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APL/SEC/32/2022-23/38

26th July, 2022

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Fort, Mumbai – 400 001
Scrip Code: 500820

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
Block G, Bandra - Kurla Complex,
Bandra (East),
Mumbai – 400 051
Symbol: ASIANPAINT

Sir/Madam,

Sub: Investor Presentation for the quarter ended 30th June, 2022

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of the presentation made to the investors on the audited standalone and unaudited consolidated financial results of the Company for the quarter ended 30th June, 2022.

This is for your information and records.

Thanking you,

Yours truly,

For ASIAN PAINTS LIMITED


R J JEYAMURUGAN
CFO & COMPANY SECRETARY



Encl.: As above





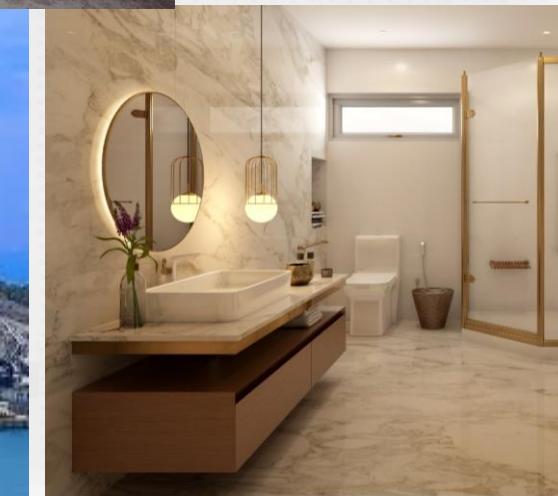
Investor Conference

Q1 - FY2023 Results



Delivering joy since 1942....

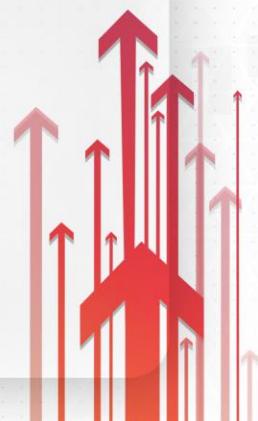
We exist to Beautify, Preserve, Transform all Spaces and Objects,
bringing happiness to the World!





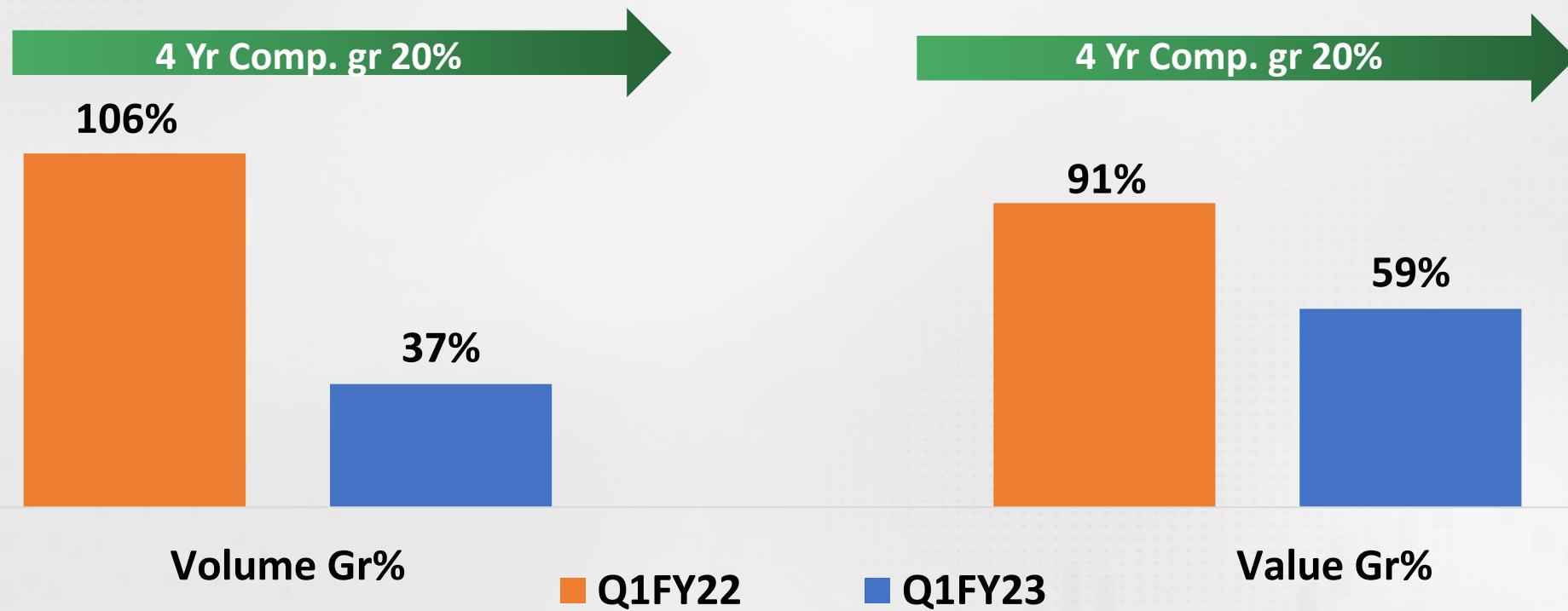
Disclaimer

This communication, except for the historical information, may contain statements which reflect the Management's current views and estimates and could be construed as forward-looking statements. The future involves many 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 and commodity price fluctuations, competitive product and pricing pressures and regulatory developments.



High double-digit volume and value growth trajectory, notwithstanding the Covid impacted low base.

Strong momentum evident from the double digit compounded growth rates.

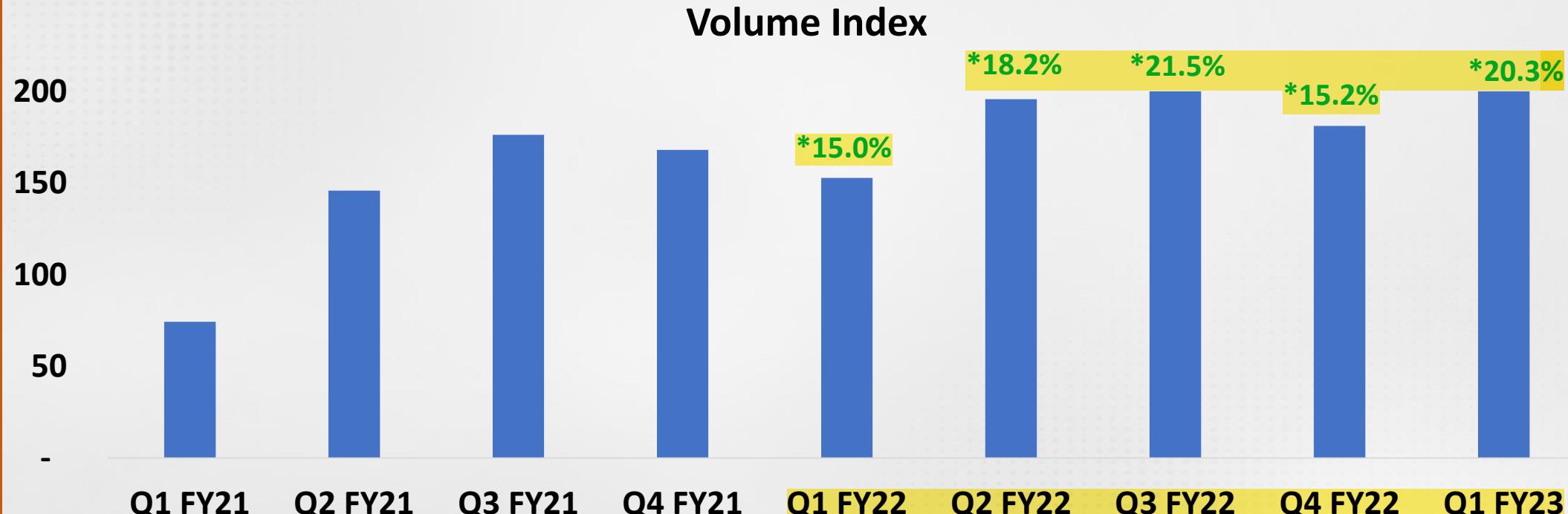


Q1 FY23 Volume and Value Trend



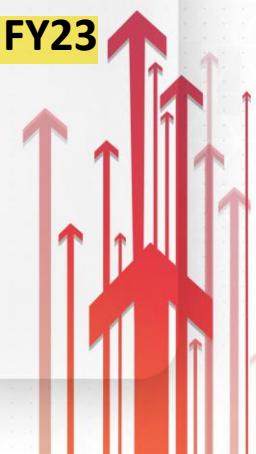
Consistent double-digit volume growth trend

Decorative Business (India)



Quarterly representation of Volumes sold on base of Q1 FY19 as 100

*% represents 4 Year Compounded Growth Rate



- ❖ T1/T2 centers continued to grow faster than T3/T4 centers
 - ❖ Economy range leading the growth; in T3/T4 centers
 - ❖ PreLux growing well in the T1/T2 centers , giving a better mix
- ❖ Project/Institutional business also continued its strong trajectory
 - ❖ Big surge in business across T1/T2/T3 centers from the Builder segment
 - ❖ Strong growth from Government, Factories segments
 - ❖ Good traction in Waterproofing, especially in Admixtures and Membranes
- ❖ Waterproofing & Adhesives categories growing at exponential rates
- ❖ Unhindered expansion in distribution footprint; harmonious co-existence of Distributor + Direct Dealer model
 - ❖ Added more than 5000 new retailing points in Q1
- ❖ World-class innovation giving momentum to growth : Launched 10 new products in Q1
 - ❖ Large number of patents and close to 40 unique products and 300 unique finishes in the Industry





New Product Introductions



**Sparc ST
Primer**



SmartCare Tile Coat

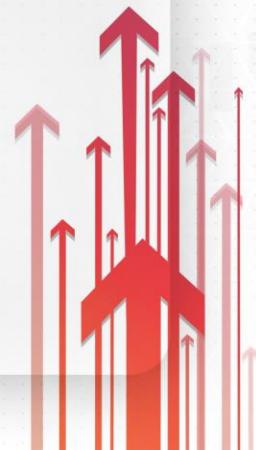


**SmartCare Crackseal
Advance**



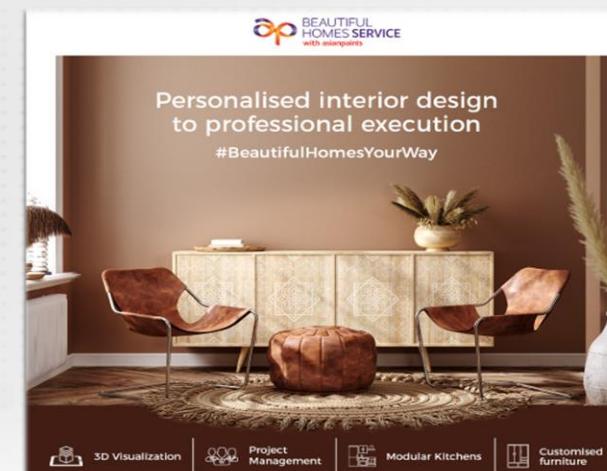
**Ingenio Matt
spray**

**Royale Play Mineral
(Techshila Interiors)**



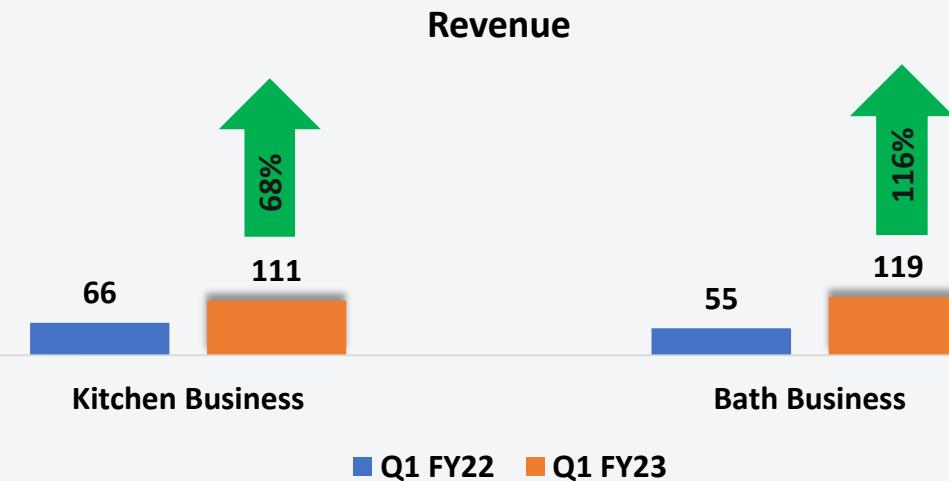


- ❖ **Home Décor Foray**
 - ❖ Transitioning from '**Share of Surface**' to '**Share of Space**' within the Homes
 - ❖ **Beautiful Homes Stores - Home Décor under one roof** offering Kitchen, Bath & Sanitaryware, Lighting, Tiles, Flooring, Furnishings, Furniture, Doors & windows
 - ❖ **31 stores operational now**
 - ❖ **Beautiful Homes Service – Personalized Interior Design to Professional Execution – offered in 9 cities; gaining traction**
 - ❖ Added Rugs to the Décor portfolio in the quarter
 - ❖ Beautiful Home Shop energizing the ecom deliveries in Home Décor
 - ❖ Central Inspirational Model: **BeautifulHomes.com**



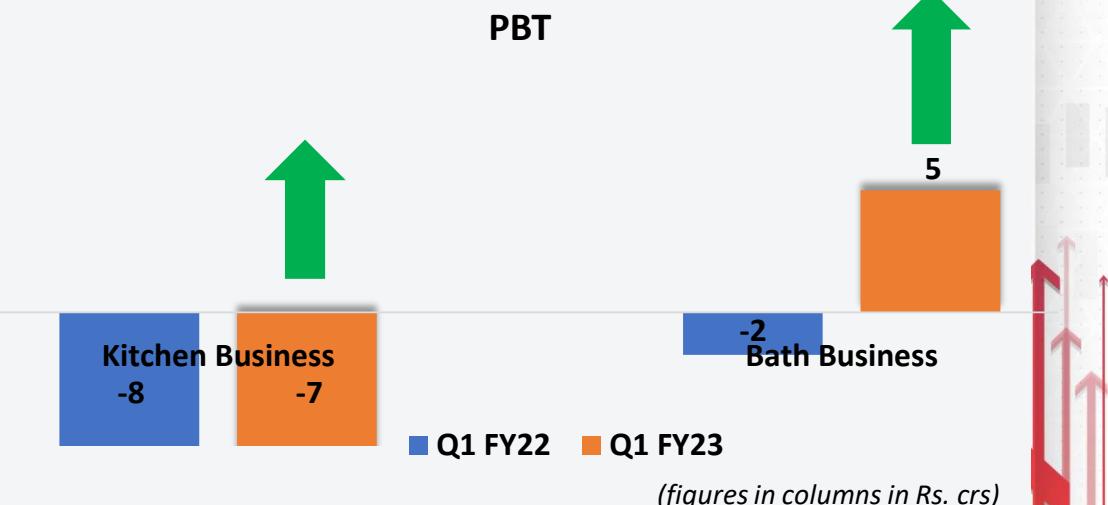
❖ Kitchen Business

- ❖ **Rs. 100 crores+ delivery for 4th consecutive quarter**
 - ❖ Full Kitchen solutions as well as Components business doing well
 - ❖ Projects business gaining traction
- ❖ Network expansion continued in Full Kitchen dealer network; with strong focus on RFT / customer delight
- ❖ **Rs. 7 crores loss this year (vs Rs. 8 crores loss in LY)**
 - ❖ Material inflation hurting margins



❖ Bath Business

- ❖ **Rs. 100 crores+ delivery for 3rd quarter in a row**
 - ❖ Solid footing in the Projects business in collaboration with the Decorative Project's team
 - ❖ Premium range 'Bath Sense' & Sanitary ware expanding well
- ❖ **Profitable quarter**
 - ❖ Benefit of scale despite inflation effect. Profit of Rs 5 crores this year (vs Rs 2 crores loss in LY)



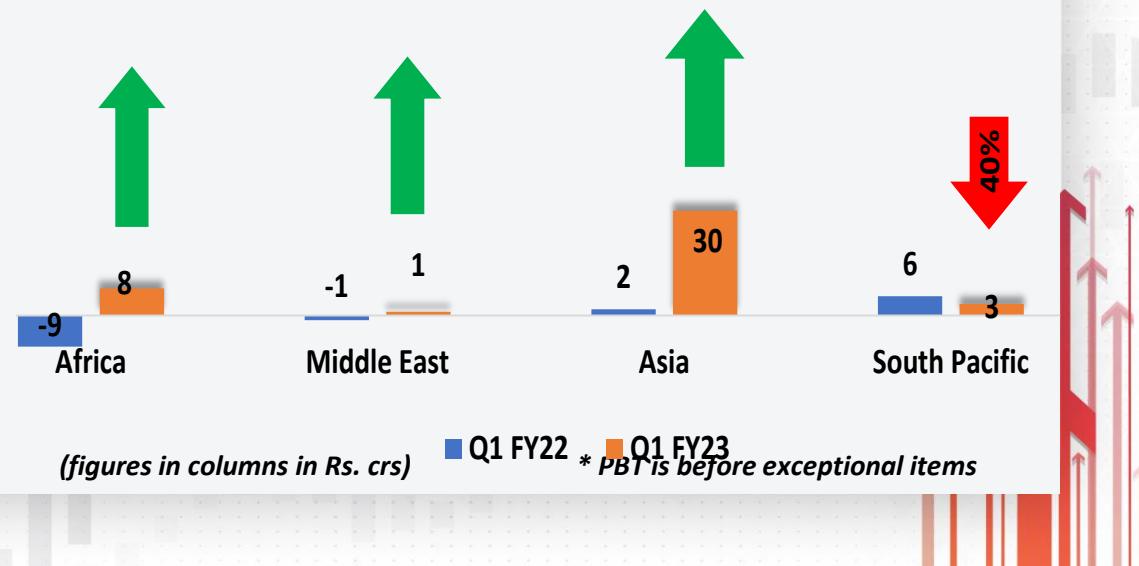
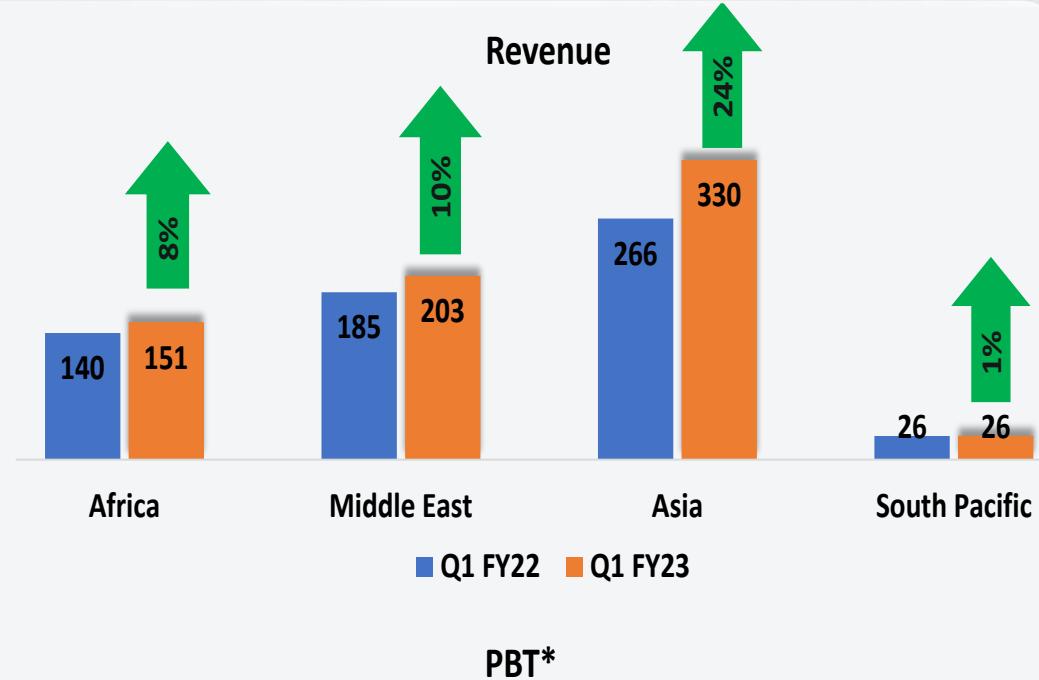
- ❖ Recent acquisitions in the Décor space -
Decorative and Designer Lighting (**White Teak**) and uPVC Windows and Doors (**Weatherseal**)
 - ❖ Integrating within the AP Décor journey on a strong note
 - ❖ Through Beautiful Homes Stores and Beautiful Homes Service, expanding their market reach
- ❖ **White Teak** generated revenue of **Rs 20 crs** during Q1 against a full year revenue of **Rs 57 crs** last year with good profitability
- ❖ **Weatherseal** - Transaction closed in June; with subscription to 51% equity



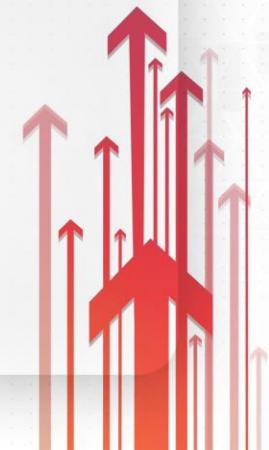
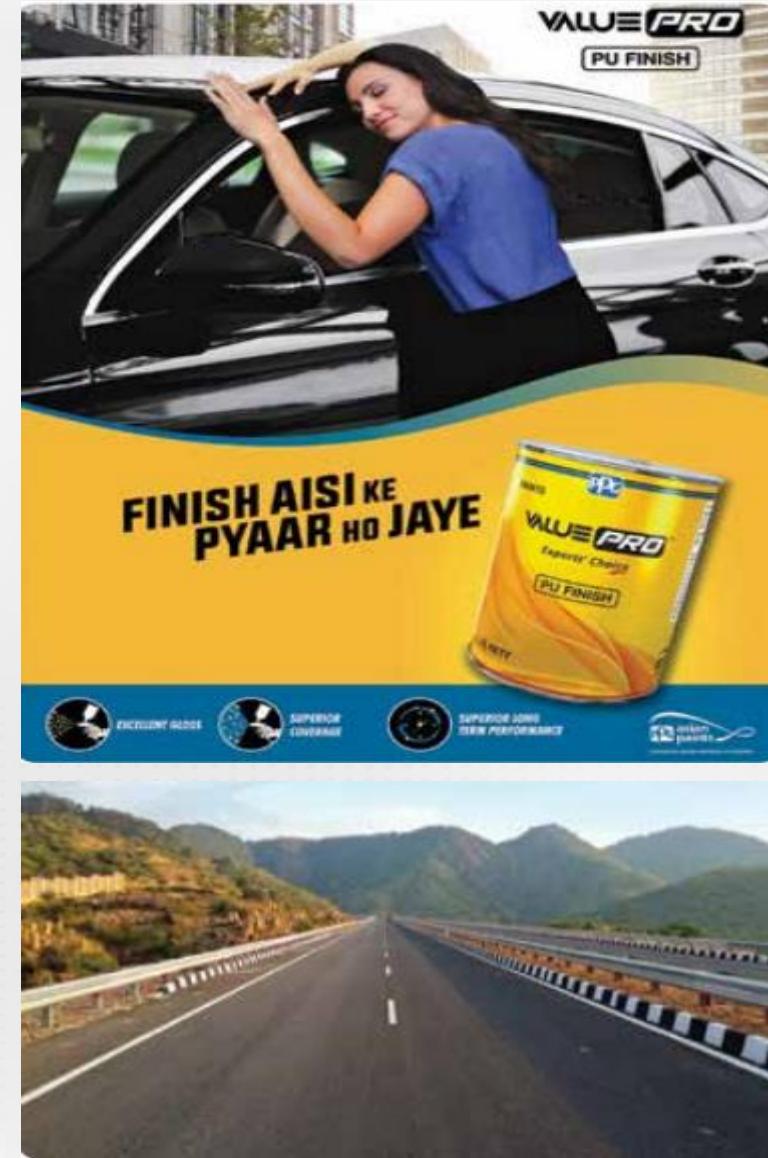
International Business



- ❖ Double digit revenue growth for Q1; Though volumes lower given headwinds across units
 - ❖ Strong growth in Nepal, Bangladesh
 - ❖ Sri Lanka impacted by extremely difficult operating environment
 - ❖ Challenging conditions in Egypt - forex tightness; competitive pressures
- ❖ Overall, International Business revenue: Rs. 705 crores (+15.7%)
 - ❖ Overall, volumes 6% lower; primarily in Sri Lanka
- ❖ Significantly better operating margins – supported by steep price increases, favorable product mix, cost efficiencies
 - ❖ Q4 PBT* at Rs. 38 crores against Rs 11 crores loss LY



Industrial Business



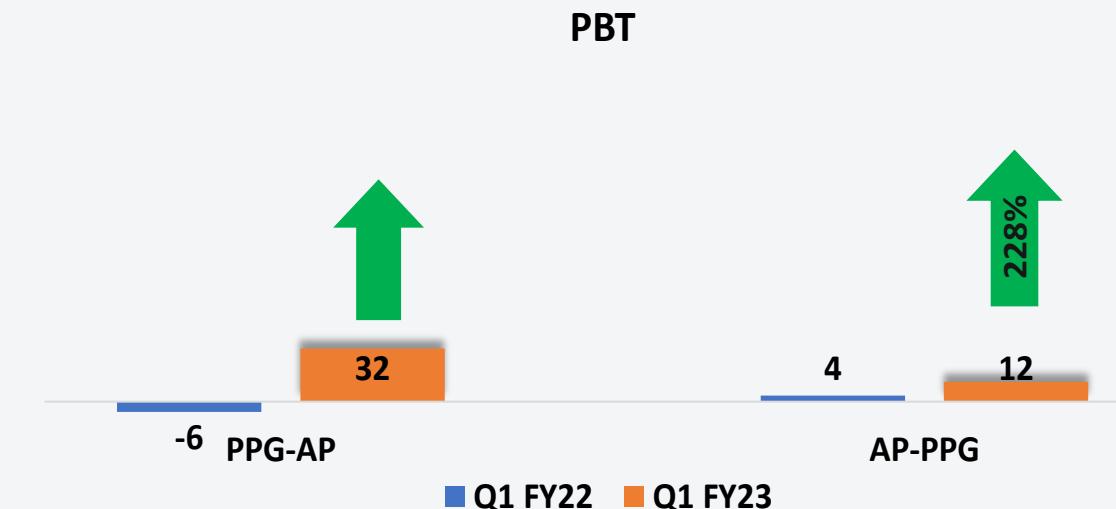
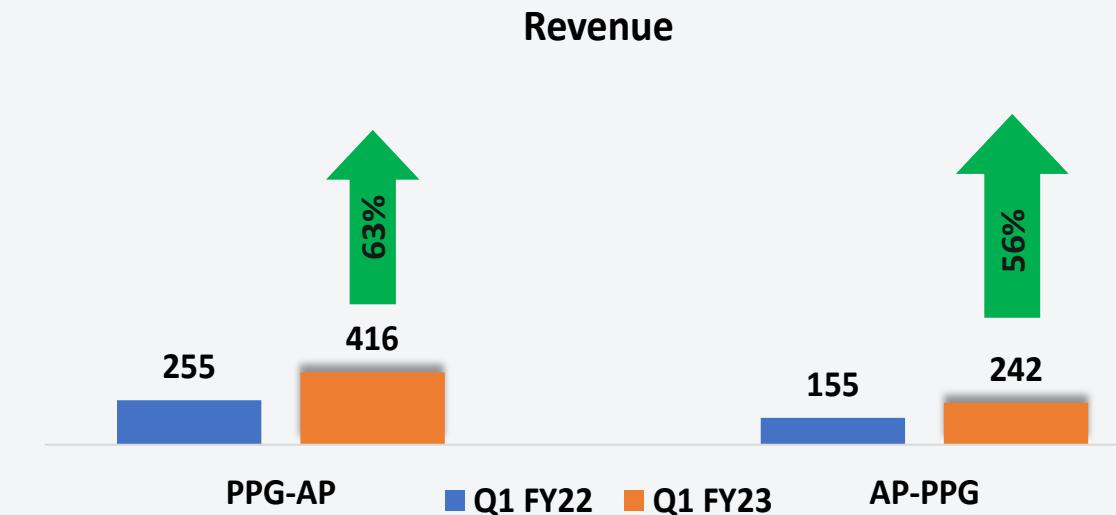
Industrial Business

❖ PPG-AP

- ❖ Mainline categories of Auto, GI & Refinish recovered to pre-Covid levels
- ❖ While Auto industry continued to face challenges, saw a sequential improvement in demand

❖ AP-PPG

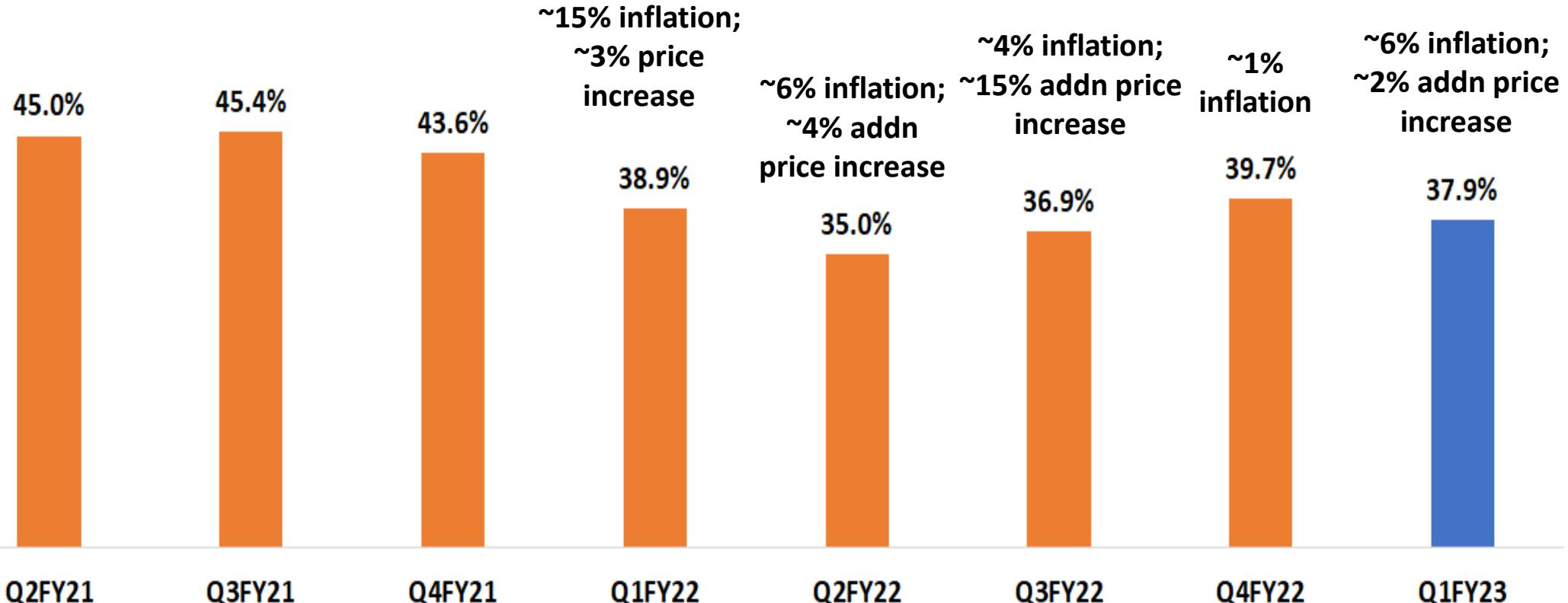
- ❖ Business continued to scale up further, after a strong delivery LY
 - ❖ ~19% revenue growth for the quarter on a 4-year compounded basis
- ❖ Led by growth in Powder & Protective Coatings segment
- ❖ **Improvement in margins** – benefiting from price increases, efficiency and cost control measures, in both businesses



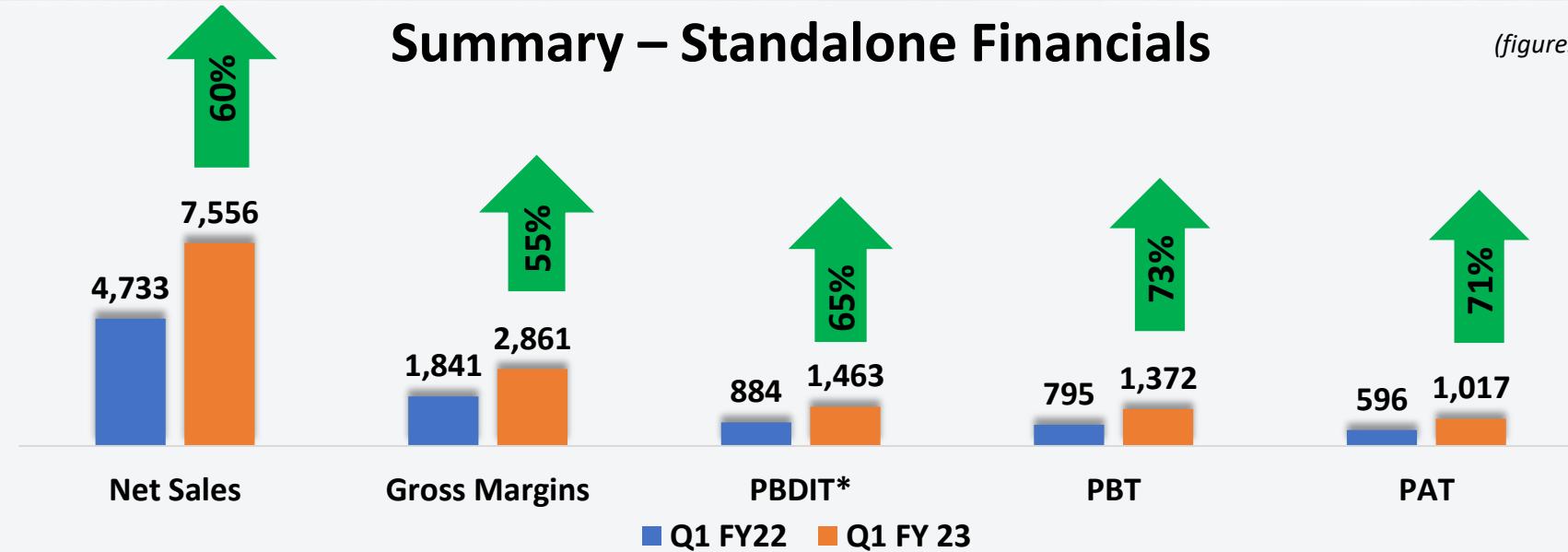
(figures in columns in Rs. crs)

Gross Margin dipped on a sequential basis, impacted by higher inflation. Inflation which seemed to have moderated in Q4 LY, shot up again in Q1

APL Standalone Gross Margins



Gross margin shown here is Gross contribution as a % of Net sales

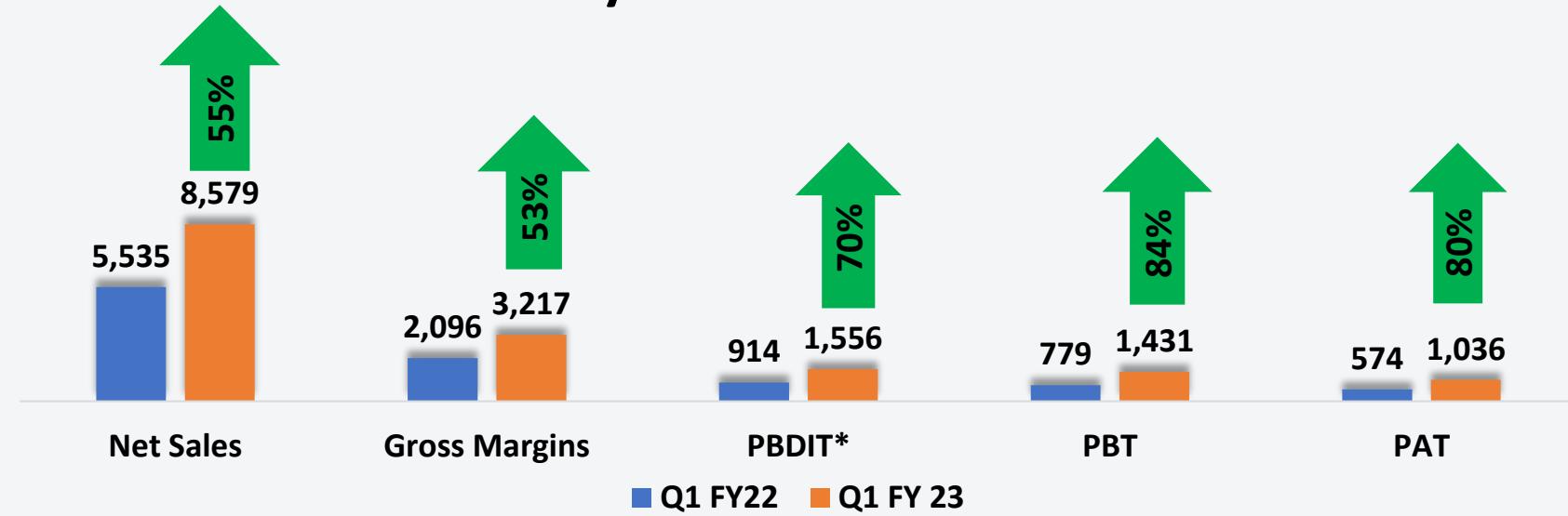


- ❖ Strong double digit Net Sales growth of 60% in Q1 FY23
- ❖ Persistent material inflation continued to impact gross margins - partially offset by multiple rounds of price increases taken through last year as well as this year
 - ❖ Gross margin 1% lower than that in Q1 LY; Dip in margins by 1.8% on a sequential basis with higher material inflation in Q1 FY'23
- ❖ PBDIT margin improved from 18.7% in Q1 LY to 19.4% in Q1 CY with cost optimization, efficiency measures arresting impact of lower Gross margins



Summary – Consolidated Financials

(figures in columns in Rs. crs)

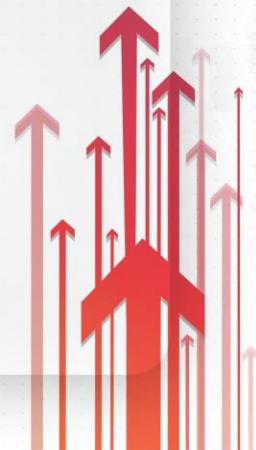


- ❖ Robust Net Sales growth of 55% in Q1 at Consolidated levels – all businesses growing in double digits
- ❖ Dip in Gross margins by 0.4% compared to Q1 LY
- ❖ PBDIT margins improved by 1.6% over Q1 LY
- ❖ Better scale, cost efficiencies gaining stream across businesses

- PBDIT before Share in profit of Associates & before Other Income

Outlook

- ❖ Demand conditions stable so far across rural & urban markets; Organization continues to focus on strong growth for the coming quarter
- ❖ Good advance in monsoon overall; Few states (North, East) still showing deficit. Overall prediction is close to normal monsoon which will support good sentiment in T3/T4 cities
- ❖ Rupee depreciation, on the back of global policy tightening, further aggravating inflationary pressures. Persistent inflation could, however, dampen consumer sentiments
- ❖ Overall, material inflation expected to ease gradually from second half of current financial year. Q2 inflation estimated to be in low single digits
 - ❖ Would continue to take calibrated price increases to offset impact of inflation
- ❖ Key global units, especially in Sri Lanka, Bangladesh, Ethiopia, Egypt, facing multiple headwinds – expected to be under strain for some time



Focus on Long Term Sustainable Journey

Making Responsible Choices

Environment

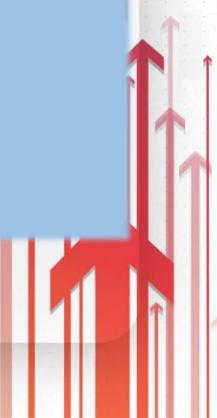
- ❖ Product Stewardship
- ❖ Water Neutrality
- ❖ Energy Conversation
- ❖ Nature Positive

Social

- Community Ownership, Customer Celebrations
- Water Stewardship
- Empowering Safety
- Energizing, Equitable, Inclusive Work Environment

Governance

- ❖ World Class Governance
- ❖ Proactive Stakeholders Engagement
- ❖ Transparency



Focus on Long Term Sustainable Journey

 282%Water
Replenishment**62%* reduction**in Specific Non-process Fresh Water
Consumption

More than 3400 tonnes

of post-consumer flexible plastic

More than 14400 tonnes

of post-consumer rigid plastic collected and
recycled across **23 states** in India**77%* reduction**in Specific Industrial Effluent
Generation**64%* reduction**

in Specific Hazardous Waste Disposal

**37%* reduction**

in Specific Electricity Consumption

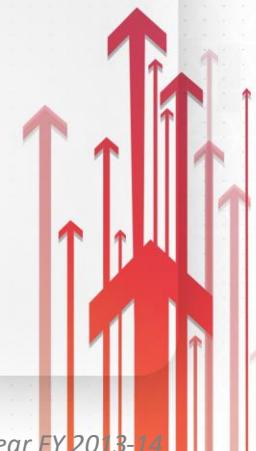
59%* electricity

from Renewable Sources



We have been awarded **GreenPro**
certification by **CII-IGBC** for **187 of our**
products in decorative paints portfolio

LIVES TOUCHED

3,75,000+Vocational Trainings
imparted**2,70,000+**Healthcare
beneficiaries through
static clinics and MMUs



Thank You

