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10th February, 2026

BSE Ltd.

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Dalal Street

Mumbai- 400 001

Scrip Code: 532548

National Stock Exchange of India Ltd.

Exchange Plaza, Bandra Kurla Complex,

Bandra (E)

Mumbai- 400 051

Scrip Name- Centuryply

Dear Sir(s)/ Madam(s)

Sub: Transcript of the conference call for Unaudited Financial Results for the Quarter and nine months ended 31st December, 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 Thursday, 5th February, 2026 in respect of Unaudited Financial Results for the Quarter and nine months ended 31st December, 2025.

This is for your information and record.

Thanking you,

Yours faithfully,

For Century Plyboards (India) Ltd.

Company Secretary

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EXTERIOR LAMINATES | DOOR |  | PVC BOARD | CFS





“Century Plyboards India Limited
Q3 FY26 Earnings Conference Call”

February 05, 2026



MANAGEMENT:

MR. SANJAY AGARWAL – MD & CEO

MR. KESHAV BHAJANKA – EXECUTIVE DIRECTOR

MRS. NIKITA BASNAL – EXECUTIVE DIRECTOR

MR. ARUN JULASARIA – CFO

MR. NAVARUN SEN – COO, PLYBOARDS BUSINESS

MR. SUMANT WATTAS – CEO, MDF & PARTICLE BOARD BUSINESS

MR. VISHU GOEL – CEO, LAMINATES BUSINESS

MODERATOR:

MR. NAVIN AGRAWAL

HEAD, INSTITUTIONAL EQUITIES – SKP SECURITIES LTD

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Moderator: Good day, ladies and gentlemen. Welcome to Century Plyboards India Limited's Q3 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 the 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, SKP Securities Limited. Thank you, and over to you, sir.

Navin Agrawal: 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, CFO; Mr. Navarun Sen, COO, Plywood Business; Mr. Sumant Wattas, CEO, MDF and Particleboard Business and Mr. Vishu Goel, CEO, Laminates business.

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: Thank you, Navin. Thank you. You are doing a wonderful job for us.

Navin Agrawal: Thank you.

Sanjay Agarwal: Yes, yes. So, good afternoon, everyone, and a very warm welcome to our Q3 FY '26 earning 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 websites.

The company delivered a strong and broad-based performance during the quarter, with healthy growth across all key business segments. This performance highlights the structural strength of our business model, strong brand equity and the tangible benefits of our continuous efforts to improve productivity and operational efficiency. Q3 is not directly comparable to Q2 as Q3 typically experiences softer demand relative to Q2 due to seasonality associated with festive period.

At a consolidated level, the company recorded its quarterly revenue of INR1,350 crores, representing a year-on-year growth of 18.4%. This growth was driven by sustained demand across product categories and robust performance from our newly commissioned units. On a 9-month basis, FY '26 revenue grew 17.3% year-on-year, demonstrating our ability to sustain momentum despite a challenging macroeconomic environment.

On the profitability front, we achieved our consolidated EBITDA, excluding forex of INR170.5 crores. The EBITDA margin ex-forex improved to 12.6%, compared to 10.7% in the corresponding quarter last year. This improvement was driven by higher volumes, operating leverage and the benefits of our ongoing cost optimization initiatives.

Overall, the quarter reflects not only strong growth, but also a significant improvement in the quality of earnings. Segmental performance. Let me now walk you through the performance of our key business segments. Plywood segment. The Plywood business achieved quarterly revenue of INR710 crores, with 14.9% year-on-year growth.

This performance was supported by healthy volume growth and an expanded distribution reach. EBITDA margin stood at 15.1%, supported by operating leverage and stable input costs. Laminate segment. The Laminate division continued its improving trajectory, reporting its quarterly revenue of INR183 crores.

Revenue grew 9.6% year-on-year and 13% on 9-month basis. EBITDA margin stood at 7.7%, driven by better cost absorption and an improved product mix. Going forward, we expect a steady improvement in both volumes and profitability as the business benefits from strong brand recall and enhanced manufacturing scale.

MDF segment. The MDF business continued to deliver strong growth with revenue increasing 19.1% year-on-year. Growth was driven by higher volume and improved capacity utilization across plants. EBITDA margin stood at 12.1%, compared to 10.7% in the corresponding quarter last year.

Particleboard segment. With improved capacity utilization and higher sales volume, the segment achieved its highest ever quarterly sales of INR65 crores, with EBITDA at breakeven. Financial overview. From a financial perspective, Q3 reflects consistent improvement in both scale and earning quality.

Our continued focus on operational excellence and disciplined capital allocation has enabled us to maintain healthy return ratios. We remain committed to investments in brand building, technology upgrades and distribution expansion to support long-term growth. Looking ahead, we expect the growth momentum to continue across all major business segments.

The medium-term outlook for the building material and interior solutions industry remains positive, supported by rising urbanization, increased disposable incomes and the growing preference for branded and premium products. With a diversified product portfolio, strong brand equity and expanding distribution network and upcoming capacity additions.

Century Plyboards is well positioned to deliver sustained growth in coming quarters. We will continue to focus on value creation through operational efficiency, prudent financial management and responsible growth with shareholder return remaining central to our strategy. That concludes our management commentary. We will now open the floor for questions.

Moderator: Thank you very much. We will now begin the question and answer session. We'll take our first question from the line of Rahul Agarwal from IKIGAI Asset.

Rahul Agarwal: Sir, two questions. Firstly, some bit of indication on how do you look at fiscal '27 across segments on growth and margins? That's the first question?

- Sanjay Agarwal:** Keshav?
- Keshav Bhajanka:** I think, Rahul, we haven't published any numbers on FY '27 yet. But when you look at FY '26, we've had a very strong growth, and it has been largely in line with guidance. So, I think FY '27 is likely to look similar, if not better.
- Rahul Agarwal:** Anything specific on the MDF side in terms of our growth? What kind of volume would we target? Or should it be similar 20%?
- Keshav Bhajanka:** As you know, our long-term growth ambition is INR12,000 crores by FY '31. So that includes an annualised CAGR of 18% plus. So next year also, I think we'll see a robust growth in MDF. But for the time being, till we don't freeze up our numbers, I can't give guidance for the next year.
- Sanjay Agarwal:** Rahul, we are excited. We are excited about the future.
- Rahul Agarwal:** Okay. The second question was on capacity. Just on plywood and MDF, I think we're still to add some capacity on the existing plants. So wanted to know how much of that is left, which will get completed in '27? And then, on the UP capex, which you have announced for INR1,100 crores, if you just run through your broader thoughts in terms of how would these plants be better versus existing plants in case there is some efficiency or different SKUs? How do you plan to source timber? And how do you plan to fund it? So, these were the questions on capex?
- Nikita Bansal:** So should I first answer on the plywood capacity, Keshav, or do you want to.
- Keshav Bhajanka:** Sure. Go ahead.
- Nikita Bansal:** Yes. So, on the plywood capacity throughout this year, we've been doing internal expansion. So, if you will see, we've been -- from where we started this year, we've been growing. And in Q4, we will be at almost 430,000 CBM in this quarter. Because we've been doing expansion in Kandla, we've been doing expansion in Guwahati, we've been doing expansion in Joka.
- But next year, we have two major expansions planned. One is our Hoshiarpur plant, which is coming up. It should be operational in Q3 in the next financial year; and the other is that we are expanding our Chennai unit. So, that also should be operational by Q3 next year. So, I think with existing capacities, expansions that we are doing, we will be able to sustain H1.
- And in H2, we will have 2 additional capacities coming in. All these expansions are being done with a view of where we want to reach in 5 years. And even in UP, which Keshav will elaborate more on, we're also planning a plywood plant there. Out of the entire thing, there will be about -- we are planning 90,000 CBM eventually in UP. But obviously, we may start and gradually increase it to 90,000. So, over to you, Keshav.
- Rahul Agarwal:** Just a second, Nikita. On Hoshiarpur and Chennai, what is the CBM capacity you'll add?

Nikita Bansal: So, currently, we have done 60,000 in Hoshiarpur, but we will start operations with 30,000 and minimum is 32,000, and then eventually increase it to 60,000. We'll put machines worth 60,000, but we will gradually increase it. And in terms of Chennai, currently, we are at -- it will be almost 1 lakh, if I'm not wrong, like in CBM, I usually talk in NA. So in CBM, it should be 1 lakh. It's a little higher than the UP plant.

Rahul Agarwal: Yes. And on the balance [inaudible 0:12:47].

Nikita Bansal: If it's including 1 lakh then it's total, yes.

Keshav Bhajanka: And on the MDF side, I think we'll be able to unlock 70,000 cubic meters additional once we are able to extend the line. I think that will be within Q1 of the next financial year itself. And post that, we will be limited where total capacity, which should be around 625,000 cubic meters per annum.

And as far as the Uttar Pradesh project is concerned, that will have a MDF capacity of -- in excess of 3 lakh cubic meters again. And the time horizon for that, we would be estimating at about 2.5 years from the date from which we have land in hand. Currently, we are waiting for approvals to actually get the land in our possession.

Rahul Agarwal: And how do you plan to fund it?

Keshav Bhajanka: Funding out, I think it is a dynamic scenario. Currently, we have very strong internal accruals. So going forward, as and when we finalize the funding plan, we shall get back to you.

Moderator: We'll take our next question from the line of Balaji Vaidyanath from NAFA Asset Managers Private Limited.

Balaji Vaidyanath: Sir ji, just wanted to understand that this incremental capacity that's been announced for MDF, this 330,000 cubic meters, entire thing is going to be in UP. Is my understanding correct?

Keshav Bhajanka: Yes.

Balaji Vaidyanath: Okay. So, my sub-question is, North India pricing was much better compared to South India as far as MDF is concerned. So now with the capacity being added, so we can expect cut-throat price war to commence in North India as well because if you see over the last, say, 4 to 5 years, if you look at all the listed companies, the entire capital employed in MDF segment is roughly INR3,500 crores, including you. And today, it is earning less than fixed deposit?

So, with that in mind and with an 85% capacity increase that has been announced, are we seeing such a demand for MDF because IT sector is weakening and of course, that will have some kind of second, third order impact on the housing demand, et cetera. So, I just wanted to understand this thought process in terms of this severe capacity expansion. So, are -- is MDF getting into a telecom industry like situation where there are 3 players and they went into a cut-throat pricing war for more than a decade. It looks like that can get replicated in MDF industry?

Keshav Bhajanka: So, I think you've asked a lot of questions in that, but I'll try to answer whichever I understood. The first thing is that it is not fair for us to comment on competition and their returns. But as far as we are concerned, I think for the current year, we are at a 24% growth trajectory. And going forward, we believe that MDF still has a lot of room to grow. For the current year, we have guided for 25%-plus growth. And I think that we will be able to achieve that.

And as far as the returns are concerned, currently, we are at a decent -- for the current quarter, 12% EBITDA. This is with a lower base because of festive season and after flooding situation happened in Punjab, which caused the higher cost of timber. Going forward, I think we are well on line to achieve our aspiration of 15% EBITDA and then build on that. So, with these 2, with this 25%-plus growth and a 15%-plus EBITDA, I think we are in a reasonably healthy position.

Balaji Vaidyanath: In a hypothetical situation, we have seen the Government of India actually reverting and kind of going back on QCOs, etcetera, on a lot of product categories, of course, that's not happened in MDF, but in a hypothetical situation if that were to happen, then we are going to have one more player in the form of imports once again, which is currently subdued. Any thoughts on that, if that has been factored into this?

Keshav Bhajanka: Currently, the pricing that is there, if you look at imports even earlier, never constituted more than 7%, 8% of the total sales of MDF in the country. And having said that, the prices, like you rightly said, because of the intense competition that has taken place because of unprecedented capacity addition over the course of the last 2 years, which is unlikely to be repeated in the foreseeable future, prices have actually bottomed out. But I don't see that as much of a challenge. However, having said that, I think BIS is here to stay. The Indian consumer deserves a good product and the Government of India has ensured that, that happens. I don't think they're going to walk back on that.

Sanjay Agarwal: Let me explain a little bit you see. In next 5 years, our Chairman says that in next 5 years or say, 10 years, lot of capacity of MDF will come in India. Do you believe that? In 10 years, do you believe that, sir?

Balaji Vaidyanath: Definitely.

Sanjay Agarwal: In 10 years, there will be lot of capacity addition, isn't it?

Balaji Vaidyanath: Correct.

Sanjay Agarwal: Yes. So, if there will be capacity addition, there are 2 ways, either new players will come or if the existing players come in advance, new players will be deterred. They will not come. So, there will be a -- there may be a fight of little bit for some time or we believe that we will get a period of, say, a year or 2 year in between where we will be making more money.

But otherwise, yes, every 2 year or so, there will be a fight for 2, 3 years; and again, 2 years will be nice. But ultimately, the capacity addition will be done by just 1 or 2 or 3 players. That's a

good thing to happen for an industry. So, that is the -- if you look at steel industry, it's not passing through a good phase, but lot of addition is coming.

Cement industry, lot of addition of capacity is coming and a lot of capacity is unutilized, but still everybody makes some profit. So that is how it's going to be in the MDF industry also. And MDF is a growing industry. It's growing at 20% per annum, has shown that it has the possibility.

So -- and even then the plywood is also growing. We have a projection, in the next year, 5% to 7% increase will be there in plywood -- growth will be there. So, we believe that, yes, all this will help the company to grow in long-term. In short-term, there may be issues, which nobody can deny and that could be there in any industry. If you look at short-term, you cannot plan. We are planning for next 50 years. I hope I have been able to make you clear, yes.

Balaji Vaidyanath: Just one last thing is, Keshav ji mentioned that prices have kind of bottomed. If you could kindly throw some light on whether it's referred to South India or North India or both put together?

Sanjay Agarwal: You see, why we say prices have bottomed. There is only one reason. The prices are not going down. Nobody is talking. There is nothing happening in the market. And still we are selling and there is an EBITDA. So, that itself is a proof that the prices have bottomed. Capacities are still unutilized in certain -- with some -- many manufacturers. So, that means prices have bottomed. They will not go down further.

And we really expect the prices to go up actually a little bit. And the raw material prices will go down because plantation which have happened across the country, we have done very elaborate survey across all fields, a lot of plantation has happened. The prices of raw material has to go down. Nobody can stop that. Yes, it's taking its own time. That's the reality because it takes time to grow.

Balaji Vaidyanath: Thank you, Sanjay ji. Thank you, Keshav ji. Wish you all the best.

Moderator: Thank you. Next question is from the line of Rehan Saiyyed from Trinetra Asset Managers. Please go ahead.

Rehan Saiyyed: Yes. Good afternoon to team and thanks for taking my questions.

Moderator: Rehan, I'm sorry to interrupt, can you use your handset mode, please?

Rehan Saiyyed: Sure. Is it clear now?

Moderator: Yes, please go ahead.

Rehan Saiyyed: Yes. So, sir, my first question is around -- I want to just understand regarding your guidance that you have given regarding MDF margin. So, sir the current 9-month EBITDA margin ex-forex for MDF stand at 13.4% and your FY '25 -- '26 guidance target at a higher 14%, 15% range. So, with the quarter 3 margin coming in at 12.1%, and you have rightly put that is because of softening demand in quarter 3. So, what specific triggers such as raw material softening or higher

capacity utilization from the new Andhra Pradesh plant will bridge this gap, going forward? This is my first question?

Keshav Bhajanka: So, I think we are looking at higher margin in the current quarter because of two things. Firstly, like I mentioned, there was a flooding situation in Punjab in last quarter that led to slightly higher prices for North plant, which is now eased out. Secondly, we will be looking at higher capacity utilization in the current quarter. Q4 is traditionally always better than Q3 as far as demand is concerned. So, I think that these are going to help us look at slightly higher margins for the quarter. Lastly, chemical prices have also stabilized, and I think that is also going to aid in the pursuit of higher margins.

Rehan Saiyyed: Could you please repeat last line what you have said?

Keshav Bhajanka: Chemical prices have also stabilized, and this is also likely to aid margins.

Rehan Saiyyed: Got it. Okay. And my second question is around just want an understanding regarding your CFS segment volatility. So, the CFS segment saw a 43.3% Y-o-Y revenue jump this quarter. So, but EBITDA margin ex-forex dropped to 18.8% from 19.9% in the same period last year. So, could you explain the cost pressures or change in the service mix that led to this margin contract despite the higher throughput?

Sanjay Agarwal: You have, Keshav some idea you can use, regarding CFS?

Rehan Saiyyed: Yes, CFS.

Sanjay Agarwal: Arun ji, you have some idea, you can explain or otherwise he will explain later. So, please note down then the name, we will call you later on to explain.

Rehan Saiyyed: Sure. Yes, this is good. I have only two question. I will jump back in the queue.

Moderator: Rehan, you're through with your question, right?

Rehan Saiyyed: Yes, I'm done with my question. Can I repeat my question again?

Sanjay Agarwal: No, they will call you. This is regarding CFS?

Rehan Saiyyed: Yes, CFS segment volatility?

Sanjay Agarwal: Yes. So, CFS actually, we are not updated very much very frankly, I should be, but really, I'm not updated right now. So, we will call you. Our Investor Relations, Vinay, will call you and update you.

Moderator: We'll take our next question from the line of Sneha Talreja from Nuvama.

Sneha Talreja: Si sir, just a couple of questions now. Firstly, on the laminates front, we are seeing a lot of product mix changes there, while we don't see volumes, they have gone down by 7%, 15% Q-o-

Q. We've seen a huge jump in your average realization. And margins are also sequentially slightly improving. So, what is the outlook? And how do we read this segment? And how do we see the growth in this particular segment coming in?

Keshav Bhajanka: So, Sneha, as we have discussed earlier as well, in laminates, we are confident of 15% plus growth for the year. And I think that this is based on both domestic, as well as export demand. As far as the export market is concerned, it is larger sizes. And because it is larger sizes, the per unit realization will always be higher. So, that could be the reason for the ASP jump. Having said that, domestic is also likely to start firing again from Q4 itself or from early next year. A combination of both, we are looking at 20% plus growth for the next financial year.

Sneha Talreja: Understood. That is quite helpful. And what sort of margins? Because we are currently seeing margins hovering around 9-odd-percent, which earlier used to be double digit of around 14% to 15%-odd?

Keshav Bhajanka: Double-digit margins next year for sure.

Sneha Talreja: Sure. Noted. Second question was, what's the magic which is happening in plywood segment, constantly seeing 15%-plus growth. What I basically want to understand is, what would be the industry level growth at this point of time? I know our industry numbers are very difficult to find. But how much of market share increase we have seen in the last 2 years? And how much is the further scope to see that kind of an increase happening, like how confident are we to continue this 15%-plus and for how many years?

Nikita Bansal: Hi. So, the thing is with respect to plywood, the industry, see, like you said, it is very difficult. But from whatever study that we keep doing, it's somewhere between 6% to 7% is the plywood industry growth. So, it is not that the industry is not growing because of other products, et cetera. The industry is growing.

We are growing better because we are -- obviously, our endeavor has to be to increase our market share. And where we look at it, I believe is that today at an industry level, we are actually in the last 2 years or rather I would say before COVID, we were at 4%, 4.5%. Today, I don't know what we are today at the end of this year, but I know what we were last year, we were at around -- these are all estimates. We are around 8%, 8.5%.

So, we've doubled and more in the last -- since pre-COVID to now. Where do we want to take it? We obviously want to double it more. We are doing everything we can. And I think that's the vision that we are working towards. So, I think it's not magic. I think it's a lot of hard work and a lot of focus towards this that is delivering these numbers. We definitely are confident that we will do everything unless and until something really drastic happens in the market, which is not predictable. But we will put in our 120%.

Sanjay Agarwal: Let me chip in, Sneha, a little bit. We have told earlier that we keep on doing something new, some new experiments are always on. And we actually fail more than we succeed. But out of

the 5 experiments, even if one succeeds, then it gives us the growth we are looking at. Because with the old systems, nothing can be gained in today's type of economy.

Today, ChatGPT has become the most important thing for everybody. Everybody goes to ChatGPT 5 times a day now. Before going to a doctor, actually, you know all the details about whatever you have. So, we have succeeded like that. And for future also, we are quite excited because there are too many things happening and there are too many possibilities now.

Earlier, it was go and open the dealer and if you are not in that city you make your new dealer, but there are too many possibilities now. We are keeping on doing new, new experiments. Some of them succeed, and that is what gives us this kind of a success. And another thing I'll tell you, right now, the division of plywood is in a momentum, good momentum. So that momentum is also helping us.

Sneha Talreja: That was great. Thanks team for that. Just lastly on the MDF front now, we have again put up a new capacity. When is the hope that we have when current capacities will see margin revival or industry will actually see margin revival. Because of these capacities, like I think every other participant, we are really concerned on the ROCE front. So, which particular quarter is the one where you see turnaround happening in realizations and margins?

Keshav Bhajanka: So, Sneha, although we are not fortunetellers, proper, I think that going forward, margin recovery is definitely on the cards. The reason, like you have rightly pointed out, there is a lot of capacity has been added. But the way the capacity added was added in the last couple of years, I don't think that is likely to sustain.

New capacity additions have slowed down. And going forward with 20%-plus CAGR as far as the demand scenario or demand growth is. The equilibrium should be at least maybe over the course of the next year, 1.5 year. So, during this time period, you should see margin recovery. Exactly which month, which quarter, which week is difficult to predict.

Moderator: We'll take our next question from the line of Bhavin Rupani from Investec.

Bhavin Rupani: Sir, a question related to MDF. So, our capacity as on FY '25 annual report, it says 627,000 CBM, whereas our press release we have released yesterday, it says 561,000. So how should one reconcile that?

Keshav Bhajanka: So, basically, the capacity expansion that we were likely to do or that we will be doing in Q1, that was likely to take place in the current year. However, due to robust demand, we have been unable to take that expansion. So, we will be adding close to 70,000 cubic meters of capacity. And that expansion will most likely happen in Q1 of next year. So, this discrepancy is due to that.

Bhavin Rupani: Sir, and this is at our South plant?

- Keshav Bhajanka:** Yes. So, in Badvel our current line is 28.8 meters, and we are going to be moving to a 33.8-meter line with a 5-meter extension. So, that will be happening in Q1 of next year.
- Bhavin Rupani:** All right. Next is on our existing expansion. So, first of all, I wanted to understand what is the rationale behind this Uttar Pradesh expansion. Are there any other players in this region as well? And also wanted to understand on the raw mat availability and proximity at this plant?
- Keshav Bhajanka:** So, Uttar Pradesh is the largest and most perennial source of raw material as far as most of India is concerned, with the exception of maybe Andhra Pradesh. And currently, there are no MDF plants that are located within Uttar Pradesh. So, it is a huge market opportunity. And in line with the same, we are exploring putting up a plant there. And we will update you as and when we acquire the line. And post that, within the next 2 to 2.5 years, we should be in a position to set up a unit there.
- Bhavin Rupani:** All right. And in case of this MDF plant, what is our machine make?
- Keshav Bhajanka:** We are yet to decide.
- Bhavin Rupani:** All right. If you can just elaborate on what would be the capex outlay if we choose between Chinese or European. So, how big is the difference in percentage terms?
- Keshav Bhajanka:** It is not a very big difference because you are talking about the main press. The main press contributes about 20% of total project cost. So, in that, there could be a delta of 15%.
- Bhavin Rupani:** Fair enough. Okay. And sir, on this plywood, so we have committed almost INR330 crores for 90,000 CBM of expansion for Uttar Pradesh. So, if you'll just look at the capex intensity of this plant, it is far higher versus our MDF plant. So, how should I understand this? So, what is the reason behind this?
- Nikita Bansal:** Sorry, can you repeat your question?
- Bhavin Rupani:** Capex intensity per CBM for our plywood plant is higher versus our MDF?
- Nikita Bansal:** So, I actually made a mistake, it is actually 120,000 CBM because we are doing 1 lakh NA. So, it is 120,000 CBM and not 90,000 CBM.
- Bhavin Rupani:** Okay. Ma'am, even if we do 120,000, it comes to somewhere around INR27,000 per CBM, which is higher versus what we have announced in Uttar Pradesh, which is INR25,000 per CBM?
- Nikita Bansal:** Sorry, I didn't get it. I'm talking about Uttar Pradesh only.
- Bhavin Rupani:** Yes. So, if you look at our capacity, plywood capacity that we have announced in Uttar Pradesh, 120,000 against which we are doing capex of INR330 crores, right?
- Nikita Bansal:** Correct. Yes.

- Bhavin Rupani:** So, per CBM, it is somewhere around INR27,000, right?
- Nikita Bansal:** Yes.
- Bhavin Rupani:** Right. And if we compare it with MDF, for 330,000 CBM, we are putting -- we are doing an expense of INR800 crores, which means per CBM, it is INR25,000. So, how come our plywood plant is more expensive versus MDF?
- Sanjay Agarwal:** I think different capacities you are comparing to this INR25,000, INR27,000, but [inaudible 0:35:25].
- Keshav Bhajanka:** You see in plywood, whenever we come up with a capacity, we create a capacity for a larger size. Currently, all the brownfield expansions that you have been seeing, which are nominal cost there because the infrastructure has been created. What we need to add on is debottlenecking equipment.
- So, the shed, the peeling, et cetera, et cetera, is ready. And what we add on is normally a hot press and a dryer. By doing this, going forward, future capex becomes much cheaper. So, any new plant does have a certain higher capex when it is being established. However, going forward, this plant can actually ramp up to a much higher capacity than what is currently being shown. I hope that answers the question?
- Bhavin Rupani:** Right. And what would be our brownfield optionality over here at Uttar Pradesh after both these expansion of MDF and plywood?
- Keshav Bhajanka:** For MDF, it would be difficult to expand further. For plywood, we would definitely be able to scale the unit up.
- Bhavin Rupani:** Would it be possible for you to put any numbers over here?
- Keshav Bhajanka:** No. Currently, we could not. But if you look at the history of other units, you will get a semblance of this unit.
- Bhavin Rupani:** Perfect. And sir, just last one question on MDF. We have seen margin decline both year-on-year and Q-o-Q in Q3. How should one understand the reason behind it?
- Keshav Bhajanka:** I think it is not a margin decline year-on-year. You see, there was a forex impact last year. We had a positive forex fluctuation, a total of INR15 crores last quarter. This year, we have had a slight forex loss. If you look at it, EBITDA adjusted without forex, this year we are at 12.1%, last year same quarter, we are at 10.7%.
- So, you're absolutely right, quarter-on-quarter, it's slightly lower, the predominant reason for this is because of slightly lower operating leverage as well as flood situation in Punjab, which I had briefed about. Going forward, we are hoping that with better operating leverage with better capacity utilization, we should have a stronger quarter.

- Moderator:** Next question is from the line of Keshav Lahoti from HDFC Securities.
- Keshav Lahoti:** Firstly, I want to understand on -- first thing, I want to understand on ply expansion, if I understood correct, Hoshiarpur is a 60,000 CBM expansion. Out of that 30,000 CBM will come in Q3 FY '27 and balance when it will be coming? And secondly, the Chennai expansion, which company highlighted, what is the capex size of that? And what is the size of the expansion in ply?
- Nikita Bansal:** So, the thing is there is one thing I should tell you all that we are now -- once these new expansions come in, we are planning to -- today we outsourced Sainik MR, which is our water-resistant Sainik plywood, which is about, I would say, 20% of our -- okay, 8% of our overall plywood revenue is Sainik MR or whatever we outsourced.
- So, we are now planning to make it in-house in, say, the next 1 year time. So for that, we need additional capacity because of which you are going to be finding that the capacity expansion is quite massive that we are doing in the next 1 year compared to what we've done in the past. Having said that, see, with Hoshiarpur, we will start with 30,000. It is very difficult right now for me to say how and when we will reach 60,000 full capacity.
- It may take 1 year, it may take 2 years. But we are planning to start with 30,000. It will make -- the plant will be viable with that 30,000 itself, because 30,000 to 60,000, there is very -- there's only two machinery that we need to add additionally. So, it's not a very heavy. It's just a very less capex cost that we are actually adding to that unit. And as far as Chennai and UP goes, Chennai capex, I think Vinay can get back to you. I don't have it in memory right now, total capex that we are doing. And is there any other question I've missed answering?
- Keshav Lahoti:** Chennai is a 1 lakh CBM expansion by Q3 FY '27, right?
- Nikita Bansal:** Actually, that time I got the CBM calculation wrong, it will not be 1 lakh. It will be actually, one second -- no, it will be more, 125,000 -- 125,000 NA into CBM, 150,000 CBM. Hello?
- Keshav Lahoti:** Yes. So, Chennai is 150,000 CBM new capacity coming in Q3 FY '27?
- Nikita Bansal:** Total, total. We are already at 75,000 or 80,000. We are taking it to 150,000, yes.
- Keshav Lahoti:** Okay. Understood. Got it. One bookkeeping question on MDF side. What is the AP plant capacity right now?
- Keshav Bhajanka:** The current capacity for Andhra is 247,000 cubic meters. It will be ramped up to 315,000 post the expansion.
- Keshav Lahoti:** So, the reason I'm asking because if I understand right, Hoshiarpur is 313,000; if Andhra is 214,000. So, your total capacity right now is 527 KCBM, while press release mentioned as?
- Keshav Bhajanka:** 2Not 214, 247.

- Keshav Lahoti:** 247, got it.
- Keshav Bhajanka:** 2.47 lakhs
- Keshav Lahoti:** Understood. And one last question. This particle board margin will be 15%. When are we expecting this to raise? And what is the normalized margin of MDF industry in your view?
- Keshav Bhajanka:** In my view, over any 3- to 5-year horizon period, we would have looked at 25% margin for MDF. However, considering the current challenging demand scenario, I would say that a normalized return on MDF would be closer to 20% EBITDA. Alongside that, for particleboard, I think maybe by Q4 of next year, we should be able to target steady state margins.
- Moderator:** We have a follow-up question from the line of Rahul Agarwal from IKIGAI Asset.
- Rahul Agarwal:** Just one question on the capital expenditure side, right, from a cash outflow perspective. Could you help us just understand how much would you -- I think, fiscal '26 is going to be about INR400 crores. So, if you could clarify if this is correct? And then '27, '28, how are you going to spend this capex? Could you just help us understand that?
- Keshav Bhajanka:** Rahul, it depends on when we get the land allotment. Once we have the same, we will be taking a more detailed view of how this expansion will play out and we will share details. Currently, till we don't have the land in hand it's very difficult to give you any sort of a pickup.
- Sanjay Agarwal:** See, this land we have been trying for a long time. Now it seems that, yes, we will be able to get it. But until unless the land is there, we are not putting our minds into the -- how to -- how will we manage the funding. But certainly, if the funding is not managed, nothing will happen. So, it will be certainly -- we'll plan it, but it will take some more time.
- Rahul Agarwal:** Right. Can I say bulk of the capex will happen in fiscal '28? Is that fair to -- a fair statement?
- Keshav Bhajanka:** Again, Rahul, it is not correct for us to comment on this at this point in time. Once we have more clarity, we shall give you the same.
- Rahul Agarwal:** Sure. I understand. All right. Thank you so much.
- Keshav Bhajanka:** Thank you, Rahul.
- Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Sanjay Agarwal for closing remarks. Over to you, sir.
- Sanjay Agarwal:** Thank you. Thank you, everyone for your insightful questions and continued interest in the company. We are encouraged by the strong performance across our business segments and remain confident about sustaining this growth momentum in the coming quarters. We appreciate your trust and support and we look forward to engaging with you again after our next quarterly results. Thank you. Have a great day.



*Century Plyboards India Limited
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Moderator: Thank you very much. On behalf of SKP Securities Limited, that concludes this conference. Thank you for joining us, ladies and gentlemen. You may now disconnect your lines. Thank you once again.

Sanjay Agarwal: Thank you. Thank you, SKP for all your support.