

17th June, 2020

The Secretary
BSE Ltd.
Corporate Relationship Dept.,
14th floor, P. J. Tower,
Dalal Street, Fort
Mumbai - 400 001
Stock Code – 500331

The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051
Stock Code - PIDILITIND

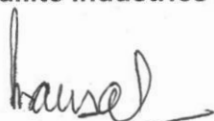
Dear Sir,

Sub: Press release

Please find attached the press release dated 17th June, 2020.

Thanking You,

Yours faithfully,
For Pidilite Industries Limited



Puneet Bansal
Company Secretary

Encl. as above

Pidilite Industries Limited

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Press release
For immediate release
June 17th, 2020

Pidilite Industries reports standalone net sales growth of 4% over the last year, and EBITDA growth of 14% for year ended 31st March, 2020

Mumbai, June 17, 2020: Pidilite Industries Limited, India's leading manufacturer of adhesives, sealants and construction chemicals today announced its financial results for the quarter and year ended March 31, 2020.

As a result of the nation-wide lockdown declared in March 2020, the standalone net sales in the last ten days of the quarter, and of the year, were lower than the same period last year by around Rs 150 crores. This is equivalent to around 11 % of Q4 net sales last year.

Lower sales in the last ten days of the quarter and the year resulted in Q4 standalone net sales growth reducing from around 9.6% as on 21st March 2020 to – 4.3%* as on quarter end. FY standalone net sales growth reduced from around 7.1% as on 21st March 2020 to 4.0%* as on year end. The consequent impact on standalone EBITDA growth is estimated at a reduction of 29 percentage for Q4, and 6 percentage for FY.

**Audited numbers, all other numbers are not reviewed/audited by auditors.*

The operations at all our factories, warehouses and branches have started in a phased manner during May and June with all requisite safety protocols being adhered to in a stringent manner. Most of the employees are working from home and necessary office connectivity is in place.

While April'20 sales ground to a halt due to closure of most markets, in May and June we have seen the country open up for business gradually with Rural markets restarting quicker vis a vis Urban markets. We observe that markets in the South and East have opened up gradually with North and West being slower to open up. Large cities continue to be constrained, especially those in West, North and Central India. We continue to see challenges around labour availability in our own units – warehouses/factories as well as at users/customers. As normalcy returns slowly across various markets we remain cautious and focused on restoring volumes enabled by investments in brand building, growth categories, capabilities and sales and distribution.

FINANCIAL PERFORMANCE

Consolidated Performance

- Net sales at Rs 1,535 Cr declined by 6% over the same quarter last year. Net sales for the year ended stood at Rs 7,254 Cr and grew by 3% over last year.
- EBITDA before non-operating income stood at Rs 303 Cr a growth of 9% over the same quarter last year. EBITDA for the year ended stood at Rs 1,580 Cr and grew by 15% over last year.
- Profit before Tax and Exceptional Items (PBT) at Rs 255 Cr declined by 12% over the same quarter last year. PBT for the year ended stood at Rs 1,525 Cr and grew by 12%.
- Profit after tax (PAT) at Rs 157 Cr declined by 34% over the same quarter last year (Excluding exceptional items* and previous year tax write back** declined by 3%). For the year ended, profit after tax at Rs 1,122 Cr grew by 21% (excluding exceptional items* grew by 24%).

**Exceptional item represents impairment loss on plant and machinery at Dahej Elastomer Project amounting to Rs. 33 Cr for current quarter and Rs. 55 Cr for current year and impairment in value of investment amounting to Rs. 11 Cr for same quarter last year and Rs. 18 Cr for last year.*

Standalone Performance

- Net sales at Rs 1,308 Cr declined by 4% over the same quarter last year. Net sales for the year ended stood at Rs 6,290 Cr and grew by 4% over last year with sales volume & mix growth of 2%. This was driven by 2% growth in sales volume & mix of Consumer & Bazaar and 4% growth in sales volume & mix of Business to Business.
- EBITDA before non-operating income stood at Rs 286 Cr and grew by 8% over the same quarter last year, on account of softening of input cost by 471 bps. EBITDA for YTD Mar'20 stood at Rs 1,485 Cr and grew by 14% over last year.
- Profit before Tax and Exceptional Items (PBT) at Rs 262 Cr declined by 7% over the same quarter last year mainly due to lower income from investment in current year. PBT for the year ended stood at Rs 1,496 Cr and grew by 9% (excluding exceptional items+ in current year and income from inter-company transfer of intangible assets and dividend income from subsidiaries, in last year, grew by 13%) over last year.
- PAT at Rs 160 Cr declined by 34% (Excluding exceptional items + and previous year tax write back** growth of 3%) over the same quarter last year. For the year ended, PAT at Rs 1,102 Cr grew by 13%. Excluding exceptional items+ in current year and income from inter-company transfer of intangible assets and dividend income from subsidiaries and effect of tax thereon, in last year, grew by 23%. Effective tax rate for the year has been reduced from 28.8% to 22.4% due to reduction in corporate tax rate.

+ Exceptional item represents impairment loss on plant and machinery at Dahej Elastomer Project amounting to Rs. 33 Cr for current quarter and Rs. 55 Cr for current year and impairment in value of investments of a subsidiary amounting to Rs. 4 Cr for current quarter.

**Current tax for the same quarter last year includes Rs 53 crores being excess provision of earlier years written back.

Commenting on the quarter performance, Mr. Bharat Puri, Managing Director, Pidilite Industries Ltd, said:

Q4 2019-20:

“The quarter performance was significantly impacted by the lockdown on account of the pandemic as well as related disruptions in the supply chain. While top line growth remains subdued, earnings have improved substantially, primarily as a result of softer input costs. Covid 19 is a significant challenge and Pidilite remains committed to working with our partners to overcome this crisis. As normalcy returns slowly across various markets we remain cautious and focused on restoring volumes enabled by investments in brand building, growth categories, capabilities and sales and distribution”

About Pidilite:

Pidilite Industries Limited is a leading manufacturer of adhesives and sealants, construction chemicals, craftsmen products, DIY (Do-It-Yourself) products and polymer emulsions in India. Our products range also includes paint chemicals, automotive chemicals, art materials and stationery, fabric care, maintenance chemicals, industrial adhesives, industrial resins and organic pigments & preparations. Most of the products have been developed through strong in-house R&D. Our brand name Fevicol has become synonymous with adhesives to millions in India and is ranked amongst the most trusted brands in the country. Some of our other major brands are M-Seal, Fevikwik, Fevistik, Roff, Dr. Fixit, and Fevicryl.