SHALIMAR PAINTS

August 17, 2023

BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Fort, Mumbai - 400 001
BSE Scrip Code: 509874

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor,
Plot No. C/1, G- Block
Bandra Kurla Complex, Bandra (E),
Mumbai – 400051
NSE Symbol : SHALPAINTS

Sub: Intimation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Earnings Presentation

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Q1FY24 earnings presentation of Shalimar Paints Limited ("the Company"). The same is also being uploaded on the website of the Company www.shalimarpaints.com.

You are requested to kindly take the above information on record.

Thanking you,

Yours faithfully,

For **Shalimar Paints Limited**

SHIKHA RASTOGI
Digitally signed by SHIKHA RASTOGI
Date: 2023.08.17 13:20:09 +05'30'

Shikha Rastogi
Company Secretary

Encl.: as above

SHALIMAR PAINTS
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Shalimar Paints Limited

Earnings Presentation
August 2023

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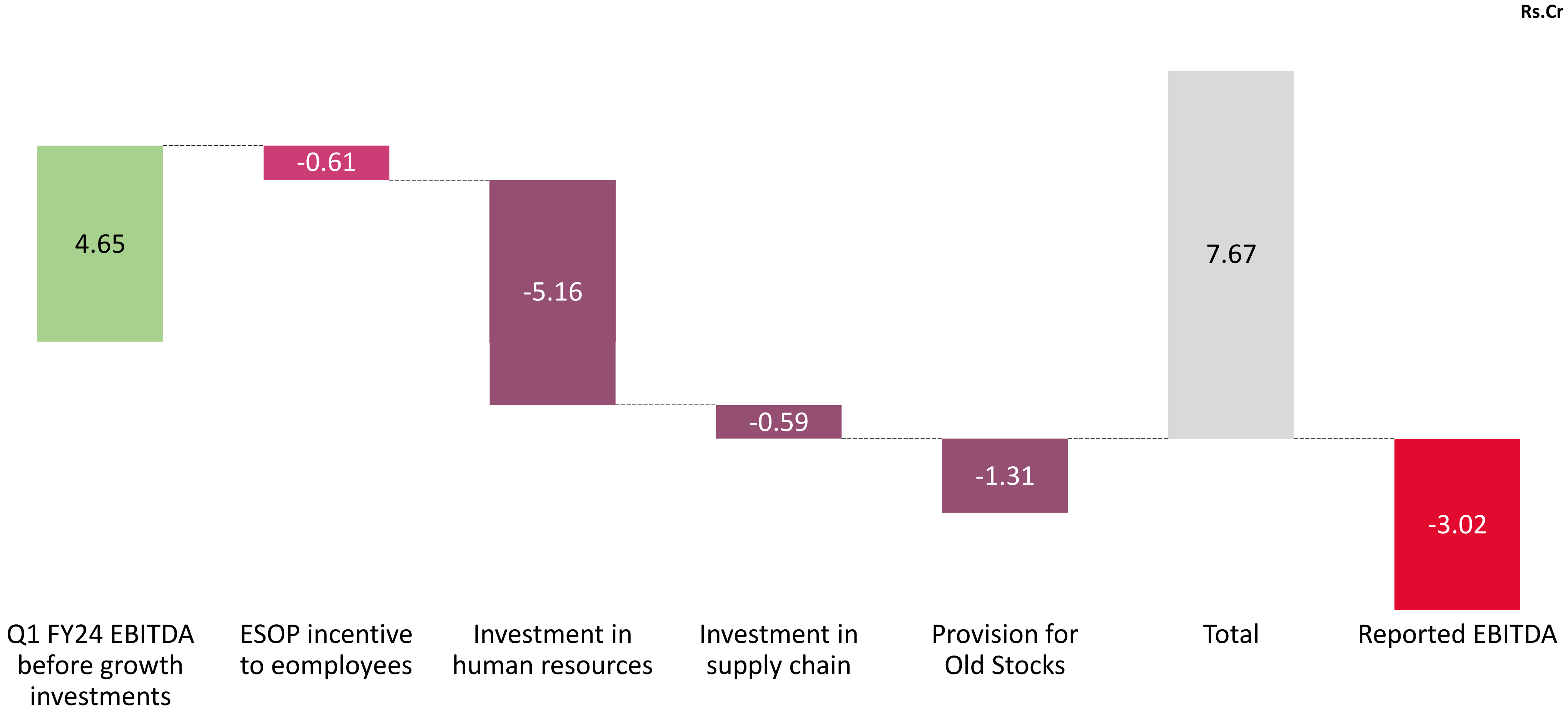
Contents

Company Overview

	Volume (KL)	Revenue (Rs cr)	Gross Margin (%)	EBITDA (Rs cr)
Q1 FY24	**11,310** Volume (KL) 22% YoY	**₹ 127.2** Revenue (Rs cr) 14% YoY	**31.7 %** Gross Margin (%) +460 (bps)	**₹ -3.02** EBITDA (Rs cr)
Q1 FY23	**9,270** Volume (KL)	**₹ 111.5** Revenue (Rs cr)	**27.1 %** Gross Margin (%)	**₹ -1.90** EBITDA (Rs cr)
FY2023	**41,506** Volume (KL) 12% YoY	**₹ 492.8** Revenue (Rs cr) 36 % YoY	**27.0 %** Gross Margin (%) Improvement of 2 % YoY	**₹ -7.54** EBITDA (Rs cr)

EBITDA walk through (EBITDA before growth investment & reported EBITDA)



Product Performance

Decorative Paints

	Q1 FY24	Q1 FY23	FY2023
Volume (KL)	8,099	6,675	28,966
YoY	21% YoY		6% YoY
Net Revenue (Rs cr)	₹ 76	₹ 71	₹ 285
YoY	7% YoY		33% YoY

Industrial Paints

	Q1 FY24	Q1 FY23	FY2023
Volume (KL)	3,211	2,595	12,540
YoY	24% YoY		27% YoY
Net Revenue (Rs cr)	₹ 50	₹ 39	₹ 191
YoY	28% YoY		36% YoY

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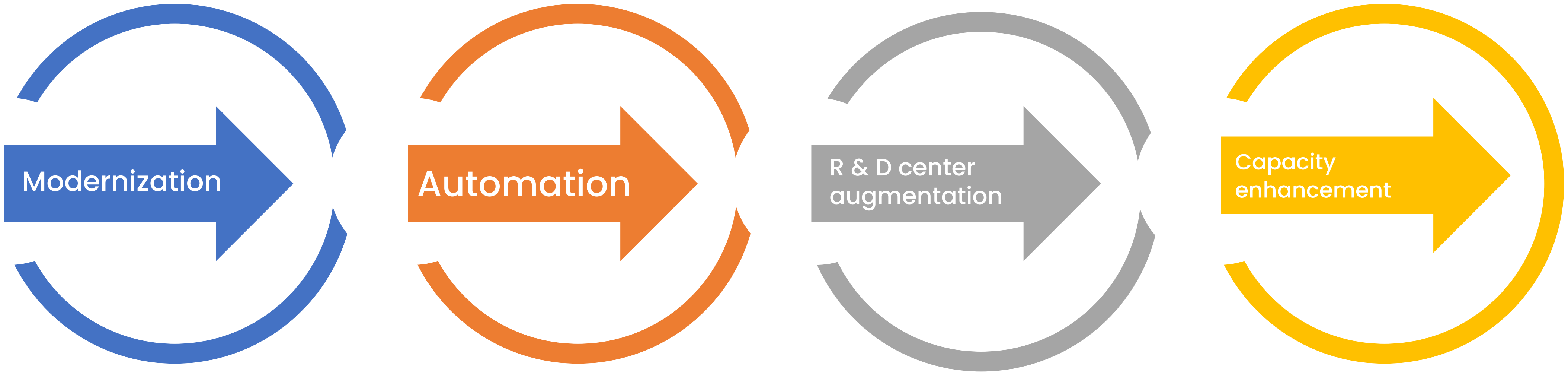
New Initiatives

Capex Planned

Planned Capital Expenditure amounting to ~ Rs. 190 Crore

“Going Ahead: Aiming to increase capacities, modernization, automation & productivity improvement."



"Modernization: Revamping the system to harness automation's power, driving efficiency and excellence."

"Bringing in the New: Using automation to update and improve the way things are done."

“Expansion & modernization of R&D Centre at Nashik.".

"Expanding capacity (78 ml ltr to 185 ml ltr p.a) to accomplish more, with a focus on achieving greater efficiency and effectiveness."

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New Products Launched

Single Pack Epoxy

GP THINNER

SUPPORTED BY
POSM & CRM

Marketing Communication

PRODUCT POSTER

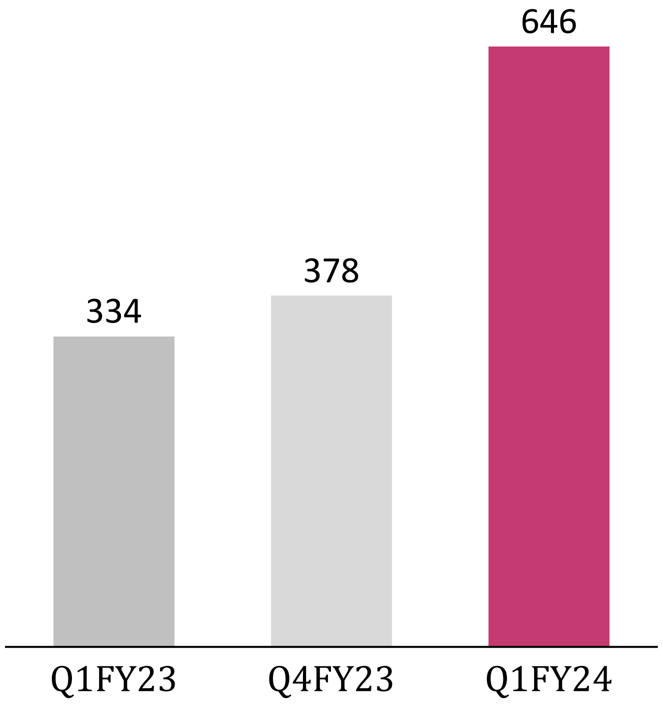
GPT – DEALER SCHEME COMMUNICATION

Q1 FY24 : New Dealer performance

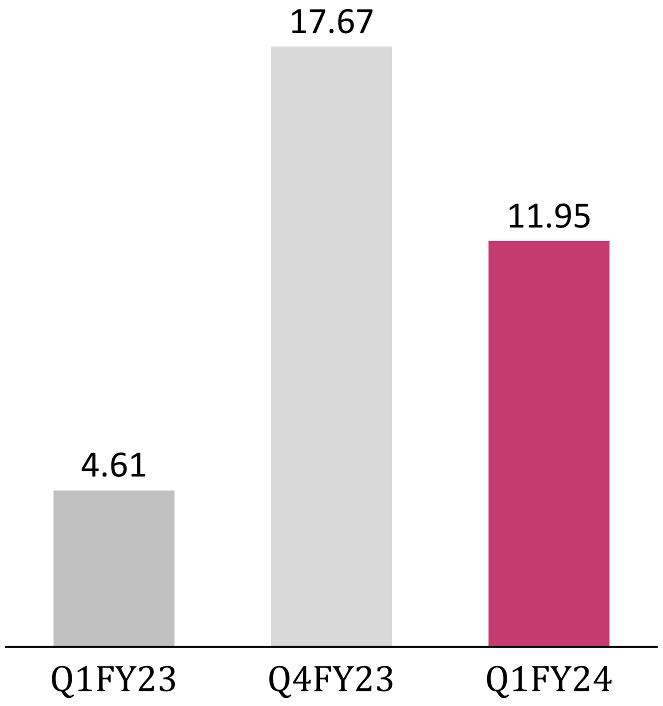
646
NEW DEALERS

11.95 Crs
SALE

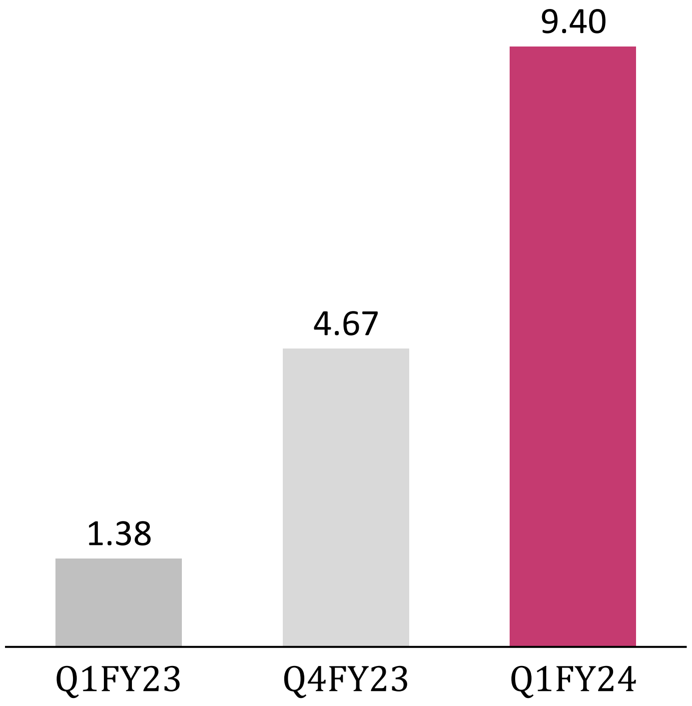
9.4%
CONTRIBUTION TO NET SALE



New Dealer Additions



Sales (in Crores) from new dealers



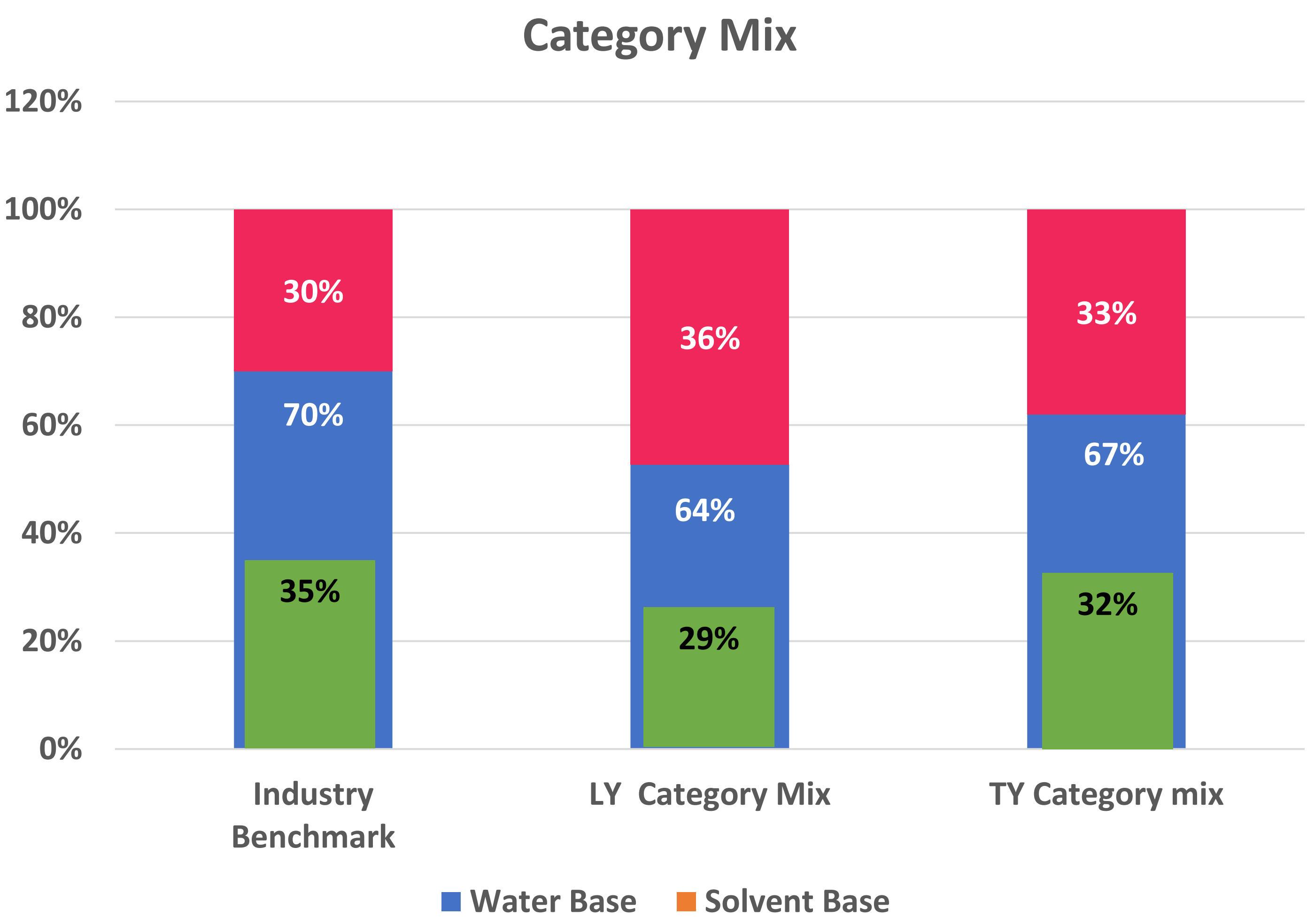
Yield per dealer (in lacs)

LAKSHYA CLUB

2439 Dealer Enrolled

300 Cr Annual Business Commitment
67.3 crores done in Q1
78% BUSINESS Contribution in Q1

Category Saliency



32% Emulsions 03%

33% Solvents 03%

67% Water base 03%

Our Strategy

CONSUMER

ACTIVATE

PAINTER

OWN

DEALER

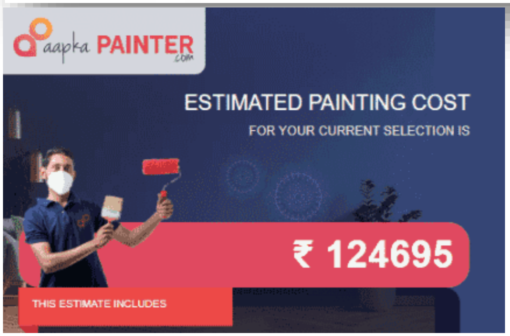
CONVERT

THE EXECUTION

SHALIMAR PAINTS

ON GROUND

DIGITAL



Paytm m'loyal

TRADE

TRANSFORMATION

ACTIVATION

VISIBILITY

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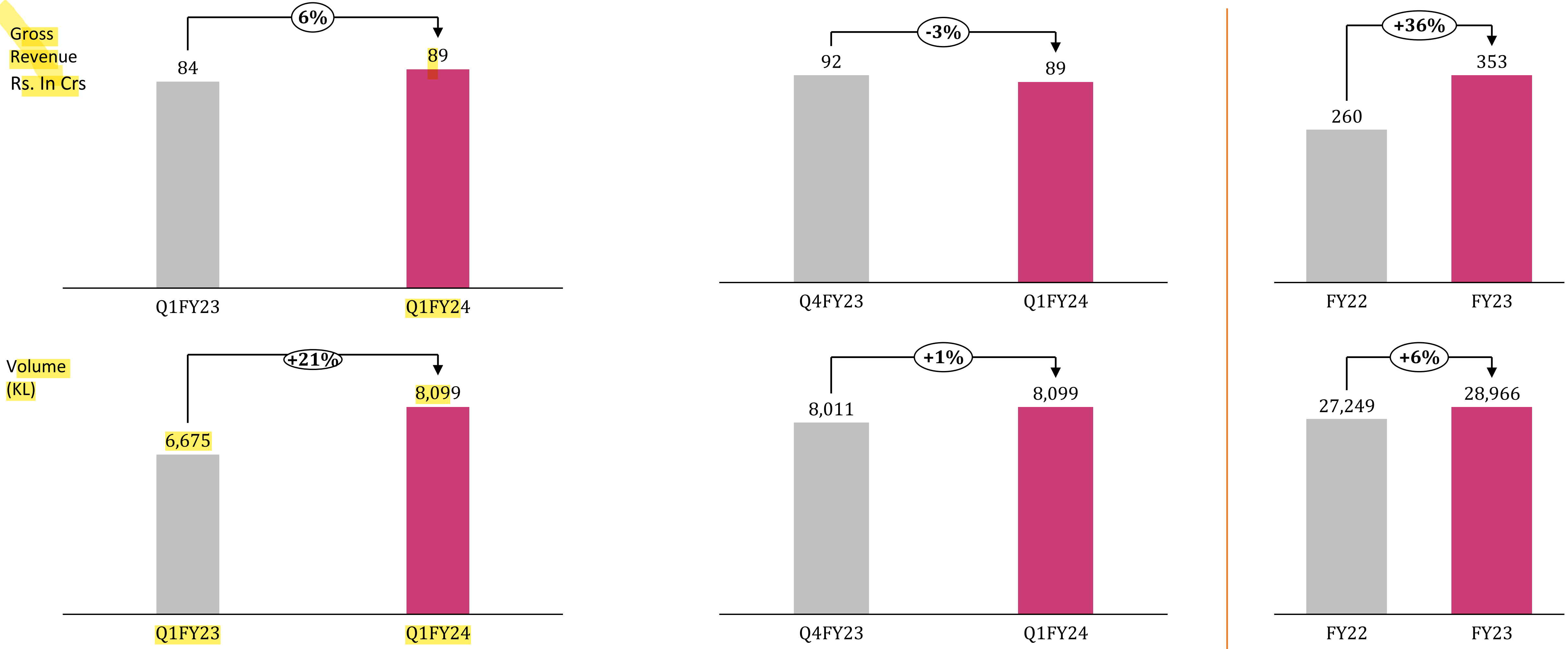
Performance Snapshot

Decorative Paints Performance

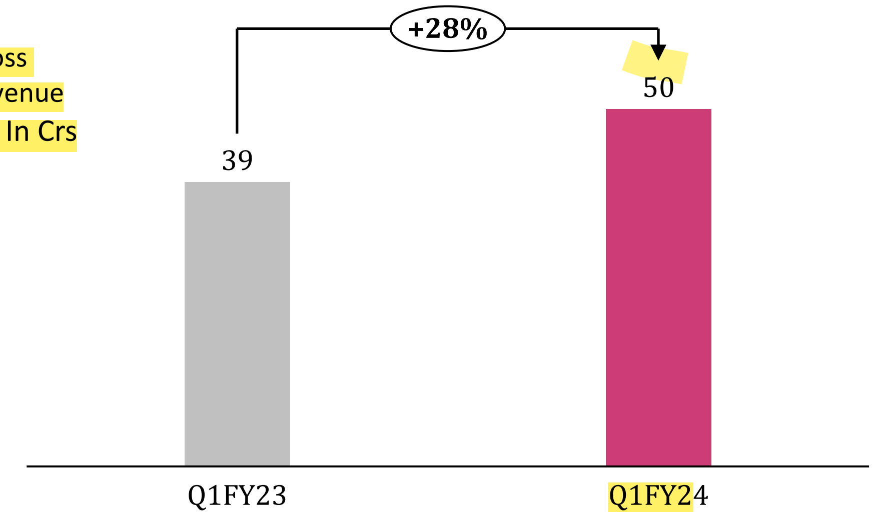
Decorative Paint performance

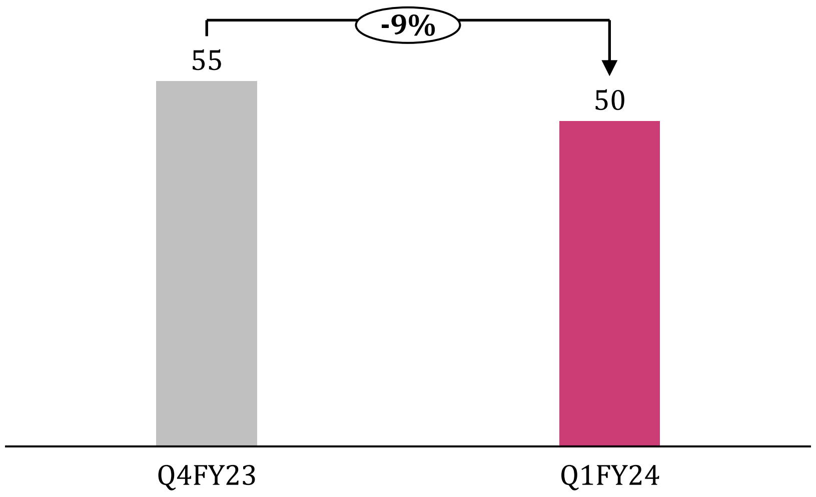


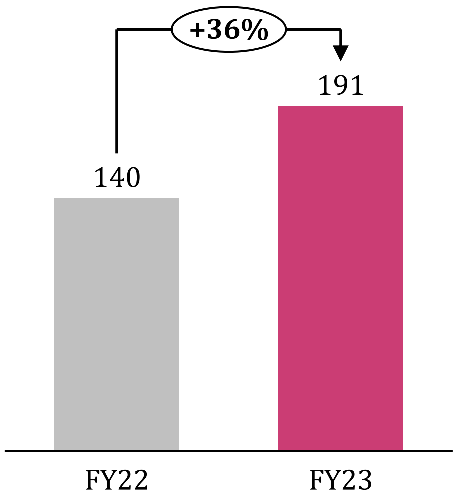
Industrial Performance

Industrial Paints performance

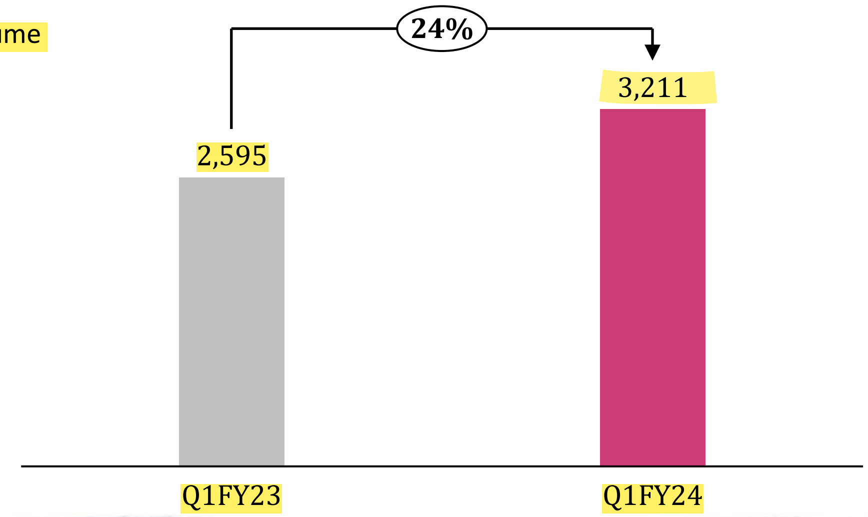
Gross Revenue Rs. In Crs

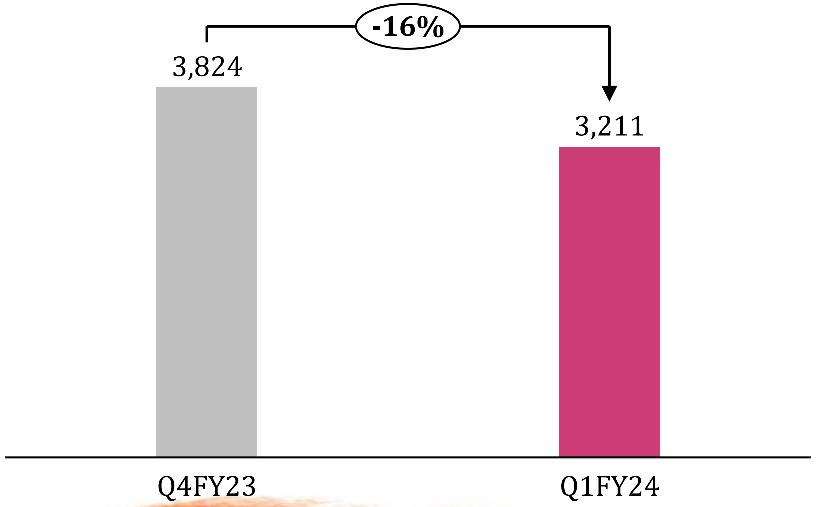


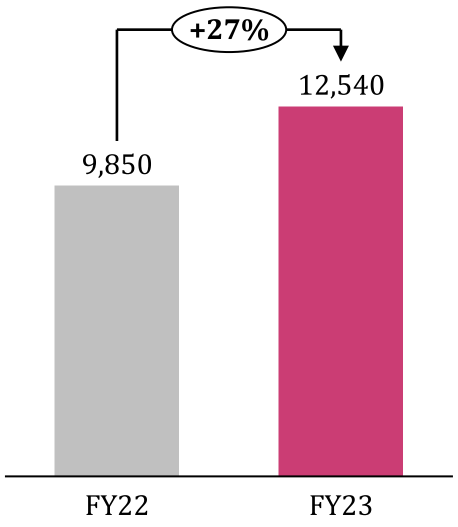




Volume (KL)







Company Strategy - To Gain Market Share

- Current market scenario – New players and large organizations are entering the segment which will make the market more crowded and change market market dynamics.

- Our Strategy

1. Gain Market Share - To gain market share by investing more. The focus areas of investments will be
   - Manpower, Manufacturing units, R & D, Marketing & Supply Chain
2. Modernization & Automation of all the plants in next 2-3 years with a capex of INR 190 to 200 cr to
   - Enable quality, serviceability & capacity
3. New R & D Centre at Nashik - To help break new customers
4. Increasing distribution – To open 17 new warehouses across regions & far off locations
5. Marketing - Increased spends in marketing

Decorative Paints: Strategy Going Ahead

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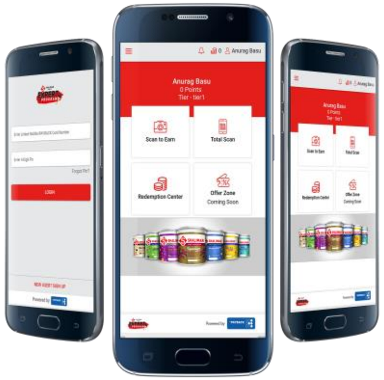
Focus on areas having significant presence

Focus on smaller Tier 3 & 4 towns and rural area

Focus on deploying Premium emulsion machines in the market

Service improvement-specially supply

Focus on research & development of newer products



Expert Program

Progress so far

✓ **Margin improvement:**
- Optimization of water & solvent-based paints
- Margin improvement plan is in place
- No extra material addition

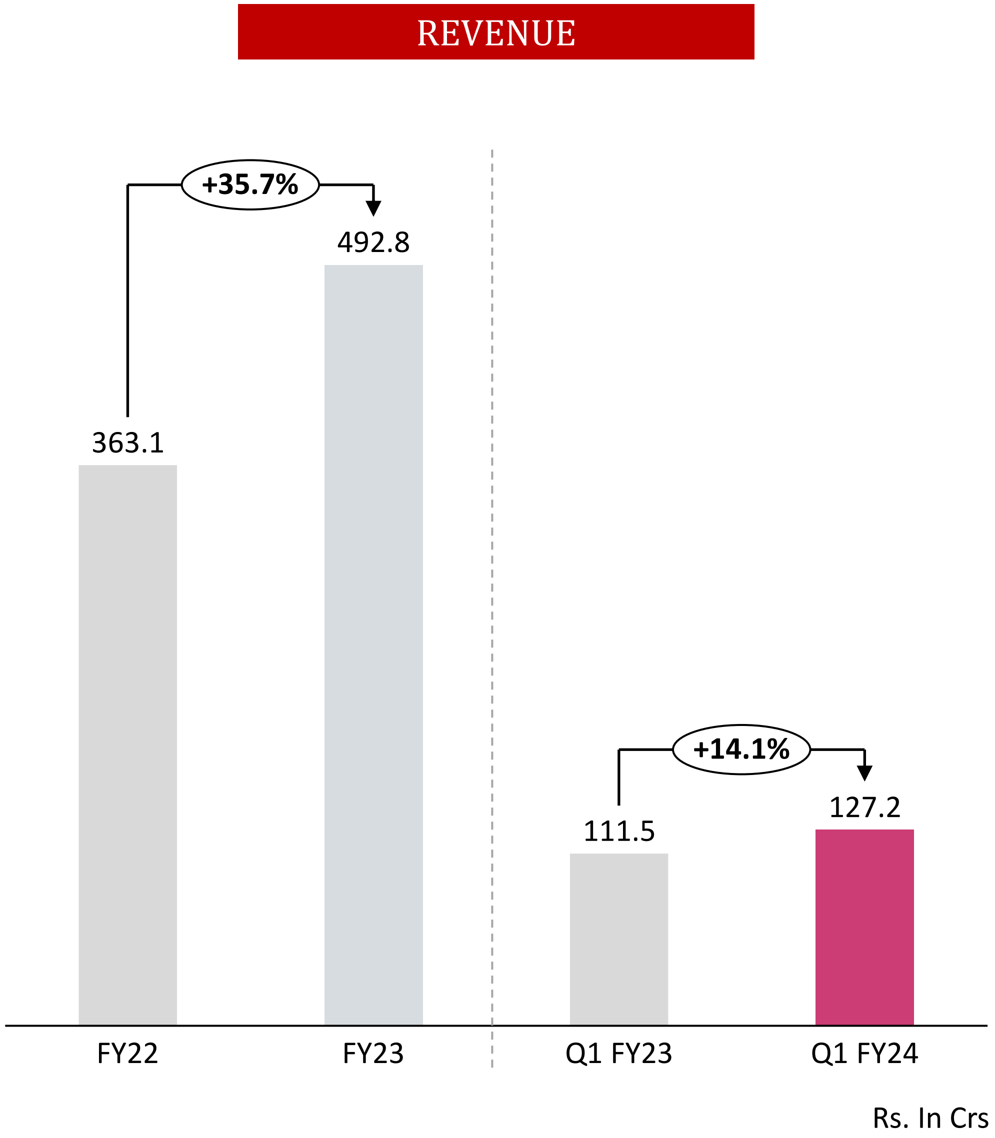
✓ **New Product Development:**
- Newer products developed & formulations released to plants

✓ **Vendor Development:**
- Newer Raw material evaluated and approved

✓ **Quality Upgradation:**
- Quality of the formulations were improved

✓ **Moving towards manufacturing excellence:**
- Planning for additional capex for modernization, automation and capacity enhancement.
- Expansion & modernization of R&D Centre at Nashik
- Opening of new warehouses across all regions to improve serviceability and speed in deliveries.

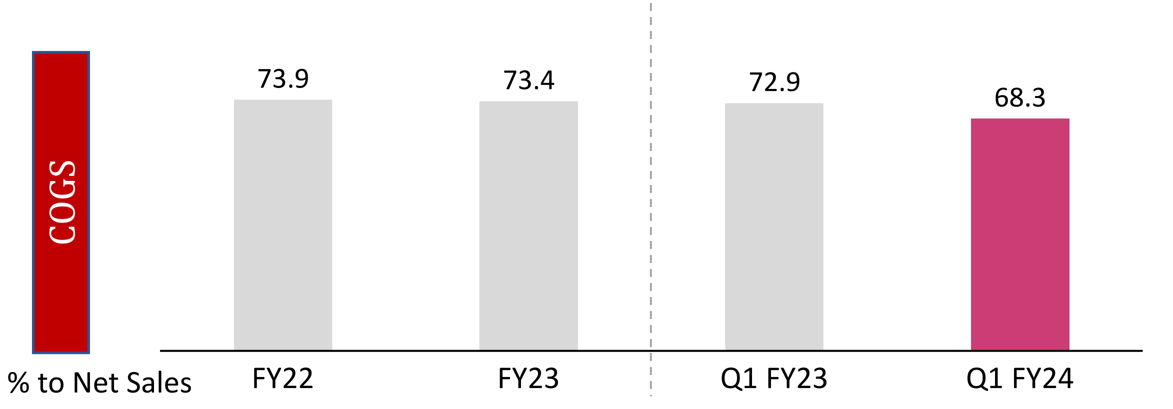
Positive outcome on financial performance

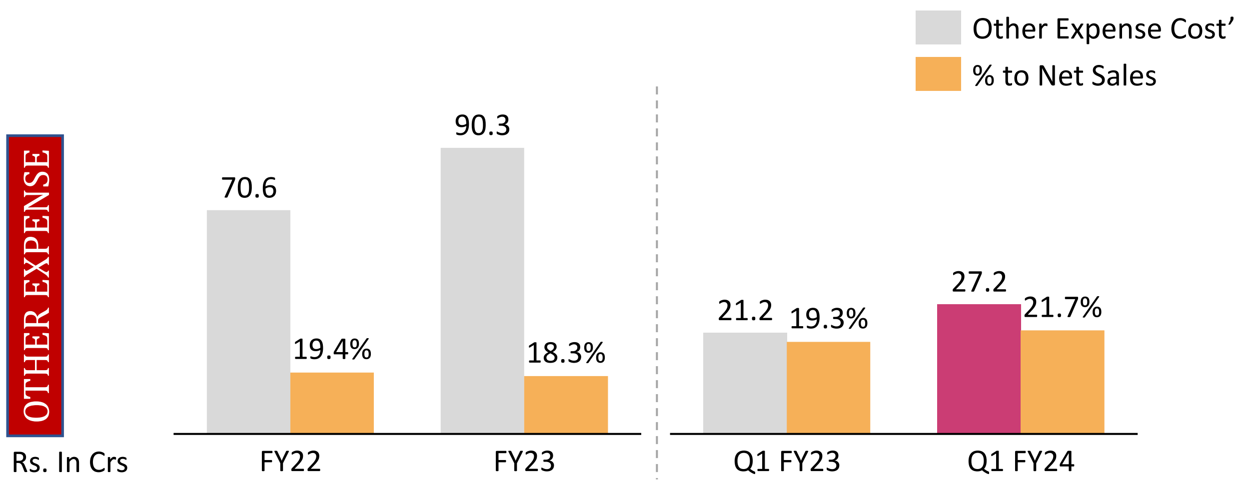


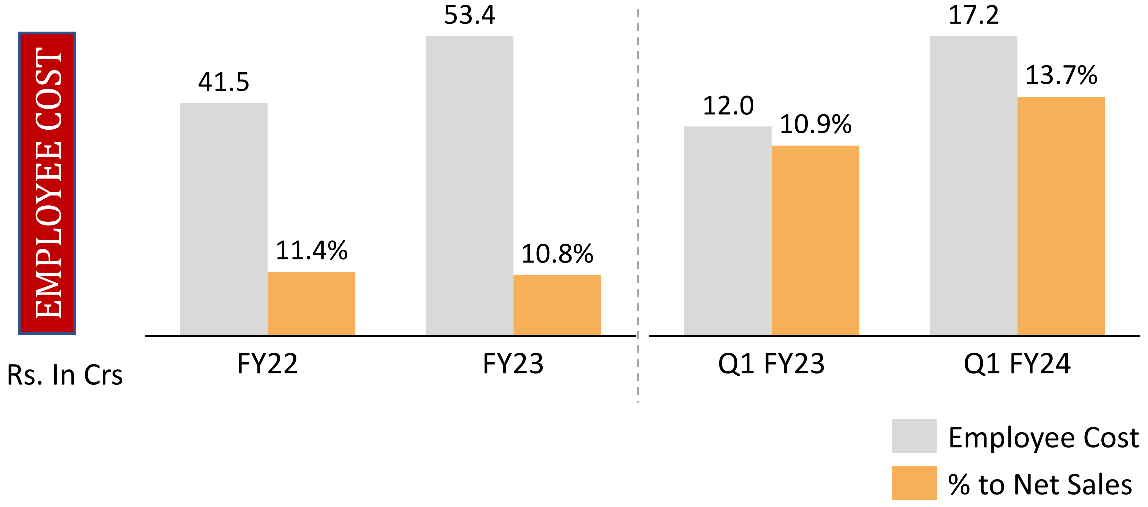
Improvement in Net Revenue

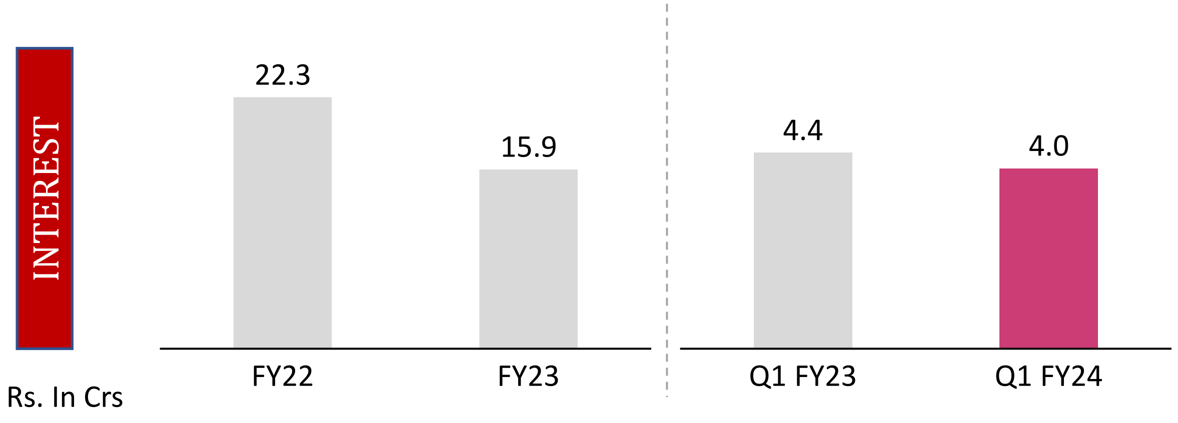
- ✓ Net Revenue growth of 14% v/s last year largely contributed by 28% growth in Industrial Segment and 7% in Decorative Segment
- ✓ Increase in the dealer network and number of depots across the country
- ✓ Increase in the number of tinting machines
- ✓ Focus on social media
- ✓ Focus on water-based products and increase of products in the water based umbrella since last year
- ✓ Launch of new products in waterproofing range and protective coating in the last year
- ✓ Digital activations for consumers, dealers & Shalimar expert painters

Cost Trend


COGS
% to Net Sales
73.9
73.4
72.9
68.3
FY22
FY23
Q1 FY23
Q1 FY24


Other Expense Cost'
% to Net Sales
OTHER EXPENSE
Rs. In Crs
70.6
19.4%
90.3
18.3%
21.2
19.3%
27.2
21.7%
FY22
FY23
Q1 FY23
Q1 FY24


EMPLOYEE COST
Rs. In Crs
41.5
11.4%
53.4
10.8%
12.0
10.9%
17.2
13.7%
FY22
FY23
Q1 FY23
Q1 FY24
Employee Cost
% to Net Sales


INTEREST
Rs. In Crs
22.3
15.9
4.4
4.0
FY22
FY23
Q1 FY23
Q1 FY24

Consolidated Profit & Loss Statement Q1 FY24

Particulars (Rs. Crs)	Q1FY24	Q1FY23	Q4FY23
Revenue from Operations	125.6	109.9	135.8
Other Income	1.6	1.5	3.5
Total Revenue	**127.2**	**111.4**	**139.3**
Cost of Materials Consumed	87.2	84.3	96.2
Purchase of Traded Goods	7.9	6.9	5.3
Changes in Inventories of Finished Goods and Work in Progress	-9.3	-11.1	-3.3
Gross Profit	**41.4**	**31.3**	**41.1**
Gross Profit Margin (%)	**32.5%**	**28.1%**	**29.5%**
Employee Benefits Expense	17.2	12.0	15.1
Other Expenses	27.2	21.2	28.6
EBITDA	**-3.0**	**-1.9**	**-2.6**
Depreciation and Amortisation Expense	3.3	3.4	3.2
EBIT	**-6.3**	**-5.3**	**-5.8**
Finance Costs	4.0	4.4	3.8
Exceptional Items	0.0	0.0	0.0
PBT	**-10.3**	**-9.6**	**-9.62**
Total Tax Expense			
Profit for the year	**-10.3**	**-9.6**	**-9.6**
EPS	-1.4	-1.3	-1.3

- **Revenue:**
  - Company has reported revenue growth of 14% from previous year which is Q1FY23.
  - During this quarter company has grown by 7% in Decorative segment and 28% in Industrial Segment from last year same quarter i.e., Q1 FY23.
  - Company has onboarded 646 new dealers which has also contributed in the positive growth in the revenue.
  - Company has also experienced a healthy change in mix of water based products and in specific emulsions portfolio since last year.
- **Raw material cost:**
  - In the current quarter, the prices of key raw material has reduced which has mainly resulted in the gross margins improvement by 4.6% from Q1FY23 and 4% from Q4FY23.
  - Company is continuously working on improving its product mix within the segments, which will eventually help to further reduce the raw material costs of the company.
  - New formulations by R&D has helped the reduction in cost for 3 major categories of water-based paints
- **Other Expenditure:**
  - Other expenses during the quarter has mainly increased due to increase in the plant cost and SCM cost on account of increase in production and opening of new depots.
- **Finance Cost :**
  - During the quarter, finance cost is in line with the last year same quarter.

Thank You

Company :	Investor Relations Advisors :
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