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# Greenlam Industries Ltd

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Transforming Spaces, Enriching Lives.

May-2015

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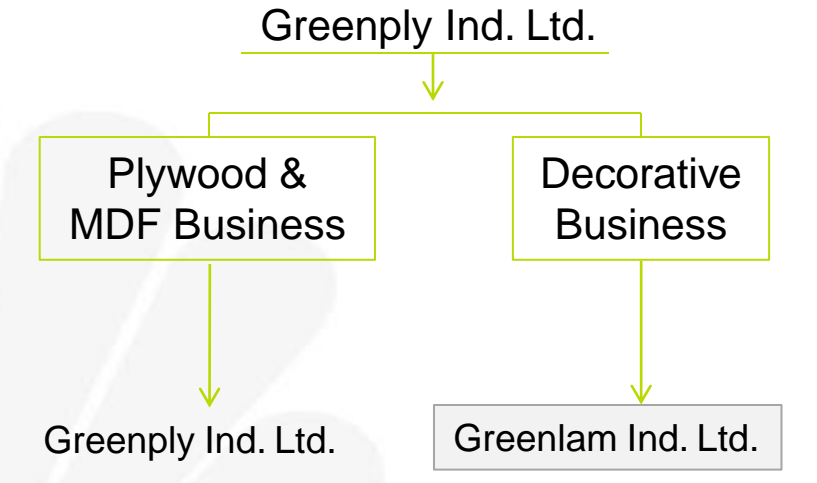
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## Demerger to unlock value

- ✓ Streamline businesses
  - Greenlam – Decorative surfacing products (Laminates and Decorative Veneers)
  - Greenply – Wood based products (Plywood and MDF)
- ✓ Dedicated focus on each segment
- ✓ Encourage newer Product Developments
- ✓ Added focus on Global Markets
- ✓ Better Resource Allocation
- ✓ Optimising Market Valuation



## Our Business

“We are into the business of Transformation.  
Transformation of living spaces”

“We offer Surfacing & Lifestyle Solutions for both Interior and Exteriors  
spaces”

## Who are we?

Millions of Pleased Customer

Unlimited Choices

Thousands of Décor & Surface solutions

Global Presence of Greenlam Brand  
in over 100 countries

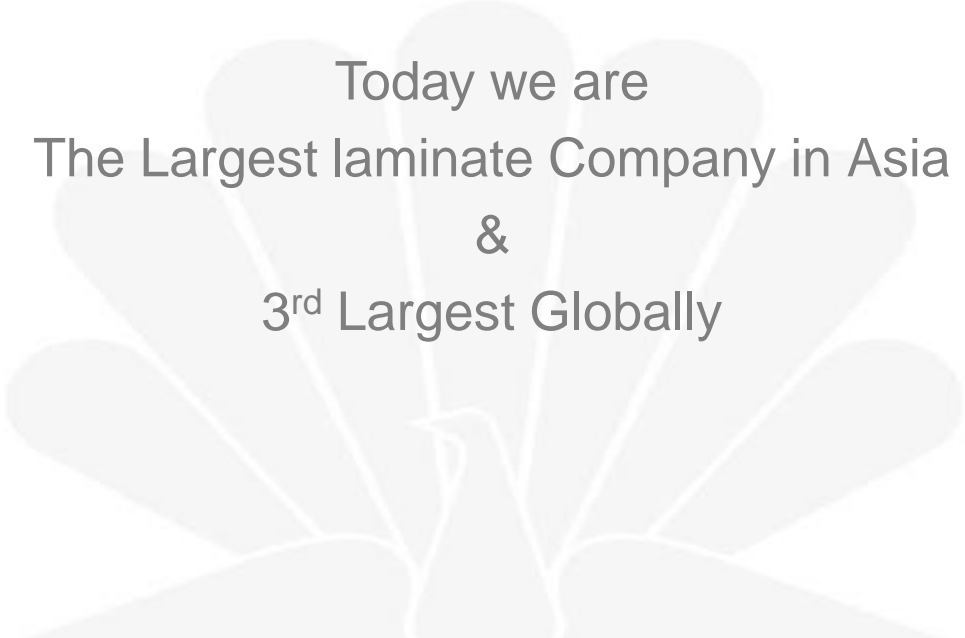
State of the art Manufacturing Facilities

Top of the line Certifications

2,500+ Employees

Largest Network with over 12,000+ Distributor, Dealer &  
Retailer Network

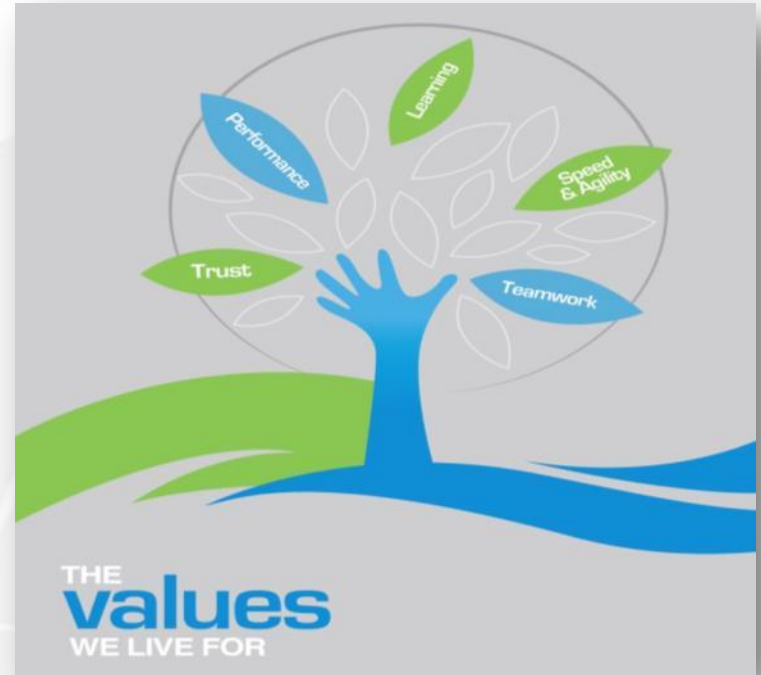
20 years experience of exceptional Artistry,  
unsurpassed Quality Standards and undying  
Passion

A large, faint, light grey watermark of a peacock is centered in the background of the slide, behind the text.

Today we are  
The Largest laminate Company in Asia  
&  
3<sup>rd</sup> Largest Globally

## The Values that Identify Us

- ✓ **Trust** - We trust people to be reliable and responsible and earn their trust similarly
- ✓ **Speed and Agility** - We are quick to decide, respond and execute
- ✓ **Performance** - We value performance across products, people and processes
- ✓ **Team Work** - We achieve more by collaboration with all stakeholders – internal and external
- ✓ **Learning** - We encourage learning; creating and nurturing talent





## Board Members



**Mr. Shiv Prakash Mittal**  
Chairman



**Mr. Saurabh Mittal**  
Managing Director & CEO



**Ms. Parul Mittal**  
Director Marketing & Design



**Mr. Vijay Kumar Chopra**  
Independent Director



**Ms. Urvashi Saxena**  
Independent Director



**Ms. Sonali Bhagwati Dalal**  
Independent Director

## Management Team



**Saurabh Mittal**

Managing Director &  
CEO



**Parul Mittal**

Director Design &  
Marketing



**Ashok Sharma**

Chief Financial  
Officer



**B L Sharma**

President - Plant  
Operations



**Deepak Aadhar**

Vice President -  
HR, CSR, IT & Admin



**Alex Joseph**

Vice President -  
Marketing



**Anuj Sangal**

Country Head Sales –  
Laminate & Allied  
Vertical



**Anil Tyagi**

Country Head Sales  
– Flooring Vertical



**Shivaji Mohinta**

Country Head Sales –  
Decorative Veneers



**Lokesh Dutt**

Vice President –  
International Exports

# Product Offerings

## Laminate & Allied

Laminate



Compacts



MFC



## Decorative Veneer & Allied

Decorative  
Veneers



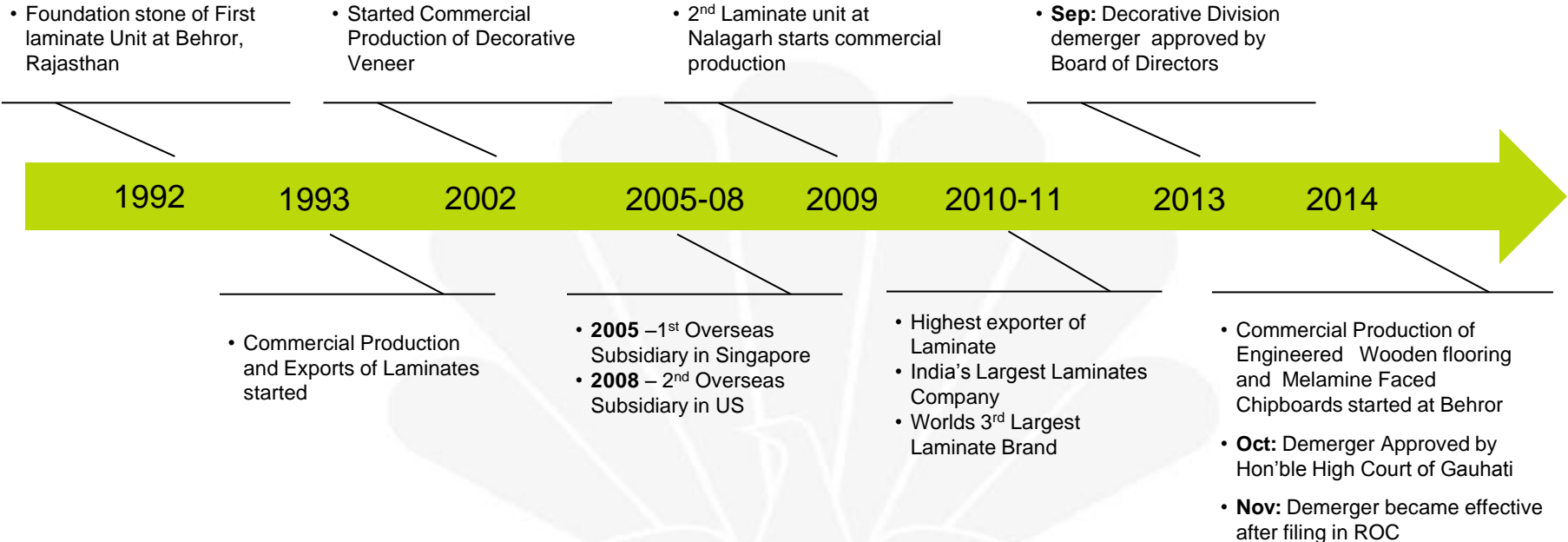
Engineered  
Wood flooring



Engineered  
Doors



# Transformation...



*...blending Technology with Aesthetics and Designs with Functionality*

## Our Flagship Brands

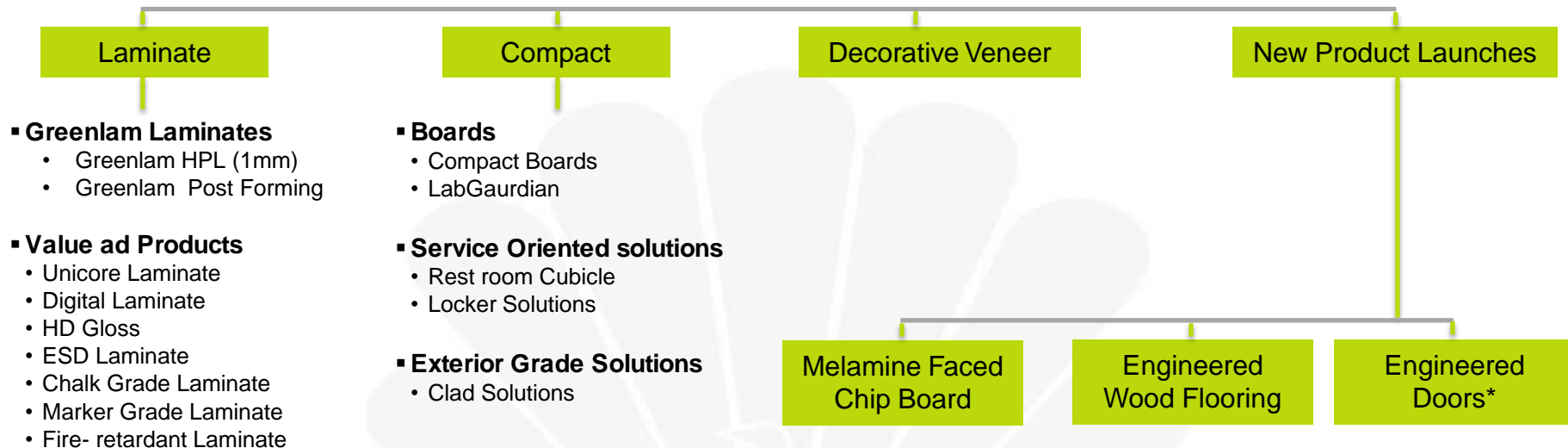


**Greenlam**  
LAMINATES



**decowood**<sup>TM</sup>  
PREMIUM VENEERS

## Robust Product variants & offerings



\* To be launched by Q2 -FY16

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# Laminates & Allied Products

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Our Product Range

# Laminates

- ✓ Laminates are decorative surface material, used on top of a substrate like plywood, MDF or a particle board as a surface cover
- ✓ Greenlam laminate is the flag ship brand of Greenlam Industries Limited
- ✓ Market Leader in Laminates with a wide range of over 2500+ decors in over 50 textures
- ✓ Greenlam offers
  - Both standard and specialized laminate
  - Dimensions offered : 3'X7', 4'x8', 4'x10', 4.25'x10', 5'x12'
  - Thickness: 0.5mm - 1.5mm





## Compact Laminates

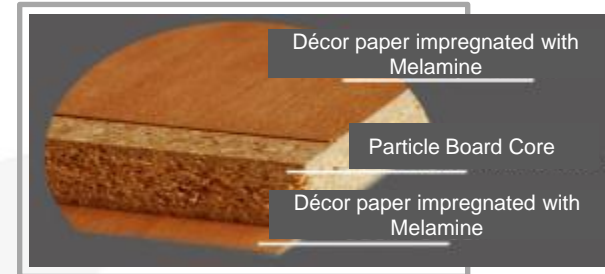
- ✓ Self Sustainable boards panels made with decorative surface papers with décor finish on both sides
- ✓ Our business is divided into three solutions
  - **BOARD || REST ROOM CUBICLE || CLADDING** ( façade laminate)
- ✓ Greenlam Offers
  - Greenlam Anti-Bacterial Compact Laminates are “Green Guard - Children and School’ certified
  - Lab Guardian – First to launch chemical resistant compact board in the country
  - Dimensions offered : 4’x8’, 4’x10’, 4.25’x10’, 5’x12’
  - Thickness: 4mm – 25mm



# Melamine Faced Chip Board

- ✓ MFC - Melamine Faced Chip Board is an engineered particle wood product
- ✓ Greenlam offers
  - Laminated MFC for the use in organised carpentry primarily by OEM's like modular furniture manufacturers, kitchen manufactures & like, supportig the laminate business
  - Vast World of coordinated colours patterns with matching edge bands
  - High Quality & Resolution with European and Japanese Decor Prints
  - Better Screw Holding Capacity
  - Smooth Surface Finish with precisely calibrated thickness
  - Dimension : 4'x8', 6'x8'

*Structure of MFC –  
Pre Laminated*



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# Decorative Veneer & Allied Products

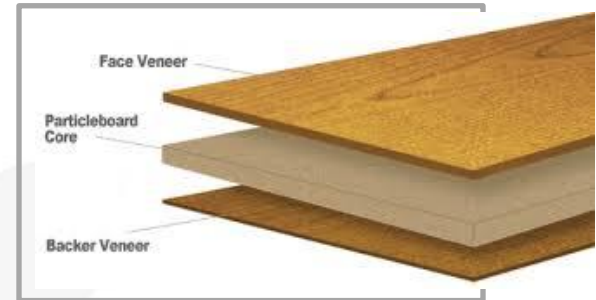
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Our Product Range

## Decorative Veneers

- ✓ Largest manufacturer of Natural Wood Veneer in India with the largest manufacturing capacity
- ✓ Offers over 200+ exotic & imported natural veneer wood species
- ✓ Veneer designs are Natural, obtained from sliced decorative wood species
- ✓ Greenlam Offers
  - Many variants as compared to competition for various applications needs (Ply, MDF, Laminated Veneer & Fleece back)
  - We use high density hardwood plywood which provides durability and high product quality
  - Apart from the standard size of 4'x8', Greenlam offers specialised Dimension like 4x10; 3x7 for door and panelling applications

*Structure of a Veneer*



# Engineered Wood Flooring

- ✓ 1<sup>st</sup> Indian manufacturer of Engineered Wood Floors
- ✓ State of art manufacturing facility with European technology
- ✓ Plant Integrated with decorative veneer facility driving better synergy in sourcing and manufacturing
- ✓ Highest range offering: 111 sku's
- ✓ All Raw Material & Hardwood imported from the best sources globally
- ✓ Durability : Product comes with upto 30 year warranty
- ✓ Unique and proven glue less mechanism makes the installation of floors Durable & Convenient



**PlankLOC™**

*Patented Lock mechanism*

## Engineered Door Solutions ( Door + Frame)\*



- ✓ First organised company to launch engineered, factory finished, door solutions in the country
- ✓ Capacity : 120,000 Doors units / annum
- ✓ Investment : Rs 27 Crores
- ✓ Integrated with existing decorative veneer and engineered wood flooring, driving better synergy
- ✓ Facility in Behror, Rajasthan

\* To be launched by Q2 FY16

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We have what it takes to be No. 1

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## Key Differentiators

- ✓ 3<sup>rd</sup> Largest Laminate producer in the World
- ✓ Market leader in the domestic market
- ✓ Largest & Widest distribution Network
- ✓ Largest network internationally
- ✓ Only producer in the country with integrated surface product lines
- ✓ Young team of professional driving the business
- ✓ Fastest growing laminate brand 18% CAGR for 5 years
- ✓ Decorative Veneer installed capacity 4.2mn – largest in the country
- ✓ Top of the line product and manufacturing Certifications



## Strong Brand Equity

- ✓ Strong brand presences across the globe
- ✓ On awareness parameters, Greenlam enjoys the highest brand recall among specifier & homeowners\*
- ✓ Trusted brand by designers & architects, trade & consumers for innovation in design trend, quality, availability & transparency
- ✓ Highest & sustained investment in brand building & promotion activities (Highest in the industry)



\* Brand health study

## Our Strengths- Manufacturing

Largest capacity in  
Asia – 10.02mn  
Sheets

### **Laminate & Compacts \***

- Behror Plant – 5.34Mn Sheets
- Nalagarh Plant- 4.68 Mn Sheets

### **Decorative Veneers**

- Behror Plant – 4.2 Mn Sqm

### **MFC**

- Behror plant – 2 Mn Sqm

### **Engineered Wood flooring**

- Behror Plant - 1 Mn Sqm

### **Engineered Doors \* \***

- Behror Plant 0.12 Mn Doors

\* 20% capacity expansion (2mn sheets) by Q3- FY16

\*\* to be launched by Q2 FY16

## State of the Art Manufacturing Facilities



Laminates (Behror, Nalagarh)

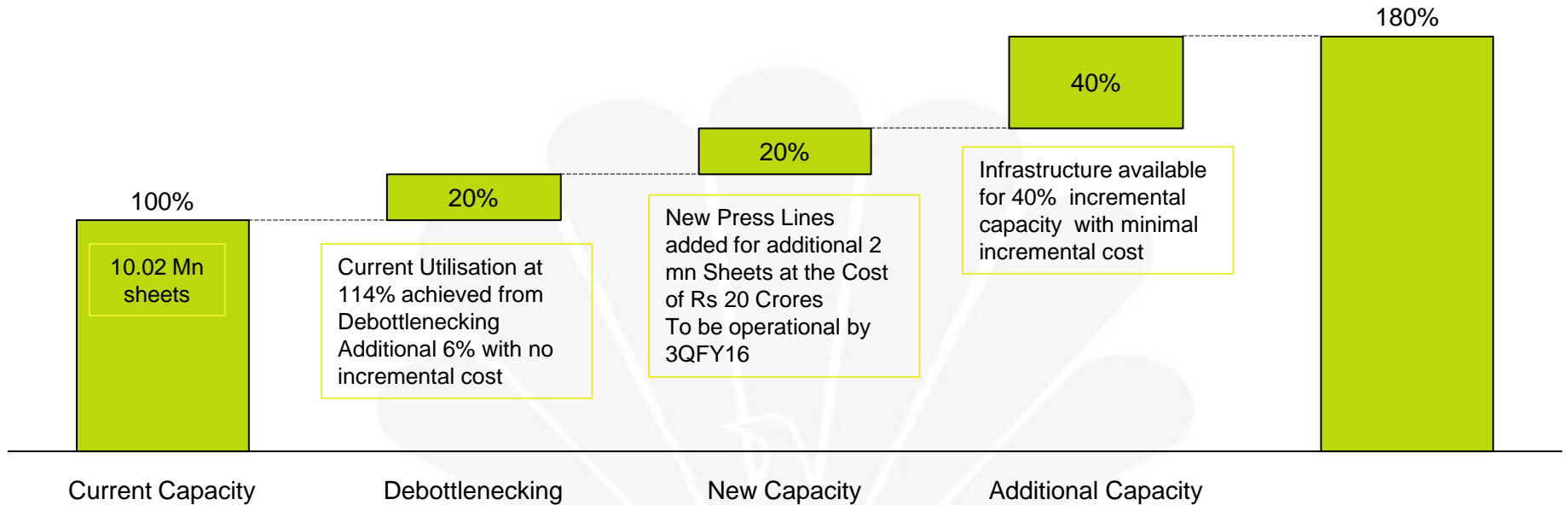
Decorative Veneers (Behror)

Engineered Wood Flooring (Behror)

Engineered Doors\* (Behror)

\* To be launched by Q2 –FY16

## Growth in Laminates...



*...Without any significant capex in coming years*

## India Network Presence – The Core strength

*Greenlam has the widest & largest sales and distribution network in India*

Pan India Presence

With **9** Company owned large Regional Distribution Centers

**29** Branch offices

Over **500** sales staff

**12000+** distributors, dealers & retailers – Largest in the country

## Global Network Presence

**10** International offices  
including 3 subsidiaries

Over **100+** overseas employee

**5** Company operated warehouses

100+  
Countries

**Greenlam** is the only company from India to have the largest sales and distribution network **Globally**

## Awards & Recognitions

Power Brands

Master Brand

100 Most valuable brand

Largest exporter award

1st Non American brand to get Green Guard Certification

1st Company in the country to trade in FSC® product



## Green Credentials...



*... can help Green Building Project developers take up to 10 LEED credit points*



Presence across: B2B & B2C



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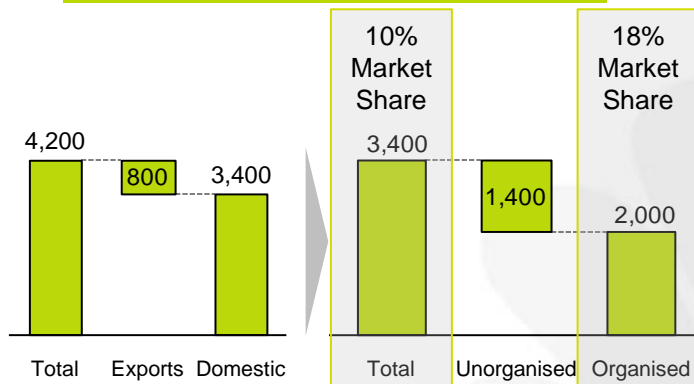
# What Lies Ahead...

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An Ocean Of Opportunities

# India Opportunities – Laminates & Allied

Laminates Market Size in Rs Crores



110% Utilization from existing capacity of 10.02 Mn sheets p.a.



Further demand to be met by additional capacity

## Decorative Laminates

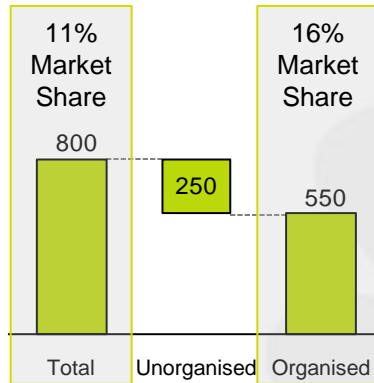
- ✓ New product launches will help in increasing the volume and value mix
- ✓ 20% Capacity expansion will help us gain more market share
- ✓ There is a visible shift from unorganised to organised segment
- ✓ Consumers are becoming more brand conscious

## Compact Laminates

- ✓ Market expansion & growth in compact laminate segment
- ✓ **Façade** laminate is relatively a new product and is witnessing growth. Internationally façade laminate is a Big market and there are only few organised manufacturer in India
- ✓ Contemporary **Rest Room Cubicle** is also witnessing higher growth due to its vast acceptance and '**Swachh Bharat Mission**'

# Opportunities – Decorative Veneers & Allied India Focused

Decorative Veneer Market Size in Rs Crores



## Decorative Veneers

- ✓ Expansion into newer product lines
- ✓ Largest capacity in the country
- ✓ Brand enjoys, high equity among specifier segment
- ✓ Recognised as a trend setter and innovator in the industry
- ✓ Limited manufacturers, hence opportunity to grow is high
- ✓ Only manufacturer to offer various product variants in multiple dimensions
- ✓ Diversifying into Designer Doors with full solution (Door + frame set)

# Opportunities – Decorative Veneers & Allied India Focused



## Engineered Wood Floors

- ✓ We are the first and only manufacturer of Engineered Wood Floors in the country
- ✓ The Market is estimated at 2Mn.sqm
- ✓ Mikasa's Installed capacity is 1Mn.Sqm
- ✓ Category is witnessing a 20-25% growth
- ✓ No organised player
- ✓ Majority demand met through regional import

# Opportunities – Decorative Veneers & Allied India Focused



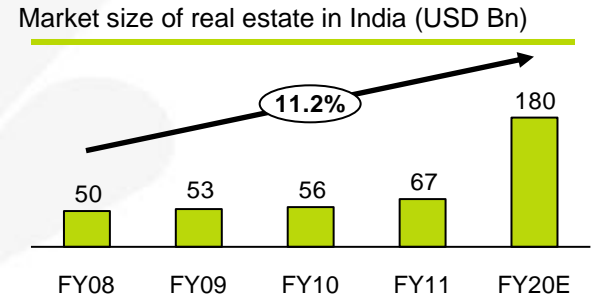
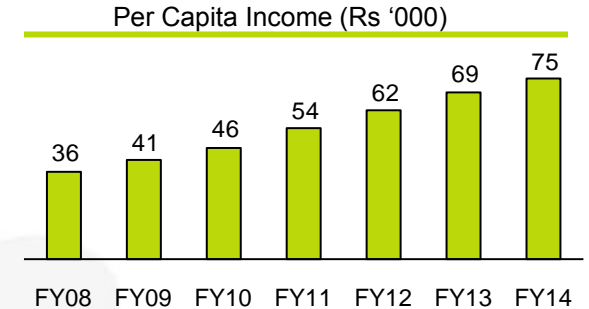
## Engineered Doors (Door + Frame)

- ✓ Door (including flush door) market is estimated at 24mn annually
- ✓ Engineered Finished Door category is witnessing a 20-25% growth
- ✓ Greenlam is offering for the first time in India, ready to fit factory made, customised Door Solutions
- ✓ The solutions includes Aperture measurement, Door leaf, matching frame & hardware
- ✓ Greenlam's capacity at 120,000 units
- ✓ No organised players providing complete solution
- ✓ Greenlam will revolutionise the category by its complete offering

## Triggers – Domestic Environment

- ✓ 60% of Indian population below 30 years of age \*
- ✓ Expanding retail penetration along with increasing aspirational value in rural demand
- ✓ Growth in Real Estate led by lower interest rates to provide additional delta
- ✓ Higher emphasis on design and quality has seen an increase in share of branded organised market
  - The organised players have been growing at 15 -20% over the past 5 years
  - Commercial establishments such as: office, retail, hospitality and healthcare increasing demand for branded products
  - GST will prove further detrimental to the future of the unorganised segment

\* Source: Censusindia.gov.in

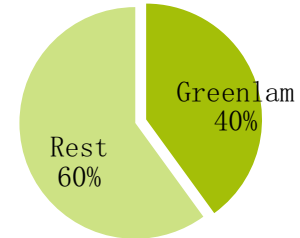


Source: MOSPI, IBEF - BMI, CBRE, Aranca Research

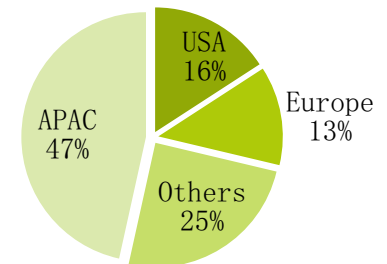
## International Opportunities – Laminates & Allied

- ✓ Laminates industry globally is at \$7 Bn growing by 2% p.a.
- ✓ According to a study done by *Freedonia Group* the industry is expected to grow by 5.6% per year till 2018 reasons being
  - Increasing manufacturing of cabinets and ready-to-assemble (RTA) furniture made from engineered wood and laminates; Furniture and cabinets form 70% of the market as per usage
  - Cost and performance benefits Vs Wood Veneer and Paint
  - Increased market penetration
- ✓ Greenlam Exports grew at a CAGR of 33% over the past 5 years,
  - Premiumisation to unlock additional value
  - Value Proposition for the market – Top of the class, Superior quality, Top line international certifications & efficient manufacturing
  - Capitalise on existing network

### Indian laminate exports Rs 800 Crs



### Greenlam Exports FY15





## Asia – Pacific (Excluding India)



- Asia Pacific market covers 15 countries
- Market Size – \$1.5 Billion
- This market is growing by 5%
- Greenlam has 7 offices in the region
- Major resources deployed in Asia PAC with higher scope for growth

## Other Markets

### European market

- Europe market covers 16 countries
- Market growth is stagnant
- Office in UK

### North & South America markets

- Covers 11 countries
- This market is growing by 2%
- 2 Offices in United States

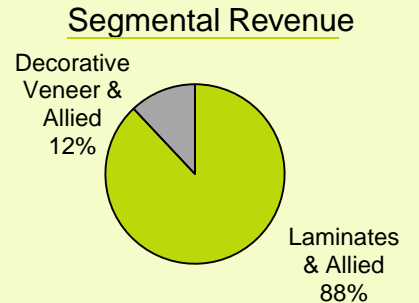
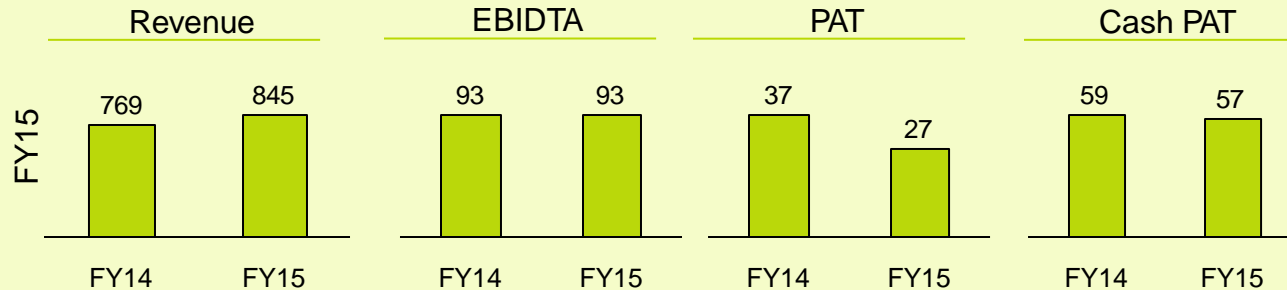
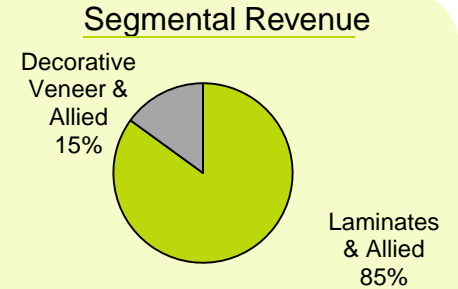
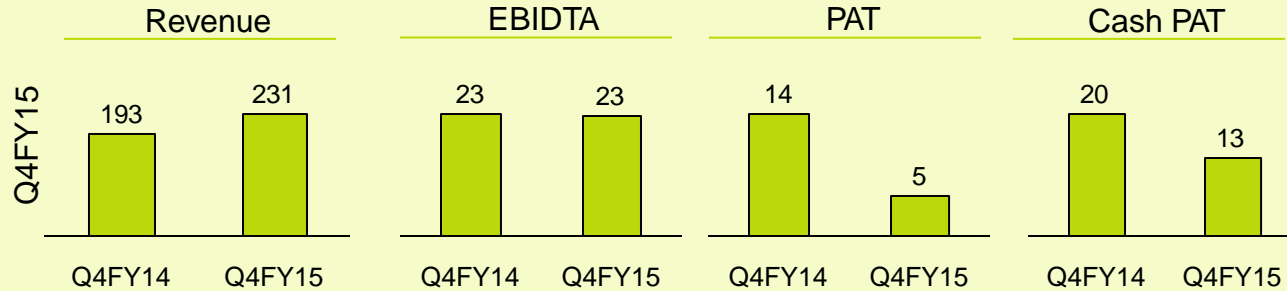


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# Financials

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## Performance: Q4 FY15 & FY15



## Highlights: Q4 FY15

- ✓ Revenues grew by 20% in this quarter, led by good performance in laminate exports, grown by 27% in this quarter
- ✓ Profitability for the quarter was impacted due to overheads, Interest and depreciation charges pertaining to new products and lower realization in laminates
- ✓ Our debottlenecking initiatives have led to Laminate capacity utilization of 126%
- ✓ Achieved stabilization in commercial production of Engineered Wood flooring and Melamine Faced Chipboard (MFC)
- ✓ Work on Door project facility is progressing as per schedule. Commercial production is expected to start from Q2 FY16
- ✓ Laminate capacity enhancement project is running as per the schedule. We target to start commercial production from Q3 FY16

## Highlights: FY15

- ✓ Successfully completed the Demerger Process with subsequent listing on 2<sup>nd</sup> March, 2015
- ✓ Revenues grew by 10% to Rs 845 Crs
- ✓ Achieved Laminate production of 11.42 mn sheets, a growth of 6%, with a capacity utilization of 114%
- ✓ Achieved Veneer production of 1.06 mn sqmt
- ✓ Commenced production of Engineered Wood Flooring in September 2014
- ✓ Commenced production of Melamine Faced Chipboard (MFC) in October 2014

## Laminates & Allied Products

Rs. Crores	Q4 FY15	Q4 FY14	YoY %	FY15	FY14	YoY%
Net Sales of Laminates & Allied Products	197.5			745.2		
EBIDTA Margin %	9.0%			10.1%		
Capital Employed	331.8			331.8		
<b>Laminates</b>						
Annual Capacity (Mn. sheets.)	10.02	10.02		10.02	10.02	
Production (Mn. sheets.)	3.16	2.70	17%	11.42	10.76	6%
Sales (Mn. sheets.)	3.17	2.71	17%	11.59	10.80	7%
Utilization %	126%	108%		114%	107%	
Average Realization (Rs./Sheet.)	583	576	1%	601	588	2%

Note: The segments were formed post demerger, hence data for the previous period not available

## Decorative Veneers & Allied Products

Rs. Crores	Q4 FY15	Q4 FY14	YoY %	FY15	FY14	YoY%
Net Sales of Decorative Veneers & Allied Products	33.8			99.4		
EBIDTA Margin %	15.2% *			17.5%*		
Capital Employed	142.4			142.4		
<b>Decorative Veneers</b>						
Annual Capacity (Mn sqmt)	4.20	4.20	-	4.20	4.20	-
Production (Mn. sqmt)	0.34	0.34	-1%	1.06	1.10	4%
Sales (Mn. sqmt)	0.35	0.34	4%	1.09	1.12	3%
Utilization %	32%	32%	-	25%	26%	-
Average Realization (Rs./sq m)	885	834	6%	868	794	9%

Note: The segments were formed post demerger, hence data for the previous period not available.

\* H1 FY15 Margins were impacted due to losses from new products which are going through a period of stabilisation



## Profit and Loss

Rs. Crores	Q4 FY15	Q4 FY14	YoY%	FY15	FY14	YoY%
Revenue	231.2	193.3	20%	844.6	768.8	10%
Raw Material	138.6	113.4	22%	511.5	456.9	12%
Employee Cost	19.7	17.3	14%	78.9	74.1	6%
Other Expenses	50.1	39.3	27%	161.3	144.5	12%
EBITDA	22.9	23.3	-2%	92.9	93.3	0%
<i>EBITDA Margin</i>	9.9%*	12.1%		11.0%*	12.1%	
Other Income	0.3	1.3	-76%	1.4	2.8	-49%
Interest	7.0	5.9	19%	26.8	20.7	30%
Depreciation	7.9	5.5	46%	30.2	21.7	39%
Exceptional Item	0.3	1.1	-72%	1.8	8.1	-78%
PBT	7.9	12.2	-35%	35.5	45.7	-22%
Tax	3.2	-2.1		8.9	8.5	
PAT	4.7	14.3	-67%	26.6	37.2	-28%
<i>Cash PAT</i>	12.7	19.7	-36%	56.8	58.9	-4%
<i>Cash PAT Margin</i>	5.5%	10.2%		6.7%	6.8%	

\* H1 FY15 Margins were impacted due to losses from new products which are going through a period of stabilisation

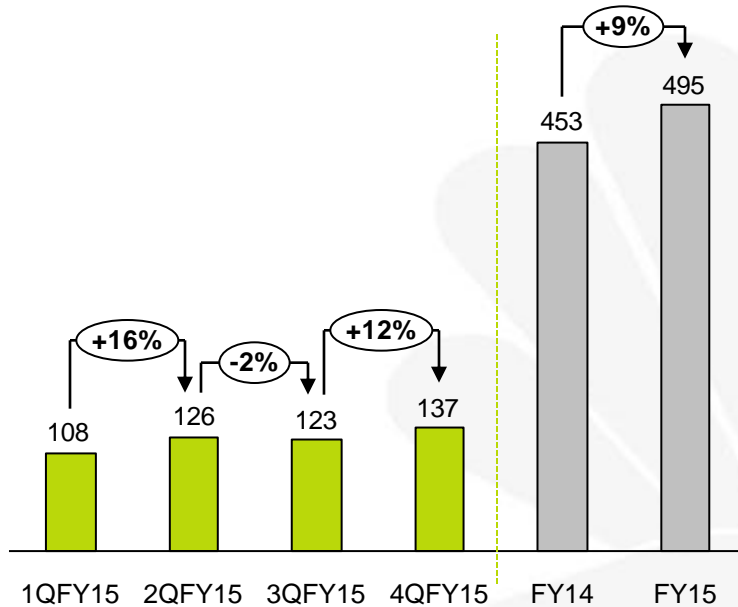
## Balance Sheet

Rs. Crores	Mar – 15	Mar - 14
Shareholder's Fund	227.1	202.5
Share capital	12.1	
Reserves & Surplus	215.0	202.5
Non-Current Liabilities	165.1	159.2
Long term borrowings	141.8	147.0
Other Non Current Liabilities	23.3	12.2
Current Liabilities	321.6	302.6
Short Term Borrowings / Buyers Credit	93.0	150.9
Trade Payables	176.5	132.8
Other current liabilities	52.2	18.9
Total Liabilities	713.8	664.3

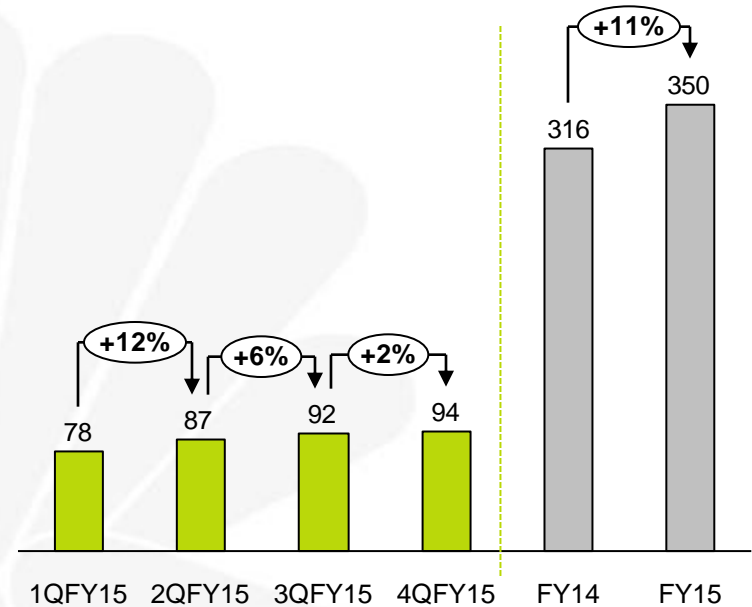
Rs. Crores.	Mar - 15	Mar - 14
Non-Current Assets	346.7	291.8
Fixed assets	320.6	253.0
Non-Current Investments	17.5	17.5
Other Non-Current Assets	8.6	21.4
Current Assets	367.1	372.5
Inventories	188.1	186.8
Trade receivables	118.1	132.0
Cash and Bank Balances	2.9	3.6
Other current assets	58.0	50.1
Total Assets	713.8	664.3

# Geographic Segments

Domestic (Rs Crores)



Exports (Rs Crores)



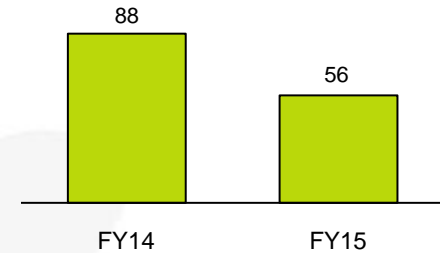
## Performance Ratios

### ROCE



	FY14	FY15
Revenue	768.8	844.6
EBIT	74.4	64.2
PAT	37.2	26.6
Capital Employed	519.8	509.5

### Net Working Capital Days



	FY14	FY15
Inventory	89	81
Debtors	63	51
Creditors	63	76
Net Working Capital	88	56

## Way ahead...

- ✓ Continue the Growth momentum in Laminate by maximizing the utilization of existing capacity
- ✓ 20% expansion of laminate capacity from 3<sup>rd</sup> Quarter of FY 2016
- ✓ Continue expansion of sales & distribution network
- ✓ Expand the Decorative veneer category by adding new varieties
- ✓ Enhance the sales & distribution network of Engineered Wood Flooring (Mikasa)
- ✓ Launch the Engineered Doors by 2<sup>st</sup> Quarter of FY 2016

Thank You

**For further information, please contact:**

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[www.greenlamindustries.com](http://www.greenlamindustries.com)

**Investor Relations Advisors :**

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