

June 1, 2026

**Healthy Outlook ahead!**

**About the stock:** Greenlam Industries manufactures a wide range of products spanning Laminate, particleboard, plywood, decorative veneer, engineered wooden floors & Doors for customers in over 120 countries.

- It is India's leading global laminate manufacturer, with 17.8% market share in organised laminate market and >29% share in laminate exports.

**Q4FY26 Performance:** Greenlam's consolidated topline for Q4FY25 stood at ₹857.7 crore, up 25.8% YoY. Laminate revenues at ₹658.5 crore, was up 14.4% YoY, driven by a 4.5% YoY volume growth to ~5.1 million sheets and an 11.7% increase in realization to ₹1,243/sheet. The Plywood & Allied segment revenue stood at ₹119.3 crore, up 17.9% YoY, with volumes up 43.5% YoY to ~2.2 MSM. Meanwhile, the Panel & Allied segment recorded revenue of ₹79.8 crore with a volume of 38,799 CBM, though realization dipped by 2.8% to ₹20,562/CBM. Consolidated EBITDA stood at ₹108.2 crore, with EBITDA margins at 12.6% (up ~323 bps YoY) as the laminate margins were at 18.1% (up ~440 bps YoY) whereas plywood segment reported EBITDA loss of ₹4.8 crore (vs. ₹3.2 crore loss in base). The company reported PAT of ₹40.5 crore. For FY26, revenue from operations stood at ₹3046.1 crore, up 18.6% YoY. EBITDA margin stood at 10.7% flat YoY. PAT stood at ₹56 crore, down 18.1% YoY.

**Key Investment Thesis**

- Healthy growth ahead, led by higher utilisation of Plywood/Chipboard and stable Laminates:** For FY27, management guided for 18-20% overall revenue growth, with laminates revenue is projected to grow by 10-12%. We expect overall topline to grow at 15.5% CAGR over FY26-28E to ₹4072 crore, driven by steady Laminates and inching up of capacity utilisations for Plywood and Chipboard, segment.
- Breakeven in Plywood and Particleboard to improve margins further:** Supported by capacity expansions, the particle board segment is expected to reach EBITDA breakeven by Q1FY27, followed by plywood in H2FY27. Consequently, we expect EBITDA margins of ~12.5%/14% in FY27 & FY28, respectively vs 10.9% in FY26. We expect earnings CAGR of ~116% over FY26-FY28E on a low base, largely led by volumes recovery and margins improvement across all the segments.

**Rating and Target Price**

- Given the strong earnings growth, we expect return ratios of Greenlam to reach a respectable mid teen levels from single digits currently.
- We maintain BUY rating with target of ₹310(30x FY28 P/E).

**Key Financial Summary**

(₹ Crore)	FY24	FY25	FY26	5 year CAGR (FY21-26)	FY27E	FY28E	2 year CAGR FY26-28E)
Operating Revenues	2,306	2,569	3,054	20.6%	3,550	4,072	15.5%
EBITDA	295	275	333	13.9%	445	572	31.1%
EBITDA Margin (%)	12.8	10.7	10.9		12.5	14.0	
PAT	138	70	56	-5.3%	162	262	116.0%
EPS (₹)	5.4	2.7	2.2		6.4	10.3	
P/E (x)	42.4	84.2	104.4		36.2	22.4	
RoCE (%)	9.9	7.1	7.9		12.3	16.1	
RoNW (%)	12.9	6.2	4.8		12.3	17.0	

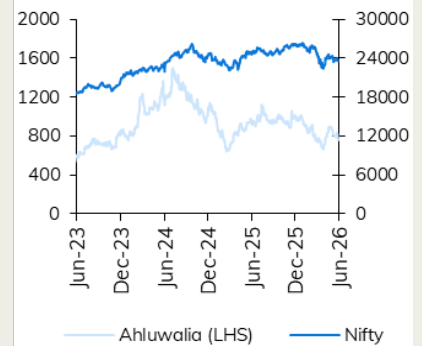
Source: Company, ICICI Direct Research

**Particulars**

(₹ Crore)	Amount
Market Capitalisation	5,894
Debt (FY26)	1,055
Cash (FY26)	115
EV	6,825
52 week H/L (₹)	279 / 198
Equity Capital	25.5
Face Value (₹)	1

**Shareholding pattern**

	Jun-25	Sep-25	Dec-24	Mar-26
Promoters	51.0	51.0	51.0	51.0
FII	1.8	1.7	1.7	1.8
DII	15.2	14.6	14.6	14.0
Other	32.1	32.7	32.7	33.3

**Price Chart****Key risks**

- Slower than expected ramp up in new segment impacting margins.
- Impact on Laminate Exports amid Geopolitical uncertainties.

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## Performance highlights and outlook

- **Guidance:** For FY27, management guides for 18-20% overall revenue growth, with operating margins holding steady at 13-14%. **Among the major segment, laminates revenue is projected to grow by 10-12% with margins expected to remain stable near ~16-17% range.**
- **Laminates and Allied Segment:** The laminates segment reported Q4 revenue of ₹658.5 crore (up 14.4% YoY), with EBITDA margins expanding ~440 bps YoY to 18.1% on 79% capacity utilization. Sales volumes grew 4.5% YoY to 5.15 million sheets, while overall realizations improved 11.7% YoY. This realization growth was driven by a favourable domestic product mix, export mix optimization, and rupee depreciation. On the cost front, raw materials comprise 60-65% craft and design paper and 30-35% chemicals.
- **Particleboard Segment:** The segment's Q4FY26 revenue grew 47.3% QoQ to ₹79.8 crore, driven by capacity utilization rising to ~49% (up from 24% in Q4FY25). Despite sequential gains, it posted a Q4 EBITDA loss of ₹6.5 crore. **Management targets utilization of 65-70% in FY27 and 80-85% in FY28**, with EBITDA breakeven expected by Q1FY27. While average realizations rose 10% QoQ to ~₹20,500/CBM due to a higher share of value-added products, they are projected to reach ₹23,000-24,000/CBM at full capacity. This recovery will be anchored by the recent launch of High Moisture Resistance (HMR) grade products, which command a ~50% premium over standard offerings and are expected to drive margins to 20-25%.
- **Plywood Segment:** The plywood segment's **Q4FY26 revenue rose 17.9% YoY to ₹119.3 crore, though profitability remained under pressure with an EBITDA loss of ₹13.6 crore.** Currently in its ramp-up phase, the segment saw capacity utilization improve to 43% in Q4 (up from 31% in Q3FY25). Management targets ~50% utilization and EBITDA breakeven by H2FY27. Despite a 5-6% price hike, average realizations declined sequentially from Q3 to Q4 due to a product mix shift following a new category launch, rather than base price reductions. **Management targets utilization of 55-56% in FY27 and 70% in FY28, with EBITDA breakeven expected by H2FY27**
- **Price Hikes:** To offset surging raw material costs, the company implemented successive price hikes on April 1 and May 1. **Across categories, laminate prices rose 12-15% domestically and 4-5% in export markets, while particle board increased by 15%, plywood by 5-6%, and veneer by 4-5%.** Increased ocean freight costs continue to be passed entirely to customers. Management noted these hikes are inflation-driven and may not hold full-year if input costs soften; in that scenario, the company plans to pass benefits back to customers via price reductions or promotional schemes.
- **Exports Commentary:** **Exports remained a key growth driver for the laminates segment in FY26, contributing 54% of segment value and 42% of volumes.** While Europe and the US account for the majority of exports, **the Middle East contributes 5-6%.** Despite geopolitical disruptions in the Middle East, the company continues to service export markets through alternate shipping routes. **Management expects export volumes to grow 4-5% going forward.** Furthermore, a natural hedge from export receivables largely offsets foreign currency liabilities, mitigating long-term currency risks.
- **Input Costs:** During Q4, timber and decorative paper costs remained stable, while chemical raw materials continued to moderate from their peak levels. Phenol spot prices corrected to ~₹130 from a peak of ~₹190 (compared to a pre-crisis baseline of ₹80-90), and Melamine normalized to the ₹120-140 range after a supply crisis spike to ₹170-190 (compared

to ~₹80 pre-crisis). Similarly, Methanol traded down to near ₹135, recovering from its crisis highs of ₹160-180.

- **Capex:** For FY27, the company **plans a ₹125 crore capex, prioritizing the laminates business with a ₹75 crore expansion allocation and dedicating ₹50 crore to routine capex.**
- **Working Capital:** Working capital improved meaningfully to 51 days in Q4FY26, a reduction of 4 days YoY.
- **Debt:** The company's debt profile primarily comprises a ~€20 million long-term Euro loan for its chipboard business, carrying a favourable 2.75% interest rate with a 13-year semi-annual repayment schedule. Net of mark-to-market forex adjustments, debt was reduced by ~₹50 crore last year. Backed by minimal non-laminate capex, strong operating cash flows are expected to drive aggressive deleveraging. **Management targets a ~₹100 crore debt reduction in FY27, with plans to accelerate repayments in FY28 if no additional capex is deployed.**
- **Subsidies:** The company is progressing on its capital subsidy approval process and has already received the initial sanction, while the eligibility certificate remains pending. **The benefits include exemptions on capex and electricity duty, although management clarified that GST incentives have not been availed. Subject to meeting all stipulated conditions, the company expects to receive subsidies of ~₹350 crore over the period of time.** The quantum of benefits will also depend on the company's future expansion and investment plans over the next three years.

**Exhibit 1: Change in estimates**

(₹ Crore)	FY27E			FY28E			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	3564	3550	-0.4	4079	4072	-0.2	Realign estimates
EBITDA	452	445	-1.6	575	572	-0.5	
EBITDA Margin (%)	12.7	12.5	-15 bps	14.1	14.0	-5 bps	
PAT	166	162	-2.2	261	262	0.6	
EPS (₹)	6.5	6.4	-2.2	10.2	10.3	0.6	

Source: Company, ICICI Direct Research

## Financial Summary

Exhibit 2: Profit and loss statement				
	₹ crore			
	FY25	FY26	FY27E	FY28E
<b>Net Sales</b>	<b>2,569</b>	<b>3,054</b>	<b>3,550</b>	<b>4,072</b>
YoY Growth	14.3	18.9	16.2	14.7
Gross Profit	1,343	1,642	1,879	2,189
Purchase of Traded Goods	47	38	38	38
Employee benefit expenses	511	616	692	782
Other Expenses	557	692	742	835
<b>EBITDA</b>	<b>275</b>	<b>333</b>	<b>445</b>	<b>572</b>
YoY Growth	(6.8)	21.2	33.7	28.6
Interest	65	96	88	75
Depreciation	114	142	153	161
Other income	11	-	15	18
PBT	106	89	219	354
Exceptional Items	-	(6)	-	-
Total Tax Expense	38	33	57	92
<b>PAT</b>	<b>70</b>	<b>56</b>	<b>162</b>	<b>262</b>
PAT Growth rate	(49.6)	(19.3)	188.6	61.6
<b>Adjusted EPS (Diluted)</b>	<b>2.7</b>	<b>2.2</b>	<b>6.4</b>	<b>10.3</b>

Source: Company, ICICI Direct Research

Exhibit 3: Cash flow statement				
	₹ crore			
(₹ Crore)	FY25	FY26	FY27E	FY28E
<b>PAT</b>	<b>69.7</b>	<b>56.3</b>	<b>162.4</b>	<b>262.5</b>
Interest paid	44.3	65.5	96.2	88.0
Depreciation	87.1	113.7	141.5	152.6
Other Income	(30.7)	(27.6)	(6.2)	(15.0)
Cash Flow before wc changes	170.3	207.9	393.9	488.1
Cash generated from operations	39.3	(38.4)	(88.3)	(93.2)
<b>Net cash flow from operating activities</b>	<b>209.6</b>	<b>169.5</b>	<b>305.6</b>	<b>394.9</b>
(Purchase)/Sale of Fixed Assets (Net)	(267.7)	(54.7)	(135.7)	(91.8)
Others	57.0	2.9	6.2	15.0
<b>Net Cash flow from Investing Activities</b>	<b>(210.7)</b>	<b>(51.8)</b>	<b>(129.6)</b>	<b>(76.8)</b>
Interest paid	(44.3)	(65.5)	(96.2)	(88.0)
Proceeds from Long Term Borrowings	76.3	(28.5)	(37.6)	(59.0)
Others	(21.3)	(2.4)	(25.5)	(38.3)
Net Cash flow from Financing Activities	10.7	(96.4)	(159.3)	(185.3)
<b>Net Cash flow</b>	<b>9.7</b>	<b>21.3</b>	<b>16.7</b>	<b>132.9</b>
<b>Opening Cash and Cash Equivalent</b>	<b>32.9</b>	<b>42.6</b>	<b>64.0</b>	<b>80.7</b>
<b>Closing cash and cash equivalents</b>	<b>42.6</b>	<b>63.9</b>	<b>80.7</b>	<b>213.6</b>

Source: Company, ICICI Direct Research

Exhibit 4: Balance Sheet				
	₹ crore			
(Crore)	FY25	FY26	FY27E	FY28E
<b>Liabilities</b>				
Share Capital	26	26	26	26
Reserves & Surplus	1,101	1,154	1,291	1,515
Net Worth	1,125	1,179	1,316	1,540
Total Debt	1,075	1,047	1,009	950
Deferred Tax Liability	7	5	5	5
<b>Total Liabilities</b>	<b>2,909</b>	<b>3,004</b>	<b>3,196</b>	<b>3,459</b>
Gross Block	2,387	2,490	2,615	2,715
Less Accumulated Depreciation	651	792	945	1,106
Net Block	1,737	1,698	1,671	1,610
Net Intangibles	11	10	12	12
Capital WIP	28	9	28	28
Total Fixed Assets	1,737	1,698	1,671	1,610
Non-current Investments	0	1	1	1
Inventory	665	764	888	1,019
Sundry Debtors	157	219	254	292
Long-term loans and advances	1	1	1	1
Cash & Bank Balances	43	64	81	214
Other Current Assets	2	2	2	2
Total Current Assets	867	1,050	1,226	1,527
Trade Payable	415	507	590	676
Other Current Liabilities	53	64	74	85
Short term provision	5	6	6	6
Net Current Assets	395	472	556	759
<b>Total Assets</b>	<b>2,909</b>	<b>3,004</b>	<b>3,196</b>	<b>3,459</b>

Source: Company, ICICI Direct Research

Exhibit 5: Key ratios				
(₹ Crore)	FY25	FY26	FY27E	FY28E
<b>Per share Data (₹)</b>				
Adjusted EPS (Diluted)	2.7	2.2	6.4	10.3
Cash EPS	7.2	7.8	12.3	16.6
BV per share (Diluted)	44.1	46.2	51.6	60.4
Dividend per share	10.2	10.2	25.5	38.3
<b>Operating Ratios (%)</b>				
EBITDA / Net Sales	10.7	10.9	12.5	14.0
PAT / Net Sales	2.7	1.8	4.6	6.4
Debtor Days	22.3	26.1	26.1	26.1
Creditor Days	58.9	60.6	60.6	60.6
<b>Return Ratios (%)</b>				
RoNW	6.2	4.8	12.3	17.0
RoCE	7.1	7.9	12.3	16.1
RoIC	7.0	8.4	12.5	17.3
<b>Valuation Ratios (x)</b>				
EV / EBITDA	32.4	26.6	19.8	15.0
P/E (Diluted)	84.2	104.4	36.2	22.4
EV / Net Sales	3.5	2.9	2.5	2.1
Market Cap / Sales	3.1	2.6	2.2	1.9
Price to Book Value	11.0	12.0	13.0	14.0
<b>Solvency ratios (x)</b>				
Net Debt / Equity	1.0	1.0	1.0	1.0
Net Debt / EBITDA	3.6	2.8	2.0	1.2
Current Ratio	2.1	1.9	1.9	1.9
Quick Ratio	0.7	0.6	0.6	0.6

Source: Company, ICICI Direct Research

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Sell: <-15%



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