

PIDILITE

RESULT UPDATE

KEY DATA

Rating	BUY
Sector relative	Outperformer
Price (INR)	3,051
12 month price target (INR)	3,785
52 Week High/Low	3,415/2,620
Market cap (INR bn/USD bn)	1,552/17.7
Free float (%)	29.8
Avg. daily value traded (INR mn)	1,080.0

SHAREHOLDING PATTERN

	Jun-25	Mar-25	Dec-24
Promoter	69.35%	69.49%	69.59%
FII	12.13%	11.60%	11.79%
DII	9.15%	9.43%	9.15%
Pledge	0%	0%	0%

FINANCIALS

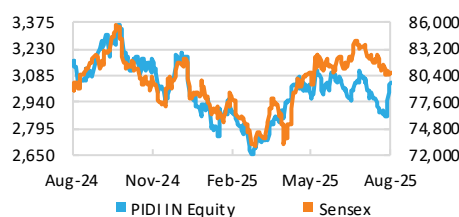
(INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue	131,403	145,593	161,658	179,121
EBITDA	30,125	34,976	39,650	44,276
Adjusted profit	21,878	25,683	29,620	33,812
Diluted EPS (INR)	43.0	50.5	58.2	66.5
EPS growth (%)	26.5	17.4	15.3	14.2
RoAE (%)	22.1	23.3	24.3	24.7
P/E (x)	70.9	60.4	52.4	45.9
EV/EBITDA (x)	56.3	50.2	43.0	37.7
Dividend yield (%)	0.7	0.7	0.9	1.0

CHANGE IN ESTIMATES

	Revised estimates		% Revision	
Year to March	FY26E	FY27E	FY26E	FY27E
Revenue	145,593	161,658	-	0.4
EBITDA	34,976	39,650	-	0.4
Adjusted profit	25,683	29,620	-	0.3
Diluted EPS (INR)	50.5	58.2	-	0.3

PRICE PERFORMANCE



Sudhanshu takes baton on a flying start

Pidilite (PIDI) turned in stronger-than-expected revenue/EBITDA growth (up 10.5%/15.8% YoY) beating our/consensus estimates. On a 3Y basis, PIDI's C&B sales/volumes grew at 7.6%/9.8% (CAGR) while overall GM/EBITDA margin expanded 1240bp/800bp (absolute) to 54.1%/25.1%—a reflection of benign RM and its continuous efforts to generate demand (being category creator) and expand distribution. PIDI's pilot projects (Haisha Paints and Araldite) continued to do well.

Given a tactical pricing approach (+70bp in Q1FY26) and PIDI's efforts to grow its Core (1–2x GDP) as well as Growth & Pioneer category (2–4x GDP), we stay positive on its growth prospects. We roll forward the valuation to FY27E, yielding a TP of INR3,785 (earlier INR3,645); 'BUY'.

Another quarter of healthy performance

Demand: Rural continued to outpace urban for PIDI. The slowdown in Andhra and Gujarat has eased off (QoQ improvement), but competitive intensity persists. Mr Sudhanshu Vats assumed the MD role from April 10, 2025. He remains optimistic on PIDI achieving double-digit UVG and expects an improvement in demand conditions with good monsoon, pickup in the construction sector due to lower interest rate and improved liquidity. PIDI has scant direct exposure to the US and has multiple sources of supply. Hence, it does not anticipate any negative impact of US tariffs. Domestic subsidiaries' revenue/EBITDA increased 11.5%/31.7% YoY.

Margins and pricing: Gross/EBITDA margin of 54.1%/25.1% expanded 32bp YoY/114bp QoQ. One should not look at Q1FY26 EBITDA margins as multiple moving parts are there—less A&P, improved mix, etc. A QoQ decline of 91bp in GM was due to mix and slightly higher VAM consumption. Pricing was +70bp in Q1FY26; we expect it to remain in this range for FY26. PIDI does not anticipate considerable price cuts and pricing will be increasingly tactical as input cost continues to remain soft. Management has guided EBITDA margin of 22–24% with more chances of closing the year at the higher end of the guidance.

Category highlights: Core shall grow 1–2x GDP while Growth & Pioneer shall grow 2–4x GDP. Innovations continue to do well for it across all three segments. In tiles adhesives, it continues to enjoy a marginal premium over competitors – Roff's retail and project business continues to do well. This allowed Roff to inch up its leadership in India despite some competitive pressure faced in Hyderabad. Paints continues to grow QoQ/MoM (throughput/dealer also growing); it is focusing on five pilot states and follows a Rurban approach. It continues to fine-tune offerings, build business modules, work with applicators and increase its dealer and tinting machine count.

Financials

Year to March	Q1FY26	Q1FY25	% Change	Q4FY25	% Change
Net Revenue	37,531	33,954	10.5	31,411	19.5
EBITDA	9,410	8,127	15.8	6,326	48.8
Adjusted Profit	6,839	5,756	18.8	4,576	49.4
Diluted EPS (INR)	13.5	11.3	18.8	9.0	49.4

Financial Statements

Income Statement (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Total operating income	131,403	145,593	161,658	179,121
Gross profit	71,440	78,654	87,824	97,296
Employee costs	17,416	17,034	18,914	20,957
Other expenses	23,899	26,644	29,260	32,063
EBITDA	30,125	34,976	39,650	44,276
Depreciation	3,585	3,877	4,105	4,332
Less: Interest expense	504	407	288	113
Add: Other income	2,472	2,951	3,921	4,894
Profit before tax	28,476	33,731	39,282	44,843
Prov for tax	7,265	8,411	9,795	11,181
Less: Other adj	(249)	0	0	0
Reported profit	21,161	25,434	29,620	33,812
Less: Excp.item (net)	717	249	0	0
Adjusted profit	21,878	25,683	29,620	33,812
Diluted shares o/s	509	509	509	509
Adjusted diluted EPS	43.0	50.5	58.2	66.5
DPS (INR)	20.0	22.5	26.2	29.9
Tax rate (%)	25.8	25.5	24.9	24.9

Important Ratios (%)

Year to March	FY25A	FY26E	FY27E	FY28E
Other exp (% of rev)	18.2	18.3	18.1	17.9
Con A&P (% of rev)	3.8	3.9	3.8	3.6
Gross margin (%)	54.4	54.0	54.3	54.3
EBITDA margin (%)	22.9	24.0	24.5	24.7
Net profit margin (%)	16.6	17.6	18.3	18.9
Revenue growth (% YoY)	6.1	10.8	11.0	10.8
EBITDA growth (% YoY)	11.3	16.1	13.4	11.7
Adj. profit growth (%)	26.5	17.4	15.3	14.2

Assumptions (%)

Year to March	FY25A	FY26E	FY27E	FY28E
GDP (YoY %)	7.0	7.0	7.0	7.0
Repo rate (%)	5.3	5.3	5.3	5.3
USD/INR (average)	86.0	87.0	88.0	90.0
Consumer & Bazaar	2.8	9.5	10.0	10.0
COGS % of sales (con)	45.6	46.0	45.7	45.7
Staff cost (% of rev)	13.3	11.7	11.7	11.7
Dep (% of gross block)	4.5	4.6	4.6	4.6
Yield on cash	7.1	10.0	10.0	10.0
Tax rate	25.5	25.0	25.0	25.0

Valuation Metrics

Year to March	FY25A	FY26E	FY27E	FY28E
Diluted P/E (x)	70.9	60.4	52.4	45.9
Price/BV (x)	15.9	13.9	12.1	10.6
EV/EBITDA (x)	56.3	50.2	43.0	37.7
Dividend yield (%)	0.7	0.7	0.9	1.0

Source: Company and Nuvama estimates

Balance Sheet (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Share capital	509	509	509	509
Reserves	97,036	111,024	127,315	145,912
Shareholders funds	97,545	111,533	127,824	146,421
Minority interest	2,033	1,920	1,788	1,637
Borrowings	1,472	1,072	572	72
Trade payables	13,901	12,838	14,160	15,693
Other liabs & prov	23,543	23,543	23,543	23,543
Total liabilities	139,837	152,249	169,230	188,709
Net block	28,361	29,484	30,379	31,047
Intangible assets	28,692	28,692	28,692	28,692
Capital WIP	1,290	1,290	1,290	1,290
Total fixed assets	58,342	59,465	60,360	61,028
Non current inv	3,894	4,279	5,279	6,279
Cash/cash equivalent	34,982	43,444	54,440	67,689
Sundry debtors	18,112	20,349	22,682	25,208
Loans & advances	441	441	441	441
Other assets	24,067	24,272	26,028	28,065
Total assets	139,837	152,249	169,230	188,709

Free Cash Flow (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Reported profit	21,161	25,434	29,620	33,812
Add: Depreciation	3,585	3,877	4,105	4,332
Interest (net of tax)	504	407	288	113
Others	(167)	(202)	(235)	(269)
Less: Changes in WC	1,311	(3,505)	(2,768)	(3,029)
Operating cash flow	26,394	26,011	31,009	34,960
Less: Capex	(5,940)	(5,000)	(5,000)	(5,000)
Free cash flow	20,454	21,011	26,009	29,960

Key Ratios

Year to March	FY25A	FY26E	FY27E	FY28E
RoE (%)	22.1	23.3	24.3	24.7
RoCE (%)	30.6	30.8	31.6	32.3
Inventory days	98	94	92	89
Receivable days	47	48	48	49
Payable days	67	77	73	67
Working cap (% sales)	6.8	6.8	8.6	9.4
Gross debt/equity (x)	0	0	0	0
Net debt/equity (x)	(0.3)	(0.3)	(0.4)	(0.4)
Interest coverage (x)	46.2	52.7	76.4	123.6

Valuation Drivers

Year to March	FY25A	FY26E	FY27E	FY28E
EPS growth (%)	26.5	17.4	15.3	14.2
RoE (%)	22.1	23.3	24.3	24.7
EBITDA growth (%)	11.3	16.1	13.4	11.7
Payout ratio (%)	48.1	45.0	45.0	45.0

Exhibit 1: Trends at a glance

	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Revenue (INR mn)	32,751	30,760	31,300	29,019	33,954	32,349	33,689	31,411	37,531
EBITDA (INR mn)	7,070	6,797	7,425	5,769	8,127	7,688	7,984	6,326	9,410
PAT (INR mn)	4,682	4,502	5,105	3,723	5,669	5,346	5,524	4,223	6,723
Overall volume growth (% YoY)	8.0	8.0	10.4	15.2	9.6	8.0	9.7	9.8	9.9
Domestic C&B volume growth (% YoY)	12.0	8.0	Double-digit	12.7	8.0	6.0	7.3	8	9.3
Industrial (B2B) volume growth (% YoY)	NA	20.0	Double-digit	25.2	18.0	21.0	21.7	16.4	12.6
Consolidated									
Sales growth (% YoY)	5.6	2.2	4.4	7.9	3.7	5.2	7.6	8.2	10.5
Gross margin (%)	49.0	51.3	52.9	53.4	53.8	54.4	54.3	55.0	54.1
EBITDA margin (%)	21.6	22.1	23.7	19.9	23.9	23.8	23.7	20.1	25.1
CBP sales growth (% YoY)	9.2	3.2	4.9	6.4	3.0	2.9	5.2	6.7	9.7
Industrial Products sales growth (% YoY)	(6.1)	(1.3)	6.2	11.7	7.0	14.3	18.8	14.3	11.2
CBP EBIT margin (%)	26.6	27.6	30.3	24.2	29.3	29.9	29.4	25.8	31.5
Industrial Products EBIT margin (%)	13.5	11.1	11.9	11.8	15.2	14.8	17.6	17.5	16.5
Standalone									
Sales growth (% YoY)	6.2	2.4	4.6	8.7	6.2	7.1	9.3	10.1	10.6
Gross margin (%)	48.9	51.2	52.9	53.3	53.5	54.0	53.9	54.7	53.5
EBITDA margin (%)	22.7	23.1	25.0	20.4	24.5	24.5	24.2	20.5	25.5
CBP sales growth (% YoY)	41.9	3.7	5.4	7.5	5.4	5.0	7.0	9.1	10.2
Industrial Products sales growth (% YoY)	4.7	(2.9)	4.7	12.4	9.2	15.6	20.7	14.1	11.6
CBP EBIT margin (%)	28.3	29.4	32.4	25.7	30.4	31.2	30.6	26.4	32.0
Industrial Products EBIT margin (%)	15.4	13.2	14.0	11.0	16.8	17.9	18.1	18.1	18.5

Source: Company, Nuvama Research

Exhibit 2: CAGR growth trends (%)

INR mn	Q1FY21	Q1FY22	Q1FY23	Q1FY24	Q1FY25	Q1FY26	2-Yr CAGR	3-Yr CAGR	4-Yr CAGR
Revenue (INR mn)	8,778	19,368	31,011	32,751	33,954	37,531	7.0	6.6	18.0
EBITDA (INR mn)	664	3,476	5,295	7,070	8,127	9,410	15.4	21.1	28.3
PAT (INR mn)	159	2,201	3,536	4,682	5,669	6,723	19.8	23.9	32.2
Domestic C&B volume growth (% YoY)	(59)	103	49	12	8.0	9	8.6	9.8	18.5

Source: Company, Nuvama Research

Q1FY26 conference call: Key takeaways

Detailed takeaways

Outlook

- **Margins:** Management expects EBITDA margins to be at the higher end of their 20–24% corridor for FY26, given benign input costs with less likely chances of any inflation. The company maintains multiple sources of supply for key raw materials and is planning for potential supply chain disruptions (if any) by keeping appropriate raw material inventory levels.
- **Volumes:** Continues to maintain overall double digit volume growth trajectory.
- **Pricing:** Pricing was +70bp in Q1FY26. The company expects it to continue in this range for FY26. It does not anticipate considerable price cuts while pricing would be increasingly tactical as input cost continues to remain soft.
- **Others:** PIDI has scant direct exposure to the US and has multiple sources of supply. Hence, it does not anticipate any negative impact of US tariffs.

Key highlights

- In Q1FY26, overall volume growth was 9.9% across categories and geographies.
- Gross/EBITDA margin of 54.1%/25.1% expanded 32bp YoY/114bp QoQ.
- Management highlighted that one should not look at Q1FY26 EBITDA margins as there are multiple moving parts—less A&P, improved mix, etc.
- A QoQ decline of 91bp in GM was due to mix and slightly higher VAM consumption.
- A slowdown in Andhra and Gujarat has eased off (QoQ improvement), but competitive intensity is persisting.
- The company has increased staff costs in line with revenue growth, particularly due to its practice of front-loading resources for new pilot initiatives and ventures.
- The board has announced a special interim dividend of INR10 per share and a 1:1 bonus issue to commemorate the founder's 101st birth anniversary. This is the first bonus issue in 15 years.

Consumer and Bazaar

- The segment clocked 9.3% volume growth with a sequential improvement.
- C&B business at the consolidated level grew 9.7% YoY

B2B

- B2B business reported underlying volume growth of 12.6% YoY.
- B2B at the consolidated level expanded 11.2% YoY.
- Some B2B segments face headwinds from geopolitical issues and tariff uncertainties, particularly those serving export-intensive industries.

Domestic subsidiaries

- Domestic subsidiaries reported 11.5% revenue growth QoQ with EBITDA margin of 11.9%.
- EBITDA surged 31.7% YoY driven by softening of material cost.
- C&B: Expanded 13% YoY with 86% EBITDA growth.
- B&B: The segment clocked 20% YoY growth with 22% EBITDA decline.

Tile adhesives

- In tile adhesives, Pidilite's main competitor is MYK Leticrete, which has historically focused more on projects while Pidilite built a retail presence.
- Leticrete remains the market leader in projects.
- High competitive intensity is there in Hyderabad specifically for tile adhesives where a competitor had established early strength in projects, though Pidilite is now gaining leadership overall nationally.
- For tile adhesives specifically, it has implemented a distributed manufacturing strategy to support supply-chain efficiency.
- In the tile adhesive segment, it maintains a small premium at the lower end of the market while building a full portfolio across price points.
- Roff's retail and project business continues to do well. This allowed Roff to inch up its leadership in India despite some competitive pressure faced in Hyderabad.

Paints

- Paints competition is more intense in urban areas compared with rural and small towns, where fewer paint companies have direct reach.
- Pidilite's diverse portfolio and unique business model helps it to perform better compared with conventional peers which may be more concentrated in single sectors.
- Paints continues to grow QoQ/MoM (throughput/dealer also growing), focuses on its five pilot states and follows a Rurban approach.
- It continues to fine-tune offerings, build business modules, work with applicators and increase its dealer and tinting machine count.

New products development

- The company launched new products in the Fevicol line including 'Nail Free Ultra' for multi substrate applications and 'Relam' for lamination changes, both of which are performing well.
- In construction chemicals, it introduced new products including Onseal for construction/repair, Bar Seal Select for projects and Wonderproof for retail.
- The company's epoxy grout product 'Roff Starlight', developed through an Italian joint venture, is performing strongly.
- PIDI continuously iterates and refines its product portfolio based on direct feedback from users and applicators.

International subsidiaries

- Revenue/EBITDA of International subsidiaries grew 6.4% YoY/9.0% YoY. EBITDA margins improved 34bp over Q1FY25.
- Middle East and Africa sales grew 5% YoY. However, EBITDA plunged 27% YoY.
- Asian sales/EBITDA grew 7%/32% YoY.

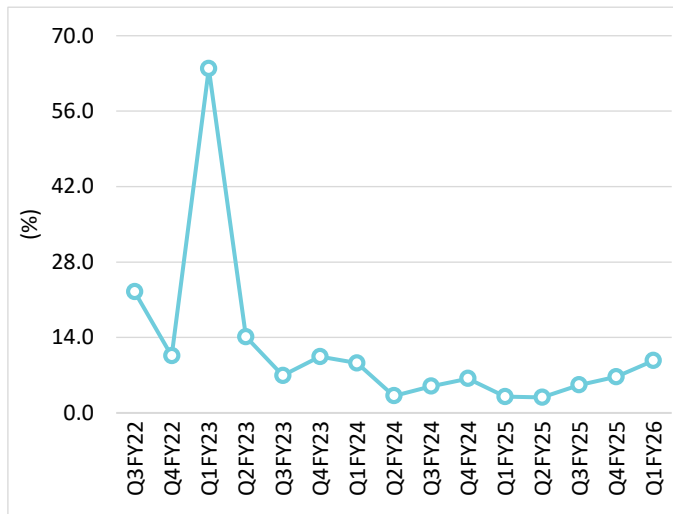
M&A

- Pidilite evaluates M&A opportunities based on three dimensions: customer value, channel value, and chemistry value.
- It is more interested in looking for buyouts, especially in premium/specialised products rather than mass market.
- Beyond traditional M&A buyouts, the company has successfully executed joint ventures with foreign partners where Pidilite contributes market knowledge and distribution while partners bring technology. Examples include Tenax, Litokol and Grupo Puma.
- While historically focused on adhesives and close adjacencies, it is open to exploring broader home improvement categories.

Macro context

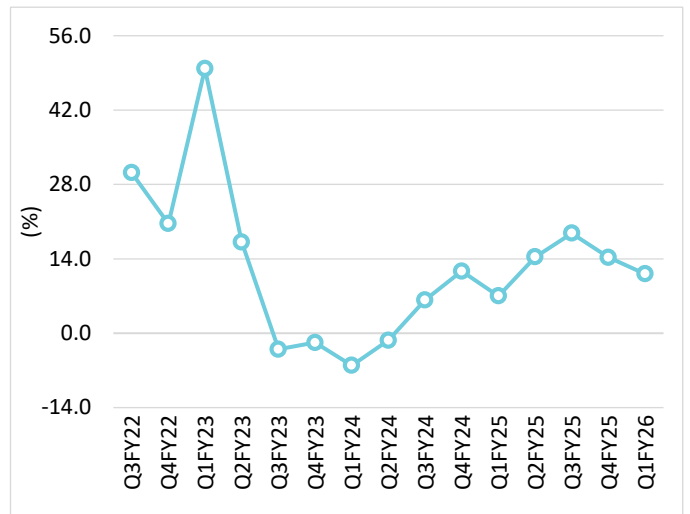
- It remain cautiously optimistic given the domestic operating environment and improving demand conditions, especially in the construction sector, backed by anticipated good monsoon and increase in government spends.
- It remains watchful of the impact of an uncertain global economic and geopolitical conditions.

Exhibit 3: C&B sales growth



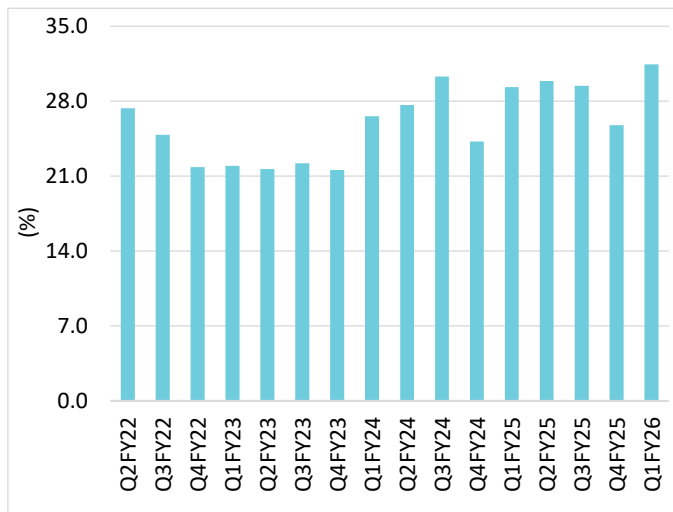
Source: Company, Nuvama Research

Exhibit 4: B2B sales growth



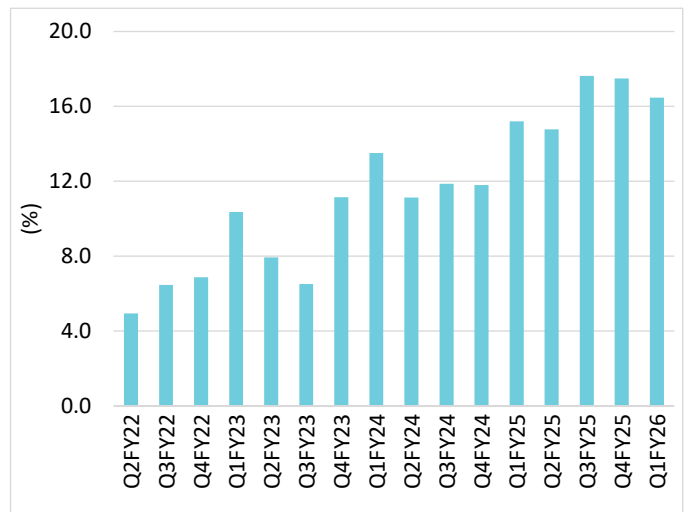
Source: Company, Nuvama Research

Exhibit 5: C&B EBIT margins



Source: Company, Nuvama Research

Exhibit 6: B2B EBIT margins



Source: Company, Nuvama Research

Exhibit 7: Standalone segment revenue

Year to March - Revenues	Q1FY26	Q1FY25	YoY growth	Q4FY25	QoQ growth
Consumer & Bazaar Products	28,236	25,627	10.2	22,085	27.9
Business to Business	7,078	6,342	11.6	6,881	2.9
Others	142	130	9.8	147	(2.9)
Segment results (Profit/(Loss) before tax and interest)					
Consumer & Bazaar Products	9,038	7,786	16.1	5,823	55.2
Business to Business	1,312	1,066	23.1	1,249	5.1
Others	16	12	33.1	1	1,470.0
Segment margins					
Margin (%)					
Consumer & Bazaar Products	32.0	30.4	163	26.4	564.1
Business to Business	18.5	16.8	173	18.1	39.7
Others	11.0	9.1	193	0.7	1,035

Source: Company, Nuvama Research

Exhibit 8: Consolidated segmental performance (INR mn)

Year to March - Revenues	Q1FY26	Q1FY25	YoY growth	Q4FY25	QoQ growth
Consumer & Bazaar Products	30,067	27,408	9.7	23,976	25.4
Business to Business	8,066	7,256	11.2	8,089	(0.3)
Others	147	130	13.5	152	(3.5)
Segment results (Profit/(Loss) before tax and interest)					
Consumer & Bazaar Products	9,458	8,039	17.6	6,178	53.1
Business to Business	1,329	1,103	20.5	1,415	(6.1)
Others	(6)	11.8	NM	1	NM
Segment margins					
Margin (%)					
Consumer & Bazaar Products	31.5	29.3	212	25.8	569
Business to Business	16.5	15.2	127	17.5	(101)
Others	(4.4)	9.1	NM	0.6	NM

Source: Company, Nuvama Research

Exhibit 9: Standalone financial snapshot

Standalone (INR mn)	Q1FY26	Q1FY25	% Change YoY	Q4FY25	% Change QoQ
Net Sales	34,793	31,458	10.6	28,509	22.0
Other Op. Income	-	-	NA	-	NA
Total sales	34,793	31,458	10.6	28,509	22.0
Expenses					
Cost of goods sold	16,165	14,618	10.6	12,903	25.3
Employee cost	4,095	3,692	10.9	4,055	1.0
Other Expenditure	5,651	5,435	4.0	5,713	(1.1)
Total	25,911	23,746	9.1	22,670	14.3
EBITDA	8,882	7,713	15.2	5,838	52.1
Depreciation	828	724	14.3	839	(1.3)
EBIT	8,054	6,989	15.2	4,999	61.1
Other inc	842	516	63.0	1,160	(27.4)
Finance cost	102	81	25.2	103	(1.5)
PBT before extraordinary item	8,794	7,424	18.5	6,056	45.2
Exceptional item		-	NM	202	NM
PBT before extraordinary item	8,794	7,424	18.5	5,855	50.2
Tax	2,296	1,908	20.3	1,397	64.4
Reported PAT	6,498	5,516	17.8	4,458	45.8
Adjusted PAT	6,498	5,516	17.8	4,659	39.5
Equity Shares (FV- INR1)	509	509		509	
EPS	12.8	10.8	17.8	9.2	39.5
As % of net sales					
COGS	46.5	46.5	(1)	45.3	120
Employee	11.8	11.7	3	14.2	(245)
Other expenditure	16.2	17.3	(104)	20.0	(380)
EBITDA	25.5	24.5	101	20.5	505
PAT	18.7	17.5	114	15.6	304
Tax Rate	26.1	25.7	41	23.9	225

Source: Company, Nuvama Research

Exhibit 10: Consolidated financial snapshot (INR mn)

Year to March	Q1FY26	Q1FY25	% change	Q4FY25	% change
Net sales	37,531	33,954	10.5	31,411	19.5
Cost of goods sold	17,218	15,685	9.8	14,123	21.9
Gross profit	20,314	18,268	11.2	17,288	17.5
Staff cost	4,642	4,172	11.3	4,547	2.1
Other expenditure	6,262	5,969	4.9	6,415	(2.4)
EBITDA	9,410	8,127	15.8	6,326	48.8
Depreciation/Amortisation	967	844	14.5	967	-
EBIT	8,443	7,283	15.9	5,359	57.5
Interest expense	138	118	16.5	144	(4.0)
Other income	857	539	58.9	804	6.6
Profit before tax	9,162	7,704	18.9	6,019	52.2
Provision for taxation	2,383	1,984	20.2	1,487	60.3
Minority interest	57.2	44	NM	52	NM
Share of Profit/(Loss) in Associated Company	2.3	(8)	(128.4)	(8)	(128.8)
Exceptional items	(249)	(717)	NM		NM
Reported Profit	6,474	4,952	30.7	4,473	44.8
Prior period (Net of tax)	-	-		-	
Exceptionals (Net of tax)	(249)	(717)	NM	-	NM
Adjusted Profit	6,723	5,669	18.6	4,473	50.3
No. of diluted Shares outstanding	508	508	-	508	-
EPS (INR)	13.2	11.2	18.6	8.8	50
As % of net sales					
COGS	45.9	46.2	(32)	45.0	91
Staff costs	12.4	12.3	8	14.5	(211)
Other expenditure	16.7	17.6	(89)	20.4	(374)
EBITDA	25.1	23.9	114	20.1	493
EBIT	22.5	21.5	105	17.1	544
EBIT incl. other income	24.4	22.7	172	19.2	525
PBT	24.4	22.7	172	19.2	525
Net profit	18.1	16.8	124	14.4	366
Tax rate	26.0	25.7	27	24.7	131

Source: Company, Nuvama Research

Company Description

Pidilite is a dominant and leading adhesives company in India. It operates under two major business segments, i.e. Branded Consumer & Bazaar and B2B products such as adhesives, sealants, art & craft materials and others. Construction and paint chemicals are covered under Branded Consumer & Bazaar segment. These products are widely used by carpenters, painters, plumbers, mechanics, households, students, offices, etc. The B2B segment covers products such as Industrial adhesives, industrial resins, construction chemicals (projects), organic pigments, pigment preparations, etc. and caters to various industries such as packaging, joineries, textiles, paints, printing inks, paper, leather, etc. Pidilite markets the Fevicol range of adhesives. Its other brands are FeviKwik, Dr. Fixit, Roff, Cyclo, Ranipal, Hobby Ideas, M-seal, and Acron.

Investment Theme

PIDI's presence in niche, under-penetrated and high growth categories with limited competition makes it a good play on Indian consumer goods spends. The niche presence yields high gross margins, high barriers to entry, strong brand equity, mass acceptance and superior growth opportunities. The company has near monopoly in adhesives and sealants with Fevicol and M-seal enjoying ~70% market share each in the adhesive and sealants product categories, respectively. PIDI commands a premium over competitors riding strong brand resulting a higher entry barrier. The company operates in categories where presence of large multi nationals is limited, which enables it to outpace small regional players (who lack financial strength, economies of scale and have poor distribution network and weak brand image) with aggressive ads and product extensions.

Key Risks

- Economic slowdown and competition getting stiffer in some segments.
- Rupee depreciation has a bearing on margins as input prices are dollar linked.

Additional Data

Management

MD and CEO	Sudhanshu Vats
CFO	Sandeep Batra
Exe. Chairman	M B Parekh
Whole time Director	Mr. A B Parekh
Auditor	BSR & Co LLP

Holdings – Top 10*

	% Holding		% Holding
Life Insurance	3.27	Norges Bank	0.81
Axis Asset Mana	1.63	UTI Asset manag	0.35
Vanguard Group	1.35	Mirae Asset Fin	0.33
BlackRock Inc	1.35	ICICI Prudentia	0.28
ICICI Prudentia	1.13	HDFC Pension Fu	0.25

*Latest public data

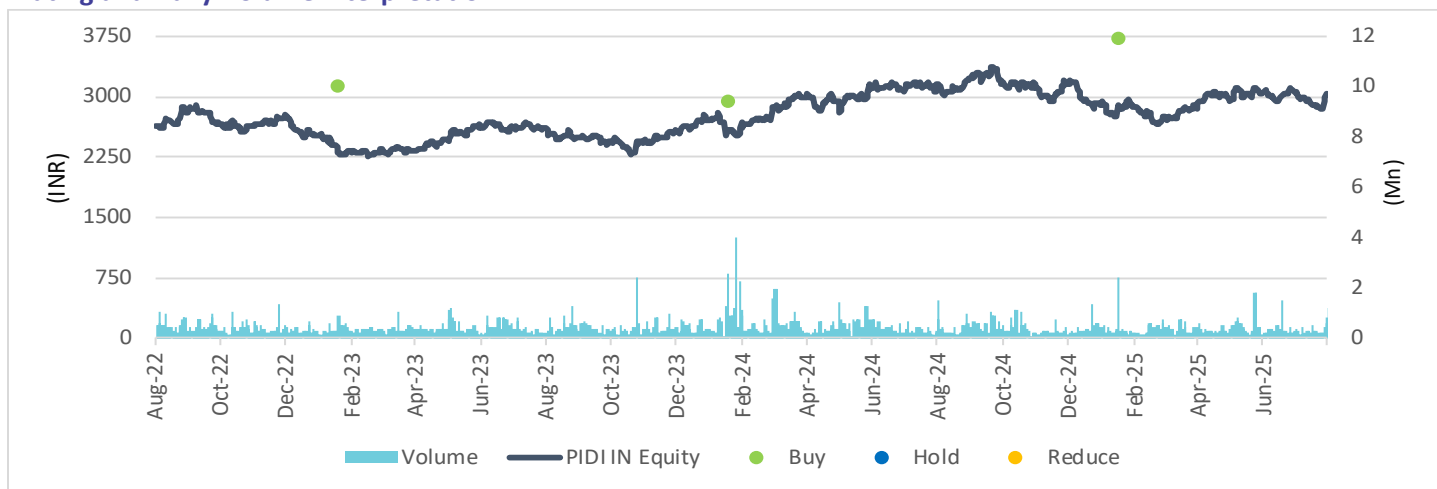
Recent Company Research

Date	Title	Price	Reco
06-Aug-25	Margins well ahead of expectations; <i>Oven fresh</i>	3,042	Buy
09-May-25	Compounding machine; <i>Result Update</i>	2,980	Buy
08-May-25	Navigating growth amid slowdown; <i>Oven fresh</i>	2,957	Buy

Recent Sector Research

Date	Name of Co./Sector	Title
05-Aug-25	Berger Paints	Euphoria over new player over; <i>Result Update</i>
29-Jul-25	Asian Paints	Gradual recovery to continue; <i>Result Update</i>
23-Jul-25	UNITED BREWERIES	Strong volumes in spite of soft summer; <i>Result Update</i>

Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	202
Hold	<15% and >-5%	66
Reduce	<-5%	36

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