Pidilite Industries Ltd.

Q2 FY21
Earnings Presentation

Disclaimer

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.

Financial Highlights

Q2 FY21 Earnings Summary

Pidilite

	Net Sales	EBITDA *	PBT*	PAT
Standalone	Rs 1,620 Cr	Rs 473 Cr	Rs 455 Cr	Rs 339 Cr
YoY Growth	3.7%	34.5%	21.7%	4.5% **
Consolidated	Rs 1,857 Cr	Rs 514 Cr	Rs 479 Cr	Rs 357 Cr
YoY Growth	3.4%	39.3%	27.1%	9.7% **

* 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 grew by 27.1% (Standalone) & 33.5% (Consolidated)

H1 FY21 Earnings Summary

	Net Sales	EBITDA *	PBT*	PAT
Standalone	Rs 2,388 Cr	Rs 570 Cr	Rs 532 Cr	Rs 396 Cr
YoY Growth	-28.3%	-26.0%	- 33.5%	- 35.3% **
Consolidated	Rs 2,730 Cr	Rs 582 Cr	Rs 510 Cr	Rs 372Cr
YoY Growth	- 28.2%	-28.5%	-37.4%	-39.9% **

* 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 32.2% (Standalone) & 36.9% (Consolidated)

Comments on Financial Performance

Pidilite

Standalone

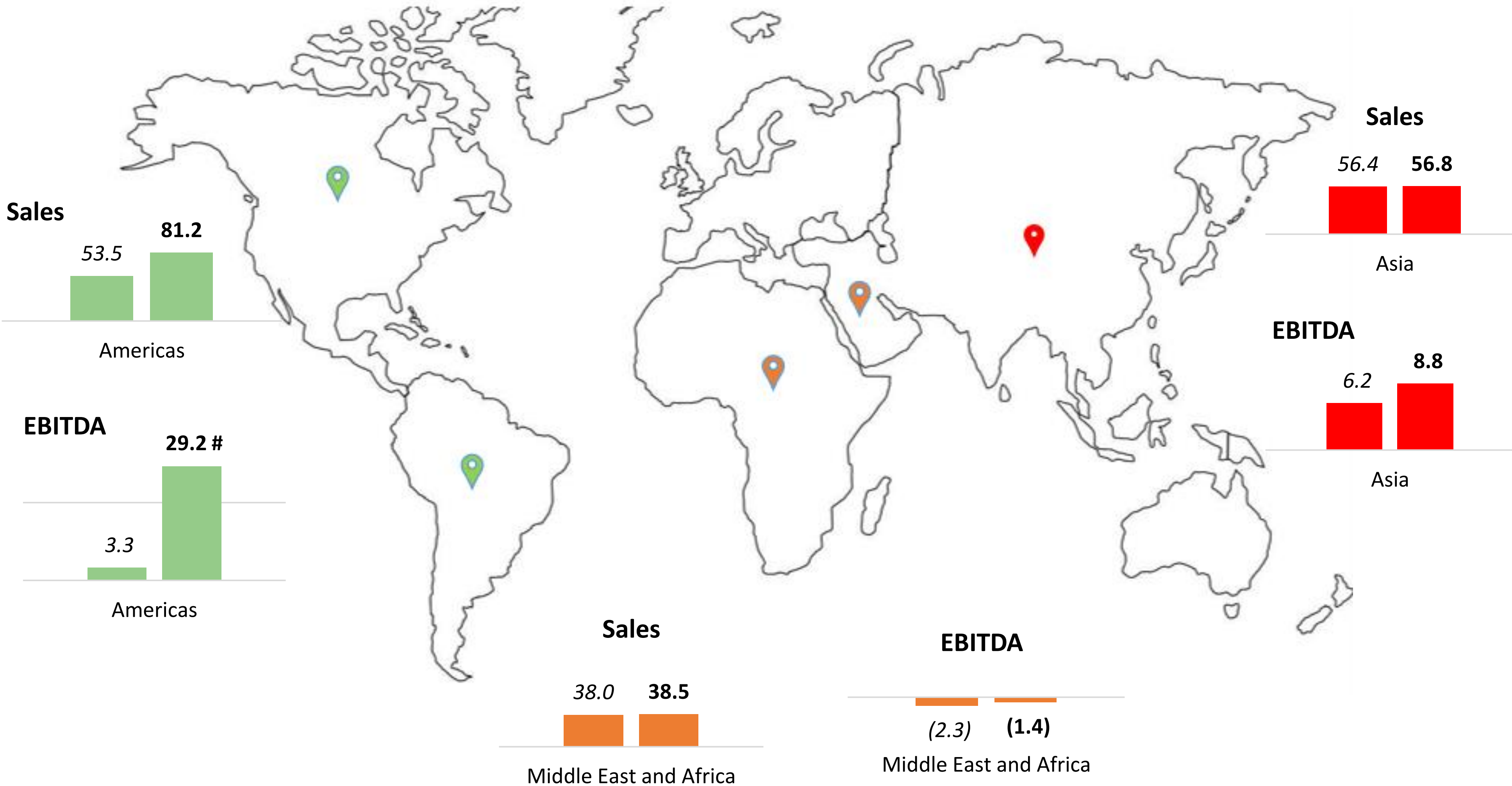
- Net Sales grew by 3.7% over same quarter last year.
- Material cost as a % to net sales is lower by 283 Bps over same quarter last year and 200 Bps v.s previous quarter.
- EBITDA, before non-operating income, at Rs 473 Cr, grew by 34.5% over the same quarter last year.

Consolidated

- Net Sales grew by 3.4% over same quarter last year.
- Material cost as a % to net sales is lower by 226 Bps vs same quarter last year and 216 Bps vs previous quarter.
- EBITDA, before non-operating income, at Rs 514 Cr, grew by 39.3% over the same quarter last year.

Q2 FY21 Overseas Subsidiaries Performance

(in INR Crores)

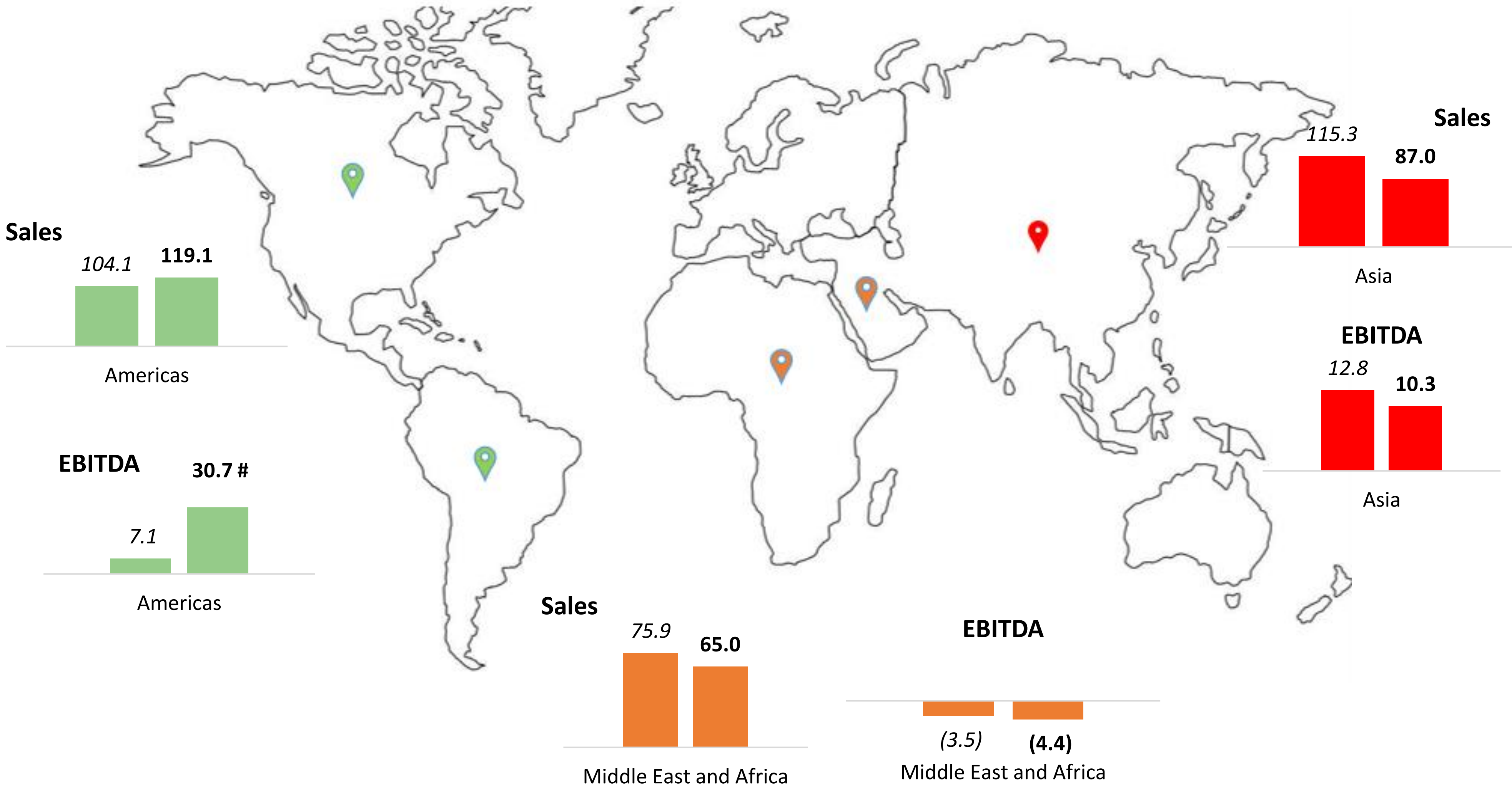


Including tax gain pertaining to earlier years in CY in Americas of Rs 9.5 Cr.

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

H1 FY21 Overseas Subsidiaries Performance

(in INR Crores)



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
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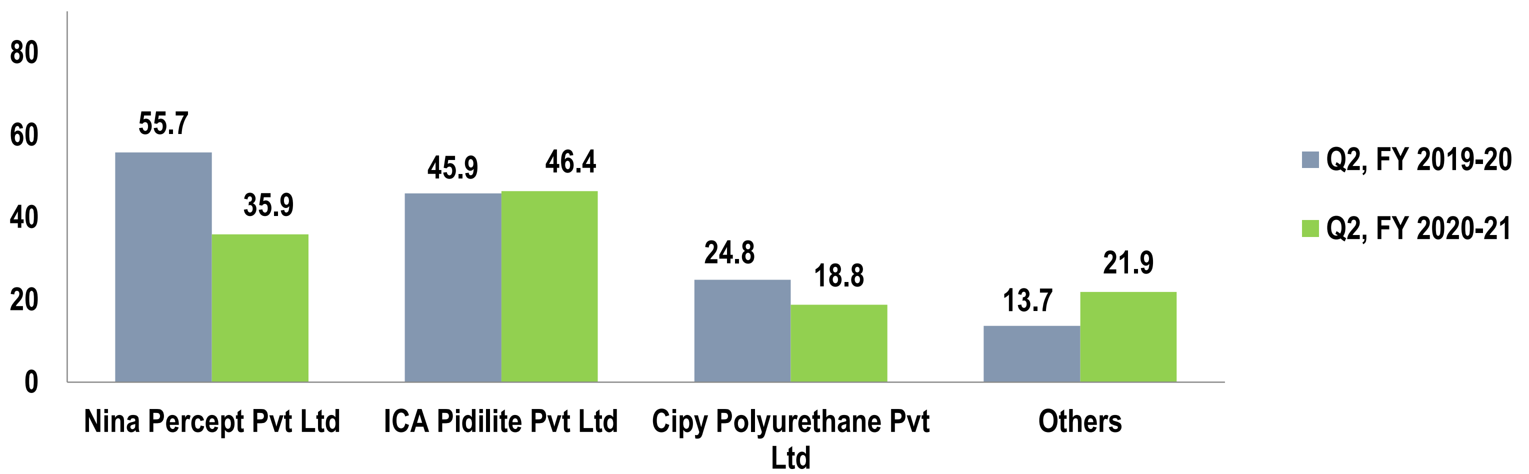
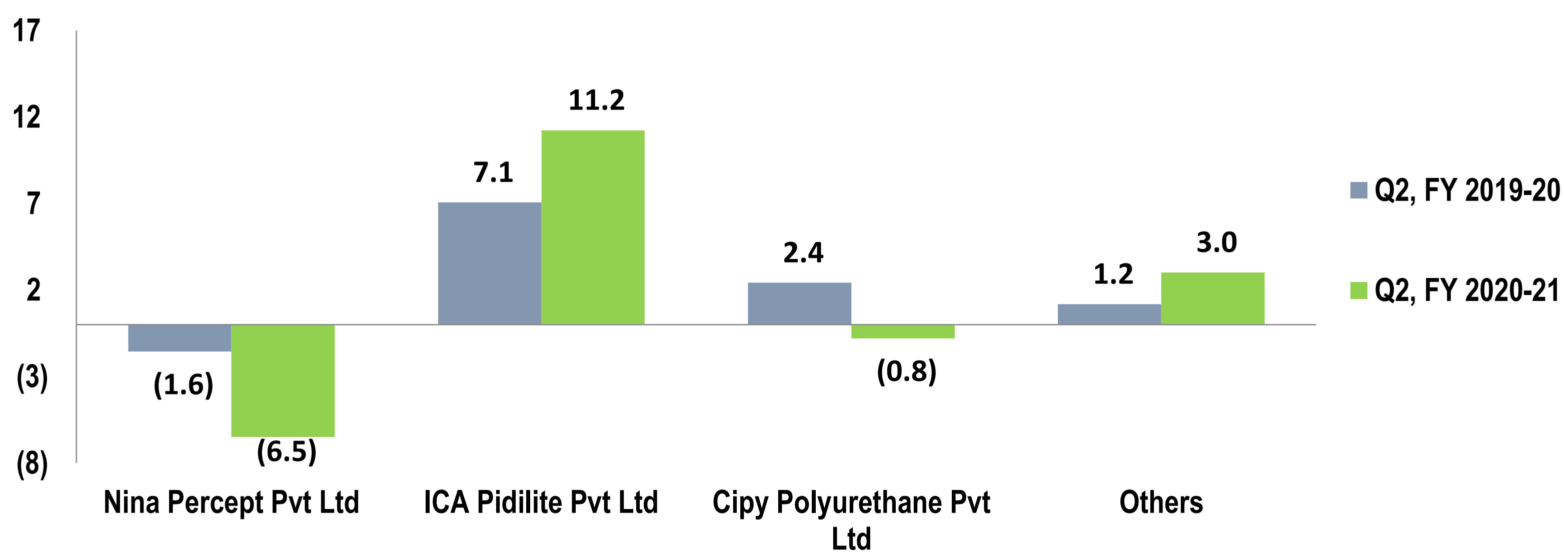
Q2 FY21 Domestic Subsidiaries Performance

(in INR Crores)

Sales



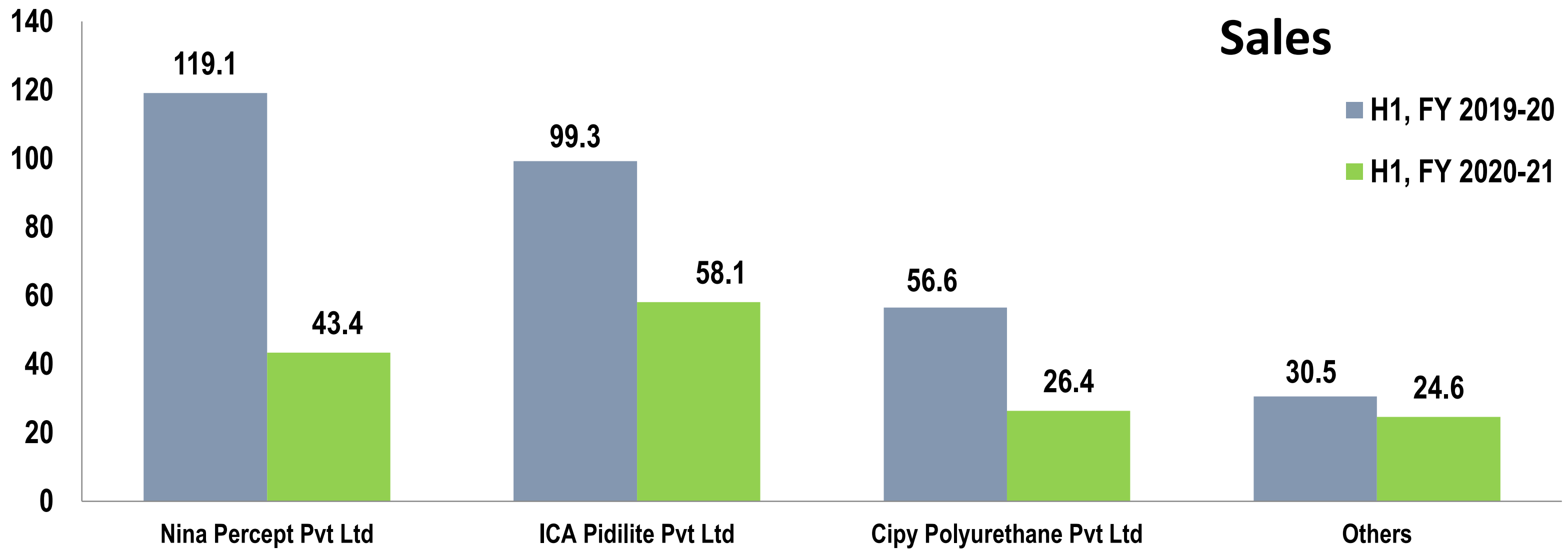
EBITDA



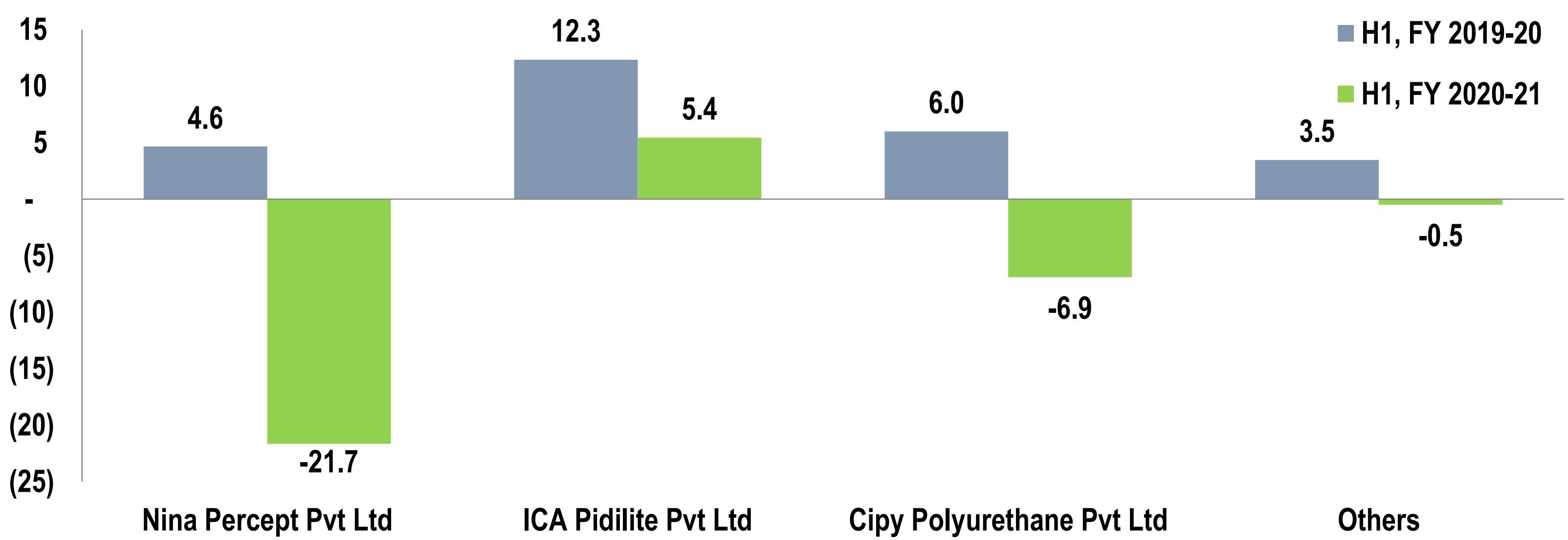
EBITDA is before exception items
Figures are reported excluding other consolidation impacts.

H1 FY21 Domestic Subsidiaries Performance

(in INR Crores)



EBITDA



EBITDA is before exception items

Figures are reported excluding other consolidation impacts.

Pidilite has Acquired 100% stake in Huntsman Advanced Material Solutions

- On 3rd November 2020, Pidilite has completed the acquisition of 100% stake in Huntsman Advanced Materials Solutions Private Limited (HAMSPL) for a cash consideration of approximately Rs. 2100 crores, excluding customary working capital and other adjustments.

- HAMSPL manufactures and sells Adhesives, Sealants and other products under well-known brands such as Araldite, Araldite Karpenter and Araseal for retail end-use in Indian Sub-continent Region

- In the calendar year 2019, business revenue was approximately 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.

- The acquisition includes a trademark license for Middle east, Africa and ASEAN countries.

Company Overview

Company Overview

Brand established in 1959. Pioneer in Consumer and Specialty Chemicals

9 Regional offices with 26 plants and 31 co-makers in India

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

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

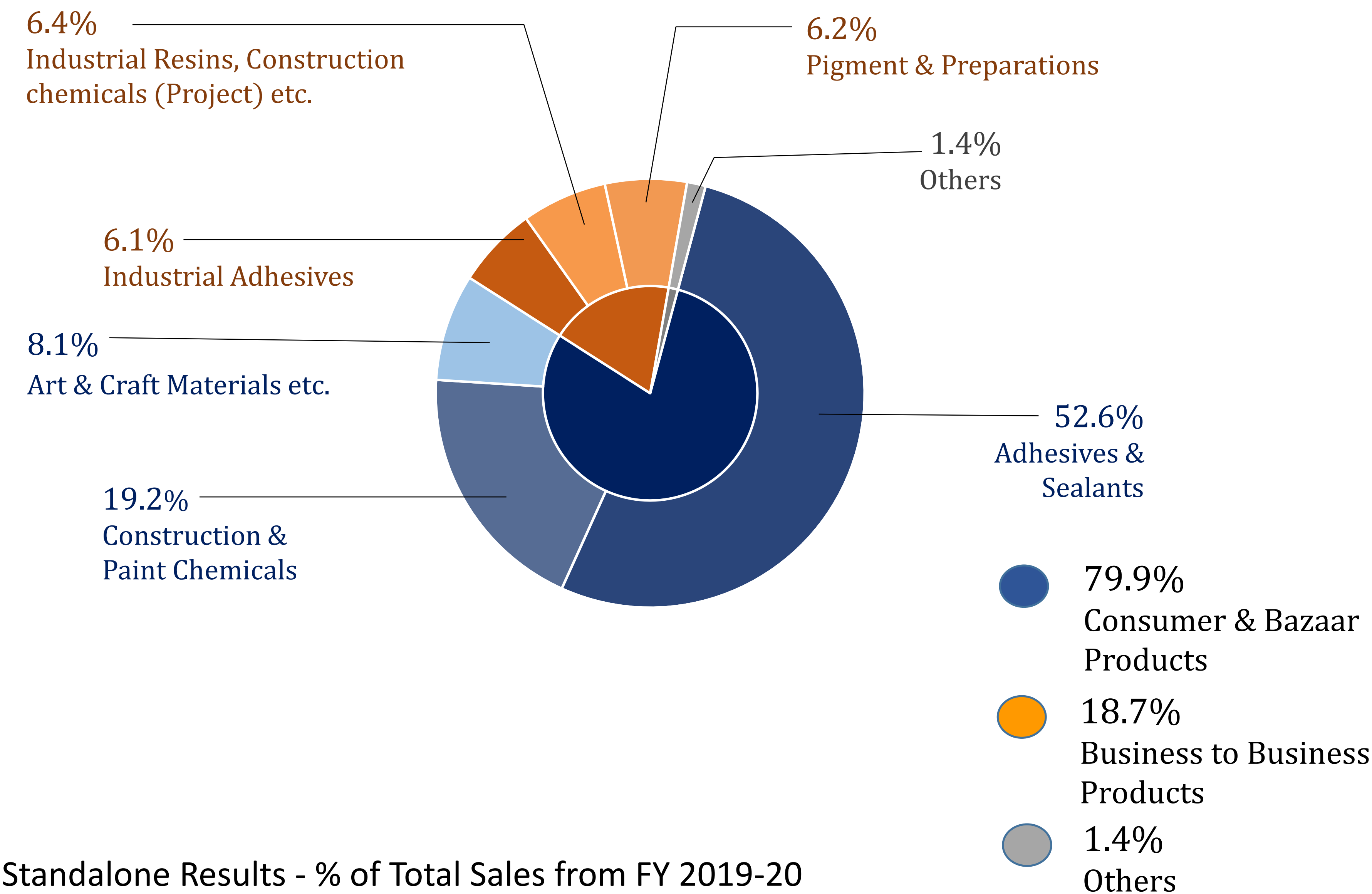
History of creating strong brands

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

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

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

Industry Segment Composition

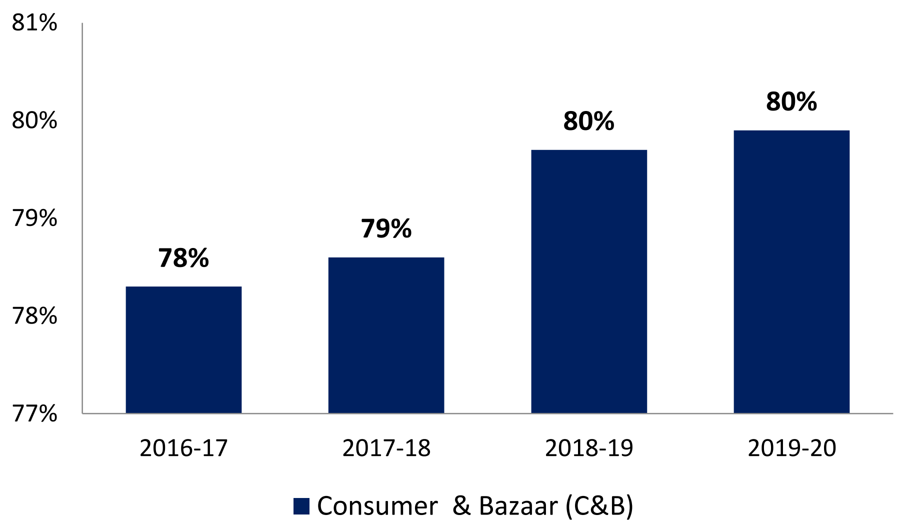


Standalone Results - % of Total Sales from FY 2019-20

4-Year Performance by Business Segments

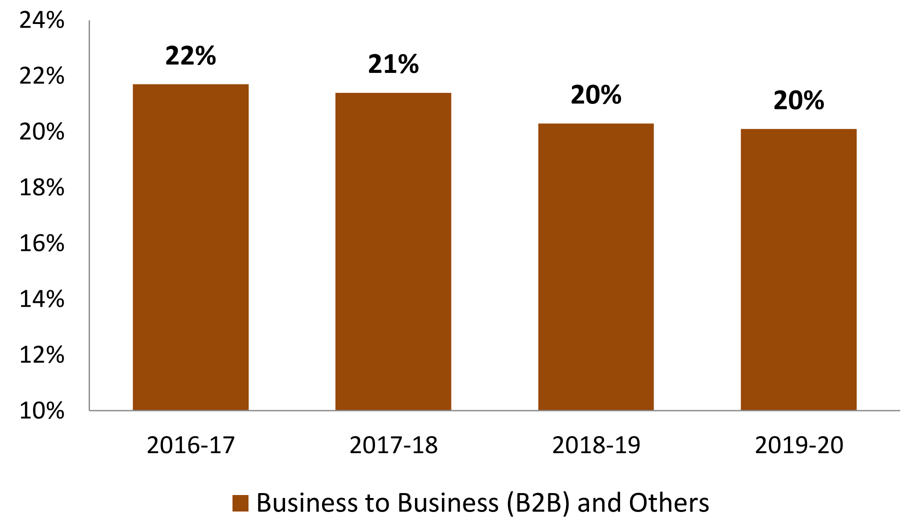
Numbers represent Percentage of Total Sales

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
- **26** plants, **31** Co-makers
- **4,700+** distributors
- **30** warehouses
- **9** regional offices & **2** RDCs

Global Presence

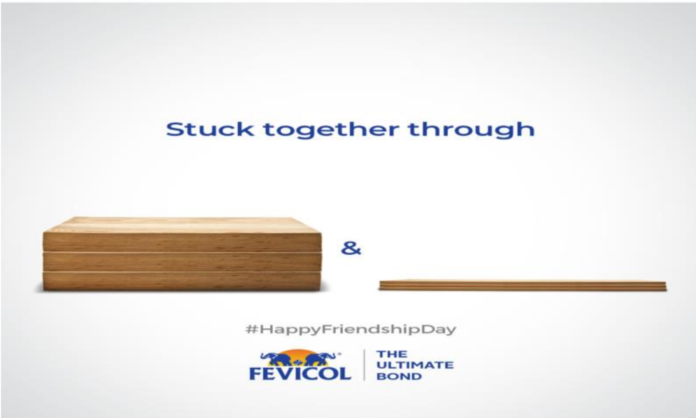
- Exports to more than **80** countries. Major exports to Middle East, SAARC, Africa, USA & Europe.
- Export Revenue of **Rs. 695 Cr** in **FY20.**
- **20** Overseas subsidiaries – 6 Direct and 14 Step down. 1 Joint Venture.
- Total revenue from Overseas subsidiaries of **Rs. 575 Cr** in **FY20.**
-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

Connecting users and dealers via digital platform

Celebrating Occasions via Digital Media

Fevicol

Hum apni nahi, doston ki baat kar rahe hain.
Tag the friend who stuck with you through thick and thin?
#HappyFriendshipsDay #MazbootJod #FevicolKaJod

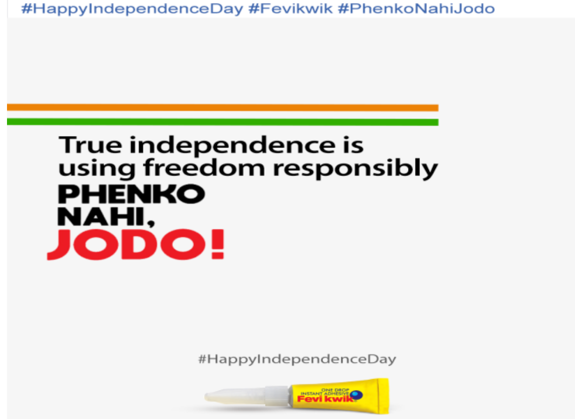


Fevikwik

Fevikwik ki maths, chutki mein samjhaye
#HappyTeachersDay #Fevikwik #PhenkoNahiJodo

Fevikwik

This Independence Day, we've taken the pledge to repair and reuse, have you?
#HappyIndependenceDay #Fevikwik #PhenkoNahiJodo

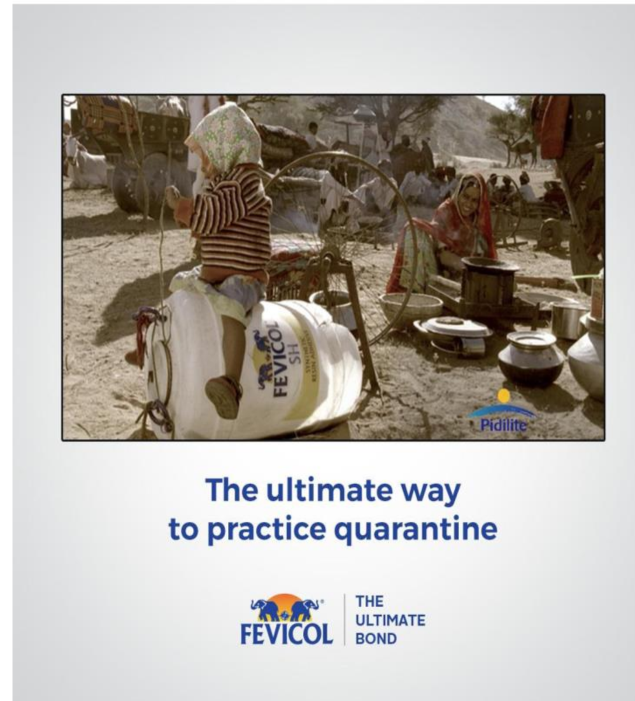


Fevikwik

The only thing we might be slower than!
#HappyBirthdayDhoni #Fevikwik

Fevicol

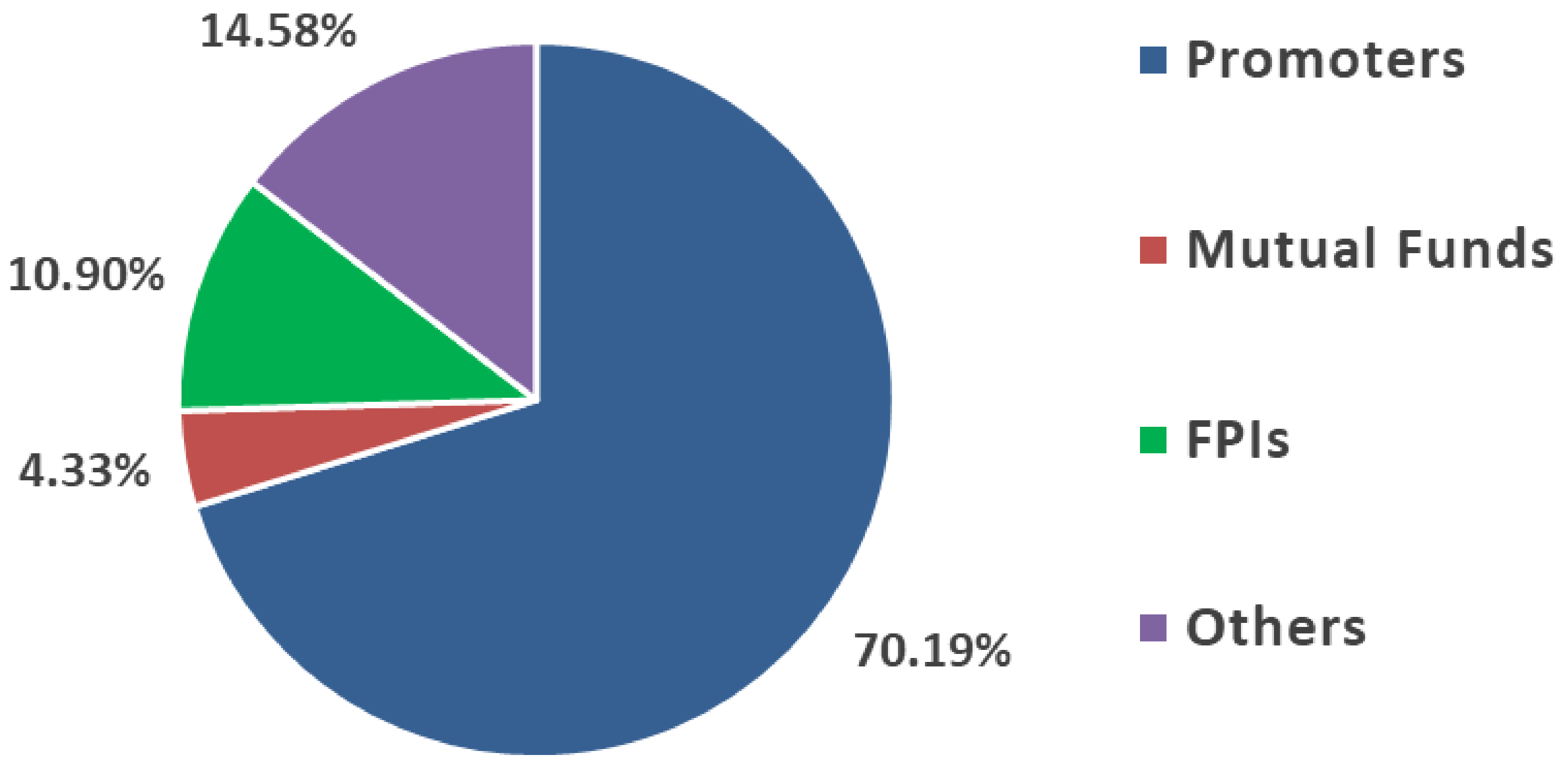
Bacche mann ke sacche
Iss maahaul mein ghar par baithe, toh bohot acche
#FevicolKaJod #MazbootJod



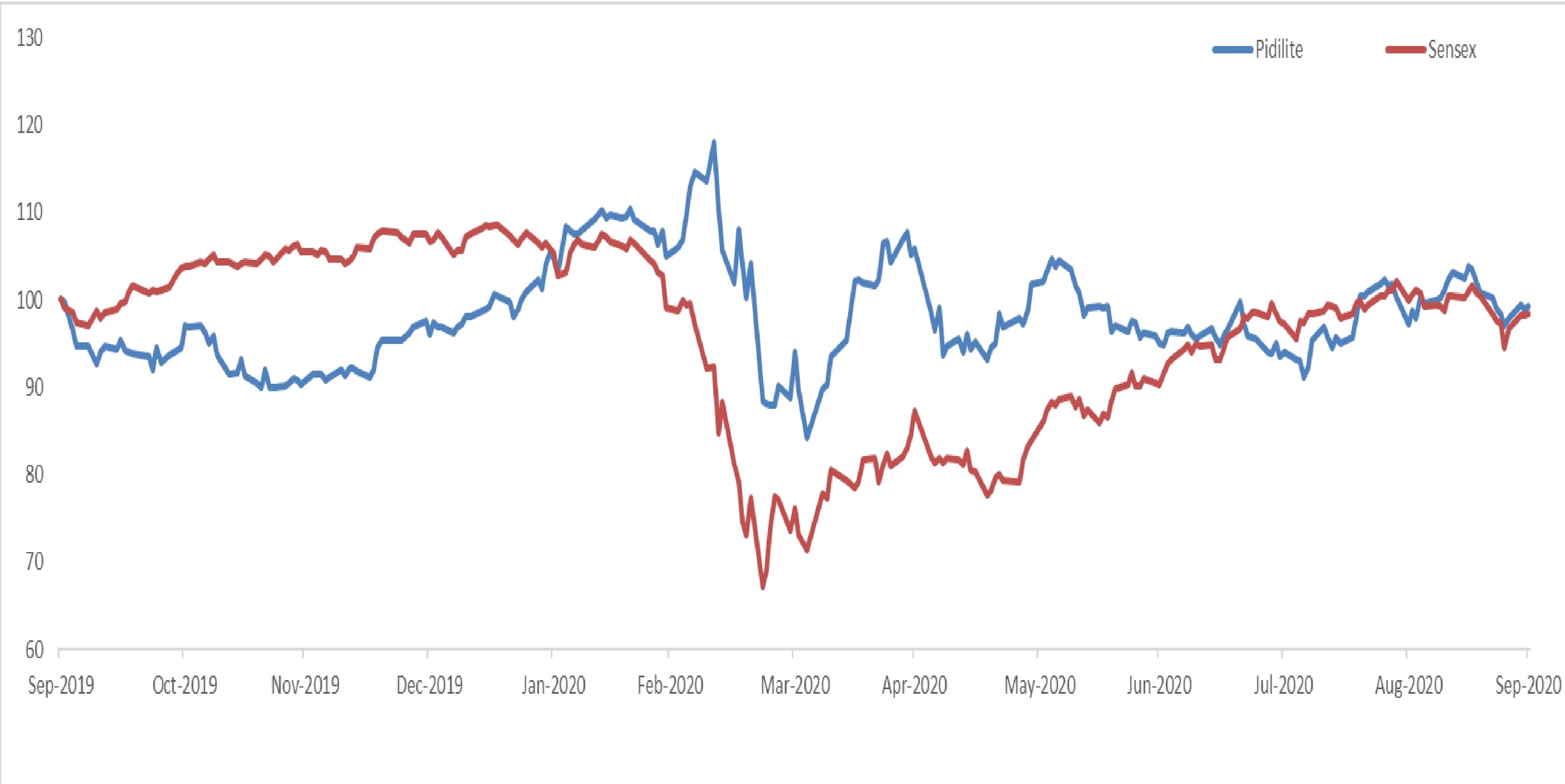
Marketing/ Advertising

- 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 September 30, 2020

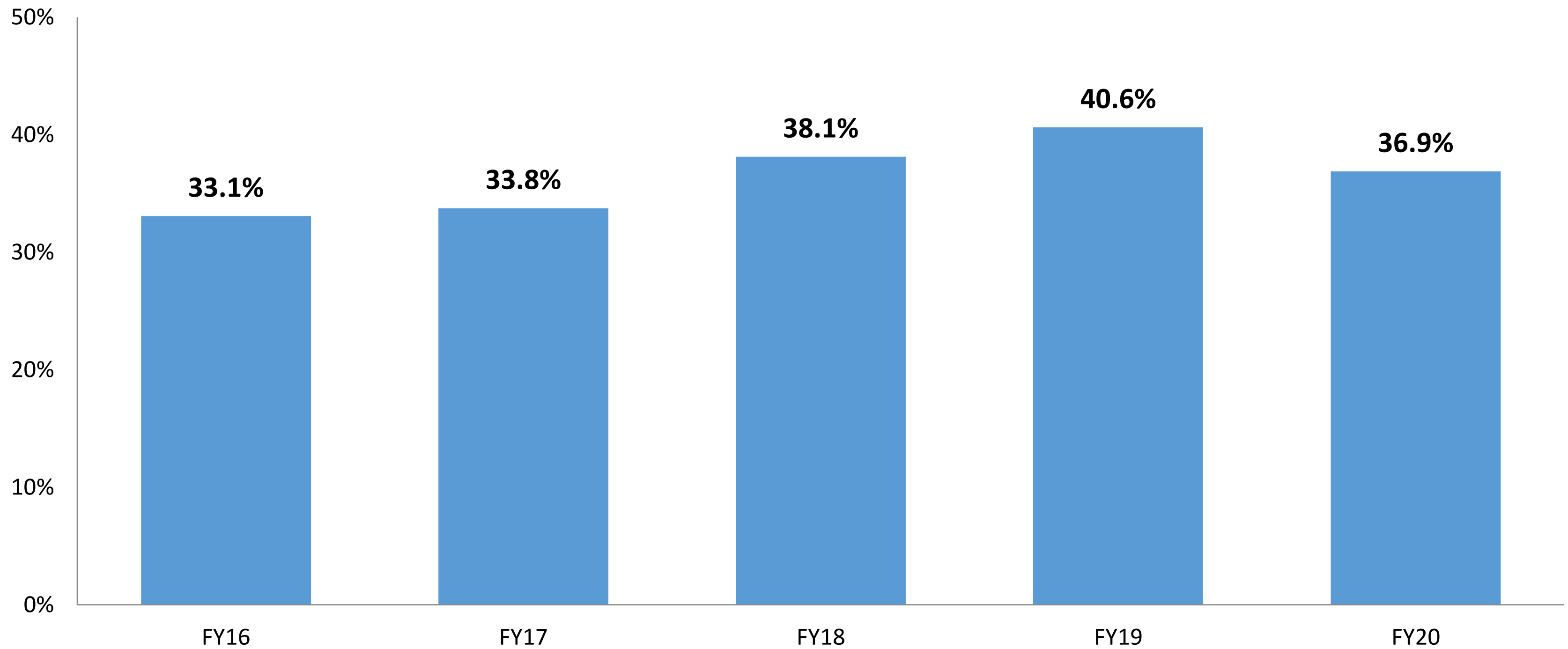


Share Price Movement



Rebased to 100

Backed by consistent dividend payouts



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

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