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[www.asianpaints.com](http://www.asianpaints.com)

APL/SEC/32/2023-24/38

25<sup>th</sup> July, 2023

BSE Limited  
Phiroze Jeejeebhoy Towers,  
25<sup>th</sup> 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 ended 30<sup>th</sup> June, 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 financial results and the unaudited consolidated financial results of the Company for the quarter ended 30<sup>th</sup> June, 2023.

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

You are requested to take the above information on record.

Thanking you,

Yours truly,

For **ASIAN PAINTS LIMITED**

**R J JEYAMURUGAN**  
**CFO & COMPANY SECRETARY**

*Encl.: As above*



# Investor Conference

## Q1 - FY2024 Results



Delivering joy since 1942....

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

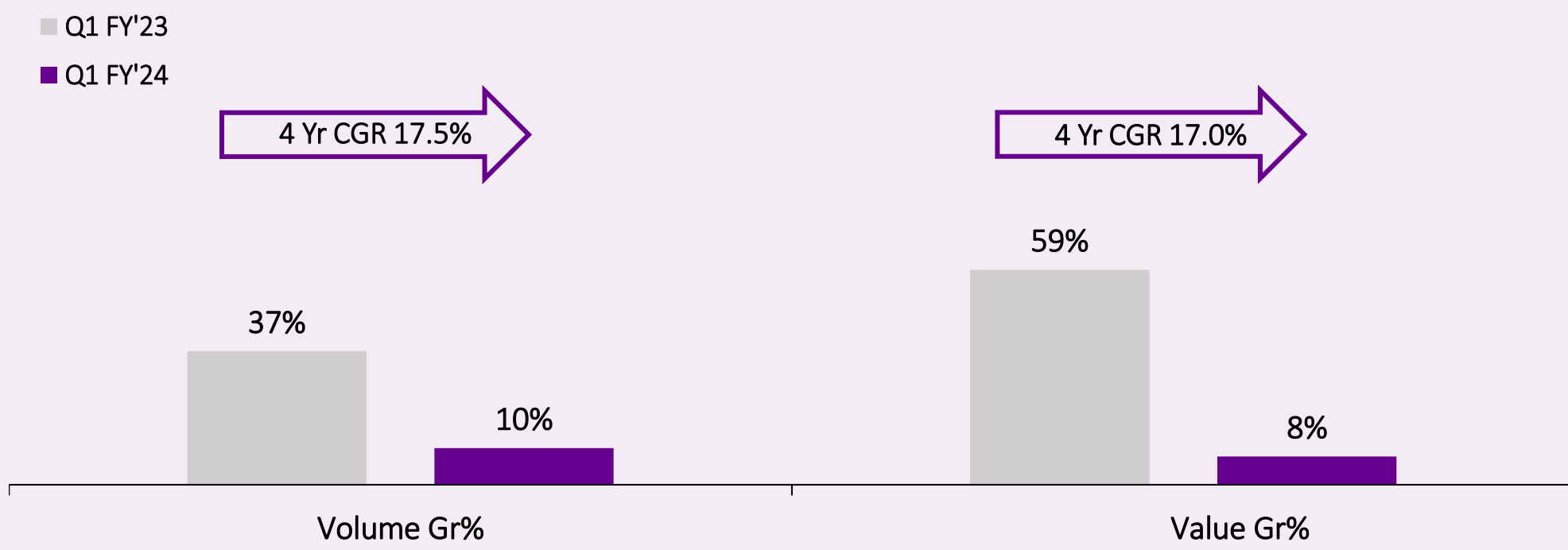




## *Disclaimer*

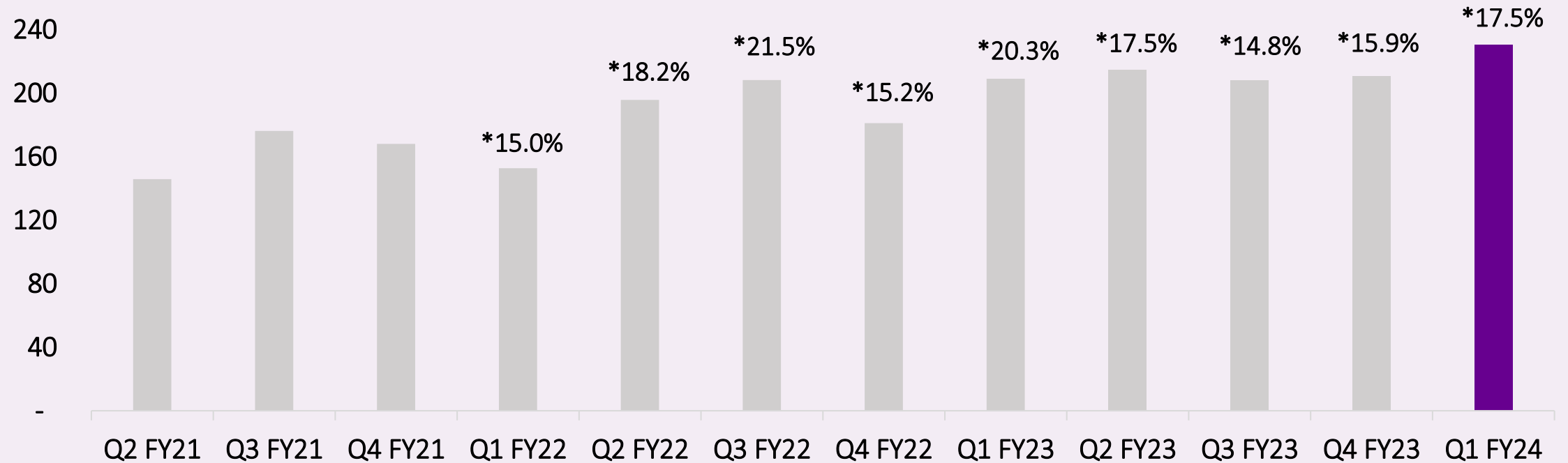
*This communication, except for the historical information, may contain statements which reflect the Management's current views and estimates and could be construed as forward-looking statements. The future involves many risks and uncertainties that could cause actual results to differ materially from 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 Volume Growth, Coming on a High Base of Previous Year Volume led Growth for the Quarter



**Broad - Based Growth Across Regions**

# Continued & Consistent Path of Double – Digit Volume Growth on 4 Year Compounded Growth Rate Basis



*Quarterly Representation of Volumes Sold on Base of Q1 FY19 as 100*  
*\*% represents 4 Year Compounded Growth Rate*

# All Drivers of Growth on Track

- ❑ Double-digit volume growth across rural & urban markets; Rural growth improving
  - Over 4 years, both rural & urban centers growing equally well with similar double-digit CAGRs
- ❑ Mix in the quarter led by Economy & Premium range products
- ❑ Maintained strong growth in Smartcare Waterproofing, Premium Wood Finishes, Enamels and Economy emulsions
- ❑ Robust expansion of distribution footprint
  - Catering to ~ 1.6 lac retail touchpoints, added 6,000 retail touchpoints in Q1

- ❑ Sustained strong demand for Safe Painting Service (SPS) & Trusted Contractor Service (TCS)
  - Catering to over 650 towns with revenue almost doubling in Q1
- ❑ Robust growth in Projects / Institutional Business continued
  - Led by Factories, Builder & Govt Sector
- ❑ Continued our focus on innovation
  - New products contributed to about 11% of the overall revenues
- ❑ Work on capacity expansion, backward integration initiatives progressing well

# Nilaya Naturals – a Paint Like No Other



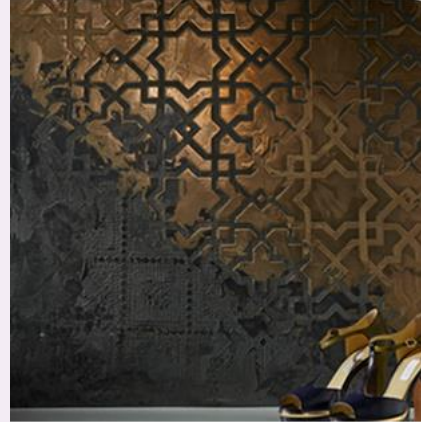
*A uniquely luxurious lime-based paint, revolutionized for the modern world. A natural paint presented in sustainable packaging with over 90% of its earth-safe ingredients and 200+ shades*



# Royale Play Material Finishes - Bringing to Life Concrete, Clay, Stone, Rusted Surfaces & Metals



METALLO FUSO RIPPLE



CALCECRUDA FUSO  
INFINITY TRELLIS



MARMORINO MULTI TONE



ARCHI ARGILA EARTH



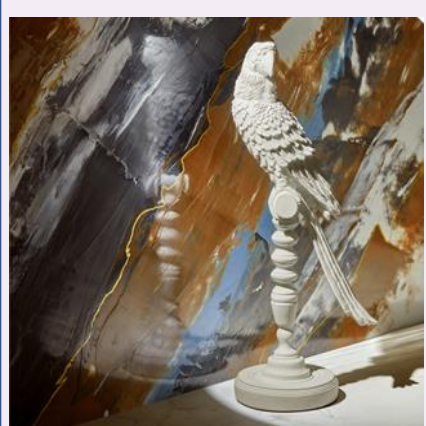
OPACO MATT



ARCHI ARGILA HEXAGON  
SUBWAY



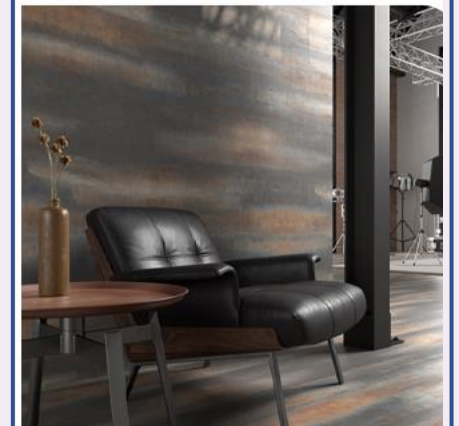
CALCECRUDA STUCCO  
MIRROR PALADEO TILE



STUCCO MIRROR



VELOUR CLASSIQUE



WALL 2 FLOOR  
DECORATIVE

# Excitement through Innovation



Premium PU Finish  
for Melamyne upgrade



Luxury Exterior Paint with  
15+15+15 Warranty



Hydroloc Xtreme  
Waterproofing Paint



Anti Insect Paint

# Our Home Décor Foray

~ 4% of Decorative Revenue

No. 1 Integrated Home Décor Player

No. 1 in Decorative Lighting

No. 2 in Fabric & Furnishing

Collaborations with Sabyasachi, Jaipur Rugs, Sarita Handa

Entry in Wooden Flooring, uPVC Doors/ other new categories

44 Beautiful Homes stores in India

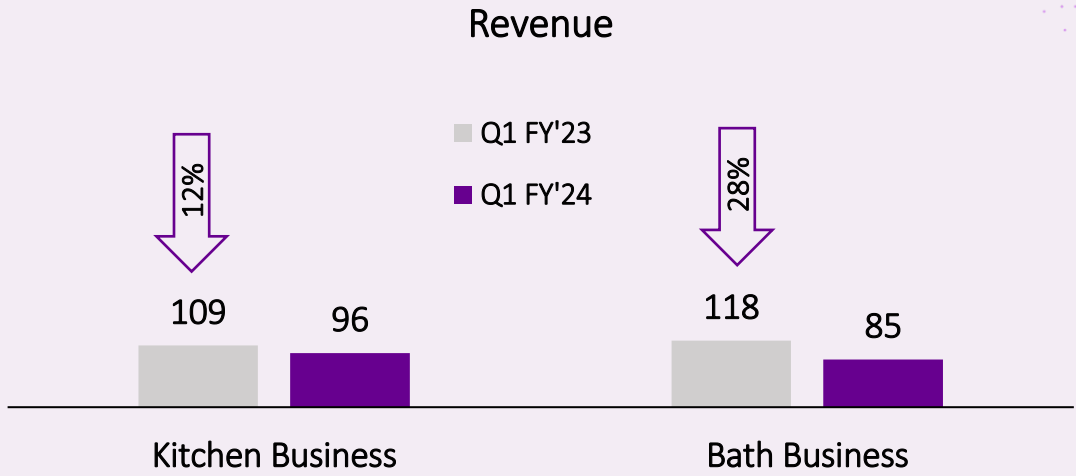
No. 1 in Wallcovering & Textures

End to End Home Décor Services

# Continue to Focus on Kitchen & Bath Business

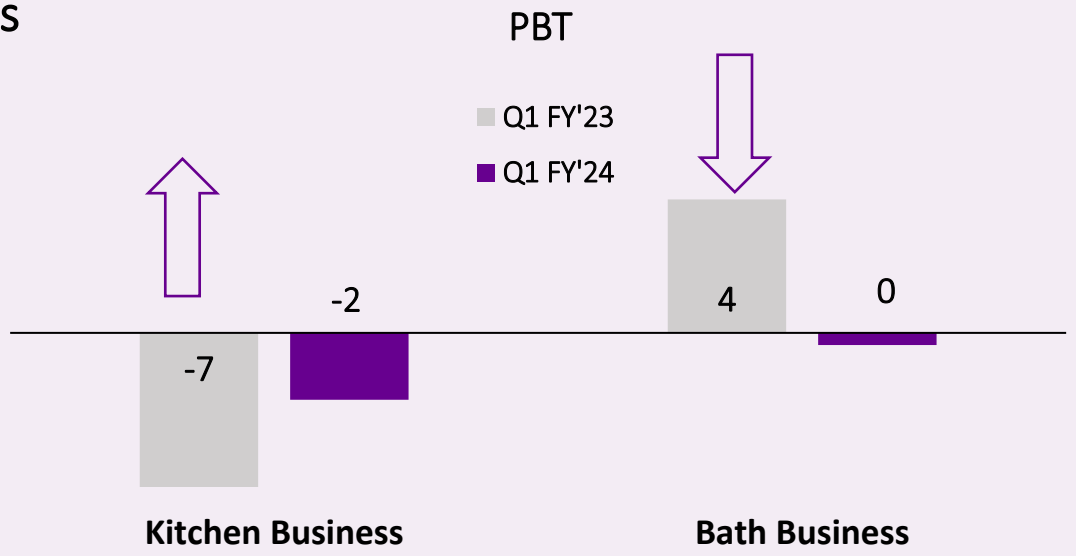
## Kitchen Business

- ❑ De-growth of 12% over last year
  - Last year Q1 had a high base due to price increases
  - Growth in FKD business, Components business slow
- ❑ Large focus on efficiency, to improve profitability of business
  - Breakeven at PBDIT level



## Bath Business

- ❑ De-growth of 28% over last year
  - Last year Q1 had a high base due to price increases
- ❑ Launched new website & app. to enhance brand



(figures in columns in Rs. crs)

# Crest Luxury Collection by Sleek Kitchens

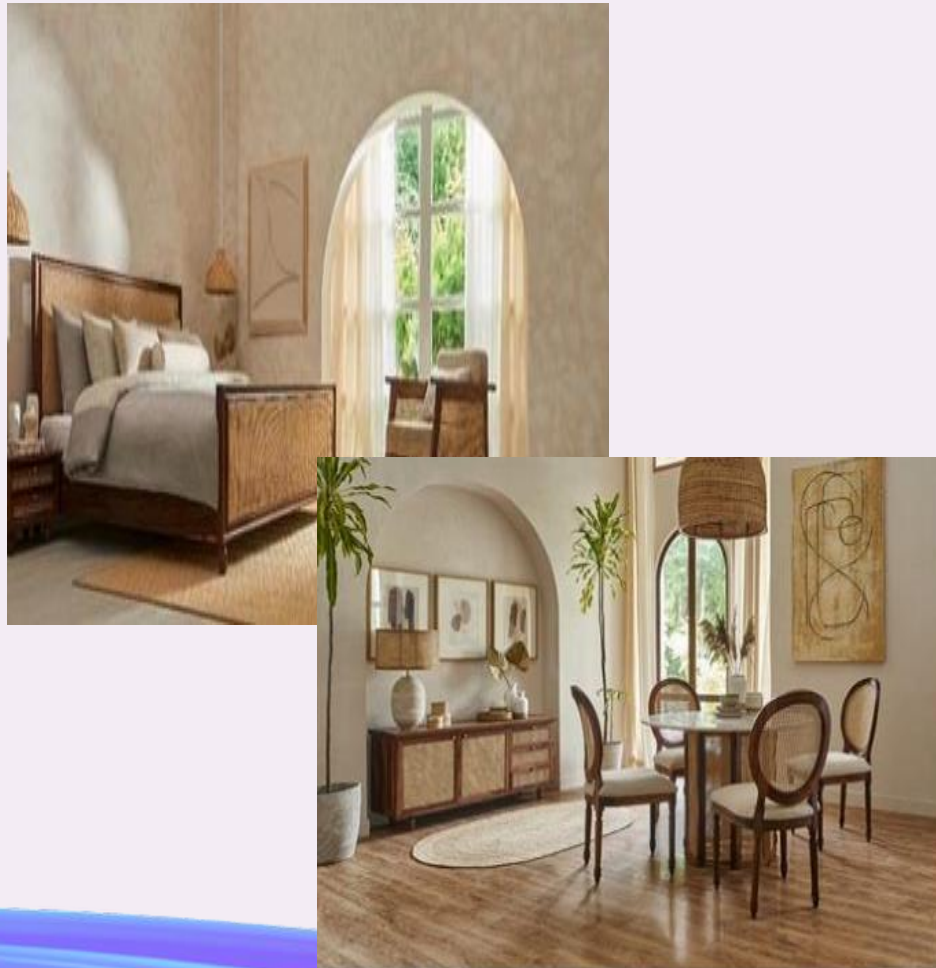


# Our Furniture Range

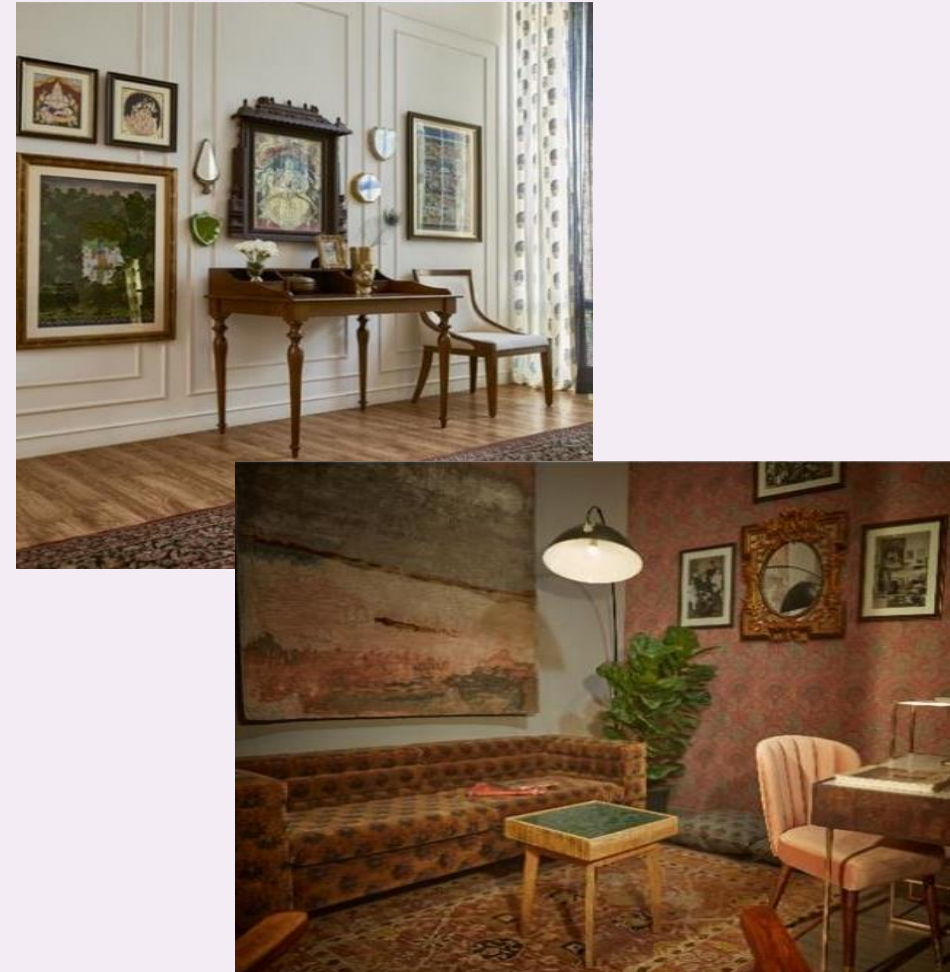


# Furniture Solutions that Enhance your Home Décor

## Natural Habitat



## Modern Day Classics



# Fitted Furniture for Every Purpose

Spanning across range of Crockery Units, Entertainment Units, Study Desks, Vanity Units, Shoe Racks, Pooja Units & Wardrobes

## ADOR Range



## ROYAL Wardrobes



DESIGN FOR  
PERSONALIZATION



TRENDY STYLES  
VETTED BY  
INDUSTRY LEADERS



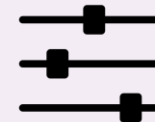
TOP NOTCH  
QUALITY



ENGINEERED  
FOR PRECISION



PASS MULTIPLE  
QUALITY  
CHECKS



MULTIPLE  
OPTIONS TO  
CHOOSE FROM



PROFESSIONAL  
SUPPORT



STATE OF THE ART  
MANUFACTURING  
EXCELLENCE



# White Teak & Weatherseal - Gaining from Network Synergies

## White Teak (Offering Decorative & Designer Lights)

- ❑ Net Sales of Rs. 26 crs in Q1 with 28.4% growth
- ❑ Expanding geographic footprint & growing traction across Beautiful Homes network
- ❑ Acquired further 11% stake in June'23 for cash consideration of Rs. 53.8 crs as part of staggered buyout plan. At 60% ownership stake, it has become our subsidiary



## Weatherseal (uPVC Windows and Doors)

- ❑ Net Sales of Rs. 9.8 crs in Q1, more than doubling revenue YoY
- ❑ Gaining from increasing retail footprint & synergies with AP network



# Beautiful Homes Studio – the Next Frontier of our Transformational Journey

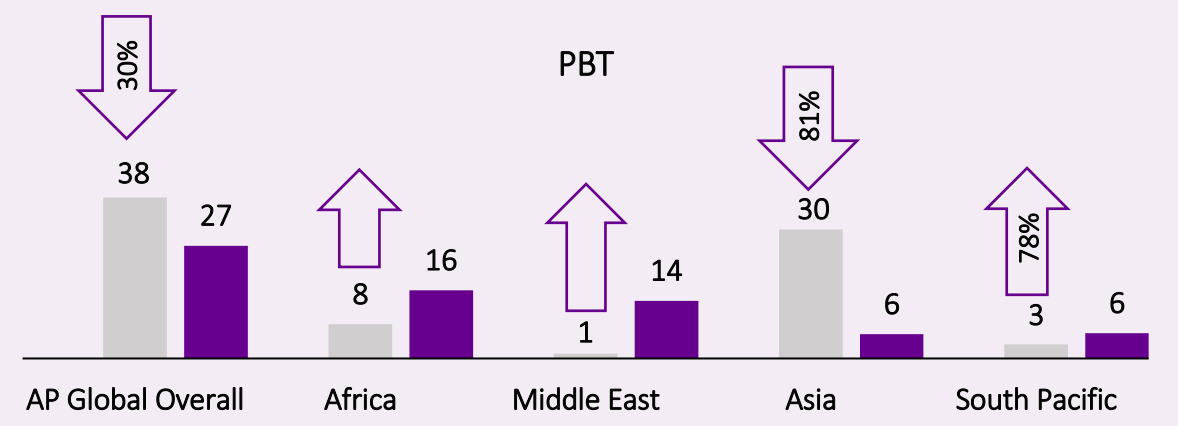
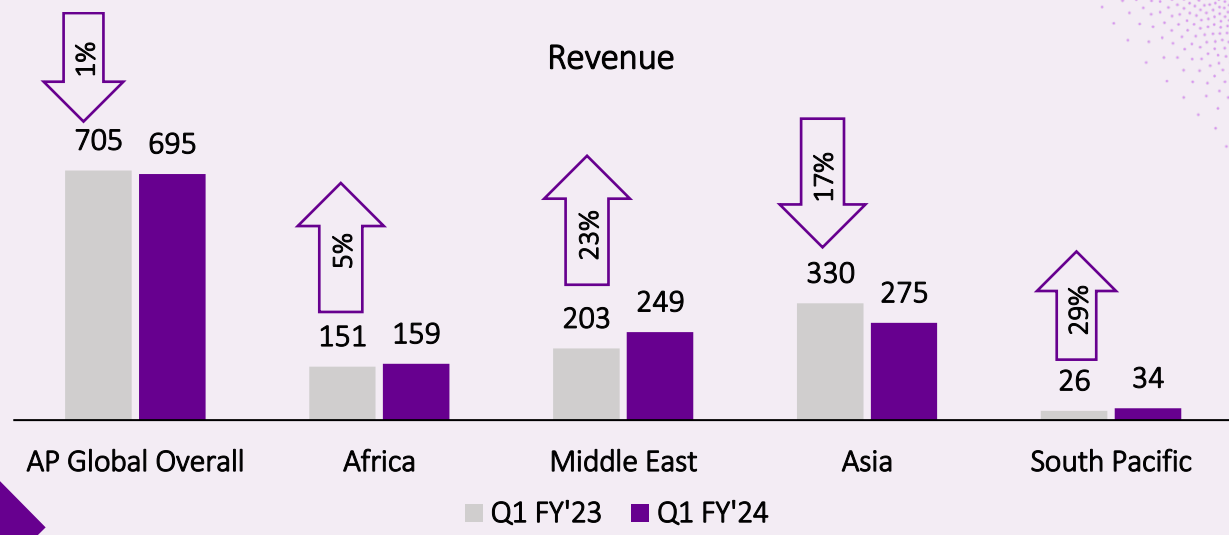


# International Business



# Macro-Economic & Forex Challenges Reign Heavy

- ❑ De-growth of 1.4% in INR terms; constant currency growth of 3.8%
  - Strong double-digit growth in Middle East
  - Sri Lanka business has positive trajectory on stabilized economic conditions & forex availability
  - Subdued performance in key markets:
    - High inflation & currency devaluation impacted Egypt
    - Slow down in economy triggering muted construction activity in Nepal
    - Forex pressures & macro uncertainties impacted Bangladesh
  
- ❑ Continued focus on prelux category and softening raw material prices supporting PBDIT margins
  
- ❑ Drop in PBT levels due to slowdown in key Asian economies



(figures in columns in Rs. crs)

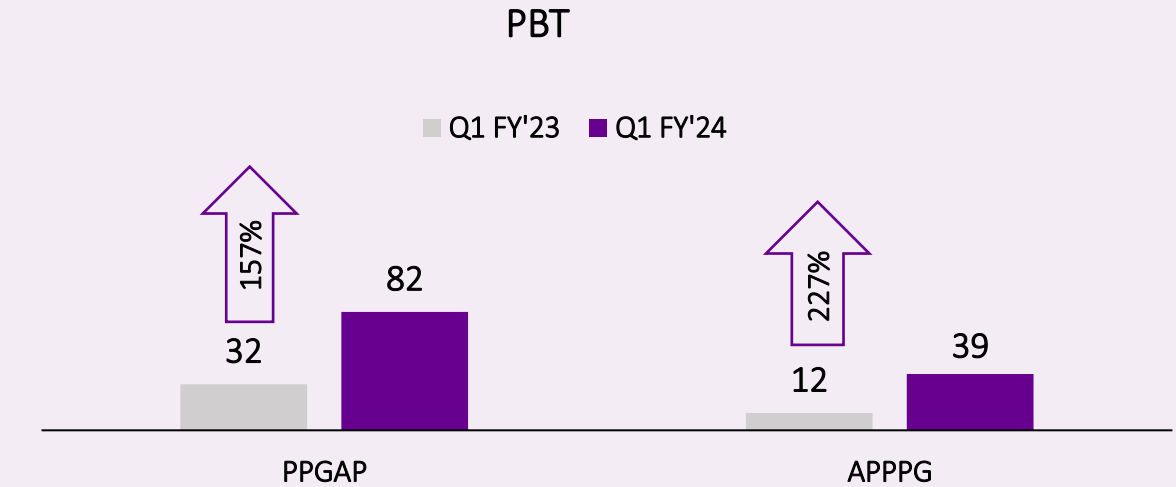
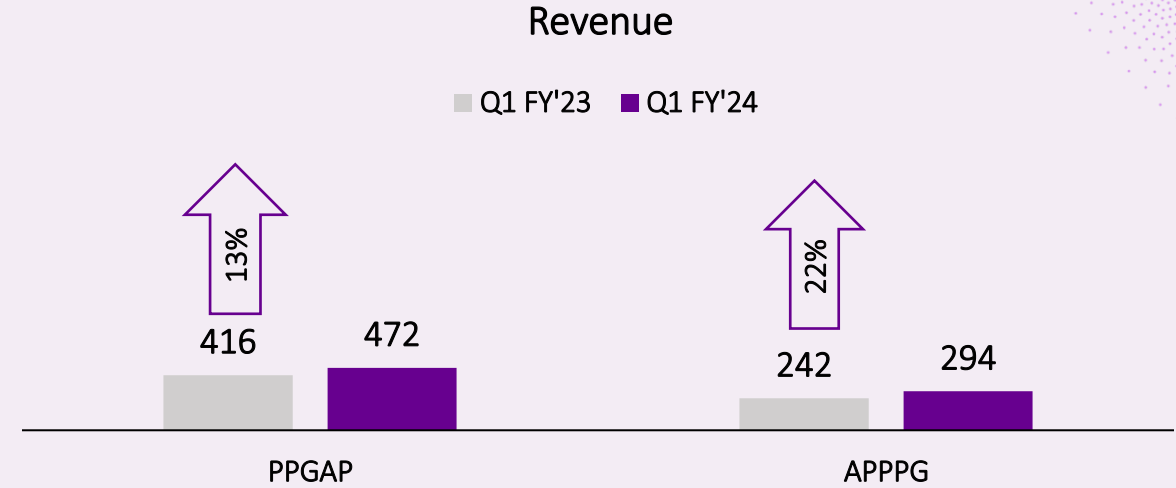
# Growing from Strength to Strength

## PPGAP

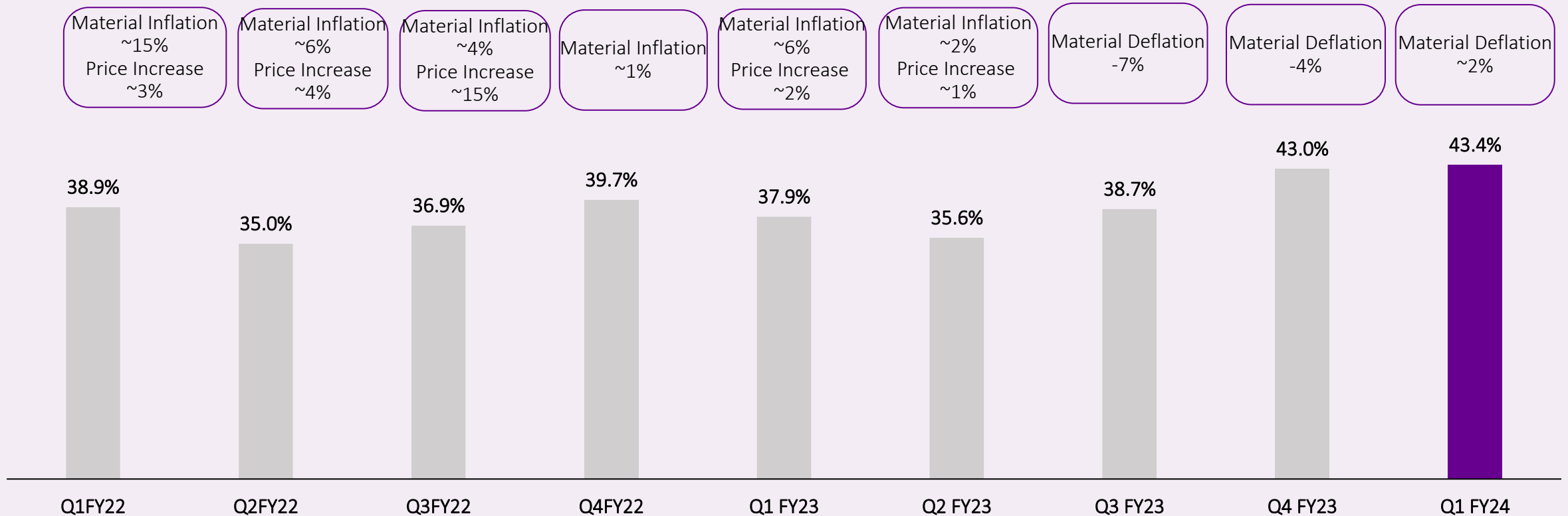
- ❑ Sustained double-digit revenue growth driven by Automotive OEM & Refinish segment
- ❑ Improved price realizations & softening raw material prices led to improvement in margins across all segments

## APPPG

- ❑ Robust double-digit revenue growth led by strong growth in Protective segment
- ❑ Improved sales mix coupled with softening raw material prices led to improved margins



# Sourcing & Formulation Efficiencies, Softening Raw Material Prices Driving Gross Margins to Nine Quarter High



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

# Summary Financials

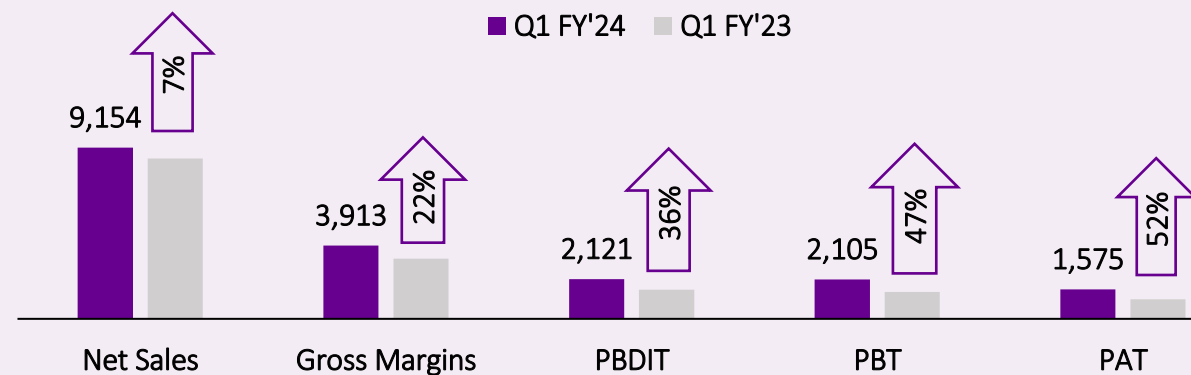
## Standalone Financials

- Net Sales growth of 7% led by double – digit volume growth
- 550 bps improvement in gross margin to 43.4% driven by sourcing & formulation efficiencies and softening raw material prices
- PBDIT margin improved to 24.7% vs. 19.4% in Q1 last year



## Consolidated Financials

- Net Sales growth of 7%
- Gross margin at 42.8%, 530bps improvement
- PBDIT margin improved to 23.2% vs. 18.1% in Q1 in last year



Note: PBDIT is before Other Income, includes one-time provision reversal of Rs. 39 crs due to change in leave policy impacting both standalone & consolidated financials

# Good Start to FY2024

Double-digit volume & healthy value growth in Deco Business (India) despite high base of previous year

Home Décor benefitted from high growth trajectory in fabrics, decorative lighting, , UPVC windows & doors; Focused on scaling up Kitchen & Bath

Industrial business continues double-digit revenue growth trajectory

International business – macro uncertainties, forex tightness impacting key markets in Asia

Operational, sourcing & formulation efficiencies supported by easing raw material prices resulted in improved margins



# Doing Business the Right Way - Deeply Intertwined with ESG

## Social

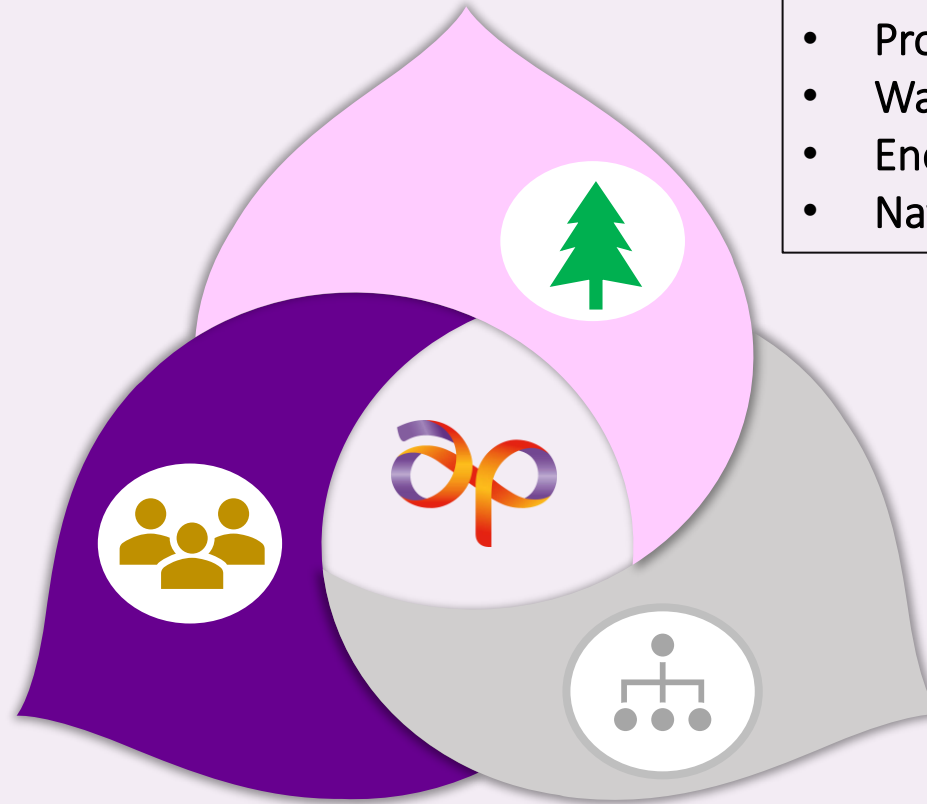
- Building Safety Culture
- Energising, Equitable & Inclusive Work Environment
- Community Owner, Customer Celebrations
- Water Stewardship

## Environment

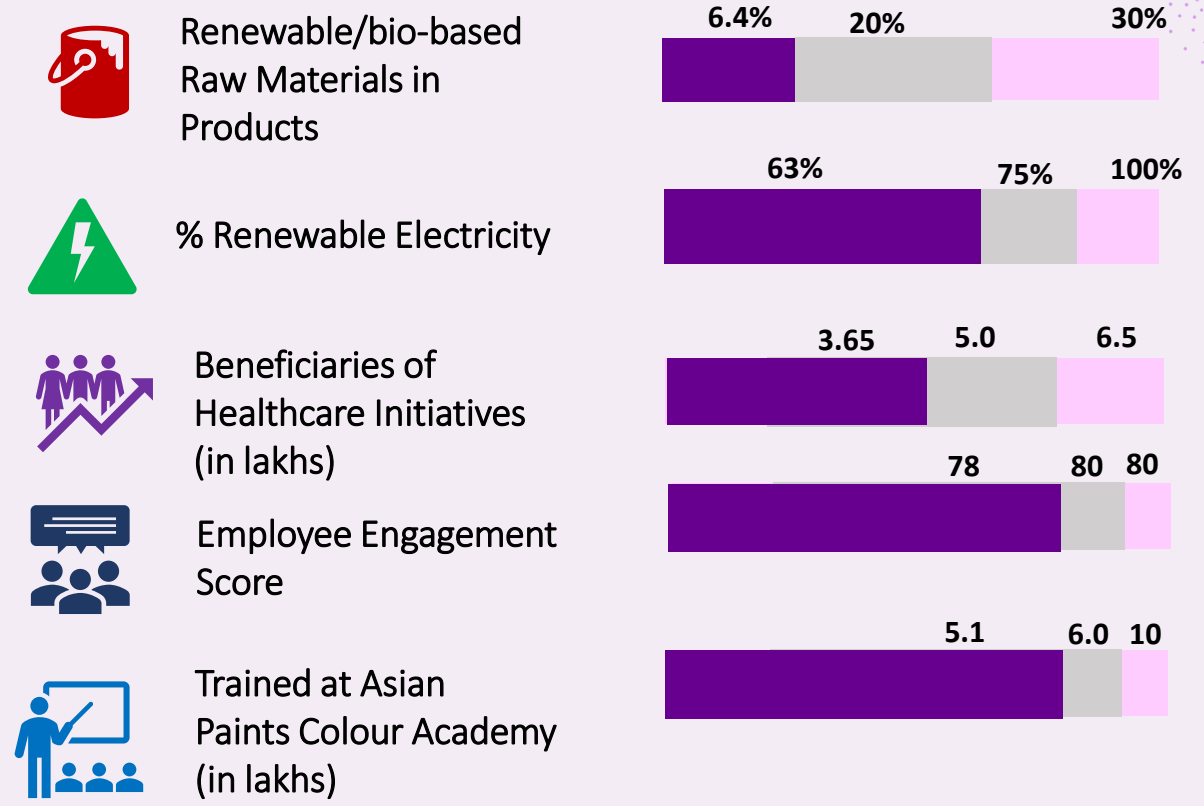
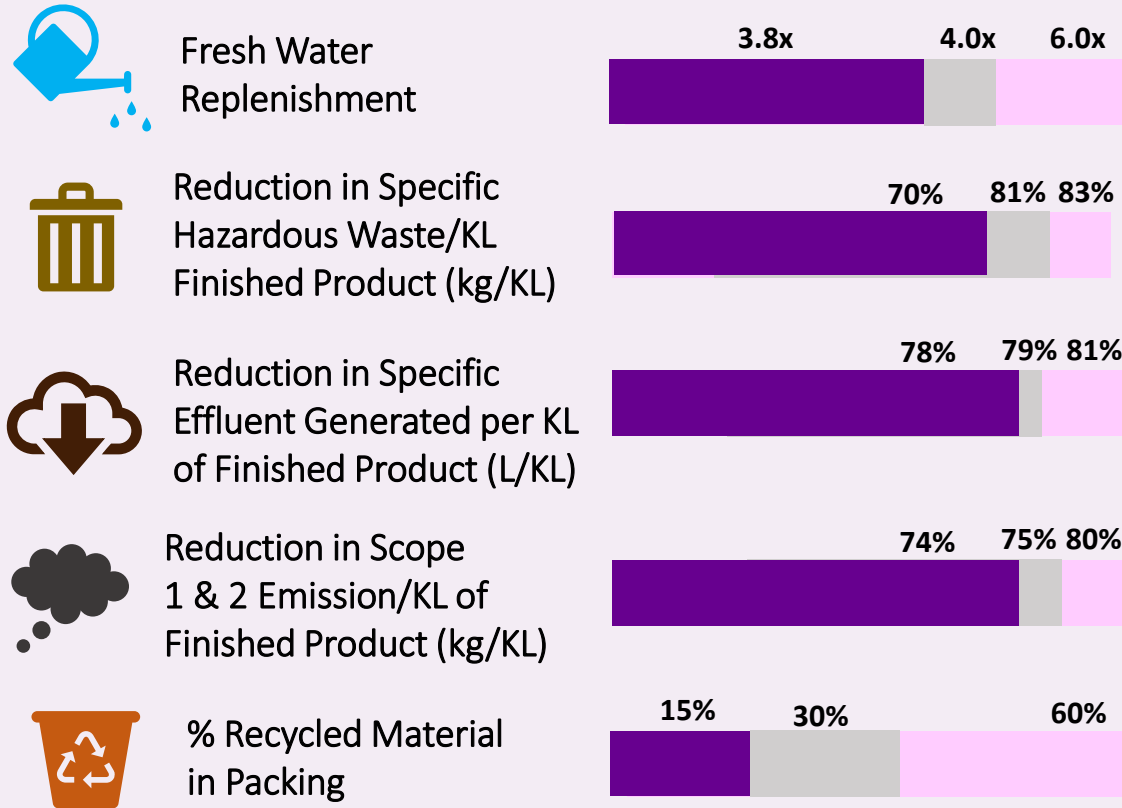
- Product Stewardship
- Water Neutrality
- Energy Conservation
- Nature Positive

## Governance

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



# Near & Medium Sustainability Targets & Progress



■ Performance in FY2023   
 ■ Target for FY2025   
 ■ Target for FY2030

For further data & information on the above, read our FY23 Integrated Annual Report at: [Asian Paints Annual Report](#)

# Outlook for FY2024

- ❑ Indian economy continues to be the only bright spot in world economy and key contributor to global growth. High correlation of domestic GDP growth with paint industry to ensure we grow well
  - Will continue to aggressively pursue growth
- ❑ Good progress of monsoon bodes well for rural demand in H2
- ❑ Near term comfort on moderating raw material prices
- ❑ Longer festive season augurs well for the peak season demand
- ❑ Focus on scaling up our Industrial Businesses and further energize Home Décor categories
- ❑ Continue to stay watchful on challenges in key geographies in International portfolio - Nepal, Bangladesh & Egypt



Thank You

