



Investor Presentation

December 2023

Disclaimer

This presentation may contain statements which reflect management's current views and estimates and could be construed as forward making 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 fluctuations, competitive product and pricing pressures and regulatory developments

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Industrial

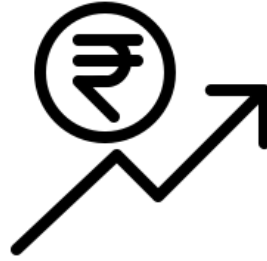
4) ESG

5) Financials

Corporate Profile



Turnover



INRmn 70,810
USDmn 861

Profit Before Tax



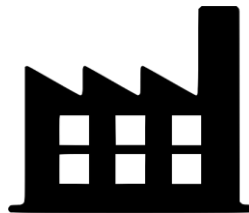
INRmn 6,503
USDmn 79

Market Capitalization



INRmn 208,020
USDmn 2,530

Manufacturing Facilities



8

Distribution Network



103 Depots

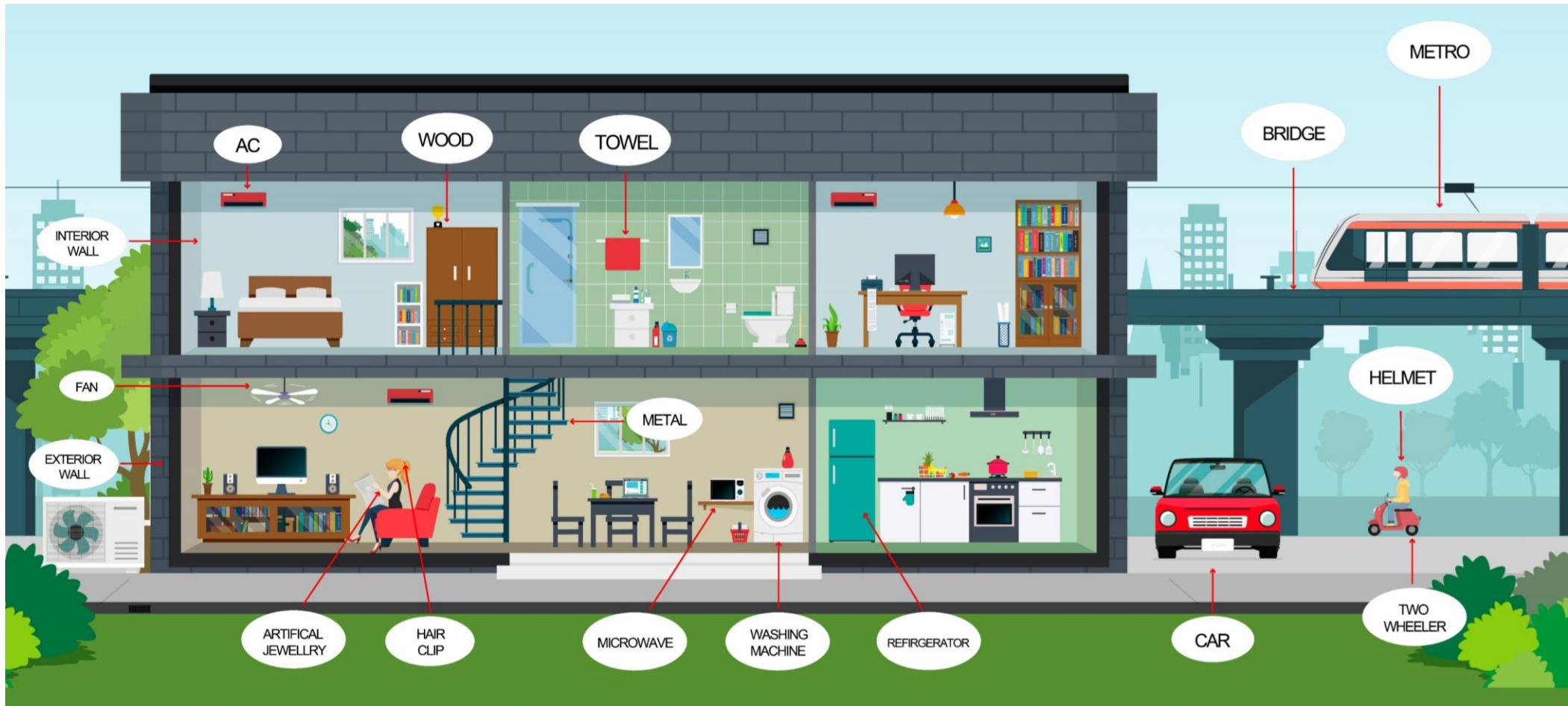
7 Regional Distribution Centres

Human Capital



3,300+
Employees

Purpose: Create environments for a healthy and beautiful future
Vision: We design solutions that protect, inspire and touch lives everyday



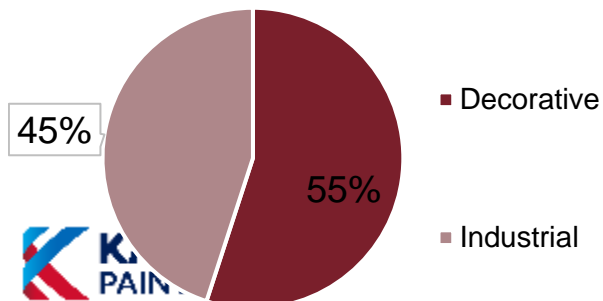
Our Legacy



R&D

- State of the art R&D center
- Technological Tie Ups
- Innovative technologies
- Cutting-edge Solutions

Deco: Industrial



Market Leading Positions Across Categories

AUTOMOTIVE COATINGS



No. 1

POWDER COATINGS



No. 1

DECORATIVE PAINTS



No. 3

PERFORMANCE COATING LIQUID



No.3

AUTO REFINISH



Late Entrant

Business Environment – Macro trends in India

Macro trends in India – Paint Industry

Influencer / Consumer

- Rise of Influencer Power (Painter, Contractor, Architect)
- Young population
- Nuclear family
- Increased involvement of End Consumer

Infrastructure Building

- Strong Infrastructure push
- Strong housing push
- PLI for various key sectors (Auto)
- Paint Industry size big enough to attract direct investments

Urbanization

- Increased competition amongst states for investment
- Creation of more cities
- Demand for premiumisation

Digitalization

- Strong digital push and adoption
- Proliferation of digital channels
- Direct involvement of consumer in the buying process

Technology

- Infrastructure push generating need for better technology across
- Impact on Auto, Housing, Consumer Durables, Infra

Climate

- India a signatory of Climate Change
- Increased penetration of Evs
- Environmentally favourable technology in demand

Business Approach

Decorative

PORTFOLIO EXPANSION

Reinforce the Core

Sustain and Continue to grow in Economy & Popular segments

- ✓ Distribution Expansion
- ✓ Value for money Product Launches
- ✓ To be competitive



Premiumisation

NEROLAC PAINT+

- ✓ Launched differentiated products under Paint+
- ✓ Drive growth in Premium Segment

New Business

Construction Chemicals, Wood finish

- ✓ Complete Product Portfolio range
- ✓ Distribution expansion

GO TO MARKET: ENGAGE DIRECTLY WITH CONSUMER & INFLUENCER TO DRIVE SECONDARY

Influencer Program

- ✓ Paint as a Service
- ✓ Painter Loyalty program
- ✓ Architect & Interior Designer program



Projects Business (B2B)

- ✓ Increase Geographical Reach
- ✓ Build pipeline of Project Sites
- ✓ Separate range of Products

Branding & Digital Spend

- ✓ Build Paint+ equity through differentiated product campaigns
- ✓ Higher Digital Spend
- ✓ Japanese connect & Nerolac Jingle

Paint + Products

Launched **11** new products with differentiated features & saliency of Premium products has gone up by **150+** Basis Points

Products Launched

Unique features

Beauty Gold Washable

Excellent Stain Cleanability

Anti bacterial property

Impression Kashmir

Low Odor

Kills 99% Germs

5 yrs warranty

Super dust resistance

Excel Mica Marble Stretch & Sheen

2X Stretchability

Excellent Dirt Pick Up Resistance

Crack-Bridging Ability

Excel Everlast 12

Anti Algal Encap Technology

Anti Carbonation

Low Dust Pick up

Self Cleaning Characteristic

No Damp +

Upto 14 degree Celsius of surface temperature reduction

Crack Bridging upto 5 mm (Upto 700% film elongation)

Water Pressure Resistivity upto 10 Bars

Perma Damp Lock

High moisture resistance up to 70%

Resist up to 4 Bars negative hydrostatic pressure

Pore blocking technology

Beauty LM Sheen

Affordable Price

Silky Smooth Sheen Finish

Crystal Seal (Perma W/F Putty)

Resist Dampness and Efflorescence

Less dusting while sanding

High Coverage

Crystal forming Technology

New Business

PRODUCT RANGE IN CONSTRUCTION CHEMICALS

- ✓ High end waterproofing (Membrane)
- ✓ Tile Adhesive
- ✓ Admixture
- ✓ General waterproofing & repairs
- ✓ Crack fillers (Sealants)
- ✓ Structural repairs (Micro concrete, RMP)
- ✓ Waterproof putty
- ✓ Industrial grouts

PRODUCT RANGE IN WOOD FINISH

PU

- ✓ 2K PU
- ✓ Polyester
- ✓ Acrylic

Non-PU

- ✓ 1KPU
- ✓ Melamine
- ✓ NC Coatings
- ✓ Ancillaries (thinner, Stainers, Fillers)

- Complete product range of Construction chemicals, Wood finishes
- The saliency of New Business has gone up 

Influencer Program

We have embarked on a journey to engage directly with influencers and consumers.

Paint as a service

Launched **NxtGen** Service for Consumers

Scaled to **145+** cities

Capability developed to do **5000+** sites in a month

Architects & Interior Designers

Launched **Illuminati** program for Architect & Interior Designers

Launched in **25+** cities & further Scaling up

Connected with **4000 +** Architects

Painters (Pragati)

Unique Engagement program for painters

Was the 1st company to launch **Real Time DBT (Direct Bank Transfer)** benefits to painter

Increase share of wallet witnessed in CY for existing buyer

Primary to secondary correlation

Concentrated Efforts being made to increase the **secondary salience** to primary

Dedicated investment in infrastructure building and hiring will ensure consistent growth across all secondary levers

Projects Business (B2B)

Geographical Reach

75+ Towns

Super Series Product Range



Strong Pipelines of
Potential Projects

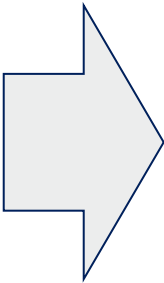
Salience in Deco



Branding & Digital Spend

Nerolac Brand Awareness

Branding spend
(All Media)

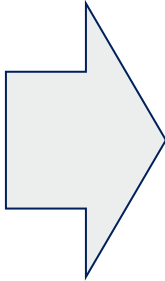
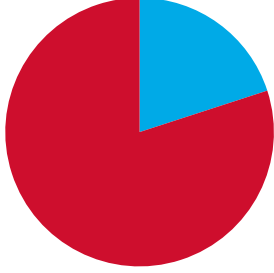
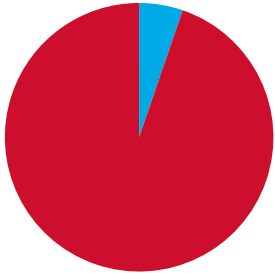
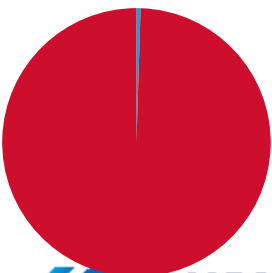


Digital Spend Increase

FY2021-22

FY2022-23

FY2023-24 H1



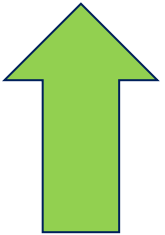
Website Traffic

2X



Lead Generation

4X



Digital Platforms for Customers (Online)

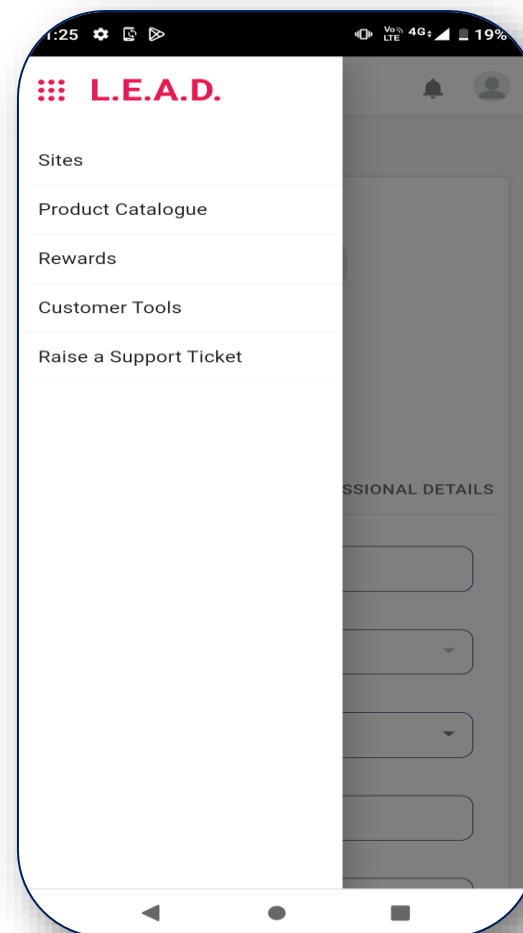
Dealer



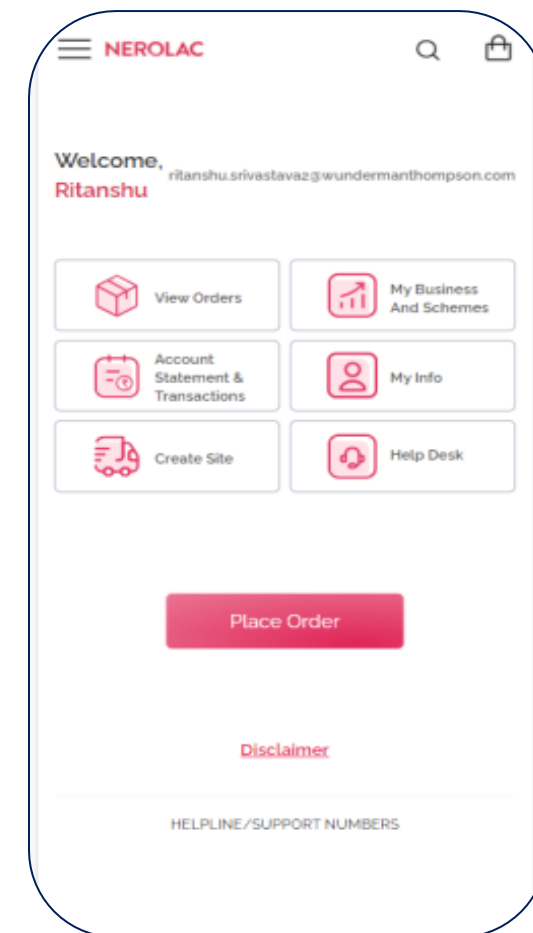
Painter



Architect & Interior Designers



D2C



Retail Platform for Customers (Offline)

NxtGen Shoppe



Nix



Nerolac Paint+ Corner



Industrial

High Market Share – Auto and Powder

SUSTAIN & GROW

New Technology

Key Differentiators

- ✓ Tin free CED
- ✓ 3 Coat 1 Bake (3C1B) system
- ✓ Direct to Metal technology
- ✓ High solids Products
- ✓ Monocoat Products

Premiumisation

Powder

- ✓ Increase salience of Premium Segments like Super durable powders, Rebar coating, Construction Equipment, Pipe coatings, Heat Resistant powders

New Segments

Auto

- ✓ Seam Sealers & Underbody Blacks
- ✓ Alloy Wheels
- ✓ Zinc Flake Coatings
- ✓ PT and Booth Chemicals

New Business

- ✓ Increase presence in identified Accounts
- ✓ Thrust on EVs (KNP well poised)

Auto – New Technology

New Technology

Unique features

Tin Free CED

Heavy Metal Free

*Nano
Pretreatment
Suitable*

*Better Edge
Protection*

High solid Emulsion

3C 1B System

Lower emissions

Higher Productivity

Lean Process

Direct to Metal

Anti Corrosive

*Elimination of
conventional 2 Coat*

High Solids Anti Chip Primer

Higher Application Solid

Low VOC content

Anti Chip property

Corrosion resistance

High performance Solid Monocoat

High Durability

*Better Aesthetic
Performance*

*Lower Energy
Consumption*

Auto – New Segments

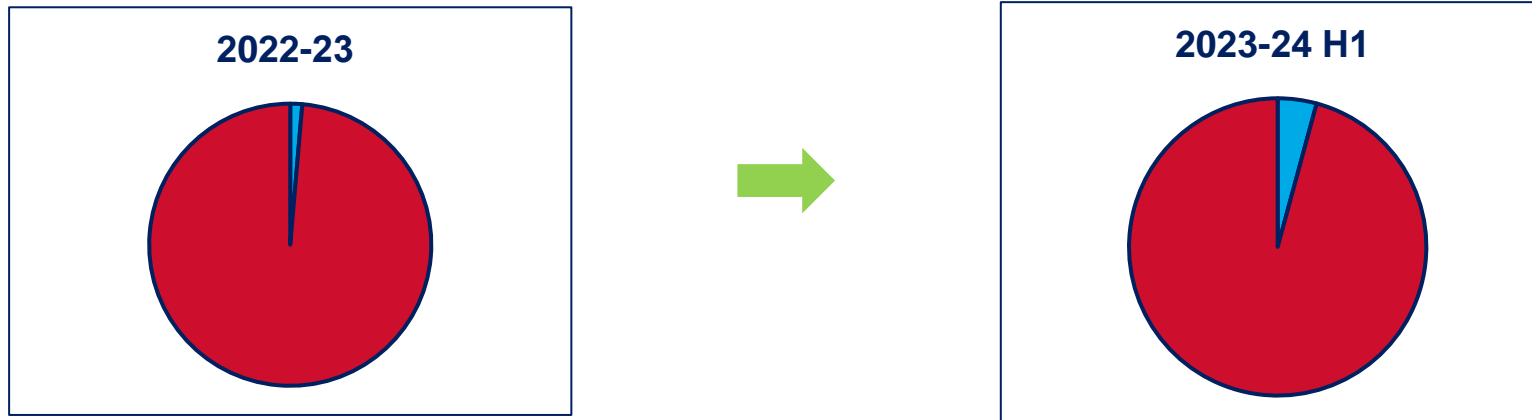
✓ *Alloy Wheels*

✓ *Sealers & Underbody*

✓ *Zinc Flake Coatings*

✓ *PT and Booth Chemicals*

KNP Market Share in New Segments



Increase of salience of New Segments in KNP Auto Business

Powder – New Technology

NEW
TECHNOLOGY

✓ Anti Dirt Pick up

✓ Thermoplastic

✓ Green Technology for chrome replacement

✓ Liquid to Primer

✓ Bonded Metallic

✓ Low Bake / Fast cure

Powder – Premiumisation

KNP
MARKET
SHARE

Increase Market share in premium segment.

PREMIUM
PRODUCT
SEGMENTS

✓ Rebar coatings

✓ Construction equipment

✓ Alloy wheels

✓ Super durables

✓ Pipe coating

✓ Heat resistant powders

KNP
SALIENCE
CHANGE

Salience

PC Liquid

INCREASE MARKET SHARE Organically and In-organically

New Technology

NEW
TECHNOLOGY

✓ *Fluoropolymer based multi coats*

✓ *Anti-carbonation*

✓ *High Solids Direct to Metal*

✓ *2C1B system*

✓ *Internal Pipe Coating*

Premium Segment

KNP
MARKET
SHARE

Increase Overall Market share and drive growth in premium segment.

PREMIUM
PRODUCT
SEGMENTS

✓ *High End Coating for Railways*

✓ *Construction equipment*

✓ *High End Coating for Bridges*

✓ *Appliance coatings*

✓ *Packaging*

✓ *Transformers*



ARF

INCREASE MARKET SHARE

Premiumisation

Body Shops

Network Expansion

Approvals from OEMs

Entry into Finishing Products

ESG

ESG Recognitions & Our Materiality

S&P Dow Jones Indices

A Division of **S&P Global**

Rated in the top 10% globally within the Chemical Industry Group in the CSA S&P ESG Index in 2022

CRISIL

An **S&P Global** Company

- Featured in the Leadership Category
- Amongst the top 14 out of 575+ companies
- Rated #1 in the Paint Sector



FTSE4Good

Ranked in the Top Quartile of FTSE4Good Emerging Index June 2022 Review

Decarbonization

7.9 %



Reduction in Scope 1+Scope2 emissions since FY2018-2019

49 %



Total energy consumption by renewable energy

30 %



Renewable electricity consumption

Resource Use

100 %



Freshwater withdrawal replenished to the community we operate in

28 %



Reduction in specific water Consumption since FY 2018-19

8.85 %



Reduction in Specific Hazardous Waste Generation since FY 2018-19

Quality of Life

65,830



Lives touched through CSR initiatives

Zero



Human rights abuse

Zero



Lost time injury frequency rate

Diversity

Gender



2.5% target achieved

Age



Good mix of youth & experience
25% employees is <30 years
46% employees is 30-40 years
29% employees is > 40 years

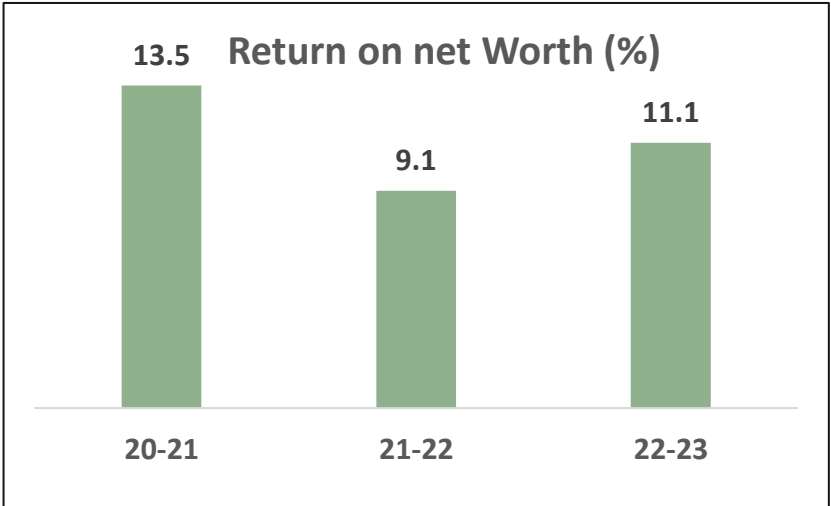
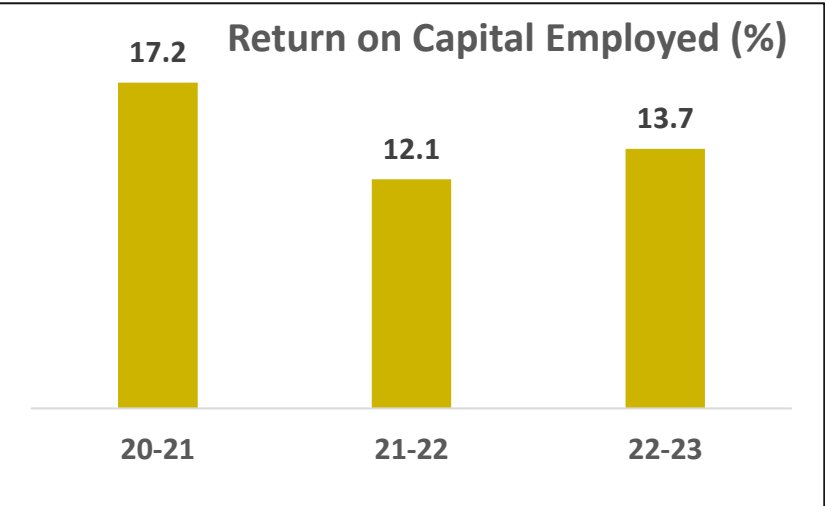
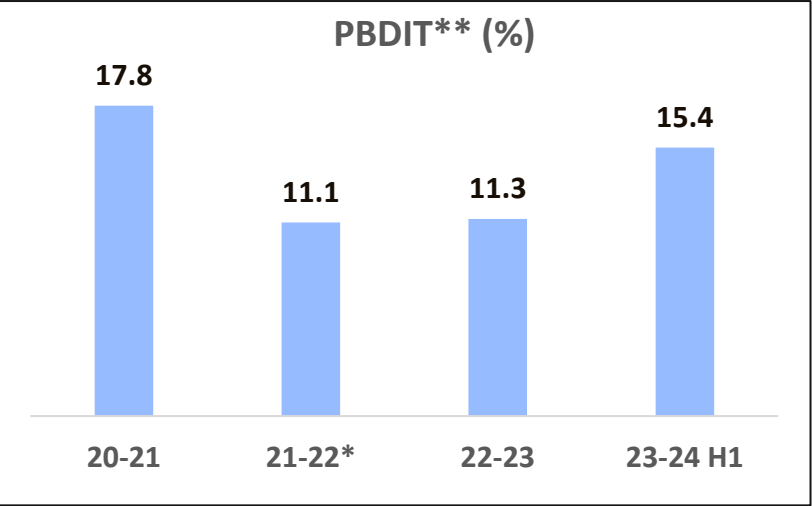
Inclusivity



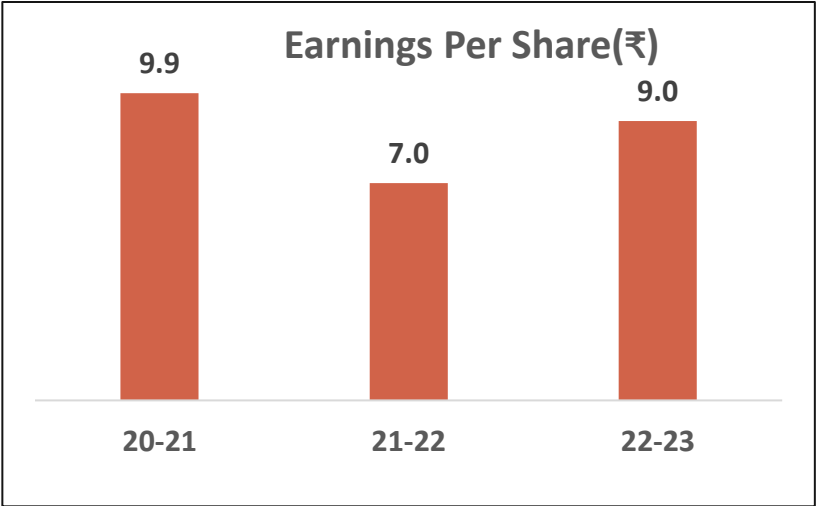
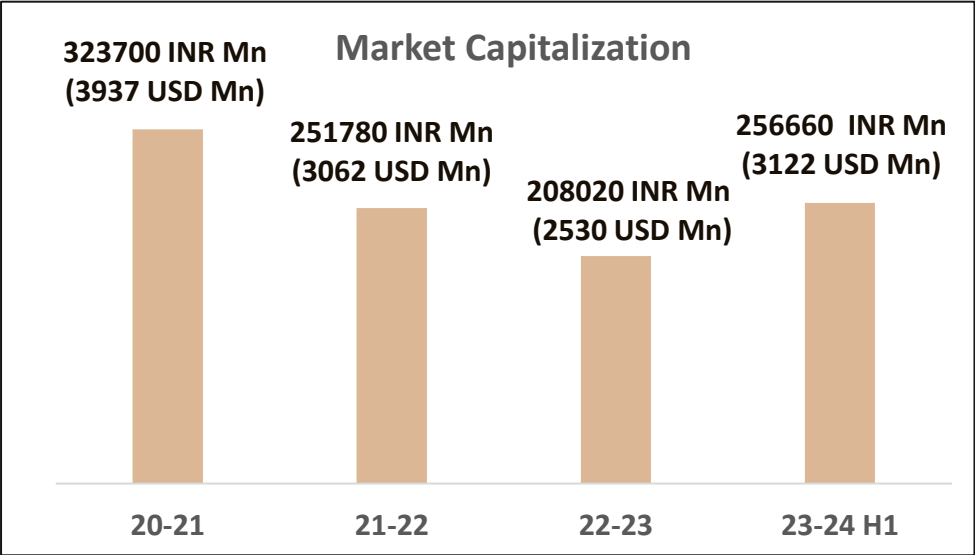
Roadmap made

Financial Ratios

Financials



** Before Exceptional Item
*21-22 Post Merger (Marpol, Perma)



*Market Cap as on 30th Sep, 2023

Thank you
