

Q3FY21 result preview

Building Materials

Most categories may recover beyond pre-Covid levels

Volume recovery for major branded building material categories may sustain (in fact accelerate QoQ) into Q3FY21 driven by a) impressive growth traction in secondary real estate market, b) pent-up demand seen in renovation / refurbishment segment and c) market share gains (in categories like plumbing pipes, MDF, adhesives and construction chemicals, tiles and plywood to recover beyond pre-Covid levels in Q3FY21, while laminate and sanitaryware categories may recover fully with a quarter lag. With expected increase in input cost (driven by higher crude prices), we expect categories like wood panel, tiles and adhesives to witness some correction in their gross margins on a sequential basis. EBITDA margins, however, may remain firm driven by operating leverage and sustained cost rationalisation. We estimate our BM coverage universe to report aggregate revenue / EBITDA / PBT increase of 12.7% / 24.9% / 30.6% YoY, respectively (ex-PIDI: 12.2% / 27.7% / 45.9% YoY) in Q3FY21.

Key highlights and monitorables for the quarter:

- **Plumbing pipe sector:** Sustained consolidation in PVC and CPVC pipes segment and sharp increase in PVC prices (29% rise QoQ) may drive strong volume recovery and sharp improvement in gross/EBITDA margins for top plastic piping players. **Key monitorables:** 1) Trend in polymer prices, and 2) availability of PVC resin.
- **Ceramic tile sector:** Branded tile players can report high single digit volume growth due to firm demand from tier-2/3/4 cities and market share gains from Morbi players in particular. Despite higher gas cost QoQ, we expect EBITDA margins to remain firm driven by operating leverage, narrowing of trade discounts and sustained cost rationalisation. **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. Despite sustained cost-control measures, margins too may remain muted QoQ due to higher gas prices and operating deleverage. **Key monitorables:** 1) Import substitution and 2) pricing trend in sanitaryware and faucets segment.

Quarterly summary

(Rs mn)	Revenue			EBITDA			PBT			EBITDA margin (%)		
	OND*	YoY (%)	QoQ (%)	OND*	YoY (%)	QoQ (%)	OND*	YoY (%)	QoQ (%)	OND*	YoY (bps)	QoQ (bps)
Pidilite	21,992	14.2	17.0	5,514	19.1	7.6	4,942	9.1	3.4	25.1	103	(219)
Kajaria	8,080	9.0	13.4	1,495	34.3	4.1	1,244	48.4	4.5	18.5	349	(166)
Somany	4,796	9.9	13.1	576	43.1	16.5	361	116.7	26.1	12.0	278	35
Greenply	3,250	(6.1)	10.0	394	(1.0)	21.7	307	6.8	27.7	12.1	63	117
Century Ply	5,619	(5.6)	8.1	934	(1.0)	8.7	734	6.3	6.2	16.6	78	10
Greenlam	3,401	(5.0)	17.6	511	(6.4)	26.3	336	(8.4)	43.4	15.0	(23)	104
Greenpanel	2,900	23.1	29.0	595	71.4	28.7	305	NM	86.1	20.5	578	(4)
Astral	9,121	37.3	22.1	1,771	49.9	23.4	1,481	68.5	22.8	19.4	162	20
Supreme	17,939	30.6	30.5	3,444	55.9	34.6	2,859	73.7	42.1	19.2	311	59
Prince Pipes	5,345	35.0	16.5	834	56.3	3.9	649	103.5	3.1	-	-	-
CERA	3,117	(3.0)	(1.9)	342	(20.3)	(15.5)	297	(22.1)	(15.4)	11.0	(238)	(175)
Visaka Industries	2,546	5.4	12.5	356	66.4	(12.3)	231	170.9	(22.9)	14.0	512	(395)
Time Techno	8,309	(10.0)	11.7	1,079	(19.2)	17.4	452	(32.9)	48.7	13.0	(148)	63
Sector Total	96,416	12.7	17.4	17,845	24.9	14.2	14,198	30.6	14.6	18.5	182	(52)
Sector Total Ex-Pidilite	74,423	12.2	17.5	12,331	27.7	17.4	9,256	45.9	21.7	16.6	201	(2)

*OND: Oct-Dec'20, Source: I-Sec research

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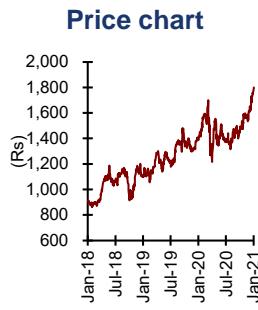
- **Wood panel sector:** Demand for wood panel space (ex-laminates) is likely to return to pre-Covid levels in Q3FY21. With consumers preferring alternatives like ready-made furniture where MDF is largely used, demand for MDF is likely to remain robust. **Key monitorables:** 1) Volume recovery in each 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 Q3FY21. Gross margins may, however, decline YoY due to sudden reversal in input costs post Q2. **Key monitorables:** 1) Trend in input costs and 2) volume recovery in PVA segment in particular.

Pidilite Industries

(QoQ chg: 22.1%; YoY chg: 29.4%)

Quarterly estimates

(Rs mn, year ending March 31)



Particulars	Q3FY21E	Q3FY20	YoY (%)	Q2FY21	QoQ (%)	9MFY21	9MFY20	YoY (%)
Net Sales	21,992	19,266	14.2	18,803	17.0	49,574	57,498	(13.8)
Expenditure	16,478	14,634	12.6	13,677	20.5	38,270	44,747	(14.5)
Raw Materials	9,078	8,195	10.8	7,205	26.0	19,945	24,312	(18.0)
Cost of traded goods	1,200	709	69.4	1,079	11.2	2,702	2,818	(4.1)
Staff Cost	2,500	2,361	5.9	2,421	3.2	7,078	7,142	(0.9)
Other Expenditure	3,700	3,371	9.8	2,972	24.5	8,545	10,475	(18.4)
Operating Profit	5,514	4,632	19.1	5,126	7.6	11,305	12,751	(11.3)
OPM (%)	25.1	24.0	110bps	27.3	-220bps	22.8	22.2	60bps
Other Income	120	398	(69.9)	217	(44.7)	537	1,355	(60.4)
Interest	142	82	73.4	87	64.2	319	238	34.1
Depreciation	550	419	31.4	479	14.8	1,490	1,198	24.3
Exceptional items	0	0		0		0	-222	
PBT	4,942	4,530	9.1	4,778	3.4	10,032	12,670	(20.8)
Tax	1,260	1,084	16.2	1,220	3.3	2,638	2,821	(6.5)
PAT	3,682	3,445	6.9	3,558	3.5	7,394	9,849	(24.9)
Minority Interest	-40	-43	(7.6)	-0	19,900.0	69	-67	(204.4)
Profit in associate company	6	16	(62.0)	6	(1.6)	17	29	(42.7)
Adjusted PAT	3,648	3,418	6.7	3,564	2.4	7,480	9,811	(23.8)
Reported PAT	3,648	3,418	6.7	3,564	2.4	7,480	9,589	(22.0)
Adjusted NPM (%)	16.6	17.7	-110bps	19.0	-240bps	15.1	16.7	-160bps

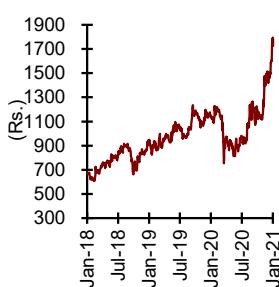
Source: Company data, I-Sec research

- **Net revenue to grow by 14% YoY.** Net revenue is likely to grow 14% 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 HAMSPL's acquisition.
- **EBITDA margin to remain firm driven by lower input cost.** We expect EBITDA margin to contract 220bps QoQ due to the recent sharp spurt in VAM prices in particular. However, operating leverage, higher HAMSPL's margins and sustained cost rationalisation will improve EBIDTA margin by 110bps YoY in Q3FY21.
- **PBT to grow 9.1% YoY.** Strong operating performance in the quarter may push its PBT higher by 9.1% YoY. Lower growth in PBT is largely due to its recent acquisition of HAMSPL which is expected to push its other income substantially lower (by 70% YoY).
- **Key factors to watch out:** i) Growth in consumer segment volumes, ii) trend in VAM prices and iii) near-term demand in B2B segment.

Astral Poly Technik

(QoQ chg: 45.1%; YoY chg: 50.8%)

Price chart



Quarterly estimates (consolidated)

(Rs mn, year ending March 31)

Particulars	Q3FY21E	Q3FY20	YoY (%)	Q2FY21	QoQ (%)	9MFY21	9MFY20	YoY (%)
Net Sales	9,121	6,641	37.3	7,471	22.1	20,631	19,490	5.9
Total Op. Income	9,121	6,641	37.3	7,471	22.1	20,631	19,490	5.9
Expenditure	7,350	5,459	34.6	6,035	21.8	16,881	16,187	4.3
Raw Materials	5,520	3,962	39.3	4,556	21.2	12,691	11,869	6.9
Cost of traded goods	120	51	135.3	53	126.4	207	186	11.3
Staff Cost	520	431	20.6	485	7.2	1,431	1,335	7.2
Other Expenditure	1,190	1,015	17.2	941	26.5	2,552	2,797	(8.8)
Operating Profit	1,771	1,182	49.9	1,436	23.4	3,750	3,303	13.5
OPM (%)	19.4	17.8	170bps	19.2	580bps	18.2	16.9	70bps
Other Income	51	22	131.8	49	4.1	139	120	15.8
Interest	45	51	(11.8)	-9	(600.0)	95	213	(55.4)
Depreciation	296	274	8.0	288	2.8	869	790	10.0
PBT	1,481	879	68.5	1,206	22.8	2,925	2,420	20.9
Tax	340	194	75.3	283	20.1	648	430	50.7
PAT	1,141	685	66.6	923	23.7	2,277	1,990	14.4
Minority Interest & Share of loss on JV	40	9	344.4	56	(28.6)	110	22	400.0
Reported PAT	1,101	676	62.9	867	27.0	2,167	1,968	10.1
NPM (%)	12.1	10.2	-50bps	11.6	670bps	10.5	10.1	-80bps

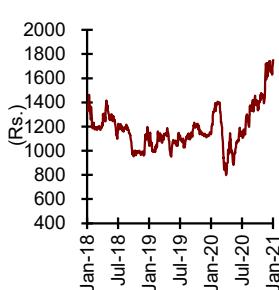
Source: Company data, I-Sec research

- Net revenue to grow 37.3% YoY.** We expect ASTRA's consolidated revenue to grow 37.3% YoY driven by strong growth in both pipes (driven by market share gains and higher PVC prices) and adhesives segment (led by pent-up demand and low base).
- Consolidated EBITDA margin may expand 170bps YoY to 19.4%.** We expect EBITDA margin to expand 170bps YoY at 19.4% led by inventory gains in pipes segment and operating leverage in both pipes and adhesives segment.
- PBT is expected at Rs1.5bn, up 69% YoY.** Strong operating performance and lower interest cost will push PBT higher by 69% YoY to Rs1.5bn.
- Key factors to watch out:** i) Standalone pipe and adhesive volumes, ii) trend in polymer prices and ii) gross margins in pipes/adhesive segment.

Supreme Industries

(QoQ chg: 28.9%; YoY chg: 52.7%)

Price chart



Quarterly estimates

(Rs mn, year ending March 31)

Financial Snapshot	Q3FY21E	Q3FY20	YoY (%)	Q2FY21	QoQ (%)	9MFY21	9MFY20	YoY (%)
Net Sales	17,939	13,733	30.6	13,748	30.5	42,226	40,811	3.5
Total Op. Income	17,939	13,733	30.6	13,748	30.5	42,226	40,811	3.5
Expenditure	14,495	11,524	25.8	11,189	29.5	35,053	35,200	(0.4)
Raw Materials	11,454	8,891	28.8	8,486	35.0	27,485	27,302	0.7
Staff Cost	800	685	16.9	727	10.1	2,160	2,024	6.7
Other Expenditure	2,241	1,949	15.0	1,976	13.4	5,408	5,874	(7.9)
Operating Profit	3,444	2,209	55.9	2,559	34.6	7,173	5,611	27.8
OPM (%)	19.2	16.1	310 bps	18.6	60 bps	17.0	13.7	330 bps
Other Income	5	8	(37.5)	1	525.0	9	14	(37.2)
Interest	40	57	(29.2)	25	60.6	143	160	(10.6)
Depreciation	550	515	6.7	523	5.2	1,581	1,528	3.4
PBT	2,859	1,645	73.7	2,011	42.1	5,458	3,937	38.7
Exceptional Income	0	0		0		0	0	
Tax on above	0	0		0		0	0	
PBT post exceptional income	2,859	1,645	73.7	2,011	42.1	5,458	3,937	38.7
Tax	730	419	74.2	527	38.5	1,403	678	106.9
PAT	2,129	1,226	73.6	1,484	43.4	4,055	3,259	24.4
Share of Associate	280	8	3,584.2	265	5.6	509	242	109.9
Reported PAT	2,409	1,234	95.2	1,750	37.7	4,564	3,501	30.4
Core PAT	2,129	1,226	73.6	1,484	43.4	4,055	3,259	24.4
Adjusted Consol PAT	2,409	1,234	95.2	1,750	37.7	4,564	3,501	30.4
NPM (%)	13.4	9.0	440 bps	12.7	70 bps	10.8	8.6	220 bps

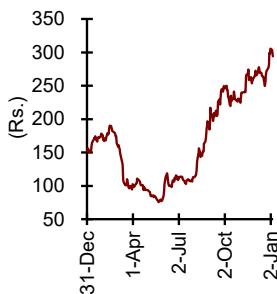
Source: Company data, I-Sec research

- Net revenue to grow 30.6% YoY.** Strong growth in pipes segment (driven by industry consolidation and higher PVC prices) and sharp increase in polymer prices will drive 30%+ topline growth for SI in Q3FY21.
- EBITDA margin may expand 310bps YoY to 19.2%.** We expect EBITDA margin to expand 310bps YoY at 19.2% led by inventory gains, superior product mix and operating leverage.
- PBT is expected to grow 73.7% YoY.** Strong operational performance can help the company report PBT growth of ~74% 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: 20.4%; YoY chg: 95.7%)

Price chart



Quarterly estimates

(Rs mn, year ending March 31)

Particulars	Q3FY21E	Q3FY20	YoY (%)	Q2FY21	QoQ (%)	9MFY21	9MFY20	YoY (%)
Net Sales	5,345	3,959	35.0	4,587	16.5	12,956	12,049	7.5
Total Op. Income	5,345	3,959	35.0	4,587	16.5	12,956	12,049	7.5
Expenditure	4,511	3,426	31.7	3,784	19.2	11,004	10,338	6.4
Raw Materials	3,600	2,474	45.5	2,993	20.3	8,763	7,898	11.0
Cost of traded goods	136	195	(30.3)	74.6	82.3	236.9	372.7	(36.4)
Staff Cost	265	234	13.1	225	17.6	712	651	9.5
Other Expenditure	510	522	(2.2)	491	4.0	1,291	1,417	(8.9)
Operating Profit	834	533	56.3	803	3.9	1,953	1,711	14.1
OPM (%)	15.6	13.5	210bps	17.5	-190bps	15.1	14.2	90bps
Other Income	25	8	226.3	32.8	(23.8)	109.8	17.8	517.4
Interest	50	89	(43.8)	54	(6.9)	172	250	(31.2)
Depreciation	160	133	20.1	152	5.0	452	376	20.4
Exceptional income	0	0		0		0	0	
PBT	649	319	103.4	630	3.0	1,438	1,104	30.3
Tax	165	76	116.7	164	0.7	376	261	43.9
PAT	484	243	99.2	466	3.9	1,062	842	26.1
Minority Interest	0.0	0	#DIV/0!	0.0	#DIV/0!	0.0	0.0	#DIV/0!
Reported PAT	484	243	99.2	466	3.9	1,062	842	26.1
NPM (%)	9.0	6.1	290bps	10.2	-80bps	8.2	7.0	80bps

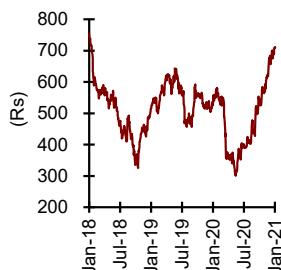
Source: Company data, I-Sec research

- Net revenue to grow 35% YoY:** Revenues are likely to grow 35% YoY driven by pent-up demand and accelerated consolidation in the PVC pipe segment led by higher PVC prices in particular.
- EBITDA margin to expand 210bps YoY to 15.6%:** We expect EBITDA margin to improve 210bps YoY to 15.6% led by inventory gains, operating leverage and superior product mix.
- PBT is expected to rise 103.4% YoY at Rs649mn.** We expect strong operational performance to drive PBT higher by 103.4% YoY.
- Key factors to watch out:** i) Near-term volume and pricing growth in CPVC pipes segment post its recent tie-up with Lubrizol for sourcing of CPVC compound, ii) gross margins and iii) trend in PVC prices.

Kajaria Ceramics

(QoQ chg: 32.2%; YoY chg: 35.2%)

Price chart



Quarterly estimates (consolidated)

(Rs mn, year ending March 31)

Particulars	Q3FY21E	Q3FY20	YoY (%)	Q2FY21	QoQ (%)	9MFY21	9MFY20	YoY (%)
Net Sales	8,080	7,413	9.0	7,125	13.4	17,981	21,560	(16.6)
Total Op. Income	8,080	7,413	9.0	7,125	13.4	17,981	21,560	(16.6)
Expenditure	6,585	6,300	4.5	5,688	15.8	15,125	18,334	(17.5)
Raw Materials	2,100	1,797	16.8	1,999	5.1	5,284	5,198	1.6
Cost of traded goods	1,265	1,096	15.5	989.5	27.8	2,845	3,406	(16.5)
Staff Cost	980	930	5.4	779	25.9	2,367	2,700	(12.3)
Other Expenditure	2,240	2,477	(9.6)	1,921	16.6	4,628	7,030	(34.2)
Operating Profit	1,495	1,113	34.3	1,437	4.1	2,856	3,225	(11.4)
OPM (%)	18.5	15.0	350bps	20.2	-170bps	15.9	15.0	90bps
Other Income	52	51	1.4	47.9	8.6	126	172	(26.8)
Interest	15	48	(69.0)	21	(27.9)	70	146	(52.3)
Depreciation	288	278	3.7	274	5.3	814	798	2.0
Exceptional income	0	0		0		0	0	
PBT	1,244	838	48.4	1,190	4.5	2,099	2,454	(14.5)
Tax	314	226	38.9	294	6.6	601	407	47.7
PAT	931	613	51.9	896	3.8	1,498	2,047	(26.8)
Minority Interest	10.0	-3	(457.1)	5.2	92.3	-43	-10	319.4
Reported PAT	921	615	49.6	891	3.3	1,541	2,057	(25.1)
NPM (%)	11.4	8.3	310bps	12.5	-110bps	8.6	9.5	-90bps

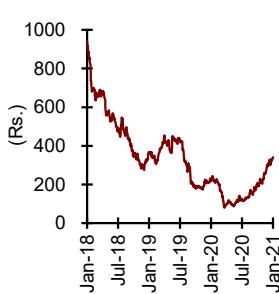
Source: Company data, I-Sec research

- Net revenue to grow 9% YoY:** Revenues are likely to grow 9% YoY due to sharp recovery in demand from tier-2/3/4 cities/towns and market share gains with Morbi players focusing more on exports.
- EBITDA margin may improve 350bps YoY:** We expect EBITDA margin to improve by 350bps YoY to 18.5 led by operating leverage, superior product mix and narrowing of trade discounts.
- PBT likely at Rs1.2bn, up 48% YoY.** Strong operational performance and lower interest cost is expected to push PBT higher by 48% YoY.
- Key factors to watch out:** i) Volume growth, ii) gross margins and iii) trend in gas cost.

Somany Ceramics

(QoQ chg: 64.0%; YoY chg: 55.7%)

Price chart



Quarterly estimates

(Rs mn, year ending March 31)

Particulars	Q3FY21E	Q3FY20	YoY (%)	Q2FY21	QoQ (%)	9MFY21	9MFY20	YoY (%)
Net Sales	4,781	4,346	10.0	4,225	13.2	10,698	12,465	(14.2)
Other Op. Income	15	16	(4.5)	14	7.9	31	75	(58.2)
Total Op. Income	4,796	4,362	9.9	4,239	13.1	10,729	12,540	(14.4)
Expenditure	4,220	3,960	6.6	3,745	12.7	9,775	11,387	(14.2)
Raw Materials	1,470	1,292	13.7	1,229	19.7	3,607	3,230	11.7
Cost of traded goods	780	746	4.5	713	9.4	1,753	2,176	(19.5)
Staff Cost	540	577	(6.4)	522	3.4	1,435	1,752	(18.1)
Other Expenditure	1,430	1,344	6.4	1,281	11.6	2,980	4,229	(29.5)
Operating Profit	576	403	43.1	495	16.5	954	1,154	(17.3)
OPM (%)	12.0	9.2	280bps	11.7	30bps	8.9	9.2	-30 bps
Other Income	30	31	(2.9)	40	(25.7)	89	97	(8.3)
Interest	90	124	(27.5)	98	(8.4)	304	373	(18.7)
Depreciation	155	143	8.6	150	3.1	450	413	9.1
PBT before exceptional items	361	167	116.7	286	26.1	290	465	(37.7)
Exceptional item	0	0		0		0	-262	
PBT	361	167	116.7	286	26.1	290	203	42.5
Tax	92	41	122.2	73	25.3	72	-82	(187.5)
Reported PAT	269	125	114.9	213	26.4	218	285	(23.4)
Minority Interest	12	21	(42.9)	8	51.9	-24	42	(157.2)
Reported PAT after MI	257	104	146.7	205	25.4	242	243	(0.4)
Adj PAT after MI	257	104	146.7	205	25.4	242	400	(39.4)
NPM (%)	5.4	2.4	300bps	4.9	50bps	2.3	3.2	-90bps

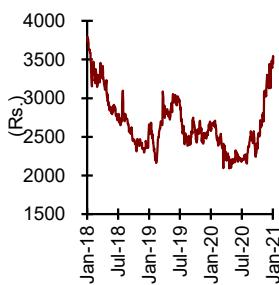
Source: Company data, I-Sec research

- Net revenue to grow 10% YoY:** Revenues are likely to grow 10% YoY driven by market share gains with Morbi players focusing more on exports, and lower base YoY.
- EBITDA margin to improve 280bps YoY to 12%:** We expect EBITDA margin to improve 280bps YoY to 12% driven by operating leverage, better product mix and narrowing of trade discounts.
- PBT is expected at Rs361mn, up 117% YoY.** We expect strong operating performance and lower interest cost to push PBT higher by 117% YoY.
- Key factors to watch out:** i) Volume growth, ii) trend in gas cost and ii) commentary on treasury operations.

CERA Sanitaryware

(QoQ chg: 43.9%; YoY chg: 34.0%)

Price chart



Quarterly estimates

(Rs mn, year ending March 31)

Particulars	Q3FY21E	Q3FY20	YoY (%)	Q2FY21	QoQ (%)	9MFY21	9MFY20	YoY (%)
Net Sales	3,117	3,213	(3.0)	3,179	(1.9)	7,722	9,159	(15.7)
Expenditure	2,775	2,784	(0.3)	2,774	0.0	6,909	7,962	(13.2)
Raw Materials	300	288	4.2	497	(39.7)	1,120	724	54.7
Cost of traded goods	1,340	1,347	(0.5)	1,171	14.4	2,914	3,737	(22.0)
Staff Cost	385	411	(6.4)	360	6.9	1,058	1,217	(13.1)
Other Expenditure	750	738	1.6	746	0.5	1,816	2,284	(20.5)
Operating Profit	342	429	(20.3)	405	(15.5)	813	1,197	(32.1)
OPM (%)	11.0	13.4	-240bps	12.7	-170bps	10.5	13.1	-260bps
Other Income	50	43	16.2	39	27.0	158	113	40.0
Interest	10	11	(6.2)	9	7.4	29	32	(9.5)
Depreciation	85	80	6.1	83	2.0	250	236	5.6
PBT	297	381	(22.1)	351	(15.4)	692	1,042	(33.5)
Tax	75	98	(23.3)	88	(15.2)	178	267	(33.2)
PAT	222	284	(21.7)	263	(15.5)	514	775	(33.6)
Minority Interest	0	0		0		0	0	
Reported PAT	222	284	(21.7)	263	(15.5)	514	775	(33.6)
NPM (%)	7.1	8.8	-170bps	8.3	-120bps	6.7	8.5	-180 bps

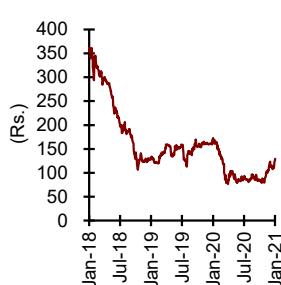
Source: Company data, I-Sec research

- Net revenue to decline 3% YoY.** Recent worker strike at its Kadi sanitaryware unit is expected to push its net revenue down by 3% YoY. While we expect the sanitaryware segment to post a decline in revenue, tiles and faucets revenue may grow in positive terrain.
- EBITDA margin will decline 240bps YoY to 11%.** We expect EBITDA margin to decline 240bps to 11% due to operating deleverage and inferior sourcing mix with higher share of outsourcing in its sanitaryware segment in particular.
- PBT is expected to decline 22% YoY at Rs297mn.** Revenue decline of 3% YoY and fall in operating margin will lower PBT by 22% YoY.
- Key factors to watch out:** i) Segment-wise growth, ii) outsourcing mix and iii) pricing trends across its product segments.

Greenply Industries

(QoQ chg: 50.3%; YoY chg: -24.5%)

Price chart



Quarterly estimates

(Rs mn, year ending March 31)

	Q3FY21E	Q3FY20	YoY (%)	Q2FY21	QoQ (%)	9MFY21	9MFY20	YoY (%)
Net Sales	3,250.0	3,459.8	(6.1)	2,955.3	10.0	7,532.4	10,757.3	(30.0)
Total Op. Income	3,250.0	3,459.8	(6.1)	2,955.3	10.0	7,532.4	10,757.3	(30.0)
Expenditure	2,856.3	3,062.3	(6.7)	2,631.9	8.5	6,843.6	9,499.6	(28.0)
Raw Materials	1,220.0	1,232.2	(1.0)	1,268.8	(3.8)	2,925.3	4,061.2	(28.0)
Cost of traded goods	671.3	804.8	(16.6)	510.6	31.5	1,453.1	2,191.6	(33.7)
Staff Cost	375.0	405.8	(7.6)	350.6	7.0	1,043.4	1,243.4	(16.1)
Other Expenditure	590.0	619.6	(4.8)	501.8	17.6	1,421.8	2,003.3	(29.0)
Operating Profit	393.7	397.5	(1.0)	323.5	21.7	688.8	1,257.7	(45.2)
OPM (%)	12.1	11.5	60bps	10.9	120bps	9.1	11.7	-260bps
Other Income	3.0	2.0	52.6	11.3	(73.5)	16.0	7.4	114.6
Interest	30.0	48.5	(38.2)	37.9	(20.9)	122.6	153.0	(19.8)
Depreciation	60.0	63.6	(5.7)	56.7	5.9	167.8	191.0	(12.2)
Extraord inc/(exp)				0.0		0.0	0.0	0.0
PBT	306.7	287.3	6.8	240.2	27.7	414.3	921.1	(55.0)
Tax	70.0	73.3	(4.4)	44.6	56.8	82.7	222.8	(62.9)
PAT	236.7	214.0	10.6	195.5	21.0	331.7	698.3	(52.5)
Share of profit/(loss)								
from JV	8.0	0.8	930.9	10.0	(20.0)	30.1	10.9	177.6
Adj. PAT	228.7	213.2	7.3	185.5	23.3	301.5	687.5	(56.1)
NPM (%)	7.3	6.2	110bps	6.6	70bps	4.4	6.5	-210bps

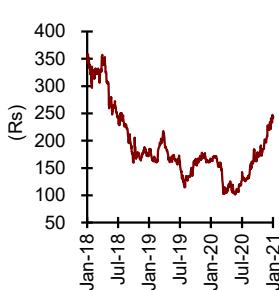
Source: Company data, I-Sec research

- Net revenue to decline 6.1% YoY.** We expect consolidated revenue to decline 6.1% YoY due to single digit decline in its standalone (plywood and DV) revenue. Gabon revenues may report double-digit growth driven by lower base of last year.
- EBITDA margin to improve 60bps YoY.** Despite decline in plywood revenue, we expect standalone EBITDA margin to improve to 12.1% vs 11.5% YoY led by improving efficiency at the plant level and cost rationalisation. Gabon subsidiary is, however, likely to report muted margins due to its higher dependence on the EU region.
- PBT is expected to rise 6.8% YoY to Rs307mn.** Better operational performance and lower interest cost will help push PBT higher by 6.8% YoY to Rs307mn.
- 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: 36.3%; YoY chg: 47.8%)

Price chart



Quarterly estimates

(Rs mn, year ending March 31)

Particulars	Q3FY21E	Q3FY20	YoY (%)	Q2FY21	QoQ (%)	9MFY21	9MFY20	YoY (%)
Net Sales	5,618.6	5,954.3	(5.6)	5,198.3	8.1	12,823.6	17,584.9	(27.1)
Total Op. Income	5,618.6	5,954.3	(5.6)	5,198.3	8.1	12,823.6	17,584.9	(27.1)
Expenditure	4,685.0	5,011.5	(6.5)	4,339.7	8.0	11,023.1	14,788.4	(25.5)
Raw Materials	2,105.0	2,366.6	(11.1)	2,105.2	(0.0)	4,967.4	6,736.3	(26.3)
Cost of traded goods	710.0	674.5	5.3	504.4	40.8	1,402.8	2,183.7	(35.8)
Staff Cost	820.0	845.9	(3.1)	763.9	7.3	2,149.7	2,574.9	(16.5)
Other Expenditure	1,050.0	1,124.4	(6.6)	966.2	8.7	2,503.2	3,293.5	(24.0)
Operating Profit	933.6	942.7	(1.0)	858.5	8.7	1,800.5	2,796.6	(35.6)
OPM (%)	16.6	15.8	80bps	16.5	10bps	14.0	15.9	-190bps
Other Income	10.0	12.8	(21.8)	12.4	(19.1)	68.5	109.7	(37.6)
Interest	25.0	92.2	(72.9)	17.9	39.9	93.4	289.8	(67.8)
Depreciation	185.0	173.2	6.8	162.2	14.1	489.9	512.8	(4.5)
Exceptional income	0.0	456.3	0.0	0.0	0.0	0.0	0.0	-456.3
PBT	733.6	233.8	213.8	690.8	6.2	1,285.7	1,647.3	(22.0)
Adjusted PBT	733.6	690.1	6.3	690.8	6.2	1,285.7	2,103.7	(38.9)
Tax	160.0	42.9	273.1	176.4	(9.3)	282.7	453.6	(37.7)
Tax rate (%)	22%	18%		26%		22%	28%	
Reported PAT	573.6	190.9	200.5	514.4	11.5	1,003.0	1,193.7	(16.0)
Adjusted PAT	573.6	647.2	(11.4)	514.4	11.5	1,003.0	1,650.1	(39.2)
Adj NPM (%)	10.2	3.2	700bps	9.9	30bps	7.8	9.4	-160bps

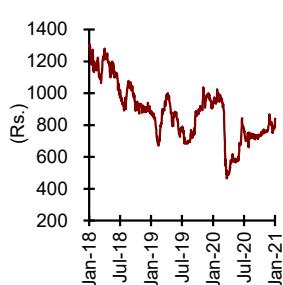
Source: Company data, I-Sec research

- Net revenue to decline 5.6% YoY.** We expect overall revenue decline of 5.6% YoY due to double-digit decline in growth in laminate segment.
- EBITDA margin will grow 80bps YoY.** We expect EBITDA margin to improve 80bps YoY driven by improvement in MDF and plywood margins in particular.
- Adj. PAT is expected to increase 6.3% YoY to Rs734mn.** Marginal decline in operational performance and lower interest costs will drive adj. PAT higher by 6.3% YoY to Rs734mn.
- Key factors to watch out:** i) Volumes in plywood, laminates and boards segments, ii) gross margins in laminates and MDF segment in particular, and iii) commentary on expansion plans in MDF segment.

Greenlam Industries

(QoQ chg: 14.3%; YoY chg: -7.7%)

Price chart



Quarterly estimates

(Rs mn, year ending March 31)

Particulars	Q3FY21E	Q3FY20	YoY (%)	Q2FY21	QoQ (%)	9MFY21	9MFY20	YoY (%)
Net Sales	3,401	3,580	(5.0)	2,893	17.6	7,898	9,966	(20.7)
Total Op. Income	3,401	3,580	(5.0)	2,893	17.6	7,898	9,966	(20.7)
Expenditure	2,890	3,034	(4.7)	2,488	16.1	6,903	8,635	(20.1)
Raw Materials	1,660	1,752	(5.2)	1,425	16.5	3,868	4,964	(22.1)
Cost of traded goods	50.0	28.9	72.9	51.6	(3.1)	125.8	125.8	0.0
Staff Cost	550	571	(3.7)	462	18.9	1,421	1,633	(13.0)
Other Expenditure	630	682	(7.6)	549	14.7	1,489	1,912	(22.1)
Operating Profit	511	546	(6.4)	405	26.3	995	1,330	(25.2)
OPM (%)	15.0	15.3	-30bps	14.0	100bps	12.6	13.3	-70bps
Other Income	13.0	10.6	22.8	16.3	(20.1)	39.7	20.8	91.0
Interest	35.0	53.7	(34.8)	45.7	(23.5)	130.5	165.9	(21.3)
Depreciation	153	136	12.5	141	8.8	428	383	11.7
Exceptional income	0	0	0	0	0	0	0	0
PBT	336	367	(8.4)	235	43.4	476	802	(40.7)
Tax	80	77	4.5	49	62.9	111	152	(27.1)
PAT	256	291	(11.9)	185	38.2	365	650	(43.9)
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reported PAT	256	291	(11.9)	185	38.2	365	650	(43.9)
NPM (%)	7.5	8.1	-60bps	6.4	110bps	4.6	6.5	-190bps

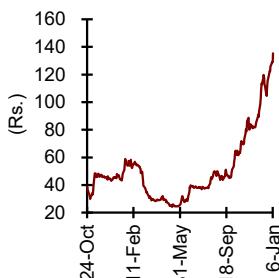
Source: Company data, I-Sec research

- Net revenue to decline 5% YoY.** We expect its overall revenue to decline 5% YoY largely due to decline in its veneer and allied product revenue. We, however, expect laminate and allied product revenue to post flat growth YoY driven by faster recovery in exports segment.
- EBITDA margin will decline by 30bps YoY.** We expect EBITDA margin to decline 30bps YoY to 15% due to operating deleverage.
- PBT is expected to decline 8.4% YoY to Rs336mn.** We expect decline in revenue to impact its PBT by 8.4% YoY to Rs336mn.
- Key factors to watch out:** i) Domestic volume growth in laminate segment, ii) trend in laminate export volumes and iii) update on South India capex plans.

Greenpanel Industries

(QoQ chg: 140.4%; YoY chg: 191.1%)

Price chart



Quarterly estimates

(Rs mn, year ending March 31)

Particulars	Q3FY21E	Q3FY20	YoY (%)	Q2FY21	QoQ (%)	9MFY21	9MFY20	YoY (%)
Net Sales	2,900.0	2,355.9	23.1	2,248.8	29.0	6,050.4	6,388.0	(5.3)
Other Op. Income	0.0	0.0		0.0		0.0	0.0	#DIV/0!
Total Op. Income	2,900.0	2,355.9	23.1	2,248.8	29.0	6,050.4	6,388.0	(5.3)
Expenditure	2,305.0	2,008.6	14.8	1,786.4	29.0	5,075.7	5,463.8	(7.1)
Raw Materials	1,325.0	1,086.7	21.9	924.4	43.3	2,725.8	2,900.4	(6.0)
Cost of traded goods	40.0	31.7	26.1	32.1	24.6	76.2	73.8	3.2
Staff Cost	240.0	254.2	(5.6)	225.7	6.4	675.5	738.4	(8.5)
Other Expenditure	700.0	636.0	10.1	604.2	15.9	1,598.2	1,751.2	(8.7)
Operating Profit	595.0	347.2	71.4	462.4	28.7	974.6	924.2	5.5
OPM (%)	20.5	14.7	580bps	20.6	-10bps	16.1	14.5	160bps
Other Income	5.0	6.1	(17.9)	1.9	157.3	15.5	12.5	23.6
Interest	120.0	170.3	(29.5)	127.4	(5.8)	386.7	315.0	22.8
Depreciation	175.0	171.3	2.1	173.0	1.1	517.4	512.5	1.0
Extraord inc/(exp)	0.0			0.0		0.0	0.0	0.0
PBT	305.0	11.7	2,513.3	163.9	86.1	85.9	109.2	(21.3)
Tax	50.0	7.1	605.7	(20.0)	(349.7)	11.9	40.1	(70.4)
Reported PAT	255.0	4.6	5,460.4	184.0	38.6	74.0	69.1	7.2
Share of profit/(loss) from JV	0.0	0.0	#DIV/0!	0.0	#DIV/0!	0.0	0.0	#DIV/0!
Adj. PAT	255.0	4.6	5,460.4	184.0	38.6	74.0	69.1	7.2
Reported NPM (%)	8.8	0.2	860bps	8.2	60bps	1.2	1.1	10bps

Source: Company data, I-Sec research

- Net revenue to grow impressively by 23%/29% YoY/QoQ.** We expect GNPL to post an impressive revenue growth of 23%/29% YoY/QoQ driven by strong recovery in its MDF segment in particular
- EBITDA margin will jump 580bps YoY to 20.5%.** We expect its EBITDA margin to improve sharply to 20.5% led by operating leverage, firm realisation, cost efficiencies and superior product mix YoY.
- PBT is expected to increase sharply to Rs305mn.** Strong operating performance and lower interest cost for the quarter may push its PBT higher to Rs305mn.
- Key factors to watch out:** i) Volume growth in MDF and plywood segments, ii) MDF revenue mix (domestic vs exports) and iii) recovery in plywood volumes.

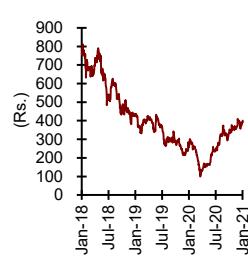
Visaka Industries

(QoQ chg: 20.8%; YoY chg: 56.3%)

Quarterly estimates

(Rs mn, year ending March 31)

Price chart



Particulars	Q3FY21E	Q3FY20	YoY (%)	Q2FY21	QoQ (%)	9MFY21	9MFY20	YoY (%)
Net Sales	2,546	2,414	5.4	2,263	12.5	7,661	8,227	(6.9)
Total Op. Income	2,546	2,414	5.4	2,263	12.5	7,661	8,227	(6.9)
Expenditure	2,190	2,201	(0.5)	1,857	17.9	6,316	7,343	(14.0)
Raw Materials	1,160	1,186	(2.2)	911	27.4	3,457	4,068	(15.0)
Staff Cost	300	288	4.3	298	0.7	891	882	1.0
Other Expenditure	730	727	0.4	649	12.6	1,968	2,393	(17.8)
Operating Profit	356	214	66.4	406	(12.3)	1,344	884	52.1
OPM (%)	14.0	8.9	510bps	17.9	-390bps	17.5	10.7	680bps
Other Income	15	14	5.1	24	(38.2)	55	50	10.7
Interest	38	43	(10.8)	30	25.9	108	127	(15.5)
Depreciation	102	100	1.7	100	1.6	300	310	(3.2)
PBT	231	85	170.9	299	(22.9)	991	496	99.9
Tax	55	24	132.0	77	(28.2)	248	71	248.4
Tax rate (%)	23.8%	27.8%			25.6%		25.1%	14.4%
PAT	176	61	185.9	223	(21.1)	743	424	75.0
Reported PAT	176	61	185.9	223	(21.1)	743	424	75.0
NPM (%)	6.9	2.5	440bps	9.8	-290bps	9.7	5.2	450bps

Source: Company data, I-Sec research

- Net revenue to grow 5.4% YoY.** We expect its revenue to grow 5.4% YoY with sustained growth momentum in ACS and Vnext segments.
- EBITDA margin may expand 510bps YoY to 14%** largely on the back of higher realisation in ACS & Vnext segments and cost-saving initiatives undertaken by VSKI post lockdown.
- PBT will jump sharply to Rs231mn.** Led by the much improved operational performance in ACS and Vnext segments, overall PBT may 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.

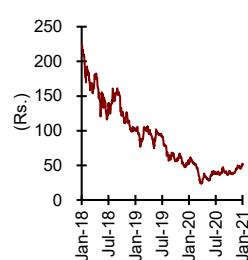
Time Technoplast

(QoQ chg: 23.2%; YoY chg: -7.1%)

Quarterly estimates

(Rs mn, year ending March 31)

Price chart



Particulars	Q3FY21E	Q3FY20	YoY (%)	Q2FY21	QoQ (%)	9MFY21	9MFY20	YoY (%)
Net Sales	8,308.8	9,232.1	(10.0)	7,437.2	11.7	20,498.0	26,618.9	(23.0)
Total Op. Income	8,308.8	9,232.1	(10.0)	7,437.2	11.7	20,498.0	26,618.9	(23.0)
Expenditure	7,230.0	7,896.4	(8.4)	6,518.3	10.9	17,960.9	22,810.2	(21.3)
Raw Materials	5,830.0	6,443.0	(9.5)	5,235.0	11.4	14,350.5	18,556.7	(22.7)
Staff Cost	410.0	403.0	1.7	382.6	7.2	1,139.3	1,195.3	(4.7)
Other Expenditure	990.0	1,050.4	(5.8)	900.7	9.9	2,471.1	3,058.3	(19.2)
Operating Profit	1,078.8	1,335.7	(19.2)	918.8	17.4	2,537.1	3,808.7	(33.4)
OPM (%)	13.0	14.5	-150bps	12.4	60bps	12.4	14.3	-190bps
Other Income	8.0	5.1	57.6	6.9	15.3	17.5	13.0	34.8
Interest	245.0	267.5	(8.4)	247.4	(1.0)	745.2	822.4	(9.4)
Depreciation	390.0	400.3	(2.6)	374.5	4.2	1,139.4	1,192.5	(4.4)
Exceptional income	0.0	0.0		0.0		0.0	0.0	
PBT	451.8	673.0	(32.9)	303.9	48.7	670.0	1,806.8	(62.9)
Adjusted PBT	451.8	673.0	(32.9)	303.9	48.7	670.0	1,806.8	(62.9)
Tax	98.0	172.0	(43.0)	45.8	114.0	173.9	459.3	(62.1)
Tax rate (%)	22%	26%		15%		26%	25%	
Reported PAT	353.8	501.0	(29.4)	258.1	37.1	496.0	1,347.5	(63.2)
Adjusted PAT	353.8	501.0	(29.4)	258.1	37.1	496.0	1,347.5	(63.2)
Adj NPM (%)	4.3	5.4	-110bps	3.5	80bps	2.4	5.1	-270bps

Source: Company data, I-Sec research

- Net revenue to grow ~12% QoQ.** We expect TTPL to report 12% QoQ increase in its revenue driven by sequential recovery across its product segments.
- EBITDA margin will improve 60bps QoQ to 13%** on the back of higher realisation aided by the recent increase in polymer prices, operating leverage and cost-control initiatives adopted by the company post Covid.
- PBT to decline 33% YoY to Rs452mn** due to muted operational performance and higher base.
- 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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