



30th July, 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.: Q1 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 24th July, 2024 with respect to the conference call to be hosted by the Management of our Company on Wednesday, 31st July, 2024 at 11:00 hrs India Time to discuss Q1 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**

**Q1 2024-25**

**(31<sup>st</sup> July 2024)**



# Disclaimer

***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***

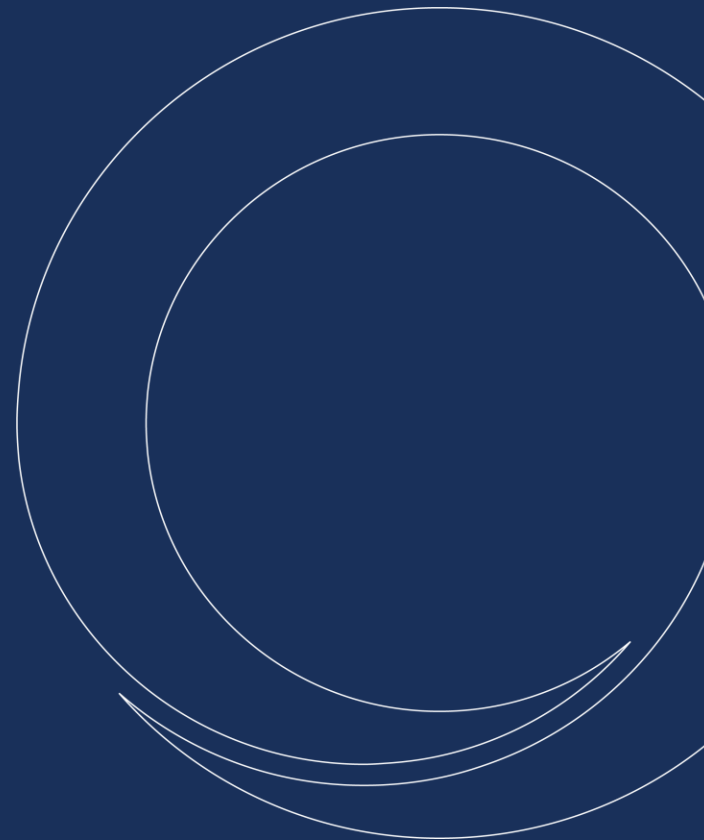
**1** Nerolac Story

**2** Business Environment

**3** Business Update

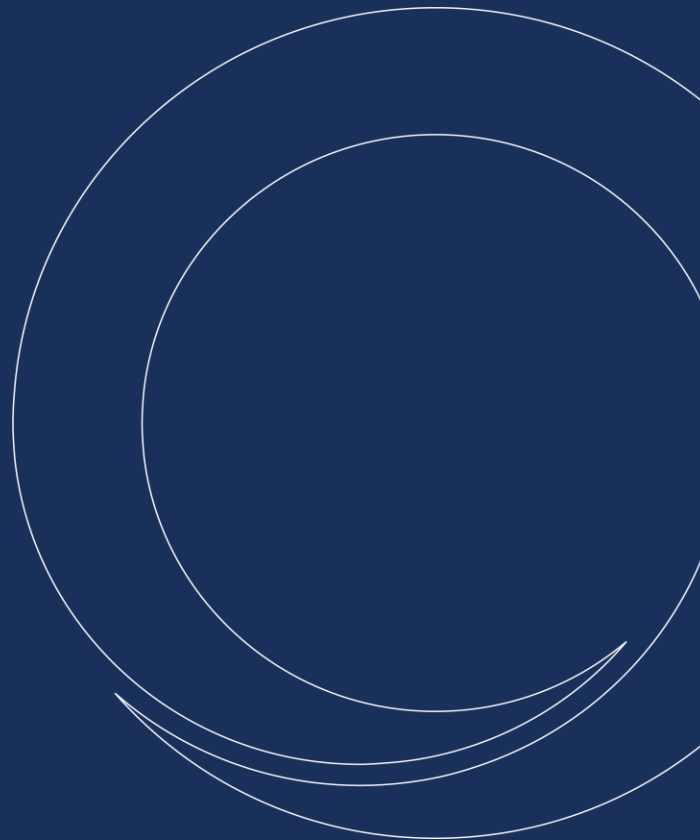
**4** Financial Performance

**5** Risk and Outlook

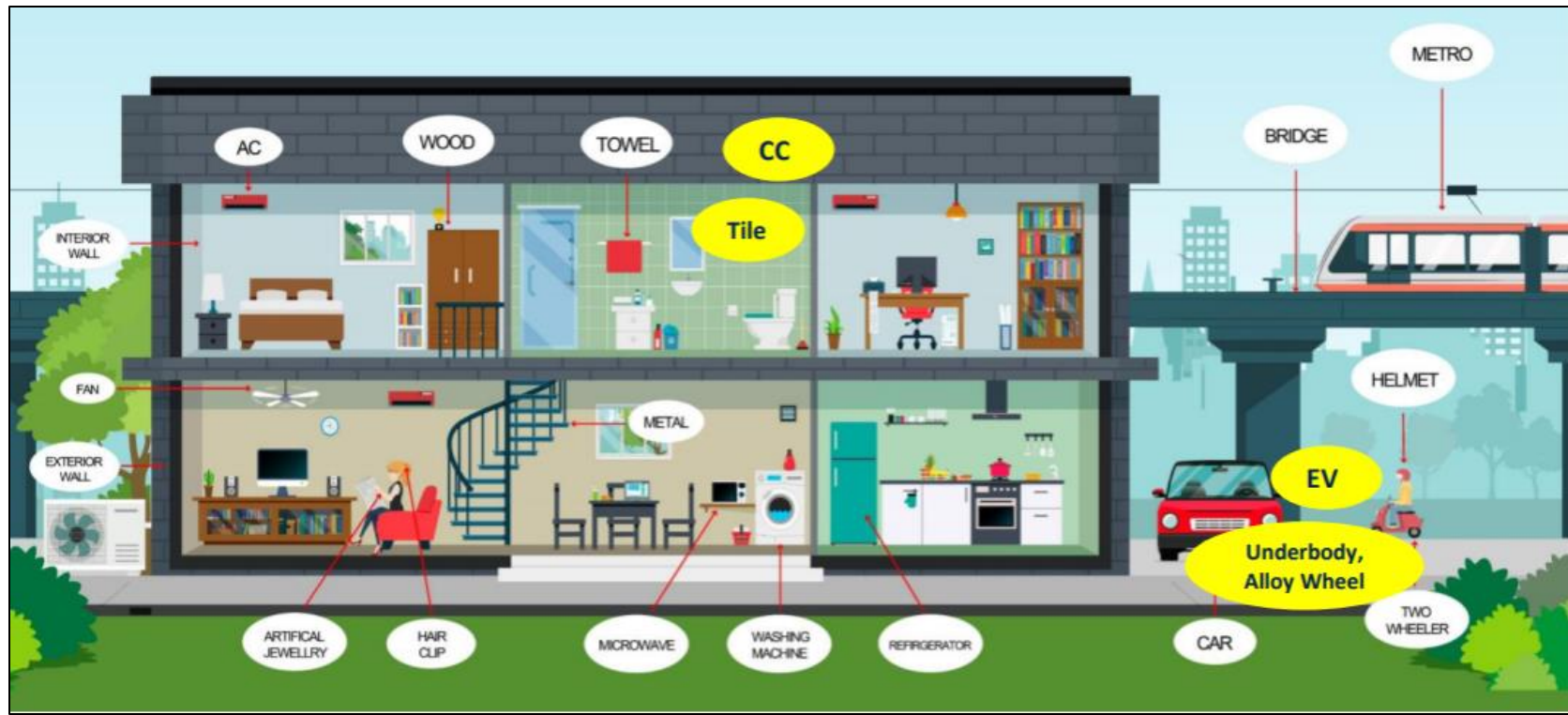


# 1. Nerolac Story

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**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:

2<sup>nd</sup> STRONGEST BRAND  
THE NEROLAC JINGLE

## INNOVATOR'S SPIRIT:

JAPANESE TECHNOLOGY

LEADERS IN INDUSTRIAL

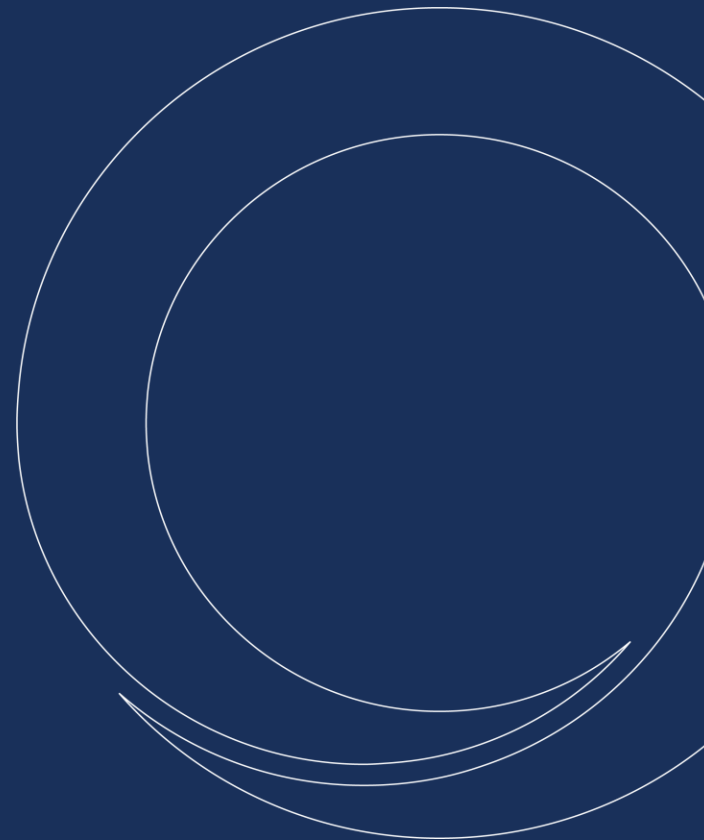
PAINT+ PRODUCTS IN  
DECORATIVE

## EXPERTISE AND LEGACY:



## 2. Business Environment

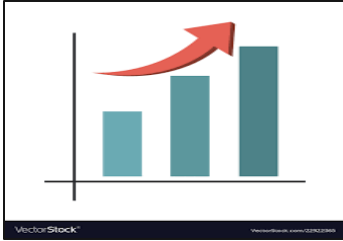
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# Business Environment Q1 2024-25

## Good Demand in Automotive



## Heatwave



## General Elections



## Labour Shortage



## Geopolitical Challenges



## Crude Oil Price Fluctuation

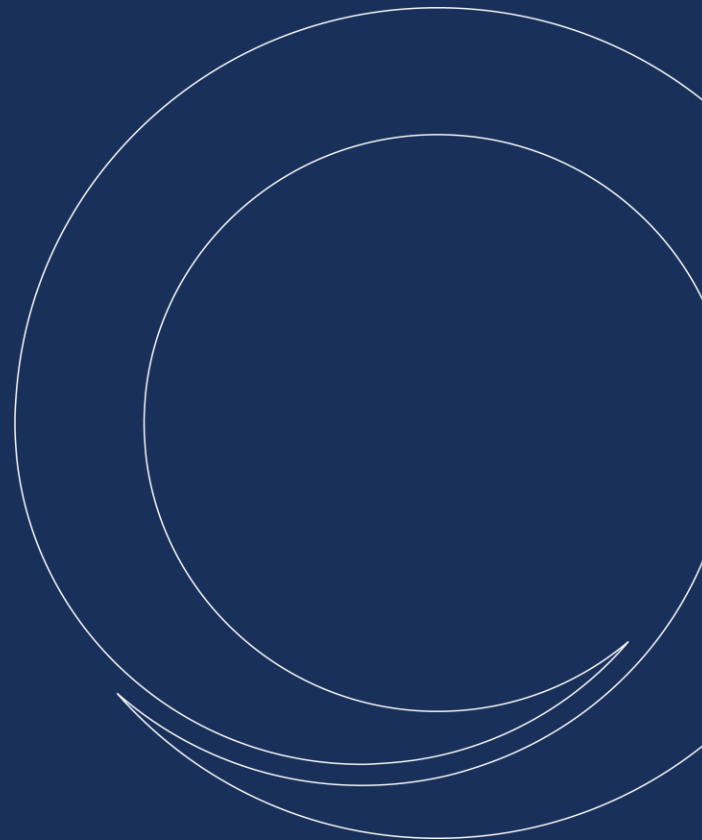


## Rupee Depreciated



## 3. Business Update

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# Marketing and Media Campaigns

NEROLAC PAINT+

But this paint will last for years

Anti Algal Ensep Technology

12 Years Warranty

Self Cleaning Characteristics

NEROLAC PAINT+

Shades of Monsoon

PICNIC BASKET  
COLOR CODE-4482

SEA LOBSTER  
COLOR CODE-4473

NEROLAC PAINT+

Woodn't you love a makeover?

NEROLAC NBTGEN PAINTING SERVICES

To-do list while painting your home

- Relax
- Relax
- Relax

NEROLAC PAINT+

From Blah To Woah with our premium textures by Kansai Select textures

Positano

NEROLAC PAINT+

Ghar ki raunak badhaane ka

ONE LOVE

NEROLAC PAINT+

Ab apne ghar ko do Kashmir ka ehsaas!

Kashmir

NEROLAC PAINT+

Tip Tip barsa paani...no more

With NEROLAC PERMA NODAMP+

NEROLAC PAINT+

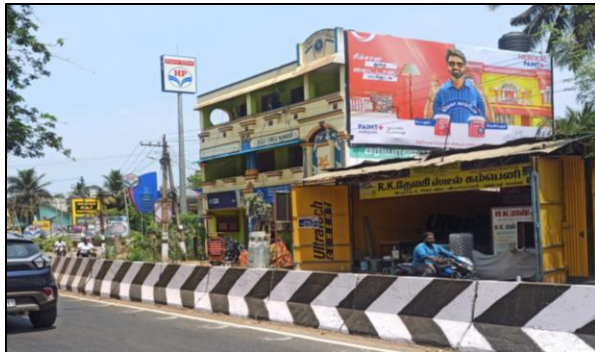
Stand out from the crowd. be the Gold standard!

# Marketing and Media Campaigns

## Television Commercials



## Newspaper & Outdoor Activity in Regional Market





# SELECT

A niche for premium spaces



*Tracce*



*Shikisai*

*Nylum*

*Positano*

*Arabesque*

*Bluhm*



# Decorative Highlights

- ❑ **New product**
  - New product contributed more than 10% of Decorative Business
- ❑ **Paint+ Products**
  - Increase in saliency
- ❑ **New Business**
  - High double-digit growth in New Business
- ❑ **Project / Institutional Business**
  - Continued Growth in Project Business
- ❑ **Premiumisation**
  - Increase in Premium saliency
- ❑ **Architects & Interior Designers**
  - Associated with 6000+ Architects & Interior Designers with expansion in more no of cities
- ❑ **Distribution Network**
  - Expanded Nerolac NextGen Shoppee and Shop in Shop network
- ❑ **Online Training Program**
  - First in industry to Start Master class for Dealers on youtube
- ❑ **Tool**
  - Launched "Nerolac Knows"

## New Product Launched in Q1



Excel No Dust



Excel Wow White



Nerolac Perma NeroSelf XL



Gloria Nxt



1K PU Glossy & Silk Matt Interior/ Exterior



Universal PU PRIMER GREY And 2K PU WHITE (Sealer, Gloss, Satin Matt)



Kansai Select-Shikisai



Kansai Select-Tracce

# Industrial Highlights

## Automotive



### Passenger Vehicle

- Good Growth in the segment
- Introduced Sustainable Low Flash off, single stage Compact 3C-1B Roof system at customer

### Commercial Vehicle

- Subdued growth due in the segment
- Introduced Low Bake Epoxy CED and Low Bake 2K PU 3C-1B System at customer

### 2-Wheeler

- 2W segment demand recovery continued
- Developed Single product (DTM Monocoat HP Black) having Corrosion & QUV Resistance

### Tractor

- On the back of a high base, tractor segment was able to just exceed last year numbers

## Auto Refinish



- Continued to Increase presence in A class body shops
- Introduced customised product range for Commercial Segment

## Performance Coating



- Growth picked up in June
- Increase in Premium Saliency in liquid
- Started supplies of Localized Epoxy Primer & Topcoat to Rail Track laying machine in liquid
- ESD powder coatings (Electrostatic Discharge) products commercialized

# CSR Initiatives

## Promoting Education



“Educational kits and packets of nutritional food” were distributed at Shradhdhanand Mahilashram, Mumbai



“Computers were donated to Z P School, near Lote Plant”

## Community Development

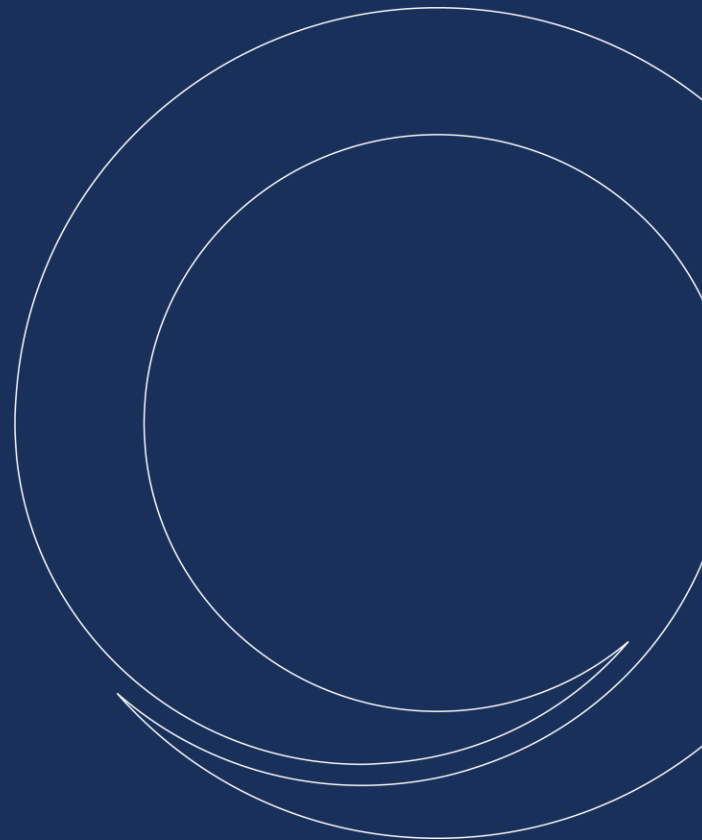


“Paint material was provided to Z P School, near our Lote Plant”



## 4. Financial Performance

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# Financials Standalone Q1 FY 24-25

Rs. In Millions	Q1	% to	Q1	% to
	2023-24	Net Sales	2024-25	Net Sales
<b>Revenue from Operations</b>	20,712		20,504	
Material Consumption	13,400	64.7	12,918	63.0
Operating Expenses	3,973	19.2	4,242	20.7
<b>PBDIT</b>	3,339	16.1	3,344	16.3
<b>PBT before Exceptional Item</b>	3,046	14.7	3,234	15.8
Exceptional Item	6,613	31.9	-	-
<b>PBT After Exception Item</b>	9,658	46.6	3,234	15.8
<b>PAT</b>	7,438	35.9	2,411	11.8

**Growth – Revenue from Operations: -1.0%    PBDIT: 0.2%,    PBT (before exceptional): 6.2%**

# Financials Consolidated Q1 FY 23-24

Rs. In Millions	Q1	% to	Q1	% to
	2023-24	Net Sales	2024-25	Net Sales
Revenue from Operations	21,568		21,331	
Material Consumption	13,961	67.4	13,477	65.7
Operating Expenses	4,292	20.7	4,557	22.2
<b>PBDIT</b>	3,315	16.0	3,296	16.1
<b>PBT before Exceptional Item</b>	2,949	14.2	3,081	15.0
Exceptional Item	6,613	31.9	-	-
<b>PBT After Exception Item</b>	9,562	46.2	3,081	15.0
<b>PAT</b>	7,340	35.4	2,249	11.0

**Growth – Revenue from Operations : -1.1% PBDIT: -0.6%, PBT (before exceptional): 4.5%**

# Subsidiaries

## Nepal

- Mid Single digit growth
- Market growth was under stress due to lack of government expenditure, liquidity crunch, and untimely monsoon rains
- Credit off take was low despite lower interest rates due to lack of demand

## Bangladesh

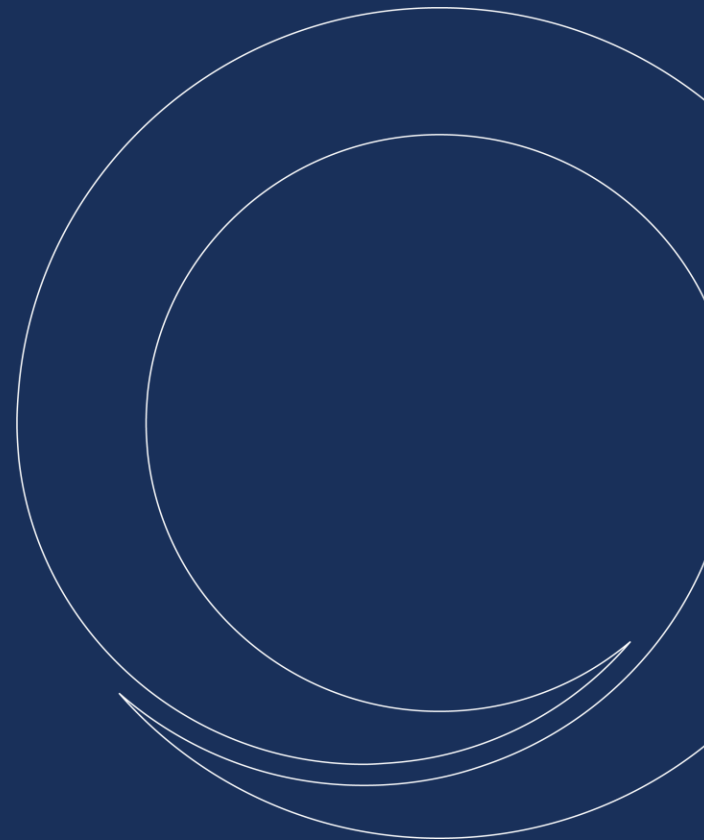
- Net Sales grew in double digits
- Continuous efforts are taken on reducing overheads, and better fund management
- Forex loss continued due to currency depreciation

## Sri Lanka

- Net Sales de-grew
- High demand of economy / mid range products
- Highly competitive market

## 5. Risk and Outlook

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# Risk and Outlook

## Risk

- Volatility in Forex and Crude oil
- Uncertain Geopolitical conditions
- Raw material prices have started to harden

## Outlook

- Favourable monsoon is expected to improve Decorative demand closer to the festival season
- Given the continued thrust on infrastructure growth, new project and order pipeline we believe demand for performance coatings should be strong
- The good growth in infrastructure, core sector as well as automobile and real estate is likely to have a positive effect on the overall demand of paint for the industry in the long run



**THANK  
YOU**