



AHEAD OF THE CURVE

Analyst Meet Presentation

12 M. FY2014

27th June, 2014



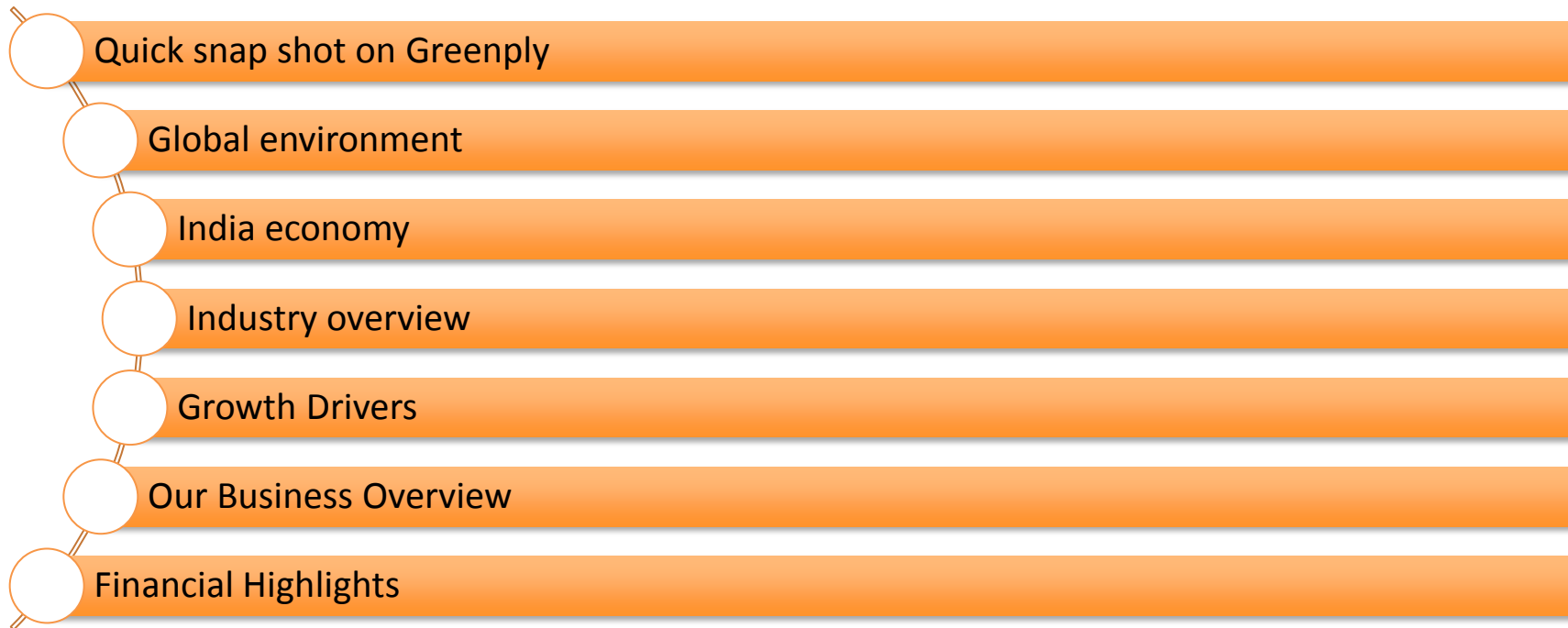
Safe Harbor Statement

This presentation may contain statements which reflect Management's current views and estimates, and could be construed as forward looking statements. The future involves certain risks and uncertainties that could cause actual results to differ materially from the current views being expressed. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

Responses can only be given to questions which are not price sensitive



Presentation structure



Greenply-A Quick Snap Shot

No.1

- Consolidated turnover of Rs.2215 cr. (\$369.86 million) in FY 2014
- Largest and most profitable company in the interior infrastructure space
- 7 State-of-the-art manufacturing facilities producing world class interior products for India and global markets
- Over 5000 employees
- Largest brand & product portfolio, catering to different segments of the market
- Widest network of over 15000 retail touch points serviced by 86 marketing offices across India, making it the largest in the industry

Greenply-A Quick Snap Shot...

- Enjoys the largest market share across business segments
 - 32% of organised plywood market
 - 28 % of organised laminate market
 - 30% of MDF market
- Brand presence in over 100 countries making us the largest exporter for 4 consecutive years in a row
- Promoter holding 55%
- Present Market Cap over Rs 1500 crores



Our Capacities

Plywood : 32.40 million sq meters

Tizit:	4.50 mn. Sqm
Kripampur:	6.00 mn. Sqm
Pantnagar:	10.50 mn. Sqm
Bamanbore:	11.40 mn. Sqm

Laminate : 10.02 million sheets

Behror:	5.34 mn sheets
Nalagarh	4.68 mn sheets

Natural Decorative Veneers:

Behror:	4.20mn. Sqm
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MDF: **180000 Cubic meters** Pantnagar

Engineered wood flooring **1mn. Sqm**

-Currently in expansion mode at Behror unit



Journey so far...

- Started operations in 1984 with a small saw mill
- Across the 25 years of our existence, we graduated from **plywood** to **laminates**, to **decorative veneers** and then to **MDF**
- From a single product unit to multi product entity
- From a plywood manufacturer we evolved into an **interior infrastructure organisation.**
- The time has come to climb to the next level
- The Company has decided to de-merge its wood-based and decorative businesses into separate entities for some pertinent reasons.



Rationale for Demerger

- Both businesses address separate segments –
 - The wood based products (plywood and mdf) form the backbone materials for furniture
 - The decorative products (laminates and decorative veneers) are surfacing materials.
- The Decorative business addresses a global market while the wood-based business focuses on the domestic market.
- Each of these growing businesses warrant a dedicated management focus and resource allocation in line with respective market trends.



Rationale for Demerger...

- Dedicated focus will also enable diversification & expansion into newer product portfolios for faster growth
- Strengthen the prospects of each of the businesses towards mobilising funds (equity or debt) to service their respective growth plans.
- Enable each business to gravitate towards its optimal discounting on the secondary capital market.



GLOBAL ENVIROMENT



Global Environment

- Global activity has broadly strengthened and expected to improve further in 2014-15.
- Global growth is expected to strengthen from 3% in 2013 to 3.6% in 2014 and 3.9% in 2015
- In advanced economies, in United States & Euro Zone growth is expected to increase to about 2.25% in 2014-15, improvement of 1%.
- Asia Pac growth expected to be steady at 5.5 percent in FY 15



INDIAN ECONOMY



Indian economy

- GDP growth at 4.7% for FY 2014 vs 4.5% for FY 2013.
- RBI continues with its cautious policy
- Improved sentiment with arrival of a stable Central Government.
- Revival expected in Core Industries and Infrastructure
- Rupee improves with prospects of improvement in economy and improvement in Foreign Currency Reserves.

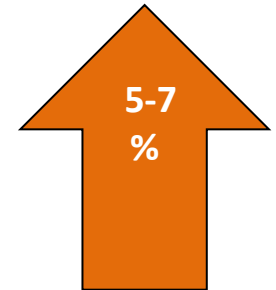
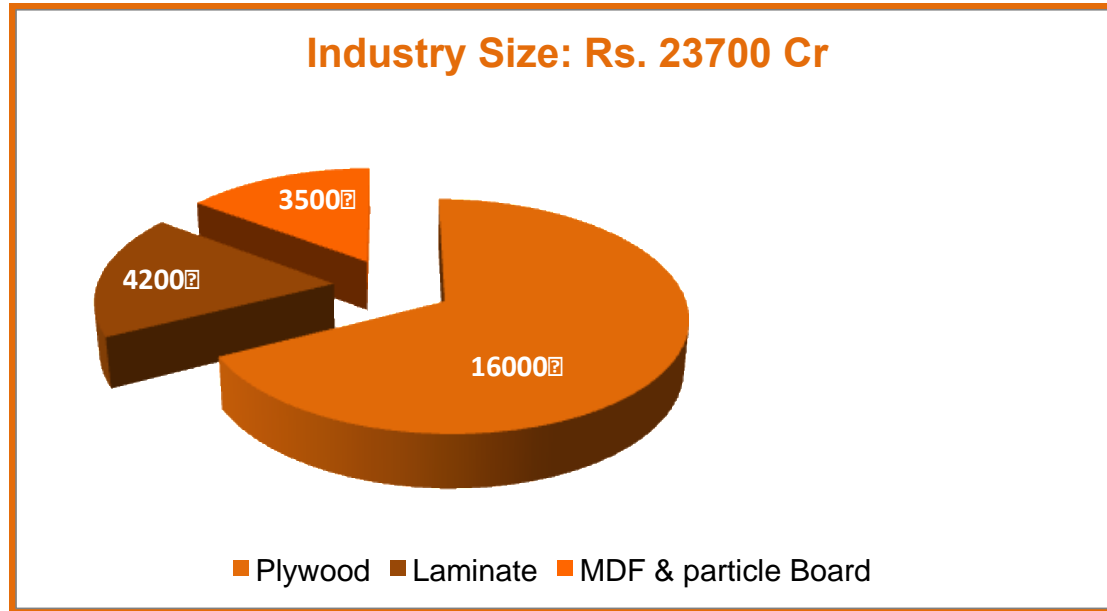




Industry Overview

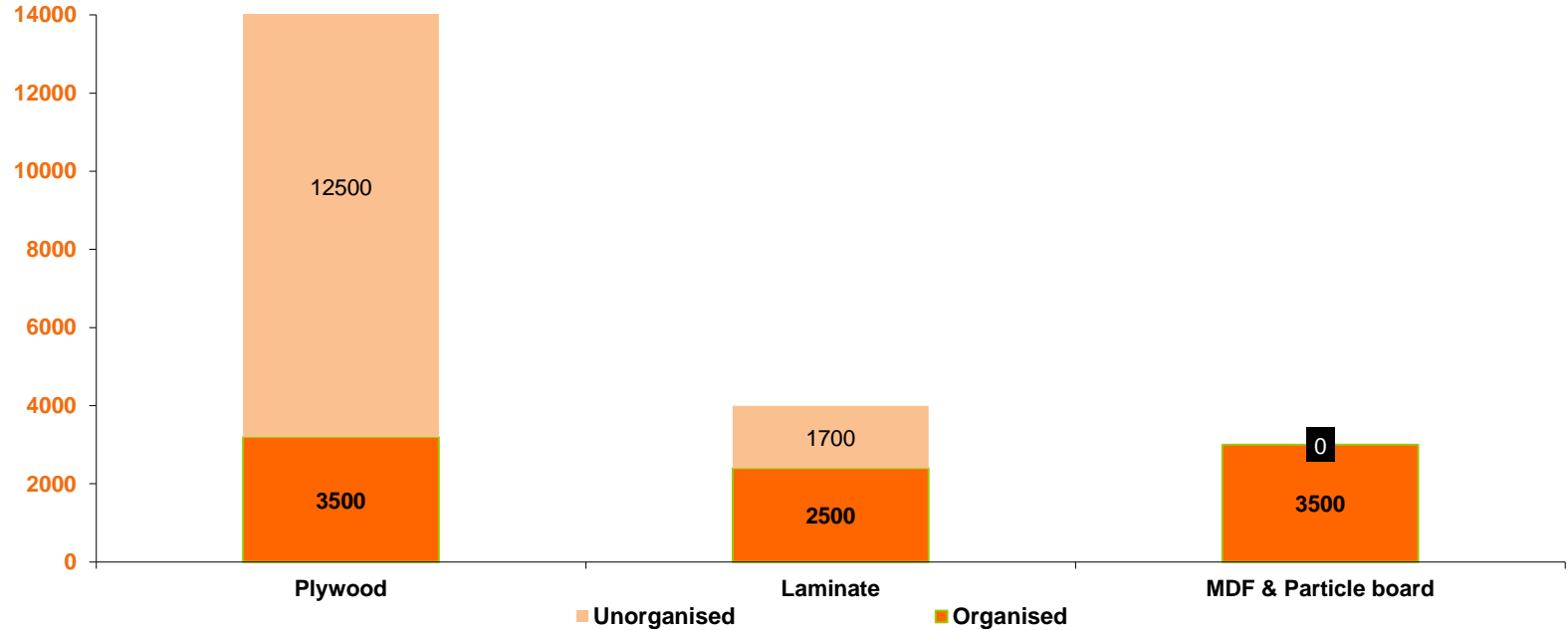
Industry at a glance

Rs. in Crores



Organized vs. Unorganized

Rs. in Crores



There is no un-organised segment in MDF. The segment consists of Domestic manufacturers and imports with an import content of 30%. The product is primarily targeted against the cheap plywood segment.

Industry Growth vs Greenply Growth

- Industry has grown at **5-7%** over the five years from FY 2009 to FY 2014
- Clear preference shift for branded products in the market that has led to a decline in market share of the unorganized sector
- Organised players have grown at **15-20%** over the same period.
- Greenply has recorded a CAGR of **24.38%** during the period from FY 2009 to FY 2014.



GROWTH DRIVERS



Growth Drivers



- Per Capita income estimated to have risen 10.4% to Rs 74920 in 2013-2014
- Gross Fixed Capital Formation (GCFC), an indicator of Investment, was forecast at Rs 32.2 lac crore at current prices as against Rs 30.7 lac crore in 2012-13.

Growth Drivers

India has a young population with average age of 24 years, leading to higher disposable incomes in the hands of those with aspirations for a better lifestyle and stylish interiors.



YEAR of
YOUTH

Growth Drivers

- **Rising Urbanisation** : Highest urban population rate of change among BRIC nations. Estimated that 843 million people will live in Indian cities by 2050
- **Rising Consumer Class** : By 2030 India is likely to emerge as world's largest middle class consumer market with an aggregate consumer spend of nearly USD 13 trillion.
- **Rising Nuclear Families** : Nuclear families are the overwhelming norm in India with 70% of households comprising just one married couple, driving the need for quality housing.



Growth Drivers

Rising Millionaire Households

Expected to grow from 2.86 lacs to 6.94 lacs between 2011 and 2020, at a growth rate of 143%.



Real Estate Growth Drivers

Commercial



Office space supply in top eight Indian cities is expected to reach 180 million sq ft. in 2012-16. Average mall size of around 380000 sq feet expected to increase to 660000 sq feet by 2017

Hospitality



Over 300 hotels are expected to be commissioned in India over the next three years. By 2015 the Indian Hospitality Sector is estimated at Rs 230 billion growing at a robust 12.2% CAGR.

Health care



India's healthcare sector is expected to grow from \$78.6 billion in 2012 to \$158.2 billion in 2017. Per capita healthcare expenditure is increasing at a CAGR of 10.3%.

Asian Development Bank estimates that India will require 10 million new housing units a year by 2030. Increase in development will be witnessed all across the real estate, specially in the premium segment.

Growth Drivers

- There is a visible shift from un-organised to organised , unbranded to branded
- Stable government expected to lead to recovery in the India economy
- Implementation of GST to boost the growth of organised/branded market
- Internationally the HPL business is estimated to be a \$7 billion industry
- Greenlam's international business contributes to \$56 million 0.8% of the global industry
 - Huge ocean of opportunity to expand and grow
 - Right quality product ; Superior service model ; Global brand equity ; Right Price model
- New product lines catering to different market segment

(Laminated plywood & flush doors, Ecolite MDF, Laminated flooring, HD gloss laminates, Digital laminate, Digi Junior, Exterior clad,)



OUR BUSINESS OVERVIEW



PLYWOOD BUSINESS



PLYWOOD - GROWTH PROSPECTS

- Focused on growing the Plywood Segment through Outsourcing Business Model.
- This will free-up existing manufacturing capacities for increased production of Greenply and Greenply Club.
- Outsourcing is an asset light model and will help to improve the ROC's of the business. Outsourcing Model ROC was 39% in FY 2014 against 18% in the Manufacturing Model.
- Myanmar strategy for backward integration. Production of Commercial Veneers expected from August 2014. Additionally venturing into Lumber business (Teak Sawn Timber in FY 2015) and Plywood (FY 2016). Expected to achieve Topline of USD 30 million on optimum capacity utilisation.



PLYWOOD (Plantations for Securing the future)

- Setting up a subsidiary for Plantation activities around existing Plywood and MDF units.
- Objective is long term raw material sustainability and controlling of raw material prices.
- No investments will be made in land
- Plantations will be on leasehold land or on the basis of crop sharing
- Plantation of fast growing and improved species of clonal plantations to improve quality of wood availability and plywood manufactured.
- Intend to enter into arrangement with private parties as well as State Governments for plantation activities on unutilised / waste lands.



Plywood & Allied Products

Rs. in Crores

Particulars	Q4FY14	Q4FY13	% Change	FY14	FY13	% Change
Net Sales	286.02	264.20	8.26	1037.30	940.17	10.33
EBIDTA Margin (%)	10.52	13.14	-	10.31	10.56	-

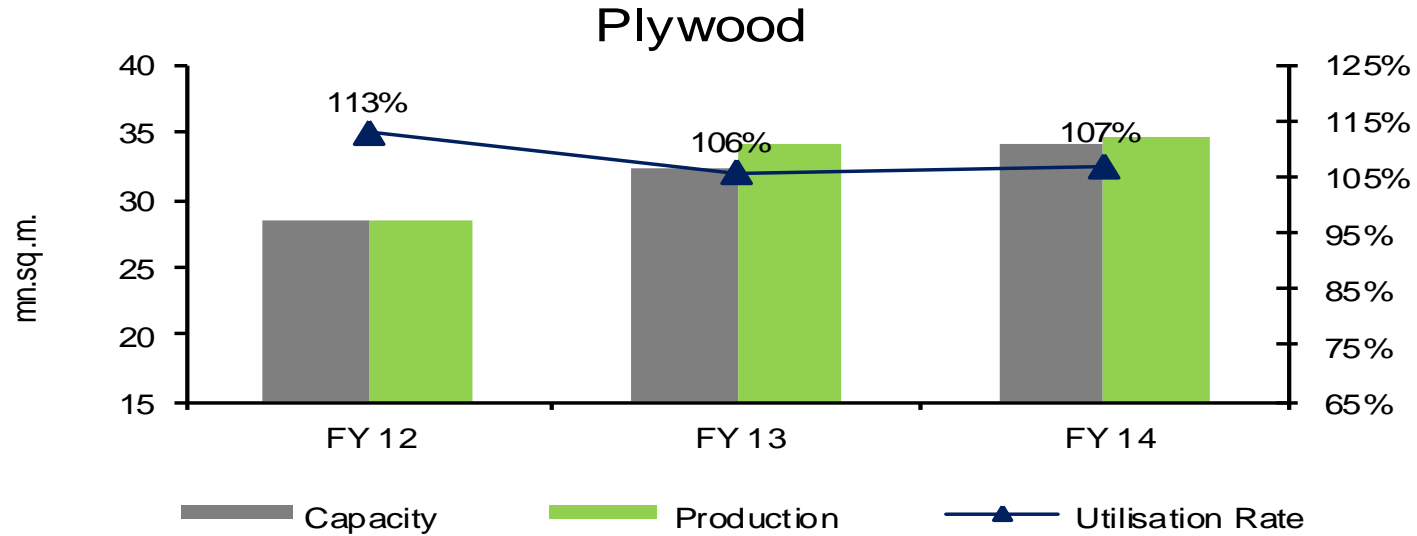
Particulars	Q4FY14	Q4FY13	% Change	FY14	FY13	% Change
Annual Capacity (mn.sq.m.)	32.40	32.40		32.40	32.40	
Production (mn.sq.m.)	8.36	8.79	-	34.68	34.28	-
Sales (mn.sq.m.)	11.96	11.03	8.43	44.51	41.54	7.15
Capacity Utilisation (%)	103	109		107	106	
Average Realisation (Rs. / Sq. m.)	228	229	-	222	215	-

Plywood Segment (FY 2014 Highlights)

- Enhanced sales volumes by 7.15% from 41.54 mn square meters in FY 2013 to 44.51 mn square meters in FY 2014
- Grew **10.33%** in value terms to Rs 1037.30 crores in FY 2014
- Share of Greenply, the flagship brand, is now close to 60% of the total sales
- Sales of super premium Greenply Club jumped by 23% in volume terms and 27% in value terms.
- Improved realisations of manufactured plywood by 5% through increased sale of value-added products.
- Trading in mid-segment contributes 22% in volume terms and 16% in value terms.



Capacity Utilization



PLYWOOD BRANDS



PRODUCT & MARKETING INITIATIVES

- Launched following new products in FY 2014:
 - Green Ready Lines: ready to install laminated plywood panels
 - Green Ready Lines: ready to install laminated / veneered flush doors
 - Green Club Flush Doors
 - Green Door Stellar
- Renewing focus on rural markets
- Strengthening relationships with network through relationship building programs like loyalty points, award nites, family bonding events, domestic and foreign trips
- Mapping the performance of the influencers namely architects, interior designers, carpenters and contractors and rewards for their performance.



DECORATIVE BUSINESS



Laminate & Veneer business

- 20 years experience in laminate & surfacing business
- Leader in the decorative surfacing space
- Largest producer of Decorative Laminate in Asia & 3rd largest globally
- Largest brand portfolio catering to various market segments & price points
- First company to introduce Anti bacteria laminate as a standard product offering
- First non American brand to be award with Green Guard certification
- CAGR of 16.7% in net sales and 19.9 % in EBIDTA over 5 years (FY 10-14)



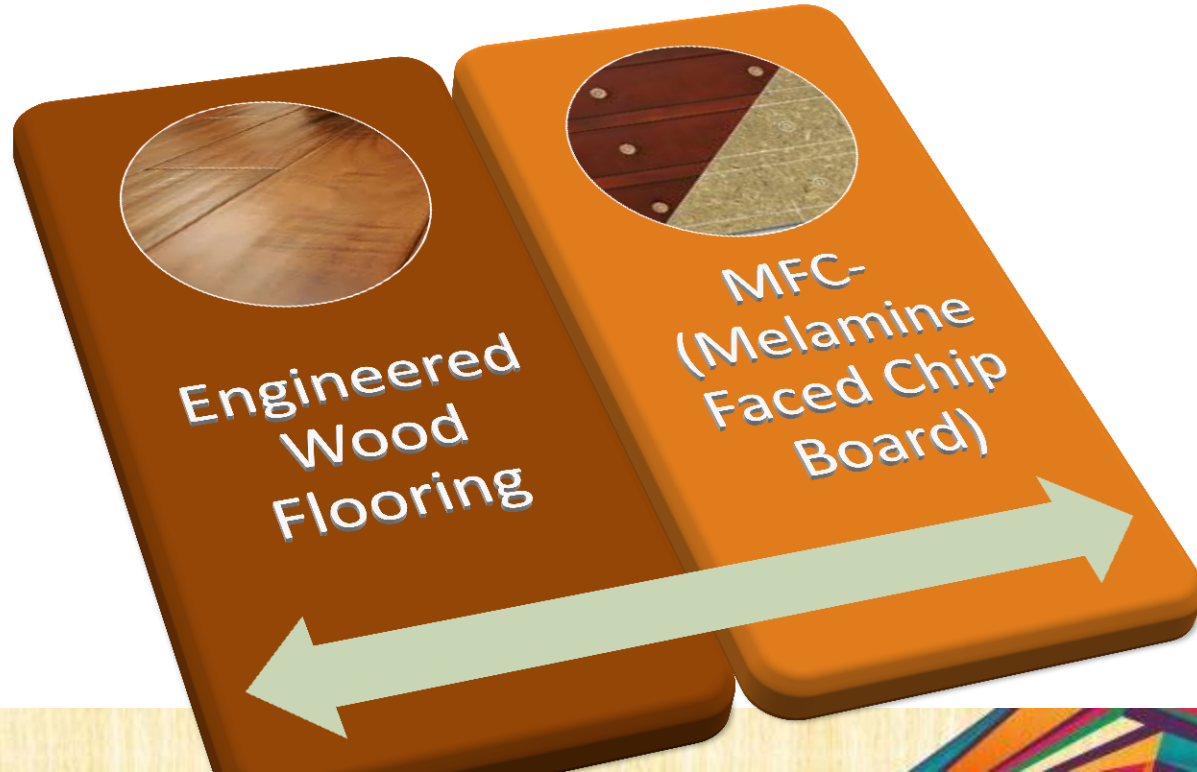
Current Product offering



New Product Offering

Rs. 125 cr.
Fresh
Investment

Expected Top
Line of Rs
350cr at
optimum
capacity
utilization



Lifestyle Surfacing Brands



Greenlam
LAMINATES



CLADS
EXTERIOR GRADE COMPACT LAMINATES



Sturdo
RESTROOM CUBICLES AND LOCKER SOLUTIONS

Performs Exceptionally

GREENLAM
Xtraordinaire
SUPER-PREMIUM LAMINATES

**GREEN
DECOWOOD**
Natural Veneers

NEW/MIKA
Decorative Laminates

Growing Global Footprint

\$ 7 billion industry

- **The laminate market** has grown moderately by 2% per annum and is expected to continue at a similar pace.



Greenlam Exports has grown at a CAGR of 24% over last 5 years

- 3 overseas subsidiaries AMERICA || EUROPE || ASIA-PAC
- 11 Sales & Marketing offices globally
- Brand presence in **100+ countries**

47% business contribution of laminates comes from international market, making us the largest exporter of decorative laminates from India for last four consecutive years

Laminates & Allied Products

Rs. in Crores

Particulars	Q4FY14	Q4FY13	% Change	FY14	FY13	% Change
Net Sales Laminates & Allied Products	193.29	177.56	8.86	767.99	683.34	12.39
EBIDTA Margin (%)	12.07	7.61	446 bps	12.05	11.90	15 bps

Particulars	Q4FY14	Q4FY13	% Change	FY14	FY13	% Change
Annual Capacity in mn. Sheets	10.02	10.02		10.02	10.02	
Production (mn. sheets.)	2.70	2.59	4.25	10.76	10.37	3.76
Sales (mn. sheets)	2.70	2.66	-	10.80	10.35	4.35
Capacity Utilisation (%)	108	103		107	104	
Average Realisation (Rs. / Sheet.)	605	563	7.46	618	566	9.19

Laminates Segment (FY 2014 Highlights)

- Grew 12.39% in value terms and 4.35% in volume terms.
- Increased production to 10.76 mn sheets in FY 2014 from 10.37 mn sheets in FY 2013; achieved capacity utilisation of 104%.
- Average Realisation of Laminates increased by 9.19% to Rs 618 per sheet from Rs 566 per sheet.
- Average Realisation of Decorative Veneers increased by 14% to Rs 809 per square meter from Rs 708 per square meter.
- Exports grew by 23.57% to Rs 315.87 crores and contributed 14.64% of the net revenue for the year. Exports contribute 48% and 47% respectively in volume & value terms to the laminates business. Focused on exports to counter slowdown in domestic markets as a long term strategy.

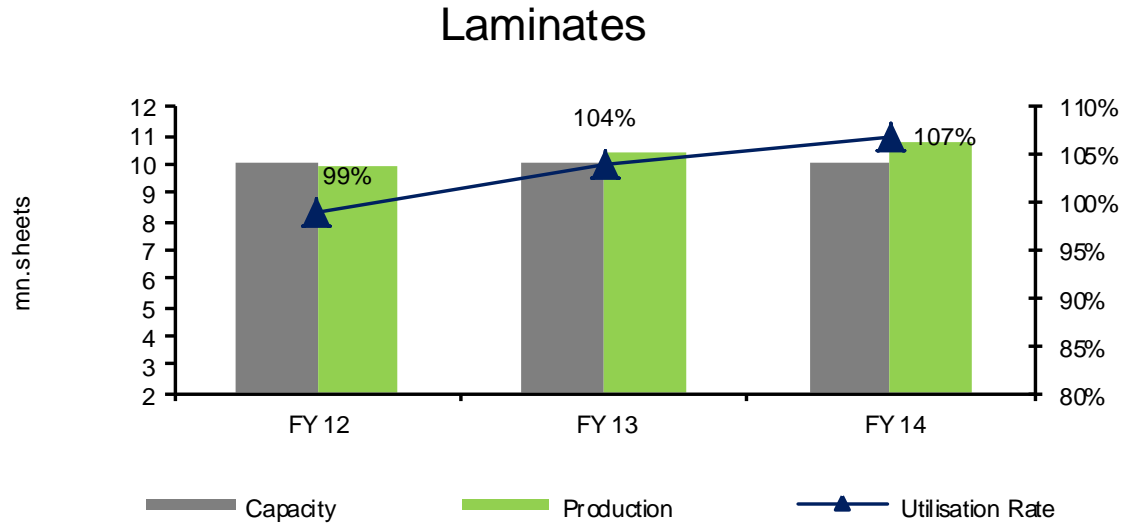


Overseas Subsidiary Highlights

- Sales from subsidiaries has grown from \$13.89mn in FY10 to \$39.25mn in FY14
- Sales has grown at a CAGR of 29.65% in the last five years
- Sales from subsidiaries comprises 70% of total export revenues
- Opened offices in China, Myanmar & Philippines
- New stock point in UK in April 2013.



Capacity Utilization



New Product launches

- **Digi juniors**- exclusive licensed Kids collection of barbie & Hot wheels
- **Digital & Custom Laminate** – Hi end digitally printed laminated where designs can be customized as per customer's requirement
- **Lab Guardian**- Special Grade chemical resistant compact laminate manufacturer for lab's & health care sector
- **Clads**: exterior grade compact panel boards for façade solutions
- **HD series**: Hi end exclusive veneer collection, first time in India



INNOVATIONS.
For a new generation.

MDF BUSINESS



Medium Density Fibreboards (MDF)

GROWTH PROSPECTS

- Growing industry with good prospects with entry of more organised players and increased automation in the furniture industry.
- Increased awareness about benefits of using MDF.
- Shift expected from unbranded unorganised plywood to MDF
- Green Panelmax is the numero uno brand in the country.
- Conti Press technology gives Greenply a distinct edge over other MDF producers
- Moving towards value-added products with expansion of pre-lam capacity and entry into Laminated Flooring and UV Coated boards.
- Expected to achieve 90% capacity utilisation in FY 2015 and generate estimated revenue of Rs 440 crores in FY 2016 at optimum capacity utilisation.



MDF BRANDS



Medium Density Fibreboards (MDF)

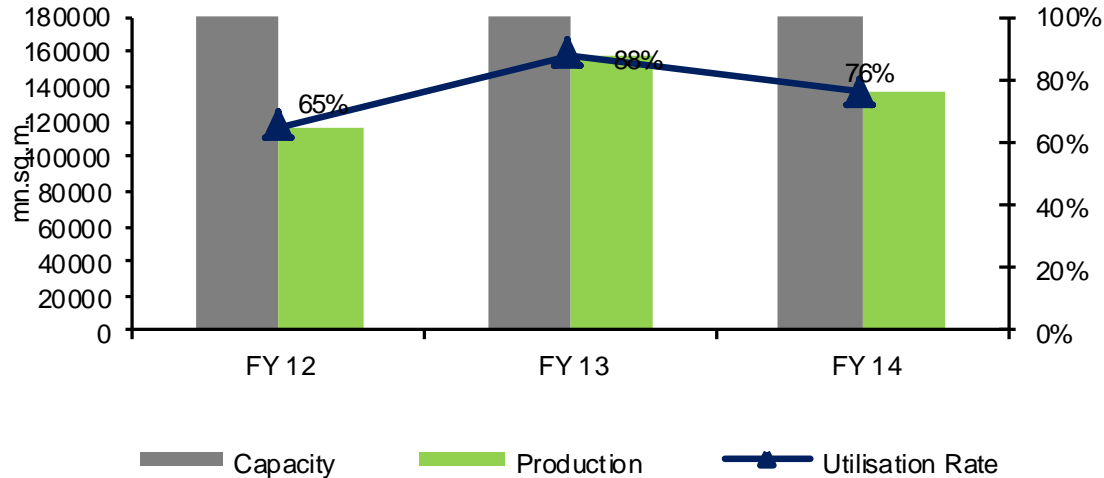
Rs. in Crores

Particulars	Q4FY14	Q4FY13	% Change	FY14	FY13	% Change
Net Sales	90.79	98.92	-	352.72	374.18	-
EBIDTA Margin (%)	21.33	19.51	182 bps	21.65	21.61	4 bps

Particulars	Q4FY14	Q4FY13	% Change	FY14	FY13	% Change
Annual Capacity (CBM)	180000	180000		180000	180000	
Production (CBM)	32222	40975	-	136723	157948	-
Sales (CBM)	34727	39926	-	137932	153426	-
Capacity Utilisation (%)	72	91		76	88	
Average Realisation (Rs. / CBM)	26132	24774	5.48	25552	24386	4.78

Capacity Utilisation

Medium Density Fibreboards



PRODUCT & MARKETING INITIATIVES

- Commenced production of Laminated Flooring during Q1 FY 2015
- Launched new products to expand the Company's presence in the economy plywood segment valued at more than Rs 12000 crores.
- Expanded into production of thin MDF (2.5mm-8mm)
- Pre-Laminated MDF boards approved for various applications by office of Director General, Central Public Works Department.
- Green Panelmax Plain, Pre-Laminated and Veneered MDF Boards are approved for use in defence works by the Military Engineering Services



FINANCIAL HIGHLIGHTS



Financial Highlights Q4 FY 2014

- Net Sales up by 5.44% at Rs. 570.11 crores
 - Plywood & Allied Products : Rs. 286.02 crores, up by 8.26%
 - Laminates & Allied Products : Rs. 193.29 crores, up by 8.86%
 - Medium Density Fibre-Boards : Rs. 90.79 crores, down by 8.22%
- EBIDTA (excluding currency gain/loss) up by 7.75% at Rs 72.76 crores
- EBIDTA Margin decreased by 27 basis points to 12.76%
 - Plywood & Allied Products 10.52%
 - Laminates & Allied Products 12.07%
 - Medium Density Fibre boards 21.33%
- PAT down by 5.32% at Rs. 36.83 crores
- PAT Margin stood at 6.46% Vs 6.47%.



Performance Snapshot 2014

Greenply's top line growth of 8.0% outperformed India's GDP Growth of 4.7% and growth of 1.7% in Construction

NET Sales Increased
by 8.03%

EBIDTA Increased BY
5.50%

NET PROFIT
Maintained at 6.46%.

Financial Highlights FY 2014

- Net Sales up by 8.03% at Rs. 2158.02 crores
 - Plywood & Allied Products : Rs. 1037.30 crores, up by 10.33%
 - Laminates & Allied Products : Rs. 767.99 crores, up by 12.39%
 - Medium Density Fibre-Boards : Rs. 352.72 crores, down by 5.74%
- EBIDTA (excluding currency gain/loss) up by 5.50% at Rs 275.84 crores
- EBIDTA Margin dropped by 31 basis points to 12.78%
 - Plywood & Allied Products 10.31%
 - Laminates & Allied Products 12.05%
 - Medium Density Fibre boards 21.65%
- PAT up marginally at Rs. 114.46 crores
- PAT Margin stood at 5.30% Vs 5.43%.

Consolidated Financial Highlights FY 2014

- Net Sales up by 8.37% at Rs. 2215.11 crores
- EBIDTA (excluding currency gain/loss) up by 3.82% at Rs 283.47 crores
- EBIDTA Margin decreased by 56 basis points to 12.80%
- PAT was down marginally at Rs 117.58 crores vs 119.68 crores
- PAT Margin stood at 5.31% Vs 5.85%.



Financial Performance

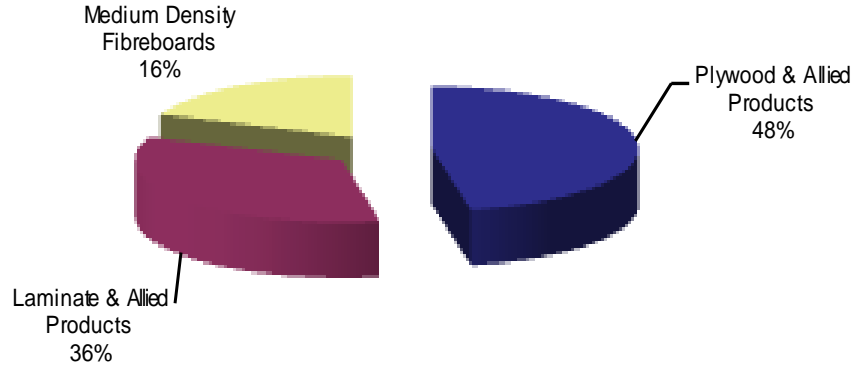
Rs. in Crores

Particulars	FY2014	FY2013
Key Ratios		
ROCE (%)	15.91	18.30
RONW (%)	19.64	23.94
Net Debt / Equity (x)	1.16	1.35
Working Capital Cycle (Days)	82	83

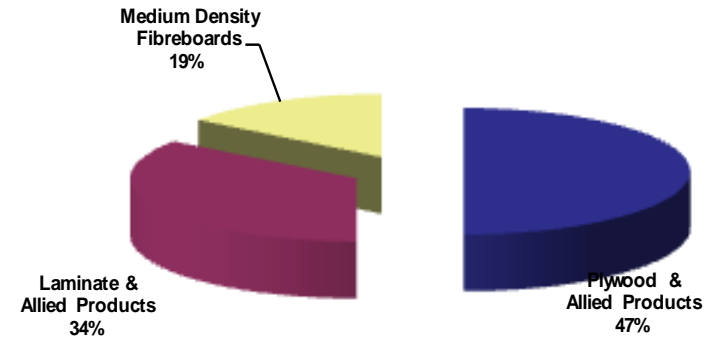
Update on Balance Sheet		
Particulars	FY2014	FY2013
Tangible Net Block	678.57	643.46
Net Worth	582.82	476.87
Total Debt	673.98	641.79
Cash & Bank Balance	10.80	16.27

Sales Break Up

FY14



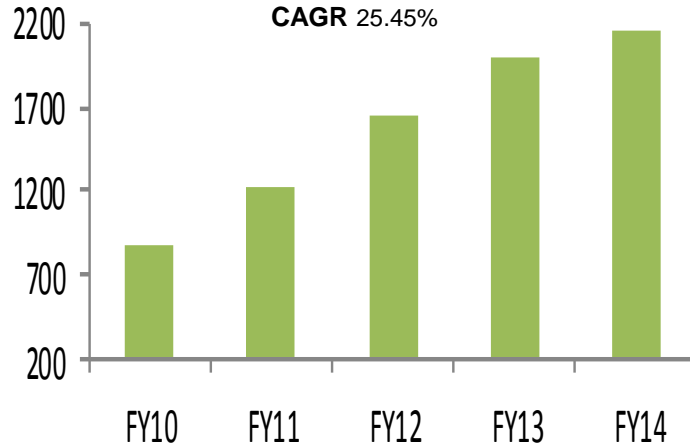
FY13



Growth Momentum

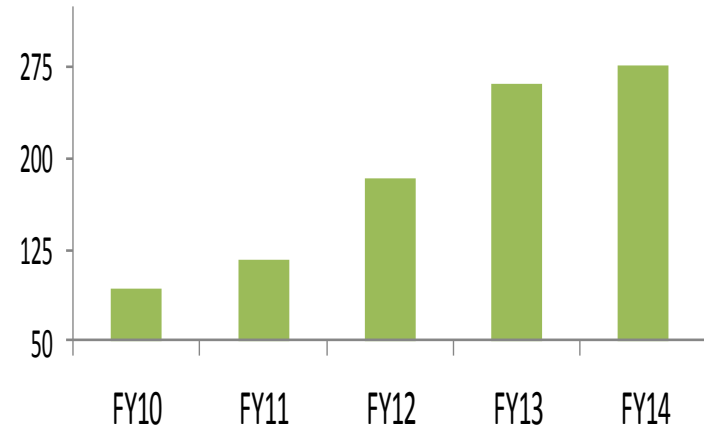
NET SALES

CAGR 25.45%



EBIDTA

CAGR 31.03%



OTHER INITIATIVES



Our Sustainable Acts

- Formulated Green Strategy Group (GSG) –Nodal agency to create, sustain and harness the 'Green Initiatives' across the entire value-chain of the Organization.

Key Role

- Monitor environment impact on value chain
- Reduce carbon footprints
- Incorporating Clean technologies
- Building innovation into product design



Giving Back to The Planet

- Provides an additional source of income to farmers
- Involved in planting close to 0.5 Million saplings in the tribal areas of Nagaland



Our Green Credentials

"THE CREATION OF
A BEAUTIFUL WORLD"



**1st non US Company, to
bag the coveted
GREENGUARD certificate for
Indoor Air Quality**

Greenguard

**1st Indian Brand to be
certified by
GREEN LABEL
Singapore**

Green Label

**Only one in the industry to
use
Bio-Mass in the
manufacturing process for
Laminates**

Bio-Mass

**First Indian Brand
to get certified with
FSC (C-O-C)**

Carbon Credits

**All manufacturing Facilities
are
ISO 14001, 18000
and OHSAS certified**

ISO - OHSAS

Marketing Campaign - Greenlam

Successful brand campaign for Greenlam

- 360 media approach with hi impact media Road block on the day of the launch
- Each of the media vehicle has been planned to drive better realization & commercial synergy.
- Engage with the customer at multiple points enabling an integrated communication approach to create customer Perception thru consistent messaging across multiple Media.

TOM
Recall
UP by
10%



IT & HR Initiatives

IT Initiatives

- Implemented **SAP-GRC (Governance and Risk Control)** to strengthen governance in terms of user access on SAP with exceptional reporting in the first phase.
- Implemented applications like **Barcode Technology** for its laminate plants for effective tracking of the product movement;
- Started working on **CRM (Customer Relationship Management)** initiatives to enhance customer relationships and maximize effectiveness of sales force.

HR Initiatives

- EDGE for connecting employee & organizational objectives
- Force, a development center for employees rated as “Out Performers” and ‘Excellent Performers’ in the appraisal
- Launch of E-newsletter & various Fun at work programs

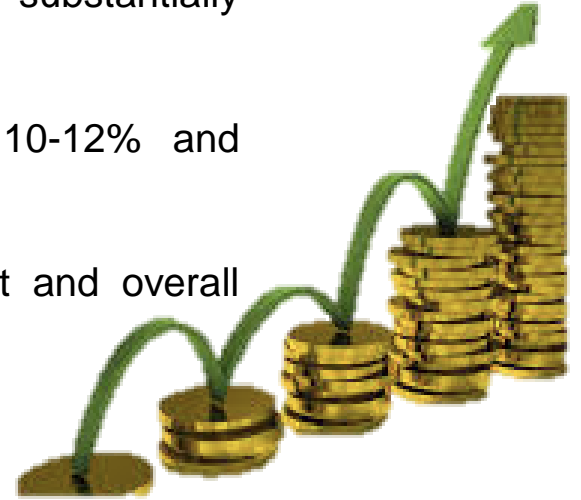


INVESTMENT HIGHLIGHTS



Investment Highlights

- Established brands with strong presence and market share
- Increasing utilization and change in product-mix would substantially boost revenues and profits in the next 3 years
- Plywood & MDF business is expected to grow at 10-12% and Decorative Business at 18-20%.
- Recovery in residential and commercial property market and overall economy should drive the growth
- Further brand penetration adds considerable mass
- Improved realizations because of better product mix
- Ability to pass on increase in input costs.



Thank You

Corporate Office:

16A, Shakespeare Sarani, New B.K. Market,
2nd Floor, Kolkata – 700 071, West Bengal,
India

Phone: +91 33 3051 – 5000

Fax: +91 33 3051-5010
investors@greenply.com
www.greenply.com

