Greenply/2026-27
November 03, 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 October 30, 2026 on the financial results of Greenply Industries Limited for the quarter ended 30th September, 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
Digitally signed by KAUSHAL KUMAR AGARWAL
Date: 2026.11.03 15:43:28 +05'30'

**KAUSHAL KUMAR AGARWAL**
**COMPANY SECRETARY &**
**VICE PRESIDENT-LEGAL**

Encl.: As above

# “Greenply Industries Limited
# Q2 FY27 Earnings Conference Call”
# October 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 MARKET SECURITIES PRIVATE LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Q2 FY27 Earnings Call of Greenply Industries 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone.

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

**Karan Bhatelia:** Thank you, Naziya. Welcome to the 2Q FY27 Investor Call of Greenply Industries. From the management side, we have Mr. Sanidhya Mittal, JMD; Sanjiv sir, CFO. I now hand over the call to Sanidhya for his opening remarks, post which we will open the floor for Q&A. Thank you and over to you, sir.

**Sanidhya Mittal:** Thank you, Karan, and good morning everyone. It is a pleasure to welcome you all to Greenply Industries Limited earning conference call to discuss our financial and operating performance for Q2 H1 FY27. During the first half of the year, we continued to strengthen our portfolio to enhance customer engagement through technology-led -- focused brand building initiatives. In our premium -- hello? Are we audible?

**Moderator:** Yes, sir, audible. Please go ahead.

**Sanidhya Mittal:** In our premium Plywood portfolio, we introduced TermiVax, a patented nanotechnology-based anti-termite solution designed to provide and enhance long-lasting protection against termite attacks, addressing a key concern for consumers across the country.

We've also strengthened Greenply Gold's value proposition through introduction of the 11-year fully covered plus plan, which complements its 30-year-old product warranty by providing specific restoration and related cost coverage to bring in customer trust and customer delight.

Our product innovations and performance showcased in MATECIA 2026 across our product categories was highly appreciated by all. Through targeted engagement with architects, designers, dealers, and other key stakeholders supported by interactive product demonstration, we focused on strengthening brand visibility, driving product awareness, and reinforcing our product positioning in the value-added and premium product segment.

These initiatives are aimed at supporting customer preferences, improving product mix and driving sustainable product profitable growth. The above initiatives, coupled with our continued focus on product innovation and targeted efforts across product categories and customer segments, have started yielding encouraging results.

Initial feedback from dealers, architects on our premium product offering and innovation has also been encouraging. The positive response is translating into healthy value growth and reinforces our confidence in the premium strategy. Going forward, we believe sustained momentum in the premium category, supported by continued product innovation and a strong product mix, will contribute to margin expansion and enhance overall profitability.

Furthermore, given the healthy growth momentum in the plywood segment and our objectives of meeting the incremental demand through our own manufacturing capabilities We are pleased to announce the expansion of our plywood manufacturing capacity at our existing Sandila, Lucknow location.

The proposed new capacity will be 15 million square meters with a budgeted capex of INR125 crores, which will be funded through mix of debt and equity and is expected to commence commercial production in Q4 FY28. The facility will have a revenue potential of INR320 crores to INR340 crores at full capacity utilization.

The expansion will strengthen our ability to serve the growing market while supporting our long-term growth plans. With this expansion, our total plywood capacity starting Q4 FY28 will be 81.3 million MSM.

Moving on to our ESG and sustainability initiatives. I am proud to highlight a major milestone in our Green journey. Greenply has undertaken one of India's largest private sector afforestation programs, a framework, a verified carbon standard, VCS-validated grouped project titled Agroforestry Plantations in the Country by Greenply.

We have successfully rolled out the first phase across Gujarat and Nagaland, covering an area of over 2,300 hectares and transforming degraded shrublands and low-productivity agricultural plots into thriving agroforestry ecosystems. This initiative is deeply collaborative. We have already benefited over 505 local farmers through sapling distribution, hands-on training, technical support to boost their long-term profitability.

Furthermore, participating farmers will directly benefit from a share of the revenue generated from the sale of carbon credits. I am also thrilled to share that a total of 2,56,688 carbon credits have officially been allotted to Greenply under this program. Looking ahead, we are fully committed to moving into the second stage of the project, which will expand our footprint to massive 12,000 hectares across both Gujarat and Nagaland. This framework underscores our commitment to blending strong environmental stewardship with robust socioeconomic value for our grassroots communities, paving the way of sustainable long-term growth.

Now, I would like to update you on Greenply Q2 and H1 FY27 financial and operating performance. Consolidated revenue for Q2 FY27 stood at INR799.7 crores, registering 16.1% year-on-year increase. Our consolidated core EBITDA stood at INR89.2 crores with a core EBITDA margin of 11.2%, representing an expansion of 300 basis points Y-o-Y growth.

On a half-year basis, consolidated revenue stood at INR1,524.6 crores, registering an 18.2% Y-o-Y increase.Our consolidated core EBITDA was INR167.5 crores with a core EBITDA margin of 11%, representing an expansion of 180 basis points Y-o-Y growth.

Let me now share the highlights of our individual business segments.

In our Plywood segment, we have achieved a volume growth of 6.1% on Y-o-Y basis in Q2 FY27 with a revenue of INR625.7 crores, a value growth of 15.5% on a Y-o-Y basis. The realisation stood at INR264 per square meter due to better sales of premium products. On the

margin front, our core EBITDA margin stood at 10.05% for Q2 FY27, a growth of 180 basis points Y-o-Y and 160 basis over the last quarter.

On a half-yearly basis, we have achieved the volume growth of 9.2% on a Y-o-Y basis with a revenue of INR1,152.3 crores, a value growth of 15.7% on Y-o-Y basis. The realisation stood at INR264 per square meter. On the margin front, our core EBITDA was at 9.31% for H1 FY27, a growth of 120 basis points on a Y-o-Y basis.

Moving to our MDF business, we have achieved a quarterly revenue of INR173.9 crores with volume reaching 54,605 CBM. This reflects a Y-o-Y growth of 18.4% in value and 16.1% in volume terms. The reason for not achieving the targeted growth in the quarter was mainly due to some challenges faced due to monsoons and annual maintenance. The realisations declined to INR31,816 per CBM due to rollback of the price hikes taken earlier. EBITDA margin for the quarter stood at 15.2%.

On a half-yearly basis, we have achieved a revenue of INR369.6 crores, a growth of 25.6% on a Y-o-Y basis, with volumes reaching 1,12,411 CBM. A growth of 20.4% on a Y-o-Y basis. The realisation stood at INR32,694 CBM. Margins on a half-yearly basis was 16.3%, a growth of 350 basis points on a Y-o-Y basis.

Our furniture fittings JV, we have achieved a sales of INR14.08 crores in Q2 FY27 and INR27.70 crores on a half-yearly basis. The JV reported a PAT loss of INR12.6 crores in Q2 FY27, with our share of the loss amounting to INR6.3 crores. On a half-yearly basis, the JV reported a PAT loss of INR24.2 crores, with our share of loss amounting to INR12.1 crores.

Our HDF flooring line commenced commercial production in July 2026 and it's progressing well. We expected this business to begin contributing to our overall performance in the second half of FY27, as our expansion ramp up. Our expansion projects, including the new MDF facility at Vadodara and the new greenfield manufacturing facility at Odisha, are progressing well. And our plans remain on track for commissioning with the committed timelines. MDF is expected to commence in Q2 FY28 and Plywood in Q4 FY27.

On the balance sheet front, we continue to maintain a prudent financial position while investing for future growth. As of the end of the quarter, our consolidated net debt stood at INR544 crores, debt-to-equity ratio of 0.56x. This remains well within our guided range of 0.7x to 0.75x, reflecting our disciplined capital allocation, healthy financial position, even as we continue to execute our planned capital expenditure program.

Looking ahead, considering our H1 FY27 performance and the overall market environment, we intend to maintain our existing guidance for the plywood segment and remain confident on achieving it. For the MDF segment, considering the external operating environment and strategic focus on value-added products and profitability, we revisited our earlier whole year guidance and we expect to achieve full year volume growth of approximately 20% while maintaining core EBITDA margins in the range of 15% to 16%.

We remain focused on delivering sustainable growth, improving operating efficiencies, and strengthening our market positions across our key product categories.

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

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Karan Bhatelia from Asian Market Securities Private Limited. Please go ahead.

**Karan Bhatelia:** Hi, thank you for the opportunity. Sanidhya, I just wanted to understand, last two, three quarters' plywood growth has been upwards of 10% and this quarter's growth came in lower vis-a-vis estimates at 6%. So any changes in strategy for you with respect to Premium or Ecotec? Any thoughts for that?

**Sanidhya Mittal:** I do not think there's a major shift in the strategy. Greenply was always Premium heavy and if you look at our utilizations in this quarter, the plant utilization was more than 100%. So at this given point, till Odisha and Sandila starts, maybe another two quarters for Odisha to start, and for Sandila to start, say, another four quarters or five quarters from now. Till then, the actually capacity is a challenge for us. So in the given environment, we wanted to make the best utilization of the capacity we had. And this year, and this TermiVax campaign has given us a good boost in the Premium segment.

So we wanted to make margin, we wanted to do the best with whatever resources we have at the moment. So given that, obviously, we kind of did a 6% volume growth and about a 15% value growth. I think that was very good for this quarter, but I do not see that challenge post-Odisha coming up.

And obviously Ecotec is at a sweet price spot and that continues to grow very, very sharply. And our focus of branding both Ecotec and the Premium continues, and the strategy in the market remains the same, but given scenario, lack of capacity, we thought that this is the best use we can make of capacity.

**Karan Bhatelia:** Right. And on the MDF front can you just throw some light on the recent capacity additions and how you see the demand-supply dynamics for more three, four quarters?

**Sanidhya Mittal:** The fight in the market continues. The unorganized, obviously, they do not have an endless supply of money. So obviously the unorganized is facing a lot of heat. I also look at them maybe to some extent shutting down shops, maybe in the next 6 months, 1 year for sure, because at this margin level, I do not think they can survive.

And again, in MDF also, if you look at our overall production this quarter, our sales has been slightly more than what we have produced. And production, we had some disruptions due to monsoon and due to the original OEM coming down for the annual maintenance. So I think whatever we could produce, we could sell very easily. And even at the lower sales level, we have been able to deliver our committed margins. I think that is the silver lining.

And once we have capacity, we have a very strong name. I am sure we can sell. So our capacity also will get added somewhere beginning of next financial year. So I think road ahead honestly looks great, profitability-wise, growth-wise. Quite confident that whatever we have been working or thinking is kind of now working out for us.

**Karan Bhatelia:** Right. Thanks for the detailed explanation. Yes. That's it from my end.

**Moderator:** Thank you. The next question is from the line of Akshay Chheda from Canara Robeco Mutual Funds. Please go ahead.

**Akshay Chheda:** Yes. Thank you for the opportunity. My one question is related to the MDF margins. So in the second quarter, we have posted around INR4,700 of EBITDA per CBM. Now, what would be the guidance going ahead? Obviously, you have guided for a 15% to 16% in percentage basis, but if you could guide in terms of EBITDA per CBM, assuming the RM inflation, competitive intensity, product mix and the volume ramp-ups that would happen. I mean, is this INR4,700 the base, and should it improve from here on or how should we look at it? That was the only question. Thank you.

**Sanidhya Mittal:** One second. Sanjiv Ji, can you answer this? I have not calculated on absolute value, but we are very confident that -- this 15%, 16% kind of an EBITDA we will be able to deliver given our kind of cost that we are operating at today. And this one line, we are producing approximately 60,000 cubic meters every quarter. This is the kind of number we can easily deliver. And obviously going ahead, as value added, if it further improves and flooring and insulation also we are going to start very soon. So with all of that, I think it should further improve from here.

**Sanjiv Keshri:** Yes. And on this EBITDA per CBM, so we are confident that we can maintain above INR5,000.

**Akshay Chheda:** Okay. Got it. Thank you.

**Moderator:** Thank you. The next question is from the line of Sneha from Nuvama. Please go ahead.

**Sneha:** Hi team, good morning and thanks a lot for opportunity. Just couple of questions from my end. While you answered on the Plywood front about the volume growth, even if I look at your MDF volume, the growth has actually tapered compared to what you were doing. And even on a Q-o-Q basis, there has been volume drop. Is there any element of seasonality, any competitive intensity change that we are seeing? Although realisations also continue to dip on a quarter-on-quarter basis, any color on the MDF vision what are we actually seeing on that?

**Sanidhya Mittal:** So I think in MDF, whatever we could produce, we could sell. So if you see our production number for the quarter, our sale is actually slightly higher than the production number. 53,000 something is what we produce and 54,000 something is what we have sold. So I think production was a challenge for us, Sneha, and not the sales or doing that volume.

I think, because of monsoon disruptions, because of annual maintenance which was planned for one day and it actually ran for four days, stuff like that, overall production capacity fell and we couldn't produce. So I think that was a challenge for a Q-on-Q drop. I do not see any external environment or any other reason to be a drop in the volume and I think we are very confident to easily get that back in quarter 3 and quarter 4.

However, for the whole year, we still now guided 20% because we missed out on H1 honestly but on the margin front we are confident in whatever we initially guided, we will deliver that.

**Sneha:** Understood. On the pricing front how was the pricing during the quarter? Was the competitive intensity high? Even in part...

**Sanidhya Mittal:** Yes. It was very high and yes, the entire increase has been totally passed on and everybody is absorbing the cost increase today. The 15.5%, that Q1 everybody had taken a price rise, today that's more or less completely passed back. But in spite of that scenario, we have been able to do these kind of numbers and survive and thrive.

**Sneha:** You are saying a 15.5% price increase which was taken in Q1 has passed on completely. Where would our costing be, like raw material costing? Has that increase sustained or that has tapered off along?

**Sanidhya Mittal:** I think, the increase has sustained. It's not come down at all. There's a good 7%, 8% increase on the cost front because of the chemicals. Everything else is more or less stable, but the chemicals has permanently gone up, you know? And, Yes, at least a 7%, 8% hit on cost for sure.

**Sneha:** So, in fact, now the other big question that how are you even able to maintain a 15% margin given there has been a 700 bps, 800 bps increase in raw material costing, that's one. Secondly, in case, you can also answer in terms of how many new -- and any color on how much of increase in capacity has already come up, MDF industry as a whole and further likely capacity additions happening in industries now.

**Sanidhya Mittal:** Sorry. Your voice is a little -- it's not clear, it's a little muffled. So, can you just -- so, I -- if I'm not wrong, you asked two questions. One, you asked is, how are we being able to maintain this 15% in spite of this cost going up?

**Sneha:** You're right.

**Sanidhya Mittal:** And the second part of your question is, what are the new capacities coming and what will be the scenario post that?

**Sneha:** Yes. Absolutely.

**Sanidhya Mittal:** So, I think we've been able to maintain because obviously, we've been working on the better product mix. That is one. We're even replacing plain interior grade sales with Pre-lam boards. So, even if you see our Pre-lam volume, absolute volume for Pre-lam has gone up. Absolute volume for plain boards has also gone up. So, I think those factors are helping us. In the beginning of the year, we reduced our energy cost when everybody's cost was going up.

That's also helping us. We are building in other operational efficiencies at the plant. So, I think a mix of all of this is kind of helped us, helped our margins stay where we had guided. So, we were lucky, we didn't fall short there. And on the second question, I think, yes, the competitive space is really increasing.

Action TESA has started their plant in south. There's a new player called Elixrr which is starting up very soon. Our plant is also running ahead of schedule. Next quarter , we'll also be able to throw light when our plant is coming up. So, yes, competitive scenario is increasing, but from

day one, I think our focus was very clear that we have the strongest brand name in the country and for us to sell MDF at the operating price in the market will not be a challenge.

So, we are just going to make inroads into the Plywood segment that, we've been dominant for so long and keep capturing sales, keep moving ahead. Honestly, today, as per the name and the size of the organization, the capacity is very small. So, even with the next line, I don't see a challenge.

My fear and my challenges will start third, fourth line onwards. So, honestly, that's how I look at it from Greenply's point of view, that today we are sorted and with the next line also, I don't see that as a challenge.

**Sneha:** Understood, Sanidhya. Thanks. Thanks a lot, and all the very best, team.

**Sanidhya Mittal:** Thank you.

**Moderator:** Thank you. The next question is from the line of Anu Parakh from Anand Rathi Share and Stock Brokers. Please go ahead.

**Anu Parakh:** Yes. Hi , team. So, my first question is, like in the MDF segment, our EBITDA margins have contracted on a sequential basis. So, what is the reason for the same and what is the share of value-added products in the MDF sales volume?

**Sanidhya Mittal:** You want to answer?

**Sanjiv Keshri:** Yes. So, as we -- Sanidhya has explained you in the -- just in the last call, earlier call, that the -- whatever the price hike we had taken, it is already rolled back. So, that's the -- only the reason that our EBITDA margin has come down.

**Anu Parakh:** Okay. And sir, the share of value-added products?

**Sanjiv Keshri:** So, you see that we are reporting that MDF board and the Pre-lam. So, it is already given in our presentation. So, the share of Pre-lam has increased, but exact percentage I don't have right now.

**Anu Parakh:** Understood. And sir, what is the reason for improvement in the Plywood gross margin in Q2? And also, can you please guide us on the Plywood EBITDA margins for H2 FY27 and FY28?

**Sanjiv Keshri:** So, the main reason is our focus on the value-added product. As in the opening speech and on the replies, Sanidhya has already given you the reason that the -- our -- the new technology which we have introduced is giving a good traction in the market and our value product has picked up, the Green, mainly the Green. So, the -- that's the reason is the gross margin is improved. And on the H2, as we had already given the guidance that we will maintain that if the sales goes up around the INR600 crores -- crosses INR600 crores, we will maintain the double-digit EBITDA margin.

**Anu Parakh:** And sir, lastly on the timber prices, so how have the timber prices fared in Q2 FY27 for both Plywood and MDF? And what is the outlook for Q2 FY27 as well as H2 FY27?

**Sanjiv Keshri:** So, as of now, the timber prices are stable and going forward also, we assume that the price will remain the same.

**Sanidhya Mittal:** Yes. We are not assuming that we'll again face a cycle where the prices will come down and we feel that we are anyways in the top pricing, so we don't see a scope for further increase from here. So, if there's any gain, that should be an additional add to the margin. We've considered whatever margins we are committing in MDF or Plywood is considering existing timber cost. If there's any windfall gain there, it should be reflected straight on the margin.

**Anu Parakh:** Yes. Thank you, sir, and all the best.

**Sanidhya Mittal:** Thank you.

**Moderator:** Thank you. The next question is from the line of Parth Bhavsar from Investec. Please go ahead.

**Parth Bhavsar:** Hi, sir. So, thank you for the opportunity. So, I just had one question on SAMET JV. So, how should we think about the timeline on the dilution of our stake in the JV? It has been a drag on our numbers. So, how should we look into this?

**Sanidhya Mittal:** So, honestly, to remove the drag, I think the organization has taken a very difficult decision that, we don't want to be 50-50 JV partner, we want to have a minority. And the head of terms that we signed and we announced in the -- after the previous board meeting was basically, I think, 5th of January is the end date where we kind of dilute and we go down to 19% and they continue to operate the JV. Even today, because it is a 50-50 JV, we are reporting the PAT loss.

But honestly, Greenply stopped funding these losses from quarter one. The partner is funding it in form of advances and they are running the show. And January 5th is the end date decided where the entire dilution will happen and thereafter there will be no drag. And whatever drag today also you are seeing on the balance sheet is only a line item entry. Actual cash flow for the same is not being contributed by Greenply.

**Parth Bhavsar:** Okay. So, sir, we've, I think, invested INR105 crores, right? So, is there a provision with related to this?

**Sanjiv Keshri:** So, no, see, on a consol basis whenever there is a loss, we have already taken that. So, the consol -- the numbers is already reduced by the loss what we had earlier or we are -- what we are doing today. So, there is no requirement for further provision on this.

**Parth Bhavsar:** Perfect. Thank you so much for answering my questions.

**Moderator:** Thank you. The next question is from the line of Ritesh Shah from Investec. Please go ahead.

**Ritesh Shah:** Yes. Hi. Thanks for the opportunity. I just wanted to understand, you did emphasize on agroforestry carbon credits. Is there a way to quantify what part of our sourcing will be through the initiatives that we are taking? Will there be any tangible economic benefit? And how do you look at the carbon credits which have been allocated? Is there some scope of monetization over here?

**Sanidhya Mittal:** Yes, I think there's a huge scope of monetization over here for the farmers as well as for Greenply. And we have registered the entire Nagaland and Gujarat work that we do with the farmers on this program. And this is credits received till '23 end. We are going to get another tranche till '26 end, and each credit represents approximately 1 metric ton of carbon sequestered, basically 1 metric ton of pollution absorbed.

So, they do satellite imaging, we register the projects and the projects get audited and then eventually you open a DMAT account in which your carbon credits come and then you can sell in the exchange. The monetization for Greenply will be very small, it won't be very big, but for the farmers it will be much larger. The idea is not to make a one-time income or another income at Greenply.

The idea is to ensure that this income goes to farmer and becomes part of their sustainable income. If that happens over the years and over a period, we can get continued raw material. At the right price, the farmer will be motivated, and ultimately the landowner is who the carbon credits belong to. So Greenply is facilitating this whole thing for its own ESG, for its own sustainability, for the survival of its plant and for farmer motivation.

So, I think every box is getting ticked. Today we've already sold a sample credit at USD15 a credit. So, if you calculate at that value, I think almost INR25 crores, INR30 crores of revenue will be generating by this carbon credit sales and Greenply will be enjoying, I think, anything between 10% to 20% of this. So that's the economic benefit Greenply can get as per today's value. But I think that's a very minuscule number. That is not a focus point.

The focus point is farmers in and around our catchment are going to be happy with us and we are going to have a long sustainable journey with them for years to come.

**Ritesh Shah:** Right. And would it be possible for you to quantify what percentage of our procurement of timber is currently via the initiatives that we are taking or can it help us moving forward?

**Sanidhya Mittal:** I would say 50%, 60% in the sourcing from Vadodara because of this program and 100% sourcing in Nagaland because of this program, is what today we are doing. But eventually this program will become national for us. This will be running in every state for us and we're just going to make it bigger. So, this will be our philosophy in any and every plant and the surrounding of the plant.

**Ritesh Shah:** Sure. My second question is, why change in heart with respect to SAMET? It was a beautiful optionality that the company had. There were synergies in the channel as well. What was it that -- what was it which resulted to this decision?

**Sanidhya Mittal:** So honestly, both our product segments are growing very fast and both businesses need serious capex commitment. And to further strengthen SAMET and grow SAMET, I think, the JV partner is planning another INR400 crores of capex. So, at this point I don't think Greenply's balance sheet is not ready for that. And this 20% that we have is also going to be long-term.

We are also going to enjoy on arm's length basis certain brand charge, which is also going to be a significant other income. And eventually, the partner's vision is to list this company and

Greenply at that point will also have 19%, 20% equity. So, I think long term, now being outside, Greenply will still enjoy the reputation of the joint brand. Greenply's dealer distributor network will still enjoy selling those products.

The risk of Greenply will come down drastically and the whole investment will come in. And with the majority, I think the partner's focus will also be to then divert global sales to India JV, which will eventually make the Indian JV very profitable, big and fit for listing. So, I think on a long run, Greenply will still benefit out of this 20%, will still benefit on the brand charge and yet have a stake in the growth.

And then the focus here on the balance sheet, there will be zero drag quarter -on -quarter and the focus will be fully on growing the existing MDF and plywood business. And I think we've been very vocal that we want to get into chipboard and at some point, we'll be getting into chipboard also.

**Ritesh Shah:** Perfect. And just last quick question, what is the motivation behind Ecotec Prime versus Ecotec? That's one. And when we say 20-year warranty on products, just wanted to understand, what percentage of our revenues would qualify for this warranty schemes? How do we see this number going forward and how do we provision for it as well?

**Sanidhya Mittal:** Actually, there are no provisions that we take. For example, our lifetime guarantee product club was launched 20 years ago and the annual claim is not even INR1.5 lakh on that even today. So, we only claim these things once we are very sure. For example, we are talking about patented nanotechnology-based TermiVax.

So TermiVax is gone for graveyard test around 20 months ago and 12 months of finishing the graveyard test, we applied for the patent and the 14th month after the test, we actually launched it in the market. So only when the organization is super confident, we take a step like this where we openly announce warranty, guarantees and the past has given the confidence to us as the management, our auditors, and our operating team that there is no provision required for this. Because the company is very confident on what we are offering.

**Ritesh Shah:** Sure. And Ecotec Prime?

**Sanidhya Mittal:** I think, see the general mindset is to go up, up, up. So yes, Ecotec 710, Ecotec MR are the volume drivers. Undoubtedly, they are the sweet spot of the market. But Greenply never fails to launch a premium product at every point or at every price point or at every brand or at every sub-brand level. So yes, that was another step to further premiumize Ecotec.

**Ritesh Shah:** Sure. Can I squeeze in one more?

**Sanidhya Mittal:** Yes, please.

**Ritesh Shah:** Yep. Sanidhya, you indicated two companies adding capacities in the MDF. You also did indicate that possibly few could -- the smaller ones could potentially shut down. How are you looking at demand-supply and competitive intensity? So, I think supply is still coming, probably they are down, the value curve. So the value or pricing proposition is actually better. So, do you

see any light of the day, say, over next 12 months, 18 months, wherein profitability for MDF can actually structurally improve for us and overall, for the industry as well?

**Sanidhya Mittal:** I think next 12 months will be further bad. After that, structurally things can change once the smaller people actually die out and the demand catches up. Because see, a lot of new big entrants won't be interested because of the current industry scenario, so new players are not wanting to come in people who have already committed have come in and the smaller players are going to die a natural death and then I think the margin curve for us can again start improving but we are very confident with the way we are running that15%, 16% EBITDA, we'll continue to do even next year after our new capacity comes in easily.

So, at this level we can -- I think, approximately if I'm not wrong maybe make 17%, 18% type of ROC, obviously it can become 20%, 22%, 23% once the -- some people in the industry die, then the overall margin -- overall volume catches up and the demand becomes greater.

**Moderator:** Thank you. Ritesh, if you have a follow-up question, we would request you to rejoin the queue. The next question is from the line of Shruti Mulchandani from Ikigai Asset Management . Please go ahead.

**Shruti Mulchandani:** Hi, sir. I hope I'm audible.

**Moderator:** Yes, you're audible.

**Sanidhya Mittal:** Sorry.

**Shruti Mulchandani:** Okay.

**Sanidhya Mittal:** Yes, audible.

**Shruti Mulchandani:** Thank you. So, I just wanted to ask in terms of plywood, I understand that, we are constrained by the capacity that we have currently. But going ahead in the second half what kind of increase the volumes, can we do more trading here? Because we are allocating our capacity to the premium products. So, could we see more aiding on the Ecotec or maybe a little less premium side to support the volume growth?

**Sanidhya Mittal:** Yes. That's definitely part of the plan. Honestly, if you see the H1, there were parts of H1 which was very disturbed in terms of even the domestic, for example, Q1 also we were very disturbed because of the volume and because of outsourcing was really disturbed. But in H2, obviously, we have a higher plan to do it and we are very confident that annually we will do more than 10% volume growth still in the Plywood segment.

**Shruti Mulchandani:** Got it. This is helpful. And secondly, in terms of MDF, so I think based on the new guidance that we have of 20% growth for the full year , I think the second half has created 66,000 CBM on a quarterly basis requirement for Q3 and Q4. So given that I think you mentioned in the opening remarks that we have a 60,000 per quarter sort of a capacity. So how are we looking at kind of meeting this 20% growth target for the full year of FY27?

**Sanidhya Mittal:** I think we have inventory in hand. Also, now that we'll be selling flooring in the second half quite a bit. That's going to give us -- sorry.

**Sanjiv Keshri:** I think, yes, 63,000 is what we are targeting in the next two quarters and I think that is possible production and sales-wise. So yes, you're right, I think 63,000 is what we will have to target in the next two quarters.

**Shruti Mulchandani:** Got it. And just on the wooden flooring part is it possible to quantify what would be the contribution in terms of revenue from the segment?

**Sanidhya Mittal:** I think, it will be difficult to give a projection right now, but for next full year we'll give a guidance because we'll have some base. But yes, it should be a couple of crores every month for sure. INR2 crores, INR3 crores to begin with every month is a very easily achievable number.

**Shruti Mulchandani:** Good. And the realisation for this would be roughly INR60,000 per CBM. Correct me if I'm wrong?

**Sanidhya Mittal:** I would just tell you, one second. It would be in the range of INR75,000 plus per cubic meter.

**Shruti Mulchandani:** Okay. Got it. And just one last question from my side would be on the Sandila Ply capex. So, I think you mentioned INR320 crores, INR340 crores of top line here at a 15 million square meter capacity. So, this implies a INR220 realisation for plywood. So, given that we have done INR264 now, are we trying to increase this capacity more on the Ecotec side? So just wanted to get understanding there.

**Sanidhya Mittal:** So honestly, this projection is conservative and today whatever number you're seeing includes PVC realisation, includes premium plywood, includes cheap plywood, includes low-end plywood, includes some very niche stuff we do for industrial-grade plywood. So, everything put together, this is the blended realisation that you're seeing. And whatever growth is honestly coming in years ahead is mainly on the Ecotec segment.

And also, a lot of these capacities are being planned to convert outsourced to self-manufacturing, which will overall give the business more confidence and better margins, and better productivity. So hence, the planning is conservative at INR220. If we can achieve better that means higher absolute number as well, so it will be better only that way.

**Shruti Mulchandani:** Got it. Understood. This was helpful. Thank you. I'll join back in the queue.

**Sanidhya Mittal:** Thank you.

**Moderator:** Thank you. The next question is from the line of Rishab Bothra from Systematix Group Institutional Equities. Please go ahead.

**Rishab Bothra:** Hello?

**Moderator:** Yes, sir. You are audible.

**Rishab Bothra:** Just wanted to check, you mentioned you also wanted to enter chipboard manufacturing.

**Sanidhya Mittal:** Right.

**Rishab Bothra:** What is the timeline and capex involved in that part of the business?

**Sanidhya Mittal:** So honestly, our idea of capex there in that business will be very different. We are not looking at a very heavy quantity line and a very heavy setup. We are looking at a dependent setup along with MDF everywhere we go, where we'll set up multi-delight lines along with MDF. And in chipboard, our calculations and our understanding says that a multi-delight line complementing along with an MDF line will be super profitable and the total capex will be low.

The asset turn will be very different compared to a Conti line. So, we are not looking at per line more than INR100 crores of capex and we are looking at churning out 250 cubic meters, 300 cubic meters out of those INR100 crores of capex. And we are looking at an asset turn of 1:2 almost in case of partical board. So, our approach would be very different and we would set up the first line somewhere next year or next to next year depending on the bandwidth of the operating team.

**Rishab Bothra:** Got it. And secondly, with respect to Plywood, you mentioned Pre-lam Plywood was also in offering. How has it been -- the acceptance in the market? What sort of reliability is there?

**Sanidhya Mittal:** Honestly, we've only done trials. The commercial full-scale production is starting somewhere in November, so we are really, really looking forward to it. And I feel that, that will really change the ready-made furniture segment, and eventually every company would like to offer. And I think Greenply will be the first company to do that in India on scale. Where we can do Pre-lam Plywood at scale for the furniture makers.

**Rishab Bothra:** Got it. And lastly, sir, you have appointed a Chief Strategy Officer. His background seems to be corporate restructuring and acquisition, business acquisitions. So, anything in the offering with respect to acquisitions on the card, you would add?

**Sanidhya Mittal:** Not really. That's not the reason that we've got it. He's a nice professional and, obviously, has high experience on that M&A. But nothing in particular that we want to acquire something, that's why we've got him. He's a great resource. The team and Chairman felt that the right person. The Board felt the same. Hence, he's been hired to contribute to this company.

**Rishab Bothra:** Got it. Thanks. Thanks a lot.

**Sanidhya Mittal:** And he's also involved in the IT and the Purchase function. Other than Strategy. So that's also something where he will be focusing.

**Rishab Bothra:** Got it. Thank you, sir.

**Moderator:** The next question is from the line of Aasim from DAM Capital. Please go ahead.

**Aasim:** Yes. So just one question. So, if you could just repeat the Plywood margin guidance for the full year. So, you touched 10% this quarter. Basically, I just want to understand if this is in hand and can continue over Q3 and Q4 given the initiatives you have done at the plant level.

But you will also need to tap into outsourcing to get about this 10% volume growth. So, what is the approx margin you are targeting for this year? And with the Orissa unit coming in, what can that do to margins in the next couple of years?

**Sanidhya Mittal:** See, I think the first thing speaking sustainably do 10% plus. So hopefully our top line should be INR600 crores plus going forward every quarter and we should sustainably deliver 10%. That was the initial target. And then we told everybody that there should be no reason why this company does not do 11%, 12%, or higher numbers.

That is that will come for a couple of reasons. One, when we overall hit INR600 type of a number. The overall scale comes in our plywood segment and we are able to achieve that number. That is one reason. The other reason is that the new manufacturing that we've set up, that is also going to start saving some cost for us. That hasn't come in yet, towards the end of the year that should also start contributing.

So yes, I think H2, if you personally ask me, I'm looking at 10% plus for H2 and we are looking at the overall year also that how we can touch 10% in the overall year. Obviously, that will be the goal for this year and going forward, if that is what we can achieve sustainably this year, then next year definitely it will be double digit plus only. How we can further improve there?

**Aasim:** Got it, sir. Thank you and all the best.

**Sanidhya Mittal:** Thank you.

**Moderator:** Thank you. The next question is from the line of Jojo Shaju from Tirthan Capital. Please go ahead.

**Jojo Shaju:** Yes. Thanks for the opportunity, sir. I have a question on MDF segment. So, are we seeing any imports coming back in a big way? Because we have seen a news that certain companies from Vietnam, Thailand and Indonesia have received this BIS certification. So, what is the outlook on imports for the next second half or let's say, next one year?

**Sanidhya Mittal:** Honestly, even if imports have slightly increased, the total quantum what it used to be where it is, I think there's a huge gap there. So, I don't think that we are getting worried or challenged because of that. And also, the geopolitics and the war and overall freight in a product like MDF is not supporting imports. So that way also mentally we are relieved. And for us, again, today if you see, my MDF capacity is very, very small compared to this organization's name and strength.

So, we are not bogged by that. Anybody sitting with three, four, five lines must be really bogged with that, but we are not bogged with that because we feel our overall capacity is peanuts today, honestly. So, we should just focus on our brand, we should focus on our network and we'll easily be able to pump this capacity in the market.

**Jojo Shaju:** Okay. Got it, sir. And just one clarification on the SAMET JV. So Greenply will not commit any capex, further capex for the next run for the hardware business. And will Greenply increase its stake in the future if hardware entity reaches a sustained profitability?

**Sanidhya Mittal:** See, if the company becomes very profitable and Greenply's balance sheet has a lot of free capital, who would not want to grow their money? We would also want to invest and grow the capital. And that is a provision and understanding from the partner's side. See, the partner's plant is next to Greenply's plant. So, for life, the partner wants support from us in terms of the Indian know-how, running, brand support, etcetera. So, there's no reason that we'll fight or we'll not increase our stake, etcetera.

But all of this will only be on the judgment of how Greenply's balance sheet is doing at that point of time and how that JV is performing. For now, we are removing the drag of the losses every quarter. We still have 19%. On the upside, we will get some brand charges every quarter for them to use our brand. Another upside is that all our dealer distributors will have another product from the house of Greenply, which will increase their margin, which will give them more share, more visibility in the market.

So, I am looking at many pluses. Still a 20% stake. Good vibe in the market, good name because of the work happening at the sales end for this brand and removing the drag totally from the books and focusing on this MDF and Plywood growth and then adding chipboard also, and again strengthening the growth journey for Greenply. So, this is how we are looking at this transaction as of today.

**Moderator:** The next question is from the line of Praveen Agarwal an Individual Investor. Please go ahead.

**Praveen Agarwal:** Yes. Hi, my question is continuing on this MDF industry. We are our next line is coming at around INR200,000 CBM and we're spending around INR425 crores at 15% margin, 80% utilization, we're looking at an EBITDA of around INR80 crores at INR31,000 pricing. And if I take 15-year useful life we have to take out INR30 crores, INR35 crores out of it. So, we remain with INR45 crores.

So, ROCE looks like 10%. So, I'm trying to understand why is it in industry more and more people are still investing at 10% ROCE kind of an asset? And what's your view, how long I mean, by basic back-of-the-envelope calculation, it will need 20% EBITDA margins to get to a 15% ROC. So where am I...

**Sanidhya Mittal:** Yes. So, I think you were your voice was a little muffled, but I think I got your question. So, I think there is no new entrant who's coming. So, for example, Elixirr decided 4 years ago that they want to do MDF, and 3 years ago they did their Bhoomi Pooja and they started construction. So, they had no point -- they had no situation to backtrack out of this same way and existing industry players I mean you know you have to keep growing.

You're riding a tiger, the tiger has to keep growing otherwise we are going to be eaten. I mean every cost is going to keep going up year -on -year, right? People have to keep growing for people who the core segment is. But I think new entrants are moving out and I've told this before also that I'm very confident on a 3-year, 5-year basis, when we look at this MDF industry, I think we are very confident of 18% type plus ROC.

But on a short-term basis, if you see it, it does not satisfy us. It does not satisfy anybody. Yes, today the return levels are very low and because the return levels are so low if you see, we've

made a conscious improvement in the asset-turn ratio in the second line when we've invested to address this concern. I think...

**Praveen Agarwal:** So just one question.

**Sanidhya Mittal:** Yes, please.

**Praveen Agarwal:** So, in terms of volumes, you continue to see 20% plus volumes for the industry as a whole, that it will continue for next 3 years, 5 years?

**Sanidhya Mittal:** Yes. For sure. I see that happening. I see some of the smaller players dying their own natural death. I see the demand catching up because of us performing so badly. I think There is no new entrant or large entrant who's getting attracted to this category. That's also very good and I think will help us. And I think another year, year and a half from today, I think everybody should start making that incremental number which everybody's seen for a short period.

And then again everybody will add capacity, and then again that whole cycle will keep happening. But on a long term, 3 years, 5 years, 7 years, when we see this industry, I am very confident that Greenply can churn out 18% plus ROCE.

**Praveen Agarwal:** Thanks a lot. That's it from my side.

**Sanidhya Mittal:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question for the day. I now hand the conference over to the management for the closing comments.

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

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