

Greenlam/2022-23

May 31, 2022



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
Email: corp.relations@bseindia.com

The Manager,
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (E)
Mumbai - 400 051
Fax No. 022-2659-8237/8238/8347/8348
Email: cmllist@nse.co.in

BSE Scrip Code: **538979**

NSE Symbol: **GREENLAM**

SUB: Result Presentation

Dear Sir/ Madam,

Pursuant to applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed the Presentation on the Q4 and FY 22 Financial Results of the Company.

The above is for your reference and record.

Thanking You,
Yours faithfully,

For **GREENLAM INDUSTRIES LIMITED**


PRAKASH KUMAR BISWAL
COMPANY SECRETARY &
VICE PRESIDENT - LEGAL



Encl: As Above



bettering



Greenlam
Industries Limited

Results Presentation
Q4 & FY22
May 30th 2022

www.greenlamindustries.com

Safe Harbour



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Decorative Laminate & Allied Products

Laminates

Commodity to Premium products



Compact Panels

Standard Compact Panels
Lab Guardian
Restroom & Locker Solutions
Clads - Façade Panels
Stratus Kitchen Solutions



MFC

Melamine Faced Chip Board



Veneer & Allied Products

Decorative Veneer

Natural Veneer
Teak Veneer
Engineered Veneer



Mikasa Floor

Engineered Wood Floor & matching accessories



Mikasa Door

Engineered Wood Door and Doorsets (Door + Frames)





Audited Consolidated Financials

Q4 & FY22

Business Updates for Q4FY22



- Due to National Capital Region air pollution issues, Commission of Air Quality Management (CAQM), ordered restriction on operation of manufacturing units in the region. Due to this our Behror plant operated for 5 days in a week from Jan 01 – Feb 04. W.e.f. Feb 04, 2022, the CAQM has allowed the plant to run on all 7 days without any restrictions. These restrictions resulted in loss of production for 10 days due to which impacted margins and inventory management
- The raw material prices have seen significant cost pressures during the year which continued in Q4 as well. To mitigate cost increase, we undertook price increase in domestic markets – approx. 3% and export markets – approx. 5%. The same shall get implemented in Q1FY23
- Working capital days improved by 2 days and stood at 74. Net debt stood at INR 169 crores as on March 31, 2022
- Greenlam raised its maiden secured and listed Non-Convertible Debentures (NCD) in Feb 2022 for INR 99 crores
- During the quarter the equity shares of the company were sub-divided from face value of Rs. 5/- each to Re. 1/- each
- The board of directors have recommended Final dividend of Rs. 1.20/- per share of Rs. 1 each subject to approval by the shareholders of the Company at its ensuing Annual General Meeting

Business Updates for FY22



- The ensuing year saw multiple headwinds
 - As multiple COVID-19 waves hit the country which led to curbs, restrictions and lockdowns hitting business
 - Our Behror plant was temporarily closed due to National Capital Region air pollution issues. This led to total loss of business of 25 days
 - Significant increase in raw material cost during the year
 - Logistics challenges as delays in availability of containers and vessels continue to hit shipments both, inwards and outwards

- In spite of these challenges we posted strong financial performance
 - Overall revenues up by 42% with laminate business up by 46.1%
 - Highest laminate production 16.77 mio sheets with capacity utilization of 107%
 - Overall price increase of 10%+ already implemented in last financial year. Further increase undertake in Q1FY23 to mitigate cost increase in Q4FY22. However, these price hikes are with some time lag
 - Improvement across net working capital with NWC days at 81 as compared to 88 days a year ago
 - Long Term Credit Rating upgraded to 'AA-' (Stable) from 'A+' (Stable)
 - Net debt at INR 169 crores after infusing INR 60 crores in subsidiaries towards projects

Consolidated Financial Performance



Profit and Loss Statement

INR Crores	Q4FY22	Q4FY21	YoY%	Q3FY22	QoQ%	FY22	FY21	YoY%
Net Revenue	463.4	415.3	11.6%	449.7	3.0%	1,703.4	1,199.6	42.0%
Raw Material	255.5	213.0		250.4		944.3	601.6	
Gross Profit	207.9	202.4	2.7%	199.3	4.3%	759.1	598.0	26.9%
Gross Margin %	44.9%	48.7%	(380) bps	44.3%	60 bps	44.6%	49.8%	(520) bps
Employee Cost	67.6	67.0		65.5		259.4	207.9	
Other Expenses	90.7	68.3		80.5		312.7	216.9	
EBITDA	49.6	67.1	-26.1%	53.4	-7.1%	187.0	173.3	7.9%
EBITDA Margin %	10.7%	16.1%	(540) bps	11.9%	(120) bps	11.0%	14.4%	(340) bps
Other (Income)/Cost	(1.3)	(3.0)		(2.0)		(7.3)	(7.6)	
Interest	3.3	3.5		4.1		14.1	16.9	
Depreciation	14.5	14.1		15.3		58.5	55.6	
PBT Before Exceptional Items	33.0	52.6	-37.2%	36.0	-8.2%	121.7	108.4	12.3%
PBT Margins%	7.1%	12.7%	(560) bps	8.0%	(90) bps	7.1%	9.0%	(190) bps
Exceptional Items	-	12.4		-		2.6	12.4	
PBT	33.0	40.2	-17.8%	36.0	-8.2%	119.1	96.0	24.1%
Tax	7.4	9.3		9.1		28.6	22.3	
PAT	25.7	30.9	-17.0%	26.9	-4.6%	90.6	73.7	22.9%
PAT Margin %	5.5%	7.4%	(190) bps	6.0%	(50) bps	5.3%	6.1%	(80) bps

Consolidated Financial Performance



Balance Sheet

INR Crores	Mar-22	Mar-21	INR Crores	Mar-22	Mar-21
Shareholders Fund	655.1	573.9	Non-Current Assets	527.0	495.5
Share Capital	12.1	12.1	Fixed Assets	473.3	428.2
Reserves & Surplus	642.3	561.4	Goodwill	3.2	3.1
Minority	0.7	0.5	Other Non-Current Assets	50.4	64.3
Borrowings	345.3	248.4	Current Assets	857.3	682.5
Long Term Borrowing	182.9	108.8	Inventories	503.4	378.1
Short Term Borrowings	162.3	139.6	Trade receivables	130.1	135.9
Liabilities	358.9	355.7	Cash and Bank Balances	15.8	18.7
Trade Payables	255.8	222.8	Current Investment	160.7	106.4
Other Liabilities	128.1	132.9	Other Current Assets	47.2	43.4
Total Liabilities	1,384.2	1,178.0	Total Assets	1,384.2	1,178.0

Previous year figures have been regrouped/reclassified wherever necessary

Consolidated Financial Performance



Laminates & Allied Segment

INR Crores	Q4FY22	Q4FY21	YoY%	Q3FY22	QoQ%	FY22	FY21	YoY%
Net Revenue from Operations	423.9	365.6	15.9%	408.1	3.9%	1,556.3	1,065.3	46.1%
Gross Profit	192.6	183.0	5.2%	183.2	5.1%	701.0	544.2	28.8%
Gross Margin %	45.4%	50.1%	(470) bps	44.9%	50 bps	45.0%	51.1%	(610) bps
EBIDTA	54.7	65.5	-16.6%	54.1	1%	197.6	178.1	10.9%
EBIDTA Margin %	12.9%	17.9%	(500) bps	13.3%	(40) bps	12.7%	16.7%	(400) bps
Capital Employed*	507	489		581		507	489	

*The capital employed has been regrouped and reclassified as capital employed related to Projects have been classified under 'Unallocated'

Consolidated Financial Performance



Laminates & Allied Segment

Particulars	Q4FY22	Q4FY21	YoY%	Q3FY22	QoQ%	FY22	FY21	YoY%
Annual Capacity (Mn Sheets)	15.62	15.62		15.62		15.62	15.62	
Capacity for the period	3.91	3.91		3.91		15.62	15.62	
Production (Mn Sheets)	4.14	4.36	-4.9%	3.88	6.7%	16.77	13.57	23.6%
Sales (Mn Sheets)	4.00	4.52	-11.5%	3.98	0.6%	16.53	13.46	22.8%
Capacity Utilization	106%	112%		99%		107%	87%	
Average Realisation (INR / Sheet)	1,012	780	29.7%	984	2.9%	901	765	17.8%

Consolidated Financial Performance



Veneers & Allied Segment

INR Crores	Q4FY22	Q4FY21	YoY%	Q3FY22	QoQ%	FY22	FY21	YoY%
Net Revenue from Operations	39.5	49.7	-20.6%	41.6	-5.2%	147.1	134.3	9.5%
Gross Profit	15.3	19.3	-21.0%	16.1	-5.4%	58.1	53.8	7.9%
Gross Margin %	38.7%	38.9%	(20) bps	38.8%	(10) bps	39.5%	40.1%	(60) bps
EBIDTA	(3.6)	1.5		(0.8)		(9.0)	(4.8)	
EBIDTA Margin %	-9.0%	3.0%		-1.8%		-6.1%	-3.6%	
Capital Employed	194	212		206		194	212	

Consolidated Financial Performance



Decorative Veneers

Particulars	Q4FY22	Q4FY21	YoY%	Q3FY22	QoQ%	FY22	FY21	YoY%
Annual Capacity (Mn Sqmt)	4.20	4.20		4.20		4.20	4.20	
Capacity for the period	1.05	1.05		1.05		4.20	4.20	
Production (Mn Sqmt)	0.29	0.48	-39.0%	0.30	-3.7%	1.11	1.08	2.9%
Sales (Mn Sqmt)	0.29	0.47	-37.9%	0.30	-3.0%	1.09	1.12	-3.1%
Capacity Utilization	28%	46%		29%		26%	26%	
Average Realisation (INR / Sqmt)	750	676	11.0%	808	-7.2%	764	691	10.4%

Consolidated Financial Performance



Engineered Wooden Floors

INR Crores	Q4FY22	Q4FY21	YoY%	Q3FY22	QoQ%	FY22	FY21	YoY%
Revenue	10.5	10.8	-3.1%	10.8	-2.5%	36.7	31.7	15.7%
EBITDA	(3.5)	(2.9)		(2.8)		(11.0)	(6.4)	
<i>Capacity Utilization</i>	<i>13%</i>	<i>16%</i>		<i>11%</i>		<i>11%</i>	<i>13%</i>	

Engineered Wooden Doors

INR Crores	Q4FY22	Q4FY21	YoY%	Q3FY22	QoQ%	FY22	FY21	YoY%
Revenue	6.9	7.0	-0.4%	6.5	6.5%	26.8	24.0	11.6%
EBITDA	(1.8)	(0.9)		(1.4)		(5.1)	(4.0)	
<i>Capacity Utilization</i>	<i>12%</i>	<i>24%</i>		<i>19%</i>		<i>18%</i>	<i>23%</i>	

Consolidated Financial Performance



Operating Parameters - Net Working Capital

Amount in INR Crores	Q4FY22		Q4FY21		Q3FY22		FY22		FY21	
	Amt	Days	Amt	Days	Amt	Days	Amt	Days	Amt	Days
Inventory	503.4	99	378.1	83	486.4	99	503.4	108	378.1	115
Debtors	130.1	25	135.9	30	127.9	26	130.1	28	135.9	41
Creditors	255.8	50	222.8	49	239.5	49	255.8	55	222.8	68
NWC	377.7	74	291.2	64	374.8	76	377.7	81	291.2	88

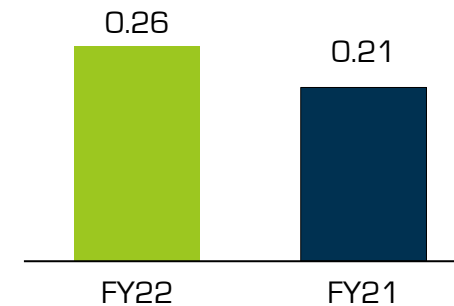
Consolidated Financial Performance



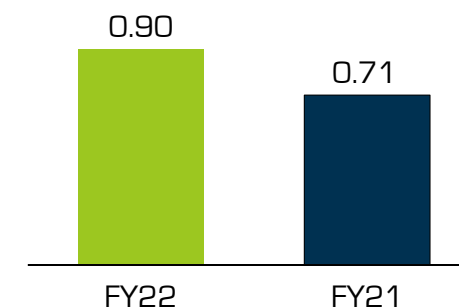
Debt Position is as under

INR Crores	FY22	FY21
Long Term Debt (Including current portion)	182.9	108.8
Short Term Debt	162.3	139.6
Total Debt	345.3	248.4
Cash & Bank Balance	15.8	18.7
Liquid Investments	160.7	106.4
Net Debt	168.8	123.3
Net worth	655.1	573.9
EBITDA	187.0	173.3
Net Debt-Equity Ratio	0.26	0.21
Net Debt-EBITDA Ratio	0.90	0.71

Net Debt-Equity Ratio



Net Debt-EBITDA Ratio



Previous year figures have been regrouped/reclassified wherever necessary

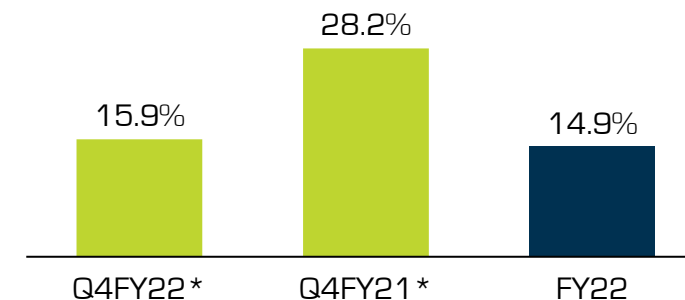
Consolidated Financial Performance



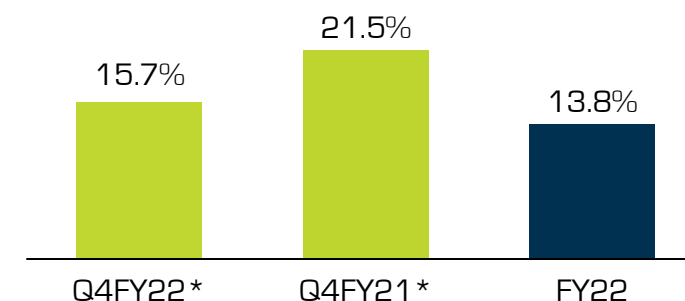
Return Ratios – ROCE & ROE

INR Crores	Q4FY22	Q4FY21	Q3FY22	FY22	FY21
EBIT	36.3	56.0	40.0	135.8	125.3
PAT	25.7	30.9	26.9	90.6	73.7
Capital Employed	1,017.2	841.4	905.4	1,017.2	841.4
Capital Employed (Ex-Projects)	911.8	796.4	835.3	911.8	796.4
Net Worth	655.1	573.9	628.8	655.1	573.9
ROCE[^]	14.3%	26.6%	17.7%	13.4%	14.9%
ROCE (Ex-Projects)[^]	15.9%	28.2%	19.2%	14.9%	15.7%
ROE	15.7%	21.5%	17.1%	13.8%	12.8%

ROCE (Ex- Projects) *



ROE



[^]ROCE is before exceptional items

*Annualized Basis



The Next Orbit

Next Orbit Update



Expansion plans			
	Laminate	Plywood	Particle board
Location	Naidupeta, Andhra Pradesh	Tindivanam, Tamil Nadu	Naidupeta, Andhra Pradesh
Annual Capacity	3.5	18.9	231000
UOM	Mn Sheets/Board	Mn SQM	CBM
Capex (Rs cr)	225	125	600
Revenue Potential (Rs cr)	500	400	600
Expected Commercial Production	Q4-FY2023	Q4-FY2023	Q4-FY2024

- The Company aims to invest Rs.950 crores over a period of 2-3 years, towards setting up of third Laminate plant and foray into Plywood and Particle Board business
- The Company shall set up 231,000 CBM **Particle Board** capacity and 3.5 mn sheets & boards per annum capacity of **High Pressure Laminate** at Naidupeta, in Andhra Pradesh
- The Company shall set up 18.9 mn sqm **Plywood capacity** in Tindivanam, Tamil Nadu under the newly acquired subsidiary HG Industries Limited

Next Orbit Update



- In respect of setting up of greenfield project for manufacturing of 3.50 million laminate sheets/boards per annum at Naidupeta in Andhra Pradesh by Greenlam South Limited ("GSL"), wholly-owned subsidiary of the Company, environment clearance and consent for establishment have been obtained, civil construction work has started, order for procurement of major equipment has been placed. The project is on schedule which is expected to commence commercial production by Q4 of F.Y. 2022-23
- In respect of setting up of greenfield project for manufacturing of 2,31,000 cubic meter particle board per annum at Naidupeta, Nellore in Andhra Pradesh by Greenlam South Limited ("GSL"), wholly-owned subsidiary of the Company, environment clearance and consent for establishment have been obtained, order for procurement of major equipment has been placed. The project is on schedule which is expected to commence commercial production by Q4 of F.Y. 2023-24
- In respect of setting up of greenfield project for manufacturing of 18.9 million square meter plywood per annum at Tindivanam, Tamilnadu by HG Industries Limited ('HGIL'), a subsidiary of the Company, consent for establishment has been obtained, civil construction work has started and order for procurement of major equipment has been placed. The project is on schedule which is expected to commence commercial production by Q4 of F.Y. 2022-23
- Financial closure for HGIL is done and we expect to complete the financial closure for GSL as per timelines



For further information, please contact:

Company :

Greenlam Industries Ltd.

CIN: L21016AS2013PLC011624

Mr. Ashok Sharma - CFO

Email: ashok.sharma@greenlam.com

www.greenlamindustries.com

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

Mr. Shogun Jain / Ms. Ami Parekh

shogun.jain@sgapl.net / ami.parekh@sgapl.net

+91 77383 77756 / +91 8082466052

www.sgapl.net