

Twitter Thread by Saket Reddy



Saket Reddy

@saketreddy



Domestic MDF market size is pegged at 2500Cr currently & is expected to grow at 15% CAGR over the next 3 years (organised players to grow even faster).

The industry further has potential to capture incremental opportunity of 4500-5000Cr low-end plywood market. <https://t.co/Cre3xVUNqu>



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"Our business accelerated momentum in Q2 following increased vaccinations."

"MDF volumes grew 66.9% year-on-year; operating margins improved 860 basis points to 31.4%."

"Plywood volumes grew 22.4% although operating margins fell 275 basis points to 13.6% due to increased raw material costs."

"Consolidated operating margins increased 697 basis points to 28.2% due to our superior product mix, cost optimization and operational leverage."

"Working capital investment reduced 21 days year-on-year to 14 days as on 30th September 2021."

"Net debt reduced Rs 129 crores during Q2 to Rs 229 crores as on 30th September 2021. We prepaid four German Bank loan instalments amounting to Euro 8.91 Mn (INR 78 crores) in October 2021; we are targeting to be net debt-free for our existing business in FY 2023."

"The widening of our distribution reach and focus on small urban clusters is helping increase volumes and reduce working capital outlay."

"We are optimistic of sustainable growth in the coming quarters."

Shobhan Mittal
Managing Director and CEO,
Greenpanel Industries Limited

GREENPANEL would grow earnings at 15-20% CAGR over the next 3-5 years with ROCE & Margin expansion once they commission the de-bottlenecked capacity in FY22 and the brownfield AP CAPEX in FY23/FY24.

Huge runway for growth, industry structure (both MDF & RE) turned for the good! <https://t.co/jFTZCwhNMS>

— Saket Reddy (@saketreddy) October 14, 2021

GREENPANEL had 1,400 dealers (retail business) as of FY21 and added 250 dealers in 6MFY22. Target to increase this to 2,200 by FY23.