

May 12, 2025

Q4FY25 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		ACCUMULATE	
Target Price	3,428		3,318	
Sales (Rs. m)	1,46,744	1,62,783	1,47,142	1,63,236
% Chng.	(0.3)	(0.3)		
EBITDA (Rs. m)	35,272	37,901	35,373	38,011
% Chng.	(0.3)	(0.3)		
EPS (Rs.)	49.0	52.8	49.2	53.5
% Chng.	(0.5)	(1.2)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	1,23,830	1,31,404	1,46,744	1,62,783
EBITDA (Rs. m)	27,073	30,127	35,272	37,901
Margin (%)	21.9	22.9	24.0	23.3
PAT (Rs. m)	18,191	21,384	24,896	26,872
EPS (Rs.)	35.8	42.0	49.0	52.8
Gr. (%)	41.1	17.6	16.4	7.9
DPS (Rs.)	11.0	16.5	18.0	20.0
Yield (%)	0.4	0.6	0.6	0.7
RoE (%)	23.3	23.5	23.8	22.3
RoCE (%)	29.7	28.8	29.4	27.3
EV/Sales (x)	12.1	11.3	10.0	9.0
EV/EBITDA (x)	55.1	49.2	41.8	38.5
PE (x)	83.3	70.9	60.9	56.4
P/BV (x)	18.0	15.5	13.5	11.8

Key Data

PIDI.BO | PIDI IN

52-W High / Low	Rs.3,415 / Rs.2,620
Sensex / Nifty	79,454 / 24,008
Market Cap	Rs.1,516bn/ \$ 17,753m
Shares Outstanding	509m
3M Avg. Daily Value	Rs.938.57m

Shareholding Pattern (%)

Promoter's	69.50
Foreign	11.60
Domestic Institution	9.43
Public & Others	9.47
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	1.4	(4.7)	5.0
Relative	(5.8)	(4.6)	(4.3)

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Strong visibility across segments

Quick Pointers:

- PIDI continues strong UVG trajectory at 9.8%,
- 4Q25 VAM usage is USD 880/ton. 1Q levels are expected in similar range

PIDI continues strong UVG at 9.8% in 4Q, and 160bps gross margin expansion given benign input costs. PIDI continues to focus on strong volume-led profitable growth led by its strategy of developing pioneer categories and entering newer segments. B2B continued its growth momentum driven by Industrial & Project verticals whereas B2C improved sequentially. IBD has witnessed a flattish sale while maintaining stable margins. PIDI is open to exploring tie ups and entry in segments like adhesives or specialty chemicals for EV/Semiconductor or electronic manufacturing, however it is long haul business. PIDI is well placed to sustain growth sustained innovations, tie-ups to bring technologically advanced products and 2-4x growth in pioneer and growth categories (45% of sales). Near term margin outlook seems fine, although margins leave little scope of expansion from current levels. We estimate 12.1% EPS CAGR over FY25-27 and assign DCF based target price of Rs3428 (Rs3318 earlier). Upgrade to Buy

Volumes up 9.8% YoY; GM up 161bps at 55%. Consumer and Bazaar Sales grew by 6.7% YoY to Rs24bn; EBIT grew by 13% YoY to 6178.3mn. Industrial Products grew by 14.3% YoY to Rs8.1bn; EBIT grew by 69% YoY to 1414.5mn.

Consolidated -Revenues grew 8.2% YoY to Rs31.4bn (PLe: Rs31.76bn). Gross margins expanded 161bps YoY to 55%. (PLe: 52.2%). EBITDA grew 9.6% YoY to Rs6.3bn (PLe:Rs6.4bn); Margins expanded 26bps YoY to 20.1% (PLe:20.4%). PBT grew 20.4% YoY to Rs 6bn (PLe: Rs6.0bn); Adj PAT grew 19.9% YoY to Rs4.5bn (PLe: Rs4.5bn). C&B reported 8.0% UVG, while B2B reported robust UVG of 16.4%.

Standalone revenues grew 10.1% YoY to Rs28.5bn (PLe: Rs28.47bn). Gross margins expanded 149bps YoY to 54.7%. (PLe: 53.6%). EBITDA grew 10.7% YoY to Rs5.8bn (PLe: Rs5.9bn); Margins expanded by 10bps YoY to 20.5% (PLe:20.7%). PBT grew by 30.8% YoY to Rs 6.1bn (PLe: Rs5.5bn) Adj PAT grew by 34.2% YoY to Rs4.7bn (PLe: Rs4.2bn).

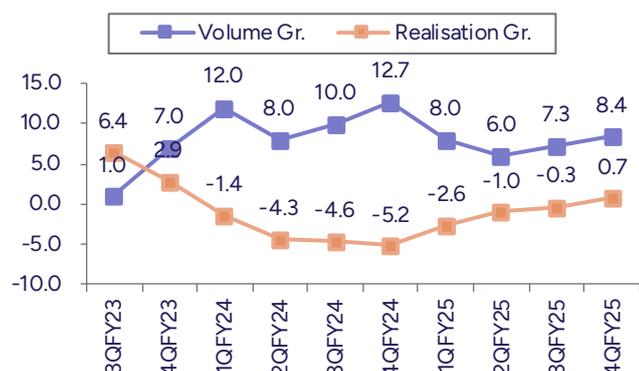
Concall Takeaways: 1) Rural markets continue to grow ahead of urban markets. Demand in urban markets has been relatively better than previous quarters. 2) Employee costs were up ~20%+ given one-offs in employee costs of Rs.170mn as part of year-end adjustments. 3) A&SP spends were stepped up to drive demand generation (Q4 FY25: 5.4% of Net Sales; Q4 FY24: 4.7%;Q3 FY25: 3.9%).4) 4Q VAM prices have been USD880/ton (4Q24 usage USD 925/ton & 3Q25 usage USD 884/ton) 5) PIDI expects better performance in FY26 given higher government spending post elections, normal monsoons and tax cuts 6) Recent new launches in the Fevicol portfolio – Hi-PER Star (premium offering) & Relam (Lamination over laminate) are generating good response 7) Growth & Pioneer categories constitute 45% of portfolio with room to grow by 2-4x GDP growth 8) PIDI sees tremendous opportunities in the EV (estimates to be \$1bn market by 2030) & EMS space 10) PIDI's Paint venture (Haisha) continues to see good response & is currently present across South India (Telangana, Andhra Pradesh, Orissa, Tamil Nadu, Orissa, Karnataka).

Exhibit 1: Revenues up 8.2%, GM improves 161bps YoY

Consolidated	Q4FY25	Q4FY24	YoY gr. (%)	Q3FY25	FY25	FY24	YoY gr. (%)
Net Revenue	31,411	29,019	8.2	33,689	1,31,403	1,23,830	6.1
Gross Profit	17,288	15,503	11.5	18,301	71,440	63,890	11.8
Margin %	55.0	53.4	1.6	54.3	54.4	51.6	2.8
Other Expenditure	10,963	9,734	12.6	10,318	41,315	36,829	12.2
EBITDA	6,326	5,769	9.6	7,984	30,125	27,060	11.3
Margin %	20.1	19.9	0.3	23.7	22.9	21.9	1.1
Depreciation	967	1,125	(14.1)	895	3,585	3,407	5.2
Interest	144	134	6.9	125	504	512	(1.6)
Other Income	804	489	64.5	558	2,472	1,409	75.5
PBT	6,019	4,998	20.4	7,522	28,509	24,551	16.1
Tax	1,487	1,219	22.0	1,947	7,265	6,319	15.0
Tax rate %	24.7	24.4	1.3	25.9	25.5	25.7	(1.0)
Adj PAT	4,532	3,779	19.9	5,575	21,244	18,231	16.5

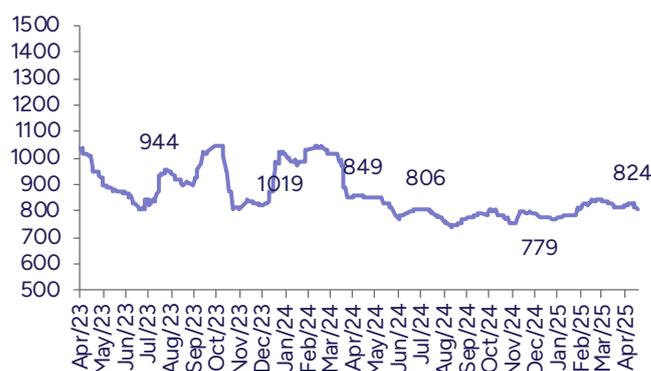
Source: Company, PL

Exhibit 2: C&B UVG grew 8.4% YoY



Source: Company, PL

Exhibit 3: VAM prices down 10.8% YoY but up 14.8% QoQ



Source: Company, PL

Exhibit 4: B2C/ B2B sales grew by 6.7%/14.3%, B2B margin up by 569bps YoY

Segmental	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
B2C									
Sales (Rs m)	21128	26609	25083	25413	22472	27408	25805	26726	23976
Growth (%)	10.4	9.2	3.2	4.9	6.4	3.0	2.9	5.2	6.7
EBIT (Rs m)	4560	7078	6935	7704	5448	8039	7710	7865	6178
EBIT Growth %	9.2	32.3	31.7	43.4	19.5	13.6	11.2	2.1	13.4
EBIT margin %	21.6	26.6	27.6	30.3	24.2	29.3	29.9	29.4	25.8
B2B									
Sales (Rs m)	6340	6780	6153	6373	7079	7256	7036	7572	8089
Growth (%)	-1.8	-6.1	-1.3	6.2	11.7	7.0	14.3	18.8	14.3
EBIT (Rs m)	707	917	685	757	835	1103	1040	1335	1415
EBIT Growth %	59.3	22.5	38.3	93.4	18.1	20.3	51.9	76.4	69.4
EBIT margin %	11.2	13.5	11.1	11.9	11.8	15.2	14.8	17.6	17.5

Source: Company, PL

Domestic subs – Sales & Margins Improve YoY

- Sales growth in domestic subs grew 16% due to robust performance in B2B and C&B segments.
- C&B subs (including ICA Pidilite) registered 13% sales growth. Margins grew by 511bps YoY and remained flattish QoQ. EBITDA grew by 85.1% to Rs. 174mn
- B2B subs (NINA Percept) registered 20% sales growth. EBITDA de-grew by 21.8% at Rs. 131mn. Margins contracted by 627bps YoY and 89bps QoQ.
- Outlook in emerging B2B and B2C subs in growth and pioneer categories remains robust

Exhibit 5: Domestic subsidiary margins remain flattish YoY

(Rs mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Consumer & Bazar (C&B)	1,148	1,146	1,247	1,296	1,319
Business to Business (B2B)	962	844	761	1,031	1,151
Total Sales	2110	1990	2008	2327	2470
Sales Growth (YoY)	9	-1	-3	17	16
Consumer & Bazar (C&B)	10	2	(9)	20	13
Business to Business (B2B)	8	(4)	7	13	20
EBITDA (Rs mn)	268	198	173	303	310
Consumer & Bazar (C&B)	94	154	175	172	174
Business to Business (B2B)	174	44	(2)	131	136
EBITDA margin %	12.7%	9.9%	8.6%	13.0%	12.6%
Consumer & Bazar (C&B)	8.2%	13.4%	14.0%	13.3%	13.2%
Business to Business (B2B)	18.1%	5.2%	-0.2%	12.7%	11.8%
EBITDA growth (YoY)	68	-17	-41	189	16
Consumer & Bazar (C&B)	(18.3)	(19.4)	(38.4)	132.4	85.1
Business to Business (B2B)	286.7	(6.4)	(117.8)	322.6	(21.8)

Source: Company, PL

IBD –Asia delivers whereas MENA drags growth

International business (IBD) were up 1% in sales in continuing businesses while EBIDTA improved by 6.5%.

Asia: Sales increased by 3.8% YoY and EBITDA improved by 26.2% to Rs164mn.

Middle East & Africa: Sales continued to slow down (-1.9% YoY) with EBITDA of Rs66mn, Margins contracted by 253bps to 9.1%

Exhibit 6: EBITDA Margins continue to improve; Asia performs strong

Subsidiaries	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Sales (Rs. m)	1,587	1,511	1,603	1,595	1,582
Americas	-	-	-	-	-
Asia	837	783	786	803	856
Middle East & Africa	750	728	817	792	726
Sales growth (YoY)	(24.6)	(23.1)	(12.8)	(19.3)	1.1
Americas	-	-	-	-	-
Asia	3.5	(0.1)	4.7	(0.5)	3.8
Middle East & Africa	5.6	19.9	21.9	(1.5)	(1.9)
EBITDA (Rs m)	271.0	214.0	227.0	227.0	230.0
Americas	-	-	-	-	-
Asia	178.0	136.0	161.0	153.0	164.0
Middle East & Africa	93.0	78.0	66.0	74.0	66.0
EBITDA (margin %)	17.1	14.2	14.2	14.2	14.5
Americas	-	-	-	-	-
Asia	21.3	17.4	20.5	19.1	19.2
Middle East & Africa	12.4	10.7	8.1	9.3	9.1
EBITDA growth (YoY)	137.7	49.7	116.2	3.2	6.5
Americas	-	-	-	-	-
Asia	45.9	6.3	16.7	(10.5)	26.2
Middle East & Africa	173.5	81.4	1.5	(12.9)	(23.3)

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	1,23,830	1,31,404	1,46,744	1,62,783
YoY gr. (%)	4.9	6.1	11.7	10.9
Cost of Goods Sold	59,940	59,963	70,017	79,300
Gross Profit	63,890	71,442	76,727	83,483
Margin (%)	51.6	54.4	52.3	51.3
Employee Cost	14,651	17,416	16,707	18,408
Other Expenses	-	-	-	-
EBITDA	27,073	30,127	35,272	37,901
YoY gr. (%)	36.4	11.3	17.1	7.5
Margin (%)	21.9	22.9	24.0	23.3
Depreciation and Amortization	3,407	3,585	4,068	4,627
EBIT	23,666	26,542	31,204	33,274
Margin (%)	19.1	20.2	21.3	20.4
Net Interest	512	508	583	667
Other Income	1,397	2,649	2,848	3,521
Profit Before Tax	24,551	28,682	33,468	36,128
Margin (%)	19.8	21.8	22.8	22.2
Total Tax	6,319	7,265	8,534	9,213
Effective tax rate (%)	25.7	25.3	25.5	25.5
Profit after tax	18,231	21,417	24,934	26,916
Minority interest	-	-	-	-
Share Profit from Associate	(41)	(33)	(38)	(43)
Adjusted PAT	18,191	21,384	24,896	26,872
YoY gr. (%)	41.1	17.6	16.4	7.9
Margin (%)	14.7	16.3	17.0	16.5
Extra Ord. Income / (Exp)	(717)	(249)	-	-
Reported PAT	17,474	21,135	24,896	26,872
YoY gr. (%)	35.6	21.0	17.8	7.9
Margin (%)	14.1	16.1	17.0	16.5
Other Comprehensive Income	319	(57)	-	-
Total Comprehensive Income	17,793	21,078	24,896	26,872
Equity Shares O/s (m)	509	509	509	509
EPS (Rs)	35.8	42.0	49.0	52.8

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	59,009	64,921	69,809	75,196
Tangibles	42,865	49,052	54,353	60,155
Intangibles	16,145	15,870	15,455	15,041
Acc: Dep / Amortization	17,508	20,691	24,345	28,557
Tangibles	17,508	20,691	24,345	28,557
Intangibles	-	-	-	-
Net fixed assets	41,689	44,231	45,464	46,639
Tangibles	25,544	28,361	30,008	31,597
Intangibles	16,145	15,870	15,455	15,041
Capital Work In Progress	1,481	1,290	1,490	1,690
Goodwill	12,817	12,822	12,822	12,822
Non-Current Investments	4,443	4,657	4,773	4,892
Net Deferred tax assets	(3,640)	(3,776)	(4,693)	(5,099)
Other Non-Current Assets	1,962	2,218	2,641	2,930
Current Assets				
Investments	18,702	31,620	39,975	55,182
Inventories	14,149	16,851	19,566	22,812
Trade receivables	16,747	18,112	18,025	19,995
Cash & Bank Balance	5,333	3,362	3,395	2,631
Other Current Assets	2,831	3,940	2,935	3,256
Total Assets	1,21,039	1,40,115	1,52,170	1,74,128
Equity				
Equity Share Capital	509	509	509	509
Other Equity	83,563	97,036	1,11,510	1,28,054
Total Network	84,072	97,545	1,12,019	1,28,563
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	987	1,344	950	1,054
Other non current liabilities	1,938	2,202	3,866	5,104
Current Liabilities				
ST Debt / Current of LT Debt	1,312	1,472	1,472	1,472
Trade payables	11,476	13,901	10,934	12,384
Other current liabilities	15,188	17,526	15,584	17,492
Total Equity & Liabilities	1,21,040	1,40,115	1,52,170	1,74,129

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	24,551	28,682	33,468	36,128
Add. Depreciation	3,407	3,585	4,068	4,627
Add. Interest	512	508	583	667
Less Financial Other Income	1,397	2,649	2,848	3,521
Add. Other	(1,078)	(2,706)	(2,848)	(3,521)
Op. profit before WC changes	27,392	30,070	35,272	37,901
Net Changes-WC	(6,401)	(12,880)	(13,105)	(15,998)
Direct tax	(6,319)	(7,265)	(8,534)	(9,213)
Net cash from Op. activities	14,672	9,925	13,632	12,691
Capital expenditures	(6,194)	(5,940)	(5,501)	(6,002)
Interest / Dividend Income	1,397	2,649	2,848	3,521
Others	(193)	(278)	(135)	(143)
Net Cash from Invt. activities	(4,990)	(3,569)	(2,789)	(2,624)
Issue of share cap. / premium	(810)	694	(1,111)	-
Debt changes	(321)	160	-	-
Dividend paid	(5,595)	(8,392)	(9,155)	(10,172)
Interest paid	(512)	(508)	(583)	(667)
Others	(394)	(222)	-	-
Net cash from Fin. activities	(7,632)	(8,268)	(10,849)	(10,839)
Net change in cash	2,050	(1,912)	(6)	(772)
Free Cash Flow	8,478	3,985	8,131	6,689

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	35.8	42.0	49.0	52.8
CEPS	42.5	49.1	56.9	61.9
BVPS	165.3	191.8	220.2	252.8
FCF	16.7	7.8	16.0	13.2
DPS	11.0	16.5	18.0	20.0
Return Ratio(%)				
RoCE	29.7	28.8	29.4	27.3
ROIC	24.4	25.2	28.7	28.6
RoE	23.3	23.5	23.8	22.3
Balance Sheet				
Net Debt : Equity (x)	(0.3)	(0.3)	(0.4)	(0.4)
Net Working Capital (Days)	57	59	66	68
Valuation(x)				
PER	83.3	70.9	60.9	56.4
P/B	18.0	15.5	13.5	11.8
P/CEPS	70.2	60.7	52.3	48.1
EV/EBITDA	55.1	49.2	41.8	38.5
EV/Sales	12.1	11.3	10.0	9.0
Dividend Yield (%)	0.4	0.6	0.6	0.7

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	33,954	32,349	33,689	31,411
YoY gr. (%)	3.7	5.2	7.6	8.2
Raw Material Expenses	15,685	14,767	15,388	14,123
Gross Profit	18,268	17,583	18,301	17,288
Margin (%)	53.8	54.4	54.3	55.0
EBITDA	8,127	7,688	7,984	6,326
YoY gr. (%)	15.0	13.1	7.5	9.6
Margin (%)	23.9	23.8	23.7	20.1
Depreciation / Depletion	844	879	895	967
EBIT	7,283	6,809	7,089	5,359
Margin (%)	21.5	21.0	21.0	17.1
Net Interest	118	117	125	144
Other Income	539	571	558	804
Profit before Tax	7,704	7,263	7,522	6,019
Margin (%)	22.7	22.5	22.3	19.2
Total Tax	1,984	1,848	1,947	1,487
Effective tax rate (%)	25.7	25.4	25.9	24.7
Profit after Tax	5,721	5,415	5,575	4,532
Minority interest	-	-	-	-
Share Profit from Associates	(8)	(12)	(5)	(8)
Adjusted PAT	5,721	5,415	5,575	4,532
YoY gr. (%)	20.5	17.8	9.2	19.9
Margin (%)	16.8	16.7	16.5	14.4
Extra Ord. Income / (Exp)	-	-	-	(249)
Reported PAT	5,713	5,403	5,571	4,275
YoY gr. (%)	20.6	17.8	9.0	40.5
Margin (%)	16.8	16.7	16.5	13.6
Other Comprehensive Income	(73)	(27)	(9)	53
Total Comprehensive Income	5,640	5,376	5,561	4,328
Avg. Shares O/s (m)	508	508	508	508
EPS (Rs)	11.3	10.7	11.0	8.9

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Apr-25	Accumulate	3,318	2,931
2	19-Mar-25	Accumulate	3,318	2,738
3	23-Jan-25	Accumulate	3,318	2,910
4	08-Jan-25	Accumulate	3,355	2,908
5	24-Oct-24	Accumulate	3,339	3,122
6	07-Oct-24	Accumulate	3,454	3,226
7	08-Aug-24	Accumulate	3,383	3,168
8	09-Jul-24	Accumulate	3,141	3,100

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	Reduce	2,142	2,303
2	Avenue Supermarts	Hold	3,975	4,059
3	Britannia Industries	BUY	5,881	5,179
4	Colgate Palmolive	Hold	2,650	2,440
5	Dabur India	Hold	501	482
6	Emami	Accumulate	709	584
7	Hindustan Unilever	Accumulate	2,601	2,325
8	ITC	Accumulate	524	413
9	Jubilant FoodWorks	Hold	678	682
10	Kansai Nerolac Paints	Accumulate	284	255
11	Marico	Accumulate	718	699
12	Metro Brands	Hold	1,162	1,046
13	Mold-tek Packaging	Accumulate	621	470
14	Nestle India	Accumulate	2,559	2,433
15	Pidilite Industries	Accumulate	3,318	2,931
16	Restaurant Brands Asia	Accumulate	74	67
17	Titan Company	BUY	3,752	3,369
18	Westlife Foodworld	Hold	777	706

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

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