

GPIL/2019-2020
7th November 2019

The Manager
BSE Limited
Department of Corporate Services
Floor 25, P. J. Towers, Dalai Street
Mumbai-400001
Scrp Code: 542857

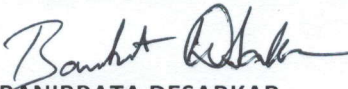
The Manager
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kuria Complex
Bandra (E),
Mumbai - 400 051
Symbol - GREENPANEL

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 Financial Results of the Company for the quarter and half year ended 30th September 2019.

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


BANIBRATA DESARKAR
Company Secretary &
Vice President- Legal



Encl: As above

Greenpanel Industries Limited

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GREENPANEL



Greenpanel Industries Limited



H1 & Q2 – FY 2020
RESULTS PRESENTATION

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.

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.



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Financial Highlights – Q2 FY20



Net Sales up by 45% YoY to Rs. 179.38 crores

- Plywood revenues up by 52.9% YoY to Rs. 55.37 crores, contributing 31% of net sales
- MDF revenues up by 41.5% YoY to Rs. 124.01 crores, contributing 69% of net sales

Gross margins down by 670 bps YoY to 55.5%

- Due to price reductions and change of domestic: export mix in MDF

EBITDA margins up by 1110 bps YoY to 17.3%

- Increase in Capacity Utilisation in Plywood – 84% Vs. 67% in corresponding quarter
- Increase in Capacity Utilisation in MDF – 52% Vs. 42% in corresponding quarter

PAT up by 5.2% YoY to Rs. 5.50 crores

- EPS of Rs. 0.45 in Q2FY20 compared to Rs. 0.43 in Q2FY19

Working capital cycle at 54 days improved by 28 days y-o-y.

Gross debt to equity at 0.82 as on 30th September , 2019 Vs. 0.91 as on 30th September, 2018

Financial Highlights – Q2 FY20

Key ratios (%)	Q2FY20	Q2FY19
Gross Margin	55.5%	62.2%
EBITDA Margin	17.3%	6.2%
EBIT Margin	7.6%	-4.0%
Net Margin	3.1%	4.2%
Ad and promotions / Net Sales	1.4%	2.4%
Staff Cost/ Net Sales	13.1%	15.6%
Logistics cost / Net Sales	5.2%	7.0%
EPS (Rs.)	0.45	0.43

	NET SALES (Rs.Crore)		Gross Profit (Rs.Crore)		EBITDA (Rs.Crore)		PAT (Rs.Crore)	
Q2 FY20	179.38	44.9%	99.62	29.4%	30.98	304%	5.50	5.2%
Q2 FY19	123.83		76.97		7.67		5.23	

Financial Highlights – H1 FY20 VS H1 FY19

Key ratios (%)	H1 FY 2020	H1 FY 2019
Gross Margin	52.7%	61.0%
EBITDA Margin	15.5%	13.5%
EBIT Margin	6.8%	5.5%
Net Margin	2.2%	7.8%
Ad and promotions / Net Sales	1.1%	2.2%
Staff Cost/ Net Sales	12.0%	14.3%
Logistics cost / Net Sales	4.9%	6.6%
EPS (Rs.)	0.67	1.58

	NET SALES (Rs.Crore)		Gross Profit (Rs.Crore)		EBITDA (Rs.Crore)		PAT (Rs.Crore)	
H1 FY20	377.83	52.4%	199.22	31.7%	58.51	74.9%	8.21	(57.5)%
H1 FY19	247.90		151.22		33.45		19.33	

Financial Highlights – B/S Perspective

Balance Sheet Snapshot (Rs. crore)	Sept 30, 2019	Sept 30, 2018	March 31, 2019	March 31, 2018
Net worth	688.57	655.34	680.37	636.07
Total debt	567.60	595.60	578.57	451.86
▪ Long Term Debt (Including Current Maturity)	490.36	535.25	533.16	421.38
▪ Short Term Debt	77.24	60.35	45.42	30.48
Capital Employed	1256.18	1249.12	1258.94	1087.92
Cash and cash equivalents	17.07	0.98	18.10	3.99
Fixed Assets	1122.86	1119.17	1121.36	1089.66
Receivables	56.83	43.52	52.36	57.30
Payables	91.07	72.97	81.50	86.53
Inventories	140.08	142.00	130.81	102.07

Financial Highlights – Ratios

Key Ratios	Sept 30, 2019	Sept 30, 2018	March 31, 2019	March 31, 2018
Inventory (days)	71	104	84	48
Debtor (days)	29	32	33	27
Creditor (days)	46	54	52	41
Working Capital Turnover (days)	54	82	65	34
RoE (%)	3.2%	3.2%	6.5%	15.8%
RoCE – Pre-Tax	4.3%	-1.6%	3.6%	13.2%
RoCE – Post-Tax	3.5%	8.0%	5.4%	9.5%
Net Debt / Equity (x)	0.82	0.91	0.85	0.71

Financial Results H1 & Q2 - FY2020 - Standalone



Particulars (Rs. in lacs)	Q2 30.09.2019	Q1 30.06.2019	Q2 30.09.2018	H1 30.09.2019	H1 30.09.2018	12M 31.03.2019
Income						
a) Revenue from operations	18,549.74	20,373.83	12,662.29	38,923.57	25,412.21	58,731.41
b) Other income	70.26	62.71	35.15	132.97	63.87	1,280.70
Total Income	18,620.00	20,436.54	12,697.44	39,056.54	25,476.08	60,012.11
Expenses						
a) Cost of materials consumed	8,905.23	9,906.75	7,024.82	18,811.98	14,506.07	29,006.74
b) Purchase of stock-in-trade	72.56	20.77	-	93.33	-	9.88
c) Changes in inventories	(1,001.28)	(43.17)	(2,338.22)	(1,044.45)	(4,837.72)	(3,939.94)
d) Employee benefits expense	2,344.09	2,206.88	1,937.41	4,550.97	3,536.70	7,486.77
e) Finance costs	564.28	859.05	1,972.31	1,423.33	2,056.34	2,391.15
f) Depreciation and Amortisation expense	1,737.45	1,538.66	1,261.30	3,276.11	1,986.29	5,031.60
g) Other expenses	5,201.50	5,592.57	5,306.65	10,794.07	8,926.13	17,832.15
Total Expenses	17,823.83	20,081.51	15,164.27	37,905.34	26,173.81	57,818.35
Profit before tax	796.17	355.03	(2,466.83)	1,151.20	(697.73)	2,193.76
Tax expense						
a) Current tax	135.30	83.32	(394.24)	218.62	-	499.41
b) Deferred tax	110.60	1.39	(2,595.82)	111.99	(2,630.30)	(2,718.40)
Total tax expense	245.90	84.71	(2,990.06)	330.61	(2,630.30)	(2,218.99)
Net Profit after tax	550.27	270.32	523.23	820.59	1,932.57	4,412.75
Other Comprehensive Income	-	-	-	-	-	22.66
Total Comprehensive Income	550.27	270.32	523.23	820.59	1,932.57	4,435.41
Earnings per equity share (of ₹ 1/- each)	0.45	0.22	0.43	0.67	1.58	3.60

Financial Results H1 & Q2 - FY2020 - Consolidated



Particulars (Rs. in lacs)	Q2 30.09.2019	Q1 30.06.2019	Q2 30.09.2018	H1 30.09.2019	H1 30.09.2018	12M 31.03.2019
Income						
a) Revenue from operations	19,209.31	21,111.67	13,357.82	40,320.98	26,296.03	59,911.39
b) Other income	11.89	52.24	35.96	64.13	65.04	1,269.50
Total Income	19,221.20	21,163.91	13,393.78	40,385.11	26,361.07	61,180.89
Expenses						
a) Cost of materials consumed	8,905.23	9,906.75	7,024.82	18,811.98	14,506.07	29,006.74
b) Purchase of stock-in-trade	330.00	90.72	369.56	420.72	584.67	876.24
c) Changes in inventories	(862.98)	187.80	(2,141.15)	(675.18)	(4,754.47)	(4,210.18)
d) Employee benefits expense	2,490.43	2,352.09	2,094.26	4,842.52	3,831.50	8,075.65
e) Finance costs	576.05	870.72	1,994.42	1,446.77	2,091.19	2,463.24
f) Depreciation and Amortisation expense	1,805.47	1,605.74	1,330.17	3,411.21	2,120.76	5,303.34
g) Other expenses	5,351.74	5,799.74	5,455.48	11,151.48	9,218.36	18,427.41
Total Expenses	18,595.94	20,813.56	16,127.56	39,409.50	27,598.08	59,942.44
Profit before tax	625.26	350.35	(2,733.78)	975.61	(1,237.01)	1,238.45
Tax expense						
a) Current tax	135.30	83.32	(394.24)	218.62	-	499.41
b) Deferred tax	110.60	1.39	(2,595.82)	111.99	(2,630.30)	(2,718.40)
Total tax expense	245.90	84.71	(2,990.06)	330.61	(2,630.30)	(2,218.99)
Net Profit after tax	379.36	265.64	256.28	645.00	1,393.29	3,457.44
Other Comprehensive Income	31.43	(2.89)	52.69	28.54	116.99	62.72
Total Comprehensive Income	410.79	262.75	308.97	673.54	1,510.28	3,520.16
Earnings per equity share (of ₹ 1/- each)	0.31	0.22	0.21	0.53	1.14	2.82

Segmental Performance H1 & Q2-FY2020 - Standalone



Particulars (Rs. in lacs)	Q2	Q1	Q2	H1	H1	12M
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
Segment Revenue						
a) Plywood and allied products	5,548.56	5,179.98	3,621.35	10,728.54	6,913.88	14,150.27
b) Medium density fibreboards and allied products	13,001.18	15,193.85	9,040.94	28,195.03	18,498.33	44,581.14
Total Revenue from Operations	18,549.74	20,373.83	12,662.29	38,923.57	25,412.21	58,731.41
Segment Results						
a) Plywood and allied products	763.72	934.19	500.55	1,697.91	1,024.87	2,041.32
b) Medium density fibreboards and allied products	1,591.11	1,205.41	(227.73)	2,796.52	1,810.98	5,820.31
Total	2,354.83	2,139.60	272.82	4,494.43	2,835.85	7,861.63
Less: (i) Finance costs	564.28	859.05	1,972.31	1,423.33	2,056.34	2,391.15
(ii) Other unallocable expenditure	994.38	925.52	767.34	1,919.90	1,477.24	3,276.72
Total Profit before Tax	796.17	355.03	(2,466.83)	1,151.20	(697.73)	2,193.76
Segment Assets						
a) Plywood and allied products	12,093.10	11,440.89	12,413.14	12,093.10	12,413.14	12,124.30
b) Medium density fibreboards and allied products	1,24,728.14	1,24,839.91	1,27,610.62	1,24,728.14	1,27,610.62	1,27,225.96
c) Unallocated	12,503.67	11,830.14	7,927.21	12,503.67	7,927.21	9,131.36
Total Segment Assets	1,49,324.91	1,48,110.94	1,47,950.97	1,49,324.91	1,47,950.97	1,48,481.62
Segment Liabilities						
a) Plywood and allied products	4,789.70	4,674.72	5,502.66	4,789.70	5,502.66	3,982.69
b) Medium density fibreboards and allied products	65,679.72	69,033.09	73,966.29	65,679.72	73,966.29	72,649.32
c) Unallocated	9,998.07	6,095.98	2,948.04	9,998.07	2,948.04	3,812.78
Total Segment Liabilities	80,467.49	79,803.79	82,416.99	80,467.49	82,416.99	80,444.79

Segmental Performance H1 & Q2-FY2020 - Consolidated



Particulars (Rs. in lacs)	Q2 30.09.2019	Q1 30.06.2019	Q2 30.09.2018	H1 30.09.2019	H1 30.09.2018	12M 31.03.2019
Segment Revenue						
a) Plywood and allied products	5,548.56	5,179.98	3,621.35	10,728.54	6,913.88	14,150.27
b) Medium density fibreboards and allied products	13,660.75	15,931.69	9,736.47	29,592.44	19,382.15	45,761.12
Total Revenue from Operations	19,209.31	21,111.67	13,357.82	40,320.98	26,296.03	59,911.39
Segment Results						
a) Plywood and allied products	763.72	934.19	500.55	1,697.91	1,024.87	2,041.32
b) Medium density fibreboards and allied products	1,431.97	1,212.40	(472.57)	2,644.37	1,306.55	4,937.09
Total	2,195.69	2,146.59	27.98	4,342.28	2,331.42	6,978.41
Less: (i) Finance costs	576.05	870.72	1,994.42	1,446.77	2,091.19	2,463.24
(ii) Other unallocable expenditure	994.38	925.52	767.34	1,919.90	1,477.24	3,276.72
Total Profit before Tax	625.26	350.35	(2,733.78)	975.61	(1,237.01)	1,238.45
Segment Assets						
a) Plywood and allied products	12,093.10	11,440.89	12,413.14	12,093.10	12,413.14	12,124.30
b) Medium density fibreboards and allied products	1,21,768.85	1,22,094.39	1,26,266.36	1,21,768.85	1,26,266.36	1,24,539.67
c) Unallocated	12,503.67	11,830.14	7,927.21	12,503.67	7,927.21	9,131.36
Total Segment Assets	1,46,365.62	1,45,365.42	1,46,606.71	1,46,365.62	1,46,606.71	1,45,795.33
Segment Liabilities						
a) Plywood and allied products	4,789.70	4,674.72	5,502.66	4,789.70	5,502.66	3,982.69
b) Medium density fibreboards and allied products	66,354.51	69,782.17	75,616.10	66,354.51	75,616.10	73,450.06
c) Unallocated	9,998.07	6,095.98	2,948.04	9,998.07	2,948.04	3,812.78
Total Segment Liabilities	81,142.28	80,552.87	84,066.80	81,142.28	84,066.80	81,245.53

Segment Wise Performance



Particulars	Plywood					
	Q2FY20	Q2FY19	Var (%)	H1 FY20	H1 FY19	Var (%)
Net sales (Rs crore)	55.37	36.21	52.9%	106.95	69.13	54.7%
EBITDA margin (%)	12.1%	11.0%		14.1%	12.9%	
EBIT margin (%)	8.3%	7.7%		10.8%	8.9%	
Annual capacity (million sqm)	10.5	10.5		10.5	10.5	
Production (million sqm)	2.21	1.76	25.6%	4.23	2.86	47.9%
Sales volume (million sqm)	2.23	1.56	42.9%	4.32	2.63	64.3%
Utilisation (%)	84%	67%		81%	55%	
Average realisation (Rs/sqm)	247	241		246	261	

Particulars	MDF					
	Q2FY20	Q2FY19	Var (%)	H1 FY20	H1 FY19	Var (%)
Net sales (Rs. crore)	124.01	87.63	41.5%	270.87	178.77	51.5%
EBITDA margin (%)	19.6%	4.2%		16.0%	13.7%	
EBIT margin (%)	7.3%	(8.8)%		5.2%	4.2%	
Annual capacity (cubic metre)	540000	540000		540000	540000	
Production (cubic metre)	69822	56256	24.1%	150225	91767	63.7%
Sales volume (cubic metre)	62561	37563	66.6%	139299	73774	88.8%
Utilisation (%)	52%	42%		56%	51%	
Average realisation (Rs/cum.)	20284	23194		19396	24145	

Managing Director & CEO's Message

Commenting on the performance for Q2 FY2020, Mr. Shobhan Mittal, Managing Director and CEO, Greenpanel Industries Ltd. said,

“We are targeting increased capacity utilization in future quarters to increase revenues and improve margins in MDF. As you are aware this sector is constrained by overcapacity and imports have a significant share. We are hopeful that the Government takes cognizance of this and ensures a level playing field for the domestic manufacturers. We also expect that there will be sustained efforts by the Government on improving GST compliance which in turn will help reduce the price gap between organized MDF and un-organised plywood.”

Company Overview

Capacity Utilization	<ul style="list-style-type: none">• Plywood – Improved capacity utilization at 81% in H1 FY 2020 Vs. 55% in H1 FY 2019• MDF capacity utilization was 56% in H1 FY 2020 Vs. 51% in H1 FY 2019
Production Model	<ul style="list-style-type: none">• Plywood – Targeting 80% Capacity Utilisation for FY 2020 in domestic markets.• MDF – Targeting 63% Capacity Utilisation for FY 2020 in domestic and export markets.
Raw Material Sustainability	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Lower return ratios witnessed due to low capacity utilization in the MDF plant and also export mix. However, this is expected to improve over FY 2021 and FY 2022 with increase in capacity utilisations.

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. 19 billion
- High incomes, solid construction, Changes in Anti-dumping rules, stricter GST implementation and 100 smart cities in the pipeline are strong growth drivers

Well Entrenched Distribution Network

- Total number of distributors = 1100, Retailers = 5000
- Serviced by 15 branches for pan-India distribution

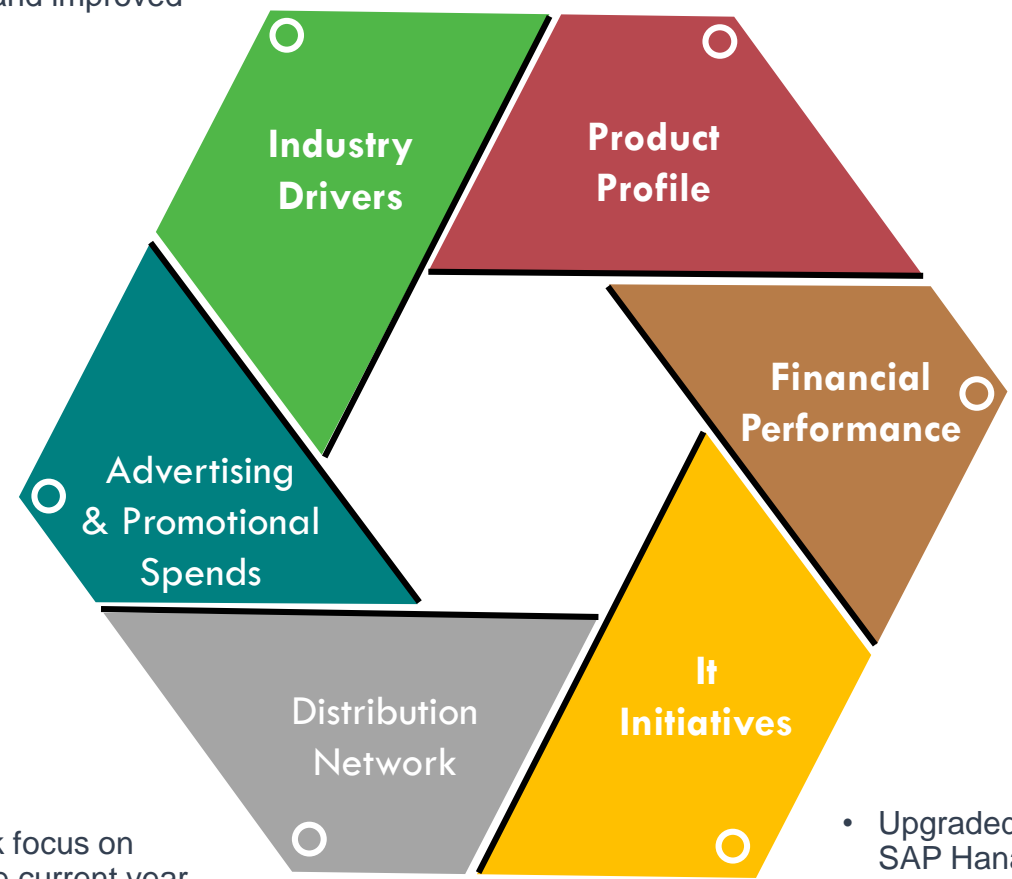
Manufacturing Facilities

- 1 state-of-the-art manufacturing facility for Plywood
- 2 facilities for MDF – largest in the country

Growth Outlook

- More expected construction, Higher disposable income, Need for urbanisation and improved GST compliance

- Focus on enhancing value added contribution



- Expected Ad spends of up to 2% of Net Sales to bolster growth

- 35% growth in Plywood in FY 2020
- 50% growth in MDF in FY 2020

- A strong distribution network focus on increasing the network in the current year

- Upgraded IT infrastructure – implemented SAP Hana to strengthen overall supply chain



Annexure

Manufacturing Facilities



PLYWOOD

Location	Capacity (mn sqm.)
Pantnagar, Uttarakhand	10.50
Total Capacity	10.50



MDF

Location	Capacity (cum.)
Pantnagar, Uttarakhand	180,000
Chittoor, Andhra Pradesh	360,000
Total Capacity	540,000

One Umbrella Brand





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**Thank
You**