



# Greenpanel Industries Limited

Financial Results Presentation  
Q1 FY 2022

# Disclaimer

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*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.*

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# Financial Highlights – Q1 FY2022



**Net Sales up by 247% YoY to Rs. 299.24 crores**

- Plywood revenues up by 132% YoY to Rs. 45.27 crores, contributing 15% of net sales
- MDF revenues up by 280% YoY to Rs. 253.97 crores, contributing 85% of net sales

**Gross margins up by 1194 bps YoY to 56.2%**

**EBITDA margins up by 2969 bps YoY to 22.3%**

- due to operational leverage and cost optimization in both plywood and MDF segments

**PAT up by 184% YoY to Rs. 28.57 crores**

- EPS of Rs. 2.33 in Q1FY22 compared to Rs. -2.78 in Q1FY21

**Working capital cycle at 33 days improved by 56 days YoY**

**Gross debt to equity at 0.51 as on 30 June 2021 Vs. 0.80 as on 30 June 2020**

# Financial Highlights – Q1 FY22 vs Q1 FY21



Key ratios (%)	Q1 FY22	Q1 FY21
Gross Margin	56.2%	44.3%
EBITDA Margin	22.3%	(7.4)%
EBIT Margin	16.9%	(26)%
Net Margin	9.5%	(39.5)%
Sales Promotions / Net Sales	1.0%	0.8%
Employee Expenses / Net Sales	8.9%	22.8%
Logistics Cost / Net Sales	5.1%	4.8%
EPS (Rs.)	2.33	(2.78)

# Financial Highlights - Assets & Liabilities



Balance Sheet snapshot (INR crores)	Q1 FY 2022	Q1 FY 2021	FY 2021	FY 2020
Net Worth	802.03	662.83	773.46	696.89
Total Debt	405.08	527.53	440.88	542.79
▪ Long Term Debt (Including Current Maturity)	386.79	475.77	424.89	470.08
▪ Short Term Debt	18.29	51.78	15.99	72.71
Capital Employed	1213.11	1249.56	1220.34	1251.68
Cash and cash equivalents	47.53	0.83	71.58	9.66
Fixed Assets	1033.20	1108.76	1046.49	1093.61
Receivables	69.30	42.60	77.76	70.52
Payables	132.07	94.78	131.36	122.75
Inventories	169.57	136.81	149.36	153.89

# Financial Highlights - Financial Ratios



Key Ratios	Q1 FY 2022	Q1 FY 2021	FY 2021	FY 2020
Inventory (days)	52	144	55	68
Debtor (days)	21	45	28	31
Creditor (days)	40	100	48	54
Working Capital Turnover (days)	33	89	35	45
RoE (%)	14.3%	(20.6)%	9.9%	2.3%
RoCE – Pre-Tax	16.7%	(7.2)%	11.8%	4.9%
RoCE – Post-Tax	12.9%	(6.6)%	9.1%	5.1%
Net Debt / Equity (x)	0.51	0.80	0.57	0.78

# Financial Numbers Q1 FY2022



Key Financial Numbers (INR crores)	Q1 FY 2022	Q1 FY 2021	Q1 FY 2022 (% of Sales)	Q1 FY 2021 (% of Sales)
Sales	299.24	86.25		
Other Incomes	9.41	4.41	3.15%	5.11%
Material Consumption	130.96	48.04	43.76%	55.70%
Employee Expenses	26.62	19.69	8.90%	22.83%
Other Expenses	84.48	29.35	28.23%	34.03%
EBITDA	66.59	(6.42)	22.25%	(7.44)%
Finance Costs	10.47	13.48	3.50%	15.63%
Depreciation	15.95	15.98	5.33%	18.53%
Profit before Tax	40.17	(35.88)	13.42%	(41.60)%
Taxes	11.60	(1.81)	3.88%	(2.10)%
Profit after Tax	28.57	(34.07)	9.55%	(39.50)%
Earnings per share (INR)	2.33	(2.78)		



# Segment Numbers Q1 FY2022



Key Segment Numbers (INR crores)	Q1 FY 2022	Q1 FY 2021	FY 2021	FY 2020
Segment Revenue – Plywood	45.33	19.51	217.38	215.94
Segment Revenue – MDF	262.70	70.65	802.59	643.85
Segment Revenue - Total	308.03	90.16	1019.97	859.79
Segment Profit/(Loss) - Plywood	5.45	(3.46)	29.66	28.69
Segment Profit/(Loss) - MDF	56.90	(11.83)	153.66	81.64
Total Segment Profit/(Loss)	62.35	(15.29)	183.32	110.33
Finance Costs	10.47	13.48	35.20	47.67
Unallocated Expenses	11.71	7.11	39.79	38.37
Profit before Tax	40.17	(35.88)	108.33	24.29
Capital Employed - Plywood	68.15	73.27	57.75	78.60
Capital Employed – MDF	1058.23	1054.21	1053.42	1090.39
Capital Employed – Unallocated	86.73	74.88	109.16	82.69
Total Capital Employed	1213.11	1202.36	1220.33	1251.68

# Segment Performance Q1 FY2022



Plywood Segment	Q1FY22	Q1FY21	Var (%)	FY 2021	FY 2020	Var (%)
Net Sales (INR crores)	45.27	19.49	132.3%	217.10	215.46	0.8%
EBITDA Margin (%)	11.0%	(18.1)%		12.4%	11.8%	
EBIT Margin (%)	8.1%	(26.0)%		9.7%	8.7%	
Annual Capacity (million sqm)	10.5	10.5		10.5	10.5	
Production (million sqm)	1.61	0.58	177.6%	7.48	8.17	-8.4%
Sales Volume (million sqm)	1.75	0.78	124.4%	8.48	8.51	-0.4%
Capacity Utilisation (%)	61%	22%		71%	78%	
Average Realisation (INR/sqm)	259	250		256	251	

MDF Segment	Q1FY22	Q1FY21	Var (%)	FY 2021	FY 2020	Var (%)
Net Sales (INR crores)	253.97	66.76	280.4%	783.11	614.87	27.4%
EBITDA Margin (%)	24.3%	(4.3)%		23.0%	18.2%	
EBIT Margin (%)	18.5%	(26.0)%		15.6%	8.7%	
Annual Capacity (cubic metre)	540000	540000		540000	540000	
Production (cubic metre)	122448	28461	330.2%	371347	326680	13.7%
Sales Volume (cubic metre)	112735	35086	221.3%	380431	316022	20.4%
Capacity Utilisation (%)	91%	21%		69%	60%	
Average Realisation (INR/cbm)	22528	18908		20585	19419	

## *From the Desk of MD & CEO*

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*Commenting on the performance for Q1 FY2022, Mr. Shobhan Mittal, Managing Director and CEO, Greenpanel Industries Limited said,*

*Business was substantially impacted in this quarter due to re-emergence of Covid 19. Impact was higher in the South Zone where most of the states remained under lockdown during May and June 2021. MDF volumes have grown by 221% year-on-year and its operating margins have improved by 2859 basis points to 24.3%. Plywood volumes grew by 124% year-on-year and its operating margins have increased by 2907 basis points to 11.0%. Gross Debt and Net Debt have reduced during the quarter by Rs 36 crores and Rs 18 crores respectively. Net Working Capital days has shown significant reduction of 56 days y-o-y to 33 days as on 30<sup>th</sup> June 2021.*

*Our emphasis on widening the distribution reach and focus on small towns and cities is yielding results both on volumes and reduction in working capital investment. We are optimistic on sustainable growth in future quarters.*

# Company Overview



## Capacity Utilization

- Plywood capacity utilization at 71% in FY 2021 Vs. 78% in FY 2020
- MDF capacity utilization improved to 69% in FY 2021 vs. 60% in FY 2020

## Production Model

- Plywood – Own manufacturing for domestic markets
- MDF – Own manufacturing for domestic and export markets

## Raw Material Sustainability

- 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

- Lower return ratios witnessed due to low capacity utilization in the MDF plant and domestic-export mix
- Expected to improve over FY 2022 and FY 2023 with increase in capacity utilisations

# Company Overview



## Business Segments

- Plywood and allied products
- Medium Density Fibreboards (MDF) and allied products

## Strong Industry Potential

- Plywood industry size - INR 225 billion, MDF industry size - INR 25 billion
- Changes in Anti-dumping rules, Stricter GST implementation and 100 smart cities in the pipeline

## Well Entrenched Distribution Network

- Total number of Distributors-2084, Retailers-10000+
- Serviced by 15 branches for pan-India distribution

## Manufacturing Facilities

- 1 state-of-the-art facility for Plywood at Uttarakhand
- 2 state-of-the-art facilities for MDF, first at Uttarakhand and second at Andhra Pradesh, being the largest in the country

# Growth Outlook



## Industry Drivers

- More expected construction
- Higher disposable income
- Need for urbanisation

## Product Profile

- Focus on enhancing value added contribution

## Advertising and Promotional Spends

- Expected Ad spends of up to 1.5% of Net Sales to boost growth

## Financial Performance

- Marginal growth in Plywood in FY 2021
- 27% growth in MDF in FY 2021

## Distribution Network

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

## IT Initiatives

- Upgraded IT infrastructure
- Implemented SAP Hana to strengthen overall supply chain

# Manufacturing Facilities



## Plywood

- Pantnagar, Uttarakhand - 10.50 million square meters

## Medium Density Fibreboards (MDF)

- Pantnagar, Uttarakhand - 1,80,000 cubic meters (CBM)
- Chittoor, Andhra Pradesh - 3,60,000 cubic meters (CBM)
- Expanding consolidated capacity by 20% in FY 2022

**One Umbrella Brand**



 **GREENPANEL<sup>®</sup>**

**MDF • Wood Floors • Plywood • Veneers • Doors**

**INDIA'S LARGEST**  
WOOD PANEL MANUFACTURER





## Mr. V. Venkatramani

Chief Financial Officer

Greenpanel Industries Limited

Corporate Office: Thapar House, 2nd Floor,

163, S.P. Mukherjee Road, Kolkata - 700 026

Contact: (+91) 97484 00606 / (+91) 033 4084 0600

Email: v.venkat@greenpanel.com

Website: [www.greenpanel.com](http://www.greenpanel.com)

Thank you!

## Mr. Gavin Desa / Mr. Rishab Barar

CDR India

Contact: (+91) 022 6645 1237 / 1235

Email: [gavin@cdr-india.com](mailto:gavin@cdr-india.com) / [rishab@cdr-india.com](mailto:rishab@cdr-india.com)