

GPIL/2020-2021
January 27, 2021

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

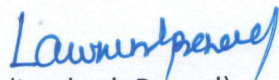
Dear Sir/Madam,

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 ended December 31, 2020.

Kindly take the same into record.

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



(Lawkush Prasad)

Company Secretary & AVP – Legal

ACS:18675

Encl: As above

Greenpanel Industries Limited

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CIN L20100AS2017PLC018272



Greenpanel Industries Limited

Financial Results Presentation
Q3 & 9M FY 2021

Disclaimer



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.

Contents



Financial Highlights

Financial Numbers

Segment Numbers

Segment Performance

From the Desk of MD & CEO

Company Overview

Growth Outlook

Manufacturing Facilities

Financial Highlights – Q3 FY2021



Net Sales up by 38.3% YoY to Rs. 311.59 crores

- Plywood revenues up by 6% YoY to Rs. 62.00 crores, contributing 20% of net sales
- MDF revenues up by 49.6% YoY to Rs. 249.59 crores, contributing 80% of net sales

Gross margins up by 370 bps YoY to 54.9%

EBITDA margins up by 680 bps YoY to 22.5%

- due to wastage reduction, cost optimization and operational leverage in both MDF and Plywood segments

PAT up by 2526% YoY to Rs. 34.31 crores

- EPS of Rs. 2.80 in Q3FY21 compared to Rs. 0.11 in Q3FY20

Working capital cycle at 33 days improved by 10 days YoY

Gross debt to equity at 0.66 as on 31 December 2020 Vs. 0.77 as on 31 December 2019. Net Debt reduced by Rs 47 crores, during Q3, to Rs 452 crores as on 31st December 2020.

Financial Highlights – Q3 FY21 vs Q3 FY20



Key ratios (%)	Q3 FY21	Q3 FY20
Gross Margin	54.9%	51.2%
EBITDA Margin	22.5%	15.7%
EBIT Margin	17.3%	8.4%
Net Margin	11.0%	0.6%
Sales Promotions / Net Sales	1.3%	0.9%
Employee Expenses / Net Sales	7.7%	10.6%
Logistics Cost / Net Sales	5.7%	5.2%
EPS (Rs.)	2.80	0.11

Financial Highlights – 9M FY21 vs 9M FY20



Key ratios (%)	9M FY21	9M FY20
Gross Margin	53.9%	52.1%
EBITDA Margin	17.6%	15.6%
EBIT Margin	9.8%	7.4%
Net Margin	3.0%	1.6%
Sales Promotions / Net Sales	1.2%	1.0%
Employee Expenses / Net Sales	10.5%	11.5%
Logistics Cost / Net Sales	5.3%	5.0%
EPS (Rs.)	1.49	0.78

Financial Highlights - Assets & Liabilities



Balance Sheet snapshot (INR crores)	9M FY 2021	9M FY 2020	FY 2020	FY 2019
Net Worth	715.19	689.88	696.89	680.37
Total Debt	472.20	534.19	542.79	578.57
▪ Long Term Debt (Including Current Maturity)	440.01	463.18	470.08	533.16
▪ Short Term Debt	32.18	71.01	72.71	45.42
Capital Employed	1210.70	1236.07	1251.68	1258.94
Cash and cash equivalents	20.67	2.40	9.37	18.10
Fixed Assets	1048.67	1107.64	1093.61	1121.36
Receivables	55.74	58.01	70.52	52.36
Payables	115.69	90.63	122.75	81.50
Inventories	135.02	126.99	153.89	130.81

Financial Highlights - Financial Ratios



Key Ratios	Q3 FY 2021	Q3 FY 2020	FY 2020	FY 2019
Inventory (days)	60	58	68	84
Debtor (days)	25	26	31	33
Creditor (days)	52	41	54	52
Working Capital Turnover (days)	33	43	45	65
RoE (%)	19.2%	0.8%	2.3%	6.5%
RoCE – Pre-Tax	17.8%	6.1%	4.9%	3.6%
RoCE – Post-Tax	15.6%	5.9%	5.1%	5.4%
Net Debt / Equity (x)	0.66	0.77	0.78	0.85

Financial Numbers Q3 FY2021



Key Financial Numbers (INR crores)	Q3 FY 2021	Q3 FY 2020	Q3 FY 2021 (% of Sales)	Q3 FY 2020 (% of Sales)
Sales	311.59	225.31		
Other Incomes	5.39	9.09	1.73%	4.03%
Material Consumption	140.61	110.02	45.13%	48.83%
Employee Expenses	23.95	23.84	7.69%	10.58%
Other Expenses	82.30	65.17	26.41%	28.93%
EBITDA	70.12	35.37	22.50%	15.70%
Finance Costs	12.96	16.91	4.16%	7.51%
Depreciation	16.10	16.44	5.17%	7.30%
Profit before Tax	41.06	2.02	13.18%	0.90%
Taxes	6.75	0.71	2.17%	0.32%
Profit after Tax	34.31	1.31	11.01%	0.58%
Earnings per share (INR)	2.80	0.11		



Financial Numbers 9M FY2021

Key Financial Numbers (INR crores)	9M FY 2021	9M FY 2020	9M FY 2021 (% of Sales)	9M FY 2020 (% of Sales)
Net Sales	615.85	603.13		
Other Income	16.19	21.38	2.63%	3.55%
Material Consumption	283.85	288.63	46.09%	47.86%
Employee Expenses	64.94	69.35	10.55%	11.50%
Other Expenses	174.83	172.65	28.39%	28.63%
EBITDA	108.42	93.88	17.61%	15.57%
Finance Costs	38.97	31.15	6.33%	5.17%
Depreciation	48.21	49.21	7.83%	8.16%
Profit before Tax	21.24	13.52	3.45%	2.24%
Tax Expense	2.95	4.01	0.48%	0.67%
Profit after Tax	18.29	9.51	2.97%	1.58%
Earnings per share (INR)	1.49	0.78		

Segment Numbers Q3 & 9M FY2021



Key Segment Numbers (INR crores)	Q3 FY 2021	Q3 FY 2020	9M FY 2021	9M FY 2020
Sales - Plywood	62.20	58.87	134.56	165.82
Sales - MDF	264.72	186.67	496.62	457.54
Total Sales	326.92	245.54	631.18	623.36
Segment Profit/(Loss) - Plywood	9.72	7.44	15.50	24.42
Segment Profit/(Loss) - MDF	55.15	20.90	71.54	48.86
Total Segment Profit/(Loss)	64.87	28.34	87.04	73.28
Finance Costs	12.96	16.92	38.97	31.15
Unallocated Expenses	10.85	9.41	26.83	28.61
Profit before Tax	41.06	2.01	21.24	13.52
Capital Employed - Plywood	63.85	85.94	63.85	85.94
Capital Employed – MDF	1043.99	1073.11	1043.99	1073.11
Capital Employed – Unallocated	102.85	77.01	102.85	77.01
Total Capital Employed	1210.69	1236.06	1210.69	1236.06

Segment Performance Q3 & 9M FY2021



Plywood Segment	Q3FY21	Q3FY20	Var (%)	9M FY21	9M FY20	Var (%)
Net Sales (INR crores)	62.00	58.47	6.0%	134.36	165.42	-18.8%
EBITDA Margin (%)	14.7%	11.5%		10.6%	13.2%	
EBIT Margin (%)	12.4%	8.6%		7.2%	10.0%	
Annual Capacity (million sqm)	10.5	10.5		10.5	10.5	
Production (million sqm)	2.29	2.12	8.0%	4.92	6.35	-22.5%
Sales Volume (million sqm)	2.52	2.25	12.0%	5.43	6.58	-17.5%
Capacity Utilisation (%)	87%	81%		62%	80%	
Average Realisation (INR/sqm)	244	259		246	250	

MDF Segment	Q3FY21	Q3FY20	Var (%)	9M FY21	9M FY20	Var (%)
Net Sales (INR crores)	249.59	166.84	49.6%	481.49	437.71	10.0%
EBITDA Margin (%)	24.5%	17.2%		19.6%	16.5%	
EBIT Margin (%)	18.6%	8.3%		10.5%	6.4%	
Annual Capacity (cubic metre)	540000	540000		540000	540000	
Production (cubic metre)	124952	77843	60.5%	233267	228068	2.3%
Sales Volume (cubic metre)	123723	86369	43.2%	240941	225667	6.8%
Capacity Utilisation (%)	93%	58%		57%	56%	
Average Realisation (INR/cbm)	20138	19296		19922	19358	

From the Desk of MD & CEO



Commenting on the performance for Q3 FY2021, Mr. Shobhan Mittal, Managing Director and CEO, Greenpanel Industries Limited said,

Business has gained momentum in Q3 FY 2021. MDF volumes have grown by 43.2% year-on-year and operating margins have improved by 727 basis points to 24.5%. Plywood volumes grew by 12% and operating margins have increased by 319 basis points to 14.7%. This is due to our continuous focus on reducing wastage, cost optimization and operational leverage. We have shown improvement on the working capital front too where net working capital days have shown reduction of 10 days year-on-year to 33 days as on 31st December 2020. We will continue to remain focused on working capital efficiency and debt reduction. We are targeting net debt of Rs 250 crores by 31st March 2022.

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[®]**

MDF • Wood Floors • Plywood • Veneers • Doors

INDIA'S LARGEST
WOOD PANEL MANUFACTURER



Mr. V. Venkatramani

Chief Financial Officer

Greenpanel Industries Limited

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Thank you!

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