

Greenlam/2021-22
December 15, 2021

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BSE Scrip Code: **538979**

NSE Symbol: **GREENLAM**

SUB: Investor and Analyst Presentation

Dear Sir/ Madam,

Pursuant to applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Presentation to be used by the Company in the Virtual Investor & Analyst Meet scheduled to be held on December 16, 2021 to discuss Business Plan, Strategic Initiatives and the Way Forward.

The said presentation is also being uploaded on the website of the Company. Kindly note that changes may happen due to exigencies.

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



The Next Orbit

Forward-looking statement

In this presentation, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements written and oral that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

PART 1

Overview: The Next Orbit explained

The Next Orbit

Greenlam is at an inflection point.

In the coming years, the company will embark on its most decisive capital investments

This is expected to translate into large, profitable and sustainable growth

Graduating the company from one orbit into another

The Next Orbit at Greenlam

We now enter the next orbit of our existence.

This will be manifested in rethinking our business model

This will comprise a commitment to grow the business faster

This will comprise a commitment to visibly enhance stakeholder value

5 big messages of this presentation



Roadmap

We have charted out a 5 year strategic roadmap starting 2021



Growth

We intend to significantly grow our business starting 2021



One-stop

We will broaden our portfolio towards a one-stop solution



Discipline

We will deepen our financial discipline – across a larger scale



Funding

We expect our gearing to remain in control during this capex phase

This presentation is centered around a core idea



Whole

Sum of constituents

PART 2

Greenlam: A quick overview of where we have come from

What we are today: A quick glance



Size

Among the world's three largest laminate brands



Leadership

India's leading decorative veneer brand



Unique

India's only engineered wooden flooring manufacturer



First

India's first organized manufacturer of engineered wooden doors

Products and capacities

Products portfolio

Decorative Laminate & Allied Products



- Commodity to Premium products



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



- Melamine Faced Chip Board

Products portfolio

Veneer & Allied Products



Decorative Veneer



- Natural Veneer
- Engineered Veneer
- Teak Veneer



Engineered Wooden Floor



- Engineered Wooden Flooring & matching accessories



Engineered Wooden Doors



- Engineered Wooden Door and Door Sets

World-class manufacturing capabilities

Behror, Rajasthan

Nalagarh, Himachal Pradesh

Our installed capacity

Laminates and Allied Products:
15.62 million sheets

Decorative Veneer:
4.20 million sq.m.

Engineered Wooden Flooring:
1.00 million sq.m.

Engineered Wooden Doors:
0.12 million doors

What we have achieved within six years of listing

Sustained revenue growth
(5 years out of six years)

Sustained PAT growth
(5 years out of six years)

Sustained EBITDA margins growth
(5 years out of six years)

Sustained debt repayment
(4 years out of six years)

Revenues

PAT

EBITDA margin

Net worth

Market capitalization

1,029.8
Rs cr, 2015-16

1,199.6
Rs cr, 2020-21

37.7
Rs cr, 2015-16

73.7
Rs cr, 2020-21

12.3
%, 2015-16

14.4
%, 2020-21

245.2
Rs cr, 31 March 2016

573.9
Rs cr, 31 March 2021

1,201.8
Rs cr, 31 March 2016

2,262.3
Rs cr, 31 March 2021

In 6 years, we enhanced the robustness of our business...

Superior financial hygiene

<p>65</p> <p>Days, receivables cycle, FY 2015-16</p>	<p>41</p> <p>Days, receivables cycle, FY 2020-21</p>	<p>1.47</p> <p>Net Debt-equity ratio, FY 2015-16</p>	<p>0.21</p> <p>Net Debt-equity ratio, FY 2020-21</p>	<p>3.93</p> <p>X, Interest cover, FY 2015-16</p>	<p>13.94</p> <p>X, Interest cover, FY 2020-21</p>
<p>'A1'</p> <p>Short-term credit rating by CARE Ratings, FY 2015-16</p>	<p>'A1+'</p> <p>Short-term credit rating by ICRA and CARE Ratings, FY 2020-21</p>	<p>'A'</p> <p>Long-term credit rating by CARE Ratings, FY 2015-16</p>	<p>'AA-'</p> <p>Long-term credit rating (Outlook Stable) from ICRA and CARE Ratings, FY 2020-21</p>	<p>8.8</p> <p>%, Average debt cost, FY 2015-16</p>	<p>5.0</p> <p>%, Average debt cost, FY 2020-21</p>

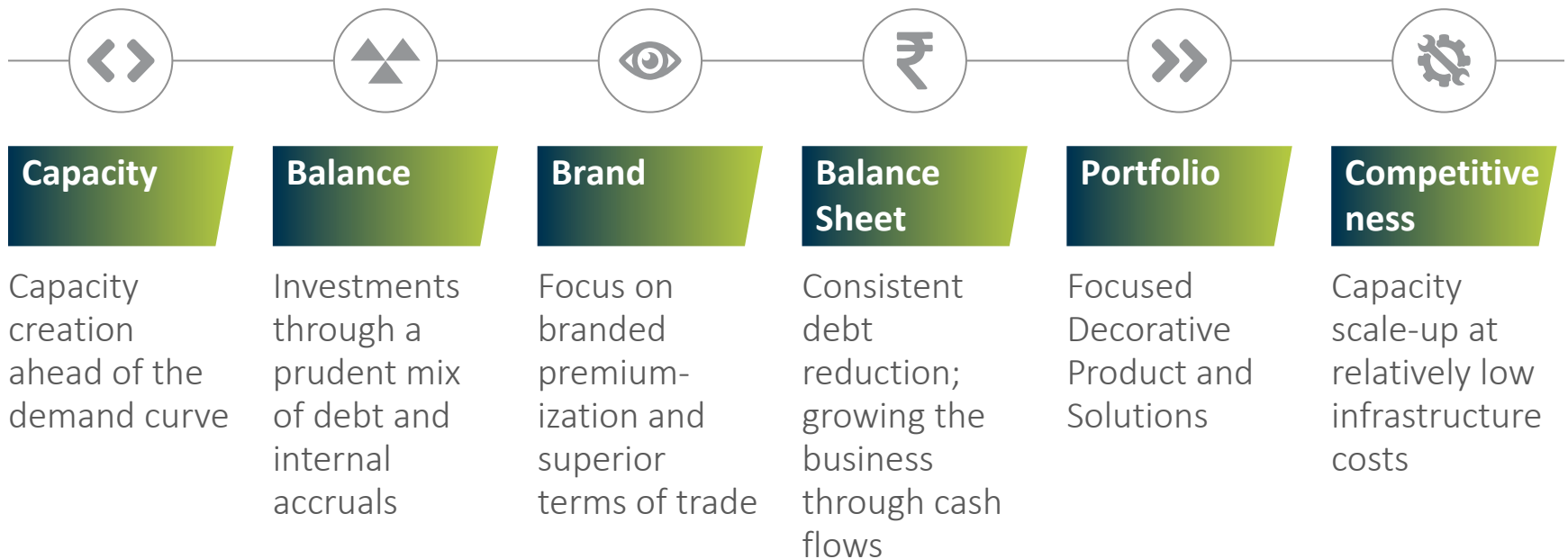
What Greenlam principally achieved in 6 years

Turned a business into cash flow-positive (inflows > outflows)

Demonstrated working capital hygiene across market cycles

Created cash and liquid investments of Rs 125.1 crore (31 March 2021)

The business discipline that got us here



The sales infrastructure that made us an outperformer

9

Number of regional distribution centers

21

Number of branch offices

5

Number of warehouses

14,000+

Number of distributors and retailers

4,500+

Number of employees

4

Number of international distribution centers

15

Number of international offices

8

Number of operational overseas subsidiaries

100+

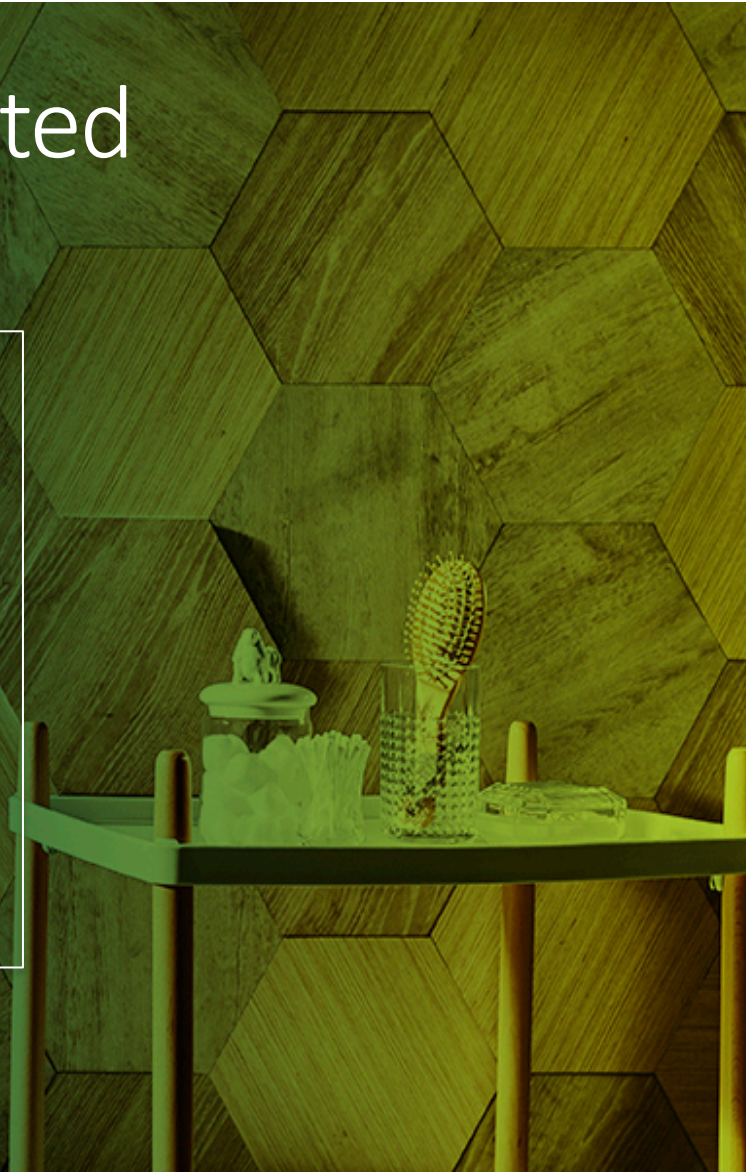
Number of international employees

100+

Number of countries of presence

What Greenlam validated in the last six years

- Vision clarity coupled with robust implementation
- Responsiveness to economic and sectorial challenges
- Smooth supply chain and trade partner support
- Sustained brand/portfolio growth; innovation and certification competence
- Successful contrarian (entering spaces / market cycles / premiumisation)

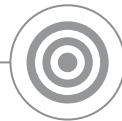


The values we have lived in the last 6 years



Trust

Trust people to be reliable and responsible and earn their trust similarly



Performance

We value performance across products, people and processes



Learning

We encourage learning, creating and nurturing talent



Speed and agility

We are quick to decide, respond and execute



Team work

We achieve more by collaboration with all stakeholders – internal and external

Greenlam: How this approach created a strong leadership presence

Among the world's top three laminates manufacturer



Presence in 100+ countries



International revenue comprised 52% of total revenues



Leadership across existing businesses

The big message

If this is what
Greenlam achieved
in 6 years from its
existing business ...

... the time has
come to extrapolate
this capability
across additional
revenue engines

PART 3

Where Greenlam is poised;
where it seeks to go

At Greenlam, we see 5 consumer trends emerging

One

Aspiration to live and work in better surroundings

Two

A greater willingness to buy based on a superior long-term price-value proposition (as opposed to the lowest cost)

Three

Greater need for convenient product access and interiors implementation

Four

Consumer desire to buy all products from a single outlet or brand

Five

Greater willingness to buy from companies committed to ESG compliance

There are two options in the way we respond to these trends

One

Organic growth
momentum

Two

Disruptive
growth
approach



Our goal

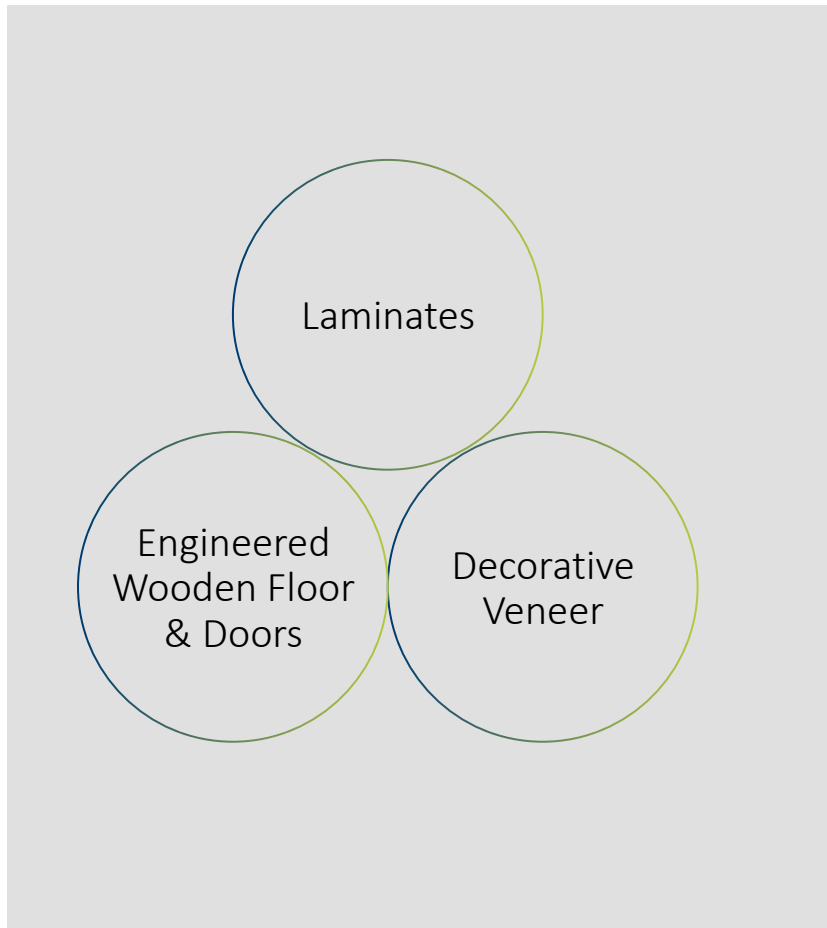
To graduate from standalone surfacing products provider to an integrated (surface and substrate) solution provider

▶

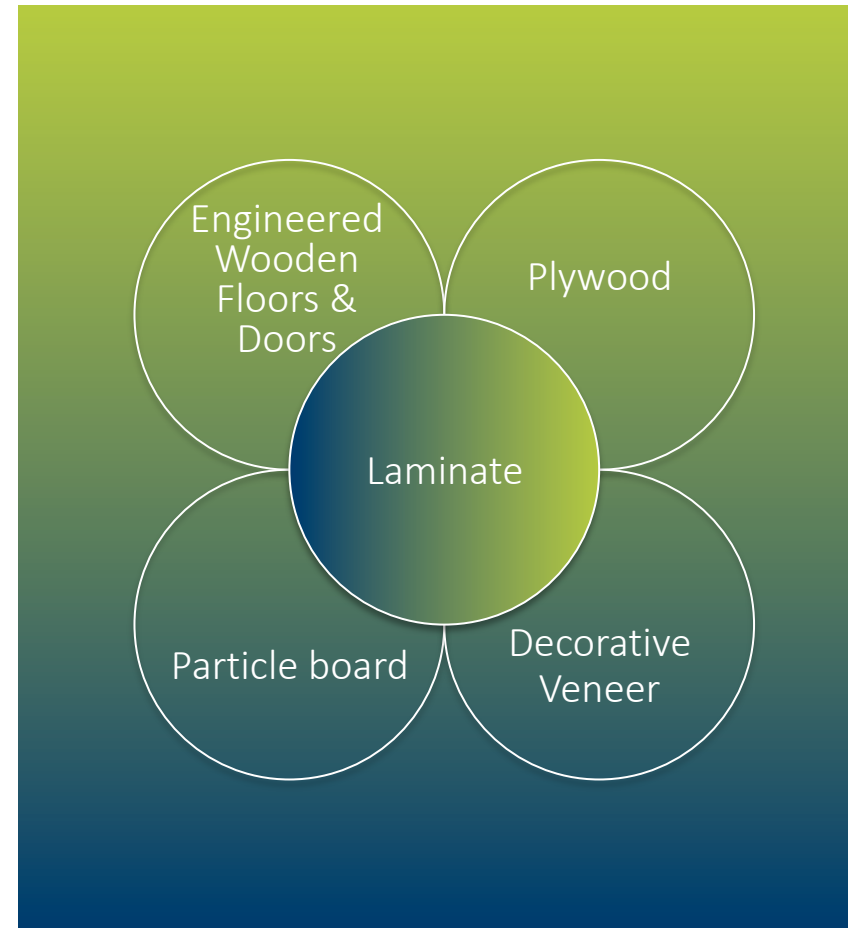
To grow from a position of respect to first recall

To emerge as India's leading wood panel player

These are the product segments where we are present



These are the product segments where we intend to be



What we are engaged in doing

Building a new Greenlam



Well-rounded profile; cross-sale-driven Greenlam



Servicing all wood panel needs at a single stop



Extending from decorative wood to commercial wood panel categories



Addressing demand across the value chain



Covering the entire wood panel products range

How this multi-business approach will enhance stakeholder value



Customers (primary)

Increase dealer throughput; enhance trade loyalty



Customers (secondary)

Address complete wood panel needs of consumers



Shareholders

Existing business to be sustained through existing accruals; revenue cum profit growth; enhanced RoCE



Vendors

Superior terms of trade based on higher volumes



Lenders

Secured debt repayment and timely interest servicing

What this approach can do for our business

Create a long-term platform
for relevant
product buckets

Mature our
business (scale
and scope)

Enhance
business
stability and
sustainability

What makes our expansion and diversification attractive

Market

- Large or rapidly growing market segments
- Some segments considered sunrise in India

Greenlam

- Large complementary products portfolio
- Cross-sale to catalyse revenues

Our attractive addressable markets

Where we are

Laminates

9,000

Rs cr, size of India's
laminates market

Veneers

2,000

Rs cr, size of India's
veneers market

Where we intend to enter

Plywood

30,000

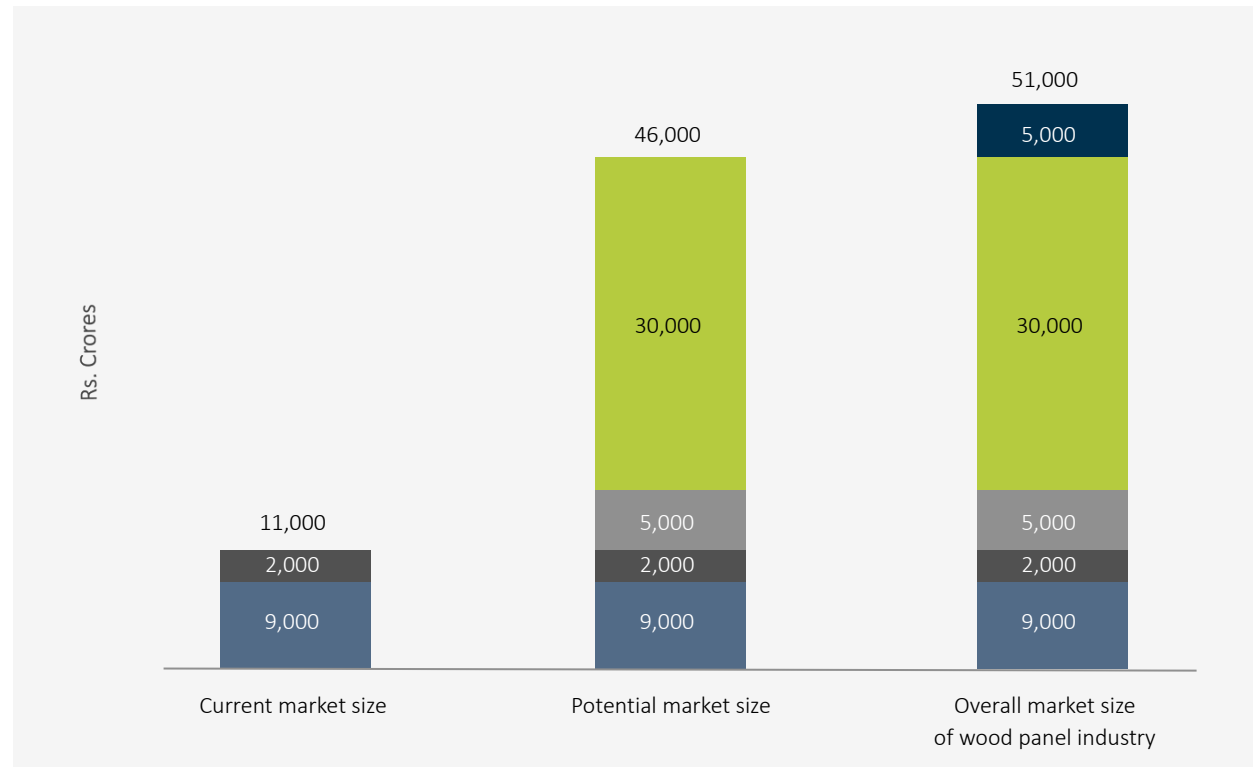
Rs cr, size of India's
plywood market

Particle board

5,000

Rs cr, size of India's
particle boards
market

Our cumulative market opportunity



■ Laminate Segment ■ Veneer Segment ■ Particle Board Segment ■ Plywood Segment ■ MDF Segment

This is how the reinvention is likely to grow our company

What we are

1,200

Rs cr, Revenues, FY
2020-21

What we intend to become

To treble our revenues, FY 2025-26

28*

Number of years it
took for us to grow to
our present scale

5

Number of years it
could take to treble
this

**Since commissioning of the first laminate plant at
Behror, Rajasthan*

PART 4

Greenlam and India's plywood sector

Nature of
the sector

Growth
opportunities

Rationale
for our
entry

Plywood business: An overview

30,000 Rs cr,
plywood
market size

Our big picture

Greenlam intends to emerge in the top three of India's plywood sector

Greenlam's plywood strategy

18.9

Mn SQM, projected
annual capacity of our
plywood unit

125

Rs cr, estimated capital
expenditure of our
plywood unit

Q4 FY23

Expected date of
commercial production

400

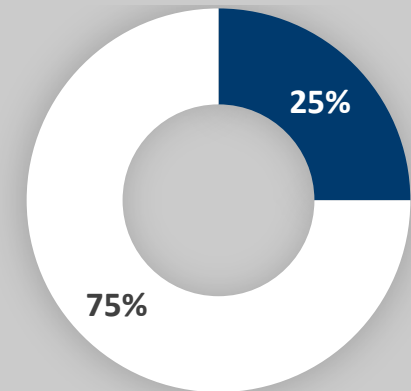
Rs cr, estimated revenue
generation potential

Tindivanam,
Tamil Nadu

Location of our plywood
unit

The nature of the plywood sector

- Building block of India's rapidly growing wood panel industry
- Rs 30,000 cr sector, largely dominated by unorganized players
- The organized sector constitutes of two national brands and a mix of regional brands
- Presence of only two large organized players represents growth room
- Opportunity to carve away unorganized sector market share



■ Organized + Regional
■ Unorganized

Bottomline: Opportunity for Greenlam to emerge among India's three leading national brands

India's plywood sector's inflection point



Indian market occupied by branded, emerging regional brands and unorganised players



Trend towards formalization; organized players will win



Consumers more willing to pay for superior quality



Attractive headroom in enhancing sectoral quality standard



Greater consumer propensity in buying all surface and substrate products from a single stop

The big inflection trend: Unorganized plywood sector yielding ground after decades

Unable to address raw material cost volatility



Unable to pass cost inflation to consumers



Unable to manage increased working capital requirements



Unable to extend beyond the commodity and low realizations trap



Unable to address regulatory compliances



Unable to address declining consumer trust due to inferior product quality

What's driving India's plywood segment

Economy

- Indian GDP expected to grow 7%-plus; to emerge as a USD 5 Trillion economy by late Twenties
- Sustained increase in disposable incomes
- Driven by all round growth (housing, retail, hospitality and commercial)

Behavioral

- Lower price sensitivity; greater respect for branded products

Sector

- Low mortgage finance rate to sustain sectoral growth
- Regulatory changes of GST/E Way bill to enhance organized sector role
- Dearth of credible quality-driven brands
- India's furniture market expected to emerge as USD 27 Billion-plus by 2023
- Growing preference for mechanized furniture driven by product standardization, delivery and installation

Our proposed entry into the plywood business: What it will do for Greenlam



Synergic portfolio to enhance cross-sale



New and sustainable revenue engine



Opportunity to emerge in India's top three within the segment



Complete solution provider (surface and substrate products)



Leverage the rich Greenlam goodwill across users and influencers

The projected competitiveness of our plywood business

Manufacturing

Investment in cutting-edge equipments

Projected efficiency higher than sectorial standard

Superior plywood quality to create a benchmark

Location

Proposed manufacturing location in South India

Presence in largest branded plywood consuming region

Availability of raw material from agro forestry

Distribution

Leveraging existing wide and deep pan-India distribution network (strong presence in Tier 2 and 3 towns)

Proximate to southern markets; quick delivery turnaround

Brand edge

Superior Greenlam recall across users, influencers, carpenters and mechanized furniture fabricators


Brand established around trust, quality and superior price-value proposition

PART 5

Greenlam and the particle board business

Particle board business: An overview

5,000 Rs cr,
particle board
market size



Greenlam to focus on
emerging as the particle
board leader in India

Greenlam's particle board game plan

2,31,000

CBM, annual projected capacity of our particle board unit

600

Rs cr, estimated capital expenditure of our particle board unit

Q4 FY24

Expected date of commercial production

600

Rs cr, estimated revenue generation potential

Naidupeta,
Andhra Pradesh

Location of our particle board unit

Why we are excited about entering the particle boards space

Macro-sectorial

- Particle board market share highest in the global wood panel industry
- Large particle board appetite from the growing mechanized furniture industry (Modular kitchen units, wardrobes, shop fits, work tops, online furniture, co-working spaces etc.)
- Indian government (DPIIT) shortlisted 24 key domestic manufacturing sectors; furniture is one
- The Indian government seeks to make India a global furniture hub by creating Furniture Cluster Parks near ports
- India enjoys a large operating headroom compared to global capacities

Why we are excited about entering the particle boards space *(contd...)*

Behaviourial

- Commercial furniture replacement cycle declining (from 12/15 years to 5/7 years)
- Declining incidence of on-site fabrication due to inconvenience factor

Environmental

- Wood-based particle board manufactured out of sustainable and renewable agro-forestry
- Almost 40% panel board resource vulnerable (bagasse-based); accelerated switch to wood based raw materials

Sectorial

- Import substitute product; no quality producer of global standard
- Dominated by the unorganized; switchover to organized in progress
- Limited number of Indian particle board manufacturers

Big numbers

21

US\$ bn, global particle
board market, 2020

36

% of global panel
consumption is particle
board

10

% of India's panel
consumption is particle
board

5,000

Rs cr, size of the Indian
particle boards market,
2021

The Greenlam game-changer in the particle board business

Strategic

- Opportunity for market leadership
- No national player with relevant capacity / technology
- Opportunity to expand market size and capture market share
- Deeper positioning of Greenlam as a one-stop solution provider
- Unique interplay of scale, efficiency and branding

Technology

- Proposed commissioning of state-of-the-art particle board plant
- Continuous automatic plant to enhance industry's quality standard

Consumer proposition

- Availability of laminates, compact laminates, laminated particle boards from the same integrated plant

Greenlam. Right company at the right time in the right place

Footprint: Positioned attractively to address the market opportunity-ready

Engagement: Existing goodwill with users and influencers

Location: Proposed manufacturing facility in South India; proximate to ports, raw material availability and consuming market; lower logistics cost

Relationships: Attractively placed to leverage relationships with distributors, MFF and other customers

Integrated manufacturing plant with laminate and compact laminate in Southern India with matching decors across product line

Emerging sustainable Greenlam advantage

Effective competitive
hedge (established
brand; shared
overheads)

Quicker offtake (due
to the Greenlam
brand effect)

Complementary
offtake (through
cross-sale)

Larger customer
wallet share
(sustainable offtake)

Particle boards: The market reality and the Greenlam opportunity

Reality

There is a trend towards branded organized sector offerings

Opportunity

Greenlam is expected to emerge as a decisively large particle board player in India

Reality

Market dominated by small players and imports.

Opportunity

Greenlam to acquire scale to enhance credibility and global competitiveness

Reality

Quality particle board availability challenge for high-end MFF

Opportunity

Greenlam to emerge as the quality benchmark matched with the best standards

Reality

Stunted market growth on account of limited product offerings

Opportunity

Unavailability of quality particle board

Reality

There is a premium on the ability to distribute products wide and deep across the Indian landmass

Opportunity

Greenlam trade partners are extensively present across India

Reality

There is a premium on the need to create a robust particle boards brand

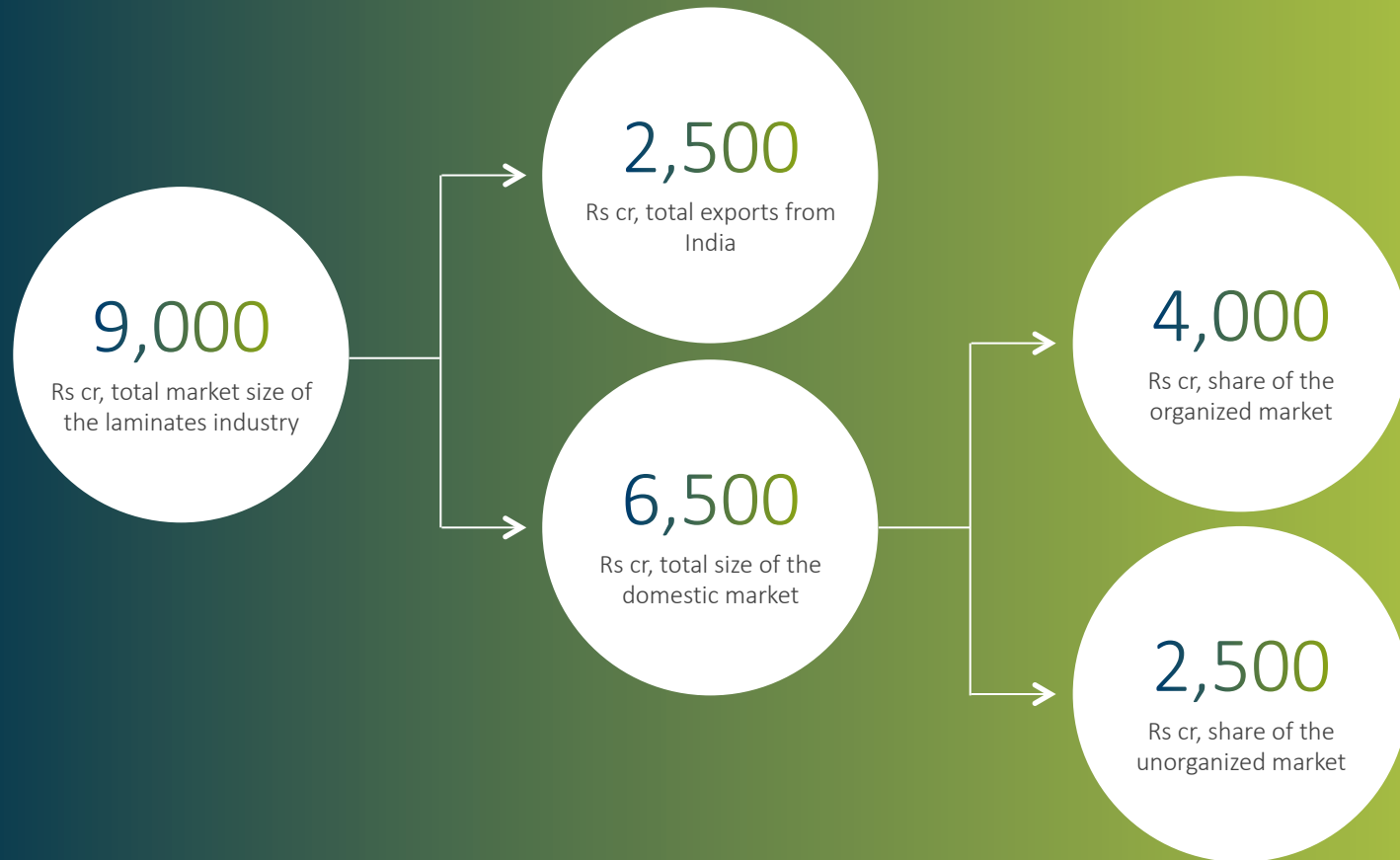
Opportunity


The company's existing Greenlam is respected for trust, integrity and durability

PART 6

Greenlam and the laminates business

Laminates business: An overview





Greenlam aims to retain its position as the leading player in the country's laminates segment

Greenlam's laminates action plan

3.5

Mn Sheets/Board, annual
capacity addition to our
laminates business

225

Rs cr, estimated capital
expenditure of our
laminates unit

Q4 FY23

Expected date of
commercial production

500

Rs cr, estimated revenue
generation potential

Naidupeta,
Andhra Pradesh

Location of our laminates
unit

Further possibility of concurrent brownfield expansion at a significantly low capex

The big numbers of our laminates business

15.62

Million sheets per annum
of installed capacity

10,000+

SKUs, Speciality
laminates (chemical
resistant, fire retardant,
digital, anti-fingerprint,
etc.)

2,000+

Decors, Compact
laminates

200+

Species, Veneered
laminates

20+

Species, Veneered
compact laminates

What we are respected for in the global and Indian laminates market

- Among the top three laminate manufacturers in the world, enhancing visibility and respect
- Graduated a commodity product to a premium lifestyle product; low-maintenance surfacing option
- Introduced a brand family and portfolio; created new price points; introduced value-added solutions (Kitchen worktop solution) and applications (residential to industrial to exterior)
- Offers a variety of laminates catering to various application needs (liners to specialized material)
- Offers diverse options (dimensions, thickness, designs, colours, textures and application surfaces)
- Broad-based across diverse segments (hospitality, health, education, retail, commercial and residential)
- The company markets products across 100+ countries

PART 7

Greenlam 2.0 overview

We believe...

The Greenlam brand can enter new segments or commission larger capacities in existing segments

The time has come to provide the entire range of surface/substrate products under a consolidated Greenlam brand

The time has come to create the foundation of a complete multi-product solution provider (surface and substrate)

The upsides of being an early mover could translate into sustainable sectorial leadership

Decisive value-creation opportunity

Significant business growth within a compressed time frame

Mobilising funds through a prudent balance of debt and internal accruals

Possibility of higher margins through synergies

Positive cash flows from existing businesses to drive sustainable growth

What this means for our Balance Sheet



Existing business well capitalised to grow using its generated accruals



Lower working capital outlay for the new businesses



Shorter maturity curve of new projects; quicker and better profitability



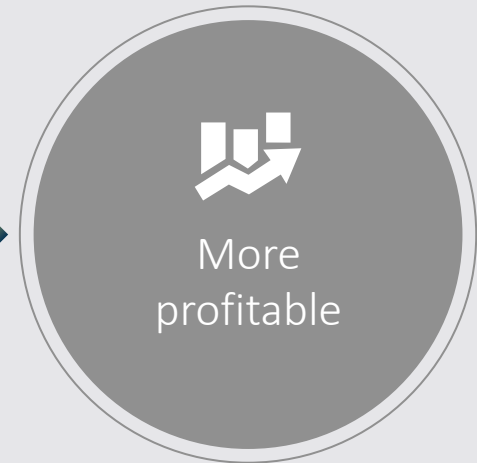
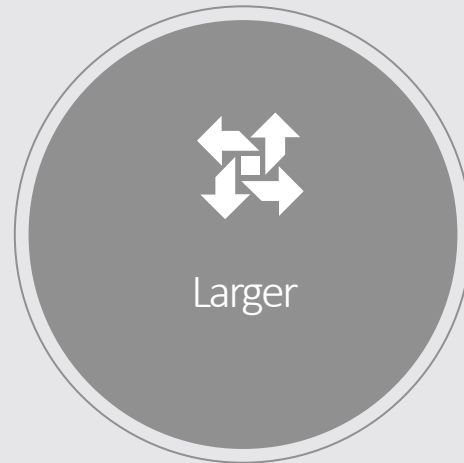
Superior margins and accelerated revenues will enhance return ratios



Projected gearing to be reasonable

Conclusion

We are entering a new orbit that will make us...



How we plan to expand

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

This is the future we are looking at

Manufacturing Capacities				
Products	UOM	Current Capacity	Future Capacity	Location
High Pressure Laminate	Mn Sheets / Boards	15.62	19.12	Behror, Raj Nalagarh, HP Naidupeta, AP
Decorative Veneer	Mn SQM	4.2	4.2	Behror, Raj
Engineered wood floor	Mn SQM	1.0	1.0	Behror, Raj
Engineered Doors	Units	12000	12000	Behror, Raj
Plywood	Mn SQM	-	18.9	Tindivanam, TN
Particle Board	CBM	-	231000	Naidupeta, AP

Raj – Rajasthan, HP – Himachal Pradesh, AP – Andhra Pradesh, TN – Tamil Nadu

Thank you