

PIDILITE

RESULT UPDATE

KEY DATA

Rating	BUY
Sector relative	Outperformer
Price (INR)	1,445
12 month price target (INR)	1,895
52 Week High/Low	1,615/1,306
Market cap (INR bn/USD bn)	1,470/16.6
Free float (%)	29.8
Avg. daily value traded (INR mn)	992.4

SHAREHOLDING PATTERN

	Sep-25	Jun-25	Mar-25
Promoter	69.33%	69.35%	69.49%
FII	12.08%	12.13%	11.60%
DII	9.15%	9.15%	9.43%
Pledge	0%	0%	0%

FINANCIALS

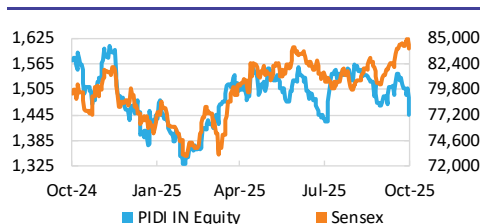
(INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue	1,31,403	1,45,593	1,61,658	1,79,121
EBITDA	30,125	34,709	39,650	44,276
Adjusted profit	21,878	25,481	29,615	33,803
Diluted EPS (INR)	21.5	25.1	29.1	33.3
EPS growth (%)	26.5	16.5	16.2	14.1
RoAE (%)	22.1	23.3	24.1	24.8
P/E (x)	67.3	57.8	49.7	43.5
EV/EBITDA (x)	56.3	50.2	43.4	37.7
Dividend yield (%)	1.4	0.8	0.9	1.0

CHANGE IN ESTIMATES

	Revised estimates		% Revision	
Year to March	FY27E	FY28E	FY27E	FY28E
Revenue	1,61,658	1,79,121	0%	0%
EBITDA	39,650	44,276	-0.8%	-0.8%
Adjusted profit	29,615	33,803	-0.8%	-0.8%
Diluted EPS (INR)	29.1	33.3	-0.8%	-0.8%

PRICE PERFORMANCE



Sticking to double-digit growth

Pidilite's Q2FY26 revenue/EBITDA grew 10% YoY/10.7% YoY—in line with our estimates. Overall volume grew 10.3% YoY (8% in Q2FY25) at a six-quarter high, slightly ahead of our expectations. C&B volume rose 10.4% YoY (six-quarter high), whereas B2B business volume grew 9.9% YoY, which was hurt by muted exports of industrial products.

Gross margin improved 69bp YoY due to lower input costs with most benefits reinvested into A&P spends and EBITDA margin staying flat YoY. Management reiterated they are maintaining EBITDA margins at the upper end of the 20–24% range in H2FY26 supported by benign input costs and operational efficiency; maintain 'BUY' with an unchanged TP of INR1,895.

Demand resilience sustains; margins steady at upper end of range

Demand: Rural demand continued to outpace urban for a fifth consecutive year supported by deeper penetration, distribution expansion and repeat consumption. Urban demand inched up in Q2FY26. New construction activity reported a modest uptick relative to renovation. Management expect a gradual improvement in demand aided by a favourable monsoon, benefits of GST 2.0 and construction momentum driven by benign interest rates and liquidity.

Margins: Gross margin rose 69bp YoY to 55% due to benign input costs and benefits were largely reinvested into A&P spends. EBITDA margin was at the upper end of the guided 20–24% range in H1FY26 and management reiterated maintaining margins toward the upper end of the range for H2FY26. Input costs are likely to remain benign for the next two–three quarters. Pricing growth was flat YoY. A&P spends are likely to stay at 3–4% of sales with focus on GTM building and new product initiatives.

Category highlights: Core categories continued to grow at 1–2x GDP while growth categories such as Dr Fixit and Roff delivered strong performances, operating at the upper end of the 2–4x GDP growth band. Pioneering categories, including new initiatives are gaining early traction. Unofin initial performance was slightly below expectation due to behavioural change barrier, but has started to gain traction particularly in hotels and commercial complexes. The performance of Haisha Paints improved sequentially in pilot markets and has now been extended to few eastern regions as well. The company plans to fine-tune its model in H2. VAM prices averaged USD883/t in Q2FY26 (versus USD980/t in Q2FY25). Capex is likely to remain in the range of 3–5% of sales with capacity additions directed towards categories that are growing faster. Domestic B2B business volume grew in mid-teens in Q2. Domestic subsidiaries grew 10.7% YoY and International subsidiaries grew 4.5% YoY.

Financials

Year to March	Q2FY26	Q2FY25	% Change	Q1FY26	% Change
Net Revenue	35,544	32,349	9.9	37,531	(5.3)
EBITDA	8,507	7,688	10.7	9,410	(9.6)
Adjusted Profit	5,791	5,346	8.3	6,724	(13.9)
Diluted EPS (INR)	5.7	5.3	8.3	6.6	(13.9)

Financial Statements

Income Statement (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Total operating income	1,31,403	1,45,593	1,61,658	1,79,121
Gross profit	71,440	78,387	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	34,709	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	3,915	4,882
Profit before tax	28,476	33,463	39,276	44,831
Prov for tax	7,265	8,344	9,793	11,178
Less: Other adj	(249)	0	0	0
Reported profit	21,161	25,232	29,615	33,803
Less: Excp.item (net)	717	249	0	0
Adjusted profit	21,878	25,481	29,615	33,803
Diluted shares o/s	1,017	1,017	1,017	1,017
Adjusted diluted EPS	21.5	25.1	29.1	33.3
DPS (INR)	20.0	11.2	13.1	15.0
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	53.8	54.3	54.3
EBITDA margin (%)	22.9	23.8	24.5	24.7
Net profit margin (%)	16.6	17.5	18.3	18.9
Revenue growth (% YoY)	6.1	10.8	11.0	10.8
EBITDA growth (% YoY)	11.3	15.2	14.2	11.7
Adj. profit growth (%)	26.5	16.5	16.2	14.1

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	46.2	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)	67.3	57.8	49.7	43.5
Price/BV (x)	15.1	13.2	11.5	10.1
EV/EBITDA (x)	56.3	50.2	43.4	37.7
Dividend yield (%)	1.4	0.8	0.9	1.0

Source: Company and Nuvama estimates

Balance Sheet (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Share capital	1,017	1,017	1,017	1,017
Reserves	96,527	1,10,405	1,26,693	1,45,285
Shareholders funds	97,545	1,11,422	1,27,710	1,46,302
Minority interest	2,033	1,921	1,789	1,638
Borrowings	1,472	1,072	572	72
Trade payables	13,901	12,889	14,160	15,693
Other liabs & prov	23,543	23,543	23,543	23,543
Total liabilities	1,39,837	1,52,191	1,69,118	1,88,592
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	43,317	54,328	67,573
Sundry debtors	18,112	20,349	22,681	25,206
Loans & advances	441	441	441	441
Other assets	24,067	24,340	26,028	28,065
Total assets	1,39,837	1,52,191	1,69,118	1,88,592

Free Cash Flow (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Reported profit	21,161	25,232	29,615	33,803
Add: Depreciation	3,585	3,877	4,105	4,332
Interest (net of tax)	504	407	288	113
Others	(167)	(200)	(235)	(269)
Less: Changes in WC	1,311	(3,522)	(2,750)	(3,028)
Operating cash flow	26,394	25,794	31,022	34,951
Less: Capex	(5,940)	(5,000)	(5,000)	(5,000)
Free cash flow	20,454	20,794	26,022	29,951

Key Ratios

Year to March	FY25A	FY26E	FY27E	FY28E
RoE (%)	22.1	23.3	24.1	24.8
RoCE (%)	30.6	30.8	31.4	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	75.8	123.6

Valuation Drivers

Year to March	FY25A	FY26E	FY27E	FY28E
EPS growth (%)	26.5	16.5	16.2	14.1
RoE (%)	22.1	23.3	24.1	24.8
EBITDA growth (%)	11.3	15.2	14.2	11.7
Payout ratio (%)	96.1	45.0	45.0	45.0

Exhibit 1: Trends at a glance

Particulars	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Revenue (INR mn)	30,760	31,300	29,019	33,954	32,349	33,689	31,411	37,531	35,544
EBITDA (INR mn)	6,797	7,425	5,769	8,127	7,688	7,984	6,326	9,410	8,507
PAT (INR mn)	4,502	5,105	3,723	5,669	5,346	5,524	4,223	6,723	5,791
Overall volume growth (% YoY)	8.0	10.4	15.2	9.6	8.0	9.7	9.8	9.9	10.3
Domestic C&B volume growth (% YoY)	8.0	Double-digit	12.7	8.0	6.0	7.3	8	9.3	10.4
Industrial (B2B) volume growth (% YoY)	20.0	Double-digit	25.2	18.0	21.0	21.7	16.4	12.6	9.9
Consolidated									
Revenue growth (% YoY)	2.2	4.4	7.9	3.7	5.2	7.6	8.2	10.5	9.9
Gross margin (%)	51.3	52.9	53.4	53.8	54.4	54.3	55.0	54.1	55.0
EBITDA margin (%)	22.1	23.7	19.9	23.9	23.8	23.7	20.1	25.1	23.9
CBP sales growth (% YoY)	3.2	4.9	6.4	3.0	2.9	5.2	6.7	9.7	9.9
Industrial Products sales growth (% YoY)	(1.3)	6.2	11.7	7.0	14.3	18.8	14.3	11.2	8.2
CBP EBIT margin (%)	27.6	30.3	24.2	29.3	29.9	29.4	25.8	31.5	30.2
Industrial Products EBIT margin (%)	11.1	11.9	11.8	15.2	14.8	17.6	17.5	16.5	15.2
Standalone									
Sales growth (% YoY)	2.4	4.6	8.7	6.2	7.1	9.3	10.1	10.6	10.4
Gross margin (%)	51.2	52.9	53.3	53.5	54.0	53.9	54.7	53.5	54.5
EBITDA margin (%)	23.1	25.0	20.4	24.5	24.5	24.2	20.5	25.5	24.5
CBP sales growth (% YoY)	3.7	5.4	7.5	5.4	5.0	7.0	9.1	10.2	10.8
Industrial Products sales growth (% YoY)	(2.9)	4.7	12.4	9.2	15.6	20.7	14.1	11.6	8.7
CBP EBIT margin (%)	29.4	32.4	25.7	30.4	31.2	30.6	26.4	32.0	31.0
Industrial Products EBIT margin (%)	13.2	14.0	11.0	16.8	17.9	18.1	18.1	18.5	17.7

Source: Company, Nuvama Research

Exhibit 2: CAGR trends

INR mn	Q2FY21	Q2FY22	Q2FY23	Q2FY24	Q2FY25	Q2FY26	2-Yr CAGR	3-Yr CAGR	4-Yr CAGR	5-Yr CAGR
Revenue (INR mn)	18,803	26,264	30,112	30,760	32,349	35,544	7.5	5.7	7.9	13.6
EBITDA (INR mn)	5,126	5,496	4,999	6,797	7,688	8,507	11.9	19.4	11.5	10.7
PAT (INR mn)	3,564	3,747	3,324	4,502	5,346	5,791	13.4	20.3	11.5	10.2
Domestic C&B volume growth (% YoY)	7	25	1	8	6.0	10	8.2	8.1	6.3	9.8

Source: Company, Nuvama Research

Q2FY26 conference call: Key takeaways

Detailed takeaways

Outlook

- Management reiterated maintaining EBITDA margin within the 20–24% range and expects H2FY26 margins to be at the upper end of the range.
- A&P spends are likely to remain in the range of 3–4% of sales, going forward.
- Input cost shall remain benign and range-bound for next 2–3 quarters.
- Plans to judiciously deploy margin gains from benign input costs towards A&P spends, GTM capability building and new product initiatives.
- Continued on its double-digit volume growth trajectory going forward.
- Capex is likely to remain at 3–5% of sales and capacity additions shall be directed towards categories that are growing faster.

Demand

- Rural demand continues to outpace urban, consistently for the past 4–5 years.
- Urban demand inched up in Q2FY26. However, the rural performance remains strong, driven by ongoing penetration and distribution expansion efforts.
- Rural growth continues to be a key strength; driven more by repeat demand and deeper engagement.
- New construction activity appears to be slightly on the rise relative to renovation.
- Demand trends are broadly uniform across regions, with no particular outperformance in north, south, or west markets.
- Carpenter activity and overall trade sentiment remain steady and evenly distributed across geographies.

Raw material

- VAM prices averaged USD883/t in Q2FY26 versus USD980/t in Q2FY25.
- Management expects input prices to remain benign over the next six months.

Key highlights

- Consolidated revenue grew 10.2% YoY to INR7.3bn in H1FY26.
- Consolidated EBITDA grew 13.3% YoY in H1.
- EBITDA margins improved 67bp YoY to 24.6% in H1FY26.
- Volumes grew 10.1% YoY in H1FY26.
- Pricing growth was flat in Q2FY26.
- Gross margin gains were largely re-invested into A&P spends, which rose ~80% YoY in absolute terms and 150–160bp as a percentage of sales.

C&B

- C&B volumes grew 10.4% YoY in Q2 and 9.8% YoY in H1.
- On a consolidated basis, C&B business sales grew 9.9% YoY in Q2.

B2B

- B2B volumes grew 9.9% YoY in Q2 and 11.3% YoY in H1.
- On a consolidated basis, B2B sales grew 8.2% YoY in Q2.
- Domestic B2B volumes grew in mid teen in Q2.

Unofin

- Unofin's initial performance was below expectations, primarily due to behavioural change barriers.
- The product is gaining early traction in hotels and commercial complexes.
- Pilot operations are currently restricted to North India due to proximity to the Rajasthan plant.
- Its focus remains on buildings where owners aim to minimise future maintenance costs and architects seek aesthetically appealing facades.
- Previous independent sales team has been merged to a large user group for better execution.

Haisha Paints

- Haisha paints grew sequentially within the pilot markets.
- Pilot coverage has expanded to a few eastern geographies.
- Aims to fine-tune the business model for H2FY26 as internal expectations are not met.

Domestic subsidiaries

- Domestic subsidiaries reported 10.7% YoY revenue growth and EBITDA grew 22.6% YoY.
- C&B revenue grew 17% YoY and its EBITDA grew 41% YoY.
- B&B revenue grew 1% YoY while EBITDA fell 173% YoY.

International subsidiaries

- International subsidiaries grew 4.5% YoY.
- Middle East and Africa revenue grew 3% YoY and EBITDA declined 3% YoY.
- Asia revenue grew 6% YoY and EBITDA grew 4% YoY.

New products

- Launched Professional Fevikwik range to address different professional user applications.
- In construction chemicals, professional tile adhesive range was launched with Techno Adapt technology.

Category growth

- Core categories (adhesives, sealants, construction chemicals, etc.) continued to deliver within the 1–2x GDP growth range.
- Growth categories such as Dr Fixit and Roff performed very well, with some brands operating at the upper end of the 2–4x GDP growth band.
- Pioneering categories (newer initiatives such as drops, electronic releases, etc.) are in early stages, showing positive initial traction with increasing account additions.

Electronics Adhesive

- Electronics adhesive space is still evolving with multiple sub-applications across adhesion, thermal conduction, and assembly processes.
- The company is mapping each opportunity area to identify where it has a “right to play”.
- The products are likely to gain scale and materialise over next three–five years.

Macro context

- The company remains optimistic, as the domestic operating environment shall improve supported by a favourable monsoon and the cascading benefits of GST 2.0 on demand.
- Sustained momentum in the construction sector led by benign interest rates and liquidity is likely to drive growth.
- The GST rate cut on construction materials—cement and stone/marble is seen as positive for construction and home improvement activity.

Others

- Pidilite Ventures continues to evaluate new investment opportunities and potential stake increases in existing portfolio companies.
- It has a cash balance of INR30bn providing flexibility for strategic investments.

Exhibit 3: Key commentary by management - outlook

Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Management is cautiously optimistic but not seeing significant buoyancy in demand, with October described as "normal" rather than depressed or strong. Several headwinds from H1 FY25 (elections, extreme weather) are expected to ease in H2, while government capex is weighted toward H2 and good monsoons could boost rural incomes. Management maintains aspiration for double-digit underlying volume growth, noting they achieved 9% in challenging H1 conditions. Q3 margins expected to be similar to Q2, with VAM prices currently between \$800-900/ton.	Management has shifted from "increasingly optimistic" to "cautious" due to demand strain in both urban and rural markets. The company expects C&B volume growth to maintain current levels barring any black swan events, with potential improvement after the budget and increased government infrastructure spending. Input costs are expected to remain benign in the near term, though the company is monitoring headwinds from rupee depreciation and crude prices. The electronics manufacturing segment represents a substantial growth opportunity over a 5-year horizon, though product development cycles take 12-24 months. The company sees 2-3 years of growth runway in rural and semi-urban markets before consumption reaches urban levels.	Management expects strong consumer demand fundamentals to continue, supported by government spending post-elections and predicted good monsoon. The company remains confident about delivering double-digit profitable volume growth, despite strong base in FY25. Key near-term risk is geopolitical uncertainty - if prolonged beyond 1-2 months, it could impact growth expectations. The B2B segment is expected to maintain strong growth momentum, particularly in construction chemicals and professional solutions. Management sees significant opportunity in electronics adhesives market, estimating it could be a \$1 billion market by 2030.	Management expects to maintain double-digit underlying volume growth, supported by benign input costs and strong demand across categories. Pricing growth is expected to remain modest at low single digits given benign input costs. Full year EBITDA margins are likely to be at the higher end of the 20-24% guidance range due to favourable input costs. Rural growth is expected to continue outpacing urban growth. Management remains optimistic about recent policy measures boosting discretionary spending, though early to see specific signs.	Management reiterated maintaining EBITDA margin within the 20-24% corridor and expects H2FY26 margins to be at the upper end of the corridor range. A&P spends are expected to remain in range of 3-4% of sales going forward. Input cost shall remain benign for next 2-3 quarters. Continued on its double-digit volume growth trajectory going forward. Capex is expected to remain between 3-5% of sales.

Source: Nuvama Research

Exhibit 4: Key commentary by management - revenue

Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Revenue grew 5.2% YoY. Overall volume growth was 8% YoY. C&B volume grew 6% YoY.	Revenue grew 7.6% YoY. Overall volume growth was 9.7% YoY. C&B volume grew 7.3% YoY.	Revenue grew 8.2% YoY. Overall volume growth was 9.8% YoY. C&B volume grew 8% YoY.	Revenue grew 10.5% YoY. Overall volume growth stood at 9.9% YoY and C&B volume grew 9.8% YoY.	Revenue grew 10% YoY. Overall volume growth stood at 10.3% YoY and C&B volume grew 10.4% YoY.

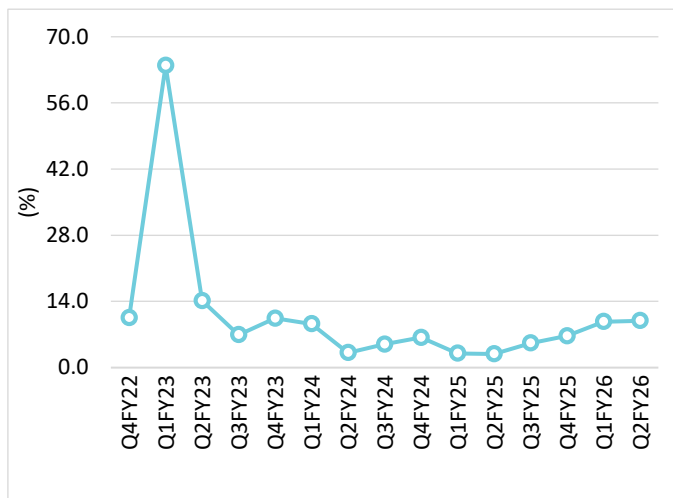
Source: Nuvama Research

Exhibit 5: Key commentary by management - margins

Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Gross margin/EBITDA margins expanded 304bp/167bp YoY to 54.4%/23.8%.	Gross margin expanded 145bp YoY to 54.3% mainly due to benign input costs. EBITDA margin of 23.7% held flat YoY, mainly because of higher A&P spends.	EBITDA margin of 20.1% increased 26bp YoY and contracted 356bp QoQ. Gross margin of 55.04%, up 161bp YoY/71bp QoQ, due to lower input costs.	Gross/EBITDA margin of 54.1%/25.1% expanded 32bp YoY/114bp QoQ. A QoQ decline of 91bp in GM was due to mix and slightly higher VAM consumption.	Gross margins of 55.04% up 69bp YoY/91bp QoQ. EBITDA margins of 23.9% remained flat YoY and contracted 114bp QoQ.

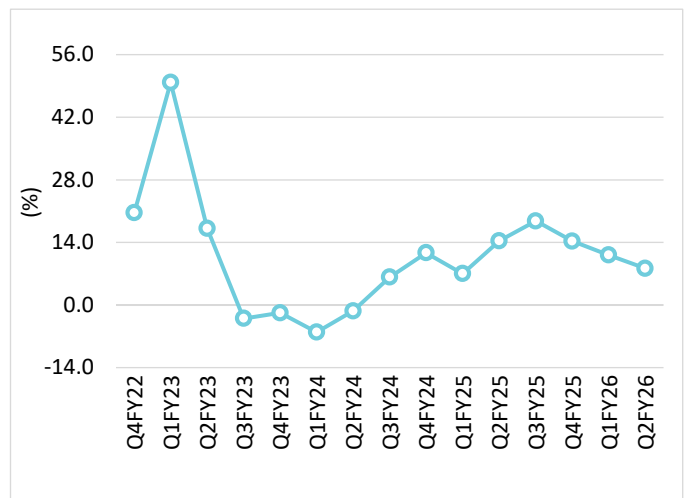
Source: Nuvama Research

Exhibit 6: C&B sales growth



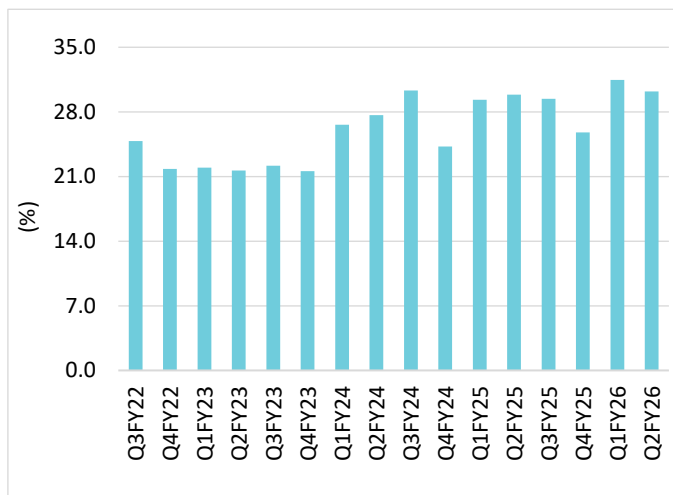
Source: Company, Nuvama Research

Exhibit 7: B2B sales growth



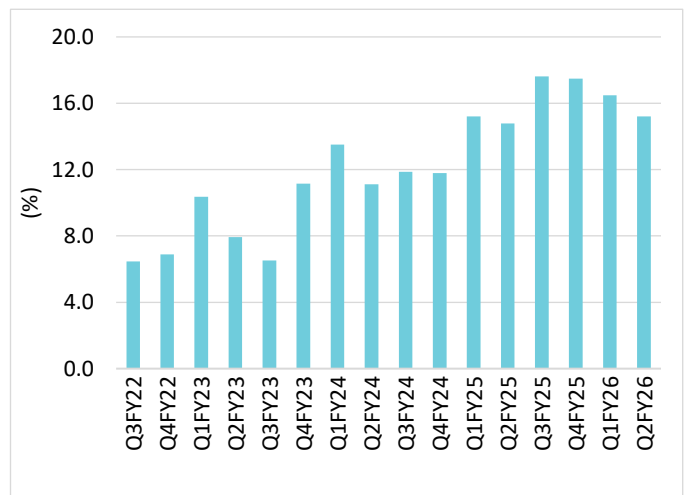
Source: Company, Nuvama Research

Exhibit 8: C&B EBIT margins



Source: Company, Nuvama Research

Exhibit 9: B2B EBIT margins



Source: Company, Nuvama Research

Exhibit 10: Consolidated segmental performance (INR mn)

Year to March - Revenues	Q2FY26	Q2FY25	YoY growth	Q1FY26	QoQ growth
Consumer & Bazaar Products	28,365	25,805	9.9	30,067	(5.7)
Business to Business	7,613	7,036	8.2	8,066	(5.6)
Others	141	149	(5.1)	147	(3.9)
Segment results (Profit/(Loss) before tax and interest)					
Consumer & Bazaar Products	8,575	7,710	11.2	9,458	(9.3)
Business to Business	1,158	1,040	11.3	1,329	(12.9)
Others	(26)	5.4	-572	(6)	298
Segment margins					
Margin (%)					
Consumer & Bazaar Products	30.2	29.9	35	31.5	-123
Business to Business	15.2	14.8	43	16.5	-127
Others	(18.0)	3.6	-2,167	(4.4)	-1,370

Source: Company, Nuvama Research

Exhibit 11: Standalone segmental performance (INR mn)

Year to March - Revenues	Q2FY26	Q2FY25	YoY growth	Q1FY26	QoQ growth
Consumer & Bazaar Products	26,504	23,912	10.8	28,236	(6.1)
Business to Business	6,733	6,192	8.7	7,078	(4.9)
Others	138	148	(6.4)	142	(2.9)
Segment results (Profit/(Loss) before tax and interest)					
Consumer & Bazaar Products	8,206	7,459	10.0	9,038	(9.2)
Business to Business	1,195	1,110	7.7	1,312	(9.0)
Others	-	13	(100.0)	16	(100.0)
Segment margins					
Margin (%)					
Consumer & Bazaar Products	31.0	31.2	-23	32.0	(104.6)
Business to Business	17.7	17.9	-17	18.5	(80.0)
Others	-	9.0	(901)	11.0	(1,103)

Source: Company, Nuvama Research

Exhibit 12: Consolidated financial snapshot (INR mn)

Year to March	Q2FY26	Q2FY25	% change	Q1FY26	% change
Net sales	35,544	32,349	9.9	37,531	(5.3)
Cost of goods sold	15,982	14,767	8.2	17,218	(7.2)
Gross profit	19,563	17,583	11.3	20,314	(3.7)
Staff cost	4,707	4,356	8.1	4,642	1.4
Other expenditure	6,348	5,538	14.6	6,262	1.4
EBITDA	8,507	7,688	10.7	9,410	(9.6)
Depreciation/Amortisation	1,000	879	13.7	967	3.4
EBIT	7,508	6,809	10.3	8,443	(11.1)
Interest expense	133	117	13.2	138	(3.6)
Other income	502	571	(12.2)	857	(41.5)
Profit before tax	7,877	7,263	8.4	9,162	(14.0)
Provision for taxation	2,027	1,848	9.7	2,383	(14.9)
Minority interest	53.7	57	NM	57	NM
Share of Profit/(Loss) in Associated Company	(3.5)	(12)	(71.3)	2	(252.2)
Exceptional items	-	-	NM	-	NM
Reported Profit	5,791	5,346	8.3	6,724	(13.9)
Adjusted Profit	5,791	5,346	8.3	6,724	(13.9)
No. of diluted Shares outstanding	1,017	1,017	-	1,017	-
EPS (INR)	5.7	5.3	8.3	6.6	(14)
As % of net sales					
COGS	45.0	45.6	(69)	45.9	(91)
Staff costs	13.2	13.5	(22)	12.4	87
Other expenditure	17.9	17.1	74	16.7	118
EBITDA	23.9	23.8	17	25.1	(114)
EBIT	21.1	21.0	7	22.5	(137)
EBIT incl. other income	22.2	22.5	(29)	24.4	(225)
PBT	22.2	22.5	(29)	24.4	(225)
Net profit	16.4	16.7	(26)	18.1	(162)
Tax rate	25.7	25.4	29	26.0	(28)

Source: Company, Nuvama Research

Exhibit 13: Standalone financial snapshot (INR mn)

Standalone (INR mn)	Q2FY26	Q2FY25	% Change YoY	Q1FY26	% Change QoQ
Net Sales	32,873	29,769	10.4	34,793	(5.5)
Other Op. Income	-	-	NA	-	NA
Total sales	32,873	29,769	10.4	34,793	(5.5)
Expenses					
Cost of goods sold	14,967	13,702	9.2	16,165	(7.4)
Employee cost	4,140	3,866	7.1	4,095	1.1
Other Expenditure	5,697	4,893	16.4	5,651	0.8
Total	24,805	22,462	10.4	25,911	(4.3)
EBITDA	8,069	7,308	10.4	8,882	(9.2)
Depreciation	854	754	13.3	828	3.2
EBIT	7,214	6,553	10.1	8,054	(10.4)
Other inc	685	722	(5.1)	842	(18.6)
Finance cost	102	79	28.5	102	-
PBT before extraordinary item	7,798	7,196	8.4	8,794	(11.3)
Exceptional item	-	-	NM	-	NM
PBT before extraordinary item	7,798	7,196	8.4	8,794	(11.3)
Tax	1,939	1,776	9.2	2,296	(15.6)
Reported PAT	5,859	5,420	8.1	6,498	(9.8)
Adjusted PAT	5,859	5,420	8.1	6,498	(9.8)
Equity Shares (FV- INR1)	1,018	1,018		1,018	
EPS	5.8	5.3	8.1	6.4	(9.8)
As % of net sales					
COGS	45.5	46.0	(50)	46.5	(93)
Employee	12.6	13.0	(39)	11.8	82
Other expenditure	17.3	16.4	89	16.2	109
EBITDA	24.5	24.5	(0)	25.5	(98)
PAT	17.8	18.2	(38)	18.7	(85)
Tax Rate	24.9	24.7	18	26.1	(125)

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
Co - Vice Chairman	Mr. A B Parekh
Auditor	BSR & Co LLP

Holdings – Top 10*

	% Holding		% Holding
Life Insurance	3.13	Norges Bank	0.82
Axis Asset Mana	1.50	UTI Asset manag	0.38
Vanguard Group	1.38	Aberdeen group	0.36
BlackRock Inc	1.34	ICICI Prudentia	0.34
ICICI Prudentia	1.12	Mirae asset Fin	0.34

*Latest public data

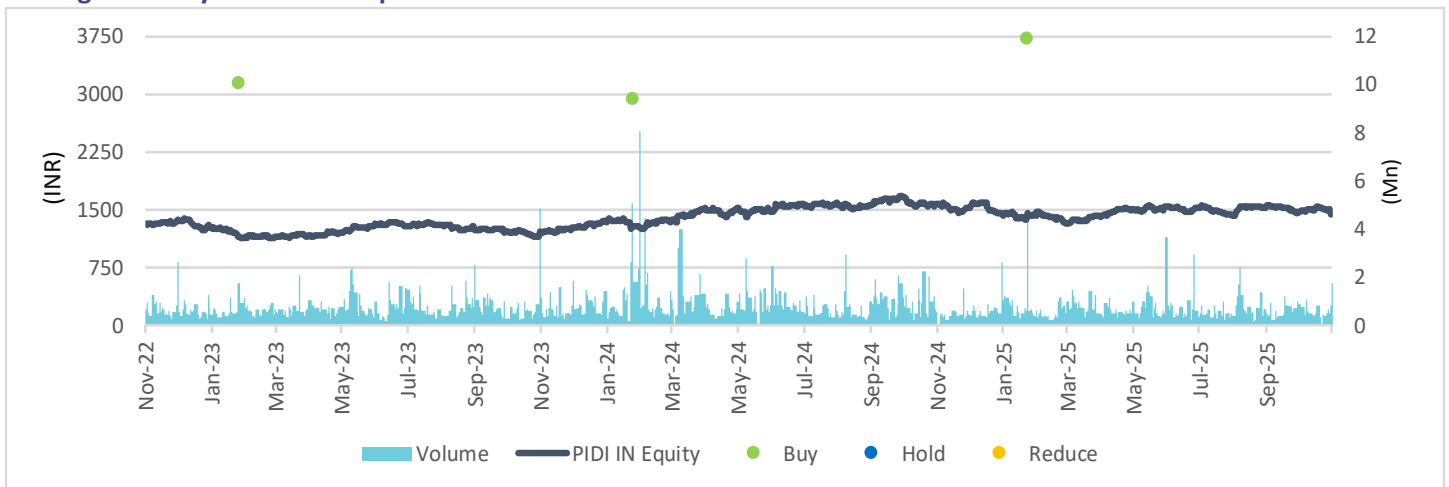
Recent Company Research

Date	Title	Price	Reco
30-Oct-25	Steady performance; <i>Oven fresh</i>	1,486	Buy
11-Sep-25	Compounding thesis: Sticking well ; <i>Visit Note</i>	3,071	Buy
07-Aug-25	Sudhanshu takes baton on a flying start; <i>Result Update</i>	3,051	Buy

Recent Sector Research

Date	Name of Co./Sector	Title
30-Oct-25	United Spirits	Cheers to a strong quarter; <i>Oven fresh</i>
30-Oct-25	UNITED BREWERIES	Rains and taxes squeeze; <i>Result Update</i>
29-Oct-25	UNITED BREWERIES	Weather hit quarter; Premium lead; <i>Oven fresh</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%	205
Hold	<15% and >-5%	68
Reduce	<-5%	37

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