Dated: 17th June 2026

Pidilite Industries (PIDI) - ADD

Company Update

Current Market Price (CMP)	Fair Value (FV)
Rs. 1571	**Rs. 1650**

Rationale:

- We hosted Sudhanshu Vats, CEO of Pidilite, and Sandeep Batra, CFO, on a US NDR.
- PIDI is well placed to navigate the inflationary environment and deliver 15%+ revenue growth.
- Growth likely driven by Double digit (DD) underlying volume growth (UVG) in FY2027E
- Company aspiring to deliver EBITDA growth in line with UVG.
- Both core and growth businesses are tracking well, and initiatives are underway to unlock new growth engines.
- Initiatives include PPS scale-up, consumer portfolio expansion and consumer electronics adhesives.
- This could help sustain and potentially improve UVG over the medium term.
- The competitive landscape remains stable with no disruption risk.
- Reiterate ADD with FV of Rs1,650 (51X June 2028E P/E).
- We expect earnings to grow 8.6% in FY27E and 15.7% in FY28E.

Positives:

- PIDI remains well positioned to navigate the inflationary environment.
- The acceleration in growth to 11.1% volume growth (UVG) in FY26 (versus 9.3% in FY25).
- Multiple growth levers support medium-term outlook.

Negatives:

- EBITDA growth would lag revenue growth due to RM cost pressures.

Holding Period: 12 months

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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.
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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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