

21st September, 2017

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 an Investor Presentation.

Thanking You,

Yours faithfully,
For Pidilite Industries Limited



A N Parekh
Whole Time Director

Encl: a/a

1/8

Pidilite Industries Limited

Corporate Office

Ramkrishna Mandir Road
Andheri - E, Mumbai 400059, India

T + 91 22 2835 7000

F + 91 22 2835 7470 / 7831

www.pidilite.com

CIN:L24100MH1969PLC014336

Regd. Office

Regent Chambers, 7th Floor
Jamnalal Bajaj Marg
208 Nariman Point
Mumbai 400 021

Corporate Presentation

September 2017



¹⁹**Pi**oneering
⁵⁹**Di**fference





Company Overview



Business Overview



Growth Strategy



Financials



In Summary



Pidilite is an Indian multinational pioneer in Consumer & Speciality chemicals industry.

Fevicol brand established in 1959.

We are a strong player in India's adhesives & sealants and construction chemicals industry with a strong history of brand & category creation.

Consolidated Results

FY17 Revenue

60,623 Rs Mn

FY17 EBITDA*

12,680 Rs Mn

FY17 PAT

8,632 Rs Mn

Brand Fevicol

- Brand Fevicol - Synonymous with adhesives in India.
- Family of "Awarded & Admired brands". Iconic brands like Fevicol, M-Seal, Fevikwik and Dr. Fixit.
- Innovative advertisements – Some of the best advertisements in Indian ad history.
- Brand Equity Most Trusted Brands 2016 - Fevicol (4th) and Fevikwik (6th) in Household Care segment.

Business Segments

Consumer & Bazaar

- Adhesives & Sealants
- Construction Chemicals
- Art & Craft Material

Industrial Products

- Industrial Adhesives & Resins
- Organic Pigments & Preparation

International Business

- Manufacturing facilities in U.S.A, Brazil, Thailand, Dubai, Egypt, Singapore and Bangladesh.
- Exports to 80+ countries.



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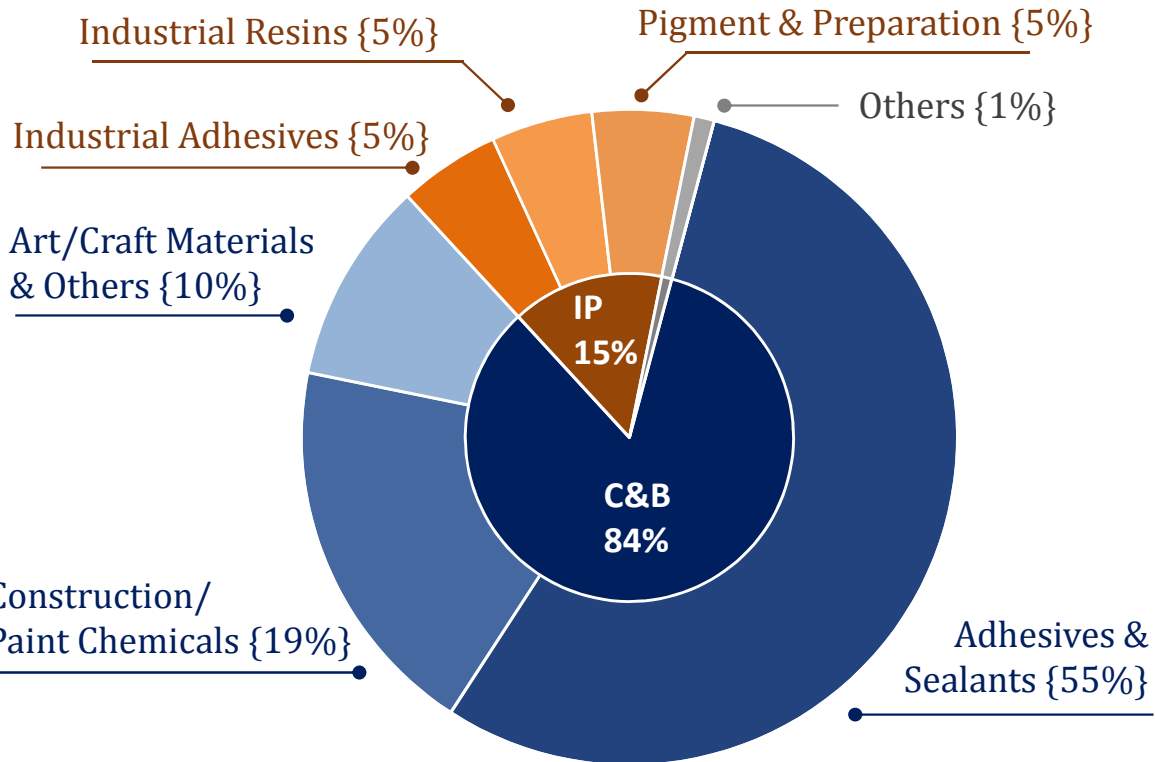


In Summary



Our Business Dimensions

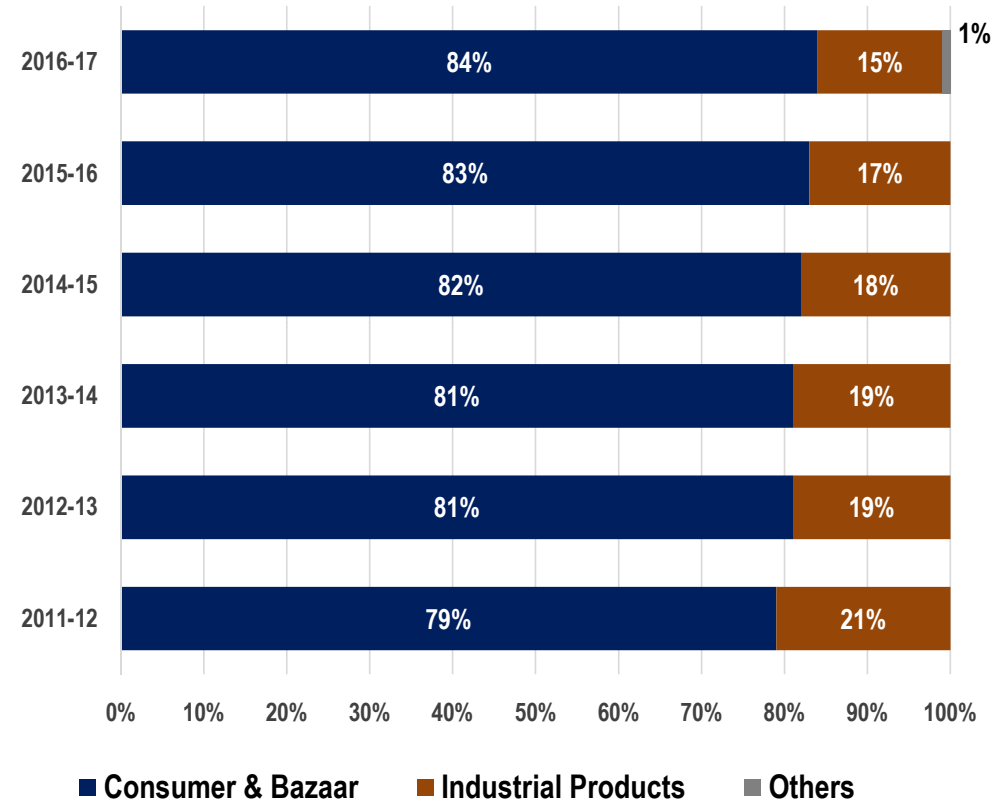
% of Total Revenue – As of 31 Mar 2017



C&B – Consumer & Bazaar, IP – Industrial Products, Others

Standalone Results – % of Total Net Revenue

Revenue Mix of Segments



Adhesives

Woodworking

- **Fevicol SH** | Synthetic Resin Adhesive
- **Fevicol Marine** | Water resistant adhesive
- **SR 998** | For surfaces where it is difficult to apply pressure
- **Fevicol Probond** | Special adhesive which joins PVC/Acrylic sheets to wood
- **Fevicol Membrane PU** | Membrane press adhesives



Adhesives

Home, School & Office

- **Fevicol MR** | Ready to use, non-staining adhesive
- **Fevistik** | glue stick
- **FeviKwik** | Cyanoacrylate – strong fast-acting adhesives
- **Fevibond** | Contact glue – Synthetic Rubber based adhesive
- **Fevitite** | Two component epoxy adhesives



Sealants

Plumbing

- **M-Seal** | Epoxy sealants
- **M-Seal Plumber** | Liquid pipe sealants
- **Dr. Fixit Silicone Sealant** | Silicone Sealants

Construction

Waterproofing, Repairs , Tile fixing & Insulation

- Solutions for waterproofing of roof, wet areas, external walls, wet & dry podiums, basements
- **Crack-X Shrink-free** | Ready-to-use crack fillers for repairs
- **Dampguard** | Water based epoxy waterproof coating
- **Roff** | Tile, Stone Fixing and Care, Building Repair, Grouting Solutions
- **Steelgrip** | PVC electrical, self-extinguishing tapes



Construction

Wood Finishes & Paints

- **Wudfin** | Wood Top coats
- **Wudfin Wudstains** | Specifically formulated to impart colour to wood
- Wall finishing, Binders, Distempers, Water based acrylic emulsion, Primer & Putty



Art/ Craft Materials & Others

Hobby, Stationery, Fine Arts

- **Fevicryl** | Fabric Glue - Adhesive for bonding embellishment on fabric
- **Fevicryl** | Acrylic Colours - Stays permanent on fabrics wash after wash
- **Fevicryl** | Glass Colours – water-based colours for glass surfaces
- **Fevicryl** | Dimensional Outliners – outliners used for embellishing fabric and non-fabric surfaces



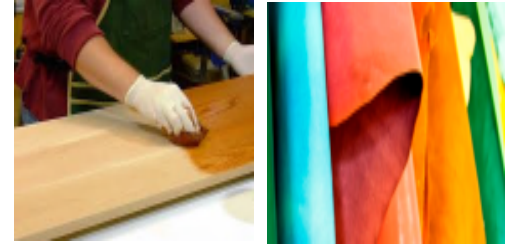
✓ **Strong position in most segments, with growth headroom in most products / segments**

Industrial Adhesives & Resins

Packaging, Footwear, Labelling and many others

- Hot melt adhesives for end-of-line packaging, book binding and product assembly
- Solvent based and Solvent free adhesives for footwear
- Water based adhesives for paper correcting & lamination, labels & cigarette and additive
- Epoxy, acrylics, cyanoacrylates & anaerobic for automotive and general assembly
- Resins for paints, paper, textile and other applications
- Binders for road marking paints

Industrial Resins & Leather chemicals



Industrial & Footwear adhesives



Organic Pigment & Preparation

Paints & Colorants, Plastic, Ink

- Organic & high-performance Pigments sold in India and exported to the leading global Ink, Paints and Coatings, Plastics and Rubber master batch manufacturers
- Pigment dispersions for textile, paper and paint applications

Industrial Bonding solutions



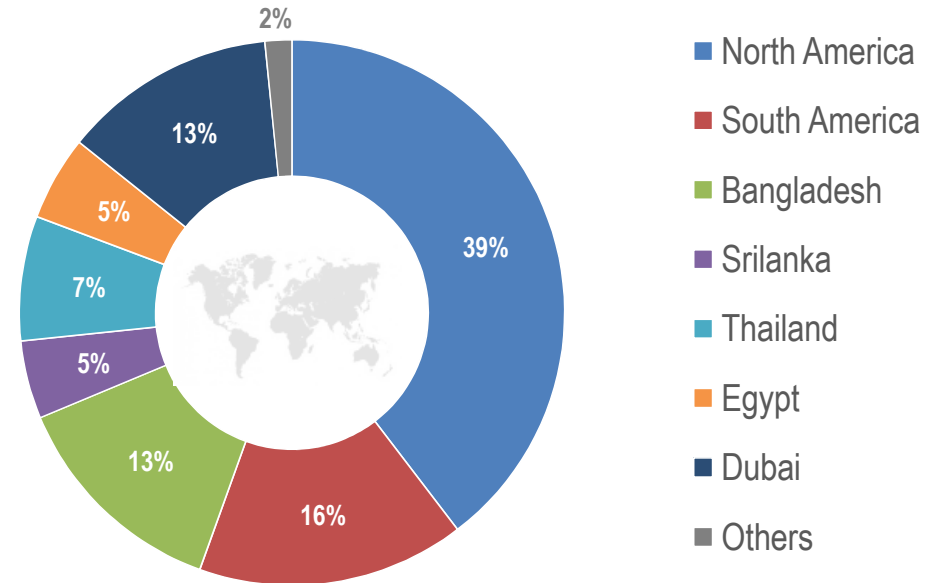
International Business

- 17 Overseas subsidiaries – (5 Direct and 12 Step down). 1 Joint venture.
- International manufacturing facility in USA, Thailand, Dubai, Brazil, Egypt, Singapore and Bangladesh.
- Manufacturing facility planned in Sri Lanka and Ethiopia. An additional manufacturing facility planned in Bangladesh.
- Total FY'17 Revenue from Overseas subsidiaries Rs 5,987 Mn.
- Improved operational performance over the last few years.

Exports

- Exports to more than 80 countries.
- Major exports to Middle East, Africa, USA & Europe.
- Export Turnover of Rs. 4,842 Mn in FY'17.

International Business – Sales Mix FY17



Percentage of total overseas subsidiaries' revenue

North America

- Sargent Arts is the leading supplier of quality art materials to the educational and retail markets throughout the United States.
- Adult colouring segment had witnessed very high demand last year but has seen slow-down in current year.

South America

- The business manufactures and sells Adhesives, Sealants and Construction Chemicals.
- Despite challenging economy, reduction in losses last year due to various cost reduction & margin improvement initiatives.

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, achieving consistent growth in sales and profit.

MEA

- Egypt: Manufactures & sells adhesives, sealants & other products. Performance impacted due to adverse economical situation.
- Dubai - Modern purpose built factory at Dubai Investment Park II. The facility manufactures and supports a proven 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 Indians.

Decades of award-winning advertising campaigns

- * Low cost of usage and high cost of failure – Criticality of brand
- * Award winning advertisements across all segments and geographies

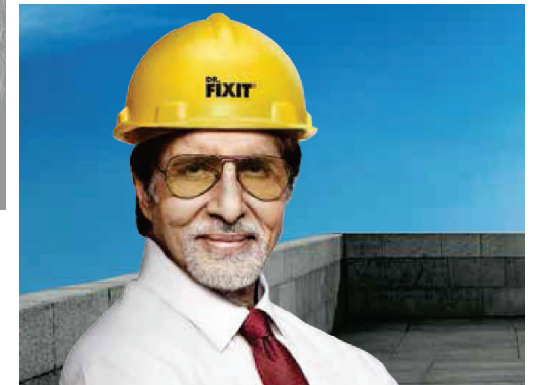
Ad Campaigns

[Dr. Fixit – Waterproofing ka Doctor](#) (ft. Mr. Amitabh Bachchan)

[Dr. Fixit – Newcoat – Terrace Waterproofing](#)

[Dr. Fixit – Angry Kid](#)

[Fevikwik – India vs Pakistan](#)





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In Summary



**Persistent innovation
focused on continuous
improvement**

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

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

**Passionate about
pioneering segments and
achieving
significant leadership**

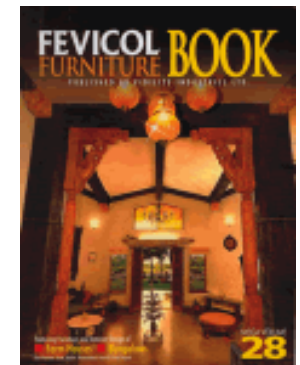
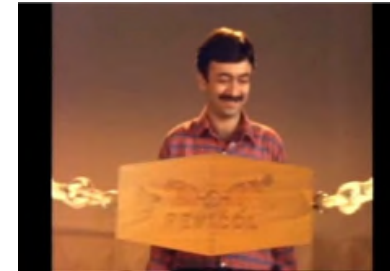


**Teams working
together with passion**

Passionate about *Pioneering*



- **1959** – Introduction of laminate in India coincides with launch of White Glue amongst unbranded Saresh resin players
- **1960s** – **Consistent work with carpenter community to develop trust** via sampling and product demonstration. The **iconic 8-hr hammer test** seals the deal
- **1970s** – Enhancing trust with carpenters & enrolling consumers
 - **Elephant symbol launched** for easy identification amongst carpenters
 - Woodworking adhesive **Fevicol enters household space by launching a tube SKU**
- **1980s** – **1st in the category to reach users & consumers with press ads**
- **1990s** –
 - **1st in the category to launch TVCs**
 - Launch of **Fevicol Furniture book**; given free with 5Ltr pack to spur consumer demand



Passionate about *Pioneering*

- **2000s** – Launch of
 - **First of its kind influencer-connect initiative in India** to educate as well as engage furniture contractors
 - Engagement ideas (like Shram daan divas, Vriksharopan divas, Yoga day, Swatch Bharat Abhiyaan etc.) generated using grounded insights
- **2010s** – Continued **innovative marketing initiatives** to increase brand equity with the consumers



FEVICOL
CHAMPIONS' CLUB (FCC)



Fevicol Opened a Free Store In A Mall, And It Was Their Wittiest Campaign Yet



'The Fevicol Room'



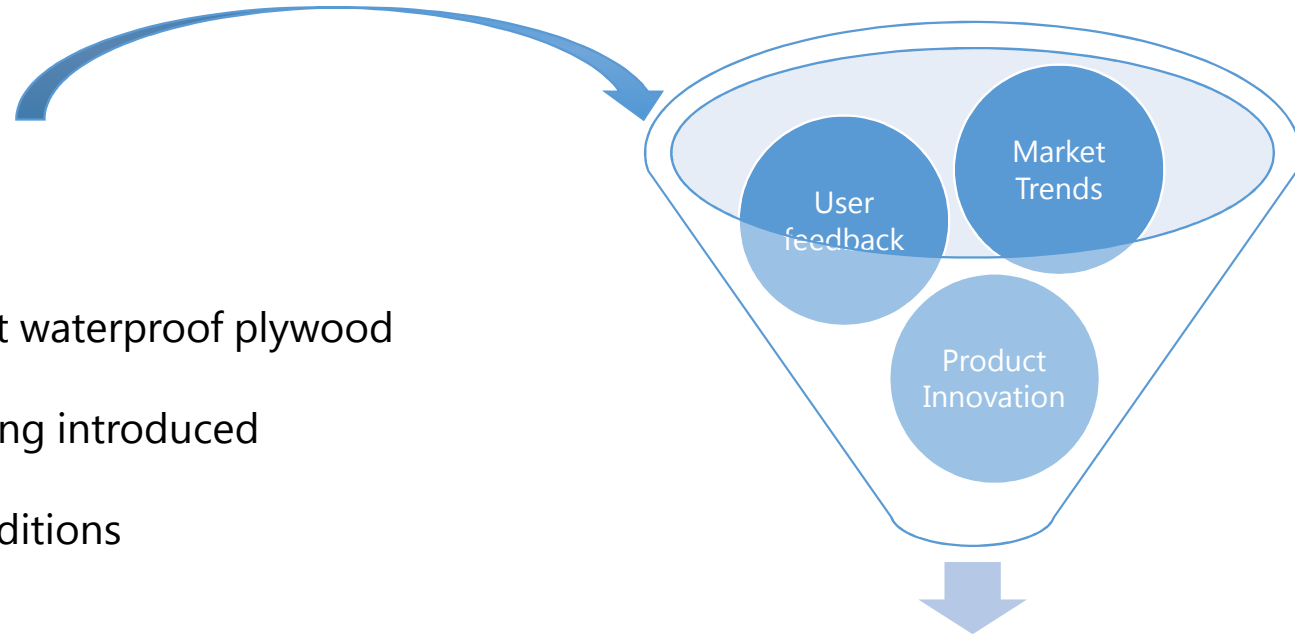
We continue to pioneer across categories



Insights

- Wood industry talking about waterproof plywood
- Water-resistant laminate being introduced
- Fevicol gives way in wet conditions

Direct connect with all intermediaries – carpenters, masons, electricians, plumbers with a feedback mechanism to the company



Fevicol Marine



A Culture of Innovation – going beyond the product..



Feature Innovation



Water resistant



Fast setting



Anti-bubble



Heat resistant

Packaging



Innovation based on applications



PVC & Acrylic Laminates



AC Ducts



Foam sheets



Vinyl flooring

Services



DR. FIXIT SERVICES

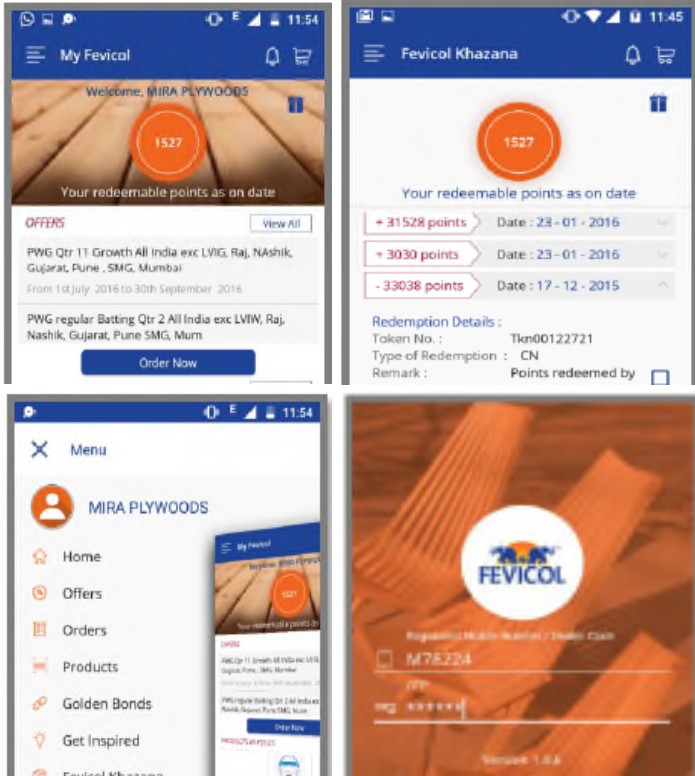
DR. FIXIT EXPERIENCE CENTRE

DR. FIXIT INSTITUTE

DR. FIXIT APPLICATOR SERVICES



Pidilite Genie App



Leverage Rural and Small town Opportunity

Emerging India
Opportunity with 84% of India's population

Revamp route to market and activation process

Adapt to Changing Consumer needs



A history of connect to users, intermediaries and consumers



Stakeholder 1 – Users

- Largest & most comprehensive influencer connect program in the world
- **95,000 furniture contractors** associated across **950 clubs** in **821 towns**
- Field marketing team meets ~2,000 contractors everyday



FEVICOL
CHAMPIONS' CLUB (FCC)



Stakeholder 2 – Influencers

- **Digital portal** to connect consumers with designers and contractors
- **Platform for sharing design ideas** from contractors and interior designers
- Hosts 1L+ design ideas

[Find a Contractor](#) [Find an Interior Designer](#) [Interiopedia](#)



Fevicol Design Ideas

Stakeholder 3 – Consumers

- **Most Trusted Brand 2016** (4th in Household)
- Buzziest Brand 2014
- PowerBrand 2012-13
- 2011 ABBY for Integrated campaign, Outdoor and 2009 ABBY for Press, Radio
- Cannes Award, 2002

HOUSEHOLD CARE

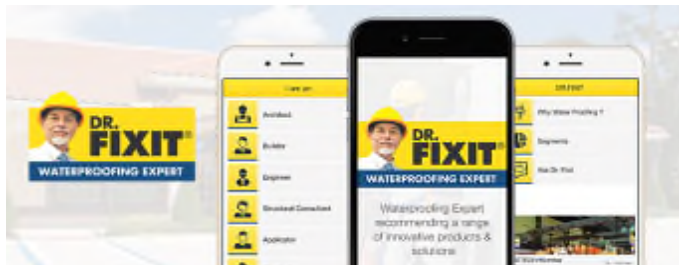
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|----|-------------|----|
| 1 | Good knight | 2 |
| 2 | All Out | 3 |
| 3 | Harpic | 5 |
| 4 | Fevicol | 4 |
| 5 | Vim | 1 |
| 6 | Fevikwik | NE |
| 7 | Mortein | 6 |
| 8 | HIT | 7 |
| 9 | Lizol | 8 |
| 10 | Domex | 9 |



Future-Ready Organization



- Build Capability and Talent Pipeline
- Workplace by Facebook to improve employee engagement
- Several platforms to improve consumer experience





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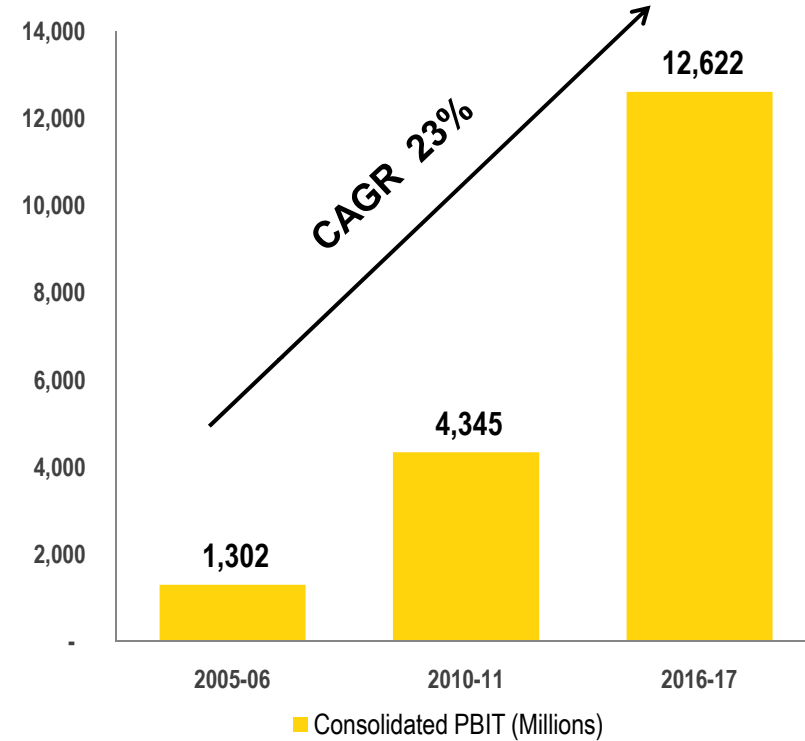
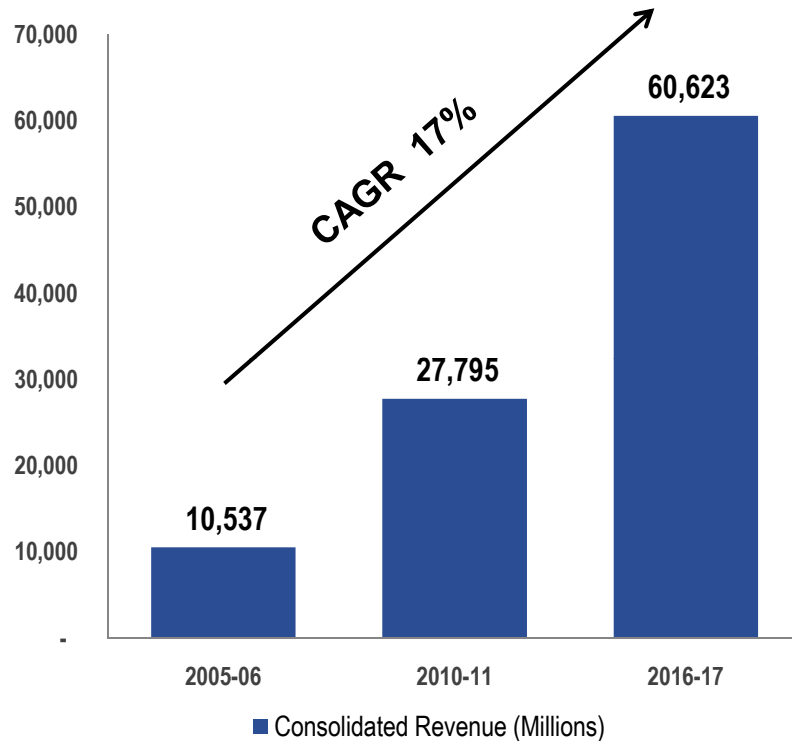
Financials



In Summary



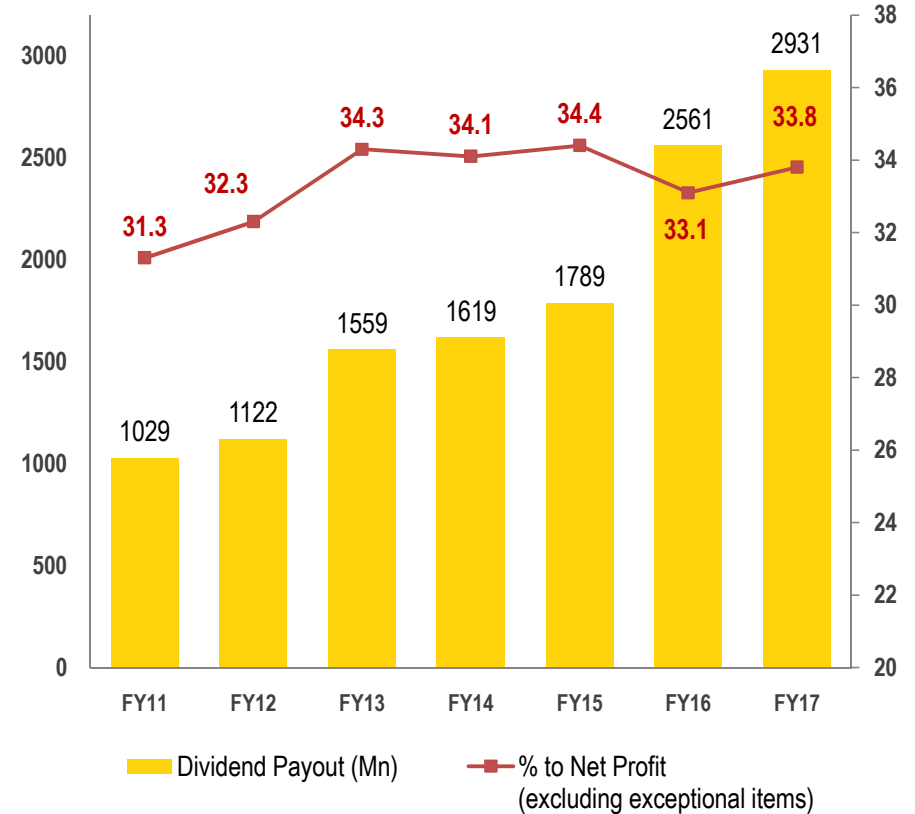
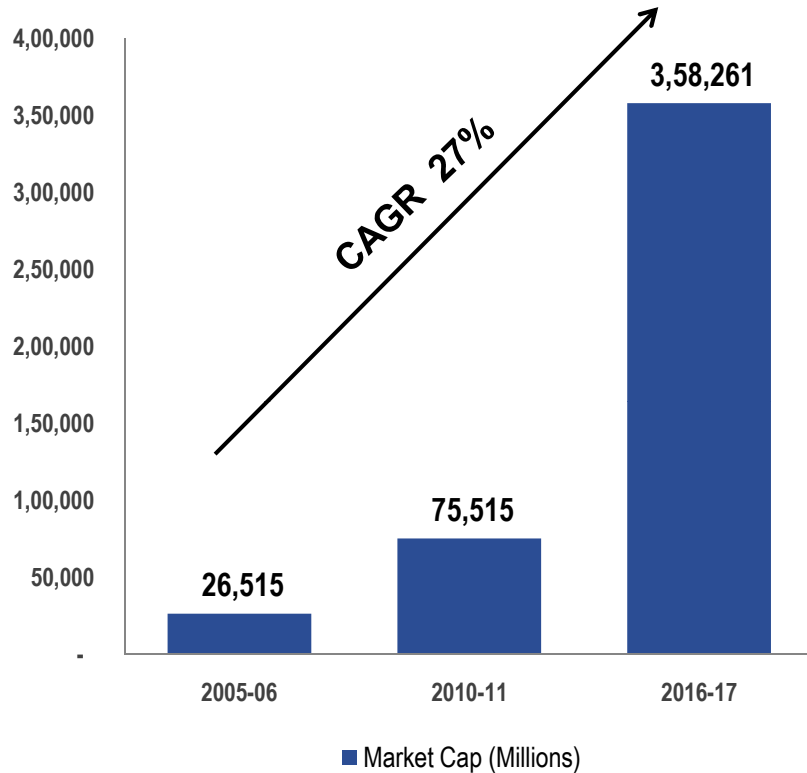
Sustainable strong growth ...



**PBIT is Profit before tax and interest*

Year-on-Year growth in revenue & profit over last 11 years, with 20%+ ROCE

...Creating value for shareholders



Market Cap growing @ 27% CAGR / Steady dividend payout



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In Summary



- ✓ A strong player in India's adhesives & sealants and construction chemicals industry
- ✓ Strong portfolio of brands, consistently listed in Most Trusted Brands rankings
- ✓ Strong position in most products and segments
- ✓ Enough headroom to grow domestic business in India, growth potential in other geographies
- ✓ Track record of consistent growth in Sales and Profits
- ✓ Robust cash flow and attractive Return on Capital Employed
- ✓ Strong Balance Sheet with zero debt
- ✓ Consistent dividend pay-out over the years

*Together, we will create a high performance, innovative,
Indian multi-national where it is a pleasure to work*

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.

Investor Contact



CIN : L24100MH1969PLC014336

Investor Relations - investor.relations@pidilite.co.in

Savithri Parekh, Company Secretary

Ramkrishna Mandir Road, Off Mathuradas VasANJI Road,
Andheri (E), Mumbai - 400 059.

Phone : +91 22 67697000

Fax : +91 22 28216007

The ultimate adhesive

