INSTITUTIONAL RESEARCH

Greenpanel Industries

Recovery underway; margin levers building up

We recently met with the Greenpanel Industries management - Mr. Shobhan Mittal (MD and CEO), Mr. Vishwanathan Venkatramani (President Finance), and Mr. Himanshu Jindal (CFO). Management has guided for consolidated MDF volume growth in the high teens for FY26. Exports are expected to remain subdued due to weak demand in key Middle East markets. For FY26, the company is guiding for a high single-digit or low double-digit EBITDA margin in the MDF segment, factoring in EPPCG benefits and excluding forex losses. MDF prices are likely to stay stable in the next few quarters, while imports continue to be low. Management expects raw material prices to witness softness. The company indicated that initiatives in raw material cost control, employee cost management, optimization of raw material and input mix, and op-lev gain are expected to enhance margins in the coming years. We remain optimistic about the company due to its market-leading status, robust balance sheet, and low plant utilization of ~50% in H1FY26, indicating a window for improving margins through operational leverage without incurring significant capital expenditure in the medium term. We have modelled 17/41/43% consolidated revenue/EBITDA/APAT growth for FY25-28E. We retain our estimates, the BUY rating, as well as the TP of INR 335/sh (25x Sep-27E EPS).

- **Demand and guidance:** The company has guided for consolidated MDF volume growth in the high teens for FY26. Exports will likely remain subdued due to weak demand in the company's key Middle East markets. For FY26, the company anticipates a high single-digit or low double-digit EBITDA margin for the MDF segment, factoring in EPCG benefits and excluding forex losses. Management indicated that ~40% of revenue is derived from OEM and export segments, which are low-margin business. The company expects the MDF industry to post annual growth of 15–20% in the coming years.
- **Prices to remain stable:** MDF domestic price declined by 3-4% QoQ in Q2, primarily due to a change in sales mix (higher OEM contribution) and price rationalization by the company. Prices are expected to remain stable for the next few quarters, in our view.
- **Raw material cost to see softness:** Management expects timber prices to remain stable or soften marginally, while chemical prices will likely ease from current elevated levels. It does not anticipate any QoQ margin impact in Q3 from resin prices, as the effect was already reflected in Q2. The company indicated that initiatives in raw material cost control, employee cost management, optimization of raw material and input mix, and operational leverage gain are expected to enhance margins in the coming years.
- **Outlook:** The company currently has no planned capex for additional capacity expansion following the recently commissioned MDF expansion at the Andhra plant in Q4FY25. It budgets INR 0.3-0.4bn as maintenance capex for FY26. Management indicated that the BIS may introduce new MDF standards, necessitating higher quality specifications in the medium term. We expect demand to remain healthy for the MDF segment. We remain optimistic about the company, given its market-leading position, robust balance sheet, and low plant utilization of ~50% in H1FY26. This indicates significant opportunities to enhance margins through operational leverage, without the need for substantial capital expenditure in the medium term. We have modelled 17/41/43% consolidated revenue/EBITDA/APAT growth for FY25-28E. We retain estimates, the BUY rating, as well as the TP of INR 335/sh (25x Sep-27E EPS).

BUY

CMP *(as on 12 Nov 2025)*	**INR 269**
Target Price	**INR 335**
NIFTY	**25,876**

KEY CHANGES	**OLD**	**NEW**
Rating	BUY	BUY
Price Target	INR 335	INR 335
EPS revision %	FY27E -	FY28E -

KEY STOCK DATA	
Bloomberg code	GREENP IN
No. of Shares (mn)	123
MCap (INR bn) / ($ mn)	33/373
6m avg traded value (INR mn)	193
52 Week high / low	INR 419/203

STOCK PERFORMANCE (%)

	3M	**6M**	**12M**
Absolute (%)	(2.1)	16.5	(23.6)
Relative (%)	(7.3)	14.0	(31.0)

SHAREHOLDING PATTERN (%)

	Jun-25	**Sep-25**
Promoters	53.13	53.13
FIs & Local MFs	28.77	29.63
FPIs	1.64	1.36
Public & Others	16.46	15.88
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Annual financial summary

YE Mar (INR mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
MDF Sales (K CBM)	506.7	485.0	438.6	497.8	600.5	684.3
MDF NSR (INR/CBM)	30,283	28,904	28,701	28,204	29,623	30,560
MDF EBITDA (INR/CBM)	8,411	5,601	3,358	1,720	4,066	5,259
Net Sales	17,829	15,670	14,358	15,657	19,512	22,751
EBITDA	4,165	2,462	1,312	944	2,535	3,715
EBITDAM (%)	23.4	15.7	9.1	6.0	13.0	16.3
APAT	2,504	1,341	721	(257)	1,178	2,125
AEPS (INR)	20.4	10.9	5.9	(2.1)	9.6	17.3
EV/EBITDA (x)	8.0	14.3	27.9	38.5	13.9	8.9
P/E (x)	13.9	25.9	48.1	NA	29.5	16.3
RoE (%)	23.3	10.7	5.3	(1.9)	8.4	13.8

Source: Company, HSIE Research. NA – not applicable.

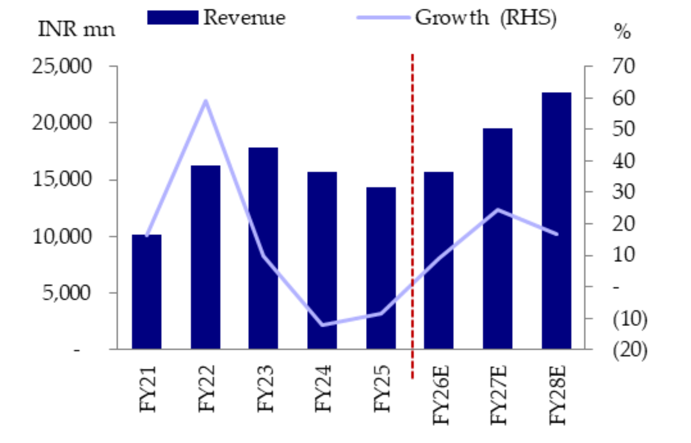
Estimates revision summary

We retain our estimates for FY26E, FY27E, and FY28E.

INR mn	FY26E Old	FY26E Revised	*Change %*	FY27E Old	FY27E Revised	*Change %*	FY28E Old	FY28E Revised	*Change %*
Net Sales	15,657	15,657	-	19,512	19,512	-	22,751	22,751	-
EBITDA	944	944	-	2,535	2,535	-	3,715	3,715	-
APAT	(257)	257)	-	1,178	1,178	-	2,125	2,125	-

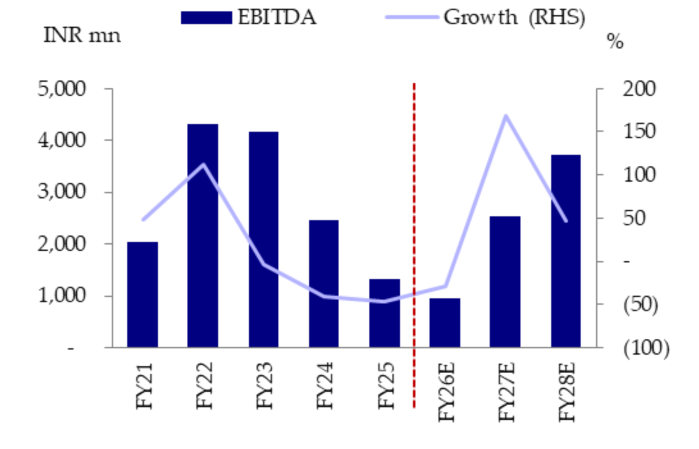
Source: Company, HSIE Research

We expect 17% revenue CAGR during FY25-28E (MDF volume-led)



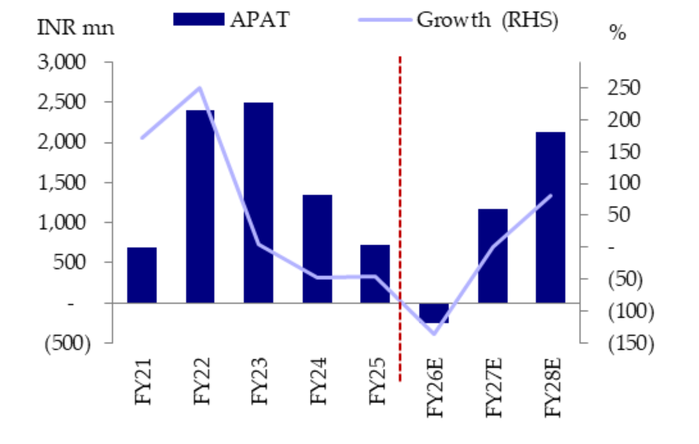
Source: Company, HSIE Research

41% EBITDA CAGR during FY25-28E (higher volume)



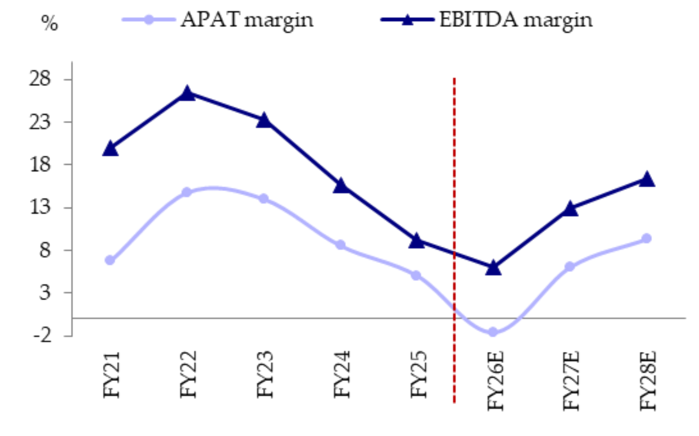
Source: Company, HSIE Research

APAT to grow by 43% CAGR (EBITDA led)



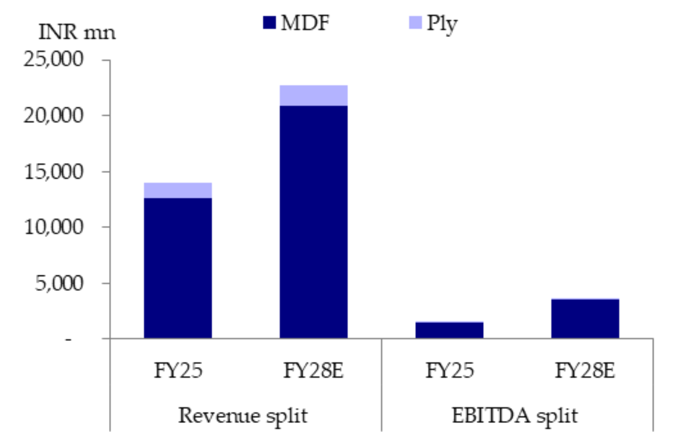
Source: Company, HSIE Research

Margins are expected to bottom out in FY26



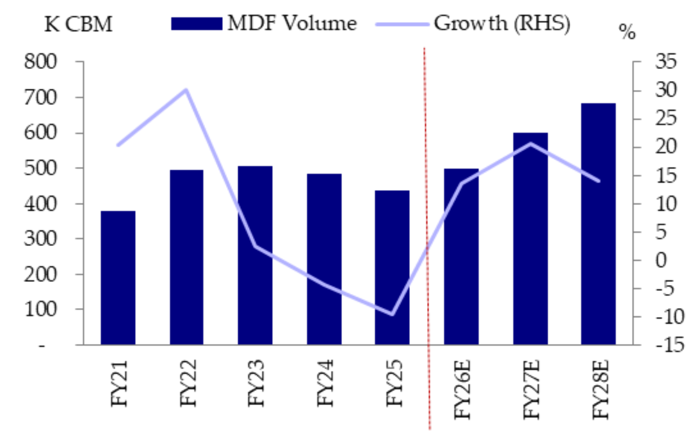
Source: Company, HSIE Research

MDF revenue/EBITDA mix is expected to be 92/97% in FY28E



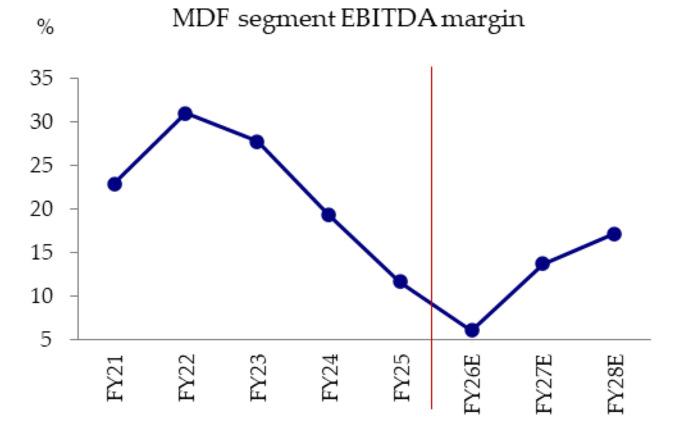
Source: Company, HSIE Research

MDF volume to grow at 16% CAGR during FY25-28E



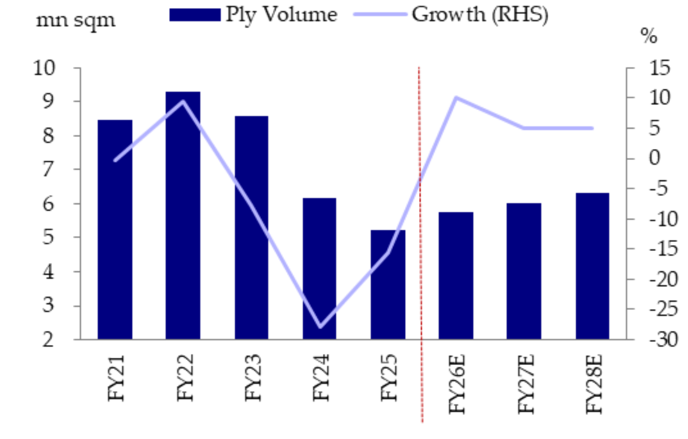
Source: Company, HSIE Research

MDF margin to bottom out in FY26, with improvement thereafter



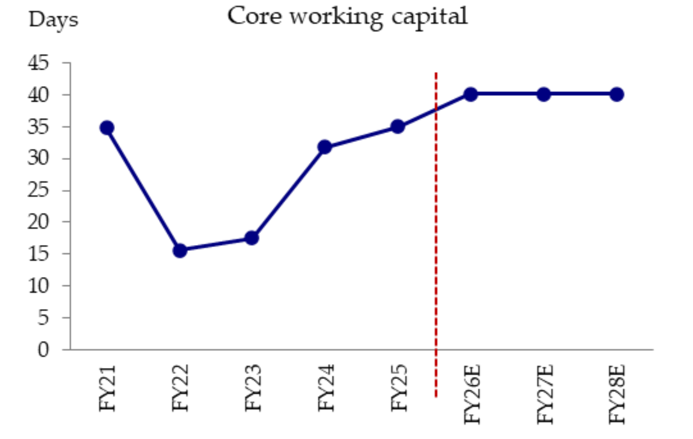
Source: Company, HSIE Research

We build in ply volume recovery from FY26



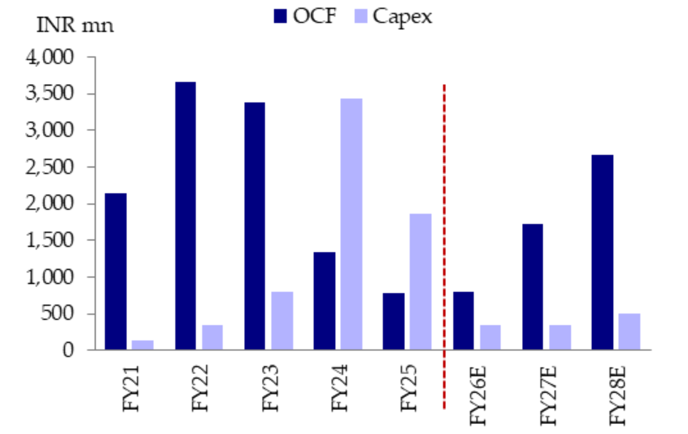
Source: Company, HSIE Research

Working capital to increase cycle in FY26 and remain stable thereafter



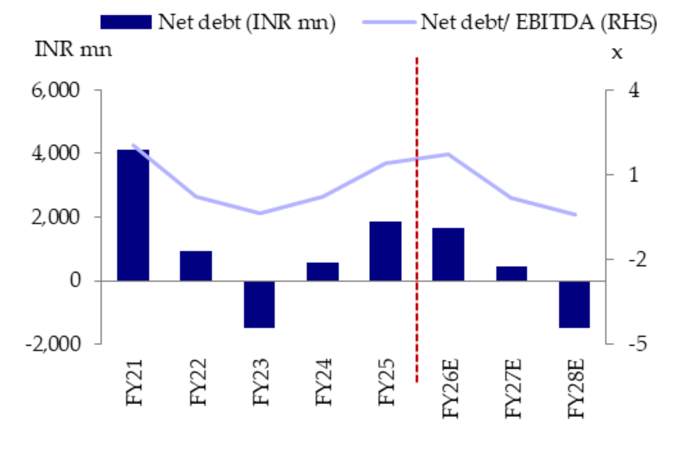
Source: Company, HSIE Research

Owing to no major expansion, capex to remain low during FY26/27/28E; OCF will outdo capex



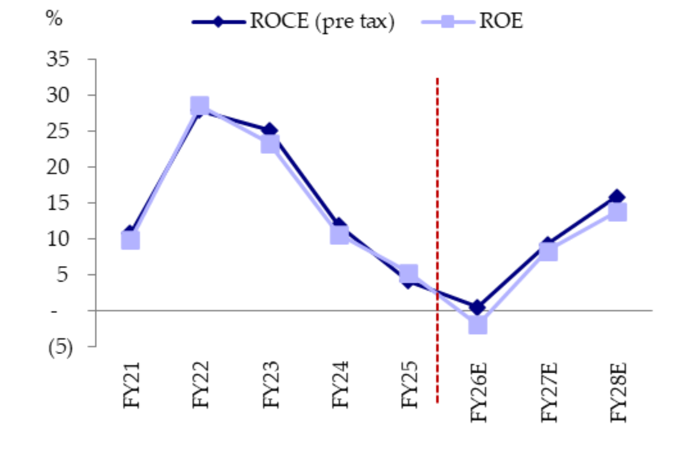
Source: Company, HSIE Research

We expect company will turn net cash in FY28E owing to healthy OCF



Source: Company, HSIE Research

Return ratios will recover to double digit from FY27E



Source: Company, HSIE Research

Financials (consolidated)

Income Statement

YE Mar (INR mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenues	**17,829**	**15,670**	**14,358**	**15,657**	**19,512**	**22,751**
Growth %	9.7	(12.1)	(8.4)	9.0	24.6	16.6
Raw Material	7,458	6,907	7,408	6,654	8,293	9,669
Power & Fuel	1,920	2,081	1,900	1,722	2,146	2,503
Freight Expense	844	865	802	783	976	1,138
Employee cost	1,397	1,406	1,401	1,513	1,891	2,024
Other Expenses	2,044	1,948	1,535	4,040	3,671	3,703
EBITDA	**4,165**	**2,462**	**1,312**	**944**	**2,535**	**3,715**
EBIDTA Margin (%)	**23.4**	**15.7**	**9.1**	**6.0**	**13.0**	**16.3**
EBITDA Growth %	**(3.2)**	**(40.9)**	**(46.7)**	**(28.1)**	**168.6**	**46.5**
Depreciation	720	729	774	1,022	1,038	1,058
EBIT	3,445	1,734	538	(78)	1,497	2,657
Other Income	194	211	226	181	232	255
Interest	190	123	67	424	159	79
PBT	3,449	1,822	697	(321)	1,570	2,833
Tax	944	481	(24)	(64)	393	708
RPAT	**2,565**	**1,352**	**721**	**(257)**	**1,178**	**2,125**
EO (Loss) / Profit (Net of Tax)	61	11	-	-	-	-
APAT	**2,504**	**1,341**	**721**	**(257)**	**1,178**	**2,125**
APAT Growth (%)	**4.1**	**(46.5)**	**(46.2)**	**(135.7)**	**NA**	**80.4**
AEPS	20.4	10.9	5.9	(2.1)	9.6	17.3
AEPS Growth %	4.1	(46.5)	(46.2)	(135.7)	NA	80.4

Source: Company, HSIE Research. NA – not applicable

Balance Sheet

YE Mar (INR mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
SOURCES OF FUNDS						
Share Capital	123	123	123	123	123	123
Reserves And Surplus	11,816	13,049	13,729	13,498	14,440	16,139
Total Equity	11,939	13,171	13,852	13,620	14,562	16,262
Long-term Debt	2,059	2,896	3,346	3,346	2,546	140
Short-term Debt	217	65	780	238	238	238
Total Debt	2,276	2,961	4,126	3,585	2,785	378
Deferred Tax Liability	1,020	1,010	1,046	1,046	1,046	1,046
Long-term Liab+ Provisions	176	89	337	337	337	337
TOTAL SOURCES OF FUNDS	**15,411**	**17,232**	**19,361**	**18,588**	**18,730**	**18,024**
APPLICATION OF FUNDS						
Net Block	9,916	9,821	15,588	14,916	14,228	13,669
Capital WIP	49	3,127	111	111	111	111
Other Non-current Assets	744	664	277	299	323	350
Total Non-current Assets	10,709	13,613	15,976	15,326	14,662	14,131
Inventories	1,525	2,016	1,988	2,035	2,537	2,958
Debtors	444	442	418	626	780	910
Cash and Cash Equivalents	3,778	2,379	2,257	1,937	2,356	1,865
Other Current Assets (& Loans/adv)	592	610	720	666	732	804
Total Current Assets	**6,339**	**5,447**	**5,383**	**5,265**	**6,405**	**6,537**
Creditors	1,111	1,094	1,028	939	1,171	1,365
Other Current Liabilities & Provns	526	734	970	1,063	1,166	1,279
Total Current Liabilities	**1,638**	**1,828**	**1,998**	**2,003**	**2,337**	**2,644**
Net Current Assets	**4,702**	**3,619**	**3,385**	**3,262**	**4,068**	**3,893**
TOTAL APPLICATION OF FUNDS	**15,411**	**17,232**	**19,361**	**18,588**	**18,730**	**18,024**

Source: Company, HSIE Research

Cash Flow

YE Mar (INR mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Reported PBT	3,510	1,834	697	(321)	1,570	2,833
Non-operating & EO Items	(169)	(306)	(541)	(181)	(232)	(255)
Interest Expenses	190	123	67	424	159	79
Depreciation	720	729	774	1,022	1,038	1,058
Working Capital Change	(254)	(665)	(153)	(219)	(412)	(343)
Tax Paid	(623)	(369)	(66)	64	(393)	(708)
OPERATING CASH FLOW (a)	**3,374**	**1,345**	**778**	**790**	**1,731**	**2,664**
Capex	(803)	(3,441)	(1,871)	(350)	(350)	(500)
Free Cash Flow (FCF)	2,571	(2,096)	(1,093)	440	1,381	2,164
Investments	(1,795)	1,697	129	-	-	-
Non-operating Income	120	182	85	181	232	255
INVESTING CASH FLOW (b)	**(2,478)**	**(1,562)**	**(1,657)**	**(169)**	**(118)**	**(245)**
Debt Issuance/(Repaid)	(1,002)	1,054	1,114	(542)	(800)	(2,407)
Interest Expenses	(85)	(264)	(145)	(424)	(159)	(79)
FCFE	1,484	(1,306)	(123)	(526)	422	(321)
Dividend	(184)	(184)	(37)	26	(236)	(425)
FINANCING CASH FLOW (c)	**(1,271)**	**606**	**932**	**(940)**	**(1,195)**	**(2,911)**
NET CASH FLOW (a+b+c)	**(375)**	**390**	**53**	**(320)**	**419**	**(491)**
Closing Cash & Equivalents	**1,851**	**4,168**	**2,432**	**1,937**	**2,356**	**1,865**

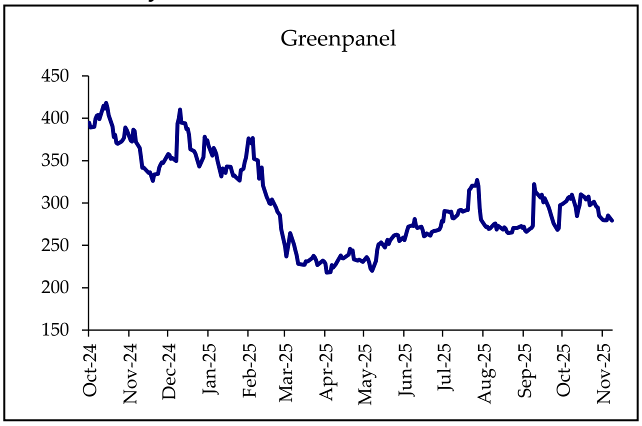
Source: Company, HSIE Research

Key Ratios

	FY23	FY24	FY25	FY26E	FY27E	FY28E
PROFITABILITY %						
EBITDA Margin	23.4	15.7	9.1	6.0	13.0	16.3
EBIT Margin	19.3	11.1	3.7	(0.5)	7.7	11.7
APAT Margin	14.0	8.6	5.0	(1.6)	6.0	9.3
RoE	23.3	10.7	5.3	(1.9)	8.4	13.8
RoIC Pretax	30.1	14.9	3.7	(0.5)	9.1	16.3
RoCE (pre-tax)	25.1	11.9	4.2	0.5	9.3	15.8
EFFICIENCY						
Tax Rate %	27.4	26.4	(3.5)	20.0	25.0	25.0
Fixed Asset Turnover (x)	1.2	1.1	0.8	0.7	0.9	1.0
Inventory (days)	31	47	51	47	47	47
Debtors (days)	9	10	11	15	15	15
Other Current Assets (days)	27	30	25	22	20	19
Payables (days)	23	25	26	22	22	22
Other Current Liab & Provns (days)	14	19	33	33	28	26
Cash Conversion Cycle (days)	31	42	27	30	32	33
Net Debt/EBITDA (x)	(0.4)	0.2	1.4	1.7	0.2	(0.4)
Net D/E	(0.1)	0.0	0.1	0.1	0.0	(0.1)
Interest Coverage	18.1	14.1	8.1	(0.2)	9.4	33.6
PER SHARE DATA (Rs)						
EPS	20.4	10.9	5.9	(2.1)	9.6	17.3
CEPS	26.3	16.9	12.2	6.2	18.1	26.0
Dividend	1.5	1.5	0.3	(0.2)	1.9	3.5
Book Value	97.4	107.4	113.0	111.1	118.8	132.6
VALUATION						
P/E (x)	13.9	25.9	48.1	NA	29.5	16.3
P/Cash EPS (x)	10.6	16.7	23.2	45.4	15.7	10.9
P/BV (x)	2.9	2.6	2.5	2.5	2.4	2.1
EV/EBITDA (x)	8.0	14.3	27.9	38.5	13.9	8.9
EV/ sales (x)	1.86	2.25	2.55	2.32	1.80	1.46
Dividend Yield (%)	0.5	0.5	0.1	(0.1)	0.7	1.2
OCF/EV (%)	10.2	3.8	2.1	2.2	4.9	8.0
FCFF/EV (%)	7.7	(5.9)	(3.0)	1.2	3.9	6.5

Source: Company, HSIE Research. NA – not applicable

Price History



Rating Criteria

BUY:	>+15% return potential
ADD:	+5% to +15% return potential
REDUCE:	-10% to +5% return potential
SELL:	>10% Downside return potential

Disclosure:
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