INDIGO
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Date: February 12, 2023

To, **BSE Limited** **Corporate Relationship Department** 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 **Scrip Code: 543258**	To **National Stock Exchange of India Limited** Exchange Plaza, Plot No. C-1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai - 400051 **NSE SYMBOL: INDIGOPNTS**

Dear Sir/Madam,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for Investor Presentation.

Please refer to our communication on February 11, 2023 regarding the captioned subject. We are enclosing herewith a copy of the **revised** presentation for the Investors/Analysts, where only slide number 16 has been updated, w.r.t. data relating to the Network Expansion of the Company.

Inconvenience caused is regretted.

You are requested to take note of the same.

Thanking you,

For Indigo Paints Limited

Sujoy Sudipta Bose
Company Secretary & Compliance Officer

Encl: As above

INDIGO Paints Ltd

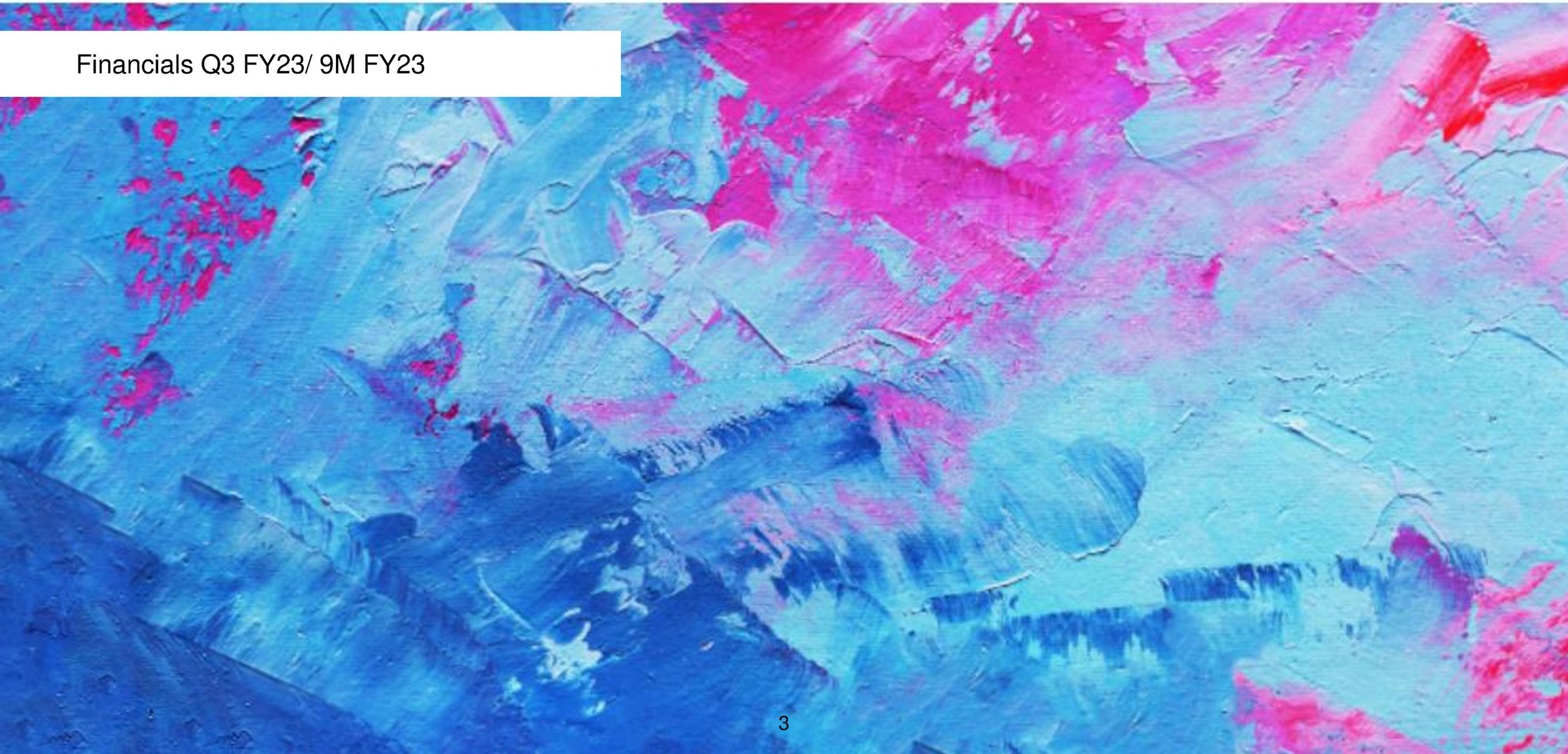
Investor Presentation (Q3 FY 23)

Disclaimer

Certain statements and opinions with respect to the anticipated future performance of Indigo Paints Ltd ("Indigo") in the presentation ("forward-looking statements"), which reflect various assumptions concerning the strategies, objectives and anticipated results may or may not prove to be correct. Such forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changes in economic, political, regulatory, business or other market conditions. Such forward-looking statements only speak as at the date the presentation is provided to the recipient and Indigo is not under any obligation to update or revise such forward-looking statements to reflect new events or circumstances. No representation or warranty (whether express or implied) is given in respect of any information in this presentation or that this presentation is suitable for the recipient's purposes. The delivery of this presentation does not imply that the information herein is correct as at any time subsequent to the date hereof and Indigo has no obligation whatsoever to update any of the information or the conclusions contained herein or to correct any inaccuracies which may become apparent subsequent to the date hereof. Certain figures may have been rounded off to the nearest decimal.

Agenda for discussion

Financials Q3 FY23/ 9M FY23



Introduction

- The revenue growth in Q3 FY23 was 5.95%. The muted growth was primarily due to the delayed withdrawal of monsoon coupled with early Diwali, which dented the sales in Oct-22. However, sales growth rebounded in Nov-22 and Dec-22
- No price hike was effected in the quarter as the inflation in raw material costs have been largely absorbed
- Continue to witness strong sales growth in Tier-1 & Tier-2 cities
- New plant in Tamil Nadu expected to be commissioned in March 2023.

Indigo Paints | Q3 FY 23 financials

Statement of unaudited financial results for the quarter and nine months ended December 31, 2022				
(All amounts in rupees lakhs, unless otherwise stated)				
Sr. No	Particulars	Quarter ended		
		Dec 31, 2022	**Sep 30, 2022**	**Dec 31, 2021**
		(Unaudited)	(Unaudited)	(Unaudited)
1	**Income:**			
	Revenue from operations	28,126.51	24,260.71	26,546.24
	Other income	377.75	319.04	231.49
	Total Income	**28,504.26**	**24,579.75**	**26,777.73**
2	**Expenses:**			
	Material Related Expense	15,800.43	14,139.37	15,161.53
	Employee benefits expense	2,024.16	1,752.11	1,455.71
	Finance cost	29.69	26.53	28.73
	Depreciation and amortisation expense	871.15	848.92	787.00
	Other expenses	6,246.21	4,992.11	6,061.39
	Total Expenses	**24,971.64**	**21,759.04**	**23,494.36**
3	**Profit before exceptional items and tax**	**3,532.62**	**2,820.71**	**3,283.37**
4	**Profit before tax**	**3,532.62**	**2,820.71**	**3,283.37**
5	**Total tax expense**	**906.30**	**(888.06)**	**852.88**
6	**Net Profit for the period**	**2,626.32**	**3,708.77**	**2,430.49**
7	**Total Other comprehensive income /(loss) for the peri**	**3.34**	**3.35**	**(2.72)**
9	**Total Comprehensive Income for the period**	**2,629.66**	**3,712.12**	**2,427.77**

Indigo Paints | 9M FY 23 financials

Statement of unaudited financial results for the quarter and nine months ended December 31, 2022				
(All amounts in rupees lakhs, unless otherwise stated)				
Sr. No	Particulars	Nine months ended		Year ended
		Dec 31, 2022	**Dec 31, 2021**	**Mar 31, 2022**
		(Unaudited)	(Unaudited)	(Audited)
1	**Income:**			
	Revenue from operations	74,786.43	61,759.66	90,597.48
	Other income	725.41	838.65	1,089.32
	Total Income	**75,511.84**	**62,598.31**	**91,686.80**
2	**Expenses:**			
	Material Related Expense	42,216.89	35,089.88	51,352.46
	Employee benefits expense	5,436.21	4,199.28	5,632.91
	Finance cost	98.69	79.66	133.04
	Depreciation and amortisation expense	2,562.89	2,292.70	3,125.08
	Other expenses	16,152.87	14,248.85	20,013.74
	Total Expenses	**66,467.55**	**55,910.37**	**80,257.23**
3	**Profit before exceptional items and tax**	**9,044.29**	**6,687.94**	**11,429.57**
4	**Profit before tax**	**9,044.29**	**6,687.94**	**11,429.57**
5	**Total tax expense**	**718.07**	**1,741.89**	**3,024.77**
6	**Net Profit for the period**	**8,326.22**	**4,946.05**	**8,404.80**
7	**Total Other comprehensive income /(loss) for the peri**	**10.03**	**(8.16)**	**13.36**
9	**Total Comprehensive Income for the period**	**8,336.25**	**4,937.89**	**8,418.16**

Indigo Paints | Q3 FY 23 financial Analysis

Quarterly Financial Highlight

RS. Cr

Quarterly				% Change
Particulars	**Q3**	**Q2**	**Q3**	
(Rs. Crs)	**FY 23**	**FY 23**	**FY 22**	
Operational Income	281.27	242.61	265.46	**5.95%**
Other Income	3.78	3.19	2.31	
Total	**285.04**	**245.80**	**267.78**	
Gross Profit	123.26	101.21	113.85	
Gross Margin %	43.82%	41.72%	42.89%	
EBITDA	**40.56**	**33.77**	**38.68**	**4.86%**
EBITDA %	14.42%	13.92%	14.57%	
PBT	35.33	28.21	32.83	**7.59%**
PAT	**26.26**	**37.09**	**24.30**	**8.06%**
PAT%	9.21%	15.09%	9.08%	

Analysis | Q3 FY23

- Q3 FY 23 Operational Income has expanded by 5.95% over Q3 FY 22 from Rs. 265.46 Cr to Rs.281.27 Cr
- Gross Margins expanded to 43.82% in Q3 FY23 over 42.89% in Q3 FY22
- EBITDA and PAT have expanded by 4.86 % and 8.06% respectively over Q3 FY22
- EBITDA margin is largely flat at 14.42% from 14.57% in Q3 FY22
- PAT margin also largely flat at 9.21% compared to 9.08% in Q3 FY22.

Indigo Paints | 9M FY 23 financial Analysis

9M Financial Highlight

RS. Cr

Nine Months Ended			% Change
Particulars	**9M**	**9M**	
	FY 23	**FY 22**	
Operational Income	747.86	617.60	21.09%
Other Income	7.25	8.39	
Total	**755.12**	**625.98**	
Gross Profit	325.70	266.70	
Gross Margin %	43.55%	43.18%	
EBITDA	**109.80**	**82.22**	**33.56%**
EBITDA %	14.68%	13.31%	
PBT	90.44	66.88	35.23%
PAT	**83.26**	**49.46**	**68.34%**
PAT%	11.03%	7.90%	

Analysis | 9M FY23

- 9M FY 23 Operational Income has expanded by 21.09% to Rs. 747.86 Cr from Rs. 617.60 Cr clocked in 9M FY22.
- Gross Margins improved to 43.55% y-o-y over 9M FY22 from 43.18%
- EBITDA and PAT have expanded by 33.56% and 68.34% respectively over 9M FY22
- EBITDA margin has sharply expanded to 14.68% from 13.31% in 9M FY22
- PAT margin expanded to 11.03% compared to 7.90% in 9M FY22.

Analysis

- Sales was impacted in October due to early Diwali and prolonged festive holidays which was further accentuated by delayed monsoon withdrawal
- Due to declining raw material prices, the Company has been more aggressive in offering trade discounts; despite higher discounts, the Company has managed to maintain healthy gross margin level which continues to be the highest in the industry
- Company continues to focus on brand building and our expenditure in A&P over the 9M period has been marginally higher than the corresponding period of the last fiscal.
- Raw material prices have largely stabilized
- Strategy 2.0 – Witnessing higher sales traction in the 750 identified cities. Growth in focus area is almost double the growth in upcountry areas

Value / Volume Growth (Q3 FY 23 vs Q3 FY 22)

Product Category	Value Growth	Volume Growth
Cement Paints + Putty	42.3%	34.8%
Emulsions	3.3%	-4.3%
Enamels + Wood Coatings	14.6%	4.7%
Primers + Distempers + Others	5.5%	1.3%

Value / Volume Growth (9M FY 23 vs 9M FY 22)

Product Category	Value Growth	Volume Growth
Cement Paints + Putty	28.1%	18.9%
Emulsions	22.8%	6.2%
Enamels + Wood Coatings	31.6%	16.0%
Primers + Distempers + Others	17.2%	6.3%

Analysis (Value/Volume growth)

- Due to several rounds of price increases compared to the corresponding period of the previous year, the value growth in each category is higher than volume growth. Going forward with the normalized base, both value and volume growth are expected to be in tandem

- Company witnessed a small dip in the volume of the Emulsions category; However, on a cumulative 9M period, the segment has grown reasonably

- Very sharp increase in both the value and volume growth of Cement paint + Putty segment, which is in line with the calibrated approach by the management to gain market share. The Enamel segment continued to grow in double digit.

Network expansion

	31.03.21	30.06.21	30.09.21	31.12.21	31.03.22	30.06.22	30.09.22	31.12.22
No. of Depots	44	44	44	45	47	47	47	47
Active Dealers	13,214	13,884	14,716	15,242	15,787	16,526	16,758	16,785
Tinting m/c	5,472	5,800	6,383	6,749	7,101	7,435	7,716	7,978

Network expansion

	TM in 750 Cities	Total TM	% TM in 750 Cities
As on 31.03.2022	1,741	7,101	24.5%
Addition in 9M	317	877	36.1%
As on 31.12.2022	2,058	7,978	25.8%

- More than 50% of Tinting machines are now being installed in the larger cities, as compared to a cumulative population of < 25% till start of year.

Future guidance

- Traditionally, Q4 has always been the strongest quarter for the Company in terms of Sales, Profits and Profit margins; we expect the same trend to continue this year
- Leveraging on industry leading gross margins, focus is to accelerate growth while improving product mix and improve the EBITDA margins further in the seasonally strong quarter
- Strategy on increasing the presence in the Tier-1 and Tier-2 cities are showing good results and will continue to strengthen the team to engage with the influencers
- We will shortly be launching a complete range of Water Proofing and Construction chemicals in the retail space to avail of the synergies with paint products, in view of the high growth in the sector

Thank You

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