



INDIGO
Be surprised!

Date: August 05, 2022

To, BSE Limited Corporate Relationship Department 25 th 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
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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 ended June 30, 2022.

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 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



Quarterly Financials (Q1 FY23)

Introduction

- Company clocked a healthy growth in revenue, gross margin as well as operating margins.
- Periodic and incremental price hikes effected in few selected products in line with the industry.
- Witnessed good sales growth in both Kerala and Rest of India.
- Company continued its advertising spends (predominantly in IPL) as part of its long term brand building strategy.
- Company has launched a range of budget Exterior Emulsions, and more economical variants of Distempers.
- Strategy 2.0: Focus on the 750 cities in Tier-1 and Tier-2 showing green shoots.
- Company making good progress in expansion of its manufacturing facility in Tamil Nadu; expect to complete it in Q3 of this fiscal.



Indigo Paints | Q1 FY 23 financials

Statement of unaudited financial results for the quarter ended June 30, 2022					
(All amounts in rupees lakhs, unless otherwise stated)					
Sl. No	Particulars	Quarter ended			Year ended
		Jun 30, 2022 (Unaudited)	Mar 31, 2022 (Audited)	Jun 30, 2021 (Unaudited)	Mar 31, 2022 (Audited)
1	Income:				
	Revenue from operations	22,399.21	28,837.82	15,602.42	90,597.48
	Other income	48.66	250.67	302.24	1,089.32
	Total Income	22,447.87	29,088.49	15,904.66	91,686.80
2	Expenses:				
	Material Related Expense	12,277.09	16,262.58	8,500.03	51,352.46
	Employee benefits expense	1,659.94	1,433.63	1,359.04	5,632.91
	Finance cost	42.47	53.38	25.27	133.04
	Depreciation and amortisation expense	842.82	832.38	735.36	3,125.08
	Other expenses	4,934.59	5,764.89	3,726.96	20,013.74
	Total Expenses	19,756.91	24,346.86	14,346.66	80,257.23
3	Profit before tax	2,690.96	4,741.63	1,558.00	11,429.57
4	Total tax expense	699.83	1,282.88	397.25	3,024.77
5	Net Profit for the period	1,991.13	3,458.75	1,160.75	8,404.80
6	Total Other comprehensive income for the period	3.34	21.52	(2.72)	13.36
7	Total Comprehensive Income for the period	1,994.47	3,480.27	1,158.03	8,418.16



Indigo Paints | Q1FY23 financial analysis

Quarterly Financial Highlight

RS. Cr

Particulars (Rs. Crs)	Quarterly			% Change Q1 FY 23 vs Q1 FY22
	Q1 FY 23	Q4 FY 22	Q1 FY 22	
Operational Income	223.99	288.38	156.02	43.56%
Other Income	0.49	2.51	3.02	
Total	224.48	290.88	159.05	
Gross Profit	101.22	125.75	71.02	
Gross Margin %	45.19%	43.61%	45.52%	
A&P	21.09	27.03	15.70	34.33%
EBITDA	35.28	53.77	20.16	74.97%
EBITDA %	15.75%	18.64%	12.92%	
PBT	26.91	47.42	15.58	
PAT	19.91	34.59	11.61	71.53%
PAT%	8.87%	11.89%	7.30%	



Analysis

- Q1 FY 23 Operational Income has expanded by **43.56%** over Q1 FY 22 from Rs. 156.02 Cr to Rs.223.99 Cr.
- With stabilizing raw material prices, Gross Margins have improved on a sequential basis from **43.61 %** (Q4 FY 22) to a industry leading **45.19%**. The Gross Margin is largely on par with the figures of Q1FY22.
- In line with the brand building strategy, the Company continued with the advertisement outlay and spent **Rs. 21.09 Cr** compared to **Rs. 15.70 cr** in Q1 of FY 22; an increase of 34.33%.
- EBITDA and PAT have expanded by **74.97%** and **71.53%** respectively over Q1 FY22.
- EBITDA margin has sharply expanded to **15.75%** from **12.92%** in Q1 FY22.
- PAT margin expanded to **8.87%** compared to **7.30%** in Q1 FY22.



Analysis

- In line with the industry, the Company has been passing on incremental price increases to the consumers in a staggered manner. Raw material prices have largely stabilized, and have started softening.
- In FY22, IPL schedule was split between April and September, whereas in this fiscal, IPL was conducted in a single phase in April & May. As we are a significant advertiser in IPL, this has resulted in a higher A&P spend in Q1 FY23 compared to Q1 FY22 (by ~ Rs. 5 Cr). Had it not been for this, growth in profitability would have been significantly higher.



Value / Volume Growth (Q1 FY 23 vs Q1 FY 22)

Product Category	Value Growth	Volume Growth
Cement Paints + Putty	22.7%	12.7%
Emulsions	65.7%	34.4%
Enamels + Wood Coatings	38.1%	15.8%
Primers + Distempers + Others	28.0%	2.4%



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.
- In line with our focus, the Company continues to witness higher volume growth in Emulsions segment (by far the largest contributor to overall value sales), and Premium Emulsion category in particular.



Network expansion

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



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 early indications of traction and are expected to yield rich results in the next 2-3 Quarters.
- We are planning to fortify our existing strong presence in Kerala with a launch of targeted regional advertising; to this end we have signed on Mr. Mohan Lal as Brand Ambassador.
- 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

