

October 31, 2025

Q2FY26 Result Update

■ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	1,714		1,714	
Sales (Rs. m)	1,62,477	1,80,693	1,62,477	1,80,693
% Chng.	-	-	-	-
EBITDA (Rs. m)	37,191	41,067	37,191	41,067
% Chng.	-	-	-	-
EPS (Rs.)	25.8	28.7	25.8	28.7
% Chng.	-	-	-	-

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	1,31,403	1,46,930	1,62,477	1,80,693
EBITDA (Rs. m)	30,125	34,016	37,191	41,067
Margin (%)	22.9	23.2	22.9	22.7
PAT (Rs. m)	21,211	24,139	26,283	29,241
EPS (Rs.)	41.7	23.7	25.8	28.7
Gr. (%)	16.6	(43.1)	8.9	11.3
DPS (Rs.)	16.0	15.0	11.5	13.0
Yield (%)	1.1	1.0	0.8	0.9
RoE (%)	23.4	23.8	23.3	22.9
RoCE (%)	28.8	29.4	28.9	28.1
EV/Sales (x)	5.3	9.7	8.7	7.8
EV/EBITDA (x)	23.3	42.0	38.1	34.2
PE (x)	34.6	60.9	55.9	50.3
P/BV (x)	7.5	13.9	12.3	10.8

Key Data

PIDI.BO | PIDI IN

52-W High / Low	Rs.1,615 / Rs.1,306
Sensex / Nifty	83,939 / 25,722
Market Cap	Rs.1,470bn / \$ 16,562m
Shares Outstanding	1,018m
3M Avg. Daily Value	Rs.992.44m

Shareholding Pattern (%)

Promoter's	69.33
Foreign	12.09
Domestic Institution	9.16
Public & Others	9.42
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(1.6)	(4.5)	(7.9)
Relative	(5.9)	(8.7)	(12.9)

Amnish Aggarwal

amnishaggarwal@plindia.com | 91-22-66322233

Vishwa Solanki

vishwasolanki@plindia.com | 91-22-66322244

Parth Thakker

parththakker@plindia.com |

Growth outlook remains strong

Quick Pointers:

- PIDI continues to double-digit UVG trajectory with 2Q UVG at 10.3%.
- Gross Margins expected to remain stable amidst benign RM prices. EBITDA Margin guidance at upper band of ~20-24%

PIDI continues ~double-digit UVG led by 10.4% UVG in C&B 2Q, EBITDA margin was flat YoY, while declined by ~100bps QoQ amidst elevated A&P spends. PIDI continues to focus on volume-led profitable growth led by its strategy of developing pioneer categories and entering newer segments. B2B continued its growth momentum driven Project verticals, while industrial products were partially impacted by lower exports. B2C remained resilient with strong UVG of 10.4% improving sequentially.

PIDI is well placed to sustain growth led by innovations, tie-ups to bring technologically advanced products and 2-4x growth in pioneer and growth categories (45% sales). Near term margin outlook seems stable, although margins leave a little scope of expansion from current levels as Pidi remains committed towards investing behind brand growth. We estimate 10.1% EPS CAGR over FY26-28 and assign DCF based target price of Rs1714. PIDI is operating at peak of the cycle margins, consequently, expect moderate returns unless consumer demand surprises on the upside. Retain BUY

Consolidated Results – Consolidated Revenues grew by 9.9% YoY to Rs35.5bn (PLe: Rs36.06bn). Gross margins expanded by 69bps YoY to 55% (PLe: 54.5%). EBITDA grew by 10.7% YoY to Rs8.5bn (PLe:Rs8.9bn); Margins expanded by 17bps YoY to 23.9% (PLe:24.8%). PBT grew by 8.4% YoY to Rs 7.9bn (PLe: Rs8.56bn) Adj PAT grew by 8% YoY to Rs5.8bn (PLe: Rs6.37bn).

Standalone Volumes up 10.3% YoY; GM up 69bps YoY - Consumer and Bazaar Sales grew by 9.9% YoY to Rs28.4bn; EBIT grew by 11% YoY to 8574.8mn. Industrial Products grew by 8.2% YoY to Rs7.6bn; EBIT grew by 11% YoY to 1157.5mn. **C&B** reported 10.4% UVG, while B2B reported UVG of 9.9%. Project business maintained growth while Industrial products were impacted by lower exports.

Standalone – Revenues grew by 10.4% YoY to Rs32.9bn (PLe: Rs33.19bn). Gross margins expanded 50bps YoY to 54.5%. (PLe: 53.8%). EBITDA grew 10.4% YoY to Rs8.1bn (PLe:Rs5.9bn); Margins were flat at 24.5% (PLe:25.4%). PBT grew 8.4% YoY to Rs 7.8bn (PLe:Rs6.06bn). Adj. PAT grew 8.1% YoY to Rs5.9bn (PLe:Rs6.3bn)

Concall Takeaways: 1) Rural markets continue to grow ahead of urban markets, however in Q2 urban market saw pickup in demand 2) B2B reported UVG of 9.9 with domestic volume growth at mid teen. 3) Input cost declined in Q2 amidst soft RM prices while A&P spends saw an uptick of 80bps YoY to drive growth 4) GM expansion will be invested judiciously behind brand building while maintaining EBITDA margin at upper band of 20-24% 5) The domestic demand is expected to improve, aided by favorable monsoons, and the indirect cascading impact of GST

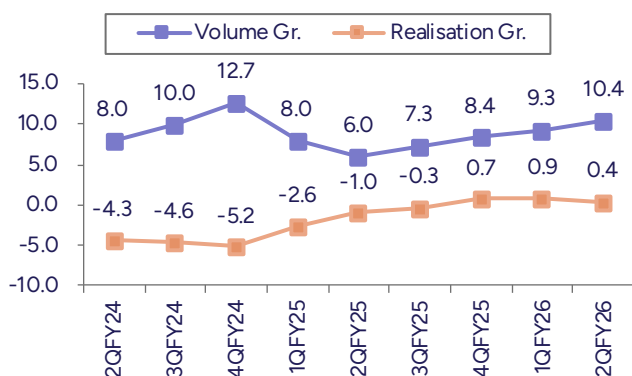
2.0 coupled with accelerated growth in the construction sector driven by benign interest rates. 6) VAM prices for Q2 came at \$883/MT down by 10.2% YoY from \$980/MT, going forward GM is likely to remain stable with VAM prices likely to remain at current levels. 7) Haisha is doing decent with growing sequentially, however the growth is lower than internal expectation, thus company will invest more money once it corrects the model with focus on grabbing market share. 8) Unofin not doing good, however started to see traction from hotel industry especially in northern region 9) Dr fixit, Roff are doing well with demand being robust 10) No price hikes taken in Q2 and similar trend to be expected in coming quarters given benign RM prices. 11) Capex is likely to remain at 3-5% of the sales

Exhibit 1: Revenues up 9.9%, Gross Margins expanded 68bps YoY led by lower raw materials

Consolidated	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	H1FY26	H1FY25	YoY gr. (%)
Net Revenue	35,544	32,349	9.9	37,531	73,075	66,303	10.2
Gross Profit	19,563	17,583	11.3	20,314	39,876	35,851	11.2
Margin %	55.0	54.4	0.7	54.1	54.6	54.1	0.5
Other Expenditure	11,056	9,894	11.7	10,904	21,959	20,035	9.6
EBITDA	8,507	7,688	10.7	9,410	17,917	15,816	13.3
Margin %	23.9	23.8	0.2	25.1	24.5	23.9	0.7
Depreciation	1,000	879	13.7	967	1,966	1,723	14.1
Interest	133	117	13.2	138	271	236	14.9
Other Income	502	571	(12.2)	857	1,359	1,111	22.3
PBT	7,877	7,263	8.4	9,162	17,039	14,968	13.8
Tax	2,027	1,848	9.7	2,383	4,411	3,832	15.1
Tax rate %	25.7	25.4	1.1	26.0	25.9	25.6	1.1
Adj PAT	5,850	5,415	8.0	6,779	12,629	11,136	13.4

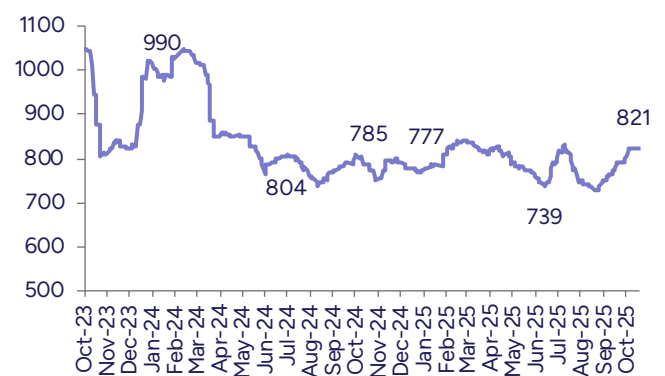
Source: Company, PL

Exhibit 2: C&B UVG grew 10.4% YoY



Source: Company, PL

Exhibit 3: VAM prices are down 2.4% QoQ & 1.2% YoY



Source: Company, PL

Exhibit 4: B2C/ B2B sales grew by 9.9%/8.2%, B2B margin up 80bps YoY

Segmental	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
B2C									
Sales (Rs m)	25083	25413	22472	27408	25805	26726	23976	30067	28365
Growth (%)	3.2	4.9	6.4	3.0	2.9	5.2	6.7	9.7	9.9
EBIT (Rs m)	6935	7704	5448	8039	7710	7865	6178	9458	8575
EBIT Growth %	31.7	43.4	19.5	13.6	11.2	2.1	13.4	17.6	11.2
EBIT margin %	27.6	30.3	24.2	29.3	29.9	29.4	25.8	31.5	30.2
B2B									
Sales (Rs m)	6153	6373	7079	7256	7036	7572	8089	8066	7613
Growth (%)	-1.3	6.2	11.7	7.0	14.3	18.8	14.3	11.2	8.2
EBIT (Rs m)	685	757	835	1103	1040	1335	1415	1329	1158
EBIT Growth %	38.3	93.4	18.1	20.3	51.9	76.4	69.4	20.5	11.3
EBIT margin %	11.1	11.9	11.8	15.2	14.8	17.6	17.5	16.5	15.2

Source: Company, PL

Domestic subs – Sales & Margins continue to improve

- Sales in domestic subs grew 10.8% led by C&B segment.
- C&B subs registered 16.8% sales growth. Margins grew by 20bps YoY and 5 QoQ. EBITDA grew by 40.4% to Rs. 250mn
- B2B sub registered 1% sales growth. EBITDA loss was Rs.58mn as against just 2mn YoY. Margins declined to -7.6%.
- Outlook in emerging B2B and B2C subs in growth and pioneer categories remains robust

Exhibit 5: Domestic subsidiary margins flat due to losses in B2B business

(Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Consumer & Bazar (C&B)	1,247	1,296	1,319	1,331	1,456
Business to Business (B2B)	761	1,031	1,151	890	768
Total Sales	2008	2327	2470	2221	2224
Sales Growth (YoY)	-3	17	16	11	11
Consumer & Bazar (C&B)	(9)	20	13	16	17
Business to Business (B2B)	7	13	20	6	1
EBITDA (Rs mn)	173	303	310	265	192
Consumer & Bazar (C&B)	175	172	174	217	250
Business to Business (B2B)	(2)	131	136	48	(58)
EBITDA margin %	8.6%	13.0%	12.6%	11.9%	8.6%
Consumer & Bazar (C&B)	14.0%	13.3%	13.2%	16.3%	17.2%
Business to Business (B2B)	-0.2%	12.7%	11.8%	5.4%	-7.6%
EBITDA growth (YoY)	-41	189	16	32	33
Consumer & Bazar (C&B)	(38.4)	132.4	85.1	41.8	40.4
Business to Business (B2B)	(117.8)	322.6	(21.8)	-	Loss

Source: Company, PL

IBD –Asia delivers whereas MENA margins drag growth

International (IBD) sales were up 4.4% YoY while EBIDTA improved by 1.7%.

Asia: Sales increased by 5.9% YoY and EBITDA improved by 3.6% YoY to Rs174mn.

Middle East & Africa: Sales improve with 3.0% growth YoY with EBITDA of Rs65mn, Margins contracted by 5bps/4bps YoY/QoQ to 7.5%

Exhibit 6: Steady performance on all fronts

Subsidiaries	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Sales (Rs. m)	1,651	1,595	1,582	1,623	1,724
Asia	807	803	856	839	855
Middle East & Africa	844	792	726	784	869
Sales growth (YoY)	(10.2)	(19.3)	1.1	6.3	4.4
Asia	7.5	(0.5)	3.8	7.2	5.9
Middle East & Africa	26.0	(1.5)	(1.9)	5.4	3.0
EBITDA (Rs m)	235.0	227.0	230.0	230.0	239.0
Asia	168.0	153.0	164.0	169.0	174.0
Middle East & Africa	67.0	74.0	66.0	61.0	65.0
EBITDA (margin %)	14.2	14.2	14.5	14.2	13.9
Asia	20.8	19.1	19.2	20.1	20.4
Middle East & Africa	7.9	9.3	9.1	7.8	7.5
EBITDA growth (YoY)	123.8	3.2	6.5	8.5	1.7
Asia	21.7	(10.5)	26.2	32.0	3.6
Middle East & Africa	3.1	(12.9)	(23.3)	(27.4)	(3.0)

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	1,31,403	1,46,930	1,62,477	1,80,693
YoY gr. (%)	6.1	11.8	10.6	11.2
Cost of Goods Sold	59,963	67,142	75,562	84,686
Gross Profit	71,440	79,788	86,915	96,007
Margin (%)	54.4	54.3	53.5	53.1
Employee Cost	17,416	19,424	20,873	23,052
Other Expenses	-	-	-	-
EBITDA	30,125	34,016	37,191	41,067
YoY gr. (%)	11.3	12.9	9.3	10.4
Margin (%)	22.9	23.2	22.9	22.7
Depreciation and Amortization	3,585	3,767	4,221	4,745
EBIT	26,540	30,249	32,970	36,323
Margin (%)	20.2	20.6	20.3	20.1
Net Interest	504	538	601	679
Other Income	2,472	2,741	2,968	3,672
Profit Before Tax	28,509	32,452	35,338	39,316
Margin (%)	21.7	22.1	21.7	21.8
Total Tax	7,265	8,275	9,011	10,026
Effective tax rate (%)	25.5	25.5	25.5	25.5
Profit after tax	21,244	24,177	26,327	29,291
Minority interest	-	-	-	-
Share Profit from Associate	(33)	(38)	(43)	(50)
Adjusted PAT	21,211	24,139	26,283	29,241
YoY gr. (%)	16.6	13.8	8.9	11.3
Margin (%)	16.1	16.4	16.2	16.2
Extra Ord. Income / (Exp)	(249)	-	-	-
Reported PAT	20,962	24,139	26,283	29,241
YoY gr. (%)	20.0	15.2	8.9	11.3
Margin (%)	16.0	16.4	16.2	16.2
Other Comprehensive Income	(57)	-	-	-
Total Comprehensive Income	20,905	24,139	26,283	29,241
Equity Shares O/s (m)	509	1,017	1,017	1,017
EPS (Rs)	41.7	23.7	25.8	28.7

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	64,197	69,476	75,387	82,087
Tangibles	48,327	53,975	60,255	67,323
Intangibles	15,870	15,501	15,132	14,763
Acc: Dep / Amortization	19,966	23,364	27,216	31,592
Tangibles	19,966	23,364	27,216	31,592
Intangibles	-	-	-	-
Net fixed assets	44,231	46,111	48,171	50,495
Tangibles	28,361	30,610	33,039	35,731
Intangibles	15,870	15,501	15,132	14,763
Capital Work In Progress	1,290	1,510	1,750	1,990
Goodwill	12,822	12,822	12,822	12,822
Non-Current Investments	4,657	4,773	4,892	5,015
Net Deferred tax assets	(3,776)	(3,969)	(4,280)	(4,664)
Other Non-Current Assets	2,218	2,498	2,762	3,072
Current Assets				
Investments	31,620	38,009	48,660	61,265
Inventories	16,851	16,556	19,667	23,202
Trade receivables	18,112	20,458	22,623	25,159
Cash & Bank Balance	3,362	4,417	5,068	4,923
Other Current Assets	3,940	2,939	3,250	3,614
Total Assets	1,40,115	1,51,186	1,70,961	1,93,069
Equity				
Equity Share Capital	509	1,017	1,017	1,017
Other Equity	97,036	1,04,468	1,18,897	1,34,758
Total Networth	97,545	1,05,485	1,19,914	1,35,775
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	1,344	1,245	1,295	1,440
Other non current liabilities	2,202	3,005	3,746	4,662
Current Liabilities				
ST Debt / Current of LT Debt	1,472	1,472	1,472	1,472
Trade payables	13,901	14,716	16,562	18,561
Other current liabilities	17,526	18,643	20,732	23,217
Total Equity & Liabilities	1,40,115	1,51,186	1,70,962	1,93,069

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	28,509	32,452	35,338	39,316
Add. Depreciation	3,585	3,767	4,221	4,745
Add. Interest	504	538	601	679
Less Financial Other Income	2,472	2,741	2,968	3,672
Add. Other	(2,529)	(2,741)	(2,968)	(3,672)
Op. profit before WC changes	30,068	34,016	37,191	41,067
Net Changes-WC	(12,880)	(4,881)	(12,169)	(13,619)
Direct tax	(7,265)	(8,275)	(9,011)	(10,026)
Net cash from Op. activities	9,923	20,859	16,011	17,423
Capital expenditures	(5,940)	(5,868)	(6,520)	(7,308)
Interest / Dividend Income	2,472	2,741	2,968	3,672
Others	(278)	(135)	(143)	(152)
Net Cash from Invst. activities	(3,745)	(3,262)	(3,695)	(3,788)
Issue of share cap. / premium	613	(784)	-	-
Debt changes	160	-	-	-
Dividend paid	(8,138)	(15,258)	(11,698)	(13,224)
Interest paid	(504)	(538)	(601)	(679)
Others	(222)	-	-	-
Net cash from Fin. activities	(8,090)	(16,580)	(12,298)	(13,902)
Net change in cash	(1,912)	1,017	17	(268)
Free Cash Flow	3,983	14,991	9,491	10,114

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	41.7	23.7	25.8	28.7
CEPS	48.8	27.4	30.0	33.4
BVPS	191.8	103.7	117.9	133.5
FCF	7.8	14.7	9.3	9.9
DPS	16.0	15.0	11.5	13.0
Return Ratio(%)				
RoCE	28.8	29.4	28.9	28.1
ROIC	25.2	27.8	28.1	28.6
RoE	23.4	23.8	23.3	22.9
Balance Sheet				
Net Debt : Equity (x)	(0.3)	(0.4)	(0.4)	(0.5)
Net Working Capital (Days)	59	55	58	60
Valuation(x)				
PER	34.6	60.9	55.9	50.3
P/B	7.5	13.9	12.3	10.8
P/CEPS	29.6	52.7	48.2	43.2
EV/EBITDA	23.3	42.0	38.1	34.2
EV/Sales	5.3	9.7	8.7	7.8
Dividend Yield (%)	1.1	1.0	0.8	0.9

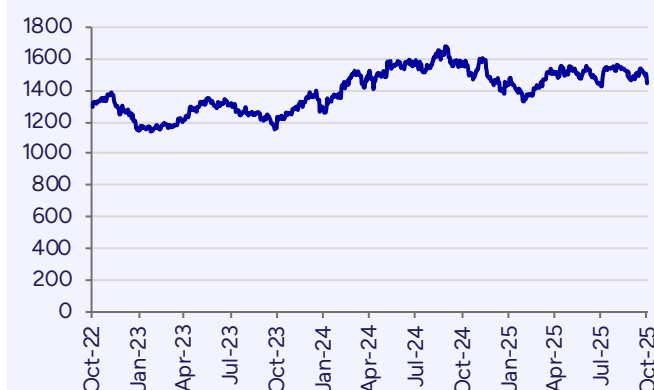
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	33,689	31,411	37,531	35,544
YoY gr. (%)	7.6	8.2	10.5	9.9
Raw Material Expenses	15,388	14,123	17,218	15,982
Gross Profit	18,301	17,288	20,314	19,563
Margin (%)	54.3	55.0	54.1	55.0
EBITDA	7,984	6,326	9,410	8,507
YoY gr. (%)	7.5	9.6	15.8	10.7
Margin (%)	23.7	20.1	25.1	23.9
Depreciation / Depletion	895	967	967	1,000
EBIT	7,089	5,359	8,443	7,508
Margin (%)	21.0	17.1	22.5	21.1
Net Interest	125	144	138	133
Other Income	558	804	857	502
Profit before Tax	7,522	6,019	9,162	7,877
Margin (%)	22.3	19.2	24.4	22.2
Total Tax	1,947	1,487	2,383	2,027
Effective tax rate (%)	25.9	24.7	26.0	25.7
Profit after Tax	5,575	4,532	6,779	5,850
Minority interest	-	-	-	-
Share Profit from Associates	(5)	(8)	2	(4)
Adjusted PAT	5,571	4,524	6,781	5,846
YoY gr. (%)	9.0	20.4	18.7	8.2
Margin (%)	16.5	14.4	18.1	16.4
Extra Ord. Income / (Exp)	-	(249)	-	-
Reported PAT	5,571	4,275	6,781	5,846
YoY gr. (%)	9.0	40.5	18.7	8.2
Margin (%)	16.5	13.6	18.1	16.4
Other Comprehensive Income	(9)	53	(6)	123
Total Comprehensive Income	5,561	4,328	6,775	5,969
Avg. Shares O/s (m)	508	508	508	508
EPS (Rs)	11.0	8.9	13.3	11.5

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Oct-25	BUY	1,714	1,471
2	07-Aug-25	BUY	3,427	3,051
3	09-Jul-25	BUY	3,428	3,060
4	12-May-25	BUY	3,428	2,980
5	09-Apr-25	Accumulate	3,318	2,931
6	19-Mar-25	Accumulate	3,318	2,738
7	23-Jan-25	Accumulate	3,318	2,910
8	08-Jan-25	Accumulate	3,355	2,908

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	Reduce	2,248	2,353
2	Avenue Supermarts	Hold	4,111	4,320
3	Britannia Industries	BUY	6,484	5,897
4	Colgate Palmolive	Hold	2,534	2,287
5	Dabur India	Hold	490	502
6	Emami	Accumulate	608	552
7	Hindustan Unilever	Accumulate	2,772	2,602
8	ITC	BUY	530	419
9	Jubilant FoodWorks	Hold	670	614
10	Kansai Nerolac Paints	Accumulate	272	246
11	Marico	Accumulate	778	715
12	Metro Brands	Hold	1,276	1,203
13	Mold-tekk Packaging	Accumulate	821	761
14	Nestle India	Hold	1,359	1,277
15	Pidilite Industries	BUY	1,714	1,471
16	Restaurant Brands Asia	Accumulate	87	75
17	Titan Company	BUY	3,902	3,418
18	Westlife Foodworld	Hold	748	677

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

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