

HOLD**TP: Rs 300 | ▲ 7%****GREENPANEL
INDUSTRIES**

| Building Materials

| 10 November 2025

MDF volume recovery underway, margin recovery to be gradual

- GREENP reported a sharp YoY contraction in EBITDA for the 12th straight quarter on supply overhang in the MDF industry
- No price hike anticipated as oversupply situation to persist for the next few quarters. Domestic MDF volume to grow at high teens in FY26
- Maintain HOLD on a gradual recovery in MDF margin and fair valuation; TP remains unchanged at Rs 300 per share

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In-line quarter: GREENP beats our EBITDA estimate by 12.3% for Q2FY26, mainly on better-than-expected MDF sales volume (+25.1% YoY vs +11.2% estimated). However, PAT came broadly in line with our estimate due to higher capital charge. Reported a loss of Rs 61mn in Q2FY26 vs profit of Rs 97mn in Q2FY25.

Highlights: GREENP reported a sharp YoY contraction in EBITDA for the 12th straight quarter on supply overhang in the MDF industry. MDF realisation was down 2.1% YoY in Q2FY26, but sales volume grew to a six-quarter high level in Q2FY26. Excluding EPCG benefits, MDF EBITDA margin improved by 247bps QoQ to 4.75% in Q2FY26 due to operating leverage benefit. Plywood sales volume struggled to grow for the 13th consecutive quarter. Net debt has gone down from Rs 2.33bn in Jun'25 to Rs 1.73bn in Sep'25, on better working capital management.

Guidance: GREENP targets its domestic MDF volume to grow at high teens in FY26. Management does not anticipate any price hike as the over-supply situation in the domestic MDF market is likely to persist for the next few quarters. However, MDF EBITDA margin (including EPCG benefits) is expected to improve to high-single to low-double-digit rate in FY26, given the benefit of operating leverage. The company expects to book EPCG benefit of Rs 400mn in the coming quarters.

Maintain HOLD with unchanged TP of Rs 300: We maintain our HOLD rating as we anticipate gradual recovery in MDF segment margin over the next 4-6 quarters and the stock appears to be fairly valued (trades at a P/E of 29.7x/15.8x on FY27E/FY28E). We have cut our EPS estimate (-22.5%/-10.6% for FY27E/FY28E) based on slower-than-expected recovery in MDF margin but we have kept our TP unchanged at Rs 300 per share on the roll forward of our valuation from Jun'27 to Sep'27. Our target P/E multiple remains intact at 20x.

Key changes

Target	Rating
◀ ▶	◀ ▶

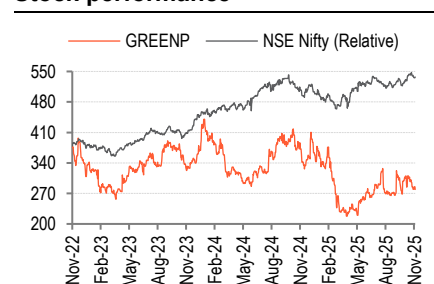
Ticker/Price	GREENP IN/Rs 279
Market cap	US\$ 385.7mn
Free float	47%
3M ADV	US\$ 2.9mn
52wk high/low	Rs 419/Rs 203
Promoter/FPI/DII	53%/1%/30%

Source: NSE | Price as of 10 Nov 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	14,358	15,090	19,399
EBITDA (Rs mn)	1,312	1,045	2,801
Adj. net profit (Rs mn)	634	(204)	1,173
Adj. EPS (Rs)	5.2	(1.7)	9.6
Consensus EPS (Rs)	5.9	2.8	12.9
Adj. ROAE (%)	4.7	(1.5)	8.4
Adj. P/E (x)	54.0	(167.7)	29.2
EV/EBITDA (x)	26.8	34.2	12.5
Adj. EPS growth (%)	(55.6)	(132.2)	(674.5)

Source: Company, Bloomberg, BOBCAPS Research

Stock performance

Source: NSE



Fig 1 – Quarterly performance - Consolidated

Particulars	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)	BOBCAPS Q2FY26E	Variance (%)
Total operating income	3,960	3,369	17.5	3,282	20.7	7,242	7,018	3.2	3,562	11.2
Raw-Material expense	2,036	1,711	19.0	1,711	19.0	3,747	3,496	7.2		
Gross Profit	1,924	1,658	16.1	1,571	22.4	3,495	3,522	(0.8)		
Employee expense	377	354	6.5	371	1.7	748	716	4.5		
Sales Promotion	59	13	340.8	49	20.7	109	138	(21.0)		
Other expense	1,239	991	25.0	1,034	19.9	2,273	2,010	13.1		
EBITDA	248	299	(17.1)	117	111.5	365	659	(44.6)	221	12.3
D&A	258	193	33.7	255	1.3	513	382	34.1		
EBIT	(10)	106	(109.8)	(138)	(92.5)	(148)	277	(153.5)		
Interest cost	109	34	222.6	95	14.8	204	36	464.5		
Non-operating expense/(income)	(31)	(62)	(50.5)	241	(112.7)	211	(107)	(296.4)		
PBT	(89)	134	(166.2)	(474)	(81.3)	(563)	348	(261.8)		
Tax	(28)	(51)	(46.1)	(128)	(78.4)	(155)	6	(2,893.4)		
Reported PAT	(61)	185	(133.1)	(346)	(82.3)	(407)	342	(219.1)		
Adjusted PAT	(61)	97	(163.1)	(145)	(57.8)	(206)	254	(181.1)	-66	(6.6)
As % of net revenues			(bps)		(bps)			(bps)		
Gross margin	48.6	49.2	(62)	47.9	70	48.3	50.2	(193)		
Employee cost	9.5	10.5	(99)	11.3	(178)	10.3	10.2	13		
Sales Promotion	1.5	0.4	110	1.5	0	1.5	2.0	(46)		
Other cost	31.3	29.4	187	31.5	(21)	31.4	28.6	276		
EBITDA margin	6.3	8.9	(261)	3.6	269	5.0	9.4	(435)		
Tax rate	31.0	(38.1)	6918	26.9	410	27.6	1.6	2599		
APAT margin	(1.5)	2.9	(442)	(4.4)	287	(2.8)	3.6	(647)		

Source: Company, BOBCAPS Research

Fig 2 – Segment financials

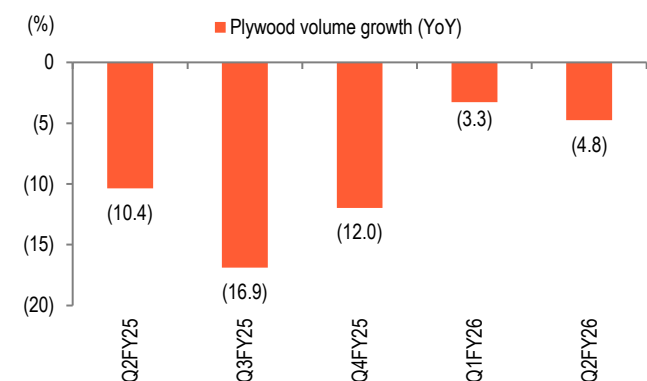
Particulars	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Revenue (Rs mn)								
Plywood	348	369	(5.6)	315	10.6	662	692	(4.3)
MDF	3,612	3,000	20.4	2,967	21.7	6,579	6,326	4.0
Volumes								
Plywood (mn sqm)	1.4	1.5	(4.8)	1.18	18.6	2.6	2.7	(4.1)
MDF (CBM)	126,989	101,546	25.1	102,096	24.4	229,085	220,617	3.8
Realization								
Plywood (Rs/sq ft)	248	251	(0.9)	267	(6.8)	257	257	(0.2)
MDF (Rs/CBM)	27,927	29,131	(4.1)	28,519	(2.1)	28,720	28,674	0.2
Adjusted EBITDA (Rs mn)								
Plywood	16	2	929.2	-2	(1,127.8)	1	-1	(265.6)
MDF	232	297	(22.0)	119	95.2	35	67	(47.5)
Adjusted EBITDA margin (%)								
Plywood	4.6	0.4	418bps	(0.5)	510bps	0.2	(0.1)	34bps
MDF	6.4	9.9	(349bps)	4.0	242bps	0.5	1.1	(52bps)
Total	6.3	8.9	(261bps)	3.6	269bps	0.5	0.9	(44bps)

Source: Company, BOBCAPS Research

Earnings Call Highlights

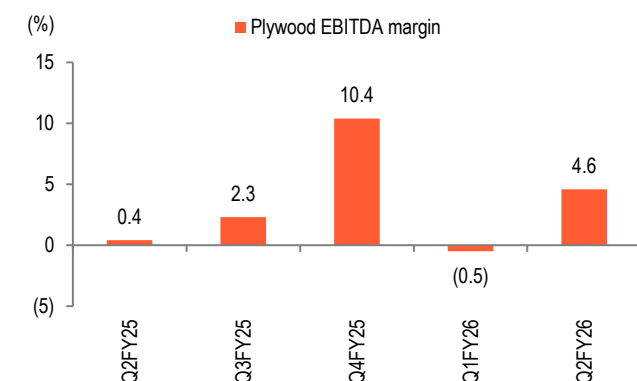
- **MDF industry dynamics:** Management believes the Indian MDF industry demand is estimated to be 2.75 mn CBM vs capacity of 4.25 mn CBM in FY25. And, that the industry is not likely to see any significant capacity addition over the next couple of years. Pace of MDF imports has declined sharply due to the effective implementation of BIS norms (falling to ~1,000 CBM/month in Q2FY26 vs to 20,000 CBM/month in H2FY25). Management indicated that most importers and OEMs have shifted to domestic sourcing.
- **MDF pricing scenario:** No price hike is expected for the next few quarters as the oversupply situation in the domestic market will likely persist.
- **MDF segment:** sales volume grew by 25.1% YoY in Q2FY26 as higher domestic volumes (+30.5%) more than offset the impact of weak exports (-6.4%). Better sales volume in the domestic market was driven by restructuring in the sales team, enhanced channel outreach to 13,000+ participants in H1FY26, and new product launches. Export volume remained under pressure due to pricing pressure and geopolitical issues in the Middle East. MDF sales realisation was down by 2.1% QoQ in Q2FY26, but segment EBITDA margin (excluding EPCG benefit) improved by 247bps QoQ to 4.75% in Q2FY26 due to operating leverage. The company booked Rs 60mn in EPCG benefits in Q2FY26.
- **MDF outlook:** Domestic MDF volume is expected to grow at high-teen rate in FY26. Segment EBITDA margin (including EPCG benefits) is expected to be high-single to low-double-digit rate in FY26. The company expects to book EPCG benefit of Rs 400mn in the coming quarters.
- **Timber:** Timber prices were stable in Q2FY26 and are likely to remain stable or slightly correct in the coming quarters.
- **Chemical:** prices have risen temporarily in Q2FY26, but expected to moderate from Q3FY26 onwards.
- **Capex:** Budgeted capex is estimated to be Rs 400mn for FY26.
- **Value-added product (VAP):** Share of value-added products in volume terms remains stable at 44% on QoQ basis in Q2FY26.
- **Plywood:** Volume de-grew by 4.8% YoY in Q2FY26. Segment operating margin improved 418bps YoY to 4.6% in Q2FY26 due to weak base.
- **Net debt:** has gone down from Rs 2.33bn in Jun'25 to Rs 1.73bn in Sep'25 because of better working capital management.

Fig 3 – GREENP reported a sharp decline in plywood volumes for the 13th consecutive quarter



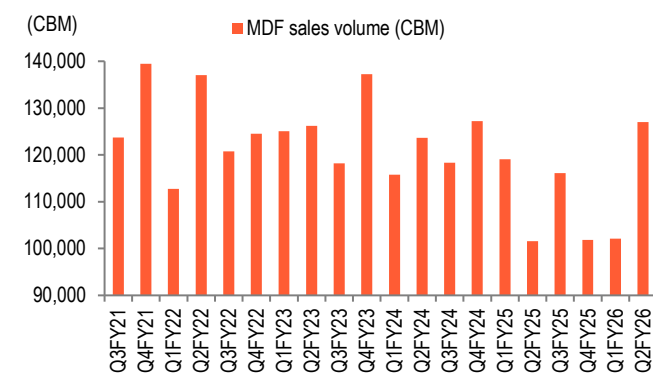
Source: Company, BOBCAPS Research

Fig 4 – Plywood segment EBITDA margin improved in Q2FY26 due to a weak base effect



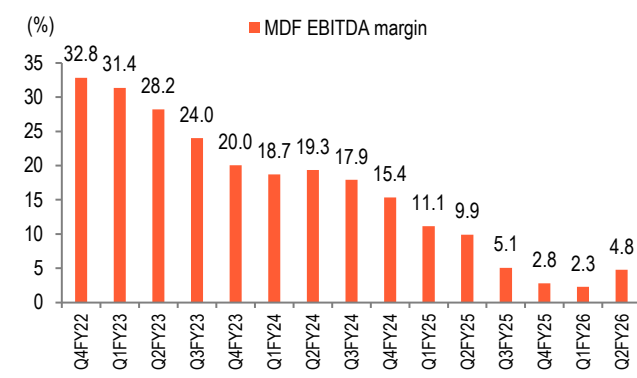
Source: Company, BOBCAPS Research

Fig 5 – GREENP has struggled to grow its MDF volumes over the past 20 consecutive quarters...



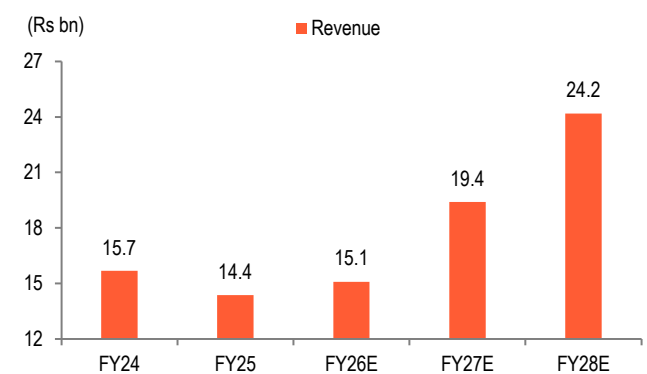
Source: Company, BOBCAPS Research

Fig 6 – ... and margins have come under severe stress over the past few quarters on supply-side pressure



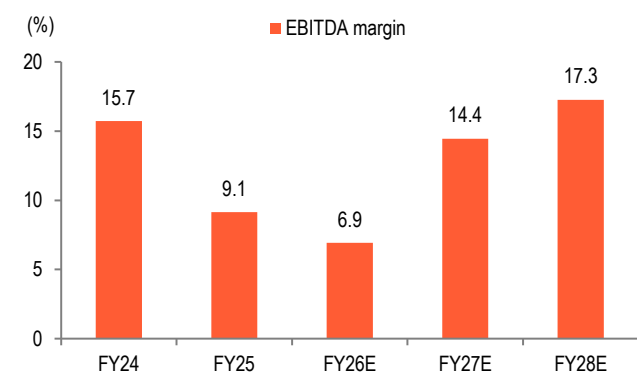
Source: Company, BOBCAPS Research

Fig 7 – GREENP's revenue is projected to grow at 19.0% CAGR over FY25-FY28E



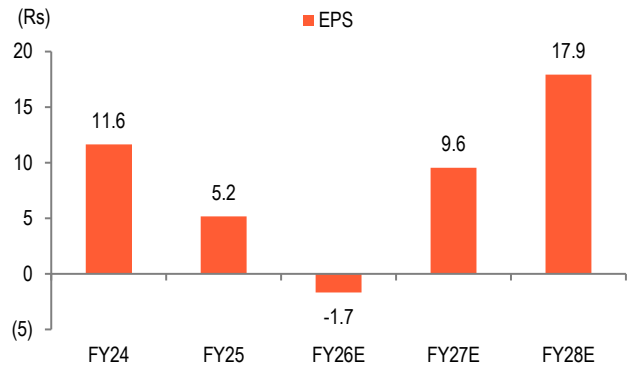
Source: Company, BOBCAPS Research

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



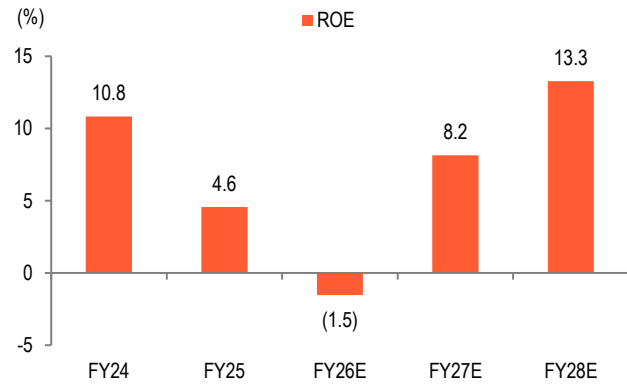
Source: Company, BOBCAPS Research

Fig 9 – EPS is projected to grow at a 51% CAGR over FY25-FY28E due to a low base



Source: Company, BOBCAPS Research

Fig 10 – ROE is expected to improve gradually from 4.6% in FY25 to 13.3% in FY28E



Source: Company, BOBCAPS Research

Valuation Methodology

We maintain our HOLD rating as we anticipate gradual recovery in MDF segment margin over the next 4-6 quarters and the stock appears to be fairly valued (trades at a P/E of 29.7x/15.8x on FY27E/FY28E). We have cut our EPS estimate (-22.5%/-10.6% for FY27E/FY28E) based on slower-than-expected recovery in MDF margin but have kept our TP unchanged at Rs 300 per share, due to the roll forward of our valuation from Jun'27 to Sep'27. Our target P/E multiple remains intact at 20x.

Fig 11 – Revised estimates

Consolidated (Rs bn)	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Total operating income	15.1	19.4	24.2	15.3	19.1	22.9	(1.6)	1.6	5.5
EBITDA	1.0	2.8	4.2	1.1	3.0	4.2	(0.9)	(7.9)	(1.2)
EBITDA Margin	6.9	14.4	17.3	6.9	15.9	18.4	5bps	(148bps)	(118bps)
Adjusted PAT	-0.2	1.2	2.2	-0.1	1.5	2.5	117.3	(22.5)	(10.6)
EPS (Rs)	-1.7	9.6	17.9	-0.8	12.3	20.1	117.3	(22.5)	(10.6)

Source: Company, BOBCAPS Research

Fig 12 – Key assumptions

Particulars (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue mix					
MDF	89.6	90.3	90.9	92.0	92.6
Plywood	10.4	9.7	9.1	8.0	7.4
Sales volume growth					
MDF	(4.3)	(9.6)	10.6	27.6	21.6
Plywood	(28.0)	(15.5)	3.9	15.0	15.0
EBITDA margin					
MDF	17.8	10.2	7.3	15.2	18.0
Plywood	(1.4)	1.3	2.0	3.8	5.8

Source: Company, BOBCAPS Research

Key Risks

Key upside/downside risks to our estimates:

- Quick ramp-up of existing plywood and MDF capacities, low MDF imports pressure, and sharp decline in wood prices are key upside risks to our estimates.
- Loss of market share in MDF and weak domestic MDF prices are the key downside risks.

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	15,673	14,358	15,090	19,399	24,177
EBITDA	2,465	1,312	1,045	2,801	4,175
Depreciation	729	774	1,031	1,033	1,034
EBIT	1,736	538	14	1,768	3,141
Net interest inc./(exp.)	(123)	(67)	(422)	(324)	(313)
Other inc./(exp.)	219	226	126	123	123
Exceptional items	0	0	0	0	0
EBT	1,832	697	(282)	1,567	2,951
Income taxes	405	(24)	(154)	394	751
Extraordinary items	0	0	275	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	1,427	721	(403)	1,173	2,200
Adjustments	1	(87)	199	0	0
Adjusted net profit	1,428	634	(204)	1,173	2,200

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	1,094	1,028	1,080	1,389	1,731
Other current liabilities	622	1,021	1,021	1,021	1,021
Provisions	25	37	39	50	63
Debt funds	2,680	3,898	3,598	3,098	2,598
Other liabilities	1,316	1,523	1,523	1,523	1,523
Equity capital	123	123	123	123	123
Reserves & surplus	13,049	13,729	13,264	14,253	16,453
Shareholders' fund	13,171	13,852	13,387	14,375	16,575
Total liab. and equities	18,907	21,359	20,649	21,457	23,511
Cash and cash eq.	2,379	2,257	2,166	2,832	4,546
Accounts receivables	290	418	439	565	704
Inventories	2,016	1,988	1,860	2,304	2,920
Other current assets	610	720	738	844	962
Investments	0	0	0	0	0
Net fixed assets	9,447	15,246	14,715	14,182	13,648
CWIP	3,127	111	111	111	111
Intangible assets	375	342	342	342	342
Deferred tax assets, net	0	0	0	0	0
Other assets	664	277	277	277	277
Total assets	18,907	21,359	20,649	21,457	23,511

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	1,553	1,674	1,468	2,174	3,027
Capital expenditures	(3,629)	(3,132)	(500)	(500)	(500)
Change in investments	0	0	0	0	0
Other investing cash flows	219	226	(275)	0	0
Cash flow from investing	(3,411)	(2,907)	(775)	(500)	(500)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	775	1,219	(300)	(500)	(500)
Interest expenses	(123)	(67)	(422)	(324)	(313)
Dividends paid	(184)	0	(61)	(184)	0
Other financing cash flows	(11)	(41)	0	0	0
Cash flow from financing	458	1,111	(784)	(1,008)	(813)
Chg in cash & cash eq.	(1,399)	(122)	(91)	666	1,714
Closing cash & cash eq.	2,379	2,257	2,166	2,832	4,546

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	11.6	5.9	(3.3)	9.6	17.9
Adjusted EPS	11.6	5.2	(1.7)	9.6	17.9
Dividend per share	1.5	0.0	0.5	1.5	0.0
Book value per share	107.4	113.0	109.2	117.2	135.2

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	2.1	2.5	2.4	1.8	1.4
EV/EBITDA	13.6	26.8	34.2	12.5	8.0
Adjusted P/E	24.0	54.0	(167.7)	29.2	15.6
P/BV	2.6	2.5	2.6	2.4	2.1

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	77.9	90.9	72.4	74.8	74.5
Interest burden (PBT/EBIT)	105.5	129.6	(1993.9)	88.6	94.0
EBIT margin (EBIT/Revenue)	11.1	3.7	0.1	9.1	13.0
Asset turnover (Rev./Avg TA)	82.9	67.2	73.1	90.4	102.8
Leverage (Avg TA/Avg Equity)	1.4	1.5	1.5	1.5	1.4
Adjusted ROAE	10.8	4.6	(1.5)	8.2	13.3

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	(12.1)	(8.4)	5.1	28.6	24.6
EBITDA	(40.8)	(46.8)	(20.4)	168.0	49.1
Adjusted EPS	(43.4)	(55.6)	(132.2)	(674.5)	87.6

Profitability & Return ratios (%)

EBITDA margin	15.7	9.1	6.9	14.4	17.3
EBIT margin	11.1	3.7	0.1	9.1	13.0
Adjusted profit margin	9.1	4.4	(1.4)	6.0	9.1
Adjusted ROAE	11.4	4.7	(1.5)	8.4	14.2
ROCE	12.3	4.3	0.8	10.8	17.0

Working capital days (days)

Receivables	7	11	11	11	11
Inventory	47	51	45	43	44
Payables	25	26	26	26	26

Ratios (x)

Gross asset turnover	1.1	0.8	0.7	0.9	1.1
Current ratio	2.6	1.9	1.7	2.0	2.5
Net interest coverage ratio	14.2	8.1	0.0	5.5	10.0
Adjusted debt/equity	0.0	0.1	0.1	0.0	(0.1)

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

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SEBI Research Analyst Registration No: **INH000000040 valid till 03 February 2025**

Brand Name: **BOBCAPS**

Trade Name: **www.barodaetrade.com**

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Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

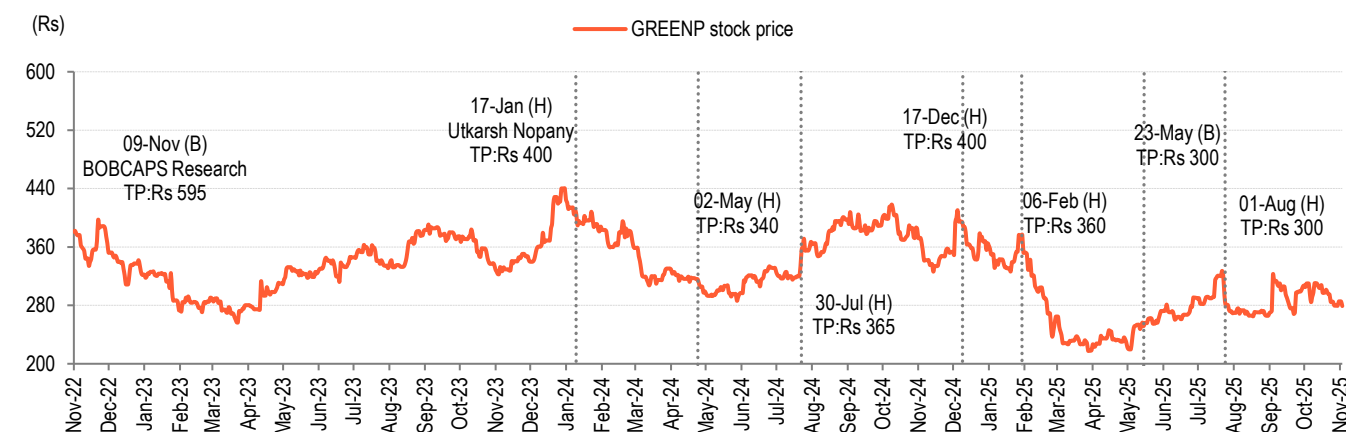
HOLD – Expected return from -6% to +15%

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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