



Asian Paints Limited
Asian Paints House
6A, Shantinagar
Santacruz (E)
Mumbai 400 055
T : (022) 6218 1000
F : (022) 6218 1111
www.asianpaints.com

APL/SEC/19/2021-22/47

21st October, 2021

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
25th 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(s),

Sub: Investor Presentation

Pursuant to 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 the Investors on the Audited Standalone and Unaudited Consolidated Financial Results of the Company for the quarter and half ended 30th September, 2021.

This is for your information and record.

Thanking you,

Yours truly,

For **ASIAN PAINTS LIMITED**

R. J. JEYAMURUGAN
CFO & COMPANY SECRETARY

Encl.: As above



Investor Conference

Q2 - FY2022 Results

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



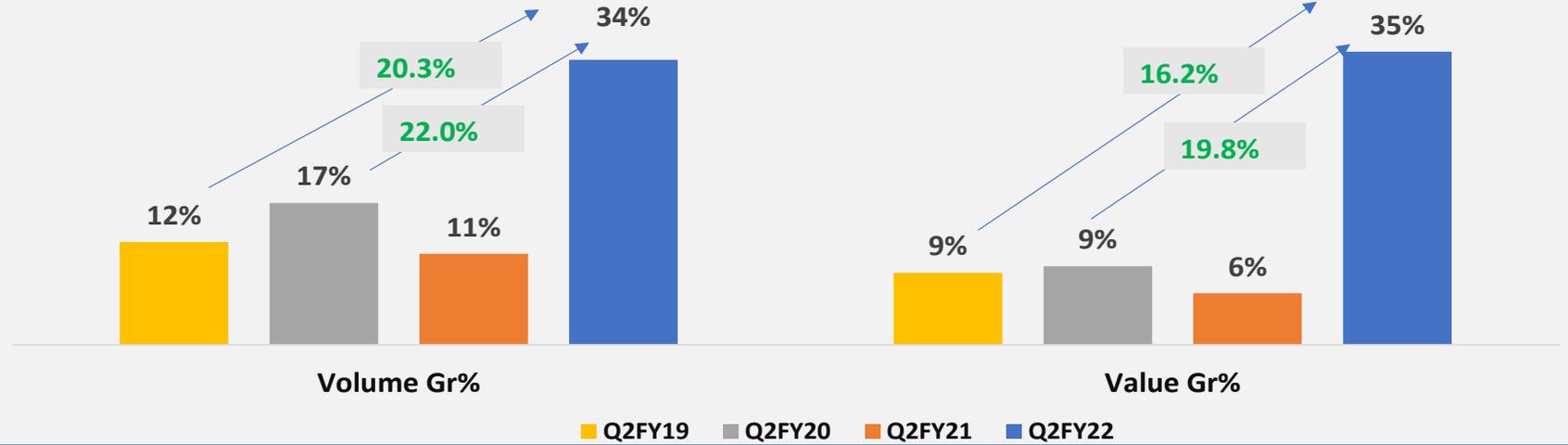
Disclaimer

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 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.

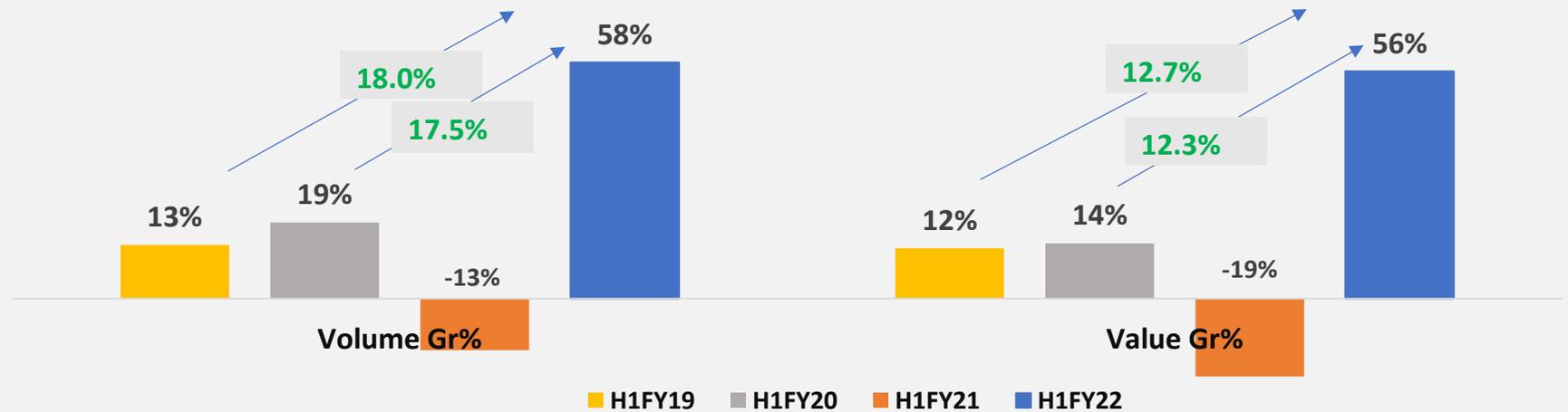
Decorative Business (India)

Strong topline momentum continued in Q2 – evident from the strong 2/3 year compounded growth rates in volume as well as value

Q2 Volume & Value Trend



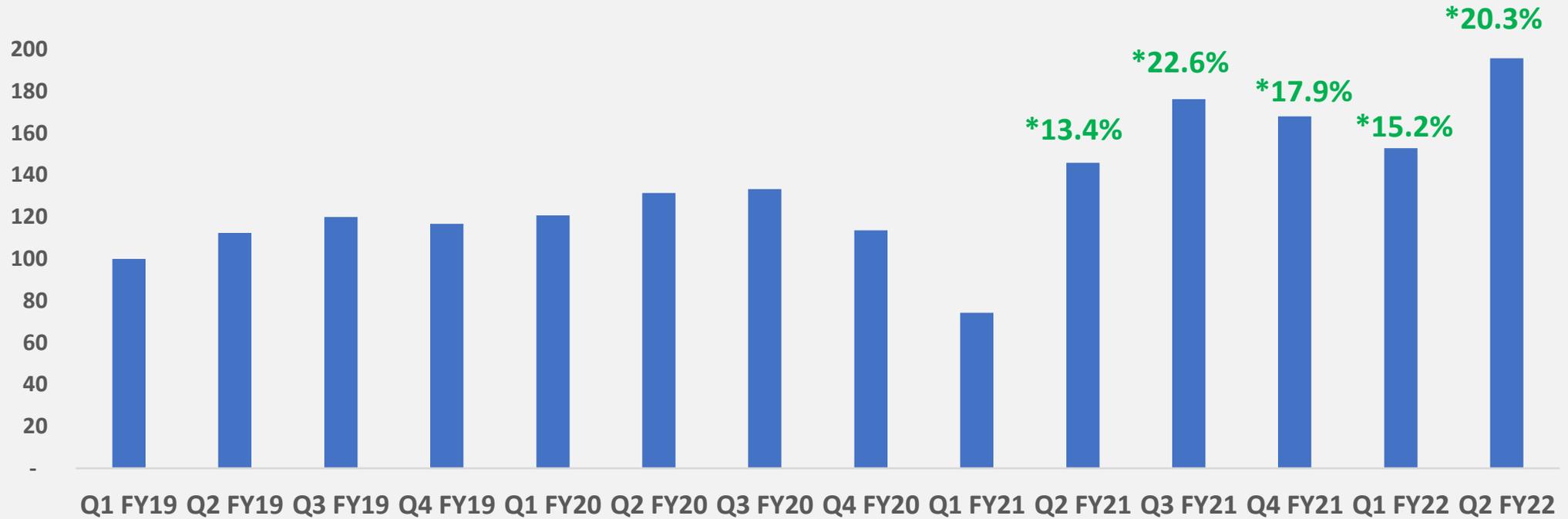
H1 Volume & Value Trend



Strong Volume Growth Trend

Decorative Business (India)

Volume Index



Quarterly representation of Volumes sold on base of Q1 FY19 as 100

*3 year compounded growth rates

Key Business Update

- ❖ **Strong volume growth led by growth in T1/T2 centers across regions**
 - ❖ **Despite covid related restrictions in certain regions & prolonged monsoon**
- ❖ **Industry beating growth over the last 3 years; strong & consistent market share gain**
- ❖ **Economy as well as Luxury range continued to grow strongly**
 - ❖ **Well supported by uptick from new Launches in Luxury and Premium Space**
- ❖ **Expansion in the Projects business on a stronger footing**
 - ❖ **Deeper inroads across segments – Builders, Govt, Factories, Co-op Hsg Societies**
- ❖ **High growth trajectory on the Smartcare Waterproofing portfolio**
- ❖ **Wood Finishes category expanding with range of Premium product introductions**

New Product Introductions



Smart Care Tile Grout



Smart Care HydroLOC



ALL Protek Fire Retardant Paint



PU MDF Filler



RoyaLe Glitz Teflon

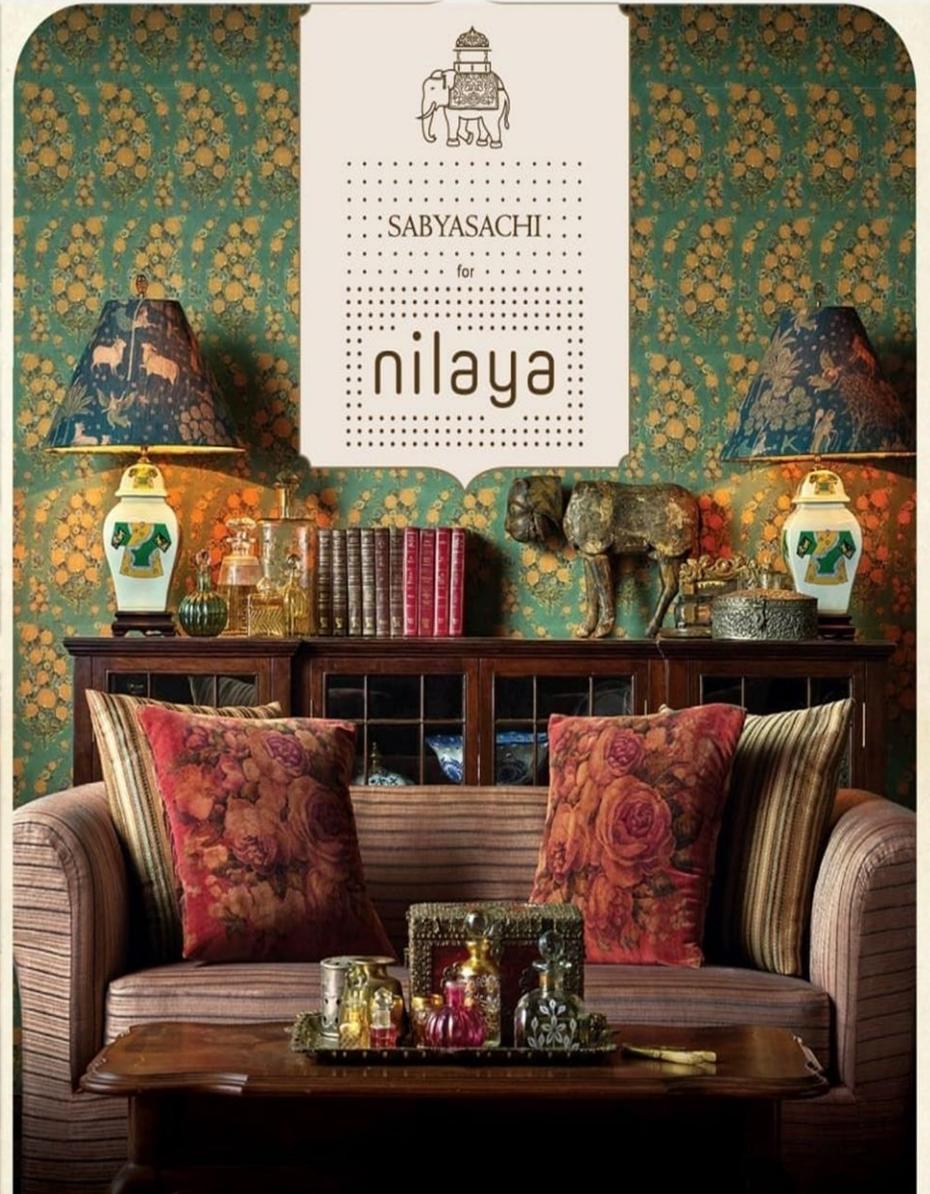


AP Woodtech Ingenio

Key Business Update

- ❖ **Network Expansion & Upgradation Focus**
 - ❖ Expanding Rurban footprint – into new towns and suburbs, with 40,000+ new retail points added over last year and a half
 - ❖ Continued expansion of Colour Worlds to the network in the first half
 - ❖ Retailing foray continues: 16 new Colour Ideas stores opened
 - ❖ 26 Beautiful Homes Stores functional
- ❖ **Home Décor – Driving business strongly from ‘Share of Surface’ to ‘Share of Space’ in Homes**
 - ❖ Beautiful Home Stores providing strong push across categories – Luxury Paint portfolio, Kitchen, Bath, Furnishings, Furniture and Lighting
 - ❖ Establishing the Inspirational Décor quotient – Nilaya and Royale
 - ❖ Sabyasachi for Nilaya – First of its kind designer home furnishings

Designer Home Furnishings







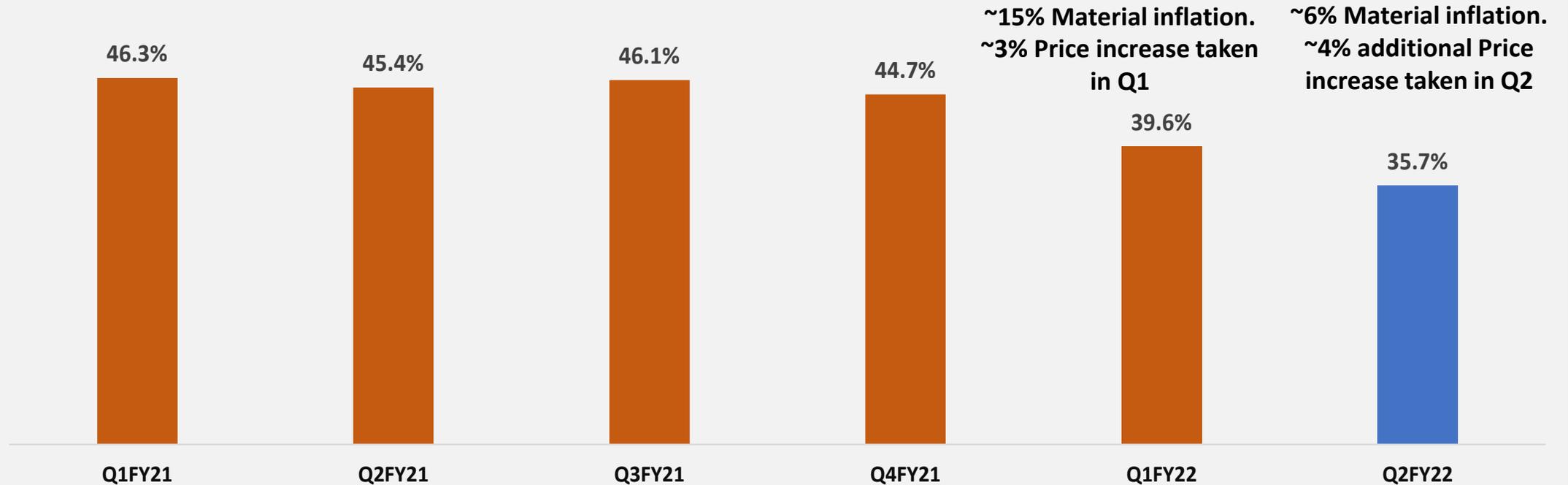
Services – A Key Differentiator; Unique Propositions

- ❖ Beautiful Homes Service – gaining traction;
 - ❖ Delivering cutting edge, inspiring Décor
 - ❖ More than 500+ sites booked in first half
- ❖ Safe Painting service – strong momentum



Margins impacted - Steep inflationary trend persists. Further 6% inflation in material prices in 2nd Qtr over the average input prices in 1st Qtr.

Quarterly Gross Margin Trend



Key Business Update

❖ Delivered mid single digit revenue growth in 2nd Qtr over LY – mixed bag across regions

❖ Asia - Good growth despite challenges around Covid restrictions & Forex situation (Sri Lanka)

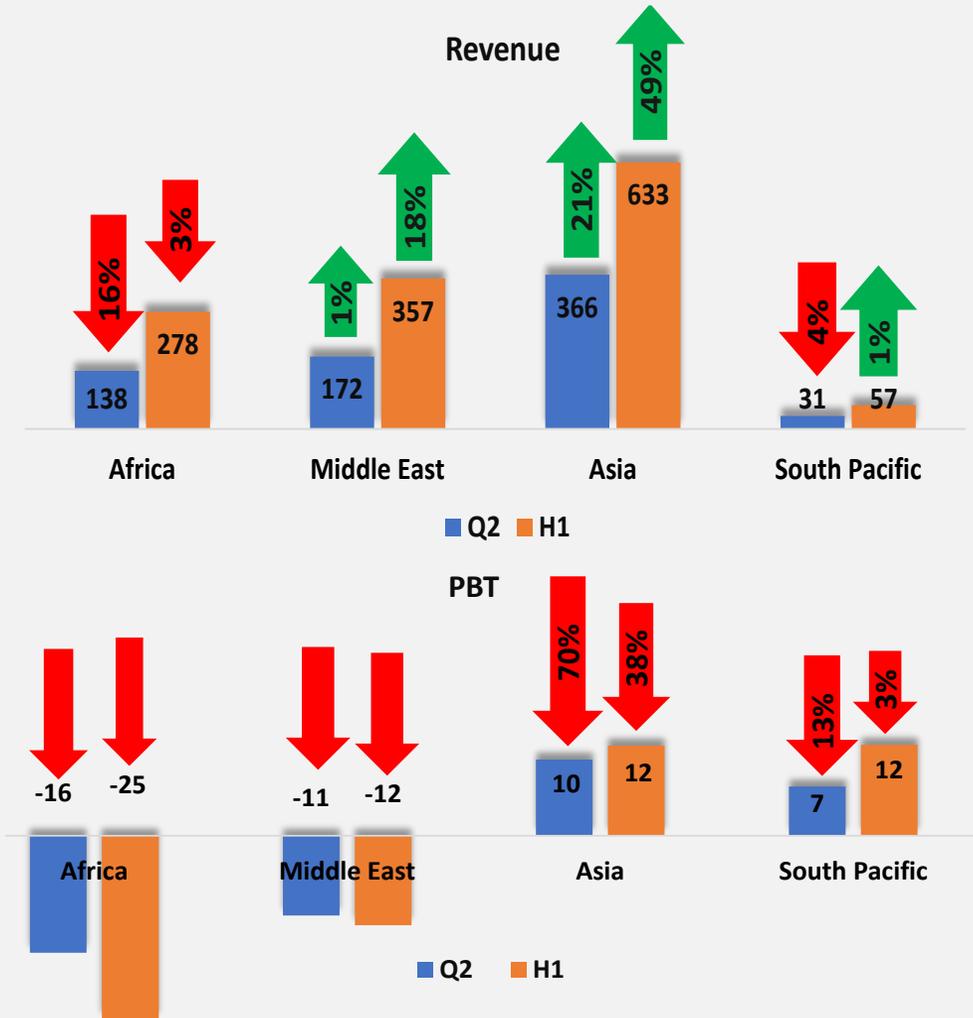
❖ Middle East - Sluggish Retail markets with several lockdowns; Projects yet to take off

❖ Africa – High inflation, regional disturbances hurting market sentiments

❖ Overall, International Business revenue: Q2 at Rs. 701 crores (+6%) & H1 at Rs. 1312 crores (+24%)

❖ Profitability significantly impacted by the steep material inflation; Leading to PBT level loss

❖ Q2 PBT loss at Rs. 17 crores & H1 PBT loss at Rs. 28 crores



(figures in columns in Rs. crs)

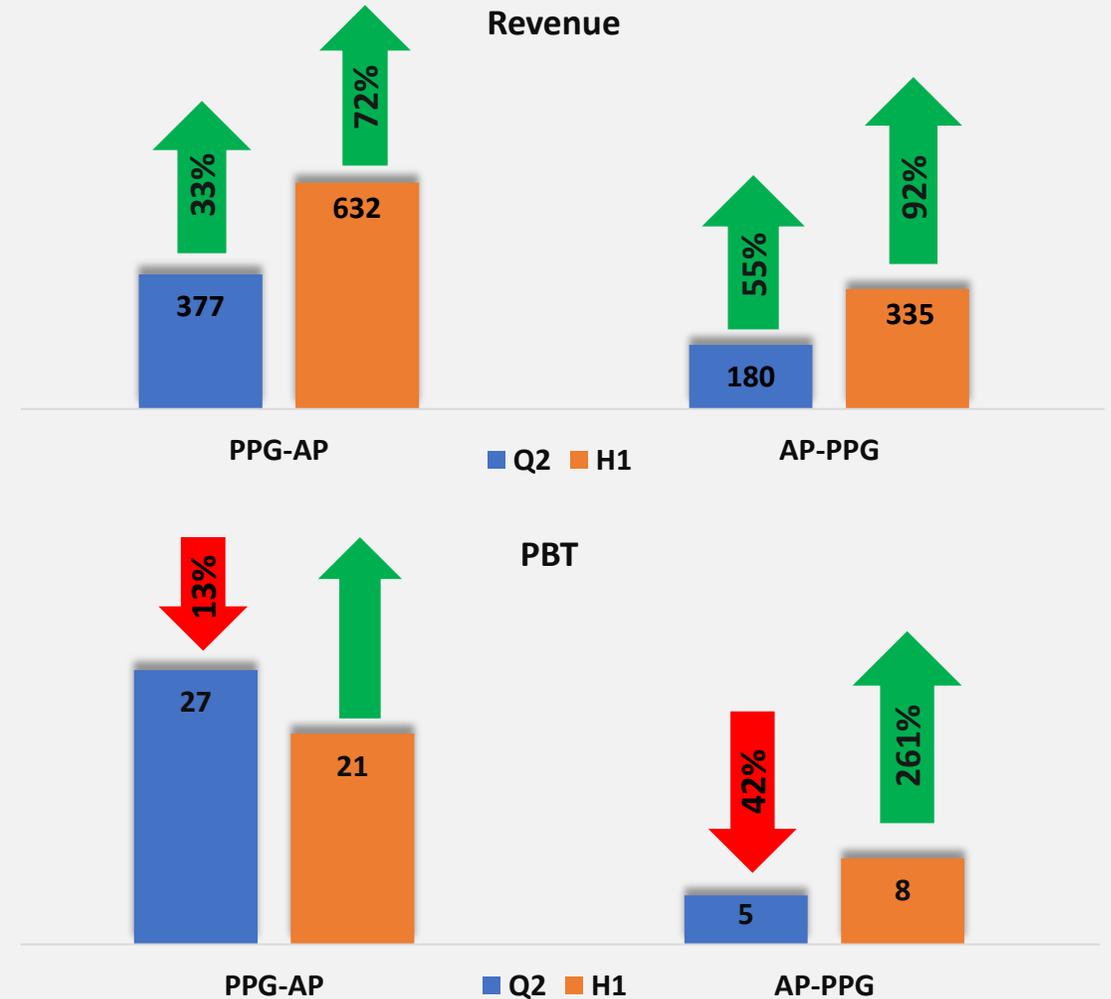
Key Business Update

❖ PPG-AP

- ❖ Business continues to recover from lows
- ❖ Strong push for implementing price increases across B2B customers

❖ AP-PPG

- ❖ Strong performance in Protective Coatings
- ❖ Retail channel as well as Projects segment driving growth
- ❖ Powder segment seeing sequential uptick as well



(figures in columns in Rs. crs)

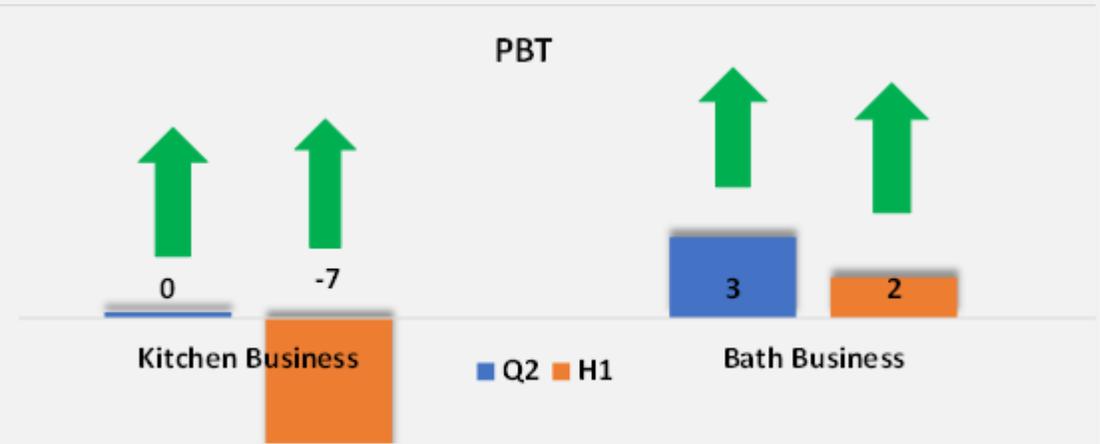
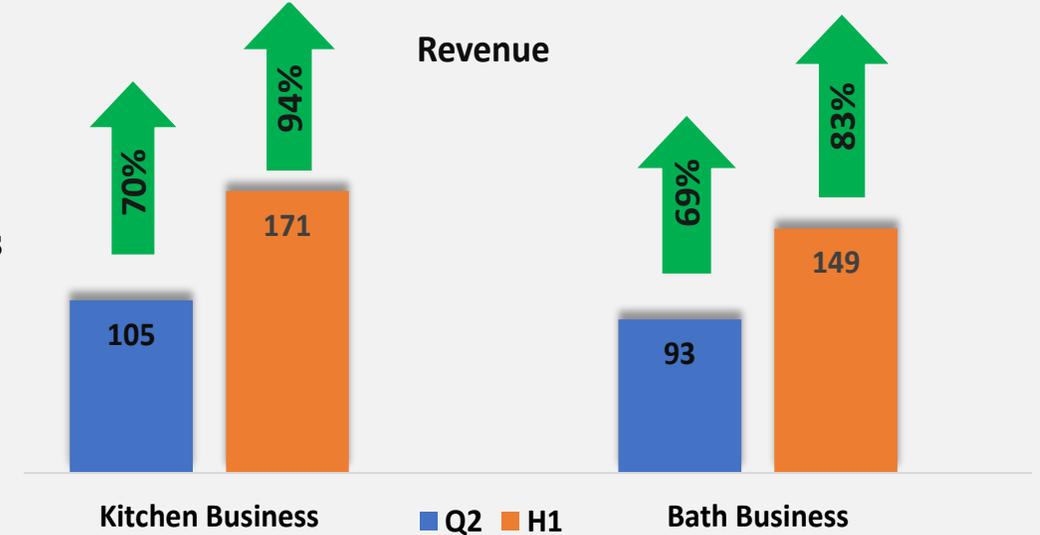
Key Business Update

❖ Kitchen Business

- ❖ Rs. 100 crs + revenue mark milestone for the Qtr
 - ❖ Strong performance in Full Kitchen solutions as well as Components business
 - ❖ Demand conditions recovering in Projects
- ❖ Business PBT break-even in Q2 – a first
 - ❖ Improving scale benefit despite input inflation

❖ Bath Business

- ❖ Improving revenue trajectory with Premium products moving well
 - ❖ Supported by growth in Projects with strong collaboration with Decorative Projects
- ❖ Profitable qtr & first half
 - ❖ Improving scale benefit



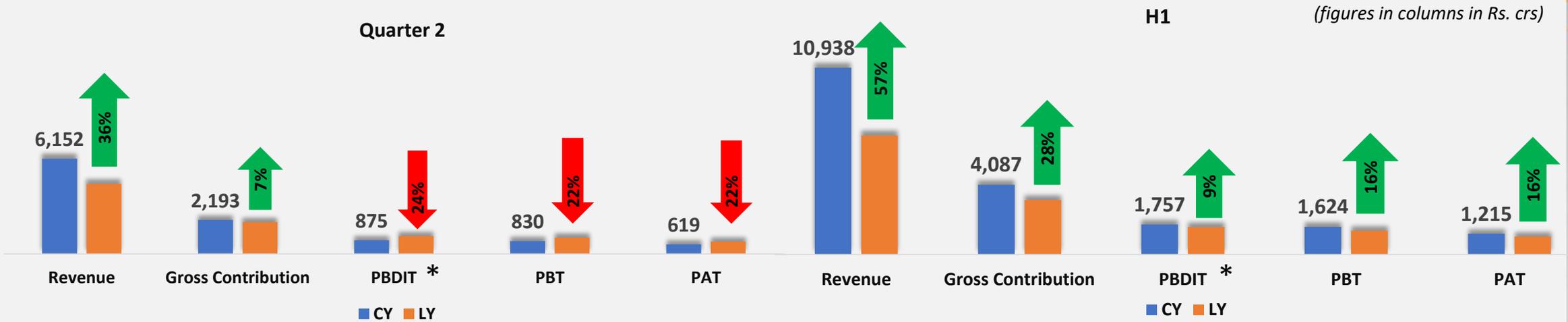
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Home Improvement Business



Summary – Standalone Financials



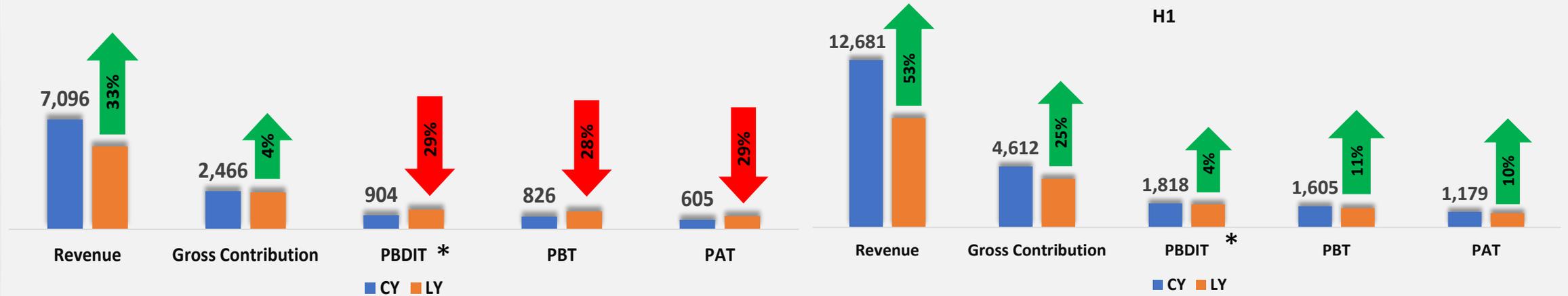
- ❖ Strong double digit revenue growth trajectory
- ❖ Steep material inflation – only partly negated by price increases taken over several rounds
 - ❖ Gross margin contracting by 975 bps for the Qtr & 837 bps for the first half compared to LY
- ❖ Improved scale over LY base and optimization on overhead spends arresting fall in first half PBDIT margin to 711 bps

* PBDIT before Other Income

Summary – Consolidated Financials

Quarter 2

(figures in columns in Rs. crs)

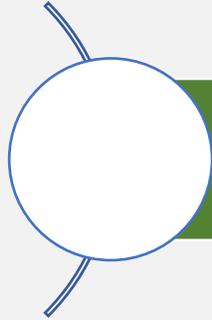


- ❖ Even at consolidated level, Gross contribution margins impacted by persistently high inflation
 - ❖ Gross margin contraction of 966 bps for the Qtr & 816 bps for the first half compared to LY
- ❖ PBDIT margins for first half lower than previous year by 680 bps
 - ❖ Supported by improved scale over LY and continued cost control measures

* PBDIT before Share in profit of Associates & before Other Income

Dividend Distribution

FY 2021-22



Interim Dividend 365% (Rs 3.65 per share)

FY 2020-21

Payout Ratio : 56.1%

Total Dividend 1785% (Rs 17.85 per share)

Final Dividend 1450% (Rs 14.50 per share)

Interim Dividend 335% (Rs 3.35 per share)

Looking Forward

- ❖ **3rd Qtr demand outlook looks positive**
 - ❖ **Supported by Strong consumer sentiments coupled with Festive season demand**
 - ❖ **Good monsoon augurs well for rural demand**
 - ❖ **Upturn in housing construction as well as industrial demand**

- ❖ **While possibility of any 3rd wave looks remote, need to maintain caution**
 - ❖ **Covid apt protocols being followed across business locations**
 - ❖ **Strong focus on getting the entire employee base fully vaccinated**

- ❖ **Raw Material inflation looks to persist**
 - ❖ **Further price increases eminent across product categories**
 - ❖ **We look to cover a large part of the inflation in next 3 months through a series of actions**

- ❖ **In International portfolio, forex tightness in some key markets a concern**
 - ❖ **Steps being taken to address the same**

Thank You