

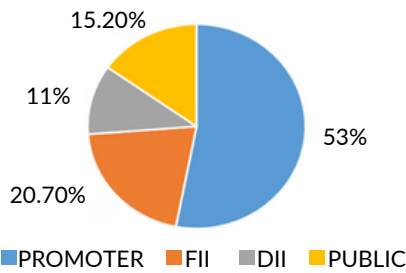
### Key Data

BSE Code	532424
NSE Code	GODREJCP
52 Week High (₹)	1,541.30
52 Week Low (₹)	1,055.60
Market Cap (₹ Cr.)	1,15,160
Face Value	1
Coverage Reported Date	18 October 2024

### Industry Snapshot

Customers	Domestic
Market Presence	Domestic
Govt. Regulations	Medium
Msearch View	Positive

### Shareholding Pattern



### Promoters/ Management

Ms. Nisaba Godrej	Chairperson
Mr. N. B. Godrej	Non Independent Director
Mr. Aasif Malbari	Chief Financial Officer
Mr. Sudhir Sitapati	Executive Director

### Key Ratios

PE	66.8
9MFY 2025 EPS	14.08
ROE	-
ROCE	19.00%

### Price Chart



### Research Analyst

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### Introduction:

Godrej Consumer Products Ltd. (GCPL) is a leading FMCG company specializing in household and personal care products, with brands like GoodKnight, Cinthol, and HIT contributing to 70% of its revenue. Operating across multiple global regions, GCPL focuses on high-margin markets like India and Indonesia while optimizing its business in East Africa. Backed by strong R&D, the company aims to expand into emerging markets, targeting 80,000 villages and 2 billion customers by FY27/28, while recent divestments and channel expansions reflect its evolving strategy.

### 3Q FY 2025 Result Update

- Company reported Q3FY25 revenue from operations at ₹ 3749.11 cr reflecting a modest growth of 3% YoY, while profitability faced headwinds, with profit after tax (PAT) declining 14% YoY to ₹ 498.3 cr.
- Segment-wise, India revenue grew 4% YoY to ₹ 22,61.9 Cr, supported by stable volumes. Indonesia saw strong growth of 9% YoY to ₹ 5,07.9 Cr, while Africa struggled with a 16% YoY decline to ₹ 7,72.4 Cr. Other segments contributed ₹ 2,63.6 Cr.
- EBITDA Margin contracted to 19.5% from 22% in 3QFY 2024 reflecting pressure from operational challenges. Rising palm oil cost have squeezed the margin with the standalone EBITDA margin dropping to 22.6%.

### Business Update/ Management Guidance

- Home Care category revenue stand at ₹ 1,095 Cr. Household Insecticides saw weak demand but gained market share in Goodknight Agarbatti. Air Fresheners and Fabric Care posted double-digit growth, with Godrej Fab expanding nationally and gaining market share and even the premium Liquid Vapouriser (new molecule) machine has started to gain market share, which is promising and bodes well for the next season.
- Personal Care category posted revenue at ₹ 1,044 Cr. Hair Colors and Sexual Wellness grew in double digits, while Personal Wash volumes declined due to palm derivative inflation. Deodorant integration into cosmetic outlets is nearly complete.
- Urban consumption slowdown especially in modern trade and premium segments, weighed heavily on performance. Palm derivative inflation, and weak Household Insecticides demand impacted margins. Rural markets remained resilient, supported by the company's van distribution program.
- Management expects volume recovery in 2-3 quarters, with a focus on India EBITDA margins of 24-26% by H1 FY26. Soaps price hikes are planned to improve margins, while international markets are expected to remain stable, with Africa recovering by Q4 FY25.

### MView

GCPL reported flat domestic volume growth in Q3FY25 (compared to 5% in Q3FY24 and 7% in Q2FY25), leading to a 4% YoY increase in standalone revenue. Rising palm oil costs pressured margins, with standalone EBITDA margin falling to 22.9%, its lowest level in nine quarters. However, we believe this slowdown is temporary, with stronger growth ahead, driven by new product innovations, higher A&P spending, rural market expansion, and diversification into niche categories. Notably, the launch of the premium Liquid Vapouriser in Home Insecticides has the potential to be a game changer, strengthening GCPL's market position and driving category growth. So our view on GCPL is intact for 12-18 months and recommends investors to HOLD and ACCUMULATE for long term.

## CONSOLIDATED FINANCIAL TABLES

### BASIC FINANCIAL DETAILS

Particulars ₹ (in Cr)	3QFY 2025	3QFY 2024	YoY (%)	2QFY 2025	QoQ (%)	9MFY 2025	9MFY 2024	YoY (%)
Revenue from Operations	3749.1	3622.8	3.5%	3647.11	2.8%	10707	10609	0.9%
<b>Expenses:</b>								
Raw Material Consumed	1468.8	1435.8	2.3%	1527.4	-3.8%	4286	4373.6	-2.0%
Stock Adjustment	65.9	70.0	-5.8%	-119.1	-155.5%	-86.6	-29.4	194.9%
Purchase of Finished Goods	193.3	108.4	78.4%	219.9	-12.1%	627.8	490.3	28.0%
Employee Expenses	296.1	276.0	7.3%	310.6	-4.7%	886.3	925.6	-4.2%
Selling & Administrative Expenses	364.37	343.2	6.1%	363.9	0.1%	1059.1	1029.6	2.9%
Other Expenses	629.5	592.2	6.3%	609.6	3.3%	1783.3	1834	-2.8%
Total Expenditure	3018.2	2825.8	6.8%	2912.4	3.6%	8555.9	8623.9	-0.8%
<b>EBITDA</b>	<b>730.8</b>	<b>796.9</b>	<b>-8.3%</b>	<b>734.6</b>	<b>-0.5%</b>	<b>2151</b>	<b>1985</b>	<b>8.4%</b>
<b>EBITDA Margin</b>	<b>19.5%</b>	<b>22.0%</b>	<b>-11.4%</b>	<b>20.1%</b>	<b>-3.2%</b>	<b>20.1%</b>	<b>18.7%</b>	<b>7.4%</b>
Other Operating Income	19.3	36.8	-47.6%	19.2	0.5%	59.3	101.4	-41.5%
Other Income	83.1	70.0	18.6%	85.9	-3.4%	244	205.1	19.0%
Depreciation	61.8	53.8	14.9%	50.1	23.5%	161.4	191	-15.5%
EBIT	771.4	850.0	-9.2%	789.7	-2.3%	2292.9	2100.5	9.2%
Interest	89.71	66.5	34.7%	83.0	8.0%	260.5	217.9	19.6%
PBT	681.7	783.4	-13.0%	706.6	-3.5%	2032.3	1882.6	8.0%
Tax	119.7	150.1	-20.2%	140.6	-14.8%	378.6	406.4	-6.8%
Deferred Tax	63.6	52.2	21.7%	74.7	-14.9%	213.4	143.5	48.6%
<b>PAT</b>	<b>498.3</b>	<b>581.0</b>	<b>-14.2%</b>	<b>491.3</b>	<b>1.4%</b>	<b>1440.3</b>	<b>1332.6</b>	<b>8.1%</b>
<b>PAT Margin</b>	<b>13.3%</b>	<b>16.0%</b>	<b>-17.1%</b>	<b>13.5%</b>	<b>-1.3%</b>	<b>13.5%</b>	<b>12.6%</b>	<b>7.1%</b>
Share Capital	102.3	102.2		102.2		102.3	102.2	
Face Value	1	1		1		1	1	
Outstanding Shares	102.3	102.2		102.2		102.3	102.2	
Diluted EPS	4.87	5.68	-14.3%	4.80	1.4%	14.08	13.03	8.1%



# MSEARCH

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### **Msearch's Recommendation (Absolute Performance)**

**Buy: > 20% within the next 12 Months**

**Accumulate: 5% to 20% within the next 12 Months**

**Sell : < -20% within the next 12 Months**

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