

Godrej Consumer Products | BUY

Revenue momentum to sustain, margin recovery to follow

GCPL's 1QFY26 earnings print was a mixed bag – revenue was inline while EBITDA was below est. due to weaker India GM & lower International EBITDA margins. In India, key positive was mid-teen volume growth for ex-Soaps portfolio, led by high-single-digit UVG in HI & healthy double-digit UVG across all other segments. However, despite Soap price hikes & better mix, India GMs were impacted by price corrections in balance portfolio to drive volume growth. International business sales were led by strong growth in Africa/Latam partially offset by weakness in Indonesia. However, profitability was lower vs. our est. & compared to recent quarters due to moderation in Indonesia & Africa margins. Management expects India volumes to improve with gradual recovery in Soaps along with continued traction in balance portfolio. Africa/Latam should continue with double-digit growth while Indonesia should see gradual recovery from 2H. RM moderation & cost efficiency in media spends should help revert to normative margins in 2H leading to better EBITDA growth. FY26 guidance (high-single-digit consol sales growth with mid-high single-digit India UVG and double-digit consol EBITDA growth) remains unchanged. In our view, portfolio interventions in HPC business (ex-Soaps) are delivering good results; challenges in Soaps & Indonesia are more transient in nature and recovery should be visible over the next couple of quarters. We roll forward, maintain BUY with revised TP of INR 1,380 (48x Sep 27E).

- **Revenue inline; weak margins drive earnings miss:** Consol sales grew 10% yoy to INR 36.4bn while EBITDA declined 4.1% to INR 6.9bn. Adjusted PAT was flattish at INR 4.7bn. India sales grew 8% with a volume growth of 5% - Soaps revenue was flat yoy as volumes remained under pressure while ex-Soaps volumes grew in mid-teens. International sales grew c.15% – Africa/LATAM sales were up 30% (cc: 29%)/18% (cc: 29%) while Indonesia sales (-4% reported/cc) were impacted by macro headwinds & high competitive intensity. Consol. GM was down 394bps yoy to 51.6% due to compression in India margins by 515bps (RM inflation & price cuts in ex-soaps portfolio) & International GMs by 181bps yoy. Staff costs grew by 10.5% (6% above JMFe), other expenses by c.11% (c.5% lower JMFe) while A&P spends declined c.5.1%. Hence, EBITDA margin fell 281bps yoy to 19.1% (vs JMFe 20.4%). India EBITDA declined 6% yoy while International EBITDA grew just c.4% yoy.
- **Segmental performance:** **1) Home-care** sales grew 16% – HI growth was led by Electrics delivering double-digit growth and incense sticks growing c.2.5x. Air Fresheners grew in double digit. Fabric-care continued strong performance with double-digit UVG (despite price hike & intense competition). **2) Personal-care** sales grew +1% – double-digit UVG in Hair Colors & mid-teens growth in Deodorants was offset by volume decline in Soaps and price correction in Hair Colors/Deodorants. **3) Indonesia** sales declined 4% (flat UVG) impacted by macro headwinds and increased competitive intensity. EBITDA margins declined c.230bps yoy. **4) Africa's** sales were led by continued double-digit growth in Hair Care & strong traction seen in newly launched Aer Pocket. EBITDA margins compressed 160bps to 12.8% due to investments behind Aer Pocket launch. **5) Latam/Others** sales grew 18% with high-single-digit EBITDA margins.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	139,741	142,848	155,798	171,646	188,585
Sales Growth (%)	5.9	2.2	9.1	10.2	9.9
EBITDA	30,705	30,031	32,891	37,631	42,136
EBITDA Margin (%)	21.8	20.9	21.0	21.8	22.2
Adjusted Net Profit	19,827	19,127	22,828	27,170	31,102
Diluted EPS (INR)	19.4	18.7	22.3	26.6	30.4
Diluted EPS Growth (%)	11.2	-3.5	19.3	19.0	14.5
ROIC (%)	-69.2	16.4	19.1	21.8	24.4
ROE (%)	15.0	15.5	17.8	19.1	20.1
P/E (x)	62.9	65.3	54.7	45.9	40.1
P/B (x)	9.9	10.4	9.2	8.4	7.8
EV/EBITDA (x)	40.9	41.7	37.6	32.6	28.8
Dividend Yield (%)	0.4	2.0	0.9	1.3	1.7

Source: Company data, JM Financial. Note: Valuations as of 07/Aug/2025



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,380
Upside/(Downside)	13.1%
Previous Price Target	1,350
Change	2.2%

Key Data – GCPL IN

Current Market Price	INR1,220
Market cap (bn)	INR1,248.2/US\$14.2
Free Float	38%
Shares in issue (mn)	1,023.0
Diluted share (mn)	1,023.0
3-mon avg daily val (mn)	INR1,477.4/US\$16.8
52-week range	1,542/980
Sensex/Nifty	80,623/24,596
INR/US\$	87.7

Price Performance

%	1M	6M	12M
Absolute	-3.8	10.2	-18.9
Relative*	-0.1	6.5	-20.6

* To the BSE Sensex

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Concall Highlights

■ Operating performance

- Broader consumption trends: One can say that this quarter's growth has been better and improving sequentially. Overall consumption trends ex-Soaps have been good.
- Standalone business (ex-soaps) reported robust performance led by mid-teens UVG.
- Indonesia business has been affected by macro headwinds and competitive pressures which was largely offset by robust growth in Africa.

■ Home care segment

- Household Insecticides

- Segment posted strong growth led by high-single-digit UVG with electrics growing in double-digits. The company continues to gain market share in electrics on the back of relaunched product with RNF molecule (implying good repeat rate).
- Management stated that HI segment did not see any favorable impact on account of seasonality. The demand was low in April while May/June picked up. On overall basis, the quarter ended at average seasonality index.
- Electricals continues to see unprecedented market share gains. Management highlighted that for the first time in a decade (except 1/2 quarters during covid), **the company has gained share in overall HI category.**
- RNF molecule is a competitive moat for the company as it has exclusivity in this and there is a long lead time for any new molecule to come into the market. Hence, over short-medium term, management is convinced that this is the best molecule in India as on date.
- **HI guidance – company expects to stick to its guidance of high-single-digit UVG.** This growth will vary from high-single to double-digit depending on season. Further, there will be a second wind of growth once incense sticks plateaus; however, management does not want to revise guidance at this juncture, as incense sticks growth has not abated.

- Fabric care

- FAB continues to do extremely well and is gaining share on sequential basis.
- Management emphasized that FAB is not positioned as competitive pricing product. Rather it undertook **5% price hike in FAB** due to increase in RM costs and there was no impact on demand despite high competitive activity in the category. Hence, it is a clear brand play led by favorable mix.

■ Personal care segment

- During the quarter, **soaps volumes remain impacted by volume-price rebalancing** and very poor demand in May, especially in North India (accounts for 70% of Soaps business).
- Management expects the benefit of import duty cut to Soaps' margins will only come in 3Q as it still carries high-cost inventory.
- The company has seen a good part of volume decline in Soaps due to heavy grammage cuts (c.20%) in price point packs (40% of the business) and poor demand in May. **Going ahead, management is hopeful that volumes will improve gradually on the back of low base and gradual uptick in grammages.** From a long-term perspective, management expects Soaps' volume growth to be in low single digit (2-3%).
- Company has undertaken multiple interventions in Perfume/Deodorants and good traction is seen through its innovation in Amazon Woods 4x and Bloq anti-perspirant.

■ Pricing actions

- The company undertook price corrections in some parts of their portfolio - HI (especially in aerosol) and Hair colour (c.5% in large packs) which has aided high growth but also led to some margin impact for India business. These are high margin products which have seen some margin correction and the same will be recovered through aggressive cost-savings programme.
- The company took c.5% price hike in FAB due to inflation in SLES.
- So, the strategy on Soaps business is to revert to normative margins with pricing and ex-Soaps business – to be aggressive in driving growth and offset margin impact with cost savings.
- In Indonesia business, the company undertook price corrections in HI and air fresheners in response to competition.

■ Indonesia business

- This business has been affected by macro headwinds and competitive pressures; however, management expects this impact to be transitory in nature and expects the situation to improve in few months.
- Management highlighted that Indonesia FMCG slowed down in 4Q itself primarily due to poor macros. Amidst this it has seen some price-led competitiveness, specifically in HI and air fresheners. The strategy is clear to defend market share at any cost. Management expects that margin pressures have bottomed out and overall pressure to ease off by 3Q. Therefore, it does not see any structural margin correction.
- The company's pricing was at 7-8% premium vs. competitors and it has taken corrective actions in 1Q.

■ Africa business

- This business continues to deliver robust growth. The company has successfully launched Aer pockets in Africa and has seen good response.
- Reason for margin compression in Africa – as it launched Aer pockets in multiple parts of Africa, the company invested a lot behind media, on ground activations, BTL to drive growth.
- **Management expects double-digit growth to sustain over the next few quarters.**

■ Guidance

- Management expects overall performance to improve on sequential basis with **2HFY26 to be better vs. 1HFY26 (guidance unchanged).**
- The company's EBITDA margins for 1HFY26 are expected to be below its normative range; however, these margins are expected to improve in 2HFY26.
- **The company is on track to deliver high-single-digit UVG for standalone business along with high-single-digit revenue growth and double-digit EBITDA growth for consolidated business.**

Exhibit 1. Segment and region-wise growth and profitability snapshot

INR mn	1QFY26	1QFY25	YoY	1QFY26E	% variance
Revenue					
Home Care	9,454	8,150	16.0%	9,617	-1.7%
Personal Care	12,605	12,480	1.0%	12,859	-2.0%
Exports / Unbranded	1,011	770	31.3%	886	14.2%
Domestic Revenue	23,070	21,400	7.8%	23,361	-1.2%
Indonesia	4,480	4,650	-3.7%	4,511	-0.7%
Africa	7,060	5,430	30.0%	6,733	4.9%
Latam	2,240	1,910	17.3%	2,197	2.0%
International Revenue	13,780	11,990	14.9%	13,440	2.5%
Total Consolidated Revenue	36,619	33,316	9.9%	36,713	-0.3%
EBITDA					
India	5,023	5,343	-6.0%	5,198	-3.4%
Indonesia	941	1083	-13.2%	1037	-9.3%
Africa	904	782	16%.	1145	-21.1%
Latam	184	92	100.3%	121	52.0%
Consolidated EBITDA	6,946	7,244	-4.1%	7,444	-6.7%
Depreciation	594	495		730	
Interest	865	878		910	
Other Income	845	771		785	
PBT before exceptional items	6,332	6,643	-4.7%	6,589	-3.9%
Exceptional Exp & Forex	195	203		0	
PBT	6,137	6,440		6,589	
Tax	1,613	1,933		1,660	
PAT	4,525	4,507		4,929	
Adj PAT	4,710	4,700	0.2%	4,929	-4.4%
Margin %					
India	21.8%	25.0%	-319 bps	22.3%	-48 bps
Indonesia	21.0%	23.3%	-230 bps	23.0%	-200 bps
Africa	12.8%	14.4%	-160 bps	17.0%	-420 bps
Latam	8.2%	4.8%	340 bps	5.5%	270 bps
Consolidated margin %	19.0%	21.7%	-278 bps	20.3%	-131 bps

Source: Company, JM Financial

Exhibit 2. 1QFY26 snapshot: Revenue inline; weak GMs and higher costs drive earnings miss

INR mn	CONSOLIDATED					PARENT		
	1QFY26	1QFY25	YoY growth	1QFY26E	% Var	1QFY26	1QFY25	YoY growth
Net Sales	36,419	33,108	10.0%	36,490	-0.2%	23,070	21,395	7.8%
Other Operating Income	200	208	-3.9%	223	-10.2%	230	234	-1.7%
Total Revenue	36,619	33,316	9.9%	36,713	-0.3%	23,300	21,629	7.7%
Gross Profit	18,805	18,400	2.2%	19,185	-2.0%	11,721	11,973	-2.1%
Gross Profit Margin %	51.6%	55.6%	-394 bps	52.6%	-94 bps	50.8%	56.0%	-515 bps
Staff Cost	3,090	2,796	10.5%	2,919	5.9%	1,247	1,229	1.5%
Advertisement & Publicity	3,138	3,308	-5.1%	2,919	7.5%	2,316	2,575	-10.1%
Other Expenses	5,831	5,260	10.9%	6,125	-4.8%	3,365	3,060	10.0%
EBITDA	6,946	7,244	-4.1%	7,444	-6.7%	5,023	5,343	-6.0%
EBITDA margin %	19.1%	21.9%	-281 bps	20.4%	-133 bps	21.8%	25.0%	-320 bps
Depreciation	594	495	20.0%	730	-18.7%	355	273	30.1%
EBIT	6,352	6,750	-5.9%	6,714	-5.4%	4,668	5,070	-7.9%
Interest Expense	865	878	-1.4%	910	-5.0%	530	425	24.7%
Financial Other Income	845	771	9.6%	785	7.7%	653	638	2.4%
PBT pre-exceptionals / forex impact	6,332	6,643	-4.7%	6,589	-3.9%	4,791	5,282	-9.3%
PBT post exceptionals / forex impact	6,137	6,440	-4.7%	6,589	-6.9%	4,791	5,262	-9.0%
Taxes	1,613	1,933	-16.6%	1,660	-2.9%	1,244	1,584	-21.4%
Reported Net Profit	4,525	4,507	0.4%	4,929	-8.2%	3,547	3,678	-3.6%
Adjusted Net Profit	4,710	4,700	0.2%	4,929	-4.4%	3,547	3,692	-3.9%

Source: Company, JM Financial

Exhibit 3. Quarterly financial performance – consolidated basis

INR mn	Q3FY23	Q4FY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Net Sales	35,677	31,722	34,179	35,684	36,228	33,651	33,108	36,471	37,491	35,778	36,419
YoY	9.0%	9.6%	10.5%	6.1%	1.5%	6.1%	-3.1%	2.2%	3.5%	6.3%	10.0%
Other Operational Income	312	280	311	336	368	205	208	192	193	201	200
Gross Profit	18,408	16,928	18,534	19,771	20,454	18,999	18,608	20,381	20,402	18,890	19,005
Staff cost	2,917	3,008	3,140	3,356	2,761	3,237	2,796	3,106	2,961	2,625	3,090
A&P spends	2,758	2,245	3,204	3,659	3,433	3,063	3,308	3,640	3,644	3,101	3,138
Other expenses	5,467	5,267	5,762	5,714	5,853	5,142	5,260	6,039	6,238	5,573	5,831
EBITDA	7,266	6,409	6,428	7,042	8,407	7,557	7,244	7,596	7,559	7,592	6,946
YoY	3.9%	27.6%	23.4%	29.9%	15.7%	17.9%	12.7%	7.9%	-10.1%	0.5%	-4.1%
Depreciation	573	686	763	609	539	499	495	501	619	726	594
Interest	399	525	740	773	666	785	878	831	897	896	865
Other income	432	579	691	659	701	638	771	860	831	737	845
PBT	6,725	5,777	5,617	6,319	7,903	6,912	6,643	7,124	6,874	6,708	6,332
YoY	4.8%	31.5%	23.1%	31.5%	17.5%	19.6%	18.3%	12.7%	-13.0%	-3.0%	-4.7%
Pre-tax Exceptional Income/(Expense)	74	222	818	125	69	23,757	203	58	57	314	195
Tax	1,188	1,034	1,611	1,866	2,024	2,087	1,933	2,154	1,834	2,275	1,613
PAT	5,463	4,521	3,188	4,328	5,811	- 18,932	4,507	4,913	4,983	4,119	4,525
YoY	3.6%	24.5%	-7.6%	20.6%	6.4%	-518.7%	41.4%	13.5%	-14.2%	-121.8%	0.4%
Adjusted PAT	5,530	4,690	4,130	4,430	5,860	5,740	4,700	4,970	5,020	4,354	4,710
YoY	13.1%	28.9%	19.0%	17.5%	6.0%	22.4%	13.8%	12.2%	-14.3%	-24.1%	0.2%
% to net sales	Q3FY23	Q4FY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Gross margin	50.7%	52.5%	53.3%	54.5%	55.4%	55.9%	55.6%	55.4%	53.9%	52.2%	51.6%
Staff cost	8.2%	9.5%	9.2%	9.4%	7.6%	9.6%	8.4%	8.5%	7.9%	7.3%	8.5%
A&P spends	7.7%	7.1%	9.4%	10.3%	9.5%	9.1%	10.0%	10.0%	9.7%	8.7%	8.6%
Other expenses	15.3%	16.6%	16.9%	16.0%	16.2%	15.3%	15.9%	16.6%	16.6%	15.6%	16.0%
EBITDA margin	20.4%	20.2%	18.8%	19.7%	23.2%	22.5%	21.9%	20.8%	20.2%	21.2%	19.1%

Source: Company, JM Financial

Exhibit 4. Quarterly financial performance – standalone basis

INR mn	Q3FY23	Q4FY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
India Volume growth	3.0%	13.0%	10.0%	4.0%	5.0%	7.0%	8.0%	7.0%	0.0%	4.0%	5.0%
Net Sales	19,749	17,892	19,711	21,291	21,602	20,075	21,395	22,777	22,372	21,600	23,070
YoY	10.6%	11.6%	8.7%	9.0%	9.4%	12.2%	8.5%	7.0%	3.6%	7.6%	7.8%
Other Operational Income	349	338	344	392	439	261	234	230	245	249	230
Gross Profit	10,885	10,395	11,442	12,581	13,041	11,760	12,207	12,874	12,380	11,344	11,951
Staff cost	982	1,139	1,178	1,437	1,171	1,200	1,229	1,326	1,155	1,029	1,247
A&P spends	1,878	1,753	2,467	2,794	2,534	2,316	2,575	2,636	2,669	2,323	2,316
Other expenses	1,878	1,753	2,467	2,794	2,534	2,316	2,575	2,636	2,669	2,323	2,316
EBITDA	5,447	4,814	4,974	5,574	6,478	5,412	5,343	5,585	5,125	4,942	5,023
YoY	18.9%	24.6%	20.0%	30.2%	18.9%	12.4%	7.4%	0.2%	-20.9%	-8.7%	-6.0%
Depreciation	250	355	453	325	270	221	273	273	373	491	355
Interest	407	499	1,828	1,575	553	606	638	754	629	589	653
Other income	7	11	247	362	362	371	425	450	488	549	530
PBT	5,597	4,948	6,101	6,463	6,400	5,426	5,282	5,616	4,894	4,491	4,791
YoY	23.6%	29.8%	49.0%	49.2%	14.3%	9.7%	-13.4%	-13.1%	0.0%	0.0%	-9.3%
Pre tax Exceptional Income/ (Exp)	88	2	777	12	59	10,680	20	1	0	102	-
Tax	925	871	1,406	1,602	1,615	1,756	1,584	1,690	1,478	1,904	1,244
PAT	4,585	4,075	3,905	4,849	4,726	- 7,009	3,678	3,925	3,415	2,485	3,547
YoY	20.6%	-2.4%	22.2%	47.7%	3.1%	-272.0%	-5.8%	-19.0%	-27.7%	-135.5%	-3.6%
Adj. PAT	4,658	4,077	4,477	3,790	4,770	4,647	3,692	3,930	3,416	2,542	3,547
YoY	26.7%	15.0%	40.1%	10.5%	2.4%	14.0%	-17.5%	3.7%	-28.4%	-45.3%	-3.9%
% to net sales	Q3FY23	Q4FY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26

Gross margin	53.3%	56.2%	56.3%	57.3%	58.3%	57.3%	56.0%	55.5%	54.2%	51.4%	50.8%
Staff cost	5.0%	6.4%	6.0%	6.7%	5.4%	6.0%	5.7%	5.8%	5.2%	4.8%	5.4%
A&P spends	9.5%	9.8%	12.5%	13.1%	11.7%	11.5%	12.0%	11.6%	11.9%	10.8%	10.0%
Other expenses	9.5%	9.8%	12.5%	13.1%	11.7%	11.5%	12.0%	11.6%	11.9%	10.8%	10.0%
EBITDA margin	27.6%	26.9%	25.2%	26.2%	30.0%	27.0%	25.0%	24.5%	22.9%	22.9%	21.8%

Source: Company, JM Financial

Exhibit 5. Quarterly segmental overview

Segmental Information	Q3FY23	Q4FY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Domestic Sales (INR mn)											
Home Care	10,000	8,260	7,520	9,130	10,470	8,756	8,150	10,160	10,950	9,981	9,454
YoY	10.1%	14.1%	13.4%	5.1%	4.7%	6.0%	8.4%	11.3%	4.6%	14.0%	16.0%
Personal Care	8,750	8,720	11,570	11,450	10,350	10,439	12,480	11,760	10,440	10,856	12,605
YoY	13.9%	17.2%	6.3%	12.6%	18.3%	19.7%	7.9%	2.7%	0.9%	4.0%	1.0%
Branded sales	18,750	16,980	19,090	20,580	20,820	19,194	20,630	21,920	21,400	20,838	22,059
YoY	11.9%	15.7%	9.0%	9.1%	11.0%	13.0%	8.1%	6.5%	2.8%	8.6%	6.9%
Exports / Miscellaneous	1,000	910	620	710	780	881	770	860	970	762	1,011
Total Domestic Sales	19,750	17,890	19,710	21,290	21,600	20,075	21,400	22,780	22,370	21,600	23,070
YoY	10.6%	11.5%	8.7%	9.0%	9.4%	12.2%	8.6%	7.0%	3.6%	7.6%	7.8%
International Sales (INR mn)											
Indonesia	4,333	4,345	4,507	4,730	4,665	4,983	4,651	5,138	5,079	5,043	4,481
YoY	-3.1%	8.2%	19.7%	15.7%	7.7%	14.7%	3.2%	8.6%	8.9%	1.2%	-3.7%
Africa (Incl. son)	10,071	7,701	8,486	8,158	9,233	5,937	5,446	6,446	7,724	6,903	7,074
YoY	13.9%	6.5%	8.9%	-5.0%	-8.3%	-22.9%	-35.8%	-21.0%	-16.3%	16.3%	29.9%
Latam	1,828	2,036	1,808	1,826	993	2,900	1,953	2,476	2,636	2,572	2,264
YoY	-8.7%	-3.8%	17.4%	4.7%	-45.7%	42.5%	8.0%	35.6%	165.4%	-11.3%	15.9%
Total International Sales	16,231	14,082	14,801	14,714	14,890	13,821	12,050	14,060	15,440	14,519	13,819
YoY	6.0%	5.4%	13.0%	2.1%	-8.3%	-1.9%	-18.6%	-4.4%	3.7%	5.0%	14.7%
International EBITDA (INR mn)											
Indonesia	855	927	861	825	955	1,235	1,083	995	1,092	1,353	941
YoY	-7.9%	9.1%	51.3%	20.1%	11.8%	33.2%	25.8%	20.6%	14.3%	9.6%	-13.2%
Africa (Incl. son)	859	504	579	657	1,005	806	782	926	1,141	1,160	904
YoY	-30.9%	533.2%	27.3%	56.4%	17.0%	60.1%	35.1%	41.0%	13.5%	43.8%	15.6%
Latam	91	165	14	-14	-36	118	92	140	299	137	184
YoY	-61.6%	-27.8%	-5.7%	-146.8%	-139.1%	NM	543.8%	NM	NM	16.8%	100.3%
Total International EBITDA	1,804	1,601	1,455	1,467	1,924	2,160	1,963	2,062	2,532	2,651	2,028
YoY	-25.1%	38.0%	40.2%	29.1%	6.6%	34.9%	34.9%	40.5%	31.6%	22.7%	3.3%
EBITDA margins											
Indonesia	20%	21%	19%	17%	20%	25%	23%	19%	22%	27%	21%
Africa (Incl. son)	9%	7%	7%	8%	11%	14%	14%	14%	15%	17%	13%
Latam	5%	8%	1%	-1%	-4%	4%	5%	6%	11%	5%	8%
Total International EBITDA margin	11%	11%	10%	10%	13%	16%	16%	15%	16%	18%	15%

Source: Company, JM Financial

Exhibit 6. GCPL's 5yr avg. PE Band



Source: Company, Bloomberg, JM Financial

Exhibit 7. GCPL's 10yr avg. PE Band



Source: Company, Bloomberg, JM Financial

Exhibit 8. Revision in estimates

INR mn	Revised			Earlier			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales	155,798	171,646	188,585	155,951	171,568	188,674	-0.1%	0.0%	0.0%
EBITDA	32,891	37,631	42,136	33,789	38,315	42,935	-2.7%	-1.8%	-1.9%
PAT	22,828	27,170	31,102	23,654	27,555	31,563	-3.5%	-1.4%	-1.5%
EPS	22.3	26.6	30.4	23.1	26.9	30.9	-3.5%	-1.4%	-1.5%

Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	139,741	142,848	155,798	171,646	188,585
Sales Growth	5.9%	2.2%	9.1%	10.2%	9.9%
Other Operating Income	1,221	795	914	1,030	1,132
Total Revenue	140,961	143,643	156,712	172,676	189,716
Cost of Goods Sold/Op. Exp	63,203	65,361	73,637	79,618	86,628
Personnel Cost	12,493	11,488	12,853	14,041	15,332
Other Expenses	34,560	36,763	37,331	41,385	45,620
EBITDA	30,705	30,031	32,891	37,631	42,136
EBITDA Margin	21.8%	20.9%	21.0%	21.8%	22.2%
EBITDA Growth	20.9%	-2.2%	9.5%	14.4%	12.0%
Depn. & Amort.	2,410	2,340	2,561	2,481	2,565
EBIT	28,295	27,691	30,330	35,150	39,571
Other Income	2,690	3,161	3,542	4,282	4,859
Finance Cost	2,964	3,501	3,354	3,109	2,849
PBT before Excep. & Forex	28,021	27,351	30,518	36,323	41,581
Excep. & Forex Inc./Loss(-)	-26,039	-632	0	0	0
PBT	1,982	26,719	30,518	36,323	41,581
Taxes	7,588	8,196	7,691	9,153	10,478
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	-5,605	18,523	22,828	27,170	31,102
Adjusted Net Profit	19,827	19,127	22,828	27,170	31,102
Net Margin	14.1%	13.3%	14.6%	15.7%	16.4%
Diluted Share Cap. (mn)	1,022.8	1,023.0	1,023.0	1,023.0	1,023.0
Diluted EPS (INR)	19.4	18.7	22.3	26.6	30.4
Diluted EPS Growth	11.2%	-3.5%	19.3%	19.0%	14.5%
Total Dividend + Tax	5,114	25,575	11,414	16,302	21,772
Dividend Per Share (INR)	5.0	25.0	11.2	15.9	21.3

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	26,751	27,351	30,518	36,323	41,581
Depn. & Amort.	2,410	2,340	2,561	2,481	2,565
Net Interest Exp. / Inc. (-)	274	340	-188	-1,173	-2,010
Inc (-) / Dec in WCap.	-4,559	351	-215	-849	-733
Others	-437	86	0	0	0
Taxes Paid	-3,739	-4,701	-7,628	-9,085	-10,403
Operating Cash Flow	20,700	25,768	25,048	27,698	31,000
Capex	306	402	-4,500	-3,000	-2,500
Free Cash Flow	21,006	26,169	20,548	24,698	28,500
Inc (-) / Dec in Investments	-9,085	-5,517	-6,205	-7,447	-6,702
Others	-24,851	1,680	3,542	4,282	4,859
Investing Cash Flow	-33,630	-3,436	-7,163	-6,165	-4,343
Inc / Dec (-) in Capital	0	47	0	0	0
Dividend + Tax thereon	-5,114	-25,573	-6,848	-14,347	-19,584
Inc / Dec (-) in Loans	22,652	7,318	-1,958	-3,696	-3,324
Others	-3,474	-3,607	-3,373	-3,127	-2,868
Financing Cash Flow	14,063	-21,815	-12,178	-21,170	-25,776
Inc / Dec (-) in Cash	1,133	517	5,706	364	881
Opening Cash Balance	4,337	4,314	4,831	10,537	10,901
Closing Cash Balance	5,469	4,831	10,537	10,901	11,782

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	125,986	120,039	136,018	148,842	160,360
Share Capital	1,023	1,023	1,023	1,023	1,023
Reserves & Surplus	124,963	119,016	134,995	147,819	159,337
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	31,546	38,826	36,868	33,173	29,848
Def. Tax Liab. / Assets (-)	-2,804	938	938	938	938
Total - Equity & Liab.	154,729	159,803	173,825	182,952	191,147
Net Fixed Assets	103,585	109,258	111,197	111,715	111,650
Gross Fixed Assets	73,723	75,356	79,856	82,856	85,356
Intangible Assets	50,264	51,454	51,454	51,454	51,454
Less: Depn. & Amort.	21,236	22,189	24,750	27,231	29,797
Capital WIP	834	4,636	4,636	4,636	4,636
Investments	35,037	36,446	42,651	50,098	56,800
Current Assets	42,496	47,271	55,894	60,208	65,276
Inventories	12,709	14,186	15,045	16,105	17,695
Sundry Debtors	15,354	18,191	19,414	21,388	22,982
Cash & Bank Balances	5,469	4,831	10,537	10,901	11,782
Loans & Advances	2,300	2,576	2,834	3,117	3,429
Other Current Assets	6,663	7,487	8,065	8,697	9,388
Current Liab. & Prov.	26,389	33,172	35,918	39,069	42,579
Current Liabilities	23,228	29,980	32,453	35,307	38,492
Provisions & Others	3,161	3,192	3,465	3,762	4,087
Net Current Assets	16,107	14,100	19,977	21,139	22,697
Total - Assets	154,729	159,803	173,825	182,952	191,147

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	14.1%	13.3%	14.6%	15.7%	16.4%
Asset Turnover (x)	0.9	0.9	0.9	0.9	1.0
Leverage Factor (x)	1.2	1.3	1.3	1.3	1.2
RoE	15.0%	15.5%	17.8%	19.1%	20.1%

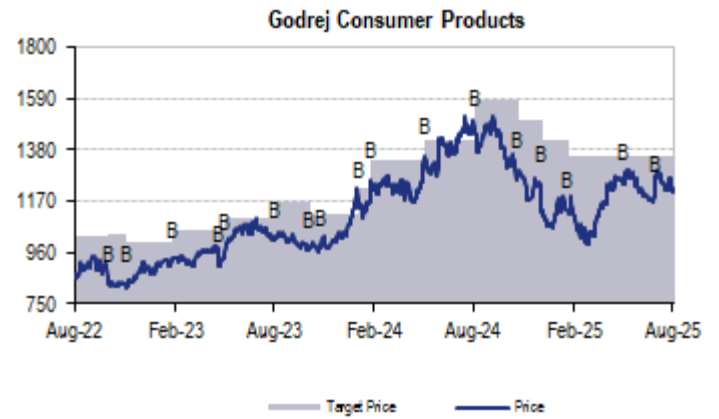
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	123.2	117.3	133.0	145.5	156.8
ROIC	-69.2%	16.4%	19.1%	21.8%	24.4%
ROE	15.0%	15.5%	17.8%	19.1%	20.1%
Net Debt/Equity (x)	0.1	0.0	-0.1	-0.2	-0.2
P/E (x)	62.9	65.3	54.7	45.9	40.1
P/B (x)	9.9	10.4	9.2	8.4	7.8
EV/EBITDA (x)	40.9	41.7	37.6	32.6	28.8
EV/Sales (x)	8.9	8.7	7.9	7.1	6.4
Debtor days	40	46	45	45	44
Inventory days	33	36	35	34	34
Creditor days	75	92	92	92	92

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
8-Feb-22	Buy	1,035	
20-May-22	Buy	1,030	-0.5
3-Aug-22	Buy	1,025	-0.5
7-Oct-22	Buy	1,035	1.0
8-Nov-22	Buy	1,000	-3.4
1-Feb-23	Buy	1,050	5.0
28-Apr-23	Buy	1,050	0.0
10-May-23	Buy	1,100	4.8
8-Aug-23	Buy	1,165	5.9
9-Oct-23	Buy	1,110	-4.7
1-Nov-23	Buy	1,115	0.5
8-Jan-24	Buy	1,220	9.4
1-Feb-24	Buy	1,335	9.4
8-May-24	Buy	1,420	6.4
8-Aug-24	Buy	1,580	11.3
25-Oct-24	Buy	1,500	-5.1
8-Dec-24	Buy	1,415	-5.7
25-Jan-25	Buy	1,350	-4.6
7-May-25	Buy	1,350	0.0
4-Jul-25	Buy	1,350	0.0

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

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Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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