

Quarterly Update: Q2 FY25

This update provides an overall summary of the operating performance and demand trends during the quarter ended September 30, 2024. This will be followed by a detailed performance update, post the approval of the Q2 FY25 financial results by the Board of Directors.

As outlined at our Annual Investor Meet (May 2024), Management focus remains on three key areas for FY25: high-single digit Standalone UVG*, high-single digit Indonesia UVG* and mid-teens Consolidated EBITDA growth. We are largely on track to achieve the Standalone and Indonesia UVG* targets. However, our Consolidated EBITDA growth will be lower due to operating conditions in India being tough on cost and margin driven by inflation in palm and other competitive pressures. Palm input costs have been rising since March and have risen in high teens as of date. Management has decided not to pass on the entire cost hike to consumers in one step and have decided to continue investments on the long-term growth initiatives like rural van program, new category development etc. As a result, the Standalone EBITDA growth will be flattish. In terms of top line, Standalone business is expected to perform well with high single digit underlying volume and value growth.

Our international businesses continue to do well on their relevant strategic objectives.

Indonesia business is expected deliver continued robust performance with high-single digit volume growth and double-digit sales growth in constant currency.

In line with our earlier guidance, the GAUM (Godrej Africa, USA, and Middle East) organic business is expected to see single digit volume decline due to reduction in trade stocks and portfolio simplification. However, offtakes continue to be strong. As shared earlier, the currency unification in Nigeria continues to negatively impact our INR sales performance. Despite this, we have grown EBITDA (reported) in INR terms at strong double-digit. This will be the third consecutive quarter of healthy INR profit growth along with a significant improvement in margin.

At a Consolidated (organic) level, we expect mid-single digit INR sales growth, low-teens constant currency sales growth and mid-single digit EBITDA (reported) growth.

ABOUT GODREJ CONSUMER PRODUCTS

Godrej Consumer Products is a leading emerging markets company, driven by the purpose of bringing the goodness of health and beauty to consumers in emerging markets. As part of the Godrej Industries Group, we are fortunate to have a proud legacy of over 125 years, built on the strong values of trust, integrity, and respect for others. At the same time, we are growing fast and have exciting, ambitious aspirations.

Today, we enjoy the patronage of 1.4 billion consumers globally. We rank among the largest Household Insecticide and Hair Care players in emerging markets. In Household Insecticides, we are the leader in India, the second largest player in Indonesia and are expanding our footprint in Africa. We are the leader in serving the Hair Care needs of women of African descent, the number one player in Hair Colour in India and Sub-Saharan Africa, and among the leading players in Latin America. We rank number two in Soaps in India and are the number one player in Air Fresheners and Wet Tissues in Indonesia.

We believe that we are only as good as what we do next. So, we strive to continuously improve how we do business, and how we live in the world; shaping a more sustainable and responsible future by placing our planet and people alongside profit. Through Godrej Good & Green, we are helping create a more inclusive and greener planet, in line with the United Nation's Sustainable Development Goals, and the needs of local communities. At the Godrej DEI (Diversity, Equity, Inclusion) Lab, we work on empowering inclusion, help build DEI ecosystems across corporate India and aim to bring ideas and innovation related to DEI to the mainstream.

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