



Greenply/2026-27
May 04, 2026

The Manager
BSE Limited
Department of Corporate Services
Floor 25, P. J. Towers, Dalal Street
Mumbai - 400 001
Scrip Code: 526797

The Manager
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E)
Mumbai - 400 051
Symbol - GREENPLY

Dear Sir / Madam,

Sub: Conference Call Transcript

Please find enclosed Conference Call Transcript in respect of conference call for Investors and Analysts held on April 30, 2026 on the financial results of Greenply Industries Limited for the quarter and financial year ended 31st March, 2026.

The same is also available on the website of the Company viz. www.greenply.com/investors

Thanking you,

Yours faithfully,
For GREENPLY INDUSTRIES LIMITED

KAUSHAL KUMAR AGARWAL
COMPANY SECRETARY &
VICE PRESIDENT-LEGAL

Encl.: As above



“Greenply Industries Limited
Q4 FY '26 Earnings Conference Call”
April 30, 2026



MANAGEMENT: **MR. SANIDHYA MITTAL – JOINT MANAGING
DIRECTOR – GREENPLY INDUSTRIES LIMITED
MR. SANJIV KESHRI – CHIEF FINANCIAL OFFICER –
GREENPLY INDUSTRIES LIMITED**

MODERATOR: **MR. KARAN BHATELIA – ASIAN MARKETS SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to Greenply Industries Limited Q4 FY '26 Earnings Conference Call hosted by Asian Markets Securities. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Karan Bhatelia from Asian Markets Securities. Thank you, and over to you, sir.

Karan Bhatelia: Good morning all participants logged into the call. On behalf of Asian Markets Securities, we welcome all to Greenply's Fourth Quarter and FY '26 Investor Call. From the management side, we have Mr. Manoj Tulsian, Joint Managing Director and CEO; Sanidhya Mittal, Joint Managing Director; and Mr. Sanjiv, CFO.

I would like to hand over this call to Manoj Ji for his opening remarks, post which we can open the floor for Q&A. Thank you, and over to you, Manoj Ji.

Sanjiv Keshri: Yes. Hi. This is Sanjiv Keshri. I would like to just highlight that Mr. Manoj Tulsian is not attending the meeting. And Mr. Sanidhya Mittal, the JMD of the company is addressing today. Thank you.

I'll hand over to Mr. Sanidhya Mittal.

Sanidhya Mittal: Thank you, Sanjiv Ji. Thank you, Karan. Good morning, everyone. It is a pleasure to have you all on the call today. As we close this year on a strong and positive note, in line with our growth guidance, we are carrying that momentum forward into the current year with even greater ambition and focus on growth. We have seen a strong start to Q1 FY'27, and we remain confident on sustaining this trajectory, supported by an improvement in margins.

Before providing an update on Greenply's operating and financial performance for Q4 and FY '26, I would like to address and give a few updates. First, on our leadership team. As recently shared in our regulatory filings, Mr. Manoj Tulsian has submitted his resignation as JMD and CEO of the company. Manoj Ji has decided to step down from his executive responsibilities to prioritize his personal commitments.

On behalf of the Board of Management and the company, I want to express our deepest appreciation for his leadership over the last 6 years. To ensure a seamless transition, we are pleased that Manoj Ji will continue his association with the company in an advisory capacity.

Second, a search and seizure operation was conducted by income tax department at certain business premises of the company from 26th February 2026 to 2nd March '26. As on date, no order, no notice of demand or penalty order has been received by the company for the said proceeding. The matter is presently at a preliminary stage to assess any possible impact on the financial statement of the Group and there's no such demand.

Thirdly, during the quarter, we conducted a thorough review of our international exposure, significantly pertaining to our entity in Dubai. In light of the prevailing geopolitical environment, which has adversely impacted the recoverability of certain assets, we have chosen to take a conservative approach.

We have disclosed a total of INR15.16 crores as an exceptional item representing impairments to our investment, financial guarantees, and advances to GMEL. This onetime adjustment is a proactive measure to safeguard our financial integrity and does not impact our underlying operating cash flow or long-term growth strategy. With this, all or any potential liability on invested equity, corporate guarantees or any types of loan advances have all been totally provided for in the books.

Now I would like to share some perspective on the ongoing geopolitical crisis and their impact on the company. As you are aware, across both our segments, we have certain degree of dependence on imported raw materials, particularly timber and chemicals. During the early part of the quarter, the evolving geopolitical situation posed challenges in sourcing chemicals, leading to a sharp increase in prices by over 50%.

Additionally, elevated fuel charges and war risk insurance premiums have created a volatile and a high-cost environment for logistics. The impact was more pronounced in the MDF segment, where chemicals constitute nearly 30% of the raw material cost. To mitigate the cost pressure and protect margins, we implemented calibrated price increases of 5% and 10% effective from April. In the Plywood segment, the impact was relatively lower and the price revisions were in the range of 4% to 5% during the same period.

Having said that, at the same time, we are actively evaluating opportunities to source chemicals domestically with the aim of reducing our reliance on imports. While prices remain elevated, they have stabilized and not expected to rise further. We continue to remain proactive in optimizing our sourcing strategies to ensure efficiency and supply continuity.

Let me now turn our operating and financial performance for Q4 and full year of FY '26. I'm happy to share that Greenply Industries has successfully delivered on its H2 FY '26 guidance, achieving double-digit year-on-year growth in both volume and value across its business segments.

In Q4 FY '26, consolidated core EBITDA margins improved to 12%, reflecting a strong expansion of 330 basis points over the previous quarter. We are proud to report our highest ever consolidated quarterly revenue of INR776.2 crores, which is a growth of 19.6% on a Y-o-Y basis. Our consolidated core EBITDA for the quarter was INR93.2 crores with a core EBITDA margin of 12% compared to 10.5% in Q4 FY '25, an increase of 150 bps.

On a 12-month basis, our consolidated revenue was INR2,739 crores, which is a growth of 10.1% on a Y-o-Y basis. Our consolidated core EBITDA was INR270.5 crores, which is a growth of 13.8% on a Y-o-Y basis. The core EBITDA margin was 9.9% as compared to 9.6% in 12-month FY '25.

PBT, before the losses on equity, accounted investee foreign exchange gain/loss as an adjustment to finance costs and exceptional items, is at INR186 crores for 12-month FY '26, which is a 21% Y-o-Y growth as against PBT of INR153 crores in 12-month FY '25.

Let me now share the highlights of our individual business segments. In the Plywood segment, we have achieved volume growth of 15.6% on a Y-o-Y basis in Q4 FY '26 with a revenue of INR588.5 crores, value growth of 14.6% on a Y-o-Y basis, in line with the growth expectation. On the margin front, our core EBITDA margin stood at 10.4% for Q4 FY '26, an improvement of 120 basis points on a Y-o-Y basis.

On 12-month basis, we've achieved a revenue of INR2,105.7 crores, which is a growth of 7.5% on a Y-o-Y basis. Our volume growth on 12-month basis is 8.3% on Y-o-Y basis. Our core EBITDA grew by 11.7% on Y-o-Y basis to INR185.4 crores in 12-month FY '26. Our EBITDA margin stood at 8.8% as against 8.5% in 12-month FY '25.

Moving to our MDF business. We have achieved our highest ever quarterly revenue of INR189.4 crores with a volume reaching to 62,000 CBM. That reflects strong year-on-year growth of 39.6% in value and 45.3% in volume terms. Margins for the quarter stood at 17%, supported by higher sales and operating leverage. For the full year, we have achieved a revenue of INR635.6 crores, reflecting a Y-o-Y growth of 19.9% with margin at 13.4%.

Moving on to our furniture and fittings JV. We have achieved sales of INR12.99 crores in Q4 FY '26 and a total revenue of INR44.27 crores on a 12-month basis. The JV reported a PAT loss of INR13 crores in Q4 FY '26 with our share of loss amounting to INR6.5 crores and on a 12-month PAT loss at INR50.8 crores with our share of loss amounting to INR25.4 crores. This year marked the brand's initial establishment phase requiring significant investment. However, we are encouraged by the strong ramp-up and expect the business to grow exponentially.

Now I would like to provide an update on the progress of our capex initiatives undertaken last year. We are pleased to share that the commercial production of the PVC and WPC plant has commenced from April '26, with an annual installed capacity of 6 million kgs for door and 3 million kgs for door frame.

With respect to our new MDF facility, civil construction is currently underway and orders for key machinery has been placed. We remain on track to operationalize the facility as per our planned timelines. Construction of the plywood facility is progressing at full pace, with all major orders already being placed and the project remains on track.

Despite the growth capex undertaken, our consolidated net debt stood at INR461 crores at the end of the current quarter. Our debt-to-equity ratio remains at 0.52, in line with our guided range of 0.5 to 0.6 for the year, even after the announcement and execution of the planned capex. The Board of Directors has recommended a dividend at the rate 50%, which means INR0.50 per equity share for the year ended 31st March 2026, which is subject to the approval of shareholders of the company at the Annual General Meeting.

Our strategic road map for the remainder year is clear, driving volume while protecting our bottom line. We have set a volume 10% growth target for plywood backed by our strong brand

equity. In MDF, we are capitalizing on rising demand and confident in delivering 25% to 30% volume growth. Despite the competitive landscape, our focus remains on operational excellence, ensuring that our EBITDA margins remain consistent with our recent performance.

With this, I would like to open the floor for Q&A session. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Pankaj Tibrewal from IKIGAI Asset and Managers.

Pankaj Tibrewal: Congratulations on excellent set of numbers. Just 2 questions I have. One, on the margins of MDF. Compared to what we saw with other players, clearly the delivery has been excellent. And this is before the price increases have happened. So, can you take us through your thought process on how sustainable these margins are? Because last year, first half, we kind of struggled from the margin perspective across the Board.

And second, also on the plywood side, after long, we have seen a double-digit margin trajectory. And when we speak to the distribution on the ground, on the lower-end brand Ecotec on the other side, earlier we were hearing about a lot of quality-related issues.

Now that has substantially come down over the last 6, 7 months. Is that also helping you on the volume and the margin side? So, 2 questions, one on the MDF margins, how do you see it going forward? And on the plywood side, is the double-digit margin sustainable and the quality issues on the lower end brand behind us and how we are ramping it up?

Sanidhya Mittal: So, on the MDF front, I think these margins are sustainable, and you are absolutely right that this margin was achieved before the price rise. I think the reason we were able to achieve this was purely the incremental volume that we had achieved in terms of production and sales.

Our fixed costs remained the same post our line -- post the extension, while the operating leverage kicked in. That is purely the reason why we were able to achieve this kind of margin. Obviously, the timber, the local scenario of the market, the proportion of the value-added sales in the sales mix, all of this also helps us to achieve the same.

And going forward, we are very confident because the cost increase, we already passed on to the consumers. And in spite of the cost pass on, we still see a demand. So, we are very confident in terms of our guidance going forward in MDF, whether on the bottom line and the top line.

Pankaj Tibrewal: And on the plywood?

Sanidhya Mittal: On the plywood, I think, we are doing a lot of fundamental changes in the way we are producing plywood. So, we have 4 of our existing facilities. In 2 facilities, the new change is already implemented. And in 2 facilities, the change will be implemented during the current financial year. So, this not only improves the cost, it also improves the quality in a drastic way. So yes, there has been changes and improvements further in quality. See, it's a very natural product and any plywood can be said that this is very bad quality or this is very good quality. It's also the perception. So yes, we have made changes, which will help us achieve both top line and bottom line.

And with the initiatives that the company has undertaken and with the strategy, if we are able to maintain the growth rate in plywood, this margin can easily be ensured. So, this margin is there because of the growth rate and the operating leverage there also. So yes, we have to maintain this growth rate.

And with this growth rate, this margin is absolutely possible. And we can further improve the margin in H2 of this year after the new process is implemented in all our plants because new process will also improve cost to a certain extent.

Pankaj Tibrewal: So is it fair to say that on a consol basis, the exit quarter, March quarter on an overall basis, the margins should be the new norm for Greenply going forward because as you say that plywood margin sustainable, MDF margin sustainable, one-off cost is behind us.

Sanidhya Mittal: Absolutely. Absolutely right. Absolutely right.

Pankaj Tibrewal: That's very heartening to know. And just the last question on the balance sheet. I must compliment that after a significant capex; debt has come at INR450 crores near about and what you guided at the start of the year. From here on, how should we think about from a balance sheet perspective, from a capex and the cash flows which you will generate? Do we see further deleveraging or the debt level stays here and you embark on the next level of capex? Just wanted a broader sense?

Sanidhya Mittal: So currently we anyways have a big capex which is our MDF plant, which is almost INR400 crores, INR425 crores of capex. And we also have the improvement or the new technology implementation cost of the plywood plant and the Odisha capex. So, with all of this given in place and our cash flows given in place, maybe for 1 year, we might peak out to maybe 0.7 or 0.72 debt/equity.

And then again, we come back in the range of 0.5 to 0.6 the following year itself. So that is our outlook because we don't want to increase the debt substantially further. So yes, we definitely have a lot of aspirations to invest more and grow, but, yes, keeping our balance sheet in mind, keeping the overall debt/equity in mind.

So, 0.7, 0.72 is the peak we want to go to and then again come back to the 0.5 level. And then depending on opportunity, then decide whether we want to continuously deleverage or continuously invest.

Pankaj Tibrewal: Fantastic. And last 3 years you have been seeing one-offs every year, either be Gabon or forex or whatever. Is it fair to say all these one-offs are now behind us in terms of Gabon write-off and all the measures we need to take on the international and the other side? Is it fair to say that all these one-offs are behind or you foresee further challenges on that side?

Sanidhya Mittal: I don't see any challenges on that side. And I had mentioned in my opening remark also very clearly, with this all the potential liability on invested equity, corporate guarantees and other types of loan advancements have been totally provided for in the books.

Pankaj Tibrewal: Very heartening to see Greenply coming back to its original form.

- Moderator:** Next question is from the line of Keshav Lahoti from HDFC Securities.
- Keshav Lahoti:** Firstly, I want to understand in Q4, whether the volume growth was positively impacted because of higher channel inventory because price hikes were coming in April. And secondly, you highlighted Q1 sorry, I mean Q4, the volume growth was due to higher channel inventory also. And secondly, you highlighted Q1 FY '27 has started on a good note. By good note, you mean maybe whatever you did in Q4, the similar run rate continues in Q1 also?
- Sanidhya Mittal:** Yes. So, I think I would not totally disagree to your statement. Yes, there might be a little bit of the growth because of overstocking also and the stocking only happened in the second half of March. So, 2.5 months of the quarter was a regular quarter, first of all.
- Second of all, what we saw fundamentally was a shift from unorganized to organize. Because what happened when the raw material prices started going crazy, everyone, including importers of chemicals, including resin suppliers, wanted payment like today for supply of today.
- So, in that entire cycle, a lot of unorganized plywood players shut down, a lot of the smaller MDF players had issue. They were hand-to-mouth in terms of capital or in terms of cash flow. So, this disrupted a lot of smaller companies, which we see the disruption even today.
- I think that shift, that fundamental shift is also a reason why the branded segment or our segment got the growth, obviously backed by our strategy also to grow in plywood and MDF. So yes, it's a mix of all 3 reasons.
- Keshav Lahoti:** Understood. Got it. Can you give some sense about what is the MDF industry demand for FY '26? How has the capacity increased in FY '26? And how will capacity increase in upcoming years? And what sort of utilization we are seeing at industry level?
- Sanidhya Mittal:** I think industry level; things are changing very fast. It's very difficult to give you the latest update because in the last 2, 3 months, there's a lot changed. I think some of the smaller players are shut. Import is totally wiped out because of the dollar and the freight situation.
- I think exports have also been very difficult because of the freights. So, I think to give a current industry scenario for me will be very difficult. But as far as we are concerned, we have a very small capacity compared to the country. I think at full capacity, if we run our factory, we only can gain 8% market share.
- So as far as our brand is concerned, I think the runway is clear for us for next 2, 3 lines. To sell and to produce, we will not have any challenge. We just have to keep our balance sheet right and keep growing.
- Keshav Lahoti:** Got it. Last 2 questions from my side. One is MDF price hike total is 15%. I heard it right? And secondly, on income tax, so what was the reason for the raid? Why the department have conducted it because we hear it was at distributor level also and it went on for a few days. So, what was the main reason?

Sanidhya Mittal: So, I think it was a raid which was conducted on Greenply, Greenlam and Greenpanel. The reason is obviously not known to us that why this happened. We had clearly filed in our disclosure and in the audit report the auditor has also clearly mentioned that there is no liability on the company, and there was nothing seized from our premises in terms of documents or cash or any such thing.

So as of now, the company and the books of accounts are clear. If there is any liability or any such update, we will keep the exchange and the investors absolutely updated with it. And we feel that it was a total wrong Intel why this happened.

Keshav Lahoti: Understood. Got it. The MDF total price hike is 15% in April, right?

Sanidhya Mittal: Right.

Moderator: Next question is from the line of Utkarsh Nopany from Anand Rathi.

Utkarsh Nopany: Sir, my first question is regarding on the margin side in the March quarter. So, for MDF segment, if we see, our realization fell by 3% on a quarter-on-quarter basis, but still our gross margin has improved by roughly 530 bps. So, what is the reason for such big swing in the March quarter?

Sanidhya Mittal: So, if you see -- if you compare the previous quarter and the March quarter, I think the total volume produced has drastically jumped up. So, in the same factory and the same fixed cost when the volume goes up drastically, I think the operating leverage kicks in. That is why...

Utkarsh Nopany: Sir, my question is regarding the gross margin, not the EBITDA margin, sir.

Sanidhya Mittal: I think Sanjiv Ji, you can explain this.

Sanjiv Keshri: Yes. It's the same thing. If the EBITDA margin will increase, the gross margin will also increase. That is the operational leverage that the 15.6% increase in the volume in the plywood, it's given a very good gross margin on that.

Utkarsh Nopany: Sir, for MDF segment, I was asking. So, sir, like I will ask in another way. Like our MDF gross margin has been very volatile over the last, say, 8 quarters. Sometimes it goes up to around 55%, sometimes it goes down to 45%. So, can you please explain the rationale that why it is so volatile and whether it is going to continue going forward also, the volatility?

Sanidhya Mittal: I don't think it is going to be volatile going forward. In the past, if you see the last financial year, 2 quarters out of the 4 quarters, the plant was not fully operational. Q1 was a normal quarter and Q4 was a normal quarter. Q1 was a normal quarter with the line unextended and Q4 was a normal quarter with the line extended.

The quarter 2 and quarter 3 got disrupted because of the line extension that we did. So, the reason why there's a fluctuation in margin is also that. And plus, another reason why the gross margin changes is also the mix change, right? So, it depends that the same cubic meter that we've sold, what mix we sold. So, if we sell more of the HDMR segment, the company definitely makes more margin than we would make selling interior products.

- Utkarsh Nopany:** Okay. And sir, what should be the sustainable gross margin considering the current raw material cost and the realization? What should be the sustainable gross margin?
- Sanidhya Mittal:** I think we can consider Q4 FY '26, which is the current quarter that we just finished as the base and I think we have to deliver margins at this level.
- Utkarsh Nopany:** Okay. And sir, now for the Plywood segment, what we have seen that our gross margin has contracted by, say, roughly 80, 90 bps on a Y-o-Y basis, and it has also gone down on a Q-on-Q basis. So, can you please explain what was the rationale for the same?
- Sanidhya Mittal:** This is the reason of the product mix only.
- Utkarsh Nopany:** Okay. And sir, like we have seen pretty strong demand for plywood in the March quarter, but then also our ad spend has gone down substantially on a Y-o-Y basis. So, what was the thought process behind curtailing down our ad spend in the March quarter?
- Sanidhya Mittal:** I don't think there was any thought process in curtailing. It must just be the annual cost maybe - it varies from quarter to quarter. And the auditor is very particular that whatever spend is there has to be debited in a particular quarter. So maybe the campaign burst happened in previous quarters and March was just a spillover regular expense. It wasn't a new campaign or a new spend. And the amount -- absolute number, if you see on an annualized basis in crores is absolutely the same. There's no change.
- Utkarsh Nopany:** Okay. And sir, lastly, on the capex front, sir, you have guided that we are planning to spend around INR425 crores on our planned growth capex. So, can you please provide a split how much it would be in FY '27 and how much it would be in FY '28? That's it from my side, sir?
- Sanidhya Mittal:** I think INR425 crores was only on the MDF segment, out of which I think almost close to INR300 crores would be in the current FY and INR125 crores would be in the next FY.
- Utkarsh Nopany:** Apart from MDF, any other in FY '27 and '28?
- Sanidhya Mittal:** We have certain improvement projects taken up in the Plywood segment to change the technology of manufacturing. And also, we have Odisha plywood, the new plant. So, in the Plywood segment on Odisha ply, the total cost will be around INR130 crores for Odisha plywood. And all the other plywood improvements would be around INR45 crores, INR50 crores, all plants put together.
- Utkarsh Nopany:** Okay. So, like if I understand correctly, so INR300 crores we are going to spend on MDF in FY '27, another INR130 crores on plywood because it is likely to get commissioned in this fiscal year and INR45 crores to INR50 crores on maintenance capex. So, all together, roughly INR480 crore to INR500 crore.
- Sanidhya Mittal:** Not maintenance capex. This is the capex that we're doing to change the technology of plywood production. It was already implemented in the last fiscal year in 2 plants, 2 more plants, the technology will be implemented this year.
- Utkarsh Nopany:** So roughly, sir, INR480 crores we are going to spend in FY '27. Is it correct, sir?

- Sanidhya Mittal:** Almost, yes. Almost, yes.
- Moderator:** Next question is from the line of Ritesh Shah from Investec India.
- Ritesh Shah:** Congratulations on a good set of numbers. Thanks to Manoj Ji for his guidance and learnings for all the years. Coming to the question, Sanidhya, for you, how should we look at the management transition? And besides Manoj ji also, what we see is there have been a lot of changes, be it in HR, IT, marketing, of late over the last 6 months. So how should we read into this? Is there some change in game plan? So that's the first question.
- Sanidhya Mittal:** So, I think see, people come, people go. And as far as Manoj ji is concerned, he's already still part of the company in an advising capacity. So, he will be an adviser. And it was his decision because of his personal needs that he wanted to take some time out and be not in an active day-to-day role, but as an adviser to the organization. So that is the reason why he stepped down.
- And I think going forward, every business already has its respective sales hierarchies in position. All the plants have their plant hierarchies in position. IT, HR, Marketing, like all the support functions have their heads in place. So, whether it was Manoj Ji or me or my father, the Chairman, we were guiding people at a strategic level. We were not driving things on a daily basis.
- So as far as the growth going forward is concerned, I think the team is already in place. Team will run the show. And at any level, if we feel that we need a full-time replacement because Manoj Ji is moving out of the organization, that will also be considered. But most importantly for us to understand and know is that to get anybody at a critical level or at this level, it's not very easy to find.
- So yes, we are open. At some point, we might bring in somebody at his level, but not immediately because there's nobody that we have in mind at that level today.
- Ritesh Shah:** That helps. Would you like to highlight specifically on the changes on the marketing level? I understand we have hired somebody, very senior, from Pidilite. What transpired this hiring? Or was it somebody moving out and we just replaced him? Any change in thought process on the marketing and sales side?
- Sanidhya Mittal:** So marketing, I don't think we have anyone from Pidilite. I think at sales, we have someone who had joined us from Pidilite. The previous gentleman was actually retiring. So that was the reason of change, and we wanted to bring young and we wanted to bring somebody from an organization that we look up to we want Greenply to become like, so which other organization in our segment could we have hired other than an ex-employee of Pidilite. That is the reason.
- Ritesh Shah:** Fair. That's great. And my second question was on working capital. If you look at the receivable days, it has actually increased. Inventories, I presume it was year-end plus because of Iran. I think we could have liquidated inventory. But how should we look at the increase in receivables on a year-on-year basis?

Sanidhya Mittal: So, I think a little bit of the increase could have also happened because of the highest ever numbers that we've hit. And the balance -- I second, let me just look at the number and give you exact.

Ritesh Shah: I'm referring to number of days?

Sanidhya Mittal: Okay. You're referring to number of days. Yes, it is an increase. You're absolutely right. From December '25, we have gone up by 3 days. So, I think...

Ritesh Shah: Correct. Last year 47 to 54?

Sanidhya Mittal: It is a mix and our OEM business is also now growing drastically. Even though the payments are protected in terms of LC and other instruments, but the debtor days are much higher there to achieve growth. So, to achieve growth, we're also doing certain B2B sales, which is OEM. And also, there's a fundamental shift from project business and routine trade business to furniture being made in furniture factories.

And because of MDF, the exposure of the organization has become very high in that segment. So, the same team is pumping in plywood and MDF into the OEMs. So maybe slightly the days have gone up because of that, but the payments are totally protected in terms of LC.

Moderator: Next question is from the line of Maitri Shah from Sapphire Capital.

Maitri Shah: So, a few questions. Firstly, on the margin side. So, for the quarter 4, we saw a very stagnant growth in the EBITDA margins for MDF and plywood. So, do you see those margins sustaining for the next half of the year or like the FY '27 to FY '28 with also increasing cost coming in because of the raw material? And you did mention you're going to pass them on, but how do you see them kind of balancing for FY '27?

Sanidhya Mittal: On MDF, we are not worried about the margins. I think 17% is something we can sustain because whatever cost has increased, we've already passed on and in the increased passed-on cost, I think we are still able to do the volumes that the company requires to do. So, in MDF, we are confident that this margin can sustain.

And on plywood also, I think this margin can easily sustain, provided we are able to achieve the desired volume growth that we have targeted. This margin in plywood only kicks in once the volumes are achieved. So whatever margin we've been able to deliver was purely on account of volume. So, if the volume guidance is achieved, then we will 100% hit the plywood margins as well.

In H2, slightly we'll get a tailwind in plywood once the new technology is implemented in all facilities. Slightly on the cost side, we'll start getting an advantage, which is not there at the moment. That advantage might kick in, in the H2. And it's very difficult to quantify, but it will definitely help us improve the margin, for sure.

- Maitri Shah:** Okay. That is great. And secondly, you mentioned the 25% to 30% kind of growth in volume for the MDF segment. Could you quantify what growth will happen on the prelamination part because I think those gross margins are much lower compared to the MDF volume?
- Sanidhya Mittal:** I think it's going to be proportionately. So today, whatever mix we have in prelam and plain, in that same proportion, we are going to grow across all segments. So, the plain proportion will also grow at the same rate and the prelam will also grow at the same rate. And in fact, in early Q2, our flooring will also be fully operational. So that will start giving us incremental margins and higher realizations in the MDF segment for the same cubic meters sold.
- Maitri Shah:** What sort of capacity do we have on the flooring side?
- Sanidhya Mittal:** Almost annual top line of about INR70 crores, INR75 crores at peak is the capacity we have.
- Moderator:** Sorry to interrupt, Maitri. I request you to come back for a follow-up question, please.
- Maitri Shah:** Just one question, if that's possible.
- Moderator:** Go ahead, ma'am.
- Maitri Shah:** Yes. And any effective tax rate that you can guide for, for the next fiscal year?
- Sanidhya Mittal:** I think Sanjiv ji, what is the effective tax rate for the organization for next year?
- Sanjiv Keshri:** So, the effective tax rate is around 22% because we have in the Greenply, on the standalone, the tax rate is 22% and in our subsidiary companies, the tax rate is around 17%. So effective it will come to around 22%.
- Moderator:** Next question is from the line of Karan Bhatelia from Asian Markets Securities.
- Karan Bhatelia:** Sanidhya ji, you've been referring to this new technology in production plywood facilities. So, can you just give us broad detail what are you referring to? Is it to do with the productivity? Or is it to do with the cost savings or how do we see this technology changing?
- Sanidhya Mittal:** So, this technology, cost and all is an outcome, but the primary objective of bringing in this technology is improving quality and making it to the global standards of plywood production, number one. Number two, it is also to make plywood more ready to be acceptable by machines and not humans.
- So, as you see -- as the country is maturing or the category is maturing, the business is moving into the hands of OEMs. So, OEMs need a much more precise plywood than a carpenter can handle. So given all these reasons, we've moved into a way of producing plywood, which is seen in other parts of Southeast Asia, namely Vietnam and China.
- We are calling this internally a ContiRoll technology where there's Conti assembly table and there are people standing on both sides, and they continuously keep assembling and the material keeps getting cut and keeps getting stacked and taking the prepress. And thereafter, the process is regular.

But this saves overall manpower, cost, material as well as improves the quality drastically so much so that you can even prelam the plywood right after the ply is made directly with paper instead of laminate. So, I think with this technology in place, the company can really improve sales and margin, both.

Karan Bhatelia: Right. Right. So, are we the first company to go ahead with this technology or it's very accepted?

Sanidhya Mittal: Absolutely. Absolutely. And we are planning an investor/analyst meet or an investor day sorts in our Sandila facility where we'll be displaying to all of you our capability in this and clearly showing you a difference between a plywood from a regular plant versus this new technology.

Karan Bhatelia: Perfect. And sir, we've been mentioning of market share gains purely because of cost escalation and early payment for raw materials. But any commentary on market share gains because of BIS, which was implemented in the last year? Any visible...

Sanidhya Mittal: I don't think there's a visible gain because of that. Yes, the visible nuisance because of that has come down. So, in MDF category, there was a nuisance of imports, right? So that nuisance of import has gone down significantly because of BIS.

Even in plywood, there were certain grades of plywood in the premium segment, which was coming in from other countries. So, all of that is wiped out, which is definitely helping the category overall. It is very difficult to comment on how much Greenply has gained because of that. But yes, the nuisance that the company had to face in certain markets, that has gone down.

Moderator: Next question is from the line of Sneha Talreja from Nuvama Wealth.

Sneha Talreja: Congratulations on great set of numbers. Just a couple of questions from my end. What could be the industry growth at this particular point and your market share both in plywood as well as MDF segment?

Sanidhya Mittal: I think industry growth in MDF would be 15% to 20% annualized growth. And I think our growth is limited to the capacity we have. So, this year, more or less, we intend to use the entire capacity that we have to the fullest. And in plywood, I think the growth is hardly 3% to 4%. But yes, the industry size is huge. So, opportunity for a player like us is not the growth, but the industry share size.

Sneha Talreja: And your market share, approximate?

Sanidhya Mittal: I think it's very difficult to say in plywood. In MDF, I had calculated that around 8%, 8.5% of the total industry's sale would be ours at peak.

Sneha Talreja: Understood.

Sanidhya Mittal: At current levels, maybe 7%.

Sneha Talreja: Understood. And how is the competitive intensity in this segment? The reason I'm asking is in the month of March and probably even April, we've seen a substantial increase in resin prices.

Is it fair enough to say that unorganized player could have been more harder hit because of this situation?

Sanidhya Mittal: Absolutely fair to say. I think suppliers have blackmailed organizations for material. Importers said that if you don't advance today and lock the price at this minute, you will not get the material. Same with the resin suppliers. So yes, for larger companies to cope up with this challenge was much easier than smaller companies. So yes, they have got hit. In certain areas, we've also seen notifications where plants were running for 3 days and shut for 4 days in certain states in case of plywood, local plants.

Sneha Talreja: Oh, wow. So, this has given us a substantial leeway in terms of market share?

Sanidhya Mittal: Yes, I think it's given every organized player a substantial leeway.

Sneha Talreja: Understood. And lastly, how much would have been the total increase in the raw material pricing? And could you, of course, quantified on MDF front, could you quantify how much price increases you've taken on plywood as well?

Sanidhya Mittal: I had mentioned that 3% to 5% -- 4% to 5% is what we've taken in plywood from brand to brand, market to market, product to product.

Sneha Talreja: And that takes care, of course, of the complete cost increases so far, that's why you're confident of maintaining margins?

Sanidhya Mittal: Right.

Moderator: Next question is from the line of Anu Parakh from Anand Rathi.

Anu Parakh: Sir, my first question is by when the furniture fittings business is likely to break even?

Sanidhya Mittal: I think the year after this, somewhere in the middle of the year, we should reach a situation where the business starts breaking even. The reason is that we've already done the capex for both phases, and we have only installed machines for 1 Phase. So, our depreciation, our interest load is actually for a much larger business and a much smaller business in terms of production.

And also, when we import the same product which we are not producing here and selling, we're making very low gross margins. But the expenses and the supply chain and all of that remains the same, very expensive for imported. So, the moment the entire products start getting made here, the gross margin of the company will improve and we can start making margins.

So sometime this year, or maybe the year after this is when we'll do the Phase 2. And after that, the margins will drastically improve. But the good thing is that, yes, we are seeing green shoots in terms of demand, in terms of the domestic sales and export sales. So, both are improving and the products are really accepted. So that's the silver lining.

Anu Parakh: Okay. Okay. So, the next question is, how have the timber prices behaved in quarter 4 for plywood and MDF? And what is the outlook for FY '27?

- Sanidhya Mittal:** I think timber prices have been quite stable for us in quarter 4 and the year ahead also looks like that. There's a wishful thinking deep within me which says that the prices should come down and we should get some windfall there. The real thinking says that let's plan for a stable year with the same price. If there's any decrease, there'll be additional gain. But as of now, we are considering that it'll be the same, it will be flat.
- Anu Parakh:** Okay. And last question is, what would be the revenue contribution from the PVC board business in FY '27?
- Sanidhya Mittal:** In FY '27, the revenue contribution -- I can give you the potential revenue of the line. You want the potential revenue of the capex because it also depends on how much you're being able to sell?
- Anu Parakh:** Yes, sir. That works.
- Sanidhya Mittal:** Okay. We'll give you the potential revenue that we can -- what is the potential revenue we can achieve in the given capex we've already done for WPC?
- Sanjiv Keshri:** Around INR75 crores to INR80 crores.
- Sanidhya Mittal:** Around INR75 crores to INR80 crores is the peak revenue we can achieve in the given capex.
- Moderator:** Next question is from the line of Aasim from DAM Capital.
- Aasim:** Sir, just actually I had a question, there was an earlier question on the receivables bit. So, you said Q1 has started off well, and this is despite the price increases. Now, I think, if your focus is rising on OEMs, that will have an impact on increasing overall receivable days. But just I wanted to understand given that Q1 has started off well despite price hikes, are we also incentivizing the channel by increasing credit days by any way to push growth despite the smaller players being on the side-lines?
- Sanidhya Mittal:** No, I don't think we're doing any such thing. We are for the channel, the only policy we have is our standard credit policy in both businesses, MDF and plywood. And the only thing we promote in channel is channel finance, which we have like 4, 5 partners who provide our dealer distributor channel finance to transact with us. That's the only thing we promote in the channel.
- And OEM is a strategic focus for us because we feel a lot of people in urban India don't want carpenters to come into the house and work, which basically means that their mindset is becoming more towards organized, readymade furniture buying. So, we don't want to ride slow in that category. We want to even capture that category because that category is ultimately replacing our sales. So as a strategy, we are focusing on OEMs.
- Aasim:** Okay. So, ex of OEMs, there is broadly no change in your credit policy to the channel before and after the war?
- Sanidhya Mittal:** No, not at all.
- Aasim:** So, it's broadly the same.

- Sanidhya Mittal:** Not at all. Not at all. And we are not satisfied with these numbers. We're not trying to justify. Internally, we are also not satisfied. We also want to improve this.
- Aasim:** Good to know. And second bit just on the capex. So, this year -- on the MDF capex rather, this year you said you'll spend INR300-odd crores. If I remember correctly, the total budget was INR450-odd?
- Sanidhya Mittal:** INR425 crores.
- Aasim:** Have you spent anything in FY '26 so far? INR425 crores. Sorry. FY '26, any amount has already been spent?
- Sanjiv Keshri:** So, we have paid only the advances for the main equipment supplier. It is around INR10 crores. And rest of everything will be around INR300 crores will be spent this year and balance it will spill over to the '27, '28.
- Moderator:** Next question is from the line of Arun Baid from ICICI Securities.
- Arun Baid:** Yes, Sanidhya, just on the plywood front, do we see Mr. Rajesh Mittal coming back in a bigger way there because what I've seen when he was there, we had better growth in the earlier years. So, is his involvement going much more than what we have seen in the last 5, 6 years in that category, particularly?
- Sanidhya Mittal:** So yes, I think he's been definitely a driver in every category. So, whether it was Manoj Ji or me, we were going back to him and taking our inspiration and guidance and coming back and performing. So, I think he was anyways involved. He will be definitely more involved in the current scenario in the plywood side.
- And yes, maybe now more in the front end also. It was more back end in the last 5, 6 years, where he was taking care of the plants and the outsourced business much more than the market and marketing, but now maybe he'll be involved on that side also.
- Arun Baid:** That's nice to hear. And second thing is on the MDF front, we have done a few new hirings. We have read about that. Is now more or less that's set from a perspective of the team-wise with all the new production capacities you got in place now?
- Sanidhya Mittal:** Sorry, I didn't get your question. What? Sorry.
- Arun Baid:** On the MDF front, we have seen you've done a few new hirings there also, right? So, is now the team completely set with the kind of capacity we have in place now?
- Sanidhya Mittal:** Yes, it's absolutely set with the new hiring and the team and the new construction is also going on full swing and the current plant is running the way it's expected to.
- Moderator:** Next question is from the line of Parth Bhavsar from Investec.
- Parth Bhavsar:** Congratulation on the good set of numbers. Sir, I just have one question, which is on profitability of MDF. Our profitability has increased by INR2,000 per CBM. So just wanted to break that up,

like what sort of contribution came from gross margin, where basically your realization has declined? And what sort of contribution was from operating leverage?

Sanidhya Mittal: I think it's mainly on account of operating leverage only. If you see the previous quarter, the overall volume was 42,688 versus 62,021 CBM. So, 45% change in the overall volume and the fixed cost remains the same for the entire factory and the sales team and all the overheads loaded of that business.

So that is what has majorly contributed in increase of margin. Even though the sales mix has reduced the average realization, but the overall margin has gone up because of the operating leverage.

Parth Bhavsar: Sir, the only reason I ask this is because the gross profit margin number that we've given, it was INR16,000 per CBM in FY26 basically Q3 and INR17,000 CBM in Q4. So even that has improved by INR1,000 per CBM, whereas your realization has gone down. I understand that your product mix would have changed, but this number has also improved?

Sanidhya Mittal: So, this gross margin is also increased just because of the product mix, nothing else. And also, we stopped -- yes, the reason is also that we stopped trading. Initially in quarter 2 and quarter 3 to just service the market, we had to also buy MDF and sell MDF, which hardly had any gross margin and which was overall impacting the overall margin. So, but now in this quarter, we hardly had any trading volume. So that is also a reason why you see this margin.

Parth Bhavsar: And sir, so basically your value-added product as a percentage of revenue, how much, sir, that would be?

Sanidhya Mittal: I think it's difficult to comment, but it's around 5%, 6%, I think, right?

Parth Bhavsar: Value-added products?

Sanidhya Mittal: No. Are we talking about pre-lam board or you're talking about lam? What are we constituting as value added?

Parth Bhavsar: Value added.

Sanidhya Mittal: Only pre-lam boards you're talking about?

Parth Bhavsar: Pre-lam plus HDHMR.

Sanidhya Mittal: So, then that would be higher than 50%, but it's not -- we cannot give you the exact number for that. But that will be higher than 50%.

Parth Bhavsar: Okay. And that would have changed quarter-on-quarter, I believe.

Sanidhya Mittal: Right.

Parth Bhavsar: Increase, hopefully.

- Sanidhya Mittal:** Right.
- Moderator:** Next question is from the line of Nikunj Gala from Pararthy Capital Management.
- Nikunj Gala:** I've just one question on MDF side. Sir, at peak utilization of MDF capacity, what is steady-state ROC you aspire to have?
- Sanidhya Mittal:** So, I think I've answered this question in the past also. So, in today's time, even at 17%, 18% EBITDA, the ROCs are not very attractive. But we have to see these ROCs on a 3-year, 5-year, 7-year period. And I think then it will start looking justified to us. In a short period, it might not look justified today.
- Nikunj Gala:** Yes, I understand. But what is the...
- Sanidhya Mittal:** I think anything between 18%, 20%, if we are in that range, I think we are very lucky and we are well-placed.
- Nikunj Gala:** So, 18% to 20%, like any MDF player or you should be aspiring to have at least that kind of ROC to justify your investment, right?
- Sanidhya Mittal:** Right. So, I think, if you see the new capex also that we're doing, we've reduced the investment per cubic meter on a Conti capacity. So, what we are trying to do with that change in capex behaviour or capex style of investment is also only to improve the ROC and to be conscious that, yes, see, for Greenply to grow and to remain dominant in the wood panel category, MDF is an absolute sense.
- But to also maintain the ROCs and make work for every stakeholder, we've improved the capex turnover ratio so that the ROCs can ultimately keep improving in this category going forward. That is the reason why we have done INR425 crores capex.
- Moderator:** Next question is from the line of Vijay Karpe from Shriram Life.
- Vijay Karpe:** Sanidhya, lots of questions have been asked on the trade...
- Moderator:** Vijay, sorry to interrupt. Can you please speak through the handset? The line for the participant dropped. We move to the next participant.
- Next question is from the line of Mithun Aswath from Kivah Advisors.
- Mithun Aswath:** Yes, sir. Congrats on a good start. I just wanted to understand, you mentioned that a couple of your facilities on the plywood side, you have used a different technology and upgraded it. Once you implement that in your other facilities as well, is there an improvement in margins or what is exactly the benefit or you will get better realizations? If you could highlight on that?
- Sanidhya Mittal:** I think the benefit is better quality and a quality which is more internationally acceptable and more acceptable obviously to the retail market as well as furniture makers. And in return, because we've implemented this technology, as an outcome, we've realized that the cost will also slightly improve.

At this moment, how much cost will improve is very difficult to quantify. But definitely there will be a huge improvement in quality and overall perception of the material which will definitely help us achieve better numbers, better sales.

Mithun Aswath: And in terms of your debt levels, do you see them remaining at the same levels next year considering the large capex that you have planned?

Sanidhya Mittal: I have mentioned this that the current level is 0.52, right? 0.52 debt equity level. At peak, this might go up to 0.7 or maybe even 0.72 which might be the next year end or the year after that. But then immediately the following year it will again come back to the 0.55 or 0.52 level because the operating cash flow is also continuously increasing with the given capex plan.

Mithun Aswath: And just wanted to understand in terms of the competitive environment, do you see a lot of players continuing to ramp up capacity on the MDF plan or do you see that we have kind of reached some sort of equilibrium and that's not to be seen?

Sanidhya Mittal: I think there are certain players whose plans are either starting construction or due to end by the year end. They have already started. I don't see any new major capacity being announced other than which is already announced. So that is a good sign. And as far as Greenply is concerned with our brand, first two to three lines, we should have zero complaint of sales.

So, honestly, I'm not focusing on that. I'm only focusing on our line running, our material getting sold and our new facility getting constructed. We're not focusing on what the outside world is doing because we feel that, with our given brand, first three lines should be very easy to sell.

Moderator: Ladies and gentlemen, we will take that as the last question. I now hand the conference over to the management for closing comments.

Sanidhya Mittal: Thank you all for taking time to participate in this call. In case of any further clarification or queries, please feel free to reach to us. Thank you.

Moderator: Thank you very much. On behalf of Asian Markets Securities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

Sanidhya Mittal: Thank you.