

Greenply Industries Ltd

Demand improving, expect growth to revive from H2FY26E; reiterate BUY!

We interacted with Mr. Manoj Tulsian – Joint MD & CEO and Mr. Sanjiv Keshri – CFO of GREENPLY INDUSTRIES Ltd to understand the ongoing trends and developments of the industry & company. Following are the key highlights from our interaction:

Plywood:

- Demand for plywood segment is improving across regions.
- Company is focusing on expanding the reach of the ECOTEC brand.
- Timber prices are stable presently and management expects the same to cool-off from coming year.
- Implementation of BIS norms are creating pressure on unorganized industry and management believes this will be a big boost for branded manufacturers.
- The new plant at Odisha will be operational by FY27E end. Management believes with rebalancing activities done at current facilities, there will not be any capacity constraints to cater the upcoming demand.
- Company believes the segment is well poised to capitalize on the upcoming demand and improve overall performance materially.

MDFs:

- The extension should be ready by Sep'25 end (as per schedule). This will expand the capacity by 200cbm/day.
- For Q2FY26, company had kept their inventory levels ready before taking the shutdown. Hence, they do not foresee any loss of revenue.
- Owing to spike in Urea prices, the adhesives chemical prices have surged higher. If the industry cannot take price hikes from Oct'25 onwards, there will be a negative impact on margins for whole industry.
- Commenting on price hikes, company has not witnessed any price hikes implemented or passed on and currently Greenply has also not taken any price hikes.
- Post the ongoing capex, company expects to reach peak utilization by FY27E end and next leg of capex will be considered in FY27E.

Other highlights:

- Management is confident that in H2FY26E company will report healthy growth across segments.
- Management believes the company's debt should not go beyond Rs5.5Bn.
- Samet-JV will be profitable from FY28E onwards.
- The WPC capex is mere Rs350Mn which will reduce company's reliance on imports. Current revenue from this segment is Rs500-600Mn.

Reco	: BUY
CMP	: Rs 322
Target Price	: Rs 450
Potential Return	: +40%

Stock data (as on Sep 18, 2025)

Nifty	25,361
52 Week h/l (Rs)	407 / 245
Market cap (Rs/USD mn)	40,343 / 458
Outstanding Shares (mn)	125
6m Avg t/o (Rs mn):	48
Div yield (%):	0.2
Bloomberg code:	MTLM IN
NSE code:	GREENPLY

Stock performance



	1M	3M	1Y
Absolute return	4.9%	2.4%	-15.6%

Shareholding pattern (As of Jun'25 end)

Promoter	51.7%
FII+DII	36.9%
Others	11.4%

Δ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	450	450

Δ in earnings estimates

	FY26E	FY27E
EPS (New)	12.6	18.0
EPS (Old)	12.6	18.0
% change	0%	0%

Financial Summary

(Rs mn)	FY25	FY26E	FY27E
Net Revenue	24,876	27,636	31,854
YoY Growth	14.1	11.1	15.3
EBITDA	2,377	3,098	3,783
EBITDA (%)	9.6	11.2	11.9
PAT	922	1,551	2,208
YoY Growth	8.9	68.1	42.4
ROE	12.2	17.6	20.7
EPS	7.5	12.6	18.0
P/E	38.0	25.5	17.9
BV/Share	66.0	78.1	95.6
P/BV	4.3	4.1	3.4

UDIT GAJIWALA

Lead Analyst

☎ +91 22 6992 2934 / 35 / 36



SHALIN DAMANI, Associate

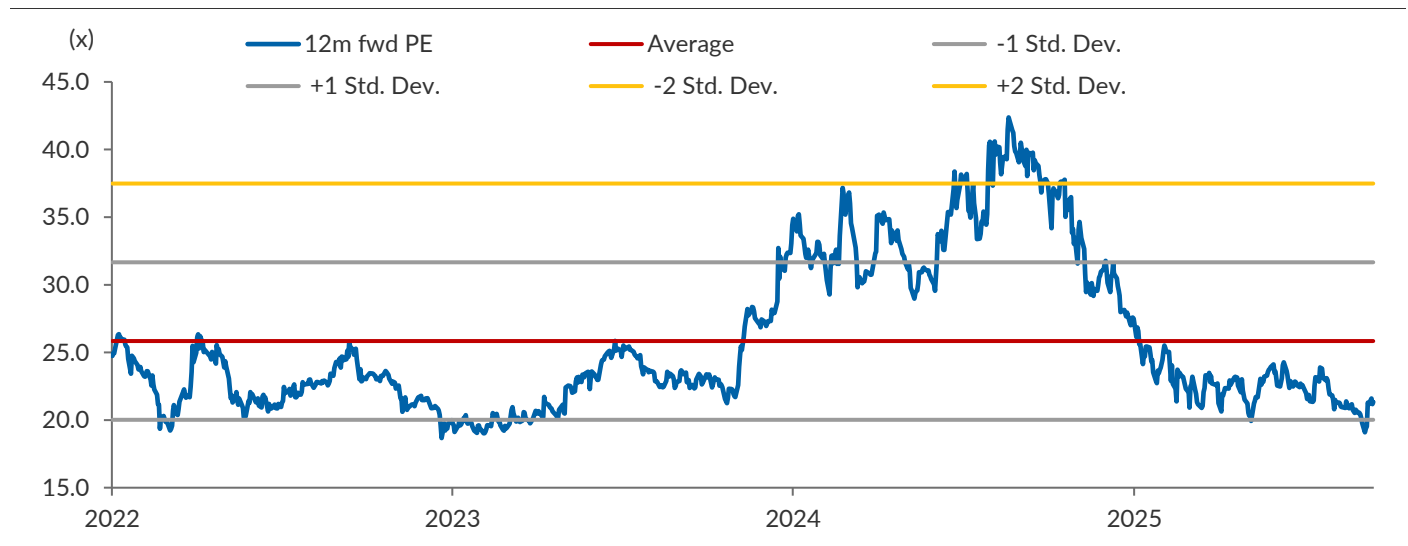
ANALYST VIEW & INVESTMENT THESIS

We reiterate GREENPLY INDUSTRIES LTD as our TOP-PICK from our coverage universe. We remain confident that company will register stellar growth over coming 2-years with improving industry tailwinds, steady plywood growth, ramp-up of MDF segment, and expected timber cost deflation. Hence, we factor-in Revenue/EBITDA/PAT growth of 13%/26%/55% over FY25-FY27E. We continue to value the company at P/E(x) of 25x on FY27E EPS of Rs18 and reiterate our BUY rating on the stock.

We recently published a detailed report on woodpanel sector:

[\(Click here for Woodpanel Thematic Report\)](#)

Exhibit 1: 1-year forward P/E (x) chart



Source: Company, YES Sec

FINANCIALS

Exhibit 2: Income statement

Particulars (Rs Mn)	FY23	FY24	FY25	FY26E	FY27E
Revenues	16,631	21,799	24,876	27,636	31,854
Growth (%)	6.4%	31.1%	14.1%	11.1%	15.3%
EBITDA	1,541	1,868	2,377	3,098	3,783
EBITDA margin (%)	9.3%	8.6%	9.6%	11.2%	11.9%
Growth (%)	2.6%	21.2%	27.2%	30.4%	22.1%
Depreciation & Amortization	260	545	601	631	660
Other income	172	139	165	300	280
EBIT	1,454	1,461	1,941	2,768	3,404
EBIT margin (%)	8.7%	6.7%	7.8%	10.0%	10.7%
Interest	91	433	431	500	360
PBT	1,252	1,150	1,171	2,068	2,943
Tax	192	298	249	517	736
Net profit	1,060	853	922	1,551	2,208
Net profit margin (%)	6.4%	3.9%	3.7%	5.6%	6.9%
EPS	8.6	6.9	7.5	12.6	18.0
Growth (%)	11.7%	-19.9%	8.9%	68.1%	42.4%

Source: Company, YES Sec

Exhibit 3: Balance sheet

Particulars (Rs Mn)	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	123	124	125	125	125
Reserves	6,315	6,970	7,962	9,450	11,596
Total Shareholders' Funds	6,438	7,094	8,086	9,575	11,721
Non-current liabilities					
Borrowings	5,152	3,912	3,724	3,724	2,979
Current liabilities					
Borrowings	1,559	1,428	1,278	1,278	1,023
Trade payables	2,427	3,329	5,354	5,835	6,666
Other financial liabilities	843	606	770	770	770
Total equity and liabilities	16,810	16,639	19,522	21,491	23,468
Non-current assets					
PPE	4,014	8,096	8,007	7,876	7,716
CWIP	5,130	124	442	442	442
Current assets					
Inventories	2,784	3,478	5,179	5,643	6,447
Trade receivables	2,287	2,490	3,233	3,592	4,140
Cash and cash equivalents	314	224	247	1,523	2,308
Other current assets	1,130	713	557	557	557
Total assets	16,810	16,639	19,522	21,491	23,468

Source: Company, YES Sec

Exhibit 4: Cash flow statement

Particulars (Rs Mn)	FY23	FY24	FY25	FY26E	FY27E
PBT	1,252	1,150	1,170	2,068	2,943
Add: Depreciation	365	636	601	631	660
Add: Interest	262	661	431	500	360
Less: WC changes	(1,200)	(648)	(133)	(343)	(521)
Less: taxes paid	(36)	(376)	(294)	(517)	(736)
Cash flow from operations	622	1,109	2,197	2,339	2,706
Capital expenditure	(4,153)	(1,428)	(777)	(500)	(500)
Cash flow from investing activities	(4,085)	(1,428)	(1,470)	(500)	(500)
Movement in borrowings	3,640	1,204	(375)	0	(1,000)
Interest paid	(374)	(654)	(401)	(500)	(360)
Cash from financing activities	3,177	471	(829)	(562)	(1,422)
Change in cash balance	(286)	153	(102)	1,277	784
Opening cash balance	380	70	220	247	1,523
Closing cash balance	81	220	118	1,523	2,308

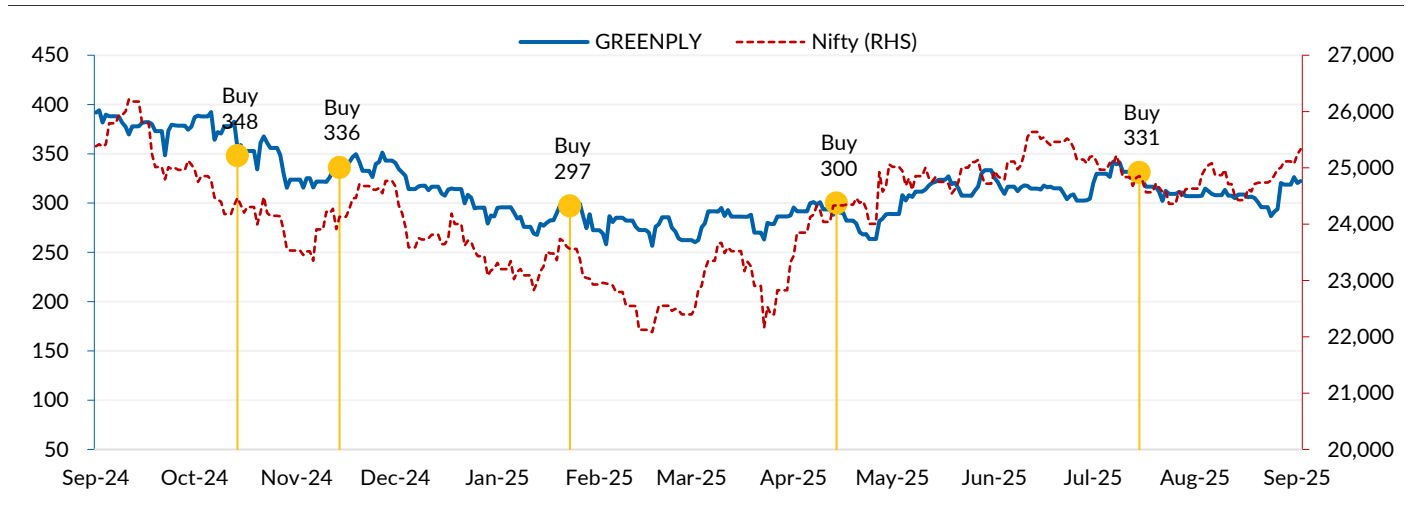
Source: Company, YES sec

Exhibit 5: Ratio analysis

Particulars	FY23	FY24	FY25	FY26E	FY27E
Growth (%)					
Total Sales	6.4%	31.1%	14.1%	11.1%	15.3%
EBITDA	2.6%	21.2%	27.2%	30.4%	22.1%
EBIT	8.2%	0.5%	32.8%	42.6%	23.0%
PAT	22.1%	-14.6%	-6.6%	68.1%	42.4%
Profitability (%)					
EBITDA Margins	9.3%	8.6%	9.6%	11.2%	11.9%
EBIT Margins	8.7%	6.7%	7.8%	10.0%	10.7%
PAT Margins	7.0%	4.5%	3.7%	5.6%	6.9%
ROCE	15.4%	12.6%	16.6%	21.6%	23.8%
ROE	19.6%	14.6%	12.2%	17.6%	20.7%
Per Share Data (Rs)					
EPS	8.6	6.9	7.5	12.6	18.0
CEPS	10.8	11.4	12.4	17.8	23.4
BVPS	52.5	57.9	66.0	78.1	95.6
Valuations (x)					
P/E (x)	16.1	33.5	38.0	25.5	17.9
P/CEPS (x)	12.9	20.3	23.0	18.1	13.8
P/BV (x)	2.6	4.0	4.3	4.1	3.4
EV/EBITDA	15.2	18.0	17.0	14.1	11.1
Gearing Ratios					
Debt/Equity	1.0	0.8	0.6	0.5	0.3
Net Debt/Equity	1.0	0.7	0.6	0.4	0.1
Net Debt/EBITDA	4.2	2.7	2.0	1.1	0.4
Int Coverage	16.0	3.4	4.5	5.5	9.4
WCC Days					
Debtors	50	42	47	47	47
Inventory	98	96	127	127	127
Creditors	86	92	132	132	132

Source: Company, YES sec

Recommendation Tracker



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GAJIWALA
Digitally signed by Udit
BHAVESH GAJIWALA
Date: 2025.09.18
15:41:18 +05'30'

SHALIN PANKAJ
DAMANI
Digitally signed by
SHALIN PANKAJ DAMANI
Date: 2025.09.18 15:42:01
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