

Rushil Decor Limited

(BSE: 533470, NSE: RUSHIL)

Q1 FY16-17 Investor Presentation



- This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Rushil Decor’s future business developments and economic performance.
- While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.
- These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.
- Rushil Decor Ltd. undertakes no obligation to publicly revise any forward looking statements to reflect future likely events or circumstances.

Revenues	EBITDA	Profit Before Tax	Profit After Tax
Rs. 734 Million 5.2% ↑	Rs. 104 Million 7.6% ↑	Rs. 61 Million 27.9% ↑	Rs. 45 Million 118.4% ↑

Mr. Krupesh Ghanshyambhai Thakkar - Managing Director on Performance

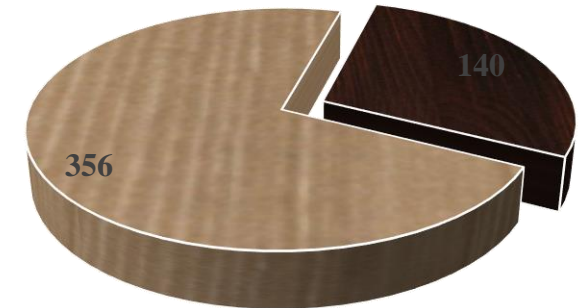
“We continued to grow across the product offerings during the quarter. Our revenue recorded modest growth of 5% as compared to the prior year quarter. However, our profitability expanded substantially on product mix and lower financial leverage. Our medium density fibreboard or MDF continued to be the primary growth driver accounting for 48% of total revenues and 56% of operating profits, both the numbers improved as compared to the previous quarter.

The outlook for laminates and MDFs remain encouraging due to increased infra and real estate spending. The stress on urbanization, manufacturing and real estate is expected to boost demand domestically. We expect the trend of 20% growth in MDF space and 10% in laminates to continue over the next few years. Rushil is well positioned to take advantage of growth cycle on the back of strong product offerings.”

Diversified Markets and Improving Margins

<i>(Rs. Million)</i>	Q1		Y-o-Y Growth (%)
	FY16-17	FY15-16	
Net Sales (Includes other operating income)	753.4	716.1	5.2%
EBITDA	103.7	96.4	7.6%
<i>Margin (%)</i>	<i>14%</i>	<i>13%</i>	
PAT	45.2	20.7	118.4%
<i>Margin (%)</i>	<i>6%</i>	<i>3%</i>	
Basic EPS (Rs.)	3.14	1.44	118.1%

Domestic Sales (Rs. Million)



Exports (Rs. Million)

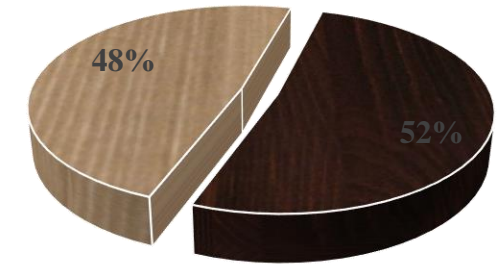


■ Laminates & Products ■ Medium Density Fibreboard

Segments Demonstrating Strengths at Different Levels

Segment Revenues (Rs. Million)	Q1		Y-o-Y Growth (%)
	FY16-17	FY15-16	
Laminates & Products	380.8	402.6	-5.4%
Medium Density Fibreboard	357.3	300.2	19.0%
Less: Intersegment Revenues	4.2	5.4	-21.3%
Revenue From Operations	733.9	697.4	5.2%

Segment Revenues Q1 FY16-17

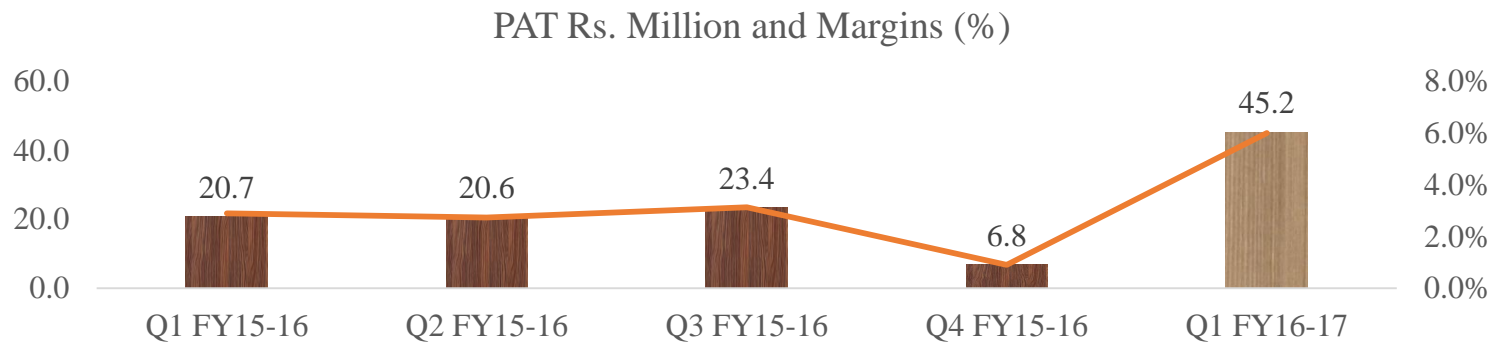
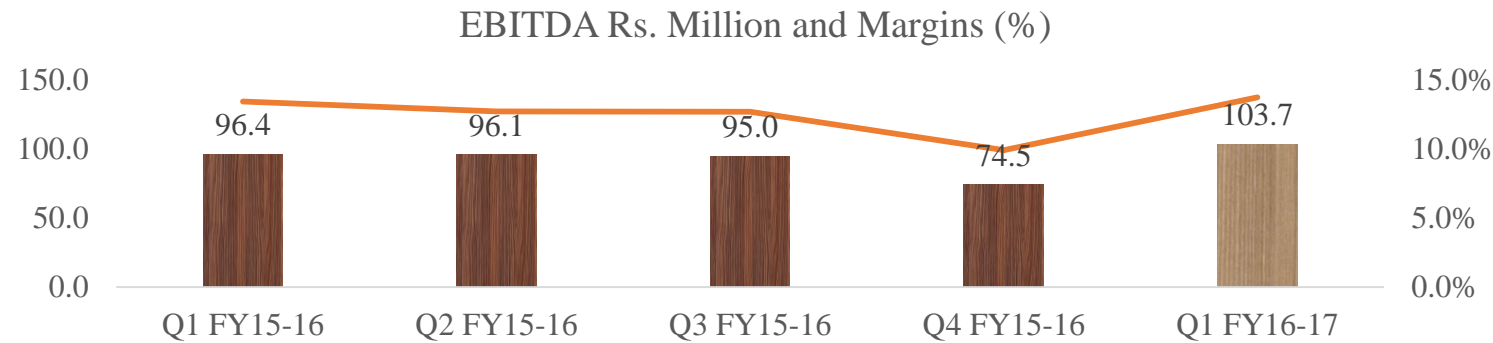
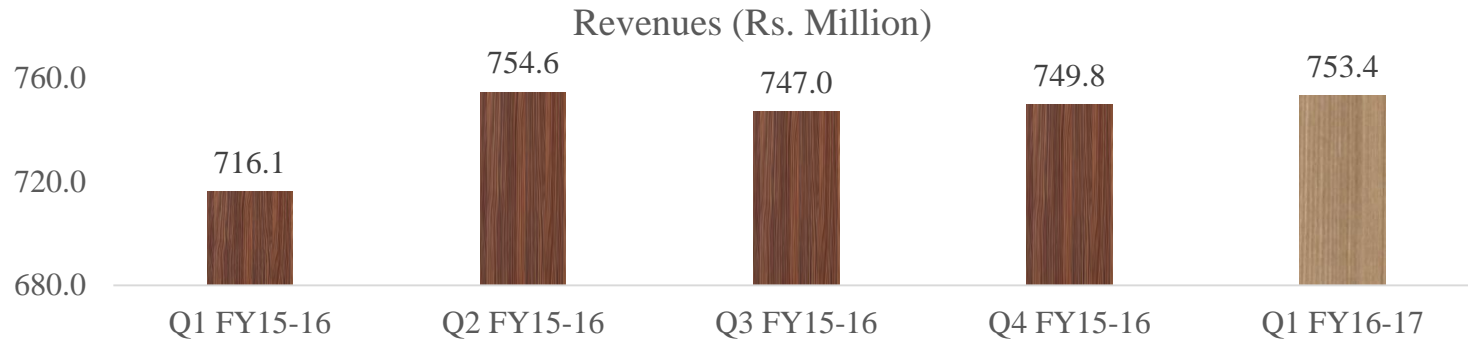


Segment Profits (Rs. Million)	Q1		Y-o-Y Growth (%)
	FY16-17	FY15-16	
Laminates & Products	42.1	34.6	21.5%
Medium Density Fibreboard	53.0	52.5	1.1%
Revenue From Operations	95.1	87.1	9.2%

Segment Profits Q1 FY16-17



■ Laminates & Products ■ Medium Density Fibreboard



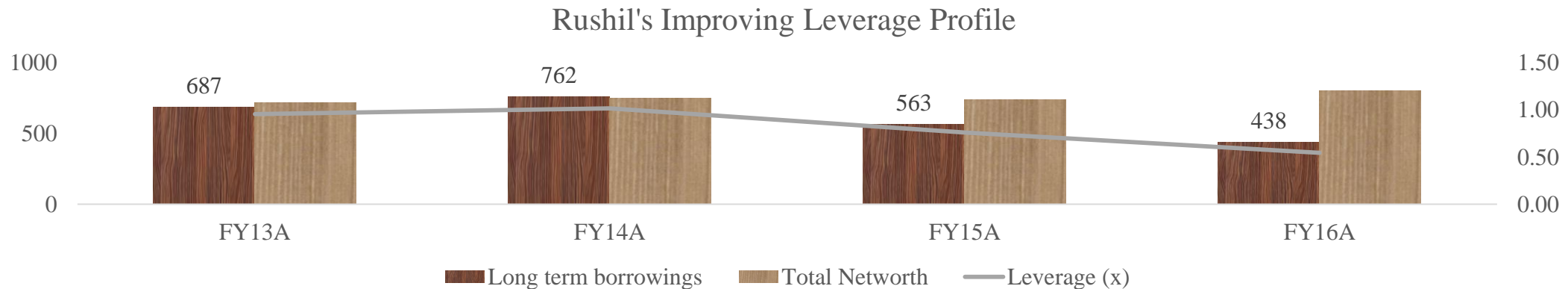
Major Drivers

- MDF space continues to increase its share of total sales on a Q-o-Q basis.
 - MDF accounted for 48% of the total turnover and 56% of the total profits
- Laminates profitability improved 21% on a year over year basis on stabilizing international prices and better product mix.
- Due to strong expense management margins have been maintained on a y-o-y basis and improved on a Q-o-Q basis.
- Financial leverage has declined and is expected to go down further on the back of timely repayments and generation of strong cash flows.

(Rs. Million)	Q1 FY16-17	Q4 FY15-16
Short term borrowings	358	469
Long term borrowings	468	438
Current portion of long term borrowings	138	134
Total Debt	964	1041

Strong Capital Structure for Future Capex

- Our company has been prudent in raising of debt and has maintained strong capital structure in order to lower interest costs
- The leverage of 0.6x is strong and provides room for an additional debt in case of inorganic or organic expansion.



Rushil Décor

- Incorporated in 1993, Rushil Decor Limited is engaged in manufacturing of decorative laminate products and medium density fiber or MDF
- Offers engineered interior products, which include decorative laminate sheets, industrial laminate sheets and Rushil kitchen door under “Vir Laminate” or “Rushil” or “Signor” brand
- MDF products are sold under the brand name of “Vir MDF”
- Operates three laminate manufacturing units in Gujarat and one MDF manufacturing unit in Karnataka

Quality

- ISO 9001:2000 certification for quality; ISO 18001:1999 certification for health and safety and ISO14001:2004 for environmental system for all the units

Network and Capacity

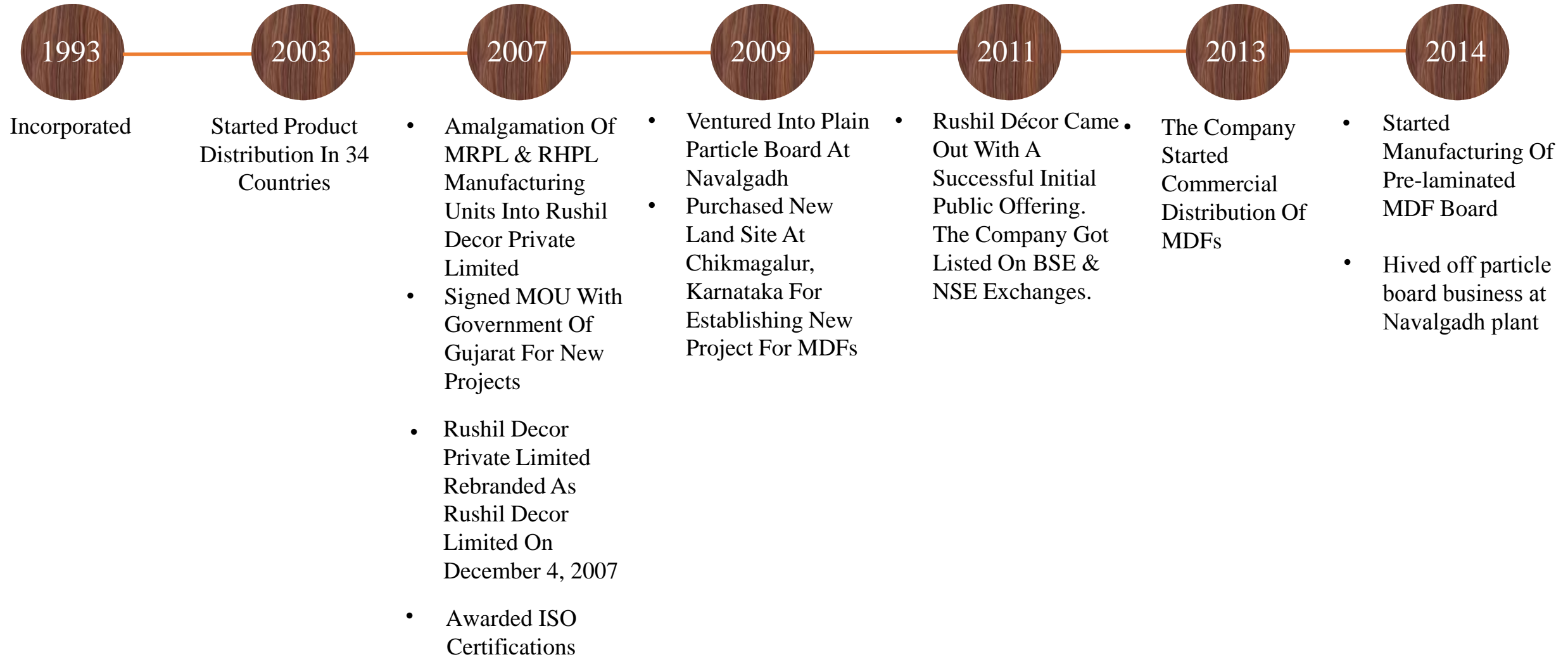
- Has an operating capacity of approximately 48 lakh sheets per annum in the laminates segment, forming 3% of India’s total production capacity
- Markets its products across the globe with a major concentration in Asia and Middle East.



Our company is engaged in manufacturing of wide variety of laminates and MDFs with varied specifications. Some of its listings include:

- Medium Density Fibreboards
- Pre lam MDF boards
- Single Sided Or Decorative Laminate Sheet
- Double Sided Or Compact Laminate Sheets
- Post-Forming Laminates
- Metal Bond Laminates
- Digital Laminates
- Color Core Laminates
- Table Top Grade Laminate

Timeline of Growth and Innovation



Directors	Position	Description	Beneficial Ownership/ (% O/S)
Ghanshyambhai A. Thakkar	Chairman, Promoter	Has an experience of more than four decades in the industry of laminated sheets, plywood, particle board, prelam board and allied items. He holds Bachelor of Science degree from Gujarat University and holds Diploma in Civil Engineering from Department of Technical Education from Gujarat State. As a Whole Time Director he is involved in day to day operations of Company. He is looking into the finance management, purchase of raw material etc.	1990900 13.8%
Krupeshbhai G. Thakkar	Managing Director, Promoter	Has an experience of more than 15 years in industry of laminated sheets and allied items. He has been conferred with several accolades which include the “Rajiv Gandhi Shiromani Award” and the “Indira Gandhi Sadbhavana Award” in 2007 for his achievement in his field of work and contribution to the nation.	1542484 10.7%
Kaushikbhai J. Thakkar	Director	Has wide experience of admin, business affairs of branches as well as business with consignment agents	-
Jingle P. Thakkar	Independent Director	Has significant experience in the field of finance and accounts	-
Shankar Prasad Bhagat	Independent Director	Has an experience of 25 years in the field of finance and accounts	-
Rohitbhai B. Thakkar	Independent Director	Has vast experience across various domains of the business	-

Strong Organic Growth

Positive Market Trends

Growth Outlook, Estimates

- High growth in MDF Space
- Improving EBITDA and PAT margins
- Increased efficiency
- Evaluating future expansion through organic and inorganic routes
- Passage of GST to help in lowering prices for end consumers
- Stabilizing pricing in Laminates
- Strong push from Infra and real estate spending
- Government's initiatives to boost housing growth
- Favorable input prices
- FY17 Revenue guidance in the range of Rs.3,250 – Rs. 3,400 Million
- FY17 Net Profit guidance in the range of Rs.160 – Rs.180 Million

Description	Amount (Rs. million)			
	Jun-16	Mar-16	Jun-15	FY16
Net Sales	753	750	716	2968
Other Operating Revenues	19	26	19	91
Net sales or Revenue from Operations	734	724	697	2877
Expenditure	-669	-694	-639	-2679
Other Expenses	-166	-207	-160	-703
Depreciation and Amortisation expense	-17	-16	-16	-65
Cost of Materials Consumed	-446	-403	-396	-1681
Changes in inventories of finished goods, work-in-progress and stock-in-trade	12	-13	-15	6
Employee benefit expense	-51	-55	-40	-184
Purchases of stock-in-trade	-1	0	-12	-52
Profit from Operations before Other Income, Interest and Exceptional Items	84	56	77	289
Other Income	3	3	3	8
Profit before Interest and Exceptional Items	87	58	80	297
Interest	-26	-24	-33	-116
Profit after Interest but before Exceptional Items	61	34	48	181
Exceptional Item	0	0	0	0
Profit (+)/ Loss (-) from Ordinary Activities before Tax	61	34	48	181
Current Tax	-13	-13	-10	-43
Deferred Tax	-3	-15	-17	-67
Extraordinary Items	0	0	0	0
Net Profit (+)/ Loss (-) from Ordinary Activities after Tax	45	7	21	71
Equity Capital	144	144	144	144
Face Value (in Rs)	10	10	10	10
Reserves	0	0	0	0
EPS before Extraordinary items (in Rs)	3.14	0.47	1.44	4.96
EPS after Extraordinary items (in Rs)	3.14	0.47	1.44	4.96

Description	Amount (Rs. million)			
	Jun-16	Mar-16	Jun-15	FY16
1. Segment Revenue				
Laminates & Allied Products	381	392	403	1617
Medium Density Fiber Board	357	334	300	1276
Particle Board	0	6	0	6
Total	738	733	703	2899
Less: Inter Segment Revenue	-4	-9	-5	-22
Net sales/income from Operations	734	724	697	2877
2. Segment Result				
Laminates & Allied Products	42	39	35	161
Medium Density Fiber Board	53	35	52	168
Particle Board	0	-8	0	-7
Total	95	66	87	322
Interest	-26	-24	-33	-116
Other un-allocable expenditure net off un-allocable income	-8	-8	-7	-25
Total Profit Before Tax	61	34	48	181
3. Capital Employed				
Laminates & Allied Products	401	264	273	264
Medium Density Fiber Board	1173	1221	1175	1221
Particle Board	12	12	39	12
Unallocated	-	-1	-3	-1
Total	1577	1496	1484	1496
Other Unallocable Items	0	0	0	0
Total	1577	1496	1484	1496

Rushil Décor Ltd.

CIN – L25209GJ1993PLC019532

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