Greenlam Industries Limited

Greenlam/2026-27

August 17, 2026

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Sub: Transcript of Earnings Call

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of Earnings Call (Group Conference Call) held on August 10, 2026 to discuss operational and financial performance of the Company for Q1 FY 2026-27 with Investors & Analysts of the Company.

Kindly take the above information on records.

Thanking you,
Yours faithfully,

For **Greenlam Industries Limited**

PRAKASH KUMAR BISWAL

Digitally signed by PRAKASH KUMAR BISWAL
Date: 2026.08.17 17:01:05 +05'30'

Prakash Kumar Biswal
Company Secretary &
Senior Vice President – Legal

Encl: A/a

"Greenlam Industries Limited
Q1 FY27 Earnings Conference Call"
August 10, 2026

"E&OE - This transcript is edited for factual errors and readability. In case of discrepancy, the audio recordings uploaded on the stock exchange on 10/08/2026 will prevail."

MANAGEMENT: MR. ASHOK SHARMA – CHIEF FINANCIAL OFFICER – GREENLAM INDUSTRIES LIMITED
MR. SAMARTH AGARWAL – VICE PRESIDENT FINANCE – GREENLAM INDUSTRIES LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Greenlam Industries Limited Q1 FY27 Earnings Conference Call. 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. Ashok Sharma, Chief Financial Officer of Greenlam Industries Limited. Thank you, and over to you, sir.

Ashok Sharma: Thank you. Good morning to all, and I welcome to the Quarter 1 FY27 Earnings Call of Greenlam Industries. I'm joined by Samarth Agarwal, our VP Finance; and SGA team, our Investor Relations Advisor. I'm sure you had the opportunity to look at the results and the investor presentation, which are available on the stock exchanges and on the company website. I'll give you a business update of Q1 before I hand over the call to Samarth.

We are pleased to report that we have started the year with a revenue growth of 18% on year-on-year basis and taking our consolidated revenue for the quarter to nearly INR800 crores, with an EBITDA of INR81 crores before forex, while maintaining the gross margin at 53% level.

The performance was broad-based with most of the business segment reporting revenue growth during the quarter and with continuing growth momentum both for the domestic and the international market. A few of the major developments during the quarters were worth highlighting. Our chipboard business turned EBITDA positive for the first time with an operating profit of INR3.4 crores before forex and losses in Plywood and Allied segment has continued to narrow.

Moving on to West Asia conflicts. The ongoing West Asia conflicts continue to keep input prices, currency rates and freight costs volatile during this quarter. This has also led to delay in container and vessel availability and freight cost -- a significant hike in the freight cost.

As a direct consequence relates to this, nearly INR27 crores of export shipment got postponed out of this quarter. This is purely a timing matter and the revenue is not lost. It is simply moving into the current quarter. Also, the shipment in sea are taking more time to reach destination, leading to overall long lead time.

To maintain the fiscal discipline and mitigate the impact of price rise, we have passed on the increase in the raw material prices to the customer. As communicated earlier, we have done the price hike twice at the beginning of April and May. And when the prices have started softening, we have reduced some prices at the beginning of June and again at the beginning of quarter 2.

Overall, on a net basis, we have passed on 7% to 8% of the price hikes. This is mainly the price hike in the chemical, which constitutes nearly one-third of our raw material prices, while the prices of other raw material remain constant.

On the logistics side, I would like to highlight that the Middle East market is around 6%, 7% of our total business. So we don't foresee any material impact on our top line, rather it should grow. The domestic demand remained stable during the quarter. Retail and distribution-led business held up well, while there were some challenges in the project business due to overall cost of increase in the entire building raw material -- building material industry.

Moving on to the segment-wise details. In the laminate, our revenue from operations for the quarter stood at INR596 crores, a growth of 7% on a year-on-year basis. Sales volume for the quarter was at 4.62 million sheets with a capacity utilization of 80%. Softness in the volume and the revenue is due to the export shipment, which got postponed out of the quarter.

Adjusted for this, the underlying demand trend in this business remains healthy. International business performed particularly well during the quarter, reinforcing the benefit of strong global footprint, which we have built over the years. On the capacity expansion side, we are adding 2 new press line of the laminate, which are on track and which are expected to start commercial production by Q4 of this year.

With the addition of this new capacity, we will be able to increase the capacity of specific category of laminate, which are reaching near to optimum capacity utilization. I'll move on to the other Plywood and Allied segment.

Revenue from operations during the quarter grew by 20% on year-on-year to INR106 crores and EBITDA loss for the forex fluctuation narrowed to INR5 crores from INR9 crores in the previous quarter -- in the quarter 1 of last year. The plywood business, on the other hand, continued to ramp up with sales volume growing 19% on a year-on-year basis and capacity utilization of 39%.

Our distribution network is expanding, and we have taken some price hike at the start of April in phased manner. We continue to -- we expect that plywood segment will break even in this year. Moving on to Panel and Allied segment. This has been the standout performer of the quarter.

Revenue stood at INR95 crores, a growth of nearly 200% on a year-on-year basis. Capacity utilization is improving every quarter and moved to 61% from 30% in the Q1 last year. Average realization has also increased driven by price increase taken and the product mix.

Happy to share that this business turned positive during this quarter with a profit of INR3.4 crores before forex fluctuation as against loss of INR10 crores in Q1 last year. Our newly introduced HMR category, which was introduced in quarter 4 of last year, continue to gain good traction, and we will introduce more premium product in this category going forward.

We'll continue to scale this business and improve the share of melamine faced chipboard in the overall sale of chipboard. We expect this business to maintain a capacity utilization of around 70%.

As far as the outlook for the FY27 will largely be the year in which we will be sweating our existing assets apart from the laminate press line, which is already announced, we do not have any plan for any large capacity addition and our capex for the year is budgeted around INR130 crores, INR135 crores, which includes INR70 crores towards the laminate expansion. That's all from my side. I'll be happy to take your questions post our announcement of financial performance.

I'll now hand over the call to Samarth.

Samarth Agarwal: Thank you, sir. Good morning, everyone, and thank you for joining the call. I'll take you through the financial numbers. Coming first to the quarter 1 numbers on a consol basis, the net revenue grew by 18% and stood at almost INR800 crores, precisely at INR797 crores as compared to INR674 crores of quarter 1 of last year.

On a sequential basis, revenues were lower by 7%, in line with the usual trend in which Q1 is usually lower as compared to the fourth quarter. Gross margins were largely flat at 52.9% in the quarter as compared to 53.1% despite sharp increase in the input and the freight costs. On a sequential basis, margins grew by 140 basis points on the back of price increase passed during the quarter.

Gross profit in absolute terms grew by 18% on Y-o-Y basis to INR421 crores in this quarter as compared to INR358 crores in Q1 of last year. EBITDA margins before forex fluctuations grew by 210 basis points at 10.2% as compared to 8.1% of Q1 last year.

This was mainly on account of revenue growth, cost controls, operating leverage in decorative veneer, engineered floor and chipboard business. EBITDA forex fluctuations -- sorry, EBITDA before forex fluctuations in absolute terms grew by 48% to INR81 crores in this quarter as compared to INR55 crores in quarter 1 of last year.

Forex losses were a small value of INR1 crores as against INR11 crores of Q1 in last year. And finance cost was down by 25% to INR20 crores as compared to INR26 crores of Q1 in last year. This is largely because some part of the forex was accounted for as a finance cost in Q1 of last year to the extent of INR3.5 crores.

Net profit during the quarter stood at INR21 crores as against a net loss of INR15.5 crores in quarter 1 of last year. In this quarter, the higher operating profit, along with lower forex and interest costs led to the better flow-through to the bottom line.

I'll now take you through the segmental performance. First, on the Laminates and Allied. The laminate business saw a growth of 7% on Y-o-Y basis to INR596 crores in this quarter as compared to INR555 crores in Q1 of last year. EBITDA margins before forex fluctuations were at 13.9%, growth of 70 basis points on Y-o-Y basis. Production volumes were 4.9 million sheets and a utilization of 80%.

Sales volumes were 4.62 million sheets, which were lower by 6% on Y-o-Y basis on account -- and this is largely on account of postponement of shipment on export shipment, which got postponed in the quarter. The average realization for the quarter on the laminate business was INR1,240 per sheet, growth of 14% on Y-o-Y basis.

Coming to the next segment, which is Plywood and Allied. This segment largely includes plywood business, decorative veneers, engineered floors and engineered doors. Revenue for this segment grew by...

Moderator: Sir are you there? Ladies and gentlemen, the line for the management got disconnected. Please stay connected while we reconnect them. Ladies and gentlemen, the management is back on line. We may continue, sir.

Samarth Agarwal: Apologies, the line I think somehow got dropped. I'll continue on the financial numbers. From the Plywood and Allied segment, which included plywood, decorative veneers, engineered floor and engineered doors, the revenue for the segment grew by 20% to INR106 crores as against INR88 crores in Q1 of last year.

EBITDA losses before forex narrowed to INR5 crores as against INR9 crores in Q1 of last year. The production volumes for plywood business was 1.83 million square meters and a capacity utilization of 39% as against 28% of -- in Q1 of last year.

Plywood sales volumes were 1.66 million square meters, a growth of 19% and average realization was up by 4% to INR276 per square meter. The next segment, which is Panel and Allied, and this is largely the chipboard business that we have. The chipboard revenue for the quarter grew -- it almost quadrupled to INR95 crores in this quarter.

EBITDA before forex fluctuations turned positive. So that's a good piece for the segment at INR3.4 crores as against a net loss of INR10 crores in Q1 of last year. Production volumes were at 44,838 cubic meters and a utilization level of 61% as against 30% in Q1 of last year.

Sales volume for the quarter was 41,418 cubic meters, growth of 167% on Y-o-Y basis and average realizations were INR22,764 per CBM with a growth of 15% on Y-o-Y basis. On the balance sheet front, the working capital cycle improved by 3 days at 56 days as compared to 59 days in Q1 of last year. And net debt was at INR934 crores as of June.

Thank you, and that's all from my end. We can now open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Vanshi Shah from EVNA Advisors.

Vanshi Shah: Am I audible?

Ashok Sharma: Yes. Go ahead.

Vanshi Shah: Sir, how is a container availability? So we see a weaker performance in Q2 FY27 due to container availability issues?

Ashok Sharma: Container availability and vessel availability remains a challenge as of now. That is the reason which we have told that around INR25 crores, INR30 crores of export moved on t this quarter. Whether this will continue in this quarter for the full quarter or whether it will get resolved, it's very difficult to comment as of now. But if this continue for this entire quarter, then it may have impact on the export sales.

Moderator: The next question is from the line of Sneha from Nuvama.

Sneha: Just a couple of questions from my end. Firstly, with respect to -- you stated on the con call that you've already started reducing the prices in this particular trade, do we see that when we are reducing prices substantially or when we are increasing, there is a good amount of restocking or destocking or destocking taking place? Generally, 5% to 10% move here and there doesn't really matter and the trade continues in a specific way? That's the first one.

Ashok Sharma: So in terms of price reduction, this is the reduction in increase, it's entirely depending upon the raw material, as I mentioned that on the April and May, we have increased the price. And since the price got softened towards the beginning of the June. So that's how we have reduced the prices at the beginning of the June and at the beginning of the July. So in terms of whether it will have a destocking or not, I believe it will not have much impact on this, because of the nature of the business, you need the stock on a continuous basis.

And at any moment of time, we do not push the stock into the channel, it's entirely based on the requirement. So we do not feel that it will have a negative impact. Rather, I feel when the price is now becoming more affordable, it will have a good impact on the secondary movement.

Sneha: Understood. So what you mean is even the OEMs, the way they purchase or even in the export, whatever the purchases have been going on pre or post increases, the same way just continues?

Ashok Sharma: We believe so.

Sneha: Understood. My second question is related to your Chipboard segment. Where are we in terms of the percentage of prelaminated business? We've, of course, seen the segment turning around positive at this point of time. But what are the year-end targets? What kind of prelamination can we do and what kind of utilization can we achieve? And of course, margins, where can we take this forward?

Ashok Sharma: So we are fairly good at this -- the pre-lam in terms of that pre-lam. I will not be able to tell you the percentage on the call, but we are fairly -- and it is going as per our plan in terms of whatever we have planned, it is moving on as per the plan. And we are hopeful that by the year-end also, we will overachieve what we have targeted.

And as I mentioned that we have introduced HMR category in the quarter 4 of last year, end of quarter 3, which is also getting good traction in the market in terms of that. And we will launch some more premium category in this segment also. So going forward, also as a percentage of our overall product mix will be much better in comparison to what we are as of now.

Sneha: Understood. And lastly, on your plywood business, I know we've launched the premium segment. I mean it's been quite a while that we've launched this particular segment. But despite that, we continue to make losses here. Any strategy of turning this around? Are we looking at mid-end segment, which is what the rest of the larger players have already done in this particular segment eventually to have a sizable scale and start making money? Any thoughts here?

Ashok Sharma: So not as of now. So if you -- just to tell you in terms of plywood also, it's growing at the quarter-on-quarter, though the pace of growth could have been better in terms of that. And even the EBITDA losses is also coming down. We are very hopeful that in this year, we will do the EBITDA breakeven in terms of that.

In terms of strategy, we want to focus right now on the segment which we have rather than moving on to the another segment. So right now, we are focused on this, and we are very hopeful that we will be able to break even in this year.

Moderator: The next question is from the line of Bhavin Chheda from Enam Holdings.

Bhavin Chheda: Overall, good numbers in a difficult environment. Sir, a few questions. First, on the price hikes. When you mentioned that there has been a price reduction in June as well as July. So this is across all segments or particular -- so basically, your 3 main segments like laminates, plywoods and chipboard. So price hike and price decline has happened all across or did you mention a general price hike and reduction?

Ashok Sharma: So in terms of this price hike was mainly necessitated on account of increase or fluctuation in the prices of chemical, which is predominantly used in the -- more usage in the laminate as well as in the chipboard segment. So this is what we have talked about. This is the price it was in the laminate and the chipboard segment. The other category which doesn't have more users or more percentage of chemical. So there is no impact in those categories, mainly the plywood and the wood category.

Bhavin Chheda: Okay. So plywood category has not seen either price hike nor a decline and then...

Ashok Sharma: We did the price hike at the beginning of April because some of the prices has gone up. But in that the price hike was modest in comparison to laminate and the chipboard category. Since the uses of -- or the chemical content in the laminate and chipboard is much higher in laminate, it is as high as like 35%.

And similarly in the chipboard category also, it ranges in that same range. So the impact of cost increase was higher in these 2 categories. So this were increased in the April and May both and slight reduction has been done in June, July.

Bhavin Chheda: Sure. Next one is you said that plywood segment lower EBITDA breakeven this year. So when it turns positive, it would be EBITDA positive or breakeven for the entire fiscal or in that particular quarter exit?

Ashok Sharma: Entire year will be difficult. It is for that quarter.

Bhavin Chheda: For that quarter. And obviously, next year would be a positive one. Third one, sir, you have also reclassified previous year volume numbers on a quarter basis. So what has changed in across division?

Ashok Sharma: And this you're talking about which?

Bhavin Chheda: I think the presentation mentioned laminates, I think laminates volume were also reclassified of the quarter 4 as well as...

Ashok Sharma: Basically the...

Bhavin Chheda: Chipboard volume was also reclassified. So has certain classification changed?

Ashok Sharma: No, we will touch base with this offline. So this is more in terms of the laminate sheets and board category. So that we'll touch base offline and explain it to you.

Bhavin Chheda: Sure. And last one, engineered wood flooring and doors, what was the revenue number? And what was the loss number there?

Ashok Sharma: The floors and doors?

Bhavin Chheda: Yes, engineered wood flooring and engineered wood doors.

Ashok Sharma: So both put together is around INR29 crores both put together the EBITDA loss of INR1.2 crores.

Moderator: The next question is from the line of Pranav Mehta from Equirus.

Pranav Mehta: Sir, I wanted to understand on the debt repayment side. So how is debt going to reduce over the next, let's say, 2 to 3 years?

Ashok Sharma: This year, since we have the capex of this expansion capex for the laminate and as well as the past capex, we expect capex to be in the range of around INR125 crores, INR130 crores. So obviously, we don't expect debt to come down in a significant manner. However, we expect that it should come down by close to around INR100-odd crores.

And from the next year onwards, since no major capex plan has been announced. So the majority of the cash flow will be used to reduce the debt. So we see that debt to come down in next 2, 3 years in a significant manner.

Pranav Mehta: Sure, sir. And sir, on the laminate capex front, so the time lines remain the same, right? Are you expecting any delays or preponement of the schedule?

Ashok Sharma: No online only as we have given in the results also, we have already placed the order for the equipment and we expect that since these all equipments are domestic in nature, so we expect the commercial production by quarter 4 of this year.

Pranav Mehta: Sure, sir. And sir, on the plywood side, so you have mentioned that you'll be slowly taking this from South India towards West and Central India. So by when can we expect pan-India launch for the plywood business?

Ashok Sharma: No, it has already started in the last year. So for the -- except North, which we do not intend to start as of now, our products are available into the West and Eastern part of Central India.

Pranav Mehta: Okay. And sir, you will be going more aggressive on these regions because I believe you were more focused on servicing the South Indian market, but the growth would be incremental growth will be driven from these regions, right?

Ashok Sharma: Yes, this region will be new starting from 0. So obviously, the growth here will be higher, will be better.

Pranav Mehta: Okay. And sir, my last question was on Chipboard. So in Chipboard, how are you seeing things panning out? So since 3 capacities have come from organized players in a span of 1.5 years. So have you started seeing some unorganized to organized shift happening? How are things panning out there?

Ashok Sharma: I believe so because if you see the companies are doing good. The products -- the product is good, we are reaching out to newer and newer segment. And previously, the unorganized segment, the product -- the product what we are offering was not there. In the HMR category, we started for the first time only.

So product acceptability is quite high among the client wherever we are going as of now. So we believe that the shift will happen because of the premium product category or the good product category. And overall, all the company, all the organized company will take effort in terms of reaching out to customers.

Moderator: The next question is from the line of Dhiral Shah from Phillip Capital.

Dhiral Shah: My question is regarding the laminate side. So we have seen almost 6% to 7% decline in the sales volume of laminate. So wanted to check still we are guiding 10% to 12% growth on the laminate side for the full year?

Ashok Sharma: Yes. That growth was on the revenue side. So -- and what you are telling is for the volume. So if you see in the -- even in this last quarter also, there was a growth of 7.4%. And we have already mentioned that nearly INR30 crores worth of export has moved to quarter. If you add that, then probably we are very much near to the figure what we were -- what we have given. But we still maintain that we will be able to grow in that range.

Dhiral Shah: Okay. And sir, just last one question again on the laminate side. How much we have degrown in the domestic market on the laminate side, particularly? As you mentioned that real estate division because of the high raw material, they have not taken the sales dispatches. How much you have degrown?

Ashok Sharma: So the volume degrowth was 7.5%, 7.5%.

Dhiral Shah: This is more on the domestic side, sir?

Ashok Sharma: Yes, this is domestic.

Dhiral Shah: Okay. So do you think it will starting Q2 this quarter onwards, this will also start growing as things have started normalizing at least on the geopolitical front also?

Ashok Sharma: Yes. We believe the quarter 1 was quite a confusing one in terms of not only for us, the entire industry or, let's say, entire building material product category, there was price increase on a continuous basis like we did too. And then there was -- because of the fluctuation in the raw material prices, we did pass on and we reduced the prices. There is a lot of confusion in between. We believe now with more clarity in the market, demand should improve.

Moderator: The next question is from the line of Roshan from Antique Stock Broking.

Roshan: So my question is on chipboard business —so it has become EBITDA positive what are we looking at for the next 1, 2 years, and what capacity utilization is required to see normalized margins?

Ashok Sharma: We recently achieved around 61% capacity utilization in the quarter 1. And of course, we would like to increase the capacity utilization, which will happen going forward in quarters to come. The EBITDA margin will depend upon the what capacity utilization, what product mix we able to achieve in terms of that. And I can say that on a full capacity utilization on a better product mix, it can achieve a margin of 18%, 20%. But that will happen over a period of time, we believe.

Roshan: The second question is what is the cumulative raw material inflation that has happened over the last quarters? And what proportion has been already passed on to customers?

Ashok Sharma: So in the raw material prices, the -- most of the inflation happened or the fluctuation happened in the chemical prices. And in the chemical also, it is depending upon which chemical, it is ranging from, let's say, 30%, 40% to 70%, 80%. The prices did increase and then it has got retracted also towards the beginning of June. And again, in July, because of the war starting again, the prices again started moving, but now again, the prices is coming.

So it's -- the picture is a bit hazy in terms of that. And to answer in terms of what the -- so we have passed on the entire impact of the price increase into the market of raw material price increase. Other than the chemical, which is wood and the paper, we have not seen much of a fluctuation in that.

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

Utkarsh Nopany: Sir, my first question is regarding the laminate segment. So sir, if you can guide what would be the expected volume growth and the margin guidance for the remaining 9 months of FY27?

Ashok Sharma: So Utkarsh, it is difficult to give for the quarter-on-quarter guidance in terms of that. So as we have already said that in the laminate, the overall revenue growth is in the range of around 10% to 12%. We still stand by that even though the first quarter growth was close to around 7%, but we still stand by that it can grow 10% to 12%.

Samarth Agarwal: And also, because of the uncertainties in the raw material prices, which has been prevailing -- it is difficult to give a margin outlook as of now.

Ashok Sharma: So margin, but in the past, we have already stated that laminate can grow at around 15%, 16% of the margin.

Utkarsh Nopany: Okay. And sir, like for particle board, like you have guided that we are looking forward to operate at 70% utilization in FY27. So can you also please give some guidance for the plywood? What would be the expected utilization level in FY27 for plywood segment?

Ashok Sharma: We are at around 40% in the quarter 1. We believe it should be close to 50% for the year.

Utkarsh Nopany: Okay. And sir, like you mentioned that the plywood segment is likely to break even in FY27. So is it likely to happen towards the end of FY27? And by when it is likely to break even at PAT level, sir, the plywood segment?

Ashok Sharma: So I think it's again difficult to give even though we want it to break even in the next say quarter 2 itself, but difficult to tell whether it will happen in this quarter or some other quarter. And in terms of PAT level, once it breaks even at the EBITDA level and then the next step will be at PAT level. So we are hopeful that let's see how this year goes by and then probably we can see that whether we will be able to break even at the PAT level in the same year or will it move to next year.

Utkarsh Nopany: Okay. And sir, lastly, sir, like if you can just help us understand what would be the current market rate of phenol, melamine and urea, sir? That's it on my side.

Ashok Sharma: I think we will come back to you offline.

Moderator: The next question is from the line of Aasim from DAM Capital.

Aasim: Two questions. One on particle board capacity. So at your current rate, you should be at 70% utilization by Q4 of this fiscal. And I guess in FY28, you perhaps averaged at about 75% to 80% for the year. So any thoughts on capacity augmentation ahead greenfield or brownfield or any rough plan that internally you guys are thinking about?

Ashok Sharma: Not as of now. So as of now, the capacity utilization, what we are telling this includes both the plain chipboard as well as the pre-lam chipboard, our intention is to sell more and more pre-lam chipboard. But since right now, we are having enough capacity, so as of now, we are selling even the plain chipboard also.

So going forward, as and when we reach up to near to the full capacity utilization, we want to increase our pre-lam chipboard share. And once we reach, then probably we will take a call. We are cognizant of this fact that we need to take some moment of time. But we still want to -- because it's only 4, 5 quarters, we want to see that how it progresses and then we will take a call.

Aasim: So basically, the current capacity should be sufficient for at least till FY29 end, you will just look at increasing the value-add mix once you reach that 80% to 90% capacity utilization, right?

Samarth Agarwal: That's how you have to look at.

Ashok Sharma: Largely yes.

Aasim: Okay. And second question, basically on debt reduction. You said INR100 crores will be reduced in FY27 despite the INR130 crores odd capex -- and what -- besides laminates, that's the only capex you're doing this year, right? So INR130 crores just for laminates?

Samarth Agarwal: No, no, INR130 crores is not for laminates, Aasim. This is INR70 crores is towards laminates. Some part of it is towards the greenfield project payments that is still pending, some large tailwinds. And then there are some regular capex that happens every year. So about INR70 crores plus INR40-odd crores of my regular capex and then INR10 crores, INR20 crores of the past payments. So about INR135 crores of the net-net outflow on account of the capex.

Aasim: And you will cut debt by INR100 crores also this year?

Samarth Agarwal: That's what the plan is, yes, right.

Aasim: Okay. Next year, broadly, you said that debt will be the focus in terms of cutting debt over the next 2 fiscal FY28 and '29. Any rough number that you're targeting, how much that will come down by?

Samarth Agarwal: So largely, it will be as per the repayment schedules that we have for the debt. And next year, it will be slightly upwards of INR150-odd crores, which is FY28, but that will be largely following the repayment schedules.

Ashok Sharma: So whatever will be the cash flow apart from the regular capex or maintenance capex and the working capital, those will be used in reducing the debt.

Samarth Agarwal: In anyway, something is cash accumulated on a net basis, the debt will be lower, whether I pay it or I keep a cash on my books. So net will be lower.

Moderator: The next question is from the line of Tushar from Portfolio Advisors.

Tushar: Congratulations for your Chipboard positive margins in this tough time. I could see that just relative comparison, our Chipboard in the pre-lam segment -- sorry, in the pre-lam segment is, I think, near about 65% to 70%, if I'm not mistaken. Just wanted to know in terms of this pre-lam will be able to -- what are our plans in order to at least maintaining that going forward?

That would be the first question. And secondly, on the plywood segment, when are we planning to reach near about INR20 per SQM, more or less the average of the market, the listed peers. Those are my questions, sir?

Ashok Sharma: So in terms of...

Samarth Agarwal: So on the chipboard pre-lam mix, as we said earlier, currently capacity utilization stands at 61%. And for the year, as already said, we may average out around 70%. The idea here remains that how you optimize your product mix, which is a higher share of the pre-lam plus HMR that we launched, plus some of the new value add that we will launch going forward. And the entire -- the plan is to really maximize on the value-add products, maximize on the prelaminated boards and then look for a good profitable business here. Does that answer you, Tushar?

Tushar: So basically, we are about, I think, 22,700 or so. Is there any good headroom to grow from here 24,000 or so -- that would be my question to the chipboard and also on the margin front, are we seeing that 18% margin in the chipboard?

Ashok Sharma: So 18% will happen once we reach to close to the optimum capacity utilization. And by that time, we believe that it should happen in the FY29. And of course, everything will depend upon the raw material prices also behave. But we believe that if everything goes as per the plan, we should see the optimum capacity utilization in FY29. And by that time, the margin also should improve to that level.

Samarth Agarwal: And also, Tushar, from the headroom perspective on the realizations, yes, there is a lot of headroom, which is there provided. And if you look at all the large developed economies where chipboard is used, there's a lot of value add in the chipboard business, which people are doing globally, which possibly right now is not there in the Indian market.

And obviously, our endeavor being the leader in the markets to bring such value products to the market. And we are very sure that as we move ahead on the capacity utilization, improving the pre-lam mix, the realization should improve as we go ahead.

Tushar: **Plywood front, what are target** in terms of EBITDA about INR20 per SQM. When are we seeing that number in plywood segment? And sir, in the laminate, the higher dimension laminate would be what percentage of our sales? And also in the geographical contribution, what would be the Europe and U.S.? I'm asking from the point of the voyage taken for the sales. That would be my question, sir?

Ashok Sharma: Sorry, in terms of geographical continent or country-wise, we will not be able to give the details. We don't give that detail in the public domain. In terms of plywood INR20 per square meter, you are talking about the EBITDA or what?

Tushar: EBITDA.

Ashok Sharma: So, INR20, which will be close to around 8%, 8.5% EBITDA. I believe we are at INR270, INR275 per square meter as of now. So which means around 8% of EBITDA which we are talking. As I mentioned earlier on the call, we are expecting EBITDA breakeven in this year and then going forward, it will.

But we believe what number you are talking is achievable. Of course, this number can be achieved once the capacity utilization moves on from what level we are at least 80%, 85% or 90% capacity utilization is needed to achieve that, which will happen over a period of time.

Tushar: In the plywood, you mentioned that the higher dimension or the larger laminates, sorry, laminates will be what percentage of our sales in the laminate business?

Ashok Sharma: Higher dimension, it's not only the higher dimension, it's also the thickness and the board business, which contribute because we are into the both higher dimension laminate, which in terms of sheets as well as boards. So it's a mix of everything which is there.

Tushar: Okay. So if I were to ask that the value-added segment would be what percentage of the laminate...

Ashok Sharma: It is close to 50%.

Moderator: The next question is from the line of Kumar Saurabh from Scientific Investing.

Kumar Saurabh: Congratulations on a good set of numbers in a tough quarter, sir. My question is last quarter, we had guided for 18% growth rate for this year, and we have done that despite of a deferring of export of INR27 crores. So one question, do we look on target to achieve that growth number? And do you see it coming more from volume side? How much of volume and realization will contribute to this growth?

Ashok Sharma: So Kumar, we continue to believe that we'll be able to achieve the target which we have given. And -- but you must appreciate that in this tough environment, it's difficult to give that in terms of exact, the volume and value difference. But yes, we are hopeful that we'll be able to achieve the target what we have given for the year.

Kumar Saurabh: Sure, sir. And sir, it's great to see in panel, we have really scaled the business. However, at a gross margin level, despite of scaling the revenue, we didn't see any kind of margin improvement. Usually, when capacity utilization improves, there is some operating leverage flows at COGS level, EBITDA level.

So is it like bulk of our margin improvement is expected to happen below the gross margin level or this quarter, things were tough in terms of chemical prices you suggested. And when market normalizes, we will see this kind of margin improvement at all the levels?

Ashok Sharma: It should happen at all the levels.

Kumar Saurabh: Okay. Okay. And sir, third question is, what is the peak capacity utilization across these businesses? Like is 80% the peak utilization in laminates or we can go 90%, 100% and same for other businesses despite of the mix change in a generic sense, what is the peak utilization these businesses can achieve?

Ashok Sharma: So in the laminate and chipboard, we can achieve 100% in the laminate in the past, we have achieved more than 100% also. In the plywood, yes, you can achieve 85%, 90% or maybe 100%. But since we are also in this journey, we will be able to see once we reach there. In the other category, which is primarily the decorative veneer floors and doors.

So there in the decorative veneer, it's more of a demand or the -- how much order you can generate, but we believe that we can reach up to 60%, 65%. In some quarters, some months, we were very near to that also. We believe it's difficult to reach 100% because a lot of manual work is getting involved, a lot of manual requirements are there. We believe it's difficult to reach 100%. But yes, you can reach 50%, 60% or maybe 60%, 65%.

Kumar Saurabh: Got it. And sir, my last question is like some years could be good for one segment bad. But on a long-term basis, when you plan these projects and investments across these 3, 4 segments, if you can explain from an ROI and payback perspective, how are the ROIs and payback in each of these segments and which is having your best ROI? And if you can educate on each of these segments from a long-term perspective?

Ashok Sharma: Probably this is a longer subject. We can touch base some other moment of time because we need to go segment to segment, product to product category. Probably this is a longer subject which needs much longer time, we can touch base some other time.

Kumar Saurabh: Sure, sir. I will reach out to the IR team.

Moderator: As there are no further questions from the participants, I now hand the conference over to the management for closing comments. Over to you, sir.

Ashok Sharma: Thank you all. Thanks for taking out the time and coming to this call.

Samarth Agarwal: Thank you, everyone. In case you have any more questions, do feel free to connect back to us or to SGA. We'll be more than happy to answer.

Ashok Sharma: Thank you.

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