

INDIGO Paints Ltd

Investor Presentation (Q1FY 24)



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Agenda for discussion



Corporate Update

Financials (Q1 FY24)

Agenda for discussion



Corporate Update



Corporate Update

- Sales grew at more than 3x the industry growth rate
- Company's special focus on Tier 1,2 cities along with various initiatives aided the growth in sales
- Company continued its advertising spends as part of its long term brand building strategy and had launched a campaign to promote economy range of products
- Comprehensive range of Water proofing products launched across the country and is picking up good sales traction
- Trial production carried out successfully at new plant in Tamil Nadu and expecting final few approvals for commercial production



Agenda for discussion



Financials (Q1 FY24)



Indigo Paints | Q1 FY 24 financials (Standalone)

Statement of unaudited standalone financial results for the quarter ended June 30, 2023					
(All amounts in rupees lakhs, unless otherwise stated)					
Sl. No	Particulars	Quarter ended			Year ended
		Jun 30, 2023	Mar 31, 2023	Jun 30, 2022	Mar 31, 2023
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Income:				
	Revenue from operations	27,702.03	32,547.00	22,399.21	1,07,333.43
	Other income	352.22	281.34	48.66	1,006.75
	Total Income	28,054.25	32,828.34	22,447.87	1,08,340.18
2	Expenses:				
	Material Related Expense	14,522.15	17,308.04	12,277.09	59,524.93
	Employee benefits expense	2,258.64	1,873.87	1,659.94	7,310.08
	Finance cost	42.16	38.90	42.47	137.59
	Depreciation and amortisation expense	880.11	871.77	842.82	3,434.66
	Other expenses	6,148.18	6,192.31	4,934.59	22,345.18
	Total Expenses	23,851.24	26,284.89	19,756.91	92,752.44
3	Profit before exceptional items and tax	4,203.01	6,543.45	2,690.96	15,587.74
4	Profit before tax	4,203.01	6,543.45	2,690.96	15,587.74
5	Total tax expense	1,073.99	1,675.73	699.83	2,393.80
6	Net Profit for the period	3,129.02	4,867.72	1,991.13	13,193.94
7	Total Other comprehensive income for the period	(0.59)	(12.38)	3.34	(2.35)
8	Total Comprehensive Income for the period	3,128.43	4,855.34	1,994.47	13,191.59



Indigo Paints | Q1 FY 24 financials (Consolidated)

Statement of unaudited consolidated financial results for the quarter ended June 30, 2023					
(All amounts in rupees lakhs, unless otherwise stated)					
Sl. No	Particulars	Quarter ended			Year ended
		Jun 30, 2023 (Unaudited)	Mar 31, 2023 (Audited)	Jun 30, 2022 (Unaudited)	Mar 31, 2023 (Audited)
1	Income:				
	Revenue from operations	28,842.33	32,547.00	22,399.21	1,07,333.43
	Other income	381.91	281.34	48.66	1,006.75
	Total Income	29,224.24	32,828.34	22,447.87	1,08,340.18
2	Expenses:				
	Material Related Expense	15,191.96	17,308.04	12,277.09	59,524.93
	Employee benefits expense	2,427.49	1,873.87	1,659.94	7,310.08
	Finance cost	48.71	38.90	42.47	137.59
	Depreciation and amortisation expense	1,009.39	871.77	842.82	3,434.66
	Other expenses	6,312.19	6,192.31	4,934.59	22,345.18
	Total Expenses	24,989.74	26,284.89	19,756.91	92,752.44
3	Profit before exceptional items and tax	4,234.50	6,543.45	2,690.96	15,587.74
4	Profit before tax	4,234.50	6,543.45	2,690.96	15,587.74
5	Total tax expense	1,082.79	1,675.73	699.83	2,393.80
6	Net Profit for the period	3,151.71	4,867.72	1,991.13	13,193.94
7	Total Comprehensive Income for the period	3,151.12	4,855.34	1,994.47	13,191.59
8	Net profit attributable to:				
	- Equity holders	3,104.06	4,867.72	1,991.13	13,193.94
	- Non controlling interest	47.65	-	-	-



Indigo Paints | Q1 FY 24 financial Analysis

Quarterly Financial Highlight (Standalone)

RS. Cr

Particulars (Rs. Crs)	Quarterly			% Change
	Q1 FY 24	Q4 FY 23	Q1 FY 23	
Operational Income	277.02	325.47	223.99	23.67%
Other Income	3.52	2.81	0.49	
Total	280.54	328.28	224.48	
Gross Profit	131.80	152.39	101.22	
Gross Margin %	47.58%	46.82%	45.19%	
A&P	21.05	21.12	21.09	-0.22%
A&P (% of Revenue)	7.60%	6.49%	9.42%	
EBITDA	47.73	71.73	35.28	35.31%
EBITDA %	17.23%	22.04%	15.75%	
PBT	42.03	65.43	26.91	56.19%
PAT	31.29	48.68	19.91	57.15%
PAT%	11.15%	14.83%	8.87%	



Analysis | Q1 FY24 (Standalone)

- Q1 FY 24 Operational Income has expanded by **23.67%** over Q1 FY 23, from Rs. 223.99 Cr to Rs.277.02 Cr
- Gross Margins expanded to **47.58%** in Q1 FY24 over **45.19%** in Q1 FY23 and **46.82%** in Q4FY23
- EBITDA and PAT have expanded by **35.31 %** and **57.15%** respectively over Q1 FY24
- EBITDA margin expanded significantly to **17.23%** from **15.75%** in Q1 FY23
- PAT margin also expanded significantly to **11.15%** compared to **8.87%** in Q1 FY23.



Analysis | Q1 FY24 (Standalone)

- Growth in Net revenue for the quarter at 3.0x - 3.5x the industry growth of 6.5% - 7.0% .
- Gross margin continues to be the highest in the industry at 47.58%. Expecting the gross margins to hover at high level for the rest of the year.
- Company continues to focus on brand building and had spent Rs. 21.05 Cr in the quarter which is largely similar to the quantum spent last year. But the expense as a percentage of revenue decreased to 7.60% compared to 9.42% (in Q1 FY23) which contributed to the EBITDA margin.



Indigo Paints | Q1 FY 24 financial Analysis

Quarterly Financial Highlight (Consolidated)

RS. Cr

Particulars (Rs. Crs)	Quarterly			% Change
	Q1 FY 24	Q4 FY 23	Q1 FY 23	
Operational Income	288.42	325.47	223.99	28.76%
Other Income	3.82	2.81	0.49	
Total	292.24	328.28	224.48	
Gross Profit	136.50	152.39	101.22	
Gross Margin %	47.33%	46.82%	45.19%	
EBITDA	49.11	71.73	35.28	39.21%
EBITDA %	17.03%	22.04%	15.75%	
PBT	42.35	65.43	26.91	57.36%
PAT	31.52	48.68	19.91	58.29%
PAT%	10.78%	14.83%	8.87%	



Analysis | Q1 FY24 (Consolidated)

- Subsequent to the acquisition of 51% of Apple Chemie, Company is now presenting the consolidated financials in addition to the standalone financials
- On consolidated basis:
 - Sales growth was 28.76% on y-o-y basis
 - Gross Margin at 47.33% compared to 45.19% in Q1 FY23
 - EBITDA Margin at 17.03% compared to 15.75% in Q1 FY23
 - PAT Margin at 10.78% compared to 8.87% in Q1 FY23



Value / Volume Growth (Q1 FY 24 vs Q1 FY 23)

Product Category	Value Growth	Volume Growth
Cement Paints + Putty	65.8%	64.6%
Emulsions	17.8%	13.1%
Enamels + Wood Coatings	36.6%	35.3%
Primers + Distempers + Others	43.6%	52.4%



Network expansion

	30.06.21	30.09.21	31.12.21	31.03.22	30.06.22	30.09.22	31.12.22	31.03.23	31.06.23
No. of Depots	44	44	45	47	47	47	47	47	49
Active Dealers	13,884	14,716	15,242	15,787	16,526	16,758	16,785	16,496	16,693
Tinting m/c	5,800	6,383	6,749	7,101	7,435	7,716	7,978	8,273	8,657

- Added two more depots in North India to improve the distribution efficiency



Future guidance

- Expecting the sales growth to outpace the industry growth in the upcoming quarters as well; Sales during July'23 has been exceptionally good
- Sales growth in Tier-1,2 cities ahead of Tier-3,4, rural and expect the trend to continue
- On the B2B front, Apple Chemie has started expanding the operations outside the state of Maharashtra and has ramped up the sales and marketing team
- Company has started work on a new water based paint plant at Jodhpur of 90,000 KLPA capacity, which is expected to be operational by end of FY 25. Company also implementing a solvent based paint plant at Jodhpur of 12,000 KLPA which is expected to be operational during FY 25.



Thank You

