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/32/2022-23/29

27th June, 2022

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/Madam,

Sub: Investors presentation

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the presentation made to the members of the Promoter(s)/Promoter(s) Group on the financial performance of the Company for the financial year ended 31st March, 2022, at the meeting held today. No information other than what is generally available in public domain/disclosed to the Stock Exchanges/investors was shared at the meeting.

This is for your information and records.

Thanking you,

Yours truly,

For **ASIAN PAINTS LIMITED**

R J JEYAMURUGAN
CFO & COMPANY SECRETARY

Encl.: As above

Classification: Internal

FY 2021-22 Performance Update

Classification: Internal

asianpaints

Delivering joy since 1942….

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

asianpaints

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 many 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.

Classification: Internal

Asian Paints Group Today

USD 4.0 Bn Group revenue

3rd Largest Paint Company in Asia

4th Largest Globally in Deco Architectural Business

Amongst top 5 in Architectural Coatings in World

26 Paint Manufacturing Plants

No. 2 in Global Paint Industry by Market Cap

Servicing 150,000+ retailers directly / indirectly in India

12000+ people spearheading an unparalleled trajectory

Classification: Internal

Recent accolades

No. 1 – Most Purposeful Brand in Non-FMCG sector

Ranked 14th in Business Today - Most Valuable Companies List. (Nov 2021)

Ranked 9th amongst Coatings companies in the world July 2021 report

Forbes Global 2000 List

Golden Peacock Award for Excellence in Corporate Governance

Ranked 21st in Business Today – Most Valuable Companies List. (Nov 2020)

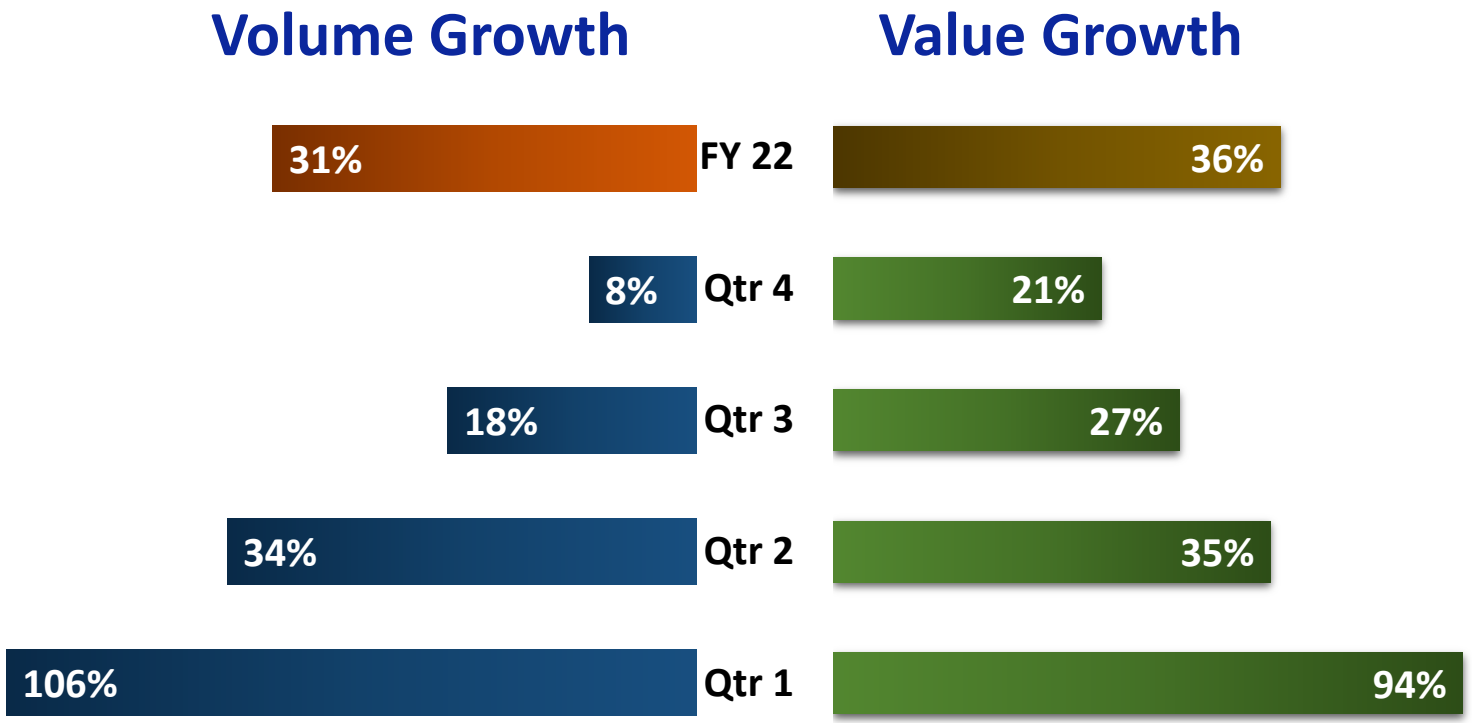
5th Most Valuable Brand in India

Ranked 9th amongst Coatings companies in the world July 2020 report

Classification: Internal

Business Update – Decorative Business

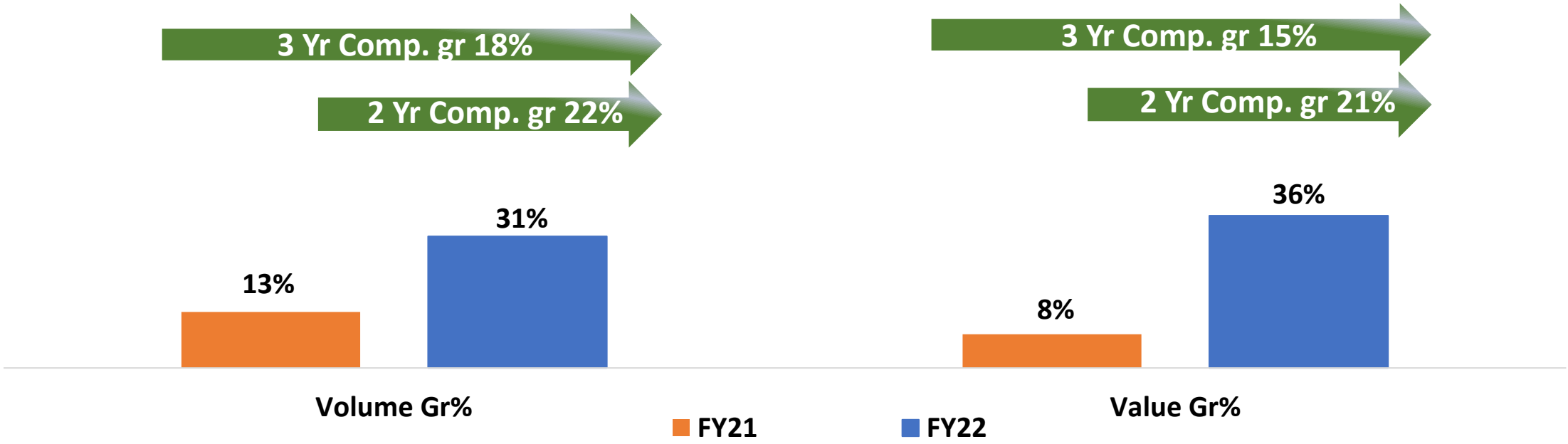
Robust performance across quarters in FY 21-22



Classification: Internal

Business Update – Decorative Business

Double digit volume and value growth delivery from a 2 / 3 year perspective, despite a challenging environment



Classification: Internal

Competition Performance in FY 21-22

12 Month FY21-22 GR%	
Company	**% Gr**
Asian Paints	36.0%
Kansai Nerolac	24.7%
Berger Paints	28.6%
Akzo Nobel	30.1%
Indigo	25.3%
Shalimar	18.1%
others	15.0%

Others – Regional players in the paint industry (as per company estimate)

Classification: Internal

Classification: Internal

Business Update – Decorative Business

- **Growth led by T1/T2 centers: Good double-digit growths, especially in Luxury & Premium range**
  - T3/T4 : Good growth here as well; Double-digit growth in Economy range

- **Project / Institutional business growing at higher clip than retail**
  - Big surge in business across T1/T2/T3 centers from the Builder segment
  - Strong growth from Government, Factories segments

- **Distribution footprint expansion in big city suburbs and T3/T4 cities in a big way**
  - Co-existence of a unique Distributor and Direct Dealer model; Adding more than 15,000 retail points taking AP presence across 1,45,000 retail points

- **Increasing the per capita paint consumption & enlargement of the Paint market**
  - Introducing new categories to fuel growth - like Hygiene Paints / Fire retardant Paints / Glass Paints / Floor paints / Wood Polish Market (Glow Max) / Super Economy Emulsions (Tractor/ Ace Sparc range)
  - Increasing Paint application productivity through mechanized tools

Classification: Internal

Building the Brand

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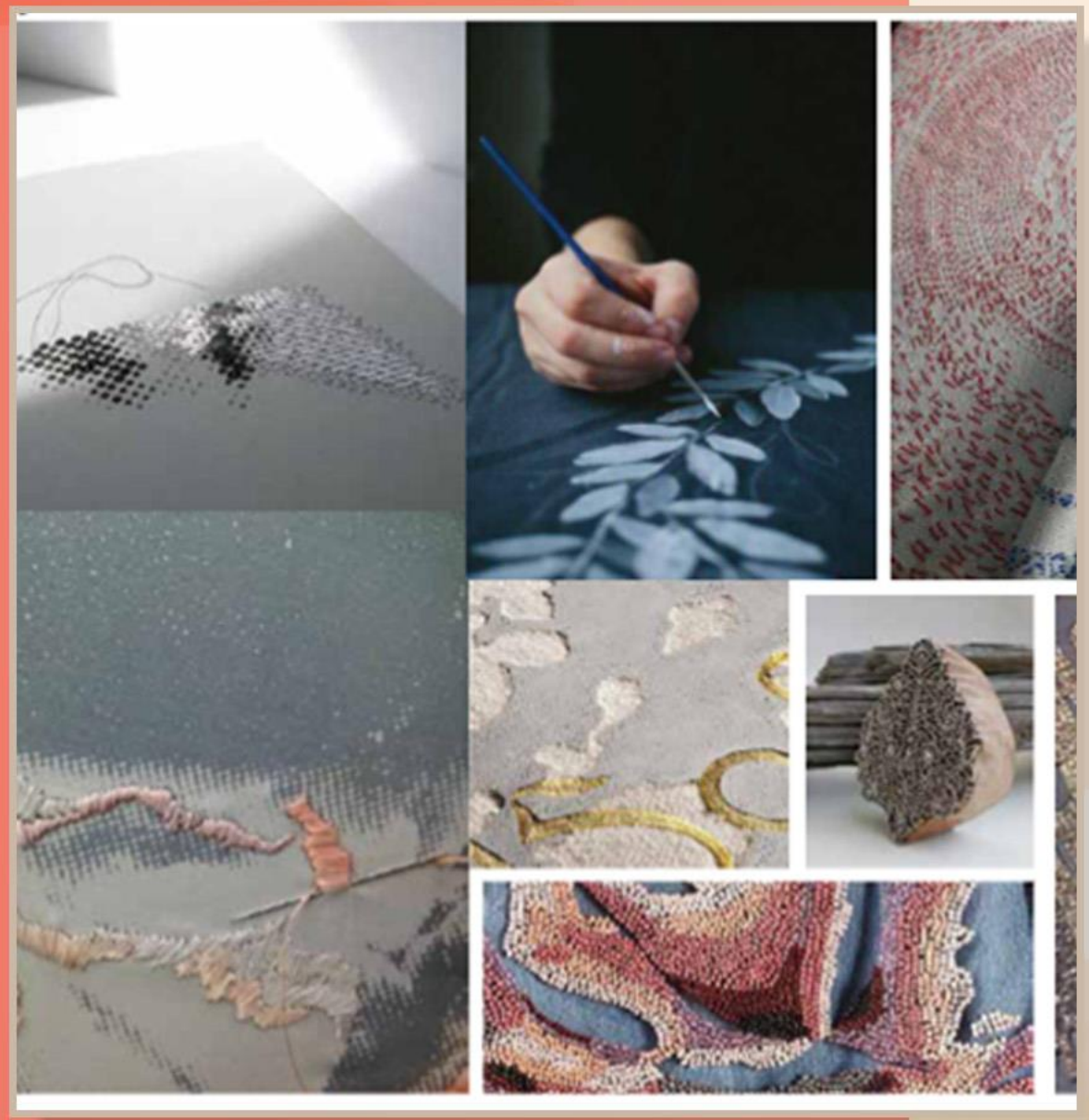
1. THE ROLE OF THE MAKER



CELEBRATING INDIA'S ART AND CULTURE

An ode to hand made

INK

Jaipur

Ageless and Elemental, it is INK,
first and foremost, that unlocks expression

2. CONCIOUS CONSUMPTION

asianpaints

Focus on Long Term Sustainable Journey

Making Responsible Choices

Environment

- Product Stewardship
- Water Neutrality
- Energy Conversation
- Nature Positive

Social

- Community Ownership, Customer Celebrations
- Water Stewardship
- Empowering Safety
- Energizing, Equitable, Inclusive Work Environment

Governance

- World Class Governance
- Proactive Stakeholders Engagement
- Transparency

Product Stewardship

Certified Sustainable products

Sustainable products with leadership standards such as **Green Seal™** with **GS-11** certification as well as **Green Assure**, our voluntary standard

187 Products awarded **GreenPro** certification by **CII-IGBC**

Eliminating Harmful Ingredients

Focused on eliminating/minimizing restricted raw materials from our products.

Our Architectural paints are **lead and heavy metal free** since **2008**, and subsequently **free** from added **Respirable Crystalline Silica (RCS) since 2013**

Shrinking Carbon Footprint

Focused on improving the scattering efficiency of Rutile through multiple formulation and process innovations

Rutile optimization resulted **in net carbon footprint reduction** of approximately **17,700 MT CO2 e**

282% Water Replenishment

62%* reduction

in Specific Non-process Fresh Water Consumption

More than 3,400 tonnes

of post-consumer flexible plastic &

More than 14,400 tonnes

of post-consumer rigid plastic collected and recycled across 23 states in India

77.4%* reduction

in Specific Industrial Effluent Generation

63.7%* reduction

in Specific Hazardous Waste Disposal

36.9%* reduction

in Specific Electricity Consumption

61.1%* electricity

from Renewable Sources

69%* reduction

in Emissions

** Baseline Year FY 2013-14*

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CSR at APL

Vocational Training

Providing skilling and vocational training and technical knowledge distribution, to enhance productivity and livelihood for painters, carpenters and plumbers community

Health & Hygiene

Improving health index of the communities by providing healthcare through static clinics, mobile medical units, free medical camps, implementing sanitation projects and awareness programmes for communities

Water Management

Promoting integrated watershed development, rejuvenation of water bodies including desilting lakes, installing & maintaining rooftop rainwater harvesting units and providing access to potable water

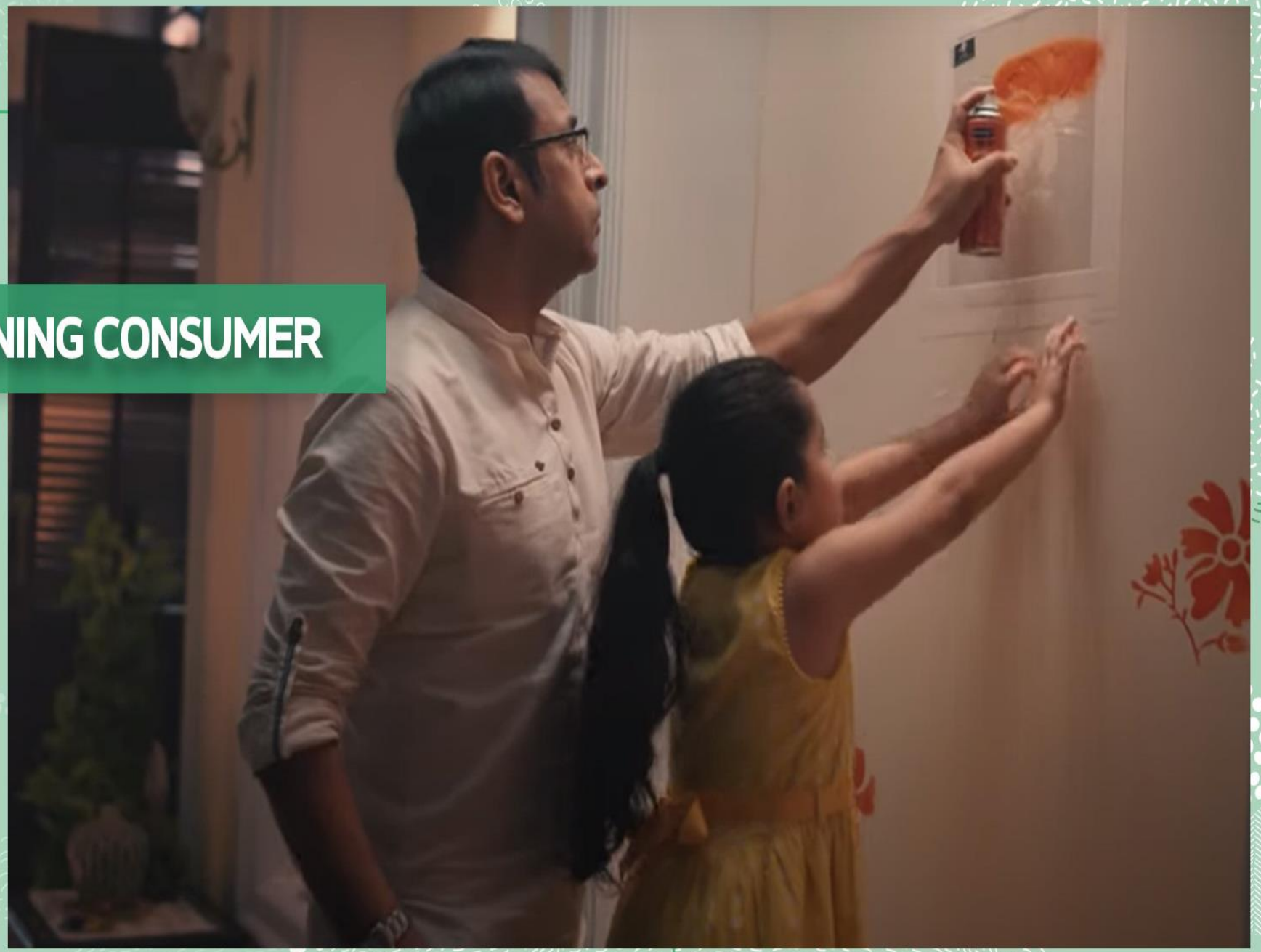
LIVES TOUCHED

3,75,000+
Beneficiaries through Colour Academy trainings

2,70,000+
Health & Hygiene

~1,00,000
Water Management

3. DISCERNING CONSUMER



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Decorative Business (India)

- **Best in Class Painting Service**
  - Unique Painting Service Model : Globally the biggest and best service model
  - Unparalleled Consumer delight measured through NPS
  - Delivered through more than 1,50,000 trained painters
  - Presence across 240 towns in India
  - A Range of services offered:
    - Colour Consultancy and Visualization
    - Express Painting services : Quick Makeover
    - Waterproofing Solutions
    - Wood Finishes Solutions
    - Hygiene Services

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Services – A Key Differentiator

DEMOCRATISING DESIGN:

SABYSACHI - THE DESIGNER'S RANGE

asianpaints + ST+ART

ST+ART AV

BREAKING THE STEREOTYPE

Experimental considerations
Creative problem solving
Normal is boring
Dare to dream : retain the context
Sociological experiences

BEDROOM CLUSTER

WE ARE BREAKING THE STEREOTYPE

and Creating a New Future of Design

Breaking the stereotype with new avenues, foraying into new categories reinforcing our point of view.

Asian Paints the new emerging voice of design brings you innovation and inspiration through multiple product experiences from wall finishes to now larger strides in decor – furnishings, lighting, kitchen, bath and services

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World Class Innovations

Ultima Allura Granza

Ultima Allura Torino

- World class Exterior Textures with an international range of more than 180 texture patterns
- Unique range, outclassing best in the world
- Suitable to Indian sensibilities and weather conditions

asianpaints

World Class Innovations

ALL Protek
Fire Retardant Paint

- First time introduction in India of a Fire-Retardant category
- A unique hydrophobic ‘Lotus Effect’ technology
- Matched with the best Anti-Stain Absorption or Removal performance

Royale Glitz

- First time introduction of Anti-Crack durable coatings
- A unique Teflon Luxury offering with Anti-Stain Absorption
- Sophisticated finish, benchmarked to Uber - Luxe

New Product Introductions

SmartCare HydroLOC

AP Woodtech Ingenio

One of its kind, pioneering solutions for customers

- Simplified waterproofing and Efflorescence solution with patented technology
- Unique waterproofing repair range
- An Epoxy and Polyurethane Flooring Tech coatings
- Wood Finish solutions, benchmarked to best

Epoxy Apcoflur

SmartCare apcorep KCRETECOAT

INTRODUCING SMARTCARE HYDROLOC

INTERIOR WATERPROOFING MADE EASY

3 Cyear warranty against dampness and efflorescence

DUAL LOCK TECHNOLOGY
With penetrative and pore blocking additives

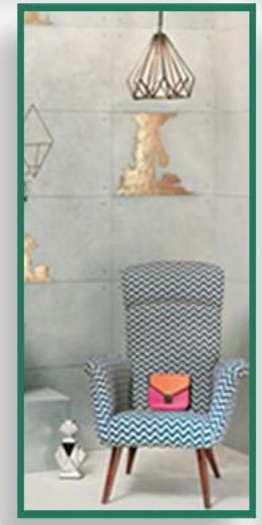
Resists up to 4 bars of negative Hydrostatic pressure

- Single component
- Ready to use
- Brush-able product
- Plaster level application
- Applicable at up to 70% moisture level

PRE-PUTTY WATERPROOFING COATING

Home Décor Business

Asian Paints: The Emerging Voice of Design



AP HOME DÉCOR FORAY

Asian Paints being a forerunner in inspirational and exciting Home Décor partnering the customers in making her dream home!

Transitioning from 'Share of Surface'→'Share of Space' within the Homes

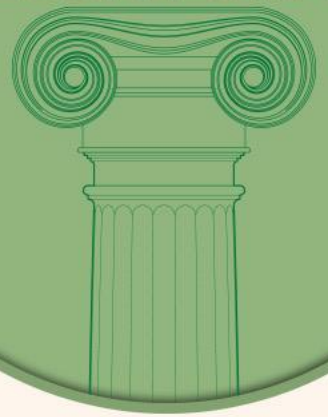
Asian Paints providing Home Décor under one roof : Beautiful Home Stores

Beautiful Homes Service - Personalized Interior Design to Professional

- Central Inspiration Model:
- BeautifulHomes.com

Strengthened by our partnership with 5000+ AID firms

AP HOME DÉCOR FORAY



Furnishings:
Partnership with GM Syntex

Designer Wall Paper:
Green Field foray - Ink aipur

Kitchen & Kitchen Hardware & Components: Sleek; A new factory in Maharashtra in 22-23

Furniture: AP Design Range under Nilaya / Royale / Ador - Outsourcing Model

Designer and General Tiles:
Green Field foray in 21-22

Rugs – Partnership with Jaipur Rugs

Wardrobe and Vanities:
Green Field foray in 20-21

Two new acquisitions announced in April 2022

- White Teak in Decorative & Designer Lighting
- Weatherseal in Doors & Windows

Bath & Sanitary: Ess Ess, A new factory in Maharashtra in 22-23

Makes AP a unique player in the Indian market which operates in the Ecom, Physical and the services space with almost all categories being owned / manufactured by the brand

BREAKING THE STEREOTYPE – BHS:

Coming the full circle

BEAUTIFUL HOMES SERVICE
with asianpaints

WE KNOW THE CHALLENGES YOU FACE

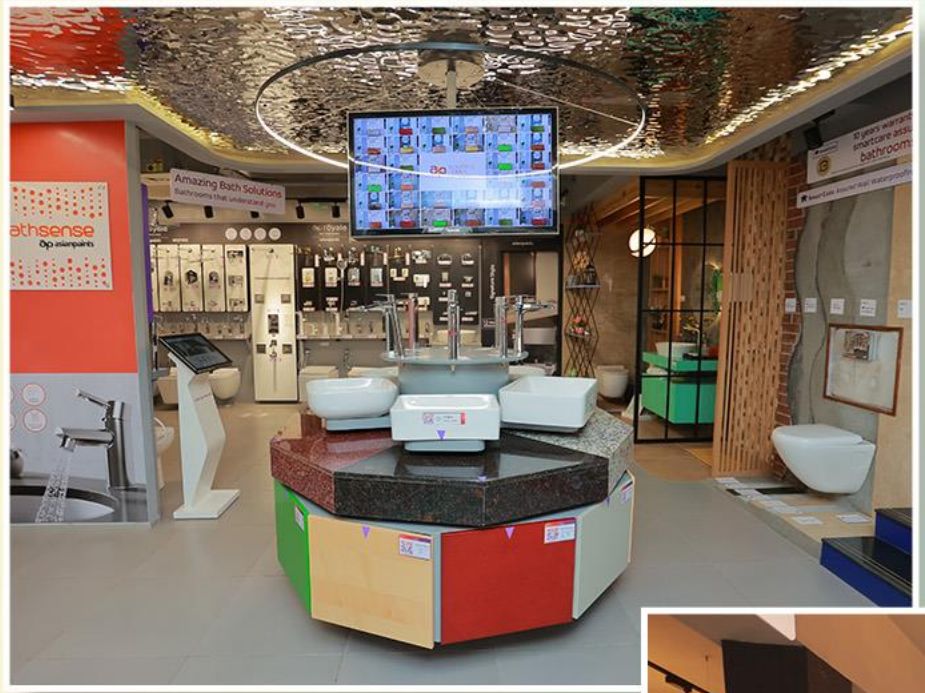
The challenges faced may go unnoticed by the consumer, but industry insiders like us are definitely aware

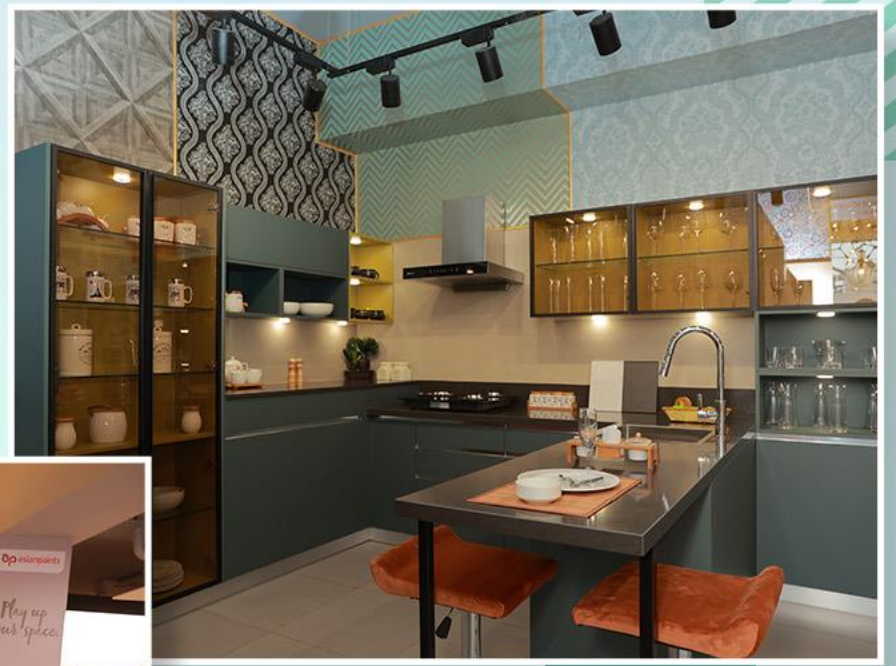
YOU DESIGN, WE DELIVER

Beautiful Homes Service is an end-to-end interior design execution service offered by Asian Paints, to make the lives of architects and interior designers a tad easier. It is an execution-based partnership ensuring seamless experience, as we transform your design into reality.

BEAUTIFUL HOMES
with asianpaints

One Stop Shop for all Décor Needs


Amazing Bath Solutions
athsense



Inspire yourself
Play up your space
royale PLAY

Home Décor - Partnership with “The White Teak Company”

- Foray in the Rs. 1200 crs Decorative & Designer Lighting market

- White Teak brings a strong ‘Phygital’ model
  - Operating 10 stores pan India across Tier 1 cities
  - Tech enabled Website provides unique experience & facilitates footfalls at stores

- Collection of unique and premium decorative lights

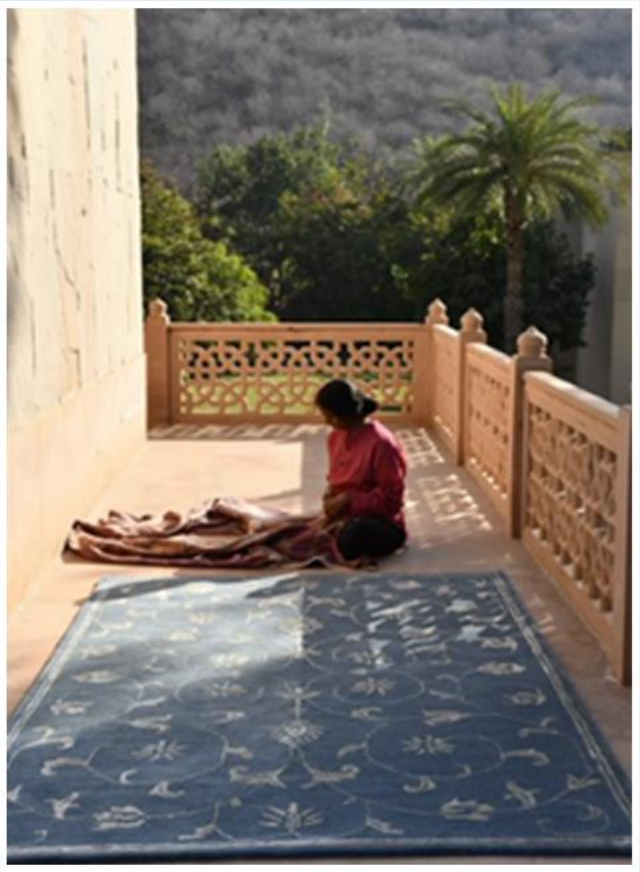
WT
THE WHITE TEAK COMPANY

Home Décor - Partnership with “Weatherseal”

- Rs 11,000 crs market size for Windows & Doors
- End-to-end fabrication and installation of world-class uPVC windows & doors
- Network of almost 20 COCO & Franchisee stores
  - Strong presence in Southern India
- Association with renowned builders – Prestige, Brigade, Mahindra

Weatherseal® Stylized to Perfection

Home Décor Partnership with Jaipur Rugs

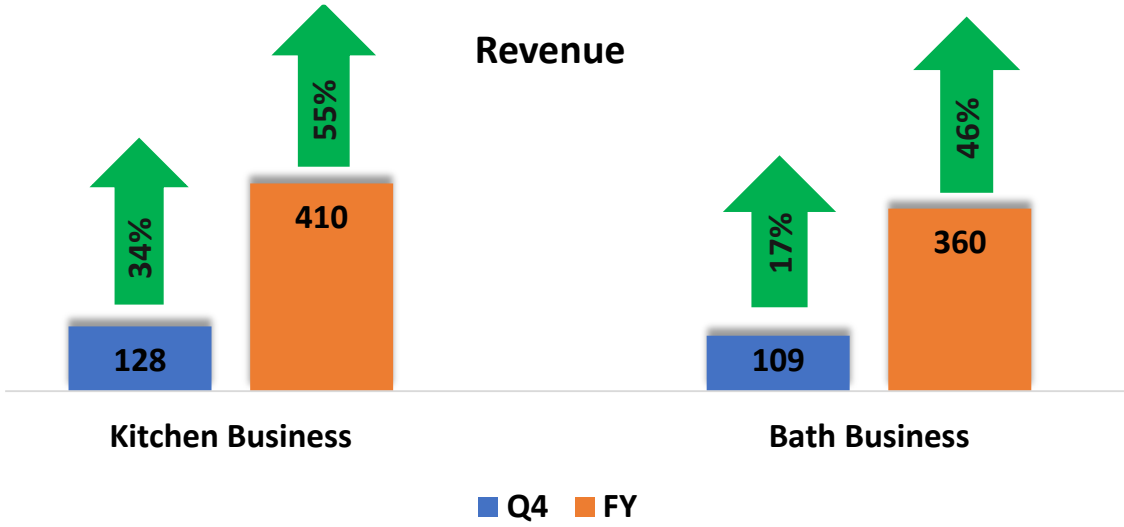


Classification: Internal

Business Update - Home Décor

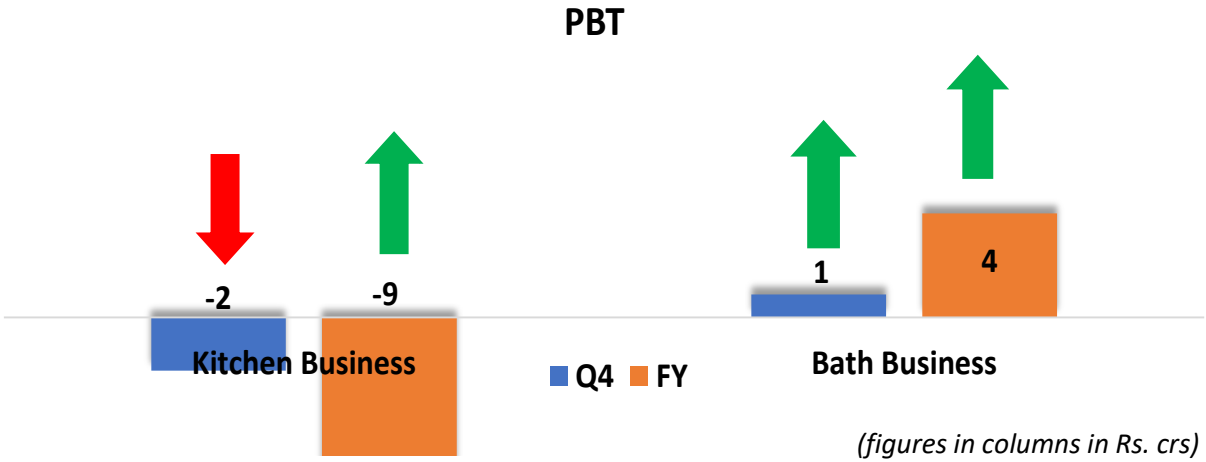
❖ Kitchen Business

- **Rs. 100 crores+ delivery for 3rd consecutive quarter**
  - Full Kitchen solutions as well as Components business doing well
  - Projects business gaining traction
- Network expansion continued in Full Kitchen dealer network
- **Significantly lower loss compared to LY; benefit of scale inspite of rising inflation**
  - Loss of Rs. 9 crores this year (vs Rs. 21 crores loss LY)



❖ Bath Business

- **Rs. 100 crores+ delivery for 2nd quarter in a row**
  - Solid footing in the Projects business in collaboration with the Decorative Project team
  - Premium range 'Bath Sense' & Sanitary ware expanding well
- **Profitable quarter & Full year**
  - Benefit of scale; Raw material inflation partially offset by price increases



(figures in columns in Rs. crs)

Classification: Internal

Crest Collection

by

Sleek

Sleek KITCHENS by asianpaints

CREST LUXURY KITCHEN- SLEEK KITCHENS

Let the epicenter of your home complement the luxuriousness that surrounds it

The crest collection by sleek kitchens is a select collection of four luxury kitchen concepts which are an ode to your:

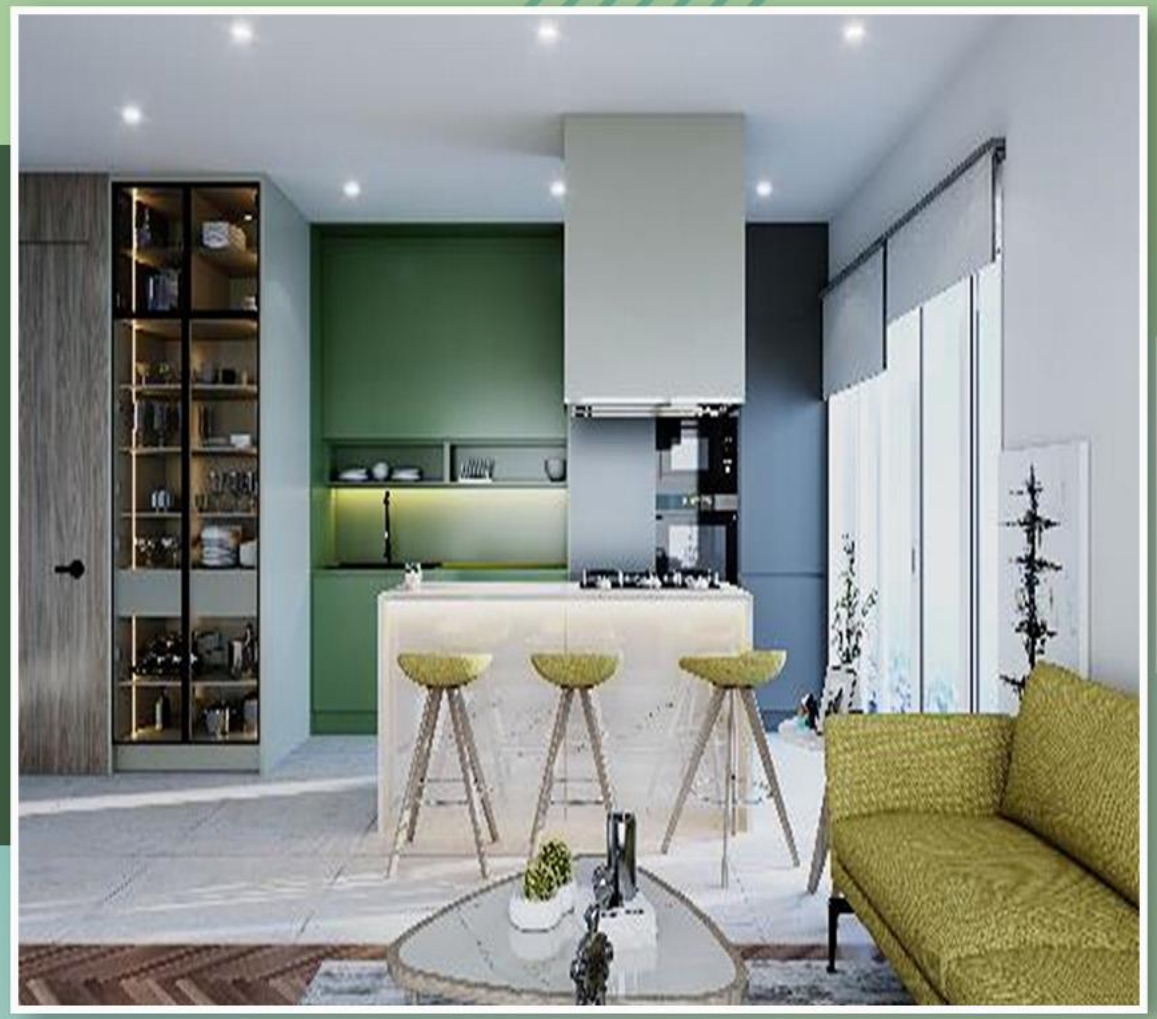
- Discerning Lifestyle
- Select Preferences
- Inspirations
- Acquired Tastes

MODERNIST – INTENSE INSPIRATION

- Bold colors with stone finish laminate
- Contrasting the dark color with open shelves in wooden texture
- Tall wall cabinets with crockery unit and light
- Open elements under the light
- Timeless Statuario marble for backsplash and
- counter top
- Wooden flooring

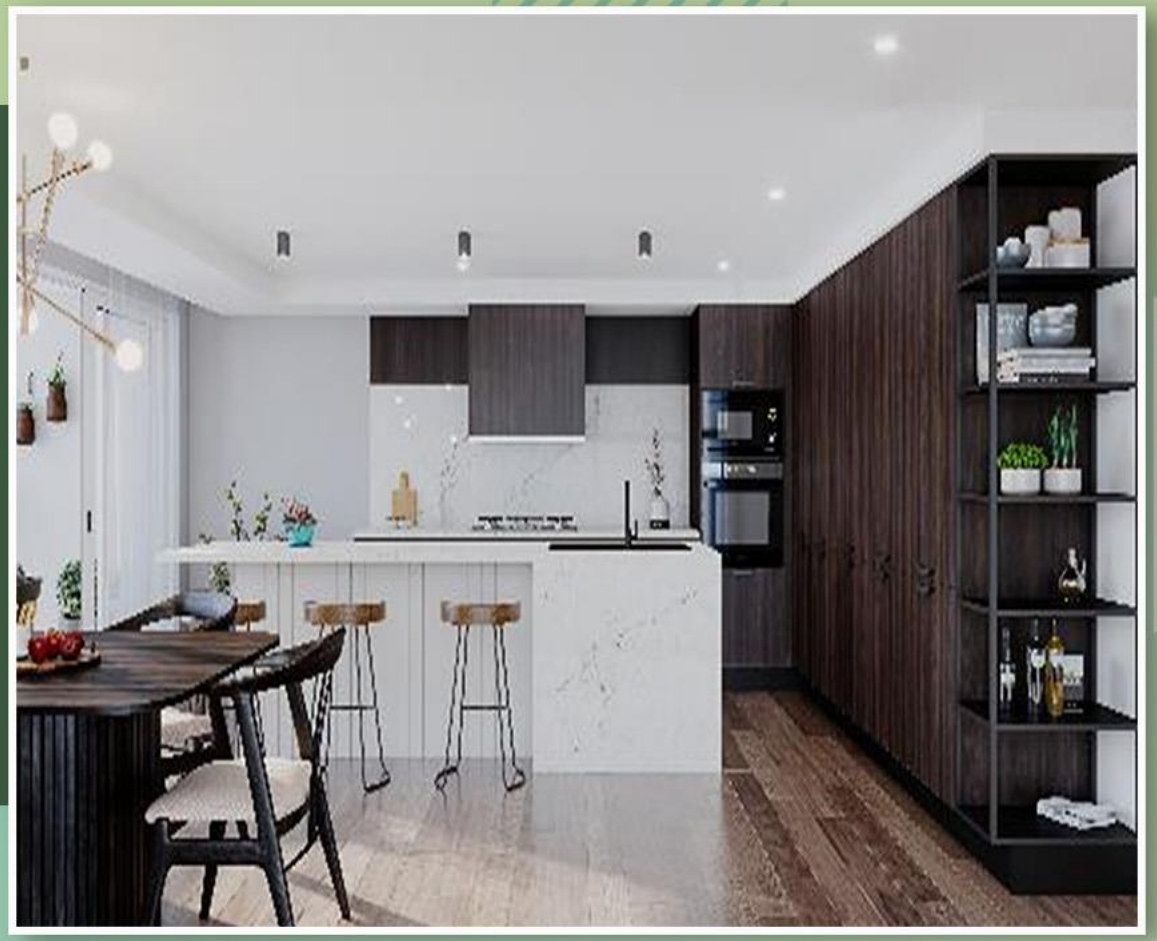
MINIMALISTIC – BOLD INSPIRATION

- Concealed chimney for clutter free look
- Color coordinated counter top and dado
- Color coordinated Pu gold handles
- Special lighting for crockery unit
- 20mm black aluminum profile with a beautiful brown light
- Glass crockery unit with muted profile light



CLASSIC- BOLD INSPIRATION

- Rustic look wooden cabinet
- Concealed chimney
- Track lights and decorative lights to oomph up the space
- Bar chair to use countertop as a breakfast table
- Open shelves to display beautiful accessories, artefacts and crockety



bathsense
canvas
asianpaints

Bathsense Canvas Range

Timeless beauty backed by Lotus-25 hydrophobic protection

Long Lasting colorful washrooms from Canvas range

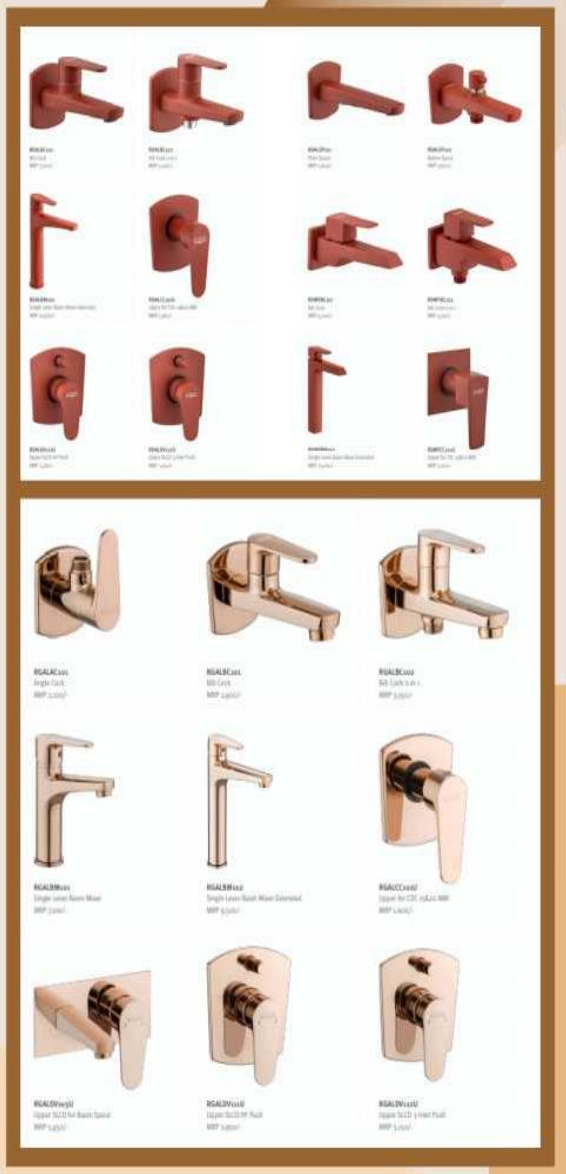
Available color options -

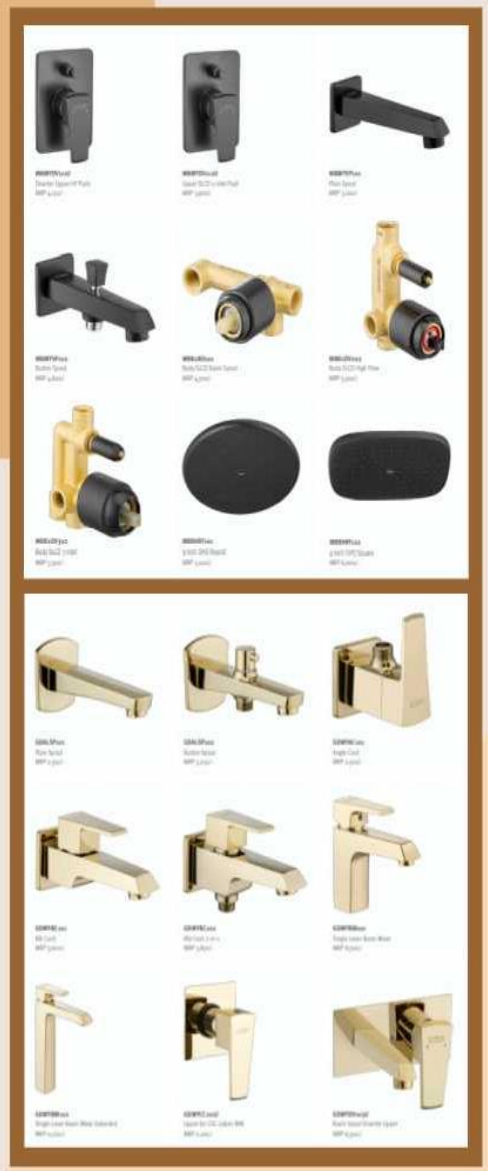
- Matt Black Sanware
- Matt Red Fittings
- French Gold Fittings
- Rose Gold Fittings
- Beig2 Sanware
- Grey Sanware

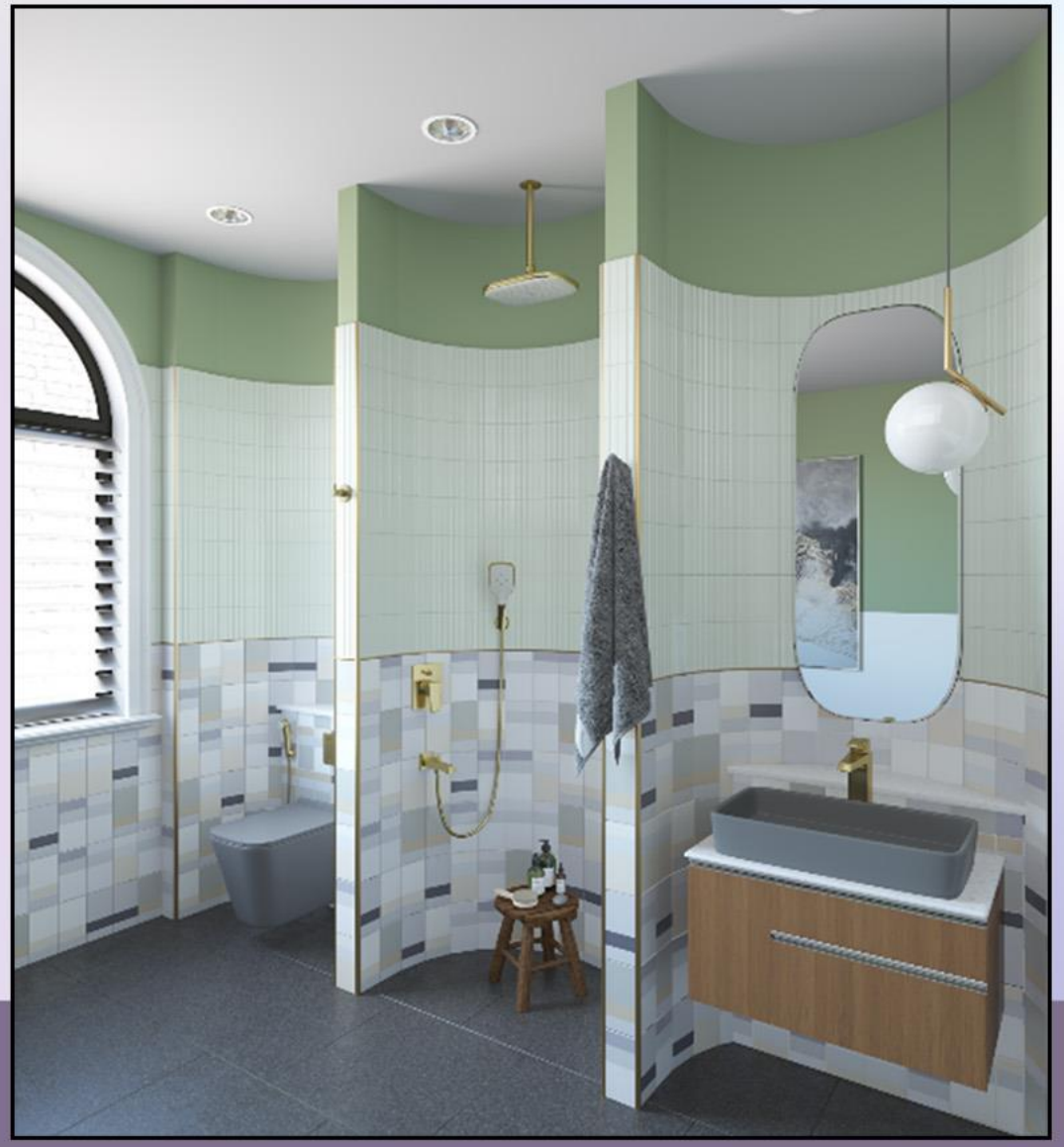
Complete range of

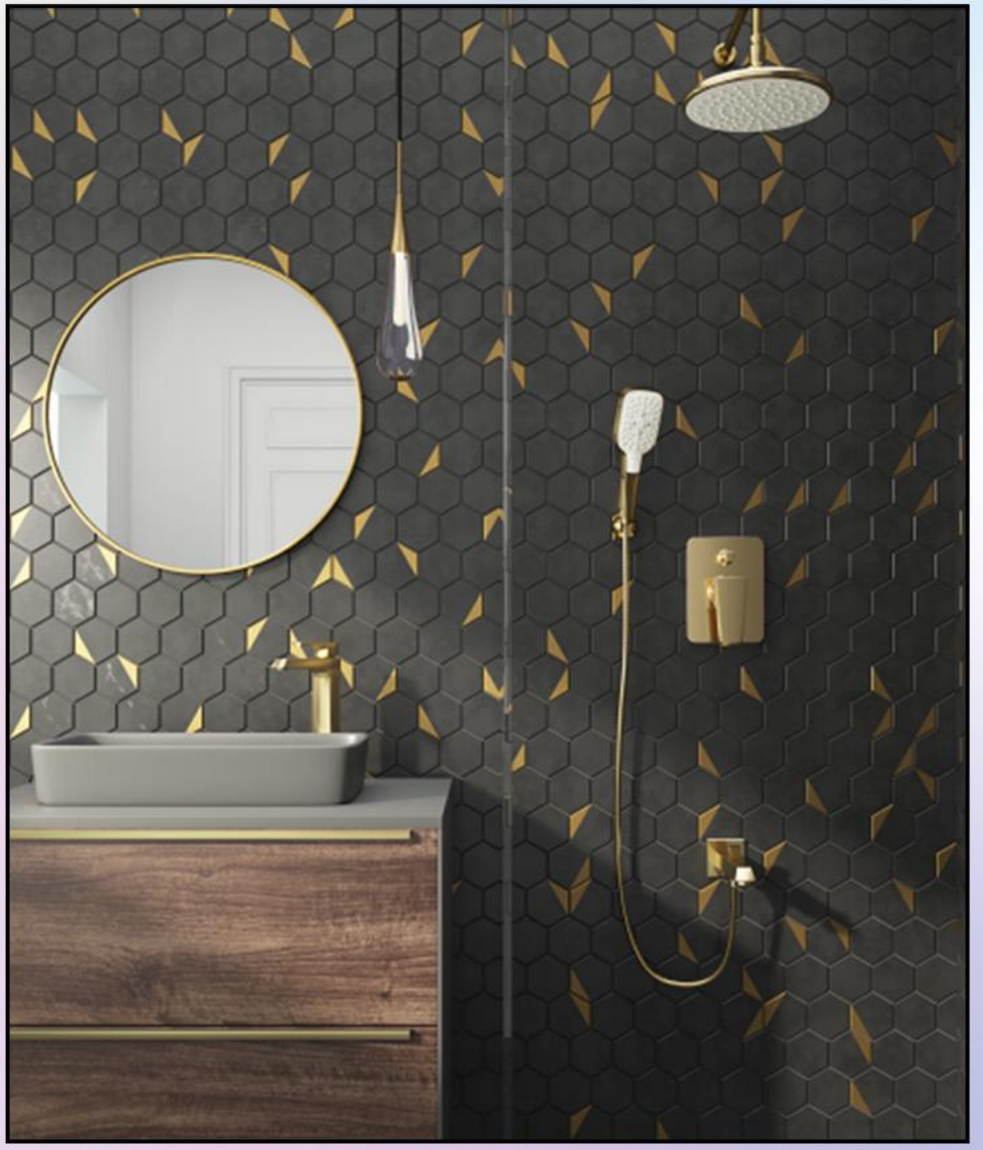
- Faucets
- Sanitary ware
- Vanities
- Accessories
- Tiles

PRODUCTS AT A GLANCE









Bathsense Vanities

Home Décor Business Trajectory

- Home Décor business about 4% of the Deco Business in FY 21-22
- Attempting to make this 8-10% of the Deco Business by FY 25-26, including the Home Décor Services
- This we believe has a strong synergy with the core business of Decorative Coatings
- This will make Asian paints a strong partner in the Customer Life journey for creating ‘Beautiful Homes’

Classification: Internal

Business Update – Industrial Business

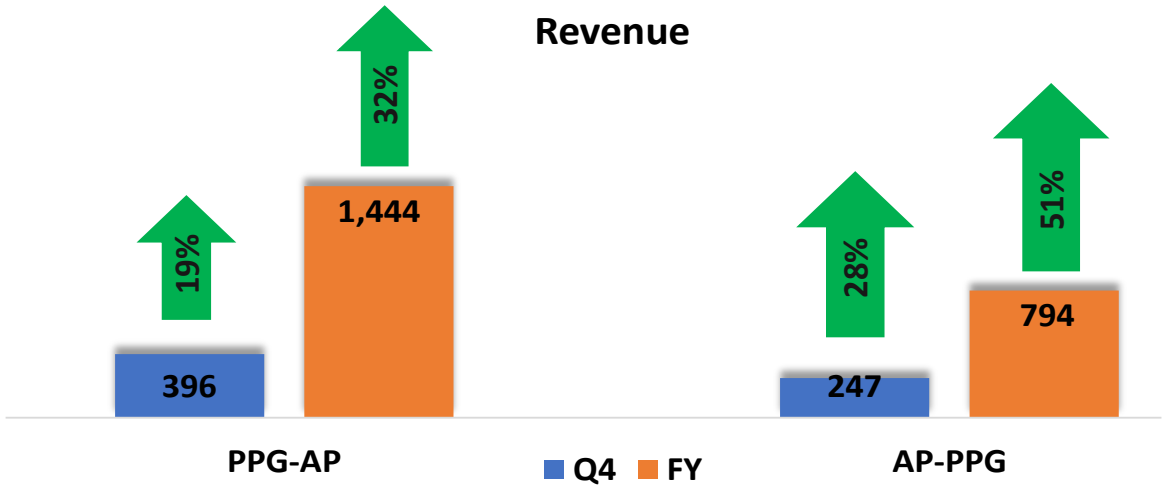
❖ PPG-AP

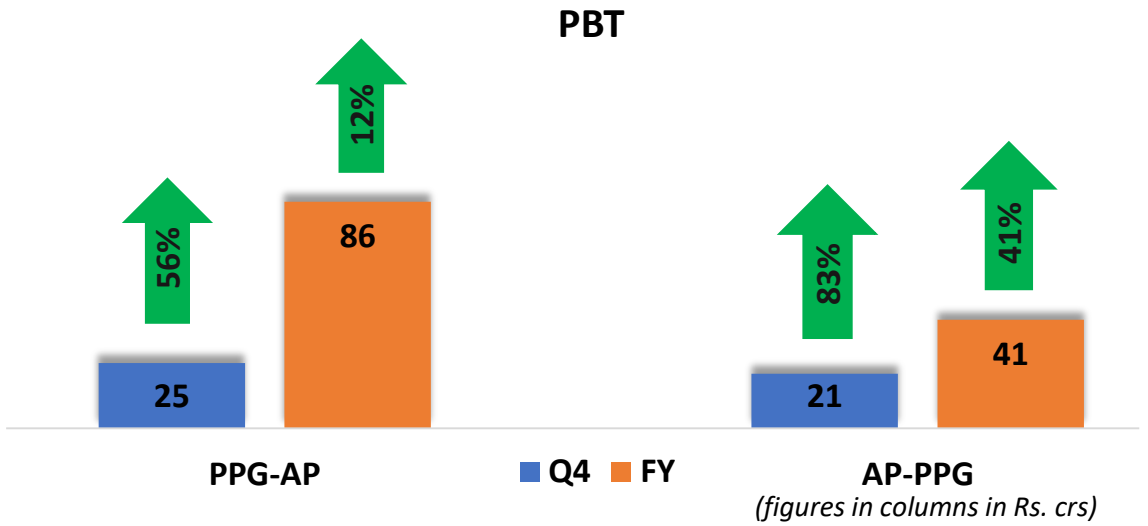
- ❖ Good growth amidst challenges faced by the Auto industry
- ❖ Strong push for implementing price increases across B2B customers

❖ AP-PPG

- ❖ Closed the year with record revenue delivery
  - ❖ Almost 20% plus revenue growth for the year on a 3 year compounded basis
- ❖ Led by growth in Protective Coatings segment
- ❖ Collaboration with Decorative project team lead to strong performance in Floor coating

❖ Efficiency measures, cost controls limiting the impact of fall in gross margins





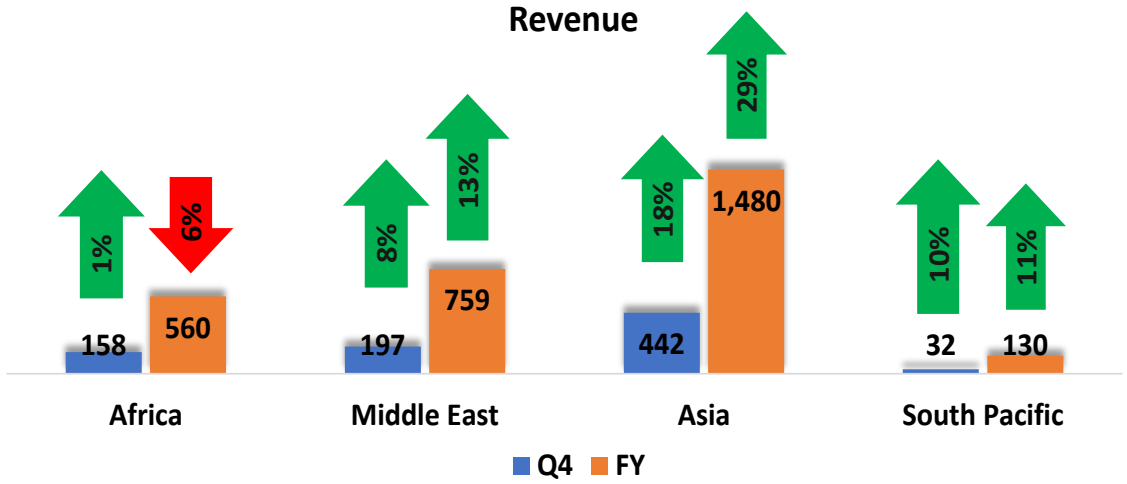
(figures in columns in Rs. crs)

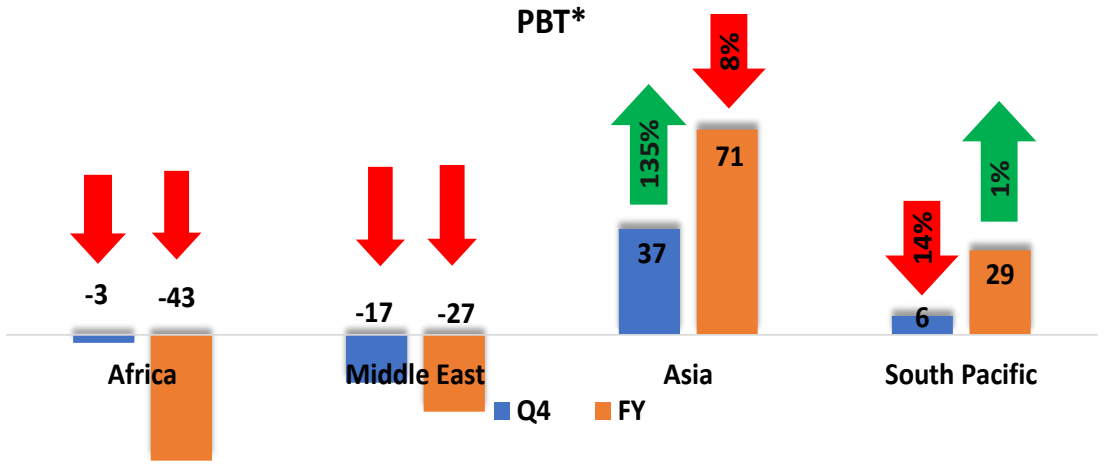
Classification: Internal

Classification: Internal

Business Update – International Business

- **Double digit revenue growth for Q4 & full year**
  - **Asia –** Strong growth in Nepal, Bangladesh
    - Sri Lanka facing unprecedented forex crisis
  - **Africa – a weak spot;** High inflation, regional disturbances & forex crisis impacting Ethiopia
- **Overall, International Business revenue: Q4 at Rs. 818 crores (+12%) & FY22 at Rs. 2895 crores (+16%)**
  - High single digit 3 year compounded growth in FY22 over FY19
- **Profitability significantly impacted by the steep material inflation & currency devaluations in Sri Lanka, Ethiopia & Egypt**
  - Q4 PBT* at Rs. 15 crores against Rs 34 crores in LY & FY22 PBT* at break-even (Rs 179 crores LY)

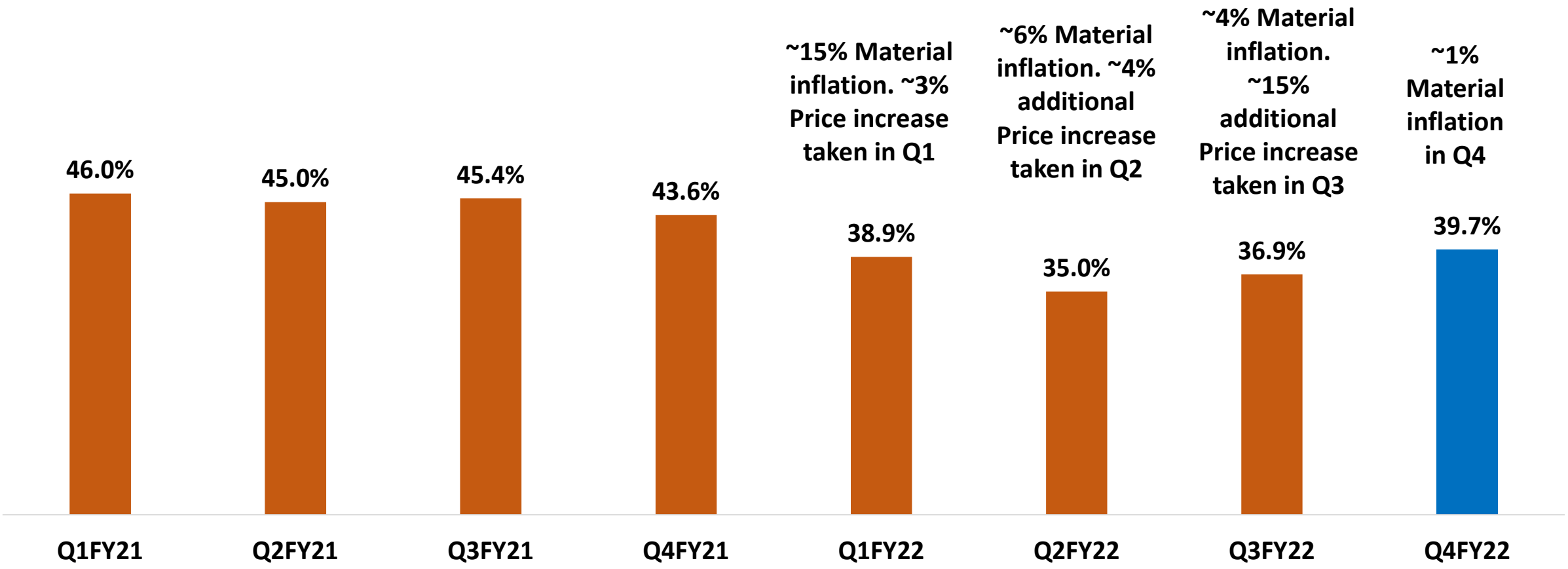




(figures in columns in Rs. crs)
** PBT is before exceptional items*

Classification: Internal

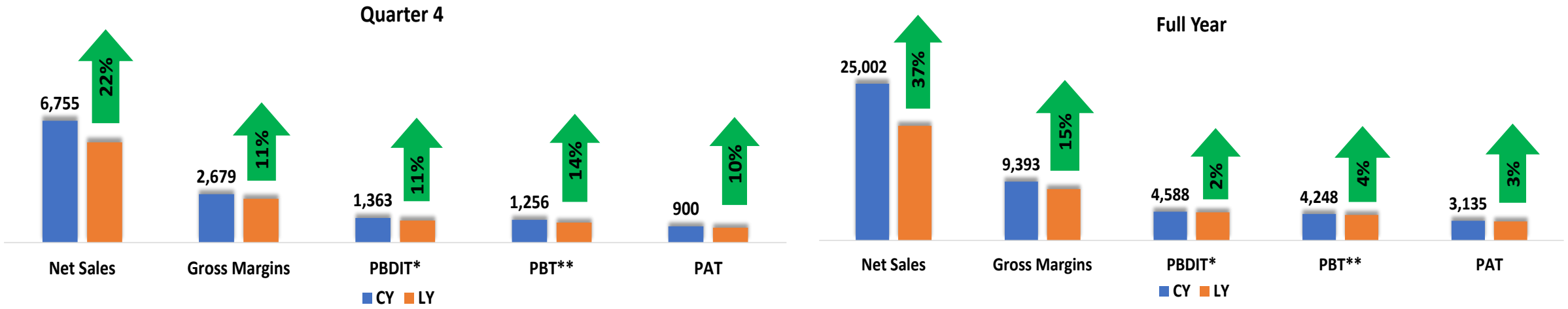
Steep Material Inflation for the year, Impact on margins. Multiple round of price increases taken to recover margins on a sequential basis



Classification: Internal

APL Standalone Performance Summary

(figures in columns in Rs. crs)

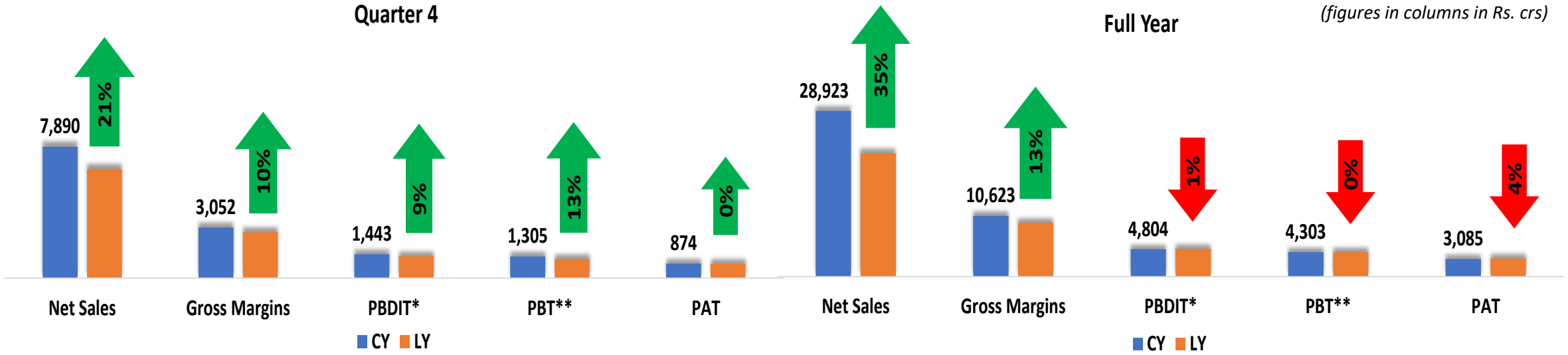


- ❖ **Strong double digit revenue growth trajectory continued in Q4 FY22, leading to 37% value growth in FY22 over LY**
- ❖ **Steep material inflation in FY22 across all quarters – offset by multiple rounds of price increases**
  - ❖ **Sequential improvement in Gross Margins from Q2 FY22 onwards; improving by 470 bps from Q2 low**
- ❖ **Cost optimization, efficiency measures arresting impact of lower gross margins**
- ❖ **Q4 PBT growth of 14%; excluding impact of lower subsidy income in Other Operating income of Rs. 31.1 crores, Q4 PBT growth of 16.7%**
- ❖ **PAT growth lower due to impact of Exceptional Items**

* PBDIT before Other Income
** PBT is before exceptional item

Classification: Internal

APL Consolidated Performance Summary



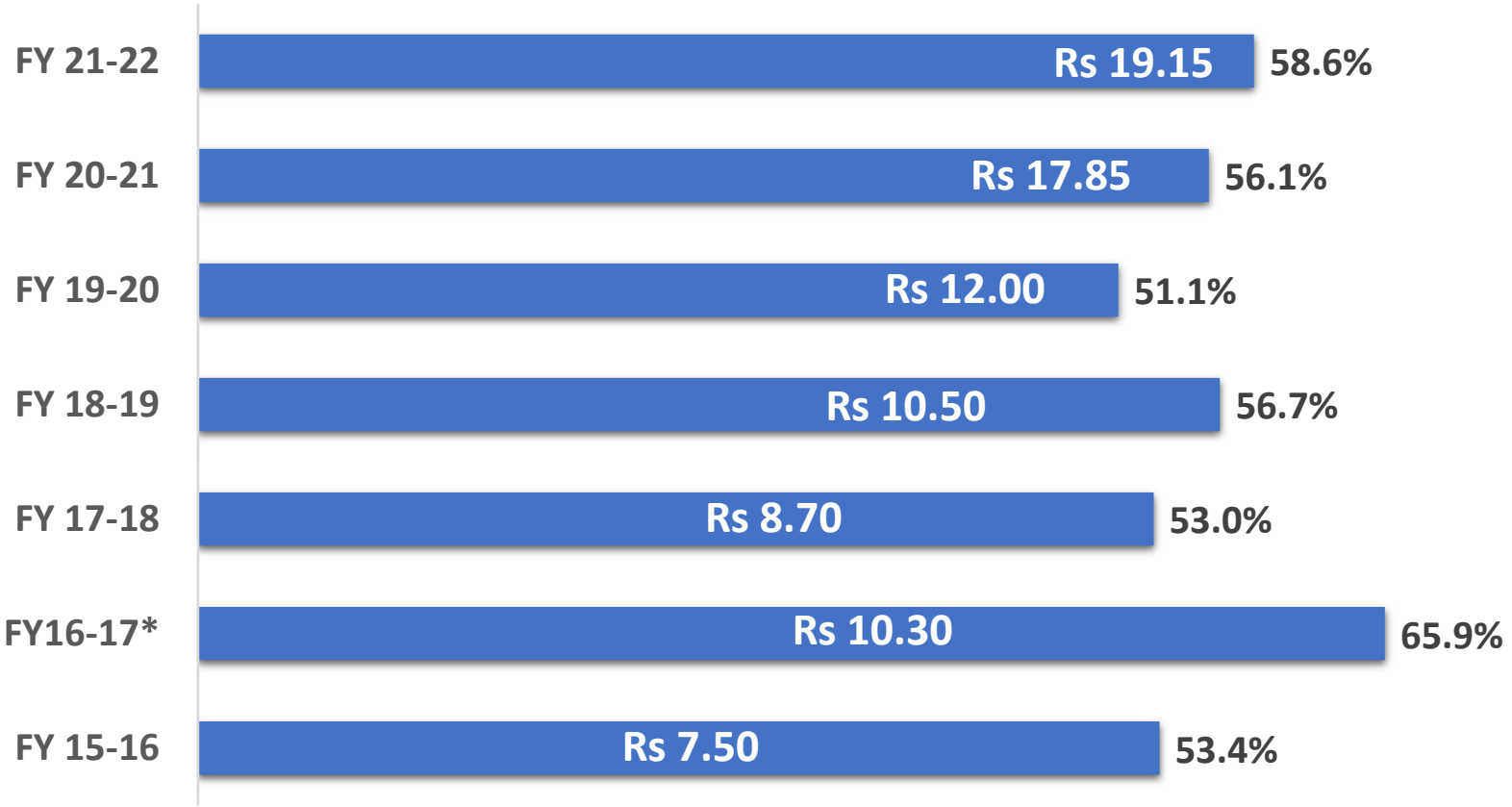
- **Equally robust revenue growth of 21% in Q4 at Consolidated levels – all businesses growing in double digits**
- **Sequential improvement in Gross margins, improving by 450 bps from Q2 low**
- **Q4 PBT growth of 13%; Excluding impact of lower subsidy income in Other Operating income, Q4 PBT growth of 15.5%**
- **PAT for Q4 flat compared to previous year; impact of Exceptional Items**
  - Expense of Rs. 53.7 crs recognized as Exceptional Item considering delay in receipt of subsidy from the State Govts
  - Expense of Rs. 48.5 crs as Exceptional Item due to impact of sharp currency devaluation in Sri Lanka on the foreign currency obligations of Asian Paints Causeway, Lanka
  - Impairment of Rs. 13.5 crs as Exceptional Item on Goodwill on Consolidation recognized on acquisition of Causeway

Overall Scorecard

- **Overall Sales increase in last 2 years : Almost Rs. 9000 Crores (19-20 base of 20000 crores)**
- **PBT growth from Rs. 3600 crs in FY 2019-20 to Rs. 4300 crs in FY 2021-22**
- **Market Cap increase in last 2 years: USD 20 Billion to ~ USD 40 Billion (No.2 most valued Global Coatings player)**
- **Dividend payout ratio from 51.1 % in 19-20 to 58.6% in 21-22**

Classification: Internal

Enhanced Dividend Payout



Total Dividend Payout of Rs. 1837 crs for the year compared to Rs. 1712 crs last year

*** FY 16-17 data including Rs 2 per share special dividend**

Figures in column are Dividend per share

Classification: Internal

Classification: Internal

Thank you

Classification: Internal