



Date: February 11, 2023

To, BSE Limited Corporate Relationship Department 25 th 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
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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 un-audited Financial Results of the Company for the quarter and nine months ended December 31, 2022.

You are requested to take note of the same.

Thanking you,

For Indigo Paints Limited

Sujoy Sudipta Bose
Company Secretary & Compliance Officer

Encl: As above



INDIGO Paints Ltd

Investor Presentation (Q3 FY 23)



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



Financials Q3 FY23/ 9M FY23

Introduction

- The revenue growth in Q3 FY23 was 5.95%. The muted growth was primarily due to the delayed withdrawal of monsoon coupled with early Diwali, which dented the sales in Oct-22. However, sales growth rebounded in Nov-22 and Dec-22
- No price hike was effected in the quarter as the inflation in raw material costs have been largely absorbed
- Continue to witness strong sales growth in Tier-1 & Tier-2 cities
- New plant in Tamil Nadu expected to be commissioned in March 2023.



Indigo Paints | Q3 FY 23 financials

Statement of unaudited financial results for the quarter and nine months ended December 31, 2022				
(All amounts in rupees lakhs, unless otherwise stated)				
Sr. No	Particulars	Quarter ended		
		Dec 31, 2022 (Unaudited)	Sep 30, 2022 (Unaudited)	Dec 31, 2021 (Unaudited)
1	Income:			
	Revenue from operations	28,126.51	24,260.71	26,546.24
	Other income	377.75	319.04	231.49
	Total Income	28,504.26	24,579.75	26,777.73
2	Expenses:			
	Material Related Expense	15,800.43	14,139.37	15,161.53
	Employee benefits expense	2,024.16	1,752.11	1,455.71
	Finance cost	29.69	26.53	28.73
	Depreciation and amortisation expense	871.15	848.92	787.00
	Other expenses	6,246.21	4,992.11	6,061.39
	Total Expenses	24,971.64	21,759.04	23,494.36
3	Profit before exceptional items and tax	3,532.62	2,820.71	3,283.37
4	Profit before tax	3,532.62	2,820.71	3,283.37
5	Total tax expense	906.30	(888.06)	852.88
6	Net Profit for the period	2,626.32	3,708.77	2,430.49
7	Total Other comprehensive income /(loss) for the period	3.34	3.35	(2.72)
9	Total Comprehensive Income for the period	2,629.66	3,712.12	2,427.77



Indigo Paints | 9M FY 23 financials

Statement of unaudited financial results for the quarter and nine months ended December 31, 2022				
(All amounts in rupees lakhs, unless otherwise stated)				
Sr. No	Particulars	Nine months ended		Year ended
		Dec 31, 2022	Dec 31, 2021	Mar 31, 2022
		(Unaudited)	(Unaudited)	(Audited)
1	Income:			
	Revenue from operations	74,786.43	61,759.66	90,597.48
	Other income	725.41	838.65	1,089.32
	Total Income	75,511.84	62,598.31	91,686.80
2	Expenses:			
	Material Related Expense	42,216.89	35,089.88	51,352.46
	Employee benefits expense	5,436.21	4,199.28	5,632.91
	Finance cost	98.69	79.66	133.04
	Depreciation and amortisation expense	2,562.89	2,292.70	3,125.08
	Other expenses	16,152.87	14,248.85	20,013.74
	Total Expenses	66,467.55	55,910.37	80,257.23
3	Profit before exceptional items and tax	9,044.29	6,687.94	11,429.57
4	Profit before tax	9,044.29	6,687.94	11,429.57
5	Total tax expense	718.07	1,741.89	3,024.77
6	Net Profit for the period	8,326.22	4,946.05	8,404.80
7	Total Other comprehensive income /(loss) for the period	10.03	(8.16)	13.36
9	Total Comprehensive Income for the period	8,336.25	4,937.89	8,418.16



Indigo Paints | Q3 FY 23 financial Analysis

Quarterly Financial Highlight

Particulars (Rs. Crs)	Quarterly			RS. Cr
	Q3	Q2	Q3	% Change
	FY 23	FY 23	FY 22	
Operational Income	281.27	242.61	265.46	5.95%
Other Income	3.78	3.19	2.31	
Total	285.04	245.80	267.78	
Gross Profit	123.26	101.21	113.85	
Gross Margin %	43.82%	41.72%	42.89%	
EBITDA	40.56	33.77	38.68	4.86%
EBITDA %	14.42%	13.92%	14.57%	
PBT	35.33	28.21	32.83	7.59%
PAT	26.26	37.09	24.30	8.06%
PAT%	9.21%	15.09%	9.08%	



Analysis | Q3 FY23

- Q3 FY 23 Operational Income has expanded by **5.95%** over Q3 FY 22 from Rs. 265.46 Cr to Rs.281.27 Cr
- Gross Margins expanded to **43.82%** in Q3 FY23 over **42.89%** in Q3 FY22
- EBITDA and PAT have expanded by **4.86 %** and **8.06%** respectively over Q3 FY22
- EBITDA margin is largely flat at **14.42%** from **14.57%** in Q3 FY22
- PAT margin also largely flat at **9.21%** compared to **9.08%** in Q3 FY22.



Indigo Paints | 9M FY 23 financial Analysis

9M Financial Highlight

RS. Cr

Particulars	Nine Months Ended		% Change
	9M	9M	
	FY 23	FY 22	
Operational Income	747.86	617.60	21.09%
Other Income	7.25	8.39	
Total	755.12	625.98	
Gross Profit	325.70	266.70	
Gross Margin %	43.55%	43.18%	
EBITDA	109.80	82.22	33.56%
EBITDA %	14.68%	13.31%	
PBT	90.44	66.88	35.23%
PAT	83.26	49.46	68.34%
PAT%	11.03%	7.90%	



Analysis | 9M FY23

- 9M FY 23 Operational Income has expanded by **21.09%** to Rs. 747.86 Cr from Rs. 617.60 Cr clocked in 9M FY22.
- Gross Margins improved to **43.55%** y-o-y over 9M FY22 from **43.18%**
- EBITDA and PAT have expanded by **33.56%** and **68.34%** respectively over 9M FY22
- EBITDA margin has sharply expanded to **14.68%** from **13.31%** in 9M FY22
- PAT margin expanded to **11.03%** compared to **7.90%** in 9M FY22.



Analysis

- Sales was impacted in October due to early Diwali and prolonged festive holidays which was further accentuated by delayed monsoon withdrawal
- Due to declining raw material prices, the Company has been more aggressive in offering trade discounts; despite higher discounts, the Company has managed to maintain healthy gross margin level which continues to be the highest in the industry
- Company continues to focus on brand building and our expenditure in A&P over the 9M period has been marginally higher than the corresponding period of the last fiscal.
- Raw material prices have largely stabilized
- Strategy 2.0 – Witnessing higher sales traction in the 750 identified cities. Growth in focus area is almost double the growth in upcountry areas



Value / Volume Growth (Q3 FY 23 vs Q3 FY 22)

Product Category	Value Growth	Volume Growth
Cement Paints + Putty	42.3%	34.8%
Emulsions	3.3%	-4.3%
Enamels + Wood Coatings	14.6%	4.7%
Primers + Distempers + Others	5.5%	1.3%



Value / Volume Growth (9M FY 23 vs 9M FY 22)

Product Category	Value Growth	Volume Growth
Cement Paints + Putty	28.1%	18.9%
Emulsions	22.8%	6.2%
Enamels + Wood Coatings	31.6%	16.0%
Primers + Distempers + Others	17.2%	6.3%



Analysis (Value/Volume growth)

- Due to several rounds of price increases compared to the corresponding period of the previous year, the value growth in each category is higher than volume growth. Going forward with the normalized base, both value and volume growth are expected to be in tandem
- Company witnessed a small dip in the volume of the Emulsions category; However, on a cumulative 9M period, the segment has grown reasonably
- Very sharp increase in both the value and volume growth of Cement paint + Putty segment, which is in line with the calibrated approach by the management to gain market share. The Enamel segment continued to grow in double digit.



Network expansion

	31.03.21	30.06.21	30.09.21	31.12.21	31.03.22	30.06.22	30.09.22	31.12.22
No. of Depots	44	44	44	45	47	47	47	47
Active Dealers	13,214	13,884	14,716	15,242	15,787	16,526	16,758	16,785
Tinting m/c	5,472	5,800	6,383	6,749	7,101	7,435	7,716	7,978



Network expansion

	TM in 750 Cities	Total TM	% TM in 750 Cities
As on 31.03.2022	1,741	7,101	24.5%
Addition in 9M	317	560	56.6%
As on 31.12.2022	2,058	7,661	26.9%

- More than 50% of Tinting machines are now being installed in the larger cities, as compared to a cumulative population of < 25% till start of year.



Future guidance

- Traditionally, Q4 has always been the strongest quarter for the Company in terms of Sales, Profits and Profit margins; we expect the same trend to continue this year
- Leveraging on industry leading gross margins, focus is to accelerate growth while improving product mix and improve the EBITDA margins further in the seasonally strong quarter
- Strategy on increasing the presence in the Tier-1 and Tier-2 cities are showing good results and will continue to strengthen the team to engage with the influencers
- We will shortly be launching a complete range of Water Proofing and Construction chemicals in the retail space to avail of the synergies with paint products, in view of the high growth in the sector



Thank You

