

# Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

## Pidilite Industries (PIDI)

Current Market Price	Fair Value (FV)
Rs.2473	Rs.2750

**Date:** 9<sup>th</sup> November 2023

**Previous Rating:** **REDUCE**

**Current Rating:** **ADD**

**Change:** **Upgrade**

### Ratings Rationale

- PIDI reported 36% yoy growth in EBITDA (Operating profit) in Q2.
- Underlying volume growth was 8.4% in domestic consumer & bazar (C&B).
- Standalone Underlying volume growth (UVG) stood at 8.2% yoy.
- Consol. Gross Margin at 51.3% (KIE: 49.1%) expanded 1,030/230 bps yoy/qq.
- Domestic subsidiaries continued to deliver robust sales growth.
- Setting up lending business to deepen relationship with contractor community

### Valuation

Upgrade to ADD; valuing PIDI at 55X Dec-25E PE

**Read Full Report**

**Note:** The performance horizon is 12 months unless specified.

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