

HOLD

TP: Rs 290 | ▲ 8%

GREENPLY INDUSTRIES | Building Materials

04 May 2026

Volume-led growth; margins expand on operating leverage

- Topline beat by ~16%, with EBITDA/APAT ahead by ~81%/~230% on strong volume-led growth and operating leverage
- Plywood/MDF revenues grew 14%/39% YoY, led by volume growth of 16%/45% YoY; realisations declined ~1%/4% YoY
- Roll forward to Mar-27 TP of Rs 290 (ascribe 20x FY28 EPS); downgrade to HOLD

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Topline beat on strong volumes; margins expand sharply on operating leverage: MTLM reported 20% YoY revenue growth (16% vs estimates), driven by robust volume growth across plywood and MDF. EBITDA outperformed (+37% YoY; +81% vs est.) with margins expanding ~152 bps YoY to 12.0%, supported by operating leverage and controlled cost growth. Consequently, adjusted PAT grew 151% YoY (+230% vs est.), aided by strong operating performance.

Volume-led growth across segments; realisations remain soft, aiding mix-led margin recovery: Plywood revenues grew 14% YoY, led by strong volumes (+16% YoY), despite a marginal decline in realisations (-1% YoY); indicating continued competitive intensity. Plywood margins improved by 120 bps YoY to 10.4%, supported by cost control. MDF outperformed, with revenues up 39% YoY, on the back of robust volumes (+45% YoY), while realisations declined (-4% YoY). Margins expanded by 200 bps YoY to 16.9%, primarily led by sharp increase in utilisation (~103% vs ~81% in Q3) and operating leverage.

Concall KTAs: Industry tailwinds remain intact with a shift towards organised players and import substitution. Growth will be led by MDF (25-30% volume) that is driven by utilisation. Plywood growth (10%) keeps margins contingent on volumes, with gradual improvement expected from H2FY27. Recent price hikes (plywood: 4-5%, MDF: 15%) should support realisations. Capex remains elevated (~Rs 4.7-4.8 bn in FY27), with D/E expected to rise to ~0.7x before moderating back to 0.5x. WPC/PVC businesses remain in the investment phase with a break-even targeted around FY28.

Downgrade to HOLD; raise TP by 4% to Rs 290: We downgrade MTLM to HOLD from BUY. While we have revised our estimates (FY27E-28E revenue/EBITDA up ~6-8%/~2-5%) on strong volume growth. We continue to factor in the growth driven by capacity expansion and utilisation improvement; though margins remain a key monitorable. We roll forward our valuation to Mar-27EPS, valuing 20x (vs 22x earlier) and arrive at TP of Rs 290.

Key changes

Target	Rating
▲	▼

Ticker/Price	MTLM IN/Rs 267
Market cap	US\$ 351.7mn
Free float	48%
3M ADV	US\$ 3.6mn
52wk high/low	Rs 352/Rs 176
Promoter/FPI/DII	52%/4%/32%

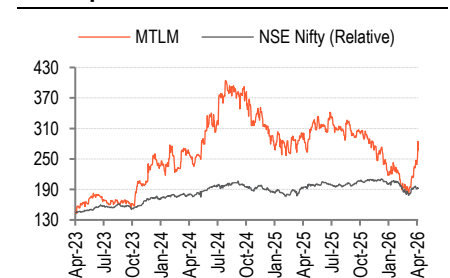
Source: NSE | Price as of 30 Apr 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	27,390	30,196	33,942
EBITDA (Rs mn)	2,705	3,355	4,004
Adj. net profit (Rs mn)	1,000	1,343	1,631
Adj. EPS (Rs)	8.0	10.8	13.1
Consensus EPS (Rs)	8.0	11.8	15.2
Adj. ROAE (%)	11.7	14.0	14.7
Adj. P/E (x)	33.4	24.9	20.5
EV/EBITDA (x)	14.0	11.9	10.3
Adj. EPS growth (%)	9.1	34.4	21.4

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly Performance - Consolidated

Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)	BOBCAPS Q4FY26E	Variance (%)
Total operating income	7,762	6,488	19.6	6,734	15.3	27,390	24,876	10.1	6,711	15.7
Raw-Material expense	4,541	3,794	19.7	4,004	13.4	16,269	14,841	9.6	4,115	10.3
Gross Profit	3,222	2,694	19.6	2,730	18.0	11,121	10,034	10.8	2,596	24.1
Employee expense	898	790	13.8	903	(0.5)	3,512	3,160	11.2	845	6.3
Other expense	1,391	1,223	13.7	1,238	12.3	4,903	4,498	9.0	1,235	12.6
EBITDA	932	681	37.0	589	58.3	2,705	2,377	13.8	516	80.7
D&A	168	150	12.4	166	1.4	646	601	7.5	170	(1.1)
EBIT	764	531	43.9	423	80.6	2,059	1,775	16.0	346	121.0
Interest cost	134	131	2.4	98	36.8	553	431	28.2	125	7.3
Non-operating expense/(income)	192	155	23.5	105	81.7	254	174	45.6	52	271.9
PBT	438	245	79.2	219	99.7	1,253	1,170	7.1	169	159.3
Tax	128	79	63.1	76	68.5	355	253	40.4	43	201.3
Reported PAT	310	166	86.7	143	116.3	898	917	(2.1)	126	145.1
Adjusted PAT	417	166	151.3	168	147.7	995	789	26.1	126	229.9
As % of net revenues			chg (bps)		chg (bps)			chg (bps)		
Gross margin	41.5	41.5	(2)	40.5	96	40.6	40.3	26		
Employee cost	11.6	12.2	(60)	13.4	(184)	12.8	12.7	12		
Other cost	17.9	18.9	(94)	18.4	(47)	17.9	18.1	(18)		
EBITDA margin	12.0	10.5	152	8.7	326	9.9	9.6	32		
Tax rate	29.3	32.1	(287)	34.7	(542)	28.3	21.6	672		
APAT margin	5.4	2.6	282	2.5	287	3.6	3.2	46		

Source: Company, BOBCAPS Research

Fig 2 – Segment financials

Particulars	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Revenue (Rs mn)								
Plywood	5,874	5,135	14.4	5,217	12.6	21,046	19,587	7.5
MDF	1,889	1,357	39.2	1,520	24.3	6,351	5,304	19.7
Volumes								
Plywood (mn sqm)	22.8	19.7	15.7	20.5	11.2	82	76	8.3
MDF (CBM)	62,021	42,688	45.3	48,383	28.2	2,03,772	1,68,224	21.1
Realization								
Plywood (Rs/sqm)	258	261	(1.2)	254	1.2	256	258	(0.8)
MDF (Rs/CBM)	30,465	31,792	(4.2)	31,418	(3.0)	31,169	31,529	(1.1)
EBITDA (Rs mn)								
Plywood	610	473	29.0	436	39.9	1,852	1,661	11.5
MDF	320	203	57.6	154	107.8	855	714	19.7
Total	932	681	37.0	589	58.3	2,705	2,377	13.8
EBITDA margin (%)								
Plywood	10.4	9.2	117bps	8.4	203bps	8.8	8.5	32bps
MDF	16.9	15.0	198bps	10.1	680bps	13.5	13.5	0bps
Total	12.0	10.5	152bps	8.7	327bps	9.9	9.5	33bps

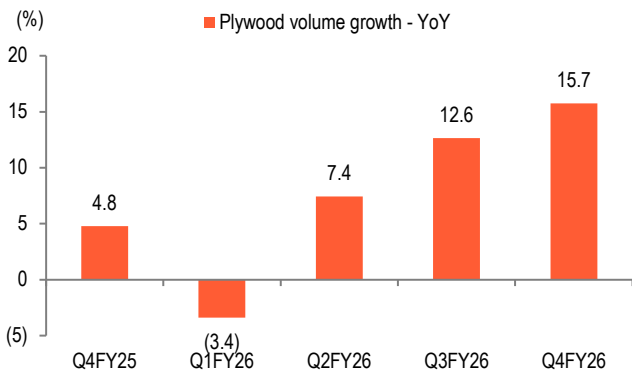
Source: Company, BOBCAPS Research

Earnings Call Highlights

- **Industry scenario:** Weak conditions in the unorganised segment, driven by raw material inflation and working capital stress, have pressured smaller players. This has led to capacity curtailments and a structural shift towards organised players. Imports have largely become unviable due to currency depreciation and elevated freight costs, while BIS implementation has curtailed low-quality/nuisance imports, improving domestic industry dynamics. However, exports remain challenging.
- **Geopolitical impact / RM:** Geopolitical disruptions led to a sharp increase in chemical costs (over 50%) and higher logistics costs, particularly impacting MDF (chemicals ~30% of RM cost). To offset this, the company has taken price hikes in Apr'26 (Plywood: 4-5%, MDF: 15%); while timber prices remained stable with a broadly flat outlook.
- **Plywood:** Plywood delivered strong volume growth (~16% YoY), supported by market share gains and improving product quality. The ongoing technology upgrades are expected to enhance cost efficiency and OEM acceptance, with benefits likely from H2FY27. Management guided for 10% volume growth, with margin sustainability contingent on maintaining this growth trajectory, given the dependence on operating leverage. Margins are expected to improve gradually from H2FY27, supported by technology-led cost efficiencies.
- **MDF:** MDF volumes grew sharply (~45% YoY), with margin expansion driven by higher utilisation and operating leverage. Realisations declined (~4% YoY), reflecting pricing pressure during the quarter. Management has taken cumulative price hikes of ~15% in Apr'26, which should support realisations and margins going forward. Management guided for 25-30% volume growth with current margin levels (~17%) are seen as sustainable.
- **Furniture fittings (Samet JV):** The JV reported sales of Rs 12.99 mn in Q4 and Rs 44.27 mn in FY26 but remained loss-making with the company's share of loss at Rs 6.5 mn (Q4) and Rs 25.4 mn (FY26), reflecting its early-stage setup and low utilisation. Management expects a meaningful ramp-up post Phase 2, with the break-even targeted around FY28, supported by domestic manufacturing, lower import dependence and improving demand.
- **WPC/PVC:** Commercial production commenced in Apr'26, with installed capacity of 6 mn kg (doors) and 3 mn kg (door frames). Management indicated a peak revenue potential of Rs 750-800 mn, which is subject to getting ramped up.
- **Impairment:** The company recognised an impairment of Rs 151.6mn pertaining to its Dubai entity, which is on the back of geopolitical factors, with no further exposure expected.
- **Capex:** The company has outlined ~Rs 4.25 bn capex for MDF expansion, with ~Rs 3.0 bn in FY27 and the balance ~Rs 1.25 bn in FY28. In addition, ~Rs 1.3 bn is being invested in the Odisha plywood plant (FY27 commissioning), along with ~Rs 0.4-0.5 bn towards plywood technology upgrades. Overall FY27, capex is estimated at ~Rs 4.7-4.8 bn.

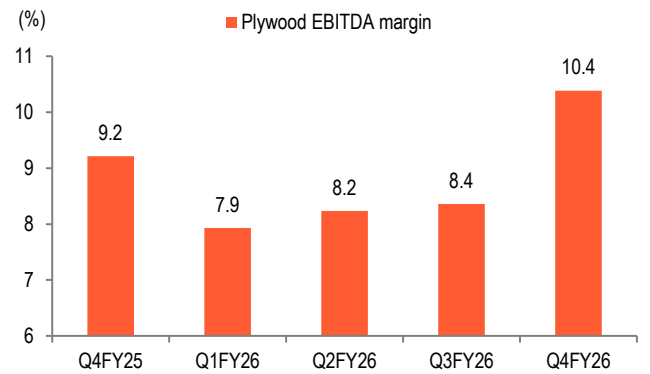
- **Working Capital:** Receivable days increased by ~3 days due to higher OEM mix, though largely secured via LC structures. Management is focused on improving efficiency.
- **Net debt:** Consolidated net debt stood at Rs 4.61bn, as of Mar'26 vs Rs 5.28bn as of Dec'25. Debt/Equity was 0.52x at the end of Q4. Management expects debt/equity to peak at around 0.7-0.72x next year because of capex, before moderating to ~0.5-0.6x thereafter.

Fig 3 – Plywood volume grew by ~16% YoY in Q4FY26



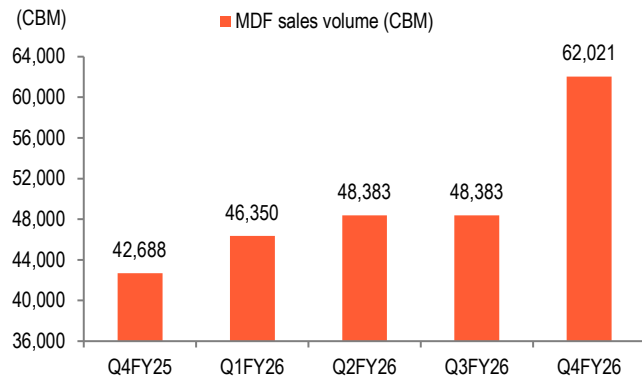
Source: Company, BOBCAPS Research

Fig 4 – Plywood EBITDA margin expanded by 120bps YoY to 10.4% in Q4FY26



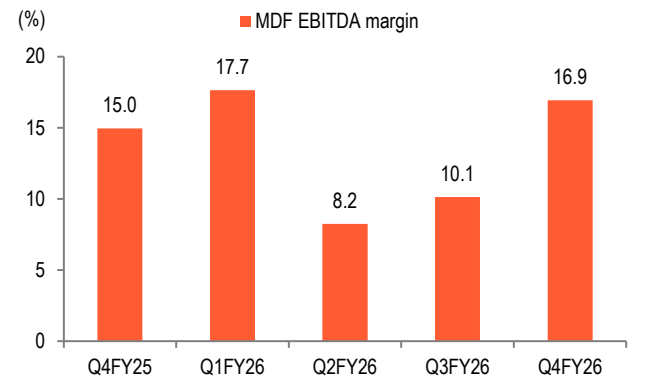
Source: Company, BOBCAPS Research

Fig 5 – MDF sales volume grew at a healthy rate of 45% YoY in Q4FY26



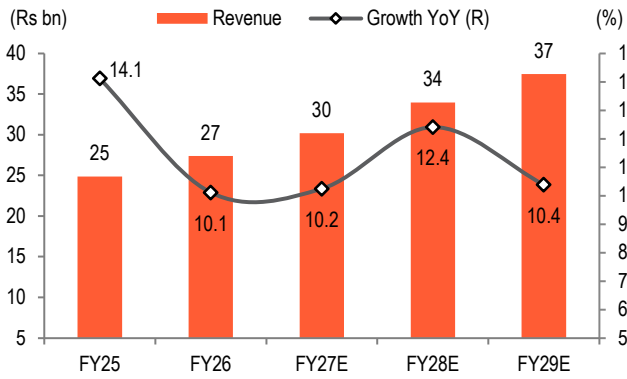
Source: Company, BOBCAPS Research

Fig 6 – MDF EBITDA margin remained flat on a YoY basis in Q4FY26



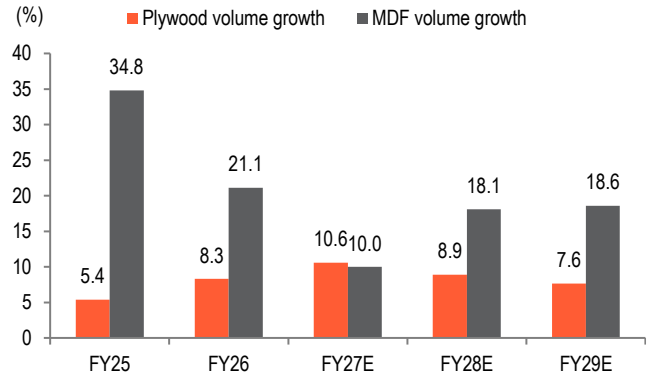
Source: Company, BOBCAPS Research

Fig 7 – MTLM revenue to grow at 11.0% CAGR over FY26-FY29E..



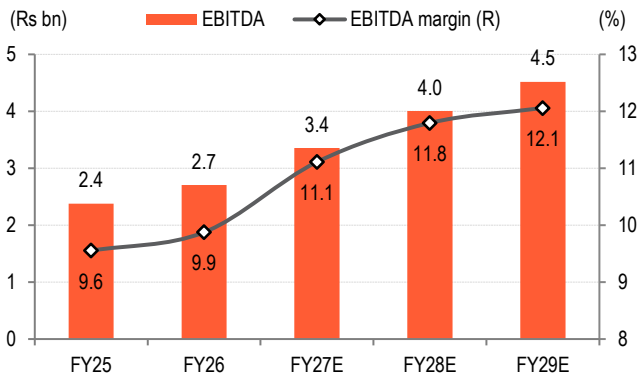
Source: Company, BOBCAPS Research

Fig 8 – ..to be driven by higher plywood and MDF sales volume



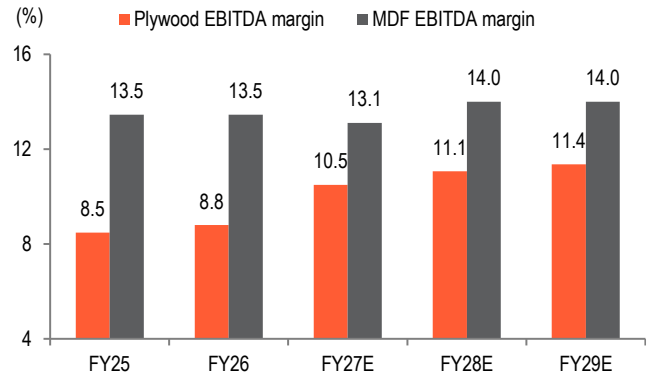
Source: Company, BOBCAPS Research

Fig 9 – MTLM EBITDA margin is forecasted to improve from 9.9% in FY26 to 12.1% in FY29E..



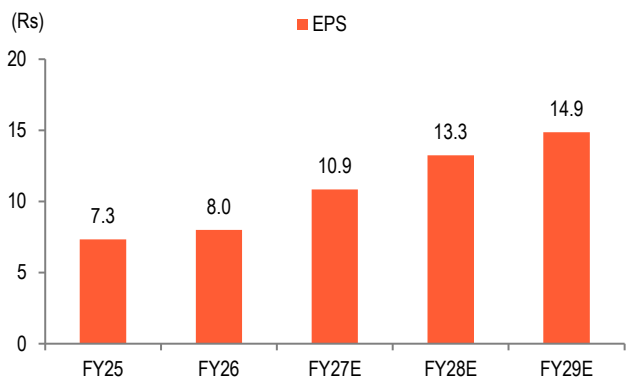
Source: Company, BOBCAPS Research

Fig 10 – ..in anticipation of margin improvement for Plywood as well as MDF segments



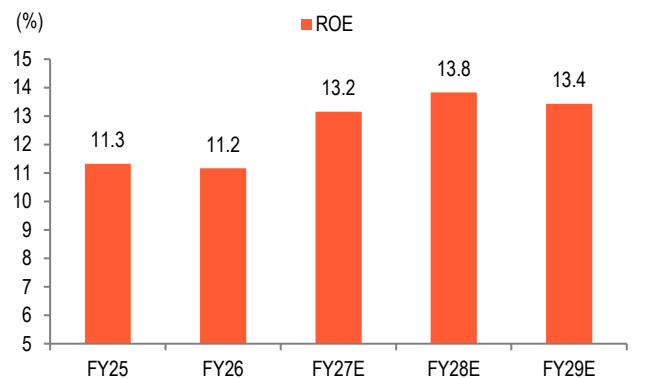
Source: Company, BOBCAPS Research

Fig 11 – MTLM's EPS is projected to grow at a strong 23% CAGR over FY26-FY29E over a low base



Source: Company, BOBCAPS Research

Fig 12 – ROE is also expected to improve from 11.2% in FY26 to 13.4% in FY29E



Source: Company, BOBCAPS Research

Valuation Methodology

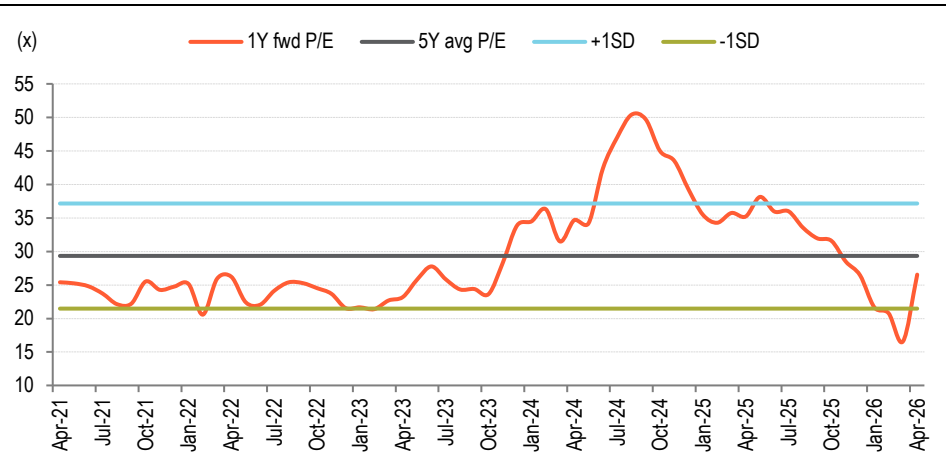
We downgrade MTLM to HOLD from BUY. While we have revised our estimates (FY27E-28E revenue/EBITDA up ~6-8%/~2-5%) on strong volume growth. We continue to factor in the growth driven by capacity expansion and utilisation improvement, though margins remain a key monitorable. We roll forward our valuation to Mar-27EPS, valuing 20x (vs 22x earlier) and arrive at TP of Rs 290.

Fig 13 – Revised estimates

Consolidated (Rs bn)	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Total operating income	30.2	33.9	37.5	28.4	31.4	NA	6.3	8.1	NA
EBITDA	3.4	4.0	4.5	3.3	3.8	NA	1.7	5.4	NA
EBITDA Margin	11.1	11.8	12.1	11.6	12.1	NA	(51)	(31)	NA
Adjusted PAT	1.4	1.7	1.9	1.4	1.6	NA	(3.1)	3.5	NA
EPS (Rs)	10.9	13.3	14.9	11.2	12.7	NA	(3.0)	4.4	NA

Source: BOBCAPS Research

Fig 14 – MTLM stock trades at 26.6x on 1YF P/E vs 5Y avg of 29.3x



Source: Bloomberg, BOBCAPS Research

Fig 15 – Key assumptions

Particulars (%)	FY25A	FY26E	FY27E	FY28E	FY29E
Revenue mix					
Plywood	78.7	76.8	76.6	75.4	73.5
MDF	21.3	23.2	23.4	24.6	26.5
Sales volume growth					
Plywood	5.4	8.3	10.6	8.9	7.6
MDF	34.8	21.1	10.0	18.1	18.6
EBITDA margin					
Plywood	8.5	8.8	10.5	11.1	11.4
MDF	13.5	13.5	13.1	14.0	14.0

Source: Company, BOBCAPS Research

Key Risks

Key upside/downside risks to our estimates:

- Sharp recovery in plywood demand & MDF prices and a quick turnaround of furniture hardware JV business are key upside risks.
- Muted plywood demand, weak domestic MDF prices and elevated timber prices are key downside risks.

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	24,876	27,390	30,196	33,942	37,466
EBITDA	2,377	2,705	3,355	4,004	4,517
Depreciation	601	646	703	824	873
EBIT	1,775	2,059	2,652	3,180	3,644
Net interest inc./(exp.)	(431)	(553)	(726)	(913)	(908)
Other inc./(exp.)	165	186	105	105	105
Exceptional items	0	0	0	0	0
EBT	1,509	1,692	2,030	2,372	2,841
Income taxes	253	355	452	600	938
Extraordinary items	0	146	0	0	0
Min. int./Inc. from assoc.	(340)	(297)	(235)	(141)	(71)
Reported net profit	916	895	1,343	1,631	1,832
Adjustments	0	104	0	0	0
Adjusted net profit	916	1,000	1,343	1,631	1,832

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	5,354	4,522	4,985	5,604	6,185
Other current liabilities	890	966	966	966	966
Provisions	34	5	6	7	7
Debt funds	4,883	4,892	8,314	8,279	8,233
Other liabilities	272	278	278	278	278
Equity capital	125	125	125	125	125
Reserves & surplus	7,962	8,823	10,167	11,798	13,630
Shareholders' fund	8,089	8,954	10,297	11,928	13,760
Total liab. and equities	19,522	19,617	24,847	27,061	29,430
Cash and cash eq.	247	279	76	752	1,778
Accounts receivables	3,233	4,070	4,487	5,044	5,567
Inventories	5,179	3,644	4,800	5,522	6,135
Other current assets	574	617	680	765	844
Investments	673	546	546	546	546
Net fixed assets	8,007	8,555	12,351	12,527	12,654
CWIP	442	501	501	501	501
Intangible assets	561	520	520	520	520
Deferred tax assets, net	178	139	139	139	139
Other assets	429	746	746	746	746
Total assets	19,522	19,617	24,847	27,061	29,430

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	1,815	1,953	1,496	2,519	2,874
Capital expenditures	(771)	(1,572)	(4,500)	(1,000)	(1,000)
Change in investments	0	0	0	0	0
Other investing cash flows	21	4	105	105	105
Cash flow from investing	(750)	(1,568)	(4,395)	(895)	(895)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(375)	(141)	3,423	(36)	(46)
Interest expenses	(401)	(523)	(726)	(913)	(908)
Dividends paid	(62)	(62)	0	0	0
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(838)	(726)	2,697	(948)	(954)
Chg in cash & cash eq.	228	(341)	(203)	676	1,026
Closing cash & cash eq.	452	111	(92)	584	1,610

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	7.3	7.2	10.8	13.1	14.7
Adjusted EPS	7.3	8.0	10.8	13.1	14.7
Dividend per share	0.5	0.0	0.0	0.0	0.0
Book value per share	64.8	71.6	82.4	95.5	110.1

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	1.5	1.4	1.3	1.2	1.1
EV/EBITDA	16.1	14.0	11.9	10.3	8.9
Adjusted P/E	36.4	33.4	24.9	20.5	18.2
P/BV	4.1	3.7	3.2	2.8	2.4

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	60.7	59.1	66.2	68.8	64.5
Interest burden (PBT/EBIT)	85.0	82.2	76.6	74.6	78.0
EBIT margin (EBIT/Revenue)	7.1	7.5	8.8	9.4	9.7
Asset turnover (Rev./Avg TA)	127.4	139.6	121.5	125.4	127.3
Leverage (Avg TA/Avg Equity)	2.4	2.2	2.4	2.3	2.1
Adjusted ROAE	11.3	11.2	13.0	13.7	13.3

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	14.1	10.1	10.2	12.4	10.4
EBITDA	26.8	13.8	24.0	19.3	12.8
Adjusted EPS	19.9	9.1	34.4	21.4	12.3
Profitability & Return ratios (%)					
EBITDA margin	9.6	9.9	11.1	11.8	12.1
EBIT margin	7.1	7.5	8.8	9.4	9.7
Adjusted profit margin	3.7	3.7	4.4	4.8	4.9
Adjusted ROAE	12.1	11.7	14.0	14.7	14.3
ROCE	15.0	16.2	14.8	16.3	17.0
Working capital days (days)					
Receivables	47	54	54	54	54
Inventory	76	49	58	59	60
Payables	79	60	60	60	60
Ratios (x)					
Gross asset turnover	2.4	2.4	2.1	2.0	2.1
Current ratio	1.2	1.3	1.4	1.5	1.6
Net interest coverage ratio	4.1	3.7	3.7	3.5	4.0
Adjusted debt/equity	0.6	0.5	0.8	0.6	0.5

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

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Brand Name: **BOBCAPS**

Website: <https://www.bobcaps.in/>

CIN: **U65999MH1996GOI098009**



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Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

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

BUY – Expected return >+15%

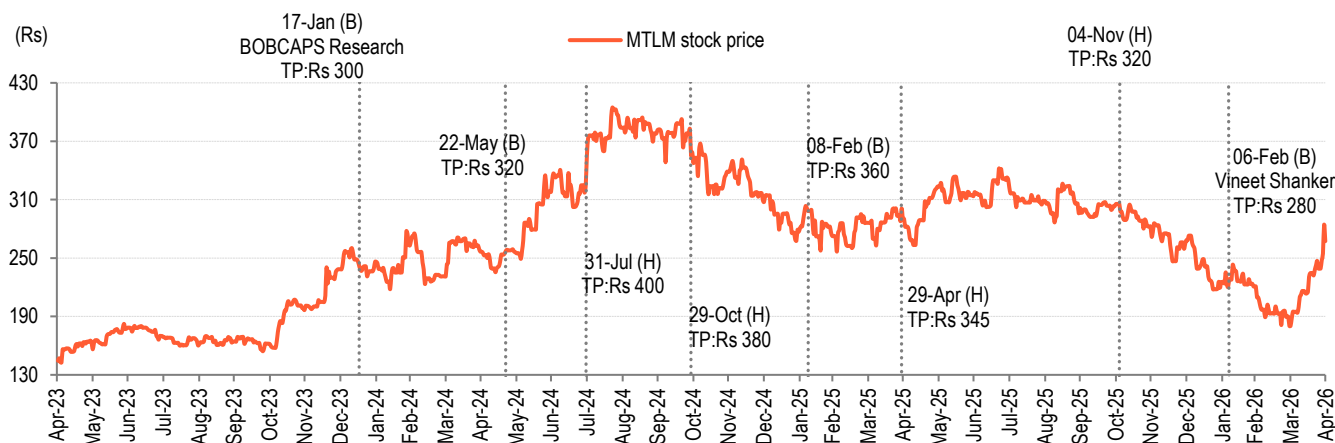
HOLD – Expected return from -6% to +15%

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): GREENPLY INDUSTRIES (MTLM IN)



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

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