



20th February, 2018

The Corporate Relationship
Department
Bombay Stock Exchange
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

Dear Sirs,

Sub : Investor Presentation on Financial Results

Please find enclosed a copy of the investor presentation on financial results of the Company for the quarter ended 31st December, 2017 pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Yours faithfully,

For BERGER PAINTS INDIA LIMITED

ANIRUDDHA SEN
SR. VICE PRESIDENT &
COMPANY SECRETARY

Encl.: a/a

BERGER PAINTS INDIA LIMITED

Berger House, 129, Park Street, Kolkata - 700 017, Phone : 2229 9724-28, 2229 6005-06, Fax : 91-33-2249 9009/9729, www.bergerpaints.com
CIN - L51434WB1923PLC004793, E-mail : consumerfeedback@bergerindia.com



Keynote Address

ABHIJIT ROY

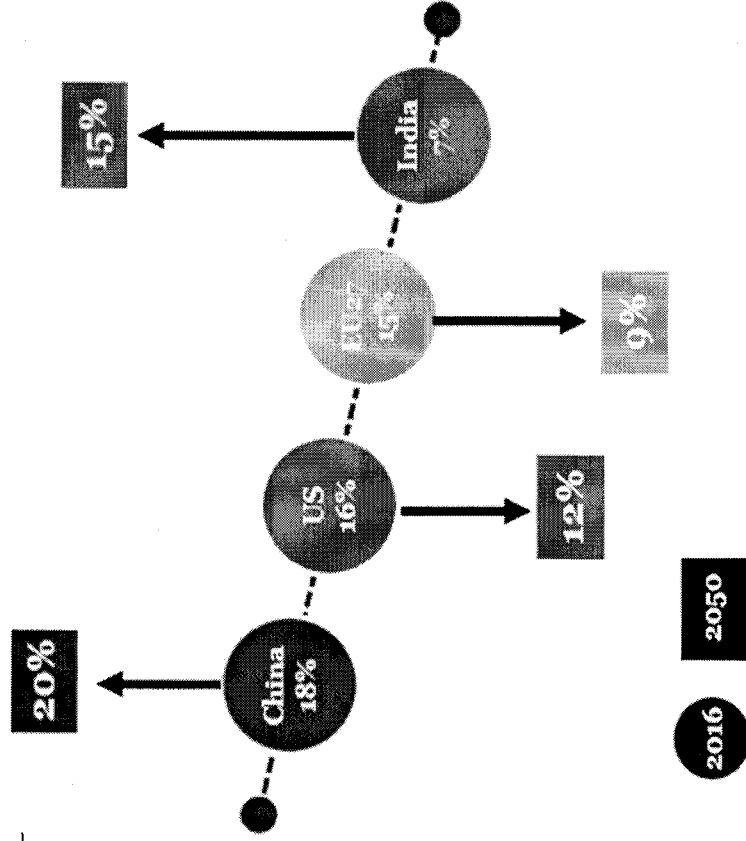
MD & CEO

BERGER PAINTS INDIA LIMITED



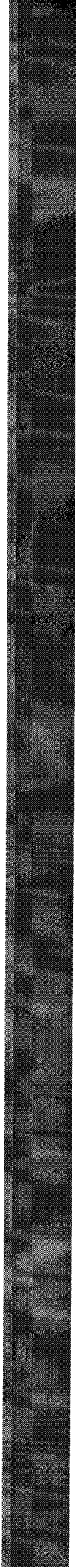
The world is changing

Share of world GDP (PPPs) from 2016 to 2050...



- The US is expected to steadily yield ground to China and India.

Sources: IMF for 2016 estimates, PwC analysis for projections to 2050



The old order changes

□ Global economic power will gradually shift to the E7 countries

In...

1995 **E7** were **half** the size of **G7**

By...

2015 **E7** were around the same size as **G7**

And in just 25 years...

2040 **E7** could be double the size of **G7**

G7: US, UK, France, Germany, Japan, Canada and Italy
E7: China, India, Indonesia, Brazil, Russia, Mexico and Turkey

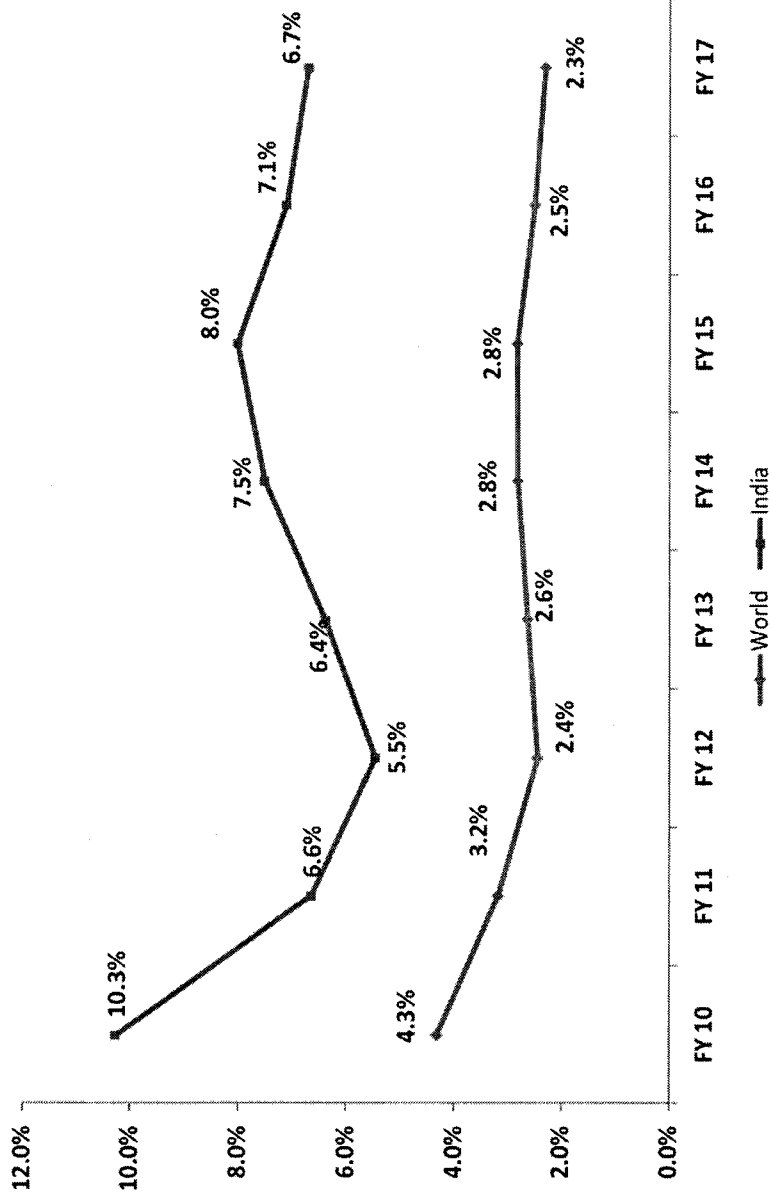
Sources: IMF for historical GDP, PwC analysis for projections to 2050





India is also changing, for the better

- ❑ The country has been outpacing World GDP growth by a wide margin
- ❑ One big difference from the past: greater transparency in the economy (Demo, GST, RERA, Banking Reforms), therefore growth more sustainable

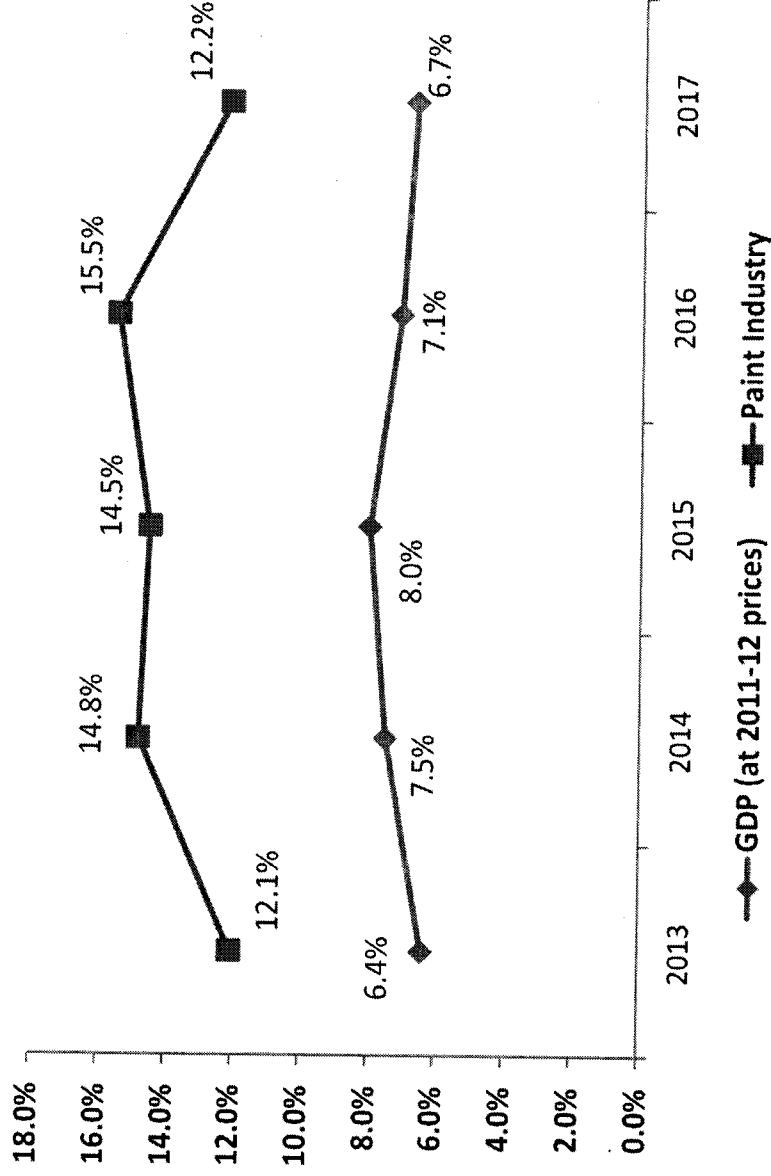


Source: <http://www.worldbank.org/>



Paint grows with the country and sometimes in spite of it

□ The paint industry growth tends to be between 1.5 to 2 times GDP growth



Source: <http://www.worldbank.org/>



Paint industry is resilient as well!

Revenue Growth



□ YTD Q3 16-17: Even FMCG crawled, when hit by Demon & GST, but Paint held its own

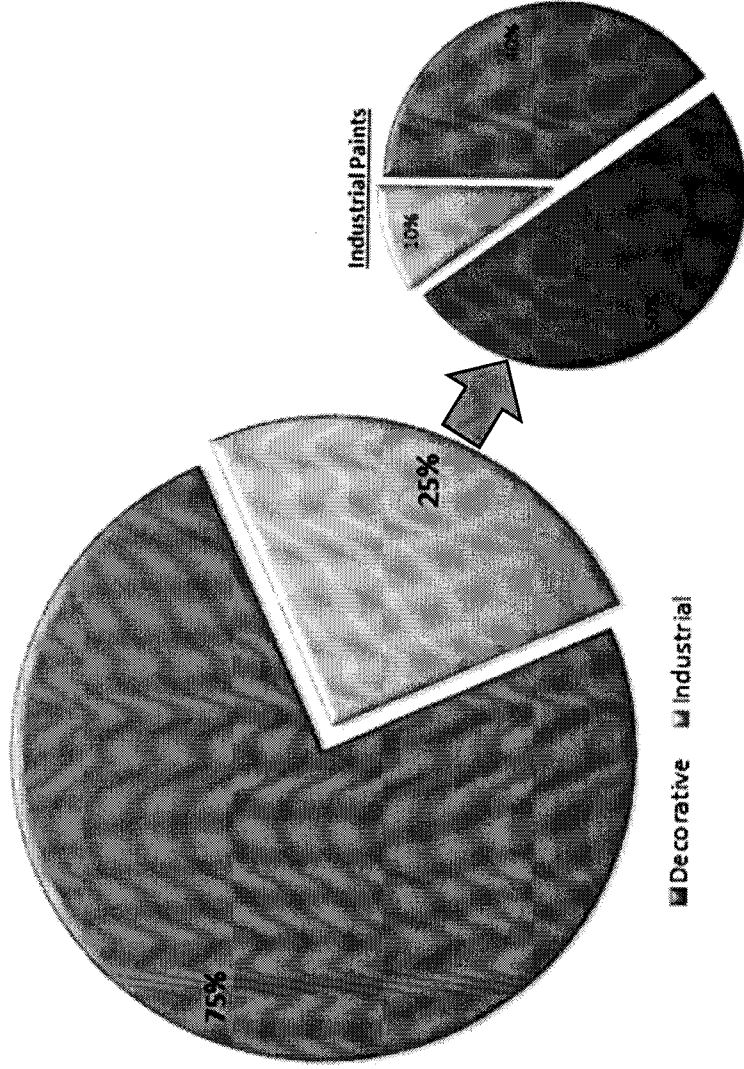


Segments in Paint Industry

Decorative Paints contributes to 75% of industry turnover.

- Industrial Paints comprises:-
 - Automotive & General Industrial
 - Protective Coatings
 - Powder Coatings

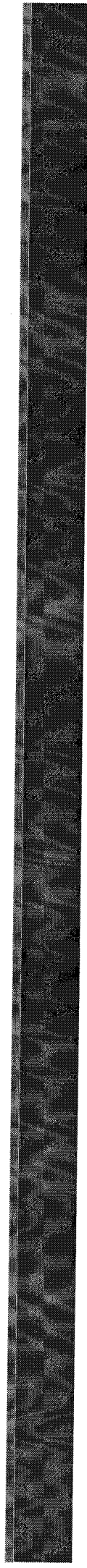
Expected to grow at 14 % + CAGR



Decorative Industrial Protective Coatings Automotive & General Industrial Powder Coatings

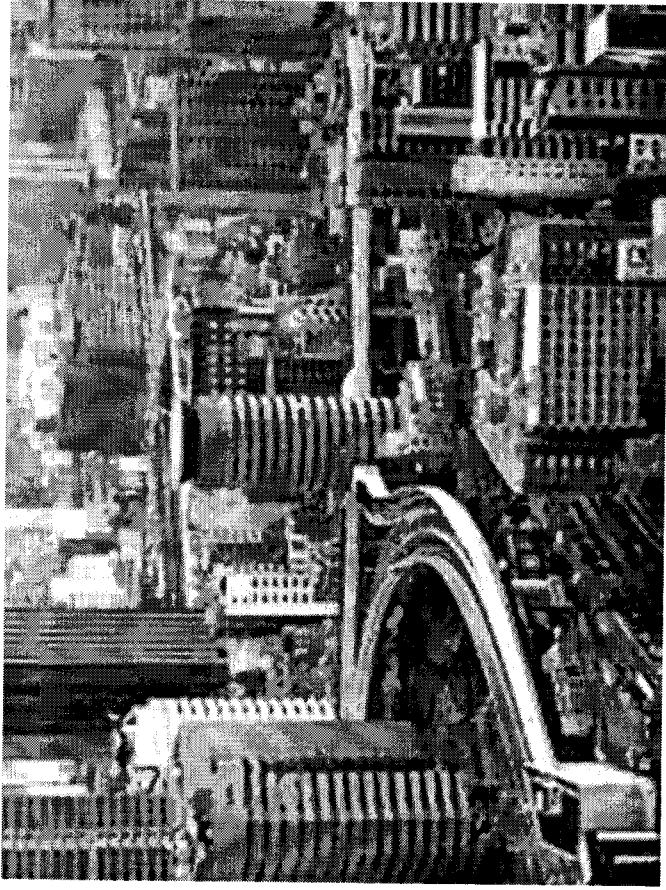
Growth Drivers

DECORATIVE SEGMENT



Urbanization is rapid

- ❑ 91 Mn people added to Urban popn. VS 90 Mn to Rural popn in last 10Y
- ❑ Projected to add 404 mn to urban population between 2014 and 2050
- ❑ 41%+ of Indian popn. will live in cities by 2030, up from 32% currently
- ❑ *Affordable Housing & Housing For All* drive by Gol in successive budgets.
- ❑ *Pradhan Mantri Awaas Yojana* to support 3.70Mn homes in urban areas



Source: Census of India

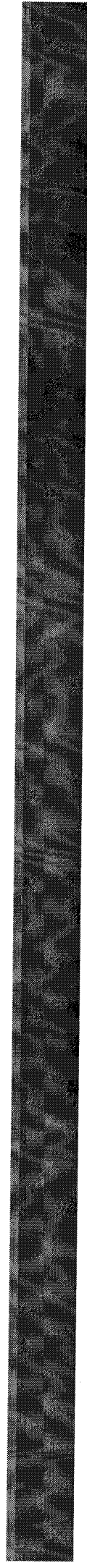


Distribution is underpenetrated, but expanding

- ❑ Paint distribution is hugely underpenetrated (<0.1 Mn outlets) vis a vis relatively saturated categories like
 - ❑ FMCG (Nearly 10 Mn outlets in 2016)
or
 - ❑ Telecom (estm. 10 Mn outlets Dec-17)

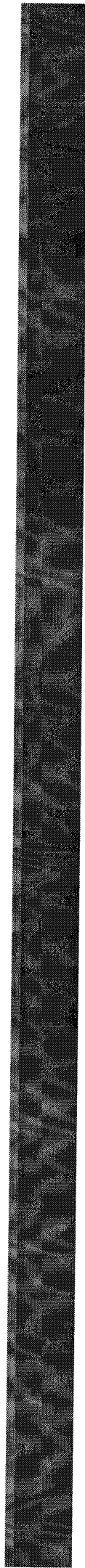
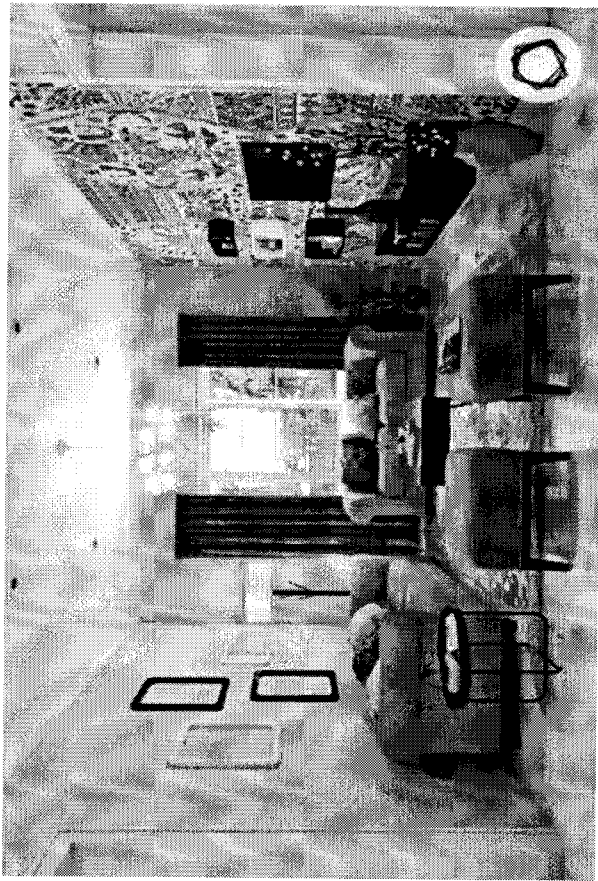


- ❑ Distribution is growing steadily and creating new opportunities



Consumers are upgrading

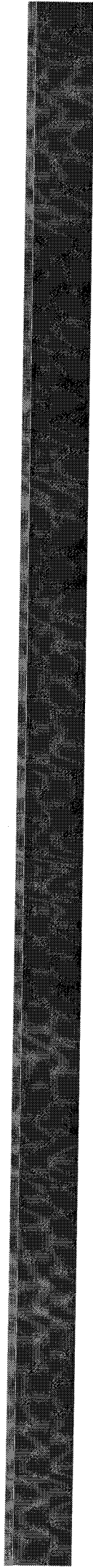
- Growing disposable incomes are seeing customers upgrade to higher value products
- Distemper to Emulsion
- Cement Paint to Exterior Emulsions
- Regular to Premium Emulsion
- Polish to Polyurethane (PU)
- Floor Oxides to Floor Paint
- and so on.....



Growth Drivers

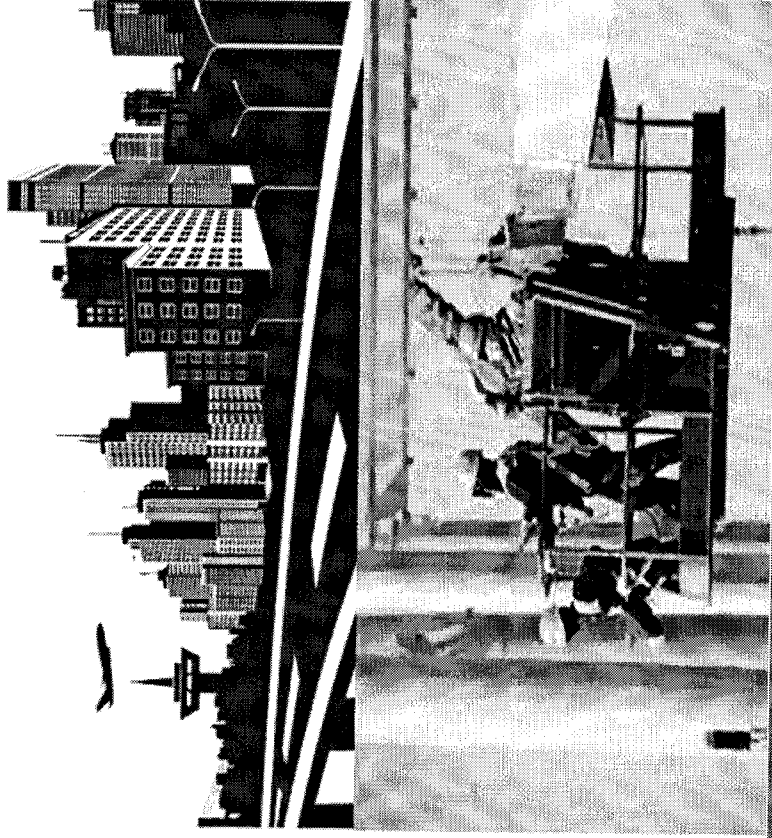
NON-DECORATIVE SEGMENT

AUTOMOTIVE, INDUSTRIAL & PROTECTIVE COATINGS



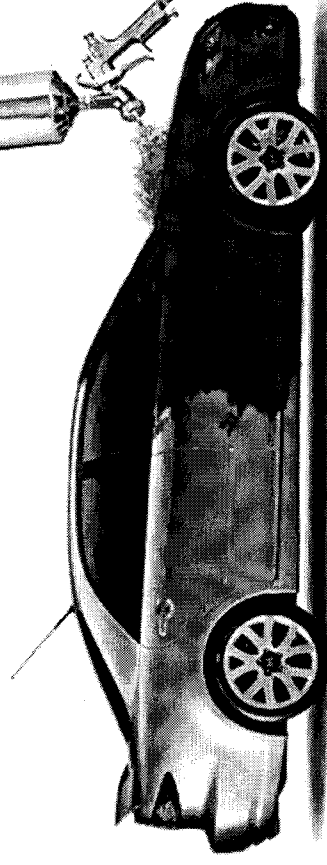
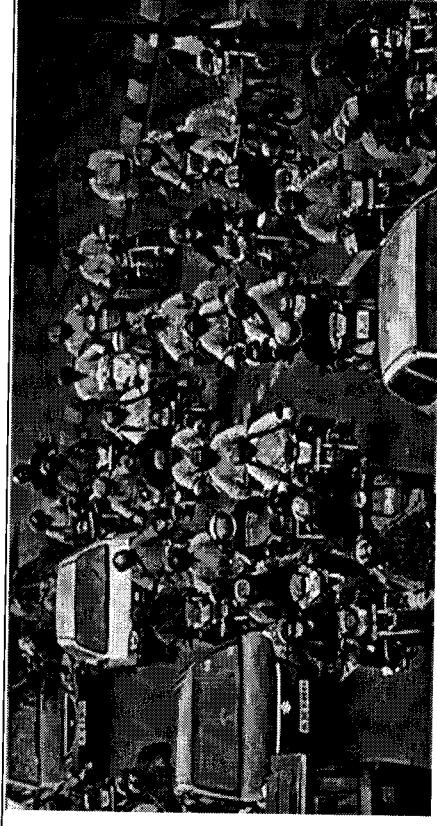
Infrastructure

- ❑ Witnessing a buildup that is fuelling demand
- ❑ Highways – 83,000km planned
- ❑ Ports – 6 new mega ports
- ❑ Airports – 45 new locations under the Udan scheme
- ❑ Metros – Kolkata 1984 & Delhi 2002 now 7 new cities and a few more to start
- ❑ More investment needed and expected
- ❑ Augurs well for the Protective Coating Business



Automotive

- ❑ World's largest 2-Wheeler market. Women, 1st time owners and exports driving demand; 11% CAGR projected.
- ❑ India soon to be the top-4 automobile markets in the world.



#Source: Automotive Mission Plan 2016-26/SIAM & GoI

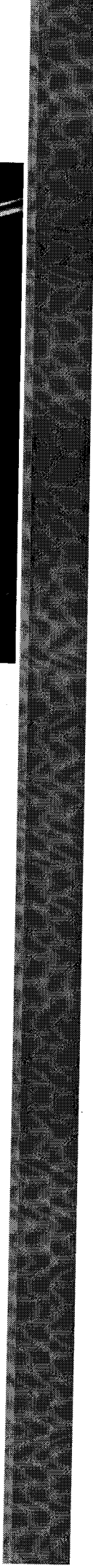
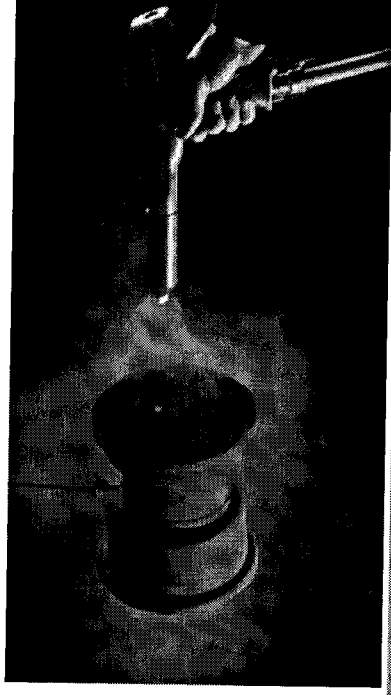
General Industrial & Powder Coating



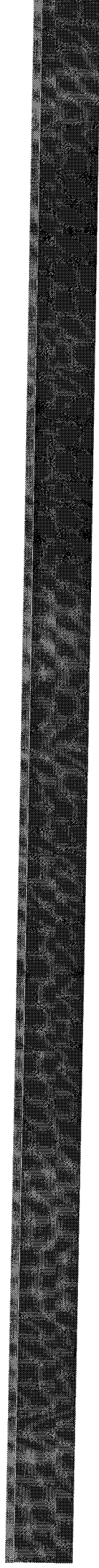
❑ *Made in India* initiative, lower labour cost and good engineering skills likely to drive demand in this segment



❑ GST has brought unorganized players into formal economy; negated price advantage and created a level playing field



Indian Paint Market





Split of the Rs 50,000 Cr pie

- ❑ India paint market is consolidated unlike Russia and China that are heavily splintered
- ❑ The Top-4, Asian, Kansai, Akzo & Berger Paints have major market share @54%.
- ❑ Advantages of market growth accrue to larger players whose share has been growing YoY

Category	Companies	Market Share
Very Large Players >INR 2000 crore	4	53.5%
Large / Mid-size Players INR 10 - 2000 crore	175	33.9%
Small Players Upto INR 10 crore	2250	12.7%

Source: IPA



International Players in Indian Market

□ All paint majors of the world are here but have relatively small presence compared to the existing 4 big players. Reasons :

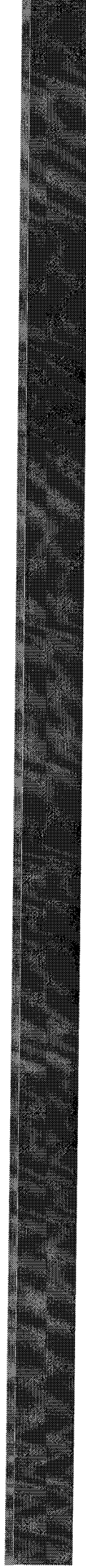
□ **In Industrial** – Price quality equation is key; Value proposition of intl. players not able to make impact. Berger leads in Protective and Coil Coatings, Kansai in Powder Coatings and Auto Coatings

□ **In Decorative** – Distribution and Brand are key; requires patience and sustained investment. Asian and Berger lead the race.

□ Berger bought out the decorative business of Sherwin Williams in 2013.

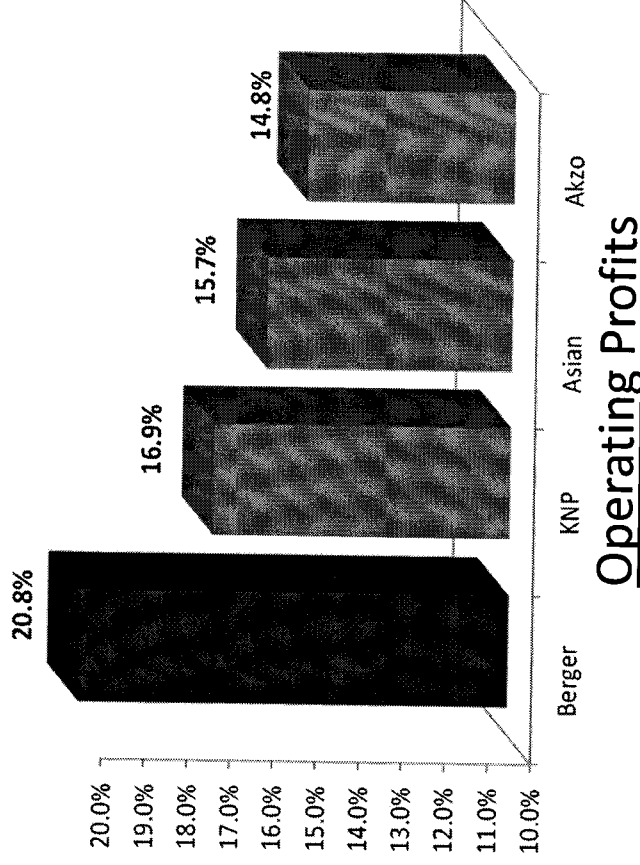
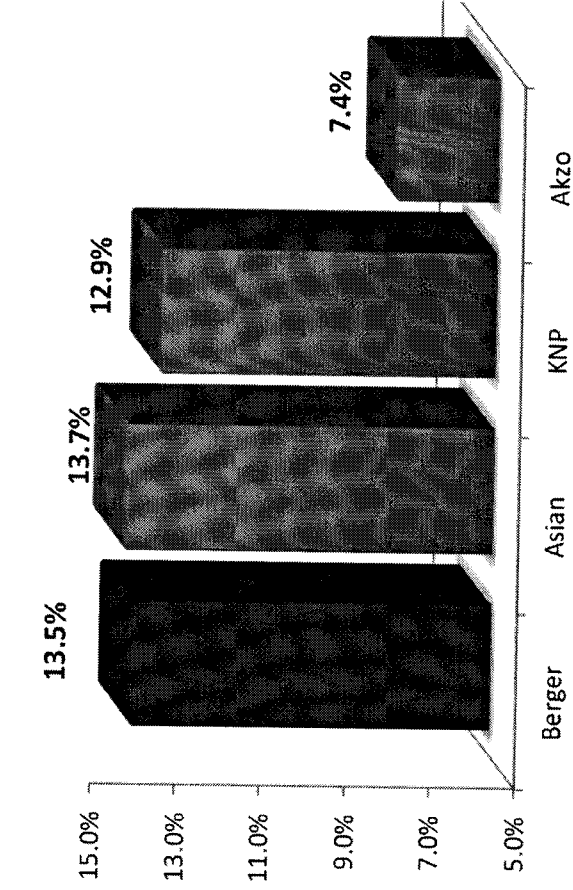


Berger Paints India Limited





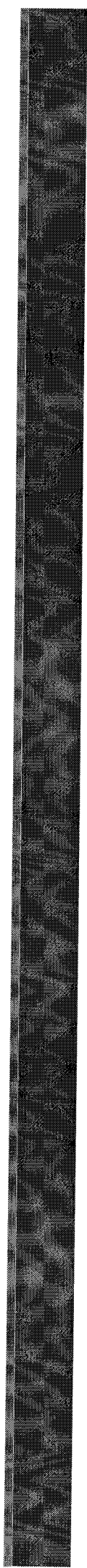
Net Operating Revenue & Operating Profits CAGR from 2010



Neck to neck on Revenue Growth & Best Growth in Profitability

Note: Akzo revenue is that of non-merged entity

Accolades



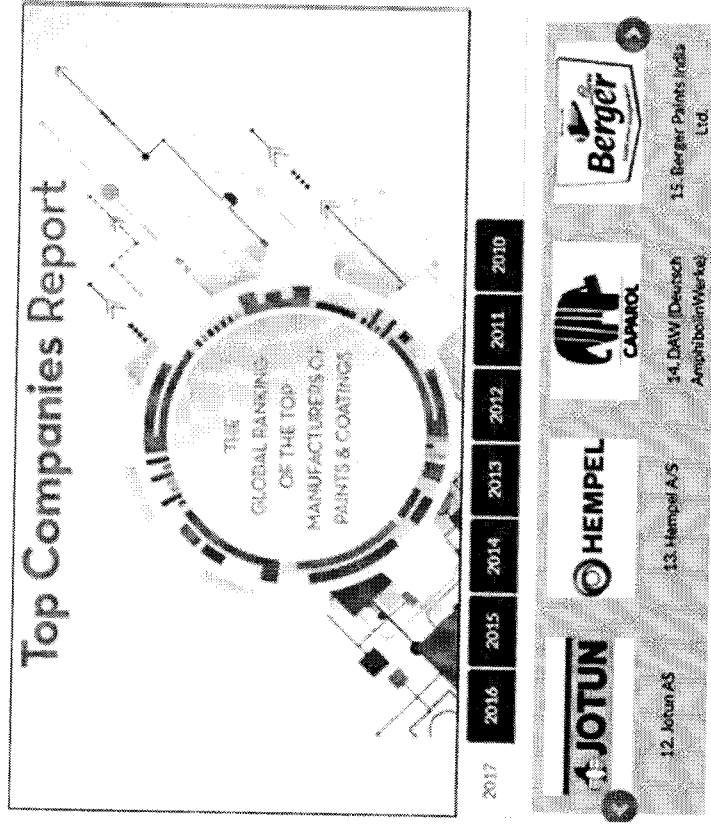
Coatings World Ranking

- in 2017, Berger Paints Group ranked 15 in the Global Rankings of the TOP manufacturers of paints, coatings, adhesives and sealants
- First entered the global rankings list in 2011
- Rapidly climbed the ranks to No. 15.
- Ranked No. 9 on the basis of Decorative paints business only

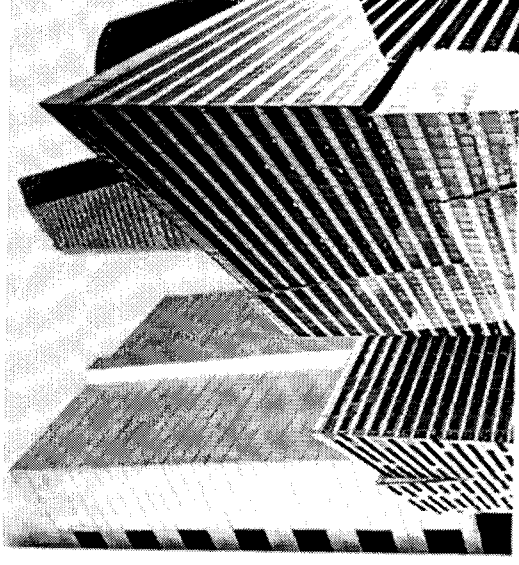
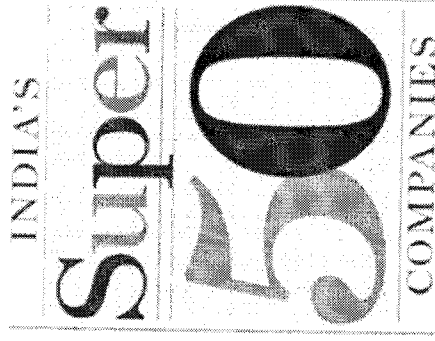
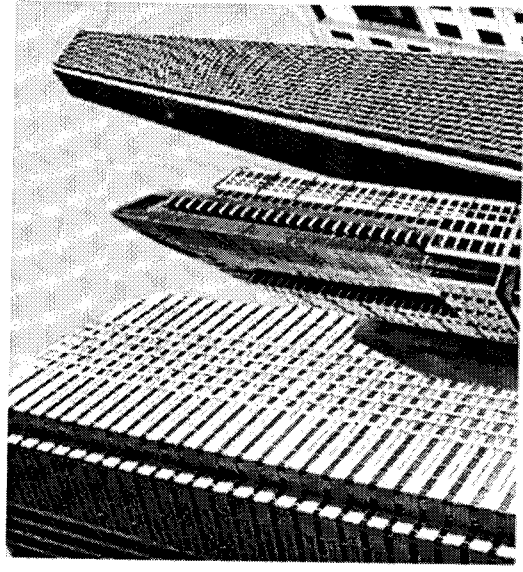
2017 Global Rankings of the TOP manufacturers of paints, coatings, adhesives, and sealants.

The only truly global ranking of the top manufacturers of paints and coatings.

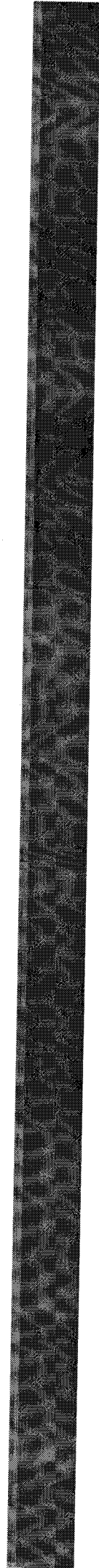
07.07.17



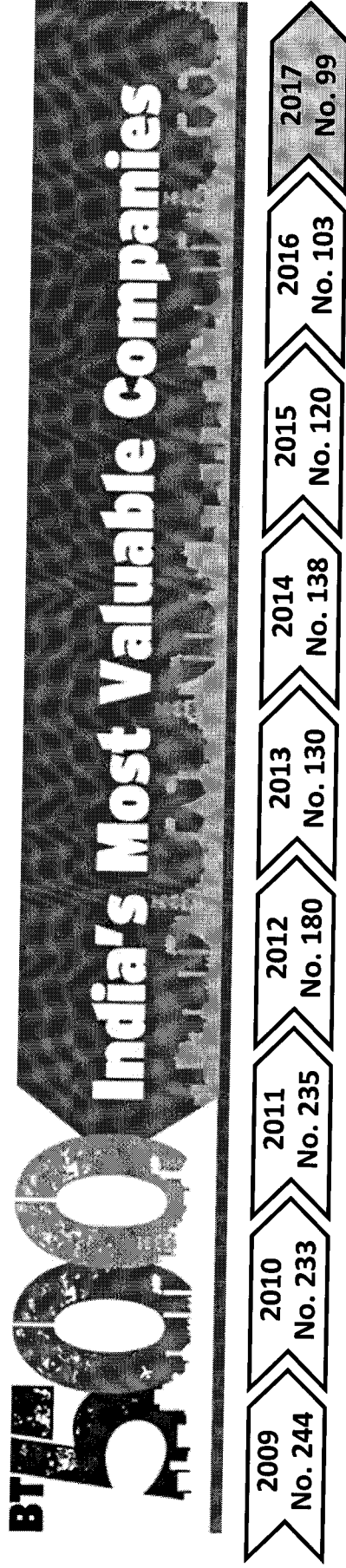
Forbes Super 50



- ❑ Berger Paints features on the list of Forbes Super-50 companies in 2015, 2016 and 2017.



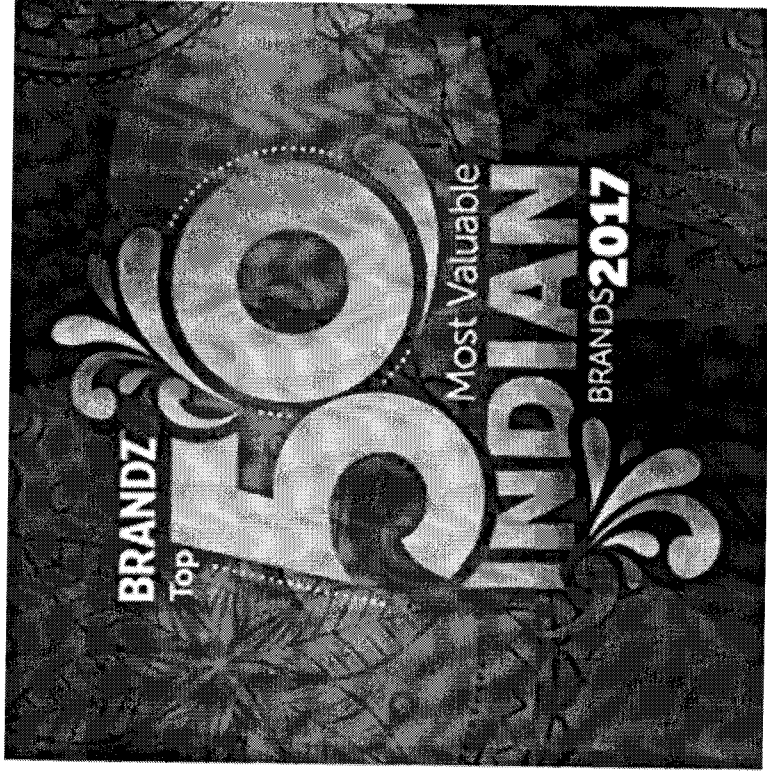
Business Today BT 500



□ Berger Paints has been steadily bettering its ranking and broke into the Top-100 last year.

Millward Brown Brandz Top 50

- ☐ Consistently on the list of top Indian brands since 2014



CII Green Pro Certification

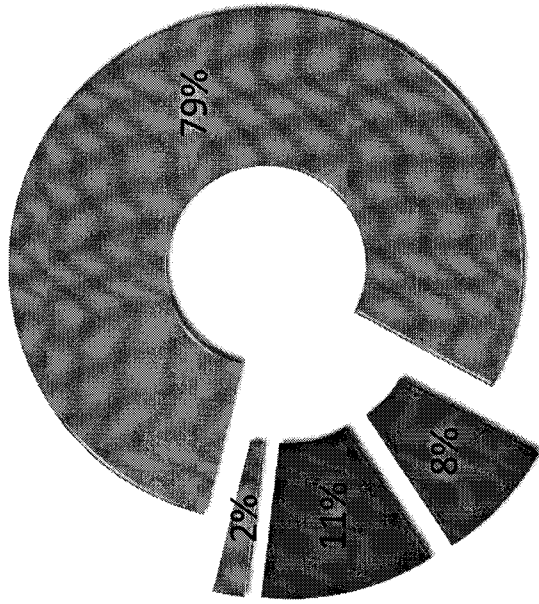
- The 1st paint company in India to get all its products and factories Green Certified
- Low VOC
- No added Lead & Mercury
- Conforms to Green Building Specification



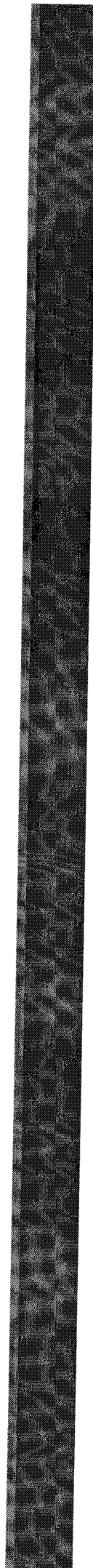


Share of Divisions – Berger India Operations

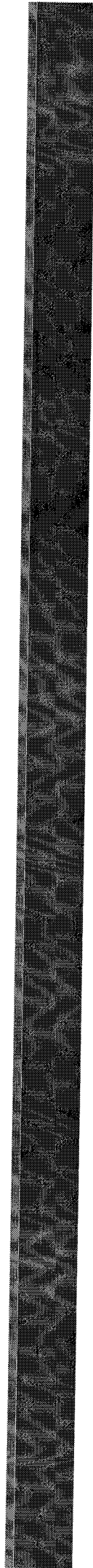
- 79% Decorative
- 11% Protective
- 8% Auto & GI
- 2% Powder



■ Decorative ■ Protective ■ Auto & GI ■ Powder



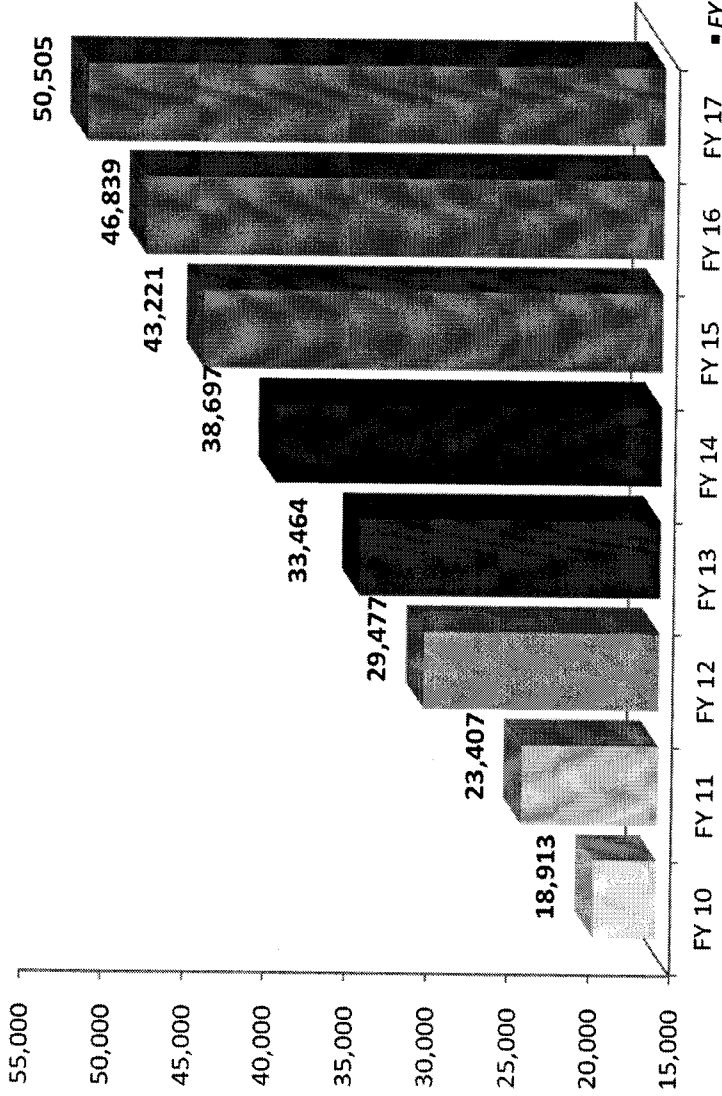
Financials





Decadal Track Record (from 2010) - BPIL Consolidated Sales : 2.8 x 7

INR Mn

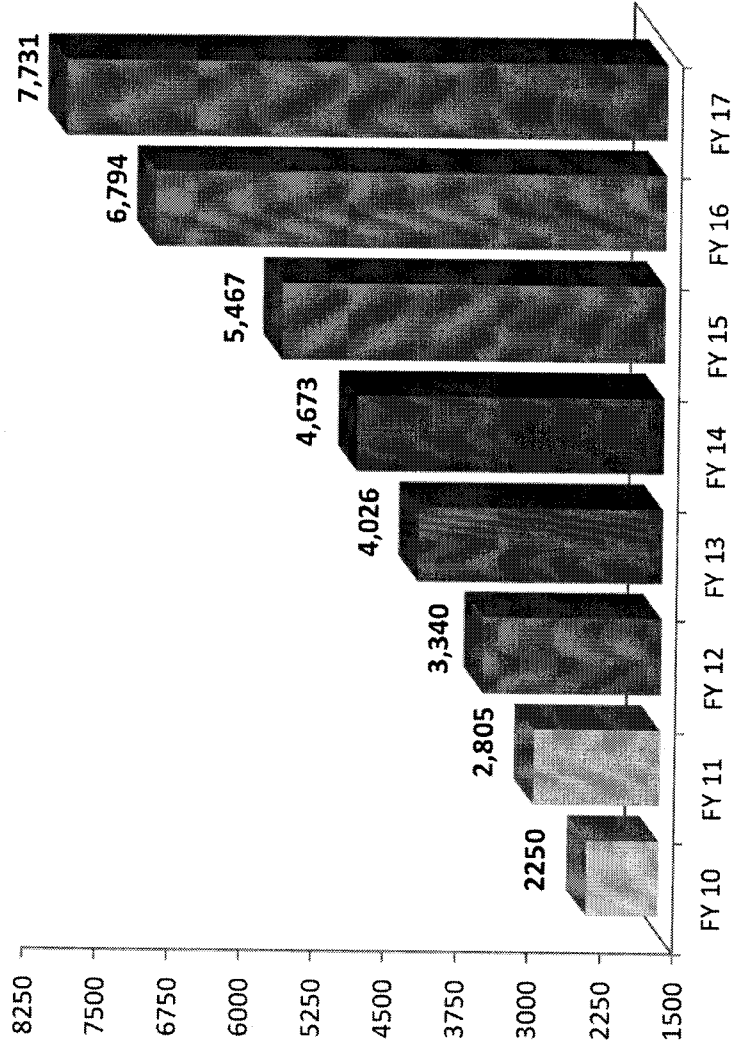


■ FY 16 and FY 17 Figures are in compliance with IND AS



BPIL Consolidated Operating Profit 3.4 x 7

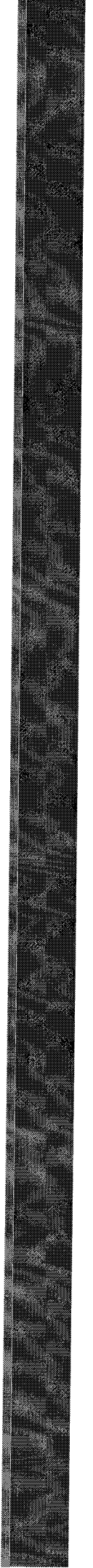
INR Mn



■ FY 16 and FY 17 Figures are in compliance with IND AS



Growth Drivers





Organic Growth Drivers

Network Expansion
YOY growth in distribution, innovative new channel creation

Brand Building
Sustained investment behind key brands based on research driven insights

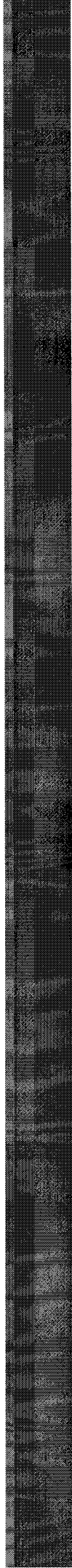
Product Innovations
Early spotting of opportunities in various product segments

Service Innovations
Addressing key consumer pain-points in services has led to great results

People – Hiring & Training practices
Revamped and enriched led to surge in retention, hiring and performance

Supply Side enhancements
Regular investments made in ramping up capacity

Research & Development
Manpower and tech investments leading to breakthroughs products





Innovative Products – all winners!



Omnipresent Dust bothered customers for years

Till we asked and listened

Anti DUST



Dirty, grimy walls was something consumers assumed they had to live with.

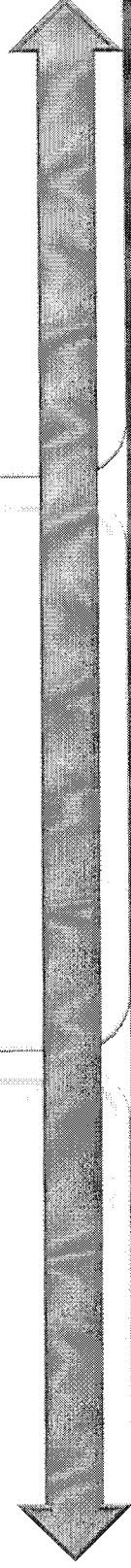
Till we told them, no, use

Easy Clean!



Heat is a concern
Paint is not the typical solution
Says who?

Kool & Seal



Service Innovation

Regular Painting

- Information Asymmetry
- + Unclear Pricing
- + Manual Processes
- + Untrained Labor
- + Dust & Dirt
- + Time Delays
- = Dissatisfied Customers



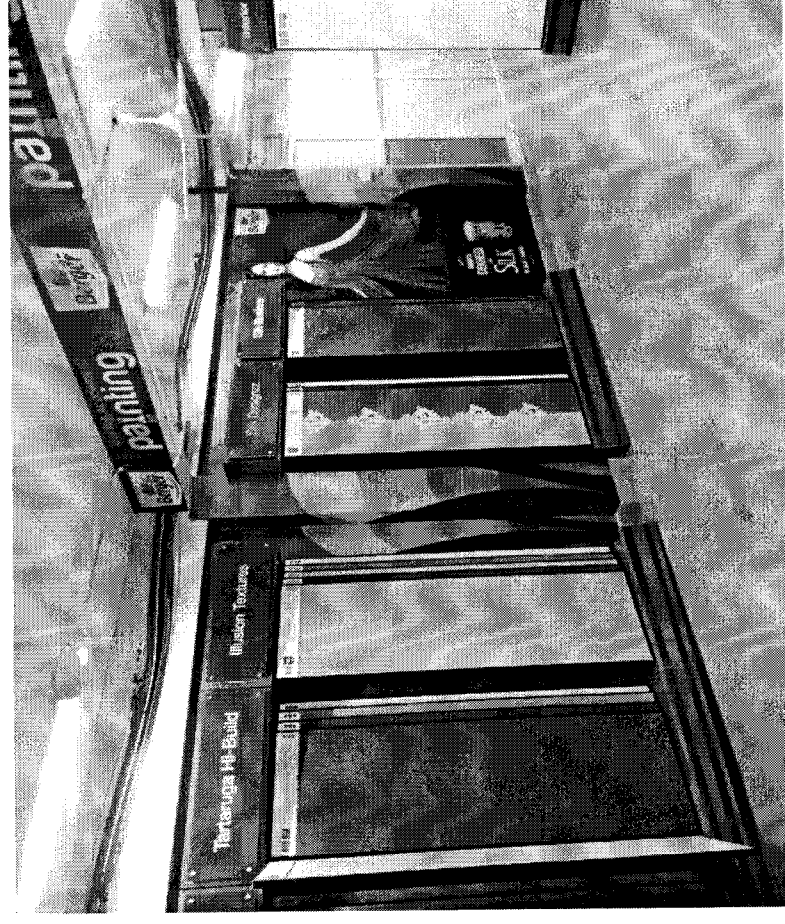
Express Painting

- Academy Trained Labor
- + Automatic Machines
- + Scientific Processes
- + Site Supervision
- – 80% Dust*
- – 40% Time*
- = Delighted Customers



Training Initiatives

- ❑ 25 iTrain locations across India
- ❑ In excess of 50,000+ training sessions hosted for painters
- ❑ NSDC recognized
- ❑ Being extended to rural hinterland with Mobile iTrains



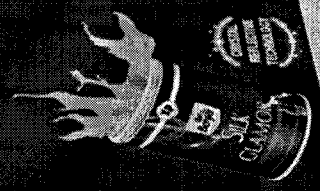


Training at your doorstep



SILK GLAMOR
LUXURY INTERIOR EMULSION

DEEWAREIN NAHIN
YAADAIN HAI



www.bergerpaints.com

SMS XP 56761

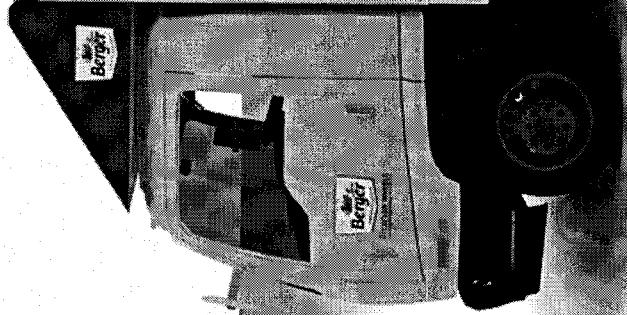
Aa gaya painting ka T20!

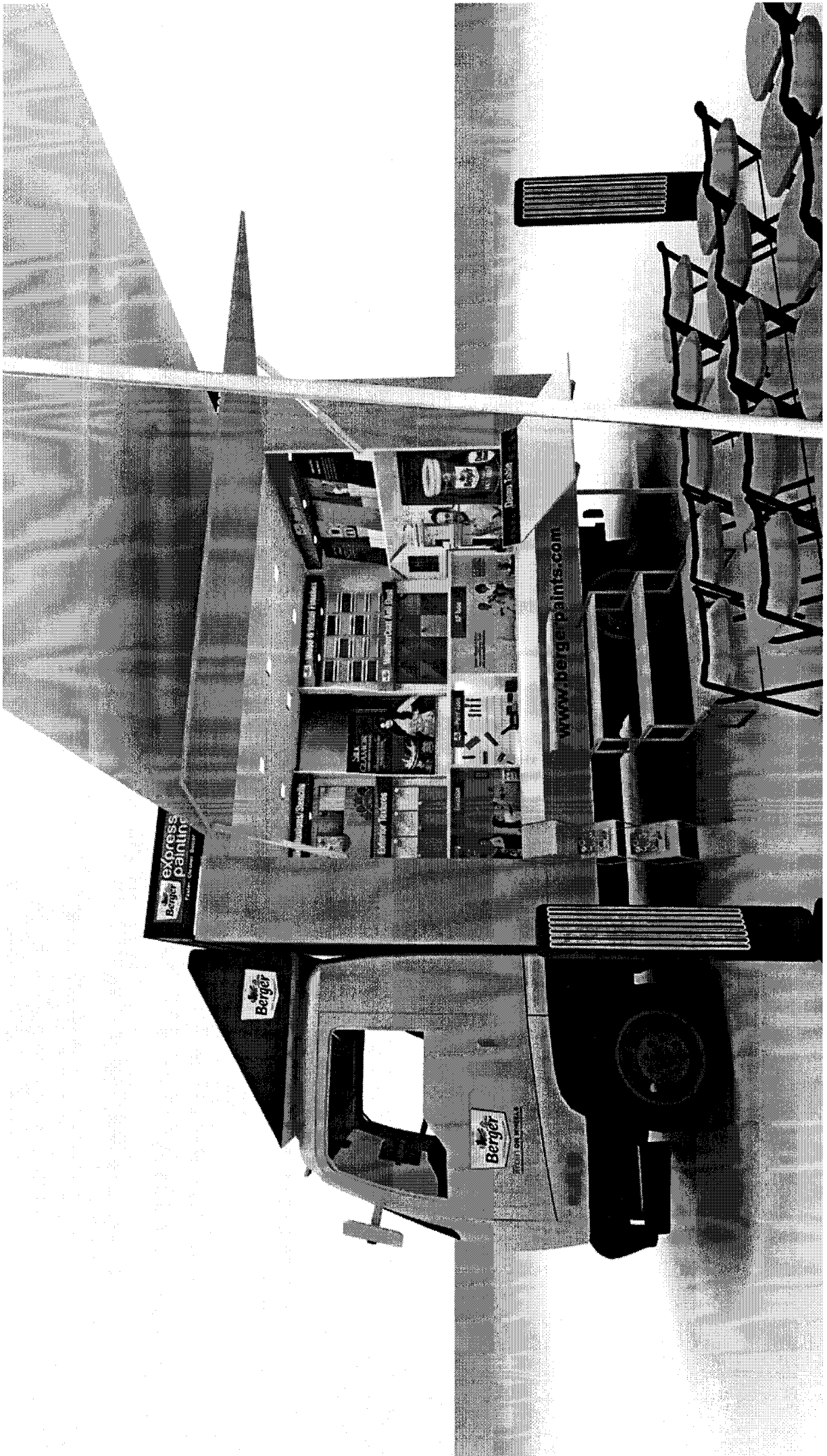


Trotti on wheels

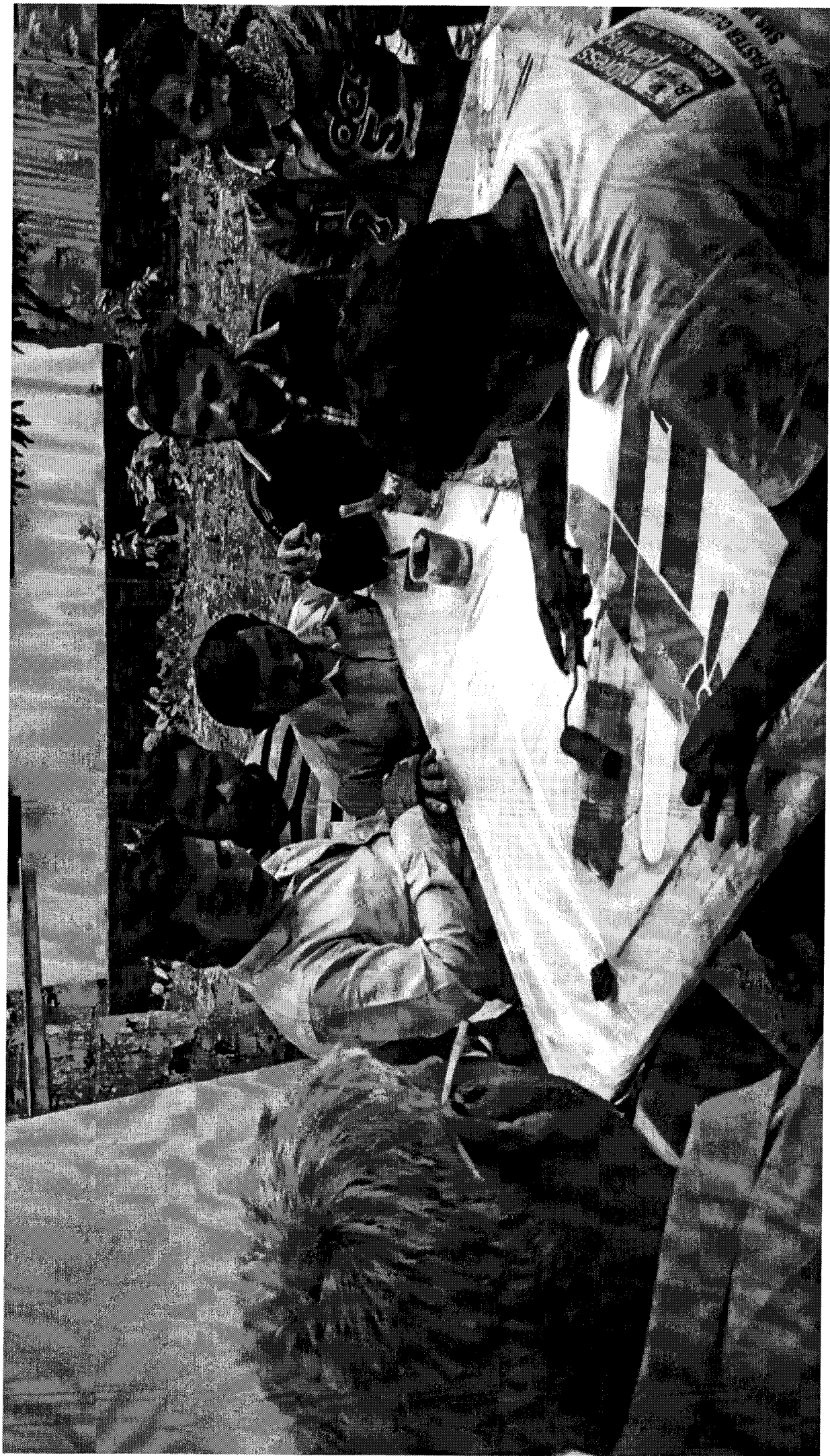
www.bergerpaints.com

express painting Aa gaya painting ka T20! SMS XP 56767



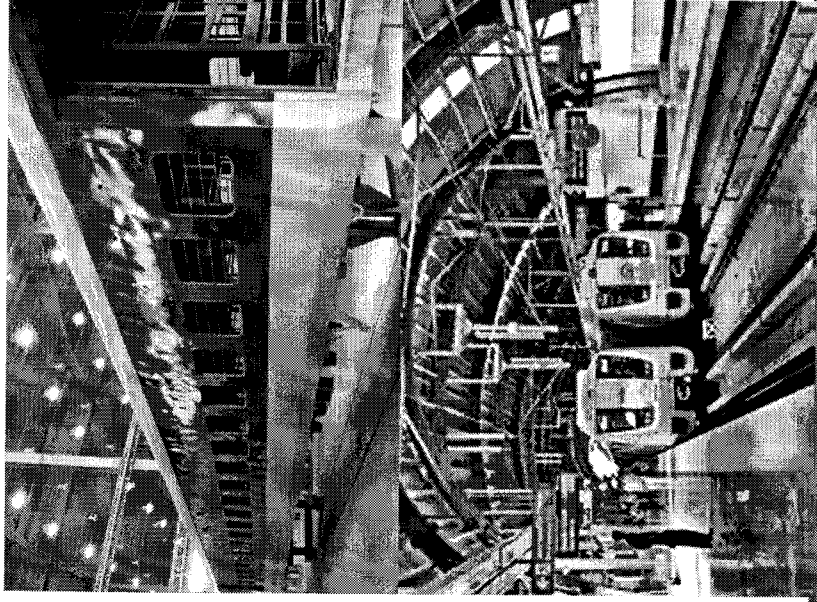






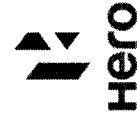
Protective Coatings Outlook

- ❑ Berger is the category leader in India
- ❑ Clients include Railways, Highways, Bridges, Fly-over, Coach Factory, Power Plants, Oil and Gas Installations, Airports etc.
- ❑ Govt. spending in sector has increased. Improvement expected in pvt. sector investments in coming years
- ❑ New product categories like Speciality Floor Coatings, Road Marking Paints, Construction Chemicals will further improve growth
- ❑ GST has helped by leveling the playing field with local players



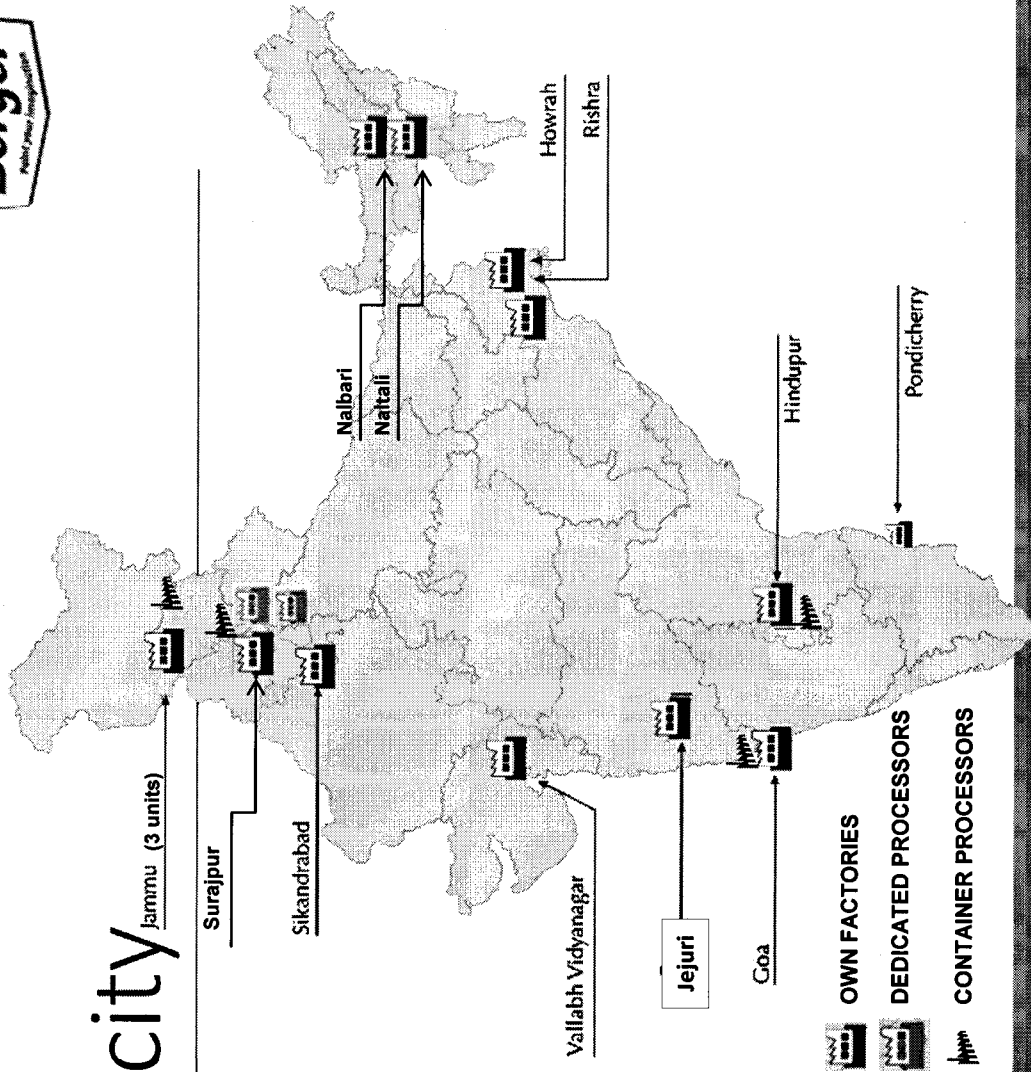
Auto & GI Outlook

- We have built a strong presence in 2-Wheeler and Commercial vehicle categories.
- Growth in 2-W and CV's expected to be rapid next year- we will ride on the growth. Expansion in capacity underway at Jejuri
- JV with Nippon will help build presence in 3W and 4 W categories and CED
- JV with Rock Paints for auto refinish





Manufacturing Capacity



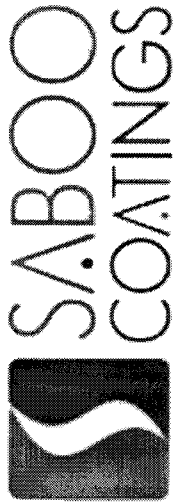
OWN FACTORIES
 DEDICATED PROCESSORS
 CONTAINER PROCESSORS

Sl. LOCATION	INSTALLED CAPACITY (KL/MT)
1 JAMMU	1,25,129
2 HINDUPUR	88,680
3 RISHRA	57,600
4 VVN	54,720
5 JEJURI	54,000
6 NALTALI	37,200
7 GOA	34,200
8 PONDICHERRY	29,400
9 HOWRAH	24,240
10 SIKANDRABAD	21,804
11 SURAJPUR	19,392
12 NALBARI (PROPOSED)	5,282
13 DEDICATED PROCESSORS	57,600
TOTAL	6,09,247



Inorganic Growth thru Acquisitions

- ❑ ICI's Motors and Industries business acquired in 2006
- ❑ Bolix, Poland acquired in 2008
- ❑ Sherwin Williams decorative business acquired in 2013 (0.15 Million USD)
- ❑ Saboo Coatings, acquired in 2017



SHERWIN
WILLIAMS®

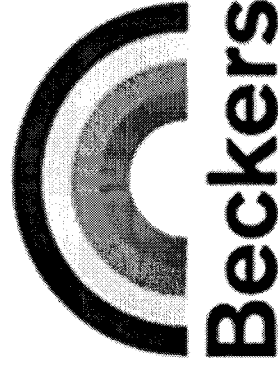
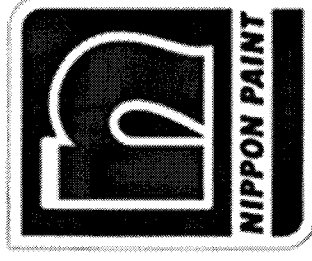


BOLIX®

Inorganic Growth thru Partnerships *Joint Ventures in Industrial Paints*



Market Opportunity	Partner	Year
Coil Coatings	BECKER	1997
Automotive Paints	NIPPON AUTOMOTIVE PAINTS	2007



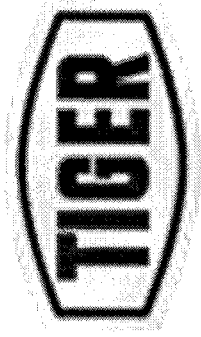
Inorganic Growth thru Partnerships Cooperation through MoUs



Market Opportunity	Partner	Year
Auto Refinish	ROCK PAINTS	2017
Powder Coatings	TIGERWERKE	2004
Wood Coatings	SHERWIN WILLIAMS	2013
Fire Proof	PROMAT	2017
Marine Coatings	CHUGOKU	2017



**SHERWIN
WILLIAMS®**

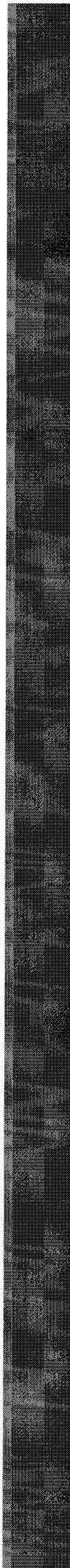


Promat



CMP

CHUGOKU MARINE PAINTS, LTD.



Thank You

