

# Godrej Consumer Products | BUY



International business resilient, weak India business impacts earnings print

GCPL's 3QFY25 earnings print was weak, as highlighted in its pre-quarter update. India business performance was below expectations – due to higher than expected weakness in Soaps (trade destocking, grammage cuts, urban slowdown) and weaker margins. Within India business, a) performance of Soaps (flat sales yoy) doesn't suggest market share loss for GCPL, post new formulation based launch by HUL, b) results have been encouraging so far for RNF molecule based HI products (share gains in incense sticks & LV machines), more conclusive result on product success will be known by end of FY25, c) margin delivery was weaker than HUL. On outlook; volumes unlikely to go back to H1 levels but expected to be better than Q3 with faster growth in rural, likely better HI season and destocking impact reducing for soaps. International business did better – led by strong Latam business performance while Indonesia/Africa delivery was inline; outlook wise too, commentary was positive with Indonesia business being steady, Africa sales growth likely to turn positive from 4Q and Latam business being on strong footing. We cut our est. by c.3-5% over FY25-27E, factoring weaker India margins. Recent correction & valuation closer to LT avg., restricts downside. Maintain BUY with revised TP of INR 1,350 (50x Dec'26 EPS).

- **Sales inline; weaker India margins drives earnings miss:** Consol sales grew 3.5% yoy (organic 6%) to INR 37.5bn while EBITDA and net profit fell 10.1% and 14.3% yoy to INR 7.6bn and INR 5bn respectively. India sales grew c.4% with flat volumes owing to weakness in both HI (weak season/urban slowdown) and Soaps (destocking/grammage cut). International sales grew c.4% on reported basis – Africa sales were down 16% (cc: -7%), offset Indonesia (+9% yoy) & Latam sales (+2.6x yoy). Consol. GM was down 154bps yoy to 53.9% due to compression in India margins by 409bps (palm oil prices up >40%) while International GMs were up 238bps yoy. Staff cost, A&P & other overheads grew by c.6-7% yoy. Hence, EBITDA margin fell 304bps yoy to 20.2% (vs JMFe 20.8%). India EBITDA declined 20.9% yoy owing to GPM compression and scale deleverage, while International EBITDA grew c.32% yoy led by uptick in margins across geographies.
- **India business disappoints, International business continues to outperform:** **1) Home-care** sales grew 4.6% yoy aided by double-digit volume growth in Fabric-care and Air-fresheners. HI was impacted by poor season – while Goodnight Agarbatti outperformed, premium formats were impacted by urban slowdown. **2) Personal-care** sales (+0.9% yoy) was weaker – flat sales in Soaps as mid-high single digit volume decline was compensated by commensurate price hikes. Anticipating further pricing actions in Soaps, management expects growth to improve in the next couple of quarters. **3) RCCL business** which was impacted due to challenges faced in urban general trade improved while operating margins moved to mid-teens. **4) Indonesia** clocked CC growth of 8% yoy (UVG of 6%) led by strong double-digit volume growth in Hair Colours while HI sales were lower due to high base. EBITDA margins improved c.60bps yoy driven by GM expansion. **5) Africa's** sales in reported/cc terms declined by 16%/7% yoy (organic reported/cc sales were -8%/+1% yoy). EBITDA margins expanded c.390bps to 14.8%, mgmt. sees scope of another c.100-200bps margin expansion, focus will be on driving revenue growth now. **6) Latam** delivered another strong qtr – sales up 1.6x yoy with double digit EBITDA margins.

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## Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,350
Upside/(Downside)	19.4%
Previous Price Target	1,420
Change	-4.9%

## Key Data – GCPL IN

Current Market Price	INR1,130
Market cap (bn)	INR1,156.4/US\$13.4
Free Float	38%
Shares in issue (mn)	1,022.5
Diluted share (mn)	1,022.8
3-mon avg daily val (mn)	INR1,911.8/US\$22.2
52-week range	1,542/1,055
Sensex/Nifty	76,190/23,092
INR/US\$	86.2

## Price Performance

%	1M	6M	12M
Absolute	4.9	-22.5	-2.8
Relative*	8.0	-18.5	-9.4

\* To the BSE Sensex

JM Financial Research is also available on:  
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Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Financial Summary					(INR mn)
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Net Sales	131,987	139,741	142,963	158,021	174,216
Sales Growth (%)	8.4	5.9	2.3	10.5	10.2
EBITDA	25,392	30,705	29,848	34,027	38,854
EBITDA Margin (%)	19.1	21.8	20.8	21.4	22.2
Adjusted Net Profit	17,831	19,827	19,356	24,553	28,665
Diluted EPS (INR)	17.4	19.4	18.9	24.0	28.0
Diluted EPS Growth (%)	1.9	11.2	-2.4	26.8	16.7
ROIC (%)	16.4	-69.2	16.5	19.7	22.1
ROE (%)	14.1	15.0	14.5	16.6	17.8
P/E (x)	64.8	58.3	59.7	47.1	40.3
P/B (x)	8.4	9.2	8.2	7.5	6.9
EV/EBITDA (x)	44.9	37.9	38.7	33.8	29.4
Dividend Yield (%)	0.0	0.4	0.7	1.1	1.5

Source: Company data, JM Financial. Note: Valuations as of 24/Jan/2025

## Concall Highlights

### Operating context

- On the demand side, urban consumption continues to remain weaker. Urban general trade has been under pressure and modern trade channel too has seen moderation.
- Impact of urban slowdown was seen in premium HI, to some extent on deodorants and Air care. In general, the kind of ease with which premium was growing, last quarter doesn't seem to be the case now.
- Rural growths for GCPL are significantly ahead of the urban market driven by VAN operations.

### Home care segment

- Post RNF based product launch, GCPL has gained market share (now in high single digit) in Incense sticks. In the outlets where product is present the share is 50%. In coils too, share gains are seen in the markets where it has been launched.
- RNF based LV launched in Q2. Currently 40-50% of the offtakes have been for RNF based product and GCPL has seen significant market share gains in machines.
- MT which is about 20-25%, carries old stock (non-RNF based product) of HI as licenses haven't come (typically takes 6 months to receive the same).
- Within fabric wash, laundry liquids (FAB) in gaining market share despite a tough quarter.

### Personal care segment

- Soaps delivered flattish revenue growth in competitive environment. Currently, the EBITDA margins in Soaps are just short of c.20% and mgmt. expects margins to normalise within 2-3 quarters.
- The company has taken aggressive price increases during 1HFY25, but believes that there is need for further price hikes considering the palm oil inflation.
- The company is behind the curve on body wash. The category is growing fast but liquid detergent is exploding. Management believes that by the time body wash expands it will be well equipped and earn its fair share.
- In deodorants performance was a mixed bag. It is gaining market share in MT and losing in GT. The management believes merging the two distribution systems (MT/GT) didn't work and is separating the same now. It has significantly improved EBITDA margins for the acquired RCCL business but its still short of the guided aspiration level.

### International markets

- Indonesia - Management is not worried about this business, as the electric is driving growth in this geography. There has been temporary softness in HI but nothing structural.
- Africa - Positive organic revenue growth is expected from 4QFY25. Africa margins are growing ahead of expectations – at 15% EBITDA margins (mgmt. believes there is further scope of 100/200bps expansion). Now that mid-teen margin levels are achieved, focus will be on growing topline.
- Latam – is doing extremely well with >25% volume growth and double digit EBITDA margins.

### Guidance

- Management highlighted Q4 volumes won't go back to 1H levels, but likely to be better than Q3. It is hopeful of it going back to 1H volume levels by 1QFY26. Pricing growth in Q4 to be higher vs Q3FY25.
- India EBITDA margins in Q4 may remain similar to 3Q as it is consuming high cost oil procured in 3QFY25. Keeping in mind current RM scenario, being at the lower end of the band (24-26%) is a reasonable assumption for FY26 India business margins. Management will not cut back on advertising spends and other investments and focus on increasing reach like the rural van program.

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

(INR mn)

	3QFY25	3QFY24	yoy	3QFY25E	% variance	9MFY25	9MFY24	yoy
<b>Revenue</b>								
Home Care	10,950	10,470	5%	10,994	0%	29,260	27,120	8%
Personal Care	10,440	10,350	0.9%	10,838	-4%	34,680	33,370	4%
Exports / Unbranded	970	780	24%	874	11%	2,600	2,110	23%
<b>Domestic Revenue</b>	<b>22,360</b>	<b>21,600</b>	<b>4%</b>	<b>22,706</b>	<b>-2%</b>	<b>66,540</b>	<b>62,600</b>	<b>6%</b>
Indonesia	5,080	4,660	9%	5,079	0%	14,860	13,890	7%
Africa	7,710	9,220	-16%	7,837	-2%	19,570	25,850	-24%
Latam	2,620	990	165%	1,782	47%	6,990	4,580	53%
<b>International Revenue</b>	<b>15,410</b>	<b>14,870</b>	<b>4%</b>	<b>14,698</b>	<b>5%</b>	<b>41,420</b>	<b>44,320</b>	<b>-7%</b>
<b>Consolidated; Revenue</b>	<b>37,684</b>	<b>36,596</b>	<b>3%</b>	<b>37,406</b>	<b>1%</b>	<b>107,749</b>	<b>107,105</b>	<b>1%</b>
<b>EBITDA</b>								
India	5,125	6,478	-21%	5,350	-4%	16,053	17,026	-6%
Indonesia	1092	955	14%	1117	-2%	3171	2642	20%
Africa	1141	1005	14%	1160	-2%	2849	2241	27%
Latam	299	-36	-938%	107	179%	531	-36	-1579%
<b>Consolidated EBITDA</b>	<b>7,559</b>	<b>8,407</b>	<b>-10.1%</b>	<b>7,738</b>	<b>-2%</b>	<b>22,498</b>	<b>21,877</b>	<b>3%</b>
Depreciation	619	539		557		1,615	1,911	
Interest	897	666		700		2,606	2,179	
Other Income	831	701		855		2,462	2,051	
<b>PBT before exceptional items</b>	<b>6,874</b>	<b>7,903</b>	<b>-13%</b>	<b>7,336</b>	<b>-6%</b>	<b>20,740</b>	<b>19,839</b>	<b>5%</b>
Exceptional Exp & Forex	57	69		0		318	1,012	
<b>PBT</b>	<b>6,817</b>	<b>7,834</b>		<b>7,336</b>		<b>20,422</b>	<b>18,827</b>	
Tax	1,834	2,024		2,127		5,921	5,500	
<b>PAT</b>	<b>4,983</b>	<b>5,811</b>		<b>5,208</b>		<b>14,501</b>	<b>13,327</b>	
<b>Adj PAT</b>	<b>5,020</b>	<b>5,860</b>	<b>-14%</b>	<b>5,208</b>	<b>-4%</b>	<b>14,689</b>	<b>14,420</b>	<b>2%</b>
<b>Margin %</b>								
India	22.9%	30.0%	-707 bps	23.6%	-64 bps	24.1%	27.2%	-307 bps
Indonesia	21.5%	20.5%	100 bps	22.0%	-50 bps	21.3%	19.0%	232 bps
Africa	14.8%	10.9%	390 bps	14.8%	0 bps	14.6%	8.7%	589 bps
Latam	11.4%	-3.6%	1500 bps	6.0%	540 bps	7.6%	-0.8%	837 bps
<b>Consolidated margin %</b>	<b>20.1%</b>	<b>23.0%</b>	<b>-291 bps</b>	<b>20.7%</b>	<b>-63 bps</b>	<b>20.9%</b>	<b>20.4%</b>	<b>45 bps</b>

Source: Company, JM Financial

## Exhibit 2. 3QFY25 P&amp;L snapshot: Consolidated vs Standalone

(INR mn)

	CONSOLIDATED					PARENT		
	3QFY25	3QFY24	YoY growth	3QFY25E	% Var	3QFY25	3QFY24	YoY growth
<b>Net Sales</b>	<b>37,491</b>	<b>36,228</b>	<b>3.5%</b>	<b>37,156</b>	<b>0.9%</b>	<b>22,372</b>	<b>21,602</b>	<b>3.6%</b>
Other Operating Income	193	368	-47.6%	250	-22.7%	245	439	-44.1%
<b>Total Revenue</b>	<b>37,684</b>	<b>36,596</b>	<b>3.0%</b>	<b>37,406</b>	<b>0.7%</b>	<b>22,617</b>	<b>22,041</b>	<b>2.6%</b>
<b>Gross Profit</b>	<b>20,209</b>	<b>20,085</b>	<b>0.6%</b>	<b>20,154</b>	<b>0.3%</b>	<b>12,135</b>	<b>12,602</b>	<b>-3.7%</b>
Gross Profit Margin %	53.9%	55.4%	-154 bps	54.2%	-34 bps	54.2%	58.3%	-409 bps
Staff Cost	2,961	2,761	7.3%	2,972	-0.4%	1,155	1,171	-1.4%
Advertisement & Publicity	3,644	3,433	6.1%	3,530	3.2%	2,669	2,534	5.3%
Other Expenses	6,238	5,853	6.6%	6,163	1.2%	3,432	2,858	20.1%
<b>EBITDA</b>	<b>7,559</b>	<b>8,407</b>	<b>-10.1%</b>	<b>7,738</b>	<b>-2.3%</b>	<b>5,125</b>	<b>6,478</b>	<b>-20.9%</b>
EBITDA margin %	20.2%	23.2%	-304 bps	20.8%	-66 bps	22.9%	30.0%	-708 bps
Depreciation	619	539	14.9%	557	11.0%	373	270	37.9%
EBIT	6,941	7,868	-11.8%	7,181	-3.4%	4,753	6,208	-23.4%
Interest Expense	897	666	34.7%	700	28.2%	488	362	34.9%
Financial Other Income	831	701	18.6%	855	-2.8%	629	553	13.6%
<b>PBT pre-exceptionals / forex impact</b>	<b>6,874</b>	<b>7,903</b>	<b>-13.0%</b>	<b>7,336</b>	<b>-6.3%</b>	<b>4,894</b>	<b>6,400</b>	<b>-23.5%</b>
PBT post exceptionals / forex impact	6,817	7,834	-13.0%	7,336	-7.1%	4,893	6,341	-22.8%
Taxes	1,834	2,024	-9.4%	2,127	-13.8%	1,478	1,615	-8.5%
<b>Reported Net Profit</b>	<b>4,983</b>	<b>5,811</b>	<b>-14.2%</b>	<b>5,208</b>	<b>-4.3%</b>	<b>3,415</b>	<b>4,726</b>	<b>-27.7%</b>
<b>Adjusted Net Profit</b>	<b>5,020</b>	<b>5,860</b>	<b>-14.3%</b>	<b>5,208</b>	<b>-3.6%</b>	<b>3,416</b>	<b>4,770</b>	<b>-28.4%</b>

Source: Company, JM Financial

**Exhibit 3. Quarterly financial performance – consolidated basis**

INR mn	1QFY23	2QFY23	Q3FY23	Q4FY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
<b>Net Sales</b>	<b>30,943</b>	<b>33,645</b>	<b>35,677</b>	<b>31,722</b>	<b>34,179</b>	<b>35,684</b>	<b>36,228</b>	<b>33,651</b>	<b>33,108</b>	<b>36,471</b>	<b>37,491</b>
<b>YoY</b>	<b>8%</b>	<b>7%</b>	<b>9%</b>	<b>10%</b>	<b>10%</b>	<b>6%</b>	<b>2%</b>	<b>6%</b>	<b>-3%</b>	<b>2%</b>	<b>3%</b>
Other Operational Income	307	275	312	280	311	336	368	205	208	192	193
Gross Profit	14558	16238	18408	16928	18534	19771	20454	18999	18608	20381	20402
Staff cost	2,597	2,593	2,917	3,008	3,140	3,356	2,761	3,237	2,796	3,106	2,961
A&P spends	2,014	2,839	2,758	2,245	3,204	3,659	3,433	3,063	3,308	3,640	3,644
Other expenses	4,739	5,385	5,467	5,267	5,762	5,714	5,853	5,142	5,260	6,039	6,238
<b>EBITDA</b>	<b>5,208</b>	<b>5,421</b>	<b>7,266</b>	<b>6,409</b>	<b>6,428</b>	<b>7,042</b>	<b>8,407</b>	<b>7,557</b>	<b>7,244</b>	<b>7,596</b>	<b>7,559</b>
<b>YoY</b>	<b>-15%</b>	<b>-20%</b>	<b>4%</b>	<b>28%</b>	<b>23%</b>	<b>30%</b>	<b>16%</b>	<b>18%</b>	<b>13%</b>	<b>8%</b>	<b>-10%</b>
Depreciation	571	533	573	686	763	609	539	499	495	501	619
Interest	351	483	399	525	740	773	666	785	878	831	897
Other income	275	399	432	579	691	659	701	638	771	860	831
<b>PBT</b>	<b>4,562</b>	<b>4,804</b>	<b>6,725</b>	<b>5,777</b>	<b>5,617</b>	<b>6,319</b>	<b>7,903</b>	<b>6,912</b>	<b>6,643</b>	<b>7,124</b>	<b>6,874</b>
<b>YoY</b>	<b>-18%</b>	<b>-23%</b>	<b>5%</b>	<b>31%</b>	<b>23%</b>	<b>32%</b>	<b>18%</b>	<b>20%</b>	<b>18%</b>	<b>13%</b>	<b>-13%</b>
<b>PAT</b>	<b>3,451</b>	<b>3,589</b>	<b>5,463</b>	<b>4,521</b>	<b>3,188</b>	<b>4,328</b>	<b>5,811</b>	<b>-18,932</b>	<b>4,507</b>	<b>4,913</b>	<b>4,983</b>
<b>YoY</b>	<b>-17%</b>	<b>-25%</b>	<b>4%</b>	<b>24%</b>	<b>-8%</b>	<b>21%</b>	<b>6%</b>	<b>-519%</b>	<b>41%</b>	<b>14%</b>	<b>-14%</b>
<b>Adj.PAT</b>	<b>3,470</b>	<b>3,770</b>	<b>5,530</b>	<b>4,690</b>	<b>4,130</b>	<b>4,430</b>	<b>5,860</b>	<b>5,740</b>	<b>4,700</b>	<b>4,970</b>	<b>5,020</b>
<b>% to net sales</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>Q3FY23</b>	<b>Q4FY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>	<b>4QFY24</b>	<b>1QFY25</b>	<b>2QFY25</b>	<b>3QFY25</b>
Gross margin	47.0%	48.3%	51.6%	53.4%	54.2%	55.4%	56.5%	56.5%	56.2%	55.9%	54.4%
Staff cost	8.4%	7.7%	8.2%	9.5%	9.2%	9.4%	7.6%	9.6%	8.4%	8.5%	7.9%
A&P spends	6.5%	8.4%	7.7%	7.1%	9.4%	10.3%	9.5%	9.1%	10.0%	10.0%	9.7%
Other expenses	15.3%	16.0%	15.3%	16.6%	16.9%	16.0%	16.2%	15.3%	15.9%	16.6%	16.6%
EBITDA margin	16.8%	16.1%	20.4%	20.2%	18.8%	19.7%	23.2%	22.5%	21.9%	20.8%	20.2%

Source: Company, JM Financial

**Exhibit 4. Quarterly financial performance – standalone basis**

INR mn	1QFY23	2QFY23	Q3FY23	Q4FY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
<b>India Volume growth</b>	<b>-6.0%</b>	<b>-5.0%</b>	<b>3.0%</b>	<b>13.0%</b>	<b>10.0%</b>	<b>4.0%</b>	<b>5.0%</b>	<b>7.0%</b>	<b>8.0%</b>	<b>7.0%</b>	<b>0.0%</b>
<b>Net Sales</b>	<b>18,137</b>	<b>19,530</b>	<b>19,749</b>	<b>17,892</b>	<b>19,711</b>	<b>21,291</b>	<b>21,602</b>	<b>20,075</b>	<b>21,395</b>	<b>22,777</b>	<b>22,372</b>
<b>YoY</b>	<b>12%</b>	<b>8%</b>	<b>11%</b>	<b>12%</b>	<b>9%</b>	<b>9%</b>	<b>9%</b>	<b>12%</b>	<b>9%</b>	<b>7%</b>	<b>4%</b>
Other Operational Income	357	321	349	338	344	392	439	261	234	230	245
Gross Profit	8521	9596	10885	10395	11442	12581	13041	11760	12207	12874	12380
<b>EBITDA</b>	<b>4,146</b>	<b>4,280</b>	<b>5,447</b>	<b>4,814</b>	<b>4,974</b>	<b>5,574</b>	<b>6,478</b>	<b>5,412</b>	<b>5,343</b>	<b>5,585</b>	<b>5,125</b>
<b>YoY</b>	<b>-4%</b>	<b>-5%</b>	<b>19%</b>	<b>25%</b>	<b>20%</b>	<b>30%</b>	<b>19%</b>	<b>12%</b>	<b>7%</b>	<b>0%</b>	<b>-21%</b>
Depreciation	258	217	250	355	453	325	270	221	273	273	373
Interest	213	276	407	499	1,828	1,575	553	606	638	754	629
Other income	5	8	7	11	247	362	362	371	425	450	488
<b>PBT</b>	<b>4,096</b>	<b>4,331</b>	<b>5,597</b>	<b>4,948</b>	<b>6,101</b>	<b>6,463</b>	<b>6,400</b>	<b>5,426</b>	<b>5,282</b>	<b>5,616</b>	<b>4,894</b>
<b>YoY</b>	<b>-4%</b>	<b>-3%</b>	<b>24%</b>	<b>30%</b>	<b>49%</b>	<b>49%</b>	<b>14%</b>	<b>10%</b>	<b>-13%</b>	<b>-13%</b>	<b>0%</b>
<b>PAT</b>	<b>3,195</b>	<b>3,282</b>	<b>4,585</b>	<b>4,075</b>	<b>3,905</b>	<b>4,849</b>	<b>4,726</b>	<b>-7,009</b>	<b>3,678</b>	<b>3,925</b>	<b>3,415</b>
<b>YoY</b>	<b>-2%</b>	<b>-8%</b>	<b>21%</b>	<b>-2%</b>	<b>22%</b>	<b>48%</b>	<b>3%</b>	<b>-272%</b>	<b>-6%</b>	<b>-19%</b>	<b>-28%</b>
<b>% to net sales</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>Q3FY23</b>	<b>Q4FY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>	<b>4QFY24</b>	<b>1QFY25</b>	<b>2QFY25</b>	<b>3QFY25</b>
Gross margin	47.0%	49.1%	55.1%	58.1%	58.1%	59.1%	60.4%	58.6%	57.1%	56.5%	55.3%
Staff cost	4.3%	4.2%	5.0%	6.4%	6.0%	6.7%	5.4%	6.0%	5.7%	5.8%	5.2%
A&P spends	6.9%	10.2%	9.5%	9.8%	12.5%	13.1%	11.7%	11.5%	12.0%	11.6%	11.9%
Other expenses	6.9%	10.2%	9.5%	9.8%	12.5%	13.1%	11.7%	11.5%	12.0%	11.6%	11.9%
EBITDA margin	22.9%	21.9%	27.6%	26.9%	25.2%	26.2%	30.0%	27.0%	25.0%	24.5%	22.9%

Source: Company, JM Financial

## Exhibit 5. Quarterly segmental overview

Segmental Sales (INR mn)	1QFY23	2QFY23	Q3FY23	Q4FY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Home Care	6,630	8,690	10,000	8,260	7,520	9,130	10,470	8,756	8,150	10,160	10,950
YoY	-3.5%	1.6%	10.1%	14.1%	13.4%	5.1%	4.7%	6.0%	8.4%	11.3%	4.6%
Personal Care	10,880	10,170	8,750	8,720	11,570	11,450	10,350	10,439	12,480	11,760	10,440
YoY	25.3%	17.7%	13.9%	17.2%	6.3%	12.6%	18.3%	19.7%	7.9%	2.7%	0.9%
<b>Branded Sales</b>	<b>17,510</b>	<b>18,860</b>	<b>18,750</b>	<b>16,980</b>	<b>19,090</b>	<b>20,580</b>	<b>20,820</b>	<b>19,194</b>	<b>20,630</b>	<b>21,920</b>	<b>21,400</b>
YoY	12.6%	9.7%	11.9%	15.7%	9.0%	9.1%	11.0%	13.0%	8.1%	6.5%	2.8%
Exports / Miscellaneous	630	670	1,000	910	620	710	780	881	770	860	970
<b>Total Domestic Sales</b>	<b>18,140</b>	<b>19,530</b>	<b>19,750</b>	<b>17,890</b>	<b>19,710</b>	<b>21,290</b>	<b>21,600</b>	<b>20,075</b>	<b>21,400</b>	<b>22,780</b>	<b>22,370</b>
YoY	11.9%	8.0%	10.6%	11.5%	8.7%	9.0%	9.4%	12.2%	8.6%	7.0%	3.6%

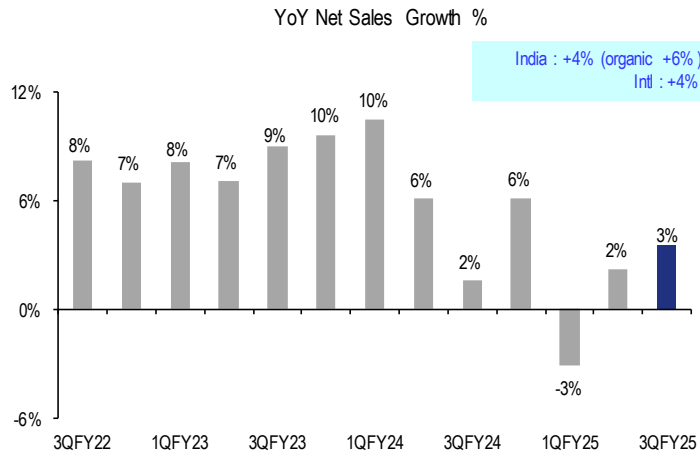
International Sales (INR mn)	1QFY23	2QFY23	Q3FY23	Q4FY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Indonesia	3,765	4,087	4,333	4,345	4,507	4,730	4,665	4,983	4,651	5,138	5,079
YoY	-8.5%	-8.2%	-3.1%	8.2%	19.7%	15.7%	7.7%	14.7%	3.2%	8.6%	8.9%
Africa (Incl. son)	7,789	8,587	10,071	7,701	8,486	8,158	9,233	5,937	5,446	6,446	7,724
YoY	12.2%	14.7%	13.9%	6.5%	8.9%	-5.0%	-8.3%	-22.9%	-35.8%	-21.0%	-16.3%
Latam	1,541	1,744	1,828	2,036	1,808	1,826	993	2,900	1,953	2,476	2,636
YoY	-3.5%	0.4%	-8.7%	-3.8%	17.4%	4.7%	-45.7%	42.5%	8.0%	35.6%	165.4%
<b>Total International Revenue</b>	<b>13,094</b>	<b>14,417</b>	<b>16,231</b>	<b>14,082</b>	<b>14,801</b>	<b>14,714</b>	<b>14,890</b>	<b>13,821</b>	<b>12,050</b>	<b>14,060</b>	<b>15,440</b>
YoY	3.5%	5.5%	6.0%	5.4%	13.0%	2.1%	-8.3%	-1.9%	-18.6%	-4.4%	3.7%

International EBITDA (INR mn)	1QFY23	2QFY23	Q3FY23	Q4FY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Indonesia	569	687	855	927	861	825	955	1,235	1,083	995	1,092
YoY	-39.8%	-40.8%	-7.9%	9.1%	51.3%	20.1%	11.8%	33.2%	25.8%	20.6%	14.3%
Africa (Incl. son)	455	420	859	504	579	657	1,005	806	782	926	1,141
YoY	-28.7%	-50.4%	-30.9%	533.2%	27.3%	56.4%	17.0%	60.1%	35.1%	41.0%	13.5%
Latam	15	31	91	165	14	-14	-36	118	92	140	299
YoY	-92.8%	-88.6%	-61.6%	-27.8%	-5.7%	-146.8%	-139.1%	NM	543.8%	NM	NM
<b>Total International EBITDA</b>	<b>1,038</b>	<b>1,136</b>	<b>1,804</b>	<b>1,601</b>	<b>1,455</b>	<b>1,467</b>	<b>1,924</b>	<b>2,160</b>	<b>1,963</b>	<b>2,062</b>	<b>2,532</b>
YoY	-42.0%	-50.1%	-25.1%	38.0%	40.2%	29.1%	6.6%	34.9%	34.9%	40.5%	31.6%

EBITDA margins	1QFY23	2QFY23	Q3FY23	Q4FY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Indonesia	15%	17%	20%	21%	19%	17%	20%	25%	23%	19%	22%
Africa (Incl. son)	6%	5%	9%	7%	7%	8%	11%	14%	14%	14%	15%
Latam	1%	2%	5%	8%	1%	-1%	-4%	4%	5%	6%	11%
<b>Total International EBITDAM</b>	<b>8%</b>	<b>8%</b>	<b>11%</b>	<b>11%</b>	<b>10%</b>	<b>10%</b>	<b>13%</b>	<b>16%</b>	<b>16%</b>	<b>15%</b>	<b>16%</b>

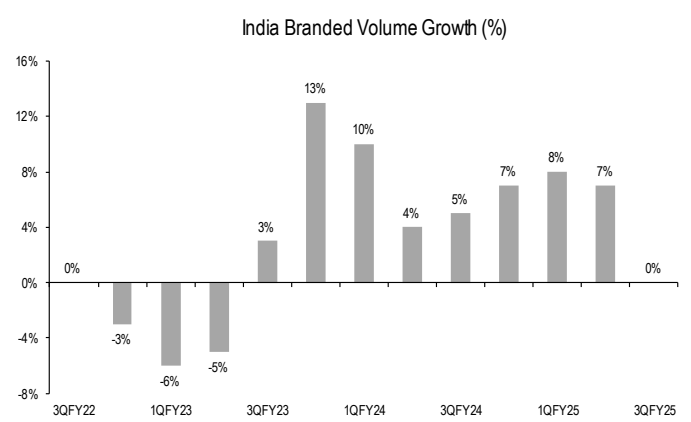
Source: Company, JM Financial

**Exhibit 6. Consolidated sales grew 4% (incl inorganic) during Dec-Q**



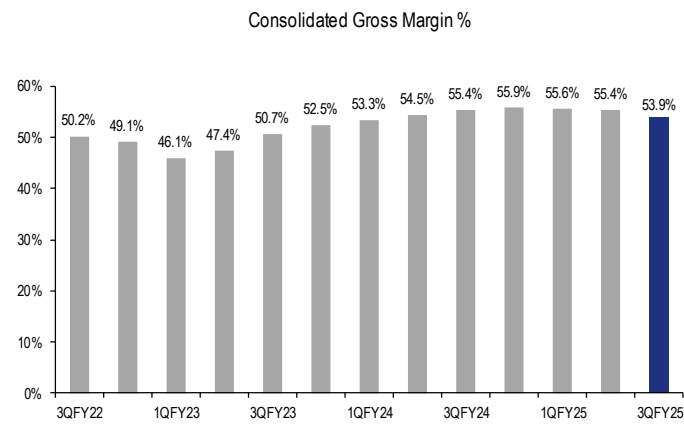
Source: Company, JM Financial

**Exhibit 7. India branded volume growth remained muted**



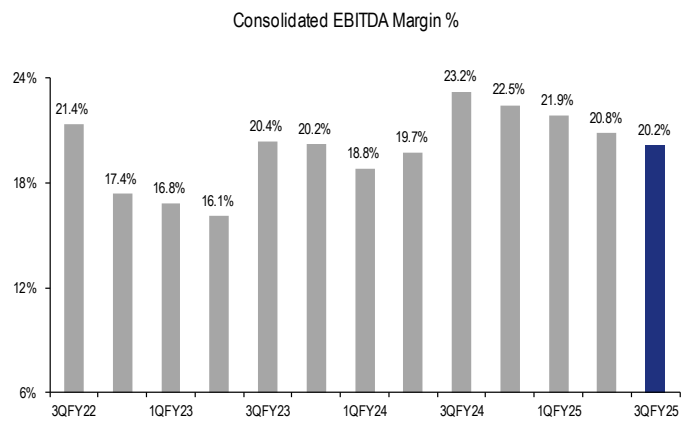
Source: Company, JM Financial

**Exhibit 8. Consolidated gross margin compressed c.150bps yoy/qoq**



Source: Company, JM Financial

**Exhibit 9. Consolidated EBITDA margin down c.300bps yoy**



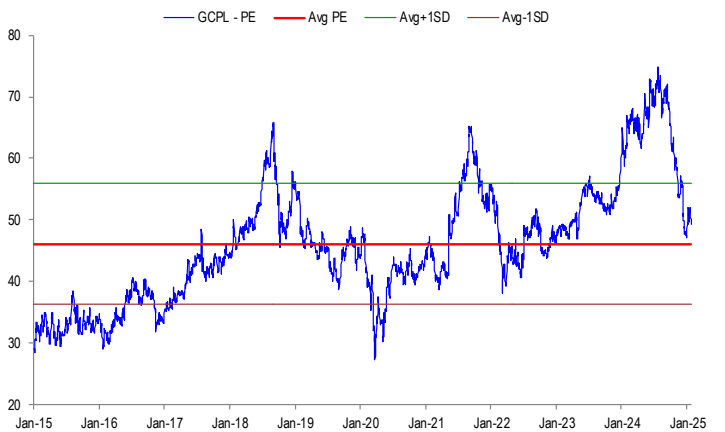
Source: Company, JM Financial

**Exhibit 10. GCPL's 5yr avg. PE Band**



Source: Company, Bloomberg, JM Financial

**Exhibit 11. GCPL's 10yr avg. PE Band**



Source: Company, Bloomberg, JM Financial

**Exhibit 12. Revision in estimates**

INR mn	Revised			Earlier			Change		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Sales	142,963	158,021	174,216	142,893	158,529	175,089	0.0%	-0.3%	-0.5%
EBITDA	29,848	34,027	38,854	30,338	35,183	40,368	-1.6%	-3.3%	-3.8%
PAT	19,356	24,553	28,665	19,959	25,758	30,145	-3.0%	-4.7%	-4.9%
EPS	18.9	24.0	28.0	19.5	25.2	29.5	-3.0%	-4.7%	-4.9%

Source: Company, JM Financial

## Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
Net Sales	131,987	139,741	142,963	158,021	174,216	
Sales Growth	8.4%	5.9%	2.3%	10.5%	10.2%	
Other Operating Income	1,173	1,221	870	957	1,005	
<b>Total Revenue</b>	<b>133,160</b>	<b>140,961</b>	<b>143,833</b>	<b>158,978</b>	<b>175,221</b>	
Cost of Goods Sold/Op. Exp	67,028	63,203	64,833	71,269	77,899	
Personnel Cost	11,115	12,493	12,295	13,479	14,739	
Other Expenses	29,625	34,560	36,857	40,202	43,730	
<b>EBITDA</b>	<b>25,392</b>	<b>30,705</b>	<b>29,848</b>	<b>34,027</b>	<b>38,854</b>	
EBITDA Margin	19.1%	21.8%	20.8%	21.4%	22.2%	
EBITDA Growth	1.9%	20.9%	-2.8%	14.0%	14.2%	
Depn. & Amort.	2,363	2,410	2,112	2,221	2,314	
EBIT	23,029	28,295	27,736	31,806	36,539	
Other Income	1,684	2,690	3,255	3,800	4,194	
Finance Cost	1,757	2,964	3,457	2,781	2,411	
PBT before Excep. & Forex	22,955	28,021	27,534	32,825	38,322	
Excep. & Forex Inc./Loss(-)	-1,628	-26,039	-358	-80	-80	
PBT	21,327	1,982	27,176	32,745	38,242	
Taxes	4,303	7,588	8,071	8,252	9,637	
Extraordinary Inc./Loss(-)	0	0	0	0	0	
Assoc. Profit/Min. Int.(-)	0	0	0	0	0	
Reported Net Profit	17,025	-5,605	19,105	24,493	28,605	
<b>Adjusted Net Profit</b>	<b>17,831</b>	<b>19,827</b>	<b>19,356</b>	<b>24,553</b>	<b>28,665</b>	
Net Margin	13.4%	14.1%	13.5%	15.4%	16.4%	
Diluted Share Cap. (mn)	1,022.7	1,022.8	1,022.8	1,022.8	1,022.8	
<b>Diluted EPS (INR)</b>	<b>17.4</b>	<b>19.4</b>	<b>18.9</b>	<b>24.0</b>	<b>28.0</b>	
Diluted EPS Growth	1.9%	11.2%	-2.4%	26.8%	16.7%	
Total Dividend + Tax	0	5,114	7,642	12,247	17,163	
Dividend Per Share (INR)	0.0	5.0	7.5	12.0	16.8	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
Profit before Tax	21,868	26,751	27,494	32,745	38,242	
Depn. & Amort.	2,363	2,410	2,112	2,221	2,314	
Net Interest Exp. / Inc. (-)	73	274	202	-1,018	-1,782	
Inc (-) / Dec in WCap.	933	-4,559	-5	-1,124	-993	
Others	453	-437	456	80	80	
Taxes Paid	-4,185	-3,739	-8,656	-8,252	-9,637	
<b>Operating Cash Flow</b>	<b>21,507</b>	<b>20,700</b>	<b>21,603</b>	<b>24,652</b>	<b>28,223</b>	
Capex	77	306	-4,500	-4,500	-3,484	
Free Cash Flow	21,583	21,006	17,103	20,152	24,739	
Inc (-) / Dec in Investments	-18,769	-9,085	-7,007	-8,409	-10,091	
Others	1,109	-24,851	3,215	3,720	4,114	
<b>Investing Cash Flow</b>	<b>-17,583</b>	<b>-33,630</b>	<b>-8,293</b>	<b>-9,189</b>	<b>-9,461</b>	
Inc / Dec (-) in Capital	0	0	0	0	0	
Dividend + Tax thereon	0	-5,114	-4,585	-10,405	-15,196	
Inc / Dec (-) in Loans	-6,344	22,652	-1,583	-5,993	-4,794	
Others	-1,600	-3,474	-3,476	-2,801	-2,432	
<b>Financing Cash Flow</b>	<b>-7,943</b>	<b>14,063</b>	<b>-9,644</b>	<b>-19,198</b>	<b>-22,422</b>	
<b>Inc / Dec (-) in Cash</b>	<b>-4,020</b>	<b>1,133</b>	<b>3,666</b>	<b>-3,736</b>	<b>-3,660</b>	
Opening Cash Balance	7,927	4,337	5,469	9,135	5,399	
Closing Cash Balance	3,907	5,469	9,135	5,399	1,739	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
Shareholders' Fund	137,942	125,986	140,505	154,594	168,002	
Share Capital	1,023	1,023	1,023	1,023	1,023	
Reserves & Surplus	136,920	124,963	139,482	153,571	166,979	
Preference Share Capital	0	0	0	0	0	
Minority Interest	0	0	0	0	0	
Total Loans	10,340	31,546	29,963	23,971	19,176	
Def. Tax Liab. / Assets (-)	-6,412	-2,804	-2,070	-2,070	-2,070	
<b>Total - Equity &amp; Liab.</b>	<b>141,870</b>	<b>154,729</b>	<b>168,399</b>	<b>176,494</b>	<b>185,109</b>	
Net Fixed Assets	98,824	103,585	105,973	108,252	109,422	
Gross Fixed Assets	52,953	73,723	78,223	82,723	86,207	
Intangible Assets	58,223	50,264	50,264	50,264	50,264	
Less: Depn. & Amort.	12,805	21,236	23,348	25,569	27,883	
Capital WIP	454	834	834	834	834	
Investments	30,290	35,037	42,044	50,453	60,543	
Current Assets	38,846	42,496	47,181	46,400	46,301	
Inventories	15,372	12,709	12,611	13,506	14,413	
Sundry Debtors	12,453	15,354	15,708	16,929	18,664	
Cash & Bank Balances	3,907	5,469	9,135	5,399	1,739	
Loans & Advances	1,653	2,300	2,530	2,783	3,062	
Other Current Assets	5,462	6,663	7,197	7,782	8,423	
Current Liab. & Prov.	26,091	26,389	26,799	28,610	31,158	
Current Liabilities	24,158	23,228	24,004	25,576	27,863	
Provisions & Others	1,933	3,161	2,795	3,034	3,294	
Net Current Assets	12,756	16,107	20,382	17,790	15,144	
<b>Total - Assets</b>	<b>141,870</b>	<b>154,729</b>	<b>168,399</b>	<b>176,494</b>	<b>185,109</b>	

Source: Company, JM Financial

Dupont Analysis						
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
Net Margin	13.4%	14.1%	13.5%	15.4%	16.4%	
Asset Turnover (x)	0.9	0.9	0.9	0.9	0.9	
Leverage Factor (x)	1.1	1.2	1.2	1.2	1.1	
RoE	14.1%	15.0%	14.5%	16.6%	17.8%	

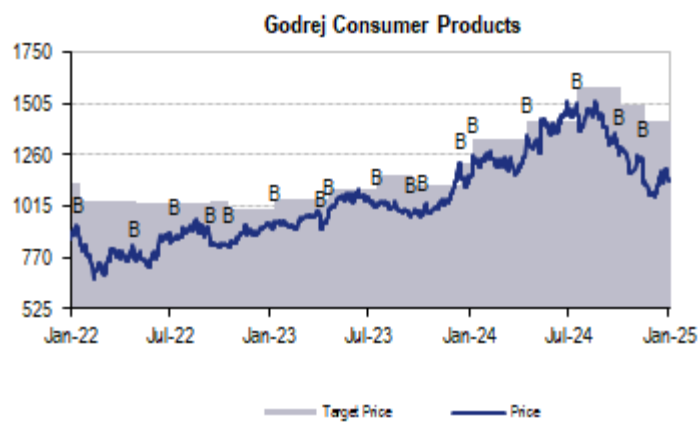
Key Ratios						
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
BV/Share (INR)	134.9	123.2	137.4	151.1	164.3	
ROIC	16.4%	-69.2%	16.5%	19.7%	22.1%	
ROE	14.1%	15.0%	14.5%	16.6%	17.8%	
Net Debt/Equity (x)	-0.1	0.1	0.0	0.0	-0.1	
P/E (x)	64.8	58.3	59.7	47.1	40.3	
P/B (x)	8.4	9.2	8.2	7.5	6.9	
EV/EBITDA (x)	44.9	37.9	38.7	33.8	29.4	
EV/Sales (x)	8.6	8.3	8.0	7.2	6.5	
Debtor days	34	40	40	39	39	
Inventory days	42	33	32	31	30	
Creditor days	79	75	75	73	73	

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
27-Sep-21	Buy	1,095	
11-Nov-21	Buy	1,135	3.7
20-Dec-21	Buy	1,120	-1.3
8-Feb-22	Buy	1,035	-7.6
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

Recommendation History





## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

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Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
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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