



100 YEARS OF TRUST



**Berger Paints India Limited
Earnings Update Call, Q4 FY24
May 15, 2024**

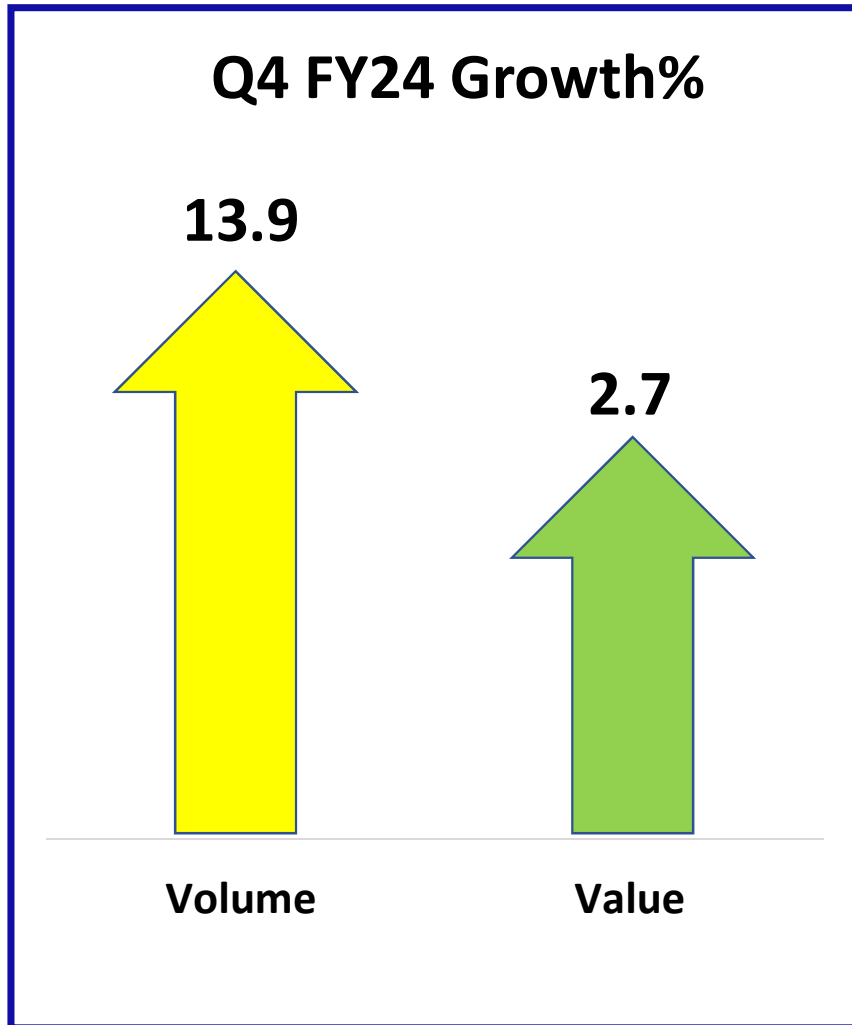
FY24 : Year of milestones





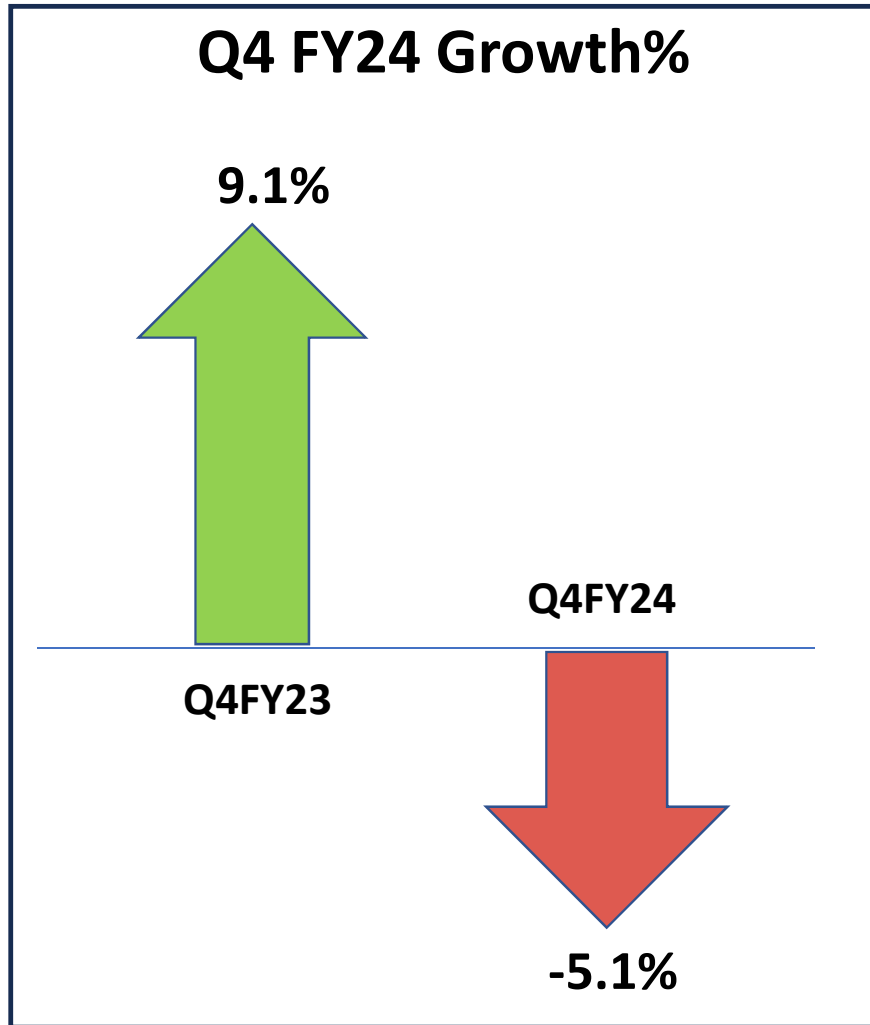
Q4FY24 Performance

Topline performance : Q4FY24 - Standalone



- Healthy double digit volume growth registered for the quarter
- Value growth moderated on account of
 - Impact of price reduction. Value sales impacted by about 5%
 - No price reduction in Luxury category - Dealers destocked Luxury products in anticipation of a price drop
 - High volume/low value products like Tile Adhesive & Admixtures saw higher growth during the quarter
- One-off effect of subsidy received in Q4FY23

Operating Profit performance : Q4FY24 - Standalone



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

- One off effect of subsidy received included in operating income in Q4FY23
- Negative operating leverage on account of fixed costs
- Incremental operating cost of Sandila plant
- Conscious call to increase advertisement expenses. Advertisement expenses went up by almost 1% of sales

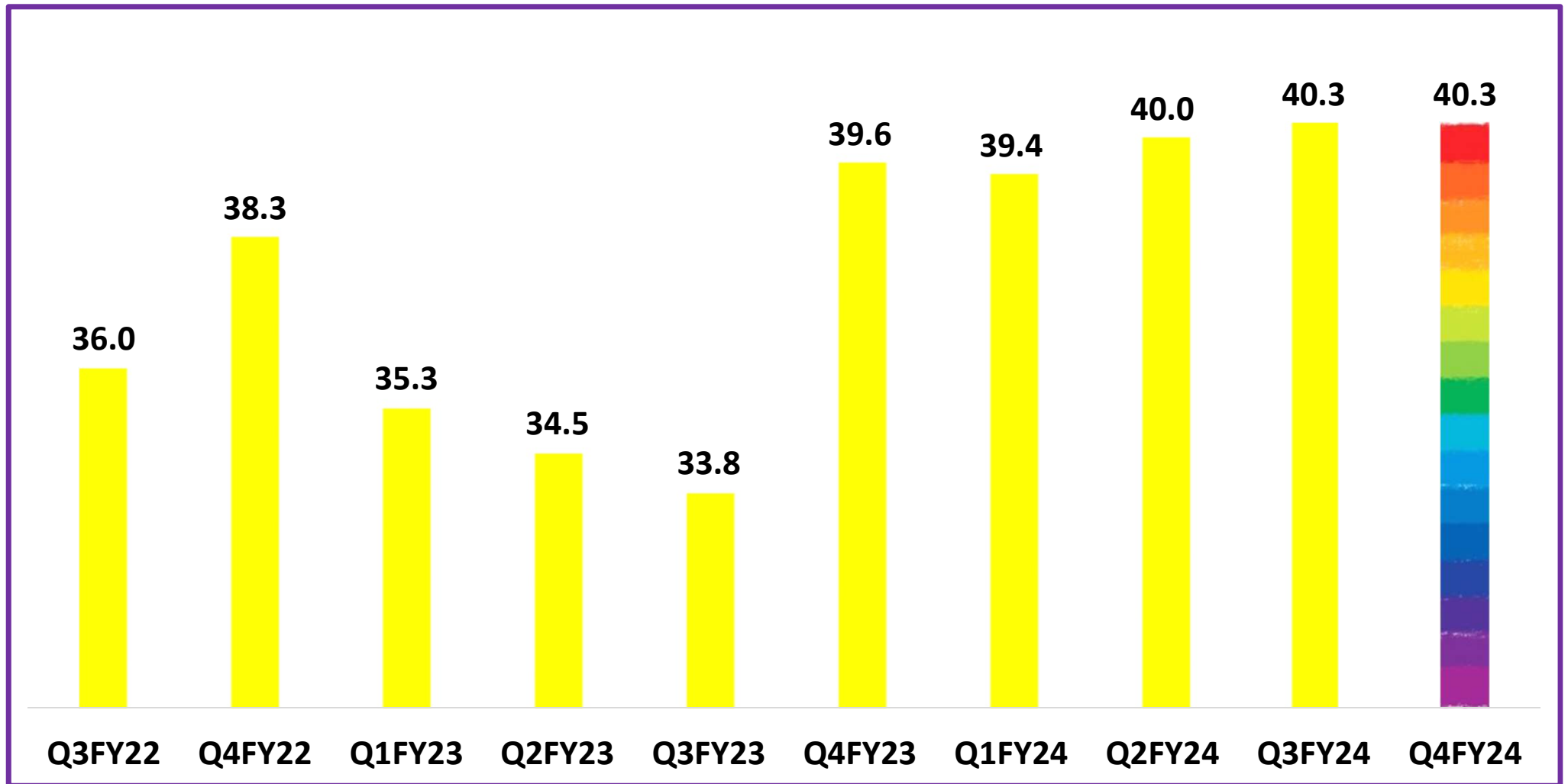
Financial Results – Standalone Q4 FY24



Rs Crores

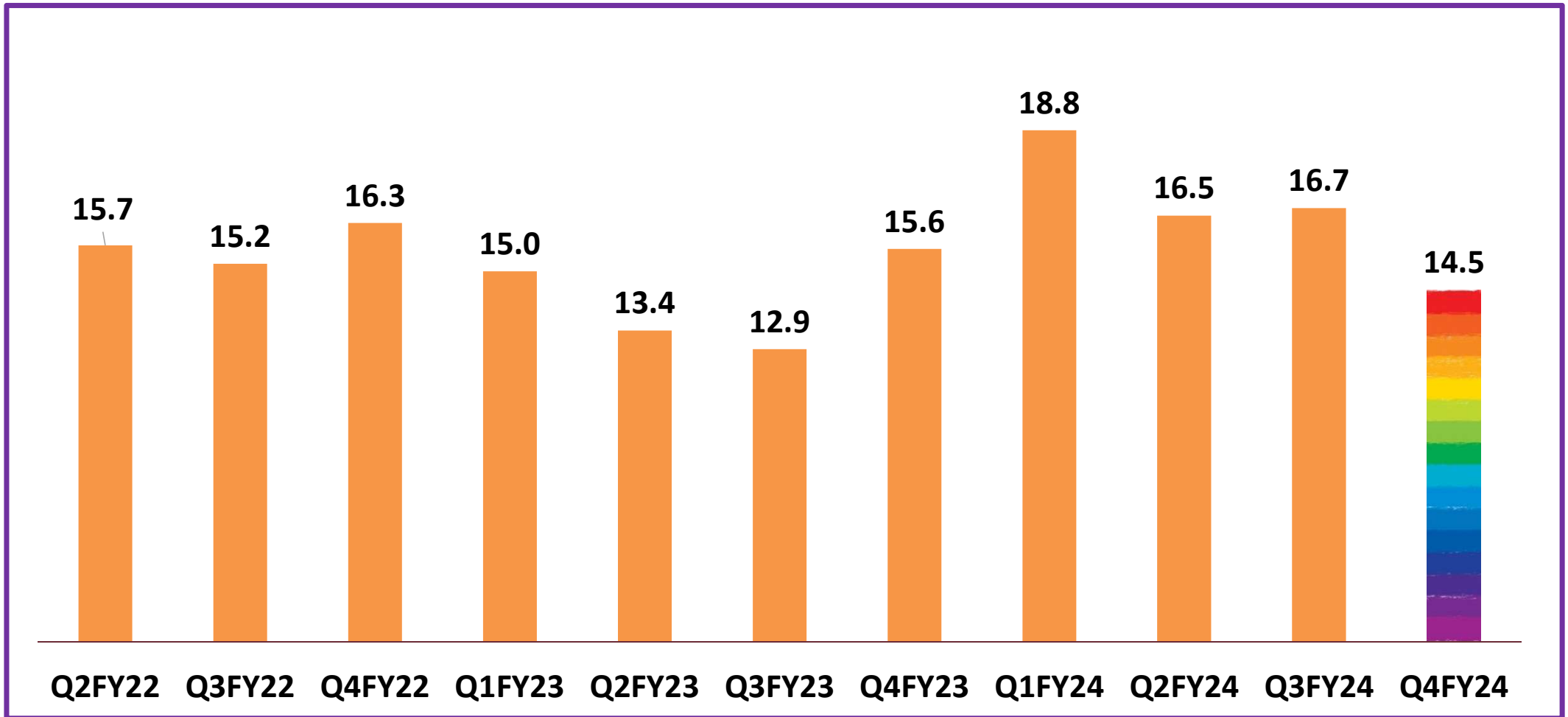
	Q4 FY24	% to Total Income	Q4 FY23	% to Total Income	Growth %
Total income from operations	2249.1		2,189.3		2.7
Material Cost	1343.7	59.7	1,321.3	60.4	
Employee Cost	129.0	5.7	115.4	5.3	
Other expenses	451.3	20.1	410.1	18.7	
PBDIT (Excluding Other Income)	325.1	14.5	342.5	15.6	(5.1)
Depreciation	77.9	3.5	66.6	3.0	
Profit from operation before interest	247.2	11.0	276.0	12.6	(10.4)
Other Income	13.4	0.6	12.8	0.6	
PBIT	260.7	11.6	288.8	13.2	(9.7)
Finance Cost	14.7	0.7	25.9	1.2	
PBT	246.0	10.9	262.9	12.0	(6.4)
Taxes	64.4		66.7		
PAT	181.6	8.1	196.2	9.0	(7.4)
Other comprehensive income, net of income tax	0.2	0.0	(2.3)	(0.1)	
Total comprehensive income for the period	181.8	8.1	193.9	8.9	

Standalone Gross Margin (%) – Scaling new heights

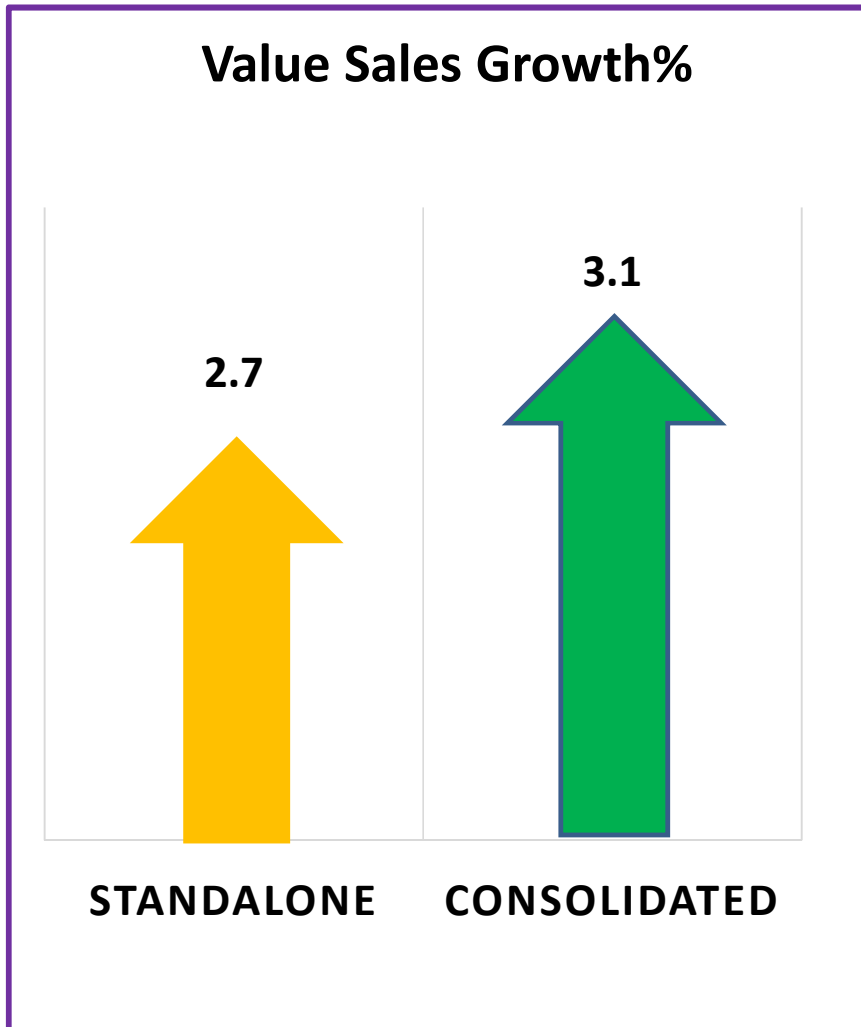


Sustained high Gross Margin aided by low value inventory and some formulation efficiencies

Standalone - Operating Margin Trajectory



Operating margin lower on account of low value sales growth and incremental advertisement expenses (Advertisement expenses increased by almost 1% as a percentage of sale)



Consolidated topline and profitability growth outperformed Standalone on the back of strong topline performance and consistent profit growth of most of the subsidiaries other than BJN Nepal

Financial Results- Consolidated Q4FY24



Rs Crores

	Q4FY24	% to Total Income	Q4FY23	% to Total Income	Growth %
Total income from operations	2,520.3		2,443.6		3.1
Material Cost	1,495.4	59.3	1,470.2	60.2	
Employee Cost	174.4	6.9	154.7	6.3	
Other expenses	499.6	19.8	450.0	18.4	
PBDIT (Excluding Other Income)	350.9	13.9	368.8	15.1	(4.8)
Depreciation	86.9	3.4	74.4	3.0	
Profit from operation before interest	264.0	10.5	294.4	12.0	(10.3)
Other Income	15.9	0.6	15.1	0.6	
PBIT	279.9	11.1	309.4	12.7	(9.5)
Finance Cost	17.8	0.7	29.3	1.2	
PBT before share of joint ventures	262.0	10.4	280.1	11.5	(6.5)
Share of Profit / (loss) of associates and joint ventures	32.0	1.3	-22.2	-0.9	
PBT	294.1	11.7	257.9	10.6	14.0
Taxes	71.4	2.8	71.9	2.9	
PAT	222.6	8.8	186.0	7.6	19.7
Other comprehensive income, net of income tax	-1.1	-0.0	-4.3	-0.2	
Total comprehensive income for the period	221.5	8.8	181.8	7.4	

Performance - Consolidated: Q4FY24



- Company's overseas subsidiary, Bolix S.A, Poland recorded a quarter of double-digit topline growth aided by better performance in its UK operations and robust profitability growth helped by a sharp expansion in operating margin. The company also achieved a constant currency growth in the quarter.
- Company's overseas subsidiary, BJN Nepal had another quarter of degrowth in topline and profitability impacted by macroeconomic and liquidity issues
- Company's subsidiary, STP Ltd had another quarter of strong double digit topline growth aided by higher sales in the AdMixture segment along with healthy profitability growth on the back of some operational leverage . We expect the growth performance to further continue in coming quarters.
- SBL Specialty Coatings Ltd also had a decent topline growth in the quarter aided by traction in the new line of business and a double digit profitability growth and margin expansion on the back of price increases.
- The joint venture Berger Becker Coatings had a turnaround performance with healthy double digit topline growth and strong profitability growth for the quarter. Company also received Rs 46 crs towards insurance claim on fire loss.
- Company's Joint venture Berger Nippon Paint Automotive Coatings Pvt. Ltd. continued its double digit topline and profitability growth riding the strong performance in Passenger car and SUV sector. Expect strong growth to continue in coming quarter.



FY24 Performance

Key Achievements: FY24



**Standalone
Operating
profit
growth
24.2 %**



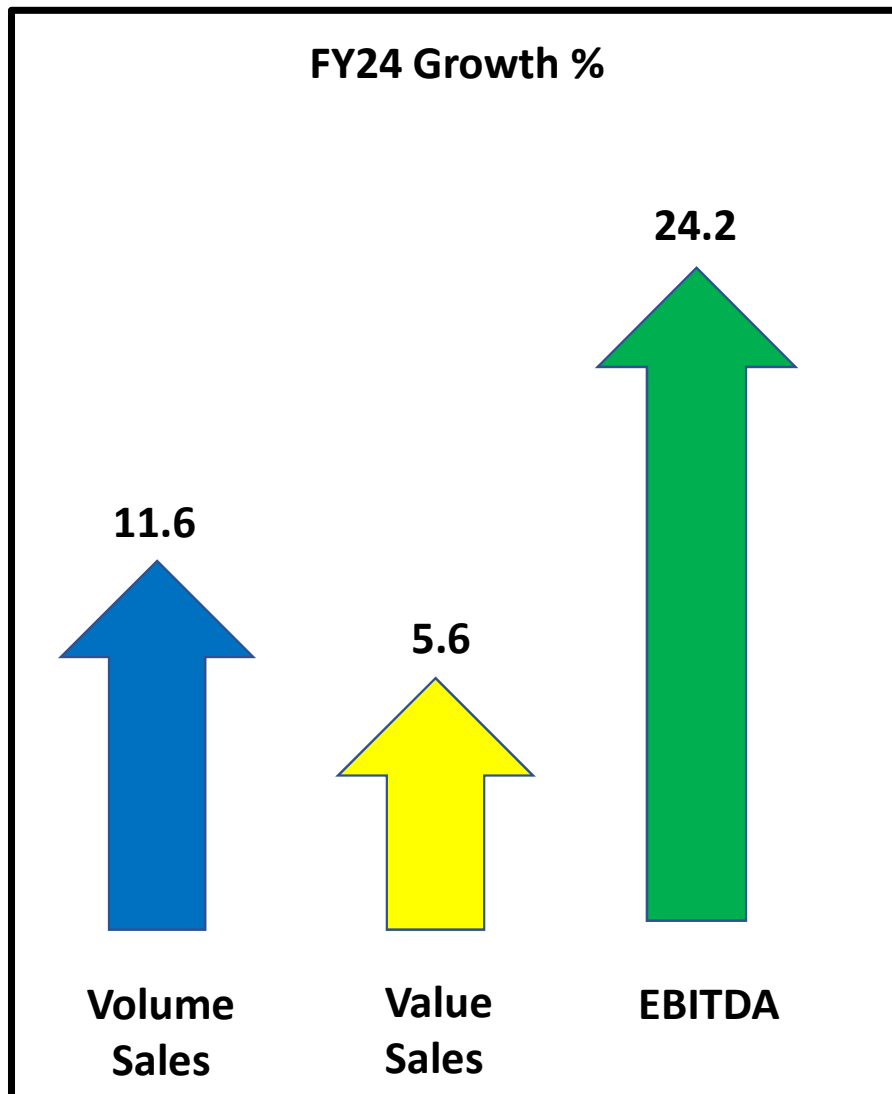
**India
operations
gained
Market Share
over FY23**

**Consolidated
Operating
profit
growth
25.2%**

**Company
turns
Net Cash
Positive**

**100 YEARS OF
TRUST**

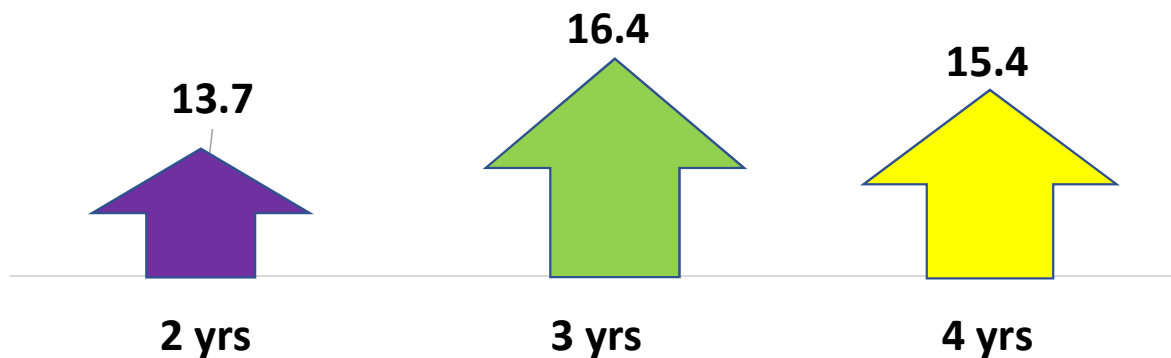
Business highlights : FY24 - Standalone



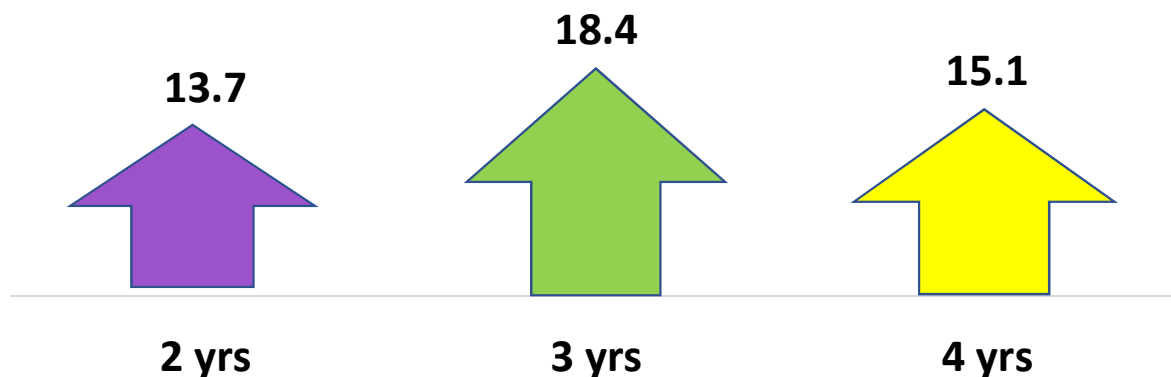
- Double digit volume growth for the year
- Value growth moderated on account of product price reduction
- Strong double digit profitability growth on YoY basis. Operating margin increased by 250 bps over previous year
- Decorative business had a strong double digit volume growth even in an inflationary environment
- All industrial business lines continued their growth trajectory with improved profitability

Consistent Growth Trajectory : Standalone

FY24 : Volume Sales CAGR%



FY24 : Value Sales CAGR%



Maintained double-digit compounded growth consistently over the past 2/3/4 years

Financial Results – Standalone FY24



Rs Crores

	FY24	% to Total Income	FY23	% to Total Income	Growth %
Total income from operations	10,002.9		9,470.6		5.6
Material Cost	6,003.3	60.0	6,087.1	64.3	
Employee Cost	537.3	5.4	458.1	4.8	
Other expenses	1,790.7	17.9	1,579.5	16.7	
PBDIT (Excluding Other Income)	1,671.7	16.7	1,345.9	14.2	24.2
Depreciation	297.0	3.0	234.0	2.5	
Profit from operation before interest	1,374.7	13.7	1,111.9	11.7	23.6
Other Income	57.4	0.6	77.2	0.8	
PBIT	1,432.1	14.3	1,189.0	12.6	20.4
Finance Cost	64.7	0.6	86.3	0.9	
PBT	1,367.5	13.7	1,102.7	11.6	24.0
Taxes	352.4		274.3		
PAT	1,015.1	10.1	828.4	8.7	22.5
Other comprehensive income, net of income tax	0.1	0.0	(0.6)	(0.0)	
Total comprehensive income for the period	1,015.2	10.1	827.8	8.7	

Financial Results- Consolidated FY24



Rs Crores

	FY24	% to Total Income	FY23	% to Total Income	Growth %
Total income from operations	11,198.9		10,567.8		6.0
Material Cost	6,646.0	59.3	6,730.5	63.7	
Employee Cost	713.0	6.4	609.2	5.8	
Other expenses	1,978.6	17.7	1,740.9	16.5	
PBDIT (Excluding Other Income)	1,861.3	16.6	1,487.2	14.1	25.2
Depreciation	330.9	3.0	264.0	2.5	
Profit from operation before interest	1,530.4	13.7	1,223.2	11.6	25.1
Other Income	63.7	0.6	51.6	0.5	
PBIT	1,594.1	14.2	1,274.7	12.1	25.1
Finance Cost	78.3	0.7	99.2	0.9	
PBT before share of joint ventures	1,515.9	13.5	1,175.5	11.1	29.0
Share of Profit / (loss) of associates and joint ventures	41.0	0.4	-13.2	-0.1	
PBT	1,556.9	13.9	1,162.3	11.0	33.9
Taxes	387.1	3.5	301.9	2.9	
PAT	1,169.8	10.4	860.4	8.1	36.0
Other comprehensive income, net of income tax	22.3	0.2	4.4	0.0	
Total comprehensive income for the period	1,192.1	10.6	864.8	8.2	

Protect your loved ones, *glamorously.*



Berger
SILK BreatheEasy
LUXURY INTERIOR EMULSION

#SilkKaEhsaasChainKiSaans

Approved by Indian Medical Association
Anti Bacteria Association

Protects surface from Covid Virus

Reduces Pollution

Reduces Formaldehyde

*The Indian Medical Association has satisfied itself on the Anti-Bacterial Action of Silk Breathe Easy which results in killing of 99% bacteria on the surface under standard test conditions. 99% efficiency within 30 minutes of treatment as per study done by Rajiv Gandhi Centre for Biotechnology (Government of India Certified Laboratory).

NO JHANJHAT, DAMPSTOP FATAFAT



3 YEAR Waterproofing WARRANTY*



Decorative Business : FY24

- Decorative business recorded strong volume growth and showed resilience in spite of high inflation and extended monsoon
- Strong traction in economy segment impacted value growth
- Construction chemical & waterproofing business had a stellar performance
- Aggressive Network expansion continued
 - Added 7300+ retail touchpoints
 - Installed 7100+ Colorbank machines
- Introduced a diverse range of products during the year
- Innovative steps taken towards enhancing influencer outreach

Berger express painting
Fast. Clean. Safe.

Your Imagination **Our Expertise**



- Accurate Price Estimation
- Waterproofing
- Dust Free Experience
- Trained Painters
- Expert Supervision

Consistent Top Performing Products – Leaders in the category



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WATERPROOFING SPECIALIST

Introducing FIBRE REINFORCED **DAMP SHIELD ELASTO**
FOR HI-BUILD EXTERIOR WATERPROOFING

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Glamor that lasts

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धूल आये,
पर घर पे
न टिक पाये

Berger

WEATHERCOAT
ANTI DUST

STAIN KO BOLO
GOODBYE

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EASY CLEAN

NO दाग
NO धब्बा
Only beautiful walls

ADD
Luxury and Elegance
TO YOUR HOME
with
LUXOL
PU ENAMEL

Berger

LUXOL
PU ENAMEL

New products introduced during the year



WEATHERCOAT
LONG LIFE 15



Best in class
washability with *Luxury Finish*



Silky
Smooth Finish

No Crack
Technology

Superior
Washability

Digital Initiatives



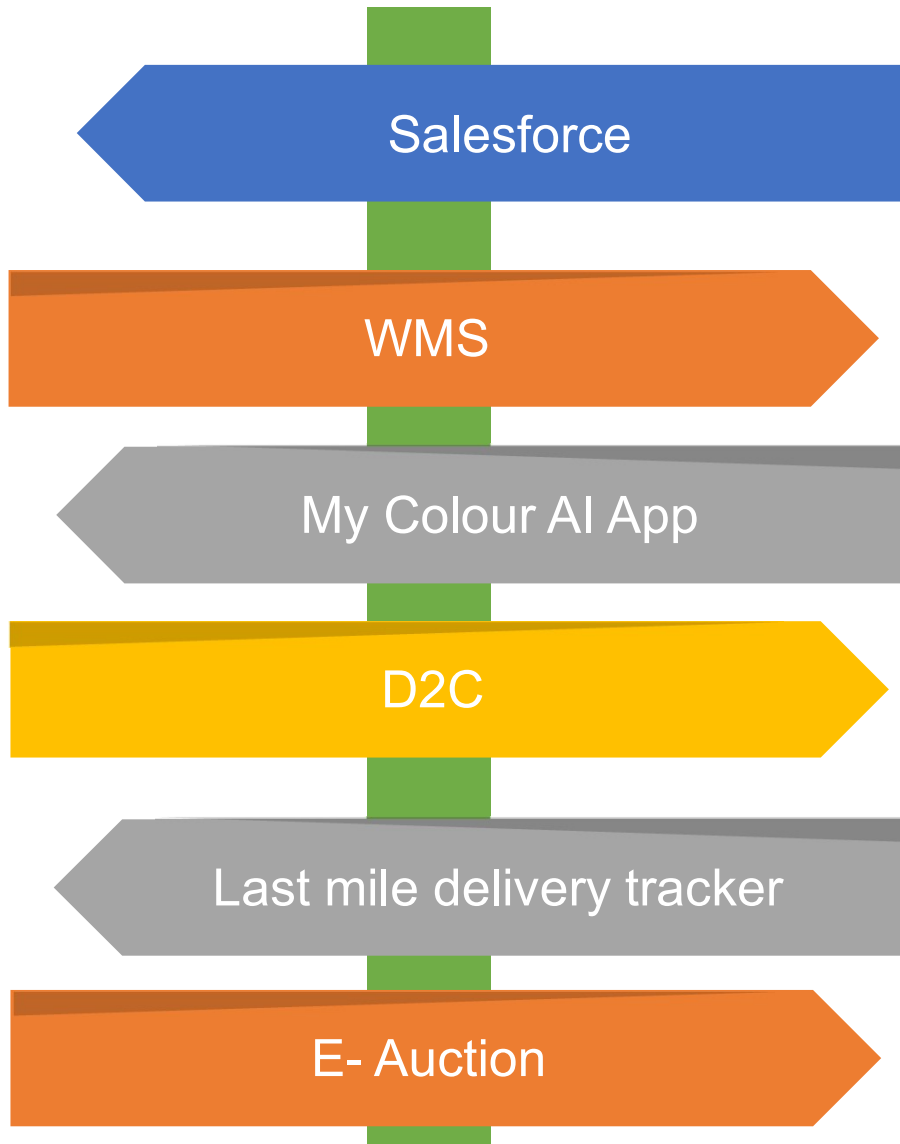
Cloud based Portal for better customer Engagement & 360 degree view



App designed to find perfect colour schemes for new/repainting purpose



Digital initiative for tracking of despatches from factory to warehouse and last mile delivery



Implementation in all warehouses for better working capital management and customer service



Digital tracking of D2C business like Express painting and waterproofing services



Industrial Business : FY24



Protective Coating business continued its market leadership with consistent growth trajectory and substantial improvement in profitability

Automotive and General Industrial business had an improved performance on the back of some uptick in 2-wheeler demand

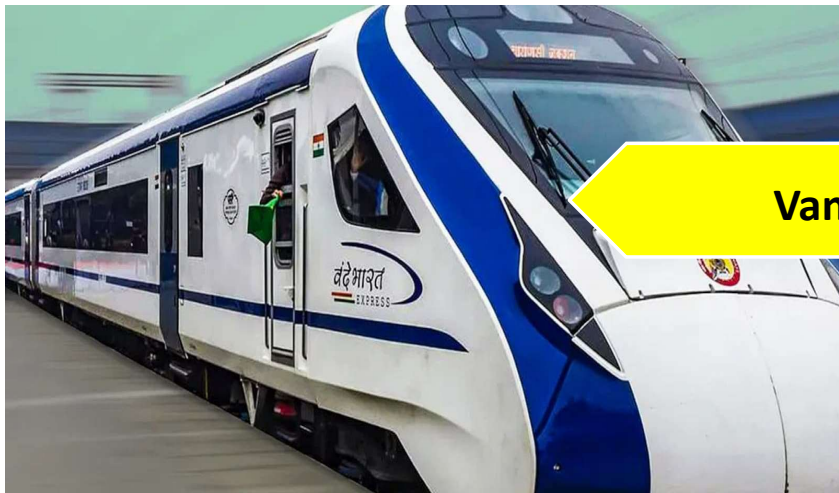
Powder Coatings business line also showed uptick over previous year with significant improvement in profitability

Notable Endeavors in Industrial Realm



ITPO - Bharat Mandapam

Mumbai Coastal Bridge



Vande Bharath

Pipe Coating



Notable Endeavors in Industrial Realm



Khurja Super Thermal Power

HRRL Rajasthan Refinery

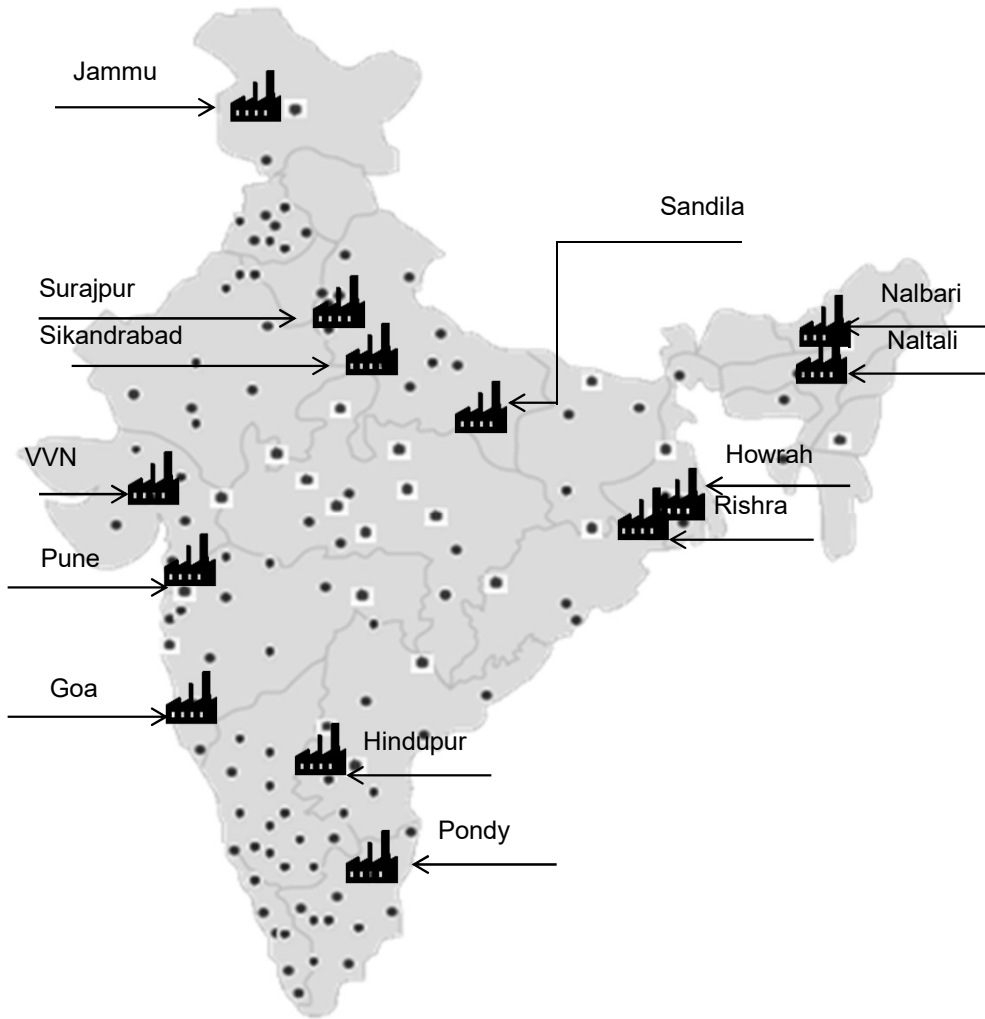


Lucknow Adani Airport

Reliance New Energy PV Solar



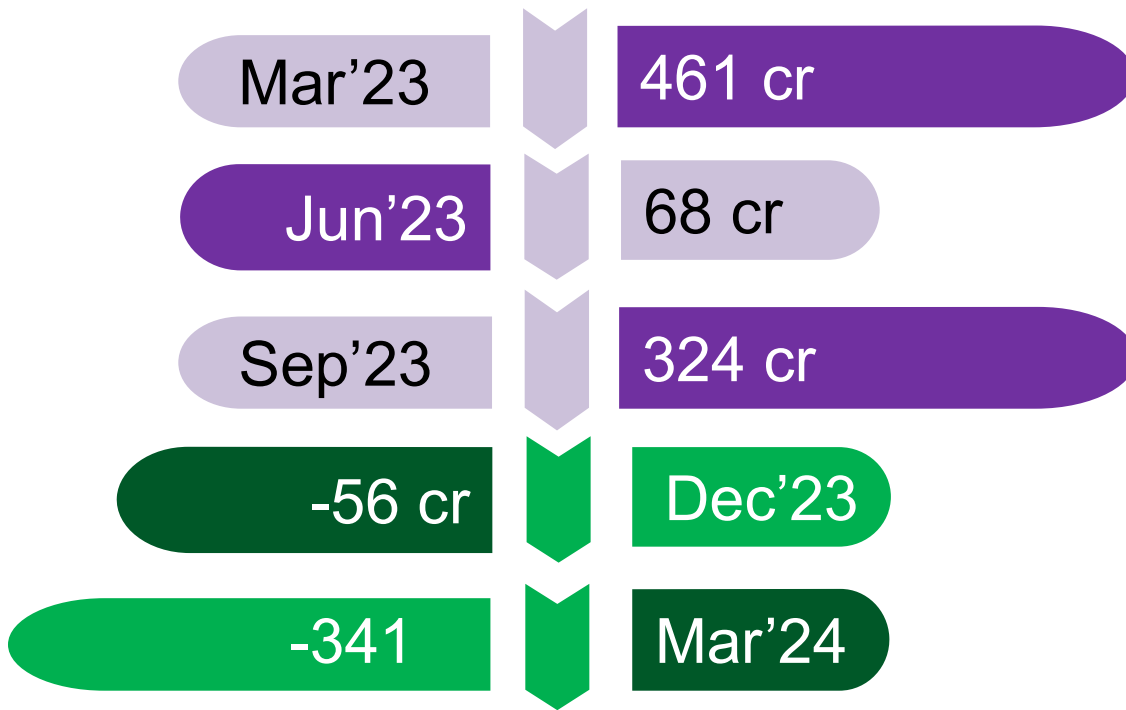
Manufacturing Capacity



- Present capacity – 1.27 mn MT
- Brown field expansions were carried out at some of the manufacturing units
- Work progressing at Panagarh, West Bengal
- Land acquisition completed at Khurda, Orissa

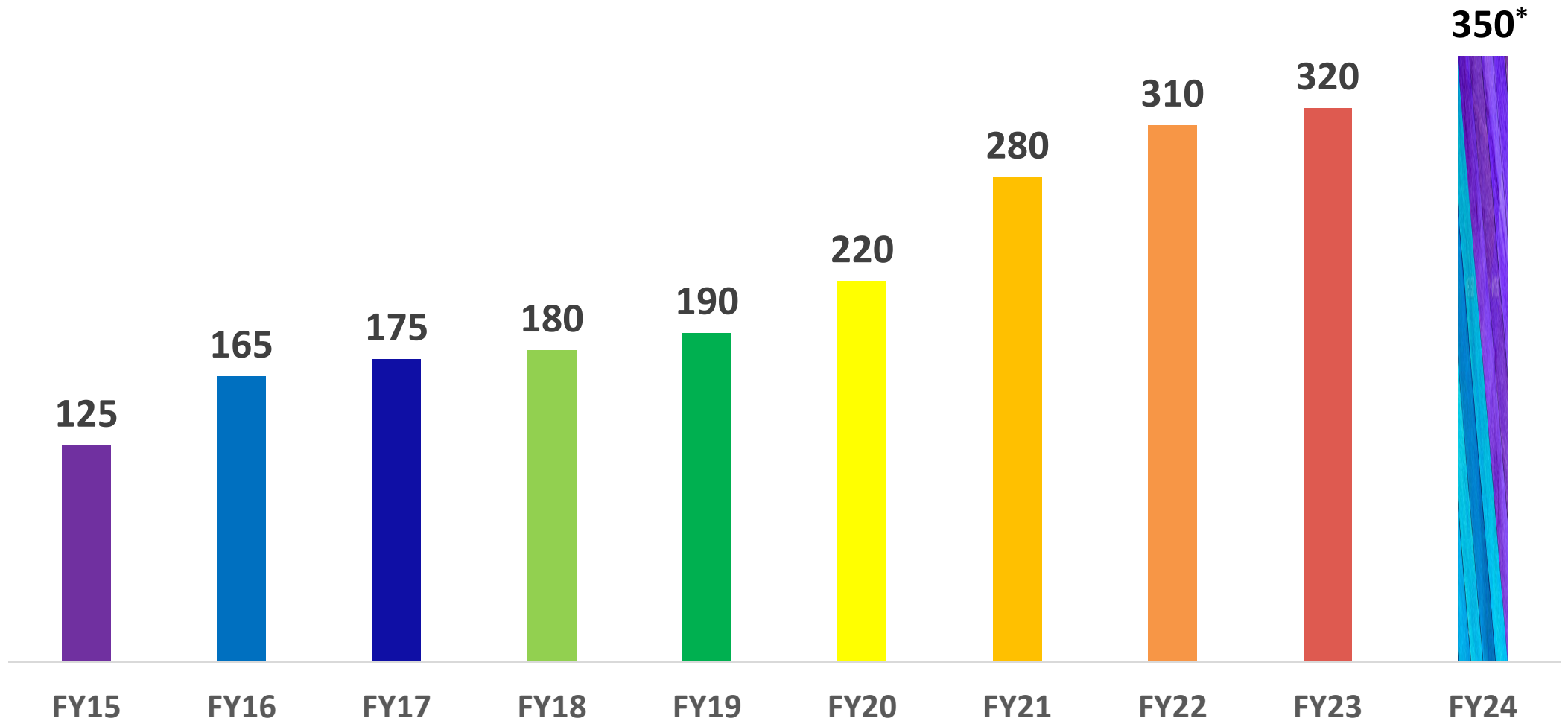


Net debt -Standalone : Promises kept



Attained Net cash positive position as guided at the beginning of FY24

Rewarding Shareholders consistently : Dividend trajectory (₹)



* Final dividend recommended by the Board

Sustainability in Action : ESG Initiatives



GREEN ENERGY :

Carbon footprint
reduction



STREE SHAKTI :

Women Empowerment



4R policy :

Reduce, Re-use,
Recycle and
Recreate



WOW :

Waste reduction &
recycling



Project JAL :

Water recycling &
Rain water
Harvesting



Safety First :

Workplace safety
and health

Solar strides / Electric rides

Project Urja Shakti



Roof top Solar Panel installed in all manufacturing locations

Charging Ahead – The EV Story



Introduced E-vehicles for last mile delivery

Project JAL



Saved 100,000,000 Ltrs

Reduction in water intake in FY24

- 20.4%

Reduction in ETP load - 16%

Enough to quench thirst of 100,000
people for whole year.

Business Outlook



- Decorative business expected to maintain double digit volume growth for Q1 and FY25 with a slightly lower value growth.
- Normal monsoon likely to propel rural demand. Markets expected to pick up second quarter onwards post general election.
- Industrial business expected to do well and maintain its strong profitability.
- Raw material prices have remained benign for some time. However, given the current geopolitical situation, volatility in raw material prices remains a concern.

Disclaimer



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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.