Greenlam Industries (GRLM IN)

PL Capital
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Rating: Not Rated | CMP: Rs221 | TP: NA

August 14, 2025

Analyst Meet Update

Expanding Portfolio Drives Growth

We attended the analyst meet of Greenlam Industries (GRLM) to gain comprehensive insights into the woodpanel segment and its demand-supply dynamics. The company has recently completed greenfield and brownfield expansions in laminates, plywood, and chipboards. The management expects its structured execution to support the company's sustainable revenue and profitability growth, and improvement in capacity utilization to bring capital efficiency and healthy growth. The management expects 18–20% topline growth in FY26. From FY27, the company anticipates debt reduction in a gradual manner and the Chipboard segment is expected to break even at 50% capacity utilization. Total addressable market has expanded from Rs110bn to Rs494bn over FY22-25 through product expansion, with revenue target of Rs45bn in the next 3–4 years. Over FY22–25, GRLM delivered sales/EBITDA/PAT CAGR of 14.7%/13.7%/-9.0%, with profitability impacted by higher finance costs and depreciation. We don't have a rating on the stock.

Key Financials - Consolidated

Y/e Mar	FY22	FY23	FY24	FY25
Sales (Rs. m)	17,034	20,260	23,063	25,693
EBITDA (Rs. m)	1,971	2,329	2,947	2,746
Margin (%)	*11.6*	*11.5*	*12.8*	*10.7*
PAT (Rs. m)	907	1,287	1,384	697
EPS (Rs.)	3.8	5.1	5.4	2.7
Gr. (%)	*23.0*	*36.8*	*5.2*	*-49.5*
DPS (Rs.)	0.6	0.8	0.8	0.4
Yield (%)	*0.3*	*0.3*	*0.4*	*0.2*
RoE (%)	*14.8*	*16.0*	*13.6*	*6.3*
RoCE (%)	*13.3*	*14.4*	*11.4*	*6.0*
EV/Sales (x)	3.9	3.3	2.9	2.6
EV/EBITDA (x)	33.8	28.6	22.6	24.2
PE (x)	57.9	42.3	40.3	79.8
P/BV (x)	8.03	5.8	5.2	4.9

Key Data	GEEN.BO | GRLM IN
52-W High / Low	Rs.325 / Rs.197
Sensex / Nifty	80,540 / 24,619
Market Cap	Rs.55.6bn/ $ 641.8m
Shares Outstanding	255.1m
3M Avg. Daily Value	Rs.21.2m

Shareholding Pattern (%)

Promoter's	50.98
Foreign	1.74
Domestic Institution	15.15
Public & Others	32.12
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(10.3)	(20.1)	(24.8)
Relative	(6.5)	(22.6)	(24.1)

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Analyst Meet Takeaways:

- **Laminate segment:** GRLM holds 17.8% share in India's organized laminate market and 29% in laminate exports. Its portfolio spans over 10,000 décor designs across thicknesses of 0.5–30 mm and multiple dimensions, catering to residential, commercial, hospitality, healthcare, education, and retail sectors. In Q1FY26, laminate revenue rose 3.8% YoY to Rs5.55bn. The company had installed capacity of 24.5mn sheets with 84% utilization in Q1FY26, with exports contributing 50% of total laminates. Global capacity expansion remains limited, giving India cost advantage and supporting export growth. Key export markets include Poland, Germany, African nations, and Southeast Asia (the largest laminate market for GRLM), while the US accounts for 4–5% of exports, limiting the impact of US tariffs. Laminate prices have remained stable since Sep'24. A brownfield expansion with an additional production line is planned by FY27.

- **Particle Board/Chipboard segment:** In Q4FY25, the company entered the chipboard market with a capacity of 292,380 CBM at Naidupeta, Andhra Pradesh. The domestic chipboard market is worth ~Rs50bn, with only one other major player using similar German technology, out of three key players, while bagasse-based boards pose major competition to particle boards. The Naidupeta facility is a fully integrated unit, with plans to improve yield and reduce wastage through 7–9ft board manufacturing—formats in strong demand from OEMs and well-suited for the furniture industry.

  - The Government of Andhra Pradesh has sanctioned tailor-made incentive package for this project and future capex, applicable for 7–10 years from commencement of commercial production. Incentives include capital subsidy, power tariff reimbursement, electricity duty exemption, and employment creation subsidy.

  - GRLM expects chipboard realizations to remain at ~Rs21,000 per CBM, with addition of pre-laminated boards anticipated to enhance realizations in the coming quarters. Margins are targeted at 18–22% at 70% utilization (vs current ~30%). Strategic proximity to four major ports—Krishnapatnam, Ennore, Chennai, and Tuticorin—provides strong export potential. BIS implementation and rising OEM furniture manufacturing in India are expected to drive domestic chipboard demand.

- **Plywood segment:** GRLM achieved Rs1.2bn in plywood revenue in FY25 within just 21 months of operations, following the commissioning of its plant under the *Mikasa* brand. The brand has gained quick market acceptance for its superior quality, and is positioned on par with industry leaders. The facility, with an annual capacity of 18.9mn sqm, is strategically located to serve South and West Indian states, including Andhra Pradesh, Telangana, Karnataka, Kerala, Tamil Nadu, Puducherry, Maharashtra, and Goa. The company plans to expand into new geographies over time. A slow ramp-up in the Plywood segment has led to EBITDA losses; however, the management expects the segment to break even in FY26.

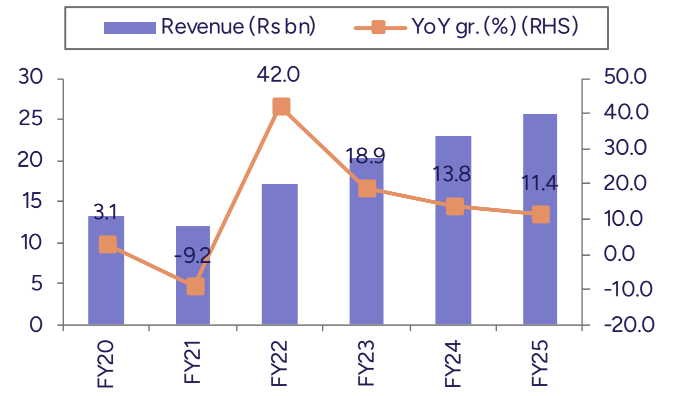
- **Unified Plywood portfolio under Mikasa brand:** The company has rebranded its Decowood Veneers portfolio as Mikasa Decowood Veneers, unifying all wood panel offerings—plywood, veneers, flooring, and doors—under Mikasa brand. This strategic consolidation is aimed at strengthening market presence and deliver a comprehensive product portfolio under one brand.

- **High debt with reduction expected from FY27:** Net debt peaked at Rs10.4bn by Q1FY26. For FY26, debt is expected to remain broadly stable at Rs9.5-10bn, with material reduction anticipated from FY27.

Exhibit 1: Greenlam holds ~18% share in India's organized laminate market

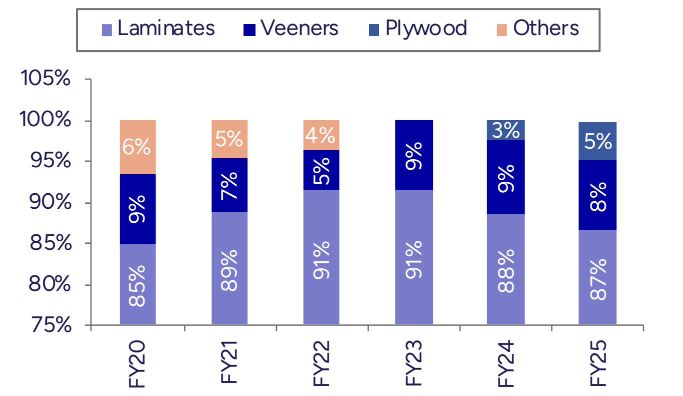
Source: Company, PL

Exhibit 2: Revenue clocks 14.2% CAGR over FY20-25



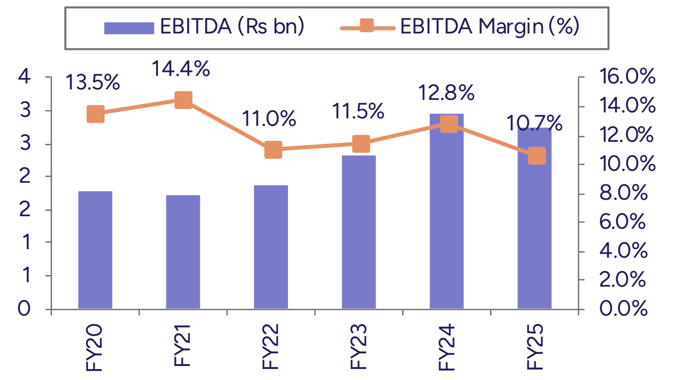
Source: Company, PL

Exhibit 3: Laminate seg contributes 87% to topline in FY25



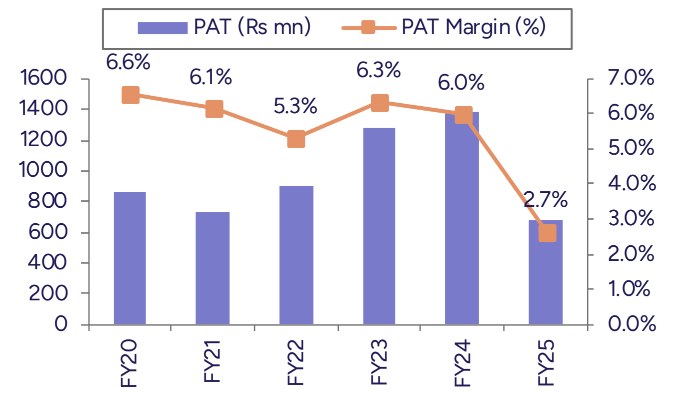
Source: Company, PL

Exhibit 4: EBITDA CAGR at 9.0% over FY20-25



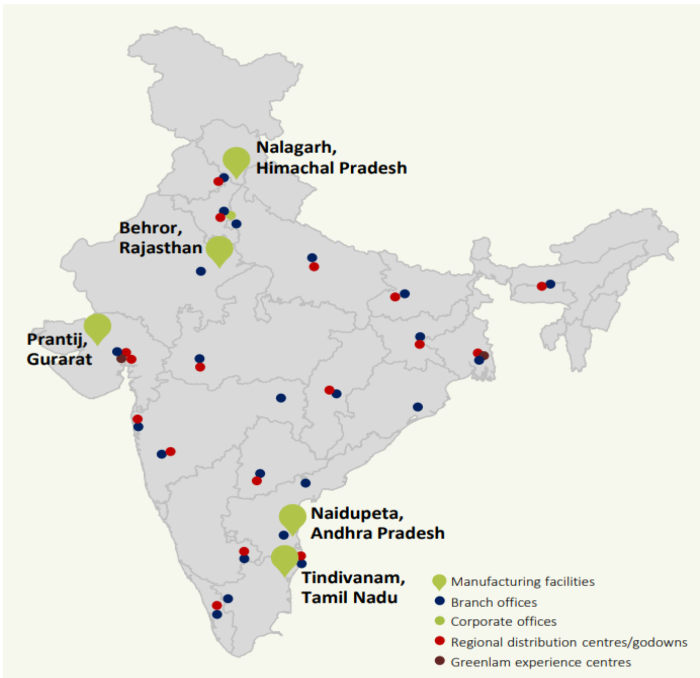
Source: Company, PL

Exhibit 5: PAT declines by 4.6% CAGR over FY20-25



Source: Company, PL

Exhibit 6: Greenlam's manufacturing and distribution presence



Source: Company, PL

Exhibit 7: Manufacturing capabilities

Products	Unit	Capacity	Location
High pressure laminate	Mn sheets / boards	24.52	Behror, Rajasthan; Nalagarh, Himachal Pradesh; Prantij, Gujarat; Naidupeta, Andhra Pradesh
Decorative veneer	Mn sqm	4.2	Behror, Rajasthan
Engineered wood floor	Mn sqm	1	Behror, Rajasthan
Engineered doors	Units	1,20,000	Behror, Rajasthan
Plywood		18.9	Tindivanam, Tamil Nadu
Chipboard	CBM	2,92,380	Naidupeta, Andhra Pradesh

Source: Company, PL

Exhibit 8: Greenlam's decade post demerger

10-year growth	FY15	FY25
No. of manufacturing facilities	2	5
No. of products	3	6
Geographical presence (countries)	100+	120+
No. of trade partners	12,000+	40,000
No. of global subsidiaries	6	15

Source: Company, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	BUY	1,503	1,269
2	Avalon Technologies	Accumulate	943	878
3	Bajaj Electricals	Accumulate	656	615
4	Cello World	BUY	678	563
5	Century Plyboard (I)	Hold	702	738
6	Cera Sanitaryware	Accumulate	7,178	6,244
7	Crompton Greaves Consumer Electricals	BUY	430	319
8	Cyient DLM	Accumulate	540	480
9	Finolex Industries	Accumulate	217	197
10	Greenpanel Industries	BUY	374	280
11	Havells India	Accumulate	1,645	1,532
12	Kajaria Ceramics	Hold	1,192	1,242
13	Kaynes Technology India	Hold	6,367	6,326
14	KEI Industries	BUY	4,527	3,970
15	Polycab India	BUY	8,091	6,926
16	R R Kabel	Accumulate	1,516	1,337
17	Supreme Industries	Hold	4,346	4,243
18	Syrma SGS Technology	Hold	705	706
19	Voltas	Hold	1,268	1,305

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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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