



STOCK. EXG/ AG/ 2022-23

2<sup>nd</sup> February, 2023

The Corporate Relationship  
Department  
BSE Limited,  
1<sup>st</sup> Floor,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400001

The Listing Department  
National Stock Exchange of  
India Limited  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No.-C/1, 'G' Block,  
Bandra- Kurla Complex,  
Bandra (E)  
Mumbai – 400051

Listing Department  
The Calcutta Stock  
Exchange Ltd.  
7 Lyons Range,  
Kolkata-700001

Scrip Code : 509480

Scrip Code: BERGEPAINT

Scrip Code : 12529

Dear Sirs,

**Sub: Q3 FY 2022-23 Financial Results Conference Call - Presentation**

With reference to our letter no. STOCK. EXG/ AG/ 2022-23 dated 30<sup>th</sup> January, 2023 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed a copy of presentation on Q3 FY 2022-23 Financial Results of the Company to be made during the day.

The aforesaid presentation will also be uploaded on the website of the Company i.e <https://www.bergerpaints.com/investors/bpil-earnings.html> .

Yours faithfully,  
**For BERGER PAINTS INDIA LIMITED**

ARUNITO  
GANGULY

Digitally signed by ARUNITO  
GANGULY  
Date: 2023.02.02 17:00:53  
+05'30'

**ARUNITO GANGULY**  
VICE PRESIDENT &  
COMPANY SECRETARY

Encl.: a/a



## Berger Paints India Limited Earnings Update Call, Q3 FY23 February 2, 2023



## Q3 FY23 Performance

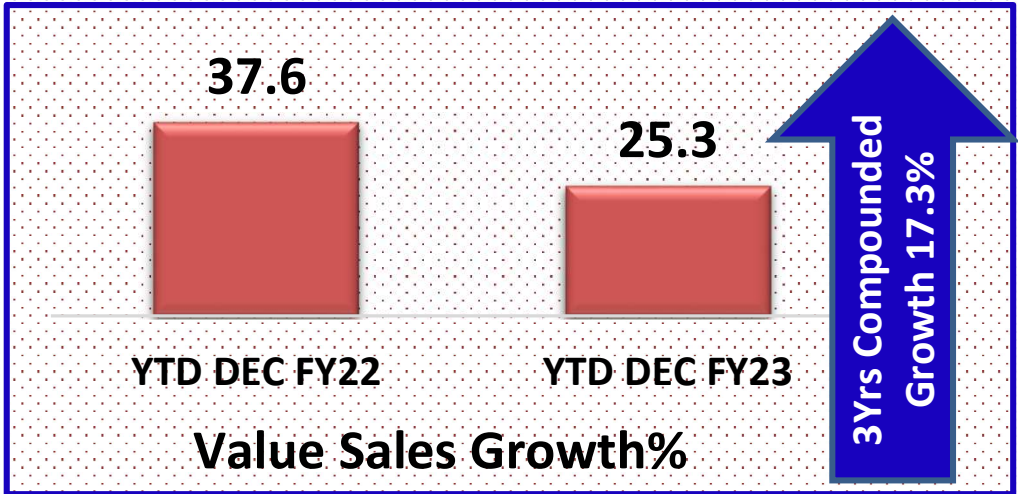
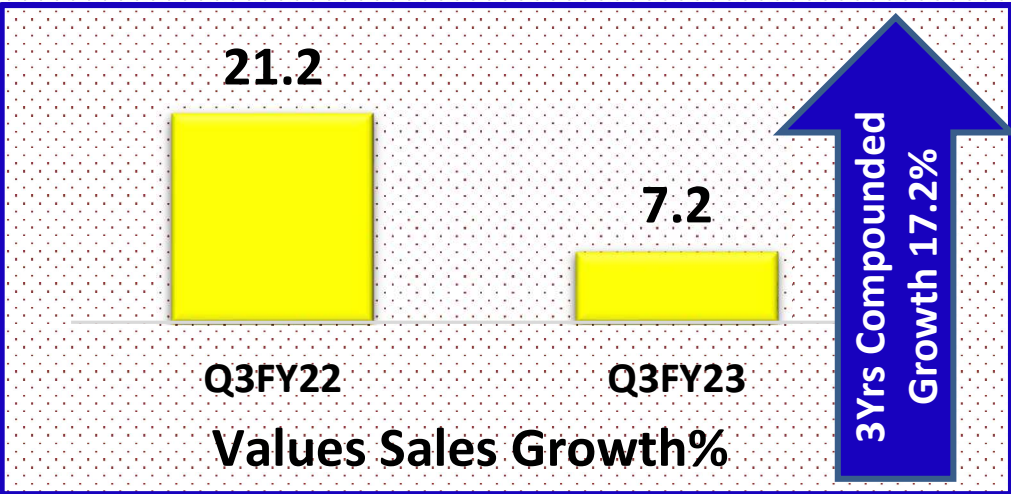
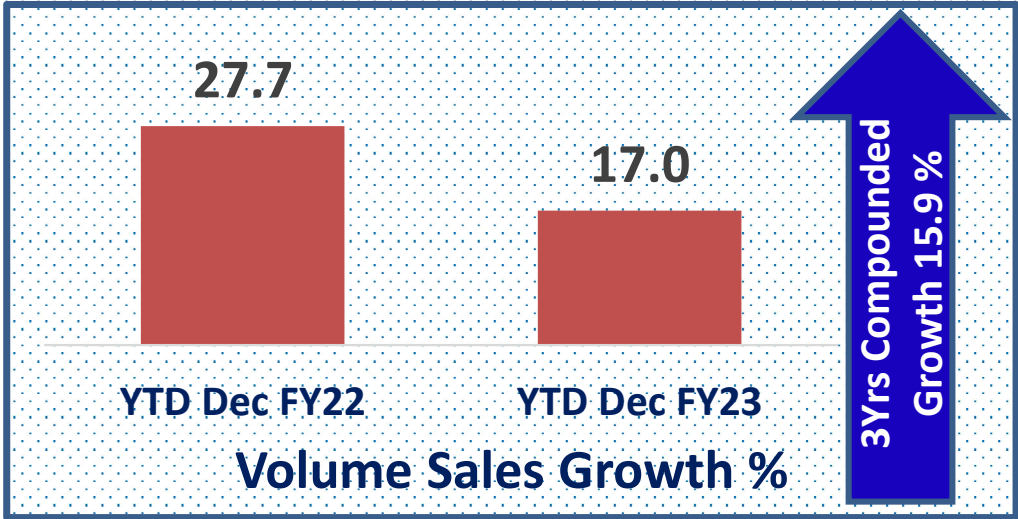
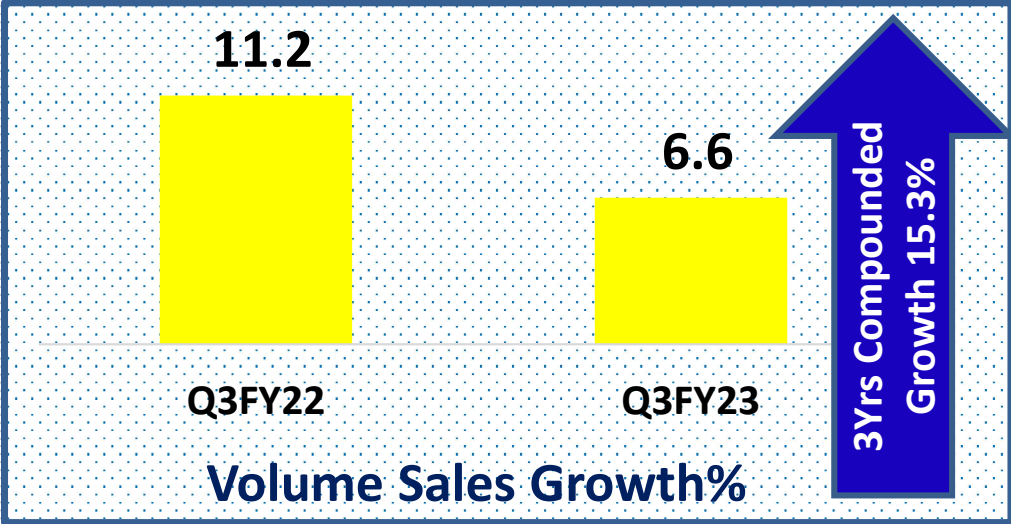


## Decorative Business



- **Decorative business showed decent growth in the quarter in spite of**
  - extended monsoon
  - very high base effect
  - short festive season compared to the corresponding quarter last year.
- **However, growth progressively improved with a double digit growth in December.**
- **Some mix impact on account of higher stocking of premium products by retailers on the back of steep price increases in corresponding period last year and lower sale of exterior emulsion due to extended monsoon.**
- **On a YTD performance, Decorative business continued its healthy growth.**

# Growth Rates



- **Strong network expansion for the business.**
  - **Added around 8000 retail Sales points in YTD Dec FY23**
- **Around 4300 Colorbank Machines installed in YTD Dec23**
- **Construction chemicals segment registered very strong growth in the quarter**
- **Expect to gain market share going by the industry growth trend**

## New Product launches



**Coal-tar based  
solution for rising  
dampness in new  
construction**



**Comes with 15 year  
warranty**

## Industrial Business

- **GI and Auto business showed good growth in the quarter.**
- **Protective and infrastructure business continued its double-digit growth aided by infrastructure spending.**
- **Further price increases were realised in the quarter.**
- **Powder Coatings business line had significant degrowth on account of lower sales to the Fan industry.**



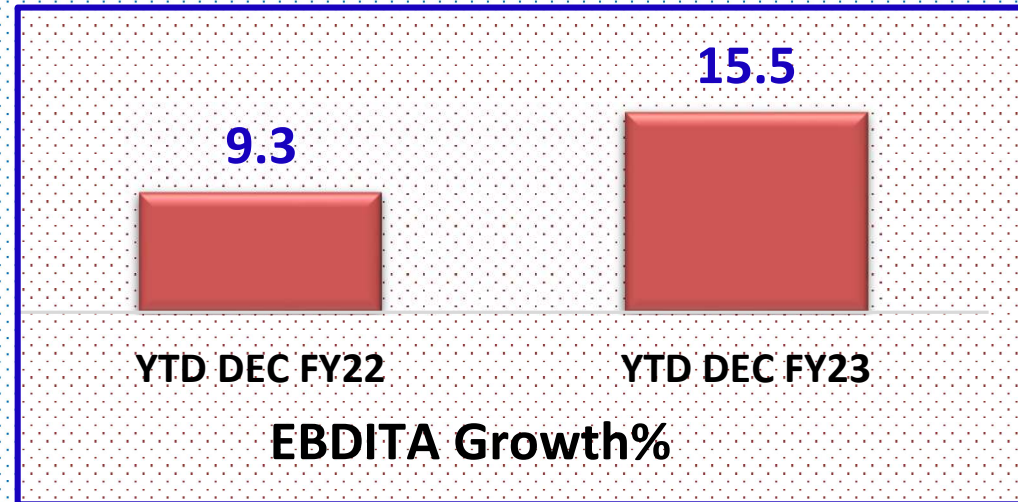
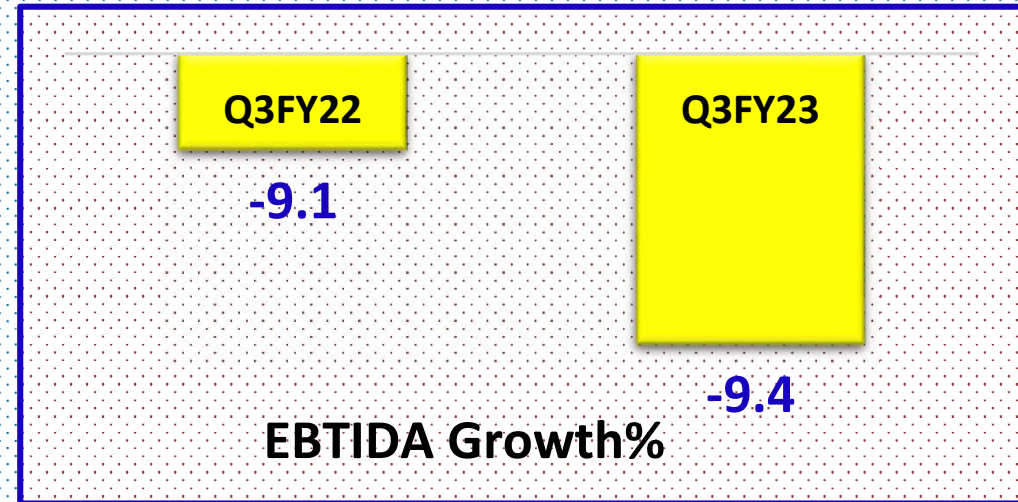


# Profitability



Profitability decline in the quarter mainly on account of –

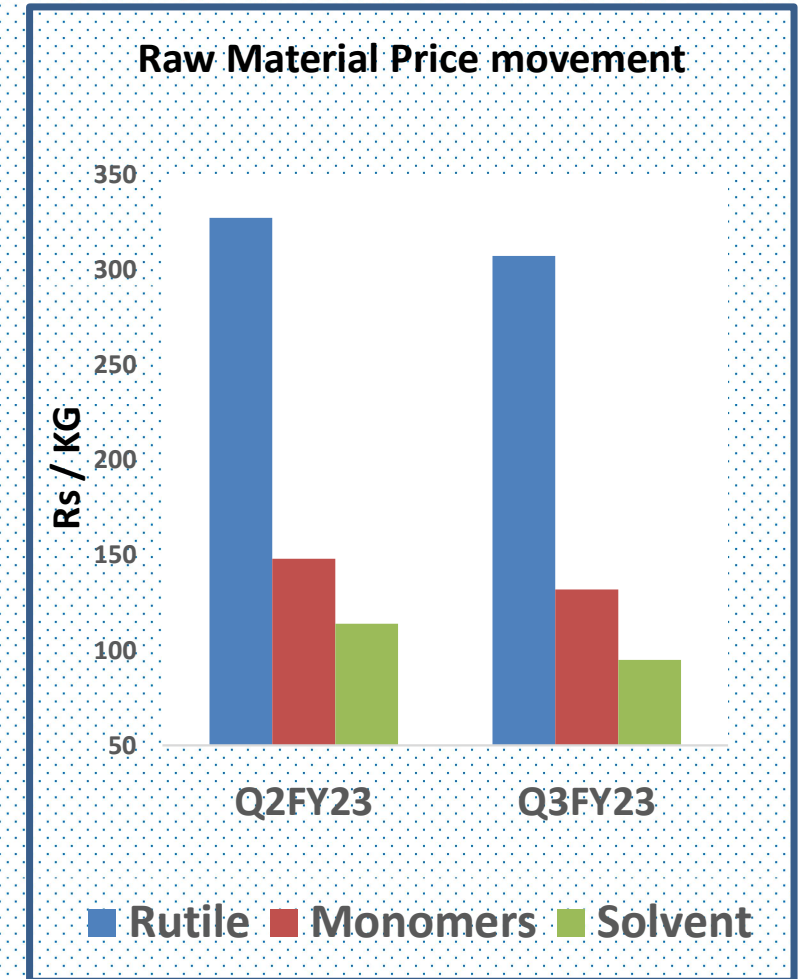
- Due to capacity constraints the company had to build up inventory in anticipation of festive season - the inventory lasted throughout the period & hence the benefit of lower RM prices could not be realized which impacted gross margin
- Mix impact on account of lower sales of Exterior Emulsions due to extended monsoon
- Scale impact on overheads due to lower than anticipated growth in sales
- Mark to market impact of exchange depreciation



## Profitability



- Further softening of Rutile, Monomer and Solvent prices are likely to lead to profitability improvement going forward.
- Commencement of commercial production in Sandila plant will also lead to lower inventory holding and working capital improvement.
- Mix improvement likely in Q4 on the back of increased sales of exterior wall coatings and waterproofing items which has high gross margins



## Capacity Expansion



**Commercial  
Production  
starts from  
February  
2023**



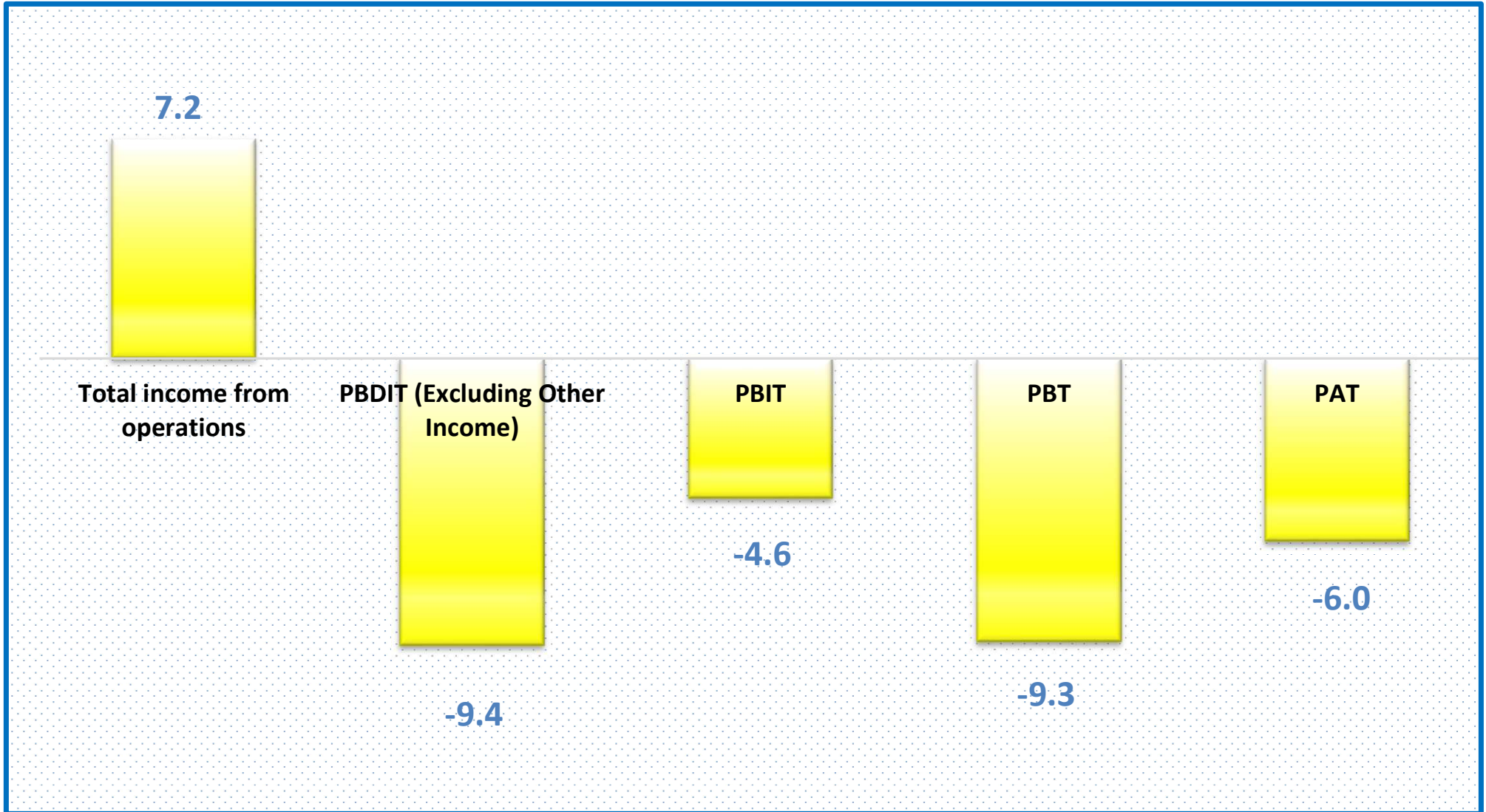
**New manufacturing facility at Sandila, Uttar Pradesh  
Estimated outlay 1000+ Crores ; Installed capacity of 33000 KL/MT (per month)**



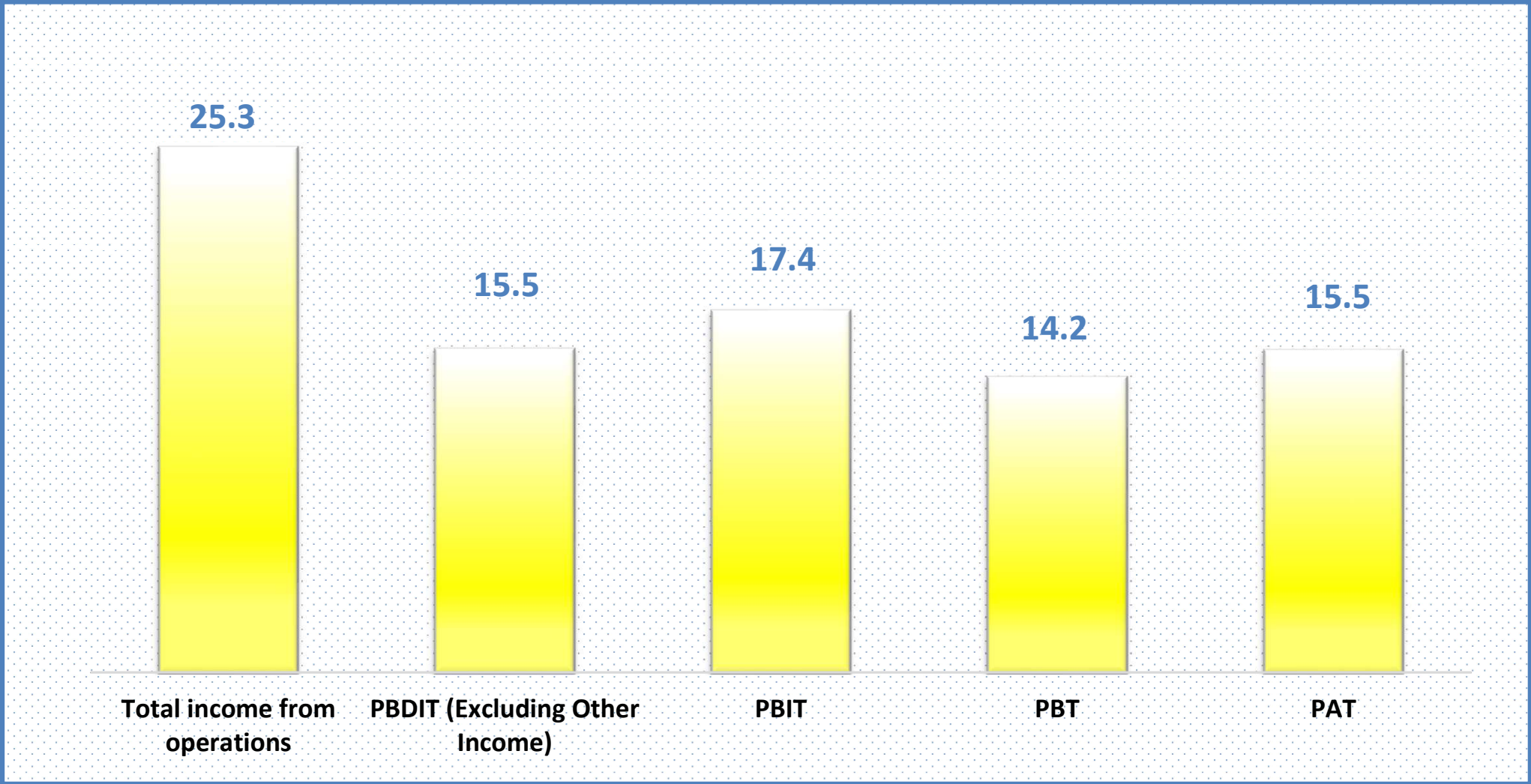
# Financial Performance



# GROWTH (%) - Standalone Q3 FY23



# GROWTH (%) - Standalone YTD Dec FY23



## Financial Results – Standalone Q3 FY23



Rs Crores

	Q3 FY 22	% to Total Income	Q3 FY 23	% to Total Income	Growth %
<b>Total income from operations</b>	<b>2,256.24</b>		<b>2,418.91</b>		<b>7.2</b>
Material Cost	1,443.69	63.99	1,600.91	66.18	
Employee Cost	98.34	4.36	111.48	4.61	
Other expenses	370.58	16.42	395.22	16.34	
<b>PBDIT (Excluding Other Income)</b>	<b>343.63</b>	<b>15.23</b>	<b>311.30</b>	<b>12.87</b>	<b>-9.4</b>
Depreciation	49.39	2.19	56.85	2.35	
<b>Profit from operation before interest</b>	<b>294.24</b>	<b>13.04</b>	<b>254.45</b>	<b>10.52</b>	
Other Income	13.98	0.62	39.51	1.63	
<b>PBIT</b>	<b>308.22</b>	<b>13.66</b>	<b>293.96</b>	<b>12.15</b>	<b>-4.6</b>
Finance Cost	12.32	0.55	25.59	1.06	
<b>PBT</b>	<b>295.90</b>	<b>13.11</b>	<b>268.37</b>	<b>11.09</b>	<b>-9.3</b>
Taxes	75.61	3.35	61.27	2.53	
<b>PAT</b>	<b>220.29</b>	<b>9.76</b>	<b>207.10</b>	<b>8.56</b>	<b>-6.0</b>
Other comprehensive income, net of income tax	0.45	0.02	1.82	0.08	
<b>Total comprehensive income for the period</b>	<b>220.74</b>		<b>208.92</b>		

## Financial Results – Standalone YTD Dec FY23

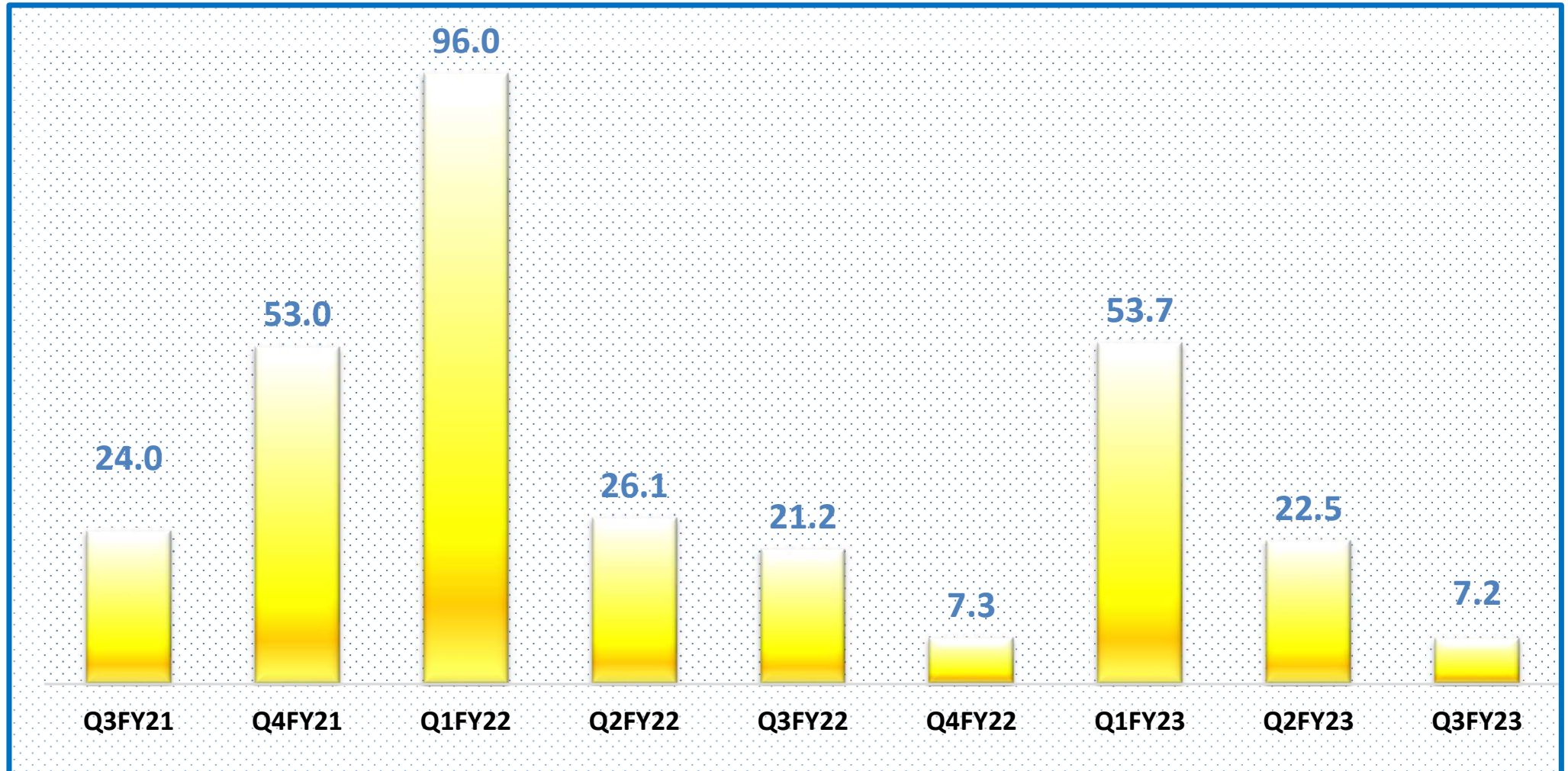


Rs Crores

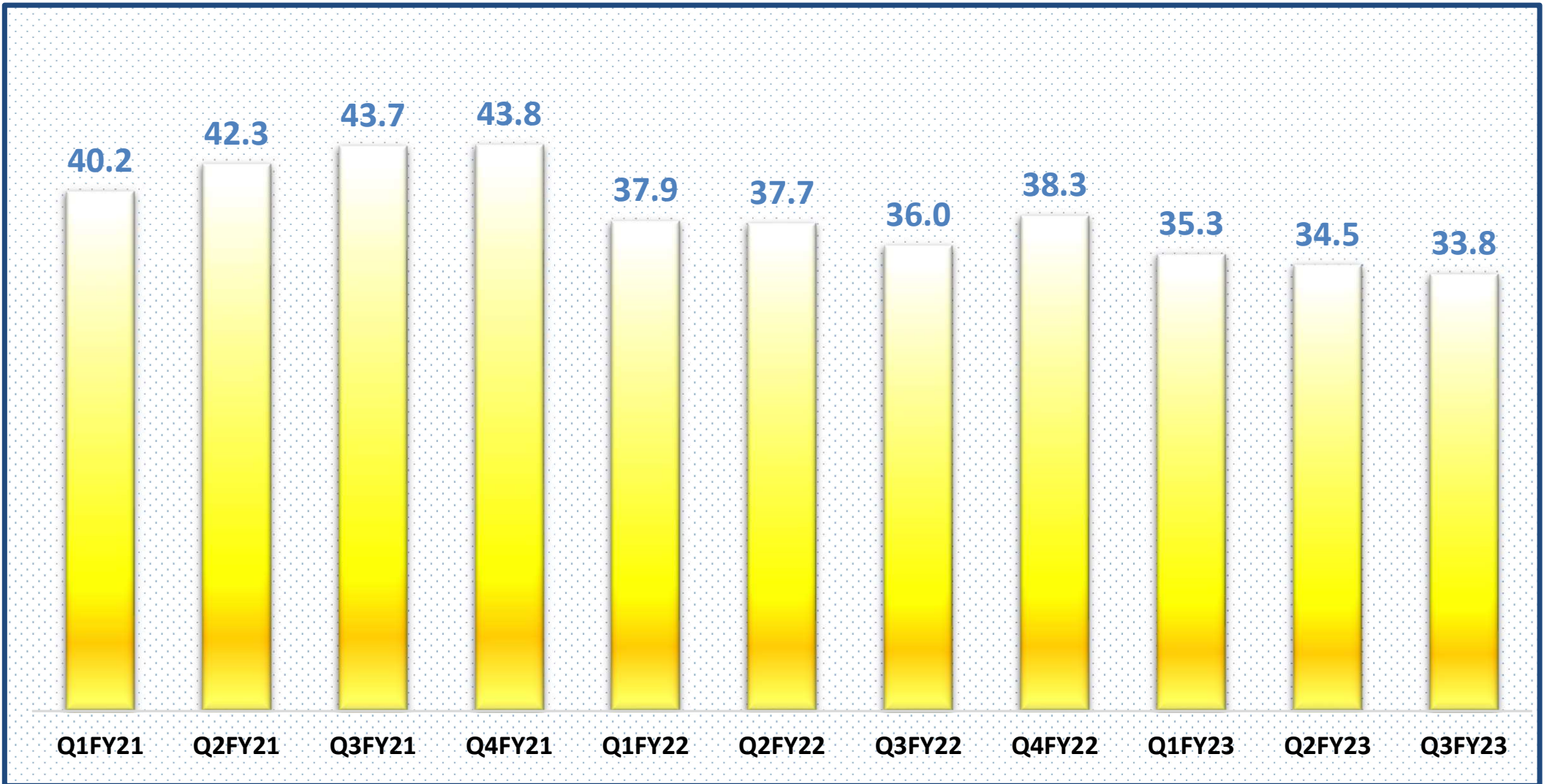
	YTD DEC FY 22	% to Total Income	YTD DEC FY 23	% to Total Income	Growth %
<b>Total income from operations</b>	<b>5,813.10</b>		<b>7,281.33</b>		<b>25.3</b>
Material Cost	3,655.83	62.89	4,765.82	65.45	
Employee Cost	302.26	5.20	342.72	4.71	
Other expenses	986.64	16.97	1,169.48	16.06	
<b>PBDIT (Excluding Other Income)</b>	<b>868.37</b>	<b>14.94</b>	<b>1,003.31</b>	<b>13.78</b>	<b>15.5</b>
Depreciation	145.77	2.51	167.42	2.30	
<b>Profit from operation before interest</b>	<b>722.60</b>	<b>12.43</b>	<b>835.89</b>	<b>11.48</b>	
Other Income	44.15	0.76	64.35	0.88	
<b>PBIT</b>	<b>766.75</b>	<b>13.19</b>	<b>900.24</b>	<b>12.36</b>	<b>17.4</b>
Finance Cost	31.19	0.54	60.38	0.83	
<b>PBT</b>	<b>735.56</b>	<b>12.65</b>	<b>839.86</b>	<b>11.53</b>	<b>14.2</b>
Taxes	188.39	3.24	207.68	2.85	
<b>PAT</b>	<b>547.17</b>	<b>9.41</b>	<b>632.18</b>	<b>8.68</b>	<b>15.5</b>
Other comprehensive income, net of income tax	-0.36	-0.01	1.76	0.02	
<b>Total comprehensive income for the period</b>	<b>546.81</b>		<b>633.94</b>		



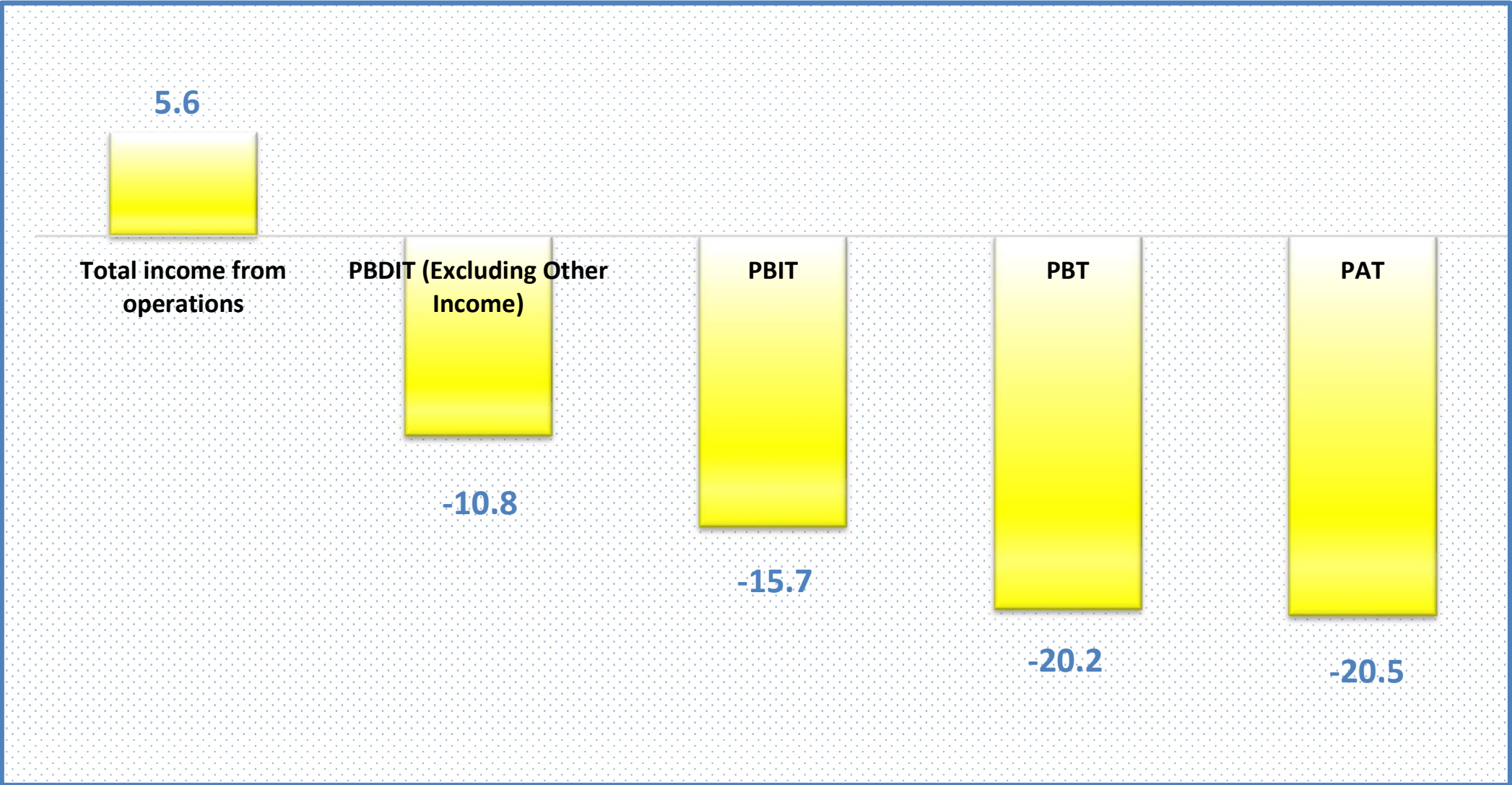
## Income from operations Growth % - Standalone



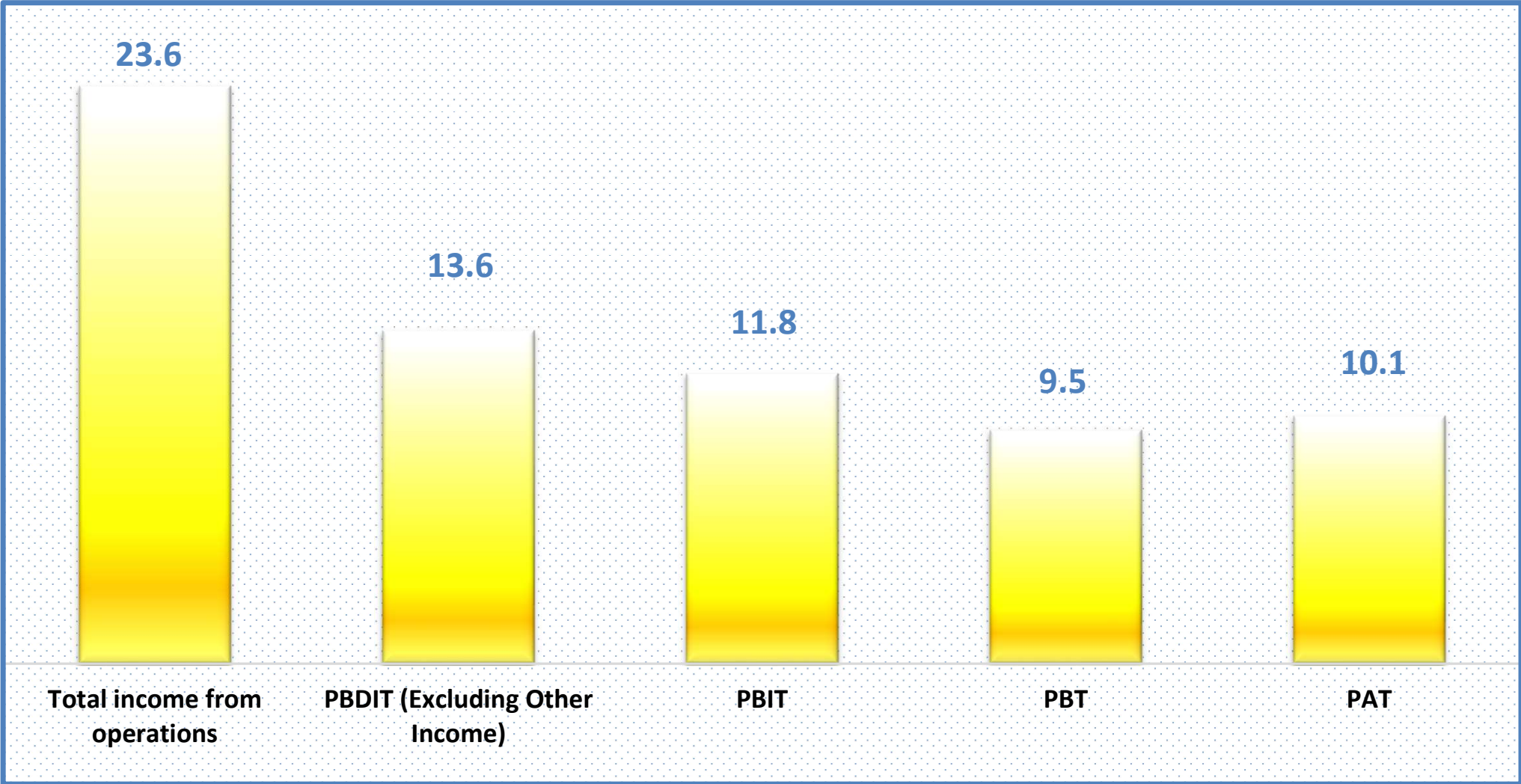
# Gross Margin Trend (%) - Standalone



# Consolidated Q3 FY23- Growth (%)



# Consolidated YTD Dec FY23- Growth (%)



# Financial Results- Consolidated: Q3 FY23



Rs Crores

	Q3 FY 22	% to Total Income	Q3 FY 23	% to Total Income	Growth %
<b>Total income from operations</b>	<b>2,550.77</b>		<b>2,693.59</b>		<b>5.6</b>
Material Cost	1,615.26	63.32	1,759.13	65.31	
Employee Cost	136.03	5.33	148.10	5.50	
Other expenses	407.37	15.97	436.71	16.21	
<b>PBDIT (Excluding Other Income)</b>	<b>392.11</b>	<b>15.37</b>	<b>349.65</b>	<b>12.98</b>	<b>-10.8</b>
Depreciation	56.05	2.20	64.35	2.39	
<b>Profit from operation before interest</b>	<b>336.06</b>	<b>13.17</b>	<b>285.30</b>	<b>10.59</b>	
Other Income	15.45	0.61	10.88	0.40	
<b>PBIT</b>	<b>351.51</b>	<b>13.78</b>	<b>296.18</b>	<b>11.00</b>	<b>-15.7</b>
Finance Cost	13.85	0.54	29.55	1.10	
<b>PBT before share of joint ventures</b>	<b>337.66</b>	<b>13.24</b>	<b>266.63</b>	<b>9.90</b>	<b>-21.0</b>
Share of Profit / (loss) of associates and joint ventures	-0.52	-0.02	2.49	0.09	
<b>PBT</b>	<b>337.14</b>	<b>13.22</b>	<b>269.12</b>	<b>9.99</b>	<b>-20.2</b>
Taxes	84.17	3.30	67.95	2.52	
<b>PAT</b>	<b>252.97</b>	<b>9.92</b>	<b>201.17</b>	<b>7.47</b>	<b>-20.5</b>
Other comprehensive income, net of income tax	-10.56		8.89		
<b>Total comprehensive income for the period</b>	<b>242.41</b>		<b>210.06</b>		

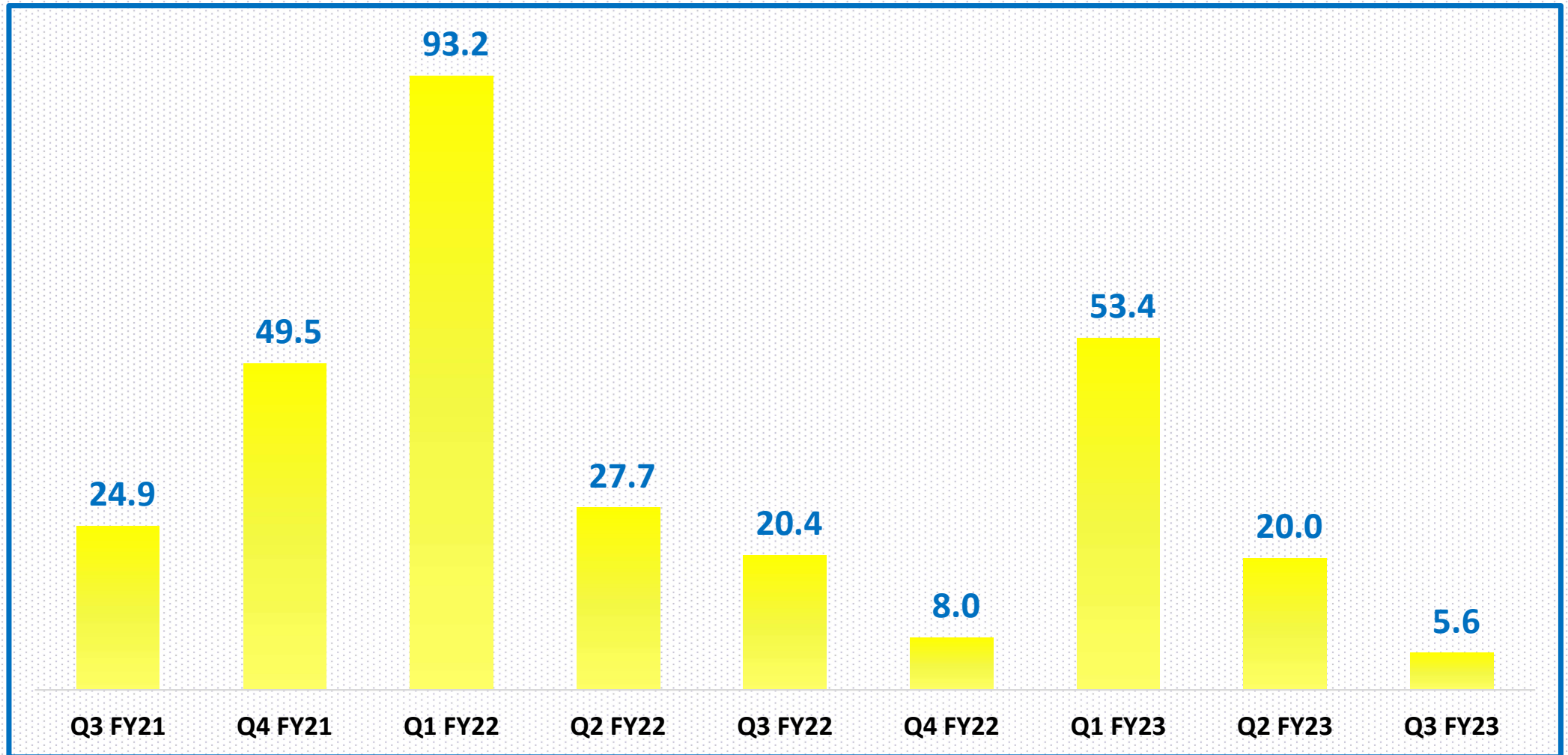
# Financial Results- Consolidated: YTD Dec FY23



Rs Crores

	YTD Dec FY 22	% to Total Income	YTD Dec FY 23	% to Total Income	Growth %
<b>Total income from operations</b>	6,574.27		8,124.21		<b>23.6</b>
Material Cost	4,092.67	62.25	5,260.34	64.75	
Employee Cost	408.99	6.22	454.50	5.59	
Other expenses	1,087.98	16.55	1,290.93	15.89	
<b>PBDIT (Excluding Other Income)</b>	<b>984.63</b>	<b>14.98</b>	<b>1,118.44</b>	<b>13.77</b>	<b>13.6</b>
Depreciation	166.76	2.54	189.62	2.33	
<b>Profit from operation before interest</b>	<b>817.87</b>	<b>12.44</b>	<b>928.82</b>	<b>11.43</b>	
Other Income	45.47	0.69	36.50	0.45	
<b>PBIT</b>	<b>863.34</b>	<b>13.13</b>	<b>965.32</b>	<b>11.88</b>	<b>11.8</b>
Finance Cost	36.11	0.55	69.93	0.86	
<b>PBT before share of joint ventures</b>	<b>827.23</b>	<b>12.58</b>	<b>895.39</b>	<b>11.02</b>	<b>8.2</b>
Share of Profit / (loss) of associates and joint ventures	-1.38	-0.02	9.02	0.11	
<b>PBT</b>	<b>825.85</b>	<b>12.56</b>	<b>904.41</b>	<b>11.13</b>	<b>9.5</b>
Taxes	213.19	3.24	230.02	2.83	
<b>PAT</b>	<b>612.66</b>	<b>9.32</b>	<b>674.39</b>	<b>8.30</b>	<b>10.1</b>
Other comprehensive income, net of income tax	-16.14		8.62		
<b>Total comprehensive income for the period</b>	<b>596.52</b>		<b>683.01</b>		

## Income from operations Growth % - Consolidated



## Financial Results- Consolidated: Q3 FY23



- **Company's subsidiary, STP Ltd showed strong growth on sales and profits aided by improvement in gross margin on the back of lower RM prices.**
- **SBL Specialty Coatings Ltd even though had a marginal degrowth in the topline, profitability improved on account of higher price realization and softening RM cost.**
- **BJN Nepal had a large degrowth on the topline and profitability on account of extended monsoon and very steep inflation environment, whereby the company decided not to go for extended credit**
- **Company's Polish subsidiary Bolix S.A had degrowth both in topline and profitability impacted by Ukraine war and high inflation negatively impacting the consolidated numbers**
- **Company's Joint venture Berger Nippon Paint Automotive Coatings Pvt. Ltd. had a strong improvement on topline and profitability aided by growth in Auto sector and cost improvements.**
- **Company's Joint venture Berger Becker Coatings had a degrowth in topline and profitability**



- **Demand outlook expected to be good in the coming quarter**
- **Mix improvement likely in the coming quarters supported by increased sale of exterior coatings**
- **Industrial sales outlook remain strong on the back of upturn in auto sector and government spending in infrastructure.**
- **However, exchange depreciation on account of strong USD may be a concern**

## 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.*