

**November 11, 2023**

To, The Managing Director <b>National Stock Exchange of India Limited</b> Exchange Plaza, 5th Floor, Plot No. C/1 G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051  <b>NSE Symbol-SIRCA</b>	To, The General Manager <b>BSE Limited</b> Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001  <b>BSE Scrip Code: 543686</b>
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**SUB: SUBMISSION OF INVESTOR PRESENTATION**

**Dear Sir/Ma'am,**

Pursuant to **Regulation 30 of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015**, please find enclosed herewith **Earnings Presentation of Q2 & FY24** of the Company.

This is for your information and record.

Thanking you,

Yours faithfully,

**For Sirca Paints India Limited**

**SANJAY**  
**AGARWAL**  
Digitally signed by  
SANJAY AGARWAL  
Date: 2023.11.11  
23:30:43 +05'30'

**Sanjay Agarwal**

**DIN: 01302479**

**Chairman Cum Managing Director**

**Encl: As above**

**Q2FY24**

**Earnings  
Presentation**

NOVEMBER 2023



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# Company Profile



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# INTRODUCTION

## About Sirca Paints India Limited

- Sirca Paints India Limited (SPIL) is among the country's leading manufacturers of wood coating products. With its history dating back to more than 2 decades, today the company fulfils emerging aesthetic wood finishes needs of lakhs and adds extra mileage to India's growing furnishing market.
- The company is engaged in the manufacturing, sales and exports of wood coatings and other decorative paints under the brands 'Sirca', 'Unico, and others.
- With its newly commissioned manufacturing facility, SPIL is progressing on its journey to become a leading brand in the Indian wood coatings & paints market.
- The company is recognized for its hallmark of superior quality wood finishes. With a vision to have a global footprint, the company is working towards exporting its products to neighboring countries i.e. Nepal, Bangladesh and Sri Lanka catered by its state-of-the-art manufacturing facility at Sonipat.

Exclusive licensee products to Nepal, Bangladesh & Sri Lanka

Newly commissioned manufacturing facility



## About Sirca S.P.A (Italy)

Founded in the 1973, Sirca is an integral part of the Durante Group. It is among the leaders in the field of Italian wood paints, with a widespread presence in 85+ countries, 300+ employees, 4 production plants, and a turnover of €180+ million. Sirca is a research and development-oriented organization, employing more than 20% of its personnel in technical areas, such as analysts, testers, colorists, and applicators.

Sirca's value proposition revolves around premium Italian wood coatings & finishes, which are developed in collaboration with Italy's most prestigious furniture brands.



85+  
Countries



300+  
Employees



4  
Production Plant



€180+ Mn  
Turnover

## SPIL AT A GLANCE



### EXCLUSIVE LICENSEE

Of Globally Established 'Sirca' brand for India, Nepal, Bangladesh and Sri Lanka



### MARKET LEADER

Among the Top 3 Premium wood coatings brand in India  
Market Leader in North India



### OEM VENDOR

Preferred OEM Vendor on its way to become a Dominating Retail Brand



588

Team Strength



2,735

Nodes\* in Distribution Network



11

Branches & Depots



27

Sirca Studios



02

Manufacturing Facilities



693

OEM's Clientele

\* Including OEM's

## VALUE PROPOSITION

The promise and quality of 'Made in Italy' blended with innovation, research and development to provide the most sophisticated and customized products and services in the paints industry.

## CORE OFFERING :



Premium Italian Wood Coatings



Metal Coatings



Glass Coatings



# VALUE PROPOSITION

## Portfolio Expansion



### Wall Paints Range



## Recent Additions



### Wood Coatings

#### MASS MARKET RANGE

- Nitrocellulose (NC), Melamine, PU Coatings and Thinners
- Hygiene Plus Additives



### Wall Paints & others

- **OIKOS Portfolio**  
(Decorative, Solid Colour Finishes, and Texture Coatings)
- **DuranteVivan Portfolio**  
(Adhesives)





COMPANY PROFILE

# BRAND PORTFOLIO

## Sirca

- Luxury Italian Wood Coatings
- High-end Wall Paints

## Unico

- Mass-market Wood Coatings products

## OIKOS

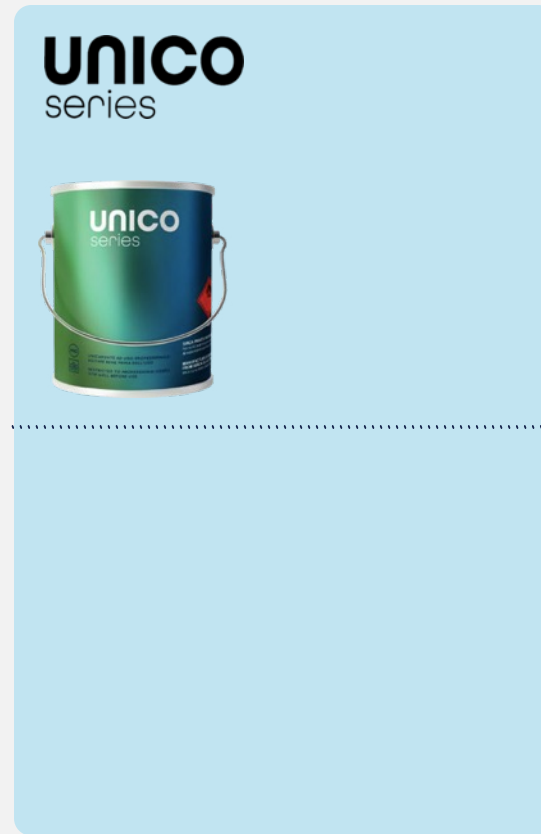
- High-end Decorative, Solid Colour Finishes and Texture Coatings

## DuranteVivan

- Adhesives Product Portfolio

INDIAN SUBCONTINENT\*

INDIA



ENTRY-LEVEL

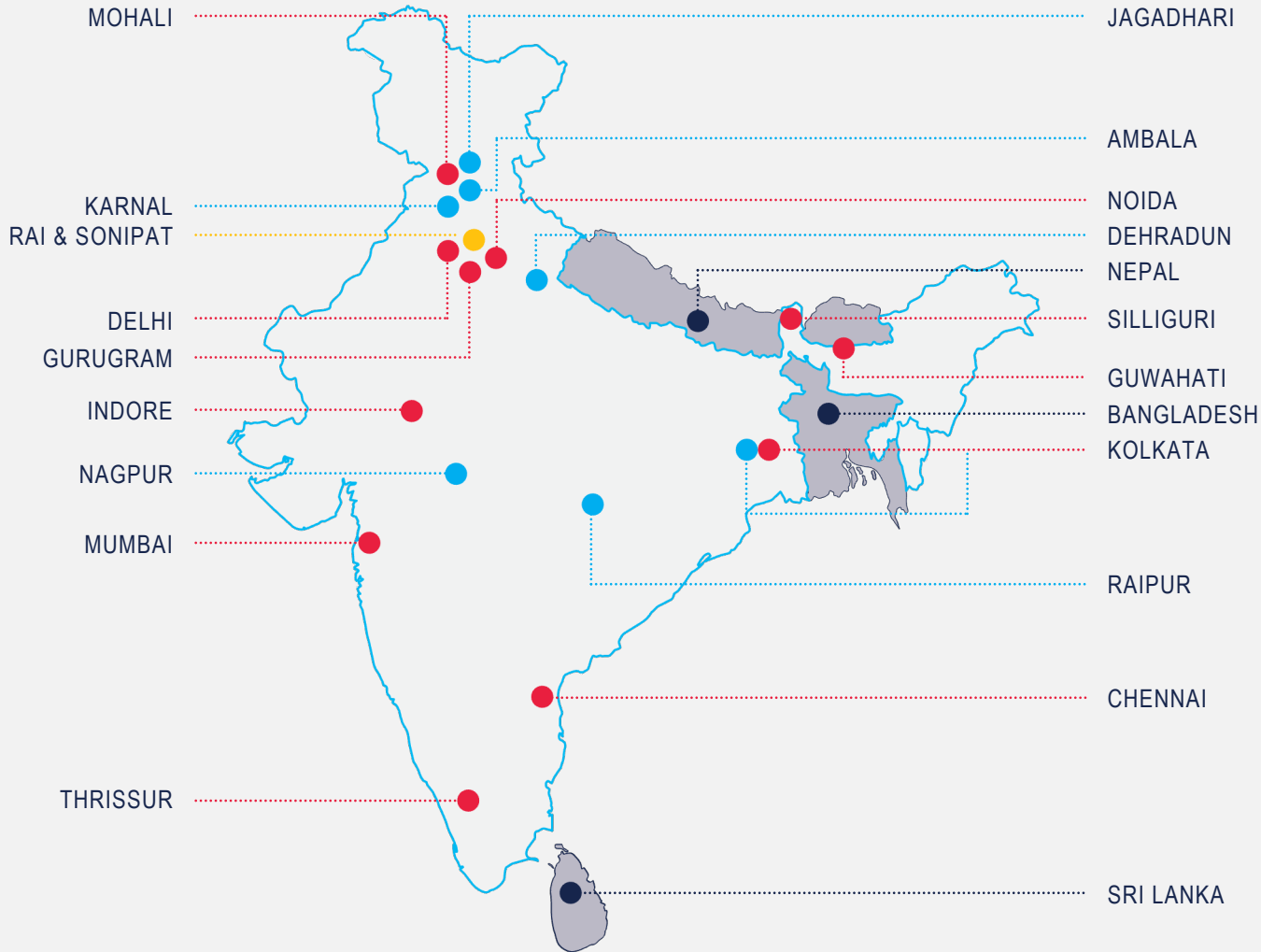
ECONOMIC

LUXURY

PRICING


\* Includes India, Bangladesh, Nepal and Sri Lanka

# SIRCA'S FOOTPRINT



 **2,030**  
Dealers & Distributors

 **11**  
Branches & Depots

 **27**  
Sirca Studios


 **02**  
Manufacturing Facilities

**Key**

-  BRANCHES
-  MANUFACTURING FACILITIES
-  SIRCA STUDIOS
-  EXPORT MARKETS

# CUSTOMER SEGMENTS

## Retail

 **~70%**  
Revenue Contribution

 **2,030**  
Aggressively growing Distribution Network with 2,030\* nodes


### Growth Strategy

- Chain of studios being opened across India, currently 27 studios & 11 branches are operational.
- Creating a wider and self-sufficient product portfolio to expand & strengthen distribution network.

\* Excluding OEM's



## OEMs

 **~30%**  
Revenue Contribution

### APPROACH

- Dealing in Premium products.
- Providing strong technical support and after sales services to OEM's.

### Clientele (of 693 OEM's)

- **Key Clientele includes:** Godrej, Jindal Stainless, Indoline, Space Wood, Pyramid, MAS Furniture, Alsorg, Soundarya Decorators, etc.

## MANUFACTURING FACILITIES



### COMMISSIONED

In Nov'2019, Sirca commissioned a manufacturing facility for Nitrocellulose, Melamine, Economical PU products, and PU thinner at Sonipat (NCR).



**~33.20 CRORES**

This unit has been established with a total CAPEX of ~33.20 Crores, as a primary 'Object of Issue' from our initial public offer in 2018.



### COMISSIONED WALL PAINT & WALL PUTTY MANUFACTURING

In Q1FY21 the company shifted it's wall paint manufacturing unit to a new, bigger premises in response to higher than originally anticipated demand.



**~225 CRORES**

### MAXIMUM CAPACITY

At peak capacity utilization this manufacturing facility has a capacity to generate ~225 Crores in revenue with an optimal product-mix.



### PRODUCTION CAPACITY

This Company has a production capacity of:



**16,000 Tonnes**

For PU, NC, Melamine and Thinner products



**48 Lakh Liters**

Wall Paints

## MARKETING AND PROMOTIONAL ACTIVITIES



### INCREASE EXPENDITURE ON ADVERTISEMENTS

To achieve a greater brand-recall for 'Sirca', the company is increasing its expenditure on advertisements, marketing, and sales promotion efforts.



### TV COMMERCIALS IN REGIONAL LANGUAGES

TV commercials have been launched in Hindi and other regional languages, along with advertisements in movie theaters. **Recently the Company launched a series of TV Commercials under the campaign "Pyaar Ke Panchhi"**



### IMPLEMENTED 360° MARKETING CAMPAIGN

The company has implemented a 360° marketing campaign in its target markets, especially in the newly tapped regions.



### INCREASED DEALER NETWORK

To strengthen Sirca's outdoor presence, the company is installing shop boards at its dealer network. At present, a total of **~1,329 shop boards** have been installed.

Radio commercials & tv commercials in regional languages

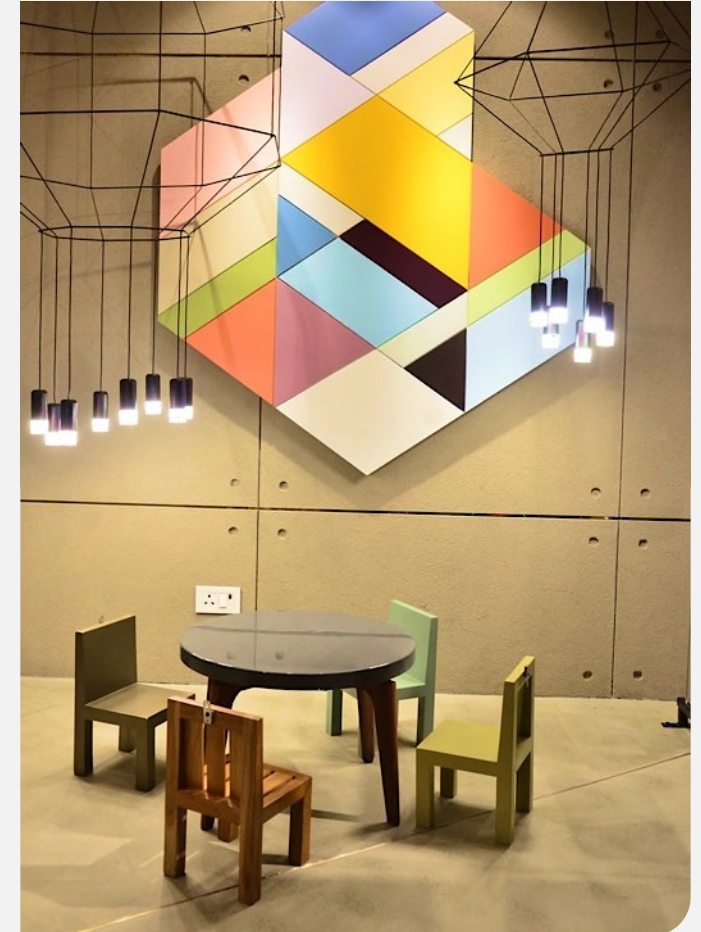
Increase expenditure on Advertisements

Implemented 360° Marketing Campaign

Shop Boards & Hoardings at Dealer Network

# MARKETING AND PROMOTIONAL ACTIVITIES

Sirca studios for a class-apart consumer experience



# MARKETING AND PROMOTIONAL ACTIVITIES

~1,329 shop board installed for enhanced visibility. Refreshed brand positioning as “Your Italian Autograph”.



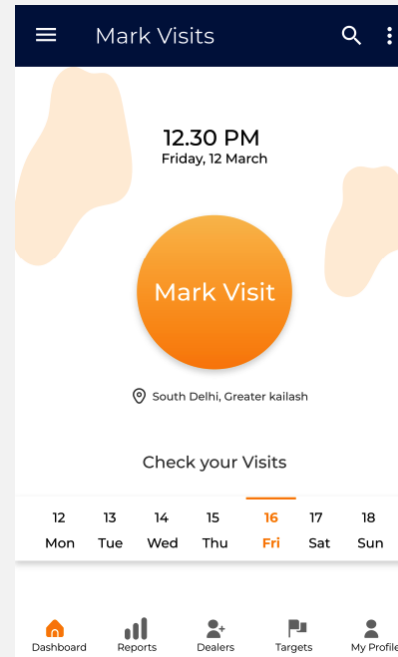
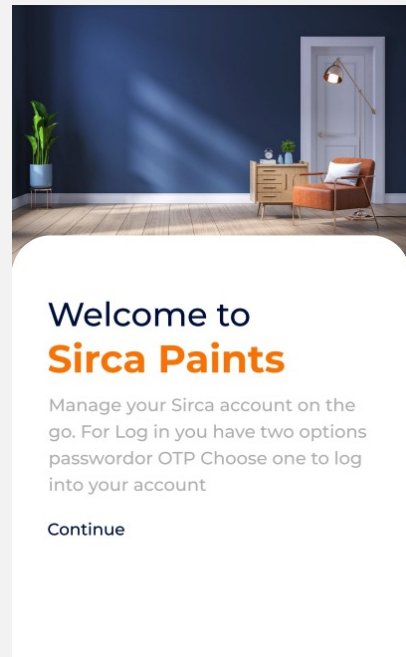
# CONTRACTOR LOYALTY PROGRAM

## Sirca Parivaar 2.0 – App Update

 **~15,000**  
Contractors  
Registered

 **~8,000**  
Average Daily  
Product Scans

 **1,500+**  
Average Daily  
Users



## Enhanced Version of Sirca Parivaar App

The main objective of this app is to automate the process of loyalty program and streamline the process of rewards and redemption.

## Key Features

- Specifically designed for architects, contractors, and dealers using Sirca products
- Bringing all industry stakeholders together on the application
- Automate Sirca loyalty program
- Maintain, view reward points easily on a real-time basis
- Users can check account balance on a real-time basis
- Users can redeem points at any given point
- Users can access account statement & reports in the application



## INDIA PAINT INDUSTRY



62,000

CRORE MARKET

The Indian Paints industry is estimated to be a **62,000 Crore market annually**



3/4<sup>th</sup>

SHARE IN INDIA WITH ORGANIZED INCUMBENTS

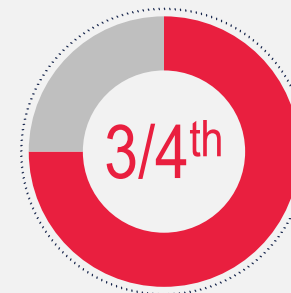
In between the organized and unorganized incumbents, the **former holds the majority of 3/4<sup>th</sup> share** in the India paint industry, while the rest lies with unorganized incumbents.



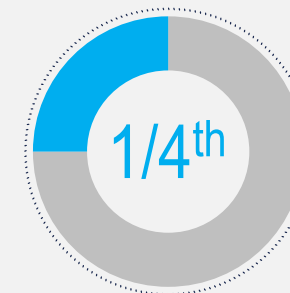
~12% CAGR

DECORATIVE SEGMENT GROWTH IN BETWEEN FY09-19

The decorative segment is the relatively faster-growing segment of the paints industry. It had maintained a growth CAGR of ~12% between FY09-19, this was led by strong demand from **the rural and tier-II, tier-III cities** and reduced repainting cycle from the consumers.



Decorative Paints constitute almost 3/4<sup>th</sup> of the market share while the rest 1/4<sup>th</sup> lies with Industrial Paints.



PAINT INDUSTRY IS EXPECTED TO GROW AS:

- An increase in disposable income.
- Rising urbanization & rural economy.
- Increasing trend of nuclear families.
- Reduction in average repainting cycle on account of improvement in disposable income and improving lifestyles.

## WOOD COATINGS & FINISHES SEGMENTS



### Overview

- Wood coatings are used for their adhesion, anti-corrosion, durability, appearance enhancing & aesthetics features on wooden furniture.
- In the last decade, India has shaped up to be one of the largest markets for wood coatings products in the Asia-Pacific region.
- Indian furniture industry, which happens to be a key demand driver of wood coatings products, is estimated to be a USD 5 billion market in 2018-19, with nearly USD 1.5 billion in exports and USD 0.6 billion in imports, respectively.



### Market Trends

- The wood coatings product category is facing a shift in consumer preferences from toxic and environmentally harmful products to eco-friendly and non-toxic products.
- There is a shift underway from harmful products like Nitrocellulose (NC) and Melamine coating products to high-quality Polyurethane (PU) coatings on account of multiple factors such as:
  - Increasing health-consciousness and awareness about the harm-full effects of these degrading wood coatings,
  - Growing awareness about environment-friendly products,
  - Greater artistic and aesthetic value,
  - Other factors include - lower emission of odour, increased durability and resistance which make these products more preferable.
- The increasing value of aesthetics and expenditure towards the furnishing segment is supporting this transition. In the long-run, an increase in disposable income and a shift towards higher-end wood coating products in the value chain will be the leading growth driver for the wood coatings market.



## BOARD OF DIRECTORS



 **Mr. Sanjay Agarwal**

CHAIRMAN AND MANAGING  
DIRECTOR

Mr. Agarwal is one of the co-founders of Sirca Paints India Limited, he has been working the Paints & Coatings industry for more than two decades. Under his able leadership, Sirca has risen the ranks as one of the most prominent brands of luxury wood coatings in the country. A Chartered Accountant by qualification, Mr. Agarwal currently looks after the finance and strategy functions of the organization.



 **Mr. Apoorv Agarwal**

JOINT MANAGING  
DIRECTOR

Mr. Agarwal has holds a bachelor's degree from Delhi University and a masters degree in Finance & Marketing from IIPM. He has a decade of experience & training in the Italian furnishing and Italian wood coatings space. He has worked with prominent Italian furnishing brands like B&B Italia, Reflex, Laura Meroni, Simon Cenedese, and many others. At Sirca Paints India, he looks after the Sales and Marketing functions. He has also been bestowed with the responsibilities of establishing Sirca's presence through its distribution network across the country.



 **Mr. Gurjit Singh Bains**

NON-EXECUTIVE  
DIRECTOR

Mr. Gurjit Singh Bains is one of the co-founders of Sirca Paints India, he has more than two decades of experience in wood coatings and the Italian furniture industry. He was among the early introducers & promoter of branded Italian furniture in India.



 **Mr. Ugo Pelosin**

NON-EXECUTIVE  
DIRECTOR

Mr. Pelosin has more than two decades of experience in exporting wood coatings globally. Apart from being the Non-Executive Director of Sirca Paints India, he is also the Export Director of Sirca S.p.A (Italy). He was appointed as the Non-Executive Director of the company in 2018, nominated by Sirca S.p.A (Italy) as per the Shareholder Agreement entered between the companies.

## BOARD OF DIRECTORS



 **Mr. Shyam Lal Goyal**

NON-EXECUTIVE &  
INDEPENDENT DIRECTOR

Mr. Goyal was the Audit and Finance Advisor at Ghazanfar Bank. He leads each firm's lines of business - Banking Sector and FMCG industries in an expeditious manner. He holds experience of over 30 years and has held various senior positions in India and abroad. His experience in global financial operations, Corporate Governance, Enterprise-wide systems, and Financing is a proven asset.



 **Mrs. Anu Chauhan**

NON-EXECUTIVE &  
INDEPENDENT DIRECTOR

Mrs. Chauhan has a vast experience of over a decade in management and team leadership skills. She has a proven track record of running successful operations and nurturing & growing businesses. Her core area of expertise includes - business management, directing and planning, supervising multi-disciplinary teams, processes, documentation, business Control checks, audits, and vendor management.



 **Mr. Sanjay Kapoor**

NON-EXECUTIVE &  
INDEPENDENT DIRECTOR

Mr. Kapoor is a doctor by profession, he has an MBBS and DCH (Diploma of Child Health) with over 20 years of experience in the pediatrics department. He was appointed on the Board of the company in 2017.

# 5Y Financial Summary



## 5Y PROFIT &amp; LOSS SUMMARY

(₹ in crores)

PARTICULARS	FY23	FY22	FY21	FY20	FY19
<b>Revenue from Operations</b>	<b>267.75</b>	<b>200.02</b>	<b>143.18</b>	<b>135.05</b>	<b>125.34</b>
Total Income	272.59	204.43	157.32	140.66	131.46
Total Operating Expenses	206.03	162.27	121.37	103.26	93.81
EBITDA (Excluding OI)	61.71	37.76	21.81	31.78	31.53
<b>EBITDA (Excluding OI) %</b>	<b>23.0%</b>	<b>18.9%</b>	<b>15.2%</b>	<b>23.5%</b>	<b>25.2%</b>
Interest Cost	0.04	0.08	0.10	0.08	0.11
Depreciation & Ammortisation	4.41	4.13	3.65	2.39	0.93
Profit Before Taxes	62.11	37.95	22.58	34.18	31.97
<b>Profit After Taxes</b>	<b>46.11</b>	<b>27.73</b>	<b>16.61</b>	<b>25.15</b>	<b>22.23</b>

Note:

1. FY20 EBITDA (Excluding OI) & Total Operating Expenses adjusted for one-time impairment loss of 0.76 crores
2. FY21 EBITDA (Excluding OI) & Total Operating Expenses adjusted for net-loss of fire incident

## 5Y BALANCE SHEET SUMMARY

(₹ in crores)

PARTICULARS	FY23	FY22	FY21	FY20	FY19
<b>Shareholders Fund</b>	<b>265.53</b>	<b>225.15</b>	<b>201.60</b>	<b>184.65</b>	<b>167.84</b>
Non Current Liabilities	0.59	0.05	0.28	0.18	0.48
Current Liabilities	45.92	37.16	52.88	24.98	22.45
- Trade Payables	36.55	31.40	34.84	20.29	17.02
<b>Total</b>	<b>312.04</b>	<b>262.37</b>	<b>254.75</b>	<b>209.82</b>	<b>190.79</b>
Non Current Assets	63.17	57.47	45.89	52.83	36.74
Current Assets	248.87	204.90	208.86	154.13	154.04
- Inventories	100.36	69.69	64.95	51.44	26.77
- Trade Receivables	51.36	45.63	43.05	45.59	39.7
<b>Total</b>	<b>312.04</b>	<b>262.37</b>	<b>254.75</b>	<b>209.82</b>	<b>190.79</b>

## 5Y CASH FLOW SUMMARY

(₹ in crores)

PARTICULARS	FY23	FY22	FY21	FY20	FY19
<b>Cash from Operating Activities</b>	<b>-18.69</b>	<b>35.16</b>	<b>19.24</b>	<b>-7.56</b>	<b>12.34</b>
Cash from Investing Activities	9.38	-11.06	14.74	4.81	-71.28
Cash from Financing Activities	-5.52	-17.38	-0.10	-8.45	68.36
Net Cash Flow	-14.84	6.73	33.87	-11.21	9.42
Net Cash at Beginning of Year	45.18	38.46	4.59	15.79	6.37
<b>Net Cash at End of Year</b>	<b>30.34</b>	<b>45.18</b>	<b>38.46</b>	<b>4.58</b>	<b>15.79</b>



# Q2FY24 Result Discussion



## PROFIT &amp; LOSS SUMMARY

## Standalone

(₹ in crores)

PARTICULARS	Q2FY24	Q1FY24	Q2FY23	YoY %	QoQ %
Revenue from Operations	83.60	72.99	72.92	14.7%	14.5%
Total Income	84.80	74.43	74.45	13.9%	13.9%
Total Operating Expenses	62.32	55.61	53.75	16.0%	12.1%
EBIDTA (Excluding OI)	21.28	17.38	19.17	11.0%	22.4%
<b>EBIDTA (Excluding OI) %</b>	<b>25.5%</b>	<b>23.8%</b>	<b>26.3%</b>	<b>-84 BPS</b>	<b>164 BPS</b>
Interest Cost	0.00	0.00	0.01	-74.2%	-24.2%
Depreciation & Ammortisation	1.59	1.26	1.15	38.9%	26.5%
Profit Before Taxes	20.89	17.56	19.55	6.9%	18.9%
<b>Profit After Taxes</b>	<b>15.51</b>	<b>12.90</b>	<b>14.42</b>	7.6%	20.2%
Earnings Per Share (₹)	2.83	2.35	2.63	7.6%	20.4%

 **15%**

Q2FY24 Revenue from Operations at 83.60 Crores compared to 72.92 Crores in Q2FY23

 **11%**

Q2FY24 EBITDA at 21.28 Crores compared to 19.17 Crores in Q2FY23

 **8%**

Q2FY24 PAT at 15.51 Crores compared to 14.42 Crores in Q2FY23


[Link to Financial Results](#)

Note: Interest Cost figures have been rounded-off to 2 decimals. Interest Cost for Q2FY24 is 0.25 Lakhs, Q1FY24 is 0.33 Lakhs and Q2FY23 is 0.97 Lakhs.

# MANAGEMENT COMMENTARY



## Q2FY24 Result Discussion

- Sirca Paints continues with its robust performance. The Company has reported a top line growth of 15% both YOY and QOQ.
  - Performance has been robust in all product portfolios. Italian PU continues to be the bedrock of the Company's financial performance.
  - However, emerging product categories, like Unico are scaling up well for the Company. Wall paints & OIKOS are also receiving good interest from the markets.
- On the profitability front, the Company reported healthy EBITDA margins of 25.5% in Q2FY24 as against 23.8% in Q1FY24 and 26.3% in Q2FY23.
  - As a result, quarterly PAT stood at its highest-ever of 15.51 Crores in Q2FY24, registering a 7.6% increase YOY and 20.2% increase on a QOQ basis.

## MANAGEMENT COMMENTARY (Cont.)



### Business Update

#### Product Portfolio Performance

- OIKOS also has been receiving great response from metropolitan markets and has been getting entry into many prestigious projects across the country.
- Given that OIKOS is a niche and luxury segment product, the initial response from markets is commendable. Further, this segment is creating cross-selling opportunities for Sirca's other product portfolios.
- After the recent rejigging of the Company's wall paints team – there has been a renewed focus towards this product portfolio, and concentrated efforts are being made to capture a pie of this market in our existing geographies.

#### Strategic Updates

- Manufacturing operations for Unico have been ramping up at the Sonipat facility after the recent capacity expansion to 16,000 tonnes from the earlier 12,000 tonnes.
- Apart from Unico, the manufacturing operations for Italian PU portfolio are also expected to ramp-up December onwards. Initial production batches have been validated by Sirca Italy. Further, many of these batches have been sent to our key markets and OEM clients for testing and approvals.
- We are pleased to report that the Company has established the quality of these products at its Sonipat facility, and has stood tall under rigorous testing procedures and quality checks.

## LATEST DISPLAY UNITS REVAMP



## RECENT PRODUCT LAUNCHES



### Recent Product Launches

- Acrylic Distemper
- Acrylic Wall Putty
- Metallic Emulsion
- Floor Coat Emulsion
- Cement Paint
- Red oxide Primer
- Universal Stainer

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## GET IN TOUCH



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