

Greenply/2020-21
June 27, 2020

The Manager
BSE Limited
Department of Corporate Services
Floor 25, P. J. Towers, Dalal Street
Mumbai - 400 001
Scrip Code: 526797

The Manager
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E)
Mumbai - 400 051
Symbol - GREENPLY

Dear Sir/Madam,

Sub: Presentation on Audited Financial Results for the quarter and year ended 31st March, 2020

With reference to the captioned subject, please find enclosed presentation on audited financial results for the quarter and year ended 31.03.2020 in respect of Greenply Industries Limited.

Thanking you,

Yours faithfully,
For GREENPLY INDUSTRIES LIMITED

KAUSHAL KUMAR AGARWAL
COMPANY SECRETARY &
VICE PRESIDENT-LEGAL

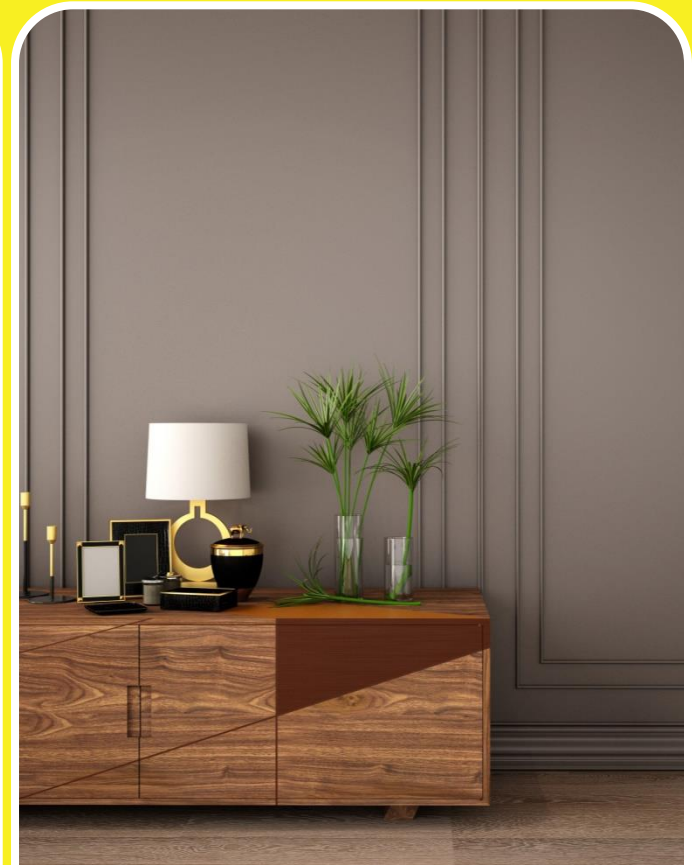
Encl.: As above

Greenply Industries Limited

'Madgul Lounge', 5th & 6th Floor, 23 Chetla Central Road, Kolkata-700027, West Bengal, India
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E : sales.ply@greenply.com **Web** : www.greenplyplywood.com | www.greenply.com | www.askgreenply.com
Registered Office : Makum Road, Tinsukia - 786125, Assam, India | **Corporate Identity Number** : L20211AS1990PLC003484

Q4 & FY2020

Financial Results Presentation

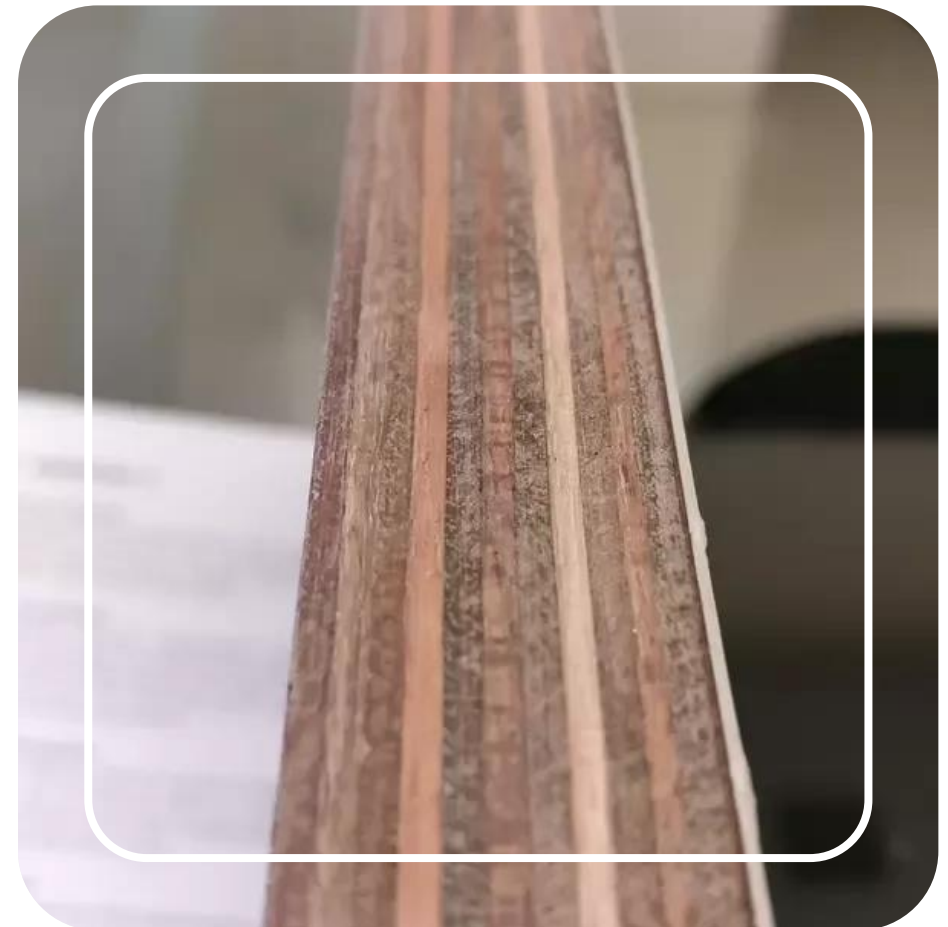


Disclaimer

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.

All industry data has been collated from various industry sources and market reports. The said data is believed to have a reasonable level of accuracy.

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.



Contents

- Business Highlights & Impact of COVID 19
- Financial Highlights: Consolidated & Standalone
- Chairman & MD's comments
- Financial Results
- Shareholding Pattern
- Company Overview
- Growth Outlook
- Manufacturing Facilities
- Our Brands
- Marketing /Activation
- Product Launch
- Brand Activation - Digital



Business Highlights – Q4 FY 2020



- Improving environment set back by COVID 19 pandemic
- India operations gradually resuming post closure during lock down. Nagaland, Gujarat and West Bengal facilities operating at 50-70% utilizations. Gabon facilities operating at 70-75% utilizations
- Cyclone AMPHAN which hit the district of South 24 Parganas in West Bengal on 20th May, 2020 caused damage to the factory shed and building, machineries including chimney and some materials at our unit. Operations have since been restarted
- With the ever changing nature of the pandemic, it will be difficult to put an estimate on the future impact of COVID-19 on the Company's operations. However given present visibility, the management do not foresee significant material impact

Business Highlights – Q4 FY 2020 – Exceptional item



- Pursuant to an Order passed by the Hon'ble Supreme Court, the Company may have to refund maximum principal amount of Rs. 27.09 crores in respect of excess refund received from the Excise Department for the period from 01.04.2008 to 30.06.2017
- While there is no clarity with regard to applicability of interest, the Company in line with its conservative accounting policy, has also estimated an interest amount of Rs. 21.20 crores from the date of various refund till 31.03.2020 at the prescribed rate
- In addition to the above, the Company has to reverse income of Rs. 20.99 crores in respect of pending refund receivable from the Excise Department for the period from 01.04.2008 to 16.05.2015. Since this amount has not been received by Greenply, there is no cashflow impact
- The said Supreme Court ruling pertains to years prior to the demerger of the Company. As a result the above principal amount of Rs. 27.09 crores along with interest, if any, shall be shared by Greenply Industries Limited, the demerged Company and Greenpanel Industries Limited, the resulting Company in a 60:40 ratio
 - Consequently, the total adjustment made by Greenply towards this exceptional item amounts to Rs. 49.97 crore
- The Company is concurrently seeking advice under legal counsel to pursue this matter

Disclosure of material impact of COVID19 pandemic



- The Company issued COVID-19 alert as per WHO guidelines and adopted suitable policies to safe guard our employees and for smooth functioning of our operations. Adequate safety measures, including social distancing, wearing masks within our premises and multiple levels of sanitization have been implemented
- During the period of the lockdown there has been an impact on profitability as our factories were shut and we do not fall in the essential services category. However, since we have recommenced operations and as capacity utilizations increase, we look forward to regaining normal levels of operation. Liquidity wise the Company is in a good position because of its strong Balance Sheet
- Logistics issues have been minimal. In May there was some disruption but June has been better. There has been no problem in interstate deliveries as well. Only some challenges were faced in Jammu and Kashmir. We are seeing improvement now. Constraints if any, are more in the metros as these locations continue to face pressure and are still to open up
- Labour availability has been a constraint with workers returning to their hometown. Our operations too have been impacted though not significantly as a reasonable proportion of our workforce is local or stayed back

Financial Highlights – Q4 FY 2020



Consolidated Net Sales down by 12.0% YoY to Rs. 343.8 crores

Standalone Net Sales down 13.6% YoY to Rs. 296.3 crores

Consolidated Gross margins down by 98 bps YoY to 38.9%

Standalone Gross margins down by 18 bps YoY to 37.1%

Consolidated EBITDA margins decreased 343 bps YoY to 9.1%

Standalone EBITDA margins decreased 148 bps YoY to 8.8%

Consolidated PAT is at Rs. (21.5) crores

Standalone PAT is at Rs. (24.6) crores

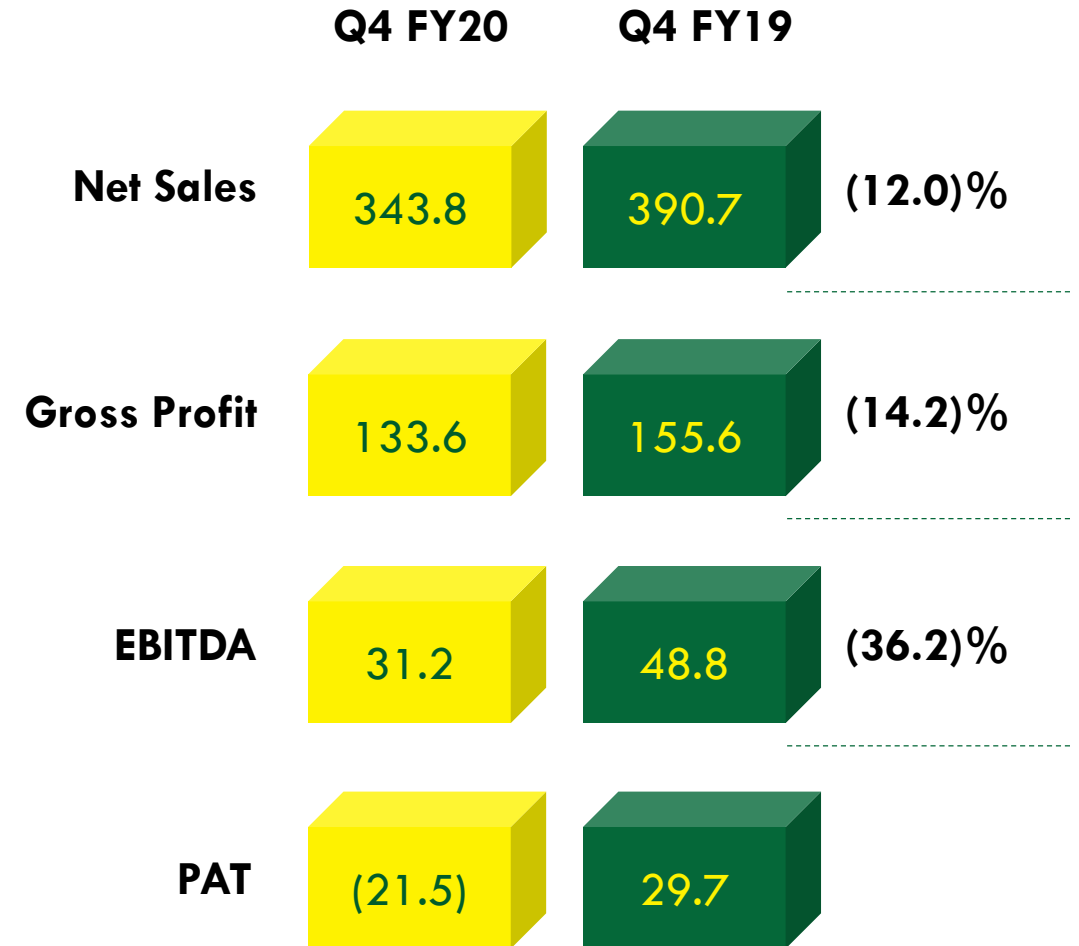
(Consolidated/Standalone - PAT includes one time exceptional item of excise refund of Rs 49.97 crores)

Consolidated Debt to equity ratio at 0.71 as on 31st March, 2020 and 0.75 as on 31st March, 2019

Standalone Debt to equity ratio at 0.40 as on 31st March, 2020 and 0.43 as on 31st March 2019

Consolidated Financial Highlights – Q4 FY 2020

Key Ratios (%)	Q4 FY20	Q4 FY19
Gross Margin	38.9	39.8
EBITDA Margin	9.1	12.5
EBIT Margin	7.1	11.1
Net Margin	(6.3)	7.6
Ad and promotions / Net Sales	3.4	4.1
Staff Cost/ Net Sales	11.2	9.6
Logistics cost / Net Sales	5.0	4.9
EPS (Rs.)	(1.75)	2.42

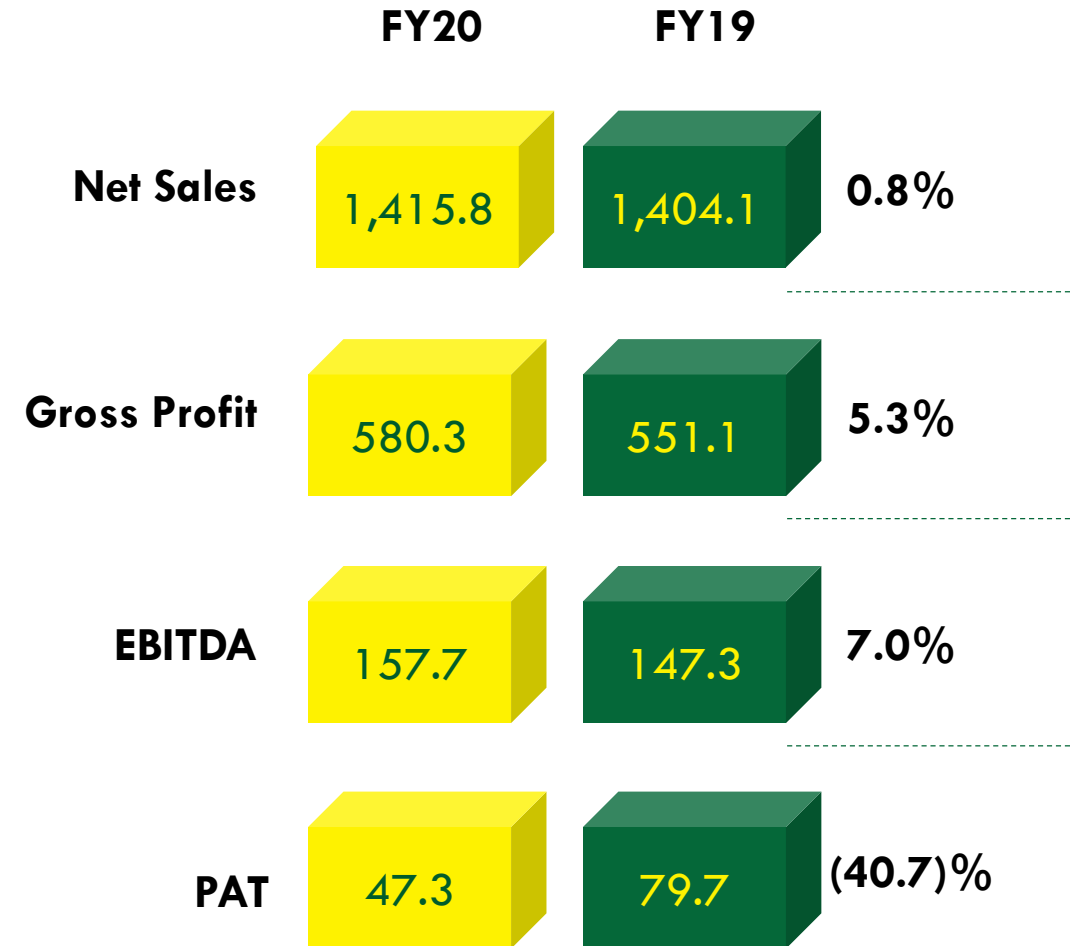


Figures in Rs crore

PAT includes impact of Rs 49.97 crores of one time exceptional item of excise refund

Consolidated Financial Highlights – FY 2020

Key Ratios (%)	FY20	FY19
Gross Margin	41.0	39.2
EBITDA Margin	11.1	10.5
EBIT Margin	9.3	8.9
Net Margin	3.3	5.7
Ad and promotions / Net Sales	3.6	4.2
Staff Cost/ Net Sales	11.5	10.8
Logistics cost / Net Sales	4.6	4.9
EPS (Rs.)	3.85	6.50

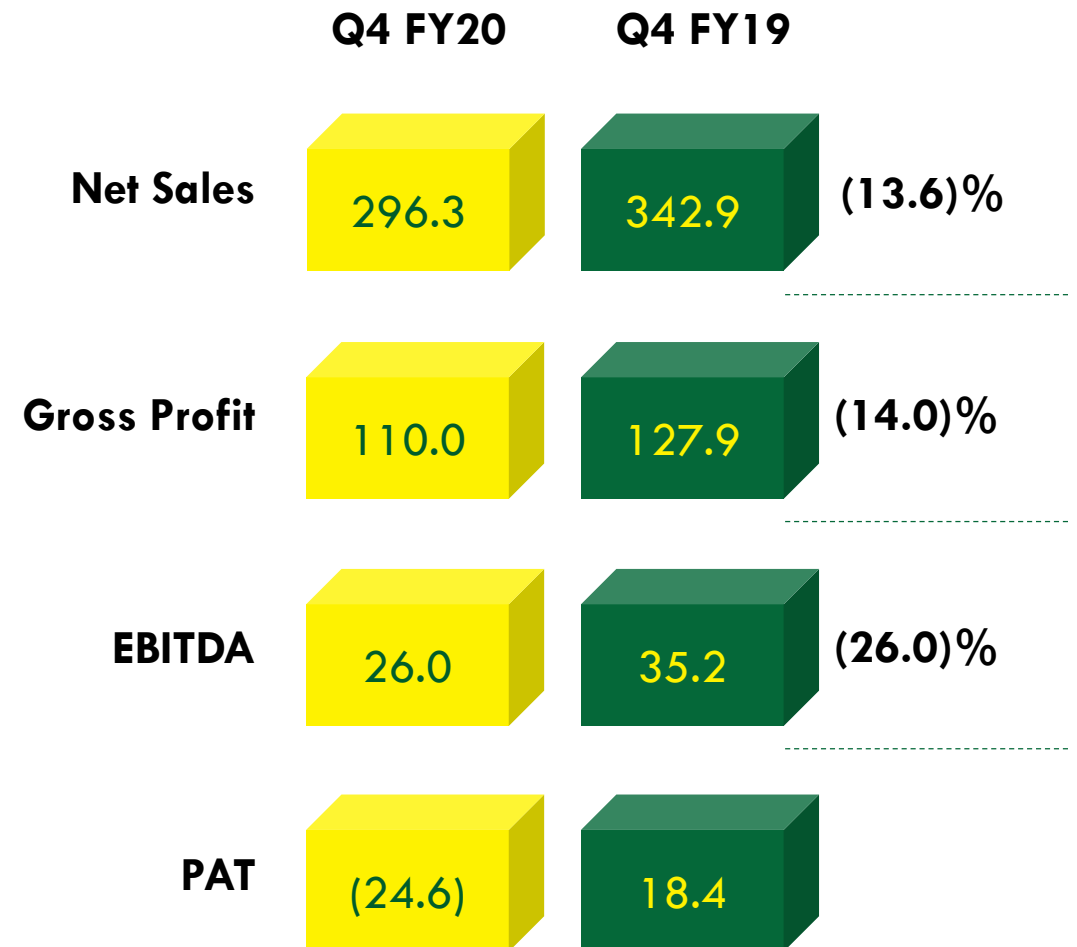


Figures in Rs crore

PAT includes impact of Rs 49.97 crores of one time exceptional item of excise refund

Standalone Financial Highlights – Q4 FY 2020

Key Ratios (%)	Q4 FY20	Q4 FY19
Gross Margin	37.1	37.3
EBITDA Margin	8.8	10.3
EBIT Margin	7.0	8.9
Net Margin	(8.3)	5.4
Ad and promotions / Net Sales	4.3	4.6
Staff Cost/ Net Sales	11.2	10.2
Logistics cost / Net Sales	5.8	5.6
EPS (Rs.)	(2.01)	1.50

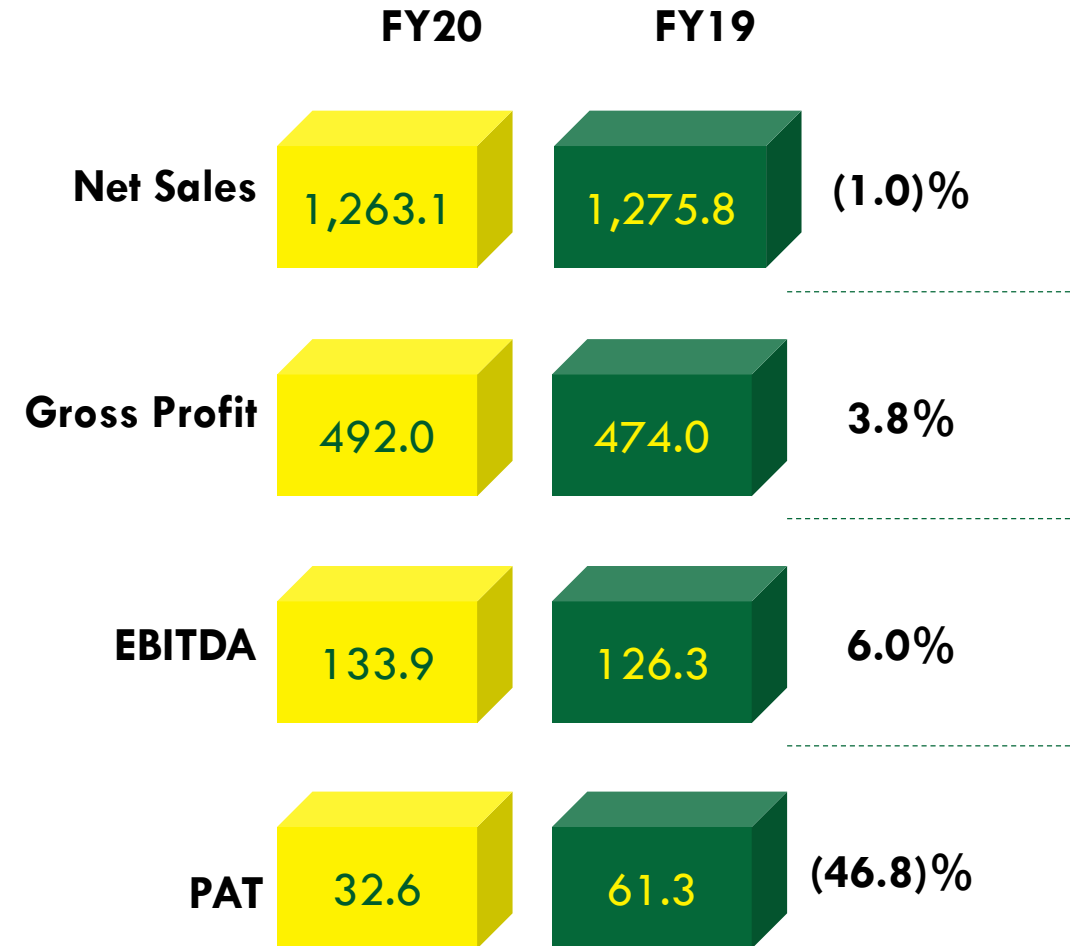


Figures in Rs crore

PAT includes impact of Rs 49.97 crores of one time exceptional item of excise refund

Standalone Financial Highlights – FY 2020

Key Ratios (%)	FY20	FY19
Gross Margin	38.9	37.2
EBITDA Margin	10.6	9.9
EBIT Margin	8.9	8.4
Net Margin	2.6	4.8
Ad and promotions / Net Sales	4.0	4.6
Staff Cost/ Net Sales	11.5	11.0
Logistics cost / Net Sales	5.2	5.4
EPS (Rs.)	2.66	5.00



Figures in Rs crore

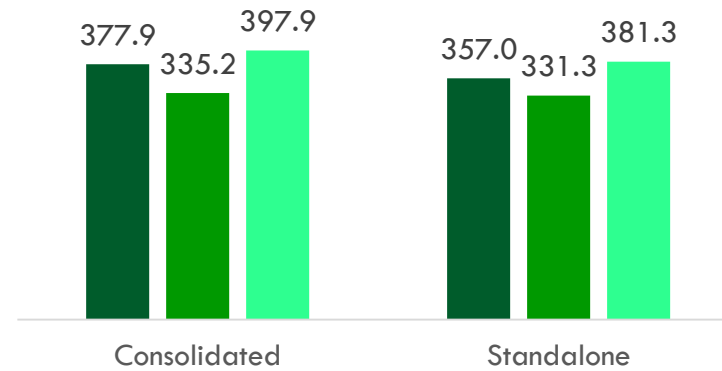
PAT includes impact of Rs 49.97 crores of one time exceptional item of excise refund



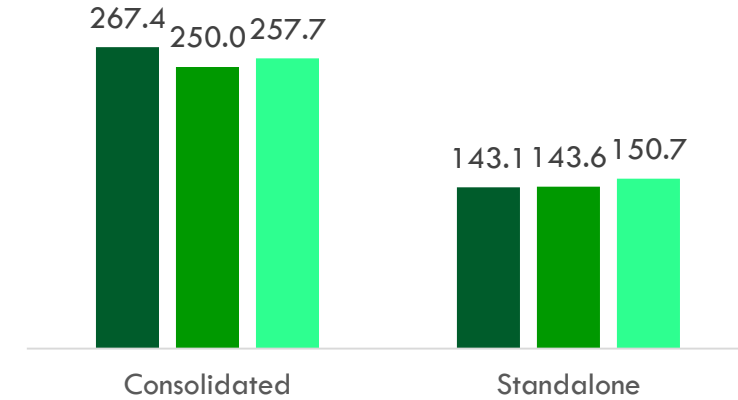
Financial Highlights -

Balance Sheet Perspective

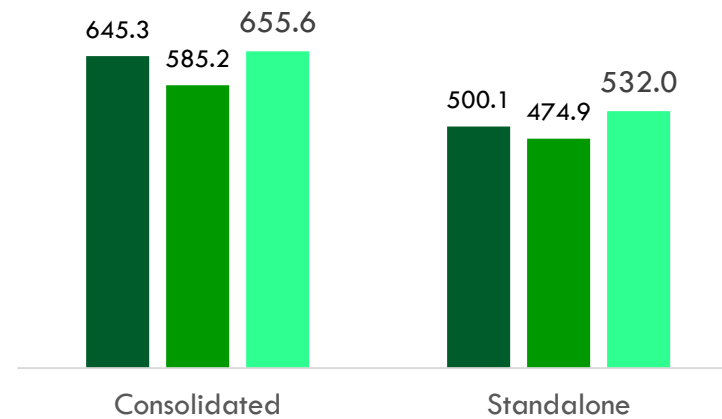
Net worth



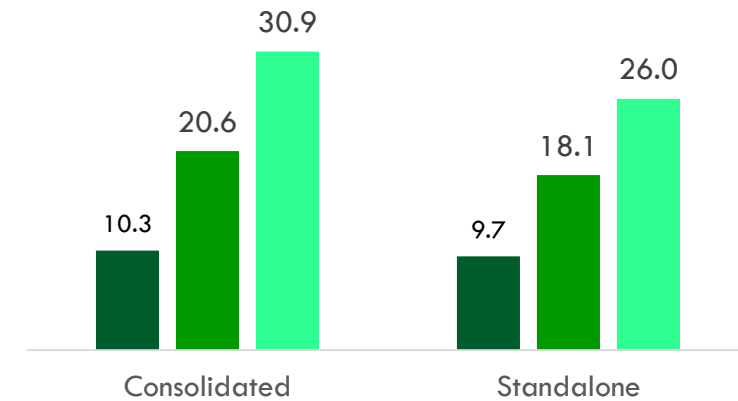
Total Debt



Capital Employed



Cash & Cash equivalents



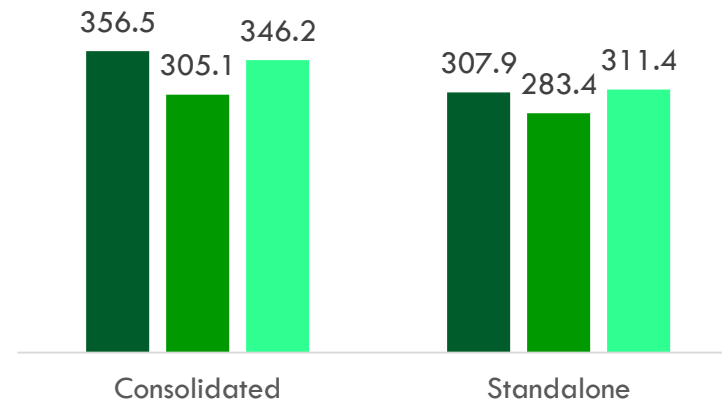
Mar'20
 Mar'19
 Dec'19



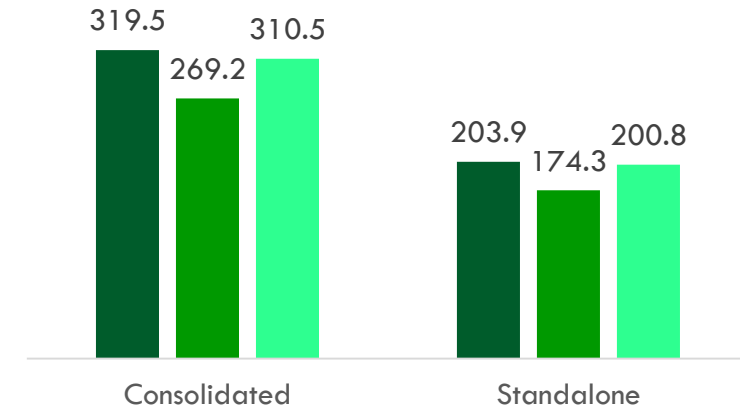
Financial Highlights -

Balance Sheet Perspective

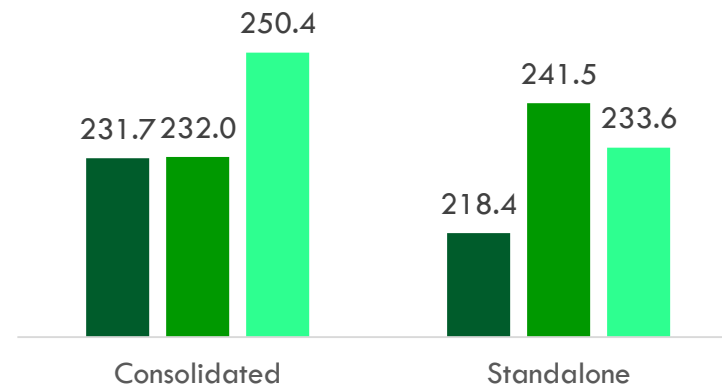
Receivables



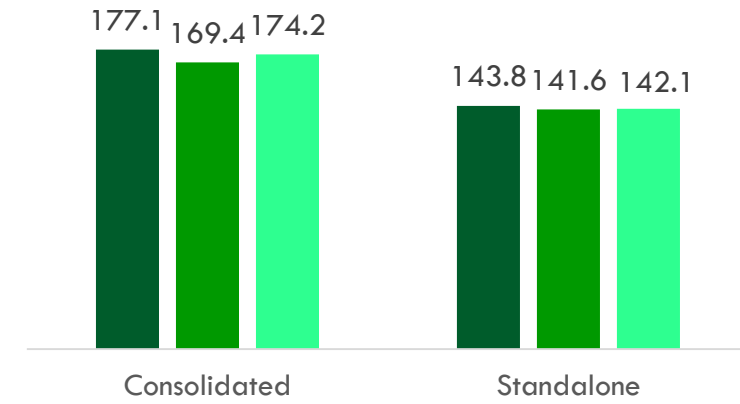
Fixed Assets



Payables



Inventories

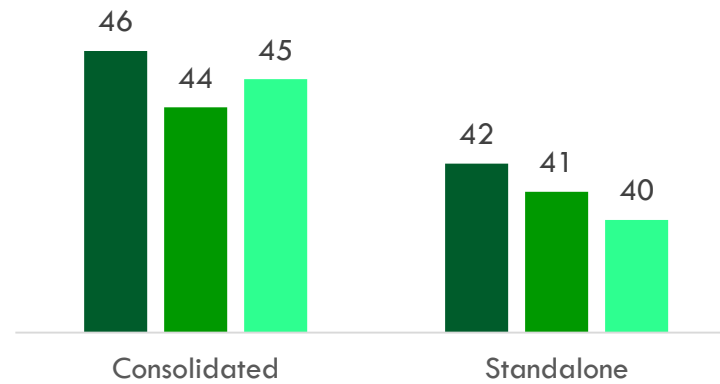


Mar'20
 Mar'19
 Dec'19

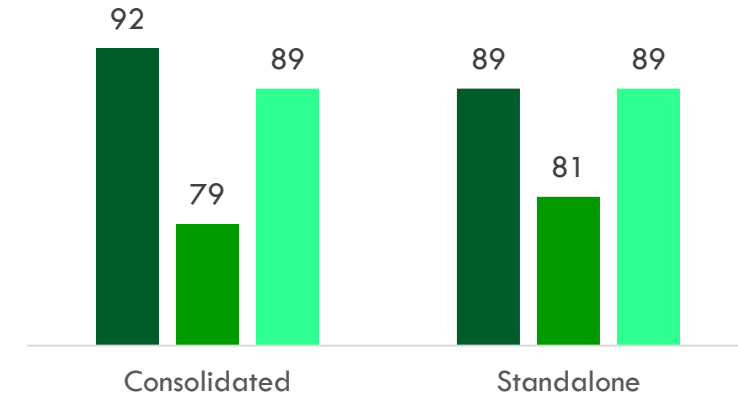


Financial Highlights - Ratios

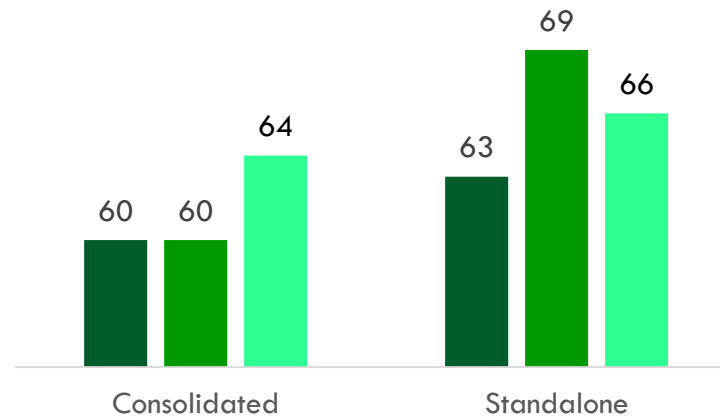
Inventories (Days)



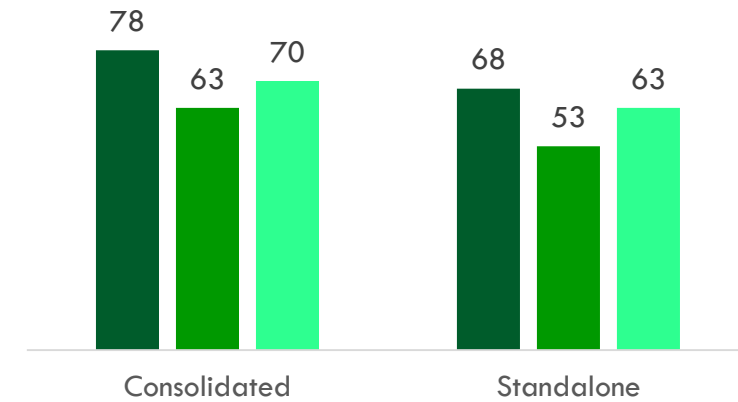
Debtors (Days)



Creditors (Days)



Working Capital Turnover (Days)

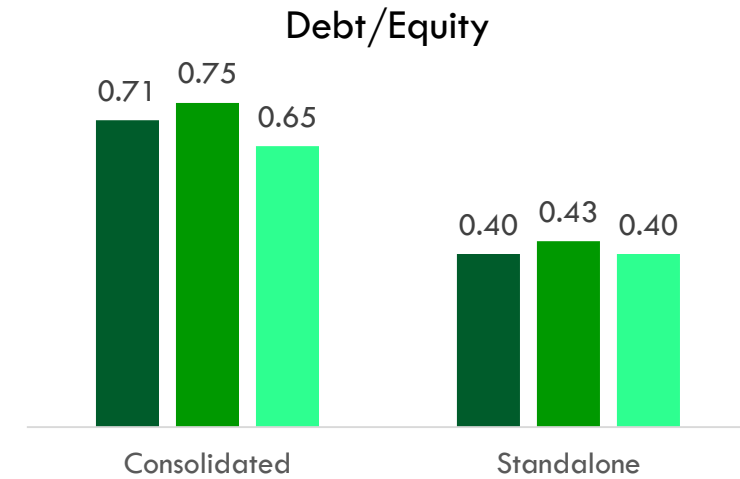
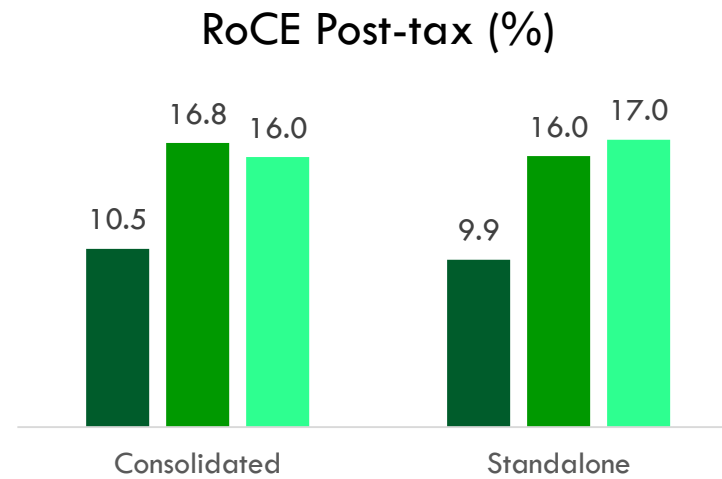
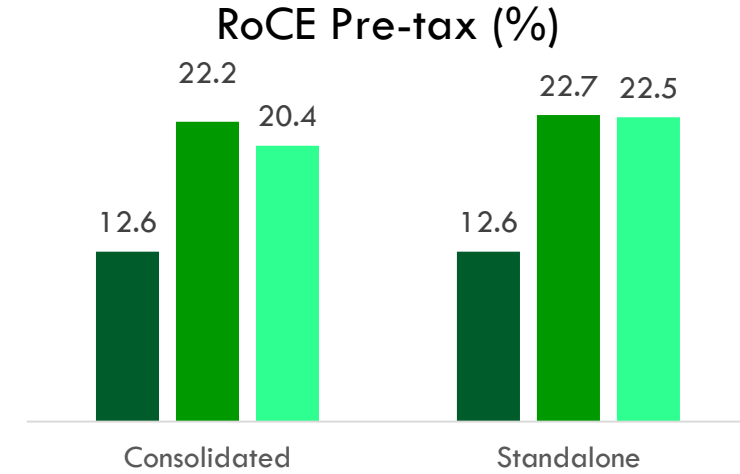
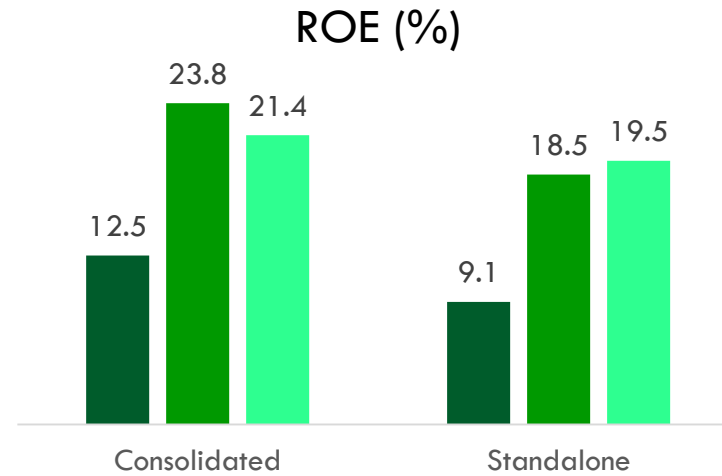


Mar'20
 Mar'19
 Dec'19



Financial Highlights -

Ratios

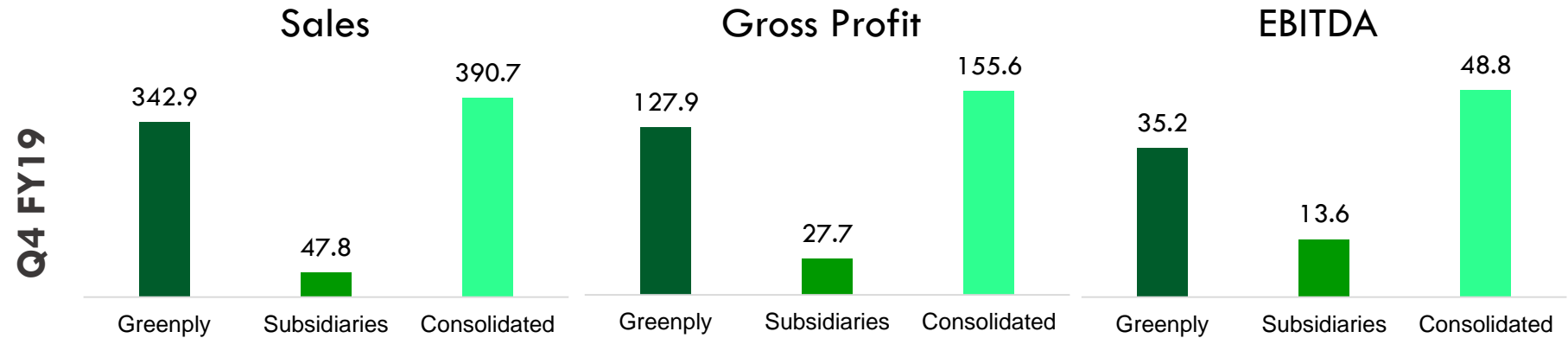
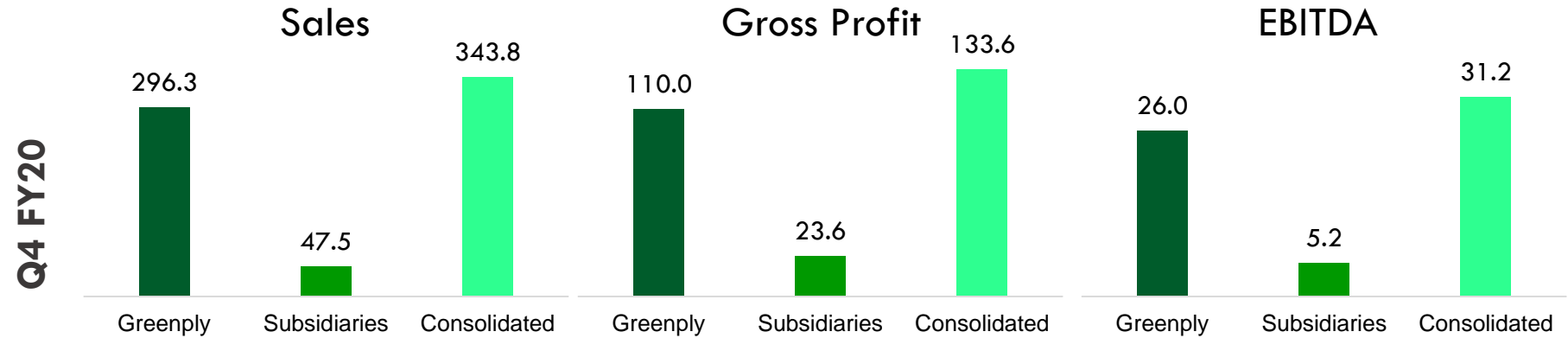


Mar'20
 Mar'19
 Dec'19



Consolidated Performance -

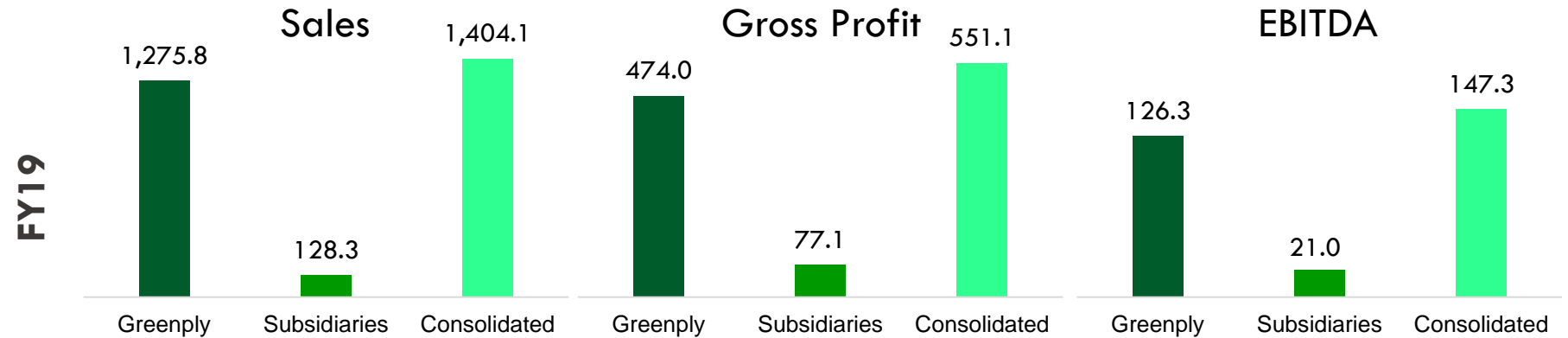
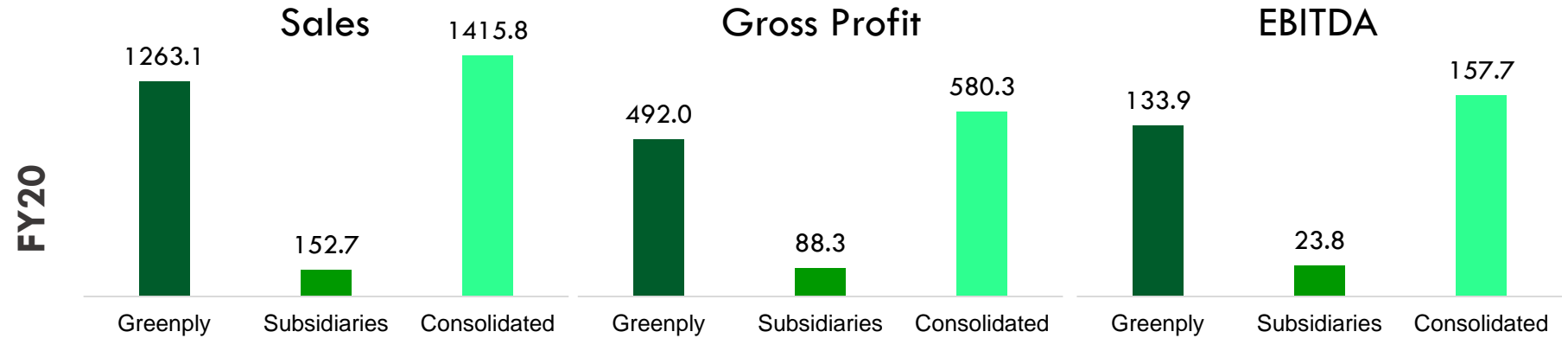
Q4 FY 2020 v/s
Q4 FY 2019





Consolidated Performance -

FY 2020 v/s FY 2019





Greenply Standalone Performance

Particulars	Q4 FY20	Q4 FY19	Var (%)	FY20	FY19	Var (%)
Net sales (Rs. crore)	296.3	342.9	(13.6)	1263.1	1275.8	(1.0)
EBITDA margin (%)	8.8	10.3		10.6	9.9	
EBIT margin (%)	7.0	8.9		8.9	8.4	
Annual capacity (million sqm.)	24.9	24.9		24.9	24.9	
Production (million sqm.)	7.61	9.22	(17.5)	35.31	34.69	1.8
Sales volume (million sqm.)	13.33	15.61	(14.6)	56.41	57.13	(1.3)
Utilisation (%)	122	148		142	139	
Average realisation (Rs./sqm.)	219	216	1.4	221	219	0.9

“Commenting on the performance for Q4 & FY 2020, Mr. Rajesh Mittal, Chairman & Managing Director, Greenply Industries Ltd. said,

“Our performance this quarter has been encouraging despite the fact that we were faced with difficulties post the announcement of the lockdown and our factories being forced to shut down in the last week of March. This was a time when revenues were supposed to be on the higher side.

Given the fluid nature of the environment it would not be appropriate to offer any guidance at this stage. Our focus however continues to be on enhancing efficiencies, rationalising costs and ensuring that working capital is tightened so as to further strengthen our balance sheet.”





Consolidated Financial Results – P&L

Q4 & FY 2020

(₹ in Lakhs)					
Statement of Consolidated Financial Results for the Three Months and Year ended 31 March 2020					
Particulars	CONS 3M 31.03.2020	CONS 3M 31.12.2019	CONS 3M 31.03.2019	CONS 12M 31.03.2020	CONS 12M 31.03.2019
Income					
a) Revenue from operations	34,469.90	34,598.25	39,174.59	142,042.69	141,216.17
b) Other income	129.68	19.66	60.92	204.00	326.64
Total Income	34,599.58	34,617.91	39,235.51	142,246.69	141,542.81
Expenses					
a) Cost of materials consumed	13,729.26	13,083.45	15,937.60	54,521.15	58,353.07
b) Purchase of stock-in-trade	7,415.28	8,047.68	6,488.16	29,331.55	30,604.65
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(124.64)	(761.29)	1,079.91	(304.13)	(3,655.94)
d) Employee benefits expense	3,857.78	4,057.84	3,743.65	16,291.55	15,147.89
e) Finance costs	549.41	485.46	592.60	2,079.39	1,863.48
f) Depreciation and amortisation expenses	661.50	636.43	556.32	2,571.91	2,243.11
g) Other expenses	6,606.18	6,195.72	7,105.53	26,639.42	26,361.93
Total Expenses	32,694.77	31,745.29	35,503.77	131,130.84	130,918.19
Exceptional items	(4,997.05)	-	-	(4,997.05)	-
Share of profit/(loss) of joint venture	59.30	(7.76)	21.30	(49.26)	494.36
Profit before tax	(3,032.94)	2,864.86	3,753.04	6,069.54	11,118.98
Tax expense					
a) Current tax	(151.45)	644.75	160.90	1,945.87	2,292.90
b) Deferred tax	(731.62)	87.83	619.40	(601.40)	858.92
Total tax expense	(883.07)	732.58	780.30	1,344.47	3,151.82
Profit for the period	(2,149.87)	2,132.28	2,972.74	4,725.07	7,967.16
Other Comprehensive Income / (Loss) for the period	150.17	14.82	(86.16)	135.22	110.09
Total Comprehensive Income for the period	(1,999.70)	2,147.10	2,886.58	4,860.29	8,077.25
Earnings per equity share (of ₹ 1/- each)	(1.75)*	1.74*	2.42*	3.85	6.50

* Not annualised



Standalone Financial Results – P&L

Q4 & FY 2020

(₹ in Lakhs)

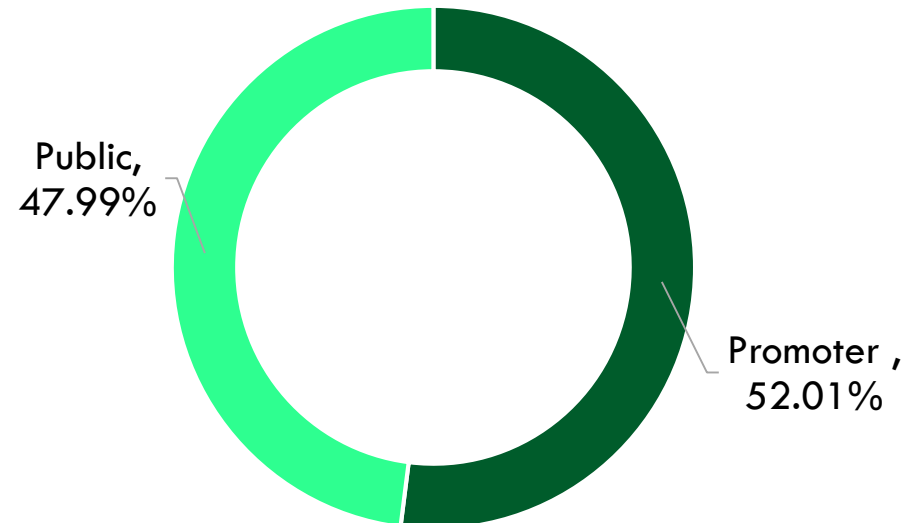
Statement of Standalone Financial Results for the Three Months and Year ended 31 March 2020					
Particulars	STD 3M 31.03.2020	STD 3M 31.12.2019	STD 3M 31.03.2019	STD 12M 31.03.2020	STD 12M 31.03.2019
Income					
a) Revenue from operations	29,723.48	31,950.05	34,391.36	126,767.86	128,378.83
b) Other income	310.97	100.82	135.68	618.72	645.91
Total Income	30,034.45	32,050.87	34,527.04	127,386.58	129,024.74
Expenses					
a) Cost of materials consumed	12,006.76	12,813.79	12,562.87	49,654.42	50,779.38
b) Purchase of stock-in-trade	6,899.28	6,946.97	6,488.16	27,714.84	30,604.65
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(268.66)	(96.59)	2,451.00	(256.72)	(1,212.40)
d) Employee benefits expense	3,311.62	3,572.78	3,496.42	14,559.83	14,050.65
e) Finance costs	436.65	398.77	442.57	1,685.19	1,480.59
f) Depreciation and amortisation expenses	514.25	522.54	458.75	2,106.60	1,871.73
g) Other expenses	5,483.77	5,299.49	6,011.44	22,321.20	22,169.10
Total Expenses	28,383.67	29,457.75	31,911.21	117,785.36	119,743.70
Exceptional items	(4,997.05)	-	-	(4,997.05)	-
Profit before tax	(3,346.27)	2,593.12	2,615.83	4,604.17	9,281.04
Tax expense					
a) Current tax	(151.45)	644.75	160.90	1,945.87	2,292.90
b) Deferred tax	(731.62)	87.83	619.40	(601.40)	858.92
Total tax expense	(883.07)	732.58	780.30	1,344.47	3,151.82
Profit for the period	(2,463.20)	1,860.54	1,835.53	3,259.70	6,129.22
Other Comprehensive Income/(Loss) for the period	27.90	(133.25)	(4.16)	(106.85)	(6.57)
Total Comprehensive Income for the period	(2,435.30)	1,727.29	1,831.37	3,152.85	6,122.65
Earnings per equity share (of ₹ 1/- each)	(2.01)*	1.52*	1.5*	2.66	5.00

* Not annualised

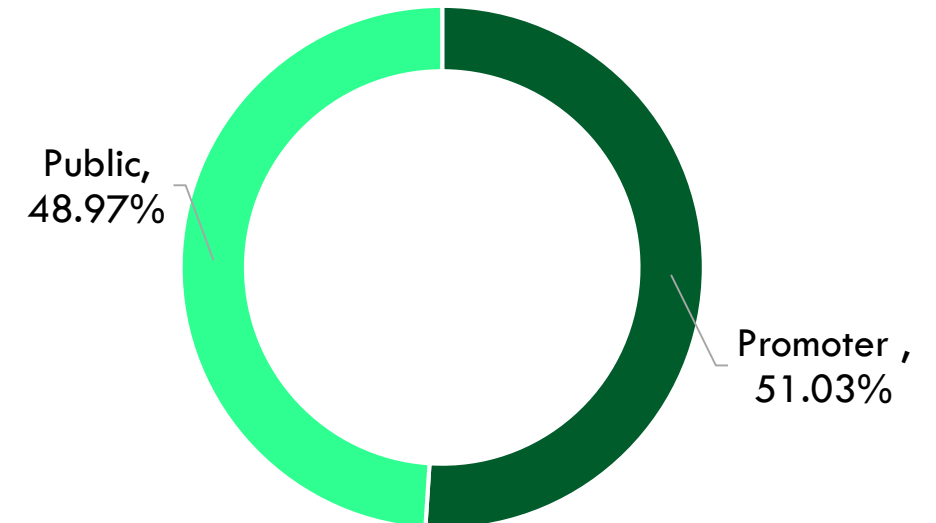
Shareholding Pattern



March 2020



March 2019



Company Overview



CAPACITY UTILIZATION

- Plywood 142% utilization in FY 2020
- Plywood 139% utilization in FY 2019

PRODUCTION MODEL

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

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.

BUSINESS SEGMENTS

- Wood based products - Plywood and allied products, Face Veneer

STRONG INDUSTRY POTENTIAL

- Plywood industry size – Rs. 190 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;
- Large investments in advertisements and promotional activities over the years

WELL ENTRANCHED DISTRIBUTION NETWORK

- Distributors/stockists (**Plywood – 1,870**) and retailers (**Plywood – 6,000**)
- Serviced by more than 50 physical and virtual branches

MANUFACTURING FACILITIES

- 3 state-of-the-art manufacturing facilities of Plywood & allied products in India
- One overseas manufacturing facility of face veneer through wholly owned subsidiary in Gabon
- One overseas manufacturing facility of face veneer through JV in Myanmar

Growth Outlook



PRODUCT PROFILE

- To improve mix of plywood through increase in mix of value-added products like Green Defender, Green Gold Prima and Natural Veneers

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

FINANCIAL PERFORMANCE

- Margin expected to improve post COVID-19 from FY 2022 with increase in revenue and cost rationalization measures.

ADVERTISING & PROMOTIONAL SPENDS

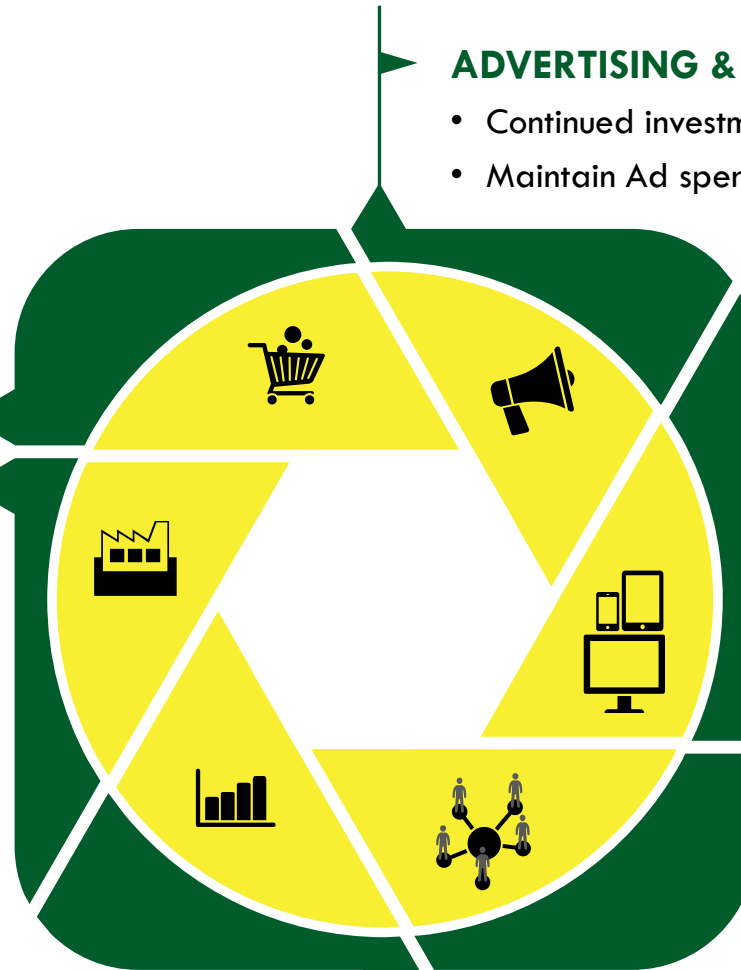
- Continued investments in increasing brand visibility pan-India
- Maintain Ad spends at around 4% of Net Sales

IT INITIATIVES

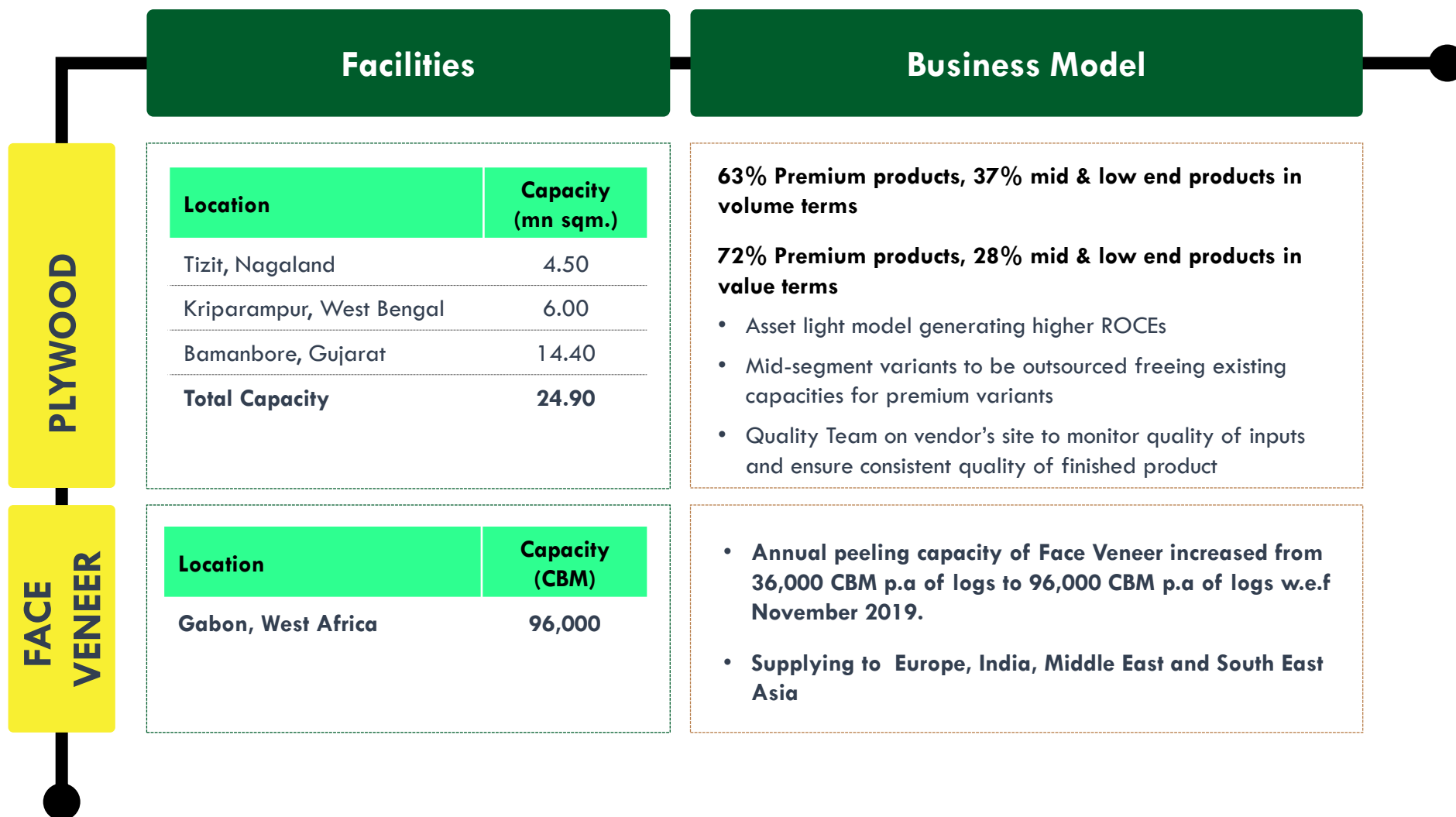
- Upgraded IT infrastructure – implemented SAP Hana to strengthen overall supply chain
- Implemented Microsoft CRM Module

DISTRIBUTION NETWORK

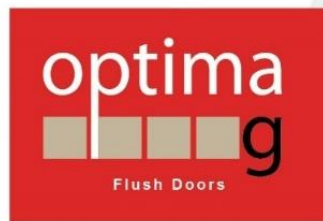
- To increase the number of distributors and retailers going forward



Manufacturing Facilities / Business Model



Our Brands



Marketing / Activation

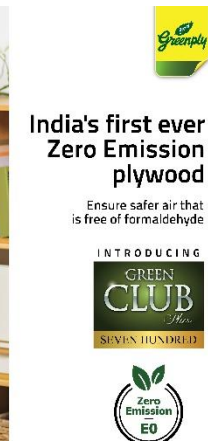
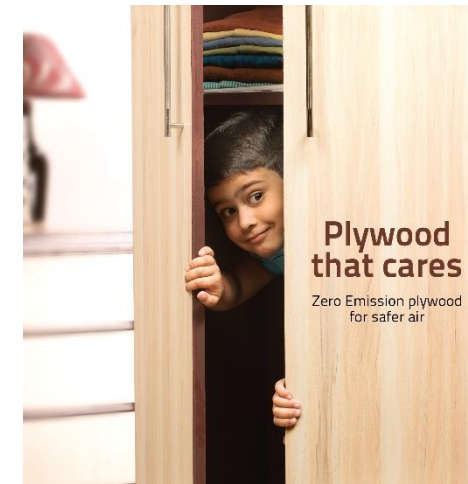
- Influencers Program
 - Maanyata Milan (Carpenter Recognition Program)
 - Carpenter Meets
- Product Promotion – Road Show with product display
- Local Branding activity – Wall Paintings, GSB's Etc.



Product launch – Green Club Plus Seven Hundred

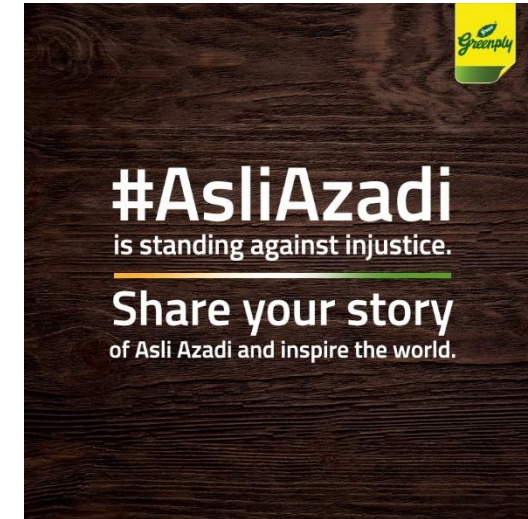
Plywood that cares

With the aim to perfect the art and science of plywood so that our customers get only what's best. We launched Green Club Plus Seven Hundred on 10th January 2020. The product conforms to E-0 emission standard, ensuring safer indoor air quality. This is India's first 2-in-1 grade plywood that conforms to the structural grade (IS:10701) with fire retardant properties (IS:5509). With best in quality, this product assures of no core gaps and overlaps and comes equipped with anti-bacterial coating, with the assurance of safe and healthy interiors.



Brand Activation– Digital

Digital media has been the key focus for us this year launching campaigns almost every quarter. Starting from IPL, World cup to Independence Day & Pujo the brand has constantly engaged with high participation from the audience on topical content to maintain brand relevance.



About Greenply

Greenply Industries Limited (GIL) enjoys leadership position in plywood for more than 26 percent of the organized plywood market in India.

GIL has three state-of-the-art manufacturing facilities for Plywood 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 25 states serviced through a well-entrenched distribution network of 1,870 dealers and authorised stockists, a retail network exceeding 6,000 and more than 50 physical and virtual 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 Green Club Plus Seven Hundred, Green Club 5 Hundred, Green Club Plus Premium Plywood, Optima G and Ecotec to name a few.

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