HOLD
TP: Rs 140 | ▲ 12%

GREENPANEL INDUSTRIES

| Building Materials | 03 November 2026

EBITDA misses as prices reset; downgrade to HOLD

- **Revenue grew 4% YoY, 1.5% below our estimate; EBITDA missed by 37% on gross margin and APAT turned to a Rs 6mn loss**
- **MDF volumes fell 3% YoY on weak OEM despite 17% retail growth, and MDF margin fell 220bps QoQ to 7.0% as the Q1 price hike was reversed**
- **Cut estimates, roll forward to Sep-27 TP of Rs 140 (ascribe 12x Sep'28E EPS); downgrade to HOLD from BUY**

Harshit Mundra
Research Associate

Vineet Shanker
Research Analyst
research@bobcaps.in

Revenue growth remains modest; EBITDA misses estimates: Greenpanel Industries (GREENP IN) reported 4% YoY revenue growth, marginally below our estimate, as 17% retail growth was offset by weak OEM and export volumes. EBITDA grew 12% YoY but missed our estimate by 37%, with EBITDA margin declining 49bps YoY to 6.7%. APAT stood at a loss of Rs 6mn against a loss of Rs 61mn in Q2FY26.

Plywood growth offsets weak MDF volumes: Plywood revenue grew 15% YoY, supported by 8% volume growth and 6% higher realisations, with EBITDA margin improving 11bps to 4.7%. MDF revenue grew 3% YoY, as 7% higher realisations partly offset a 3% decline in volumes. MDF EBITDA margin improved 54bps YoY to 7.0%, but declined 220bps QoQ, reflecting pricing pressure and the lag in consumption of lower-cost raw materials. Retail MDF volumes grew 17% YoY, while OEM and export demand remained subdued.

Volume recovery and margin improvement remain key monitorables: Management is targeting mid-teens MDF volume growth in FY27, supported by retail demand, recovery in OEM volumes and improving exports. It expects volume growth to reach industry levels over the next one or two quarters. While lower chemical costs and operating leverage should support margins, intense industry competition and additional capacity additions remain key challenges. The company has sufficient capacity to support growth without major capex over the next three years.

Cut estimates; D/G to HOLD: We downgrade GREENP to HOLD from BUY and reduce our target multiple to 12x P/E from 16x on Sep'28E EPS, factoring in its sustained underperformance against peers, lower growth and margin guidance, and continued oversupply in the MDF industry. The company's focus on market-share gains, amid intense competition, has weighed on profitability, while visibility on a meaningful margin recovery remains limited. We cut FY27E-29E revenue estimates by 3-4%, EBITDA by 11-24% and PAT by 19-51%, with EBITDA margins lower by 126-275bps. We arrive at a Sep'27 TP of Rs 140 (earlier Rs 220), implying 13% upside.

Key changes

Target	Rating
▼	▼

Ticker/Price	GREENP IN/Rs 125
Market cap	US$ 160.8mn
Free float	47%
3M ADV	US$ 0.6mn
52wk high/low	Rs 290/Rs 116
Promoter/FPI/DII	53%/1%/30%

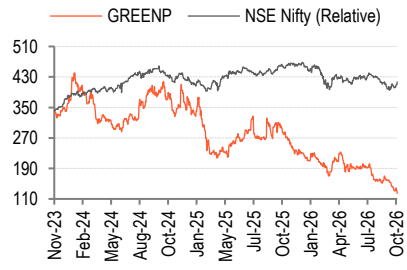
Source: NSE | Price as of 2 Nov 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	15,394	16,965	20,261
EBITDA (Rs mn)	797	1,730	2,896
Adj. net profit (Rs mn)	(291)	424	1,259
Adj. EPS (Rs)	(2.4)	3.5	10.3
Consensus EPS (Rs)	(2.4)	5.1	11.0
Adj. ROAE (%)	(2.1)	3.1	8.7
Adj. P/E (x)	(52.4)	36.0	12.1
EV/EBITDA (x)	21.2	9.6	5.4
Adj. EPS growth (%)	(146.0)	(245.6)	196.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Fig 1 – Quarterly Performance - Consolidated

Quarterly Financial Snapshot (Rs mn)										
Particulars	**Q2FY27**	**Q2FY26**	**YoY (%)**	**Q1FY27**	**QoQ (%)**	**H1FY27**	**H1FY26**	**YoY (%)**	**BOBCAPS Q1FY27E**	**Variance (%)**
Total operating income	4,117	3,960	4.0	3,498	17.7	7,615	7,242	5.2	4,178	(1.5)
Raw-Material expense	2,109	2,036	3.6	1,654	27.5	3,763	3,747	0.4	2,028	4.0
Gross Profit	2,008	1,924	4.4	1,844	8.9	3,853	3,495	10.2	2,149	(6.6)
Employee expense	409	377	8.4	404	1.1	813	748	8.7	434	(5.8)
Sales Promotion	62	59	4.0	52	17.7	114	109	5.2	84	(26.1)
Other expense	1,260	1,239	1.7	1,089	15.7	2,349	2,273	3.3	1,194	5.5
EBITDA	278	248	12.0	299	(7.2)	577	365	58.0	438	(36.6)
D&A	252	258	(2.5)	248	1.5	500	513	(2.6)	275	(8.4)
EBIT	26	(10)	(350.4)	51	(49.3)	77	(148)	(152.0)	163	(84.1)
Interest cost	66	109	(39.7)	56	17.9	122	204	(40.4)	66	(0.0)
Non-operating expense/(income)	(25)	(31)	(18.7)	(26)	(4.2)	(51)	211	(124.3)	(36)	(30.7)
PBT	(15)	(89)	(83.2)	21	(170.1)	6	(563)	(101.1)	133	(111.2)
Tax	(9)	(28)	(68.9)	9	(195.0)	0	(155)	(100.3)	34	(125.6)
Reported PAT	(6)	(61)	(89.6)	12	(151.7)	6	(407)	(101.5)	100	(106.4)
Adjusted PAT	(6)	(61)	(89.6)	12	(151.7)	6	(206)	(102.9)	100	(106.4)

As % of net revenues	**Q2FY27**	**Q2FY26**	**chg (bps)**	**Q1FY27**	**chg (bps)**	**H1FY27**	**H1FY26**	**chg (bps)**	**Bobcaps**	**variance (bps)**
Gross margin	48.8	48.6	20	52.7	(395)	50.6	48.3	233	51.4	(267)
Employee cost	9.9	9.5	40	11.6	(163)	10.7	10.3	35	10.4	(45)
Sales Promotion	1.5	1.5	(0)	1.5	0	1.5	1.5	0	2.0	(50)
Other cost	30.6	31.3	(69)	31.1	(52)	30.8	31.4	(55)	28.6	202
EBITDA margin	6.7	6.3	49	8.5	(181)	7.6	5.0	253	10.5	(373)
Tax rate	57.4	31.0	2637	42.3	1507	7.1	27.6	(2051)	25.2	3225
APAT margin	(0.2)	(1.5)	139	0.4	(51)	0.1	(2.8)	293	2.4	(254)

Source: Company, BOBCAPS Research

Fig 2 – Segment Financials

Segment Analysis	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	H1FY27	H1FY26	YoY (%)
Revenue (Rs mn)								
Plywood	399	348	14.7	332	20.3	731	662	10.3
MDF	3,718	3,612	2.9	3,166	17.4	6,885	6,579	4.6
Total	4,117	3,960	4.0	3,498	17.7	7,615	7,242	5.2
Volumes								
Plywood (mn sqm)	1.5	1.4	8.1	1.30	16.5	2.8	2.6	9.1
MDF (CBM)	1,23,000	1,26,989	(3.1)	99,747	23.3	2,22,747	2,29,085	(2.8)
Realisation								
Plywood (Rs/sq ft)	263	248	6.0	255	3.3	260	257	1.1
MDF (Rs/CBM)	29,919	27,927	7.1	31,760	(5.8)	30,908	28,720	7.6
Adjusted EBITDA (Rs mn)								
Plywood	19	16	17.5	9	109.7	3	1	92.2
MDF	259	232	11.7	290	(10.8)	55	35	56.6
Total	278	248	12.0	299	(7.2)	58	36	58.0
Adjusted EBITDA margin (%)								
Plywood	4.7	4.6	11	2.7	201	0.4	0.2	16
MDF	7.0	6.4	54	9.2	(220)	0.8	0.5	26
Total	6.7	6.3	49	8.5	(181)	0.8	0.5	25

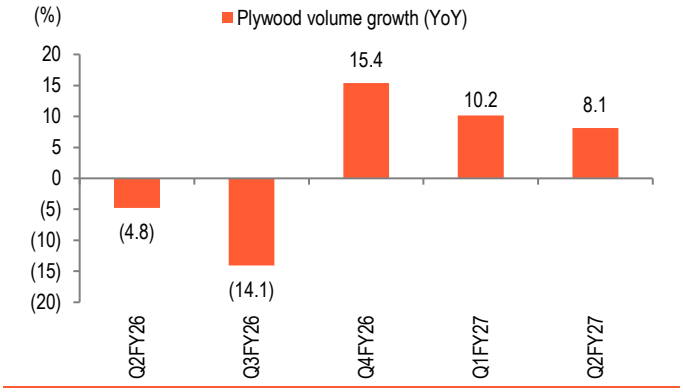
Source: Company, BOBCAPS Research

Earnings Call Highlights

- **Industry supply:** Around 0.8-0.9mn CBM of industry capacity is expected over the next two years, including Action Tesa's Visakhapatnam plant, which commenced operations in October. Management believes further price cuts are unsustainable and retains its 15–17% industry growth outlook.
- **Volumes:** Retail MDF volumes grew 17% YoY to a record, while OEM volumes remained weak, accounting for 15% of H1 domestic volumes versus 25-30% last year, following Q1 price hikes. Total MDF volumes declined 3% YoY but grew 23% QoQ. Management expects OEM recovery in H2, although visibility remains limited.
- **Exports:** Opening export order book stood at ~13,000 CBM in October, with 85% exposure to the Middle East. Container availability, rather than freight costs, remains the key constraint on execution.
- **Pricing and margins:** Domestic ASPs declined 6-7% QoQ as the company reversed Q1 price hikes amid competition. Consumption of ~50,000 CBM of high-cost opening inventory continued to weigh on margins. Production costs declined 5% QoQ, with benefits expected to flow through in H2, although chemical costs remain volatile.

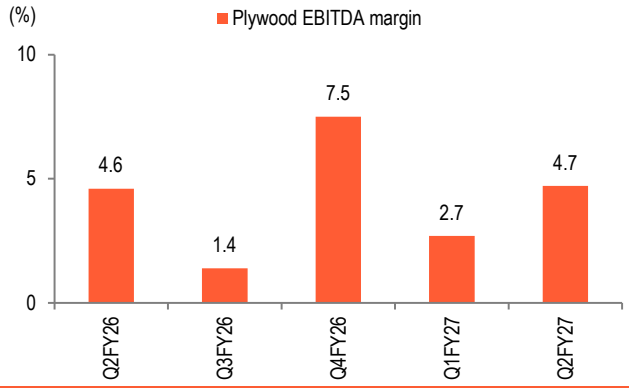
- **Guidance:** Management targets mid-teen MDF volume growth in FY27 and expects growth to reach industry levels by Q3/Q4. It aspires to double-digit MDF margins in the coming quarters and early-teens margins at industry-level volume growth; these remain targets rather than commitments.
- **Balance sheet and capacity:** Net debt declined to Rs 1.33bn from Rs 1.41bn in Q1, while the working capital cycle improved by five days. Andhra Line 3 provides sufficient capacity headroom, with no major capacity additions required. Management targets net asset turns of 1.3–1.5x at full utilisation.

Fig 3 – GREENP reported a 8% YoY plywood volumes growth in Q2FY27



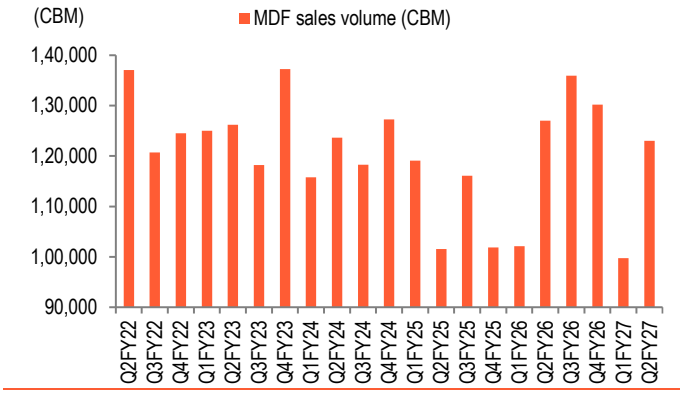
Source: Company, BOBCAPS Research

Fig 4 – Plywood segment EBITDA margin expanded by 11bps YoY to 4.7% in Q2FY27



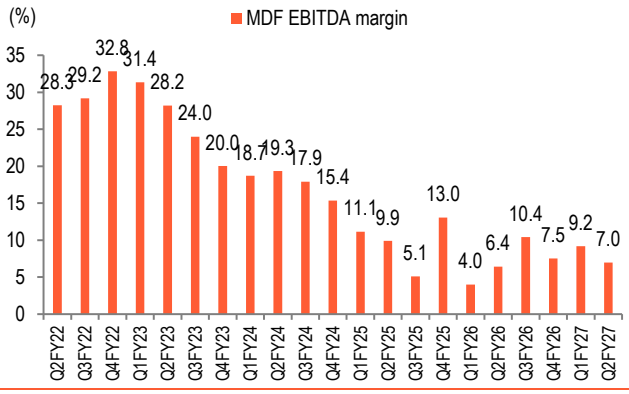
Source: Company, BOBCAPS Research

Fig 5 – MDF volumes declined 3% YoY in Q1FY27



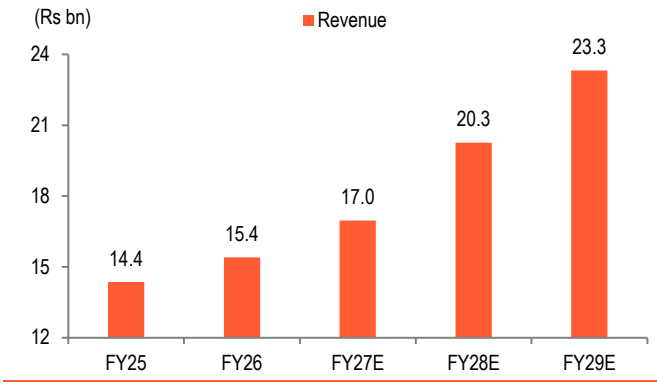
Source: Company, BOBCAPS Research

Fig 6 – … and margins expanded by 54bps YoY to 7.0% in Q2FY27



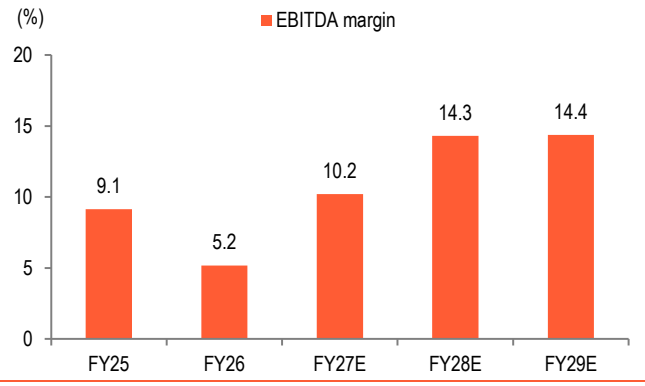
Source: Company, BOBCAPS Research

Fig 7 – Revenue is projected to grow at 14.8% CAGR over FY26-FY29E



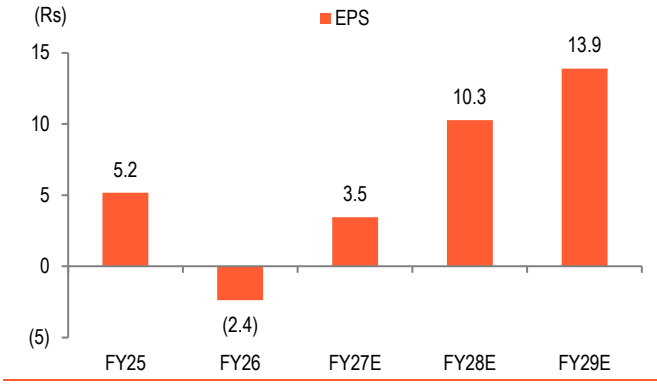
Source: Company, BOBCAPS Research

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



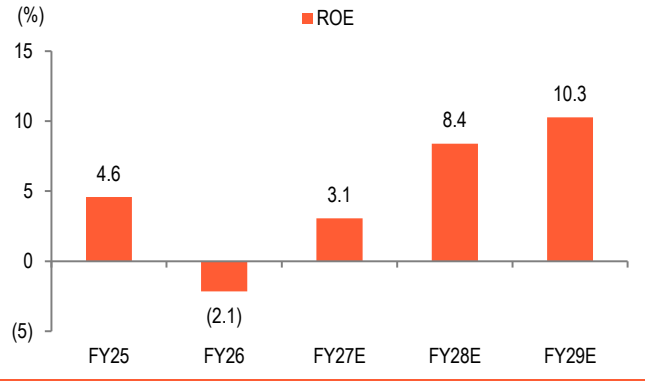
Source: Company, BOBCAPS Research

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 10.3% in FY29E

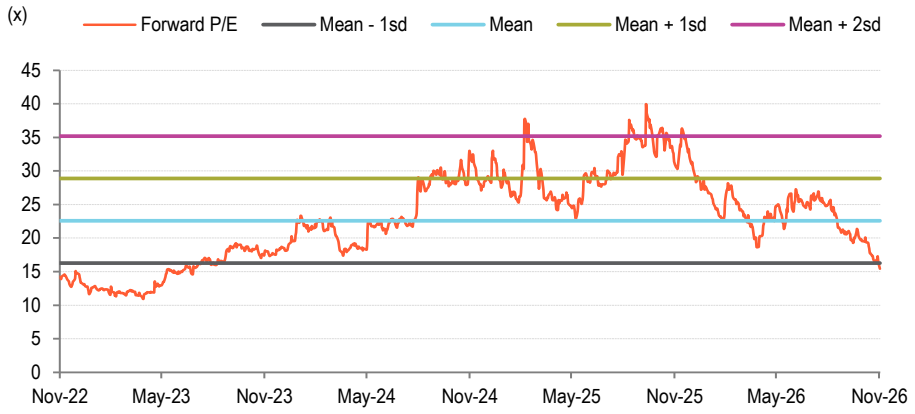


Source: Company, BOBCAPS Research

Valuation Methodology

We downgrade GREENP to HOLD from BUY and reduce our target multiple to 12x P/E from 16x on Sep'28E EPS, factoring in its sustained underperformance against peers, lower growth and margin guidance, and continued oversupply in the MDF industry. The company's focus on market-share gains, amid intense competition, has weighed on profitability, while visibility on a meaningful margin recovery remains limited. We cut FY27E-29E revenue estimates by 3-4%, EBITDA by 11-24% and PAT by 19-51%, with EBITDA margins lower by 126-275bps. We arrive at a Sep'27 TP of Rs 140 (earlier Rs 220), implying 13% upside.

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	17.0	20.3	23.3	17.6	20.8	24.3	(3.5)	(2.7)	(4.2)
EBITDA	1.7	2.9	3.4	2.3	3.2	4.1	(24.0)	(10.6)	(17.5)
EBITDA Margin	10.2	14.3	14.4	12.9	15.6	16.7	(275)	(126)	(232)
Adjusted PAT	0.4	1.3	1.7	0.9	1.5	2.3	(51)	(19)	(24.9)
EPS (Rs)	3.5	10.3	13.9	7.1	12.6	18.5	(51)	(19)	(24.9)

Source: Company, BOBCAPS Research

Fig 13 – Key assumptions

Particulars (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Revenue mix					
MDF	90.3	91.2	91.4	91.9	92.2
Plywood	9.7	8.8	8.6	8.1	7.8
Sales volume growth					
MDF	-9.6	12.9	3.0	15.0	11.9
Plywood	-14.7	-1.7	7.6	9.0	10.3
EBITDA margin					
MDF	10.2	7.5	10.8	15.0	15.0
Plywood	1.3	1.8	2.3	3.8	4.7

Source: Company, BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**14,358**	**15,394**	**16,965**	**20,261**	**23,318**
EBITDA	1,312	797	1,730	2,896	3,352
Depreciation	774	1,013	1,019	1,023	1,049
EBIT	538	(216)	711	1,873	2,303
Net interest inc./(exp.)	(67)	(367)	(247)	(290)	(128)
Other inc./(exp.)	226	145	101	100	100
Exceptional items	0	0	0	0	0
EBT	697	(438)	565	1,682	2,274
Income taxes	(24)	(146)	141	423	572
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**721**	**(291)**	**424**	**1,259**	**1,702**
Adjustments	(87)	0	0	0	0
Adjusted net profit	**634**	**(291)**	**424**	**1,259**	**1,702**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	1,028	1,178	1,330	1,589	1,828
Other current liabilities	1,021	1,038	1,038	1,038	1,038
Provisions	37	33	38	45	52
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	13,737	14,874	16,453
Shareholders' fund	13,852	13,559	13,860	14,996	16,576
Total liab. and equities	**21,359**	**20,469**	**20,627**	**21,129**	**22,055**
Cash and cash eq.	2,257	1,969	2,256	2,661	3,431
Accounts receivables	418	883	973	1,162	1,337
Inventories	1,988	1,893	2,111	2,438	2,867
Other current assets	720	1,026	1,058	1,113	1,163
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**	**20,627**	**21,129**	**22,055**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**1,220**	**1,141**	**1,507**	**2,268**	**2,471**
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)	(247)	(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)**	**(670)**	**(1,313)**	**(1,151)**
Chg in cash & cash eq.	**385**	**152**	**287**	**405**	**770**
Closing cash & cash eq.	**2,764**	**2,916**	**3,203**	**3,608**	**4,378**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	5.9	(2.4)	3.5	10.3	13.9
Adjusted EPS	5.2	(2.4)	3.5	10.3	13.9
Dividend per share	0.0	0.5	1.0	1.0	1.0
Book value per share	113.0	110.6	113.0	122.3	135.2

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	1.1	1.1	1.0	0.8	0.6
EV/EBITDA	12.4	21.2	9.6	5.4	4.2
Adjusted P/E	24.1	(52.4)	36.0	12.1	9.0
P/BV	1.1	1.1	1.1	1.0	0.9

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	90.9	66.6	75.0	74.8	74.8
Interest burden (PBT/EBIT)	129.6	203.0	79.4	89.8	98.8
EBIT margin (EBIT/Revenue)	3.7	(1.4)	4.2	9.2	9.9
Asset turnover (Rev./Avg TA)	67.2	75.2	82.2	95.9	105.7
Leverage (Avg TA/Avg Equity)	1.5	1.5	1.5	1.4	1.3
Adjusted ROAE	4.6	(2.1)	3.1	8.4	10.3

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	(8.4)	7.2	10.2	19.4	15.1
EBITDA	(46.8)	(39.2)	117.0	67.4	15.7
Adjusted EPS	(55.4)	(146.0)	(245.6)	196.9	35.2
Profitability & Return ratios (%)					
EBITDA margin	9.1	5.2	10.2	14.3	14.4
EBIT margin	3.7	(1.4)	4.2	9.2	9.9
Adjusted profit margin	4.4	(1.9)	2.5	6.2	7.3
Adjusted ROAE	4.7	(2.1)	3.1	8.7	10.8
ROCE	4.3	(0.4)	4.8	11.4	13.3
Working capital days (days)					
Receivables	11	21	21	21	21
Inventory	51	45	45	44	45
Payables	26	28	29	29	29
Ratios (x)					
Gross asset turnover	0.8	0.7	0.8	0.9	1.0
Current ratio	1.9	1.9	1.8	1.9	2.2
Net interest coverage ratio	8.1	(0.6)	2.9	6.4	17.9
Adjusted debt/equity	0.1	0.1	0.1	0.0	(0.1)

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

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Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**
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SEBI Stock Broker Registration No: **INZ000159332**
SEBI Depository Participant Registration No: **IN-DP-728-2022**
SEBI Merchant Banker Registration No: **INM000009926**
Phone: +91-22-61389300
Name of the Compliance Officer: Mr. Sameer Khobrekar
Email ID: Compliance@bobcaps.in; Phone no.: +91-22-61389358
For any queries or grievances, you may contact the Grievance Officer.
Name of the Grievance Officer: Mr. Nilesh Mehta
Email ID: head-customercare@bobcaps.in; Phone no: 92288 60945

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

BUY – Expected return >+15%

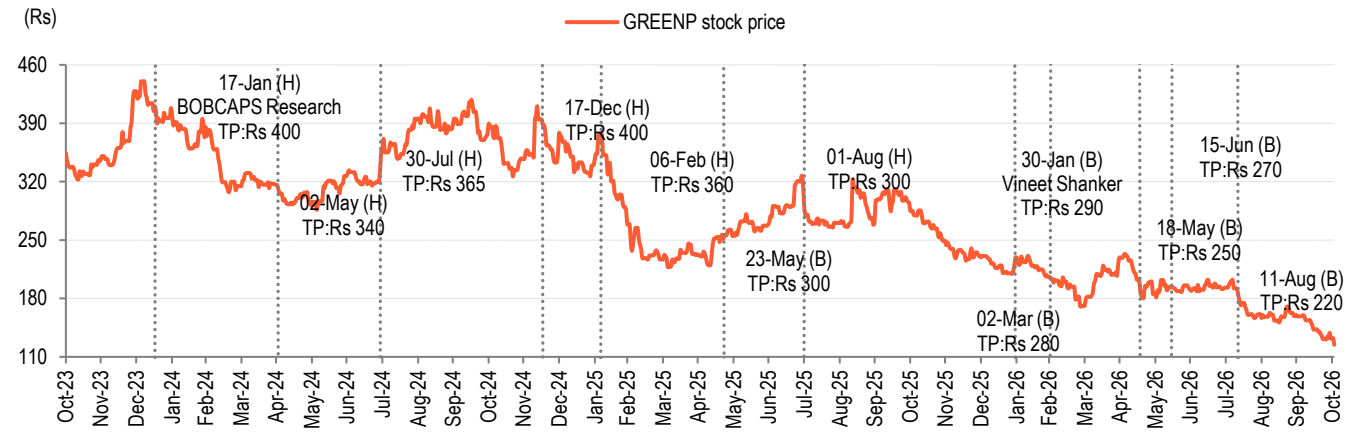
HOLD – Expected return from -6% to +15%

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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