



**Asian Paints Limited**  
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APL/SEC/19/2020-21/42

22<sup>nd</sup> October, 2020

BSE Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers,  
25<sup>th</sup> Floor, Dalal Street,  
Fort, Mumbai – 400 001  
Scrip Code: 500820

The 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(s),

Sub: **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 made to Investors on Audited Standalone and Unaudited Consolidated Financial Results of the Company for the quarter and half year ended 30<sup>th</sup> September, 2020.

This is for your information and record.

Thanking you,

Yours truly,

For **ASIAN PAINTS LIMITED**

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

Encl.: As above



ASIAN PAINTS  
INVESTOR  
CONFERENCE

Q2 & H1 - FY2021 Results



# 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 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 and commodity price fluctuations, competitive product and pricing pressures and regulatory developments.

# Asian Paints Group

USD 2.8 Billion  
Group revenue

3rd Largest  
Paint  
Co. in Asia

3  
Times nearest  
Competitor  
in India

9th  
Largest  
Coatings Co.  
in the World

Operations in  
15  
countries

26  
Paint  
Manufacturing  
Plants

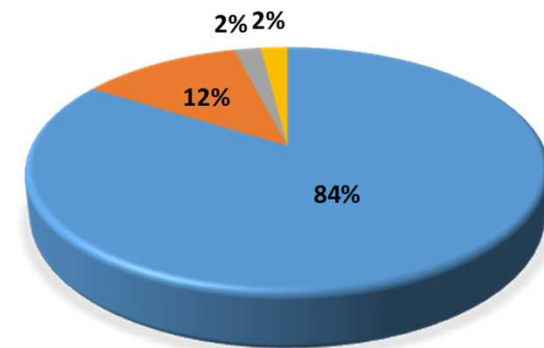
50+ Years  
of  
Market Leadership  
in India

75+ Years  
of  
Innovation  
in Paint

Servicing  
150,000+  
Retailers directly/  
Indirectly  
in India

**Vision - “To be the fore runner of inspiring décor and to actively empower customers to create their dream homes”**

GROUP REVENUE SPLIT



■ Deco India ■ International ■ Industrial ■ Home Improvement

Revenue Split based on FY19-20 financials

# Market Conditions

- ❖ Covid cases in India still rising, but pace seems to have peaked
- ❖ Real GDP shrinking by 23.9% in Q1 on expected lines
- ❖ Demand recovery acceleration witnessed across sectors in Q2 led by progressive “unlock” phases by Central & State Governments
  - ❖ Supply side concerns easing incrementally
  - ❖ Pent up demand supporting the September quarter across industries
- ❖ Recent releases on IIP print in line with this recovery
  - ❖ August reporting -8% y-o-y growth compared to -16% in June and -11% in July
- ❖ Headline inflation (CPI clocking 7.34% for Sep'20) continues to remain elevated driven by food articles
  - ❖ Industrial input prices, though, remain largely stable
- ❖ Foreign exchange movement (USD – INR) supportive in the second quarter

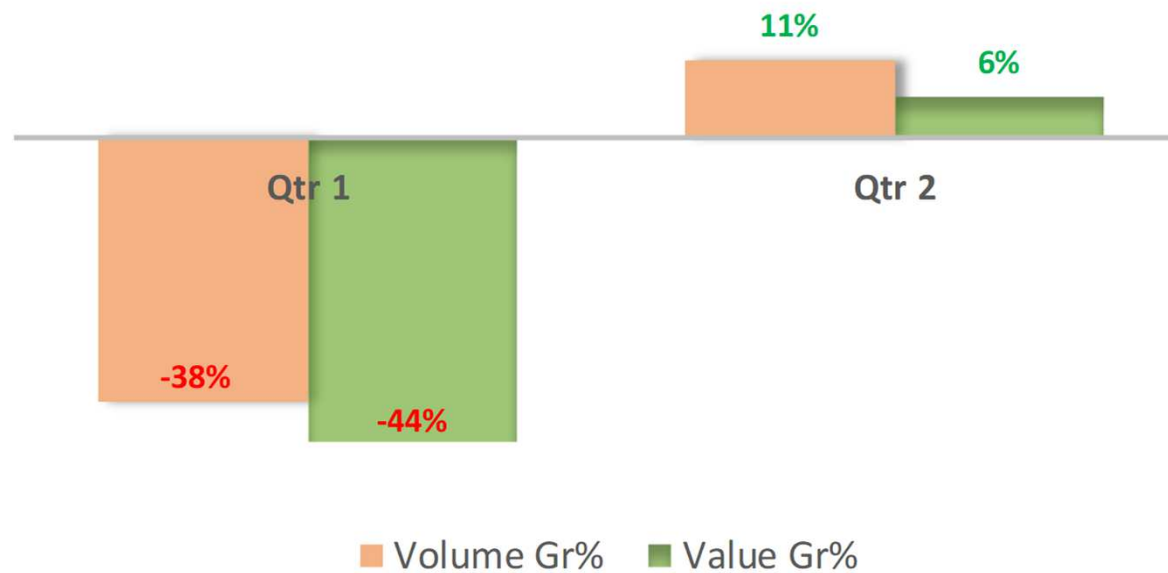
# Business Update - Domestic Decorative Business

- ❖ Paint Industry on a recovery mode, gaining from last month of Q1 - led strongly by tier 2 / 3 / 4 markets
- ❖ Strong 11% volume growth in Q2 for the domestic decorative business
  - ❖ Volume growth improved in each of the months in the quarter
- ❖ Demand recovery centered around Economy , Premium & some Luxury range of products
  - ❖ Emulsion upgrade playing out strongly
  - ❖ Undercoats continue to grow well
  - ❖ Waterproofing portfolio expanding
  - ❖ Luxury Emulsions in certain categories doing well
- ❖ Continued strong response to 'Safe Painting' & 'San Assure' Services
- ❖ Strengthening the Décor play with introduction of offerings in Lightings, Furnishings & Furniture
- ❖ Gross margins supported by stable input material prices as well as continued work on driving sourcing / formulation efficiency

# Business Update - Domestic Decorative Business

Continued momentum with double digit volume growth in Q2 after registering a double digit growth in June'20

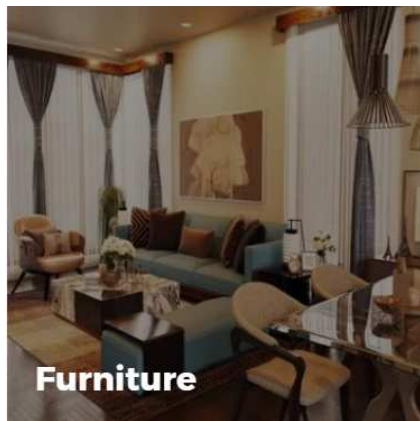
Improving trend





*A tailor-made solution that offers design expert consultation, personalized designs, unparalleled project management and hassle-free execution, you can transform your space into the home of your dreams*

**Recently introduced Lightings, Furnishings and Furniture thus adding more products in the Home décor and Interior Design category**



**Furniture**



**Lightings**



**Furnishings**

**1500 + SKU's across three brands : Nilaya , Royale and Ador**



## THE ANTI-BACTERIAL MULTI-SURFACE PAINT

With Silver Ion Technology  
as recommended\* by the  
INDIAN MEDICAL ASSOCIATION

To book a free site evaluation,  
give a missed call on **80504 80504**



WALL  
PAINTS



## SANITIZERS & DISINFECTANTS



\*As tested by NABL accredited laboratory.

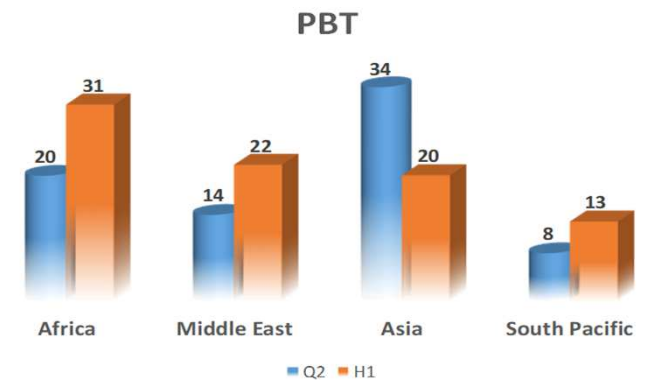
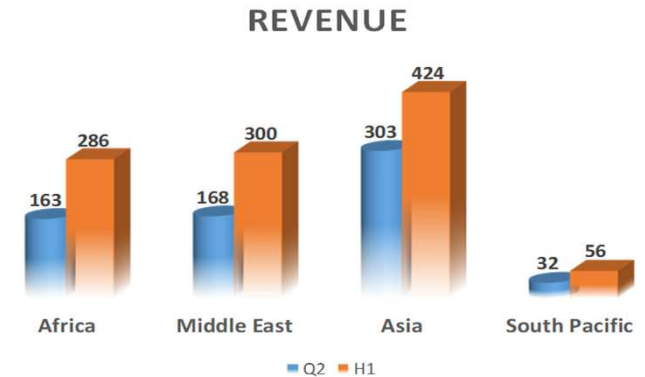


## MASK & PPE KITS



# Business Update - International Business

- ❖ Volume growth picked up across markets in Q2
  - ❖ Performance led by good volume growth in Africa & Middle East
  - ❖ Units in Sri Lanka and Bangladesh clocked double digit volume growths
  - ❖ Nepal still under pressure due to large restrictions related to Covid
- ❖ Strong push around new products / variants in Premium & Luxury emulsions to fill products gaps
- ❖ Waterproofing also doing well across markets
- ❖ Margin improvement supported by lower material prices as well as work on deriving sourcing & formulation efficiency
- ❖ Overall, International Business revenue: Q2 ₹ 660 crores (+7.8%) and H1 ₹ 1056 crores (-9%)
- ❖ International Business PBT: Q2 ₹ 69 crores (+44.3%) and H1 ₹ 73 crores (-4.9%)



# Business Update - Industrial Business

## ❖ PPG-AP

- ❖ Strong uptick in Passenger vehicles & 2-wheelers builds indicative of a recovering trend
- ❖ OEM business reported good growth in Q2 after a sluggish Q1
- ❖ Refinish business, though better than Q1, still low



## ❖ AP-PPG

- ❖ Gradual recovery seen in Q2
  - ❖ Powder business leading the recovery
  - ❖ Industrial Liquid Paint demand still slow
    - ❖ Demand from large consumption sectors like Oil & Gas and Capital Maintenance lagging
- ❖ Both the businesses benefiting from lower input material prices



# Business Update - Home Improvement Business

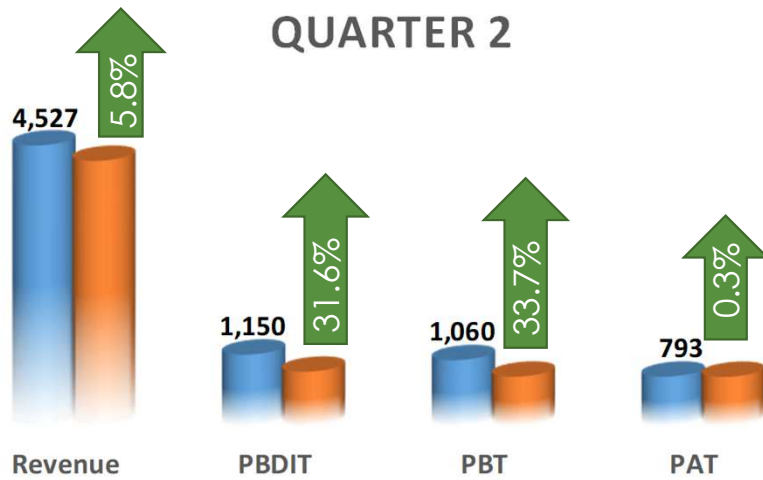
## ❖ Kitchen Business

- ❖ **Registered sales of ₹ 61 crores in Q2 touching base of previous year**
  - ❖ First half sales at ₹ 86 crores, lower than previous year by 26%
- ❖ Components as well as Full Kitchens segments recovered well in Q2
- ❖ Projects segment, too, saw some pick-up on a sequential basis
- ❖ **PBT loss of ₹ 4.4 crores in Q2 (compared to a loss of ₹ 13.5 crores in Q1)**

## ❖ Bath Business

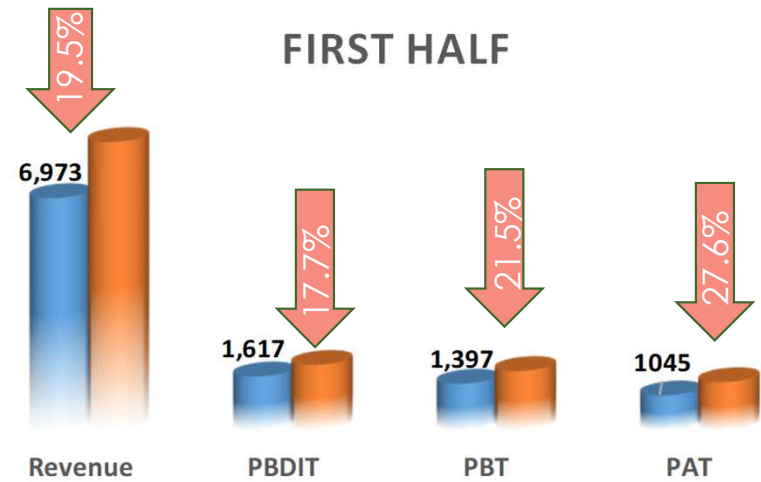
- ❖ **Registered sales of ₹ 55 crores in Q2, lower than previous year by 4%**
  - ❖ First half sales at ₹ 80 crores, lower than previous year by 25%
- ❖ Recovery led by Economy range of products
- ❖ **Business reported PBT break-even in Q2 (compared to a loss of ₹ 7.4 crores in Q1)**
  - ❖ Supported by some improvement in Gross margin, cost control and lower spend in Marketing

# Standalone Financials



■ CY ■ LY  
Figures in ₹ crores

PBDIT margin +5%



■ CY ■ LY  
Figures in ₹ crores

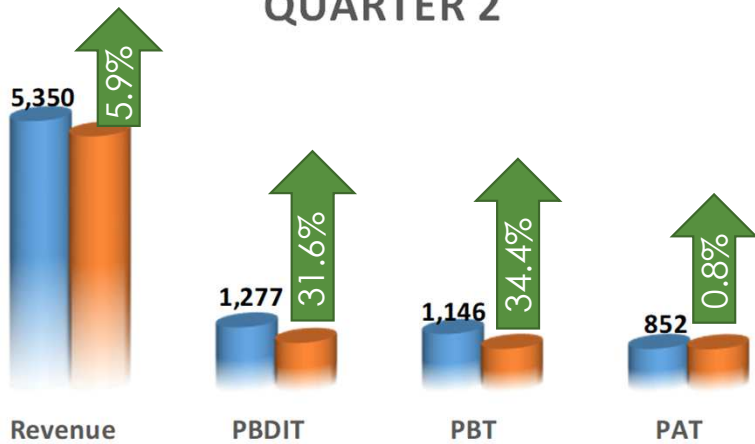
PBDIT margin +0.5%

PAT lower due to tax reversal in last year with lowering of Corp. Tax rate.  
On a like to like basis, PAT growth in line with PBT growth

# Consolidated Financials



## QUARTER 2

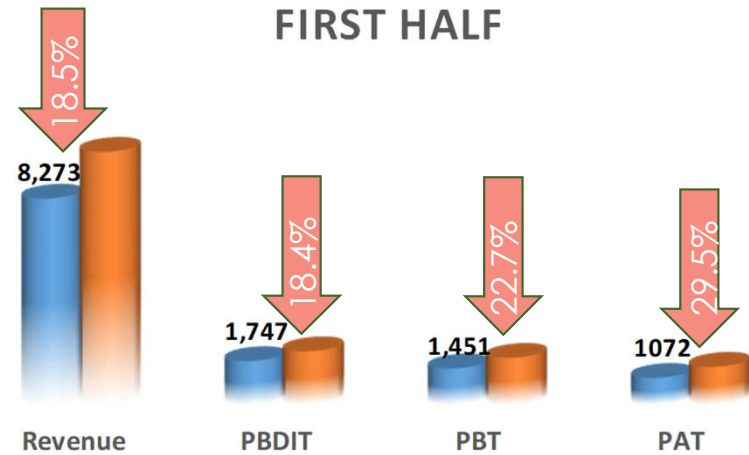


■ CY ■ LY

Figures in ₹ crores

PBDIT margin  
+4.7%

## FIRST HALF



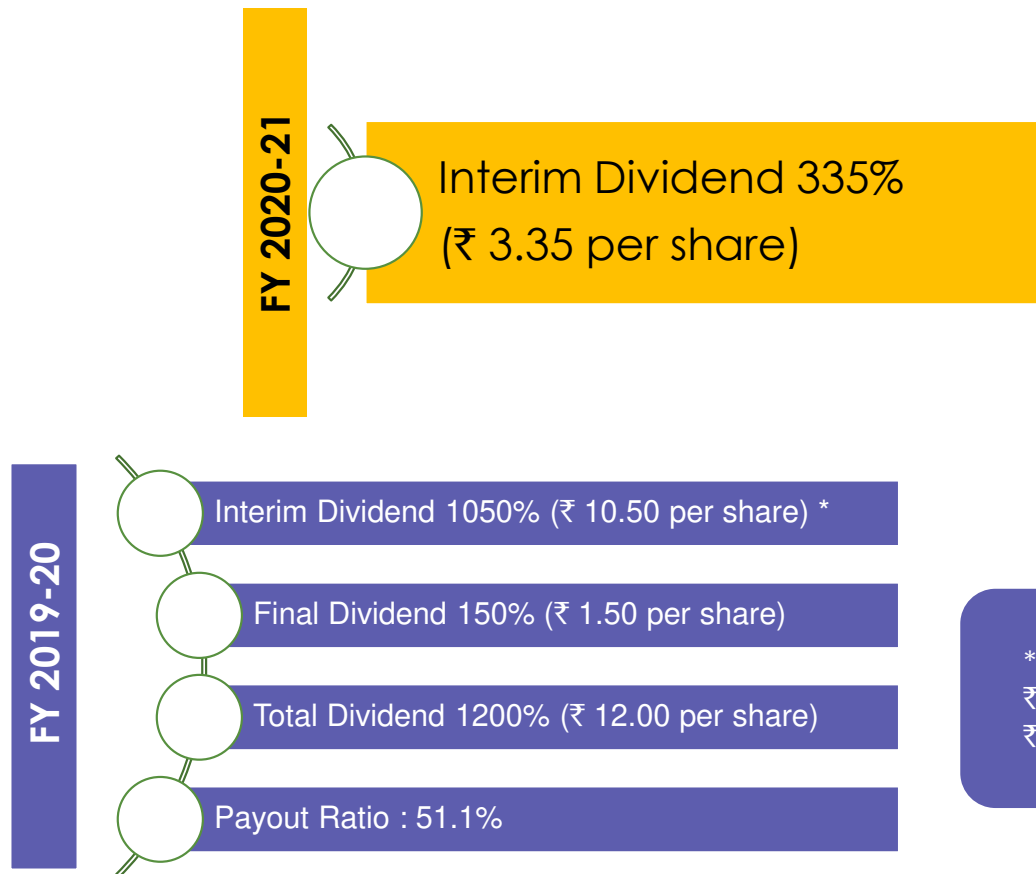
■ CY ■ LY

Figures in ₹ crores

PBDIT margin  
↔

PAT lower due to tax reversal in last year with lowering of Corp. Tax rate.  
On a like to like basis, PAT growth in line with PBT growth

# Dividend Distribution



\* Two interim dividends of ₹ 3.35 per share and ₹ 7.15 per share

# Looking Forward

- ❖ Good Recovery in Q2 led by some seasonal demand in the market due to Festivals
- ❖ Real question is: Whether it will sustain beyond the Festive season? Still uncertain on that front
  
- ❖ Global recovery could support the Export sector in India
  - ❖ Early signs of recovery with Sep'20 Exports growth in positive zone after a gap of 6 months
  
- ❖ Good monsoon could provide strong support to the rural economy and demand from that side
  
- ❖ Need to continuously watch on currency movement and raw material prices, though they remain stable currently
  
- ❖ Continue to work on further cost optimization and take up only business critical spends, across all Businesses



Thank you