

Research Report

PIDILITE INDUSTRIES LTD



Prepared By-

ABHISHEK SHELAR

EQUITY RESEARCH ANALYST

About

Pidilite Industries Limited is a leading Indian manufacturer of adhesives, sealants, construction chemicals, and art materials. Founded in 1959 by Balvant Parekh, the company is best known for brands such as Fevicol, Fevikwik, M-Seal, and Dr. Fixit. Headquartered in Mumbai, Pidilite has a strong presence in India and international markets. The company serves industries, professionals, and consumers with innovative products, maintaining a reputation for quality, reliability, and market leadership.

Business segments

Segment Revenue Contribution (%)

Adhesives & Sealants: 53.2%

Construction & Paint Chemicals: 22.2%

Industrial Resins & Construction Chemicals: 9.2%

Art & Craft Materials: 5.8%

Industrial Adhesives: 5.1%

Pigments & Preparations: 4.1%

Others: 0.4%

Pidilite Industries is India's leading adhesives and specialty chemicals company, trusted for innovative brands like Fevicol, Dr. Fixit, and Fevikwik.

Synopsis of Financials

Synopsis of Quarterly Results (Q4 FY26)

- **Revenue from Operations: ₹3,583 Cr**
- **EBITDA: ₹857 Cr**
- **Profit Before Tax (PBT): ₹777 Cr**
- **Profit After Tax (PAT): ₹584 Cr**
- **EPS: ₹5.69**

Pidilite delivered a strong Q4 FY26 performance driven by healthy demand across consumer and industrial segments. Revenue and profitability showed robust growth, supported by operational efficiency, strong brand leadership, and sustained market demand, resulting in improved earnings and healthy cash generation.

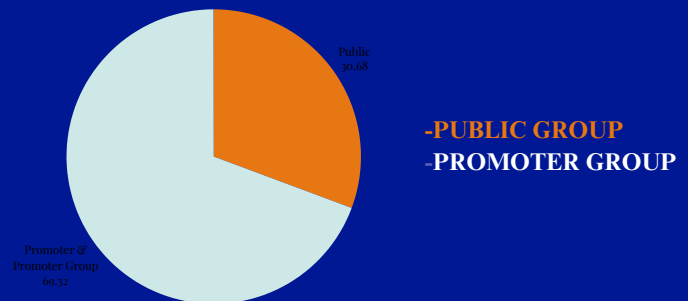
Stock data (as 16th May 2026)

Nifty Price	: 23,931.20
52 week High (in Rs.)	: 1,587.00
52 week Low (in Rs.)	: 1,259.00
Market Cap. (in Crore)	: 1,58,203.00
NSE Code	: INE318A01026

Stock data



Shareholding Pattern (March 2026)



Financial Summary

Particulars	Mar-2024	Mar-2025	Mar-2026
Sales	12,383	13,140	14,601
Sales Growth %	4.95%	6.12%	11.11%
Expenses	9,675	10,130	11,084
Operating Profit	2,708	3,011	3,517
OPM %	22%	23%	24%
Net Profit	1,747	2,096	2,471
EPS in Rs	17	20.41	24.06

Quarterly Results

Particular	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Sales -	3,235	3,369	3,141	3,753	3,554	3,710	3,583
YOY Sales Growth %	5.16%	7.63%	8.25%	10.54%	9.88%	10.12%	14.08%
Expenses +	2,467	2,571	2,509	2,812	2,704	2,816	2,753
Operating Profit	768	798	632	941	850	894	831
OPM %	24%	24%	20%	25%	24%	24%	23%
Other Income +	57	56	55	86	50	60	57
Interest	12	12	14	14	13	13	14
Depreciation	88	90	97	97	100	101	97
Profit before tax	725	752	576	916	787	840	777
Tax %	25%	26%	26%	26%	26%	26%	25%
Net Profit +	540	557	428	678	585	624	584
EPS in Rs	5.26	5.43	4.15	6.61	5.69	6.07	5.69

Source: Screener

Key Ratios

Sr. No.	Ratios	Numerator	Denominator	As at 31 st March 2025	As at 31 st March 2024	% change
1	Current Ratio	Current Assets	Current Liabilities	2.29	2.08	9.9%
2	Debt-Equity Ratio	Borrowings	Total Equity	Not Applicable	Not Applicable	Not Applicable
3	Debt Service Coverage Ratio	EBITDA @	Interest on borrowings	Not Applicable	Not Applicable	Not Applicable
4	Return on Equity Ratio	Profit After Tax (PAT)	Average Total Equity	23.02%	23.30%	(1.2%)
5	Inventory turnover ratio	COGS \$	Average Inventory	4.04	3.84	5.1%
6	Trade Receivables turnover ratio	Sale of Products	Average Trade Receivable	8.12	8.20	(1.0%)
7	Trade payables turnover ratio	COGS \$	Average Trade Payables	4.80	5.47	(12.1%)
8	Net capital turnover ratio	Sale of Products	Working Capital (Current Assets - Current Liabilities)	3.25	4.27	(23.8%) ^
9	Net profit ratio	Profit Before Tax (PBT)	Revenue from Operations	23.17%	21.56%	7.5% **
10	Return on Capital employed	Profit Before Interest and Tax (PBIT)	Average Capital Employed ~	30.04%	29.96%	0.3% **

Source: Annual Report

Yearly Results

Particulars	Mar-24	Mar-25	Mar-26
Equity Capital	51	51	102
Reserves	8,356	9,704	10,730
Borrowings	382	454	417
Other Liabilities	3,286	3,775	4,184
Total Liabilities	12,076	13,984	15,433
Fixed Assets	5,451	5,705	5,774
CWIP	148	129	329
Investments	2,235	3,551	4,350
Other Assets	4,242	4,598	4,981
Total Assets	12,076	13,984	15,433

Synopsis Quarter Results

Concall Notes - Mar-2026: Key Highlights

Quarter Results (Q4 FY26)

Pidilite Industries delivered a healthy performance in Q4 FY26, supported by steady demand across its core adhesive, construction chemicals, and industrial products businesses. On a standalone basis, revenue from operations increased to ₹3,284.8 crore from ₹2,850.9 crore in Q4 FY25, reflecting growth of around 15.2% year-on-year. Profit before tax rose to ₹732.2 crore compared with ₹585.5 crore in the corresponding quarter last year, while profit after tax increased to ₹547.4 crore from ₹445.8 crore. The company maintained strong profitability despite higher employee and operating expenses, demonstrating its pricing power and brand strength.

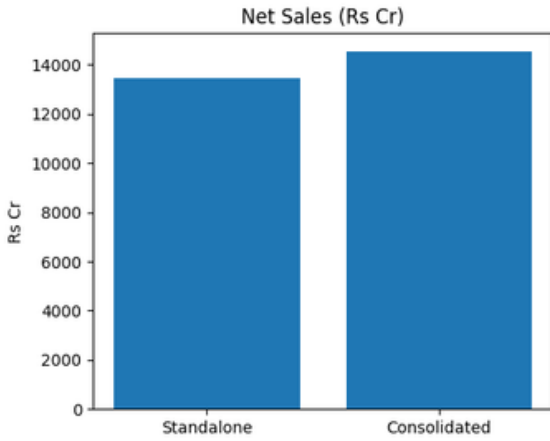
On a consolidated basis, revenue from operations stood at ₹3,583.4 crore against ₹3,141.1 crore in Q4 FY25, registering growth of approximately 14.1%. Profit before tax increased to ₹776.7 crore from ₹576.2 crore, while profit after tax rose significantly to ₹584.2 crore compared with ₹427.5 crore in the year-ago quarter. The improvement in earnings was driven by robust volume growth, a favorable product mix, and operational efficiencies across domestic and international businesses.

The Consumer & Bazaar segment continued to be the primary growth driver, benefiting from strong demand for adhesives, sealants, art materials, and construction chemicals. The Business-to-Business segment also reported healthy growth, supported by industrial adhesives, pigments, resins, and project-related construction chemical demand. Segment profitability improved across major business categories, reflecting efficient cost management and improved operating leverage.

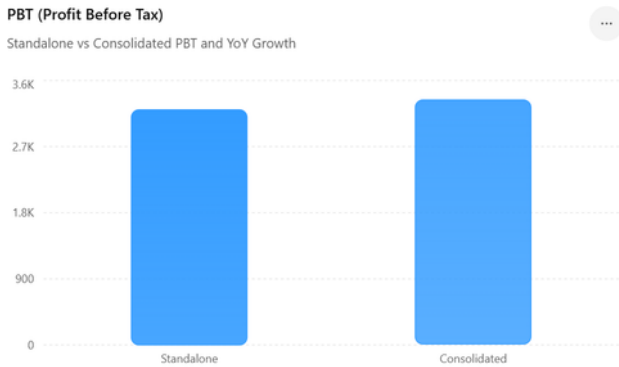
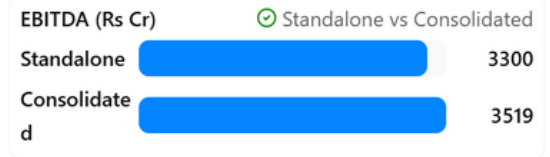
EBITDA performance remained strong, aided by better scale and disciplined expense control. Although employee costs and other operating expenses increased due to business expansion and provisions related to labour code changes, the company was able to sustain healthy margins. Management continued investing in brands, distribution, product innovation, and manufacturing capabilities to strengthen long-term growth prospects.

Overall, Q4 FY26 reflected Pidilite's resilient business model, strong market leadership, and consistent execution capabilities. Double-digit revenue growth, expanding profitability, and healthy cash generation underline the company's ability to capitalize on demand opportunities while maintaining financial discipline. The quarter positions the company well for sustained growth in FY27, supported by its diversified product portfolio, extensive distribution network, and strong brand franchise.

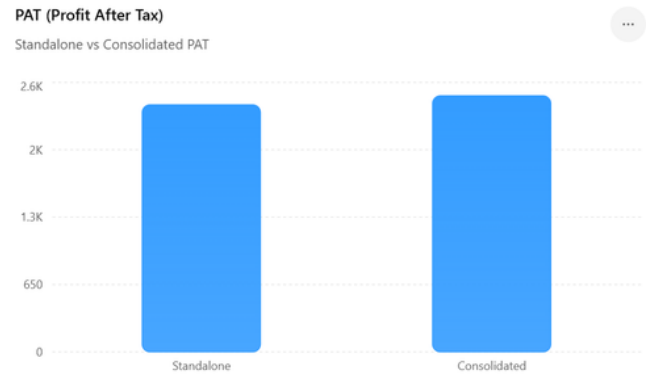
Highlights



Standalone: ₹13,437 Cr
Consolidated: ₹14,553 Cr



Standalone: ₹3,202 Cr (+14.9% YoY)
Consolidated: ₹3,336 Cr (+17.0% YoY)



Standalone: ₹2,384 Cr (+15.0% YoY)
Consolidated: ₹2,471 Cr (+17.9% YoY)

Peer Comparison



Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
Pidilite Inds.	1554.5	64.38	158213.2	0.64	584.15	32.82	3583.38	14.08	30.97
Gujarat Fluoroch	3658.8	68.34	40191.92	0.08	109	-41.93	1369	11.76	9.86
Navin Fluo.Intl.	7276	55.79	37323.57	0.21	212.62	113.03	937.71	33.78	21.37
Deepak Nitrite	1648.4	40.17	22483.02	0.44	219.83	8.56	2120.33	-2.72	11.49
Atul	6596	28.65	19419.79	0.46	211.1	66.13	1670.07	15.05	14.87

Source: Screener

Final Outlook

PIDILITE: HOLD | LTP: 1,566.30

Pidilite Industries continues to be one of India's most respected consumer and specialty chemical companies, supported by strong brands such as Fevicol, Dr. Fixit, Fevikwik, M-Seal and Roff. The company enjoys a dominant position in the adhesives and construction chemicals market, backed by an extensive distribution network, strong brand equity and continuous product innovation. These strengths have enabled the company to maintain consistent growth across economic cycles and reinforce its leadership position.

The company's FY26 performance reflects the resilience of its business model. Consolidated revenue grew to ₹14,601 crore, while EBITDA increased to ₹3,519 crore. Profit Before Tax reached ₹3,336 crore and Profit After Tax stood at ₹2,471 crore. The Consumer & Bazaar segment remained the key growth contributor, supported by healthy demand from retail consumers, housing repairs, renovations and infrastructure-related activities. The Business-to-Business segment also delivered stable growth through industrial adhesives, pigments and construction chemicals.

Pidilite's financial position remains exceptionally strong. The company generates robust operating cash flows, maintains a healthy balance sheet and carries minimal financial risk. Strong profitability, high return ratios and consistent dividend payouts demonstrate management's ability to create long-term shareholder value. Continuous investments in manufacturing capacity, distribution expansion and product development further strengthen future growth prospects.

Looking ahead, several structural growth drivers remain favorable. Rising urbanization, increasing housing demand, growth in home improvement activities and government spending on infrastructure are expected to support demand for adhesives, sealants and construction chemicals. The company's trusted brands and widespread dealer network place it in an advantageous position to capitalize on these opportunities.

Despite these positives, valuation remains a key consideration. The stock trades at a premium multiple compared with many industry peers, reflecting investor confidence in its quality and growth consistency. While the premium valuation is justified by the company's strong fundamentals, it may limit near-term upside potential. Additionally, fluctuations in raw material prices and slower-than-expected demand growth could affect profitability in the short term.

Overall, Pidilite remains a fundamentally strong company with durable competitive advantages, excellent cash generation and a proven management team. Long-term growth prospects remain attractive, but current valuations suggest a balanced risk-reward profile.

Existing investors can continue to hold the stock for long-term wealth creation, while new investors may consider accumulating on market corrections for better entry opportunities.

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