

Reco/View: **BUY**

CMP: **Rs. 780**

Price Target: **Rs. 906**



STOCK UPDATE

Result Update - Q3FY2026

SECTOR

Building Materials

COMPANY DETAILS

Market cap:	Rs. 17,329 cr
52-week high/low:	Rs. 857/630
NSE volume: (No of shares)	1.09 lakh
BSE code:	532548
NSE code:	CENTURYPLY
Free float: (No of shares)	21.1 cr

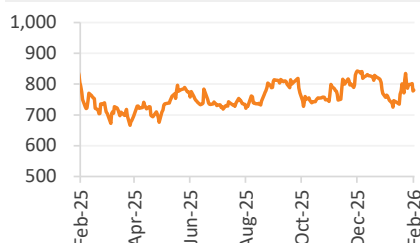
Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	73
FII	4
DII	18
Others	5

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	2.1	-1.6	7.7	-1.7
Relative to Sensex	2.0	-0.5	6.5	-11.0

Source: Mirae Asset Sharekhan Research, Bloomberg

Quick Snapshot

- Consolidated revenue grew 18.4% y-o-y to Rs. 1,350 crore and EBITDA rose 31.5% y-o-y to Rs. 170.2 crore with margin expanded by 125 bps y-o-y to 12.6%.
- Plywood volumes rose 17.9% y-o-y exceeding industry average of 6-7%.
- FY26 guidance: Plywood - (13%+ revenue growth, 12-14% rise in margin), Laminates (15-17% revenue growth, high single-digit margins), MDF (25% revenue growth, ~15% margins), particleboard (40% revenue growth, low single-digit margins).
- We retain a Buy with a PT of Rs. 906, on strong multi-year earnings visibility led by capacity ramp-ups, improving product mix and robust cash generation.

Result overview

- Revenue/EBITDA/PAT beat expectations, rising 2.2%/7.7%/6.7%.
- Plywood:** Revenue rose 14.9% y-o-y, while volume grew 17.9% y-o-y, beating industry growth of 6-7%. EBITDA margin surged 346 bps y-o-y to 15.1%, on stable input costs and improved operating efficiency. Company to expand capacity to ~430,000 CBM in Q4FY26. Hoshiarpur and Chennai expansions to come onstream in Q3FY27.
- Laminates:** Revenue grew 9.6% y-o-y during the quarter, although volumes declined 7.5% y-o-y, EBITDA margin soared 328 bps y-o-y to 7.7%. Remains confident of a 15%+ growth in FY26, supported by strong demand, and eyes double-digit margins in FY27 as operating leverage improves.
- MDF:** Reported revenue rose 18.2% y-o-y, with volumes increasing 13.3% y-o-y. EBITDA margin stood at 12.1%, up 143 bps y-o-y, though sequential moderation was seen due to seasonal softness and temporary timber cost pressure following flooding in Punjab. The company plans to add a 70,000 CBM capacity at Badvel in Q1FY27, taking total capacity to ~625,000 CBM annually. Additionally, the proposed Uttar Pradesh MDF plant, with capacity exceeding 300,000 CBM, is expected to be operational within 2.5 years of land acquisition.
- Particleboard:** Highest-ever quarterly sales of Rs. 65 crore, growing at 83.5% y-o-y, with EBITDA at breakeven.

Our Call

Demand is expected to improve, supported by multiple real estate projects under development. A surge in both residential and commercial construction is fuelling plywood consumption, with applications ranging from furniture manufacturing to structural use. Capacity expansion across segments is expected to generate significant cash flows, enabling steady debt reduction. The stock trades at 48x/35x /25x its FY2026E/FY2027E/2028E earnings, which we believe offers scope for further upside. We retain our Buy rating on Century Plyboards with a price target of Rs. 906.

Key Risks

Volatile timber prices, dependence on raw material imports, delays in achieving optimal capacity utilisation and slower-than-expected real estate growth.

Valuation

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Revenue	3,886	4,528	5,178	6,069	7,278
OPM (%)	13.1	10.7	12.8	13.8	14.9
Adjusted PAT	321	199	362	494	679
y-o-y growth (%)	NA	-38.2	82.3	36.3	37.6
Adjusted EPS (Rs.)	14.4	8.9	16.3	22.2	30.5
P/E (x)	54.0	87.4	47.9	35.2	25.6
P/B (x)	7.8	7.3	6.4	5.5	4.5
EV/EBITDA (x)	35.3	38.6	27.5	21.3	15.9
RoNW (%)	15.5	8.7	14.3	16.8	19.4
RoCE (%)	13.3	7.8	10.7	12.8	15.2

Source: Company; Mirae Asset Sharekhan estimates

Concall highlights

- Plywood market share increased from ~4.5% pre-COVID to ~8.5% currently.
- **Plywood capacity:**
 - o Q4FY26 capacity expected to reach ~430,000 CBM.
 - o Hoshiarpur: Addition include 60,000 CBM (initial 30–32,000 CBM operational in Q3FY27).
 - o Chennai: Total capacity to increase to ~150,000 CBM (from ~75,000–80,000 CBM currently).
 - o UP: New plywood plant of ~120,000 CBM with capex of Rs. 330 crore.
 - o Management also plans to in-source Sainik MR production (currently outsourced ~8% of plywood revenue), which should enhance margin control over time.
- **MDF capacity:**
 - o 70,000 CBM to be added in Q1FY27 at Badvel plant.
 - o Total capacity post-expansion: ~625,000 CBM annually.
 - o Andhra Pradesh plant currently at 247,000 CBM, expected to increase to 315,000 CBM post-extension.
 - o New UP MDF plant planned with capacity exceeding 300,000 CBM, expected within ~2.5 years from land acquisition
- MDF segment's long-term revenue ambition: Rs. 12,000 crore by FY31 (~18%+ CAGR).
- Laminates' average selling prices improved due to higher share of larger export sizes.
- Plywood industry growth: 6–7%; MDF industry growth: ~20%.
- Container freight station (CFS) revenue grew 35.9% y-o-y to Rs. 42 crore.
- Overall, FY27 to largely align with FY26.

Results

	Rs cr				
Particulars	Q3FY26	Q3FY25	% Y-o-Y	Q2FY26	% Q-o-Q
Income from operations	1,350.1	1,140.5	18.4	1,385.5	(2.6)
COGS	684.9	607.0	12.8	717.7	(4.6)
Gross profit	665.2	533.5	24.7	667.9	(0.4)
Gross margin (%)	49.3	46.8	249	48.2	106
Employee cost	207.8	176.7	17.6	205.6	1.0
Other expenditure	287.1	227.2	26.3	287.6	(0.2)
Total expenditure	1,179.8	1,011.0	16.7	1,210.9	(2.6)
Operating profit	170.2	129.5	31.5	174.6	(2.5)
Finance cost	31.3	17.9	74.6	31.1	0.5
Depreciation	48.3	34.0	42.1	47.6	1.5
Non operating income	1.7	2.3	-26.9	1.9	(11.1)
Extraordinary gain / loss	-	-	NA	-	NA
PBT	84.8	79.9	6.1	97.9	(13.4)
Tax	19.7	21.1	-6.5	26.9	(26.7)
Reported PAT	65.0	58.8	10.6	70.9	(8.3)
Adjusted PAT	71.5	58.5	22.3	68.9	3.8
			BPS		BPS
OPM (%)	12.6	11.4	125	12.6	1
NPM (%)	5.3	5.1	17	5.0	32

Source: Company; Mirae Asset Sharekhan Research

Additional Data

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Agarwal Sanjay	11.22
2	Bhajanka Sajjan	10.9
3	Khemani Vishnu	8.46
4	Agarwal Divya	7.54
5	Bhajanka Santosh	6.68
6	Kotak Mahindra Asset Management Co	4.10
7	DSP ASSET MANAGERS PVT LTD	3.93
8	Sriram Vanijya Pvt Ltd	3.83
9	Brijdham Merchants Pvt Ltd	3.49
10	Sumangal International Pvt Ltd	3.45

Source: Bloomberg

Key management personnel

Name	Designation
Sajjan Bha-janka	Chairman
Sanjay Agarwal	Managing Direc-tor
Nikita Bansal	Executive Director

Source: Company Website

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Registered Office: 1st Floor, Tower No. 3, Equinox Business Park, LBS Marg, Off BKC, Kurla (West), Mumbai 400 070, Maharashtra, India. Tel: 022-67502000.

Correspondence/Administrative Office Address: Gigaplex IT Park, Unit No 1001, 10th Floor, Building No. 9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai - 400708. Tel: 022 61169000 / 61150000, Fax No. 61169699.

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Research Analyst Regn No.: INH000006183. CIN: U99999MH1995PLC087498.

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Compliance Officer: Mr. Joby John Meledan; Tel: 022-4657 3809; email id: complianceofficer@sharekhan.com

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