

Result Update: Q4FY12 & FY12

Date	7 th May 2012
CMP	₹553.6
52 week High / Low	₹583.4/370
Equity Cap (current)	₹34 crs.
Face Value	₹ 1/-
Mkt. Capitalization	₹18822.4 crs.

BSE SENSEX	16912.71
NSE - NIFTY	5114.15
NSE Code	GODREJCP
Bloomberg Code	GCPL IN
BSE Code	532424

SHAREHOLDING PATTERN @ 31-03-12

Promoters	63.97%
FII & DFI	27.08%
Public & Others	8.95%

	3-MTS	6-MTS	1-YR
GCPL	28.6%	33.3%	47.2%
Sensex	-4.4%	-4.2%	-7.6%
Nifty	-4.5%	-3.7%	-6.8%

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Godrej Consumer Products Ltd.

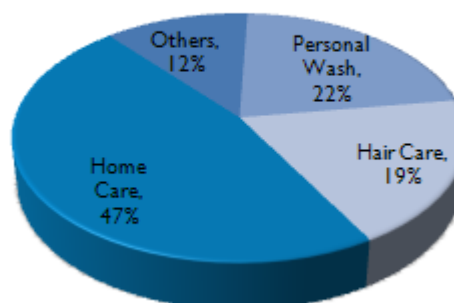


Topline Highlights:

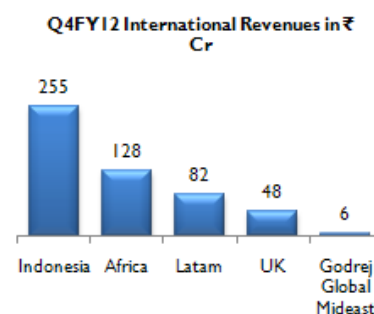
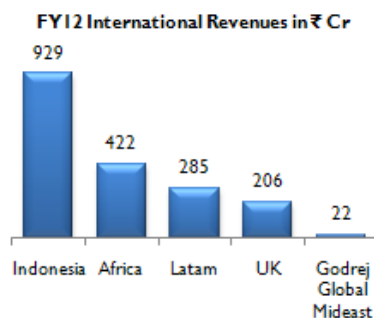
- Q4FY12 standalone sales were up by 19.9% YOY to ₹784 crs. Sales grew on the back of 28% growth in household insecticides, 30% growth in soaps segment and 13% in hair colour segment.
- FY12 standalone sales were up by 21% YOY at ₹2933 crs. Sales grew on the back of 31% growth in household insecticides, 27% growth in soaps segment and 14% in hair colour segment.

The product mix more or less cemented this year after full year merger of GHPL.

FY 2011-12



- Q4FY12 consolidated sales grew by 30.9% YOY to ₹1323 crs. International business generated topline of ₹518 crs. International business witnessed health organic growth of 27% driven on the back of innovations and increased penetration. FY12 consolidated sales rose 32% to ₹4850 crs with international business contributing 38% to the topline with revenues at ₹1864 crs.



- Standalone EBIDTA for the quarter grew by 29% to ₹152.6 crs with margins expanding by 140 bps to 19.5%. Consolidated EBIDTA for Q4 grew by 43.7% to ₹247 crs and margins expanded on favorable merger of Darling group by 170 bps to 18.7%. For the standalone business this continued to be a difficult year as volatility in raw material prices hit margins. Standalone EBIDTA for FY12 grew by 15.5% ₹523 crs with a margin contraction of 90bps to end the year with 17.8%. Consolidated EBIDTA grew by 31.1% to ₹840.2 crs with margins being stable at 17.3%.
- Consolidated adjusted PAT for FY12 grew by 7% to ₹551 crs. PAT was impacted by 50% increase in interest cost to the tune of ₹64.4 crs. and higher depreciation and tax rates moving up from 22% to 29%. This year there was an exceptional gain of 200 crs arising from sale of Brylcreem & Ambipur. PAT including exceptional gains stood at ₹751.2 crs.

➤ Outlook & Valuations

GCPL is present in 3 segments namely soaps, household insecticides & hair colours. In each of these segments the company is a market leader or at No. 2 position. The company has been continuously investing in its brands to gain ground over competition and has created super brands over the decade. The company's 3x3 strategy (presence in 3 continents and 3 categories) shows its clear focus on using its strengths rather than diversifying into the unknown. Cross synergies from continents will enable growth across geographies and segments and help the company achieve its target of 20%+ topline growth for the next 3-4 years.

The company is on a healthy growth trajectory for the next few years on the back of its inorganic growth, cross launches across geographies, and product innovation. Profitability is expected to improve as the company moves to premiumise its portfolio & implement cost synergies. We like the vision of the management to grow the business while investing in emerging economies. It plans to focus on its 3 mainstay segments where it commands market leadership. At the current market price of ₹553.6 the stock trades at 24x expected EPS of ₹23. **We recommend the investors to "HOLD" the stock.**

Consolidated Quarterly Results

(₹ Cr.)

Particulars	Q4FY12	Q4FY11	YOY	Q3FY12	QOQ	FY12	FY11	YOY
Net Sales	1,323.0	1,011.0	30.9%	1,344.1	-1.6%	4,850.9	3,676.3	32.0%
Other Operating Income	1.9	3.4	-44.6%	4.6	-58.5%	15.2	17.3	-12.0%
Other Income	18.4	30.0	-38.6%	13.5	35.7%	52.0	47.0	10.7%
Total Income	1,368.3	423.7	222.9%	563.7	142.7%	5,118.3	1,458.3	251.0%
Total Expenditure	1,075.7	838.9	28.2%	1,085.8	-0.9%	841.6	3,040.5	-72.3%
Raw Material Consumed	637.6	423.7	50.5%	563.7	13.1%	2,174.7	1,458.3	49.1%
Stock Adjustment	(130.3)	(3.9)	3232.7%	(32.4)	301.9%	(212.3)	(45.2)	369.4%
Purchase of Finished Goods	107.1	74.8	43.2%	100.7	6.4%	356.1	294.1	21.1%
% RMC	46.4%	48.9%		47.0%		47.8%	46.4%	
Employee Expenses	120.2	71.9	67.0%	110.4	8.8%	391.9	284.5	37.7%
% Employee Cost	9.1%	7.1%		8.2%		8.1%	7.7%	
Selling & Administrative Expenses	109.6	75.0	46.1%	112.1	-2.2%	449.9	352.9	27.5%
% S&A	8.3%	7.4%		8.3%		9.3%	9.6%	
Loss on Forex Transaction	0.8	-	-	5.5	-86.4%	20.5	(5.3)	-488.3%
% Loss on Forex	0.1%	0.0%		0.4%		0.4%	-0.1%	
Other Expenses	230.8	197.4	17.0%	225.8	2.2%	830.0	696.0	19.3%
% Other Exp.	17.4%	19.5%		16.8%		17.1%	18.9%	
TOTAL EXPENDITURE	1,075.7	838.9	28.2%	1,085.8	-0.9%	4,010.8	3,035.2	32.1%
PBIDT	247.4	172.1	43.7%	258.2	-4.2%	840.2	641.1	31.1%
Interest	19.4	10.9	78.1%	20.5	-5.7%	65.8	43.6	50.9%
PBDT	248.3	194.6	27.6%	255.8	-3.0%	841.6	661.7	27.2%
Depreciation	15.5	13.3	17.0%	17.1	-8.9%	64.4	49.9	29.1%
Exceptional	25.0					200.2	41.1	
Tax	60.1	39.7	51.4%	55.5	8.3%	226.1	138.2	63.6%
Reported Profit After Tax	197.7	141.7	39.5%	183.3	7.8%	751.2	514.7	46.0%
Minority Interest After NP	5.0	-		16.2		24.5	-	
Adjusted Profit After Minority Int.	192.7	141.7	36.0%	167.1	15.3%	726.7	514.7	41.2%
EPS (Unit Curr.)	5.8	4.4	33.1%	5.2	13.0%	22.3	16.1	38.7%
PBIDTM(%)	18.7%	17.0%		19.2%		17.3%	17.4%	
PBDTM(%)	1.2%	1.3%		1.3%		1.3%	1.4%	
PATM(%)	14.9%	14.0%		13.6%		15.5%	14.0%	

Standalone Quarterly Results

Particulars	Q4FY12	Q4FY11	YOY	Q3FY12	QOQ	FY12	FY11	YOY
Net Sales	784.3	654.3	19.9%	765.5	2.5%	2,933.5	2,425.4	21.0%
Other Operating Income	12.7	10.7	18.8%	12.5	1.5%	46.6	43.5	6.9%
Other Income	13.8	17.0	-19.1%	11.1	23.5%	63.1	37.1	69.8%
Total Income	348.4	260.0	34.0%	320.4	8.7%	3,043.1	2,506.1	21.4%
Total Expenditure	631.7	536.1	17.8%	619.9	1.9%	2,410.6	1,972.5	22.2%
Raw Material Consumed	348.4	260.0	34.0%	320.4	8.7%	1,327.1	970.3	36.8%
Stock Adjustment	(31.1)	12.2	-355.9%	(27.8)	11.8%	(86.7)	(31.5)	175.8%
Purchase of Finished Goods	66.4	61.2	8.5%	70.8	-6.3%	235.7	195.7	20.5%
% RMC	48.9%	51.0%		47.5%		50.3%	46.8%	
Employee Expenses	51.3	26.5	94.0%	44.7	14.8%	156.7	133.6	17.3%
% Employee Cost	6.5%	4.0%		5.8%		5.3%	5.5%	
Selling & Administrative Expenses	54.7	40.7	34.5%	58.8	-7.0%	235.6	199.2	18.2%
% S&A	7.0%	6.2%		7.7%		8.0%	8.2%	
Other Expenses	141.9	135.5	4.7%	152.8	-7.2%	542.3	505.1	7.4%
% Other Exp.	18.1%	20.7%		20.0%		18.5%	20.8%	
TOTAL EXPENDITURE	631.7	536.1	17.8%	619.9	1.9%	2,410.6	1,972.5	22.2%
PBIDT	152.6	118.2	29.1%	145.7	4.8%	522.9	452.9	15.5%
Interest	4.9	2.7	84.6%	6.0	-18.0%	13.4	5.7	134.9%
Loss/Gain in Forex	1.7	0.6		(7.5)		(15.2)	(1.2)	
PBDT	175.8	143.9	22.2%	155.8	12.8%	603.9	526.7	14.7%
Depreciation	5.7	4.6	23.1%	6.3	-9.5%	25.8	22.0	17.4%
Exceptional	24.8	-		-		181.0	40.3	
Tax	36.4	28.8	26.3%	31.7	14.7%	154.7	110.0	40.6%
Reported Profit After Tax	158.5	110.4	43.5%	117.8	34.5%	604.4	435.0	38.9%
EPS (Unit Curr.)	4.7	3.4	36.2%	3.6	27.9%	17.8	13.4	32.1%
Equity	34.0	32.4	5.2%	32.4	5.2%	34.0	32.4	5.2%
Face Value	1.0	1.0	0.0%	1.0	0.0%	1.0	1.0	0.0%
PBIDTM(%)	19.5%	18.1%		19.0%		17.8%	18.7%	
PBDTM(%)	22.4%	22.0%		20.4%		20.6%	21.7%	
PATM(%)	20.2%	16.9%		15.4%		20.6%	17.9%	

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