

Greenlam Industries

10 August 2026

Operator: Good day and welcome to Greenlam Industries Ltd. Q1 FY27 earnings conference call. As a reminder, all participants' lines will be in 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 the operator by pressing star and 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 Ltd. Thank you, and over to you, sir.

Ashok Sharma – CFO: Thank you. Good morning to everyone, and welcome to the Q1 FY27 earnings call of Greenlam Industries Ltd. I am joined by Samarth Agarwal, our VP Finance, and the SGA team, our investor relations advisor. I am sure you have had the opportunity to review the results and the investor presentation, which are available on the stock exchanges and on the company website. I will give you a business update for Q1 before I hand over the call to Samarth.

We are pleased to report that we have started the year with revenue growth of 18% year-on-year, taking our consolidated revenue for the quarter to nearly 800 crores, with EBITDA of 81 crores before forex while maintaining the gross margin at the 53% level. The performance was broad-based, with most business segments reporting revenue growth during the quarter and continued growth momentum in both the domestic and international markets. A few major developments during the quarter are worth highlighting. Our chipboard business turned EBITDA-positive for the first time, with an operating profit of 3.4 crores before forex, and losses in the plywood and allied segment continued to narrow.

Moving on to the West Asia conflict, the ongoing conflict continued to make input prices, currency rates, and freight costs volatile during this quarter. This also led to delays in container and vessel availability and a significant hike in freight costs. As a direct consequence, nearly 27 crores' worth of export shipments were postponed from this quarter. This is purely a timing matter; the revenue is not lost and is simply moving into the current quarter. Also, shipments by sea are taking more time to reach their destinations, leading to an overall longer lead time.

To maintain fiscal discipline and mitigate the impact of price increases, we have passed on the increase in raw material prices to customers. As communicated earlier, we implemented price hikes twice, at the beginning of April and May. When prices started softening, we reduced some prices at the beginning of June and again at the beginning of Q2. Overall, on a net basis, we have passed on a 7%–8% price increase. This was mainly the price increase in chemicals, which constitute nearly one-third of our raw material costs, while the prices of other raw materials remained constant.

On the logistics side, I would like to highlight that the Middle East market accounts for around 6%–7% of our total business. Therefore, we do not foresee any material impact on our top line; rather, it should grow. Domestic demand remained stable during the quarter. Retail- and distribution-led businesses held up well, while there were some challenges in the project business due to the overall increase in costs across the building materials industry.

Moving on to the segment-wise details, in laminates, our revenue for the quarter stood at 596 crores, a growth of 7% year-on-year. Sales volume for the quarter was 4.62 million sheets, with capacity utilization of 80%. The softness in volume and revenue was due to export shipments that

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were postponed from the quarter. Adjusted for this, the underlying demand trend in this business remains healthy. The international business performed particularly well during the quarter, reinforcing the benefit of the strong global footprint that we have built over the years.

On the capacity expansion side, we are adding 2 new laminate press lines, which are on track and expected to commence commercial production by Q4 of this year. With the addition of this new capacity, we will be able to increase the capacity of specific laminate categories that are approaching optimum capacity utilization.

I will move on to the plywood and allied segment. Revenue from operations during the quarter grew by 20% year-on-year to 106 crores, and the EBITDA loss before forex fluctuations narrowed to 5 crores from 9 crores in the previous quarter and in Q1 of last year. The plywood business, on the other hand, continued to ramp up, with sales volume growing 19% year-on-year and capacity utilization at 39%. Our distribution network is expanding, and we took some price hikes at the start of April in a phased manner. We expect the plywood segment to break even this year.

Moving on to the chipboard and allied segment, this was the standout performer of the quarter. Revenue stood at 95 crores, a growth of nearly 200% year-on-year. Capacity utilization is improving every quarter and moved to 61% from 30% in Q1 last year. Average realization also increased, driven by the price increase taken and the product mix. I am happy to share that this business turned positive during the quarter, with a profit of 3.4 crores before forex fluctuations as against a loss of 10 crores in Q1 last year.

Our newly introduced HMR category, which was introduced in Q4 of last year, continues to gain good traction, and we will introduce more premium products in this category going forward. We will continue to scale this business and improve the share of melamine-faced chipboard in the overall chipboard sales. We expect this business to maintain capacity utilization of around 70%.

As far as the outlook for FY27 is concerned, it will largely be the year in which we sweat our existing assets. Apart from the laminate press lines that have already been announced, we do not have any plans for large capacity additions. Our capex for the year is budgeted at around 130-135 crores, which includes 70 crores towards the laminate expansion.

That is all from my side. I will be happy to take your questions after our financial performance announcement. I will now hand over the call to Samarth.

Samarth Agarwal – VP Finance: Thank you, sir. Good morning, everyone, and thank you for joining the call. I will take you through the financial numbers.

Coming first to the Q1 numbers on a consolidated basis, net revenue grew by 18% and stood at almost 800 crores, precisely at 797 crores, as compared to 674 crores in Q1 last year. On a sequential basis, revenues were lower by 7%, in line with the usual trend in which Q1 is generally lower compared to the fourth quarter. Gross margins were largely flat at 52.9% in the quarter as compared to 53.1%, despite a sharp increase in input and freight costs. On a sequential basis, margins grew by 140 basis points on the back of the price increases passed on during the quarter.

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Opex costs in absolute terms grew by 18% year-on-year to 421 crores in this quarter as compared to 358 crores in Q1 last year. EBITDA margins before forex fluctuations grew by 210 basis points to 10.2% as compared to 8.1% in Q1 last year. This was mainly on account of revenue growth, cost controls, and operating leverage in the chipboard, plywood, and particle board-chipboard businesses. EBITDA before forex fluctuations in absolute terms grew by 48% to 81 crores in this quarter as compared to 55 crores in Q1 last year.

Forex losses were a small amount of 1 crore as against 11 crores in Q1 last year, and finance costs were down by 25% to 20 crores as compared to 26 crores in Q1 last year. This was largely because some part of the forex was accounted for as finance costs in Q1 last year, to the extent of 3.5 crores.

Net profit in the quarter stood at 21 crores as against a net loss of 15.5 crores in Q1 last year. In this quarter, the higher operating profit, along with lower forex and interest costs, led to a better flow-through to the bottom line.

I will now take you through the segmental performance. First, in the laminate and allied segment, the laminate business saw revenue growth of 7% year-on-year to 596 crores.

Management: Revenue was 596 crores in this quarter as compared to 555 crores in Q1 last year. EBITDA margins before forex fluctuations were at 13.9%, a growth of 70 basis points year-on-year. Production volumes were 4.9 million sheets, with utilization of 80%. Sales volumes were 4.62 million sheets, which were lower by 6% year-on-year, largely on account of the postponement of export shipments from the quarter. The average realization for the quarter in the laminate business was 1,244 per sheet, a growth of 14% year-on-year.

Coming to the next segment, which is plywood and allied, this segment largely includes the plywood business, decorative veneers, engineered floors, and engineered doors. Revenue for this segment grew by 20% to 106 crores as against 88 crores in Q1 last year. EBITDA losses before forex narrowed to 5 crores as against 9 crores in Q1 last year. Production volume for the plywood business was 1.83 million square meters, with capacity utilization of 39% as against 28% in Q1 last year. Plywood sales volume was 1.66 million square meters, a growth of 19%, and average realizations were up by 4% to 276 rupees per square meter.

The next segment is panel and allied, which is largely the chipboard business. Chipboard revenue for the quarter almost quadrupled to 95 crores. EBITDA before forex fluctuations turned positive, which is a good development for the segment, at 3.4 crores as against a net loss of 10 crores in Q1 last year. Production volumes were 44,838 cubic meters, with a utilization level of 61% as against 30% in Q1 last year. Sales volume for the quarter was 41,418 cubic meters, a growth of 167% year-on-year, and average realizations were 22,764 per CBM, with a growth of 15% year-on-year.

On the balance sheet front, the working capital cycle improved by 3 days to 56 days as compared to 59 days in Q1 last year, and net debt was 934 crores as of June. Thank you, and that is all from my end. We can now open the floor for questions.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested

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to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Vansh Shah from EBNA Advisors. Please proceed.

Vansh Shah – EBNA Advisors: Yes, sir. Am I audible?

Management: Yes, please go ahead.

Vansh Shah – EBNA Advisors: Sir, how is container availability? Do we see weak performance in Q2 FY27 due to container availability issues?

Management: Sir, container availability and vessel availability remain a challenge as of now. That is the reason we have said that around 25–30 crores of exports have moved into this quarter. Whether this will continue for the full quarter or whether it will get resolved is very difficult to comment on as of now. However, if this continues for the entire quarter, then it may have an impact on export sales.

Vansh Shah – EBNA Advisors: Understood, sir. Thank you, sir. That is it from my side.

Management: Thank you.

Operator: Thank you. A reminder to all participants: anyone who wishes to ask a question may press star and one on their touch-tone telephone. I repeat, anyone who wishes to ask a question may press star and one on their touch-tone telephone. The next question is from the line of Sneha from Nuvama. Please proceed.

Sneha – Nuvama: Hi, good morning, team, and thank you for the opportunity. I have a couple of questions. Firstly, with respect to the price reductions, you stated on the call that you have already started reducing prices. In this particular case, when we are reducing prices substantially or when we are increasing prices, do we see a significant amount of restocking or destocking taking place? Or, generally, does a 5%–10% movement here and there not really matter, with intake continuing in a specific manner? That is the first question.

Management: Hi, Sneha. In terms of price reductions, the reductions and increases entirely depend on the raw material prices. As I mentioned, we increased prices in April and May, and since prices softened towards the beginning of June, we reduced prices at the beginning of June and at the beginning of July.

In terms of whether this will lead to destocking, I believe it will not have much impact because of the nature of the business. You need stock on a continuous basis, and at no point do we push stock into the channel. It is entirely based on requirements. Therefore, we do not feel that it will have a negative impact. Rather, I believe that as prices are now becoming more affordable, it will have a positive impact on secondary movement.

Sneha – Nuvama: Understood. So what you mean is that even for OEMs, the way they purchase, and even in the export channel, whatever purchases were taking place before or after the price increases will continue in the same manner?

Management: We believe so.

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Sneha – Nuvama: Understood. My second question is related to the chipboard segment. Where are we in terms of the percentage of the pre-laminated business? We have seen the segment turn positive at this point. What is our year-end target here? What level of pre-lamination can be achieved, what utilization can we achieve, and, of course, where can we take margins going forward?

Management: We are doing fairly well in terms of pre-lamination. I will not be able to tell you the percentage on the call, but we are doing well, and it is progressing as per our plan. Whatever we had planned is moving according to the plan, and we are hopeful that by year-end we will overachieve what we have targeted.

As I mentioned, we introduced the HMR category in Q4 of last year, or rather towards the end of Q3, and it is also getting good traction in the market. We will bring some more premium categories into this segment. Going forward, the share of this segment in our overall product mix will also be much better compared to where we are now.

Sneha – Nuvama: Understood. Lastly, on the plywood business, I know we launched the premium segment some time ago, but despite that, we continue to make losses here. Is there any strategy to turn this around? Are we looking at the mid-end segment, which is what some of the larger players have already done in this segment, in order to achieve a sizable scale and start making money? Any thoughts here?

Management: Not as of now. In terms of plywood, it is growing quarter-on-quarter, although the pace of growth could have been better, and the EBITDA losses are also coming down. We are very hopeful that we will achieve EBITDA break-even this year.

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

Sneha – Nuvama: Understood, sir. Thank you very much, team, and all the best.

Management: Thank you.

Operator: Thank you. A reminder to all participants: anyone who wishes to ask a question may press star and one on their touch-tone telephone. The next question is from the line of Bhavin Chheda from Enam Holdings. Please proceed.

Bhavin Chheda – Enam Holdings: Hello, sir. Overall, good numbers in a difficult environment. I have a few questions. First, on the price hikes: when you mentioned that there was a price reduction in June as well as July, was this across all segments or a particular segment? Basically, in your 3 main segments—laminates, plywood, and chipboard—did price hikes and price declines happen across all segments, or were you referring to a general price hike and reduction?

Management: Hi, Bhavin. This price hike was mainly necessitated by an increase or fluctuation in chemical prices, which are predominantly used in laminates as well as in the chipboard segment. This is what we were referring to. The price changes were in the laminate and chipboard segments.

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The other categories do not have as much chemical usage or as high a percentage of chemical content. Therefore, there was no impact on those categories, mainly plywood and the wood category.

Bhavin Chheda – Enam Holdings: So the plywood category has seen neither a price hike nor a decline in realizations?

Management: We did implement a price hike at the beginning of April because some prices had increased, but that price hike was modest compared to the laminate and chipboard categories. Since the usage or chemical content in laminates and chipboard is much higher, the impact of the cost increase was higher in these 2 categories. In laminates, it is as high as 35%, and similarly, in the chipboard category, it is in a similar range.

Therefore, the price increase was higher in these 2 categories. The increases were implemented in both April and May, and a slight reduction was made in June and July.

Bhavin Chheda – Enam Holdings: You said that the plywood segment will achieve EBITDA break-even this year. When it turns positive, will it be EBITDA-positive or break-even for the entire fiscal year, or will it be at the exit of a particular quarter?

Management: It will be at the exit quarter. Break-even for the entire year will be difficult; it is for that particular quarter.

Bhavin Chheda – Enam Holdings: Exit quarter. Obviously, next year would be positive. Third, you have also reclassified the previous year's volume numbers on a quarterly basis. What has changed across the divisions?

Management: Which reclassification are you referring to?

Bhavin Chheda – Enam Holdings: I think the presentation mentioned that laminate volumes were also reclassified for Q4, and I think chipboard volumes were also reclassified. Has a certain classification changed?

Management: No, we will discuss this offline. This is regarding the laminate sheets and board category. We will discuss it offline and explain it to you.

Bhavin Chheda – Enam Holdings: Sure. Lastly, on engineered wood flooring and doors, what was the revenue number and what was the loss number there?

Management: For the floors and doors?

Bhavin Chheda – Enam Holdings: Yes, engineered wood flooring and engineered wood doors.

Management: The revenue of both put together is around 29 crores, and the combined EBITDA loss was 1.2 crores.

Bhavin Chheda – Enam Holdings: Okay. Thank you, sir.

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Operator: Thank you. The next question is from the line of Pranav Mehta from Equirus. Please proceed.

Pranav Mehta – Equirus: Good morning, sir. Thank you for taking my question. I wanted to understand the debt repayment position. How is debt expected to reduce over the next 2–3 years?

Management: This year, since we have the expansion capex for laminates as well as some past capex, we expect capex to be in the range of around 125–130 crores. Therefore, we do not expect debt to come down significantly. However, we expect it to come down by close to around 100–odd crores.

Pranav Mehta – Equirus: Understood, sir. Thank you.

Management: From next year onwards, no major capex plan has been announced. Therefore, the majority of the cash flow will be used to reduce debt. We expect debt to come down significantly over the next 2–3 years.

Pranav Mehta – Equirus: Sure, sir. On the laminate capex front, the timeline remains the same, right? Are you expecting any delays or advancement of the laminate capex?

Management: No, it is on schedule, as we have stated in the results. We have already placed the orders for the equipment, and since all this equipment is domestic in nature, we expect commercial production to commence by Q4 of this year.

Pranav Mehta – Equirus: On the plywood side, you mentioned that you would gradually expand from South India towards West and Central India. By when can we expect a pan-India launch for the plywood category?

Management: It already started last year. Except for the North, where we do not intend to start as of now, our products are available in the western and eastern parts of Central India.

Pranav Mehta – Equirus: Will you be more aggressive in these regions? I believe you were more focused on servicing the South Indian market, but incremental growth will be driven by these regions, right?

Management: Yes, because these regions will be new markets starting from zero. Therefore, the growth there will obviously be high and better.

Pranav Mehta – Equirus: My last question was on chipboard. How are you seeing things develop in chipboard? Since 3 capacities have been added by organized players over a period of 1.5 years, have you started seeing a shift from unorganized to organized players? How are things developing there?

Management: I believe so. The companies are doing well, the product is good, and we are reaching newer and newer segments. Previously, the unorganized segment did not have the product that we are offering in the HMR category, which we have started for the first time. Therefore, product acceptability is quite high among the clients wherever we are currently present.

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We believe this shift will happen because of the premium product category and the quality of the products. Overall, organized companies will make efforts to reach customers.

Pranav Mehta – Equirus: Sure, sir. That is it from my side. Thank you.

Management: Thank you.

Operator: Thank you. The next question is from the line of Dhaval Shah from PhillipCapital. Please proceed.

Dhaval Shah – PhillipCapital: Good morning, sir. Thank you for the opportunity. My question is regarding laminates. We have seen an almost 6%–7% decline in laminate sales volume. I wanted to check whether we are still guiding for 10%–12% growth on the laminate side for the full year.

Management: That growth guidance was for revenue, whereas you are referring to volume. If you look at the last quarter, there was growth of 7.4%, and we have already mentioned that nearly 30 crores' worth of exports moved into this quarter. If you add that, we are probably very close to the figure that we had indicated. We still maintain that we will be able to grow in that range.

Dhaval Shah – PhillipCapital: Just one last question on laminates. How much have we declined in the domestic market, particularly on the laminate side? As you mentioned, the real estate segment did not take the sales dispatches because of high raw material prices. How much have we declined?

Management: The volume decline was 7.5%, or 7.5%.

Dhaval Shah – PhillipCapital: This is more on the domestic side, sir?

Management: Yes, this is on the domestic side.

Dhaval Shah – PhillipCapital: Do you feel that from the beginning of Q2, from this quarter onwards, that will also start growing as things have started normalizing, at least on the geopolitical front?

Management: Yes, we believe that Q1 was quite confusing, not only for us but for the entire industry, or the entire building materials product category. There were continuous price increases. We implemented 2 price increases, and because of fluctuations in raw material prices, we passed on the increases and then reduced prices. There was a lot of confusion in between.

We believe that now, with greater clarity in the market, demand should improve.

Dhaval Shah – PhillipCapital: Thank you very much, sir. That is it from my side.

Management: Thank you.

Operator: Thank you. The next question is from the line of Roshan Nair from Antique Stock Broking. Please proceed.

Roshan Nair – Antique Stock Broking: Thank you for the opportunity. My question is on the chipboard business. Since it has now become EBITDA-positive, what sustainable margin should we be looking at for the next 1–2 years? What capacity utilization is required to reach a normalized

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margin?

Management: Roshan, we achieved around 61% capacity utilization in Q1, and of course, we would like to increase capacity utilization, which will happen in the coming quarters. The EBITDA margin will depend on the capacity utilization and the product mix that we are able to achieve. I can say that at full capacity utilization and with a better product mix, it can achieve a margin of 18%-20%. However, we believe that this will happen over a period of time.

Roshan Nair – Antique Stock Broking: Understood. That is helpful. My second question is: what quantum of raw material inflation has occurred over the last 2 quarters, and what portion has already been passed on to customers?

Management: Most of the inflation or fluctuation in raw material prices occurred in chemical prices. Even among chemicals, it depends on which chemical is being considered. The increase ranges from 30%-40% to 70%-80%.

Prices increased and then retracted towards the beginning of June and again in July. Because the war started again, prices started moving up again, but now prices are coming down again. Therefore, the picture is somewhat unclear.

To answer your question, we have passed on the entire impact of the increase in raw material prices to the market. Apart from chemicals, we are not seeing much fluctuation in wood and paper prices.

Roshan Nair – Antique Stock Broking: Understood. That is helpful. That is all from my side. Thank you.

Management: Thank you.

Operator: Thank you. The next question is from the line of Utkarsh Somani from Anand Rathi. Please proceed.

Utkarsh Somani – Anand Rathi: Good morning, sir. My first question is regarding the laminate segment. Could you guide us on the expected volume growth and margin guidance for the remaining 9 months of FY27?

Management: Utkarsh, it is difficult to provide quarter-on-quarter guidance. As we have already said, overall revenue growth in laminates is expected to be in the range of around 10%-12%. We still stand by that, even though growth in the first quarter was close to 7%. We still believe that it can grow by 10%-12%.

Also, because of the volatility in raw material prices that has been prevailing, it is difficult to provide a margin outlook as of now. However, we have stated in the past that laminates can achieve a margin of around 15%-16%.

Utkarsh Somani – Anand Rathi: For particle board, you have guided that we are looking to operate at 70% utilization in FY27. Could you also provide some guidance for plywood? What would be the expected utilization level for the plywood segment in FY27?

Management: We are at around 40% in Q1, and we believe it should be close to 50% for the year.

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Utkarsh Somani – Anand Rathi: You mentioned that the plywood segment is likely to break even in FY27. Is it likely to happen towards the end of FY27? By when is it likely to break even at the PAT level for the plywood segment?

Management: It is again difficult to say. Although we would like it to break even in Q2 itself, it is difficult to say whether it will happen in this quarter or in another quarter.

In terms of the PAT level, once it breaks even at the EBITDA level, the next step will be the PAT level. We are hopeful, and we will see how the year progresses. We can then assess whether we will be able to break even at the PAT level in the same year or whether it will move to the next year.

Utkarsh Somani – Anand Rathi: Lastly, could you help us understand the current market rates of phenol, melamine, and urea? That is it from my side, sir.

Management: We will come back to you offline with the numbers.

Utkarsh Somani – Anand Rathi: Okay, sir.

Management: Thank you.

Operator: Thank you. The next question is from the line of Ashish from Dam Capital. Please proceed.

Ashish – Dam Capital: Hi, Ashok and Samarth. I have 2 questions. One is on particle board capacity. At the current rate, you should reach 70% utilization by Q4 of this fiscal, and I believe that in FY28 you may average around 75%-80% for the year. Do you have any thoughts on capacity augmentation ahead, whether brownfield or any broad plan that you are considering internally?

Management: Not as of now. The capacity utilization that we are referring to includes both plain chipboard and pre-laminated chipboard. Our intention is to sell more and more pre-laminated chipboard, but since we currently have sufficient capacity, we are also selling plain chipboard.

Going forward, as and when we approach full capacity utilization, we want to increase the share of pre-laminated chipboard. Once we reach that level, we will probably take a call. We are conscious of the fact that we need to take some action, but we still want to observe the business for another 3-5 quarters to see how it progresses, and then we will take a call.

Ashish – Dam Capital: So, essentially, the current capacity should be sufficient at least until the end of FY29, and you will focus on increasing the value-added mix once you reach 80%-90% capacity utilization. Is that how we should look at it?

Management: That is precisely right.

Ashish – Dam Capital: My second question is on debt reduction. You said that 100 crores will be reduced in FY27 despite approximately 130 crores of capex. Apart from laminates, that is the only capex you are undertaking this year, right? Is the 130 crores entirely for laminates?

Management: No, Ashish, 130 crores is not entirely for laminates. Of this, 70 crores is towards laminates. Some part is towards pending payments for the greenfield project, including the final

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tail-end payments. There is also regular capex of about 70-odd crores plus 40-odd crores every year, as well as 10-20 crores of past payments. Therefore, the net outflow on account of capex will be about 130-135 crores.

Ashish – Dam Capital: You will also reduce debt by 100 crores this year?

Management: That is the plan, yes, that is right.

Ashish – Dam Capital: Next year, you broadly said that debt reduction will be the focus over the next 2 fiscals, FY28 and FY29. Do you have any broad target for how much debt will come down?

Management: It will largely be as per the repayment schedules for our debt. Next year, which is FY28, it will be slightly upwards of 150-odd crores, but that will largely follow the repayment schedules.

Whatever cash flow remains after regular capex or maintenance capex and working capital requirements will be used to reduce debt. In any case, if cash is accumulated on a net basis, debt will be lower. Whether I repay the debt or retain cash on my books, on a net-net basis, debt will be lower.

Ashish – Dam Capital: Understood. Thank you very much.

Management: Thank you.

Operator: Thank you. The next question is from the line of Tushar R from Omega Portfolio Advisor. Please proceed.

Tushar R – Omega Portfolio Advisor: Thank you for the opportunity. Congratulations on achieving positive chipboard margins in this difficult environment. I could see that the relative contribution of chipboard in the pre-laminated segment is approximately 65%-70%, if I am not mistaken. I wanted to know your plans for maintaining that going forward. That is my first question.

Secondly, on the plywood segment, when are we planning to reach approximately 20 rupees per square meter, which is more or less the average of the listed peers? Those are my questions, sir.

Management: In terms of the chipboard pre-lam mix, as we said earlier, capacity utilization currently stands at 61%, and for the year, as Ashok already said, we may average around 70%. The idea here is to optimize the product mix, with a higher share of pre-lamination, the HMR product that we launched, and some of the new value-added products that we will launch going forward.

The entire plan is to maximize value-added products, maximize pre-laminated board, and build a good, profitable business here. Does that answer your question, Tushar?

Tushar R – Omega Portfolio Advisor: Yes. Basically, we are currently at approximately 22,700 or so. Is there sufficient headroom to grow from here to 24,000 or so? That is my question on chipboard. Also, on the margin front, when do we expect to see an 18% margin in chipboard?

Management: An 18% margin will be achieved once we approach optimum capacity utilization. We believe that should happen in FY29. Of course, everything will depend on raw material prices, but if

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everything goes as planned, we should see optimum capacity utilization in FY29, and by that time, the margin should also improve to that level.

Management: Also, Tushar, from the perspective of realization headroom, there is significant headroom, provided the relevant conditions continue. If you look at all the large developed economies where chipboard is used, there is significant value addition in the chipboard business globally, which is possibly not yet present in the Indian market.

Our endeavor, as a leader in the market, is to bring such value-added products to the market. We are very confident that as we move ahead with improving capacity utilization and increasing the pre-lam mix, realizations should improve.

Tushar R – Omega Portfolio Advisor: On the plywood front, what are our EBITDA targets in terms of approximately 20 rupees per square meter? When do we expect to reach that number in the plywood segment?

Also, in laminates, what percentage of our sales comprises higher-dimension laminates? What is the geographical contribution from Europe and the US? I am asking from the perspective of the voyage time required for sales. That is my question, sir.

Management: In terms of geographical details by continent or country, we will not be able to provide that information. We do not provide those details in the public domain.

In terms of plywood, you are referring to 20 rupees per square meter of EBITDA?

Tushar R – Omega Portfolio Advisor: EBITDA.

Management: Twenty rupees would be close to around 8%–8.5% EBITDA. I believe we are currently at 270–275 rupees per square meter, which means approximately 8% EBITDA.

As I mentioned earlier on the call, we expect EBITDA break-even this year, and thereafter, it should move upward. We believe the number you are referring to is achievable. Of course, this number can be achieved once capacity utilization increases from the current level. At least 80%–85% or 90% capacity utilization is required to achieve that, which will happen over a period of time.

Tushar R – Omega Portfolio Advisor: In plywood, you have not mentioned what percentage of laminate sales consists of higher-dimension or larger laminates.

Management: It is not only higher-dimension laminates. Thickness and the board business also contribute. We are involved in both higher-dimension laminates, in terms of sheets, as well as boards. Therefore, it is a mix of all these products.

Tushar R – Omega Portfolio Advisor: If I were to ask about the value-added segment, what percentage of laminates does it represent?

Management: It is close to 50%.

Tushar R – Omega Portfolio Advisor: Thank you, sir. That was very helpful.

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Operator: A reminder to all participants: anyone who wishes to ask a question may press star and one on their touch-tone telephone. The next question is from the line of Kumar Saurabh from Scientific Investing. Please go ahead.

Kumar Saurabh – Scientific Investing: Congratulations on a good set of numbers in a tough quarter, sir. My question is that last quarter we guided for an 18% growth rate for this year, and we have achieved that despite exports of 27 crores being deferred. Are we on track to achieve that growth target? Do we expect the growth to come more from volumes, and how much will volume and realization each contribute to this growth?

Management: Kumar, we continue to believe that we will be able to achieve the target that we have provided. However, you must appreciate that in this difficult environment, it is difficult to provide an exact breakdown between volume and value. Nevertheless, we are hopeful that we will be able to achieve the target that we have given for the year.

Kumar Saurabh – Scientific Investing: It is great to see that we have expanded the panel business. However, at the gross margin level, despite scaling revenue, we did not see any margin improvement. Usually, when capacity utilization improves, some operating leverage flows through at the COGS and EBITDA levels. Is most of our margin improvement expected to happen below the gross margin level, or were conditions difficult this quarter because of chemical prices, as indicated, and will we see this kind of margin improvement at all levels once the market normalizes?

Management: It should happen at all levels.

Kumar Saurabh – Scientific Investing: My third question is regarding peak capacity utilization across these businesses. Is 80% the peak utilization in laminates, or can we reach 90% or 100%? The same question applies to the other businesses. Despite changes in the mix, what is the peak utilization that we can achieve across these businesses in a general sense?

Management: In laminates and chipboard, we can achieve 100% utilization. In laminates, we have achieved more than 100% in the past.

In plywood, we can achieve 85%, 90%, or possibly 100%. However, since we are still on this journey, we will be able to assess it once we reach those levels.

In the other categories, primarily decorative veneer, floors, and doors, utilization depends more on demand and how many orders we can generate. We believe we can reach 60%–65%. In some quarters and months, we have been very close to that level.

We believe it is difficult to reach 100% because a lot of manual work is involved and there are significant manual requirements. Therefore, reaching 100% is difficult, but we can reach 60% or possibly 60%–65%.

Kumar Saurabh – Scientific Investing: Understood. My last question is that some years may be good for one segment and bad for another, but on a long-term basis, when you plan capex and investments across these 3–4 segments, could you explain the ROIs and payback periods for each segment? Which segment has the best ROI, and could you explain each segment from a long-term perspective?

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Management: This is probably a longer subject. We need to go segment by segment, product by product, and category by category. It is a longer subject that requires considerably more time. We can discuss it at another time.

Kumar Saurabh – Scientific Investing: I will reach out to the IR team for the same. I wish you all the best for the coming quarters, sir.

Management: Thank you.

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

Management: Thank you all for taking the time to join this call.

Management: Thank you, everyone. In case you have any more questions, please feel free to connect with us or with SGA. We will be more than happy to answer them. Thank you.

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

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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