



INVESTOR PRESENTATION

Q4 & 12M : FY 2018-19

9th May 2019

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.

Company Performance

Business Review

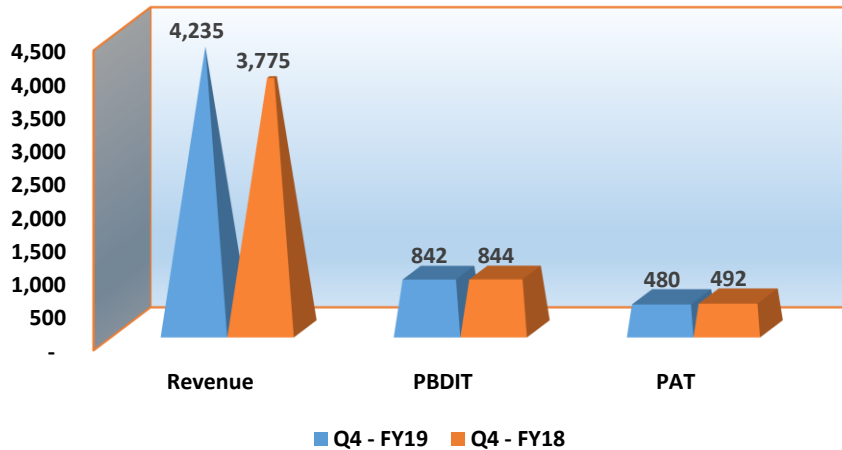
Risks and Outlook

Financials

Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standards and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue. The figures and growth percentages given herein have been suitably adjusted to make the revenue from operations for periods upto 30th June 2017 comparable.

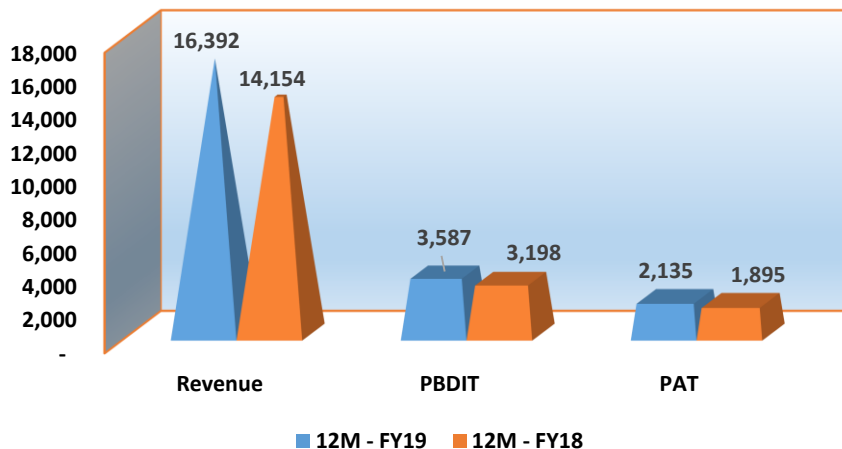
Standalone Financials : FY 2018-19

Standalone Q4 (Rs. crs)



- Revenue from Operations up by 12.2%
- PBDIT flat at Rs. 842 crores – Impact of higher material prices & higher media spends
 - *PBDIT Margin of 19.9% in Q4-FY19 as compared to 22.4% in Q4-FY18*
- PAT marginally lower than LY – Additional impact of higher depreciation for the 2 new plants

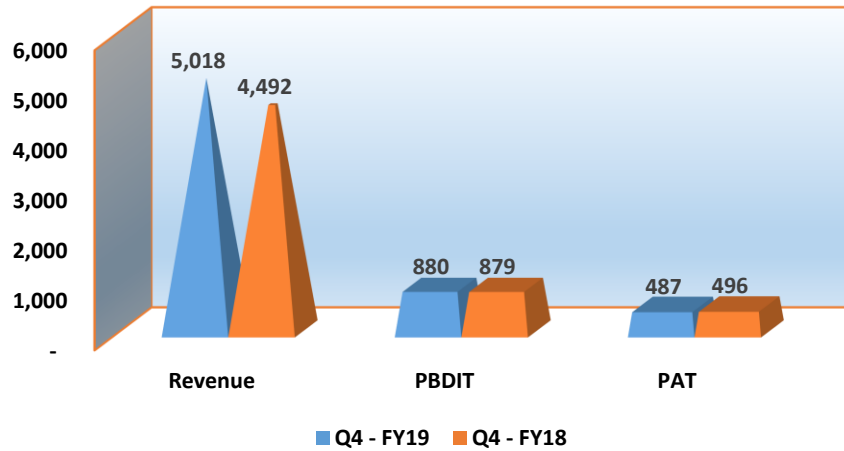
Standalone 12M (Rs. crs)



- Revenue from Operations up by 15.8%
- PBDIT at Rs. 3,587 crores; growth of 12.2%
 - *PBDIT Margin of 21.9% for full year compared to 22.6% in previous year*
- PAT at Rs. 2,135 crores; growth of 12.7%

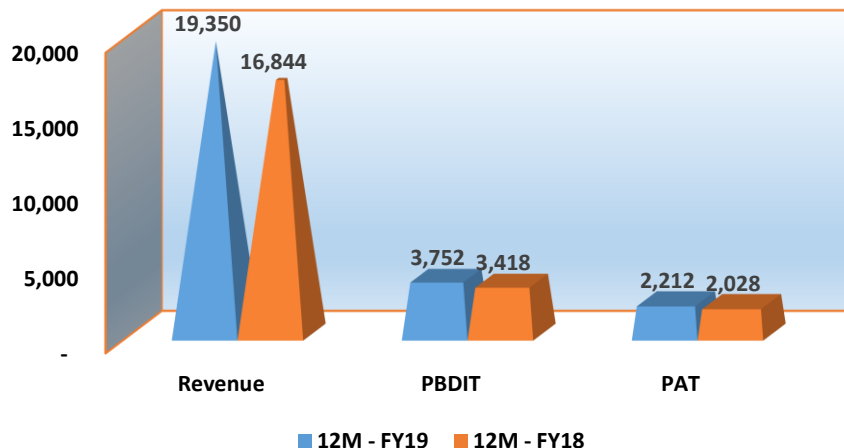
Consolidated Financials : FY 2018-19

Consolidated Q4 (Rs. crs)



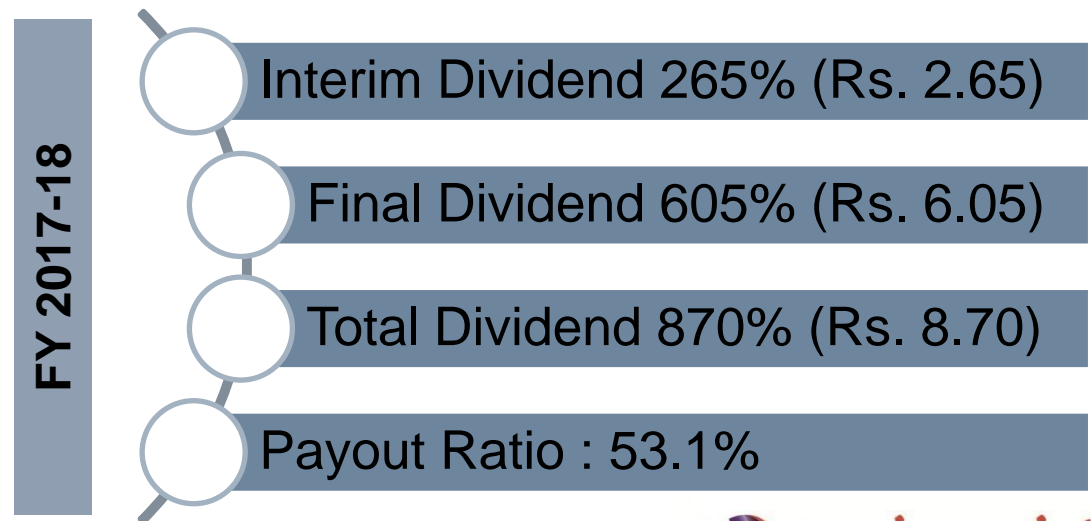
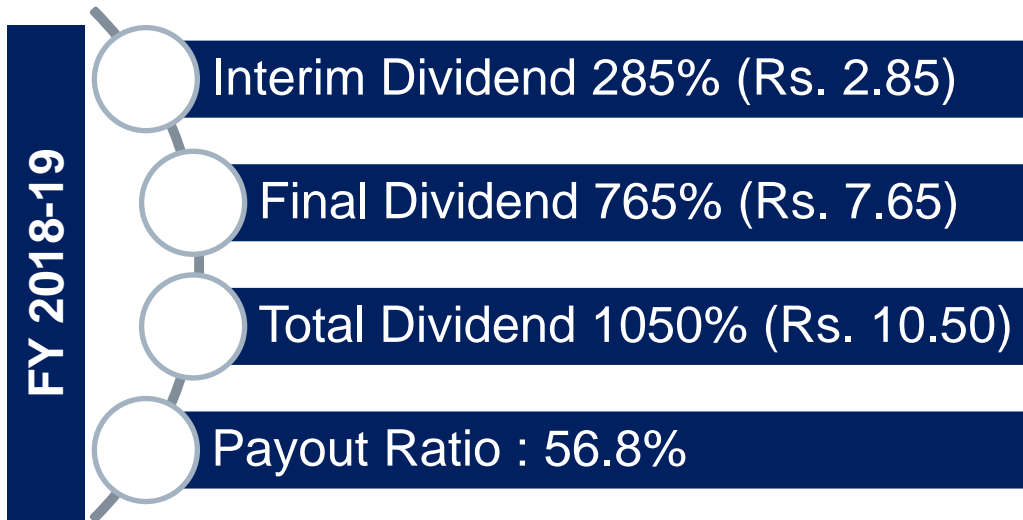
- Revenue from Operations up by 11.7%
- PBDIT flat at Rs. 880 crores
 - *PBDIT Margin of 17.5% in Q4-FY19 as compared to 19.6% in Q4-FY18*
- PAT marginally lower than LY

Consolidated 12M (Rs. crs)

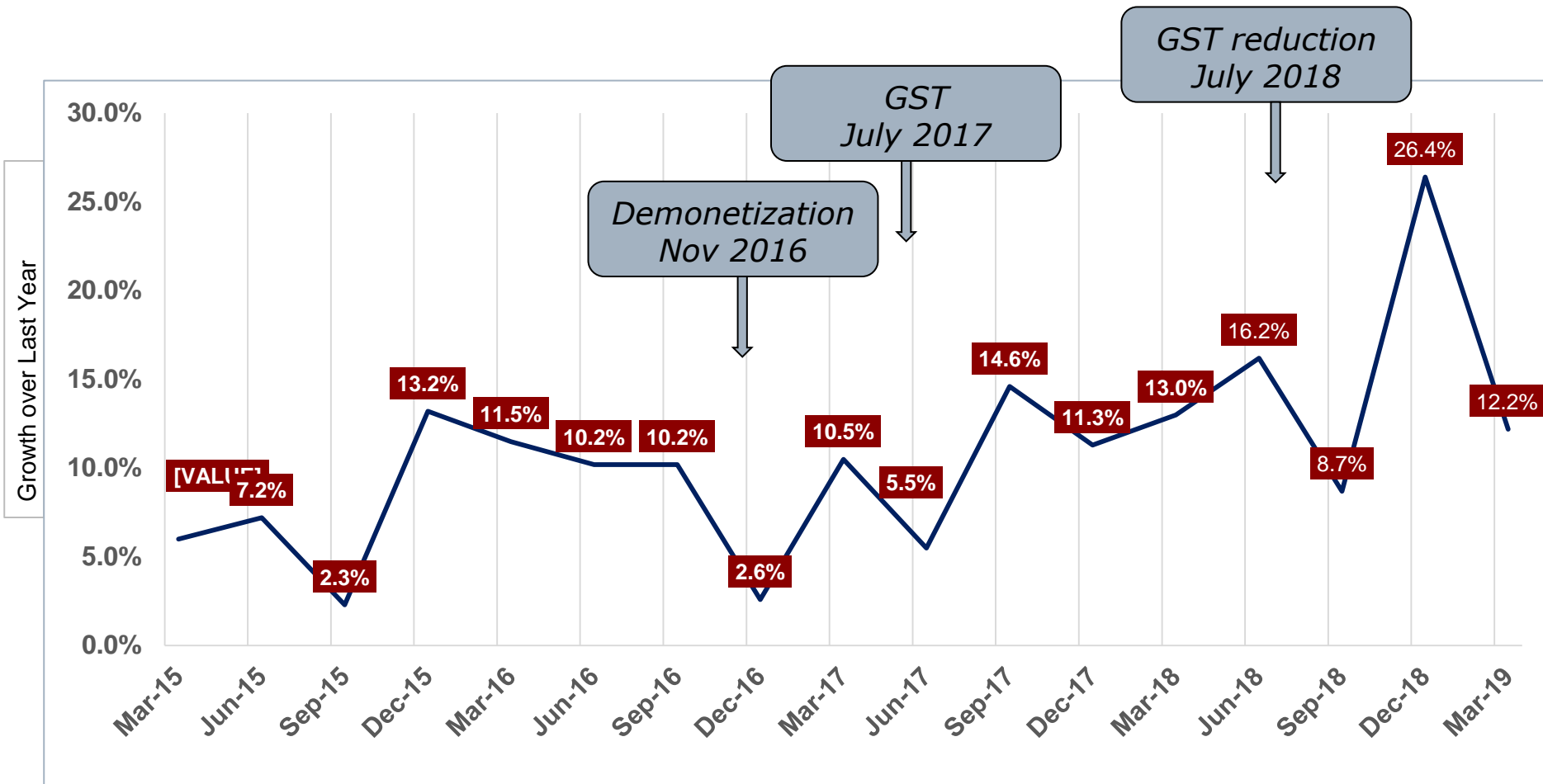


- Revenue from Operations up by 14.9%
- PBDIT at Rs. 3,752 crores; growth of 9.8%
 - *PBDIT Margin of 19.4% for full year compared to 20.3% in previous year*
- PAT at Rs. 2,212 crores; growth of 9.1%

Dividend

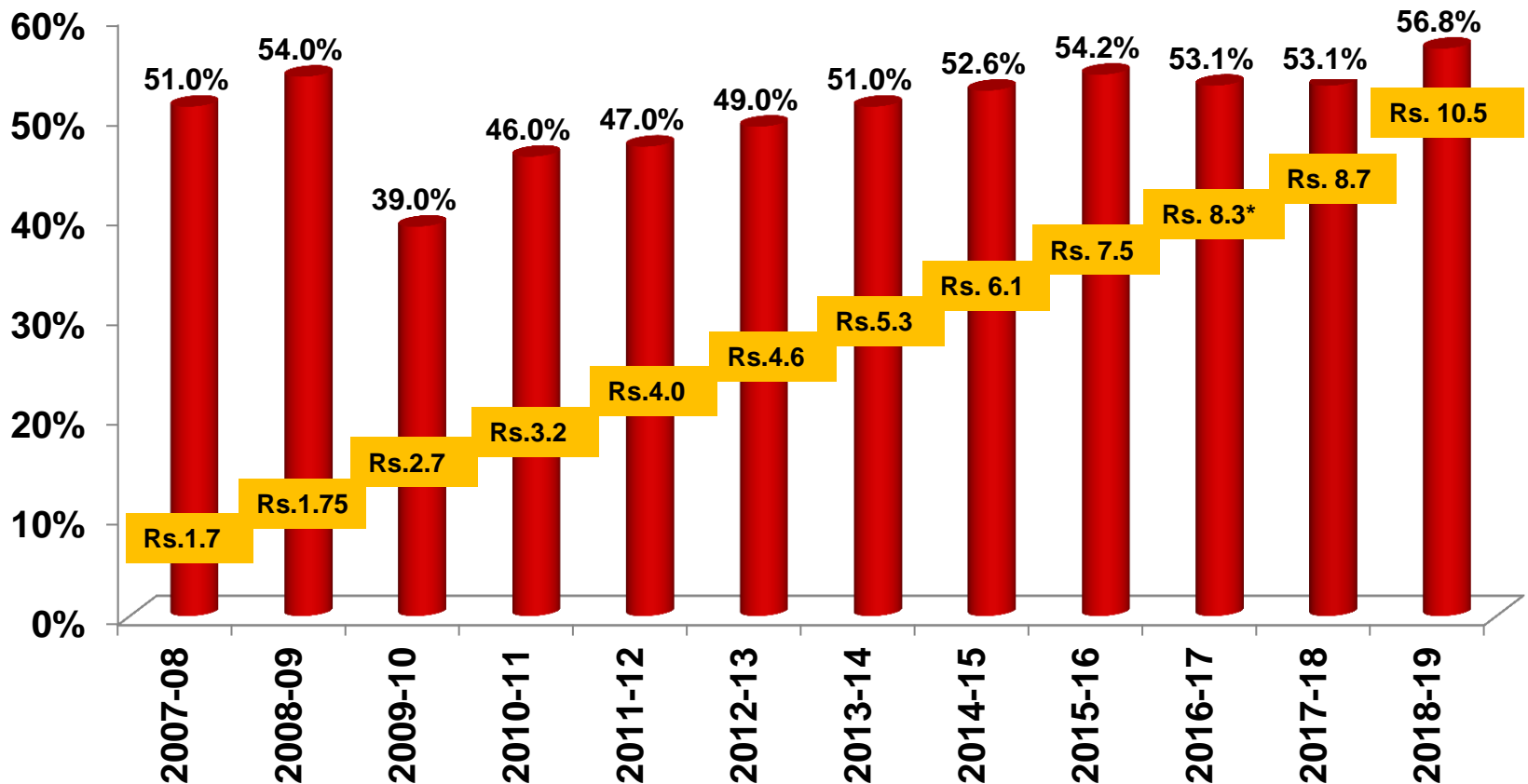


APL Standalone Sales Quarter Growth



Dividend Payouts over the years

Dividend Payout Ratio



Total dividend in Rs. per share
of face value Re. 1

Dividend Payout Ratio in %



* FY 2016-17 Total dividend of Rs. 10.30 including special dividend of Rs. 2.00 per share

Company Performance

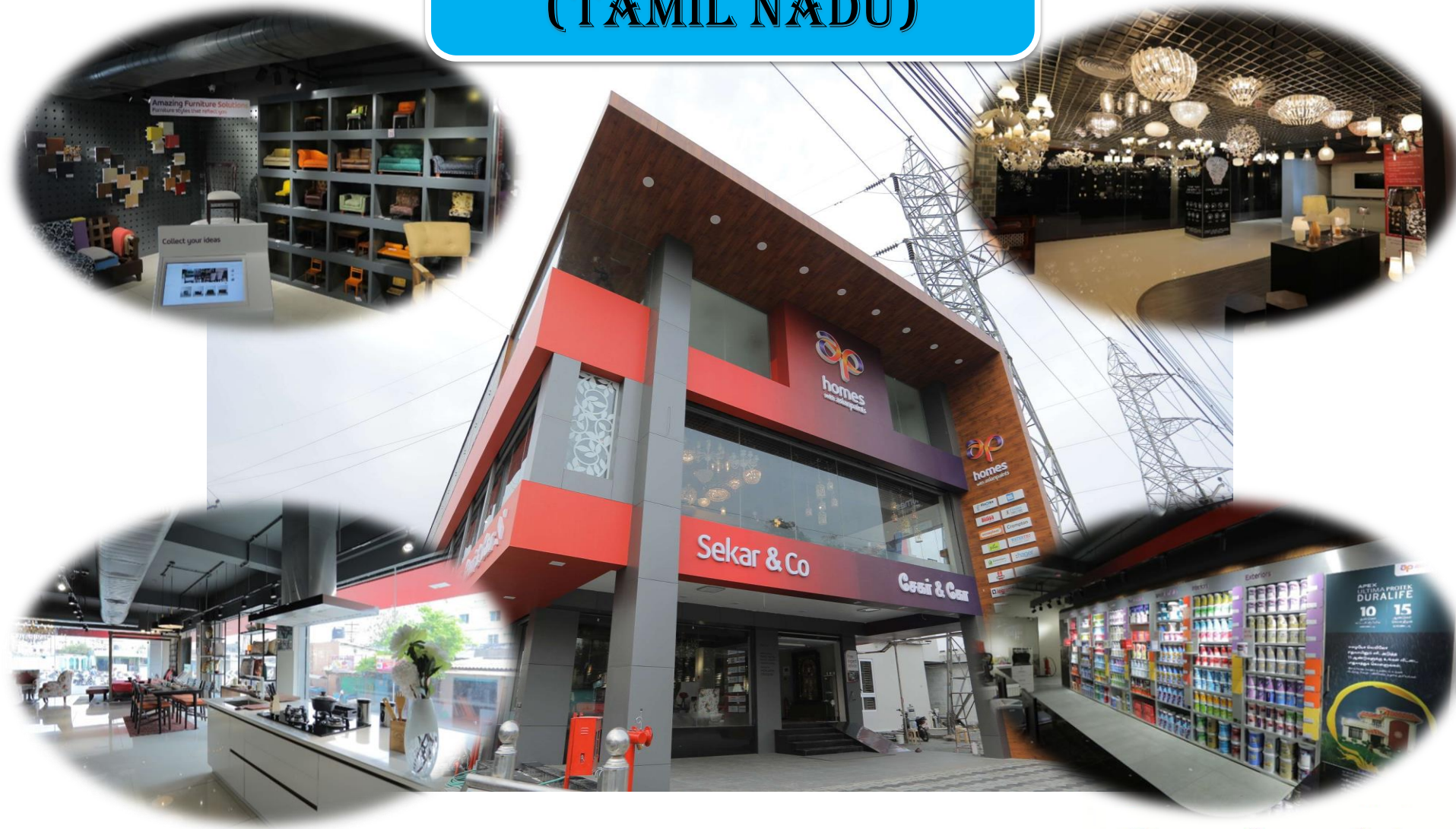
Business Review

Risks and Outlook

Business Review - Decorative India

- Decorative Paints business in India registered double digit volume growth in Q4
- Continued focus on network expansion and opening new 'Colour Ideas' store
 - 46,000+ 'Colour World' machines and 400+ 'Colour Ideas' stores across the country
 - 5 'AP Homes' stores operational; continue to see good response
 - Coimbatore, New Delhi, Kochi, Raipur and Karur
- Good growth witnessed in the Waterproofing and Adhesives segment
- Host of new products introduced in the market
 - Apex Shyne, Ace Shyne, Apex Ultima Europa etc
- Material prices softened a bit in Q4; however inflation for the year still at 10%+
 - No price revision affected in Q4
 - 1st Dec 2018 **+1.7%** ; 1st Oct 2018 **+2.35%** ; 1st May 2018 **+2%** ; 1st Mar 2018 **+1.4%**
- Mysuru (Karnataka) and Vizag (Andhra Pradesh) plants commissioned in FY19 as per schedule

AP HOMES AT KARUR (TAMIL NADU)



ap asianpaints



Mysuru



Vizag

ap asianpaints

Business Review - International

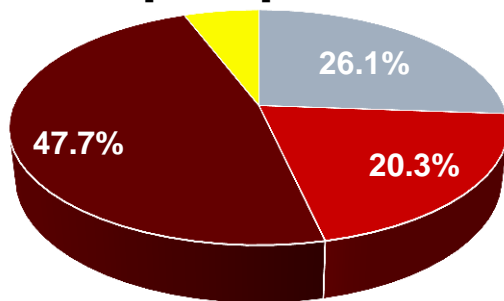
- All units in GCC (Oman, UAE & Bahrain) and Nepal registered good topline growth
- Sluggish growth in Egypt, Ethiopia, Sri Lanka and Bangladesh – impacting the overall International performance
- Indonesia operations scaling up well
 - Expansion of distributor network and Colour Infinity (Colour World) spread
- Overall, topline growth of 8.3% for International operations in Rupee terms
- Raw material price inflation impacted operational profitability at International operations
 - Raw Material procurement continued to be a challenge due to forex unavailability in Ethiopia
- Profit before Tax from continuing operations at Rs. 121.2 crores; lower by 27.3% over previous year

Business Review - International

	Net Sales (Rs. crores)			PBT (Rs. crores)		
	12M - FY19	12M - FY18	Gr %	12M - FY19	12M - FY18	Gr %
Asia	1119	1044	7.3%	36	81	-54.9%
Middle East	613	537	14.1%	34	42	-17.4%
Africa	476	466	2.2%	44	58	-23.4%
South Pacific	137	141	-2.8%	24	33	-25.6%
IBU	2325	2148	8.3%	121	167	-27.3%

IBU Group

[VALUE]



■ Middle East ■ Africa ■ Asia ■ South Pacific

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

Middle East : UAE, Bahrain & Oman

Africa : Egypt & Ethiopia

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

Business Review - Industrial India

PPG Asian Paints (PPGAP)

- Auto Segment registered slowdown in the second half of the year on the back of deceleration in the Auto industry
- Growth in General Industrial and Refinish segment supported revenue growth for the business
- Work on Dahej (Gujarat) plant for Resins progressing as per timelines



Higher raw material prices impacted profitability of both these industrial businesses

Asian Paints PPG (APPPG)

- In FY19, Net Sales grew by 20% to Rs. 473.6 crores; PBT at Rs. 5 crores
- Growth led by good performance in the dealer segment for Protective and Powder coatings



Business Review - Home Improvement

SLEEK

- Registered Sales of Rs. 214.4 crores in FY 19; Full year growth of 24.4%
 - Growth led by strong performance in the Components as well as the Full Kitchen Dealer segments
- PBT Loss of Rs. 22.8 crores during the year

ESS ESS

- Registered Sales of Rs. 202.1 crores in FY 19; Full year growth of 27.8%
 - Good growth in the Premium and Luxury range of products
- PBT Loss of Rs. 30.4 crores for the year

- Continuous focus on enhancing distribution reach and driving operational efficiencies for both the businesses



Capex

- Total capex at the Standalone level for FY 19 was about Rs. 1000 crores
 - Rs. 800 crores towards the two new paint manufacturing facilities at Vizag (Andhra Pradesh) and Mysuru (Karnataka)
- Capex for FY20 will be around Rs. 700 crores at the Standalone level

Company Performance

Business Review

Risks and Outlook

Risks & Outlook

- Growth expected to remain uncertain in the near term
- Need to watch out for progress of the monsoon season as well as easing of the credit cycle in the economy
- Also need to monitor raw material price trends, including crude and volatility in the Rupee
- Geo-political uncertainty, forex challenges – areas of concern for the International operations

THANK YOU