

GPIL/2020-2021  
October 30, 2020

**The Manager**  
**BSE Limited**  
**Department of Corporate Services**  
Floor 25, P. J. Towers, Dalal Street  
Mumbai-400001  
**Scrip Code: 542857**

**The Manager**  
**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra Kurla Complex  
Bandra (E),  
Mumbai - 400051  
**Symbol - GREENPANEL**


Dear Sir/Madam,

**Sub: Investor Presentation**

Pursuant to applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Investor Presentation on the unaudited Financial Results of the Company for the quarter and half year ended September 30, 2020.

Kindly take the same into record.

Thanking You  
Yours faithfully  
For **GREENPANEL INDUSTRIES LIMITED**



**Lawkush Prasad**

**Company Secretary & AVP-Legal**

Encl: As above

**Greenpanel Industries Limited**

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**Registered Office:**  
Makum Road, Tinsukia 786125, Assam  
CIN L20100AS2017PLC018272



## **Greenpanel Industries Limited**

**Financial Results Presentation  
Q2 & H1 FY 2021**

# Disclaimer

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*Certain statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. These forward-looking statements involve 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.*

*Greenpanel Industries Limited (GPL) 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 - Q2 FY2021



**Net Sales up by 21.5% YoY to Rs. 218.00 crores**

- Plywood revenues down by 4.5% YoY to Rs. 52.86 crores, contributing 24% of net sales
- MDF revenues up by 33.2% YoY to Rs. 165.14 crores, contributing 76% of net sales

**Gross margins up by 80 bps YoY to 56.3%**

**EBITDA margins up by 320 bps YoY to 20.5%**

- due to wastage reduction and cost optimization in both plywood and MDF segments

**PAT up by 228% YoY to Rs. 18.06 crores**

- EPS of Rs. 1.47 in Q2FY21 compared to Rs. 0.45 in Q2FY20

**Working capital cycle at 33 days improved by 21 days YoY**

**Gross debt to equity at 0.74 as on 30 September 2020 Vs. 0.82 as on 30 September 2019**

# Financial Highlights - Q2 FY21 vs Q2 FY20



Key ratios (%)	Q2 FY21	Q2 FY20
Gross Margin	56.3%	55.5%
EBITDA Margin	20.5%	17.3%
EBIT Margin	13.1%	7.6%
Net Margin	8.3%	3.1%
Sales Promotions / Net Sales	1.3%	1.4%
Employee Expenses / Net Sales	9.8%	13.1%
Logistics Cost / Net Sales	4.9%	5.2%
EPS (Rs.)	1.47	0.45

# Financial Highlights - H1 FY21 vs H1 FY20



Key ratios (%)	H1 FY21	H1 FY20
Gross Margin	52.9%	52.7%
EBITDA Margin	12.6%	15.5%
EBIT Margin	2.0%	6.8%
Net Margin	-5.3%	2.2%
Sales Promotions / Net Sales	1.1%	1.1%
Employee Expenses / Net Sales	13.5%	12.0%
Logistics Cost / Net Sales	4.9%	4.9%
EPS (Rs.)	-1.31	0.67

# Financial Highlights - Assets & Liabilities



Balance Sheet snapshot (INR crores)	H1 FY 2021	H1 FY 2020	FY 2020	FY 2019
Net Worth	680.88	688.57	696.89	680.37
Total Debt	506.38	567.60	542.79	578.57
▪ Long Term Debt (Including Current Maturity)	466.03	490.36	470.08	533.16
▪ Short Term Debt	40.34	77.24	72.71	45.42
Capital Employed	1203.04	1256.18	1251.68	1258.94
Cash and cash equivalents	5.19	17.07	9.37	18.10
Fixed Assets	1063.57	1122.86	1093.61	1121.36
Receivables	46.41	56.83	70.52	52.36
Payables	112.69	91.07	122.75	81.50
Inventories	145.42	140.08	153.89	130.81



# Financial Highlights - Financial Ratios



Key Ratios	Q2 FY 2021	Q2 FY 2020	FY 2020	FY 2019
Inventory (days)	61	71	68	84
Debtor (days)	20	29	31	33
Creditor (days)	48	46	54	52
Working Capital Turnover (days)	33	54	45	65
RoE (%)	10.6%	3.2%	2.3%	6.5%
RoCE – Pre-Tax	9.5%	4.3%	4.9%	3.6%
RoCE – Post-Tax	10.2%	3.5%	5.1%	5.4%
Net Debt / Equity (x)	0.74	0.82	0.78	0.85

# Financial Numbers Q2 FY2021



Key Financial Numbers (INR crores)	Q2 FY 2021	Q2 FY 2020	Q2 FY 2021 (% of Sales)	Q2 FY 2020 (% of Sales)
Sales	218.00	179.38		
Other Incomes	6.40	6.82	2.94%	3.80%
Material Consumption	95.19	79.44	43.67%	44.29%
Employee Expenses	21.30	23.44	9.77%	13.07%
Other Expenses	63.20	52.34	28.99%	29.18%
EBITDA	44.71	30.98	20.51%	17.27%
Finance Costs	12.53	5.64	5.75%	3.14%
Depreciation	16.12	17.38	7.39%	9.69%
Profit before Tax	16.06	7.96	7.37%	4.44%
Taxes	-2.00	2.46	-0.92%	1.37%
Profit after Tax	18.06	5.50	8.28%	3.07%
Earnings per share (INR)	1.47	0.45		

# Financial Numbers H1 FY2021



Key Financial Numbers (INR crores)	H1 FY 2021	H1 FY 2020	H1 FY 2021 (% of Sales)	H1 FY 2020 (% of Sales)
Net Sales	304.26	377.82		
Other Income	10.80	12.74	3.55%	3.37%
Material Consumption	143.23	177.67	47.08%	47.03%
Employee Expenses	40.99	45.51	13.47%	12.05%
Other Expenses	92.54	108.88	30.42%	28.82%
EBITDA	38.30	58.50	12.59%	15.48%
Finance Costs	26.01	14.23	8.55%	3.77%
Depreciation	32.11	32.76	10.55%	8.67%
Profit before Tax	-19.82	11.51	-6.51%	3.05%
Tax Expense	-3.81	3.30	-1.25%	0.87%
Profit after Tax	-16.01	8.21	-5.26%	2.17%
Earnings per share (INR)	-1.31	0.67		

# Segment Numbers H1 & Q2 FY2021



Key Segment Numbers (INR crores)	Q2 FY 2021	Q2 FY 2020	H1 FY 2021	H1 FY 2020
Sales - Plywood	52.87	55.37	72.36	106.95
Sales - MDF	165.14	124.01	231.90	270.87
Total Sales	218.01	179.38	304.26	377.82
Segment Profit/(Loss) - Plywood	9.24	7.64	5.78	16.98
Segment Profit/(Loss) - MDF	28.22	15.90	16.39	27.96
Total Segment Profit/(Loss)	37.46	23.54	22.17	44.94
Finance Costs	12.53	5.64	26.01	14.23
Unallocated Expenses	8.87	9.94	15.98	19.20
Profit before Tax	16.06	7.96	-19.82	11.51
Capital Employed - Plywood	59.32	84.01	59.32	84.01
Capital Employed – MDF	1059.83	1090.60	1059.83	1090.60
Capital Employed – Unallocated	83.89	81.57	83.89	81.57
Total Capital Employed	1203.04	1256.18	1203.04	1256.18

# Segment Performance H1 & Q2 FY2021



Plywood Segment	Q2FY21	Q2FY20	Var (%)	H1 FY21	H1 FY20	Var (%)
Net Sales (INR crores)	52.87	55.37	-4.5%	72.36	106.95	-32.3%
EBITDA Margin (%)	16.4%	12.1%		7.1%	14.1%	
EBIT Margin (%)	13.3%	8.3%		2.7%	10.8%	
<b>Annual Capacity (million sqm)</b>	<b>10.5</b>	10.5		10.5	10.5	
Production (million sqm)	2.05	2.21	-7.2%	2.63	4.23	-37.8%
<b>Sales Volume (million sqm)</b>	<b>2.14</b>	2.23	-4.0%	2.91	4.32	-32.6%
<b>Capacity Utilisation (%)</b>	<b>78%</b>	84%		50%	81%	
<b>Average Realisation (INR/sqm)</b>	<b>246</b>	247		247	246	

MDF Segment	Q2FY21	Q2FY20	Var (%)	H1 FY21	H1 FY20	Var (%)
Net Sales (INR crores)	165.14	124.01	33.2%	231.90	270.87	-14.4%
EBITDA Margin (%)	21.8%	19.6%		14.3%	16.0%	
EBIT Margin (%)	13.0%	7.3%		1.8%	5.2%	
<b>Annual Capacity (cubic metre)</b>	<b>540000</b>	540000		540000	540000	
Production (cubic metre)	79854	69822	14.4%	108315	150225	-27.9%
<b>Sales Volume (cubic metre)</b>	<b>82133</b>	62561	31.3%	117218	139299	-15.9%
<b>Capacity Utilisation (%)</b>	<b>59%</b>	52%		40%	56%	
<b>Average Realisation (INR/cbm)</b>	<b>20030</b>	20284		19694	19396	

## *From the Desk of MD & CEO*

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*Commenting on the performance for Q2 FY2021, Mr. Shobhan Mittal, Managing Director and CEO, Greenpanel Industries Limited said,*

*Business has improved considerably in Q2 FY 2021. MDF volumes have grown by 31.3% year-on-year and operating margins have improved by 220 basis points to 21.8%. We had a small volume de-growth of 4% in plywood however operating margins have increased by 430 basis points to 16.4%. This is due to our continuous focus on reducing wastage and cost optimization. We have shown improvement on the working capital front where net working capital days have shown significant reduction of 21 days year-on-year to 33 days as on 30<sup>th</sup> September 2020.*

*Our emphasis on widening the distribution reach and focus on small towns and cities is yielding results both on volumes and reduction in working capital investment. We are optimistic on sustainable growth in future quarters.*

# Company Overview



## Capacity Utilization

- Plywood Improved capacity utilization at 78% in 12M FY 2020 Vs. 57% in 12M FY 2019
- MDF capacity utilization was 60% in 12M FY 2020 vs. 47% in 12M FY 2019

## Production Model

- Plywood – Own manufacturing for domestic markets
- MDF – Own manufacturing for domestic and export markets

## Raw Material Sustainability

- The aim is to improve the quality of wood through better clonal plantations
- Clonal plantations will also help us ensure steady supplies and maintain prices

## Return Ratios

- Lower return ratios witnessed due to low capacity utilization in the MDF plant and domestic-export mix
- Expected to improve over FY 2022 and FY 2023 with increase in capacity utilisations

# Company Overview



## Business Segments

- Plywood and allied products
- Medium Density Fibreboards (MDF) and allied products

## Strong Industry Potential

- Plywood industry size - INR 180 billion, MDF industry size - INR 19 billion
- Changes in Anti-dumping rules, Stricter GST implementation and 100 smart cities in the pipeline

## Well Entrenched Distribution Network

- Total number of Distributors-1400, Retailers-7000
- Serviced by 15 branches for pan-India distribution

## Manufacturing Facilities

- 1 state-of-the-art facility for Plywood at Uttarakhand
- 2 state-of-the-art facilities for MDF, first at Uttarakhand and second at Andhra Pradesh, being the largest in the country



# Growth Outlook



## Industry Drivers

- More expected construction
- Higher disposable income
- Need for urbanisation

## Product Profile

- Focus on enhancing value added contribution

## Advertising and Promotional Spends

- Expected Ad spends of up to 1.5% of Net Sales to boost growth

## Financial Performance

- 50% growth in Plywood in FY 2020
- 60% growth in MDF in FY 2020

## Distribution Network

- A strong distribution network focus on increasing the network in the current year

## IT Initiatives

- Upgraded IT infrastructure
- Implemented SAP Hana to strengthen overall supply chain

# Manufacturing Facilities



## Plywood

- Pantnagar, Uttarakhand - 10.50 million square meters

## Medium Density Fibreboards (MDF)

- Pantnagar, Uttarakhand - 1,80,000 cubic meters (CBM)
- Chittoor, Andhra Pradesh - 3,60,000 cubic meters (CBM)

One Umbrella Brand



 **GREENPANEL<sup>®</sup>**

MDF • Wood Floors • Plywood • Veneers • Doors

**INDIA'S LARGEST**  
WOOD PANEL MANUFACTURER



## Mr. V. Venkatramani

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Thank you!

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