



# RUSHIL

DECOR LIMITED

WE'LL MAKE IT

## Investor Presentation Q2 & H1 - FY23



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## Company overview



Laminates



MDF

# Among India's Leading Laminates & MDF Manufacturers



- Among the largest players in the Laminates segment – with 2 brands and 1,200+ designs/SKUs
  - India's 3<sup>rd</sup> largest manufacturer of MDF boards – with 4 distinct brands

# Offering Specialized Products



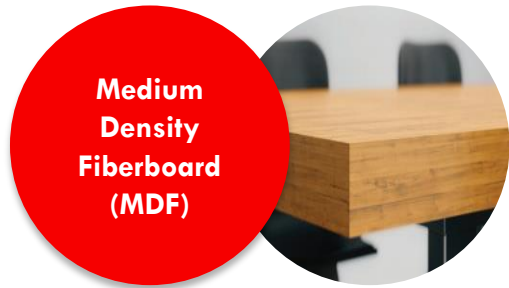
**Units** 3  
**Capacity** 3.49 million p.a.  
**Utilization** H1 FY23 – 84%  
**Location** Gujarat

- Home furniture
- Cabinet Doors
- Desktops
- Wardrobes
- Wall Paneling
- Commercial furniture

**Brands**

**Manufacturing**

**Applications**



INTERIOR GRADE MDF



EXTERIOR GRADE MDF



HDFWR



**Units** 2  
**Capacity** 3,30,000 CBM p.a.  
**Utilization** H1 FY23 – 75%  
**Location**  
Chikmagalur, Karnataka  
Visakhapatnam, Andhra Pradesh

- Residential & Commercial furniture
- Wall Paneling
- Architectural Moldings
- Industrial Products
- Sports Goods
- Display Cabinets
- CNC Routing
- Flooring
- Doors & Partition Cornices

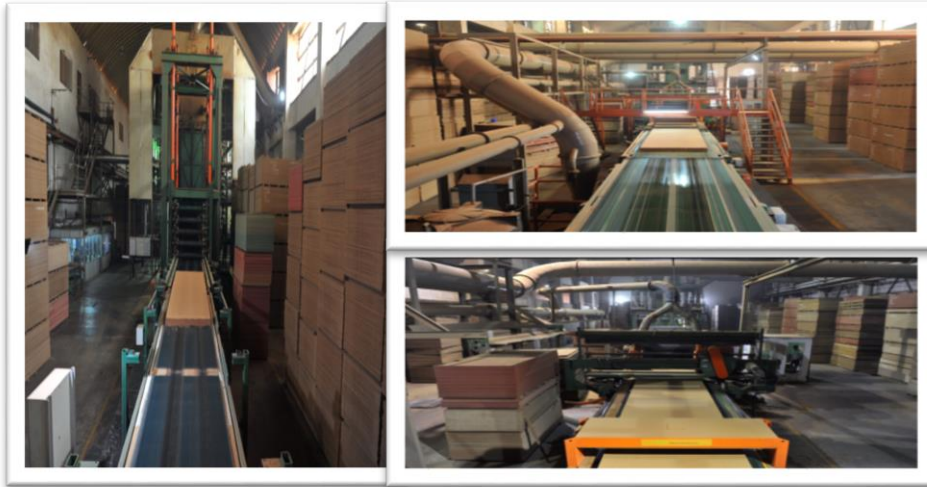
# Through State-of-the-art Manufacturing Facilities – Laminates

## Laminates – Gujarat

- Unit 1 – RDL, 608, GIDC Mansa, Dist. Gandhi Nagar, Gujarat
- Unit 2 – MRPL, Dholakuva Patia, Gandhinagar-Mansa Road, Mansa, Dist. Gandhinagar
- Unit 3 – RHPL, Survey No. 125, Nr. Kalyanpura Patia, Gandhinagar-Mansa Road, Village Itla, Tal. Kalol
- Production – 34.92 lakh sheets per annum



# Technically Advanced MDF Manufacturing Plants



## Technological Superiority of MDF

- Moisture Resistant
- Termite Resistant
- Borer Resistant
- Stable & Uniform
- Highly Durable



## Chikmagalur, Karnataka

- Installed Capacity – 90,000 CBM per annum
- Utilization (Half Yearly) – 86%

## Visakhapatnam, Andhra Pradesh

- Installed Capacity – 2,40,000 CBM per annum.
- Utilization (Half Yearly) – 71%

# Led by Strong and Experienced Management Team



**Mr. Krupeshbhai G. Thakkar - Chairman**

- Bachelor's degree in commerce from Gujarat University
- 30+ years of experience in laminates and other allied products
- Manages and leads operations



**Mr. Rushill Thakkar  
Director**

- Graduate with over 9 years of experience
- Played significant role in setting up new MDF facility in Andhra Pradesh
- Responsible for logistics & warehousing, exports



**Mr. Keyur M. Gajjar  
Chief Executive Officer**

- Bachelor's degree in engineering and MBA
- Over 2 decade of experience
- Responsible for planning and overall functioning of organization



**Mr. Hiren Padhya  
Chief Financial Officer**

- Qualified Chartered Accountant, Company Secretary and Cost Accountant
- 27 years of experience in financial management



**Mr. Hasmukh K. Modi  
Company Secretary**

- Associated with Company for the last 14 years
- Commerce graduate and Company Secretary qualifications
- Completed ICMAI in 2011

# Key Strengths

## Product Innovation & Value Engineering

- Continuous emphasis on product innovation and new design development
- Design first, quality first - brand approach

## Strategically Located Manufacturing Plants

- Manufacturing facilities located in close proximity to raw material source, ensuring steady supply at reasonable rates

## Strong Branch and Dealer Network

- Developed a strong domestic network of 540+ distributors and 4,000+dealers/retailers across India

## Significant Export Presence

- Exporting to 45+ countries, established strong brand in export markets
- Exports help de-risk business on geographical & customer segments



## Industry Overview



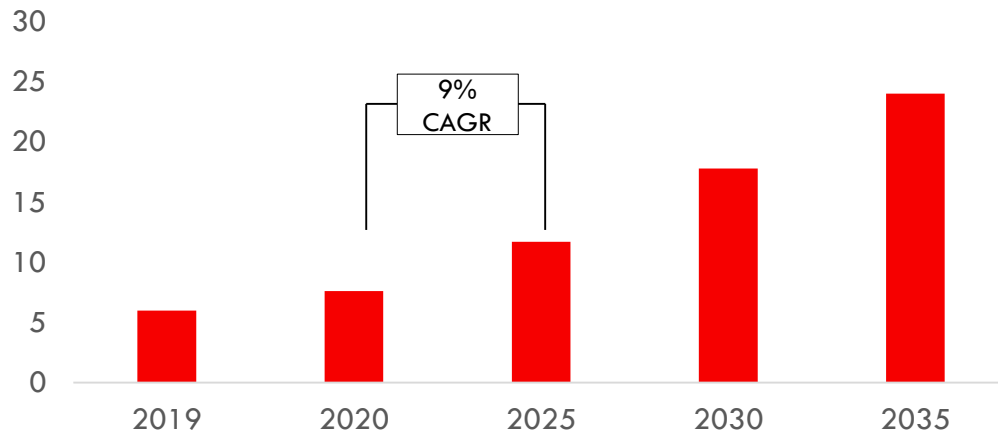
Laminates



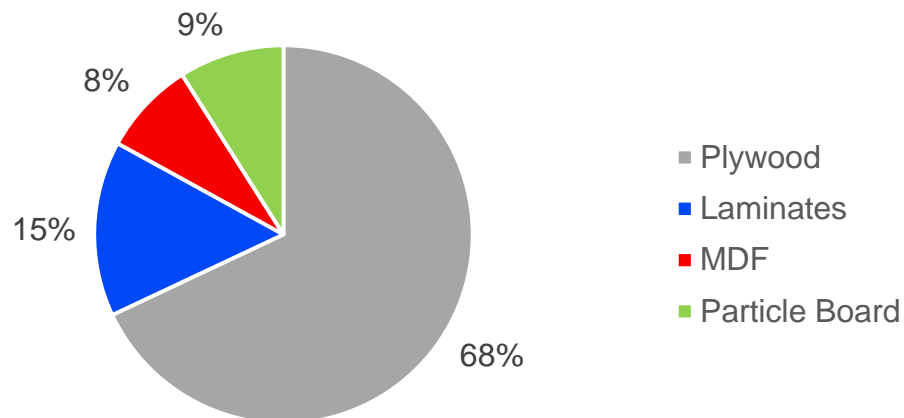
MDF

# Indian Wood Panel Industry Overview

Indian Furniture Industry (\$bn)



Indian Wood panel Industry Break - up

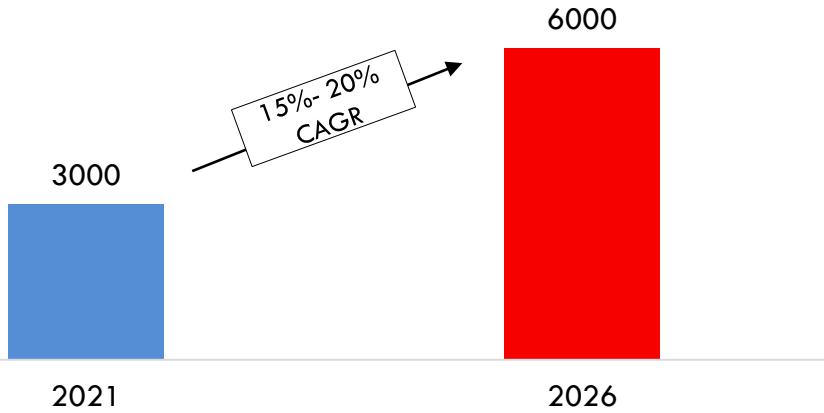


- Indian furniture industry expected to accelerate to 9% CAGR from \$7.6 bn in 2020 to \$11.7 bn in 2025
- Growth in furniture industry, improving standard of living, low installation and maintenance cost are key driving forces for the laminates industry
- Indian laminates industry set to post CAGR of 10% over FY21-26 with higher share of organized player
- Demand for decorative laminates is rising from hotels, hospitals, shopping malls, airports, educational institutions, and other commercial infrastructures due to the wide availability of designs, colors, textures, etc.
- Additionally, rapid utilization of decorative interior products in gymnasiums, convention centers, indoor sports clubs, auditoriums, etc., further fuels market growth

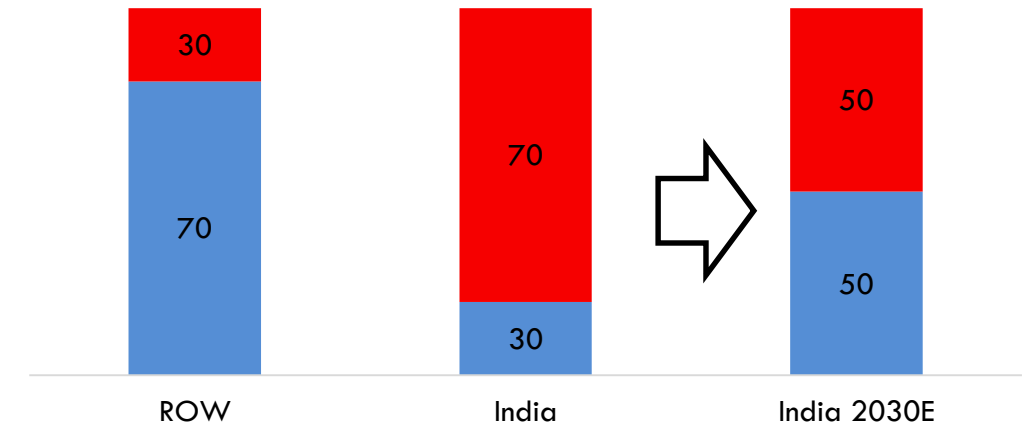
# Rising Opportunities in the MDF segment

Global market size is estimated at 105 million CBM (USD 50.2 billion) in 2021, expected to witness a CAGR of 9.6% in 2021-2026

**MDF Market in India (Rs. Crores)**



**Global vs Domestic MDF penetration**



## Growth Drivers

- Growth in the Real Estate Sector
- Modernization of Furniture Industry
- Growth of Online Home Décor Platforms
- Rapid Pace of Urbanisation
- Changing demographics of Young Population
- Reduction in Furniture Cycle Time



## Q2 & H1 FY23 Financial Highlights



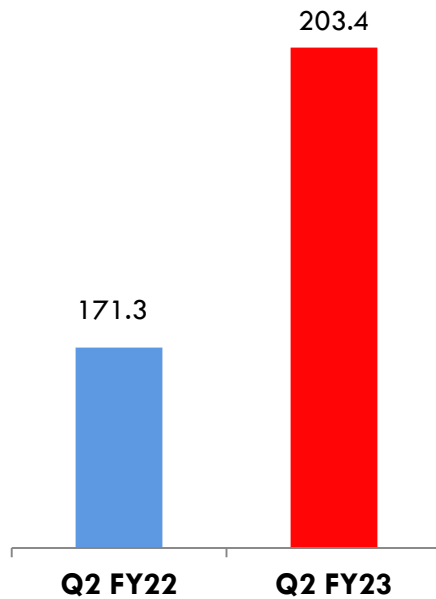
Laminates



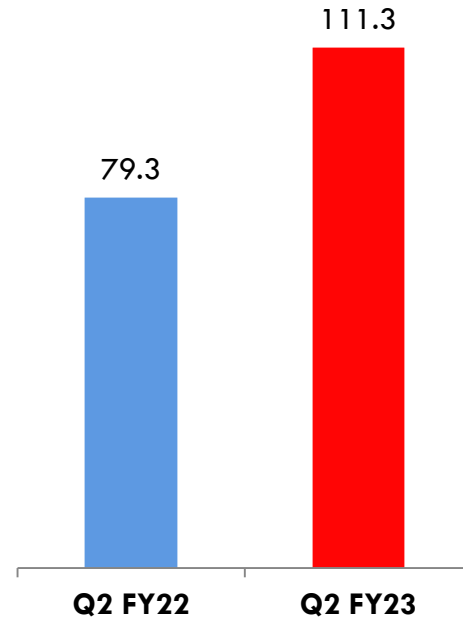
MDF

# Q2 FY23 Financial Highlights

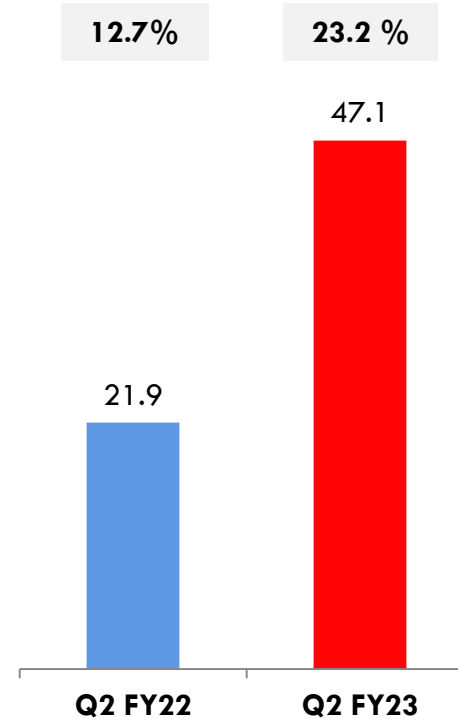
## Revenues (Rs. Crore)



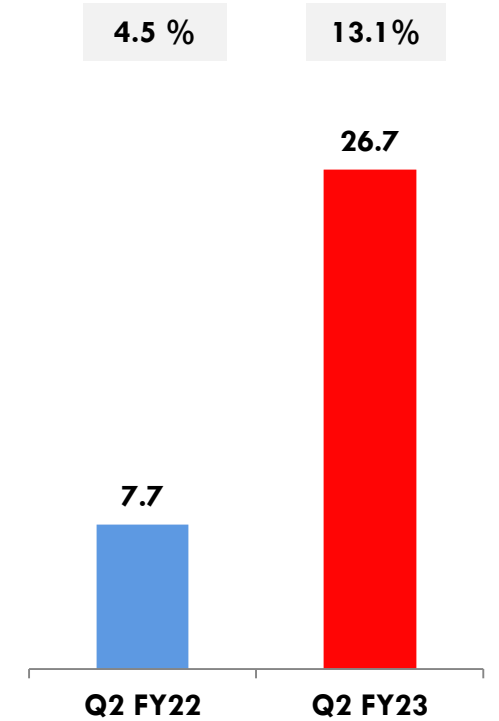
## Gross Profit (Rs. Crore)



## EBITDA (Rs. Crore) / Margin %



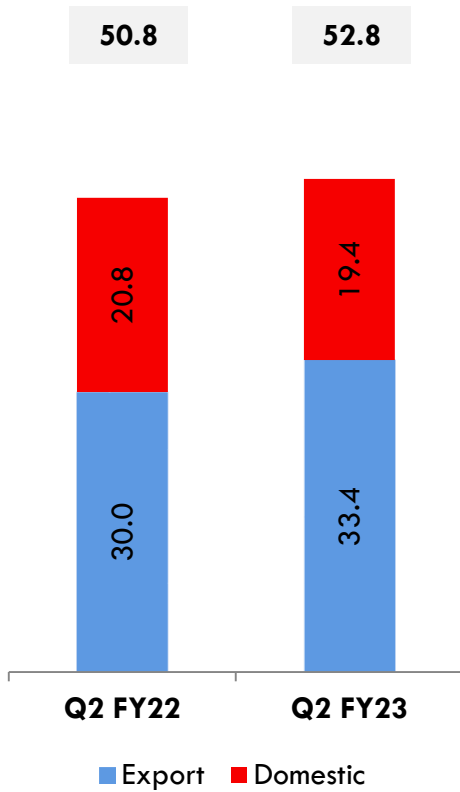
## PAT (Rs. Crore) / Margin %



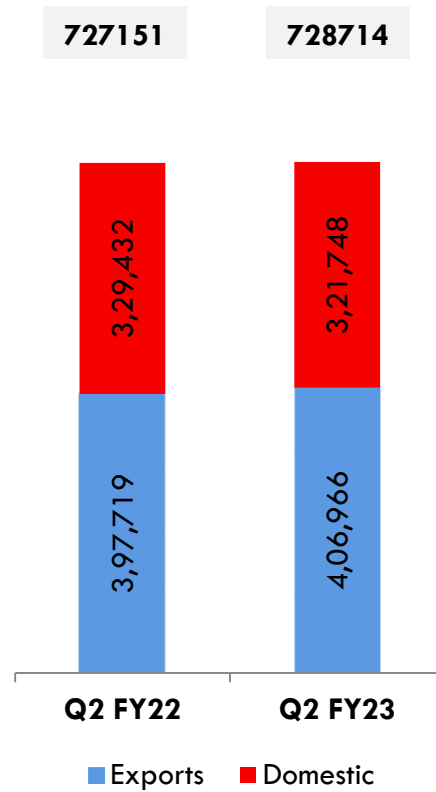
Gross Profit – Revenue from operations – Total raw material cost

# Quarterly Highlights – Laminates

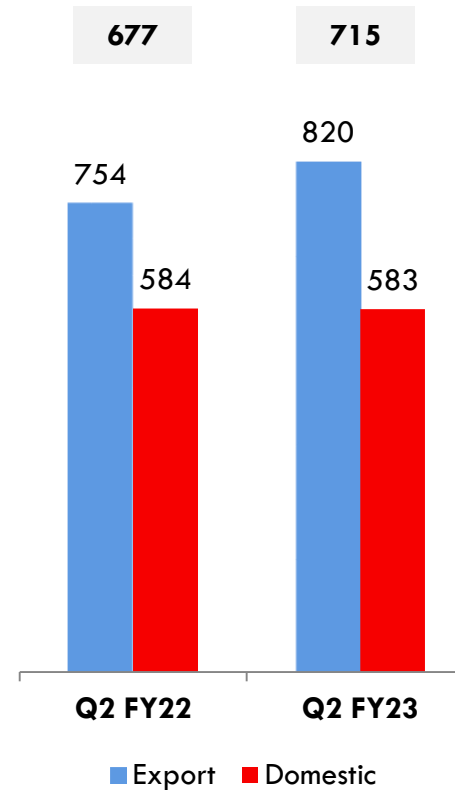
## Revenues (Rs. Crore)



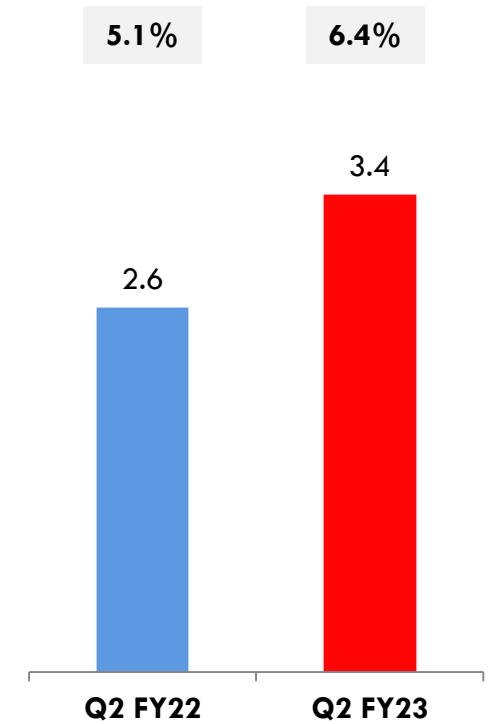
## Sales Volumes (Sheets)



## Realization (Rs. per sheet)

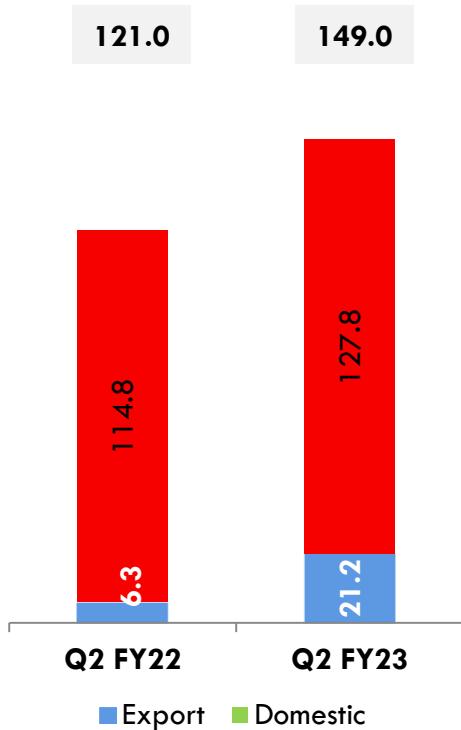


## EBITDA (Rs. Crore) / Margin %

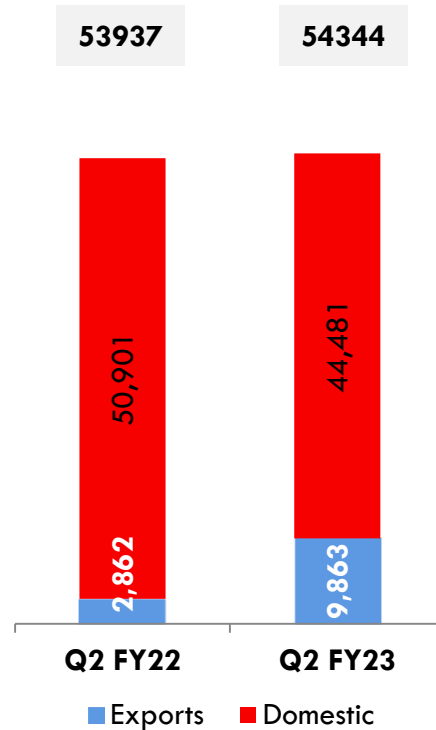


# Quarterly Highlights – MDF

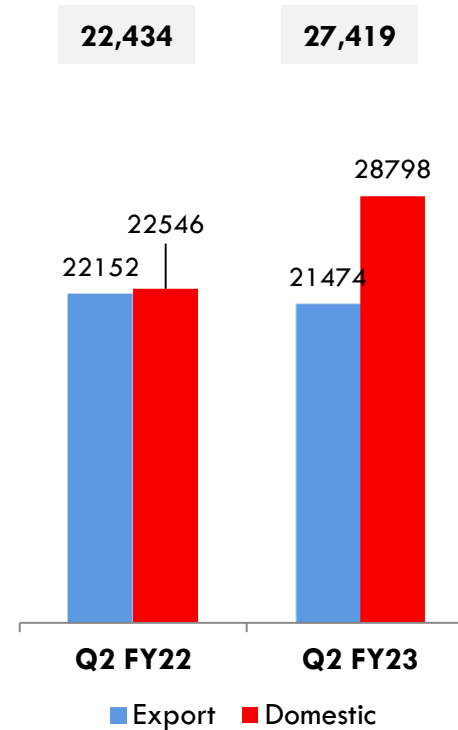
Revenues (Rs. Crore)



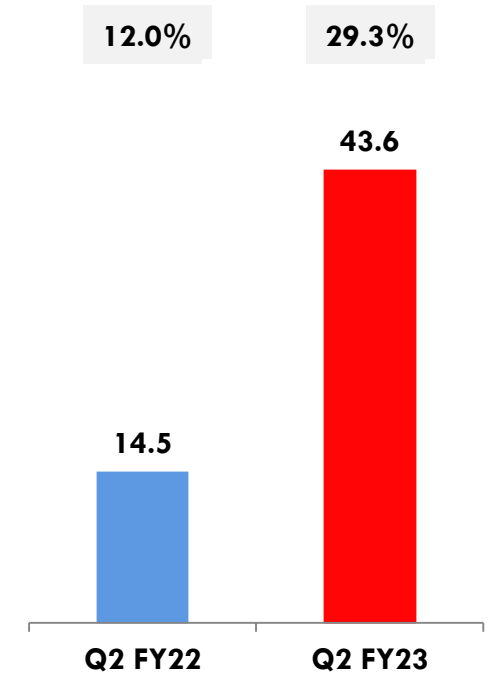
Sales Volumes (CBM)



Realization (Rs. per CBM)



EBITDA (Rs. Crore) / Margin %



Despite lower volumes, realizations in domestic markets have increased on account of higher contribution from value added products

# Quarterly & Half Year Financial Highlights

Particulars (Rs. Crore)	Q2 FY23	Q2 FY22	Y-o-Y (%)
<b>Revenue</b>	<b>203.4</b>	<b>171.3</b>	<b>18.7%</b>
Cost of Services & Raw Materials	103.0	92.2	
(Increase) / Decrease In Stocks	-11.0	-0.7	
Purchase of Finished Goods	0.0	0.5	
Employee Cost	11.8	10.3	
Other Expenses	52.4	47.1	
<b>EBITDA</b>	<b>47.1</b>	<b>21.9</b>	<b>115.2%</b>
<b>EBITDA M</b>	<b>23.2%</b>	<b>12.8%</b>	
Other Income	0.4	0.2	
Depreciation	6.5	6.0	
Finance Cost	5.6	5.8	
Exceptional Items	0.0	0.0	
<b>PBT</b>	<b>35.4</b>	<b>10.3</b>	<b>243.7%</b>
Tax	8.8	2.6	
<b>PAT</b>	<b>26.7</b>	<b>7.7</b>	<b>247.2%</b>
<b>PAT M</b>	<b>13.1%</b>	<b>4.5%</b>	

H1 FY23	H1 FY22	Y-o-Y (%)
<b>414.2</b>	<b>262.3</b>	<b>57.9%</b>
208.4	161.3	
-21.4	-29.2	
0.0	0.7	
22.7	19.9	
109.8	86.3	
<b>94.6</b>	<b>23.4</b>	<b>304.3%</b>
<b>22.9%</b>	<b>8.9%</b>	
0.6	0.4	
12.6	11.9	
10.5	11.6	
0.0	0.0	
<b>72.1</b>	<b>0.2</b>	
18.3	0.1	
<b>53.9</b>	<b>0.1</b>	
<b>13.0%</b>	<b>0.0%</b>	

# Balance Sheet as on 30<sup>th</sup> Sept 2022

Rs. Crore	As on 30 <sup>th</sup> Sept' 2022	As on 31 <sup>st</sup> Mar 2022
<b>Equity</b>	<b>339.6</b>	<b>286.8</b>
Equity Share Capital	19.9	19.9
Other Equity	319.7	266.9
<b>Non-Current Liabilities</b>	<b>346.3</b>	<b>340.9</b>
Long Term Borrowings	284.2	286.2
Other Financial Liabilities	8.8	8.7
Provisions	2.9	2.5
Deferred Tax Liabilities (Net)	44.4	36.1
Other Non-Current Liabilities	6.0	7.4
<b>Current Liabilities</b>	<b>283.4</b>	<b>259.1</b>
Short Term Borrowings	133.0	133.4
<b>Trade Payables</b>		
dues to micro & small enterprises	5.7	4.5
Dues to other than micro & small enterprises	88.9	83.4
Other Financial Liabilities	0.4	1.0
Other Current Liabilities	28.6	13.3
Provisions	19.0	23.4
Current Tax Liability (Net)	7.6	0.0
<b>Total Equity &amp; Liabilities</b>	<b>969.3</b>	<b>886.8</b>

Rs. Crore	As on 30 <sup>th</sup> Sept' 2022	As on 31 <sup>st</sup> Mar 2022
<b>Non-current Assets</b>	<b>653.5</b>	<b>610.1</b>
Property, Plant and Equipment	628.8	593.5
Capital WIP	0.1	0.5
Other Intangible Assets	6.9	0.3
<b>Financial Assets</b>		
Investments	0.0	0.0
Trade Receivables	2.3	2.4
Loans	0.1	0.9
Other Financial Assets	10.3	10.2
Other Non- Current Assets	5.0	3.1
<b>Current Assets</b>	<b>315.8</b>	<b>276.6</b>
Inventories	183.0	155.4
<b>Financial Assets</b>		
Trade Receivables	100.3	82.6
Cash & Cash Equivalent	0.5	0.5
Bank Balance other than Cash	5.7	5.6
Other Current Assets	26.2	32.6
<b>Total Assets</b>	<b>969.3</b>	<b>886.8</b>



## Historical Financial Highlights



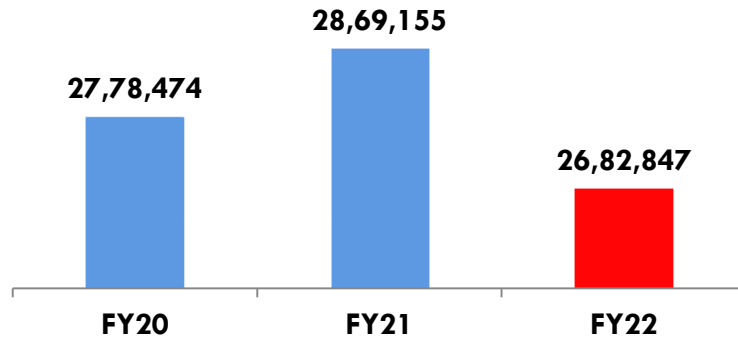
Laminates



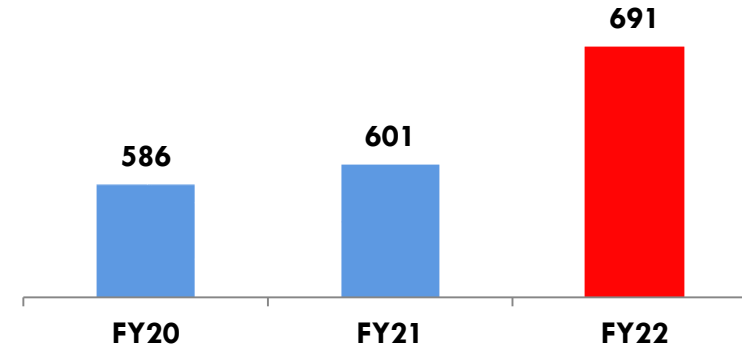
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# Annual Highlights – Laminates

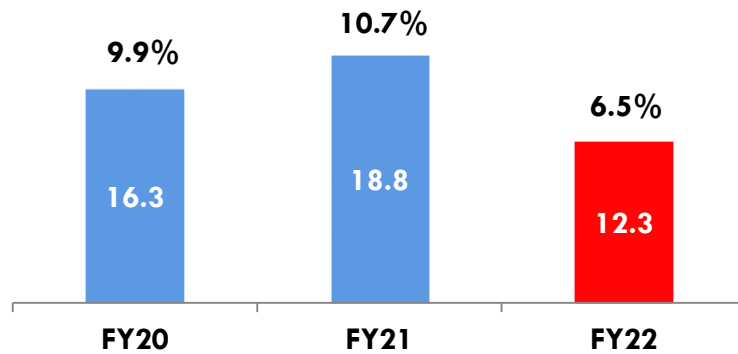
Sales Volumes (Sheets)



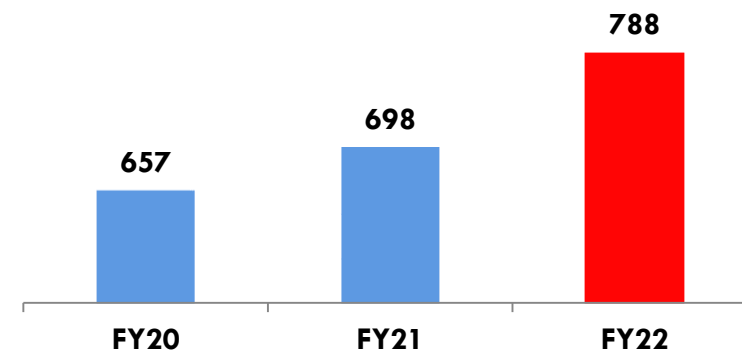
Realization (Rs. per sheet)



EBITDA (Rs. Crore)/ Margins (%)

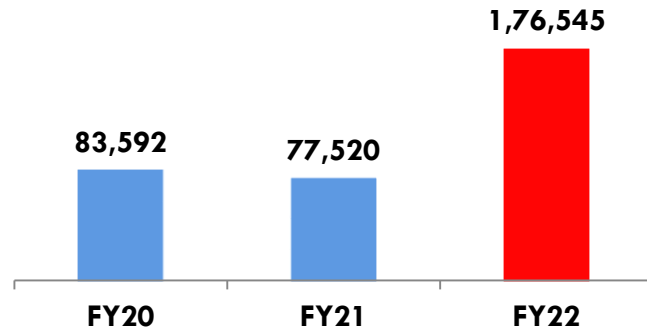


Export Realization (Rs. per sheet)

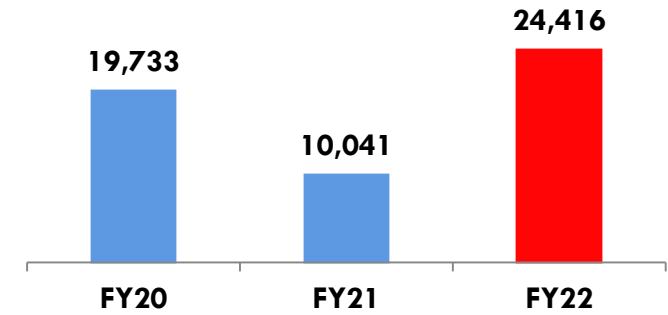


# Annual Highlights – MDF

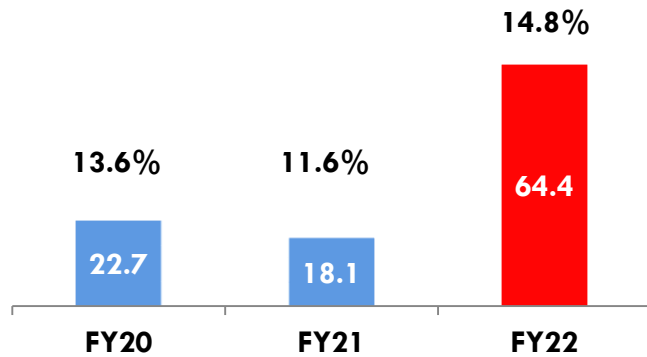
Sales Volumes (CBM)



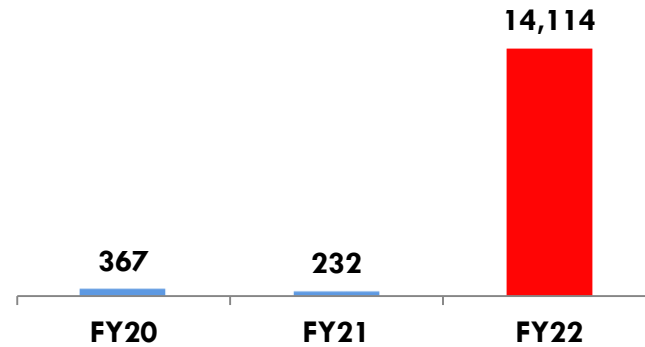
Realization (Rs. per CBM)



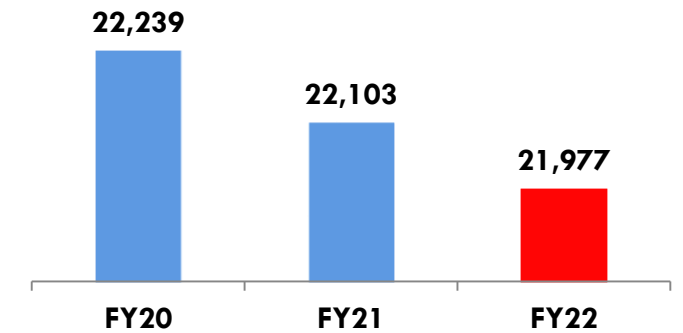
EBITDA (Rs. Crore)/ Margins (%)



Export Volumes (CBM)



Export Realization (Rs. per CBM)

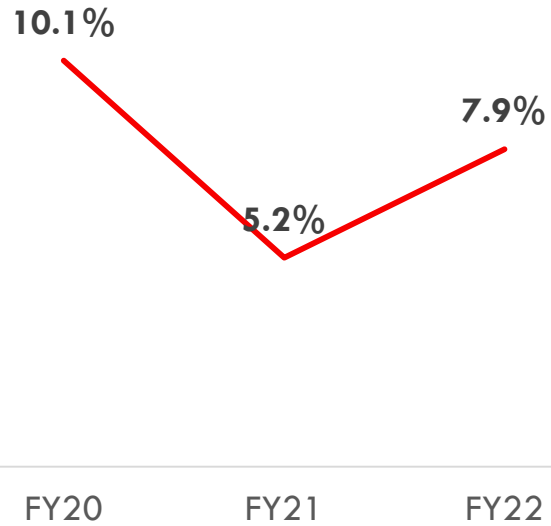


# Annual Financial Highlights

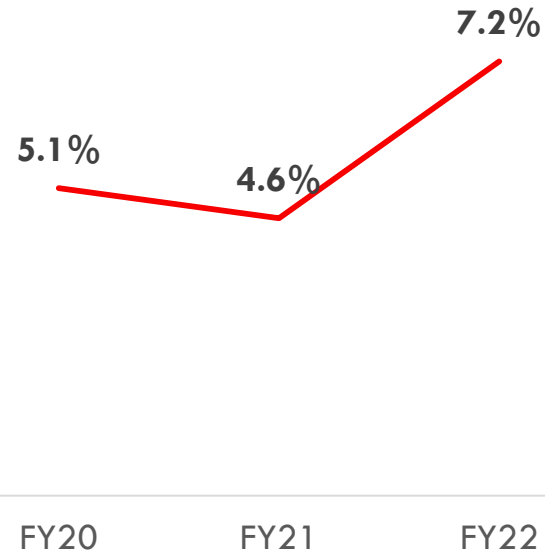
Particulars (Rs. Crore)	FY22	FY21	Y-o-Y (%)
<b>Revenue</b>	<b>624.2</b>	<b>335.4</b>	<b>86.1%</b>
Cost of Services & Raw Materials	366.9	174.2	
(Increase) / Decrease In Stocks	-45.3	5.7	
Purchase of Finished Goods	2.6	1.7	
Employee Cost	40.7	26.8	
Other Expenses	185.4	92.0	
<b>EBITDA</b>	<b>73.9</b>	<b>35.0</b>	<b>111.4%</b>
<b>EBITDA M</b>	<b>11.8%</b>	<b>10.4%</b>	<b>142bps</b>
Other Income	1.4	4.3	
Depreciation	24.4	9.7	
Finance Cost	20.3	12.4	
Exceptional Items	0.0	1.5	
<b>PBT</b>	<b>30.7</b>	<b>18.6</b>	
Tax	7.88	4.94	
<b>PAT</b>	<b>22.79</b>	<b>13.70</b>	<b>66.2%</b>
<b>PAT M</b>	<b>3.7%</b>	<b>4.1%</b>	<b>(44bps)</b>

# Key Financial Ratios

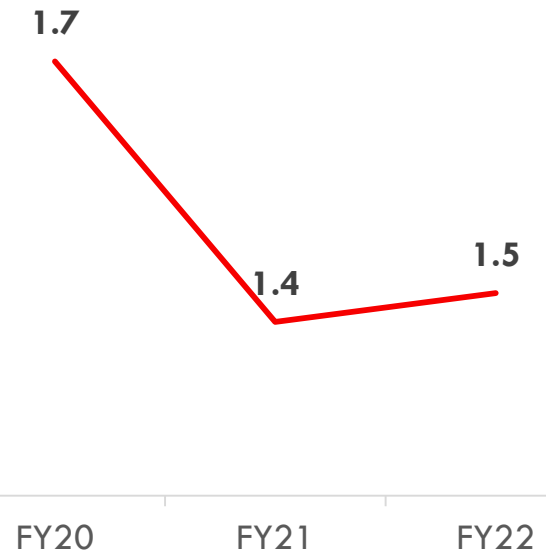
Return on Equity



Return on Capital Employed



Debt to equity





## Way Ahead



Laminates



MDF

# Working towards accretive value creation



## Increase capacity utilization

- Achieve optimum capacity utilization in existing plants and attain higher efficiencies
  - Work towards increasing utilization of laminates capacity from current levels
- 

## Further expand market presence

- Enhance distribution reach – new channel partners and category penetration in existing channels
  - Enhance penetration with leading architects and interior designer community with state-of-the-art tools
- 

## Product & Services

- Capture customer feedback and changing trends to differentiate portfolio
  - Premiumization of portfolio, increase in contribution of value added products in the revenue mix
  - Relentlessly focus on offering quality products and services
-

# Ensure sustainable and responsible growth through Agro Forestry

## What is agroforestry?

- Land use system which integrate trees and shrubs on farmlands and rural landscapes to enhance productivity, profitability, diversity and ecosystem sustainability.

### Win-win for Farmers & RDL

Active participation in government-sponsored agroforestry projects

Farmers in coffee growing regions of South India growing trees on farmland

Fast growing trees such as eucalyptus, acacia, silver oaks

RDL strategically sources Agro-forestry wood from farmers

Farmers gain second source of income



### Benefits

Environmental protection security

Increasing forest / tree cover

Income and livelihood opportunities for rural smallholder farmers

Improvement in productivity

Conservation of natural resources & forest



# RUSHIL

DECOR LIMITED

WE'LL MAKE IT

## Thank you

**Rushil Décor Limited**

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Chief Financial Officer,

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