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Dear Sir(s)/ Madam(s)

Sub: Transcript of the conference call for Unaudited Financial Results for the Quarter ended 30th June, 2025

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 Friday, 8th August, 2025 in respect of Unaudited Financial Results for the Quarter ended 30th June, 2025.

This is for your information and record.

Thanking you,


Yours faithfully,

For Century Plyboards (India) Ltd.

Company Secretary

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“Century Plyboards India Limited
Q1 FY26 Earnings Conference Call”

August 08, 2025



MANAGEMENT: **MR. SANJAY AGARWAL – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER – CENTURY PLYBOARDS
INDIA LIMITED**
**MR. KESHAV BHAJANKA – EXECUTIVE DIRECTOR –
CENTURY PLYBOARDS INDIA LIMITED**
**MRS. NIKITA BANSAL – EXECUTIVE DIRECTOR –
CENTURY PLYBOARDS INDIA LIMITED**
**MR. ARUN JULASARIA – CHIEF FINANCIAL OFFICER –
CENTURY PLYBOARDS INDIA LIMITED**
**MR. SUMANT WATTAS – CHIEF EXECUTIVE OFFICER –
MDF AND PARTICLE BOARD BUSINESS – CENTURY
PLYBOARDS INDIA LIMITED**
**MR. VISHU GOEL – CHIEF EXECUTIVE OFFICER –
LAMINATES BUSINESS – CENTURY PLYBOARDS INDIA
LIMITED**

MODERATOR: **MR. VAIBHAV PACHISIA – SKP SECURITIES LIMITED**

Moderator: Good day, ladies and gentlemen, and welcome to Century Plyboards India Limited Q1 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 presentation concludes. 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. Vaibhav Pachisia from SKP Securities. Thank you, and over to you, sir.

Vaibhav Pachisia: Thank you. Good afternoon, ladies and gentlemen. I'm pleased to welcome you to this Q1 FY '26 Financial Results Conference Call on behalf of Century Plyboards and SKP Securities. We have with us Mr. Sanjay Agarwal, MD and CEO; along with Mr. Keshav Bhajanka, Executive Director; Mrs. Nikita Bansal, Executive Director; Mr. Arun Julasaria, Chief Financial Officer; Mr. Sumant Wattas, CEO, MDF and Particle Board Business and Mr. Vishu Goel, CEO, Laminates business. We will have the opening remarks from Mr. Sanjay Agarwal, followed by a Q&A session. Thank you and over to you, Mr. Agarwal.

Sanjay Agarwal: Thank you, Vaibhav. Thank you. Good afternoon, ladies and gentlemen. Welcome to the FY '25 Q2 Earnings call for Century Ply. Before we begin, I would like to provide the standard disclaimer. This discussion will focus on the company's historical performance and future prospects and is not intended as an invitation to invest in the company. The results and analytical presentations have been shared with you and are available on the stock exchange website.

Revenue performance. I'm pleased to share that our Q1 FY '26 performance is in line with the guidance we shared during our previous investor call. On a year-on-year basis, we delivered a healthy revenue growth of 6.8% on a stand-alone level and 16.3% on a consolidated basis. This performance underscores the resilience and agility of our strong business model.

EBITDA performance. Now moving to profitability. On a stand-alone basis, our EBITDA, excluding foreign -- forex impact, came at 12.7%, slightly lower than last year Q1 13.5%. This marginal decline is largely due to higher advertising and promotional spend we undertook during the quarter to support our growth initiative.

On a consolidated basis, EBITDA, excluding forex impact, improved significantly to 12.5% compared to 11.2% in Q1 FY '25. This uptick is primarily driven by the positive contribution from our Badvel plant, which was an early ramp-up phase during the same period last year. Now to business segment highlights. Plywood. The segment continues to lead our portfolio with 15.3% year-over-year growth in top line, supported by strong volume growth.

The EBITDA margin in this segment stood at an impressive 13.8%, placing us amongst the best. The plywood industry in India is poised for steady growth over the medium to long term, supported by structural tailwinds such as urbanization, rising disposable incomes, government focus on affordable housing and the shift towards branded and organized products.

As consumer awareness around quality, sustainability and aesthetics increase, demand is expected to shift further in favor of premium and eco-friendly plywood solutions. The ongoing

formalization of the sector aided by BIS implementation and stricter environmental regulations is anticipated to benefit organized players, leading to consolidation in the market.

Despite near-term challenges from input cost volatility and subdued real estate cycles in certain regions, the long-term outlook remains optimistic. With continued infrastructure development, a revival in private capex and robust demand from the furniture and interior decor segments, the plywood sector is expected to witness a good growth over the next 3 to 5 years.

And I am happy to say that July '25 marked a historic milestone for us as we recorded our ever -- highest ever sales volume in plywood. Now to Laminates. I am happy to report that this segment is showing early signs of a turnaround. We recorded a 12.8% year-over-year and 1.9% quarter-on-quarter growth in consolidated revenue.

The EBITDA margin came in at 5.9%, and we are optimistic about continued gradual recovery in the quarters ahead. To support margin expansion, we are focusing on strategic cost-saving interventions across operations. MDF. Our MDF business has performed very well with a 23.7% year-on-year revenue growth on a consolidated basis and an EBITDA margin of 14.3%, among the highest in the industry.

The improved results are a reflection of better capacity utilization, especially at our Badvel facility and cost optimization at both the plants. Particle Board. The segment continues to be in recovery phase, although revenue has declined year-on-year compared to Q1 of last year, there has been a sequential improvement over Q4.

Margins remain under pressure, primarily due to elevated timber costs and ongoing pricing challenges. However, with the launch of our new facility, which offers a cost advantage, we anticipate an improvement in margins going forward. Capacity expansion update. I am also pleased to share that commercial production at our new particle board plant in Tamil Nadu commenced towards the end of Q1.

We believe this addition will not only support our growth trajectory but also help improve our cost structure over the medium term. Working capital cycle. The working capital cycle, which had increased in the previous quarter due to higher inventory levels has improved this quarter, coming down from 76 days to 71 days, primarily driven by better management of raw material inventory.

To conclude, we remain confident in our long-term strategy, and we are focused on execution efficiency and innovation across all segments. We thank you for your continued trust and look forward to updating you again next quarter. Now I open the forum for questions and answers.

Moderator:

Thank you very much. We will now begin with the question and answer session. The first question is from the line of Rahul Agarwal from Ikigai

Rahul Agarwal:

Sir quick questions four of them. Firstly, on plywood, obviously, we are running ahead of our guidance. I also see that last year, rest of the 9 months from July to March, we have seen a very

strong revenue growth. Going forward, guidance remains the same at 10% sales growth. Does that mean we are basically looking at normalization in growth going forward? Because July looks like highest ever. So just some sense on plywood top line, please? That's the first question?

Nikita Bansal:

See, in plywood, we've always believed to give a 10% plus. Now 10% plus can vary. Market dynamics can change, et cetera. So we would like to continue giving that guidance. Obviously, we will not have a degrowth, and these are things that investors understand, they see the trend, they've seen the trend last year. But if you to give a guidance from the company, we will continue to say that we will deliver 10% plus growth this year.

Rahul Agarwal:

Okay. Got it. So essentially, we are looking at normalization, right? Because last year, 9 months, the growth was very high. Is that fair to understand?

Keshav Bhajanka:

So again, like we said, the objective will always be to deliver better. Guidance is at 10%, but our company will always try to deliver a best in case in terms of value and volume growth. I hope that clarifies.

Rahul Agarwal:

Got it, Keshav. Similar question on MDF. I think we've achieved 15% consol EBITDA. It looks like things are getting better. I'm assuming this. Can you just comment on what's really happening with the supply side of MDF right now? I know exports are much lower -- sorry, imports are much lower, but domestic supply and the pricing trends looks better. So going forward, consol margins at 15%, is it fair enough or there is some upside potential here?

Keshav Bhajanka:

Rahul, you're right on both accounts. Imports are much lower and exports are much lower. So you are correct there. But having said that, I think that, yes, there is still some oversupply in the market. A lot of capacities have come up and 3 multi-daylight lines have started over the course of the last year itself.

But going forward, I think we are reaching a stage where capacity utilization has begun to improve right across the industry. In the next few quarters, we are seeing this continuing. The reason for 15% achievement and continuing 15% guidance is that right now, our focus is going to be on market share gains.

We are going to definitely try and meet the EBITDA numbers. But at the same time, this is a time period with BIS coming in, with the imports being curb where we can expand substantially, and we are trying to gain a foothold as the market leader. So I think that for the current foreseeable future, let's say, 9 months, next 3 quarters, the guidance holds.

Rahul Agarwal:

Got it. Thirdly, on inventory, I think Sanjay you mentioned, we have obviously reduced raw material inventory. But when I look at balance sheet reported as of March, right, it was about INR986 crores. I think that's a function of raw material finished goods and WIP. In the presentation, we have raw material and finished goods. Just wanted to know, is it possible to share the overall inventory total as of June end? Is it possible to share that?

- Keshav Bhajanka:** Vinay will take it up. Sorry, just give me a second. I think our team will get back to you on that. The CFO will get back to you with details on the same. I don't have it in front of me right now.
- Rahul Agarwal:** Okay. And lastly, on pricing trends for timber on MDF and plywood, if you just discuss a bit on qualitatively what's really happening because we've heard there is some bit of timber deflation. If you could just help us understand it better over the balance of the year, that will help. That's all from my side.
- Keshav Bhajanka:** You're absolutely right. In MDF and particle board, the timber prices seem to be rebounding slightly. There seems to be a little bit of easing out, but I think it's still wait and watch. Currently, in the -- this month itself, prices have jumped up because of monsoons, but that's a trend that takes place every season. But I do hope that the peak of timber prices are behind us, and we should see some slight spike during the course of the current year.
- As far as plywood is concerned, I think timber prices are pretty much at similar levels. But that also does mean that the increase that we have seen over the course of the past couple of years, there is no steep jump as of now. Prices are more or less at similar levels. So MDF, particle board should benefit from slightly lower raw material costs. In plywood, it will more or less remain in line with what it has been.
- Sanjay Agarwal:** Just one, really the plywood timber to grow takes longer time. So the price reduction will happen still, I don't think before the next year or the year -- end of the next year, I think, should be a little bit of a help because it takes longer time to mature the tree required for plywood.
- Rahul Agarwal:** Best wishes for the rest of the year.
- Moderator:** Next question is from the line of Sneha Talreja from Nuvama Wealth.
- Sneha Talreja:** Congratulations on good set of numbers. Sir just a couple of questions from my end. Just wanted to understand, we're seeing a good amount of improvement with your gross margins in the plywood segment, but that's not translated into EBITDA margins where we have seen some amount of fall. Is it some increase in ad spend or something that we've seen particularly this particular quarter?
- Nikita Bansal:** So this quarter, we were in IPL. So that is a massive spend which happened in Q1 because of which you are not seeing a translated -- into EBITDA. But going forward, obviously, we will continue to spend and we are also investing a lot more in our brand. But we won't have the IPL cost for the rest of the year.
- Sneha Talreja:** Understood. What would be the percentage of ad spend this particular quarter?
- Nikita Bansal:** Sorry, can you repeat your question?
- Sneha Talreja:** What would be the percentage of ad spend for only Plywood division this particular quarter?
- Nikita Bansal:** So we usually -- Vinay do you have it?

Management: 4%.

Nikita Bansal: We keep it 4%, but what was in Q1?

Management: We'll get back.

Nikita Bansal: Okay. So we'll get back usually throughout the year, we keep it as a 4%, but we don't know what it was. Obviously, it was higher in Q1, but the exact percentage will come.

Management: 5.7%.

Nikita Bansal: It was 5.7%.

Sneha Talreja: That was helpful. Secondly, what I wanted to ask is the scale up in MDF segment has been pretty great. We have seen that over the years. My similar question was on the Particle Board segment. How are we planning things? Because when I look at your current business at this point of time, we are still seeing some drop in terms of volumes, whereas our new capacity has just come up there.

Margins, of course, on the falling trend, of course, that can be given because the sector itself is probably not doing that well in terms of particle board. How are we seeing scenario improving because our new capacity has already come onboard. Do we have visibility already starting up from OEMs? So I think just a couple of these things would be helpful?

Keshav Bhajanka: So Sneha, I think you're absolutely correct. But the only point of difference that I have is that the new line is a continuous line. So the quality of product that is very, very different as compared to the earlier product. Whereas in the market, pricing is similar. So the multi-daylight line was competing against continuous lines that have been brought in by 2 large-scale players in the industry.

And as a result of that, the traction that we had because the quality parameters have changed, but I'm very happy to tell you that the quality that we have gotten from the new line, once you see the board, it looks more like an MDF and particle board. So we are very happy with the product quality that has been established.

The product has started selling the market, the response from OEMs and the market in general has been superb. I think with this quality of product, you shall see a rapid scale up in the volumes. Maybe this quarter, we will take a little time to stabilize the new plant because like I said, it's just commissioned. But from next quarter onwards in H2, you will see a huge spike as far as particle board volumes are concerned.

Sneha Talreja: This was really helpful, Keshav. And what are we estimating for particle board in the first -- second -- sorry, can you hear me?

Keshav Bhajanka: Yes, I can hear you, but the MD just reminding me of one more point. We have not currently been in the 8x4 market in particle board. As you remember, our earlier line was a 9x6 multi-

daylight press where we could manufacture 9x6 and 8x6. So a huge chunk of the market, which sells as per 8x4 size, that was not available to us. However, now because we have a 8 feet pipeline, we can manufacture 8x4 as well. So this, again, will help us to increase volumes.

Sneha Talreja: This was again helpful. Just lastly, on the Particle Board segment because this is a new segment. Just wanted to get some numbers here. What could be the revenue looking like in first, second, third year of operation? And eventually, how does the scale up happens in terms of margins because raw material prices have been easing out, but other players, what I'm seeing are still doing losses, who have recently commissioned. So just some sense from you would be helpful?

Keshav Bhajanka: Is this for Particle Board, right?

Sneha Talreja: Only for Particle Board, yes, yes.

Nikita Bansal: For Particle Board, you will see our total turnover potential will be in excess of INR500 crores from the existing line. Of course, the objective will be to push it higher. And as you know, that we always attempt to reach 100% capacity utilization, 90% plus by the third year. Having said that, EBITDA margin that steady state will look at 15%.

During the ramp-up phase, it's very difficult for me to give you guidance. But I'm assuming that from next year, we will be at double-digit EBITDA plus. And going forward, by year 3, we should definitely be at 15% plus.

Moderator: Next question is from the line of Ritesh Shah from Investec India.

Ritesh Shah: Sir, 2 basic questions. Sir, one is I wanted to understand how do we look at commercial MDF? Does it -- is it as a part of our product portfolio or is it absolutely a no-go zone for us? That's the first question.

Sumant Wattas: Look, this is Sumant. We offer products to different segments, be it the OEMs, be it trade, etcetera. So we can offer the full gambit. There are no red zones or no-go zones. But as a company, we want to offer products that are of the highest quality. So we'll never compromise on quality. Of course, individual specific requirements we cater to. So no red zones, but at the Century certified quality.

Ritesh Shah: Okay. So would it be possible for us to indicate what percentage of volumes would that be? And a follow-up over here, you do indicate like Century level of quality, which is great. But if I had to just push a little further, would it qualify under the BIS norms?

Sumant Wattas: So let me answer your first question first. We won't be able to share any details on our product mix percentages that we don't usually share. And second, of course, we strive for BIS and much more. BIS is rising.

Ritesh Shah: Okay. That's helpful. My second question is on the ply side. Are we looking to -- the way in which we position Sainik 710 and 303 in the marketplace, are we looking to reject our strategy

specifically post -- I wouldn't say dilution, probably dilution of BIS norms. Has our strategy around the product positioning 710 versus 303 changed?

Sanjay Agarwal: What do you mean by policy change?

Ritesh Shah: Sir, so are we continuing with Sainik 710 in the marketplace after the new norms from BIS came in two weeks back?

Sanjay Agarwal: Sainik 710 is just a brand. And we will be clearly writing down on this thing whether what BIS norm it is, it will be written on every piece of plywood. So even earlier, it was there, even in future, it will be there. So there is no policy change. And Sainik 710 is a brand. So the brand is changed.

Ritesh Shah: Correct. Sir, I'll call you offline for this and I'll take it offline.

Moderator: Thank you. Next question is from the line of Sucrit Patil from Eyesight Fintrade. Please go ahead.

Sucrit Patil: And my question is to Mr. Sanjay Agarwal, sir. Are you there?

Sanjay Agarwal: Yes, I am here.

Sucrit Patil: My question is, given Century Ply's strong year-on-year growth and stable margins despite inflationary pressures, I want to understand how are you thinking about deploying AI-driven demand forecasting or automated stock keeping units rationalization across your dealer network by the next 2 years?

And do you think by doing this, it could unlock working capital efficiencies and improve product market fit in the Tier 2, Tier 3 clusters? As Managing Director, what is your vision on this? I want to understand that, sir?

Sanjay Agarwal: See, Century Plyboards has been trying to make plywood as an FMCG good. And we have been doing many other things as far as credit control is concerned, distribution is concerned, but the plywood market does not accept the DMS. Until unless we can install software, which is known as DMS, distribution management system, till then we do not have visibility of what happens after the wholesaler or the dealer.

Of course, we have started other screens through which we are now having some data about the retailers and all that. So we get data how much material is being bought by the 4,000 retailers or 5,000 retailers across the country from our dealers, that data now we have, and we pay some incentive on that.

We are working on a very -- very recently, we have decided to actually implement DMS in a very small area and try a new effort, but it is going to be a herculean task. So I cannot put any time line. But yes, as far as Century Plywood is concerned, we are very strongly pushing AI in

every department in our company. And we believe that we will be in line with everybody else in every other industry as far as AI is concerned. But I think Nikita wants to say something.

Nikita Bansal: Yes. So I would just like to add that, as a company, I mean, you've also read in our annual report that we've taken a 3-year digitization plan and no digitization plan can be complete without AI being there. So we have -- we are taking up AI in a big way. We are also training our people in AI because today, AI is something that not many people understand.

It is not as just going and GenAI has become the most in word now. So we are training our people about AI and then encouraging everyone to use. And as far as dealer segment goes, see we have so many lines of business. So in the Laminates business, we are using AI. We are using -- we are going to use AI if it is successful there, we will use it in other.

So if you really look at the next 5-year road map, I think if a company does not adopt AI and does not utilize AI to its full extent, it will be at a loss. So -- and Century Ply has always been ahead of the curve, so we'll continue to be ahead of the curve.

Sucrit Patil: That pretty much answers my question. So just on the ending note, would it be -- would I be right to assume that in the next 2 to 3 years, you will start -- will start implementing all the things which you have just mentioned right now?

Nikita Bansal: Probably earlier.

Moderator: Next question is from the line of Sagnik Sarkar from SKP Securities. Due to no response, we move on to the next participant. Next question is from the line of Ashutosh Khetan from Asian Market Securities.

Ashutosh Khetan: I have a question on the plywood segment. So basically, what's the update on the new capex for the plywood Hoshiarpur plant sir?

Nikita Bansal: The update is, we are progressing -- we're going to soon start work and we should have something by -- it should go live by next year Q2 this time.

Ashutosh Khetan: Sorry, it's Q2 of FY '27?

Nikita Bansal: Yes.

Ashutosh Khetan: Okay. And next is on the price hikes. Like have you taken any price hikes for this quarter in plywood or any other division?

Nikita Bansal: So in plywood, we did take a price hike at the end of April. We took a 2% price hike as far as MDF and Laminates. And as far as other segments go, we did not take any price hike. And in Laminates -- sorry.

Keshav Bhajanka: Yes, we've also taken a price increase in Laminates of 2.5%, which has been implemented on one particular portfolio within the domestic segment, which is the 1mm portfolio.

- Moderator:** Next question is from the line of Shiv Kumar from Ambit Capital.
- Shiv Kumar:** First of all, congratulations on great set of numbers. So sir my first question is on the industry front, like wood panel as a whole. So I just want to understand what was the organized -- I mean, just want to understand the organized versus unorganized share across all segments as of suppose FY '25? And what was the share like 2, 3 years before? And the demand versus the capacity across all segments that we operate. This is my first part?
- Keshav Bhajanka:** So basically, there is no authenticated data alignment, it is all on the basis of estimates. But what I can tell you safely is that the industry has not been growing at a fast clip, which is obvious from the results that you will see right across, whereas we have been growing at quite a fast pace, whether it be plywood or MDF.
- So in plywood and MDF, we have definitely increased our market share, but there is no authenticated source of data. So plywood, the total market size has been -- we have been say INR25,000 crores to INR30,000 crores based on various publications for the past so many years.
- So unfortunately, we cannot give you much closer representation. But in terms of market share, you're absolutely right, we would have gained market share over the course of the last 5 to 6 years.
- Shiv Kumar:** Okay. And sir, is there any sign of industry consolidation in any of the segments that we operate?
- Keshav Bhajanka:** Yes, definitely. You see if the industry is not growing and some of the organizers are doing well, that shows that there is a certain amount of consolidation that is taking place. So I think there is some amount of consolidation taking place in plywood. There's some amount of consolidation taking place in MDF. This should get accelerated by BIS, but BIS on SME industry will only become effective from this month onwards. So let's wait and watch how it plays out.
- Moderator:** Next question is from the line of Yash Sonthaliya from Edelweiss Public Alternates.
- Yash Sonthaliya:** So my first question is like you already alluded, we haven't taken any price hike in MDF, while there was some correction in prices of timber. So can you help me with what's margin guidance if this price is sustained going ahead? And are there any plans or chances of we taking price cuts or price hike, volume discounts or taking back the volume discounts?
- Keshav Bhajanka:** Again, markets are dynamic. So as and when the market scenario unfolds, we will definitely have to look at pricing discounts and so on and so forth. But in terms of guidance, like I've already mentioned, 20% revenue growth with 15% EBITDA guidance. This is what we are looking at, and we will attempt our best to deliver the same to you.
- Moderator:** Next question is from the line of Nandita from Marcellus Investment Managers.
- Nandita:** Congratulations to the Century Plyboards' team for excellent set of numbers. I had a couple of questions. First of which is related to the real estate cycle. So we keep seeing data from

ANAROCK and other research organizations that come out with the data on real estate saying that sales have actually gone down now that the industry, the whole cycle is sort of turning in real estate. The growth that we saw in FY '23, '24 is now coming off.

So I want to understand how does the plywood market work out? When will most of the orders for plywood be coming in even where we are in the cycle how does that play out? And secondly, my question is on your Laminates division. What is the game plan going forward? Because I think this is one of those first quarters where both volume and realization growth was pretty solid after multiple quarters of degrowth. So I wanted to understand where do you see the division going forward in the next 1 to 2 years?

Nikita Bansal:

So with respect to the first question, see the thing is -- sorry, on the real estate cycle, for a very long time in plywood division we used to guide ourselves basis the real estate cycle. But what's here realizing slowly and it's about-- even though we don't have authenticated Market Share data, the fact remains that because organized is such a small part of the entire industry, we need to stop looking at cycles.

And we need to start concentrating more towards capturing the unorganized to organized. And if that is going to be the focus, the growth is going to be there irrespective of the real estate cycle. So that has been our goal. I don't -- there might be years we succeed, the years we don't succeed, but I would like to not follow these real estate cycles because there is a substantial base that is going to remain even if there is a degrowth or a growth in the industry.

Nandita:

Fair enough. I just had one follow-up on this. So I completely understand where you're coming from. The follow-up that I have over here is then from a Particle Board and MDF division perspective, especially going forward from this real estate cycle because we see that commercial real estate is actually going really strong.

And because MDF and Particle Board is basically -- it doesn't have this entire dynamic of a very large unorganized market. It's mostly organized or imported and imports have really stopped now because of the BIS norms. Where do you -- do you have any clarity on how your demand and how your volumes will go, especially in the context of the commercial real estate cycle in the next 1 to 2 years?

Sumant Wattas:

I think on the MDF and Particle Board, the industry is still very nascent, right? Like if you look at the entire industry, MDF is barely penetrated 20%, 25% of the industry. So I think at this early stage of the category and the industry, we are actually immune to real estate cycles. And therefore, we see robust demand going forward. I think right now for us, the game is to create the category.

Nandita:

Okay. Yes. And my second question with the Laminates division, question is -- yes, so my question was basically, given that the last quarter, the Q1 FY '26, we saw really good volume and realization growth in the Laminates section after a very long time. I wanted to understand what's the game plan, what's the strategy surrounding volumes? And what is your guidance or realization in volumes going forward in the next 1 to 2 years?

Keshav Bhajanka: So like I said, our target is to do 20% plus in terms of revenue growth. And this together with high single digit or mid- to high single-digit EBITDA for the current year, that is what we are targeting. However, I think we have just started on the journey towards correction.

There were, of course, mistakes that have been made, but with new leadership in place and with a lot of good initiatives that we have put into execution, I think both on domestic and export front, we have been doing better. So hopefully, this will persist. So I think this year, 20% revenue plus mid- to high single-digit EBITDA should be realistic for Laminates.

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

Rahul Agarwal: I think you talked about new product development and launches for Particle Board, something like the sizes which were not present earlier now you have. Similarly, could you share some color on laminates and MDF in terms of overall Century Plywood, the entire company and the thought process over the next 12 months in terms of filling white spaces across whatever product segments we are talking about. Now we also have a lot of many plants which are running. If you could help us on Laminates/MDF would really be helpful?

Keshav Bhajanka: Sure. So as far as MDF is concerned, over the course of the past year, we have launched Cenboil Plus, which is our highest density, highest waterproof MDF product till date. In Particle Board, like you rightly mentioned, we have already launched our new product, which has been very well accepted in the market, which is a superior version of the earlier erstwhile Particle Board that we are manufacturing.

Alongside that, we have launched a whole new range as far as Particle Board and MDF are concerned in terms of pre-lam and our [inaudible 0:38:40] and shade cards. This will be on display within the next few exhibitions, which starts off with MATECIA, which takes place this month in Delhi, itself.

In PVC boards, we have launched a new category called louver, which is gaining good traction from the market. And again, it is another product launch that will be displayed at the upcoming events. In Laminates, we have launched a laminates acrylic laminates this is a product category that in India has been selling well for quite some time, but nobody has been able to give a guarantee or a warranty because the product quality is normally considered to be quite inferior.

We have finally been able to develop a superior quality product, and we'll be launching it in the current month. So there are so many yes or so many new opportunities that keep arising. And as of now, these are three of the launches that we are focusing on. Going forward, we will update you as and when new product categories start coming up.

Rahul Agarwal: Anything on the ply side as well?

Keshav Bhajanka: There is a lot of work that is going on, on the plywood side, but I think it is too early to share details on the same. We can update as and when further progress is made.

- Rahul Agarwal:** Fair point. Anything on the furniture fittings, things have moved forward from there on?
- Keshav Bhajanka:** Sorry, could you just repeat? Your voice cracked.
- Rahul Agarwal:** For the furniture fittings, have things moved forward on that?
- Keshav Bhajanka:** Yes, we have definitely moved forward. We have already created a senior team, and we are at a very advanced stage of understanding the segment. However, with Century, we are very prudent when it comes to new product categories and to cash injection in particular. So we will be studying the segment.
- I think maybe over the course of the next 6 to 9 months, we'll be able to take a call of whether we are committed to going into the segment or not. But it is not something that we'll be able to tell you in a month or so.
- Rahul Agarwal:** Perfect. Got it. And lastly, bookkeeping on the debt side. I think consolidated debt was about INR1,400 crores as of March. How does this number look like end of March '26, '27 based on the cash flow planning?
- Keshav Bhajanka:** I think we should be looking more towards the long-term debt because the short-term debt will be a part of it, considering the scale at which the company is growing as the turnover increases, working capital requirements do tend to increase. But having said that, long-term debt within the course of the next 2 years, I think we'll be able to repay the majority of the long-term debt. And unless until we come up with another large capex or something of that sort, we will be coming close to 0 long-term debt on the books.
- Rahul Agarwal:** Which is INR400 crores repayment, right? Approximately INR400 crores is a fair number?
- Keshav Bhajanka:** Yes, more than INR400 crores repayment. So we will be looking to bring long-term debt as close to 0 as possible. But yes, cash flow generation has been strong over the course of the next few quarters. Most of the cash flow is going to be towards debt repayment.
- Moderator:** Thank you. Next question is from the line of Varun Singh from AAA PMS.
- Varun Singh:** Sir, would you like to call out timber pricing for us in North and South and maybe how much it would have declined in the quarter?
- Sumant Wattas:** Yes. So timber prices did decline marginally. For Q1, our North pricing was close to about INR6.3 per kg and South is about 10% lower. And over the quarter, they would have declined by about 8% to 10% Q1 over Q4. And as ED mentioned a while back, this quarter, there might be a slight increase on account of monsoons. But on the long term, we hope that the timber prices stabilize.
- Varun Singh:** Okay. Understood. And secondly, I'm not sure if you have already answered this question, so please pardon I joined call a little bit late. So in MDF, when you talk about competitive intensity, etcetera or that the industry is consolidating. So can we safely assume that now maybe there is

no more price war kind of a situation and we are able to -- or everyone is able to comfortably sell their products at some equilibrium rate? I mean, how should we judge the competition as of now?

Keshav Bhajanka: I think what we can safely assume is that the 2 plants that we have put in place, which are located at strategic locations within India and considering that we are a brand which has tremendous brand pull with high premiums in terms of pricing, alongside which we have perhaps the lowest cost of production in the country.

On the margin front, we should be able to do okay despite whatever happens in the market. While there is no trend for price war, there's also no trend for a price increase. So we'll have to see how the market plays out. But I think in terms of EBITDA margin, we will be doing better than the industry so to speak -- so to say.

Moderator: Next question is from the line of Udit Gajiwala from Yes Securities.

Udit Gajiwala: Congratulations on a great set of numbers. With the major questions answered, sir, just one thing. In your plywood, what was the imported timber quotient for this quarter?

Nikita Bansal: So we have pretty much moved to imported timber now. I would say that it is to the -- we don't share such details, but I would say majority is imported timber.

Udit Gajiwala: Okay. And what would be the kind of difference between the domestic and the imports now? And going ahead, if the domestic prices are expected to come down, could you shift back? I mean what's the thought process there?

Nikita Bansal: So currently, we are looking at it as that quality is the most important thing for us at Century, and we believe that the quality of the imported timber is far superior to the domestic quality currently available in the country. So I think in the foreseeable future, we will continue to import.

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

Bhavin Rupani: Sir, my first question is related to plywood. So what is our current capacity? And what is the utilization in that capacity? And also, if you can spell out what is the proportion of in-house versus outsourcing right now versus what it was last year?

Nikita Bansal: Okay. So our current capacity is 366,000 CBM, and we have a utilization of 91%, and we are going to be increasing our capacity in H2 by another 30,000 CBM.

Bhavin Rupani: All right. And what is the proportion of in-house versus outsourcing?

Keshav Bhajanka: We do not share that number. Unfortunately, we don't share these numbers.

Bhavin Rupani: All right. And as far as MDF is concerned, if I'm not wrong, we have some export obligations over there, right? So when do we start exports from this new plant? And what is the export obligation in absolute term, if you can spell out that?

Keshav Bhajanka: Can you repeat your voice -- again -- sorry...

Bhavin Rupani: Is it clear now?

Keshav Bhajanka: Yes.

Bhavin Rupani: So for MDF plant, we have some export obligations, right? So what -- when do we start with the exports from this new plant? And what is the export obligation in absolute terms?

Keshav Bhajanka: So we have already started with regards to exports. The value of the export obligation, I don't have with me on -- off hand, but our CFO can share the same with you. But currently, the potential to export from this plant is very limited because timber prices are still elevated. They are not as high as INR7, which had gone. But the viability in exports isn't substantial.

So we are working on it. And once viability comes back, then I think the export quantum will move up. We have started exports, but the very limited quantity, predominantly to Middle East.

Bhavin Rupani: Okay. And what would be the proportion right now?

Keshav Bhajanka: Very negligible. I think less than 5%.

Bhavin Rupani: Okay. And anything on Particle Boards? Do we have similar obligations in particle board plant as well?

Keshav Bhajanka: No, we would have some small obligations. I don't have the numbers off hand, but we can share the same.

Nikita Bansal: And the question of outsource, I will just like to mention one more thing in plywood that all our main brands are completely manufactured in our plants. It's a very small percentage of Sainik MR that we outsource. But all our main brands, which is Sainik 710, all brands of Century Ply are manufactured in-house.

Bhavin Rupani: All right. And sir, next question is on Laminates. It was encouraging to see our revenue and EBITDA growth in this segment. I wanted to understand, was it due to increase in exports or due to domestic market?

Keshav Bhajanka: I think we have done well on both fronts. There has been growth in domestic as well as in exports. And the execution on the ground, the execution result, which perhaps wasn't as great for the past few quarters, now that has started to kick in. So I'm hopeful that we'll see results improving quarter-on-quarter.

Bhavin Rupani: All right. And sir, last question on Particle Board and MDF, given the competitive intensity and the oversupply in this category we are seeing right now, do we have plans to launch anything similar to Sainik plywood in these categories?

Keshav Bhajanka: No, we have no such plans.

Bhavin Rupani: Perfect. All right. Thank you.

Moderator: Thank you very much. As there are no further questions, I would now like to hand the conference over to Mr. Sanjay Agarwal for closing comments.

Sanjay Agarwal: Thank you, everyone for their support. We look forward to meet you again for briefing on the Q2. Thank you.

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.