



GREENPLY INDUSTRIES LIMITED

FINANCIAL RESULTS PRESENTATION Q4 & FY 2019

DISCLAIMER



- Certain statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.
- **Greenply Industries Limited (GIL)** will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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FINANCIAL HIGHLIGHTS – Q4 FY 2019

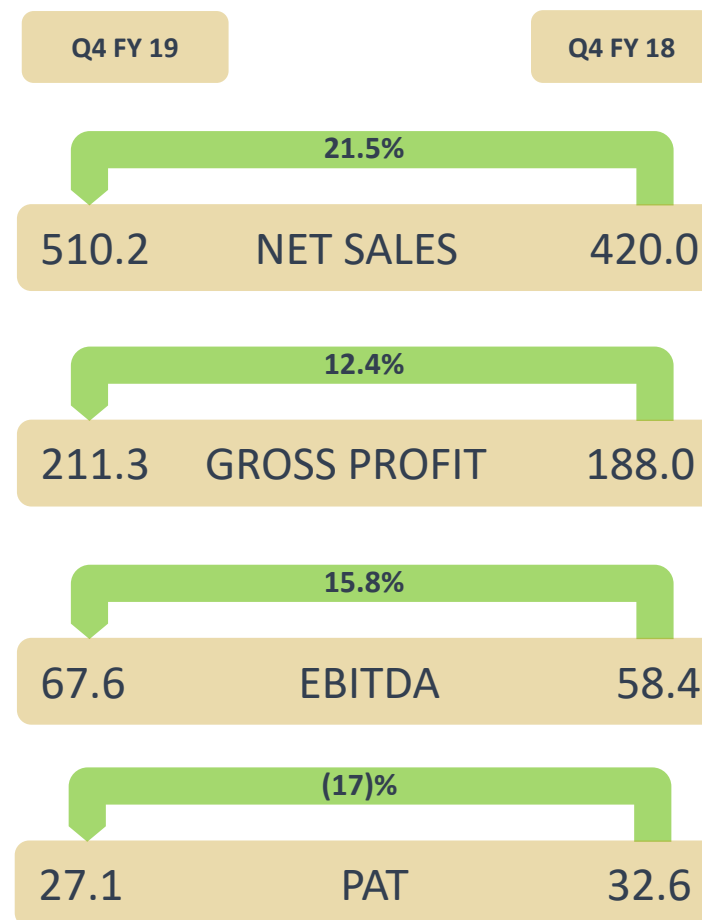


- **Net Sales up by 21.5% YoY to Rs. 510.2 crores**
 - Plywood revenues up by 24.5% YoY to Rs. 380.77 crores, contributing 74.6% of net sales
 - MDF revenues up by 21.3% YoY to Rs 127.52 crores, contributing 25% to net sales
 - Unallocated Segment comprising of Wallpaper, Solid Surface etc. contributed Rs 1.90 crores
- **Gross margins down by 340 bps YoY to 41.4%**
 - Due to price reduction and change of domestic: export mix in MDF
- **EBITDA margins down by 70 bps YoY to 13.2%**
 - For reasons mentioned in Gross Margins above
 - Low Capacity Utilisation in AP MDF Plant – 30% in current quarter
- **PAT down by 17% YoY to Rs. 27.1 crores**
 - EPS of Rs. 2.21 in Q4FY19 compared to Rs. 2.66 in Q4FY18
- **Working capital cycle at 62 days improved by 17 days q-o-q and remained unchanged y-o-y.**
- **Net debt to equity at 0.71 as on 31st March, 2019 and 31st March, 2018.**

FINANCIAL HIGHLIGHTS – Q4 FY 2019



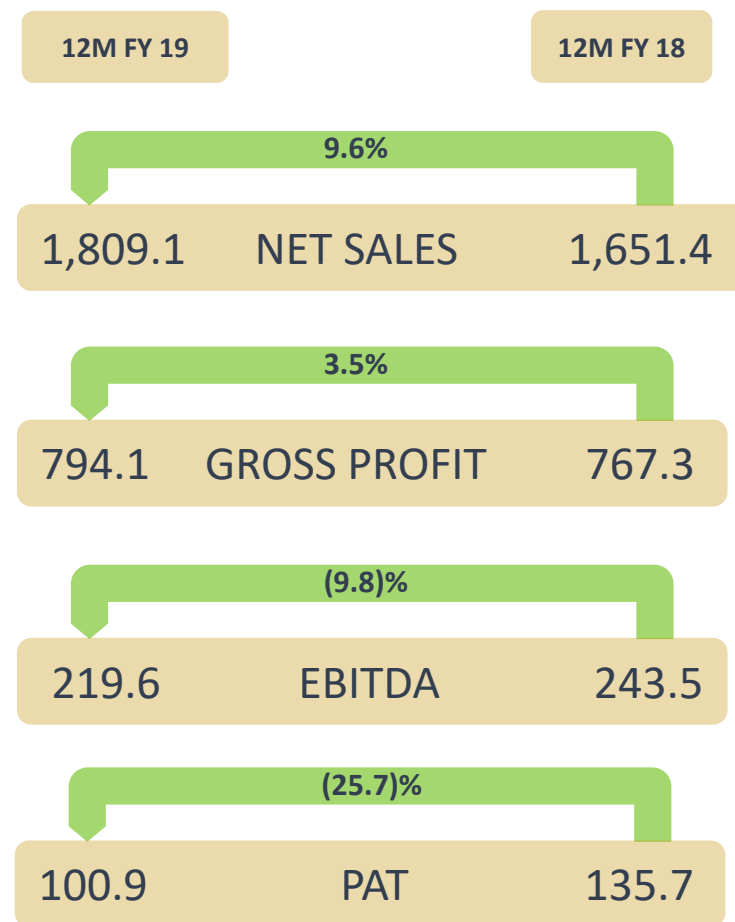
Key ratios (%)	Q4 FY19	Q4 FY18
Gross Margin	41.4%	44.8%
EBITDA Margin	13.2%	13.9%
EBIT Margin	9.3%	11.2%
Net Margin	5.3%	7.8%
Ad and promotions / Net Sales	3.2%	3.8%
Staff Cost/ Net Sales	11.1%	10.0%
Logistics cost / Net Sales	5.6%	5.6%
EPS (Rs.)	2.21	2.66



FINANCIAL HIGHLIGHTS – 12M FY 2019



Key ratios (%)	12M FY19	12M FY18
Gross Margin	43.9%	46.5%
EBITDA Margin	12.1%	14.7%
EBIT Margin	8.3%	12.0%
Net Margin	5.6%	8.2%
Ad and promotions / Net Sales	3.9%	3.3%
Staff Cost/ Net Sales	12.1%	11.2%
Logistics cost / Net Sales	5.7%	5.7%
EPS (Rs.)	8.23	11.07



FINANCIAL HIGHLIGHTS – B/S PERSPECTIVE



Balance Sheet Snapshot (Rs. crore)	March 31, 2019	March 31, 2018	Dec 31, 2018
Net worth	1007.21	915.05	979.94
Total debt	718.18	652.46	750.04
▪ Long Term Debt (Including Current Maturity)	582.51	483.98	571.50
▪ Short Term Debt	135.67	168.48	178.54
Capital Employed	1725.39	1,568.83	1728.13
Cash and cash equivalents	31.84	29.65	12.55
Fixed Assets	1295.66	1,253.38	1301.52
Receivables	324.28	284.40	322.16
Payables	288.61	211.01	253.12
Inventories	272.42	208.25	308.68

FINANCIAL HIGHLIGHTS – RATIOS



Key Ratios	March 31, 2019	March 31, 2018	Dec 31, 2018
Inventory (days)	55	46	65
Debtor (days)	65	63	68
Creditor (days)	58	47	54
Working Capital Turnover (days)	62	62	79
RoE (%)	10.0%	14.8%	10.0%
RoCE – Pre-Tax	8.7%	12.7%	7.9%
RoCE – Post-Tax	8.1%	9.3%	7.6%
Net Debt / Equity (x)	0.71	0.71	0.77

FINANCIAL RESULTS Q4 & FY 2019

(Rs. in lakhs)

Particulars	STD 3M 31.03.2019	STD 3M 31.12.2018	STD 3M 31.03.2018	STD 12M 31.03.2019	STD 12M 31.03.2018	CONS 12M 31.03.2019	CONS 12M 31.03.2018
Income							
a) Revenue from operations	51,616.58	46,285.03	43,713.34	1,83,220.57	1,70,413.55	1,97,237.89	1,73,697.56
b) Other income	1,410.31	154.82	125.02	2,022.04	378.20	1,268.31	216.17
Total Income	53,026.89	46,439.85	43,838.36	1,85,242.61	1,70,791.75	1,98,506.20	1,73,913.73
Expenses							
a) Cost of materials consumed	19,902.66	21,077.54	16,443.64	79,786.12	63,961.24	87,359.82	63,952.52
b) Purchase of stock-in-trade	6,443.62	6,283.52	7,689.89	26,868.20	26,253.78	27,734.56	27,469.73
c) Changes in inventories	3,544.83	(2,061.33)	(936.06)	(5,152.33)	(1,809.31)	(7,866.12)	(1,879.15)
d) Employee benefits expense	5,642.57	5,759.02	4,180.63	21,915.57	18,520.24	23,601.71	19,669.35
e) Finance costs	1,400.07	(165.03)	133.52	3,871.74	947.23	4,316.18	1,135.63
f) Depreciation and amortisation expense	1,998.54	1,992.45	1,113.75	6,903.33	4,481.41	7,546.46	4,981.11
g) Excise duty	-	-	-	-	2,376.99	-	2,376.99
h) Other expenses	10,735.36	9,392.95	10,625.23	39,869.44	37,140.08	44,293.11	39,033.96
Total Expenses	49,667.65	42,279.12	39,250.60	1,74,062.07	1,51,871.66	1,86,985.72	1,56,740.14
Profit before tax	3,359.24	4,160.73	4,587.76	11,180.54	18,920.09	11,520.48	17,173.59
a) Current tax	686.14	882.68	923.26	2,398.57	4,065.61	2,398.57	4,065.61
b) Deferred tax	(35.56)	(291.67)	401.65	(1,304.54)	1,285.02	(1,304.54)	1,285.02
Total tax expense	650.58	591.01	1,324.91	1,094.03	5,350.63	1,094.03	5,350.63
Net Profit after tax	2,708.66	3,569.72	3,262.85	10,086.51	13,569.46	10,426.45	11,822.96
Share of profit/(loss) of joint venture						494.36	(760.25)
Net Profit after tax	2,708.66	3,569.72	3,262.85	10,086.51	13,569.46	10,920.81	11,062.71
Total Other Comprehensive Income (net of tax)	18.50	(62.11)	(212.25)	16.09	119.41	(144.11)	307.22
Total Comprehensive Income for the period	2,727.16	3,507.61	3,050.60	10,102.60	13,688.87	10,776.70	11,369.93
Paid-up equity share capital (Face value ₹ 1/- each)	1,226.27	1,226.27	1,226.27	1,226.27	1,226.27	1,226.27	1,226.27
Other equity				99,494.71	90,279.11	96,413.97	86,524.27
Earnings per equity share (of ₹ 1/- each)	2.21*	2.91*	2.66*	8.23	11.07	8.91	9.02



SEGMENTAL PERFORMANCE – Q4 & FY 2019

(Rs. in lakhs)



Particulars	STD 3M 31.03.2019	STD 3M 31.12.2018	STD 3M 31.03.2018	STD 12M 31.03.2019	STD 12M 31.03.2018	CONS 12M 31.03.2019	CONS 12M 31.03.2018
Segment Revenue							
a) Plywood and allied products	38,181.99	33,380.06	31,301.98	1,38,052.38	1,20,320.09	1,50,889.72	1,22,427.89
b) Medium density fibreboards and allied products	13,244.29	12,728.81	12,079.37	44,471.92	48,788.38	45,651.90	49,964.59
c) Others	190.30	176.16	331.99	696.27	1,305.08	696.27	1,305.08
Total Revenue from Operations	51,616.58	46,285.03	43,713.34	1,83,220.57	1,70,413.55	1,97,237.89	1,73,697.56
Segment Results							
a) Plywood and allied products	3,525.61	3,017.26	2,547.38	13,188.07	11,462.24	15,095.23	11,020.23
b) Medium density fibreboards and allied products	1,357.78	1,255.23	2,911.40	3,652.85	12,558.65	2,740.53	11,536.31
c) Others	21.23	71.79	(208.69)	(635.67)	(403.44)	(635.67)	(403.44)
Total	4,904.62	4,344.28	5,250.09	16,205.25	23,617.45	17,200.09	22,153.10
Less: (i) Finance costs	1,400.07	(165.03)	133.52	3,871.74	947.23	4,316.18	1,135.63
(ii) Other unallocable expenditure	145.31	348.58	528.81	1,152.97	3,750.13	1,363.43	3,843.88
Total Profit before Tax	3,359.24	4,160.73	4,587.76	11,180.54	18,920.09	11,520.48	17,173.59
Segment Assets							
a) Plywood and allied products	84,912.51	86,184.41	77,968.34	84,912.51	77,968.34	96,482.35	87,350.89
b) Medium density fibreboards and allied products	1,31,842.49	1,32,444.17	1,19,543.69	1,31,842.49	1,19,543.69	1,29,106.24	1,15,628.19
c) Others	727.67	862.61	1,735.75	727.67	1,735.75	727.67	1,735.75
d) Unallocated	6,515.82	6,369.05	6,399.01	6,515.82	6,399.01	6,515.82	6,399.01
Total Segment Assets	2,23,998.49	2,25,860.24	2,05,646.79	2,23,998.49	2,05,646.79	2,32,832.08	2,11,113.84
Segment Liabilities							
a) Plywood and allied products	45,011.38	48,718.66	45,671.44	45,011.38	45,671.44	56,121.76	53,864.96
b) Medium density fibreboards and allied products	72,547.20	73,361.34	61,543.73	72,547.20	61,543.73	73,351.14	62,572.10
c) Others	103.63	293.16	405.02	103.63	405.02	103.63	405.02
d) Unallocated	5,615.30	5,493.26	6,521.22	5,615.30	6,521.22	5,615.31	6,521.22
Total Segment Liabilities	1,23,277.51	1,27,866.42	1,14,141.41	1,23,277.51	1,14,141.41	1,35,191.84	1,23,363.30

SEGMENT WISE PERFORMANCE



Plywood

Particulars	Q4FY19	Q4FY18	Var (%)	FY19	FY18	Var (%)
Net sales (Rs. crore)	380.77	305.78	24.5%	1372.49	1147.94	19.6%
EBITDA margin (%)	10.6%	9.1%		10.9%	10.0%	
EBIT margin (%)	9.0%	7.2%		9.1%	7.9%	
Annual capacity (million sqm.)	35.4	32.4		35.4	32.4	
Production (million sqm.)	10.77	8.99	19.8%	40.63	34.39	18.1%
Sales volume (million sqm.)	17.16	13.85	23.9%	61.04	51.08	19.5%
Utilisation (%)	122%	111%		115%	106%	
Average realisation (Rs./sqm.)	220	217	1.4%	222	222	-

MDF

Particulars	Q4FY19	Q4FY18	Var (%)	FY19	FY18	Var (%)
Net sales (Rs. crore)	127.52	105.11	21.3%	429.66	471.7	(8.9)%
EBITDA margin (%)	21.1%	31.8%		17.7%	28.8%	
EBIT margin (%)	10.2%	26.8%		7.4%	24.4%	
Annual capacity (cubic metre)	540,000	180,000		540,000	180,000	
Production (cubic metre)	60,114	42,119	42.7%	210,818	180,736	16.6%
Sales volume (cubic metre)	65,341	40,468	61.5%	197,763	179,908	9.9%
Utilisation (%)	45%	94%		47%	100%	
Average realisation (Rs./cum.)	19,343	25,954	(25.5)%	21,614	26,202	(17.5)%

Joint Managing Director's Message



Commenting on the performance for Q4 & FY2019, Mr. Shobhan Mittal, Joint Managing Director and CEO, Greenply Industries Ltd. said,

“Net Sales grew by 21.5% in comparison to the y-o-y quarter. Plywood Sales grew by 24.5% and MDF revenues by 21.3%. For the full year, Net Sales grew by 9.6% with Plywood growth at 19.6% whereas MDF revenues fell by 8.9%. MDF margins fell significantly in comparison to the y-o-y quarter and year due to low capacity utilisations in new MDF Plant and also change in MDF sales mix with increase in export volumes. Working Capital investment however reduced by 17 days q-o-q due to reduction in Inventories and Debtors.

We look forward to an improved performance in FY 2020.”



COMPANY OVERVIEW

CAPACITY UTILIZATION

- Plywood 115% utilization (FY 19); further demand being catered through outsourcing
- MDF 47% utilization (FY 19); Capacity utilization expected to improve significantly in FY 2020

PRODUCTION MODEL

- Plywood – Moving towards an asset light set-up by increasing outsourcing in mid-segment
- MDF – 100% in-house

RAW MATERIAL SUSTAINABILITY

- Plantation of fast growing and improved species of clonal plantations to improve quality of wood availability and plywood manufactured
- Significant expansion in face veneers at Gabon plant with expansion in peeling capacity from 36000 CBM to 96000 CBM.

RETURN RATIOS

- Return Ratios fell in FY 2019 due to low capacity utilization at new MDF unit and change in mix with increase in export volumes. However, the ratios are expected to improve over the next 2 years when plant reaches optimum capacity utilization.

COMPANY OVERVIEW



BUSINESS SEGMENTS

- Wood based products - Plywood and allied products, Medium Density Fibreboards (MDF)

STRONG INDUSTRY POTENTIAL

- Plywood industry size – Rs. 180 billion
MDF industry size – Rs. 19 billion
- Strong demand drivers – rising residential/commercial construction, increasing urbanization, high disposable incomes, GST Implementation and Government Announcement regarding construction of 100 smart cities

STRONG BRAND PRESENCE BUILT OVER 30 YEARS

- Largest pan-India player with 26% share of organized plywood market; 23% share of domestic MDF market
- Large investments in advertisements and promotional activities over the years

WELL ENTRANCED DISTRIBUTION NETWORK

- Distributors/stockists

	Plywood 1,656
	MDF 841
- and retailers

	Plywood 6,000
	MDF 4,000
- Serviced by 24 branches for ply and 15 branches for MDF pan-India

MANUFACTURING FACILITIES

- 4 state-of-the-art manufacturing facilities for Plywood
- 2 facilities for MDF – largest in the country

GROWTH OUTLOOK



INDUSTRY DRIVERS

- Rising demand from the real estate sector
- Increasing urbanisation, higher disposable incomes and a growing middle class
- Rollout of GST to facilitate faster shift from unorganised to branded products in the plywood space

PRODUCT PROFILE

- To improve mix of plywood through increase in mix of value-added products like Green Defender, Green Gold Prima and Natural Veneers
- To increase ratio of value-added products in MDF like Exterior grade MDF, Pre-Laminated MDF and Laminated Flooring / Veneer flooring

ADVERTISING & PROMOTIONAL SPENDS

- Continued investments in increasing brand visibility pan-India
- Maintain Ad spends at around 3.5-4% of Net Sales

FINANCIAL PERFORMANCE

- 10-12% growth in Plywood in FY 2020
- 50% growth in MDF in FY 2020
- Plywood Margin expected to improve with increase in sales of Gabon Face Veneers and MDF margins with increased capacity utilization

DISTRIBUTION NETWORK

- To increase the number of distributors and retailers going forward

IT INITIATIVES

- Upgrading IT infrastructure – implemented SAP Hana to strengthen overall supply chain
- Implemented Microsoft CRM Module



ANNEXURE

MANUFACTURING FACILITIES / PRODUCTION MODEL

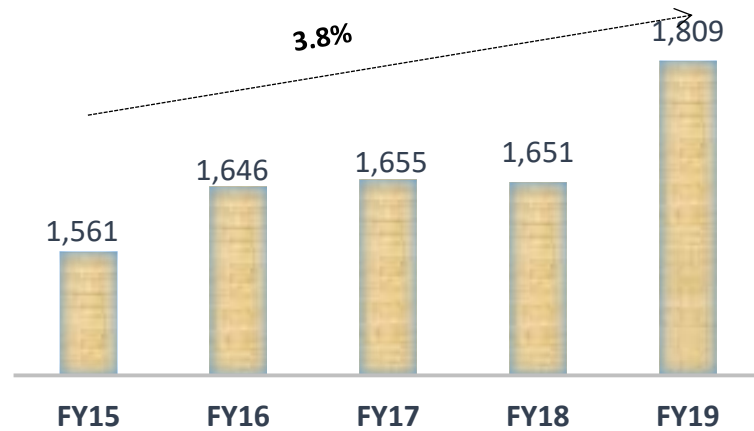


	Facilities	Production Model												
PLYWOOD	<table><tr><th>Location</th><th>Capacity (mn sqm.)</th></tr><tr><td>Tizit, Nagaland</td><td>4.50</td></tr><tr><td>Kripampur, West Bengal</td><td>6.00</td></tr><tr><td>Pantnagar, Uttarakhand</td><td>10.50</td></tr><tr><td>Bamanbore, Gujarat</td><td>14.40</td></tr><tr><td>Total Capacity</td><td>35.40</td></tr></table>	Location	Capacity (mn sqm.)	Tizit, Nagaland	4.50	Kripampur, West Bengal	6.00	Pantnagar, Uttarakhand	10.50	Bamanbore, Gujarat	14.40	Total Capacity	35.40	<p>70% in-house, 30% outsourced in volume terms</p> <p>To increase proportion of outsourcing to 30% (in value terms) from 22% currently over next 3 years</p> <ul style="list-style-type: none">• Asset light model generating higher ROCE's• Mid-segment variants to be outsourced freeing existing capacities for premium variants• Quality Team on vendor's site to monitor quality of inputs and ensure consistent quality of finished product
	Location	Capacity (mn sqm.)												
	Tizit, Nagaland	4.50												
	Kripampur, West Bengal	6.00												
	Pantnagar, Uttarakhand	10.50												
Bamanbore, Gujarat	14.40													
Total Capacity	35.40													
MDF	<table><tr><th>Location</th><th>Capacity (cum.)</th></tr><tr><td>Pantnagar, Uttarakhand</td><td>180,000</td></tr><tr><td>Chittoor, Andhra Pradesh</td><td>360,000</td></tr><tr><td>Total Capacity</td><td>540,000</td></tr></table>	Location	Capacity (cum.)	Pantnagar, Uttarakhand	180,000	Chittoor, Andhra Pradesh	360,000	Total Capacity	540,000	<p>100% in-house</p> <p>Andhra Pradesh plant with capacity of 360000 CBM has commenced commercial production on 01.07.2018</p>				
	Location	Capacity (cum.)												
	Pantnagar, Uttarakhand	180,000												
	Chittoor, Andhra Pradesh	360,000												
Total Capacity	540,000													

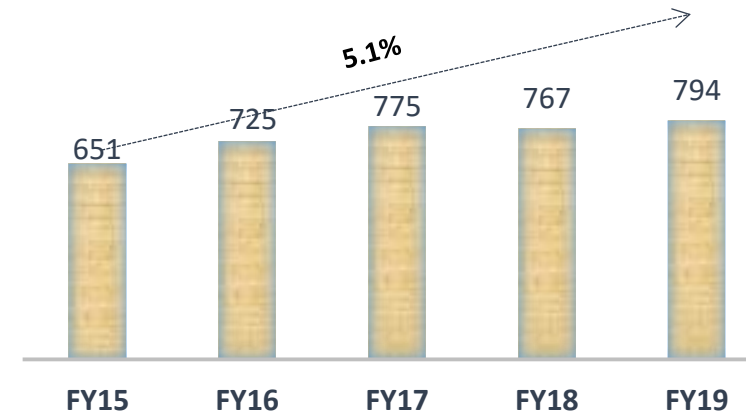
PERFORMANCE TRACK RECORD



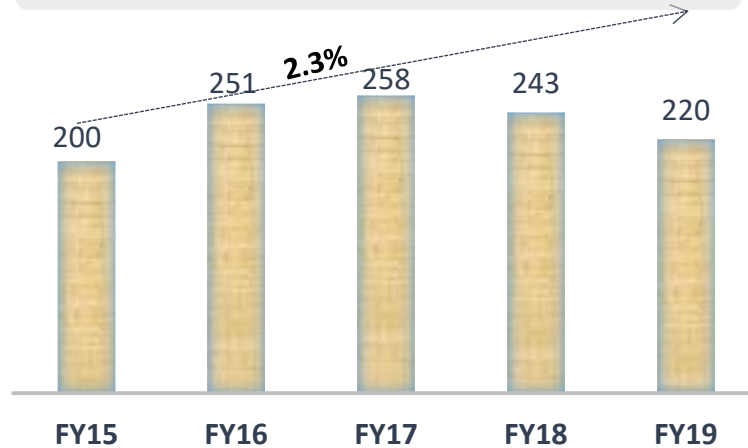
NET SALES



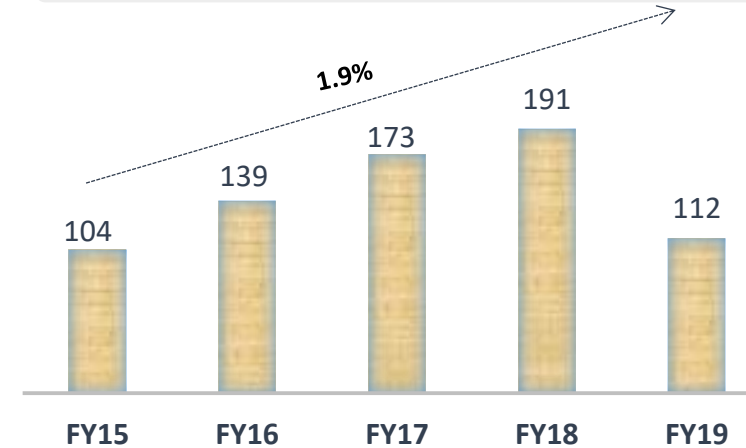
GROSS PROFIT



EBITDA



PBT



SEGMENT-WISE PERFORMANCE



Plywood

Particulars	FY15	FY16	FY17	FY18	FY19	CAGR
Net sales (Rs. crore)	1,152.07	1,175.64	1,167.99	1,147.94	1,372.49	4.5%
EBITDA margin (%)	9.1%	9.3%	11.2%	10.0%	10.9%	-
EBIT margin (%)	6.8%	7.2%	8.9%	7.9%	9.1%	-
Annual capacity (million sqm.)	32.4	32.4	32.4	32.4	35.4	-
Production (million sqm.)	33.08	32.60	34.93	34.39	40.63	5.3%
Sales volume (million sqm.)	46.11	48.25	50.30	51.08	61.04	7.3%
Utilisation (%)	102%	101%	108%	106%	115%	-
Average realisation (Rs./sqm.)	241	239	229	222	222	-

MDF

Particulars	FY15	FY16	FY17	FY18	FY19	CAGR
Net sales (Rs. crore)	408.51	476.16	476.74	471.70	429.66	1.3%
EBITDA margin (%)	23.3%	28.5%	27.1%	28.8%	17.7%	-
EBIT margin (%)	18.5%	24.5%	22.7%	24.4%	7.4%	-
Annual capacity (cubic metre)	180,000	180,000	180,000	180,000	540,000	-
Production (cubic metre)	161,229	177,382	189,171	180,736	210,818	6.9%
Sales volume (cubic metre)	161,424	177,953	184,905	179,908	197,763	5.2%
Utilisation (%)	90%	99%	105%	100%	47%	-
Average realisation (Rs./cum.)	25,238	26,723	25,764	26,202	21,614	-

OUR BRANDS



ABOUT GREENPLY INDUSTRIES LIMITED



Greenply Industries Limited (GIL) enjoys leadership position in plywood and medium density fibreboards (MDF) accounting for almost 26 percent of the organized plywood and 23 percent of the MDF market in India.

GIL has four state-of-the-art manufacturing facilities for Plywood and one facility for MDF spread across the country producing world class interior products for the domestic and global markets. The company has a presence in over 300 cities across 21 states serviced through a well-entrenched distribution network of 2,500 dealers and authorised stockists, a retail network exceeding 10,000 and about 40 branches pan-India.

GIL is the preferred partner of choice for a large number of office and home builders having a comprehensive product portfolio servicing clients at every point of the price spectrum under brand names of Greenply Plywood, Green Panel, Green Club and Club Plus Premium Ply, Optima G and Ecotec to name a few.

For further information, please contact:

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