



Rushil Decor Limited

(BSE: 533470, NSE: RUSHIL)

Q4 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.

Record Profits on Growth Trends Across the Categories



| Revenues | EBITDA | Profit Before Tax | Profit After Tax |
|----------------------------|----------------------------|----------------------------|----------------------------|
| Rs. 847 Million 13.0% ↑ | Rs. 131 Million 76.2% ↑ | Rs. 88 Million 157.5% ↑ | Rs. 64 Million 851.2% ↑ |

Mr. Krupesh Ghanshyambhai Thakkar - Managing Director on FY2017

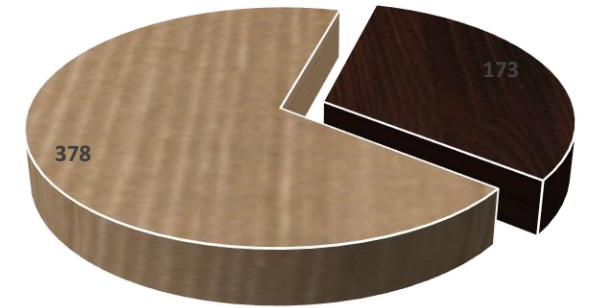
“Rushil recorded its highest ever yearly EPS of Rs.17.04 in FY17, more than quadrupling its earnings on a y-o-y basis. The growth has come from both the laminates and MDF space with the penetration of higher margin product line. Our 4Q17 revenue recorded growth of 13% as compared to the prior year quarter. Our profitability expanded substantially on improved product mix and lower financial leverage. Our MDF space now commands 47% of the total revenues as well as profitability. Our laminate segment has seen improved profitability mainly due to focus on high margin offerings. As expected, we are witnessing strong pick up on real estate, infrastructure spending post demonetization. The introduction of GST, affordable housing reforms will help in improved environment for manufacturing and laminate businesses. Rushil Decor continues to explore further organic expansion in laminates and MDF space which continue to offer tremendous long term opportunities.”

Expanding Share in Domestic as well as International Markets

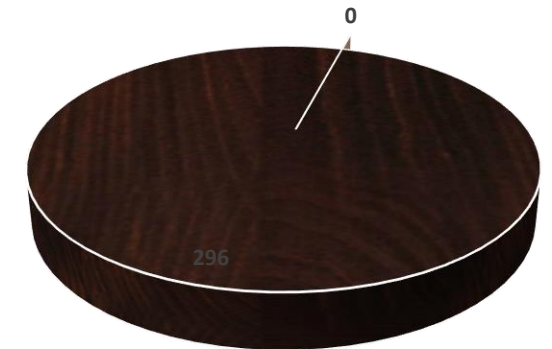


| <i>(Rs. Million)</i> | Q4 | | Y-o-Y Growth (%) |
|---|------------|------------|------------------|
| | FY16-17 | FY15-16 | |
| Net Sales (Includes other operating income) | 846.9 | 749.8 | 13.0% |
| EBITDA | 131.3 | 74.5 | 76.2% |
| <i>Margin (%)</i> | <i>15%</i> | <i>10%</i> | |
| PAT | 64.5 | 6.8 | 851.2% |
| <i>Margin (%)</i> | <i>8%</i> | <i>1%</i> | |
| Basic EPS (Rs.) | 4.48 | 0.47 | 851.2% |

Domestic Sales (Rs. Million)



Exports (Rs. Million)



■ Laminates & Products ■ Medium Density Fibreboard

Laminates and MDF - Both Garner Higher Margins

| Segment Revenues (Rs. Million) | Q4 | | Y-o-Y Growth (%) |
|-----------------------------------|--------------|--------------|------------------|
| | FY16-17 | FY15-16 | |
| Laminates & Products | 473.2 | 410.6 | 15.2% |
| Medium Density Fibreboard | 427.5 | 376.3 | 13.6% |
| Less: Intersegment Revenues | 6.5 | 9.0 | -27.8% |
| Revenue From Operations | 894.2 | 784.3 | 14.0% |

Segment Revenues Q4 FY16-17



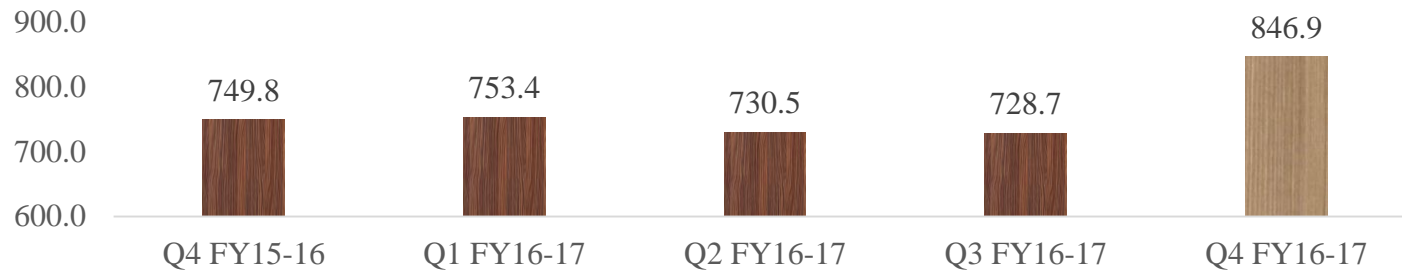
| Segment Profits (Rs. Million) | Q4 | | Y-o-Y Growth (%) |
|----------------------------------|--------------|-------------|------------------|
| | FY16-17 | FY15-16 | |
| Laminates & Products | 64.3 | 39.4 | 63.2% |
| Medium Density Fibreboard | 58.0 | 34.6 | 67.6% |
| Profit From Operations | 122.3 | 74.0 | 65.3% |

Segment Profits Q4 FY16-17

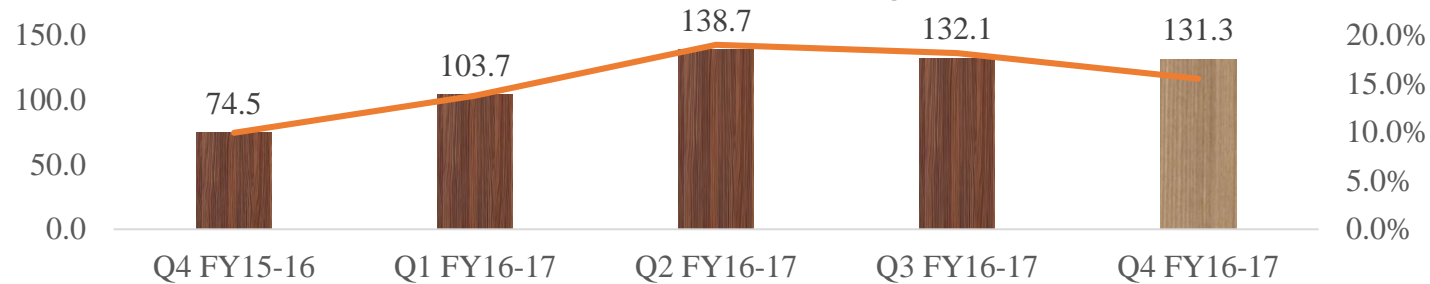


■ Laminates & Products ■ Medium Density Fibreboard

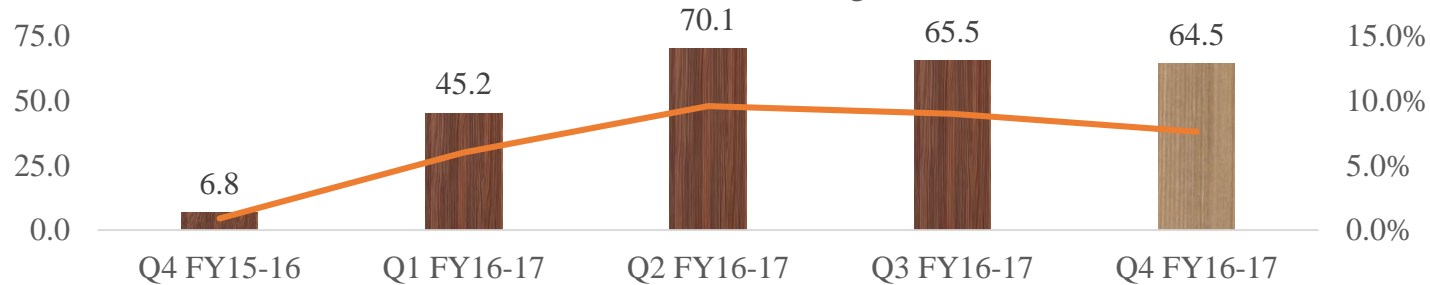
Revenues (Rs. Million)



EBITDA Rs. Million and Margins (%)



PAT Rs. Million and Margins (%)



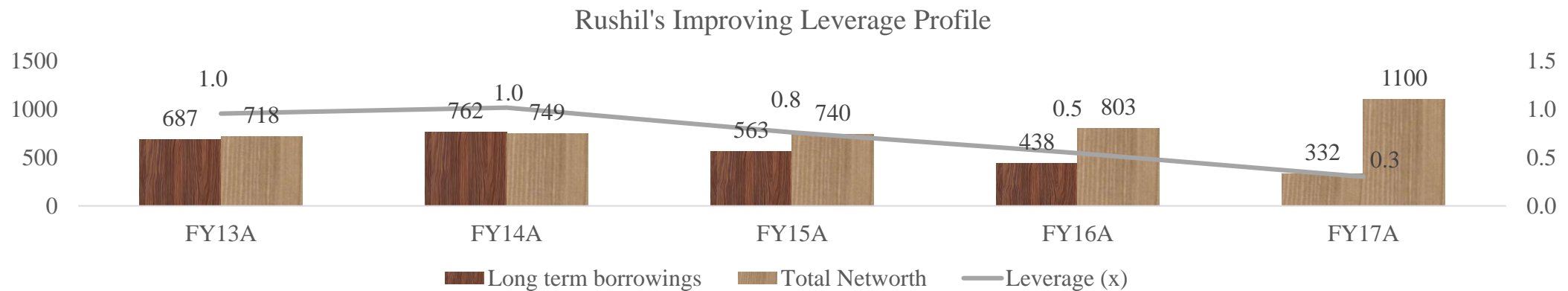
Major Drivers

- Profitability improved across the divisions reflecting better product mix and lower input costs.
- Laminates profitability improved 63.2% on a year over year basis on offerings in high end product line, lower raw material costs
- MDF space saw higher Q-o-Q revenues, however, its share in total revenue declined due to higher growth in laminates. Its profitability expanded by 67.6% on a y-o-y basis reflecting penetration of high end product line.
 - MDF accounted for 47% of the total turnover and total profits
- Financial leverage has remained steady on a Q-o-Q basis. However, the same can increase in the upcoming quarters on capital expenditure plans or organic expansion.

| (Rs. Million) | Q4 FY16-17 | Q4 FY15-16 |
|---|------------|-------------|
| Short term borrowings | 457 | 469 |
| Long term borrowings | 332 | 438 |
| Current portion of long term borrowings | 139 | 134 |
| Total Debt | 928 | 1041 |

Lower Leverage and Cash Flow Generate Apt for High Capex

- Our company has demonstrated another year of reduced leverage backed by high cash flows generation.
- The leverage of 0.3x 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

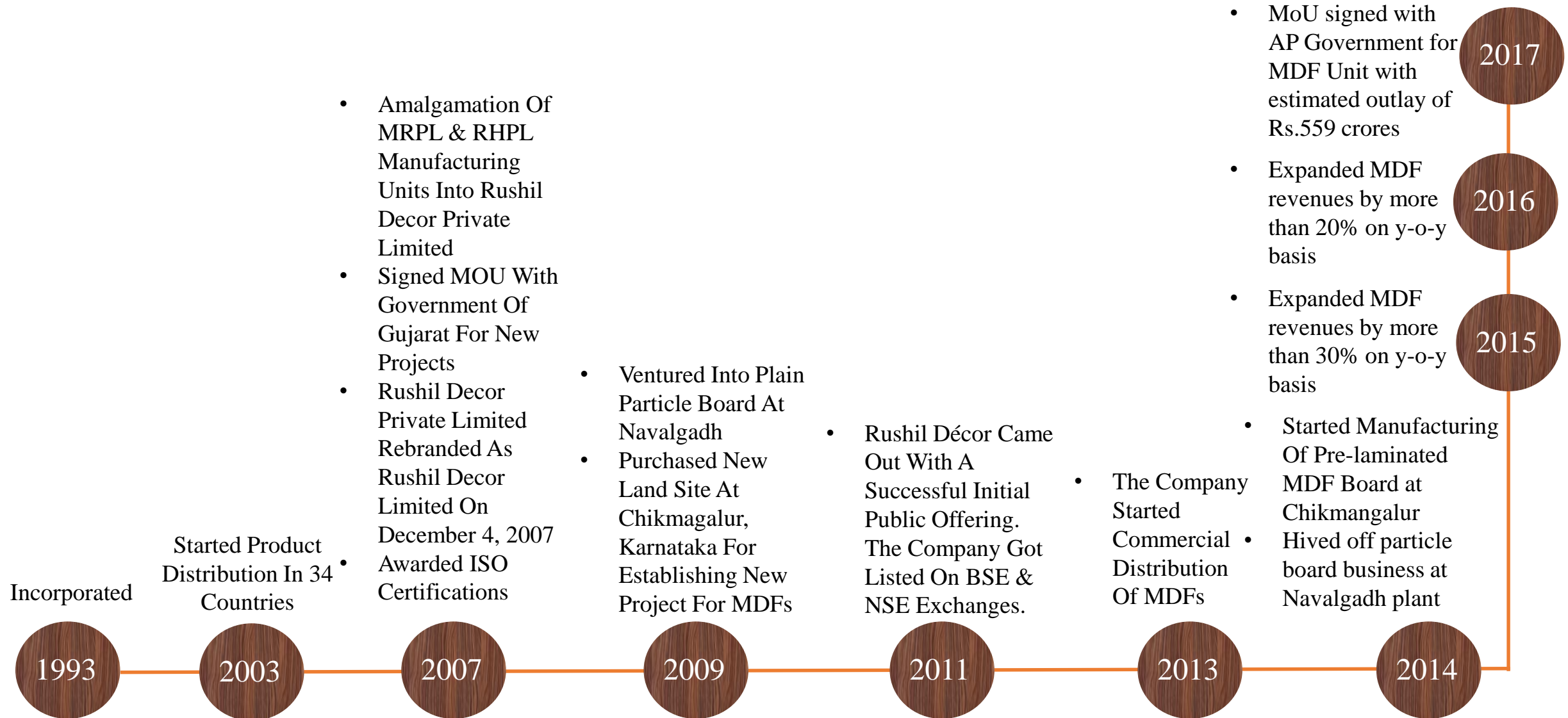
- Has an operating capacity of approximately 48 lakh sheets per annum in the laminates segment, forming 3% of India’s total production capacity
- Markets its products across the globe with a major concentration in Asia and Middle East.



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

MoU Signed – Targeting Next Set of Growth



Core Leadership Focusing on Related Expansion



| 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 | - |

Expansion of Organized Market

- Organized players dominating the space with estimated market share of 75% over the next decade as compared to a current share of 55%
- Raw material linkages strong for organized players viz-a-viz unorganized players
- Significant improvement of operating and net margins
- Higher capacity utilization rates

Government Initiatives, Benefits

- Passage of GST, Affordable housing, Infrastructure spending to boost demand
- Average tax of 25-27% to decline to 18%-27% on GST implementation
- Low interest rates to boost real estate, infra spending
- Rebound in pricing for laminates
- Positively volatile global macro environment

Outlook and Estimates

- Management revenue guidance for FY18 in the range of Rs.3,750 – Rs. 3,800 Million
- FY18 Net Profit guidance in the range of Rs.300 – Rs.330 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 | | | Year ended | |
| | Mar-17 | Dec-16 | Mar-16 | Mar-17 | Mar-16 |
| Net Sales | 847 | 729 | 750 | 3060 | 2968 |
| Other Operating Revenues | 24 | 22 | 26 | 87 | 91 |
| Net sales or Revenue from Operations | 823 | 707 | 724 | 2973 | 2877 |
| Expenditure | -742 | -624 | -694 | -2651 | -2679 |
| Other Expenses | -197 | -163 | -207 | -698 | -703 |
| Depreciation and Amortisation expense | -18 | -18 | -16 | -69 | -65 |
| Cost of Materials Consumed | -440 | -393 | -403 | -1692 | -1681 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | -21 | -1 | -13 | 23 | 6 |
| Employee benefit expense | -61 | -49 | -55 | -206 | -184 |
| Purchases of stock-in-trade | -5 | 0 | 0 | -7 | -52 |
| Profit from Operations before Other Income, Interest and Exceptional Items | 104 | 105 | 56 | 409 | 289 |
| Other Income | 9 | 9 | 3 | 28 | 8 |
| Profit before Interest and Exceptional Items | 113 | 114 | 58 | 437 | 297 |
| Interest | -25 | -24 | -24 | -104 | -116 |
| Profit after Interest but before Exceptional Items | 88 | 90 | 34 | 333 | 181 |
| Exceptional Item | 0 | 0 | 0 | 0 | 0 |
| Profit (+)/ Loss (-) from Ordinary Activities before Tax | 88 | 90 | 34 | 333 | 181 |
| Current Tax | -20 | -19 | -13 | -72 | -43 |
| Deferred Tax | -4 | -6 | -15 | -16 | -67 |
| Extraordinary Items | 0 | 0 | 0 | 0 | 0 |
| Net Profit (+)/ Loss (-) from Ordinary Activities after Tax | 64 | 66 | 7 | 245 | 71 |
| Equity Capital | 144 | 144 | 144 | 144 | 144 |
| Face Value (in Rs) | 10 | 10 | 10 | 10 | 10 |
| Reserves | 0 | 0 | 0 | 906 | 659 |
| EPS before Extraordinary items (in Rs) | 4.48 | 4.55 | 0.47 | 17.04 | 4.96 |
| EPS after Extraordinary items (in Rs) | 4.48 | 4.55 | 0.47 | 17.04 | 4.96 |

| Description | Amount (Rs. million) | | | | |
|--|----------------------|--------|--------|------------|--------|
| | Quarter Ended | | | Year ended | |
| | Mar-17 | Dec-16 | Mar-16 | Mar-17 | Mar-16 |
| 1. Segment Revenue (Gross Revenues) | | | | | |
| Laminates & Allied Products | 473 | 386 | 411 | 1685 | 1700 |
| Medium Density Fiber Board | 428 | 386 | 376 | 1566 | 1430 |
| Particle Board | 0 | 0 | 6 | 0 | 6 |
| Total | 901 | 772 | 793 | 3251 | 3136 |
| Less: Inter Segment Revenue | -6 | -3 | -9 | -19 | -22 |
| Gross sales/income from Operations | 894 | 769 | 784 | 3232 | 3114 |
| 2. Segment Results | | | | | |
| Laminates & Allied Products | 64 | 47 | 39 | 215 | 161 |
| Medium Density Fiber Board | 58 | 72 | 35 | 250 | 168 |
| Particle Board | -1 | 3 | -8 | 3 | -7 |
| Total | 122 | 122 | 66 | 468 | 322 |
| Interest | -25 | -24 | -24 | -104 | -116 |
| Other un-allocable expenditure net off un-allocable income | -9 | -8 | -8 | -31 | -25 |
| Total Profit Before Tax | 88 | 90 | 34 | 333 | 181 |
| 3. Capital Employed | | | | | |
| Laminates & Allied Products | 548 | 461 | 264 | 548 | 264 |
| Medium Density Fiber Board | 1133 | 1181 | 1221 | 1133 | 1221 |
| Particle Board | 14 | 14 | 12 | 14 | 12 |
| Unallocated | 9 | -18 | -1 | 9 | -1 |
| Total | 1705 | 1638 | 1496 | 1705 | 1496 |
| Other Unallocable Items | - | - | 0 | - | 0 |
| Total | 1705 | 1638 | 1496 | 1705 | 1496 |

Rushil Decor Ltd.

CIN – L25209GJ1993PLC019532

Registered Office:

S. No. 125, Near Kalyanpura Patia, Village Itla,
Gandhinagar-Mansa Road, Ta. Kalol,
Dist. Gandhinagar, Gujarat – 382845

Corporate Office: (For Communications)

Nr. Nilkanth Green Villa, Off S P Ring Road,
Shilaj, Ahmedabad, Gujarat – 380058

Hasmukh K. Modi [Rushil Décor]

cs@virlaminate.com, +917961400400