



GREENPANEL™

Brand Greenpanel

We outperformed,
in Q3 FY 2022

A brief report for stakeholders

Greenpanel Industries Limited

Disclaimer

Certain statements in this communication may be ‘forward looking statements’ within the meaning of applicable laws and regulations. These forward-looking statements involve 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.



GREENPANEL

A snapshot of our company

● 1

Brand vision: We envision to maintain our Leadership Position in the Panel Industry and supply best quality Panel products to our customers. To be referred as “*Pride of India, Panel of India*”

● 2

About us: Greenpanel is a prominent wood panel player in India with a national leadership in Medium Density Fibreboard (MDF).

● 3

Management: Greenpanel is led by Mr. Shiv Prakash Mittal, Executive Chairman, and Mr. Shobhan Mittal, Managing Director and CEO, supported by experienced professionals and workforce (1816 as on March 31, 2021).

● 4

Listing: The Company was listed on October 23, 2019 and enjoyed a market capitalisation of Rs. 5,148 crores as on December 31, 2021 (NSE closing price of Rs. 419.80).

● 5

Locations: The Company is headquartered in Kolkata (West Bengal), supporting offices in Gurgaon and Singapore and state-of-the-art manufacturing facilities in Rudrapur (Uttarakhand) and Srikalahasti (Andhra Pradesh); the latter is arguably the largest MDF plant in Asia.



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Our Products



- 1 MDF
- 2 Flooring
- 3 Plywood
- 4 Veneers
- 5 Doors



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Part one _____
**Our performance,
Q3 FY 2022**



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5

Performance Highlights
Q3 FY 2022

1

Excellent quarter, inspite of the MDF unit at Uttarakhand being inoperative for nearly half the quarter

2

Sustained growth:
Revenue 34%
EBITDA 65%
PAT 107%



3

Steep increase in MDF realisation
44.1% YOY and 18.7% QOQ

4

Superior working capital hygiene

5

Stronger Balance Sheet



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Our financial performance in brief

Revenue growth

417.44

Rs crores, Net Sales,
Q3 FY 2022

311.87

Rs crores, Net Sales,
Q3 FY 2021

33.84% ↑

Profitability growth

EBITDA

113.37

Rs crores, Earnings before
interest, depreciation, taxes and
amortization, Q3 FY 2022

68.81

Rs crores, Earnings before
interest, depreciation, taxes and
amortization, Q3 FY 2021

64.76% ↑

Profit after tax

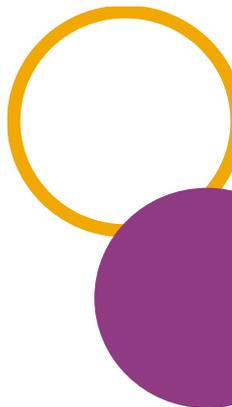
63.07

Rs crores, Profit after tax,
Q3 FY 2022

30.45

Rs crores, Profit after tax,
Q3 FY 2021

107.13% ↑





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Our financial performance in brief

Shareholders value proposition

Earnings per Share

5.14

Rs, Earnings per share,
Q3 FY 2022

2.48

Rs, Earnings per share,
Q3 FY 2021

107.26% ↑

RoCE-Post Tax %

22.0

% Return on capital
employed, Q3 FY 2022

15.3

% Return on capital
employed, Q3 FY 2021

670 bps ↑

Return on Equity

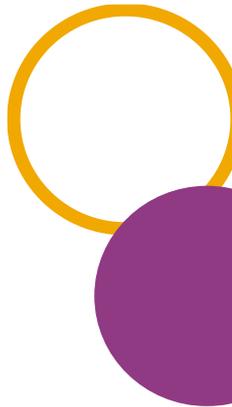
28.3

% Return on equity,
Q3 FY 2022

18.1

% Return on equity,
Q3 FY 2021

1020 bps ↑



Financial Highlights

Q3 FY 2022 vs Q3 FY 2021

Key Ratios (%)	Q3 FY 2022	Q3 FY 2021
Gross Margin	57.0	54.8
EBITDA Margin	27.2	22.1
EBIT Margin	22.7	16.5
Net Margin	15.1	9.8
Sales Promotion / Net Sales	1.2	1.3
Employee Expenses / Net Sales	7.9	8.1
Logistics Costs / Net Sales	5.7	5.7
EPS (Rs.)	5.14	2.48

Segment Performance - MDF

Particulars	Q3 FY 22	Q3 FY 21	Var (%)	9M FY 22	9M FY 21	Var (%)
Net Sales (Rs. Crores)	350.40	249.88	40.2%	940.00	482.28	94.9%
EBITDA Margin	30.5%	23.9%		29.4%	19.4%	
EBIT Margin	25.6%	17.5%		24.0%	9.6%	
Annual Capacity (CBM)	540,000	540,000		540,000	540,000	
Production (CBM)	115,652	124,952	(7.4)%	366,617	233,267	57.2%
Sales Volume (CBM)	120,724	123,723	(2.4)%	370,503	240,941	53.8%
Capacity Utilisation	86%	93%		90%	57%	
Blended Realisation / CBM	29,025	20,138	44.1%	25,355	19,922	27.3%
Domestic Realisation / CBM	30,651	21,496	42.6%	27,996	21,990	27.3%
Export Realisation / CBM	21,051	14,132	49.0%	18,191	14,344	26.8%

Segment Performance - Plywood

Particulars	Q3 FY 22	Q3 FY 21	Var (%)	9M FY 22	9M FY 21	Var (%)
Net Sales (Rs. Crores)	67.04	62.00	8.1%	185.48	134.36	38.0%
EBITDA Margin	9.9%	14.7%		11.6%	10.6%	
EBIT Margin	8.0%	12.4%		9.5%	7.2%	
Annual Capacity (Mn Sqm)	10.50	10.50		10.50	10.50	
Production (Mn Sqm)	2.33	2.29	1.7%	6.36	4.92	29.3%
Sales Volume (Sqm)	2.47	2.52	(2.0)%	6.83	5.43	25.8%
Capacity Utilisation	89%	87%		80%	62%	
Average Realisation / Sqm	272	244	11.5%	271	246	10.2%



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Overview by MD & CEO

“Business environment improved during the period. However, our MDF unit at Uttarakhand remained inoperative for nearly half the quarter impacting MDF volumes.”



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Overview by MD & CEO

“**MDF sales** volumes de-grew by 2.4% YoY; operating margins improved 657 basis points to 30.5%.”

“**Plywood** volumes de-grew by 2% YoY; operating margins fell 480 basis points to 9.9% due to increased raw material costs.”

“**Consolidated** operating margins increased 510 basis points to 27.2% due to our superior product mix, cost optimization and operational leverage.”

“**Working** capital investment reduced by 20 days YoY to 13 days as on 31st December 2021.”

“**Net debt** reduced by Rs. 85 crores during Q3 to Rs. 144 crores as on 31st December 2021. We prepaid four instalments of German Bank loan amounting to Euro 8.91 Mn (Rs. 78 crores) in October 2021.

We are targeting to be net debt-free for our existing business by September 2022.”

“**Widening** of our distribution reach and focus on small urban clusters is supporting sustained volume growth and reduced working capital outlay.”

“**We are optimistic** of sustainable growth in coming quarters.”

Shobhan Mittal

Managing Director & CEO, Greenpanel Industries Limited



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Part two

Greenpanel Brand's Financial Health

Brand acceptance has supported
sustained growth



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We strengthened realisations across both product lines

MDF

29,025

Rs / cubic meter,
Average realization,
Q3 FY 2022

44

%, Growth in
average MDF
realisations

20,138

Rs / cubic meter,
Average realization,
Q3 FY 2021

11.5

%, Growth in
average
Plywood
realisations





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We widened our margins by building a stronger business

We widened our margins by building a stronger business

27.2

% EBITDA margin, Q3 FY 2022

22.1

% EBITDA margin, Q3 FY 2021

28.2

% EBITDA margin, Q2 FY 2022

510 bps

YoY growth in EBITDA margin over Q3 FY 2021.

We continued to remain principally an MDF-driven company

84

% of revenues drive from MDF, Q3 FY 2022

80

% of revenues drive from MDF, Q3 FY 2021

Note. We are considered to be the most attractive listed MDF proxy in India



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We strengthened our working capital hygiene

Working capital cycle

13

Days, working capital cycle from resource purchase to sales receipt, Q3, FY 2022

33

Days, working capital cycle from resource purchase to sales receipt, Q3, FY 2021

Working capital productivity

7.57

Revenue generated from every rupee of working capital deployed, Q3, FY 2022

4.15

Revenue generated from every rupee of working capital deployed, Q3, FY 2021

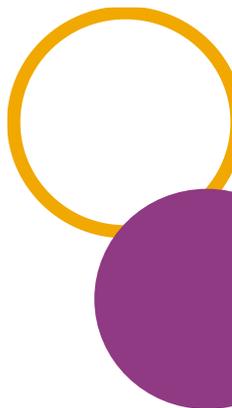
Inventory

35

Days, Total Inventory expressed in days of turnover equivalent, Q3, FY 2022

60

Days, Total Inventory expressed in days of turnover equivalent, Q3, FY 2021





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Receivables

8

Days, receivables expressed in days of turnover equivalent, Q3, FY 2022

25

Days, receivables expressed in days of turnover equivalent, Q3, FY 2021

Payables

30

Days, payables expressed in days of turnover equivalent, Q3, FY 2022

52

Days, payables expressed in days of turnover equivalent, Q3, FY 2021

We utilized our superior performance to draw debt down

248

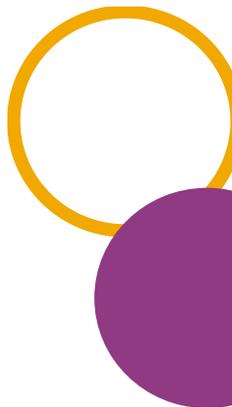
Rs crores, consolidated debt, end of Q3, FY 2022

344

Rs crores, consolidated debt, end of Q2, FY 2022

496

Rs crores, consolidated debt, end of Q3, FY 2021





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How we strengthened our liquidity

71.42

Times or x, interest cover, Q3, FY 2022

3.62

Times or x, interest cover, Q3, FY 2021

We strengthened our capacity utilization

MDF

86%

MDF capacity utilisation, Q3 FY 2022

(Note: Uttarakhand MDF plant was inoperative for 43 days during the quarter)

93%

MDF capacity utilisation, Q3 FY 2021

We strengthened our capacity utilization

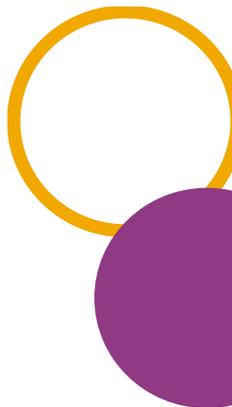
PLYWOOD

89%

Plywood capacity utilisation, Q3 FY 2022

87%

Plywood capacity utilisation, Q3 FY 2021





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Our segment-wise financial growth

26%

YoY growth in plywood volumes, 9M FY 2022

54%

YoY growth in MDF volumes, 9M FY 2022

We enhanced the value-added proportion of our business

Superior realisations

227

Rs per sq m, Average realization for normal plywood variety

592

Rs per sq m, Average realization for decorative veneer plywood variety

We enhanced the value-added proportion of our business

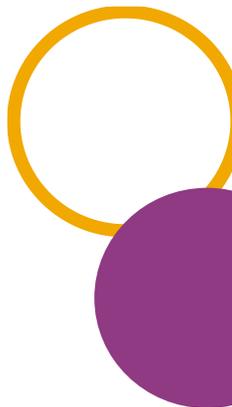
Superior product mix

12%

of revenues derived from decorative veneers (plywood business), Q3 FY 2022

7%

of revenues derived from decorative veneers (plywood business), Q3 FY 2021





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Part three _____

Brand Greenpanel: Strengths and attributes

Brand credentials



Unprecedented Success – Scaled to leadership in just three years

Fastest growing brand in India's interior infrastructure sector

Pioneered the segment by being ahead of the curve always

Demonstrated foresight – to invest in best manufacturing technologies

Invested in the largest MDF single location capacity in Asia

Positioned itself as the only Indian MDF brand operating Globally

Largest Indian MDF brand by capacity

5,40,000

Cubic meters per annum, installed capacity as on 31 March 2021

14,80,500

Cubic meters per annum, installed capacity of India's organized sector as on 31 March 2021

Note: Capitalising on superior economies of scale, on-tap product availability and market visibility



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Pureplay brand positioning

84

Per cent of revenues derived from MDF, Q3 FY 22

80

Per cent of revenues derived from MDF, Q3 FY 21

Note:

Distinctive personality;

Globally recognized MDF proxy of India;

Best positioned to capitalize on MDF upside

Large addressable market

22

USD billion, estimated size of India's interior design market, 2021

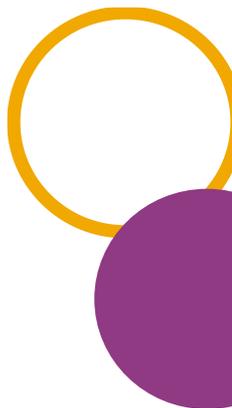
(Source: PRNewsWire)

783

Rs. crores, MDF revenues reported by Greenpanel in FY 21

7.50

Number of times companies of Greenpanel's size can address the estimated market size based on available capacity (organised and unorganized)





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Our widened distribution network

2,084

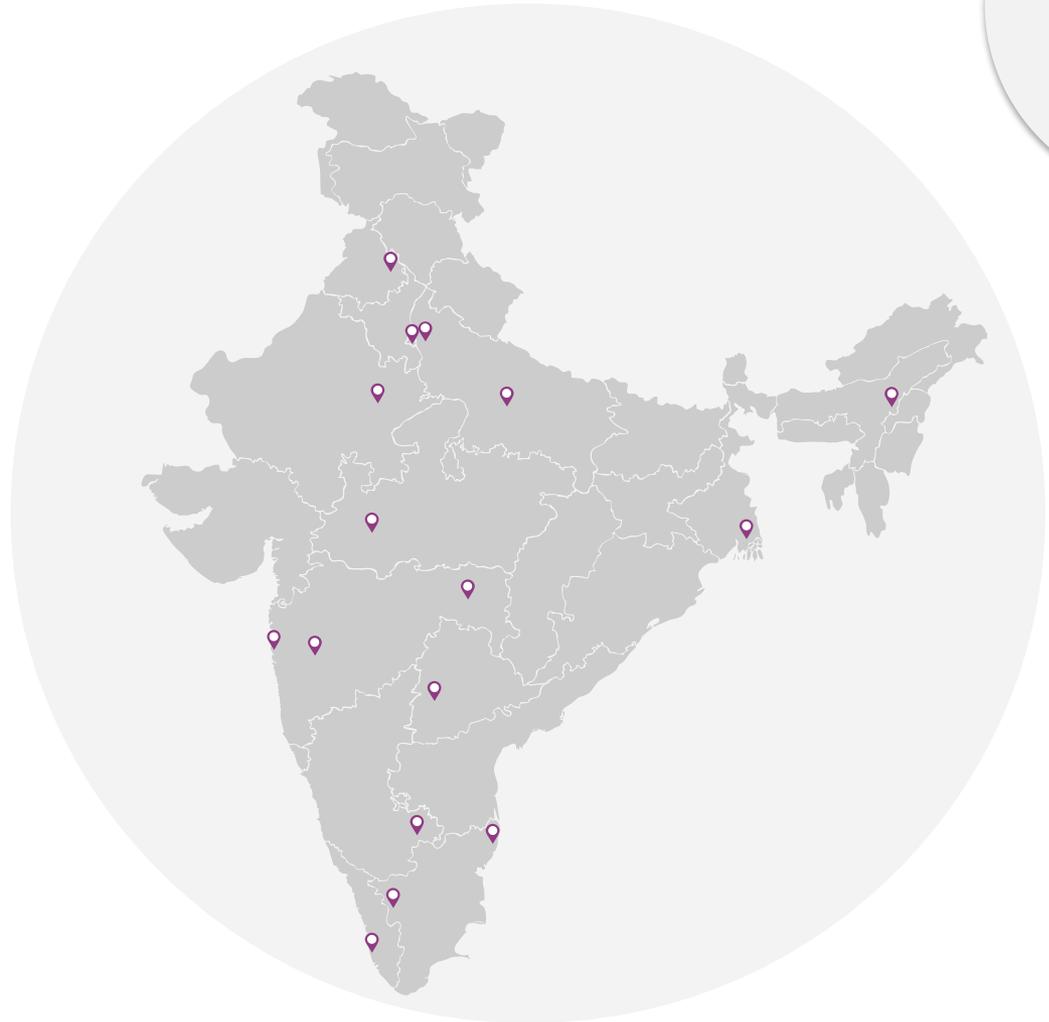
Number of dealers as on
31st March 2021

10,000+

Number of retailers as on
31st March 2021

16

Branches pan-India



Name of physical branches

West & Central: Mumbai, Nagpur, Pune, Indore

South: Bangalore, Hyderabad, Kochi, Coimbatore, Chennai

North: Jaipur, Chandigarh, Lucknow, Ghaziabad, Delhi

East: Kolkata, Guwahati



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Addressing a penetration mismatch

20,762

million cubic meters, estimated size of China's MDF market, 2019
(Source: Globenewswire)

105.16

million cubic meters, estimated size of India's MDF market, 2020
(Source: Mordor Intelligence)



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130,000

Cubic metres, Total
rainwater harvesting
capacity (Andhra
Pradesh plant)

5S: The Company implemented 5S and trained employees

Zero Waste: The Company supplied fly ash (generated from energy plant) to brick manufacturers, ensuring no wastage

Green Belt: The Company developed green belt at various locations

Energy Optimisation: The Company tracks energy consumption through meters for optimisation

Environment Friendly: The Company replaced CFLs with LED lights, reducing power consumption



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The Greenpanel Brand: Attributes

Evangelist: Championing the cause of MDF over cheap plywood

Value-enhancing: Enhancing ease of access, availability and affordability

Service-driven: Extending beyond product manufacture to superior customer service

Carpenter-friendly: Highlight functional; enhancing carpenter's ease of working

Stakeholder-driven: Committed to enhance overall stakeholder value

What Brand Greenpanel successfully demonstrated in Q3 FY 22

Resilience: Ability to absorb unexpected shocks (slowdown and lockdown)

Rebound: Ability to outperform during a sectorial rebound

Scale up: Energised, reported rapid strides from scratch

Strength: Ability to pass cost increases to customers, validating best in class value proposition



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We grew
revenues faster
than the growth
of the Indian
economy

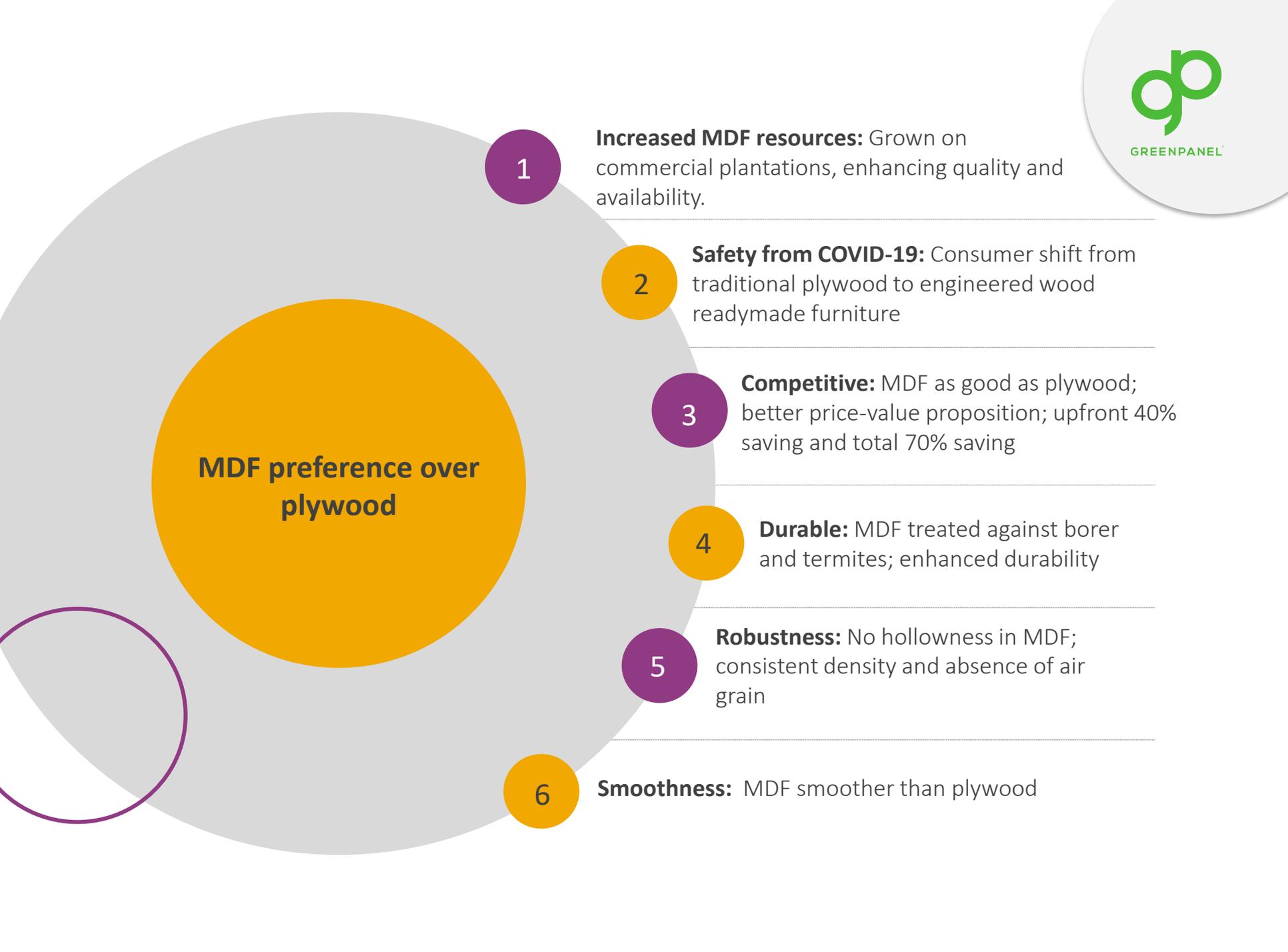
6.6

% (estimated), growth of
the Indian economy in
Q3, FY 2022.

*Source: Financial
Express / RBI*

34

%, YoY growth of
Greenpanel
revenues in
Q3, FY 2022.



MDF preference over plywood

1

Increased MDF resources: Grown on commercial plantations, enhancing quality and availability.

2

Safety from COVID-19: Consumer shift from traditional plywood to engineered wood readymade furniture

3

Competitive: MDF as good as plywood; better price-value proposition; upfront 40% saving and total 70% saving

4

Durable: MDF treated against borer and termites; enhanced durability

5

Robustness: No hollowness in MDF; consistent density and absence of air grain

6

Smoothness: MDF smoother than plywood



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Part four _____
**How we intend
to grow Brand
Greenpanel**

● 1

Evangelise MDF

- Capitalise on the growing preference of MDF (over plywood)
- We are not merely marketing MDF; we are MDF evangelists
- We will continue to highlight MDF superiority over lower priced plywood

● 2

Expand our manufacturing capacity

- We are enhancing our manufacturing capacity from 540,000 cubic m to 660,000 cubic m in Q3/Q4 FY 22
- We expect to fund the expansion at a relatively low capital cost per cubic meter
- We expect to take a call on a major expansion by the end of FY 22

● 3

Leverage the SAP network

- We intend to leverage our existing SAP network
- The SAP network will be leveraged for informed decision making
- The SAP network will help leverage a scalable foundation without corresponding costs increase

● 4

Sustain advertising and promotional spends

- We will invest prudently in enhancing the recall for MDF and Greenpanel
- We expect to sustain consumer pull, protecting realisations

● 5

Reduce debt

- We intend to repay debt with accruals
- We intend to emerge net debt-free for existing scale by September 2022



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Part five _____

What stakeholders can expect

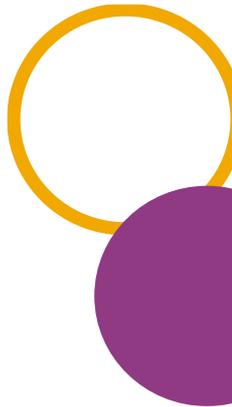
What stakeholders can expect

Real estate fit-outs to grow

- Sustained MDF traction based on a buying preference for engineered furniture products
- Protected realisations based on demand growth and lower imports
- Sustained or improved margins based on economies of scale
- Lower debt, protected terms of trade, stronger liquidity
- Greater propensity to fund business growth through accruals

Our value-creation journey

- Near-rated utilization of MDF capacity
- Increased brand-driven offtake of value-added products
- Aggressive debt reduction for existing operations
- Accruals-driven capacity growth
- Growing capacity at a capital cost per unit lower than greenfield costs





Thank
you

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