



Greenply/2025-26
November 06, 2025

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 November 04, 2025 on the financial results of Greenply Industries Limited for the quarter and half year ended 30th September, 2025.

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
Q2 & H1 FY '26 Earnings Conference Call”
November 04, 2025**



**MANAGEMENT: MR. MANOJ TULSIAN – JOINT MANAGING DIRECTOR
AND CHIEF EXECUTIVE OFFICER – GREENPLY
INDUSTRIES LIMITED**

**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
LIMITED**

Moderator:

Ladies and gentlemen, good day, and welcome to the Greenply Industries' Q2 and H1 FY '26 Earnings Conference Call hosted by Asian Market Securities Private Limited. 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 the conference call, please signal an operator by pressing star then zero on a touch-tone phone. Please note this conference is being recorded.

I now hand the conference over to sir Karan from Asian Market Securities Private Limited. Thank you, and over to you, sir.

Karan Bhatelia:

Thank you, Mark. Hi, everyone. Good evening. On behalf of Asian Market Securities, we thank you for joining us on the Greenply Industries 2Q and First Half FY '26 Conference Call.

In the panel today, we have Mr. Manoj Tulsian, Joint Managing Director and CEO; Sanidhya Mittal, Joint Managing Director; and CFO, Mr. Sanjiv Keshri. May I now invite Manoj ji to begin the proceedings of the call. Thank you, and over to you, sir.

Manoj Tulsian:

Thank you, Karan, and good evening, everyone. It's a pleasure to have you all on the call. I will be updating to you on Greenply's operating and financial performance for quarter 2 and H1 FY 2026.

As communicated during our last call, we have been able to grow over Q1 FY '26 in both our segments. Also during the quarter, we have achieved revenue growth on a Y-o-Y basis, and we are confident that the same momentum will continue in H2 also. The gradual progress in BIS implementation and steady timber prices continue to provide a favourable environment for organized and branded players like us.

On the marketing strategy, I would like to share that Greenply campaigns primarily focused on the premium green range. However, communication has now been extended to the value segment with Ecotec effectively addressing the affordability-driven consumer base. The latest campaign, Kaam Sahi. Daam Sahi., has actually positioned the brand effectively. With a focus on practicality and smart spending, the campaign has witnessed remarkable traction, driving strong brand recall and reinforcing Ecotec's standing in the mid-price category.

We have also commenced advertising for the fast-growing MDF category, focusing on building stronger awareness. Through this 3 brand communication approach, Greenply has strategically enhanced the visibility of its product portfolio across key market segments, spanning the premium green range, value-focused Ecotec products and the growing MDF category.

I would like to share with you that we have achieved a consolidated quarterly revenue of INR688.6 crores, which is a growth of 7.5% on a Y-o-Y basis. Our consolidated core EBITDA for the quarter was INR56.8 crores with a core EBITDA margin of 8.2% compared to 9% in corresponding quarter, a decline of 80 basis points.

On a half yearly basis, our consolidated revenue was at INR1,289.4 crores, which is a growth of 5.3% on a Y-o-Y basis. Our consolidated EBITDA was at INR118.4 crores, which is a growth

of 2.5% on a Y-o-Y basis. The EBITDA margin was at 9.2% as compared to 9.4% in H1 FY '25.

PBT before the losses on equity accounted investees, foreign exchange gain/loss as an adjustment to finance costs and exceptional item is at INR83 crores for H1 FY '26, which is a 15% Y-o-Y growth as against PBT of INR72 crores in H1 FY '25. The profit after tax was INR44.4 crores.

Let me now share the highlights of our individual business segments. We observed a significant demand for mid-value segments during the quarter, resulting in an average realization per square meter of INR242, a 3.5% decrease year-on-year. On the margin front, our core EBITDA margin for Q2 FY '26 was 8.2% compared to 7.9% in previous quarter. The margin improved on a quarterly basis by 30 basis points.

On a half yearly basis, we have achieved a revenue of INR995.5 crores, a growth of 3.1% on a Y-o-Y basis. Our volume growth for the first half of the year is 2.5% Y-o-Y. Our core EBITDA grew by 2.9% on a Y-o-Y basis to INR80.6 crores in H1 FY 2026, and EBITDA margin stood at 8.1%.

Moving on to MDF business. Our revenue in Q2 FY '26 was INR146.8 crores and volume at 47,018 CBM, which is a growth of 16.1% and 15.9% on a Y-o-Y basis. We successfully expanded our manufacturing capacity from 800 CBM per day to 1,000 CBM per day during this quarter. Production during the quarter was temporarily impacted by the expansion-related shutdown, as mentioned above, resulting in moderate margins of 8.3%.

The margin decline during the quarter is one-off and is primarily due to 3 factors: reduction in finished goods inventory, resulting in under absorption of overheads, liquidation of old and non-moving inventory at a higher discount, resulting in lower realization and outsourced material consumption to temporarily balance the market needs.

However, with operations now fully normalized with enhanced production capacity, we are confident of a strong rebound in the second half and expect to return to double-digit margin levels as well as double-digit volume growth. More details on the MDF business will be shared by Sanidhya.

Moving on to our furniture and fitting JV. We have achieved sales of INR11.4 crores in Q2 FY '26, achieving half yearly revenue of INR17.9 crores. The JV reported a PAT loss of INR11.8 crores in Q2 FY '26 with our share of the loss amounting to INR5.9 crores and half yearly PAT loss of INR22.6 crores with our share of the loss amounting to INR11.3 crores. As these are initial period and the brand has to be built up to compete with the premium brands in the country, we'll continue to invest significantly in brand building also.

Our consolidated net debt stood at INR510 crores at the end of quarter -- current quarter. As previously communicated, this will further reduce with the liquidation of excess inventory, which started from this quarter onwards. And hence, we remain confident that our debt-equity ratio will be in the range of 0.5x despite further capex in H2.

With respect to our operations at Greenply Middle East Limited, we have further reduced exposure from -- of our guarantees from USD3.8 million to USD2.7 million. As a result, our contingent liability has also decreased from INR32 crores to almost INR24 crores.

With this statement, I would like to hand it over to Sanidhya to provide some more insights on the MDF business. Over to you, Sanidhya.

Sanidhya Mittal: Thank you, Manoj ji, and good evening to everyone on the call. Our sales in this quarter showed a 16.1% year-on-year improvement over the last quarter in terms of value terms. While during the quarter, our EBITDA margins were lower for the reasons highlighted earlier by Mr. Tulsian.

However, we remain confident of achieving double-digit margins in the range of 16% in H2 FY '26. We are confident that the second half of the year will see stronger revenue growth with improved operating efficiencies and driven by our focus on selling more value-added products. With this, I would like to open the floor for Q&A session. Thank you.

Moderator: Thank you very much. The first question is from the line of Arpit Kumar from Unifi Mutual Fund. Please go ahead.

Arpit Kumar: So I have a couple of questions. Firstly, on the BIS norms. So have you -- after the implementation of the BIS norms for the industry, have you seen any noticeable shift in demand from organized players to -- unorganized players to organized players? And also, if you could highlight the benefits of BIS implementation for Greenply?

Manoj Tulsian: Okay. This is the first question?

Arpit Kumar: Yes, this is the first question.

Manoj Tulsian: So can you also talk about the second question and then we can reply.

Arpit Kumar: Yes, sure. So the second question is, just wanted to know your demand and supply outlook for MDF and plywood industry over the next 12 to 24 months, specifically how you see the demand momentum for the MDF industry and the capacity utilization?

Manoj Tulsian: Okay. So your first question is on BIS. So we can only tell you about how we are able to see things happening. It's a continuous process. So it's not like something that it's been done across the country and everyone has become BIS compliant. We think it's still miles to travel, but the initial signs are very good, encouraging.

And we keep reading and we keep also coming to know from the industry that BIS is continuously conducting such, not only at the manufacturing location, but also at the dealer point. And in a way, it's sending a very strong message to the trade and the manufacturers that people have to comply to BIS norms.

The biggest benefit, if you really see, has come because the imports have reduced significantly. So like if you have to compare last year's versus this year's numbers, so imports this year compared to last year, both in MDF and plywood is like 3% to 4% of last year's number. So that itself clearly says, as the first level of improvement, which is there.

And most of that was getting used at the level of OEM or the key manufacturers. So that traction is visible clearly. But as I said, it's a continuous process. It will take some time for this to really show up even larger benefits for the branded goods player. And we are very, very hopeful that this will continue to benefit companies like us.

In terms of the demand scenario on plywood, see, despite -- if you really see -- when you look at the real estate data, the residential data, there is a degrowth compared to last year, both in quarter 1 as well as quarter 2. But still, if you really look at us, we have grown by around 7% in terms of volume.

And we are very optimistic that in quarter 3 and quarter 4 also of this year, we'll be actually able to grow at 10% plus in volume, a, because of, of course, this BIS, which is helping, the trade, which is helping us; b, also because we have done a lot of improvements in our own process. We have hired a consulting service around a year back.

And we started systematically, first of all, correcting the back end, which was our own supply chain, our production availability and then getting into a lot of initiative on the sales side management and this. That has also started showing a very disciplined approach, which is also resulting into higher traction into the market. So we are very confident that from here on, we will be able to see better growth on Greenply even in plywood as a business.

In terms of outlook, look, the Indian story remains very, very strong overall. These are few quarters where, again, as I said, the chips are slightly down, but I'm very much sure that with the type of growth which all of us are talking about, this sector is still to really fire the residential sector again. And once that happens, then we can look at a much larger growth. We are very much prepared for the same. Sanidhya, do you want to say anything on MDF outlook.

Sanidhya Mittal:

I think demand in the MDF industry also remains strong. I think the imports are really down, even though the domestic competition is really tightened and significant today, which was a couple of years ago, it didn't exist that many domestic players. But with our brand and with our approach, I think we are very confident that we'll be able to sell our entire capacity.

And we've already expanded our capacity, which Manoj ji mentioned in his speech, I've mentioned and now we are looking to quickly utilize the entire capacity. And I think H2 should be a display of that if things go as per plan.

Manoj Tulsian:

Yes, 100%.

Arpit Kumar:

Okay. So what is the current capacity utilization you are at for Q2?

Manoj Tulsian:

For MDF...

Arpit Kumar:

Yes, MDF.

Manoj Tulsian:

So MDF actually in Q2, we took a shutdown also, right? So -- but if you look at it, whatever turnover we have achieved in Q2, that will utilize maybe around 70% of our capacity. So we are now good at capacity after this expansion on MDF.

- Moderator:** The next question is from the line of Udit Gajiwala from Yes Securities.
- Udit Gajiwala:** Sir, in terms of MDF margin, you mentioned that H2 will be 16%. So given that if there were no shutdown, was it just one-off? And how are you seeing the competitive behaviour since they are taking a lot of price correction to push volumes? How is that rubbing off to the margins?
- Sanidhya Mittal:** That is true. There are competitors sitting with large capacities to sell their capacities, they are undercutting. But that is in a particular segment to achieve a volume. I think competitors with very, very large capacities, their focus is to sell the industrial grade or the interior grade in which they are mainly cutting prices. If you look at our realizations also, our realizations have also slightly gone down.
- But we are very confident that we can still maintain a 16% margin for H2, given that now there will be operating efficiencies in this plant. The 25% of the capacity has gone up, but the fixed cost remains almost the same, hardly any change there. So a little bit of reduction in the realization, a little bit of cost increase, a little bit of efficiency increase, I think the back to square one.
- So whatever we were displaying or speaking about in Q1, I think we are maintaining the same. Obviously, Q2 was a one-off quarter because we originally shut down the plant for a month, but we took more than 40 days to actually get it up and running again. So we lost out on that, and that's the reason why you see these margins.
- Manoj Tulsian:** Quarter 2 is just a one-off case, right? So you should look at us how we did in quarter 1. I think the scenario was almost similar in quarter 2 also. There's not much change which has happened on the pricing or the realization side post quarter 1. And so quarter 2, like as we mentioned in the opening speech, that gave us an opportunity also to liquidate some of our non-moving inventory because sales definitely had the target which they had to achieve.
- So in a way, it was good that, yes, some of those materials went at a very heavy discount, which reflected in the margin also, which dropped to single-digit, but good that we were able to feed those as a capital. And in any case, it was either a non-moving or very slow moving. And I think there is -- and we are talking of now in H2 almost a higher double-digit growth.
- So you will see larger operating efficiency also getting into play because this 800 CBM going into 1,000 CBM, we are not adding any costs. It's just that my production level goes up with almost the same level of people, manpower and everything, all my fixed cost. So we are pretty confident that if we are able to achieve our higher double-digit growth, which also is visible, we will be able to get a margin also of 16% plus.
- Udit Gajiwala:** Okay, sir. So fair to assume you are not assuming any price hikes. So if any of the industry price hikes comes up, that will be over and above what these margins could be. Is that a fair understanding or you are all factoring some price hikes?
- Manoj Tulsian:** We are not factoring any price increase at this point of time.

- Udit Gajiwala:** Okay. And sir, post this expansion, what will be the split of capacity in the incremental specifically, how much more value-added products can we produce?
- Sanidhya Mittal:** So I think this is the mainline capacity. So our fresh is going from 800 CBM to 1,000 CBM and all our balancing equipment's were already designed as per 1,000 CBM. So, I mean, it totally depends on our selling skills and our sales team's efficiency to go out there and look for more value-added sales. So I think product mix is pretty much defined on sales, not because of the fresh.
- Manoj Tulsian:** So there's no differentiation in terms of the capacity within 800 CBM or 1,000 CBM that we can only produce up to this much of value-added products. It's like what Sanidhya is saying, it's totally dependent on our sales orders and our strong work in the -- on the street.
- Udit Gajiwala:** Sure, sir. And just lastly, in plywoods working capital, we have seen some increase in the debtors. So is this just for -- with the spends or the -- your efforts you're making for the Ecotec brand and how -- when can we expect it to normalize?
- Manoj Tulsian:** No, I think sales is also higher. If you see compared to quarter 1, if you're just comparing it with that. Our overdue status has not gone up significantly between quarter 1 and quarter 2. However, there is -- there will be an effort to bring down our overdue in quarter 3 and quarter 4. So maybe there will be some amount of working capital release, which internally we are targeting.
- Udit Gajiwala:** Okay. And sir, just last question to specify the 10% volume growth for H2 from that volume growth, can we achieve this 10% EBITDA margin that we are still eagerly waiting for the company to deliver?
- Manoj Tulsian:** See, raw material prices, which also we -- actually we perceive that it will soften by quarter 3. We at least still maintain that this year, the raw material prices are very stable. And there is a most likely chance that the raw material prices may drop also. It can be end of quarter 3, it may be in quarter 4. And if that happens, then there will be an incremental margin accretion which will happen.
- In any case, our H2 plywood targets are much better compared to our H1 numbers. So some level of operating efficiency will play. That's why we have said our H2 margin will be better than H1. Our investments on the marketing spend is also quite high because we have also started now, as I said, we have started investing on Ecotec as a brand when it comes to plywood as a segment. And we continue to even invest on our premium brand Greenply. So we are not cutting down anything on the marketing spend also.
- So keeping these things in mind, yes, 10% may or may not happen. But at this point of time, for sure, we don't want to promise 10%. Yes, if we get very good growth, if we get a growth which is more than 15% for H2, then for sure, our internal working says that we can even touch 10% plus margin for H2.
- Moderator:** The next question is from the line of Kaushal Sharma from Equinox Capital Ventures Private Limited.

- Kaushal Sharma:** Yes. So my first question on your HDF flooring, like we are doing capex on our HDF flooring. So when can we expect to operationalize this?
- Sanidhya Mittal:** Currently, we are conducting trials. The machine is fully installed, and we are in the process of making samples and displays for the entire market. Early December, I think we should start selling commercially.
- Kaushal Sharma:** So what is the capex in this involved and the capacity are we looking for?
- Sanidhya Mittal:** I think the CFO can share that. I don't have that number handy, and I don't want to give you a wrong number. Maybe...
- Manoj Tulsian:** Maybe we can share it afterwards. If it's not there, maybe he will also not have at this point of time. It's not a major capex.
- Sanidhya Mittal:** It's a very small capex.
- Manoj Tulsian:** It's a very small capex, but maybe we can give the numbers afterwards to you.
- Kaushal Sharma:** Okay, sir. My second question is on your plywood business. Like earlier in the last call, you said our target is around double-digit growth in this segment with double-digit margin. But currently, we are getting 3.1% year-on-year increase in H1 financial '26 with core EBITDA 8.1%. So are we aligned with our target?
- Manoj Tulsian:** So as I mentioned, first thing in quarter 2, we got a volume growth of 7%. Our initial guidance was a 10% volume growth and also 10% margin for the full year. We have definitely missed out on the margin front in H1 because we could not register a growth of 10%. So somewhere this 10% margin is also related to our volume growth. And since we missed out on the volume growth, we have clearly missed out on our EBITDA guidance also.
- For H2, we are very, very comfortable, as we mentioned that, one, things like better BIS implementation, lower imports, raw material prices slightly more stable. And then as we said internally, we have done a lot of work taking support of a consulting firm also, which has now started showing results from the last quarter.
- I mean, one that internally building up a lot of better controls and processes, better measuring systems, as well as this getting into branding investment on Ecotec as a brand, which is the value of the plywood business is also showing us rich signs in the market. So we are very confident now that double-digit growth in volume in H2 is doable.
- And if it goes to a higher double-digit, then maybe we can even surprise the market by actually giving a 10% plus EBITDA in H2. But we don't want to promise that at this point of time. And if we are able to achieve a 10% plus EBITDA this year in H2, then for sure, we are in double-digit margins in plywood business for next year.
- Kaushal Sharma:** And my last question, just want to know one clarification. I have seen your consolidated results, and we have generated some exceptional gain around INR4.43 crores by selling 30% stake in our Greenply Middle East Limited. But the overall consideration is around INR4.25 crores, but

we have generated gain of INR4.43 crores. So why the amount is not -- there is some mismatch in this amount?

Manoj Tulsian:

Actually, this happened in quarter 1. And whoever asked for, we provided a full reconciliation because there are actually 5, 6 adjustment entries because of the stand-alone and then it gets consolidated and then the way the forex thing gets reinstated and treated. So in case you want that detail, please reach out to our IR person, Mr. Jay, and he will be able to provide you that entire reconciliation.

Moderator:

The next question is from the line of Ritesh Shah from Investec.

Ritesh Shah:

Sir, on the MDF, I just wanted to clarify, there are no one-offs related to plant shutdown or restart in this quarter. If there's a number, if you could give that, that would be quite helpful.

Manoj Tulsian:

Sorry? No, no. So we mentioned -- see, it is a mix of 3 things which we mentioned. One, because we had built up inventories, which we mentioned in the last quarter also that whenever we take a shutdown, we cannot be out of market. And the shutdown was totally dependent on our capability to first build up that much of stock so that at least we are 70%, 80% able to serve the market on the monthly requirement.

So when actually the inventory gets built up, there is an overabsorption of overheads, which results in slightly better margins. So in a way, if you can really see maybe quarter 3, quarter 4 or even quarter 1 this year, there can be an iota of incremental margin, which was partially due to the added inventory, which we started keeping. So once we liquidate that portion of the margin actually gets wiped out. So that is one.

Second, as I said that we had some non-moving inventory and very slow moving inventory. which we use this as an opportunity by giving better target to the sales team so that they were pushed to somehow get rid of the inventory into the market by selling them at a higher discount. So that was the second reason.

And the third was that despite whatever planning we did, we were still running out of some of the SKUs, which would complete a particular order. So we went into some mode of trading also to balance some of these SKUs. And when you get into the trading time, so automatically, your margin on that will be much lower.

So it was a culmination of all 3, which resulted into this drop of margin by almost 6% or 7% -- 8% to 9% compared to quarter 1. But now that have gone up, we are -- we will be back to our 16% plus margin.

Ritesh Shah:

Sure. Sir, the second bucket, what you indicated, slow-moving inventory, can you highlight what sort of SKUs were there? The reason I ask is because historically, we have maintained that we don't intend to be there much in the industrial side of things. So is this something that we had exposure on industrial, we had some inventory and we cleared that thing out. So is there some change in mix? How should we look at it?

- Sanidhya Mittal:** I mean we had old inventories. When you are running the line, 1% of your production is B grade. So we had it piled up for 6 months. So we thought when our plant is shut, let's utilize and let's sell everything we have. So we cleared all our B grade back then, then we cleared some thicknesses or some unique sizes that the team had given a projection for sales, but that did not sell since inception.
- So we thought that instead of carrying that in our books, let's give whatever discount the market needs and let's actually liquidate that. So any old stuff thing, which was maybe a learning curve for us or maybe as a process, it's produced, etcetera, was all cleared out during the sales.
- Manoj Tulsian:** Yes, because it was only a learning curve, you may say because initially what we started producing was clearly based on our sales team's forecast at that point of time. And some of the SKUs, which we had much higher numbers in terms of forecast, but like how hardly we were able to sell.
- So those were the things which were not actually getting sold in the regular day-to-day thing. So this we got as an opportunity and window to push. That does not mean that we were able to liquidate, we may still carry something out of that, but we took all our efforts to use this as an opportunity.
- Ritesh Shah:** Yes. Sir, just to clarify, so we don't have any exposure to industrial-grade MDF. Just wanted to clarify that.
- Sanidhya Mittal:** We have exposure to interior grade or industrial-grade MDF. We definitely have. But since we have a very strong brand and only 1 plant, our focus on that category is very low.
- Ritesh Shah:** Okay. Sanidhya, would it be possible to indicate, say, hypothetically on the full year volumes, what percentage of our volumes would fall under this part?
- Sanidhya Mittal:** 35%, 40% should be -- 35% should be in interior. Yes, in fact, interior, industrial is the same thing.
- Ritesh Shah:** Okay. That's helpful. Sir, second question was, Manoj ji, you indicated that there is no pressure on the raw material side. Can you indicate how much was the resin cost increase this particular quarter? And I presume like for us, what you indicated second half margins, we are already factoring this cost increase, assuming stable prices, you indicated the margin profile. So just possible to understand how much was the chemical or resin price increases this quarter? And how do we see that going forward?
- Sanidhya Mittal:** So you're talking about MDF? Yes. So in MDF, yes, the resin prices have gone up because of the tight competition, there is a pressure on the realization as well because of certain players undercutting. And these are the minuses for H2 and the plus for H2 is that, the fixed cost remains the same and we'll have a higher output.
- So whatever we were going to gain because of the fixed cost remaining hit, we are now kind of both are getting null and void. So the loss because of the resin, not the realization is kind of

getting covered in the operating efficiency. Hence, we are commenting that we look at a 16% guidance for H2, what we had told in the beginning of the year.

Ritesh Shah: Sure. So this doesn't mean that the industry will follow suit. It is more because of our operational efficiencies you are guiding for the margins what we are indicating. Would that be fair?

Sanidhya Mittal: Absolutely.

Manoj Tulsian: Yes, right.

Ritesh Shah: Great. Sir, just 2 quick questions. Have you adopted any bundling strategies in the marketplace for ply and MDF together? That's one. And secondly, if you could give some numbers with respect to the JV for, say, second half of the fiscal and next year, what our targets are on revenue, EBITDA and PAT?

Manoj Tulsian: No. I mean, I've not understood. Bundling strategy means what? Actually, yes, we get the advantage that if there is a plywood dealer, we definitely have the sales team which takes a lead. So the MDF team takes a lead from the plywood team and tries and approach them and vice versa. But there's no bundling sales per se.

And the second thing was on the JV portion. See, we have now achieved a run rate of around INR4-odd crores per month. So for H2, for sure, we are looking at INR25 crores plus, may go up to INR30 crores because our dealer base is improving every month. And our sales team expansion is also taking place now. For next year, we are looking at -- aggressively, if you ask us, we are looking at that possibly we'll be able to touch anything around INR100 crores as a turnover. This year, maybe it will be around INR50-odd crores.

Ritesh Shah: Sure. Sir, just to come back to the prior answer, what you indicated, our plants are stabilized. We are established brand. We have distribution. Then why are we not going ahead with bundling strategies or incentive schemes to cross-sell ply and MDF to maximize sales? Any specific reason? Or is it something which is work in progress?

Manoj Tulsian: No. So first, Ritesh, on this, today also, if you see the overlap is only around 25% to 30%, okay, between the 2. And second, as I said that it is not easy because when you have different sales team and so sometimes even the challenge faced by the sales team, so let's say, if it's a plywood sales team, they themselves have 6, 7, 8 sub-brands to sell. At times, they are not even able to do justice to that. If they are able to do justice, they will actually be able to draw even better traction on the plywood business itself.

So as I said that now we are using the service of some consulting house for last 12 months or maybe 15 months. We have been able to do a few more things in terms of measurables, in terms of making a very detailed sales plan for them, which is bringing in larger accountability and visibility with these type of things and then this is just a quarter when we have done this.

So I think the team is also getting used to it. The good part is that, there is a lot of buoyancy in the team to accept this change in the culture and system. So this will give us rich dividend going

forward. Once we are able to do it within the verticals, then I think the question really comes of across verticals. We have discussed this so many times, but implementation of this is never easy.

Moderator: The next question is from the line of Nishita from Sapphire Capital.

Nishita: Sir, I just want some clarification on your guidance. So you mentioned that you'll be able to do double-digit margin in MDF in H2 FY '26 and 10% volume growth and 10% margin in H2 FY '26 for plywood. Can you give an overall guidance for the complete FY '26 for both the segments?

Manoj Tulsian: No. So let me slightly just repeat. For plywood, we are saying that 10% volume growth in H2 . Margins in H2 for sure would be better than the margin what we have delivered in H1. If the growth in plywood is higher double digits, then there is a good chance basis our working that we may touch 10% margin also in H2. That is on the plywood side.

On the MDF, we are looking at a higher double-digit growth, and we are very confident now because we have been able to do the capacity expansion in quarter 2. And we are also saying that we will be able to deliver 16% plus margin in MDF for H2. For the full year, if we will have to work that, we have actually not seen it that way, but maybe for the full year MDF with this guidance may reach around 14.5%, 15% margin for the full year. And in plywood, it can be around 8.5%, 8.6%, which looks quite possible.

Nishita: Okay. And any guidance on the volume growth for the whole year?

Manoj Tulsian: Yes. So, I mean, the H1 numbers are already there. So if you just add up the H2 numbers, you will be able to work out the full year guidance numbers also accordingly. Growth for MDF, what we are talking about in any case for the full year also will be higher double-digit. And the margin, as I said, can be around 14.5% to 15% for the full year.

Plywood, full year growth -- volume growth is only around, I think, 3.5% in H1. 3% and we are talking of 10% plus. So it can be like 6.5% to 7% volume growth for the full year and the margin can be around 8.5% or 8.7% for the full year, 8.5% actually. For the full year, it can be around 8.5%.

Moderator: The next question is from the line of Parth Bhavsar from Investec.

Parth Bhavsar: Sir, there is one clarification I wanted that you mentioned something in terms of revenue, EBITDA, PAT target for '27. So can you just clarify that like you mentioned a number of INR100 crores per month. Is that right?

Manoj Tulsian: No, no, no, no. Someone asked a question on the projection for JV for next year. For that full year next year, we are targeting INR100 crores.

Parth Bhavsar: Perfect. And sir, like in terms of any guidance for '27, anything, if you would like to give that, otherwise, it's okay. I believe it's too soon.

Manoj Tulsian: Yes, it's too soon. And I think we are focusing right now on H2. We are very excited with whatever efforts we have taken that H2 will be definitely, definitely much better, both in terms

of plywood as well as the MDF business. And once we have done that, then for sure, we'll be able to give you the guidance sometimes in Q4 for next year.

Parth Bhavsar:

And sir, anything on capex, like are we -- anything on capex that you can guide for '26 and '27? Is that possible?

Manoj Tulsian:

So for this year, I can tell you that we might end up investing another INR100-odd crores in different pockets because, one, we are actually doing some improvement in terms of our process in 1 or 2 plants on plywood. It's a change of process. It's an innovation where we are actually getting a total new line. Second, we are doing some level of line balancing on the plywood business again, which will call for some capex.

Then third, our Odisha plant has also now -- is in the construction mode. So there will be a level of investment which will go into that. And then the investment on the PVC plant also. So these 4, I think, are the major elements of capex in H2. All this together can take around almost -- plus some maintenance capex may actually take around INR100 crores to INR110-odd crores of outflow.

Next year, actually, we don't have the number right now because it will depend on at what pace we are able to spend during this H2. Depending on the same, the balance amount will go into next year as capex, which is mainly Odisha plant next year. Next year, balance capex is Odisha plant. And I think only some maintenance capex, nothing much as of now.

Parth Bhavsar:

Okay. And sir, one last question, sir. How is the Samet JV, how is it faring?

Manoj Tulsian:

Well, it's improving every day. We have been able to add dealers incrementally every month. And we are now also increasing our sales team force into the market. So we started with a very lean and thin team and now we are adding people there also. So as I said that if you see in quarter 2, we have almost achieved a run rate of around INR4-odd crores per month. And we hope that this run rate moves to around INR5-odd crores per month in H2. So things are only looking up there.

Moderator:

The next question is from the line of Karan Bhatelia from AMS.

Karan Bhatelia:

Yes. From Asian Market Securities. Sanidhya, any clarity on the next leg of capex for MDF? I mean, assuming we're growing at 15% plus volume here on. So when do we plan for a further big leg of capacity expansion for MDF? Will it be at the existing location or we will be planning a joint plant at Odisha? Your thoughts on that?

Sanidhya Mittal:

I think we have sufficient land in Odisha and for Vadodara, we have multiple things to do but, we keep studying the suppliers, and we have to take a call some 4 and 5 months, 6 months maybe.

Manoj Tulsian:

We surely need the capacity in FY '28. Okay? So for that, yes, in the next 5 or 6 months for sure, we will have to finalize the place where we want to do it and the partner who would be there in terms of our machine supply and everything. And then we'll have to get going because the way

we are growing in MDF, otherwise, as Sanidhya is saying, FY '28 growth will get hampered. FY '27, we are comfortable, but FY '28 growth will get hampered.

Karan Bhatelia: Right. So also some clarification on the capex. So INR100 crores incremental capex in the second half, right? So that will give us how much for the entire year? And does that include the investment in JV?

Manoj Tulsian: Yes, it includes the investment in JV. I missed that. So it will include further investment in the JV also as the fifth element. We have almost spent around INR56 crores in H1. So it will be like almost INR155 crores to INR160 crores for the full year.

Karan Bhatelia: INR160 crores for full year, including the investment in JV?

Manoj Tulsian: The JV. Yes.

Karan Bhatelia: Right, right. Anything else apart from MDF and plywood, any other product category laminates particular board you want to add in the Odisha capex?

Manoj Tulsian: I think we have enough things on plate. The first thing is we have to bring plywood back into double-digit growth clearly. And we have to -- at a high double-digit in MDF. So these are the things which we see in H2. And once we are done with that, we also need to take our decision on the next line for MDF, which is a rightful question raised by someone. So all these things are most important.

And then only maybe at some point of time because Samet is a great business, the furniture hardware. And we also need to make sure that next year how we make sure that we are able to touch around INR100 crores turnover in that business so that the year subsequent, we are able to break even and start making money.

Also in that business, the losses are today very high for the reason because almost 45%, 50% of the product is imported. So we have a Phase 2, Phase 3 expansion plan. Once that happens, then the margin profile changes significantly because the products which we are importing versus the same product which we start manufacturing in India, the margin profile changes significantly. There is nothing to worry about the type of losses which are going into at this point of time.

We are -- these are all planned. And also, we continue to invest heavily on the marketing and branding side. We are present in exhibitions which is happening on this, and we are also doing other branding activities. So we are very much on the plan of doing well in the furniture hardware business going forward. So these are quite a bit of things already on the platter, at this point of time, we are not thinking of any ideas, at least for the next 9 to 12 months.

Karan Bhatelia: Great. I think that was insightful. Since there are no further questions, any closing remarks you want to make, management team?

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



Greenply Industries Limited
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Moderator: On behalf of Asian Market Securities Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.