



6th May, 2024

1. Corporate Relationship Department
BSE Limited,
PhirozeJeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.
2. Manager – Listing
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
BandraKurla Complex, Bandra (E),
Mumbai - 400051.

Sub.: Q4 & FY 2023-24 Results Investors Meet – 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 29th April, 2024 with respect to the Investor Meet to be hosted by the Management of our Company on Tuesday, 7th May, 2024 from 5.00 p.m to 6.30 p.m at MCA Bandra Club, Bandra Kurla Complex, Mumbai to discuss Q4 & FY 2023-24 Results of the Company, we are enclosing herewith an Investor Presentation.

For **KANSAI NEROLAC PAINTS LIMITED**

G. T. GOVINDARAJAN
COMPANY SECRETARY

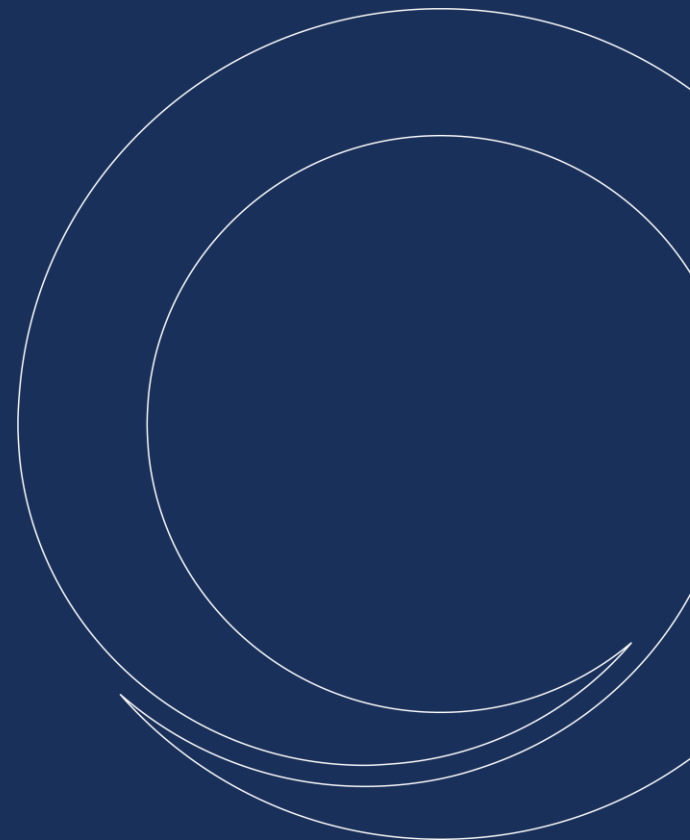
NEROLAC

Q4 & FY 2023-24 Investor Presentation

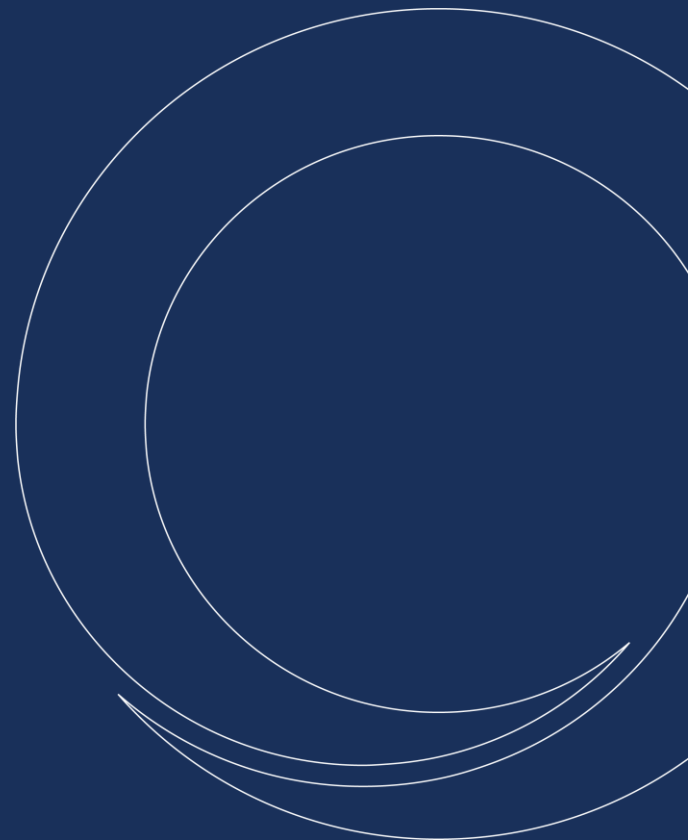
7th May 2024



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, pricing pressures and regulatory developments

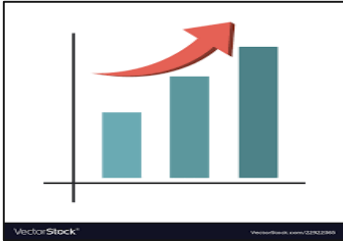
1**Business Environment****2****Nerolac Story****3****Financial Performance**

1. Business Environment

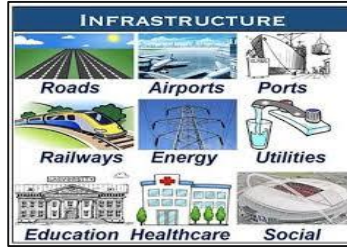


Recap of Business Environment FY 2023-24

Good Demand in Automotive



Infrastructure Growth



Slower Rural Demand



Geopolitical Challenges



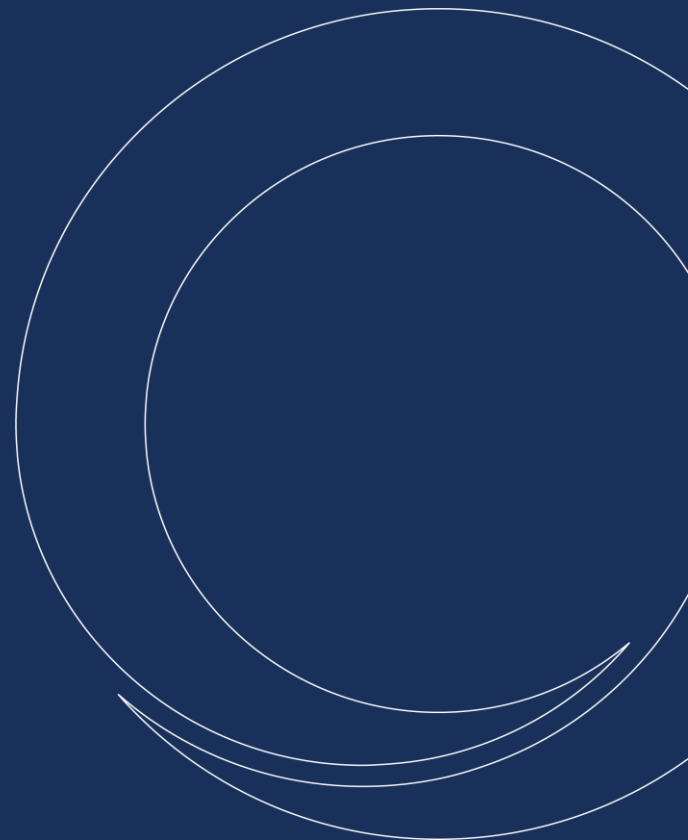
Crude Oil Price Fluctuation



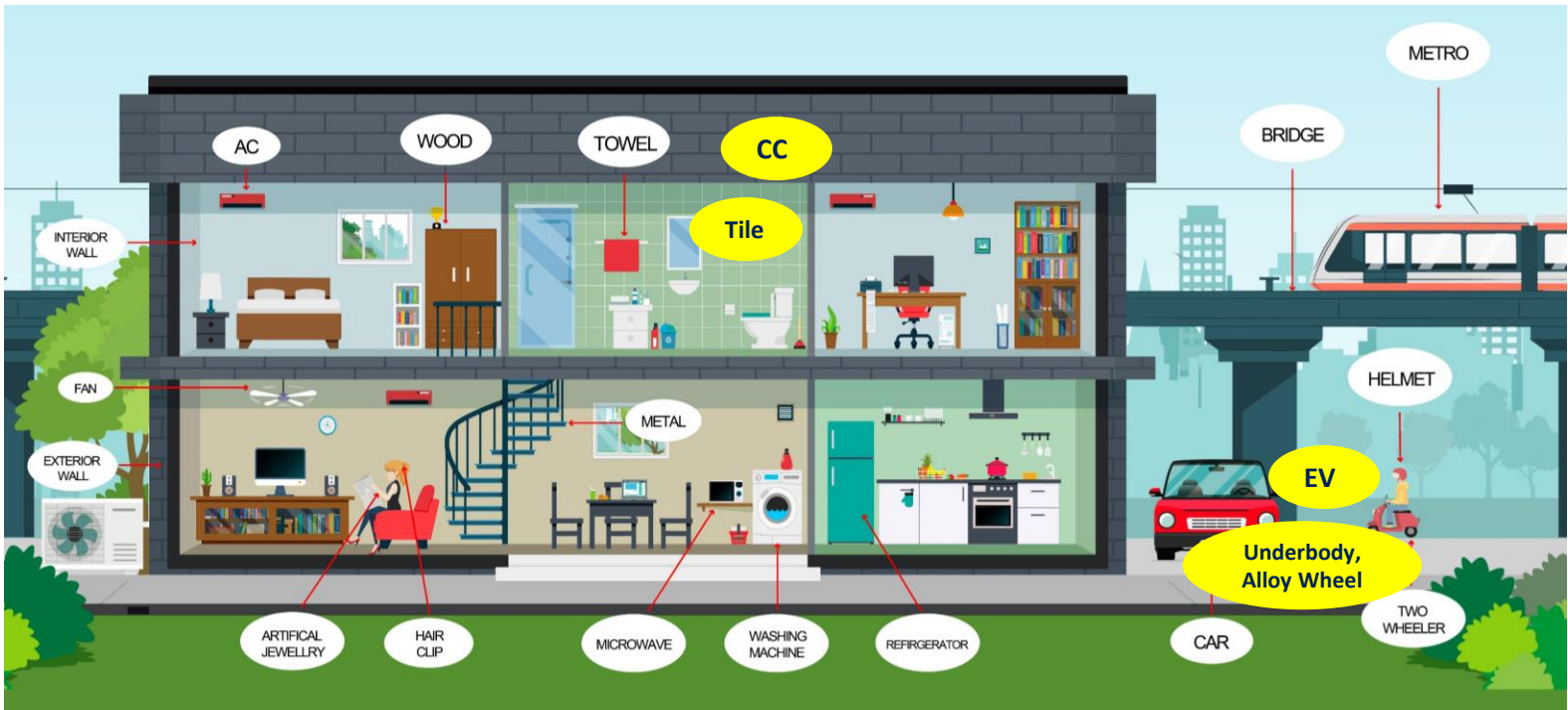
Rupee Depreciated



2. Nerolac Story



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:

2nd STRONGEST BRAND
THE NEROLAC JINGLE

INNOVATOR'S SPIRIT:

JAPANESE TECHNOLOGY

LEADERS IN INDUSTRIAL

PAINT+ PRODUCTS IN
DECORATIVE

EXPERTISE AND LEGACY:



Decorative Business



NEROLAC PAINT+

BRANDING & MEDIA SPEND

NEW PRODUCTS

PROJECTS BUSINESS (B2B)

PREMIUMISATION/FOCUS VALUE

NEW BUSINESS

INFLUENCER PROGRAM



**NEROLAC
PAINT+**

Paint+, New Products and Premiumisation

NEW PRODUCTS

- Launched **15+** New Products
- New Product Saliency ~ **10%**

PAINT+

- Launched **4** New Products in Paint+ Category
- Saliency increased by **150+** Basis Points

PREMIUMISATION

- Saliency increased by **150+** Basis Points



Impression
Kashmir Sheen

Impression
Kashmir Matt

Crystal Seal

Beauty Little
Master Sheen

Influencer Program

Engaged directly with influencers and consumers

PAINT AS A SERVICE

- Scaled to **250+** cities
- Capability developed to do **5000+** sites in a month

ARCHITECTS & INTERIOR DESIGNERS

- Expanded in more no of **selected cities**
- Connected with **5000 +** Architects

PAINTERS (PRAGATI)

- Increased share** of wallet witnessed for existing buyer
- Use of AI Platform** for personalized offerings

SECONDARY SALIENCY TO PRIMARY

- Concentrated Efforts being made to increase the **secondary salience** to primary

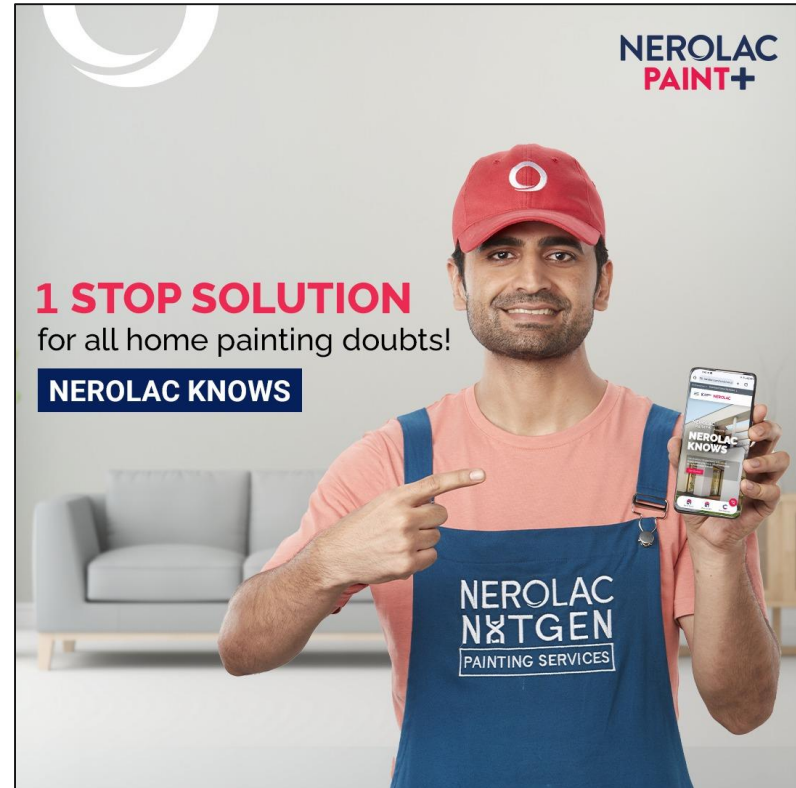
Dedicated investment done in infrastructure building and team



**NEROLAC
NXTGEN
PAINTING SERVICES**

With Nerolac NXTGEN get-

-  Trained and Certified Painters
-  Clean and dust-free process
-  Hassle-free painting experience
-  Advanced colour selection tools



**NEROLAC
PAINT+**

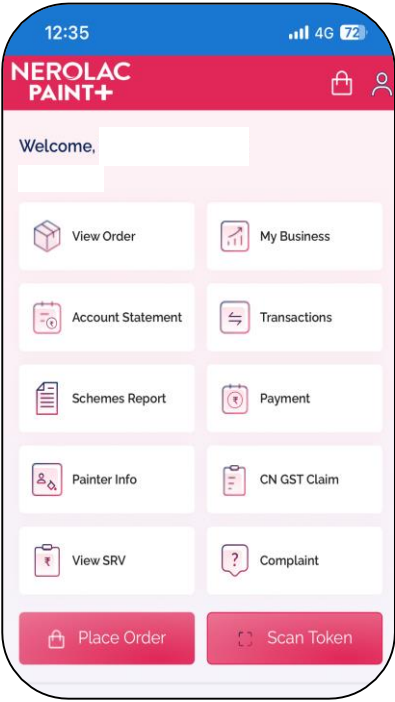
1 STOP SOLUTION
for all home painting doubts!

NEROLAC KNOWS

**NEROLAC
NXTGEN
PAINTING SERVICES**

Digital Platforms for Customers (Online)

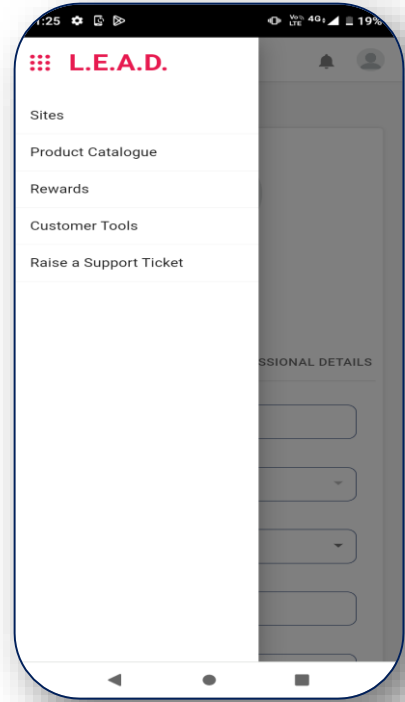
DEALER



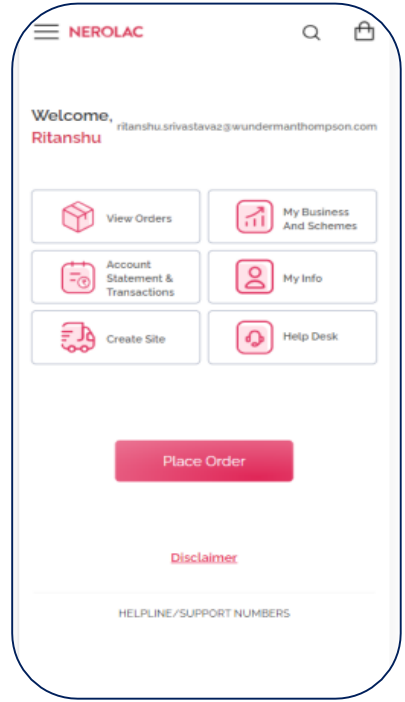
PAINTER



ARCHITECT & INTERIOR DESIGNERS



DIGITAL COMMERCE



Retail Platform for Customers (Offline)

NXTGEN SHOPPE

80+ Shoppe

**NIX
COLOR SENSOR**



NEROLAC PAINT+ CORNER

80+ Shop in Shop



- ❑ Saliency of New Business increased by 180+ Basis points
- ❑ Significant growth witnessed in New Business over LY
- ❑ Entry into new segments like Admixtures in CC and Membranes in Waterproofing
- ❑ Significant increase in registered influencers
- ❑ Launched 4 New Products in CC and 7 New Products in Wood Finish

CONSTRUCTION CHEMICALS

New Products



WOOD FINISH

New Products



- NEROLAC PERMA NEROTORCH BITUMEN PRIMER
- RTU ACRYLIC LACQUER MATT
- 1K MELAMINE MATT
- 1K MELAMINE GLOSSY
- MARBLE FILAMENTO TRANSPARENT
- LIQUID ALUMINIUM (1K)
- ICE EFFECT_ICRO
- PU SLOW THINNER

Projects Business (B2B)

GEOGRAPHICAL REACH

75+ Towns

ACTIVE CONTRACTORS

35%+



SUPER SERIES PRODUCT RANGE



**STRONG PIPELINES OF
POTENTIAL PROJECTS**

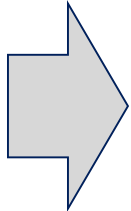
SALIENCE IN DECO

~100 basis points



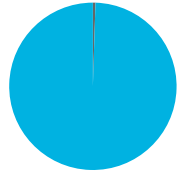
NEROLAC BRAND AWARENESS

BRANDING SPEND
(ALL MEDIA)

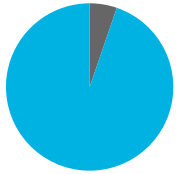


DIGITAL SPEND INCREASE

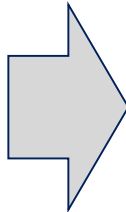
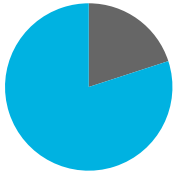
FY2021-22



FY2022-23



FY2023-24



WEBSITE TRAFFIC

2X

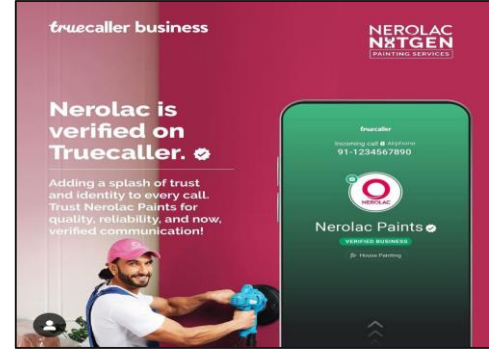


LEAD GENERATION

4X



SOCIAL MEDIA CAMPAIGNS



CO-ASSOCIATE SPONSOR AND PRESENCE IN ENTERTAINMENT CHANNEL



Prominent Projects in Decorative

Wankhede Stadium (Mumbai, MH)



Lucknow Airport (Lucknow, UP)



Atal Bihari Vajpayee Cricket Stadium (Lucknow, UP)



Ayodhya Dham (Ayodhya, UP)



Delhi Railway Station (DL)



Bharat Sevashram (Varanasi, UP)



Decorative Accolades



- Gold award from e4m Maddies
- Gold Award from Mobexx
- Silver award from MMA Smarties
- 41 Best Brand by Interbrand's Best Brands

Industrial Business





PASSENGER VEHICLE

- BUSINESS GROWTH**
 - 7% demand growth (SIAM) led by SUV
 - > 100% EV Demand growth
- NEW TECHNOLOGY**
 - Tin-free CED suitable for nano pretreatment
 - High solid 3C-1B under implementation for this segment
 - High-performance acid etch clear

2/3-WHEELER

- BUSINESS GROWTH**
 - 10% demand growth (SIAM) led by rural recovery in H2
 - > 40% EV Demand growth
- NEW TECHNOLOGY**
 - Universal conductive primer for plastic components
 - Low bake monocoat metallic for metal & plastic

COMMERCIAL VEHICLE

- BUSINESS GROWTH**
 - 3% ,weak demand(SIAM)
- NEW TECHNOLOGY**
 - Developed Low bake 2K PU 3C1B system

TRACTOR

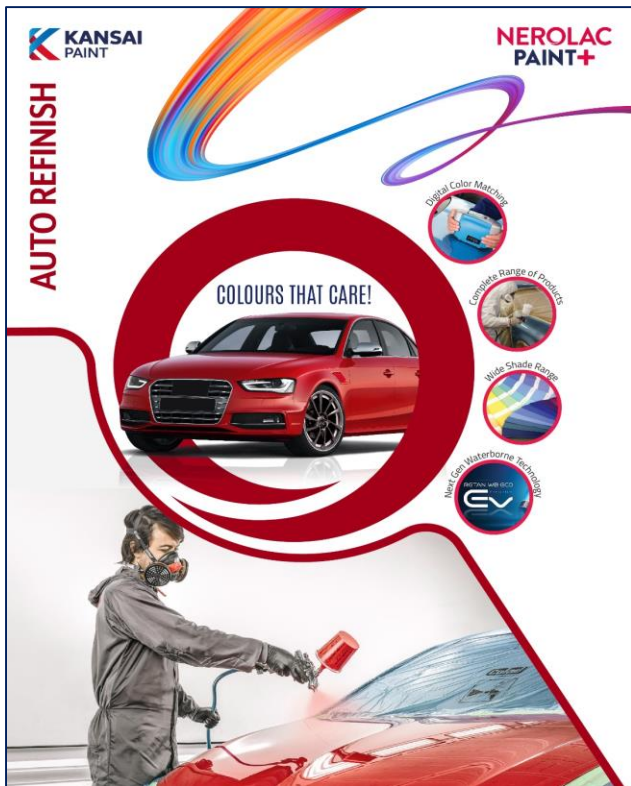
- BUSINESS GROWTH**
 - -12%, cyclic low demand (SIAM)

INNOVATE AND CREATE NEW TECHNOLOGIES TO INCREASE TOTAL ADDRESSABLE MARKET

✓ *Alloy Wheels*

✓ *Sealers & Underbody*

✓ *Zinc Flake Coatings*



- ❑ **BUSINESS GROWTH**
 - Continued the Good growth momentum
- ❑ **PREMIUMISATION**
 - Achieved close to **2X** Value growth in Premium PU segment
- ❑ **NEW TECHNOLOGY**
 - Introduced Next Generation waterborne paint system for Bodyshops.
- ❑ **DIGITIZATION**
 - Launched Bodyshop management software

Industrial Highlights-Performance Coating

LIQUID

BUSINESS GROWTH

- Channel sales continues to be thrust area with sales growing in very strong trajectory in past 2 – 3years

PREMIUMISATION

- Increased the saliency by ~70 basis points

PAINT+ INITIATIVE

- We introduced new global products for infrastructure sector in India

NEW TECHNOLOGY

- Approved technologies like Anti-Carbonation system for bridges
- IP Net (Inter Penetrating System) Coating system for Coastal Road project Phase II

POWDER

BUSINESS GROWTH

- Marginal growth in Q4 & at FY level

PREMIUMISATION

- Increased the saliency by 120+ basis points led by Construction Equipment and Alloy Wheels segments

- To take forward green initiatives we have further worked on reducing the baking temperature



Industrial Highlights-Technology

JAPAN, EUROPE & TURKEY PROVIDE TECHNOLOGICAL SUPPORT TO INDIA



Prominent Projects in Industrial

**MUMBAI COASTAL ROAD
(MUMBAI, MH)**



**TRANS HARBOUR LINK
(MUMBAI, MH)**



BULLET TRAIN



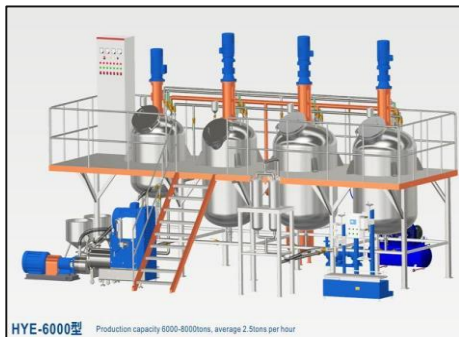
VANDE BHARAT TRAIN





- KNPL was awarded best vendor award from Honda Car India Ltd
- TVS presented an Appreciation Award for the swift response and support.
- Hosur Powder coating unit received “Appreciation Award” from customer “OJUS” for consistent supply and support.

CAPACITY



- Hosur capacity addition completed
- Vizag Phase 1 on track and to be commissioned in Q2 FY 24-25
- Jainpur water Base capacity expansion on track and will be commissioned by Q3 end FY 24-25

Capacity FY23-24 : 611 Mn Ltr/Y

BACKWARD INTEGRATION



- Augmented Resin and Emulsion Capacity at Jainpur

DIGITALISATION



- Bawal:**
 - Implemented IOT based Realtime monitoring system in Powder Coating
- Hosur:**
 - Implemented digitalisation solution in powder coating

Supply Chain & Services

PROCUREMENT & SUPPLY CHAIN

Procurement

- Reduced material cost significantly
- Implemented Ariba for indirect procurement

Supply Chain

- Improved Availability
- Faster replenishment time
- Started on digital transformation Journey

DISTRIBUTION NETWORK

Decorative

- Added 9 more Depots in FY 23-24 to strengthen distribution network. Total 112 Depots



PEOPLE FIRST



NURTURING TALENT



INNOVATION, COLLABORATION AND EMPOWERMENT



Innovation Platform



Campus Collaboration

ESG ASSESSMENTS BY GLOBAL INDICES


KNPL has been awarded a **Bronze medal** and the **top 35%** percent of companies

S&P Dow Jones Indices

A Division of **S&P Global**

Rated in the **top 10%** globally within the Chemical Industry Group in the Corporate Sustainability Assessment 2023



FTSE4Good

Ranked in the **Top Quartile** of FTSE4Good Emerging Index December 2023 Review

CRISIL

An **S&P Global** Company

2022 Yearbook

- Rated **#1** in the Paint Sector
- Featured in Leadership Category
- Amongst the top 14 out of 575+ companies

1ST INDIAN PAINT COMPANY


SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Approved SBTi Near Term Reduction Targets for GHG Scope 1,2 & 3 Emissions

DECARBONIZATION
13 %


Reduction in Scope 1+Scope2 emissions since FY2018-2019

49 %


Total energy consumption by renewable energy

38 %


Renewable electricity consumption from manufacturing facilities

RESOURCE USE
Water Positive


KNPL became water positive in FY 23-24

26 %


Reduction in specific water Consumption since FY 2018-19

6.6 %


Reduction in Specific Hazardous Waste Generation since FY 2018-19

QUALITY OF LIFE
46,000+


Lives touched through CSR initiatives

Zero


Lost time injury frequency rate

DIVERSITY
4.5 %


Gender diversity achieved in permanent employee excluding workers.

Inclusivity


Recruited 1 candidate in Permanent workforce

Note - The values can undergo changes post external assurance

AUDITS AND REVIEWS

- GSQ (Global Safety Quality)** Audits were conducted by KPJ at Hosur, Sayakha and Bawal Plants. All plants achieved score of 96%.



ENVIRONMENT

- LCA (Life Cycle Assessment)** of selected products was evaluated for Environment product Declaration



OCCUPATIONAL, HEALTH & SAFETY

- Safety Culture Survey 2023 :KNPL plants, and R&D scored 92.5%
- 100% BBS (Behaviour Based safety)** Observations of process areas at major KNPL plants.
- Zero LTI (Loss time Injury) cases at KNPL plants in FY 23-24.



WASTE MANAGEMENT

- 84 MT of Distillation sludge and 135 MT of Water Base Sludge converted to Low grade paint.
- 100% EPR target** achieved under Plastic Waste Management Rules for FY 23-24.



	Bawal	Hosur	Jainpur	Lote	Sayakha	Goindwal Sahib	Perma, Sarigam	Marpol, Goa	Nerofix - Rudrapur	Nerofix - Dadra	Sri Lanka	Nepal	Bangladesh
IATF 16949: 2016	✓	✓	✓	✓	✓	NA	NA	NA	NA	NA	NA	NA	✗
ISO 9001:2015	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ISO 14001:2015	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✗	✗	✓
ISO 45001: 2018	✓	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗	✓

Program Head	Skill Enhancement	Ensuring Env. Sustainability	Community Development	Prev. Health care & Sanitation	Promoting Education
Spend in %	Partnership Goal (60%)	Economic & Env. Goals (25%)		Social Goals (15%)	

SKILL ENHANCEMENT

ENSURING ENVIRONMENT SUSTAINABILITY

PROMOTING EDUCATION



Classroom Training



Pragati express – Mobile training



Pond Rejuvenation



Tree Plantation



Educational Kit

COMMUNITY DEVELOPMENT

PREVENTIVE HEALTH CARE & SANITATION



Stitching course for Rural Women



Tribal Art-Painting Activity



Health Check-up Camp



Drinking Water Filter

3. Financial Performance



Rs. In Millions	Q4	% to	Q4	% to	YTD	% to	YTD	% to
	2022-23	NR	2023-24	NR	2022-23	NR	2023-24	NR
Net Revenue (NR)	16,051		16,617		70,810		73,933	
Material Cost	10,985	68.4	10,842	65.2	49,553	70.0	47,697	64.5
Operating Exp.	3,541	22.1	3,983	24.0	13,318	18.8	16,007	21.7
PBDIT	1,525	9.5	1,791	10.8	7,939	11.2	10,229	13.8
PBT before Exceptional Item	1,223	7.6	1,623	9.7	6,504	9.2	9,236	12.5
Exceptional Item	-	-	(190)	-1.1	-	-	6,422	8.7
PBT after Exceptional Item	1,223	7.6	1,433	8.6	6,504	9.2	15,658	21.2
PAT	940	5.9	1,015	6.1	4,864	6.9	11,829	16.0

Growth (Q4 23-24) - Net Revenue : 3.5%	PBDIT: 17.4%	PBT (Before Excp.): 32.7%	PAT : 8.0%
Growth (FY 23-24) - Net Revenue : 4.4%	PBDIT: 28.8%	PBT (Before Excp.): 42.0%	PAT : 143.2%

Rs. In Millions	Q4	% to	Q4	% to	YTD	% to	YTD	% to
	2022-23	NR	2023-24	NR	2022-23	NR	2023-24	NR
Net Revenue (NR)	17,336		17,694		75,427		78,014	
Material Cost	11,806	68.1	11,615	65.6	52,643	69.8	50,441	64.7
Operating Exp.	3,849	22.2	4,289	24.2	14,605	19.4	17,296	22.2
PBDIT	1,681	9.7	1,790	10.1	8,179	10.8	10,278	13.2
PBT before Exceptional Item	1,252	7.2	1,566	8.9	6,349	8.4	9,000	11.5
Exceptional Item	-	-	-	-	-	-	6,612	8.5
PBT after Exceptional Item	1,252	7.2	1,566	8.9	6,349	8.4	15,612	20.0
PAT	962	5.6	1,143	6.5	4,685	6.2	11,759	15.1

Growth (Q4 23-24) - Net Revenue : 2.1% PBDIT: 6.5% PBT (Before Excp.): 25.1% PAT : 18.8%
 Growth (FY 23-24) - Net Revenue : 3.4% PBDIT: 25.6% PBT (Before Excp.): 41.8% PAT : 151.0%

Financial Year	2021-22	2022-23	2023-24
Dividend %	225	270	375*
Dividend per share Rs (Face Value Re 1 each)	2.25	2.70	3.75

*Including special dividend 125%

Rs Million	2021-22	2022-23	2023-24
Projects	1,415	280	696
Normal	875	1,116	1,676
Total Capex	2,290	1,396	2,372

Nepal

- Net Sales de-grew
- The paint market experienced a steep decline during 2023-24
- Ongoing economic challenges continued

Bangladesh

- Net Sales de-grew
- Restriction on non-essential imports continued.

Sri Lanka

- Net Sales grew by >10 %
- Bank interest rates dropped, and exchange rate improved.

A man wearing a red baseball cap and a light pink polo shirt with blue suspenders is shown in profile, painting a dark blue wall. He is holding a red-handled roller with a blue roller cover. The background is a solid dark blue color.

THANK YOU