

# Godrej Consumer

|                  |   |
|------------------|---|
| Estimate changes | ↔ |
| TP change        | ↔ |
| Rating change    | ↔ |

|                       |               |
|-----------------------|---------------|
| Bloomberg             | GCPL IN       |
| Equity Shares (m)     | 1023          |
| M.Cap.(INRb)/(USD\$)  | 1269.2 / 13.8 |
| 52-Week Range (INR)   | 1309 / 980    |
| 1, 6, 12 Rel. Per (%) | 8/1/0         |
| 12M Avg Val (INR M)   | 1583          |

## Financials & Valuations (INR b)

| Y/E March       | 2026E | 2027E | 2028E |
|-----------------|-------|-------|-------|
| Sales           | 158.7 | 177.2 | 195.6 |
| Sales Gr. (%)   | 10.5  | 11.7  | 10.3  |
| EBITDA          | 31.8  | 37.4  | 42.1  |
| EBITDA mrg. (%) | 20.0  | 21.1  | 21.5  |
| Adj. PAT        | 21.5  | 26.2  | 30.6  |
| Adj. EPS (INR)  | 21.1  | 25.7  | 29.9  |
| EPS Gr. (%)     | 13.7  | 21.9  | 16.4  |
| BV/Sh.(INR)     | 122.2 | 126.3 | 132.7 |

## Ratios

|            |       |      |      |
|------------|-------|------|------|
| RoE (%)    | 17.6  | 20.6 | 23.1 |
| RoCE (%)   | 15.4  | 19.0 | 21.8 |
| Payout (%) | 104.5 | 93.5 | 87.0 |

## Valuations

|                |      |      |      |
|----------------|------|------|------|
| P/E (x)        | 58.9 | 48.3 | 41.5 |
| P/BV (x)       | 10.1 | 9.8  | 9.3  |
| EV/EBITDA (x)  | 40.4 | 34.1 | 30.1 |
| Div. Yield (%) | 1.8  | 1.9  | 2.1  |

## Shareholding Pattern (%)

| As On    | Dec-25 | Sep-25 | Dec-24 |
|----------|--------|--------|--------|
| Promoter | 53.1   | 53.1   | 53.0   |
| DII      | 16.5   | 13.6   | 11.0   |
| FII      | 15.4   | 18.2   | 20.7   |
| Others   | 15.1   | 15.1   | 15.2   |

FII includes depository receipts

**CMP: INR1,240**

**TP: INR1,450 (+17%)**

**Buy**

## India's print improves; Indonesia set for recovery

- Godrej Consumer's (GCPL) consolidated revenue rose 9% YoY to INR40.8b (est. INR41.4b), while volume growth stood at 7%. EBITDA grew 16.5% YoY (est. 14%) on the back of better-than-expected India and Indonesia margins.
- India revenue rose 11%, with volume growth of 9%, and growth outperformance sustained over peers. Home Care delivered 12% revenue growth, while personal care sales rose 7% YoY. The company expects India volume growth to be ~6% in FY26, while over the next 18-24 months, volume growth is expected to sustain 7-8% growth.
- International revenue rose 5%, led by a 20% growth in GAUM. Indonesia and LATAM declined 3% and ~5%, respectively. Indonesia's performance was impacted by a change in distribution arrangement (-2%) and continued pricing pressure. That said, it is seeing early signs of stabilization.
- India's GM contracted 120bp YoY but expanded 200bp QoQ to 53.5%. EBITDA margin expanded 220bp YoY to 24.9% (est. 24.4%). EBITDA grew 22% YoY (est. 17%) to INR6.3b on the back of lower ad spends and other expenses. GCPL expects EBITDA margin to be in its guided range of 24-26% for the near term.
- The Indian business is witnessing an improvement, with personal wash showing a positive trajectory, led by improving affordability post-GST reduction and stable RM prices. HI portfolio is gaining market share across segments, and GCPL is taking various initiatives to reduce seasonality. With easing palm oil prices, supply chain savings, blending composition changes in soaps and detergents, and media savings, the company is well-positioned for a better margin portfolio in FY27, supporting overall profitability. This combination of improving volume and better margin strengthens earnings visibility. We model 11%/15% revenue and EBITDA CAGR for FY26-28E. Given the growth-centric focus, we remain constructive on GCPL and **reiterate our BUY rating with a TP of INR1,450 (based on 50x Dec'28E EPS).**

## India UVG improving; beat on margins

- **Standalone performance:** Net sales (including OOI) grew 11% YoY to INR24.8b in 3QFY26. **The Indian business reported underlying volume growth of 9% YoY.** The Home Care business registered 12% revenue growth, while Personal Care posted a 7% growth. Gross margin contracted 120bp YoY to 53.5%, while GP rose 9%. EBITDA margin expanded 220bp YoY to 24.9% (est. 24.4%). EBITDA grew 22% YoY to INR6.3b on the back of lower ad spends and other expenses. Other income declined 50% YoY, resulting in a PAT of INR3.8b (est. 4.3b).

- **International performance:** Indonesia delivered a 5% UVG, led by Shampoo HC and Baby Care. Sales declined 3% (both Constant Currency and INR) due to competitive pricing pressure. Pricing pressures persist; however, GCPL is seeing early signs of stabilization. EBITDA growth of 2% was driven by strict cost discipline and controls. GCPL expects operating conditions to improve from FY27. GAUM revenue grew 19% in INR and 8% in constant currency terms YoY. The growth was led by Hair Fashion and the scale-up of Air Fresheners, along with continued profit improvement. GAUM continues to perform well and has delivered on its stated objectives of double-digit revenue and profit growth for the year. Consolidated net sales grew 9% YoY to INR40.8b (est. INR41.4b). Consolidated volume growth was 7%.
- **Efficiencies led to an EBITDA margin expansion:** Gross margins contracted 125bp YoY to 52.9% (est. 54%). EBITDA margin expanded 140bp YoY to 21.5% (est. 20.7%) on account of lower ad spends (-6%) and other expenses (-1%), while employee expenses rose 11%.
- **Low other income dented profitability:** EBITDA grew 16.5% YoY (on a weak base of -16.4%) to INR8.8bn (est. INR8.6b). Other income declined 33% YoY. PBT stood at INR7.9b (est. INR8.1b), growing 15% YoY on a weak base of a 20% decline. APAT grew 12% YoY to INR5.6b (est. INR6.1b).
- In 9MFY26, consolidated revenue/EBITDA/APAT grew 8%/3%/3%.

### Highlights from the management commentary

- In the long run, GCPL expects 10% volume growth in India vs the current volume growth of ~6% in FY26 (with a subpar soaps performance). Over the next 18-24 months, GCPL expects Indian volumes to improve to 7-8%.
- Improving affordability due to GST reduction and stable commodity prices contributed to a positive trajectory for soaps, with management expecting this to sustain through 4QFY26.
- The Indian business is expected to deliver continued growth performance while maintaining normative EBITDA margins in the coming quarter, while the GAUM business is expected to deliver double-digit revenue and profit growth for the year. Indonesia's recovery is anticipated to start meaningfully from FY27 as market conditions normalize.
- For the full year, consolidated revenue growth is expected to be in high single digits.

### Valuation and view

- We trim our EPS estimates by 2-3% over FY26-FY28E.
- Management remains committed to improving Indian business volumes and optimizing efficiencies across the value chain. The GAUM business is expected to continue delivering strong profitability growth. Indonesia's recovery is anticipated to start meaningfully from FY27 as market conditions normalize. Management is confident of sustained profitability momentum into FY27, despite temporary macroeconomic and pricing pressures in Indonesia and LATAM.
- The company is expanding its TAM by foraying into new, faster-growing categories, such as men's face wash and toilet cleaners, and continues to strengthen its core portfolio. Besides, the company has made consistent efforts to address gaps in profitability and growth across its international business. Given the growth-centric focus, we remain constructive on GCPL and **reiterate our BUY rating with a TP of INR1,450 (based on 50x Dec'27E EPS).**

## Quarterly Performance (Consolidated)

(INR m)

| Y/E March                         | FY25          |               |               |               | FY26E         |               |               |               | FY25            | FY26E           | FY26E         | Var.         |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|---------------|--------------|
|                                   | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3Q            | 4QE           |                 |                 | 3QE           | (%)          |
| <b>Domestic volume Growth (%)</b> | <b>8</b>      | <b>7</b>      | <b>0</b>      | <b>4</b>      | <b>5</b>      | <b>3</b>      | <b>9</b>      | <b>8</b>      | <b>5</b>        | <b>6</b>        | <b>8</b>      |              |
| <b>Net Sales (including OOI)</b>  | <b>33,316</b> | <b>36,663</b> | <b>37,684</b> | <b>35,980</b> | <b>37,025</b> | <b>39,251</b> | <b>40,991</b> | <b>41,479</b> | <b>1,43,643</b> | <b>1,58,746</b> | <b>41,602</b> | <b>-1.5</b>  |
| YoY change (%)                    | -3.4          | 1.8           | 3.0           | 6.3           | 11.1          | 7.1           | 8.8           | 15.3          | 1.9             | 10.5            | 10.4          |              |
| <b>Gross Profit</b>               | <b>18,608</b> | <b>20,381</b> | <b>20,402</b> | <b>18,890</b> | <b>19,005</b> | <b>19,931</b> | <b>21,673</b> | <b>21,357</b> | <b>78,282</b>   | <b>81,966</b>   | <b>22,466</b> | <b>-3.5</b>  |
| Margin (%)                        | 55.9          | 55.6          | 54.1          | 52.5          | 51.3          | 50.8          | 52.9          | 51.5          | 54.5            | 51.6            | 54.0          |              |
| Other Operating Exp.              | 11,346        | 12,764        | 12,843        | 11,298        | 12,027        | 12,548        | 12,869        | 12,725        | 48,251          | 50,168          | 13,835        |              |
| <b>EBITDA</b>                     | <b>7,262</b>  | <b>7,617</b>  | <b>7,559</b>  | <b>7,592</b>  | <b>6,978</b>  | <b>7,383</b>  | <b>8,804</b>  | <b>8,632</b>  | <b>30,031</b>   | <b>31,798</b>   | <b>8,631</b>  | <b>2.0</b>   |
| Margins (%)                       | 21.8          | 20.8          | 20.1          | 21.1          | 18.8          | 18.8          | 21.5          | 20.8          | 20.9            | 20.0            | 20.7          |              |
| YoY growth (%)                    | 6.5           | 5.3           | -16.4         | -0.2          | -3.9          | -3.1          | 16.5          | 13.7          | -2.2            | 5.9             | 14.2          |              |
| Depreciation                      | 495           | 501           | 619           | 726           | 594           | 656           | 664           | 608           | 2,340           | 2,522           | 650           |              |
| Interest                          | 878           | 831           | 897           | 896           | 865           | 759           | 789           | 768           | 3,501           | 3,181           | 755           |              |
| Other Income                      | 751           | 843           | 831           | 737           | 845           | 629           | 559           | 588           | 3,161           | 2,620           | 900           |              |
| <b>PBT</b>                        | <b>6,623</b>  | <b>7,107</b>  | <b>6,874</b>  | <b>6,708</b>  | <b>6,365</b>  | <b>6,597</b>  | <b>7,910</b>  | <b>7,843</b>  | <b>27,312</b>   | <b>28,715</b>   | <b>8,126</b>  | <b>-2.7</b>  |
| Tax                               | 1,933         | 2,154         | 1,834         | 2,275         | 1,613         | 1,657         | 2,021         | 1,889         | 8,196           | 7,179           | 2,032         |              |
| Rate (%)                          | 29.2          | 30.3          | 26.7          | 33.9          | 25.3          | 25.1          | 25.5          | 24.1          | 30.0            | 25.0            | 25.0          |              |
| <b>Adj PAT</b>                    | <b>4,649</b>  | <b>4,953</b>  | <b>5,025</b>  | <b>4,321</b>  | <b>4,669</b>  | <b>4,811</b>  | <b>5,626</b>  | <b>5,955</b>  | <b>18,948</b>   | <b>21,536</b>   | <b>6,095</b>  | <b>-7.7</b>  |
| YoY change (%)                    | 23.6          | 12.2          | -14.3         | -24.8         | 0.4           | -2.9          | 12.0          | 37.8          | -4.2            | 13.7            | 21.3          |              |
| <b>Reported PAT</b>               | <b>4,507</b>  | <b>4,913</b>  | <b>4,983</b>  | <b>4,119</b>  | <b>5,025</b>  | <b>5,077</b>  | <b>4,979</b>  | <b>6,455</b>  | <b>18,522</b>   | <b>21,536</b>   | <b>6,095</b>  | <b>-18.3</b> |

E: MOFSL Estimate

## Indian business segment highlights

- **The home care business registered a 12% revenue growth.**
  - **Household Insecticides:** Electrics are gaining market share and Incense Sticks continue to scale up and remain the largest branded stick in the category. Non-mosquito portfolio delivered solid growth. The category was impacted by severe winter conditions.
  - **Air Fresheners** continued to witness a robust growth momentum, with consistent market share gains and market leadership.
  - **Fabric Care** maintained its robust growth momentum. It continued to gain market share on the back of strong performance in Godrej Fab. Ezee demonstrated robust performance, supported by a severe winter.
  - The new Launch of Godrej Spic Toilet Cleaner in Tamil Nadu has witnessed strong initial consumer traction and gained positive feedback. Toilet Cleaners is a ~INR3k crore category in India, growing at robust double digit.
- **The personal care recorded a revenue growth of 7%.**
  - **Personal Wash** is showing a positive trajectory, led by improving affordability post GST reduction. It continues to win competitively and gain market share. The commodity situation is largely stable.
  - **Hair Colour** is delivering strong performance and gaining market share across the company's key bets on both Crème and Shampoo Hair Colour, which continue to deliver strong growth performance.
  - **Perfumes & Deodorants** maintain steady performance, led by Perfumes. KS99 continues to perform well and has scaled to other states in Southern India. The company has made new launches of women's perfumes in modern trade and e-commerce channels, aimed at driving the penetration of fragrances and deodorants.

**Exhibit 1: Snapshot of 3QFY26 performance as reported by the company**

| Growth (%)   |              |            |
|--|--------------|------------|
|  | Consolidated | Standalone |
| <b>UVG</b>   | <b>7</b>     | <b>9</b>   |
| Net sales  | 9            | 11         |
| Net sales (constant currency)                      | 7            | -          |
| EBITDA   | 16           | 22         |
| Net profit (reported)                              | Flattish     | 12         |
| Net profit (without exceptional and one-off items) | 14           | 26         |

Source: Company, MOFSL

**Exhibit 2: Snapshot of sales by geography**

| International business              | 3QFY26        |            |               |
|-------------------------------------|---------------|------------|---------------|
|                                     | Sales (INR m) | Growth (%) | CC growth (%) |
| India – Reported                    | 24,840        | 11         | -             |
| Indonesia                           | 4,930         | -3         | -3            |
| Africa, USA & Middle East (organic) | 9,210         | 19         | 8             |
| Latin America and SAARC             | 2,490         | -5         | 7             |
| <b>Total net sales (Reported)</b>   | <b>40,790</b> | <b>9</b>   | <b>7</b>      |

Source: Company, MOFSL



## Highlights from the conference call

### Business operations and environment

- In the long run, GCPL expects 10% volume growth in India vs current volume growth of ~6% in FY26 (with a subpar soaps performance). Over the next 18-24 months, GCPL expects India volumes to improve to 7-8%.
- The company aims for volume growth independent of general market conditions.
- Air fresheners, laundry liquids, incense sticks, perfumes/deos are rapid-growth segments with large TAM.
- GCPL's unit growth was robust in 3QFY26 despite GST-led grammage increases on the small packs. Management further alluded that small pack grammage is still significantly lower than in 3QFY25.
- Consumer demand for personal care is recovering, with soaps benefiting from improved affordability due to GST reduction and stable commodity prices.
- For soaps, improving affordability due to GST reduction and stable commodity prices contributed to a positive trajectory, with management expecting this to sustain through 4QFY26.
- The non-mosquitoes segment in HI is growing very fast. In Premium Hi, while it is gaining share, growth remains muted.
- The company has implemented a weighted average price increase of 30% on Incense Sticks since the launch, observing no slowdown in volume growth, which has positively impacted margins.
- GCPL's pet food segment has received mixed traction in the test market (Tamil Nadu).
- The company launched Spic Toilet Cleaner in Tamil Nadu two months ago, which is showing encouraging initial traction. However, GCPL will take a call on national or South India rollout after six months of evaluation.

### Cost and margins

- The India business delivered healthy EBITDA margins of 24.8%, driven by favorable input costs, disciplined cost management, calibrated pricing, and improved operating leverage. Management believes past margin challenges are likely behind.
- Margin expansion was significantly driven by product composition changes in soaps and laundry portfolio, blend flex between vegetable oil, and fossil fuel. So, a combination of supply chain savings, blend flex in soaps and detergents, and media savings has been the key margin driver.
- GCPL further alluded that margins are highly dependent on oil price fluctuations, a sharp increase exceeding 15% could lead to a one or two quarter delay in margin recovery.
- Indonesia's profitability improved by nearly 100bp YoY, with meaningful recovery expected from FY27 as market conditions normalize.

### Home care

- **Household Insecticide (HI):** In HI, GCPL has gained significant market share in all four segments (incense sticks, electrics, aerosols, and coils). Moreover, incense sticks is now quite a profitable business. Non-mosquito portfolio continues to

deliver solid growth. GCPL expects HI business growth to improve from current mid-single digits to high single digits going forward.

- **Air fresheners:** Air fresheners delivered robust performance and continued to gain market share and enjoy market leadership. The company launched new Air Pocket internationally, which continued to receive healthy consumer traction.

#### Personal care

- **Soaps:** Personal Wash is showing positive trajectory, led by improving affordability post GST reduction and a stable RM scenario. GCPL continues to win competitively and gain market share.
- **Deodorants:** Perfumes & Deodorants maintain steady performance, led by Perfumes. KS99 continues to perform well and has scaled to other states of Southern India. The company has launched new products in Women's Perfumes in modern trade and e-commerce channel, aimed at driving penetration of fragrances and deodorants. In Park Avenue, specifically for EDPs, GCPL is competing for the #2 position and is experiencing robust growth. The EDP business, now almost INR1b in gross sales value, is a fast-growing category. That said, the segment's current growth is trending below GCPL's internal expectations.
- For Muuchstac, management aims to consolidate and become the number two player in the men's face wash market, which is a INR10b market growing at 20%.

#### International business

- **Indonesia:** Pricing pressures persist, however GCPL is seeing early signs of stabilization. The region delivered 5% UVG led by Shampoo, Hair Colour, and Baby care. Sales declined by 3% (both Constant Currency and INR) due to competitive pricing pressure. EBITDA growth of 2% driven by strict cost discipline and controls. GCPL expects operating conditions to improve from FY27.
- **GAUM:** The business recorded strong growth led by Hair Fashion and scale up of Air Fresheners and profitability improvement continues. Aer Pocket continues strong traction across markets. Hair Care range continued to deliver strong double-digit growth across Africa. GAUM EBITDA grew 18%, and while sharp margin increases may moderate, there is still scope for continued margin improvement, with the bottom line expected to grow faster than the top line for the next few years.

#### Outlook

- The Indian business is expected to deliver continued growth performance while maintaining normative EBITDA margins in the coming quarter.
- The GAUM business (Africa, USA, and Middle East) is expected to deliver double-digit revenue and profit growth for the year.
- Indonesia's recovery is anticipated to start meaningfully from FY27 as market conditions normalize.
- For the full year, consolidated revenue growth is expected to be in high single digit.
- Management is confident of sustained profitability momentum into FY27, despite temporary macroeconomic and pricing pressures in Indonesia and LATAM.



## Key exhibits

| Segment revenue (INR m)                | 3QFY24        | 4QFY24        | 1QFY25        | 2QFY25        | 3QFY25        | 4QFY25        | 1QFY26        | 2QFY26        | 3QFY26        |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| India                                  | 22,041        | 20,336        | 21,629        | 23,007        | 22,617        | 21,849        | 23,300        | 23,893        | 25,103        |
| Indonesia                              | 4,665         | 4,983         | 4,651         | 5,138         | 5,079         | 5,043         | 4,481         | 4,802         | 4,937         |
| Africa (including SON)                 | 9,233         | 5,937         | 5,446         | 6,446         | 7,724         | 6,903         | 7,074         | 8,047         | 9,226         |
| Others                                 | 993           | 2,900         | 1,953         | 2,476         | 2,636         | 2,572         | 2,264         | 2,091         | 2,465         |
| Less: Inter-segment eliminations       | -335.7        | -300.4        | -363.9        | -402.7        | -371          | -388.3        | -500.3        | -580.4        | -739          |
| <b>Net Sales from operations</b>       | <b>36,596</b> | <b>33,856</b> | <b>33,316</b> | <b>36,663</b> | <b>37,684</b> | <b>35,980</b> | <b>36,619</b> | <b>38,251</b> | <b>40,991</b> |
| Segment revenue growth (%)             |               |               |               |               |               |               |               |               |               |
| India                                  | 9.7           | 11.6          | 7.9           | 6.1           | 2.6           | 7.4           | 7.7           | 3.9           | 11.0          |
| Indonesia                              | 7.7           | 14.7          | 3.2           | 8.6           | 8.9           | 1.2           | -3.7          | -6.6          | -2.8          |
| Africa (including SON)                 | -8.3          | -22.9         | -35.8         | -21.0         | -16.3         | 16.3          | 29.9          | 24.8          | 19.4          |
| Others                                 | -45.7         | 42.5          | 8.0           | 35.6          | 165.4         | -11.3         | 15.9          | -15.6         | -6.5          |
| Less: Inter-segment eliminations       | -1.3          | -3.0          | -0.6          | 7.0           | 10.5          | 29.3          | 37.5          | 44.1          | 99.2          |
| <b>Net Sales from operations</b>       | <b>1.7</b>    | <b>5.8</b>    | <b>-3.4</b>   | <b>1.8</b>    | <b>3.0</b>    | <b>6.3</b>    | <b>9.9</b>    | <b>4.3</b>    | <b>8.8</b>    |
| Segment EBIT (INR m)                   |               |               |               |               |               |               |               |               |               |
| India                                  | 6,762         | 5,797         | 5,705         | 6,068         | 5,382         | 5,040         | 5,321         | 5,104         | 6,063         |
| Indonesia                              | 1,166         | 1,332         | 1,172         | 1,092         | 1,187         | 1,472         | 1,063         | 1,047         | 1,211         |
| Africa (including SON)                 | 825           | 665.1         | 625.4         | 769.4         | 1014.4        | 998.5         | 732.9         | 926.4         | 1141.4        |
| Others                                 | 24.7          | 74.2          | 146.2         | 146.3         | 300.3         | 210.2         | 202           | 345.3         | 312.1         |
| Less: Inter-segment eliminations       | -208.7        | -171.1        | -128          | -120.2        | -111.9        | -117.2        | -121.9        | -117.7        | -2.84         |
| <b>Net EBIT from operations</b>        | <b>8,569</b>  | <b>7,697</b>  | <b>7,521</b>  | <b>7,955</b>  | <b>7,772</b>  | <b>7,603</b>  | <b>7,197</b>  | <b>7,305</b>  | <b>8,725</b>  |
| Segment EBIT growth (%)                |               |               |               |               |               |               |               |               |               |
| India                                  | 20.7          | 16.8          | -10.0         | -11.1         | -20.4         | -13.0         | -6.7          | -15.9         | 12.7          |
| Indonesia                              | 23.1          | 27.2          | 17.9          | 7.7           | 1.8           | 10.5          | -9.3          | -4.0          | 2.0           |
| Africa (including SON)                 | 32.9          | 123.9         | 42.1          | 54.1          | 23.0          | 50.1          | 17.2          | 20.4          | 12.5          |
| Others                                 | -80.9         | -60.0         | 84.1          | 319.2         | 1115.8        | 183.3         | 38.2          | 136.0         | 3.9           |
| <b>Net EBIT from operations</b>        | <b>20.3</b>   | <b>22.1</b>   | <b>18.3</b>   | <b>12.2</b>   | <b>-9.3</b>   | <b>-1.2</b>   | <b>-4.3</b>   | <b>-8.2</b>   | <b>12.3</b>   |
| Segment EBIT mix (%)                   |               |               |               |               |               |               |               |               |               |
| India                                  | 79            | 75            | 76            | 76            | 69            | 66            | 74            | 70            | 69            |
| Indonesia                              | 14            | 17            | 16            | 14            | 15            | 19            | 15            | 14            | 14            |
| Africa (including SON)                 | 10            | 9             | 8             | 10            | 13            | 13            | 10            | 13            | 13            |
| Others                                 | 0             | 1             | 2             | 2             | 4             | 3             | 3             | 5             | 4             |
| Less: Inter-segment eliminations       | -2            | -2            | -2            | -2            | -1            | -2            | -2            | -2            | 0             |
| <b>Net EBIT from operations</b>        | <b>100</b>    | <b>100</b>    | <b>100</b>    | <b>100</b>    | <b>100</b>    | <b>100</b>    | <b>100</b>    | <b>100</b>    | <b>100</b>    |
| Segment EBIT margin (%)                |               |               |               |               |               |               |               |               |               |
| India                                  | 30.7          | 28.5          | 26.4          | 26.4          | 23.8          | 23.1          | 22.8          | 21.4          | 24.2          |
| Indonesia                              | 25.0          | 26.7          | 25.2          | 21.2          | 23.4          | 29.2          | 23.7          | 21.8          | 24.5          |
| Africa (including SON)                 | 8.9           | 11.2          | 11.5          | 11.9          | 13.1          | 14.5          | 10.4          | 11.5          | 12.4          |
| Others                                 | 2.5           | 2.6           | 7.5           | 5.9           | 11.4          | 8.2           | 8.9           | 16.5          | 12.7          |
| <b>Net EBIT margin from operations</b> | <b>23.4</b>   | <b>22.7</b>   | <b>22.6</b>   | <b>21.7</b>   | <b>20.6</b>   | <b>21.1</b>   | <b>19.7</b>   | <b>19.1</b>   | <b>21.3</b>   |
| Segment EBIT margin change (%)         |               |               |               |               |               |               |               |               |               |
| India                                  | 2.8           | 1.3           | -5.2          | -5.1          | -6.9          | -5.4          | -3.5          | -5.0          | 0.4           |
| Indonesia                              | 3.1           | 2.6           | 3.1           | -0.2          | -1.6          | 2.5           | -1.5          | 0.6           | 1.2           |
| Africa (including SON)                 | 2.8           | 7.3           | 6.3           | 5.8           | 4.2           | 3.3           | -1.1          | -0.4          | -0.8          |
| Others                                 | -4.6          | -6.6          | 3.1           | 4.0           | 8.9           | 5.6           | 1.4           | 10.6          | 1.3           |
| <b>Overall EBIT change</b>             | <b>3.6</b>    | <b>3.0</b>    | <b>4.1</b>    | <b>2.0</b>    | <b>-2.8</b>   | <b>-1.6</b>   | <b>-2.9</b>   | <b>-2.6</b>   | <b>0.7</b>    |

## Valuation and view

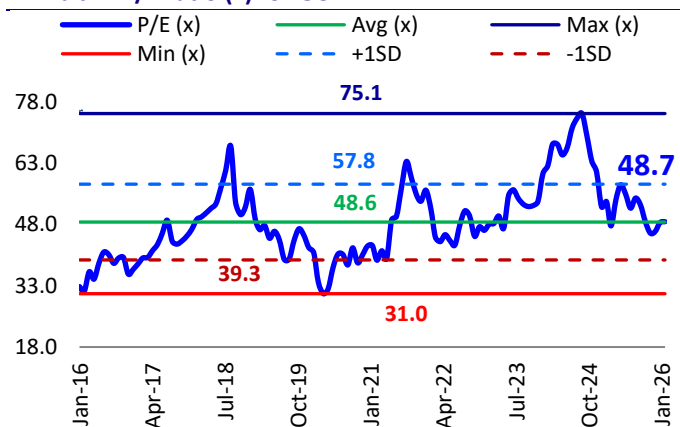
- We trim our EPS estimates by 2-3% over FY26-FY28E.
- Management remains committed to improving India's business volumes and optimizing efficiencies across the value chain. GAUM business is expected to continue delivering strong profitability growth. Indonesia's recovery is anticipated to start meaningfully from FY27, as market conditions normalize. Management is confident of a sustained profitability momentum into FY27, despite temporary macroeconomic and pricing pressures in Indonesia and LATAM.
- The company is expanding its TAM by foraying into new, faster-growing categories, such as men's face wash and toilet cleaners, and continues to strengthen its core portfolio. Besides, the company has made consistent efforts to address gaps in profitability and growth across its international business. Given the growth-centric focus, we remain constructive on GCPL and **reiterate our BUY rating with a TP of INR1,450 (based on 50x Dec'27E EPS).**

**Exhibit 3: We trim our EPS estimates by 2-3% over FY26-FY28E**

| INR bn | New   |       |       | Old   |       |       | Change |       |       |
|--------|-------|-------|-------|-------|-------|-------|--------|-------|-------|
|        | FY26E | FY27E | FY28E | FY26E | FY27E | FY28E | FY26E  | FY27E | FY28E |
| Sales  | 158.7 | 177.2 | 195.6 | 157.5 | 176.6 | 194.9 | 0.8    | 0.4   | 0.3   |
| EBITDA | 31.8  | 37.4  | 42.1  | 31.3  | 37.5  | 42.4  | 1.6    | -0.3  | -0.7  |
| PAT    | 21.5  | 26.2  | 30.6  | 21.9  | 27.1  | 31.2  | -1.7   | -3.1  | -2.0  |

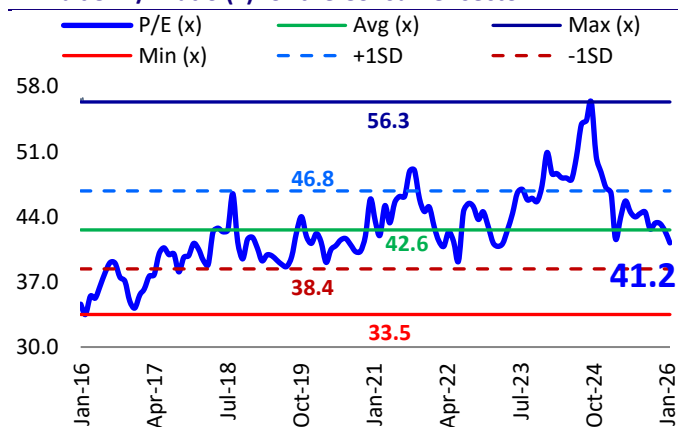
Source: Company, MOFSL

**Exhibit 4: P/E ratio (x) for GCPL**



Source: Company, MOFSL

**Exhibit 5: P/E ratio (x) for the Consumer sector**



Source: Company, MOFSL



## Financials and valuations

| Income Statement          |             |              |              |              |              |              | (INR b)      |              |              |
|---------------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Y/E March                 | 2020        | 2021         | 2022         | 2023         | 2024         | 2025         | 2026E        | 2027E        | 2028E        |
| <b>Net Sales</b>          | <b>99.1</b> | <b>110.3</b> | <b>122.8</b> | <b>133.2</b> | <b>141.0</b> | <b>143.6</b> | <b>158.7</b> | <b>177.2</b> | <b>195.6</b> |
| Change (%)                | -3.9        | 11.3         | 11.3         | 8.5          | 5.9          | 1.9          | 10.5         | 11.7         | 10.3         |
| <b>Gross Profit</b>       | <b>56.5</b> | <b>61.0</b>  | <b>62.0</b>  | <b>66.1</b>  | <b>77.8</b>  | <b>78.3</b>  | <b>82.0</b>  | <b>93.1</b>  | <b>104.0</b> |
| Margin (%)                | 57.0        | 55.3         | 50.5         | 49.7         | 55.2         | 54.5         | 51.6         | 52.6         | 53.2         |
| Total Expenditure         | 77.8        | 87.0         | 97.8         | 107.8        | 110.3        | 113.6        | 126.9        | 139.8        | 153.5        |
| <b>EBITDA</b>             | <b>21.3</b> | <b>23.3</b>  | <b>24.9</b>  | <b>25.4</b>  | <b>30.7</b>  | <b>30.0</b>  | <b>31.8</b>  | <b>37.4</b>  | <b>42.1</b>  |
| Change (%)                | 1.5         | 9.3          | 6.8          | 1.9          | 20.9         | -2.2         | 5.9          | 17.6         | 12.4         |
| Margin (%)                | 21.5        | 21.2         | 20.3         | 19.1         | 21.8         | 20.9         | 20.0         | 21.1         | 21.5         |
| Depreciation              | 2.0         | 2.0          | 2.1          | 2.4          | 2.4          | 2.3          | 2.5          | 2.6          | 2.6          |
| Int. and Fin. Charges     | 2.2         | 1.3          | 1.1          | 1.8          | 3.0          | 3.5          | 3.2          | 2.8          | 1.8          |
| Interest Income           | 0.0         | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Other Income-rec.         | 1.1         | 0.7          | 0.9          | 1.7          | 2.7          | 3.2          | 2.6          | 2.9          | 3.1          |
| <b>PBT</b>                | <b>18.3</b> | <b>20.7</b>  | <b>22.6</b>  | <b>23.0</b>  | <b>28.0</b>  | <b>27.4</b>  | <b>28.7</b>  | <b>35.0</b>  | <b>40.7</b>  |
| Change (%)                | 0.8         | 13.0         | 9.3          | 1.5          | 22.1         | -2.4         | 5.0          | 21.9         | 16.4         |
| Margin (%)                | 18.5        | 18.8         | 18.4         | 17.2         | 19.9         | 19.0         | 18.1         | 19.7         | 20.8         |
| Total tax                 | 2.6         | 3.6          | 3.7          | 4.3          | 7.6          | 8.2          | 7.2          | 8.7          | 10.2         |
| Tax Rate (%)              | 14.4        | 17.4         | 16.4         | 18.7         | 27.1         | 30.0         | 25.0         | 25.0         | 25.0         |
| <b>PAT</b>                | <b>15.7</b> | <b>17.1</b>  | <b>18.9</b>  | <b>18.7</b>  | <b>20.4</b>  | <b>19.2</b>  | <b>21.5</b>  | <b>26.2</b>  | <b>30.6</b>  |
| Change (%)                | -24.4       | 9.1          | 10.5         | -1.3         | 9.5          | -6.3         | 12.4         | 21.9         | 16.4         |
| Margin (%)                | 15.8        | 15.5         | 15.4         | 14.0         | 14.5         | 13.3         | 13.6         | 14.8         | 15.6         |
| Minority interest         | 0.0         | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Group Adjusted PAT</b> | <b>14.7</b> | <b>17.2</b>  | <b>17.9</b>  | <b>17.4</b>  | <b>19.8</b>  | <b>18.9</b>  | <b>21.5</b>  | <b>26.2</b>  | <b>30.6</b>  |
| Non-rec. (Exp.)/Income    | -0.8        | -0.4         | -0.1         | -0.5         | -24.8        | -0.6         | 0.0          | 0.0          | 0.0          |
| <b>Reported PAT</b>       | <b>14.8</b> | <b>16.1</b>  | <b>17.8</b>  | <b>17.0</b>  | <b>-5.6</b>  | <b>18.5</b>  | <b>21.5</b>  | <b>26.2</b>  | <b>30.6</b>  |

| Balance Sheet                  |             |              |              |              |              |              | (INR b)      |              |              |
|--------------------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Y/E March                      | 2020        | 2021         | 2022         | 2023         | 2024         | 2025         | 2026E        | 2027E        | 2028E        |
| Share Capital                  | 1.0         | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          |
| Reserves                       | 78.0        | 93.4         | 111.3        | 136.9        | 125.1        | 119.0        | 124.0        | 128.2        | 134.7        |
| Minority Int                   | 0.0         | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Networth</b>                | <b>79.0</b> | <b>94.4</b>  | <b>112.3</b> | <b>137.9</b> | <b>126.1</b> | <b>120.0</b> | <b>125.0</b> | <b>129.2</b> | <b>135.7</b> |
| Loans                          | 26.6        | 17.7         | 16.1         | 10.3         | 31.5         | 38.8         | 24.8         | 16.8         | 8.8          |
| Deferred Liability             | -5.7        | -6.4         | -6.8         | -6.4         | -2.8         | 0.9          | 0.9          | 0.9          | 0.9          |
| <b>Capital Employed</b>        | <b>99.9</b> | <b>105.7</b> | <b>121.6</b> | <b>141.9</b> | <b>154.9</b> | <b>159.8</b> | <b>150.8</b> | <b>147.0</b> | <b>145.5</b> |
| Gross Block                    | 45.2        | 46.3         | 45.9         | 49.9         | 62.8         | 63.7         | 65.7         | 67.2         | 68.7         |
| Less: Accum. Depn.             | 6.3         | 8.6          | 7.5          | 8.8          | 8.8          | 9.3          | 11.8         | 14.3         | 16.9         |
| <b>Net Fixed Assets</b>        | <b>38.9</b> | <b>37.7</b>  | <b>38.4</b>  | <b>41.1</b>  | <b>54.0</b>  | <b>54.4</b>  | <b>53.9</b>  | <b>52.9</b>  | <b>51.8</b>  |
| Capital WIP                    | 0.6         | 0.6          | 1.2          | 0.5          | 0.8          | 4.6          | 4.6          | 4.6          | 4.6          |
| Goodwill                       | 53.4        | 51.3         | 53.8         | 58.2         | 50.3         | 51.5         | 51.5         | 51.5         | 51.5         |
| Non Curr Investments           | 0.3         | 0.2          | 1.7          | 8.4          | 17.9         | 6.3          | 6.8          | 7.3          | 7.8          |
| Current Investments            | 6.4         | 6.6          | 8.4          | 21.9         | 17.2         | 31.0         | 25.5         | 21.0         | 16.5         |
| <b>Currents Assets</b>         | <b>43.5</b> | <b>39.7</b>  | <b>47.3</b>  | <b>37.9</b>  | <b>40.8</b>  | <b>45.1</b>  | <b>45.1</b>  | <b>50.3</b>  | <b>57.8</b>  |
| Inventory                      | 17.0        | 17.2         | 21.3         | 15.4         | 12.7         | 14.2         | 14.9         | 16.6         | 18.3         |
| Account Receivables            | 11.6        | 10.0         | 11.2         | 12.5         | 15.4         | 18.2         | 20.1         | 22.4         | 24.8         |
| Cash and Bank Balance          | 7.7         | 6.7          | 7.8          | 3.9          | 5.5          | 4.8          | 1.7          | 2.1          | 5.0          |
| Loans and Advances             | 0.3         | 0.3          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Other Current Assets           | 6.9         | 5.5          | 7.0          | 6.1          | 7.2          | 7.9          | 8.5          | 9.1          | 9.7          |
| <b>Curr. Liab. &amp; Prov.</b> | <b>43.2</b> | <b>30.4</b>  | <b>29.2</b>  | <b>26.1</b>  | <b>26.1</b>  | <b>33.2</b>  | <b>36.6</b>  | <b>40.6</b>  | <b>44.5</b>  |
| Account Payables               | 24.8        | 20.1         | 21.6         | 18.2         | 16.8         | 21.4         | 23.9         | 26.7         | 29.5         |
| Other Liabilities              | 16.6        | 8.4          | 5.7          | 6.1          | 6.7          | 9.2          | 10.0         | 11.1         | 12.1         |
| <b>Net Current Assets</b>      | <b>0.3</b>  | <b>9.3</b>   | <b>18.1</b>  | <b>11.8</b>  | <b>14.7</b>  | <b>12.0</b>  | <b>8.5</b>   | <b>9.7</b>   | <b>13.3</b>  |
| <b>Net Assets</b>              | <b>99.9</b> | <b>105.7</b> | <b>121.6</b> | <b>141.9</b> | <b>154.9</b> | <b>159.8</b> | <b>150.8</b> | <b>147.0</b> | <b>145.5</b> |

E: MOFSL Estimates

## Financials and valuations

### Ratios

| Y/E March                     | 2020        | 2021        | 2022        | 2023        | 2024        | 2025        | 2026E       | 2027E       | 2028E       |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Basic (INR)</b>            |             |             |             |             |             |             |             |             |             |
| <b>EPS</b>                    | <b>14.4</b> | <b>16.8</b> | <b>17.5</b> | <b>17.1</b> | <b>19.3</b> | <b>18.5</b> | <b>21.1</b> | <b>25.7</b> | <b>29.9</b> |
| Cash EPS                      | 16.3        | 18.8        | 19.6        | 19.4        | 21.7        | 20.8        | 23.5        | 28.2        | 32.4        |
| BV/Share                      | 77.3        | 92.3        | 109.8       | 134.9       | 123.3       | 117.3       | 122.2       | 126.3       | 132.7       |
| DPS                           | 6.0         | 0.0         | 0.0         | 0.0         | 15.0        | 20.0        | 22.0        | 24.0        | 26.0        |
| Payout (%)                    | 41.7        | 0.0         | 0.0         | 0.0         | 77.5        | 108.0       | 104.5       | 93.5        | 87.0        |
| <b>Valuation (x)</b>          |             |             |             |             |             |             |             |             |             |
| P/E                           | 86.1        | 73.9        | 70.7        | 72.7        | 64.1        | 66.9        | 58.9        | 48.3        | 41.5        |
| Cash P/E                      | 75.9        | 66.1        | 63.3        | 64.0        | 57.1        | 59.6        | 52.7        | 44.0        | 38.3        |
| EV/Sales                      | 13.0        | 11.6        | 10.4        | 9.5         | 9.1         | 9.0         | 8.1         | 7.2         | 6.5         |
| EV/EBITDA                     | 60.3        | 54.8        | 51.2        | 49.9        | 41.6        | 43.2        | 40.4        | 34.1        | 30.1        |
| P/BV                          | 16.0        | 13.4        | 11.3        | 9.2         | 10.1        | 10.6        | 10.1        | 9.8         | 9.3         |
| Dividend Yield                | 0.5         | 0.0         | 0.0         | 0.0         | 1.2         | 1.6         | 1.8         | 1.9         | 2.1         |
| <b>Return Ratios (%)</b>      |             |             |             |             |             |             |             |             |             |
| RoE                           | 19.4        | 19.8        | 17.4        | 13.9        | 15.0        | 15.4        | 17.6        | 20.6        | 23.1        |
| RoCE (Post-tax)               | 17.8        | 17.7        | 17.4        | 15.2        | 15.2        | 13.7        | 15.4        | 19.0        | 21.8        |
| RoIC                          | 19.9        | 19.9        | 19.6        | 17.8        | 18.7        | 17.1        | 19.5        | 23.3        | 26.5        |
| <b>Working Capital Ratios</b> |             |             |             |             |             |             |             |             |             |
| Debtor (Days)                 | 43          | 33          | 33          | 34          | 40          | 46          | 46          | 46          | 46          |
| Asset Turnover (x)            | 2.5         | 2.9         | 3.1         | 3.2         | 2.6         | 2.4         | 2.7         | 3.1         | 3.5         |
| <b>Leverage Ratio</b>         |             |             |             |             |             |             |             |             |             |
| Debt/Equity (x)               | 0.3         | 0.2         | 0.1         | 0.1         | 0.3         | 0.3         | 0.2         | 0.1         | 0.1         |

### Cash Flow Statement

(INR b)

| Y/E March                    | 2020         | 2021         | 2022        | 2023         | 2024         | 2025         | 2026E        | 2027E        | 2028E        |
|------------------------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| OP/(Loss) before Tax         | 18.4         | 20.8         | 21.6        | 21.3         | 2.0          | 26.7         | 28.7         | 35.0         | 40.7         |
| Net interest                 | 1.4          | 0.9          | 0.5         | 0.8          | 1.1          | 1.2          | 1.9          | 1.3          | 0.3          |
| Direct Taxes Paid            | -3.4         | -4.0         | -4.5        | -4.2         | -3.7         | -4.7         | -7.2         | -8.7         | -10.2        |
| (Inc)/Dec in WC              | -2.6         | -0.5         | -5.4        | 0.9          | -4.6         | 0.4          | 0.3          | -0.8         | -0.8         |
| <b>CF from Operations</b>    | <b>13.8</b>  | <b>17.3</b>  | <b>12.2</b> | <b>18.9</b>  | <b>-5.2</b>  | <b>23.5</b>  | <b>23.7</b>  | <b>26.8</b>  | <b>30.1</b>  |
| Inc in FA                    | -1.5         | -1.6         | -2.8        | -2.2         | -2.8         | -5.6         | -2.0         | -1.5         | -1.5         |
| <b>Free Cash Flow</b>        | <b>14.4</b>  | <b>18.7</b>  | <b>11.7</b> | <b>19.3</b>  | <b>17.9</b>  | <b>20.2</b>  | <b>24.3</b>  | <b>27.9</b>  | <b>31.1</b>  |
| Pur of Investments           | -1.3         | -0.3         | -4.7        | -16.4        | -6.1         | 0.5          | 5.0          | 4.0          | 4.0          |
| Others                       | -1.3         | -1.2         | -2.1        | 1.1          | -24.3        | 0.5          | 7.3          | 4.0          | 4.1          |
| <b>CF from Investments</b>   | <b>-4.2</b>  | <b>-3.1</b>  | <b>-9.6</b> | <b>-17.5</b> | <b>-33.2</b> | <b>-4.6</b>  | <b>10.3</b>  | <b>6.5</b>   | <b>6.6</b>   |
| Inc in Debt                  | -1.3         | -16.2        | -2.2        | -6.3         | 22.7         | 7.3          | -14.0        | -8.0         | -8.0         |
| Dividend Paid                | -9.9         | 0.0          | 0.0         | 0.0          | -5.1         | -25.6        | -22.5        | -24.6        | -26.6        |
| Interest Paid                | -1.5         | -1.6         | -1.1        | -1.1         | -2.6         | -3.1         | -3.2         | -2.8         | -1.8         |
| Other Item                   | -0.3         | -0.4         | -0.5        | -0.5         | -0.9         | -0.5         | 0.0          | 0.0          | 0.0          |
| <b>CF from Fin. Activity</b> | <b>-13.0</b> | <b>-18.2</b> | <b>-3.8</b> | <b>-7.9</b>  | <b>14.1</b>  | <b>-21.8</b> | <b>-39.7</b> | <b>-35.3</b> | <b>-36.4</b> |
| <b>Inc/Dec of Cash</b>       | <b>-1.2</b>  | <b>-1.0</b>  | <b>1.1</b>  | <b>-3.9</b>  | <b>1.6</b>   | <b>-0.6</b>  | <b>-3.2</b>  | <b>0.5</b>   | <b>2.9</b>   |
| Add: Beginning Balance       | 8.9          | 7.7          | 6.7         | 7.8          | 3.9          | 5.5          | 4.8          | 1.7          | 2.1          |
| <b>Closing Balance</b>       | <b>7.7</b>   | <b>6.7</b>   | <b>7.8</b>  | <b>3.9</b>   | <b>5.5</b>   | <b>4.8</b>   | <b>1.7</b>   | <b>2.1</b>   | <b>5.0</b>   |

E: MOFSL Estimates

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

| Explanation of Investment Rating |  |
|----------------------------------|--|
| Investment Rating                | Expected return (over 12-month)  |
| BUY                              | >=15%  |
| SELL                             | < - 10%  |
| NEUTRAL                          | < - 10 % to 15%  |
| UNDER REVIEW                     | Rating may undergo a change  |
| NOT RATED                        | We have forward looking estimates for the stock but we refrain from assigning recommendation |

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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