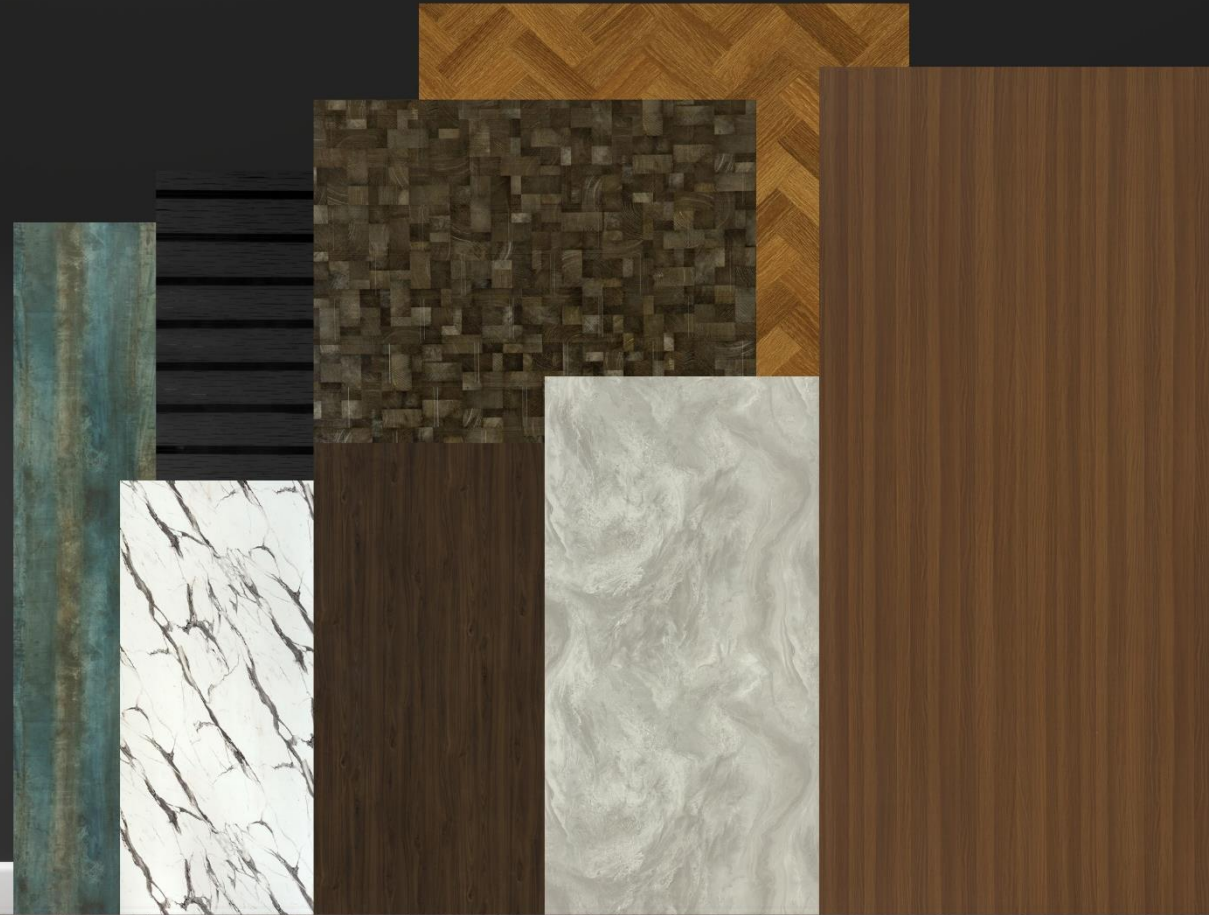




RUSHIL
DECOR LIMITED



Rushil Décor Limited

Investor Presentation | November 2023

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Highlights on the Past Quarter

- Rushil Décor has successfully positioned itself as one of the leading supplier of high-quality MDF and laminates, delivering high quality products and fostering a strong base of repeat business.
- Our commitment to green ecology is evident in our meticulous sourcing of raw materials ensuring responsible forest management and reduced carbon footprint. The extensive range of our Laminates and MDF boards are designed with sustainability in mind.
- The Laminates and MDF Boards portfolio exhibited a notable volume growth of 6% and 11%, respectively. This growth underscores our capacity to expand our market presence and establish a significant foothold within the industry. Our performance during the quarter was satisfactory despite the challenges posed by prolonged monsoons and imports. As a result, our revenues stood at INR 204.6 crore, a marginal growth of 0.6% Y-o-Y and 6.1% sequentially.
- Additionally, it's important to note that as our volumes and revenues grow, we maintain a steadfast commitment to broadening our product portfolio, optimizing manufacturing efficiency, and cost reduction. Notably, our EBITDA margins for the quarter stood at 14.14%. We remain resolute in our focus and are actively working to boost our margins, primarily by emphasizing the sale of value-added products.
- Our recent achievement of a 3-star export recognition is a significant milestone, affirming our readiness to harness our capabilities and serve the global export market. This recognition serves as a clear testament to our commitment to international quality standards and our relentless pursuit of excellence in the field of exports. We anticipate that exports will play a key role, contributing an estimated INR 250 crores to our revenue by FY24.
- The increased demand for products in the market is primarily driven by the surge in urbanization and infrastructure development, coupled with a notable uptick in consumer spending on home renovation projects. This convergence of factors not only amplifies the demand for our products but also firmly establishes our position as a pivotal player in these thriving markets.

Chairman's Message

Mr. Krupeshbhai G. Thakkar



Navigating the first half of the year, we encountered numerous challenges and hereby managed to achieve a year-on-year volume growth in MDF and Laminates segment

We have observed robust enthusiasm and a notable surge in demand for our value-added and sustainable products, both in the domestic market and on the global front. Consequently, our MDF and Laminates segments have experienced a noteworthy increase in volumes.

Looking ahead to the next five years, by 2029, our ambitious goal is to achieve a threefold increase in our turnover to more than INR 2,500 crore. This vision reflects our dedication to sustained growth and expansion. While we aim to capitalize on emerging opportunities, we aspire to uphold our debt-to-equity ratio within 1, ensuring a balanced and responsible financial structure

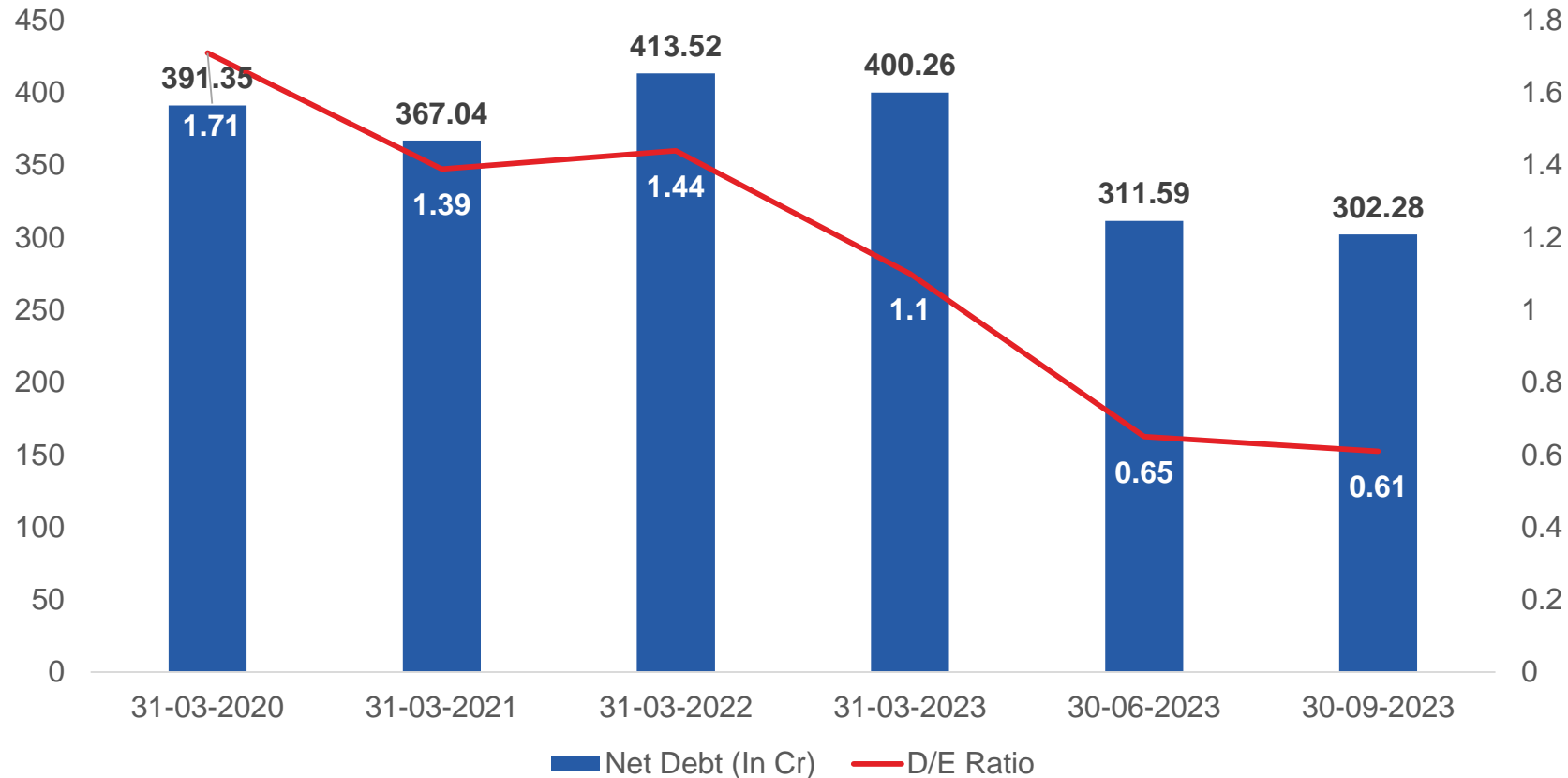
The recent mandatory implementation of BIS certification for wood panel products and furniture imports marks a pivotal development in the industry. This move is expected to contribute to a reduction in imports, creating a favourable environment for domestic players and fostering an atmosphere conducive to the growth and development of the local industry.

Fund Raising Objectives

Sr. No	Particulars	Amount Upto (Rs. In Cr)	Tentative Time Frame for Utilisation
1.	Decorative laminates including bigger size (Jumbo size) laminates manufacturing Project at Mansa	90	Upto 2 years from the date of receipt of fund
2.	Working Capital Margin Requirement	10	Upto 2 years from the date of receipt of fund
3.	MDF Plant & Machinery as well as Civil Work for existing MDF Manufacturing Plants	10	Upto 2 years from the date of receipt of fund
4.	General Corporate Purpose	14.74	Upto 2 years from the date of receipt of fund
	TOTAL	124.74	

These additional resources will play a pivotal role in propelling our growth strategies, enhancing our product offerings, and expanding our market reach.

Debt Profile – Significantly Reduced Debt to Equity Ratio



While we aim to capitalize on emerging opportunities, we aspire to uphold our debt-to-equity ratio within 1, ensuring a balanced and responsible financial structure

Rushil at a Glance



100+ Year
lineage of wood engineering.

25+ Years
in Decorative Laminates
& MDF Boards

2nd Largest
manufacturer of MDF boards and
one the largest player in organized
laminates.

5 State-of-the-art
manufacturing facilities across India,
strategically positioned to deliver
customised products to its
customers.



1,200 +
SKUs / Designs



6
Distinct Brands



550 +
Direct Distributors



4,000 +
Retailers Dealers



3 Star
Export House Recognition



3,000 +
Workforce

Rushil Décor stands as a prominent luminary in the wood panel sector, manufacturing exquisite laminates and MDF boards

Offering Specialized Products - Laminates



 **3**
Units

 **3.49** Million
Sheets Per Annum
Installed Capacity

 **82%**
Average Capacity
Utilization for Q2FY24

APPLICATION

Home Furniture

Cabinet Doors

Desktops

Wardrobes

Wall Paneling

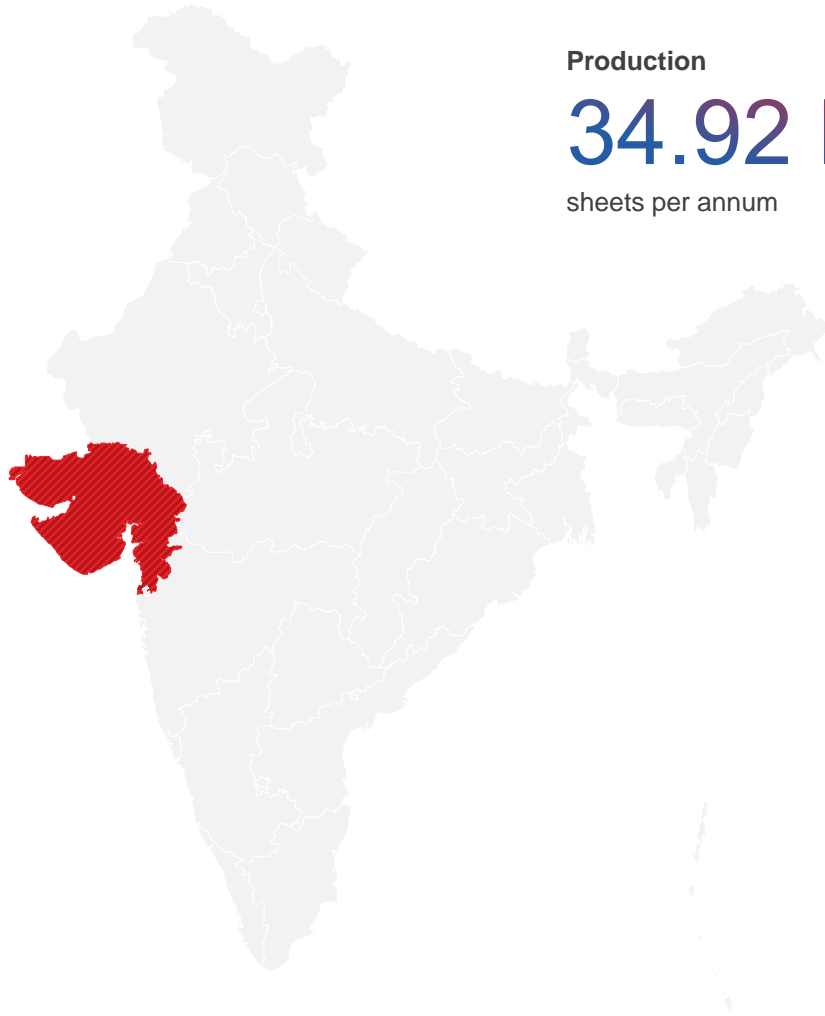
Commercial
Furniture

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

Production

34.92 lakh

sheets per annum



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



Laminates Expansion Plan For Export Growth

Production

~28 lakh

sheets per annum



RDL, 608, GIDC Mansa, Dist.
Gandhi Nagar, Gujarat

Expected Revenue
Potential in FY25

60-80 Cr

Expected Revenue
Potential in FY26

160-180 Cr

Expected Margins %

~12-15%

Benefits



Increased Capacity



Improved quality with
jumbo size



Catering to developed
markets – Europe, USA,
Australia and New Zealand



Improved top and bottom line



Growth trajectory - last year
margin 6 to 7 % present 10
to 11 % after new project
around 12-15%



This expansion is in line
with the management
strategy

Offering Specialized Products - MDF



INTERIOR GRADE

EXTERIOR GRADE

HDFWR



2

Units



3,30,000

CBM Per Annum
Installed Capacity



75%

Average Capacity
Utilization for Q2FY24

APPLICATION

Residential &
Commercial
furniture

Wall Paneling

Architectural
Moldings

Industrial
Products

Sports Goods

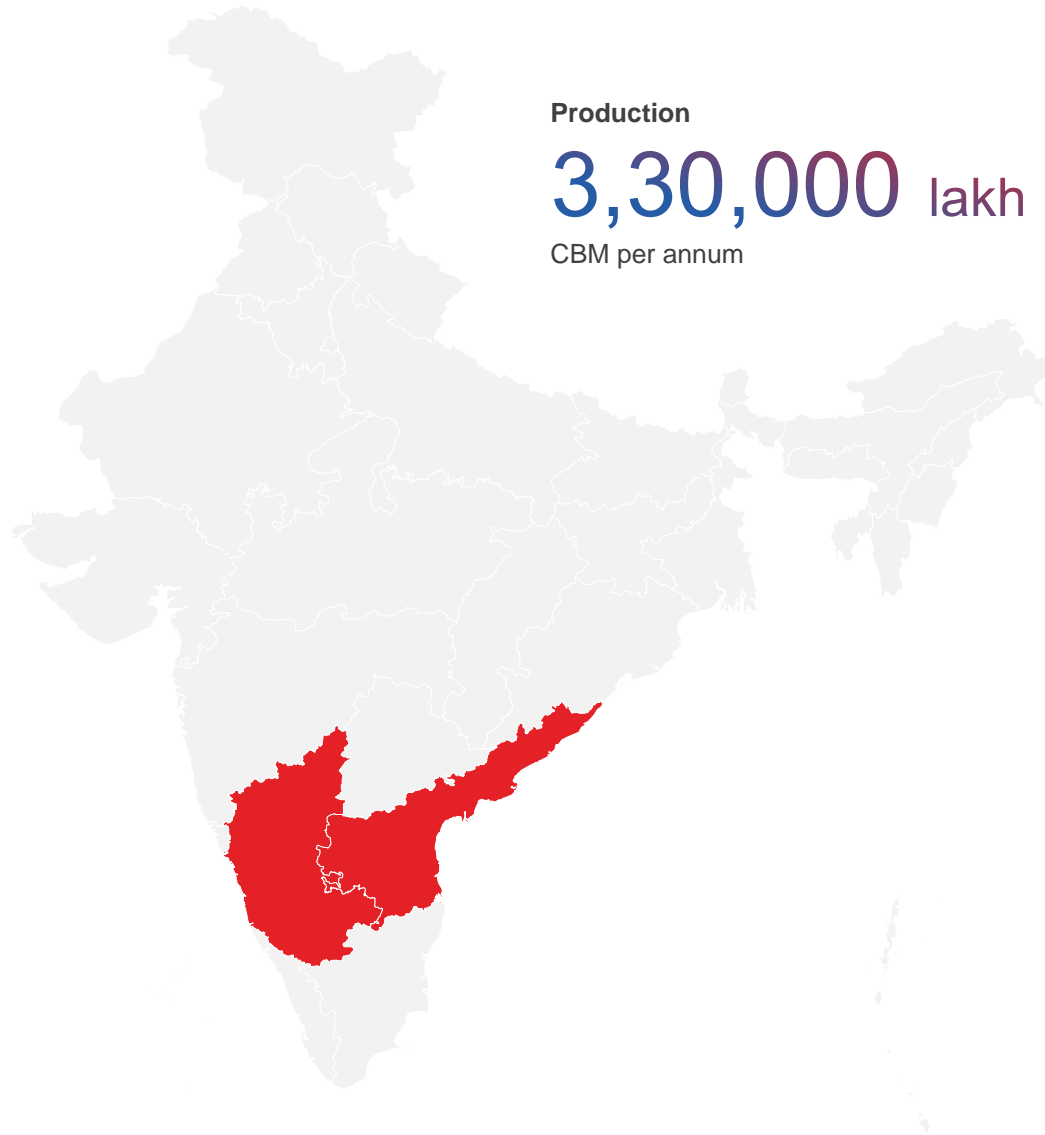
Display
Cabinets

CNC Routing


Flooring

Doors &
Partition
Cornices

Technically Advanced MDF Manufacturing Plant




UNIT 1




Chikmagalur,
Karnataka

Installed Capacity
90,000
CBM per Annum

Utilization (Q2 FY24)
83%




UNIT 2



Vishakhapatnam,
Andhra Pradesh

Installed Capacity
2,40,000
CBM per Annum

Utilization (Q2 FY24)
72%



Farm to Furniture – Step towards Sustainable Sourcing and Delivering Quality

27,000

Hectares of land cultivated

~6.4 Lakh

Farmers provided with Saplings

~135 mn

Trees planted in Karnataka and Andhra Pradesh

~8 mn

Saplings to be planted by FY24

ENSURING SUSTAINABLE SUPPLY OF WOOD



Benefits to Farmers

Farmers can now use their wastelands for agro-forestry

A Supplementary Revenue Stream as RDL Procures Wood at Competitive Prices

Agroforestry practices contribute to sustainable land management and can improve the long-term productivity of farmland

Benefits to Community

Conservation of natural resources & forest

Economic momentum, sustainable livelihoods, and employment opportunities for thousands of skilled and unskilled individuals

Environmental protection security

Benefits to Rushil Décor Limited

Ensures consistent supply of raw materials from farmers

Plants are strategically located nearer to agro-forestry plantations helps in reduce transportation, lower emissions

We are committed to promoting agroforestry to sequester carbon and to broaden the social, economic and environmental sustainability of rural development

Agroforestry diversifies offering vital social, economic, and environmental benefits, shaping a greener planet and a better future for all

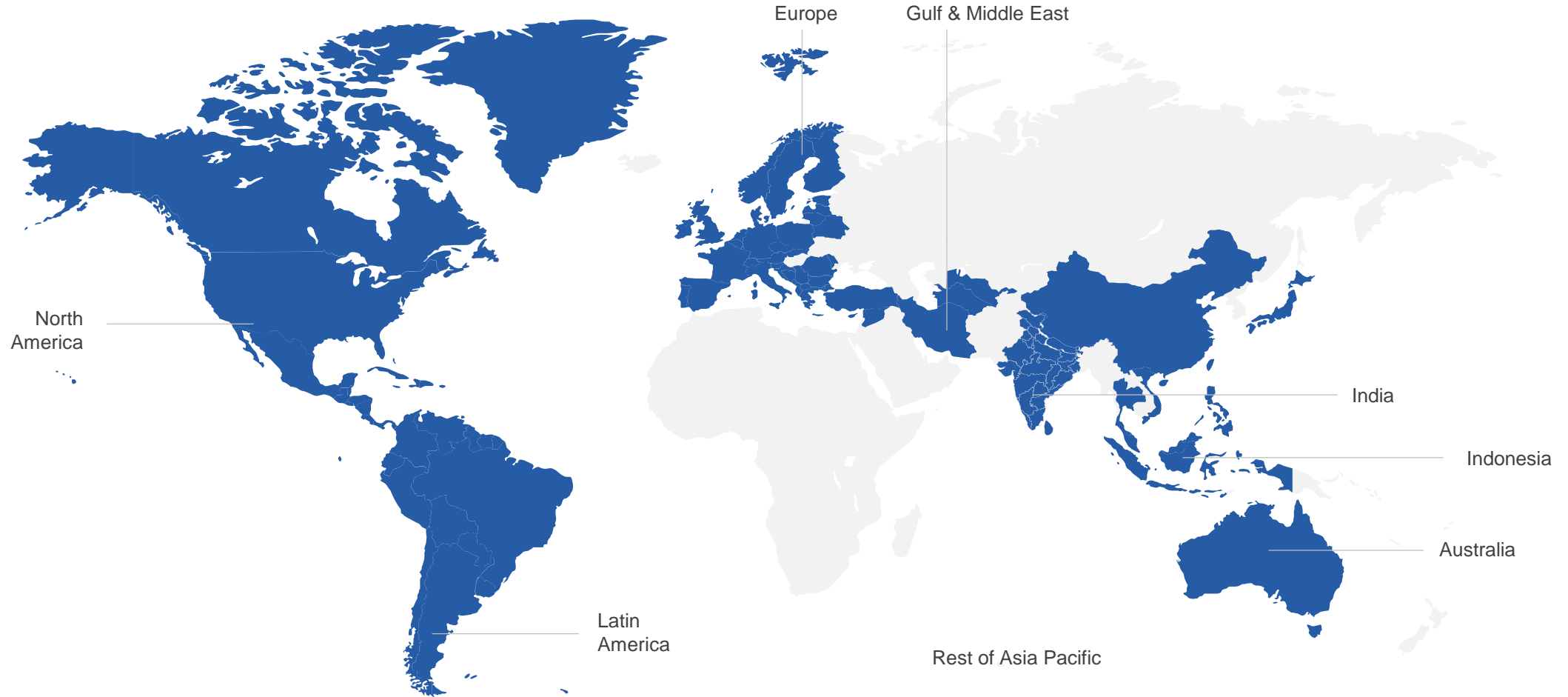
Farm to Furniture – Institutional Partners

- Networking with Indian Paper Manufacturers Association (IPMA) for encouraging plantation in commanding areas of Rushil Décor Ltd.'s units.
- Learning and practicing with Wood is Good magazine and development of National working plant code for forest management standards (IWST/ IPIRTI, Autonomous body of Ministry of Environment Forest and Climate Change)
- Efforts for minimizing import with AIPM and DGTR
- Knowledge sharing with Central Pulp and Paper Research Institute (CPPRI – Ministry of Industry and Commerce)



Source: Company Data

Expanding Footprints to 50+ Countries



As we embark on our expansion into newer regions, we see significant opportunities for our value-added products. We continue to prioritize product development and innovation and ensure that our products meet the demands of the new market.

Our Core Competencies



Product Innovation & Value Engineering

We persistently prioritize design and quality in our product innovation, aiming to make our brand stand out in the market.



Strategically Located Manufacturing Plants

Strategically situating our manufacturing facilities near raw material sources guarantees a steady, cost-effective supply chain, ensuring operational efficiency for Rushil Decor.

Strong Branch and Dealer Network

Through a vast network of 550+ distributors and 4,000+ retailers nationwide, Rushil Decor achieves efficient customer reach across diverse locations, solidifying its domestic presence.

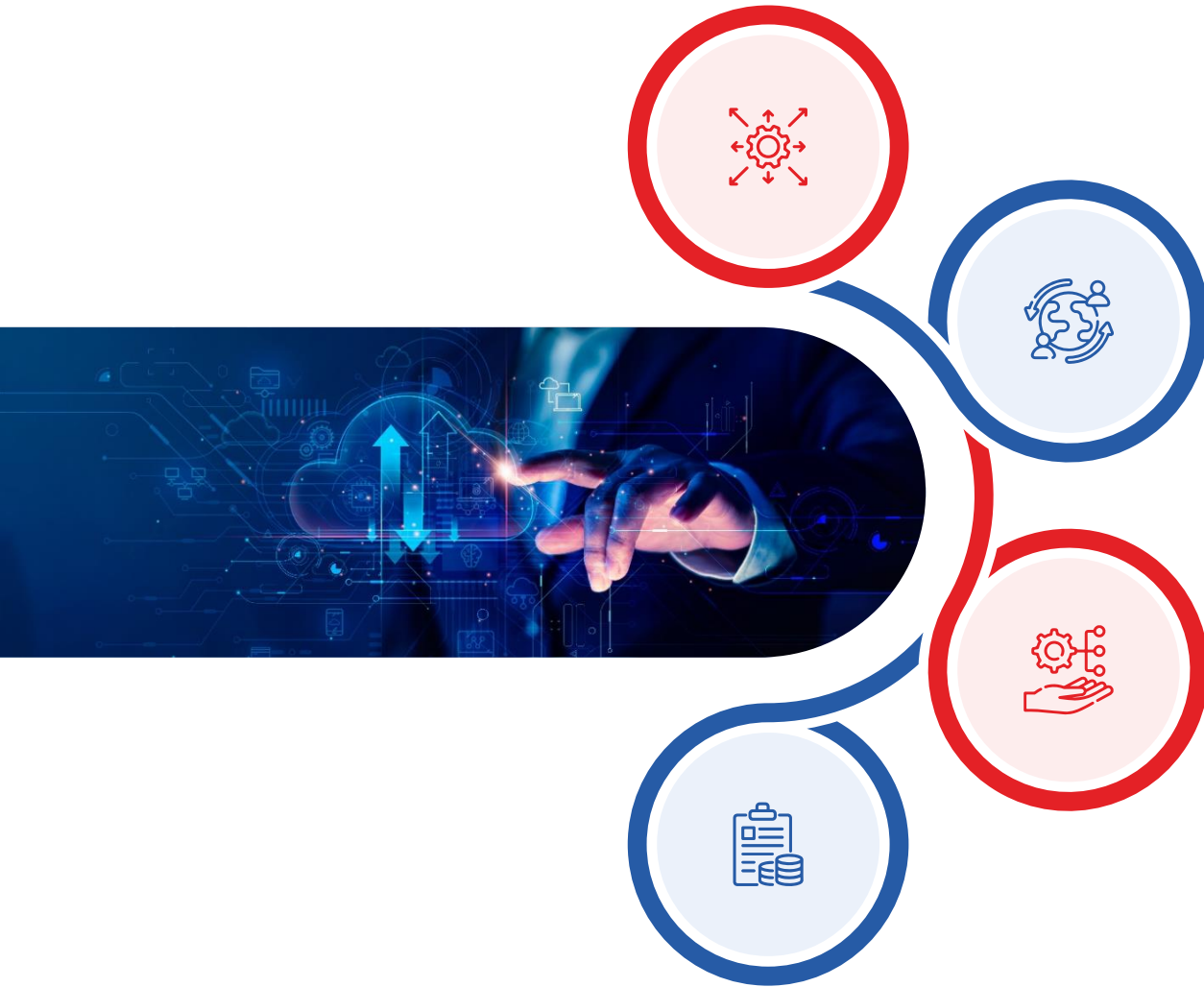


Significant Export Presence

We've expanded to 50+ countries, building a strong export brand, which not only fuels growth but also diversifies risk for sustainable expansion.



Digital Parivartan with SAP S/4 Hana



SAP Implementation Scope

Comprehensive implementation of SAP across entire organization including 5 state-of-the-art manufacturing plants, warehouses, CNF Agents, head office and branches

Migration

Historical reliance on Tally for over 30 years
Successful migration to SAP, representing a significant transformation

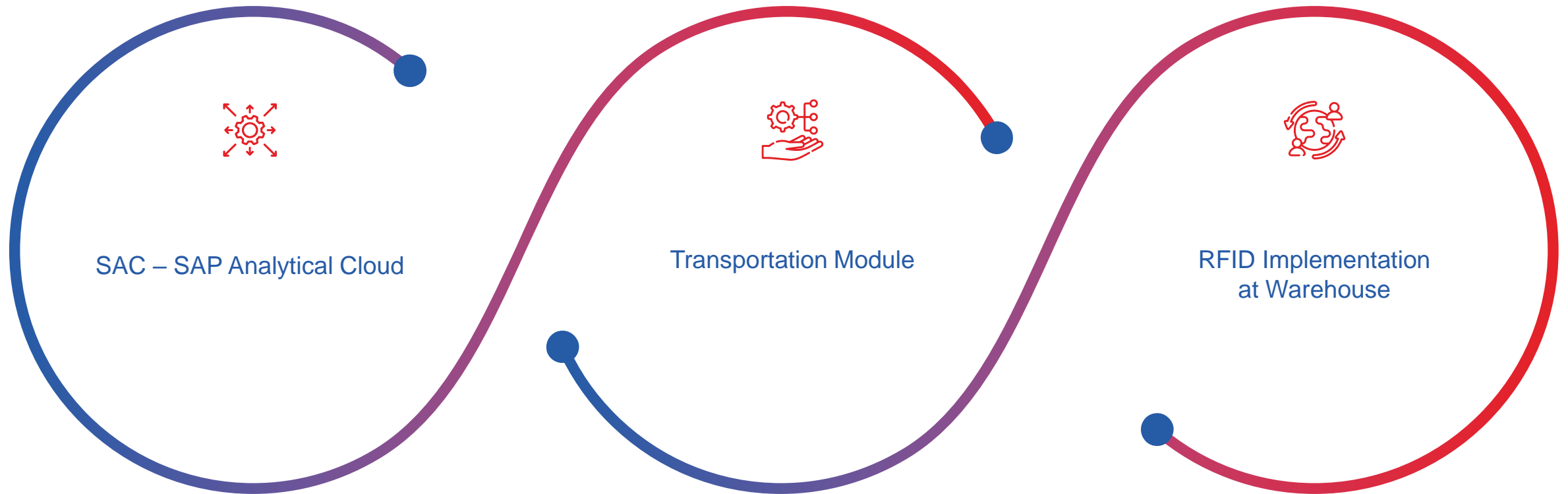
Speedy Implementation

Implementing SAP in a record time of just 7 months
Highlights organization's commitment to efficient project management and execution

Financial Results from SAP

The financial results for 30th June 2023, obtained through SAP Become more efficient, leading to better resource utilization

Digital Parivartan – Phase 2



Implementation of SAP phase 2 supports business transformation and innovation, ultimately contributing to organization's long-term success

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

30 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

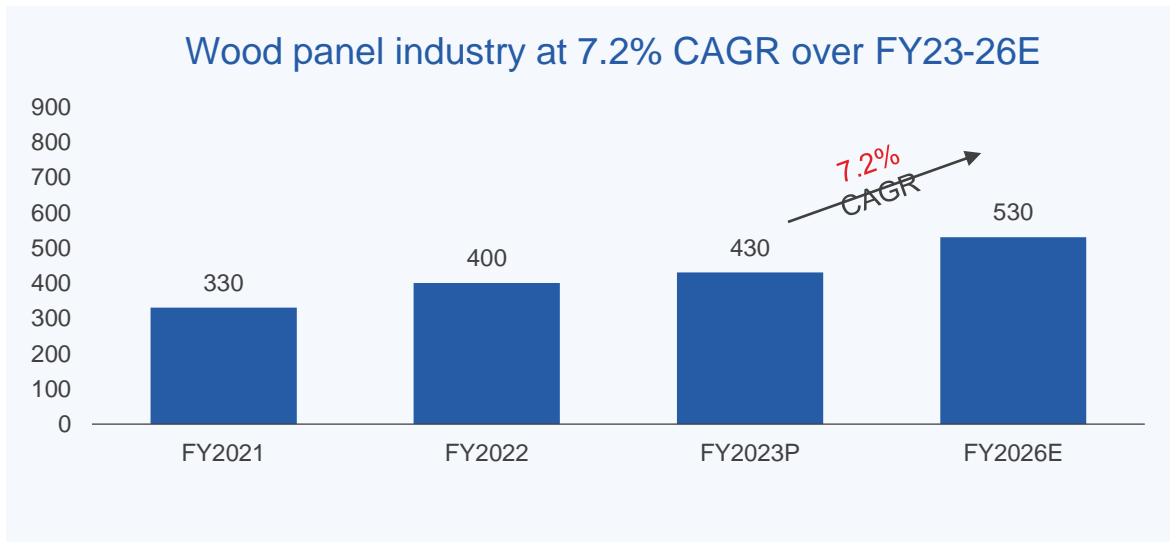
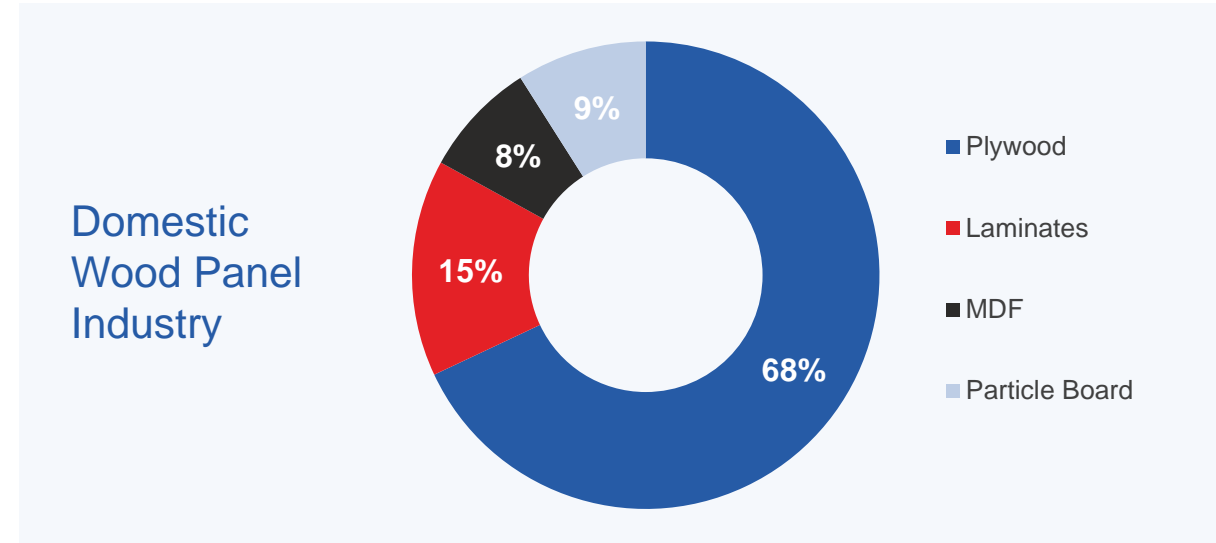
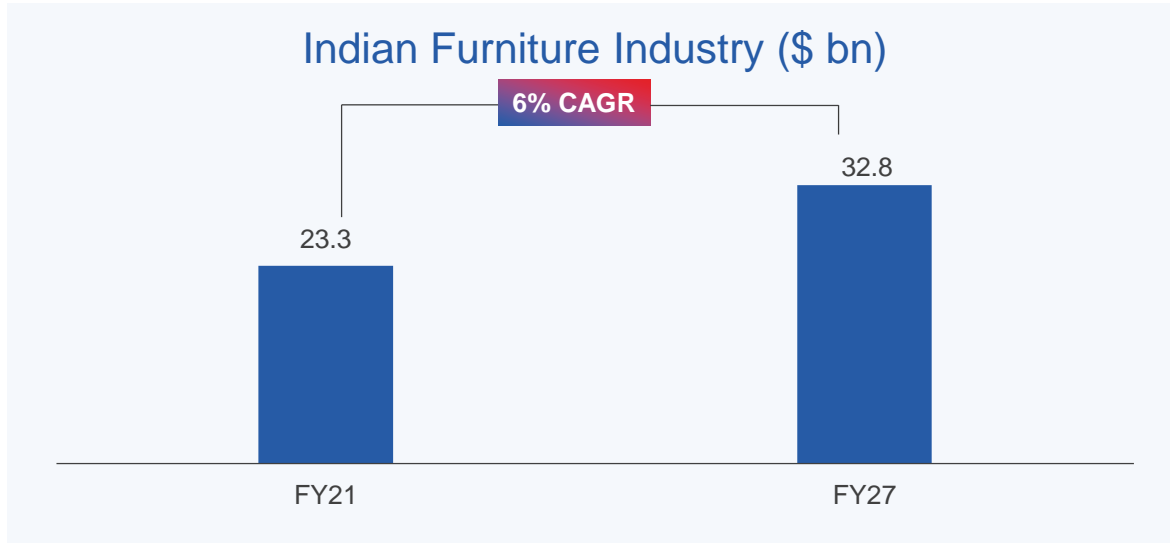
Branding Activities



- The new TV commercial (TVC) effectively demonstrates the capabilities of MDF, positioning it as a superior alternative to plywood and other wood-based panels.
- The commercial aimed at encouraging carpenters, interior decorators and other professionals to adopt VIR MDF for crafting durable and stylish furniture, shelves, doors, cabinets and various other applications.



Indian Wood Panel Industry Overview




Indian Furniture industry expected to accelerate to CAGR of 6.0% over FY21-27 to reach USD 32.8 bn



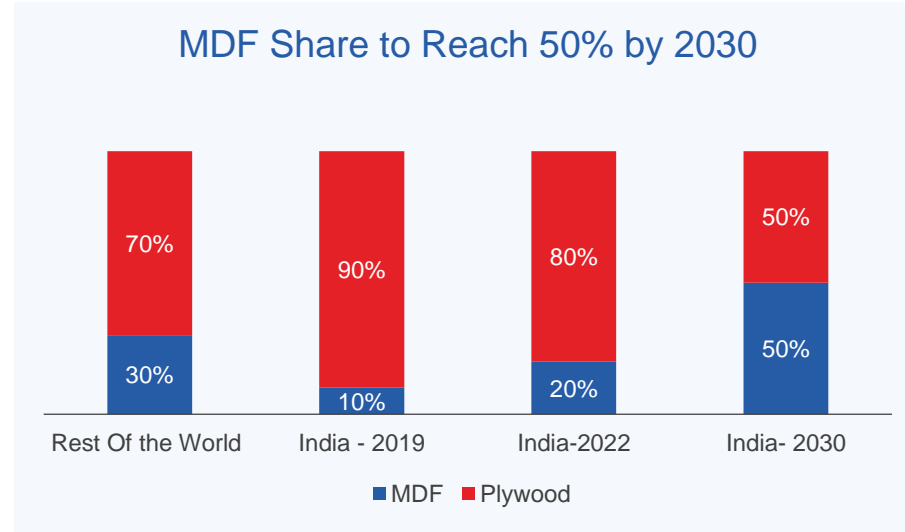
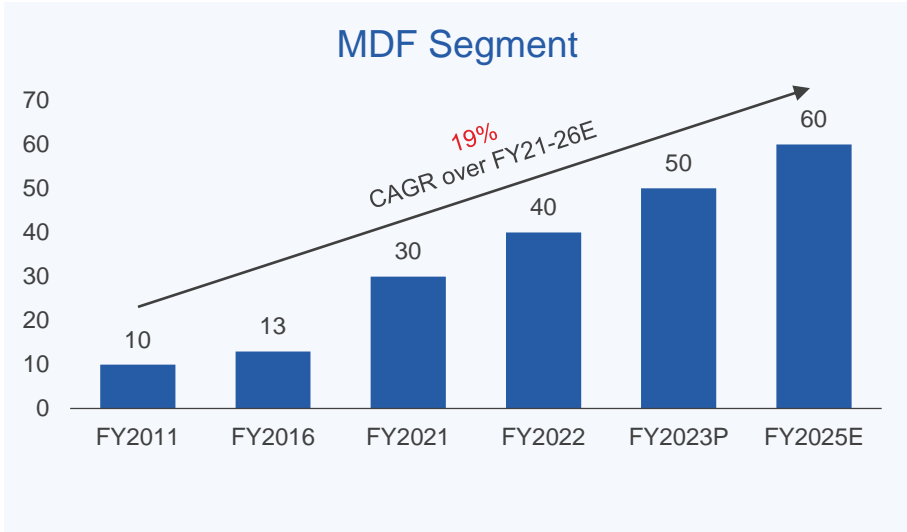
Real estate market in India is expected to grow at ~20% CAGR over CY21-30E and reach USD1tn by 2030.



The Market is mainly growing on account of :

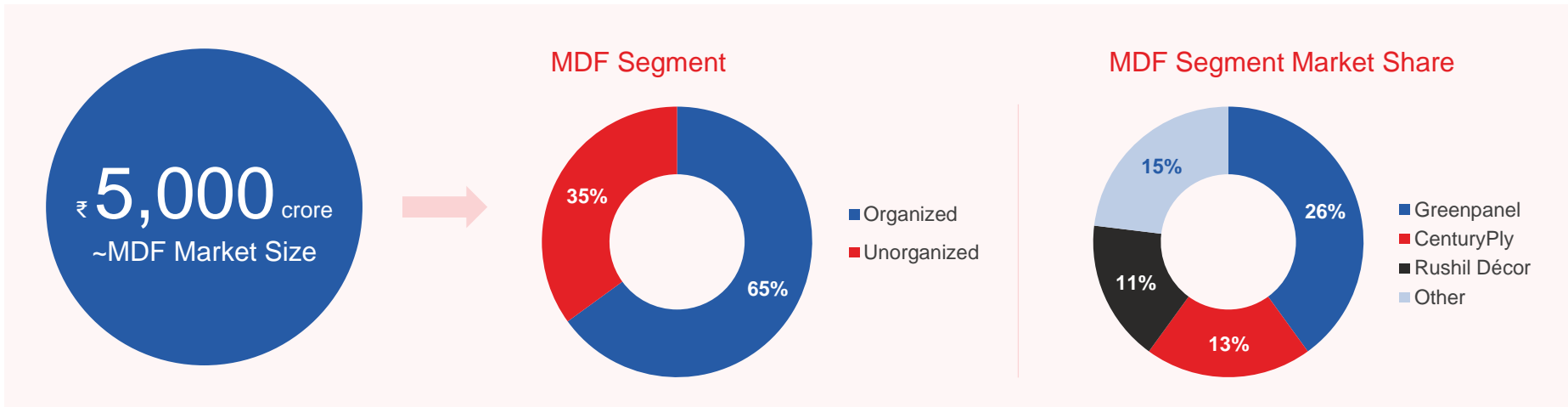
- Urbanization
- Large scale young population
- Rising disposable income

MDF Industry Overview



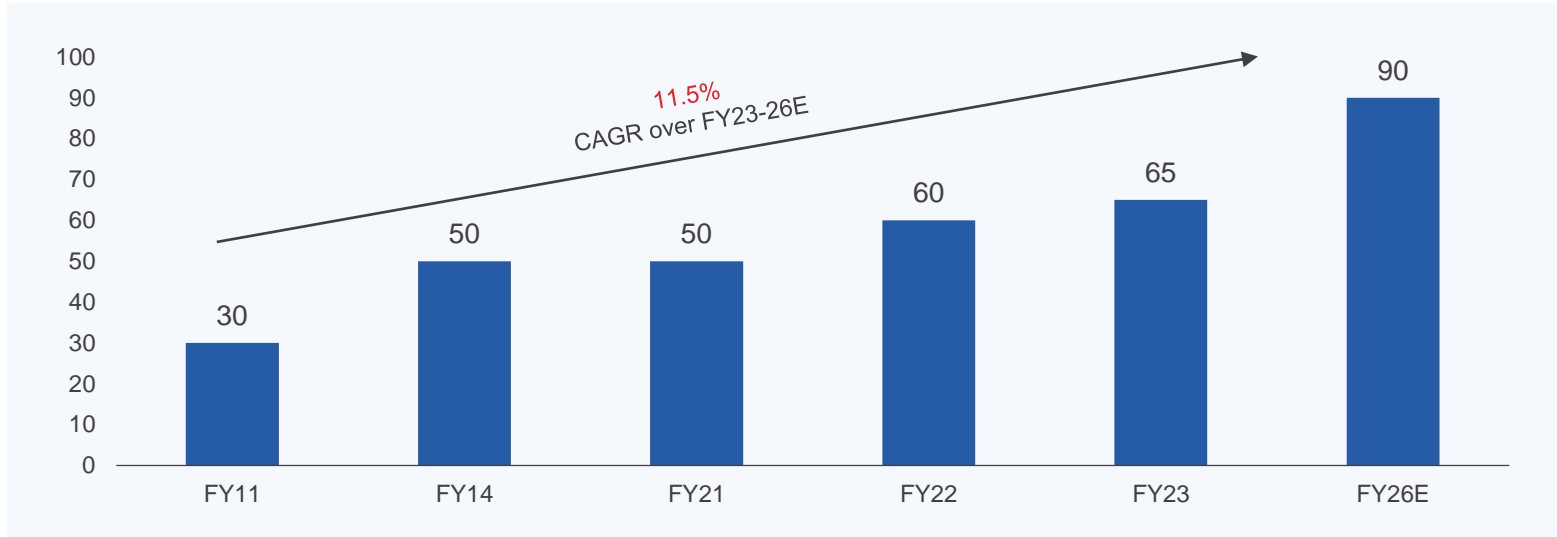
Growth Drivers

- Growth in the Real Estate Sector
- Modernization of Furniture Industry
- Rapid Pace of Urbanisation
- Changing demographics of Young Population
- Sustainability and Green Building Practices
- Reduction in Furniture Cycle Time



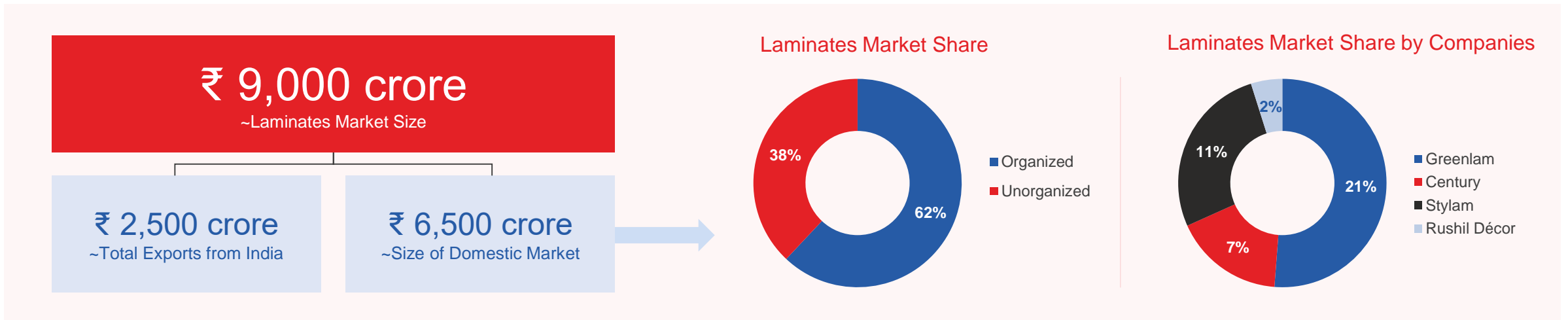
Source: PL report, Industry Report, Company Data

Laminates Industry Overview



Laminates business at 11.5% CAGR over FY23-26E

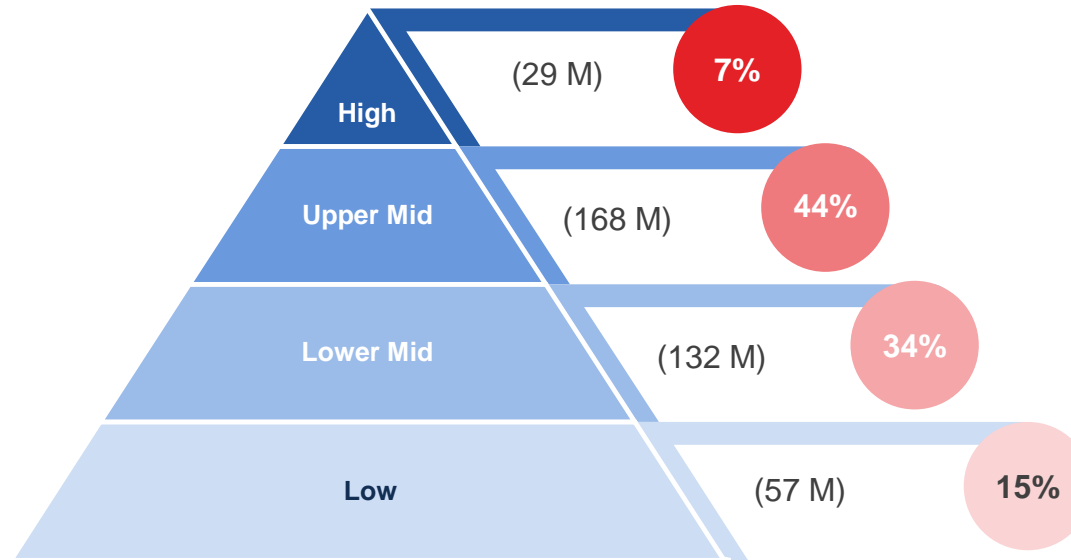
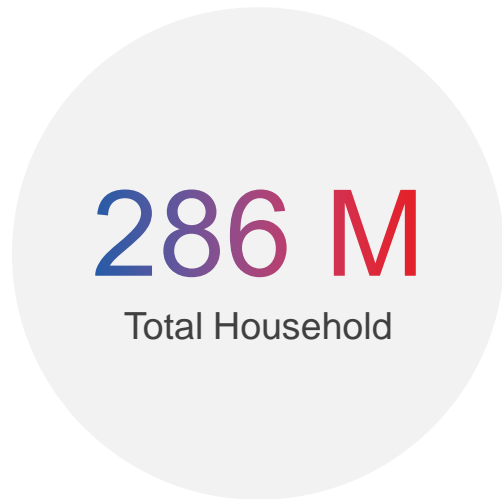
The laminates market is growing due to higher living standards, a preference for modern home furnishings, and increased urbanization



Source: PL report, Industry Report, Company Data

Woodpanel - To Grow on the back of Rising Middle Income Household

Increasing share of middle-class households (Est 2030)



Favorable demographic
(India's population in age group 25-64 years reached >65%)

Rapid Urbanisation
(India's (36% in CY22; Expected to reach >50% by CY45)

Rising per capital Income
Expected to reach USD 3,300 by CY25)

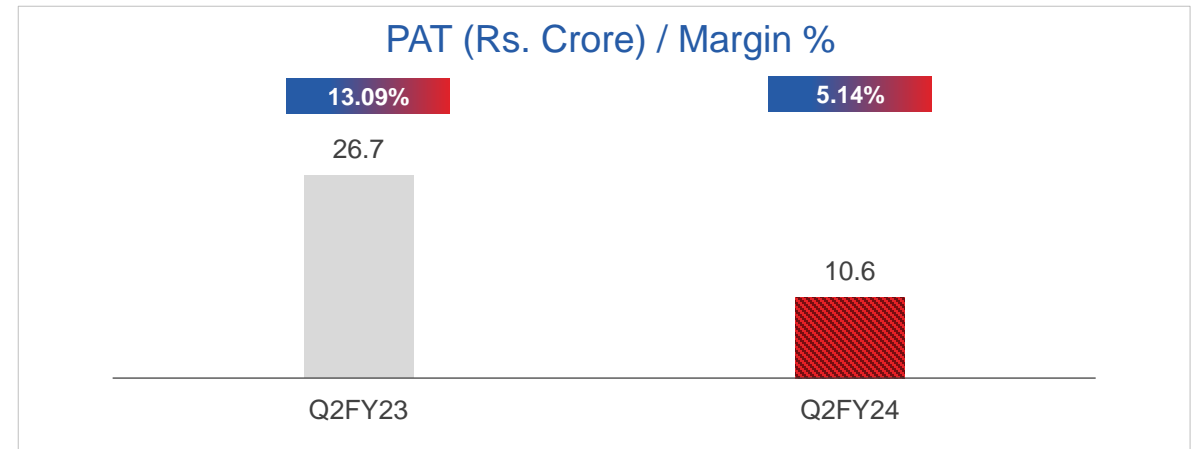
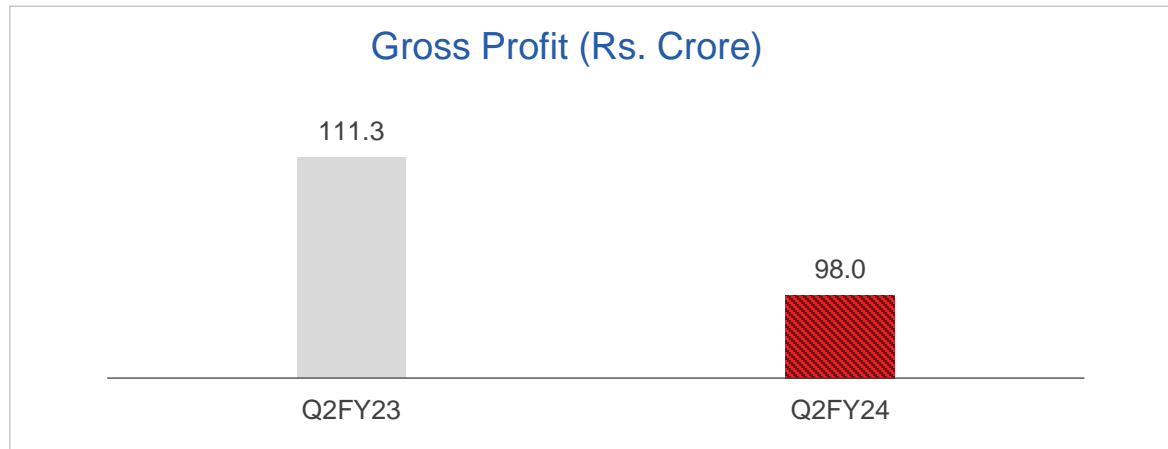
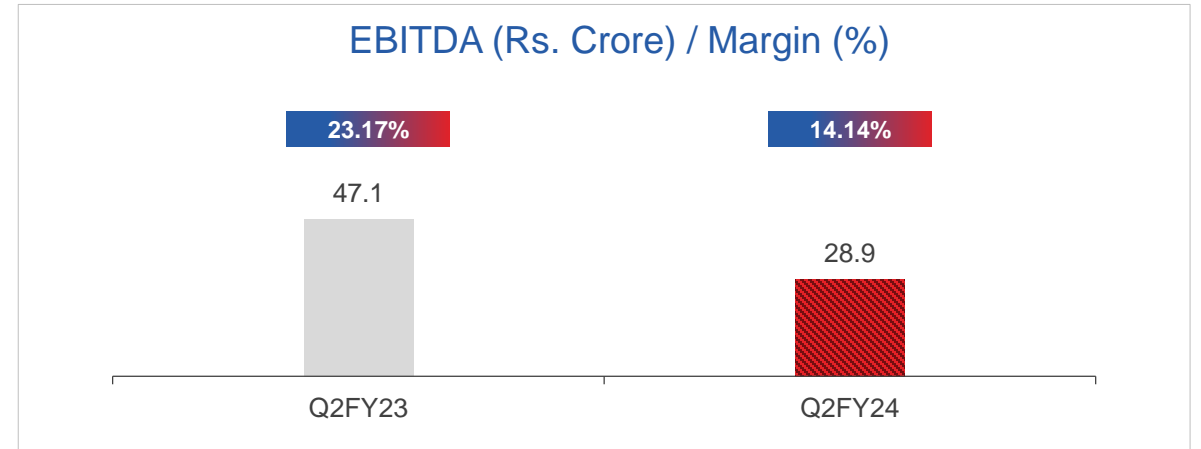
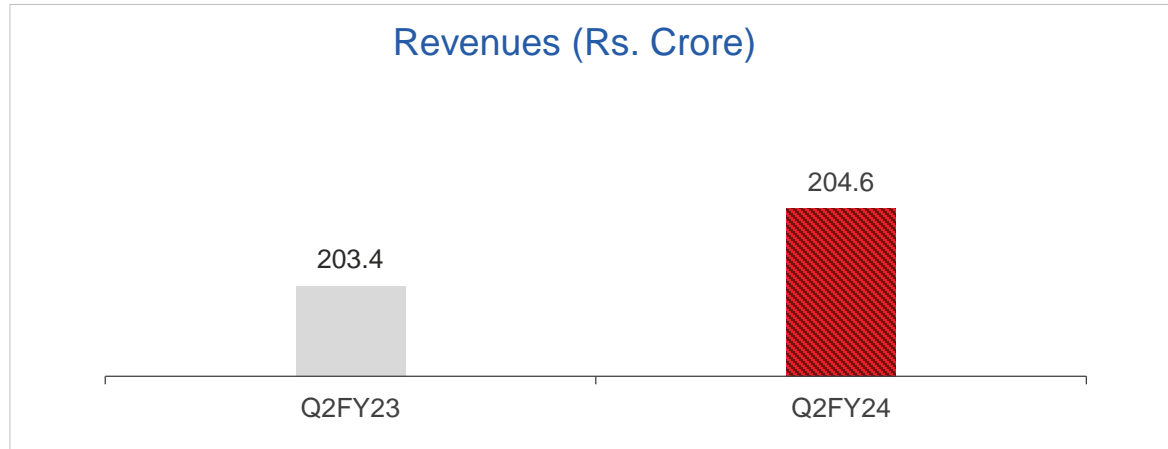
The surge in demand stems from both the residential and commercial real estate segments. Middle-class earnings have tripled from FY 13 to FY 22, growing from 4.4 lakhs to 13 lakhs.

Rising accessibility through deferred payment options is propelling the need for ready-to-assemble furniture, especially among young urban buyers

The ascent of e-commerce, or online retail, is propelling the share of online transactions in the Indian furniture sector from 3% to an estimated 5-6% by FY27.

Real estate sector expects ~20% CAGR over CY21-30E to reach USD1trn in market size.

Q2 FY24 Financial Highlights



Gross Profit – Revenue from operations – Total raw material cost

Q2 FY24 Segment Overview - Laminates

Particulars (Rs. Crore)	Q2 FY24	Q1 FY24	Q2 FY23	Y-o-Y (%)
Revenue from Laminates	49.08	41.51	52.12	-5.83
Domestic	17.03	15.24	18.71	
Export	32.05	26.27	33.41	
EBITDA Margin %	10.51	8.67	5.78	
Sales Volume (Sheets)	7,74,032	6,08,264	7,28,714	6.22
Domestic	3,28,562	2,52,525	3,21,748	
Export	4,45,470	3,55,739	4,06,966	
Capacity Utilisation	82%	79%	85%	
Blended Realisation (Rs. Per Sheet)	634	683	715	-11.33
Domestic Realisation (Rs. Per Sheet)	518	604	583	-11.15
Export Realisation (Rs. Per Sheet)	720	738	820	-12.20

Particulars (Rs. Crore)	H1 FY24	H1 FY23	Y-o-Y (%)
Revenue from Laminates	90.60	99.55	-8.99
Domestic	32.27	35.57	
Export	58.32	63.98	
EBITDA Margin %	9.67	6.03	
Sales Volume (Sheets)	13,82,296	13,64,984	1.27
Domestic	5,81,087	5,99,928	
Export	8,01,209	7,65,056	
Capacity Utilisation	81%	84%	
Blended Realisation (Rs. Per Sheet)	655	729	-10.15
Domestic Realisation (Rs. Per Sheet)	555	593	-6.41
Export Realisation (Rs. Per Sheet)	728	836	-12.92

Strong demand for company's product in global market led to increase in volumes of laminates by 6.2%

Q2 FY24 Segment Overview - MDF

Particulars (Rs. Crore)	Q2 FY24	Q1 FY24	Q2 FY23	Y-o-Y (%)
Revenue from MDF	149.65	147.64	148.92	0.48
Domestic	120.00	117.82	127.74	
Export	29.64	28.92	21.18	
EBITDA Margin %	16.51	16.93	29.73	
Sales Volume (CBM)	60,413	59,090	54,344	11.17
Domestic	45,921	44,033	44,481	
Export	14,492	15,056	9,864	
Capacity Utilisation	75%	70%	74%	
Blended Realisation (Rs. Per CBM)	24,770	24,883	27,402	-9.61
Domestic Realisation (Rs. Per CBM)	26,132	26,756	28,717	-9.00
Export Realisation (Rs. Per CBM)	20,455	19,208	21,474	-4.75

Particulars (Rs. Crore)	H1 FY24	H1 FY23	Y-o-Y (%)
Revenue from MDF	296.38	309.65	-4.29
Domestic	237.82	261.96	
Export	58.56	47.69	
EBITDA Margin %	16.90	28.60	
Sales Volume (CBM)	1,19,502	1,13,089	5.7
Domestic	89,954	91,909	
Export	29,548	21,180	
Capacity Utilisation	73%	75%	
Blended Realisation (Rs. Per CBM)	24,801	27,831	-10.89
Domestic Realisation (Rs. Per CBM)	26,438	28,503	-7.24
Export Realisation (Rs. Per CBM)	19,819	22,514	-11.97

Strong demand for company's product in global market led to increase in volumes of MDF by 11.2%

Profit & Loss Statement for Q2 & H1FY24

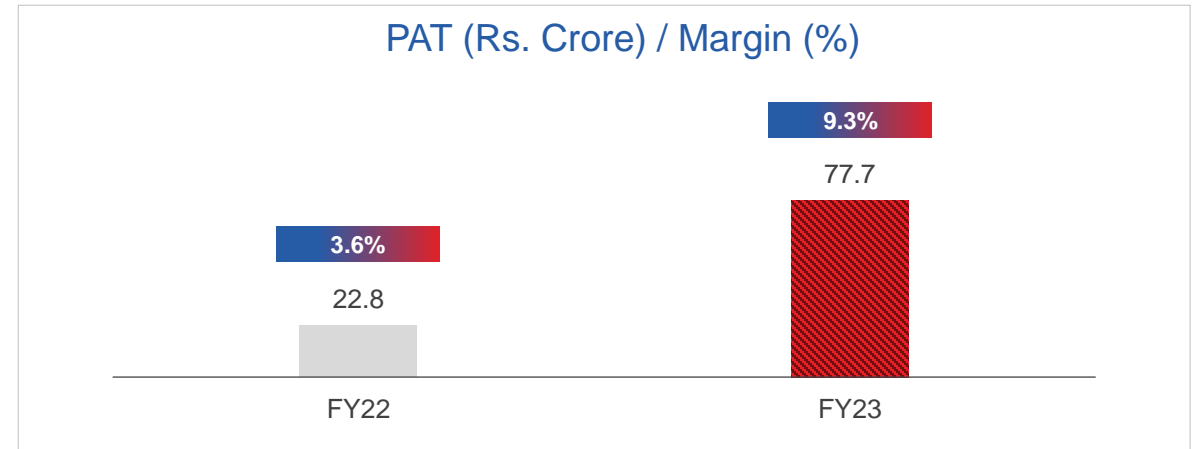
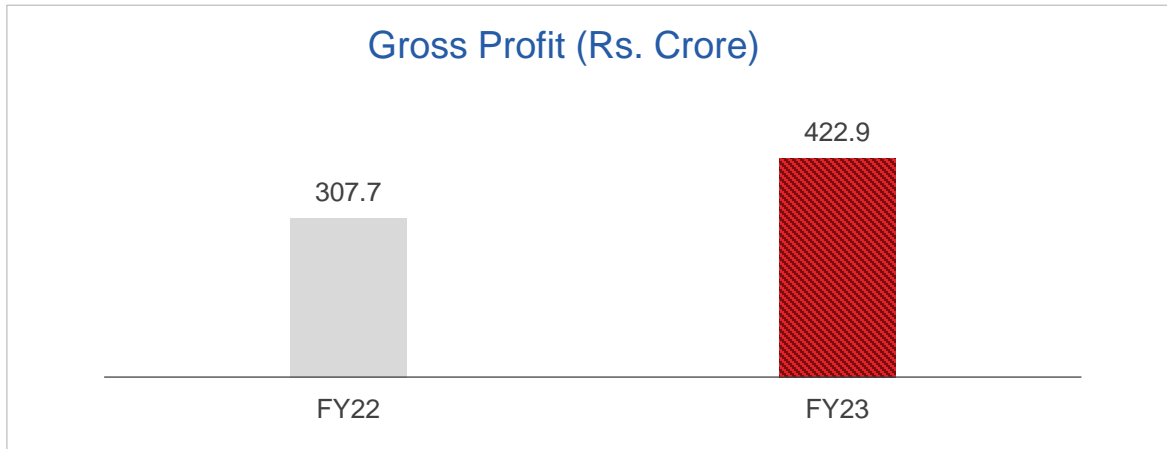
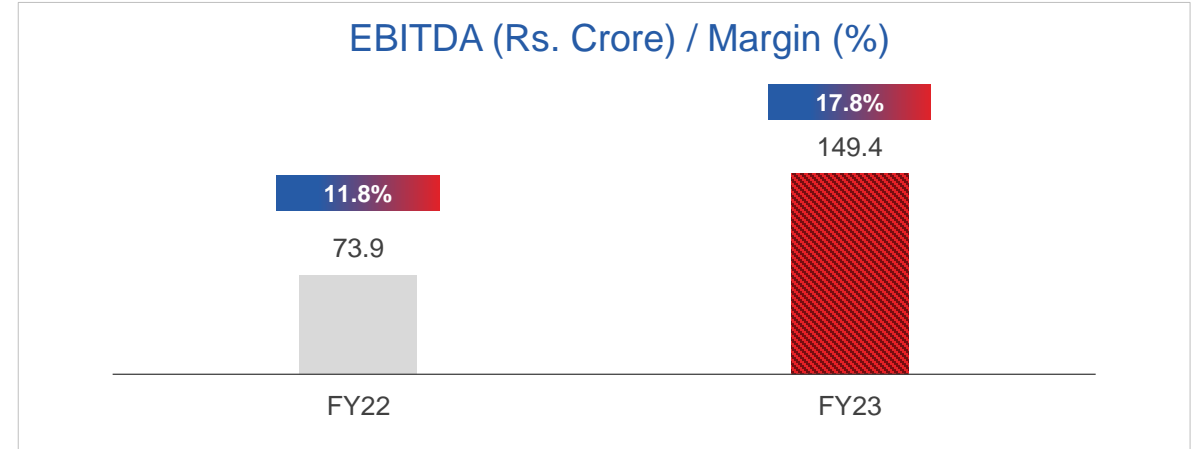
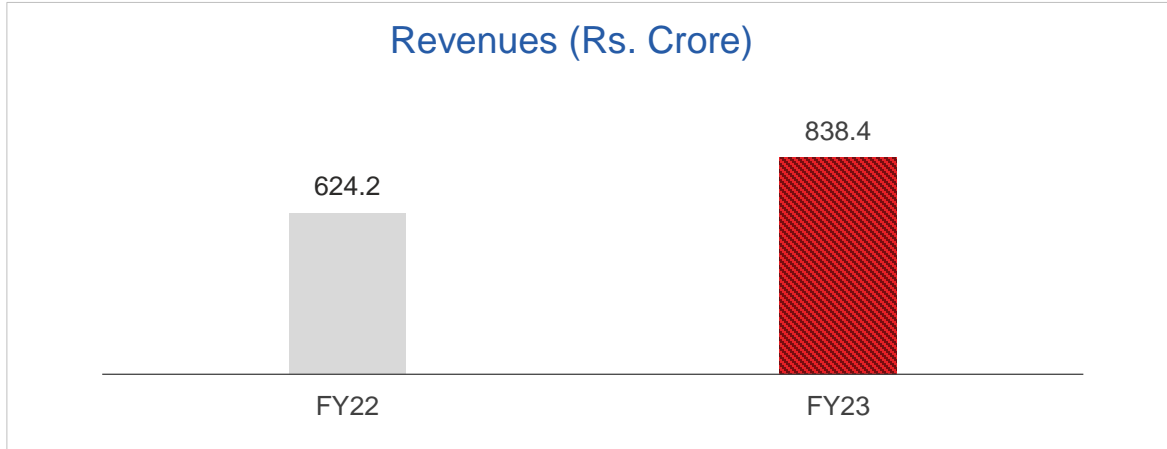
Particulars (Rs. Crore)	Q2 FY24	Q1 FY24	Q2 FY23	Y-o-Y (%)	H1 FY24	H1 FY23	Y-o-Y (%)
Revenue	204.61	192.82	203.39	0.60%	397.43	414.17	-4.04%
Cost of Materials Consumed	109.72	104.75	103.02		214.48	208.41	
Changes in Inventories	-3.10	-6.24	-10.97		-9.34	-21.40	
Employee Cost	14.07	12.78	11.79		26.88	22.71	
Other Expenses	54.98	52.63	52.43		107.61	109.81	
EBITDA	28.93	28.91	47.13	-38.60%	57.84	94.65	-38.89%
EBITDA Margin	14.14%	14.99%	23.17%		14.55%	22.85%	
Other Income	0.53	2.27	0.45		2.80	0.62	
Depreciation	7.36	7.24	6.48		14.59	12.60	
Finance Cost	8.34	7.52	5.65		15.86	10.51	
Exceptional Items	0.0	0.0	0.0		0.0	0.0	
PBT	13.76	16.42	35.45		30.18	72.16	
Tax	3.21	4.22	8.77		7.44	18.28	
PAT	10.55	12.20	26.68	-60.45%	22.75	53.88	-57.78%
PAT Margin	5.14%	6.25%	13.09%		5.68%	12.99%	

Balance Sheet as at 30th September, 2023

Rs. Crore	As on 30 th Sept 2023	As on 30 th Sept 2022
Equity	492.00	339.63
Equity Share Capital	26.54	19.91
Other Equity	465.46	319.72
Non-Current Liabilities	255.69	346.33
Long Term Borrowings	187.50	284.18
Other Financial Liabilities	8.72	8.84
Provisions	3.01	2.91
Deferred Tax Liabilities (Net)	52.38	44.39
Other Non-Current Liabilities	4.08	6.01
Current Liabilities	279.39	283.39
Short Term Borrowings	120.35	132.96
Trade Payables		
Dues to micro & small enterprises	6.64	5.70
Dues to other than micro & small enterprises	127.49	88.95
Other Financial Liabilities	0.08	0.45
Other Current Liabilities	11.26	28.65
Provisions	13.57	19.04
Current Tax Liability (Net)		7.65
Total Equity & Liabilities	1,027.08	969.35

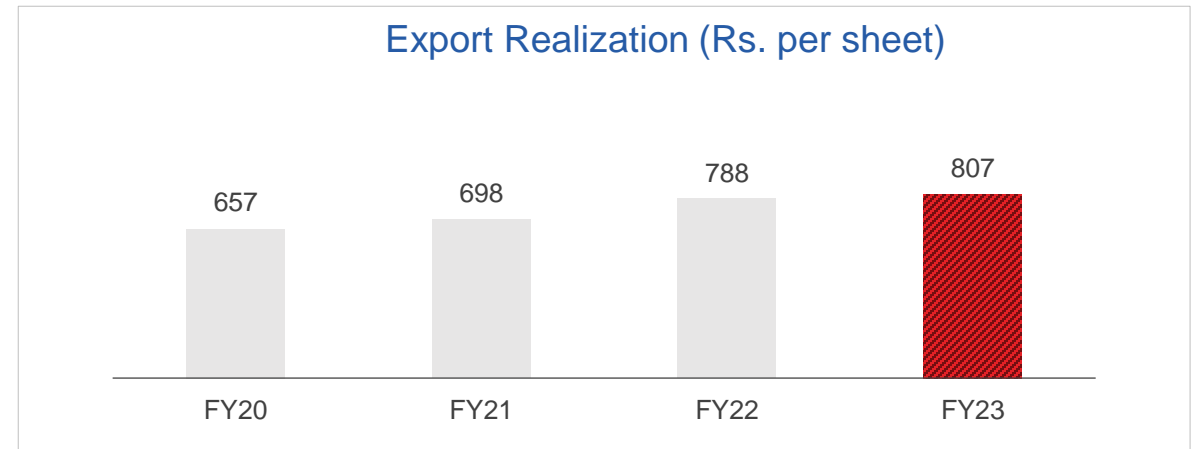
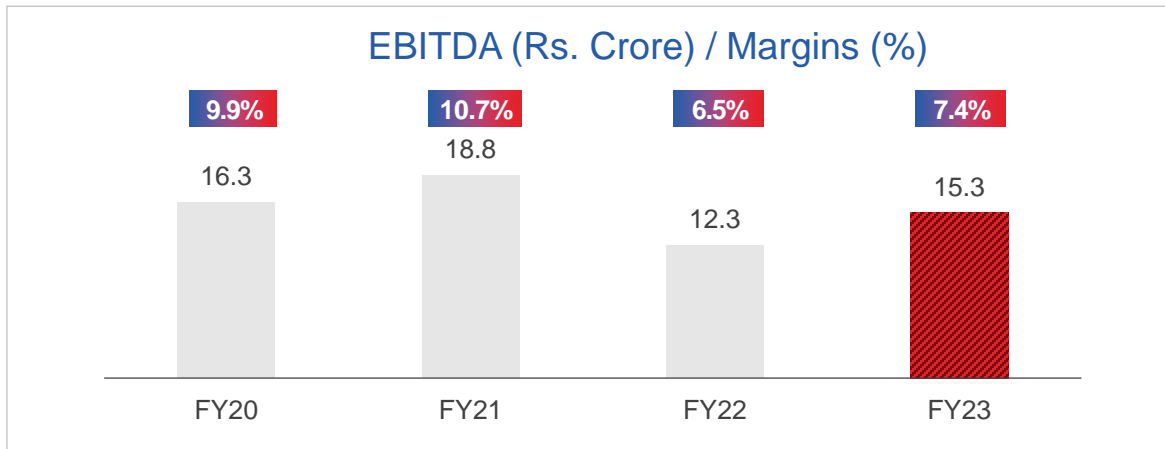
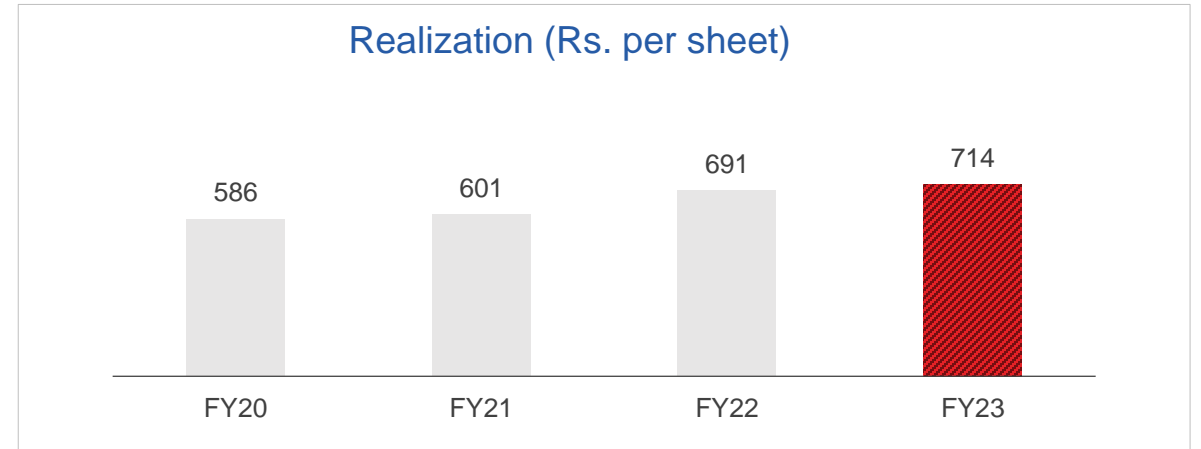
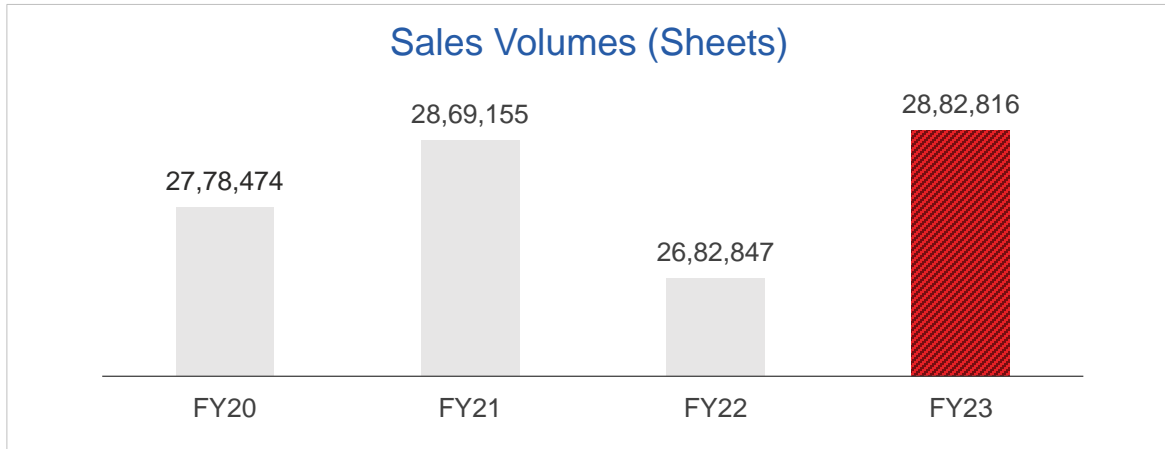
Rs. Crore	As on 30 th Sept 2023	As on 30 th Sept 2022
Non-current Assets	657.65	653.55
Property, Plant and Equipment	626.50	628.85
Capital WIP	3.88	0.14
Other Intangible Assets	6.29	6.87
Financial Assets		
Investments	0.01	0.01
Trade Receivables	3.67	2.26
Loans	0.08	0.08
Other Financial Assets	9.75	10.30
Other Non-Current Assets	7.46	5.02
Current Assets	369.43	315.80
Inventories	208.78	183.03
Financial Assets		
Trade Receivables	123.79	100.28
Cash & Cash Equivalent	0.51	0.54
Bank Balance other than Cash	5.05	5.71
Other Current Assets / Loans	31.30	26.25
Total Assets	1,027.08	969.35

FY23 Financial Highlights

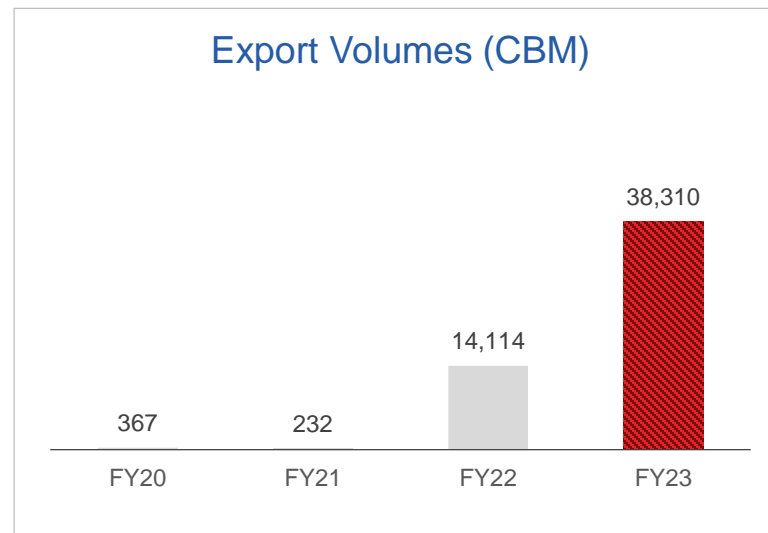
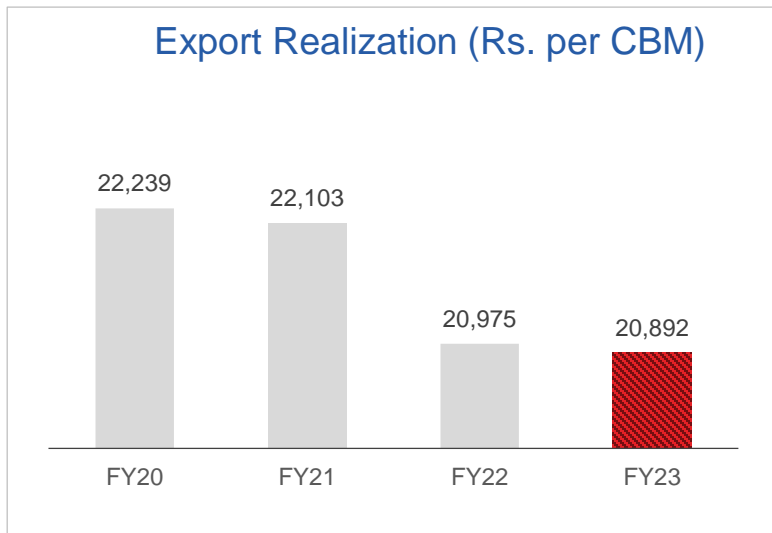
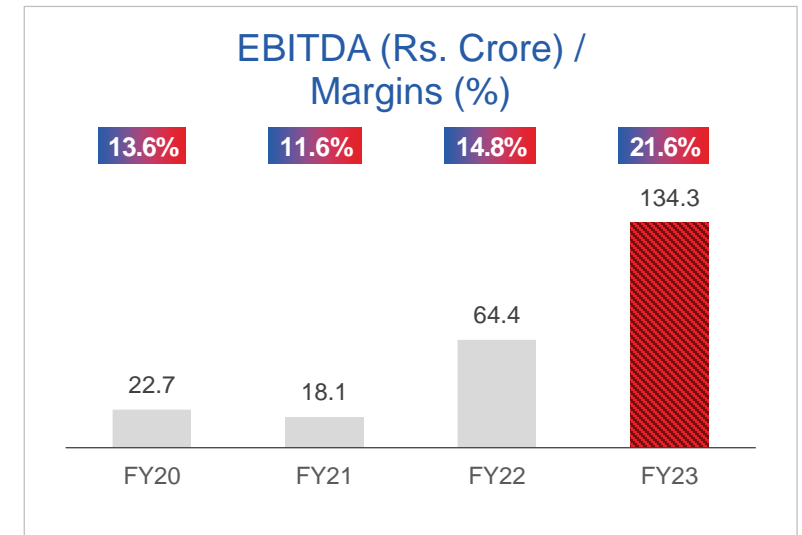
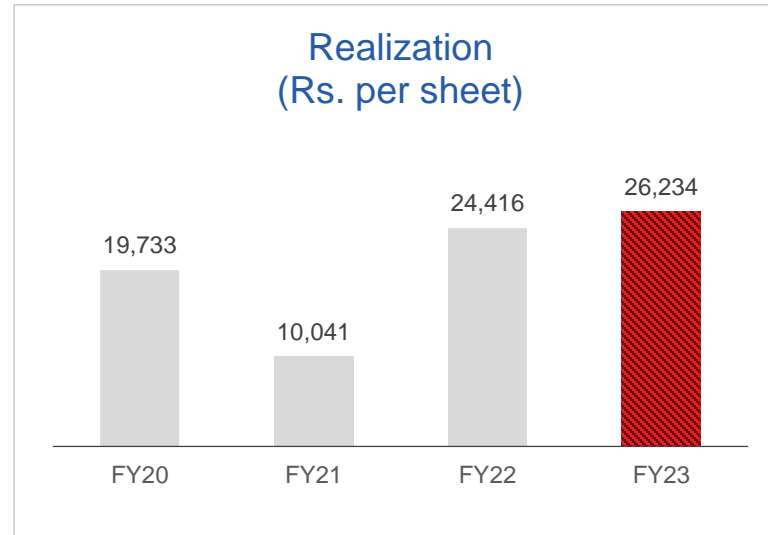
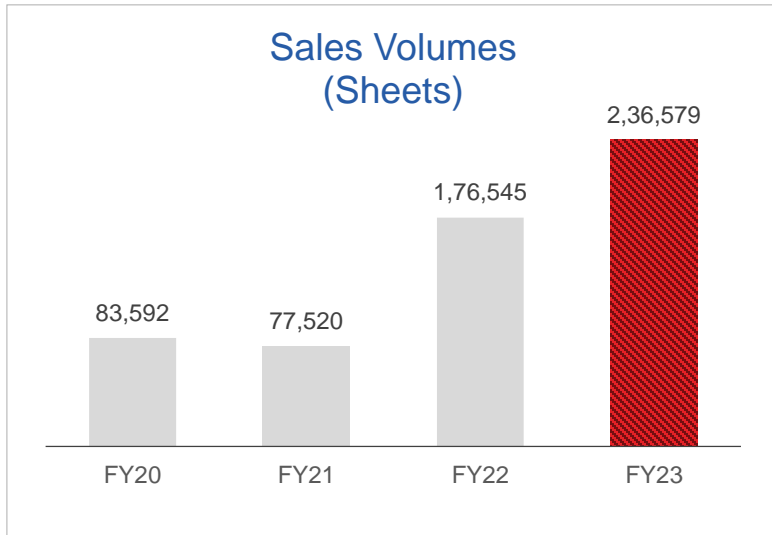


Gross Profit – Revenue from operations – Total raw material cost

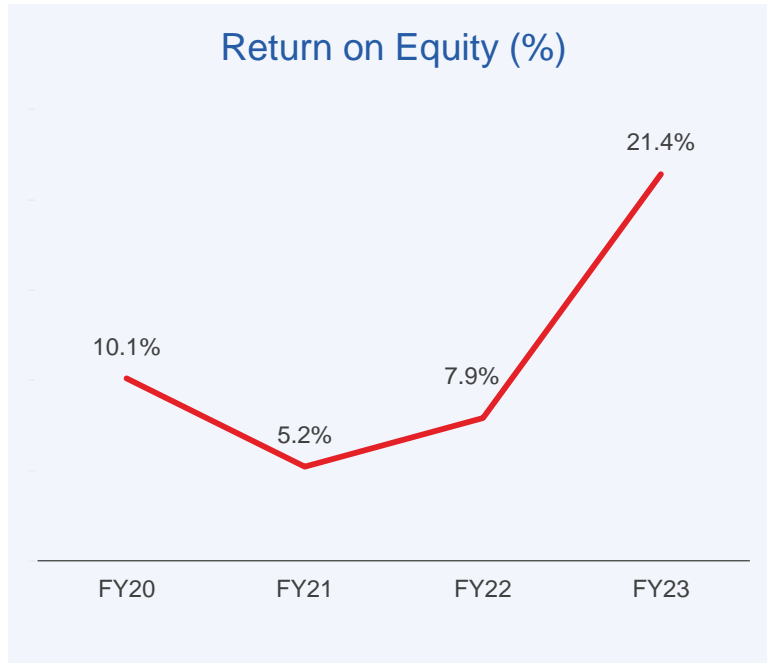
Annual Highlights – Laminates



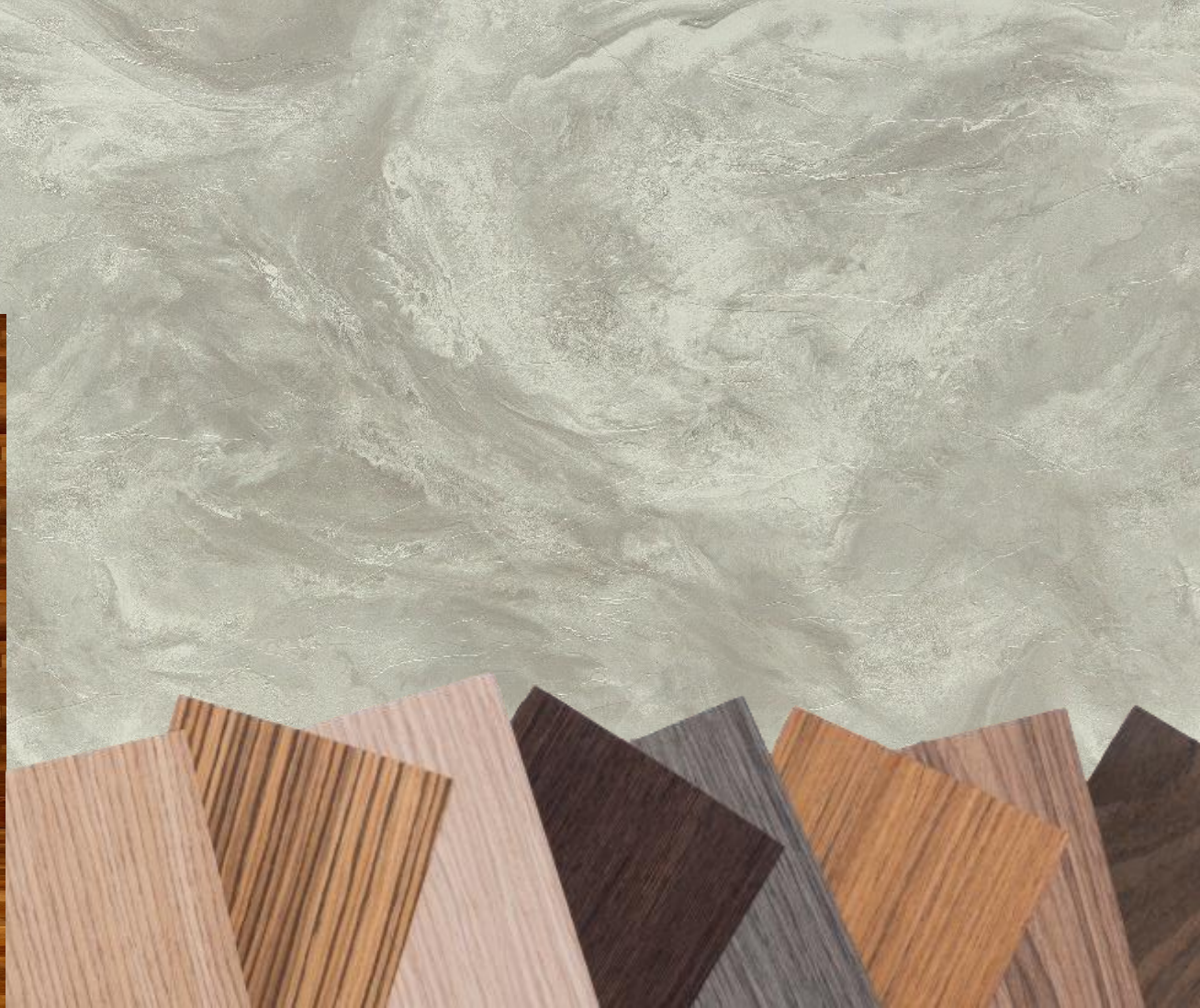
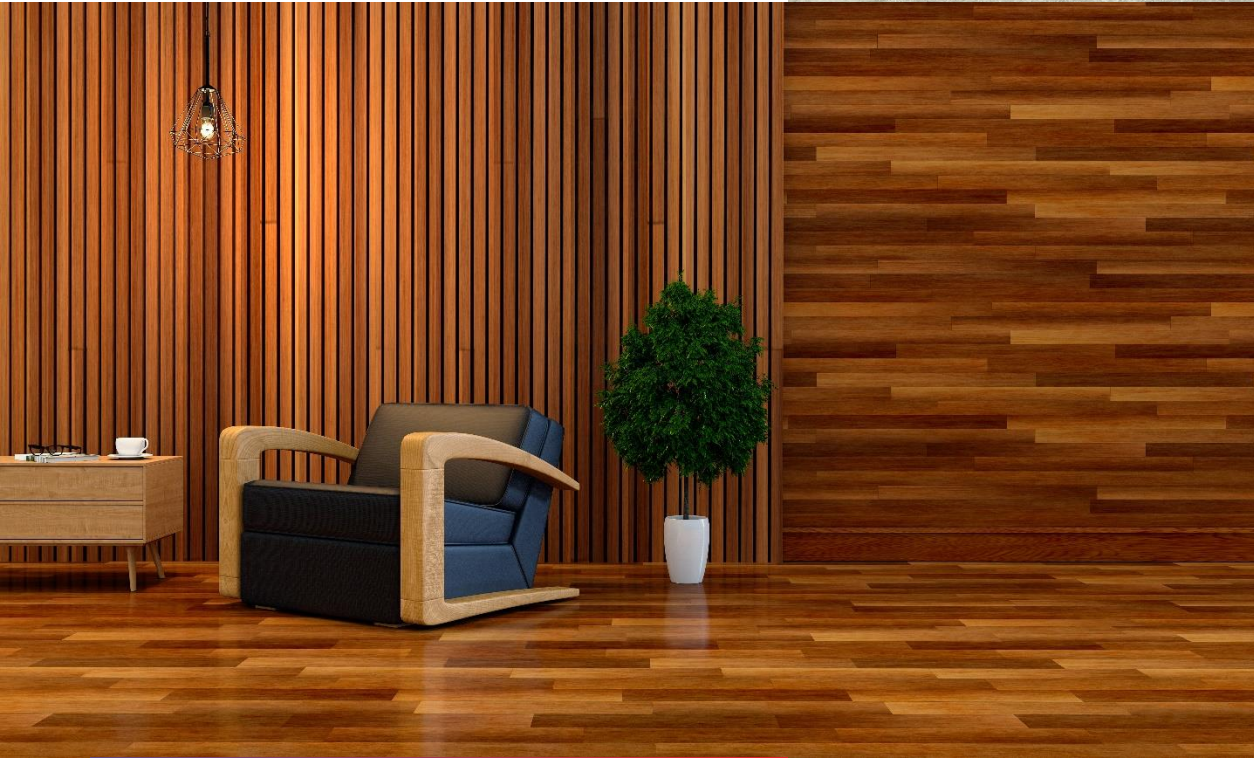
Annual Highlights – MDF



Key Financial Ratios



ROE – PAT/Shareholders Fund; ROCE – EBIT/(Shareholders Fund+Total Debt – Investments); Debt to Equity – Total Debt/ Equity



THANK YOU

Rushil Décor Limited

Mr. Hiren Padhya, Chief Financial Officer

Email: hiren.padhya@rushil.com | Website: www.rushil.com

Phone: +91 79 6140 0400

Het Choksey Advisors

Mr. Nikunj Seth

Email: ir-advisors@hetchoksey.com

Phone: +91 9773397958