Result Update

Q1 FY27

Godrej Consumer Products Ltd.

Institutional Research

Godrej Consumer Products Ltd.

BP WEALTH

FMCG | Q1FY27 Result Update **11th August 2026**

Broad-based Volume-led Growth with Strong International Recovery

Godrej Consumer Products Limited (GCPL) reported a strong performance in Q1FY27, delivering double-digit revenue and profit growth backed by robust volume traction across key markets. Consolidated net sales for the quarter reached Rs. 4,211 crores, reflecting a strong growth of 19.0% YoY (14.0% YoY in constant currency terms), supported by an underlying volume growth (UVG) of 9.0% YoY. Consolidated EBITDA grew 14.0% YoY to Rs. 800 crores, with operating EBITDA margin standing at 19.0%, absorbing near-term commodity inflation and increased brand investments. Consolidated reported Net Profit grew 11.0% YoY to Rs. 505 crores (Rs. 518 crores excluding exceptional/one-off items of Rs. 13 crores post-tax), up from Rs. 452 crores in Q1FY26. The Standalone India business posted healthy double-digit revenue growth of 12.0% YoY to Rs. 2,535 crores, driven by 7.0% UVG, with Home Care expanding 12.0% YoY to Rs. 1,115 crores and Personal Care growing 11.0% YoY to Rs. 1,420 crores. International geographies demonstrated stellar performance, led by a 47.0% YoY sales growth in Africa, USA and Middle East (25.0% CC, 17.0% UVG, EBITDA up 42.0%), a strong recovery in Indonesia with 15.0% YoY sales growth (11.0% CC, 10.0% UVG), and Latin America and others rising 21.0% YoY (22.0% CC).

Valuation and Outlook

Godrej Consumer Products (GCPL) continues to trade at a premium valuation within the FMCG peer group, backed by strong volume-led topline momentum, structural international turnarounds, and a clear roadmap for margin recovery. Management expects FY27 revenue growth to significantly exceed original guidance, driven by robust performance in India (7% UVG, aiming for 8% full-year volume growth) and accelerating momentum across international geographies. Despite near-term margin pressure in the Standalone India business where gross margins contracted over 300 bps sequentially due to sharp, war-linked inflation in key inputs like LPG, LABSA, and kerosene, the gross margin impact is viewed as transient. With 5% weighted average price increases already taken, potential sequential price adjustments in Q2FY27, and input cost cooling, management reiterates its Standalone EBITDA margin target of 22-26% (aiming for 24–26% on a full-year basis), expecting a major margin recovery from Q3FY27 as high-cost inventory is consumed. Crucially, Household Insecticides achieved a structural milestone by expanding overall market share for the first time in nearly a decade, supported by gains in incense sticks and a reduction in illegal incense stick competition. Internationally, Africa/GAUM has delivered a structural turnaround, sustaining mid-teens operating EBITDA margins and mid-to-high teens constant-currency growth led by strong FMCG expansion, while Indonesia volume growth accelerated to 10%. Furthermore, the portfolio continues to diversify rapidly through high-growth "speedboats" (Godrej Fab, Good Knight Incense Sticks, Aer) and high-performing acquisitions like Muuchstac (up 70-80% since acquisition, EPS accretive from day one). While near-term cash generation may face minor volatility, GCPL's structural market share gains, expanding category footprints, and strong pricing power position it well for sustained double-digit earnings growth over the medium term

Key Highlights

Particulars (Rs. Cr.)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
Net Sales	**4,225**	**3,571**	**18.3%**	**3,900**	**8.3%**
Gross profit	1,426	1,275	11.8%	1,441	-1.0%
Gross margin (%)	**33.8%**	**35.7%**	**-195 bps**	**36.9%**	**-318 bps**
EBITDA	801	695	15.4%	841	-4.8%
OPM (%)	**19.0%**	**19.4%**	**-48 bps**	**21.6%**	**-261 bps**
Adj. PAT	520	472	10.2%	545	-4.5%
Adj. PAT margin (%)	**12.3%**	**13.2%**	**-91 bps**	**14.0%**	**-166 bps**

Source: Company, BP Equities Research

Sector Outlook	Neutral

Stock

CMP (Rs.)	1,025
BSE code	532424
NSE Symbol	GODREJCP
Bloomberg	GCPL IN
Reuters	GOCP.BO

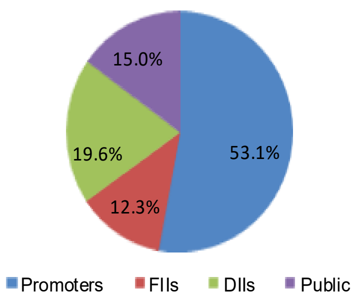
Key Data

Nifty	24,472
52 Week H/L (Rs,)	1,309/967
O/s Shares (Cr.)	102
Market Cap (Rs. Cr.)	1,04,173
Face Value (Rs.)	1

Average Volume

3 months	12.81,697
6 months	14,53,348
1 year	14,31,280

Share Holding Pattern (%)



Relative Price Chart

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Key Concall Highlights

FY27 Management Guidance

Management indicated that FY27 revenue growth will significantly exceed the previously provided full-year guidance.

EBITDA growth could also exceed the original double-digit growth target, although this remains dependent on commodity prices.

Volume growth is expected to remain around or slightly above the existing guidance, although pricing actions could create some near-term pressure.

Management expects to move towards consistent double-digit volume growth over the medium term, although this may still be a few quarters away.

"Revenue growth to exceed earlier guidance; EBITDA growth could surpass double-digit target."

Key Monitorables

The key near-term monitorable remains the recovery in India margins, particularly whether lower input costs and pricing actions are sufficient to bring margins back towards the normative range.

Resolution of poor LPG availability and fill-rate issues will be important for the household insecticide business, particularly ahead of the stronger second half of the season.

The sustainability of Africa's mid-teens EBITDA margin, continued Indonesia momentum, household insecticide share gains and scaling of speedboat brands will remain important drivers for FY27.

"India margin recovery, LPG availability, Africa margins and share gains remain key monitorables."

India Margin Recovery & Pricing

Management reiterated the India standalone EBITDA margin target of 22-26%, even in a weak quarter, with an objective to achieve 24-26% margins on a full-year basis.

Around 500 bps of margin decline is considered recoverable at current commodity prices.

The company has already taken around 5% price increases and may undertake another similar sequential price increase in Q2FY27.

Management indicated that the business is broadly priced for a Brent crude environment of around USD80-85/bbl.

"Margins targeted at 22–26%, supported by pricing and lower commodity costs."

India Business: Margin Pressure from Commodity Inflation

Overall cost inflation was around 9-10%, including approximately 6% unforeseen, war-linked inflation, while the company had taken only around 5% weighted average price increases, resulting in a significant margin impact.

The margin pressure was concentrated in PAKS, hair care, laundry and household insecticides, while soap margins remained at normative levels.

Management expects a meaningful recovery in margins as input costs moderate and pricing catches up, although Q2 will continue to be impacted by high-cost inventory. The major recovery is expected from Q3FY27.

"9–10% cost inflation impacted margins; recovery expected from Q3FY27."

Household Insecticides: Structural Share Recovery

Household insecticide performance was weak in June, with a high double-digit decline, primarily due to poor fill rates and elevated input costs. The first half of July also remained weak.

Fill rates in LPG-driven categories declined by 20-25%, impacting aerosols and household insecticides.

Despite the weak quarter, GCPL gained overall household insecticide market share for the first time in nearly a decade.

Management believes the share recovery is structural, supported by strong gains in incense sticks and a slowdown in illegal incense sticks, which has reduced the negative mix impact.

Household Insecticide: Long-Term Growth Opportunity

GCPL had lost around 15-20% share of the overall household insecticide market over the last decade, but management now expects the company to regain share over the coming years.

GCPL currently has around 16% share in incense sticks and close to 45% share in handlers.

"15–20% lost market share targeted for recovery over the coming years."

As incense sticks gain a larger share of the overall category, the company's weighted market share is expected to improve further.

Management expects household insecticide market share gains to continue after Q1FY27, making the category a key structural recovery opportunity.

Africa / GAUM: Structural Turnaround

Africa delivered another strong quarter, supported by improving macro conditions, better execution in the core hair extension business and significant progress in FMCG categories.

"Mid-teens EBITDA margins seen as structurally sustainable."

GAUM EBITDA has structurally improved from high-single-digit levels to a consistent mid-teens level, and management remains confident of sustaining these margins.

FMCG is expected to contribute around 75% of GAUM's growth going forward, with strong traction in hair care and air fresheners.

Management believes mid-to-high-teens constant-currency growth could be sustainable for the remainder of FY27, while mid-teens EBITDA margins are considered sustainable.

Africa: Growth & Currency Outlook

Africa delivered 25% constant-currency growth in Q1FY27, supported by strong FMCG performance.

Currency appreciation remains a near-term top-line tailwind but acts as a margin headwind.

"25% CC growth in Q1FY27, with mid-to-high-teens growth expected. "

The currency benefit is expected to continue for another 4–5 months before moderating towards the latter part of H2FY27.

Management expects the Africa business to deliver structurally better growth than in the past, although the current 17% volume growth rate is not considered sustainable over the long term.

Indonesia Business: Improving Momentum

Indonesia UEG growth accelerated to 10%, supported by a relatively softer base, increased media investments in hair care and early benefits from El Niño.

Management expects the El Niño benefit to continue into Q2FY27, while the increased investment in hair care is considered structural.

Portfolio Diversification & New Categories

Management expects speedboat salience to increase by around 100–150 bps every quarter and believes the company could exceed its targets for FY27.

"Speedboat and new categories expected to scale strongly."

New categories such as toilet cleaners, body wash, face wash and pet care are progressing well and meeting stated milestones.

Pet care has achieved product-market fit in Tamil Nadu after around 1.5 years and is now being expanded across South India.

Muuchstac Acquisition

Management remains positive on the opportunity, although the acquisition is still in the early stages, with only around 6–8 months of integration completed.

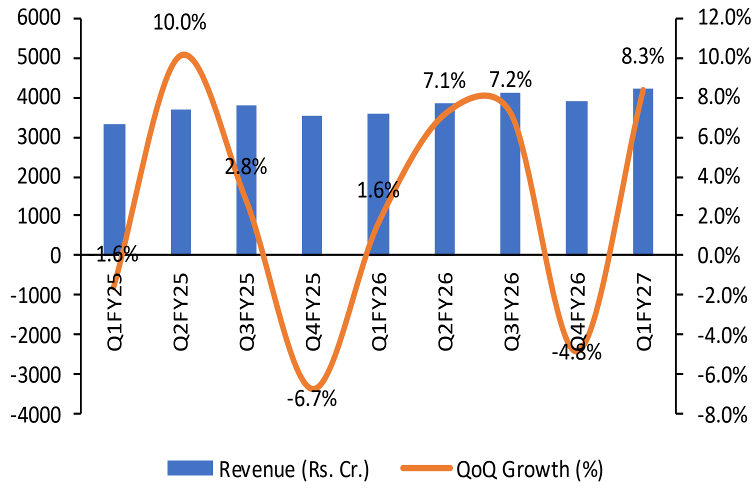
Hair Colour & Personal Care

The initial trade-down impact from the large creme product has now moderated, with the small crème becoming a significant contributor to both volume and value growth.

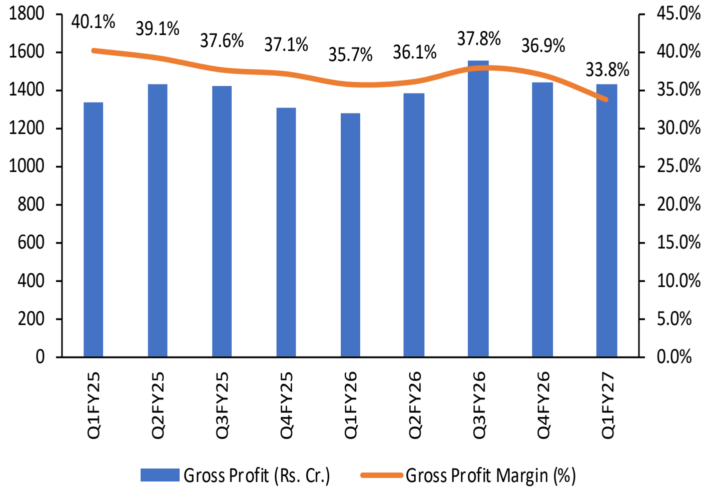
Hair colour has emerged as one of GCPL's fastest-growing categories in terms of penetration.

Quarterly Snapshot

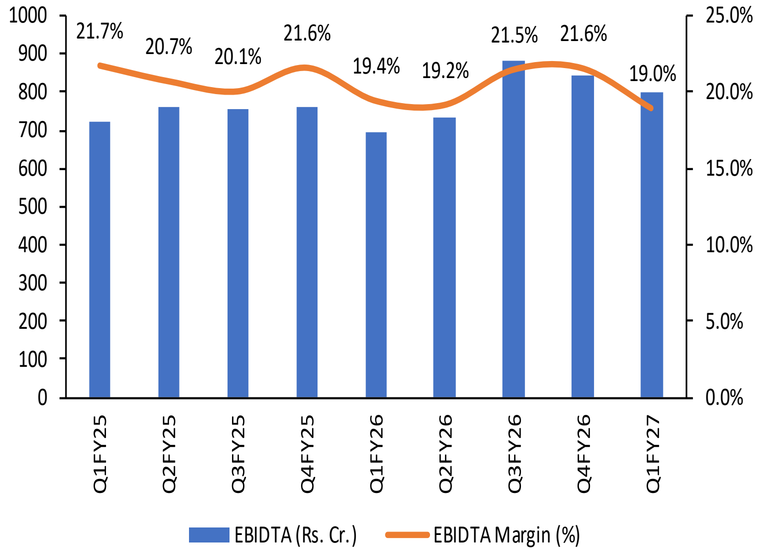
Sales grew by 18% YoY driven by domestic volume growth



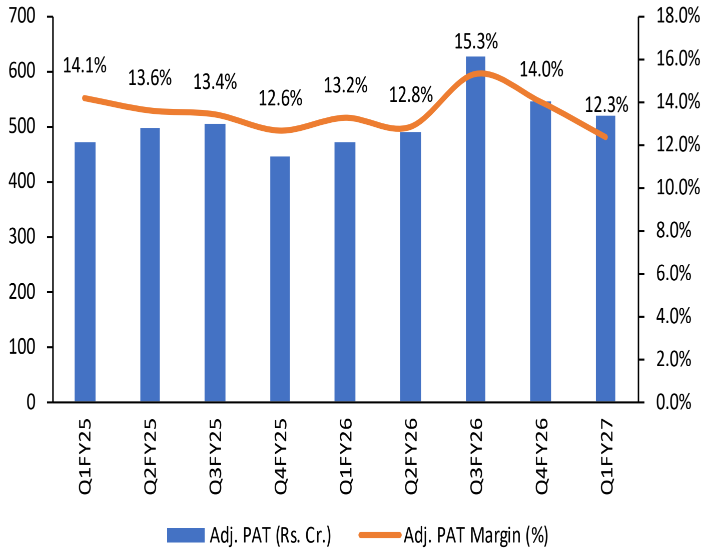
Gross margins contract due to inflation in RM prices



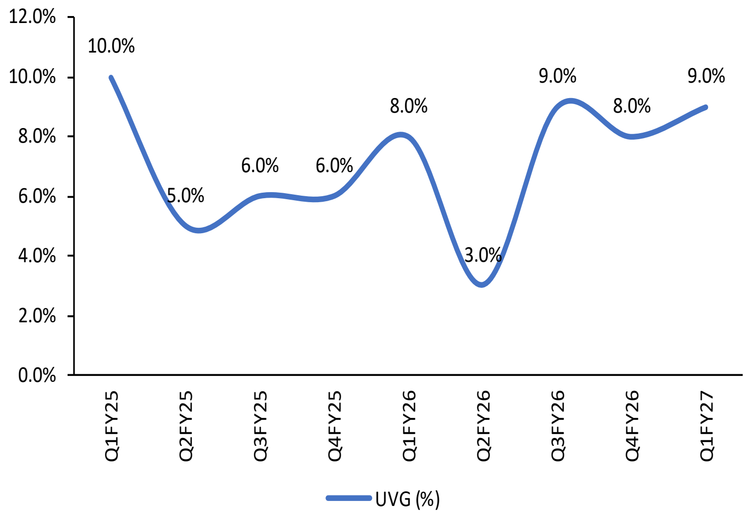
Inflated input costs affected the EBITDA margins



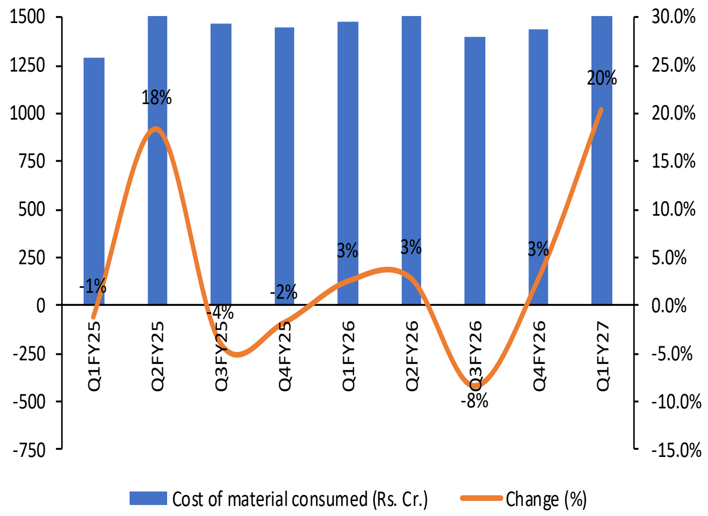
Adjusted PAT margins witnessed a marginal decline



Improvement in underlying volume growth on YoY basis



Cost of raw materials increased due to higher inflation



Source: Company, BP Equities

Key Financials							
YE March (Rs. Cr.)	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Revenue	**13,316**	**14,096**	**14,364**	**15,178**	**17,338**	**19,070**	**20,836**
Revenue Growth (Y-oY)	*8.5%*	*5.9%*	*1.9%*	*5.7%*	*14.2%*	*10.0%*	*9.3%*
EBITDA	**2,443**	**2,957**	**3,014**	**3,156**	**3,564**	**4,084**	**4,574**
EBIT Growth (Y-o-Y)	*1.5%*	*21.0%*	*1.9%*	*4.7%*	*12.9%*	*14.6%*	*12.0%*
Net Profit	**1,702**	**-561**	**1,852**	**1,861**	**2,392**	**2,810**	**3,188**
Net Profit Growth (Y-o-Y)	*(4.5%)*	*(132.9%)*	*NA*	*0.5%*	*28.5%*	*17.5%*	*13.5%*
Diluted EPS	**16.7**	**(5.5)**	**18.1**	**18.2**	**23.5**	**27.5**	**31.3**
Diluted EPS Growth (Y-o-Y)	*(4.5%)*	*(132.9%)*	*NA*	*0.8%*	*28.5%*	*17.5%*	*13.5%*
Profitability Ratios							
EBITDA (%)	**18.3%**	**21.0%**	**21.0%**	**20.8%**	**20.6%**	**21.4%**	**22.0%**
NPM (%)	12.8%	-4.0%	12.9%	12.3%	13.8%	14.7%	15.3%
ROE (%)	**12.3%**	**-4.7%**	**14.7%**	**14.7%**	**19.4%**	**23.3%**	**27.1%**
ROCE (%)	15.8%	22.6%	22.1%	22.8%	26.5%	31.3%	35.9%
Valuation Ratios							
P/E (x)	**61.6x**	**-187.0x**	**56.6x**	**56.2x**	**43.7x**	**37.2x**	**32.8x**
EV/EBITDA	42.7x	35.2x	34.5x	32.8x	29.0x	25.3x	22.6x
P/BV (x)	**7.6x**	**8.7x**	**8.3x**	**8.3x**	**8.5x**	**8.7x**	**8.9x**
Market Cap. / Sales (x)	7.9x	7.4x	7.3x	6.9x	6.0x	5.5x	5.0x

Source: Company, BP Equities, Bloomberg Estimates

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Disclaimer Appendix

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