



# Greenpanel Industries Limited



Q1 FY20  
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.

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# Financial Highlights – Q1 FY20



## **Net Sales up by 60% YoY to Rs. 198.44 crores**

- Plywood revenues up by 56.7% YoY to Rs. 51.58 crores, contributing 26% of net sales
- MDF revenues up by 61.1% YoY to Rs 146.86 crores, contributing 74% to net sales

## **Gross margins down by 960 bps YoY to 50.2%**

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

## **EBITDA margins down by 690 bps YoY to 13.9%**

- For reasons mentioned in Gross Margins above
- Low Capacity Utilisation in MDF Plants – 60% in current quarter

## **PAT down by 80.8% YoY to Rs. 2.70 crores**

- EPS of Rs. 0.22 in Q1FY20 compared to Rs. 1.15 in Q1FY19

**Working capital cycle at 45 days improved by 20 days q-o-q and 31 days y-o-y.**

**Net debt to equity at 0.83 as on 30th June, 2019 and 0.82 as on 30th June, 2018.**

# Financial Highlights – Q1 FY20

Key ratios (%)	Q1FY20	Q1FY19
Gross Margin	50.2%	59.8%
EBITDA Margin	13.9%	20.8%
EBIT Margin	6.1%	14.9%
Net Margin	1.4%	11.4%
Ad and promotions / Net Sales	0.8%	1.9%
Staff Cost/ Net Sales	11.1%	12.9%
Logistics cost / Net Sales	4.6%	6.2%
EPS (Rs.)	0.22	1.15

	NET SALES		Gross Profit		EBITDA		PAT	
Q1 FY20	198.44	60%	99.60	34.1%	27.53	6.8%	2.70	(80.8)%
Q1 FY19	124.07		74.25		25.78		14.09	

# Financial Highlights –FY19 VS FY18

Key ratios (%)	FY 2019	FY 2018
Gross Margin	56.1%	58.3%
EBITDA Margin	16.8%	22.4%
EBIT Margin	8.0%	18.6%
Net Margin	7.7%	13.0%
Ad and promotions / Net Sales	1.9%	2.4%
Staff Cost/ Net Sales	13.1%	9.7%
Logistics cost / Net Sales	6.0%	6.1%
EPS (Rs.)	3.60	8.20

	NET SALES		Gross Profit		EBITDA		PAT	
FY19	570.82	(26.1)%	320.06	(28.9)%	96.17	(44.4)%	44.13	(56.1)%
FY18	772.16		450.38		172.85		100.57	

# Financial Highlights – B/S Perspective

Balance Sheet Snapshot (Rs. crore)	June 30, 2019	June 30, 2018	March 31, 2019	March 31, 2018
Net worth	683.07	650.11	680.37	636.07
Total debt	566.48	532.61	578.57	451.86
▪ Long Term Debt (Including Current Maturity)	495.66	465.69	533.16	421.38
▪ Short Term Debt	70.82	66.92	45.42	30.48
Capital Employed	1249.56	1182.72	1258.94	1087.92
Cash and cash equivalents	0.83	8.65	18.10	3.99
Fixed Assets	1108.76	1129.28	1121.36	1089.66
Receivables	56.64	46.97	52.36	57.30
Payables	93.48	72.57	81.50	86.53
Inventories	135.10	129.40	130.81	102.07

# Financial Highlights – Ratios

Key Ratios	June 30, 2019	June 30, 2018	March 31, 2019	March 31, 2018
Inventory (days)	62	95	84	48
Debtor (days)	26	34	33	27
Creditor (days)	43	53	52	41
Working Capital Turnover (days)	45	76	65	34
RoE (%)	1.6%	8.7%	6.5%	15.8%
RoCE – Pre-Tax	3.9%	6.3%	3.6%	13.2%
RoCE – Post-Tax	3.6%	5.1%	5.4%	9.5%
Net Debt / Equity (x)	0.83	0.82	0.85	0.71



# Financial Results Q1 FY20



Particulars (Rs. in lacs)	3M 30.06.2019	3M 31.03.2019	3M 30.06.2018	12M 31.03.2019
<b>Income</b>				
a) Revenue from operations	20,373.83	17,418.65	12,749.92	58,731.41
b) Other income	62.71	1,199.39	28.72	1,280.70
<b>Total Income</b>	<b>20,436.54</b>	<b>18,618.04</b>	<b>12,778.64</b>	<b>60,012.11</b>
<b>Expenses</b>				
a) Cost of materials consumed	9,906.75	7,339.79	7,481.25	29,006.74
b) Purchase of stock-in-trade	20.77	5.53	-	9.88
c) Changes in inventories	(43.17)	1,093.83	(2,499.50)	(3,939.94)
d) Employee benefits expense	2,206.88	2,001.67	1,599.29	7,486.77
e) Finance costs	859.05	845.50	84.03	2,391.15
f) Depreciation and Amortisation expense	1,538.66	1,539.78	724.99	5,031.60
g) Other expenses	5,592.57	4,854.03	3,619.48	17,832.15
<b>Total Expenses</b>	<b>20,081.51</b>	<b>17,680.13</b>	<b>11,009.54</b>	<b>57,818.35</b>
<b>Profit before tax</b>	<b>355.03</b>	<b>937.91</b>	<b>1,769.10</b>	<b>2,193.76</b>
Tax expense				
a) Current tax	83.32	219.12	394.24	499.41
b) Deferred tax	1.39	(495.56)	(34.48)	(2,718.40)
<b>Total tax expense</b>	<b>84.71</b>	<b>(276.44)</b>	<b>359.76</b>	<b>(2,218.99)</b>
Net Profit after tax	<b>270.32</b>	<b>1,214.35</b>	<b>1,409.34</b>	<b>4,412.75</b>
Other Comprehensive Income (net of tax)	-	22.66	-	22.66
<b>Total Comprehensive Income for the period</b>	<b>270.32</b>	<b>1,237.01</b>	<b>1,409.34</b>	<b>4,435.41</b>
Earnings per equity share (of ₹ 1/- each) (Not annualised)	<b>0.22*</b>	<b>0.99*</b>	<b>1.15*</b>	<b>3.60</b>

# Segmental Performance – Q1 FY20



Particulars (Rs. in lacs)	3M 30.06.2019	3M 31.03.2019	3M 30.06.2018	12M 31.03.2019
<b>Segment Revenue</b>				
a) Plywood and allied products	5,179.98	4,064.40	3,292.53	14,150.27
b) Medium density fibreboards and allied products	15,193.85	13,354.25	9,457.39	44,581.14
<b>Total Revenue from Operations</b>	<b>20,373.83</b>	<b>17,418.65</b>	<b>12,749.92</b>	<b>58,731.41</b>
<b>Segment Results</b>				
a) Plywood and allied products	934.19	687.97	524.32	2,041.32
b) Medium density fibreboards and allied products	1,205.41	2,078.61	2,038.71	5,820.31
<b>Total</b>	<b>2,139.60</b>	<b>2,766.58</b>	<b>2,563.03</b>	<b>7,861.63</b>
Less: (i) Finance costs	859.05	845.50	84.03	2,391.15
(ii) Other unallocable expenditure	925.52	983.17	709.90	3,276.72
<b>Total Profit before Tax</b>	<b>355.03</b>	<b>937.91</b>	<b>1,769.10</b>	<b>2,193.76</b>
<b>Segment Assets</b>				
a) Plywood and allied products	11,440.89	12,124.30	12,641.96	12,124.30
b) Medium density fibreboards and allied products	1,24,839.91	1,27,225.96	1,25,908.90	1,27,225.96
c) Unallocated	11,830.14	9,131.36	6,517.81	9,131.36
<b>Total Segment Assets</b>	<b>1,48,110.94</b>	<b>1,48,481.62</b>	<b>1,45,068.67</b>	<b>1,48,481.62</b>
<b>Segment Liabilities</b>				
a) Plywood and allied products	4,674.72	3,982.69	5,882.41	3,982.69
b) Medium density fibreboards and allied products	69,033.09	72,649.32	68,414.14	72,649.32
c) Unallocated	6,095.98	3,812.78	5,761.37	3,812.78
<b>Total Segment Liabilities</b>	<b>79,803.79</b>	<b>80,444.79</b>	<b>80,057.92</b>	<b>80,444.79</b>

# Segment Wise Performance



Particulars	Plywood					
	Q1FY20	Q1FY19	Var (%)	FY19	FY18	Var (%)
Net sales (Rs crore)	51.58	32.93	56.6%	141.16	300.46	(53.0%)
EBITDA margin (%)	16.3%	14.9%		12.7%	14.6%	
EBIT margin (%)	13.5%	10.2%		8.7%	11.7%	
Annual capacity (million sqm)	10.5	10.5		10.5	10.5	
Production (million sqm)	2.02	1.11	82.0%	5.94	10.77	(44.8%)
Sales volume (million sqm)	2.10	1.07	96.3%	5.68	10.86	(47.7%)
Utilisation (%)	77%	42%		57%	103%	
Average realisation (Rs/sqm)	244	289		251	275	

Particulars	MDF					
	Q1FY20	Q1FY19	Var (%)	FY19	FY18	Var (%)
Net sales (Rs. crore)	146.86	91.14	61.1%	429.66	471.70	(8.9%)
EBITDA margin (%)	13.0%	22.9%		18.2%	27.3%	
EBIT margin (%)	3.5%	16.6%		7.8%	23%	
Annual capacity (cubic metre)	540000	180000		540000	180000	
Production (cubic metre)	80403	35510	126.4%	210818	180736	16.6%
Sales volume (cubic metre)	76738	36210	111.9%	197763	179908	9.9%
Utilisation (%)	60%	79%		47%	100%	
Average realisation (Rs/cum.)	18672	25131		21614	26202	

# Managing Director's Message

**Commenting on the performance for Q1 FY2020, Mr. Shobhan Mittal, Managing Director and CEO, Greenpanel Industries Ltd. said,**

We are targeting improved capacity utilisation in future quarters to increase topline and improve the margins. We are also expecting increasing Government focus on improving GST compliance which will help to reduce price gap between organised and un-organised and increase our market share. We are also focused on reducing working capital investments through reduction in Inventories.

# Company Overview

Capacity Utilization	<ul style="list-style-type: none"><li>• Plywood – Improved capacity utilization at 77%</li><li>• MDF capacity utilization was 60% in the first quarter and we are targeting 68% for FY 2020.</li></ul>
Production Model	<ul style="list-style-type: none"><li>• Plywood – Targeting 80% Capacity Utilisation for FY 2020 in domestic markets.</li><li>• MDF – Exports have increased at 30805 CBM in the current quarter, targeting 123000 CBM for FY 2020.</li></ul>
Raw Material Sustainability	<ul style="list-style-type: none"><li>• The aim is to improve the quality of wood through better clonal plantations</li><li>• Clonal plantations will also help us ensure steady supplies and maintain prices</li></ul>
Return Ratios	<ul style="list-style-type: none"><li>• 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.</li></ul>



# 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, 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

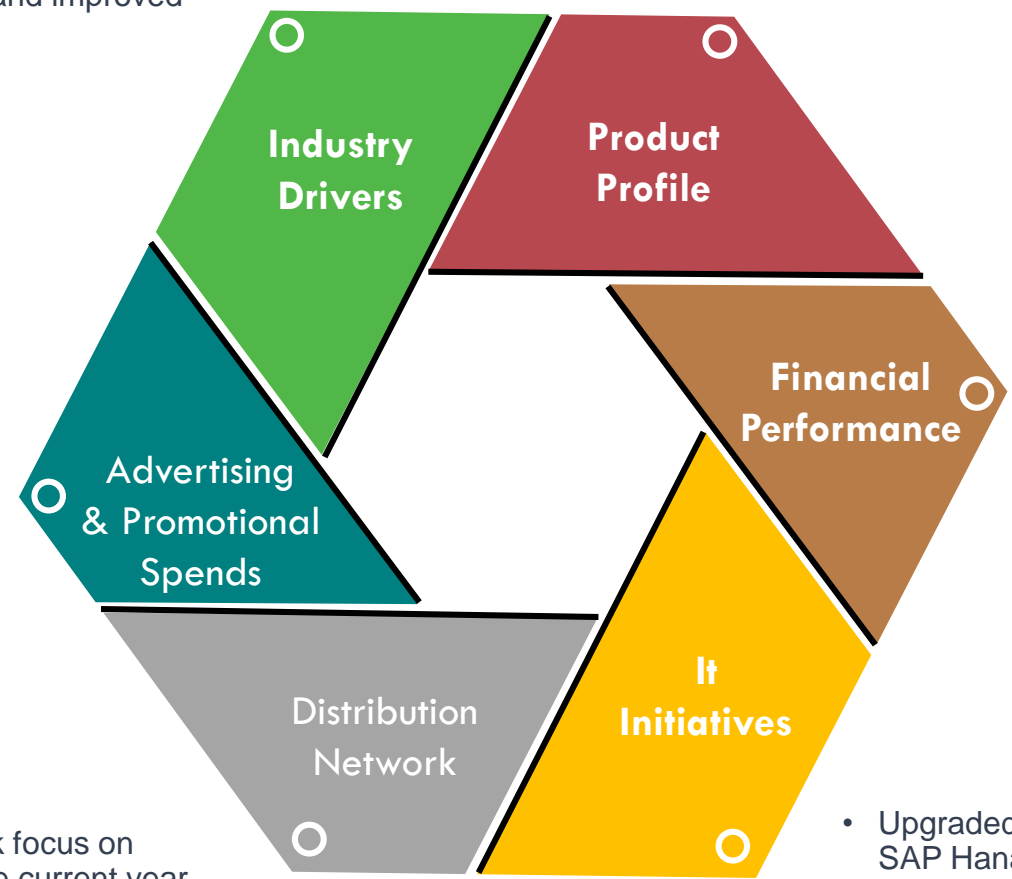
## Manufacturing Facilities

- 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
- 60% 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
<b>Total Capacity</b>	<b>10.50</b>



## MDF

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

# One Umbrella Brand







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**Thank  
You**

