



Duroply Industries Limited

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Kolkata-700016, Ph: (033) 22652274



Ref: 5404/22-23/0075

February 10, 2023

Department of Corporate Services

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

Scrip Code: BSE: 516003

Sub: Presentation on Financial Results - Unaudited Financial Results for quarter & nine months ended December 31, 2022

Dear Sir/Madam,

With reference to the captioned subject, please find enclosed herewith a copy of Presentation on unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2022.

The Presentation will also be available on the Company's website, www.duroply.in.

This is for your information and record.

Thanking you,

Yours faithfully,

For DUROPLY INDUSTRIES LIMITED

KOMAL DHRUV
Company Secretary

Enclosed: As above

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Find us on:    [duroplyindia](https://www.instagram.com/duroplyindia)

Regd. Office: 9, Parsee Church Street, Kolkata-700001 • CIN: L20211WB1957PLC023493

India's Plywood Industry: Bright future ahead

New phase: The organized Indian interior infrastructure sector (plywood and veneers largely) has entered a new growth phase following demonetization

Industry: 80% unorganized expected to shift to the organized sector over the next 5 years

Room: The organised sector has been dominated by two industry groups, leaving room for a third significant player

World's largest population by 2023 – and growing ~1% a year

World's fifth-largest global retail destination – and growing

Growing income and size of the world's largest middle-income segment (~158 mn households)

India's retail market

0.779
\$ tn, 2019

1.8
\$ tn, 2030

(Source: AT Kearney)

India's plywood consumption

10
Mn cubic metres, 2021

100
Mn cubic metres, 2030

For every 1.0 Indian, there are ~1.0 Chinese

But for every 1.0 unit of plywood consumed in India, 20.0 units are consumed in China

733

\$, Annual per capita consumption of furniture products in USA

237

\$, Annual per capita consumption of furniture products in China

5

\$, Annual per capita consumption of furniture products in India

(Source: IHS Markit)

Duroply: Well entrenched to reap the benefit

Products

Plywood & blockboards

Decorative veneers

Flush doors

Background: Incorporated in 1957 began as Sarda Plywood Industries Pvt Ltd. (name changed in December 2018).

Management: Operations driven by Akhilesh Chitlangia (34, with 12-year experience), Abhishek Chitlangia (31, with 6 years experience) and mentored by Sudeep Chitlangia, Managing Director (56, 35-year experience)

Location: Manufacturing plant in Rajkot, Gujarat. Sales footprint largely in North India, with presence Pan India.

Distribution: Company represented by 3000+ retailers across India; a large number in the second generation of engagement

Solution: To become the preferred destination for plywood and allied products for every need, design and budget.

Quality: Duro is regarded as the Gold Standard in the Plywood industry by the trade and competitors as demonstrated through consistency over 65+ years

Brand: The brand continued to enjoy an unaided recall for 'trust', 'value for money', 'first-rate quality', and 'peace of mind'. The brand commands a premium over market leaders in North India and stands out in the brand-clutter

Vision: To be the most admired wood based company through innovation and excellence in customer service

500+ Direct Distributors

3000+ Retail Counters

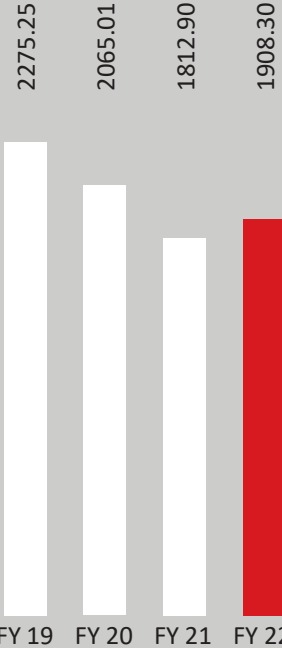
24+ States

5000+ Active Contractors

2000+ Designers & Architects

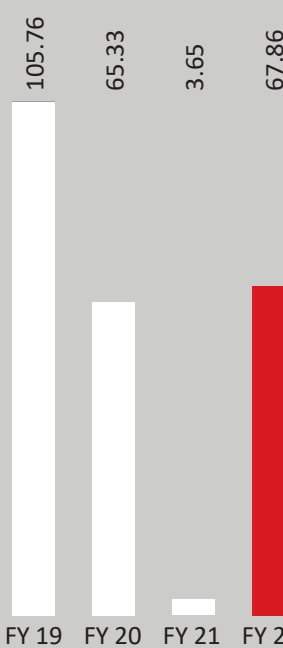
Our Evolving Performance over the Years

Revenues
(Rs. in Million)



The Company 'lost' sales during Q1 due to pandemic-induced lockdowns

EBITDA
(Rs. in Million)



There was a substantial increase in raw material costs; only a part of this increase could be passed on

Net profit
(Rs. in Million)



The cumulative impact of the challenges translated into a loss in FY 22

EBITDA margin
(%)



Despite the challenges, the company reported an EBITDA margin higher than in FY 20 on account of value-addition

RoCE
(%)



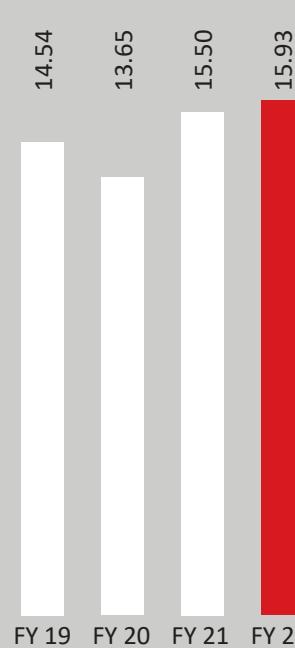
The company reported a positive RoCE in FY 22

Interest cover
(X)



Interest cover re-entered the positive territory in FY 22

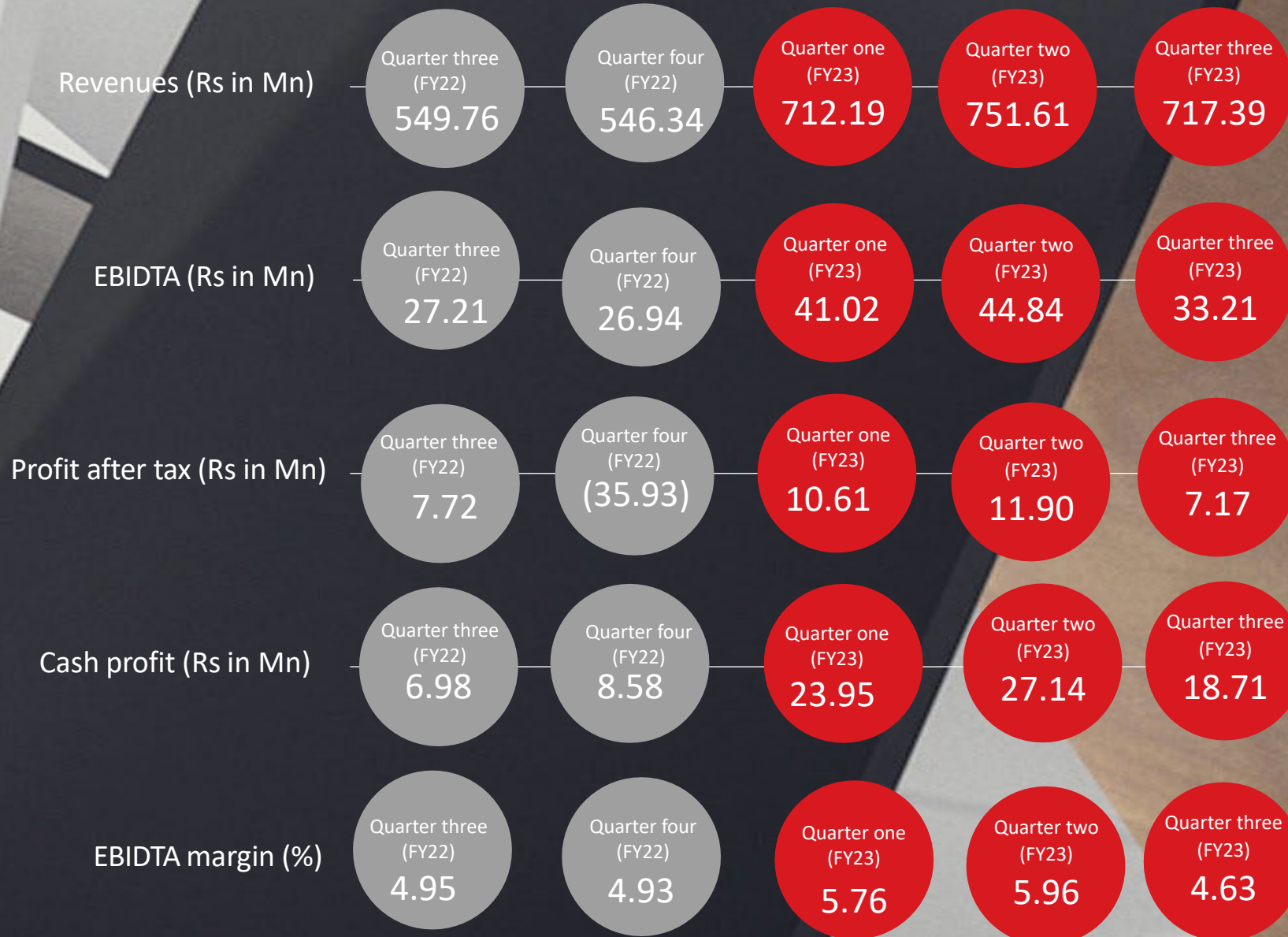
Average debt cost
(%)



Average debt cost remained high

The company encountered supply chain disruptions, inflation, market closures and increased interest rates

Reclaiming Legacy: The beginning of a turnaround



37.33
Receivable Days FY 22

27.20
Receivable Days Q1 FY 23

32.91
Receivable Days Q2 FY23

35.59
Receivable Days Q3 FY23

Q3 FY 23

- Revenue at Rs 717.4 Mn, up 30.5% YOY, down 4.5% QOQ
- Gross Margin at 35.88%, down 7 basis points QOQ
- EBIT margin at Rs 24.7 Mn, up 21.3% YOY and down 32.3% QOQ
- 4.2X increase in marketing spend, Rs 34.1 Mn, up from Rs. 8.1 Mn YOY and up 15.8% QOQ
- Interest cost at Rs. 14.5 Mn, down by 28% YOY, down 18% QOQ

9M FY 23

- Revenue at 2181.2 Mn, up 60.2% YOY
- Own Mfg. up 33% to Rs 1504.4 Mn and Contract Mfg. up 252% to Rs. 676 Mn
- 4.6X increase in EBIT at 93.8 Mn, as against Rs 20.5 Mn YOY
- 5.3X Increase in marketing spend, Rs. 91.8 Mn, up from Rs. 17.3 Mn YOY
- Interest cost at Rs 49.3 Mn, down 26% YOY

Comments of Mr. Akhilesh Chitlangia, Executive Director & COO-

*“We are buoyed with our performance this quarter. Demand in Quarter 3 is always challenging due to the festive seasons across India. In addition, the inflationary pressure have posed significant challenges on business operations. Despite this, we have continued our growth and profitable turnaround, **maintaining our Gross Margin at similar levels to that in Q2.**”*

*Following the infusion of funds by way of preferential issue of fresh equity and warrants in Q2 FY 23, we have also substantially **increased our marketing spend, from 1.6% of turnover last FY to over 4% in current financial year.** The benefits of this investment are expected to be reaped in the forthcoming quarters.*

*In addition, we have seen a **substantial decrease in our interest costs,** which is down by 18% QOQ basis and by 28% YOY basis in Q3 FY 23.*

Our focus remains firmly on innovation, better supply chain management and growing our footprint across the nation with our unwavering commitment to quality.”

A rapid transformation story

Conventional Duro perception

One of the many small-sized players

Focused on holding on to market status and share

Marked by conventional practices

Experienced management across the decades

Stable growth

Today's Duro positioning

Positioning itself as the visible number three in plywood

Focused on rapidly growing market status and share

Marked by modern market-facing practices

Company now being dynamically driven by the next generation of the promoter's family

Focused on sustained market outperformance

Message #1

Right sizing balance sheet with Rs. 280mn equity infusion

Message #3

Transforming to a marketing co.

Message #5

Debottlenecking plant and supply chain

Message #7

Leverage brand strength

Message #2

Widening footprint pan India

Message #4

Dynamic management

Message #6

Value-added innovation

Message #8

Focus on asset light model

Why our customers love us

“
Since 10 years, we have been using Duro Veneer for all of our projects. Its collection matches the latest trend, coupled with exceptional quality.
Mrs. Monica Chawla
(Essentia Environments, Gurugram)

“
My dream home would have remained incomplete without Duro. The grace, beauty, and elegance it has brought to our interior space is incredible. Plus: A lifetime guarantee!”
Shreepriya Ganju
(Gurugram)

“
Duro is an inseparable part of our projects. For 20 years, I have trusted Duro for its quality, strength and durability. It is maintenance-free and adds value to our clients.”
Naveen Gandhi
(B.G. Associates, Jaipur)

“
Duro Veneers is an inseparable part of our projects. Its range and variety is unmatched, leading to customer delight.
Munish Bansal (Eden Architects, Bhatinda)

“
Following Duro's dealership, my business grew 4x in 10 years.”
Mr. Sachin Agarwal,
(Shree Mahabir Saw Mill, Jharkhand)

“
Duro is our only choice for high-end projects. The brand stands for quality, durability, and value. It is maintenance-free and provides a superior return on investment.”
Parag Jain
(Design Affairs, Delhi)

“
At my home and store, I installed Duro Doors because of the strength and durability that is unmatched in the industry. Which explains why we have been distributing its doors for more than 25 years.”
CB Kalyani (Om Plywood Centre, Bhopal)

“
I recommend Duro Doors for their unmatched durability. In seven years, Duro Doors have become an inevitable part of all our projects because of superior strength and durability, resulting in a peace of mind.”
Polu Sai Srikanthv (Polu Associates, Andhra Pradesh)

“
I always recommend Duro products because it never fails on its commitment. They company honours its word, delivers on time and renders excellent service. Duro is my first plywood choice.”
Sapna Agarwal, (ANSA Interiors, Delhi)

Lifetime Guarantee on all Premium Products from Insect Infestation

Unique In-house process ensures longevity of products in a diverse climatic conditions

150+ trained sales force

16%+ Channel Partners associated 20+ Years

Focus on Last Mile Delivery of Services

The strengths of our brand

Government

The Parliament
GAIL
PWD & CPWD
Delhi / Mumbai /
Pune / Nagpur Metro
MES - Defense
AIIMS
IIT
IIM
ITPO Pragati Maidan
Income Tax Office
State Hospitals

Hospitality

Oberoi Hotels
Taj Hotels
Hyatt
ITC
Lemon Tree
Westin
JW Marriott
Fortune
The Park
Pride Hotels
Aloft
Holiday Inn
Trident Hotels
Lalit

Corporates

DLF
Birla Corporation
Max Hospitals
Tata Steel
Paharpur Cooling
SBI
Bank of Baroda
L & T
Shapoorji Pallonji
Zydex Industries
Microsoft
Hindustan
Aeronautics
PNB Corporate

Luxury OEMs

Alsorg
Ravish Vohra
La Sarojeeeka
New Age
Apartment 9
Narsi Contracts
Garnet Interiors
K2 India
D World
Plank & Weaves
Europlak
Spacewood
BNP Interiors
Swati Interiors

Over 80bn Sq ft of commercial & residential projects addressed in existence

Rapidly growing Plywood brand in India with a 60% YOY Growth in 9M FY23

Over 150 new distributors appointed since 2020

80% of business generated from the Premium Segment



Innovation & Thought Leader

Many 1st in its existence since 1957

1st in India to launch 9' & 10' Plywood, Boards & Doors in 2020

Creating a Eco-System of Contractors through a loyalty program

Duro TV – a unique YouTube channel to educate customers

Smart Plywood Buying Guide – authored by Akhilesh Chitlangia

Differentiating by taking the Thought Leadership & Educator Position

Driven by a Quality First culture to always add value

Leadership team

– Ideal blend of youth & experience



SUDEEP CHITLANGIA

Managing Director

Mr. Sudeep Chitlangia brings with him over 35 years of experience in the plywood business. He became the Managing Director in 1993. He is an expert on wood material and operations with extensive experience in the implementation of new wood technologies and the latest management practices such as the Theory of Constraints. He is an active member of the Entrepreneur Organization, Kolkata. Sudeep is currently on the Committee of Merchant Chamber of Commerce and Industry, Kolkata - Committee Member. In the past, he served two terms on the board of Indian Plywood Industries Research and Training Institute (IPIRTI).



AKHILESH CHITLANGIA

Executive Director and COO

Mr. Akhilesh Chitlangia has over 12 years of experience in the plywood business. He is an expert on distribution expansion, operations management and implementing new initiatives. Akhilesh is based out of New Delhi and is responsible for the daily operations of the company in his capacity as Executive Director and COO.

He holds dual degree from Boston University, USA - Bachelor of Science in Business Administration and Bachelor of Arts in Economics.



ABHISHEK CHITLANGIA

Vice President, Manufacturing

Mr. Abhishek Chitlangia has over 6 years of experience in the industry. Currently, he is managing production activities at DURO and has actively pursued lean and sixsigma to accelerate quality and efficiency. He is involved with the NCCF Safeboards Standards and the BIS Working Group for plywood standards.

Abhishek Graduated Summa Cum laude from the University of Michigan, with a dual degree in BSE Industrial and Operations Engineering and a BBA from the Ross School of Business. Prior to joining Duroply, he has worked with Ventower Industries (Michigan, USA), and Bain & Company (Chicago, USA) in multiple roles.



DEVESH AHLUWALIA

Vice President, Sales

Mr. Devesh Ahluwalia has a vast experience in Sales and Marketing for more than 30 years across businesses. His expertise is in Sales & Business Growth, Building & Energizing teams, Market Expansion, Change Expeditor and Product development & Promotions. Presently, he is serving as VP Sales at Duroply Industries Ltd. where his responsibility is to manage all operational issues of Sales Management pan-India comprising manpower management, P&L, delivery and sales growth.



PAWAN KUMAR VERMA

Chief Financial Officer

Mr. Pawan Kumar Verma is a Bachelor in Commerce and a qualified member of the Institute of Chartered Accountants of India with a solid perspicacity and having more than 16 years of experience.

He is associated with our company for last 13 years. He has managed varied responsibilities in multiple areas including finance and commercial, MIS, budgeting, working capital management, taxation, fund management, budgeting and allocation, book closure, statutory and internal audit, vendor management and statutory compliances.



SHASHANK HISSARIA

General Manager

Mr. Shashank Hissaria has been associated with our company for 33 years and shouldered responsibilities in different roles. He specializes in Supply Chain Management and procurement of the finest raw material. Currently he is heading operations for contract manufacturing and sourcing of economical grade material for our Tower brand.



Corporate Office

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Kolkata 700016 (India)

Registered Office

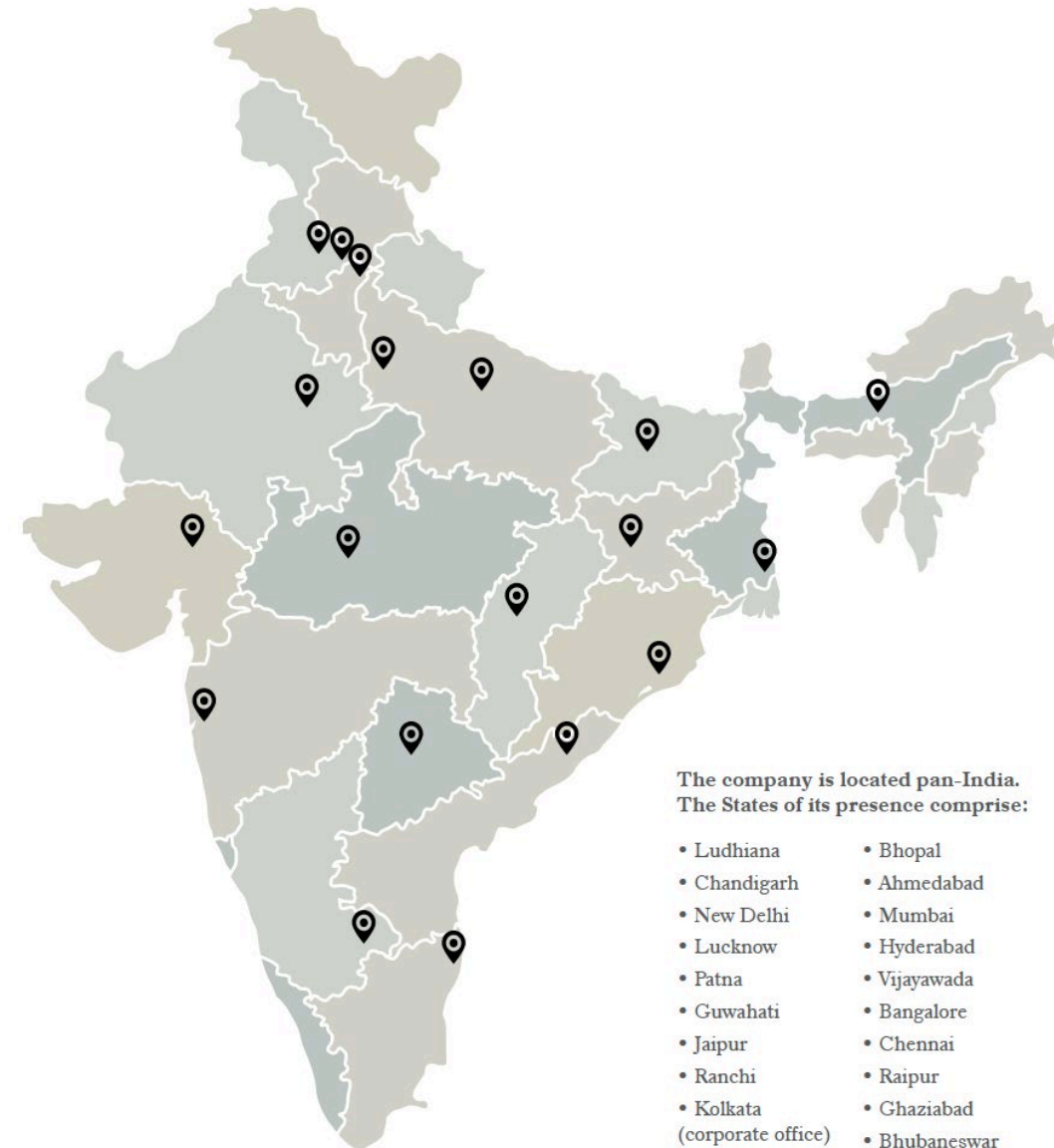
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This presentation includes statements / opinions / recommendations, which contain words, or phrases such as “will”, “expect”, “should”, “believe” and similar expressions or variations of such expressions that are “forward looking statements”. Any forward looking statements contained herein are based on assumptions that we believe to be reasonable as on the date of this release. Duroply Industries Limited undertakes no obligation to update forward looking statements to reflect events or circumstances after the date thereof.

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