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APL/SEC/32/2023-24/10

11th May, 2023

BSE Limited
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Fort, Mumbai – 400 001
Scrip Code: 500820

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
Block G, Bandra - Kurla Complex,
Bandra (East), Mumbai – 400 051
Symbol: ASIANPAINT

Sir/Madam,

Sub: Investor presentation for the quarter and financial year ended 31st March, 2023

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), please find enclosed the presentation made to the investors on the audited standalone and consolidated financial results of the Company for the quarter and financial year ended 31st March, 2023.

The audio recording and transcript of the Investors Conference will be uploaded on the website of the Company (www.asianpaints.com) and the Stock Exchanges, as prescribed under the Listing Regulations.

This is for your information and record.

Thanking you,

Yours truly,

For **ASIAN PAINTS LIMITED**

R J JEYAMURUGAN
CFO & COMPANY SECRETARY

Encl.: As above



Investor Conference

Q4 - FY2023 Results





Delivering joy since 1942....

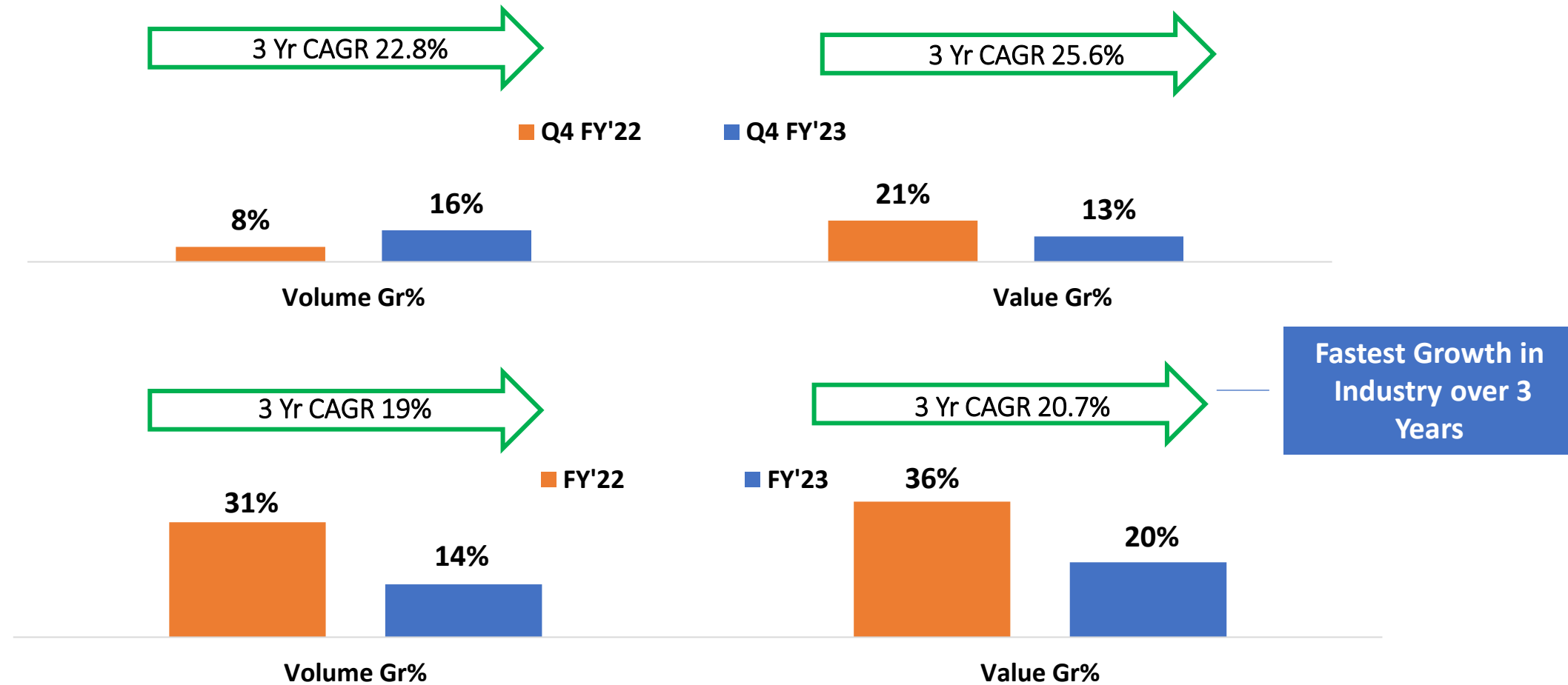
We exist to Beautify, Preserve, Transform all Spaces and Objects, bringing happiness to the World!



Disclaimer

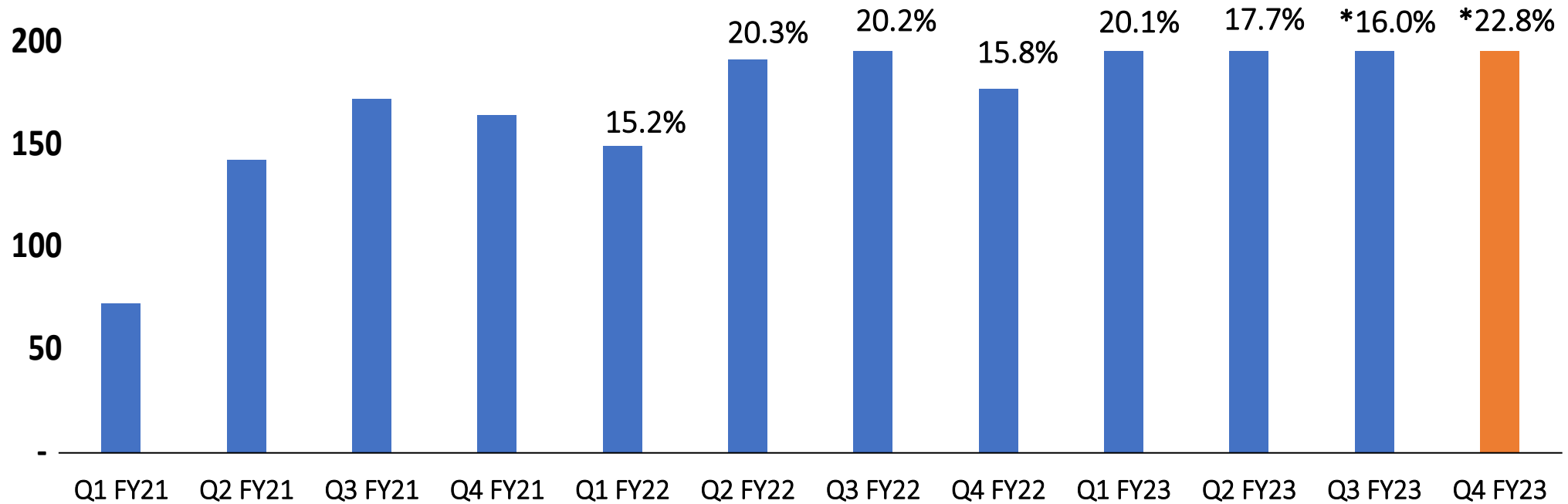
This communication, except for the historical information, may contain statements which reflect the Management's current views and estimates and could be construed as forward-looking statements. The future involves many risks and uncertainties that could cause actual results to differ materially from the current views being expressed. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange and commodity price fluctuations, competitive product and pricing pressures and regulatory developments.

Double-digit value growth in Q4 – led by volume with benefit of price increases now wearing off
 Full year double-digit delivery despite flattish Q3



Consistent double-digit volume growth trend on 3 yr CAGR basis

Decorative Business (India)



Quarterly Representation of Volumes Sold on Base of Q1 FY19 as 100

**% represents 3 Year Compounded Growth Rate*

Growth Drivers – Well Entrenched

Decorative Business (India)

- ❑ Double-digit volume growth across rural & urban markets in Q4; slight edge in T1/ T2
 - similar range of double-digit 3 yr CAGR across rural & urban centers
- ❑ Mix in the quarter led by Economy and Waterproofing range
 - Waterproofing: Newer areas of admixtures & B2B flooring grew well
- ❑ Premium & Luxury range growth picked up in Q4 compared to previous 2 quarters
 - Gained inroads in Premium Wood Finish segment
- ❑ Robust expansion of distribution footprint
 - Catering to almost 1.5 lac retail touchpoints

- ❑ Altering the service paradigm through our Safe Painting Service (SPS) & Trusted Contractor Service (TCS)
 - Enhancing customer experience, servicing more than 1.7 lacs customers
- ❑ Strong inroads in the Projects / Institutional Business
 - Led by Factories, Builder & Government Sector
- ❑ Innovation a key enabler & differentiator
 - New products contributed to about 10% of the overall revenues
- ❑ Work on capacity expansion, backward integration initiatives progressing well

COLOUR NEXT: 2 Decades of Colour Forecasting



Gothilicious



SILVER: Colour of the Year



Edge of the Forest



Shroom



Sleep Sense

Our Recently Launched Media & Digital Campaigns

अब हर शौक बजट में आएगा.

asianpaints

TRACTOR
SPARC
ECONOMY EMULSION



asianpaints
royale
PLAY
OFFERING MATERIALS & FINISHES
LUXE
A COLLECTION FOR MODERN HOMES
MODERN FINISHES
FOR MODERN HOMES

MARMORINO
BASE COAT 2 RP Marmorino White 0102
TOP COAT 1 RP Marmorino Copper Cream 8613
TOP COAT 2 RP Marmorino Dark Shadow 8294
TOP COAT 3 RP Marmorino Italian Spice 8568
TOP COAT 4 RP Marmorino White 8908

Deepika invites you to discover the new Luxe Collection from Royale Play which is crafted for Modern Homes. Explore the latest Royale Play textures and wall finishes, using our live campaign on Facebook, Instagram and YouTube. Head there now to create the perfect modern home.

A PERFECT FIT FOR MODERN HOMES



LETTUS WENETIAN PEACOCK
BASE COAT 1 RP Lettus Natural Linn 1332
TOP COAT 1 RP Protective Coat
TOP COAT 2 RP Lettus Raika Crystal 8775
TOP COAT 3 RP Protective Coat

Explore the latest collection from Royale Play

0:01 / 0:47

Scroll for details



Sizing-up Our Home Décor Offerings



Kitchen, Kitchen Hardware & Components



Bath & Sanitary



Designer and General Tiles



Wardrobes and Vanities



Fabric and Furnishing



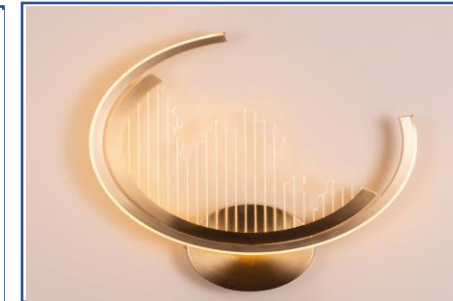
Designer Wall Paper



Furniture



Rugs



Lighting Solutions



uPVC Windows and Doors

Beautiful Home Stores: 42 stores now functional
Beautiful Homes Services: now 11 cities
BeautifulHomes.com: ~50 Lakh visitors & over 5 Lakh Instagram followers

Committed to Home Décor Revenue Contribution of 8-10% of Deco Business FY'26

Partnering to Deliver Beautiful Homes through 1st of its Kind Customer Experience

Inspiring through 'WoW' Looks, Aspirational Stories



Selection Enhanced by Visualization



Purchase & Execution



BEAUTIFUL HOMES SERVICE with asianpaints

An End-to-End Interior design and execution service

Focused on Strengthening Kitchen & Bath Business

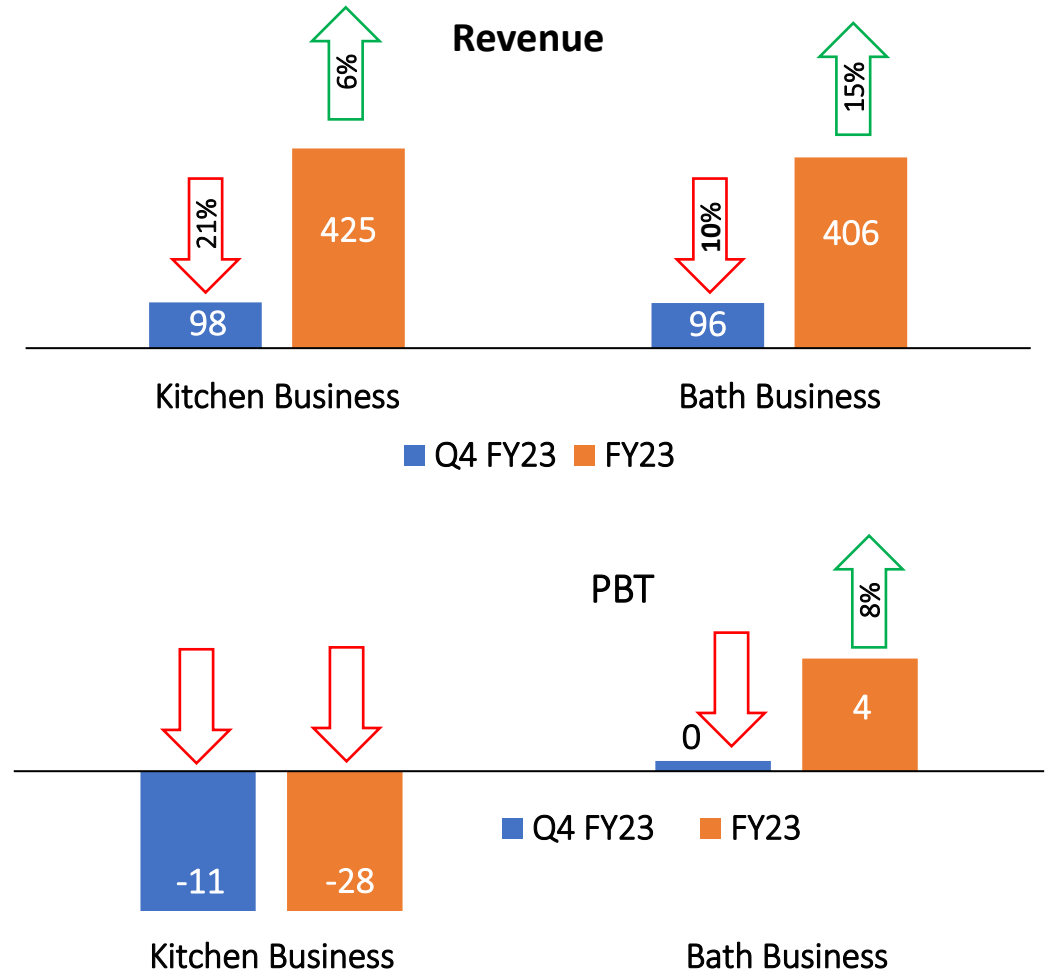
Home Décor Business

Kitchen Business

- ❑ Continued to be impacted by slow retail demand
- ❑ Focusing on expanding reach & driving premiumization
- ❑ Working towards building scale to enable profitable growth

Bath Business

- ❑ Subdued retail demand; Continued to see positive traction in Projects segment
- ❑ Recovery at PBT to breakeven level on back of softening raw material prices



(figures in columns in Rs. crs)

Adding to our Story of Beautiful Homes...

Home Décor Business



White Teak – Offering Decorative & Designer Lighting solutions

- ❑ Net Sales of Rs. 35.8 crs in Q4; Full year sales at Rs. 108.5 crs - 89% growth
- ❑ Gaining from increasing retail footprint & synergies with Beautiful Homes

Weatherseal (uPVC Windows and Doors)

- ❑ Net Sales of Rs. 9.6 crs in Q4; Full year sales at Rs. 24.6 crs – 94% growth
- ❑ Driving synergies with AP network, expanding presence beyond the existing Southern India footprint



International Business

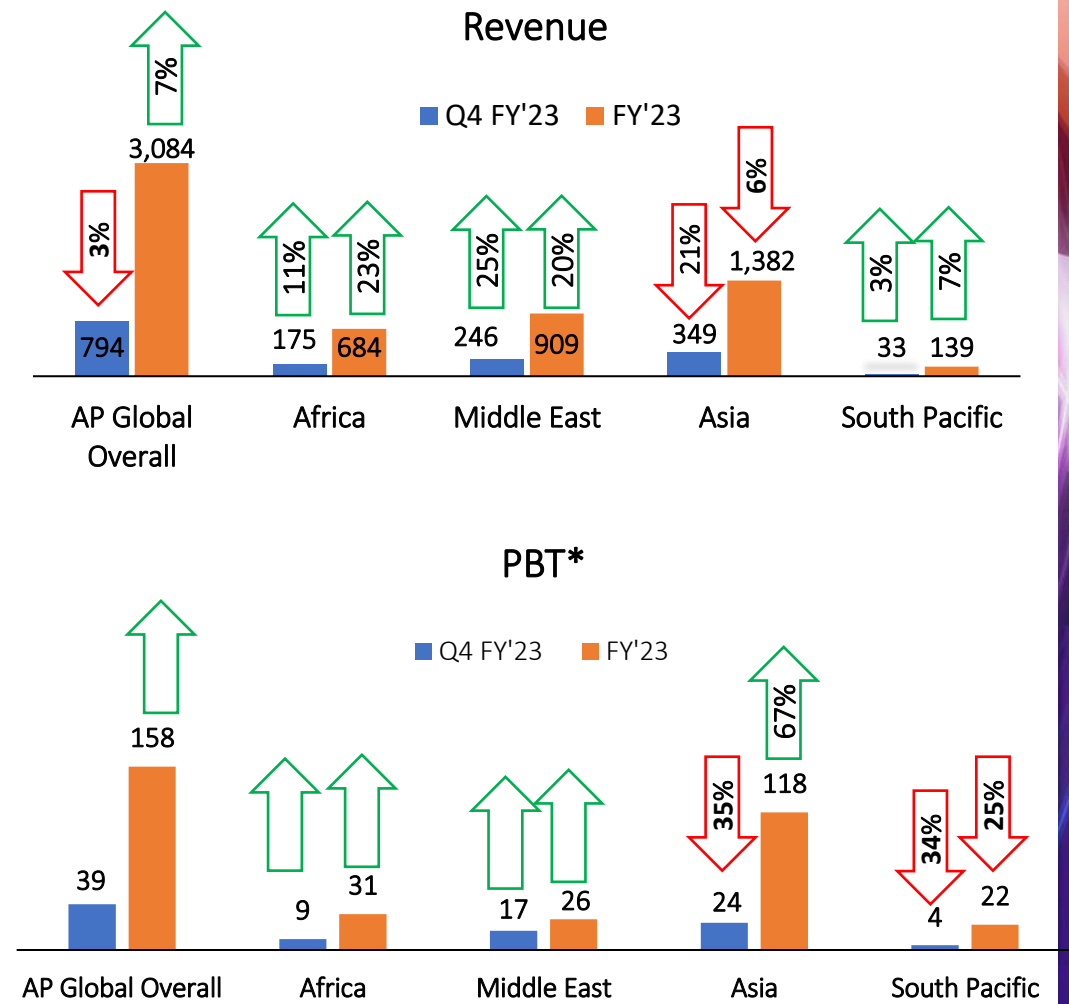


Samoa

Growth in the Face of Challenges

International Business

- ❑ Q4: De-growth of 2.7% in INR terms; Double-digit constant currency growth of ~10%
 - Strong growth in Africa & Middle East
 - Challenging business conditions persisted in Asia
 - Continued contraction of business in Sri Lanka due to on-going economic crisis
 - Liquidity, Political uncertainty impacted Nepal while Forex issues hurting Bangladesh
- ❑ Full year 6.8% growth in INR terms; 18% growth in constant currency terms
- ❑ Sustained focus on prelux category; supporting margins
- ❑ Improved profitability on price increases, softening inflation on materials & cost efficiencies
 - Q4 PBT at Rs. 39 crs vs. Rs. 15 crs in Q4 FY22
 - Sri Lanka continues to be positive at PBT despite crisis
 - Turnaround in full year profitability: FY23 PBT at Rs. 158 crs vs. break-even last year



* PBT Before Exceptional Items

(figures in columns in Rs. crs)

Hitting New Milestones

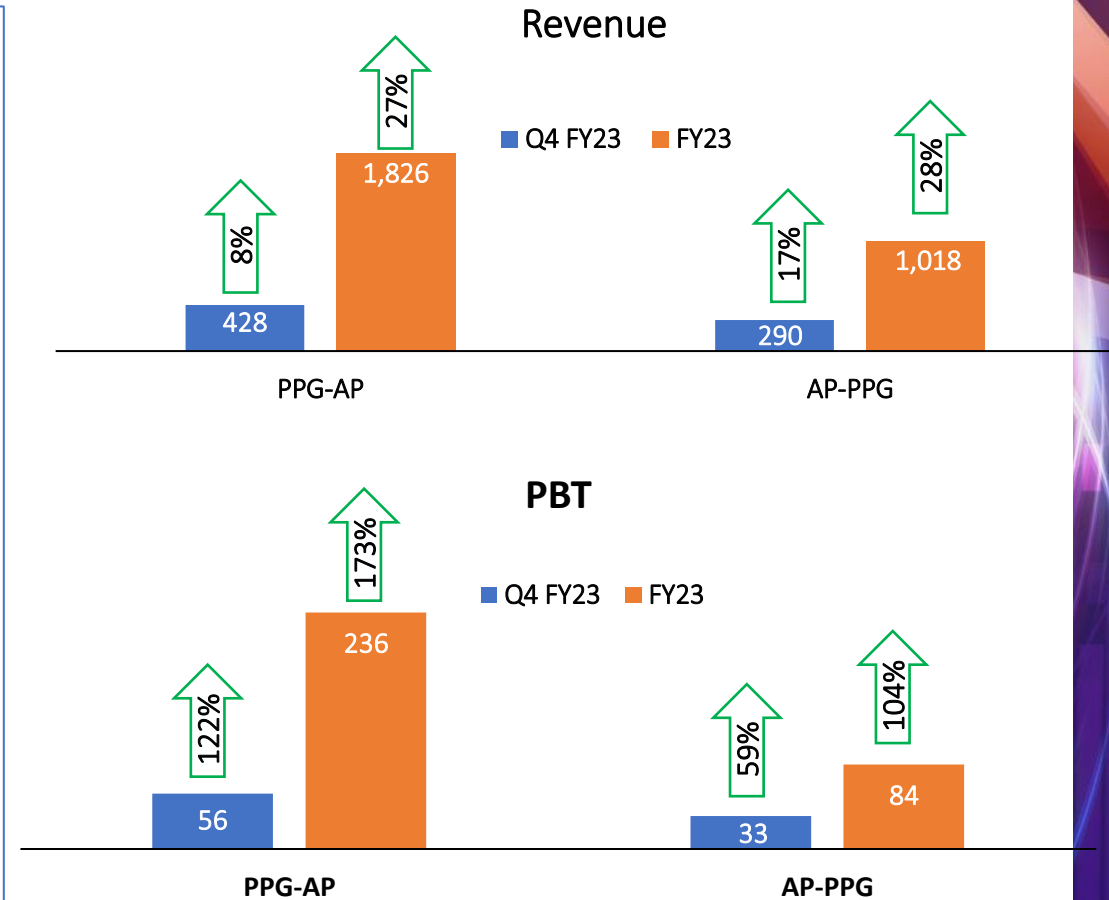
Industrial Business

PPGAP

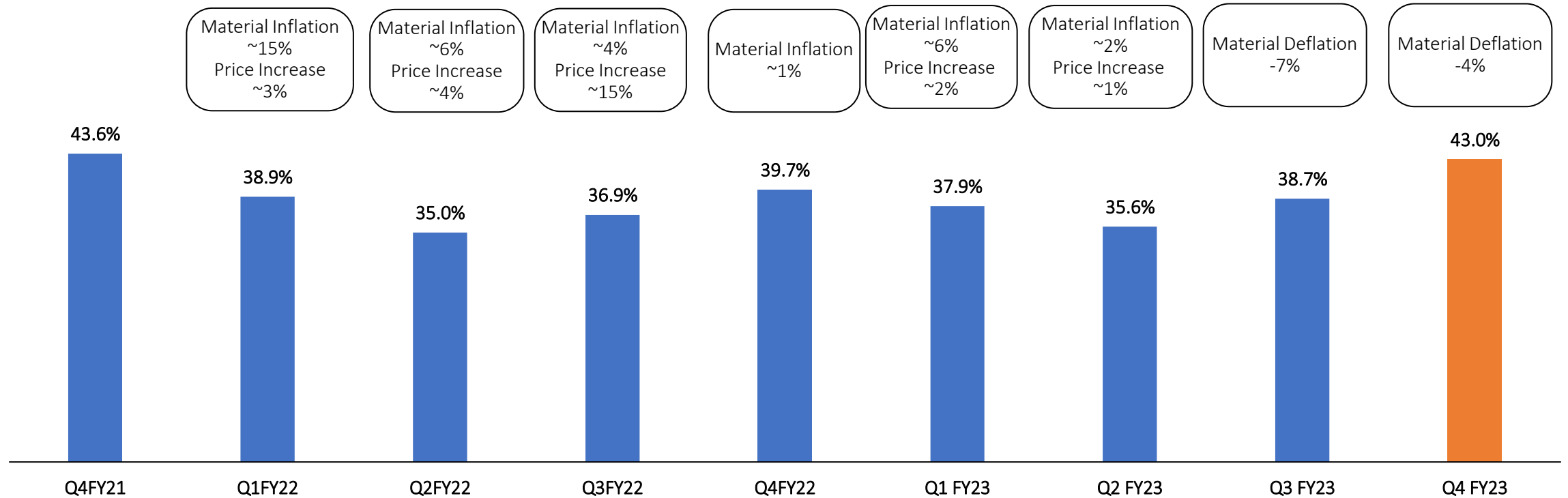
- ❑ Double-digit growth in FY23; Continues to benefit from growth in Auto segment
- ❑ Improving price realizations led to improvement in margins
 - PBT margin at 12.9% for FY23 vs. 6% last year

APPPG

- ❑ Crossed Rs.1,000 crs milestone in FY23 in revenue; Doubling the business in 2 years
 - Protective & Powder segments both growing well
- ❑ Improved sales mix coupled with softening raw material prices led to improved margins
 - PBT margin at 8.3% for FY23 vs. 5.2% last year

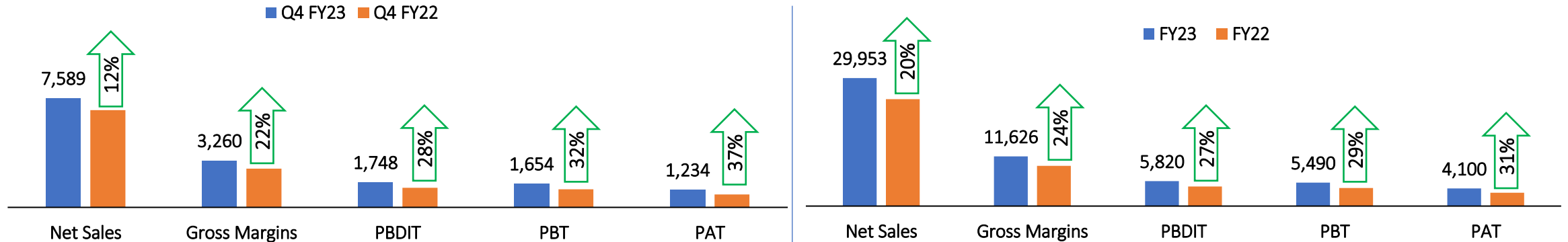


Improvement in Gross Margins on Softening Raw Material Prices



Gross margin shown here is at standalone level & as a % of Net sales

Summary – Standalone Financials



- ❑ Net Sales growth of 12.4% in Q4 & 19.8% in full year driven by double digit volume growth
- ❑ Robust improvement in Gross Margins
 - Improvement of 430 bps Q-o-Q & 330 bps Y-o-Y to 43%
- ❑ PBDIT margins improved to 19.4% for the full year vs. 18.3% in last year

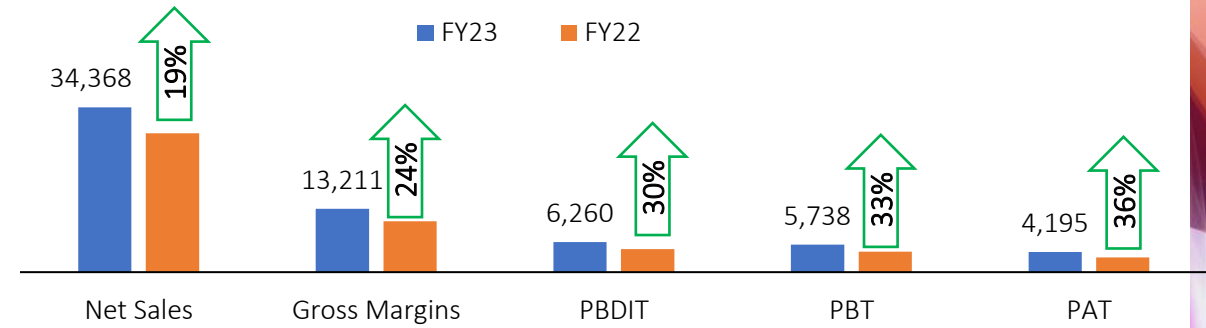
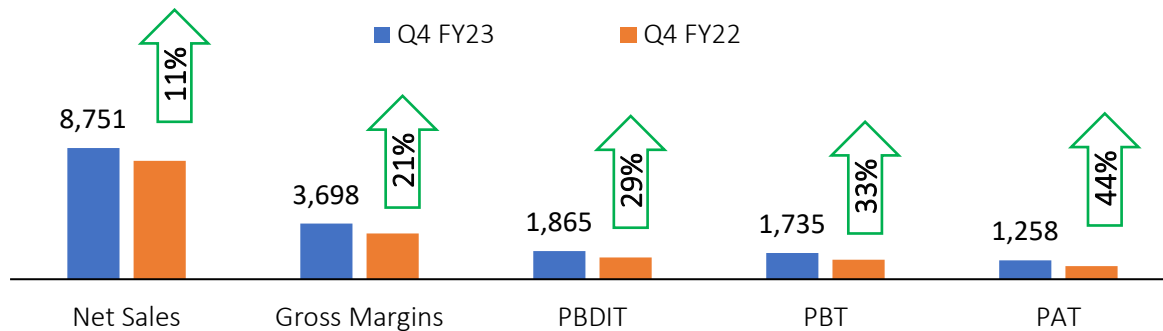
Note:

PBDIT before Other Income

Above PBT is before exceptional item of Rs. 53.7 crs in Q4 FY22

(figures in columns in Rs. crs)

Summary – Consolidated Financials



- ❑ Net Sales growth of 10.9% in Q4 & 18.8% in full year
- ❑ Price increases coupled with deflationary trend in material prices over last 2 quarters propping up Q4 Gross Margins to 38.4% in Q4
- ❑ PBDIT margins improved to 18.2% for the full year vs. 16.6% in last year

Note:

PBDIT before Share in profit of Associates & before Other Income

Above PBT is before exceptional items

Exceptional Items in Consolidated Statements in FY23

Causeway Paints Lanka Pvt Ltd: Currency Devaluation and Impairment of loss on 'Goodwill on Consolidation'

- ❑ On-going economic crisis in Sri Lanka led to sharp currency devaluation in Q1 FY23, resulting in recognition of an expense of Rs. 24.2 crs towards exchange loss on foreign currency obligations of Causeway Lanka in Q1 FY23
- ❑ Impairment provision of Rs. 24.7 crs on the Goodwill on Consolidation recognized on acquisition of Causeway Lanka, taken as Exceptional Item in Q4 FY23

Ending the Year on a Strong Base

Touching Rs. 30,000 crs mark on Net Sales at Standalone level
3 times nearest competitor

Double-digit volume & value growth in Deco Business (India) for the year

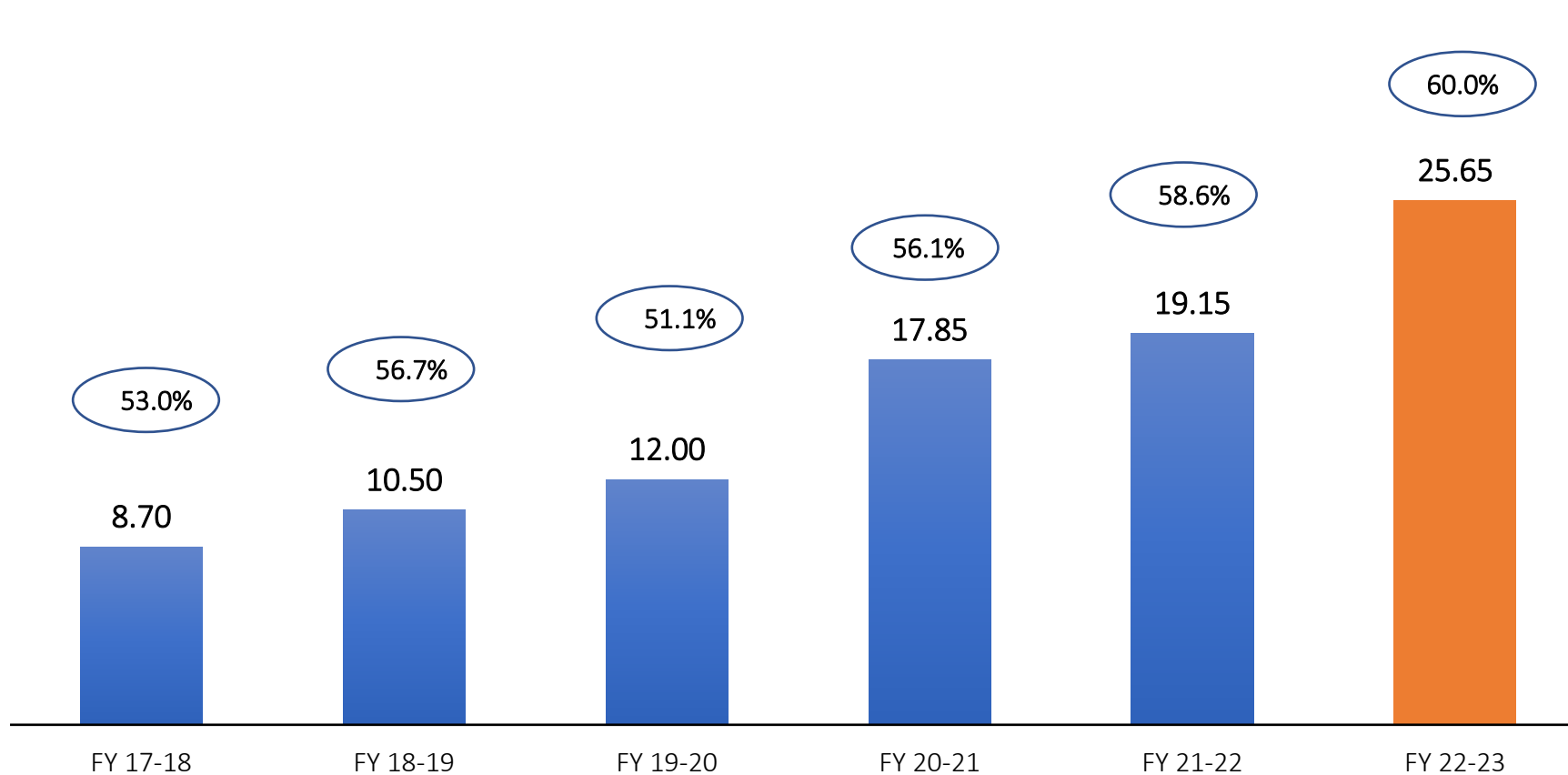
Committed to Home Décor revenue growing to 8-10% of Deco Business by FY'26

Non-auto Industrial business (APPPG) crossed Rs. 1,000 crs mark in the year

Double-digit constant currency growth for the year in International Business

Sourcing and formulation efficiencies, softening material prices, calibrated price actions
resulted in improved PBDIT margin

Consistently Rewarding Shareholders



Dividend Payout %

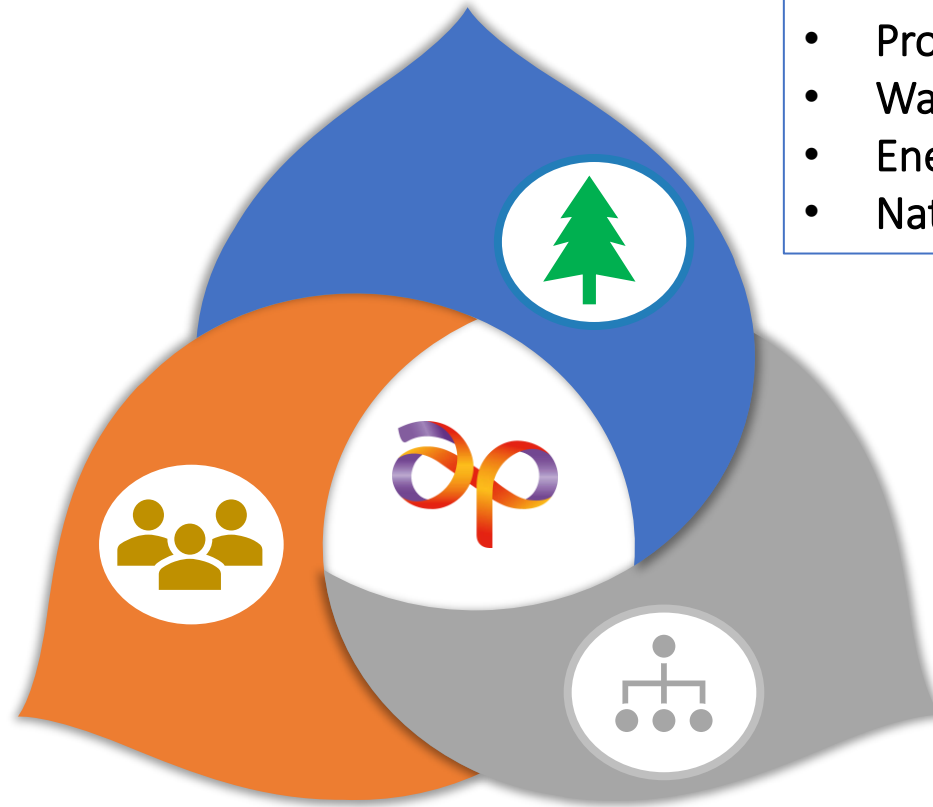
(figures in columns in Rs per share)

- ❑ Board of Directors recommended final dividend of Rs.21.25 / share (2125%)
- ❑ Interim dividend of Rs. 4.40 / share (440%) declared in Oct'22
- ❑ Total dividend for FY23 at Rs. 25.65/ share, dividend payout of 60%
- ❑ Dividend increase of 33.9% over FY22

Doing Business the Right Way - Deeply Intertwined with ESG

Social

- Building Safety Culture
- Energising, Equitable & Inclusive Work Environment
- Community Owner, Customer Celebrations
- Water Stewardship



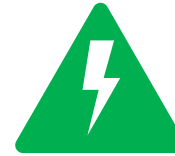
Environment

- Product Stewardship
- Water Neutrality
- Energy Conservation
- Nature Positive

Governance

- Building a resilient organization
- World-Class Governance
- Building a sustainable and responsible supply chain

Near & Medium Term Sustainability Targets



2030 Target

6x ↑

100% ↑

60% ↑

2025 Target

4x ↑

75% ↑

30% ↑

Current Status

3.8x ↑

63% ↑

15% ↑

Fresh Water
Replenishment

Share of renewable electricity
in total electricity consumed
at factories

Recycled Material in
Packing

Outlook for FY2024

- ❑ Indian economy in a relative better spot, despite the gloomy global outlook. High correlation of domestic GDP growth with paint industry will ensure we grow well
 - Will continue to aggressively pursue growth
- ❑ Monsoon forecasts – a concern area; Need to monitor how this evolves
 - Especially in the context of rural demand
- ❑ Near term outlook on Raw material prices appears stable
- ❑ Focus on scaling up our Industrial Business and further building on our Home Décor categories
- ❑ Continue to stay watchful on challenges in key geographies in our International portfolio - Sri Lanka, Bangladesh & Egypt



Thank You