



5th February, 2024

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

**Sub.: Q3 FY 2023-24 Financial Results Conference Call – Investor Presentation**

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

Dear Sirs,

Further to the intimation done by the Company on 1st February, 2024 with respect to the conference call to be hosted by the Management of our Company on Tuesday, 6th February, 2024 at 16:00 hrs India Time to discuss Q3 FY 2023-24 Financial Results of the Company, we are enclosing herewith an Investor Presentation.

For **KANSAI NEROLAC PAINTS LIMITED**

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

# NEROLAC

**Q3 2023-24 Investor Presentation**

**6<sup>th</sup> February 2024**



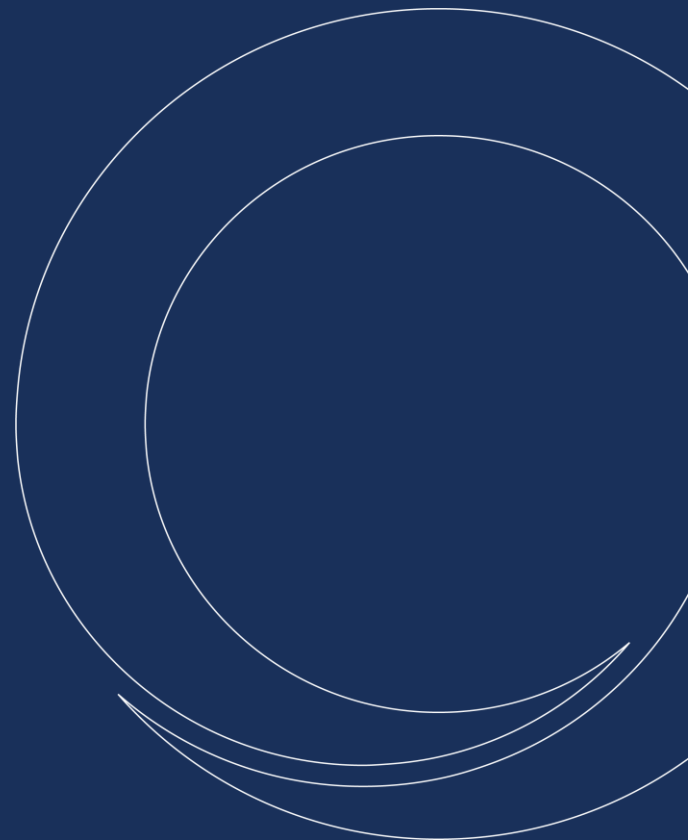
## Disclaimer

***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***

**1** **Nerolac Story****2** **Business Environment****3** **Business Update****4** **Financial Performance****5** **Risk and outlook**

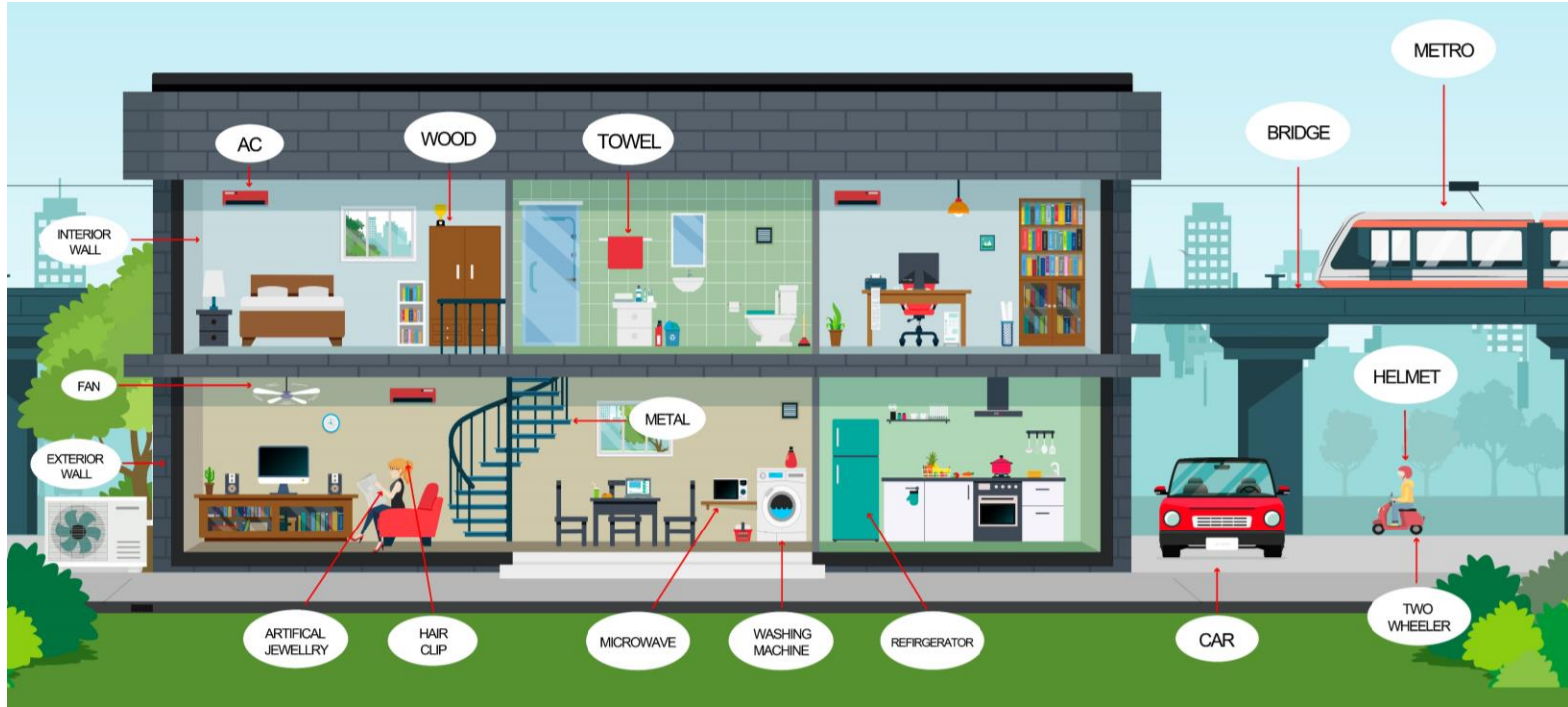
# 1. Nerolac Story

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**Purpose:** Create environments for a healthy and beautiful future

**Vision:** We design solutions that protect, inspire and touch lives everyday



**ESG: Water Neutral, Emission reduction, Green energy**

## **BRAND NEROLAC:**

2<sup>nd</sup> STRONGEST BRAND  
THE NEROLAC JINGLE

## **INNOVATOR'S SPIRIT:**

JAPANESE TECHNOLOGY  
LEADERS IN INDUSTRIAL

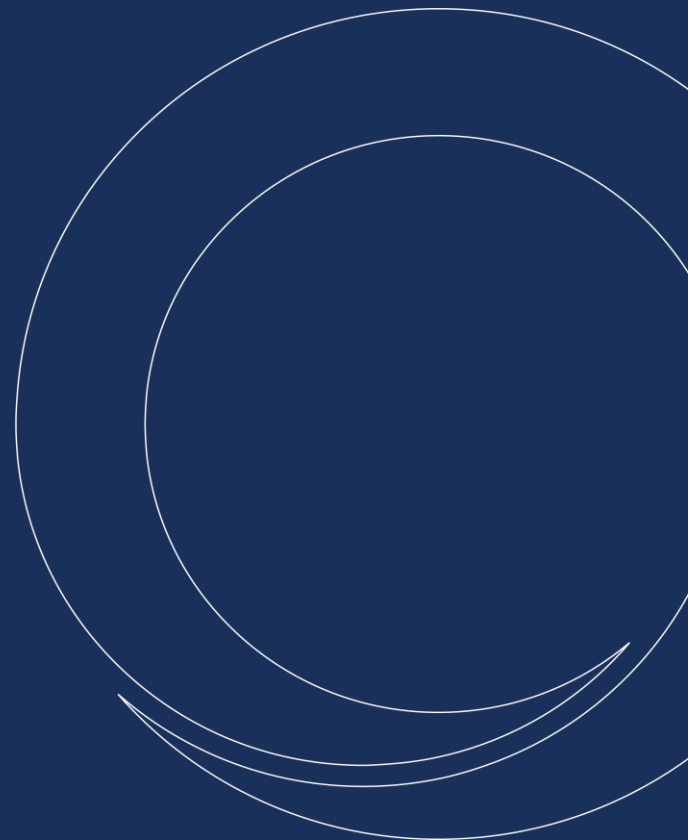
UNIQUE PRODUCTS:  
IMPRESSIONS KASHMIR  
EXCEL EVERLAST 12  
PERMA NODAMP+  
PERMA CRYSTALSEAL  
BEAUTY LITTLE MASTER SHEEN

## **EXPERTISE AND LEGACY:**



## 2. Business Environment

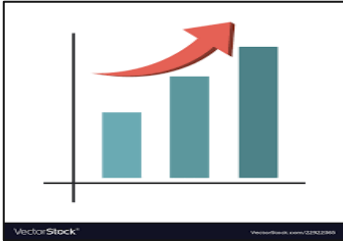
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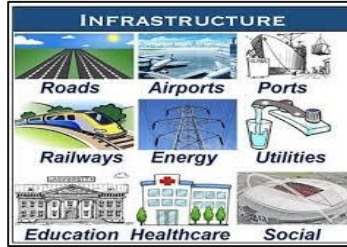


# Business Environment Q3 2023-24

## Good Demand in Automotive



## Infrastructure Growth



## Rural Demand Green Shoots



## Geopolitical Challenges

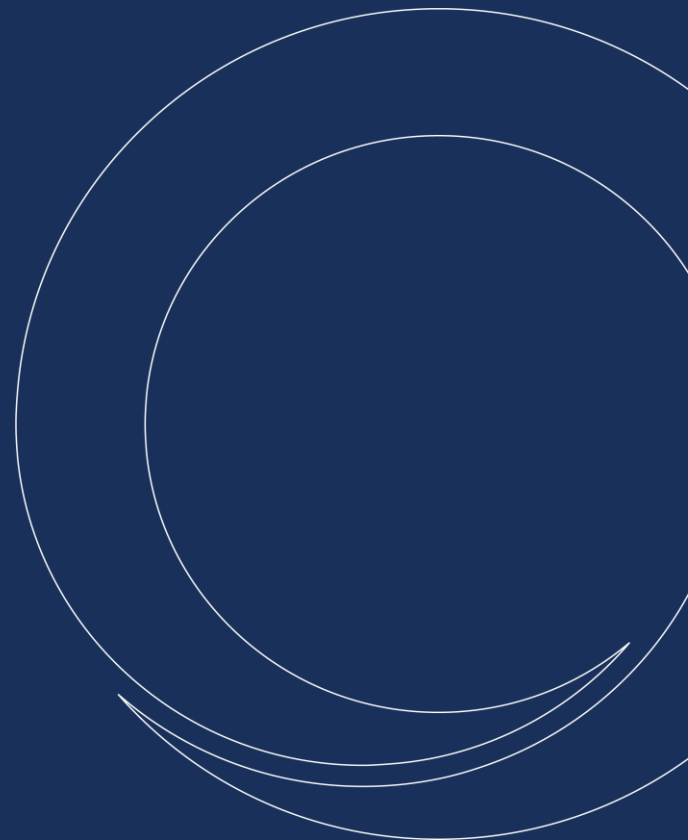


## Crude Oil Price Fluctuation



## 3. Business Update

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# Marketing and Media Campaigns

## Television Commercials

**NEROLAC PAINT+**

**PRESENTING RANGE OF PAINT+ EXTERIOR EMULSION WITH JAPANESE TECHNOLOGY**

**LOW MAINTENANCE**  
EASY CLEANING  
FEATURES **12**

**KEEPS HOME COLOURS**  
UP TO 10 YEARS (UPON  
CORRECTIVE COATING) **10**

**BEST FOR BOND**  
THE REAL PROTECTION  
UNDER ADVERSE  
TEMPERATURES **8**

**NO SHARP**  
COR. ABUSCHABILITY **2**

**NEROLAC EXCEL**  
EXCEL (YELLOW)

**NEROLAC EXCEL**  
EXCEL (GREEN)

**NEROLAC EXCEL**  
EXCEL (BLUE)

**NEROLAC EXCEL**  
EXCEL (WHITE)

The above advertisement is subject to availability. For more details, please visit [www.nerolacpaints.com](http://www.nerolacpaints.com) or call us 0800 208 2088.

**NEROLAC PAINT+**

**PRESENTING RANGE OF PAINT+ INTERIOR EMULSION WITH JAPANESE TECHNOLOGY**

**HD**  
HD COLOURS

**10**  
BRIGHTEST COLOURS  
BRIGHTNESS WITH  
BRIGHTNESS BOOSTERS

**0**  
NO SMELL

**5**  
HIGH SHEEN

**1**  
LOW DIRT FOR  
WASHABLE SURFACES  
COMPETITION

**1**  
GREEN FRIENDLY  
AT AFFORDABLE  
PRICE

**NEROLAC HD**  
HD (ORANGE)

**NEROLAC HD**  
HD (PURPLE)

**NEROLAC HD**  
HD (GREEN)

**NEROLAC HD**  
HD (BLUE)

**NEROLAC HD**  
HD (PINK)

**NEROLAC HD**  
HD (WHITE)

## Social Media Campaigns



## Co-Associate Sponsor and Presence in Entertainment Channel

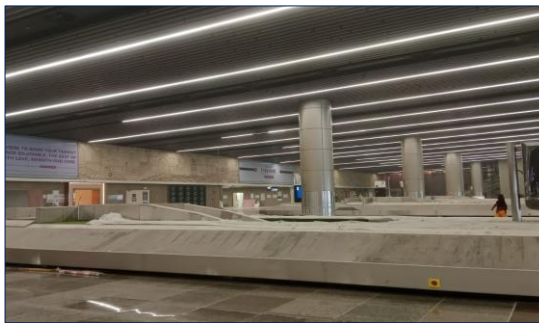


# Prominent Projects

**Wankhede Stadium (Mumbai, MH)**



**Lucknow Airport (Lucknow, UP)**



**Atal Bihari Vajpayee Cricket Stadium (Lucknow, UP)**



**Ayodhya Dham (Ayodhya, UP)**



**Delhi Railway Station (DL)**



**Bharat Sevashram (Varanasi, UP)**



## New Products Introduced in 23-24 (YTD)

- **New product** saliency on an uptick
  - ❖ Launched Range of New Italian designer Textures under the brand “**Kansai Select**”
- Good Growth witnessed in **New Business** and **Project Business**
- Increase in saliency of **Paint+ Products**
- Nxtgen Painting Service (Active Lead Gen) in **170+ Towns**
- Improved Brand Visibility



# Industrial Highlights

## Automotive

### Passenger Vehicle

- Moderate Industry Growth
- Demand Drivers : SUV Segment and New Models
- Introduced High Durability, Energy Efficient Topcoats with reduced baking cycle

### 2-Wheeler & 3-Wheeler

- Strong double-digit growth
- Common Low bake Monocoat Metallic for metal & plastic introduced

### Commercial Vehicle

- Continued with Growth momentum in M&HCV Segment
- High anti-corrosive primer, 1K ROHS structural primer introduced

### Tractor

- Industry Saddled with High Inventory due to low demand

## Auto Refinish



- Good Growth in Premium and overall segment

## Performance Coating



### Liquid

- Double -digit growth led by Construction Equipment, Helmet, Appliances and Railways segment
- Anti Carbonation Paint system being extended to new customers



### Powder

- Continued the growth momentum in premium segment



KNPL becomes 1<sup>st</sup> Indian Paints Company to get near Term Science Based Targets for GHG Scope 1,2 and 3 approved by SBTi.



Ranked in the Top Quartile of FTSE4Good  
Dec 2023 Review and is a constituent  
company in the FTSE4Good Index Series



Ranked in Top 10% in chemicals Category  
out of 500+ companies in S&P Global  
Corporate Sustainability Assessment (CSA)  
2023



## Ensuring Environment Sustainability



Initiatives, Tree Plantation was carried out at Kendriya Vidyalaya Mati, Kanpur Dehat near our Jainpur Plant.

## Community Development



Water Cooler was Installed at Khed Police Station near our Lote Plant

## Preventive Health Care & Sanitation



Health Check-up camps were organized for villagers in the various villages near our Jainpur and Goindwal Sahib Plant.



## Promoting Education



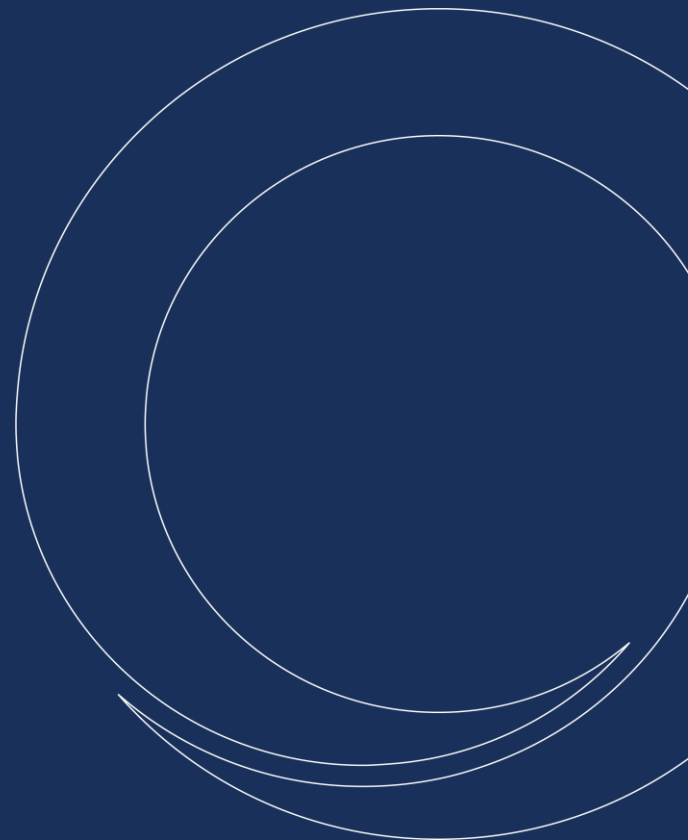
Computer and Printer was donated to Education Society, near Lote Plant.



Paver block installation carried out at Shantiniketan Vidhyalay near Sayakha Plant.

## 4. Financial Performance

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# Financials Standalone Q3 & YTD 23-24

Rs. In Millions	Q3 2022-23	% to Net Sales	Q3 2023-24	% to Net Sales	YTD 2022-23	% to Net Sales	YTD 2023-24	% to Net Sales
<b>Net Revenue</b>	<b>17,171</b>		<b>18,149</b>		<b>54,759</b>		<b>57,316</b>	
Material Cost	11,985	69.8	11,583	63.8	38,568	70.4	36,855	64.3
Operating Expenses	3,301	19.2	4,167	23.0	9,777	17.9	12,024	21.0
<b>PBDIT</b>	<b>1,885</b>	<b>11.0</b>	<b>2,399</b>	<b>13.2</b>	<b>6,414</b>	<b>11.7</b>	<b>8,437</b>	<b>14.7</b>
<b>PBT Before Exception Item</b>	<b>1,525</b>	<b>8.9</b>	<b>2,129</b>	<b>11.7</b>	<b>5,281</b>	<b>9.6</b>	<b>7,613</b>	<b>13.3</b>
Exception Item	-	-	-	-	-	-	6,613	11.5
<b>PBT After Exception Item</b>	<b>1,525</b>	<b>8.9</b>	<b>2,129</b>	<b>11.7</b>	<b>5,281</b>	<b>9.6</b>	<b>14,226</b>	<b>24.8</b>
<b>PAT</b>	<b>1,123</b>	<b>6.5</b>	<b>1,576</b>	<b>8.7</b>	<b>3,924</b>	<b>7.2</b>	<b>10,813</b>	<b>18.9</b>

Growth (Q3 2023) - Net Revenue : 5.7% PBDIT : 27.3%, PBT\* : 39.6%

Growth (YTD 2023) - Net Revenue : 4.7% PBDIT : 31.5%, PBT\* : 44.2%

\*Other than exception items

# Financials Consolidated Q3 & YTD 23-24

Rs. In Millions	Q3	% to	Q3	% to	YTD	% to	YTD	% to
	2022-23	Net Sales	2023-24	Net Sales	2022-23	Net Sales	2023-24	Net Sales
<b>Net Revenue</b>	<b>18,268</b>		<b>19,187</b>		<b>58,091</b>		<b>60,321</b>	
Material Cost	12,714	69.6	12,266	63.9	40,837	70.3	38,827	64.4
Operating Expenses	3,600	19.7	4,482	23.4	10,756	18.5	13,007	21.6
<b>PBDIT</b>	<b>1,955</b>	<b>10.7</b>	<b>2,440</b>	<b>12.7</b>	<b>6,499</b>	<b>11.2</b>	<b>8,487</b>	<b>14.1</b>
<b>PBT Before Exception Item</b>	<b>1,495</b>	<b>8.2</b>	<b>2,082</b>	<b>10.9</b>	<b>5,097</b>	<b>8.8</b>	<b>7,434</b>	<b>12.3</b>
Exception Item	-	-	-	-	-	-	6,613	11.0
<b>PBT After Exception Item</b>	<b>1,495</b>	<b>8.2</b>	<b>2,082</b>	<b>10.9</b>	<b>5,097</b>	<b>8.8</b>	<b>14,047</b>	<b>23.3</b>
<b>PAT</b>	<b>1,090</b>	<b>6.0</b>	<b>1,521</b>	<b>7.9</b>	<b>3,722</b>	<b>6.4</b>	<b>10,616</b>	<b>17.6</b>

Growth (Q3 2023) - Net Revenue : 5.0% PBDIT : 24.8%, PBT\* : 39.3%  
 Growth (YTD 2023) - Net Revenue : 3.8% PBDIT : 30.6%, PBT\* : 45.9%

\*Other than exception items

# International Subsidiaries

## Nepal

- Low single digit growth in Q3
- Economic challenges in Nepal continued owing to severe liquidity crunch.

## Bangladesh

- De-growth in Q3
- Business sentiment was hit hard by high inflation and political uncertainty
- Bangladeshi taka weakened in Q3

## Sri Lanka

- High double digit-growth in Q3
- Sri Lanka's economy on a gradual recovery path but concerns remain.
- LKR weakened in Q3

# Risks and Outlook

## Risk

- Fluctuations in the crude oil prices
- Risk of supply chain disruptions due to geo-political concerns
- To stay watchful about the changing global situation and its impact

## Outlook

- Increase spend by Government on infrastructure would help growth in the HPC & CC Business
- Macroeconomic situation continues to be a significant concern in International Geographies
- Raw Material prices expected to be stable

**Thank you**

