



Date: May 21, 2022

To,
BSE Limited
Corporate Relationship Department
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400001
Scrip Code: 543258

To
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C-1, Block G,
Bandra Kurla Complex, Bandra (East)
Mumbai - 400051
NSE SYMBOL: INDIGOPNTS

Dear Sir/Madam,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for Investor Presentation.

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the presentation for the Investors/Analysts on Audited Financial Results of the Company for the quarter and Financial Year ended March 31, 2022.

You are requested to take note of the same.

Thanking you,

For Indigo Paints Limited
(formerly known as Indigo Paints Private Limited)

Sujoy Sudipta Bose
Company Secretary & Compliance Officer



Encl: As above

INDIGO Paints Ltd

Investor Presentation (Q4 & FY 22)



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Disclaimer

Certain statements and opinions with respect to the anticipated future performance of Indigo Paints Ltd (“Indigo”) in the presentation (“forward-looking statements”), which reflect various assumptions concerning the strategies, objectives and anticipated results may or may not prove to be correct. Such forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changes in economic, political, regulatory, business or other market conditions. Such forward-looking statements only speak as at the date the presentation is provided to the recipient and Indigo is not under any obligation to update or revise such forward-looking statements to reflect new events or circumstances. No representation or warranty (whether express or implied) is given in respect of any information in this presentation or that this presentation is suitable for the recipient’s purposes. The delivery of this presentation does not imply that the information herein is correct as at any time subsequent to the date hereof and Indigo has no obligation whatsoever to update any of the information or the conclusions contained herein or to correct any inaccuracies which may become apparent subsequent to the date hereof. Certain figures may have been rounded off to the nearest decimal.



Agenda for discussion



Corporate Update

Financials (Q4 FY22) / FY 22

Agenda for discussion



Corporate Update

Corporate Update

- Sales impacted in January and February due to channel over stocking caused by the steep price hikes in Q3 FY22
- Company continued its advertising spends including the IPL as part of its long term Brand building strategy. Intensified new campaign “Jaisa performance waisi price”
- Company making good progress in expansion of its manufacturing facility in Tamil Nadu; expect to complete it in Q2/Q3 of this fiscal
- Board of Directors have recommended a maiden dividend of Rs. 3 per share



Agenda for discussion



Financials (Q4 FY22) / FY 22

Indigo Paints | Q4 FY 22 financials

Statement of audited financial results for the quarter and year ended March 31, 2022				
(All amounts in rupees lakhs, unless otherwise stated)				
Sr. No	Particulars	Quarter ended		
		Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
		(Audited)	(Audited)	(Unaudited)
1	Income:			
	Revenue from operations	28,837.82	25,426.82	26,546.24
	Other income	250.67	157.70	231.49
	Total Income	29,088.49	25,584.52	26,777.73
2	Expenses:			
	Material Related Expense	16,262.58	13,562.39	15,161.53
	Employee benefits expense	1,433.63	1,366.28	1,455.71
	Finance cost	53.38	43.81	28.73
	Depreciation and amortisation expense	832.38	696.99	787.00
	Other expenses	5,764.89	6,204.45	6,061.39
	Total Expenses	24,346.86	21,873.92	23,494.36
3	Profit before tax	4,741.63	3,710.61	3,283.37
4	Total tax expense	1,282.88	1,224.58	852.88
5	Net Profit for the period	3,458.75	2,486.03	2,430.49
6	Total Other comprehensive income for the period	21.52	(9.18)	(2.72)
7	Total Comprehensive Income for the period	3,480.27	2,476.85	2,427.77



Indigo Paints | FY 22 financials

Statement of audited financial results for the quarter and year ended March 31, 2022			
(All amounts in rupees lakhs, unless otherwise stated)			
Sr. No	Particulars	Year ended	
		Mar 31, 2022	Mar 31, 2021
		(Audited)	(Audited)
1	Income:		
	Revenue from operations	90,597.48	72,332.47
	Other income	1,089.32	359.37
	Total Income	91,686.80	72,691.84
2	Expenses:		
	Material Related Expense	51,352.46	37,651.70
	Employee benefits expense	5,632.91	4,831.28
	Finance cost	133.04	381.31
	Depreciation and amortisation expense	3,125.08	2,438.95
	Other expenses	20,013.74	17,597.88
	Total Expenses	80,257.23	62,901.12
3	Profit before tax	11,429.57	9,790.72
4	Total tax expense	3,024.77	2,705.71
5	Net Profit for the period	8,404.80	7,085.01
6	Total Other comprehensive income for the period	13.36	(10.87)
7	Total Comprehensive Income for the period	8,418.16	7,074.14



Indigo Paints | Q4 FY22 financial analysis

Quarterly Financial Highlight

					RS. Cr
Particulars (Rs. Crs)	Quarterly			% Change	
		Q4 FY 22	Q3 FY 22	Q4 FY 21	Q4 FY 22 vs Q4 FY21
Operational Income		288.38	265.46	254.27	13.41%
Other Income		2.51	2.31	1.58	
Total		290.88	267.78	255.85	
Gross Profit		125.75	113.85	118.64	
Gross Margin %		43.61%	42.89%	46.66%	
A&P		27.03	29.56	30.90	
EBITDA		53.77	38.68	42.94	25.22%
EBITDA %		18.64%	14.57%	16.89%	
PBT		47.42	32.83	37.11	27.79%
PAT		34.59	24.30	24.86	39.13%
PAT%		11.89%	9.08%	9.72%	



Indigo Paints | FY22 financial analysis

Annual Financial Highlight

Particulars (Rs. Crs)	Year Ended		RS. Cr
	FY 22	FY 21	% Change FY 22 vs FY 21
Operational Income	905.97	723.32	25.25%
Other Income	10.89	3.59	
Total	916.87	726.92	
Gross Profit	392.45	346.81	
Gross Margin %	43.32%	47.95%	
A&P	88.06	77.06	14.28%
EBITDA	135.98	122.52	10.99%
EBITDA %	15.01%	16.94%	
PBT	114.30	97.91	16.74%
PAT	84.05	70.85	18.63%
PAT%	9.17%	9.75%	



Analysis | Q4 FY22

- Q4 FY 22 Operational Income has expanded by **13.41%** over Q4 FY 21
- Good sales traction in Kerala and growth continues in strong double digits
- Gross Margins have dropped from **46.66%** in Q4 FY 21 to **43.61%** in Q4 FY 22. However, on a sequential basis, the gross margins have improved from **42.89%** (Q3 FY 22) to a industry leading **43.61%**
- EBITDA and PAT have expanded by **25.22%** and **39.13%** respectively over Q4 FY21, despite the reduction in Gross Margin %
- EBITDA margin has sharply expanded to **18.64%** sequentially from **14.57%** in Q3 FY22 as well as from **16.89%** clocked in Q4 FY21
- PAT margin expanded to **11.89%** compared to **9.08%** in Q3 FY22 and **9.72%** recorded in Q4 FY21



Analysis FY 22

- FY 22 Operational Income has expanded by **25.25%** over FY 21
- Gross Margins have dropped from **47.95%** in FY 21 to **43.32%** in FY 22, due to sharp escalation in raw material prices. However, prices of raw materials are relatively stable now
- A & P spends in FY 22 have been higher by **Rs 11.00 cr (14.28%)** compared to FY 21, as the Company continues to invest in Brand Equity.
- EBITDA and PAT have expanded by **11%** and **18.63%** respectively over FY 21 despite lower Gross Margins and higher A&P spends;
- The EBITDA Margin at **15.01%** was lower than **16.94%** compared to FY21, predominantly due to reduction in the Gross Margins.
- PAT Margin at **9.17%** was lower than **9.75%** (FY 21) due to lower Gross Margins



Analysis

- Growth in Q4 has been largely driven by price increases, with volume growth being very low
- Trade channels were in an “over bought” position on 1st Jan 2022, due to steep price hikes in Q3, leading to muted offtake in Jan & Feb
- Prices of most of raw materials had stabilized in Jan & Feb, but moved up sharply again in March; have been relatively stable in April & May, albeit at higher levels
- Volume growth has picked up in April, though still not at pre-Covid levels of growth



Value / Volume Growth (FY 22 vs FY 21)

Product Category	Value Growth	Volume Growth
Cement Paints + Putty	7.9%	3.9%
Emulsions	39.8%	21.7%
Enamels + Wood Coatings	16.0%	2.9%
Primers + Distempers + Others	21.4%	5.4%



Network expansion

	31.3.21	30.6.21	30.9.21	31.12.21	31.03.22
No. of Depots	44	44	44	45	47
Active Dealers	13,214	13,884	14,716	15,242	15,787
Tinting m/c	5,472	5,800	6,383	6,749	7,101

- Two new depots at Delhi & Himachal Pradesh were opened in March 2022



Salient Features FY 22

- Our portfolio of differentiated products accounted for **29.6%** of Revenues in FY 22, compared to **29.5%** of Revenues in FY 21
- Despite good growth in the second half of the year, Kerala's share of Revenue declined from **~30%** in FY 21 to **~28%** in FY 22 as Rest of India continued to grow faster than Kerala . We expect this trend to continue



Key Metrics for FY 22

Particulars	FY 20	FY 21	FY 22
Freight expense (% of Net Revenue)	10.5%	9.9%	8.9%
Advertising & promotional expense (% of Net Revenue)	12.7%	10.7%	9.7%
Employee cost (% of Net Revenue)	6.7%	6.7%	6.2%
Other expenses (overheads) (% of Net Revenue)	4.0%	3.7%	3.5%
Return on Equity	24.3%	12.6%	12.9%



Future guidance

- Company growth rate of topline has been more or less in line with industry during last 5 quarters; need to revert to earlier trajectory of 2x growth % vs rest of industry
- Company's earlier focus was on Tier-3/Tier-4 towns during last 20 years; shifting focus to Tier-1/Tier-2 towns now
- Have identified 750 cities of focus, which are the largest in India (excluding 10-12 metro cities)
- We have an active dealer network in these towns, but output per dealer is very low
- Focusing on intensive engagement with influencer (painters) community in these cities
- Expect to see measurable results in a few months
- Continue to invest in brand building; however total A&P spends as % of Revenue will continue to decline.



Thank You



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