



Investor Conference

Q3 - FY2022 Results



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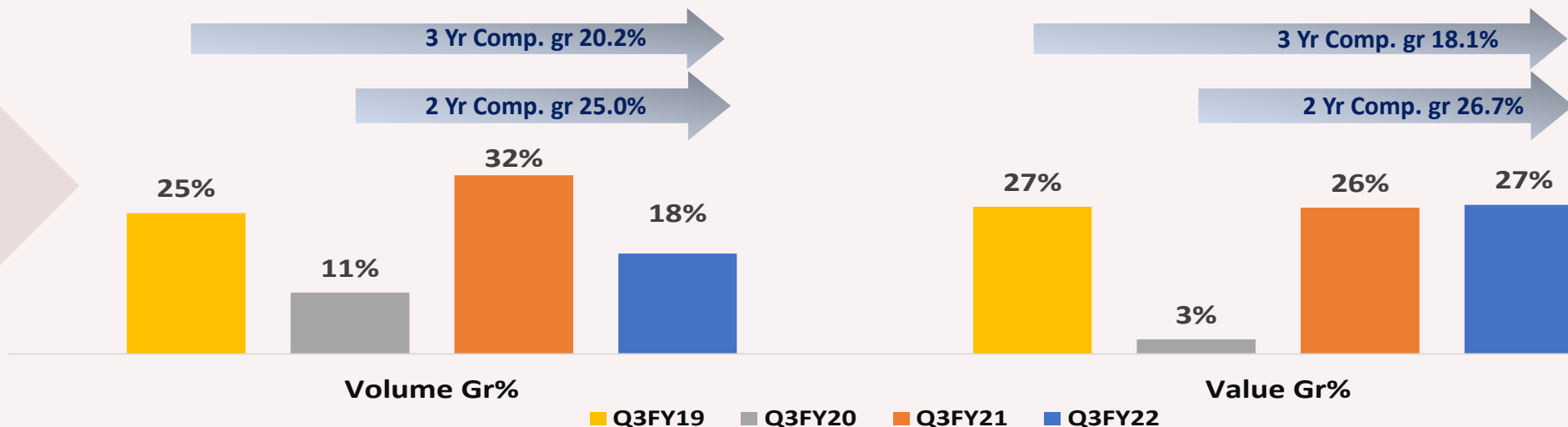
Disclaimer

This communication, except for the historical information, may contain statements which reflect the Management's current views and estimates and could be construed as forward looking statements. The future involves certain risks and uncertainties that could cause actual results to differ materially from the current views being expressed. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange and commodity price fluctuations, competitive product and pricing pressures and regulatory developments.

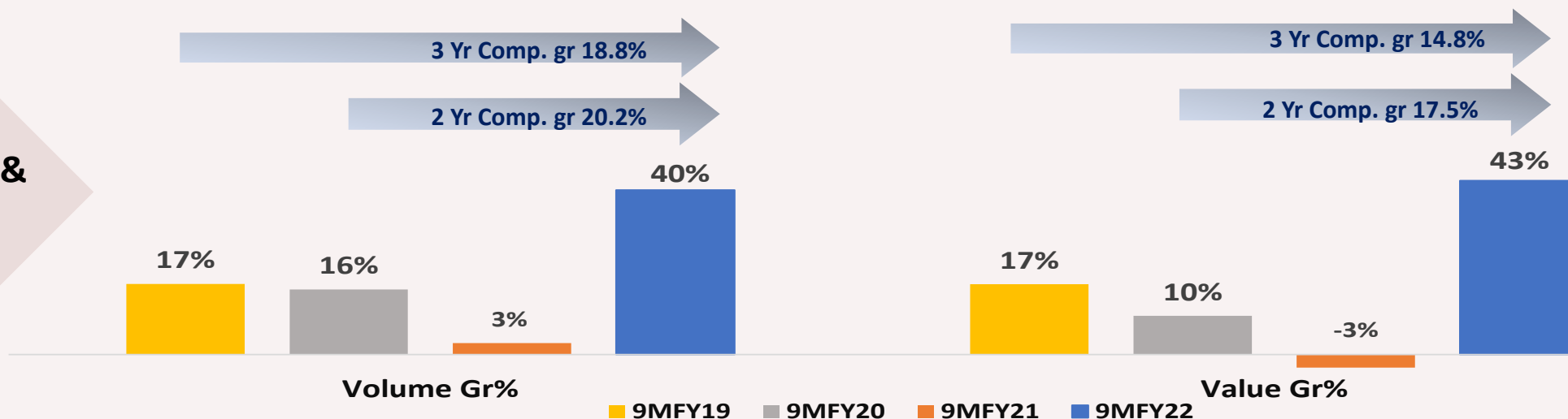
Strong double digit topline trajectory continued in Q3, ensuring an equally strong long term growth trend, evident from the 2/3 year compounded growth rates

Decorative Business (India)

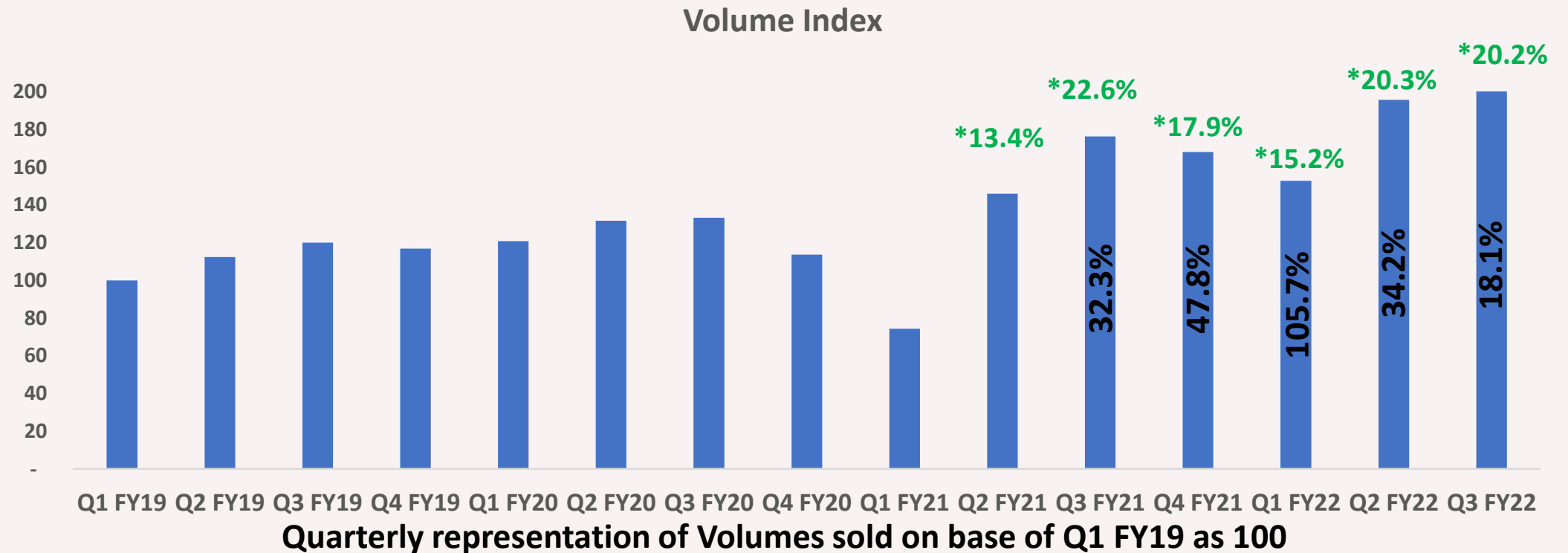
Q3 Volume & Value Trend



9M Volume & Value Trend



Strong Volume Growth Trend; Explosive double digit growth for 5 quarters in a row



***3 year compounded growth rates**
Growth rates over corresponding period of LY

Key Business Update

- ❖ **Volume growth led by strong growth from T1/T2 centers across regions**
 - ❖ **T3 markets growing, albeit at a lower pace**
- ❖ **Premium and Luxury space outgrowing the Economy space in a big way**
 - ❖ **New launches in the Luxury space doing well**
- ❖ **Projects business growth a strong plus point**
 - ❖ **Greater traction across segments - Builders, Govt, Factories, Hsg Societies, Ready Mix Concrete**
- ❖ **Smartcare Waterproofing growth trajectory continued; registering 50%+ growth consistently**
- ❖ **Gaining strongly in the Wood Finishes category; Premiumization drive across Rurban markets**

Nilaya by Sabhyasachi

- New cutting-edge designs from Sabhyasachi
- Draping the Walls like a Sari



An Alliance with Pure

Ador | Royale | Nilaya by Sabyasachi : Furnishings



New Products launched in the year



Apex Ultima Allura



Smart Care HydroLOC



**ALL Protek
Fire Retardant Paint**



AP Woodtech Ingenio



Trugrip Suprema PVC



Royale Glitz Teflon



Aquadur PU



Epoxy Apcoflor

APEX ULTIMA ALLURA

Elevating exterior décor with Natural Stone Finishes

200+

TEXTURE FINISHES



Competitive
Pricing



Panels and material delivery
SLAs of 3 days and 30 days
resp



Best in class texture
ecosystem with a 10-year
warranty with excellent stain
resistance, DPUR and anti-
blanching



Customization
beyond 200 finishes

APEX ULTIMA ALLURA FAMILIES

Concordia

Reserva

Meraki



ALLURA CONCORDIA

Lumiflakes

Granizia

Glazia



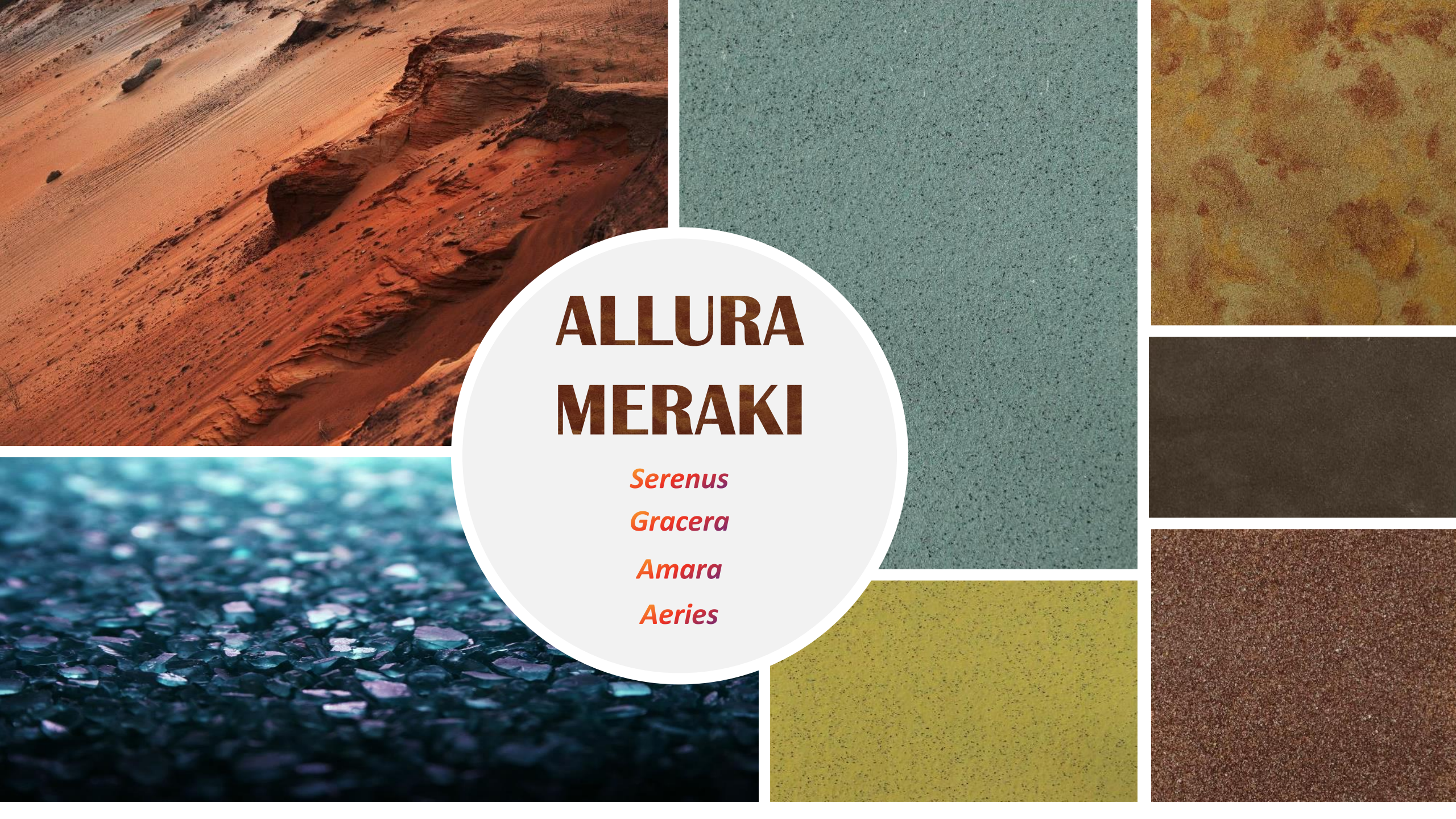
ALLURA RESERVA

Novi Marble

Viva Gran

Aritsone

Venezio



ALLURA MERAKI

Serenus

Gracera

Amara

Aeries

Key Business Update

❖ Network Expansion & Upgradation Focus

- ❖ Continuously expanding Rurban footprint – into new towns and suburbs, with 45,000+ new retail points added over 7 quarters**
- ❖ Colour World expansion across the network**
- ❖ 28 new Colour Ideas stores opened in the year**
- ❖ 29 Beautiful Homes Stores functional**

❖ Home Décor – ‘Share of Surface’ to ‘Share of Space’ in Homes

- ❖ Beautiful Home Stores – one-stop Décor shop; strong play across categories - Luxury Paint portfolio, Kitchen, Bath, Furnishings, Furniture and Lighting**
- ❖ Fabric & Furnishing : Alignment with ‘Pure’ paying off – Reaching out to more than 600 shops**
- ❖ Establishing the Inspirational Décor quotient – Nilaya and Royale**
 - ❖ Sabyasachi for Nilaya – First of its kind designer home furnishings**

Services – A Key Differentiator; adding to brand resilience

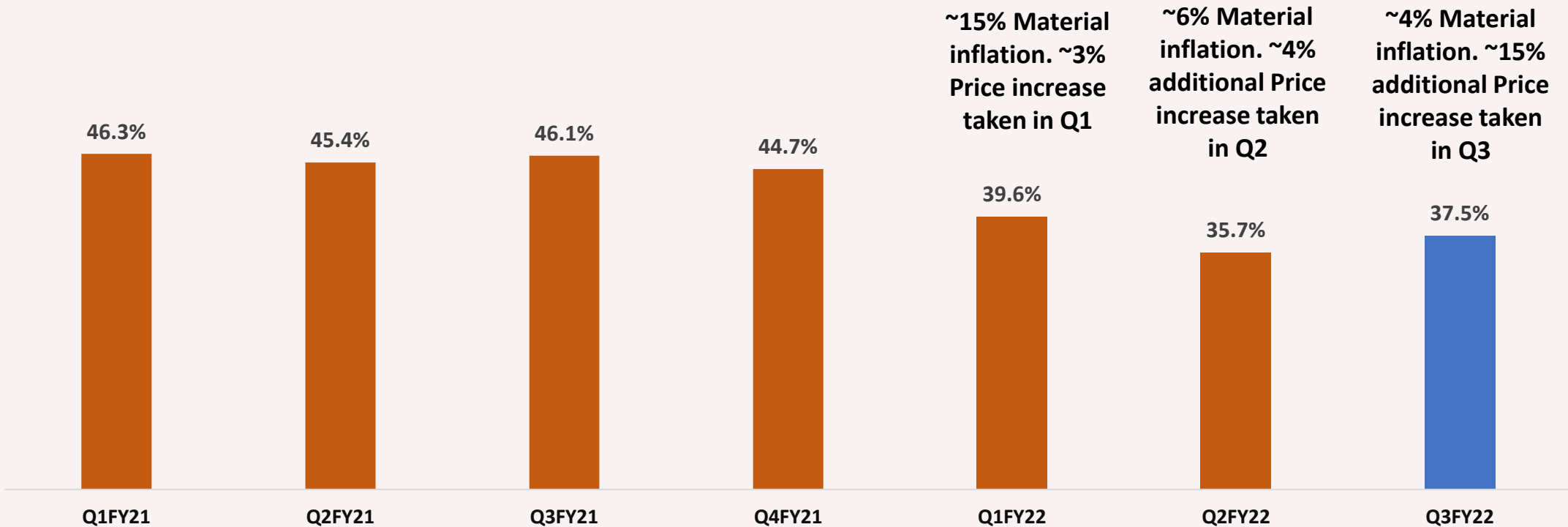
- ❖ Beautiful Homes Service – Bringing Décor dreams to fruition
 - ❖ More than 1050 sites booked till date
- ❖ Rapidly expanding Safe Painting Service portfolio
- ❖ Services GMV to be 7-8 % of the total business



Margins impacted – Unprecedented inflationary trend continues. Price corrections helping recovery in margins on a sequential basis.

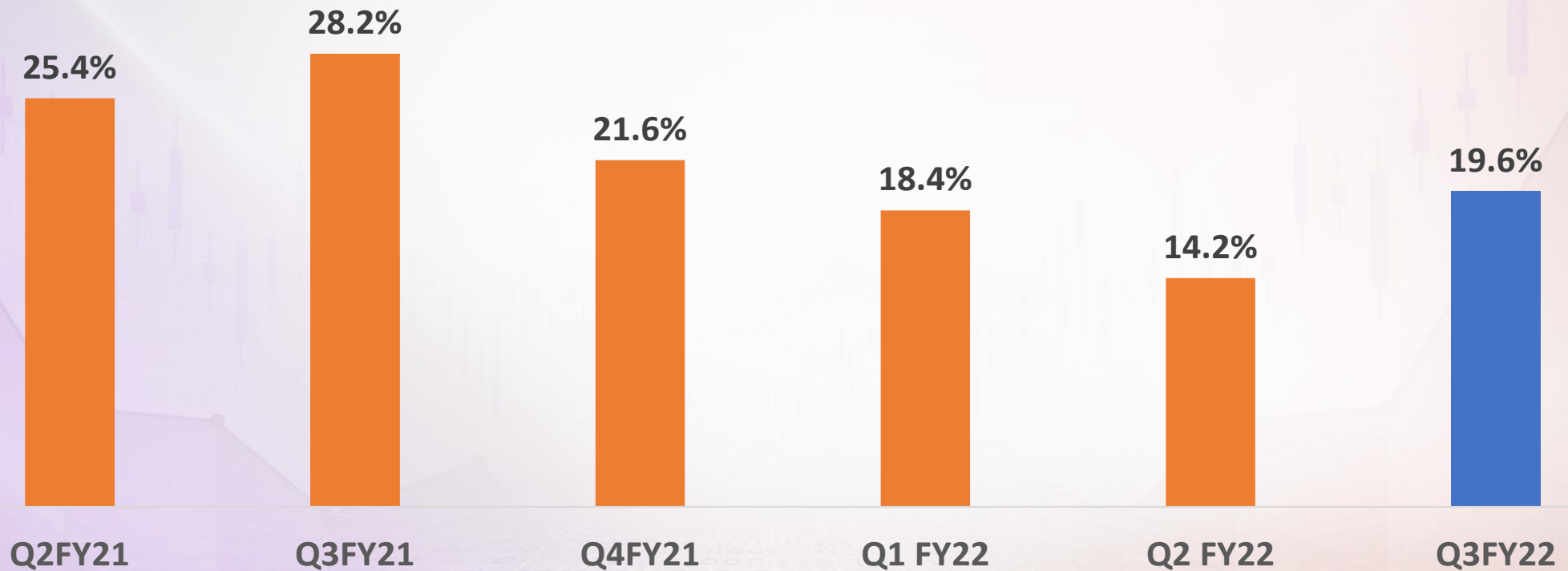
Quarterly Gross Margin Trend

APL Standalone Gross Margins



PBDIT margin improved on a sequential basis in Q3 after a sharp deterioration in the first two quarters. Price increases taken to mitigate inflationary pressure as well as scale benefit & Overhead optimization tracks supporting the sequential improvement.

PBDIT margin trend



Key Business Update

❖ High single digit revenue growth in 3rd Qtr over LY – barring Africa other regions registered double digit growth

❖ Asia – strong growth across units

❖ Middle East – Double digit value growth, despite challenging competitive environment

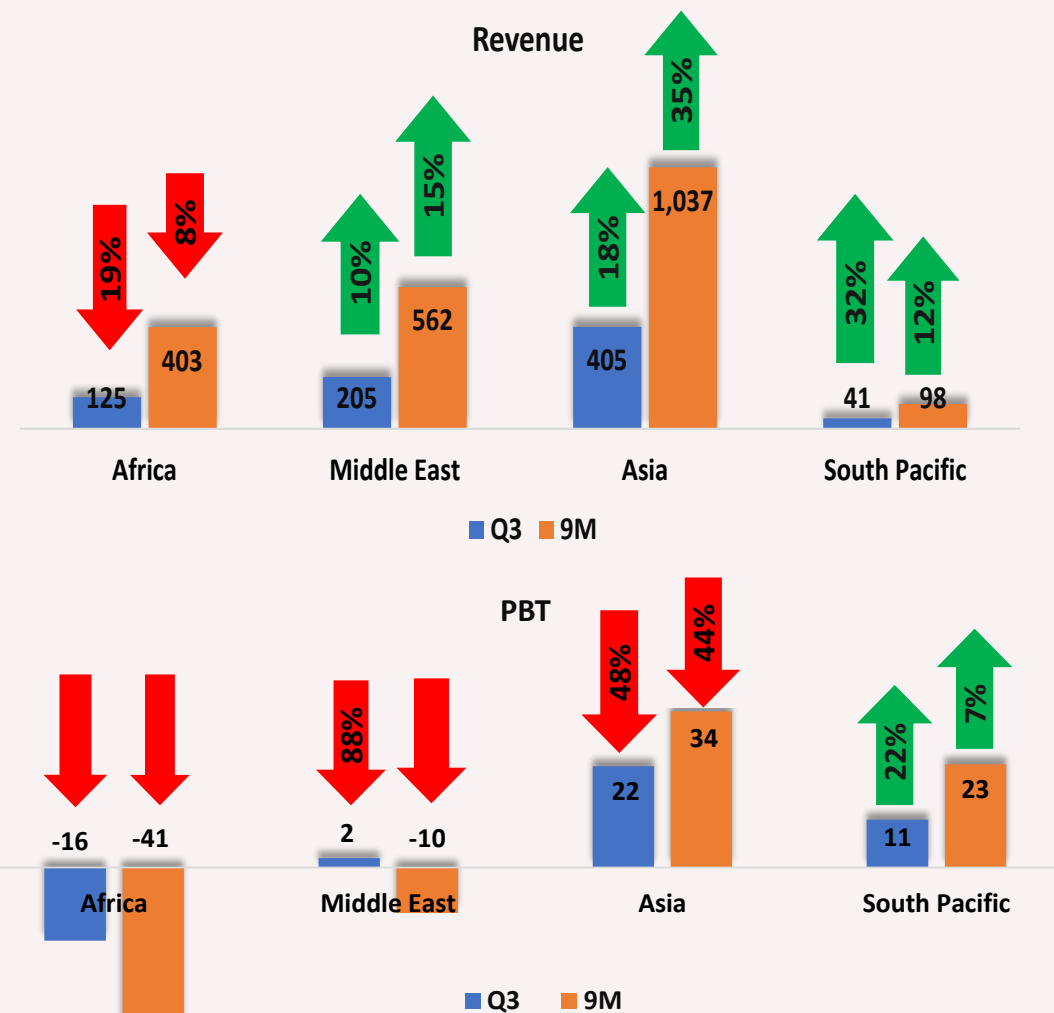
❖ Africa – High inflation, regional disturbances continue to hurt market conditions

❖ Benefit of price increases across regions

❖ Overall, International Business revenue: Q3 at Rs. 764 crores (+9%) & 9M at Rs. 2077 crores (+18%)

❖ Profitability significantly impacted by the steep material inflation; price increases supporting margin improvement on sequential basis

❖ Q3 PBT Rs. 11 crores; 9M PBT loss Rs. 17 crores



(figures in columns in Rs. crs)

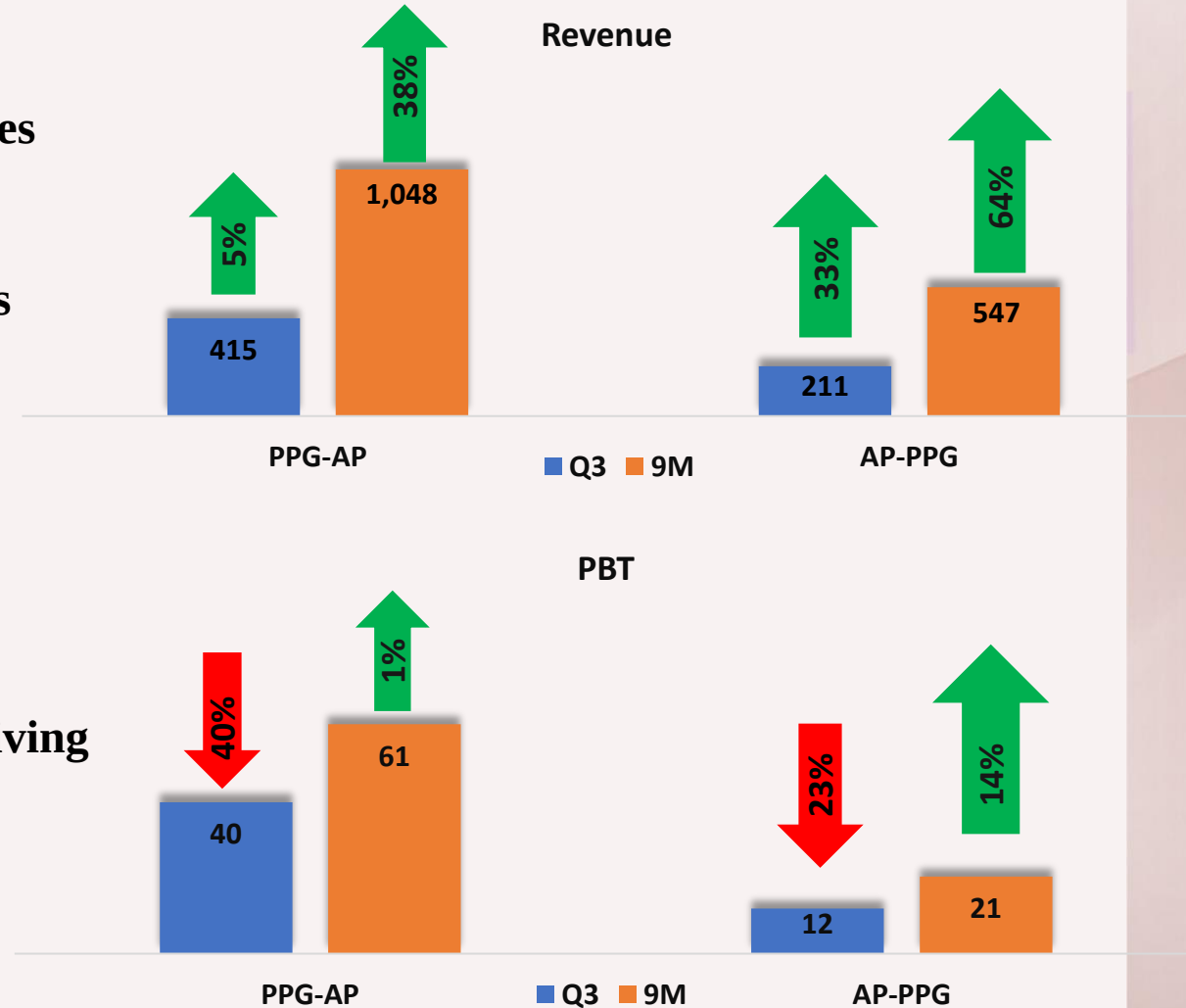
Key Business Update

❖ PPG-AP

- ❖ Business continues to be impacted; Challenges faced by Automotive sector hurting recovery
- ❖ Strong push for implementing price increases across B2B customers

❖ AP-PPG

- ❖ Strong performance continued in Protective Coatings
- ❖ Retail channel as well as Projects segment driving growth
- ❖ Gross margins impacted with steep material inflation however profitability in both businesses supported by contained costs during the period



(figures in columns in Rs. crs)

Key Business Update

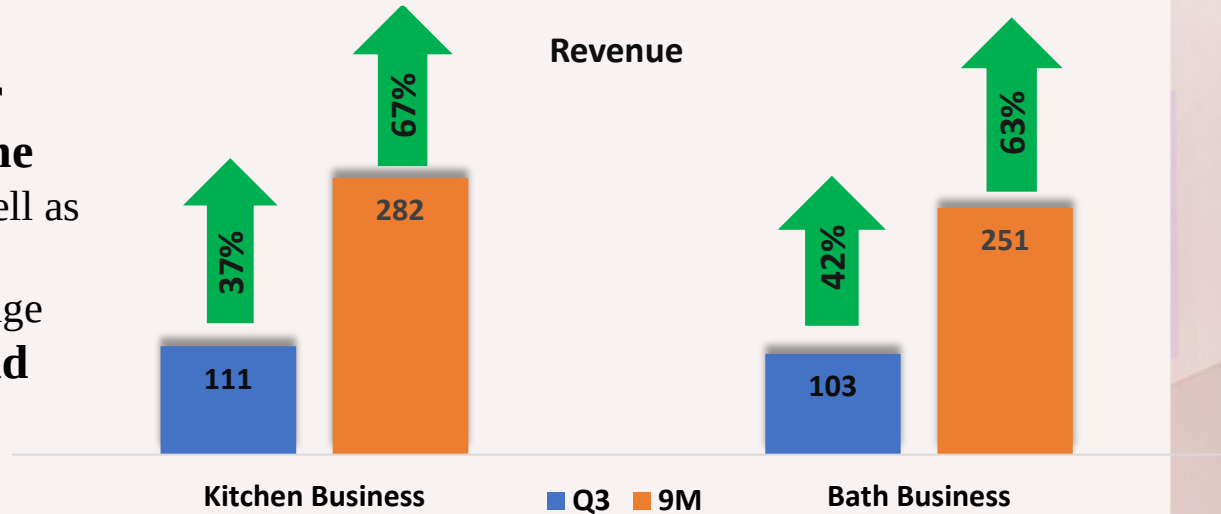
❖ Kitchen Business

- ❖ **Topline of Rs 100 crs+ maintained in Q3 after crossing the mark in Q2 FY22 for the first time**
 - ❖ Strong performance in Full Kitchen solutions as well as Components business
 - ❖ Continuous focus on new propositions – hi-end range
- ❖ **Business PBT breakeven achieved in Q2; trend continued in Q3 as well**

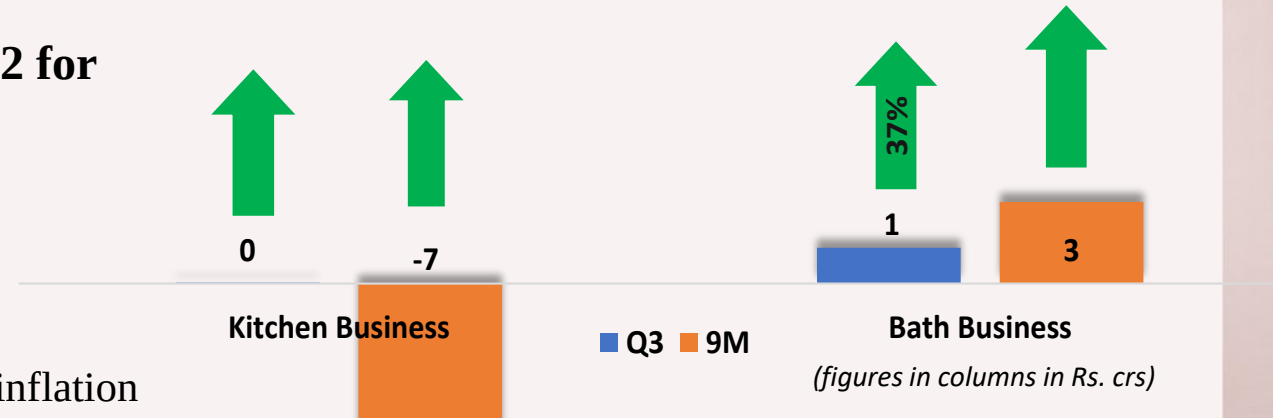
❖ Bath Business

- ❖ **Topline crossed Rs.100 crs mark in Q3 FY22 for the first time**
 - ❖ Strong growth in Projects in collaboration with Decorative Projects team
 - ❖ Sanitary ware growth trajectory continued
- ❖ **Profitable quarter & 9 months;**
 - ❖ Improving scale benefit despite raw material inflation

Revenue

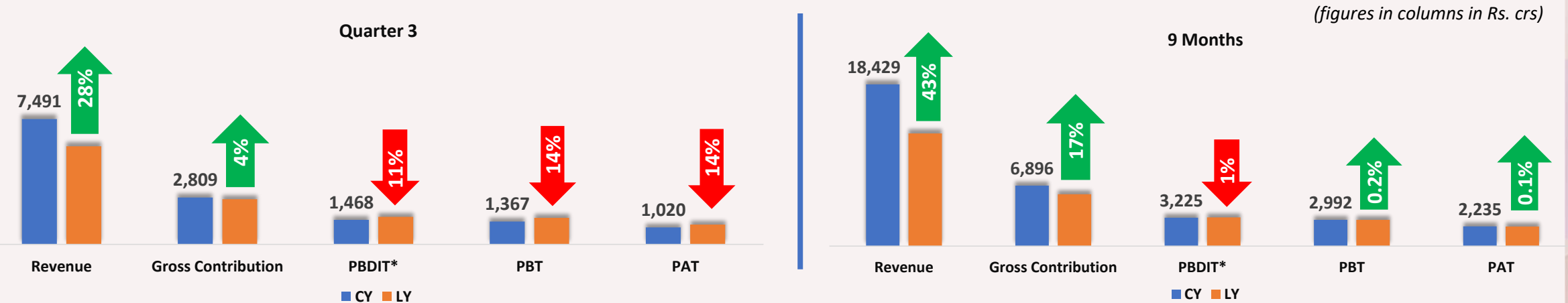


PBT



(figures in columns in Rs. crs)

Summary – Standalone Financials

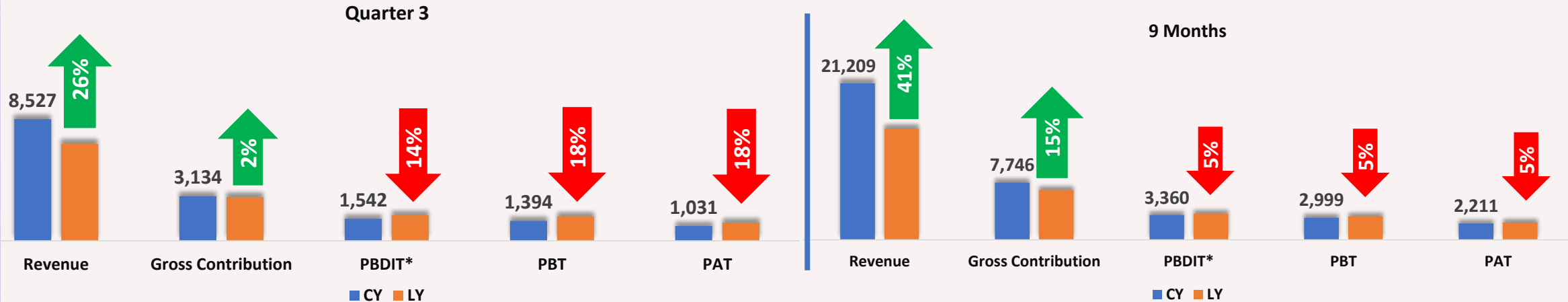


- ❖ Continued double digit revenue growth trajectory
- ❖ Margins under pressure with steep material inflation – Gross margin contracting by 865 bps for Q3 & 850 bps for the 9 months, compared to LY
- ❖ Unprecedented price increases & efficiency tracks helping recovery in gross margins on sequential basis
 - ❖ Q3 Gross margins 184 bps better than that in Q2 FY22
- ❖ Improved scale & optimization on overheads arresting fall in PBDIT margin to 796 bps for the 9 months

* PBDIT before Other Income

Summary – Consolidated Financials

(figures in columns in Rs. crs)



❖ Steep material inflation leading to contraction in Gross Contribution margin by 832 bps in Q3 and by 825 bps in 9 months, compared to LY

❖ Improved scale over LY base, turnaround in Home Improvement business arresting the fall in 9 months PBDIT margins to 764 bps

* PBDIT before Share in profit of Associates & before Other Income

Looking Forward

- ❖ **For the 4th Quarter, January month demand conditions slow given many state level restrictions; However demand conditions expected to better for second half of Feb and month of March**
 - ❖ **Uptrend in housing construction sector provides support**
- ❖ **Experience over last waves of covid demonstrates that there is deferment of demand and hence Jan & Feb demand to be part of the pent-up demand from March onwards till Q1 next year**
- ❖ **Raw Material inflationary trend expected to continue; albeit rate of increase expected to be moderate in Q4**
- ❖ **In International portfolio, forex tightness, regional disturbance and sluggish growth in some key markets a concern**

Thank You