



SHALIMAR
PAINTS

May 29, 2019

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

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

Reference: Scrip Code - NSE-SHALPAINTS, BSE-509874

Subject: Submission of Investors' Presentaion

Dear Sir/ Ma'am,

Please find attached Investors' Presentation in respect of Investors' Tele Conference which is scheduled to be held today i.e., May 29, 2019 at 4:00 pm.

This is for your information and record.

Thanking you,

For **Shalimar Paints Limited**

Sandeep Gupta
Chief Financial Officer



Encl: a/a





**SHALIMAR
PAINTS**

Q4 & FY19 Results Presentation

May 2019

Company Overview



Quick Snapshot



Rich brand
heritage of

116+Yrs



Annual capacity
of KLPA*

73,560



PAN India
customer base

3,500+



Presence across
cities

700+



Strategically located
manufacturing facilities

3



Regional distribution
centers#

3



Depots across
India

32

* Nashik plant has been rebuilt in May-19

In addition, we have one more distribution center in the Chennai plant

Rich Brand Heritage

- Shalimar Paints is a **pioneer in the Indian Paints industry** with a rich brand legacy of 116+ years
- Shalimar Paints has **many firsts** in the Indian paints industry -
 - Radiation resistant coatings for nuclear power plants
 - Polyurethane paint for fighter aircrafts
 - High build Zinc coatings
- It is focused on both **decorative segment (66% of FY19 revenues)** and **industrial segment (34% of FY19 revenues)** in the paints business
- It has **comprehensive retail product portfolio** catering to the high growth decorative segment



Emulsions

Enamel

Distemper

Others

Comprehensive Product Portfolio

Entire spectrum of products across categories & price points catering to the decorative segment

	Marginal Presence	Meaningful Presence		Contribution to FY19 Decorative Segment Revenues ⁴
Product Categories	Super Premium/ Premium ¹	Premium Economy/ Economy ²	Mass Segment ³	% Share
Emulsion	✓	✓	✓	22%
Enamel	✓	✓	✓	30%
Distemper	NA	NA	✓	8%
Others	NA	✓	✓	40%

Note:

1) Super Premium / Premium category consists of products with MRP > Rs 300

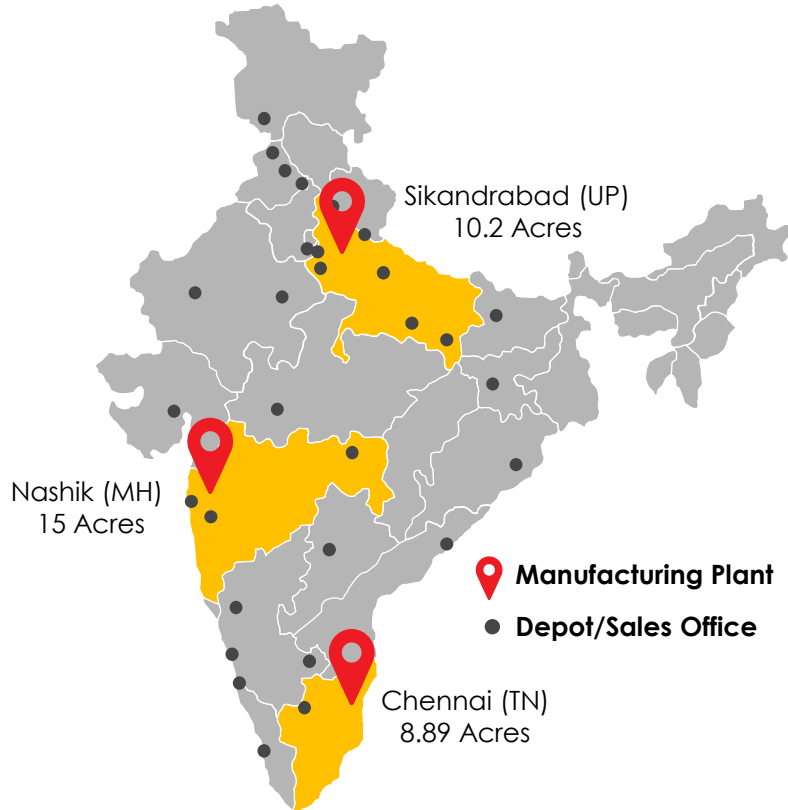
2) Premium Economy / Economy category consists of products with MRP > Rs 100 & < Rs 300

3) Mass category consists of products with MRP < Rs 100

4) Decorative segment accounted for 66% of total revenues in FY19

National Footprint

Pan-India reach through strategically located manufacturing facilities and wide distribution network



Facility	Operational Capacity (KLPA)
Chennai	24,000
Sikandrabad	23,400
Nashik	26,160 ¹
Total	73,560

**Distribution network with 3,500+ active customers,
32 sales depots and 3 regional distribution centers²
across pan India**

1) Nashik plant has been rebuilt in May-19

2) In addition, we have one more distribution center in the Chennai plant

Marketing & Branding Initiatives

Focus on “Pull Marketing” Strategy

Above the Line Initiatives



Outdoor

Geographically focussed campaigns to enhance distribution expansion



Radio

Radio campaigns pan India in leading radio stations



Magazines

Campaign ads in leading magazines



Social Media

Social media campaigns on Facebook, Instagram, Twitter & LinkedIn



Outdoor Branding

Multiple dealers are provided with In-shop standees and dealer boards



Events

Hold painter & contractor meets to strengthen the influencer networks
CSR led marketing activities to create good brand visibility

Continued focus on expanding the market outreach and capturing greater mind share of the customers

Marketing & Branding Initiatives

Kahaani Project

Volunteers from 7 countries | 8,000+ sq. ft. covered | 14 Murals | 300+ livelihood empowered



Marketing & Branding Initiatives

Rang Badlav Ke Project

2 Weekends | 1,600 Volunteers | Painted 3,000+ walls | 700+ Murals



Marketing & Branding Initiatives

Events & Exhibitions

Dealer Connect (Industrial & Decorative)
Goa | Chennai



Industrial Exhibitions



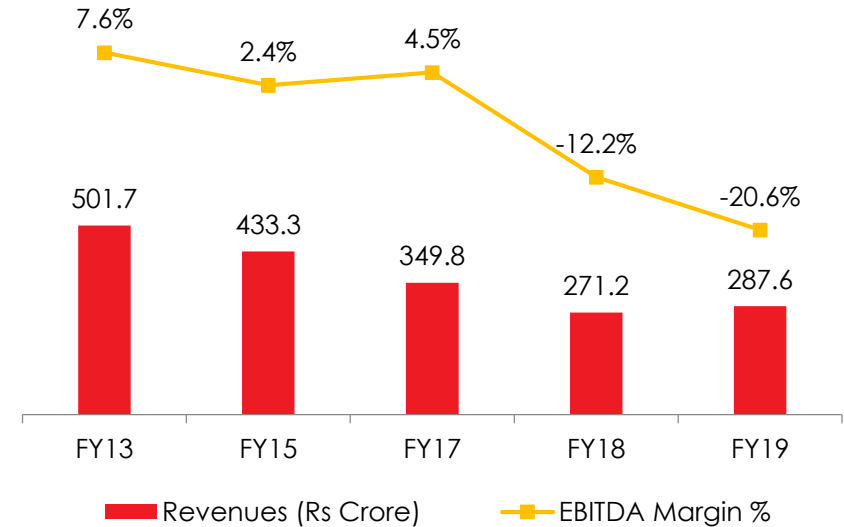
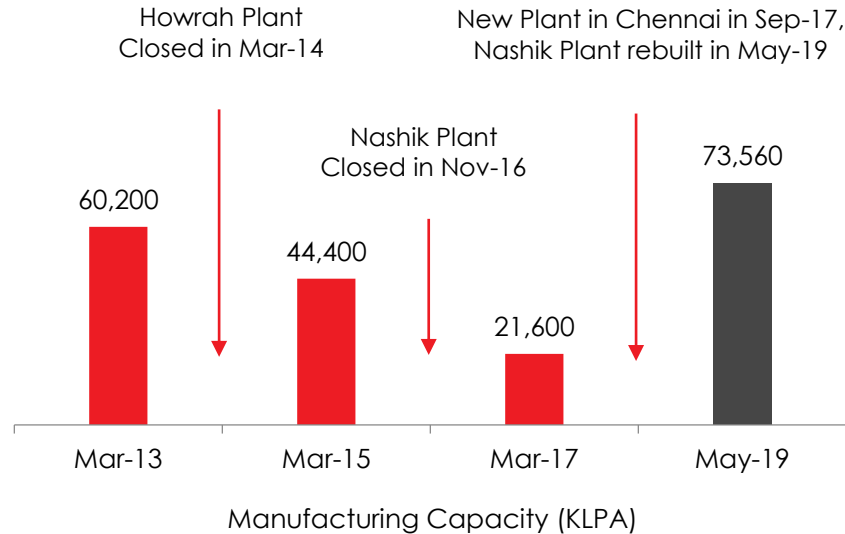
**Painter Meets (Registered Painters 19,500 |
Active Painters 1,800 | Success rate 86%)**



Business Strategy & Outlook



Operational Disruptions Impacting Historical Performance



- There was a major fire incident at Howrah factory in March 2014 and at Nashik factory in November 2016
- This impacted business operations leading to lower production & sales, lower margins, higher working capital cycle and reduced engagement with channel partners

Business Turnaround Strategy & Outlook

Manufacturing Capacity

- Chennai plant capacity increased to 24,000 KLPA
- Nasik plant was partly operational (1,800 KLPA) in Apr-17
- Rebuilding of Nasik plant completed with 26,160 KLPA
- **Total operational capacity (3 plants) reinstated to 73,560 KLPA**

Working Capital Funding

- Equity infusion of Rs 250 cr through two rights issues (Mar-18 & Jan-19)
- Lower RM costs with normalised creditor days
- In-house production of intermediates (Alkyd Resins) to drive sourcing cost efficiencies
- **Improved working capital efficiency**

Product Portfolio & Inventory Management

- Normalised production schedules
- Better stock management
- Increasing the Tinting Machine Network
- **Focus on higher sales of premium products**
- **Positive operating Leverage**
- **Restoration of historical peak performance**

Distribution Network

- Frequent engagement with channel partners
- Restoration of ability to effectively service demand
- Reactivation of the inactive dealer base and addition of new dealers
- **Improved sales traction through effective channel partner engagement**

Branding & Promotion

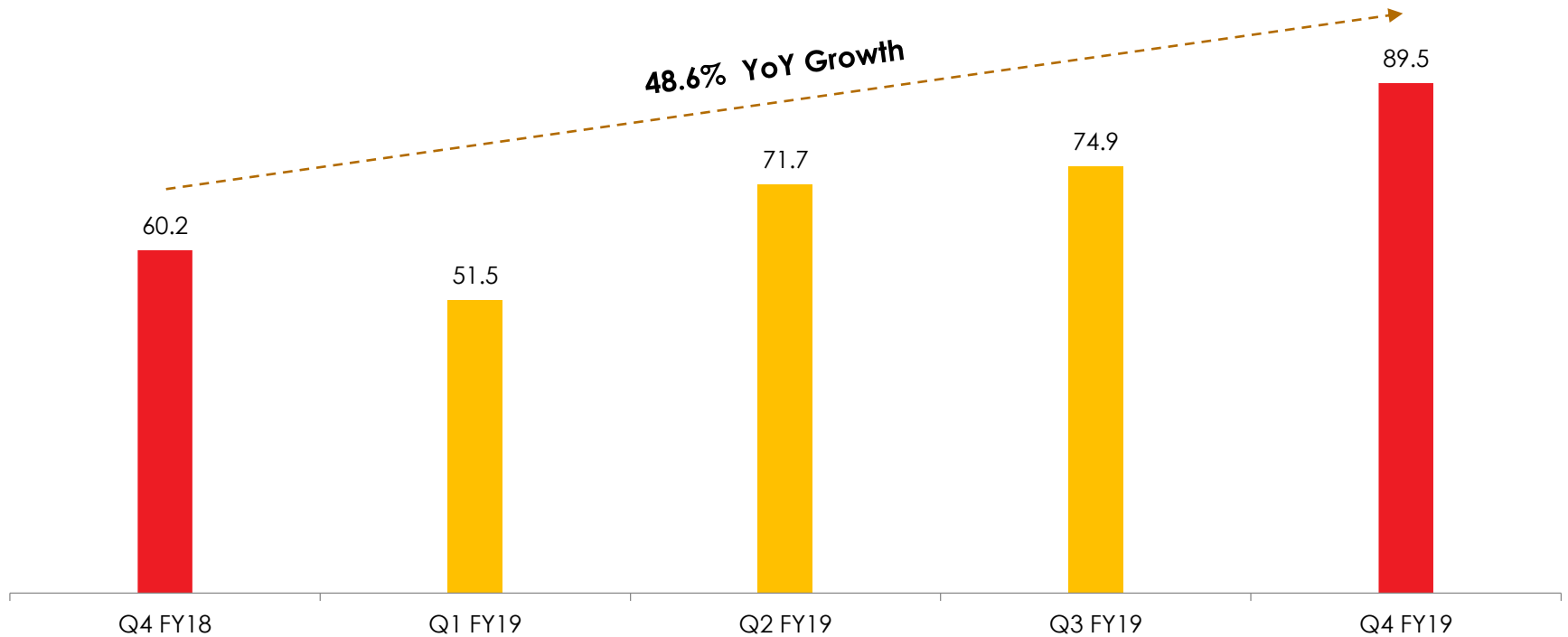
- Painter Loyalty Programme engaging 19,000+ painters
- Dealer engagement through club schemes, sell in schemes
- Other BTL Initiatives
- **Transition from "Push strategy" to "Pull strategy" with sustained A&P spend**

Q4 & FY19 Results Update



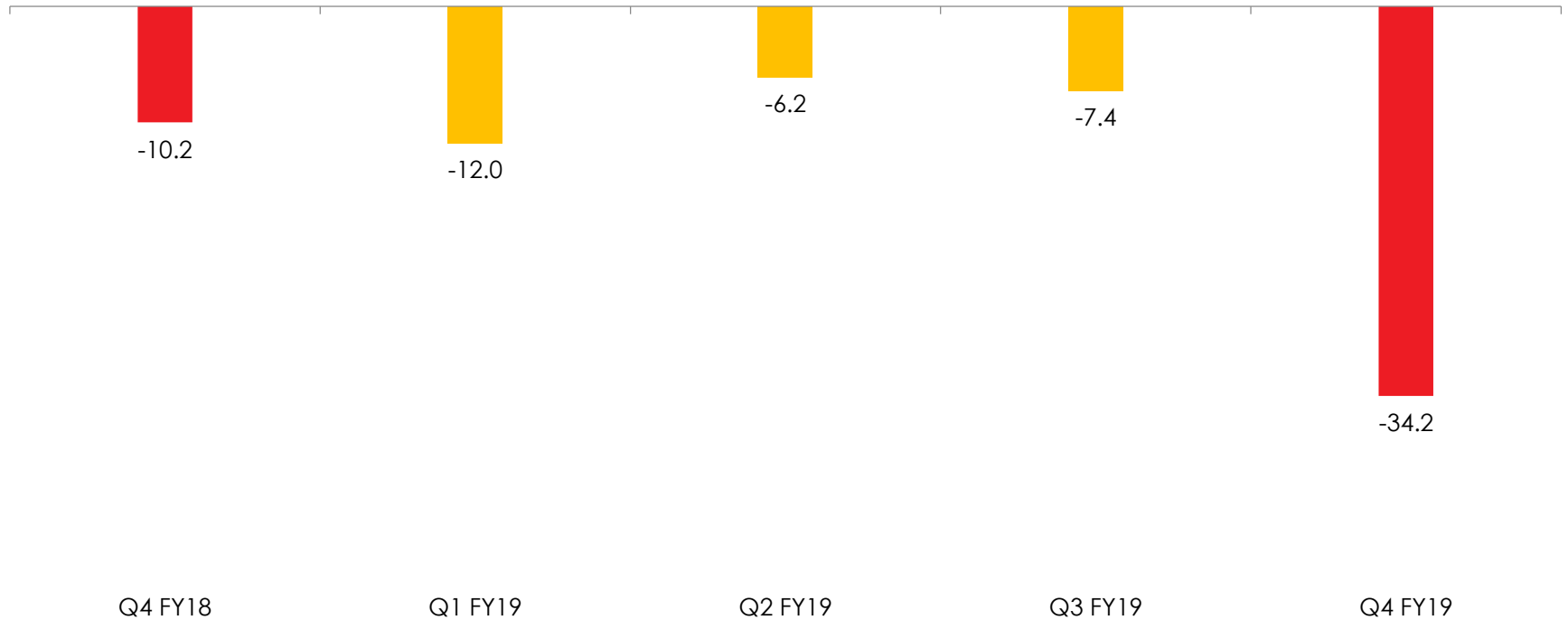
Q4 FY19: Key Highlights

Improving Quarterly Revenue Trend (Rs Crore)



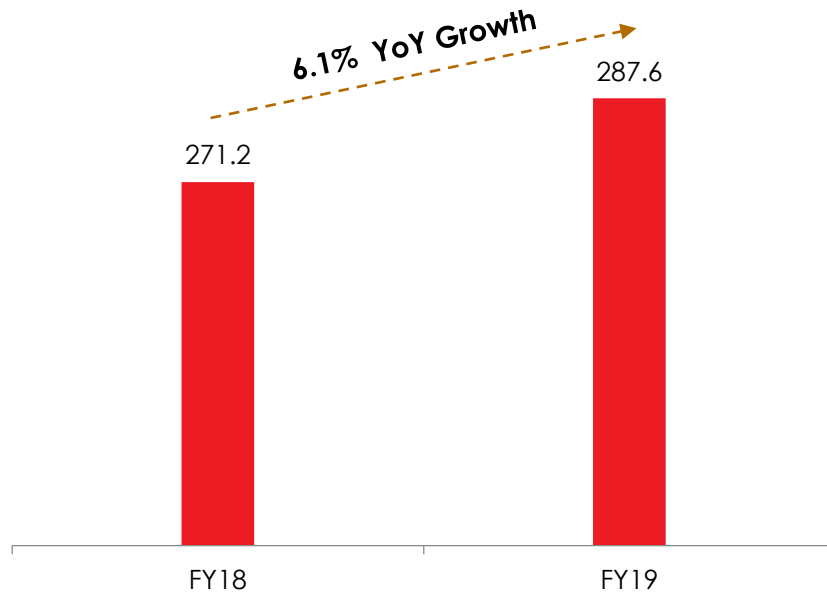
Q4 FY19: Key Highlights

Quarterly EBITDA Trend (Rs Crore)

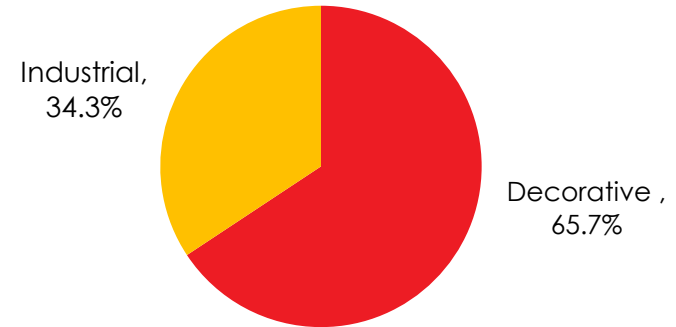


FY19: Key Highlights

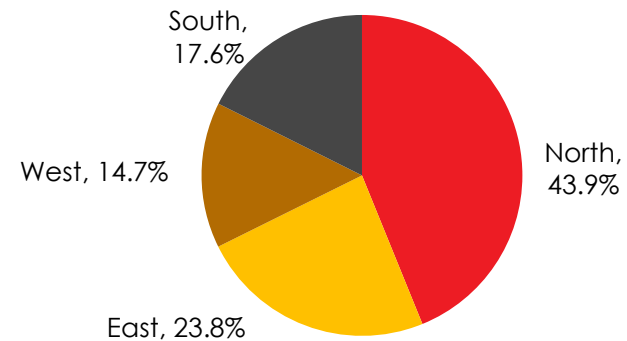
Revenues (Rs Crore)



Revenues: Segment Wise %



Revenues: Region Wise %



Q4 & FY19: Profit & Loss Statement

In Rs Crore	Q4 FY19	Q4 FY18	FY19	FY18
Revenue From Operations (Net of Excise Duty)	89.5	60.2	287.6	271.2
Other Income	1.3	0.1	2.3	0.9
Total Income	90.8	60.3	289.9	272.1
COGS	73.3	45.5	220.6	208.9
Gross Margin	17.5	14.7	69.4	63.2
Gross Margin %	19.3%	24.4%	23.9%	23.2%
Personnel Expenses	10.8	10.3	42.0	39.4
Other Expenses	40.9	14.6	87.1	57.0
EBITDA	-34.2	-10.2	-59.8	-33.2
EBITDA Margin %	-37.6%	-16.9%	-20.6%	-12.2%
Depreciation	2.2	4.1	8.5	7.9
Interest Expense	6.3	7.3	24.9	26.0
PBT	-42.7	-21.6	-93.2	-67.1
Exceptional Items ¹	-11.6	0.0	-15.7	0.0
Taxes	-11.0	-5.5	-27.3	-21.7
PAT	-43.3	-16.1	-81.5	-45.4
PAT Margin %	-47.6%	-26.7%	-28.1%	-16.7%

1) Exceptional item is damaged inventories valued at Rs 11.55 crore approved by audit committee to be disposed as scrap

FY19: Balance Sheet

Particulars (Rs In Crore)	FY19	FY18
Equities & Liabilities		
Equity Share Capital	10.7	3.8
Other Equity	277.8	117.3
Total Equity	288.5	121.1
Non-Current Liabilities		
Financial Liabilities		
Borrowings	18.1	24.9
Other Financial Liabilities	1.1	0.2
Provisions	6.0	6.7
Total of Non-current liabilities	25.3	31.8
Current Liabilities		
Financial Liabilities		
Borrowings	126.8	150.0
Trade Payables	97.6	139.5
Other Financial Liabilities	29.5	17.2
Other Current liabilities	3.6	15.6
Provisions	4.5	1.9
Total Current Liabilities	262.1	324.2
Total Equity & Liabilities	575.9	477.1

Particulars (Rs In Crore)	FY19	FY18
Non-Current Assets		
Property, Plant & Equipment	215.7	220.6
Capital work in progress	23.6	0.7
Intangible assets	1.3	1.8
Financial Assets		
Investments	0.8	0.7
Loans	9.1	9.0
Other Financial Assets	0.3	0.4
Deferred Tax Assets (net)	30.5	2.9
Other Non-Current Assets	4.4	0.2
Total Non-Current Assets	285.7	236.3
Current Assets		
Inventories	71.4	74.0
Financial Assets		
Trade Receivables	99.0	105.8
Cash & Bank balances	91.0	19.1
Other Financial Assets	10.6	24.1
Current Tax Assets (net)	2.8	2.8
Other Current Assets	15.5	15.0
Total Current Assets	290.2	240.8
Total Assets	575.9	477.1

Thank You

Disclaimer

Certain statements in this communication may be considered as “forward looking statements” within the meaning of applicable law and regulations. These forward – looking statements involves a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward looking statements , important development that could affect the company’s operations include changes in the industry structure, significant changes in politics and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.

Shalimar Paints Limited does not undertake to revise any forward – looking statement that may be made from time to time by or on behalf of the company.

Shalimar Paints Limited will not be in any way responsible for any action taken based on such statement and undertake no obligation to publicly update these forward looking statement to reflect subsequent event or circumstances.



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