

# Pidilite Industries Limited

CMP : Rs 1130.45

August 01, 2018

## Double digit volume growth

Pidilite Industries, India's leading manufacturer of adhesives, sealants and construction chemicals net sales was at Rs 1818 crore up by 23% (excluding sales of Cyclo division of Pidilite USA Inc., which was sold by Pidilite USA Inc. in June, 2017) over the same quarter last year. EBITDA, before non-operating income, stood at Rs 384 crore for the quarter and grew by 20% over the same quarter last year. Profit after tax at Rs 240 crore grew by 6% over the same quarter last year. The lower rate of growth in consolidated PAT is mainly on account of elimination of profit on inter-company transfer of certain intangible assets and effect of tax thereon during the current quarter, and the profit on sale of Cyclo business in the first quarter of last financial year

On a standalone basis, net sales at Rs 1592 crore grew by 21% over the same quarter last year with underlying sales volume & mix growth at 18%. This was driven by a 20% growth in sales volume & mix of Consumer & Bazaar products and 7% growth in sales volume & mix of Industrial Products. EBITDA, before non-operating income stood at Rs 359 crore and grew by 17% over the same quarter last year, on the back of input led contraction in gross margin and higher A&SP spends. Profit after tax at Rs 267 crore grew by 23% over the same quarter last year.

### Commenting on the quarter performance, Mr. Bharat Puri, Managing Director, Pidilite Industries Ltd, said:

Q12018-19: "We have delivered another quarter of strong double digit volume growth. We see gradually improving demand conditions; while input cost volatility and currency led inflation remain areas of concern. We remain committed to our strategic agenda of delivering consistent and profitable volume led growth."

### Consolidated Performance for the quarter ended June 2018

For quarter ended June 2018, net sales rose 20% to Rs 1834.07 crore compared to corresponding previous year period. The company operating margins decreased 20 bps to 20.8%. As a result operating profits rose 19% to Rs 381.66 crore.

Cost of material consumed as a percentage of net sales (net of stock adjustment) rose 100 bps to 43.4%. Purchase of stock in trade increased 10 bps to 5.8%. Employee benefit expenses fell 50 bps to 11.4%. Other expenses fell 40 bps to 18.5%.

Other income fell 26% to Rs 32.13 crore. Interest cost was Rs 7.27 crore compared to Rs 3.73 crore in Q1FY'18. Depreciation fell 4% to Rs 30.11 crore. PBT was up 14% to Rs 376.41 crore. The effective tax rate increased to 36.1% from 31.4% owing to which the company's net profit rose 6% at Rs 240.36 crore. Further considering share of profit and loss of Associate Company, Bottomline of the company rose 5% to Rs 238.67 crore.

### Consolidated Performance for year ended March 2018

For year ended March 2018, the overall top-line rose 8% to Rs 6078.41 crore compared to corresponding previous year period. The company operating margins decreased 40 bps to 22.1%. As a result operating profits rose 6% to Rs 1341.22 crore.

Other income rose 32% to Rs 148.41 crore. Interest cost was Rs 15.54 crore compared to Rs 13.93 crore in FY'17. Depreciation rose 4% to Rs 119.88 crore. PBT was up 9% to Rs 1354.21 crore. The effective tax rate decreased to 29% from 31% owing to which the company's net profit rose 12% at Rs 961.5 crore. Further considering share of profit and loss of Associate Company, Bottomline of the company rose 12% to Rs 962.35 crore.

## INDEX DETAILS

SENSEX	37521.62
NIFTY (S&P CNX)	11346.20

## SCRIP DETAILS

Industry	Specialty Chemicals
Mkt Cap (Rs in Crore)	57317.71
Book Value (Rs)	70.18
Free Float (%)	30.24
Avg Vol Weekly (NSE)	634454
52 Week H/L (NSE)	1194.00 / 748.75
Dividend Yield (%)	0.53
BSE Code	500331
NSE Code	PIDILITIND

## SHAREHOLDING PATTERN(%)

PARTICULARS	LATEST QUARTER	PREVIOUS QUARTER
Promoters	69.76	69.78
FIIIs	11.83	10.37
DIIIs	7.87	8.97
Others	10.54	10.88
Totals	100	100

## Price Comparison with Sensex



## Pidilite Industries: Consolidated Results

Particulars	Q1FY19	Q1FY18	Var. (%)	FY18	FY17	Var. (%)
Income from Operations	1834.07	1528.92	20	6078.41	5616.79	8
OPM (%)	20.8	21		22.1	22.4	
OP	381.66	320.98	19	1341.22	1259.79	6
Other income	32.13	43.22	-26	148.41	112.25	32
PBIDT	413.79	364.2	14	1489.63	1372.04	9
Interest	7.27	3.73	95	15.54	13.93	12
PBDT	406.52	360.47	13	1474.09	1358.11	9
Depreciation	30.11	31.26	-4	119.88	115.14	4
PBT	376.41	329.21	14	1354.21	1242.97	9
Tax	136.05	103.25	32	392.71	385.05	2
Net profit after tax	240.36	225.96	6	961.5	857.92	12
Share of profit of associate or joint venture	0.42	0.55	-24	4.59	5.3	
MI	2.11	0.02		3.74	3.23	
Net profit	238.67	226.49	5	962.35	859.99	12
EPS (Rs)*	19	17.8		19	17	

## Pidilite Industries: Consolidated Segment Revenue

Particulars	Q1FY19	Q1FY18	% of total	Var. (%)	FY18	FY17	% of total	Var. (%)
Segment Revenue								
Consumer and Bazaar Products	1594.07	1,431.81	85	11	5274.09	5132.29	83	3
Industrial Products	257.6	248.48	14	4	994.77	963.37	16	3
Others	16.23	16.07	1	1	55.81	49.03	1	14
Total	1867.9	1696.36	100	10	6324.67	6144.69	100	3
Less: Intersegment Revenue-Power	33.83	27.09			105.91	82.38		
Net Segment Revenue	1834.07	1669.27			6218.76	6062.31		
Segment Results								
Consumer and Bazaar Products	402.99	334.14	92	21	1371.8	1256.88	90	9
Industrial Products	37.93	36.72	9	3	158.29	166.23	10	-5
Others	-3.29	-0.3		997	-1.94	-4.06		-52
Total	437.63	370.56	101	18	1528.15	1419.05	100	8
Capital Employed								
Consumer and Bazaar Products	2012.42	1646.7	50	22	1924.39	1642.72	51	17
Industrial Products	326.74	268.04	8	22	345.29	269.29	9	28
Others	35.7	34.14	1	5	40.62	33.25	1	22
Unallocated	1646.42	1875.54	41	-12	1438.75	1652.97	38	-13
Total	4021.28	3824.42	100	5	3749.05	3598.23	100	4



## NOTES

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