



KEY DATA

Rating	BUY
Sector relative	Outperformer
Price (INR)	1,487
12 month price target (INR)	1,895
52 Week High/Low	1,615/1,306
Market cap (INR bn/USD bn)	1,534/17.4
Free float (%)	29.8
Avg. daily value traded (INR mn)	979.6

SHAREHOLDING PATTERN

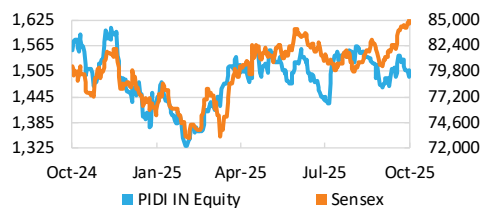
	Sep-25	Jun-25	Mar-25
Promoter	69.33%	69.35%	69.49%
FII	12.08%	12.13%	11.60%
DII	9.15%	9.15%	9.43%
Pledge	0%	0%	0%

FINANCIALS

(INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue	1,31,403	1,45,593	1,61,658	1,79,121
EBITDA	30,125	34,976	39,650	44,276
Adjusted profit	21,878	25,683	29,620	33,812
Diluted EPS (INR)	43.0	50.5	58.2	66.5
EPS growth (%)	26.5	17.4	15.3	14.2
RoAE (%)	22.1	23.3	24.3	24.7
P/E (x)	70.9	60.4	52.4	45.9
EV/EBITDA (x)	56.3	50.2	43.0	37.7
Dividend yield (%)	0.7	0.7	0.9	1.0

PRICE PERFORMANCE



Steady performance

Pidilite reported Q2FY26 revenue/EBITDA grew 10% YoY/ 10.7% YoY – in-line with our estimates. Overall volume grew in double digit YoY (8% YoY in Q2FY25). C&B volume grew 10.4% YoY (6 quarter high). B2B volume rose 9.9% YoY (21% YoY in Q2FY25) was impacted by lower exports of industrial products while project business continued its growth momentum. Gross margin improved 69bp YoY/ 91bp QoQ due to lower input costs whereas EBITDA margin remained flat YoY and declined 114bp QoQ to 23.9%.

We will revisit our estimates and target price post the earnings conference call. Maintain 'BUY'

Strong revenue and volume growth with healthy margins

Segment performance: On standalone basis, C&B sales grew 10.8% YoY whereas B2B business sales grew 8.7% YoY.

Margins: EBITDA margins of 23.9% remained flat YoY and contracted 114bp QoQ. Gross margins of 55.04% up 69bp YoY/91bp QoQ due to lower input costs. Other expense increased 14.6%YoY/1.4% QoQ. Staff cost increased 8.1% YoY/ 1.4% QoQ.

Demand: Overall volumes grew in double-digit. Management remains optimistic on the outlook, expects improvement in the domestic demand environment supported by a favourable monsoon, benefits of GST 2.0 and momentum in the construction sector driven by benign interest rates and liquidity.

More details are awaited on the call that will be hosted on 31st Oct 2025 at 4pm IST @ 022 6280 1224. [Diamond Pass Registration](#)

What to ask?

- What is the outlook on VAM prices in near to mid-term?
- Could you outline the planned capex over the next few years and key focus areas for investment?
- How have external factors such as early monsoons impacted demand in H1FY26, and what is your outlook for C&B and B2B segments heading into the festive quarter?
- What is the medium-term EBITDA margin outlook, assuming a stable input cost environment?

Quick Take:

INR mn	Q2FY26	Q2FY25	YoY	Q1FY26	QoQ	Q2FY26E	Deviation
Net Sales	35,544	32,349	9.9%	37,531	-5.3%	34,937	1.7%
EBITDA	8,507	7,688	10.7%	9,410	-9.6%	8,490	0.2%
PAT	5,791	5,346	8.3%	6,724	-13.9%	6,035	-4.0%

Exhibit 1: Trends at a glance

Particulars	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Revenue (INR mn)	30,760	31,300	29,019	33,954	32,349	33,689	31,411	37,531	35,544
EBITDA (INR mn)	6,797	7,425	5,769	8,127	7,688	7,984	6,326	9,410	8,507
PAT (INR mn)	4,502	5,105	3,723	5,669	5,346	5,524	4,223	6,723	5,791
Overall volume growth (% YoY)	8.0	10.4	15.2	9.6	8.0	9.7	9.8	9.9	Double-digit
Domestic C&B volume growth (% YoY)	8.0	Double-digit	12.7	8.0	6.0	7.3	8	9.3	10.4
Industrial (B2B) volume growth (% YoY)	20.0	Double-digit	25.2	18.0	21.0	21.7	16.4	12.6	9.9
Consolidated									
Revenue growth (% YoY)	2.2	4.4	7.9	3.7	5.2	7.6	8.2	10.5	9.9
Gross margin (%)	51.3	52.9	53.4	53.8	54.4	54.3	55.0	54.1	55.0
EBITDA margin (%)	22.1	23.7	19.9	23.9	23.8	23.7	20.1	25.1	23.9
CBP sales growth (% YoY)	3.2	4.9	6.4	3.0	2.9	5.2	6.7	9.7	9.9
Industrial Products sales growth (% YoY)	(1.3)	6.2	11.7	7.0	14.3	18.8	14.3	11.2	8.2
CBP EBIT margin (%)	27.6	30.3	24.2	29.3	29.9	29.4	25.8	31.5	30.2
Industrial Products EBIT margin (%)	11.1	11.9	11.8	15.2	14.8	17.6	17.5	16.5	15.2
Standalone									
Sales growth (% YoY)	2.4	4.6	8.7	6.2	7.1	9.3	10.1	10.6	10.4
Gross margin (%)	51.2	52.9	53.3	53.5	54.0	53.9	54.7	53.5	54.5
EBITDA margin (%)	23.1	25.0	20.4	24.5	24.5	24.2	20.5	25.5	24.5
CBP sales growth (% YoY)	3.7	5.4	7.5	5.4	5.0	7.0	9.1	10.2	10.8
Industrial Products sales growth (% YoY)	(2.9)	4.7	12.4	9.2	15.6	20.7	14.1	11.6	8.7
CBP EBIT margin (%)	29.4	32.4	25.7	30.4	31.2	30.6	26.4	32.0	31.0
Industrial Products EBIT margin (%)	13.2	14.0	11.0	16.8	17.9	18.1	18.1	18.5	17.7

Source: Company, Nuvama Research

Exhibit 2: CAGR trends

INR mn	Q2FY21	Q2FY22	Q2FY23	Q2FY24	Q2FY25	Q2FY26	2-Yr CAGR	3-Yr CAGR	4-Yr CAGR	5-Yr CAGR
Revenue (INR mn)	18,803	26,264	30,112	30,760	32,349	35,544	7.5	5.7	7.9	13.6
EBITDA (INR mn)	5,126	5,496	4,999	6,797	7,688	8,507	11.9	19.4	11.5	10.7
PAT (INR mn)	3,564	3,747	3,324	4,502	5,346	5,791	13.4	20.3	11.5	10.2
Domestic C&B volume growth (% YoY)	7	25	1	8	6.0	10	8.2	8.1	6.3	9.8

Source: Company, Nuvama Research

Exhibit 3: Consolidated financial snapshot (INR mn)

Year to March	Q2FY26	Q2FY25	% change	Q1FY26	% change
Net sales	35,544	32,349	9.9	37,531	(5.3)
Cost of goods sold	15,982	14,767	8.2	17,218	(7.2)
Gross profit	19,563	17,583	11.3	20,314	(3.7)
Staff cost	4,707	4,356	8.1	4,642	1.4
Other expenditure	6,348	5,538	14.6	6,262	1.4
EBITDA	8,507	7,688	10.7	9,410	(9.6)
Depreciation/Amortisation	1,000	879	13.7	967	3.4
EBIT	7,508	6,809	10.3	8,443	(11.1)
Interest expense	133	117	13.2	138	(3.6)
Other income	502	571	(12.2)	857	(41.5)
Profit before tax	7,877	7,263	8.4	9,162	(14.0)
Provision for taxation	2,027	1,848	9.7	2,383	(14.9)
Minority interest	53.7	57	NM	57	NM
Share of Profit/(Loss) in Associated Company	(3.5)	(12)	NM	2	NM
Exceptional items	-	-	NM	-	NM
Reported Profit	5,791	5,346	8.3	6,724	(13.9)
Adjusted Profit	5,791	5,346	8.3	6,724	(13.9)
No. of diluted Shares outstanding	1,018	1,018	-	1,018	-
EPS (INR)	5.7	5.3	8.3	6.6	(14)
As % of net sales					
COGS	45.0	45.6	(69)	45.9	(91)
Staff costs	13.2	13.5	(22)	12.4	87
Other expenditure	17.9	17.1	74	16.7	118
EBITDA	23.9	23.8	17	25.1	(114)
EBIT	21.1	21.0	7	22.5	(137)
EBIT incl. other income	22.2	22.5	(29)	24.4	(225)
PBT	22.2	22.5	(29)	24.4	(225)
Net profit	16.4	16.7	(26)	18.1	(162)
Tax rate	25.7	25.4	29	26.0	(28)

Source: Company, Nuvama Research

Exhibit 4: Standalone financial snapshot (INR mn)

Standalone (INR mn)	Q2FY26	Q2FY25	% Change YoY	Q1FY26	% Change QoQ
Net Sales	32,873	29,769	10.4	34,793	(5.5)
Other Op. Income	-	-	NA	-	NA
Total sales	32,873	29,769	10.4	34,793	(5.5)
Expenses					
Cost of goods sold	14,967	13,702	9.2	16,165	(7.4)
Employee cost	4,140	3,866	7.1	4,095	1.1
Other Expenditure	5,697	4,893	16.4	5,651	0.8
Total	24,805	22,462	10.4	25,911	(4.3)
EBITDA	8,069	7,308	10.4	8,882	(9.2)
Depreciation	854	754	13.3	828	3.2
EBIT	7,214	6,553	10.1	8,054	(10.4)
Other inc	685	722	(5.1)	842	(18.6)
Finance cost	102	79	28.5	102	-
PBT before extraordinary item	7,798	7,196	8.4	8,794	(11.3)
Exceptional item		-	NM	-	NM
PBT before extraordinary item	7,798	7,196	8.4	8,794	(11.3)
Tax	1,939	1,776	9.2	2,296	(15.6)
Reported PAT	5,859	5,420	8.1	6,498	(9.8)
Adjusted PAT	5,859	5,420	8.1	6,498	(9.8)
Equity Shares (FV- INR1)	1,018	1,018		1,018	
EPS	5.8	5.3	8.1	6.4	(9.8)

Source: Company, Nuvama Research

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