

May 10, 2024



asianpaints

Current Price:

₹2711.00

STOCK DATA

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

VALUE PARAMETERS

52 W H/L(Rs)	3566.90/2705.00
Mkt. Cap.(Rs Cr)	260038.52
Latest Equity(Subscribed)	95.92
Latest Reserve (cons.)	18632.38
Latest EPS (cons.) -Unit Curr.	56.92
Latest P/E Ratio -cons	47.63
Latest Bookvalue (cons.) -Unit Curr.	195.25
Latest P/BV - cons	13.88
Dividend Yield -%	1.23
Face Value	1.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/03/2024
Foreign	17.14
Institutions	11.66
Non Promoter Corp. Hold.	5.39
Promoters	52.63
Public & Others	13.18

Consolidated Financial Result

In Cr.

Particulars	Qtr Ended Mar. 24	Qtr Ended Mar. 23	Var (%)
Total Income	8,730.76	8,787.34	-1
OPM (%)	19.37	20.94	-157bps
OP	1,691.37	1,840.10	-8
Other income	212.43	128.83	65
PBIDT	1,903.80	1,968.93	-3
Net Finance Charges	54.10	38.91	39
PBDT	1,849.70	1,930.02	-4
Depreciation	225.61	220.17	2
PBT before EO	1,624.09	1,709.85	-5
EO	0.00	-18.13	-
PBT after EO	1,624.09	1,727.98	-6
Tax expense	348.79	451.44	-23
PAT	1,275.30	1,276.54	0
Minority Interest	18.58	24.27	-23
Profit after Minority Interest and Share of profit of Associates	1256.72	1252.27	1
EPS (Rs)	13.10	12.87	

Q4FY24, Margins declined, below estimates

Consolidated net sales (including other operating income) of Asian Paints has declined 0.64% to Rs 8730.76 crore. Operating profit margin has declined from 21.22% to 19.37%, leading to 9.30% decline in operating profit to Rs 1,691.37 crore. Raw material cost as a % of total sales (net of stock adjustments) decreased from 46.28% to 45.90%. Purchase of finished goods cost rose from 10.29% to 10.77%. Employee cost increased from 6.07% to 6.97%. Other expenses rose from 15.67% to 17.15%.

Other income rose 77.39% to Rs 187.11 crore. PBIDT fell 4.66% to Rs 1878.48 crore. Provision for interest rose 39.04% to Rs 54.1 crore. Loan funds rose to Rs 2,474.38 crore as of 31 March 2024 from Rs 1,932.62 crore as of 31 March 2023. Inventories declined from Rs 6,210.64 crore as of 31 March 2023 to Rs 5,923.41 crore as of 31 March 2024. Sundry debtors were higher at Rs 4,889.05 crore as of 31 March 2024 compared to Rs 4,636.94 crore as of 31 March 2023. Cash and bank balance rose to Rs 1,084.01 crore as of 31 March 2024 from Rs 843.82 crore as of 31 March 2023. Investments rose to Rs 4,587.92 crore as of 31 March 2024 from Rs 4,261.71 crore as of 31 March 2023.

PBDT fell 5.54% to Rs 1824.38 crore. Provision for depreciation rose 2.47% to Rs 225.61 crore. Fixed assets increased to Rs 9,425.80 crore as of 31 March 2024 from Rs 6,561.57 crore as of 31 March 2023. Intangible assets increased from Rs 228.48 crore to Rs 419.19 crore. Profit before tax down 6.57% to Rs 1,598.77 crore. Share of profit/loss was 8.44% higher at Rs 25.32 crore. Provision for tax was expense of Rs 348.79 crore, compared to Rs 451.44 crore. Effective tax rate was 21.48% compared to 26.40%.

Minority interest decreased 23.44% to Rs 18.58 crore. Net profit attributable to owners of the company increased 1% to Rs 1,256.72 crore.

Segment Highlights

International business: Sales increased by 2.3% in Q4 FY'24 to Rs 812.3 crores from Rs 794.4 crores. In constant currency terms, sales increased by 4.7% in Q4 FY'24. PBT before exceptional items was Rs 44.2 crores in Q4 FY'24 as against Rs 39.4 crores in the corresponding period of previous year. Sales decreased by 0.7% in FY'24 to Rs 3,061.5 crores from Rs 3,084.4 crores on the back of economic uncertainty, forex crisis and liquidity issues in key markets of Asia and Africa. The business had 3.9% growth in constant currency terms. PBT before exceptional items was Rs 169.5 crores in FY'24 as against Rs 157.7 crores in the previous year.

Home Décor business: Bath Fittings business: Sales decreased by 8.0% in Q4 FY'24 to Rs 88.7 crores from Rs 96.4 crores in the last year due to subdued retail demand. PBDIT loss was Rs 10.0 crores in Q4 FY'24 as against profit of Rs 1.1 crores in the corresponding period of the previous year. Sales decreased by 16.2% in FY'24 to Rs 340.1 crores from Rs 406.0 crores in the last year. PBDIT loss was Rs 18.4 crores as against profit of Rs 6.6 crores for the previous year.

Kitchen business: Sales increased by 2.8% in Q4 FY'24 to Rs 100.7 crores from Rs 97.9 crores. PBDIT was Rs 2.7 crores in Q4 FY'24 as against a loss of Rs 7.4 crores in the corresponding period of previous year. Sales decreased by 7.5% in FY'24 to Rs 393.5 crores from Rs 425.5 crores in the last year. PBDIT was Rs 8.5 crores in FY'24 as against loss of Rs 15.6 crores in the previous year.

White Teak and Weatherseal: Sales at White Teak in Q4 FY'24 increased by 33.3% to Rs 47.7 crores. Sales at Weatherseal in Q4 FY'24 increased by 63.4% to Rs 15.6 crores. Sales at White Teak increased by 23% in FY'24 to Rs 133.4 crores. Sales at Weatherseal more than doubled in FY'24 to Rs 51.7 crores. Both are gaining from synergies with the Asian Paints network.

Industrial business: APPPG sales increased by 8.1% in Q4 FY'24 to Rs 313.2 crores from Rs 289.6 crores. PBT increased by 2.0% to Rs 33.5 crores in Q4 FY'24 as against Rs 32.9 crores in the corresponding period of previous year. APPPG sales increased by 12.6% in FY'24 to Rs 1,146.0 crores from Rs 1,018.2 crores. PBT increased by 59.6% to Rs 134.2 crores in FY'24 as against Rs 84.1 crores in the previous year.

PPGAP sales increased by 10.2% in Q4 FY'24 to Rs 471.2 crores from Rs 427.6 crores. PBT increased by 24.0% to Rs 68.9 crores in Q4 FY'24 as against Rs 55.5 crores in the corresponding period of previous year. PPGAP sales increased by 10.3% in FY'24 to Rs 2,014.7 crores from Rs 1,826.2 crores. PBT increased by 51.1% to Rs 356.0 crores in FY'24 as against Rs 235.7 crores in the previous year

Full year results analysis

Net sales (including other operating income) of Asian Paints has increased 2.92% to Rs 35494.73 crore. Operating profit margin has jumped from 18.15% to 21.37%, leading to 21.17% rise in operating profit to Rs 7,584.98 crore. Raw material cost as a % of total sales (net of stock adjustments) decreased from 49.80% to 45.17%. Purchase of finished goods cost fell from 11.88% to 10.98%. Employee cost increased from 5.83% to 6.62%. Other expenses rose from 14.50% to 15.64%.

Other income rose 78.01% to Rs 687.96 crore. PBDIT rose 24.47% to Rs 8272.94 crore. Provision for interest rose 42.04% to Rs 205.17 crore. Loan funds rose to Rs 2,474.38 crore as of 31 March 2024 from Rs 1,932.62 crore as of 31 March 2023. Inventories declined from Rs 6,210.64 crore as of 31 March 2023 to Rs 5,923.41 crore as of 31 March 2024. Sundry debtors were higher at Rs 4,889.05 crore as of 31 March 2024 compared to Rs 4,636.94 crore as of 31 March 2023. Cash and bank balance rose to Rs 1,084.01 crore as of 31 March 2024 from Rs

843.82 crore as of 31 March 2023. Investments rose to Rs 4,587.92 crore as of 31 March 2024 from Rs 4,261.71 crore as of 31 March 2023.

PBDT rose 24.08% to Rs 8067.77 crore. Provision for depreciation fell 0.59% to Rs 853 crore. Fixed assets increased to Rs 9,425.80 crore as of 31 March 2024 from Rs 6,561.57 crore as of 31 March 2023. Intangible assets increased from Rs 228.48 crore to Rs 419.19 crore. Profit before tax grew 27.83% to Rs 7,214.77 crore. Share of profit/loss was 41.72% higher at Rs 133 crore. Provision for tax was expense of Rs 1790.08 crore, compared to Rs 1493.5 crore. Effective tax rate was 24.36% compared to 26.25%.

Minority interest increased 9.65% to Rs 97.46 crore. Net profit attributable to owners of the company increased 32.97% to Rs 5,460.23 crore.

Management Comment

"We crossed the Rs 35,000 crores consolidated revenue milestone in FY2024. Our Decorative & Industrial coatings combined, delivered a volume growth of 10% and value growth of 3.9% for the year with our Industrial segment registering double-digit value growth. We are the largest integrated Home Décor player. And during the year, we made good progress on launching new collections and expanding our store footprint as well as integrating our Home Décor offerings within our Beautiful Homes network. Profits for the year have grown in strong double digits supported by subdued material prices coupled with sourcing and formulation efficiencies.

Decorative Business volume grew at a healthy clip of 10% in the fourth quarter. However, revenues were 1.8% lower than last year impacted by the weak demand environment and downtrading, particularly in the Premium segment. The Economy and Luxury range though, grew well. Price cuts implemented in the last few months also affected the fourth quarter value. Overall, the coatings revenue including Industrial, was almost flat for the quarter. Our International Business has seen steady growth in the Middle Eastern and African markets but remains constrained by macro-economic headwinds in South Asia and Egypt. Despite these challenges, profit delivery in the Global business has been strong all through the year.

Looking ahead, we remain confident about a pick-up in demand conditions with a favorable monsoon forecast. We will continue to innovate with speed and invest in our brand, focusing on our consumers and keeping their interests at the forefront." **said Amit Syngle, Managing Director & CEO of Asian Paints Limited.**

E-mail: researchfeedback@smcindiaonline.com



Corporate Office:
11/6B, Shanti Chamber,
Pusa Road, New Delhi - 110005
Tel: +91-11-30111000
www.smcindiaonline.com

Mumbai Office:
Lotus Corporate Park , A Wing 401 / 402 ,
4th Floor , Graham Firth Steel Compound,
Off Western Express Highway, Jay Coach Signal,
Goreagon (East) Mumbai - 400063
Tel: 91-22-67341600, Fax: 91-22-28805606

Kolkata Office:
18, Rabindra Sarani,
Poddar Court, Gate No.- 4, 5th Floor, Kolkata-700001
Tel: 91-33-39847000, Fax: 91-33-39847004

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