



Transforming Spaces, Enriching Lives.

Investor & Analyst Presentation

November - 2015

www.greenlamindustries.com

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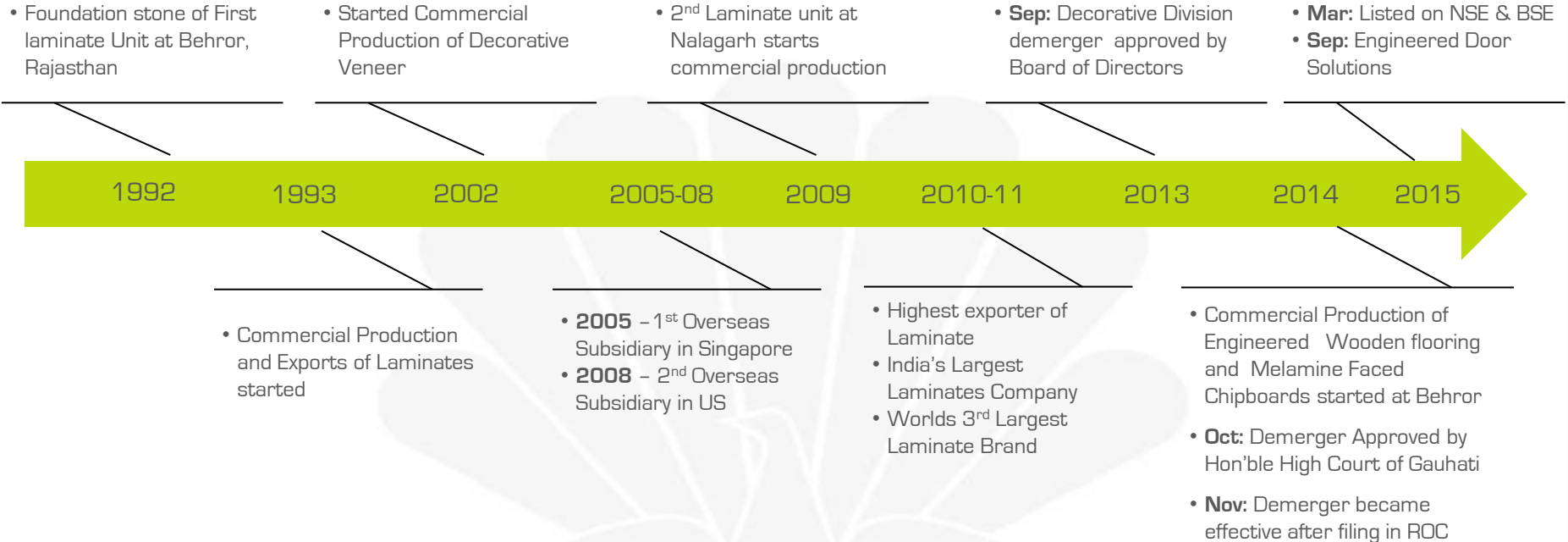
Unique
interior
surfacing
company that
transforms
living spaces
into **beautiful
and aesthetic
spaces.**

The world's 3rd & Asia's largest laminate brand

Adorns interior. Enhances pride.

Respected for innovation. Growing international presence. Trusted by designers.

Transformation...



Board Members



Mr. Shiv Prakash Mittal
Chairman



Mr. Saurabh Mittal
Managing Director & CEO



Ms. Parul Mittal
Director Marketing & Design



Mr. Vijay Kumar Chopra
Independent Director



Ms. Urvashi Saxena
Independent Director



Ms. Sonali Bhagwati Dalal
Independent Director

Management Team



Saurabh Mittal

Managing Director &
CEO



Parul Mittal

Director Design & Marketing



Ashok Sharma

Chief Financial
Officer



B L Sharma

President - Plant
Operations



Deepak Aadhar

Vice President -
HR, CSR, IT & Admin



Alex Joseph

Vice President -
Marketing



Anuj Sangal

Country Head Sales -
Laminate & Allied
Vertical



Anil Tyagi

Country Head Sales -
Flooring Vertical



Shivaji Mohinta

Country Head Sales -
Decorative Veneers



Lokesh Dutt

Vice President -
International Exports

Today we are

India's only Integrated and Largest manufacturer of
Decorative Surfacing Products from Laminate & Wood Panel Industry



Product Offerings

Laminate & Allied

Veneer & Allied

Laminate



Compacts



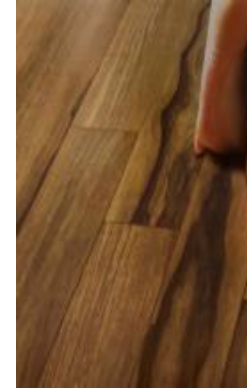
MFC



Decorative Veneers



Engineered Wood flooring



Engineered Doors



HPL

Specialty

Interior

Exterior

RC& Lockers

Prelam

Postlam

Ply Based

MDF Based

Laminate Based

Natural, Teak & Engineered Variants

Laminates & Allied Products

Our Product Range

Laminates

- Laminates are decorative surface material, used on top of a substrate like plywood, MDF or a particle board as a surface cover
- Greenlam laminate is the flag ship brand of Greenlam Industries Limited
- Market Leader in Laminates with a wide range of over 2500+ decors in over 50 textures
- Greenlam offers
 - Both standard and specialized laminate
 - Dimensions offered : 3'X7', 4'x8', 4'x10', 4.25'x10', 5'x12'
 - Thickness: 0.5mm - 1.5mm



Compact Laminates

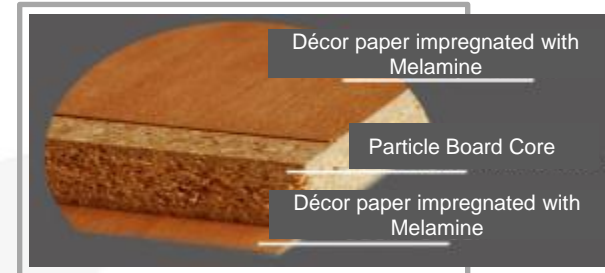
- Self Sustainable boards panels made with decorative surface papers with décor finish on both sides
- Our business is divided into three solutions
 - **BOARD | REST ROOM CUBICLE | FAÇADE CLADING**
- Greenlam Offers
 - Greenlam Anti-Bacterial Compact Laminates are "Green Guard - Children and School" certified
 - Lab Guardian – First to launch chemical resistant compact board in the country
 - Dimensions offered : 4'x8', 4'x10', 4.25'x10', 5'x12'
 - Thickness: 4mm – 25mm



Melamine Faced Chip Board

- MFC - Melamine Faced Chip Board is an engineered particle wood product
- Greenlam offers
 - Laminated MFC for the use in organised carpentry primarily by OEM's like modular furniture manufacturers, kitchen manufactures & like, supportig the laminate business
 - Vast World of coordinated colours patterns with matching edge bands
 - High Quality & Resolution with European and Japanese Decor Prints
 - Better Screw Holding Capacity
 - Smooth Surface Finish with precisely calibrated thickness
 - Dimension : 4'x8', 6'x8'

Structure of MFC – Pre Laminated



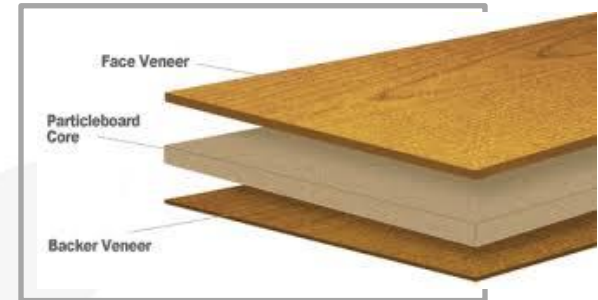
Decorative Veneer & Allied Products

Our Product Range

Decorative Veneers

- Largest manufacturer of Natural Wood Veneer in India with the largest manufacturing capacity
- Offers over 200+ exotic & imported natural veneer wood species
- We also added to the portfolio – Teak & Engineered Veneers
- Greenlam Offers
 - Many variants as compared to competition for various applications needs (Ply, MDF, Laminated Veneer & Fleece back)
 - We use high density hardwood plywood which provides durability and high product quality
 - Apart from the standard size of 4'x8', Greenlam offers specialised Demension like 4x10; 3x7 for door and panelling applications

Structure of a Veneer



Engineered Wood Flooring

- “Mi Casa , Su Casa” – Mikasa is the 1st Indian Brand of Engineered Wood Floors
- State of art manufacturing facility with Latest European technology
- Plant Integrated with decorative veneer facility driving better synergy in sourcing and manufacturing
- Highest range offering: 111 sku's
- All Raw Material & Hardwood imported from the best sources globally
- Fully supported with a warranty of upto 30 year , local expertise, pre; during and after sales
- Unique and proven glue less mechanism makes the installation of floors Durable & Convenient



Engineered Door Solutions (Door + Frame)*



- First organised company to launch engineered, factory finished, door solutions in the country
- Capacity : 120,000 Doors units / annum
- Investment : Rs 27 Crores
- Integrated with existing decorative veneer and engineered wood flooring, driving better synergy
- Facility in Behror, Rajasthan
- Operations commenced on 10th September 2015

We have what it takes to be No.1

Leadership in Manufacturing Capabilities

| | | |
|--|--------------------------|---|
| <i>Laminates & Compact Laminates</i> | 12.02 mn Sheets * | Largest in Asia |
| <i>Decorative Veneers</i> | 4.2 Mn Sqm | Largest in India |
| <i>Melamine Faced Chipboard - MFC</i> | 2 Mn Sqm | Complements the Laminates & Allied Products |
| <i>Engineered Wood Flooring</i> | 1 Mn Sqm | India's 1 st and only manufacturer |
| <i>Engineered Doors</i> | 0.12 Mn Doors ** | India's 1 st and only manufacturer |

* 20% capacity added (2mn sheets) in Q2 FY16

** Operations commenced on 10th September 2015

State of the Art Manufacturing Facilities



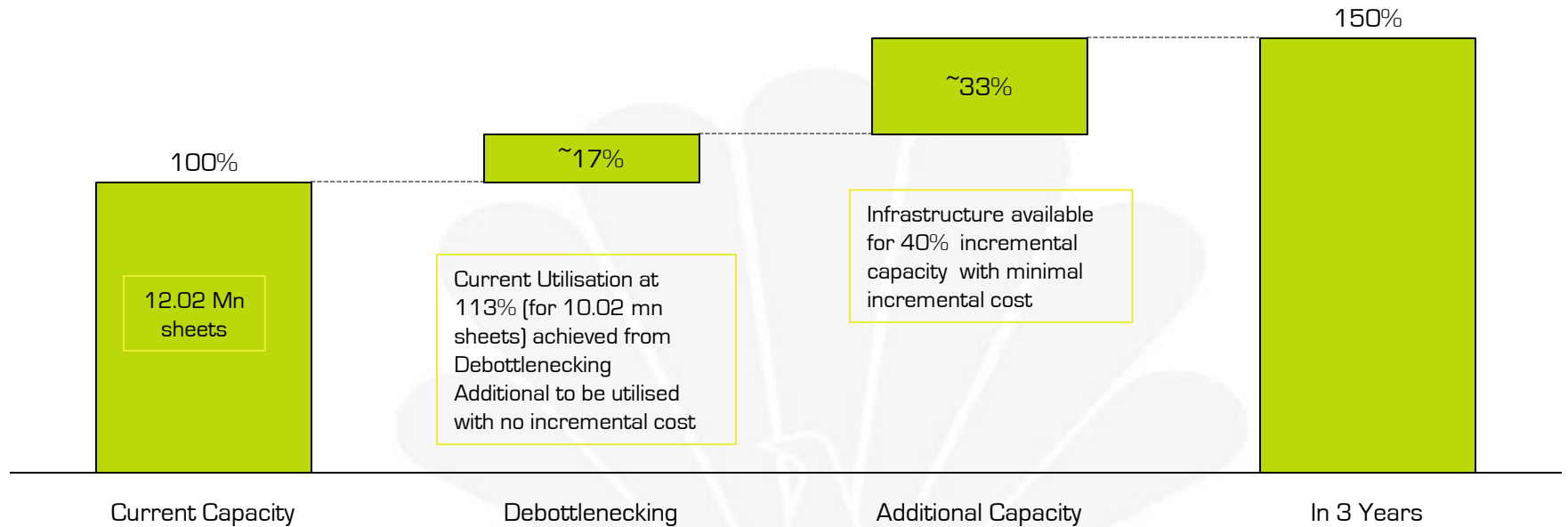
Laminates (Behror, Nalagarh)

Decorative Veneers (Behror)

Engineered Wood Flooring (Behror)

Engineered Doors (Behror)

Growth in Laminates...



...Without any significant capex in coming years

Strong Brand Equity

- Strong brand presences across the globe
- On awareness parameters, Greenlam enjoys the highest brand recall among specifier & homeowners*
- Trusted brand by designers & architects, trade & consumers for innovation in design trend, quality, availability & transparency
- Highest & sustained investment in brand building & promotion activities (Highest in the industry)



* Brand health study

India Network Presence – The Core strength

Greenlam has the widest & largest sales and distribution network in India

Pan India Presence

With **9** Company owned large Regional Distribution Centers

29 Branch offices

Over **500** sales staff

12000+ distributors, dealers & retailers – Largest in the country

Global Network Presence

11 International offices
including 3 subsidiaries

Over **100+** overseas employee

5 Company operated warehouses

100+
Countries

Greenlam is the only company from India to have the largest sales and distribution network **Globally**

Awards & Recognitions

Power Brands

Master Brand

100 Most valuable brand

Largest exporter award

1st Non American brand to get Greenguard Certification

1st Company in the country to trade in FSC product



Green Credentials...



Presence across: B2B & B2C



Brand Investments for Growth

Domestic - Print Campaigns- Mikasa & Decowood



Mikasa
REAL WOOD FLOORS

THE CAMPAIGN TO FLOOR EVERYONE

We are excited to announce the launch of Mikasa Real Wood Floors. Show up to floor your campaign in the best idea and value proposition. With the best campaign launch, we hope to make every floor a Mikasa floor.

For a real experience with real wood, visit the QR code or call 1800-446-6444. In 2020, it's time to download the Mikasa brochure. www.mikasa.com | 1-800-446-6444



NOW EVERYONE IS CELEBRATING THE BEST IN WOOD

We are excited to announce the launch of Decowood's "CELEBRATE THE BEST IN WOOD" print campaign across leading design and lifestyle magazines. The campaign is a result of our dedication to creating Decowood's veneer to be matched with natural wood. Together, we hope to establish Decowood as the market leader and create www.decowood.com in the future.

decowood
PREMIUM VENEERS

Domestic - Mikasa Floors Display Centres

Delhi



Mumbai



Domestic - Mikasa Doors Display



International - Greenlam - Interzum 2015 - Germany



International – Greenlam Range Launch



What Lies Ahead...

An Ocean Of Opportunities

India - Opportunities

Rural Demand

- Expanding rural retail penetration
- Increasing exposure of branded products
- There are a total of 9391 towns in India (Census 2011)

Real Estate Demand

- Market size of real estate in India is expected to reach \$180 bn by 2020
- Growth in Real Estate led by lower interest rates to provide additional delta

Demography

- 60% of Indian population below 30 years of age
- Increasing aspirational value for the urban consumer
- Spending on furniture & hard furnishings expected to reach ~\$20 bn by 2016

Organized Market

- GST is expected to provide impetus to organised players
- Commercial establishments like: office, retail, hospitality and healthcare increasing demand for branded products

Government Initiatives

- Increasing thrust on building smart cities
- FTA initiatives with the European Union

India - Opportunities

Growing markets for Niche Products

One stop shop for all decorative surface solutions

Laminates

Continue to maintain leadership with key management focus

Compact Laminates

Growing market for uses across Cladding, restroom cubicles, lockers

Decorative Veneers

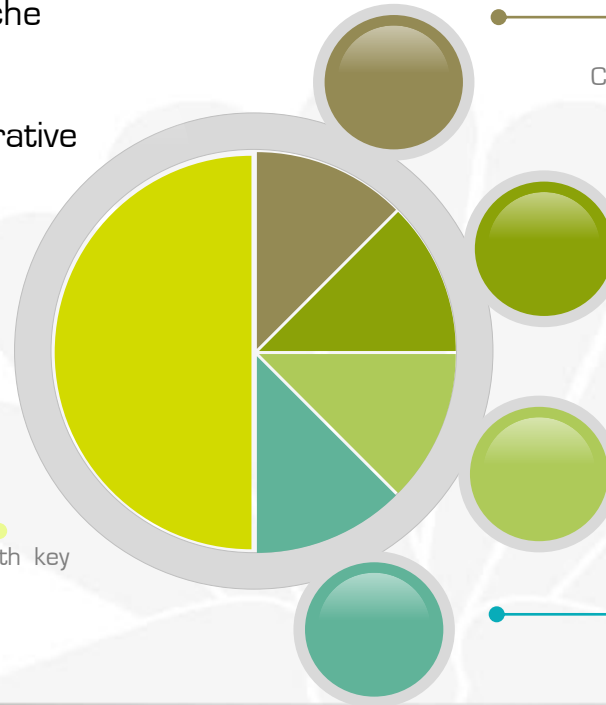
Offering more than 200 wood varieties to cater to the need for natural surfacing

Engineered Wood Flooring

Natural wood flooring catering to the growing inspirational needs

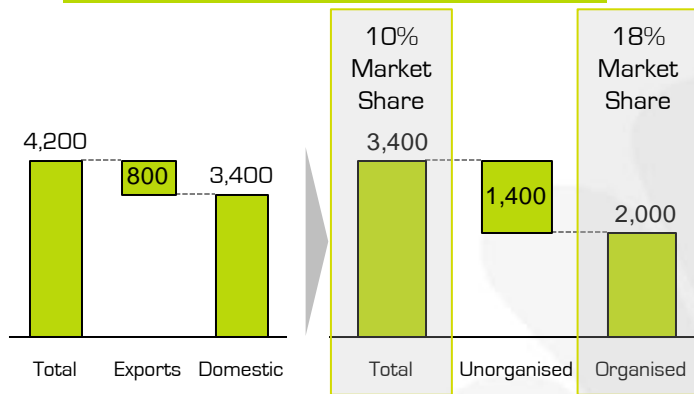
Engineered Doors + Frames

Only company to launch factory finished Doors + Frames in India



India - Opportunities – Laminates & Allied

Laminates Market Size in Rs Crores



113% Utilization from existing capacity of 10.02 Mn sheets p.a. In H1 FY16



Further demand to be met by additional capacity

Decorative Laminates

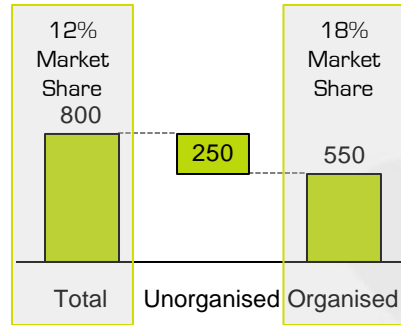
- New product launches will help in increasing the volume and value mix
- 20% Capacity expansion will help us gain more market share
- There is a visible shift from unorganised to organised segment
- Consumers are becoming more brand conscious

Compact Laminates

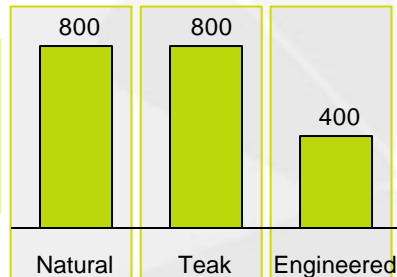
- Market expansion & growth in compact laminate segment
- **Façade** laminate is relatively a new product and is witnessing growth. Internationally façade laminate is a Big market and there are only few organised manufacturer in India
- Contemporary **Rest Room Cubicle** is also witnessing higher growth due to its vast acceptance and '**Swachh Bharat Mission**'

Opportunities – Decorative Veneers & Allied India Focused

Decorative Veneer Market Size in Rs Crores



800 → 2000
With 2 new products
2.5 times
increase in segment



Decorative Veneers

- Expansion into 2 newer product lines – Teak & Engineered
- Largest installed capacity in the country
- Brand enjoys, high equity among specifier segment
- Recognised as a trend setter and innovator in the industry
- Limited manufacturers, hence opportunity to grow is high
- Only manufacturer to offer various product variants in multiple dimensions

Opportunities – Decorative Veneers & Allied India Focused



Engineered Wood Floors

- We are the first and only manufacturer of Engineered Wood Floors in the country
- The Market is estimated at 2Mn.sqm
- Mikasa's Installed capacity is 1Mn.Sqm
- Category is witnessing a 20-25% growth
- No organised player
- Majority demand met through regional import

Opportunities – Decorative Veneers & Allied India Focused



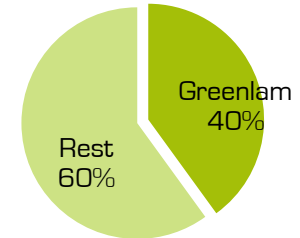
Engineered Doors (Door + Frame)

- Door (including flush door) market is estimated at 24mn annually
- Engineered Finished Door category is witnessing a 20 – 25% growth
- Greenlam is offering for the first time in India, ready to fit factory made, customised Door Solutions
- The solutions includes Aperture measurement, Door leaf, matching frame & hardware
- Greenlam's capacity at 120,000 units
- No organised players providing complete solution
- Greenlam will revolutionise the category by its complete offering

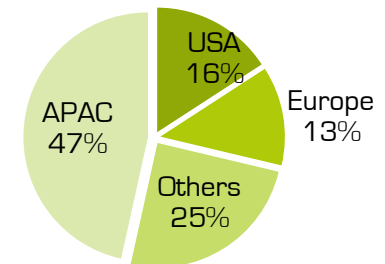
International Opportunities – Laminates & Allied

- Laminates industry globally is at \$7 Bn growing by 2% p.a.
- According to a study done by *Freedonia Group* the industry is expected to grow by 5.6% per year till 2018 reasons being
 - Increasing manufacturing of cabinets and ready-to-assemble (RTA) furniture made from engineered wood and laminates; Furniture and cabinets form 70% of the market as per usage
 - Cost and performance benefits Vs Wood Veneer and Paint
 - Increased market penetration
- Greenlam Exports grew at a CAGR of 22% over the past 5 years,
 - Premiumisation to unlock additional value
 - Value Proposition for the market – Top of the class, Superior quality, Top line international certifications & efficient manufacturing
 - Capitalise on existing network

Indian laminate exports Rs 800 Crs



Greenlam Exports FY15



Asia – Pacific (Excluding India)



- Asia Pacific market covers 15 countries
- Market Size – \$1.5 Billion
- This market is growing by 5%
- Greenlam has 7 offices in the region
- Major resources deployed in Asia PAC with higher scope for growth

Other Markets

European market

- Europe market covers 16 countries
- Market growth is stagnant
- Office in UK

North & South America markets

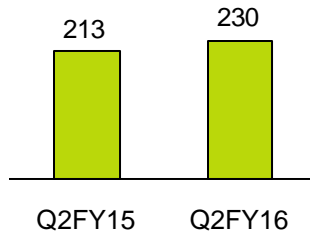
- Covers 11 countries
- This market is growing by 2%
- 2 Offices in United States



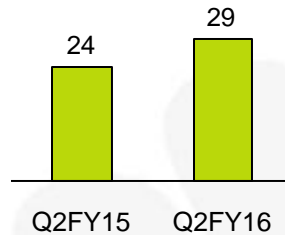
Financials

Performance - Q2 & H1 FY16

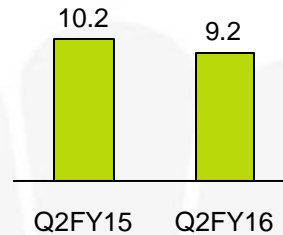
Revenue



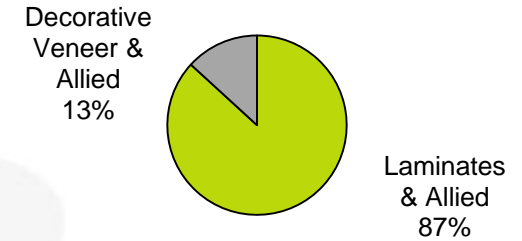
EBIDTA



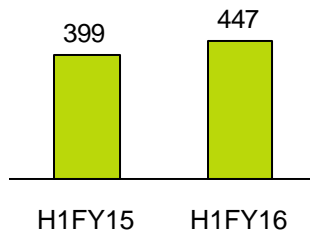
PAT



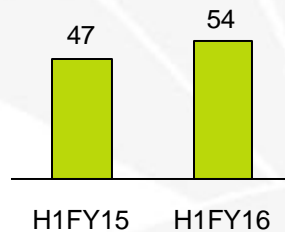
Segmental Revenue



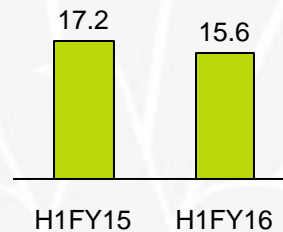
Revenue



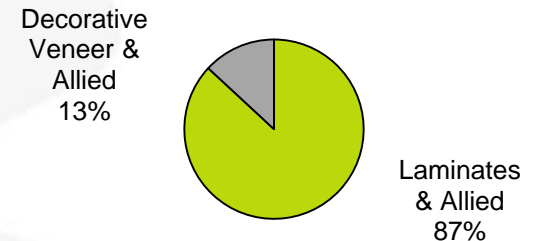
EBIDTA



PAT



Segmental Revenue



Highlights – Q2 FY16

- Revenues grew by 8% this quarter, led by good performance in
 - Domestic Sales with growth of 15%
 - Decorative veneers with growth of 21% (41% volume growth) backed by new launches
- Laminate capacity utilisation of 112%
- Launching of new variant led to enhanced Veneer capacity utilisation of 35%
- Doors facility has commenced operation with a capacity of 1,20,000 door units
 - The products will be marketed under the brand “ **Mikasa**”
- The capacity expansion for Laminates have been completed with the addition of 2 mn sheets at Nalagarh (HP) plant
 - Total laminate capacity currently stands at 12.02 mn sheets
- Greenlam Laminates received the **Top Exporter Award** from **PLEX Council** for the year FY 2014 & FY 2015 for Decorative Laminates

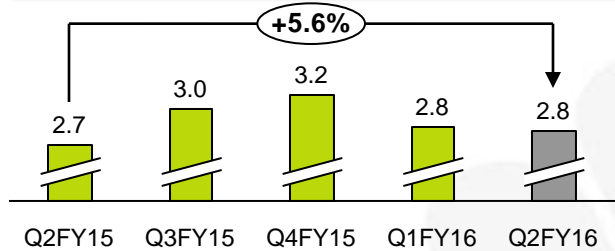
Laminates & Allied Products

| Rs. Crores | Q2 FY16 | Q1 FY16 | Q4 FY15 | Q3 FY15 | FY15 |
|--|--------------|---------|---------|---------|-------|
| Net Sales of Laminates & Allied Products | 199.7 | 188.7 | 197.5 | 192.9 | 745.2 |
| EBIDTA Margin % | 13.0% | 11.7% | 9.0% | 10.9% | 10.1% |
| Capital Employed | 322.0 | 337.3 | 331.8 | 355.3 | 331.8 |

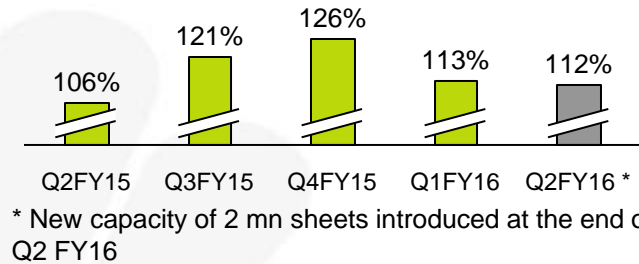
Note: The segments were formed post demerger, hence data for the previous period not available

Laminates & Allied Products

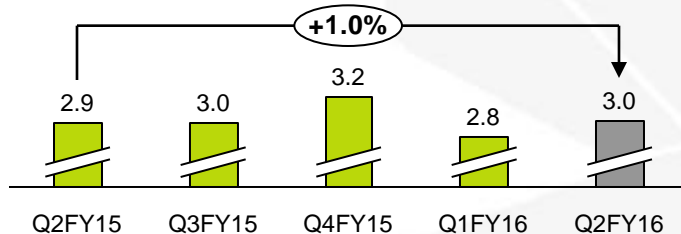
Production in Mn Sheets



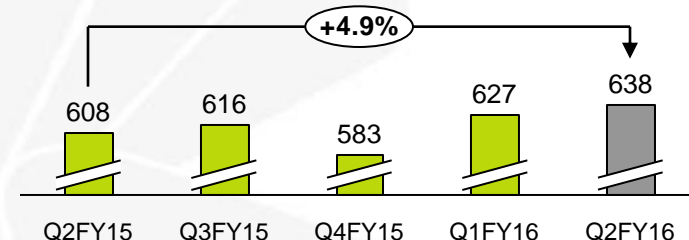
Capacity Utilization Annual Capacity of 10.02 Mn Sheets



Sales in Mn Sheets



Average Realisation (Rs/Sheet)



Decorative Veneers & Allied Products

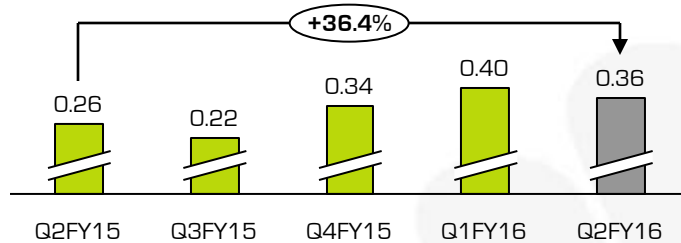
| Rs. Crores | Q2 FY16 | Q1 FY16 | Q4 FY15 | Q3 FY15 | FY15 |
|---|---------|---------|---------|---------|-------|
| Net Sales of Decorative Veneers & Allied Products | 30.4 | 28.3 | 33.8 | 21.85 | 99.4 |
| EBIDTA Margin % | 10.9%* | 9.7%* | 15.2% * | 8.6% * | 17.5% |
| Capital Employed | 174.6 | 156.1 | 142.4 | 130.0 | 142.4 |

Note: The segments were formed post demerger, hence data for the previous period not available.

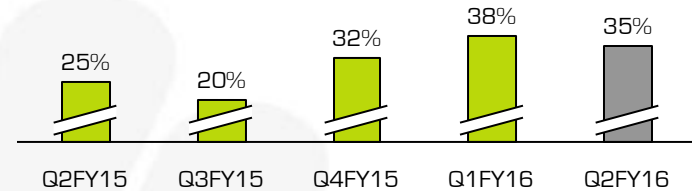
* Margins were impacted due to losses from new products which are going through a period of stabilisation

Decorative Veneers

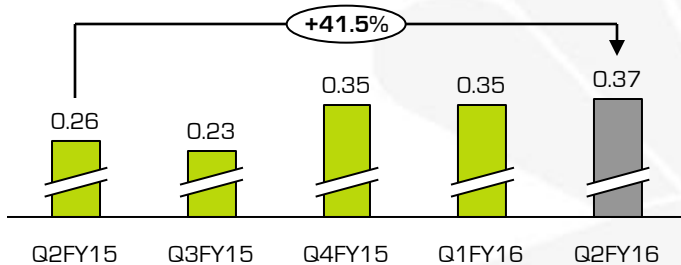
Production in Mn Sqmt



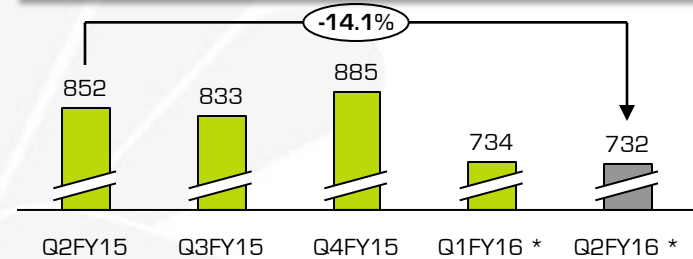
Capacity Utilization
Annual Capacity of 4.2 Mn Sqmt



Sales in Mn Sqmt



Average Realisation (Rs / Sqmt)



* Launch of new variants at competitive price points

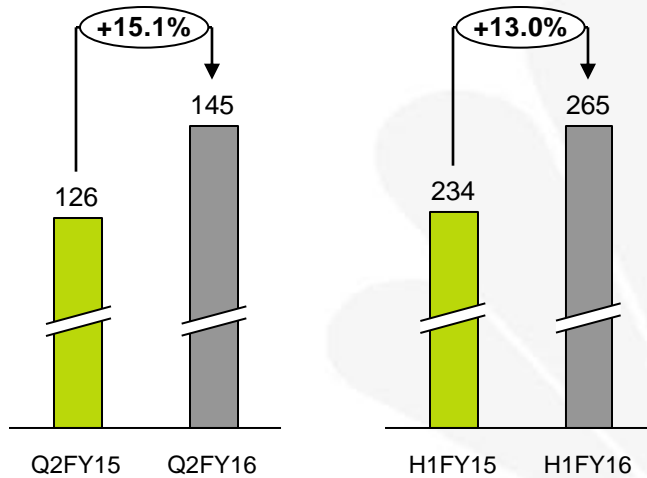
Profit and Loss

| Rs. Crores | Q2 FY16 | Q2 FY15 | YoY | H1 FY16 | H1 FY15 | YoY | FY15 |
|----------------------------|---------|---------|-------|---------|---------|-------|-------|
| Revenue | 230.1 | 212.6 | 8.2% | 447.1 | 398.6 | 12.2% | 844.6 |
| Raw Material | 128.1 | 131.5 | | 254.6 | 242.9 | | 511.5 |
| Employee Cost | 25.4 | 20.3 | | 50.3 | 38.3 | | 78.9 |
| Other Expenses | 47.2 | 37.1 | | 88.0 | 70.2 | | 161.3 |
| EBITDA | 29.3 | 23.7 | 23.8% | 54.2 | 47.2 | 14.8% | 92.9 |
| <i>EBITDA Margin</i> | 12.8% | 11.1% | | 12.1% | 11.8% | | 11.0% |
| Other Income | 0.2 | 0.5 | | 0.5 | 0.9 | | 1.4 |
| Interest | 7.5 | 6.4 | | 15.2 | 12.8 | | 26.8 |
| Depreciation | 7.5 | 7.1 | | 15.2 | 14.1 | | 30.2 |
| Exceptional Item | (0.2) | 0.3 | | -0.6 | 0.4 | | 1.8 |
| PBT | 14.9 | 10.4 | | 24.9 | 20.7 | | 35.5 |
| Tax | 5.6 | 0.2 | | 9.3 | 3.5 | | 8.9 |
| PAT | 9.2 | 10.2 | -9.5% | 15.6 | 17.2 | -8.8% | 26.6 |
| <i>Cash Accrual</i> | 16.7 | 17.2 | | 30.8 | 31.3 | | 56.8 |
| <i>Cash Accrual Margin</i> | 7.3% | 8.1% | | 6.9% | 7.8% | | 6.7% |

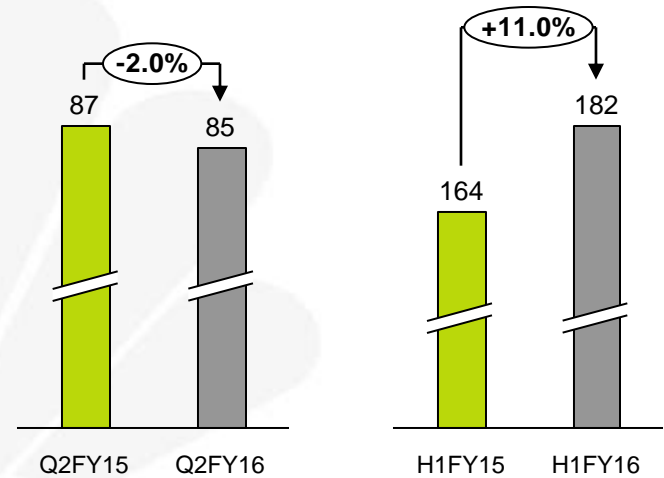
* Margins were impacted due to losses from new products which are going through a period of stabilisation

Geographic Segments

Domestic (Rs Crores)

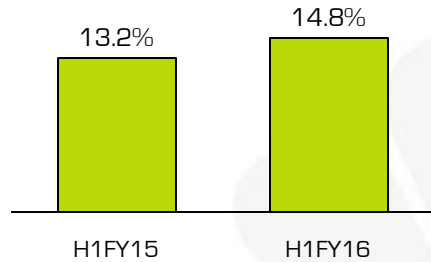


Exports (Rs Crores)



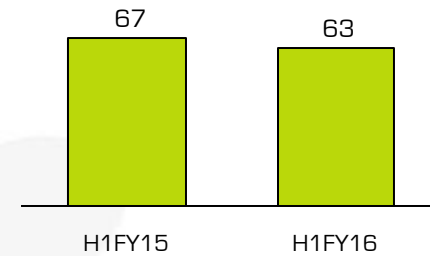
Performance Ratios

ROCE



| | H1FY15 | H1FY16 |
|------------------|--------|--------|
| Revenue | 398.6 | 447.1 |
| EBIT | 33.51 | 40.07 |
| PAT | 17.2 | 15.7 |
| Capital Employed | 508.2 | 540.7 |

Net Working Capital Days



| | H1FY15 | H1FY16 |
|---------------------|--------|--------|
| Inventory | 82 | 83 |
| Debtors | 52 | 51 |
| Creditors | 67 | 70 |
| Net Working Capital | 67 | 63 |

Balance Sheet

| Rs. Crores | Sep – 15 | Mar – 15 |
|---------------------------------------|----------|----------|
| Shareholder's Fund | 242.7 | 227.1 |
| Share capital | 12.1 | 12.1 |
| Reserves & Surplus | 230.6 | 215.0 |
| Non-Current Liabilities | 190.2 | 197.7 |
| Long term borrowings * | 160.7 | 174.5 |
| Other Non Current Liabilities | 29.5 | 23.2 |
| Current Liabilities | 311.7 | 289.0 |
| Short Term Borrowings / Buyers Credit | 119.0 | 93.0 |
| Trade Payables | 172.5 | 176.5 |
| Other current liabilities | 20.2 | 19.5 |
| Total Liabilities | 744.6 | 713.8 |

| Rs. Crores. | Sep - 15 | Mar - 15 |
|--------------------------|----------|----------|
| Non-Current Assets | 363.2 | 346.7 |
| Fixed assets | 338.0 | 320.6 |
| Non-Current Investments | 17.5 | 17.5 |
| Other Non-Current Assets | 7.7 | 8.6 |
| Current Assets | 381.4 | 367.1 |
| Inventories | 203.2 | 188.1 |
| Trade receivables | 124.4 | 118.1 |
| Cash and Bank Balances | 1.7 | 2.9 |
| Other current assets | 52.1 | 58.0 |
| Total Assets | 744.6 | 713.8 |

* Includes amounts due for repayment within one year

Way ahead...

- Continue the Growth momentum in
 - Laminate & maximize the utilization of existing capacity
 - Expanding the distribution network for newer variants of Veneer.
- Continue expansion of sales & distribution network
- Enhance the sales & distribution network for Brand “Mikasa”
 - Engineered Wood Flooring
 - Engineered Wood Doors & Frames

Thank You

For further information, please contact:

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