

## Century Plyboards (India) Limited

### Century House,

P 15/1, Taratala Road, Kolkata - 700088

• P: (033) - 3940 3950 • F: (033) - 2248 3539

kolkata@centuryply.com • www.centuryply.com

Cin No : L20101WB1982PLC034435



27<sup>th</sup> May, 2026

BSE Ltd. Phiroze Jeebhoy Towers Dalal Street Mumbai- 400 001 <b>Scrip Code: 532548</b>	National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai- 400 051 <b>Scrip Name- Centuryply</b>
--	--

Dear Sir(s)/ Madam(s)

**Sub: Transcript of the conference call for Audited Financial Results for the Quarter and year ended 31<sup>st</sup> March, 2026**

In terms of Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we forward herewith the transcript of the conference call with Investors and analysts held on Monday, 25<sup>th</sup> May, 2026 in respect of Audited Financial Results for the Quarter and year ended 31<sup>st</sup> March, 2026.

This is for your information and record.

Thanking you,

Yours faithfully,

**For Century Plyboards (India) Ltd.**

**Company Secretary**

 **CENTURY LAMINATES** |  **CENTURY PLY** |  **CENTURY MDF**

PRELAM BOARD | VENEERS | PARTICLEBOARD  
EXTERIOR LAMINATES | DOOR |  | PVC BOARD | CFS





“Century Plyboards India Limited  
Q4 FY '26 and FY '26 Earnings Conference Call”

May 25, 2026



**MANAGEMENT:** **MR. SANJAY AGARWAL, MD & CEO**  
**MR. KESHAV BHAJANKA, EXECUTIVE DIRECTOR**  
**MRS. NIKITA BANSAL – EXECUTIVE DIRECTOR**  
**MR. ARUN JULASARIA – CFO**  
**MR. NAVARUN SEN – COO, PLYWOOD**  
**MR. SUMANT WATTAS – CEO – MDF & PARTICLE BOARD**  
**MR. VISHU GOEL – CEO – LAMINATES**

**MODERATOR:** **MR. NAVIN AGRAWAL**  
**HEAD, INSTITUTIONAL EQUITIES – SKP SECURITIES LTD**  
**+91 98200 27446 | [NAVIN.AGRAWAL@SKPSECURITIES.COM](mailto:NAVIN.AGRAWAL@SKPSECURITIES.COM)**

**Moderator:** Good day, ladies and gentlemen, and welcome to Century Plyboards (India) Limited Q4 FY '26 and FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the management's opening remarks. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Navin Agrawal, Head, Institutional Equities at SKP Securities Limited. Thank you, and over to you, sir.

**Navin Agarwal:** Good afternoon, ladies and gentlemen. I'm pleased to welcome you to this financial results conference call on behalf of Century Plyboards and SKP Securities. We have with us Mr. Sanjay Agarwal, MD and CEO; Mr. Keshav Bhajanka, Executive Director; Mrs. Nikita Bansal, Executive Director; along with Mr. Arun Julasaria, Chief Financial Officer; Mr. Navarun Sen, COO, Plywood; Mr. Sumant Wattas, CEO, MDF and Particle Board; and Mr. Vishu Goel, CEO, Laminates.

We'll have the opening remarks from Mr. Sanjay Agarwal, followed by a Q&A session. Thank you, and over to you, Mr. Agarwal.

**Sanjay Agarwal:** Yes. Thank you, Navin. Thank you. Good afternoon, everyone. And a very warm welcome to our Q4 and FY '25-'26 Earnings Conference Call. Before we begin, I would like to remind you that today's discussion may contain forward-looking statements, which are subject to risks and uncertainties.

This call is not intended as a solicitation to invest. The financial results and investor presentation have already been shared and are available on the stock exchange website. FY '25-'26 has been a landmark year for the company, marked by strong growth across businesses, significant improvement in profitability and continued strengthening of our market position.

I'm pleased to share that the company reported its highest ever quarterly revenue of INR1,492 crores during Q4 FY '26. The topline registered a strong growth of 10.5% quarter-on-quarter and 24.5% year-on-year, reflecting healthy demand across our product portfolio and improved contribution from newly expanded capacities.

At the profitability level, consolidated EBITDA margin, excluding forex losses improved to 13.6% compared to 12.6% in the previous quarter and 12.1% in the corresponding quarter last year. The improvement was driven by better operating leverage, higher capacity utilization, improved product mix and our continued cost optimization and operational efficiency.

For the full year FY '26, the company achieved top line growth of 19.2%, while EBITDA margin, excluding forex loss improved significantly to 13% from 11.1% in FY '25. In absolute figures, EBITDA, excluding forex loss has increased from INR502 crores to INR702 crores.

Profit after tax increased by 44% to INR268 crores compared to INR186 crores in the previous financial year. These results demonstrate not only strong revenue growth, but also substantial improvement in the quality of earnings and overall business efficiency. Segmental performance. Let me now walk you through the performance of our key business segments. Plywood segment.

The Plywood business continued to demonstrate sustainable growth momentum supported by healthy demand, strong brand positioning and distribution expansion. During Q4 FY '26, the segment recorded revenue growth of 11.4% quarter-on-quarter and 17.9% year-on-year. EBITDA margin, excluding forex losses stood at 16.1%.

For FY '26, the segment delivered revenue growth of 15.6% with EBITDA margin at 15.2%, reflecting strong operational performance and continued margin resilience. Laminate segment. The Laminates business delivered a turnaround during the year after remaining relatively subdued over the past 1 or 2 years.

In Q4 FY '26, the segment recorded revenue growth of 8.3% quarter-on-quarter and 16.3% year-on-year, while EBITDA margin improved to 10.3%. For FY '26, revenue grew by 13.9%, while EBITDA margin improved significantly to 8.5% compared to 5.2% in FY '25. The improvement was driven by better capacity utilization, improved product mix and efficiency.

The next segment, MDF. The MDF business continued its strong growth trajectory driven by improving utilization levels and sustained demand momentum. During Q4 FY '26, the segment recorded revenue growth of 8.9% quarter-on-quarter and 31% year-on-year. EBITDA margin, excluding forex losses stood at 11.3%.

For FY '26, the segment achieved revenue growth of 25.5%, while EBITDA margin improved to 12.7% from 10.1% in the previous year. In the current quarter, we have taken a shutdown in our Badvel plant to increase the capacity by 20%.

Particle Board segment. The Particle Board business witnessed robust growth during the year, supported by new capacity addition and improved utilization. In Q4 FY '26 revenue grew by 3.9% quarter-on-quarter and 108.3% year-on-year, while EBITDA margin stood at 7.2%. For FY '26, the segment recorded revenue growth of 38.2% with EBITDA margin at 1.2%. We expect further improvement in operating performances as utilization levels continue to increase.

Century Ports, a wholly owned subsidiary of Century Plyboards India Limited, commenced commercial operation during Q4 FY '25-'26 at the rejuvenated Khidderpore Docks, KPD-1 West at Syama Prasad Mookerjee Port, Kolkata. The commissioning marks a strategic diversification into port logistics and infrastructure aimed at enhancing supply chain efficiencies and creating new growth avenues for the group.

We will be cash positive in Q1 FY '27 from the Port business. Financial overview. From a financial perspective, FY '26 reflects a year of strong execution, improved growth profitability and disciplined growth.

Excluding forex losses, ROE improved from 10.6% to 15.2%, while ROCE increased from 12.5% to 14.6%, reflecting stronger operational performance and improved capital efficiency.

Our continued focus on operational excellence, prudent capital allocation and strengthening of brand and distribution capability has enabled us to improve both scale and earnings quality.

We remain committed to investing in manufacturing excellence, distribution expansion, brand technology and sustainable long-term growth. Looking ahead, we remain optimistic about the medium- to long-term outlook for the building material and interior infrastructure industry. The sector continues to benefit from strong structural drivers such as rising urbanization, disposable income, etc.

With our diversified product portfolio, strong brand equity, expanding distribution network, improving capacity utilization and additional capex on new capacity across businesses, Century Plyboards remains well positioned to capitalize on the emerging growth opportunities across segments.

We also expect further improvement in ROE and ROCE, as we continue to sweat the substantial assets that have been created over the last 3 years. During the quarter, the industry witnessed inflationary pressure in certain chemicals and resin-related input costs due to ongoing geopolitical conflicts and supply chain disruptions in global markets.

However, the company was able to effectively manage the challenges through operational efficiencies, strategic sourcing initiatives, improved product mix and calibrated pricing excellence. Going forward, we will continue to focus on profitable growth, operational excellence, prudent financial management and sustainable long-term value creation for the stakeholders.

We will now open the floor for questions.

**Moderator:** Thank you very much. We will now begin with the question and answer session. First question is from the line of Praveen Sahay from PL Capital.

**Praveen Sahay:** Many congratulations for good set of numbers. Sir, my first question is related to the MDF, where you had given around 39% of a Y-o-Y growth in the quarter. Can you make us understand from where such kind of outperformance is coming? Is that the market share you are gaining or the channel expansion? How that's going on?

Related to that, at what level of utilization in the MDF you are running with? And also in this, also, if you can give some color on the price hike, as you also highlighted related to the chemical price increase? So related to the MDF...

**Sanjay Agarwal:** No, I think that's already quite a lot of questions. So Sumant.

**Sumant Wattas:** Yes. I think you asked 3 questions. One, I think on the Q-on-Q growth, it's a multitude of factors. Obviously, in March, some stocking does happen because the market was expecting price increases. So that has certainly been one factor, but not the only factor.

As we are aging more in the South, we are continuously expanding our network and also working on the secondary, which is the carpenters and retailers. So it's a mix of, I would say, a little bit

of year-end stocking, but also a lot of fundamentals playing out in terms of enhanced network and enhanced demand generation.

So that's part one of your question. I think your part 2 was on capacity utilization. With the current numbers, we are at about 80% to 85% capacity utilization, give or take for our full capacity.

And this is against the rated capacity. And if you look at the product mix, typically you can go up to 85% to 90% as a max capacity on top of rated. And this is the reason why, as MD mentioned in his opening remarks, we are also taking the extension in our South plant, which will add another 60,000, 70,000 cubes per year of capacity going forward.

On your third question in terms of price increase, given the disruption in chemicals and supply chain, so on and so forth, we and the industry have taken a 15% price increase, which barely actually covers the cost that has gone up on account of chemicals disruption. It is very early days to see how much of it sticks.

And also, given the uncertainty right now on supply chain, again, we'll have to wait and watch to see will it sustain, will we need to take more price increases or will we need to take some corrections.

**Praveen Sahay:** Okay. Okay. And this time, you are not giving a guidance for all the segments for FY '27?

**Sanjay Agarwal:** Actually, the present situation is so, I think, fluid, it will not be right on our part to give you anything right now, but maybe by next time, we will be in a better position to -- till now whatever we have projected, we have been able to mostly achieve.

So the situation is really, really -- and we do not know what will happen to this war because they have given 60 days for that uranium, something, they will again sit down. So it may or may not -- the war may again start. So you really don't know what is going to happen. So that's why we are reserving. Otherwise, there is no other reason.

**Moderator:** Next question is from the line of Keshav Lahoti from HDFC Securities.

**Keshav Lahoti:** Sir, congratulations on a strong set of numbers. I can see in ply you have announced multiple expansions, one more new expansion announced. So how should we see ply capacity? What numbers in FY '27, '28, '29, give us some sense on that? And secondly, the -- because of this war...

**Sanjay Agarwal:** I'll just tell you about the capacities. On the capacity front, actually a lot is happening. Right now, we are utilizing our capacity at practically 100%, you can say. So the way we are growing, so we have to take this chance, and that's why we are expanding our capacities into our existing plants also. And our plant at Hoshiarpur is specifically on the -- I think Nikita can tell better. Nikita, are you there online?

**Nikita Bansal:** Yes, I'm there.

**Sanjay Agarwal:** I think, you can say better. Yes.

**Nikita Bansal:** Yes. So actually, in Q4, we had a capacity utilization of about 99%. We are increasing our capacity by about 30% within this year. Part of it is -- about 20% is the internal plant expansion. And another, the Hoshiarpur plant is supposed to come up in October this year. So that would make it a 30% expansion.

Next year plan is another -- actually, the UP plant is a bit delayed. So we are looking at -- actually, we had earlier projected that we will be making capex in this year, but it seems because we've just got the land, so I think the capex of the same would start probably towards the end of this year, maybe Feb, March or maybe even Q1 next year, and it will be ready in Q1 '28-'29. In the meantime, we also have started the process of procuring land in Orissa. Given the way we are expanding, we believe that we will need a new plant 1 -- leaving 1 year apart.

So if we got Hoshiarpur this year, I need a new plant in '28-'29. That's our projection for the next 5 years. That's how we are going about it. In between all years, we are expanding within our existing plants wherever it is possible.

**Keshav Lahoti:** Understood. And Chennai will double by Q3 FY '27.

**Nikita Bansal:** Chennai is doubling in July this year. So that is the 20% expansion that I was talking, not really doubling because it's already taken out a lot of meat within its existing plant. So about 40,000 NA, which is, I don't know, maybe 30,000 or 25,000 CBM will increase in Chennai by July.

**Keshav Lahoti:** Got it. Understood. And this Particle Board, I can see in the press release, you have mentioned that the capacity is 2,40,000. So we can see the retail capacity of 72,000. Old plant, you are not counting in. So the plan is to completely scrap the old plant or possibly once this new plant will ramp up, you will start to use the old plant also? And lastly, Particle Board, this time, the capex is INR500 crores for 2,40,000 CBM capacity. Earlier same plant, which you did, the capex was higher at INR700 crores. Why is that so?

**Sumant Wattas:** Yes. This is Sumant here. Let me answer. The old plant, which is a multi-daylight, fairly older technology, that we have shut down. And as of now, there are no plans to revive it. So we will most likely scrap it. And even if we add future capacity in Particle Board at a later stage should the market allow, it will be in a new greenfield capacity. So that's your question number one. On -- sorry, can you repeat question number two? I forgot. What was the second question on Particle one?

**Keshav Lahoti:** This time, the Particle Board expansion cost is INR500 crores, while earlier the similar capacity costed you INR700 crores?

**Sumant Wattas:** But we have not taken any Particle Board expansion earlier, so which one are you referring to? This is our first...

**Keshav Lahoti:** I am talking about the Chennai. Yes, so the Chennai, 2,40,000, which -- where you incurred INR700 crores?

- Sanjay Agarwal:** There was no INR700 crores. The new plant in Chennai, that is what we are running now. The earlier plant, we have closed down, so that we are scrapping. So there, I think we invested some INR200-some crores, the first plant.
- Sumant Wattas:** The old plant was INR70 crores. I think you have got your numbers mixed up. The old plant was an archaic old technology, which was multi-daylight press. And hence, the capex cost was much lower. This is a continuous production line where the cost will be higher.
- Keshav Lahoti:** Sir, I'm talking about the Chennai greenfield, which you did Particle Board expansion of 2,40,000. That plant costing was around INR700 crores. Is this number right?
- Sumant Wattas:** No, the number is incorrect. The plant costing was about INR550 crores.
- Keshav Lahoti:** Okay. So assuming the plant costing was INR550 crores, but now the one -- the Orissa one, which you are doing, which will come...
- Sumant Wattas:** Right now, it is just an MoU that we have done with the government with very, very rough calculations. It is something that we are still exploring. So Orissa, nothing has been finalized yet.
- Sanjay Agarwal:** And Orissa, have we done an MoU for Particle Board plant or for a Plywood plant?
- Nikita Bansal:** For both, papa.
- Sanjay Agarwal:** For both, okay.
- Nikita Bansal:** Yes. Yes. No, so I think if you're comparing the MoU, I think it's a wrong comparison to do because the MoU right now, we have got it with a caveat if you read that it could be an MDF or a Particle Board. We will take a decision when the time comes. And as you know, in India, it takes a little bit time.
- We are just in the stage of procuring land. And you've seen, like even in the past, when we actually start procuring land, I don't see Orissa going live in another 2 years from now like us getting the land. Then, all the formalities will start. So I think 2 years from now, we can give you a better idea on costs and all the breakup. I hope that's clear.
- Keshav Lahoti:** Understood. Got it. Quite clear. And this MDF, AP is already done, the debottlenecking thing for MDF?
- Sumant Wattas:** Sorry, could you say that again? Your voice was not clear.
- Keshav Lahoti:** So MDF, you were increasing capacity by 20%, 25% for AP plant, which you said in Q1, that is already done and dusted now?
- Sumant Wattas:** No, no. That is going on as we speak. In Q1 of this financial year, we are doing a brownfield expansion in our South plant that will unlock about 60,000, 70,000 cubic meters per year of additional capacity. So that is ongoing currently and will get completed by the end of the quarter.

**Keshav Lahoti:** Got it. Will this have an impact on your sales volume for MDF in this quarter? Or you already had the surplus inventory?

**Sumant Wattas:** Yes. So we plan for inventory. And hopefully, we'll be able to service the market sufficiently with the inventory.

**Keshav Lahoti:** One last question from my side. In Ply, you used to import timber. Now, how the geopolitical has been and container freight rates have increased, so in this way, this will increase your costing for ply timber also? And you are facing any supply side challenges?

**Nikita Bansal:** Can you repeat it? Sorry, I missed your thing.

**Keshav Lahoti:** So I said in Ply because of geopolitical, the freight rates have increased. So you used to import timber in Ply segment. So is there any supply side challenge and whether your ply timber costing have increased due to higher freight rates?

**Nikita Bansal:** Yes. So actually, there is no challenge per se in getting the material. But yes, prices have increased, and we have taken a 7% price rise already in the month of April due to these reasons because we are so import heavy as well as our chemicals, which are imported as well. They too faced a lot of increase. You must be reading about phenol and melamine in the papers anyway.

**Moderator:** Next question is from the line of Utkarsh Nopany from Anand Rathi.

**Utkarsh Nopany:** Sir, my first question is regarding your MDF segment. So like on volume side, you are doing pretty good. But on the margin side, if we see, like your margin has come under pressure, which earlier it was not guided. So just wanted to know what is the reason for the margin pressure in the March quarter? And what should be the sustainable margin in this segment as per you? And by when it is likely to be achieved, sir?

**Sumant Wattas:** Yes. So if you compare our Q4 versus Q3, there has been a margin erosion of about 1%, a marginal margin erosion. This is on account of 2 factors. One, some production-related disruptions linked to the chemical availability and prices. And secondly, some one-off spend.

So we did a little bit of ATL on the MDF side, which also got hit in quarter 4. So that's the reason why you see the 1% margin decline quarter-on-quarter. I think in terms of steady state, once things stabilize on the chemical side, supply chain side, so on and so forth, our strong belief is that this is a high-teens EBITDA business in steady state. And there are 2, 3 reasons for it. One, a lot of operational improvement on the plant side that we do in regular course is likely to kick in again next year as well.

Secondly, with this whole brownfield expansion in the South plant, it gives us efficiencies on power, fuel, so on and so forth. And then, a lot of effort is being made just in terms of product mix and value-added products, which we want to push further and further.

So in steady state, I think this is a high-teens EBITDA business, if not higher. And we hope to achieve it as the next year goes by. I think a specific time line is very difficult to put right now given so much is happening globally, but that's our plan and our vision.

**Utkarsh Nopany:** Okay. And sir, second, on the timber side, like what we are hearing is that the timber prices in the local market has corrected by roughly around 10%. So just wanted to know, are you also seeing similar kind of a correction in the local timber prices? And what is the outlook for the timber prices for FY '27, sir?

**Sumant Wattas:** Yes. So I think if we look at timber as a raw material and if I compare to the volatility in the year before and the years before that, timber has remained a lot more stable this year, while -- it's marginally corrected. I won't say it's corrected by 10%, but it's remained stable. And there are some regular seasonal variations that happen any which ways in timber.

For example, in monsoon season, the availability is low, so on and so forth. So that happens every year. But by and large, timber as a raw material has remained stable, and we expect it to remain stable going forward.

**Utkarsh Nopany:** Okay. And sir, lastly, sir, if you can just highlight how much price hike they have taken in the other side, so like Plywood, Laminate and Particle Board in Q4 and in Q1 till date? And what would be your capex that is for FY '27 and '28?

**Sumant Wattas:** So I can answer for Particle Board, and then, I'll hand it over to Nikita maybe for Ply. Look, Particle Board is a very key account management business, and the industry has not really announced any price hike per se. So it's not standard. But the raw material prices on account of chemicals have taken a hit similar to MDF, and our price pass-on has also been in the same range.

**Nikita Bansal:** And I think I have already on the plywood side, already mentioned that we have passed on whatever price increases we had so far in April of 7%, but it's a wait-and-watch scenario. And if we feel that prices continue to rise, we will take further prices accordingly.

**Utkarsh Nopany:** Okay. And madam, what would be the capex guidance for '27 and '28 on a consol basis?

**Nikita Bansal:** Vinay, can you answer that at a whole level, company level?

**Vinay:** I'll just take that. The basic capex that we are going to incur, the majority of it is going to be towards our new Hoshiarpur plant. Other than that, once we are online in Uttar Pradesh, once the land is in hand, we should be looking at commissioning Uttar Pradesh over the course of the next 2 years. Other than these 2, we have no major frozen capex as yet. So the capex will be predominantly directed towards plywood.

**Moderator:** Next question is from the line of Rahul Agarwal from IKIGAI Asset Managers.

**Rahul Agarwal:** Just 2 questions. One is more longer term, midterm in terms of strategy. Our operating cash flows every year are about INR600 crores, INR700 crores. Please correct me if I'm wrong. Our capex total, including UP, Orissa, is INR2,000 crores, next 4 years, 5 years, roughly about INR400 crores, INR500 crores a year.

Most of the heavy lifting on cash flow right now is Plywood, 60% of EBITDA is coming from there. So just need to understand your thoughts on how do you manage your risk going forward,

right? It's a lot more on execution, which will depend on to fund this capex. Second is, at the same time, we got to control on our financial leverage on the balance sheet. It's INR1,600 crores right now.

And third is, of course, spreading out this capex over 4, 5 years' time so that the capex, which we just finished over the last 2, 3 years should actually generate the ROCE you want. So how do we play a balancing act here? Could you just explain in terms of your own thought process for the entire business? That's the first question.

**Arun Julasaria:**

Rahul, I think the way to look at this, we are a company that you have seen has invested when we believe that there is money to be made. But at the same time, for us, turnover is vanity, profit is sanity and cash is reality. So return on capital is one of the most important metrics that we track.

Currently, as you've rightly pointed out, we have invested substantially over the course of the past 2 years. And right now, I think it is opportune for us to sweat our assets to generate returns. We are looking at growth that is not exponential. We are looking at a sustained growth. Towards that, maintaining balance sheet discipline is one of the most important priorities.

At this point in time, like I have already mentioned, our priority is going to be in creating capacity for Plywood, where we are seeing that we might face a shortage, say, 1, 1.5 years from now due to very strong traction on the ground. Other than that, we will take a call on the other segments as and when we reach capacity utilization.

There could be stagnancy in a couple of segments, where we will not benefit substantially from volume addition for a period of 1 or 2 quarters, maybe from the fag end of next year onwards, but this will be offset by higher realizations and by higher value addition sales.

So I think currently, there's no frozen capex for MDF or Particle Board, which are large substantial capexes. We are going to be using our internal cash flows predominantly to strengthen our balance sheet. And going forward, as and when we take a call, you'll be the first to know.

**Nikita Bansal:**

And I would like to add one more thing to this that see in Plywood, we are not doing unrealistic expansion because all this, while you never saw expansion was because our existing plants had a lot of juice to actually take out. We could really do massive expansion within our plants. We've actually doubled, tripled our capacity within our existing plants over the last 5 to 6 years.

But that is now no longer feasible. And because of that, we need to put up new plants, and we are looking at securing raw material sources because of which we are looking at Orissa or UP, etc., for future whenever we come back to local timber. And we are taking a very muted growth of 10% to 12% and a capacity utilization of 80%, basis that we are planning our expansion.

**Rahul Agarwal:**

Right. Absolutely get it. So just in terms of follow-up, for Plywood, Nikita, I think the base is going to be very high, right? This year, you've done exceptionally well. To actually do the heavy lifting next year, you're talking about 10%, 12% growth for next year is what you're talking about?

- Nikita Bansal:** Right. MD said at the beginning, we don't want to give any numbers for this year. I think in the next call, we will talk about the numbers for this year, what we are expecting. Obviously, you will also see how we performed in Q1 by then.
- Rahul Agarwal:** Sure, sir. I get that. So just in terms of your own comfort on debt overall level versus if I look at EBITDA, what's the comfort level from a balance sheet consol perspective? Right now, we are at about 2.5 if you look at debt-to-EBITDA gross levels. I think we should be reasonably assured?
- Arun Julasaria:** Operating debt or working capital debt is something because we are growing, and we are in a high-growth phase. 19% growth year-on-year for a business like ours does require certain working capital. But long-term debt, I don't think we'll exceed 1:1 EBITDA going forward.
- Rahul Agarwal:** Perfect. Got it. And just lastly, on forex. I just wanted to understand what are these liabilities where forex in case INR devaluates substantially in any quarter, which has just happened like that right now. What are the...
- Arun Julasaria:** Rahul, our total forex is within INR600 crores. Over the course of the past 2 decades, we have benefited substantially because of a natural interest hedge, as you are aware. One year, yes, there's been a start loss. This is predominantly due to the fact that currencies appreciated beyond what anyone could have imagined. Having said that, I think our total forex expenditure to our total forex exposure is INR600 crores.
- It is going to be limited to within that space, which is not going to have a very meaningful impact on our balance sheet going forward. We are not going to increase our forex exposure going forward.
- Rahul Agarwal:** Absolutely, I understand. What I was asking was, is it part of debt or is it part -- is it realized or this is mark-to-market?
- Arun Julasaria:** No, no. This is mark-to-market.
- Rahul Agarwal:** Right. Okay. So this is part of...
- Arun Julasaria:** It is sole mark-to-market.
- Rahul Agarwal:** Okay. It is not realized loss. It is largely on liabilities on short-term debt, is it?
- Arun Julasaria:** No, it is on long-term debt. Majority of it is long-term debt because we have imported machinery in biased credit.
- Rahul Agarwal:** That is very clear. Wish you all the best for the next year.
- Moderator:** Next question is from the line of Sneha from Nuvama Wealth Management.
- Sneha:** Congrats on a very good numbers. Just a couple of questions, sir. Just...

**Moderator:** Sneha, sorry to interrupt. Your audio is breaking. Can you come in a better reception area, please?

**Sneha:** Is it better now?

**Moderator:** Yes.

**Sneha:** Yes. So I was just asking whether -- on the plywood front, whether we have opportunity for outsourcing? If yes, what would be the contribution of outsourcing currently? That's one. Although I understand you said that for incremental even 10%, 12%, we need to add growth, but the possibility of the outsourcing front also to get a higher growth, that's first.

Secondly, a lot of your peers on the call mentioned that on MDF front, also we have taken price hike, but it's being partially passed on, and due to competition, there are schemes and discounts going on. So just wanted to understand that how much of the raw material cost absorption across the board is done? And could we see any margin impact starting Q1 because of higher inflation?

**Nikita Bansal:** So let me take the outsource question first, and then, Sumant can take the next question. So the thing is with respect to outsource, I think I've mentioned it in the last call as well and our meets that we want to actually make it a complete 100% in-house production. We are hoping that by the time there is an internal expansion next year, April, and Hoshiarpur.

So once Hoshiarpur comes, we will start moving a lot of our Sainik MR, which is the only product we outsource in-house. And by the time we are here next year, we would probably make it 100% in-house.

**Sumant Wattas:** On the prices -- Sneha, Sumant here, like I had mentioned previously, we and the industry have taken a 15% price increase this quarter. And that more or less covers the cost increase on account of supply chain disruptions and the war. You are right. Some peers in the industry have done selective rollbacks on this. So right now, it's in a bit of a flux given that the global tensions are again at play.

We don't know which way the prices will go from here. Also, in the market, like you rightly pointed, there have been some rollbacks by a few players here or there. So I think the situation is a bit -- we're waiting and watching and see which way it will go. Our hope is that we are able to pass on the cost increase as an industry in terms of prices, and therefore, there should be no margin impact. But right now, it's wait and watch for us. It's very difficult to say currently.

**Sneha:** Got that. Lastly, just a third and last question from my end, which is related to across the categories. The reason I'm asking this, we've seen significant inflation in March, there was a lot of channel pushing, be it tires, be it pipes, be it even your space, like MDF, where the traders or the distributors were expecting price hikes.

And that is why they stuffed material in the month of March and probably because of which April has been slow. Just a sense that I wanted to get how has May picked out? Are we seeing any scope of channel recouping and now taking material?

- Arun Julasaria:** Sneha, for us, April was not slow.
- Sanjay Agarwal:** Yes. April was not slow. Yes, yes. So I want to clarify one more thing, Sneha, as far as this outsourcing is concerned. See you know that Century is absolutely into quality. And we have seen that outsourcing in plywood has really not worked as far as the quality is concerned.
- So that's why we are slowly and as fast as possible, whether I should say we are trying to withdraw from outsourcing, reduce outsourcing and do everything in-house because the quality is of utmost importance to us. And why I'm saying so because next time you build your house, you must buy only Century Ply.
- Moderator:** Next question is from the line of Sankarshan Mehra from Premji Invest.
- Sankarshan Mehra:** Sir, just an extension to Rahul's question on the overall capex. So on the MDF front, you seem to be running at pretty high capacity utilization, right? And this debottlenecking probably helps you for growth in next year. So what are the plans beyond that? I mean, if we are -- if you want to expand capacity there, I'm sure something must be planned by now so that it's, say, commissioned by FY '28. So any thoughts there or would the idea be to focus on more value-added products? How should we think about it?
- Sanjay Agarwal:** Keshav, are you there?
- Sumant Wattas:** Keshav, would you like to take that?
- Moderator:** Sir, Keshav, sir, line dropped. I'll just call him back.
- Sanjay Agarwal:** Okay. Okay.
- Sumant Wattas:** Yes. But meanwhile, maybe I can take a stab at answering while Keshav joins. Look, like Keshav mentioned a couple of questions back, obviously, debottlenecking is one area which will give us 60,000, 70,000 cubic meters more of capacity this year, and we would like to obviously try to sell it off as quickly as possible.
- In parallel, move towards value-added is certainly very high on the agenda because that also gives us EBITDA uplift. In terms of capacity addition beyond that, nothing is firmed up and nothing is announce able as of now. We're obviously doing our internal brainstorming. Once we're in a position to give you specifics in terms of timelines and capacity, we'll come back.
- Sanjay Agarwal:** With our UP land acquisition, if it happens correctly on time, we'll be ready with the land. And the land is ready, then rest of it is absolutely ready with us. There is no more science to it for us. So we will be able to put up a plant within, say, 15 to 16 months' time, I think. But right now, yes, there is nothing absolutely frozen.
- Nikita Bansal:** And because of plywood, we would actually get the land ready regardless because we would need the common facilities and more or less the roads, etc. So the land will be ready if ever MDF decides. It won't take as long a period as it takes for a fresh project.

- Sankarshan Mehra:** Understood. So -- I mean, just to sort of clarify that it's more a timing or a capex issue, nothing to suggest that the growth opportunities are sort of saturated. I shouldn't be taking...
- Sanjay Agarwal:** No, no, no. No. We are very, very bullish on it. We are very bullish on MDF. The capacities are going to expand really big time. A lot of progress is going to come in. These are only, what they say, the calm before the storm.
- Nikita Bansal:** No, and I think this division will deliver EBITDA where you all will also get the confidence that we further go into capex. So I think that is also important.
- Moderator:** Next question is from the line of Amit Purohit from Elara Capital.
- Amit Purohit:** Congratulations on good set of numbers. Sir, just 2 questions. One, on the demand, how are you seeing right now given the fact that you have taken price increases in most of the segments? And second, when you take price increases, I just wanted to understand how do you -- I mean, just a bit of a mathematical thing, trying to understand whether this price increases ensures you a percentage margin or suppose the raw material prices would have gone up by how much for MDF at an aggregate level or in plywood, if you could give me, is it a price -- raw material price increase by 7% and 15% for you, and that's why the amount of price increase has been taken, if you could help me with that?
- Sanjay Agarwal:** It's not that complicated. It's very simple. You see there are very different factors in costing. We have a very efficient costing management system. And very fast, we get the calculations that what are our costs going to be in, say, next 1 month's time also.
- So accordingly, we take the price increase. And it is not only raw material timber because timber is only maybe a certain percentage of the whole thing, then there are chemicals, then there are factory inputs and then there are logistic costs. And then there is a dollar-rupee. So all these things we take into account, and we take the increase. It's much simpler than...
- Amit Purohit:** No. So I just want to know is that what is the raw material index for you increase in the MDF and plywood, if you could just tell us that on a Y-o-Y basis for you to take 7% and 15% price?
- Sanjay Agarwal:** What is the raw material percentage in the total cost...
- Nikita Bansal:** Yes. It's something I personally don't want to share. I think at least for plywood, I don't want to share, and I think Sumant would say the same for MDF.
- Sanjay Agarwal:** No, I don't think we should share for all those things.
- Nikita Bansal:** Yes. And as far as the demand part goes, I would request Mr. Sen, if he's on the line, he should answer for Ply, and then, Sumant can answer for MDF.
- Sanjay Agarwal:** Navarun, are you there?
- Nikita Bansal:** Okay. As he is not there, let me take it up. So the thing is that whenever we do a price increase, we expect that things will fall, but we have -- we are not seeing any drop in our secondary. So that, to me, shows that there might be some holding with the big dealers. But because we have

such a wide expansion, and we actually run routes on a daily basis when it comes to feeding smaller dealers, I feel that demand is continuing even post the price increase currently for ply.

**Sumant Wattas:** Yes. And I think just to add to that -- sorry, you were saying something, please go ahead.

**Amit Purohit:** No, no, continue, and then, I'll just have one small follow-up on that.

**Sumant Wattas:** Yes. No, just a quick addition to that on the MDF side. Look, for us also, demand has been quite stable. Usually, April, May as compared to Q4, of course, there's a little bit of correction that happens from the Q4 exuberance. But in general, we don't see any fundamental weakening of demand. So it's quite stable and healthy.

**Amit Purohit:** Sure. And just, sir, I understand you may not like to share the exact percentage, but can you just say whether it is higher or lower versus the price increase that you have taken?

**Nikita Bansal:** No, it will always be higher, right? The raw material increase will be higher because of the ratio of the raw material to the pricing is -- it's not 100%, right? So obviously, the raw material price would be higher, obviously, but we pass on the exact, right? We do not let our EBITDA get hit. That's usually how we work as a company.

**Sumant Wattas:** I think that answers your question. You're trying to ask, are we trying to get more margins from the price increase or are we just covering our cost? I think Nikita answered it. The philosophy is to pass on as much as cost as possible. So that's the intent.

**Moderator:** Next question is from the line of Bhavin Rupani from Investec India.

**Bhavin Rupani:** Sir, first question related to Plywood. So last quarter, we said 8% of our total revenue in plywood is with respect to Sainik MR. So first, if you can tell us what is it in terms of volume? And second, now we plan to bring in Sainik MR in-house. So does it mean that volume growth won't be commensurate to capacity growth going ahead? So is that a fair understanding?

**Nikita Bansal:** So -- okay, let me answer it in 2 ways. Number one, we do not share breakup of Sainik MR and Sainik 710 and Club Prime. We've maintained this in the past, so I will not answer that question. With respect to the second part, yes, so if you say in terms of the growth, the capacity expansion that is happening is quite aggressive at a smaller time line.

So if you see if we've added 30% just this year, and then, we are adding another further 15% next year is all to actually take up some part of this 8%. Obviously, we are not going to grow by 45% in this 1.5 years. Yes. I hope that answers your question.

**Bhavin Rupani:** Yes, yes, it does. So just a follow-up on this, if you can call out what is the capacity right now in Plywood? And what will be our capacity post you are done with all the capex that you have announced in FY '27?

**Nikita Bansal:** [Inaudible 0:50:01] will you take up those exact numbers, please?

**Management:** Sure. So current capacity in case of plywood is 4,06,000. This is as of 31st March...

**Moderator:** Sir, sorry to interrupt you. You're sounding distant.

**Management:** Am I audible now?

**Moderator:** Yes, sir.

**Management:** Yes. So current capacity at Plywood is 4,06,000 as on March '26. And we are coming up with new capacity of Hoshiarpur, which is 48,000 CBM, which is going to come up in the second half of this year. Apart from that, we are having a brownfield expansion at our different factories, which is Kandla, Chennai and Guwahati, which will add another 20% of this particular capacity, which Nikita has already told us.

**Bhavin Rupani:** 20% of total capacity is 80,000...

**Management:** Yes, to brownfield.

**Bhavin Rupani:** Got it. Sir, second question related to Century Ports. So we have done expense of somewhere around INR260 crores to INR270 crores over 3 years. So just wanted to understand what could be the potential cost saving we can expect from this?

**Nikita Bansal:** What do you mean by cost savings, for Century Ply?

**Bhavin Rupani:** Yes. Cost saving or incremental -- yes, cost saving or incremental revenue...

**Sanjay Agarwal:** For saving for Century Ply, no, there is no cost saving in this. There is -- I mean, it makes life easier for many, many importers and exporters, so to us also, but there is no cost saving for Century Ply in there.

**Nikita Bansal:** We always maintain each thing as a separate profit center. So Century Ports will continue to have its own profit center and give no benefit to Century Ply as of now.

**Moderator:** Next question is from the line of Mehul Shah from NMV Securities.

**Mehul Shah:** Sir, I wanted to know the current capacity for Laminates?

**Sanjay Agarwal:** Current capacity for Laminates.

**Mehul Shah:** And utilization.

**Sanjay Agarwal:** Our capacity utilization is at 84%. And our capacity is 87,70,000 sheets.

**Mehul Shah:** 87,70,000.

**Sanjay Agarwal:** 87,70,000 sheets, and...

**Mehul Shah:** This is consolidated, right?

**Sanjay Agarwal:** The lam Badvel capacity is 11,200 CBM. These are 2 different kinds of number because there the number was number of sheets, 87,70,000 number of sheets. Here, it is CBM because here

we make a different kind of laminate actually. It's a thicker laminate, which is mostly for exports or for use in toilet cubicles and all that. The capacity utilization at Badvel is 47%.

- Mehul Shah:** And what would be the capacity for '27 and '28?
- Sanjay Agarwal:** Capacity for '27-'28, same.
- Nikita Bansal:** So like we said, we will give those numbers in the next call because if I talk about capacity utilization, I will also end up talking about what is my plan for this year. So we will give that in the next call.
- Sanjay Agarwal:** Nikita, it's for capacity...
- Nikita Bansal:** No, he's asking capacity utilization percentage for this year.
- Mehul Shah:** And for MDF capacity is 5,28,000, right, currently?
- Sumant Wattas:** For MDF, the current capacity is about 5,30,000, 5,40,000 CBM per year. And with the brownfield expansion, we will add another 60,000 to 70,000. So we'll make about 6,00,000 cubes a year.
- Moderator:** Next question is from the line of Anu Parakh from Anand Rathi.
- Anu Parakh:** So first question is, what is the reason for weak performance of the Laminate segment for the 18 quarters? And by when can we expect it to start performing?
- Sanjay Agarwal:** Vishu, you have...
- Vishu Goel:** Yes. Yes, yes. I can answer that. So -- Vishu on this side. So I think there are 2 parts to the question, okay? In the last, if you were to look at the preceding 8 quarters, which is FY '24-'25 and '23-'24, okay, we had seen a certain amount of stagnancy as far as the Laminate business is concerned.
- Partially because of some internal changes in the context of how we wanted to take up the GTM level changes, which probably have not worked to our advantage and partially also because of the changing product mix when you look at Indian as well as both export markets. So we took some corrective actions starting last year only.
- And if you were to look at this year, we have started seeing some green shoots as far as the financial year '25-'26 is concerned. So on a quarter-on-quarter basis, we have seen an uptick as far as the overall topline as well as the improvement on the bottom line is concerned, which essentially has come through the work, which we have done both in the domestic market, including working on some price points, trying to sharpen our go-to-market strategy and making some corrective changes there, including changes in the leadership team.
- Also, at the export level, we have added the larger capacity presses, which is something which is more attuned to the kind of product mix, which is utilized or kind of demanded in the global

markets all across Europe, Southeast Asia and stuff like that. So that also has started giving us some dividend. So to that extent, we are seeing some green shoots.

And while, of course, we are in a context of building up the space for us, but for whatever we understand, including all the published companies wherein they have published their results, we have done reasonably okay. As of now, growth rate outstrips all of them from a published point of view.

So industry itself has seen a certain amount of 8% to 10% kind of a revenue guidance, if you were to look at the market leaders and all other companies the way they are portraying. And at this stage, we continue to outgrow that. So as we move ahead, we will see more improvement in consolidation moving forward, and we may continue to outgrow the market by 3 to 4 percentages.

**Anu Parakh:** Okay. And sir, what is the -- how much has been the rise in the chemical prices compared to the average of Q4 based on current market rate? And also, if you can share the chemical cost percentage as a proportion of revenue for Plywood, Laminate, MDF and Particle Board?

**Sanjay Agarwal:** No, I don't think we share such fine costs, etc. We do not share actually.

**Anu Parakh:** Okay, sir. But just how much has been the rise in the chemical prices?

**Sanjay Agarwal:** Yes, you can tell this. Vishu, if you have idea of some of them.

**Vishu Goel:** So, yes. I can tell you. So see, for us, we have -- like in the context of MDF and Plywood, we have taken a price increase to the tune of 10% to 12%, largely the impact in the quarter 1, okay? And that predominantly covers our raw material or the chemical cost price hike, which has happened because we are dependent on a lot of chemicals, and it does form a sizable portion of our input cost, so -- but we have been able to pass on most of the price increase to the market.

**Sanjay Agarwal:** So the cost increase in chemical will be a little higher than this percentage?

**Vishu Goel:** Yes. Yes.

**Sanjay Agarwal:** Maybe we are unable to tell you at this moment exactly.

**Moderator:** That was the last question in the queue. As there are no further questions, I would now like to hand the conference over to Mr. Sanjay Agarwal for closing remarks.

**Sanjay Agarwal:** Yes. Thank you, everyone, for your insightful questions and continued interest in our company. We are encouraged by the strong performance delivered during FY '26 and remain confident about sustaining the growth momentum across our businesses. With Iran War supposedly ending, I hope progress there will be good. We sincerely appreciate your continued trust and support, and we look forward to interacting with you again after our next quarter results. Thank you. Have a great day.

**Moderator:** Thank you very much. On behalf of SKP Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you