

Reco/View: **BUY**

CMP: **Rs. 1,174**

Price Target: **Rs. 1,460**

STOCK UPDATE

Result Update - Q3FY2026

SECTOR

Consumer Goods

COMPANY DETAILS

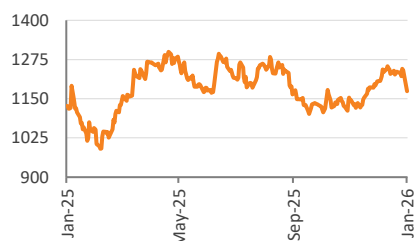
Market cap:	Rs. 1,20,134 cr
52-week high/low:	Rs. 1,308/980
NSE volume: (No of shares)	13.2 lakh
BSE code:	532424
NSE code:	GODREJCP
Free float: (No of shares)	48.0 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	53.1
FII	15.9
DII	16.5
Others	14.5

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART


Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-2.7	4.4	-3.4	4.2
Relative to Sensex	1.1	7.8	-4.6	-4.4

Source: Mirae Asset Sharekhan Research, Bloomberg

Quick Snapshot

- GCPL's Q3FY26 consolidated revenues grew 9% y-o-y (volumes grew 7% y-o-y), OPM rose 142 bps y-o-y to 21.5% and adjusted PAT increased by 12% y-o-y.
- The management maintained guidance of high single-digit consolidated revenue growth in FY26, with 6-7% y-o-y volume growth in India business.
- India business OPM guidance maintained at 24-26% for the near term. Despite temporary macroeconomic and pricing pressures in Indonesia and LatAm, management is confident of sustained profitability momentum by FY27.
- Stock trades at 54x/45x/39x its FY26E/FY27E/FY28E EPS, respectively. We maintain a Buy with a revised PT of Rs. 1,460.

Result overview

- India business' revenue/volume grew by 11%/9% y-o-y, respectively, aided by a supportive base and strong in-market execution. Personal care grew 7% y-o-y driven by GST revisions while homecare segment grew 12% y-o-y.
- In home care, HI saw mid-single digit volume growth while Fabric wash and air freshener posted strong growth. In personal care, soaps reported positive volume growth and hair colour continued its healthy traction.
- India business' OPM rose by ~220 bps y-o-y to 24.8%, led by favourable input costs, disciplined cost management, calibrated pricing actions, and improved operating leverage.
- Internationally, GAUM posted revenue growth of 8% y-o-y in CC terms, while Indonesia business revenue fell 3% y-o-y due to one-off changes in distribution arrangements.
- India business to maintain revenue growth momentum and normative OPM in the coming quarter, while the GAUM business is expected to deliver double-digit revenue and profit growth for FY26. Indonesia's recovery is anticipated to start meaningfully from FY27 as market conditions normalise.
- Company declared an interim dividend of Rs. 5 per share for FY26.

Our Call

Retain Buy with a revised PT of Rs. 1,460: GCPL is expanding its TAM by foraying into new, faster-growing categories and continues to strengthen its core portfolio. Company targets a consistent rise in OPM through premiumisation and operating efficiencies in the medium to long run. Stock trades at 54x/45x/39x its FY26E/FY27E/FY28E EPS, respectively. We maintain a Buy with a revised PT of Rs. 1,460.

Key Risks

Demand slowdown in key markets or inflation in raw material prices would act as a key risk to our earnings estimates in the medium to long term.

Valuation (Consolidated)

	Rs cr				
Particulars	FY24	FY25	FY26E	FY27E	FY28E
Revenue	14,096	14,364	15,771	17,536	19,380
OPM (%)	21.8	20.9	20.0	21.1	21.6
Adjusted PAT	2,033	1,915	2,212	2,660	3,078
Adjusted EPS (Rs.)	19.9	18.7	21.6	26.0	30.1
P/E (x)	59.1	62.7	54.3	45.1	39.0
P/B (x)	9.5	10.0	9.9	9.4	8.7
EV/EBITDA (x)	39.6	40.3	38.2	32.4	28.6
RoNW (%)	15.4	15.6	18.3	21.3	23.1
RoCE (%)	17.1	16.7	17.2	20.8	23.6

Source: Company; Mirae Asset Sharekhan estimates

Concall highlights**• Homecare**

- **Household insecticides:** Electricals gained market share and incense sticks continued to scale up and is the largest branded stick in the category. Non-mosquito portfolio delivered solid growth. Category impacted by severe winter conditions
- **Air fresheners:** Continued robust growth momentum. Continued to gain market share and enjoy market leadership.
- **Fabric care:** Maintained robust growth momentum. Continued to gain market share on the back of strong performance on Godrej Fab. Ezee demonstrated a robust performance supported by a severe winter.
- New Launch of Godrej Spic Toilet cleaner in Tamil Nadu has witnessed strong initial consumer traction and gained positive feedback.

• Personal care:

- **Personal wash:** Showed positive trajectory led by improving affordability post GST reduction and continued to win competitively and gain market share. Commodity situation is largely stable.
- **Hair colour:** Continues to deliver strong performance and market share gains across key bets on both Crème and Shampoo Hair Colour. Both Crème and Shampoo Hair Colour continued strong growth performance.
- **Perfumes & deodorants:** Maintained steady performance led by Perfumes. KS99 continued to perform well and is scaled up to other states of Southern India. New launch of women's perfumes in modern trade and E-comm channel; aimed at driving penetration of fragrances and deodorants.
- Acquisition of Muuchstac was successfully completed on 10th November, with operations now fully live and performance on plan.
- **Indonesia:** The region delivered 5% y-o-y volume growth led by Shampoo and Baby care. Revenue fell by 3% (both CC and rupee terms) due to competitive pricing pressure. EBITDA growth of 2% driven by strict cost discipline and controls. Even as pricing pressures persist, there are early signs of stabilization. GCPL expects operating conditions to improve from FY27.
- **AUM:** Strong growth led by hair fashion and scale up of air fresheners. Further, profitability improvement continued in Q3. Aer Pocket continued strong traction across markets. Hair Care range continued to deliver strong double-digit growth across Africa. GCPL is focused on high single-digit volume growth in Africa while aiming to maintain double-digit revenue and profit growth for the year.
- Medium-term goal is to move from the current 6%–7% volume growth in India toward a sustained 10% volume growth.
- In HI, GCPL is seeing consistent share gains driven by superior RNF-based formulations.
- Pass-through of GST benefits to consumers aided growth in soaps. Although volume growth was temporarily subdued due to the extended winter and GST transition related disruptions, it has turned positive and is expected to normalize at low single-digit levels over the long term, with value growth estimated at 4-6%.
- Structural cost discipline (including shifting to an internal advertising function and a new media house) will aid future profitability. The company has maintained OPM guidance of 24% to 26% for the India business in the near term.

Results (Consolidated)

Particulars	Rs cr				
	Q3FY26	Q3FY25	Y-o-Y %	Q2FY26	Q-o-Q %
Net sales	4,079.5	3,749.1	8.8	3,802.5	7.3
Other operating income	19.7	19.3	1.7	22.6	-13.2
Total revenue	4,099.1	3,768.4	8.8	3,825.1	7.2
Raw material cost	1,931.8	1,728.2	11.8	1,832.0	5.4
Employee cost	328.1	296.1	10.8	270.0	21.5
Advertisement & Publicity	341.4	364.4	-6.3	375.7	-9.1
Other expenses	617.4	623.8	-1.0	614.1	0.5
Total operating expenses	3,218.7	3,012.5	6.8	3,091.8	4.1
Operating profit	880.4	755.9	16.5	733.3	20.1
Other income	55.9	83.1	-32.7	62.9	-11.1
Interest expense	78.9	89.7	-12.0	75.9	4.0
Depreciation	66.4	61.9	7.3	65.6	1.2
Profit before tax	791.0	687.4	15.1	654.7	20.8
Tax	225.0	183.4	22.7	173.1	30.0
Adjusted PAT (before MI)	566.0	504.1	12.3	481.5	17.5
Extraordinary item	-68.1	-5.7	-	-22.2	-
Reported PAT	497.9	498.3	-0.1	459.3	8.4
EPS (Rs.)	5.5	4.9	12.3	4.7	17.5
			bps		bps
GPM (%)	52.9	54.1	-127	52.1	77
OPM (%)	21.5	20.1	142	19.2	231
NPM (%)	13.8	13.4	43	12.6	122
Tax rate (%)	28.4	26.7	177	26.4	200

Source: Company; Mirae Asset Sharekhan Research

Additional Data

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Godrej & Boyce Manufacturing Co Ltd	7.33
2	HDFC AMC Ltd	1.90
3	Vanguard Group Inc	1.71
4	Blackrock Inc	1.49
5	Aditya Birla Sun Life AMC Ltd.	1.45
6	Republic of Singapore	1.11
7	ICICI Prudential AMC Ltd.	0.98
8	Mirae Asset Financial Group	0.94
9	SBI Funds Management Ltd	0.88
10	Norges Bank	0.88

Source: Bloomberg

Key management personnel

Name	Designation
Nisaba Godrej	Chairperson
Sudhir Sitapati	Managing Director and Chief Executive Officer
Aasif Malbari	Chief Financial Officer
Tejal Jariwala	Company Secretary and Compliance Officer

Source: Company Website

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