DURO

Duroply Industries Limited
113 Park Street, North Block 4th Floor
Kolkata-700016, Ph: (033) 22652274

The Forest Friendly Company

Ref: 5404/25-26/0062

February 06, 2026

Department of Corporate Services
BSE Limited
25th Floor, P.J. Towers,
Dalal Street, Fort,
Mumbai - 400 001

Scrip Code: BSE: 516003

Sub: Transcript of the Earnings Webinar held with respect to the Unaudited Financial Results for the quarter and nine months ended December 31, 2025

Dear Sir/Madam,

With reference to our letter no. 5404/25-26/0055 dated 29th January, 2026 regarding intimation of the Q3 FY26 Earnings Webinar, held on 4th February, 2026, post declaration of the Unaudited Financial Results for the quarter and nine months ended December 31, 2025, we are enclosing herewith the copy of transcript of the said webinar.

The transcript of the webinar is also available on Company's website at www.duroply.in.

This is for your information and record.

Thanking you,

Yours faithfully,

For DUROPLY INDUSTRIES LIMITED

Komal Dhruv
Digitally signed by Komal Dhruv
Date: 2026.02.06 15:40:46 +05'30'

KOMAL DHRUV
Company Secretary

Encl: a/a

TRANSCRIPT

Q3FY26 Earnings Webinar

of

The Forest Friendly Company

Duroply Industries Limited

On **Wednesday, February 4, 2026**

Represented by

Mr. Akhilesh Chitlangia, MD & CEO

Mr. Vijay Kumar Yadav, CFO

SKP SECURITIES LTD

creating prosperity

Navin B. Agrawal | Head, Institutional Equities

+91 98200 27446 | navin.agrawal@skpsecurities.com

- **Mr. Navin B. Agrawal :**

- Good morning, ladies and gentlemen. I am pleased to welcome you on behalf of Duroply Industries Limited and SKP Securities to Duroply Industries Limited's Q3 FY26 Result Webinar. We have with us Mr. Akhilesh Chitlangia, MD & CEO and Mr. Vijay Kumar Yadav, CFO. Friends, this webinar is being recorded for compliance reasons, and during the discussion there may be certain forward-looking statements which must be viewed in conjunction with the risks that the company faces.

- We will have Mr. Chitlangia's opening remarks followed by a Q&A session. Thank you and over to you, Mr. Chitlangia.

- **Mr. Akhilesh Chitlangia :**

- Good morning, Navin and good morning to all participants today. Thank you for hosting this once again, Navin. Good morning and thank you for our webinar for Q3 FY26. On call with me is also Mr. Vijay Kumar Yadav, our CFO.

- Duroply was founded in 1957, and over the years has built a strong brand in the industry, and it's recognized across the country for its high standard of quality which we have maintained over the years. Duroply recently celebrated its 69th year in operation and we are proud to have played a meaningful part in India's growth for over the last six decades.

- 3^{rd} Quarter revenue at 93.05 crores, a 3.6% growth over the same period last year, down 11% from the previous quarter. The business reported a profit before tax of 1.37 crores, up by 13.7% from the same period last year.

- For the quarter, revenue from in-house manufactured goods stood at 60.7 crores, an 11.6% growth over the same period last year and up by 15% on a quarter-on-quarter basis. Revenue from our contract manufacturing site stood at 32.3 crores, down 8.7% on a year-on-year basis and down by 37% on a quarter-on-quarter basis.

- Gross margin this quarter stood at 37.1%, up from 34.2% same period last year and up from 34.8% in Q2 FY26. Our EBITDA for the quarter stood at 5.4 crores, a 23.7% increase from the same quarter last year, though down 16.4% from the previous quarter. In margin terms, the EBITDA margin stood at 5.8% of sales as compared to 4.9% in the same period last year and 6.2% in Q2 FY26.

- If you look at the 9-month performance, our revenue stood at 291 crores, up by 9.6% in the same period, and the business reported a profit of 5.92 crores as compared to 3.6 crores. Revenue from in-house manufactured goods stood at 163 crores, up 1.8% and revenue from contract manufacturing stood at 128 crores, marking a 21% growth over the same period. Gross margin saw a significant improvement, standing at 35.3% as compared to 34.7% in the same period.

- Overall, this has been a very challenging quarter for us, which has been hampered extensively by the environment-related restrictions and constructions in our core market of North India, and in particular Delhi and the NCR areas. That has been very challenging for us.

- Now I will request Vijay Yadav to take us through some of the financials.

- **Mr. Vijay Kumar Yadav :**
- Thank you, sir and good morning to everyone. Let me take you through some of the key financials for the last year.
- For 9-month FY26, employee expenses is 12.2% of sales as compared to 11.1% for 9-month FY25. Marketing expenses is at 2.8% of sales as compared to 3.6% of sales for the same period. Finance expenses is 2.4% of sales as compared to 2% of sales for the last year same period.
- Data for 9-month is at 45 days of sales as compared to 43 days for the last year. Inventory is at 182 days of consumption as compared to 165 days of FY25. Creditor days is 101 days as compared to 84 days of FY25. As a result, cash conversion cycle is at 125 days for the 9-month FY26. Our ROC on annualized basis is at 11.85% as compared to 10.64% of the previous year.
- So, these were the brief of the key financials. Thank you, sir.
- **Mr. Akhilesh Chitlangia :**
- Thank you Vijay and we would be more than happy to take any questions that you may have.
- **<u>Question & Answer Session:</u>**
- **Mr. Navin B. Agrawal :**
- Thank you, Mr. Chitlangia. Thank you, Mr. Yadav. Friends, we now open the floor for the Q&A session. Anyone wishing to ask a question, request you to raise your hand and we will take it up.
- We take the first question from Nishita Shanklesha. Nishita, please go ahead.
- **Ms. Nishita Shanlesha – Participant:**
- Yes, hello. Good morning.
- **Mr. Akhilesh Chitlangia :**
- Good morning.
- **Ms. Nishita Shanlesha – Participant:**
- So, I had two questions. So, one is that in the previous call, you mentioned that our own manufacturing will get better in H2 FY26 as the premium product segment grows. So, what is an update on that? Do we see any traction on the premium product segment?
- **Mr. Akhilesh Chitlangia :**
- So, yes Nishita, there is a traction on the premium product segment. For this quarter alone, there was a big shift from our contract manufacturing to our in-house manufacturing. We had higher revenues from our in-house manufactured goods, which is a significant shift. On a quarter-on-quarter basis alone, the in-house manufacturing goods was up nearly 15% and

that is a reflection that there has been a movement in the right direction for the company, which is also reflected in the increase in our gross margin.

- **Ms. Nishita Shanlesha – Participant:**
- Understood. So, can you give a bifurcation on how much revenue we got from in-house manufacturing and from contract manufacturing?
- **Mr. Akhilesh Chitlangia :**
- Yeah. For this quarter, as I stated earlier, our in-house manufactured goods stood at 60.7 crores and contract manufacturing stood at 32.3 crores.
- **Ms. Nishita Shanlesha – Participant:**
- 32.3 crores. And my next question is, you mentioned that we will end the year FY26 at 6.5% EBITDA margin, earlier. So, in this quarter, we've had a 5.8% of EBITDA margin only. So, do we still see that happening? Do we still see us ending at 6.5%?
- **Mr. Akhilesh Chitlangia :**
- We will be somewhere in that direction, between 6% to 6.5%.
- **Ms. Nishita Shanlesha – Participant:**
- Okay. So, what will drive this EBITDA margin growth in Q4 FY26?
- **Mr. Akhilesh Chitlangia :**
- Well, we expect the revenue to be slightly better in the 4th Quarter as well. In Q3, we saw a significant challenge, especially in Noida, which is a core market, related to the pollution ban. So, there is that. Second is also our gross margins have started improving. And I think a combination of both will allow us to hit that number for the year.
- **Ms. Nishita Shanlesha – Participant:**
- Okay, understood. And going forward, the current revenue from in-house and contract, how do we see that going forward? Are we going to increase our in-house manufacturing more? What is the percentage range that it will be in?
- **Mr. Akhilesh Chitlangia :**
- So, in-house manufacturing will continue to improve in the 4th Quarter as well. And for the next financial year, I think it's a little too early to say what would be the range, but we expect a 55:45 ratio mix to continue, which is what it currently is… Sorry, 60:40 ratio to improve slightly to 65:35 maybe next year, but it is too early for me to say. So, we expect that this… sorry, yeah, go ahead.
- **Ms. Nishita Shanlesha – Participant:**
- So, currently, 60% comes from contract manufacturing and 40% comes from in-house.

- **Mr. Akhilesh Chitlangia :**
- No, no, no, I think just one second. 64% comes from in-house, that's what it was for this quarter. I think this 64-65% is what we're looking for the 4th Quarter as well to be from in-house, and 35% to be from out-house.
- **Ms. Nishita Shanlesha – Participant:**
- Okay, understood. Thank you so much.
- **Mr. Navin B. Agrawal :**
- Yeah. Thank you, Nishita. Friends, anyone with a question, request you to raise your hand and we'll take it up. Friends, anyone wishing to ask a question, request you to please raise your hand. Nishita, do you have a follow-up question?
- **Ms. Nishita Shanlesha – Participant:**
- No, no, sorry.
- **Mr. Navin B. Agrawal :**
- We'll take the next question from Tarun Rathi… from Ashvath Rajan. Ashvath, please go ahead.
- **Mr. Ashvath Rajan – Participant:**
- Yeah. Hello, sir. Thank you for the opportunity. So, my question was with respect to the import scare that had reduced over the past few quarters, over the last year, in fact. So, what is the current scenario on that? And if we do see imports flowing in again in the future, how do we hedge ourselves for that risk?
- **Mr. Akhilesh Chitlangia :**
- Ashvath, this is related to finish good, I'm assuming?
- **Mr. Ashvath Rajan – Participant:**
- Yes.
- **Mr. Akhilesh Chitlangia :**
- Okay. So, the finish goods import that was coming… So now there is the QCO norms which have been implemented since February or March of this year. So, there is not much of imported goods that are coming into the industry currently. However, what has happened is that the unorganized sector has had a slight revival in the last quarter or so, in the last 5-6 months, on account of the cheap imports not coming. So, it's not had an impact on the premium segment as yet, but the unorganized sector, especially it was Yamuna Nagar or Kerala, which was struggling because of the cheap imports, those industries have had a slight revival.

- **Mr. Ashvath Rajan – Participant:**
- So, given on the unorganized end, how do we see this for us? Are we seeing any stress on our volumes in any way?
- **Mr. Akhilesh Chitlangia :**
- There was an expectation that there would be a significant improvement in the branded plywood segment. But the branded plywood segment has become a very competitive space right now. So, there are some challenges on volume, especially in terms of financial liquidity in the building material space overall, that has been a little tight from the channel partner side. But I think this is temporary. And I think the country is just going through a phase and this will kind of sort out itself in the current quarter or so, maybe over the next one year, hopefully.
- Having said that, for us as an organization, we've been very, very disciplined on our debtors and on that side. So, we will continue to maintain that discipline.
- **Mr. Ashvath Rajan – Participant:**
- Okay, thank you.
- **Mr. Navin B. Agrawal :**
- Thank you, Ashvath. Friends, anyone wishing to ask a question, request you to raise your hand. Anyone with a question, please raise your hand.
- We take the next question from Hena Mohra. Hena, please go ahead.
- **Ms. Hena Mohra– Participant:**
- Yeah, hi. Am I audible?
- **Mr. Akhilesh Chitlangia :**
- Yes, loud and clear. Go ahead.
- **Ms. Hena Mohra– Participant:**
- Yeah, good morning. Thank you for the opportunity. I just wanted to ask, on the timber front side, we have seen inflation over the last eight quarters or so. What we understand is, at least for plywood, those timber prices are sustaining where they are not going up. When can we see this coming off? Anything? I think in Feb, can we expect, you know, maybe next quarter? Just wanted to understand from you.
- **Mr. Akhilesh Chitlangia :**
- So, timber prices have stabilized, you're right. But I do not expect them to soften too much. I think they will be in this range for some time. We have to also note that a lot of wood veneer that comes into the country today is coming from ……. There is also the factor of the Indian rupee, you know, becoming weaker. And there might, as a result, the domestic wood timber prices could go up if the dollar continues to strengthen, and that would put, again, pressure on the raw material prices. So, it's very, very fragile and very difficult to say

which way would it go. But currently, for the foreseeable few months, I don't see a major hike or softening in the raw material prices for the plywood industry.

- **Ms. Hena Mohra– Participant:**
- Okay, I understand. So, where would we be in terms of, you know, per kg? Would we be at Rs. 9 today in the north?
- **Mr. Akhilesh Chitlangia :**
- Ma'am, we don't procure timber in the northern part of the country. So, I would not be the right person to give an answer on that.
- **Ms. Hena Mohra– Participant:**
- Okay, but any average price that you would know? I mean, what we would be working with?
- **Mr. Akhilesh Chitlangia :**
- No, I don't want to speculate on that.
- **Ms. Hena Mohra– Participant:**
- Okay, understood. And, you know, the second question is more on the demand front, right? I mean, you did say that the competitive pressures are higher on the branded side. So, would that also mean that the secondary demand, the consumption is still lagging? And that's the reason for this entire vicious circle?
- **Mr. Akhilesh Chitlangia :**
- There are two parts to this. So, our tracking of tertiary or secondary sales shows that there is a higher movement of secondary sales over last year, significantly higher, but that's not relating into our primary revenue growth for the time being. One of the reasons for that is the credit tightness that we maintain with our channel partners. And we've taken a conscious call that we will not chase revenue growth over fiscal discipline. So, that has been a factor.
- Secondly, as I said, in the 3rd Quarter, we had the graph for restriction in Delhi NCR, which was very extended in the month of December and then post Diwali as well. And compared to last year, this year, we've had, I think, more than 14 to 15 working days loss in Delhi NCR and surrounding areas. And as a result of that, the credit cycle becomes tighter, the cash flows for the channel partners and distributors become tighter, because there's no construction happening, there's no flow of funds into them. And that's had an impact on us. And as an organization, more than 60… 55 to 60% of our revenue comes from northern part of the country. And so, we are very sensitive to this. But I think 4th Quarter onwards, and then Q1 next year, I think we should be back on track.
- **Ms. Hena Mohra– Participant:**
- Understood. Okay, this has been very helpful. Those were my questions. Thank you.

- **Mr. Navin B. Agrawal :**
- Thank you, Hena. Friends, anyone with a question request you to please raise your hand, and we'll take it up. Anyone wishing to ask a question, please raise your hand. Anyone wishing to ask a question, please raise your hand.
- Friends, as there are no further questions, I'd like to hand over the webinar back to Mr. Chitlangia for his closing remarks. Thank you, and over to you Akhilesh.
- **Mr. Akhilesh Chitlangia :**
- Thank you, ladies and gentlemen for joining our Q3 FY26 earnings call. I really look forward to seeing you at the next earnings call as well. As I mentioned, that this quarter was challenging, but the organization's gross margins have improved and our EBITDA margins are year-on-year improving and we expect this performance to keep continuing. And look forward to seeing you at the next webinar.
- Navin, you are on mute.
- **Mr. Navin B. Agrawal :**
- Yeah. Thank you very much, Mr. Chitlangia and Mr. Yadav for taking time out to interact with the investors. We look forward to hosting you in the next quarter once again. Thank you very much, ladies and gentlemen. Have a lovely day.
- **Mr. Akhilesh Chitlangia :**
- Thank you.

END OF TRANSCRIPT