

# GREENPANEL INDUSTRIES LTD.

**RECOMMENDATION : BUY**

**MARKET PRICE : Rs.338.00 (As on 21<sup>st</sup> June 2023)**

**TARGET PRICE : Rs.423.00**

**FACE VALUE : Re.1**

**BSE CODE : 542857**

**NSE CODE : GREENPANEL**





Greenpanel Industries Ltd. is India's largest manufacturer of wood panels. The Company's state-of-the-art manufacturing plants in Uttarakhand and Andhra Pradesh make top-quality Medium Density Fibreboard (MDF), Plywood and Flooring.

## ABOUT THE COMPANY

The Company was previously known as Green Panelmax. The Company is the largest manufacturer of MDF in India and is also the largest manufacturer of MDF in Asia. Its manufacturing plants have a combined annual capacity of more than 6,66,000 cubic meters of MDF. This is complemented by the Company's robust distribution network of 3,000-plus outlets spread across the Country.



# Greenpanel's snapshot



**Brand vision:** We envision to maintain our Leadership Position in the Panel Industry and supply best quality Panel products to our customers. To be referred as ***"Pride of India, Panel of India"***

**Listing:** The Company was listed on October 23, 2019 and enjoyed a market capitalisation of ₹ 3,336 crores as on March 31, 2023 (NSE closing price of ₹ 272.05).

**About us:** Greenpanel is a prominent wood panel player in India with a national leadership in Medium Density Fibreboard (MDF).

**Locations:** The Company is headquartered in Kolkata (West Bengal), supporting offices in Gurgaon and Singapore and state-of-the-art manufacturing facilities in Rudrapur (Uttarakhand) and Srikalahasti (Andhra Pradesh); the latter is arguably the largest MDF plant in Asia.

**Management:** Greenpanel is led by Mr. Shiv Prakash Mittal, Executive Chairman, and Mr. Shobhan Mittal, Managing Director and CEO, supported by experienced professionals and workforce (1864 as on March 31, 2023).



## Segment Performance - MDF (Quarter)

Particulars	Q4 FY2023	Q4 FY2022	Growth
Net Sales (₹ Crores)	386.02	389.81	-1.0%
EBITDA Margin	21.9%	34.6%	
EBIT Margin	17.7%	30.2%	
Annual Capacity (CBM)	6,60,000	5,63,000	
Production (CBM)	1,31,694	1,22,718	7.3%
Sales Volume (CBM)	1,37,265	1,24,538	10.2%
Capacity Utilisation	80%	78%	
Blended Realisation (₹/CBM)	28,122	31,300	-10.2%
Domestic Realisation (₹/CBM)	32,978	33,320	-1.0%
Export Realisation (₹/CBM)	17,450	22,240	-21.5%



## Segment Performance - MDF (Annual)

Particulars	12M FY2023	12M FY2022	Growth
Net Sales (₹ Crores)	1,534.58	1,329.80	15.4%
EBITDA Margin	27.3%	30.9%	
EBIT Margin	22.9%	25.8%	
Annual Capacity (CBM)	6,60,000	5,63,000	
Production (CBM)	5,12,733	4,89,335	4.8%
Sales Volume (CBM)	5,06,743	4,95,041	2.4%
Capacity Utilisation	78%	87%	
Blended Realisation (₹/CBM)	30,283	26,850	12.8%
Domestic Realisation (₹/CBM)	33,432	29,451	13.5%
Export Realisation (₹/CBM)	20,317	18,941	7.3%



## Segment Performance - Plywood (Quarter)

Particulars	Q4 FY2023	Q4 FY2022	Growth
Net Sales (₹ Crores)	54.56	70.46	-22.6%
EBITDA Margin	0.4%	9.2%	
EBIT Margin	-1.2%	7.7%	
Annual Capacity (Mn Sqm)	10.50	10.50	
Production (Mn Sqm)	1.84	2.12	-13.2%
Sales Volume (Mn Sqm)	2.04	2.46	-17.1%
Capacity Utilisation	70%	81%	
Average Realisation (₹/Sqm)	268	286	-6.3%



## Segment Performance - Plywood (Annual)

Particulars	12M FY2023	12M FY2022	Growth
Net Sales (₹ Crores)	243.97	255.94	-4.7%
EBITDA Margin	6.9%	11.0%	
EBIT Margin	5.3%	9.0%	
Annual Capacity (Mn Sqm)	10.50	10.50	
Production (Mn Sqm)	7.72	8.48	-9.0%
Sales Volume (Mn Sqm)	8.58	9.30	-7.7%
Capacity Utilisation	74%	81%	
Average Realisation (₹/Sqm)	284	275	3.3%



# Greenpanel - Net Debt Zero - FY23

Particulars (₹ Crores)	Q4FY23	Q3FY23	Q2FY23	Q1FY23	Q4FY22
Gross Borrowings	190.43	194.83	201.65	208.21	282.65
Bank Balances	377.73	339.50	260.38	225.44	222.42
Net Borrowings	(187.30)	(144.67)	(58.73)	(17.23)	60.23



# Greenpanel sponsors IPL 2023 Delhi Capitals



GREENPANEL

PRINCIPAL PARTNER



GREENPANEL®

MDF KA  
DOOSRA NAAM



## Our widened distribution network

# 2,300+

Number of dealers as on  
31<sup>st</sup> March 2023

# 12,000+

Number of retailers as on  
31<sup>st</sup> March 2023

# 17

Branches pan-India



### Name of physical branches

**West & Central:** Mumbai, Pune, Indore, Ahmedabad

**South:** Bangalore, Hyderabad, Kochi, Coimbatore, Chennai, Vijayawada

**North:** Jaipur, Chandigarh, Lucknow, Ghaziabad, Delhi

**East:** Kolkata, Guwahati



# Financial Highlights

## Q4 FY2023 v/s Q4 FY2022

Key Ratios (%)	Q4 FY2023	Q4 FY2022
Gross Margin	53.7	60.3
EBITDA Margin	19.2	30.5
EBIT Margin	15.3	29.9
Net Margin	15.6	17.5
Sales Promotion / Net Sales	2.2	1.3
Employee Expenses / Net Sales	7.2	7.7
Logistics Costs / Net Sales	4.7	4.8
EPS (₹)	5.62	6.57



# Yearly Results

YEARLY RESULTS OF GREENPANEL INDUSTRIES LIMITED (in Rs. Cr.)	MAR '23	MAR '22	MAR '21	MAR '20	MAR '19
Net Sales/Income from operations	1,782.86	1,625.04	1,020.76	876.57	582.62
Other Operating Income	--	--	--	--	16.49
Total Income From Operations	1,782.86	1,625.04	1,020.76	876.57	599.11
EXPENDITURE					
Consumption of Raw Materials	736.69	660.59	426.38	388.70	290.07
Purchase of Traded Goods	14.68	11.38	11.35	10.31	8.76
Increase/Decrease in Stocks	-5.58	-1.06	25.14	-7.11	-42.10
Employees Cost	139.72	128.43	97.90	98.89	80.76
Depreciation	71.97	73.36	68.63	69.17	53.03
Other Expenses	480.84	395.27	256.61	248.01	184.27
P/L Before Other Inc., Int., Excpt. Items & Tax	344.54	357.08	134.73	68.60	24.32
Other Income	19.36	8.96	3.45	2.23	12.70
P/L Before Int., Excpt. Items & Tax	363.90	366.04	138.18	70.84	37.02
Interest	19.04	17.10	37.21	48.29	24.63
P/L Before Exceptional Items & Tax	344.86	348.94	100.97	22.55	12.38
Exceptional Items	6.10	--	--	-10.84	--
P/L Before Tax	350.96	348.94	100.97	11.71	12.38
Tax	94.44	108.47	32.16	-2.75	-22.19
P/L After Tax from Ordinary Activities	256.51	240.47	68.81	14.46	34.57
Net Profit/(Loss) For the Period	256.51	240.47	68.81	14.46	34.57
Net P/L After M.I & Associates	256.51	240.47	68.81	14.46	34.57
Equity Share Capital	12.26	12.26	12.26	12.26	12.26
Reserves Excluding Revaluation Reserves	1,181.65	939.38	718.12	649.38	633.24
EPS BEFORE EXTRA ORDINARY					
Basic EPS	20.92	19.61	5.61	1.18	2.82
Diluted EPS	20.92	19.61	5.61	1.18	2.82
EPS AFTER EXTRA ORDINARY					
Basic EPS.	20.92	19.61	5.61	1.18	2.82
Diluted EPS.	20.92	19.61	5.61	1.18	2.82

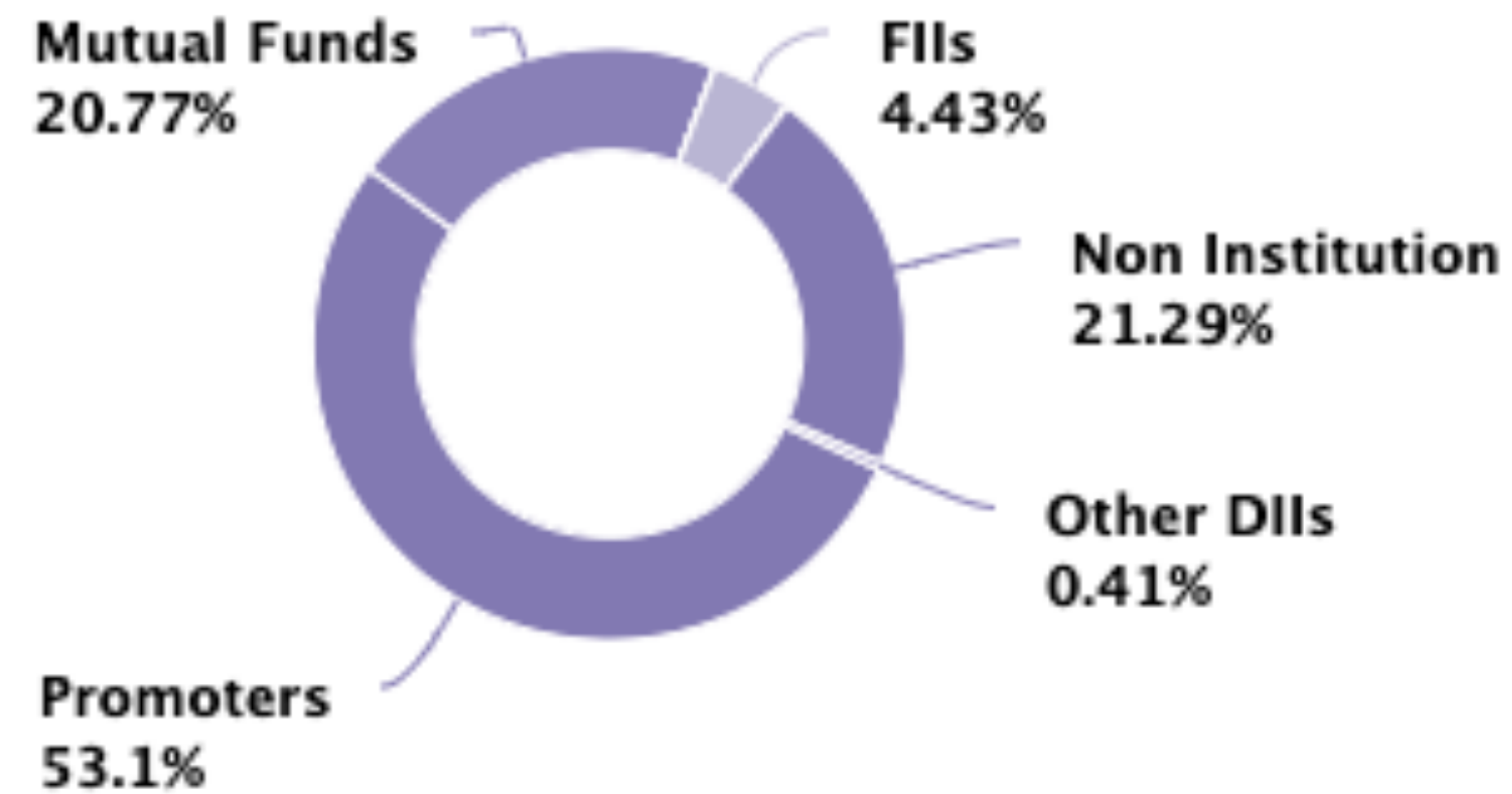


# Key Financial Ratios

KEY FINANCIAL RATIOS OF GREENPANEL INDUSTRIES LIMITED (in Rs. Cr.)	MAR 23	MAR 22	MAR 21	MAR 20	MAR 19
PER SHARE RATIOS					
Basic EPS (Rs.)	20.92	19.61	5.61	1.18	2.82
Diluted EPS (Rs.)	20.92	19.61	5.61	1.18	2.82
Cash EPS (Rs.)	26.79	25.59	11.21	6.82	7.14
Book Value [ExclRevalReserve]/Share (Rs.)	97.36	77.60	59.56	53.96	52.64
Book Value [InclRevalReserve]/Share (Rs.)	97.36	77.60	59.56	53.96	52.64
Revenue from Operations/Share (Rs.)	145.39	132.52	83.24	71.48	48.86
PBDIT/Share (Rs.)	35.54	35.83	16.87	11.42	7.34
PBIT/Share (Rs.)	29.68	29.85	11.27	5.78	3.02
PBT/Share (Rs.)	28.62	28.46	8.23	0.95	1.01
Net Profit/Share (Rs.)	20.92	19.61	5.61	1.18	2.82
NP After MI And SOA / Share (Rs.)	20.92	19.61	5.61	1.18	2.82
PROFITABILITY RATIOS					
PBDIT Margin (%)	24.44	27.03	20.26	15.97	15.03
PBIT Margin (%)	20.41	22.52	13.53	8.08	6.17
PBT Margin (%)	19.68	21.47	9.89	1.33	2.06
Net Profit Margin (%)	14.38	14.79	6.74	1.64	5.77
NP After MI And SOA Margin (%)	14.38	14.79	6.74	1.64	5.77
Return on Networth/Equity (%)	21.48	25.26	9.42	2.18	5.35
Return on Capital Employed (%)	24.74	29.74	11.81	6.06	3.12
Return on Assets (%)	15.04	15.59	4.72	0.98	2.37
Total Debt/Equity (X)	0.16	0.30	0.51	0.77	0.78
Asset Turnover Ratio (%)	1.10	1.08	70.14	59.80	41.09
LIQUIDITY RATIOS					
Current Ratio (X)	2.71	1.56	1.24	1.07	1.05
Quick Ratio (X)	2.06	1.03	0.72	0.55	0.56
Inventory Turnover Ratio (X)	4.63	4.19	6.83	5.70	4.46
Dividend Payout Ratio (NP) (%)	7.17	7.64	0.00	0.00	0.00
Dividend Payout Ratio (CP) (%)	5.59	5.86	0.00	0.00	0.00
Earnings Retention Ratio (%)	92.83	92.36	0.00	0.00	0.00
Cash Earnings Retention Ratio (%)	94.41	94.14	0.00	0.00	0.00
COVERAGE RATIOS					
Interest Coverage Ratios (%)	22.89	25.70	3.71	1.47	1.50
Interest Coverage Ratios (Post Tax) (%)	22.89	25.70	3.71	1.47	1.50
VALUATION RATIOS					
Enterprise Value (Cr.)	3,153.61	7,262.53	2,262.89	853.12	0.00
EV/Net Operating Revenue (X)	1.77	4.47	2.22	0.97	0.00
EV/EBITDA (X)	7.24	16.53	10.94	6.09	0.00
MarketCap/Net Operating Revenue (X)	1.87	4.43	1.92	0.41	0.00
Retention Ratios (%)	92.82	92.35	0.00	0.00	0.00
Price/BV (X)	2.80	7.57	2.69	0.54	0.00
Price/Net Operating Revenue	1.87	4.43	1.92	0.41	0.00
Earnings Yield	0.08	0.03	0.04	0.04	0.00



## Shareholding Pattern an on Mar'23





# Summary

- ❖ On quarterly basis, the Company delivered steady performance in Q4 of FY'23, with Net Sales around Rs.441.41 crs in Mar'23 as compared to Rs.470.08 crs in Mar'22. However, the Net Profits were Rs.68.93 crs in Mar'23 versus Rs.80.59 crs in Mar'22.
- ❖ Considering sound financials and healthy fundamentals, the Company is available at a good price of Rs.338.00 with its 52 week low at Rs.255.00 and 52 week high at Rs.523.00.
- ❖ In view of the Promoters holding majority stake around 53.10% as well as its consistent performance, it is fair to assume that the Management is working efficiently and is growth oriented.
- ❖ The Shareholding Pattern as on Mar'23, shows the FIIs and the Other DIIs collectively stood with 4.84% holdings. Whilst, the Mutual Fund Houses own 20.77% stake.
- ❖ As a fact of reassurance, Greenpanel Industries Ltd. is held by HDFC MF, TATA MF, BANDHAN MF, CANARA ROBECO MF, NIPPON INDIA MF, TATA MF, UTI MF, SUNDARAM MF, ICICI PRU MF, IDBI MF and a few more.
- ❖ The Company registered Return on Equity (ROE) and Return on Capital Employed (ROCE) around 21.48% & 24.74% respectively as on Mar'23. (On consolidated basis)
- ❖ Greenpanel Industries Ltd. is a dividend paying stock. For the year ending Mar'23, the Company has declared an equity dividend of 150.00% i.e. Rs.1.50 per equity share.



# Disclosure

Copyright © Amiteshwar Singh Proprietor of M/S Amiteshwar.in. Any act of copying or distributing this report in part or in full, for any purpose, without my permission, is strictly prohibited and would be a copyright infringement.

## **Disclosures as required under SEBI (Research Analyst) Regulations, 2014**

### **Introduction:**

I, Amiteshwar Singh, am the proprietor of M/S Amiteshwar.in. I am a Research Analyst registered with SEBI having registration no. INH100010013. I provide services through my website [www.researchlyne.com](http://www.researchlyne.com) which is primarily focused on research of Multi-Cap stocks of India.

### **Business Activity:**

I provide research services on equity stocks listed on Indian stock exchanges. The research is based on funda-mental analysis. I do thorough research and analysis on fundamentals of companies. As such, I undertake extensive scrutiny of major Company statistics like Balance Sheet, Profit & Loss Account, Key Financial Ratios (ROE, ROCE and Debt to Equity etc.), Quarterly, Half-yearly & Annual Results, Cash Flows, Annual Reports and Shareholding Pattern etc. Each Company's Business Model, Future Projections, Competitive Advantages & other Moats are thoroughly checked before recommending their Stock.

I offer services to the subscribers through the following:  
[www.researchlyne.com](http://www.researchlyne.com)

### **Disciplinary History**

There is no disciplinary action which is / was running / initiated against me or my firm and there are no out-standing litigations against me.

### **General Terms and Conditions for Researchlyne.com:**

1. Every week, 2 stock recommendations will be provided to the subscribers.
2. The subscribers have to login in their account through login credentials provided to them at the time of subscription.
3. The reports should not be considered as an investment advice or personal recommendation.
4. I and my team members will not be liable for any loss or liability incurred to the user due to investments made or decisions taken based on the information provided in the reports.
5. All of the views and opinions expressed in research reports, issued after due diligence and careful study, reflect my unbiased analysis of the Company or Companies as on the date of the report.
6. Still, it is advised that the users should rely on their own research and analysis as well as consult their own investment advisors to determine the suitability of recommendation.
7. Past performance of a Company is no guarantee for future performance or future results.
8. My service is not suitable to investors who are looking for intraday calls i.e. day trading or futures & options in stocks and indexes on basis of technical analysis.

[Click here](#) to view the terms and conditions of the website.

### **List of Associates / Relatives:**

1. My spouse, Mrs. Prabhjash Kaur
2. My daughter, Ms. Palvit Kaur

Note: Subject Company is a company on which buy/sell recommendation or target price is given or changed in the research report.



**Disclosure with regards to ownership and material conflicts of interest:**

1. Neither I nor my associates / relatives have financial interest in the subject company.
2. Neither I nor my relatives / associates have actual/beneficial ownership of 1% or more in securities of the subject company, at the end of the month immediately preceding the date of publication of the document.
3. Neither I nor my relatives /associates have any other material conflict of interest at the time of publication of the document.

**Disclosure with regards to receipt of compensation:**

1. Neither I nor my associates / relatives have received any compensation from the subject company in the past 12 months.
2. Neither I nor my associates / relatives have managed or co-managed public offering of securities for the subject company in the past 12 months.
3. Neither I nor my associates / relatives have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12 months.
4. Neither I nor my associates / relatives have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.
5. Neither I nor my associates / relatives have received any compensation or other benefits from the subject company or third party in connection with the document.

**General Disclosures:**

1. I have not served as an officer, director or employee of the subject company.
2. I am not engaged in market making activity for the subject company.

**Definition of terms used:**

1. **Buy Recommendation:** The subscribers can buy the shares of the subject company at the current market price. I expect a return of around 25% in the next 4 months.
2. **Sell Recommendation:** The subscribers can sell the shares of the subject company when they receive a return of 25% on the market price when the subject company was recommended.



**“Investments in Securities Market are subject to market risks. Read all the related documents carefully before investing”.**



**“Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors”.**

Mr. Amiteshwar Singh Proprietor of M/s Amiteshwar.in  
SEBI Registered "Research Analyst" Reg. No. INH100010013

Contact: +917973835409

Email: info@Researchlyne.com

Address: Ground Floor, 236 E Block, Bhai Randhir Singh Nagar,  
Ludhiana - 141012 (Pb.)