



STOCK. EXG/ AG/ 2024-25

5th November, 2024

The Corporate Relationship
Department
BSE Limited,
1st Floor,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001

The Listing Department
National Stock Exchange of
India Limited
Exchange Plaza, 5th Floor,
Plot No.-C/1, 'G' Block,
Bandra- Kurla Complex,
Bandra (E)
Mumbai – 400051

Listing Department
The Calcutta Stock
Exchange Ltd.
7 Lyons Range,
Kolkata-700001

Scrip Code : 509480

Scrip Code: BERGEPAIN

Scrip Code : 12529

Dear Sirs,

Sub : Investor Presentation on Financial Results

With reference to our letter no. STOCK. EXG/ AG/ 2024-25 dated 5th November, 2024 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed a copy of the investor presentation on financial results of the Company for quarter and half year ended on 30th September, 2024 to be made during the day.

The aforesaid presentation will also be uploaded on the website of the Company i.e <https://www.bergerpaints.com/investors/download> .

Yours faithfully,
For BERGER PAINTS INDIA LIMITED

ARUNITO GANGULY
VICE PRESIDENT &
COMPANY SECRETARY

Encl.: a/a



100 YEARS OF TRUST

**Berger Paints India Limited
Earnings Update Call, Q2 FY25
November 5, 2024**





100 YEARS OF
TRUST
Q2 FY25
Performance



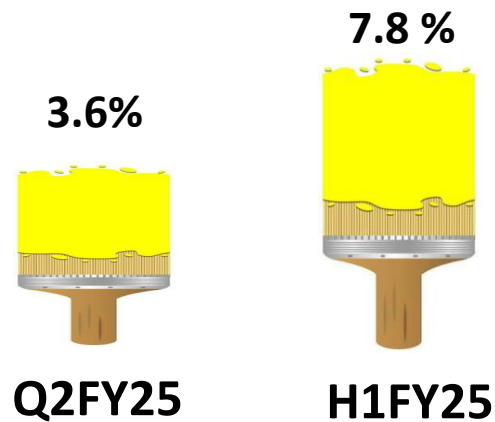
Q2FY25 : Snapshot

- **Top line remained almost flat on YoY basis, impacted by extended monsoon and flooding in some key markets. However, some traction was seen at the fag end of the quarter**
- **We believe we have continued to gain market share in Q2**
- **Product price increase of about 2.3% undertaken in the quarter**
- **Highest Gross Margin of 40.4% in last 10 quarters.**
- **Operating margin remained within the guided range of 15% to 17%**
- **Company continued to maintain its Net Cash Positive position at the end of the quarter**

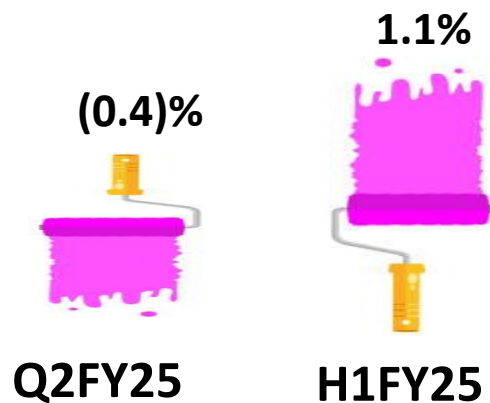
Standalone : Q2 FY25 Topline Performance

Growth %

Volume



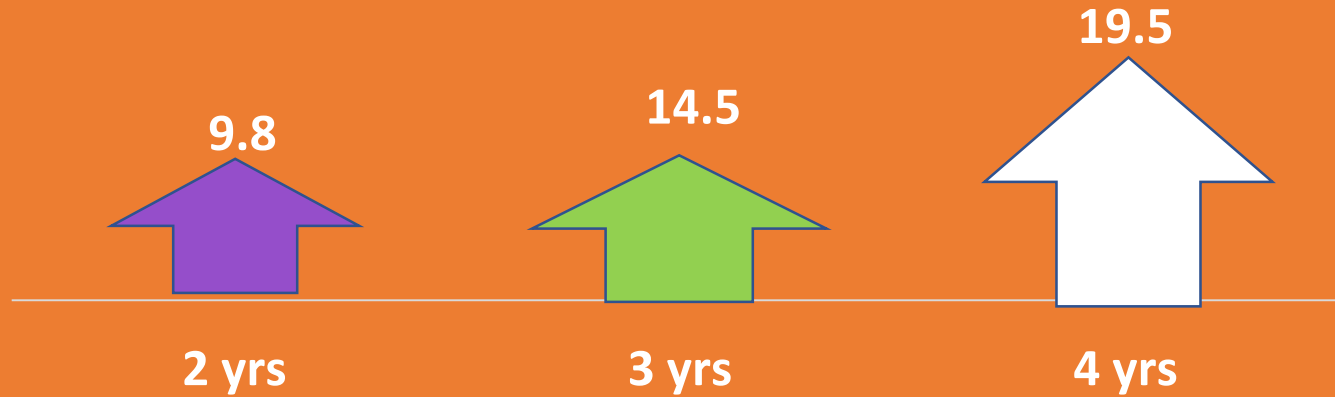
Value



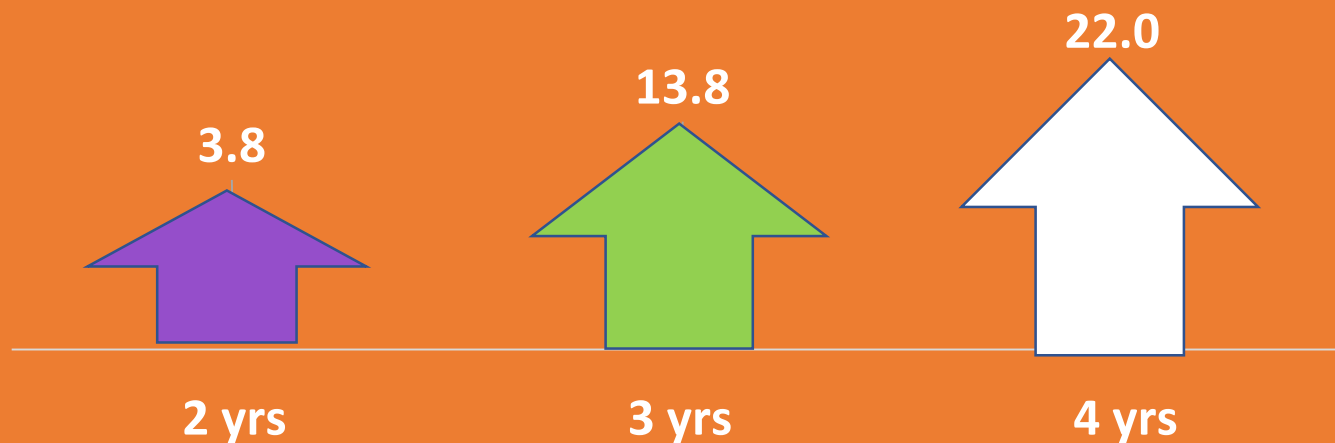
- The company recorded single digit volume growth impacted by
 - Unusually extended monsoon and flooding in many of our key markets like Andhra, Kerala, West Bengal, Gujrat & Maharashtra
 - Sales picked up towards the last part of September
- Volume value gap was partly mitigated through
 - product price increase undertaken in the quarter
 - improvement in product mix (Premium and Luxury products did well)
- Protective & Infrastructure business recorded good growth in the quarter.

Standalone : Sustained growth trend

H1FY25 : Volume Sales CAGR%



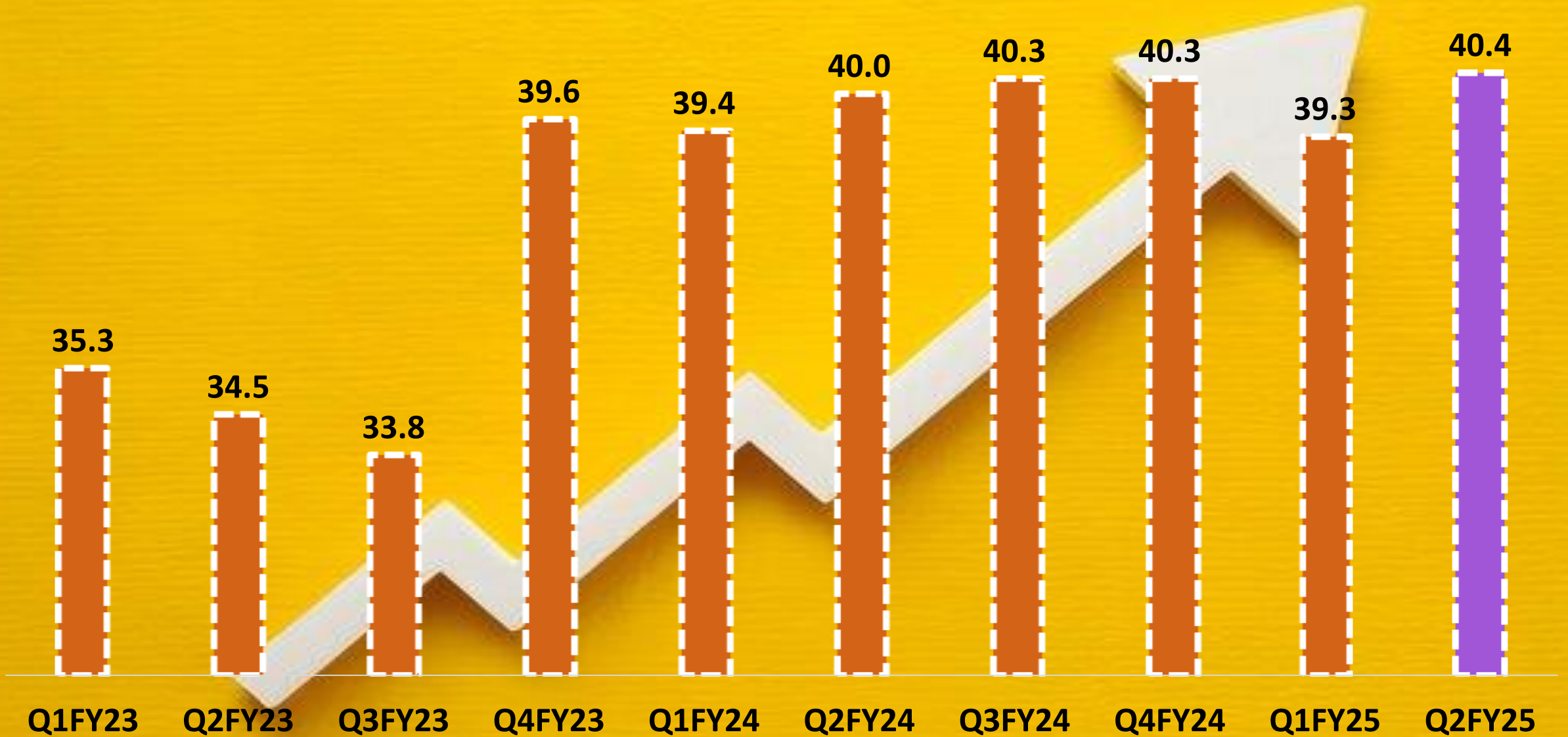
H1FY25 : Value Sales CAGR%



Maintained strong compounded growth consistently over the past 3/4 years

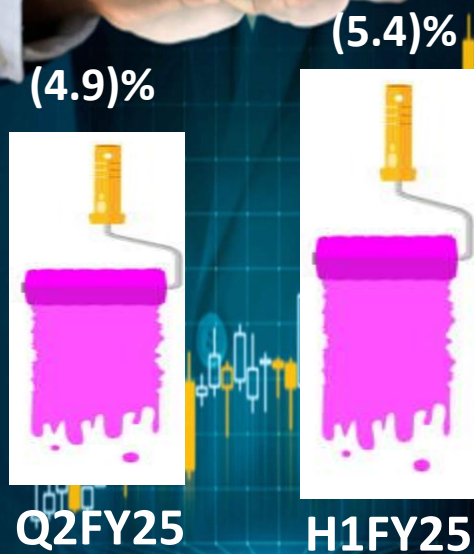
Gross Margin

Highest Gross Margin in last 10 quarters



Standalone Q2 FY25 : Operating Profit

Growth %



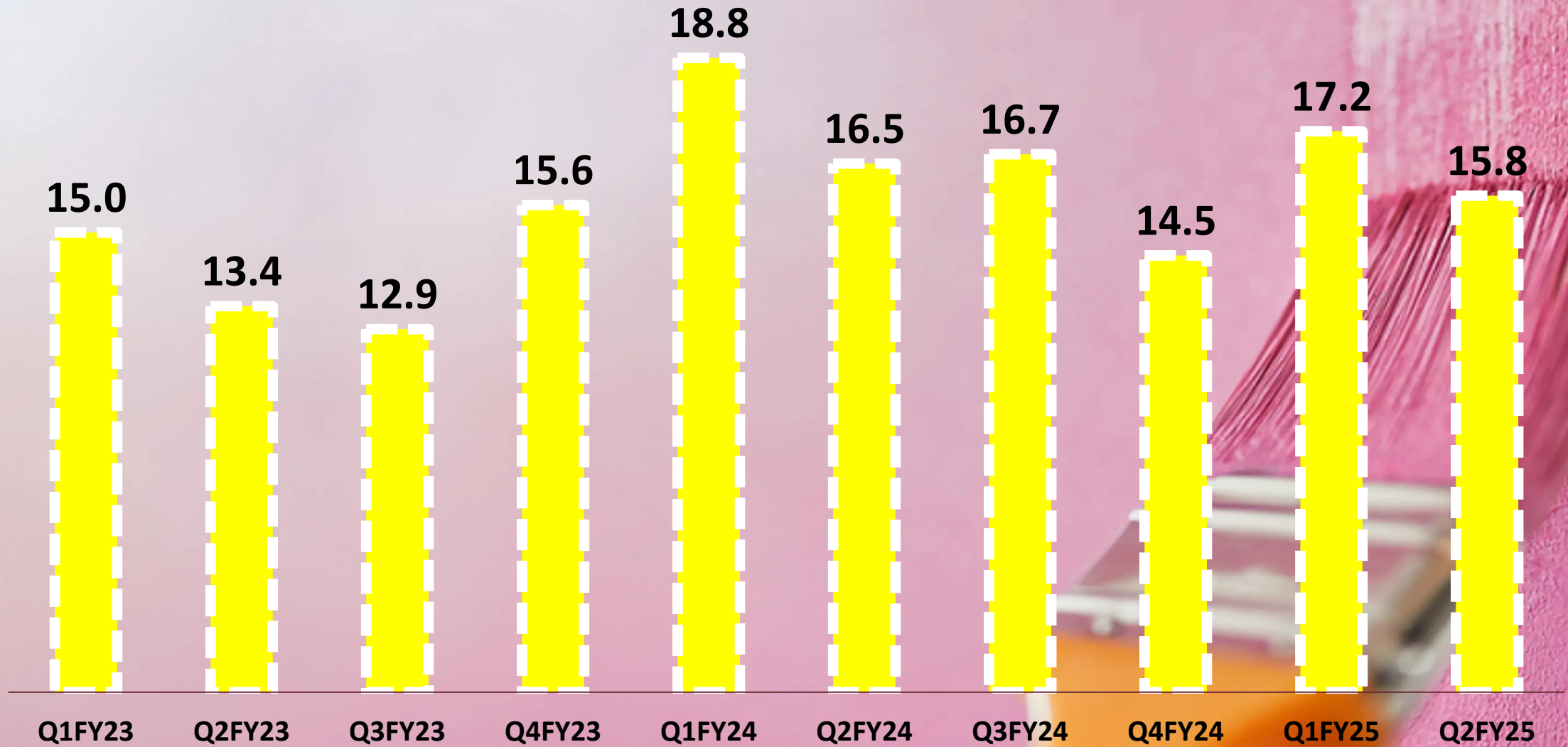
Gross Margin expanded YOY in spite of the price decrease impact on the back of

- Improvement in product mix in the quarter
 - Double digit volume growth in Premium & Luxury products
 - Flat / degrowth in mass products like Putty, Distemper, Primer and Enamel
- Sustained improvement in margin of industrial business (other than Automotive) on account of RM price drop

Operating margin was lower on account of:

- Higher manpower addition for urban initiatives and Construction Chemical & Waterproofing business
- Conscious call to maintain higher advertisement spends
- Operating margin however remained in the band of 15% to 17% as guided earlier

Standalone : Operating Margin % Movement





Financial Results – Standalone Q2 FY25

₹ Crores

	Q2 FY25	%	Q2 FY24	%	Growth %
Total income from operations	2,430.70		2,439.83		-0.4
Material Cost	1,448.48	59.6	1,462.83	60.0	
Employee Cost	165.83	6.8	145.30	6.0	
Other expenses	432.95	17.8	428.58	17.6	
PBDIT (Excluding Other Income)	383.44	15.8	403.12	16.5	-4.9
Depreciation	79.83	3.3	74.74	3.1	
Profit from operation before interest	303.61	12.5	328.38	13.5	-7.5
Other Income	16.90	0.7	15.87	0.7	
PBIT	320.51	13.2	344.25	14.1	-6.9
Finance Cost	12.81	0.5	17.19	0.7	
PBT	307.70	12.7	327.06	13.4	-5.9
Taxes	78.72	3.2	83.17	3.4	
PAT	228.98	9.4	243.89	10.0	-6.1
Other comprehensive income, net of income tax	-1.47	-0.1	-0.24	-0.0	
Total comprehensive income for the period	227.51	9.4	243.65	10.0	



Financial Results – Standalone H1 FY25

₹ Crores

	H1 FY25	%	H1 FY24	%	Growth %
Total income from operations	5,237.01		5,179.59		1.1
Material Cost	3,153.37	60.2	3,124.10	60.3	
Employee Cost	311.34	5.9	271.54	5.2	
Other expenses	905.16	17.3	867.00	16.7	
PBDIT (Excluding Other Income)	867.14	16.6	916.95	17.7	-5.4
Depreciation	158.13	3.0	144.59	2.8	
Profit from operation before interest	709.01	13.5	772.36	14.9	-8.2
Other Income	33.72	0.6	27.60	0.5	
PBIT	742.73	14.2	799.96	15.4	-7.2
Finance Cost	24.39	0.5	33.90	0.7	
PBT	718.34	13.7	766.06	14.8	-6.2
Taxes	183.84	3.5	195.85	3.8	
PAT	534.50	10.2	570.21	11.0	-6.3
Other comprehensive income, net of income tax	-0.89	-0.0	-0.43	-0.0	
Total comprehensive income for the period	533.61		569.78		



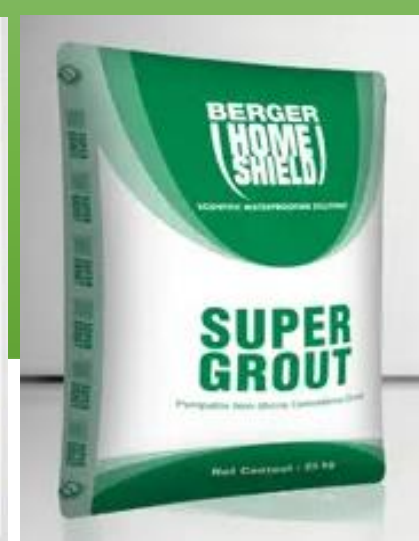
Decorative Business : Q2FY25

- Decorative business recorded single digit volume growth effected by the weather conditions
- Premium segment did well in the quarter
- CC, Waterproofing & Wood coatings products had a robust performance
- Mass consumption products had flat / negative growth
- Aggressive Network expansion continued
 - Added 2200+ retail touchpoints
 - Installed 2000+ Colorbank machines



Differentiated products had double digit growth





Expanding range of Construction Chemical products



Media Coverage

Since 1760
Berger
Paint your imagination

**DUSTT GONE
KOOLING ON**

Dust Guard + **HEAT REFLECTIVE NANO TECH**

**WEATHERCOAT
ANTI DUSTT Kool**
DUSTPROOF & WEATHERPROOF EXTERIOR EMULSION

XP ADVANCED
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WEATHERCOAT
ANTI DUSTT Kool
DUSTPROOF & WEATHERPROOF EXTERIOR EMULSION

**NO
JHANJHAT,
DAMPSTOP
FATAFAT**

**3 YEAR
Waterproofing
WARRANTY**

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**DAMPSTOP
Advanced**

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**WEATHERCOAT
LONG LIFE FLEXO**

Protect your loved ones,
glamorously.

Berger
**SILK
BreatheEasy**
LUXURY INTERIOR EMULSION

#SilkKaEhsaasChainKiSaans

Approved by **Indian Medical Association** | Protects surface from **Covid Virus** | Reduces **Pollution** | Reduces **Formaldehyde**

*The Indian Medical Association has satisfied itself on the Anti-Bacterial Action of Silk Breathe Easy which results in killing of 99% bacteria on the surface under standard test conditions. 99% efficiency within 30 minutes of treatment as per study done by Rajiv Gandhi Centre for Biotechnology (Government of India Certified Laboratory)

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Your Imagination **Our Expertise**

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- Waterproofing
- Dust Free Experience
- Trained Painters
- Expert Supervision

A TIMELESS DAZZLE

Presenting **Silk Glamor Dazzle**. Long lasting and **Super-Sheen** luxury emulsion.

Berger
**SILK
GLAMOR
DAZZLE**
SUPER SHEEN

Glamor that lasts

SUPER SVEEN | **WASHABLE** | **SUPER SMOOTH**

XP ADVANCED
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**BISON
GLOW**
ACRYLIC INTERIOR EMULSION

**XTRA SHINE
COVERS**

**Deewaron par glow,
badhaye ghar ka show**

Interior Emulsion with Soft Sheen

Berger

ADD
Luxury and Elegance
TO YOUR HOME

**LUXOL
PU ENAMEL**

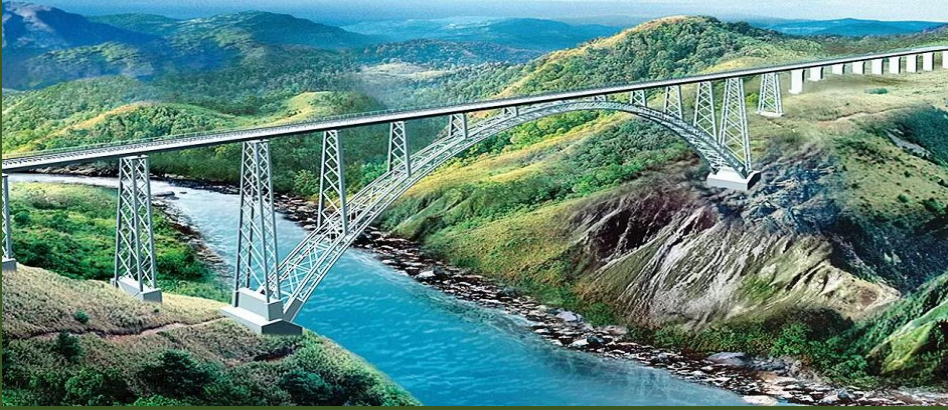
Berger
**LUXOL
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Urban Initiative

- **Additional Manpower recruited and new team is in place to increase focus in the urban markets**
- **Various strategic changes – Owned store/Franchise store/Project work, have been initiated to improve brand visibility and penetration**
- **Results can be seen in the upcoming quarters**

Industrial Business : Q2FY25



Protective Coating business continued its good performance with a double digit volume growth and mid single digit value growth for the quarter

Automotive, General Industrial & Powder Coatings business line had a flat growth on the back of suppressed demand from Two wheeler/commercial vehicle segments & Home appliance industry



Net cash position moderated on account of dividend payment in the quarter

Net Cash



Financial Results- Consolidated Q2FY25

₹ Crores

	Q2FY25	%	Q2FY24	%	Growth %
Total income from operations	2,774.61		2,767.30		0.3
Material Cost	1,617.54	58.3	1,629.41	58.9	
Employee Cost	221.13	8.0	190.24	6.9	
Other expenses	501.76	18.1	474.00	17.1	
PBDIT (Excluding Other Income)	434.18	15.6	473.65	17.1	-8.3
Depreciation	88.98	3.2	82.87	3.0	
Profit from operation before interest	345.20	12.4	390.78	14.1	-11.7
Other Income	21.10	0.8	15.28	0.6	
PBIT	366.30	13.2	406.06	14.7	-9.8
Finance Cost	17.01	0.6	21.08	0.8	
PBT before share of joint ventures	349.29	12.6	384.98	13.9	-9.3
Share of Profit / (loss) of associates and joint ventures	8.86	0.3	3.83	0.1	
PBT	358.15	12.9	388.81	14.1	-7.9
Taxes	88.25	3.2	96.68	3.5	
PAT	269.90	9.7	292.13	10.6	-7.6
Other comprehensive income, net of income tax	-3.91	-0.1	14.45	0.5	
Total comprehensive income for the period	265.99	9.6	306.58	11.1	

Financial Results- Consolidated H1FY25

₹ Crores

	H1FY25	%	H1FY24	%	Growth %
Total income from operations	5,865.62		5,796.81		1.2
Material Cost	3,475.99	59.3	3,452.50	59.6	
Employee Cost	413.35	7.1	357.14	6.2	
Other expenses	1,019.69	17.4	956.77	16.5	
PBDIT (Excluding Other Income)	956.59	16.3	1,030.40	17.8	-7.2
Depreciation	176.19	3.0	161.08	2.8	
Profit from operation before interest	780.40	13.3	869.32	15.0	-10.2
Other Income	57.43	1.0	28.86	0.5	
PBIT	837.83	14.3	898.18	15.5	-6.7
Finance Cost	32.18	0.6	40.79	0.7	
PBT before share of joint ventures	805.65	13.7	857.39	14.8	-6.0
Share of Profit / (loss) of associates and joint ventures	18.48	0.3	7.60	0.1	
PBT	824.13	14.0	864.99	14.9	-4.7
Taxes	200.20	3.4	217.95	3.8	
PAT	623.93	10.6	647.04	11.2	-3.6
Other comprehensive income, net of income tax	-6.11	-0.1	10.12	0.1	
Total comprehensive income for the period	617.82	10.5	657.16	11.3	

Performance - Consolidated: Q2FY25



- Company's overseas subsidiary, Bolix S.A, Poland had a robust topline growth in the quarter. However, profitability suffered on account of certain one off costs on project business.
- Company's overseas subsidiary, BJN Nepal had another quarter of degrowth both on topline and profitability as the credit crunch in the economy continued, however the cash flow has improved significantly towards the end of the quarter. We expect better performance in Q3.
- Company's subsidiary, STP Ltd had a quarter of soft topline growth. However, profitability suffered on account of higher raw material cost and some one-time items in employee cost.
- SBL Specialty Coatings Ltd also had a marginal degrowth in topline due to deterioration in the mix. Expecting better growth in upcoming quarters
- The joint venture Berger Becker Coatings had a healthy growth both on topline and profitability.
- Company's Joint venture Berger Nippon Paint Automotive Coatings Pvt. Ltd. had a muted topline growth and profitability showed significant improvement aided by gross margin expansion and cost restructuring.

Business Outlook



- **Decorative business likely to show better growth in H2 on the back of**
 - **Uptick in demand sentiment and channel inventory reduction as presently seen**
 - **Volume - value gap expected to decline in Q3 through price increases implemented in Q2 coupled with the waning of price decrease impact taken in November'23. Further improvements seen in Q4 once the impact of price decrease taken in Jan24 is negated.**
 - **Moderation of inflationary trend post normal monsoon likely to shore up rural demand. Urban Initiative program to shore up volume growth in the urban areas in Q3 and Q4**
- **Industrial business seen better on the back of increased government spending on infrastructure post state elections. Automotive business, specially two wheeler is also looking up.**
- **Both Nepal and Bolix are likely to deliver strong double digit sales and profit growth.**
- **Some impact of raw material price decrease will show in Q3 on account of the inventory effect improving profitability marginally.**
- **Overall business prospects look encouraging.**
- **Geopolitics may pose some risk.**



Thank You

Disclaimer



This presentation has been prepared by Berger Paints India Limited for information purposes only.

The forward looking statements, if any, involve risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the statements.