



Date: August 06, 2021

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

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 Unaudited Financial Results of the Company for the quarter ended June 30, 2021.

You are requested to take note of the same.

Thanking you,

**For Indigo Paints Limited**

*(formerly known as Indigo Paints Private Limited)*



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

Encl: as above



# INDIGO Paints Ltd

## Investor Presentation (Q1 FY 22)

---



# 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



Quarterly Financials (Q1 FY22)

# Introduction

---

- Major Covid impact on Sales during late Apr 21 and May 21
- Sales have recovered to normal levels in June 21
- High Covid cases in Kerala have dampened our Sales growth, as Kerala contributes 30% of our topline, and continues to account for high Covid caseload
- Rest of India is compensating for lower growth in Kerala
- Company making good progress in expansion of its manufacturing facility in Tamil Nadu; expect to complete it in Q2 of next fiscal
- Company plans on increasing its advertising spends this fiscal; heavy advertising was done in April during IPL, and advertising is resuming pan-India in August



# Indigo Paints Q1 FY 22 financials

Statement of unaudited financial results for the quarter ended June 30, 2021					
(All amounts in rupees lakhs, unless otherwise stated)					
Sr. No	Particulars	Quarter ended			Year ended
		Jun 30, 2021 (Unaudited)	Mar 31, 2021 (Audited) (Refer note 5)	Jun 30, 2020 (Refer note 6)	Mar 31, 2021 (Audited)
<b>1</b>	<b>Income:</b>				
	Revenue from operations	15,602.42	25,426.82	10,458.03	72,332.47
	Other income	302.24	157.70	18.22	359.37
	<b>Total Income</b>	<b>15,904.66</b>	<b>25,584.52</b>	<b>10,476.25</b>	<b>72,691.84</b>
<b>2</b>	<b>Expenses:</b>				
	Material Related Costs	8,500.03	13,562.39	5,807.81	37,651.70
	Employee benefits expense	1,359.04	1,366.28	1,009.25	4,831.28
	Finance cost	25.27	43.81	142.16	381.31
	Depreciation and amortisation expense	735.36	696.99	555.00	2,438.95
	Other expenses	3,726.96	6,204.44	1,740.51	17,597.88
	<b>Total Expenses</b>	<b>14,346.66</b>	<b>21,873.91</b>	<b>9,254.73</b>	<b>62,901.12</b>
<b>3</b>	<b>Profit before exceptional items and tax</b>	<b>1,558.00</b>	<b>3,710.61</b>	<b>1,221.52</b>	<b>9,790.72</b>
<b>4</b>	<b>Profit before tax</b>	<b>1,558.00</b>	<b>3,710.61</b>	<b>1,221.52</b>	<b>9,790.72</b>
<b>5</b>	<b>Total tax expense</b>	<b>397.25</b>	<b>1,224.58</b>	<b>381.61</b>	<b>2,705.71</b>
<b>6</b>	<b>Net Profit for the period</b>	<b>1,160.75</b>	<b>2,486.03</b>	<b>839.91</b>	<b>7,085.01</b>
<b>7</b>	<b>Total Other comprehensive income for the period</b>	<b>(2.72)</b>	<b>(9.18)</b>	<b>-</b>	<b>(10.87)</b>
<b>8</b>	<b>Total Comprehensive Income for the period</b>	<b>1,158.03</b>	<b>2,476.86</b>	<b>839.91</b>	<b>7,074.14</b>



# Indigo Paints Q1 financial analysis

RS. Cr

Particulars (Rs. Crs)	Quarterly			Q1 FY 22	% Change		Annual FY 21
	Q1 FY 20	Q1 FY 21	Q4 FY 21		Q1 FY 22 vs Q1 FY21	Q1 FY 22 vs Q1 FY20	
Operational Income	143.93	104.58	254.27	156.02	49.19%	8.40%	723.32
Other Income		0.18	1.58	3.02			3.59
<b>Total</b>		<b>104.76</b>	<b>255.85</b>	<b>159.05</b>			726.92
<b>Gross Margin %</b>		44.47%	46.66%	45.52%			47.95%
<b>A&amp;P</b>		2.56	30.90	15.70			77.06
<b>EBITDA</b>		19.00	42.94	20.16	6.10%		122.52
<b>EBITDA %</b>		18.17%	16.89%	12.92%			16.94%
<b>PAT</b>		8.40	24.86	11.61	38.20%		70.85
<b>PAT%</b>		8.02%	9.72%	7.30%			9.75%



## Analysis (Financials)

---

- Q1 FY 22 Operational Income has expanded by **49.19%** over Q1 FY 21; EBITDA has expanded by **6.10%** over Q1 FY 21, and PAT has expanded by **38.20%** over same period
- A & P spends in Q1 FY 22 were higher by **Rs 13.14 cr** over Q1 FY 21, due to heavy advertising in April 21, resulting in lower expansion of EBITDA & PAT figures
- Gross Margins have been reasonably stable in Q1 FY 22, compared to Q1 FY 21 or to Q4 FY 21, in contrast to many other paint companies
- More relevant is topline growth of Q1 FY 22 against Q1 FY 20; we registered a growth of **8.40%** over Q1 FY 20, among the best in paint industry
- Topline growth should further accelerate as Covid restrictions in Kerala reduce





## Analysis (Financials)

---

- Raw material prices have stabilized at slightly lower levels than peak of Q4 FY 21; however, showing signs of moving up sharply again in last two weeks
- Price increases effected on 1<sup>st</sup> Apr, 1<sup>st</sup> May, 1<sup>st</sup> Jul and 1<sup>st</sup> Aug (in addition to increases in Nov, Dec, Jan & Feb); Gross Margins now comfortable, unless further spike in RM costs happens; expect further price increases on paint products
- Expect to end the year with EBITDA margin of >18.5%
- Not reducing A&P spends, unlike some other paint companies; plan to increase Media advertising on an absolute amount by 20% in FY 22 (over FY 21), although we expect total A & P spends to decline from 10.7% of Revenue (FY 21) to ~ 9% in FY 22



## Value / Volume Growth (Q1 FY 22 vs Q1 FY 21)

<b>Product Category</b>	<b>Value Growth</b>	<b>Volume Growth</b>
<b>Cement Paints + Putty</b>	24.8%	23.7%
<b>Emulsions</b>	83.1%	73.1%
<b>Enamels + Wood Coatings</b>	25.6%	17.4%
<b>Primers + Distempers + Others</b>	7.4%	5.1%



## 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, the value growth in each category is higher than volume growth
- Witnessing higher volume growth in premium sections of Emulsions and Wood coatings



## Network expansion

---

	<b>31.3.21</b>	<b>30.6.21</b>
No. of Depots	44	44
Active Dealers	13,214	13,884
Tinting m/c nos.	5,472	5,800

- Despite the lockdown restrictions through most of Q1, we have managed to continuously increase our Dealer strength and Tinting machine population
- Above expansion expected to further accelerate in current and future Quarters, as Covid restrictions ease

