kotak Securities

Dated: 3rd December 2025

# Pidilite Industries (PIDI) - ADD

## Company Update

| Current Market Price (CMP) | Fair Value (FV) |
|---|---|
| **Rs.1469** | **Rs.1650** |

## Rationale:

- We hosted Sudhanshu Vats, CEO of Pidilite, and Sandeep Batra, CFO.
- PIDI is confident of sustaining ~10% Underlying volume growth (UVG).
- Growth would be supported by strong Double digit (DD) growth momentum in tile adhesives and the B2B segment.
- Company will also maintaining 23-24% EBITDA margins.
- Initiatives underway to unlock new growth engines—consumer portfolio expansion.
- We expect earnings to grow by 12.8% in FY27E & grow by 12.1% in FY28E.
- Incremental investments aimed at accelerating growth well justify the premium valuation.
- Reiterate ADD with a Fair Value of Rs1,650 (57X December 2027E PE).
- Stock is trading at 49.4 x FY28E earnings.

### Positives:

- Confident of sustaining growth trajectory and profitability.
- Strategic initiatives to accelerate revenue growth.
- PIDI intends to grow its core category at 1-2X GDP.
- PIDI launched Pidilite Professional Solutions (PPS) division to capture the projects business.

### Negatives:

- PIDI intends to prioritize growth over margin maximization.



Holding Period: 12 months

## RATING SCALE (PRIVATE CLIENT GROUP)

### Definitions of ratings

| | | |
|---|---|---|
| **BUY** | – | We expect the stock to deliver more than 15% returns over the next 12 months |
| **ADD** | – | We expect the stock to deliver 5% - 15% returns over the next 12 months |
| **REDUCE** | – | We expect the stock to deliver -5% - +5% returns over the next 12 months |
| **SELL** | – | We expect the stock to deliver < -5% returns over the next 12 months |
| **NR** | – | **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only. |
| **SUBSCRIBE** | – | We advise investor to subscribe to the IPO. |
| **RS** | – | **Rating Suspended.** Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon. |
| **NA** | – | **Not Available or Not Applicable.** The information is not available for display or is not applicable |
| **NM** | – | **Not Meaningful.** The information is not meaningful and is therefore excluded. |
| **NOTE** | – | Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark. |

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