

03 June 2025

India | Equity Research | Results Update

Century Plyboards

Wood Panel

MDF and laminates' OPMs remain subdued; plywood surprises positively

Century Plyboards (CPBI) reported Q4FY25 consol. revenue growth of 13% YoY. Plywood/laminates/MDF and allied revenues grew 9.6%/ 1.3%/37.2% YoY with volumes up 6.8%/0.5%/39.2% YoY (6-year CAGRs of 10.2%/2.7% / 16.3%), respectively. Consol. OPM contracted 275bps YoY to 11.2% (-13bps QoQ), resulting in EBITDA/APAT fall of 9.3%/35% YoY. Plywood margin expanded 30bps YoY while laminates' margin fell 800bps YoY and MDF margin contracted 310bps YoY (due to lower utilisation of AP plant). Management guides for revenue growth of 10%+/20%/20% YoY and OPM of 12–14%/high single-digit/15% in plywood/laminates/MDF for FY26. We cut our EBITDA estimates by ~6.3–4.1% for FY26–27E and retain **HOLD** with a rolled over revised Mar'26E TP of INR 743 – set at an unchanged 32x PER.

Revenue growth of 13% YoY led by MDF segment

CPBI reported consol. revenue growth of 13% YoY with plywood/laminate/MDF segments reporting growth of 9.6%/1.3%/37.2% YoY. Plywood/laminates/MDF and allied volumes grew 6.8%/0.5%/39.2% YoY (6-year CAGRs of 10.2%/2.7%/16.3%). Management stated that market conditions were tepid in Q4, but is hopeful of good times ahead led by healthy housing market. For FY26, CPBI guides for consol. revenue growth of >10% YoY in plywood, 20% in laminates and 20% in MDF. NWC, in FY25, increased by ~12 days YoY to 76 (due to +11 days YoY inventory days due to higher built-up RM inventory, which management expects shall normalise ahead). The company states that its net debt has peaked in FY25 and expects it to reduce materially by end-FY27.

Margin pressure remains in MDF and laminates segment

In Q4FY25, CPBI's consol. OPM shrank 275bps YoY (-13bps QoQ) to 11.2%. OPM in plywood improved 30bps YoY to 15.4% on a high base; for laminates, it was down 800bps YoY (-290bps QoQ) to 1.6% due to lower utilisation of its AP plant and higher sales overhead expenses. MDF margin shrank 310bps YoY (+300bps QoQ) to 13.2%, again due to lower utilisation of its AP plant. Management indicated that timber prices for plywood are stable; but for MDF, it has started softening (5–10% in Q1FY26). It has guided for OPM of 12–14%/high single-digit/15% in plywood/laminates/MDF for FY26. We believe, falling timber prices and operating leverage will likely enable better OPMs and model blended OPM of 13.4–14.9% for FY26–27E.

Financial Summary

Y/E March (INR mn)	FY24A	FY25A	FY26E	FY27E
Net Revenue	38,860	45,278	51,769	59,271
EBITDA	5,320	4,866	6,926	8,859
EBITDA %	13.7	10.7	13.4	14.9
Net Profit	3,226	1,994	3,501	5,166
EPS (INR)	14.5	9.0	15.7	23.2
EPS % Chg YoY	(14.5)	(38.2)	75.6	47.6
P/E (x)	53.9	87.2	49.7	33.6
EV/EBITDA (x)	33.9	38.7	26.8	20.5
RoCE (%)	12.4	7.2	10.5	13.9
RoE (%)	15.7	8.7	13.8	17.7

Arun Baid

arun.baid@icicisecurities.com

+91 22 6807 7235

Sohil Kaura

sohil.kaura@icicisecurities.com

Market Data

Market Cap (INR)	174bn
Market Cap (USD)	2,040mn
Bloomberg Code	CPBI IN
Reuters Code	CNTP.BO
52-week Range (INR)	939 /622
Free Float (%)	27.0
ADTV-3M (mn) (USD)	1.2

Price Performance (%)	3m	6m	12m
Absolute	8.7	5.6	20.7
Relative to Sensex	(2.5)	4.2	10.7

ESG Score	2023	2024	Change
ESG score	67.0	NA	NA
Environment	43.8	NA	NA
Social	70.3	NA	NA
Governance	78.6	NA	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY26E	FY27E
Revenue	(2.4)	(2.5)
EBITDA	(6.3)	(4.1)
EPS	(15.1)	(9.8)

Previous Reports

12-02-2024: [Q3FY25 results review](#)16-11-2024: [Q2FY25 results review](#)

Valuation and view

CPBI's Q4FY25 operational performance undershot our estimates. CPBI continues to face near-term margin headwinds in the MDF and laminate segments due to a gradual ramp-up in new capacities despite plywood business being stable. We cut our EBIDTA estimates by 6.3%/4.1% for FY26/FY27 and PAT estimates by 15.1%/9.8% for FY26/FY27. The cut in PAT estimates is higher due to increased depreciation and interest cost than earlier modelled. Maintain **HOLD** with a rolled over target price of INR 743 (earlier INR 766), set at unchanged 32x P/E Mar'27E.

Exhibit 1: Q4FY25 consolidated result review

INR mn	Q4FY25	Q4FY24	YoY(%)	Q3FY25	QoQ(%)	FY25	FY24	YoY(%)
Total revenues	11,983	10,607	13.0%	11,405	5.1%	45,278	38,860	16.5%
Raw Material	6,378	5,657	12.7%	6,070	5.1%	24,338	20,354	19.6%
% of sales	53.2%	53.3%	-11 bps	53.2%	0 bps	53.8%	52.4%	137 bps
Employee cost	1,816	1,405	29.3%	1,767	2.8%	6,913	5,398	28.1%
% of sales	15.2%	13.2%	191 bps	15.5%	-34 bps	15.3%	13.9%	138 bps
Other expense	2,444	2,061	18.5%	2,272	7.5%	9,162	7,789	17.6%
% of sales	20.4%	19.4%	96 bps	19.9%	47 bps	20.2%	20.0%	19 bps
Total expenditure	10,638	9,124	16.6%	10,110	5.2%	40,413	33,541	20.5%
% of sales	88.8%	86.0%	275 bps	88.6%	13 bps	89.3%	86.3%	294 bps
EBIDTA	1346	1483	-9.3%	1295	3.9%	4,866	5,319	-8.5%
% of sales	11.2%	14.0%	-275 bps	11.4%	-13 bps	10.7%	13.7%	-294 bps
Depreciation	360	254	41.7%	340	5.8%	1,372	947	44.8%
EBIT	986	1,230	-19.8%	955	3.2%	3,494	4,372	-20.1%
% of sales	8.2%	11.6%	-336 bps	8.4%	-15 bps	7.7%	11.2%	-353 bps
Interest cost	190	102	85.7%	179	5.9%	690	308	123.9%
Other income	20	78	-74.3%	23	-13.5%	103	439	-76.6%
PBT	817	1,206	-32.3%	799	2.2%	2,906	4,502	-35.5%
Taxes	220	307	-28.4%	211	4.2%	847	1,134	-25.3%
PAT before MI/Extraordinaries	597	899	-33.6%	588	1.4%	2,059	3,368	-38.9%
Less: Extraordinary items	(65)	(115)	nm	0	nm	(199)	(115)	nm
Less: Minority interest	(6.8)	11.3	nm	(3.8)	nm	(7.6)	10.6	-171.6%
Reported PAT	525	795	-34.0%	585	-10.2%	1,853	3,264	-43.2%
Adjusted PAT	572	881	-35.0%	585	-2.1%	1,994	3,350	-40.5%

Source: I-Sec research, Company data

Exhibit 2: Q4FY25 consolidated segmental result review

INR mn	Q4FY25	Q4FY24	YoY(%)	Q3FY25	QoQ(%)	FY25	FY24	YoY(%)
Revenue								
Plywood & Allied products	6,707	6,120	9.6%	6,181	8.5%	25,219	21,738	16.0%
Laminates	1,704	1,682	1.3%	1,669	2.1%	6,529	6,576	-0.7%
MDF	2,709	1,974	37.2%	2,736	-1.0%	10,224	7,485	36.6%
Particle Board	326	425	-23.2%	356	-8.5%	1,450	1,571	-7.7%
Container Freight Station	364	261	39.3%	310	17.3%	1,263	992	27.3%
Others	187	149	25.4%	176	6.7%	659	551	19.7%
Total	11,998	10,611	13.1%	11,428	5.0%	45,344	38,913	16.5%
Less: Inter Segment revenue	15	4	243.5%	23	-36.3%	66	54	22.5%
Net revenues	11,983	10,607	13.0%	11,405	5.1%	45,278	38,860	16.5%
EBIT								
Plywood & Allied products	884	774	14.2%	729	21.4%	3,383	2,592	30.5%
Laminates	-49	220	-122.2%	20	-342.8%	90	730	-87.7%
MDF	153	200	-23.3%	323	-52.5%	451	1,351	-66.6%
Particle Board	-3	62	-105.5%	6	-156.2%	77	281	-72.7%
Container Freight Station	33	38	-12.6%	49	-32.4%	167	61	172.7%
Others	-10	53	-118.1%	8	-215.1%	-8	101	-108.0%
Total	1,009	1,347	-25.1%	1,135	-11.1%	4,160	5,115	-18.7%
EBIT Margin (%)								
Plywood & Allied products	13.2%	12.7%	53 bps	11.8%	139 bps	13.4%	11.9%	149 bps
Laminates	-2.9%	13.1%	-1596 bps	1.2%	-407 bps	1.4%	11.1%	-972 bps
MDF	5.7%	10.1%	-446 bps	11.8%	-615 bps	4.4%	18.0%	-1363 bps
Particle Board	-1.0%	14.6%	-1560 bps	1.7%	-273 bps	5.3%	17.9%	-1259 bps
Container Freight Station	9.1%	14.5%	-540 bps	15.8%	-667 bps	13.2%	6.2%	706 bps

Source: I-Sec research, Company data

Exhibit 3: Q4FY25 standalone result review

INR mn	Q4FY25	Q4FY24	YoY(%)	Q3FY25	QoQ(%)	FY25	FY24	YoY(%)
Total revenues	10,490	10,256	2.3%	10,035	4.5%	40,679	37,586	8.2%
Raw Material	5,963	5,699	4.6%	5,708	4.5%	23,226	20,578	12.9%
% of sales	56.8%	55.6%	127 bps	56.9%	-3 bps	57.1%	54.7%	235 bps
Employee cost	1,552	1,287	20.6%	1,511	2.7%	5,986	5,143	16.4%
% of sales	14.8%	12.5%	225 bps	15.1%	-26 bps	14.7%	13.7%	103 bps
Other expense	1,698	1,793	-5.3%	1,779	-4.5%	6,739	6,699	0.6%
% of sales	16.2%	17.5%	-129 bps	17.7%	-154 bps	16.6%	17.8%	-126 bps
Total expenditure	9,213	8,779	4.9%	8,997	2.4%	35,951	32,419	10.9%
% of sales	87.8%	85.6%	224 bps	89.7%	-183 bps	88.4%	86.3%	212 bps
EBIDTA	1277	1478	-13.6%	1038	23.0%	4,729	5,166	-8.5%
% of sales	12.2%	14.4%	-224 bps	10.3%	183 bps	11.6%	13.7%	-212 bps
Depreciation	234	209	11.8%	220	6.1%	883	814	8.5%
EBIT	1,043	1,268	-17.8%	818	27.6%	3,846	4,353	-11.6%
% of sales	9.9%	12.4%	-242 bps	8.1%	180 bps	9.5%	11.6%	-213 bps
Interest cost	105	71	48.1%	79	32.9%	362	253	43.3%
Other income	106	121	-12.4%	134	-21.4%	488	410	19.1%
PBT	1,044	1,318	-20.8%	873	19.6%	3,971	4,509	-11.9%
Taxes	268	304	-11.9%	235	14.0%	1,060	1,118	-5.1%
PAT before extraordinary	776	1,015	-23.5%	638	21.6%	2,911	3,392	-14.2%
Less: extraordinary items	(65)	(244)	nm	0	nm	(65)	(244)	nm
Reported PAT	711	770	-7.7%	638	11.4%	2,846	3,147	-9.6%
Adjusted PAT	759	958	-20.7%	638	19.0%	2,893	3,331	-13.1%

Source: I-Sec research, Company data

Exhibit 4: Q4FY25 standalone segmental result review

INR mn	Q4FY25	Q4FY24	YoY(%)	Q3FY25	QoQ(%)	FY25	FY24	YoY(%)
Revenue								
Plywood & Allied products	6,650	6,057	9.8%	6,090	9.2%	24,911	21,469	16.0%
Laminates	1,563	1,672	-6.5%	1,494	4.7%	6,177	6,566	-5.9%
MDF	1,744	1,972	-11.6%	1,924	-9.4%	7,477	7,483	-0.1%
Particle Board	326	425	-23.2%	356	-8.5%	1,450	1,571	-7.7%
Others	209	136	54.5%	176	19.2%	681	537	26.9%
Total	10,493	10,261	2.3%	10,040	4.5%	40,695	37,625	8.2%
Less: Inter Segment revenue	3	4	-29.9%	5	-36.3%	16	40	-59.0%
Net revenues	10,490	10,256	2.3%	10,035	4.5%	40,679	37,586	8.2%
EBIT								
Plywood & Allied products	861	710	21.1%	688	25.1%	3,293	2,485	32.5%
Laminates	-2	190	-101.2%	67	-103.3%	311	700	-55.5%
MDF	213	249	-14.4%	240	-11.2%	836	1,409	-40.7%
Particle Board	-3	62	-105.5%	6	-156.2%	77	281	-72.7%
Others	-7	13	-154.4%	3	-354.1%	3	62	-94.5%
Total	1,061	1,225	-13.4%	1,004	5.7%	4,520	4,937	-8.4%
EBIT Margin (%)								
Plywood & Allied products	12.9%	11.7%	121 bps	11.3%	164 bps	13.2%	11.6%	164 bps
Laminates	-0.1%	11.4%	-1152 bps	4.5%	-461 bps	5.0%	10.7%	-562 bps
MDF	12.2%	12.6%	-40 bps	12.5%	-25 bps	11.2%	18.8%	-765 bps
Particle Board	-1.0%	14.6%	-1560 bps	1.7%	-273 bps	5.3%	17.9%	-1259 bps

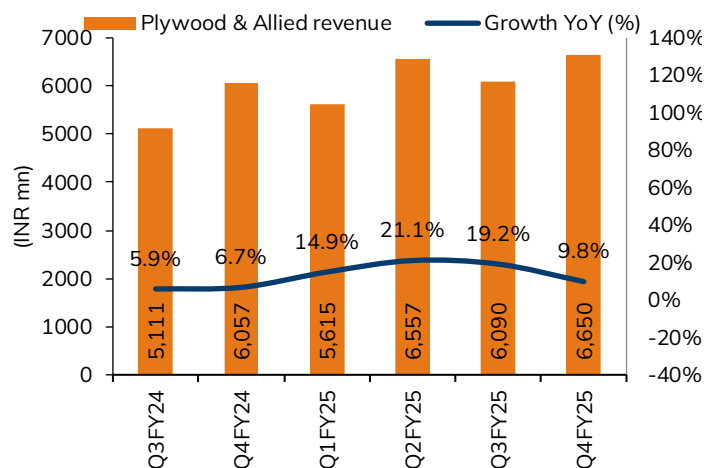
Source: I-Sec research, Company data

Takeaways from Q4FY25 earnings conference call

- Demand in building materials segment was largely muted in FY25.
- **Plywood:** Utilisation is around 90% for current capacities in FY25. Despite muted demand, volume growth in plywood was driven by significant market share gains. Industry has been unable to implement any significant price hikes. The company has taken a 2% price hike in Apr'25 for the Century brand. Timber prices remain stable and most of RM is being imported.
- **MDF segment:** Demand in the industry is expected to grow at >20% going forward. Over capacity remains in the industry due to the recent influx of capacities; but healthy growth in expected demand (~20% YoY) and BIS implementation should aid in healthy capacity utilisation in the industry. The company has started MDF exports to middle-east Asia from its new AP plant. Price hikes are expected towards end-FY26, as RM prices shall remain stable. Timber prices have seen a decline of 5–10% in Q1FY26–TD.
- **Laminates segment:** Laminates demand remains muted. Margins were impacted due to EBITDA loss at its AP plant and higher sales overhead expenses. Margins should improve going forward driven by operating leverage as demand improves. A lot of restructuring was done in terms of management and strategies for this segment, which is expected to yield results during FY26. AP plant to achieve break-even in Q2FY26.
- **Particle board:** Segment continues to be under pressure. New plant in TN to be operational Q1FY26 and will likely boost margins with potentially lower cost of production. Expect 50% utilisation from new plant in H2FY26. Break-even to be achieved at utilisation of 60%.
- **Guidance (FY26):** Management guides for revenue growth of 10%+/20%/20% YoY and operating margins of 12–14% / high single-digit/15% in plywood/laminates/MDF.

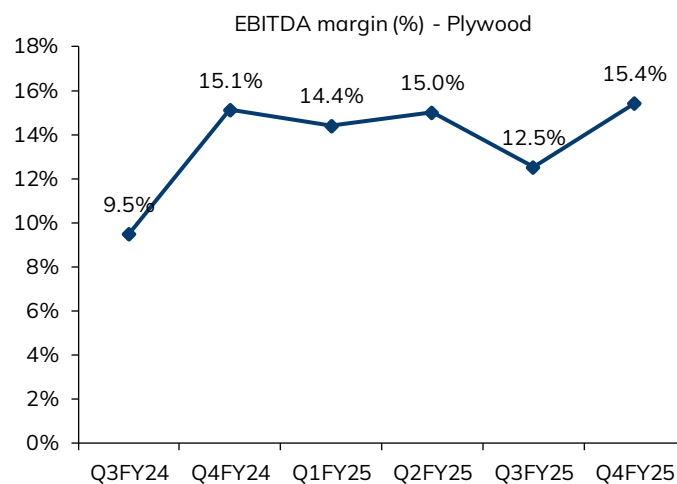
- **Capacity expansion:** Hoshiarpur plywood plant of capacity 48,000CBM p.a. is expected to operationalise in FY27. Management also plans to add ~48,000CBM plywood capacity in FY26 via de-bottlenecking and small brownfield expansions. The company shall go for MDF line rebalancing of the Badvel plant in Q3FY26 (which would require the plant to be shut down for 30-35 days).
- **Working capital:** Inventory days is higher by 11 days YoY due to higher build-up of RM inventory, as RM prices were escalating. But expect inventory to normalise from Q1FY26, as RM prices seem stable. Inventory days to come down by ~10 days by end-FY26.
- **Capex:** The company has planned a capex of INR 3.7bn for FY26 (which includes plywood capex of ~INR 1.2bn).
- **Debt** has peaked in FY25. Company would repay majority of its long-term debt by end-FY27.

Exhibit 5: Quarterly plywood revenue (standalone)



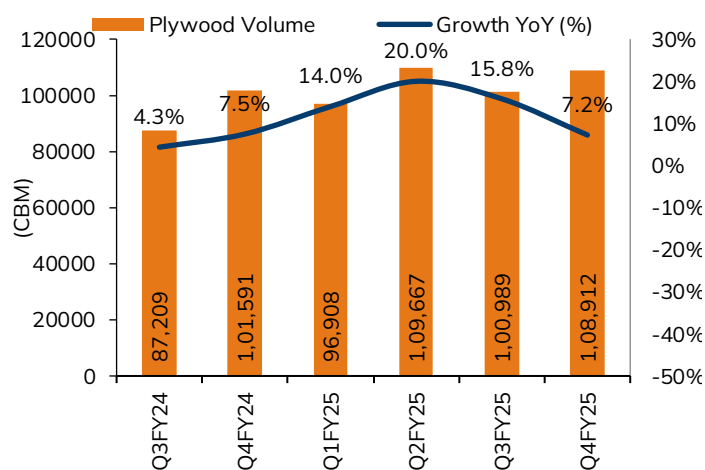
Source: I-Sec research, Company data

Exhibit 6: Quarterly plywood EBITDA margin



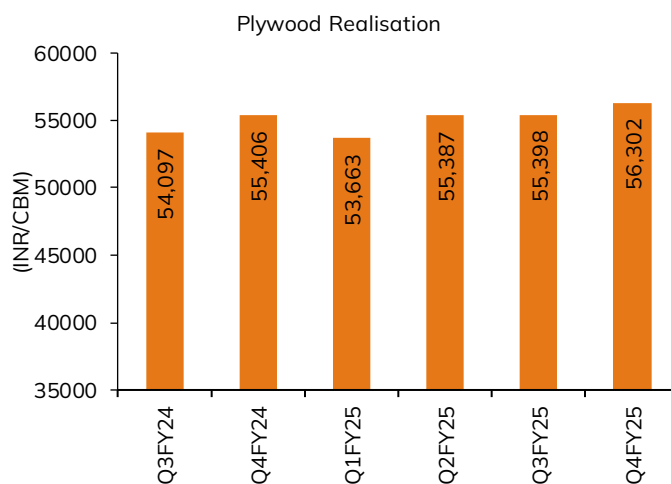
Source: I-Sec research, Company data

Exhibit 7: Quarterly plywood volume



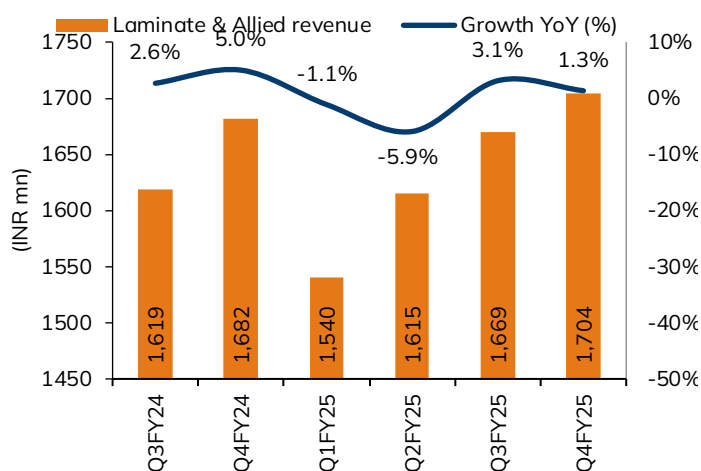
Source: I-Sec research, Company data

Exhibit 8: Quarterly plywood realisation



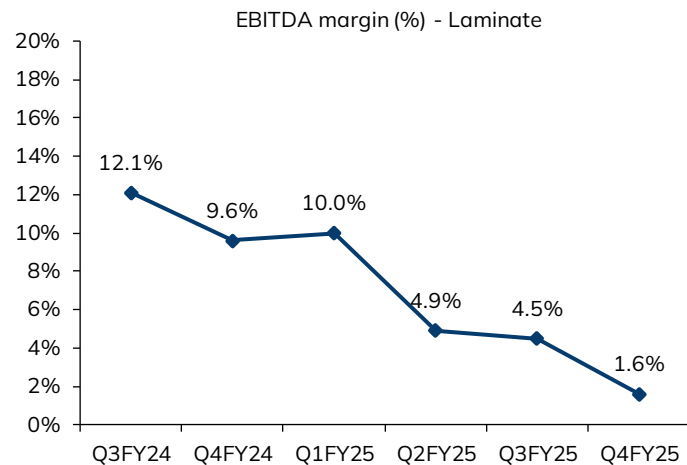
Source: I-Sec research, Company data

Exhibit 9: Quarterly laminate revenue (consolidated)



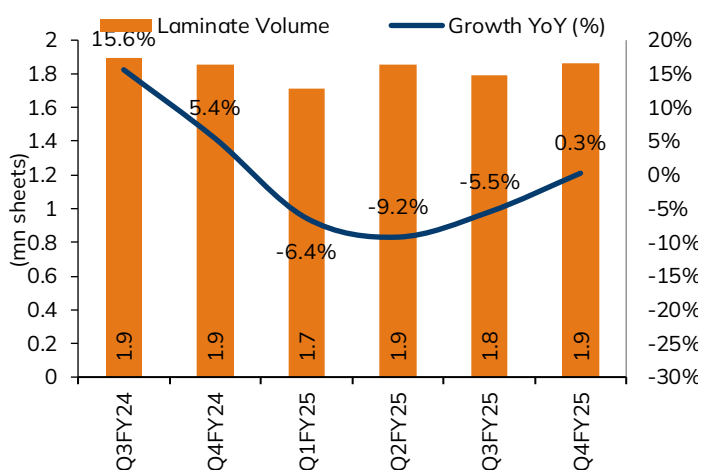
Source: I-Sec research, Company data

Exhibit 10: Quarterly laminate EBITDA margin



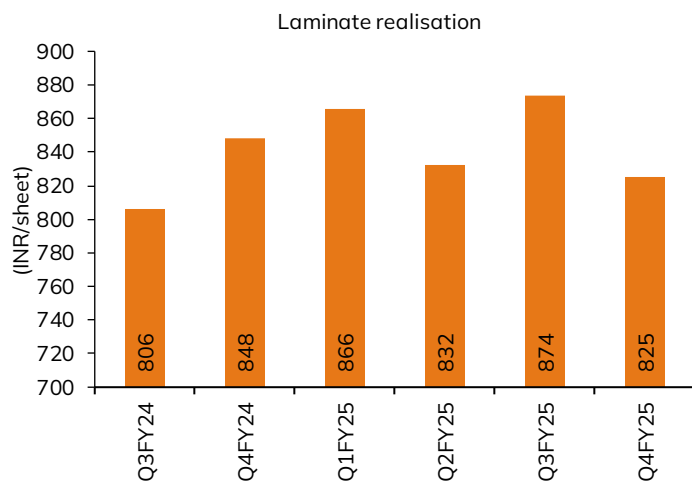
Source: I-Sec research, Company data

Exhibit 11: Quarterly laminate volume



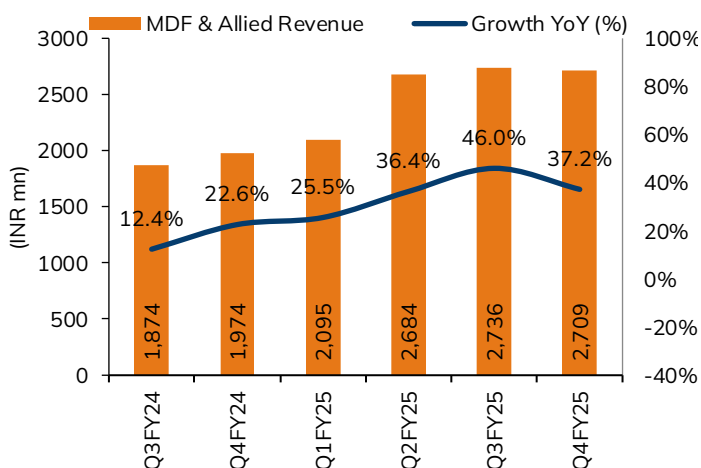
Source: I-Sec research, Company data

Exhibit 12: Quarterly laminate realisation



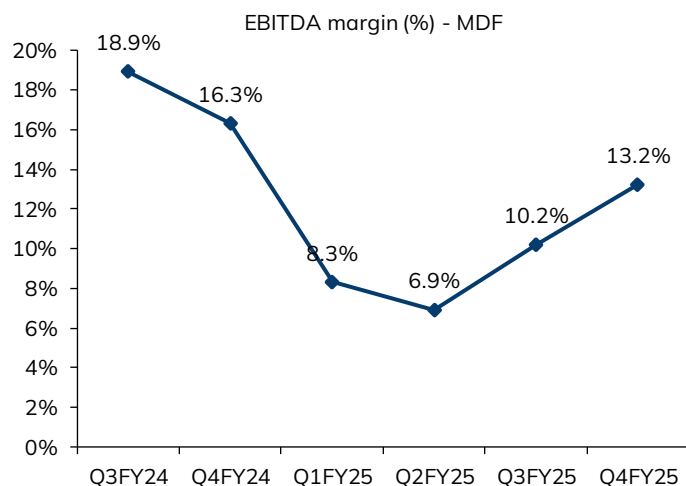
Source: I-Sec research, Company data

Exhibit 13: Quarterly MDF revenue (consolidated)



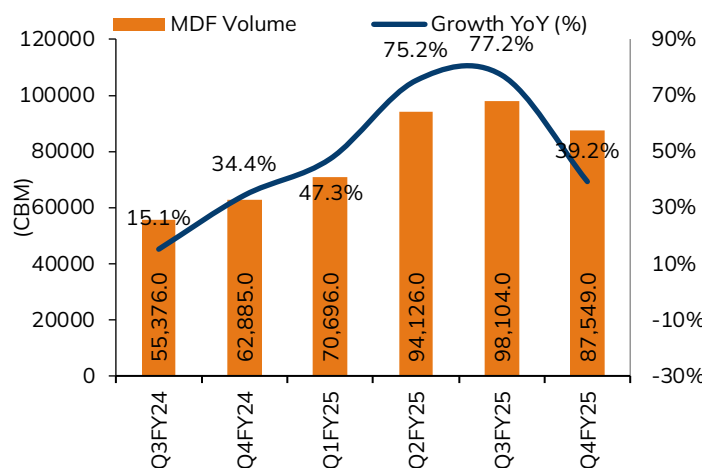
Source: I-Sec research, Company data

Exhibit 14: Quarterly MDF EBITDA margin



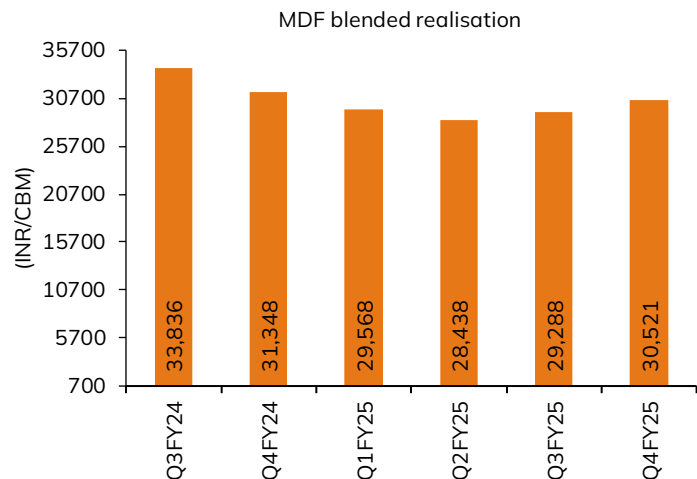
Source: I-Sec research, Company data

Exhibit 15: Quarterly MDF blended volume



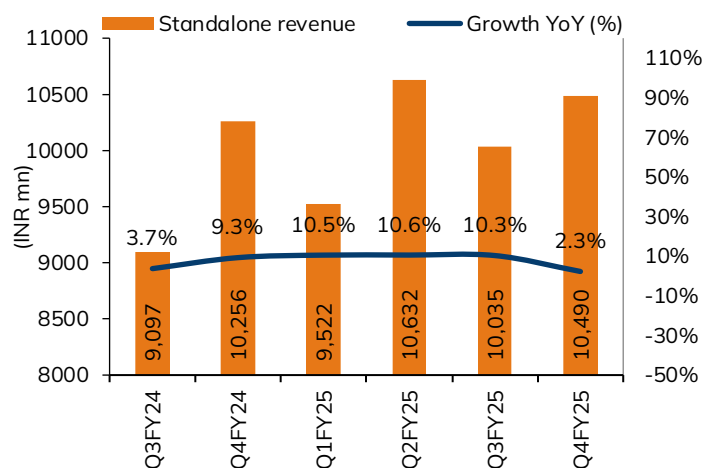
Source: I-Sec research, Company data

Exhibit 16: Quarterly MDF blended realisation



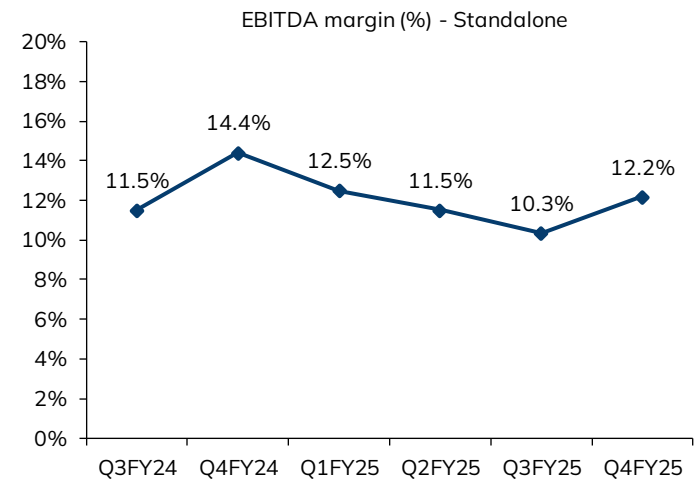
Source: I-Sec research, Company data

Exhibit 17: Quarterly standalone revenue



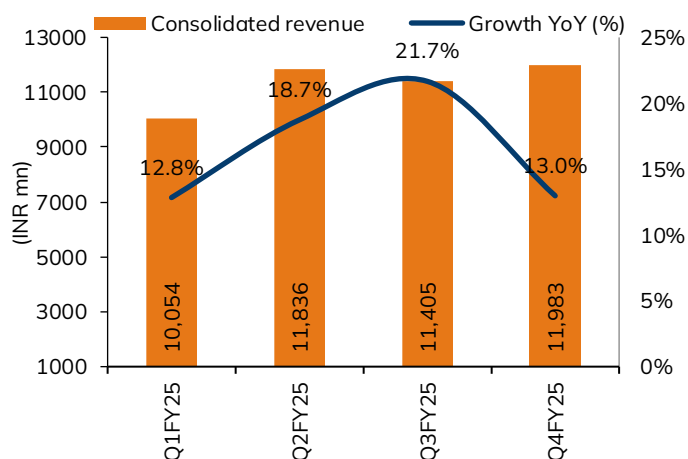
Source: I-Sec research, Company data

Exhibit 18: Quarterly standalone EBITDA margin



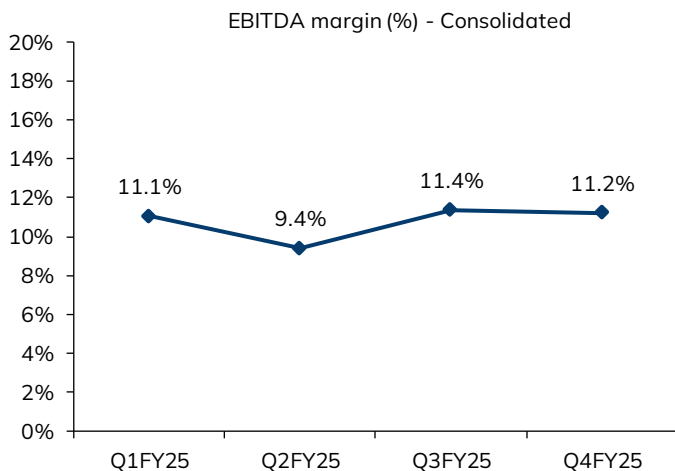
Source: I-Sec research, Company data

Exhibit 19: Quarterly consolidated revenue



Source: I-Sec research, Company data

Exhibit 20: Quarterly consolidated EBITDA margin



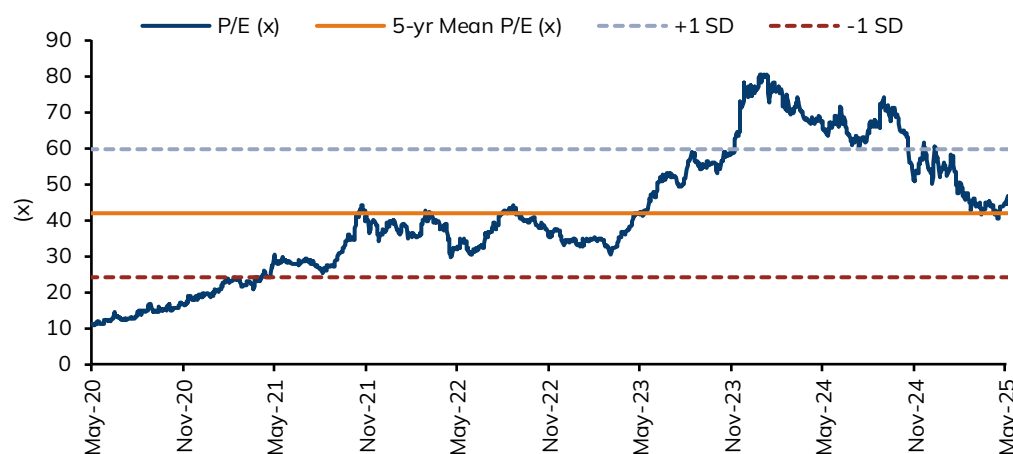
Source: I-Sec research, Company data

Valuation

CPBI is a play on the growing interior infrastructure market in India. With its comprehensive product portfolio, strong brand and wide distribution, the company is well placed to capitalise on a demand pick-up in the housing sector.

The company is likely to witness revenue/EBITDA CAGRs of 14.4%/34.9% over FY25–27E with healthy return ratios (FY27E RoE at 17.7%). We maintain **HOLD** on the stock with a rolled over Mar'26E target price of INR743 (earlier INR766), set at an unchanged 32x Mar'27E P/E.

Exhibit 21: 1-year forward P/E band



Source: I-Sec research, Company data

Key downside risks

- **Regulatory concerns on raw material sourcing:** Wood is a key raw material for plywood and MDF manufacturing. Any regulatory restriction on the sourcing of wood or face veneer will affect the company's profitability.
- **Sharp rise in raw material prices:** Higher raw material prices and inability to pass on these to consumers may hurt profitability.
- **Prolonged slowdown in housing market:** A continued slowdown in housing market would hit growth prospects.
- **MDF imports:** Due to unexpected slowdown in global economies, there is a risk of MDF being dumped in Indian markets, thus, hampering growth prospects of domestic manufacturers.
- **Investment in non-core businesses:** Any further fresh capital allocation in non-core businesses may result in derating of the stock.

Key upside risks

- **Significant improvement in housing market:** A better-than-expected demand scenario from housing market would result in higher-than-modelled growth for the company.
- **Sharp fall in raw material prices:** Lower-than-expected raw material prices may result in better-than-modelled profitability.
- **Faster-than-expected ramp-up in MDF segment:** If demand in MDF segment grows faster-than-anticipated, then profitability may be better-than-expected.

Exhibit 22: Shareholding pattern

%	Sep'24	Dec'24	Mar'25
Promoters	72.6	72.6	72.6
Institutional investors	21.4	22.0	22.2
MFs and others	15.9	16.4	15.6
FIs/Banks	0.3	0.5	1.7
Insurance	0.8	0.6	0.3
FIIIs	4.4	4.5	4.6
Others	6.0	5.4	5.2

Source: Bloomberg

Exhibit 23: Price chart



Source: Bloomberg

Financial Summary

Exhibit 24: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Net Sales	38,860	45,278	51,769	59,271
Operating Expenses	33,540	40,413	44,843	50,412
EBITDA	5,320	4,866	6,926	8,859
EBITDA Margin (%)	13.7	10.7	13.4	14.9
Depreciation & Amortization	947	1,372	1,717	1,807
EBIT	4,372	3,494	5,209	7,052
Interest expenditure	308	690	859	656
Other Non-operating Income	272	103	98	86
Recurring PBT	4,336	2,906	4,448	6,482
Less: Taxes	(1,134)	(847)	(934)	(1,296)
PAT	3,202	2,059	3,514	5,185
Profit / (Loss) from Associates	-	-	-	-
Less: Minority Interest	11	(8)	(13)	(19)
Extraordinaries (Net)	51	(199)	-	-
Net Income (Reported)	3,264	1,853	3,501	5,166
Net Income (Adjusted)	3,226	1,994	3,501	5,166

Source Company data, I-Sec research

Exhibit 25: Balance sheet

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Assets				
Inventories	6,456	9,866	8,969	9,806
Cash & cash eqv.	671	491	429	1,415
Sundry Debtors	4,168	5,000	4,964	5,359
Other Current Assets	2,320	2,574	2,978	3,410
Trade payables	2,861	3,572	3,688	4,181
Other Current Liabilities	2,486	2,275	2,671	3,032
Net Current Assets	8,268	12,085	10,982	12,777
Investments	89	89	89	89
Net Fixed Assets	20,469	27,642	29,827	29,520
Other Non Current Assets	1,348	19	19	19
Total Assets	30,174	39,835	40,917	42,405
Liabilities				
Borrowings	7,184	14,737	12,537	9,337
Other Non Current Liabilities	925	1,305	1,305	1,305
Total Liabilities	8,108	16,042	13,842	10,642
Equity Share Capital	223	223	223	223
Reserves & Surplus	21,894	23,429	26,697	31,366
Total Net Worth	22,117	23,651	26,920	31,589
Minority Interest	(51)	142	155	174
Total Liabilities & Net Worth	30,174	39,835	40,917	42,405

Source Company data, I-Sec research

Exhibit 26: Quarterly trend

(INR mn, year ending March)

	Jun-24	Sep-24	Dec-24	Mar-25
Net Sales	10,054	11,836	11,405	11,983
% growth (YOY)	12.8	18.7	21.7	13.0
EBITDA	1,112	1,113	1,295	1,346
Margin %	11.1	9.4	11.4	11.2
Other Income	84	-25	23	20
Extraordinaries	-133	0	0	-65
Adjusted Net Profit	433	400	585	572

Source Company data, I-Sec research

Exhibit 27: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Operating Cashflow	3,428	(606)	6,259	6,165
Working Capital Changes	(780)	(3,996)	1,040	(809)
Capital Commitments	(9,323)	(8,547)	(3,902)	(1,500)
Free Cashflow	(5,895)	(9,153)	2,357	4,665
Other investing cashflow	(27)	0	-	-
Cashflow from Investing Activities	(9,350)	(8,547)	(3,902)	(1,500)
Issue of Share Capital	-	-	-	-
Inc (Dec) in Borrowings	4,049	7,554	(2,200)	(3,200)
Dividend paid	(225)	(207)	(245)	(517)
Others	(13)	1,627	26	38
Cash flow from Financing Activities	3,812	8,973	(2,419)	(3,678)
Chg. in Cash & Bank balance	(2,111)	(180)	(62)	986
Closing cash & balance	671	491	429	1,415

Source Company data, I-Sec research

Exhibit 28: Key ratios

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	14.7	8.3	15.7	23.2
Adjusted EPS (Diluted)	14.5	9.0	15.7	23.2
Cash EPS	18.8	15.1	23.4	31.3
Dividend per share (DPS)	1.0	1.0	1.1	2.3
Book Value per share (BV)	99.4	106.3	121.0	142.0
Dividend Payout (%)	6.9	11.2	7.0	10.0
Growth (%)				
Net Sales	6.6	16.5	14.3	14.5
EBITDA	(9.0)	(8.5)	42.3	27.9
EPS (INR)	(14.5)	(38.2)	75.6	47.6
Valuation Ratios (x)				
P/E	53.9	87.2	49.7	33.6
P/CEPS	41.8	51.8	33.4	25.0
P/BV	7.9	7.4	6.5	5.5
EV / EBITDA	33.9	38.7	26.8	20.5
EV / Sales	4.6	4.2	3.6	3.1
Dividend Yield (%)	0.1	0.1	0.1	0.3
Operating Ratios				
Gross Profit Margins (%)	47.6	46.2	48.0	48.5
EBITDA Margins (%)	13.7	10.7	13.4	14.9
Effective Tax Rate (%)	26.2	29.1	21.0	20.0
Net Profit Margins (%)	8.3	4.4	6.8	8.7
NWC / Total Assets (%)	21.4	25.4	22.3	22.9
Net Debt / Equity (x)	0.3	0.6	0.4	0.3
Net Debt / EBITDA (x)	1.2	2.9	1.7	0.9
Profitability Ratios				
RoCE (%)	12.4	7.2	10.5	13.9
RoE (%)	15.7	8.7	13.8	17.7
Cash Conversion Cycle (on net sales)				
Inventory Turnover Days	61	80	63	60
Receivables Days	39	40	35	33
Payables Days	27	29	26	26

Source Company data, I-Sec research

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com and Kadambari_balachandran@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return

ANALYST CERTIFICATION

I/We, Arun Baid, MBA; Sohil Kaura, M.Com (Finance); authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities AIF Trust's SEBI Registration number is INAIF3/23-24/1292 ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. The views and opinions expressed in this document may or may not match or be contrary with the views, estimates, rating, and target price of the Retail Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk free return to the investors.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, **E-mail Address :** complianceofficer@icicisecurities.com

For any queries or grievances: [Mr. Bhavesh Soni](#) Email address: headservicequality@icicidirect.com Contact Number: 18601231122
