P Agarwal, is India's largest manufacturer of plywood with ~25% of organised market share. It has a production capacity of 300,000 CBM plywood; 8.77 mn units laminate sheets, 54,000 CBM particle boards and 600 CBM/day Medium Density Fibre Board (MDF) spread across 13 manufacturing units in India and abroad. It also has two Container Freight Stations (CFS) near Kolkata Port.

Investment Rationale

Robust topline growth with rise in volumes due to positive consumer sentiments

- ▶ During Q1FY23, net sales improved by 96.4% y-o-y at Rs 8,814.8 mn led by significant growth in volumes due to positive consumer sentiments and low base of Q1FY22 which was hit by second wave of COVID-19. Plywood, laminates, MDF and particle board segments witnessed volume growth of ~106%, ~60%, ~42% and ~72% y-o-y at 88,015 CBM, 1.85 mn sheets, 45,309 CBM and 21,537 CBM respectively. However, sales de-grew marginally by ~1.5% q-o-q due to Q1 being the leanest quarter vs. Q4 which is the peak quarter of the financial year. Segment wise realisation (y-o-y) also witnessed a jump of ~3.6%, ~16%, ~20% and ~25% at Rs 53,940/CBM, Rs 885/sheet, Rs 34,343/CBM and Rs 23,713/CBM respectively for plywood, laminates, MDF and particle board.
- ▶ The prices of kraft paper and phenol continued its surge whereas prices of timber stabilised during the quarter; but, remaining at elevated levels. In order to mitigate rise in raw material (RM) cost, the Company has taken a price hike of ~2% and 3% in premium and non-premium plywood (Sainik 710) and 7% in Sainik MR (affordable grade water resistant plywood), ~3% and 4% in 1 mm and 0.8 mm laminates, and ~9% in particle board. Above price hikes have factored in rise in timber cost but phenol price increase in not accounted for, as it is expected to get corrected, going ahead. Full impact of the above price hikes is expected to be seen from Q2FY22 onwards. CPIL has not taken any price hike in MDF segment during the quarter.
- ▶ CPIL is well positioned for growth in coming years. We have built in revenue growth of ~27% and 16% in FY23E and FY24E keeping in view CPIL's robust track record and rise in demand inspite of rising input and interest costs.

Margins to improve at ~18% by FY24E

- ▶ In spite of continued trend of rising cost and aggressive brand spending during Q1FY23, EBITDA margin increased by 285 bps y-o-y to ~16.5% on account of record robust performance by MDF and particle board segments. EBITDA margins from both segments stood at ~34% and ~35% respectively. Margins from laminates segment remained stable at 13.4%. However, the segment reported 16.4% EBITDA margins after adjusting for BCG expenses. Plywood margins declined by 560 bps q-o-q at 10.5% on the back of higher advertisement spending, higher demand from non-premium segment vis-à-vis premium segment and lag in product price hike impact. Management expects margins from plywood segment to get normalised going forward in the range of 13-15%. The PAT for the quarter increased by ~185% y-o-y to Rs 964.8 mn mainly on account of higher operating margin and low base effect of Q1FY22.
- ▶ Going forward, we expect EBITDA margin to improve to ~18% by FY24E, on the back of prudent management of operating efficiencies, better cost control and structural shift towards organised players, which is further expected to generate traction in the industry.
- ▶ On the balance sheet front, net working capital decreased by 5 days y-o-y to 58 days. CPIL remained a net cash positive Company with net cash of Rs 1.84 bn as on June 30, 2022. The Company reported healthy ROCE of 29.3% during the quarter.

Capacity expansion plan to propel growth

- ▶ CPIL has embarked upon an aggressive capex plan of ~Rs 10.55 bn wherein it is 1) expanding MDF capacity by 132,000 CBM at Hoshiarpur and setting up a greenfield plant with an annual capacity of 285,000 CBM in Andhra Pradesh with an estimated cost of Rs 8.5 bn. Both the plants are expected to get commissioned by October 2022 and H2FY24 respectively. 2) CPIL is setting up a Greenfield laminates manufacturing unit in Andhra Pradesh with a total capacity of 4 mn pieces in two equal phases with an estimated cost of Rs 2.05 bn (Rs 1.7 bn for phase-I and Rs 700 mn for Phase-II). Phase-I is expected to become operational by Q2FY24.
- ▶ MDF and laminate Greenfield project will be undertaken through Century Panels Ltd. which is a 100% subsidiary of CPIL.
- ▶ The Company is also undertaking a de-bottlenecking program for plywood segment at Chennai and Guwahati which will enhance its plywood capacity by 30,000 BCM. The Company has a current capacity of 300,000 BCM.

Valuation

Positive consumer sentiments, inspite of rising input and interest cost have augured well for organised players like CPIL. Although concerns of high interest rates may disrupt demand in the real estate sector going forward, we expect CPIL to emerge as a stronger player with stronger brand recall and deleveraged balance sheet. We have currently valued the stock on the basis of P/E of 30x and recommend to 'Buy' the stock with a target of Rs 685 in 18 months

Q1FY23 Result Update

Century Ply - Q1FY23 Standalone Result Review

Figs in Rs Million

| Particulars | Q1FY23 | Q1FY22 | YoY % | Q4FY22 | QoQ % | FY22 | FY21 | YoY% |
|---------------------------------|----------------|----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Gross Sales | 8,814.8 | 4,488.8 | 96.4% | 8,952.6 | -1.5% | 30,008.8 | 21,134.8 | 42.0% |
| Excise Duty | - | - | | - | | - | - | |
| Net Sales | 8,814.8 | 4,488.8 | 96.4% | 8,952.6 | -1.5% | 30,008.8 | 21,134.8 | 42.0% |
| Income from Forward Contracts | - | - | | - | | - | - | |
| Other Operating Income | - | - | | - | | - | - | |
| Total Income | 8,814.8 | 4,488.8 | 96.4% | 8,952.6 | -1.5% | 30,008.8 | 21,134.8 | 42.0% |
| Expenditure | 7,361.9 | 3,876.8 | 89.9% | 7,343.2 | 0.3% | 24,663.1 | 17,781.2 | 38.7% |
| Material Consumed | 3,321.1 | 1,411.9 | 135.2% | 3,529.4 | -5.9% | 11,153.9 | 8,020.0 | 39.1% |
| <i>(as a % of Total Income)</i> | <i>37.7%</i> | <i>31.5%</i> | <i>622 Bps</i> | <i>39.4%</i> | <i>(175)Bps</i> | <i>37.17%</i> | <i>37.95%</i> | <i>(78)Bps</i> |
| Purchases of stock-in-trade | 1,335.1 | 570.5 | 134.0% | 1,065.7 | 25.3% | 4,062.4 | 2,574.0 | 57.8% |
| <i>(as a % of Total Income)</i> | <i>15.1%</i> | <i>12.7%</i> | <i>244 Bps</i> | <i>11.9%</i> | <i>324 Bps</i> | <i>13.5%</i> | <i>12.2%</i> | <i>136 Bps</i> |
| Employees Cost | 1,152.2 | 886.9 | 29.9% | 1,116.9 | 3.2% | 3,998.3 | 3,182.7 | 25.6% |
| <i>(as a % of Total Income)</i> | <i>13.1%</i> | <i>19.8%</i> | <i>(669)Bps</i> | <i>12.5%</i> | <i>60 Bps</i> | <i>13.3%</i> | <i>15.1%</i> | <i>(174)Bps</i> |
| Other Expenses | 1,553.5 | 1,007.5 | 54.2% | 1,631.3 | -4.8% | 5,448.5 | 4,004.5 | 36.1% |
| <i>(as a % of Total Income)</i> | <i>17.6%</i> | <i>22.4%</i> | <i>(482)Bps</i> | <i>18.2%</i> | <i>(60)Bps</i> | <i>18.2%</i> | <i>18.9%</i> | <i>(79)Bps</i> |
| EBITDA | 1,452.8 | 612.1 | 137.4% | 1,609.3 | -9.7% | 5,345.7 | 3,353.6 | 59.4% |
| EBITDA Margin (%) | 16.5% | 13.6% | 285 Bps | 18.0% | (149)Bps | 17.8% | 15.9% | 195 Bps |
| Depreciation | 178.3 | 163.3 | 9.1% | 172.0 | 3.7% | 675.3 | 626.3 | 7.8% |
| EBIT | 1,274.6 | 448.7 | 184.0% | 1,437.4 | -11.3% | 4,670.4 | 2,727.3 | 71.2% |
| Other Income | 59.8 | 49.1 | 21.9% | 52.1 | 14.8% | 227.6 | 107.0 | 112.7% |
| Interest Expense | 38.7 | 27.1 | 42.9% | 32.0 | 20.9% | 96.1 | 107.9 | -11.0% |
| Impairment Expense | - | - | | - | | - | - | |
| Exceptional Items, net | - | - | | - | | - | (118.1) | |
| Profit Before Tax | 1,295.7 | 470.7 | 175.3% | 1,457.5 | -11.1% | 4,801.9 | 2,608.3 | 84.1% |
| Income Tax | 331.0 | 131.9 | 151.0% | 547.2 | -39.5% | 1,549.2 | 687.6 | 125.3% |
| Effective Tax Rate (%) | 25.5% | 28.0% | | 37.5% | | 32.3% | 26.4% | |
| Non-Controlling Interest | 0.0 | 0.0 | | 0.0 | | 0.0 | 0.0 | |
| Profit After Tax (PAT) | 964.8 | 338.9 | 184.7% | 910.3 | 6.0% | 3,252.7 | 1,920.6 | 69.4% |
| PAT Margins (%) | 10.94% | 8.74% | 220 Bps | 10.17% | 78 Bps | 10.84% | 9.09% | 175 Bps |
| Diluted EPS | 4.3 | 1.5 | 183.7% | 4.1 | 5.9% | 14.6 | 8.6 | 69.4% |

Source: Company Data, SKP Research

Exhibit: Q1FY23 Segment Performance

| Particulars | Q1FY23 | Q1FY22 | YoY % | Q4FY22 | QoQ % | FY22 | FY21 | YoY% |
|--|------------------|------------------|-----------------|------------------|----------------|-------------------|-------------------|-----------------|
| Plywood and Allied Products Volumes and Realisation (Unit:CBM*) | | | | | | | | |
| Plywood | 83,017.0 | 40,114.0 | 107.0% | 82,320.0 | 0.8% | 2,81,040.0 | 2,07,665.0 | 35.3% |
| Deco Ply | 2,507.0 | 1,378.0 | 81.9% | 2,343.0 | 7.0% | 8,734.0 | 7,481.0 | 16.7% |
| Commercial Veneer | 2,491.0 | 1,262.0 | 97.4% | 2,735.0 | -8.9% | 8,289.0 | 7,482.0 | 10.8% |
| Total Segmental Volume | 88,015.0 | 42,754.0 | 105.9% | 87,398.0 | 0.7% | 2,98,063.0 | 2,22,628.0 | 33.9% |
| Segment Revenue (Incl Other operating Income) | 4,747.5 | 2,226.2 | 113.3% | 4,767.1 | -0.4% | 15,838.1 | 11,231.7 | 41.0% |
| <i>(as a % of Total Sales)</i> | 53.9% | 57.4% | (356)Bps | 53.2% | 61 Bps | 52.8% | 53.1% | (37)Bps |
| Realisation (Rs/CBM) | 53,939.57 | 52,069.42 | 3.6% | 54,544.37 | -1.1% | 53,136.82 | 50,450.64 | 5.3% |
| Plywood | 51,162.0 | 49,589.0 | 3.2% | 51,626.6 | -0.9% | 50,106.0 | 50,016.0 | 0.2% |
| Deco Ply | 1,68,847.0 | 1,48,041.0 | 14.1% | 1,76,355.0 | -4.3% | 1,63,087.0 | 1,63,087.0 | 0.0% |
| Commercial Veneer | 25,994.0 | 25,198.0 | 3.2% | 34,552.0 | -24.8% | 34,624.0 | 34,615.0 | 0.0% |
| Laminates Volume and Realizations (Unit: Nos.) | | | | | | | | |
| Laminates | 18,35,286.0 | 11,46,575.0 | 60.1% | 19,52,579.0 | -6.0% | 67,06,596.0 | 54,87,222.0 | 22.2% |
| Exteria Grade Laminates | 13,259.0 | 5,283.0 | 151.0% | 12,264.0 | 8.1% | 42,641.0 | 30,557.0 | 39.5% |
| Segment Revenue | 1,635.6 | 878.8 | 86.1% | 1,735.9 | -5.8% | 5,746.6 | 4,150.2 | 38.5% |
| <i>(as a % of Total Sales)</i> | 18.6% | 19.6% | (102)Bps | 19.4% | (83)Bps | 19.1% | 19.6% | (49)Bps |
| Realisation (Rs/Sheets) | 884.81 | 762.94 | 16.0% | 883.48 | 0.2% | 851.44 | 752.15 | 13.2% |
| Laminates | 839.0 | 734.0 | 14.3% | 828.0 | 1.3% | 808.0 | 712.0 | 13.5% |
| Exteria Grade Laminates | 5,943.0 | 5,963.0 | -0.3% | 5,903.0 | 0.7% | 5,917.0 | 5,701.0 | 3.8% |
| MDF Volumes and Realisations (Unit: CBM*) | | | | | | | | |
| Plain MDF | 35,387.0 | 25,631.0 | 38.1% | 38,426.0 | -7.9% | 1,40,846.0 | 1,21,617.0 | 15.8% |
| Prelam MDF | 9,922.0 | 6,205.0 | 59.9% | 9,711.0 | 2.2% | 37,090.0 | 25,634.0 | 44.7% |
| Segment Revenue | 1,556.0 | 910.4 | 70.9% | 1,627.5 | -4.4% | 5,608.9 | 3,594.0 | 56.1% |
| <i>(as a % of Total Sales)</i> | 17.7% | 20.3% | (263)Bps | 18.2% | (53)Bps | 18.7% | 17.0% | 169 Bps |
| Realization (Rs/CBM) | 34,343.00 | 28,596.40 | 20.1% | 33,810.56 | 1.6% | 31,521.87 | 24,407.60 | 29.1% |
| Plain MDF | 31,399.0 | 26,230.0 | 19.7% | 30,657.0 | 2.4% | 28,301.0 | 22,444.0 | 26.1% |
| Prelam MDF | 38,243.0 | 38,243.0 | 0.0% | 46,172.0 | -17.2% | 42,280.0 | 36,658.0 | 15.3% |
| Particle Board Volumes and Realisations (Unit: CBM*) | | | | | | | | |
| Plain Particle Board | 5,087.0 | 4,329.0 | 17.5% | 5,003.0 | 1.7% | 22,153.0 | 23,680.0 | -6.4% |
| Prelam Particle Board | 16,450.0 | 8,167.0 | 101.4% | 15,505.0 | 6.1% | 50,780.0 | 31,292.0 | 62.3% |
| Segment Revenue | 510.7 | 237.8 | 114.8% | 470.1 | 8.6% | 1,508.1 | 900.8 | 67.4% |
| <i>(as a % of Total Sales)</i> | 5.8% | 5.3% | 50 Bps | 5.3% | 54 Bps | 5.0% | 4.3% | 76 Bps |
| Realisation (Rs/CBM) | 23,712.82 | 19,029.45 | 24.6% | 22,922.32 | 3.4% | 20,677.50 | 16,386.25 | 26.2% |
| Plain Particle Board | 16,061.0 | 13,837.0 | 16.1% | 16,569.0 | -3.1% | 14,666.0 | 11,330.0 | 29.4% |
| Prelam Particle Board | 26,079.0 | 21,783.0 | 19.7% | 24,804.0 | 5.1% | 23,249.0 | 20,213.0 | 15.0% |
| CFS (Unit: TEUs) | | | | | | | | |
| CFS | 12,679.0 | 12,487.0 | 1.5% | 15,848.0 | -20.0% | 54,482.0 | 53,356.0 | 2.1% |
| Realisation (Rs/TEUs) | 16,925.0 | 14,527.0 | 16.5% | 13,506.0 | 25.3% | 14,229.0 | 15,418.0 | -7.7% |
| Segment Revenue | 209.3 | 184.3 | 13.6% | 217.5 | -3.7% | 791.2 | 830.0 | -4.7% |
| <i>(as a % of Total Sales)</i> | 2.4% | 4.1% | (173)Bps | 2.4% | (5)Bps | 2.6% | 3.9% | (129)Bps |

Source: Company Data, SKP Research, *CBM - Cubic Meter

Valuations

- ▶ Positive consumer sentiments, inspite of rising input and interest cost have augured well for organised players like CPIL. Although concerns of high interest rates may disrupt demand in the real estate sector going forward, we expect CPIL to emerge as a stronger player with stronger brand recall and deleveraged balance sheet. We have currently valued the stock on the basis of P/E of 30x and recommend to 'Buy' the stock with a target of Rs 685 in 18 months

Key Concerns

- ▶ **Any slowdown in real estate sector may dampen business sentiments:** CPIL's core plywood, laminates and MDF segments are highly dependent on real estate sector. Any slowdown in Tier – II and below cities may dampen business prospects of CPIL.
- ▶ **Volatile Dollar Rupee rate:** Any sharp Dollar-Rupee volatility could adversely impact profitability of the Company as it imports most of its raw material requirement without entering into forward cover or hedging its forex exposure.
- ▶ **Rising Inflation rate:** A sharp rebound in economic activity strengthened India's gross domestic product (GDP) growth from Q2FY21 onwards, but this has also resulted in the rise in inflation due to several factors, including rising food prices, elevated fuel costs and rising input costs for companies. This has triggered the risk of potential rise in interest rates to curb inflation. The Reserve Bank of India (RBI) hiked repo rate (by 40 bps) and CRR (by 50 bps) with immediate effect during Q1FY22 and more rate hike expected going forward.

Any such further move by the Central Bank to curb inflation may put pressure on consumer discretionary spending, impacting CPIL's profitability and valuations.

Standalone Financials

Exhibit: Income Statement

| Particulars | Rs mn | | | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | FY21 | FY22 | FY23E | FY24E |
| Total Income | 21134.8 | 30008.7 | 38011.1 | 44034.5 |
| Growth (%) | -7.4% | 42.0% | 26.7% | 15.8% |
| Expenditure | 17781.2 | 24663.1 | 31200.3 | 36218.9 |
| Material Cost | 8020.0 | 11153.9 | 14254.2 | 16557.0 |
| Pur of Traded Goods | 2574.0 | 4062.4 | 5435.6 | 6385.0 |
| Employee Cost | 3182.7 | 3998.3 | 4638.1 | 5333.8 |
| Power & Fuel & Othr Exp. | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Expenses | 4004.5 | 5448.5 | 6872.5 | 7943.2 |
| EBITDA | 3353.6 | 5345.6 | 6810.8 | 7815.5 |
| Depreciation | 626.3 | 675.3 | 744.0 | 1064.5 |
| EBIT | 2727.3 | 4670.3 | 6066.7 | 6751.0 |
| Other Income | 107.0 | 227.6 | 247.1 | 242.2 |
| Interest Expense | 107.9 | 96.1 | 123.5 | 137.5 |
| Exceptional Items | 118.1 | 0.0 | 0.0 | 0.0 |
| Profit Before Tax (PBT) | 2726.4 | 4801.9 | 6190.3 | 6855.8 |
| Income Tax | 687.6 | 1549.2 | 1609.5 | 1782.5 |
| Profit After Tax (PAT) | 1920.6 | 3252.7 | 4580.8 | 5073.3 |
| Growth (%) | 21.4% | 69.4% | 40.8% | 10.7% |
| Diluted EPS | 8.6 | 14.6 | 20.6 | 22.8 |

Exhibit: Balance Sheet

| Particulars | Rs mn | | | |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|
| | FY21 | FY22 | FY23E | FY24E |
| Share Capital | 222.5 | 222.5 | 222.5 | 222.5 |
| Reserve & Surplus | 12,426.3 | 15,426.2 | 19,562.7 | 24,191.6 |
| Shareholders Funds | 12,648.9 | 15,648.7 | 19,785.2 | 24,414.1 |
| Total Debt | 965.1 | 1,963.7 | 2,963.7 | 1,963.7 |
| Deferred Tax (Net) | 0.0 | 168.0 | 168.0 | 168.0 |
| Minority Interest | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Longterm Liabilities | 157.5 | 139.8 | 177.0 | 205.1 |
| Total Liabilities | 13,771.4 | 17,920.1 | 23,093.9 | 26,750.9 |
| Goodwill on Consolidation | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Block inc. Capital WIP | 7,029.2 | 8,607.4 | 14,216.3 | 16,251.8 |
| Investments | 2,274.2 | 1,547.2 | 1,547.2 | 1,547.2 |
| Non-Current Asset | 209.2 | 344.0 | 435.7 | 504.8 |
| Inventories | 3,301.6 | 4,895.3 | 5,321.5 | 6,605.2 |
| Sundry Debtors | 2,970.1 | 3,488.7 | 5,701.7 | 5,944.7 |
| Cash & Bank Balance | 754.7 | 2,492.7 | 264.0 | 798.2 |
| Other Current Assets | 701.7 | 737.9 | 934.6 | 1,082.7 |
| Loans & Advances | 208.1 | 33.0 | 41.8 | 48.4 |
| Current Liabilities & Prov | 4,098.5 | 4,226.0 | 5,369.0 | 6,032.1 |
| Net Current Assets | 3,837.7 | 7,421.5 | 6,894.6 | 8,447.0 |
| Deferred Tax Assets | 421.1 | 0.0 | 0.0 | 0.0 |
| Total Assets | 13,771.4 | 17,920.1 | 23,093.9 | 26,750.9 |

Exhibit: Cash Flow Statement

| Particulars | Rs mn | | | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | FY21 | FY22 | FY23E | FY24E |
| Profit Before Tax (PBT) | 2608.3 | 4801.9 | 6190.3 | 6855.8 |
| Depreciation | 626.3 | 675.3 | 744.0 | 1064.5 |
| Interest Provided | 107.9 | 96.1 | 123.5 | 137.5 |
| Chg. in Working Capital | 630.7 | -1714.1 | -1756.2 | -1059.3 |
| Direct Taxes Paid | -441.0 | -1091.9 | -1609.5 | -1782.5 |
| Other Charges | 56.9 | -78.1 | -123.5 | -137.5 |
| Operating Cash Flows | 3589.1 | 2689.1 | 3568.7 | 5078.5 |
| Capital Expenditure | -600.1 | -2301.9 | -6353.0 | -3100.0 |
| Investments | -1129.3 | 741.7 | 0.0 | 0.0 |
| Others | -509.0 | -1498.8 | 0.0 | 0.0 |
| Investing Cash Flows | -2238.5 | -3058.9 | -6353.0 | -3100.0 |
| Changes in Equity | 0.0 | 0.0 | 0.0 | 0.0 |
| Inc / (Dec) in Debt | -1271.8 | 703.5 | 1000.0 | -1000.0 |
| Dividend Paid (inc tax) | -0.1 | -222.5 | -444.3 | -444.3 |
| Others | -152.5 | -144.3 | 0.0 | 0.0 |
| Financing Cash Flows | -1424.4 | 336.6 | 555.7 | -1444.3 |
| Chg. in Cash & Cash Eqv | -73.8 | -33.2 | -2228.7 | 534.2 |
| Opening Cash Balance | 212.2 | 754.7 | 2492.7 | 264.0 |
| Diff between B/S and C.flow | 616.2 | 1771.3 | 0.0 | 0.0 |
| Closing Cash Balance | 754.7 | 2492.7 | 264.0 | 798.2 |

Exhibit: Ratio Analysis

| Particulars | FY21 | FY22 | FY23E | FY24E |
|-----------------------------|-------|-------|-------|-------|
| Earning Ratios (%) | | | | |
| EBIDTA Margin (%) | 15.9% | 17.8% | 17.9% | 17.7% |
| PAT Margins (%) | 9.1% | 10.8% | 12.1% | 11.5% |
| ROCE (%) | 20.0% | 26.5% | 26.7% | 25.6% |
| ROE (%) | 15.2% | 20.8% | 23.2% | 20.8% |
| Per Share Data (INR) | | | | |
| Diluted EPS | 8.6 | 14.6 | 20.6 | 22.8 |
| Cash EPS (CEPS) | 11.5 | 17.7 | 24.0 | 27.6 |
| BVPS | 56.9 | 70.4 | 89.1 | 109.9 |
| Valuation Ratios (x) | | | | |
| P/E | 66.2 | 39.1 | 27.7 | 25.0 |
| Price/BVPS | 10.0 | 8.1 | 6.4 | 5.2 |
| EV/Sales | 6.0 | 4.2 | 3.4 | 2.9 |
| EV/EBITDA | 38.0 | 23.7 | 19.1 | 16.4 |
| EV/EBIT | 46.7 | 27.1 | 21.4 | 19.0 |
| Balance Sheet Ratios | | | | |
| Debt - Equity | 0.1 | 0.1 | 0.1 | 0.1 |
| Current Ratio | 1.9 | 2.8 | 2.3 | 2.4 |
| Fixed Asset Turn. Ratios | 3.1 | 4.3 | 4.1 | 2.8 |

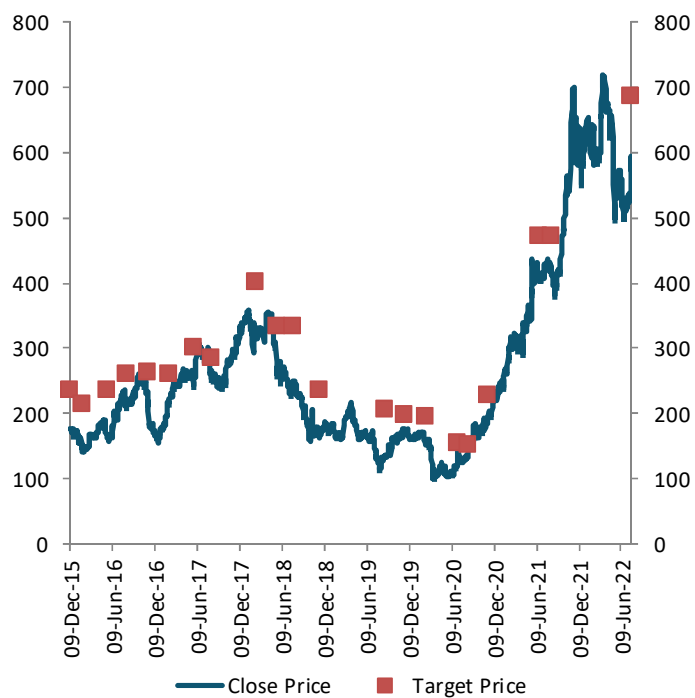
Source: Company Data, SKP Research

Exhibit: Recommendation - History Table

| Date | Rating | Reco. Price | Target Price | Upside Potential | Period (months) |
|-----------|------------|-------------|--------------|------------------|-----------------|
| 09-Dec-15 | BUY | 177 | 236 | 33% | 15 |
| 02-Feb-16 | BUY | 152 | 215 | 41% | 15 |
| 16-May-16 | BUY | 170 | 236 | 39% | 18 |
| 11-Aug-16 | BUY | 205 | 260 | 27% | 15 |
| 08-Nov-16 | BUY | 225 | 264 | 17% | 15 |
| 08-Feb-17 | BUY | 215 | 261 | 21% | 15 |
| 26-May-17 | BUY | 255 | 301 | 18% | 18 |
| 09-Aug-17 | BUY | 255 | 284 | 11% | 15 |
| 25-Nov-17 | NEUTRAL | 297 | NA | NA | NA |
| 15-Feb-18 | BUY | 328 | 401 | 22% | 18 |
| 28-May-18 | BUY | 270 | 335 | 24% | 18 |
| 27-Jul-18 | BUY | 251 | 335 | 34% | 18 |
| 19-Nov-18 | NEUTRAL | 167 | 235 | 41% | 15 |
| 30-Aug-19 | BUY | 134 | 207 | 54% | 15 |
| 20-Nov-19 | Accumulate | 171 | 198 | 16% | 15 |
| 12-Feb-20 | Accumulate | 166 | 196 | 18% | 18 |
| 07-Jul-20 | BUY | 127 | 155 | 22% | 18 |
| 18-Aug-20 | Accumulate | 134 | 153 | 14% | 15 |
| 17-Nov-20 | Accumulate | 200 | 228 | 14% | 12 |
| 17-Jun-21 | Accumulate | 411 | 473 | 15% | 18 |
| 16-Aug-21 | Accumulate | 412 | 472 | 15% | 18 |
| 25-Jul-22 | BUY | 572 | 685 | 20% | 18 |

Source: SKP Research

Exhibit: Recommendation - History Chart



Source: BSE, SKP Research

Notes:

The above analysis and data are based on last available prices and not official closing rates. SKP Research is also available on Bloomberg and Thomson First Call.

Disclaimer:

This document has been prepared by SKP Securities Ltd, hereinafter referred to as SKP to provide information about the company(ies)/sector(s), if any, covered in the report and may be distributed by it and/or its affiliates. SKP Securities Ltd., offers Broking, Depository Participant, Merchant Banking and Portfolio Management Services and is regulated by Securities and Exchange Board of India (SEBI). It also distributes investment products/services like mutual funds, alternative investment funds, bonds, IPOs, etc., renders corporate advisory services and invests its own funds in securities and investment products. We declare that no material disciplinary action has been taken against SKP by any regulatory authority impacting Equity Research Analysis. As a value addition to its clients, it offers its research services and reports in various formats to its clients and prospects. As such, SKP is making these disclosures under SEBI (Research Analysts) Regulations, 2014.

Terms & Conditions and Other Disclosures:

This research report ("Report") is for the personal information of the selected recipient(s), does not construe to be any investment, legal or taxation advice, is not for public distribution and should not be copied, reproduced or redistributed to any other person or in any form without SKP's prior permission. The information provided in the Report is from publicly available data, which we believe, are reliable. While reasonable endeavours have been made to present reliable data in the Report so far as it relates to current and historical information, but SKP does not guarantee the accuracy or completeness of the data in the Report. Accordingly, SKP or its promoters, directors, subsidiaries, associates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained and views and opinions expressed in this publication. Past performance mentioned in the Report should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment of its original date of publication by SKP and are subject to change without notice. The price, value of and income from any of the securities mentioned in this report can rise or fall. The Report includes analysis and views of individual research analysts (which, hereinafter, includes persons reporting to them) covering this Report. The Report is purely for information purposes. Opinions expressed in the Report are SKP's or its research analysts' current opinions as of the date of the Report and may be subject to change from time to time without notice. SKP or any person connected with it does not accept any liability arising from the use of this Report. Investors should not solely rely on the information contained in this Report and must make investment decisions based on their own investment objectives, judgment, risk profile and financial position. The recipients of this Report may take professional advice before acting on this information. SKP's Research reports/recommendations may differ on account of differences in research methodology and difference in time horizons for which recommendations are made. Accordingly our sales personnel, professionals or affiliates may provide oral or written market commentary or trading strategies or reports or analysis to our clients that may reflect opinions that are contrary to the opinions expressed herein, and we, or entities associated with us, may make investment decisions that can be inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. SKP, along with its affiliates, are engaged in various financial services and so might have financial, businesses or other interest in other entities, including the subject company or its affiliates mentioned in this report, for which it might have received any compensation in the past twelve months. SKP, along with its affiliates have not received any compensation for investment banking and merchant banking services, have not managed or co-managed public offering of securities and have not been engaged in market making activity of the subject company in the past twelve months preceding the date of distribution of the research report. SKP encourages independence in preparation of research reports and strives to minimize conflict in preparation of research reports. SKP and its analysts did not receive any compensation or other benefits from the subject company mentioned in the Report or from a third party in connection with preparation of the Report. Accordingly, SKP and its Research Analyst do not have any material conflict of interest at the time of publication of this Report. SKP's research analysts may provide input into its other business activities. Investors should assume that SKP and/or its affiliates are seeking or will seek business assignments from the company(ies) that are the subject of this material and that the research analysts who are involved in preparing this material may educate investors on investments in such businesses. The research analysts responsible for the preparation of this document may interact with trading desk/sales personnel and other parties for the purpose of gathering, applying and interpreting information. Our research analysts are paid on the profitability of SKP, which may include earnings from business activities for which this Report is being used, but not for the preparation of this report. SKP generally prohibits its analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any company(ies) that the analyst covers. Additionally, SKP generally, prohibits its analysts and persons reporting to analysts from serving as an officer, director or advisory board member of any companies that the analyst cover. The following Disclosure of Interest Statement, clarifies it further: SKP and/or its Directors/or its affiliates or its Research Analyst(s) engaged in preparation of this Report or his/her relative (i) do not have any financial interests in the subject company mentioned in this report (ii) do not own 1% or more of the equity securities of the subject company mentioned in the report as of the last day of the month preceding the publication of the research report (iii) do not have any other material conflict of interest at the time of publication of the research report. The distribution of this document in other jurisdictions may be strictly restricted and/ or prohibited by law, and persons into whose possession this document comes should inform themselves about such restriction and/ or prohibition, and observe any such restrictions and/ or prohibition. The Promoter & Managing Director of SKP Securities Ltd. is an Independent Director on the Board of Directors of 'Century Plyboards (India) Ltd'.

SKP Securities Limited is registered as a Research Analyst under SEBI (Research Analyst) Regulations, 2014 having registration no. INH300002902.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst about the subject securities or issues, which are subject to change without prior notice and does not represent to be an authority on the subject. No part of the compensation of the research analyst was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst in this report. The research analysts, strategists, or research associates principally responsible for preparation of SKP research receive compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues.

Disclosure of Interest Statement

| | |
|--|-----|
| Analyst ownership of the stock | NIL |
| Served as an officer, director or employee | NIL |

SKP Securities Ltd CIN : L74140WB1990PLC049032 having its registered office at Chatterjee International Centre, Level- 21, 33A Jawaharlal Nehru Road, Kolkata- 700071

| | RESEARCH | | DEALING | |
|--------------|-----------------------|------------------|-----------------------|------------------|
| | MUMBAI | KOLKATA | MUMBAI | KOLKATA |
| PHONE | +91 22 4922 6006 | +91 33 4007 7000 | +91 22 4922 6000 | +91 33 4007 7400 |
| FAX | +91 22 4922 6066 | +91 33 4007 7007 | +91 22 4922 6066 | +91 33 4007 7007 |
| EMAIL | ird@skpsecurities.com | | skp.sec@bloomberg.net | |

Institutional Equities | Broking | Distribution | Private Wealth | Investment Banking

NSE & BSE – INZ000199335 | NSDL& CDSL – IN-DP-155-2015 | Research Analyst- INH300002902,

Merchant Banker - INM000012670 | Portfolio Manager - INP000006509 | ARN-0006