

September 15, 2025

## Management Meet Update

### Key Financials - Consolidated

Y/e Mar	FY22	FY23	FY24	FY25
Sales (Rs. m)	6,169	8,271	8,338	8,979
EBITDA (Rs. m)	739	1,494	1,199	1,057
Margin (%)	12.0	18.1	14.4	11.8
PAT (Rs. m)	228	777	431	481
EPS (Rs.)	1.0	3.5	1.7	1.8
Gr. (%)	41.2	240.7	-51.5	4.2
DPS (Rs.)	0.0	0.0	0.1	1.0
Yield (%)	0.0	0.1	0.3	3.2
RoE (%)	8.3	23.9	9.5	8.2
RoCE (%)	6.4	14.7	9.1	8.8
EV/Sales (x)	1.9	1.4	1.4	1.3
EV/EBITDA (x)	15.8	7.8	9.7	11.0
PE (x)	30.7	9.0	18.6	17.8
P/BV (x)	2.4	1.9	1.5	1.4

### Key Data

RUSH.BO | RDL IN

52-W High / Low	Rs.40 / Rs.20
Sensex / Nifty	81,905 / 25,114
Market Cap	Rs.9.0bn/ \$ 101.6m
Shares Outstanding	286.8m
3M Avg. Daily Value	Rs.45.0m

### Shareholding Pattern (%)

Promoter's	55.10
Foreign	4.44
Domestic Institution	0.06
Public & Others	42.22
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	45.0	37.1	(16.2)
Relative	42.4	25.9	(16.0)

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## Exports to drive margins higher

We attended the management meet of Rushil Décor (RDL) to gain insights into its MDF, laminates, and value-added products (VAP) businesses, as well as demand-supply dynamics in the wood panel industry. The company is strategically focusing on margin expansion, capacity utilization, and export-led growth, despite near-term margin pressure from the recent fire incident. The management has guided for revenue of ~Rs10bn in FY26 with EBITDAM of ~11%, improving to 12–13% in FY27. Growth will be supported by price hikes, higher VAP share in exports, and ramp-up of the upcoming Jumbo Laminate plant, which is expected to be largely export-driven and deliver superior margins. The company continues to operate with prudent leverage (D/E at 0.44x) and moderate capex plans (~Rs200mn in FY26). Over FY21–25, RDL delivered sales/EBITDA/PAT CAGR of 27.9%/31.9%/36.7%. We don't have a rating on the stock.

### Key takeaways:

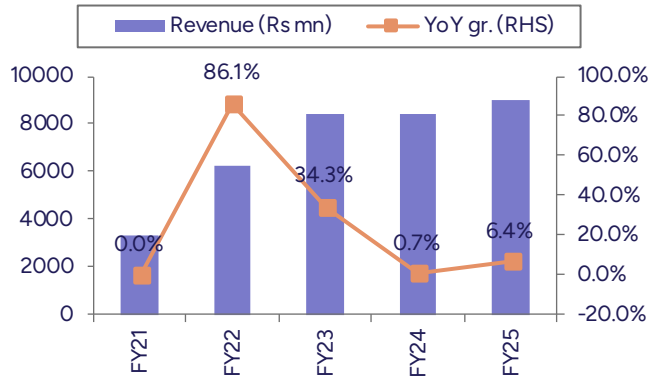
- **Guidance:** The company expects revenue to reach Rs10bn with a margin of 11% in FY26, improving to 12–13% in FY27. Margins this year will be lower due to the fire incident.
- **Pricing & raw materials:** The company took a 5% price hike effective 15th Sep'25, with potential for further increases. The effect of price hikes will be visible from Q3FY25.
  - Wood accounts for ~40% of raw material cost, while resin accounts for 10–10.5%, though the mix may vary depending on the technology used.
  - Resin costs have risen by ~3% QoQ and are expected to increase further, which could impact RDL's margins. Resin is a mix of phenol, methanol, formaldehyde, etc. Timber prices are expected to remain stable through the year.
  - Kraft paper prices have increased slightly (1–1.5%), while paper costs remain stable.
- **Demand & supply outlook:** Demand remains healthy, though supply normalization post-monsoon could ease pricing. Implementation of BIS norms will ensure that all players comply with the quality benchmarks.
  - The company exports ~5,000 CBM per month Earlier, exports were largely driven by obligation requirements, which restricted margins; however, with the obligations having been met, rising share of higher margin VAP in the export mix is expected to drive further improvement in overall margins.
- **MDF segment:** MDF industry capacity stands at 4.5mn CBM, while domestic sales (including imports) are at 2.8–2.85mn CBM, indicating 58% underutilization due to oversupply. However, domestic MDF industry continues to grow at 14–15%, driven by rising demand from the furniture segment.

- No significant capacity addition is expected in FY26. 3–4 small players from the unorganized sector may add capacity in FY27, which is not expected to materially impact the industry supply-demand dynamics.
- Among organized players, Action Tesa is setting up a 900 CBM plant in Visakhapatnam, while Elixir in Madhya Pradesh with a capacity of ~700 CBM. In addition, an unorganized player in Kerala is coming up with 450–600 CBM capacity.
- In India's wood panel furniture market, 70% of manufacturers use plywood, while the remaining use MDF and particle boards.
- Boards and doors have domestic market size of >Rs6,000mn). Currently, RDL has a revenue of ~Rs300mn expected to reach Rs420mn with the installed capacity and margin of ~8%.
- **Laminates segment:** The segment remains stagnant, but the company expects a pickup from H2FY26.
- Exports account for 55–60% of the segment revenue. The upcoming Jumbo Laminate plant will be predominantly export-driven, deriving ~80% of its revenue from exports, and is expected to deliver margins of 14–15%, improving to 15–16% within 2 years.
- Pre-Lam contributes to 40% in volume and 50% in value terms. The company expects this share to rise to 50% in volume and 60% in value terms, which will further enhance overall realizations.
- Laminates segment operates at 85–90% utilization. The company expects to reach revenue of Rs8bn (vs. Rs2bn currently).
- The company is operating in a lower realization matrix, but expects realizations to improve going forward, driven by a higher share of VAP in exports and an increase in Pre-Lam contribution.

### Other Highlights:

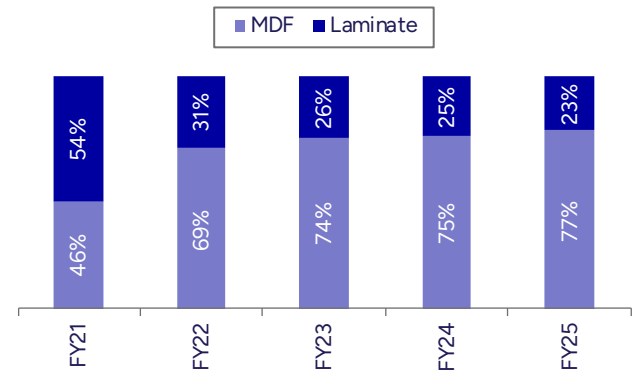
- The company plans to invest less than Rs 200mn in Capex for FY26, while the Jumbo Laminate plant involves a Capex outlay of around Rs 1bn.
- The company has a debt of Rs2.5–2.6bn, with an annual repayment of about Rs550mn. The debt-to-equity ratio stands at 0.44x and is not expected to exceed 1x.
- BIS norms in Furniture are expected to come in Feb'26

**Exhibit 1: Revenue logs 27.9% CAGR over FY21-25**



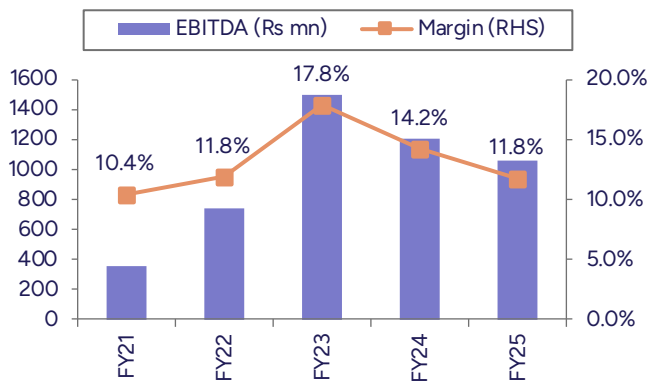
Source: Company, PL

**Exhibit 2: MDF seg contributes 77% to topline in FY25**



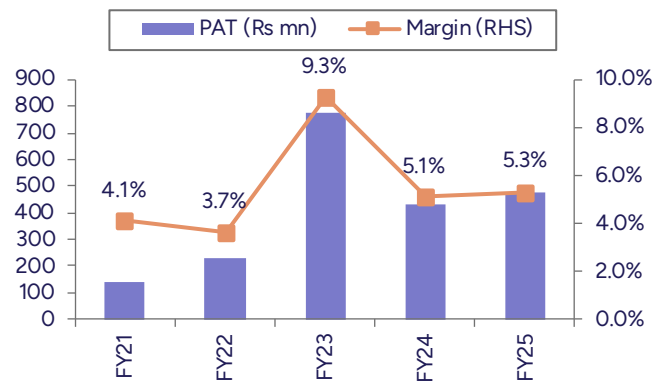
Source: Company, PL

**Exhibit 3: EBITDA grows by ~32% CAGR over FY21-25**



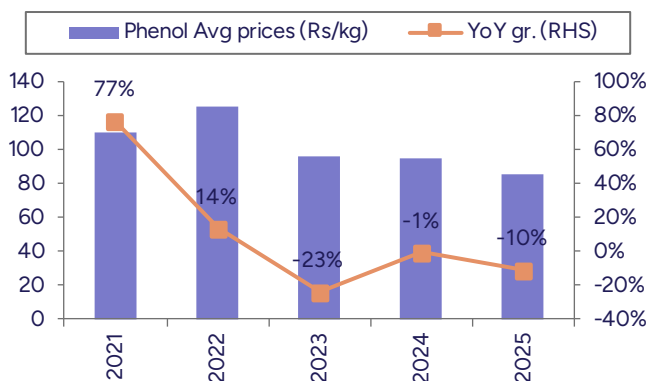
Source: Company, PL

**Exhibit 4: PAT grows by 36.7% CAGR over FY21-25**



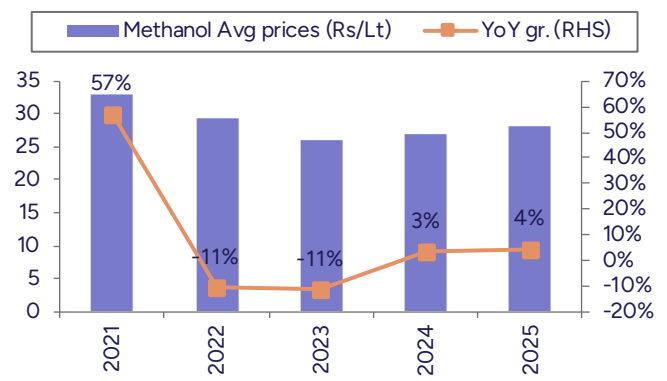
Source: Company, PL

**Exhibit 5: Phenol price declines by 10% from Jan-Aug'25**



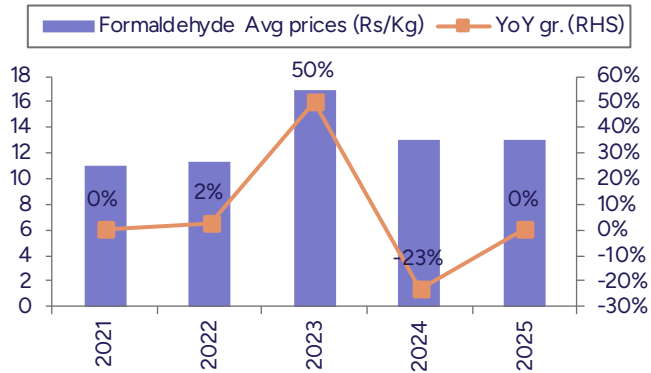
Source: Company, PL

**Exhibit 6: Methanol price grows by 4% from Jan-Aug'25**



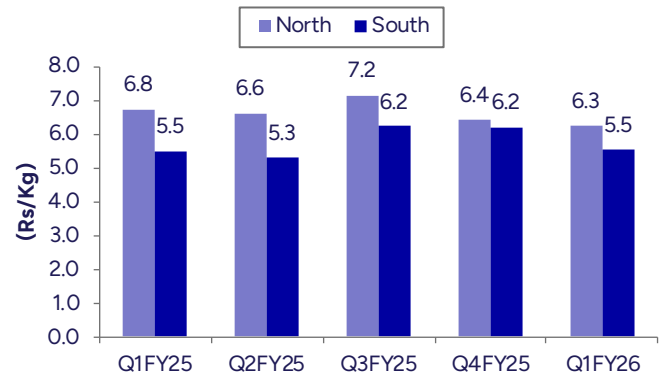
Source: Company, PL

**Exhibit 7: Formaldehyde prices remain flat from Jan-Aug'25**



Source: Company, PL

**Exhibit 8: Timber prices to remain stable in FY26**

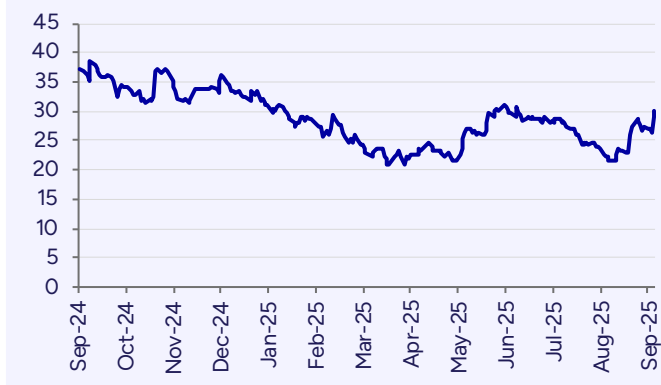


Source: Company, PL



**Price Chart**

**Recommendation History**



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
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**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Amber Enterprises India	BUY	9,782	7,254
2	Astral Ltd.	BUY	1,503	1,269
3	Avalon Technologies	Accumulate	943	878
4	Bajaj Electricals	Accumulate	664	572
5	Cello World	BUY	678	563
6	Century Plyboard (I)	Hold	702	738
7	Cera Sanitaryware	Accumulate	7,178	6,244
8	Crompton Greaves Consumer Electricals	BUY	430	319
9	Cyient DLM	Accumulate	540	480
10	Finolex Industries	Accumulate	228	203
11	Greenpanel Industries	BUY	374	280
12	Havells India	Accumulate	1,645	1,532
13	Kajaria Ceramics	Hold	1,192	1,242
14	Kaynes Technology India	Hold	6,367	6,326
15	KEI Industries	BUY	4,527	3,970
16	Polycab India	BUY	8,091	6,926
17	R R Kabel	Accumulate	1,516	1,337
18	Supreme Industries	Hold	4,346	4,243
19	Syrma SGS Technology	Hold	705	706
20	Voltas	Hold	1,268	1,305

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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