

We anticipate overall volumes for wood panel/tiles companies across segments to remain weak owing to subdued demand. The plywood segment is likely to log low to mid-single-digit YoY growth. For the MDF segment, sector players have been aggressively pushing volumes in the domestic market via introducing new incentives (ranging over 5-6%) to gain market share; this action may hit their EBITDA margin during Q4FY24. Besides, our channel checks have indicated that ~0.9mn CBM/year of new MDF capacity has been commissioned (>30% of the existing capacity) in Q4. Near-term headwinds are likely to persist for the MDF sector with delay in the implementation of BIS norms by a year (to Feb-25), which could result in higher imports. For tiles, we expect domestic volumes to grow in low single digits YoY. Realizations for the tiles segment are likely to remain under pressure in the near term, given that 35-40 new units are slated for commissioning gradually in Morbi going ahead.

**Dharmesh Shah**

dharmesh.shah@emkayglobal.com  
+91 22 6612 1255

**Cheragh Sidhwa**

cheragh.sidhwa@emkayglobal.com  
+91 22 6612 1219

### Century Ply: Marginal topline growth aided by recent MDF capacity expansion

We expect Century Ply to register mere 3% YoY revenue growth at Rs9.9bn, led by 2% growth in the plywood segment and 16% growth in the MDF segment. The MDF segment is likely to have seen growth owing to its recently expanded capacity. We anticipate the laminate segment to register a 4% YoY decline in revenue mainly owing to a 7% fall in realizations. Overall, we estimate EBITDA margin to remain broadly flat QoQ (down 570bps YoY) to 11.2%.

### Greenpanel Ind: EBITDA margin to contract owing to higher discounting

We estimate MDF volumes to decline 10% YoY (up 5% QoQ) to ~125K CBM due to a sharp fall in the exports segment. We expect domestic volumes to grow by 19% YoY/17% QoQ mainly owing to higher push in volumes in trade through new incentives. Subsequently, owing to higher trade discounts, we expect MDF EBITDA margins to contract by 463bps YoY (233bps QoQ) to 17.3%.

### Kajaria Ceramics: Mid-single-digit volume growth expected in Q4FY24

We anticipate Kajaria to register 7% YoY volume growth to 30msm; however, we anticipate realizations to decline by 5% YoY (2% QoQ) to Rs367/sqm. Subsequently, we anticipate overall revenue to increase by 3% YoY to Rs12.5bn. We expect EBITDA margin to decline by 50bps QoQ (up 40bps YoY) to 15% owing to pressure on tile pricing. We expect non-tile revenue (12% of sales) to register healthy revenue growth of 22% YoY.

### Rating, Target Price, and Valuation

	Rating	CMP (Rs)	TP (Rs)	Upside (%)	P/E (x)		EV/EBITDA (x)	
					FY25	FY26	FY25	FY26
Century Plyboards	Buy	658	850	27	35.8	24.5	22.7	16.8
Greenpanel Industries	Buy	330	450	36	19.7	14.1	11.0	7.8
Kajaria Ceramics	ADD	1,251	1,450	16	38.3	31.7	23.6	19.7

Source: Company, Emkay Research

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 06/07/2024 12:58 PM

Emkay Research is also available on www.emkayglobal.com and Bloomberg EMKAY<GO> Please refer to the last page of the report on Restrictions on Distribution. In Singapore, this research report or research analyses may only be distributed to Institutional Investors, Expert Investors or Accredited Investors as defined in the Securities and Futures Act, Chapter 289 of Singapore. Refer to Important Disclosures at the end of this report

Exhibit 1: Building companies under Emkay coverage – Q4FY24E

			Mar-24E	Dec-23	Mar-23	% chg (YoY)	% chg (QoQ)	Comments
<b>Century Plyboards</b>								
CMP (Rs/share)	658	Net Sales (Rs mn)	9,868	9,343	9,618	2.6	5.6	We expect Century Ply to register 3% YoY revenue growth at Rs9.9bn, led by 2% growth in the plywood segment and 16% growth in the MDF segment. Overall, we estimate EBITDA margin to remain broadly flat QoQ (down 570bps YoY) to 11.2%.
Mkt Cap (Rs bn)	146	EBITDA (Rs mn)	1,104	1,071	1,627	(32.2)	3.1	
Reco	Buy	EBITDA Margin (%)	11.2	11.5	16.9	-573 bps	-27 bps	
		PAT (Rs mn)	666	646	1,128	(41.0)	3.0	
<b>Greenpanel</b>								
CMP (Rs/share)	330	Net Sales (Rs mn)	3,994	3,857	4,414	(9.5)	3.5	We expect overall revenue to decline by 10% YoY/up 4% QoQ to Rs3.9bn, owing to a 7% decline in MDF volumes. On account of higher trade discounts, we expect MDF EBITDA margin to contract by 463bps YoY (233bps QoQ) to 17.3%. Overall EBITDA margin is expected to decline by 382bps YoY to 13.6%.
Mkt Cap (Rs bn)	41	EBITDA (Rs mn)	544	600	770	(29.3)	(9.4)	
Reco	Buy	EBITDA Margin (%)	13.6	15.6	17.4	-382 bps	-194 bps	
		PAT (Rs mn)	232	265	656	(64.6)	(12.3)	
<b>Kajaria Ceramics</b>								
CMP (Rs/share)	1251	Net Sales (Rs mn)	12,457	11,518	12,048	3.4	8.2	We anticipate overall revenue to increase by 3% YoY to Rs12.5bn. We expect EBITDA margin to decline by 50bps QoQ (up 40bps YoY) owing to pressure on tile pricing.
Mkt Cap (Rs bn)	200	EBITDA (Rs mn)	1,873	1,788	1,759	6.4	4.8	
Reco	ADD	EBITDA Margin (%)	15.0	15.5	14.6	43 bps	-49 bps	
		PAT (Rs mn)	1,097	1,042	1,080	1.5	5.3	

Source: Company, Emkay Research

**Exhibit 2: Century Plyboards – Segmental performance**

Segment-wise breakup (Rs mn)	Q4FY24E	Q4FY23	% chg. (YoY)	Q3FY24	% chg. (QoQ)
<b>Plywood</b>					
Revenue	5,754	5,665	1.6	5,089	13.1
Volume (CBM)	102,172	98,273	4.0	90,229	13.2
Realization (Rs/CBM)	56,317	57,640	(2.3)	56,398	(0.1)
EBITDA	604	904	(33.2)	495	21.9
<b>Laminates</b>					
Revenue	1,521	1,590	(4.3)	1,599	(4.9)
Volume (mn sheets)	1.8	1.8	2.2	1.9	(4.9)
Realization (Rs/sheet)	839	896	(6.4)	839	0.0
EBITDA	178	226	(21.5)	198	(10.4)
<b>MDF</b>					
Revenue	1,868	1,605	16.4	1,874	(0.3)
Volume (CBM)	55,982	46,801	19.6	55,376	1.1
Realization (Rs/CBM)	33,366	34,294	(2.7)	33,836	(1.4)
EBITDA	319	435	(26.7)	360	(11.3)
<b>Particle Board</b>					
Revenue	370	372	(0.6)	367	0.8
Volume (CBM)	18,527	16,733	10.7	18,386	0.8
Realization (Rs/CBM)	19,972	22,243	(10.2)	19,966	0.0
EBITDA	56	67	(17.6)	58	(4.2)

Source: Company, Emkay Research

**Exhibit 3: Greenpanel Industries – Segmental performance preview**

Segment-wise breakup (Rs mn)	Q4FY24E	Q4FY23	% chg. (YoY)	Q3FY24	% chg. (QoQ)
<b>MDF</b>					
Revenue	3,610	3,870	(6.7)	3,474	3.9
Volume (CBM)	124,253	137,265	(9.5)	118,301	5.0
Realization (Rs/CBM)	29,051	28,191	3.1	29,362	(1.1)
EBITDA	623	847	(26.4)	681	(8.4)
<b>Plywood</b>					
Revenue	384	545	(29.4)	384	0.2
Volume (MSM)	1.5	2.0	(24.2)	1.5	0.4
Realization (Rs/Sqm)	249	267	(6.9)	249	(0.2)
EBITDA	(14)	2	NA	(16)	NA

Source: Company, Emkay Research

**Exhibit 4: Kajaria Ceramics – Segmental performance preview**

Segment-wise Breakup (Rs mn)	Q4FY24E	Q4FY23	% chg. (YoY)	Q3FY24	% chg. (QoQ)
<b>Tiles</b>					
Revenue	10,984	10,841	1.3	10,128	8.4
Volume (MSM)	30	28	6.8	27	10.5
Realization (Rs/sqm)	367	387	(5.2)	374	(1.9)
<b>Other Segment Revenue (Rs mn)</b>					
Sanitaryware/Faucets	1,019	904	12.6	922	10.5
Plywood	326	188	73.6	340	-3.9
Adhesives	128	115	11.6	128	0.4
<b>Grand Total (Tiles + Other Segments)</b>	<b>12,457</b>	<b>12,048</b>	<b>3.4</b>	<b>11,518</b>	<b>8.2</b>

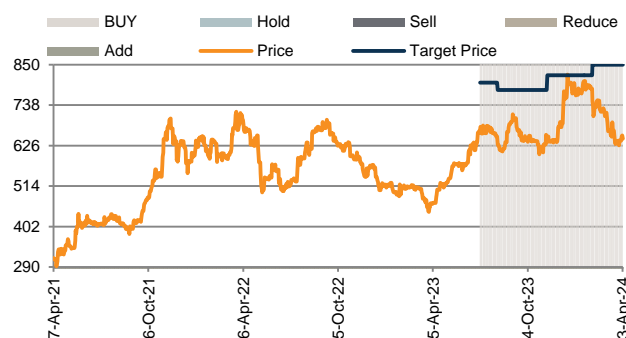
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
13-Mar-24	650	850	Buy	Dharmesh Shah
05-Feb-24	748	850	Buy	Dharmesh Shah
30-Nov-23	645	820	Buy	Dharmesh Shah
10-Nov-23	636	820	Buy	Dharmesh Shah
08-Sep-23	697	780	Buy	Dharmesh Shah
07-Aug-23	629	780	Buy	Dharmesh Shah
04-Jul-23	670	800	Buy	Dharmesh Shah

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Bloomberg, Company, Emkay Research

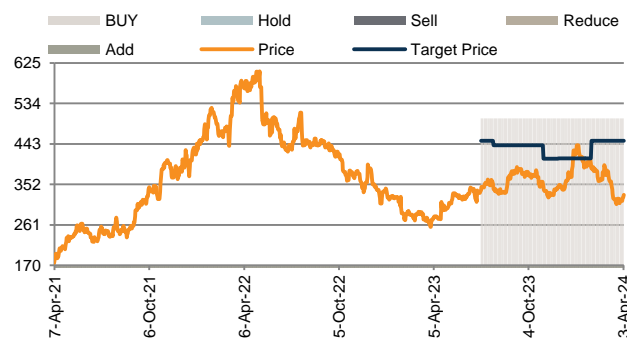
GREENPANEL INDUSTRIES

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
13-Mar-24	330	450	Buy	Dharmesh Shah
01-Feb-24	388	450	Buy	Dharmesh Shah
28-Dec-23	418	410	Buy	Dharmesh Shah
30-Nov-23	346	410	Buy	Dharmesh Shah
01-Nov-23	346	410	Buy	Dharmesh Shah
26-Sep-23	369	440	Buy	Dharmesh Shah
28-Jul-23	341	440	Buy	Dharmesh Shah
04-Jul-23	339	450	Buy	Dharmesh Shah

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Bloomberg, Company, Emkay Research

**GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):**

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. [www.emkayglobal.com](http://www.emkayglobal.com).

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit [www.emkayglobal.com](http://www.emkayglobal.com) to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

**Disclaimer for U.S. persons only:** Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

**RESTRICTIONS ON DISTRIBUTION**

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

**ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)**

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons<sup>1</sup> may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests<sup>2</sup> in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

<sup>1</sup> An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

<sup>2</sup> Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

**COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):**

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of April 6, 2024
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report  
**Disclosure of previous investment recommendation produced:**
- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of April 6, 2024
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the April 6, 2024
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

**Emkay Rating Distribution**

Ratings	Expected Return within the next 12-18 months.
<b>BUY</b>	>15% upside
<b>ADD</b>	5-15% upside
<b>REDUCE</b>	5% upside to 15% downside
<b>SELL</b>	<15% downside

**Emkay Global Financial Services Ltd.**

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India  
Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

**OTHER DISCLAIMERS AND DISCLOSURES:****Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) :-**

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit [www.emkayglobal.com](http://www.emkayglobal.com) to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.