

GIL/2017-18
August 2, 2017

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
Scrip Code: 526797

The Manager

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E)
Mumbai - 400 051
Fax No. 022-2659-8237/8238/8347/8348
Symbol - GREENPLY

Dear Sir/Madam,

Sub: Presentation on un-audited financial results for the quarter ended 30th June, 2017

With reference to the captioned subject, please find enclosed Presentation on un-audited financial results for the quarter ended 30.06.2017 in respect of Greenply Industries Limited.

Thanking you,

Yours faithfully,

For GREENPLY INDUSTRIES LIMITED

**KAUSHAL KUMAR AGARWAL
COMPANY SECRETARY &
VICE PRESIDENT-LEGAL**

Encl.: As above

Greenply Industries Limited

'Madgul Lounge', 5th & 6th Floor, 23, Chetla Central Road, Kolkata - 700027, West Bengal, India
T: +91 33 30515000 F: +91 33 30515010 | Toll Free : 1800-103-4050 Whatsapp : 9007755000

E: sales.ply@greenply.com Web : www.greenplyplywood.com | www.greenply.com | www.askgreenply.com

Registered Office : Makum Road, Tinsukia - 786125, Assam, India | Corporate Identity Number : L20211AS1990PLC003484



GREENPLY INDUSTRIES LIMITED

FINANCIAL RESULTS PRESENTATION - Q1 FY 2018



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.

Greenply Industries Limited (GIL) 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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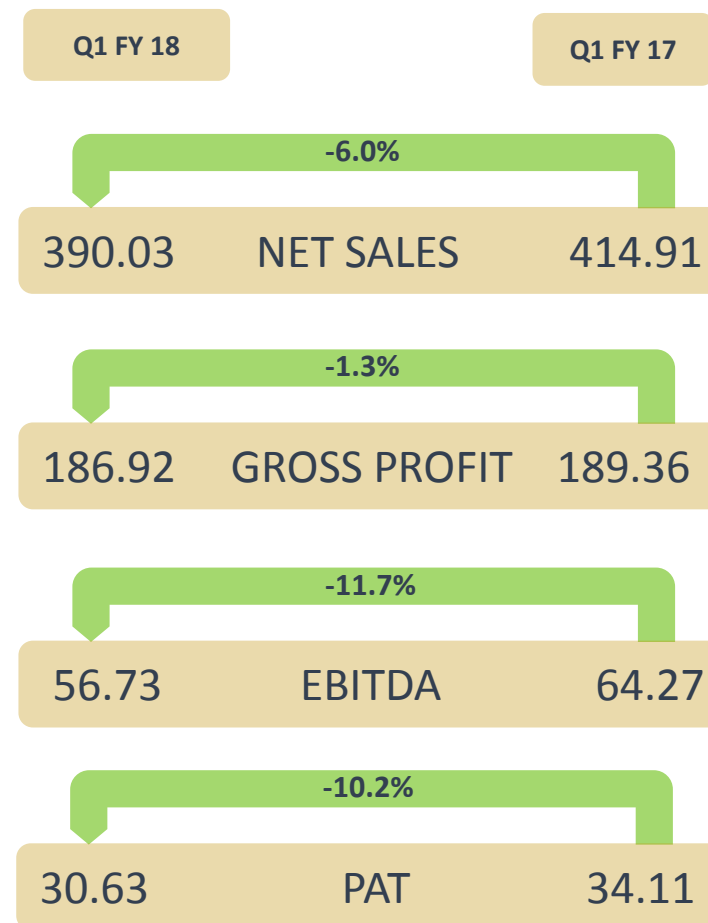
FINANCIAL HIGHLIGHTS – Q1 FY 2018

- **Net Sales down by 6.0% YoY to Rs. 390.03 crores**
 - Plywood revenues down by 13.6% YoY to Rs. 253.37 crores, contributing 65.0% of net sales
 - MDF revenues grew by 9.0% YoY to Rs 130.32 crores, contributing 33.4% to net sales
 - Unallocated products comprising Wallpaper and others contributed Rs 6.34 crores
- **Gross margins expand 230 bps YoY to 47.9%**
 - Led by improved capacity utilisations and a 4% improvement in MDF domestic realisations qoq
- **EBITDA margins down by 100 bps YoY to 14.5%**
 - Primarily due to fall in Plywood volumes and Currency Loss of Rs 8.58 crores on foreign currency borrowings for new MDF Plant
- **PAT fell by 10.2% YoY to Rs. 30.63 crores**
 - EPS of Rs. 2.50 in Q1FY18 compared to Rs. 2.83 in Q1FY17
- **Working capital cycle improved by 2 days YOY to 45 days**
- **Net debt to equity at 0.55 as on 30th June, 2017 as compared to 0.34 as on 30th June, 2016**

FINANCIAL HIGHLIGHTS – Q1 FY 2018



Key ratios (%)	Q1FY18	Q1FY17
Gross Margin	47.9%	45.6%
EBITDA Margin	14.5%	15.5%
EBIT Margin	11.5%	12.6%
Net Margin	7.9%	8.2%
Ad and promotions / Net Sales	3.7%	3.3%
Staff Cost/ Net Sales	11.9%	10.8%
Logistics cost / Net Sales	5.9%	5.7%
EPS (Rs.)	2.50	2.83



FINANCIAL HIGHLIGHTS – B/S PERSPECTIVE



Balance Sheet Snapshot (Rs. crore)	June 30, 2017	June 30, 2016	March 31, 2017
Net worth	819.16	647.87	787.02
Total debt	448.91	222.92	377.52
▪ Long Term Debt (Including Current Maturity)	381.81	144.12	307.85
▪ Short Term Debt	67.10	78.80	69.67
Capital Employed	1284.89	872.76	1178.56
Cash and cash equivalents	49.58	18.68	71.60
Fixed Assets	948.99	533.91	717.41
Receivables	270.24	343.66	304.78
Payables	280.06	269.57	271.26
Inventories	203.24	143.61	157.90

FINANCIAL HIGHLIGHTS – RATIOS



Key Ratios	June 30, 2017	June 30, 2016	Mar 31, 2017
Inventory (days)	47	31	35
Debtor (days)	63	75	67
Creditor (days)	65	59	62
Working Capital Turnover (days)	45	47	40
RoE	15.0%	21.1%	17.2%
RoCE – Pre-Tax	14.0%	23.9%	17.7%
RoCE – Post-Tax	10.6%	18.3%	13.0%
RoE (Excl New Investments)	21.6%	23.9%	24.1%
RoCE – Pre-Tax (Excl New Investments)	23.8%	26.2%	27.4%
RoCE – Post-Tax (Excl New Investments)	18.0%	20.1%	20.1%
Total Debt / Equity (x)	0.55	0.34	0.48

FINANCIAL RESULTS Q1 FY2018

(Rs. in lacs)

Sl. No.	Particulars	Quarter ended			Year ended
		30.06.2017 (Unaudited)	31.03.2017 (Audited)	30.06.2016 (Unaudited)	31.03.2017 (Audited)
1	Income				
	a) Revenue from Operations	41407.25	47671.16	44171.60	177080.69
	b) Other income	806.31	309.30	228.33	1058.30
	Total Income	42213.56	47980.46	44399.93	178138.99
2	Expenses				
	a) Cost of materials consumed	16677.98	17281.77	18215.86	68949.35
	b) Purchase of Stock-in-trade	6284.04	6328.70	5056.35	22831.81
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2651.13)	(369.38)	(709.48)	(3809.48)
	d) Employee benefits expense	4651.79	4255.19	4496.95	17073.57
	e) Finance costs	327.70	212.34	582.62	1811.77
	f) Depreciation and amortisation expense	1186.45	1205.74	1214.56	4853.09
	g) Excise Duty Expense	2376.99	2972.36	2663.41	11392.52
	h) Other Expenses	9200.64	10026.69	8249.66	35941.50
	Total Expenses	38054.46	41913.41	39769.93	159044.13
3	Profit/ (Loss) before tax	4159.10	6067.05	4630.00	19094.86
4	Tax Expenses				
	for Current	896.33	1260.57	1007.51	4058.81
	for MAT Credit	735.24	584.88	439.71	1950.52
	for Earlier Years	-	16.07	-	123.66
	for Deferred	(535.56)	18.65	(227.97)	(545.34)
	Total	1096.01	1880.17	1219.25	5587.65
5	Net Profit / (Loss) for the period	3063.09	4186.88	3410.75	13507.21
6	Other Comprehensive Income				
	i) Items that will not be reclassified to profit or loss	231.22	(95.95)	40.41	(236.85)
	ii) Income Tax relating to items that will not be reclassified to profit or loss	(80.02)	33.21	(13.99)	81.97
	Total	151.20	(62.74)	26.42	(154.88)
7	Total Comprehensive Income for the period	3214.29	4124.14	3437.17	13352.33
8	Paid-up equity share capital (Face value Rs. 1/- per share)	1226.27	1226.27	1206.82	1226.27
9	Reserves excluding Revaluation Reserves	-	-	-	77475.78
10	i) Basic Earnings per Share (Rs.) (of Rs. 1/- each)	2.5*	3.41*	2.83*	11.08
	ii) Diluted Earnings per Share (Rs.) (of Rs. 1/- each)	2.5*	3.41*	2.83*	11.08

* Not annualised



SEGMENTAL PERFORMANCE – Q1 FY18

(Rs. in lacs)



Particulars	Quarter ended			Year ended
	30.06.2017 (Unaudited)	31.03.2017 (Audited)	30.06.2016 (Unaudited)	31.03.2017 (Audited)
1. Segment Revenue (Gross)				
a) Plywood & Allied Products	27720.65	33634.23	31998.28	128321.12
b) Medium Density Fibreboards	13052.51	13788.10	11972.44	47742.39
c) Unallocated	634.09	248.83	200.88	1017.18
Total	41407.25	47671.16	44171.60	177080.69
Less: Inter Segment Revenue	-	-	-	-
Revenue from Operations	41407.25	47671.16	44171.60	177080.69
2. Segment Result [Profit/(Loss) before tax and interest]				
a) Plywood & Allied Products	2628.30	3683.11	2859.55	12925.84
b) Medium Density Fibreboards	2975.64	3547.64	3332.90	11727.76
c) Unallocated	(69.25)	(62.81)	(73.85)	(259.99)
Total	5534.69	7167.94	6118.60	24393.61
Less: (i) Interest	327.70	212.34	582.62	1811.77
(ii) Other Unallocable expenditure net of unallocable Income	1047.89	888.55	905.98	3486.98
Total Profit before Tax	4159.10	6067.05	4630.00	19094.86
3. Segment Assets				
a) Plywood & Allied Products	68886.37	71113.70	69976.51	71113.70
b) Medium Density Fibreboards	90430.12	74970.23	45277.24	74970.23
c) Unallocated	8281.32	7570.54	5718.13	7570.54
Total	167597.81	153654.47	120971.88	153654.47
4. Segment Liabilities				
a) Plywood & Allied Products	25451.94	25900.15	25410.52	25900.15
b) Medium Density Fibreboards	11786.64	7877.95	6072.60	7877.95
c) Unallocated	1870.03	2020.23	2212.32	2020.23
Total	39108.61	35798.33	33695.44	35798.33
5. Capital Employed				
a) Plywood & Allied Products	43434.43	45213.55	44565.99	45213.55
b) Medium Density Fibreboards	78643.48	67092.28	39204.64	67092.28
c) Unallocated	6411.29	5550.31	3505.81	5550.31
Total	128489.20	117856.14	87276.44	117856.14

SEGMENT WISE PERFORMANCE



Particulars	Plywood					
	Q1FY18	Q1FY17	Var (%)	FY17	FY16	Var (%)
Net sales (Rs. crore)	253.37	293.31	-13.6%	1167.99	1165.36	0.2%
EBITDA margin (%)	10.1%	9.8%		11.2%	9.4%	
EBIT margin (%)	7.5%	7.5%		8.9%	7.3%	
Annual capacity (million sqm.)	32.4	32.4		32.4	32.4	
Production (million sqm.)	8.15	8.94	-8.8%	34.9	32.6	7.1%
Sales volume (million sqm.)	11.08	12.54	-11.6%	50.3	48.3	4.2%
Utilisation (%)	101%	111%		108%	101%	
Average realisation (Rs./sqm.)	227	231	-1.7%	229	239	-4.2%

Particulars ⁸	MDF					
	Q1FY18	Q1FY17	Var (%)	FY17	FY16	Var (%)
Net sales (Rs. crore)	130.32	119.59	9.0%	476.74	476.08	0.1%
EBITDA margin (%)	24.5%	30.2%		27.1%	28.5%	
EBIT margin (%)	20.3%	25.8%		22.7%	24.6%	
Annual capacity (cubic metre)	180000	180000		180000	180000	
Production (cubic metre)	52560	47478	10.7%	189171	177382	6.6%
Sales volume (cubic metre)	49883	45802	8.9%	184905	177953	3.9%
Utilisation (%)	117%	106%		105%	99%	
Average realisation (Rs./cum.)	26115	26098	0.1%	25764	26723	-3.6%



Joint Managing Director's Message

Commenting on the performance for Q1 FY2018, Mr. Shobhan Mittal, Joint Managing Director and CEO, Greenply Industries Ltd. said,

“The quarter before implementation of GST has been stable for MDF. Net Sales grew by 9% and Ebitda margins improved by 110 basis points (before forex loss). However, currency losses to the extent of Rs 8.58 crores on long term borrowings for new MDF Plant had a negative impact on MDF and overall margins. Plywood business suffered due to extensive de-stocking by dealers.

We expect that business volumes will start improving from Q3 reflecting the benefits of GST for the organised sector.

We will continue to strive for better cash management in the coming quarters”



COMPANY OVERVIEW

CAPACITY UTILIZATION

- Plywood 101% utilization; further demand to be catered through new UP Plant and outsourcing
- MDF 117% utilization; greenfield expansion in Andhra Pradesh of 360000 CBM to cater to future demand

PRODUCTION MODEL

- Plywood – Expansion of 40% in premium segment in Uttar Pradesh and moving towards an asset light set-up by increasing outsourcing in mid-segment
- MDF – 100% in-house

RAW MATERIAL SUSTAINABILITY

- Plantation of fast growing and improved species of clonal plantations to improve quality of wood availability and plywood manufactured
- Backward integration through new plant in Gabon with peeling capacity of 35000 CBM for production of face veneers

FINANCIAL PERFORMANCE

- Net Sales, EBIDTA and PBT CAGR of 5.9%, 9.4% and 14.8% respectively over FY13-17

STRONG RETURN RATIOS

- Pre-tax ROCE of 27.4% and Post-tax ROCE and ROE of 20.1% and 24.1% in FY17 (excluding investments for new projects).

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. 16 billion
- Strong demand drivers – rising residential/commercial construction, increasing urbanization, high disposable incomes, GST Implementation and Government Announcement regarding construction of 100 smart cities

STRONG BRAND PRESENCE BUILT OVER 30 YEARS

- Largest pan-India player with 26% share of organized plywood market; 30% share of domestic MDF market
- Large investments in advertisements and promotional activities over the years

WELL ENTRANCHED DISTRIBUTION NETWORK

- Distributors/stockists

and retailers  Plywood 1,656
MDF 841

- Serviced by 24 branches for ply and 15 branches for MDF pan-India  Plywood 6,000
MDF 4,000

MANUFACTURING FACILITIES

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

GROWTH OUTLOOK



INDUSTRY DRIVERS

- Rising demand from the real estate sector
- Increasing urbanisation, higher disposable incomes and a growing middle class
- Rollout of GST to facilitate faster shift from unorganised to branded products in the plywood space

PRODUCT PROFILE

- To improve mix of plywood through increase in mix of value-added products like Green Defender, Green Gold Prima and Natural Veneers
- To increase ratio of value-added products in MDF like Exterior grade MDF, Pre-Laminated MDF and Laminated Flooring / Veneer flooring

ADVERTISING & PROMOTIONAL SPENDS

- Continued investments in increasing brand visibility pan-India
- Maintain Ad spends at around 3-3.5% of Net Sales

FINANCIAL PERFORMANCE

- Expect a 5-7% growth in FY18
- Margins expected to improve by 40-50 bps in FY18

DISTRIBUTION NETWORK

- To increase the number of distributors and retailers going forward

IT INITIATIVES

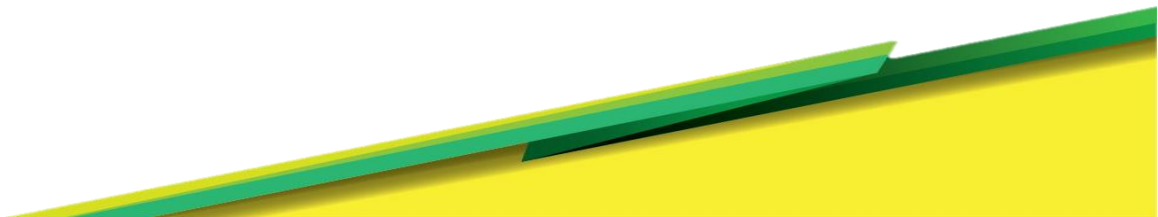
- Upgrading IT infrastructure – implemented SAP Hana to strengthen overall supply chain
- Implemented Microsoft CRM Module

EXPANSION PLANS

- Plywood
 - Setting up of new facility in Uttar Pradesh to expand capacity by 40% in premium segment
 - Increase outsourcing proportion to 30% from 22% presently over the next 3 years
 - Setting up of new facility in Gabon, West Africa for Veneer production which has begun operations
 - Setting up of Deco Veneer plant near Rajkot, Gujarat operational by Q2 FY 2019
- MDF - Setting up of a new plant with 360000 CBM capacity in Andhra Pradesh



ANNEXURE



MANUFACTURING FACILITIES / PRODUCTION MODEL

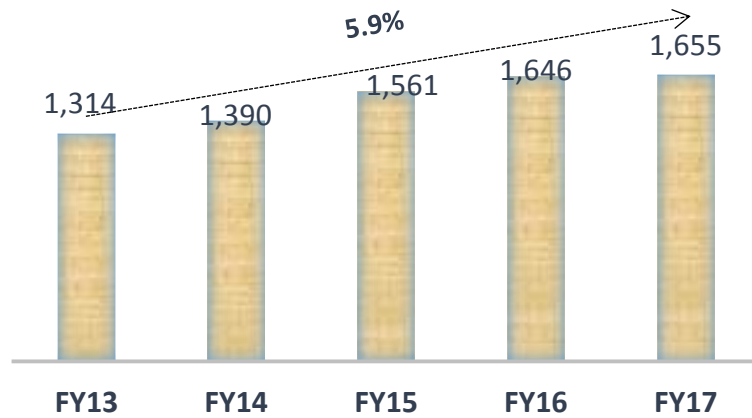


	Facilities	Production Model												
PLYWOOD	<table border="1"> <thead> <tr> <th>Location</th> <th>Capacity (mn sqm.)</th> </tr> </thead> <tbody> <tr> <td>Tizit, Nagaland</td> <td>4.50</td> </tr> <tr> <td>Kripampur, West Bengal</td> <td>6.00</td> </tr> <tr> <td>Pantnagar, Uttarakhand</td> <td>10.50</td> </tr> <tr> <td>Bamanbore, Gujarat</td> <td>11.40</td> </tr> <tr> <td>Total Capacity</td> <td>32.40</td> </tr> </tbody> </table>	Location	Capacity (mn sqm.)	Tizit, Nagaland	4.50	Kripampur, West Bengal	6.00	Pantnagar, Uttarakhand	10.50	Bamanbore, Gujarat	11.40	Total Capacity	32.40	<p>Greenfield Expansion in Uttar Pradesh with 13.5 MN SQM capacity</p> <p>Expanding capacity in Decorative Veneers by 2 mn sqm.</p> <p>To increase proportion of outsourcing to 30% (in value terms) from 22% currently over next 3 years</p> <ul style="list-style-type: none"> • Asset light model generating higher ROCE's • Mid-segment variants to be outsourced freeing existing capacities for premium variants
	Location	Capacity (mn sqm.)												
	Tizit, Nagaland	4.50												
	Kripampur, West Bengal	6.00												
	Pantnagar, Uttarakhand	10.50												
Bamanbore, Gujarat	11.40													
Total Capacity	32.40													
MDF	<table border="1"> <thead> <tr> <th>Location</th> <th>Capacity (cum)</th> </tr> </thead> <tbody> <tr> <td>Pantnagar, Uttarakhand</td> <td>1,80,000</td> </tr> </tbody> </table> <p>Largest facility in India</p>	Location	Capacity (cum)	Pantnagar, Uttarakhand	1,80,000	<p>100% in-house</p> <p>To undertake greenfield expansion in Andhra Pradesh with capacity of 360000 CBM – abundance of plantation wood</p> <p>Commercial Production in FY 2019</p>								
Location	Capacity (cum)													
Pantnagar, Uttarakhand	1,80,000													

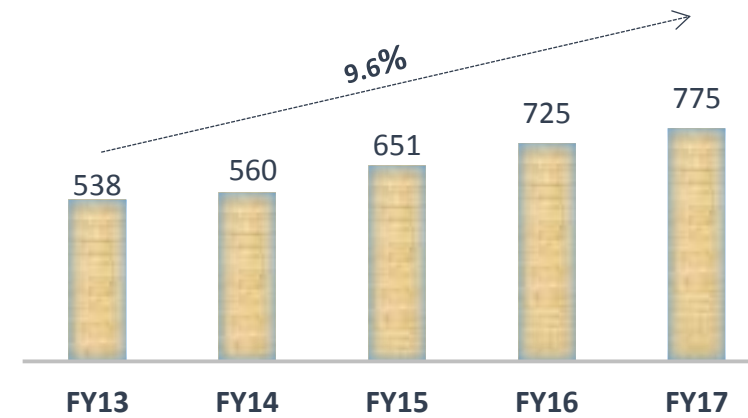
STRONG PERFORMANCE TRACK RECORD



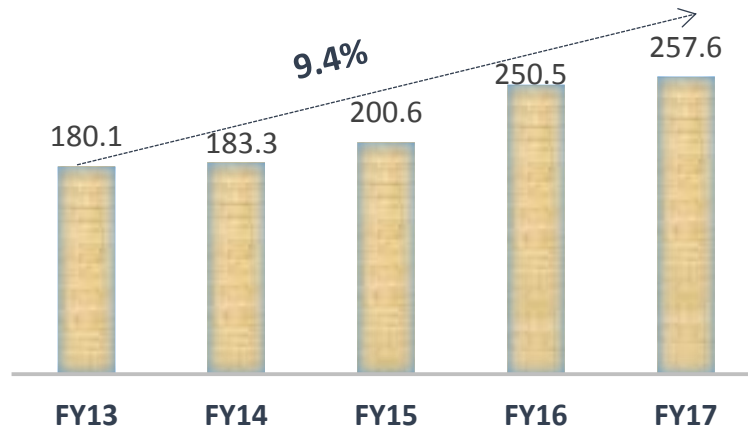
NET SALES



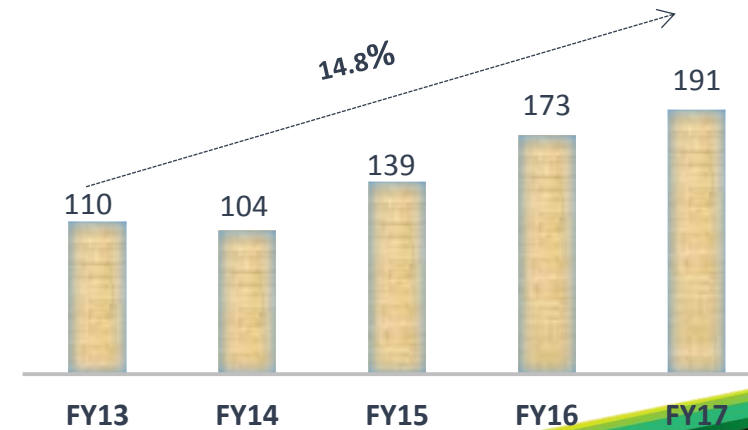
GROSS PROFIT



EBITDA



PBT





SEGMENT-WISE PERFORMANCE

Plywood	Particulars	FY13	FY14	FY15	FY16	FY17	CAGR
	Net sales (Rs. crore)	940.17	1,037.30	1,152.07	1,165.36	1,167.99	5.6%
	EBITDA margin (%)	10.6%	10.3%	9.1%	9.4%	11.2%	-
	EBIT margin (%)	8.9%	7.9%	6.8%	7.3%	8.9%	-
	Annual capacity (million sqm.)	32.4	32.4	32.4	32.4	32.4	-
	Production (million sqm.)	34.28	34.68	33.08	32.60	34.93	0.5%
	Sales volume (million sqm.)	41.54	44.51	46.11	48.25	50.30	4.9%
	Utilisation (%)	106%	107%	102%	101%	108%	-
Average realisation (Rs./sqm.)	215	222	241	239	229	1.6%	

MDF	Particulars	FY13	FY14	FY15	FY16	FY17	CAGR
	Net sales (Rs. crore)	374.18	352.72	408.51	476.08	476.74	6.2%
	EBITDA margin (%)	21.6%	21.6%	23.3%	28.5%	27.1%	-
	EBIT margin (%)	17.5%	17.0%	18.5%	24.6%	22.7%	-
	Annual capacity (cubic metre)	180,000	180,000	180,000	180,000	180,000	-
	Production (cubic metre)	157,948	136,723	161,229	177,382	189,171	4.6%
	Sales volume (cubic metre)	153,426	137,932	161,424	177,953	184,905	4.8%
	Utilisation (%)	88%	76%	90%	99%	105%	-
Average realisation (Rs./cum.)	24,386	25,552	25,238	26,723	25,764	1.4%	

OUR BRANDS



ABOUT GREENPLY INDUSTRIES LIMITED



Greenply Industries Limited (GIL) enjoys leadership position in plywood and medium density fibreboards (MDF) accounting for almost 26 percent of the organized plywood and 30 percent of the MDF market in India.

GIL has four state-of-the-art manufacturing facilities for Plywood and one facility for MDF spread across the country producing world class interior products for the domestic and global markets. The company has a presence in over 300 cities across 21 states serviced through a well-entrenched distribution network of 2,500 dealers and authorised stockists, a retail network exceeding 10,000 and about 40 branches pan-India.

GIL is the preferred partner of choice for a large number of office and home builders having a comprehensive product portfolio servicing clients at every point of the price spectrum under brand names of Greenply Plywood, Green Club and Club Plus Premium Ply, Optima G, Ecotec, Green Panelmax and Green Floormax, to name a few.

For further information, please contact:

V.Venkatramani – Chief Financial Officer

Greenply Industries Limited

'Madgul Lounge',

23, Chetla Central Road, 6th Floor, Kolkata – 700 027

Tel: +91 33 3051 5000

Email : venkat.corp@greenply.com

Gavin Desa / Rabindra Basu

CDR, India

Tel: +91 22 6645 1237 / 1248

Email: gavin@cdr-india.com / rabindra@cdr-india.com