Pidilite

June 22, 2016

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

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

Pidilite Industries Limited

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Ambit Analyst Meet Presentation

22nd June 2016

Pidilite

Agenda

Pidilite

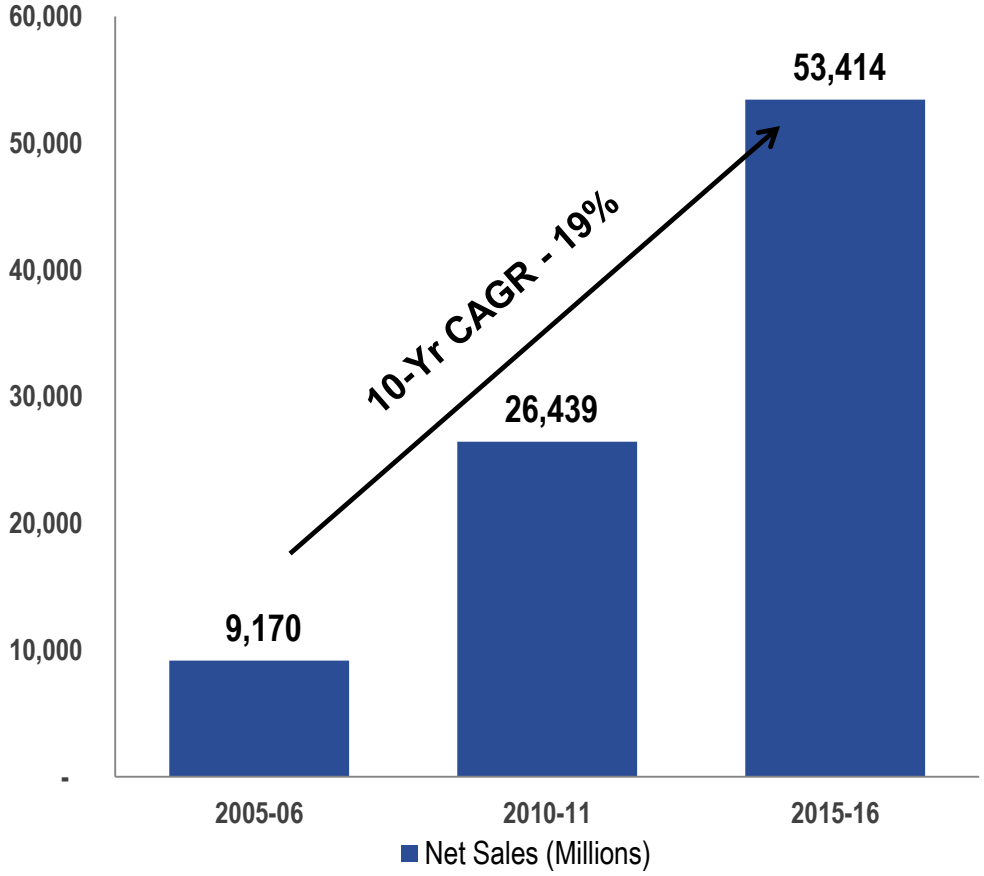
- **Company Overview**
- Business Overview
- Macro Opportunity
- Strategy Refresh 2015 – Project Runway
- In Summary

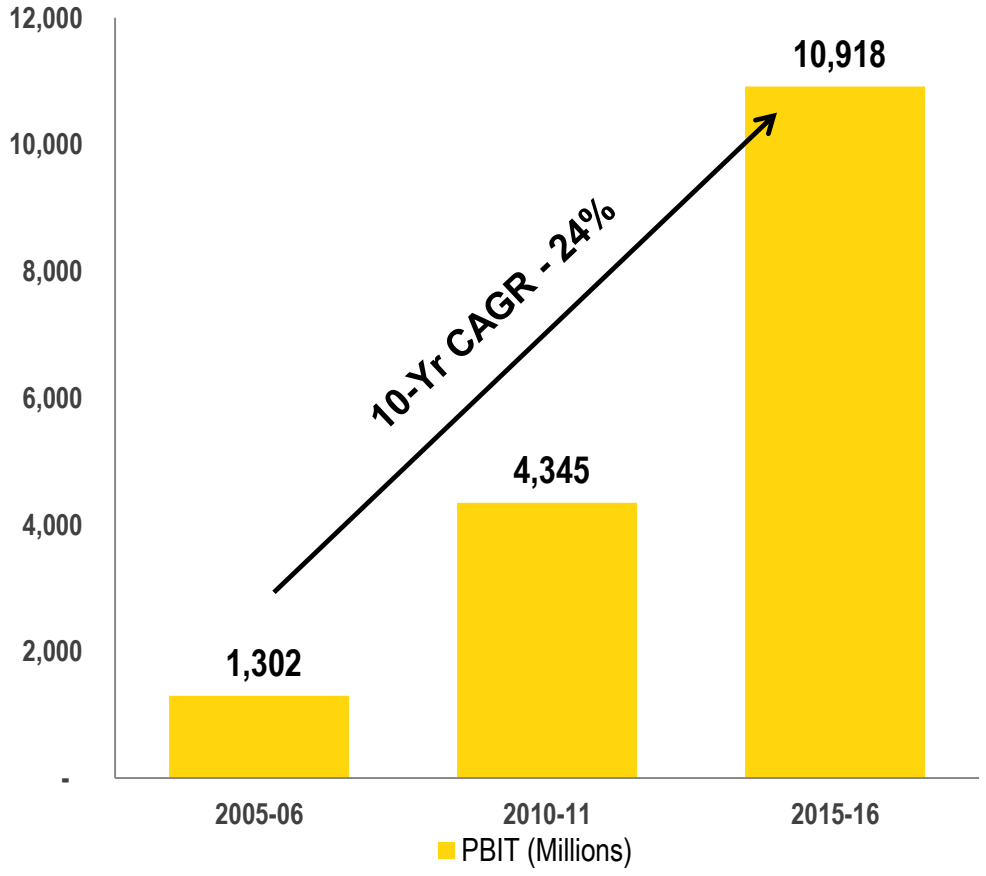
Company Overview

Pidilite

- 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

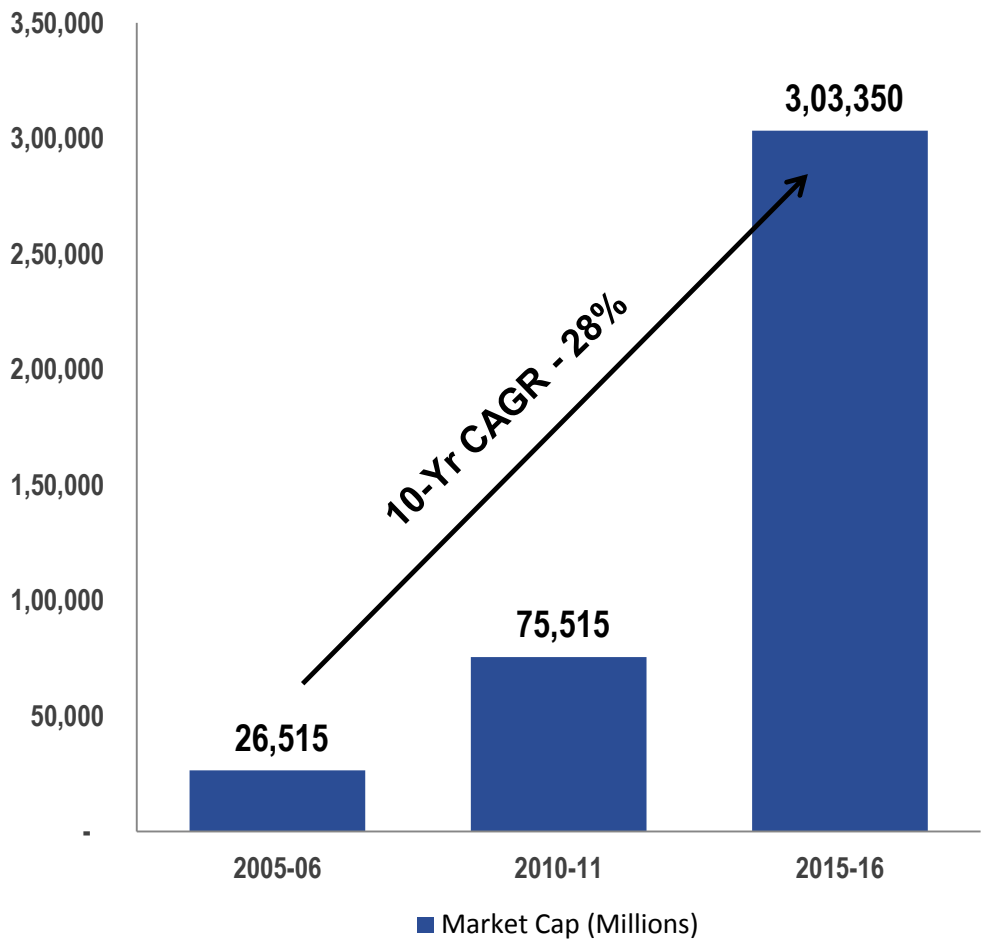
Sustainable strong growth …

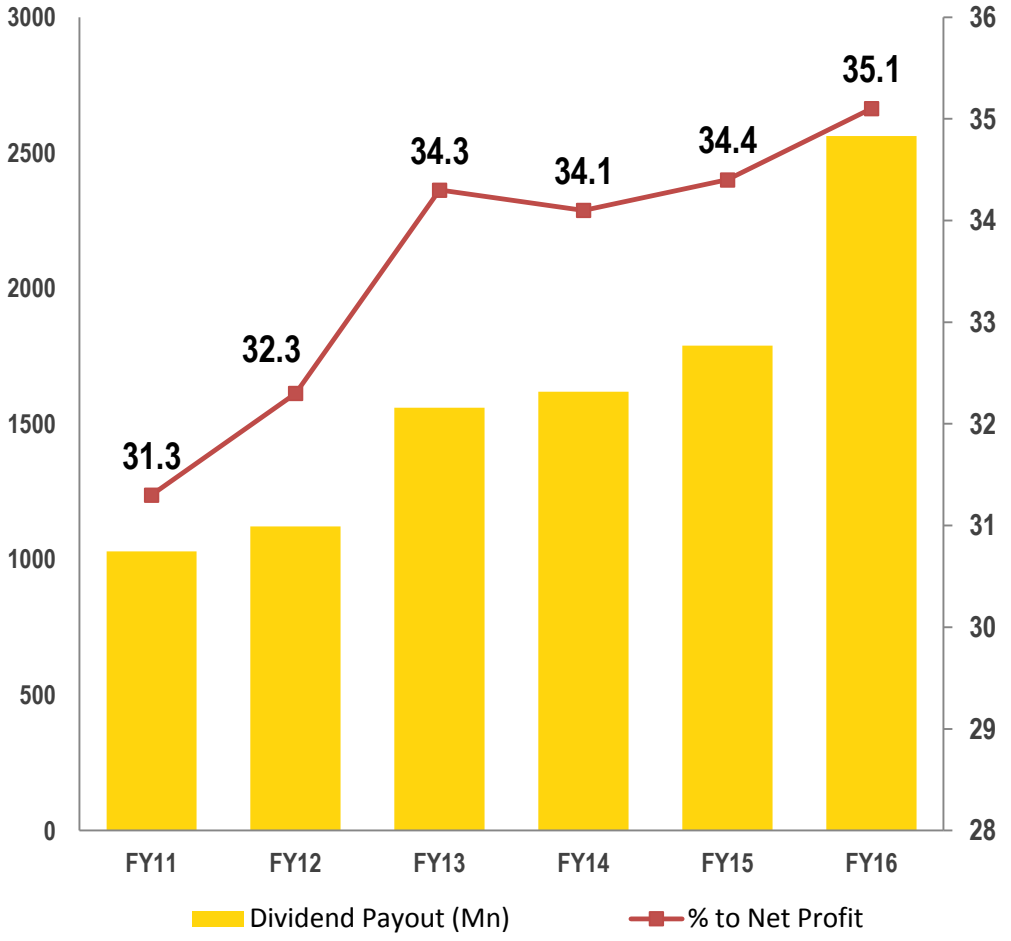




Year-on-Year growth in sales & profit over last 10 years, with 20%+ ROCE

….Creating value for shareholders





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

Market capitalisation as on 31st March of respective financial years.

Pidilite

Company Overview

Business Overview

Macro Opportunity

Strategy Refresh 2015 – Project Runway

In Summary

FEVICOL
THE ULTIMATE ADHESIVE

ONE DROP INSTANT ADHESIVE
Fevi kwik

Fevicryl

DR. FIXIT
WATERPROOFING EXPERT

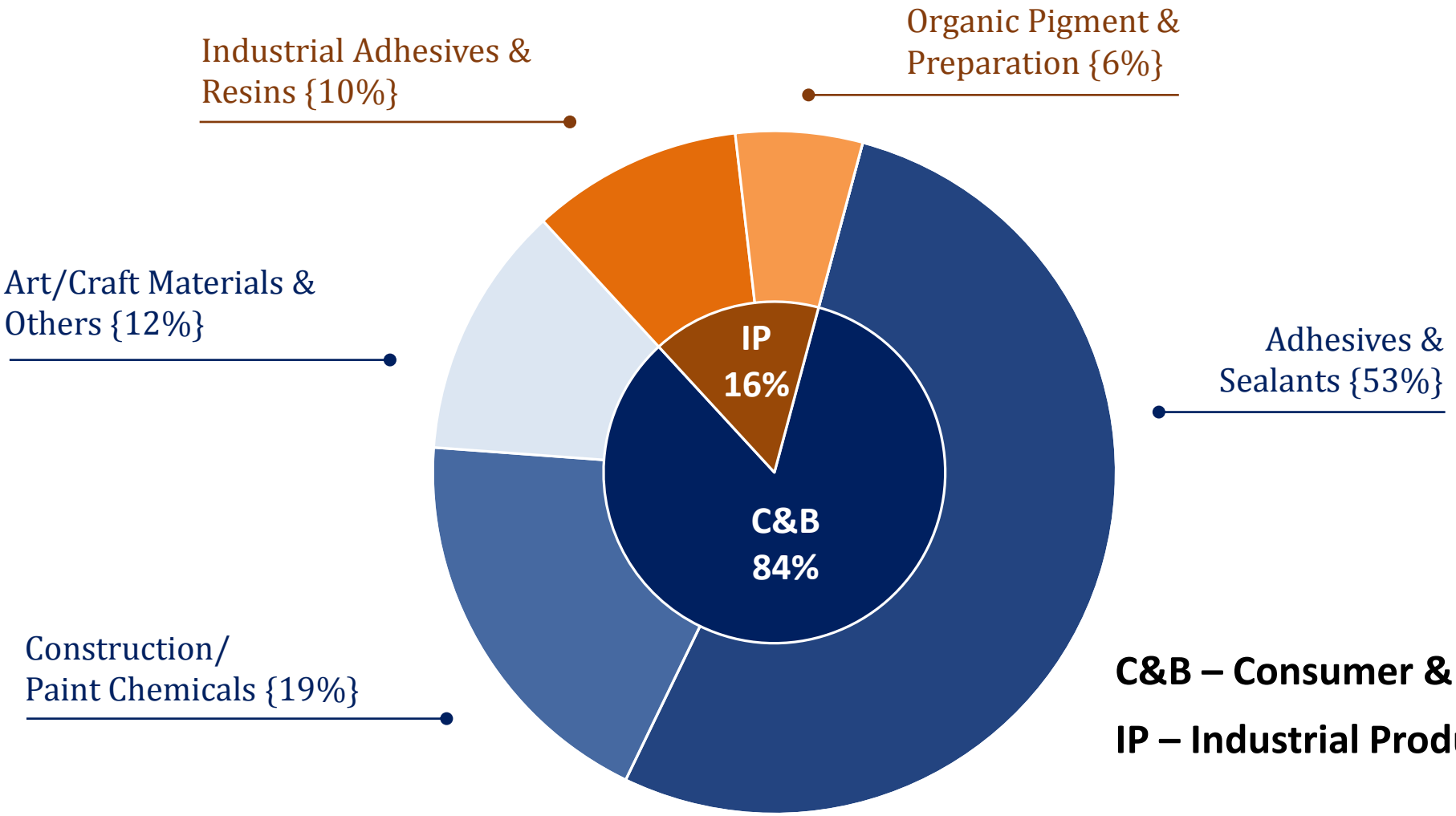
M-seal

Rangeela

steelgrip

Roff
TILE FIXING SOLUTIONS

Our Business Dimensions



C&B – Consumer & Bazaar

IP – Industrial Products

Standalone Results: Numbers represent percentage of Total Net Revenue as of March 31st 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

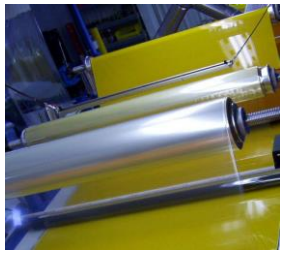
** Source – Brand Equity's Most Trusted Brand survey*

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

Marketing / Advertising

- 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

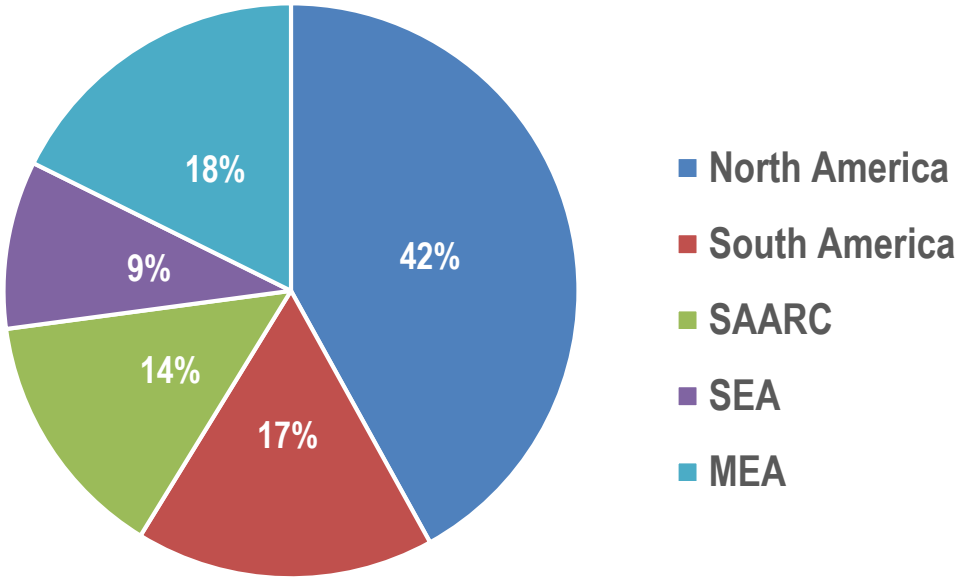
Business Overview – Global Presence

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

Business Overview : International Subsidiaries

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.

Business Overview : International Subsidiaries

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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

Macro trends

GDP growth upside potential

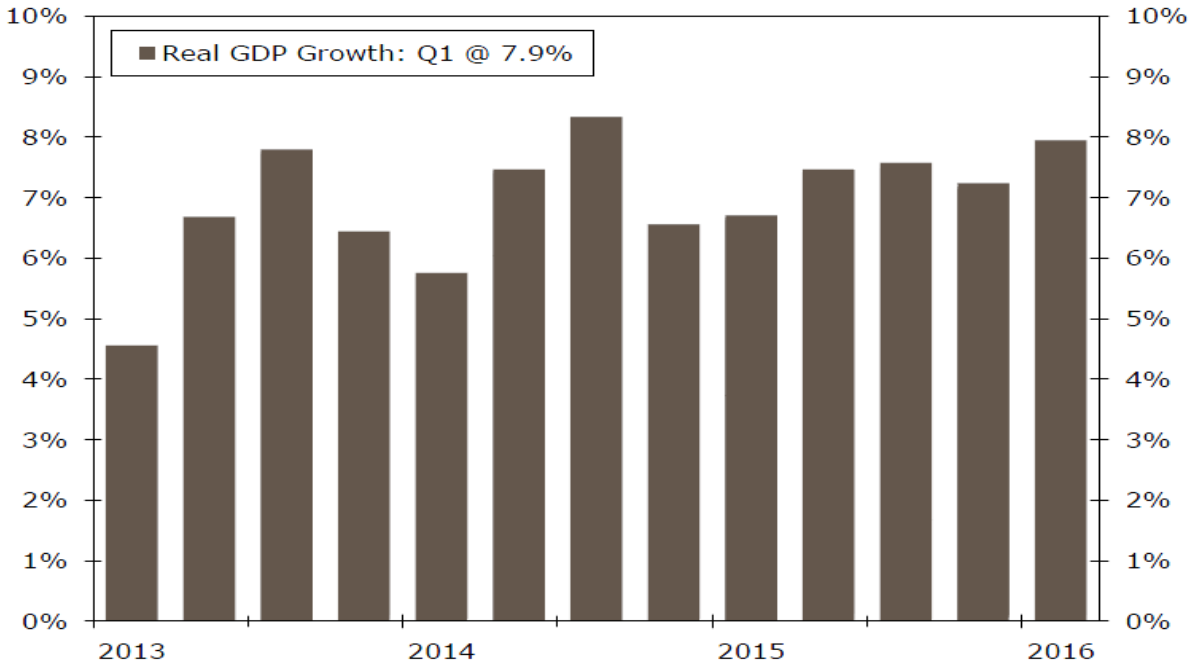
Rising Urbanization

Construction industry poised to regain growth

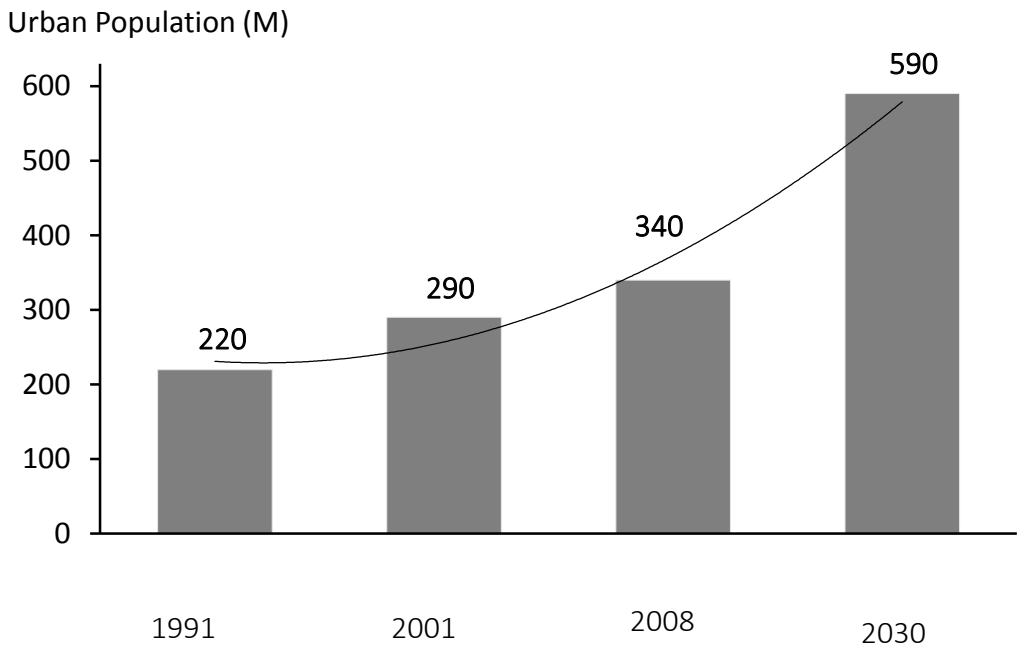
Opportunity in TIER 2 / 3 States and “Aspiring and BOTP” Consumers

Macro trends provide strong impetus

GDP GROWTH STORY INTACT



BY 2030, 40% OF INDIA WILL LIVE IN CITIES



26%	28%	30%	40%

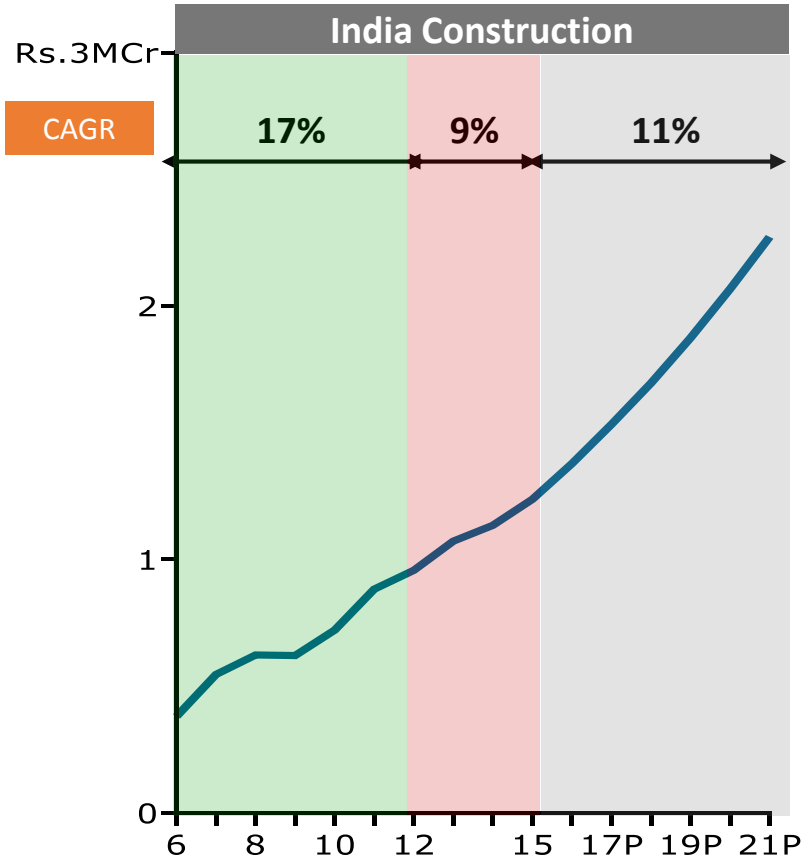
Urbanization Rate

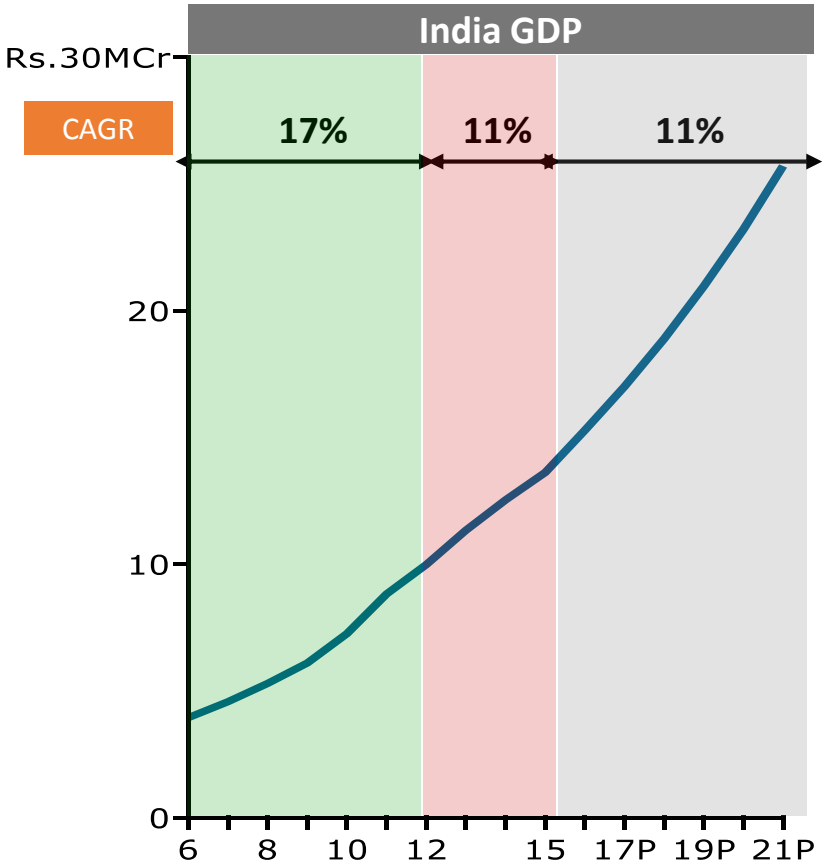
Note: Urban (GOI definition): 4,000 People/75% of men in non agricultural work/Population density of 400 per sqkm
Source: MGI, Secondary Research, Monitor Analysis

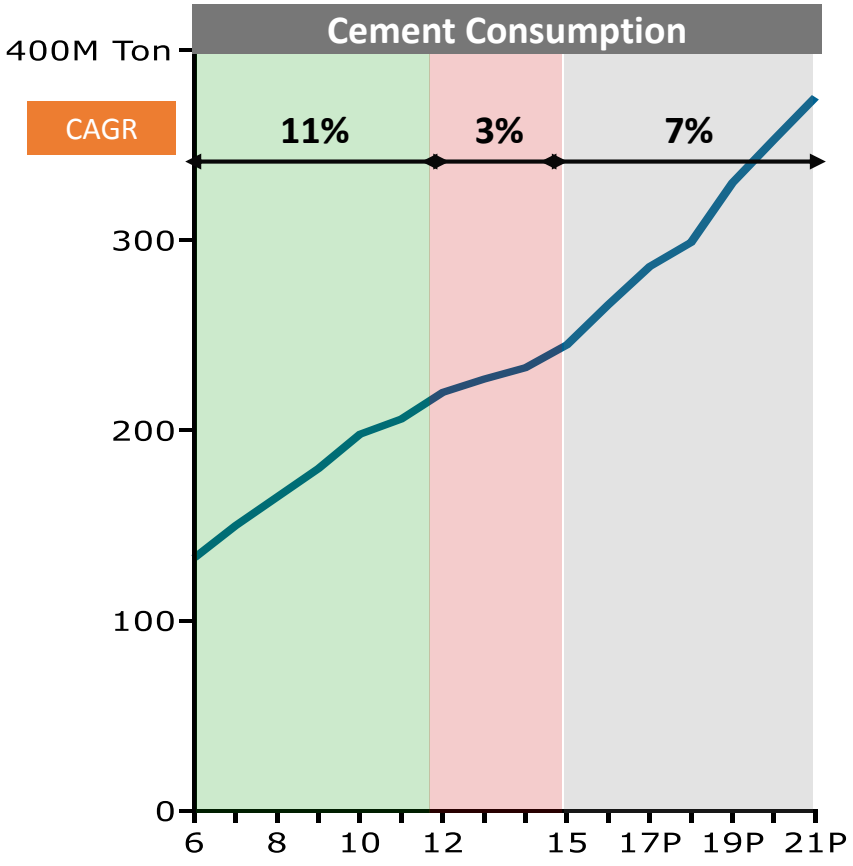
Construction Industry poised to regain growth

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

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Macro Opportunity

Strategy Refresh 2015 – Project Runway

In Summary

Strategic priorities

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

Take existing businesses to full potential

✓ Accelerate Sales Growth

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

✓ Robust Innovation

- Stage-gate process
- Fewer, Bigger, Better

Leverage rural and small town opportunity

1 Bn+ consumers

Opportunity with 84% of India's population

Revamp route to market and activation process

Identify & prioritize new opportunities

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

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In Summary

In Summary

- 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

Pidilite

Safe Harbor

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.

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