

# Result Presentation

**Q4 & FY19**

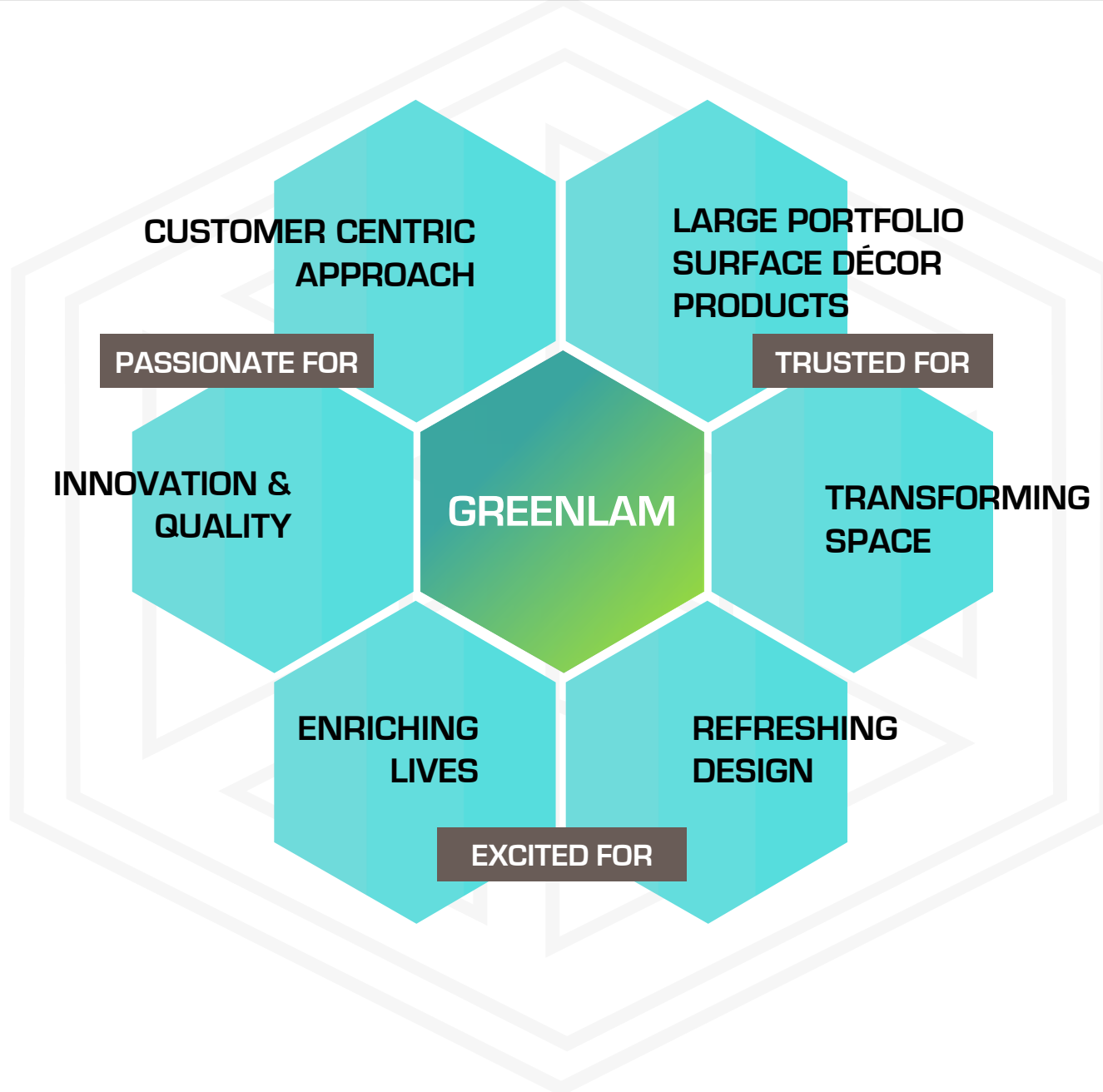
**May 2019**

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# GREENLAM TODAY

- Among World's Top 3 Laminate producers
- Asia's Largest Laminate brand
- India's Largest Exporter of Laminates
- India's No. 1 Decorative Veneer brand
- India's Only Manufacturer of Engineered Wood Flooring
- India's 1st Organized Manufacturer of Engineered Door (Doors Sets & Frames)
- A one stop solution provider for All Surfacing Needs

# Our Product Portfolio

## Decorative Laminate & Allied products

Laminates	Compact Panel	MFC
Commodity to Premium products	Standard Compact Panel Lab Guardian Restroom & Locker solutions Clads - exterior façade panels	Melamine Faced Chip Board

## Veneer & Allied

Decorative Veneer	Mikasa Floor	Mikasa Door
Natural Veneer Teak Veneer Engineered Veneer	Engineered Wood Floor	Engineered Door sets (Door + Frames)

**A large portfolio of surfacing product catering to various segments across price points**

# Audited Consolidated Financials

# Key Business Update in FY19

## Capacity Expansion in Laminate Segment

- To increase manufacturing capacity by 1.6 million laminate sheets per annum
- The capital cost of this brownfield expansion would be approximately INR 25.0 crores
- The expanded capacity is expected to be operationalized by third quarter of this financial year
- To cater growing market demand

## Acquired “Decolan SA”

- Acquisition of 100% shares of Decolan SA, (a Switzerland co.) through Greenlam Asia Pacific Pte. Ltd., wholly owned subsidiary of the Company in Singapore
- Decolan SA is an importer and distributor of laminates and allied categories like compact laminates, façade products, etc and services Central European Markets
- Changed name to “**Greenlam Decolan SA**”
- To Serve & Expand Presence in Central European Market

# Consolidated Financial Performance – Q4FY19

- Consolidated Net Revenue stood at INR 360.2 Crores as compared to INR 311.1 Crores, growth of 15.8%,
  - Laminate revenue grew by 13.8% to INR 302.5 crores in Q4FY19 from INR 265.8 crores in Q4FY18
    - Domestic laminate revenue grew by 11.8%, however volumes grew by 7.7%
    - Laminate exports grew by 16.1% in INR terms and 10.5% in US Dollar terms. Volume de-grew by 4.6% for the quarter
  - Revenues of decorative veneer business grew by 16.6% to INR 36.3 crores in Q4FY19 from INR 31.1 crores in Q4FY18 with volume growth of 16.4%
  - Revenues of engineered wood flooring business grew by 56% to INR 13.0 crores in Q4FY19 as against INR 8.3 crores in Q4FY18
  - Revenues of engineered door business grew by 42% to INR 8.4 crores in Q4FY19 as against INR 5.9 crores in Q4FY18
- Gross Margin de-grew by 260 bps to 43.7% in Q4FY19 from 46.3% in Q4FY18, mainly on account of change in product mix and raw material costs
- EBIDTA margin de-grew by 20 bps to 12.3% in Q4FY19 from 12.5% in Q4FY18
- EBIDTA grew by 14.3% to INR 44.4 crores in Q4FY19 as comparison to INR 38.9 crores in the Q4FY18
- PAT for the quarter grew by 32.9% at INR 23.8 crores, as against INR 17.9 Crores in corresponding quarter last year
- Working capital cycle increased by 1 day to 80 days

# Consolidated Financial Performance – FY19

- Consolidated Net Revenue stood at INR 1280.7 Crores as compared to INR 1144.7 Crores, growth of 11.9%,
  - Laminate revenue grew by 10.2% to INR 1084.5 crores in FY19 from INR 984.3 crores in FY18
    - Domestic laminate revenue grew by 4.3% in value, however volume de-grew by 3.2%
    - Laminate exports grew by 17.2% in INR and 10.3% in US Dollar terms with volumes remaining flat
  - Revenues of decorative veneer business grew by 10.6% to INR 130.7 crores in FY19 from INR 118.1 crores in FY18, volumes grew by 9.5% for the year
  - Revenues of engineered wood flooring business grew by 64% to INR 43.0 crores in FY19 as against INR 26.2 crores in FY18
  - Revenues of engineered door business grew by 40% to INR 22.5 crores in FY19 as compared to INR 16.1 crores in FY18
- Gross Margin declined to 46.3% in FY19 from 47.7% in FY18, decline of 140 bps, mainly due to pressure on raw material cost and change in product mix
- EBIDTA margin de-grew by 60 bps to 12.4% in FY19 from 13.0% in FY18
- EBIDTA grew by 6.5% to INR 158.5 crores in FY19 as comparison to INR 148.9 crores in the FY18
- PAT for the year grew by 19.3% to INR 77.1 crores in FY19, as against INR 64.6 Crores in corresponding period last year
- Working capital cycle increased by 4 day to 90 days, mainly on account of higher inventory
- Declared Final Dividend of Rs. 3 per equity share (60% of face value) subject to approval of Shareholders at the ensuing AGM



# Consolidated Financial Performance

## Profit and Loss Statement

INR Crores	Q4FY19	Q4FY18	YoY%	FY19	FY18	YoY%
<b>Net Revenue</b>	<b>360.2</b>	<b>311.1</b>	<b>15.8%</b>	<b>1280.7</b>	<b>1144.7</b>	<b>11.9%</b>
Raw Material	202.9	167.1		687.8	598.3	
<b>Gross Profit</b>	<b>157.3</b>	<b>144.0</b>	<b>9.2%</b>	<b>592.93</b>	<b>546.4</b>	<b>8.5%</b>
<b>Gross Margin %</b>	<b>43.7%</b>	<b>46.3%</b>	<b>-260 bps</b>	<b>46.3%</b>	<b>47.7%</b>	<b>-140 bps</b>
Employee Cost	48.7	45.0		192.5	173.4	
Other Expenses	64.3	60.2		241.9	224.1	
<b>EBIDTA</b>	<b>44.4</b>	<b>38.9</b>	<b>14.3%</b>	<b>158.5</b>	<b>148.9</b>	<b>6.5%</b>
<b>EBIDTA Margin %</b>	<b>12.3%</b>	<b>12.5%</b>	<b>-20 bps</b>	<b>12.4%</b>	<b>13.0%</b>	<b>-60 bps</b>
Other (Income)/Cost	(0.4)	(0.3)		(1.5)	(1.6)	
Interest	3.4	4.3		17.0	18.1	
Depreciation	9.2	9.2		36.8	36.0	
<b>PBT</b>	<b>32.2</b>	<b>25.7</b>	<b>25.5%</b>	<b>106.3</b>	<b>96.5</b>	<b>10.1%</b>
<b>PBT Margin %</b>	<b>8.9%</b>	<b>8.3%</b>	<b>60 bps</b>	<b>8.3%</b>	<b>8.4%</b>	<b>-10 bps</b>
Tax	8.5	7.8		29.1	31.9	
<b>PAT</b>	<b>23.8</b>	<b>17.9</b>	<b>32.9%</b>	<b>77.1</b>	<b>64.6</b>	<b>19.3%</b>
<b>PAT Margin %</b>	<b>6.6%</b>	<b>5.7%</b>	<b>90 bps</b>	<b>6.0%</b>	<b>5.6%</b>	<b>40 bps</b>

# Consolidated Financial Performance

## Balance Sheet

INR Crores	Mar-19	Mar-18
<b>Shareholder's Fund</b>	<b>428.4</b>	<b>356.1</b>
Share capital	12.1	12.1
Reserves & Surplus	416.3	344.1
<b>Borrowings</b>	<b>269.7</b>	<b>251.7</b>
Long Term Borrowings* *	110.7	122.1
Short Term Borrowings	159.0	129.6
<b>Liabilities</b>	<b>227.1</b>	<b>215.5</b>
Trade Payables	167.5	157.6
Other Liabilities	59.7	57.9
<b>Total Liabilities</b>	<b>925.3</b>	<b>823.3</b>

INR Crores	Mar-19	Mar-18
<b>Non-Current Assets</b>	<b>380.1</b>	<b>352.9</b>
Fixed assets	351.4	329.8
Goodwill	0.6	1.8
Other Non-Current Assets	28.0	21.4
<b>Current Assets</b>	<b>545.2</b>	<b>470.4</b>
Inventories	307.6	256.3
Trade receivables	176.6	170.5
Cash and Bank Balances	10.6	10.4
Other current assets	50.4	33.2
<b>Total Assets</b>	<b>925.3</b>	<b>823.3</b>

\* \*Include Current Maturity of Long Term Borrowings

# Consolidated Financial Performance

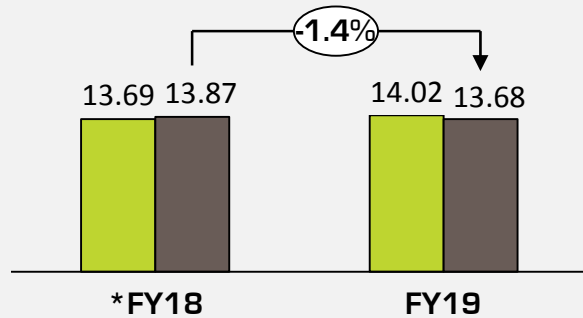
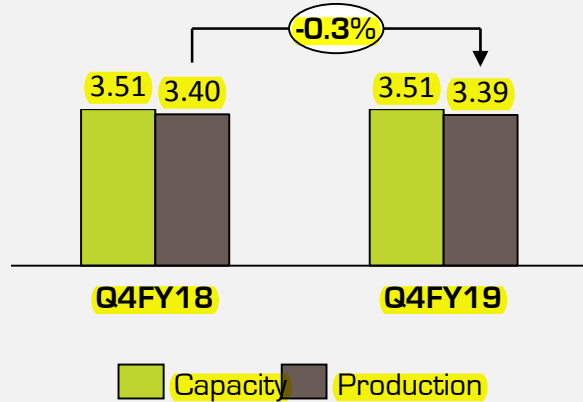
## Laminates & Allied Segment

INR Crores	Q4FY19	Q4FY18	YoY%	FY19	FY18	YoY%
<b>Net Revenue</b>	<b>302.5</b>	<b>265.8</b>	<b>13.8%</b>	<b>1084.5</b>	<b>984.3</b>	<b>10.2%</b>
Gross Profit	133.0	119.4	11.4%	504.5	461.3	9.4%
<b>Gross Margin %</b>	<b>44.0%</b>	<b>44.9%</b>	<b>-90 bps</b>	<b>46.5%</b>	<b>46.9%</b>	<b>-40 bps</b>
EBIDTA	43.2	34.9	23.9%	148.0	133.4	10.9%
<b>EBIDTA Margin %</b>	<b>14.3%</b>	<b>13.1%</b>	<b>120 bps</b>	<b>13.6%</b>	<b>13.6%</b>	<b>-</b>
Capital Employed	434.1	405.9		434.1	405.9	

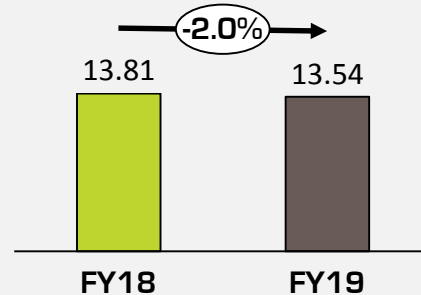
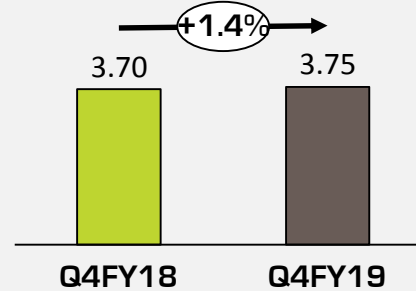
# Consolidated Financial Performance

## Laminates & Allied Segment

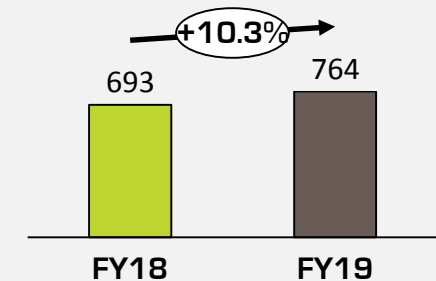
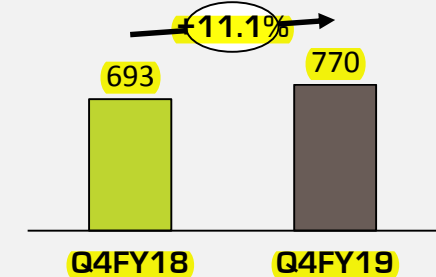
### Production and Capacity (Mn Sheets)



### Sales (Mn Sheets)



### Average Realisation (INR / Sheet)



\*Capacity Increased by 2 Mn Sheets w.e.f from June 2017

# Consolidated Financial Performance

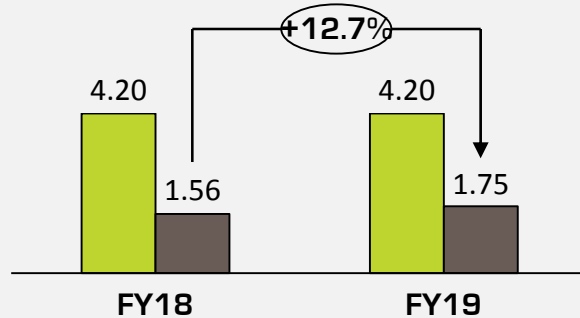
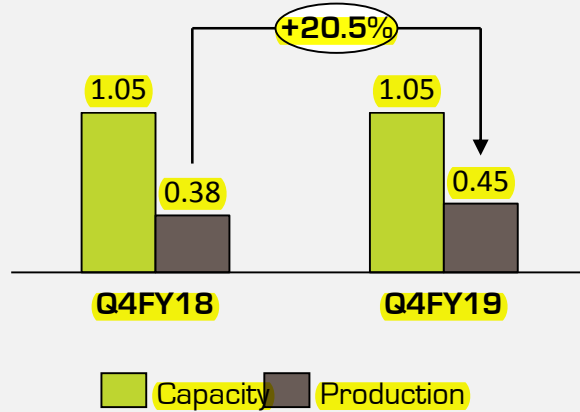
## Veneers & Allied Segment

INR Crores	Q4FY19	Q4FY18	YoY%	FY19	FY18	YoY%
Net Revenue	57.7	45.4	27.3%	196.2	160.4	22.3%
Gross Profit	24.3	24.7	-1.4%	88.4	85.2	3.8%
<b>Gross Margin %</b>	<b>42.1%</b>	<b>54.4%</b>	<b>-1230 bps</b>	<b>45.1%</b>	<b>53.1%</b>	<b>-800 bps</b>
EBIDTA	1.2	4.0	-69.3%	10.6	15.5	-32.0%
<b>EBIDTA Margin %</b>	<b>2.1%</b>	<b>8.8%</b>	<b>-670 bps</b>	<b>5.4%</b>	<b>9.7%</b>	<b>-430 bps</b>
Capital Employed	226.4	197.1		226.4	197.1	

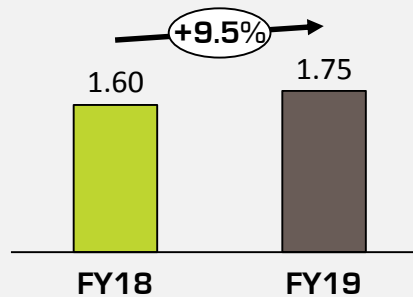
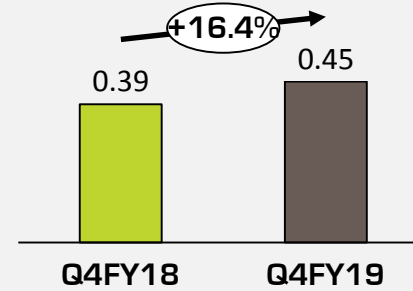
# Consolidated Financial Performance

## Decorative Veneers

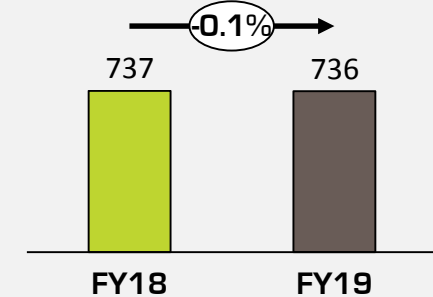
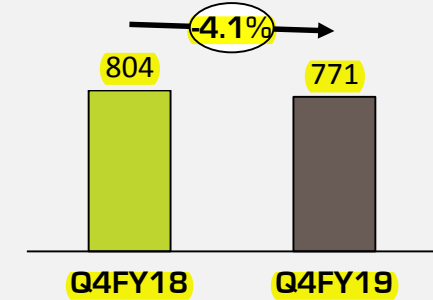
### Production and Capacity (Mn Sqmt)



### Sales (Mn Sqmt)



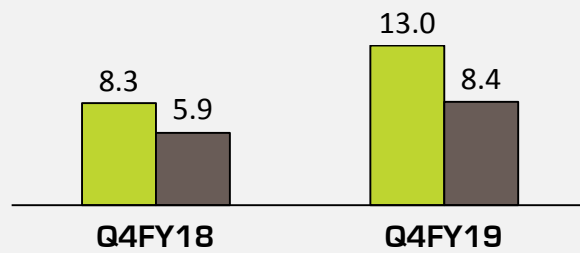
### Average Realisation (INR / Sqmt)



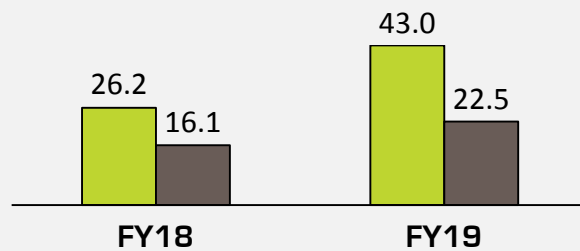
# Consolidated Financial Performance

## Engineered Doors and Floors

Revenue (INR Crores)



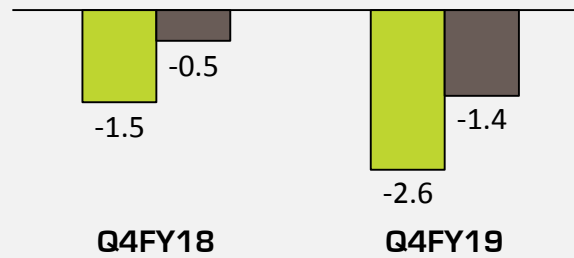
Floors Doors



FY18

FY19

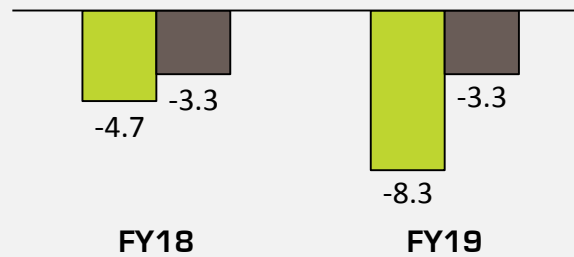
EBIDTA (INR Crores)



Q4FY18

Q4FY19

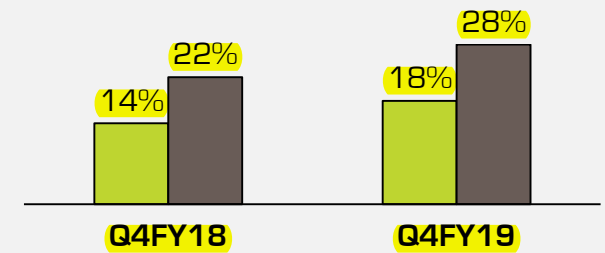
Floors Doors



FY18

FY19

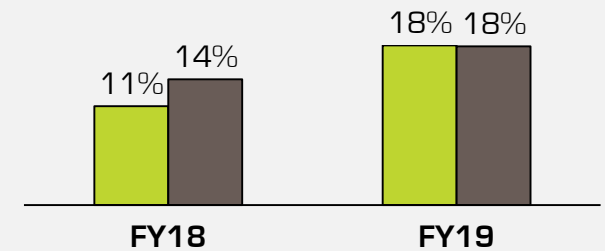
Capacity Utilization



Q4FY18

Q4FY19

Floors Doors



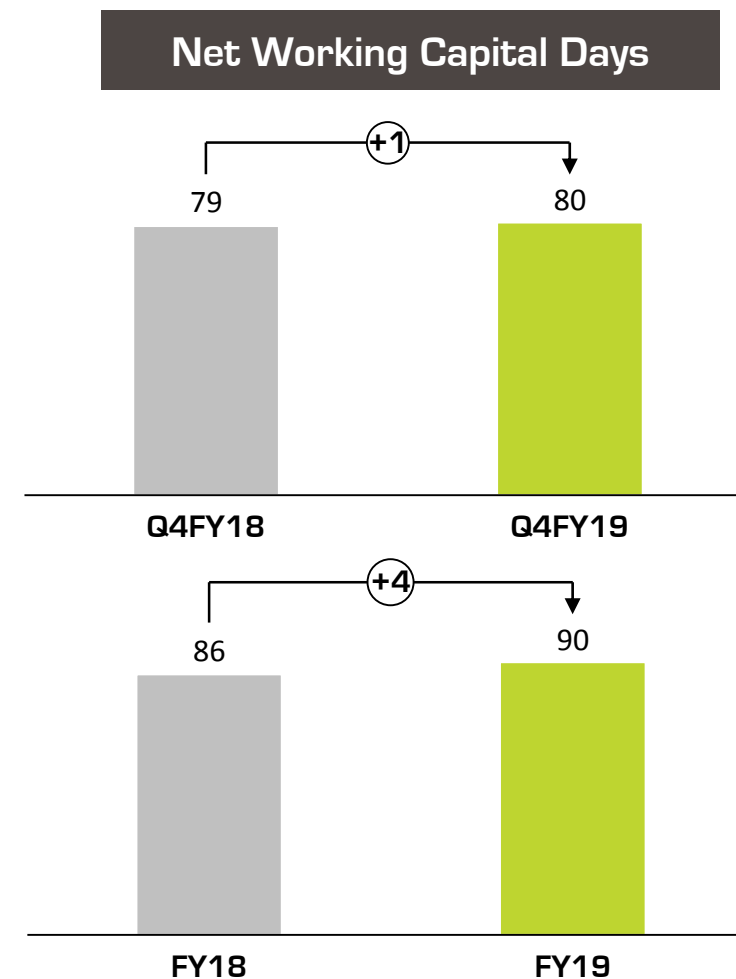
FY18

FY19

# Consolidated Financial Performance

## Operating Parameters- Net Working Capital (Days)

In Days	Q4FY18	Q4FY19	FY18	FY19
Inventory	75	78	82	88
Debtors	50	45	54	50
Creditors	46	42	50	48
<b>Net Working Capital</b>	<b>79</b>	<b>80</b>	<b>86</b>	<b>90</b>

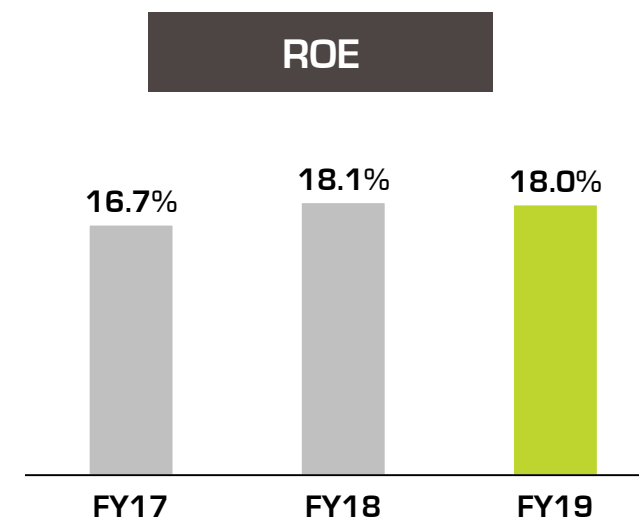
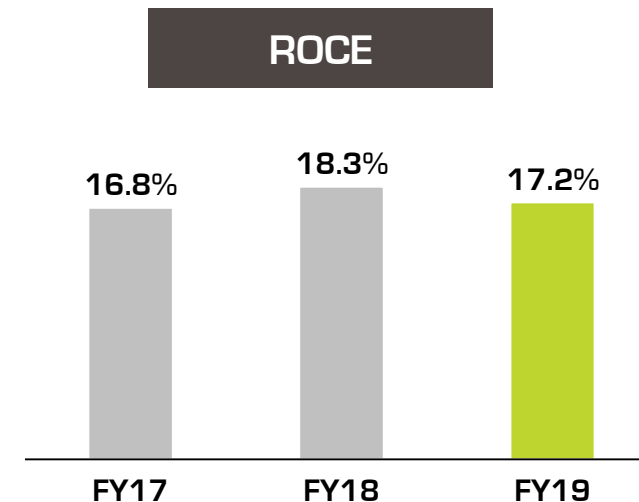




# Consolidated Financial Performance

## Return Ratios – ROCE & ROE

INR Crores	FY17#	FY18	FY19
EBIT	104.2	114.6	123.2
PAT	49.7	64.6	77.1
Capital Employed	618.5	627.4	718.3
Net Worth	298.1	356.1	428.4
ROCE	16.8%	18.3%	17.2%
ROE	16.7%	18.1%	18.0%

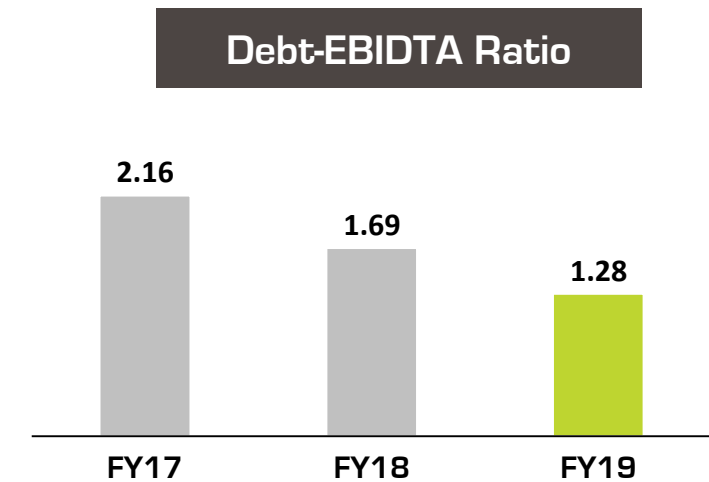
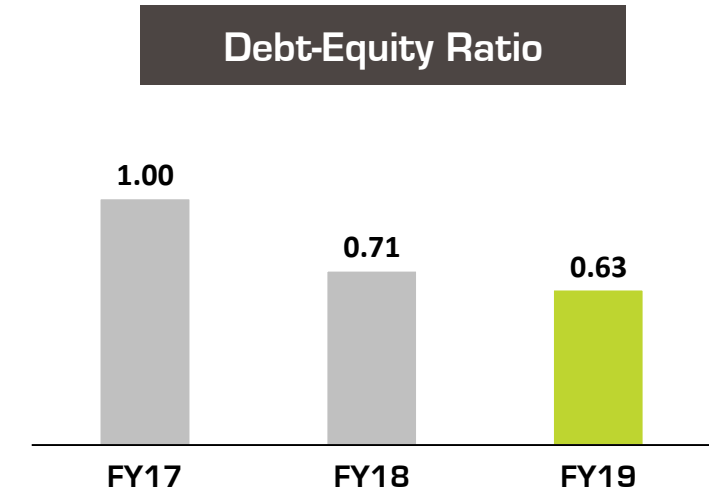


# FY17 financial data has been reclassified as per IND-AS

# Consolidated Financial Performance

## Debt Position

INR Crores	FY17#	FY18	FY19
Long Term Debt (Including current portion)	137.5	122.1	110.7
Short Term Debt	161.0	129.6	159.0
<b>Total Debt</b>	<b>298.5</b>	<b>251.7</b>	<b>269.7</b>
Net Worth	298.1	356.1	428.4
EBIDTA	138.3	148.9	158.5
Debt – Equity Ratio	1.00	0.71	0.63
Debt – EBIDTA Ratio	2.16	1.69	1.28



# FY17 financial data has been reclassified as per IND-AS

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