VALOREM ADVISORS

INVESTOR RELATIONS MANAGEMENT SERVICES

ADITYA BIRLA CENTURY ENKA

1 Century Enka Ltd

Century Enka Limited is a part of the B.K. Birla Group. It is a leading manufacturer of synthetic yarns in India. The company produces Nylon Tyre Cord Fabric, Nylon Filament Yarn and Polyester Filament Yarn. It serves as raw material to industries such as textiles, automobiles and industrial applications. They have two manufacturing facilities located in Pune and Bharuch. Their focus is on quality enhancement, product diversification and sustainable operations to strengthen its position.

2 Business Segments

- Nylon Filament Yarn: Nylon filament yarn(NFY) is a long continuous lustrous fibre used to produce textile fabrics mainly used in ethnic, western, active and sportswear it is also used in production of mosquito nets and embroidery. NFY is produced in 3 main categories like nylon monofilament yarn, nylon mother filament yarn and multifilament yarn. It has various kinds of sub-products and capacity utilization depends on the products being manufactured.
- Nylon Tyre Cord Fabric: It plays a crucial role in strengthening bias tyres across wide range of vehicles including motorcycles, scooters, Light medium and heavy commercial vehicles it even caters to off road vehicles.
- Polyester Tyre Cord Fabric: It is used in radial tyres which is currently increasing in demand which caters to passenger car segments both suv's and regular cars.

3 Key Strengths

- The company due to its long experience is well-suited to take advantage.
- Its flagship brand, 'Enkalon', is highly recognized in the premium textile segment for its quality and lustrous feel.
- It is the largest producer of Nylon Filament Yarn (NFY) in India with a 24% market share and the second-largest manufacturer of Nylon Tyre Cord Fabric (NTCF) with a 25% market share.
- The company is almost debt-free (Debt-to-Equity of 0.02) and holds significant liquidity.
- Continuous modernization, such as shifting to a one-step manufacturing process and integrating renewable energy at the Bharuch plant, has helped control variable costs.
- Century Enka has manufacturing facilities at Pune & Bharuch, which are ISO 9001:2015 certified.
- The demand for synthetic yarns is increasing due to their wide range of applications. .

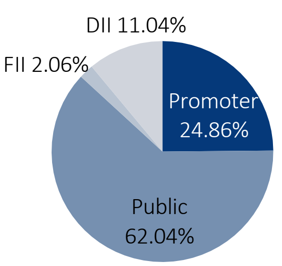
4 Key Growth Drivers

- The company is entering the Polyester Tyre Cord Fabric (PTCF) market, targeting passenger vehicle radial tires. Currently, 80% of Indian PTCF demand is met by imports, representing a massive domestic opportunity.
- Specialty yarns like Mother Yarn and dope-dyed yarns now account for over 35% of the NFY portfolio with a management target to exceed 50% to shield margins from commodity price.
- We have received a favorable anti-dumping ruling from the DGTR on lower priced Chinese NYF import, with the recommended duty ranging between 20-80 cents.
- Demand is expected to improve following recent GST reductions on tires and an uptick in the auto sector, particularly in the two-wheeler and commercial vehicle segments.
- Currently, 36% of the company's power requirements are met through renewable sources with plans to increase this to 48% by the second half of FY27.

Key Financials	FY23	FY24	FY25	FY26
Revenue from Operations (INR Mn)	20,721	17,442	20,017	17054
Sales Growth (Y-O-Y)	*-1.23%*	*-15.82%*	*14.77%*	-14.8%
EBITDA (INR Mn)	*1,423*	*828*	*1,148*	*1477*
EBITDA Margins (%)	6.87%	4.75%	5.73%	8.66%
Net Profit (INR Mn)	903	428	665	1008
Net Profit Margins (%)	4.36%	2.45%	3.32%	5.91%
Diluted EPS (INR)	41.34	19.56	30.42	46.15
Diluted EPS Growth (Y-O-Y)	*-50.95%*	*-52.69%*	*55.52%*	51.7%

Key Financial Ratios	FY26
Net Debt to Equity	0.01x
Asset Turnover	0.92x
Interest Coverage Ratio	31.96x
Return on Equity	6.74%
Return on Capital Employed	8.05%
Debtor Days	40
Inventory Days	102
Working Capital Days	144

Shareholding Pattern



Capital Structure

Share Price as on 31st March 2026	372.65
Number of Shares o/s (Mn)	21.85
Market Capitalisation (INR Mn)	8,142
Add: Debt (INR Mn)	199
Less: Cash & Equivalents (INR Mn)	107
Enterprise Value (INR Mn)	8,234
Networth (INR Mn)	14,958.5