

July 27, 2020



asianpaints

Current Price: ₹1710.95

STOCK DATA

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

VALUE PARAMETERS

52 W H/L(Rs)	1915.90/1431.85
Mkt. Cap.(Rs Cr)	164113.95
Latest Equity(Subscribed)	95.92
Latest Reserve (cons.)	10034.24
Latest EPS (cons.) -Unit Curr.	20.21
Latest P/E Ratio -cons	84.66
Latest Bookvalue (cons.) -Unit Curr.	105.61
Latest P/BV - cons	16.20
Dividend Yield -%	0.7
Face Value	1

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/06/2020
Foreign	18.21
Institutions	8.95
Govt Holding	0.08
Promoters	52.79
Public & Others	19.97

Financial Results

In Cr.

Particulars	Qtr Ended Jun. 20	Qtr Ended Jun. 19	Var (%)
Total Income	2922.66	5104.72	-43
OPM (%)	16.08	22.64	-29
OP	469.97	1155.87	-59
Other income	47.09	85.71	-45
PBIDT	517.06	1241.58	-58
Net Finance Charges	20.13	26.66	-24
PBDT	496.93	1214.92	-59
Depreciation	191.17	191.75	0
PBT	305.76	1023.17	-70
Tax expense	86.15	351.08	-75
PAT	219.61	672.09	-67
Minority Interest	1.16	16.65	-93
Profit after Minority Interest	218.45	655.44	-67
EPS (Rs)	2.28	6.83	-67

Q1 profit falls 67% to Rs 218 crore but double digit volume growth in the month of June'20, beats estimates

Asian paints consolidated net sales fell 43% to Rs 2922.66 crore for the quarter ended June20 compared to corresponding previous year period. The company operating margins fell 610 bps to 16.6%. As a result operating profit was down 58% to Rs 484.25 crore. Cost of raw material consumed as a percentage of net sales (net of stock adjustment) fell 300 bps to 47.3% while purchase of stock in trade rose 30 bps to 6.7%, employee benefit expense rose 610 bps to 12.7% and other expense increased 210 bps to 16.2%.

Other income of the company fell 36% to Rs 47.09 crore. Interest cost decreased 24% to Rs 20.13 crore. Depreciation remained flat at Rs 191.17 crore. PBT as a result fell 68% to Rs 320.04 crore. The effective tax rate fell to 26.9% compared to 34.7% owing to which the company's PAT fell 65% to Rs 233.89 crore. Considering share of profit of associate net profit and minority interest net profit decreased 67% to Rs 218.45 crore.

Management comments

Amit Syngle, Managing Director & CEO of Asian Paints Limited said, "After a complete washout in April'20 due to extended Lockdown, the Decorative business segment witnessed improving business conditions over the next two months. Thus, while the quarter ended in a negative territory, the business registered a healthy double digit volume growth in the month of June'20 to end the quarter on a promising note. The other business segments in India including the two industrial coatings business and both the segments in the Home Improvement category also witnessed improving trends in June'20, albeit at a lower pace. The International business portfolio did well supported by favourable operating conditions in markets in Middle East and Africa though key markets of Nepal and Bangladesh in Asia were impacted by the pandemic lockdowns. Profitability across businesses was well supported by the softer raw material prices and the various cost control measures being actively pursued."

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: 91-22-67341697

Kolkata Office:
18, Rabindra Sarani, Poddar Court, Gate No-4,
5th Floor, Kolkata - 700001
Tel.: 033 6612 7000/033 4058 7000
Fax: 033 6612 7004/033 4058 7004

SMC Global Securities Ltd. (hereinafter referred to as "SMC") is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, depository services and related activities. SMC is a registered member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited, MSEI (Metropolitan Stock Exchange of India Ltd) and M/s SMC Comtrade Ltd is a registered member of National Commodity and Derivative Exchange Limited and Multi Commodity Exchanges of India and other commodity exchanges in India. SMC is also registered as a Depository Participant with CDSL and NSDL. SMC's other associates are registered as Merchant Bankers, Portfolio Managers, NBFC with SEBI and Reserve Bank of India. It also has registration with AMFI as a Mutual Fund Distributor.

SMC is a SEBI registered Research Analyst having registration number INH100001849. SMC or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities market. SMC or its associates or its Research Analyst or his relatives do not hold any financial interest in the subject company interest at the time of publication of this Report. SMC or its associates or its Research Analyst or his relatives do not hold any actual/beneficial ownership of more than 1% (one percent) in the subject company, at the end of the month immediately preceding the date of publication of this Report. SMC or its associates its Research Analyst or his relatives does not have any material conflict of interest at the time of publication of this Report.

SMC or its associates/analyst has not received any compensation from the subject company covered by the Research Analyst during the past twelve months. The subject company has not been a client of SMC during the past twelve months. SMC or its associates has not received any compensation or other benefits from the subject company covered by analyst or third party in connection with the present Research Report. The Research Analyst has not served as an officer, director or employee of the subject company covered by him/her and SMC has not been engaged in the market making activity for the subject company covered by the Research Analyst in this report.

The views expressed by the Research Analyst in this Report are based solely on information available publicly available/internal data/ other reliable sources believed to be true. SMC does not represent/ provide any warranty expressly or impliedly to the accuracy, contents or views expressed herein and investors are advised to independently evaluate the market conditions/risks involved before making any investment decision. The research analysts who have prepared this Report hereby certify that the views /opinions expressed in this Report are their personal independent views/opinions in respect of the subject company.

Disclaimer: This Research Report is for the personal information of the authorized recipient and doesn't construe to be any investment, legal or taxation advice to the investor. It is only for private circulation and use. The Research Report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. No action is solicited on the basis of the contents of this Research Report. The Research Report should not be reproduced or redistributed to any other person(s) in any form without prior written permission of the SMC. The contents of this material are general and are neither comprehensive nor inclusive. Neither SMC nor any of its affiliates, associates, representatives, directors or employees shall be responsible for any loss or damage that may arise to any person due to any action taken on the basis of this Research Report. It does not constitute personal recommendations or take into account the particular investment objectives, financial situations or needs of an individual client or a corporate/s or any entity/s. All investments involve risk and past performance doesn't guarantee future results. The value of, and income from investments may vary because of the changes in the macro and micro factors given at a certain period of time. The person should use his/her own judgment while taking investment decisions. Please note that SMC its affiliates, Research Analyst, officers, directors, and employees, including persons involved in the preparation or issuance of this Research Report: (a) from time to time, may have long or short positions in, and buy or sell the securities thereof, of the subject company(ies) mentioned here in; or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company(ies) discussed herein or may perform or seek to perform investment banking services for such company(ies) or act as advisor or lender/borrower to such subject company(ies); or (c) may have any other potential conflict of interest with respect to any recommendation and related information and opinions.

All disputes shall be subject to the exclusive jurisdiction of Delhi High court.