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Pidilite Industries Analysis !!

#PidiliteIndustries

A detailed #Thread below ■■

#StockMarket #investing



About -

Pidilite Industries Limited is a leading manufacturer of adhesives & sealants. Their brand Fevicol has become synonymous with adhesives to millions in India & is ranked amongst the most trusted brands in the country. Its other brands are FeviKwik, Dr. Fixit, M-seal, etc.



Pidilite manufactures products across verticals such as art materials & stationery, food & fabric care, car products, adhesives & sealants, & speciality industrial products like adhesives, pigments, textile resins, leather chemicals & construction chemicals.

Financial Summary -
Q3 FY22 (YoY)

Revenue were at Rs. 2,841 Cr. ■■24%

EBITDA at Rs. 550 Cr. ■■14%

PAT at Rs. 359 Cr. ■■19.5%

EARNINGS SUMMARY

Q3' FY22

	NET SALES	EBITDA*	PBT*	PAT
CONSOLIDATED	Rs. 2,841 Cr	Rs. 550 Cr	Rs. 487 Cr	Rs. 359 Cr
YOY GROWTH	24.0%	-14.1%	-19.1%	-19.5%

Revenue Breakup -

Pidilite earns about (54.2%) of its revenues from Adhesives & Sealants, Construction & Paint Chemicals (20%), Art & Craft materials (7.1%), Industrial Adhesives (6%), Pigment & Preparation (6%) & Industrial Resins & Construction chemicals (6.4%).

BUSINESS SEGMENT/
PRODUCT CATEGORY %

5.7%

INDUSTRIAL
ADHESIVES

7.1%

ART & CRAFT
MATERIALS ETC.

19.9%

CONSTRUCTION &
PAINT CHEMICALS

54.2%

ADHESIVES & SELANTS

6.4%

INDUSTRIAL RESINS,
CONSTRUCTION
CHEMICALS (PROJECTS)
ETC.

5.9%

PIGMENT & PREPARATIONS

0.8%

OTHERS

81.2%

CONSUMER & BAZAAR
PRODUCTS SEGMENT

18.0%

BUSINESS TO BUSINESS
PRODUCTS SEGMENT

0.8%

OTHERS

Standalone results - % of Total
Sales from FY 2020-21

In total the company produces 500 products for its brands.

The Company operates under two major business segments:

Branded Consumer & Bazaar which accounts for (81%) of revenue.

&

Business to Business accounts for (18%).

Long Term Triggers -

- Management is targeting the core segment (adhesive, sealants) & the growth segment to grow at 1-2x & 2-4x of GDP, in long term.
- Strong demand from urban regions helped drive strong volume growth for the company.
- Construction chemical, water proofing categories are highly under penetrated in India. These categories are expected to drive long term growth for Pidilite.

Risks -

- Any sudden rise in raw material prices, especially for crude-linked products, could effect the margins.

- Any unexpected demand slowdown in housing market.

Conclusion -

Pidilite is well placed to benefit from the revival in the real estate industry, which drives demand in its C&B business. The B2B business includes industrial adhesive, construction chemical, etc will benefit from a revival in mfg. activity in the near future.