



7th June, 2019

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

Sub: Investor Presentation

Dear Sir,

Please find attached Investor Presentation.

Thanking You,

Yours faithfully,

For Pidilite Industries Limited

Puneet Bansal
Company Secretary

Encl: as above

Pidilite Industries Limited

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Investor 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.

Agenda



- **Company Overview**
- Business Overview
- Macro Indicators
- Strategic Direction
- Key Consideration

Company Overview



Since 1959



No. 1 Adhesives
company in India



>5300 permanent
employees



Operations in
9 countries



India's Super 50
Company



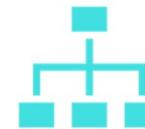
23 Mfg. Plants &
23 Co Makers in India



>500
Products



Exporting to
>80 countries



19 International &
9 Domestic Subsidiaries



3 R&D
Centers



>INR 60,000 Crore
Market Cap



10 Years Market
Cap CAGR
40%



10 Year Net
Sales CAGR 13%



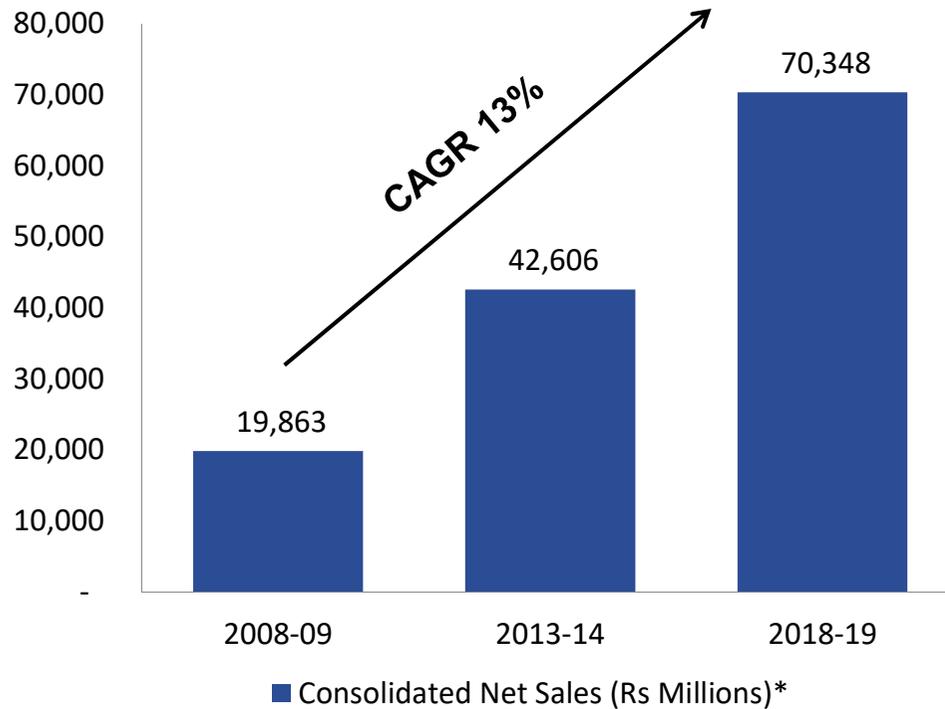
10 Year EBITDA
CAGR 20%



Rs. 19.3 EPS for
the FY 2018-19

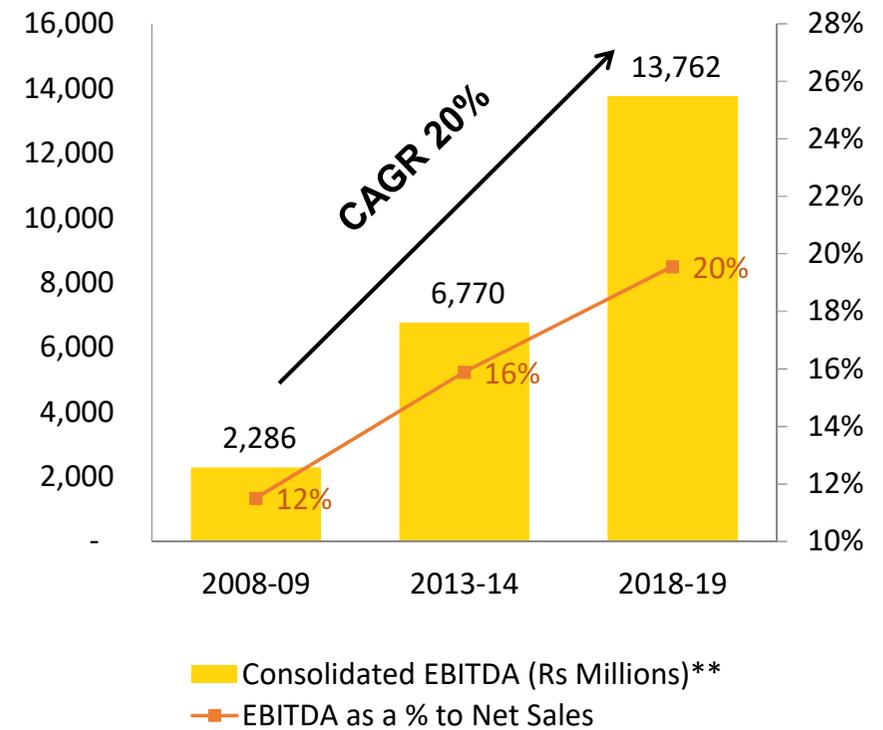
Sustainable Strong Growth ...

Net Sales Growth Trend Over Last 10 Years



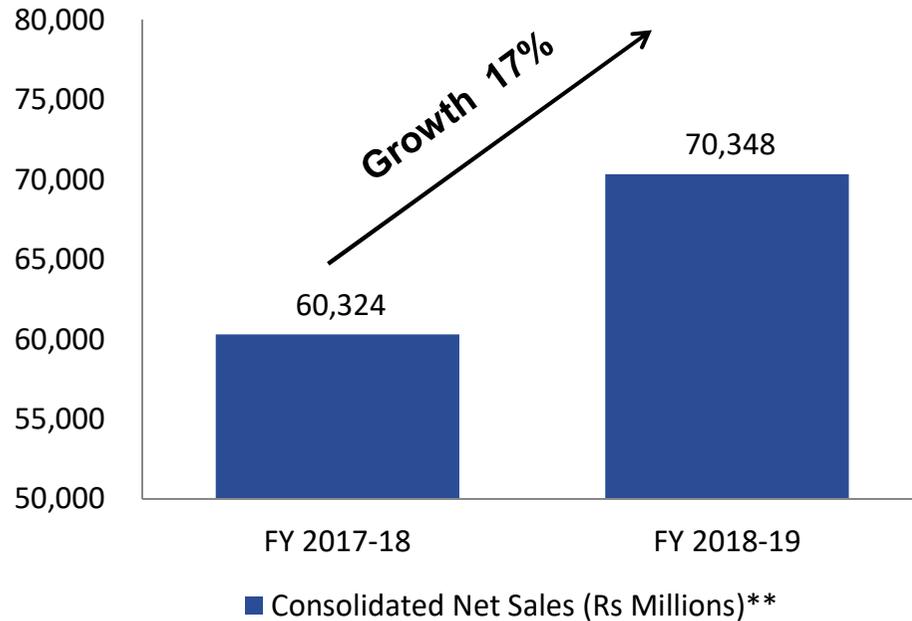
*Sales net of excise duty

EBITDA Growth Trend Over Last 10 Years

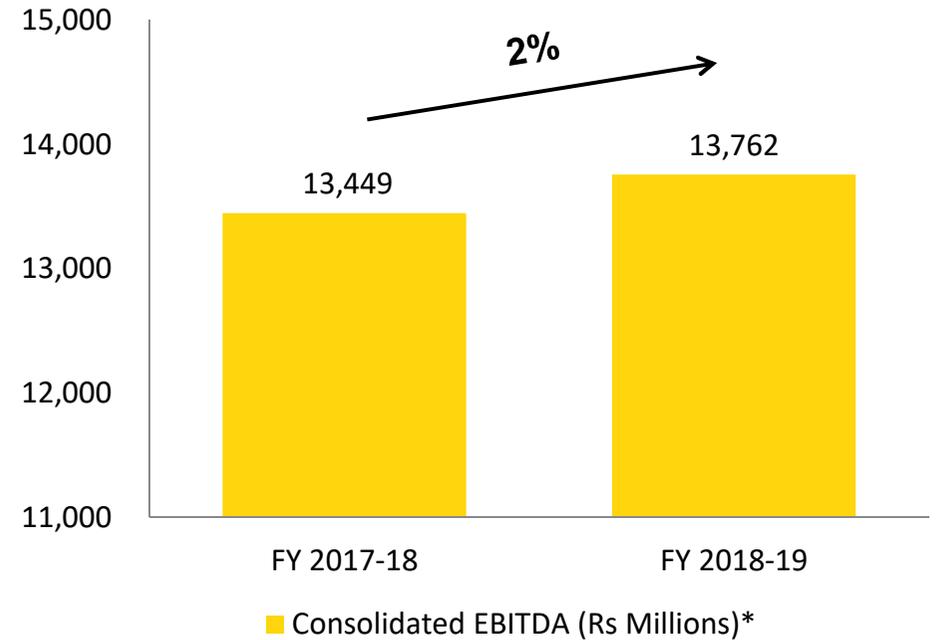


**EBITDA before Non Operating Income

FY 19 Net Sales & EBITDA



**Sales net of excise duty

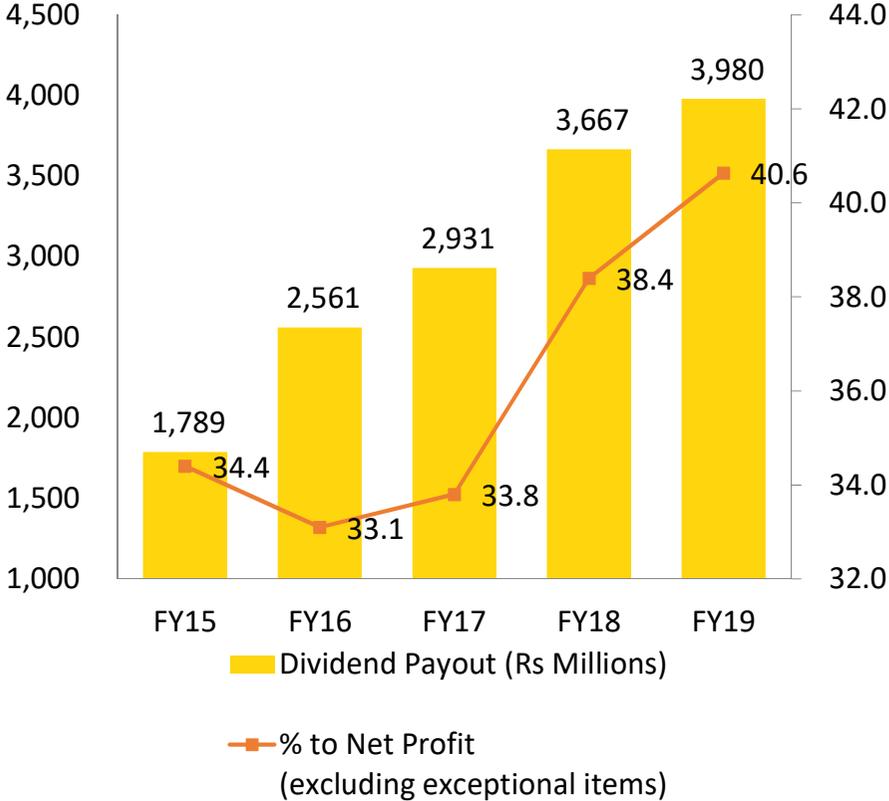
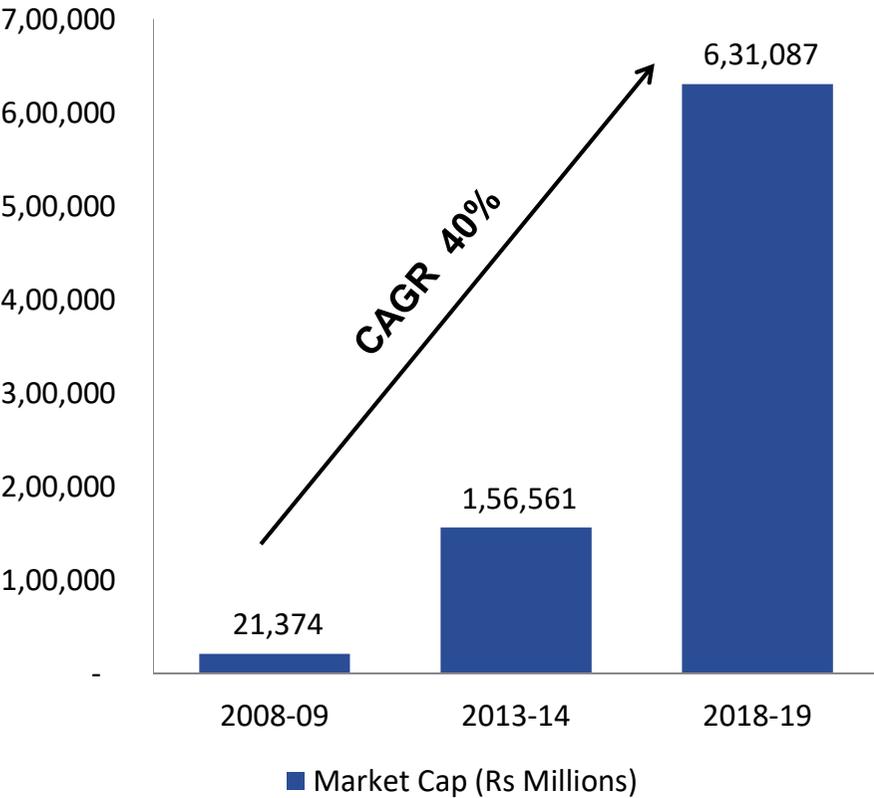


*EBITDA before Non Operating Income

On a comparable basis after reflecting accounting impact of GST, net sales grew by 17.5% (excluding sales of Cyclo division of Pidilite USA Inc., which was sold by Pidilite USA Inc. in June 2017).

Margins have been impacted by high input costs and a weaker rupee. While pricing actions have been taken, the input costs and the exchange rate have both now eased from their peak.

Creating Values for Shareholders



Market Cap growing @ 40% CAGR / Steady dividend payout

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Our Businesses



Consumer & Bazaar

FEVICOL
THE ULTIMATE ADHESIVE
Woodworking,
Wall and Wood
Finishes

DR. FIXIT
WATERPROOFING EXPERT

Roff
TILE FIXING SOLUTIONS

Construction Chemicals

ONE DROP
INSTANT ADHESIVE

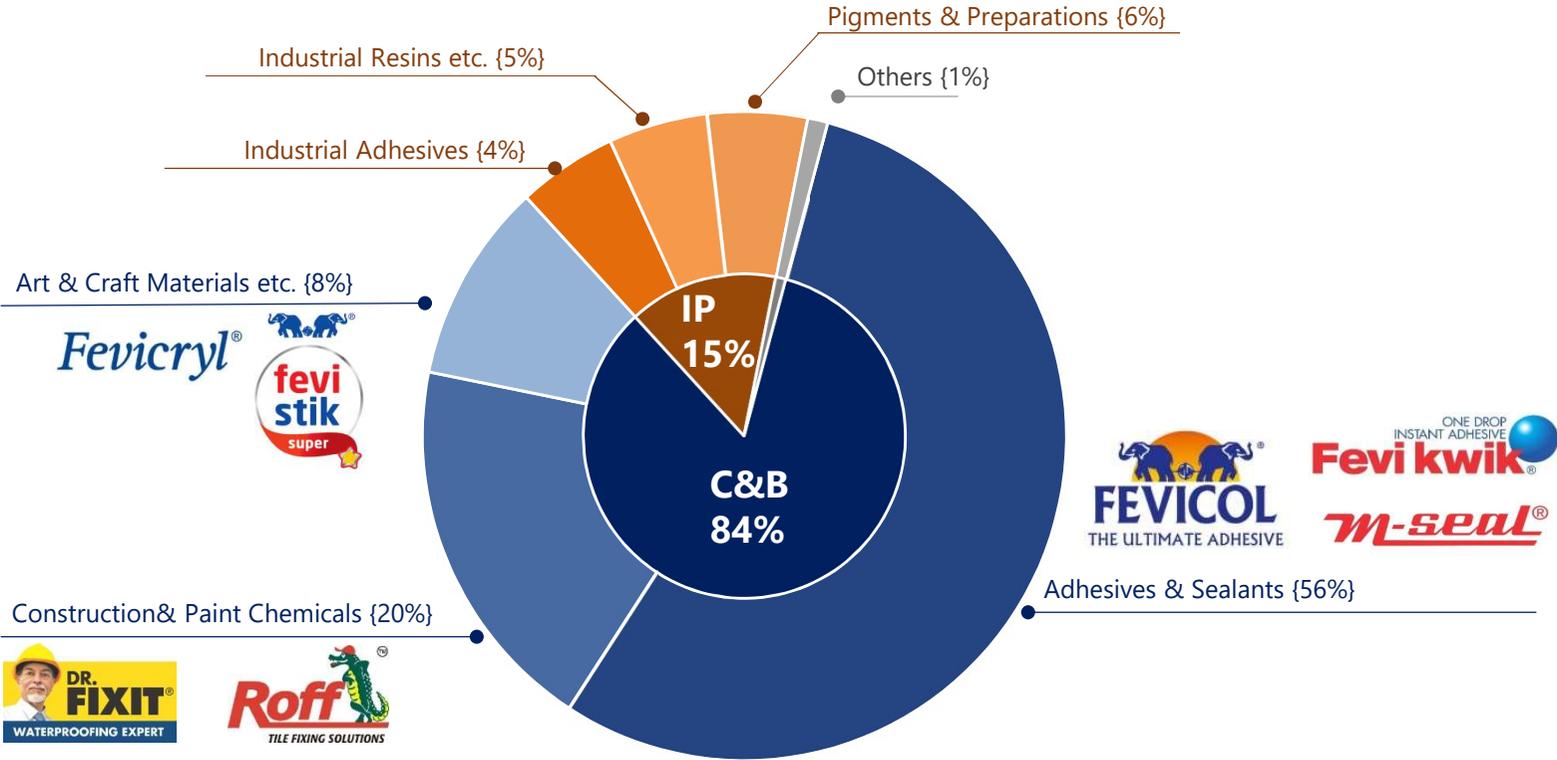
Fevikwik
Consumer Products –
Maintenance and Arts,
Stationery, Fabric



Industrial Business

<p>Textile and paper chemicals</p>	<p>Industrial Resins</p>	<p>Leather Chemicals</p>	<p>Industrial Adhesives</p>
<p>Footwear Adhesives</p>	<p>Organic Pigments and Preparations</p>	<p>Industrial Bonding Solution</p>	<p>Maintenance, Repair and Overhaul</p>

Our Businesses: Revenue Split



C&B – Consumer & Bazaar, IP – Industrial Products
Standalone Results – % of Total Sales for 2018-19



C&B Businesses

84%

Of Company's Revenue

- Adhesives & Sealants : 56%
- Paint Chemicals : 20%
- Art & Craft Materials etc. : 8%

Strong Brands



Fevicryl

Market Leader

in all segments of adhesives and sealants, construction chemicals (retail segment) and hobby colors

Extensive Distribution

Direct Coverage : 1.5 Lacs + Dealers
In-direct Coverage : 50 Lacs + Dealers

Industrial Businesses

15%

Of Company's Revenue

Industrial Adhesives	: 4%
Industrial Resins etc.	: 5%
Pigments & Preparations	: 6%

Industrial Products:

- Specialty polymers and co-polymers
- Hot melt adhesives
- Adhesives for Footwear, Leather
- Organic & high-performance Pigments
- Epoxy & Cyanoacrylates for Automotive assembly

Market Leader

in pigment dispersions for
Indian textile segments

Pioneer

in manufacturing Pigment Violet 23
in India

Global Footprint

INR 6,068 mn

Export Revenue FY'19

Export to..

80+ Countries

19

Overseas Subsidiaries
6 direct, 13 step down

Total Revenue from Overseas
subsidiaries of Rs. 5,233 mn in FY'19

International manufacturing activities in:

- USA
- Brazil
- Thailand
- Bangladesh
- Egypt
- Dubai
- Sri Lanka
- Singapore

Specific focus on growing business in Bangladesh and Sri Lanka

New manufacturing facilities planned in Ethiopia

An additional manufacturing facility planned in Bangladesh is expected to commence production in Q2 FY'19

Global Footprint : Int'l Subsidiaries

North America

- Sargent Arts is a leading supplier of quality art materials to the educational and retail markets throughout the United States.
- Adult colouring segment has seen slow-down in current Year.

South America

- The business manufactures and sells Adhesives, Sealants and Construction Chemicals.
- Has been facing competitive pressure in key products.
- Focus on new and fast moving products for improving margin.

SAARC / SEA

- **Bangladesh:** No. 1 player manufacturing adhesives, sealants. Growing & profitable business, and in the process of expanding manufacturing capacity.
- **Sri-Lanka:** Acquired from CIC Holdings PLC, Chemifix trademark and other brands associated with PVAC adhesives business in 2015.
- **SEA:** Construction chemical subsidiary in Thailand.

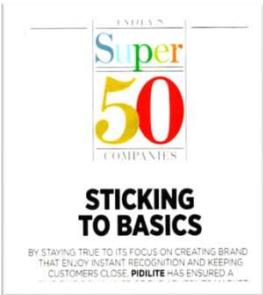
MEA

- **Egypt:** Manufactures & sells adhesives, sealants & other products. Decline in sales growth due to market conditions.
- **Dubai:** Modern purpose built factory at Dubai Investment Park II. The facility manufactures and supports a range of construction chemicals.
- **Africa** has numerous similarities with India - trade (small retail setups), application (No DIY concept). Most of the dealers in Africa are of Indian origin.

We continue to deliver value through high quality customer connect.



Regular Recognition



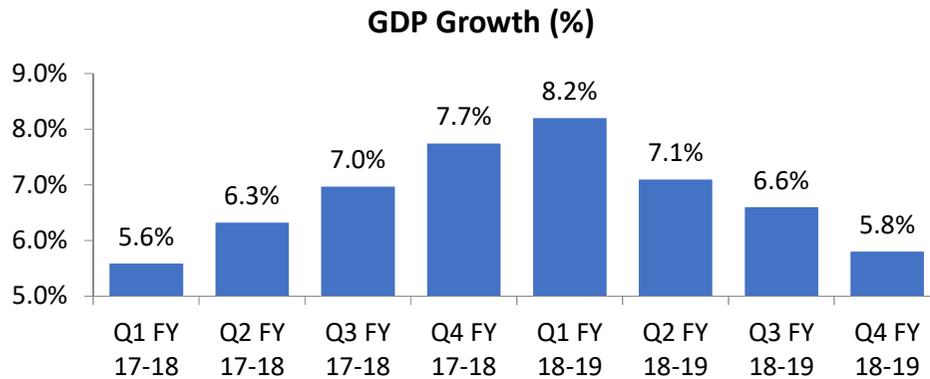
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- **Macro Indicators**
- Strategic Direction
- Key Consideration

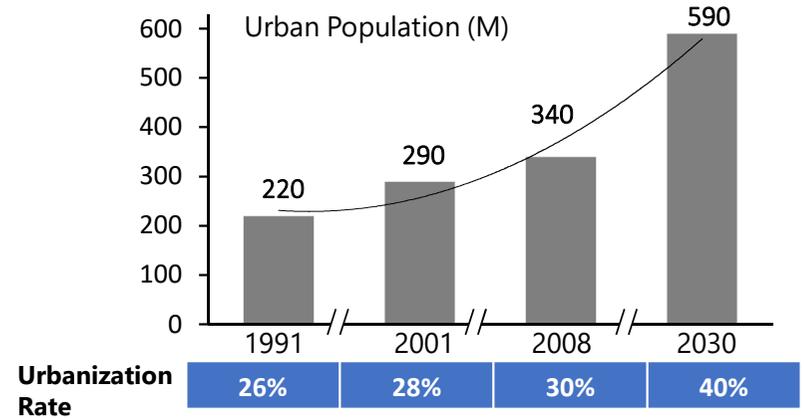
Macro indicators provide strong impetus..

GDP GROWTH STORY INTACT

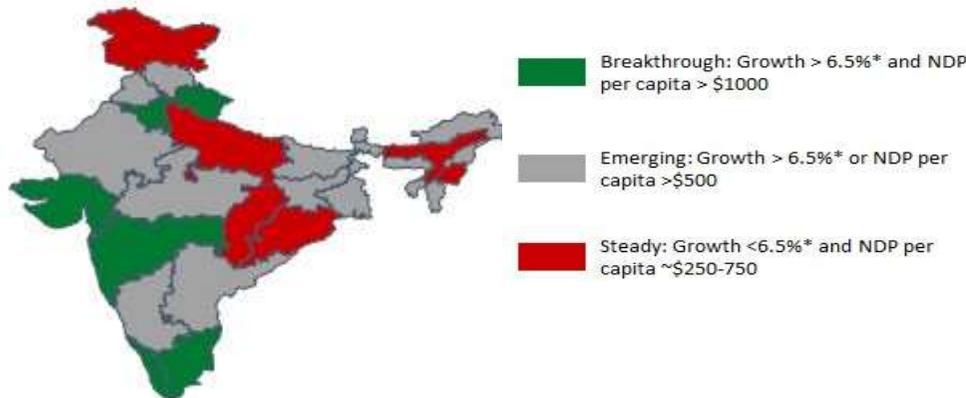


Source : Reserve bank of India (www.rbi.org.in)

BY 2030, 40% OF INDIA WILL LIVE IN CITIES



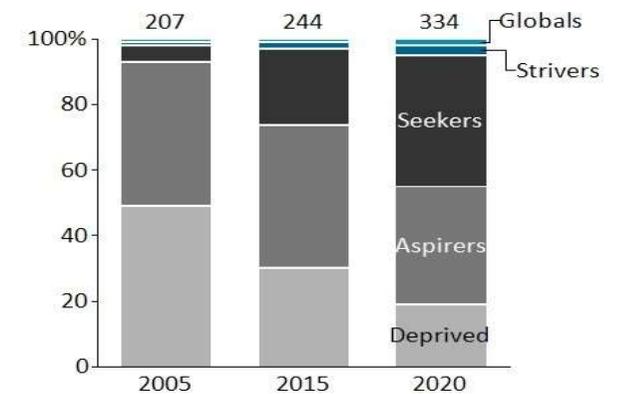
.....OPPORTUNITY IN TIER 2 & TIER 3 STATES



Note: Urban (GOI definition): 4,000 People/75% of men in non agricultural work/Population density of 400 per sqkm

Source: MGI, Secondary Research, Monitor Analysis

...AND IN ASPIRERS/BOTP CONSUMER SEGMENTS

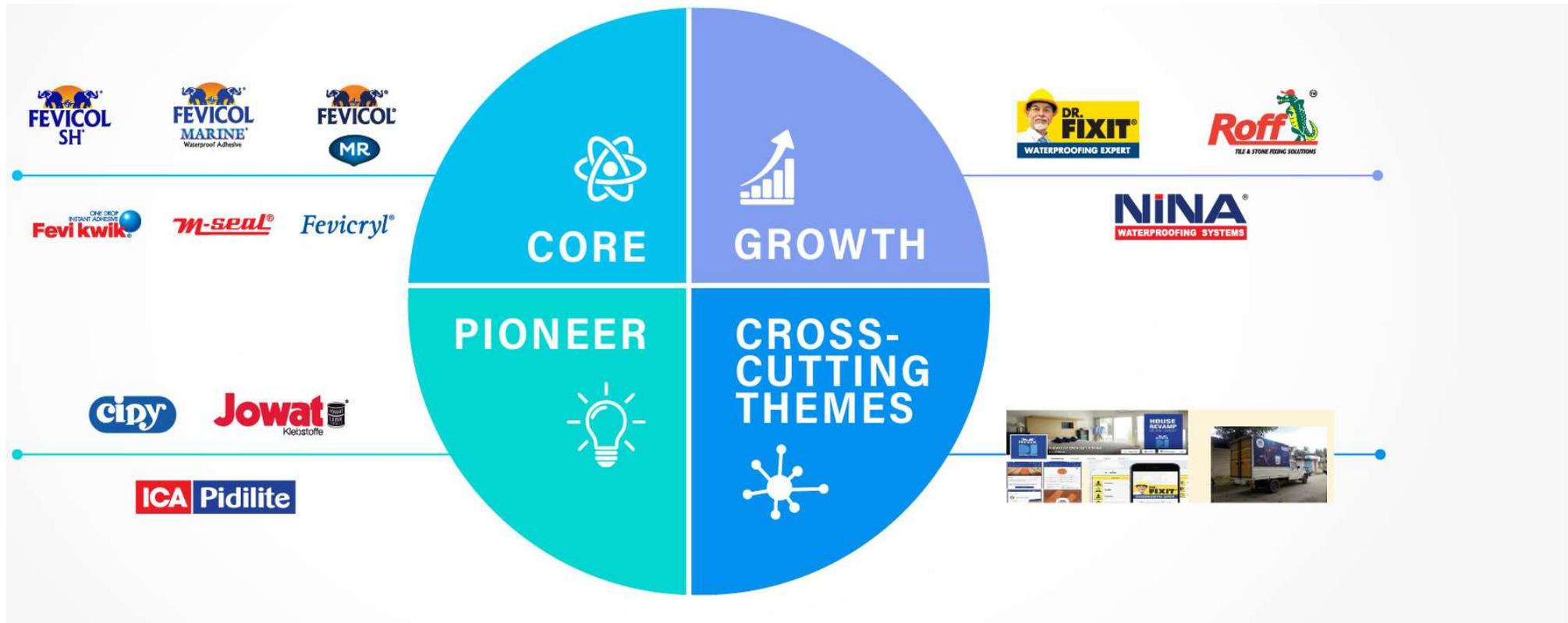


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How we view our portfolio



How we grow our core at 1-2X of GDP

1. DRIVE PENETRATION

2. INNOVATE

3. PREMIUMIZE

CORE

How we grow our core at 1-2X of GDP

1. DRIVE PENETRATION

Case Study: Fevikwik

Exhaustive immersions to collect insights

Identify usage patterns and accordingly select target segments

Focused media strategy to reach target segment and deliver growth



Driving Penetration Through



Usage



Target Segments



Reach & Availability

Nongriat Village, Meghalaya

How we grow our core at 1-2X of GDP

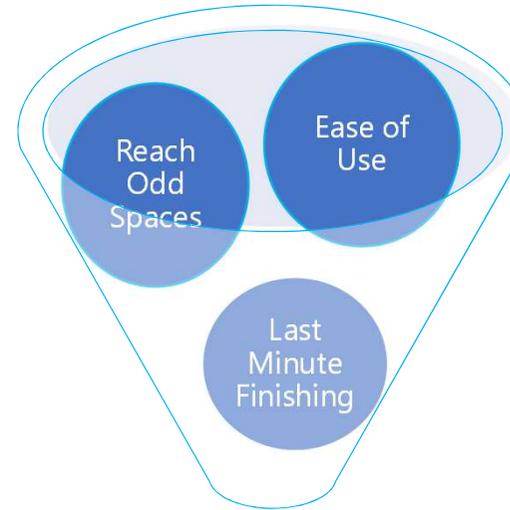
2. INNOVATE

Case Study: Fevicol Ezeespray

Fast Grab & Rapid Bonding

Excellent Heat Resistance

Application Control



How we grow our core at 1-2X of GDP

3. PREMIUMIZE

Case Study: Evolution of Fevicol



How growth businesses grow at 2-4X of GDP

1. CREATE CATEGORIES

2. WHOLISTIC BRAND MANAGEMENT

GROWTH

How growth businesses grow at 2-4X of GDP

1. CREATE CATEGORIES

Few examples..



Cement Additive for integral waterproofing



Latex based product for general repairs and economical waterproofing



Elastomeric coating for external walls



2 component waterproofing for the sunken portion and splash zone



How growth businesses grow at 2-4X of GDP

2. WHOLISTIC BRAND MANAGEMENT

Messaging

Driving need of waterproofing



Dr.Fixit will prevent leakage from happening

Driving need of waterproofing by showing consequences of not doing it



Visual way of showing consequence of not Waterproofing



Verbal way of showing consequence of not Waterproofing

Communicating importance of right waterproofing



Right Waterproofing is using right quantity of LW+



Right Waterproofing is waterproofing before painting



Right Waterproofing is application on 5 surfaces

Our Pioneer Categories



Largest player in specialized floor coatings
Acquisition for establishing place in resin flooring and floor coatings market.



Technical collaboration aimed at providing a comprehensive range of Thermoplastic Hot Melt adhesives for catering to the requirements of joineries and industrial consumers.



Range of premium wood finishes
Engaging in high technology wood finish business in India and other select countries



Organisation-wide Cross-cutting Themes

1. SALES & DISTRIBUTION EXCELLENCE

2. GOING DIGITAL

3. CULTURE AS A COMPETITIVE EDGE

**CROSS-CUTTING
THEMES**

Organisation-wide Cross-cutting Themes

1. SALES & DISTRIBUTION EXCELLENCE

TAPPING THE
EMERGING INDIA OPPORTUNITY...

1Bn+ consumers

Huge opportunity with 84%
of India's population

**450 small towns &
22k 'Rurban' areas**

Large scale and scope of operations

One-Pidilite Approach

Integrated approach to leverage our scale

Accessing deep rural markets
through 'Pidilite Ki Duniya'



Merchandised Outlet in
sub 12K population
villages



Pidilite's One
stop Solution &
Training centre



End User Connect
through meets and
site visits



Organisation-wide Cross-cutting Themes

1. SALES & DISTRIBUTION EXCELLENCE

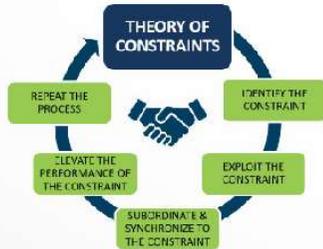
AVAILABILITY

Optimize Distribution Network Post GST

Better customer linkage resulting in optimized logistics cost

Optimizing warehousing locations

Lower transit time resulting in improved service



Extending TOC to WSS, and then Dealers

VISIBILITY



USER EDUCATION

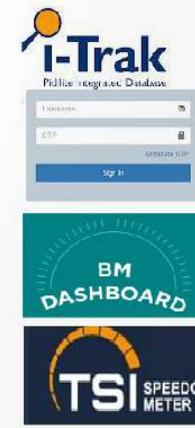


Organisation-wide Cross-cutting Themes

2. GOING DIGITAL..



Leveraging potential of data, predictive and prescriptive analytics to transform Ways of Working



Organisation-wide Cross-cutting Themes

3. CULTURE AS A COMPETITIVE EDGE



Pidilite Strategy on a hand.

Wholistic brand management that builds strong emotional connect with users, influencers & consumers

Persistent innovation focused on continuous improvement

Deep insight into each domain, leading to continuous identification of Major Initiatives

Teams working together with passion

Passionate about pioneering segments and achieving significant leadership



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Key Consideration

- High market share and strong position in most products and categories
- Strong portfolio of trusted brands
- High mix of sale from products / categories pioneered by Pidilite in India
- Track record of consistent growth in Sales and Profits
- Enough headroom to grow domestic business in India
- Robust cash flow and attractive Return on Capital Employed
- Strong Balance Sheet with zero debt obligations
- Consistent dividend pay-out over the years

Questions?



Thank You



Investor Contact



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The ultimate adhesive

