

Key Takeaways from the Management Meet

We interacted with the management (Abhijit Damle – CFO, Ruchir Soni – RMU & Investor Relations) of Galaxy Surfactants Ltd (GSL) on 11th July 2025. Galaxy Surfactants Limited is one of the leading global players in the Surfactants and Specialty Care Ingredients space, catering to the Home and Personal Care industry.

The company's product portfolio is broadly divided into two categories: Performance Surfactants, which include ingredients forming the base of cleansing and foaming solutions, and Specialty Care Products, which serve specific functional roles in home and personal care formulations. GSL offers 215+ products and serves over 1,385 customers across 80+ countries, with manufacturing facilities located in India, Egypt, and the USA.

Management Meet Key Takeaways

- India's personal care segment is undergoing a significant structural transformation, underpinned by rising disposable incomes and a marked shift in consumer preference toward premium products. This shift is further accelerated by the increasing adoption of newer product applications, such as laundry liquids and dishwashing. The company is well-positioned to leverage these trends, supported by its robust distribution network and growing rural awareness, facilitating a transition from mass-market offerings to premium segments.
- The Indian market is projected to deliver a volume CAGR of 8–10% over FY25–30, led by deeper penetration in under-served categories such as baby care, face wash, serums, and liquid formats in dishwashing and laundry products. The rapid rise of D2C brands and private labels also presents opportunities for the company to build direct partnerships and offer customised solutions tailored to evolving consumer needs.
- India remains the most attractive market within the company's portfolio, currently undergoing an economic transformation akin to the US in the 1960s and China in the 2000s, providing substantial headroom for consumption growth. Key structural drivers include rising digital adoption, increasing per capita income, and greater female workforce participation, all contributing to elevated demand for premium personal and home care products.
- Under its Vision 2030 roadmap, the company targets doubling its volumes and growing EBITDA by 2.5x, while maintaining RoCE above 22% over the next five years. It aims to solidify its leadership position in India and AMET markets, and expand its footprint in premium specialty segments across the USA and Europe. Growth will be driven by premiumization and deeper market penetration, particularly in emerging markets. The company also plans to expand into new categories, including skin care, sun care, and wellness, and deepen its engagement with D2C brands and private labels in developed markets.
- The company is actively promoting clean and green solutions by developing bio-based, non-toxic, and mild surfactants. This is supported by strategic collaborations and acquisitions intended to boost innovation and improve market access. Management expects volume growth of 10–12% CAGR in AMET and RoW regions, and 8–10% CAGR in India over FY25–30.
- Over FY15–25, the company launched more than 25 new products and aims to introduce 20+ new products in the next five years. Annual R&D spending is projected to increase to 2% of sales from the current 0.9%, reinforcing its focus on innovation-led growth.

Valuation

- The stock is currently not under our coverage, and we do not have a view on the same. The stock currently trades at 29x of its FY25 EPS.

Key Financials (Consolidated)

(Rs Cr)	FY21	FY22	FY23	FY24	FY25
Net Sales	2,784	3,686	4,464	3,794	4,224
EBITDA	449	401	568	462	484
EBITDA Margin	16.1%	10.9%	12.7%	12.2%	11.5%
Net Profit	302	263	381	301	305
EPS (Rs)	85.2	74.1	107.5	85.0	86.0

Source: Company, Axis Securities Research

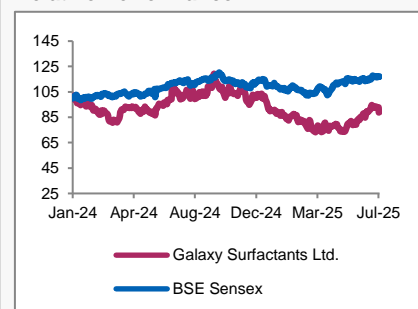
(CMP as of 11th July 2025)

CMP (Rs)	2,543
High/Low (Rs)	3,370 / 2,021
Market cap (Cr)	9,016
Avg. daily vol. (1 M) Shrs.	28,499
No. of shares (Cr)	3.55

Shareholding (%)

	Sep-24	Dec-24	Mar-24
Promoter	71	71	71
FIIIs	4	4	4
DIIIs	13	13	13
Others	12	12	12

Relative Performance



Source: Ace Equity, Axis Securities Research

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Management Meet Key Takeaways (Cont'd)

- The company is targeting EBITDA per kg of Rs 25 by FY30. Management expects 50% of the incremental EBITDA to come from organic growth in rinse-off segments like hair care, oral care, and body wash, where it holds a strong presence. Around 30% of EBITDA growth is expected from new product portfolios in high-value leave-on categories, including moisturisers, sunscreens, and serums. The remaining 20% will be driven by new growth areas such as strategic partnerships, collaborations, and expansion into wellness and beauty-focused solutions.
- The company expects an annual capex run rate of approximately Rs 150 Cr, primarily directed toward the leave-on segment and new product development. Around 50% of OCF is planned to be reinvested in organic growth capex.

About The Company

- Galaxy Surfactants Ltd is the manufacturer of surfactants and other specialty ingredients for the personal care and home care industries. The Company's market segments include skincare, haircare, sun care, oral care, baby care and home care. Its products provide an array of personal care and home care products, including shampoos, conditioners, body wash formulations, soap bars, liquid soaps, tubes of toothpaste, laundry detergents, and dishwashing products. Its product groups include fatty alcohol sulfate and ether sulfate, fatty alcohol ethoxylate and linear alkyl benzene sulphonic acids (LABSA), foam and viscosity boosters, mild surfactants, pearlized, surfactant blends, syndet and TBB, sunscreens, functional actives, preservatives, and blends.
- Incorporated in 1986, GSL has expanded and diversified its product portfolio, client base and geographical footprint. The company's customers include some of the leading MNCs, regional and local players in the home & personal care industries. GSL's product portfolio comprises over 200 product grades, which are marketed to more than 1,750 customers in over 80 countries, including India, the United States (USA), Europe, and Asia-Pacific. Its manufacturing facilities are located in India, Egypt, and the USA.

Exhibit 1: Performance in the Past Decade



Source: Company, Axis Securities

Exhibit 2: Growth Strategy – VISION 2030



Source: Company, Axis Securities

Exhibit 3: Current and Target Categories

	 Bath & Shower	 Hair Care	 Oral Care	 Skin Care	 Sun Care	 Color Cosmetics
Category	Rinse Off			Leave On		
Market Size (Bn USD)	~51	~93	~55	~163	~16	~77
Major BPC Ingredient	Surfactants	Surfactants	Humectants & Surfactants	Emollients (~6-10%)	Sunscreen (~20-25%) Emollients (~6-8%)	Emollients and Esters (~30%)
Water Content	~35-40%	~70-80%	~30-35%	~70%	~50%	~17-20%
Global Share of T-1 Accounts*	~40-45%	~50-55%	~52-57%	~29-35%	~32-35%	~20%
Major Trend	<ul style="list-style-type: none"> Upward Migration Milder Body Washes 			<ul style="list-style-type: none"> Natural Emollients Migration from Traditional to New Age Ingredients 		
	Existing area of play			Enhanced Zone of Play		

*T-1 Accounts as defined by Galore

Source: Company, Axis Securities

Exhibit 4: Addressable Market


Source: Company, Axis Securities

Financials (Consolidated)
Profit & Loss
(Rs Cr)

Y/E March	FY21	FY22	FY23	FY24	FY25
Net Revenue	2,784	3,686	4,464	3,794	4,224
COGS	1,775	2,589	3,100	2,578	2,886
Staff costs	204	212	248	275	303
Other Operating Exp.	357	485	548	479	551
Total Expenditure	2,335	3,285	3,896	3,332	3,739
EBITDA	449	401	568	462	484
EBITDA Margin %	16.1%	10.9%	12.7%	12.2%	11.5%
Depreciation	74	71	83	100	110
EBIT	386	342	495	398	400
Interest	13	13	22	22	19
Other Income	11	13	10	35	26
PBT	372	329	473	375	380
Tax	70	67	92	74	76
<i>Tax Rate %</i>	<i>18.8%</i>	<i>20.2%</i>	<i>19.4%</i>	<i>19.7%</i>	<i>19.9%</i>
PAT	302	263	381	301	305
EPS	85.2	74.1	107.5	85.0	86.0

Source: Company, Axis Securities Research

Balance Sheet
(Rs Cr)

Y/E March	FY21	FY22	FY23	FY24	FY25
Share Capital	35	35	35	35	35
Reserves & Surplus	1,266	1,539	1,847	2,144	2,327
Net Worth	1,301	1,574	1,883	2,179	2,363
Financial Non-Current Liability	94	128	136	93	76
Other Non-current Liability					
Deferred Tax Liability	23	25	28	30	32
Total Non-Current Liability	128	161	172	132	121
Current Financial Liability	577	817	629	553	781
Other Current Liability	33	33	40	44	183
Provisions	9	8	6	6	8
Total Current Liability	620	865	680	603	978
Total Equity & Liability	2,049	2,601	2,734	2,915	3,462
Application Of Funds					
PPE	592	609	773	825	840
Capital Work in Progress	124	205	139	159	262
Right Use Of Assets	112	143	142	140	184
Intangible Assets	6	5	5	4	3
Non-Current Financial Assets	892	1,030	1,133	1,213	1,369
Other Non-Current Assets	35	41	39	48	32
Total Non-Current Assets	892	1,030	1,133	1,213	1,369
Inventories	428	712	646	556	724
Current-Financial Assets	630	717	872	1,042	1,212
Other Current Assets	100	141	84	104	158
Total Current Assets	1,158	1,570	1,602	1,702	2,094
Total Assets	2,049	2,601	2,734	2,915	3,462

Source: Company, Axis Securities Research

Cash Flow
(Rs Cr)

Y/E March	FY21	FY22	FY23	FY24	FY25
PBT	372	329	473	375	380
Depreciation & Amortization	13	13	22	22	19
Finance Cost	74	71	83	100	110
Change in Working cap	-19	-345	90	111	4
Direct tax paid	-71	-59	-95	-78	-68
Cash flow from operations	365	5	573	518	421
Cash flow from investing	-165	-84	-149	-344	-295
Cash flow from financing	-165	59	-264	-189	-157
Chg in cash	35	-20	160	-14	-31
Cash and cash equivalents at the beginning of the year	48	82	64	232	220
Cash and Cash equivalents at the end of the year	82	64	232	220	193

Source: Company, Axis Securities Research

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