

June 19, 2025

Management Meet Update

■ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	310		310	
Sales (Rs. m)	17,465	20,638	17,465	20,638
% Chng.	-	-	-	-
EBITDA (Rs. m)	2,061	3,447	2,061	3,447
% Chng.	-	-	-	-
EPS (Rs.)	8.5	17.1	8.5	17.1
% Chng.	-	-	-	-

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	15,673	14,358	17,465	20,638
EBITDA (Rs. m)	2,465	1,312	2,061	3,447
Margin (%)	15.7	9.1	11.8	16.7
PAT (Rs. m)	1,427	721	1,038	2,099
EPS (Rs.)	11.6	5.9	8.5	17.1
Gr. (%)	(43.0)	(49.5)	44.0	102.2
DPS (Rs.)	0.2	0.0	0.0	0.0
Yield (%)	0.1	0.0	0.0	0.0
RoE (%)	11.4	5.3	7.2	13.2
RoCE (%)	13.2	4.5	7.8	14.9
EV/Sales (x)	2.1	2.4	1.9	1.5
EV/EBITDA (x)	13.2	25.7	15.9	8.8
PE (x)	22.5	44.6	30.9	15.3
P/BV (x)	2.4	2.3	2.2	1.9

Key Data

GREP.BO | GREENP IN

52-W High / Low	Rs.427 / Rs.203
Sensex / Nifty	81,362 / 24,793
Market Cap	Rs.32bn/ \$ 370m
Shares Outstanding	123m
3M Avg. Daily Value	Rs.69.71m

Shareholding Pattern (%)

Promoter's	53.12
Foreign	3.00
Domestic Institution	28.47
Public & Others	15.40
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	5.8	(31.1)	(18.2)
Relative	6.7	(32.9)	(22.3)

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Timber price softening to aid margin

We interacted with the management of GREENP to understand the current MDF industry landscape, including demand trends, timber pricing dynamics, and challenges related to oversupply. The discussion also focused on the company's growth strategies, product mix optimization, and efforts to navigate margin pressures in a competitive environment. The management also shared insights on domestic demand sustainability, the impact of reduction in MDF imports, and GREENP's roadmap to drive volume growth while maintaining profitability.

Key Takeaways:

MDF segment – Strong MDF volume growth anticipated led by new AP facility

- GREENP expects MDF volumes to reach 550k CBM in FY26 (vs 439k CBM in FY25), driven by 10–12% growth from existing plants and additional ~80k CBM contribution from the new Andhra Pradesh (AP) facility.
- Commercial production has commenced at the new AP plant, with an expected utilization of 35% in FY26, which is likely to improve by the year end. The plant is focused on thin MDF (1.5–5.5mm), which has 8–10% higher realization due to higher density. Despite better realization, margins remain similar for both thin and thick MDF.
- Thin MDF accounts for 56% of India's MDF imports (by volume). MDF imports have softened following the BIS implementation in Feb'25. MDF imports accounted for ~7% of domestic volumes in FY25.
- MDF industry capacity stands at 4.5mn CBM, while domestic sales (including imports) are at 2.8–2.85mn CBM, indicating 58% underutilization due to oversupply. However, domestic MDF industry continues to grow at 14–15%, driven by rising demand from the furniture segment.
- In India's wood panel furniture market, 70% of manufacturers use plywood, while the remaining 30% use MDF and particle board.
- No significant capacity addition is expected in FY26. 3–4 small players from the unorganized sector may add capacity in FY27, which is not expected to materially impact the industry supply-demand dynamics.
- GREENP has no plans for further MDF capacity expansion until post-FY27, targeting 85–90% utilization before evaluating new investments.
- In Q4FY25, GREENP received incentives of Rs350mn under the Export Promotion Capital Goods scheme, supporting margins. The total eligible incentive is Rs 860mn, with the balance Rs510mn to be booked over FY26/27.
- Value-added products are priced at a premium of ~45% over industrial grade MDF.

- About 70% of GREENP's MDF exports are to the Middle East, with the remaining to Southeast Asia. Export realizations range from Rs21,500–22,000/CBM.

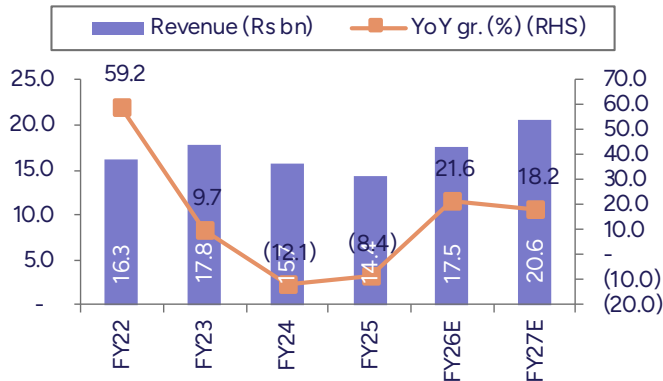
Timber price correction to drive margin expansion for MDF segment

- Timber prices stood at Rs6.1/kg in South India and Rs6.15/kg in North India during Apr–Jun'25, reflecting a decline of 10% and 2%, respectively, from the peak levels in Q3FY25. Despite the correction, realizations remained unaffected. The decline in timber prices is expected to support margin improvement for GREENP's MDF segment.
- For FY26, the company expects 6–10% correction in timber prices, with a further decline anticipated in FY27 due to increased domestic timber supply. As a result, its MDF segment is expected to see significant margin expansion in FY27.

Plywood segment

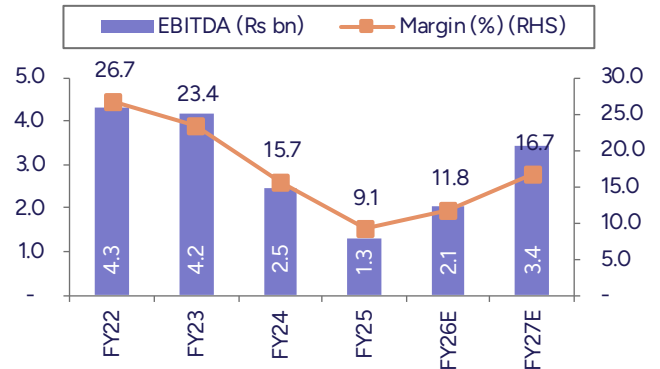
- The company expects its plywood segment to grow by 15% in FY26 and intends to focus on stabilizing the business over the next 2 years before pursuing expansion.

Exhibit 1: Revenue CAGR estimated at 19.9% in FY25-27E



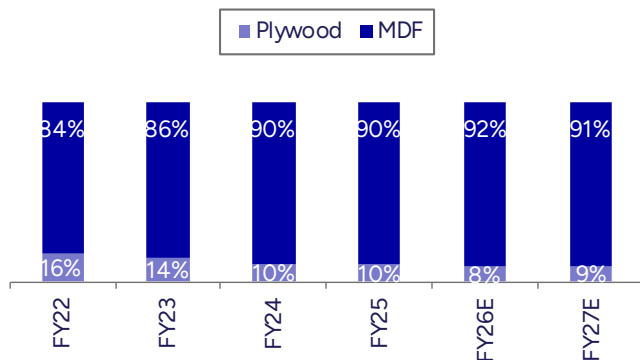
Source: Company, PL

Exhibit 2: Margins to expand by ~760bps over FY25-27E



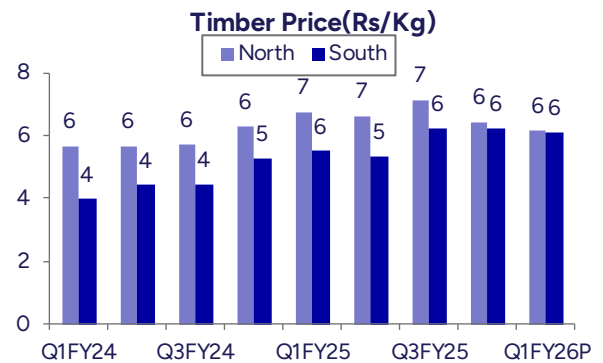
Source: Company, PL

Exhibit 3: MDF seg continue to be largest sales contributor



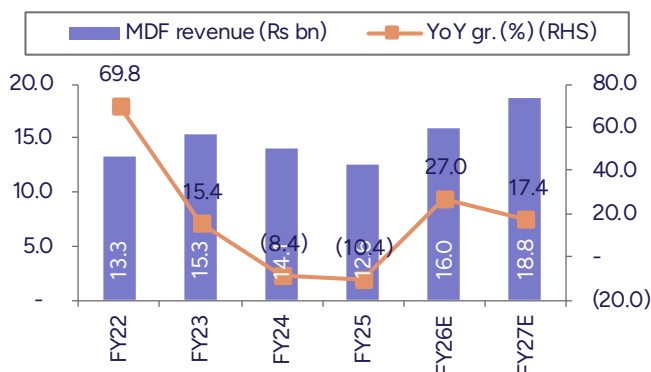
Source: Company, PL

Exhibit 4: Timber prices is expected to decline from peak



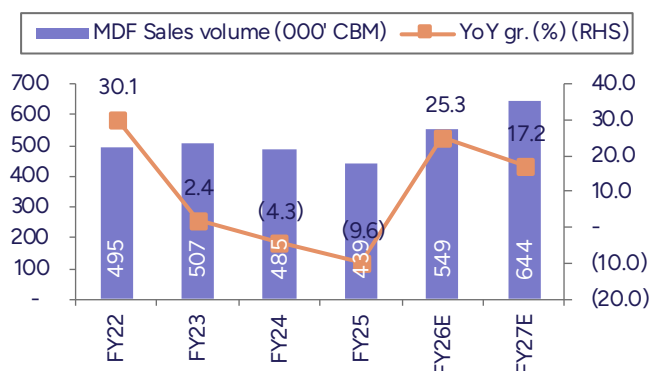
Source: Company, PL

Exhibit 5: MDF rev to grow at 22.1% CAGR over FY25-27E



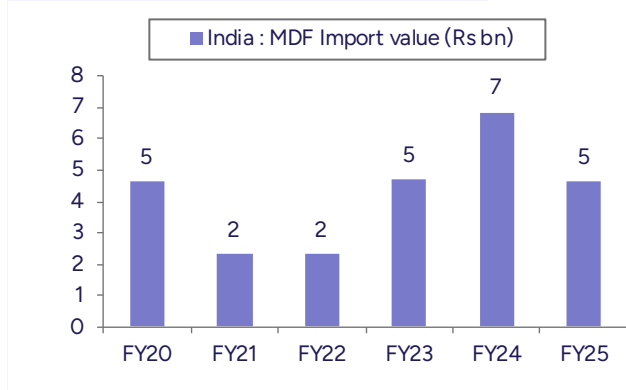
Source: Company, PL

Exhibit 6: MDF vol to grow at a CAGR of 21.2% over FY25-27E



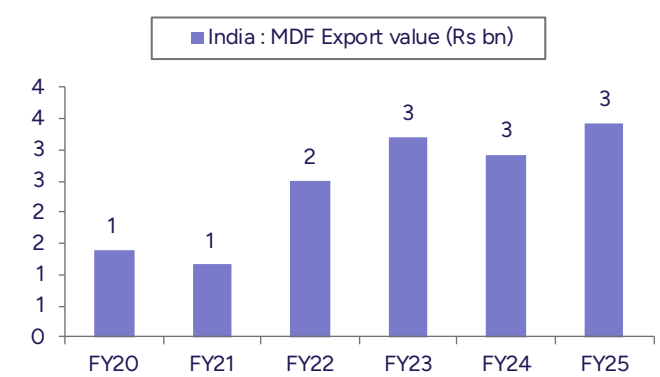
Source: Company, PL

Exhibit 7: India MDF import decline by 32% (YoY) in FY25



Source: Company, PL

Exhibit 8: India MDF export increased by 17% (YoY) in FY25



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	15,673	14,358	17,465	20,638
YoY gr. (%)	(12.1)	(8.4)	21.6	18.2
Cost of Goods Sold	9,196	7,408	10,357	11,309
Gross Profit	6,477	6,950	7,108	9,328
Margin (%)	41.3	48.4	40.7	45.2
Employee Cost	1,406	1,401	1,694	1,837
Other Expenses	2,252	4,037	2,829	3,364
EBITDA	2,465	1,312	2,061	3,447
YoY gr. (%)	(40.8)	(46.8)	57.1	67.2
Margin (%)	15.7	9.1	11.8	16.7
Depreciation and Amortization	729	774	923	940
EBIT	1,736	538	1,138	2,507
Margin (%)	11.1	3.7	6.5	12.1
Net Interest	123	67	82	76
Other Income	219	226	239	239
Profit Before Tax	1,832	697	1,295	2,670
Margin (%)	11.7	4.9	7.4	12.9
Total Tax	405	(24)	257	571
Effective tax rate (%)	22.1	(3.5)	19.8	21.4
Profit after tax	1,427	721	1,038	2,099
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	1,427	721	1,038	2,099
YoY gr. (%)	(43.0)	(49.5)	44.0	102.2
Margin (%)	9.1	5.0	5.9	10.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,427	721	1,038	2,099
YoY gr. (%)	(44.4)	(49.5)	44.0	102.2
Margin (%)	9.1	5.0	5.9	10.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,427	721	1,038	2,099
Equity Shares O/s (m)	123	123	123	123
EPS (Rs)	11.6	5.9	8.5	17.1

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	15,471	21,622	21,922	22,422
Tangibles	15,097	21,280	21,580	22,080
Intangibles	375	342	342	342
Acc: Dep / Amortization	5,204	5,979	6,901	7,841
Tangibles	5,204	5,979	6,901	7,841
Intangibles	-	-	-	-
Net fixed assets	10,267	15,644	15,021	14,581
Tangibles	9,892	15,301	14,679	14,239
Intangibles	375	342	342	342
Capital Work In Progress	3,127	111	161	161
Goodwill	-	-	-	-
Non-Current Investments	218	221	221	221
Net Deferred tax assets	(1,010)	(1,046)	(1,046)	(1,046)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	975	1,208	1,208	1,208
Inventories	2,016	1,988	2,512	2,727
Trade receivables	442	418	508	601
Cash & Bank Balance	1,404	1,049	883	2,854
Other Current Assets	610	720	876	1,035
Total Assets	19,059	21,359	21,390	23,387
Equity				
Equity Share Capital	123	123	123	123
Other Equity	13,049	13,729	14,731	16,793
Total Networth	13,171	13,852	14,853	16,915
Non-Current Liabilities				
Long Term borrowings	2,375	3,207	2,005	1,705
Provisions	89	67	67	67
Other non current liabilities	-	270	270	270
Current Liabilities				
ST Debt / Current of LT Debt	304	692	692	692
Trade payables	1,094	1,028	1,250	1,477
Other current liabilities	799	1,059	1,067	1,075
Total Equity & Liabilities	19,059	21,359	21,390	23,387

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	1,832	697	1,295	2,670
Add. Depreciation	729	774	923	940
Add. Interest	123	67	82	76
Less Financial Other Income	219	226	239	239
Add. Other	(304)	(541)	(602)	(602)
Op. profit before WC changes	2,379	997	1,698	3,084
Net Changes-WC	(665)	(153)	(392)	(72)
Direct tax	(369)	(66)	(257)	(571)
Net cash from Op. activities	1,345	778	1,049	2,441
Capital expenditures	(3,474)	(1,922)	(350)	(500)
Interest / Dividend Income	182	85	210	210
Others	1,730	181	181	181
Net Cash from Invst. activities	(1,562)	(1,657)	41	(109)
Issue of share cap. / premium	-	-	-	-
Debt changes	1,054	1,114	(1,201)	(300)
Dividend paid	(184)	(37)	(37)	(37)
Interest paid	(264)	(145)	(82)	(76)
Others	(103)	(111)	-	-
Net cash from Fin. activities	503	822	(1,320)	(413)
Net change in cash	287	(57)	(230)	1,919
Free Cash Flow	(2,129)	(1,144)	699	1,941

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	11.6	5.9	8.5	17.1
CEPS	17.6	12.2	16.0	24.8
BVPS	107.4	113.0	121.1	137.9
FCF	(17.4)	(9.3)	5.7	15.8
DPS	0.2	0.0	0.0	0.0
Return Ratio(%)				
RoCE	13.2	4.5	7.8	14.9
ROIC	10.8	3.8	5.9	13.7
RoE	11.4	5.3	7.2	13.2
Balance Sheet				
Net Debt : Equity (x)	0.0	0.1	0.0	(0.1)
Net Working Capital (Days)	32	35	37	33
Valuation(x)				
PER	22.5	44.6	30.9	15.3
P/B	2.4	2.3	2.2	1.9
P/CEPS	14.9	21.5	16.4	10.6
EV/EBITDA	13.2	25.7	15.9	8.8
EV/Sales	2.1	2.4	1.9	1.5
Dividend Yield (%)	0.1	0.0	0.0	0.0

Source: Company Data, PL Research

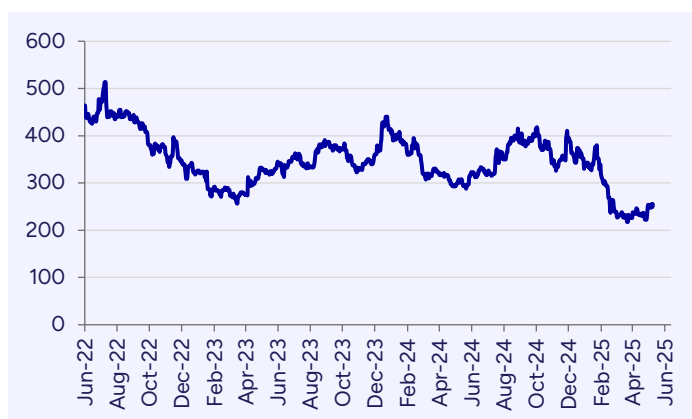
Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	3,650	3,369	3,594	3,745
YoY gr. (%)	(5.5)	(15.5)	(6.8)	(5.6)
Raw Material Expenses	1,785	1,711	2,034	1,878
Gross Profit	1,865	1,658	1,561	1,867
Margin (%)	51.1	49.2	43.4	49.8
EBITDA	360	299	173	480
YoY gr. (%)	(45.2)	(56.7)	(71.1)	(6.5)
Margin (%)	9.9	8.9	4.8	12.8
Depreciation / Depletion	189	193	194	198
EBIT	171	106	(20)	282
Margin (%)	4.7	3.1	(0.6)	7.5
Net Interest	2	34	(7)	24
Other Income	45	62	66	39
Profit before Tax	214	134	52	297
Margin (%)	5.9	4.0	1.4	7.9
Total Tax	57	(51)	(33)	3
Effective tax rate (%)	26.5	(38.1)	(63.3)	1.1
Profit after Tax	157	185	85	294
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	157	185	85	294
YoY gr. (%)	(57.6)	(54.6)	(69.3)	(1.4)
Margin (%)	4.3	5.5	2.4	7.8
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	157	185	85	294
YoY gr. (%)	(57.6)	(54.6)	(69.3)	(1.4)
Margin (%)	4.3	5.5	2.4	7.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	157	185	85	294
Avg. Shares O/s (m)	123	123	123	123
EPS (Rs)	1.3	1.5	0.7	2.4

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	23-May-25	BUY	310	249
2	08-Apr-25	BUY	330	233
3	07-Feb-25	Hold	373	352
4	08-Jan-25	BUY	427	361
5	29-Oct-24	Accumulate	450	376
6	08-Oct-24	Accumulate	450	390
7	31-Jul-24	Accumulate	390	356
8	07-Jul-24	Accumulate	359	330

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	BUY	1,630	1,378
2	Avalon Technologies	Accumulate	927	879
3	Bajaj Electricals	Hold	641	610
4	Cello World	BUY	746	623
5	Century Plyboard (I)	Hold	775	784
6	Cera Sanitaryware	BUY	7,319	5,832
7	Crompton Greaves Consumer Electricals	BUY	423	327
8	Cyient DLM	Accumulate	546	494
9	Finolex Industries	Hold	213	224
10	Greenpanel Industries	BUY	310	249
11	Havells India	Hold	1,717	1,665
12	Kajaria Ceramics	Accumulate	878	800
13	Kaynes Technology India	Hold	5,744	6,263
14	KEI Industries	BUY	4,278	3,295
15	Polycab India	BUY	7,152	5,880
16	R R Kabel	BUY	1,292	1,426
17	Supreme Industries	Accumulate	3,803	3,512
18	Syrma SGS Technology	BUY	618	526
19	Voltas	BUY	1,516	1,223

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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