GIL/2015-16
January 19, 2016

The Manager
BSE Limited
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Mumbai - 400 001
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The Manager
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Dear Sir/Madam,

Sub: Presentation on un-audited financial results for the quarter and nine months ended 31st December, 2015

With reference to the captioned subject, please find enclosed Presentation on un-audited financial results for the quarter and nine months ended 31.12.2015 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 LTD

Result Presentation–Q3 & 9M FY2016.

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.

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FINANCIAL HIGHLIGHTS – Q3FY16

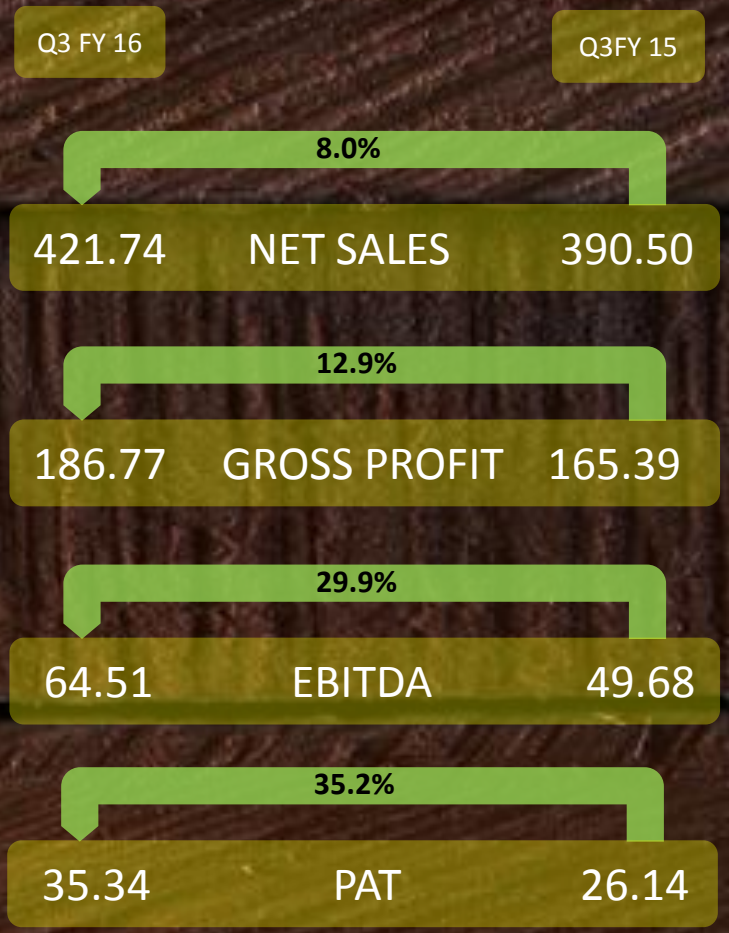
- **Net Sales up by 8.0% YoY to Rs. 421.74 crores**
  - Plywood revenues up by 4.4% YoY to Rs. 290.70 crores, contributing 69% of net sales
  - MDF revenues grew by 15.3% YoY to Rs 129.07 crores, contributing 31% to net sales
  - New product Wallpaper contributed Rs 1.97 crores
- **Gross margins expand 190 bps YoY to 44.3%**
  - Led by better product mix
- **EBITDA margins up 260 bps YoY to 15.3%**
  - Ad expenditure to sales at 3.7% in Q3FY16 compared to 2.7% YoY
- **PBT growth of 47.1% YoY to Rs. 46.27 crores**
- **PAT growth of 35.2% YoY to Rs. 35.34 crores**
  - EPS of Rs. 14.64 in Q3FY16 compared to Rs. 10.83 in Q3FY15

FINANCIAL HIGHLIGHTS – 9MFY16

- **Net Sales up by 6.3% YoY to Rs. 1,203.27 crores**
  - Plywood revenues up by 1.2% YoY to Rs. 851.83 crores, contributing 71% of net sales
  - MDF revenues grew by 20.4% YoY to Rs 349.47 crores, contributing 29% to net sales
  - New product Wallpaper contributed Rs ??? crores
- **Gross margins expand 270 bps YoY to 44.7%**
  - Led by better product mix
- **EBITDA margins up 170 bps YoY to 14.7%**
  - Ad expenditure to sales at 3.4% in Q3FY16
- **PBT growth of 33.5% YoY to Rs. 118.89 crores**
- **PAT growth of 17.1% YoY to Rs. 89.29 crores**
  - EPS of Rs. 36.99 in 9MFY16 compared to Rs. 31.59 in 9MFY15
- **Working capital cycle increased by 8 days yoy and 7 days qoq to 56 days.**
- **Net debt to equity at 0.47x as on 31st December, 2015 as compared to 0.77x as on 31st December, 2014**

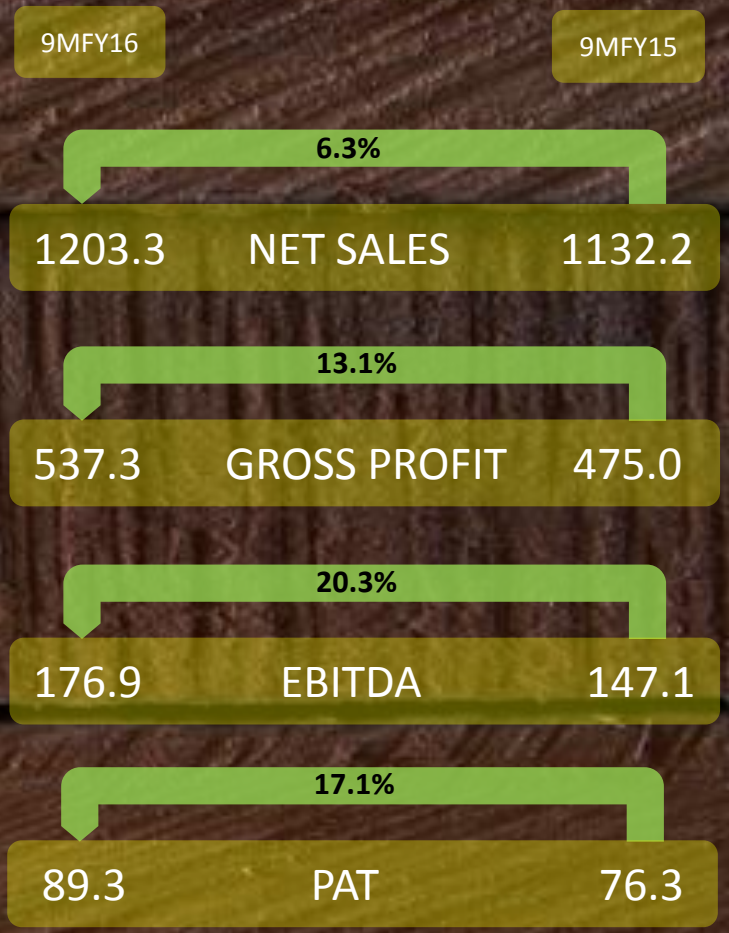
Financial Highlights – Q3FY16

Key ratios (%)	Q3FY16	Q3FY15
Gross Margin	**44.3%**	42.4%
EBITDA Margin	**15.3%**	12.7%
EBIT Margin	**12.5%**	10.5%
Net Margin	**8.4%**	6.7%
Ad and promotions / Net Sales	**3.7%**	2.7%
Staff Cost/ Net Sales	**10.2%**	9.2%
Logistics cost / Net Sales	**5.5%**	5.7%
EPS (Rs.)	**14.64**	10.83



Financial Highlights – 9MFY16

Key ratios (%)	9MFY16	9MFY15
Gross Margin	**44.7%**	42.0%
EBITDA Margin	**14.7%**	13.0%
EBIT Margin	**11.7%**	10.3%
Net Margin	**7.4%**	6.7%
Ad and promotions / Net Sales	**3.4%**	3.4%
Staff Cost/ Net Sales	**10.6%**	9.3%
Logistics cost / Net Sales	**5.7%**	5.6%
EPS (Rs.)	**36.99**	31.59



FINANCIAL HIGHLIGHTS – B/S PERSPECTIVE

Balance Sheet Snapshot (Rs. crore)	December 31, 2015	September 30, 2015	December 31, 2014	March 31, 2015	March 31, 2014
Net worth	**572.61**	**537.21**	446.55	**483.17**	380.29
Total debt	**271.82**	**290.14**	342.83	**331.53**	375.81
▪ Long Term Debt (Including Current Maturity)	**142.17**	**162.05**	181.14	**199.86**	238.21
▪ Short Term Debt	**129.65**	**128.10**	161.69	**131.68**	137.60
Capital Employed	**884.45**	**867.26**	830.61	**855.01**	799.18
Cash and cash equivalents	**6.37**	**8.54**	7.06	**7.19**	7.23
Fixed Assets	**555.53**	**562.72**	548.29	**546.95**	527.32
Receivables	**311.19**	**264.38**	272.37	**257.22**	219.55
Payables	**221.47**	**240.32**	260.99	**224.92**	200.58
Inventories	**155.97**	**182.69**	184.21	**190.30**	196.03

Key Ratios	December 31, 2015	September 30, 2015	December 31 2014	March 31, 2015	March 31, 2014
Inventory (days)	**36**	**43**	45	**45**	51
Debtor (days)	**71**	**62**	66	**60**	58
Creditor (days)	**51**	**56**	63	**53**	53
Working Capital Turnover (days)	**56**	**49**	48	**52**	56
RoE (%)	**20.8%**	**20.1%**	22.8%	**25.2%**	20.3%
RoCE – Pre-Tax	**21.3%**	**20.3%**	18.7%	**20.4%**	17.7%
RoCE – Post-Tax	**16.8%**	**16.0%**	16.7%	**18.4%**	14.4%
Net Debt / Equity (x)	**0.47**	**0.54**	0.77	**0.69**	0.99

RESULTS Q3 FY2016

GREENPLY INDUSTRIES LIMITED
Regd.Office : Makum Road, Tinsukia, Assam - 786 125
Corporate Identity Number : L20211AS1990PLC003484
Phone : +91 33 3051 5000 Fax : +91 33 3051 5010
Website : www.greenply.com E-mail : investors@greenply.com

PART I (₹ in lacs)

Statement of Standalone Un-audited Financial Results for the quarter and nine-months ended 31st December, 2015

Sl. No.		Quarter ended			Nine-months ended		Year ended
		31.12.2015 (Unaudited)	30.09.2015 (Unaudited)	31.12.2014 (Unaudited)	31.12.2015 (Unaudited)	31.12.2014 (Unaudited)	31.03.2015 (Audited)
1	Income from Operations						
	(a) Net sales/income from operations (Net of excise duty)	42174.41	40077.48	39052.42	120326.72	113216.43	156058.41
	(b) Other Operating Income	14.56	6.02	280.97	30.38	304.62	366.63
	Total income from operations (net)	42188.97	40083.50	39333.39	120357.10	113521.05	156425.04
2	Expenses						
	a) Cost of materials consumed	17553.23	16375.64	18629.13	51721.09	54690.61	72682.70
	b) Purchase of Stock-in-trade	5014.31	4621.88	6275.64	14460.08	14391.68	19054.83
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	929.46	1021.84	(2379.61)	419.66	(3365.56)	(827.80)
	d) Employee benefits expense	4288.16	4289.42	3612.02	12733.11	10568.52	14497.88
	e) Depreciation and amortisation expense	1249.06	1231.43	1212.58	3683.94	3469.92	4706.11
	f) Loss/(Gain) due to fluctuation in Foreign Exchange Rates	(11.17)	2.86	(60.66)	3.87	(83.68)	(60.55)
	g) Other Expenses	7938.27	8118.36	7947.45	23298.56	22219.18	30586.57
	Total Expenses	36961.32	35661.43	35236.55	106320.31	101890.67	140639.74
3	Profit from operations before other income, finance costs and exceptional Items	5227.65	4422.07	4096.84	14036.79	11630.38	15785.30
4	Other income	63.78	5.13	10.24	73.78	29.37	109.07
5	Profit /(Loss) from ordinary activities before finance costs and exceptional items	5291.43	4427.20	4107.08	14110.57	11659.75	15894.37
6	Finance costs	664.31	784.85	962.24	2221.64	2751.81	3591.30
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items	4627.12	3642.35	3144.84	11888.93	8907.94	12303.07
8	Exceptional items	-	-	-	-	-	-1575.53
9	Profit/ (Loss) from ordinary activities before tax	4627.12	3642.35	3144.84	11888.93	8907.94	13878.60
10	Tax Expenses						
	for Current	(987.51)	(777.33)	(659.18)	(2537.29)	(1867.15)	(2940.50)
	for Deferred	(11.33)	54.87	(73.66)	28.18	185.02	278.01
	for MAT Credit	(93.84)	(195.97)	201.68	(451.14)	403.22	963.53
	for Earlier Year	-	-	-	-	(3.72)	2.09
11	Net Profit/(Loss) from ordinary activities after tax	3534.44	2723.92	2613.68	8928.68	7625.31	12181.73
12	Extraordinary items (net of tax expense ` Nil)	-	-	-	-	-	-
13	Net Profit / (Loss) for the period	3534.44	2723.92	2613.68	8928.68	7625.31	12181.73
14	Paid-up equity share capital (Face value ` 5/- per share)	1206.82	1206.82	1206.82	1206.82	1206.82	1206.82
15	Reserves excluding Revaluation Reserves	-	-	-	-	-	47110.17
16	i) Basic EPS (`) before and after extraordinary items (of ` 5/- each)	14.64*	11.29*	10.83*	36.99*	31.59*	50.47
	ii) Diluted EPS (`) before and after extraordinary items (of ` 5/- each)	14.64*	11.29*	10.83*	36.99*	31.59*	50.47
	* Not annualised						

SEGMENTAL PERFORMANCE – Q3 FY16

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Segmentwise Revenue, Results and Capital Employed

(₹ in lacs)

	Particulars	Quarter ended			Nine-months ended		Year ended
		31.12.2015 (Unaudited)	30.09.2015 (Unaudited)	31.12.2014 (Unaudited)	31.12.2015 (Unaudited)	31.12.2014 (Unaudited)	31.03.2015 (Audited)
1	Segment Revenue (Net)						
	a) Plywood & Allied Products	29081.32	28775.17	27867.17	85205.28	84209.28	115232.68
	b) Medium Density Fibreboards	12910.49	11308.22	11196.22	34954.55	29041.77	40878.36
	c) Unallocated	197.16	0.11	270.00	197.27	270.00	314.00
	Total	42188.97	40083.50	39333.39	120357.10	113521.05	156425.04
	Less: Inter Segment Revenue	-	-	384.42	-	2321.15	2677.81
	Net Sales/Income from Operations	42188.97	40083.50	38948.97	120357.10	111199.90	153747.23
2	Segment Result [Profit/(Loss) before tax and interest]						
	a) Plywood & Allied Products	2530.68	2482.06	2293.57	7298.91	7608.29	10219.24
	b) Medium Density Fibreboards	3424.61	2865.96	2434.90	9256.93	5947.94	8388.26
	c) Unallocated	-	-	270.12	-	270.13	314.00
	Total	5955.29	5348.02	4998.59	16555.84	13826.36	18921.50
	Less: (i) Interest	664.31	784.85	962.24	2221.64	2751.81	3591.30
	(ii) Other Unallocable expenditure net of unallocable Income	663.86	920.82	891.51	2445.27	2166.61	1451.60
	Total Profit before Tax	4627.12	3642.35	3144.84	11888.93	8907.94	13878.60
	Capital employed						
	a) Plywood & Allied Products	48333.97	45418.91	43738.07	48333.97	43738.07	47921.11
	b) Medium Density Fibreboards	33914.84	35126.44	33118.21	33914.84	33118.21	31774.95
	c) Unallocated	6196.07	6180.87	6204.22	6196.07	6204.22	5804.52
	Total	88444.88	86726.22	83060.50	88444.88	83060.50	85500.58

SEGMENT WISE PERFORMANCE

Particulars	Plywood					
	Q3FY16	Q3FY15	Var (%)	9MFY16	9MFY15	Var (%)
Net sales (Rs. crore)	290.70	278.58	4.4%	851.83	841.89	1.2%
EBITDA margin (%)	9.4%	8.1%		9.0%	9.3%	
EBIT margin (%)	7.1%	6.6%		6.6%	7.3%	
Annual capacity (million sqm.)	32.4	32.4		32.4	32.4	
Production (million sqm.)	7.86	8.09	-2.8%	23.76	25.10	-5.3%
Sales volume (million sqm.)	11.80	11.05	6.8%	34.84	33.60	3.8%
Utilisation (%)	97%	100%		97%	103%	
Average realisation (Rs./sqm.)	242	245	-1.2%	239	240	-0.4%

Particulars	MDF					
	Q3FY16	Q3FY15	Var (%)	9MFY16	9MFY15	Var (%)
Net sales	129.07	111.95	15.3%	349.47	290.27	20.4%
EBITDA margin (%)	28.8%	24.1%		28.9%	23.6%	
EBIT margin (%)	24.9%	20.2%		24.6%	18.9%	
Annual capacity (cubic metre)	180000	180000		180000	180000	
Production (cubic metre)	50002	44808	11.6%	132285	112666	17.4%
Sales volume (cubic metre)	48961	44379	10.3%	130522	112396	16.1%
Utilisation (%)	111%	100%		98%	83%	
Average realisation (Rs./cum.)	26334	25172	4.6%	26742	25743	3.9%

Joint Managing Director's Message

Commenting on the performance for Q3 FY2016, Mr. Shobhan Mittal, Joint Managing Director and CEO, Greenply Industries Ltd. said,

"*We have been delivering a stable performance in a sluggish economy. This has been driven by our two pronged strategy of gaining market share from the unorganised segment and enhancing operational efficiencies through an improved product mix. This is a reflection of our proven quality, strong brand portfolio and well developed distribution infrastructure*.

Our MDF business continues to do well. Given our leadership position and capabilities, we are optimistic that this will be a key growth driver going forward.

However, the increase in working capital investments remains a matter of concern and we will strive for better cash management in the coming quarters"

COMPANY OVERVIEW

CAPACITY UTILIZATION

- Plywood 97% utilization; further demand to be catered through outsourcing
- MDF 98% utilization; to undertake greenfield expansion in Andhra Pradesh over FY16-19 to cater to future demand

PRODUCTION MODEL

- Plywood – 70% in-house, moving towards an asset light set-up by increasing proportion of outsourcing
- 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 50% JV in Myanmar for production of face veneers

FINANCIAL PERFORMANCE

- Revenue and PBT CAGR of 16.7% and 51.3% respectively over FY11-15

STRONG RETURN RATIOS

- Pre-tax ROCE of 20.4% and Post-tax ROCE and ROE of 18.4% and 25.2% in FY15

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. 14 billion
- Strong demand drivers – rising residential/ commercial construction, increasing urbanization, high disposable incomes 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 1,170
  - MDF 600

  and retailers
  - Plywood 6,000
  - MDF 4,000
- Serviced by 33 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 organised players

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
- Higher Ad spends at around 3% of Net Sales

FINANCIAL PERFORMANCE

- Expect a 5-7% growth in FY16
- Margins expected to improve by 150-180 bps in FY16 driven by better product mix and cost control

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
  - Optimise utilisation in existing facilities
  - Increase outsourcing proportion to 30% from 20% presently over the next 3 years
- MDF - Setting up of a new plant in Andhra Pradesh over FY16-19

ANNEXURE

MANUFACTURING FACILITIES / PRODUCTION MODLE

Greenply Industries Limited

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

70% in-house, 30% outsourced in volume terms

To increase proportion of outsourcing to 30% (in value terms) from 20% currently over next 3 years

- Asset light model generating higher ROCE's
- Mid-segment variants to be outsourced freeing existing capacities for premium variants
- Quality Team on vendor's site to monitor quality of inputs and ensure consistent quality of finished product

MDF

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

Largest facility in India

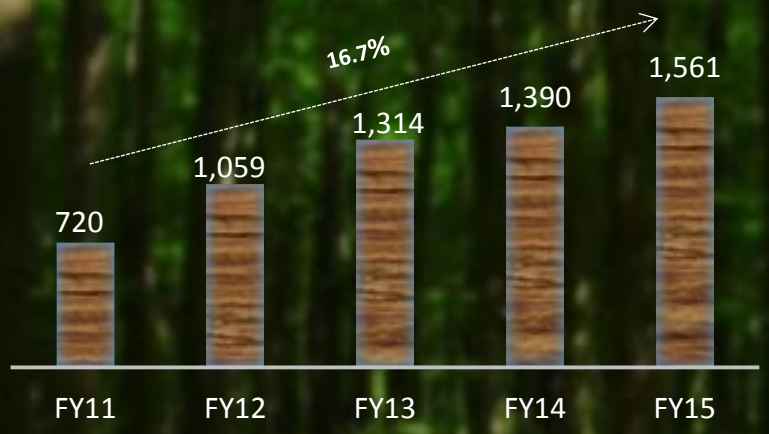
100% in-house

To undertake greenfield expansion in Andhra Pradesh – abundance of plantation wood

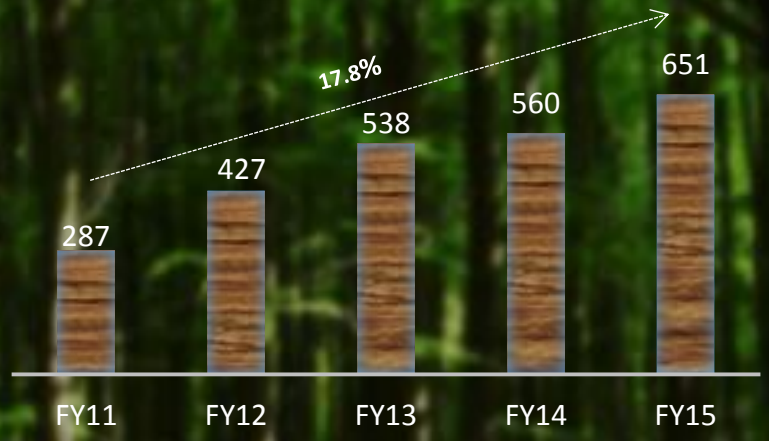
Expansion to take place over FY16-FY19

STRONG PERFORMANCE TRACK RECORD

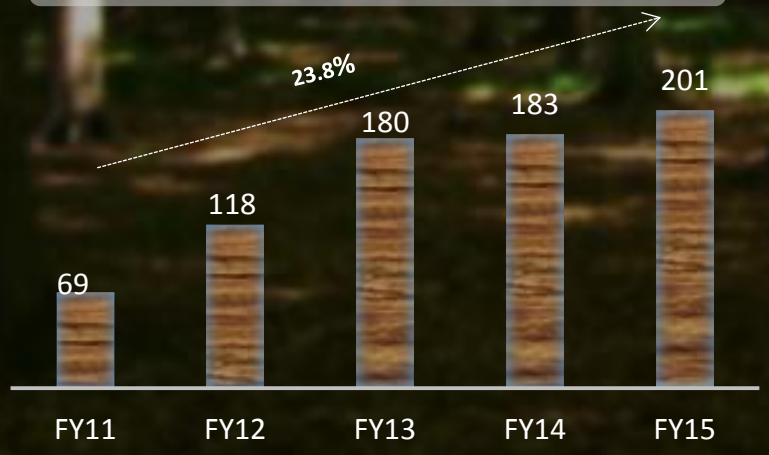
NET SALES



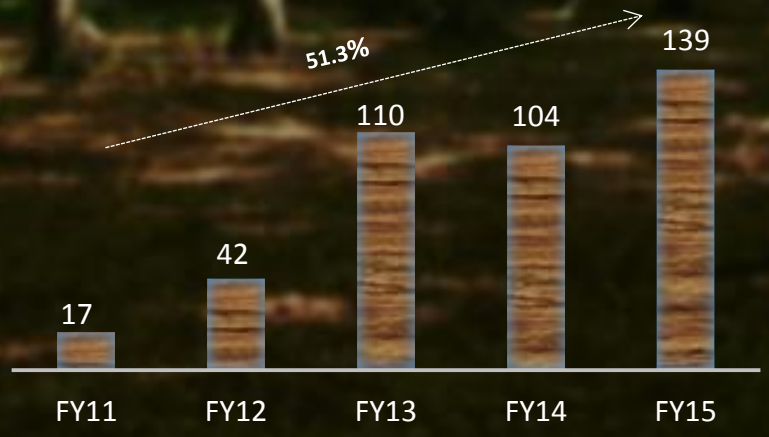
GROSS PROFIT



EBITDA



PBT



SEGMENT-WISE PERFORMANCE

Particulars	Plywood					
	FY11	FY12	FY13	FY14	FY15	CAGR
Net sales (Rs. crore)	674.43	815.58	940.17	1037.30	1152.07	11.3%
EBITDA margin (%)	13.0%	9.8%	10.6%	10.3%	9.1%	-
EBIT margin (%)	11.5%	7.2%	8.9%	7.9%	6.8%	-
Annual capacity (million sqm.)	24.9	28.35	32.4	32.4	32.4	-
Production (million sqm.)	29.7	32.14	34.28	34.68	33.08	2.2%
Sales volume (million sqm.)	34.58	38.02	41.54	44.51	46.11	5.9%
Utilisation (%)	119%	113%	106%	107%	102%	
Average realisation (Rs./sqm.)	185	203	215	222	241	5.4%

Particulars	MDF					
	FY11	FY12	FY13	FY14	FY15	CAGR
Net sales	45.48	243.72	374.18	352.72	408.51	55.1%
EBITDA margin (%)	-41.2%	15.4%	21.6%	21.6%	23.3%	
EBIT margin (%)	-76.6%	9.0%	17.5%	17.0%	18.5%	
Annual capacity (cubic metre)	180,000	180,000	180,000	180,000	180,000	
Production (cubic metre)	26,925	116,898	157,948	136,723	161,229	43.0%
Sales volume (cubic metre)	23,882	116,622	153,426	137,932	161,424	46.5%
Utilisation (%)	15%	65%	88%	76%	90%	
Average realisation (Rs./cum.)	19,236	20,898	24,386	25,552	25,238	5.6%

OUR BRANDS

Greenply Industries Limited

Greenply PLYWOOD

GREEN CLUB Plus PLYWOOD

GREEN PANELMAX MDF BOARD

GREEN FLOORMAX WOOD FLOORS

GREENDOORS

GREEN CLUB DOORS

GREEN DOORS STELLAR HDF MOULDED PANEL DOORS

GREEN READY LINES

optima red Plywood & Blockboard

optima red Plywood & Blockboard

ECOTEC PLYWOOD & BLOCKBOARD

GREEN DEFENDER

GREEN COMPREG

GREEN Naturals 100% BURMA TEAK VENEERS

BLACK FOREST

GREEN SPECTRUMWOOD VENEERS

GREEN Flexiply

ABOUT GREENPLY INDUSTRIES LTD.

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 1,770 distributors and 10,000 retailers and 48 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 Premium Ply, Optima Red, Ecotec, Green Panelmax and Green Floormax, to name a few.

For further information, please contact:

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