

7th November, 2024

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.: Q2 FY 2024-25 Financial Results Conference Call – Investor Presentation

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

Dear Sirs,

Further to the intimation done by the Company on 29th October, 2024 with respect to the conference call to be hosted by the Management of our Company on Friday, 8th November, 2024 at 11:00 hrs India Time to discuss Q2 FY 2024-25 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
Q2 2024-25
(8th November 2024)



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

1 Nerolac Story

2 Business Environment

3 Business Update

4 Financial Performance

5 Risk and Outlook

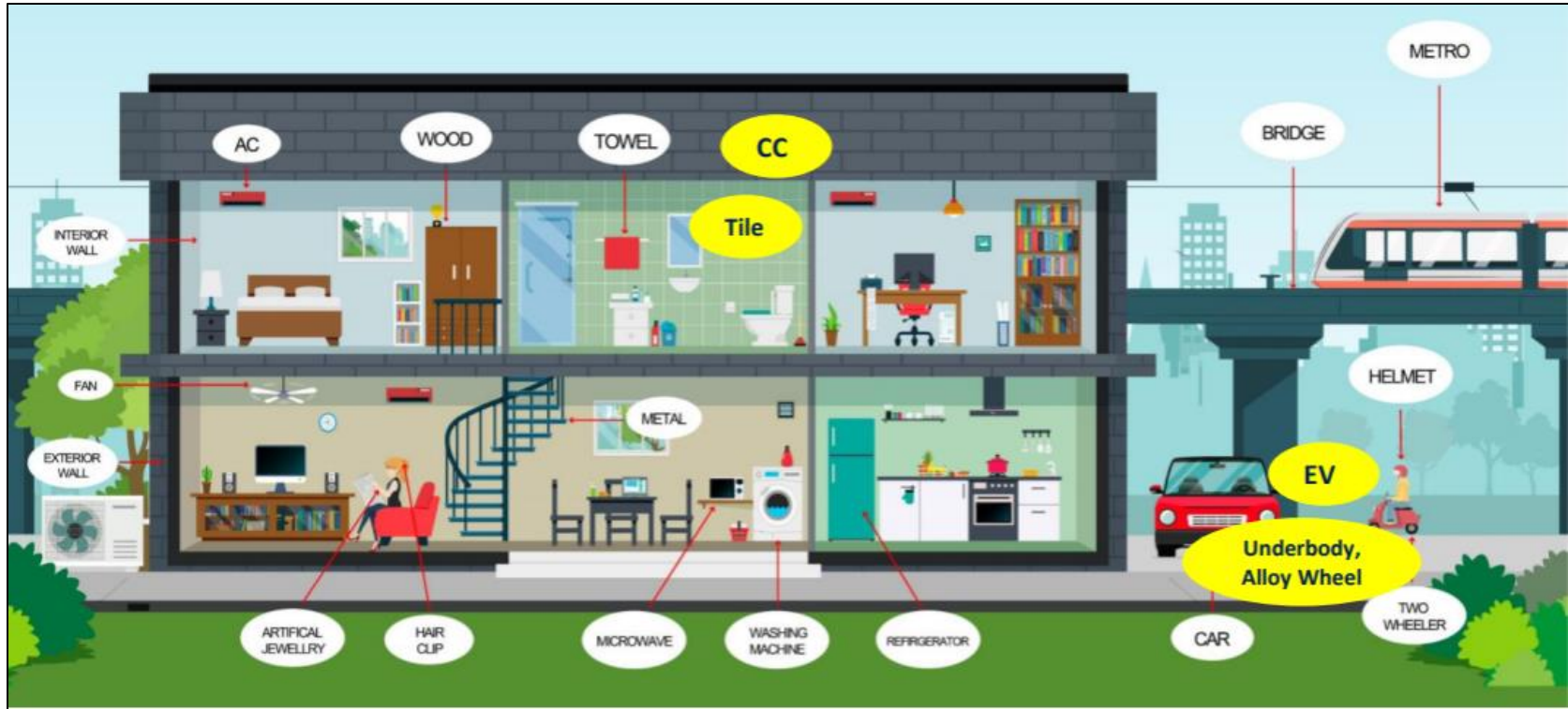


1. Nerolac Story



Purpose: Create environments for a healthy and beautiful future.

Vision: We design solutions that protect, inspire and touch lives everyday



ESG: Water Positive, Emission reduction, Green energy

WE ARE A POWERHOUSE OF PAINT

BRAND NEROLAC:

2nd STRONGEST BRAND
THE NEROLAC JINGLE

INNOVATOR'S SPIRIT:

JAPANESE TECHNOLOGY

LEADERS IN INDUSTRIAL

PAINT+ PRODUCTS IN DECORATIVE



2. Business Environment



Stable Demand in Automotive



Infrastructure Growth



Decrease in Crude Oil Price



Good Monsoon



Geopolitical Challenges

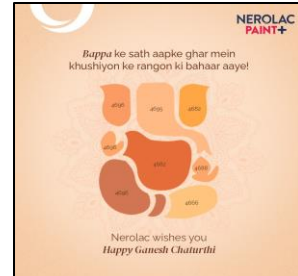
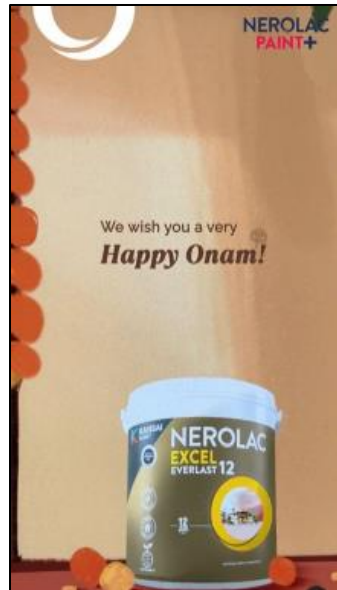


Rupee Depreciated



3. Business Update





EXTERIOR EMULSION



WOW WHITE RANGE



INTERIOR EMULSION



WOOD FINISH & CONSTRUCTION CHEMICAL



❑ **New Product**

- New product contribution >10% of Decorative Business
- Launched 10 New Products in Q2

❑ **Paint+**

- Uptick in saliency

❑ **New Business**

- Continued strong performance in Construction chemicals, Water proofing & Premium Wood-finishes.

❑ **Project/ Institutional Business**

- Continued double digit growth in Project Business

❑ **Premiumisation**

- Premium segment did better
- Degrowth in putty and distemper

❑ **Distribution Network**

- Added 2000+ Dealers
- Nerolac NextGen Shopee and Shop in Shop network 250+

❑ **Services**

- Excellent consumer response to the Nxt Gen Painting services value proposition and our Illuminati program for Architect & Interior Designer leading to >3% of Decorative sales.



Decorative

- Wow White range of Exterior Emulsion having superior Whiteness & 15% higher coverage.
- Nxt Gen product portfolio expanded to cover more products.
- In Wood Coating portfolio, we have introduced a new series of PU range of products (Sealer, Clear, Matt, Glossy) at an attractive price point and features.

Industrial

- Developed SFX PU High Solid Clear Coat to achieve high aesthetics on premium model of 2W
- Expanded PU Monocoat range against conventional two coat system, achieving excellent workability
- Developed casting sealer having Excellent Corrosion Resistance for Tractor to overcome field failures of paint peel off due to severe conditions during puddling operation in combination with fertilizers
- Got approval for IP Net Coating system for Mumbai Metro Line
- Got approval for ROHS Compliance Coil Coating products from key customers



**India International Conventional Centre -
YASHO Bhoomi (Delhi)**



Mausam Bhawan (Delhi)



Railway Station (Delhi)



Airport Flyover (Varanasi,UP)



Wankhede Stadium(Mumbai,MH)



3 E4M Real Time Awards (1 Gold & 2 Silver)

- Best Paid Search Ad Campaign
- Best use of Technology
- Best Digital Campaign

2 Imagexx Awards (1 Gold & 1 Silver)

- Best Omnichannel Marketing campaign
- Emerging Technology Integration

Front Benchers 2024 (Bronze)

- Performance Marketing

Quoraverse

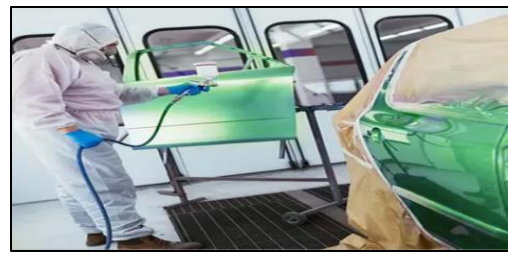
- Most Impactful Campaign on Quora

Automotive



- KNP gained market share.
- Deployed Superior technologies to provide unique products that meet customer's specific requirements.
- Increased saliency of Business from New Segments in Auto

Auto Refinish



- Witnessed higher Retail traction and Improved Channel Participation in conventional segment

Performance Coating



- Liquid**
- Witnessed strong growth led by High Performance Coatings



- Powder**
- Witnessed modest growth led by White Goods and Electrical appliances



Mumbai Coastal Road (Mumbai, MH)



Trans Harbour Link (Mumbai, MH)



Bullet Train Bridges



Vande Bharat Train

Community Development



Annapurna Project –
Focused on developing women farm entrepreneurs among marginal women farmers in Juvaad Island, Chiplun, Ratnagiri, Maharashtra.



“Nourishing Health, Empowering Lives”-
Distributed Nutrition Kits to TB patients under Pradhan Mantri TB Mukta Bharat Abhiyan

Support to Devotees visiting Shri Goindwal Sahib Mela



Free First Aid Camp for 4 days



Vibrant painting on roadside polls



Road patch work for safe passage

4. Financial Performance



Rs. In Millions	Q2 2023-24	% to Net Revenue	Q2 2024-25	% to Net Revenue	H1 2023-24	% to Net Revenue	H1 2024-25	% to Net Revenue
Net Revenue	18456	100.0	18638	100.0	39167	100.0	39141	100.0
Material Cost	11873	64.3	12310	66.0	25273	64.5	25228	64.5
Operating Expenses	3884	21.0	4178	22.4	7857	20.1	8419	21.5
PBDIT	2699	14.6	2150	11.5	6038	15.4	5494	14.0
PBT Before Exception Item	2439	13.2	1921	10.3	5485	14.0	5155	13.2
Exception Item	-	-	-	-	6613	16.9	-	-
PBT After Exception Item	2439	13.2	1921	10.3	12097	30.9	5155	13.2
PAT	1799	9.7	1302	7.0	9237	23.6	3713	9.5

Growth (Q2 2024) - Net Revenue : 1.0% PBDIT: -20.3%, PBT: -21.2%

Growth (H1 2024) - Net Revenue : -0.1% PBDIT: -9.0%, PBT before exceptional : -6.0%

Rs. In Millions	Q2 2023-24	% to Net Revenue	Q2 2024-25	% to Net Revenue	H1 2023-24	% to Net Revenue	H1 2024-25	% to Net Revenue
Net Revenue	19565	100.0	19514	100.0	41133	100.0	40844	100.0
Material Cost	12600	64.4	12884	66.0	26561	64.6	26362	64.5
Operating Expenses	4233	21.6	4510	23.1	8525	20.7	9068	22.2
PBDIT	2732	14.0	2119	10.9	6047	14.7	5415	13.3
PBT Before Exception Item	2403	12.3	1828	9.4	5352	13.0	4909	12.0
Exception Item	-	-	-	-	6613	16.1	-	-
PBT After Exception Item	2403	12.3	1828	9.4	11964	29.1	4909	12.0
PAT	1755	9.0	1198	6.1	9095	22.1	3446	8.4

Growth (Q2 2024) - Net Revenue : -0.3% PBDIT: -22.4%, PBT : -23.9%

Growth (H1 2024) - Net Revenue : -0.7% PBDIT: -10.5%, PBT before exceptional: -8.3%

Nepal

- Registered sales growth despite challenging environment
- Slight improvement in economic conditions
- Better product mix and control over overheads resulted in improved EBITDA

Bangladesh

- Net Sales de-grew during the quarter due to socio-political and socio-economic issues and floods in the eastern part of the country

Sri Lanka

- Net Sales de-grew
- Margins are impacted due to challenging environment

5. Risk and Outlook



Risk

- Rupee depreciation will increase cost of imports
- Uncertain Geopolitical conditions

Outlook

- As per RBI bulletin,
 - Rural demand is trending upwards while urban demand continues to hold firm.
 - Investment activity remains buoyant, with government capex rebounding from a contraction observed in the first quarter.
- Passenger Vehicle: New launches and high retail discounts are expected to provide some relief on inventory front. Demand expected to be stable.
- 2-Wheeler: Expected to continue the demand momentum.
- Performance Coating is expected to remain strong on the back of a good order pipeline
- Raw material prices have gradually started softening

