

BUZZING

STOCK

Greenply Industries Ltd.

CMP – Rs.134

Analyst

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Key Stock Data

Sensex	14204
Nifty	4170
Sector	Laminates
Bloomberg	MTLM IN
Reuters	GRPL.BO
No. of shares (m)	17
Market Cap (Rs m)	2,278
Market Cap (US\$ m)	56
52-week H/L	Rs.145/77

Shareholding Pattern (%)

Promoters	53.42
Mutual Funds	3.24
FIs	7.31
Corporate Bodies	21.00
Pubic & Others	15.02

Greenply Industries Ltd. (GIL), a leading player in organized plywood, veneer and laminates market is all set to attain burgeoning size with its capacity expansion plans. The company has captured 25% of organized plywood market and 15% of laminates market. It has recently forayed in particle board market.

GIL has three units located in Nagaland, West Bengal and Uttarakhand producing plywood. It's laminate and veneer production units are located in Rajasthan. The company derives 48% of its total revenues from plywood segment. GIL is a part of Rs.120bn (plywood, veneer, laminate and particle board) market that is poised to grow at around 15% per annum.

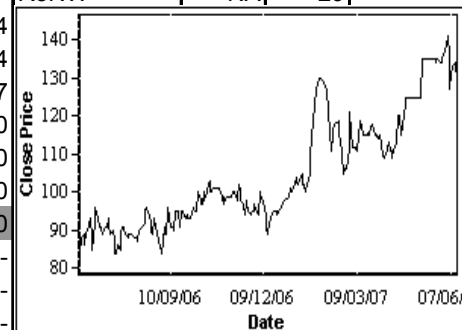
Expansion plans: GIL is has recently expanded its plywood capacity from 13m square meters (sm) to 18m sm. The full effect of expansion will be evident in FY08. The company is also expanding its laminates production capacity from 3.96m sm to 5.34m sm. This expansion is expected to be completed by August 2007. GIL has recently set particle board facility at Pant Nagar, Uttarakhand with annual production capacity of 2m sm. With these expansions, GIL is expected to put forth robust performance in next two years. The Company is expected to invest around Rs.400m in stated expansion plan.

Carbon Credit: GIL is expected to earn around Rs.30m per annum through its sale of carbon credits. The company has entered into agreement with a hedge fund to deliver around 58000 carbon credits till 2012. The validation process for plywood and particle board units in Uttaranchal is under implementation.

Valuation: GIL has reported excellent set of numbers in its latest results. In FY07, revenue at Rs.3,922m is up by 40% YoY. PAT at Rs.225m is 60% YoY higher, with EBIDTA margins at 12% increasing by 120bps YoY. The current market price discounts the FY07 diluted EPS of 13.8 by 9.7x.

Financial Snapshot

Greenply Industries Ltd.						Rs.m		Ratios (%)		
	Q4 FY07	Q4 FY06	Chg. (%)	FY07	FY06	Chg. (%)		FY07	FY06	Chg.(%)
Financial Year End: March										
Net Sales	1215	730	66	3922	2795	40	Debt -Equity	NA	2.0	-
Other Income	2	5	(60)	8	10	(17)	PBIDTM	11	10	5
Total Income	1216	734	66	3930	2805	40	PBDTM	8.2	7.5	9
Total Expenditure	1083	671	61	3461	2500	38	RoCE	NA	17	-
PBIDT	134	63	113	469	305	54	RoNW	NA	29	-
Interest	29	6	353	118	76	54				
PBDT	105	57	85	352	229	54				
Depreciation	27	17	63	87	63	37				
Tax	7	4	89	28	19	50				
Reported Profit After Tax	67	38	78	225	141	60				
Extra -ordinary Items	0	0	0	0	0	0				
Adj. Profit After Extra-ordinary item	67	38	78	225	141	60				
No. of shares (m)	17	13	-	17	13	-				
EPS (annualised.) (Rs.)	16.3	11.2	-	13.7	10.5	-				
P/E	8.2	11.9	-	9.8	12.8	-				



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