



**Pidilite Industries Ltd.**



**Q3 FY21  
Earnings Presentation**

*This presentation may contain statements which reflect the management's current views and estimates and could be construed as forward looking statements.*

*The future involves certain risks and uncertainties that could cause actual results to differ materially from the current views being expressed.*

*Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.*

- ❖ Strong Retail Consumer Demand due to decline in Covid cases and market mobility on the rise.
- ❖ Strong Rural Demand supported by recovery in Urban (Metros and Tier 2 Cities) as economy on revival path.
- ❖ Resurgence in Industrial and Manufacturing activities and resumption of real estate and construction.
- ❖ Growth Momentum for General Trade with Alternate Trade Channels on the rise.
- ❖ Inflationary pressure elevated on Raw materials with rising crude prices.

- Financial Highlights



# Q3 FY21 Earnings Summary



|                     | Net Sales          | EBITDA *         | PBT*             | PAT              |
|---------------------|--------------------|------------------|------------------|------------------|
| <b>Consolidated</b> | <b>Rs 2,290 Cr</b> | <b>Rs 641 Cr</b> | <b>Rs 601 Cr</b> | <b>Rs 446 Cr</b> |
| <b>YoY Growth</b>   | 19.5%<br>16.4%     | 38.1%<br>32.5%   | 32.3%<br>26.6%   | 29.0%<br>23.4%   |
| <b>Standalone</b>   | <b>Rs 1,948 Cr</b> | <b>Rs 572 Cr</b> | <b>Rs 549 Cr</b> | <b>Rs 409 Cr</b> |
| <b>YoY Growth</b>   | 17.9%              | 33.2%            | 26.6%            | 23.9%            |

\* EBITDA is before non operating income. PBT is Profit before tax and Exceptional Items

excluding PAPL is shown in shaded portion



# 9M FY21 Earnings Summary



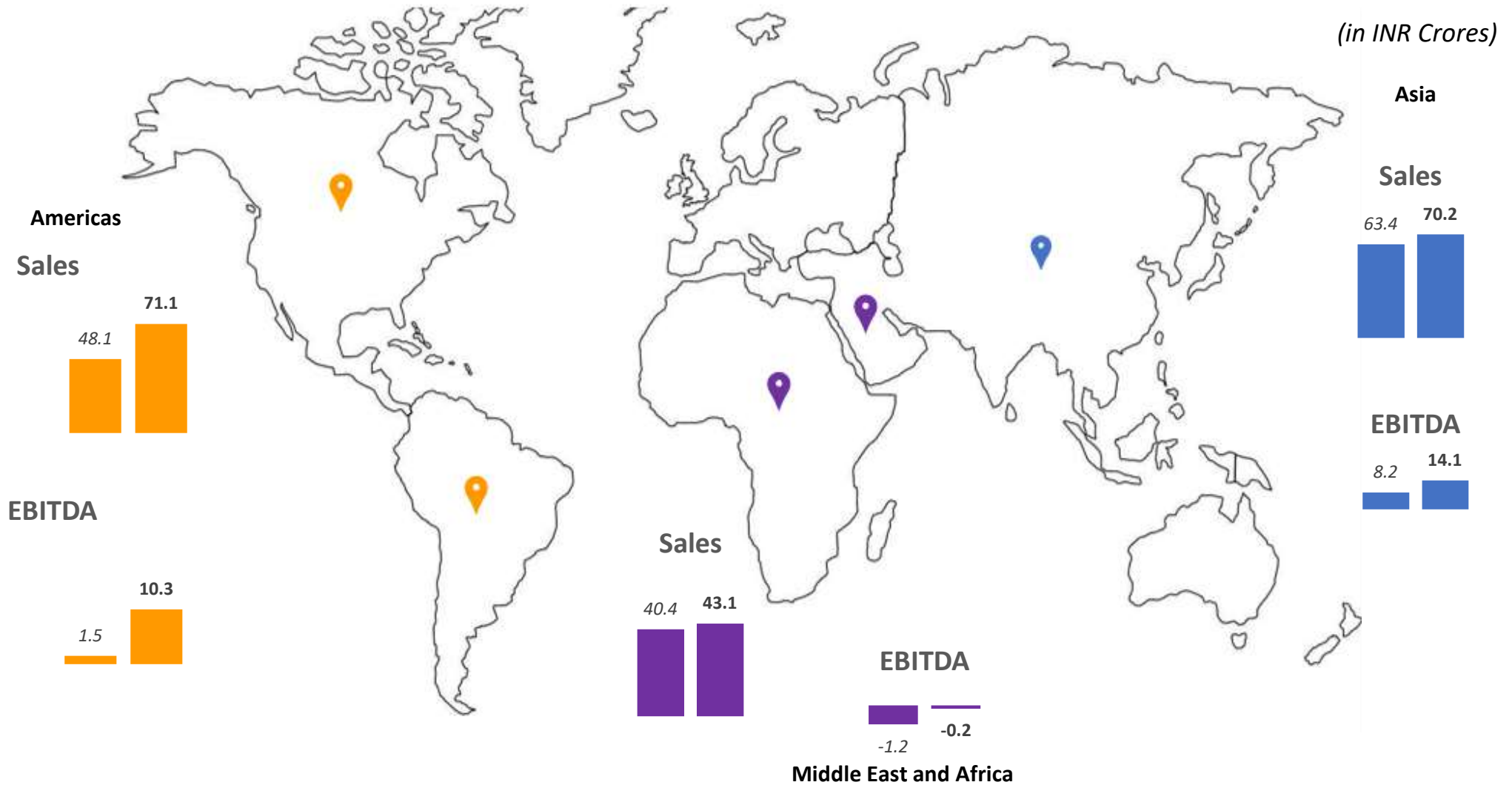
|              | Net Sales          | EBITDA *         | PBT*               | PAT                  |
|--------------|--------------------|------------------|--------------------|----------------------|
| Consolidated | Rs 5,021 Cr        | Rs 1,223 Cr      | Rs 1,111 Cr        | Rs 819 Cr            |
| YoY Growth   | - 12.2%<br>- 13.2% | - 4.3%<br>- 6.3% | - 12.5%<br>- 14.5% | - 15.2%**<br>- 17.2% |
| Standalone   | Rs 4,335 Cr        | Rs 1,142 Cr      | Rs 1,081 Cr        | Rs 805 Cr            |
| YoY Growth   | - 13.0%            | - 4.8%           | - 12.4%            | -14.6%<br>**         |

\* EBITDA is before non operating income. PBT is Profit before tax and Exceptional Items

\*\*Due to tax reversal in PY with reduction in corporate tax rate, on like to like basis PAT declined by 11.9% (Standalone) & 12.6% (Consolidated) excluding PAPL is shown in shaded portion

- Broad based growth across all businesses and geographies.
- The Consumer and Bazaar businesses grew volumes in excess of twenty percent.
- B2B segment also returned to double digit growth due to resurgence in Industrial activities .
- Material cost (Consolidated) as a % to net sales is lower by 105 Bps vs same quarter last year and higher by 80 Bps vs previous quarter.
- EBITDA growth driven by favourable input cost and lower discretionary spends. However, with significant inflation in input costs, margins will be under pressure in the coming quarters.
- Overseas subsidiaries performed strongly reporting double-digit constant currency revenue growth as well as earnings growth.
- While Domestic Subsidiaries in the C&B segment have shown healthy growth, subsidiaries in the B2B segment have shown signs of recovery in the latter part of the quarter.

# Q3 FY21 Overseas Subsidiaries Performance



- Amounts are like for like actual reported numbers excluding translations and other consolidation impacts
- Amounts in 'bold' denotes CY



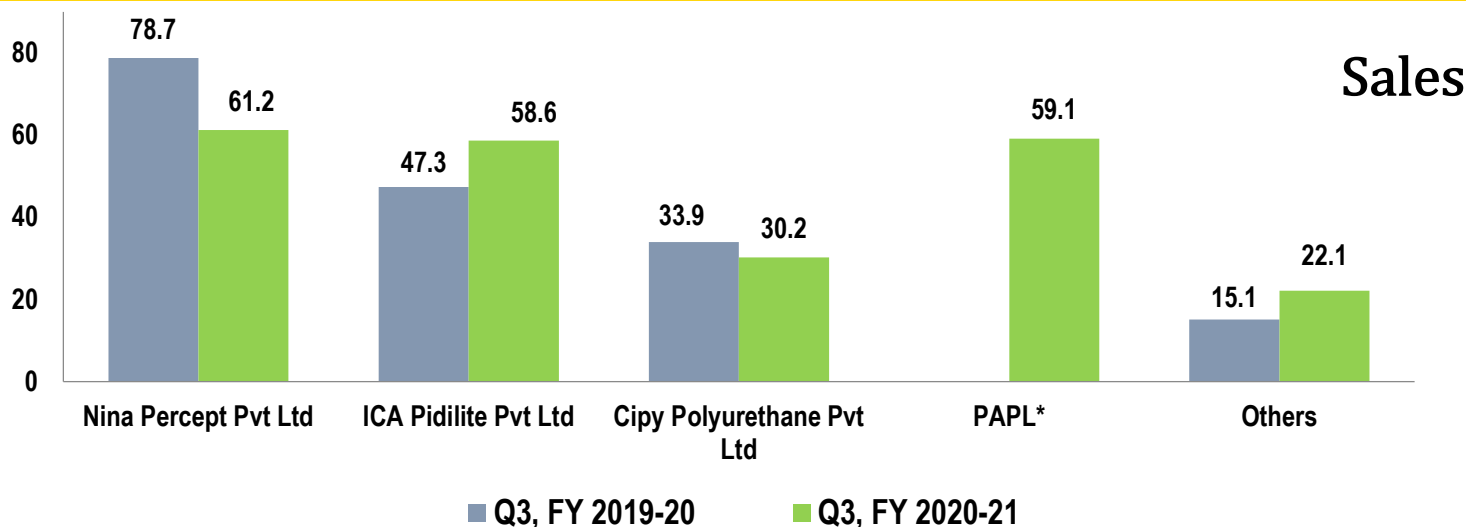
# 9M FY21 Overseas Subsidiaries Performance



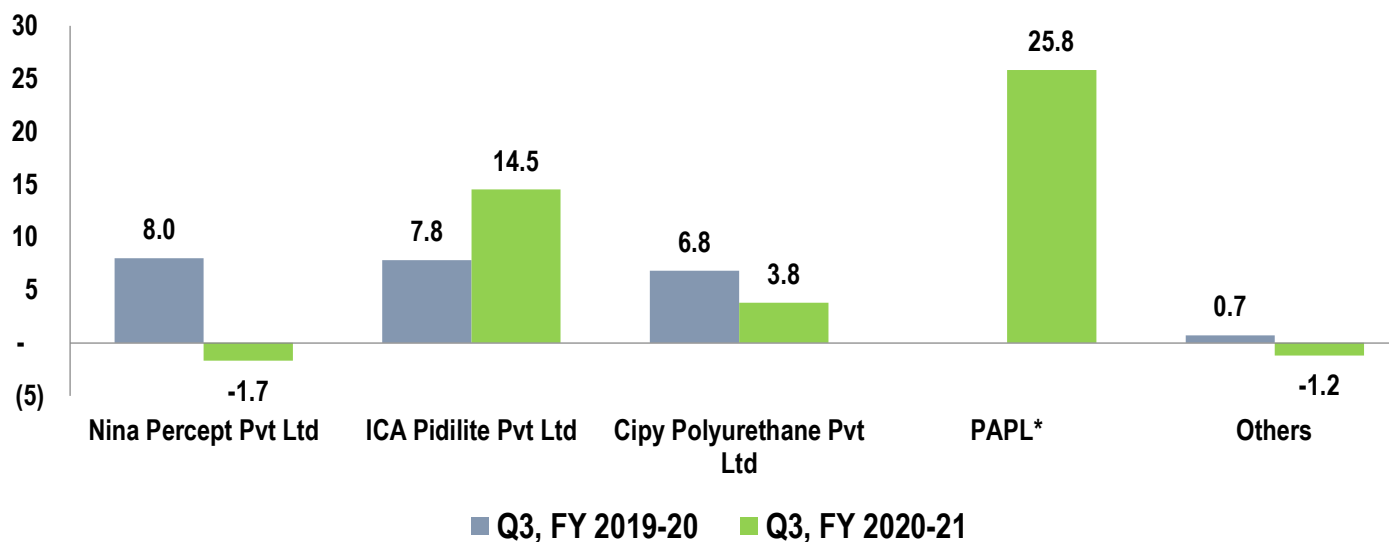
# Including tax gain pertaining to earlier years in CY in Americas of Rs 9.5 Cr.

- Amounts are like for like actual reported numbers excluding translations and other consolidation impacts
- Amounts in '**bold**' denotes CY

# Q3 FY21 Domestic Subsidiaries Performance



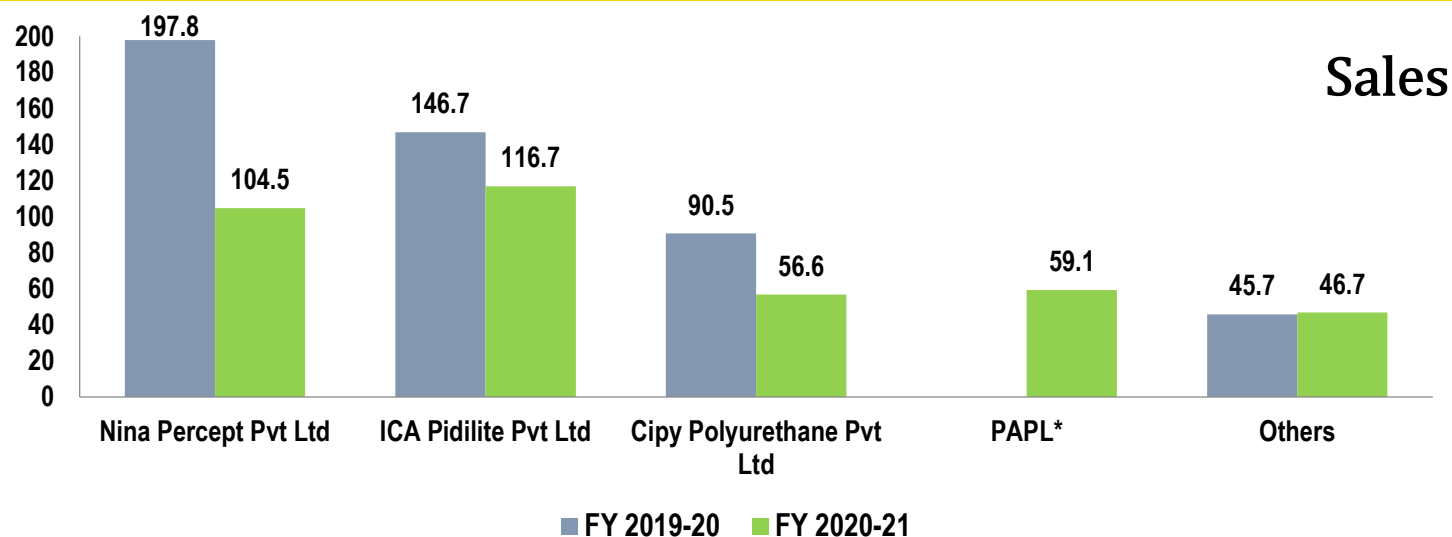
### EBITDA



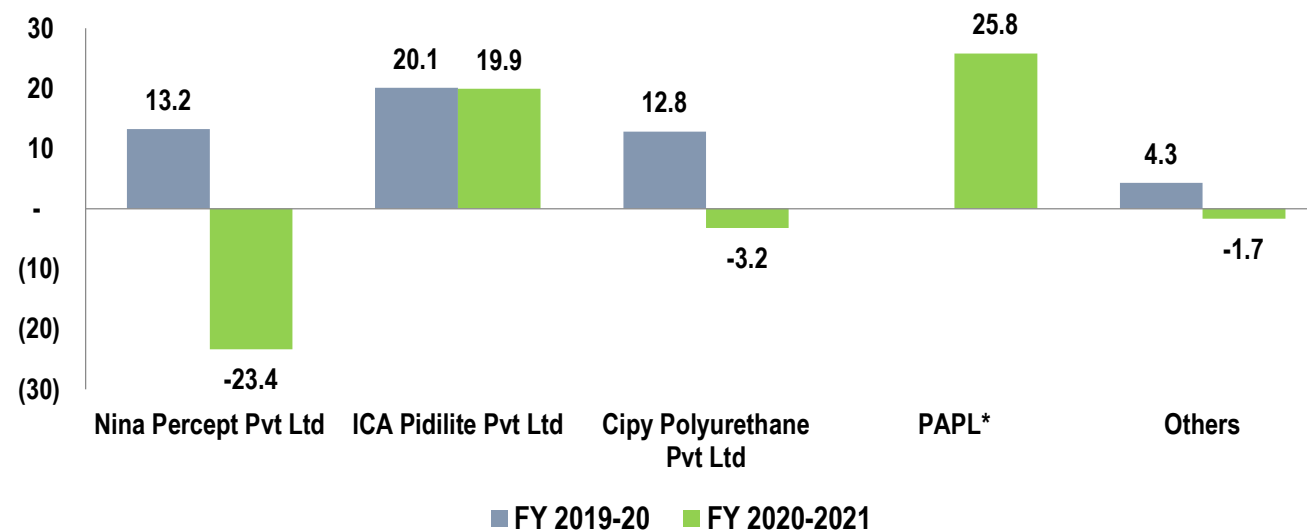
\*The Company acquired 100% stake in Pidilite Adhesives Pvt Ltd (PAPL) [Formerly known as Huntsman Advanced Materials Solutions Private Limited (HAMSPL)] on 3<sup>rd</sup> November 2020.

EBITDA is before exception items. Figures are reported excluding other consolidation impacts.

# 9M FY21 Domestic Subsidiaries Performance



### EBITDA



\*The Company acquired 100% stake in Pidilite Adhesives Pvt Ltd (PAPL) [Formerly known as Huntsman Advanced Materials Solutions Private Limited (HAMSPL)] on 3<sup>rd</sup> November 2020.

EBITDA is before exception items. Figures are reported excluding other consolidation impacts.



# Update on PAPL



- On 3rd November 2020, Pidilite acquired 100% stake in Huntsman Advanced Materials Solutions Privat Limited (HAMSPL).
- HAMSPL name changed to Pidilite Adhesives Private Limited ('PAPL')
- PAPL sells Adhesives, Sealants and other products under well-known brands such as Araldite, Araldite Karpenter and Araseal in Indian Sub-continent Region (2019 Revenue: Rs 400 Cr)
- Araldite is the market leader in the epoxy adhesives and will add to the strong portfolio of Pidilite's adhesive and sealant brands.
- PAPL has a nation-wide distribution network and a strong presence in Retail Trade.
- PAPL shown sequential monthly improvement in sales during the quarter Dec 20.
- EBITDA margins improved due to lower input cost and controlled other costs.

# Company Overview



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Brand established in 1959.  
Pioneer in Consumer and  
Specialty Chemicals

Adhesives & sealants,  
construction chemicals, art &  
craft products and polymer  
emulsions

History of creating strong  
brands

Among the most trusted brands in  
the country. Other big brands include  
M-Seal, Fevikwik, Fevistik, Roff, Dr. Fixit,  
Fevicryl, Motomax, Hobby Ideas, Araldite,  
Araldite Karpenter and Araseal

9 Regional offices with 27 plants and  
31 co-makers in India

- International manufacturing facilities in USA, Thailand, Dubai, Brazil, Egypt, Bangladesh, Sri Lanka and Kenya

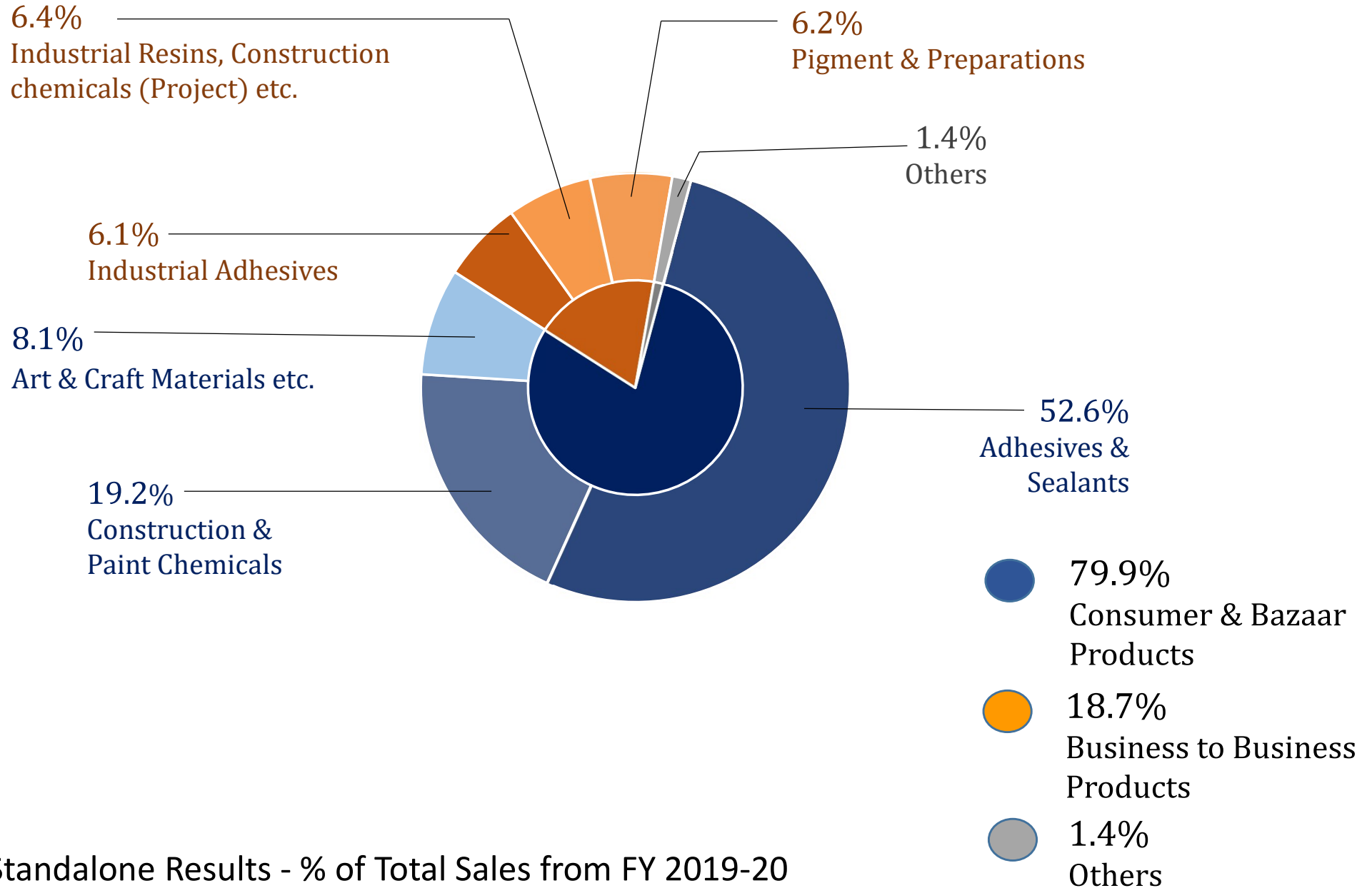
Exporter of Pigments and Pigment  
emulsions to emerging markets as well  
as Europe and North America

3 R&D centres in India. 1 in Singapore  
and 1 in USA





# Industry Segment Composition



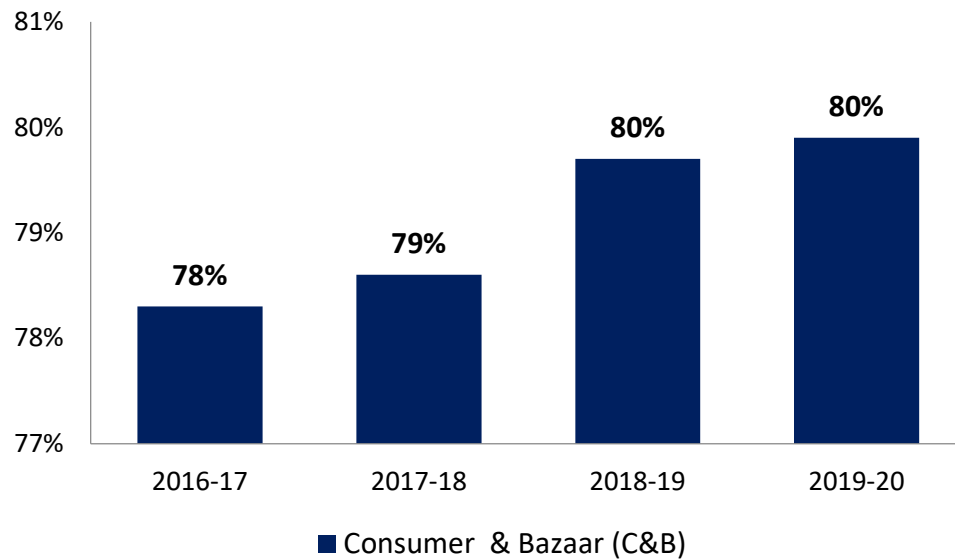
Standalone Results - % of Total Sales from FY 2019-20

# 4-Year Performance by Business Segments



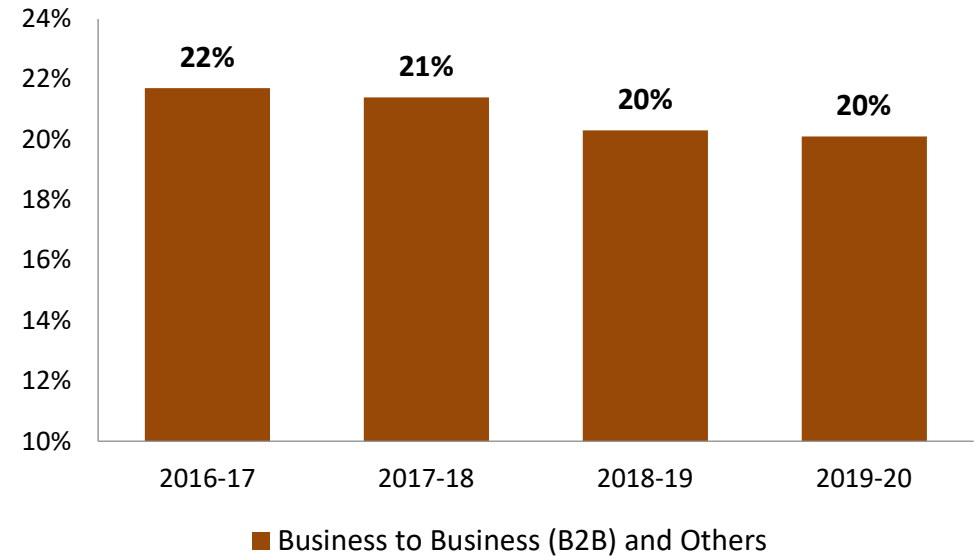
Numbers represent Percentage of Total Sales

## Consumer and Bazaar (C&B)



## Business to Business (B2B)

B2B includes Others also



# Domestic Presence – India operations

- **6000+** SKUs of **600+** products
- Domestic Revenue of **Rs. 5,638 Cr** for FY20
- **27** plants, **31** Co-makers
- **4,700+** distributors
- **42** warehouses (including PAPL 3)
- **9** regional offices & **2** RDCs

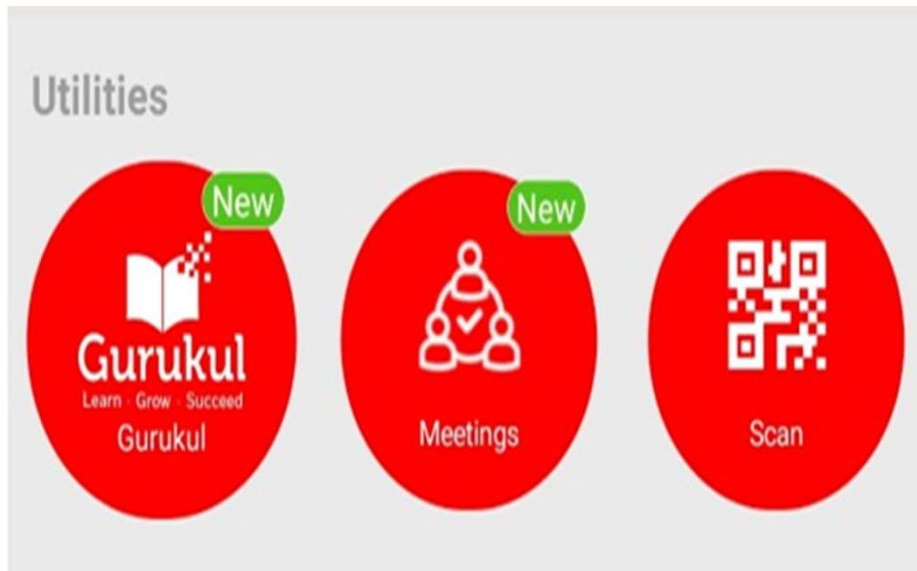


- Exports to more than **80** countries. Major exports to Middle East, SAARC, Africa, USA & Europe.
- Export Revenue of **Rs. 695 Cr** in **FY20**.
- **20** Overseas subsidiaries – 6 Direct and 14 Step down. 1 Joint Venture.
- Total revenue from Overseas subsidiaries of **Rs. 575 Cr** in **FY20**.
- International manufacturing facilities in USA, Thailand, Dubai, Brazil, Egypt, Bangladesh, Sri Lanka and Kenya.

# Connecting users and dealers via digital platform

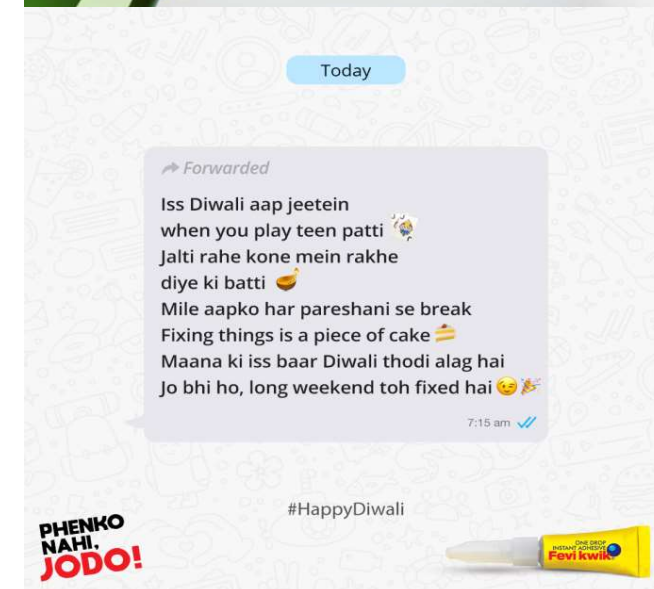
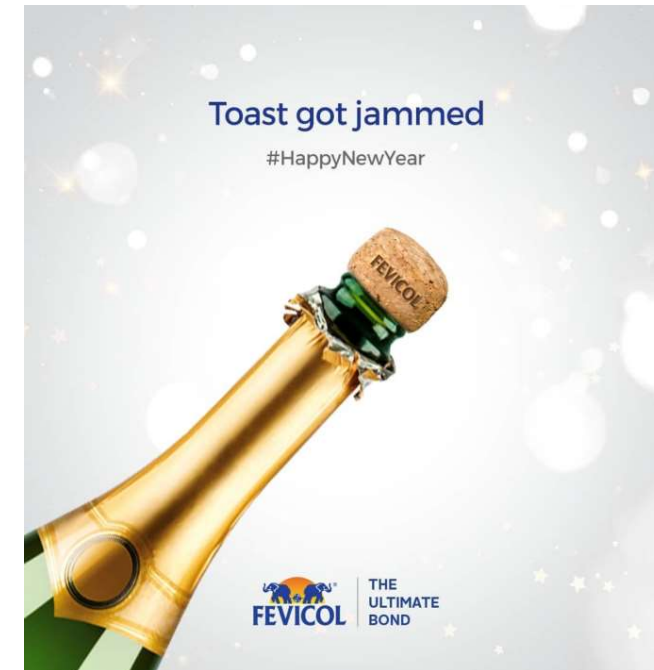
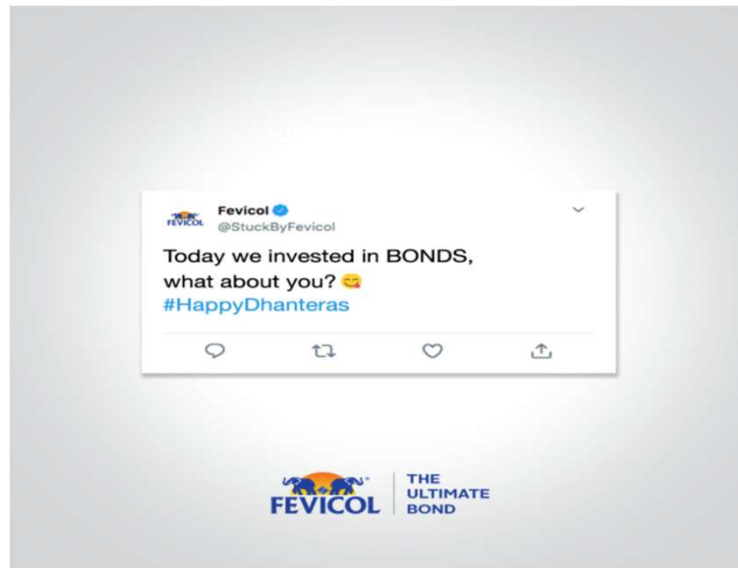


 THE ULTIMATE BOND





# Celebrating Occasions via Digital Media





# Adopting Alternate Trade Channels




Pidilite WD-40, Multipurpose Spray, 420ml Rust Remover, Lubricant, Stain Remover, Degreaser, and Cleaning Agent, (341g)  
 Brand: Pidilite  
 ★★★★★ 6,409 ratings | 50 answered questions  
 Amazon's Choice for "wd 40"  
 M.R.P.: ₹350.00  
 Price: ₹329.00  
 Deal Price: ₹319.00 FREE Delivery. No Minimum order value for first order in this category Details  
 You Save: ₹31.00 (9%)  
 Inclusive of all taxes  
 Delivery by: Sunday, Jan 24



- Alternate Trade Channels like Ecommerce, Modern Trade (MT) and Pidilite Ki Duniya (PKD) have augmented Q3 growth
- E-comm Sales at 3X growth
- Modern Trade Sales at 1.2X growth
- PKD Sales at 1.3X growth

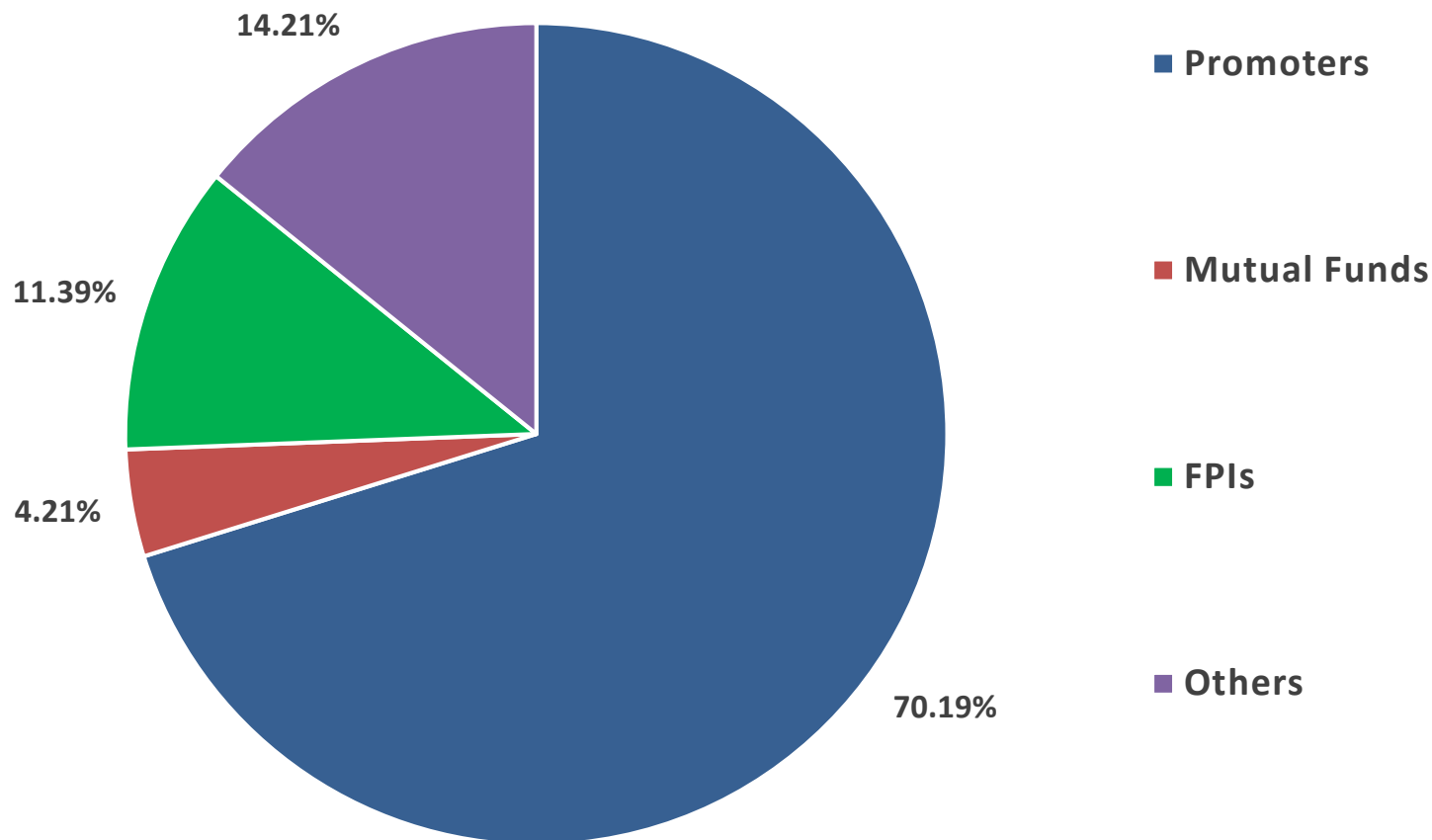
# Marketing/ Advertising



- Consistent and effective brand building activities across various categories (a) Consumer Adhesives & Sealants (b) Craftsmen Adhesives (c) Waterproofing Chemicals (d) Hobby & Craft Colours
- Several of the brands are well-known in respective categories (Fevicol, Fevikwik, M-Seal, Dr Fixit, Fevicryl, etc.)
- Award winning advertisements resulting in mass appeal of brands across all segments and geographies.
- Significant relationship building activities with end users and influencers.
- Extensive grass root contact with end-users to promote usage of products and brands.



# Shareholding Pattern as of December 31, 2020

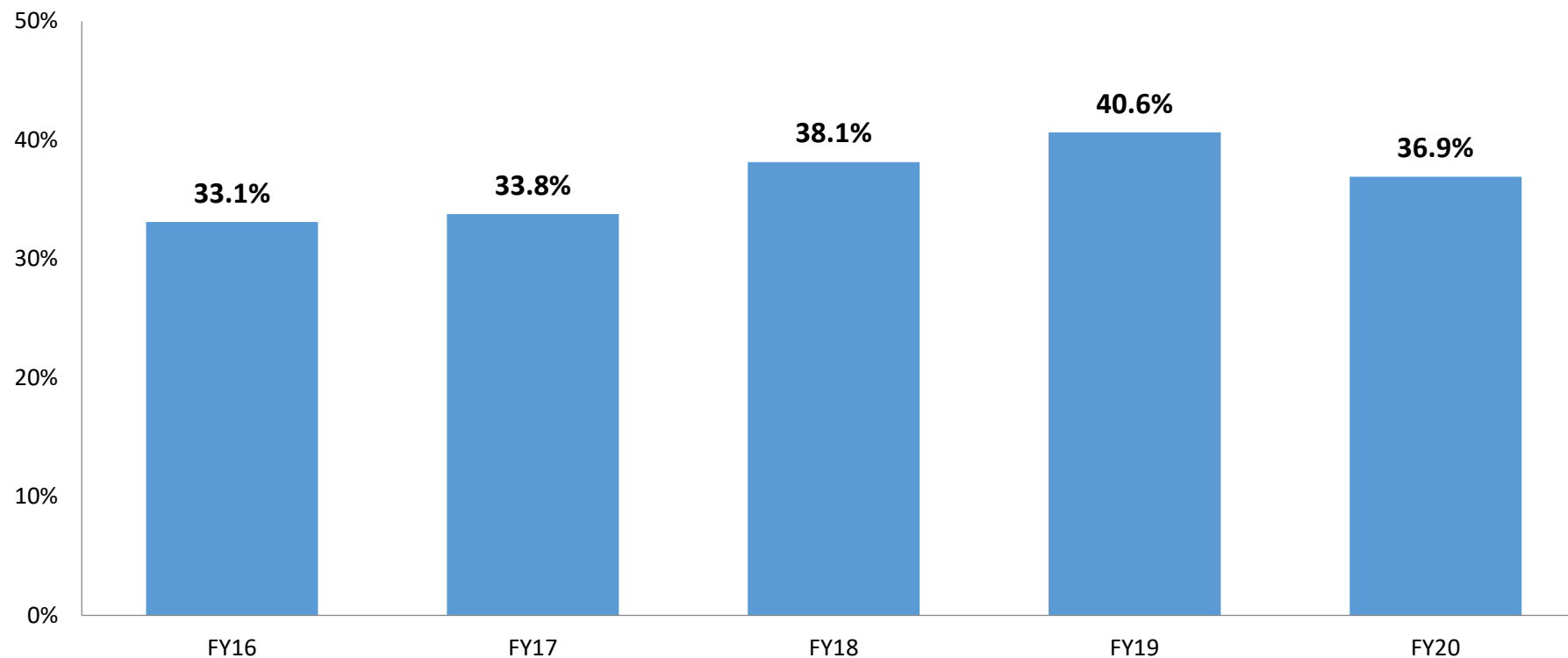


# Share Price Movement



*Rebased to 100*

# Backed by consistent dividend payouts



Note: The Net Profit considered for above calculation is excluding exceptional items



# Investor Contacts



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The ultimate adhesive

