

5th February, 2018

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 the Investor Presentation that is being presented at the ICICI Securities APAC Conference 2018 – 'India Unlimited' on 5th and 6th February, 2018.

Thanking You,

Yours faithfully,
For Pidilite Industries Limited



Savithri Parekh
Secretary

Encl: a/a

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Pidilite Industries Limited

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Investor Presentation

January 2018



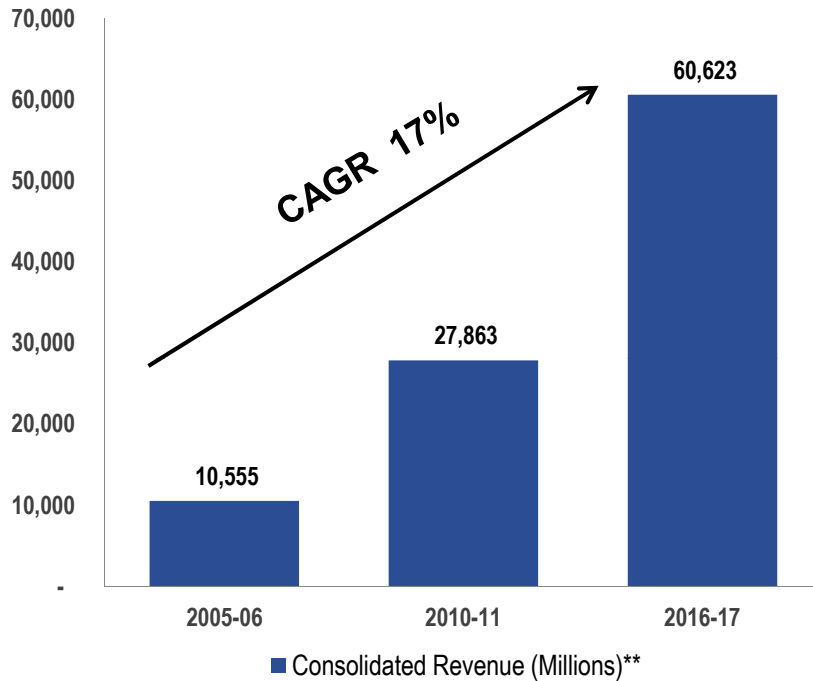
- Company Overview
- Business Overview
- Macro Indicators
- Strategic Direction
- Key Consideration

- Established in 1959
- Pioneer in Consumer & Specialty Chemicals in India
- Over 2/3rd of sales from products and segments pioneered in India
- High market share and strong position in most products and segments
- Consistent growth in sales, profits and dividend payout.
- Consolidated Gross Sales of Rs 60,334 million in FY 16-17
- Wide geographic presence – Domestic & International
- Well established R&D set-up – Most products developed through in-house R&D
- Strong leadership team

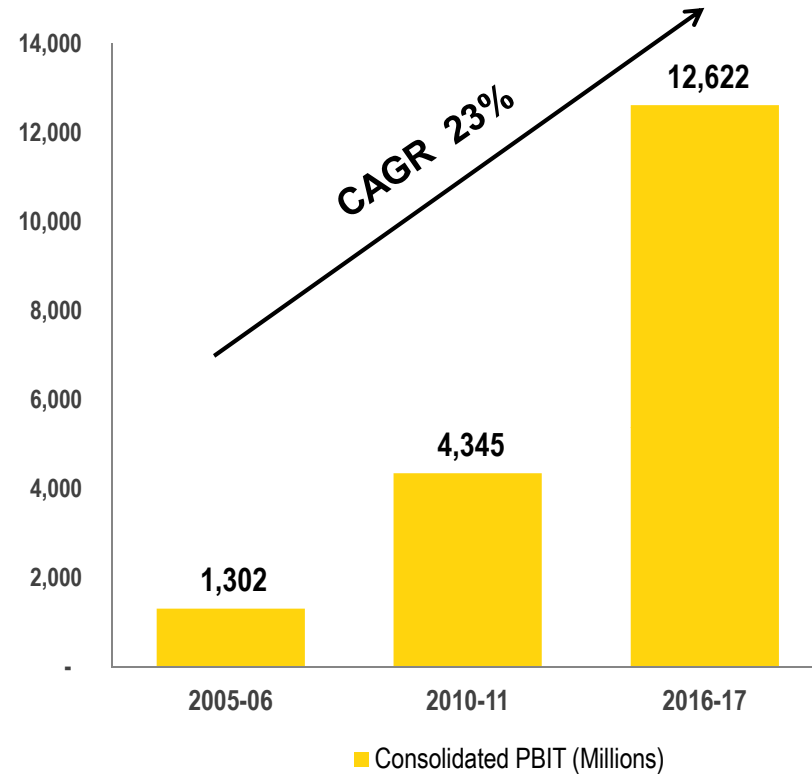
Sustainable strong growth ...



In Rs Million



**on a comparable basis



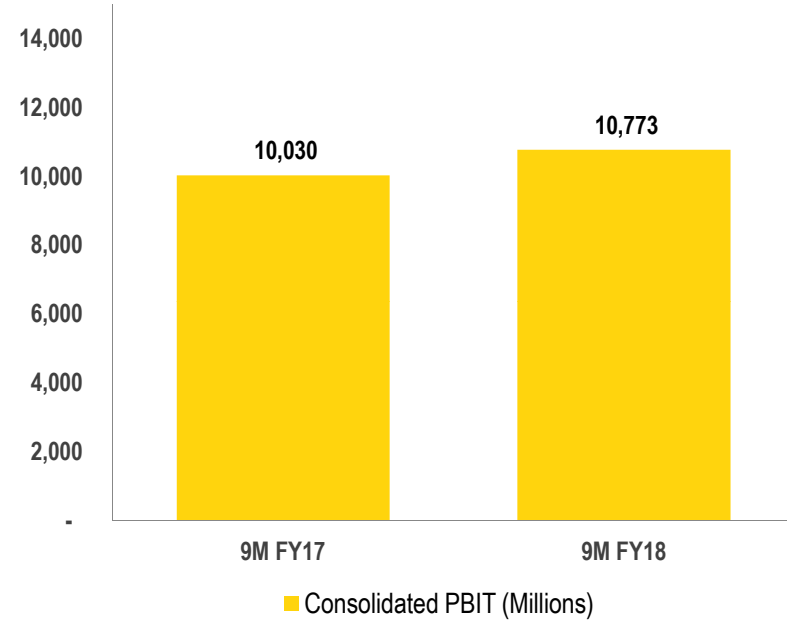
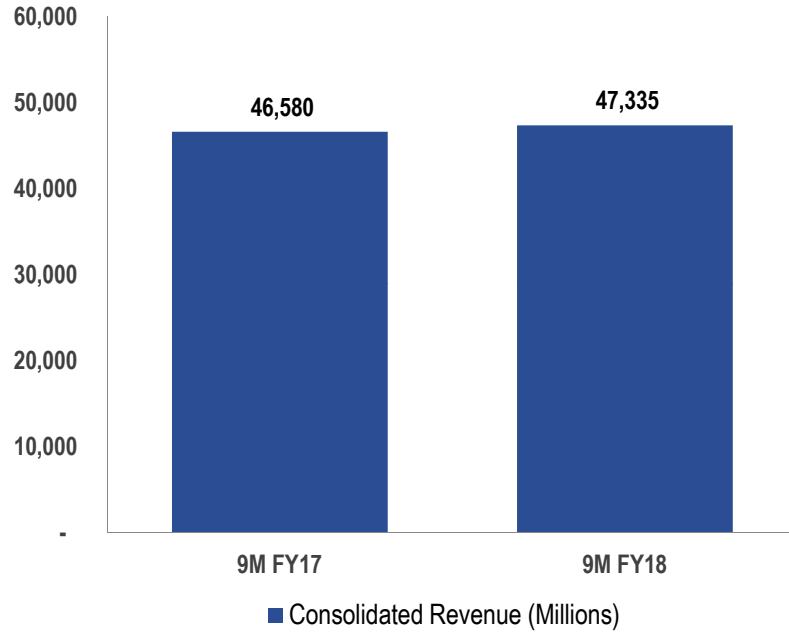
*PBIT is Profit before tax and interest

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

YTD FY18 Revenue & Profit



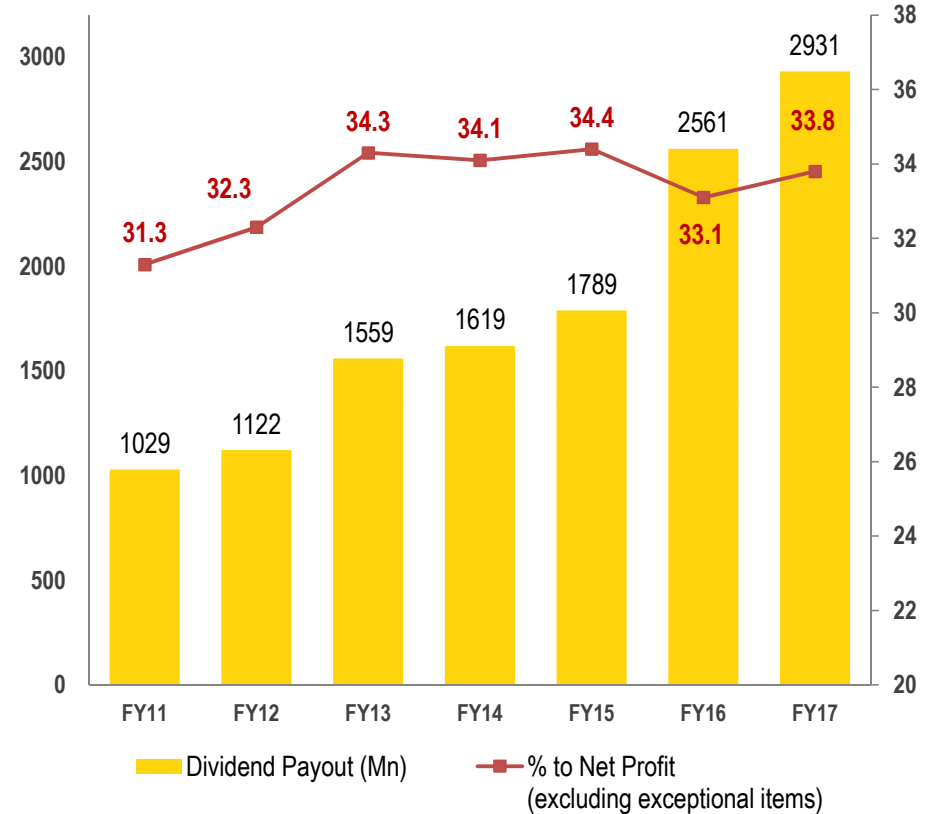
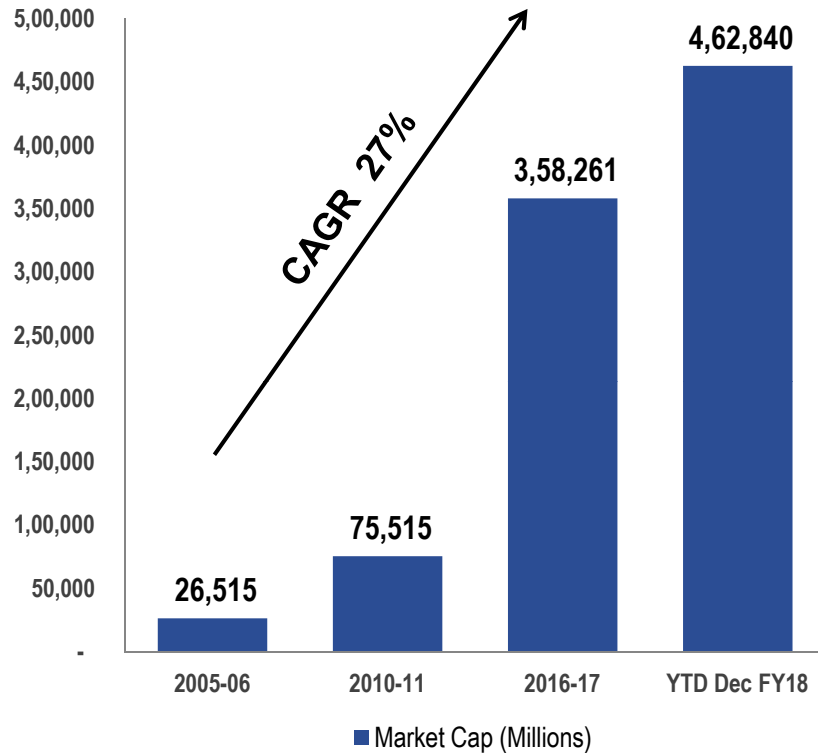
In Rs Million



**PBIT is Profit before tax and interest*

YTD is as of Dec 2017

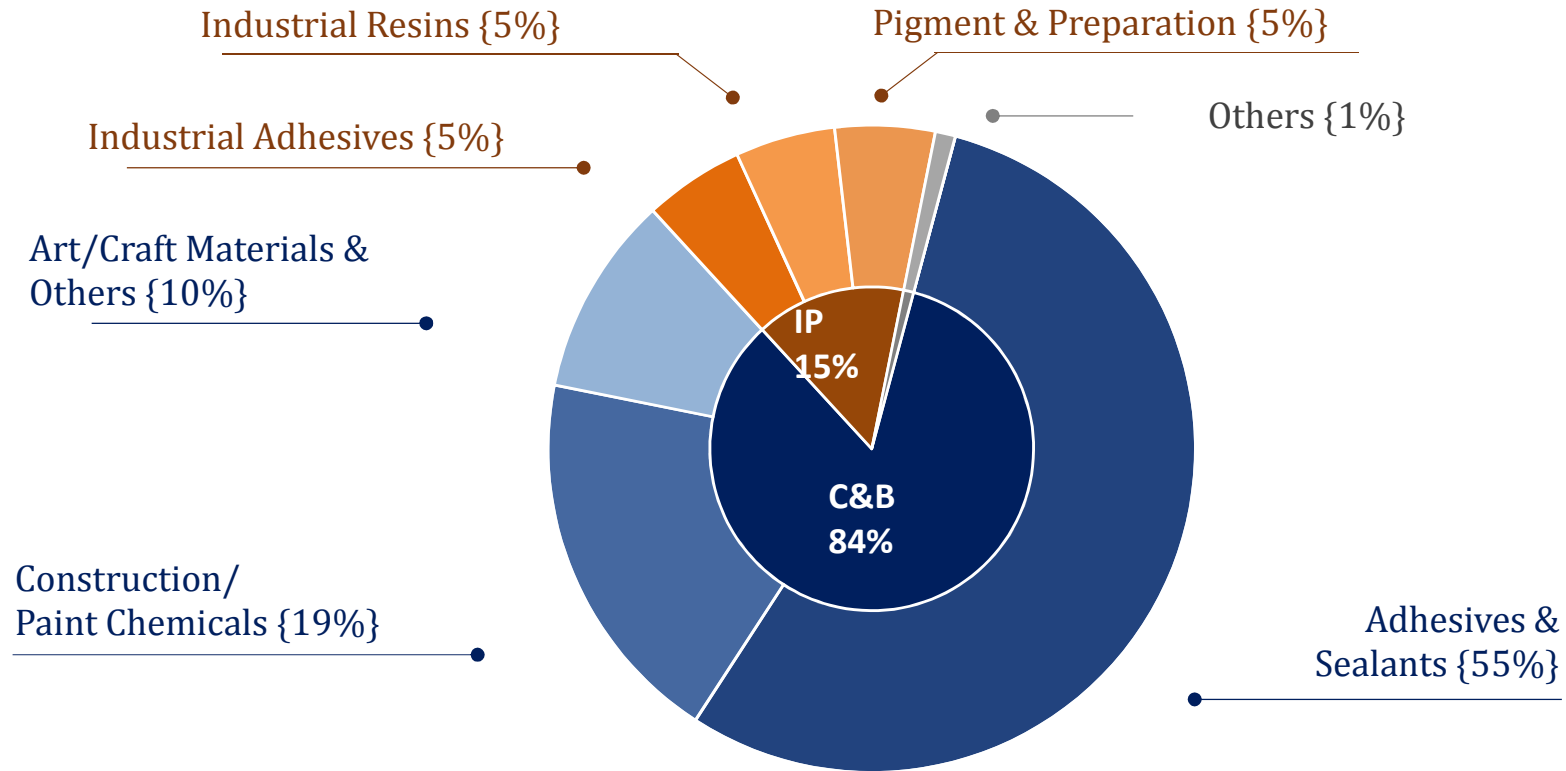
...Creating value for shareholders



Market Cap growing @ 27% CAGR / Steady dividend payout

- Company Overview
- **Business Overview**
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Our Business Dimensions



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

Standalone Results – % of Total Net Revenue – As of 31 Mar 2017



Our Brands

- Fevicol SH
- Fevicol Marine
- Fevicol SR998
- Fevicol Probond
- Fevikwik
- Fevicol MR
- M-seal
- Dr Fixit
- Fevicryl
- Wudfin
- Woodgrip

Consumer and Bazaar Products – 84% of Company's Sales

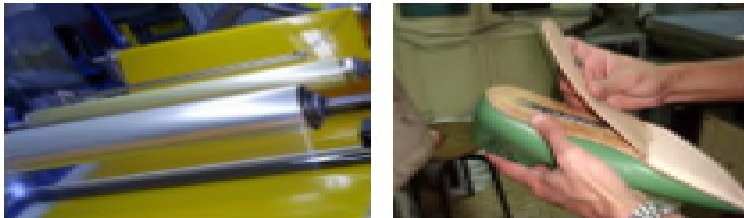


- Consists of Adhesives & Sealants (55%), Construction & Paint Chemicals (19%) and Art/Craft Materials and others (10%)
- Market leader in all segments of adhesives and sealants, construction chemicals (retail segment) and hobby colours.
- Extensive product range, developed through strong in-house R&D
- Strong brands – (Fevicol, Dr Fixit, Fevikwik, M Seal, Steel Grip etc..)
- Extensive distribution network
- Significant potential to expand consumption in most products / segments

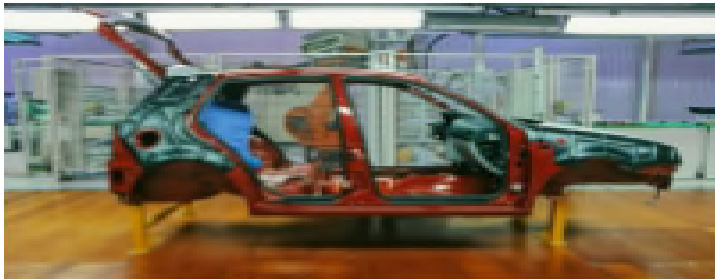
Industrial Resins & Leather chemicals



Industrial & Footwear adhesives



Industrial Bonding solutions



Industrial Products – Business Segments

- Hot melt adhesives for end-Of-line packaging, book binding and product assembly
- Resins for Paints, Paper & Textiles
- Adhesives for Footwear
- Adhesives for Leather
- Water based adhesives for paper correcting & lamination
- Epoxy & Cyanoacrylates for Automotive assembly
- 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 Products - 15% of company's sales



- Consists of Industrial Adhesives (5%), Industrial Resins (5%), Pigments and Preparations (5%)
- Extensive range of industrial adhesives for various applications.
- Market leader in pigment dispersions for Indian textile segments
- Pioneer in manufacturing Pigment Violet 23 in India
- Specialty polymers and co-polymers for various industries like paints, non-woven and flocked fabrics, construction chemicals and leather

- Exports to more than 60 countries. Major exports to Middle East, Africa, USA & Europe
- Export Turnover of Rs. 4842 Mn in FY'17
- 17 Overseas subsidiaries – (5 Direct and 12 Step down) and one Joint venture.
- Total Revenue from Overseas subsidiaries of 5987 Mn in FY'17.
- International manufacturing activities in USA, Brazil, Thailand, Bangladesh, Egypt, Srilanka and Dubai .
- New manufacturing facilities planned in Srilanka and Ethiopia.

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.

We continue to deliver promise through our engaging & humorous advertisements



- Dr. Fixit's new TV advertisement with superstar Amitabh Bachchan as brand ambassador was a multimedia national marketing campaign across TV, digital, radio, retail activations and innovative outdoor. The films featured Mr. Bachchan talking about proactively doing waterproofing of homes with Dr. Fixit
- Fevicol & Fevikwik continued its series of advertisements reinforcing the brands strength & strengthening connect with users

And our efforts have resulted in periodic recognition



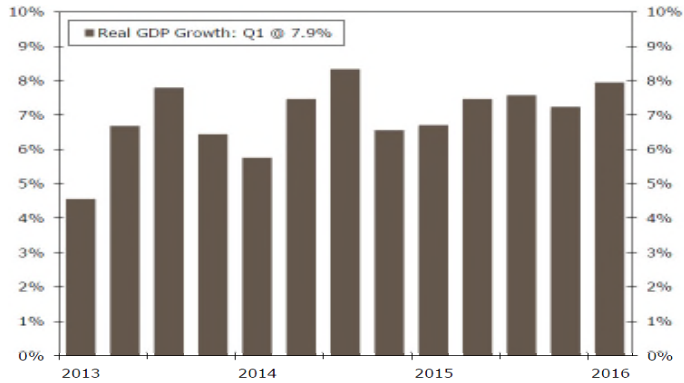
- Dun & Bradstreet Corporate Awards 2016 felicitated the best performing companies in India across 50+ sectors; Pidilite was selected as the winner in the Chemical sector
- We have also won 'The Most Promising Company of the Year' at the CNBC TV18 11th India Business Leader Awards



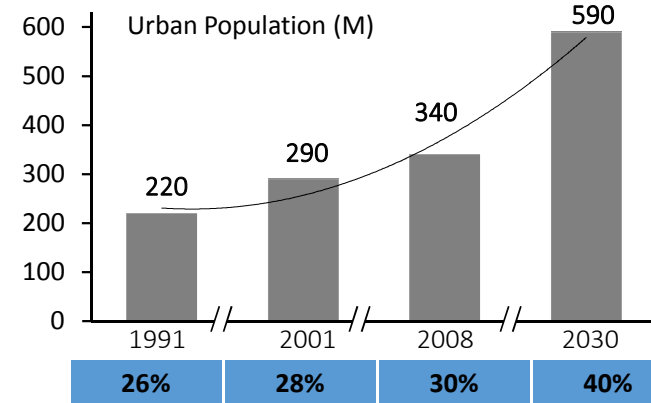
- Company Overview
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- **Macro Indicators**
- Strategic Direction
- Key Consideration

Macro indicators provide strong impetus..

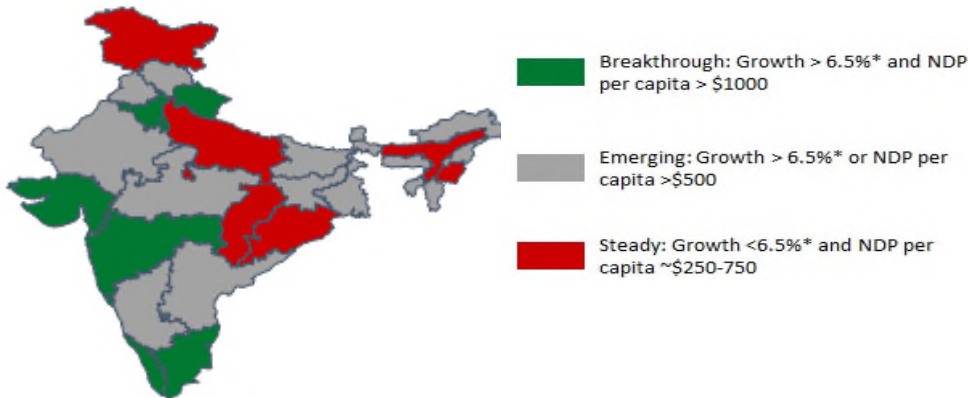
GDP GROWTH STORY INTACT



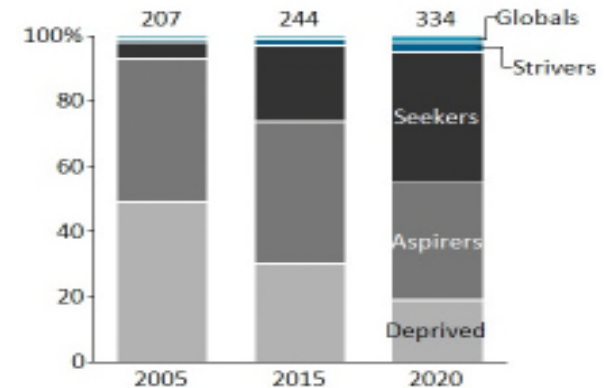
BY 2030, 40% OF INDIA WILL LIVE IN CITIES



.....OPPORTUNITY IN TIER 2 & TIER 3 STATES



...AND IN ASPIRERS / BOTP CONSUMER SEGMENTS



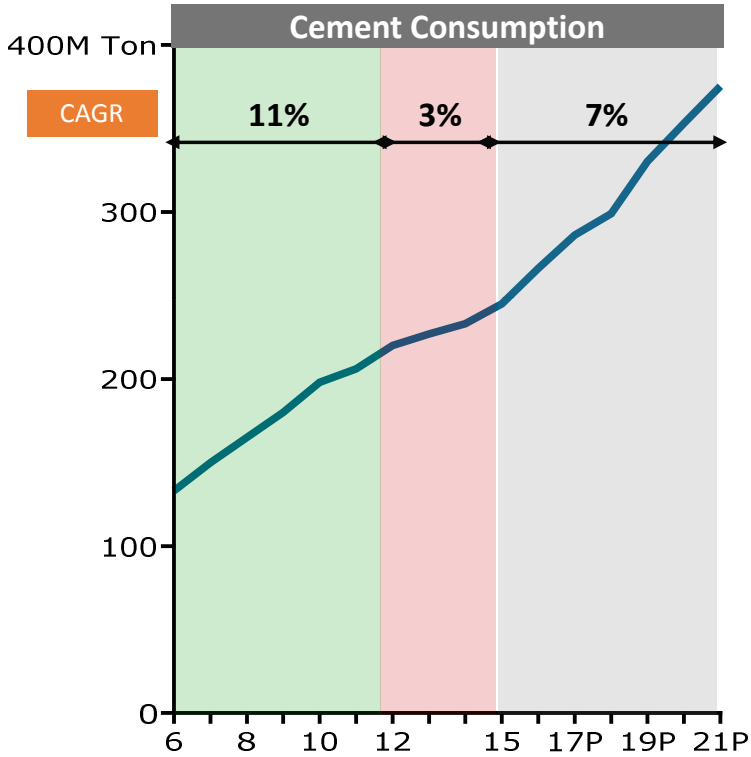
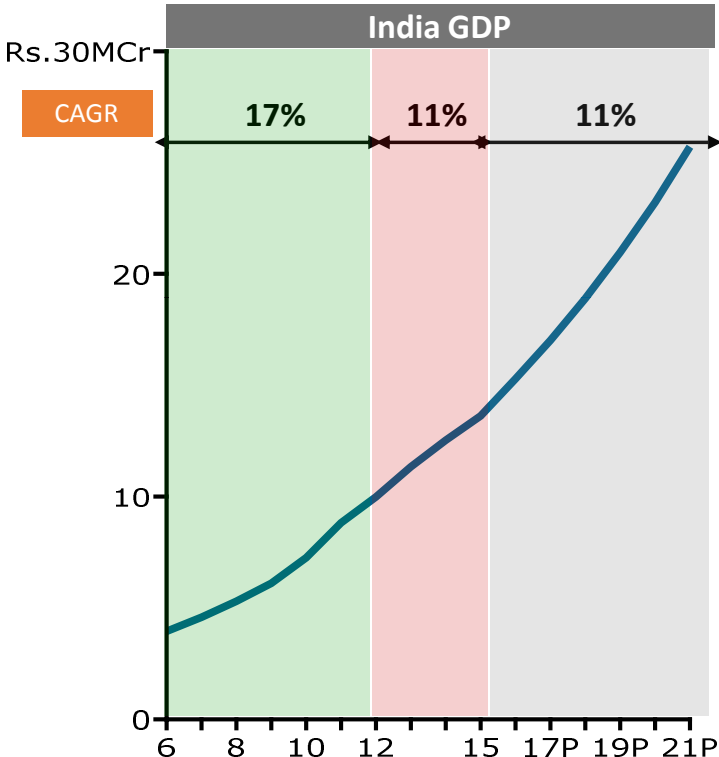
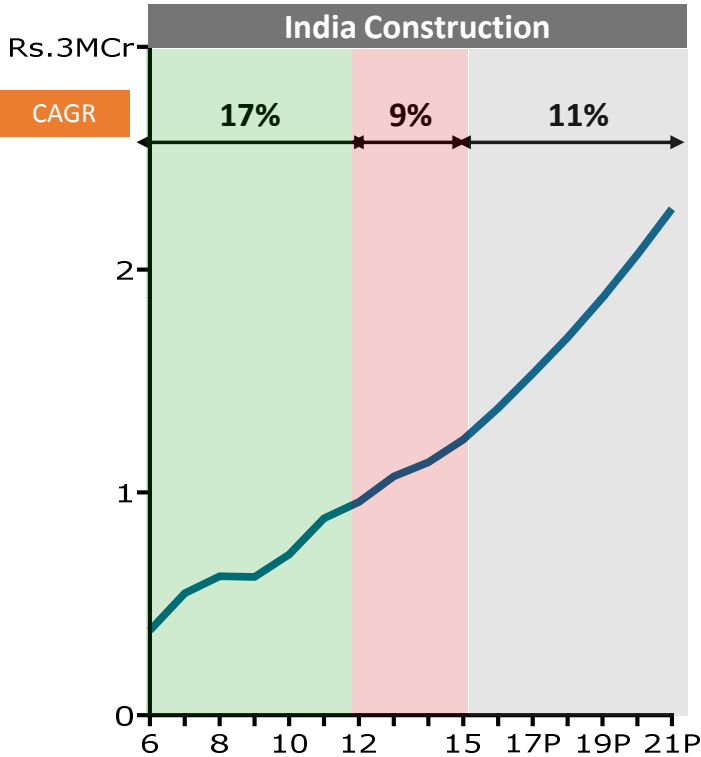
Note: Urban (GOI definition): 4,000 People/75% of men in non agricultural work/Population density of 400 per sqkm
 Source: MGI, Secondary Research, Monitor Analysis

Predicated on Construction industry regaining 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

A common Goods and Services Tax (GST), one of the biggest reforms in recent time on the indirect taxes front in India was implemented effective 1st July 2017

We were GST Ready even before GST



We trained each of our distributors across the country on GST to ensure a seamless transition

Our billing software was migrated to the GST billing platform with

During the transition, when uncertainties in the trade were high, we had multiple rounds of training for our field force in order to build confidence to enable the change

We operated a control room – where all GST queries were resolved in order to facilitate smooth operations

- Company Overview
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- Macro Indicators
- **Strategic Direction**
- Key Consideration

Strategic directions – Project Runway

1

Take existing
businesses to Full
Potential

2

Exploit Rural plus
small town
opportunity

3

Identify & prioritize
new opportunities

4

Ensure aligned, energized organization

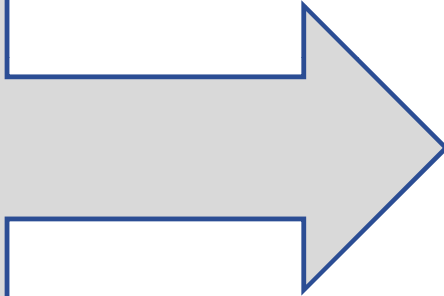
Shareholder Value

- **Accelerate Sales Growth**
 - Drive penetration
 - Increase consumption
 - Improvement in market share
 - Focus on identified International Markets
- **Robust Innovation**
 - Stage-gate process
 - Focus on Fewer Bigger Better innovations

Exploit Rural plus small town opportunity

1Bn+ consumers

Opportunity with 84% of
India's population

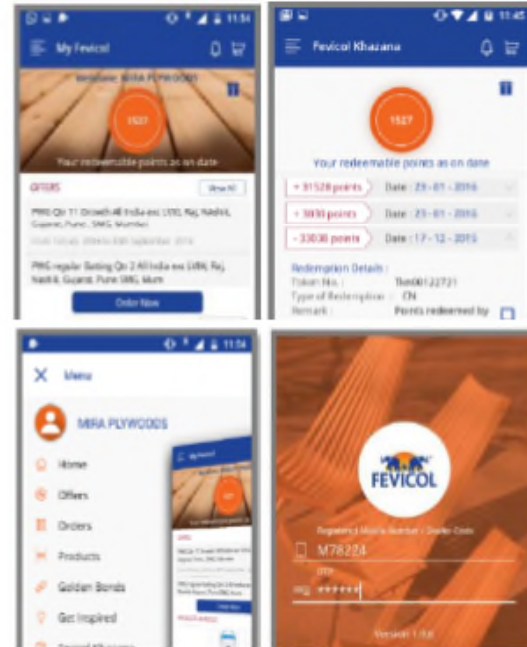


**Revamp route to market and
activation process**

Digital is the future... and we are future ready!



Pidilite Genie App



- One of the first organizations to launch Workplace by Facebook for our employees
- Launch of several platforms to improve overall customer as well as consumer experience

We have strategically identified inorganic growth opportunities..



Premium Wood Finish

ICA PIDILITE

**Turnkey Water Proofing
Solutions**



..Our newest being 'CIPY' Polyurethanes Pvt. Ltd.



- Pidilite announced the approval to acquire a 70% stake in equity shares of CIPY Polyurethanes Pvt. Ltd. ('CIPY')
- CIPY was incorporated on 29th November, 1994 and it is engaged in the business of manufacture and sale of floor coatings using polyurethanes, epoxies, poly urea and poly aspartic polymers.
- This acquisition, post completion, will help Pidilite to participate in the growth of the resin flooring and floor coatings market .
- The turnover of CIPY was Rs. 110.40 crores for the year 2016-17.

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**

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- High market share and strong position in most products and segments
- Strong 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 obligations
- Consistent dividend pay-out over the years

Questions





CIN : L24100MH1969PLC014336

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The ultimate adhesive

