Greenply Industries(GREIN)

ICICI Direct

CMP: ₹294 | Target ₹ 340 (16%) | Target Period: 12 months | BUY

July 27, 2026

Healthy Growth across segments!

About the stock: Greenply Industries (GIL) is one the leading players in the plywood business in India with capacity of 52.8 MSM / Annum. It has a dealer distribution network of 3000+ pan-India.

- It has MDF boards manufacturing at Vadodara, Gujarat of 3 lakh CBM/annum. It is adding capacity in plywood segment and MDF segment which will take total capacity to 66.3 Mn Sqm/annum and 5.1 lakh CBM/annum, respectively.

Q1FY27 performance: The Greenply's consolidated topline for Q1FY27 stood at ₹724.9 crore, up 20.7% YoY. MDF revenues stood at ₹195.7 crore, up 32.9% YoY with volumes of 7,805 CBM up 24.7% YoY, and realization up 5.6% YoY. The plywood volumes were up 12.8% YoY to 19.4 MSM with revenues at ₹531.1 crore, up 17.03% YoY. Consolidated EBITDA grew 27.1% YoY to ₹78.3 crore, with margins expanding 55 bps to 10.8%, driven by margin improvement in Plywood (+45 bps to 8.4%) with MDF margins largely stable at 17.3%. Despite being affected by the share of loss from equity accounted investees of ₹5.7 crore specifically from Greenply Samet JV, PAT surged 32.3% YoY to ₹37.6 crore, reflecting strong operational leverage and underlying business momentum.

Investment Rationale:

- **New capacity expansion plan progressing as planned:** Management announced that the commercial production of new flooring manufacturing line commenced successfully on 20th July 2026. Note, the company **undertaking approximately ₹500 crore capex program, led by a ₹300 crore MDF expansion at Vadodara and the new greenfield plywood manufacturing facility in Odisha (₹100 crore)**, which is progressing as planned. Management has **reaffirmed to achieve the target of 10% volume growth in plywood and 25%-30% volume growth in MDF segment** for FY27. As a result, we **bake in 12.8% and 11.5% consolidated revenue growth for FY27 and FY28 respectively**. We expect the Plywood segment to grow at CAGR of 10.1% to ~₹2,513 crore and MDF segment to grow at a CAGR of 18.6% to ~₹893 crore by FY28.
- **Margins to expand ahead:** Management has reiterated its guidance of 10% EBITDA margins for Ply and 16-17% for MDF. They also stated that the margins in plywood segment will go above 10% once they consistently manage to make more than ₹600 crore revenue. **With higher margin MDF segment likely to witness superior growth, the consolidated margins are likely to increase and hence we bake our margins at 10.8% and 11.3% for FY27 and FY28 respectively.**

Rating and Target Price: Greenply continues to report a sustained growth across both its segment of Ply and MDF. **We maintain BUY with a revised target price of ₹340, valuing at 23x FY28 P/E**

Key Financial Summary

(₹ Crore)	FY25	FY26	5 yr CAGR (FY21-26)	FY27E	FY28E	2 yr CAGR (FY26-28E)
Net Sales	2487.6	2739.0	18.6%	3054.1	3406.3	11.5%
EBITDA	237.7	270.5	18.3%	332.4	386.4	19.5%
Net Profit	91.6	89.5	8.0%	137.7	182.4	42.7%
EPS (₹)	7.3	7.2		11.0	14.6	
P/E (x)	40.1	41.0		26.7	20.1	
EV/EBITDA (x)	17.4	15.3		13.1	11.0	
RoCE (%)	14.8	16.1		16.1	16.9	
RoE (%)	11.3	8.4		13.3	15.0	

Source: Company, ICICI Direct Research

Greenply Industries Limited

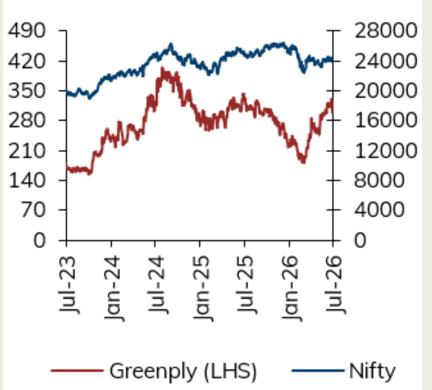
Particulars

Particulars	(₹ crore)
Market Cap	3,672
Total Debt	489
Cash	28
EV	4133
52-week H/L (₹)	349 / 176
Equity capital	12.5
Face value (₹)	1.0

Shareholding pattern

	Sep-25	Dec-25	Mar-26	Jun-26
Promoters	51.7	51.8	51.9	51.9
FII	4.5	4.4	4.2	4.4
DIIs	32.4	32.1	31.8	31.4
Others	11.4	11.7	12.1	12.2

Price Chart



Key risks

(i) Slowdown in demand.

(ii) Spike in Input costs, specifically resins.

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Result Update

ICICI Securities – Retail Equity Research

Q1FY27 – Key Performance highlights and outlook

- **Guidance:** The company has **reaffirmed to achieve the target of 10% volume growth in plywood and 25%-30% volume growth in MDF segment for FY27, supported by distribution expansion and higher utilization.** It expects margins to improve from current levels across both segments, underpinned by recent pricing actions and operating leverage.

- **Plywood:** Revenue for Q1FY27 stood at ₹513.2 crore, up 17.3% YoY, with volume of 19.4 MSM posting growth of 13.5% YoY, average realization increased 3.9% YoY to ₹265 per sqm. Core EBITDA increased 23.5% YoY to ₹44.5 crore, with margins improving by +50bps to 8.4%.

- **MDF Segment:** The MDF revenues stood at ₹193.8 crore, up 31.6% YoY with sales volumes of 57,805 CBM up 24.7% YoY, and realization of ₹33,525 per CBM, up 5.5% YoY. Core EBITDA increased to ₹33.9 crore, up 32.2% YoY with margins slipping to 17.3%, down 10bps.

- **Samet JV:** For Q1FY27 the furniture and fittings JV reported total revenue of ₹13.6 crore but remained loss-making, posting a net loss share of ₹5.7 crore for Greenply stemming from low utilization and import reliance. **Management expects difficulty in turning profitable in near term due to competition from Chinese imports and high costs of import from Rome.**

- **Input Costs & Price Escalation:** The management noted that the ongoing geopolitical tensions and the recent conflict in the Middle East resulted in elevated imported chemical prices, extending the sharp cost pressures observed towards the end of Q4FY26. This led to price increases across the industry. As this situation gradually improved by the second half of Q1FY27, input costs began to moderate. Consequently, **the effective price increase currently stands at approximately 7%-9% in the MDF business and 3%-5% in the plywood business.**

- **Debt:** With ₹500 crore capex planned for FY27, leverage is projected to peak at 0.7x D/E in the near term to fund MDF and Ply expansion requirements. Management expects D/E to moderate to 0.5x-0.6x post-commissioning as operating cash flows improve and capital intensity ease

- **Technological Advancements:** The company is deploying **its "ContiRoll" continuous assembly technology across its plants (two currently live and two scheduled to be live in FY27).** The automated system enhances precision and consistency while lowering manpower costs and improving material utilization. This shift is expected to accelerate adoption within organized furniture manufacturing and drive long-term margin expansion.

- **Capex**: The company is **undertaking approximately ₹500 crore capex program, led by a ₹300 crore MDF expansion. Supplementary investments include ₹100 crore for the greenfield plywood unit in Odisha and ₹47 crore in tech-upgrades** to drive process efficiencies and loss funding towards the Samet JV.

- **Working Capital**: The working days decreased by 16 days YoY to 42 days, down 1 days QoQ. This was driven by the improvement in receivables and inventory days which reduced to 47 (-3days YoY and -7days QoQ) and 46 (-31days YoY and -3days QoQ) days respectively, offset by payables days which reduced to 51 days (-18days YoY and -9days QoQ).

Exhibit 1: Quarter Performance

Particular	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	Comments
Net Sales	724.9	600.8	20.7	776.2	-6.6	Plywood revenues for Q1FY27 stood at ₹513.2 crore, up 17.3% YoY whereas MDF revenues stood at ₹193.8 crore, up 31.6% YoY.
Other Income	1.8	13.2	-86.2	2.6	-30.7	
Material Consumed	292.7	267.2	9.6	275.4	6.3	
Purchase of Stock in Trade	123.2	110.5	11.5	123.9	-0.5	
Changes in Inventories of WIP	0.9	-33.9	-102.8	54.8	-98.3	
Employee Benefit Expenses	98.9	81.1	21.9	89.8	10.1	
Other Expenses	130.8	114.3	14.4	139.1	-6.0	
EBITDA	78.3	61.6	27.1	93.2	-16.0	
EBITDA Margin (%)	10.8	10.3	55 bps	12.0	-121 bps	Plywood margins declined QoQ by 200 bps mainly because of low-capacity utilizations leading to low operating leverage.
Depreciation	17.4	15.4	13.4	16.8	3.6	
Interest	7.5	18.5	-59.6	13.4	-44.3	
PBT	55.2	40.9	35.0	65.6	-15.9	
Taxes	11.8	7.7	53.4	12.8	-7.6	
PAT	37.6	28.4	32.3	31.0	21.3	
Key Metrics						
Plywood Volume (MSM)	19.4	17.2	12.8	22.8	-14.9	
Realisation (₹/sq mt)	265.0	255.0	3.9	254.0	4.3	
MDF Volume (CBM)	57,805	46,350	24.7	62,021	-6.8	
Realisation (₹/MSM)	33,525	31,763	5.5	30,508	9.9	

Source: Company, ICICI Direct Research

Exhibit 2: Change in Estimates

	FY27E			FY28E			Comments
(₹ Crore)	Old	New	% Change	Old	New	% Change	
Revenue	3,051	3,054	0.1	3,392	3,406	0.4	Realign Estimates
EBITDA	333	332	-0.1	380	386	1.8	
EBITDA Margin (%)	10.9	10.9	-2 bps	11.2	11.3	15 bps	
PAT	139	138	-1.0	176	182	3.9	
EPS (₹)	11.1	11.0	-1.0	14.1	14.6	3.9	

Source: Company, ICICI Direct Research

Financial summary

Exhibit 3: Profit and loss statement ₹ crore

(₹ Crore)	FY25	FY26	FY27E	FY28E
Net Sales	**2,487.6**	**2,739.0**	**3,054.1**	**3,406.3**
Gross Profit	**1,003.4**	**1,112.1**	**1,271.9**	**1,422.6**
Employee expenses	316.0	351.2	400.1	442.8
Other Expenses	449.8	490.3	539.4	593.3
EBITDA	**237.7**	**270.5**	**332.4**	**386.4**
Interest	43.1	55.3	73.4	71.3
Depreciation	60.1	64.6	72.8	89.6
Other income	16.5	18.6	22.0	25.0
PBT	**150.9**	**169.2**	**208.2**	**250.5**
Taxes	25.3	35.5	52.5	63.1
PAT	**91.6**	**89.5**	**137.7**	**182.4**
EPS (Diluted)	**7.3**	**7.2**	**11.0**	**14.6**

Source: Company, ICICI Direct Research

Exhibit 4: Cash flow statement ₹ crore

(₹ Crore)	FY25	FY26	FY27E	FY28E
Profit after Tax	**91.6**	**89.5**	**137.7**	**182.4**
Depreciation	60.1	64.6	72.8	89.6
Interest	43.1	55.3	73.4	71.3
Taxes	25.3	35.5	52.5	63.1
CF before wc changes	204.0	224.1	314.4	381.4
Cash generated from op.	166.0	202.6	224.1	326.1
Income Tax paid	25.3	35.5	52.5	63.1
Net CF from op. activities	**140.7**	**167.1**	**171.7**	**263.0**
Others	16.5	18.6	22.0	25.0
(Purchase)/Sale of FA	(83.1)	(124.8)	(349.9)	(100.0)
Net CF from Inv. activities	**(66.6)**	**(106.2)**	**(327.9)**	**(75.0)**
Others	7.5	(3.3)	-	-
Interest paid	(43.1)	(55.3)	(73.4)	(71.3)
Inc / (Dec) in Loans	(36.3)	0.9	210.0	(20.0)
Net CF from Fin. activities	**(71.8)**	**(57.7)**	**136.6**	**(91.3)**
Net Cash flow	2.3	3.2	(19.7)	96.7
Opening Cash	22.4	24.7	27.9	8.2
Closing Cash	**24.7**	**27.9**	**8.2**	**104.9**

Source: Company, ICICI Direct Research

Exhibit 5: Balance sheet ₹ crore

(₹ Crore)	FY25	FY26	FY27E	FY28E
Liabilities				
Equity Capital	12	12	12	12
Reserve and Surplus	796	882	1,020	1,202
Total Shareholders funds	809	895	1,033	1,215
Total Debt	488	489	699	679
Deferred Tax Liability	1	2	2	2
Total Liabilities	**1,313**	**1,398**	**1,746**	**1,908**
Assets				
Gross Block	1,104	1,224	1,324	1,724
Less Acc. Dep	304	368	441	531
Net Block	801	855	883	1,193
Net Intangibles Assets	19	19	19	19
Capital WIP	44	50	300	-
Total Fixed Assets	864	924	1,201	1,212
Investments	67	55	55	55
Inventory	518	364	452	504
Sundry Debtors	323	407	454	506
Loans & Advances	4	5	5	5
Cash & Bank Balances	25	28	8	105
Other Current Assets	59	59	65	73
Total Current Assets	928	863	985	1,193
Trade Payable	535	452	504	562
Other Current Liabilities	89	85	85	85
Provisions	3	12	12	12
Net Current Assets	293	306	377	529
Total Assets	**1,313**	**1,398**	**1,746**	**1,908**

Source: Company, ICICI Direct Research

Exhibit 6: Key ratios

	FY25	FY26	FY27E	FY28E
Per Share Data (₹)				
EPS - Diluted	7.3	7.2	11.0	14.6
Cash EPS	12.2	12.3	16.9	21.8
Book Value	64.8	71.6	82.7	97.3
Dividend per share	-	-	-	-
Operating Ratios (%)				
EBITDA / Net Sales	9.6	9.9	10.9	11.3
PAT / Net Sales	3.7	2.7	4.5	5.4
Inventory Days	55	58	76	49
Debtor Days	49	45	49	56
Creditor Days	69	69	94	75
Return Ratios (%)				
RoE	11.3	8.4	13.3	15.0
RoCE	14.8	16.1	16.1	16.9
RoIC	14.3	15.8	18.3	16.6
Valuation Ratios (x)				
EV / EBITDA	17.4	15.3	13.1	11.0
P/E (Diluted)	40.1	41.0	26.7	20.1
EV / Net Sales	1.7	1.5	1.4	1.2
Market Cap / Sales	1.5	1.3	1.2	1.1
Price to Book Value	4.5	4.1	3.6	3.0
Dividend Yield	-	-	-	-
Solvency Ratios (x)				
Net Debt / Equity	0.6	0.5	0.7	0.5
Net Debt / EBITDA	2.0	1.7	2.1	1.5
Current Ratio	1.4	1.5	1.6	1.6
Quick Ratio	0.6	0.8	0.9	0.9

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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