

12 February 2022

Department of Corporate Services
BSE Limited
1st floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai - 400 001
Scrip Code: 500710

The Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, 5th floor,
Bandra-Kurla Complex
Bandra (E)
Mumbai – 400051
Symbol: AKZOINDIA

Dear Sir/Madam,

Outcome of Investor Call

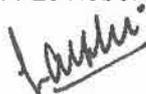
This is further to our intimation dated 10 February 2022.

With reference to regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we hereby inform that a group conference call with various domestic & international investors was held on 11 February 2022 as follows:

Name of Investors	
Aditya Birla Capital	Kredent InfoEdge
Barings Asset Management, Asia	NT Asset Management, Bangkok
Duro Capital Ltd	Pari Washington Company Advisors
Enam Asset Management Co.	Lloyd George Management
Envision Capital	Millenium
HDFC Asset Management Co	Nippon India
ICICI Prudential Asset Management	Tata Asset Management Co
HDFC Life Insurance	Tata Capital
Individual Investors	UTI Asset Management Co.
Jeetay Investments	UTI Mutual Fund
JHP Securities	White Oak Capital

The call was addressed by our senior management. The objective of the call was to discuss the financial results of the Company for the quarter ended 31 December 2021 and address queries. A summary of points discussed in the group call is attached for your reference.

Yours Faithfully,
For Akzo Nobel India Limited



Harshi Rastogi
Company Secretary
Membership#A 13642

Encl: as above.

Magnum Towers, 9th Floor
Golf Course Extension Road, Sector-58
Gurugram - 122 011
Haryana, India

T +91 124 485 2400
www.akzonobel.co.in
www.dulux.in

Investors Call – Q3 2021-22

Opening Remarks - Rajiv

Good evening and welcome to our first Investors call of 2022. I hope you all are keeping healthy and safe.

Q3 2021-22 was a strong progress on our Grow & Delivery agenda. Akzo Nobel India posted its highest quarter revenue with strong contribution from both businesses.

In our **Paints business**, the demand momentum from festive season continued during the quarter. We reported strong double-digit growth across both Premium and Mass categories, reflecting a generally conducive economic environment. With the pickup in Real Estate sector, our Projects business too sustained its growth traction, securing some notable wins during the quarter. Our growth in Metros and urban markets was higher, although semi-urban markets too registered double-digit growth.

Our efforts on increasing reach and depth continue. As at December-end, our footprint covered **~20,000 stores**, **~15,000 tinting machines** and **~175 distributors**. Our network has grown ~50% over past five years since we started expanding and now covers ~5,000 towns.

The Indian economy is on a firm path of infrastructure-fueled growth, and our **Coatings business** is a beneficiary to this trend. Our Coatings business too reported record revenue across all its businesses.

In our MPY coatings, we had strong project gains in Infrastructure, Power, Mining, Coastal & Navy segments.

Similarly, our Industrial Coatings business, which caters to Steel and Packaging industries had wins from both domestic and export orders.

Semiconductor shortage is an industry-wide phenomenon and our Auto & Specialty coatings was partially impacted. However, given our play in aftersales market, the business sustained its growth run in Premium and Value Brand businesses. In fact, we are very happy about Wanda being established as a preferred brand.

The impact of semiconductor shortage was somewhat visible in our Powder coatings which finds end-use in appliances and automotive, but this was offset by steady orders from Architectural, Industrial & Consumer and GTC (General Trading Companies) demand from festive season and supportive Real Estate industry.

India Inc. continued to face **unprecedented cost challenges** and we were no exceptions. Despite Covid-induced global supply chain disruptions and shortages, we maintained continuous supplies to our customers. The RM trend during the quarter necessitated **pricing actions** across both businesses. The **risk from inflationary trend** is likely to carry through in Q4 2021-22 as well, and we remain watchful of the impact.

Let me now invite our CFO, Krishna to share some details of our Q3 2021-22 financial performance.

Financial Performance - Krishna

We achieved our highest quarterly revenue of ₹914 Crs with 18% YoY growth. **Festive demand, conducive business environment, customer centric approach alongwith the pricing execution** drove topline. As of December-end, we had implemented ~17% price increase in our business. Since then, we have already announced another hike of ~4% in January 2022. Pricing in Coatings is slower to translate given the long-term nature of B2B projects.

Our pricing actions have been fairly agile and have helped us **safeguard our profitability** to a large extent. These were able to counter the inflation in absolute terms; however, the impact on margins % remained. Reported CM% for the quarter was 39.2%, ~6% lower than LY.

Our reported **EBIT%** for the quarter was 11.9%. While growth-related OPEX increased, GM and cost efficiencies helped to limit EBIT% dilution to < 3%. This also was a **sequential improvement from Q2**.

Our cost discipline was also reflected by a lower OPEX/ NR ratio (27% in CY, down 4% YoY).

We reported PAT of ₹84 Crs for the quarter.

We reported ₹2,282 Crs revenue during the 9M period, which was 39% increase YoY. We have remained consistent in our margins during this period, with 40.4% GM% and 11.2% EBIT%.

We remain vigilant of two main risks – Covid impact and Raw material cost trend.

I am thankful that the third wave was not as devastating as the second one, yet had some impact on the business environment.

Raw material costs too remain elevated and could likely peak in this quarter. We continue to monitor these closely and assess their impact on profitability.

In view of notable progress on our Grow & Deliver agenda, **strong liquidity and operating cash flows**, and a positive long-term outlook, the Board of Akzo Nobel India recommended an **interim dividend of ₹40 per share**. We are grateful to our investors and shareholders for their unstinted support and remain committed to increasing value for them going forward as well.

Concluding Remarks - Rajiv

As acknowledged by our Global CEO, Thierry Vanlancker, it is an ongoing growth story in India, where we want to keep the middle part between growing but growing in a very healthy way. We continue to remain focused on our core business and strive to maintain profitability.

At Akzo Nobel India, we have always believed in collaborative and inclusive growth. The recent **CII-ITC Sustainability Award for Domain Excellence in CSR** is a testimony to the governance of our CSR programs and the far-reaching impact on the community.

Our Colour of the Year for 2022 was declared as Bright Skies, which reflects the limitless skies above us, giving us the space to redefine the role of our homes, nature, the arts and new voices in our lives. Bright Skies will help us embrace new ideas and shape a new future.

Continuing on this theme, we have a **slew of launches** and some **game-changing innovations in the pipeline**. Digitization too is an ongoing agenda with focus to automate processes, improve customer experience and build in efficiencies.

Exciting times ahead! And we will be pleased to share updates as these fructify.

Thank you for your interest in Akzo Nobel India. We will be happy to address questions that you may have.