



Rushil Decor Limited

(BSE: 533470, NSE: RUSHIL)

Q3 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.

Better Product Mix Driving Margin Expansion



Revenues	EBITDA	Profit Before Tax	Profit After Tax
Rs. 706 Million 1.8% ↓	Rs. 132 Million 39.1% ↑	Rs. 90 Million 79.6% ↑	Rs. 66 Million 180.2% ↑

Mr. Krupesh Ghanshyambhai Thakkar - Managing Director on Performance

“Rushil expanded its business across the laminates and MDF space with rising operating and net margins. We have achieved better product mix and have improved capacity utilization rates. Our revenue recorded marginal decline of 1.8% as compared to the prior year quarter. However, our profitability expanded substantially on improved product mix and financial leverage. Our MDF space now commands almost half of the total revenues with 59% contribution towards profitability. Our laminate segment has seen improved profitability mainly due to focus on high margin offerings.

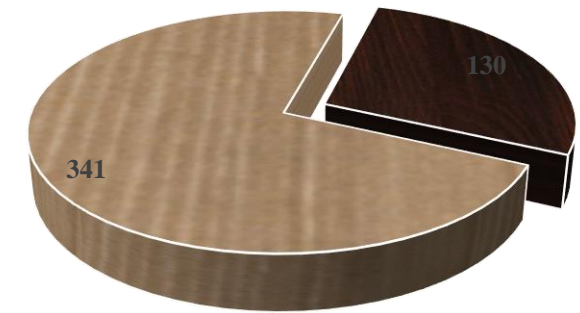
We expect a strong recovery in economy post demonetization, introduction of GST will help in improved environment for manufacturing businesses. Rushil Decor continues to explore further organic expansion in laminates and MDF space which continue to offer tremendous long term opportunities.”

Diversified Product Offerings and Growing Margins



<i>(Rs. Million)</i>	Q3		Y-o-Y Growth (%)
	FY16-17	FY15-16	
Net Sales (Includes other operating income)	728.7	747.0	(2.4)
EBITDA	132.1	95.0	39.1
<i>Margin (%)</i>	<i>18%</i>	<i>13%</i>	
PAT	65.5	23.4	180.2
<i>Margin (%)</i>	<i>9%</i>	<i>3%</i>	
Basic EPS (Rs.)	4.55	1.62	180.2

Domestic Sales (Rs. Million)



Exports (Rs. Million)



■ Laminates & Products ■ Medium Density Fibreboard

MDFs Dominate Growth and Profitability, Laminates Profits Expand

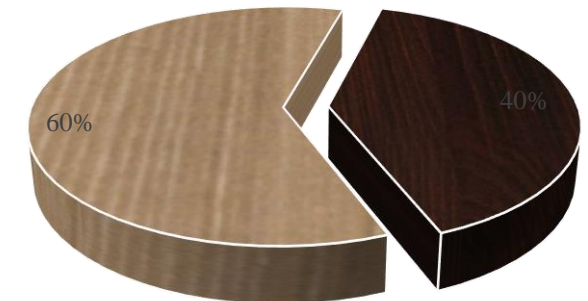
Segment Revenues (Rs. Million)	Q3		Y-o-Y Growth (%)
	FY16-17	FY15-16	
Laminates & Products	385.7	434.0	(11.1)
Medium Density Fibreboard	386.0	350.0	10.3
Less: Intersegment Revenues	3.2	5.2	(38.7)
Revenue From Operations	768.5	778.8	(1.3)

Segment Revenues Q3 FY16-17

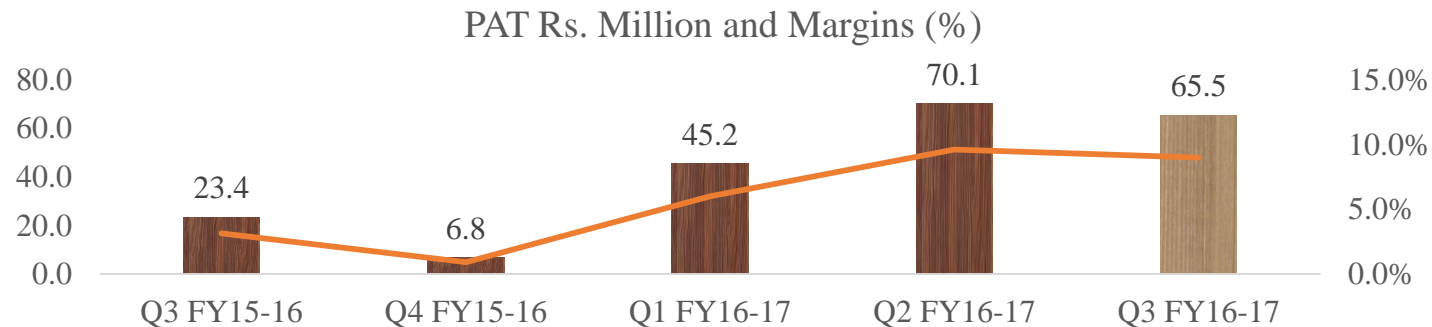
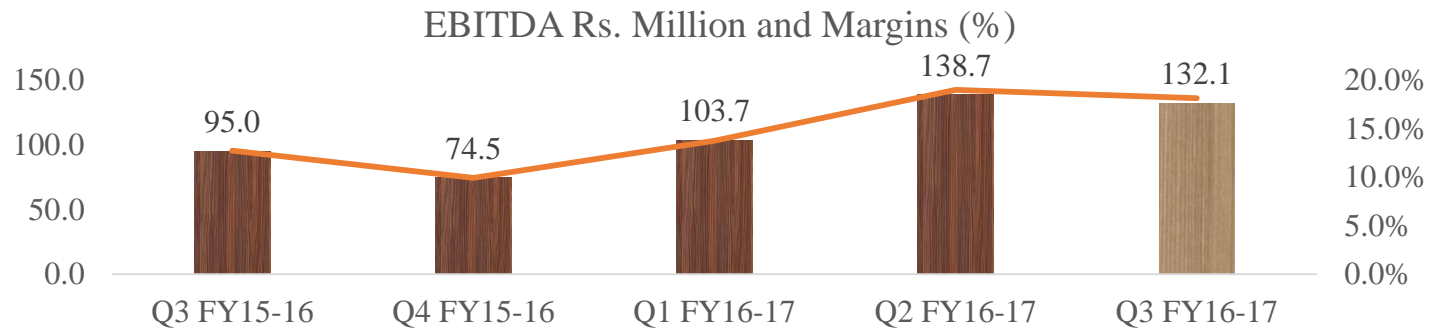
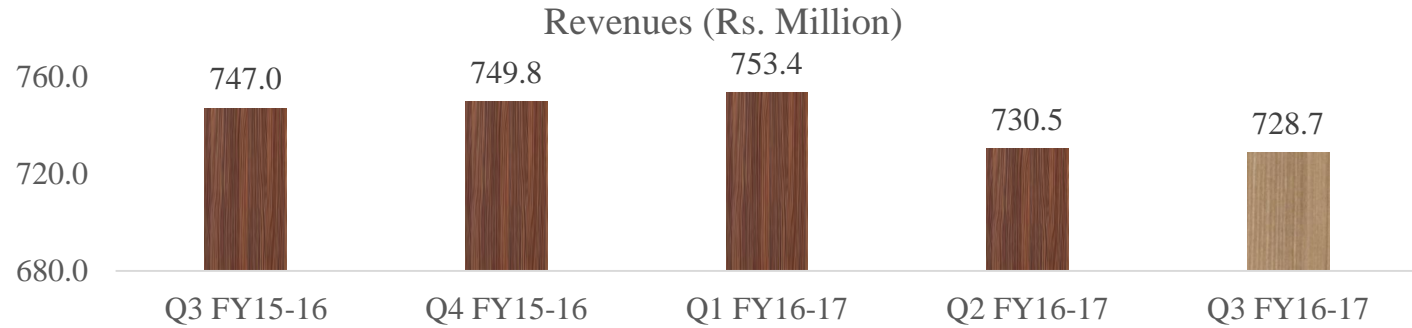


Segment Profits (Rs. Million)	Q3		Y-o-Y Growth (%)
	FY16-17	FY15-16	
Laminates & Products	47.4	44.8	5.6
Medium Density Fibreboard	71.5	39.3	81.8
Revenue From Operations	118.9	84.1	41.2

Segment Profits Q3 FY16-17



■ Laminates & Products ■ Medium Density Fibreboard



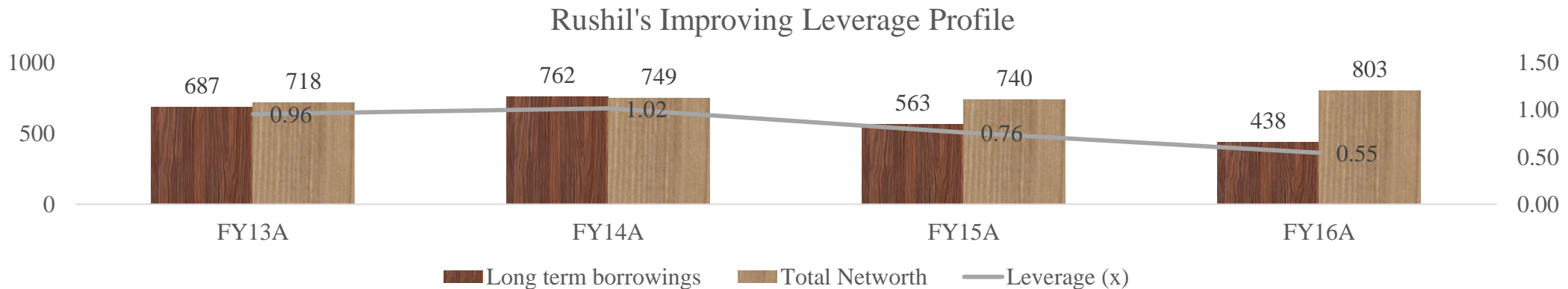
Major Drivers

- Profitability improved drastically for MDF space by 82% resulting from better pricing, lower raw material costs and higher demand.
- Laminates profitability improved 5.6% on a year over year basis on improved prices and product mix
- MDF space saw its share of total sales rise on a Q-o-Q basis and now contributes 50% of the total business. Its profitability expanded by 82% reflecting better pricing and lower input costs.
 - Laminates accounted for 50% of the total turnover and 40% of the total profits
- Financial leverage has declined consistently and is expected to go down further on the back of timely repayments and generation of strong operating cash flows.

(Rs. Million)	Q3 FY16-17	Q4 FY15-16
Short term borrowings	358	469
Long term borrowings	380	438
Current portion of long term borrowings	147	134
Total Debt	885	1041

Strong Liquidity and Leverage Room for Future Capex

- Our company has continued to reduce leverage supported by strong cash flows and rising operating margins.
- The leverage of 0.5x is lower compared to the industry average. It provides enough space for inorganic or organic spending for future expansion.



Rushil Décor

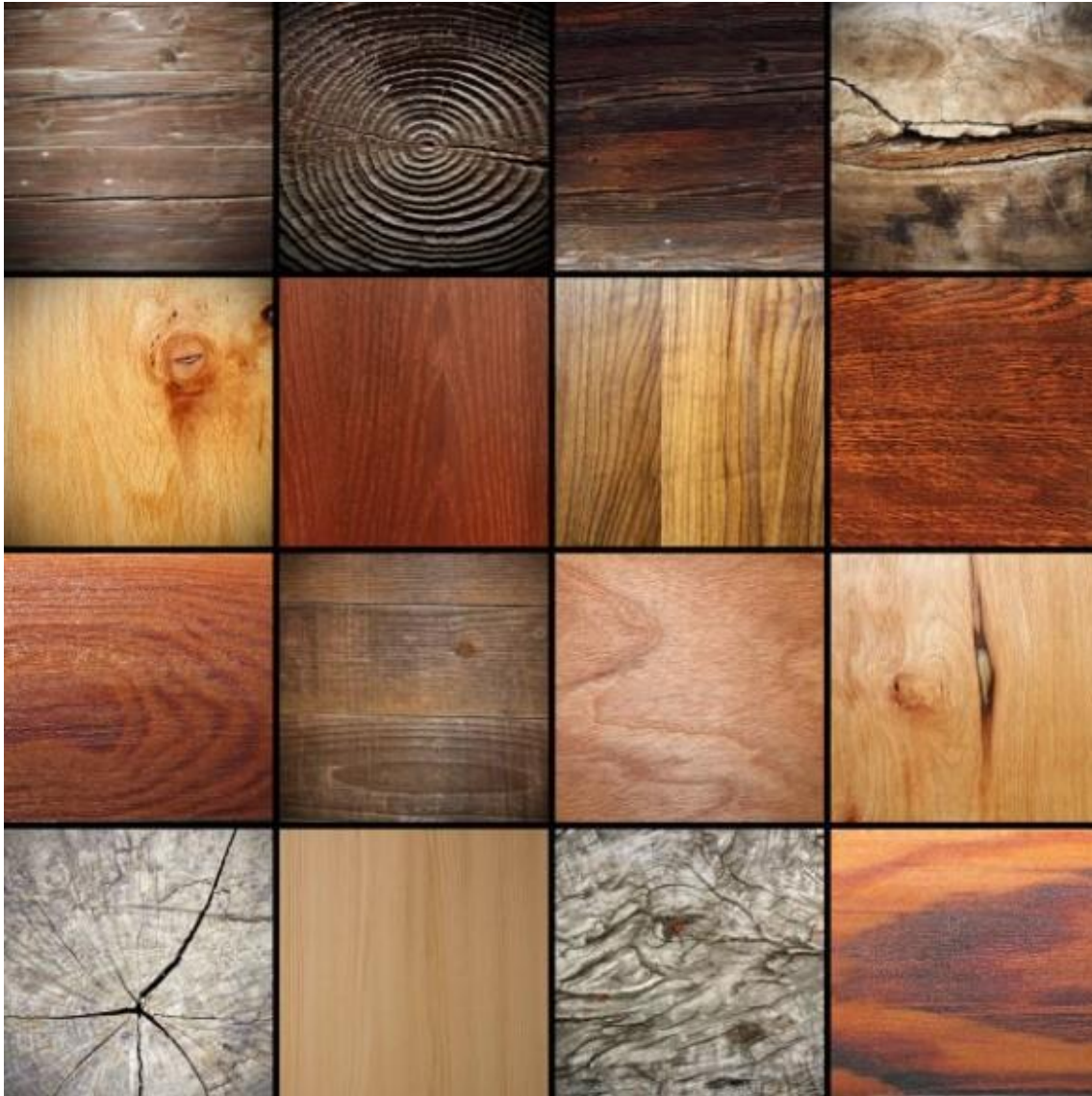
- Incorporated in 1993, Rushil Decor Limited is engaged in manufacturing of decorative laminate products and medium density fiber or MDF
- Offers engineered interior products, which include decorative laminate sheets, industrial laminate sheets and Rushil kitchen door under “Vir Laminate” or “Rushil” 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

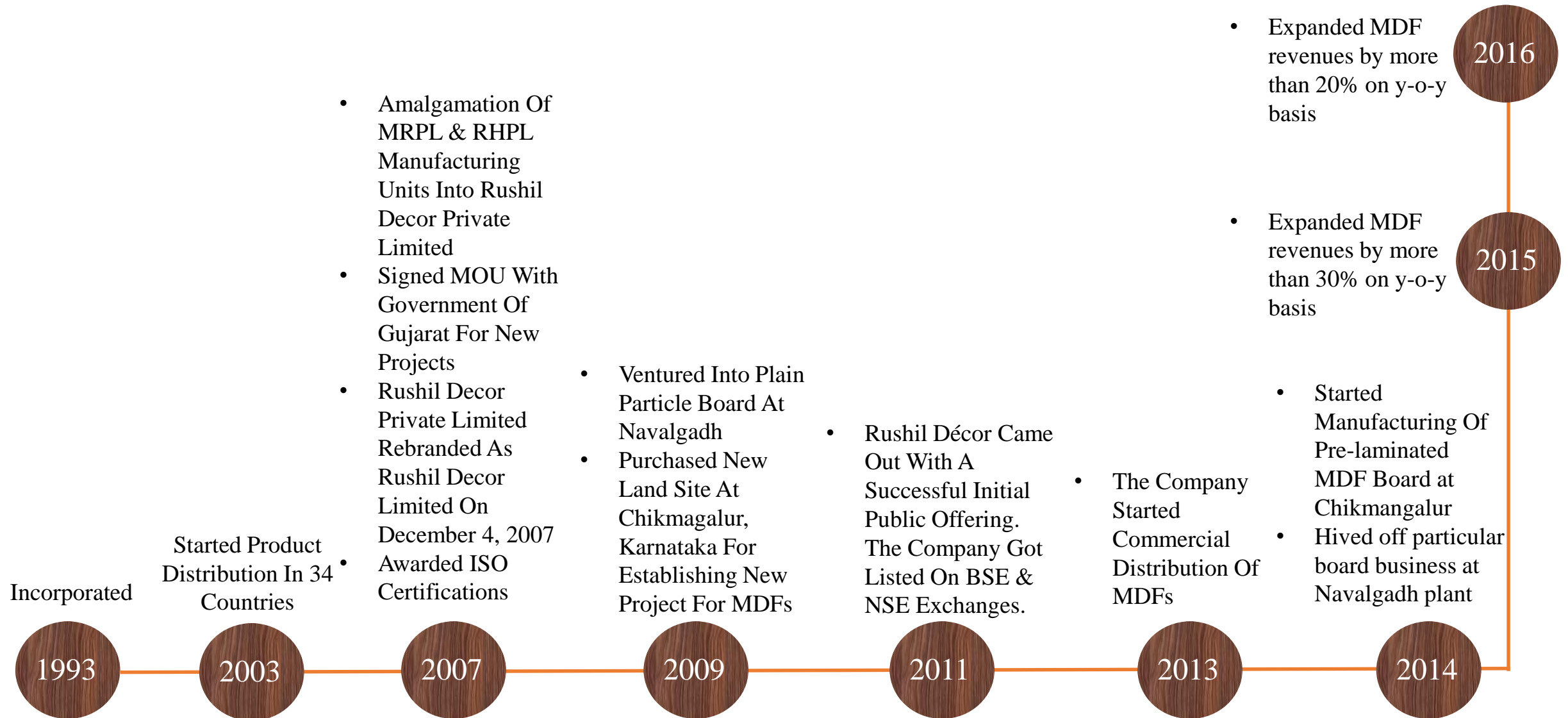
- Has an operating capacity of approximately 48 lakh sheets per annum in the laminates segment, forming 3% of India’s total production capacity
- Markets its products across the globe with a major concentration in Asia and Middle East.



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

- Major shift from unorganized to organized sector reflecting strong growth opportunities
- Strategic decision on a possible capacity expansion
- Significant improvement of operating and net margins
- Higher utilization rates

Positive Market Trends

- Passage of GST and push for affordable housing to boost demand
- Low interest rates to boost real estate, infra spending
- Rebound in pricing for laminates
- Positively volatile global macro environment
- Continuation of favorable input prices

Growth Outlook, Estimates

- Management revenue guidance for FY17 continues to be in the range of Rs.3,250 – Rs. 3,400 Million
- FY17 Net Profit guidance revised in the range of Rs.280 – Rs.300 Million

Laminates

- Rushil Decor operates with capacity of 48 lakh sheets per annum, forming 3% of the country's total production.
- Total market size of more than Rs.5,000 crores, with unorganized market forming one-third
- Capacity additions by organized and unorganized players with production growth in high pressure laminates of 12% over the past few years
- Shift towards organized play, better growth opportunities for established players
- Industry wide capacity addition in low single digit over the next few years

MDF

- MDF market estimated at Rs.1,500 crore, expanding at 15%-20% annually
- Rushil Decor commands 7% market share and has increased share over the past few quarters
- India imports more than a third of its MDF utilization. New capacity additions not sufficient to substitute the same till 2018
- Operating margins can be expanded on value added products
- Internationally, pricing remains subdued due to excess capacities, however, lesser impact domestically as demands picks up

Statutory Financials



Description	Amount (Rs. million)					
	Quarter Ended			Nine months ended		FY16
	Dec-16	Sept-16	Dec-15	Dec-16	Dec-15	
Net Sales	729	730	747	2212	2218	2968
Other Operating Revenues	22	21	28	63	65	91
Net sales or Revenue from Operations	707	709	719	2149	2153	2877
Expenditure	-624	-615	-670	-1909	-1985	-2679
Other Expenses	-163	-171	-171	-500	-496	-703
Depreciation and Amortisation expense	-18	-17	-16	-51	-49	-65
Cost of Materials Consumed	-393	-414	-462	-1253	-1277	-1681
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-1	33	39	44	18	6
Employee benefit expense	-49	-46	-43	-146	-129	-184
Purchases of stock-in-trade	0	-1	-16	-2	-52	-52
Profit from Operations before Other Income, Interest and Exceptional Items	105	115	77	304	233	289
Other Income	9	7	2	19	5	8
Profit before Interest and Exceptional Items	114	122	79	323	238	297
Interest	-24	-28	-28	-78	-92	-116
Profit after Interest but before Exceptional Items	90	94	50	245	146	181
Exceptional Item	0	0	0	0	0	0
Profit (+)/ Loss (-) from Ordinary Activities before Tax	90	94	50	245	146	181
Current Tax	-19	-20	-10	-52	-30	-43
Deferred Tax	-6	-4	-17	-12	-52	-67
Extraordinary Items	0	0	0	0	0	0
Net Profit (+)/ Loss (-) from Ordinary Activities after Tax	66	70	23	181	64	71
Equity Capital	144	144	144	144	144	144
Face Value (in Rs)	10	10	10	10	10	10
Reserves	0	0	0	0	0	0
EPS before Extraordinary items (in Rs)	4.55	4.87	1.62	12.56	4.49	4.96
EPS after Extraordinary items (in Rs)	4.55	4.87	1.62	12.56	4.49	4.96

Description	Amount (Rs. million)					FY16
	Quarter Ended			Nine months ended		
	Dec-16	Sept-16	Dec-15	Dec-16	Dec-15	
1. Segment Revenue (Gross Revenues)						
Laminates & Allied Products	386	424	434	1212	1289	1700
Medium Density Fiber Board	386	350	350	1139	1054	1430
Particle Board	0	0	0	0	0	6
Total	772	774	784	2350	2343	3136
Less: Inter Segment Revenue	-3	-5	-5	-12	-13	-22
Gross sales/income from Operations	769	769	779	2338	2330	3114
2. Segment Result						
Laminates & Allied Products	47	61	45	151	123	161
Medium Density Fiber Board	72	67	39	192	134	168
Particle Board	3	0	0	3	0	-7
Total	122	129	84	346	256	322
Interest	-24	-28	-28	-78	-92	-116
Other un-allocable expenditure net off un-allocable income	-8	-7	-6	-22	-17	-25
Total Profit Before Tax	90	94	50	245	147	181
3. Capital Employed						
Laminates & Allied Products	461	450	284	461	284	264
Medium Density Fiber Board	1181	1180	1187	1181	1187	1221
Particle Board	14	11	26	14	26	12
Unallocated	-18	-20	-9	-18	-9	-1
Total	1638	1620	1488	1638	1488	1496
Other Unallocable Items	-	-	0	-	0	0
Total	1638	1620	1488	1638	1488	1496

Rushil Decor Ltd.

CIN – L25209GJ1993PLC019532

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