

Greenply Industries | BUY

Focus on volume-led growth ahead

We recently interacted with the management of Greenply Industries to gauge the business outlook. Key highlights include: (1) The management remains confident of delivering double-digit volume growth and +16% margin in MDF in 2H, while targeting ~10% volume growth and improved margin in plywood vs. 1H; (2) Increased strategic thrust on the mid-economy segment to deepen market penetration and support volume-led growth; (3) Raw material costs are expected to stabilise from 3QFY26; (4) Strong focus on scaling the Greenply-Samet JV, with revenue guidance of ~INR 250mn–300mn in 2H, ~INR 1bn in FY27 and INR 1.5bn–2bn in FY28; and (5) Capex guidance of INR 1.5bn–1.6bn in FY26 (including the JV investment). We retain our BUY rating with a target price of INR 370/sh, based on 23x Dec'27E P/E.

- **Reiterated focus on volume-led growth and margin recovery:** The management remains confident of delivering double-digit YoY volume growth in plywood, supported by healthy demand trends and cost efficiencies, which should aid a sequential margin improvement in 2H vs. 1H. In MDF, the company has ramped up capacity by 25% to 1,000cbm in 2Q, reinforcing its advantage as the only MDF manufacturer in the western region. This expanded capacity underpins its ambition of achieving high double-digit volume growth in FY26 and 16%+ margin in 2H. Additionally, implementation of BIS norms has already started yielding benefits with significant reduction in imports. The company is also increasing its mix of value-added products to lift profitability, with a medium-term EBITDA margin aspiration of ~14–15%. The combination of scale-up in MDF, improving product mix and regional exclusivity positions the company for sustained earnings momentum ahead.
- **Strategic shift to broaden market reach and enhance efficiencies:** Greenply is recalibrating its portfolio strategy by supplementing its premium positioning with increasing focus on the mid-economy segment to drive deeper market penetration and support volume-led growth. Additionally, with the consultant's onboarding, the company has strengthened its backend processes and launched several new initiatives to enhance sales management. Operationally, it is in the process of debottlenecking existing plywood capacity to strengthen productivity and cost efficiencies. The company continues to prioritise scale-up in MDF and is exploring adjacencies in furniture and fittings—areas with higher value-accretion potential.
- **Scaling up JV operations:** Greenply is sharpening its focus on the fast-growing furniture & fittings market, estimated at ~INR 20bn and growing at 13–14% CAGR, aiming to tap into a largely underpenetrated segment. The Greenply-Samet JV posted 2Q revenue of INR 113mn with a net loss of INR 59mn; the current monthly run-rate is ~INR 40mn, with the management targeting ~INR 50mn in 2H. For 2HFY26, the JV is expected to deliver ~INR 250mn–300mn in revenue, scaling up to ~INR 1bn in FY27 and INR 1.5bn–2bn in FY28.
- **Capex guidance remains at INR 1.5bn–1.6bn for FY26** (including the investment in JV), largely toward line balancing in plywood and construction at the Odisha facility. Net debt has declined by INR 270mn QoQ to INR 5.1bn as of Sep'25. The management expects net debt to reduce further with liquidation of excess inventory from 3Q. The management remains confident of maintaining net debt to equity ratio ~0.5x despite further capex in 2HFY26.



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	370
Upside/(Downside)	31.0%
Previous Price Target	370
Change	0.0%

Key Data – MTLM IN

Current Market Price	INR282
Market cap (bn)	INR35.3/US\$0.4
Free Float	48%
Shares in issue (mn)	122.8
Diluted share (mn)	122.8
3-mon avg daily val (mn)	INR31.6/US\$0.4
52-week range	356/229
Sensex/Nifty	85,707/26,203
INR/US\$	89.5

Price Performance

%	1M	6M	12M
Absolute	-6.1	-11.8	-15.7
Relative*	-7.2	-16.4	-22.3

* To the BSE Sensex

Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	21,799	24,876	26,275	28,556	30,974
Sales Growth (%)	31.1	14.1	5.6	8.7	8.5
EBITDA	1,867	2,377	2,556	3,028	3,535
EBITDA Margin (%)	8.6	9.6	9.7	10.6	11.4
Adjusted Net Profit	764	917	1,046	1,591	2,137
Diluted EPS (INR)	6.2	7.5	8.5	13.0	17.4
Diluted EPS Growth (%)	-35.5	20.0	14.0	52.2	34.3
ROIC (%)	7.7	12.6	11.4	13.4	15.3
ROE (%)	11.3	12.1	12.2	16.1	18.4
P/E (x)	45.3	37.8	33.1	21.8	16.2
P/B (x)	4.9	4.3	3.8	3.3	2.7
EV/EBITDA (x)	21.3	16.5	15.4	12.8	10.6
Dividend Yield (%)	0.2	0.2	0.3	0.3	0.3

Source: Company data, JM Financial. Note: Valuations as of 28/Nov/2025

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

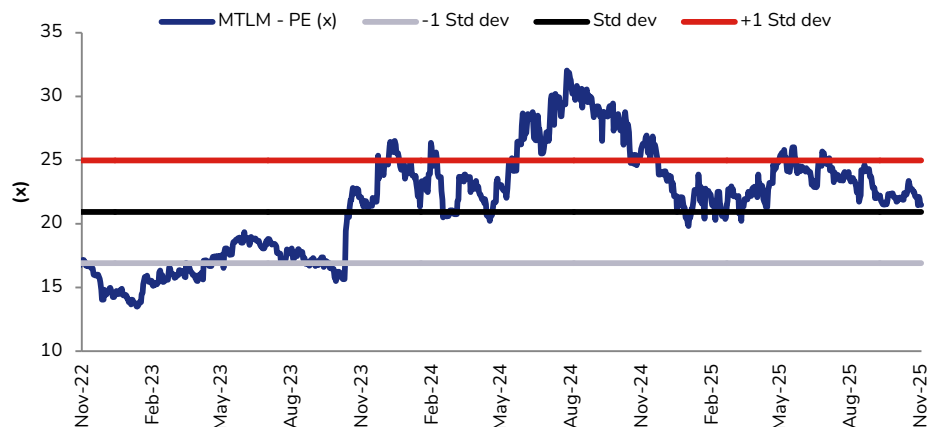
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Exhibit 1. Quarterly analysis – Consolidated

INR mn	2QFY26	2QFY25	YoY (%)	1QFY26	QoQ (%)	1HFY26	1HFY25	YoY (%)
Net Sales	6,886	6,405	7.5	6,008	14.6	12,894	12,244	5.3
Raw Material Cost	4,287	3,904	9.8	3,438	24.7	7,725	7,364	4.9
Gross Profit	2,599	2,501	3.9	2,570	1.1	5,169	4,879	5.9
Gross Margin (%)	37.7	39.1		42.8		40.1	39.9	
Employee cost	900	825	9.0	811	11.0	1,711	1,559	9.7
Other expenses	1,132	1,100	2.9	1,143	(1.0)	2,275	2,165	5.1
Total Expenditure	6,318	5,829	8.4	5,392	17.2	11,710	11,088	5.6
EBITDA	568	576	(1.5)	616	(7.9)	1,184	1,155	2.5
EBITDA Margin (%)	8.2	9.0		10.3		9.2	9.4	
Depreciation	158	151	5.0	154	3.0	312	301	3.8
EBIT	409	425	(3.8)	462	(11.5)	872	855	2.0
Other Income	18	20	(11.5)	105	(83.3)	122	77	58.2
PBIT	427	445	(4.1)	567	(24.7)	994	932	6.6
Interest	135	145	(6.7)	185	(27.1)	320	249	28.7
Exceptional exp/(income)	-	-	NA	(71)	NA	(71)	-	
PBT	292	301	(2.9)	453	(35.6)	745	683	9.1
Tax Expense	73	81	(9.3)	77	(5.1)	150	86	74.9
Tax Rate (%)	25.1	26.9		17.0		20.2	12.6	
Share of profit in Associate	(59)	(44)	NA	(91)	NA	(150)	(90)	NA
Reported Net Profit	160	176	(9.0)	285	(43.8)	444	508	(12.4)
Adjusted Net Profit	160	176	(9.0)	213	(25.1)	373	508	(26.5)
Adj. EPS (INR)	1.3	1.4	(9.0)	1.7	(25.1)	3.0	4.1	(26.5)

Source: Company, JM Financial

Exhibit 2. One-year forward P/E



Source: Bloomberg, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	21,799	24,876	26,275	28,556	30,974
Sales Growth	31.1%	14.1%	5.6%	8.7%	8.5%
Other Operating Income	0	0	0	0	0
Total Revenue	21,799	24,876	26,275	28,556	30,974
Cost of Goods Sold/Op. Exp	13,156	14,841	15,579	16,859	18,043
Personnel Cost	2,791	3,160	3,400	3,698	4,043
Other Expenses	3,985	4,498	4,740	4,970	5,353
EBITDA	1,867	2,377	2,556	3,028	3,535
EBITDA Margin	8.6%	9.6%	9.7%	10.6%	11.4%
EBITDA Growth	21.1%	27.3%	7.5%	18.5%	16.7%
Depn. & Amort.	545	601	651	686	709
EBIT	1,322	1,775	1,904	2,343	2,826
Other Income	139	165	182	185	189
Finance Cost	433	431	374	301	252
PBT before Excep. & Forex	1,027	1,509	1,712	2,227	2,763
Excep. & Forex Inc/Loss(-)	0	0	0	0	0
PBT	1,027	1,509	1,712	2,227	2,763
Taxes	297	237	429	517	626
Extraordinary Inc./Loss(-)	127	0	71	0	0
Assoc. Profit/Min. Int.(-)	-13	-339	-237	-119	0
Reported Net Profit	843	933	1,117	1,591	2,137
Adjusted Net Profit	764	917	1,046	1,591	2,137
Net Margin	3.5%	3.7%	4.0%	5.6%	6.9%
Diluted Share Cap. (mn)	122.8	122.8	122.8	122.8	122.8
Diluted EPS (INR)	6.2	7.5	8.5	13.0	17.4
Diluted EPS Growth	-35.5%	20.0%	14.0%	52.2%	34.3%
Total Dividend + Tax	61	61	92	92	92
Dividend Per Share (INR)	0.5	0.5	0.8	0.8	0.8

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	7,094	8,086	9,111	10,610	12,655
Share Capital	124	125	125	125	125
Reserves & Surplus	6,970	7,962	8,986	10,485	12,530
Preference Share Capital	0	0	0	0	0
Minority Interest	0	3	0	0	0
Total Loans	5,246	4,883	4,883	4,883	4,883
Def. Tax Liab. / Assets (-)	9	11	11	11	11
Total - Equity & Liab.	12,349	12,982	14,005	15,504	17,549
Net Fixed Assets	8,774	9,009	9,958	10,772	11,564
Gross Fixed Assets	11,160	11,679	13,671	15,171	16,671
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	2,510	3,111	3,763	4,449	5,157
Capital WIP	124	442	50	50	50
Investments	381	673	713	753	793
Current Assets	7,430	9,840	9,707	10,817	12,515
Inventories	3,478	5,179	4,895	5,164	5,601
Sundry Debtors	2,490	3,233	3,239	3,286	3,394
Cash & Bank Balances	224	247	274	938	1,947
Loans & Advances	1,239	1,181	1,300	1,430	1,572
Other Current Assets	0	0	0	0	0
Current Liab. & Prov.	4,237	6,540	6,374	6,839	7,323
Current Liabilities	3,329	5,354	5,399	5,789	6,195
Provisions & Others	908	1,185	975	1,049	1,128
Net Current Assets	3,193	3,300	3,334	3,979	5,192
Total - Assets	12,349	12,982	14,005	15,504	17,549

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	1,027	1,509	1,712	2,227	2,763
Depn. & Amort.	636	601	651	686	709
Net Interest Exp. / Inc. (-)	653	408	192	116	63
Inc (-) / Dec in WCap.	349	-133	-7	20	-205
Others	-1,180	435	-166	-119	0
Taxes Paid	-376	-634	-429	-517	-626
Operating Cash Flow	1,109	2,187	1,954	2,413	2,704
Capex	-1,337	-777	-1,600	-1,500	-1,500
Free Cash Flow	-228	1,410	354	913	1,204
Inc (-) / Dec in Investments	-167	-636	-40	-40	-40
Others	77	77	182	185	189
Investing Cash Flow	-1,427	-1,336	-1,459	-1,355	-1,351
Inc / Dec (-) in Capital	24	63	-3	0	0
Dividend + Tax thereon	-62	-62	-92	-92	-92
Inc / Dec (-) in Loans	1,958	-375	0	0	0
Others	-1,450	-455	-374	-301	-252
Financing Cash Flow	471	-829	-469	-393	-344
Inc / Dec (-) in Cash	153	22	27	665	1,009
Opening Cash Balance	72	224	247	274	938
Closing Cash Balance	224	247	274	938	1,947

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	3.5%	3.7%	4.0%	5.6%	6.9%
Asset Turnover (x)	1.7	2.0	1.9	1.9	1.9
Leverage Factor (x)	1.9	1.7	1.6	1.5	1.4
RoE	11.3%	12.1%	12.2%	16.1%	18.4%

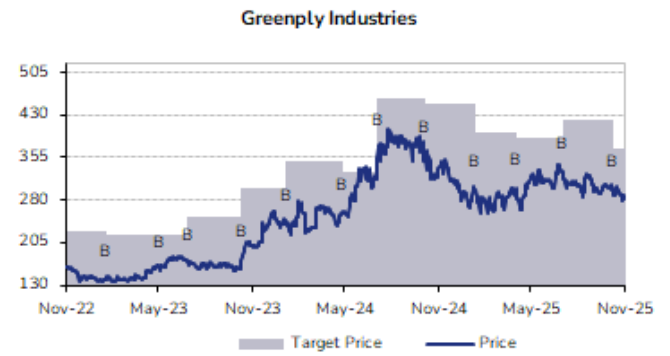
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	57.7	65.8	74.2	86.4	103.0
ROIC	7.7%	12.6%	11.4%	13.4%	15.3%
ROE	11.3%	12.1%	12.2%	16.1%	18.4%
Net Debt/Equity (x)	0.7	0.6	0.5	0.4	0.2
P/E (x)	45.3	37.8	33.1	21.8	16.2
P/B (x)	4.9	4.3	3.8	3.3	2.7
EV/EBITDA (x)	21.3	16.5	15.4	12.8	10.6
EV/Sales (x)	1.8	1.6	1.5	1.4	1.2
Debtor days	42	47	45	42	40
Inventory days	58	76	68	66	66
Creditor days	61	87	83	83	82

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
6-Aug-21	Buy	240	
11-Nov-21	Buy	270	12.5
13-Dec-21	Buy	275	1.9
15-Feb-22	Buy	260	-5.5
7-Mar-22	Buy	260	0.0
22-Apr-22	Buy	260	0.0
17-May-22	Buy	250	-3.8
9-Nov-22	Buy	224	-10.4
13-Feb-23	Buy	220	-1.8
31-May-23	Buy	220	0.0
25-Jul-23	Buy	250	13.6
7-Nov-23	Buy	300	20.0
2-Feb-24	Buy	350	16.7
23-May-24	Buy	330	-5.7
1-Aug-24	Buy	460	39.4
30-Oct-24	Buy	450	-2.2
7-Feb-25	Buy	400	-11.1
29-Apr-25	Buy	390	-2.5
30-Jul-25	Buy	420	7.7
5-Nov-25	Buy	370	-11.9

Recommendation History



APPENDIX I

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return \geq 15% over the next twelve months.
ADD	Expected return \geq 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return \geq -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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