

Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

Century Plyboards (India) Limited (Centuryply)

Current Market Price

Rs.639

Fair Value (FV)

Rs.692

Date: 10th November, 2023

Previous Rating: **REDUCE**

Current Rating: **ADD**

Change: **Upgrade**

Ratings Rationale

- Q2FY24 - revenue better than estimate; EBITDA/net profit in line with our estimate.
- Consol. revenue of Rs997 cr (+9.7% yoy) was 4.7% above our estimate in Q2FY24.
- Plywood sales volume grew by 10.3% yoy; MDF volumes up 19.1% yoy in Q2FY24.
- Co. is investing significantly to enhance manufacturing capacities across divisions.
- Despite high capex, the company's net debt is expected to stay under control.
- We rate the stock as ADD (earlier REDUCE) with revised fair value of Rs692.

(EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization)

Valuation

We value the stock at a PE of 28x on FY26E earnings.

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Note: The performance horizon is 12 months unless specified.

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