GIL/2017-18
February 7, 2018

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 and nine months ended 31st December, 2017

With reference to the captioned subject, please find enclosed Presentation on un-audited financial results for the quarter and nine months ended 31.12.2017 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

FINANCIAL RESULTS PRESENTATION
9M & Q3 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.

CONTENTS

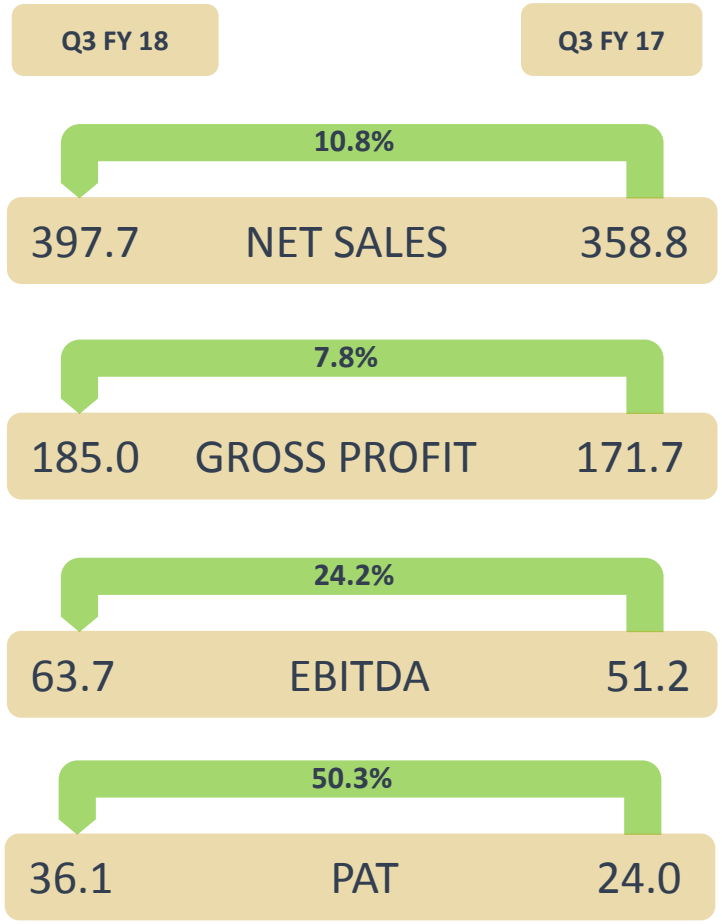
- Financial Highlights
- Results and Segment details
- Segment-wise Performance
- Ind AS Impact
- Management Commentary
- Company Overview
- Outlook
- Annexure

FINANCIAL HIGHLIGHTS – Q3 FY 2018

- **Net Sales up by 10.8% YoY to Rs. 397.69 crores**
  - Plywood revenues up by 6.1% YoY to Rs. 276.10 crores, contributing 69.4% of net sales
  - MDF revenues up by 19.6% YoY to Rs 114.60 crores, contributing 28.8% to net sales
  - Wallpaper and other products sales at Rs 6.99 crores, contributing 1.8% to net sales
- **Gross margins down by 130 bps YoY to 46.5%**
- **EBITDA margins up by 170 bps YoY to 16.0% due to currency gains on borrowings for new MDF Plant**
- **PAT up by 50.2% YoY to Rs. 36.06 crores**
  - EPS of Rs. 2.94 in Q3FY18 compared to Rs. 1.96 in Q3FY17
- **Working capital cycle increased by 7 days YOY due to reduction in Creditors**
- **Net debt to equity at 0.69 as on 31st December, 2017 as compared to 0.45 as on 31st December, 2016. Debt includes Rs 367.94 crores on account of expansion projects.**

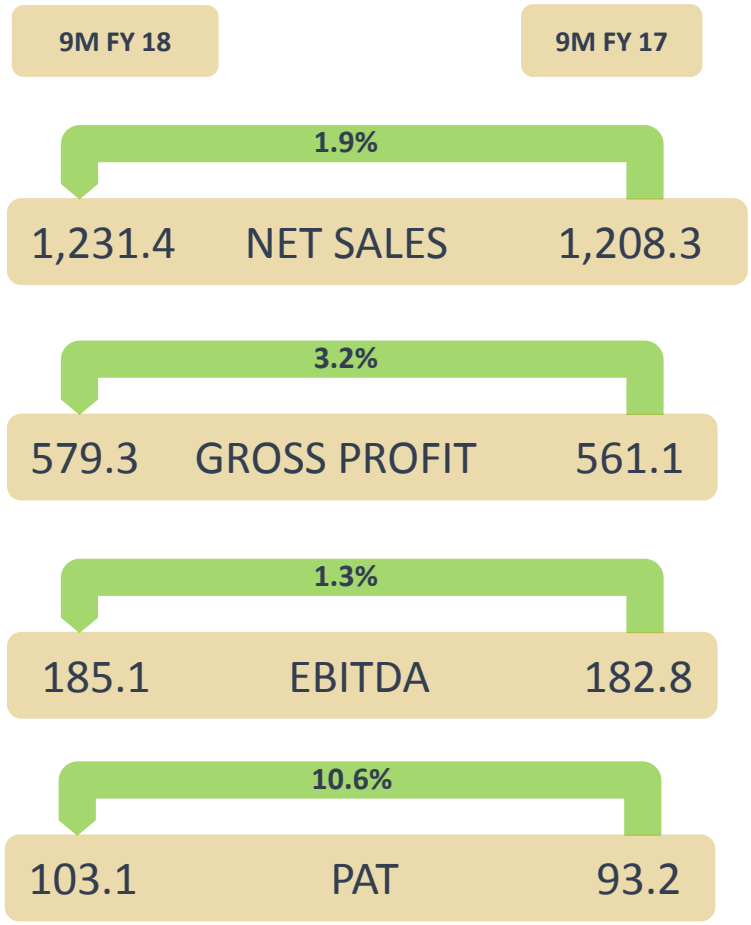
FINANCIAL HIGHLIGHTS – Q3 FY 2018

Key ratios (%)	Q3 FY18	Q3 FY17
Gross Margin	**46.5%**	**47.8%**
EBITDA Margin	**16.0%**	**14.3%**
EBIT Margin	**13.4%**	**10.9%**
Net Margin (*)	**9.1%**	**6.7%**
Ad and promotions / Net Sales	**1.6%**	**3.1%**
Staff Cost/ Net Sales	**12.3%**	**11.2%**
Logistics cost / Net Sales	**6.0%**	**6.0%**
EPS (Rs.)	**2.94**	**1.96**



FINANCIAL HIGHLIGHTS – 9M FY 2018

Key ratios (%)	9M FY18	9M FY17
Gross Margin	**47.0%**	**46.4%**
EBITDA Margin	**15.0%**	**15.1%**
EBIT Margin	**12.3%**	**12.1%**
Net Margin (*)	**8.4%**	**7.7%**
Ad and promotions / Net Sales	**3.2%**	**3.3%**
Staff Cost/ Net Sales	**11.6%**	**10.6%**
Logistics cost / Net Sales	**5.7%**	**5.9%**
EPS (Rs.)	**8.40**	7.66



FINANCIAL HIGHLIGHTS – B/S PERSPECTIVE

Balance Sheet Snapshot (Rs. crore)	Dec 31, 2017	Dec 31, 2016	March 31, 2017
Net worth	884.55	745.78	787.02
Total debt	608.80	332.16	426.25
▪ Long Term Debt (Including Current Maturity)	445.03	197.31	307.85
▪ Short Term Debt	163.78	134.85	118.40
Capital Employed	1492.52	1,051.50	1178.56
Cash and cash equivalents	23.14	13.91	71.60
Fixed Assets	1103.40	567.49	717.41
Receivables	320.98	324.68	304.78
Payables	193.03	214.60	227.52
Inventories	173.19	159.06	158.26

FINANCIAL HIGHLIGHTS – RATIOS

Key Ratios	Dec 31, 2017	Dec 31, 2016	March 31, 2017
Inventory (days)	39	36	35
Debtor (days)	72	74	66
Creditor (days)	43	49	50
Working Capital Turnover (days)	68	61	51
RoE (%)	15.5%	16.7%	17.2%
RoCE – Pre-Tax	13.5%	18.5%	17.7%
RoCE – Post-Tax	9.9%	13.8%	13.0%
RoE (%) (Excl New Investments)	24.6%	21.4%	24.1%
RoCE – Pre-Tax (Excl New Investments)	25.3%	24.6%	27.4%
RoCE – Post-Tax (Excl New Investments)	18.5%	18.4%	20.1%
Net Debt / Equity (x)	0.69	0.40	0.54

FINANCIAL RESULTS 9M & Q3 FY 2018

(Rs. in lakhs)

Sr. No.	Particulars	Q3 FY2018	Q2 FY2018	Q3 FY2017	9M FY2018	9M FY2017	12M FY2017
1.	**Income**						
	a) Revenue from operations	39,929.29	44,609.74	38,665.22	1,26,700.21	1,29,866.92	1,77,701.56
	b) Other income	100.56	100.24	146.63	253.18	291.61	437.43
	Total Income	**40,029.85**	**44,709.98**	**38,811.85**	**1,26,953.39**	**1,30,158.53**	**1,78,138.99**
2.	**Expenses**						
	a) Cost of materials consumed	15,306.10	15,533.52	14,608.56	47,517.60	51,667.58	68,949.35
	b) Purchase of stock-in-trade	6,737.88	5,541.97	5,268.86	18,563.89	16,503.11	22,831.81
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(777.17)	2,555.05	(1,164.12)	(873.25)	(3,440.10)	(3,809.48)
	d) Employee benefits expense	4,911.20	4,776.62	4,010.79	14,339.61	12,818.38	17,073.57
	e) Finance costs	256.10	229.91	329.72	813.71	1,599.43	1,811.77
	f) Depreciation and amortisation expense	1,043.80	1,137.41	1,212.59	3,367.66	3,647.35	4,853.09
	g) Excise duty	-	-	2,571.62	2,376.99	8,420.16	11,392.52
	h) Other expenses	7,486.36	9,827.85	8,393.45	26,514.85	25,914.81	35,941.50
	Total Expenses	**34,964.27**	**39,602.33**	**35,231.47**	**1,12,621.06**	**1,17,130.72**	**1,59,044.13**
3.	**Profit before exceptional items and tax (1-2)**	**5,065.58**	**5,107.65**	**3,580.38**	**14,332.33**	**13,027.81**	**19,094.86**
4.	Exceptional items	-	-	-	-	-	-
5.	**Profit before tax (3+4)**	**5,065.58**	**5,107.65**	**3,580.38**	**14,332.33**	**13,027.81**	**19,094.86**
6.	Tax expense						
	a) Current tax	1,044.93	1,201.09	862.40	3,142.35	2,905.83	4,182.47
	b) Deferred tax	415.02	268.67	317.85	883.37	801.65	1,405.18
	Total tax expense	1,459.95	1,469.76	1,180.25	4,025.72	3,707.48	5,587.65
7.	**Net Profit after tax (5-6)**	**3,605.63**	**3,637.89**	**2,400.13**	**10,306.61**	**9,320.33**	**13,507.21**
8.	Other Comprehensive Income/(Loss) (net of tax)						
	Items that will not be reclassified subsequently to profit or loss	61.66	118.80	(103.84)	331.66	(92.14)	(154.88)
9.	**Total Comprehensive Income for the period (7+8)**	**3,667.29**	**3,756.69**	**2,296.29**	**10,638.27**	**9,228.19**	**13,352.33**
10.	Paid-up equity share capital (Face value ₹ 1/- each)	1,226.27	1,226.27	1,226.27	1,226.27	1,226.27	1,226.27
11.	Other equity						77,475.78
12.	**Earnings per equity share (of ₹ 1/- each) (* Not annualized)**						
	a) Basic (₹)	**2.94***	**2.96***	**1.96***	**8.40***	**7.67***	**11.08**
	b) Diluted (₹)	**2.94***	**2.96***	**1.96***	**8.40***	**7.67***	**11.08**

SEGMENTAL PERFORMANCE – 9M & Q3 FY 2018

(Rs. in lakhs)

Sr. No.	Particulars	Q3 FY2018	Q2 FY2018	Q3 FY2017	9M FY2018	9M FY2017	12M FY2017
1.	**Segment Revenue**						
	a) Plywood and allied products	27,753.08	31,502.61	28,799.16	87,730.27	95,144.28	1,28,941.99
	b) Medium density fibreboards and allied products	11,477.64	12,178.86	9,597.99	36,709.01	33,954.29	47,742.39
	c) Others	698.57	928.27	268.07	2,260.93	768.35	1,017.18
	Total (a+b+c)	**39,929.29**	**44,609.74**	**38,665.22**	**1,26,700.21**	**1,29,866.92**	**1,77,701.56**
	Less: Inter segment revenue	-	-	-	-	-	-
	Total Revenue from Operations	**39,929.29**	**44,609.74**	**38,665.22**	**1,26,700.21**	**1,29,866.92**	**1,77,701.56**
2.	**Segment Result**						
	a) Plywood and allied products	2,826.31	3,632.81	3,087.63	9,087.42	9,242.73	12,925.84
	b) Medium density fibreboards and allied products	3,731.49	2,940.12	1,559.24	9,647.25	8,180.12	11,727.76
	c) Others	(178.93)	(119.13)	(92.86)	(367.31)	(197.18)	(259.99)
	Total (a+b+c)	**6,378.87**	**6,453.80**	**4,554.01**	**18,367.36**	**17,225.67**	**24,393.61**
	Less: (i) Finance costs	256.10	229.91	329.72	813.71	1,599.43	1,811.77
	(ii) Other unallocable expenditure net of unallocable income	1,057.19	1,116.24	643.91	3,221.32	2,598.43	3,486.98
	Total Profit before Tax	**5,065.58**	**5,107.65**	**3,580.38**	**14,332.33**	**13,027.81**	**19,094.86**
3.	**Segment Assets**						
	a) Plywood and allied products	75,489.55	75,008.18	70,334.53	75,489.55	70,334.53	70,792.36
	b) Medium density fibreboards and allied products	1,03,577.55	96,881.57	59,919.44	1,03,577.55	59,919.44	74,925.42
	c) Others	2,515.28	2,051.56	1,163.76	2,515.28	1,163.76	1,315.29
	d) Unallocated	6,455.33	6,650.95	7,824.00	6,455.33	7,824.00	7,662.83
	Total segment assets	**1,88,037.71**	**1,80,592.26**	**1,39,241.73**	**1,88,037.71**	**1,39,241.73**	**1,54,695.90**
4.	**Segment Liabilities**						
	a) Plywood and allied products	39,888.64	40,609.18	39,381.61	39,888.64	39,381.61	36,710.34
	b) Medium density fibreboards and allied products	50,322.24	46,789.48	18,578.78	50,322.24	18,578.78	31,871.15
	c) Others	2,479.68	2,025.69	373.97	2,479.68	373.97	517.08
	d) Unallocated	6,892.37	6,380.42	6,329.46	6,892.37	6,329.46	6,895.28
	Total segment liabilities	**99,582.93**	**95,804.77**	**64,663.82**	**99,582.93**	**64,663.82**	**75,993.85**

SEGMENT WISE PERFORMANCE

Plywood

Particulars	Q3FY18	Q3FY17	Var (%)	9MFY18	9MFY17	Var (%)
Net sales (Rs. crore)	276.10	260.25	6.1%	842.16	861.59	-2.3%
EBITDA margin (%)	9.6%	12.6%		10.3%	10.9%	
EBIT margin (%)	7.5%	10.0%		8.1%	8.5%	
Annual capacity (million sqm.)	32.4	32.4		32.4	32.4	
Production (million sqm.)	8.38	7.70	8.8%	25.4	26.0	-2.3%
Sales volume (million sqm.)	12.44	11.00	13.1%	37.2	36.6	1.7%
Utilisation (%)	103%	95%		105%	107%	
Average realisation (Rs./sqm.)	219	222	(1.4)%	224	229	(2.2%)

MDF

Particulars	Q3FY18	Q3FY17	Var (%)	9MFY18	9MFY17	Var (%)
Net sales (Rs. crore)	114.60	95.85	19.6%	366.58	339.05	8.1%
EBITDA margin (%)	33.9%	20.3%		27.9%	26.9%	
EBIT margin (%)	29.9%	14.7%		23.8%	22.1%	
Annual capacity (cubic metre)	180,000	180,000		180,000	180,000	
Production (cubic metre)	44,097	41,673	5.8%	138,617	138,218	0.3%
Sales volume (cubic metre)	43,790	37,764	16.0%	139,440	131,426	6.1%
Utilisation (%)	98%	93%		103%	102%	
Average realisation (Rs./cum.)	26,139	25,348	3.1%	26,274	25,775	1.9%

Joint Managing Director's Message

Commenting on the performance for Q3 FY2018, Mr. Shobhan Mittal, Joint Managing Director and CEO, Greenply Industries Ltd. said,

"Net Sales grew by 10.8% in comparison to the y-o-y quarter which was impacted by demonetisation. EBITDA grew by 24.2% and PAT grew by 50.3%. Currency gains of Rs 8.15 crores on long term borrowings for the Andhra MDF plant boosted MDF EBITDA to 33.9%. Working Capital investment however increased by 7 days due to reduction in Creditor days.

We look forward to an improved performance in Q4."

COMPANY OVERVIEW

CAPACITY UTILIZATION

- Plywood 103% utilization; further demand to be catered through new UP Plant and outsourcing
- MDF 98% 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)
- Demerged the Decorative Business –listed as separate entity

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
  - Plywood 1,656
  - MDF 841

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

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 in Andhra Pradesh over FY16-19

ANNEXURE

MANUFACTURING FACILITIES / PRODUCTION MODEL

PLYWOOD

Facilities

Location	Capacity (mn sqm.)
Tizit, Nagaland	4.50
Kriparampur, West Bengal	6.00
Pantnagar, Uttarakhand	10.50
Bamanbore, Gujarat	11.40
Total Capacity	**32.40**

Production Model

Greenfield Expansion in Uttar Pradesh with 13.5 MN SQM capacity

Expanding capacity in Decorative Veneers by 2 mn sqm.

To increase proportion of outsourcing to 30% (in value terms) from 22% currently over next 3 years

- Asset light model generating higher ROCE's
- Mid-segment variants to be outsourced freeing existing capacities for premium variants

MDF

Facilities

Location	Capacity (cum)
Pantnagar, Uttarakhand	1,80,000

Largest facility in India

Production Model

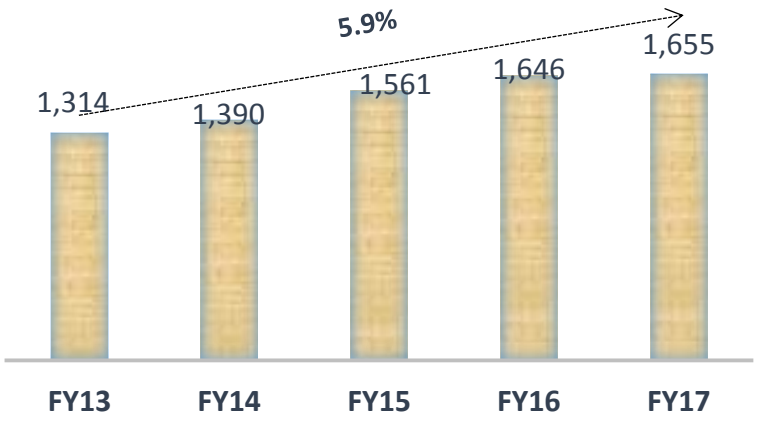
100% in-house

To undertake greenfield expansion in Andhra Pradesh with capacity of 360000 CBM – abundance of plantation wood

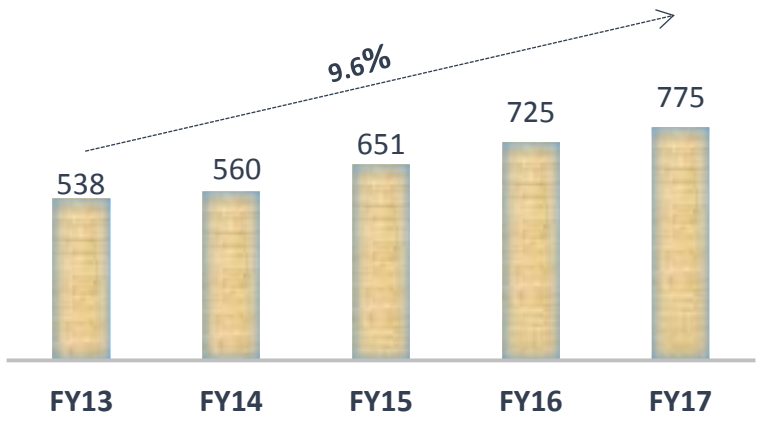
Commercial Production in FY 2019

STRONG PERFORMANCE TRACK RECORD

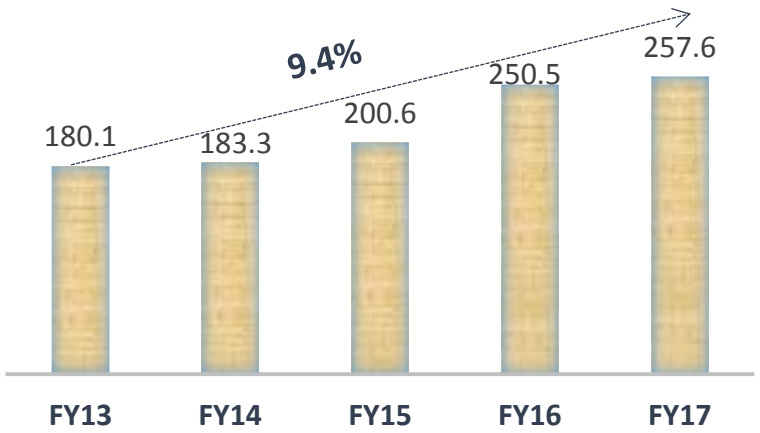
NET SALES



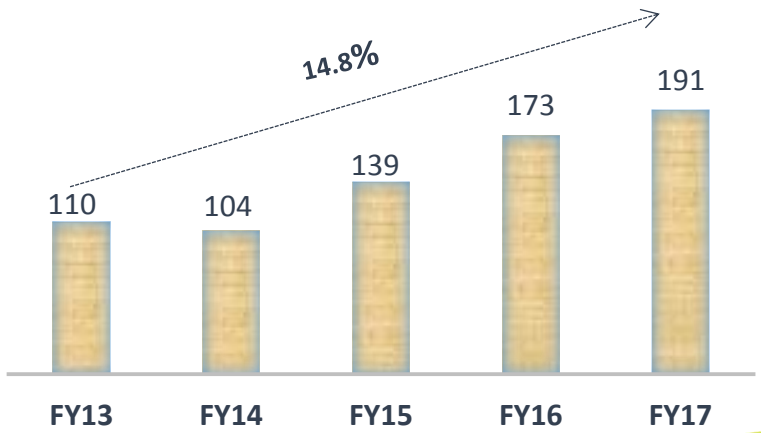
GROSS PROFIT



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

Greenply PLYWOOD

GREEN CLUB Plus PLYWOOD

GREEN PANELMAX MDF BOARD

GREEN FLOORMAX WOOD FLOORS

GREEN CLUB PLYWOOD

GREEN DEFENDER

optima Plywood & Blockboard

ECOTEC PLYWOOD & BLOCKBOARD

GREEN Naturals 100% BURMA TEAK VENEERS

GREEN SPECTRUMWOOD VENEERS

Naturemax DECORATIVE VENEERS

BLACK FOREST

GREEN COMPREG

GREEN Flexiply

GREEN READY LINES

GREEN CLUB DOORS

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:

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Email : venkat.corp@greenply.com

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