

Godrej Consumer Products (GCPL IN)

India growth and margin improvement to pull up performance in H2FY26E

GCPL saw mixed performance in the quarter with topline largely as estimated, however, EBITDA saw outperformance of 4% vs our estimates due to lower employee expenses. PAT saw a negative deviation of 3% due to lower other income and extraordinary loss. Reported revenues stood at Rs 38,251 mn, up 4.3% YoY/ 4.5% QoQ, underpinned by volume growth of 3% YoY. EBITDA margins contracted by 155 bps YoY, standing at 19.2%, impacted by GST reforms related trade disruption. Accordingly, EBITDA declined by 3.5% YoY to Rs 7,333 mn. PAT followed suit with a decline of 6.5% YoY.

Consolidated volume growth slides due to GST-related impact in India; Continued traction in India ex-soaps

Consolidated volume growth came in at 3% for the quarter, vs. 8% in Q1FY26. Consolidated revenue growth also slowed down commensurately to 4.3% YoY from 9.9% in Q1. India standalone volume growth dropped to 3% YoY from 5% in Q1. Standalone revenue growth of 4% YoY included ~3-4% impact of the GST transition. The GST transition primarily impacted soaps portfolio, while the hair colour portfolio was impacted by trade confusion. India ex-soaps volume growth continued to be in double-digits (vs. mid-teens in Q1FY26). With continued double-digit traction in non-soaps portfolio and improvement in soaps, H2FY26E should see double digit revenue growth trajectory in H2FY26E.

Traction in GAUM continues, while Indonesia weakness persists

In Indonesia, while UVG grew by 2% (flat in Q1), revenue declined by 6.6% YoY (-3.7% YoY in Q1) due to ~4% impact of change in distribution arrangement. This negative impact in revenue will continue for 3 more quarters, while volume growth will likely be in the 2-4% range. GAUM saw a strong 15% YoY growth in constant currency terms, further supported by FX, leading to 25% reported growth. However, this growth may eventually normalize to high single digit growth levels.

Margins to see improvement from coming quarters

With the benefit of lower palm oil duty and price stabilization, India margins will inch up to be in the normative band of 24-26% in H2FY26E (vs. 21.7% in H1FY26). GAUM will benefit from better seasonality in margins in H2FY26E, while Indonesia and LATAM margins may remain steady.

TAM expansion through organic and inorganic efforts continues

Organically, GCPL entered the Rs 30 bn toilet cleaning market with launch of 'Godrej Spic'. Inorganically, will acquire Muuchstac to enter in men's face wash category, valued at Rs 10 bn and growing at 25% CAGR.

Valuation and view

With improving growth and margin traction in India in the coming quarters, and continued strong performance in GAUM, GCPL is set to continue its double-digit growth trajectory in the coming quarters, after a slight slowdown in growth in the quarter gone by. Margin delivery is also expected to see an improvement, driven by reduced impact of palm oil on margins in India and cost rationalization measures. We continue to like the TAM expansion journey, through both internal brand launches as well as bolt on acquisitions in white spaces.

We have made small modifications to our estimates leading to 0.8/-0.9/-1.1% change to our FY26/27/28E Adj. EPS. We anticipate a Revenue/ EBITDA/ Adj. PAT CAGR of 9.4/12.4/17.2%, respectively over FY25-28E. On 4-qtr ending Sep-27E EPS of Rs 28.2 (earlier Rs 28.5 earlier) and with a P/E of 51x (unchanged), we arrive at a price target of Rs 1,440 (earlier Rs 1,450). With fundamental prospects intact, we believe the CMP is at attractive levels. With an upside potential of 28.5%, we retain our "BUY" rating on the shares of GCPL.

Y/E March (Rs in mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	1,40,961	1,43,643	1,56,166	1,72,539	1,87,842
Growth (%)	5.9	1.9	8.7	10.5	8.9
EBITDA	30,703	29,992	33,186	38,997	42,642
EBITDA (%)	21.8	20.9	21.3	22.6	22.7
Adj. PAT	19,779	18,950	22,598	27,272	30,537
Adj. EPS	(5.5)	18.1	21.7	26.7	29.8
Adj. EPS Growth (%)	7.9	(4.2)	19.2	20.7	12.0
ROE (%)	15.7	15.8	17.2	18.8	19.1
ROCE (%)	21.9	21.7	22.3	23.8	23.7
P/E (x)	57.9	60.4	50.7	42.0	37.5

Source: Company, ACMIIL Research

BUY

Target: ₹ 1,440

Key Data

Bloomberg code:	GCPL IN
Target price (Rs)	1,440
CMP (Rs)	1,119
Upside/ (Downside) (%)	28.5
Rating:	BUY
Shares outstanding (mn):	1,023
Mcap (Rs bn) :	1,146
52-week H/L (Rs):	1,320/980

Price Performance (%)

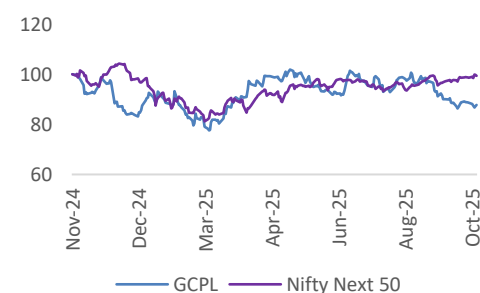
1 month	(2.5)
3 months	(11.0)
12 months	(12.7)

Shareholding Pattern (%)

	Mar'25	Jun'25	Sep'25
Promoter	53.1	53.0	53.0
FII's	19.5	19.3	18.2
DII's	12.2	12.4	13.6
Public/other	15.2	15.3	15.2
Pledge	0.4	0.4	0.4

Source: BSE

GCPL performance vs. Nifty Next 50



Source: NSE

Analyst

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Quarterly Performance – Consolidated

Y/E March (Rs in mn)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	ACMIIL Est.	Var (%)	H1FY26	H1FY25	YoY (%)
Net Revenue from operations	38,251	36,663	4.3	36,619	4.5	38,599	(0.9)	74,870	69,979	7.0
Expenses:										
Total Raw Material Cost	18,320	16,282	12.5	17,613	4.0			35,933	30,990	16.0
Employee Cost	2,700	3,106	(13.1)	3,090	(12.6)			5,790	5,902	(1.9)
Other Expenses	9,898	9,679	2.3	8,970	10.4			18,867	18,247	3.4
Total Operating Cost	30,918	29,067	6.4	29,673	4.2			60,591	55,138	9.9
EBITDA	7,333	7,596	(3.5)	6,946	5.6	7,053	4.0	14,279	14,841	(3.8)
EBITDA (%)	19.2	20.7	-155bps	19.0	20bps	18.3	90bps	19.1	21.2	-214bps
Depreciation	656	501	31.0	594	10.6			1,250	996	25.5
EBIT	6,677	7,095	(5.9)	6,352	5.1			13,029	13,845	(5.9)
Other income	629	860	(26.9)	845	(25.6)			1,474	1,631	(9.6)
Interest expense	759	831	(8.7)	865	(12.3)			1,624	1,708	(5.0)
Extraordinary Items	(297)	(58)	(413.1)	(195)	(51.8)			(492)	(261)	(88.7)
PBT	6,250	7,067	11.6	6,137	1.8			12,387	13,507	(8.3)
Tax	1,657	2,154	(23.1)	1,613	2.7			3,269	4,087	(20.0)
Effective Tax Rate (%)	26.5	30.5	-397bps	26.3	23bps			26.4	30.3	-387bps
RPAT	4,593	4,913	(6.5)	4,525	1.5	4,734	(3.0)	9,118	9,420	(3.2)
APAT	4,811	4,953	(2.9)	4,669	3.1	4,734	1.6	9,480	9,602	(1.3)
APAT (%)	12.6	13.5	-93bps	12.7	-17bps	12.3	31bps	12.7	13.7	-106bps
REPS	4.5	4.8	6.5	4.4	1.6			8.9	9.2	3.2
Adj. EPS (diluted) (Rs)	4.7	4.8	(2.8)	4.6	3.1			9.3	9.4	(1.2)

Source: Company, ACMIIL Research

GCPL saw mixed performance, with topline largely as estimated, however, EBITDA saw outperformance of 4% vs our estimates. PAT saw a negative deviation of 3% due to lower other income and extraordinary loss.

Standalone performance momentum moderated with UVG of 3% YoY and revenue up 4% YoY, led by Home Care segment.

Con-Call Key Take Away

Domestic business

Standalone performance momentum moderated, with UVG at 3% YoY and revenue growth of 4% YoY. The Home Care segment sustained healthy growth of 6% YoY, led by continued strong traction in air fresheners and fabric care, coupled with steady momentum in household insecticides. The Personal Care portfolio declined 2% YoY, primarily impacted by GST transition in the soaps category. Hair Colour continued to gain market share, while Deodorants registered robust growth. The company has introduced a deo lotion in select markets to accelerate category penetration.

India, personal wash

The Personal Wash segment reported a muted performance, with revenues declining primarily due to the transitory impact of the GST implementation. Despite this, GCPL continued to register market share gains. Management remains confident of delivering outperformance versus the category, guided by expectations of robust volume growth over the next four quarters. Moreover, recent GST rate reductions are likely to enhance pricing competitiveness against regional players, supporting incremental gains.

India, household insecticides

- The HI category, despite a weak season, outpaced seasonal trends, maintaining competitive growth momentum. GCPL sustained market share gains across all key segments where the new molecule has been rolled out. Growth in electrics remained robust, with the company registering significant share gains despite already commanding a high base. Coils also witnessed steady traction, with incremental share gains achieved on an already healthy position. The most notable performance came from incense sticks, where GCPL has now emerged as the clear market leader, recording a ~100% YoY growth in the segment.
- The broader HI portfolio is witnessing structural improvement, with the successful relaunch of 'RNF' marking a strategic inflection. Over time, this is expected to transition the category from a low single-digit growth business to one sustaining high single-digit growth. The only potential headwind in the near term remains El Niña, which could temper demand recovery. Nonetheless, GCPL's strong innovation pipeline, market leadership in incense sticks, and sustained momentum in electrics position the business favourably for continued outperformance.

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The slowdown in Indonesia appears genuine, with volume growth likely to remain in the 2–4% range over the next 3–4 quarters.

Africa's revenue trajectory is expected to moderate to high single-digit growth, normalising from the current mid-teen levels that were aided by a lower base.

Margins are expected to improve in H2FY26E versus the quarter gone by and are likely to settle towards the lower end of the normative 24–26% range.

India outlook

Excluding the personal wash segment, GCPL's standalone business continues to record healthy double-digit growth. Management reiterated guidance of high single-digit UVG for FY26E, with H2FY26E expected to witness an improved trajectory driven by recovery in soaps. The gap between volume and value growth is likely to remain at 1–1.5%. Recent GST reforms are structurally positive, with ~one-third of the portfolio—mainly toilet soaps and smaller categories such as talcum powders, shampoos, and shaving creams—now under the 5% slab. While the transition led to a temporary 3–4% topline impact, the lower rate should aid volume recovery as trade channels stabilise and restocking normalises, acting as a structural tailwind for sustained volume-led growth ahead. EBITDA margins are expected to improve in H2FY26E versus the quarter gone by and are likely to settle towards the lower end of the normative 24–26% range.

Indonesia

Indonesia posted another subdued quarter, affected by ongoing macroeconomic headwinds and heightened competitive intensity, with UVG at 2% YoY. In constant currency terms, sales declined 7% YoY, while EBITDA fell 6%, as the company undertook aggressive pricing actions to counter industry-wide price cuts. The Hair Colours franchise continued to perform well, delivering double-digit growth led by Shampoo Hair Colour, while Baby Care maintained healthy traction and gained share. Management expects pricing pressure to ease over the next few months. The slowdown in Indonesia appears genuine, with volume growth likely to remain in the 2–4% range over the next 3–4 quarters. Additionally, a 4% negative pricing impact is expected to continue for another 3 quarters, owing to the reclassification of certain costs into the topline.

GAUM

GAUM delivered a healthy performance, with sales up 25% YoY in INR terms (15% YoY in cc), led by strong momentum in the Hair Fashion and Air Freshener portfolios. EBITDA grew 20% YoY, supported by operating leverage and a favourable product mix. The Hair Care franchise continued to post strong double-digit growth across key African markets, while Hair Fashion sustained robust traction across core geographies. The Air Freshener segment, driven by 'Aer Pocket', maintained its strong growth momentum across markets.

GAUM outlook

Africa's revenue trajectory is expected to moderate to high single-digit growth, normalising from the current mid-teen levels that were aided by a lower base. On the margin front, the region's mid-teen operating margin profile remains healthy. Some seasonality in performance, however, cannot be ruled out.

LATAM and others

This geography delivered mid-single-digit growth in constant currency terms; however, reported sales declined 9% in INR terms, impacted by adverse macroeconomic conditions and currency headwinds.

New launches and categories

New product launches have delivered encouraging results, with strong traction across key categories. 'Godrej Fab' and 'Goodknight Agarbatti' have emerged as leading players within their respective segments, continuing to consolidate market share. Recent introductions such as 'Aer Plug', 'Amazon Woods 4X', and 'KS 99' have performed ahead of internal expectations and are now being scaled up. In addition, GCPL has entered the toilet cleaner segment — a Rs 30,000 mn addressable market growing at strong double-digit rates — through the launch of a new brand, 'Godrej Spic', in select South Indian states. The product is competitively priced at Rs 79 for a 500 ml pack, positioning it favourably against incumbents.

Overall outlook

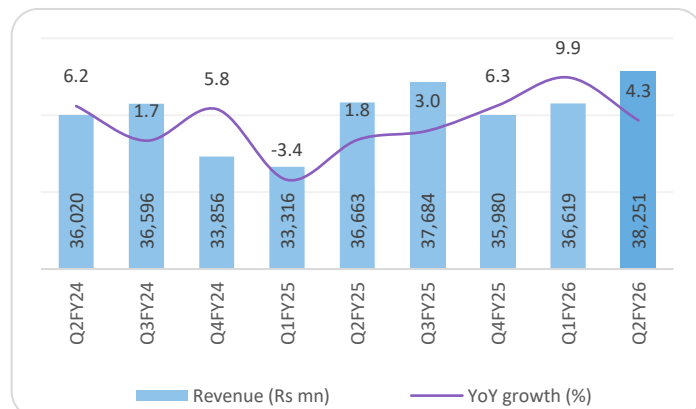
Management reiterated its guidance of high single-digit UVG in the standalone business and high single-digit consolidated revenue growth. India and GAUM operations are expected to sustain double-digit EBITDA growth, while macro challenges in Indonesia and Latin America could result in marginally lower consolidated EBITDA growth. Palm oil prices have remained largely stable, and domestic PFAD continues to be attractively priced. The company remains on track to achieve c.200 bps savings in ad spends, driven by ongoing media efficiency initiatives.

Dividend

The board declared an Interim dividend at Rs. 5 per share for H1FY26.

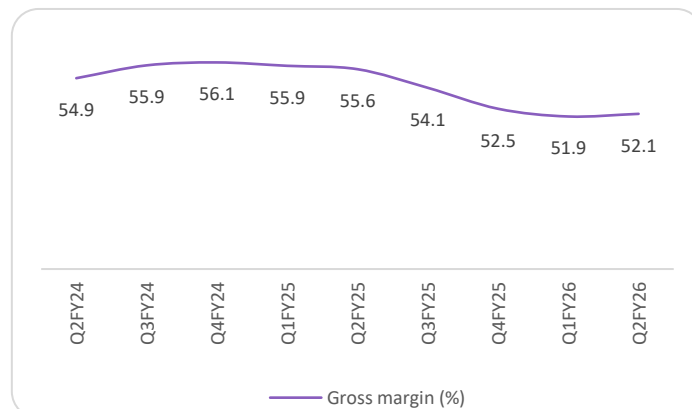
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Exhibit 1: Revenue growth moderated due to macro headwinds in Indonesia and LATAM



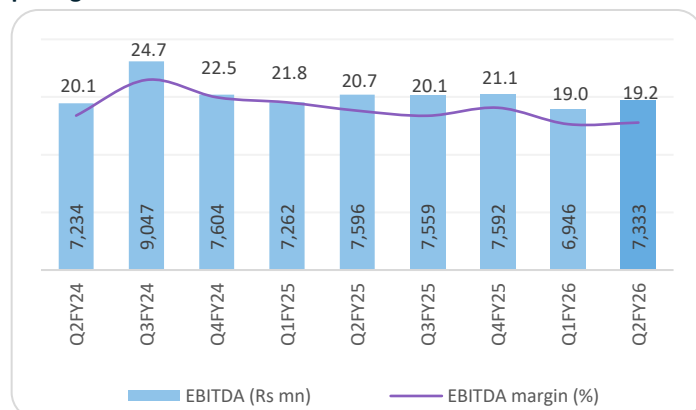
Source: Company, ACMIIL Research

Exhibit 2: Gross margins still under pressure, expected to normalise in H2FY26E



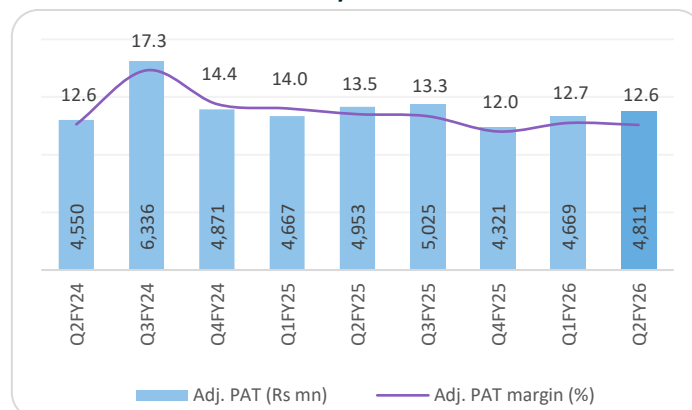
Source: Company, ACMIIL Research

Exhibit 3: EBITDA margins were impacted due to competitive pricing in the Indonesia business



Source: Company, ACMIIL Research

Exhibit 4: Reported PAT margin declined further due to lower other income and extraordinary losses



Source: Company, ACMIIL Research

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Acquisition – ‘Muuchstac’

GCPL has entered into a definitive agreement to acquire the FMCG business of ‘Muuchstac’, one of India’s fastest-growing digital-first men’s grooming brands and a leading player in men’s face wash (~10% overall market share; online market share close to 30%). The brand generated ~Rs 800 mn revenue in the last twelve months (LTM), ranking among the top two online and top three overall in the segment.

The Rs 60–70 bn face wash category is growing at 15–20% annually, while the men’s sub-segment (~Rs 10 bn) is expanding 25%+, led by consumer upgradation from soaps to skincare formats — a structural trend expected to sustain.

‘Muuchstac’ delivered ~Rs 300 mn EBITDA (LTM, adjusted for one-offs), reflecting a best-in-class margin of ~37.5%. The transaction was concluded at an attractive valuation of ~4x sales and ~10x EBITDA, notably below recent personal care benchmark deals.

While the acquisition adds a modest ~1% to GCPL’s India revenue base, it strengthens the company’s personal care portfolio, enhances digital exposure, and deepens presence in a high-growth, premium category alongside robust margin profile.

Exhibit 5: Despite products being listed predominantly on only 2 e-com platforms (Flipkart and Meesho) according to management, it has gained significant market share, thereby indicating strong brand equity. (Also available on Amazon.com now)

The image displays two screenshots of e-commerce product listings for men's face wash. The top screenshot is from Flipkart, showing a search for 'men's face wash' with results for various brands including The Plant Fix, CeraVe, MUUCHSTAC, and SKINCIAL. The bottom screenshot is from Amazon, showing a search for 'men's face wash' with results for brands like Minimalist, Garnier, NIVEA, and BEARDO. Both screenshots show product images, prices, ratings, and promotional offers.

Flipkart Listing Details:

- The Plant Fix Pfx 5% Pineapple Foaming Facewash For De...**: 100 ml, ₹296 (19,500), 4.2★ (500), 21% off, Buy 2 items, save extra ₹20.
- CeraVe Foaming Cleanser For Oily Skin with Hyaluronic...**: 88 ml, ₹443 (500), 4.4★ (500), 14% off, Hot Deal.
- MUUCHSTAC Ocean for Men, Anti Acne & Pimple, Skin Bright...**: 200 ml, ₹297 (10,72,169), 4.1★ (10,72,169), 66% off, Buy 2 items, save extra ₹20.
- MUUCHSTAC Ocean for Men, Fights Acne & Pimple, Skin Bri...**: 100 ml, ₹154 (10,72,169), 4.1★ (10,72,169), 48% off, Hot Deal.
- MUUCHSTAC Ocean for Men, Fights Acne & Pimple, Brighten...**: 200 ml, ₹227 (10,72,169), 4.1★ (10,72,169), 62% off, Hot Deal.
- deconstruct Salicylic Acid + Niacinamide for Oil Contr...**: 100 ml, ₹269 (8,220), 4.5★ (8,220), 10% off, Assured.
- Dermatouch Bright & Even Tone with Niacinamide, Vitami...**: 150 g, ₹340 (3,11,443), 4.5★ (3,11,443), 31% off, Buy 2 items, save extra ₹20.
- SKINCIAL LIFESCIENCES Acne Cleanz Foaming Face Wash**: 100 ml, ₹546 (6,000), 8% off, Only few left.

Amazon Listing Details:

- Minimalist Anti-Acne Salicylic Acid 2% Face Wash For Oily & Acne Prone Skin | With LHA for Pore Cleansing...**: 100g, ₹284 (₹284/100 ml) M.R.P.: ₹499 (5% off), Limited time deal, Up to 5% back with Amazon Pay ICICI card, FREE delivery Tue, 4 Nov on first order Or fastest delivery Mon, 3 Nov.
- Garnier Men, Face Wash, Brightening & Anti-Pollution, TurboBright Double Action, 100 g**: 100g, ₹197 (₹197/100 ml) M.R.P.: ₹499 (25% off), Limited time deal, Up to 5% back with Amazon Pay ICICI card, FREE delivery Tue, 4 Nov on first order Or fastest delivery Mon, 3 Nov.
- Garnier Men, Anti-Pimple Face Wash, Repairs Skin & Balances Oils, AcnoFight, 100 g**: 100g, ₹185 (₹185/100 g) M.R.P.: ₹499 (34% off), Limited time deal, Up to 5% back with Amazon Pay ICICI card, FREE delivery Tue, 4 Nov on first order Or fastest delivery Mon, 3 Nov.
- Dot & Key CICA Face Wash for Acne Prone Skin, 2% Salicylic Acid with Green Tea | For Oily & Sensitive Ski...**: 100gm, ₹214 (₹214/100 ml) M.R.P.: ₹499 (14% off), Up to 5% back with Amazon Pay ICICI card, FREE delivery Tue, 4 Nov on first order Or fastest delivery Mon, 3 Nov.
- Muuchstac Ocean Face Wash for Men | Fight Acne & Pimples, Brighten Skin, Cleans Dirt, Oil Control,...**: 100ml, ₹245 (₹245/100 ml) M.R.P.: ₹499 (59% off), Up to 5% back with Amazon Pay ICICI card, FREE delivery Tue, 4 Nov on first order Or fastest delivery Mon, 3 Nov.
- Garnier Men, Face Wash, Brightening & Anti-Pollution, TurboBright Double Action, 100 g**: 100g, ₹197 (₹197/100 ml) M.R.P.: ₹499 (25% off), Limited time deal, Up to 5% back with Amazon Pay ICICI card, FREE delivery Tue, 4 Nov on first order Or fastest delivery Mon, 3 Nov.
- NIVEA MEN Dark Spot Reduction Face Wash 100 g | With Ginkgo and Ginseng Extracts for Clean, Healthy...**: 100g, ₹131 (₹131/100 g) M.R.P.: ₹499 (67% off), Limited time deal, Up to 5% back with Amazon Pay ICICI card, FREE delivery Tue, 4 Nov on first order Or fastest delivery Mon, 3 Nov.
- Garnier Men, Anti-Pimple Face Wash, Repairs Skin & Balances Oils, AcnoFight, 100 g**: 100g, ₹185 (₹185/100 g) M.R.P.: ₹499 (34% off), Limited time deal, Up to 5% back with Amazon Pay ICICI card, FREE delivery Tue, 4 Nov on first order Or fastest delivery Mon, 3 Nov.
- Garnier Men Oil Clear Clay D-Tox Deep Cleansing Icy Face Wash, 100gm**: 100gm, ₹179 (₹179/100 g) M.R.P.: ₹499 (22% off), Up to 5% back with Amazon Pay ICICI card, FREE delivery Tue, 4 Nov on first order Or fastest delivery Mon, 3 Nov.
- BEARDO DeTan Face Wash for Men, 200ml | Coffee Facewash, Aloe Vera, Vitamin E | Helps to Reduce Tan |...**: 200ml, ₹261 (₹261/100 ml) M.R.P.: ₹499 (42% off), Up to 5% back with Amazon Pay ICICI card, FREE delivery Tue, 4 Nov on first order Or fastest delivery Mon, 3 Nov.

Source: Flipkart, Amazon

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Valuation and View

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We have made small modifications to our estimates leading to 0.8/-0.9/-1.1% change to our FY26/27/28E Adj. EPS. We anticipate a Revenue/ EBITDA/ Adj. PAT CAGR of 9.4/12.4/17.2%, respectively over FY25-28E. On 4-qtr ending Sep-27E EPS of Rs 28.2 (earlier Rs 28.5 earlier) and with a P/E of 51x (unchanged), we arrive at a price target of Rs 1,440 (earlier Rs 1,450). With fundamental prospects intact, we believe the CMP is at attractive levels. With an upside potential of 28.5%, we retain our "BUY" rating on the shares of GCPL.

Exhibit 6: Valuation Summary

Valuation

4 quarter ending Sep-27E EPS (Rs)	28.2
PE multiple (x)	51
Target Price (Rs)	1,440
CMP (Rs)	1,119
Upside (%)	28.5

Source: Company, ACMIIL Research

Exhibit 7: Change in Estimates

Rs. in mn	FY26E			FY27E			FY28E		
	Old	New	Var (%)	Old	New	Var (%)	Old	New	Var (%)
Revenue	1,57,047	1,56,166	(0.6)	1,73,831	1,72,539	(0.7)	1,89,645	1,87,842	(1.0)
EBITDA	33,348	33,186	(0.5)	39,309	38,997	(0.8)	43,073	42,642	(1.0)
Adj. PAT	22,418	22,598	0.8	27,500	27,272	(0.8)	30,852	30,537	(1.0)

Source: Company, ACMIIL Research

Exhibit 8: 1-year forward P/E



Source: Company, ACMIIL Research

Godrej Consumer Products (GCPL IN)

Financial (Consolidated)

Income Statement

YE March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	1,40,961	1,43,643	1,56,166	1,72,539	1,87,842
Growth (%)	5.9	1.9	8.7	10.5	8.9
RM cost	63,203	65,361	71,914	77,812	84,714
Employee cost	12,493	11,488	11,887	13,803	15,027
Other expenses	34,561	36,763	39,179	41,927	45,458
Total expenses	1,10,258	1,13,612	1,22,979	1,33,542	1,45,199
EBITDA	30,703	30,031	33,186	38,997	42,642
Growth (%)	20.9	(2.2)	10.6	17.5	9.3
EBITDA margin (%)	21.8	20.9	21.3	22.6	22.7
Depreciation	2,410	2,340	2,504	2,937	3,071
EBIT	28,294	27,691	30,683	36,060	39,571
EBIT margin (%)	20.1	19.3	19.6	20.9	21.1
Other income	2,690	3,161	3,425	3,716	4,036
Interest expense	2,964	3,501	3,504	2,922	2,340
PBT before exceptional items	28,020	27,351	30,604	36,854	41,267
PBT	(26,037)	(632)	(492)	0	0
Tax	1,982	26,719	30,112	36,854	41,267
Effective tax rate (%)	7,588	8,196	7,878	9,582	10,729
Minority interest	382.8	30.7	26.2	26.0	26.0
Rep. PAT	(5,605)	18,523	22,234	27,272	30,537
Rep. PAT Growth (%)	(132.9)	430.4	20.3	22.7	12.0
Rep. PAT Margin (%)	(4.0)	12.9	14.2	15.8	16.3
Adj. PAT	19,779	18,977	22,598	27,272	30,537
Adj. PAT Growth (%)	7.9	(4.1)	19.3	20.7	12.0
Adj. PAT Margin (%)	14.0	13.2	14.5	15.8	16.3

Source: Company, ACMIIL Research

Cash Flow

YE March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT	1,982	26,719	30,112	36,854	41,267
Add: Depreciation	2,410	2,340	2,504	2,937	3,071
Add: Interest	2,964	3,501	3,504	2,922	2,340
Other adjustments	21,642	(2,443)	(3,425)	(3,716)	(4,036)
Chg in working cap	(4,559)	351	(968)	(1,561)	(1,305)
Tax	(3,739)	(4,701)	(7,878)	(9,582)	(10,729)
Operating Cash flow	20,700	25,768	23,849	27,854	30,608
Capex	(2,766)	(5,592)	(4,215)	(4,312)	(3,755)
Free Cash Flow	17,934	20,176	19,634	23,542	26,853
Investments	(33,176)	477	(3,103)	(3,413)	(3,754)
Interest/ dividend income	2,312	1,680	3,425	3,716	4,036
Investing Cash flow	(33,630)	(3,436)	(3,893)	(4,009)	(3,474)
Equity Capital	0	0	0	0	0
Debt	21,798	6,869	0	0	0
Dividend paid	(5,114)	(25,573)	(11,120)	(13,639)	(15,272)
Interest paid	(2,620)	(3,111)	(3,504)	(2,922)	(2,340)
Others	0	0	(6,301)	(5,273)	(5,321)
Financing Cash flow	14,064	(21,815)	(20,924)	(21,834)	(22,933)
Net chg in cash	1,133	517	(968)	2,011	4,201
Opening cash position	3,576	4,028	4,511	3,581	5,592
FX Exchange difference	(681)	4	38	0	0
Closing cash position	4,028	4,549	3,581	5,592	9,793

Source: Company, ACMIIL Research

Balance Sheet

YE March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Equity share capital	1,023	1,023	1,023	1,023	1,023
Reserves & surplus	1,24,963	1,19,016	1,30,131	1,43,764	1,59,029
Net Worth	1,25,986	1,20,039	1,31,154	1,44,787	1,60,052
Non-current borrowings (incl. lease liabilities)	358	923	66	66	66
Other non-current liabilities	2,712	6,421	6,551	6,721	6,880
Non current liabilities	3,070	7,343	6,617	6,787	6,946
Borrowings (incl. lease liabilities)	31,864	39,122	33,122	27,122	21,122
Trade payables	16,755	21,421	23,568	25,501	27,763
Other current financial liabilities	3,440	4,256	4,627	5,112	5,565
Other current liabilities	3,845	4,537	4,933	5,450	5,933
Current liabilities	55,903	69,336	66,250	63,185	60,384
Equity & liabilities	1,84,959	1,96,718	2,04,020	2,14,759	2,27,382
Net PPE	12,813	12,291	15,497	16,289	16,319
CWIP	782	4,580	2,580	2,580	2,580
Intangible assets	89,885	91,526	92,031	92,613	93,267
RoU assets	1,651	2,141	2,141	2,141	2,141
Financial assets	18,230	6,752	6,752	6,752	6,752
Other non current assets	5,986	6,050	6,050	6,050	6,050
Non current assets	1,29,347	1,23,339	1,25,050	1,26,425	1,27,108
Inventories	12,709	14,186	15,608	16,888	18,386
Investments	17,162	31,027	34,130	37,543	41,297
Trade receivables	15,354	18,191	19,777	21,851	23,789
Cash	4,028	4,549	3,581	5,592	9,793
Bank balances	1,442	281	281	281	281
Other financial assets	835	633	688	761	828
Other current assets	4,083	4,511	4,904	5,418	5,899
Current assets	55,613	73,379	78,970	88,334	1,00,274
Total assets	1,84,959	1,96,718	2,04,020	2,14,759	2,27,382

Source: Company, ACMIIL Research

Key Ratios

YE March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Adj. EPS	(5.5)	18.1	21.7	26.7	29.8
CEPS	20.2	25.2	23.3	27.2	29.9
BVPS	123.2	117.3	128.2	141.5	156.4
DPS declared	5.0	25.0	10.9	13.3	14.9
Valuations (x)					
P/E	63.1	65.8	50.7	42.0	37.5
P/BV	9.9	10.4	8.7	7.9	7.2
EV/Sales	9.1	8.9	7.5	6.8	6.3
EV/EBITDA	41.8	42.7	35.5	30.2	27.6
Dividend Yield (%)	0.4	2.0	1.0	1.2	1.3
Return Ratio (%)					
RoCE	21.9	21.7	22.3	23.8	23.7
RoE	15.7	15.8	17.2	18.8	19.1
Gearing Ratio (x)					
Net Debt/Equity	0.2	0.3	0.2	0.1	0.1
Net Debt/EBITDA	0.9	1.2	0.9	0.5	0.3
Working Cap Cycle (days)	16.4	5.8	5.8	5.8	5.8
Profitability (%)					
EBITDA Margin	21.8	20.9	21.3	22.6	22.7
EBIT Margin	20.1	19.3	19.6	20.9	21.1
Adj. PAT Margin	(4.0)	12.9	14.2	15.8	16.3

Source: Company, ACMIIL Research

Godrej Consumer Products (GCPL IN)

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	$\geq 15\%$
ACCUMULATE	5% to 15%
HOLD	-5% to +5%
REDUCE	-15% to -5%
SELL	$< -15\%$

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