

January 18, 2024



asianpaints

Current Price:

₹3242.30

## STOCK DATA

BSE Code	500820
NSE Symbol	ASIANPAINT
Reuters	ASPN.BO
Bloomberg	APNT IN

## VALUE PARAMETERS

52 W H/L(Rs)	3566.90/2686.15
Mkt. Cap.(Rs Cr)	311000.69
Latest Equity(Subscribed)	95.92
Latest Reserve (cons.)	16466.03
Latest EPS (cons.) -Unit Curr.	52.97
Latest P/E Ratio -cons	61.21
Latest Bookvalue (cons.) -Unit Curr.	172.66
Latest P/BV - cons	18.78
Dividend Yield -%	0.79
Face Value	1.00

## SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/12/2023
Foreign	18.54
Institutions	10.58
Non Promoter Corporate Holding	5.39
Promoters	52.63
Public & Others	12.87

## Consolidated Financial Result

In Cr.

Particulars	Qtr Ended	Qtr Ended	Var (%)
	Dec. 23	Dec. 22	
Net Sales	9,103.09	8,636.74	5
OPM (%)	22.60	18.70	390bps
OP	2,056.09	1,611.43	28
Other Income	138.58	86.56	60
PBIDT	2,194.67	1,697.99	29
Interest	54.42	41.39	31
PBDT	2,140.25	1,656.60	29
Depreciation	220.35	214.05	3
PBT	1,919.90	1,442.55	33
Share of Profit/(Loss) from Associates	47.88	35.65	34
PBT	1,967.78	1,478.20	33
Taxation	492.62	381.14	29
PAT	1,475.16	1,097.06	34
Minority Interest (MI)	27.44	24.39	13
Net profit	1,447.72	1,072.67	35
EPS (Rs)	15.10	11.19	

### Q3FY24, Operating profit margin improved to 22.59%, beats estimates

Consolidated net sales of Asian Paints have increased 5.40% to Rs 9103.09 crore in Q3FY24 compared to Q3FY23. Operating profit margin has jumped from 18.66% to 22.59%, leading to 27.59% rise in operating profit to Rs 2,056.09 crore. Raw material cost as a % of total sales (net of stock adjustments) decreased from 46.66% to 43.49%. Purchase of finished goods cost fell from 12.61% to 11.53%. Employee cost increased from 6.16% to 6.46%. Other expenses rose from 14.87% to 15.22%.

Other income rose 60.10% to Rs 138.58 crore. PBIDT rose 29.25% to Rs 2194.67 crore. Provision for interest rose 31.48% to Rs 54.42 crore.

PBDT rose 29.20% to Rs 2140.25 crore. Provision for depreciation rose 2.94% to Rs 220.35 crore.

**Profit before tax** grew 33.09% to Rs 1,919.90 crore. Share of profit/loss was 34.31% higher at Rs 47.88 crore. Provision for tax was expense of Rs 492.62 crore, compared to Rs 381.14 crore. Effective tax rate was 25.03% compared to 25.78%.

Minority interest increased 12.51% to Rs 27.44 crore. Net profit attributable to owners of the company increased 34.96% to Rs 1,447.72 crore.

## Segment Highlights

**International business:** Sales was flat in Q3 FY'24 at Rs 779.1 crore from Rs 778.8 crore on the back of macro-economic headwinds, inflation in key markets of South Asia and Egypt. In constant currency terms, sales increased by 5.2%. PBT before exceptional items in Q3 FY'24 was Rs 58.3 crore as against Rs 37.0 crore in the corresponding period of previous year.

Sales decreased by 1.8% in 9M FY'24 to Rs 2,249.1 crore from Rs 2,290.0 crore. PBT before exceptional item was Rs 125.2 crore in 9M FY'24 from Rs 118.3 crore in the corresponding

period of previous year.

**Home Décor business:** Bath Fittings sales decreased in Q3 FY'24 by 5.0% to Rs 85.4 crore from Rs 89.8 crore on the back of weak industry demand. PBDIT loss in Q3 FY'24 was Rs 5.5 crore against profit of Rs 0.1 crore in the corresponding period of the previous year. Sales decreased by 18.8% in 9M FY'24 to Rs 251.5 crore from Rs 309.6 crore. PBDIT loss was Rs 8.4 crore in 9M FY'24 as against profit of Rs 5.5 crore in the corresponding period of the previous year.

Kitchen business sales were flat in Q3 FY'24 at Rs 100.1 crore from Rs 100.7 crore after 4 quarters of de-growth. PBDIT was Rs 4.2 crore in Q3 FY'24 as against a loss of Rs 3.3 crore in the corresponding period of previous year. Sales decreased by 10.6 % in 9M FY'24 to Rs 292.8 crore from Rs 327.5 crore. The business achieved PBDIT of Rs 5.7 crore as against loss of Rs 8.2 crore in the corresponding period of previous year

White Teak and Weatherseal sales at White Teak in Q3 FY'24 increased by 18.3% to Rs 33.7 crore. Sales at Weatherseal more than doubled to Rs 13.7 crore. Sales at White Teak increased by 17.9% in 9M FY'24 to Rs 85.7 crore. Sales at Weatherseal more than doubled in 9M FY'24 to Rs 36.1 crore. Both these recent acquisitions are gaining from synergies with the Asian Paints network.

**Industrial business:** APPPG sales increased in Q3 FY'24 by 10.1% to Rs 288.0 crore from Rs 261.6 crore. PBT in Q3 FY'24 was Rs 33.2 crore as against Rs 25.6 crore in the corresponding period of previous year. APPPG Sales increased by 14.3% in 9M FY'24 to Rs 832.8 crore from Rs 728.6 crore. PBT almost doubled to Rs 100.7 crore in 9M FY'24 as against Rs 51.3 crore in the corresponding period of previous year

PPGAP sales increased in Q3 FY'24 by 12.3% to Rs 576.2 crore from Rs 513.3 crore. PBT in Q3 FY'24 was Rs 128.0 crore as against Rs 91.4 crore in the corresponding period of previous year. PPGAP Sales increased by 10.4% in 9M FY'24 to Rs 1,543.5 crore from Rs 1,398.6 crore. PBT was Rs 287.2 crore in 9M FY'24 as against Rs 180.1 crore in the corresponding period of previous year.

## Other developments

Brownfield expansions at both Khandala and Kasna have been completed with installed production capacity increasing from 300,000 KL p.a. to 400,000 KL p.a. and 80,000 KL p.a. to 100,000 KL p.a. respectively.

## For year-to-date (YTD) results analysis

Net sales (including other operating income) of Asian Paints has increased 4.13% to Rs 26763.97 crore. Operating profit margin has jumped from 17.10% to 22.02%, leading to 34.10% rise in operating profit to Rs 5,893.61 crore. Raw material cost as a % of total sales (net of stock adjustments) decreased from 50.96% to 44.92%. Purchase of finished goods cost fell from 12.41% to 11.05%. Employee cost increased from 5.75% to 6.50%. Other expenses rose from 14.11% to 15.13%.

Other income rose 78.24% to Rs 500.85 crore. PBIDT rose 36.75% to Rs 6394.46 crore. Provision for interest rose 43.14% to Rs 151.07 crore.

PBDT rose 36.60% to Rs 6243.39 crore. Provision for depreciation fell 1.64% to Rs 627.39 crore.

Profit before tax grew 42.80% to Rs 5,616.00 crore. Share of profit/loss was 52.74% higher at Rs 107.68 crore. Provision for tax was expense of Rs 1441.29 crore, compared to Rs 1042.06 crore. Effective tax rate was 25.18% compared to 26.19%.

Minority interest increased 22.09% to Rs 78.88 crore. Net profit attributable to owners of the company increased 46.35% to Rs 4,203.51 crore.

### Management Comment:

"The quarter delivered a decorative & industrial coatings combined value growth of 6.1% with a strong double-digit industrial coatings value growth. The decorative business grew well in luxury and economy segments to register a robust 12 % volume growth and a value growth of 5.5%. Growth was supported by the extended festive season, though we saw some moderation in demand in the latter part of the quarter. Both our Auto OE and General Industrial coating businesses achieved sturdy revenue growths and good profit margins. Our International Business saw growth in the Middle East and Africa and registered increased profitability overall. It, however, continued to remain constrained by macroeconomic headwinds, inflationary pressures in key geographies of South Asia and Egypt. We saw a better quarter in the Home Décor space, with new categories making headway, as we made good progress on integrating our offerings within our Beautiful Homes stores and network. Our margins gained significantly from growth in luxury products and softening raw material prices coupled with operational, formulation and sourcing efficiencies in Q3. Moving forward, we will maintain focus on driving strong sales growth and continue to invest in multiple initiatives and solutions for our customers, building on our leadership position." **said Amit Syngle, Managing Director & CEO of Asian Paints Limited.**

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