PRIVATE CLIENT GROUP | kotak Securities

Dated: 14th Nov 2025

Century Plyboards (India) Limited (Centuryply) - ADD

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs. 799	**Rs. 863**

Rationale:

- Q2FY26 performance saw improvement yoy and qoq and was above our estimates.
- Company reported strong double-digit yoy revenue growth in plywood, laminate, MDF.
- In H1FY26, revenue/EBITDA/PAT growth stood at 17%/36%/62% yoy, respectively.
- In past three years, company has invested heavily in enhancing capacities across product segments and all these new capacities have commenced production.
- We expect the company's revenue growth to remain robust over FY26-28E.
- With capex cycle coming towards completion, we expect debt to start coming down.
- We expect earnings per share of Rs11.3 in FY26E and Rs20.0 in FY27E.
- We value the stock at a PE (price/earnings) of 33x on FY28E earnings.

Positives:

- Consol. revenue was Rs1,386 cr (+17.1% yoy, +18.5% qoq); 6.6% above our estimate.
- Consol. EBITDA margin was 12.6% (+320 bps yoy, +164 bps qoq, our estimate was 11%).
- Laminate segment EBITDA margin improved yoy and qoq to 9.7% in Q2FY26.
- Consolidated net profit was Rs69 cr (72.4% yoy and +32.9% qoq, our estimate Rs60 cr).

Negatives:

- Plywood segment EBITDA margin was lower yoy and qoq at 13.7% in Q2FY26.
- Particle board EBITDA margin declined further to negative 3.8% in Q2FY26.

(EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization; P/E: Price/Earnings; PAT: Profit After Tax; MDF: Medium Density Fibreboard)

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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