



GREENPANEL®

Brand Greenpanel

Performance in Q2 & 6M FY2023

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.

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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 (1910 as on March 31 2022).

● 4

Listing: The Company was listed on October 23 2019 and enjoyed a market capitalisation of ₹ 5,222 crores as on September 30 2022 (NSE closing price of ₹ 425.85).

● 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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Part one _____
**Our performance,
Q2 FY2023**

Performance Highlights

1

Domestic MDF performance continued to be good. However, slowdown in the export markets impacted volumes.

2

Sustained growth (YoY):
Revenue 12%
EBITDA 8%
PAT 8%

3

Steep increase in MDF
realisations
28% YoY

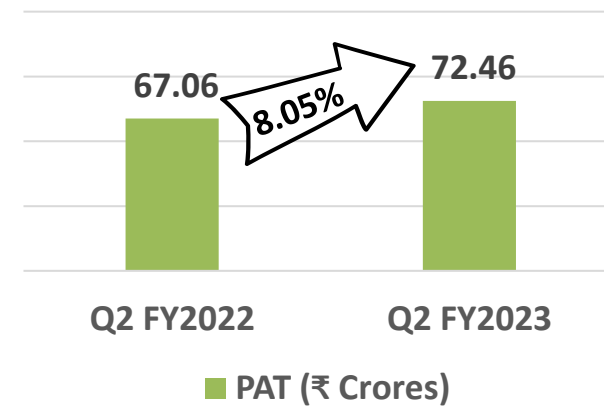
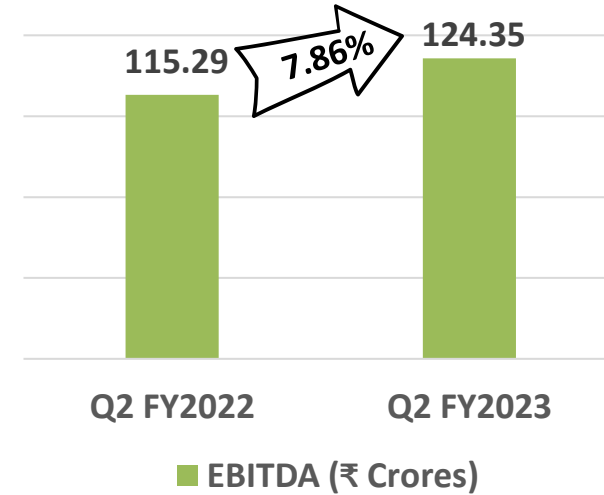
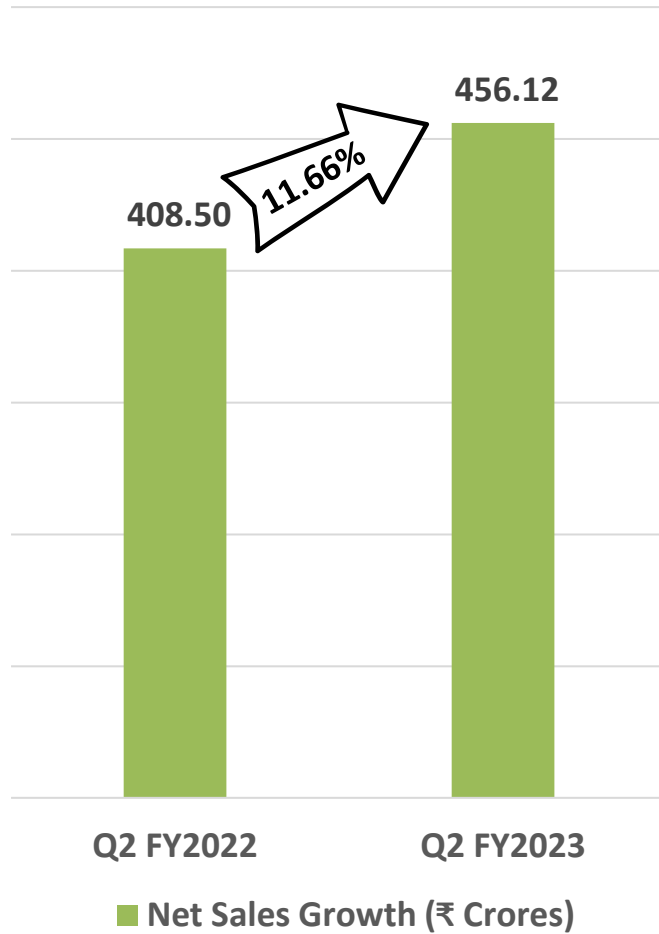
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Working capital hygiene
& Strong Balance Sheet

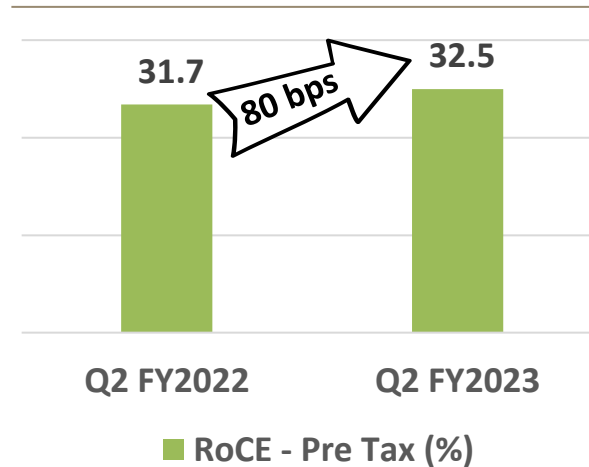
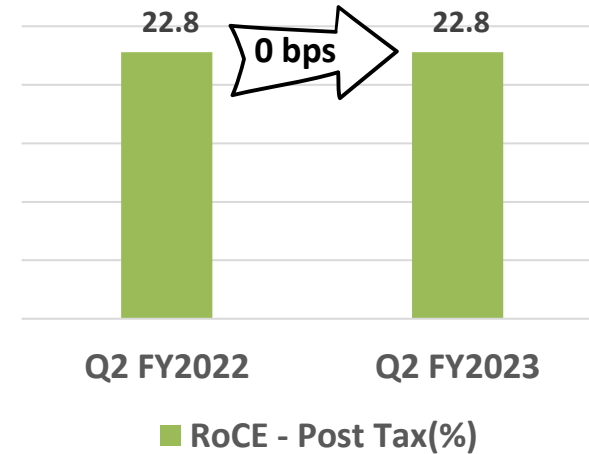
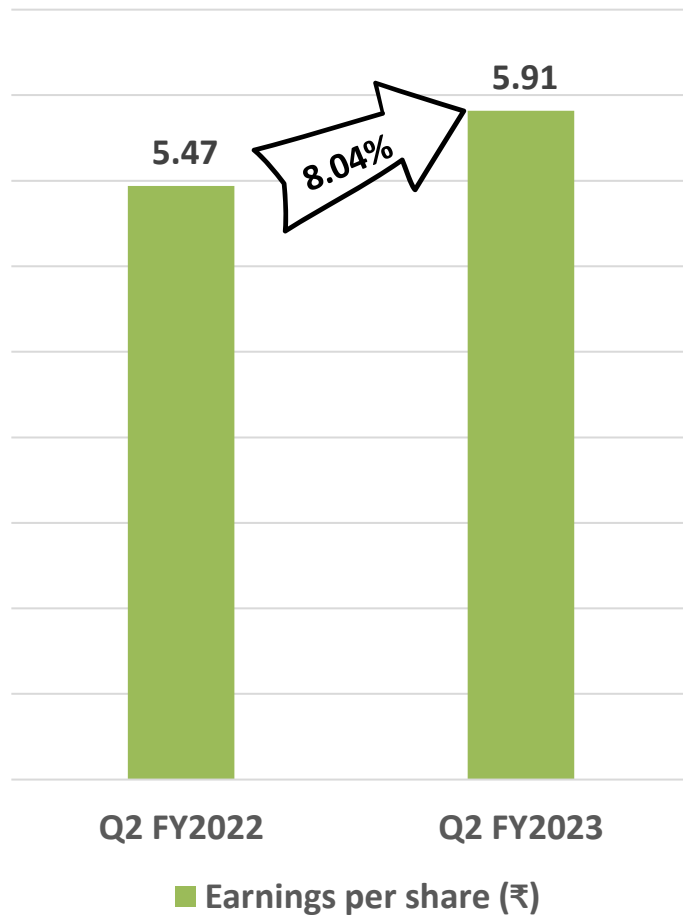
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6

Our financial performance in brief



Our financial performance in brief



Financial Highlights

Q2 FY2023 v/s Q2 FY2022

Key Ratios (%)	Q2 FY2023	Q2 FY2022
Gross Margin	58.60	56.50
EBITDA Margin	27.30	28.20
EBIT Margin	23.30	23.50
Net Margin	15.90	16.40
Sales Promotion / Net Sales	0.90	1.10
Employee Expenses / Net Sales	7.90	7.90
Logistics Costs / Net Sales	4.50	4.60
EPS (₹)	5.91	5.47

Segment Performance - MDF (Quarter)

Particulars	Q2 FY2023	Q2 FY2022	Growth
Net Sales (₹ Crores)	395.09	335.34	17.80%
EBITDA Margin	30.40%	31.40%	
EBIT Margin	26.00%	26.10%	
Annual Capacity (CBM)	6,60,000	5,40,000	
Production (CBM)	1,22,627	1,28,517	-4.60%
Sales Volume (CBM)	1,26,232	1,37,044	-7.90%
Capacity Utilisation	74%	95%	
Blended Realisation (₹/CBM)	31,299	24,446	28.00%
Domestic Realisation (₹/CBM)	33,554	27,167	23.50%
Export Realisation (₹/CBM)	22,906	18,863	21.40%

Segment Performance - MDF (6 Months)

Particulars	6M FY 2023	6M FY 2022	Growth
Net Sales (₹ Crores)	787.00	589.60	33.50%
EBITDA Margin	31.80%	28.80%	
EBIT Margin	27.50%	23.00%	
Annual Capacity (CBM)	6,60,000	5,40,000	
Production (CBM)	2,55,851	2,50,965	1.90%
Sales Volume (CBM)	2,51,260	2,49,779	0.60%
Capacity Utilisation	78%	93%	
Blended Realisation (₹/CBM)	31,322	23,581	32.80%
Domestic Realisation (₹/CBM)	33,451	26,434	26.50%
Export Realisation (₹/CBM)	23,422	17,454	34.20%

Segment Performance - Plywood (Quarter)

Particulars	Q2 FY2023	Q2 FY2022	Growth
Net Sales (₹ Crores)	61.03	73.17	-16.60%
EBITDA Margin	7.30%	13.60%	
EBIT Margin	5.60%	11.70%	
Annual Capacity (Mn Sqm)	10.50	10.50	
Production (Mn Sqm)	1.79	2.42	-26.00%
Sales Volume (Mn Sqm)	2.04	2.62	-22.10%
Capacity Utilisation	68%	92%	
Average Realisation (₹/Sqm)	299	279	7.20%

Segment Performance - Plywood (6 Months)

Particulars	6M FY 2023	6M FY 2022	Growth
Net Sales (₹ Crores)	131.88	118.45	11.30%
EBITDA Margin	9.50%	12.60%	
EBIT Margin	8.00%	10.40%	
Annual Capacity (Mn Sqm)	10.50	10.50	
Production (Mn Sqm)	4.14	4.03	2.70%
Sales Volume (Mn Sqm)	4.56	4.37	4.30%
Capacity Utilisation	79%	77%	
Average Realisation (₹/Sqm)	289	271	6.60%



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Overview by MD & CEO

“MDF volumes showed decent growth in domestic markets while export markets have slowed down. We look forward to improved performance in future quarters.”

Overview by MD & CEO

“MDF sales volumes de-grew by 7.90% YoY; operating margins reduced by 106 basis points to 30.40%.”

“Plywood volumes de-grew by 22.10% YoY; operating margins fell by 635 basis points to 7.30% due to lower volumes and increased raw material costs.”

“Consolidated operating margins reduced by 96 basis points to 27.30% due to lower plywood volumes and increase in raw material costs.”

“Working capital investment increased by 10 days YoY to 24 days as on 30th September 2022.”

“Net debt reduced by ₹ 42 crores during Q2 to negative ₹ 59 crores as on 30th September 2022. We had also made payments of Rs 30 crores on MDF Expansion Project during the quarter”

“Widening distribution reach and focus on small urban clusters is supporting sustained volume growth.”

“We are optimistic of sustainable growth in future 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

We strengthened realisations across both product lines

MDF

31,299

₹ / cubic meter,
Average realization,
Q2 FY2023

28.0

%, Growth in
average MDF
realisations

24,446

₹ / cubic meter,
Average realization,
Q2 FY2022

7.2

%, Growth in
average
Plywood
realisations



We widened our margins by building a stronger business

We maintained our margins in an environment of rising raw material costs

27.3

% EBITDA margin,
Q2 FY2023

28.2

% EBITDA margin,
Q2 FY2022

55%

YoY growth in
PAT IN H1 FY
2023 VS H1 FY
2022.

We continued to remain principally an MDF-driven company

87

% of revenues drive
from MDF, Q2 FY2023

82

% of revenues drive
from MDF, Q2 FY2022

*Note: We are considered
the most attractive listed
MDF proxy in India*

We strengthened our working capital hygiene

Working capital cycle

24

Days, working capital cycle from resource purchase to sales receipt, Q2 FY2023

14

Days, working capital cycle from resource purchase to sales receipt, Q2 FY2022

Inventory

39

Days, Total Inventory expressed in days of turnover equivalent, Q2 FY2023

36

Days, Total Inventory expressed in days of turnover equivalent, Q2 FY2022

Receivables

9

Days, receivables expressed in days of turnover equivalent, Q2 FY2023

11

Days, receivables expressed in days of turnover equivalent, Q2 FY2022



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Payables

24

Days, payables
expressed in days of
turnover equivalent,
Q2 FY2023

33

Days, payables
expressed in days of
turnover equivalent,
Q2 FY2022

**We utilized our
superior
performance to
draw debt down**

202

₹ crores, consolidated
gross debt, end of Q2
FY2023

382

₹ crores, consolidated
gross debt, end of Q2
FY2022



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How we strengthened our liquidity

59.2

Times or x, interest cover, Q2 FY2023

55.0

Times or x, interest cover, Q2 FY2022

MDF capacity utilization

MDF
74%

MDF capacity utilisation, Q2 FY2023 on enhanced capacity

95%

MDF capacity utilisation, Q2 FY2022

Plywood capacity utilization

PLYWOOD
68%

Plywood capacity utilisation, Q2 FY2023

92%

Plywood capacity utilisation, Q2 FY2022



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**Our
segment-wise
financial growth**

4.3%

YoY growth in plywood
volumes, 6M FY2023

0.60%

YoY growth in MDF
volumes, 6M FY2023

**We enhanced the
value-added
proportion of our
business**

Superior realisations

247

₹ per sq m, Average
realization for normal
plywood variety

601

₹ 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),
H1 FY2023

10%

of revenues derived from
decorative veneers
(plywood business),
H1 FY2022



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Part three _____

Brand Greenpanel: The Journey So Far



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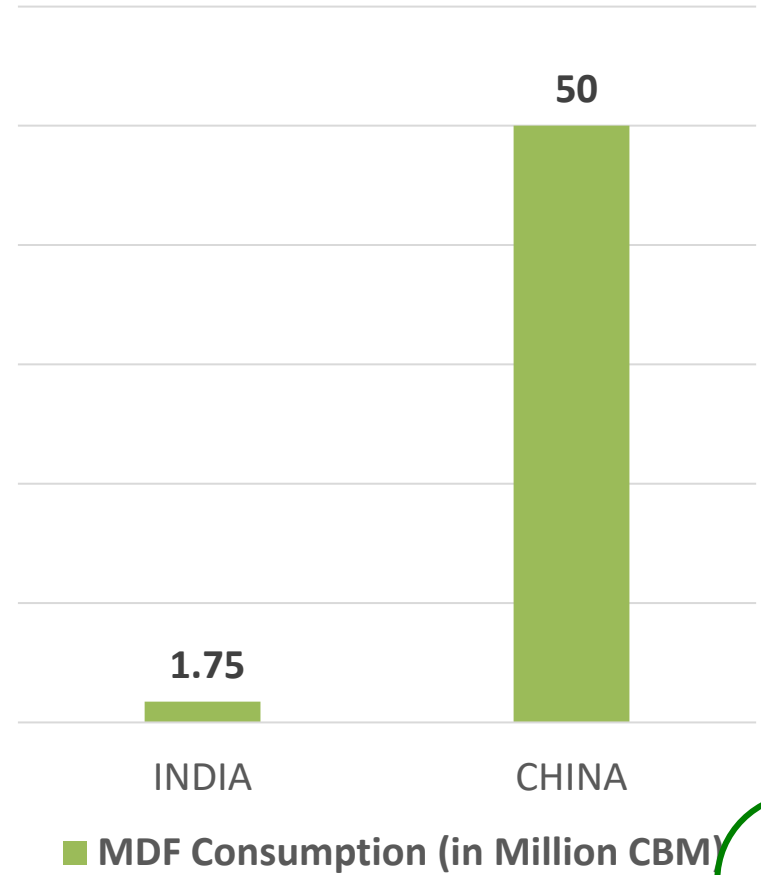
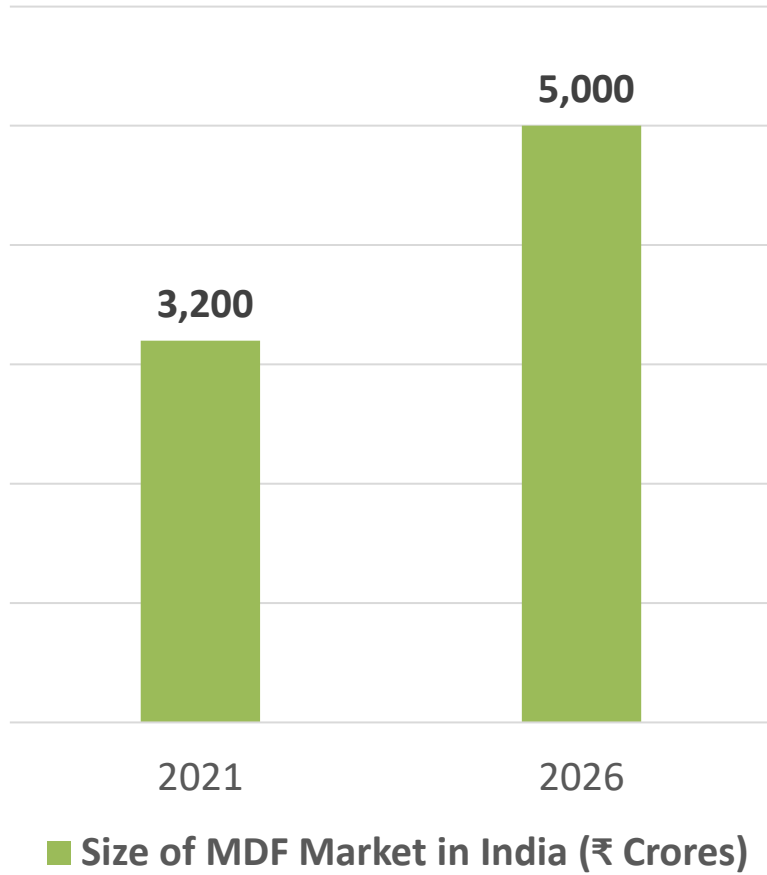


Financial and Business Review



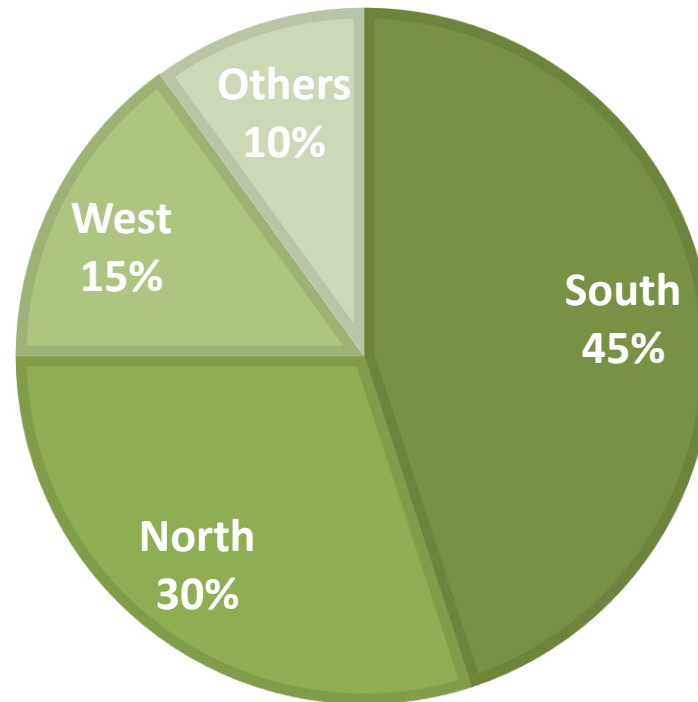
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Industry Overview

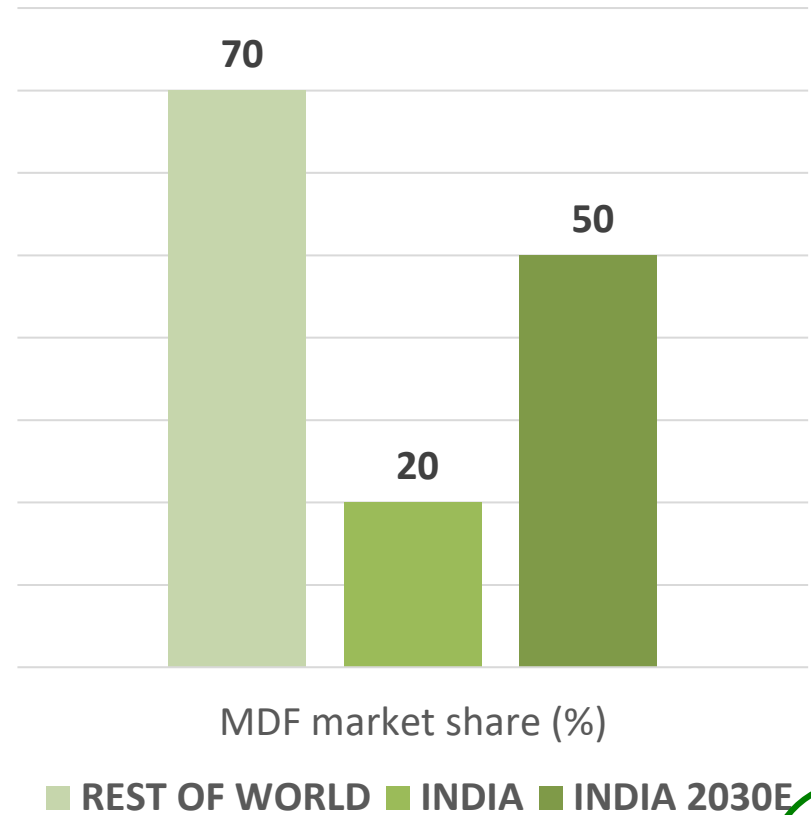
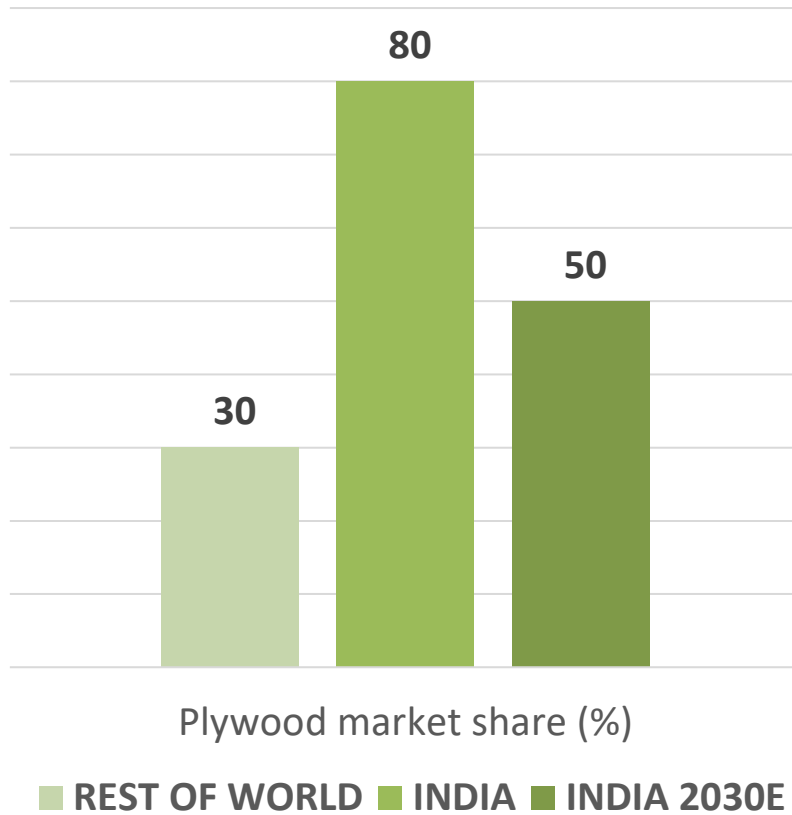


Industry Overview

REGIONAL DEMAND FOR MDF IN INDIA

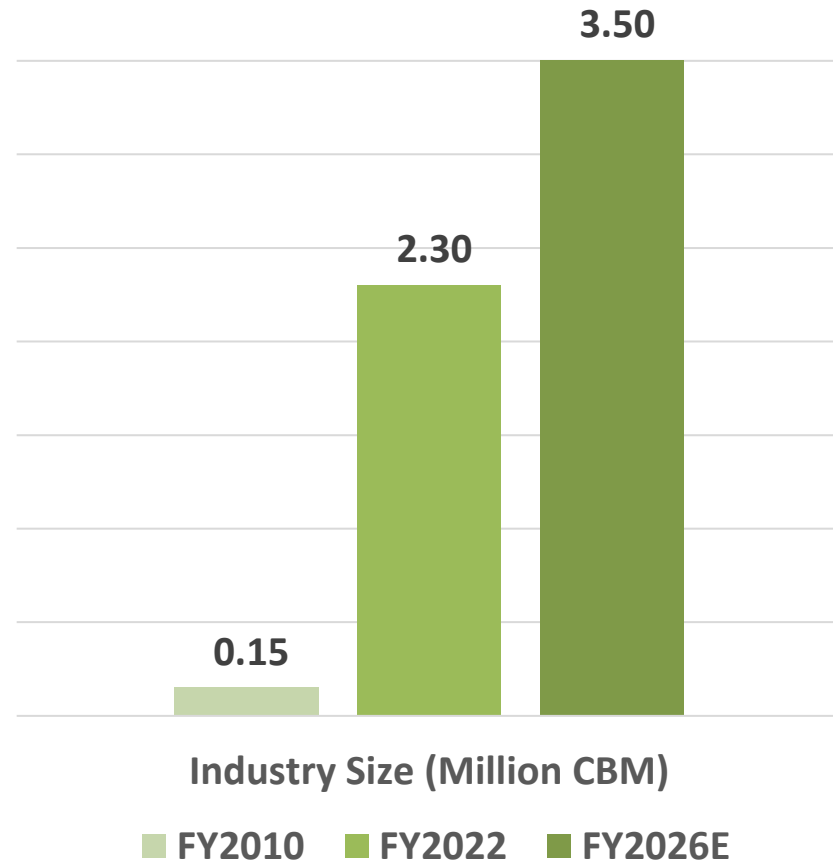


Industry Overview

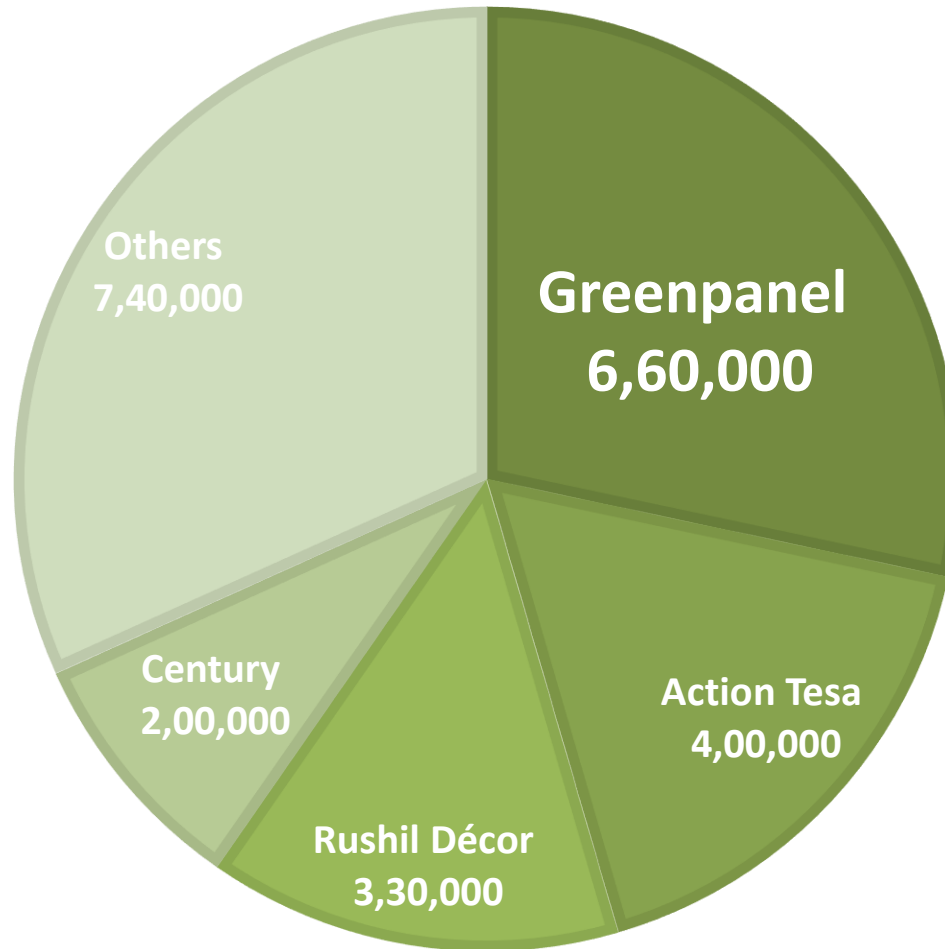


Industry Overview

In India, MDF has penetrated all the regions in terms of market presence and is rapidly advancing in terms of both consumer demand as well as production capacity. **The production capacity has grown by more than 15x from 0.15 million CBM in 2010 to 2.30 million CBM in 2022.** Further, it is expected to witness a **CAGR of 20-25% in the period 2021-2026.**



Where do we stand...



Where do we stand...

- ☑ We are now among the **top 500** listed companies on NSE based on market capitalisation
 - Rank as on 31 March 2022 is **396**
 - Rank as on 31 March 2021 was 573
- ☑ We are now a **“USD 1 billion”** company in terms of market capitalisation as on 31st March 2022
- ☑ Credit ratings for “long term credit facilities” have consistently improved



Areas Highlighted

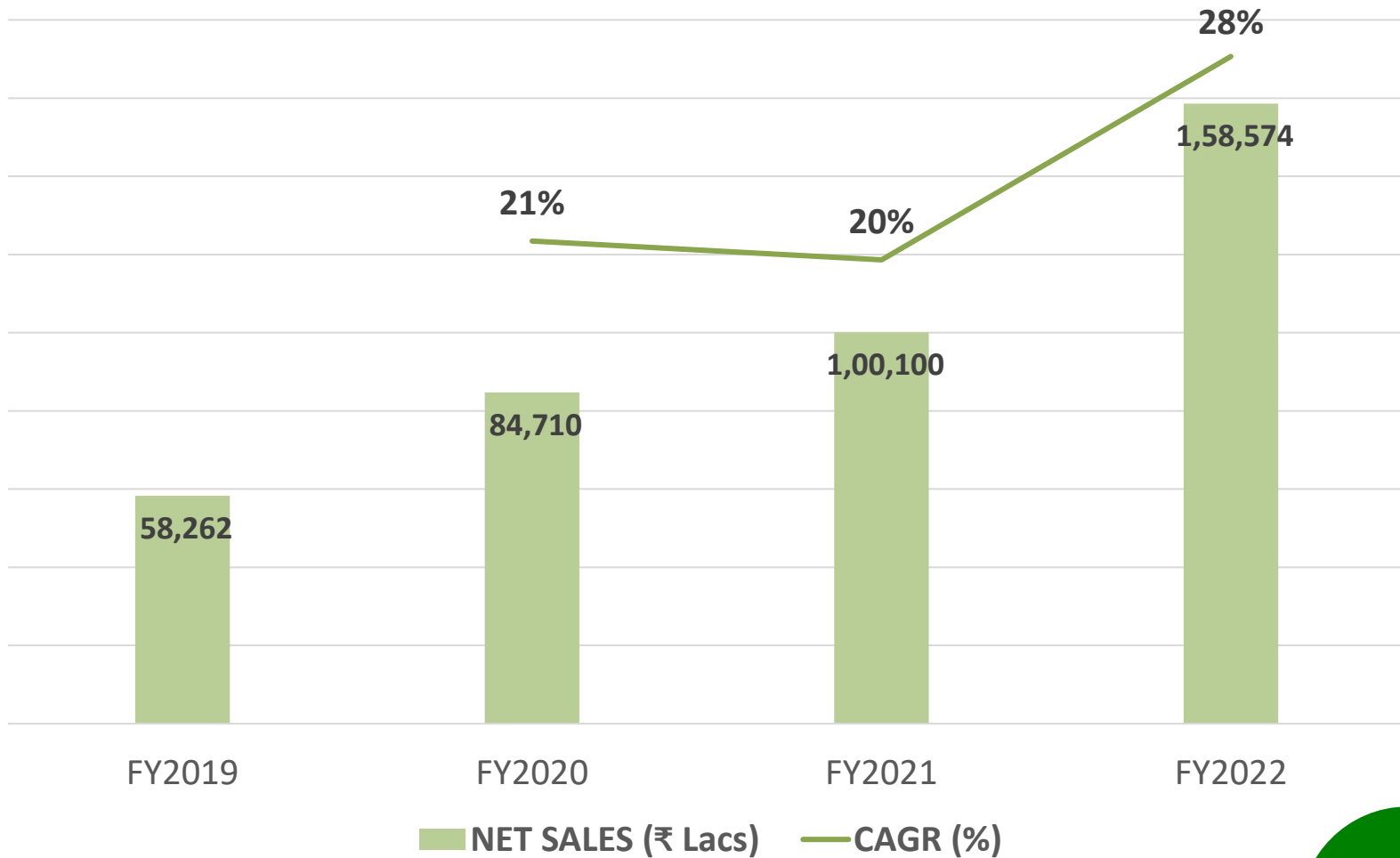
- ☒ Financial Evolution
- ☒ Capital Structure
- ☒ MDF Business
- ☒ Ply Business



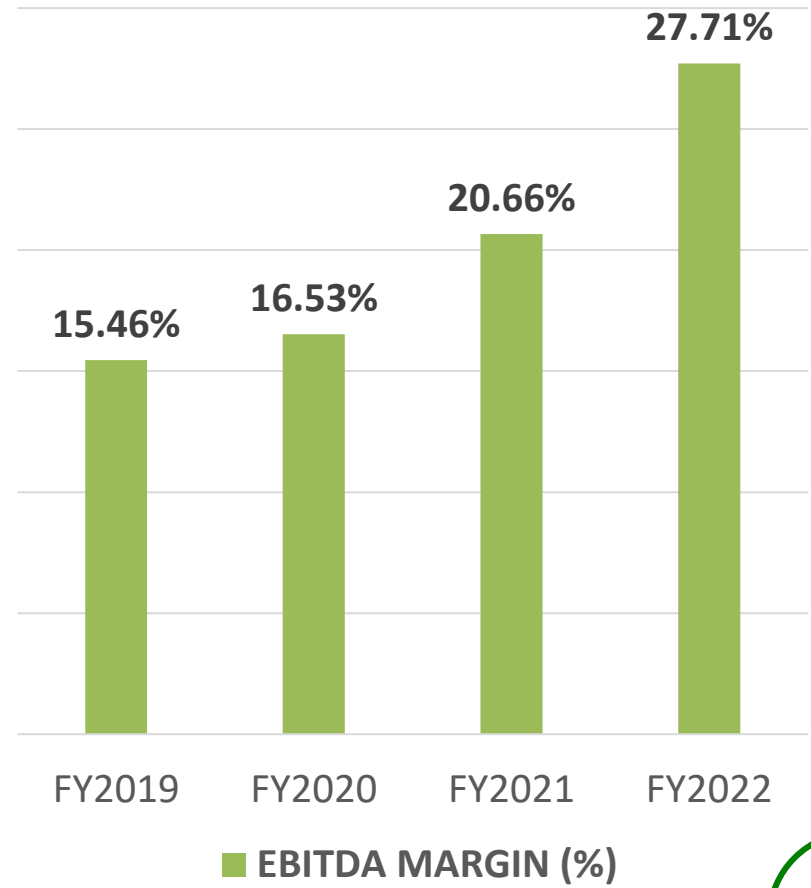
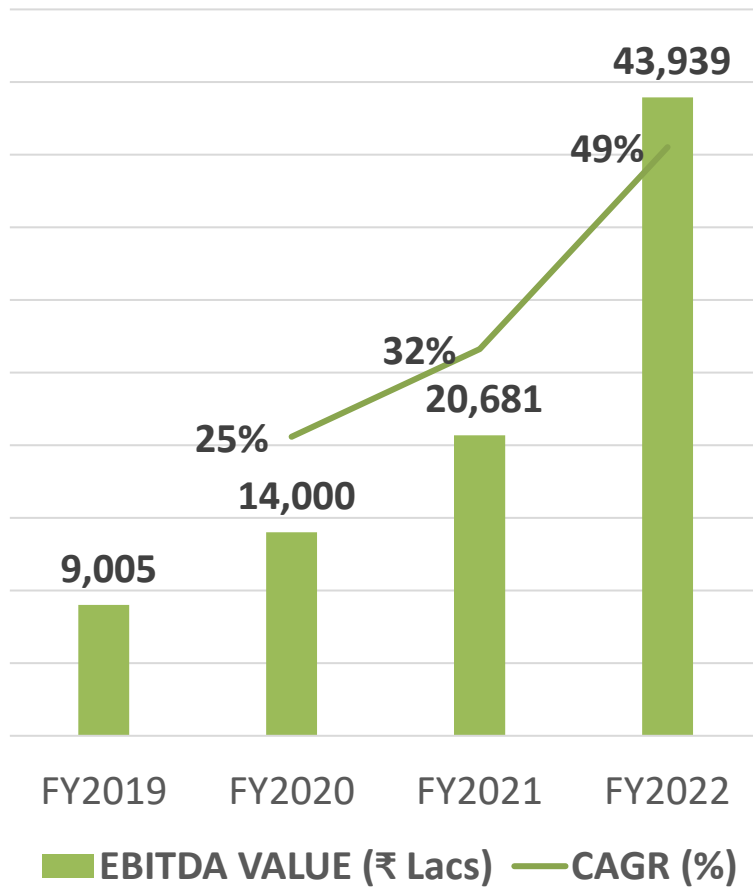
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FINANCIAL EVOLUTION

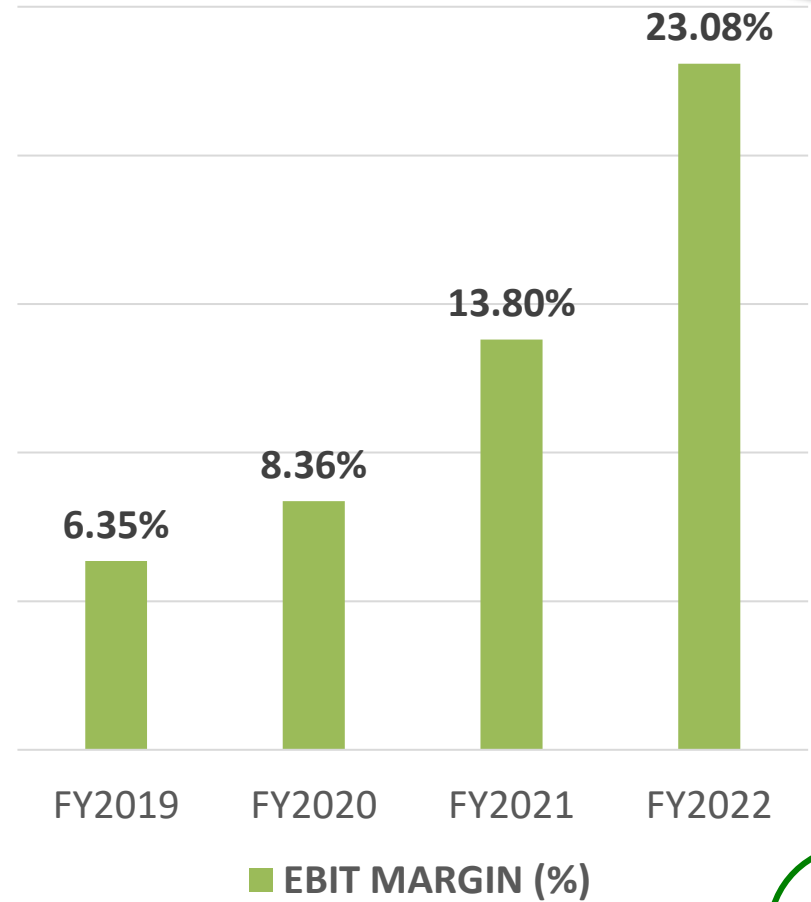
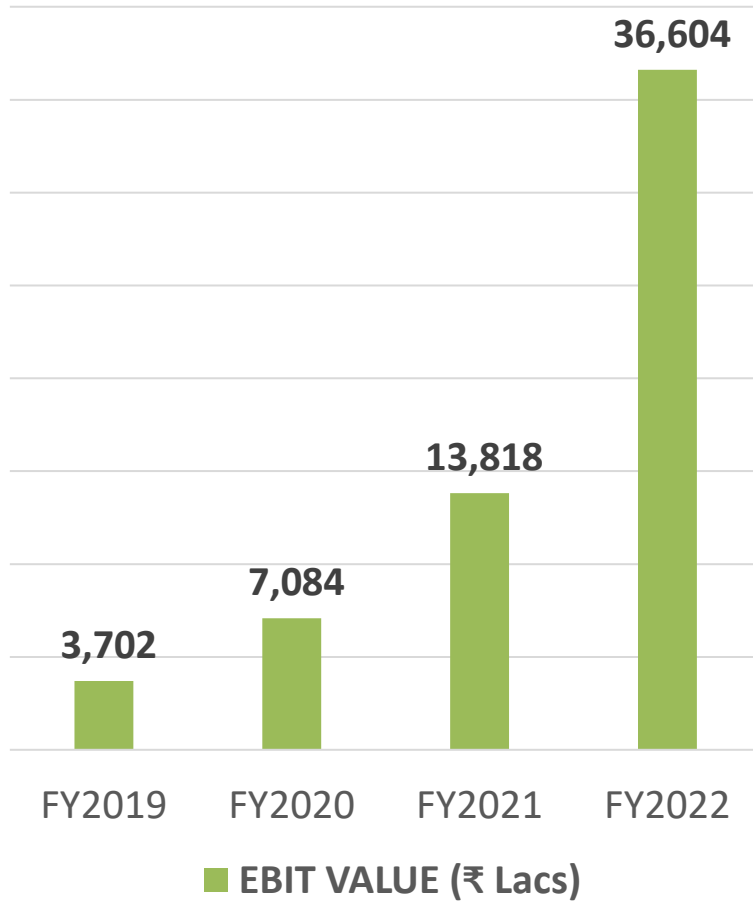
Financial Evolution



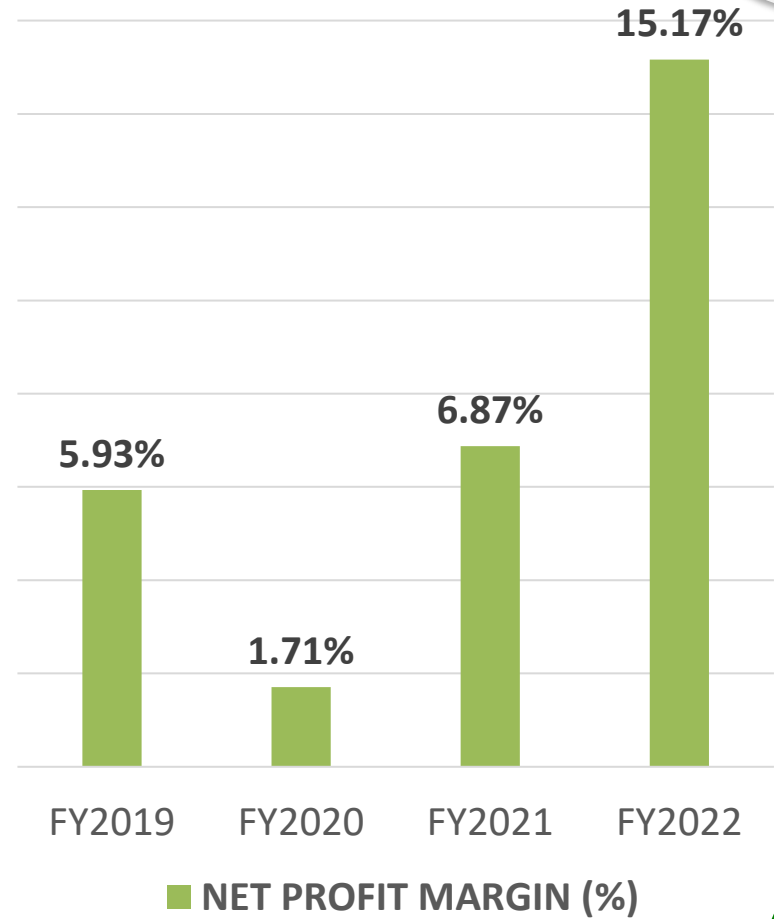
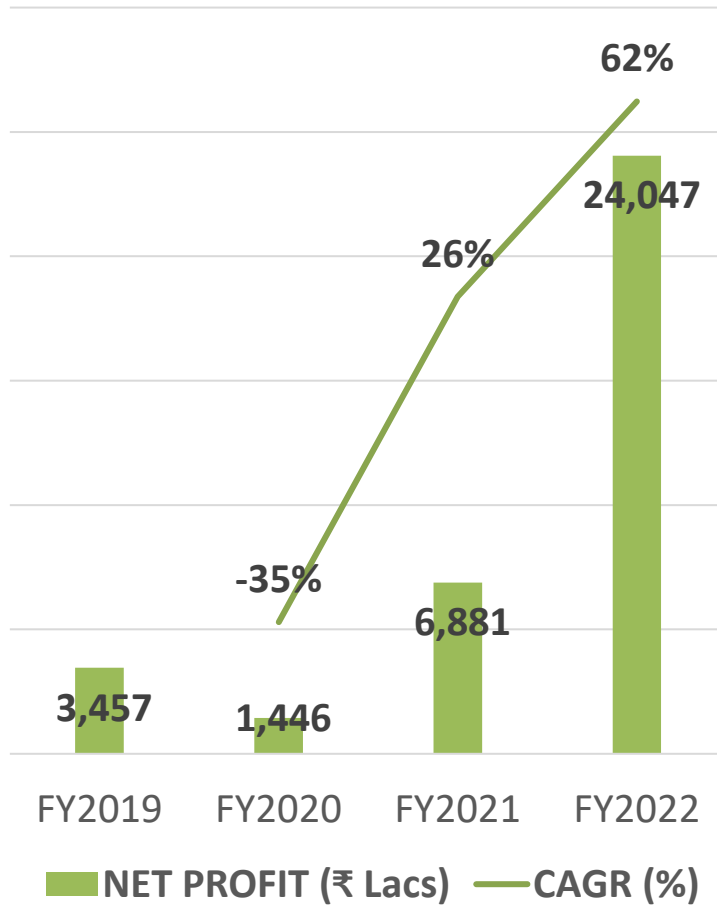
Financial Evolution



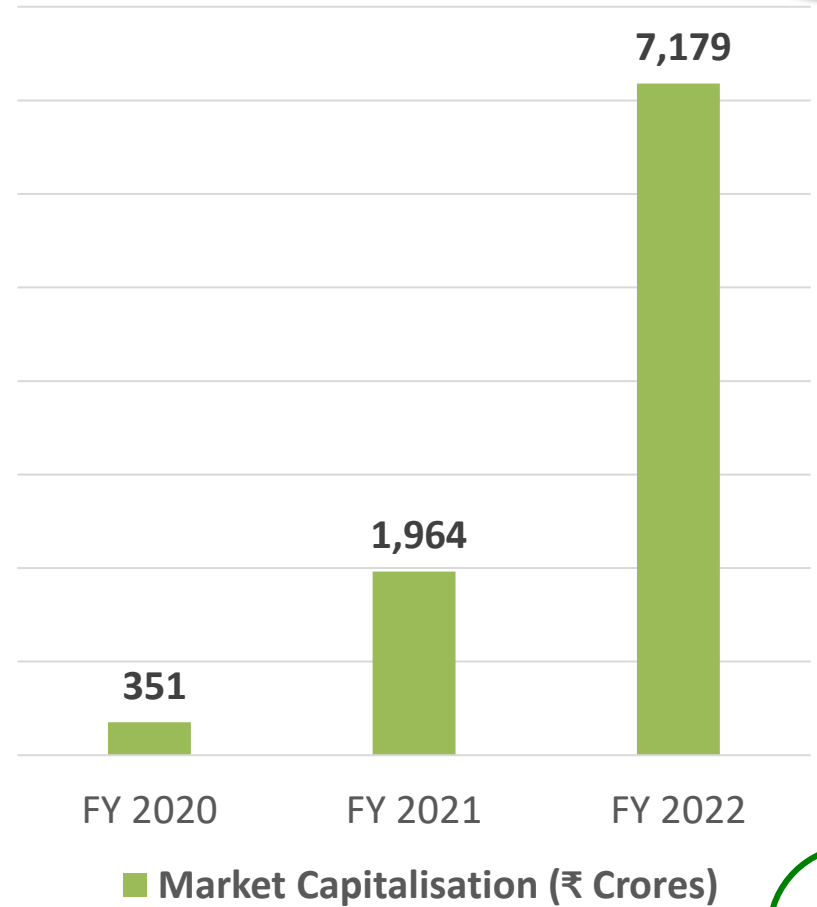
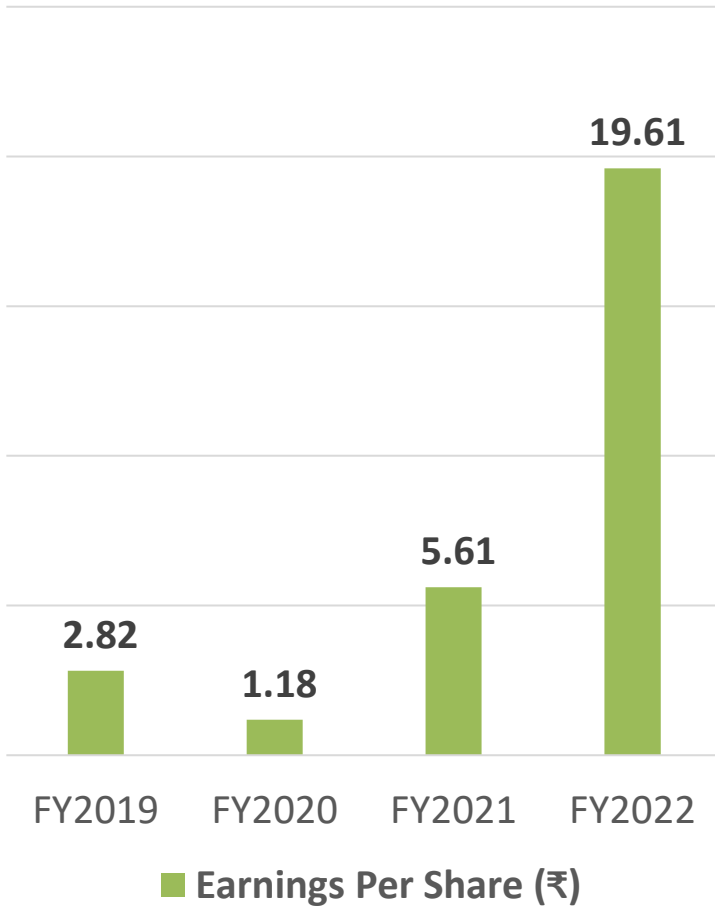
Financial Evolution



Financial Evolution



Financial Evolution





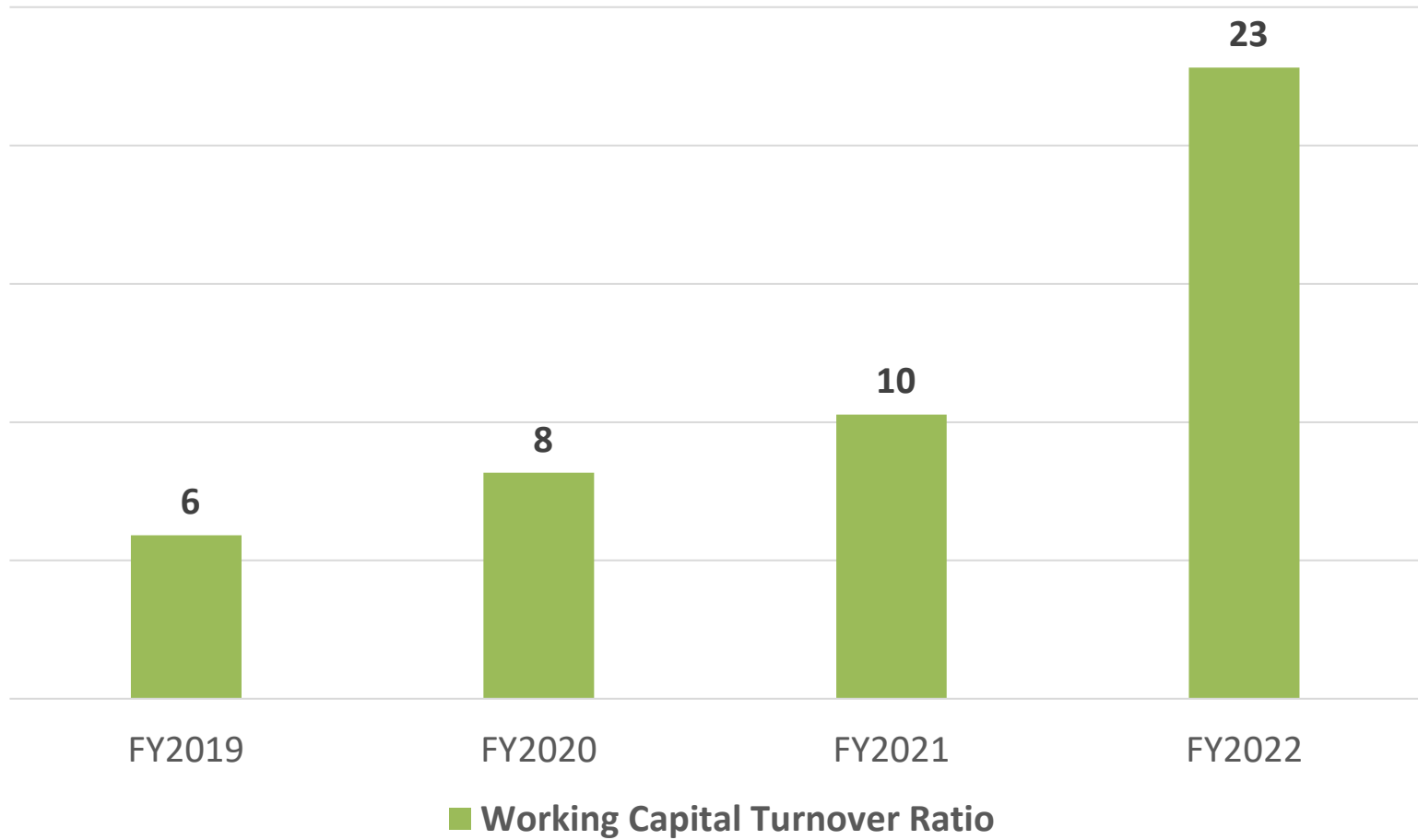
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CAPITAL STRUCTURE



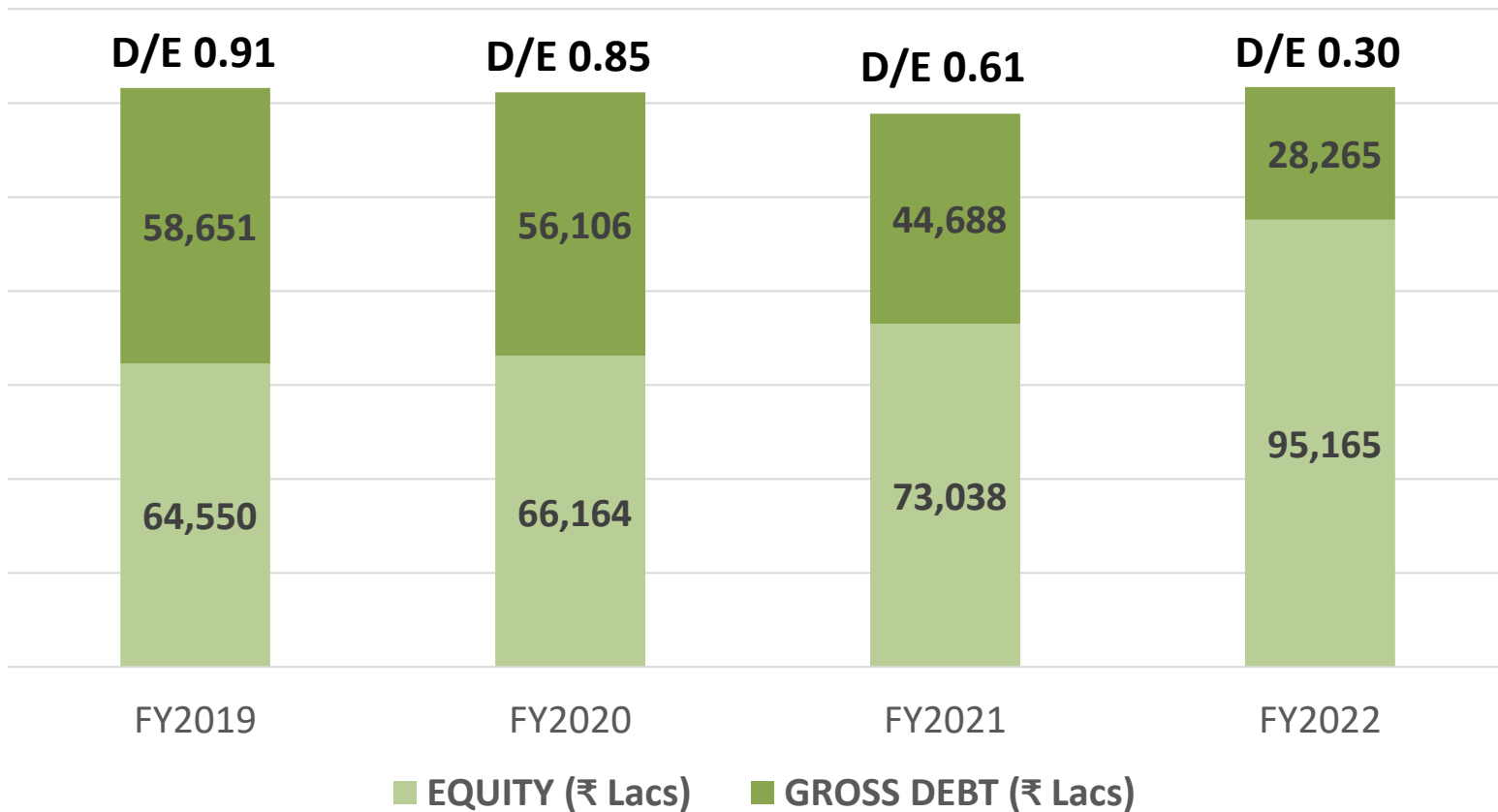
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Capital Structure



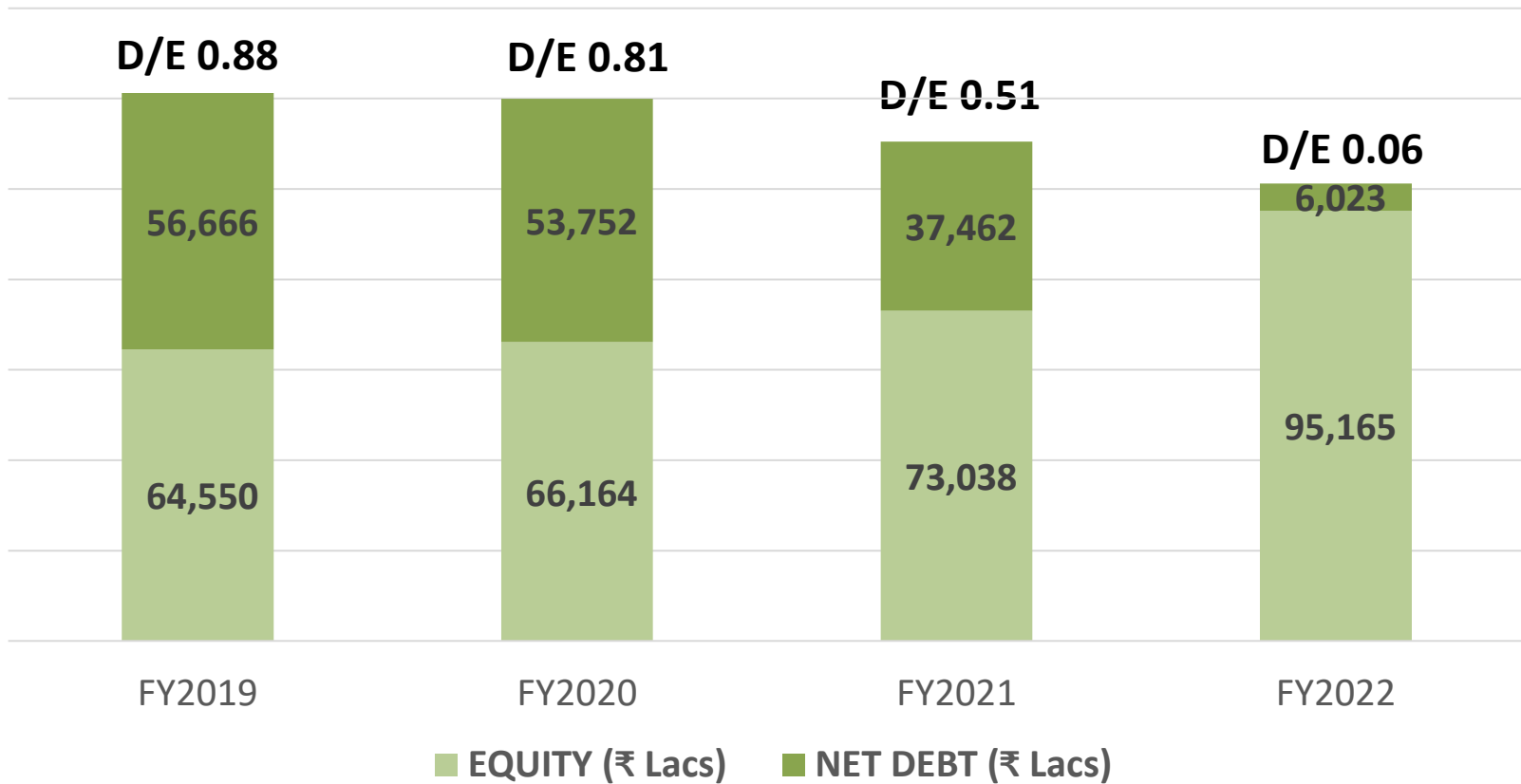
Capital Structure

GROSS DEBT EQUITY



Capital Structure

NET DEBT EQUITY



Shareholding Pattern

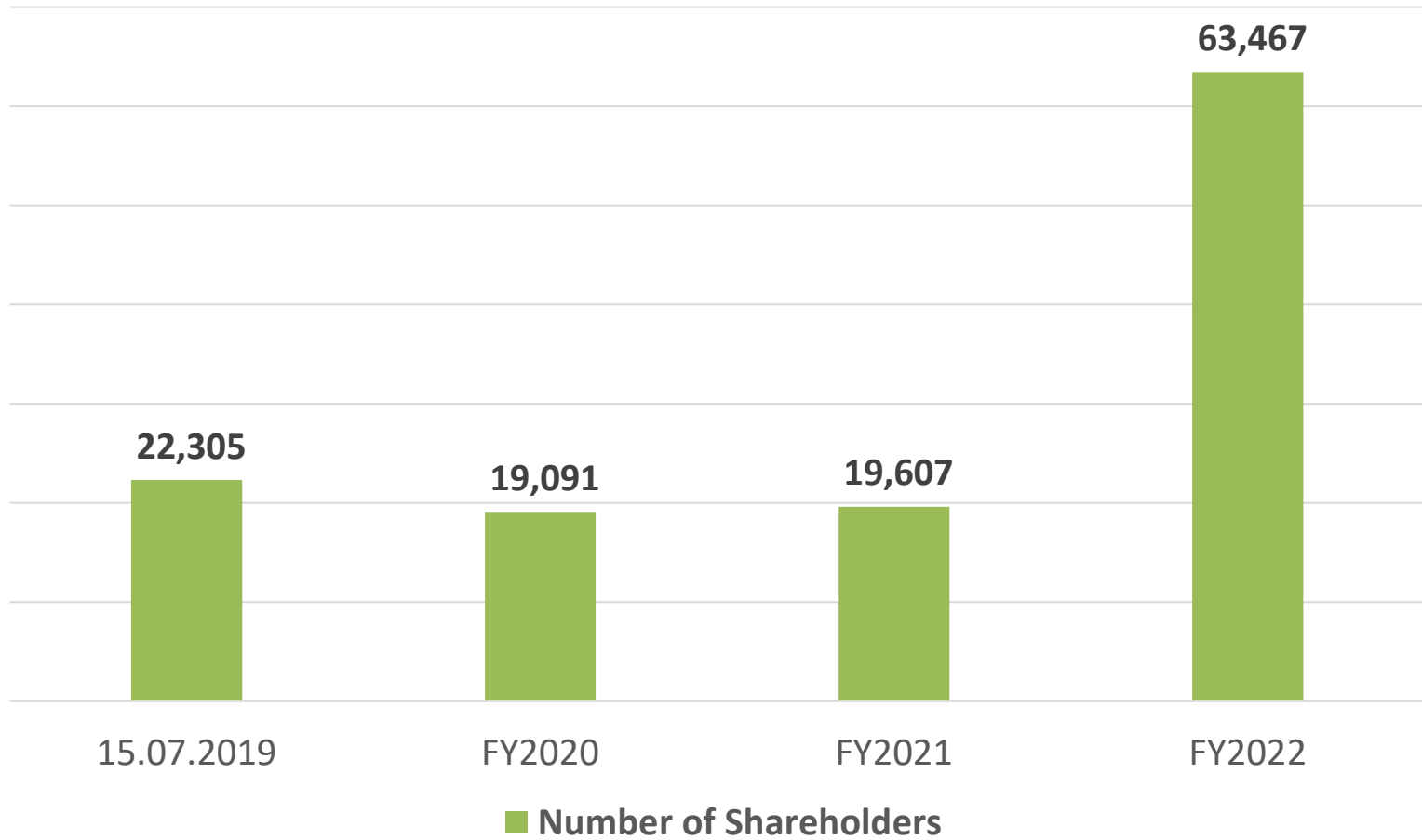
Shareholding structure (%)





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Shareholding

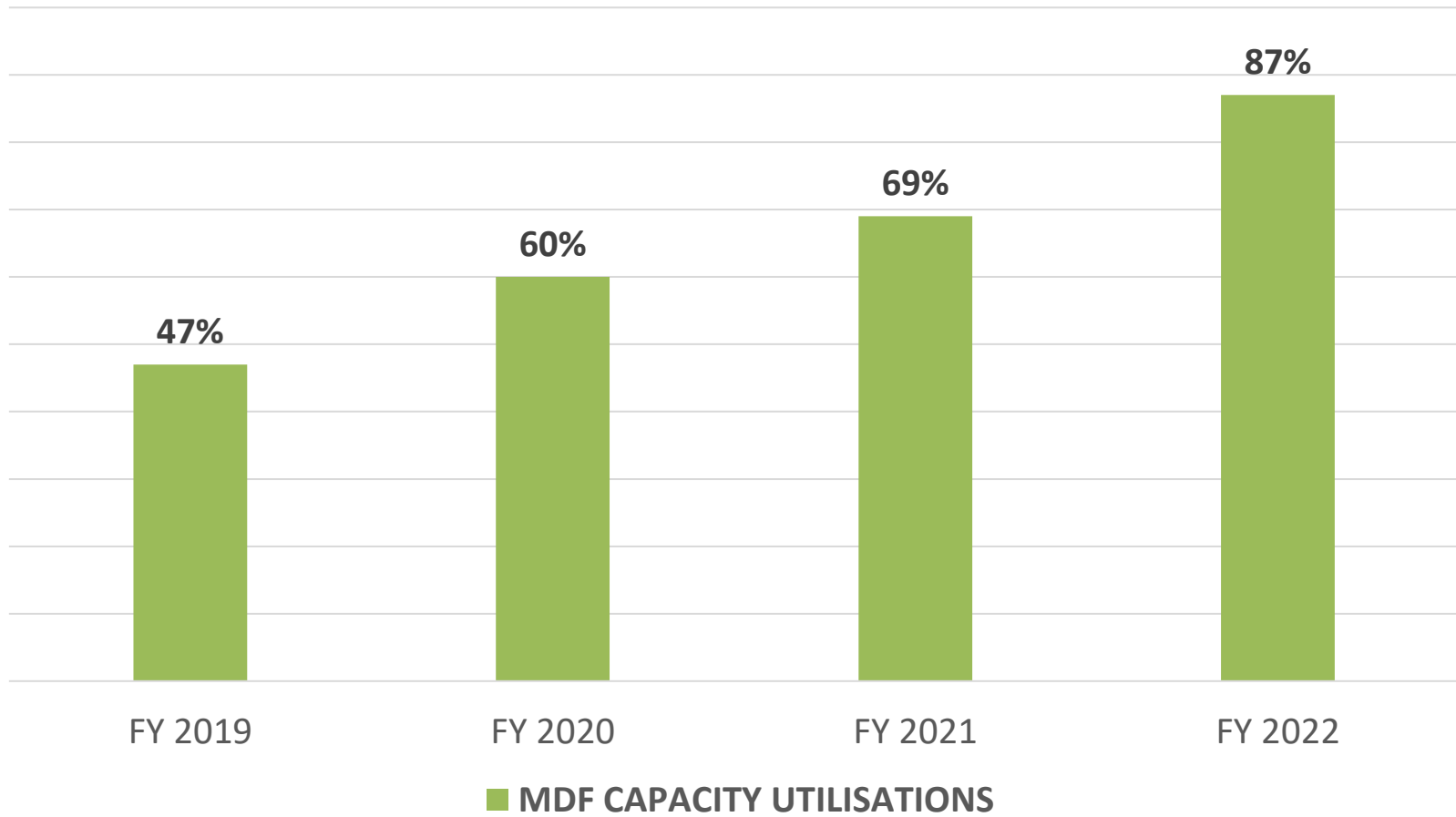




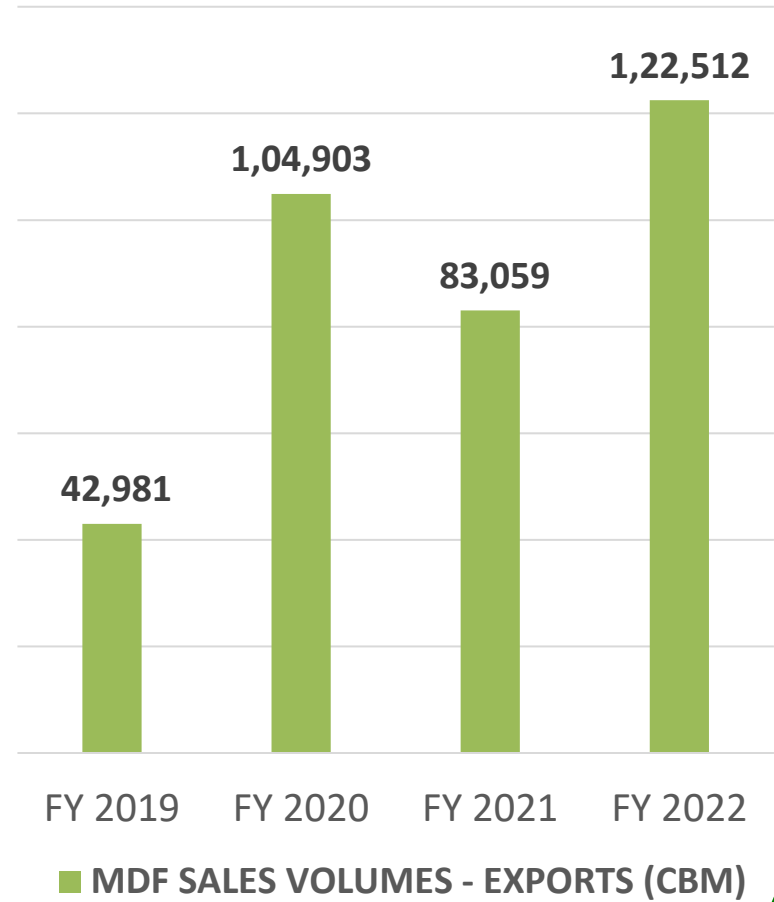
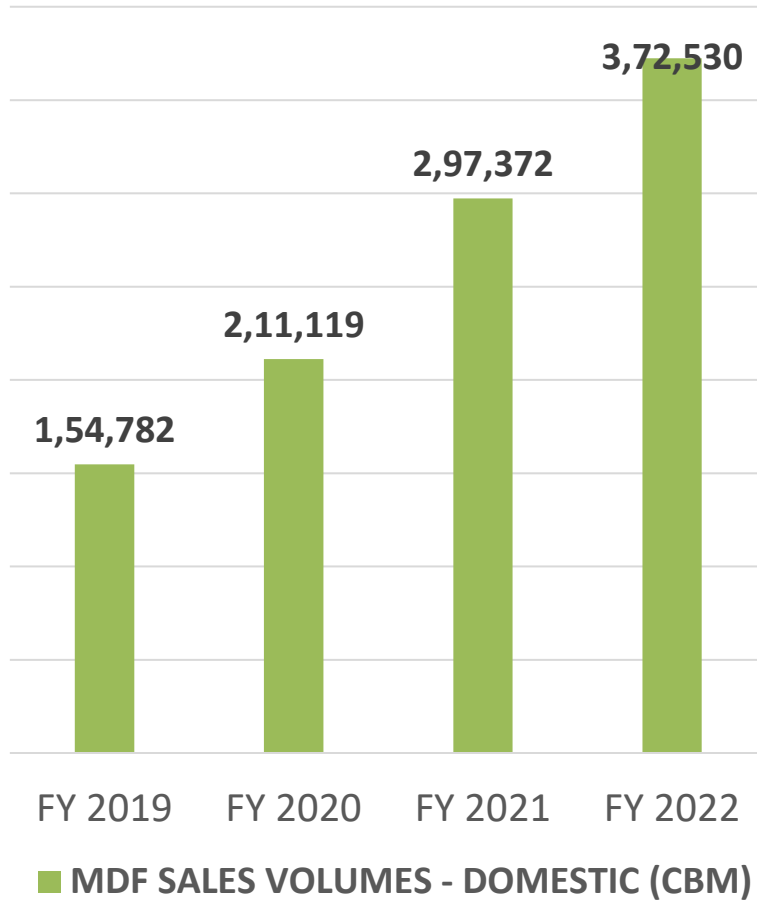
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MDF Business

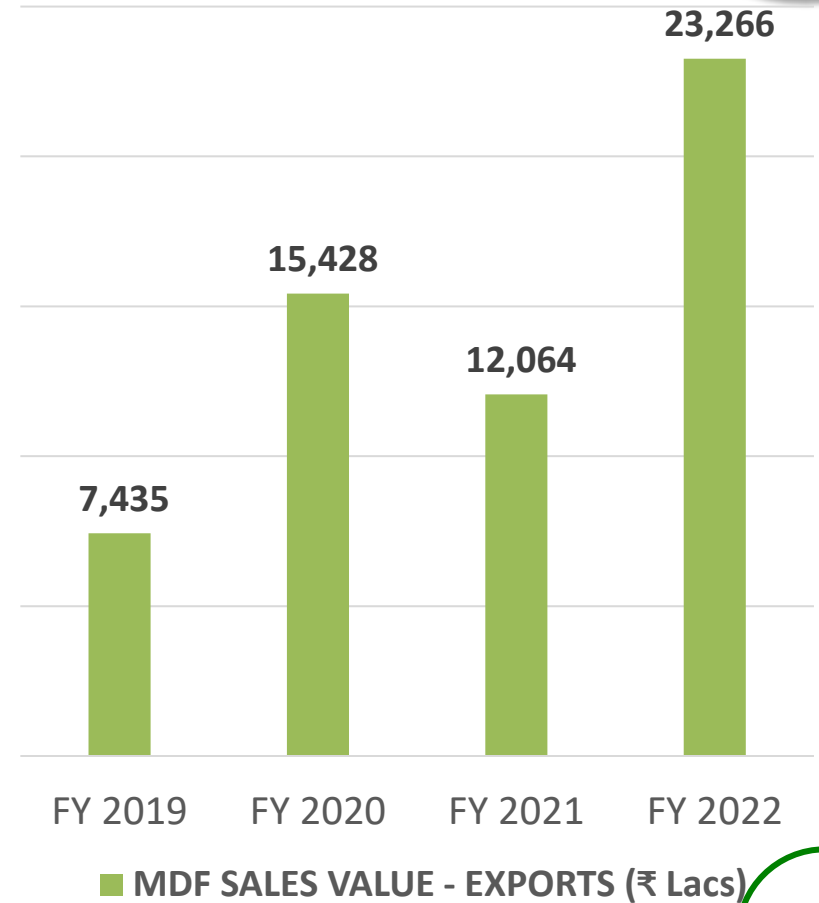
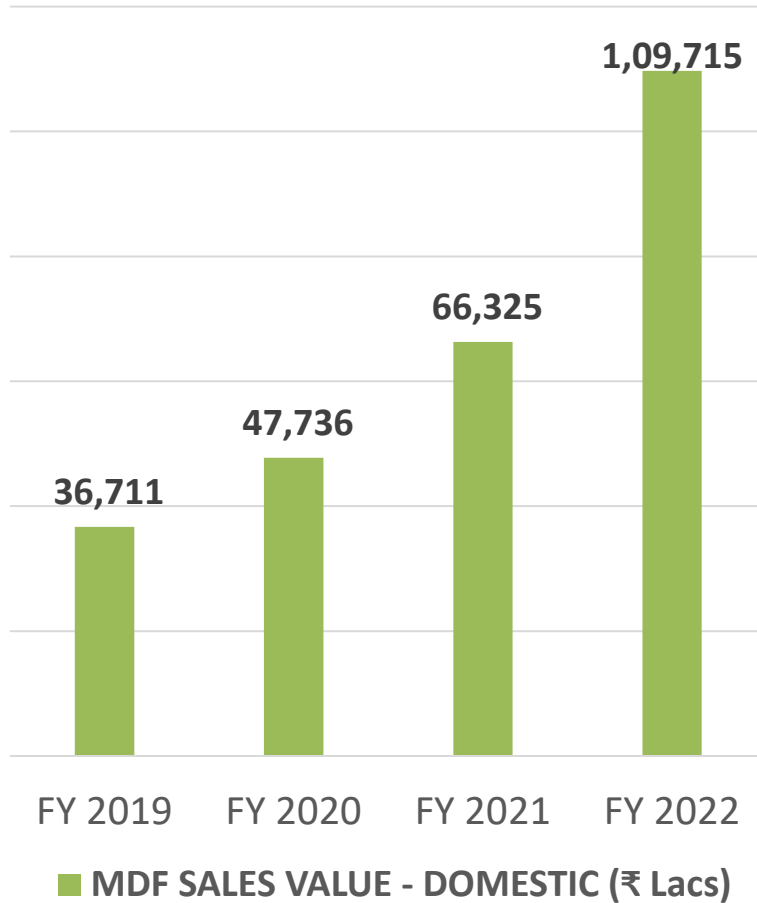
MDF Business



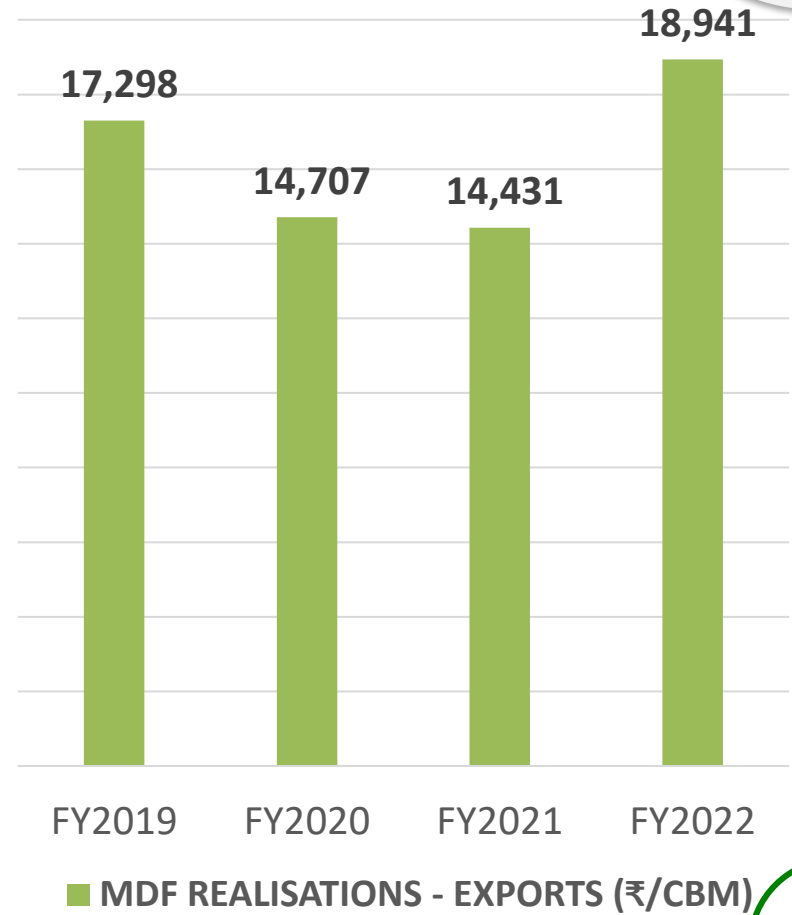
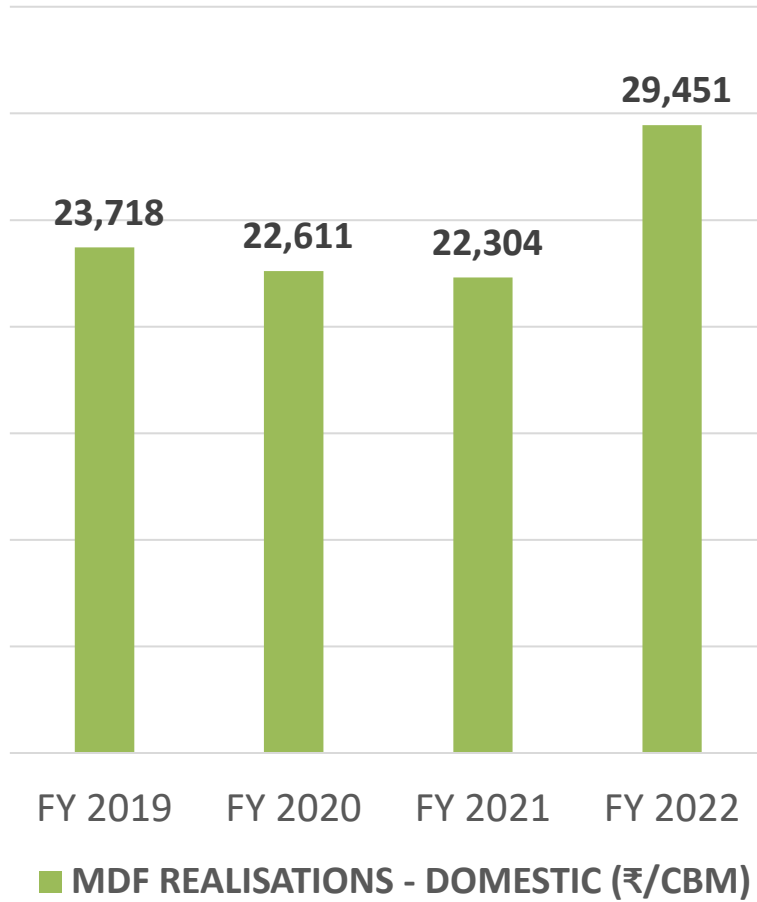
MDF Business



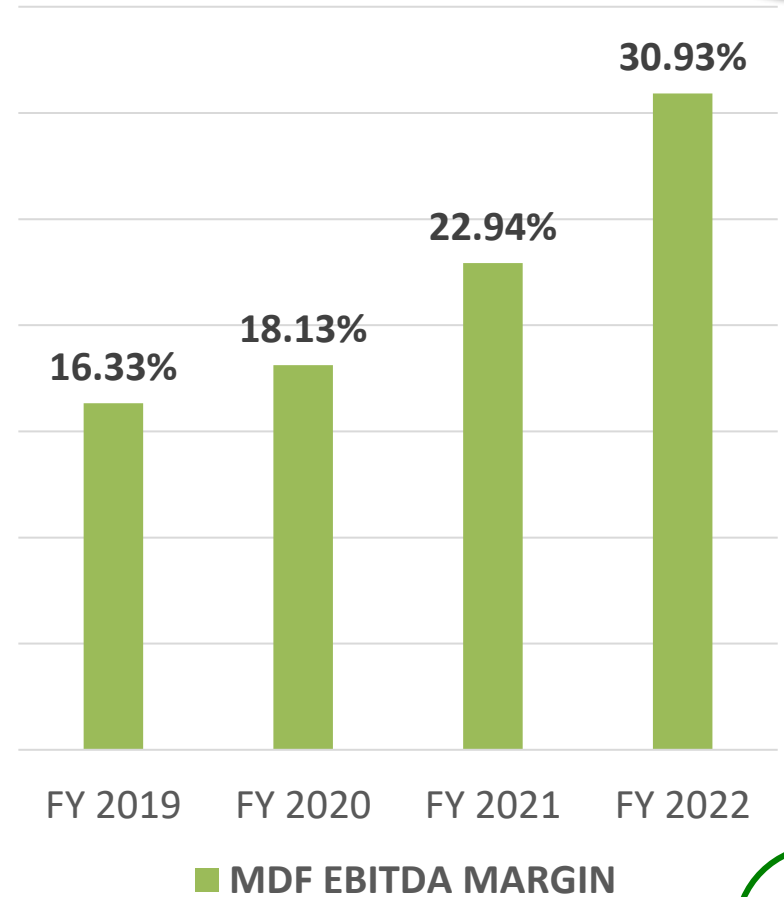
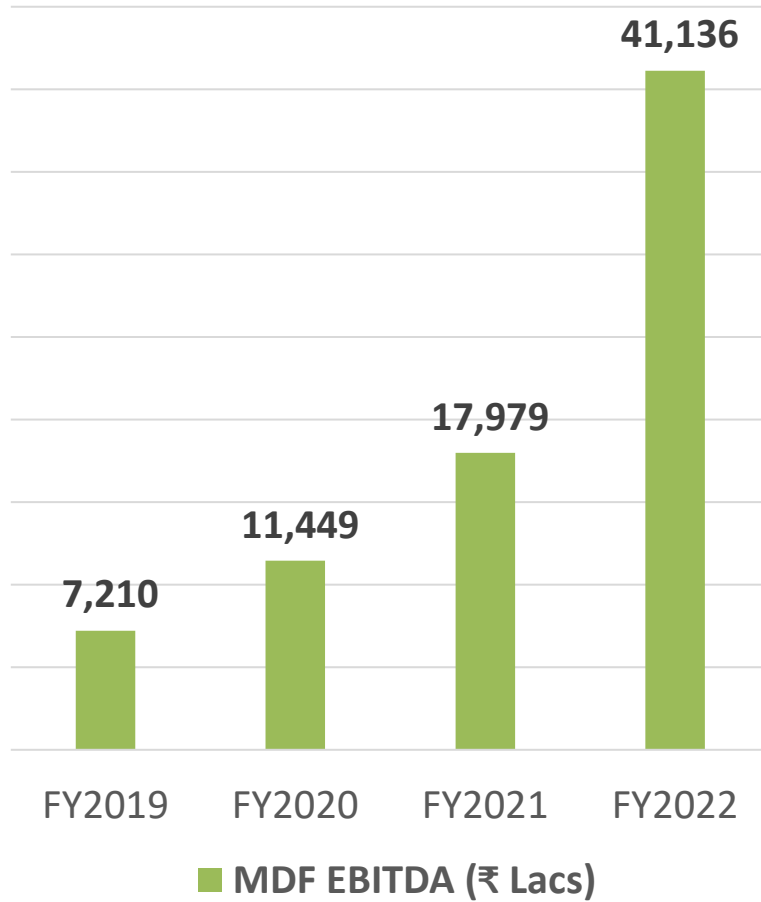
MDF Business



MDF Business



MDF Business

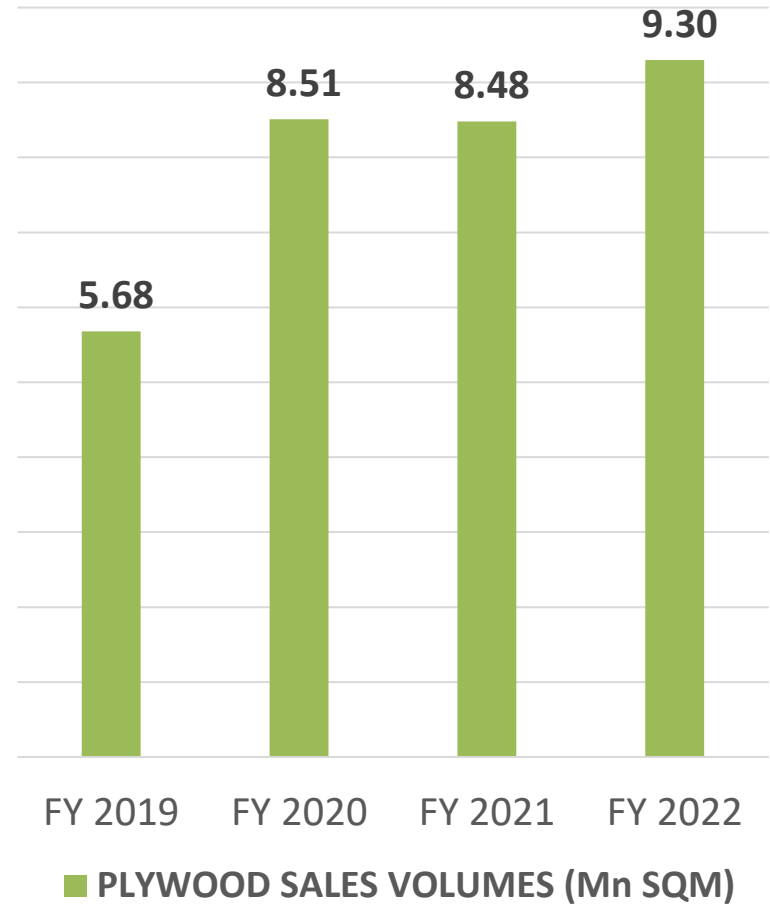
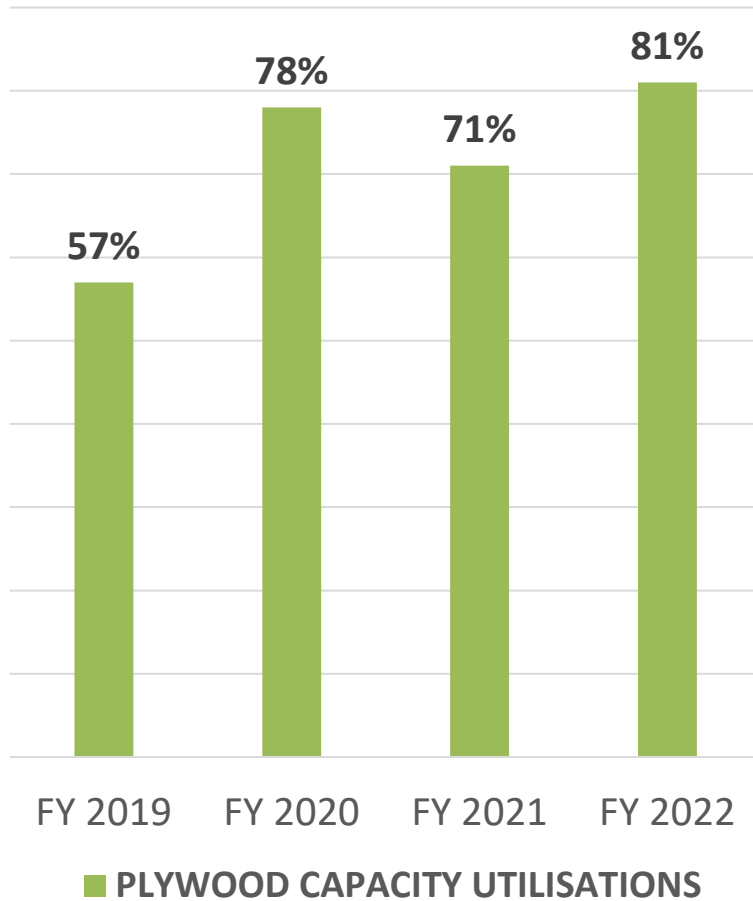




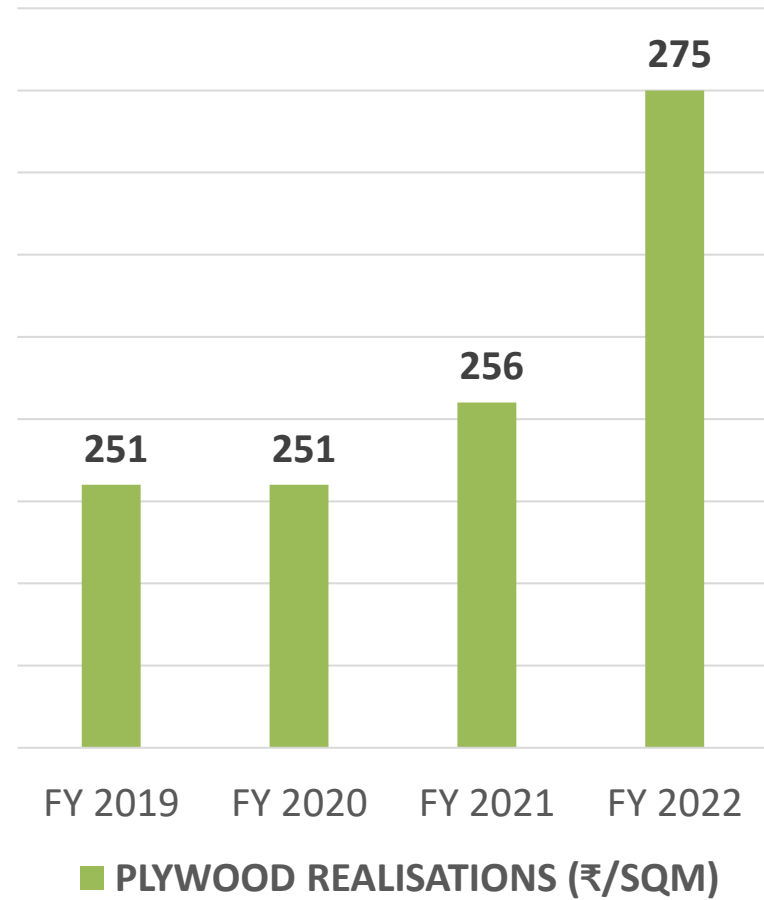
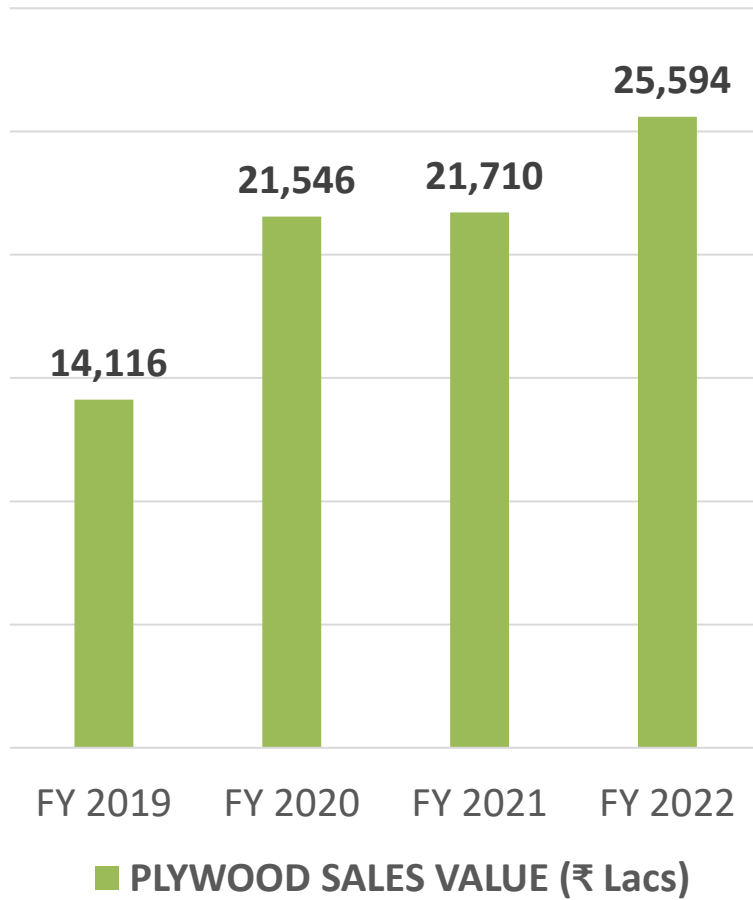
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Ply Business

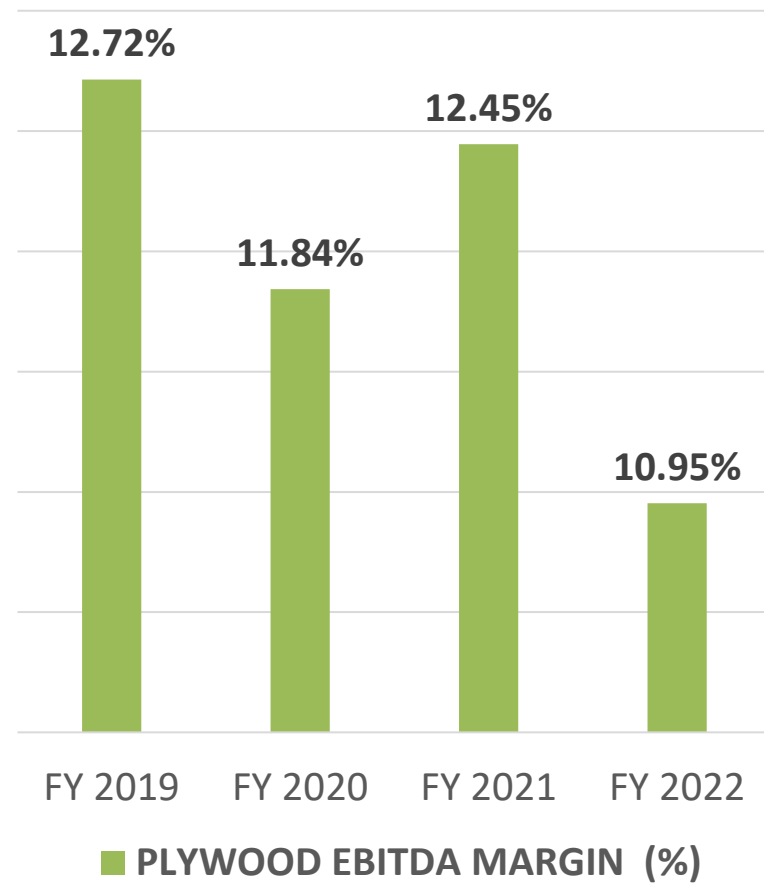
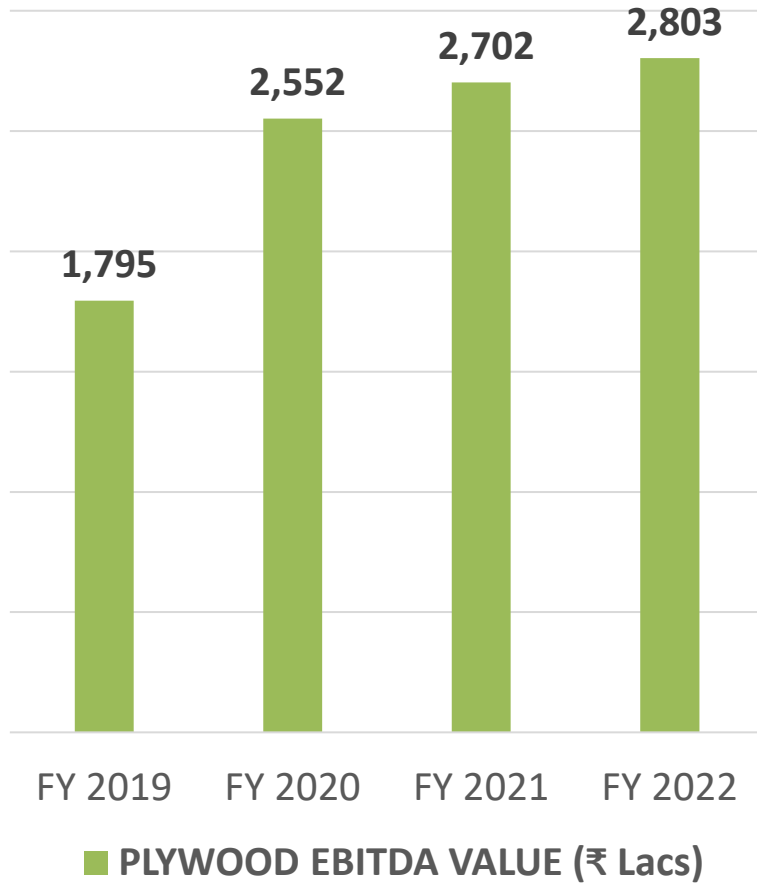
Ply Business



Ply Business



Ply Business



Achieved so far...

- ✓ Annual **capacity of MDF increased** from 540,000 CBM to 660,000 CBM in FY2022 by installation of MAT pre-heating systems
- ✓ **Wax emulsion system installed** during the year to reduce Wax consumption in MDF production to the tune of 30%
- ✓ Term loan from LBBW prepaid to the extent of EUR 9 million in FY2022 that substantially **brought down the debt exposure** and foreign currency exposure
- ✓ Greenpanel is the **largest exporter of MDF** from India and has presence in 16 countries globally

Our widened distribution network

2,535

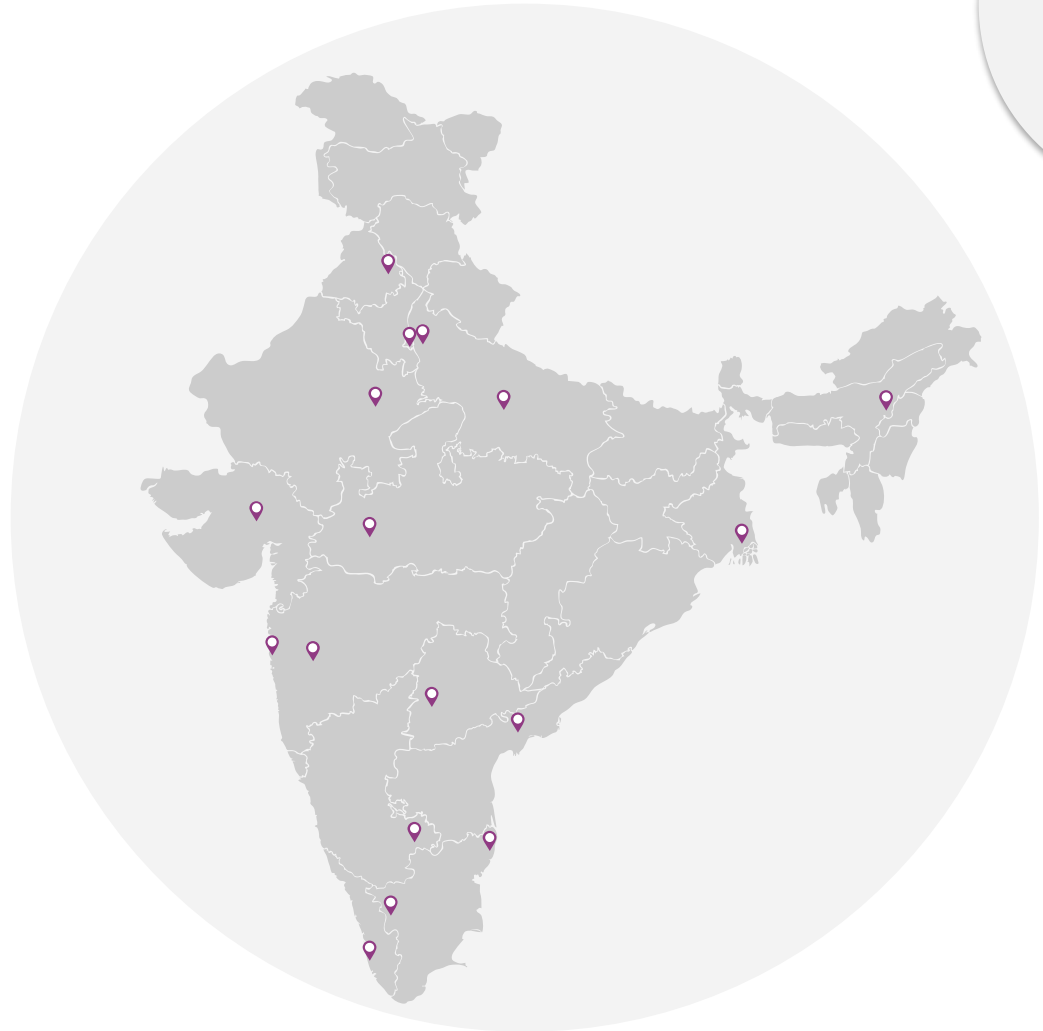
Number of dealers as on
31st March 2022

12,500+

Number of retailers as on
31st March 2022

17

Branches pan-India



Name of physical branches

West & Central: Mumbai, Pune, Indore, Ahmedabad

South: Bangalore, Hyderabad, Kochi, Coimbatore, Chennai, Vijayawada

North: Jaipur, Chandigarh, Lucknow, Ghaziabad, Delhi

East: Kolkata, Guwahati



Thank you

Mr. V. Venkatramani

Chief Financial Officer

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