

# INDIGO Paints Ltd

## Investor Presentation (Q3FY 24)

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# Disclaimer

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# Agenda for discussion



Corporate Update

Standalone Financials (Q3/9M FY24)

Consolidated Financials (Q3/9M FY24)

KPI - Distribution Network

# Agenda for discussion



Corporate Update



## Corporate Update

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- The Company had clocked an yet another quarter of industry leading growth. With the 25.78% growth rate recorded in Q3FY24, Indigo Paints has grown by over 3x-4x times the industry growth rate, indicating market share gain by the Company
- Indigo Paints has posted a robust all round growth in sales and profitability. Sales grew at more than 3x-4x the industry growth rate for the third quarter in a row indicating consistent market share gain.
- Sales growth at Tier 1,2 cities continues to outstrip the growth at Tier 3,4 cities and rural areas. Witnessed record sales across the country in the pre-Diwali season
- Company has recently launched a new advertisement campaign using MS Dhoni to promote Waterproofing products



# Indigo Leakproof Emulsion



**NEW**  
**INDIGO LEAKPROOF EMULSION**

It makes the roof truly waterproof.

**INDIGO**  
Be surprised!

The advertisement is split into two horizontal sections. The top section shows a white plastic bucket of Indigo Leakproof Emulsion on a concrete ledge. The bucket has a green and white label with the Indigo logo and the text 'LEAKPROOF EMULSION PROTECT PLUS'. The background is a blurred image of rain falling on water. The bottom section shows a man in a green long-sleeved shirt pointing upwards with his right hand and his left hand towards the ceiling of a room. The room has orange walls and a bed with white pillows. The text 'It makes the roof truly waterproof.' is written in white on the left side of this section. The Indigo logo and tagline 'Be surprised!' are in the bottom left corner.



# Agenda for discussion



Standalone Financials (Q3/9M FY24)



# Indigo Paints | Q3 & 9M FY 24 financials (Standalone)

Statement of unaudited financial results for the quarter and nine months ended December 31, 2023							
(All amounts in rupees lakhs, unless otherwise stated)							
Sr. No	Particulars	Quarter ended			Nine months ended		Year ended
		Dec 31, 2023	Sep 30, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Mar 31, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income:</b>						
	Revenue from operations	34,124.75	27,045.67	28,126.51	88,872.45	74,786.43	1,07,333.43
	Other income	288.53	297.42	377.75	938.17	725.41	1,006.75
	<b>Total Income</b>	<b>34,413.28</b>	<b>27,343.09</b>	<b>28,504.26</b>	<b>89,810.62</b>	<b>75,511.84</b>	<b>1,08,340.18</b>
2	<b>Expenses:</b>						
	Material Related Expense	17,598.18	14,681.70	15,800.43	46,802.03	42,216.89	59,524.93
	Employee benefits expense	2,475.33	2,345.36	2,024.16	7,079.33	5,436.21	7,310.08
	Finance cost	34.52	46.89	29.69	123.57	98.69	137.59
	Depreciation and amortisation expense	1,329.80	999.09	871.15	3,209.00	2,562.89	3,434.66
	Other expenses	7,960.37	5,840.41	6,246.21	19,948.96	16,152.87	22,345.18
	<b>Total Expenses</b>	<b>29,398.20</b>	<b>23,913.45</b>	<b>24,971.64</b>	<b>77,162.89</b>	<b>66,467.55</b>	<b>92,752.44</b>
3	<b>Profit before exceptional items and tax</b>	<b>5,015.08</b>	<b>3,429.64</b>	<b>3,532.62</b>	<b>12,647.73</b>	<b>9,044.29</b>	<b>15,587.74</b>
4	<b>Profit before tax</b>	<b>5,015.08</b>	<b>3,429.64</b>	<b>3,532.62</b>	<b>12,647.73</b>	<b>9,044.29</b>	<b>15,587.74</b>
5	<b>Total tax expense</b>	<b>1,244.97</b>	<b>815.84</b>	<b>906.30</b>	<b>3,134.80</b>	<b>718.07</b>	<b>2,393.80</b>
6	<b>Net Profit for the period</b>	<b>3,770.11</b>	<b>2,613.80</b>	<b>2,626.32</b>	<b>9,512.93</b>	<b>8,326.22</b>	<b>13,193.94</b>
7	<b>Total Other comprehensive income /(loss) for the period</b>	<b>(0.60)</b>	<b>(0.58)</b>	<b>3.34</b>	<b>(1.77)</b>	<b>10.03</b>	<b>(2.35)</b>
8	<b>Total Comprehensive Income for the period</b>	<b>3,769.51</b>	<b>2,613.22</b>	<b>2,629.66</b>	<b>9,511.16</b>	<b>8,336.25</b>	<b>13,191.59</b>





# Indigo Paints | Q3 FY 24 financial Analysis

## Quarterly Financial Highlight (Standalone)

Particulars (Rs. Crs)	Quarterly			RS. Cr
	Q3 FY 24	Q2 FY 24	Q3 FY 23	% Change
Operational Income	341.25	270.46	281.27	21.33%
Other Income	2.89	2.97	3.78	
Total	344.13	273.43	285.04	
Gross Profit	165.27	123.64	123.26	
Gross Margin %	48.43%	45.72%	43.82%	
A&P	32.53	15.79	25.83	25.90%
A&P (% of Revenue)	9.53%	5.84%	9.19%	
EBITDA	60.91	41.78	40.56	50.18%
EBITDA %	17.85%	15.45%	14.42%	
PBT	50.15	34.30	35.33	41.96%
PAT	37.70	26.14	26.26	43.55%
PAT%	10.96%	9.56%	9.21%	



## Analysis | Q3 FY24 (Standalone)

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- Q3 FY 24 Operational Income has expanded by **21.33%** over Q3 FY 23 from Rs. 281.27 Cr to Rs.341.25 Cr
- Gross Margins expanded to **48.43%** in Q3 FY24 over **43.82%** in Q3 FY23
- EBITDA increased significantly by **50.18%** to Rs. 60.91 Cr compared to Rs. 40.56 Cr in Q3 FY23, while the EBITDA margin expanded to **17.85%** from **14.42%** in Q3 FY23
- PAT also increased significantly by **43.55%** to Rs. 37.70 Cr compared to Rs. 26.26 Cr clocked in Q3 FY23. The PAT margin expanded to **10.96%** compared to **9.21%** in Q3 FY23 PAT.



## Analysis | Q3 FY24 (Standalone)

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- Growth in Net revenue for the quarter was significantly higher than the industry, indicating market share gain by the Company.
- Continue to maintain the pole position in terms of Gross margin at **48.43%**, aided by a favourable product mix
- The A&P expense increased by **25.90%** and as a % of revenue is slightly higher at 9.53% due to the advertising in the World Cup Cricket series. However, the expense as a percentage of sales is expected to moderate downwards in Q4FY24. Despite higher A&P outlay, the EBITDA margin expanded from **14.42%** in Q3 FY23 to **17.85%** in Q3 FY24.
- The depreciation was higher by **52.65%** largely due to the commissioning of the new plant at Tamil Nadu which went on-stream on September 18, 2023. Despite the higher depreciation outgo, the PAT increased by **43.55%** in Q3 FY24 compared to Q3 FY23



# Indigo Paints | 9M FY 24 financial Analysis (Standalone)

## (m Yearly Financial Highlight (Standalone))

RS. Cr

Particulars (Rs. Crs)	9M FY 24		% Change
	9M FY 24	9M FY 23	
Operational Income	888.72	747.86	18.83%
Other Income	9.38	7.25	
Total	898.11	755.12	
Gross Profit	420.70	325.70	
Gross Margin %	47.34%	43.55%	
A&P	69.36	61.57	12.64%
A&P (% of Revenue)	7.80%	8.23%	
EBITDA	150.42	109.80	36.99%
EBITDA %	16.93%	14.68%	
PBT	126.48	90.44	39.84%
PAT	95.13	66.93*	42.13%
PAT%	10.59%	8.86%	

\* Adjusted for reversal of Rs.16.33 cr excess tax provision in 9M FY23 12



## Analysis | 9M FY24 (Standalone)

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- 9M FY 24 Operational Income increased by **18.83%** over 9M FY 23; from Rs. 747.86 Cr to Rs.888.72 Cr
- Gross Margins expanded to **47.34%** in 9M FY24 over **43.55%** in 9M FY23
- EBITDA increased by a healthy **36.99%** to Rs. 150.42 Cr compared to Rs. 109.80 Cr in 9M FY23, while the EBITDA margin expanded to **16.93%** from **14.68%** in 9M FY23
- After adjusting for the one time gain of Rs. 16.33 Cr in 9M FY23 due to tax reversal, PAT increased by **42.13%** to Rs. 95.13 Cr compared to Rs. 66.93 Cr clocked in 9M FY23. PAT margin expanded to **10.59%** from **8.86%** in 9M FY23.



## Analysis | 9M FY24 (Standalone)

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- Growth in Net revenue for the 9 months ending Dec' 23 was 3x-4x of that of the industry growth rate.
- Gross margin continues to be the highest in the industry at **47.34%**.
- The A&P cost is higher by **12.64%** compared to the 9M FY23 but A&P is declining as a % of revenue. This saving along with gross margin expansion has aided in the EBITDA margin expansion by 225 basis points when compared to 9M FY23



# Agenda for discussion



Consolidated Financials (Q3/9M FY24)



# Indigo Paints | Q3 & 9M FY 24 financials (Consolidated)

Statement of unaudited financial results for the quarter and nine months ended December 31, 2023							
(All amounts in rupees lakhs, unless otherwise stated)							
Sr. No	Particulars	Consolidated					
		Quarter ended			Nine months ended		Year ended
		Dec 31, 2023 (Unaudited)	Sep 30, 2023 (Unaudited)	Dec 31, 2022 (Unaudited)	Dec 31, 2023 (Unaudited)	Dec 31, 2022 (Unaudited)	Mar 31, 2023 (Audited)
<b>1</b>	<b>Income:</b>						
	Revenue from operations	35,376.75	27,901.60	28,126.51	92,120.68	74,786.43	1,07,333.43
	Other income	306.62	317.18	377.75	1,005.71	725.41	1,006.75
	<b>Total Income</b>	<b>35,683.37</b>	<b>28,218.78</b>	<b>28,504.26</b>	<b>93,126.39</b>	<b>75,511.84</b>	<b>1,08,340.18</b>
<b>2</b>	<b>Expenses:</b>						
	Material Related Expense	18,331.60	15,188.07	15,800.43	48,711.63	42,216.89	59,524.93
	Employee benefits expense	2,635.00	2,549.81	2,024.16	7,612.30	5,436.21	7,310.08
	Finance cost	62.18	55.31	29.69	166.20	98.69	137.59
	Depreciation and amortisation expense	1,461.28	1,129.27	871.15	3,599.94	2,562.89	3,434.66
	Other expenses	8,186.14	5,950.48	6,246.21	20,448.82	16,152.87	22,345.18
	<b>Total Expenses</b>	<b>30,676.20</b>	<b>24,872.94</b>	<b>24,971.64</b>	<b>80,538.89</b>	<b>66,467.55</b>	<b>92,752.44</b>
<b>3</b>	<b>Profit before exceptional items and tax</b>	<b>5,007.17</b>	<b>3,345.84</b>	<b>3,532.62</b>	<b>12,587.50</b>	<b>9,044.29</b>	<b>15,587.74</b>
<b>4</b>	<b>Profit before tax</b>	<b>5,007.17</b>	<b>3,345.84</b>	<b>3,532.62</b>	<b>12,587.50</b>	<b>9,044.29</b>	<b>15,587.74</b>
<b>5</b>	<b>Total tax expense</b>	<b>1,251.94</b>	<b>813.76</b>	<b>906.30</b>	<b>3,148.49</b>	<b>718.07</b>	<b>2,393.80</b>
<b>6</b>	<b>Net Profit for the period</b>	<b>3,755.23</b>	<b>2,532.08</b>	<b>2,626.32</b>	<b>9,439.01</b>	<b>8,326.22</b>	<b>13,193.94</b>
<b>7</b>	<b>Total Other comprehensive income /(loss) for the period</b>	<b>(2.91)</b>	<b>(5.21)</b>	<b>3.34</b>	<b>(8.71)</b>	<b>10.03</b>	<b>(2.35)</b>
<b>8</b>	<b>Total Comprehensive Income for the period</b>	<b>3,752.32</b>	<b>2,526.87</b>	<b>2,629.66</b>	<b>9,430.30</b>	<b>8,336.25</b>	<b>13,191.59</b>
<b>9</b>	<b>Net profit attributable to:</b>						
	- Equity holders	3,726.23	2,534.03	2,626.32	9,364.31	8,326.22	13,193.94
	- Non controlling interest	29.00	(1.95)	-	74.70	-	-





# Indigo Paints | Q3 FY 24 financial Analysis (Consolidated)

## Quarterly Financial Highlight (Consolidated)

Particulars (Rs. Crs)	Quarterly			RS. Cr
	Q3 FY 24	Q2 FY 24	Q3 FY 23	% Change
Operational Income	353.77	279.02	281.27	25.78%
Other Income	3.07	3.17	3.78	
Total	356.83	282.19	285.04	
Gross Profit	170.45	127.14	123.26	
Gross Margin %	48.18%	45.57%	43.82%	
A&P	33.00	15.78	25.83	27.74%
A&P (% of Revenue)	9.33%	5.65%	9.19%	
EBITDA	62.24	42.13	40.56	53.46%
EBITDA %	17.59%	15.10%	14.42%	
PBT	50.07	33.46	35.33	41.74%
PAT	37.55	25.32	26.26	42.98%
PAT%	10.52%	8.97%	9.21%	



## Analysis | Q3 FY24 (Consolidated)

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- Sales growth was **25.78%** on y-o-y basis.
- Gross Margin expanded to **48.18%** from **43.82%** in Q3 FY23
- EBITDA increased by **53.46%** to Rs. 62.24 Cr compared to Rs. 40.56 Cr in Q3 FY23, while the EBITDA margin expanded to **17.59%** from **14.42%** in Q3 FY23
- PAT increased by **42.98%** to Rs. 37.55 Cr compared to Rs. 26.26 Cr clocked in Q3 FY23. PAT margin expanded to **10.52%** compared to **9.21%** in Q3 FY23



# Indigo Paints | 9M FY 24 financial Analysis (Consolidated)

## 9M FY24 Financial Highlight (Consolidated)

RS. Cr

Particulars (Rs. Crs)	9M FY24		% Change
	9M FY 24	9M FY 23	
Operational Income	921.21	747.86	23.18%
Other Income	10.06	7.25	
Total	931.26	755.12	
Gross Profit	434.09	325.70	
Gross Margin %	47.12%	43.55%	
A&P	69.84	61.57	13.42%
A&P (% of Revenue)	7.58%	8.23%	
EBITDA	153.48	109.80	39.77%
EBITDA %	16.66%	14.68%	
PBT	125.88	90.44	39.18%
PAT	94.39	66.93*	41.02%
PAT%	10.14%	8.86%	

\* Adjusted for reversal of Rs. 16.33 cr excess tax provision in 9M FY23



## Analysis | 9M FY24 (Consolidated)

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- 9M FY 24 Operational Income increased by **23.18%** over 9M FY 23;
- Gross Margins expanded to **47.12%** in 9M FY24 over **43.55%** in 9M FY23
- EBITDA increased by **39.77%** to Rs. 153.48 Cr compared to Rs. 109.80 Cr in 9M FY23, while the EBITDA margin expanded to **16.66%** from **14.68%** in 9M FY23
- After adjusting for the one time gain of Rs. 16.33 Cr in 9M FY23 due to tax reversal, PAT increased by **41.02%** to Rs. 94.39 Cr compared to Rs. 66.93 Cr clocked in 9M FY23. PAT margin expanded to **10.14%** compared to **8.86%** in 9M FY23



# Agenda for discussion

KPI – Product Mix, Distribution Network



## Value / Volume Growth (Q3 FY 24 vs Q3 FY 23)

Product Category	Value Growth	Volume Growth
Cement Paints + Putty	25.2%	24.2%
Emulsions	18.2%	14.3%
Enamels + Wood Coatings	25.2%	27.3%
Primers + Distempers + Others	34.7%	37.7%



## Network expansion

	31.12.21	31.03.22	30.06.22	30.09.22	31.12.22	31.03.23	30.06.23	30.09.23	31.12.23
No. of Depots	45	47	47	47	47	47	49	51	53
Active Dealers	15,242	15,787	16,526	16,758	16,785	16,496	16,693	17,148	17,745
Tinting m/c	6,749	7,101	7,435	7,716	7,978	8,273	8,657	9,114	9,510

- Added two more depots (one each in North India & East India) to improve the distribution efficiency
- Tinting Machines population increased by 396 nos. in Q3 FY24 compared to 457 nos. in Q2 FY24, while active dealers count increased by 597 during the quarter



## Future guidance

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- The team handling Water proofing & construction chemicals is already active in select depots and the segment has started getting good sales traction in January'24 and we expect the trend to continue in the following quarters.
- On B2B front, during the past three quarters, Apple Chemie has been steadily investing in salesforce expansion and has established presence in 7-8 more states. The investment has started yielding results and sales have started flowing in from new states as well. Expecting a good sales from the Company in the seasonally strong fourth quarter.
- Civil works progressing well in the proposed new water based paint plant at Jodhpur which is expected to commence operation by end of FY 25. Work expected to start soon in the proposed solvent based plant in Jodhpur.





# Thank You

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