



Pidilite Industries Limited

Investor Update

Quarter ended June 2013

Coverage

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- Financial Results

Investor Communication

This investor update covers the Company's performance for quarter ended 30th June 2013.

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Financial Highlights

Quarter ended 30th June 2013

Consolidated Performance

- Net sales at Rs 11,188 M grew by 12.1% over the same quarter last year
- EBIDTA, before non-operating income at Rs 2,287 M grew by 21.1%. EBITDA, as a percentage to sales improved to 20.5% from 18.9% last year.
- Profit (before tax) at Rs 2213 M was up by 24.5% over the corresponding quarter last year.

Standalone Performance

- Net sales for a quarter crossed the Rs. 1 Bn threshold for the first time and grew by 11.3%.
- Material cost to sales % is 140 bps lower than the same quarter last year.

- Other expenses during the quarter were higher than same quarter last year by Rs. 140 M. Key reason for increase is that Advertising & Sales promotion expenses were stepped up for driving demand generation.
- EBITDA, pre exceptional items, at Rs 2240 M is higher by 17.5% over the same quarter last year.
- Finance cost for the quarter, at Rs 36 M, is lower than last year due to repayment of FCCBs in December 2012.
- Profit before Tax at Rs 2,217 M is higher by 21% and Profit after Tax is higher by 21.7% over the same period last year.

Business segment wise performance

PARTICULARS	QUARTER ENDED				Year Ended
	JUN '2013	JUN '2012	% change	MAR '2013	MAR '2013
1. Segment Revenue					
a) Consumer & Bazaar Products	8,416	7,437	13.2%	5,867	26,743
b) Industrial Products	1,863	1,849	0.8%	1,872	7,082
c) Others	68	30	124.9%	66	198
Less : Inter Segment Revenue	248	239	3.8%	250	906
Total Revenue	10,099	9,077	11.3%	7,554	33,118
2. Profit before tax and Interest					
a) Consumer & Bazaar Products	2,415	1,999	20.8%	1,363	6,445
b) Industrial Products	191	226	-15.1%	232	807
c) Others	3	(26)	110.5%	(27)	(97)
Total	2,610	2,199	18.7%	1,569	7,155
Interest	29	83	-64.8%	28	79
Unallocated Corporate Expenditure	363	284	28.0%	197	880
Profit before tax	2,217	1,832	21.0%	1,343	6,196

CONSUMER AND BAZAAR PRODUCTS

- Segment revenue grew by 13.2%.
- Segment Profit Before Tax and Interest (PBIT) grew by 20.8% due to lower material costs.

INDUSTRIAL PRODUCTS

- Segment revenue grew by 0.8%.
- Segment PBIT for the quarter declined by 15.1% mainly due to increase in input costs.

Overseas subsidiaries performance

- The Company has 14 Overseas subsidiaries (4 direct and 10 step-down) including those having manufacturing and selling operations in USA, Brazil, Thailand, Dubai, Egypt and Bangladesh.

Sales - Rs mn	Q1	Q1
	2012-13	2013-14
North America	438.5	499.6
South America	277.4	359.7
Middle East & Africa	85.9	77.1
South & South East Asia	144.4	189.6
Total	946.3	1,126.1

EBITDA*- Rs mn	Q1	Q1
	2012-13	2013-14
North America	22.2	35.2
South America	(44.1)	(16.3)
Middle East & Africa	(0.3)	(8.9)
South & South East Asia	29.1	40.0
Total	6.9	50.0
* before exceptional items		

Sales in constant currency grew by 14.2%. However, due to a favourable translation impact the reported sales show a growth of 19.0%.

The performance of the various geographies, in constant currency terms, is detailed below.

North America:

- Sales of Cyclo (Car care chemicals) grew by 6.7% and that of Sargent Art (Art Materials) grew by 5.9%. Margins as % to Sales improved by 200 bps owing to price increases and better product mix. Growth in sales coupled with margin improvement resulted in a 47.6% growth in operating profits.

South America:

- Sales in constant currency grew by 32.7%.
- Material cost to sales came down by 400 bps over LY. SG&A expenses grew by 16.5% mainly due to higher commission on sales, telemarketing spends, and other administrative cost. Higher sales and better margins resulted in operating loss coming down by 63%.

Middle East & Africa:

- Sales for the quarter declined by 11.9%, partly due to political disturbance in Egypt and subdued performance in UAE. Drop in sales coupled with higher input costs resulted in higher operating losses.

South & South East Asia:

- Sales in constant currency grew by 20.4% led by strong growth in Bangladesh. EBIDTA grew by 26% over last year due to the strong sales performance and product mix improvement.

STATEMENT OF STANDALONE & CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER ENDED 30.06.2013

(Rs. In Lakhs)

Sr. No.	Particulars	Standalone				Consolidated					
		For the Quarter ended				For the Year ended					
		30.06.2013		31.03.2013		30.06.2012		31.03.2013		30.06.2012	
		Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
1	Income from Operations										
	a) Net sales / Income from Operations (Net of excise duty)	100993	75541	90767	331177	111881	83340	99780	365794		
	b) Other Operating Income	491	539	478	1992	491	563	479	2017		
	Total Income from Operations (net)	101484	76080	91245	333169	112372	83903	100259	367811		
2	Expenses										
	a) Cost of materials consumed	45224	42875	47043	169667	48927	46901	50687	184402		
	b) Purchases of stock-in-trade	5493	3702	3960	15612	7410	5817	5557	21590		
	c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade	3958	(6947)	(626)	(3925)	4333	(8923)	(735)	(5182)		
	d) Employee benefits expense	9094	7560	7878	30103	11128	9438	9673	37458		
	e) Depreciation and amortisation expense	1531	1392	1237	5324	1919	1743	1614	6858		
	f) Other expenses	15318	16411	13921	60352	17697	18796	16178	69490		
	Total Expenses	80618	64993	73413	277133	91414	73772	82974	314816		
3	Profit from operations before other Income, finance costs & exceptional items (1-2)	20866	11087	17832	56036	20958	10131	17285	53195		
4	Other Income	897	2349	1392	6590	966	2172	1595	7047		
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	21763	13436	19224	62626	21924	12303	18880	60242		
6	Finance Costs	359	362	912	1217	545	612	1109	2138		
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	21404	13074	18312	61409	21379	11691	17771	58104		
8	Exceptional Items	-	(537)	-	(594)	-	(125)	-	(183)		
9	Profit from ordinary activities before Foreign Exchange Difference Expense/ (Income) (7-8)	21404	13611	18312	62003	21379	11616	17771	58287		
10	Foreign Exchange Difference Expense/ (Income)	(768)	177	(10)	46	(747)	234	(7)	154		
11	Profit from ordinary activities before tax (9-10)	22172	13434	18322	61957	22126	11582	17778	58133		
12	Tax Expense	5945	3517	4984	15881	5981	3577	4991	15951		
13	Net Profit from ordinary activities after tax (11-12)	16227	9917	13338	46076	16145	8005	12787	42182		
14	Extraordinary Items	-	-	-	-	-	-	-	-		
15	Net Profit for the period (13-14)	16227	9917	13338	46076	16145	8005	12787	42182		
16	Share of Profit/(Loss) of associates	-	-	-	-	(35)	210	19	241		
17	Minority Interest	-	-	-	-	(11)	(84)	(4)	(24)		
18	Net Profit after taxes, minority interest and share of profit in associates (15+16+17)	16227	9917	13338	46076	16099	8131	12802	42399		
19	Paid-up Equity Share Capital (Face value of share : Re. 1/-)	5126	5126	5077	5126	5126	5126	5077	5126		
20	Reserves excluding Revaluation Reserves as at balance sheet date				168117				160027		
21(i)	Earnings per share (before extraordinary item) of Re. 1/- each) :										
	a) Basic	₹ 3.17	₹ 1.93	₹ 2.63	9.04	₹ 3.14	₹ 1.56	₹ 2.52	8.27		
	b) Diluted	₹ 3.17	₹ 1.93	₹ 2.56	9.04	₹ 3.14	₹ 1.56	₹ 2.46	8.27		
21(ii)	Earnings Per Share (after extraordinary items) (of Re.1/- each) :										
	a) Basic	₹ 3.17	₹ 1.93	₹ 2.63	9.04	₹ 3.14	₹ 1.56	₹ 2.52	8.27		
	b) Diluted	₹ 3.17	₹ 1.93	₹ 2.56	9.04	₹ 3.14	₹ 1.56	₹ 2.46	8.27		
PART II Select information for the quarter ended 30.06.2013											
A PARTICULARS OF SHAREHOLDING											
1	Public Shareholding										
	- Number of Shares	153468784	153475450	148479746	153475450						
	- Percentage of Shareholding	29.94	29.94	29.25	29.94						
2	Promoters and Promoter Group Shareholding										
	a. Pledged / Encumbered										
	- Number of Shares	-	-	-	-						
	- Percentage of shares (as a % of the total shareholding of promoter and of promoter group)	-	-	-	-						
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-						
	b. Non-encumbered										
	- Number of Shares	359173546	359166880	359166880	359166880						
	- Percentage of Shares (as a % of the total shareholding of promoter and of promoter group)	100	100	100	100						
	- Percentage of Shares (as a % of the total share capital of the Company)	70.06	70.06	70.75	70.06						
	Particulars	3 months ended 30.06.2013									
B INVESTOR COMPLAINTS											
	Pending at the beginning of the quarter	0									
	Received during the quarter	5									
	Disposed of during the quarter	5									
	Remaining unresolved at the end of the quarter	0									

₹ For the period only and not annualised.

REPORTING OF SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. In Lakhs)

Sr. No.	Particulars	Standalone				Consolidated			
		For the Quarter ended		For the year ended		For the Quarter ended		For the year ended	
		30.06.2013	31.03.2013	30.06.2012	31.03.2013	30.06.2013	31.03.2013	30.06.2012	31.03.2013
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	
1	Segment Revenue								
	a) Consumer & Bazaar Products	84165	58670	74369	267432	95053	66469	83382	302049
	b) Industrial Products	18632	18718	18486	70819	18632	18718	18486	70819
	c) Others	677	657	301	1984	677	657	301	1984
	Total	103474	78045	93156	340235	114362	85844	102169	374852
	Less : Inter Segment Revenue	2481	2504	2389	9058	2481	2504	2389	9058
	Sales/ Income from Operations	100993	75541	90767	331177	111881	83340	99780	365794
2	Segment Results								
	a) Consumer & Bazaar Products	24153	13634	19989	64449	24310	12187	19804	61810
	b) Industrial Products	1915	2324	2256	8071	1915	2324	2256	8071
	c) Others	27	(271)	(255)	(969)	27	(271)	(255)	(969)
	Total	26095	15687	21990	71551	26252	14240	21805	68912
	Less : i) Interest	293	283	833	793	427	488	988	1542
	ii) Other unallocable expenditure - net of unallocable income	3630	1970	2835	8801	3699	2170	3039	9237
	Total Segment Results	22172	13434	18322	61957	22126	11582	17778	58133
3	Capital Employed								
	a) Consumer & Bazaar Products	59683	47795	47498	47795	80518	66311	60946	66311
	b) Industrial Products	25315	20978	20208	20978	25315	20978	20208	20978
	c) Others	4297	4247	4545	4247	4297	4247	4545	4247
	d) Unallocated	100177	100223	78808	100223	72166	73617	53700	73617
	Total Capital Employed	189472	173243	151059	173243	182296	165153	139399	165153

Notes:

- The above results have been reviewed by the Audit Committee on 12th August, 2013 and approved by the Board of Directors at their meeting held on 13th August, 2013.
- The Statutory Auditors have carried out a "Limited Review" of the standalone financial results for the quarter ended 30th June, 2013.
- The Company has opted to publish Standalone as well as Consolidated financial results. The Consolidated financial results prepared as per Accounting Standard (AS-21) and Accounting Standard (AS-23) comprise the results of Pidilite Industries Ltd. (Holding Company), 18 subsidiary companies, one partnership firm and one associate Company.
- Unallocated Capital Employed as at 30th June, 2013 includes a) Capital Work in Progress of Rs. 36524 lakhs (30th June, 2012 Rs. 36818 lakhs) of Synthetic Elastomer Project b) Investments in units of mutual funds/ term deposit with banks Rs. 51501 Lakhs (30th June 2012 Rs. 40800 lakhs).
- During the quarter, the Company received a letter from the authorities in Thailand confirming that Pidilite South East Asia Limited, a step down subsidiary which was under liquidation, has been closed w.e.f 7th June 2013.
- The figures for the quarter ended 31st March, 2013 are the balancing figures between the audited figures in respect of the full financial year and the published year to date unaudited figures upto the third quarter of the financial year ended 31st March, 2013.
- Previous period's figures are regrouped/ reclassified wherever necessary to confirm to the current period's classification.

Mumbai
Dated 13th August, 2013

M.B.PAREKH
Chairman & Managing Director