

# Result Presentation

**Q2 & H1FY19**

**October 2018**

# Safe Harbour

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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**

# Unaudited Consolidated Financials

# Consolidated Financial Performance - Q2FY19

- Consolidated Net Revenue stood at INR 318 Crores as compared to INR 276 Crores, growth of 15.6%,
  - Laminate revenue grew 13.4% from INR 240.3 crores in Q2FY18 to INR 272.5 crores in Q2FY19
    - Domestic laminate revenue grew by 7.5%, however volumes de-grew by 7.2%
    - Laminate exports grew by 20.4% in INR and 5.5% in US Dollar terms. Volume de-grew by 4.3% for the quarter
  - Revenues of decorative veneer business grew by 8.5% from INR 27.9 crores in Q2FY18 to INR 30.3 crores in Q2FY19 with volume growth of 4.8%
  - Revenues of engineered wood flooring business stood at INR 12.6 crores in Q2FY19 as against INR 5.1 crores in Q2FY18, growth of 147%
  - Revenues of engineered door business stood at INR 3.0 crores in Q2FY19 as against INR 2.2 crores in Q2FY18, growth at 36%
- Gross Margin declined to 45.9% in Q2FY19 from 48.6% in Q2FY18, decline of 270 bps, mainly due to pressure on raw material cost and rupee depreciation
- EBIDTA margin de-grew by 150 bps to 12.4% in Q2FY19 from 13.9% in Q2FY18
- EBIDTA grew by 3.0% to INR 39.3 crores in Q2FY19 as comparison to INR 38.2 crores in the Q2FY18
- PAT for the quarter grew by 13.9% at INR 18.2 crores, as against INR 16.0 Crores in corresponding quarter last year
- Working capital cycle was reduced by 11 day to 79 days

# Consolidated Financial Performance – H1FY19

- Consolidated Net Revenue stood at INR 607 Crores as compared to INR 553 Crores, growth of 9.6%,
  - Laminate revenue from by 7.5% from INR 483.2 crores in H1FY18 to INR 519.6 crores in H1FY19
    - Domestic laminate revenue de-grew by 1.8%.
    - Laminate exports grew by 18.9% in INR and 9.7% in US Dollar terms with volume growth of 1.7% for the quarter
  - Revenues of decorative veneer business grew by 12.8% from INR 52.3 crores in H1FY18 to INR 59.0 crores in H1FY19 and volume growth of 13.3%
  - Revenues of engineered wood flooring business stood at INR 20.9 crores in H1FY19 as against INR 11.6 crores in H1FY18, growth of 80%
  - Revenues of engineered door business stood flat at INR 7.0 crores in H1FY19 as compared to INR 6.3 crores in H1FY18, growth of 12.4%
- Gross Margin declined to 46.8% in H1FY19 from 48.3% in H1FY18, decline of 150 bps, , mainly due to pressure on raw material cost and rupee depreciation
- EBIDTA margin de-grew by 80 bps to 12.0% in H1FY19 from 12.8% in H1FY18
- EBIDTA grew by 3.0% to INR 73.1 crores in H1FY19 as comparison to INR 71.0 crores in the H1FY18
- PAT for the quarter grew by 14.1% to INR 33.5 crores in H1FY19, as against INR 29.4 Crores in corresponding period last year
- Working capital cycle was reduced by 7 day to 83 days

# Consolidated Financial Performance

## Profit and Loss Statement

INR Crores	Q2FY19	Q2FY18	YoY%	H1FY19	H1FY18	YoY%
Domestic Revenue	181.9	164.3	10.7%	341.3	332.3	2.7%
International Revenue	136.5	111.3	22.7%	265.3	221.0	20.0%
<b>Net Revenue</b>	<b>318.4</b>	<b>275.6</b>	<b>15.6%</b>	<b>606.5</b>	<b>553.3</b>	<b>9.6%</b>
Raw Material	172.3	141.6		322.7	285.9	
<b>Gross Profit</b>	<b>146.1</b>	<b>133.9</b>	<b>9.1%</b>	<b>283.8</b>	<b>267.5</b>	<b>6.1%</b>
<b>Gross Margin %</b>	<b>45.9%</b>	<b>48.6%</b>	<b>-270 bps</b>	<b>46.8%</b>	<b>48.3%</b>	<b>-150 bps</b>
Employee Cost	48.0	42.7		95.3	85.4	
Other Expenses	58.8	53.0		115.4	111.1	
<b>EBIDTA</b>	<b>39.3</b>	<b>38.2</b>	<b>3.0%</b>	<b>73.1</b>	<b>71.0</b>	<b>3.0%</b>
<b>EBIDTA Margin %</b>	<b>12.4%</b>	<b>13.9%</b>	<b>-150 bps</b>	<b>12.0%</b>	<b>12.8%</b>	<b>-80 bps</b>
Other (Income)/Cost	0.1	0.0		(0.4)	(0.7)	
Interest	5.0	4.6		9.2	9.3	
Depreciation	9.1	9.0		18.3	17.7	
<b>PBT</b>	<b>25.1</b>	<b>24.6</b>	<b>1.8%</b>	<b>46.0</b>	<b>44.8</b>	<b>2.7%</b>
<b>PBT Margin %</b>	<b>7.9%</b>	<b>8.9%</b>	<b>-100 bps</b>	<b>7.6%</b>	<b>8.1%</b>	<b>-50 bps</b>
Tax	6.8	8.6		12.5	15.4	
<b>PAT</b>	<b>18.2</b>	<b>16.0</b>	<b>13.9%</b>	<b>33.5</b>	<b>29.4</b>	<b>14.1%</b>
<b>PAT Margin %</b>	<b>5.7%</b>	<b>5.8%</b>	<b>-10 bps</b>	<b>5.5%</b>	<b>5.3%</b>	<b>20 bps</b>



# Consolidated Financial Performance

## Balance Sheet

INR Crores	Sept-18	Mar-18
<b>Shareholder's Fund</b>	<b>386.5</b>	<b>356.1</b>
Share capital	12.1	12.1
Reserves & Surplus	374.4	344.1
<b>Borrowings</b>	<b>263.7</b>	<b>251.7</b>
Long Term Borrowings* *	99.0	122.1
Short Term Borrowings	164.7	129.6
<b>Liabilities</b>	<b>239.3</b>	<b>215.5</b>
Trade Payables	194.7	157.6
Other Liabilities	44.6	57.9
<b>Total Liabilities</b>	<b>889.5</b>	<b>823.3</b>

INR Crores	Sept-18	Mar-18
<b>Non-Current Assets</b>	<b>361.1</b>	<b>352.9</b>
Fixed assets	336.1	329.8
Goodwill	1.3	1.8
Other Non-Current Assets	23.7	21.4
<b>Current Assets</b>	<b>528.4</b>	<b>470.4</b>
Inventories	311.5	256.3
Trade receivables	159.0	170.5
Cash and Bank Balances	8.9	10.4
Other current assets	49.0	33.2
<b>Total Assets</b>	<b>889.5</b>	<b>823.3</b>

\* \*Include Current Maturity of Long Term Borrowings

# Consolidated Financial Performance

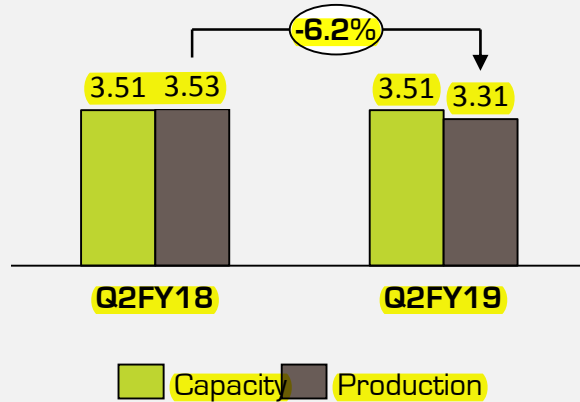
## Laminates & Allied Segment

INR Crores	Q2FY19	Q2FY18	YoY%	H1FY19	H1FY18	YoY%
Domestic Revenue	140.6	130.8	7.5%	261.1	265.8	-1.8%
International Revenue	131.9	109.5	20.4%	258.5	217.4	18.9%
<b>Net Revenue</b>	<b>272.5</b>	<b>240.3</b>	<b>13.4%</b>	<b>519.6</b>	<b>483.2</b>	<b>7.5%</b>
Gross Profit	125.8	115.5	8.9%	244.5	230.2	6.2%
<b>Gross Margin %</b>	<b>46.2%</b>	<b>48.1%</b>	<b>-190 bps</b>	<b>47.0%</b>	<b>47.6%</b>	<b>- 60 bps</b>
EBIDTA	37.0	34.7	6.6%	69.5	65.4	6.2%
<b>EBIDTA Margin %</b>	<b>13.6%</b>	<b>14.4%</b>	<b>- 80 bps</b>	<b>13.4%</b>	<b>13.5%</b>	<b>- 10 bps</b>
Capital Employed	430.2	429.4		430.2	429.4	

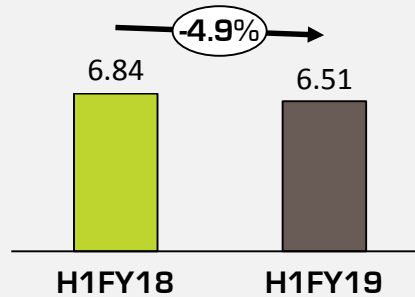
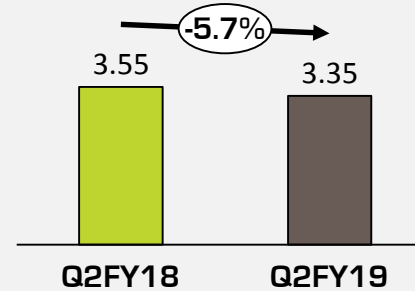
# Consolidated Financial Performance

## Laminates & Allied Segment

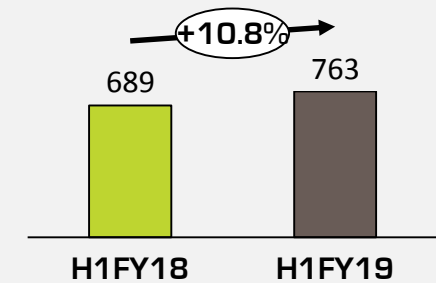
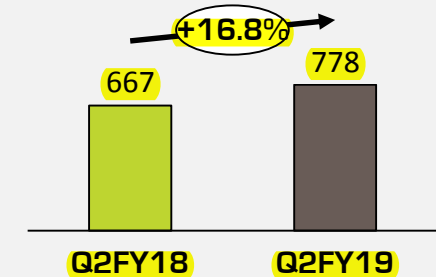
### Production and Capacity (Mn Sheets)



### Sales (Mn Sheets)



### Average Realisation (INR / Sheet)



# Consolidated Financial Performance

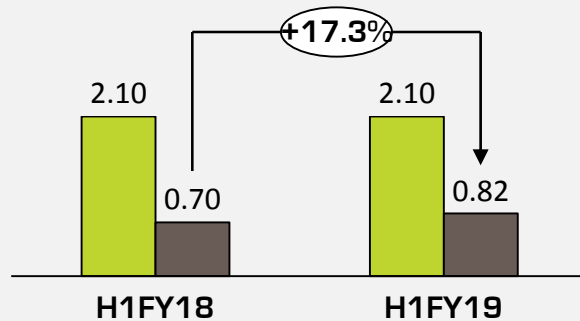
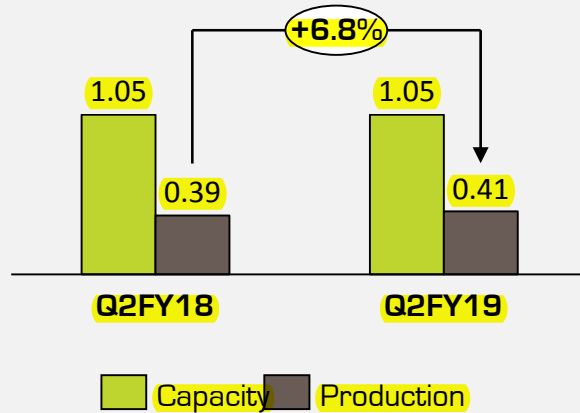
## Veneers & Allied Segment

INR Crores	Q2FY19	Q2FY18	YoY%	H1FY19	H1FY18	YoY%
Domestic Revenue	41.3	33.5	23.3%	80.1	66.5	20.6%
International Revenue	4.6	1.8	164.0%	6.8	3.7	84.9%
<b>Net Revenue</b>	<b>45.9</b>	<b>35.3</b>	<b>30.3%</b>	<b>86.9</b>	<b>70.1</b>	<b>24.0%</b>
Gross Profit	20.4	18.4	10.7%	39.4	37.3	5.6%
<b>Gross Margin %</b>	<b>44.3%</b>	<b>52.1%</b>	<b>-780 bps</b>	<b>45.3%</b>	<b>53.1%</b>	<b>-780 bps</b>
EBIDTA	2.3	3.5	-33.4%	3.6	5.5	-35.3%
<b>EBIDTA Margin %</b>	<b>5.1%</b>	<b>9.9%</b>	<b>-490 bps</b>	<b>4.1%</b>	<b>7.9%</b>	<b>-380 bps</b>
Capital Employed	201.0	186.5		201.0	186.5	

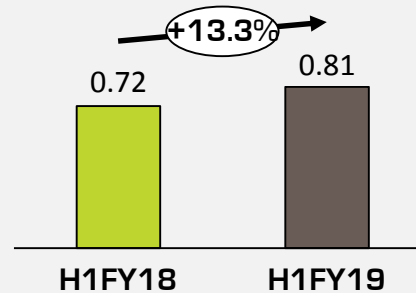
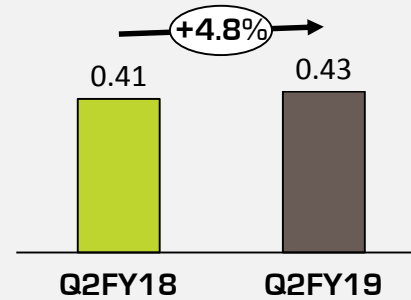
# Consolidated Financial Performance

## Decorative Veneers

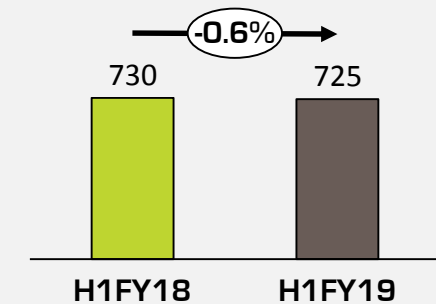
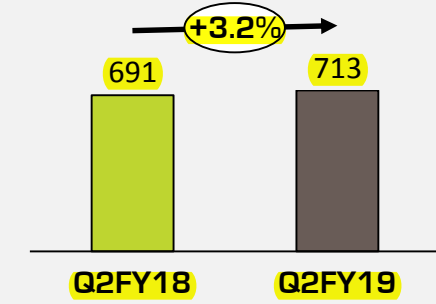
### Production and Capacity (Mn Sqmt)



### Sales (Mn Sqmt)



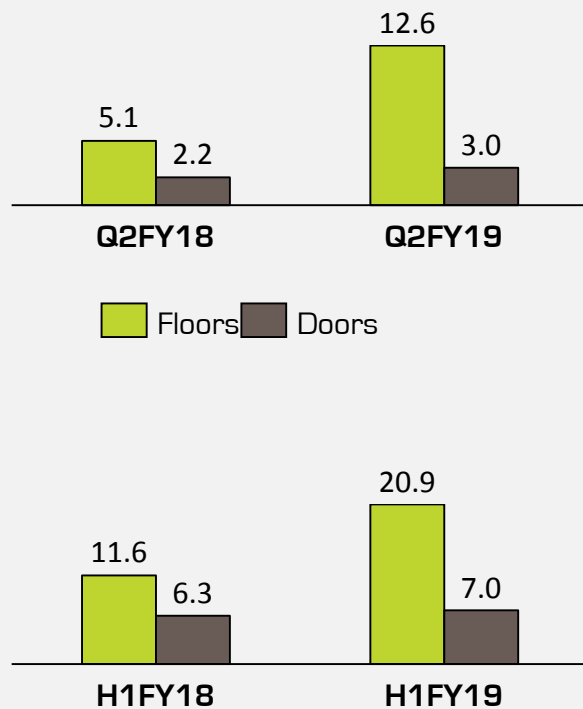
### Average Realisation (INR / Sqmt)



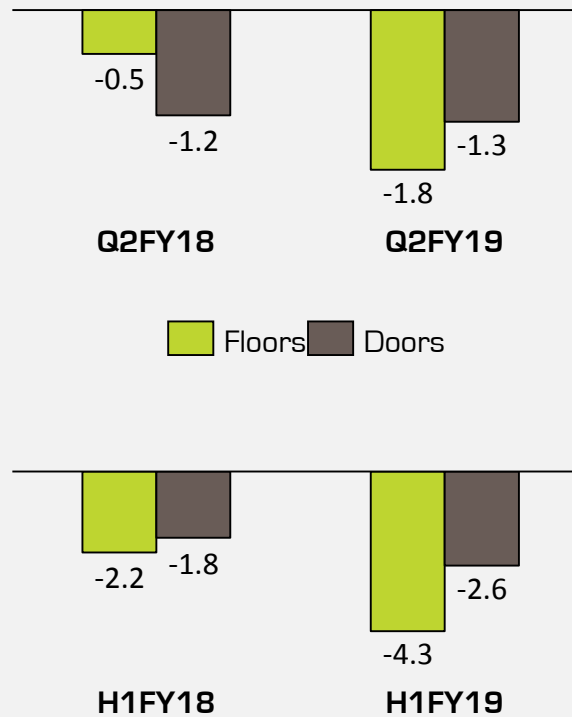
# Consolidated Financial Performance

## Engineered Doors and Floors

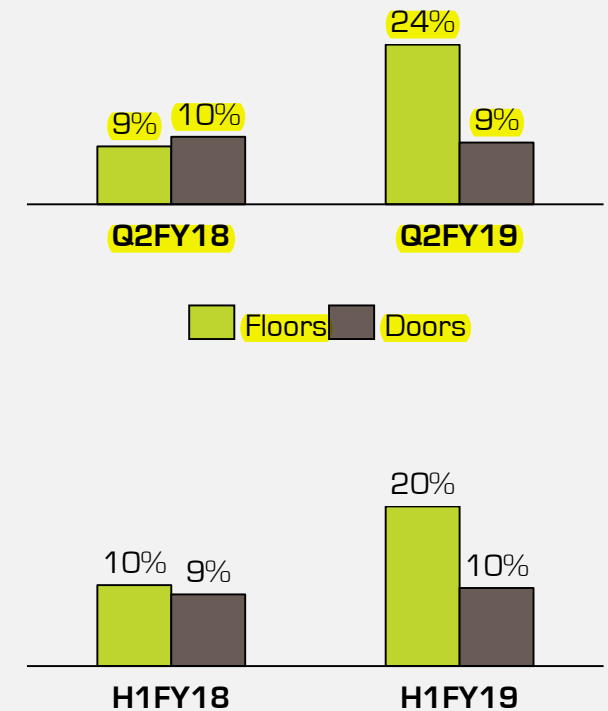
Revenue (INR Crores)



EBIDTA (INR Crores)



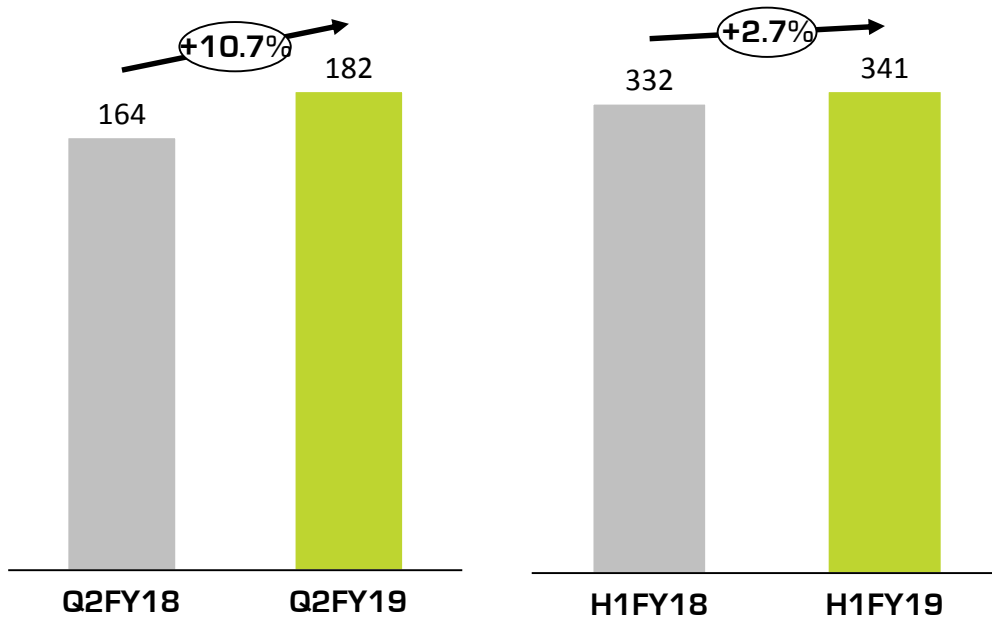
Capacity Utilization



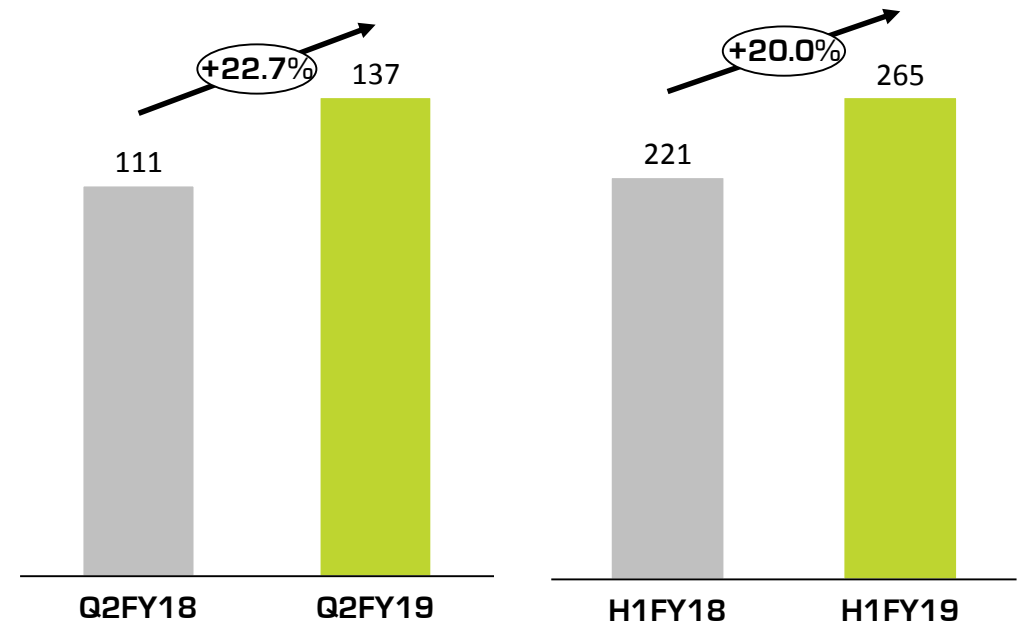
# Consolidated Financial Performance

## Geographic Segments

Domestic Revenue (INR Crores)



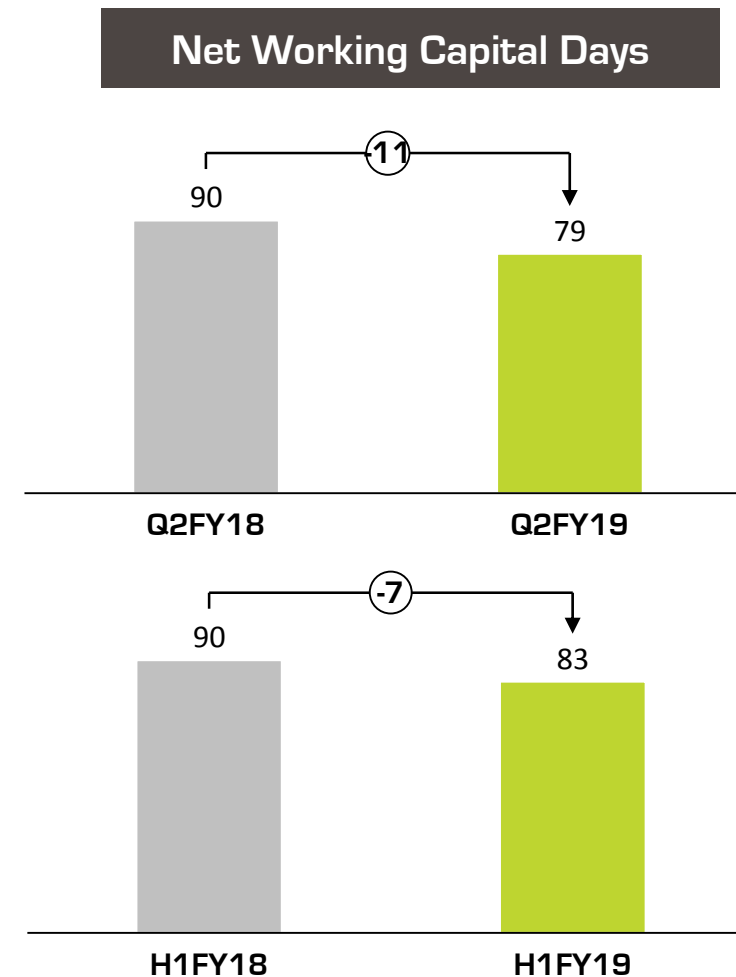
International Revenue (INR Crores)



# Consolidated Financial Performance

## Operating Parameters- Net Working Capital (Days)

In Days	Q2FY18	Q2FY19	H1FY18	H1FY19
Inventory	87	89	87	94
Debtors	53	46	53	48
Creditors	50	56	50	59
<b>Net Working Capital</b>	<b>90</b>	<b>79</b>	<b>90</b>	<b>83</b>

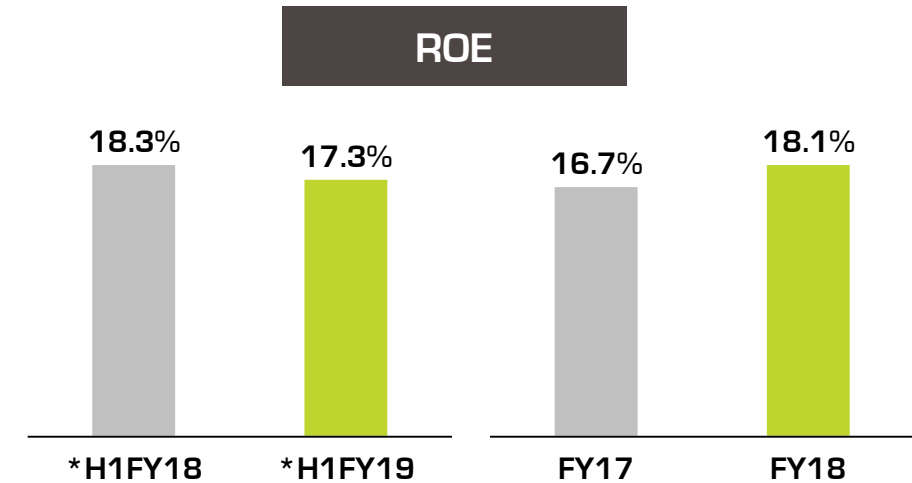
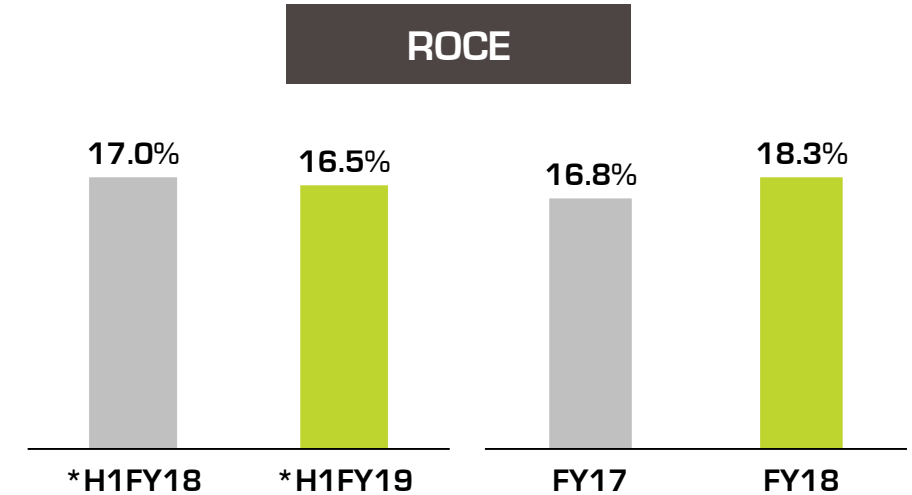




# Consolidated Financial Performance

## Return Ratios – ROCE & ROE

INR Crores	H1FY18	H1FY19	FY17	FY18
EBIT	54.0	55.2	104.2	114.6
PAT	29.4	33.5	49.7	64.6
Capital Employed	634.5	668.7	618.5	627.4
Net Worth	321.3	386.5	298.1	356.1
ROCE	17.0%	16.5%	16.8%	18.3%
ROE	18.3%	17.3%	16.7%	18.1%



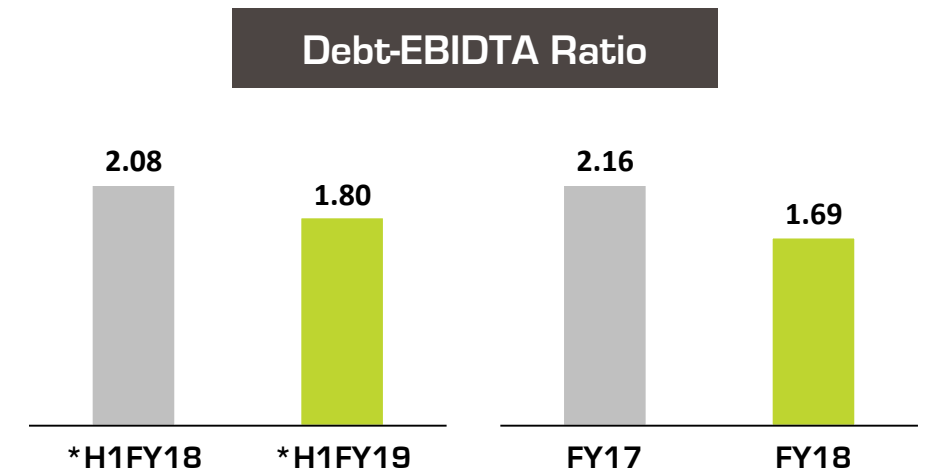
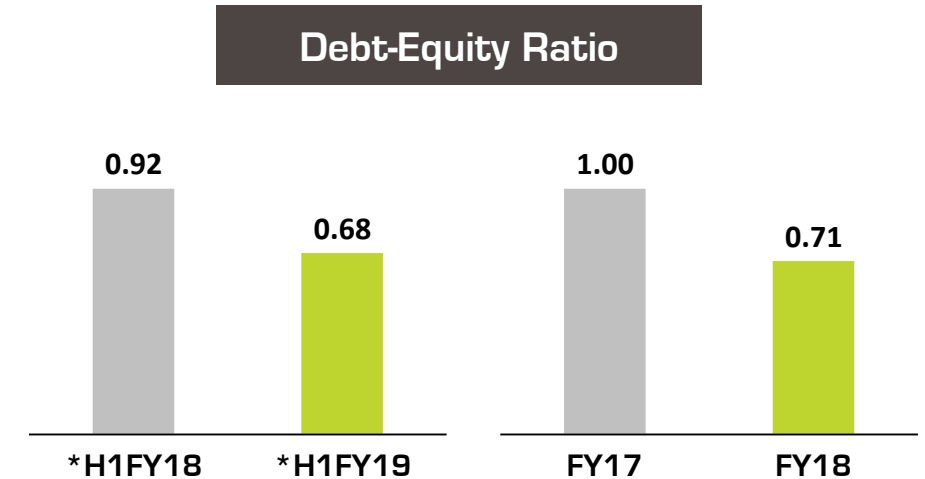
\*Annualised Basis

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

# Consolidated Financial Performance

## Debt Position

INR Crores	H1FY18	H1FY19	FY17	FY18
Long Term Debt (Including current portion)	139.8	99.0	137.5	122.1
Short Term Debt	155.9	164.7	161.0	129.6
<b>Total Debt</b>	<b>295.7</b>	<b>263.7</b>	<b>298.5</b>	<b>251.7</b>
Net Worth	321.3	386.5	298.1	356.1
EBIDTA	71.0	73.1	138.3	148.9
Debt – Equity Ratio	0.92	0.68	1.00	0.71
Debt – EBIDTA Ratio	2.08	1.80	2.16	1.69



\*Annualised Basis

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

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