

May 12, 2023



asianpaints

Current Price: ₹3138.6

## STOCK DATA

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

## VALUE PARAMETERS

52 W H/L(Rs)	3590.00/2560.25
Mkt. Cap.(Rs Cr)	301053.81
Latest Equity(Subscribed)	95.92
Latest Reserve (cons.)	15896.31
Latest EPS (cons.) -Unit Curr.	43.19
Latest P/E Ratio -cons	72.67
Latest Bookvalue (cons.) -Unit Curr.	166.73
Latest P/BV - cons	18.82
Dividend Yield -%	0.68
Face Value	1.00

## SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/03/2023
Foreign	18.29
Institutions	10.01
Non Promoter Corp. Hold.	5.46
Promoters	52.63
Public & Others	13.62

## Consolidated Financial Result

In Cr.

Particulars	Qtr Ended Mar. 23	Qtr Ended Mar. 22	Var (%)
Net Sales	8,787.34	7,892.67	11
OPM (%)	21.20	18.30	290bps
OP	1,864.76	1,443.29	29
Other Inc.	105.48	80.39	31
PBIDT	1,970.24	1,523.68	29
Interest	38.91	22.62	72
PBDT	1,931.33	1,501.06	29
Depreciation	220.17	205.11	7
PBT	1,711.16	1,295.95	32
Share of Profit/(Loss) from Associates	23.35	8.93	161
PBT before EO	1,734.51	1,304.88	33
EO Income	-24.66	-115.70	79
PBT after EO	1,709.85	1,189.18	44
Taxation	451.44	315.13	43
PAT	1,258.41	874.05	44
Minority Interest (MI)	24.27	23.63	3
Net profit	1,234.14	850.42	45
EPS (Rs)*	13.06	9.73	

### Q4FY23, Margin Improvement, in line with estimates

#### Margin improvement

Asian Paints consolidated net sales increased 11.34% to Rs 8787.34 crore in Q4FY23 compared to Q4FY22. Operating profit margin has jumped from 18.29% to 21.22%, leading to 29.20% rise in operating profit to Rs 1,864.76 crore. Raw material cost as a % of total sales (net of stock adjustments) decreased from 50.77% to 46.28%. Purchase of finished goods cost fell from 12.07% to 10.29%. Employee cost increased from 5.56% to 6.07%. Other expenses rose from 14.04% to 15.67%. Other income rose 31.21% to Rs 105.48 crore. PBIDT rose 29.31% to Rs 1970.24 crore. Provision for interest rose 72.02% to Rs 38.91 crore.

PBDT rose 28.66% to Rs 1931.33 crore. Provision for depreciation rose 7.34% to Rs 220.17 crore. Fixed assets increased to Rs 6,561.57 crore as of 31 March 2023 from Rs 5,702.63 crore as of 31 March 2022. Intangible assets declined from Rs 242.86 crore to Rs 228.48 crore. Profit before tax grew 32.04% to Rs 1,711.16 crore. Share of profit/loss was 161.48% higher at Rs 23.35 crore.

PBT before EO was up 33% to Rs 1734.51 crore. The company reported EO expense of Rs 24.66 crore (represents impairment loss on Goodwill on Consolidation, recognized on acquisition of Causeway Paints, Lanka) compared to EO expense of Rs 115.7 crore. PBT after EO was up 44% to Rs 1709.85 crore. Provision for tax was expense of Rs 451.44 crore, compared to Rs 315.13 crore. Effective tax rate was 26.40% compared to 26.50%. Minority interest increased 2.71% to Rs 24.27 crore. Net profit attributable to owners of the company increased 45.12% to Rs 1,234.14 crore.

## Full year results analysis

Net sales (including other operating income) of Asian Paints has increased 18.51% to Rs 34488.59 crore. Operating profit margin has jumped from 16.51% to 18.15%, leading to 30.32% rise in operating profit to Rs 6,259.84 crore. Raw material cost as a % of total sales (net of stock adjustments) decreased from 53.42% to 49.80%. Purchase of finished goods cost rose from 11.08% to 11.88%. Employee cost decreased from 5.87% to 5.83%. Other expenses rose from 13.84% to 14.50%.

Other income rose 1.70% to Rs 386.48 crore. PBIDT rose 28.22% to Rs 6646.32 crore. Provision for interest rose 51.40% to Rs 144.45 crore. Loan funds rose to Rs 1,932.62 crore as of 31 March 2023 from Rs 1,586.88 crore as of 31 March 2022. Inventories rose to Rs 6,210.64 crore as of 31 March 2023 from Rs 6,152.98 crore as of 31 March 2022. Sundry debtors were higher at Rs 4,636.94 crore as of 31 March 2023 compared to Rs 3,871.44 crore as of 31 March 2022. Cash and bank balance declined from Rs 864.33 crore as of 31 March 2022 to Rs 843.82 crore as of 31 March 2023. Investments rose to Rs 4,261.71 crore as of 31 March 2023 from Rs 3,247.53 crore as of 31 March 2022.

PBDT rose 27.78% to Rs 6501.87 crore. Provision for depreciation rose 5.10% to Rs 858.02 crore. Fixed assets increased to Rs 6,561.57 crore as of 31 March 2023 from Rs 5,702.63 crore as of 31 March 2022. Intangible assets declined from Rs 242.86 crore to Rs 228.48 crore. Profit before tax grew 32.12% to Rs 5,643.85 crore. Share of profit/loss was 197.28% higher at Rs 93.85 crore. Extraordinary items were increased to Rs -48.87 crore. Provision for tax was expense of Rs 1493.5 crore, compared to Rs 1102.91 crore. Effective tax rate was 26.25% compared to 26.34%. Minority interest increased 63.86% to Rs 88.88 crore. Net profit attributable to owners of the company increased 35.50% to Rs 4,106.45 crore.

## Other Highlights

- Double-digit volume and value growth in Decorative Business (India) in Q4 and Full Year.
- Consistent double-digit volume growth trend on 3 yr CAGR basis.
- Non-auto Industrial Business (APPPG) crossed Rs. 1,000 crores mark in the year.
- Double-digit constant currency growth in International Business in Q4 and Full Year
- Committed to Home Décor revenue growing to 8-10% of Decorative Business by Fy'26.
- Sourcing and formulation efficiencies coupled with softening material prices and calibrated price actions resulted in improved PBDIT margin in Q4 as well as for the full year

## Management Comment

"It has been an outstanding year for us with a 14% volume growth and 20% value growth in our standalone business and a net profit growth of 31%. Our growths in both the Industrial coatings have been stellar, growing double digits in volume and value, delivering one of the highest profits in the last 2 decades. Overall, at a consolidated level we crossed Rs. 34,000 crores revenue and along with our décor and services diversification, we are now the largest integrated player in Home Décor Business.

In this quarter we have logged in the highest value ever, with the decorative and non-automotive Industrial businesses registering double digit volume and value growths. We have been able to improve our margins in the quarter sequentially and over last year through our

persistent work on formulation and sourcing efficiencies and also helped by the easing inflation in raw material prices. In Home décor, our new categories of fabrics, decorative lighting, UPVC doors and windows did well, while Kitchen and bath were sluggish. The Global business was good in Middle East and Africa though but slower in Asia, however overall, delivered good bottom line numbers.

Going forward, as a market leader, we will continue to aggressively pursue growth. Our performance will be driven by our consistent focus on customer centricity, innovation, sustained investment in B2B business coupled with our powerhouse brand, robust supply chain and distribution network”, **said Amit Syngle, Managing Director & CEO of Asian Paints Limited.**

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