

**BUY**

TP: Rs 220 | ▲ 30%

**CENTURY PLYBOARDS**

Construction Materials

04 February 2020

## In-line quarter

**Century Plyboards' (CPBI) standalone Q3FY20 revenue growth was in line with estimates at 2.9% YoY, aided by 9.5% growth in the MDF segment. Standalone operating margins expanded 270bps YoY to 15.8%, resulting in a 24%/20% YoY increase in EBITDA/PBT. Management expects revenue growth of ~5% and blended operating margins of 16% in FY20. We broadly maintain our PAT estimates and roll forward to a Mar'21 TP of Rs 220 (earlier Rs 205). Retain BUY.**

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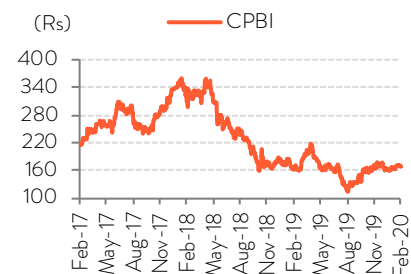
**Revenues in line:** CPBI's standalone revenue grew 2.9% YoY to Rs 5.9bn, led by MDF (+9.5% YoY) whereas the laminate/plywood segments grew at just 1%/2.7% YoY. The core plywood segment increased 9% YoY but deco plywood declined 8% and commercial veneer sales plunged 45% due to sluggish demand. For FY20, management has guided for flattish growth in plywood (vs. 2% earlier), ~13% growth in laminates and ~24% in MDF.

Ticker/Price	CPBI IN/Rs 169
Market cap	US\$ 528.9mn
Shares o/s	223mn
3M ADV	US\$ 0.7mn
52wk high/low	Rs 222/Rs 112
Promoter/FPI/DII	73%/7%/20%

Source: NSE

**Healthy margins led by MDF:** CPBI's gross margins increased 225bps YoY whereas other expenditure dipped 67bps, aiding EBITDA/PBT growth of 24%/20% YoY. Laminate EBITDA margins expanded 490bps YoY (-50bps QoQ) to 13.9% on lower raw material cost. MDF saw a 920bps YoY surge to 25.1% (+280bps QoQ) due to higher capacity utilisation and a better product mix. The company has provided for a Rs 456.3mn impairment charge for the Laos subsidiary this quarter. Management has guided for FY20 plywood margins at ~13% (earlier ~14%), laminate margins at 13% (12%) and MDF at ~24% (20%).

## STOCK PERFORMANCE



Source: NSE

**Maintain BUY:** CPBI's results are in line with estimates. We broadly maintain our PAT estimates and roll forward to a Mar'21 TP of Rs 220 (Rs 205 earlier). We continue to like the company for its comprehensive product portfolio, strong brand and wide distribution.

## KEY FINANCIALS

Y/E 31 Mar	FY18A	FY19A	FY20E	FY21E	FY22E
Total revenue (Rs mn)	20,239	22,804	23,861	26,140	28,658
EBITDA (Rs mn)	3,334	3,124	3,544	4,048	4,492
Adj. net profit (Rs mn)	1,598	1,542	1,804	2,184	2,443
Adj. EPS (Rs)	7.2	6.9	8.1	9.8	11.0
Adj. EPS growth (%)	(5.4)	(3.5)	17.0	21.0	11.9
Adj. ROAE (%)	20.4	16.9	17.1	17.8	17.2
Adj. P/E (x)	23.6	24.4	20.9	17.2	15.4
EV/EBITDA (x)	12.7	13.8	12.1	10.4	9.0

Source: Company, BOBCAPS Research

**BOB Capital Markets Ltd is a wholly owned subsidiary of Bank of Baroda**

Important disclosures, including any required research certifications, are provided at the end of this report.



**FIG 1 – STANDALONE QUARTERLY PERFORMANCE**

(Rs mn)	Q3FY20	Q3FY19	YoY (%)	Q2FY20	QoQ (%)	9MFY20	9MFY19	YoY (%)
<b>Total revenues</b>	<b>5,954</b>	<b>5,789</b>	<b>2.9</b>	<b>5,894</b>	<b>1.0</b>	<b>17,585</b>	<b>16,806</b>	<b>4.6</b>
Total raw material consumed	3,041	3,088	(1.5)	2,958	2.8	8,920	8,787	1.5
% of sales	51.1	53.3	(226bps)	50.2	89bps	50.7	52.3	(156bps)
Employee expense	846	810	4.4	884	(4.3)	2,575	2,440	5.5
% of sales	14.2	14.0	22bps	15.0	(79bps)	14.6	14.5	12bps
Other expense	1,124	1,132	(0.7)	1,124	0.0	3,293	3,212	2.5
% of sales	18.9	19.6	(67bps)	19.1	(19bps)	18.7	19.1	(38bps)
Total expenditure	5,012	5,030	(0.4)	4,966	0.9	14,788	14,439	2.4
% of sales	84.2	86.9	(272bps)	84.3	(9bps)	84.1	85.9	(182bps)
<b>EBITDA</b>	<b>942.7</b>	<b>759.4</b>	<b>24.1</b>	<b>927.6</b>	<b>1.6</b>	<b>2,796.6</b>	<b>2,367.0</b>	<b>18.1</b>
% of sales	15.8	13.1	272bps	15.7	9bps	15.9	14.1	182bps
Depreciation	173.2	136.0	27.4	170.2	1.8	512.8	356.8	43.7
Other income	12.8	15.7	(18.5)	85.5	(85.0)	109.7	31.5	248.5
Interest cost	92.2	62.5	47.5	108.1	(14.7)	289.8	352.0	(17.7)
<b>PBT</b>	<b>690.1</b>	<b>576.6</b>	<b>19.7</b>	<b>734.9</b>	<b>(6.1)</b>	<b>2,103.7</b>	<b>1,689.7</b>	<b>24.5</b>
Taxes	42.9	162.5	(73.6)	213.4	(79.9)	453.6	443.7	2.2
Effective tax rate (%)	6.2	28.2	(2,196bps)	29.0	(2,282bps)	21.6	26.3	(469bps)
PAT before extraordinary	647.2	414.1	56.3	521.5	24.1	1,650.1	1,246.0	32.4
Less: extraordinary items	(456.3)	0	NA	0	NA	(456.3)	0	NA
<b>APAT</b>	<b>563.5</b>	<b>414.1</b>	<b>36</b>	<b>521.5</b>	<b>8</b>	<b>1,524.4</b>	<b>1,246.0</b>	<b>22</b>

Source: Company, BOBCAPS Research

**FIG 2 – STANDALONE SEGMENTAL PERFORMANCE**

(Rs mn)	Q3FY20	Q3FY19	YoY (%)	Q2FY20	QoQ (%)	9MFY20	9MFY19	YoY (%)
<b>Revenue</b>								
Plywood & Allied products	3,229	3,143	2.7	3,165	2.0	9,551	9,546	0.1
Laminates	1,149	1,138	1.0	1,352	(15.0)	3,573	3,159	13.1
MDF	966	882	9.5	777	24.4	2,662	2,194	21.3
Particle Board	250	265	(5.7)	262	(4.7)	760	734	3.7
Container Freight Station	220	250	(11.8)	220	(0.1)	665	818	(18.7)
Others	149	121	22.9	124	19.8	398	380	4.6
Total	5,963	5,799	2.8	5,900	1.1	17,609	16,830	4.6
Less: Inter Segment revenue	9	10	(12.0)	7	32.3	24	24	(0.7)
<b>Net revenues</b>	<b>5,954</b>	<b>5,789</b>	<b>2.9</b>	<b>5,894</b>	<b>1.0</b>	<b>17,585</b>	<b>16,806</b>	<b>4.6</b>
<b>EBIT</b>								
Plywood & Allied products	(56)	385	(114.5)	450	(112.4)	864	1,463	(40.9)
Laminates	141	89	59.1	178	(20.9)	415	242	71.8
MDF	196	95	105.9	133	47.4	498	137	263.2
Particle Board	56	45	25.8	66	(15.7)	178	127	40.6
Container Freight Station	38	54	(28.5)	32	20.6	109	228	(51.9)
Others	15	8	79.2	13	19.3	36	16	122.3
<b>Total</b>	<b>390</b>	<b>675</b>	<b>(42.2)</b>	<b>872</b>	<b>(55.2)</b>	<b>2,100</b>	<b>2,212</b>	<b>(5.1)</b>
<b>EBIT Margin (%)</b>								
Plywood & Allied products	(1.7)	12.3	(1,398bps)	14.2	(1,595bps)	9.0	15.3	(628bps)
Laminates	12.3	7.8	447bps	13.2	(92bps)	11.6	7.6	397bps
MDF	20.3	10.8	949bps	17.1	317bps	18.7	6.2	1245bps
Particle Board	22.4	16.8	563bps	25.4	(294bps)	23.4	17.3	615bps
Container Freight Station	17.5	21.5	(406bps)	14.5	300bps	16.5	27.8	(1,137bps)

Source: Company, BOBCAPS Research

**FIG 3 – CONSOLIDATED QUARTERLY PERFORMANCE**

(Rs mn)	Q3FY20	Q3FY19	YoY (%)	Q2FY20	QoQ (%)	9MFY20	9MFY19	YoY (%)
<b>Total revenues</b>	<b>6,050</b>	<b>5,792</b>	<b>4.5</b>	<b>5,995</b>	<b>0.9</b>	<b>17,868</b>	<b>16,879</b>	<b>5.9</b>
Total raw material consumed	3,136	3,020	3.8	2,958	6.0	9,061	8,663	4.6
% of sales	51.8	52.1	(32bps)	49.3	250bps	50.7	51.3	(61bps)
Employee expense	885	846	4.5	919	(3.8)	2,684	2,572	4.3
% of sales	14.6	14.6	1bps	15.3	(72bps)	15.0	15.2	(22bps)
Other expense	1,189	1,219	(2.5)	1,197	(0.7)	3,491	3,426	1.9
% of sales	19.6	21.1	(141bps)	20.0	(33bps)	19.5	20.3	(76bps)
Total expenditure	5,209	5,086	2.4	5,074	2.7	15,235	14,661	3.9
% of sales	86.1	87.8	(172bps)	84.6	145bps	85.3	86.9	(159bps)
<b>EBITDA</b>	<b>841.3</b>	<b>705.9</b>	<b>19.2</b>	<b>920.3</b>	<b>(8.6)</b>	<b>2,632.5</b>	<b>2,218.1</b>	<b>18.7</b>
% of sales	13.9	12.2	172bps	15.4	(145bps)	14.7	13.1	159bps
Depreciation	200.0	186.2	7.4	193.1	3.6	585.8	503.0	16.5
Other income	13.1	12.2	7.6	88.3	(85.1)	114.7	31.7	261.9
Interest cost	95.6	69.9	36.9	112.5	(15.0)	301.5	367.4	(17.9)
<b>PBT</b>	<b>558.8</b>	<b>462.1</b>	<b>20.9</b>	<b>703.0</b>	<b>(20.5)</b>	<b>1,860.0</b>	<b>1,379.4</b>	<b>34.8</b>
Taxes	44.2	160.7	(72.5)	215.8	(79.5)	459.0	444.9	3.2
Effective tax rate (%)	7.9	34.8	(2,689bps)	30.7	(2,279bps)	24.7	32.3	(758bps)
<b>PAT</b>	<b>514.6</b>	<b>301.3</b>	<b>70.8</b>	<b>487.3</b>	<b>5.6</b>	<b>1,401.0</b>	<b>934.5</b>	<b>49.9</b>
Less: Extraordinary items	(510.8)	0.0	NA	-	NA	(510.8)	0.0	NA
Less: Minority interest	(246.2)	(6.3)	3,790.1	2.9	(8,606.0)	(245.6)	(5.0)	4,811.5
PAT after minority interest	249.9	307.6	(18.8)	484.4	(48.4)	1,135.7	939.5	20.9

Source: Company, BOBCAPS Research

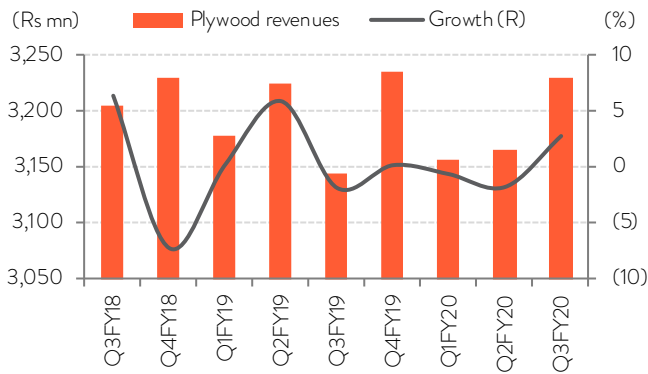
**FIG 4 – CONSOLIDATED SEGMENTAL PERFORMANCE**

(Rs mn)	Q3FY20	Q3FY19	YoY (%)	Q2FY20	QoQ (%)	9MFY20	9MFY19	YoY (%)
<b>Revenue</b>								
Plywood & Allied products	3,325	3,146	5.7	3,266	1.8	9,834	9,615	2.3
Laminates	1,149	1,138	1.0	1,352	(15.0)	3,573	3,159	13.1
MDF	966	882	9.5	777	24.4	2,662	2,194	21.3
Particle Board	250	265	(5.7)	262	(4.7)	760	734	3.7
Container Freight Station	220	250	(11.8)	220	(0.1)	665	818	(18.7)
Others	149	121	22.9	124	19.8	398	385	3.4
Total	6,059	5,801	4.4	6,001	1.0	17,892	16,904	5.8
Less: Inter Segment revenue	9	10	(12.0)	7	32.3	24	24	(0.7)
<b>Net revenues</b>	<b>6,050</b>	<b>5,792</b>	<b>4.5</b>	<b>5,995</b>	<b>0.9</b>	<b>17,868</b>	<b>16,879</b>	<b>5.9</b>
<b>EBIT</b>								
Plywood & Allied products	(235)	276	(185.1)	423	(155.6)	582	1,163	(50.0)
Laminates	141	89	59.1	178	(20.9)	415	242	71.8
MDF	196	95	105.9	133	47.4	498	137	263.2
Particle Board	56	45	25.8	66	(15.7)	178	127	40.6
Container Freight Station	38	54	(28.5)	32	20.6	109	228	(51.9)
Others	13	7	84.0	12	6.5	34	21	59.2
<b>Total</b>	<b>209</b>	<b>565</b>	<b>(63.0)</b>	<b>844</b>	<b>(75.2)</b>	<b>1,816</b>	<b>1,918</b>	<b>(5.3)</b>
<b>EBIT Margin (%)</b>								
Plywood & Allied products	(7.1)	8.8	(1,586bps)	12.9	(2,001bps)	5.9	12.1	(618bps)
Laminates	12.3	7.8	447bps	13.2	(92bps)	11.6	7.6	397bps
MDF	20.3	10.8	949bps	17.1	317bps	18.7	6.2	1,245bps
Particle Board	22.4	16.8	563bps	25.4	(294bps)	23.4	17.3	615bps
Container Freight Station	17.5	21.5	(406bps)	14.5	300bps	16.5	27.8	(1,137bps)

Source: Company, BOBCAPS Research

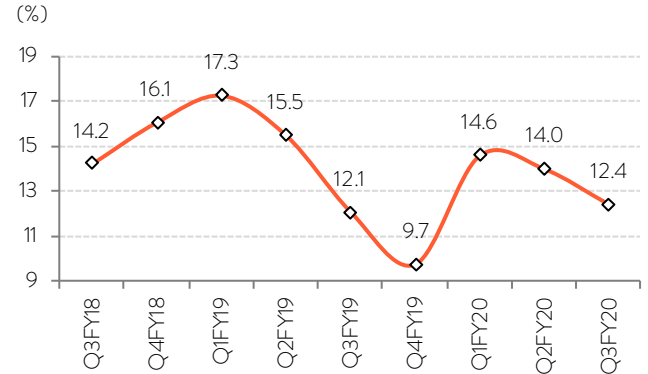
**STANDALONE QUARTERLY TRENDS**

**FIG 5 – PLYWOOD REVENUES**



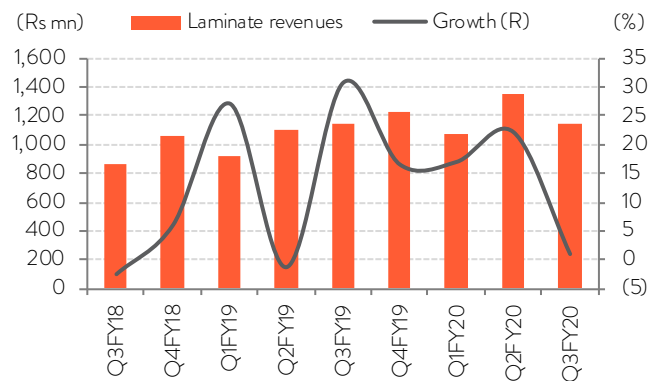
Source: Company, BOBCAPS Research

**FIG 6 – PLYWOOD EBITDA MARGINS**



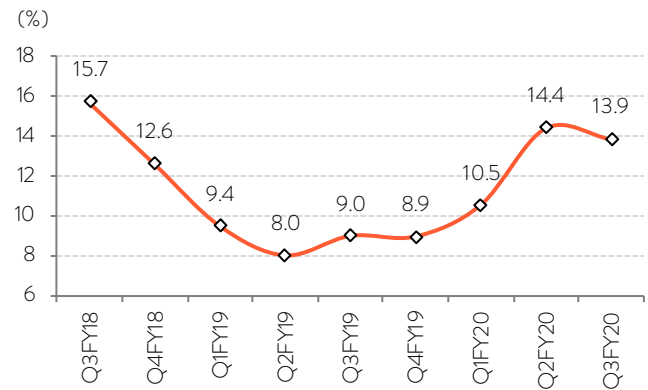
Source: Company, BOBCAPS Research

**FIG 7 – LAMINATE REVENUES**



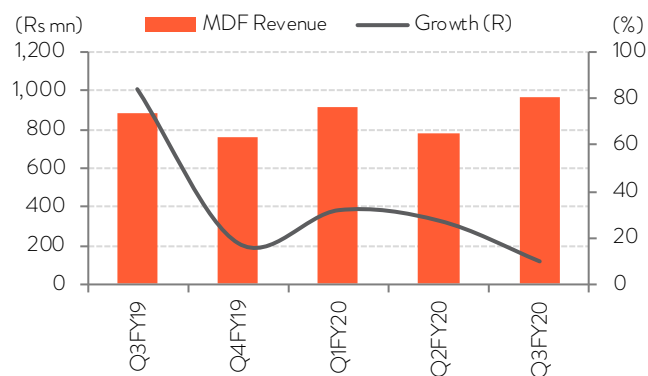
Source: Company, BOBCAPS Research

**FIG 8 – LAMINATE EBITDA MARGINS**



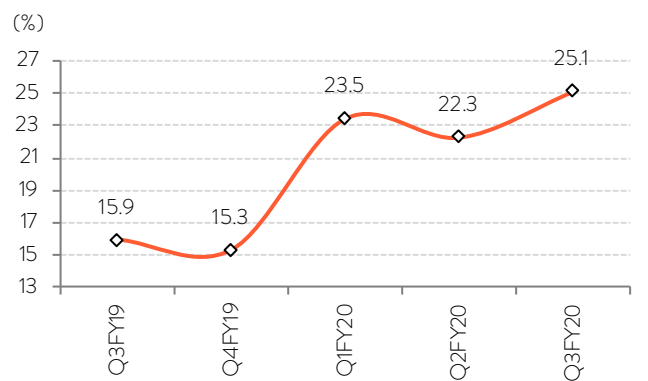
Source: Company, BOBCAPS Research

**FIG 9 – MDF REVENUES**

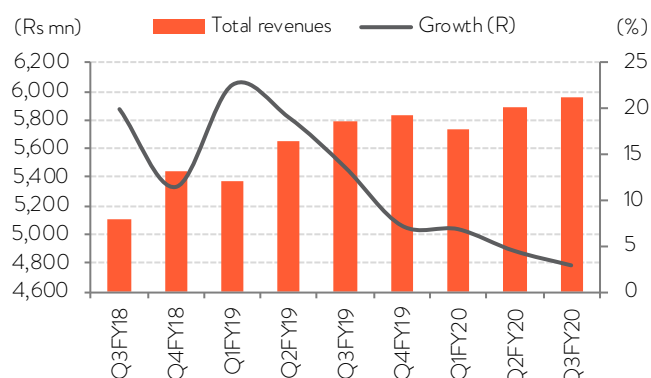


Source: Company, BOBCAPS Research

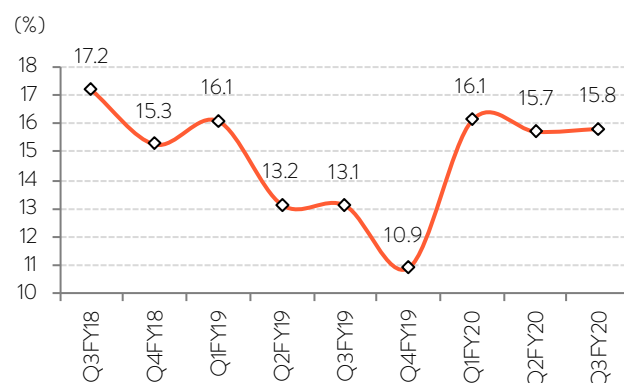
**FIG 10 – MDF EBITDA MARGINS**



Source: Company, BOBCAPS Research

**FIG 11 – TOTAL REVENUES**

Source: Company, BOBCAPS Research

**FIG 12 – EBITDA MARGINS**

Source: Company, BOBCAPS Research

## Earnings call highlights

- CPBI decided to take an impairment loss of ~Rs 460mn on Laos operations during the quarter. The company continues to explore ways to use this plant but felt it prudent to book the loss now.
- The company has improved its working capital cycle sequentially by 6 days.
- Management expects 5-6% revenue growth in FY20 with blended operating margins of 16%.

## Plywood

- A subdued real estate market is dampening growth.
- Management expects the plywood segment to be flattish in FY20 due to pressure on the face veneer market. Operating margins are guided at ~13%.
- For FY21, core plywood is guided to grow in mid-single digits aided by recently launched loyalty programmes, whereas face veneer should also see some uptick due to commissioning of the Gabon facility.
- The face veneer facility in Gabon will be operational by Apr'20 against the earlier planned Q4FY20. The company has delayed the expansion as veneer prices have fallen in India.
- Formalisation of the sector post-GST is not panning out as expected given that weak enforcement is leaving unorganised players free to operate as they did prior to GST implementation.

## Laminates

- The laminates segment had posted weak growth in Q3 due to a high base.
- Exports account for ~25% of laminate segment turnover.

- The company is hopeful of achieving 13% value growth in this segment with 13% margins in FY20.

### **MDF**

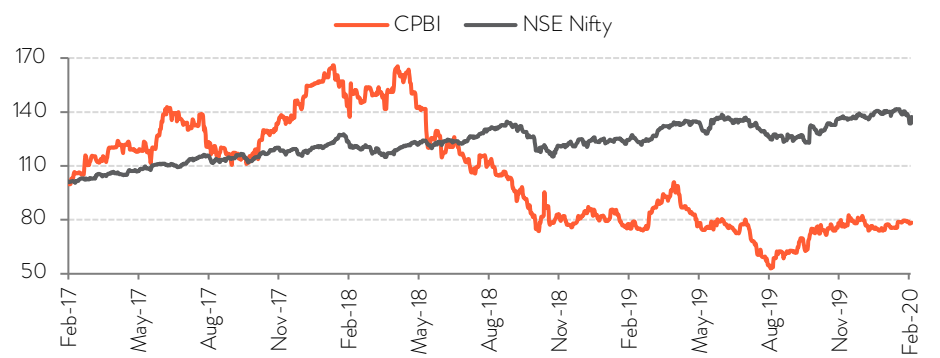
- CPBI believes that the MDF unit can be ramped up to 115-120% capacity utilisation and is working with a consultant to achieve this goal.
- Plans are underway to set up a new MDF facility in Uttar Pradesh post a court decision on the matter. This new facility will have fungible capacity between MDF and particle board and will take 16-18 months to build.
- The total capex envisaged for the new plant is Rs 4.5bn-5bn to be funded from internal accruals and debt.

## Valuation methodology

CPBI is the joint market leader in India's organised plywood industry along with Greenply Industries (MTLM IN). It is also the third largest laminate player in India and has recently set up an MDF plant in the country. With this, CPBI has evolved into the largest integrated wood panel company in India, equipped with a wide distribution reach, strong brand focus and comprehensive product portfolio.

We broadly maintain our earnings estimates and roll over to a Mar'21 target price of Rs 220 (earlier Rs 205), set at an unchanged 20x one-year forward P/E multiple. Maintain BUY.

**FIG 13 – RELATIVE STOCK PERFORMANCE**



Source: NSE

## Key risks

- **Regulatory concerns on raw material sourcing:** Wood is a key raw material for plywood and MDF manufacturing. Any regulatory restriction on sourcing of wood or face veneer will affect the company's profitability.
- **Sharp rise in raw material prices:** Higher raw material prices and an inability to pass these on to consumers may hurt profitability.
- **Prolonged slowdown in housing market:** A continued slowdown in the housing market would hit growth prospects.
- **Significant capex in MDF:** Any decision by the company to significantly expand its MDF capacity may affect future profitability from this segment.

## FINANCIALS

### Income Statement

Y/E 31 Mar (Rs mn)	FY18A	FY19A	FY20E	FY21E	FY22E
<b>Total revenue</b>	<b>20,239</b>	<b>22,804</b>	<b>23,861</b>	<b>26,140</b>	<b>28,658</b>
EBITDA	3,334	3,124	3,544	4,048	4,492
Depreciation	(907)	(595)	(789)	(827)	(960)
EBIT	2,428	2,529	2,755	3,221	3,532
Net interest income/(expenses)	(358)	(469)	(408)	(309)	(278)
Other income/(expenses)	23	22	131	85	98
Exceptional items	0	0	0	0	0
EBT	2,092	2,081	2,478	2,997	3,352
Income taxes	(463)	(535)	(669)	(809)	(905)
Extraordinary items	32	(58)	(511)	0	0
Min. int./Inc. from associates	(31)	(4)	(4)	(4)	(4)
<b>Reported net profit</b>	<b>1,631</b>	<b>1,484</b>	<b>1,293</b>	<b>2,184</b>	<b>2,443</b>
Adjustments	(32)	58	511	0	0
<b>Adjusted net profit</b>	<b>1,598</b>	<b>1,542</b>	<b>1,804</b>	<b>2,184</b>	<b>2,443</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY18A	FY19A	FY20E	FY21E	FY22E
Accounts payables	1,753	1,595	1,765	1,934	2,120
Other current liabilities	904	1,070	1,046	1,146	1,256
Provisions	120	120	119	131	143
Debt funds	5,754	5,319	3,750	2,750	3,100
Other liabilities	0	0	0	0	0
Equity capital	223	223	223	223	223
Reserves & surplus	8,293	9,527	11,134	12,981	14,988
Shareholders' fund	8,516	9,749	11,356	13,203	15,211
<b>Total liabilities and equities</b>	<b>17,231</b>	<b>18,107</b>	<b>18,294</b>	<b>19,426</b>	<b>22,097</b>
Cash and cash eq.	211	262	161	458	137
Accounts receivables	3,572	2,957	3,399	3,724	4,083
Inventories	3,828	4,613	4,380	4,798	5,261
Other current assets	1,138	974	1,242	1,361	1,492
Investments	61	64	64	64	64
Net fixed assets	6,471	8,346	8,157	8,130	10,170
CWIP	1,264	268	268	268	268
Intangible assets	18	18	18	18	18
Deferred tax assets, net	667	603	603	603	603
Other assets	0	0	0	0	0
<b>Total assets</b>	<b>17,231</b>	<b>18,107</b>	<b>18,294</b>	<b>19,426</b>	<b>22,097</b>

Source: Company, BOBCAPS Research



**Cash Flows**

Y/E 31 Mar (Rs mn)	FY18A	FY19A	FY20E	FY21E	FY22E
Net income + Depreciation	2,537	2,079	2,083	3,011	3,403
Interest expenses	358	469	408	309	278
Non-cash adjustments	0	0	0	0	0
Changes in working capital	164	2	(333)	(582)	(643)
Other operating cash flows	72	133	4	4	4
<b>Cash flow from operations</b>	<b>3,132</b>	<b>2,684</b>	<b>2,163</b>	<b>2,742</b>	<b>3,042</b>
Capital expenditures	(2,610)	(1,474)	(600)	(800)	(3,000)
Change in investments	0	(3)	0	0	0
Other investing cash flows	0	0	0	0	0
<b>Cash flow from investing</b>	<b>(2,610)</b>	<b>(1,477)</b>	<b>(600)</b>	<b>(800)</b>	<b>(3,000)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(360)	(435)	(1,569)	(1,000)	350
Interest expenses	(358)	(469)	(408)	(309)	(278)
Dividends paid	(267)	(257)	(202)	(341)	(440)
Other financing cash flows	3	6	515	4	4
<b>Cash flow from financing</b>	<b>(983)</b>	<b>(1,155)</b>	<b>(1,664)</b>	<b>(1,645)</b>	<b>(363)</b>
<b>Changes in cash and cash eq.</b>	<b>(461)</b>	<b>51</b>	<b>(101)</b>	<b>297</b>	<b>(321)</b>
<b>Closing cash and cash eq.</b>	<b>211</b>	<b>262</b>	<b>161</b>	<b>458</b>	<b>137</b>

**Per Share**

Y/E 31 Mar (Rs)	FY18A	FY19A	FY20E	FY21E	FY22E
Reported EPS	7.3	6.7	5.8	9.8	11.0
Adjusted EPS	7.2	6.9	8.1	9.8	11.0
Dividend per share	1.0	1.0	0.8	1.3	1.6
Book value per share	38.3	43.8	51.0	59.3	68.4

**Valuations Ratios**

Y/E 31 Mar (x)	FY18A	FY19A	FY20E	FY21E	FY22E
EV/Sales	2.1	1.9	1.8	1.6	1.4
EV/EBITDA	12.7	13.8	12.1	10.4	9.0
Adjusted P/E	23.6	24.4	20.9	17.2	15.4
P/BV	4.4	3.9	3.3	2.9	2.5

**DuPont Analysis**

Y/E 31 Mar (%)	FY18A	FY19A	FY20E	FY21E	FY22E
Tax burden (Net profit/PBT)	76.4	74.1	72.8	72.9	72.9
Interest burden (PBT/EBIT)	86.2	82.3	89.9	93.1	94.9
EBIT margin (EBIT/Revenue)	12.0	11.1	11.5	12.3	12.3
Asset turnover (Revenue/Avg TA)	122.4	129.1	131.1	138.6	138.0
Leverage (Avg TA/Avg Equity)	2.1	1.9	1.7	1.5	1.5
Adjusted ROAE	20.4	16.9	17.1	17.8	17.2

Source: Company, BOBCAPS Research | Note: TA = Total Assets

**Ratio Analysis**

Y/E 31 Mar	FY18A	FY19A	FY20E	FY21E	FY22E
<b>YoY growth (%)</b>					
Revenue	11.3	12.7	4.6	9.6	9.6
EBITDA	6.5	(6.3)	13.5	14.2	11.0
Adjusted EPS	(5.4)	(3.5)	17.0	21.0	11.9
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	16.5	13.7	14.9	15.5	15.7
EBIT margin	12.0	11.1	11.5	12.3	12.3
Adjusted profit margin	7.9	6.8	7.6	8.4	8.5
Adjusted ROAE	20.4	16.9	17.1	17.8	17.2
ROCE	13.6	12.6	13.1	14.9	14.8
<b>Working capital days (days)</b>					
Receivables	63	52	49	50	50
Inventory	126	134	143	133	133
Payables	34	31	30	31	31
<b>Ratios (x)</b>					
Gross asset turnover	3.2	2.4	2.2	2.2	2.1
Current ratio	1.3	1.3	1.6	2.0	2.2
Net interest coverage ratio	6.8	5.4	6.8	10.4	12.7
Adjusted debt/equity	0.7	0.5	0.3	0.2	0.2

Source: Company, BOBCAPS Research

## Disclaimer

### Recommendations and Absolute returns (%) over 12 months

**BUY** – Expected return >+15%

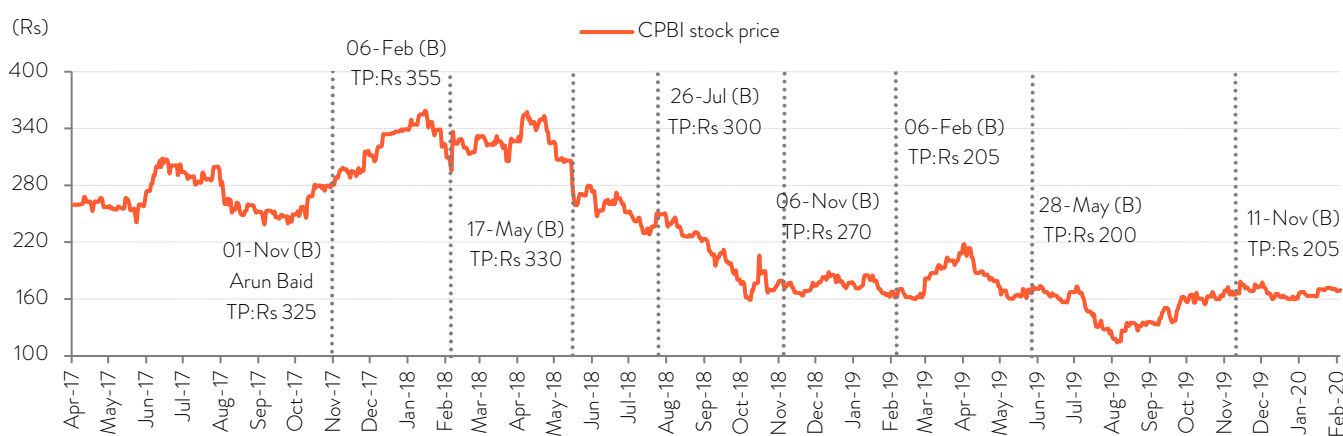
**ADD** – Expected return from >+5% to +15%

**REDUCE** – Expected return from -5% to +5%

**SELL** – Expected return <-5%

**Note:** Recommendation structure changed with effect from 1 January 2018 (Hold rating discontinued and replaced by Add / Reduce)

### HISTORICAL RATINGS AND TARGET PRICE: CENTURY PLYBOARDS (CPBI IN)



B – Buy, A – Add, R – Reduce, S – Sell

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