



Paint & Coating Industry



NEWSLETTER – APRIL 24

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The Chairman's Message



Greetings from Capital Sprout!

It gives me pleasure to share the Apr-24 issue of Capital Sprout's Wealth Bulletin with you. Where this month's bulletin is about the Paint, **Colour** & Coating Industry and how it affects on Economy & Capital Market.

The core element of the paint & coating industry is "**Colour**" The importance of **Colour** in our life does not require any description. **Colour** influences human perceptions, and affects human behavior, it signifies human liking, disliking and Imagining the world without **Colour**!! COLOUR stands similar position in human life as does WATER. Colour is considered a symbol of happiness & joy and that's why we often used to say it's a "**Colourful** life"

The market size of India's Paint & Coating industry is 9.3 USD Billion, the 3rd largest industry in the world. It's growing at 9% CAGR which is the FASTEST GROWING in the World. The USA & China have been almost paused for the last 5 years, so India has a clear advantage. Asian Paint, India's leading Paint industry is 8th Largest in the world in terms of revenue & manufacturing capacity. The Indian paint industry has adopted many changes in terms of advanced technology, automated manufacturing processes, anticipating the consumption pattern of customers, keeping at par with current **Colour** taste & developing new products & concepts through state-of-the-art research & development infrastructure.

It is just the 1st step for the Indian paint industry. World's Paint Association, Industry analysts have predicted that the coming 2 decades belong to India, It has all the capabilities to become the world leader in the Paint & Coating segment in the coming 15 years.

In this month's newsletter, you will find an analysis of the world's Paint & Coating industry some of India's key economic indicators, a comparison of India's capital market with some of the strongest capital markets in the world and other interesting analysis of 2023.

I hope that readers will find this bulletin valuable.

CA DR Rajesh Khandol

Paint & Coating Industry

Paint and coatings are widely used in the construction industry to decorate and protect exterior and interior structures. They also play a crucial role in the industrial and automotive sectors, providing essential durability and aesthetic benefits.

The paint and coating industry, though a small-cap segment in the overall economic framework of any country, plays a crucial role in driving various sectors such as chemicals, clay, pigments, and other ancillary industries. It operates an extensive wholesale and retail dealership network, generating significant employment opportunities.

There are broadly 3 applications of Paint & Coating:



Architectural Use	Industrial Use	Automotive Use
<ul style="list-style-type: none">➤ Residential Building➤ Commercial Building Structure➤ Wooden & Other Structures	<ul style="list-style-type: none">➤ Factory Shed➤ Warehouse➤ Plant & Machinery➤ Other Engineering Structure	<ul style="list-style-type: none">➤ Vehicle Body Paint➤ Vehicle Ceramic Quoting

Architectural use

The primary application of paint and coatings is in architecture. The exterior appearance of a building plays a crucial role in its overall impression, regardless of the quality of the building materials or the cost of construction. Paint and colour hold the power to transform an ordinary building into an attractive one, and vice versa.

The industry must consider multiple factors, including market trends, geographical consumption patterns, customer perceptions, and new inventions in decorative styles. Ignoring market trends can quickly render it obsolete.



Industrial use

Industrial painting is a specialized field that focuses on applying paint and coatings to various surfaces. This process requires specific knowledge and expertise to ensure the coatings protect surfaces from corrosion, rust, and other environmental factors. As a result, these surfaces last longer and perform better, reducing maintenance and repair costs due to the protective properties of the coatings.

The use of paint and coatings in the industry has increased recently. By investing in paint and coatings, companies can protect their expensive machinery and delay the need for costly replacements. This small investment can lead to significant savings by extending the lifespan of equipment and structures.



Automotive Industry Use

Automotive paint and coating technologies have advanced significantly over the past few decades. The shifting preference of consumers towards attractive texture and improved aesthetic appearance of the vehicles drives the global automotive paints & coatings market growth significant benefits offered by paints & coatings such as UV protection and colour retention are gaining high popularity.





Global Paint & Coating Industry

According to Fortune Business Insight, a leading business research agency, The Global paints and coatings market size was valued at \$179.98 billion in 2023 & is projected to grow to reach \$303.97 billion by 2032 with an estimated 4.50 % CAGR Growth Rate

Market growth is mainly driven by increasing demand in the construction industry, with the automotive, general industrial, coil, wood, aerospace, railing, and packaging coatings markets also driving demand growth

Market size of paint & coating industry

The statistics indicate that the USA & China are still way ahead in terms of market size but statistics also say that India is the 3rd largest in terms of Market size of the Paint & coating industry and it is the fastest-growing country

Sl no	Country	Market size in Billion USD 2023	CAGR growth in last 5 years
1	USA	33.4	5.02%
2	China	27.12	4.77%
3	India	9.56	9.38%
4	Japan	7.2	2.85%
5	Germany	1.06	3.22%
6	UK	2.76	3.84%

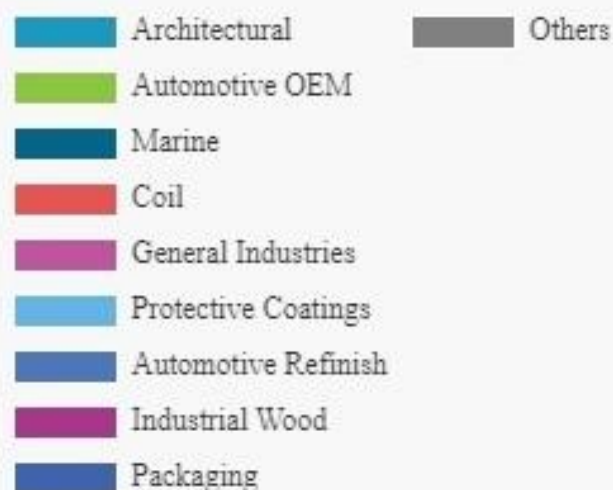
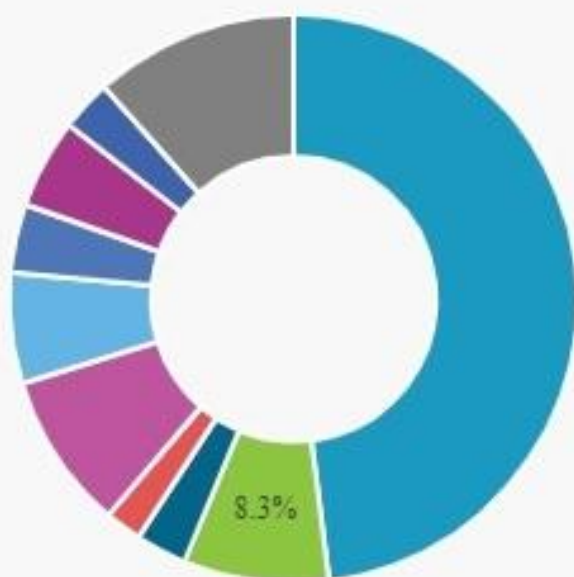


Leading paint & coating companies worldwide in 2023



Name Of The Company	Country	Revenue In USD Billion	Profit In USD Billion	Stock Price CAGR Returns Of 3 Years	Stock Price CAGR Returns Of 5 Years	Market Cap In USD Billion 08-05-2024
Shwerin Williams	Usa	22.23	3.1	14.01%	25.02%	81
Ppg Industries	Usa	18.23	1.74	-7%	6.05%	31.33
Akzo Noble	Netherland	11.99	0.52	-13%	-3%	10.92
Nippon Paint	Japan	10.25	1.13	-2%	-10%	16.32
Rpm International Inc	Usa	7.28	0.47	5%	18%	14.47
Axtalia	Usa	5.05	0.35	12%	2%	7.98
Kansai Paints	Japan	3.73	0.71	-10%	-9%	2.85
Asian Paints	India	4.29	0.89	2%	15%	31.15

Global Paints and Coatings Market Share, By Application, 2023





Key Statistics – Indian Paint & Coating Industry

Market size	In USD billion of 2023	9.56
Rank in world		3 rd Largest
Fastest growing market in the world	Last 5 years CAGR	9%
Total production capacity	2022-23	12.50 million KL / annum
Application break up	Architectural	57%
	Industrial	27%
	Automotive	15%
Export value	In USD billion	0.73
	In FY 2022-23	
Leading Indian company Asian Paints	8 th Largest in the world	
	Global presence in countries	16
	Manufacturing units	37
	Current capacity	17.30 lakh kl / annum
	Revenue in USD billion	4.29
	Profit in USD billion	0.89

Top Indian-listed Companies In The Paint Industry

Name Of Company	FY 2022-23		Capital market data (As Of 09-05-2024)		
	Turnover [Amt In INR Crore]	Net Profit Amt In INR Crore]	Current Price	Market Cap [Amt In Inr Crore]	P/ E Ratio
Asian Paints	34,489	4,195	2,710	2,59,865	47.6
Berger Paints	10,586	860	481	56,087	49.6
Kansai Nerolac	7,543	468	277	22,388	33
Akzo Nobel	3,802	335	2,465	11,248	27.2
Indigo Paints	1,073	132	1,375	6,556	45.6
Shalimar Paints	486	-36	158	1,337	-
Retina Paints	10.04	0.3	78.7	110	-
MCON Rasayan	31	1.14	129	81.2	52



Conclusion

What does the future hold for the paint and coating industry in India? In a word: "Bright." While global market leaders like the USA, China, and Japan have faced challenges over the past decade, India has emerged as a strong contender in this segment. India is now the fastest-growing paint market in the world, achieving a 9% CAGR over the past five years and is expected to grow at a 10% CAGR through 2030.

The world is advancing rapidly, and industries must adapt to keep pace. The paint market is no exception, with customer perceptions, tastes, and industry demands constantly evolving. The Indian paint industry is prepared to meet these challenges, significantly expanding its capacity. Investments in research and development have become a crucial factor distinguishing successful companies in the recent past.

India is vigorously striving to become the world's largest Paint & Coating industry within the next 15 years, a forecast echoed by renowned industrial paint organizations and research institutions worldwide. With the combined efforts of business conglomerates, state-of-the-art Research & Development infrastructure, and an anticipated stable government with pro-development policies, such projections should not come as a surprise. As the slogan 'Har ghar kuch kehta hai', 'jab Ghar Ki Ronak Badhhani Ho' resonates in America, Europe, and Japan, highlighting the desire to enhance the ambience of every home, India's potential in the global paint and coating market becomes increasingly evident.



Performances



Equity Market

Indices	01 st April, 2024	30 th April, 2024	High	Low
BSE S&P SENSEX	73,968.62	74,482.78	75,124.28	71,816.46
NIFTY 50	22,455	22,604.45	22,783.35	21,777.65

Mutual Fund

AUM Data of Mutual Fund for the Month of March 2024

(INR. In Lakh Crore)

Particulars	AUM As On 31-03-2024	Fresh Fund Mobilize During April– 24	Redemption During April-24	AUM As On 30-04-2024
Total AUM of all mutual funds scheme	54.59	11.14	8.74	56.99
AUM of equity oriented (growth) schemes	24.55	0.55	0.36	24.74

Source: Association of Mutual Fund of India (AMFI)

Performances

SIP Contribution

(INR. In Crore)

Year	SIP Contribution	SIP AUM
April-2024	20,371	11,26,129

FII & DII Inflow/Outflow Position

FII's selling in the month of April-24 is 0.36 Lakh.

DII's Buying in the month of April-24 is 0.44 Lakh.

Inflow/Outflow position in the month of April 2024

(INR. In Crore)

FII /DII	Gross Purchase	Gross Sale	Net
FII	2.78 Lakh	3.14 Lakh	(0.36)Lakh
DII	2.58 Lakh	2.14 Lakh	0.44Lakh

