



Duroply Industries Limited

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



Ref: 5404/23-24/0042

August 5, 2023

Department of Corporate Services

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

Scrip Code: BSE: 516003

Sub: Investor Presentation

Dear Sir/Madam,

With reference to the captioned subject and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed a copy of Presentation on Unaudited Financial Results of the Company for the quarter ended June 30, 2023.

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

This is for your information and records.

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



DURO[®]

TURNAROUND STORY

Duroply Industries Limited
Investor presentation | August 2023

A tradition of excellence since 1957

Since **1957**, Duroply has delivered **top-grade plywood and allied products** to diverse residential, commercial and institutional clients in India.

Today, with over 20 offices across the country, we are known for our **premium quality** and **exceptional design standards**.



PLYWOOD



VENEERS



BLOCKBOARDS



DOORS

This is what we are and what we do

Products portfolio

- Plywood and blockboards
- Decorative veneers
- Flush doors

Resource quality

The Company's plywood is derived from the finest timbers hand-picked from forests around the world

Accreditations

Duro is a member of The Indian Green Building Council (IGBC), validating its commitment to environment friendly practices, processes and certifications.

FSC Certificate: Validates commitment to responsible wood management

- ISO 9001: Quality Management System
- ISO 14001: Environmental Management System
- CARB: Low formaldehyde emission

This is what we are and what we do

350+

Innovative
veneer
designs

10

Mn Sq m+,
Plywood sold
in FY23

2500+

Designers &
Architects who
recommended
Duroply

4000+

Retailers

500+

Employees

20+


Duro quality
check points



5

principal messages

- 1 Duroply turned around financially in FY 23
- 2 This was the first year of a profit after 4 years
- 3 The company reported a profit in each quarter of FY 23
- 4 The company reported improvements in revenues, margins and surplus
- 5 The company is optimistic of building on this turnaround in FY 24

A large decorative graphic on the left side of the slide, consisting of a white circle partially overlapping a grey circle, both set against a red background that forms a thick, curved border.

**The vigour
of our
turnaround,
FY 23**

302.34

(Rs. Crore), Revenue

58.4% increase

17.96

(Rs. Crore), EBIDTA

165% increase

12

(%), ROCE

1000 bps increase

5.23

(Rs. Crore), PAT

What caused the Duroply turnaround

Focused solely on the plywood business (after divesting the tea business).

Infused Rs 28.03 crores of net worth in the second quarter of FY 23

Widened the distribution footprint, entering select urban markets and B & C class cities

Engaged in selective capital expenditure, accelerating capacity debottlenecking

Increased brand building (4.1% of revenues) to enhance share of voice

Entered the mid-market plywood segment, widening the product mix

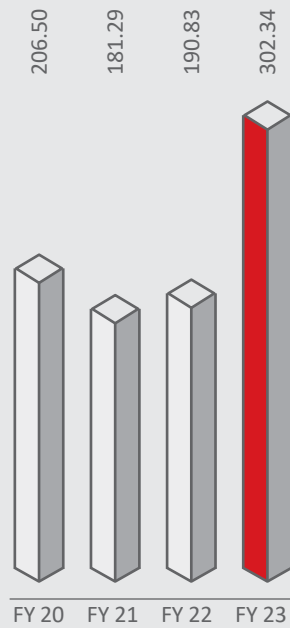
Strengthened service responsiveness for dealers and retailers

Achieved 220% revenue growth in trading (Rs 95.5 cr)

How we have grown over the years

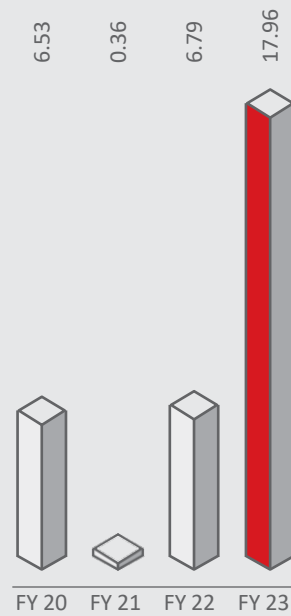
Revenues

(Rs. in Crores)



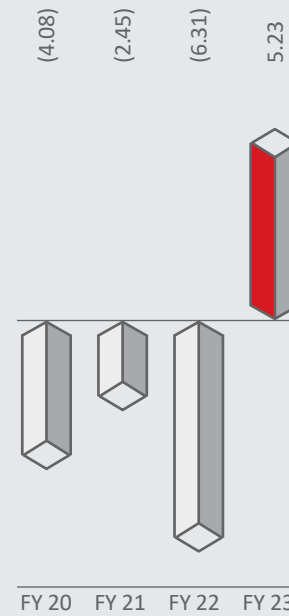
EBITDA

(Rs. in Crores)



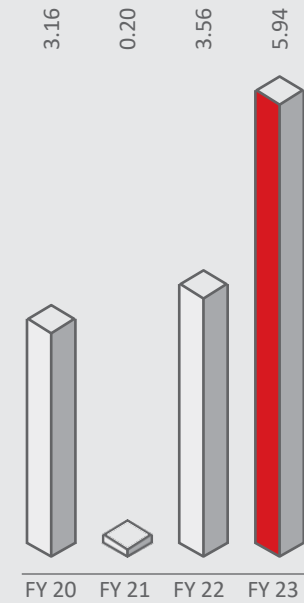
Net profit

(Rs. in Crores)

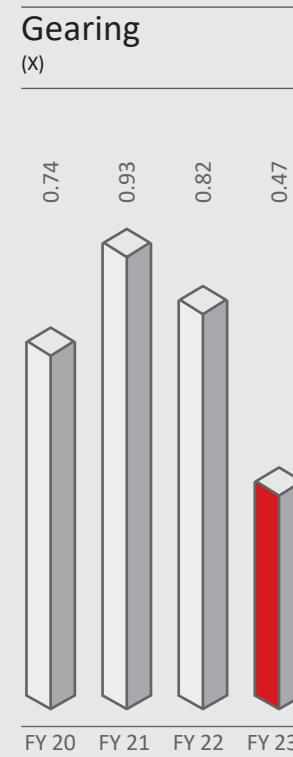
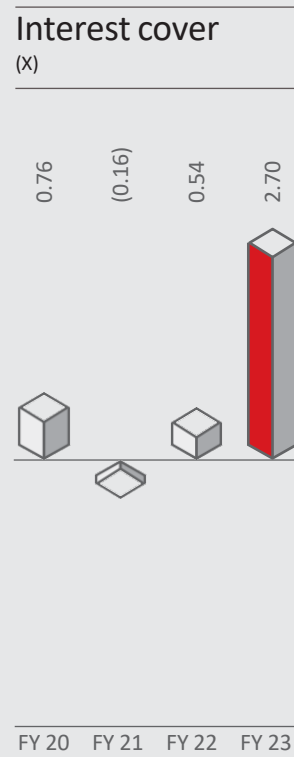
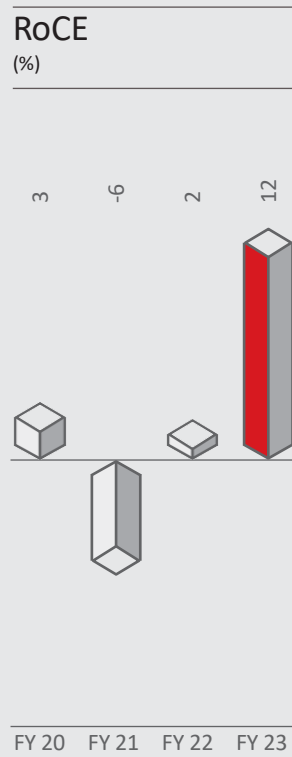


EBITDA margin

(Rs. in Crores)



How we have grown over the years



Highlights of Q1 FY 24

- Revenue at Rs 758.6 Mn, up 6.5% YOY, down 10% QOQ
- EBITDA at Rs 44.32 Mn, up 8% YOY, down 26.8% QOQ
- EBITDA Margin at 5.8% as against 5.7% YOY and 7.2% QOQ
- EBIT at Rs 35.5 Mn, up 8.9% YOY, down 31.7% QOQ
- EBIT margin at 4.7% as against 4.6% YOY and 6.2% QOQ
- Reported PAT of Rs 12.8 Mn as against Rs 10.6 Mn YOY and down 43.1% QOQ
- Own Mfg. grew by 2% YOY
- Contract Mfg. up 14% YOY
- Marketing spend moderated at 3.3% of turnover as against 4.1% in FY 23

Commenting on the results, **Mr. Akhilesh Chitlangia, Executive Director and Chief Operating Officer, Duroply,** said:

“Business is usually dull during the first quarter. On the supply side, this year it was further accentuated by labour and raw material shortages. In addition, Cyclone Biparjoy presented logistical challenges at our Rajkot plant. Our healthy growth on all parameters during first quarter despite all these challenges shows our inherent strength and resilience.

The industry is facing severe challenges due to raw material shortages and therefore, experiencing significant inflationary pressure. We have minimised impact of increased raw material costs through a series of measure, including price increase, product mix optimisation, and robust procurement.

While we expect inflationary pressures to continue, demand for our brand continues to be strong. We are riding the India growth story. Therefore, we expect robust growth in Duroply for a long time to come.”

Abridged Income Statement

| (Rs. In Mn) | Quarter Ended | | | | |
|------------------------|---------------|---------|----------|---------|--------|
| | Q1 FY23 | Q4 FY23 | Q1 FY 24 | Q-o-Q | Y-o-Y |
| Revenue from Operation | 712.19 | 842.20 | 758.60 | -9.93% | 6.52% |
| Cost of Goods Sold | 465.36 | 553.25 | 501.78 | -9.30% | 7.83% |
| Gross Margin | 246.83 | 288.95 | 256.82 | -11.12% | 4.05% |
| Gross Margin % | 34.66 | 34.31 | 33.85 | -1.33% | -2.32% |
| Operating Expenses | 207.64 | 241.05 | 214.37 | -11.07% | 3.24% |
| Other Income | 1.83 | 12.60 | 1.87 | -85.16% | 2.13% |
| EBITDA | 41.02 | 60.50 | 44.32 | -26.75% | 8.05% |
| EBITDA Margin % | 5.76% | 7.18% | 5.84% | -18.67% | 1.44% |
| Interest | 17.07 | 17.35 | 17.97 | 3.53% | 5.26% |
| Depreciation | 8.40 | 8.49 | 8.81 | 3.84% | 4.88% |
| PBT | 15.55 | 34.67 | 17.54 | -49.39% | 12.82% |
| PBT Margin % | 2.18% | 4.12% | 2.31% | -43.81% | 5.92% |
| PAT | 10.61 | 22.58 | 12.84 | -43.15% | 21.00% |
| PAT Margin % | 1.49% | 2.68% | 1.69% | -36.88% | 13.60% |

Key Ratios

| Ratios | FY19 | FY20 | FY21 | FY22 | FY23 | Q1 FY 24 |
|-----------------------|------|------|------|------|------|----------|
| Debtor Days | 38 | 37 | 36 | 38 | 35 | 38 |
| Inventory Days | 179 | 224 | 197 | 195 | 134 | 140 |
| Days payable | 178 | 210 | 169 | 175 | 119 | 125 |
| Cash Conversion Cycle | 39 | 50 | 64 | 59 | 49 | 53 |
| Working Capital days | 38 | 39 | 62 | 37 | 41 | 50 |

Historical Income Statement

| (Rs in Mn) | FY19 | FY20 | FY21 | FY22 | FY23 |
|------------------------|---------|---------|---------|---------|---------|
| Revenue from Operation | 2284.85 | 2065.36 | 1813.21 | 1908.30 | 3023.39 |
| Cost of Goods Sold | 1316.09 | 1129.08 | 1082.83 | 1192.27 | 1960.01 |
| Gross Margin | 968.76 | 936.28 | 730.38 | 716.04 | 1063.38 |
| Gross Margin | 42.40% | 45.33% | 40.28% | 37.52% | 35.17% |
| Operating Expenses | 870.24 | 861.51 | 665.23 | 670.58 | 905.42 |
| Other Income | 7.25 | 7.83 | 19.54 | 22.41 | 21.61 |
| EBITDA | 105.76 | 82.60 | 84.69 | 67.86 | 179.57 |
| EBITDA Margin | 4.63% | 4.00% | 4.67% | 3.56% | 5.94% |
| Interest | 70.88 | 74.88 | 100.83 | 84.81 | 66.62 |
| Depreciation | 22.27 | 30.89 | 32.35 | 28.25 | 33.77 |
| PBT | 12.61 | -23.18 | -48.49 | -45.20 | 79.18 |
| PBT Margin | 0.55% | -1.12% | -2.67% | -2.37% | 2.62% |
| Taxation | 2.79 | 17.58 | -23.98 | 17.90 | 26.92 |
| PAT | 9.82 | -40.76 | -24.51 | -63.10 | 52.26 |
| PAT Margin | 0.43% | -1.97% | -1.35% | -3.31% | 1.73% |

Historical Balance Sheet

| (Rs. In Mn) | Mar'19 | Mar'20 | Mar'21 | Mar'22 | Mar'23 |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Share Capital | 64.64 | 64.64 | 64.64 | 64.64 | 77.76 |
| Other Equity | 711.46 | 663.31 | 636.68 | 574.54 | 806.44 |
| Shareholders' Funds | 776.10 | 727.95 | 701.32 | 639.18 | 884.20 |
| Long Term Borrowings | 75.15 | 80.84 | 110.73 | 91.12 | 57.95 |
| Lease Liabilities | - | 19.01 | 13.51 | 46.64 | 32.99 |
| Long Term Provisions | 19.92 | 31.36 | 34.69 | 41.66 | 51.72 |
| Deferred Tax Liabilities | 46.89 | 63.09 | 39.11 | 57.00 | 83.92 |
| Other Non- Current Liabilities | 16.99 | 15.70 | 12.78 | 6.70 | 5.61 |
| Total Non-Current Liabilities | 158.95 | 210.00 | 210.83 | 243.13 | 232.19 |
| Short Term Borrowings | 398.15 | 442.15 | 498.47 | 440.40 | 356.61 |
| Lease Liabilities | - | - | - | 13.91 | 16.63 |
| Trade Payables | 642.38 | 650.29 | 532.97 | 570.82 | 639.02 |
| Other Financial Liabilities | 54.39 | 97.23 | 105.26 | 99.70 | 96.64 |
| Other Current Liabilities | 30.09 | 13.92 | 35.85 | 40.31 | 19.79 |
| Short Term Provisions | 4.86 | 3.20 | 0.61 | 0.51 | 0.66 |
| Total Current Liabilities | 1129.85 | 1206.78 | 1173.15 | 1165.66 | 1129.36 |
| Total Liabilities | 2064.90 | 2144.73 | 2085.30 | 2047.96 | 2245.75 |

| (Rs. In Mn) | Mar'19 | Mar'20 | Mar'21 | Mar'22 | Mar'23 |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| Fixed Assets including CWIP | 1010.13 | 1043.41 | 976.49 | 1020.56 | 1016.52 |
| Other Intangible Assets | 3.26 | 3.03 | 3.05 | 5.07 | 6.08 |
| Non-Current Investments | 0.16 | 0.09 | 1.70 | 0.16 | 0.15 |
| Loans | 61.84 | 82.14 | 125.31 | 65.18 | 65.18 |
| Other Financial Assets | - | - | - | 11.69 | 4.38 |
| Other Non-Current Assets | 0.55 | 0.52 | 1.35 | 0.88 | 5.65 |
| Total Non-Current Assets | 1075.94 | 1129.19 | 1107.89 | 1103.53 | 1097.95 |
| Inventories | 646.54 | 691.54 | 620.55 | 638.12 | 719.09 |
| Trade receivables | 235.73 | 209.76 | 181.32 | 200.32 | 286.38 |
| Cash and Cash Equivalent | 3.24 | 12.63 | 2.74 | 4.38 | 0.94 |
| Other Bank Balances | 27.69 | 27.53 | 29.86 | 31.01 | 33.36 |
| Loans | 4.57 | 4.37 | 4.67 | - | - |
| Other Financial Assets | 2.56 | 3.74 | 4.77 | 6.65 | 6.72 |
| Current Tax Assets (Net) | 3.76 | 1.08 | 1.43 | 3.71 | 4.90 |
| Other current assets | 64.89 | 64.89 | 132.09 | 60.25 | 96.41 |
| Total Current Assets | 988.97 | 1015.54 | 977.41 | 944.42 | 1147.80 |
| Total Assets | 2064.90 | 2144.73 | 2085.30 | 2047.95 | 2245.75 |

Where our plywood products have been used

Government

- The new Parliament
- GAIL
- PWD & CPWD
- Delhi / Mumbai / Pune / Nagpur Metro
- MES - Defence
- 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

How we are building a new Duroply

The management has invested in a range of initiatives to rejuvenate with speed and effectiveness

Youthfulness: Infusion of younger senior leadership; emphasis on organisational youthfulness

Digitalisation: Introduction of digital tools to engage with consumers and trade partners

Automation: Increased manufacturing automation, helping moderate quality rework and related costs



Brand investment: Increased brand investment in enhancing the visibility of Duroply

Marketing orientation: Shift from a legacy manufacturing focus to marketing orientation

Capacity debottlenecking: Nominal investment to enhance production capacity

Distribution broadbasing:

Appointment of more dealers;
structured programmes to
enhance outcomes

Enhanced share of voice:

Investment in radio and
YouTube promotions

**Entering the mid-priced
segment:** Addressing the
fastest growing plywood
segment

**Building two brands:**


Investing deeper in Duro and
Tower brands (addressing
different consumers)

Protecting trade

discipline: Focusing on
timely cash inflows from
trade partners

Net worth infusion: Right-
sizing the Balance Sheet;
raising captive growth
capital

What shareholders can look forward to in FY 24



Headroom: Plug the market vacuum for a third large player (after the industry leaders)

Carpenter-contractor loyalty programme: Run digitally through the mobile app

Broadbased presence: Add more channel partners; engage in handholding and nurturing

Tower offtake:

Projected to emerge as a significant growth driver as India shifts purchases from the unorganised to the organised sector

Digital marketing:

Launch innovative digital marketing initiatives to engage with influencer architects and interior designers

Revenue growth:

Moderate increase in manufactured revenues; disproportionate revenue growth from outsourced revenues

Scaled presence:

Deeper presence across India resulting in an enhanced proportion of revenues

Economies: Superior pricing power and lower cost procurement on account of stronger financials and growing scale

Outcome: Sustained growth and improved margins

Our Executive Team



Mr. Sudeep Chitlangia,
Managing Director

Mr. Sudeep Chitlangia has over 36 years of experience in the plywood industry. In 1993, he was appointed Managing Director. He is a wood material and operations expert with comprehensive expertise in incorporating new wood technologies and cutting-edge management practises such as the Theory of Constraints. He is an active member of the Kolkata Entrepreneur Organisation. Sudeep is currently a Committee Member for the Merchant Chamber of Commerce and Industry in Kolkata. He previously served on the board of the Indian Plywood Industries Research and Training Institute for two terms (IPIRTI).



Mr. Akhilesh Chitlangia,
Executive Director and COO

Mr. Akhilesh Chitlangia has worked in the plywood industry for over 13 years. He specialises in distribution expansion, operations management and the implementation of new initiatives. As Executive Director and COO, Akhilesh is based in New Delhi and is in charge of the Company's day-to-day operations. He has earned a Bachelor of Science in Business Administration and a Bachelor of Arts in Economics from Boston University in the United States.



Mr. Abhishek Chitlangia,
Vice President, Manufacturing

Mr. Abhishek Chitlangia has over 7 years of industry experience. He is currently in charge of DURO's production activities and has actively promoted lean and six sigma to improve quality and efficiency. He is a member of the NCCF Safeboards Standards Committee and the BIS Working Group on Plywood Standards. Abhishek graduated from the University of Michigan Summa Cum laude with a dual degree in BSE Industrial and Operations Engineering and a BBA from the Ross School of Business. Prior to joining Duroply, he held various positions with Ventower Industries (Michigan, USA) and Bain & Company (Chicago, USA).



Mr. Devesh Ahluwalia,
Vice President, Sales

Mr. Devesh Ahluwalia has over 31 years of experience in Sales and Marketing in a variety of industries. His areas of expertise include Sales and Business Growth, Team Building and Energising, Market Expansion, Change Expeditor and Product Development and Promotions. He is currently serving as VP Sales at Duroply Industries Ltd., where he is accountable for overseeing all operational issues of Sales Management across India, including manpower management, profit and loss, delivery and sales growth.



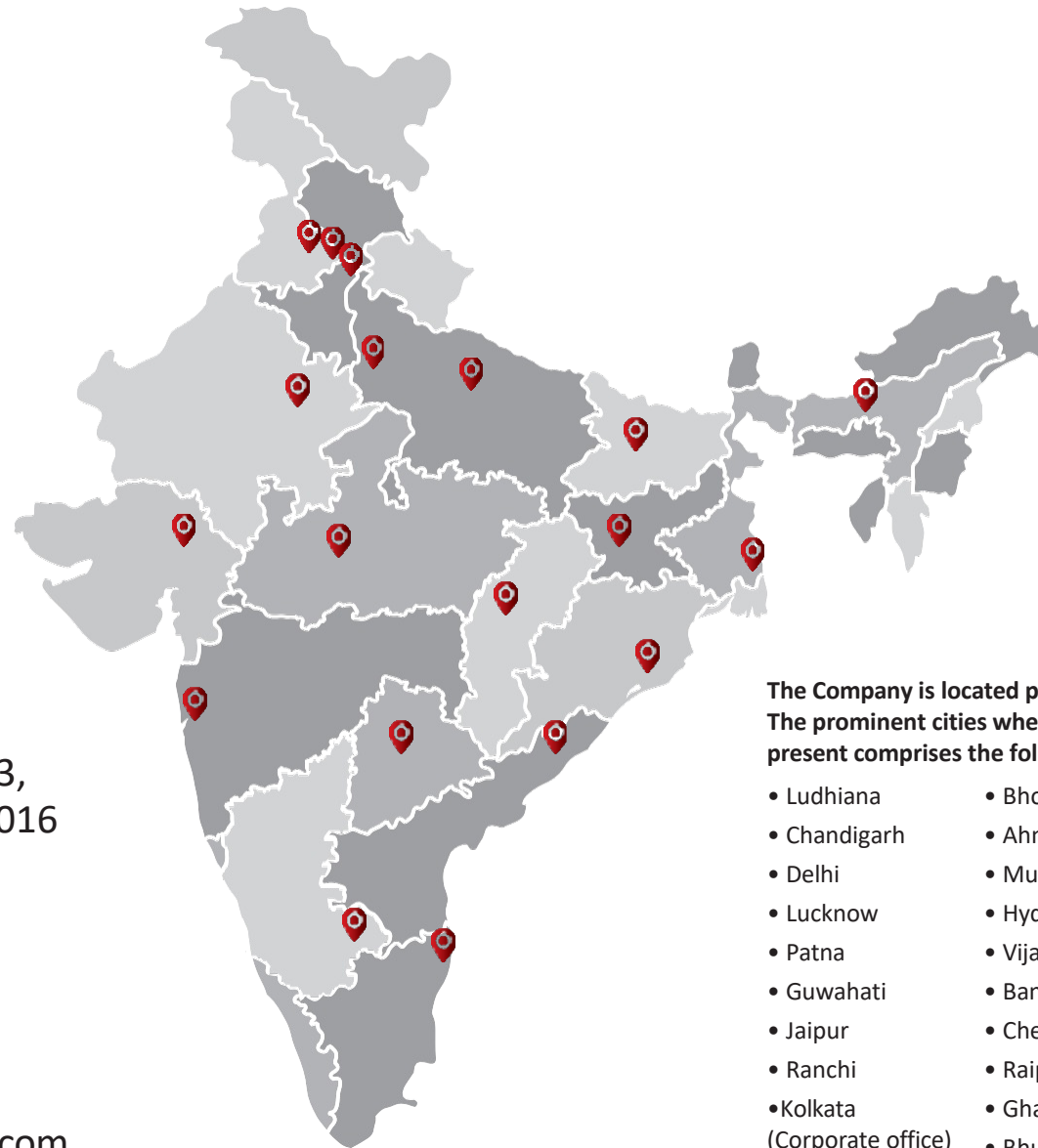
Mr. Pawan Kumar Verma,
Chief Financial Officer

Mr. Pawan Kumar Verma is a Bachelor of Commerce and a qualified member of the Institute of Chartered Accountants of India, with over 17 years of experience. He has been with our company for 14 years. He has overseen a diverse range of duties in 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.



Mr. Shashank Hissaria,
General Manager

Mr. Shashank Hissaria has been with our company for 34 years and has handled multiple positions of responsibility. He plays a key role in Supply Chain Management and the acquisition of high-quality raw materials. He is currently in charge of contract manufacturing and the sourcing of low-cost material for our Tower brand.

**CORPORATE OFFICE**

North Block, 4th Floor, 113,
Park Street, Kolkata - 700 016

REGISTERED OFFICE

9, Parsee Church Street,
Kolkata 700 001

Phone: 033-2265 2274

Email: investors@duroply.com

**The Company is located pan-India.
The prominent cities where its
present comprises the following:**

- Ludhiana
- Chandigarh
- Delhi
- Lucknow
- Patna
- Guwahati
- Jaipur
- Ranchi
- Kolkata
(Corporate office)
- Bhopal
- Ahmedabad
- Mumbai
- Hyderabad
- Vijayawada
- Bangalore
- Chennai
- Raipur
- Ghaziabad
- Bhubaneswar



Duroply Industries Limited

Disclaimer

In this presentation Duroply Industries Limited has used information that is publicly available, including information developed in-house. Information gathered and used is believed to be from reliable sources. Duroply Industries Limited however does not warrant the accuracy, reasonableness and / or completeness of any information.

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.

The financial figures in the Presentation are re-grouped/re-casted/re-arranged for facilitating financial analysis and may not confirm to statutory formats. All the figures except for the whole year are unaudited