



Date: November 03, 2022

To, BSE Limited Corporate Relationship Department 25 <sup>th</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Scrip Code: 543258	To National Stock Exchange of India Limited Exchange Plaza, Plot No. C-1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai - 400051 NSE SYMBOL: INDIGOPNTS
---	--

Dear Sir/Madam,

**Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for 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 for the Investors/Analysts on un-audited Financial Results of the Company for the quarter and half year ended September 30, 2022.

You are requested to take note of the same.

Thanking you,

For Indigo Paints Limited

**Sujoy Sudipta Bose**  
Company Secretary & Compliance Officer

Encl: As above



# INDIGO Paints Ltd

## Investor Presentation (Q2 FY 23)

---



# Disclaimer

---

*Certain statements and opinions with respect to the anticipated future performance of Indigo Paints Ltd (“Indigo”) in the presentation (“forward-looking statements”), which reflect various assumptions concerning the strategies, objectives and anticipated results may or may not prove to be correct. Such forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changes in economic, political, regulatory, business or other market conditions. Such forward-looking statements only speak as at the date the presentation is provided to the recipient and Indigo is not under any obligation to update or revise such forward-looking statements to reflect new events or circumstances. No representation or warranty (whether express or implied) is given in respect of any information in this presentation or that this presentation is suitable for the recipient’s purposes. The delivery of this presentation does not imply that the information herein is correct as at any time subsequent to the date hereof and Indigo has no obligation whatsoever to update any of the information or the conclusions contained herein or to correct any inaccuracies which may become apparent subsequent to the date hereof. Certain figures may have been rounded off to the nearest decimal.*



# Agenda for discussion



Financials Q2 FY23/ H1 FY23

# Introduction

---

- Company clocked a strong growth in revenue with a sharp uptick in profit metrics despite the extended monsoon season
- Periodic and incremental price hikes effected in few selected products in line with the industry.
- Strategy 2.0: Good traction in sales in Tier-1 and Tier-2 cities; industry leading topline growth
- Launched a new marketing campaign to promote differentiated products in Kerala with Mr. Mohan Lal as Brand Ambassador
- The upcoming plant in Tamil Nadu is in final stage of completion and is expected to be commissioned in Q4 (earlier expected to be commissioned by Q3).



# Indigo Paints | Q2 FY 23 financials

<b>Statement of unaudited financial results for the quarter and six months ended September 30, 2022</b>				
<b>(All amounts in rupees lakhs, unless otherwise stated)</b>				
<b>Sr. No</b>	<b>Particulars</b>	<b>Quarter ended</b>		
		<b>Sep 30, 2022</b>	<b>Jun 30, 2022</b>	<b>Sep 30, 2021</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>1</b>	<b>Income:</b>			
	Revenue from operations	24,260.71	22,399.21	19,611.00
	Other income	319.04	48.66	304.92
	<b>Total Income</b>	<b>24,579.75</b>	<b>22,447.87</b>	<b>19,915.92</b>
<b>2</b>	<b>Expenses:</b>			
	Material Related Expense	14,139.37	12,277.09	11,428.32
	Employee benefits expense	1,752.11	1,659.94	1,384.53
	Finance cost	26.53	42.47	25.66
	Depreciation and amortisation expense	848.92	842.82	770.34
	Other expenses	4,992.11	4,934.59	4,460.50
	<b>Total Expenses</b>	<b>21,759.04</b>	<b>19,756.91</b>	<b>18,069.35</b>
<b>3</b>	<b>Profit before exceptional items and tax</b>	<b>2,820.71</b>	<b>2,690.96</b>	<b>1,846.57</b>
<b>4</b>	<b>Profit before tax</b>	<b>2,820.71</b>	<b>2,690.96</b>	<b>1,846.57</b>
<b>5</b>	<b>Total tax expense</b>	<b>(888.06)</b>	<b>699.83</b>	<b>491.76</b>
<b>6</b>	<b>Net Profit for the period</b>	<b>3,708.77</b>	<b>1,991.13</b>	<b>1,354.81</b>
<b>7</b>	<b>Total Other comprehensive income for the period</b>	<b>3.35</b>	<b>3.34</b>	<b>(2.72)</b>
<b>8</b>	<b>Total Comprehensive Income for the period</b>	<b>3,712.12</b>	<b>1,994.47</b>	<b>1,352.09</b>



# Indigo Paints | H1 FY 23 financials

<b>Statement of unaudited financial results for the quarter and six months ended September 30, 2022</b>				
<b>(All amounts in rupees lakhs, unless otherwise stated)</b>				
<b>Sr. No</b>	<b>Particulars</b>	<b>Six months ended</b>		<b>Year ended</b>
		<b>Sep 30, 2022</b>	<b>Sep 30, 2021</b>	<b>Mar 31, 2022</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>1</b>	<b>Income:</b>			
	Revenue from operations	46,659.92	35,213.42	90,597.48
	Other income	367.46	607.16	1,089.32
	<b>Total Income</b>	<b>47,027.38</b>	<b>35,820.58</b>	<b>91,686.80</b>
<b>2</b>	<b>Expenses:</b>			
	Material Related Expense	26,416.46	19,928.35	51,352.46
	Employee benefits expense	3,412.05	2,743.57	5,632.91
	Finance cost	69.00	50.93	133.04
	Depreciation and amortisation expense	1,691.74	1,505.70	3,125.08
	Other expenses	9,926.46	8,187.46	20,013.74
	<b>Total Expenses</b>	<b>41,515.71</b>	<b>32,416.01</b>	<b>80,257.23</b>
<b>3</b>	<b>Profit before exceptional items and tax</b>	<b>5,511.67</b>	<b>3,404.57</b>	<b>11,429.57</b>
<b>4</b>	<b>Profit before tax</b>	<b>5,511.67</b>	<b>3,404.57</b>	<b>11,429.57</b>
<b>5</b>	<b>Total tax expense</b>	<b>(188.23)</b>	<b>889.01</b>	<b>3,024.77</b>
<b>6</b>	<b>Net Profit for the period</b>	<b>5,699.90</b>	<b>2,515.56</b>	<b>8,404.80</b>
<b>7</b>	<b>Total Other comprehensive income for the period</b>	<b>6.69</b>	<b>(5.44)</b>	<b>13.36</b>
<b>8</b>	<b>Total Comprehensive Income for the period</b>	<b>5,706.59</b>	<b>2,510.12</b>	<b>8,418.16</b>



# Indigo Paints | Q2 FY 23 financial Analysis

## Quarterly Financial Highlight

	Quarterly			RS. Cr	% Change
Particulars	Q2	Q1	Q2		
(Rs. Crs)	FY 23	FY 23	FY 22		
Operational Income	242.61	223.99	196.11		23.71%
Other Income	3.19	0.49	3.05		
<b>Total</b>	<b>245.80</b>	<b>224.48</b>	<b>199.16</b>		
Gross Profit	101.21	101.22	81.83		
Gross Margin %	41.72%	45.19%	41.72%		
A&P	14.65	21.09	15.77		-7.13%
EBITDA	33.77	35.28	23.38		44.47%
EBITDA %	13.92%	15.75%	11.92%		
PBT	28.21	26.91	18.47		52.75%
PAT	37.09	19.91	13.55		173.75%
PAT%	15.09%	8.87%	6.80%		

Note: Rs. 16.33 Cr of excess tax provision pertaining to earlier years has been reversed





# Indigo Paints | H1 FY 23 financial Analysis

## Half Yearly Financial Highlight

RS. Cr

Particulars (Rs. Crs)	Six Months Ended		% Change
	H1 FY 23	H1 FY 22	
Operational Income	466.60	352.13	32.51%
Other Income	3.67	6.07	
<b>Total</b>	<b>470.27</b>	<b>358.21</b>	
Gross Profit	202.43	152.85	
Gross Margin %	43.39%	43.41%	
A&P	35.74	31.47	13.56%
EBITDA	69.05	43.54	58.59%
EBITDA %	14.80%	12.36%	
PBT	55.12	34.05	61.89%
PAT	57.00	25.16	126.59%
PAT%	12.12%	7.02%	

Note: Rs. 16.33 Cr of excess tax provision pertaining to earlier years has been reversed



## Analysis | Q2 FY23

---

- Q2 FY 23 Operational Income has expanded by **23.71%** over Q2 FY 22 from Rs. 196.11 Cr to Rs.242.61 Cr
- Gross Margins maintained at **41.72%** y-o-y over Q2 FY22 despite change in product mix due to extended monsoons
- EBITDA and PAT have expanded by **44.47%** and **173.75%** respectively over Q2 FY22
- EBITDA margin has sharply expanded to **13.92%** from **11.92%** in Q2 FY22
- PAT margin expanded to **15.09%** compared to **6.80%** in Q2 FY22.
- An excess tax provision of Rs. 16.33 Cr pertaining to earlier years has been reversed. Even after adjusting for the reversal of the excess provision, the PAT has expanded by **53.22%** and PAT margin has expanded to **8.45%** compared to Q2 FY22



## Analysis | H1 FY23

---

- H1 FY 23 Operational Income has expanded by **32.51%** over H1 FY 22 from Rs. 352.13 Cr to Rs.466.60 Cr
- Gross Margins largely flat at **43.39%** y-o-y over H1 FY22 despite change in product mix due to extended monsoons
- The A&P expense have increased by **13.56%** over H1 FY22
- EBITDA and PAT have expanded by **58.59%** and **126.59%** respectively over H1 FY22
- EBITDA margin has sharply expanded to **14.80%** from **12.36%** in H1 FY22
- PAT margin expanded to **12.12%** compared to **7.02%** in H1 FY22.
- An excess tax provision of Rs. 16.33 Cr pertaining to earlier years has been reversed. Even after adjusting for the reversal of the excess provision, the PAT has expanded by **61.67%** and PAT margin has expanded to **8.65%** compared to H1 FY22



# Analysis

---

- The seasonally low demand quarter usually characterized by inferior product mix was further accentuated by excessive rains in select states and extended monsoons across the country which impacted the sales of products for exterior applications in general
- In line with brand building strategy, Company continued to spend on A&P. The A&P expense for the quarter was down by **7.13%** compared to Q2FY23 (last year IPL schedule was split between April & September). However, in the H1 FY23, overall A&P increased by **13.56%** over H1 FY22.
- On a half yearly basis, despite flat gross margin and increased A&P spends, the EBITDA margin have expanded significantly to **14.80%** from **12.36%** (H1 FY22) reflecting the benefits kicking in from the economies of scale



## Value / Volume Growth (Q2 FY 23 vs Q2 FY 22)

Product Category	Value Growth	Volume Growth
Cement Paints + Putty	16.3%	6.2%
Emulsions	17.4%	-4.2%
Enamels + Wood Coatings	46.9%	28.8%
Primers + Distempers + Others	22.4%	13.1%



## Analysis (Value/Volume growth)

---

- Analysis of Volume growth and Value growth across broad categories of decorative paints are shown, as we feel that overall volume growth numbers do not reveal much.
- Due to several rounds of price increases compared to the corresponding period of the previous year, the value growth in each category is higher than volume growth.
- Company witnessed a small dip in the volume of the Emulsions category; However, the Emulsion volume growth was **34.4%** in Q1FY 23 and **42.6%** in Q4FY 22.
- Very sharp increase in the volume growth of Enamel category, where the Company was traditionally weak.



# Network expansion

	31.03.21	30.06.21	30.09.21	31.12.21	31.03.22	30.06.22	30.09.22
No. of Depots	44	44	44	45	47	47	47
Active Dealers	13,214	13,884	14,716	15,242	15,787	16,526	16,758
Tinting m/c	5,472	5,800	6,383	6,749	7,101	7,435	7,716



## Future guidance

---

- With comfortable margins and stabilizing raw material prices, the future focus will be on aggressively increasing growth.
- Strategy on increasing the presence in the Tier-1 and Tier-2 cities are showing good results and is expected to yield rich results in the upcoming Quarters.
- Will continue to increase Active dealer count and Tinting machine population, especially in larger towns.
- Expect much sharper increase in profitability parameters in future quarters.





# Thank You

---

