

3rd August, 2023

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 2023-24 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. Scrip Codes : BSE - 500165, NSE - KANSAINER**

Dear Sirs,

Further to the intimation done by the Company on 31st July, 2023 with respect to the conference call to be hosted by the Management of our Company on Friday, 4th August, 2023 at 14:30 hrs India Time to discuss Q1 FY 2023-24 Financial Results of the Company, we are enclosing herewith an Investor Presentation.

For **KANSAI NEROLAC PAINTS LIMITED**

**G. T. GOVINDARAJAN**  
**COMPANY SECRETARY**

# NEROLAC

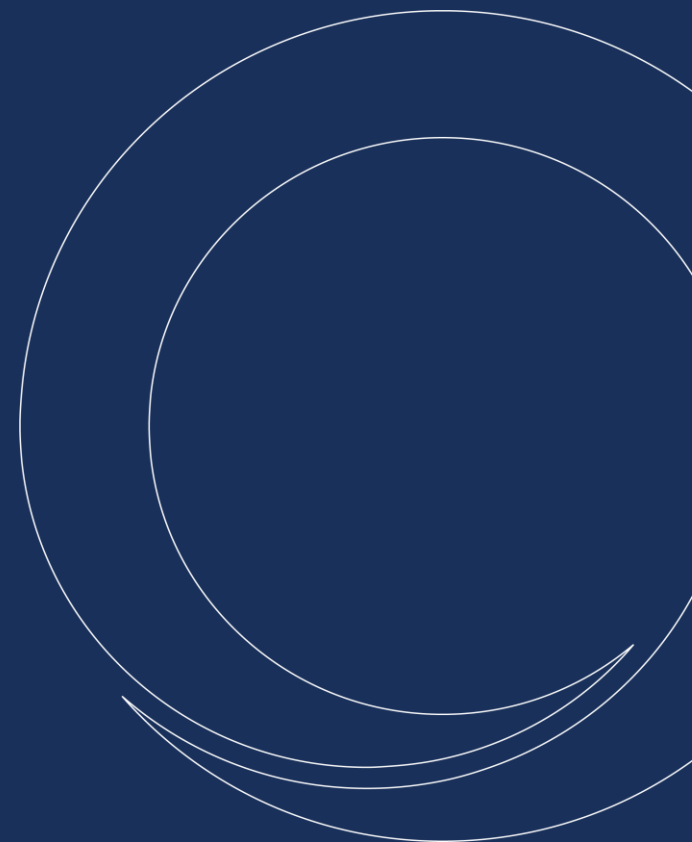
**Q1 2023-24 Investor Presentation**

**4<sup>th</sup> August 2023**



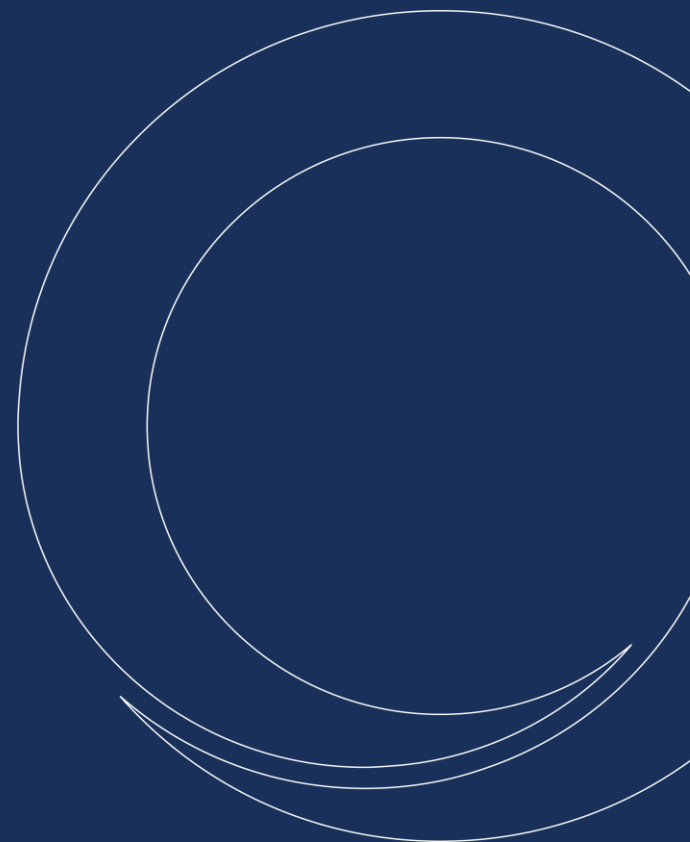
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**Disclaimer**

***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**

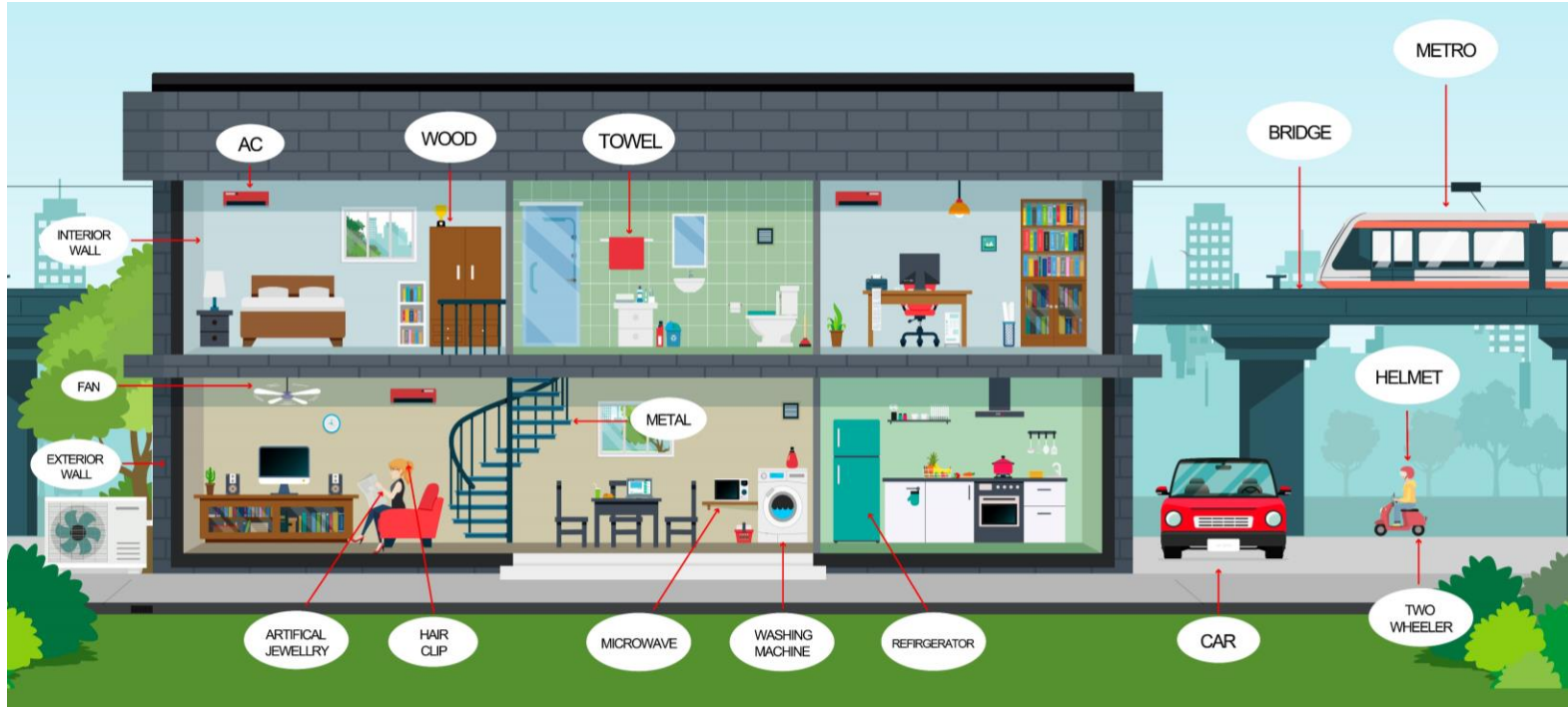
# 1. Nerolac Story

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**Purpose:** Create environments for a healthy and beautiful future.

**Vision:** We design solutions that protect, inspire and touch lives everyday Beauty & Protection



**ESG: Water Neutral, Emission reduction, Green energy**

## **BRAND NEROLAC:**

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

## **INNOVATOR'S SPIRIT:**

JAPANESE TECHNOLOGY  
LEADERS IN INDUSTRIAL

UNIQUE PRODUCTS:  
IMPRESSIONS KASHMIR  
EXCEL EVERLAST 12  
PERMA NODAMP+  
PERMA CRYSTALSEAL

## **EXPERTISE AND LEGACY:**



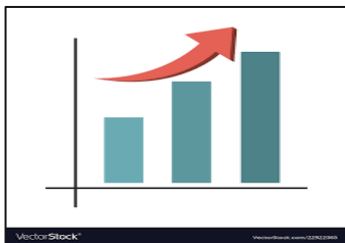
## 2. Business Environment

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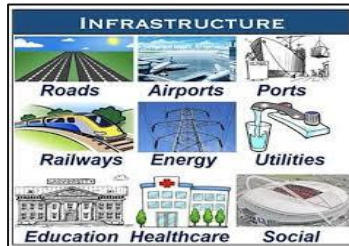




## Good Demand in Automotive



## Infrastructure Growth



## Rural Demand Downtick



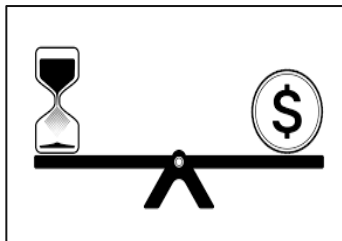
## Geopolitical Challenges



## Crude Oil Price Fluctuation



## Forex Volatility

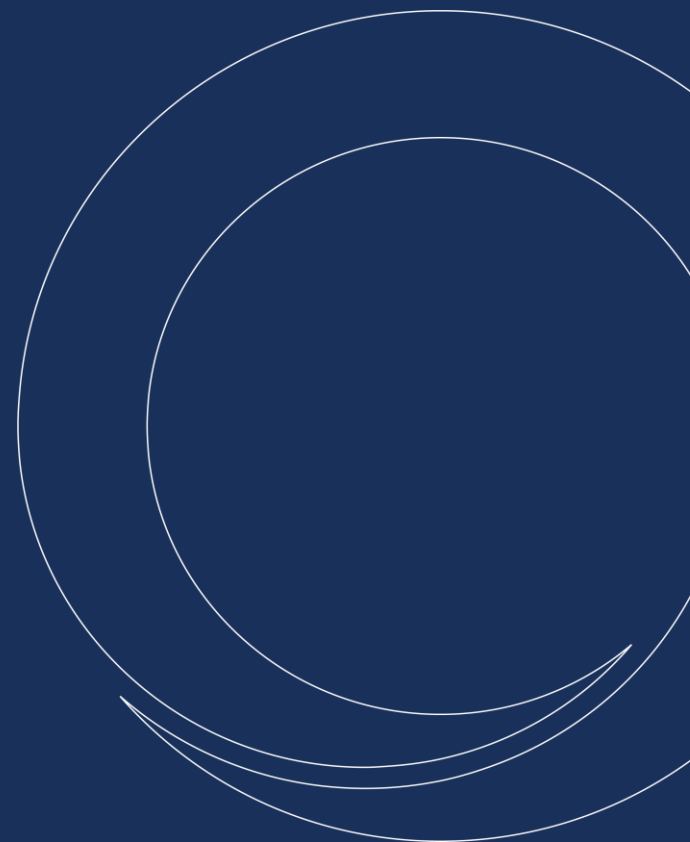


## Chip Shortage



## 3. Business Update

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**NEROLAC PAINT+**

INTRODUCING  
**IMPRESSIONS KASHMIR HIGH SHEEN**

Ghar ke chamak ka raaz,  
badboo ka na ho ehsaas.

**NEW**

**NEROLAC NÄTGEN**  
[PAINTING SERVICES]

**YE PAINT NAHI PAINT+ HAI**

- JAPANESE TECHNOLOGY
- HIGH SHEEN
- NO SMELL
- HD** HIGH DEFINITION COLOURS

**NEROLAC PAINT+**

INTRODUCING  
**IMPRESSIONS KASHMIR MATT**

Ghar ki badhaaye shaan,  
badboo ka NO naam nishan.

**NEW**

**NEROLAC NÄTGEN**  
[PAINTING SERVICES]

**YE PAINT NAHI, PAINT+ HAI**

- JAPANESE TECHNOLOGY
- BEST IN CLASS MATT FINISH
- NO SMELL
- HD** HIGH DEFINITION COLOURS

## Television Commercials



## Co-Associate Sponsor and Presence in Entertainment Channel



- **New product** saliency on an uptick
- Robust growth in **New Business**
- Good Growth in **Project Business**
- Increase in saliency of Paint+ Products.
- Introduced Crystalline Technology based waterproof -Nerolac Perma Crystal Seal.
- Nxtgen Service present in **145 Cities**
- Increase Brand Visibility
- Influencer and Specifier program is gaining traction

## New Products Introduced

Impressions Kashmir  
High Sheen



Impressions Kashmir  
High Matt



Super Sheen  
Interior Emulsion



Nerolac Perma  
Crystal seal



PU Slow Thinner



## Automotive



### Passenger Vehicle

- **Good growth** in the segment
- Continued our focus on introduction of new products which are energy efficient and Eco friendly



### Two-Wheeler

- **Moderate growth** in the segment
- Gained Market share
- Challenges from rural market



### Commercial Vehicle

- Robust demand from M&HCV but Growth Subdued due to low LCV demand
- Ultra Low cure technology



### Tractor

- Production drop due to high inventory in the market

## Auto Refinish

- Good growth in the segment
- Increased presence in A- class body shops
- Expanded range of ancillary products
- Skill Enhancement training initiated for painters



## Performance Coating

### Liquid

- Good growth in liquid segment and sustained efforts to increase premiumization
- Developed Specialised coating for Delhi Mumbai Freight Corridor for steel structures

### Powder

- Low Production in AC and Fan industry



- Completed the S&P Global Corporate Sustainability Assessment 2023



## S&P Dow Jones Indices

A Division of **S&P Global**

- Completed the Carbon Disclosure Project (CDP) for Climate Change & Water Security 2023



## Skill Development



“Basic Training in Painting” for Women was held at Lucknow

## Promoting Education



Distributed Anganwadi Kits to newly started Model “Anganwadi centres” near Jainpur Plant in Kanpur. The initiative was appreciated by honorable Governor of Uttar Pradesh



## Preventive Health Care & Sanitation



“Cataract Machine” was donated to Govt. Community Health Care centre, Kanpur

## Ensuring Environment Sustainability



“Tree Plantation” near Lote Plant.

## Community Development

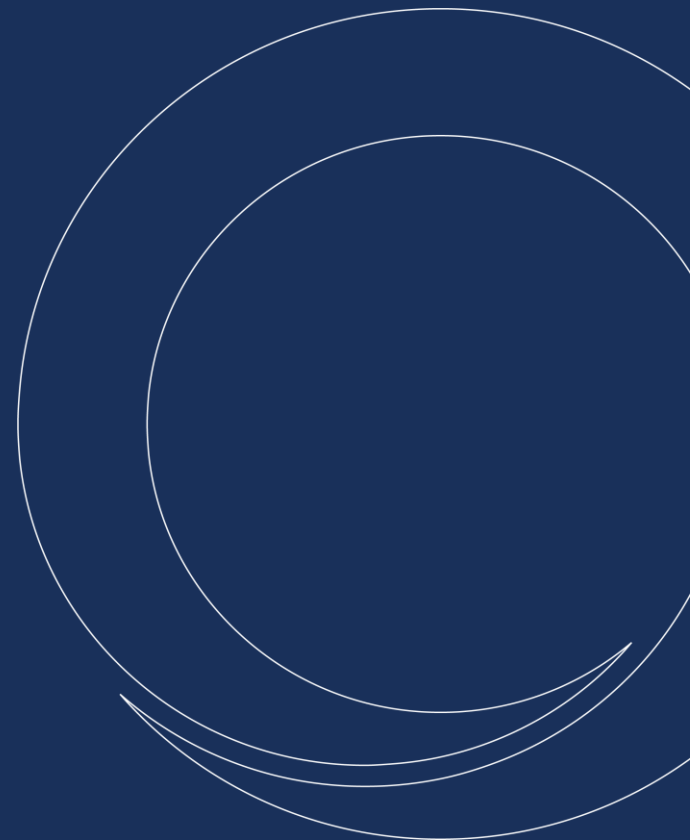


Boundary walls were painted with various environmental slogans at Shri K J Govt. Polytechnic Institute, near Sayakha plant



## 4. Financial Performance

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Rs. In Millions	Q1 2022-23	% to Net Sales	Q1 2023-24	% to Net Sales
<b>Net Revenue</b>	19,446		20,712	
Material Cost	13,629	70.1	13,400	64.7
Operating Expenses	3,261	16.8	3,973	19.2
<b>PBDIT</b>	2,556	13.1	3,339	16.1
<b>PBT Before Exception Item</b>	2,184	11.2	3,046	14.7
Exception Item	-	-	6,613	31.9
<b>PBT After Exception Item</b>	2,184	11.2	9,658	46.6
<b>PAT</b>	1,629	8.4	7,438	35.9

- Growth (Q1 2023) - Net Revenue : 6.5% PBDIT: 30.6%, PBT (before exceptional) : 39.5%
- Exceptional item is due to gain on Land sale (Kavesar, Thane Property)

Rs. In Millions	Q1 2022-23	% to Net Sales	Q1 2023-24	% to Net Sales
<b>Net Revenue</b>	20,514		21,568	
Material Cost	14,379	70.1	13,961	64.7
Operating Expenses	3,584	17.5	4,292	19.9
<b>PBDIT</b>	2,550	12.4	3,315	15.4
<b>PBT Before Exception Item</b>	2,083	10.2	2,949	13.7
Exception Item	-	-	6,613	30.7
<b>PBT After Exception Item</b>	2,083	10.2	9,562	44.3
<b>PAT</b>	1,521	7.4	7,340	34.0

- Growth (Q1 2023) - Net Revenue : 5.1% PBDIT: 30.0%, PBT (before exceptional) : 41.6%
- Exceptional item is due to gain on Land sale (Kavesar, Thane Property)

## Nepal

- Poor market demand and liquidity constraints continued.
- The economy is still reeling under the impact of foreign exchange crisis and delayed policy actions.

## Bangladesh

- Foreign exchange crises continues leading to delay in LCs creating tough market conditions

## Sri Lanka

- Sales in Q1 grew .
- Exchange rate is stabilising
- Inflation is receding

## Nerofix, India

- EBIDTA is positive

# Risks and Outlook

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## Risk

- Volatility in Forex and crude
- Uncertain Geopolitical conditions

## Outlook

- Growth momentum in Automotive and Performance coatings is expected to continue
- Favourable monsoon and a longer festival season is likely to see Decorative demand improve closer to the festival season.
- The progress of the monsoon augur positively for rural demand in coming quarters.

**Thank you**

