



8th November, 2023

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 8th November, 2023.

Thanking You,

Yours faithfully,
For Pidilite Industries Limited

Manisha Shetty
Company Secretary

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Press release

For immediate release

November 8th, 2023

**Standalone Underlying Volume Growth for Q2FY24 at 8% YOY;
Standalone EBITDA growth at 38%, PBT growth at 41%**

Mumbai, November 8, 2023: Pidilite Industries Limited, India’s leading manufacturer of adhesives, sealants and construction chemicals today announced its financial results for the quarter and half year ended September 30, 2023.

The growth momentum of Q1FY24 continued in Q2FY24 with robust Underlying Volume Growth (“UVG”) of 8%. The growth was broad based with domestic Consumer & Bazaar (“C&B”) delivering UVG of 8% (4yr CAGR: 14%) and domestic Business to Business (‘B2B’) growing with UVG of 20% (4yr CAGR: 11%). Both the Industrial and Project verticals delivered healthy growth. Despite the erratic distribution of the monsoon and resultant disruptions, volume growth remained strong. The growth in rural markets continued to be higher than urban markets.

Consolidated revenue for the quarter grew by 2% led by strong UVG across categories and geographies. The C&B segment grew by 3% while B2B registered 1% decline in revenue due to price adjustments and lower demand from export and export-oriented industries.

Standalone Gross Margin % expanded both sequentially (by 228 bps) and year on year (by 1,095 bps). We continued to remain aggressive in nurturing our brands by doubling our investments in A&SP as compared to Q2FY23. EBITDA Margins at 23% improved by 604 bps over Q2FY23 and 47 bps over Q1FY24.

We remained focussed on building a resilient supply chain and invested behind upgrading and setting up new manufacturing facilities. In the current quarter, we commissioned four new plants along with the additional four plants which got commissioned earlier this year.

We continued to increase our distribution touch points across India in both urban and rural markets along with effective use of digitization. We have recently set up a regional distribution centre in South India for strengthening our supply chain ecosystem. Innovation across C&B and B2B segment continued to be significant contributor to the overall revenues of the company.

Domestic subsidiaries continued to deliver robust sales growth driven by C&B businesses. EBITDA margins also improved both sequentially and year on year.

International subsidiaries (excluding Pidilite USA Inc.) reported moderate sales growth despite uncertain global economic conditions, inflation and currency devaluation challenges in some countries. EBITDA (excluding Pidilite USA Inc.) registered robust growth along with improvement in EBITDA Margins both sequentially and year on year.



FINANCIAL PERFORMANCE

Consolidated Performance

- Net sales at Rs 3,065 Cr grew by 2% over the same quarter last year. Net Sales for the half year ended stood at Rs 6,329 cr and grew by 4% over the same period last year.
- EBITDA before non-operating income at Rs 680 Cr grew by 36% over the same quarter last year. EBITDA for the half year ended stood at Rs 1,387 cr and grew by 35% over the same period last year.
- Profit before Tax and Exceptional Items (PBT) at Rs 622 Cr grew by 42% over the same quarter last year. PBT for the half year ended stood at Rs 1,266 cr and grew by 39% over the same period last year.
- Profit after tax (PAT) at Rs 459 Cr grew by 36% over the same quarter last year. PAT for the half year ended stood at Rs 932 Cr and grew by 34% over the same period last year.

Standalone Performance

- Net sales at Rs 2,768 Cr grew by 2% over the same quarter last year. Net sales for the half year ended stood at Rs 5,720 Cr and grew by 4% over the same period last year.
- EBITDA before non-operating income at Rs 643 Cr grew by 38% over the same quarter last year. EBITDA for the half year ended stood at Rs 1,314 cr and grew by 38% over the same period last year.
- Profit before Tax and Exceptional Items (PBT) at Rs 609 Cr grew by 41% over the same quarter last year. PBT for the half year ended stood at Rs 1,239 cr and grew by 42% over the same period last year.
- Profit after Tax (PAT) at Rs 455 Cr grew by 35% over the same quarter last year. PAT for the half year ended stood at Rs 922 Cr and grew by 38% over the same period last year.

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

“Despite the challenging operating environment, we delivered good volume growth along with a substantial improvement in profitability. The current quarters robust UVG was broad based across categories and geographies. Input prices remained stable resulting in good improvement of gross margins sequentially as well as over last year. We continued to invest behind our brands as well as other growth initiatives.

We continue to remain optimistic in the near term with tailwinds coming from the extended festive season, increase in construction activity as well as the governments focus on capex. Though input prices are currently stable, we remain watchful of the current geo-political situation and its impact on input prices as well as global demand.”

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, Araldite and Fevicryl.

