

February 2, 2021

1. Corporate Relationship Department  
**BSE Limited,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400001.
2. Manager – Listing  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai - 400051.

**Sub.: Q3 FY 20-21 Financial Results Conference Call**

- Ref.: 1. Regulation 30(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**  
**2. Scrip Codes : BSE - 500165, NSE - KANSAINER**

Dear Sirs,

Further to the intimation done by the Company on February 1, 2021, with respect to the Conference Call to be hosted by the Management of our Company on Wednesday, February 3, 2021 at 11 a.m. (IST) for the Q3 FY 20-21 Financial Results of the Company, we are enclosing herewith an Investor Presentation.

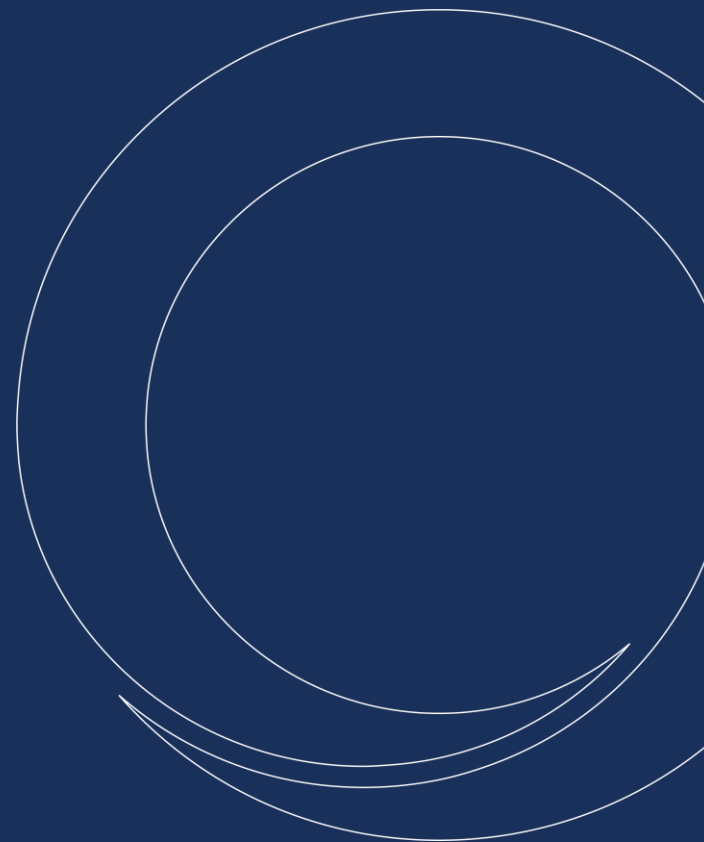
For **KANSAI NEROLAC PAINTS LIMITED**

**G. T. GOVINDARAJAN**  
**COMPANY SECRETARY**

# NEROLAC



# Investor Presentation Q3 Update (FY 20-21)



## **Disclaimer**

This presentation may contain statements which reflect management's current views and estimates and could be construed as forward making 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 fluctuations, competitive product and pricing pressures and regulatory developments.

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# Agenda

**Business Environment FY 20-21\***

**Financial Performance FY 20-21\***

**Business Review FY 20-21\***

**Risks and Future Outlook**

*\*The details in the presentation are for the period April – Dec 2020*

# Business Environment FY 20-21

- ❑ Good Demand was seen in Q3, both in Decorative and Industrial
- ❑ Decorative recorded good growth in Q3 on the back of festival season and continued strong growths in smaller towns. Metros and Tier 1 towns also witnessed an upswing in demand.
- ❑ Auto industry also saw a significant jump in volumes during Q3

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# Financials

## Standalone Q3 FY 20-21

Rs. In Crores	Q3 2019-20	% to Net Sales	Q3 2020-21	% to Net Sales
<b>Net Revenue</b>	<b>1248.1</b>	<b>100.0</b>	<b>1473.4</b>	<b>100.0</b>
Contribution	397.0	31.8	476.8	32.4
Overhead	205.1	16.4	187.0	12.7
<b>PBDIT</b>	<b>191.9</b>	<b>15.4</b>	<b>289.8</b>	<b>19.7</b>
Other Income	12.4	1.0	14.1	1.0
<b>PBT</b>	<b>171.7</b>	<b>13.8</b>	<b>269.2</b>	<b>18.3</b>
<b>PAT</b>	<b>122.7</b>	<b>9.8</b>	<b>201.9</b>	<b>13.7</b>

**Growth - Net Revenue : 18.0 % PBDIT: 51.0 %, PAT : 64.6 %**



# Financials

## Standalone YTD December FY 20-21

Rs. In Crores	YTD Dec 2019-20	% to Net Sales	YTD Dec 2020-21	% to Net Sales
<b>Net Revenue</b>	<b>3955.1</b>	<b>100.0</b>	<b>3359.5</b>	<b>100.0</b>
Contribution	1286.9	32.5	1114.4	33.2
Overhead	633.0	16.0	484.6	14.4
<b>PBDIT</b>	<b>653.8</b>	<b>16.5</b>	<b>629.7</b>	<b>18.7</b>
Other Income	22.9	0.6	26.3	0.8
<b>PBT Before Exceptional item</b>	<b>585.2</b>	<b>14.8</b>	<b>554.1</b>	<b>16.5</b>
Exceptional item (Impairment of Investment)	-	-	10.8	0.3
PBT After Exceptional item	585.2	14.8	543.3	16.2
<b>PAT</b>	<b>463.9</b>	<b>11.7</b>	<b>403.2</b>	<b>12.0</b>

**Growth - Net Revenue : -15.1% PBDIT: -3.7 % , PAT : -13.1%**

# Financial Analysis Q3 FY 20-21

## Positive Factors

- High Growth
- Judicious Control on cost and Overheads continued
- Improvement in Margins

## Negative Factors

- Raw Material Prices continued to Firm Up.
- Volatility in Forex

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## Decorative

### Nerolac launched 3 new Products in Q3

***“Beauty Gold – Washable & Anti Bacteria”,  
“Suraksha Dust Resist”,  
“Beauty Sheen”***



### Market

- Demand continued to be strong in Smaller towns
- Demand picked up in Q3 in Metro and Tier 1 towns

### Highlights

- Better Product Mix in Q3
- Launched three new products during Q3 in the Interior and Exterior Range
- Construction Chemicals Range gaining traction in the market
- Company continues to expand its product portfolio in Construction Chemicals

# Industrial

## Market

- Automotive segment has recorded good growth in Q3 led by Passenger Vehicles.
- Tractor segment continues to do well
- Demand from Non-Auto industries also was better in Q3

## Highlights

- Gained Market Share in Automotive Coatings & Powder Coating

## Subsidiary Performance

### India

#### MARPOL

- High Double-Digit Growth in Q3
- Merger with KNP in process

#### PERMA

- Recovery in the Projects business led to a high double-digit growth in Q3
- Merger with KNP in process

#### NEROFIX

- High double-digit growth in Q3

### Subcontinent

#### NEPAL

- After a long lockdown Markets opened in Q3
- Company recorded a very strong double-digit growth on the back of pent-up demand in the market

#### LANKA

- Demand continued to remain impacted due to COVID-19
- However, some signs of revival seen towards the end of the Quarter.

#### BANGLADESH

- Company continued its good run from Q2 and recorded a high double digit growth in Q3 as well

**Business Environment FY 20-21\*****Financial Performance FY 20-21\*****Business Review FY 20-21\*****Risks and Future Outlook**

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# Risks and Outlook

## □ Risk

- Inflationary Trend likely to continue

## □ Outlook

- Demand is expected to be healthy due to the positive Consumer sentiments on account of COVID-19 Situation coming under control and availability of the vaccines.





**THANK YOU**