BUY

Godrej Consumer Products

AR25: Agility meets execution

Emkay — Your success is our success

Consumer Goods ▸ Company Update ▸ **July 27, 2025**

CMP (Rs): 1,217 | TP (Rs): 1,400

We maintain our positive stance on GCPL, with Jun-26E TP of Rs1,400 (on 50x P/E); we retain BUY, as we continue to see enhanced execution. GCPL's FY25 Annual Report not only mentions the achievement and misses, but also delves into factors leading to their outcome. In FY26, we expect GCPL's India business to accelerate growth and recover margin and Indonesia business to be weak hit by the competitive surge, while Africa cluster is likely to stage topline recovery and see steady margin improvement. We now expect 9% topline/18% earnings CAGR over FY25-28E. We see enhanced execution keeping valuation near +1SD.

High single-digit growth aspirations for FY26

GCPLs' attempt to achieve high single-digit volume growth in the SA business in FY25 has been impacted by the weak season in HI and an unusual inflationary setting in Soaps. For FY26, the mgmt is looking at mid-to-high-single-digit volume growth in India. Thrust in India would be on deodorant, household insecticide, liquid detergent (revenue target: Rs5bn), and set-up of pet care. In Indonesia, GCPL achieved 6% volume growth in FY25. We see flat volume for its Indonesia business in FY26, amid competitive stress. In GAUM, growth is likely to be ~20%, on a low base. The mgmt aspires to achieve high single-digit consol revenue growth. It pointed to its FY26 focus being on fewer, bigger and better bets that can drive up scale, margin, and future readiness. Mgmt effort ahead is toward centralized innovation, with a cross-country replicable communication medium. Given the wider internet penetration, we believe it would be prudent to simultaneously effect innovations across global markets, to build a fair connection with consumers.

Thrust on profitability enhanced in FY26; expectations of margin recovery

Mgmt focus in FY25 was on maintaining profitability in India while enhancing it in its International business. While the former was impacted by the sudden inflationary setting in palm oil, the latter beat its own target. FY25 margin for the International business stood at 17% vs 13% in FY24 (10% in FY23). In FY26E, we expect price actions and easing in RM cost to help recovery in margin, in India. As GCPL is working on strategic bets, the mgmt is looking at enhancing the balance sheet and cash generation. The company has improved its working capital (WC) position in India to -1day, while work is still pending on the international front. On the back of thrust on profitable operations, GCPL has significantly enhanced its RoCE for the Africa business (10%, like in Indonesia; lower vs 27% in India). Adjusted for intangibles, RoCE for Africa expanded to 30%, while that for India stood at 54% (down by 400bps YoY) and at 22% for Indonesia (down by 300bps YoY). Its dividend payout for FY25 stood healthy at 83%. Ahead, GCPL targets payout ratio to average at ~50% (±20%) of PAT.

Focused execution to aid better earnings ahead; maintain BUY

Mgmt thrust on execution is visible in its portfolio actions, which we see aligning with evolving needs. On better earnings outlook, we retain BUY with Jun-26E TP of Rs1,400.

Target Price – 12M	Jun-26
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	15.0

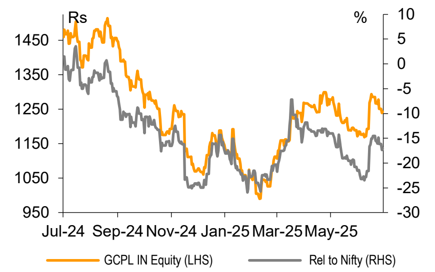
Stock Data	**GCPL IN**
52-week High (Rs)	1,542
52-week Low (Rs)	980
Shares outstanding (mn)	1,023.0
Market-cap (Rs bn)	1,245
Market-cap (USD mn)	14,386
Net-debt, FY26E (Rs mn)	273.8
ADTV-3M (mn shares)	1
ADTV-3M (Rs mn)	1,454.8
ADTV-3M (USD mn)	16.8
Free float (%)	47.0
Nifty-50	24,837.0
INR/USD	86.5

Shareholding,Jun-25	
Promoters (%)	53.1
FPIs/MFs (%)	19.4/12.4

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	2.6	(3.9)	(17.8)
Rel. to Nifty	4.3	(7.0)	(19.2)

1-Year share price trend (Rs)



Godrej Consumer Products: Financial Snapshot (Consolidated)

Y/E March (Rs mn)	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Revenue	140,961	143,643	157,555	174,059	189,115
EBITDA	29,435	30,031	34,599	40,087	44,726
Adj. PAT	20,169	19,604	23,848	27,921	31,479
Adj. EPS (Rs)	19.7	19.2	23.3	27.3	30.8
EBITDA margin (%)	20.9	20.9	22.0	23.0	23.6
EBITDA growth (%)	21.1	2.0	15.2	15.9	11.6
Adj. EPS growth (%)	14.8	(2.8)	21.7	17.1	12.7
RoE (%)	15.3	15.9	19.6	22.3	24.4
RoIC (%)	18.7	17.8	21.2	24.6	27.5
P/E (x)	(222.0)	67.2	52.2	44.6	39.5
EV/EBITDA (x)	42.6	41.7	36.2	31.3	28.0
P/B (x)	9.9	10.4	10.1	9.8	9.5
FCFF yield (%)	1.4	1.6	1.8	2.3	3.0

Source: Company, Emkay Research

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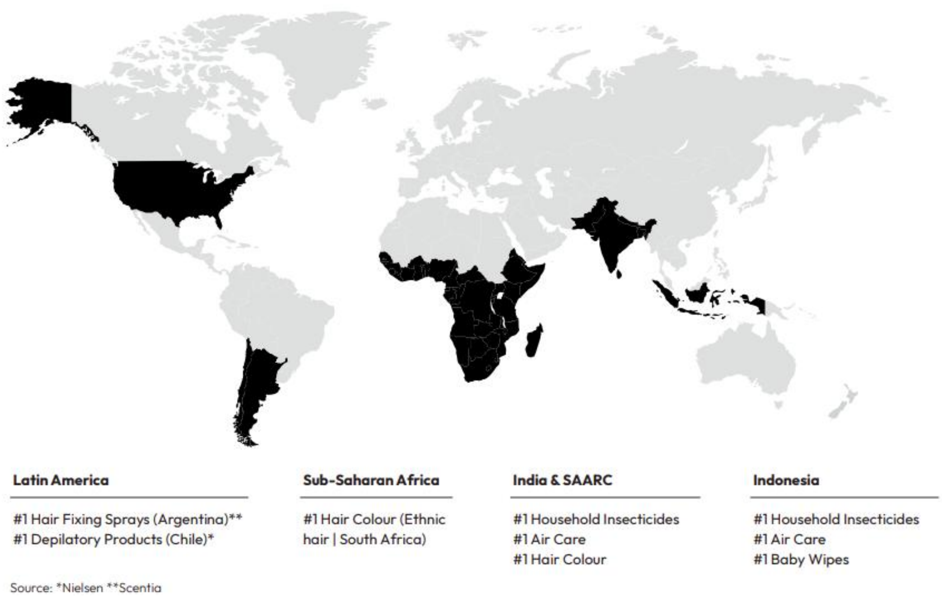
Indian multinational with execution prowess

Exhibit 1: GCPL's global presence and category leadership



Source: Company, Emkay Research

Exhibit 2: Leadership positioning across key categories in India and Indonesia

India & SAARC

- #1 Household Insecticides
- #2 Personal Wash and Hygiene
- #1 Air Care
- #3 Fabric Care
- #1 Hair Colour
- #3 Deodorants

Indonesia

- #1 Household Insecticides
- #3 Hair Colour
- #1 Air Care
- #1 Baby Wipes

Source: Company, Emkay Research

Exhibit 3: Leadership positioning across key categories in Latin America and GAUM

Latin America

- #1 Premium Beauty and Professional Products (Hair fixing sprays | Argentina)**
- #1 Premium Beauty and Professional Products (Depilatory products | Chile)
- #2 Hair Colour (Argentina)*
- #2 Hair Colour (Chile)
- #2 Premium Beauty and Professional Products (Hair styling products | Argentina)*

Sub-Saharan Africa & USA

- #1 Hair Colour (Ethnic hair | South Africa)
- #2 Premium Beauty and Professional Products (Hair extensions | Sub-Saharan Africa)
- #3 Hair Colour (Caucasian hair colour | South Africa) Leader in Premium Beauty and Professional Products (Hair care and maintenance products | Africa & USA)

Source: *Nielsen, **Scentia

Source: Company, Emkay Research

Exhibit 4: Power brand progress

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
More than Rs10bn	Good Knight	Good Knight	Good Knight	Good Knight	Good Knight	Good Knight	Good Knight	Good Knight
	Darling	Darling	Darling	Darling	Darling	Darling	Darling	Darling
	Godrej No 1	Godrej No 1	Godrej No 1	Godrej No 1	Godrej No 1	Godrej No 1	Godrej No 1	Godrej No 1
						Cinthol	Cinthol	Cinthol
								HIT
Rs5-Rs10bn	HIT	HIT	HIT	HIT	HIT	HIT	HIT	Godrej Expert
	Cinthol	Cinthol	Cinthol	Cinthol	Cinthol	Godrej Expert	Godrej Expert	Godrej Aer
	Godrej Expert	Godrej Expert	Godrej Expert	Godrej Expert	Godrej Expert	Strella	Strella	Strella
							Godrej Aer	African Pride
Rs2.5-Rs5bn	Issue	Issue	Mitu	Mitu	Ezee	Ezee	Ezee	
	Mitu	Mitu	Stella	Stella	Mitu	Mitu	Mitu	
	Stella	Stella	Godrej aer	Godrej aer	Stella	Godrej Aer	Mega Growth	
	HIT expert	Godrej protekt			Godrej aer			

Source: Company, Emkay Research
Note: For FY25, the company has not provided any list of brands that are Rs2.5-5bn in size

With a revamped management team, GCPL targets resolving business issues and making businesses structurally sound. While domestically the company's thrust is on demand generation, its focus on the international front is to enhance supplies. What makes GCPL attractive is its healthy margin profile, despite business issues.

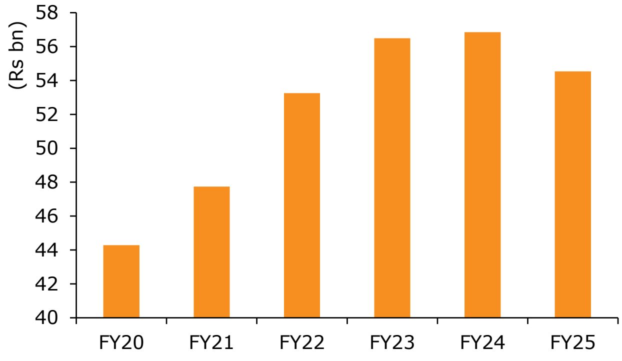
Exhibit 5: Consolidated business performance

(Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Summary income statement									
Revenue	**97,247**	**100,380**	**104,305**	**100,421**	**111,888**	**124,573**	**134,527**	**142,340**	**145,184**
growth	*10%*	*3%*	*4%*	*-4%*	*11%*	*11%*	*8%*	*6%*	*2%*
Intersegment	-1,159	-969	-1,161	-1,313	-1,602	-1,808	-1,367	-1,379	-1,541
Revenue from operations	**96,088**	**99,412**	**103,143**	**99,108**	**110,286**	**122,765**	**133,160**	**140,961**	**143,643**
growth	*10%*	*3%*	*4%*	*-4%*	*11%*	*11%*	*8%*	*6%*	*2%*
EBITDA	**18,967**	**20,670**	**21,166**	**21,430**	**23,883**	**23,951**	**24,305**	**29,435**	**30,031**
growth	*17%*	*9%*	*2%*	*1%*	*11%*	*0%*	*1%*	*21%*	*2%*
EBITDA margin	19.5%	20.6%	20.3%	21.3%	21.3%	19.2%	18.1%	20.7%	20.7%
Depreciation and Amortization	-1,416	-1,557	-1,700	-1,973	-2,039	-2,099	-2,363	-2,410	-2,340
EBIT	**17,552**	**19,113**	**19,466**	**19,458**	**21,844**	**21,852**	**21,942**	**27,025**	**27,691**
EBIT margin	18%	19%	19%	19%	20%	18%	16%	19%	19%
Other income	355	392	230	361	320	291	724	820	655
Interest income	408	685	868	763	351	606	960	1,869	2,506
Interest costs	-1,452	-1,607	-2,243	-2,174	-1,266	-1,102	-1,757	-2,964	-3,501
Profit before tax	**16,862**	**18,582**	**18,321**	**18,406**	**21,249**	**21,647**	**21,868**	**26,751**	**27,351**
growth	*12%*	*10%*	*-1%*	*0%*	*15%*	*2%*	*1%*	*22%*	*2%*
Tax	-3,792	-4,047	2,562	-2,638	-3,595	-3,719	-4,303	-7,588	-8,196
Exceptional items	1	1,796	2,526	-811	-445	-98	-541	-24,769	-632
Share of net profit of eq accounted investees	8	11	6	8	0	3			
Profit After Tax	**13,080**	**16,342**	**23,415**	**14,966**	**17,208**	**17,834**	**17,025**	**-5,606**	**18,523**
growth	*57%*	*25%*	*43%*	*-36%*	*15%*	*4%*	*-5%*	*-133%*	*-430%*
Summary Balance sheet									
Assets	130,365	139,638	141,701	149,570	142,828	161,341	174,988	184,959	196,718
Liabilities	77,346	77,055	69,032	70,587	48,439	45,781	37,046	58,973	76,679
Capital Employed	**53,020**	**62,583**	**72,669**	**78,984**	**94,389**	**115,559**	**137,942**	**125,986**	**120,039**
RoCE	**37%**	**33%**	**29%**	**26%**	**25%**	**21%**	**17%**	**20%**	**23%**
Capex	18,979	3,192	2,313	1,747	1,647	2,797	2,245	2,988	6,063

Source: Company, Emkay Research

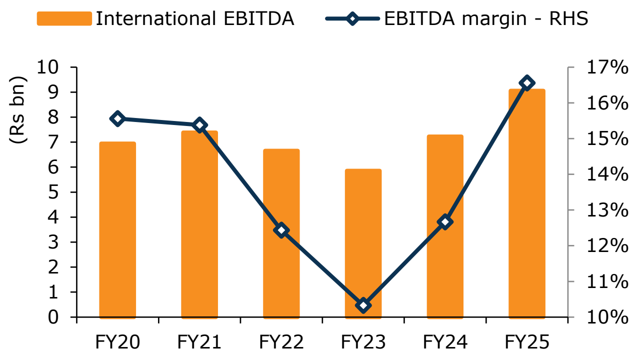
FY25 turned out to be a muted year for GCPL, despite enhanced execution prowess. The management considers FY25 as a year of learnings which will help it bolster up for the future. Its consolidated revenue grew 2% YoY, primarily impacted by a 17% decline in the Africa cluster (~18% of consol revenue) revenue. On margins, improved profitability in the International business was offset by the weakness in the India business. This led to a muted 2% growth in EBITDA and earnings.

Exhibit 6: International revenue trend



Source: Company, Emkay Research

Exhibit 7: International EBITDA and margin



Source: Company, Emkay Research

India show muted, given inflation in 1/3rd of the portfolio

In FY25, the company put up a largely muted show, with 7% revenue growth vs steady double-digit growth momentum over FY21-24. Sudden emergence of inflation in palm oil prices, with imposition of import duty in India, affected 1/3rd of the portfolio concentrated in Soaps. The company has another 1/3rd revenue in household insecticides, where it saw demand stress in the first 9M. Balance 1/3rd of the portfolio has aided the overall performance, with new initiatives seeing faster scale up.

Exhibit 8: India business – Revenue performance

(Rs mn)	FY20	FY21	FY22	FY23	FY24E	FY25E
Home care	**26,670**	**29,850**	**31,740**	**33,580**	**35,876**	**39,241**
growth		11.9%	6.3%	5.8%	6.8%	9.4%
Contribution	49.7%	48.7%	46.5%	44.6%	43.4%	44.5%
Personal care	**24,200**	**28,260**	**32,440**	**38,520**	**43,887**	**45,536**
growth		16.8%	14.8%	18.7%	13.9%	3.8%
Contribution	45.1%	46.1%	47.6%	51.1%	53.1%	51.7%
Total branded sales	**50,870**	**58,110**	**64,180**	**72,100**	**79,763**	**84,778**
growth		14.2%	10.4%	12.3%	10.6%	6.3%
Others incl Exports	2,750	3,230	4,010	3,210	2,910	3,362
growth		17.5%	24.1%	-20.0%	-9.4%	15.6%
Net sales	**53,620**	**61,340**	**68,190**	**75,310**	**82,673**	**88,140**
growth	-4.2%	14.4%	11.2%	10.4%	9.8%	6.6%

Source: Company, Emkay Research

Inflationary palm oil drove the margin stress in India

Inflationary palm oil not only affected growth but also had a bearing on margin delivery. EBITDA margin contracted by 410bps YoY in FY25, leading to 11% EBITDA decline. With higher interest income, calculated profit before tax for the India business saw a 9% YoY decline in FY25. Over the medium term, with easing in palm oil prices and better sales mix, the management aspires to achieve a mid-to-high margin (20%).

Exhibit 9: India business performance

(Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Revenue	**50,890**	**53,547**	**56,793**	**54,745**	**62,543**	**69,516**	**76,672**	**84,114**	**89,102**
growth	*4.2%*	*5.2%*	*6.1%*	*-3.6%*	*14.2%*	*11.1%*	*10.3%*	*9.7%*	*5.9%*
Intersegment	-1,018	-690	-835	-982	-1,267	-1,493	-918	-942	-1,023
as a % of revenue	*-2.0%*	*-1.3%*	*-1.5%*	*-1.8%*	*-2.0%*	*-2.1%*	*-1.2%*	*-1.1%*	*-1.1%*
Revenue from operations	**49,872**	**52,857**	**55,958**	**53,763**	**61,276**	**68,022**	**75,753**	**83,173**	**88,078**
growth	*4.2%*	*6.0%*	*5.9%*	*-3.9%*	*14.0%*	*11.0%*	*11.4%*	*9.8%*	*5.9%*
EBITDA	**11,369**	**13,303**	**15,126**	**14,484**	**16,497**	**17,293**	**18,748**	**22,400**	**20,037**
growth	*17.8%*	*17.0%*	*13.7%*	*-4.2%*	*13.9%*	*4.8%*	*8.4%*	*19.5%*	*-10.6%*
EBITDA margin	22.3%	24.8%	26.6%	26.5%	26.4%	24.9%	24.5%	26.6%	22.5%
Depreciation and Amortization	-567	-633	-691	-814	-834	-856	-1,080	-1,269	-1,410
change	*-118*	*-66*	*-58*	*-123*	*-20*	*-23*	*-224*	*-189*	*-190*
EBIT	**10,802**	**12,670**	**14,435**	**13,670**	**15,664**	**16,437**	**17,668**	**21,131**	**18,627**
EBIT margin	21%	24%	25%	25%	25%	24%	23%	25%	21%
Other income	211	110	126	160	254	238	659	728	610
Interest income	209	426	602	581	218	364	450	1,133	1,642
Profit before tax	**11,222**	**13,207**	**15,163**	**14,411**	**16,136**	**17,038**	**18,777**	**22,992**	**20,878**
growth	*14%*	*18%*	*15%*	*-5%*	*12%*	*6%*	*10%*	*22%*	*-9%*

Source: Company, Emkay Research

Return profile wanes, given margin stress

Margin pressure caused the return profile of the India business to wane by ~9ppts, which, if adjusted for goodwill, see a 4ppts contraction YoY. To augment capacity, the company has increased capex for the year to ~Rs4.9bn. The company is investing Rs5bn each in Greenfield facilities at Chengalpattu in Tamil Nadu and at Malanpur in Madhya Pradesh.

Exhibit 10: India business return profile wanes in FY25, given margin pressure

(Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Assets	34,109	37,088	37,388	40,149	37,885	44,836	54,724	87,437	90,789
Liabilities	16,395	19,825	17,384	14,872	12,929	10,005	11,095	14,291	23,506
Capital Employed	**17,714**	**17,263**	**20,004**	**25,276**	**24,956**	**34,830**	**43,630**	**73,146**	**67,283**
Capital Employed (adj for Brand and Goodwill)	9,775	9,324	12,067	17,339	17,019	26,893	35,692	37,548	31,686
RoCE	69%	72%	77%	60%	62%	55%	45%	36%	27%
RoCE (adj for brand and goodwill)		133%	135%	93%	91%	75%	56%	58%	54%
Capex	907	1,163	812	925	728	1,659	1,424	1,939	4,858

Source: Company, Emkay Research

Indonesia show better, albeit margin remains low

The company has reduced SKUs by over 23% from CY22. This has helped reduce number of inventory days, from 42 in CY22 to 27 in CY25

The company's Indonesia business, after improved performance in FY24, has seen slow growth in FY25, at ~5%. Growth has been driven by 6% volume growth in FY25. Going ahead, the business is likely to see the impact of surge in competitive pressure. The company is facing competitive heat in air care (~25-30% of revenue) and Household Insecticides (~30-35% of revenue) businesses, which together represent ~3/5th of the revenue. As the business is still concentrated on modern trade, the company had to align pricing with the competition's. We expect negative pricing for FY26 which means growth would remain volume dependent in FY26 as well.

Exhibit 11: Indonesia business performance

(Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Summary Income statement									
Revenue	**15,276**	**13,545**	**15,249**	**16,959**	**17,700**	**17,052**	**16,530**	**18,885**	**19,912**
growth	*5.3%*	*-11.3%*	*12.6%*	*11.2%*	*4.4%*	*-3.7%*	*-3.1%*	*14.2%*	*5.4%*
Intersegment	-77	-225	-286	-316	-287	-267	-400	-387	-463
as a % of revenue	*-0.5%*	*-1.7%*	*-1.9%*	*-1.9%*	*-1.6%*	*-1.6%*	*-2.4%*	*-2.0%*	*-2.3%*
Revenue from operations	**15,200**	**13,320**	**14,963**	**16,643**	**17,414**	**16,785**	**16,131**	**18,499**	**19,449**
growth	*5.2%*	*-12.4%*	*12.3%*	*11.2%*	*4.6%*	*-3.6%*	*-3.9%*	*14.7%*	*5.1%*
EBITDA	**3,109**	**3,239**	**3,931**	**4,436**	**4,847**	**3,895**	**3,030**	**3,874**	**4,109**
growth	*7.0%*	*4.2%*	*21.4%*	*12.9%*	*9.2%*	*-19.6%*	*-22.2%*	*27.8%*	*6.1%*
EBITDA margin	20.4%	23.9%	25.8%	26.2%	27.4%	22.8%	18.3%	20.5%	20.6%
Depreciation and Amortization	-211	-206	-217	-237	-251	-253	-187	-179	-247
EBIT	**2,898**	**3,033**	**3,714**	**4,199**	**4,595**	**3,642**	**2,843**	**3,695**	**3,863**
EBIT margin	19%	22%	24%	25%	26%	21%	17%	20%	19%
Other income	47	100	26	98	9	1	-8	38	28
Interest income	154	212	221	132	53	137	259	431	691
Profit before tax	**3,099**	**3,345**	**3,961**	**4,429**	**4,657**	**3,780**	**3,095**	**4,164**	**4,582**
growth	*8%*	*8%*	*18%*	*12%*	*5%*	*-19%*	*-18%*	*35%*	*10%*
Summary balance sheet									
Assets	23,260	25,447	26,968	28,642	28,095	32,041	34,501	38,634	43,163
Liabilities	3,279	3,485	4,160	5,295	6,153	5,699	3,821	4,664	5,116
Capital Employed	**19,981**	**21,962**	**22,808**	**23,347**	**21,942**	**26,343**	**30,680**	**33,970**	**38,047**
Capital Employed (adj for Brand and Goodwill)	6,527	8,435	8,283	7,333	6,658	10,228	13,082	16,080	19,662
RoCE	14%	14%	17%	18%	20%	15%	10%	11%	11%
RoCE (adj for brand and goodwill)		**41%**	**44%**	**54%**	**66%**	**43%**	**24%**	**25%**	**22%**
Capex	154	134	137	183	231	101	108	726	752

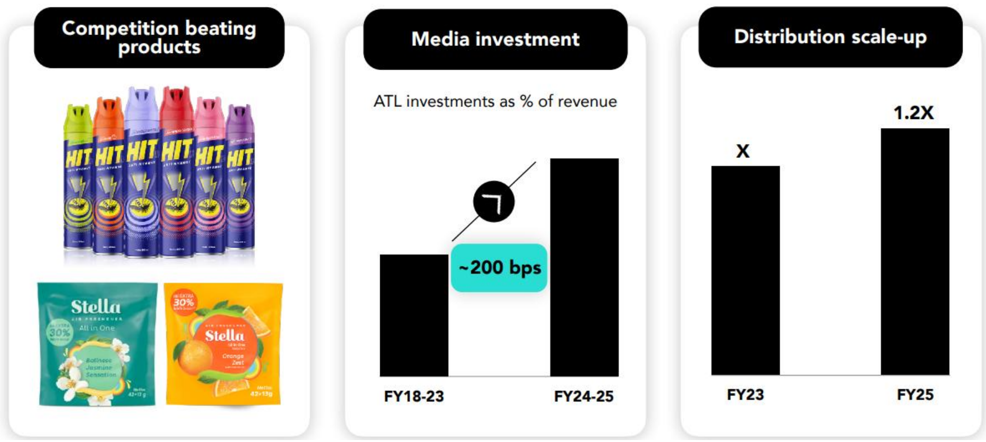
Source: Company, Emkay Research

On the margin front, the company has maintained EBITDA margin at ~20.6%. This has led to ~6% growth in EBITDA, which with higher non-operating income has aided 10% growth in profit before tax. RoCE for the business was stable at 11%, which, if adjusted for intangibles, stands at 22% for FY25 – a contraction of 300bps. Going ahead, the management aspires to achieve a mid-20% margin in the Indonesia business.

Success story: *HIT* continues to gain consumer traction in Indonesia

In Indonesia, *HIT* continued to build on the momentum of last year's exceptional performance. Despite a subdued HI season, which resulted in a single-digit brand growth, *HIT* successfully expanded penetration by ~20bps and gained market share in measured channels. The Liquid Vaporizers (LV) segment remains underpenetrated, presenting a significant opportunity for transitioning consumers from traditional burning formats to a safer, more effective and cost-efficient alternative. The company revitalized the LV format with a refreshed pack design, prominently featuring the '*Good Knight*' brand architecture.

Exhibit 12: Strategic actions aid a 9% underlying volume CAGR over FY23-25



Source: Company, Emkay Research

Success story: Growth recovery seen in *Stella* air care offering in Indonesia

The air care business in Indonesia had seen slow growth over the past few years, primarily due to subdued category expansion. In FY25, the company implemented a multifaceted approach to drive Stella's growth trajectory. A significant increase in media investments, coupled with new product launches, refreshed packaging across formats, and relevant communication strategies formed the core of this revival plan. Two major innovations—Stella Electric and Balinese Jasmine Sensation—aided growth in Stella, which achieved double-digit growth, driving a ~120bps increase in penetration and significant market share gains across measured channels.

Africa cluster went through restructuring in FY25

The company has reduced SKUs in USA and Africa by ~56%. This helped reduce inventory levels which aided in controlling overheads

GCPL's Africa cluster comprises Africa, USA, and the Middle East, with sustained business restructuring in FY25 leading to a 17% drop in the revenue base. With the realigned portfolio, business profitability enhanced, to ~19% EBITDA margin. This has paved healthy EBITDA growth at ~60%. On the back of improved business margin, the return profile has seen sharp improvement to ~10% RoCE (adjusted for intangibles, RoCE stands at ~31%).

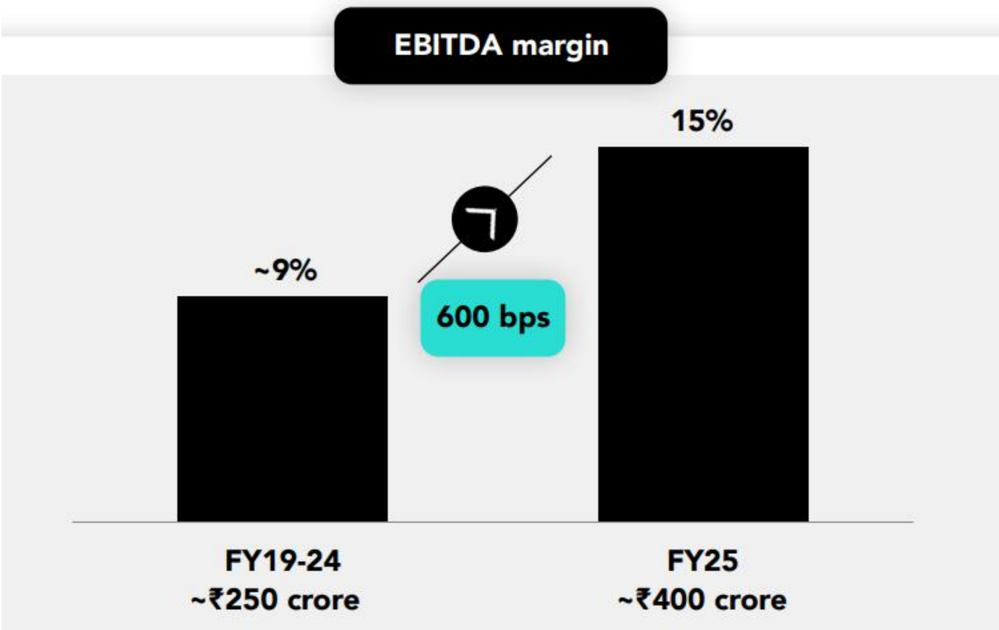
Exhibit 13: Africa cluster performance

(Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Summary income statement									
Revenue	**20,321**	**21,891**	**24,560**	**23,162**	**24,985**	**30,497**	**34,147**	**31,813**	**26,518**
growth	*51.5%*	*7.7%*	*12.2%*	*-5.7%*	*7.9%*	*22.1%*	*12.0%*	*-6.8%*	*-16.6%*
Intersegment	-18	-18	-13	-4	-9	-8	-8	-6	-60
as a % of revenue	*-0.1%*	*-0.1%*	*-0.1%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Revenue from operations	**20,303**	**21,873**	**24,547**	**23,158**	**24,976**	**30,490**	**34,139**	**31,807**	**26,458**
growth	*51.5%*	*7.7%*	*12.2%*	*-5.7%*	*7.8%*	*22.1%*	*12.0%*	*-6.8%*	*-16.8%*
EBITDA	**3,067**	**2,675**	**1,904**	**2,294**	**1,772**	**1,845**	**2,223**	**3,096**	**4,943**
growth	*39.2%*	*-12.8%*	*-28.8%*	*20.4%*	*-22.7%*	*4.1%*	*20.5%*	*39.3%*	*59.7%*
EBITDA margin	15.1%	12.2%	7.8%	9.9%	7.1%	6.1%	6.5%	9.7%	18.6%
Depreciation and Amortization	-413	-487	-595	-753	-808	-847	-951	-831	-559
EBIT	**2,655**	**2,188**	**1,310**	**1,541**	**965**	**998**	**1,271**	**2,265**	**4,385**
EBIT margin	13.1%	10.0%	5.3%	6.7%	3.9%	3.3%	3.7%	7.1%	16.5%
Other income	74	137	68	97	33	45	56	47	7
Interest income	37	37	41	46	33	14	45	116	100
Profit before tax	**2,765**	**2,362**	**1,419**	**1,683**	**1,031**	**1,057**	**1,373**	**2,428**	**4,492**
growth	*26%*	*-15%*	*-40%*	*19%*	*-39%*	*2%*	*30%*	*77%*	*85%*
Summary Balance Sheet									
Assets	61,465	64,032	67,481	72,575	67,994	74,821	75,742	49,246	51,794
Liabilities	3,973	6,429	8,974	10,504	7,893	11,506	9,149	6,343	5,392
Capital Employed	**57,492**	**57,603**	**58,507**	**62,071**	**60,101**	**63,315**	**66,593**	**42,903**	**46,402**
Capital Employed (adj for Brand and Goodwill)	16,815	16,356	14,359	14,351	14,901	16,535	16,035	12,687	15,433
RoCE	6%	4%	2%	3%	2%	2%	2%	4%	10%
RoCE (adj for brand and goodwill)		**13%**	**9%**	**11%**	**7%**	**6%**	**8%**	**16%**	**31%**
Capex	17,643	1,623	1,203	573	627	889	616	214	402

Source: Company, Emkay Research

The management sees business restructuring in the base, and now expects healthy growth ahead. On profitability, the company aspires to further improve margins. We see royalty arrangements for East Africa being accretive to profitability ahead.

Exhibit 14: Profitability reset in FY25 in the GAUM cluster



Source: Company, Emkay Research

Other countries saw an improved performance in FY25

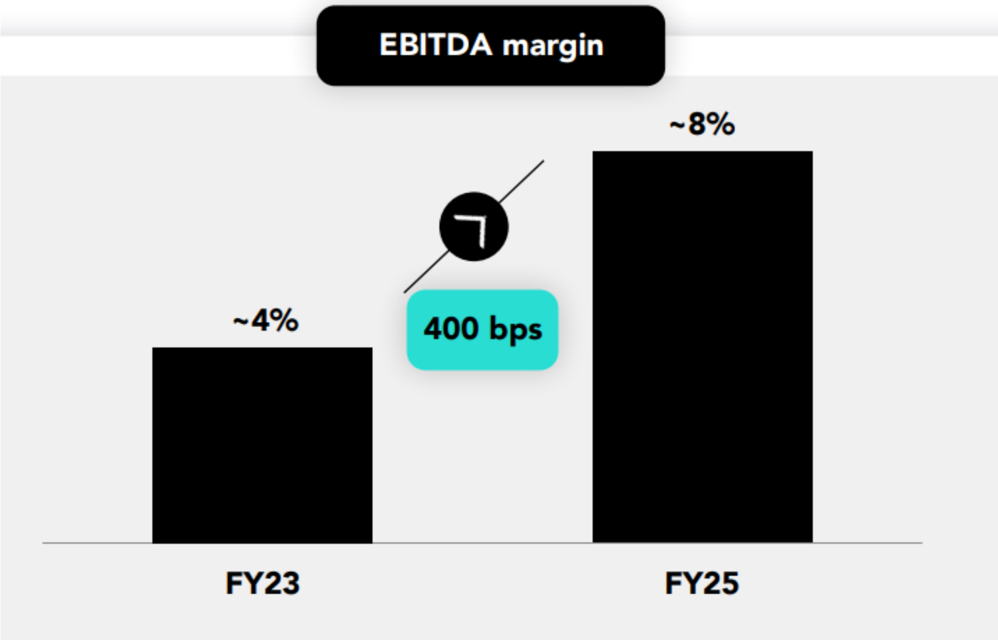
GCPL's 'other country' revenue is from Latin America and SAARC. This business has seen a high currency impact in the past. In FY25, the company saw improved growth, of ~28% in the business. Better topline also helped improve margin to ~10%. The improved margin has aided strong earnings in the business. This has also led to enhanced ROCE at ~9% in FY25.

Exhibit 15: Rest of the world – Financials

(Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Summary income statement									
Revenue	**10,760**	**11,397**	**7,702**	**5,556**	**6,659**	**7,508**	**7,178**	**7,527**	**9,653**
growth	*-10%*	*6%*	*-32%*	*-28%*	*20%*	*13%*	*-4%*	*5%*	*28%*
Intersegment	-46	-36	-27	-12	-39	-39	-42	-44	5
Revenue from operations	**10,714**	**11,361**	**7,675**	**5,544**	**6,620**	**7,468**	**7,137**	**7,483**	**9,657**
growth	*-10%*	*6%*	*-32%*	*-28%*	*19%*	*13%*	*-4%*	*5%*	*29%*
EBITDA	**1,422**	**1,453**	**205**	**217**	**767**	**918**	**304**	**65**	**941**
growth	*-6%*	*2%*	*-86%*	*6%*	*254%*	*20%*	*-67%*	*-79%*	*1355%*
EBITDA margin	13.2%	12.7%	2.7%	3.9%	11.5%	12.2%	4.2%	0.9%	9.8%
Depreciation and Amortization	-225	-231	-198	-169	-146	-143	-145	-131	-125
EBIT	**1,197**	**1,222**	**7**	**47**	**621**	**775**	**159**	**-66**	**816**
EBIT margin	11%	11%	0%	1%	9%	10%	2%	-1%	8%
Other income	23	45	10	7	24	8	16	8	10
Interest income	8	10	4	4	47	91	206	189	74
Profit before tax	**1,228**	**1,277**	**21**	**58**	**691**	**874**	**381**	**131**	**900**
growth	*-5%*	*4%*	*-98%*	*181%*	*1096%*	*26%*	*-56%*	*-66%*	*588%*
Summary Balance Sheet									
Assets	12,645	13,995	10,995	9,366	9,910	10,788	11,157	10,708	11,969
Liabilities	2,716	3,207	1,382	1,653	2,251	2,177	2,018	1,684	2,272
Capital Employed	9,929	10,789	9,613	7,714	7,659	8,612	9,139	9,025	9,697
RoCE	15%	12%	0%	1%	8%	10%	2%	-1%	9%
Capex	275	273	161	67	62	148	97	109	50

Source: Company, Emkay Research

Exhibit 16: Improved delivery margin in the 'rest of the world' portfolio



Source: Company, Emkay Research

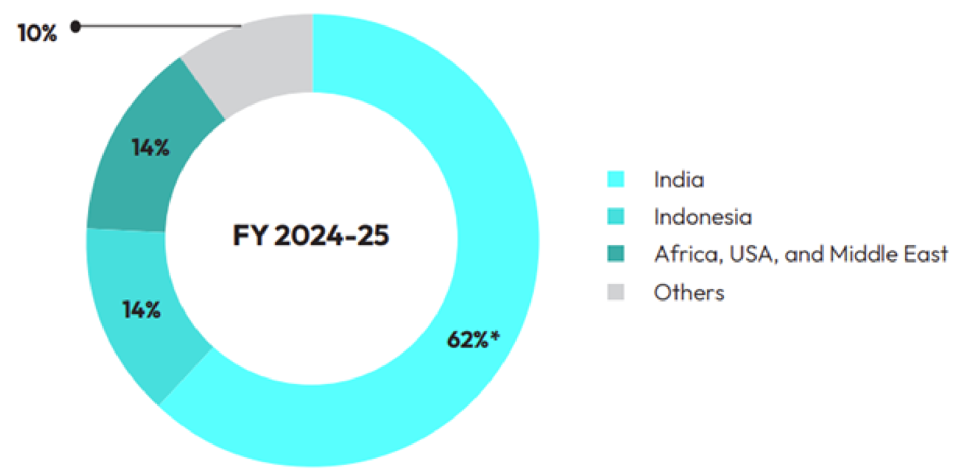
FY25, a mixed bag on the achievement front

The company has a strategic agenda of

- **Growing volumes in India and Indonesia in a high single digit**: The India business saw volume growth of 5%, while Indonesia business witnessed 6% volume growth.
- **Driving structural profitability in other international businesses**: International profitability improvement was on expected lines, though margin stress in India drove consolidated EBITDA growth of a mere 1-2% (vs mid-teen growth aspirations).
- **New initiatives**: The company saw key innovations during the years – Fab and Aer. In India, under *Project Vistaar*, the company doubled down on rural expansion. Toward the end of the year, the company launched pet care operations.

During the year, the company saw five brands with milestone revenue of >Rs10bn. *HIT* is the company's new brand, joining its four brands—*Good Knight*, *Darling*, *Godrej No 1*, and *Cinthol*. In the Rs5-10bn segment, the company has added its African *Pride* brand.

Exhibit 17: Revenue split for FY25



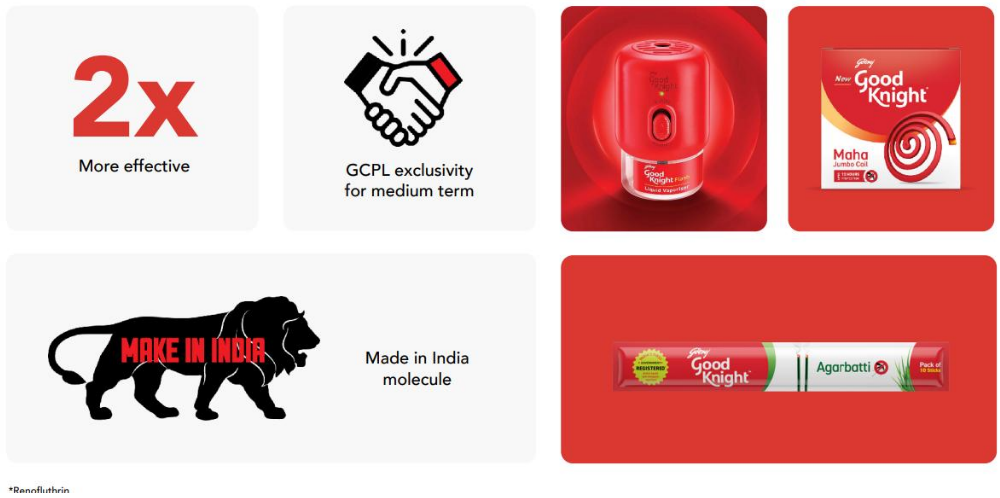
Source: Company, Emkay Research
**Comprises inter-company eliminations and miscellaneous products*

Focus on relevance, access, availability, and trials

The company continues to focus on its four-fold model for category development: Relevance, Access, Availability, and Trials. Under the new strategy, the company continues to reap benefits of this four-pronged model strategy.

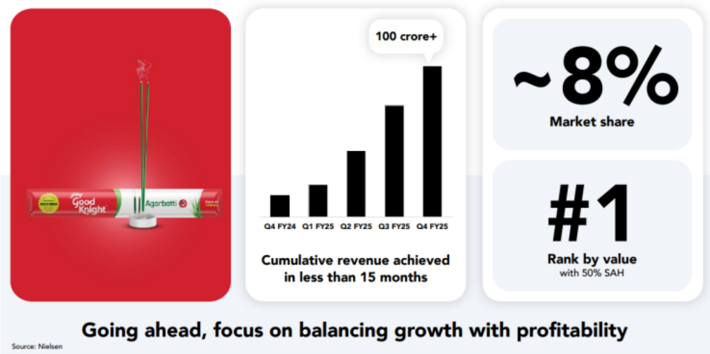
- In **Household Insecticides**, the company has applied the learnings from its India **Electric portfolio** to its Bangladesh and Indonesia businesses. The company has realigned price to the India level and increased spend on media. It has seen 30% volume growth each in both countries.
  - During FY25, the company re**-launched *Good Knight* and *HIT***. *GoodKnight* now, with an indigenously developed molecule – Renofluthrin, which has 2x the efficacy of any other liquid vaporizer in India, per the company. *Kala HIT* (flying insect killer) is now 4x as powerful with its new molecule Metofluthrin. These new launches have been initially well received by consumers, with liquid vaporizers gaining market share and *Kala HIT* seeing volume growth.
  - The company has deepened its innovation pipeline across formats—Renofluthrin in *agarbattis* and electrics, *HIT* Anti-Roach Gel, and *HIT* Matic, among others. All in all, the company has enabled over 10mn product trials this year through largescale sampling, outreach, and media activation.

Exhibit 18: GCPL launched the exclusive RNF* molecule across its portfolio in CY24



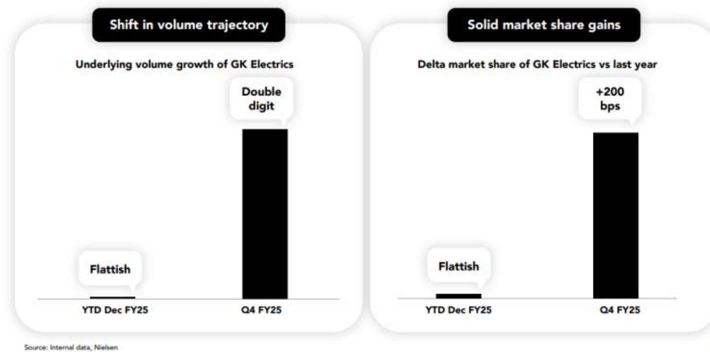
Source: Company, Emkay Research

Exhibit 19: *Good Knight Agarbatti* gained 8% share



Source: Company, Emkay Research

Exhibit 20: *Good Knight Electric* is seeing positive momentum



Source: Company, Emkay Research

- In the **air freshener category in India**, the company has leveraged consumer insights to create guest-ready homes, under brand *Aer*. It has improved accessibility with launch of the Rs99 SKU. The brand has seen >20% growth and gained ~700bps market share.
- In **hair color**, the company has accelerated the roll out of the Rs15 SKU, of a shampoo hair color sachet across multiple markets. Here, a five-minute turnaround emerged as 'relevance' for the consumer. Visibility and distribution have driven growth over trials. The company has seen strong market share gains and margin accretion in LatAm and Indonesia.
- In **Hand wash**, *Godrej Magic Handwash* is a revolutionary product and the world's first powder-to-liquid handwash. It is a sustainable product and available at an affordable price-point, starting at only Rs10. By lightening this product, the company now uses 84% less plastic and has cut down fuel consumption during transportation by 44%.

Growth model for India business

The company's growth model for its India business has three pillars a) profitable share gains in Soaps, b) turnaround in HI, and c) expansion into future-facing categories. The management has seen that its India strategy has balanced three horizons—improving the core, defending and reviving lagging categories, and investing ahead in high-growth, high-margin spaces.

- **Profitable share gains in Soaps**: In Soaps, the company has sharpened its focus on mix and margins. Soaps as a category has reached near full penetration in India. To enhance appeal, the company undertook a strategic packaging and communication revamp. The new design strengthens connect with existing users, while appealing to younger, first-time buyers. The company has gained 50bps in market share (MAT) in Godrej No 1, following the packaging relaunch. This performance is also on the back of aggression from category leaders, relaunching the offering with new formulation and addition of actives.

Exhibit 21: Relaunch of Godrej No 1

Source: Company, Emkay Research

- **Turnaround in household insecticides**: Here, thrust is on addressing the challenges of format downgrades. The management noted that the issue is in efficacy than in format usage by consumers. Incense sticks (~25% of the category) have gained preference on efficacy, albeit on the back of illegally imported molecules like Metofluthrin. The company has responded with Renofluthrin, a superior Made-in-India molecule for which it has secured medium-term exclusivity. New molecules have been rolled across *agarbattis*, coils, and electrics. In the *Agarbatti* category, the company now has 8% share pan-India, with 50% share in the outlets it is distributed in.
- **Expansion into future-facing categories**: Focus has been on underpenetrated categories like air care, liquid detergents, hair color, body wash, and sexual wellness.

Exhibit 22: Categories of the future

Source: Company, Emkay Research

GCPL has 40-45% share in the air freshener category

- **Air care**: The company has seen strong growth with multiple interventions. It has gained 1,000bps in market share and built a repeatable model: a) invest behind strong consumer-tested insight, b) launch blockbuster innovations every 1-2 years, and c) scale up through media and retail distribution. The company is currently piloting *Aer Plug*, a premium electric diffuser (premiumization; disperses in the room better, given its vapor format), and b) *Aer Mini*, a mass pocket-size air freshener (democratization).

Exhibit 23: *Aer Mini* pockets at Rs30

Source: Company, Emkay Research

Exhibit 24: *Aer Plug*

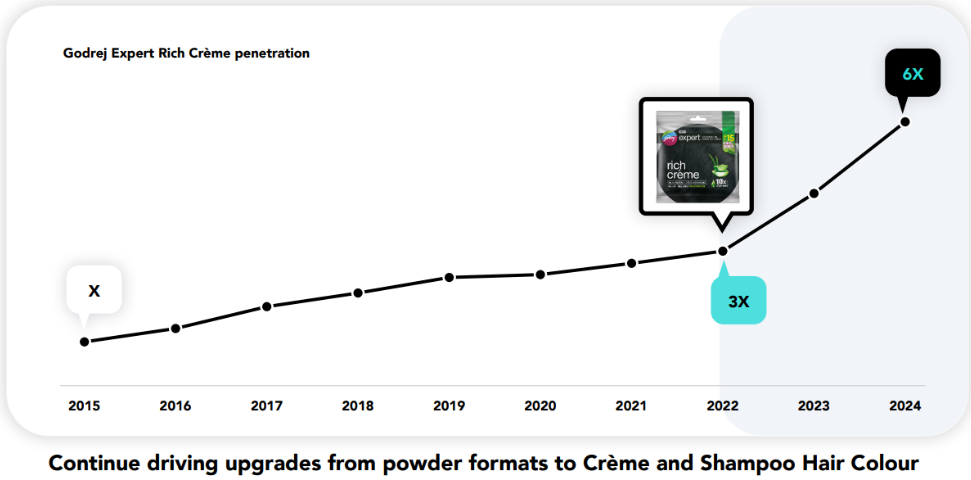
Source: Company, Emkay Research

Exhibit 25: Innovation thrust and enhanced media spends aid strong share gains

Source: Company, Emkay Research

- **Liquid detergents**: In just over a year, *Fab* has hit Rs2.5bn in ARR, with a growth trajectory resembling that of a digital-first brand. The management believes this is likely to be a multi-year growth engine and help build leadership in a large, under-penetrated category. GCPL's attempt to democratize the liquid laundry segment has helped the company achieve fast scale up of the *Fab* detergent brand. In the first year of launch, the brand achieved a milestone of Rs1.5bn in revenue. On exit run-rate basis, the brand has achieved revenue of Rs2.5bn. For FY26, the management aspires to achieve Rs5bn in revenue.
- **Hair Color**: GCPL's Rs15 crème SKU has doubled penetration over the past two years and now drives a significant portion of growth. This is a category where upgradation from powder to crème is the core vector of growth. Crème penetration now is at ~30%, and where the company expects to meaningfully increase its share as this shift accelerates.

Exhibit 26: *Mini Crème* aids penetration of the hair color category



Source: Company, Emkay Research

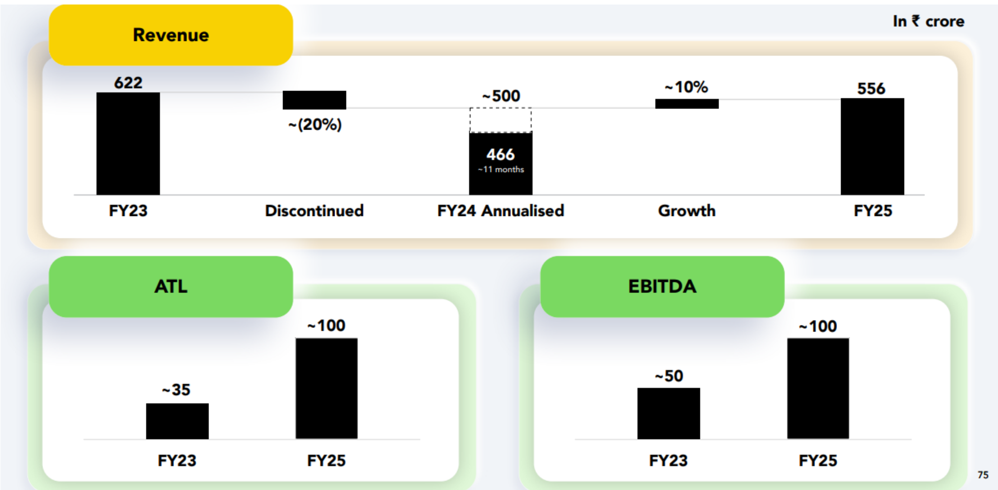
- **Body wash:** The company is playing a catchup game here with differentiated products. *Cinthol Body Wash*, launched largely on e-commerce and quick commerce, is seeing promising repeat rates, per the management, especially on digital-first channels.

Exhibit 27: Body wash, a strategically crucial category

Source: Company, Emkay Research

- **Raymond portfolio – Deodorant, perfume, and sexual wellness**: Compared with its aspiration of 20-25%, the company has seen 10% growth in the first year of operations. The under-delivery is owing to structural realities of categories being dominated by wholesale trade, deep discounting, and fragmented channels. GCPL has rationalized its revenue base by 20%, from Rs6.22bn to ~Rs5bn. At the same time, ATL spends increased from Rs350mn to Rs1bn. For the revamped portfolio, the company has enhanced EBITDA, from Rs500mn to Rs1bn.

Exhibit 28: *Raymond* portfolio performance



Source: Company, Emkay Research

GCPL management has strong thrust on the deodorant and perfume category under the acquired *Park Avenue* brand. The management team sees 13% penetration and annual consumption of only ≤2 spray cans, given the overpriced products and diluted formulation. The company sees two key issues—penetration and achieving value for money. Addressing the formulation opportunity, the company has launched *Amazon Woods*, which is priced at Rs225, although it is a long lasting product, given 12% concentration vs 3-5% for a normal deodorant. The management claims that with this product, consumers get a 4x efficacious product at the same price. Under its *Kamasutra* brand, the company is running trials in Tamil Nadu, with a product offering at Rs99. The company sees an opportunity in lotion, which excludes several packaging costs and carries a better/more effective fragrance.

- **Pet care – *Ninja***: The company has launched a premium dry pet food portfolio with *Godrej Ninja* in Tamil Nadu. *Ninja* is a collaborative effort with Godrej Agrovet, combining its formulation capability and GCPL's distribution and brand strengths. The management considers this category nascent and believes it is poised for high growth over the next two decades. India's pet care market is valued at ~Rs60bn, with pet food accounting for ~Rs50bn. Per experts, the pet food market can enhance 10x, if it follows China's trajectory. Only about 10% of Indian pet owners feed packaged food; even then, only about 40% of the time. This indicates significant headroom for growth in the category. GCPL sees its right to win owing to i) deep expertise in animal nutrition, ii) manufacturing, and iii) consumer trust in the *Godrej* brand. According to Dr Ashok Patnaik, the company's R&D Head, pet parents look for a disease free life; as such, focus is on gut health. GCPL's health claims are in place and production standards are matching those of human food. The company is looking to invest Rs5bn in the next five years. Pet food distribution is concentrated with specialty pet outlets, which represent 60-70% of sales.

Exhibit 29: Godrej Ninja

Source: Company, Emkay Research

Expanding penetration and reach

In India, the company has launched a distribution program for expanding direct rural outreach to cover ~2.5x villages. The company has set up a new chemist and cosmetic sales channel for accelerated growth.

- With 100% of outlets now geo-tagged, GCPL is upgrading the digital stack, integrating next-gen geospatial data science and field activation technology to extend these gains across and future-proof the route-to-market model in India.
- The company has been moving its frontline salesforce to 3P payroll (60% in place) and has digitized field-market working through launch of *Ajna*, a WhatsApp integrated tool for on-the-go field force tracking. This has resulted in improved productivity and reduced attrition, from 35% in FY24 to 22% in FY25.
- The company has created a strong network of pharma/over-the-counter drug/cosmetic distributors and, accordingly, created a new revenue stream. GCPL has added over 0.1mn chemist outlets and 50,000 cosmetic outlets into direct coverage following the set-up of this channel.
- The increasing contribution of ecommerce to India sales revenue created the need for the business to be fully integrated with the overall sales structure.
- *Godrej Aer-O* – Generating trails at scale at petrol filling stations: Since its launch in Aug-23, Aer-O has been at the forefront of driving car freshener adoption among car owners. The company has decided to drive trials at the most relevant catchment area for the category – Petrol filling stations.

Refining distribution, and proactive in approach

In FY24, GCPL started defining ways of working to adapt to the changing dynamics, integrating tech-based dashboards to track on-shelf metrics, and building new categories led by the integration of the *Park Avenue* and *Kamasutra* brands. For FY25, it had clear priorities – scaling up innovations and ecommerce forward categories, improving performance-marketing, and riding on the quick commerce wave. At the format level, quick commerce grew the fastest, contributing a third to the company's ecommerce business.

The company acknowledged that digital commerce continues to reshape consumer behavior in India; as such, category-specific strategies have played a crucial role in unlocking growth. Across perfumes, bodywash, and home care, tailored approaches to discoverability, convenience, and emerging channels have enabled sharp portfolio scale-ups for GCPL. Key strategic bets for the company via digital commerce are *Park Avenue* perfume, Body wash, and Convenience in Household Insecticides.

- **The company is looking to unlock perfume category growth through gifting and festive discoverability**: In India, perfumes see 1/3rd of demand driven by gifting intent, creating seasonality around the festive period. The company has focused on discovery and conversions with promotions.
- **Q-Com, a high-potential channel for impulse-led and replenishment-driven categories**: Bodywash, a growing category with strong trial potential, was strategically activated on Blinkit with *Cinthol Foam bodywash.*
- **Addressing convenience needs in HI with *HIT Matic***: Urban Indian consumers increasingly seek products that offer high efficacy without compromising on convenience—a need that had remained under-addressed in the online home care segment. The scale-up of *HIT Matic* on Amazon filled this gap effectively, per the company.

Exhibit 30: Instant foam body wash

Source: Company, Emkay Research

Exhibit 31: HIT Spray Matic

Source: Company, Emkay Research

Success story: Market share gains in sexual wellness

In Apr-23, GCPL acquired *Raymond*'s personal care business when the market share of *Kamasutra* in the condoms segment was 10%. As of end Mar-25, *Kamasutra* condoms hold market share of 12.1%. Post acquisition, GCPL has done two things to win in this segment: a) set up a dedicated go-to-market (GTM) channel for chemists, and b) initiated advertising efforts.

Condoms broadly entail four segments: i) Textured, ii) Thins, iii) Climax Delay, and iv) Flavors, along with some other niche segments. Among these, Climax Delay condoms address a specific need that, while prevalent, has seen limited consumer awareness. To develop this market and build the Climax Delay segment, the company has started advertising to the relevant consumer audience across the Television, Connected Television, and Mobile platforms. Retailers who have never stocked *Kamasutra* condoms are now doing so, specifically for its Long Last variant.

Exhibit 32: Kamasutra offerings

Source: Company, Emkay Research

International business continue to see refinement, aiding profitability

Under the current leadership, GCPL continues to refine its international business. Addressing business simplification needs has helped improve execution and margin in the business. The company exited non-core and loss-making businesses, especially in discretionary segments like hair extensions in East Africa. The company has reduced SKUs by over 20%, consolidated operations through shared services, and brought sharper cost control across the board. EBITDA margins across Africa, Latin America, and the Middle East now stand at 17% – a major improvement from historical levels.

Cross pollination from India aiding

The company has been able to scale up the business in international markets with cross pollination of innovations from India like *Pocket* (launched under brands *Aer* and *Stella*), Shampoo Hair Color (under brands *NYU* and *Issue*), and *Good Knight Liquid Vaporizer*. Together, they represent Rs4bn (~7% contribution) of the international revenue in FY25. In the last two years, innovation has seen 58% revenue CAGR.

- **Expanding flagship products**: *Good Knight Liquid Vaporizer*, a longstanding market leader in India, is scaling up its presence across Indonesia, Bangladesh, and Nigeria.
- **Localized adaptations:** *Godrej Shampoo Hair Colour*, originally launched in India, has successfully entered Indonesia with customized product formulations, packaging, and positioning while retaining its core technology.
- **Cross-market product expansion**: The company has successfully introduced *Aer Matic* from Indonesia to India, while *Aer Power Pocket* is now expanding from India to Indonesia, Bangladesh, the Middle East, and Latin America.

Exhibit 33: Cross pollination from India aiding growth

Source: Company, Emkay Research

The management is considering a structural reset for taking Indian innovations global. The company is building brands in India and designing to win across geographies. For example, *Godrej Aer Pocket* has emerged as the fastest growing export product. Similarly, *Godrej Expert Shampoo Hair Colour*, an innovation from India, is seeing strong traction in Latin America.

Exhibit 34: Global product offerings from India

Source: Company, Emkay Research

Success story: *NYU* sustained strong growth in LatAm

Strategic media investments, unconstrained supply enabled by local manufacturing, and a strong focus on general trade for distribution continue to support healthy growth in the brand. With the support of advanced R&D, *NYU Shampoo Hair Colour* was re-launched with an enhanced 5-minute color transformation claim, positioning it as the best-in-class offering within its format.

Refining distribution, and proactive in approach

The company has now established GCPL International Operations—a focused team that looks at distribution, innovation, marketing, and execution across >80 export countries, with a highly lean centralized set-up.

- In **Indonesia**, the company outsourced the entire distribution for general trade to large-scale distributors for reducing operational complexity, significantly increasing direct coverage, and reducing the cost of operations. In Indonesia, modern trade accounts for

~63% of the total business, with a mini-market comprising two customers (Indomart and Alfamart) and contributing to half of the modern trade business.

- In the **US**, the entire business is driven by modern trade, with a split between retail and beauty stores. GCPL continues to capitalize on strong channel partnerships, joint business planning, and competitive strategies to drive distribution, secure new product listings, enhance in-store presence, and maintain competitive pricing. In the US, strong emphasis is on e-commerce channel, which represents ~7% of the total business

- In **West Africa**, trade is largely unorganized and wholesale-led; GCPL is enhancing last-mile distribution through a direct distribution model with a national distributor and driving salon advocacy. Transitioning to a national distributor has streamlined operations and significantly boosted reach. Modern trade remains crucial, GCPL is leveraging availability, strong in-store presence, and competitive pricing to maximize opportunities, particularly in Africa.

The management noted that its earlier exports were reactive. Now the company is building global brands from Day-1 which is not an operational but a cultural shift. GCPL is now a consumer products company with ideas and impact that travel across the world. Thrust is on digital commerce, aimed at meeting consumer needs successfully.

Strategic calls for FY26

The management noted that FY26 will be about backing a few high-conviction bets and executing them with precision. It is how the company aims to build a structurally stronger, margin accretive, future-ready GCPL. The management stated that in FY26 it would focus on fewer, albeit bigger and better bets that can drive scale, margin, and future readiness.

- **Deos:** The management considers its top priority is reshaping the deodorants category. Its approach will be to rewire the price-pack-channel configuration, introduce more relevant innovation, and invest in building brand equity instead of discount driven sales. For *Park Avenue* and *Kamasutra*, the management aspires to achieve double-digit volume growth and expects the category OPM to be in line with ~its standalone OPM.

Exhibit 35: Building relevance through product innovations

Source: Company, Emkay Research

Exhibit 36: Focus on shifting value from trade to consumer

	Market today	KS Spark pilot
MRP	230	99
Retailer margins	X	0.2X

Source: Company, Emkay Research

- **Liquid detergents**: Management thrust would be on scaling its *Godrej Fab* in liquid detergents to Rs5bn. To this end, the management sees the need for sharper distribution, increased trials, and better targeted communication.

- **Household Insecticides**: The company looks to double down on Renofluthrin-based innovations and build on the early success of *HIT ARG* and *HIT Matic*. These formats help GCPL premiumize the portfolio, while delivering stronger efficacy.

- **Rural distribution in India**: The company aims to expand *Project Vistaar* to over 600k rural outlets. This will deepen rural reach and help GCPL build penetration in its core categories.

- **Build-up of pet care**: After launching in Tamil Nadu, the next phase will be about refining the model, expanding into new states, and shaping the category through purposeful brand building.

- **Taking Indian innovation global**: The company has been designing products with global scale in mind from the start—this unlocks synergies and improves return on innovation.

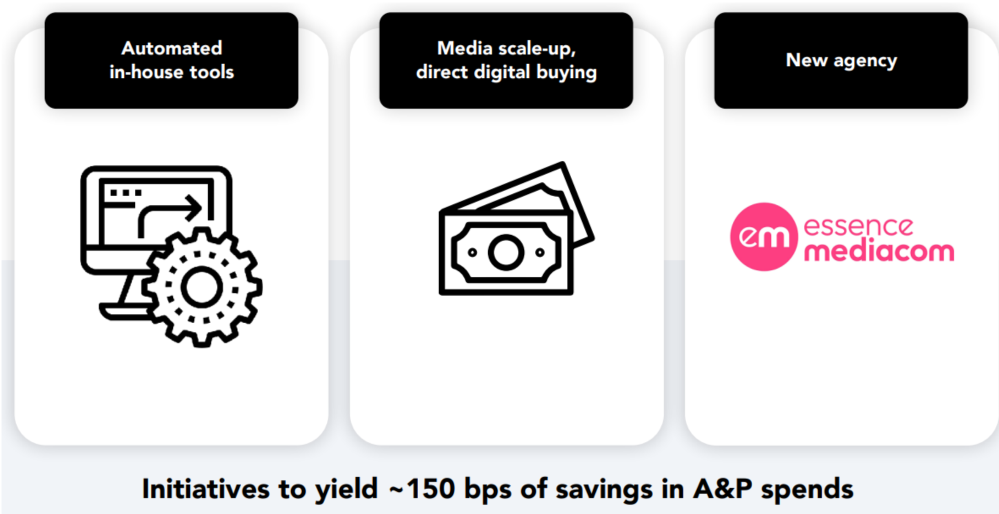
Creative Lab – Move to a single agency, global category

GCPL is running digital campaigns in 15 priority markets via a centralized Google-YouTube desk based in India. This enables faster, more cost-effective content deployment, with better targeting and localization. The company has also scaled up its internal creative capabilities through its Creative Lab, allowing it to produce one campaign and adapt it globally. The management considers this a huge psychological model shift.

Exhibit 37: Creative Lab develops one central idea and then adapts it for each geography, with local casting, language, and cues

Source: Company, Emkay Research

Exhibit 38: Cost efficiency in media to aid margins



Source: Company, Emkay Research

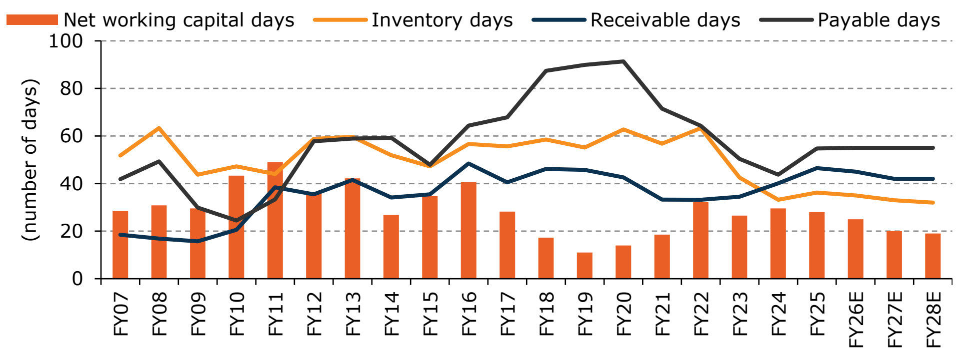
Strategic actions improving financials

GCPL's leadership is working on addressing business needs where additional thrust is to address balance sheet and cash flow generation. In India, the company has enhanced its working capital position, while the return profile (adjusted for intangibles) has been enhanced to >30% in the GAUM cluster. The return profile waned for India and Indonesia, on weak margins. Given thrust on GTM transformation internationally, working capital remains elevated. Going ahead, management endeavor is for organic capex to the tune of Rs7bn, to be spent over 18-24 months. Its dividend payout for FY25 stood healthy at 83%. Going ahead, the company targets payout ratio to average at ~50% (±20%) of PAT.

Actions to diversify GTM and reduce the number of SKUs aids working capital

GCPL, backed by its international operations, has a relatively high working-capital requirement in the business. Under the new leadership, the company has a strategy in place to reduce the number of inventory days as well as receivable days. To this end, the company has been able to reduce the net working capital requirement in India to -1 day, which was somewhat distorted post-Covid. This has been driven by reduction in inventory, unlike higher payable days in the past. Amid subsidiaries, working capital requirement remains high and stretched in FY25; we attribute this to GTM changes, which on full effect will lead to reduction.

Exhibit 39: Working capital needs



Source: Company, Emkay Research

Exhibit 40: Working capital position

(Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Consolidated									
Revenue	92,428	97,722	102,211	98,265	109,360	121,742	131,987	139,741	142,848
Inventory	14,125	15,777	15,586	17,031	17,163	21,299	15,372	12,709	14,186
Receivables	10,287	12,455	12,929	11,573	10,045	11,163	12,453	15,354	18,191
Payables	17,239	23,531	25,399	24,805	21,596	21,631	18,232	16,755	21,421
Inventory days (no of)	56	59	56	63	57	64	43	33	36
Receivable days (no of)	41	47	46	43	34	33	34	40	46
Payable days (no of)	68	88	91	92	72	65	50	44	55
Net working capital days (no of)	**28**	**18**	**11**	**14**	**19**	**32**	**27**	**30**	**28**
Standalone (India business + Exports)									
Revenue	46,728	51,626	55,568	53,620	61,340	68,127	75,308	82,679	88,144
Contribution	51%	53%	54%	55%	56%	56%	57%	59%	62%
Inventory	5,619	5,763	6,151	6,577	7,028	7,908	5,916	6,469	6,971
Receivables	2,093	2,486	3,532	3,055	2,475	3,369	3,208	4,913	5,956
Payables	11,204	14,529	14,576	12,431	8,024	6,253	7,111	8,728	13,180
Inventory days (no of)	44	41	40	45	42	42	29	29	29
Receivable days (no of)	16	18	23	21	15	18	16	22	25
Payable days (no of)	88	103	96	85	48	34	34	39	55
Net working capital days (no of)	**-27**	**-44**	**-32**	**-19**	**9**	**27**	**10**	**12**	**-1**
Subsidiaries									
Revenue	45,700	46,096	46,643	44,645	48,020	53,615	56,679	57,063	54,705
Contribution	49%	47%	46%	45%	44%	44%	43%	41%	38%
Inventory	8,506	10,014	9,435	10,454	10,135	13,391	9,456	6,241	7,215
Receivables	8,194	9,969	9,397	8,518	7,570	7,794	9,245	10,440	12,235
Payables	6,035	9,002	10,823	12,374	13,572	15,378	11,121	8,027	8,241
Inventory days (no of)	68	79	74	85	77	91	61	40	48
Receivable days (no of)	65	79	74	70	58	53	60	67	82
Payable days (no of)	48	71	85	101	103	105	72	51	55
Net working capital days (no of)	**85**	**87**	**63**	**54**	**31**	**40**	**49**	**55**	**75**

Source: Company, Emkay Research

Return profile in FY25 enhanced for the GAUM cluster; steady for India and Indonesia

Because of its past acquisition spree, the company has accumulated high intangibles in its balance sheet, with ~43% of the networth blocked in goodwill. This has a bearing on the company's return profile, although if we adjust for intangibles, the FY25 return profile looks healthy, at ~54% in India and at ~31% for GAUM. The Indonesia return profile has waned considerably in the last three years to 22%, given weakness in margin.

Exhibit 41: Return on capital employed across geographies

(Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
India									
Capital Employed	17,714	17,263	20,004	25,276	24,956	34,830	43,630	73,146	67,283
Capital Employed (adj for Brand and Goodwill)	9,775	9,324	12,067	17,339	17,019	26,893	35,692	37,548	31,686
RoCE	69%	72%	77%	60%	62%	55%	45%	36%	27%
RoCE (adj for brand and goodwill)		133%	135%	93%	91%	75%	56%	58%	54%
Indonesia									
Capital Employed	19,981	21,962	22,808	23,347	21,942	26,343	30,680	33,970	38,047
Capital Employed (adj for Brand and Goodwill)	6,527	8,435	8,283	7,333	6,658	10,228	13,082	16,080	19,662
RoCE	14%	14%	17%	18%	20%	15%	10%	11%	11%
RoCE (adj for brand and goodwill)		41%	44%	54%	66%	43%	24%	25%	22%
Africa, USA, and Middle East									
Capital Employed	57,492	57,603	58,507	62,071	60,101	63,315	66,593	42,903	46,402
Capital Employed (adj for Brand and Goodwill)	16,815	16,356	14,359	14,351	14,901	16,535	16,035	12,687	15,433
RoCE	6%	4%	2%	3%	2%	2%	2%	4%	10%
RoCE (adj for brand and goodwill)		13%	9%	11%	7%	6%	8%	16%	31%

Source: Company, Emkay Research

Exhibit 42: Inorganic forays have led to high intangibles

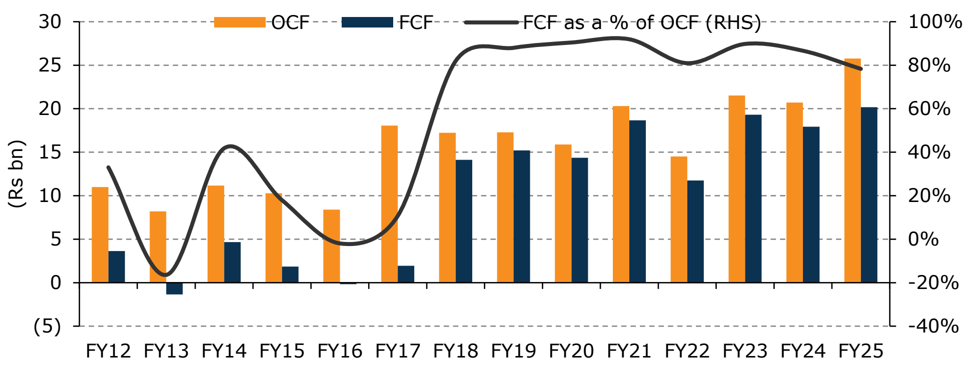
(Rs mn)	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Goodwill	41,424	46,626	47,189	49,180	53,393	51,299	53,768	58,223	50,264	51,454
% of net worth	*97%*	*88%*	*75%*	*68%*	*68%*	*54%*	*47%*	*42%*	*40%*	*43%*
- India	25	25	25	25	25	25	25	25	5,688	5,688
- Indonesia	12,986	13,454	13,527	14,525	16,014	15,284	16,115	17,598	17,890	18,385
- Africa (Including SON)	22,482	27,663	27,854	29,655	32,334	31,062	32,517	35,192	21,157	21,685
- Argentina	3,051	2,988	2,994	3,186	3,172	3,025	3,170	3,428	3,479	3,565
- Others	2,880	2,496	2,788	1,789	1,849	1,949	1,942	1,980	2,050	2,131
Brand										
India		7,914	7,914	7,913	7,913	7,913	7,913	7,913	29,909	29,909
Africa		13,014	13,392	14,492	15,387	14,138	14,264	15,366	9,059	9,284
Chile				85	74	83	15	15	13	14

Source: Company, Emkay Research

Free cash generation healthy, with limited capex needs

The company has restricted expansionary capex in the last eight years, which is reflected in the OCF-to-FCF conversion at ~80%. Going ahead, on improving margins, we see operating cash generation to be healthy, which will help fund capex needs.

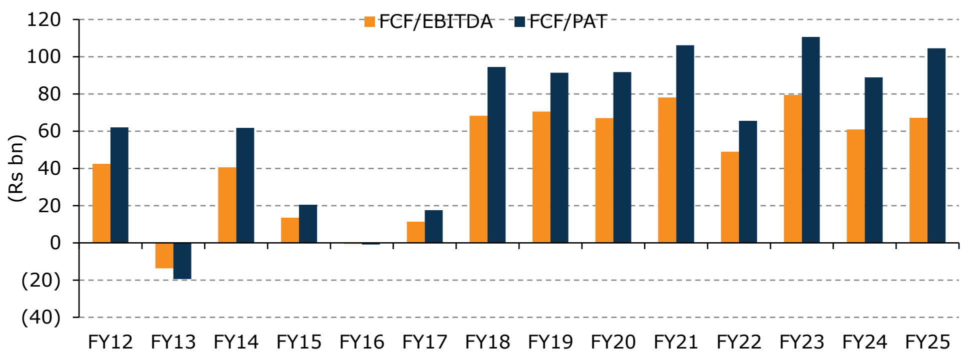
Exhibit 43: Operating cash flow and free cash flow generation



Source: Company, Emkay Research

The company is looking at augmenting structural capacity, which will entail organic manufacturing capex of Rs7bn, to be spent over the next 18-24 months. Earnings-to-free cash conversion has been healthy at over 80% in the last three years. EBITDA conversion has been steady at over 60%, in the last three years.

Exhibit 44: Free cash flow conversion



Source: Company, Emkay Research

Exhibit 45: GCPL's debt position

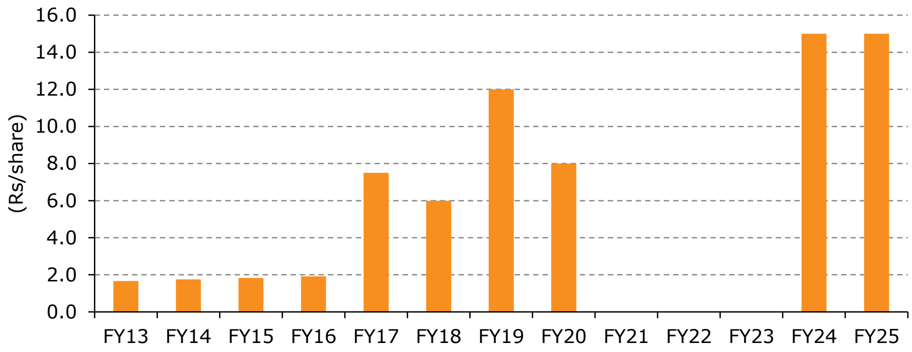
(Rs mn)	Current interest rate	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Secured									
Term loans from banks			3	3	2	2	1		
Loan payable on demand from bank	11.75%	34	58	19	4	1	48	39	42
Overdraft from Bank	12-13%								68
Unsecured									
Term loans from banks (USD)		33,479	31,080	29,965	14,887	7,688	4,117		
Term loans from bank		53	28	29	0	-			
Loan payable on demand from bank	5.1-30.82%	192	962	969	720	3,977	5,349	10,469	10,837
USD overdraft from banks		341	509	245	-				
Overdrafts from bank	13.5-30.82%	976	1,181	1,481	2,070	4,409	824	1,240	2,099
Commercial paper	7.45-7.6%			2,473	-			19,799	25,781
Others									
Gross debt		**35,075**	**33,821**	**35,184**	**17,683**	**16,077**	**10,339**	**31,546**	**38,826**
- Short term		11,272	7,773	13,733	12,882	12,268	8,448	31,546	38,826
- Long term		23,803	26,048	21,450	4,801	3,809	1,891	0	0
Cash (including liquid investments)		19,212	13,760	14,073	8,099	19,521	25,804	22,631	35,858
Net debt		**15,863**	**20,060**	**21,110**	**9,584**	**-3,444**	**-15,465**	**8,915**	**2,968**
EBIT		19,114	19,876	19,458	21,844	21,852	21,942	27,025	27,691
Equity		62,583	72,669	78,984	94,389	115,559	137,942	125,986	120,039
Net Debt-to-Equity (x)		**0.3**	**0.3**	**0.3**	**0.1**	**0.0**	**-0.1**	**0.1**	**0.0**
Net Debt-to-EBIT (x)		**0.8**	**1**	**1.1**	**0.4**	**-0.2**	**-0.7**	**0.3**	**0.1**
Interest cost		1,058	1,553	1,426	856	657	993	2,428	3,035
Effective interest rate		2.8%	4.5%	4.1%	3.2%	3.9%	7.5%	11.6%	8.6%

Source: Company, Emkay Research

Dividend payout to be 50% (±20%)

The company has kept dividend unchanged at Rs15/share, given pressure on profit. Going ahead, the company is looking at payout ratio to average at ~50% (±20%) of the annual PAT.

Exhibit 46: Dividend per share



Source: Company, Emkay Research

Exhibit 47: Consolidated income statement

(Rs mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net sales	**109,360**	**121,742**	**131,987**	**139,741**	**142,848**	**156,261**	**172,446**	**187,343**
growth	*11.3%*	*11.3%*	*8.4%*	*5.9%*	*2.2%*	*9.4%*	*10.4%*	*8.6%*
Other operating income	926	1,023	1,173	1,220	795	1,294	1,424	1,566
Total Revenue	**110,286**	**122,765**	**133,160**	**140,961**	**143,643**	**157,555**	**173,870**	**188,909**
growth	*11.3%*	*11.3%*	*8.5%*	*5.9%*	*1.9%*	*9.7%*	*10.4%*	*8.6%*
Gross Profit	**60,992**	**62,014**	**66,132**	**77,758**	**78,282**	**86,655**	**96,498**	**105,789**
as a percentage of net sale	*55.3%*	*50.5%*	*49.7%*	*55.2%*	*54.5%*	*55.0%*	*55.5%*	*56.0%*
Employee Benefits	11,233	11,041	11,115	12,493	11,488	12,407	13,399	14,471
as a percentage of net sale	*10.2%*	*9.0%*	*8.3%*	*8.9%*	*8.0%*	*7.9%*	*7.7%*	*7.7%*
Advertisement & Sales Promotion	7,332	7,508	9,855	13,359	13,692	14,845	16,382	17,798
as a percentage of net sale	*6.6%*	*6.1%*	*7.4%*	*9.5%*	*9.5%*	*9.4%*	*9.4%*	*9.4%*
Other Expenses	18,544	19,514	20,857	22,471	23,071	24,804	27,071	29,647
as a percentage of net sale	*16.8%*	*15.9%*	*15.7%*	*15.9%*	*16.1%*	*15.7%*	*15.6%*	*15.7%*
EBITDA	**23,883**	**23,951**	**24,305**	**29,435**	**30,031**	**34,599**	**39,645**	**43,873**
growth	*11.4%*	*0.3%*	*1.5%*	*21.1%*	*2.0%*	*15.2%*	*14.6%*	*10.7%*
as a percentage of net sale	*21.7%*	*19.5%*	*18.3%*	*20.9%*	*20.9%*	*22.0%*	*22.8%*	*23.2%*
Depreciation and Amortization	2,039	2,099	2,363	2,410	2,340	2,840	3,340	3,640
EBIT	**21,844**	**21,852**	**21,942**	**27,025**	**27,691**	**31,759**	**36,305**	**40,233**
growth	*12.3%*	*0.0%*	*0.4%*	*23.2%*	*2.5%*	*14.7%*	*14.3%*	*10.8%*
as a percentage of net sale	*19.8%*	*17.8%*	*16.5%*	*19.2%*	*19.3%*	*20.2%*	*20.9%*	*21.3%*
Finance Cost	1,266	1,102	1,757	2,964	3,501	3,373	2,780	2,850
Other Income	671	897	1,684	2,690	3,161	3,625	3,511	3,994
Profit Before Tax	**21,248**	**21,647**	**21,868**	**26,751**	**27,351**	**32,011**	**37,036**	**41,377**
growth	*15.4%*	*1.9%*	*1.0%*	*22.3%*	*2.2%*	*17.0%*	*15.7%*	*11.7%*
as a percentage of net sale	*19.3%*	*17.6%*	*16.4%*	*19.0%*	*19.0%*	*20.3%*	*21.3%*	*21.9%*
Tax	3,595	3,719	4,303	6,582	7,747	8,163	9,444	10,551
Effective tax rate	*16.9%*	*17.2%*	*19.7%*	*24.6%*	*28.3%*	*25.5%*	*25.5%*	*25.5%*
Extraordinary gains/(losses)	(445)	(98)	(541)	(25,775)	(1,081)	-	-	-
MI	0	3	-	-	-	-	-	-
Reported PAT	**17,208**	**17,834**	**17,025**	**(5,605)**	**18,523**	**23,848**	**27,592**	**30,826**
growth	*15.0%*	*3.6%*	*-4.5%*	*-132.9%*	*-430.5%*	*28.8%*	*15.7%*	*11.7%*
as a percentage of net sale	*15.6%*	*14.5%*	*12.8%*	*-4.0%*	*12.9%*	*15.1%*	*15.9%*	*16.3%*
Adjusted Profit	**17,576**	**17,915**	**17,457**	**20,169**	**19,298**	**23,848**	**27,592**	**30,826**
growth	*12.2%*	*1.9%*	*-2.6%*	*15.5%*	*-4.3%*	*23.6%*	*15.7%*	*11.7%*
Weighted avg no of shares	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023
	-	-	-	-	-	-	-	-
Earnings Per Share	16.8	17.4	16.6	(5.5)	18.1	23.3	27.0	30.1
growth	15%	4%	-5%	-133%	-430%	29%	16%	12%
Adjusted Earnings Per Share	17.2	17.5	17.1	19.7	18.9	23.3	27.0	30.1
growth	12%	2%	-3%	16%	-4%	24%	16%	12%
Recurring Cash Earnings per share (CEPS)	19.2	19.6	19.4	22.1	21.2	26.1	30.2	33.7
growth	11%	2%	-1%	14%	-4%	23%	16%	11%

Source: Company, Emkay Research

Exhibit 48: Consolidated Balance Sheet

(Rs mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023
Reserves and Surplus	93,367	114,537	136,920	124,963	119,016	122,405	125,444	129,672
Total Shareholders' Funds	**94,389**	**115,559**	**137,942**	**125,986**	**120,039**	**123,428**	**126,467**	**130,695**
Long-Term Borrowings	4,801	3,809	1,891	-	-	-	-	-
Short-Term Borrowings	2,794	12,268	8,448	31,546	38,826	30,000	30,000	30,000
Total borrowings	**7,595**	**16,077**	**10,340**	**31,546**	**38,826**	**30,000**	**30,000**	**30,000**
Deferred Tax Liabilities (Net)	(6,378)	(6,796)	(6,412)	(2,804)	938	1,032	1,135	1,135
Other Long Term Liabilities	1,025	990	972	683	1,465	1,575	1,693	1,821
Long-Term Provisions	1,147	1,070	1,034	1,666	1,493	1,543	1,593	1,643
Total Non-Current Liabilities	**(4,205)**	**(4,736)**	**(4,406)**	**(455)**	**3,897**	**4,150**	**4,422**	**4,599**
Capital Employed	**97,779**	**126,900**	**143,876**	**157,078**	**162,762**	**157,578**	**160,889**	**165,294**
Gross Block	45,391	48,399	52,953	73,586	75,851	80,351	83,351	88,851
Accumulated Depreciation (net)	8,553	10,958	12,805	21,205	23,545	26,385	29,725	33,365
Closing Block	36,838	37,441	40,147	52,382	52,307	53,967	53,627	55,487
CWIP	574	1,164	454	939	5,497	5,000	5,000	1,500
Goodwill	51,299	53,768	58,223	50,264	51,454	51,454	51,454	51,454
Net Fixed Assets	**88,711**	**92,373**	**98,824**	**103,585**	**109,258**	**110,421**	**110,081**	**108,441**
Investments	194	-	8,393	17,875	5,419	5,419	5,419	5,419
Long-Term Loans and Advances	678	928	482	924	836	878	922	968
Other Non-Current Assets	1,728	2,141	2,201	3,199	4,084	4,288	4,502	4,727
Total Non-Current Assets	**91,311**	**95,442**	**109,901**	**125,582**	**119,596**	**121,005**	**120,923**	**119,554**
Current Investments	6,597	10,154	21,897	17,162	31,027	31,027	31,027	31,027
Inventories	17,163	21,299	15,372	12,709	14,186	14,984	15,591	16,425
Trade Receivables	10,045	11,163	12,453	15,354	18,191	19,265	19,843	21,557
Cash and Cash Equivalents	6,722	11,078	3,907	5,469	4,831	(1,301)	3,565	9,270
Short-Term Loans and Advances	3,933	4,646	4,125	4,170	0	0	0	0
Other Current Assets	290	244	306	671	5,144	5,401	5,671	5,955
Total Current Assets	**44,749**	**58,584**	**58,060**	**55,535**	**73,379**	**69,376**	**75,698**	**84,234**
Trade Payables	21,596	21,631	18,232	16,755	21,421	23,546	25,985	28,230
Other Current Liabilities	15,961	4,733	5,101	6,375	7,721	8,107	8,512	8,937
Short-Term Provisions	724	762	752	910	1,072	1,150	1,235	1,326
Total Current Liabilities	**38,281**	**27,126**	**24,085**	**24,040**	**30,213**	**32,803**	**35,732**	**38,494**
Net Current Assets	**6,468**	**31,458**	**33,975**	**31,496**	**43,166**	**36,573**	**39,966**	**45,740**
Capital Employed	**97,779**	**126,900**	**143,876**	**157,078**	**162,762**	**157,578**	**160,889**	**165,294**

Source: Company, Emkay Research

Exhibit 49: Consolidated Cash Flow

(Rs mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net PBT and Extraordinary Items	20,804	21,553	21,327	1,982	26,719	32,011	37,036	41,377
Depreciation & Amortization	2,039	2,099	2,363	2,410	2,340	2,840	3,340	3,640
Interest	916	506	802	1,094	1,153	(252)	(731)	3,994
Loss / (Profit) on sale of Investments	(64)	(89)	(494)	(62)	(217)	-	-	-
Investment written off	36	33	43	35	61	-	-	-
Provision for Doubtful Debts	198	23	171	(24)	29	-	-	-
Foreign Exchange Fluctuations	98	(102)	(103)	-	-	-	-	-
Others	695	321	648	23,562	32	94	103	-
Operating Profit Before Working Capital Changes	**24,720**	**24,343**	**24,758**	**28,998**	**30,117**	**34,693**	**39,748**	**49,011**
Trade & Other Payables	(2,104)	82	(3,660)	1,666	5,205	2,524	2,857	2,684
Inventories	(704)	(3,842)	5,550	(715)	(1,593)	(798)	(607)	(834)
Trade & Other Receivables	2,201	(1,569)	(920)	(6,611)	(4,085)	(1,470)	(994)	(2,151)
Provision for Employee Benefits	154	(34)	(36)	1,099	824	128	135	141
Total Decrease / (Increase) in Working Capital	**(452)**	**(5,362)**	**933**	**(4,560)**	**351**	**384**	**1,391**	**(159)**
Cash Generated from Operations	**24,268**	**18,981**	**25,691**	**24,438**	**30,468**	**35,077**	**41,139**	**48,852**
Direct Taxes Paid	(3,972)	(4,475)	(4,185)	(3,739)	(4,701)	(8,163)	(9,444)	(10,551)
Exceptional Items	-	-	-	-	-	-	-	-
Net Cash Flow from Operating Activities	**20,296**	**14,506**	**21,507**	**20,699**	**25,767**	**26,914**	**31,695**	**38,301**
Purchase of Fixed Assets	(1,639)	(2,765)	(2,197)	(2,766)	(5,592)	(4,003)	(3,000)	(2,000)
Purchase of Investments	(2,110)	(6,467)	(16,495)	(33,176)	477	-	-	-
Interest Received	593	590	1,109	2,311	1,680	3,625	3,511	-
Net Cash Used in Investing Activities	**(3,155)**	**(8,642)**	**(17,583)**	**(33,630)**	**(3,436)**	**(378)**	**511**	**(2,000)**
Repayment of Loans (Net)	(16,194)	(2,198)	(6,344)	22,652	7,318	(8,826)	-	-
Interest Paid	(1,589)	(1,123)	(1,116)	(2,620)	(3,111)	(3,373)	(2,780)	(3,994)
Dividend Paid	-	-	-	(5,114)	(25,573)	(20,460)	(24,552)	(26,598)
Corporate Dividend Tax	-	-	-	-	-	-	-	-
Others	(396)	(477)	(436)	(855)	(449)	-	-	-
Net Cash Used in Financing Activities	**(18,178)**	**(3,798)**	**(7,896)**	**14,063**	**(21,815)**	**(32,659)**	**(27,332)**	**(30,592)**
Extraordinary Items	249	203	39	(672)	(1,155)	-	-	-
Net Changes in Cash & Cash Equivalents	**(787)**	**2,268**	**(3,933)**	**460**	**(638)**	**(6,122)**	**4,874**	**5,709**
Cash & Cash Equivalents-Opening Balance	6,029	5,241	7,509	3,907	5,469	4,831	(1,291)	3,582
Cash & Cash Equivalents-Closing Balance	5,241	7,509	3,576	4,367	4,831	(1,291)	3,582	9,291

Source: Company, Emkay Research

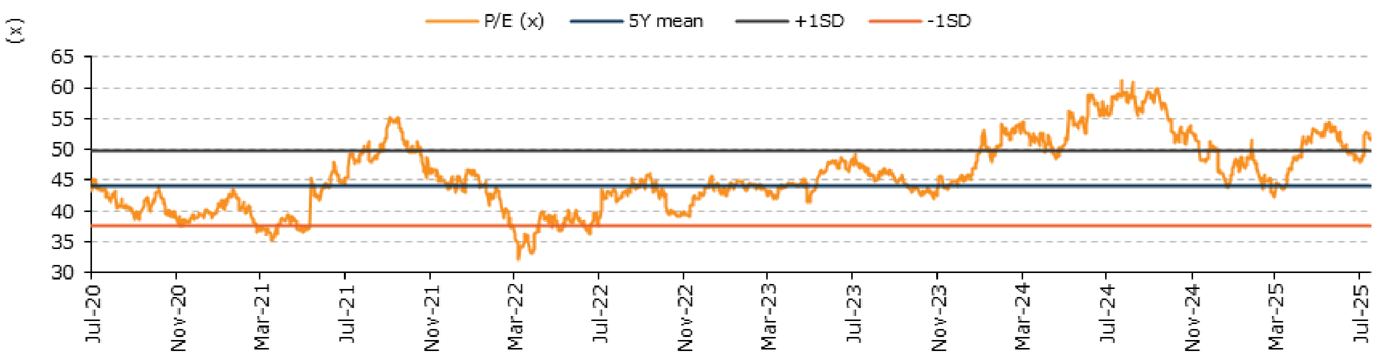
Exhibit 50: Key ratios

	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (YoY)								
Net sales growth	11.3%	11.3%	8.5%	5.9%	1.9%	9.7%	10.4%	8.6%
EBITDA growth	11.4%	0.3%	1.5%	21.1%	2.0%	15.2%	14.6%	10.7%
EBIT growth	12.3%	0.0%	0.4%	23.2%	2.5%	14.7%	14.3%	10.8%
PBT growth	15.4%	1.9%	1.0%	22.3%	2.2%	17.0%	15.7%	11.7%
Adjusted PAT growth	12.2%	1.9%	-2.6%	15.5%	-4.3%	23.6%	15.7%	11.7%
EPS growth	12.2%	1.9%	-2.6%	15.5%	-4.3%	23.6%	15.7%	11.7%
Operating Ratios								
Gross margin	55.3%	50.5%	49.7%	55.2%	54.5%	55.0%	55.5%	56.0%
Employee costs to sales	10.2%	9.0%	8.3%	8.9%	8.0%	7.9%	7.7%	7.7%
A&P to sales	6.6%	6.1%	7.4%	9.5%	9.5%	9.4%	9.4%	9.4%
Other expenses to sales	16.8%	15.9%	15.7%	15.9%	16.1%	15.7%	15.6%	15.7%
EBITDA margin	21.7%	19.5%	18.3%	20.9%	20.9%	22.0%	22.8%	23.2%
EBIT margin	19.8%	17.8%	16.5%	19.2%	19.3%	20.2%	20.9%	21.3%
Other income / PBT	3.2%	4.1%	7.7%	10.1%	11.6%	11.3%	9.5%	9.7%
PBT margin	19.3%	17.6%	16.4%	19.0%	19.0%	20.3%	21.3%	21.9%
Effective tax rate	16.9%	17.2%	19.7%	24.6%	28.3%	25.5%	25.5%	25.5%
Adj PAT margin	16.0%	14.6%	13.2%	14.3%	13.6%	15.1%	15.9%	16.3%
Per Share Data (Rs)								
Recurring Earning per share (EPS)	17.2	17.5	17.1	19.7	18.9	23.3	27.0	30.1
Reported Earnings per share	16.8	17.4	16.6	-5.5	18.1	23.3	27.0	30.1
Dividend per share	0.0	0.0	0.0	15.0	15.0	20.0	24.0	26.0
Recurring Cash Earnings per share (CEPS)	19.2	19.6	19.4	22.1	21.2	26.1	30.2	33.7
Reported Book Value (BV)	92.3	113.0	134.9	123.2	117.3	120.7	123.6	127.8
Operating cash flow per share	19.8	14.2	21.0	20.2	25.2	26.3	31.0	37.4
Free Cashflow per share (FCPS-post capex)	18.2	11.5	18.9	17.5	19.7	22.4	28.0	35.5
Return / Profitability Ratios								
Avg ROE (%)	20%	17%	14%	15%	16%	20%	22%	24%
Avg ROCE (%)	21%	19%	16%	18%	18%	20%	23%	25%
Avg ROIC (%)	20%	18%	16%	18%	17%	20%	23%	26%
Solvency Ratios / Liquidity Ratios								
Debt Equity Ratio (D/E) (%)	(0.1)	(0.0)	(0.1)	0.1	0.0	0.0	(0.0)	(0.1)
Long Term Debt / Total Debt (%)	63%	24%	18%	0%	0%	0%	0%	0%
Net Working Capital / Total Assets (%)	0%	16%	21%	17%	24%	24%	23%	22%
Interest Coverage Ratio-based on EBIT (x)	17.3	19.8	12.5	9.1	7.9	9.4	13.1	14.1
Debt Servicing Capacity Ratio (DSCR) (x)	5.4	2.4	4.7	2.2	2.0	2.7	2.6	2.8
Current Ratio (x)	1.0	1.8	2.2	2.1	2.3	2.2	2.0	1.9
Cash and cash equivalents / Total Assets (x)	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.1
Turnover Ratios								
Inventory days (no of)	56.8	63.3	42.1	32.9	36.0	34.7	32.7	31.7
Receivable days (no of)	33.2	33.2	34.1	39.8	46.2	44.6	41.7	41.7
Payable days (no of)	71.5	64.3	50.0	43.4	54.4	54.5	54.5	54.5
Cash conversion cycle (no of days)	18.6	32.2	26.3	29.3	27.8	24.8	19.8	18.8
Fixed Assets Turnover Ratio (x)	2.4	2.6	2.6	2.2	1.9	2.0	2.1	2.2

Source: Company, Emkay Research

Valuations factor-in the enhanced execution

Exhibit 51: One year forward P/E (on consensus)



Source: Company, Bloomberg, Emkay Research

Exhibit 52: Segment growth trend and assumptions

(Rs mn)	FY20	FY21	FY22	FY23	FY24E	FY25	FY26E	FY27E	FY28E
Home care	26,670	29,850	31,740	33,580	35,876	39,241	43,323	47,837	52,184
Growth		12%	6%	6%	7%	9%	10%	10%	9%
- Household insecticides	21,900	25,340	25,750	26,940	28,556	31,126	34,239	37,663	41,053
- Growth		16%	2%	5%	6%	9%	10%	10%	9%
Personal care	24,200	28,260	32,440	38,520	43,887	45,536	48,715	52,726	56,602
Growth		17%	15%	19%	14%	4%	7%	8%	7%
- Organic business	24,200	28,260	32,440	38,520	39,227	39,976	42,321	45,372	48,366
- Growth		17%	15%	19%	2%	2%	6%	7%	7%
- Inorganic business					4,660	5,560	6,394	7,353	8,235
- Growth						19%	15%	15%	12%
India branded business	**50,870**	**58,110**	**64,180**	**72,100**	**79,763**	**84,778**	**92,038**	**100,563**	**108,786**
Growth		*14%*	*10%*	*12%*	*11%*	*6%*	*9%*	*9%*	*8%*
Others incl. Exports	2,750	3,230	4,010	3,210	2,910	3,362	3,867	4,447	4,980
Growth		17%	24%	-20%	-9%	16%	15%	15%	12%
India revenue	**53,620**	**61,340**	**68,190**	**75,310**	**82,673**	**88,140**	**95,905**	**105,009**	**113,766**
Growth		*14%*	*11%*	*10%*	*10%*	*7%*	*9%*	*9%*	*8%*
as a % of consolidated revenue	*55%*	*56%*	*56%*	*57%*	*59%*	*62%*	*61%*	*61%*	*61%*
Indonesia	**16,940**	**17,670**	**17,040**	**16,510**	**18,870**	**19,890**	**18,895**	**20,596**	**22,450**
Growth		*4%*	*-4%*	*-3%*	*14%*	*5%*	*-5%*	*9%*	*9%*
as a % of consolidated revenue	*17%*	*16%*	*14%*	*13%*	*14%*	*14%*	*12%*	*12%*	*12%*
GAUM Cluster	**23,160**	**24,980**	**30,500**	**34,120**	**31,780**	**26,310**	**31,572**	**35,361**	**38,190**
Growth		*8%*	*22%*	*12%*	*-7%*	*-17%*	*20%*	*12%*	*8%*
as a % of consolidated revenue	*24%*	*23%*	*25%*	*26%*	*23%*	*18%*	*20%*	*21%*	*20%*
LATAM and SAARC	**4,545**	**5,370**	**6,012**	**6,047**	**6,419**	**8,508**	**9,888**	**11,480**	**12,938**
Growth		*18%*	*12%*	*1%*	*6%*	*33%*	*16%*	*16%*	*13%*
as a % of consolidated revenue	*5%*	*5%*	*5%*	*5%*	*5%*	*6%*	*6%*	*7%*	*7%*
International revenue	**44,645**	**48,020**	**53,552**	**56,677**	**57,069**	**54,708**	**60,356**	**67,437**	**73,577**
Growth		*8%*	*12%*	*6%*	*1%*	*-4%*	*10%*	*12%*	*9%*
as a % of consolidated revenue	*45%*	*44%*	*44%*	*43%*	*41%*	*38%*	*39%*	*39%*	*39%*
Consolidated revenue	**98,265**	**109,360**	**121,742**	**131,987**	**139,741**	**142,848**	**156,261**	**172,446**	**187,343**
Growth		*11%*	*11%*	*8%*	*6%*	*2%*	*9%*	*10%*	*9%*

Source: Company, Emkay Research

Exhibit 53: EBITDA, by segment and expectations

(Rs mn)	FY20	FY21	FY22	FY23	FY24E	FY25	FY26E	FY27E	FY28E
India	**14,484**	**16,497**	**17,293**	**18,748**	**22,400**	**20,037**	**23,976**	**27,302**	**30,148**
Growth	*-4%*	*14%*	*5%*	*8%*	*19%*	*-11%*	*20%*	*14%*	*10%*
as a % of consolidated EBITDA	*68%*	*69%*	*72%*	*77%*	*76%*	*67%*	*69%*	*68%*	*67%*
Margin	27%	27%	25%	25%	27%	23%	25%	26%	27%
Indonesia	**4,436**	**4,847**	**3,895**	**3,030**	**3,874**	**4,109**	**4,251**	**4,988**	**5,777**
Growth	*13%*	*9%*	*-20%*	*-22%*	*28%*	*6%*	*3%*	*17%*	*16%*
as a % of consolidated EBITDA	*21%*	*20%*	*16%*	*12%*	*13%*	*14%*	*12%*	*12%*	*13%*
Margin	*26%*	*27%*	*23%*	*18%*	*21%*	*21%*	*23%*	*24%*	*26%*
GAUM Cluster	**2,294**	**1,772**	**1,845**	**2,223**	**3,096**	**4,943**	**5,472**	**6,297**	**7,001**
Growth	*20%*	*-23%*	*4%*	*20%*	*39%*	*60%*	*11%*	*15%*	*11%*
as a % of consolidated EBITDA	*11%*	*7%*	*8%*	*9%*	*11%*	*16%*	*16%*	*16%*	*16%*
Margin	*10%*	*7%*	*6%*	*7%*	*10%*	*19%*	*17%*	*18%*	*18%*
Others	**217**	**767**	**918**	**304**	**65**	**941**	**900**	**1,500**	**1,800**
Growth	*6%*	*254%*	*20%*	*-67%*	*-79%*	*1355%*	*35%*	*15%*	*34%*
as a % of consolidated EBITDA	*1%*	*3%*	*4%*	*1%*	*0%*	*3%*	*3%*	*4%*	*4%*
Consolidated EBITDA	**21,430**	**23,883**	**23,951**	**24,305**	**29,435**	**30,031**	**34,599**	**40,087**	**44,726**
Growth	*1%*	*9%*	*10%*	*2%*	*-1%*	*8%*	*9%*	*9%*	*11%*
Margin	*22%*	*22%*	*20%*	*18%*	*21%*	*21%*	*22%*	*23%*	*24%*

Source: Company, Emkay Research

Exhibit 54: Changes to our estimates

	New estimates			Old estimates			Changes to estimate		
(Rs mn)	**FY26E**	**FY27E**	**FY28E**	**FY26E**	**FY27E**	**FY27E**	**FY26E**	**FY27E**	**FY27E**
Revenue	157,555	174,059	189,115	158,762	175,117	190,283	-1%	-1%	-1%
growth	9.7%	10.5%	8.7%	10.5%	10.3%	8.7%			
EBITDA	34,599	40,087	44,726	35,238	40,313	44,624	-2%	-1%	0%
growth	15.2%	15.9%	11.6%	17.3%	14.4%	10.7%			
EBITDA margin	22.0%	23.0%	23.6%	22.2%	23.0%	23.5%			
Adj PAT	23,848	27,921	31,479	24,458	28,463	31,555	-2%	-2%	0%
growth	23.6%	17.1%	12.7%	26.7%	16.4%	10.9%			
EPS (Rs)	23.3	27.3	30.8	23.9	27.8	30.8	-2%	-2%	0%

Source: Company, Emkay Research

Exhibit 55: Emkay estimates vs consensus expectations

	Emkay estimates			Consensus estimates			Emkay vs consensus estimates		
(Rs mn)	**FY26E**	**FY27E**	**FY28E**	**FY26E**	**FY27E**	**FY28E**	**FY26E**	**FY27E**	**FY28E**
Revenue	157,555	174,059	189,115	156,766	172,744	187,937	1%	1%	1%
Growth	9.7%	10.5%	8.7%	9.1%	10.2%	8.8%			
EBITDA	34,599	40,087	44,726	34,211	39,018	43,500	1%	3%	3%
Growth	15.2%	15.9%	11.6%	13.9%	14.0%	11.5%			
EBITDA margin	22.0%	23.0%	23.6%	21.8%	22.6%	23.1%			
Adj PAT	23,848	27,921	31,479	23,821	27,960	31,647	0%	0%	-1%
Growth	23.6%	17.1%	12.7%	23.4%	17.4%	13.2%			
EPS (Rs)	23.31	27.29	30.77	23.29	27.34	31.03	0%	0%	-1%

Source: Bloomberg, Emkay Research

Godrej Consumer Products: Consolidated Financials and Valuations

Profit & Loss

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	**140,961**	**143,643**	**157,555**	**174,059**	**189,115**
Revenue growth (%)	5.9	1.9	9.7	10.5	8.7
EBITDA	**29,435**	**30,031**	**34,599**	**40,087**	**44,726**
EBITDA growth (%)	21.1	2.0	15.2	15.9	11.6
Depreciation & Amortization	2,410	2,340	2,840	3,340	3,640
EBIT	**27,025**	**27,691**	**31,759**	**36,747**	**41,086**
EBIT growth (%)	23.2	2.5	14.7	15.7	11.8
Other operating income	1,220	795	1,294	1,424	1,566
Other income	2,690	3,161	3,625	3,511	4,018
Financial expense	2,964	3,501	3,373	2,780	2,850
PBT	**26,751**	**27,351**	**32,011**	**37,478**	**42,254**
Extraordinary items	(25,775)	(1,081)	0	0	0
Taxes	6,582	7,747	8,163	9,557	10,775
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	**(5,605)**	**18,523**	**23,848**	**27,921**	**31,479**
PAT growth (%)	0	0	28.8	17.1	12.7
Adjusted PAT	**20,169**	**19,604**	**23,848**	**27,921**	**31,479**
Diluted EPS (Rs)	**19.7**	**19.2**	**23.3**	**27.3**	**30.8**
Diluted EPS growth (%)	14.8	(2.8)	21.7	17.1	12.7
DPS (Rs)	**5.0**	**25.0**	**20.0**	**24.0**	**26.0**
Dividend payout (%)	**(91.2)**	**138.1**	**85.8**	**87.9**	**84.5**
EBITDA margin (%)	20.9	20.9	22.0	23.0	23.6
EBIT margin (%)	19.2	19.3	20.2	21.1	21.7
Effective tax rate (%)	24.6	28.3	25.5	25.5	25.5
NOPLAT (pre-IndAS)	**20,376**	**19,847**	**23,661**	**27,377**	**30,609**
Shares outstanding (mn)	1,023	1,023	1,023	1,023	1,023

Source: Company, Emkay Research

Balance Sheet

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	1,023	1,023	1,023	1,023	1,023
Reserves & Surplus	124,963	119,016	122,405	125,774	130,655
Net worth	**125,986**	**120,039**	**123,428**	**126,797**	**131,678**
Minority interests	0	0	0	0	0
Non-current liab. & prov.	(2,804)	938	1,032	1,135	1,135
Total debt	**31,546**	**38,826**	**30,000**	**30,000**	**30,000**
Total liabilities & equity	**157,078**	**162,762**	**157,578**	**161,219**	**166,277**
Net tangible fixed assets	52,382	52,307	53,967	53,627	55,487
Net intangible assets	-	-	-	-	-
Net ROU assets	-	-	-	-	-
Capital WIP	939	5,497	5,000	5,000	1,500
Goodwill	50,264	51,454	51,454	51,454	51,454
Investments [JV/Associates]	17,875	5,419	5,419	5,419	5,419
Cash & equivalents	**22,631**	**35,858**	**29,726**	**34,912**	**41,269**
Current assets (ex-cash)	32,904	37,521	39,650	41,144	43,978
Current Liab. & Prov.	24,040	30,213	32,803	35,760	38,525
NWC (ex-cash)	**8,864**	**7,308**	**6,847**	**5,384**	**5,454**
Total assets	**155,427**	**160,621**	**155,330**	**158,859**	**163,799**
Net debt	8,915	2,968	274	(4,912)	(11,269)
Capital employed	157,078	162,762	157,578	161,219	166,277
Invested capital	**111,510**	**111,069**	**112,268**	**110,464**	**112,394**
BVPS (Rs)	123.2	117.3	120.7	123.9	128.7
Net Debt/Equity (x)	0.1	-	-	-	(0.1)
Net Debt/EBITDA (x)	0.3	0.1	-	(0.1)	(0.3)
Interest coverage (x)	10.0	8.8	10.5	14.5	15.8
RoCE (%)	**19.4**	**19.5**	**22.7**	**26.0**	**28.3**

Source: Company, Emkay Research

Cash flows

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	24,061	24,190	28,386	33,967	38,236
Others (non-cash items)	(51)	(95)	94	103	0
Taxes paid	(3,739)	(4,701)	(8,163)	(9,557)	(10,775)
Change in NWC	(4,560)	351	384	1,380	(160)
Operating cash flow	**20,699**	**25,767**	**26,914**	**32,014**	**38,978**
Capital expenditure	(2,766)	(5,592)	(4,003)	(3,000)	(2,000)
Acquisition of business	(9,482)	12,456	0	0	0
Interest & dividend income	2,311	1,680	3,625	3,511	0
Investing cash flow	**(33,630)**	**(3,436)**	**(378)**	**511**	**2,018**
Equity raised/(repaid)	0	-	0	0	0
Debt raised/(repaid)	22,652	7,280	(8,826)	0	0
Payment of lease liabilities	0	0	0	0	0
Interest paid	(2,620)	(3,501)	(3,373)	(2,780)	(2,850)
Dividend paid (incl tax)	(5,114)	(25,573)	(20,460)	(24,552)	(26,598)
Others	(855)	(21)	0	0	(1,168)
Financing cash flow	**14,063**	**(21,815)**	**(32,659)**	**(27,332)**	**(30,616)**
Net chg in Cash	1,132	517	(6,122)	5,193	10,380
OCF	20,699	25,767	26,914	32,014	38,978
Adj. OCF (w/o NWC chg.)	25,259	25,416	26,530	30,634	39,137
FCFF	17,933	20,176	22,912	29,014	36,978
FCFE	17,281	18,354	23,164	29,745	34,128
OCF/EBITDA (%)	70.3	85.8	77.8	79.9	87.1
FCFE/PAT (%)	(308.3)	99.1	97.1	106.5	108.4
FCFF/NOPLAT (%)	**88.0**	**101.7**	**96.8**	**106.0**	**120.8**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	(222.0)	67.2	52.2	44.6	39.5
EV/CE(x)	8.0	7.9	8.2	8.0	7.8
P/B (x)	9.9	10.4	10.1	9.8	9.5
EV/Sales (x)	9.0	8.8	8.0	7.3	6.7
EV/EBITDA (x)	42.6	41.7	36.2	31.3	28.0
EV/EBIT(x)	46.4	45.3	39.5	34.1	30.5
EV/IC (x)	11.2	11.3	11.2	11.3	11.2
FCFF yield (%)	1.4	1.6	1.8	2.3	3.0
FCFE yield (%)	1.4	1.5	1.9	2.4	2.7
Dividend yield (%)	0.4	2.1	1.6	2.0	2.1
DuPont-RoE split					
Net profit margin (%)	14.3	13.6	15.1	16.0	16.6
Total asset turnover (x)	0.9	0.9	1.0	1.1	1.2
Assets/Equity (x)	1.1	1.3	1.3	1.3	1.2
RoE (%)	**15.3**	**15.9**	**19.6**	**22.3**	**24.4**
DuPont-RoIC					
NOPLAT margin (%)	14.5	13.8	15.0	15.7	16.2
IC turnover (x)	1.3	1.3	1.4	1.6	1.7
RoIC (%)	**18.7**	**17.8**	**21.2**	**24.6**	**27.5**
Operating metrics					
Core NWC days	23.0	18.6	15.9	11.3	10.5
Total NWC days	**23.0**	**18.6**	**15.9**	**11.3**	**10.5**
Fixed asset turnover	1.2	1.1	1.2	1.3	1.4
Opex-to-revenue (%)	34.3	33.6	33.0	32.5	32.4

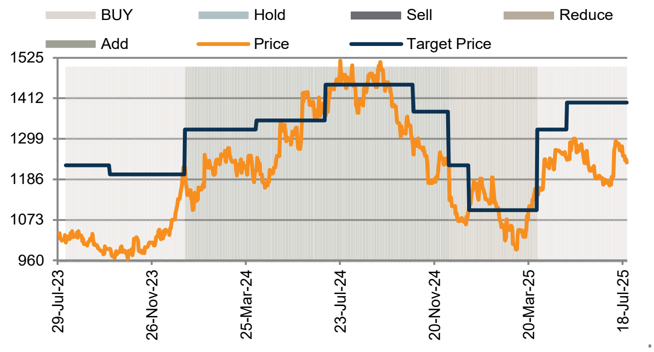
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
05-Jul-25	1,193	1,400	Buy	Nitin Gupta
30-Jun-25	1,178	1,400	Buy	Nitin Gupta
24-Jun-25	1,174	1,400	Buy	Nitin Gupta
08-May-25	1,241	1,400	Buy	Nitin Gupta
24-Apr-25	1,268	1,325	Buy	Nitin Gupta
06-Apr-25	1,157	1,325	Buy	Nitin Gupta
31-Mar-25	1,159	1,325	Buy	Nitin Gupta
17-Mar-25	1,052	1,100	Reduce	Nitin Gupta
26-Feb-25	1,057	1,100	Reduce	Nitin Gupta
18-Feb-25	1,016	1,100	Reduce	Nitin Gupta
02-Feb-25	1,192	1,100	Reduce	Nitin Gupta
25-Jan-25	1,130	1,100	Reduce	Nitin Gupta
03-Jan-25	1,117	1,100	Reduce	Nitin Gupta

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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