

Equity Research Desk

ALPHA



Building Bonds

- Founded: 1969**
HQ: Mumbai, India
- Business Model:** India's leading adhesives & construction chemicals company
- Manufacturing:** ~70 plants across India
- Distribution:** 3.8 lakh+ dealers across 40,000+ towns
- Retail Reach:** 24,000+ Pidilite Ki Duniya outlets
- Key Brands:** Fevicol, Fevikwik, Dr. Fixit, M-Seal, Roff, Araldite
- Edge:** Strong brands + unmatched distribution + pricing power

Subsidiaries

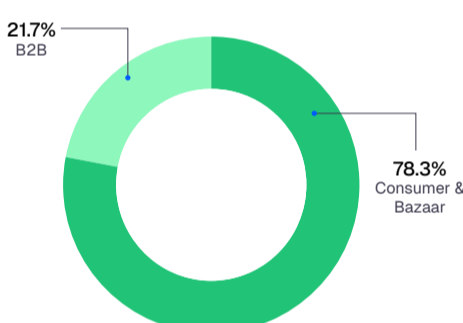
As of FY26, the company has 34 subsidiary companies, 7 Associate Companies and 1 Joint Venture.

Growth Strategies

- Volume-Led Growth**
 - FY26 UVG improved to ~11.1%
 - Q4FY26 UVG accelerated to 15.3%
 - Growth across both Consumer & Bazaar and B2B businesses
- Premiumisation Strategy**
 - Expansion of premium brands and product offerings
 - Higher contribution from construction chemicals & waterproofing
- Distribution Expansion**
 - 3.8 lakh+ dealer network
 - Continuous retail penetration across India
 - Strengthening rural and semi-urban reach
- Capacity Expansion**
 - New Fevicol & premium white glue plant in West India
 - Ongoing investments in manufacturing infrastructure

Revenue Breakup - FY26

Total Revenue (FY26) - ₹14,601 crore



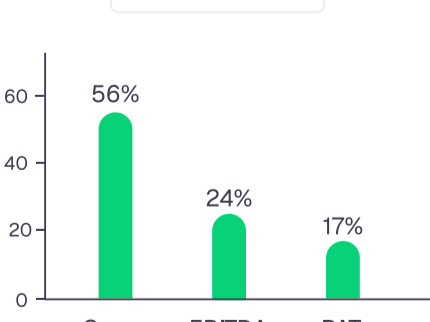
Product Portfolio

- Adhesives & Sealants**
 - Fevicol, Fevikwik, M-Seal, Araldite
 - Consumer, woodworking & industrial applications
- Waterproofing & Construction Chemicals**
 - Dr. Fixit waterproofing solutions
 - Roff tile & stone fixing products
- Decorative & Surface Solutions**
 - Haisha interior paints
 - UnoFin decorative renders
 - Feviseal construction sealants
- Industrial Chemicals & Pigments**
 - Pigment emulsions & preparations
 - Specialty industrial chemical solutions
- Edge:** Category leadership across multiple construction and repair segments

Financial Highlights

- Q4FY26**
 - Revenue: ₹3,583 Cr (↑ 14% YoY)
 - EBITDA: ₹833 Cr (↑ 32% YoY)
 - EBITDA Margin: 23.2% (+310 bps)
 - Net Profit: ₹584 Cr (↑ 37% YoY)
- FY26**
 - Revenue: ₹14,601 Cr (↑ 11% YoY)
 - EBITDA: ₹3,519 Cr (↑ 17% YoY)
 - Net Profit: ₹2,471 Cr (↑ 18% YoY)
 - Highlight: Strong volume growth driving operating leverage and profitability
- Financial Performance (3 Years)**
 - Revenue CAGR: ~7%
 - Net Profit CAGR: ~25%
 - Debt-to-Equity: ~0.04x
 - Avg. ROE: ~23%
 - Avg. ROCE: ~30%
 - Highlight: High return ratios with a virtually debt-free balance sheet

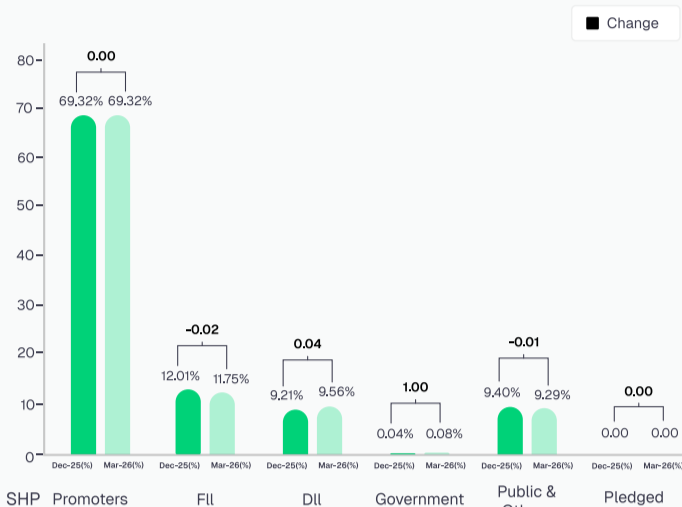
Margins-FY26



Market Data

CMP	₹1483
Date	29-May-26
Target Price	₹1761
Upside Potential	19%
52 Week High/Low	1575/1259
NSE Code	PIDLITIND
Market Cap	Large
Sector	Chemicals
Rating	BUY

Shareholding Pattern



Ratios - FY26

ROE	24%
ROCE	31%
Div. Yield	0.68%
PE Ratio (x)	53.4
Face Value	1.00
EPS	24

Industry Outlook

- Indian chemical sector expected to reach US\$1 trillion by 2040
- Construction chemicals and adhesives growing ahead of GDP
- Rising urbanisation and housing demand driving consumption
- China+1 supply-chain diversification supporting industry growth

Growth Drivers

- Housing & Infrastructure Growth**
 - Large infrastructure pipeline supporting demand
 - Rising construction activity across India
- Rising Consumer Spending**
 - Growing middle-class population
 - Higher spending on home improvement and repairs
- Construction Chemicals Opportunity**
 - Low penetration levels provide long growth runway
 - Increasing adoption of waterproofing solutions
- Organised Market Share Gains**
 - Strong brands gaining share from unorganised players
 - Distribution strength supporting expansion

Competitive Positioning

- Peers:** Gujarat Fluorochemicals, Navin Fluorine
- Industry-leading return ratios
- Strong pricing power through brands
- Extensive distribution moat
- Consistent cash generation and capital efficiency

Peer Analysis

Company	CMP	Mcap.	ROCE	ROE	3Yr Sales CAGR	P/E	EPS
Pidilite Industries	1483	150941	31%	24%	7%	61	24
Gujarat Fluorochemicals	3629	39864	10%	8%	-4%	67	52
Navin Fluorine International	7129	36569	21%	20%	17%	55	129

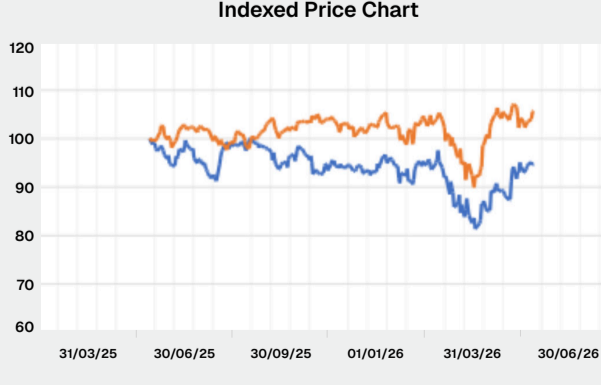
Outlook

- Double-digit volume growth expected to continue
- Premiumisation supporting revenue growth
- New capacity additions to support demand
- Distribution expansion to drive market share gains
- Recommendation: BUY | Target Price: ₹1,761
We recommend maintaining a 20% stop-loss from entry price

SWOT Analysis

- Strengths**
 - Category-leading brands across adhesives and construction chemicals
 - Extensive distribution network and retail reach
 - Strong return ratios and debt-free balance sheet
- Weaknesses**
 - Exposure to raw material price volatility
 - Margins can be impacted during sharp input cost cycles
- Opportunities**
 - Growth in waterproofing and construction chemicals
 - Premiumisation across product categories
 - Expansion into new specialty segments
- Threats**
 - Rising raw material costs (VAM, crude derivatives)
 - Increasing competition from organised players in adjacent categories

Indexed Price Chart



Note: To read the Disclaimer and Disclosure, [click here](#)

Please note that this is not a recommendation and is intended only for educational purposes. So, kindly consult your financial advisor before investing.

Securities quoted here are exemplary, not recommendatory. Please consult your financial advisor before investing. Research Disclaimer: Investment in the securities market is subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, and certification from NISM in no way guarantee the performance of the intermediary or provide any assurance of returns to investors. Wealth India Financial Services Pvt. Ltd is a Research Analyst, having Research Analyst reg no - INH200000394 & SEBI Reg No. INZ000241638. Registered Address: Wealth India Financial Services Pvt. Ltd. 3rd Floor, INDIQUE Wave, 43B/1, T.R Sundaram Avenue, Anna Salai Chennai 600006, contact@fundsindia.com, 044-61104100