

# Plywood Boards/ Laminates

Industry Code (as per CMIE Prowess): 0101014001250000'

June 2022

Overall Industry Risk Score: **12/20 | Marginally Favourable**

Sample Size: 9 Companies


Median Rating Value of sample size: BBB

## Individual Parameters Contributing to the Score

**Demand & Supply Balance**  **12/20**

DS Equilibrium

The slowdown in the real estate sector, accentuated by the pandemic, has impacted the demand scenario. As per CMIE data, the industry reported y-o-y 19.9% growth in sales from Rs.21.5 billion for March 2021 quarter to Rs.25.8 billion for March 2022 quarter. As per Ministry of Commerce data, the exports value of wood and articles of wood increased by 58.6% from Rs.34.9 billion for FY21 to Rs.55.4 billion for FY22. The revival in demand will depend on the level of activity in the user sector.

**Extent of Competition**  **12/20**

Neutral

This industry is highly fragmented with a large presence of the unorganised sector. However, players with established brands continue to enjoy a pricing premium.

## Regulatory Risk



16/20

Stable Regulatory environment

Government initiatives on real estate sector and particularly affordable housing is expected to have a positive impact on this sector. There are however, certain environmental challenges in the industry.

## Input Related Risk



8/20

Erratic / unpredictable supply / wide fluctuations in price/

The industry is vulnerable to the wood and chemical prices. But branded players have an ability to pass on any input cost pressure to the customers.