



100 YEARS OF TRUST

Berger Paints India Limited
Earnings Update Call, Q1 FY25
August 9, 2023

Q1FY25 : Standouts

**Highest Market Share gain among
listed players on YoY & QoQ basis**

**Price increase undertaken
on differentiated products**

**Strong double digit
volume growth**

**Operating margin
outperforms guidance**



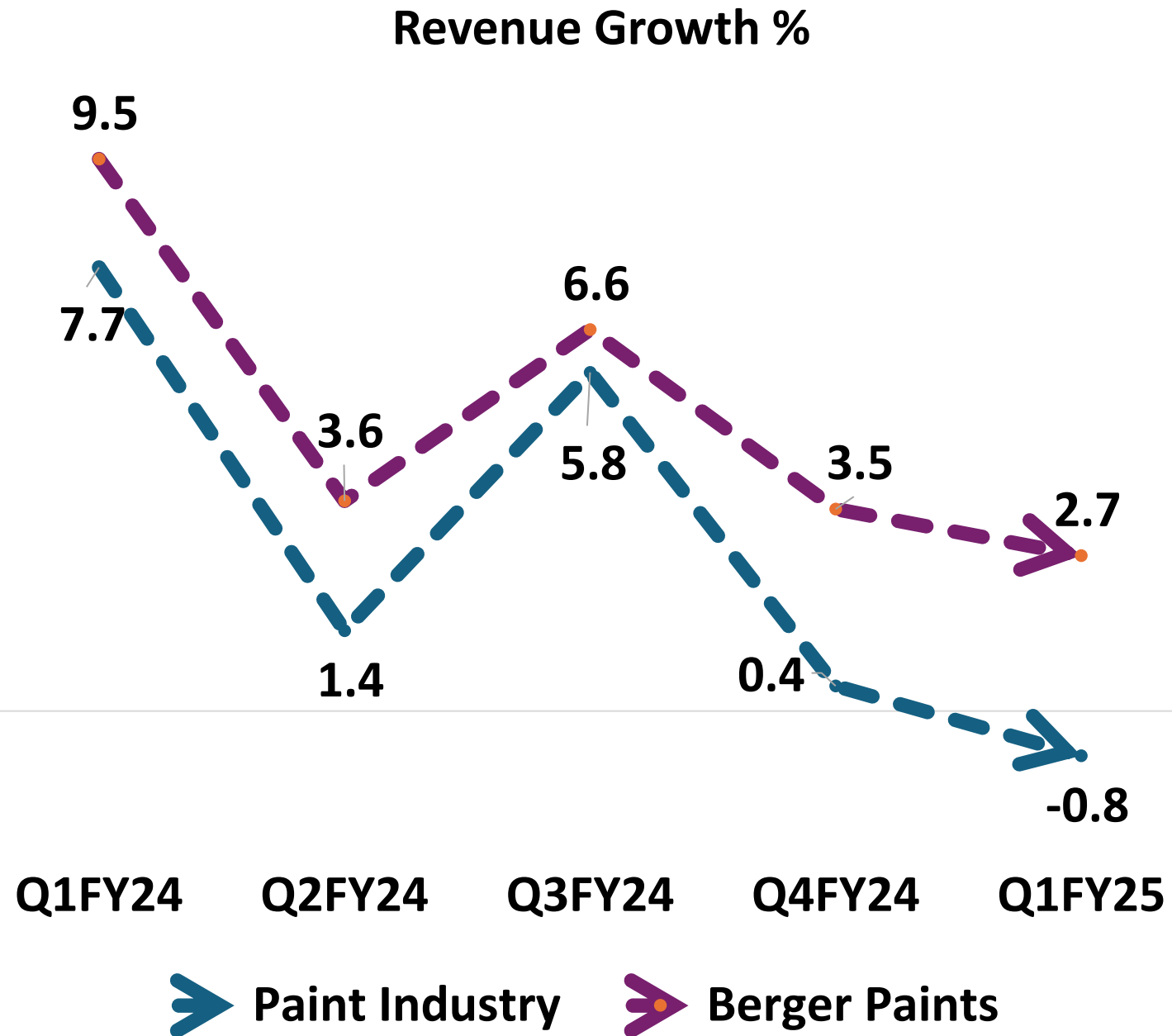


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TRUST**

Q1 FY25 Performance



**Consistently
Outperforming
Industry**



Industry Growth percentage calculated on 5 listed paint companies
Growth percentage calculated for Berger Paints' India operation



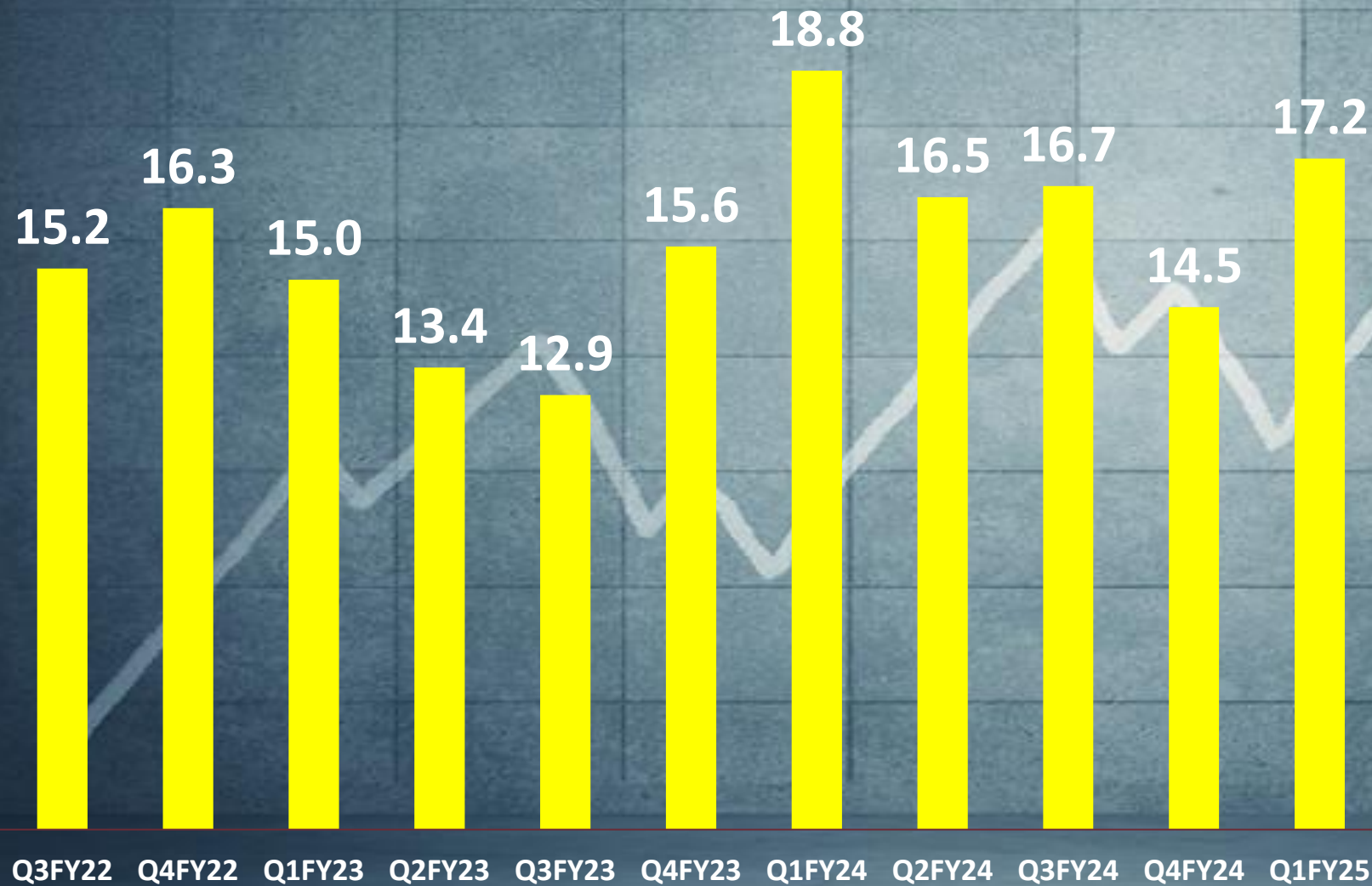
Gain in Market Share & Profitability

Market Share



Market Share percentage calculated on 5 listed paint companies
Market share calculated for Berger Paints' India operation

Operating Profit Margin Movement : Standalone



Operating margin outperformed our guidance of 15-17% for the quarter

Standalone : Q1 FY25 Performance

Topline Growth %



11.8%

Volume

2.4%

Value

- Double digit volume growth registered for the quarter
- Value growth moderated over corresponding period on account of
 - Impact of product price reduction of about 5% taken in Q3 & Q4 FY24
 - High volume/low value CC products showed greater traction
 - Luxury product sales softened. States of Kerela & West Bengal, which are primarily luxury market had a subdued quarter

Sustained growth trend

Q1FY25 Standalone : Volume Sales CAGR%

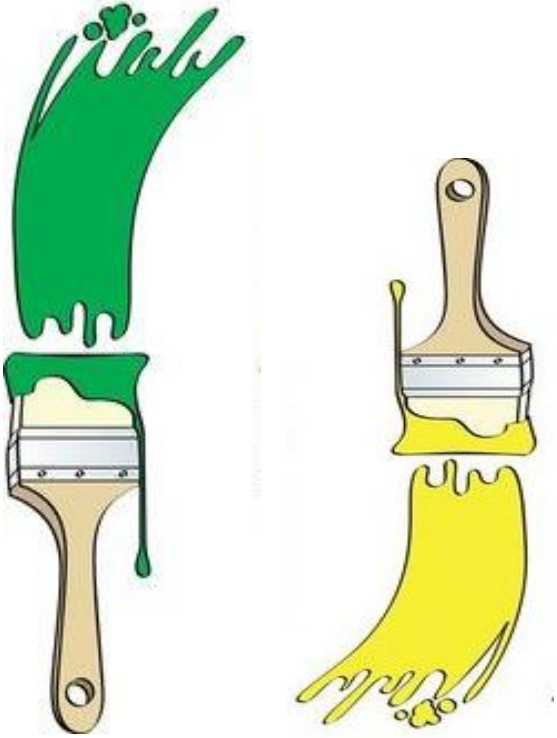


Q1FY25 Standalone : Value Sales CAGR%



**Maintained strong
compounded growth
consistently over the past
2/3/4 years**

Operating Profit Growth/Margin (%)



37.5%/18.8% -5.9%/17.2%
Q1FY24 Q1FY25

Operating profit for the quarter showed a negative growth on the back of :

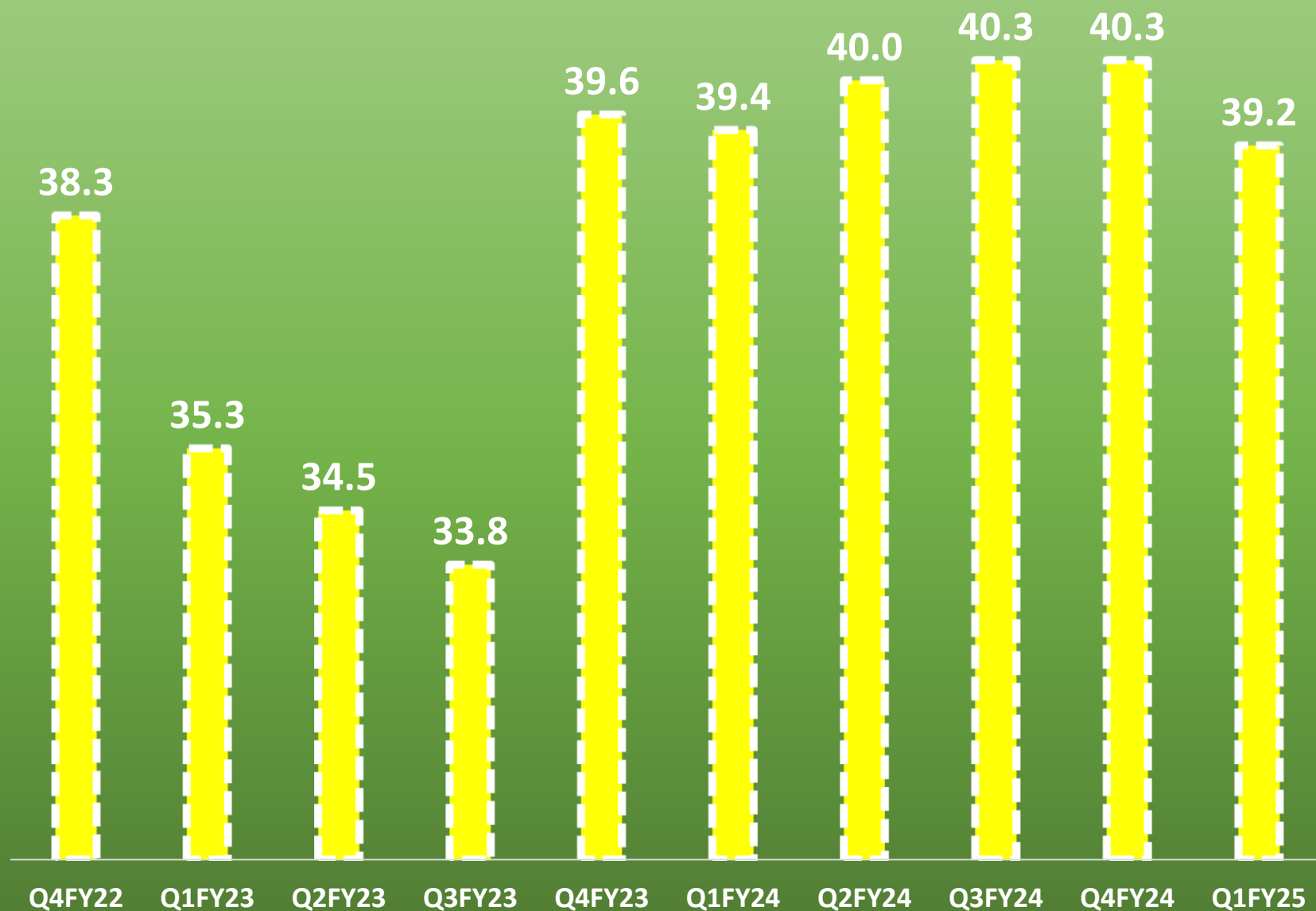
- Unusually high profit growth and margins in the corresponding quarter last year aided by low cost inventory
- Inflation in RM prices specially for Methyl Methacrylate, Butyl Acrylate which impacted emulsions
- Strategic call to enhance advertisement spending during general election
- However, product price increases undertaken in the quarter and subsequently to improve margins marginally going forward after compensating for RM inflation and increased advertisement cost

**OPERATING
PROFIT**

Financial Results – Standalone Q1 FY25

₹ Crores

	Q1 FY25	%	Q1 FY24	%	Growth %
Total income from operations	2806.31		2739.76		2.4
Material Cost	1704.89	60.8	1661.27	60.6	
Employee Cost	145.51	5.2	126.24	4.6	
Other expenses	472.21	16.8	438.42	16.0	
PBDIT (Excluding Other Income)	483.70	17.2	513.83	18.8	(5.9)
Depreciation	78.30	2.8	69.85	2.5	
Profit from operation before interest	405.40	14.4	443.98	16.2	(8.7)
Other Income	16.82	0.6	11.73	0.4	
PBIT	422.22	15.0	455.71	16.6	(7.3)
Finance Cost	11.58	0.4	16.71	0.6	
PBT	410.64	14.6	439.00	16.0	(6.5)
Taxes	105.12		112.68		
PAT	305.52	10.9	326.32	11.9	(6.4)
Other comprehensive income, net of income tax	0.58		(0.19)		
Total comprehensive income for the period	306.10		326.13		



Decorative Business : Q1FY25

- Decorative business recorded double digit volume growth
- Construction chemical & waterproofing business had a strong performance
- Project business had an improved showing on the back of outperformance in the real estate sector
- Aggressive Network expansion continued
 - Added 1900+ retail touchpoints
 - Installed 1800+ Colorbank machines
 - Renewed focus on URBAN markets with new team in place



Recently launched products doing well



*“Chhath ke cracks ko kare **TOTALLY SEAL**
Ghar mein de **THANDAAA FEEL**”*



Innovative Products & Services





Since 1760

**express
painting**

Faster. Cleaner. Better.



Berger Exclusive Stores -Ultimate paint destination



616 Stores – Target 1000+ stores by year end

Digital Initiatives

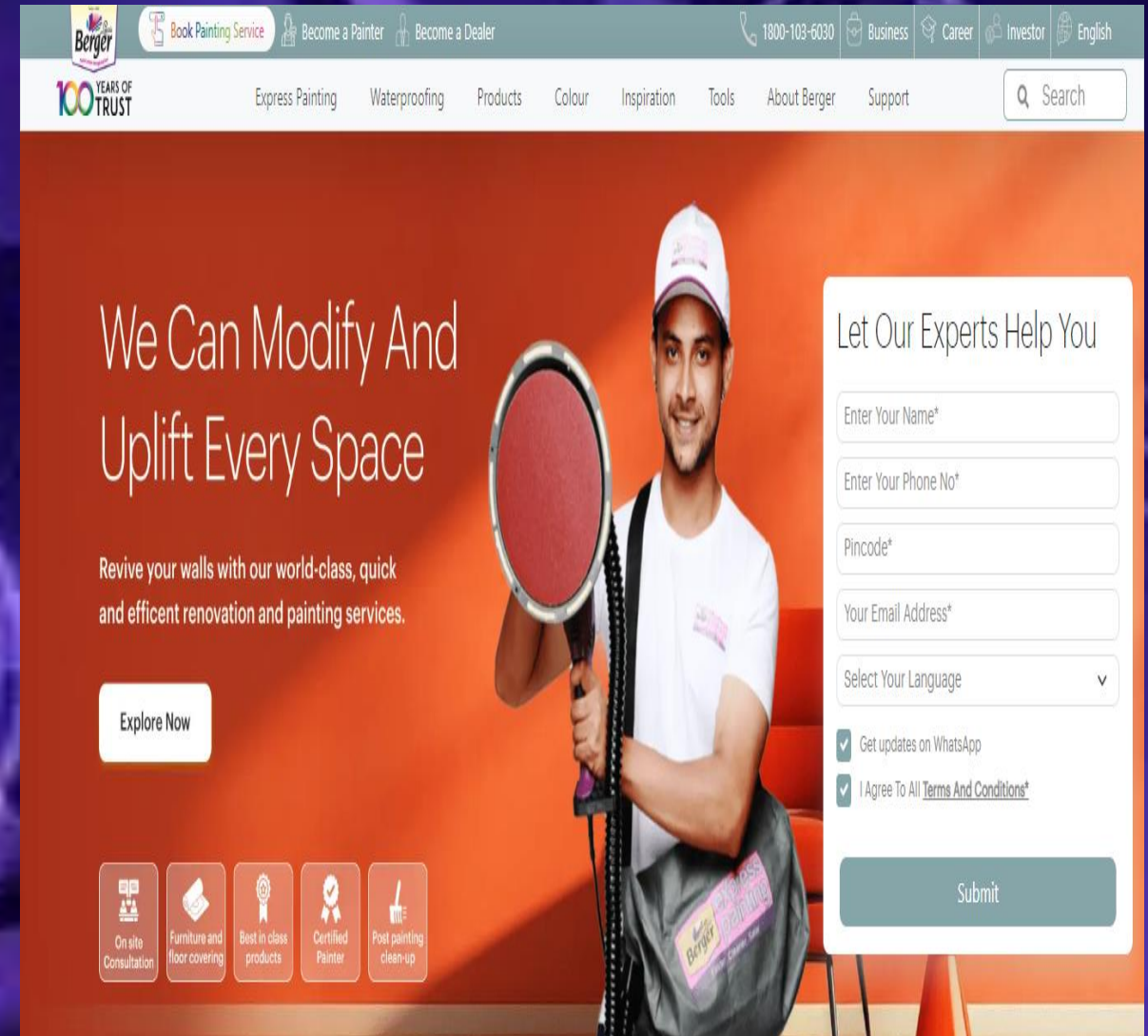


Salesforce introduced to help in reacting faster & better to our customers



**Mycolour APP
gaining popularity
130000+ users**

Company's new website gaining traction

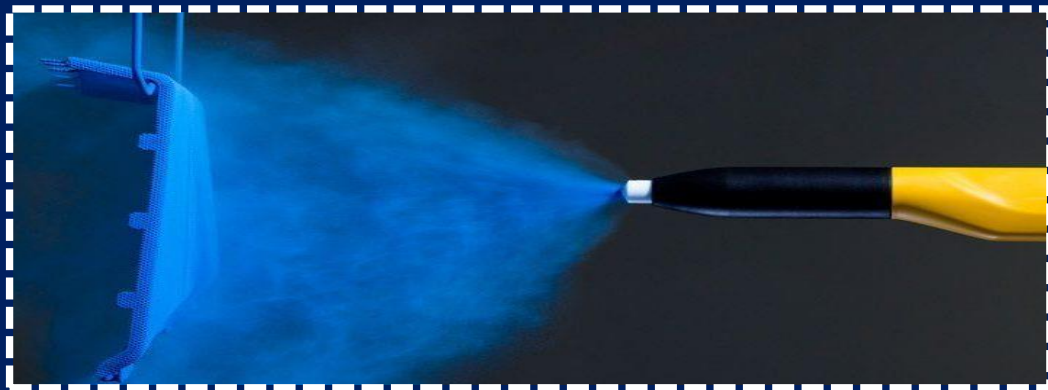


Industrial Business : Q1FY25



Protective Coating business had a modest performance somewhat impacted by General Elections. Business picked up in June

Automotive and General Industrial business saw muted growth in the quarter on the back of subdued growth in the commercial vehicle segment



Powder Coatings business line continued its steady growth

Significant projects in Industrial business



Chenab Bridge



Vande Bharath



IICC Yashabhoomi



Chennai Airport

Jun'24 :
Rs 657 crs

Mar'24 :
Rs 341 crs

Dec'23 :
Rs 56 crs

*Improved Net cash
position*



Financial Results- Consolidated Q1FY25

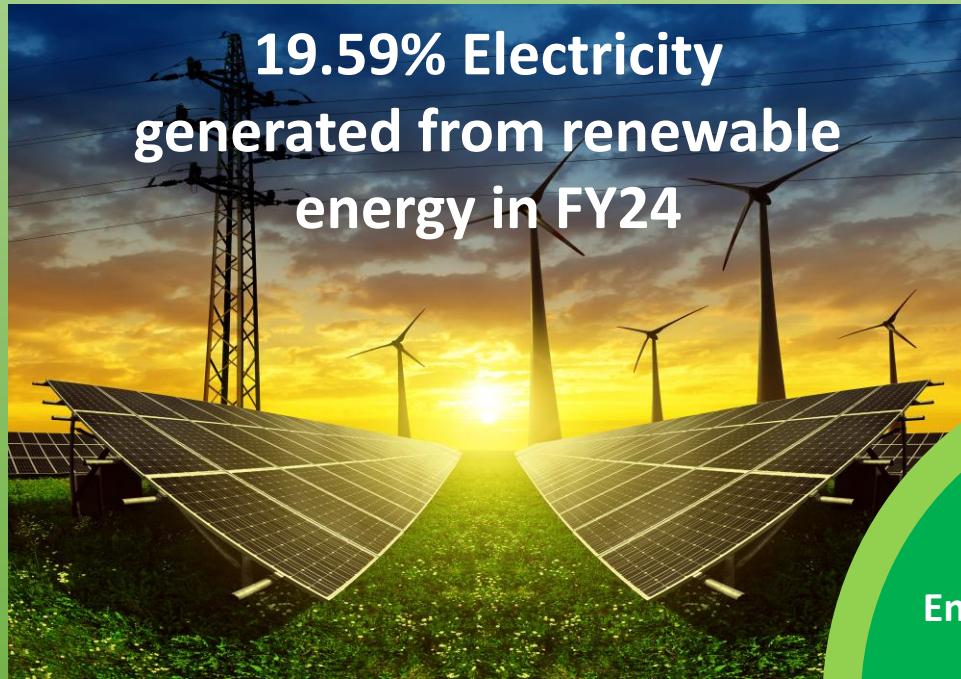
₹ Crores

	Q1FY25	%	Q1FY24	%	Growth %
Total income from operations	3091.01		3029.51		2.0
Material Cost	1858.45	60.1	1823.09	60.2	
Employee Cost	192.22	6.2	166.90	5.5	
Other expenses	517.93	16.8	482.77	15.9	
PBDIT (Excluding Other Income)	522.41	16.9	556.75	18.4	(6.2)
Depreciation	87.21	2.8	78.21	2.6	
Profit from operation before interest	435.20	14.1	478.54	15.8	(9.1)
Other Income	36.33	1.2	13.58	0.4	
PBIT	471.53	15.3	492.12	16.2	(4.2)
Finance Cost	15.17	0.5	19.71	0.7	
PBT before share of joint ventures	456.36	14.8	472.41	15.6	(3.4)
Share of Profit / (loss) of associates and joint ventures	9.62		3.77		
PBT	465.98	15.1	476.18	15.7	(2.1)
Taxes	111.95		121.27		
PAT	354.03	11.5	354.91	11.7	(0.2)
Other comprehensive income, net of income tax	(2.20)		(4.33)		
Total comprehensive income for the period	351.83		350.58		

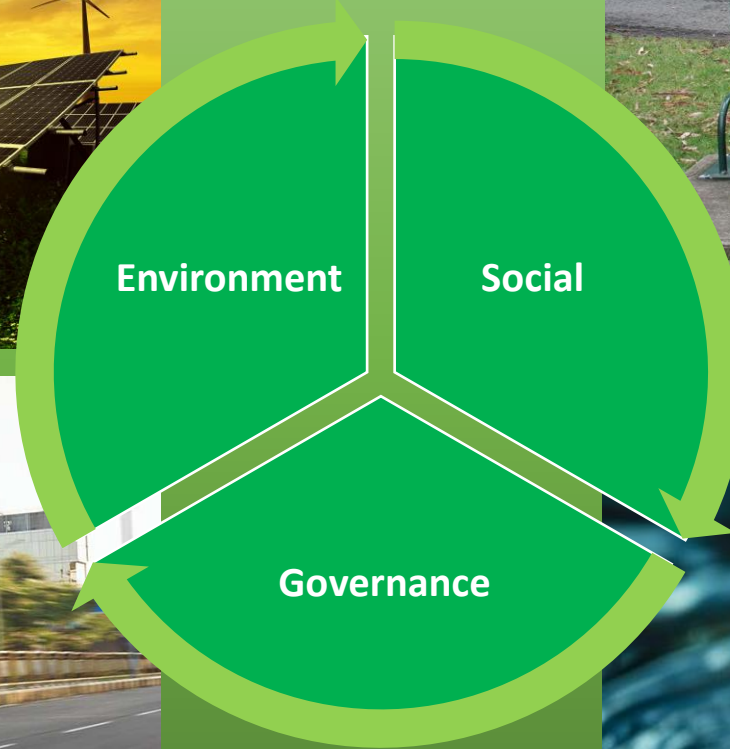
Performance - Consolidated: Q1FY25



- Company's overseas subsidiary, Bolix S.A, Poland continued its growth trajectory on topline. Profitability showed robust growth both in constant currency and INR, helped by improvement in operating margin.
- Company's overseas subsidiary, BJN Nepal continued its dismal performance both on topline and profitability faced with persistent liquidity issues and unfavorable market conditions, However we see signs of improvement off late.
- Company's subsidiary, STP Ltd had a good quarter of topline growth. However, profitability recorded a marginal degrowth on account of adverse mix impact on lower sale of ad mixtures.
- SBL Specialty Coatings Ltd also had a muted topline growth in the quarter. However, it suffered a profit degrowth on account of scale and mix impact.
- The joint venture Berger Becker Coatings even though had a healthy topline growth, however profitability saw a marginal decline impacted by product price reduction passed on to customers to regain market share.
- Company's Joint venture Berger Nippon Paint Automotive Coatings Pvt. Ltd. had a steady business growth riding on a good show by the passenger vehicle segment and robust profitability on the back of improved raw material prices



**19.59% Electricity
generated from renewable
energy in FY24**



**839 tonnes waste recycled
in FY24**



**Last mile delivery through E vehicle
to reduce carbon footprint**



**49,149 KL water recycled in FY24
53% increase from FY23**

Initiatives



- Normal monsoon likely to shore up rural demand condition
- Decorative business value growth to improve in Q2, aided by product price increases
- Industrial business outlook seen better on the back of increased government spending on infrastructure post-elections
- Geopolitical factors may pose some risk to inflation

Disclaimer



This presentation has been prepared by Berger Paints India Limited for information purposes only.

The forward looking statements, if any, involve risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the statements.