12th August, 2026

The Secretary
BSE Ltd.
Corporate Relationship Dept.,
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Dalal Street, Fort
Mumbai - 400 001
Stock Code – 500331

The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051
Stock Code - PIDILITIND

Dear Sir,

Sub: Transcript of the Earnings Call

Dear Sir,

We enclose herewith, a transcript of the Earnings Call held with Analyst/Investors on 5th August, 2026.

A recording of the transcript is available on the website of the Company viz. www.pidilite.com.

Kindly take the same on your records.

Thanking You,

Yours faithfully,
For Pidilite Industries Limited

MANISHA RAKESH SHETTY
Digitally signed by MANISHA RAKESH SHETTY
Date: 2026.08.12 18:00:08 +05'30'

Manisha Shetty
Company Secretary

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“Pidilite Industries Limited

Q1 FY27 Earnings Conference Call”

August 05, 2026

MANAGEMENT:	**MR. SUDHANSHU VATS – MANAGING DIRECTOR – PIDILITE INDUSTRIES LIMITED** **MR. KAVINDER SINGH – JOINT MANAGING DIRECTOR – PIDILITE INDUSTRIES LIMITED** **MR. SANDEEP BATRA – EXECUTIVE DIRECTOR, FINANCE AND CHIEF FINANCIAL OFFICER – PIDILITE INDUSTRIES LIMITED** **MR. BHAVESH JOSHI – SENIOR VICE PRESIDENT, DOMESTIC ACCOUNTS AND TAXATION – PIDILITE INDUSTRIES LIMITED**
MODERATOR:	**MR. PRANAV MEHTA – EQUIRUS SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to Pidilite Industries Limited Q1 FY27 Earnings Conference Call hosted by Equirus Securities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing * then 0 on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Pranav Mehta from Equirus Securities. Thank you, and over to you, sir.

Pranav Mehta: Yes. Thank you, Palak. Good afternoon, everyone. Thank you for joining this call. From the management side, we have Mr. Sudhanshu Vats, Managing Director; Mr. Kavinder Singh, Joint Managing Director; Mr. Sandeep Batra, Executive Director, Finance and CFO; and Mr. Bhavesh Joshi, Senior VP, Domestic Accounts and Taxation.

I'll now hand over the call to Sandeep sir for his opening remarks. Over to you, sir.

Sandeep Batra: Thank you, Pranav, and good afternoon, and a warm welcome to everybody on the call. I'll just keep my opening comments brief. And the Board at its meeting yesterday approved the results for the first quarter of the current fiscal. And of course, after that, we had our AGM at which the proposed dividend of INR11.50 was approved by the shareholders.

Coming to the performance for the quarter. Standalone revenues grew by 22.2% with an underlying volume growth of 11.3%. In absolute terms, the revenue was INR4,237 crores. As we had mentioned in the full year earnings call, we had taken price increases and which were taken across all categories to offset the increase in input costs. If you look at the underlying volume growth for the quarter, Consumer and Bazaar businesses, underlying volume growth was 12.2% and B2B was 7.3%.

The reason why the B2B underlying volume growth was lower was largely because of lower exports. B2B exports UVG for the quarter was -8.4%. And overall exports for the company also degrew in the first quarter, largely because of geopolitical issues in some of our key markets.

Gross margins at 52.5% were lower than last year same period by 90 basis points. VAM consumption in the quarter was at $1,370 as compared to last year $924 and the fourth quarter was in the $800 range. However, total costs below gross margin increased slower than the revenue growth. The total cost increase was 14.5%. A large chunk of that was advertising and sales promotion and this operating leverage flowed into the EBITDA.

EBITDA margins at 26.4% improved by 80 basis points quarter-on-quarter and profit after tax grew by 27.7%. This was a standalone performance. If I look at the performance of the subsidiaries, both the domestic as well as the overseas subsidiaries reported double-digit revenue growth. Domestic subsidiaries grew by 11.5% and international subsidiaries grew by 12% Again, the growth there was led by Consumer and Bazaar businesses in the domestic subsidiaries, which grew by 17%. And the B2B part of the domestic subsidiaries had a modest growth of 3.5%.

International subsidiaries, again, growth was reasonably broad-based with Bangladesh, Egypt and Kenya subsidiaries recording much better than their past growth records. Consolidated revenues at INR4,541 crores were up by 21.3%. EBITDA margin improved by 120 basis points over same period last year, and profit after tax grew by 30.3%.

So that's all from an opening remarks point of view. Happy to open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Abneesh Roy from Nuvama.

Abneesh Roy: Congrats on great numbers. First question is on the exports. When the geopolitical issues get resolved, do you expect bumped up demand or pent-up demand or some part of this demand was met by other suppliers? If you could clarify on that.

Sudhanshu Vats: Yes. So I think, Abneesh, thank you, first of all, and always good to hear from you. Thank you for the results. We've delivered a strong set of results. So thank you very much. I think on exports, so as the situation normalizes, a lot of our export business will come back. It will come back. Now because most of our contracts are there.

Now it is also possible that in this interim period, some of the people may have made some alternate arrangements, and I do not want to get into specifics of it. But suffice to say, to answer your question that as the geopolitical situation stabilizes, our exports will come back.

Abneesh Roy: Sure. The largest paint company has put up the VAM/VAE facility, and you do compete with that company in many segments. From a relative positioning perspective in terms of cost and say, pricing and product pricing, does this change anything meaningfully for you?

Sudhanshu Vats: So Abneesh, our understanding is that I think it's best, of course, answered by the company that has put up the capacity. First of all, fundamentally, there are 2 business models, and both business models are good business models. So, you could have something captive and perhaps operate in the entire value chain or you could have your brand and your product and you focus on your brand and product quality and servicing the customer. And from the procurement point of view, you operate through basically what is in the market and you basically ride the crests and troughs of the raw material. So, I think the point is we are in the latter camp, I think as you are aware, I don't think it should change anything materially.

And in our assessment multiple times over, when we have done it ourselves, and also when we have looked at and talked to a few of the experts in this space who know this very well and some of the large companies across the globe, I think the competitive advantage case for India from availability of base raw material, from the point of view of the scale needed to get that kind of cost leverage and advantage does not seem to come through in all our conversations. I just wanted to share that.

Having said that, I think they have chosen to do this. My understanding is also it may or may not be directly for adhesive. It may be for other things as well. So, I think therefore, they have multiple businesses.

So I think the point I'm making is that that's an independent decision. It's a different business model. As far as our business model is concerned, our way of doing things is concerned, and we have sort of revisited this. We have had detailed conversation with some of our large partners and vendor suppliers. And we are confident of running this as well as we've done in the past and should not have any impact.

Abneesh Roy: Sure. My next question is on the 2 innovations you have put in the presentation. So what will be the expectation from this most technologically advanced adhesive? Is this too niche, it is anti-bending property for what use case it is? And similarly, for the professional M-Seal washable, are these very disruptive products? Or are these just some good niche product? Or are this big potential long term from a revenue perspective?

Sudhanshu Vats: No, Abneesh, that's a very good question, and I'm glad you asked it upfront. I think both these innovations, which we put up this time around are fundamental innovations. They are technologically advanced products in that space. And within our business, they are not fringe innovations. They are core innovations.

Let me just give you a quick view and maybe take one example, but it's true for both. But let me take the example of Fevicol X-PER. So you see when you do woodworking in your house, particularly when you do almirah doors, cupboard doors, depending on the laminate you have used on one side and the laminate you have used on the inner side or sometimes no laminate on the inner side because that's the practice in India.

The laminate used on the front side is of a different quality and the laminate used on the reverse of the door as you open the door, either there is no laminate or it's of a different quality. Based on this, what one common complaint we used to hear was what is called bending of the door.

I just want to take a minute to explain that how much core or central it is. I think this technology, one of the biggest advantages of the technology is also anti-bending. So therefore, once you are able to use this product, you are assured of the door not bending, doors closing properly, so that is a common problem faced. And therefore, you are addressing a relatively prevalent problem with the product.

And I think the other one is very similar. It's basically multiple things it scores on as we call this the M-Seal Advanced. It's lower on VOC, it's very low on smell, easy to wash off. You can use it on different types of plastic pipes and all that. So both are very fundamental innovations. I would call them core innovations and with strong potential.

Abneesh Roy: Sure. Last question. So essentially, VAM went up sharply, has come down also very sharply. So, could you tell us current price and the crude has also fallen. So is your double-digit price hikes which you have taken at the company level, is that now too much?

So are you giving now more trade discounts and basically trade margins? And how are the local players or the other players responding because it's a competitive market. And definitely, your double-digit price hike is unprecedented and then we have seen the RM fall also very sharply.

Sudhanshu Vats: So maybe I'll ask Sandeep to also tell you exact number, but I can give you order of magnitude. But I'll tell you, Abneesh, basically, this is fluctuating quite a lot. So therefore, to tell something at this point in time, I think it did go up very sharply. You're absolutely right from about $800, $900 to maybe all the way close to $2,000 and then fell down quite a lot, but then maybe going up a little.

So it's far more dynamic than maybe we've seen in the past, maybe we have seen it once or twice. But even there, the fluctuation is, I think, quite unique. And as you know, is a little bit decoupled from directly crude as well. So I think there are multiple other factors which are sort of driving some of these things. And to your point, what we do is we take the feedback of the market. Fortunately, as a company, we are very close to our customer. And therefore, we understand what is happening, what are their pain points and so on and so forth. So you are right in your conceptual thinking that depending on the movement of this, we could end up giving some rebate.

So it's possible that in a period, I'm saying we would be giving a rebate, and that's absolutely correct. And it's possible that in a period, we would sort of withdraw that and so on and so forth. And if you remember correctly, you are right, while the quantum is right; this time we were more proactive more than the quantum, we are proactive. And I think that really helped, and you can see that in the numbers as well.

But my point is that and we spoke about it in the last call in our full year and Q4 FY26 call, we covered for the increase in raw material price. We did not cover fully for the margin. So, in a manner speaking, we had taken some of the hit and we basically passed on a lot of that hit, but we have absorbed a little bit of it as well. So, the point is that between the 2 we are broadly okay. We will play with a little bit of rebate.

As far as competition is concerned, we keep a close eye on competition anywhere in the country, and we will continue to do that. And in this particular example, , Abneesh, and in this category, competition tends to follow us almost to a T. So, I saw when we have taken up the prices, almost everyone has taken up the prices. When we are taking a rebate, almost everyone is taking a rebate. Sometimes you could actually see, if you mask the letter, the letterhead of the letter, you will see they are almost identical.

So to that extent, I think anecdotally to tell you, having said all of this, we keep a very, very close watch. And more importantly, at Pidilite, we have always believed in a win-win philosophy where we will make sure that the value to our customers is right and we are doing what is right in their interest as much as it is in. So I think as long as we follow that philosophy, I think we are in a good space in my judgment.

Abneesh Roy: One follow-up here, and I'll end there. You want to change the lower end of the guidance because in most quarters, either you are at the top end or you are even beating the top end. Structurally, is there any change to the margin profile? And so the 20% lower end of the margin may not have any relevance now because 4, 5 quarters have happened?

Sandeep Batra: Abneesh, while if you look at our last few quarters' performance, what you say is valid. But if you look at a slightly longer period, particularly the time when we saw a very steep increase in input costs, our margins had indeed fallen into the high teens. And of course, they recovered and the world that we are living in with all these risks and uncertainties, we would still prefer to keep a corridor, which gives us enough operating flexibility. So no need to change it at this stage.

Moderator: The next question is from the line of Jay Doshi from Kotak Securities.

Jay Doshi: Congratulations on good set of results. I've got. two questions. The first one is standalone Consumer Bazaar UVG was around 15% last quarter. I think this calendar year started off on a very strong note. And last earnings call until then, you were fairly confident that the momentum; at that point of time, you had indicated that the momentum had continued into April and May as well.

So slight moderation to about 11-odd percent or 12% from 15%. I'm just referring to C&B right now. Did you see any moderation in June, anything to call out here? And second is, should this be considered as a more of a normal UVG band for rest of the year? Or are you expecting some acceleration going ahead?

Sudhanshu Vats: So thank you, first of all, Jay, and thank you for the compliments as well to all of Pidilite the team, I think, from your side. I think the way I interpret the data, let me also share the data with you, and I think we talk about this. So I think if you look at our C&B business, and I am trying to give you now 3-year CAGR, 2-year CAGR last year and this quarter.

So if you look at from my point of view, our 3-year CAGR is, let's say, 9-something. Our 2-year CAGR is about 10-point something higher, then our last year full year actually in C&B again, is around 11-something. And against that, we are now in quarter 1 at 12.5%. So therefore, just the quarter 4 I think is one data point. And if you remember, even in our last call, we had said that treat our last year's UVG as 11.1% or what that number, if I remember right, 11.1% for the year.

And I think that's a step up on our previous year, which was 9-point something. So therefore, it is a step up. We recognize that. We would like to continue that step up. So I think in that context, we see this as a normal trend.

There's nothing no month or any such thing. And I think we should be looking at similar this thing, especially in this year Jay because you should see that this UVG, underlying volume growth is coming on the price which is there. So I think to be able to deliver this UVG with this price, broadly this price there and as we see as the year progresses, nobody can say anything at the moment here.

But the point I'm making is that in this context, assuming this is the context and there's some price which is there throughout the year, I think this is a good number. This is a quantitative aspect of it. I think from the point of view of market and all of us keep traveling all the time, we are all in the market, and even more so now. I can tell you very, very categorically that the demand is holding quite well. So I think we are not seeing any kind of concern on demand at the moment at all.

I think demand is holding well. And in our judgment, the trend is positive and in the right direction.

Jay Doshi: One more question. One of the South India-based regional cement companies is planning to foray into tile adhesives with very ambitious targets. So what are your thoughts? Are you seeing any sort of change in the competitive intensity on the ground? And any thoughts here?

Sudhanshu Vats: Yes. So let me quickly give you one headline thought, but I'll pass it on to Kavinder to talk about this in quite some detail for you. I think, first of all, I think as this business segment is growing, there will be competition. And I think competition could come from cement manufacturers. They could sometimes come from tile manufacturers themselves thinking we do tile, we should also do tile adhesives.

And of course, there has been existing competition from some of the larger players. So I think competitive intensity could vary and could change. But I think we are quite well equipped with our brand. But I think that's the headline thought that we just shared and just ask Kavinder to give you a little bit more context and color.

Kavinder Singh: Thank you, Sudhanshu. I'll just sort of build a little more from where Sudhanshu left. See, this category is facing intense competition. And the South Indian manufacturer that you talked about, we are aware of that. So on the ground, if I were to say, we are maintaining our momentum.

In fact, we are accelerating, number one. Number two, we are also very mindful of the emerging competition. Our biggest strength today, which is sort of known also, and I would reiterate, is our wide plant network, which we are expanding.

Number two, consistent quality. We are investing in our plants in a manner that the quality consistency improves. These products are susceptible to product inconsistency. And therefore, if you have not got the right technology, the right level of, let's say, automation, you could get into the consistency problem.

Third, extreme focus on cost management, both on the input side as well as, let's say, we use a concept called Total Delivered Cost. So when I look at these metrics of cost, quality and timely availability through the plant network that we have built, we are building our own moat.

And of course, Roff as a brand has seen significant investments on the ATL as well. Our team on the ground is constantly working both on the distribution side, which is the sales part, and the business development team is continuously working with the contractors who are in this business. So, our moat is always to work very closely on the ground with the tile dealers who comprise majority of the sales now of this particular category.

Of course, there are other dealers and also the contractors. So we will continue to focus on our playbook while being mindful of the new competition that is emerging. And our team is quite motivated to deal with this challenge of seeing increased competition. And our focus remains on our playbook and continuously adjusting depending on what we see in the market.

By the way, since we are on the call, I will also highlight that one of the products that we have launched about 2 quarters ago, and we have mentioned this already called Nio Pro is seeing increased momentum, and we are now going beyond 1 plant to 4 plants to ensure that this is available in wider geographies.

This is a product that we have launched through our joint venture with our Spanish partners. And this is something that we can also share the good news that the premium end of the market, we effectively occupy extremely well. And that's another area that we are focused on in terms of premiumizing our range as well. So I hope, to some extent, this answers your question.

Moderator: The next question is from the line of Arnab Mitra from Goldman Sachs.

Arnab Mitra: Congrats on a great quarter. My first question was on demand. So we have seen price increases from Pidilite as well as all other building material companies. Have you seen at all the price hikes have fully happened by June, any impact of price elasticity on demand on any of your categories? And a related question is in this quarter, there was some news flow around shortage of construction material like tiles and things like that. Did it have any impact on the growth during this quarter?

Sudhanshu Vats: Arnab, thank you for your compliments. I think Pidilite and the team fully deserve it. I think I'll pass on to everyone. Let me take the second question first. I think tiles per se, as a sector has reasonably high market inventory, if I could call it, particularly premium tiles where most tile adhesive gets used.

So therefore, the impact on the industry, which we saw at the beginning of the last quarter from the point of view of availability of gas and others did not immediately impact the market, definitely not the higher-end market. There could be a sporadic cases here and there, but not meaningfully in any which way. So that's the first part. I think on the second part of your question, just remind me the question again Arnab.

Arnab Mitra: General price elasticity of demand.

Sudhanshu Vats: So I tell you two, three things, and we discussed this internally quite a lot. I think first is what to give you a little bit of context to everyone here. I think, see, unlike fast-moving consumer goods, where there is a direct comparison of a product price from month to month because by definition, they are used at that kind of frequency. The impact by the consumer is felt immediately.

In our kind of category, largely Bazaar, particularly, people plan their project and they have an outlay for the project and then they work within that outlay. So, let's say, you plan your project and then you have a budget for your project. So, I think while the prices have gone up, we've seen that if the project is already on, then people normally don't stop it. So that continues. And if you start anew, then you can sort of sometimes think through it or recalibrate it.

So, to answer your question, we have not seen any impact on demand at the moment. And also, most of the pricing, I think, has gone into the market by June. I think that was the question you had. So, most of the pricing have gone in, in June. We've not seen any substantial impact. And therefore, our hypothesis is that people plan a project outlay in a very different way.

They interact with our product from a pricing point of view at a frequency of once in 2 years, once in 3 years, sometimes once in 5 years, depending on what you are doing, kind of project you are doing and all that. So, if you were to look at weighted average increase on some of our categories and brands, I think that's not substantial because price has gone up, then it came down a little bit. So, therefore, from that point of view, I don't think we've seen anything on that count. And that is good news for us and maybe on similar industries in my judgment.

Arnab Mitra: Got it. That's very helpful. My second and last question is actually on margins. So given the very strong margin performance this quarter, I just wanted to understand if you had some benefit of low-cost inventory in this quarter of consumption averages. And therefore, should we expect gross margins to move down from here as the full impact of the inflation hits?

Or would you say that given where broadly spot prices are, you had very similar costs in the last quarter as well? So just wanted to understand, were there any like one-off benefits, which kind of goes away and therefore, margins trend back to that historical range?

Sudhanshu Vats: So therefore, in this quarter, I think your observation is correct. I see 3 things happened in the quarter. Basically, this time around at Pidilite, we were very proactive in taking our pricing, pricing based on replacement margins, which depends on what the price of that commodity or raw material was at that point in time, we were pricing it based on that. So that's replacement margin. So therefore, pricing was proactive. So, pricing went in into most of the quarter, at least part of the quarter as the pricing was planned in phased manner.

Then basically, there was in certain categories. Now it varies from raw material to raw material, product to product and all that, but there was some amount of carry over inventory as well. So that's a correct observation. And I think that got consumed in the last quarter. That's absolutely correct.

And lastly, because of prices going up last quarter almost and maybe in 2 or 3 stages, not only us but across the board, as you had only asked in your previous question, there was also some moderation in scheme. So I think combination of all 3 gave us the advantage here. And I think some of it will correct in the second quarter. But my view is that you should, first of all, look at first half, when you look at Pidilite in the first half. But what gives us confidence at the end of quarter 1 is that with the proactive pricing that we have taken and with the way we are managing our business and with demand holding on, I think all 3 conditions, we will see a year where we manage our margins quite well is all I can tell you.

And I think, of course, our range is known to you, which is 20% to 24%. And therefore, from this high, which you have seen in this quarter, could it moderate a little bit? It could moderate a little bit, and it will perhaps moderate a little bit, but it will moderate a little bit. I think that's the point. But we stay to the range which we talked about and therefore, that's something I can tell you.

Sandeep Batra: Arnab, if I may add, I think the right way to look at our margin is not on a quarter-to-quarter basis. because the quarter will have many variables. Some will play out favorably, some may not play out favorably. But the fact that I think Sudhanshu mentioned is that 100 is obviously the benefit that we got in the first quarter of consuming lower-priced inventory.

That benefit will unravel in the second quarter because we have bought inventory or materials at higher prices than what prevailed today. So some of it will come as the inventory gets consumed in the second quarter. But if you look at a normalized H1, I would not say there is any major concern on that.

Moderator: The next question is from the line of Rahul Maheshwari from Ambit Investment Advisors Private Limited.

Rahul Maheshwari: First of all, congratulations on excellent execution on a consistent basis. My two questions. First, among the core growth and pioneer categories, can you give directionally how these 3 categories have grown? And also, within the categories, any few categories which are moving up the curve will be very helpful. This is the first.

And second, also on the distribution, how the distribution expansion is taking place and what is the trajectory?

Sudhanshu Vats: Rahul, thanks for the confidence and good question. I think as far as our core businesses are concerned, we are basically seeing steady growth on core. And we sort of talk about 1x to 2x GDP. So I think we are seeing that in our core businesses. I think what we are beginning to notice, and I'm saying we talked about it in last quarter as well and this quarter again, and Kavinder alluded to it in context of Roff.

I think for our growth businesses, particularly Dr. Fixit, Roff, even our projects business, if you look at Pidilite Projects Group and others. Some of our other growth businesses, we are seeing accelerated momentum. I'm saying so that's good news. We are in the range of 2x to 4x, but we are seeing accelerated momentum in the underlying volume growth in some of our categories.

And I think we have spoken about it many times, Rahul, but in the interest of once again explaining to people that when we talk underlying volume growth, we are not talking of total volume growth.

Our total volume growth tend to be much higher than the underlying volume growth. Most of the companies talk of volume growth, simple total volume growth. So I think, therefore, our momentum is strong, and I think that continues. So, as far as core growth ratios are concerned, we have talked about it, we are in that relatively sweet spot of about nearly 50-50, but I think that's the way it will sort of maintain as we go forward. And I think that's the piece which is good for us. I hope I've answered your question. Was there a follow-up question as well? I think I've covered both.

Rahul Maheshwari: Yes. The follow-up question was that last time when we met, you told UnoFin, the render is one of the most disruptive categories and the product by your end. Can you give some brief about UnoFin, how it's doing? And are we up to the mark of INR100 crores?

Sudhanshu Vats: Yes. So it's progressing well. Let me again ask Kavinder to talk to you a little bit about UnoFin and add more color to it.

Kavinder Singh: So UnoFin, again, is a product which comes out of our joint venture with a Spanish company. So the good news that I want to share with you is that we are beginning to see green shoots on the UnoFin side of the business. We have been working almost for a year plus, actually even more to get, let's say, specified as well as accepted amongst the architects who are looking for newer finishes for their projects. We are seeing acceptance in commercial projects, high-end residential projects.

So we are beginning to have some big names. Of course, I can't take the names or the architects who are now beginning to recommend UnoFin and because there is a possibility, this product has this unique advantage of giving us approximately 15 years of waterproofing as well as no repainting cycle needed plus sprayable technology. There are these nuances which are now beginning to get accepted in the market.

Still, I would say, early days, but there is momentum that we are seeing. And we have also reorganized our sales and go-to-market strategy, going through the architects through our Pidilite Professional Solutions group. And we have a projects group, which is going out and selling it to the various segments. So there is a lot of work that we have done at the back end, including training and also reformulated the product also for cost efficiency. So, we believe that we are now on the right track, and we will see some more momentum.

Yes, coming back to your question on whether it's INR100 crores in 3 years or not, I would not comment on the number. We are right now focused on building the base. And yes, sometime around next year, maybe we can see whether the green shoots that we are seeing are actually prospering and moving forward, and then we can look at numbers. Internally, we believe that this product and the proposition has reasonably good potential and a good proposition. So we continue to be at it.

Like in typical Pidilite style, we do not give up easily. We keep working closely with the relevant stakeholders, and that's exactly the playbook we are again deploying in the case of UnoFin. Thank you.

Rahul Maheshwari: That's very helpful.

Moderator: The next question is from the line of Latika Chopra from JP Morgan.

Latika Chopra: Always good to see robust performance from you. My first question was just trying to understand better the cumulative price increases that you have taken for Consumer and Bazaar segment. It seems in the quarter, you had a weighted price increase of close to 10%. Is this number going to sustain in Q2? Or are you going to see a lagged impact of some pricing interventions that you took through the quarter and hence, the pricing component increases as we move into Q2, Q3?

Sudhanshu Vats: Latika, first of all, always great to hear from you. Thank you. On pricing, there are 2, 3 things. I think one is that we've taken prices in Consumer and Bazaar and they vary by category and they vary by brand and the range is pretty wide. It could go from, let's say, 2% to about 12%, to be fair. And some of it has a component of the time-weighted component. So therefore, it all didn't go on April 1, to just put it in perspective.

So to that extent, you are right that some of that additional impact should come in quarter 2 and therefore, in quarter 3 as well. But as you would remember, I think if you've been on the call, there was another gentleman who asked this question with the fluctuating raw material, there could be some rebates passed on, particularly in our Bazaar business to play the more win-win and a more fair play. So it's quite dynamic, Latika.

So, my sense is it's not so straightforward that you put those prices in and everything else is constant, and therefore, this quarter, you should get the full time weighted advantage of it. So yes, we will, a time-weighted advantage we will get. But with the movement in VAM, if you remember one of the questions which was asked, we are and we would be passing a little bit of rebate in that area. It is also possible with movement in some other raw materials because it's been really volatile, as you know, Latika, I'm saying crude at 100, back to crude at 80. From crude, I can at least tell you and it's fluctuating week on week.

So it's so volatile. And therefore, in what plant you picked up, what is happening. Overall, also commodity is quite volatile. It's this kind of volatility, I think, is very unprecedented in my opinion. I'm saying and partly caused by ourselves, all of us, during the geopolitical situation.

So I think my view to answer your question, yes, there could be theoretically a time-weighted advantage of this, but it may get nullified with some of the rebates and other business.

Latika Chopra: Understood. And the second question was you have already touched upon some of the core businesses and how they are doing, but just wanted to get from you, any updated thoughts on progress on your forays into electronic adhesives and sales? Anything incremental that you would want to share?

Sudhanshu Vats: Yes, yes. So on electronics business and overall, I'm saying. Therefore, as we look at electronics and as we look at additional sectors of electronics, we are beginning to make more progress. I can share with you. I think our emphasis initially was more consumer electronics. We are also looking to emphasis more on auto andEV..

So therefore, the full gamut of electronics, as we understand, I think we are beginning to do a lot of work in that space. We are beginning to see some initial round of 1 or 2 places, even some commercial pieces coming up, but there is always a lag in specifications, making good progress on that.

I can tell you very clearly. On paint, as I've always maintained that in some places we are seeing something, but we are still not confident of our full playbook, particularly the urban playbook, which we are refining as we go forward. And then you will see in future as we go forward, a little bit more acceleration. So it's a little bit more calibrated at this moment, if I can say without a doubt.

Moderator: The next question is from the line of Tejash Shah from Avendus Spark Institutional Equities.

Tejash: Sir, first of all, congrats on a super set of numbers. Just wanted to know that in a quarter which was so volatile on pricing, should we see this as a validation of consumer behavior also kind of being so robust? Or it could be mix of that there can be some prebuying from channels and hence, it can't be seen or should not be seen as that at consumer offtake level also, it will be this robust. Just wanted your view on this?

Sudhanshu Vats: First of all, good to hear from you. I think we talked about this in the context of Consumer and Bazaar UVG, I would say that the behavior is very robust. I think in the quarter that has gone by because it is a quarter of calibrated but multiple price increases, could there have been a little bit more upstocking? Perhaps yes.

But if I look at aggregate numbers, I would say the demand is steady, and we talked about it earlier as well. I would say we are seeing the right progression in particularly in our Consumer and Bazaar business on underlying volume growth. And I would say that all things being equal, that should continue as we go forward.

Tejash: Perfect. And sir, we had seen such cycles in past in 2009, 2011 when there was a sharp inflation followed by deflation. And if my memory serves me right, we use the cycle to seed many new growth engines. So, at this point, when we are at the upper end of our margin guidance also, let's say, if we had to face deflation again, how would you prioritize to use the extra margin? Will it be to kind of protect the core and go more intense there? Or will you kind of expand the pioneer portfolio by adding more engines of growth for future?

Sudhanshu Vats: So I think, Tejash, that's a very good question. I think we find balance. But as you know, Pidilite philosophy, and we take that as well that we are pioneering. So we continue to look at newer opportunities. And Kavinder spoke about a couple of them in some detail in this call also. But in general, and I think you know that we are looking at some of the other electronics and industrial pieces. So there is work which we are doing on multiple fronts, Tejash.

And none of this can be specifically spoken about in the call. But I can tell you that as a company, our philosophy is to continue to do pioneering work, to find the right usage of the margins and capital or money that we generate. And I think we are at it. I think Sandeep and all of us as a team. You will hear more of it when it is something we can talk about, and we will definitely talk about that.

Moderator: The next question is from the line of Bharat Sheth from Quest Investment Advisors Private Limited.

Bharat Sheth: Congrats on good set of numbers in challenging times. Sir, my question is related to tile fixing, we introduced chemical a few years back and now it has become a kind of a core category. So the underlying, I mean, business dynamics are also changing. People are adopting newer practices in India as well as we are also introducing electronic chemical.

So if I have to understand, and Kavinder also stated within tiles fixing, we are premiumizing. So premiumization over a period can become a kind of general acceptance. So how do we understand the way we are doing business and continuously introducing new categories?

Sudhanshu Vats: So first of all, thank you for the compliments. Already you were saying, now you are seeing the numbers in the zone which we have spoken about. I think the point is that these are things we do continuously. And we first walk the walk and then talk that walk at an appropriate time. And I think that's the way it should be in our judgment as well. So I think there are multiple things which we will keep doing. Some of them will grow faster, some of them will grow into bigger.

But one thing I do want to tell you is that even in what you are saying that Roff has been around for some time, there is a lot of growth opportunity in Roff. And as you know, we pointed out as well earlier in the call, the momentum is continuing, if at all picking up a little bit more.

So even in our growth categories, which are now around for some time, and that's what you meant in your question it felt like, there is a lot of growth opportunity which is there. So we will continue to look at newer things, but the momentum in our growth categories is strong, and we feel that there is a lot to be done in that space as well.

Bharat Sheth: So, I mean, to understand a little more on this changing consumer pattern, or underlying customer pattern. And there is competition also, how do we see that TAM is growing faster than the competition or how we understand it from a, say, 2, 3 years perspective?

Sudhanshu Vats: Yes. So we measure this. I think so basically, we know how much is the market growing by. We know that very well. We have a sense of what the other players are growing by.

Sometimes they are listed the numbers are available e, but other times, we have a good sense. But we have a very good understanding on our core business. So we know market growth and our growth.

And in some of these categories, our growth is a factor of 1.5x, could even be between 1.5 to 2x, if I could use the word of the market growth and that is clearly market share accretive, very clearly market share accretive. So we are gaining market share in a rapidly growing market. And there is competition coming in at some question which came in earlier as well. We responded to it. But I think we are basically continuing to grow market share in growing category. And because of the way we do business, I think that's the piece.

Kavinder Singh: Bharatbhai, your question specifically on we started tile adhesives, others have come in, etcetera. And even in UnoFin, how do we think about the size because players will come in. See, just to give you a sense, the penetration of tile adhesives in India is still not more than 25%, at best 30%. So, the room for growth exists for all players. We can only confirm that we are growing fastest amongst all the players, which means we are gaining share in a fast-growing category.

So fundamentally, even though there will be other players that will come in, but the size of opportunity is big, and competition is good because it keeps us obviously sharp. And what we are trying to do is continuously, as I mentioned earlier, work very closely with the contractors, the tile channel and build our plant network. I am only responding to the tile piece and build the total delivered cost in a manner that we remain competitive. So it's a combination that will eventually win in the marketplace.

And we remain humble enough to admit that we are also learning every day. And our approach will be not to give up the advantage that we have, in fact, increase that. And the good news is that the penetration is low. So there is room for people to grow, and we should not be worried too much about the new competition coming in. As long as we are able to penetrate and expand the category and almost as a leader in the category, it's our job to expand the category.

Same is true for categories like UnoFin and many other categories where we tend to be pioneers. In some cases, we are trying to grow faster than the others. In some cases, we are pioneering. And we are also moving towards a solution approach, and that's something that I have said earlier, with this Pidilite Professional Solutions in the projects area, particularly, we are not trying to offer products, but actually offer systems.

And that, to my mind, is a very big moat we are building for the future where the architects and structural consultants will, in a way, recommend our systems because the systems together can perform better than an individual product. So, there are multiple levers we are pressing to remain ahead of the curve even in a highly competitive but underpenetrated category.

Bharat Sheth: Simultaneously like in our original category white glue, what we are seeing that competition is already picking up. But simultaneously like several ply manufacturers have started supplying prelaminated ply also. So, do we see that those kind of degrowth can happen in the consumption side?

Sudhanshu Vats: Bharatbhai, we actually see the contrary. See, it's so under-indexed in India even now, I'm saying across the board. So, if you look at 2 of our more recent innovations, so I'm saying whether it is multilock. Multilock basically, what is happening is Bharatbhai, there are multiple types of materials which are coming into home construction now. So, while we use the word ply, it's not only ply. There are multiple types of products that are there. So, our multilock product is doing exceedingly well.

We just, in the beginning of the call, talked about X-PER. Our original products, which have been around are also continuing to do well. So, I think the point is that we have to continuously innovate, do the right thing, find the right solutions for the right products, and we will continue to grow.

And mind you, Bharatbhai, we have a joineries business in our Fevicol division as well, which continues to grow faster than our core Fevicol retail business. And joineries business is where we capture some of these opportunities where you talk about pre-laminated or you talk about prefabricated kind of stuff. So, our joineries business is very robust, and that's doing really well.

Moderator: The next question is from the line of Percy Panthaki from IIFL Capital.

Percy Panthaki: My question is again on margins. See, when the war broke out and at the beginning of Q1, possibly the sort of expectation was that this year might be towards the lower end of the 20% to 24% margin because of the cost inflation. Now this quarter, you have done 26% margin. Would it be fair to say that if crude and related commodities maintain at, let's say, somewhere in the mid-80s then you would actually be at the higher end of the margin this year?

Sudhanshu Vats: Yes, Percy, I think maybe Sandeep can also add, but let me in the interest of time, very quickly respond to you. I think the thing here is first of all, don't look at quarter-to-quarter. I think that's a point he made as well. I think quarter 1 tends to be the biggest quarter. It does give you the leverage and all that stuff.

The way we have managed our pricing and the way we have executed, if some of the things and I'll say, If the crude remains as you said and if the volatility is not going to increase and some situation eases a little bit there, even if it remains dynamic, your assumption is correct that we would manage the business well within the band. And it is quite possible that we could be middle to higher end of the band, easily. It's possible. That's why I'm again repeating it saying big if. But we are going to do the best we can.

We have demonstrated again. So I think that we will continue to deliver to the best of our capability, both in the quality of execution, speed of execution, agility which we need, I think all that will be there in all aspects of our business.

Percy Panthaki: Got it. And on volume growth, I mean, I know you have answered this earlier, but just to get a little more clarity, are we saying that sort of a 9% to 10% volume growth is something that is most likely over, let's say, a 3-year kind of a period, plus or minus on a yearly basis, it might go up or down. But let's say, on a medium-term 3-, 4-year basis, 9%, 10% volume growth UVG is what we are looking at?

Sudhanshu Vats: Yes. yes, underlying volume growth, as we say, which is like-for-like volume and mix. So therefore, it's not simple volume growth. I think we have always maintained that we will deliver double digit. As a matter of fact, our endeavor will be to slowly but surely inch it up a little bit.

Sandeep Batra: Then also Percy you look at it in the context of the overall GDP growth because we always indexed our growth of our categories to a multiple of the real GDP growth. So, on the hypothesis that real GDP in India will grow at the 6%, 6.5% range. If you apply the range that we give for our core growth categories, you will end up at a double-digit underlying volume growth.

Moderator: The next question is from the line of Pratik from HSBC.

Pratik Gothi: I just have one question. Similar to tile adhesives, can you also throw some light on the waterproofing chemicals space, the rising competitive intensity there and your improving performance in FY26, any color on demand in FY27 so far and just the runway for growth like you talked about for tile adhesives, please?

Sudhanshu Vats: Yes, I'll ask Kavinder to comment more on it, but this is another category which is growing and it's also picking up the pace.

Kavinder Singh: So yes, we ended up discussing a lot about tile adhesives. So let's move on to a little bit on waterproofing as you requested. See, Dr. Fixit as a brand in the retail segment is by far the most powerful brand with regards to waterproofing solutions. In fact, our brand promise is waterproofing expert. And that is something that we are beginning to see, again, momentum in this category. There are multiple solutions in this category.

There are solutions which are around improving the performance of concrete. There are solutions about how to do the waterproofing in a manner where no leakage will happen. And as you know, this is one area where a skilled applicator is critical. So, what we have been doing is, again, our playbook is to create large set of trained applicators. We have training centers. We are investing behind them, ensuring that our pool of trained applicators grows.

On the other hand, we are also making significant inroads on the project side of waterproofing. We are now tapping into multiple segments, whether residential, commercial, hotels, etcetera. As you know, the construction is still doing well in our country. So, we have Pidilite Professional Solutions, which has a construction solution group, which is focused on working with architects and structural consultants to get ourselves specified. Our systems are now getting specified, not just the products.

And this is helping us to build momentum in the projects business, as Sudhanshu also mentioned earlier. Even in retail, the waterproofing piece in retail, as I said, there are product categories which are around improving the concrete performance, which is a different kind of a segment. And there is a coating segment that you may be familiar where people have waterproof coatings. We are also in that segment. So, we are seeing, again, momentum in both the coatings, which go on the walls as well as on the roof side.

So Dr. Fixit by far is a leader in the roofing part of it. On the wall side, we are making significant inroads. And we have actually got a strategy to go after and driving the waterproofing solutions in a manner where we are seen as the technical expert in not only giving the best waterproofing solution, but also an applicator who is trained to deliver it. Because in this business, One is knowing what needs to be done, particularly when it comes to repairs and rehabilitation. In the new construction also, people need to trust you that you will have an applicator who will deliver the solution rather than just the products.

So focus on systems, focus on winning big projects, focus on ensuring the retail distribution, ensuring that the trained waterproofer exists at various levels of, let's say, smaller waterproofer to medium to large waterproofer, well trained. and Dr. Fixit is backing them up with regards to warranties as well as, let's say, technical training because here, what people really expect is that are our people, meaning the applicators who are not exactly ours, but trained by us, can they deliver. So we are seeing, again, momentum. We have moved into high double-digit, basically mid-teens plus category in this area as well which is something that we were not in the last year. So there is momentum that we are seeing based on the new strategy that we have followed with regards to both focusing on retail and projects. There are competitors in this business. It's not that the category does not have competitors. There are multinational competitors, there are local competitors, and they've been around for some time.

So our aim is to go deeper, penetrate also wider. Even now, there is a huge opportunity, particularly we see in the small builders area where enough and good waterproofing is not being done. So, we have an opportunity of, again, creating the category leading it in the sense by educating both the key accounts, basically the client as well as the applicators and then ensuring that we are able to supervise the work that is being done at the sites. We provide that service also site supervision on certain level of projects. So, it's a business which requires creating an ecosystem.

And we are building on that ecosystem, as I described. And that is what truly is going to be the moat in this business as we move forward. Again, there is an opportunity because of the mega trend of construction growing. There is an opportunity of better waterproofing systems as people evolve. So, these are the things that we are trying to do to build on this business.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to management for closing comments.

Sandeep Batra: So, thank you, everybody, for joining the call and wish each of you a good evening. Thank you very much.

Moderator: Thank you, sir. On behalf of Equirus Securities, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines. Thank you.

(This document has been edited to improve readability)