



RUSHIL

DECOR LIMITED

WE'LL MAKE IT

Investor Presentation Q3 & 9M - FY23



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Q3 & 9M FY23 Financial Highlights



Laminates



MDF

Management Comment



Commenting on the this, Mr. Krupesh G Thakkar, Chairman & Managing Director, said,

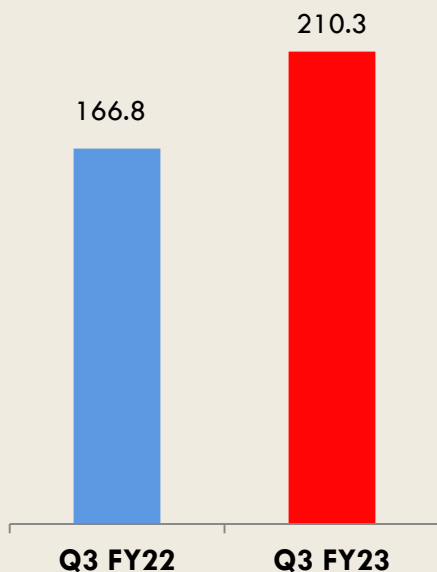
"I am happy to share that during the third quarter we have registered revenue growth of 26% from Rs. 166.8 to Rs. 210.3 crore. This has been driven by both our business segments – MDF as well as laminates. During the quarter, we saw strong demand for our laminates business in the global markets which led to an increase of 41% in export volumes. We expect this trend to continue in the coming quarters as well. Strong global demand for products manufactured by our company will also support our upcoming jumbo laminates manufacturing capacity and help us achieve our target of achieving sustainable growth and higher EBITDA margins.

On the MDF front, our volumes grew by 22% and value by 27% compared to last year. We have displayed steady performance in our domestic MDF business, which grew by 6% in volume terms and 17% by value. From the domestic industry perspective, realizations for basic products have been subdued with increased supply from imports and marginal rise in prices of wood, a key raw material for MDF. We have been able to maintain our performance despite these headwinds by focusing on value-added products, a process we will remain focused on in the future as well. During the quarter, our value added product in MDF contributed 39% of total Revenues from MDF.

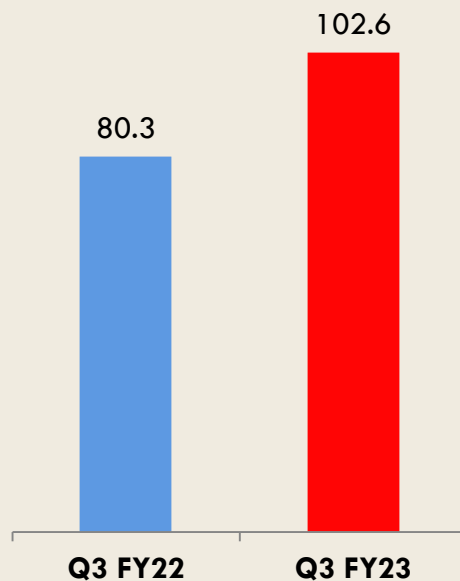
I am delighted to state that during the quarter, we have continued to systematically expand our geographical presence across the country. We also added new SKU's under our value added products, which are gaining strong acceptance in the market as we get numerous inquiries for the same. We are confident that with growing demand for our MDF, transition to strong brands, customers preferring quality products, the industry will see continued growth and Rushil Décor is well-positioned to gain from these trends."

Q3 FY23 Financial Highlights

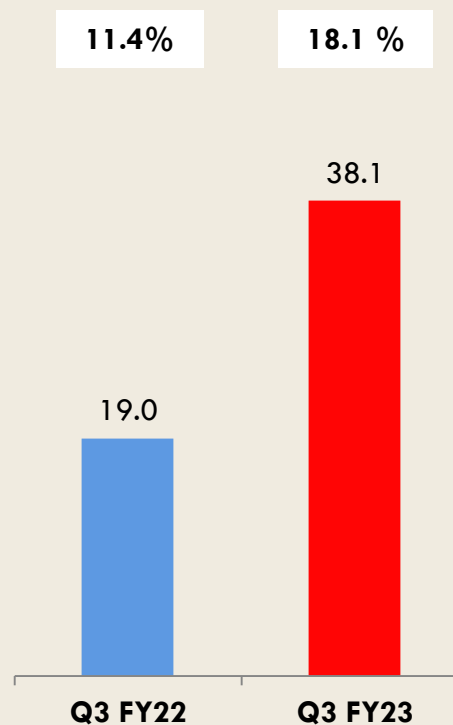
Revenues (Rs. Crore)



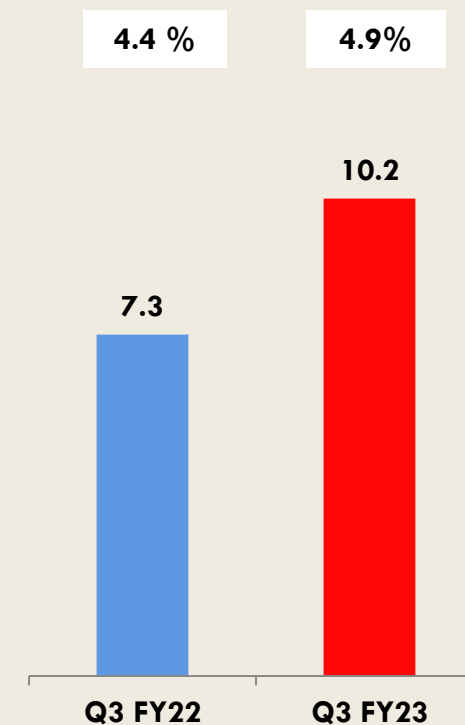
Gross Profit (Rs. Crore)



EBITDA* (Rs. Crore) / Margin* (%)

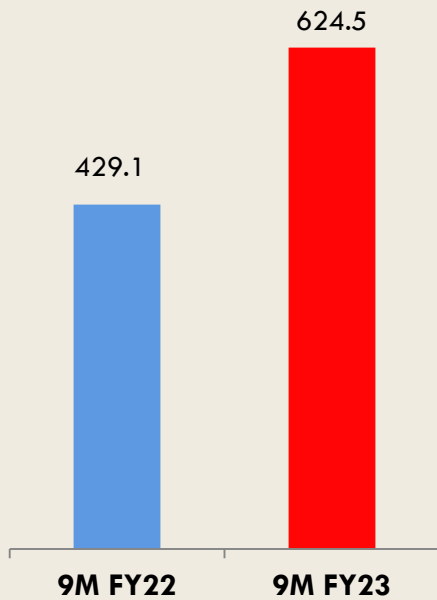


PAT (Rs. Crore) / Margin %

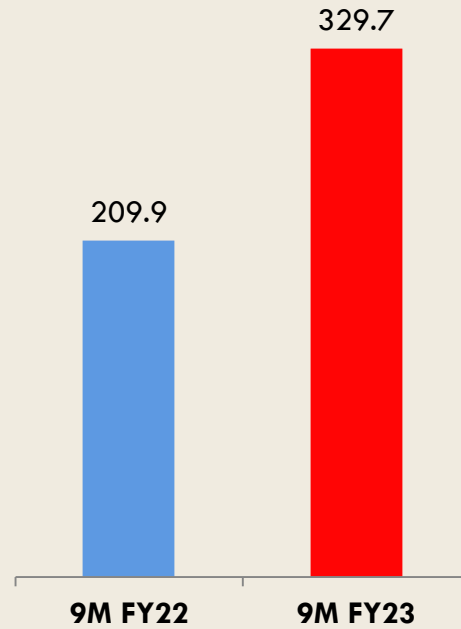


9M FY23 Financial Highlights

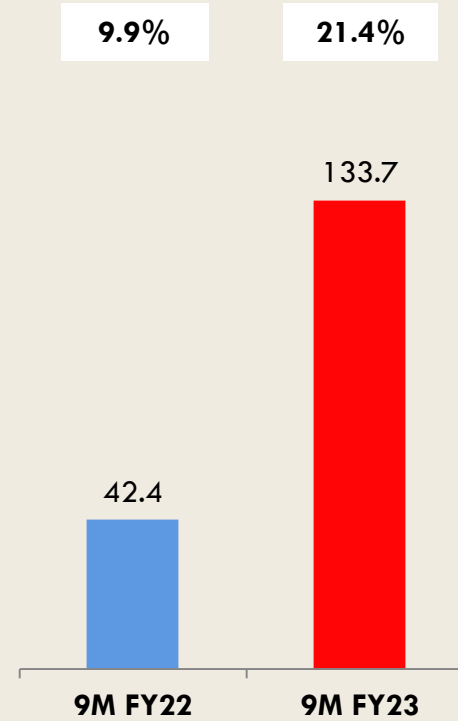
Revenues (Rs. Crore)



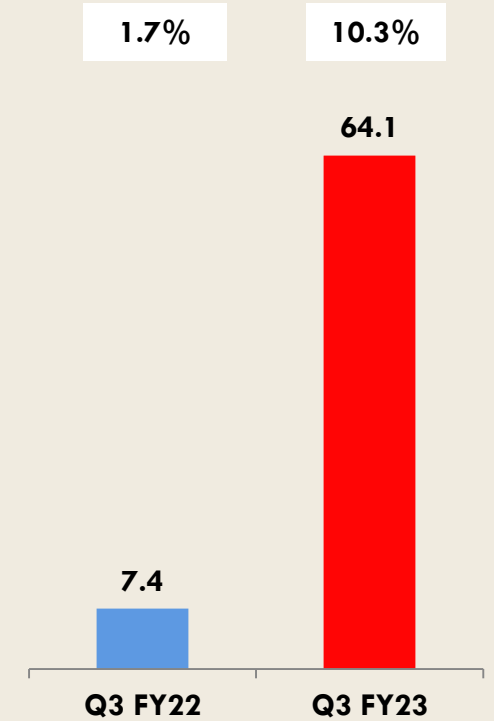
Gross Profit (Rs. Crore)



EBITDA* (Rs. Crore) / Margin* (%)

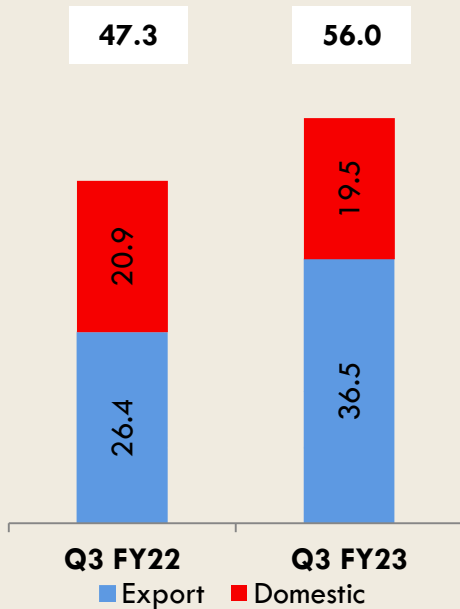


PAT (Rs. Crore) / Margin %



Quarterly Highlights – Laminates

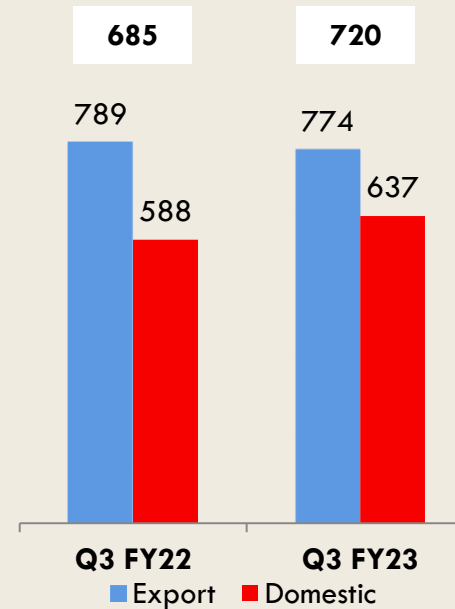
Revenues (Rs. Crore)



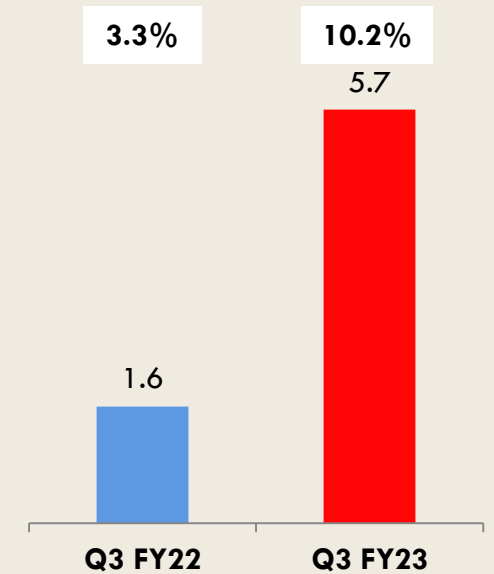
Sales Volumes (Sheets)



Realization (Rs. per sheet)



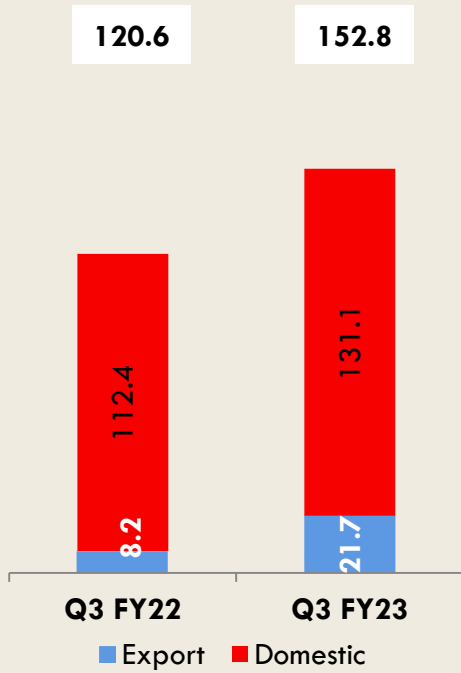
EBITDA (Rs. Crore) / Margin %



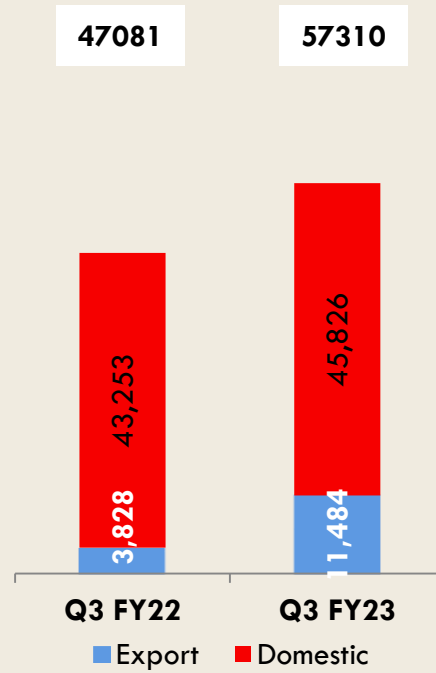
- Volumes in the export market increased by 41%, highlighting strong global demand for products manufactured by the Company
- Improving realizations in the domestic market further supported a significant increase in EBITDA margin in the laminates segment

Quarterly Highlights – MDF

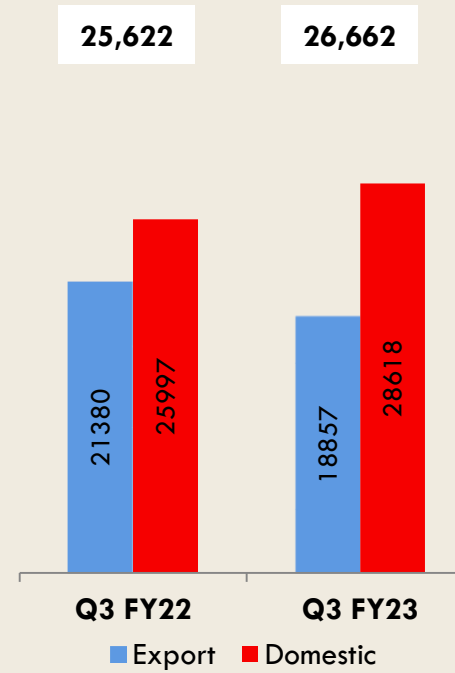
Revenues (Rs. Crore)



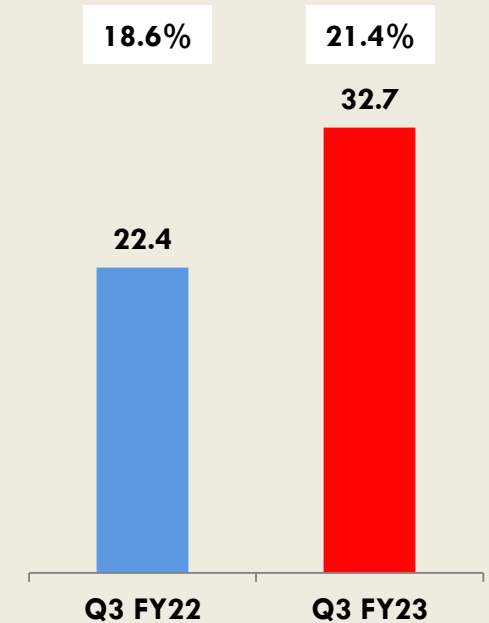
Sales Volumes (CBM)



Realization (Rs. per CBM)



EBITDA* (Rs. Crore) / Margin* (%)



- Volumes in export and domestic markets increased by 200% & 6% respectively

*Adjusted for Forex Loss/Gain

Quarterly & Nine Months Financial Highlights

Particulars (Rs. Crore)	Q3 FY23	Q3 FY22	Y-o-Y (%)
Revenue	210.3	166.8	26.1%
Cost of Services & Raw Materials	105.4	88.1	
(Increase) / Decrease In Stocks	2.3	-2.2	
Purchase of Finished Goods	0.0	0.6	
Employee Cost	11.9	10.4	
Other Expenses	64.2	51.0	
EBITDA	26.5	19.0	39.9%
EBITDA Margin	12.6%	11.4%	
Other Income	0.4	2.7	
Depreciation	7.1	6.1	
Finance Cost	6.5	5.7	
Exceptional Items	0.0	0.0	
PBT	13.4	9.8	37.2%
Tax	3.2	2.5	
PAT	10.2	7.3	40.5%
PAT Margin	4.9%	4.4%	

9M FY23	9M FY22	Y-o-Y (%)
624.5	429.1	45.5%
313.8	249.3	
-19.1	-31.5	
0.0	1.3	
34.6	30.3	
174.0	137.3	
121.2	42.4	186.0%
19.4%	9.9%	
1.1	3.1	
19.7	18.0	
17.0	17.4	
0.0	0.0	
85.6	10.0	755.1%
21.5	2.6	
64.1	7.4	768.5%
10.3%	1.7%	

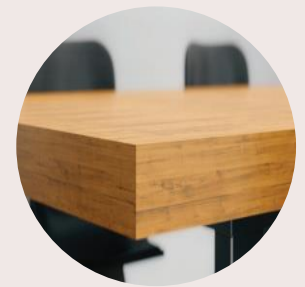
- Growth in revenues was driven by higher contribution from the MDF and Laminates segment
- Q3 FY23 & 9M FY23 Forex loss to the tune of Rs. 11.6 crore and Rs. 12.6 crore respectively included in other expenses, led to lower EBITDA than expected



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 3rd largest manufacturer of MDF boards – with 4 distinct brands

Offering Specialized Products



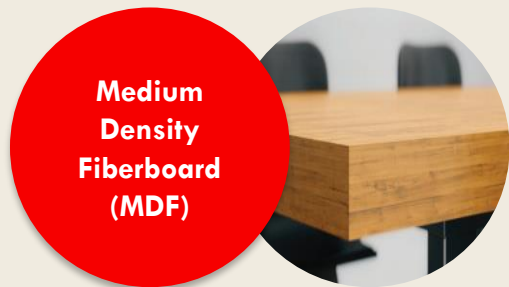
Units 3
Capacity 3.49 million p.a.
Utilization 9M FY23 – 83%
Location Gujarat

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

Brands

Manufacturing

Applications



INTERIOR GRADE MDF



EXTERIOR GRADE MDF



HDF WR



PRELAM MDF

Units 2
Capacity 3,30,000 CBM p.a.
Utilization 9M FY23 – 73%
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

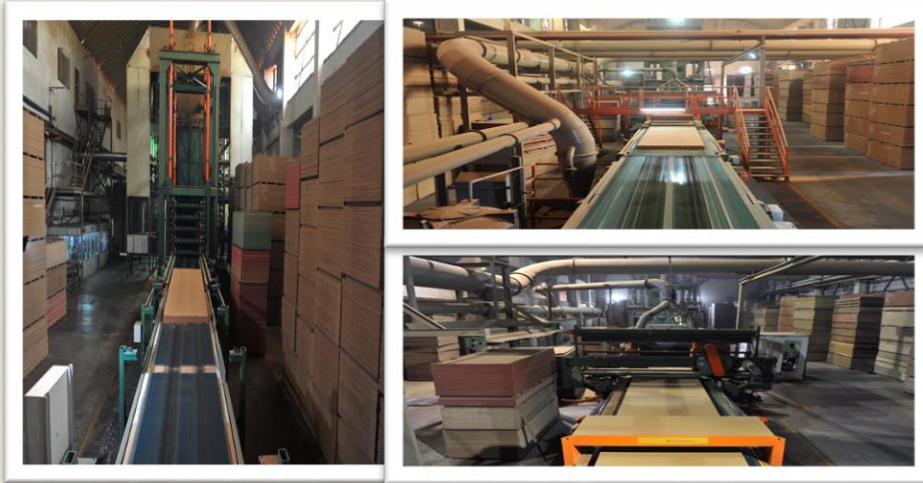
Through State-of-the-art Manufacturing Facilities – Laminates

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 (nine months) – 83%

Visakhapatnam, Andhra Pradesh

- Installed Capacity – 2,40,000 CBM per annum.
- Utilization (nine months) – 70%

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
- 29 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 4,080+dealers/retailers across India

Significant Export Presence

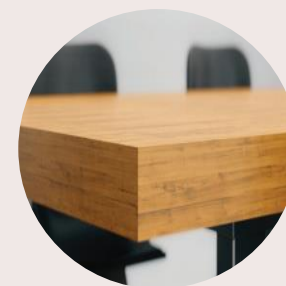
- Exporting to 51+ countries, established strong brand in export markets
- Exports help de-risk business on geographical & customer segments



Industry Overview



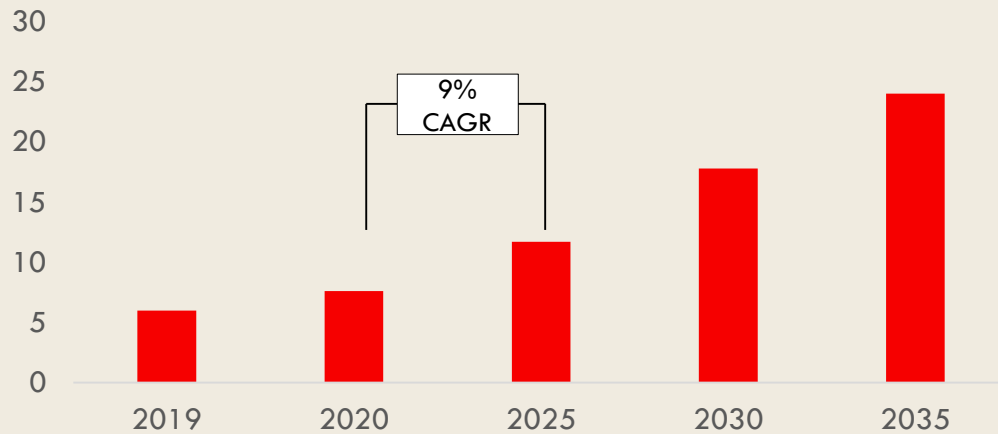
Laminates



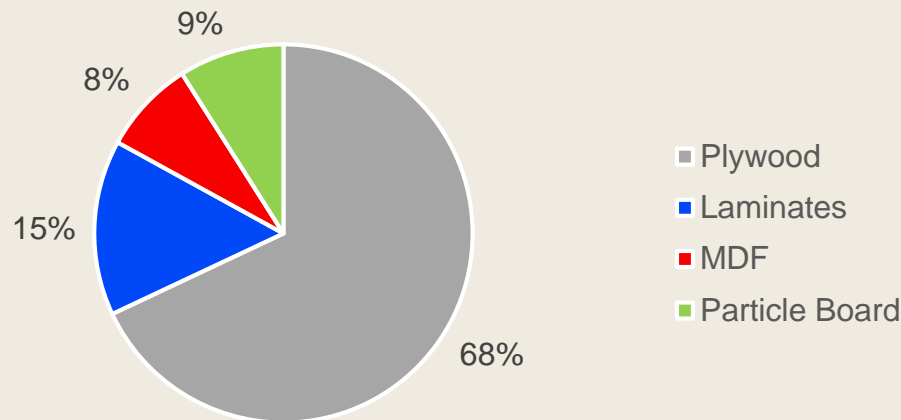
MDF

Indian Wood Panel Industry Overview

Indian Furniture Industry (\$bn)



Indian Wood panel Industry Break - up

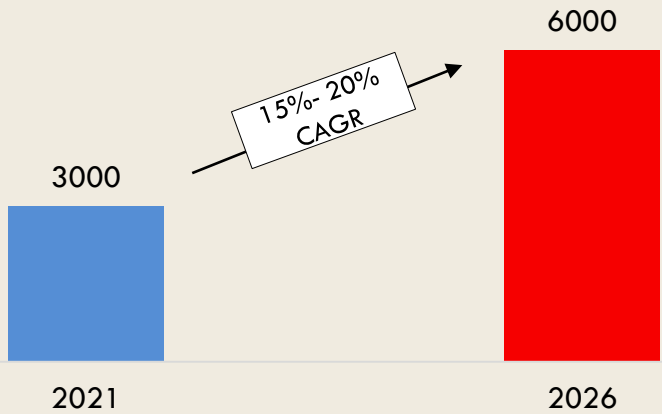


- Indian furniture industry expected to accelerate to 9% CAGR from \$7.6 bn in 2020 to \$11.7 bn in 2025
- Growth in furniture industry, improving standard of living, low installation and maintenance cost are key driving forces for the laminates industry
- Indian laminates industry set to post CAGR of 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

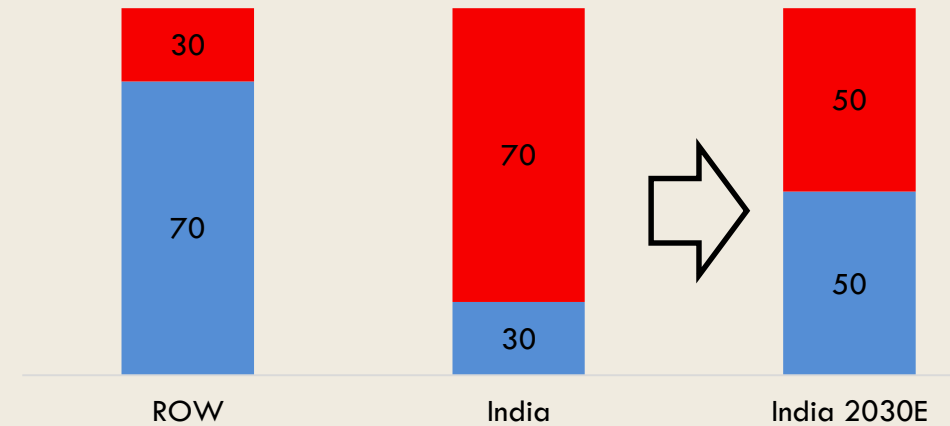
Rising Opportunities in the MDF segment

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)



■ MDF ■ Plyboard **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

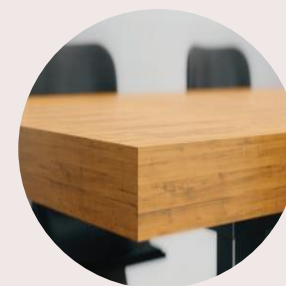
Reduction in Furniture Cycle Time



Historical Financial Highlights



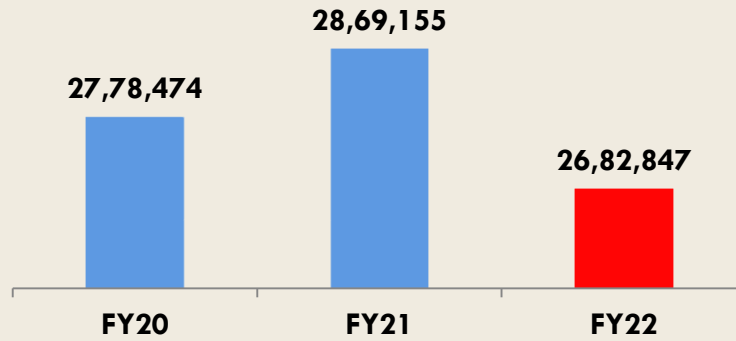
Laminates



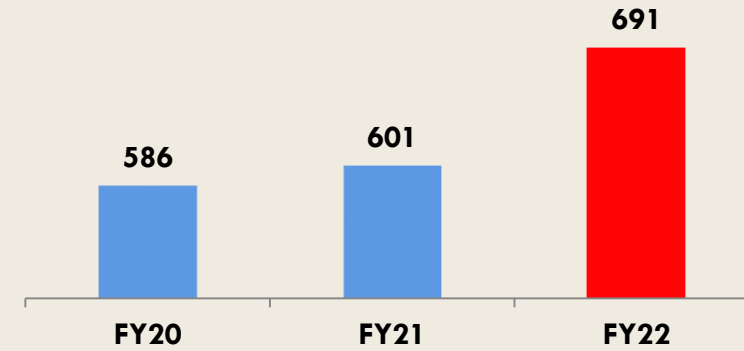
MDF

Annual Highlights – Laminates

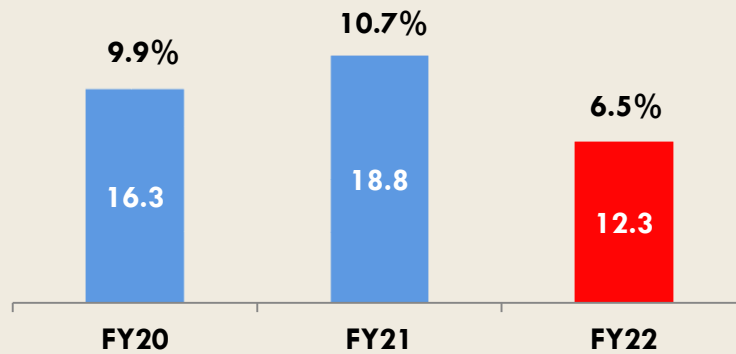
Sales Volumes (Sheets)



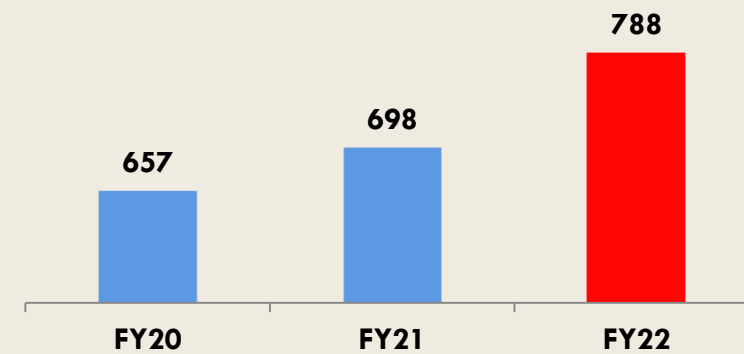
Realization (Rs. per sheet)



EBITDA (Rs. Crore)/ Margins (%)

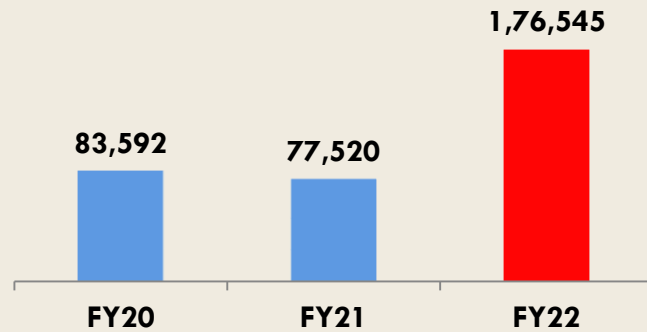


Export Realization (Rs. per sheet)

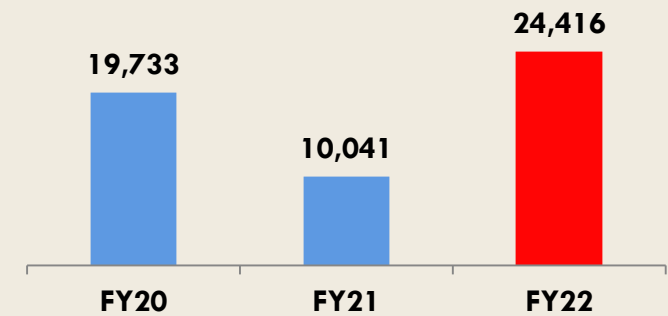


Annual Highlights – MDF

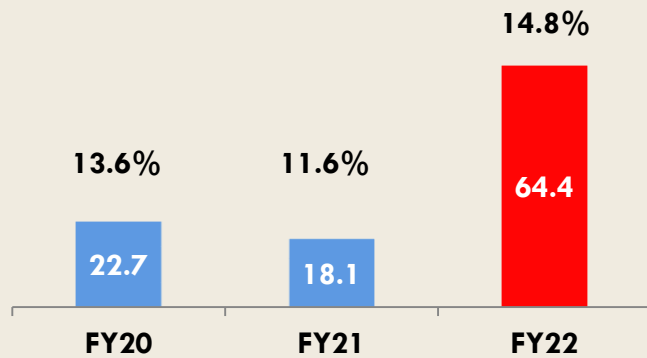
Sales Volumes (CBM)



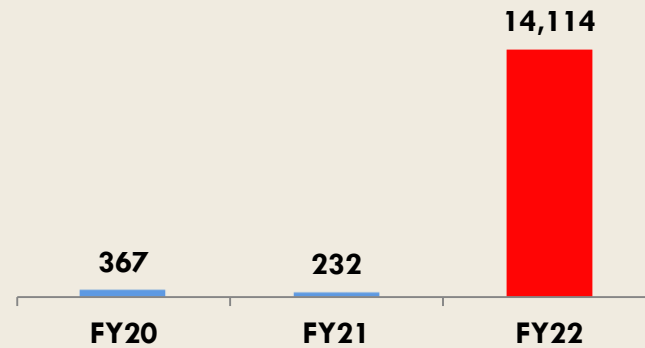
Realization (Rs. per CBM)



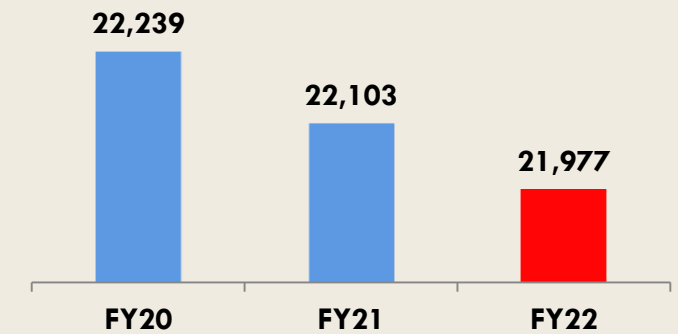
EBITDA (Rs. Crore)/ Margins (%)



Export Volumes (CBM)



Export Realization (Rs. per CBM)



Annual Financial Highlights

Particulars (Rs. Crore)	FY22	FY21	Y-o-Y (%)
Revenue	624.2	335.4	86.1%
Cost of Services & Raw Materials	359.7	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	193.0	92.0	
EBITDA	73.9	35.0	111.4%
EBITDA M	11.8%	10.4%	142bps
Other Income	1.4	4.3	
Depreciation	24.4	9.7	
Finance Cost	20.3	12.4	
Exceptional Items	0.0	1.5	
PBT	30.7	18.6	
Tax	7.9	4.9	
PAT	22.7	13.7	66.2%
PAT M	3.7%	4.1%	(44bps)

Balance Sheet as on 30th September 2022

Rs. Crore	As on 30 th Sept' 2022	As on 31 st Mar 2022
Equity	339.6	286.8
Equity Share Capital	19.9	19.9
Other Equity	319.7	266.9
Non-Current Liabilities	346.3	340.9
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
Current Liabilities	283.4	259.1
Short Term Borrowings	133.0	133.4
Trade Payables		
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
Total Equity & Liabilities	969.3	886.8

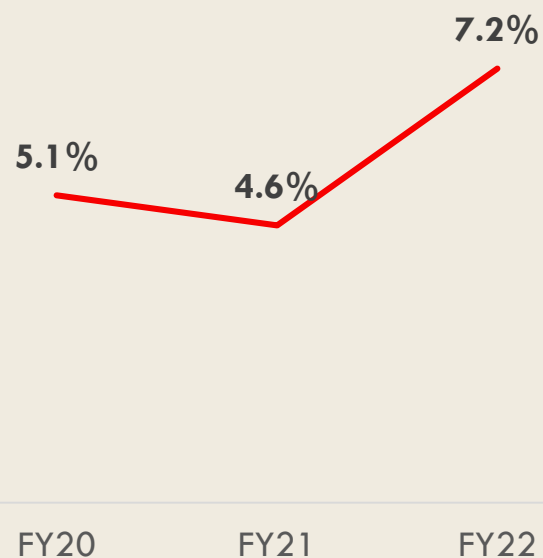
Rs. Crore	As on 30 th Sept' 2022	As on 31 st Mar 2022
Non-current Assets	653.5	610.1
Property, Plant and Equipment	628.8	593.5
Capital WIP	0.1	0.5
Other Intangible Assets	6.9	0.3
Financial Assets		
Investments	0.0	0.0
Trade Receivables	2.3	2.4
Loans	0.1	0.1
Other Financial Assets	10.3	10.2
Other Non- Current Assets	5.0	3.1
Current Assets	315.8	276.6
Inventories	183.0	155.4
Financial Assets		
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
Total Assets	969.3	886.8

Key Financial Ratios

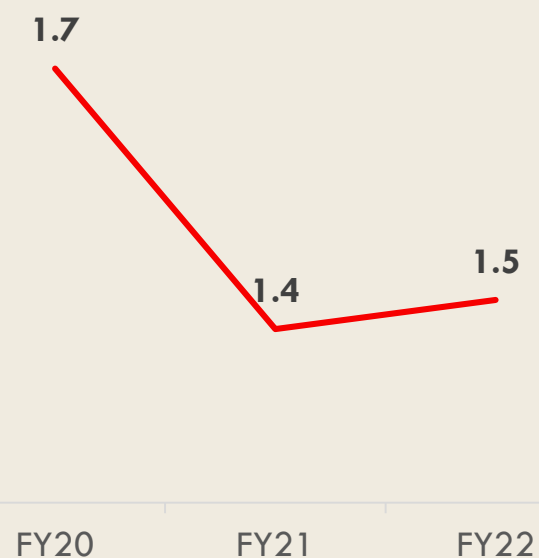
Return on Equity



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

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