



# RUSHIL

DECOR LIMITED

WE'LL MAKE IT

## Investor Presentation Q1 FY24



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## Management Comment



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

*"Reflecting upon the challenges we have encountered, it is essential to recognize the positive strides we have made despite the hurdles. While our year-on-year figures have experienced a dip, let us not overlook the encouraging upward trajectory we have maintained on a sequential basis. This upward movement is a true testament to our unwavering commitment to operational excellence and cost management.*

*I am delighted to announce successful completion of the Rights issue which stands as a remarkable accomplishment that will reverberate throughout our financial landscape. The fruits of this endeavor are clearly demonstrated by our debt-to-equity ratio now standing at an impressive 0.65, bringing us closer to our long-standing goal of debt reduction.*

*Amidst these triumphs, we are elated to report that our operating margins have exhibited remarkable improvement, surging by 180 basis points on a sequential basis. We remain steadfast in our commitment to enhancing our operational efficiency, which continues to be a cornerstone of our growth strategy.*

*One other important highlights of this quarter is the improvement in domestic realization. This sequential rise is a clear indication of both the strength of our brand and the favorable demand-supply dynamics prevailing in the market. Our laminates business, recorded not only substantial EBITDA growth but also a notable expansion in margins. This can be attributed to a decline in raw material costs, combined with, efforts on product quality, optimize supply chain, and foster innovation within the segment.*

*As we navigate the future, our strategic compass remains unwavering. We exude confidence in our direction and the strategic measures we have taken to enhance profitability and effectively navigate challenges. Our commitment to delivering consistent value to our stakeholders is unwavering. Through transparency, innovation, and prudent management, we strive to nurture lasting relationships that propel us towards greater heights."*

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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

## Digital Parivartan with SAP S/4 Hana

01

### Successful Migration

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

02

### Go-Live across the Organization

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

03

### Implementation in record time

- Implementing SAP in just 7 months
- Highlights organization's commitment to efficient project management and execution



## Offering Specialized Products



Decorative Laminates



**Units** 3  
**Capacity** 3.49 million p.a.  
**Utilization** Q1 FY24 – 79%  
**Location** Gujarat

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

### Brands

### Manufacturing

### Applications



Medium Density Fiberboard (MDF)



**Units** 2  
**Capacity** 3,30,000 CBM p.a.  
**Utilization** Q1 FY24 - 70%  
**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 (Q1 FY24) – 77%

### Visakhapatnam, Andhra Pradesh

- Installed Capacity – 2,40,000 CBM per annum.
- Utilization (Q1 FY24) – 68%

## 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. Has Mukh K. Modi  
Company Secretary**

- Associated with Company for the last 15 years
- Commerce graduate and Company Secretary qualifications
- Completed ICMAI in 2011

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## 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 560+ distributors and 4,160+ dealers/retailers across India

### Significant Export Presence

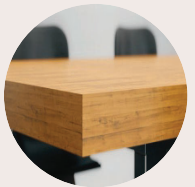
- Exporting to 51+ countries, established strong brand in export markets
  - Exports help de-risk business on geographical & customer segments
-



## Q1 FY24 Financial Highlights



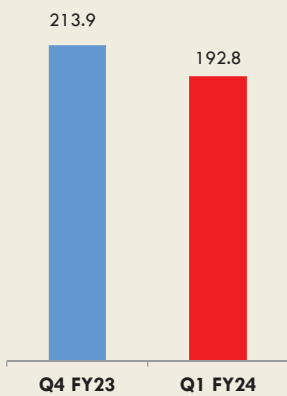
Laminates



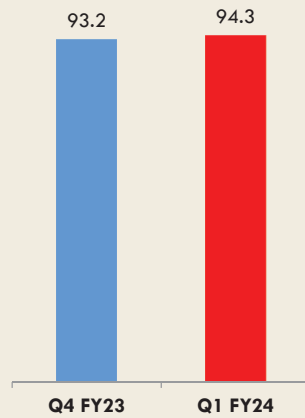
MDF

## Q1 FY24 Financial Highlights

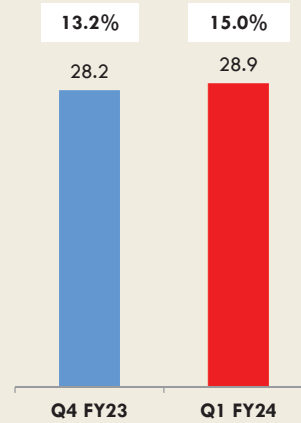
### Revenues (Rs. Crore)



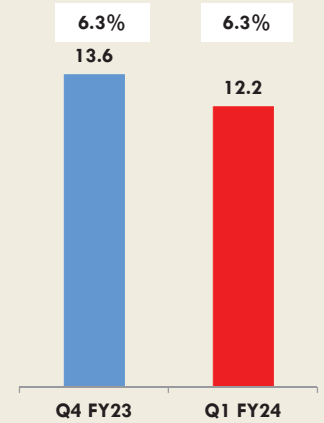
### Gross Profit (Rs. Crore)



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



### PAT (Rs. Crore) / Margin %

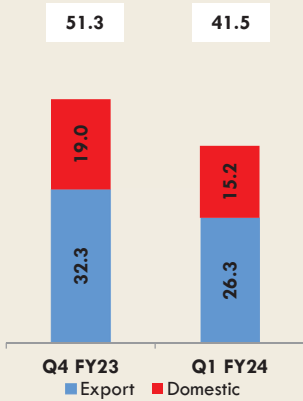


- During the quarter, volumes of value added products under MDF segment increased compared to previous period
- Laminate segment witnessed reduction in prices of key raw materials

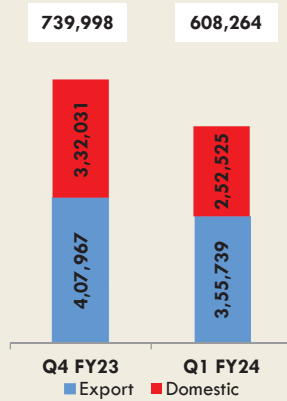
Gross Profit – Revenue from operations – Total raw material cost

## Quarterly Highlights – Laminates

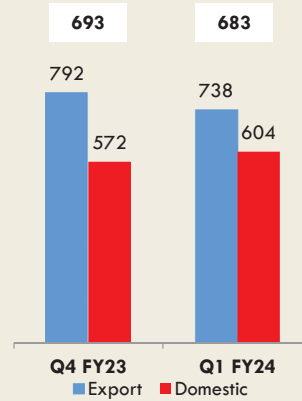
### Revenues (Rs. Crore)



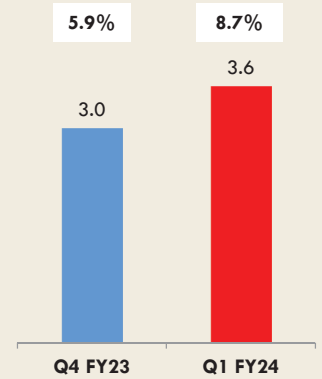
### Sales Volumes (Sheets)



### Realization (Rs. per sheet)



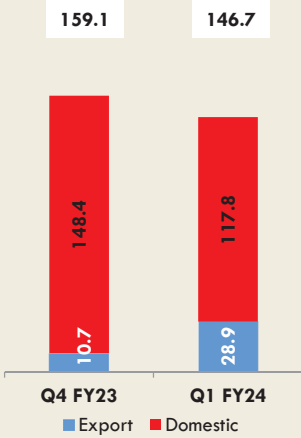
### EBITDA (Rs. Crore) / Margin %



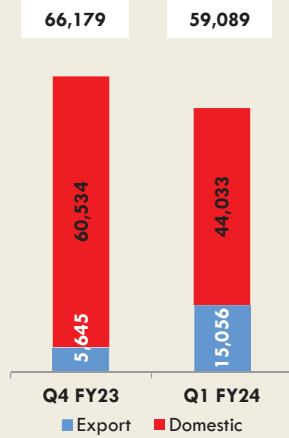
- Growth in EBITDA for the quarter was mainly on account of reduction in prices of key raw materials

## Quarterly Highlights – MDF

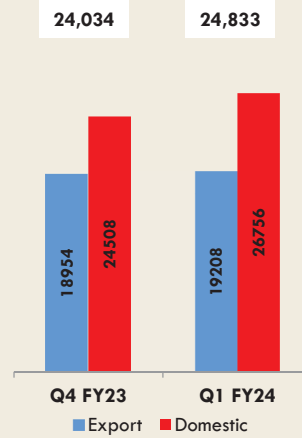
### Revenues (Rs. Crore)



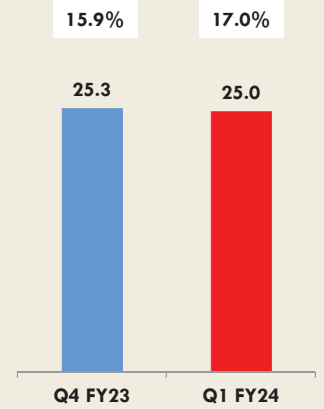
### Sales Volumes (CBM)



### Realization (Rs. per CBM)



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



- Export volumes grew by over 160% during Q1 FY24 on account of higher exports
- During the quarter, contribution of value added products increased in the overall volumes compared to previous periods

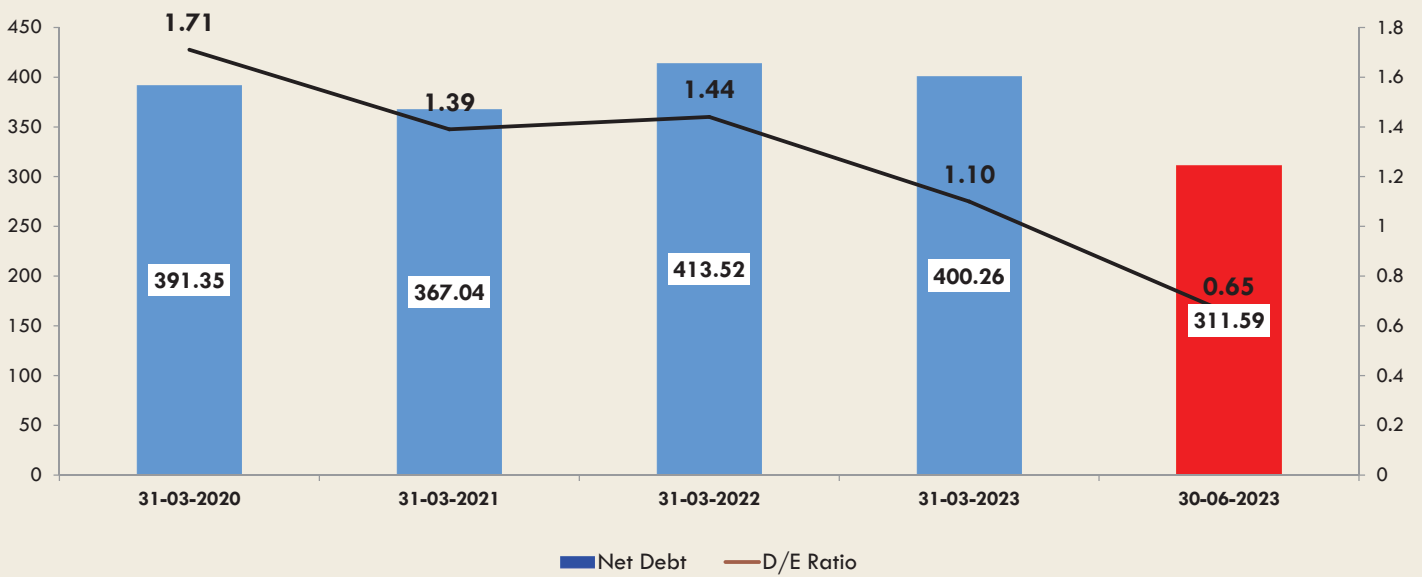


## Quarterly Financial Highlights

Particulars (Rs. Crore)	Q1 FY24	Q4 FY23	Q-o-Q (%)	Q1 FY23	Y-o-Y (%)
<b>Revenue</b>	<b>192.8</b>	<b>213.9</b>	<b>(9.9%)</b>	<b>210.8</b>	<b>(8.5%)</b>
Cost of Services & Raw Materials	104.8	119.3		105.4	
(Increase) / Decrease In Stocks	-6.2	1.5		-10.4	
Purchase of Finished Goods	0.0	0.0		0.0	
Employee Cost	12.8	12.6		10.9	
Other Expenses	52.6	52.4		57.4	
<b>EBITDA</b>	<b>28.9</b>	<b>28.2</b>	<b>2.5%</b>	<b>47.5</b>	<b>(39.2%)</b>
<b>EBITDA Margin</b>	<b>15.0%</b>	<b>13.2%</b>		<b>22.5%</b>	
Other Income	2.3	0.3		0.2	
Depreciation	7.2	6.3		6.1	
Finance Cost	7.5	6.5		4.9	
Exceptional Items	0.0	0.0		0.0	
<b>PBT</b>	<b>16.4</b>	<b>15.7</b>		<b>36.7</b>	
Tax	4.2	2.1		9.5	
<b>PAT</b>	<b>12.2</b>	<b>13.6</b>	<b>(10.1%)</b>	<b>27.2</b>	<b>(55.2%)</b>
<b>PAT Margin</b>	<b>6.3%</b>	<b>6.3%</b>		<b>12.9%</b>	

## Debt Profile

Unlocking Financial Strength: Significantly Reduced Debt-to-Equity Ratio

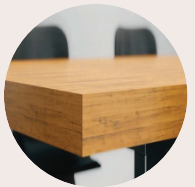




## Historical Financial Highlights



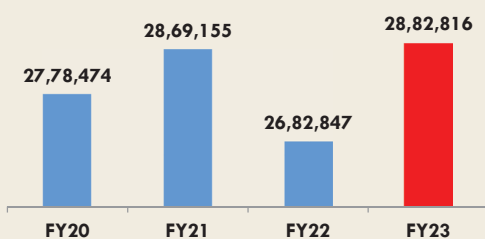
Laminates



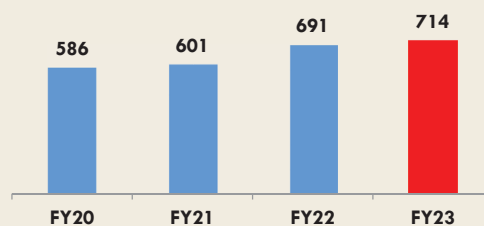
MDF

## Annual Highlights – Laminates

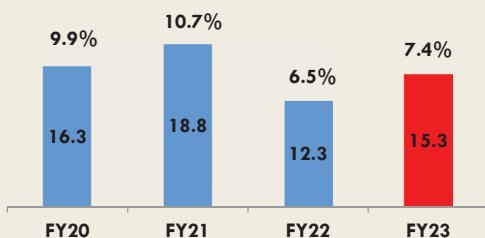
Sales Volumes (Sheets)



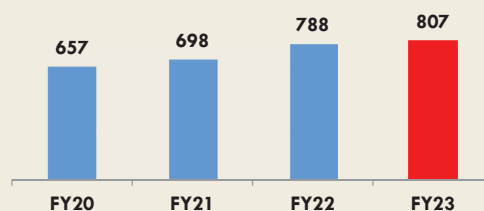
Realization (Rs. per sheet)



EBITDA (Rs. Crore)/ Margins (%)

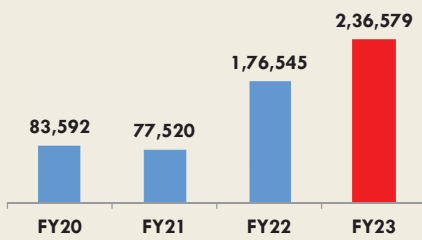


Export Realization (Rs. per sheet)

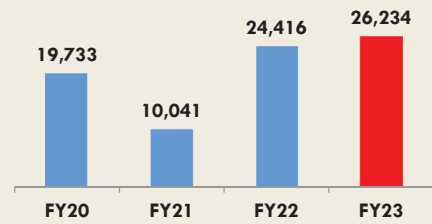


## Annual Highlights – MDF

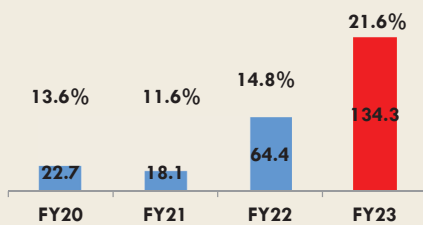
Sales Volumes (CBM)



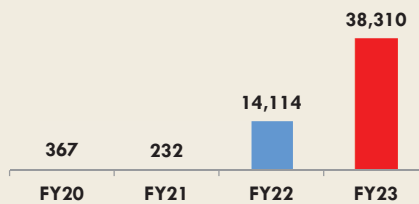
Realization (Rs. per CBM)



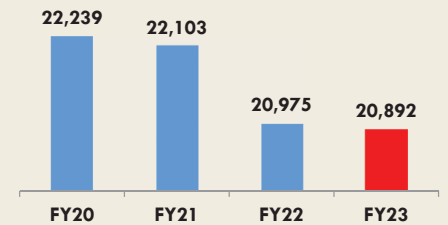
EBITDA (Rs. Crore)/ Margins (%)



Export Volumes (CBM)



Export Realization (Rs. per CBM)

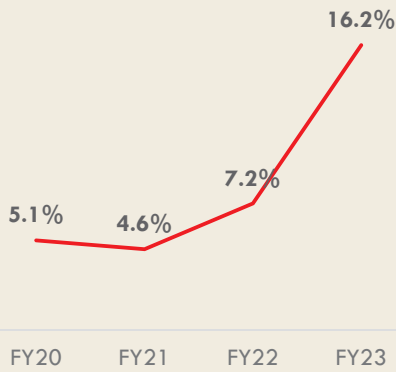


## Key Financial Ratios

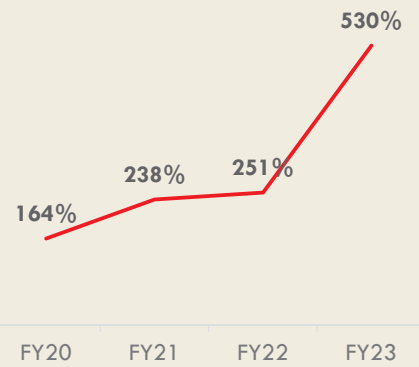
**Return on Equity**



**Return on Capital Employed**



**Interest Coverage Ratio**



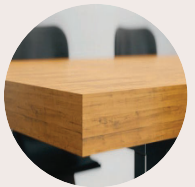
ROE – PAT / Shareholders Fund; ROCE – EBIT / (Shareholders Fund + Total Debt – Investments); Interest Coverage ratio – EBIT / Interest expenses



## Way Ahead



Laminates



MDF

## Working towards accretive value creation

### **Increase capacity utilization of MDF plants**

- Achieve optimum capacity utilization in existing plants and attain higher efficiencies
- Focus on reaching higher utilization levels of 90%-95% from current (75% FY23) within next two years

### **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



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Thank you

**Rushil Décor Limited**

Mr. Hiren Padhya,  
Chief Financial Officer,  
Email – [hiren.padhya@rushil.com](mailto:hiren.padhya@rushil.com)  
Website – [www.rushil.com](http://www.rushil.com)

**Adfactors PR, India**

Mr. Shiv Muttoo/ Mr. Smit Shah  
Tel - +91 9833557572/ +91 9870789596  
Email – [shiv.muttoo@adfactorspr.com](mailto:shiv.muttoo@adfactorspr.com) |  
[smit.shah@adfactorspr.com](mailto:smit.shah@adfactorspr.com)