

February 2, 2021

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| 1. Corporate Relationship Department
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001. | 2. Manager – Listing
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400051. |
|--|--|

Sub.: Q3 FY 20-21 Financial Results Conference Call

- Ref.: 1. Regulation 30(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**
2. Scrip Codes : BSE - 500165, NSE - KANSAINER

Dear Sirs,

Further to the intimation done by the Company on February 1, 2021, with respect to the Conference Call to be hosted by the Management of our Company on Wednesday, February 3, 2021 at 11 a.m. (IST) for the Q3 FY 20-21 Financial Results of the Company, we are enclosing herewith an Investor Presentation.

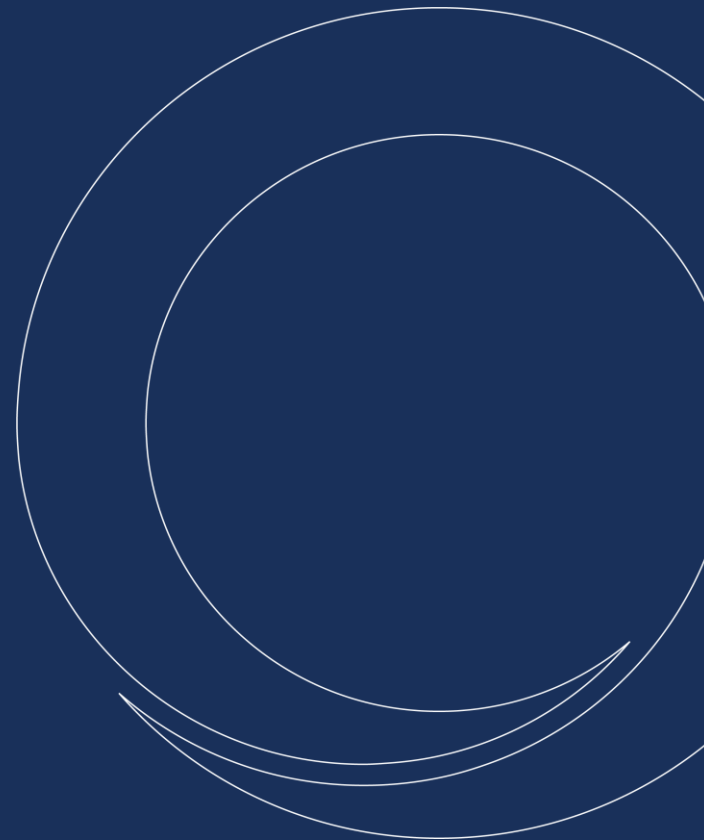
For **KANSAI NEROLAC PAINTS LIMITED**

G. T. GOVINDARAJAN
COMPANY SECRETARY

NEROLAC



Investor Presentation Q3 Update (FY 20-21)



Disclaimer

This presentation may contain statements which reflect management's current views and estimates and could be construed as forward making statements. The future involves certain risks and uncertainties that could cause actual results to differ materially from the current views being expressed. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

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Agenda

Business Environment FY 20-21*

Financial Performance FY 20-21*

Business Review FY 20-21*

Risks and Future Outlook

**The details in the presentation are for the period April – Dec 2020*

Business Environment FY 20-21

- ❑ Good Demand was seen in Q3, both in Decorative and Industrial
- ❑ Decorative recorded good growth in Q3 on the back of festival season and continued strong growths in smaller towns. Metros and Tier 1 towns also witnessed an upswing in demand.
- ❑ Auto industry also saw a significant jump in volumes during Q3

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Financials

Standalone Q3 FY 20-21

Rs. In Crores	Q3 2019-20	% to Net Sales	Q3 2020-21	% to Net Sales
Net Revenue	1248.1	100.0	1473.4	100.0
Contribution	397.0	31.8	476.8	32.4
Overhead	205.1	16.4	187.0	12.7
PBDIT	191.9	15.4	289.8	19.7
Other Income	12.4	1.0	14.1	1.0
PBT	171.7	13.8	269.2	18.3
PAT	122.7	9.8	201.9	13.7

Growth - Net Revenue : 18.0 % PBDIT: 51.0 %, PAT : 64.6 %

Financials

Standalone YTD December FY 20-21

Rs. In Crores	YTD Dec 2019-20	% to Net Sales	YTD Dec 2020-21	% to Net Sales
Net Revenue	3955.1	100.0	3359.5	100.0
Contribution	1286.9	32.5	1114.4	33.2
Overhead	633.0	16.0	484.6	14.4
PBDIT	653.8	16.5	629.7	18.7
Other Income	22.9	0.6	26.3	0.8
PBT Before Exceptional item	585.2	14.8	554.1	16.5
Exceptional item (Impairment of Investment)	-	-	10.8	0.3
PBT After Exceptional item	585.2	14.8	543.3	16.2
PAT	463.9	11.7	403.2	12.0

Growth - Net Revenue : -15.1% PBDIT: -3.7 % , PAT : -13.1%

Financial Analysis Q3 FY 20-21

Positive Factors

- High Growth
- Judicious Control on cost and Overheads continued
- Improvement in Margins

Negative Factors

- Raw Material Prices continued to Firm Up.
- Volatility in Forex

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Decorative

Nerolac launched 3 new Products in Q3

***“Beauty Gold – Washable & Anti Bacteria”,
“Suraksha Dust Resist”,
“Beauty Sheen”***



Market

- Demand continued to be strong in Smaller towns
- Demand picked up in Q3 in Metro and Tier 1 towns

Highlights

- Better Product Mix in Q3
- Launched three new products during Q3 in the Interior and Exterior Range
- Construction Chemicals Range gaining traction in the market
- Company continues to expand its product portfolio in Construction Chemicals

Industrial

Market

- Automotive segment has recorded good growth in Q3 led by Passenger Vehicles.
- Tractor segment continues to do well
- Demand from Non-Auto industries also was better in Q3

Highlights

- Gained Market Share in Automotive Coatings & Powder Coating

Subsidiary Performance

India

MARPOL

- High Double-Digit Growth in Q3
- Merger with KNP in process

PERMA

- Recovery in the Projects business led to a high double-digit growth in Q3
- Merger with KNP in process

NEROFIX

- High double-digit growth in Q3

Subcontinent

NEPAL

- After a long lockdown Markets opened in Q3
- Company recorded a very strong double-digit growth on the back of pent-up demand in the market

LANKA

- Demand continued to remain impacted due to COVID-19
- However, some signs of revival seen towards the end of the Quarter.

BANGLADESH

- Company continued its good run from Q2 and recorded a high double digit growth in Q3 as well

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Risks and Outlook

Risk

- Inflationary Trend likely to continue

Outlook

- Demand is expected to be healthy due to the positive Consumer sentiments on account of COVID-19 Situation coming under control and availability of the vaccines.



THANK YOU