



INVESTOR PRESENTATION

12M : FY 2016-17

11th May 2017

Disclaimer

This presentation may contain statements which reflect Management's current views and estimates and could be construed as forward looking 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.

Responses can only be given to questions which are not price sensitive.

Economic Environment

Company Performance

Business Review

Risks and Outlook

Economic Environment

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Business Review

Risks and Outlook

Economic Environment

- ❑ Modest improvement witnessed in the domestic macro business environment towards the end of the year
 - ❑ GDP growth expected to be about 6.7% in FY17 - almost 1% lower than the previous year
 - ❑ Demonetization in Nov'16 hurt the demand conditions; recovery seen in the last quarter
- ❑ Benefitted from low commodity price cycle in the early part of the year; upward trend in commodity prices witnessed in the last 2 quarters
- ❑ Rupee has strengthened significantly in the last few months
 - ❑ 5.5% appreciation vis-à-vis dollar since January 2017
 - ❑ Benefitted from strong capital inflows
 - ❑ Partly driven by global liquidity and partly by the expected improvement in the Indian economy
- ❑ In the International markets, key units in Egypt & Ethiopia, continued to face challenges around foreign exchange availability

Economic Environment

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Business Review

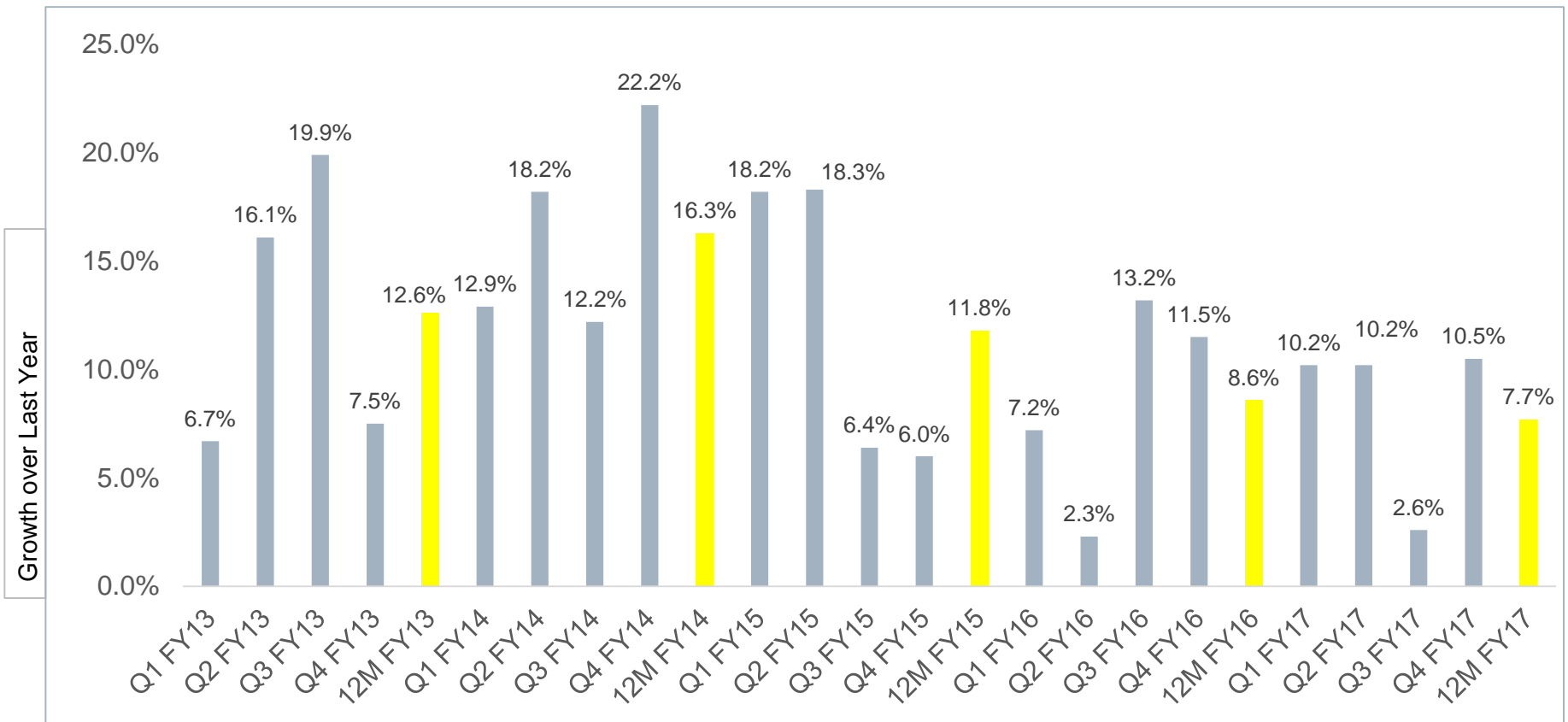
Risks and Outlook

Financials : FY 2016-17

Consolidated (Rs. Crores)	Q4 FY 17	Q4 FY 16	Gr %	12M FY 17	12M FY 16	Gr %
Revenue from Operations	4,416.23	4,053.83	8.9%	17,084.76	15,841.69	7.8%
PBDIT	711.87	697.05	2.1%	3,021.43	2,769.15	9.1%
PBDIT%	16.1%	17.2%		17.7%	17.5%	
PAT after Minority interest	462.22	418.70	10.4%	1,939.42	1,745.16	11.1%

Standalone (Rs. Crores)	Q4 FY 17	Q4 FY 16	Gr %	12M FY 17	12M FY 16	Gr %
Revenue from Operations	3,762.15	3,403.43	10.5%	14,360.43	13,332.18	7.7%
PBDIT	639.13	618.00	3.4%	2,671.44	2,476.93	7.9%
PBDIT (%)	17.0%	18.2%		18.6%	18.6%	
PAT	440.82	400.95	9.9%	1,803.10	1,622.81	11.1%

Standalone Revenue Growth Trend



The growth % in 12MFY17, Q4FY17, Q3FY17, Q2FY17 & Q1FY17 is as per the new Indian Accounting Standards (IND AS) which was adopted wef 1st April 2016 ; hence it not comparable with the numbers for the previous quarters

Dividend

- In FY 2016-17
 - Total Dividend of **Rs. 10.30 per share (1030 %)**
 - Final dividend of Rs. 5.65 per share (565%)
 - One time Special dividend of Rs. 2 per share (200%) for celebrating 75 years of Excellence at Asian Paints
 - Interim dividend of Rs. 2.65 per share (265%)
 - Payout ratio of 53.1 % for the year excluding special dividend (on standalone financials)

- In FY 2015-16
 - Total Dividend of **Rs. 7.50 per share (750%)**
 - Final dividend of Rs. 5.30 per share (530%)
 - Interim dividend of Rs. 2.20 per share (220%)
 - Payout ratio of 54.2% for the year (on standalone financials)

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Business Review – APL Standalone

- Decorative Paints business in India registered low double digit volume growth for Q4
- Continued focus on network expansion and opening new 'Colour Ideas' store
 - 37,500+ 'Colour World' machines and 350+ 'Colour Ideas' stores across the country
- Good growth witnessed in the Adhesives and Wall paper business
- SmartCare range of waterproofing products continues to grow well
- On a sequential basis, material prices continued to witness an upward trend in the quarter thereby squeezing margins to an extent
 - 3% price increase across products wef 1 Mar'17 ; another 2.68% increase wef 1 May'17
- Higher Other Income due to treasury Income
- Khandala plant subsidy of Rs. 136.5 crs in FY17 compared to Rs. 134.1 crs in FY16

Business Review – APL Standalone

- Construction work for the two new paint plants at Vizag (Andhra Pradesh) and Mysuru (Karnataka) as per schedule
 - **Vizag** : Setting up 5,00,000 KL/annum plant at a total investment outlay of Rs. 1785 crores
 - **Mysuru** : Setting up 6,00,000 KL/annum plant at a total investment outlay of Rs. 2300 crores
 - Both plants to come up in phases depending on future demand conditions

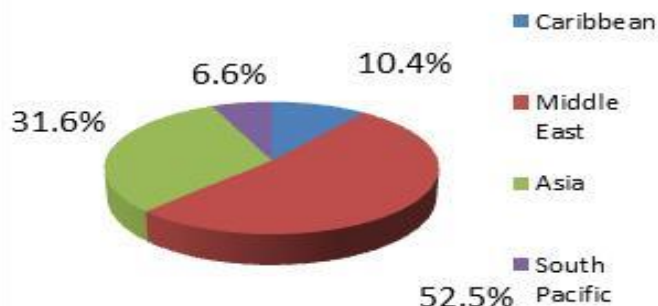
Business Review – International

- The International business registered 7.4% value growth in FY17; in constant currency terms growth would be about 15%
 - Impacted by the significant currency devaluation in Egypt
 - Growth specifically aided by contribution from Nepal, Jamaica, Fiji, Oman and Bahrain
- Ethiopia business impacted due to shortage of raw materials on account of unavailability of foreign exchange
- Construction of the greenfield plant at Indonesia has been completed; commissioning in progress
- Acquired 100% stake in Causeway Paints, Sri Lanka in April 2017 for a consideration of approx. Rs. 386.75 crores
 - Causeway Paints is a key player in the Sri Lanka coatings market operating for more than 2 decades and supplies mainly Decorative paints (including wood finishes) and Automotive Paints

Business Review – International

Regions	Net Sales			PBIT (₹ Cr)		
	12M FY 17	12M FY 16	Gr %	12M FY 17	12M FY 16	Gr %
Caribbean	229.7	227.9	0.8%	24.9	16.0	55.9%
Middle East & Africa	1,154.3	1,111.6	3.8%	160.1	149.9	6.8%
Asia	695.0	599.1	16.0%	56.7	46.0	23.2%
South Pacific	144.4	132.2	9.2%	34.8	24.8	40.1%
IBU	2,199.7	2,047.9	7.4%	270.0	226.6	19.2%

Net sales break up



Caribbean : Jamaica, Barbados and Trinidad & Tobago

Middle East & Africa: UAE, Bahrain, Oman, Egypt & Ethiopia

Asia : Nepal, Sri Lanka, Bangladesh, Singapore & Indonesia

South Pacific : Fiji, Tonga, Solomon Islands, Vanuatu & Samoa

Business Review – Industrial India

PPG Asian Paints (PPGAP)

- Net sales grew by 14.9% to Rs. 1262 crores with PBIT of Rs. 138.6 crores in FY 17
- Growth for the year led by Auto and General Industrial business segment



Asian Paints PPG (APPPG)

- In FY17, Net Sales grew by 13.2% to Rs. 412.4 crores; PBIT at Rs. 24 crores
- Good growth witnessed across segments – Industrial Liquid Paints, Road Marking Coatings and Powder coatings



Lower raw material prices aided profitability of both these industrial businesses

Under IND-AS, PPG-AP to be treated as an associate company wherein only APL's share of Profit after Tax of PPG-AP consolidated as against proportionate consolidation of every line item of P&L. At the same time, AP-PPG to be consolidated as a subsidiary of APL in the consolidated financials.

Business Review – Home Improvement

Sleek

- Registered Net Sales of Rs. 155.5 crores in FY17; PBIT Loss of Rs. 18.5 crores during the year
- Continued focus on network expansion with addition of new distributors and dealers for the components business and Full Kitchen Dealers

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- Registered Net Sales of Rs. 150.3 crores in FY17; PBIT Loss of Rs. 18.49 crores for the year
- Continue to work on expansion of network and measures to improve servicing levels



Economic Environment

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Outlook

- Indian economy expected to fare better in FY18
 - Expect a rebound from the impact of demonetization that impacted for most of the second half in previous year
 - Early forecasts for normal monsoon expected to support rural consumption demand
- Progress on GST implementation to be keenly monitored
 - Could lead to some initial disruption in the distribution channel
- Global factors looking inflationary as we move in FY18; Raw material prices expected to inch up further
- Rupee volatility needs to be watched out
- Overall growth conditions in the international markets remain buoyant, but certain markets continue to be volatile and unpredictable

THANK YOU

ANNEXURES

Standalone Q4 FY 2016-17

Rs. In Crores

Particulars	Q4 FY 17	Q4 FY 16	Gr %
Revenue from Operations	3,762.15	3,403.43	10.5%
Material Cost (Including excise duty)	2,285.30	2,005.15	14.0%
Employee Cost	181.14	180.29	0.5%
Other Expenses	656.58	599.99	9.4%
PBDIT	639.13	618.00	3.4%
Depreciation	73.78	61.33	20.3%
Profit from Operations	565.35	556.67	1.6%
Other Income	84.99	60.47	40.5%
PBIT	650.34	617.14	5.4%
Finance Cost	5.69	10.30	-44.8%
PBT before Exceptional Item	644.65	606.84	6.2%
Exceptional Items	-	0.05	-
PBT after Exceptional Item	644.65	606.79	6.2%
Curr. & Def. Tax	203.83	205.84	-1.0%
PAT	440.82	400.95	9.9%
Other Comprehensive Income (OCI)	115.87	(15.83)	-
Total Comprehensive Income	556.69	385.12	44.5%
EPS	4.60	4.18	10.0%

Consolidated Q4 FY 2016-17

Rs. In Crores

Particulars	Q4 FY 17	Q4 FY 16	Gr %
Revenue from Operations	4,416.23	4,053.83	8.9%
Material Cost (Including excise duty)	2,683.22	2,391.94	12.2%
Employee Costs	265.16	267.72	-1.0%
Other Expenses	755.98	697.12	8.4%
PBDIT	711.87	697.05	2.1%
Depreciation	83.49	72.17	15.7%
Profit from operations	628.38	624.88	0.6%
Other Income	70.11	47.58	47.4%
PBIT	698.49	672.46	3.9%
Finance Costs	9.01	14.90	-39.5%
PBT before Exceptional Item	689.48	657.56	4.9%
Exceptional Item	-	-	
PBT after Exceptional Item	689.48	657.56	4.9%
Taxation	220.46	228.03	-3.3%
PAT	469.02	429.53	9.2%
Share in profit of associate	10.59	5.94	78.3%
Net Profit after taxes and shares in profit of associate	479.61	435.47	10.1%
Minority interest	17.39	16.77	3.7%
PAT after Minority interest	462.22	418.70	10.4%
Other Comprehensive Income (OCI)	75.86	(61.07)	
Total Comprehensive Income	555.47	374.40	48.4%
EPS	4.82	4.37	10.4%

EPS not annualized

Standalone 12M FY 2016-17

Rs. In Crores

Particulars	12M FY 17	12M FY 16	Gr %
Revenue from Operations	14,360.43	13,332.18	7.7%
Material Cost (Including excise duty)	8,581.72	8,086.72	6.1%
Employee Cost	742.83	666.83	11.4%
Other Expenses	2,364.44	2,101.70	12.5%
PBDIT	2,671.44	2,476.93	7.9%
Depreciation	295.43	234.51	26.0%
Profit from Operations	2,376.01	2,242.42	6.0%
Other Income	300.90	249.43	20.6%
PBIT	2,676.91	2,491.85	7.4%
Finance Cost	18.86	23.40	-19.4%
PBT before Exceptional Item	2,658.05	2,468.45	7.7%
Exceptional Items	-	65.35	-
PBT after Exceptional Item	2,658.05	2,403.10	10.6%
Curr. & Def. Tax	854.95	780.29	9.6%
PAT	1,803.10	1,622.81	11.1%
Other Comprehensive Income (OCI)	139.04	(17.26)	-
Total Comprehensive Income	1,942.14	1,605.55	21.0%
EPS	18.80	16.92	11.1%

Consolidated 12M FY 2016-17

Rs. In Crores

Particulars	12M FY 17	12M FY 16	Gr %
Revenue from Operations	17,084.76	15,841.69	7.8%
Material Cost (Including excise duty)	10,225.20	9,619.85	6.3%
Employee Costs	1,086.29	989.51	9.8%
Other Expenses	2,751.84	2,463.18	11.7%
PBDIT	3,021.43	2,769.15	9.1%
Depreciation	338.84	275.58	23.0%
Profit from operations	2,682.59	2,493.57	7.6%
Other Income	262.60	213.39	23.1%
PBIT	2,945.19	2,706.96	8.8%
Finance Costs	30.58	40.66	-24.8%
PBT before Exceptional Item	2,914.61	2,666.30	9.3%
Exceptional Item	-	52.45	
PBT after Exceptional Item	2,914.61	2,613.85	11.5%
Taxation	947.98	844.49	12.3%
PAT	1,966.63	1,769.36	11.1%
Share in profit of associate	49.61	33.42	48.4%
Net Profit after taxes and shares in profit of associate	2,016.24	1,802.78	11.8%
Minority interest	76.82	57.62	33.3%
PAT after Minority interest	1,939.42	1,745.16	11.1%
Other Comprehensive Income (OCI)	7.68	(23.49)	
Total Comprehensive Income	2,023.92	1,779.29	13.7%
EPS	20.22	18.19	11.1%

Key Ratios

Standalone				
% to Revenue from Operations	Q4 FY 17	Q4 FY 16	12M FY 17	12M FY 16
Material Cost	60.7%	58.9%	59.8%	60.7%
PBDIT	17.0%	18.2%	18.6%	18.6%
PBT after Exceptional Item	17.1%	17.8%	18.5%	18.0%
PAT	11.7%	11.8%	12.6%	12.2%

Consolidated				
% Revenue from Operations	Q4 FY 17	Q4 FY 16	12M FY 17	12M FY 16
Material Cost	60.8%	59.0%	59.8%	60.7%
PBDIT	16.1%	17.2%	17.7%	17.5%
PBT after Exceptional Item	15.6%	16.2%	17.1%	16.5%
PAT	10.9%	10.7%	11.8%	11.4%

For Consolidated results, PAT is before Minority Interest