

June 22, 2016

The Secretary  
BSE Ltd.  
Corporate Relationship Dept.,  
14<sup>th</sup> 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

Dear Sir,

Sub: Presentation

Please find attached the Presentation to be made to Analyst/ Institutional Investors.

Thanking You,

Yours faithfully,  
For Pidilite Industries Limited

  
Savithri Parekh  
Secretary

18

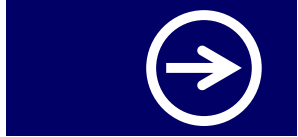
**Regd. Office**  
Regent Chambers, 7th Floor  
Jamnalal Bajaj Marg  
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**Corporate Office**  
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CIN : L24100MH1969PLC014336

# Ambit Analyst Meet Presentation 22<sup>nd</sup> June 2016





**Company Overview**



Business Overview



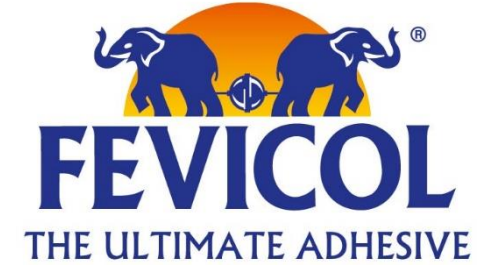
Macro Opportunity



Strategy Refresh 2015 – Project Runway



In Summary



*Fevicryl*<sup>®</sup>



# Company Overview



**Fevicol brand Established in 1959**

**Pioneer in Consumer & Specialty Chemicals in India**

**Over 2/3rd of sales from products and segments pioneered in India**

**Strong position in most products and segments**

**Consistent growth in sales, profits and dividend payout**

**Consolidated Revenue of Rs 53,695 million in FY 15-16**

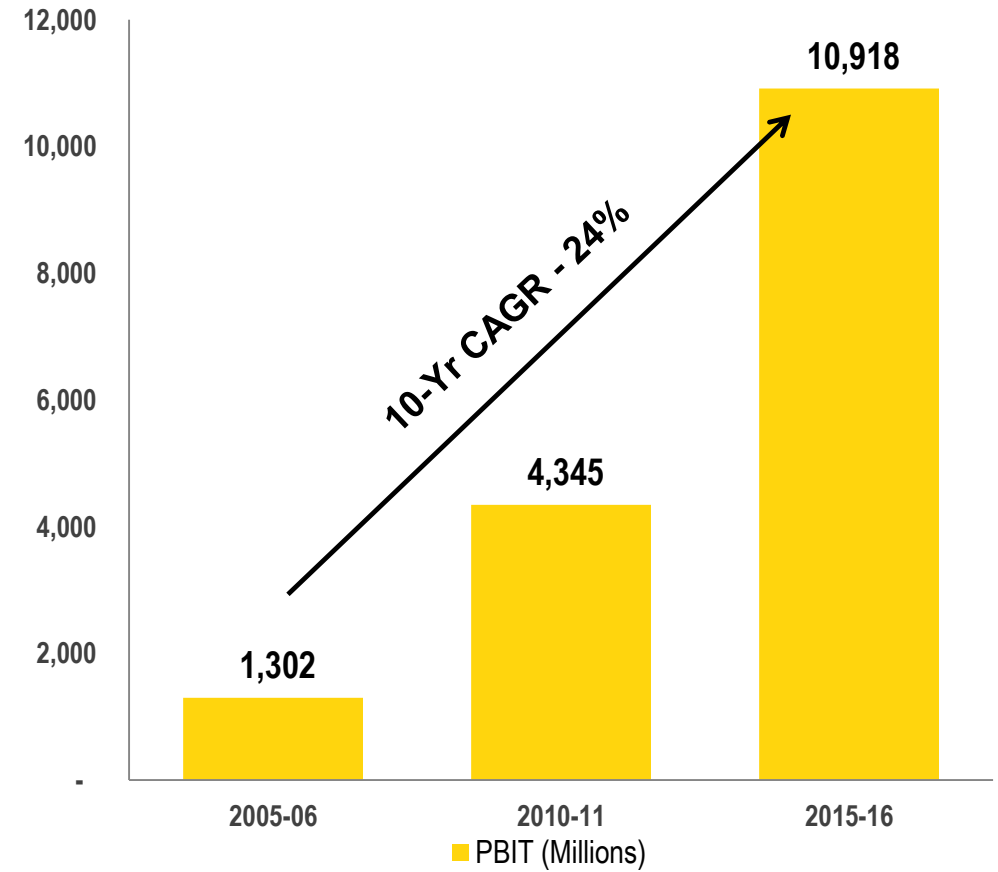
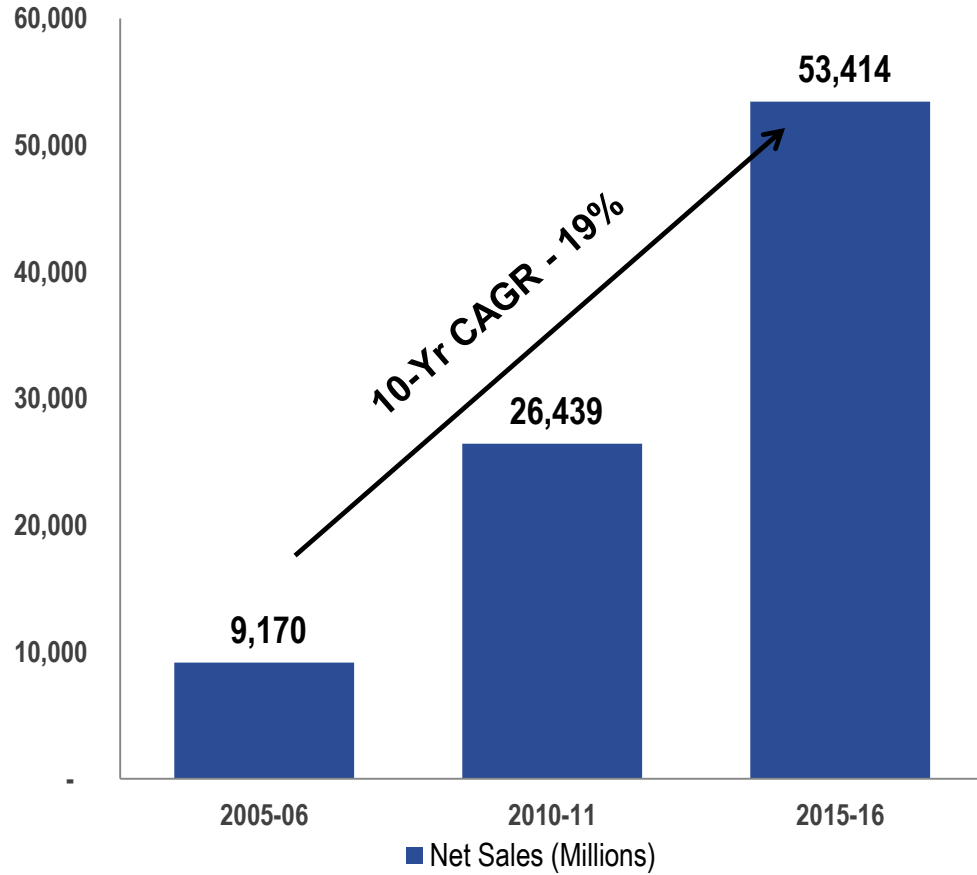
**Wide geographic presence – Domestic & International**

**Well established R&D set-up – Most products developed through in-house R&D**

**Strong leadership team**

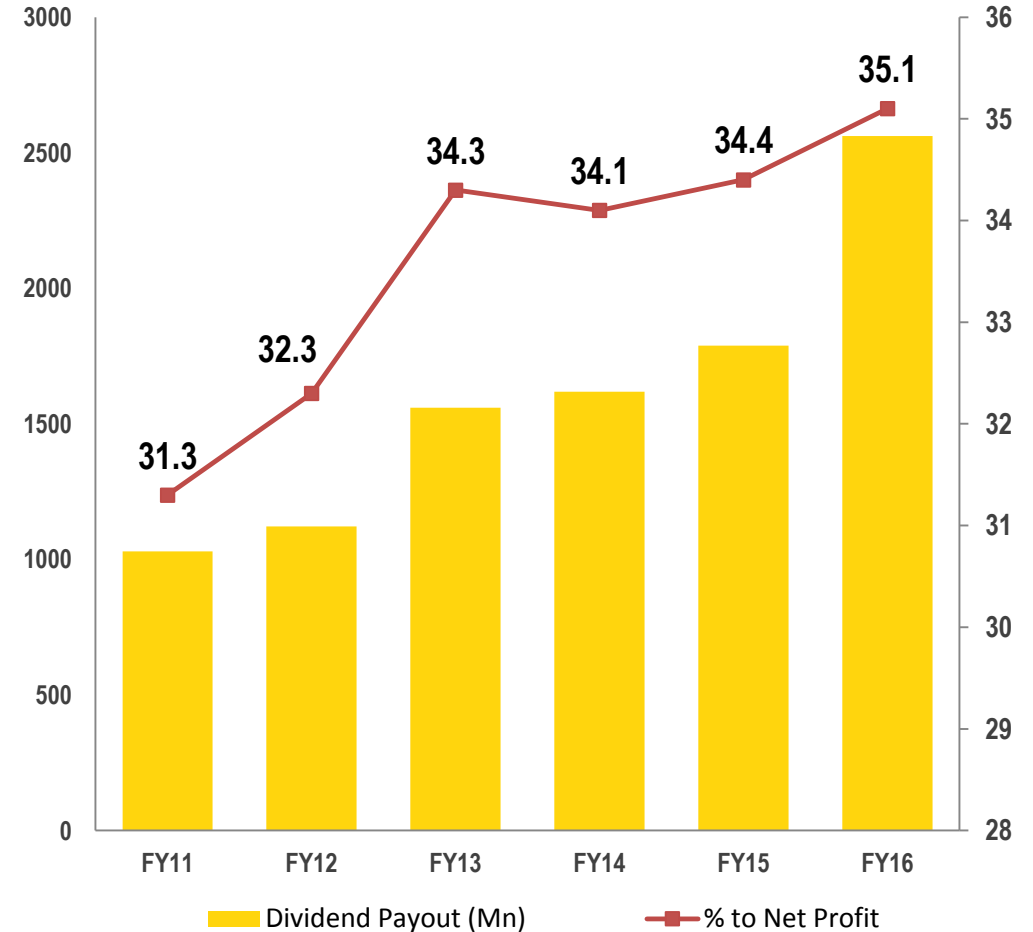
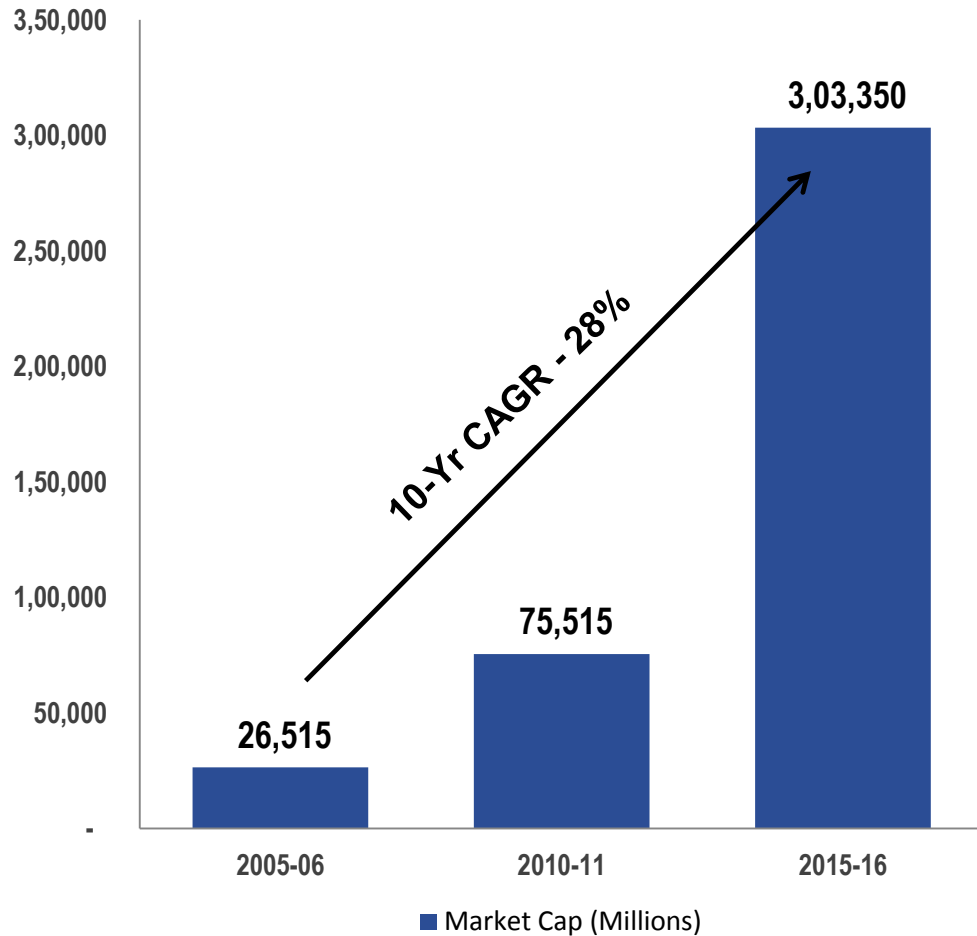


# Sustainable strong growth ...



Year-on-Year growth in sales & profit over last 10 years, with 20%+ ROCE

# ...Creating value for shareholders



**Market Cap growing @ 28% CAGR / Steady increase in dividend payout**



Company Overview



Business Overview



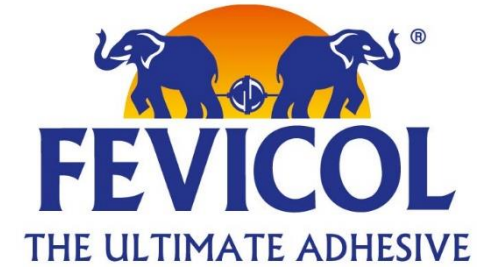
Macro Opportunity



Strategy Refresh 2015 – Project Runway



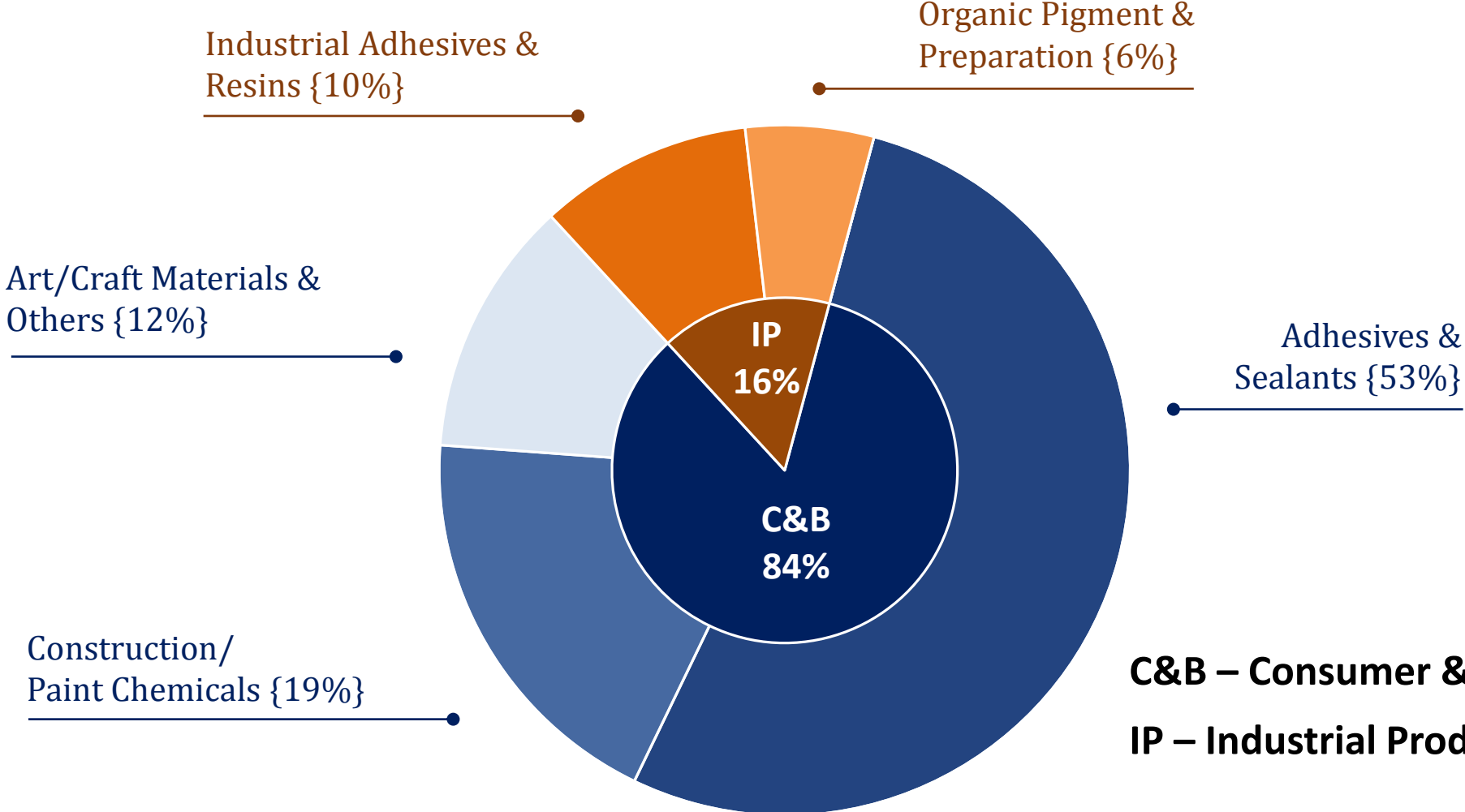
In Summary



*Fevicryl*<sup>®</sup>



# Our Business Dimensions



**C&B – Consumer & Bazaar**  
**IP – Industrial Products**

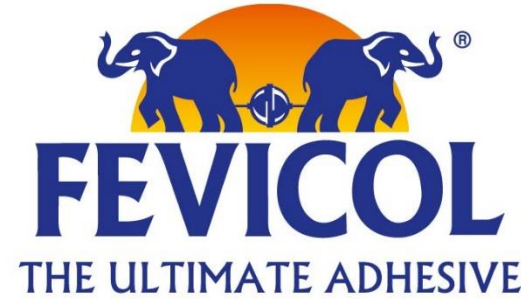
*Standalone Results: Numbers represent percentage of Total Net Revenue as of March 31<sup>st</sup> 2016*



# Consumer and Bazaar Products – 84% of Company Sales



- Consists of
  - Adhesives & Sealants (53%),
  - Construction & Paint Chemicals (19%)
  - Art/Craft Materials (12%)
- Pioneers in category creation
- Strong position in most segments
- Generations of craftsmen loyalty
- Family of “Awarded & Admired brands”\* (Fevicol, Dr Fixit, Fevikwik, M Seal etc..)
- Growth head room in most products / segments



\* Source – Brand Equity’s Most Trusted Brand survey

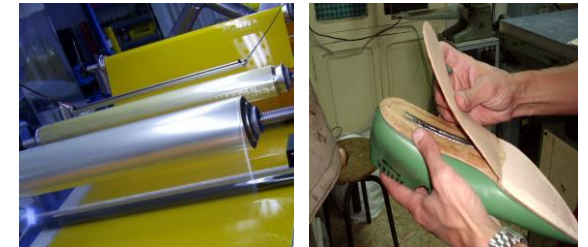
# Industrial Products - 16% of Company Sales

- Consists of
  - Industrial Adhesives & Resins (10%)
  - Organic pigments and preparations (6%)
- Industrial adhesive range catering to diversified user base
  - Packaging, stickers, labeling, footwear etc.
- Specialty polymers / co-polymers for various industries
  - Paints, non-woven and flocked fabrics, construction chemicals and leather
- Strong presence in pigment dispersions for Indian textile segment
- Pioneers in India in Pigment Violet 23 manufacturing
- Products exported to leading customers in Europe & USA

Industrial Resins & Leather chemicals



Industrial & Footwear adhesives



Industrial Bonding solutions



- Award winning advertisements across all segments and geographies
- Low cost of usage and high cost of failure – Criticality of brand
- Established contact programs with end users and influencers
- Extensive grass root contact with end-users to create awareness & promote usage

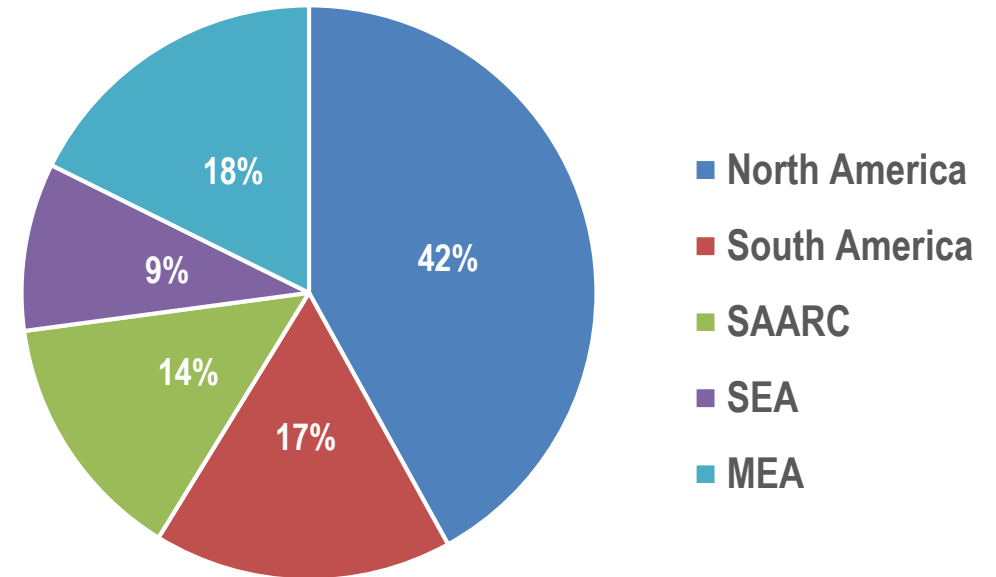


## Exports

- Exports to more than 60 countries. Major exports to Middle East, Africa, USA & Europe
- Export Turnover of Rs. 4,524 Mn in FY'16
- 5-year CAGR is 13%

## International Subsidiaries

- 16 Overseas subsidiaries – ( 5 Direct and 11 Step down)
- Total Revenue from Overseas subsidiaries of 5,819 Mn in FY'16.
- Significant manufacturing and selling activities in USA, Brazil, Thailand, Bangladesh, Egypt and Dubai



*Percentage of total overseas subsidiaries' revenue*

## USA; 42 % of Revenue

- “Sargent Art” Division manufactures and sells Arts & Craft products. Good sales growth in 2015-16 helped by a favorable hobby & craft trend.
- “Cyclo” Division sells automotive after market chemicals for domestic and international markets.



## Brazil; 17% of Revenue

- 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; 23% of Revenue

- Bangladesh: Growing & profitable business, manufacturing Adhesives, sealants & other products.
- Sri-Lanka: Acquired a leading business in white adhesive last year.
- SEA : Construction chemical subsidiary in Thailand, achieving consistent growth in sales and profit.

## Mid East / Africa; 18% of Revenue

- Egypt: Manufactures & sells adhesives, sealants & other products. Performance impacted due to adverse economical situation.
- Dubai: Construction Chemicals production facility commissioned in Q-3 of 2015-16. Incurring losses due to higher SGA expenses and delay in ramp up of sales.



Company Overview



Business Overview



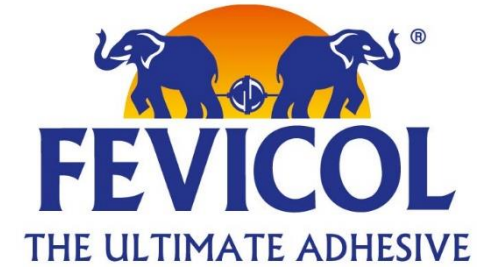
Macro Opportunity



Strategy Refresh 2015 – Project Runway



In Summary



*Fevicryl*<sup>®</sup>



**GDP growth upside potential**

**Rising Urbanization**

**Construction industry poised to regain growth**

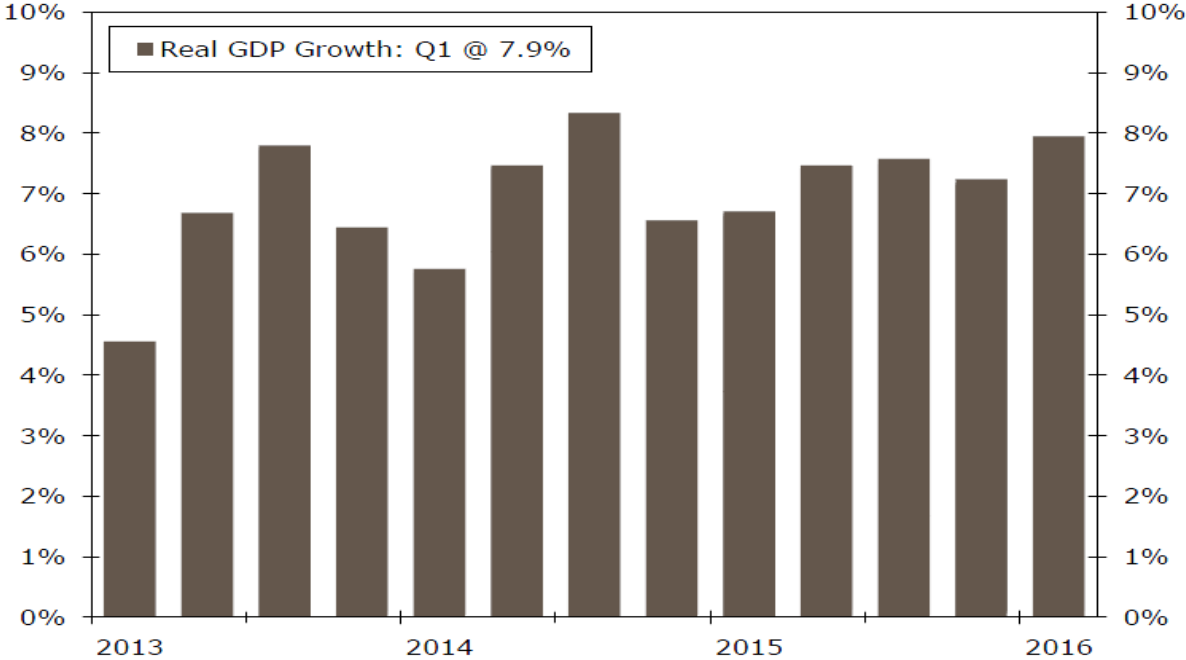
**Opportunity in TIER 2 / 3 States and “Aspiring and BOTP” Consumers**



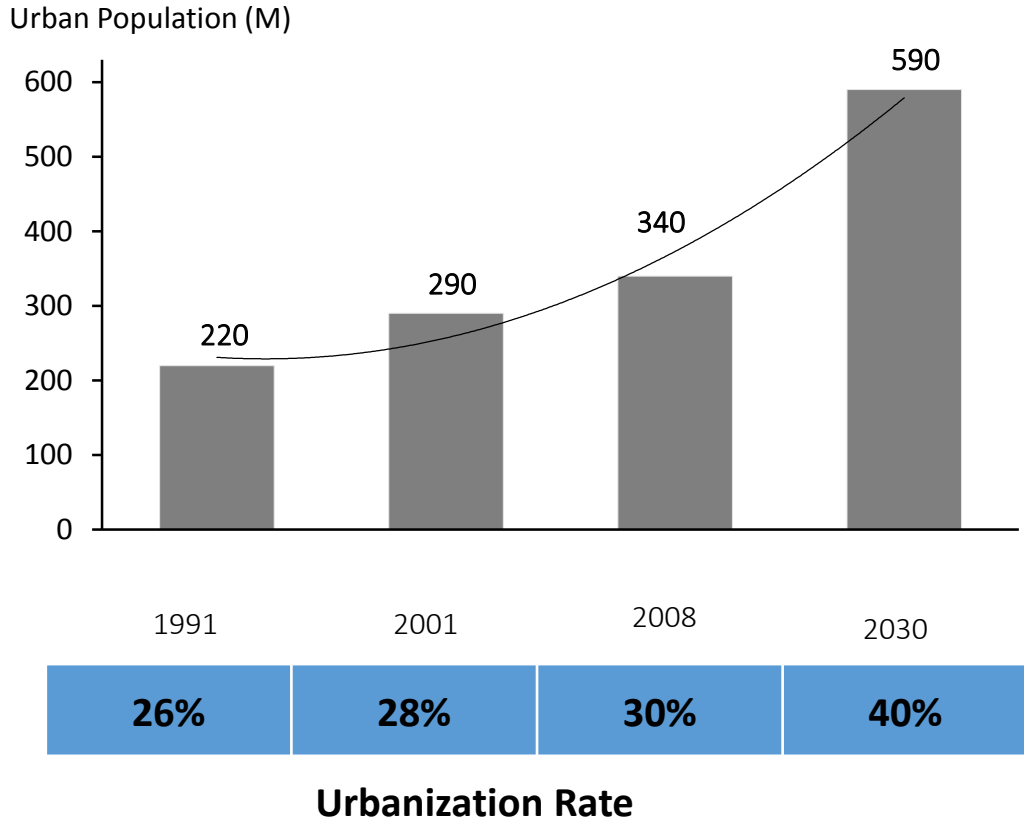
# Macro trends provide strong impetus



## GDP GROWTH STORY INTACT



## BY 2030, 40% OF INDIA WILL LIVE IN CITIES



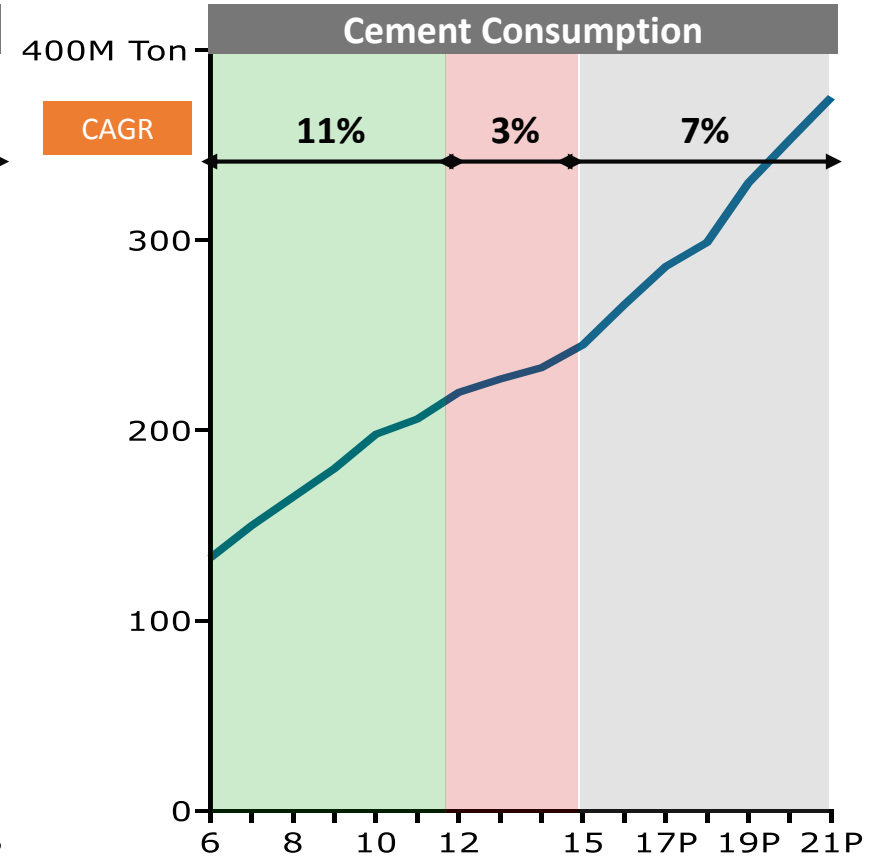
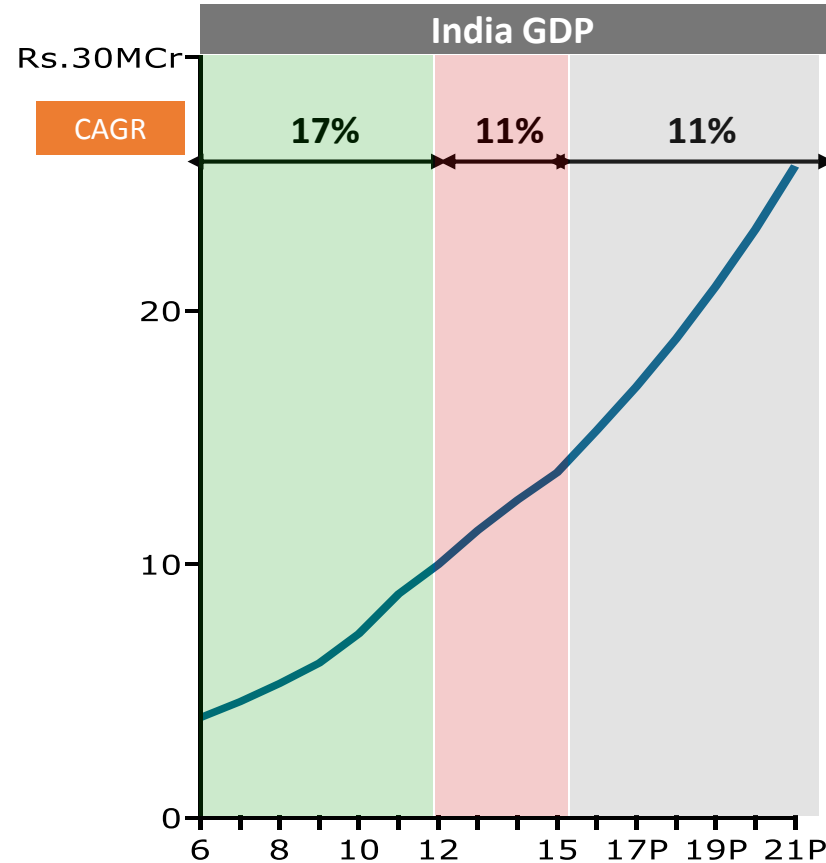
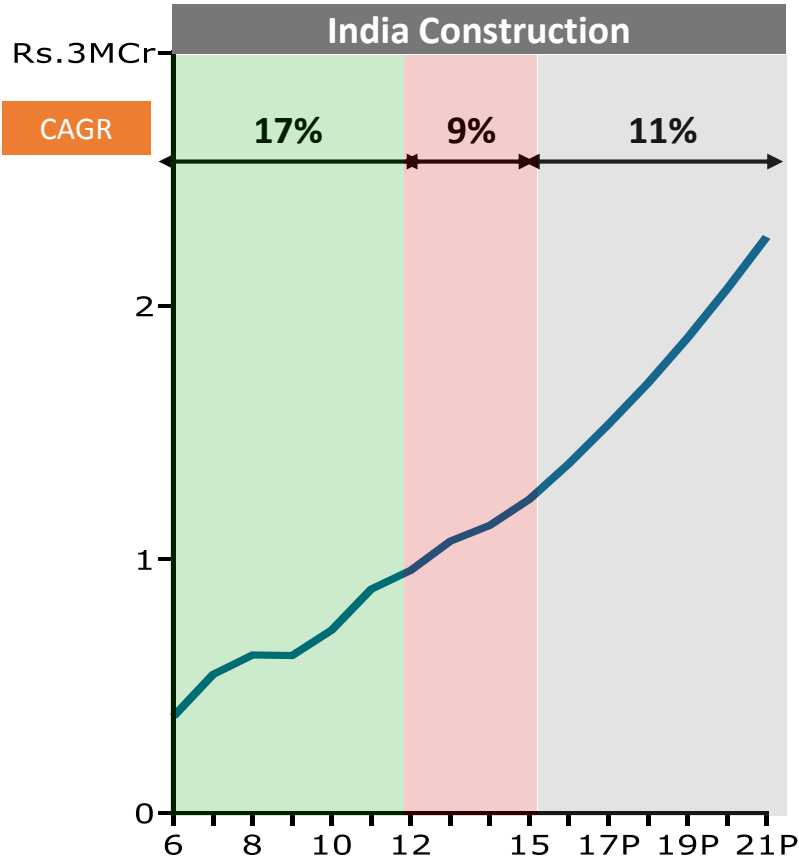
Note: Urban (GOI definition): 4,000 People/75% of men in non agricultural work/Population density of 400 per sqkm  
 Source: MGI, Secondary Research, Monitor Analysis

# Construction Industry poised to regain growth



**CONSTRUCTION INDUSTRY TO GROW AT 11% IN FY15-21...**

**...FOLLOWING PROJECTED GROWTH IN GDP AND CEMENT CONSUMPTION (HIGHLY CORRELATED)**



Source: BMI India Infrastructure Report, Q4, 2015; Q4, 2014; Q4, 2013 and Q4, 2012; IHS data; Crisil Report; D&B



Company Overview



Business Overview



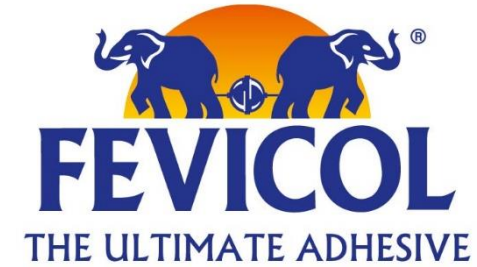
Macro Opportunity



Strategy Refresh 2015 – Project Runway



In Summary



*Fevicryl*<sup>®</sup>



1

Take existing businesses to full potential

2

Leverage rural and small town opportunity

3

Identify & prioritize new opportunities

4

Ensure aligned, energized organization

Shareholder Value

## ✓ Accelerate Sales Growth

- Drive penetration
- Increase consumption
- Increase in market share
- Focus on identified International clusters

## ✓ Robust Innovation

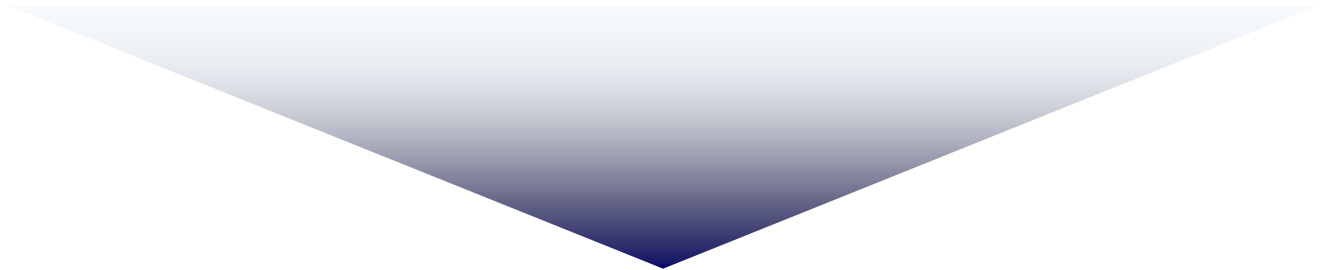
- Stage-gate process
- Fewer, Bigger, Better





**1 Bn+ consumers**

Opportunity with 84% of India's population



**Revamp route to market and  
activation process**

**Premium Wood Finish**



**Turnkey Water Proofing  
Solutions**



# Ensure aligned, energized organization

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







Company Overview



Business Overview



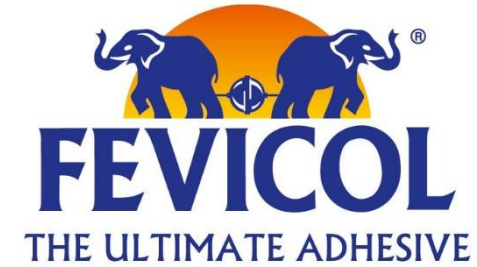
Macro Opportunity



Strategy Refresh 2015 – Project Runway



In Summary



*Fevicryl*<sup>®</sup>



- Strong position in most products and segments
- Portfolio of trusted brands
- High mix of sale from products / segments pioneered by Pidilite in India
- Track record of consistent growth in Sales and Profits
- Enough headroom to grow domestic business in India
- Robust cash flow and attractive Return on Capital Employed
- Strong Balance Sheet with zero debt
- Consistent dividend pay-out over the years

# Questions



*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.*



CIN : L24100MH1969PLC014336

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The ultimate adhesive

