

Slow Quarter; Growth Supported by Capacity expansions and Product Mix
Est. Vs. Actual for Q1FY26: Revenue - **INLINE**; EBITDA (Adj.) - **BEAT**; PAT - **MISS**
Changes in Estimates Post Q1FY26 Result
FY26E/FY27E: Revenue: 0%/0%; EBITDA (Adj.): 0%/0%; PAT : 0%/0%

Recommendation Rationale

- **Showing early signs of demand recovery:** Greenply's Apr'25 and May'25 aligned with its expectation, with the third month being a laggard. The company is seeing further recovery in Jul'25 and expects a better quarter going forward. This quarter, the plywood segment experienced a 3% decline in volumes, even as realisations rose 4% YoY. For its MDF business, Greenply saw a stronger trend, with 8% growth in volumes and 3% in realisations YoY. The shift towards a higher MDF-centric portfolio is playing into its favour. It remains optimistic for the latter part of the year and reiterates its growth guidance of double-digit and EBITDAM 16%+ for MDF in FY26.
- **BIS implementation:** The company is seeing active actions post the BIS implementation. The government is taking a lot of actions in a positive direction to maintain its standards. Raids are being conducted in the market and factories, and a BIS on furniture is expected by Feb'26. The import inventory has also died down, although there is still competition for pricing from the unorganised players. This, combined with the softening of timber prices, will act as a tailwind for its plywood business. However, the management is waiting another quarter before reaffirming its double-digit volume growth guidance in the segment.
- **Building Capacity; PVC Door Profiles and MDF Focus:** MDF reported an 11% YoY growth with revenue of Rs 147 Cr and EBITDAM of 16.4%, in line with the guidance. The company is on track to complete its brownfield expansion of capacity from 800 to 1,000 CBM per day. The company is not planning any capex for another line, and plans to build the existing line with a very small capex to produce 25% more output by expanding the press. Total capex for the Odisha plant will be in the range of ~Rs 30 Cr. It will add new PVC doors capacity; currently the business is Rs 65 Cr with scalability to Rs 200-250 Cr in the next 2-3 years and overall capex of Rs 100-140Cr.

Sector Outlook: Positive

Company Outlook & Guidance: While the company reported muted volumes for its plywood business, the MDF business posted results in line with expectations. Greenply expects H2FY26 to show recovery with add-on businesses supporting its value-add portfolio approach. We expect Revenue/EBITDA/PAT CAGR of 12%/20%/40% from FY24-FY27E and maintain our **BUY** rating on the stock.

Current Valuation: 25X FY27EPS (Earlier 25X FY27EPS)

Current TP: Rs 385/share (Earlier TP: Rs 385/share)

Recommendation: We maintain our **BUY** recommendation on the stock.

Financial Performance

Greenply reported Revenue of Rs 601 Cr, up 3% YoY, which is in line with our estimates. The overall demand scenario in the industry saw recovery for the first two months of the quarter. Gross margins were better, up 205 bps YoY. The reported EBITDA stood at Rs 62 Cr, showing growth of 6.3% YoY, with a flatter YoY EBITDA margin of 10.3%. The company reported PAT of Rs 28 Cr, down 14% YoY. Increasing interest costs impacted the bottom line. During the year, its MDF volumes saw growth of 8.6% QoQ and 8% YoY, whereas the plywood business saw a decline of 13% QoQ and 3% YoY. Segment revenue for the Plywood business stood at Rs 454 Cr, flat YoY, and for the MDF business stood at Rs 147 Cr, a 9% YoY growth.

Key Financials (Consolidated)

(Rs Cr)	Q1FY26	YoY (%)	QoQ (%)	Axis Est.	Variance
Net Sales	601	2.90	-7.39	594	1.15
Adj. EBITDA	62	6.38	-9.51	59	4.04
EBITDA Margin	10%	34bps	-24bps	10%	29bps
Net Profit	28	-14.27	71.40	36	-20.15
EPS (Rs)	2.28	-14.27	71.40	2.85	-20.15

Source: Company, Axis Securities Research

 (CMP as of 30th July, 2025)

CMP (Rs)	330
Upside/Downside (%)	17%
High/Low (Rs)	412/229
Market cap (Cr)	4,127
Avg. daily vol. (1m) Shrs.	2,06,960
No. of shares (Cr)	12.5

Shareholding (%)

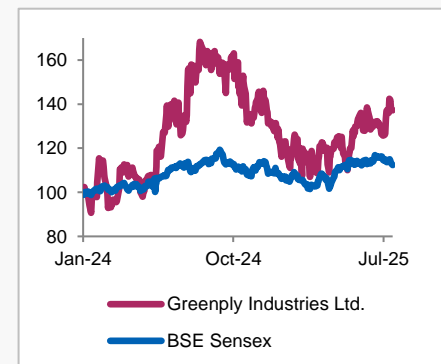
	Dec-24	Mar-25	Jun-25
Promoter	51.7	51.7	51.7
FII's	5.5	5.4	4.5
MFs / UTI	29.6	29.7	31.0
Others	13.2	13.2	12.8

Financial & Valuations

Y/E Mar (Rs Cr)	FY25	FY26E	FY27E
Net Sales	2,488	2,645	3,056
EBITDA	238	265	321
Net Profit	92	139	192
EPS (Rs)	7	11	15
PER (x)	39.21	25.81	18.69
EV/EBITDA (x)	13.67	15.68	16.28
P/BV (x)	4.45	3.79	3.15
RoE (%)	11	15	17

Change in Estimates (%)

Y/E Mar	FY26E	FY27E
Revenue	0%	0%
EBITDA	0%	0%
PAT	0%	0%

Relative Performance


Source: Ace Equity, Axis Securities Research

Eesha Shah

Research Analyst

eesha.shah@axissecurities.in

Valuation & Recommendation

Our estimates are broadly in line with the company's low double-digit growth guidance for plywood and double-digit guidance for MDF. We believe a better product mix, combined with the liquidation of existing inventories, will lead to a gradual growth trajectory for the sector. **We continue to value the stock at a 25X FY27E to arrive at a TP of Rs 385/share and maintain our BUY rating on the stock, implying an upside of 17%.**

Key Highlights from Concall

- **Samet JV:** The JV reported a loss of Rs 5.4 Cr (Greenply's share), with an equity investment till date of Rs 80 Cr. First export initiated in Jun'25, and total export business is expected of Rs 18 Cr in FY26. The company expects to record revenue to the tune of ~Rs 225 Cr over the next 3 years. Moreover, it has onboarded 200+ dealers.
- **Flooring Lines segment:** Construction of the HDF flooring line is completed, with ongoing trials, and production to begin by Sep'25. The focus will be on value-added products and improving operating efficiencies.
- **Strategic rural penetration:** The company is planning on a growth-oriented approach towards Tier 2 and Tier 3 markets and driving demand at a dealer level.
- **Debt position:** The company's consolidated net debt stood at Rs 538 Cr, compared to Rs 464 Cr for Q4FY25. Its net debt to equity stood at 0.64 times.
- **Working Capital:** The debt assumed is projected towards working capital to build up inventories for plywood, which is expected to get liquidated by Q2, and for the planned shutdown in MDF for Aug'25, also to get liquidated by the end of Sep'25.

Key Risks to Our Estimates and TP

- Muted plywood demand will be a key risk to the growth of the company moving forward.
- Weak domestic MDF pricing and increasing MDF competition can hamper Greenply's share in the market.
- Elevated timber prices will dampen the margin as the company may not be able to pass on the same to consumers.
- Price cuts by unorganised players will also hurt the company's bottom line.

Change in Estimates

(Rs Cr)

	Revised		Old		% Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	2,645	3,056	2,645	3,056	0%	0%
EBITDA (Adj.)	265	321	265	321	0%	0%
PAT	139	192	139	192	0%	0%

Source: Company, Axis Securities Research

Q1FY26 Results Review
(Rs Cr)

Particulars	Q1FY25	Q4FY25	Axis Sec Est (Rs Cr)	Q1FY26	% Change (YoY)	% Change (QoQ)	Variance (%)
Revenue	584	649	594	601	2.90	-7.4	1.1
Expenses:							
COGS	346	379	339	344	-0.7	-9.4	1.5
COGS/Sales	1	1	1	1	-3.5	-2.1	0.4
Gross Profit	238	269	255	257	8.1	-4.6	0.6
Gross Margin	41%	42%	43%	43%	5.0	3.0	-0.5
Employee Benefits Expense	73	79	77	81	10.5	2.7	5.0
Other Expenses	107	122	119	114	7.3	-6.6	-3.8
Other Expense/ Sales (%)	0	0	0	0	4.3	0.9	-4.9
Total Expense	526	581	535	539	2.5	-7.1	0.9
EBITDA	58	68	59	62	6.4	-9.5	3.7
EBITDA Margin	10%	10%	10%	10%	3.4	-2.3	2.5
Depreciation & Amortisation Expense	15	15	12	15	2.6	2.7	28.1
EBIT	43	53	47	46	7.7	-12.9	-2.5
Finance cost	10	13	12	19	77.9	41.1	55.8
Other Income	6	6	15	13	129.3	115.6	-12.2
EBT	38	46	51	41	6.9	-11.3	-19.1
Share of (loss) of equity accounted investees	-5	-22	-5	-5	3.7	-78.2	0.0
Profit Before Tax (PBT)	34	24	46	36	7.3	47.9	-21.0
Tax Expense	1	8	10	8	1374.1	-1.8	-19.7
Profit After Tax	33	17	36	28	-14.3	71.4	-21.4

Source: Company, Axis Securities Research

Financials (Consolidated)

Profit & Loss

(Rs Cr)

Y/E Mar	FY25	FY26E	FY27E
Revenue	2,488	2,645	3,056
Growth (%)	14.1	6.3	15.6
EBITDA	238	264	321
EBITDA margin (%)	10	10	11
Growth (%)	27	11	21
Depreciation & amortization	60	78	82
EBIT	194	203	256
EBIT margin (%)	7.8	7.7	8.4
Interest	43	26	15
Other income	16	16	16
Profit before tax	117	176	240
Total Tax	25	37	48
Profit After Tax	92	139	192
net margin (%)	3.7	5.3	6.3
EPS (Rs)	7	11	15
Growth (%)	31.12	51.88	38.09

Source: company, Axis Securities Research

Balance Sheet

(Rs Cr)

Y/E Mar	FY25	FY26E	FY27E
EQUITY & LIABILITIES			
EQUITY			
Equity share capital	12	12	12
Other equity	796	936	1,128
Total Equity	809	948	1,141
Non-Current Liabilities			
Financial Liabilities	388	388	388
Other non-current liabilities	12	12	12
Total Non-Current Liabilities	400	400	400
Current Liabilities			
Financial Liabilities	718	617	685
Other Current Liabilities	26	26	26
Total Current Liabilities	744	643	711
Total Equity & Liabilities	1,952	1,991	2,251
APPLICATION OF FUNDS			
Non-Current Assets			
Net Fixed Assets	962	939	912
Financial Assets	67	67	67
Total Non-Current Assets	1,029	1,006	979
Current Assets			
Inventories	518	507	544
Financial Assets	356	429	679
Other current assets	49	49	49
Total Current Assets	923	985	1,272
Total Assets	1,952	1,991	2,251

Source: company, Axis Securities Research

Cash Flow
(Rs Cr)

Y/E Mar	FY25	FY26E	FY27E
PBT	117	176	240
Depreciation	60	78	82
Others	84	0	0
Tax Paid	-29	-37	-48
Changes in Working Capital	-13	-64	-7
Net Cash from Operations	219	154	267
Capex	-74	-55	-55
Change in Investment	-76	0	0
Others	3	0	0
Net Cash from Investing	-147	-55	-55
Change in debt	-43	0	0
Change in Equity	6	0	0
Others	-46	0	0
Net Cash from Financing	-83	0	0
Net Change in Cash	-11	99	212

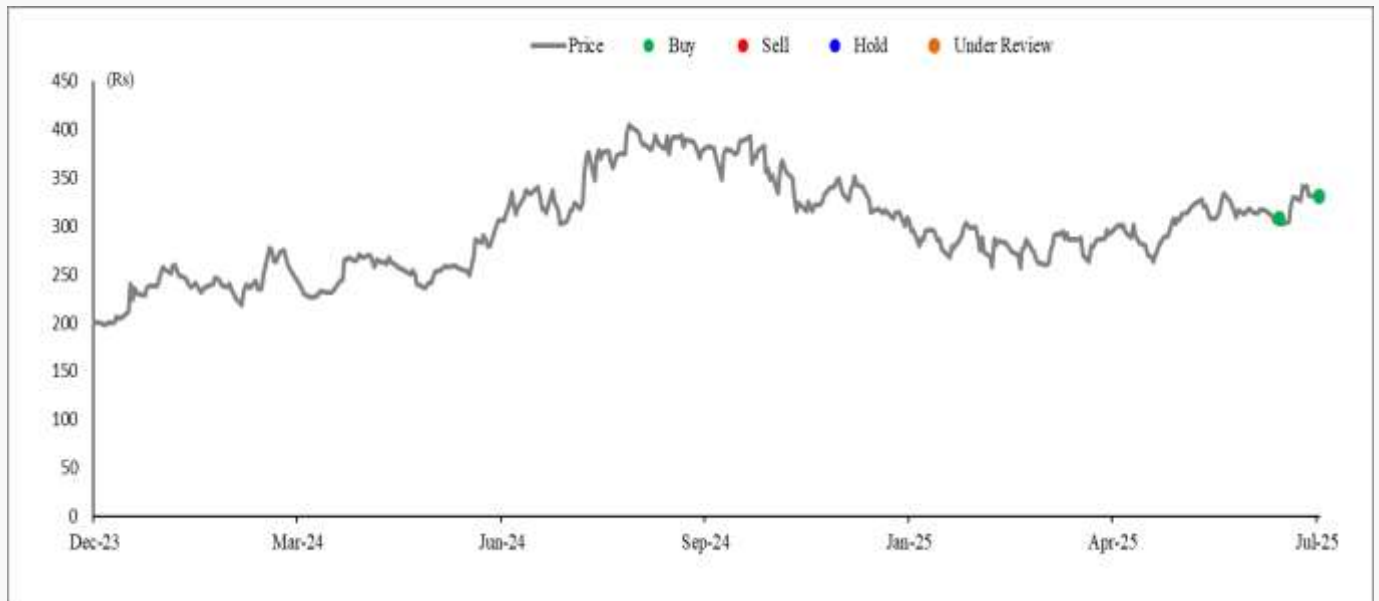
Source: company, Axis Securities Research

Ratio Analysis
(x) / (%)

Y/E Mar	FY25	FY26E	FY27E
EBITDA Margin (%)	10	10	11
net margin (%)	4	5	6
Return on invested capital (%)	10	10	11
Return on equity (%)	11	15	17
EFFICIENCY RATIOS			
Fixed Asset Turnover	2.59	2.82	3.35
Debt to equity	0.60	0.51	0.43
Interest coverage	4.50	7.66	16.74
Debtor days	42	43	38
Inventory days	106	118	105
Payable days	107	112	93
PER SHARE DATA			
EPS (Rs)	7.35	11.16	15.41
Book value per share (Rs)	64.78	75.97	91.38
DPS (Rs)			
VALUATION RATIOS			
P/E	39.21	25.82	18.69
P/BV	4.45	3.79	3.15
EV/EBITDA	13.67	15.68	16.28
EBITDA Margin (%)	10	10	11

Source: company, Axis Securities Research

Greenply Industries Price Chart and Recommendation History



Date	Reco	TP	Research
11-Jul-25	BUY	385	Initiating Coverage
31-Jul-25	BUY	385	Result Update

Disclosures:

Axis Securities Limited is a subsidiary company of Axis Bank Ltd. Axis Bank Ltd. is a listed public company and one of India's largest private sector banks and has its various subsidiaries engaged in businesses of Asset management, NBFC, Merchant Banking, Trusteeship, Venture Capital, Stock Broking, the details in respect of which are available on www.axisbank.com.

Axis Securities Limited, is registered as a

- Stock Broker, Depository Participant, Portfolio Manager, Investment Adviser and Research Analyst with Securities and Exchange Board of India
- Corporate Agent with Insurance Regulatory and Development Authority of India
- Point of Presence with Pension Fund Regulatory and Development Authority
- Distributor for Mutual Funds with AMFI

Registration Details:

SEBI Single Reg. No.- NSE, BSE, MSEI, MCX & NCDEX – INZ000161633 | SEBI Depository Participant Reg. No. IN-DP-403-2019 | Portfolio Manager Reg. No.- INP000000654 | Investment Advisor Reg. No. INA000000615 | SEBI-Research Analyst Reg. No. INH000000297 | IRDA Corporate Agent (Composite) Reg. No. CA0073| PFRDA – POP Reg. No. POP387122023 | Mutual Fund Distributor ARN- 64610.

Compliance Officer Details: Name – Mr. Rajiv Kejriwal, Tel No. – 022-68555574, Email id – compliance.officer@axisdirect.in;

Registered Office Address – Axis Securities Limited, Unit No.002, Building- A, Agastya Corporate Park, Piramal Realty, Kamani Junction, Kurla (W), Mumbai – 400070.

Administrative office address: Axis Securities Limited, Aurum Q Parc, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane – Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

In case of any grievances please call us at 022-40508080 or write to us helpdesk@axisdirect.in.

We hereby declare that our activities were neither suspended nor we have defaulted with any stock exchange authority with whom we are registered in last five years. However, SEBI, Exchanges, Clearing Corporations and Depositories etc. have conducted the routine inspection and based on their observations have issued advise/warning/show cause notices/deficiency letters/ or levied penalty or imposed charges for certain deviations observed in inspections or in normal course of business, as a Stock Broker / Depository Participant/Portfolio Manager. We have not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point of time.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

By referring to any particular sector, Axis Securities does not provide any promise or assurance of favourable view for a particular industry or sector or business group in any manner.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors. Our research should not be considered as an advertisement or advice, professional or otherwise. This research report and its respective content by Axis Securities made available on this page or otherwise do not constitute an offer to sell or purchase or subscribe for any securities or solicitation of any investments or investment services for the residents of Canada and / or USA or any jurisdiction where such an offer or solicitation would be illegal.

Subject company(ies) may have been client during twelve months preceding the date of distribution of the research report. Derivatives are a sophisticated investment device. The investor is requested to take into consideration all the risk factors before actually trading in derivative contracts.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment of its original date of publication by ASL and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments.

The information and opinions in this report have been prepared by Axis Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Axis Securities. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite, investment objective or the particular circumstances of an individual investor. The investor is requested to take into consideration all the risk factors including their financial condition, suitability to risk return profile and the like and take professional advice before investing.

While we would endeavour to update the information herein on a reasonable basis, Axis Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Axis Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Axis Securities policies, in circumstances where Axis Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained in good faith 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 customers simultaneously, not all customers may receive this report at the same time. Axis Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. 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. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Axis Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Axis Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months. Axis Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction. Axis Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months. Axis Securities encourages independence in

research report preparation and strives to minimize conflict in preparation of research report. Axis Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither Axis Securities nor Research Analysts and / or their relatives have any material conflict of interest at the time of publication of this report. Please note that Axis Securities has a proprietary trading desk. This desk maintains an arm's length distance with the Research team and all its activities are segregated from Research activities. The proprietary desk operates independently, potentially leading to investment decisions that may deviate from research views.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Research Analyst may have served as an officer, director or employee of subject company(ies). Axis Securities or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report. Since associates of Axis Securities and Axis Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report. Axis Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Certain transactions -including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centres on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

We and our affiliates/associates, officers, directors, and employees, Research Analyst(including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of Research Report or at the time of public appearance. Axis Securities may have proprietary long/short position in the above mentioned scrip(s) and therefore may be considered as interested. This should not be construed as invitation or solicitation to do business with Axis Securities. Axis Securities is also a Portfolio Manager. Portfolio Management Team (PMS) takes its investment decisions independent of the PCG research and accordingly PMS may have positions contrary to the PCG research recommendation.

RATING SCALE: Definitions of ratings

Ratings	Expected absolute returns over 12 – 18 months
BUY	More than 10%
HOLD	Between 10% and -10%
SELL	Less than -10%
NOT RATED	We have forward looking estimates for the stock, but we refrain from assigning valuation and recommendation.
UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events
NO STANCE	We do not have any forward-looking estimates, valuation or recommendation for the stock

Note: Returns stated in the rating scale are our internal benchmark.