

Greenlam/2024-25

February 07, 2025

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Sub: Transcript of Earnings Call

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of Earnings Call (Group Conference Call) held on February 03, 2025 to discuss operational and financial performance of the Company for Q3 & FY 25.

Kindly take the above information on records.

Thanking you,
Yours faithfully,

For **GREENLAM INDUSTRIES LIMITED**

PRAKASH KUMAR BISWAL
COMPANY SECRETARY &
SENIOR VICE PRESIDENT – LEGAL

Encl: A/a



“Greenlam Industries Limited's Q3 FY'25 Earnings Conference Call”

February 03, 2025

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 03rd February 2025 will prevail.”



MANAGEMENT: **MR. SAURABH MITTAL – MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER, GREENLAM INDUSTRIES LIMITED**
MR. ASHOK SHARMA - CFO, GREENLAM INDUSTRIES LIMITED
MR. SAMARTH AGARWAL – VP, FINANCE, GREENLAM INDUSTRIES LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Greenlam Industries Limited Q3 FY25 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this call is being recorded.

I now hand the conference over to Mr. Saurabh Mittal – Managing Director and CEO. Thank you and over to you sir.

Saurabh Mittal: Thank you. Good afternoon, friends, and welcome to the Q3 FY25 Earnings Call. I'm joined by Ashok, our CFO and Samarth Agarwal from the Finance Team.

I will speak a bit on the “Results and on the Developments in the Company.” You probably are aware that we've completed the expansion and the announcement of the commercial production of the Particle Board plant. This happened on 23rd of January and production is getting stabilized. And with this completion of the Particle Board plant, by and large, all the CAPEX we announced in FY22 is largely done. After this, we have no capacity creation pending as of now. So, the Particle Board has started in Jan 23, 2025, Plywood and Andhra Pradesh Laminate plant started in FY24 in June and September respectively, and the Gujarat plant expansion also got completed in FY24 in May. So, for now capacity creation across laminate division, Veneer, flooring, doors, plywood, chipboard is largely done. We will have some pending CAPEX of completion of these projects, some civil work, some other CAPEX work is still pending, which will happen over the next, let's say six to 9 months. So, that's on the CAPEX side, which means that we are now largely free and just to focus on execution of these projects and winning more business across the segments we are present in across all the markets.

On Q3, the quarter was slightly subdued in terms of growth. While the flooring door and plywood businesses did better, the export of laminates also did better comparatively with slightly over 12% growth.

Domestic laminates and domestic decorative veneer is where we had sales pressure. And overall, we could just manage slightly shy of 7% growth.

So, while Q3 typically is slightly lower than Q2 always if you see our past track record, this time, unfortunately it's been a bit lower than the usual reduction. The feedback we get from people is that demand has been slow in the last three to six months. My sense is that despite a slower growth, we have potentially won market share in both international and domestic market. That's our sense, but

we will wait for the numbers to come out of the other companies and some numbers don't come out in a category as you all are aware, will come out maybe at the end of the FY only.

Price realizations, value mix, gross profits, RM costs are largely well maintained, and I think there's been pricing discipline. So, I think on those front, not much challenges. Raw material costs are by and large being stable in most of our segments.

In the plywood segment, cost continues to remain slightly higher, but we have already taken price increases for that in Q2. So, from a raw material side, by and large, we think that part will be stable. We have to focus on building more business and more volumes.

Freight inward, freight outward on the import and export side also remains largely stable as of now. Hopefully the closure of the war between Israel and Hamas, we think sea freights might further reduce and shipping time to several markets might further reduce helping us improve our working capital cycle, reduce some costs and have faster supply chain into the markets in Europe and some across the world. So, that's on the supply chain side.

Product development, streamlining of manufacturing plants of plywood, Andhra Pradesh laminate by and large is all settled. I see the settled challenges to build demand. Debtors period also by and large remain under control despite the slackness in the demand. I think we are able to manage that well. Certain inventories are slightly higher, which also includes some particle board inventory of raw material, etc., CFO will communicate on that.

So, by and large, on ground things are under control, our preparedness is going well and we really hope that we bounce back with better growth in Q4 and obviously the next year also we expect a better growth coming in.

So, by and large that is from my side, I will have "Ashok take you through the Financial Performance" and we will be happy to respond to your "Queries."

Ashok Sharma:

Good afternoon, friends.

I will take you through the "Financial Performance first for the Quarter":

On a consol basis, net revenue for this quarter grew by 6.9% on a year-on-year basis and however degrew by 11.6% on a sequential basis to Rs.602 crores as compared to Rs.680 crores in Q2 in FY'25.

Gross margin grew by 20 basis points to 55% in Q3 this year from 54.8% in Q3 last year. On a sequential basis, the gross margin grew by 340 basis points. Gross margin in absolute terms grew by 7.3% to Rs.331 crores in Q3 this year as compared to Rs.308 crores in Q3 last year.

EBITDA margin was down by 200 basis points and stood at 10.6% in Q3 this year as compared to 12.6% in Q3 last year. EBITDA in absolute terms degrew by 10.7% to Rs.63.5 crores in Q3 this year as compared to Rs.71 crores in Q3 last year. This is due to slower growth in the domestic market.

Net profit for the quarter stood at Rs.12.5 crores in this quarter as against Rs.25.3 crores in quarter last year due to lower EBITDA, higher interest and depreciation for new projects and one-time tax for earlier years.

Moving on to “Nine Months”:

Consolidated net revenue for the nine months grew by 12.2% to Rs.1,888 crores as compared to Rs.1,682 crores in nine months last year.

The gross margin was flat at 52.8%. Gross margin in absolute term grew by 12.3% to Rs.997 crores in nine months this year as compared to Rs.888 crores in nine months last year.

The EBITDA margin was down by 150 basis points at 11.1% in nine months from 12.6% in nine months last year. EBITDA in absolute terms degrew by 1% and stood at Rs.209 crores as compared to Rs.211 crores in nine months last year.

The net profit degrew by 31% to Rs.67 crores in nine months this year as compared to Rs.97 crores last year.

Now, I will move on to “Segmental Performance”:

First, the Laminate, which is the major segment for us:

For the quarter, laminate revenue grew by 4% on year-on-year on year basis; however, degrew by 12.9% on sequential basis to Rs.520 crores from Rs.500 crores in Q3 last year.

The EBITDA margin stood at 13.2%, a degrowth of 270 basis points on year-on-year basis and a degrowth of 150 basis points on quarter-on-quarter basis.

Production volumes were at 4.86 million sheets with the utilization level of 79% on the enhanced capacity of 24.52 million.

Sales volume for the quarter stood at 4.77 million sheets and boards, a growth of 2.6% on year-on-year basis and a de-growth of 11.5% (7.8%) on a sequential basis. Our average realization for the quarter stood at 1,050 per sheet and booth which was marginally up by 1.3% on year-on-year basis.

Moving on to “Nine Months”:

Laminate revenue grew by 9.9% and stood at Rs.1,651 crores from Rs.1,503 crores in nine months last year. Volume grew by 7.8% on a year-on-year basis.

The EBITDA margin stood at 13.9%, a degrowth of 180 basis points on year-on-year basis.

Production volume were at 15.56 million sheets at utilization level of 85%.

Sales volume for the nine months stood at 14.82 million sheets an boards and our average realization in this nine months was at 1,075.

Moving on to another segment, “Decorative Veneer Allied”:

This segment includes decorative wood veneer, engineered floors and engineered doors.

In the decorative veneer segment, revenue of decorative veneer business degrew by 4% on year-on-year basis and degrew by 9% (9% stated mistakenly actual number is 19%) on sequential basis to Rs.26.3 crores in this quarter from Rs.27.4 crores in Q3 last year.

Revenue of decorative veneer business degrew by 12% on a year-on-year basis to Rs.78.3 crores, in nine months from Rs.88.7 crores in nine months last year. Volume degrew by 7.8% on year-on-year basis.

Sales volume for Q3 stood at 0.26 million square meters and for the nine months stood at 0.82 million square meters.

Capacity utilization for this quarter was 27% and for the nine months stood at 28%.

Average realization for the quarter was 988 per square meter and for nine months it was 944 per square meter.

Moving on to “Engineered Wood Flooring”:

revenue for the engineered wood flooring business grew by 13.8% on year-on-year basis and grew by 7.2% on a sequential basis to Rs.15.2 crores in Q3 this year as against Rs.13.3 crores in Q3 last year.

For the nine months, revenue of engineered wood flooring business grew by 15.7% to Rs.42.7 crores as against Rs.36.9 crores in nine months last year.

Capacity utilization stood at 13% in this quarter and 14% for the nine months as a whole.

Moving on to “Engineered Doors”:

revenue of engineered doors business grew by 49.5% on year-on-year basis and degrew by 8.6% on a sequential basis to Rs.10.4 crores in Q3 this year as against Rs.7 crores in Q3 last year.

For the nine months revenue of engineered door business grew by 42.8% to Rs.31.6 crores as against Rs.22.1 crores in nine months last year.

Capacity utilization for the quarter stood at 27% and for the nine months stood at 24%.

Moving on to next business segment, “Plywood”:

The revenue of plywood business stood at Rs.30.4 crores in Q3 this year and Rs.84 crores in nine months.

Sales volume for the quarter stood at 1.16 million square meters and 3.3 million square meters for the nine months.

Capacity utilization for the quarter was at 24% and for the nine months also was at 24%.

Average realization in this quarter stood at Rs.257 per square meter and for the nine months was Rs.248 per square meter respectively.

In the current quarter, working capital cycle stood at 67 days as compared to 59 days in Q2 of this year. Net debt stood at Rs.1,012 crores.

Thank you. That's all in this. Now, I will open the floor for the question-and-answer.

Moderator:

Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press “*” and “1” on their touch tone telephone. If you wish to remove yourself from the question queue, you may press “*” and “2”. Participants are requested to only use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We will take our first question from the line of Keshav Lahoti from HDFC Securities. Please go ahead.

Keshav Lahoti:

Hello, hi, thank you for the opportunity. Firstly, I know it's early days, but now the particle board plant we commissioned, how is the initial thing going up and what sort of ramp up you're looking and when you feel this plant will break even and how is the current market scenario?

Saurabh Mittal: So, I will take the question on the demand side, all that. The initial feedback from a demand side and signing up of dealers, wholesalers is quite encouraging. So, I think that part is pretty okay. And as I said earlier, the stabilization of the commercial production because it's a automated line, a lot of sync needs to be done from the process control or perspective from raw material to the board production. I think that's underway as we talk. And we should be looking at 40% to 50% kind of utilization in FY'26 and we should be near breakeven at I think a 50% kind of a utilization level.

Keshav Lahoti: Understood. Got it. And sir, what about your revenue growth guidance which you have given 18% to 20% for this, will you maintain that? And how you see the laminate margin going forward? This quarter we are seeing some dip. Should we expect the margin will be back in upcoming quarters because we have also taken a price hike in Q2?

Saurabh Mittal: So, FY'25 I think we will miss the 18%, 20% growth, we are about 12% in nine months and my sense is as we see things probably we will end the year somewhere in the PAT of 12%, 13% of growth in FY'25. FY'26, we maintain that we should be in the band of 18%, 20% type of a top line growth. So, that's on that. On laminate, so clearly the challenges are more on the volume side as you probably have seen gross profit and per sheet realization, that's all well. We just need to expand the volumes and then I think the profits, EBITDA margins, etc., should get back to that 14%, 15% in that band. So, let's see how this quarter goes. But price realizations and value mix, etc., is all going well as we can see things now.

Keshav Lahoti: Okay. One small question from my side. Has the amount picked up in January for laminates?

Saurabh Mittal: So, Jan has been okay, it's not extraordinary great or negative, I think it's fine.

Keshav Lahoti: Better than 3Q what we are experiencing in the demand?

Saurabh Mittal: I can say all that a lot, but yes, it's as of now going on line with what we think we should be able to deliver in this quarter.

Keshav Lahoti: Understood. That is helpful. Thanks a lot.

Saurabh Mittal: Thank you.

Moderator: Thank you. Before we take the next question, would like to remind participants to press "*" and "1" to ask a question. Next question is from the line of Udit Gajiwala from Yes Securities. Please go ahead.

- Udit Gajiwala:** Yes. Thank you for taking my question, sir. Sir, firstly, on the gross margins for the laminate business, so what can be the steady gross margin that we can look at? It's moved up from 52 to 55 on sequential basis.
- Ashok Sharma:** Hi, Udit. So, this is at the similar level what we are and we believe that it should be in the range of around 53% to 55% kind of a thing, it should be within that range. Quarter-on-quarter, there might be some variation, but it should be within this band. We believe this is what it is there as of now can be maintained unless there is a significant jump in the price of raw material which is not as of now doesn't look like.
- Udit Gajiwala:** So, sir, just trying to understand that what changed on sequential basis? Of course our ASP are up but not so much on sequential basis. Any particular RM that came down in terms of costing?
- Ashok Sharma:** Nothing in general in terms of that, because in the December quarter what happens, every time we get some year-end bonuses on some purchases. So, that is the reason that in the December it slightly goes up in comparison to other quarters. Otherwise, it is normally within the same band, that is specifically for the laminate.
- Saurabh Mittal:** Nine months-to-nine months we had a similar gross profit, 53, 53.5 types.
- Udit Gajiwala:** Understood, sir. Lastly, in terms of the growth guidance that you have maintained of 18% to 20% for next year, any sense on what kind of blended margin should we look at like because particle boards will not contribute in terms of EBITDA, but overall, where you see the margins moving? Thank you.
- Ashok Sharma:** So, Udit, in the next year, we are hoping to have the breakeven in the particle board but obviously that may not happen in the first quarter. So, that may take time probably in terms of that. So, difficult to predict as of now what the EBITDA looks like, but we believe that normal EBITDA other than particle board, we will have a normal EBITDA. Particle board probably we have to wait for one or two quarters to watch, but the intention is to breakeven in the next year.
- Udit Gajiwala:** Understood, sir. And just a last if I may squeeze in for the plywood segment. How do you see the ramp up happening in excluding of the Southern region, if you can throw some light in terms of your acceptability of the product there?
- Saurabh Mittal:** Sure. So, if you see plywood, The feedback we said last time also on the product quality on just the performance of the product I think it's been exceptionally good and the channel partners and customers who start using our ply, feedback we've received is that they are continuously using our plywood. The channel expansion or the creation I think up to 80% is actually done in South India. Also, started opening markets of Maharashtra in April 2025. So, that process is still going on. And

we are hopeful like this year we are already Rs.84 crores of sales in ply. My sense is versus what we did last year will be nearly 2x this year and I think the coming year, we should double from FY'25 number in FY'26. So, clearly because we are going to operate in a segment in the long-term, so I think the product performance, quality, the secondary working, channel partners who have been created, I think it's going in a good direction, maybe a bit slower than what we expected, but I think from a qualitative point, I think it's going good and we should keep growing this part of our business.

Udit Gajiwala: Understood sir. And specifically for ply, what was the timber cost in Q3 versus Q2 for the segment?

Saurabh Mittal: So, by and large wood costs have been similar, because our plant is in South, it's been by and large at the average same, maybe some local costs might have gone up a bit. We had taken certain increases in Q2 and that's why your gross margin by and large is similar, but maybe Ashok can add something.

Ashok Sharma: So, in the beginning of Q3, there was some upward movement, but later on it got stabilized in terms of that. So, as of now, prices have not reversed, but it's not increasing also either, it's stable as of now, and we are hoping that probably the supply situation increase, so it may have an impact on the prices.

Udit Gajiwala: And the same trend has been in January as well, right, prices have been stable, is what -?

Saurabh Mittal: Yes, that's right,

Udit Gajiwala: Understood. Got it. Thank you so much for answering and all the best. Thanks.

Moderator: Thank you. Ladies and gentlemen, to ask a question. Please press “*” and “1” on your phone now. We will take our next question from the line of Neha Talreja from Nuvama Wealth. Please go ahead.

Neha Talreja: Hi, good afternoon, team and thanks a lot for the opportunity. Just two questions from my end. Firstly, on your FY'26 guidance of 18% to 20% growth, just wanted to delve what will be the proportion of particle board itself because earlier we had given a guidance, we will be operating at about 40% to 50% utilization if I know make a rough calculation and bring it down to even minimum of 300 to 350-odd crores of revenue that you do. Are you aiming for like a medium single digit terms of volumes for your existing laminates business or am I missing something here?

Saurabh Mittal: No, no, so you got the question right. We are not aiming to do all that, but whatever the figures we give, doesn't get achieve at times, so I don't know what to do on this front or not. So, clearly that is not the plan, but yes, considering the market situation, there are unpredictable circumstances which we can't predict at the moment. So, we've given a broad direction on where the growth numbers should be.

Neha Talreja: So, broadly single digit growth at this point of time for the laminates business is what I understand or including your other businesses put together?

Saurabh Mittal: No, because if you see, ply I think we should have decent growth, flooring and veneer we expect decent growth coming in and likewise for our domestic and international laminates business. So, we are quite positive on all our businesses, but yes, sometimes things don't go as per plan and then – Ashok, you want to -

Neha Talreja: Would you want to quantify some numbers out there maybe in terms of growth numbers for laminate separately, plywood separately or maybe just particle board itself where we can derive on certain numbers?

Saurabh Mittal: I think it's very hard to do all that, because we can give a broad guidance, you can speak to Ashok offline on that, very hard. So, from our side, I said that earlier, most of the CAPEX are done, the capacities have been built well and with the product quality, the product programs have also been nicely done. We really hope things will get better from here.

Neha Talreja: Right. In terms of particle board, given we are almost there, any sort of visibility that you have already started getting some OEMs for your product, any visibility out there? And what is the percentage of imports at this point of time coming in the market which you plan to replace some numbers there?

Saurabh Mittal: So, the feedback on the product is on the shade card, range selection, the finish is quite good. Wherever it's gone, it's not penetrated as of now in the market, it will take a few more months to get there. The initial order booking by customers of inventory, etc., is also quite decent. So, I would say the feedback is positive. I think we will just settle our plant and keep delivering. As we know that there are hardly few meaningful committed players in the space in terms of capabilities, capacities, sales, marketing team and we have this advantage of alignment of Melamine Faced Chip Board, as you know particle board sold as pre-laminated product and not plain board. So, this alignment of Melamine particle board with Greenlam laminates, Greenlam compacts, so this whole alignment of the product program with the other products which are used in interiors I think is a great strength our company possesses and we hope that we use it to the fullest. So, I think the feedback as of now what I know is quite good actually.

Neha Talreja: Understood. And lastly, if at all, I can just ask one more question. Anything on the BIS we are closer to the date of implementation, anything that you're hearing on ground, is it likely to get implemented this time seeing some delays, anything here would be helpful?

Saurabh Mittal: To answer your other question, imports of particle board is not so much in our country. I don't know the exact numbers, it's very small... so maybe Ashok give that number.

- Ashok Sharma:** Yes, whatever in the last two years, we have got the number it was in the range of around 300-odd crores per annum, it was Rs.300-, 350 crores in that range only, not very high.
- Saurabh Mittal:** On the BIS, we are hopeful it gets implemented, but I'm not sure whether they will implement or there will be some extension or will there be some extension for some parts of some kind of manufacturers, I'm not so clear on this, but we've heard that it should get implemented post its implementation but I'm not completely clear on the subject.
- Neha Talreja:** Understood, sir. Got it. Thanks a lot team and all the best.
- Moderator:** Thank you. Next question is from the line of Utkarsh Nopany from BOB Capital Markets. Please go ahead.
- Utkarsh Nopany:** Hi, good afternoon. So, my first question is for laminate segment. So, if you could specify what is the laminate volume growth for domestic and export market in December quarter? And like what is the reason for sharp contraction in laminate margin in December quarter on both QoQ and YoY basis? And margin guidance for the current March quarter and FY'26 for laminate segment?
- Ashok Sharma:** Yes, Utkarsh, we don't give the figures separately for the domestic and export. Overall total figure is we have already shared in terms of growth in this quarter, the volume growth was 2.6% on a year-on-year basis.
- Utkarsh Nopany:** Okay. Sir, like we have been specifying the percentage. What kind of a growth we have seen in export and domestic market, so that's why I was asking, but that's fine. And if you can just mention the reason for the sharp contraction in laminate margin on a QoQ basis in December quarter, what is the reason for that?
- Ashok Sharma:** If you see that the revenue of laminate has grown by 4% only in this quarter on year-on-year basis. So, basically the sales is lower and whereas the operating cost is at a higher level in comparison to previous year. So, that is one of the reasons in terms of that. We expect that sales to correct going forward and which will correct the overall margin scenario.
- Utkarsh Nopany:** And so what would be a margin guidance for the current March quarter and FY'26 for laminate segment?
- Ashok Sharma:** So, normal margin which we have, if you see in this quarter we were having 13%, of course, from the previous year it was 15.9%. So, we are hopeful that it will be in the range of our normal margin which is around 14%-odd is the margin in that, that can be achievable. Otherwise, there are some additional expenses in Q3 like the starting of two of our depots overseas. So, due to that there was

some additional expenses which going forward will not... these were one-time expenses, so going forward this will come to normal margin.

Utkarsh Nopany: Okay. And sir, second question is on your particle board project like we have spent around Rs.735 crores on this project to complete it versus our earlier guidance of Rs.875 crores, which was there in last quarter. So, what is the reason for sharp reduction in our project cost, and are we going to incur any additional cost on this project going forward?

Ashok Sharma: Yes, yes. So, it's not the change in the spending, this was the money which is spent till now. The project even though the commercial production has started but still the construction and spend is going on as of now. So, this will be there till as mentioned by sir also in next six to nine months it is going to be spent and it will be in the range of that what we have earlier intimated in the range of Rs.875 crores only.

Utkarsh Nopany: Okay. And Sir, what would be the budgeted CAPEX for '25 and '26 and how much we have spent in the nine months of FY'25?

Ashok Sharma: So, for the nine months we have spent close to around including the new project around Rs.190 crores, we expect including the project it should be in the range of around Rs.250-odd crores and for FY'26 including some of the CAPEX which we need to do for the project pending CAPEX for the project, it should be in the range of around Rs.100-odd crores.

Utkarsh Nopany: Okay. And sir, lastly, if I look at your balance sheet, your net debt-to-EBITDA has now gone up to close to 4X, which is on a vulnerable side based on December quarter number. So, where do you see this ratio shaping up in FY'26?

Ashok Sharma: I think this is at the highest level in terms of what we can see as of now. Debt is also at the highest level because most of the CAPEX has already been done. And since we don't have any large CAPEX going forward, so whatever cash will be generated, that will be used to bring this debt down and we believe that it will be lower than this year.

Utkarsh Nopany: Okay. Thanks a lot sir.

Moderator: Thank you. Before we take the next question, would like to remind participants to press "*" and "1" to ask a question. Next question is from the line of Rishab Bothra from Anand Rathi Shares and Stock Brokers Institutional Equities. Please go ahead.

Rishab Bothra: Yes. Good afternoon, sir. I just wanted to understand what kind of exposure do we have in UP market and is there a meaningful change with respect to Kumbh? And secondly, what's our exposure to the US market -- will that tariff impact somehow in our business in laminate export market?

Ashok Sharma: So, there is not much of a exposure to the UP market and Kumbh practically is not impacting us in terms of any additional demand and all this, because most of the demand are at the very low end of the segment for the construction material where our product is not in used in most of the cases. And moving on, in terms of the export, the US which is North America is not a very significant portion of our export. Of our export total international revenue, it will be in the range of around 5%, 6% of our overall export global revenue. We are not expecting much a problem in that.

Rishab Bothra: Okay. And lastly, sir, if you can spell the guidance for FY'26? And the debt trajectory, how it will pan out, I mean reduction in debt?

Ashok Sharma: So, debt, within this year it will be in the range of similar to what we are around 1,050 crores only and next year it should come down from this level, it should be within Rs.1,000 crores.

Rishab Bothra: Okay. And the guidance, if you could spell out once again? I missed out on that.

Ashok Sharma: It's already mentioned by sir, it's around 18% to 20%.

Rishab Bothra: Okay, sir. Thank you, sir. I will come back. Thanks a lot.

Moderator: Thank you. Ladies and gentlemen, to ask a question, please press “*” and “1” on your phone. Participants who wish to ask a question are requested to press “*” and “1” now. We will take our next question from the line of Bhavani from JM Financial. Please go ahead.

Bhavani: Yes. Sir, thank you so much for the opportunity. I just wanted to understand on the veneer side of the business and our products category. So, what has been changing in the door and the floor category particularly, can you just once again spell out the door revenue and the floor revenue if you can?

Ashok Sharma: Yes. So, for the nine month, the floor is around Rs.43 crores and door is Rs.32 crores. So, total put together floors and doors are Rs.75 crores in these nine months which is in the last year during the same period it was Rs.59 crores.

Bhavani: Got it, got it. Sir, just wanted to understand that the door business, no doubt on a lower base, but what has been changing over here and how one should look at down the line for next two to three years?

Saurabh Mittal: So, on the door business, it's decent traction, our order book and pending orders is quite encouraging and so we think the business will keep improving in these three months and even in the coming one and two years. So, what has changed is I would say is just continuous effort over the last couple of years where we struggled to bring in the orders, get the product mix right, went after the customers, maybe that's happening as we talk right now. And the full capacity of the of the door plant in terms of value, because either we produce doors, leafs or door sets is something in the band of Rs.80 to

Rs.100 crores. So, I think we should keep improving our utilization, improve revenues in FY'26 and FY'27.

Bhavani: Got it. So, if you can also help me with the guidance on the veneer and the allied products, entire category I think also on the margin side, how one should look at on the margin side? I think in Q3, you have done on overall basis in veneer and allied products was 2.6% kind of EBITDA margin. How one should look at this EBITDA going forward?

Saurabh Mittal: So, going ahead, our sense is this will keep improving, like floor has become EBITDA positive in Q3 and in nine months. The losses in door vertical has reduced. So, we think now with these three categories and you probably have noticed capital employed in this category also has gradually come down in the last two, three years. So, we don't need fresh CAPEX or capital in this category and with business improving, with sales volume increasing, clearly, also flow down to the profitability and cash flow because we don't need to add much resources in terms of people or marketing and all that. So, I think it should keep improving.

Bhavani: In FY'26, can we assume 4% to 5% land of EBITDA level in this category?

Saurabh Mittal: Yes.

Bhavani: Thank you so much.

Saurabh Mittal: Thank you.

Moderator: Thank You. We will take our next question from the line of Saurabh Ginodia from Smifs Limited. Please go ahead.

Saurabh Ginodia: Yes. Good afternoon, sir. Thank you for the opportunity.

Moderator: Saurabh, your voice is not very clear. Can you use your handset more please?

Saurabh Ginodia: So, on annualized basis, what's the kind of an increase in depreciation and interest one should estimate on the new particle board plant?

Ashok Sharma: So, the depreciation will be in the range of around Rs.30 to Rs.35 crores and interest will be also in the range of around Rs.35 to Rs.40 crores. This is as of now interest scenario. In case the interest rate moves, which is everybody is expecting to go down, so then this cost can come down.

Saurabh Ginodia: Understood. Thank you.

- Saurabh Mittal:** Thank you.
- Moderator:** Thank you. Next question is from the line of Parth Bhavsar from Investec. Please go ahead.
- Parth Bhavsar:** Hi, sir, thanks for the opportunity. My question is related to laminates exports. So, over the last two quarters Q2 and Q3 and as we enter Jan, so which are the markets where you see green shoots like is it Europe or is it US or the other way like which has declined for us year-on-year and even quarter-on-quarter?
- Saurabh Mittal:** So, as you know our markets are quite dispersed, because we ship to many countries because of the nature of the business and different products or different sizes are needed everywhere in different markets. So, hard to give you an analysis. So, hard to give you a number. Obviously, some markets end up doing slightly better than the other markets, but hard to exactly pinpoint to say -
- Parth Bhavsar:** Specifically, I had to ask you about Europe and US like how is the demand looking like over there?
- Saurabh Mittal:** So, generally in the international, markets are growing at a very small pace or not growing. So, in the international markets in Europe, including the UK, we are winning market share from the local companies because we have not added capacities or they have their own challenges or winning business from somebody else. So, I think in international markets, mostly the story is more about market share gains and less about organic growth coming in. So, Europe has become our largest market which is all central, eastern, western Europe and UK combined. So, we are doing pretty okay there. US, I would say we are flattish more or less.
- Parth Bhavsar:** Okay. Got it, sir. Thank you so much.
- Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Saurabh Mittal for closing comments. Over to you, sir.
- Saurabh Mittal:** Thank you for your time and patience and also for your queries and interest in the organization and we appreciate them. We also would like to, I think you already know, but just like to inform you that our company is completing 10-years of listing in March 2025 and the board has announced 1:1 bonus share issue and this will be our first bonus share issue by the company. And we'd like to thank all of you for your support and contribution through the last decade. I really hope that we continue doing well and thank you for your time.
- Ashok Sharma:** Thank you, everyone.
- Saurabh Mittal:** Have a good day.



*Greenlam Industries Limited
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Moderator: Thank you. On behalf of Greenlam Industries Limited, that conclude this conference. Thank you for joining us and you may now disconnect your lines.