Twitter Thread by LNPR Capital™

LNPR Capital™
@LnprCapital

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)

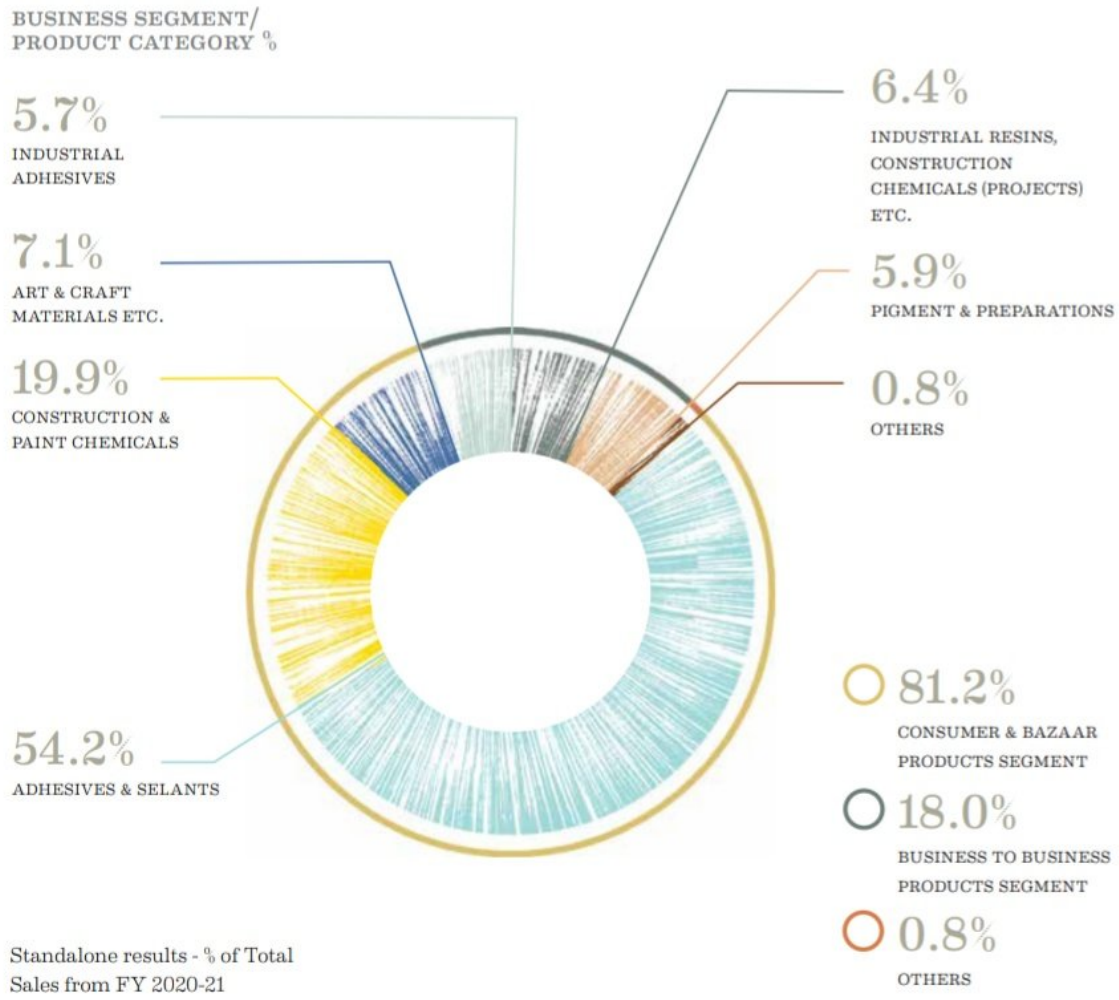
Revenue were at Rs. 2,841 Cr. ■■24%
EBITDA at Rs. 550 Cr. ■■14%
PAT at Rs. 359 Cr. ■■19.5%

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%).



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.