



Consumer Products Ltd.

# Godrej Consumer Products Ltd RESEARCH REPORT 2025

Presented By:

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# Company Overview

Godrej Consumer Products is engaged in a fast moving consumer goods Company, manufacturing and marketing Household and Personal Care products.

## Product Portfolio

The company has more than 10 brands that produce various products in various geographies.

## Business segments

- GoodKnight**- Mosquito Repellent Brand
- Darling** - Hair Extensions Business
- No. 1** - Soap Brand
- HIT** - Pests killing products
- Cinthol** - Premium personal care products

## Segmental Revenue Breakup FY22

- Personal Care- 26%
- Home Care- 41%
- Hair care - 33%

## Geographical Split FY23

India accounts for 59.5% of revenues, followed by Africa, USA and Middle East (25.5%), Indonesia(13%), and Latin America and SAARC (2%)

## Synopsis of Financials:

### Financial & Operational Performance

- Revenue & Volume Growth:**
- Consolidated revenues grew 10% YoY in INR terms; underlying volume growth at 8%.
- Standalone (India) revenue growth at 8%; volume growth at 5%.

### Q2 FY26 Snapshot (Consolidated and Key Drivers)

- Consolidated revenue: +4% (INR terms), driven by 3% underlying volume growth (UVG).
- EBITDA margin: 19.3%.
- Net profit (pre-exceptionals): -2%.

## Stock data (as 20<sup>th</sup> Jan 2026)

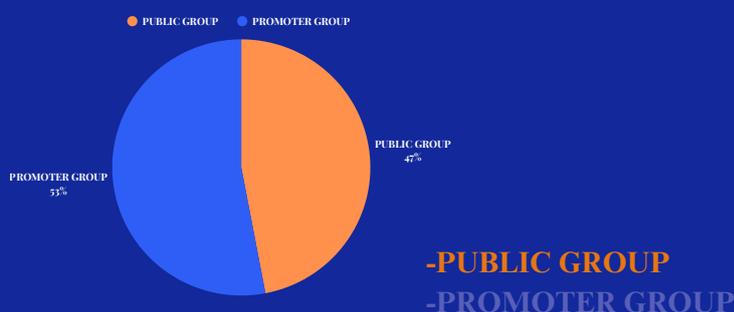
Nifty Price	: 25,232.50
52 week High (in Rs.)	: 1,309.00
52 week Low (in Rs.)	: 979.50
Market Cap. (in Crore)	: 1,25,787.46
NSE Code	: INE102D01028

## Stock data

**-NIFTY50**  
**Godrej Consumers Product Ltd.**



## Shareholding Pattern (March 2025)



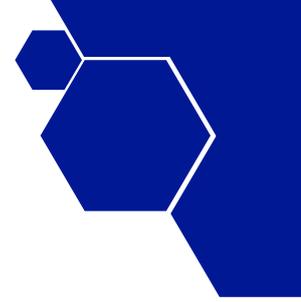
## Financial Summary

Particulars	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Sales -	11,029	12,276	13,316	14,096	14,364
Sales Growth %	11.28%	11.31%	8.47%	5.86%	1.90%
Expenses +	8,629	9,867	10,873	11,139	11,349
Operating Profit	2,399	2,409	2,443	2,957	3,015
OPM %	22%	20%	18%	21%	21%
Other Income +	23	78	114	-2,209	252
Net Profit +	1,721	1,783	1,702	-561	1,852
EPS in Rs	16.83	17.44	16.65	-5.48	18.11
Dividend Payout %	0%	0%	0%	-274%	138%

# Yearly Results

Particulars	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Equity Capital	102	102	102	102	102
Reserves	9,337	11,454	13,692	12,496	11,897
Borrowings	1,864	1,704	1,130	3,222	4,009
Other Liabilities	2,941	2,822	2,513	2,571	3,289
Total Liabilities	14,244	16,082	17,437	18,392	19,298
Fixed Assets	8,905	9,219	9,934	10,440	10,676
CWIP	57	116	45	83	464
Investments	679	1,015	3,029	3,504	3,645
Other Assets	4,602	5,731	4,429	4,365	4,513
Total Assets	14,244	16,082	17,437	18,392	19,298

# Quarterly Results



Particulars	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Sales	3,332	3,666	3,768	3,598	3,662	3,825
YOY Sales Growth %	-3.40%	1.79%	2.97%	6.27%	9.91%	4.33%
Expenses	2,607	2,907	3,012	2,839	2,967	3,092
Material Cost %	44.15%	44.41%	45.86%	47.50%	48.10%	47.89%
Employee Cost %	8.39%	8.47%	7.86%	7.29%	8.44%	7.06%
Operating Profit	724	760	756	759	695	733
OPM %	22%	21%	20%	21%	19%	19%
Other Income	57	80	77	42	65	33
Other Income Normal	77	86	83	74	85	63
Interest	88	83	90	90	86	76
Depreciation	49	50	62	73	59	66
Profit before tax	644	707	682	639	614	625
Tax %	30%	30%	27%	36%	26%	27%
Net Profit	451	491	498	412	452	459

## Key Ratios

	Standalone		Consolidated	
	FY 24-25	FY 23-24	FY 24-25	FY 23-24
Debtors' turnover ratio	16.22	20.36	8.52	10.05
Inventory turnover ratio	13.12	13.35	10.62	9.95
Interest coverage ratio	8.70	6.77	7.02	0.06
Current ratio	0.97	0.90	1.06	0.99
Debt equity ratio	0.31	0.21	0.32	0.25
Operating profit margin (%)	23.57	26.68	20.91	21.78
Net profit margin (%)	15.32	7.83	12.97	- 4.01
Return on net worth (%)	15.07	6.83	15.06	- 4.25

# Synopsis Quarter Results

## Concall Notes -Aug-2025: Key Highlights

### Financial & Operational Performance:

#### Q2 FY26 Snapshot (Consolidated and Key Drivers)

- Consolidated revenue: +4% (INR terms), driven by 3% underlying volume growth (UVG).
- EBITDA margin: 19.3%.
- Net profit (pre-exceptionals): -2%.
- Quarter characterised by (1) India GST rate reduction transition causing short-term channel disruption and (2) continued macro + competitive pressure in Indonesia, offset by Africa outperformance.

Management framed Q2 as “a resilient quarter... given the transition of GST in India and the continued macroeconomic challenges in Indonesia,” and reiterated sequential strengthening through FY26: “we expect our performance to strengthen sequentially through FY '26 with the second half delivering a stronger trajectory than the first.”

#### GAUM (Africa, USA, Middle East): Strong Quarter; Expect Normalisation but Mid-Teens Margin Target

- Reported sales growth: +25% (INR), +15% constant currency; EBITDA growth +20%.
- Management attributed ~10% of the 25% to positive FX, a “relatively rare occurrence,” and cautioned that growth will not stay at 25%: “It may come down to high single digits.”
- Margin construct: “mid-teens is a good margin for us to run the Africa business,” with acknowledged volatility: “structural volatility in Africa... the range... may be a pretty wide range.”
- Product driver: Air Pocket launch “seen strong consumer response across these markets.”

#### Valuation:

- Looking to acquire 100% of the business with part of the compensation to be paid basis performance in tranche 2 after 12 months
- Gross business valuation of INR ~380 crore in tranche 1 payment of 76%, valuation for tranche 2 payment of 24% after 12 months to be decided based on pre-defined business performance criteria; expect gross payment across tranches between 400 - 500 crore
- Slump sale structuring will result in availing tax depreciation on brands, thus reducing cash tax. The NPV of cash tax savings will be ~INR 60 - 80 crore
- Net current valuation of ~INR 300 - 320 crore implying ~4.0x TTM Sep'25 sales and ~10.0x TTM Sep'25 EBITDA (Adj.)

# Highlights



**4%**

**Consolidated  
revenue growth**

**3%**

**Standalone  
UVG<sup>^</sup>**

**-3%**

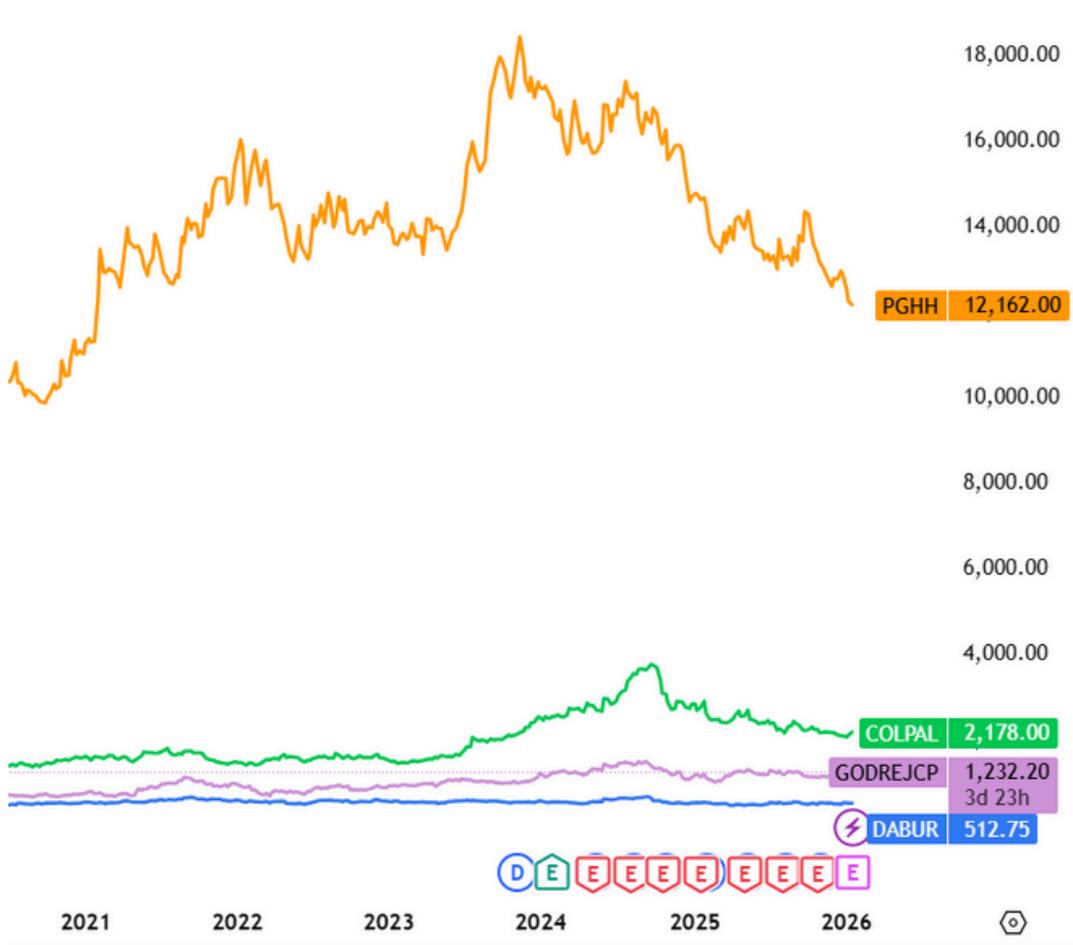
**Consolidated  
EBITDA growth**

## Performance impacted by GST transition in India

Growth (year-on-year)	Consolidated Business	Standalone Business
Underlying Volume Growth	3%	3%
Net Sales	4%	4%
Net Sales (Constant Currency)	4%	-
EBITDA	-3%	-8%
Net Profit (Reported)	-7%	-9%
Net Profit (without exceptional and one-off items)	-2%	-9%

# Peer Comparison

## Peer Stock Performance (5Y) Indexed



Source: Trading View

## Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %
Godrej Consumer	1231.50	66.94	126027.85	1.22	459.34	-2.86	3825.09	4.33
Dabur India	511.85	50.20	90812.81	1.56	444.79	6.48	3191.32	5.37
Colgate-Palmoliv	2180.80	44.79	59389.40	2.34	327.51	-17.10	1519.50	-6.15
P & G Hygiene	12199.00	47.92	39608.40	0.90	209.86	-0.96	1150.17	1.32

Source: Screener

# Final Outlook

**LTIM: HOLD | LTP: 1,229.30**

## Summary:

Godrej Consumer Products is a well-established FMCG company with a strong presence in household and personal care categories across India and emerging markets. Over FY21–FY25, revenue growth has slowed from double digits to low single digits, reflecting muted volume growth and competitive intensity. Operating margins have remained stable around 20–21%, highlighting the company's pricing power and cost discipline.

While FY24 saw a one-off loss due to exceptional items, FY25 marked a recovery in profitability. Management expects sequential improvement through FY26, driven by easing macro pressures, normalization in Indonesia, and steady performance in Africa. However, near-term growth remains modest, and earnings momentum is gradual rather than sharp.

## Key Highlights:

- Q2 FY26:
  - Consolidated revenue growth: +4% YoY
  - Underlying volume growth (UVG): 3%
  - EBITDA Margin: 19.3%
  - Net Profit (pre-exceptionals): -2% YoY
- Business Mix:
  - Home Care – 41%
  - Hair Care – 33%
  - Personal Care – 26%
- Geography:
  - India: ~60% of revenue
  - Africa, USA & Middle East: ~25%
  - Indonesia: ~13%
- Strong brands like GoodKnight, HIT, Cinthol, No.1 Soap continue to dominate their categories.
- Africa business delivered strong growth, though management expects normalization.
- Near-term pressure due to GST transition in India and macro challenges in Indonesia.

## Final Verdict: HOLD

Godrej Consumer is a defensive, brand-led FMCG player with stable margins and long-term growth potential. However, slower revenue growth and near-term headwinds limit sharp upside.

Investors should HOLD for steady compounding and wait for clearer volume revival before fresh accumulation.

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