



Greenply/2018-19
November 12, 2018

The Manager
BSE Limited
Department of Corporate Services
Floor 25, P. J. Towers, Dalal Street
Mumbai - 400 001
Fax No. 022-2272-3121/1278/1557/3354
Security Code: 526797

The Manager
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E)
Mumbai - 400 051
Fax No. 022-2659-8237/8238/8347/8348
Symbol - GREENPLY

Dear Sir/Madam,

Sub: Presentation on un-audited financial results for the quarter and half year ended 30th September, 2018

With reference to the captioned subject, please find enclosed Presentation on un-audited financial results for the quarter and half year ended 30.09.2018 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

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Registered Office : Makum Road, Tinsukia - 786125, Assam, India | Corporate Identity Number : L20211AS1990PLC003484



GREENPLY INDUSTRIES LIMITED

FINANCIAL RESULTS PRESENTATION
Q2 & H1 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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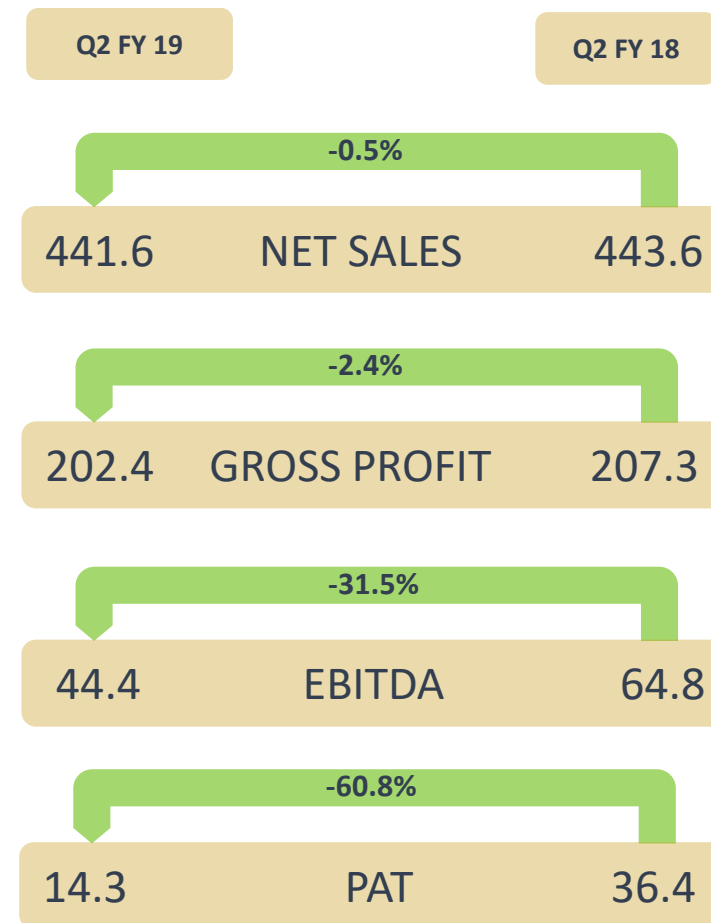
FINANCIAL HIGHLIGHTS – Q2 FY 2019

- **Net Sales down by 0.5% YoY to Rs. 441.63 crores**
 - Plywood revenues up by 11.4% YoY to Rs. 352.97 crores, contributing 79.9% of net sales
 - MDF revenues down by 28% YoY to Rs 87.63 crores, contributing 19.8% of net sales
 - Unallocated Segment comprising of Wallpaper, Solid Surface etc. contributed Rs 1.03 crores
- **Gross margins fell by 190 bps YoY to 44.8%**
 - Due to fall in sales realisations
- **EBITDA margins down by 460 bps YoY to 10.0%**
 - Significant fall in MDF volumes which has higher EBITDA margin
 - Loss of Rs 9.07 crores on foreign currency borrowings and outstanding for New MDF Plant
 - Ad expenditure to sales at 4.6% in Q2FY19 compared to 4.0% YoY
- **PAT down by 60.8% YoY to Rs. 14.26 crores compared to Rs 36.38 crores**
 - Due to reasons mentioned for fall in EBITDA margins
 - Increase of Rs 14.18 crores in Interest cost due to currency losses on borrowings for New MDF Plant
- **Working capital cycle increased by 11 days y-o-y and reduced by 6 days q-o-q**
- **Net debt to equity at 0.80 as on 30th September, 2018 as compared to 0.65 as on 30th September, 2017**

FINANCIAL HIGHLIGHTS – Q2 FY 2019



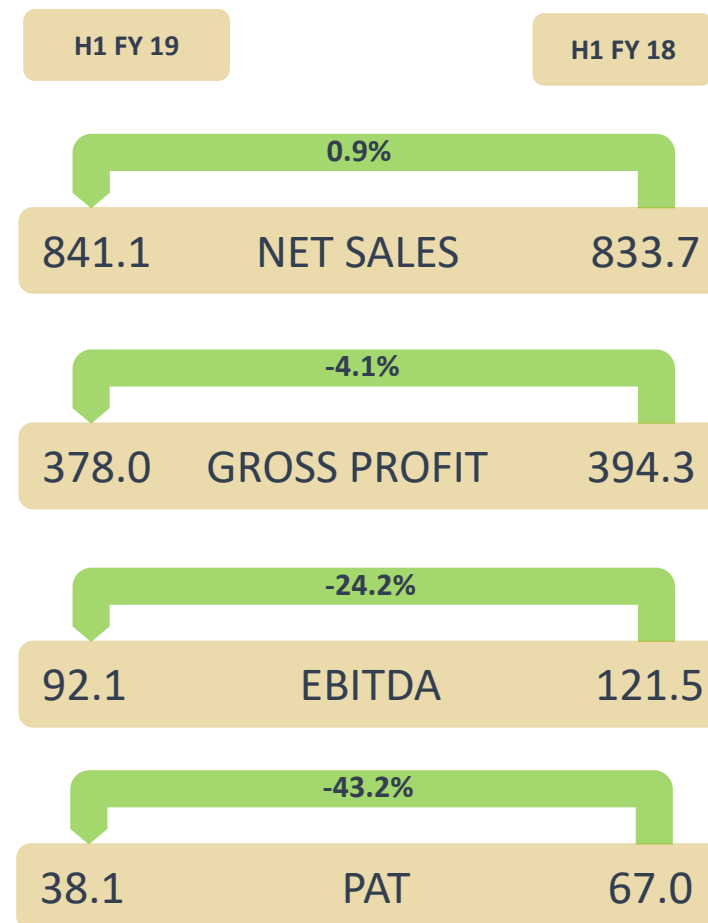
Key ratios (%)	Q2 FY19	Q2 FY18
Gross Margin	44.8%	46.7%
EBITDA Margin	10.0%	14.6%
EBIT Margin	6.1%	12.0%
Net Margin	3.2%	8.2%
Ad and promotions / Net Sales	4.6%	4.0%
Staff Cost/ Net Sales	12.3%	10.8%
Logistics cost / Net Sales	5.7%	5.4%
EPS (Rs.)	1.17	2.97



FINANCIAL HIGHLIGHTS – H1 FY 2019



Key ratios (%)	H1 FY19	H1 FY18
Gross Margin	44.9%	47.3%
EBITDA Margin	11.0%	14.6%
EBIT Margin	7.5%	11.8%
Net Margin	4.5%	8.0%
Ad and promotions / Net Sales	4.6%	3.9%
Staff Cost/ Net Sales	12.5%	11.3%
Logistics cost / Net Sales	5.6%	5.6%
EPS (Rs.)	3.11	5.46



FINANCIAL HIGHLIGHTS – B/S PERSPECTIVE



Balance Sheet Snapshot (Rs. crore)	Sept 30, 2018	Sept 30, 2017	March 31, 2018
Net worth	944.86	847.88	915.05
Total debt	752.49	554.25	652.46
▪ Long Term Debt (Including Current Maturity)	591.42	422.15	483.98
▪ Short Term Debt	161.07	132.10	168.48
Capital Employed	1697.89	1402.13	1568.83
Cash and cash equivalents	14.10	28.03	29.65
Fixed Assets	1288.65	1014.68	1253.38
Receivables	303.80	350.21	284.40
Payables	249.27	236.35	211.01
Inventories	280.57	169.41	208.25

FINANCIAL HIGHLIGHTS – B/S PERSPECTIVE



Key Ratios	Sept 30, 2018	Sept 30, 2017	March 31, 2018
Inventory (days)	61	37	46
Debtor (days)	66	77	63
Creditor (days)	54	52	47
Working Capital Turnover (days)	73	62	62
RoE	8.1%	15.8%	14.8%
RoCE – Pre-Tax	7.4%	14.0%	12.7%
RoCE – Post-Tax	7.6%	10.4%	9.3%
RoE (Excluding New Investments)	8.2%	21.5%	20.7%
RoCE – Pre-Tax (Excluding New Investments)	7.5%	23.8%	23.9%
RoCE – Post-Tax (Excluding New Investments)	7.7%	17.6%	17.5%
Net Debt / Equity (x)	0.80	0.65	0.71

FINANCIAL RESULTS H1 & Q2 FY2019

(Rs. in lakhs)



Particulars	3M 30.09.2018	3M 30.06.2018	3M 30.09.2017	6M 30.09.2018	6M 30.09.2017	12M 31.03.2018
Income						
a) Revenue from operations	44,830.69	40,488.27	44,609.74	85,318.96	86,770.92	1,70,413.55
b) Other income	273.36	183.55	100.24	456.91	152.62	378.20
Total Income	45,104.05	40,671.82	44,709.98	85,775.87	86,923.54	1,70,791.75
Expenses						
a) Cost of materials consumed	19,556.11	19,249.81	15,533.52	38,805.92	32,211.50	63,961.24
b) Purchase of stock-in-trade	7,802.16	6,338.90	5,541.97	14,141.06	11,826.01	26,253.78
c) Changes in inventories	(2,979.31)	(3,656.52)	2,555.05	(6,635.83)	(96.08)	(1,809.31)
d) Employee benefits expense	5,429.71	5,084.27	4,776.62	10,513.98	9,428.41	18,520.24
e) Finance costs	2,350.58	286.12	229.91	2,636.70	557.61	947.23
f) Depreciation and amortisation expense	1,726.31	1,186.03	1,137.41	2,912.34	2,323.86	4,481.41
g) Excise duty expense	-	-	-	-	2,376.99	2,376.99
h) Other expenses	10,859.19	8,881.94	9,827.85	19,741.13	19,028.49	37,140.08
Total Expenses	44,744.75	37,370.55	39,602.33	82,115.30	77,656.79	1,51,871.66
Profit before tax	359.30	3,301.27	5,107.65	3,660.57	9,266.75	18,920.09
Tax expense						
a) Current tax	34.12	795.63	1,201.09	829.75	2,097.42	4,065.61
b) Deferred tax	(1,100.89)	123.58	268.67	(977.31)	468.35	1,285.02
Total tax expense	(1,066.77)	919.21	1,469.76	(147.56)	2,565.77	5,350.63
Net Profit after tax	1,426.07	2,382.06	3,637.89	3,808.13	6,700.98	13,569.46
Other Comprehensive Income/(Loss) (net of tax)	29.85	29.85	118.80	59.70	270.00	119.41
Total Comprehensive Income for the period	1,455.92	2,411.91	3,756.69	3,867.83	6,970.98	13,688.87
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
Other equity						90,279.11
Earnings per equity share (of ₹ 1/- each)						
Basic and Diluted (₹) (* Not annualised)	1.17*	1.94*	2.96*	3.11*	5.46*	11.07

SEGMENTAL PERFORMANCE – H1 & Q2 FY2019

(Rs. in lakhs)

Particulars	3M 30.09.2018	3M 30.06.2018	3M 30.09.2017	6M 30.09.2018	6M 30.09.2017	12M 31.03.2018
Segment Revenue						
a) Plywood and allied products	35,685.20	30,805.13	31,924.78	66,490.33	60,762.09	1,20,320.09
b) Medium density fibreboards and allied products	9,042.05	9,456.77	12,178.86	18,498.82	25,231.37	48,788.38
c) Others	103.44	226.37	506.10	329.81	777.46	1,305.08
Total Revenue from Operations	44,830.69	40,488.27	44,609.74	85,318.96	86,770.92	1,70,413.55
Segment Result						
a) Plywood and allied products	3,635.17	3,010.03	3,702.81	6,645.20	6,371.77	11,462.24
b) Medium density fibreboards and allied products	(564.93)	1,604.77	2,940.12	1,039.84	5,915.76	12,558.65
c) Others	(42.15)	(686.54)	(189.13)	(728.69)	(299.04)	(403.44)
Total	3,028.09	3,928.26	6,453.80	6,956.35	11,988.49	23,617.45
Less: (i) Finance costs	2,350.58	286.12	229.91	2,636.70	557.61	947.23
(ii) Other unallocable expenditure	318.21	340.87	1,116.24	659.08	2,164.13	3,750.13
Total Profit before Tax	359.30	3,301.27	5,107.65	3,660.57	9,266.75	18,920.09
Segment Assets						
a) Plywood and allied products	80,894.62	76,452.79	75,008.18	80,894.62	75,008.18	77,968.34
b) Medium density fibreboards and allied products	1,32,004.83	1,29,770.82	96,881.57	1,32,004.83	96,881.57	1,19,543.69
c) Others	1,845.74	1,889.13	2,051.56	1,845.74	2,051.56	1,735.75
d) Unallocated	7,084.55	6,880.66	6,650.95	7,084.55	6,650.95	6,399.01
Total segment assets	2,21,829.74	2,14,993.40	1,80,592.26	2,21,829.74	1,80,592.26	2,05,646.79
Segment Liabilities						
a) Plywood and allied products	47,781.26	43,828.79	40,924.34	47,781.26	40,924.34	45,671.44
b) Medium density fibreboards and allied products	74,144.05	68,727.54	46,789.48	74,144.05	46,789.48	61,543.73
c) Others	1,651.80	308.80	1,710.53	1,651.80	1,710.53	405.02
d) Unallocated	3,766.42	8,210.98	6,380.42	3,766.42	6,380.42	6,521.22
Total segment liabilities	1,27,343.53	1,21,076.11	95,804.77	1,27,343.53	95,804.77	1,14,141.41



SEGMENT WISE PERFORMANCE



Particulars	Plywood					
	Q2FY19	Q2FY18	Var (%)	H1 FY 19	H1 FY 18	Var (%)
Net sales (Rs. crore)	352.97	316.91	11.4%	659.00	573.91	14.8%
EBITDA margin (%)	11.5%	11.0%		11.4%	10.6%	
EBIT margin (%)	9.9%	9.1%		9.6%	8.4%	
Annual capacity (million sqm.)	35.4	32.4		35.4	32.4	
Production (million sqm.)	10.59	8.88	19.3%	19.42	17.03	14.0%
Sales volume (million sqm.)	15.54	13.74	13.1%	29.29	24.82	18.0%
Utilisation (%)	120%	110%		115%	105%	
Average realisation (Rs./sqm.)	223	226	-1.3%	221	227	-2.6%

Particulars	MDF					
	Q2FY19	Q2FY18	Var (%)	H1 FY 19	H1 FY 18	Var (%)
Net sales (Rs. crore)	87.63	121.66	-28.0%	178.77	251.98	-29.1%
EBITDA margin (%)	4.7%	26.0%		13.6%	25.2%	
EBIT margin (%)	-8.3%	21.7%		4.0%	21.0%	
Annual capacity (cubic metre)	540000	180000		540000	180000	
Production (cubic metre)	56256	41961	34.1%	91767	94521	-2.9%
Sales volume (cubic metre)	37563	45767	-17.9%	73774	95651	-22.9%
Utilisation (%)	42%	93%		51%	105%	
Average realisation (Rs./cum.)	23194	26576	-12.7%	24145	26336	-8.3%



Joint Managing Director's Message

Commenting on the performance for Q2 FY2019, Mr. Shobhan Mittal, Joint Managing Director and CEO, Greenply Industries Ltd. said,

“This has been a tough quarter. Overall Net Sales was stagnant although the plywood vertical grew by 11.4%. However a significant fall in MDF volumes and a major depreciation of the Rupee had a huge negative impact on MDF and overall margins and profitability. Rupee depreciation had a negative impact of Rs 22.9 crores on the results for this quarter.

We are putting strong efforts to ensure that the numbers start improving from the next quarter onwards .

We will continue to focus on improving cash management in subsequent quarters”

COMPANY OVERVIEW

CAPACITY UTILIZATION

- Plywood 106% utilization (FY 18); further demand being catered through outsourcing
- MDF 100% utilization (FY 18); New unit in AP with 360000 CBM capacity has commenced commercial production from 01.07.2018.

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.

FINANCIAL PERFORMANCE

- Net Sales, EBIDTA and PAT CAGR of 4.4%, 7.4% and 15.1% respectively over FY14-18

STRONG RETURN RATIOS

- Pre-tax ROCE of 23.9% and Post-tax ROCE and ROE of 17.5% and 20.7% in FY18 (excluding investments for new projects).

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. 17 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; 30% share of domestic MDF market
- Large investments in advertisements and promotional activities over the years

WELL ENTRANCHED 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% of Net Sales

FINANCIAL PERFORMANCE

- 12-15% growth in Plywood in FY 2019
- 40%+ growth in MDF in FY 2019
- Plywood Margin expected to improve by 100 basis points with increased usage of Gabon Face Veneers

DISTRIBUTION NETWORK

- To increase the number of distributors and retailers going forward

IT INITIATIVES

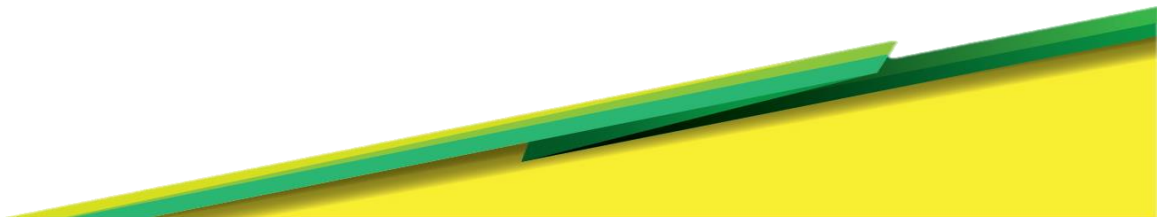
- Upgrading IT infrastructure – implemented SAP Hana to strengthen overall supply chain
- Implemented Microsoft CRM Module

EXPANSION PLANS

- Plywood - Increase outsourcing proportion to 30% from 22% presently over the next 3 years
- Expansion in face veneers operations in Gabon
- Bamanbore unit has commenced commercial production of decorative veneers
- MDF - New plant in Andhra Pradesh with capacity of 360000 CBM has commenced commercial production on 1st July 2018



ANNEXURE



MANUFACTURING FACILITIES / PRODUCTION MODEL

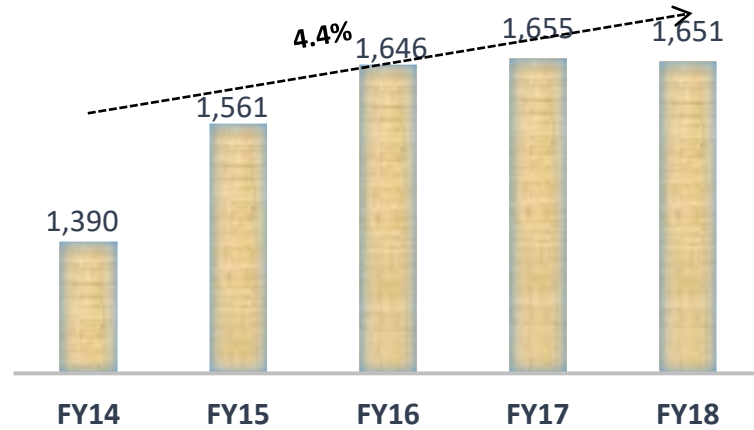


	Facilities	Production Model												
PLYWOOD	<table border="1"> <thead> <tr> <th>Location</th> <th>Capacity (mn sqm.)</th> </tr> </thead> <tbody> <tr> <td>Tizit, Nagaland</td> <td>4.50</td> </tr> <tr> <td>Kripampur, West Bengal</td> <td>6.00</td> </tr> <tr> <td>Pantnagar, Uttarakhand</td> <td>10.50</td> </tr> <tr> <td>Bamanbore, Gujarat</td> <td>14.40</td> </tr> <tr> <td>Total Capacity</td> <td>35.40</td> </tr> </tbody> </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 border="1"> <thead> <tr> <th>Location</th> <th>Capacity (cum.)</th> </tr> </thead> <tbody> <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> </tbody> </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													

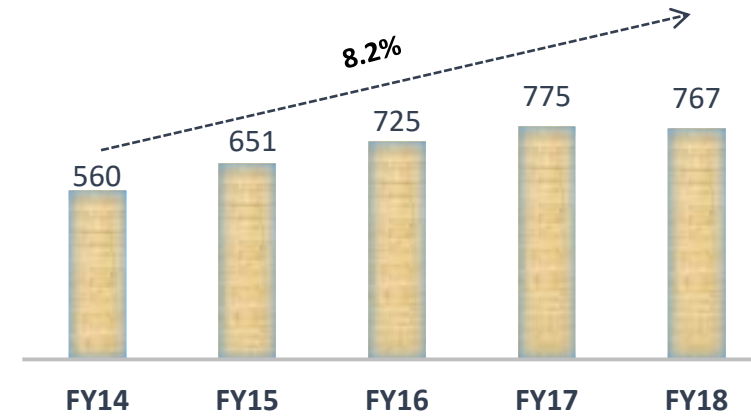


STRONG PERFORMANCE TRACK RECORD

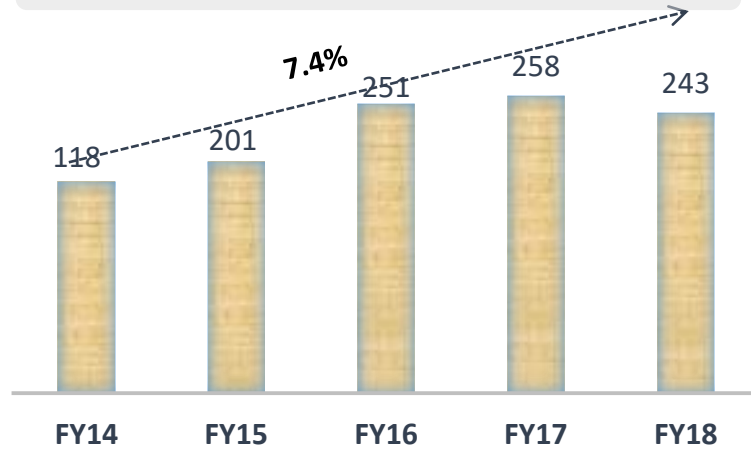
NET SALES



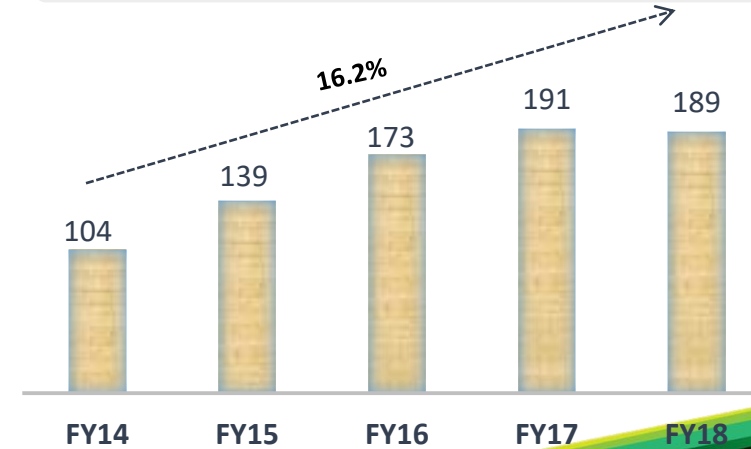
GROSS PROFIT



EBITDA



PBT





SEGMENT-WISE PERFORMANCE

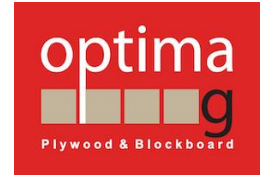
Plywood

Particulars	FY14	FY15	FY16	FY17	FY18	CAGR
Net sales (Rs. crore)	1,037.30	1,152.07	1,175.64	1,167.99	1,147.94	2.6%
EBITDA margin (%)	10.3%	9.1%	9.3%	11.2%	10.0%	-
EBIT margin (%)	7.9%	6.8%	7.2%	8.9%	7.9%	-
Annual capacity (million sqm.)	32.4	32.4	32.4	32.4	32.4	-
Production (million sqm.)	34.68	33.08	32.60	34.93	34.39	-
Sales volume (million sqm.)	44.51	46.11	48.25	50.30	51.08	3.5%
Utilisation (%)	107%	102%	101%	108%	106%	-
Average realisation (Rs./sqm.)	222	241	239	229	222	-

MDF

Particulars	FY14	FY15	FY16	FY17	FY18	CAGR
Net sales (Rs. crore)	352.72	408.51	476.16	476.74	471.70	7.5%
EBITDA margin (%)	21.6%	23.3%	28.5%	27.1%	28.8%	-
EBIT margin (%)	17.0%	18.5%	24.5%	22.7%	24.4%	-
Annual capacity (cubic metre)	180,000	180,000	180,000	180,000	180,000	-
Production (cubic metre)	136,723	161,229	177,382	189,171	180,736	7.2%
Sales volume (cubic metre)	137,932	161,424	177,953	184,905	179,908	6.9%
Utilisation (%)	76%	90%	99%	105%	100%	-
Average realisation (Rs./cum.)	25,552	25,238	26,723	25,764	26,202	0.6%

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 30 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 Club and Club Plus Premium Ply, Optima G, Ecotec, Green Panelmax and Green Floormax, to name a few.

For further information, please contact:

V.Venkatramani – Chief Financial Officer

Greenply Industries Limited

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