

Godrej Consumer Products

BSE SENSEX	S&P CNX
75,365	22,904

Financials Snapshot (INR b)

Y/E March	2025E	2026E	2027E
Sales	144.0	160.1	176.5
Sales Gr. (%)	2.1	11.2	10.2
EBITDA	29.8	33.8	38.0
EBITDA Margins (%)	20.7	21.1	21.5
Adj. PAT	19.7	24.4	28.4
Adj. EPS (INR)	19.3	23.9	27.7
EPS Gr. (%)	-0.2	23.6	16.2
BV/Sh. (INR)	131.7	143.1	152.7

Ratios

RoE (%)	15.1	17.4	18.7
RoCE (%)	14.5	16.9	18.5
Payout (%)	88.1	79.6	75.8

Valuations

P/E (x)	60.0	48.6	41.8
P/BV (x)	8.8	8.1	7.6
EV/EBITDA (x)	39.8	34.8	30.9
Div. Yield (%)	1.5	1.6	1.8

CMP: INR1,157

Mid-single-digit volume growth with stable margins in the India business

Godrej Consumer Products (GCPL) released its pre-quarterly update for 4QFY25. Here are the key takeaways:

India performance

- Management focus for 4QFY25 remained on reviving the Underlying Volume Growth (UVG) growth trajectory in the standalone business and holding on to its 3QFY25 EBITDA margin levels despite significant cost pressure.
- The standalone business growth is expected to be in the mid-single digits, while revenue growth is likely to be in the high-single digits. This has been driven by a mid-teens UVG in Home Care while the Personal Care segment would witness a mid-single-digit decline.
- Personal Care continues to go through a price-volume rebalancing on account of rising input costs.
- EBITDA margins are likely to be in a similar range as 3QFY25 despite high inflation in Palm and related derivatives.

International business

- The company's international businesses continue to perform in line with their relevant strategic objectives.
- The Indonesia business is expected to deliver mid-single-digit UVG and low-single-digit revenue growth.
- The GAUM (Godrej Africa, USA, and Middle East) organic business is likely to deliver strong double-digit organic UVG and revenue growth.

Consolidated business

- At a consolidated (organic) level, the company expects a high-single-digit INR sales growth with a mid-single-digit UVG.

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Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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