BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BUY
TP: Rs 220 | ⮙ 20%

GREENPANEL INDUSTRIES

| Building Materials | 11 August 2026

Weak volumes offset by margin expansion

- **Miss estimates on all fronts, revenue grew 7% YoY basis led by 7% / 6% growth in MDF/plywood**
- **MDF volumes declined 2% YoY, though realizations grew 11% YoY; EBITDA margins expanded 498bps YoY**
- **Cut FY27-28 EPS by 4-9%; retain BUY with 16x Jun'28E P/E and TP of Rs 220**

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MDF volume decline weighs on revenue; higher realisations support EBITDA recovery: Greenpanel Industries (GREENP) reported revenue growth of 7% YoY (5% below our estimate) due to decline in MDF volumes (2% YoY) with exports falling to nil and OEM volumes declining 14%. However, MDF realisations increased 11% YoY, partly offsetting the volume decline. EBITDA increased 155% YoY, with EBITDA margin improving 498bps YoY to 8.5%. APAT stood at Rs 12mn vs a loss of Rs 145mn in Q1FY26.

Retail volumes remain healthy as OEM sales are cut; pricing pressure persists: Management indicated that it intentionally reduced OEM sales amid chemical shortages and higher input costs to protect retail supplies, resulting in 12% YoY growth in domestic MDF volumes. The company also removed additional OEM discounts, bringing OEM pricing closer to retail levels and supporting reported realisations. Gross margin expanded 485bps YoY to 52.7%, aided by timely price hikes, lower timber costs, production efficiencies and low-cost inventory. However, aggressive industry pricing and excess capacity remain key challenges, with management expecting pricing pressure to persist through FY27.

Concall highlights: Management expects pricing pressure to persist through FY27 amid industry oversupply, with normalisation only from FY28. Chemical costs remain a key risk, while OEM volumes are expected to recover from Q2 as pricing normalises. Export recovery remains uncertain given elevated Middle East freight costs, although alternative markets are being explored. The company continues to focus on deleveraging, with gross debt declining to Rs 3.17bn from Rs 3.53bn at the start of Q1.

Cut estimates; maintain BUY: We maintain BUY on GREENP and lower our Jun'28E target multiple to 16x P/E from 18x to factor in near-term margin pressure from weak exports and elevated chemical costs. We cut FY27E-29E EBITDA/PAT estimates by 3-5%/4-9%, while revenue estimates remain broadly unchanged. We arrive at Jun'27E TP of Rs 220.

Key changes

Target	Rating
▼	◀▶

Ticker/Price	GREENP IN/Rs 184
Market cap	US$ 237.1mn
Free float	47%
3M ADV	US$ 0.4mn
52wk high/low	Rs 334/Rs 163
Promoter/FPI/DII	53%/1%/30%

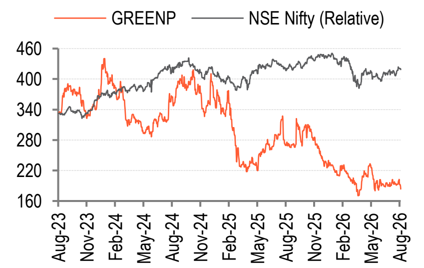
Source: NSE | Price as of 11 Aug 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	15,394	17,588	20,830
EBITDA (Rs mn)	797	2,277	3,240
Adj. net profit (Rs mn)	(291)	868	1,549
Adj. EPS (Rs)	(2.4)	7.1	12.6
Consensus EPS (Rs)	(2.4)	5.8	12.1
Adj. ROAE (%)	(2.1)	6.2	10.3
Adj. P/E (x)	(77.3)	25.9	14.5
EV/EBITDA (x)	30.2	10.4	6.9
Adj. EPS growth (%)	(146.0)	(398.0)	78.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Fig 1 – Quarterly performance - Consolidated

Particulars	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	BOBCAPS Q1FY27E	Variance (%)
Total operating income	3,498	3,282	6.6	3,989	(12.3)	3,802	(8)
Raw-Material expense	1,654	1,711	(3.3)	2,044	(19.1)	1,754	(6)
Gross Profit	1,844	1,571	17.4	1,946	(5.2)	2,047	(10)
Employee expense	404	371	9.0	387	4.5	408	(1)
Sales Promotion	52	49	6.6	60	(12.3)	76	(31)
Other expense	1,089	1,034	5.3	1,199	(9.2)	1,171	(7)
EBITDA	299	117	155.3	300	(0.2)	392	(24)
D&A	248	255	(2.7)	246	0.7	255	(3)
EBIT	51	(138)	(137.1)	53	(4.3)	137	(63)
Interest cost	56	95	(41.3)	89	(37.0)	79	(30)
Non-operating (expense/income)	(26)	241	(110.8)	(46)	(43.1)	(46)	(43)
PBT	21	(474)	(104.5)	11	101.8	104	(79)
Tax	9	(128)	(107.1)	(3)	(384.5)	26	(65)
Reported PAT	12	(346)	(103.6)	14	(10.5)	78	(84)
Adjusted PAT	12	(145)	(108.5)	14	(10.5)	78	(84)
As % of net revenues			**chg (bps)**		**chg (bps)**		**(bps)**
Gross margin	52.7	47.9	485	48.8	395	53.9	(113)
Employee cost	11.6	11.3	25	9.7	186	10.7	82
Sales Promotion	1.5	1.5	0	1.5	0	2.0	(50)
Other cost	31.1	31.5	(38)	30.1	106	30.8	31
EBITDA margin	8.5	3.6	498	7.5	104	10.3	(177)
Tax rate	42.3	26.9	1540	(30.0)	7238	25.2	1717
APAT margin	0.4	(4.4)	477	0.3	1	2.0	(169)

Source: Company, BOBCAPS Research

Fig 2 – Segment financials

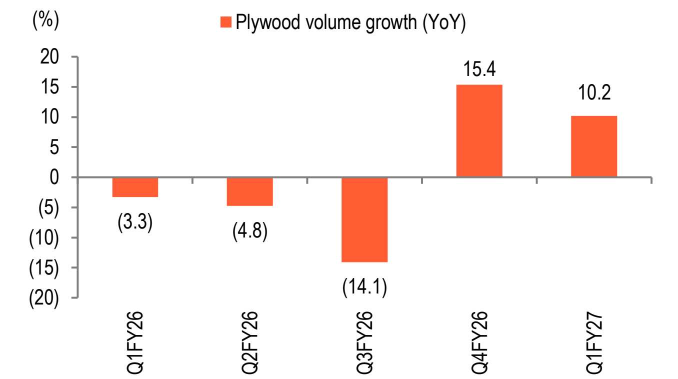
Particulars	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
Revenue (Rs mn)					
Plywood	332	315	5.5	383	(13.4)
MDF	3,166	2,967	6.7	3,606	(12.2)
Volumes					
Plywood (mn sqm)	1.3	1.2	10.2	1.50	(13.3)
MDF (CBM)	99,747	1,02,096	(2.3)	1,30,197	(23.4)
Realization					
Plywood (Rs/sq ft)	255	267	(4.3)	255	(0.1)
MDF (Rs/CBM)	31,760	28,519	11.4	27,120	17.1
Adjusted EBITDA (Rs mn)					
Plywood	9	(2)	(675.7)	29	(68.8)
MDF	290	119	144.4	271	7.1
Adjusted EBITDA margin (%)					
Plywood	2.7	(0.5)	320	7.5	(480)
MDF	9.2	4.0	516	7.5	165
Total	8.5	3.6	498	7.5	104

Source: Company, BOBCAPS Research

Earnings Call Highlights

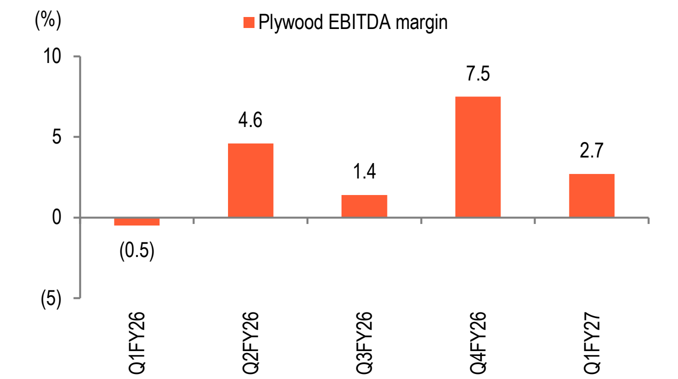
- **Industry remains oversupplied; pricing pressure likely persists through FY27:** Management indicated industry volumes are growing at mid-teens, but excess capacity and aggressive competition have resulted in price-hike rollbacks through May-Jul'26. It expects pricing to normalise only from FY28 as demand catches up with supply.
- **Chemical inflation remains a key margin risk:** The ~15% April price hike was largely rolled back amid competition, while chemical costs remain 4-5% above pre-war levels. Timber-cost optimisation and production efficiencies delivered savings in Q1, partly offsetting the pressure; however, Q1 gross margin also benefited from lower-cost inventory, limiting the sustainability of the margin improvement.
- **OEM volumes sacrificed to protect retail; recovery expected from Q2:** OEM volumes declined 14% YoY as the company prioritised retail MDF amid chemical shortages and pricing volatility. Management expects OEM demand to recover from Q2 as pricing normalises, although part of the Q1 realisation increase reflected removal of OEM discounts rather than a structural price hike.
- **Channel inventory remains lean; near-term demand visibility is mixed:** Distributors continue to maintain low inventories and buy on a need basis amid expectations of further price volatility. Management also indicated a 5-7 day production shutdown due to lack of orders, suggesting some near-term demand softness despite healthy retail volumes.
- **Exports remain a drag; Middle East recovery uncertain:** Exports were nil in Q1, with around 85% of historical exports linked to the Middle East. Freight costs have risen sharply from USD 400-500 to USD 5,500-6,000/container, making the route uneconomical. Alternative markets are being explored, but management does not expect them to materially offset the near-term loss.
- **Balance sheet remains under control:** Gross debt declined to Rs 3.17bn from Rs 3.53bn at the start of Q1. Management remains firm on reducing it through cash flows.

Fig 3 – GREENP reported a 10% YoY plywood volumes growth in Q1FY27



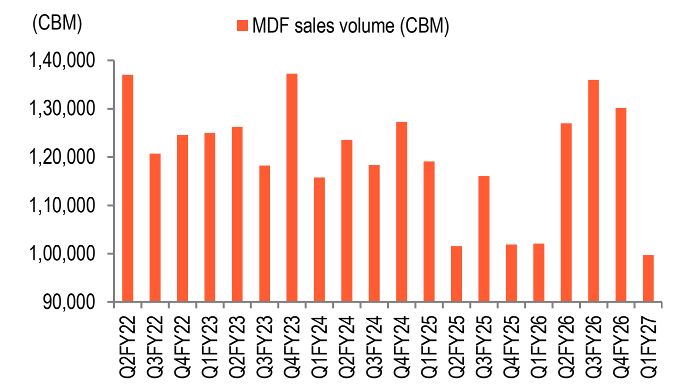
Source: Company, BOBCAPS Research

Fig 4 – Plywood segment EBITDA margin expanded by 320bps YoY to 2.7% in Q1FY27



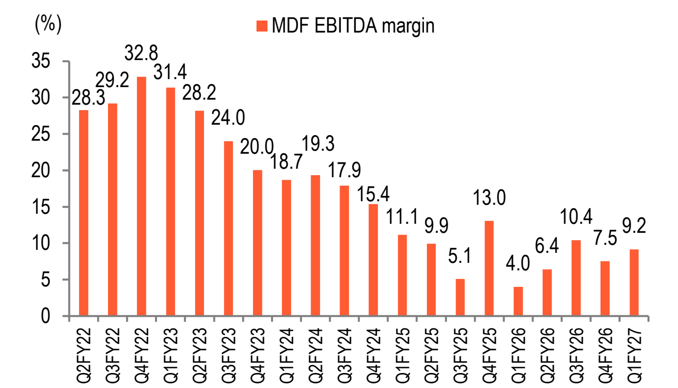
Source: Company, BOBCAPS Research

Fig 5 – MDF volumes declined 2% YoY in Q1FY27



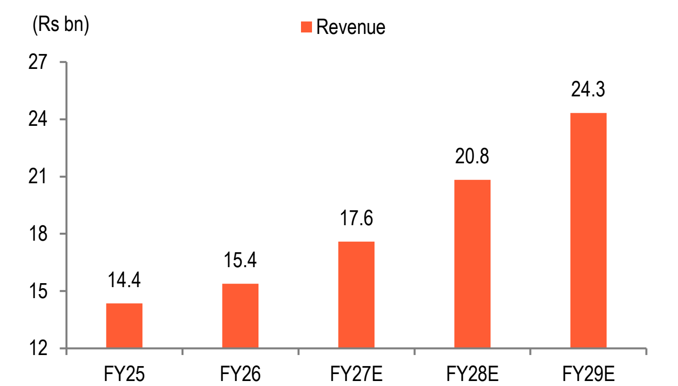
Source: Company, BOBCAPS Research

Fig 6 – … and margins expanded by 516bps YoY to 9.2% in Q1FY27 sharply amid supply-side pressure



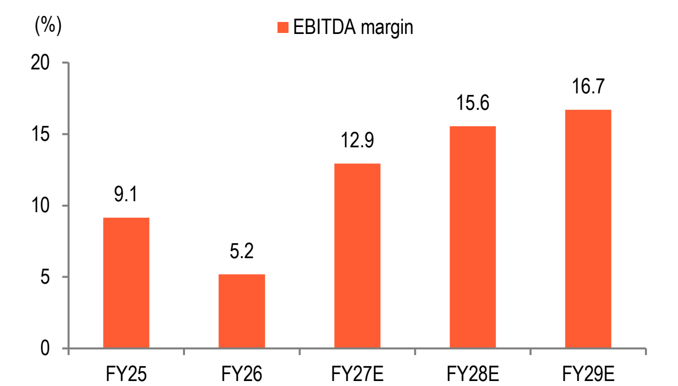
Source: Company, BOBCAPS Research

Fig 7 – Revenue is projected to grow at 19.2% CAGR over FY26-FY29E



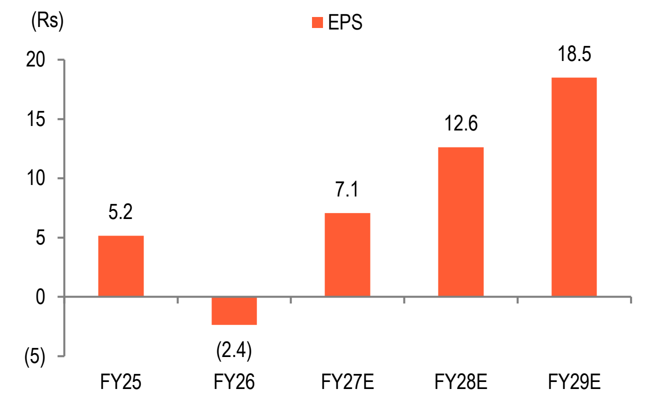
Source: Company, BOBCAPS Research

Fig 8 – EBITDA margin to improve over the next 4-6 quarters on ramp-up of existing & new MDF capacity



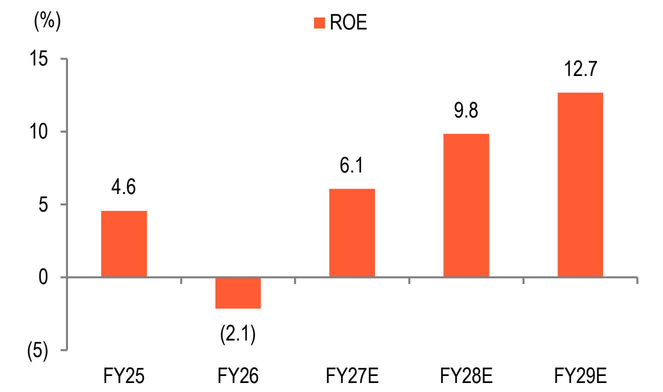
Source: Company, BOBCAPS Research

Fig 9 – EPS is projected to grow at a healthy CAGR over FY26-FY28E



Source: Company, BOBCAPS Research

Fig 10 – ROE is expected to improve gradually from -2.1% in FY26 to 12.7% in FY29E

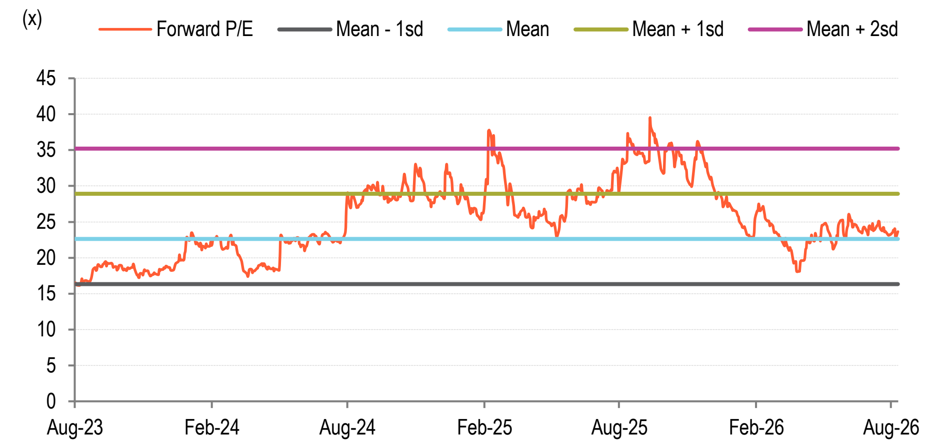


Source: Company, BOBCAPS Research

Valuation Methodology

We maintain BUY on GREENP and lower our Jun'28E target multiple to 16x P/E (vs 18x earlier) to factor in near-term margin pressure from weak exports and elevated chemical costs. We cut FY27E-29E EBITDA/PAT estimates by 3-5%/4-9%, while revenue estimates remain broadly unchanged. We arrive at Jun'27E TP of Rs 220.

Fig 11 – GREENP 1YF P/E band chart



Source: Bloomberg, BOBCAPS Research

Fig 12 – Revised estimates

Consolidated (Rs bn)	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Total operating income	17.6	20.8	24.3	17.4	20.3	24.3	1.1	2.6	0.1
EBITDA	2.3	3.2	4.1	2.4	3.4	4.2	(5.1)	(4.7)	(3.3)
EBITDA Margin	12.9	15.6	16.7	13.8	16.7	17.3	(85)	(119)	(59)
Adjusted PAT	0.9	1.5	2.3	0.9	1.7	2.4	(4)	(9)	(5.5)
EPS (Rs)	7.1	12.6	18.5	7.3	13.9	19.6	(4)	(9)	(5.5)

Source: Company, BOBCAPS Research

Fig 13 – Key assumptions

Particulars (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Revenue mix					
MDF	90.3	91.2	92.0	92.6	93.0
Plywood	9.7	8.8	8.0	7.4	7.0
Sales volume growth					
MDF	(9.6)	12.9	6.0	19.7	14.6
Plywood	(14.7)	(1.7)	6.8	9.0	10.3
EBITDA margin					
MDF	10.2	7.5	13.7	16.3	17.4
Plywood	1.3	1.8	2.1	4.0	4.9

Source: Company, BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**14,358**	**15,394**	**17,588**	**20,830**	**24,333**
EBITDA	1,312	797	2,277	3,240	4,063
Depreciation	774	1,013	1,019	1,023	1,049
EBIT	538	(216)	1,258	2,217	3,014
Net interest inc./(exp.)	(67)	(367)	(227)	(290)	(128)
Other inc./(exp.)	226	145	134	144	144
Exceptional items	0	0	0	0	0
EBT	697	(438)	1,165	2,070	3,030
Income taxes	(24)	(146)	297	521	763
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**721**	**(291)**	**868**	**1,549**	**2,267**
Adjustments	(87)	0	0	0	0
Adjusted net profit	**634**	**(291)**	**868**	**1,549**	**2,267**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	1,028	1,178	1,379	1,633	1,908
Other current liabilities	1,021	1,038	1,038	1,038	1,038
Provisions	37	33	39	46	54
Debt funds	3,898	3,526	3,226	2,326	1,426
Other liabilities	1,523	1,136	1,136	1,136	1,136
Equity capital	123	123	123	123	123
Reserves & surplus	13,729	13,436	14,181	15,608	17,753
Shareholders' fund	13,852	13,559	14,304	15,731	17,875
Total liab. and equities	**21,359**	**20,469**	**21,122**	**21,910**	**23,437**
Cash and cash eq.	2,257	1,969	2,659	3,291	4,622
Accounts receivables	418	883	1,009	1,195	1,396
Inventories	1,988	1,893	2,156	2,546	2,982
Other current assets	720	1,026	1,069	1,122	1,180
Investments	0	0	0	0	0
Net fixed assets	15,246	13,959	13,490	13,016	12,517
CWIP	111	203	203	203	203
Intangible assets	342	288	288	288	288
Deferred tax assets, net	0	0	0	0	0
Other assets	277	248	248	248	248
Total assets	**21,359**	**20,469**	**21,122**	**21,910**	**23,437**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**1,220**	**1,141**	**1,889**	**2,495**	**3,033**
Capital expenditures	(1,922)	(406)	(550)	(550)	(550)
Change in investments	0	0	0	0	0
Other investing cash flows	266	573	0	0	0
Cash flow from investing	**(1,657)**	**166**	**(550)**	**(550)**	**(550)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	1,114	(891)	(300)	(900)	(900)
Interest expenses	(145)	(160)	(227)	(290)	(128)
Dividends paid	(37)	0	(123)	(123)	(123)
Other financing cash flows	(111)	(104)	0	0	0
Cash flow from financing	**822**	**(1,155)**	**(650)**	**(1,313)**	**(1,151)**
Chg in cash & cash eq.	**385**	**152**	**689**	**632**	**1,332**
Closing cash & cash eq.	**2,764**	**2,916**	**3,606**	**4,238**	**5,569**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	5.9	(2.4)	7.1	12.6	18.5
Adjusted EPS	5.2	(2.4)	7.1	12.6	18.5
Dividend per share	0.0	0.5	1.0	1.0	1.0
Book value per share	113.0	110.6	116.6	128.3	145.8

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	1.6	1.6	1.3	1.1	0.8
EV/EBITDA	17.9	30.2	10.4	6.9	5.0
Adjusted P/E	35.5	(77.3)	25.9	14.5	9.9
P/BV	1.6	1.7	1.6	1.4	1.3

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	90.9	66.6	74.5	74.8	74.8
Interest burden (PBT/EBIT)	129.6	203.0	92.6	93.4	100.5
EBIT margin (EBIT/Revenue)	3.7	(1.4)	7.2	10.6	12.4
Asset turnover (Rev./Avg TA)	67.2	75.2	83.3	95.1	103.8
Leverage (Avg TA/Avg Equity)	1.5	1.5	1.5	1.4	1.3
Adjusted ROAE	4.6	(2.1)	6.1	9.8	12.7

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	(8.4)	7.2	14.3	18.4	16.8
EBITDA	(46.8)	(39.2)	185.5	42.3	25.4
Adjusted EPS	(55.4)	(146.0)	(398.0)	78.5	46.3
Profitability & Return ratios (%)					
EBITDA margin	9.1	5.2	12.9	15.6	16.7
EBIT margin	3.7	(1.4)	7.2	10.6	12.4
Adjusted profit margin	4.4	(1.9)	4.9	7.4	9.3
Adjusted ROAE	4.7	(2.1)	6.2	10.3	13.5
ROCE	4.3	(0.4)	7.9	13.1	16.4
Working capital days (days)					
Receivables	11	21	21	21	21
Inventory	51	45	45	45	45
Payables	26	28	29	29	29
Ratios (x)					
Gross asset turnover	0.8	0.7	0.8	1.0	1.1
Current ratio	1.9	1.9	1.9	2.1	2.5
Net interest coverage ratio	8.1	(0.6)	5.5	7.6	23.5
Adjusted debt/equity	0.1	0.1	0.0	(0.1)	(0.2)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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BUY – Expected return >+15%

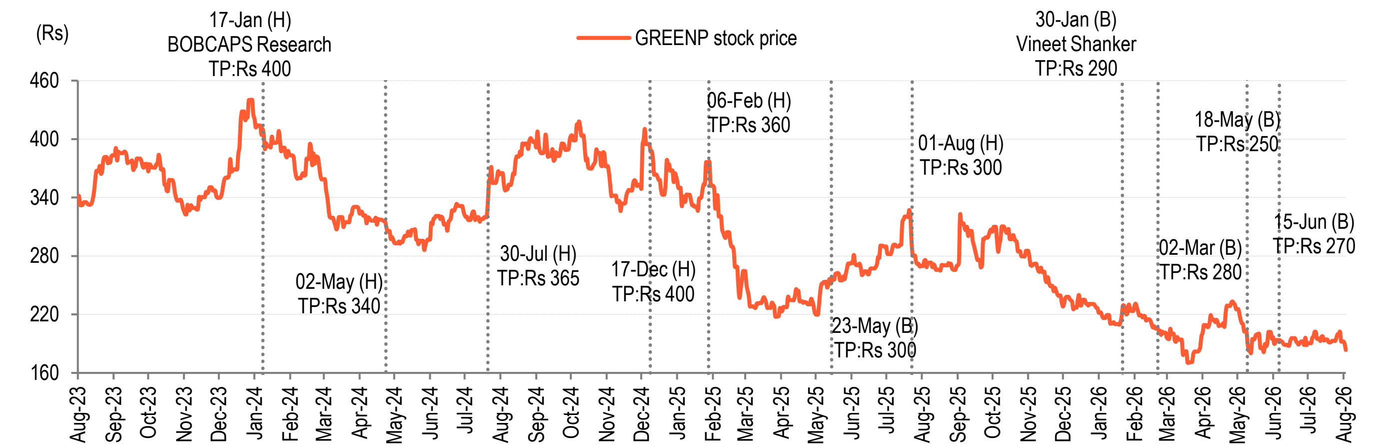
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): GREENPANEL INDUSTRIES (GREENP IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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