

Q3FY2024 Investor and Analyst Performance Update

January 31, 2024



Disclaimer

Some of the statements in this communication may be forward looking within the meaning of applicable laws and regulations. Actual results might differ substantially from those expressed or implied. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation, and labour relations.

Our strategic narrative

OUR PURPOSE

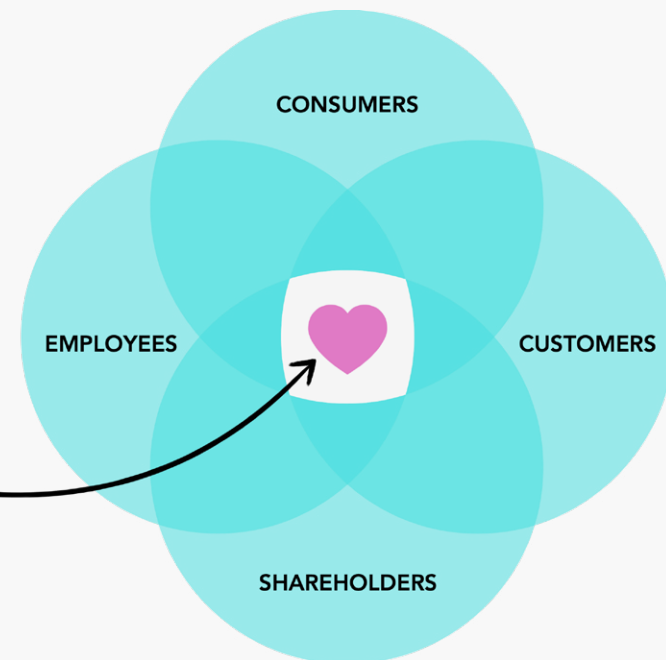
Bringing the goodness of health and beauty to consumers in emerging markets

OUR VALUES



OUR VISION

Delight 2 billion consumers by 2027



OUR STRATEGY

Lead through category development



Funded by simplification



People and Planet alongside Profit



OUR OPERATING PHILOSOPHY

- 1 Less is more; Much less is much more
- 2 Consumer first, Business second
- 3 Think local, Act global
- 4 Tomorrow before today
- 5 Better from within, Different from outside

OUR MEASURES

- 1 Industry beating UVG
- 2 More spends on brands, Less on cost to serve
- 3 More automation, Less working capital
- 4 More diversity, Less environmental impact

THE GCPL WAY

A manual of prescriptive guidelines to help in our day-to-day operations
The bedrock of our capability development programme

Building blocks of our strategy



Lead through category development

Innovation

Relevance

Access

Trials



Funded by simplification

Less SKUs

Simpler business model

Leaner organisation

Optimised manufacturing



People and planet alongside profit

Sustainable consumption

Sustainable footprint

Performance culture

Better from within

**FINANCIAL
PERFORMANCE
UPDATE**

Fundamentals being strengthened

Growth (year-on-year)	Consolidated Business	India Business
Underlying Volume Growth	8% (5%#)	12% (5%#)
Net Sales	2% (-2%#)	9% (2%#)
Net Sales (Constant Currency)	19% (15%#)	-
EBITDA*	16%	18%
EBITDA* + Working Media	20%	25%
Net Profit (Reported)	6%	3%
Net Profit (without exceptional, one-off items and deferred tax on Brands)^	11%	10%

Steady underlying sales growth marred by currency devaluations

Geography		Sales (₹ crore)	Growth (Year-on-year)	Constant Currency Growth (Year-on-year)
India	Reported	2,160	9%	-
	Organic	2,021	2%	
Indonesia		466	8%	7%
Africa, USA and Middle East		922	(8%)	14%
Latin America and SAARC		99	(45%)	181%
Total Net Sales	Reported	3,623	2%	19%
	Organic	3,484	(2%)	15%

Note: Total Net Sales includes the impact of contra and inter company eliminations

We continue to deliver a superior portfolio mix through targeted actions...

High margin countries growing faster



High margin categories growing faster



...this has aided significant EBITDA margin expansion

	Consolidated	India	Indonesia	Africa, USA & Middle East	Latin America & SAARC
Q3FY24 Reported EBITDA* Margin	23.2%	30.0%	20.5%	10.9%	(3.6%)
Business support charges, royalty and technical fees (₹ crore)	-	(6.4)	1.7	4.3	0.4
Q3FY24 Operating EBITDA* Margin	23.2%	29.7%	20.9%	11.4%	(3.2%)
Change in EBITDA* Margin (bps) (y-y)	+280	+230	+70	+250	(780)
Change in EBITDA* + Working Media Margin (bps) (y-y)	+470	+490	+140	+220	(250)

Net profit reconciliation statement

Consolidated Business	Q3 FY2024	Q3 FY2023
(A) Net Profit (Reported)	581	546
(B) Exceptionals (Post tax):		
Restructuring costs	5.3	6.3
Others	-	0.2
(C) Net Profit (Without exceptional and one-off items) (A+B)	586	553
(D) Deferred tax charge on brands purchased [^]	26.5	0.7
(E) Net profit (excluding above) (C+D)	613	554

Note: All values are in ₹ crore and rounded off | [^]This pertains to the deferred tax liability created on acquired brands

INDIA BUSINESS UPDATE

Home Care (1/4): Delivered steady performance in Household Insecticides

- Household Insecticides volume growth stable at low-single digit
- Non-mosquito portfolio continues to consistently perform significantly well
- On track to turnaround HI – Launched Goodknight Agarbatti in January, additional actions in pipeline



Home Care (2/4): Launched Goodknight Agarbatti with an exclusive and close to 2x more effective molecule

- Entering the ~₹1,200 crore incense stick market; primarily illegal
- **Goodknight Agarbatti** - India's only Government registered active based anti-mosquito legal agarbatti
- Goodknight Agarbatti uses a new molecule, RNF*, which is close to 2x more effective than most other molecules used in India
- **GCPL** enjoys exclusivity to use this molecule in the medium term

*Renofluthrin | Refer to slides 28-32 for more details



Home Care (3/4): Consistently delivering double-digit growth in Air Fresheners

- Air Fresheners continue to consistently deliver double-digit volume growth
- Aer continues to gain share and enjoy market leadership
- Air Fresheners has close to doubled its salience over the last 2 years



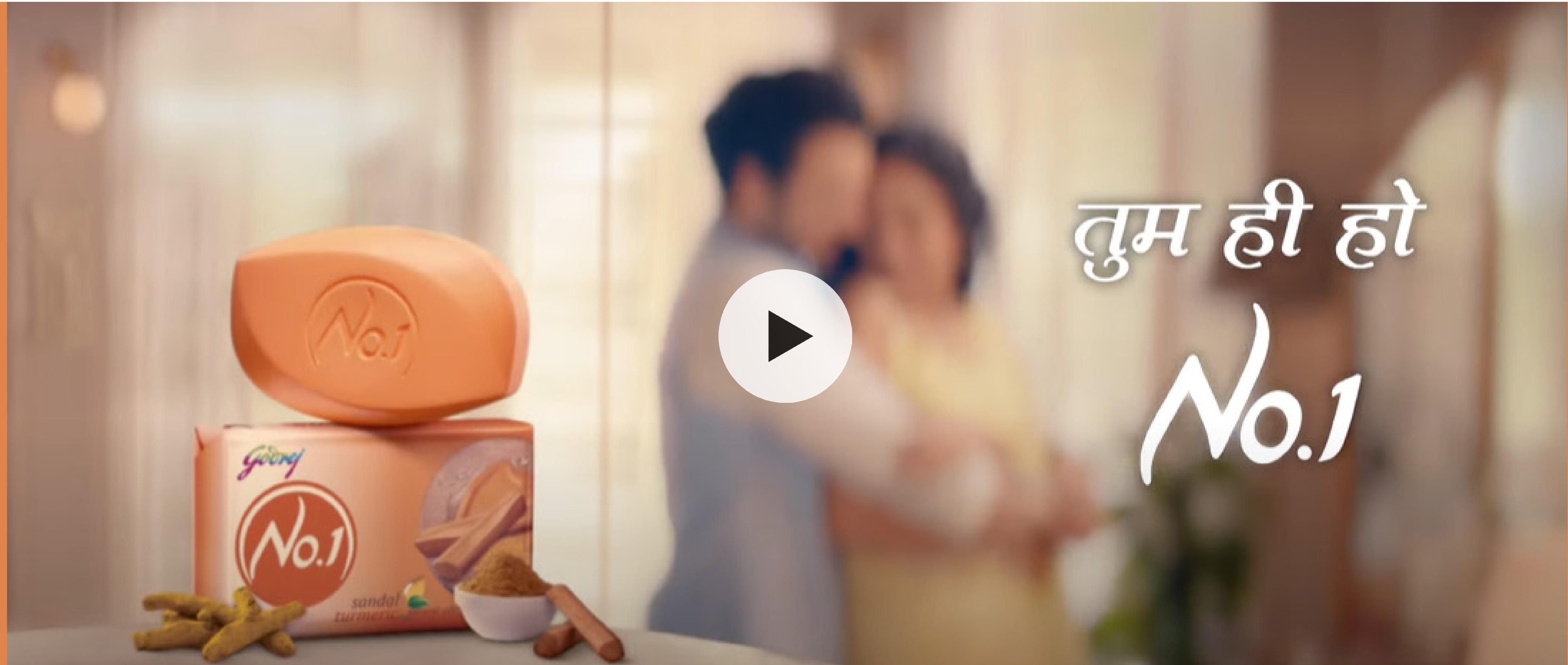
Home Care (4/4): Strong entry in the fast-growing Liquid Detergent market

- Fabric Care delivered strong double-digit volume growth
- Genteel and Ezee continue to deliver steady performance
- Launched **Godrej Fab** Liquid Detergent in select markets at a **category defining price of ₹99 per litre**



Personal Care (1/2): Personal Wash delivers steady performance

- **Personal Wash** delivers mid single-digit volume growth
- Our market share increased, led by effective media campaigns and micro-marketing initiatives
- Magic Handwash continues to deliver strong double-digit volume growth



Personal Care (2/2): Strong growth in Hair Colour

- **Hair Colours** volume grew in double-digit led by both Godrej Expert Rich Crème and Godrej Selfie Shampoo Hair Colour
- Access packs have significantly outperformed in both Godrej Expert Rich Crème and Shampoo Hair Colour
- Continue to gain market share



Park Avenue and KamaSutra performance on track

- Continuing the healthy sales run-rate delivered in Q2; clocked sales of ₹139 crore
- Consumer focused investments behind working media increased by 5-8x
- On track to achieve full-year ambition
- Integration completed; cost synergies have started to flow from Q3



High single-digit reported sales growth

Category	Sales (₹ crore)	Growth (Year-on-year)
Home Care	1047	5%
Personal Care	896	2%
Total Branded	1,943	4%
Unbranded and Exports	78	(21%)
Total Net Sales (Organic)	2,021	2%
Personal Care (Inorganic)	139	-
Total Net Sales (Reported)	2,160	9%

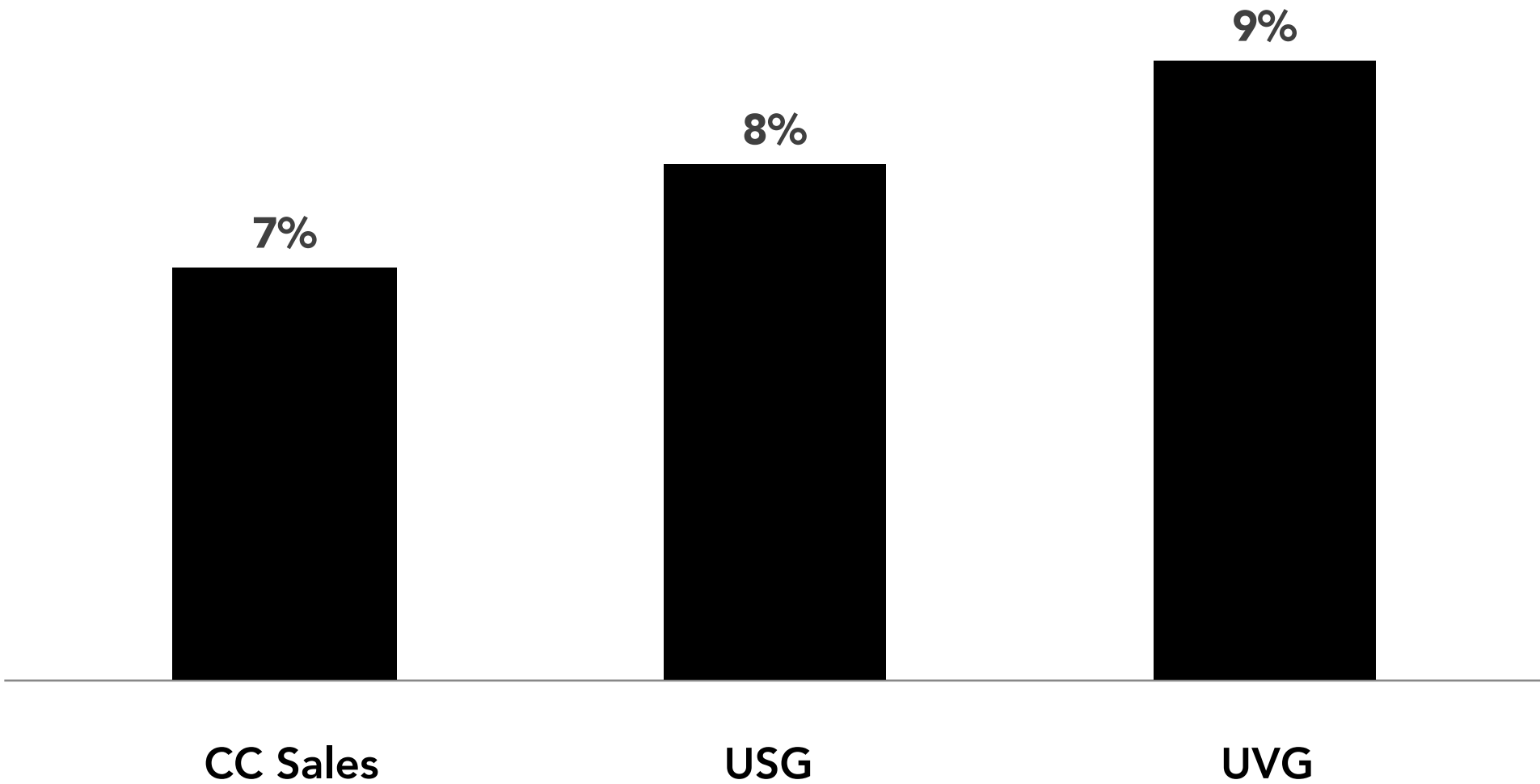
**INTERNATIONAL
BUSINESS
UPDATE**

Indonesia sees strong volume growth and margin expansion continues

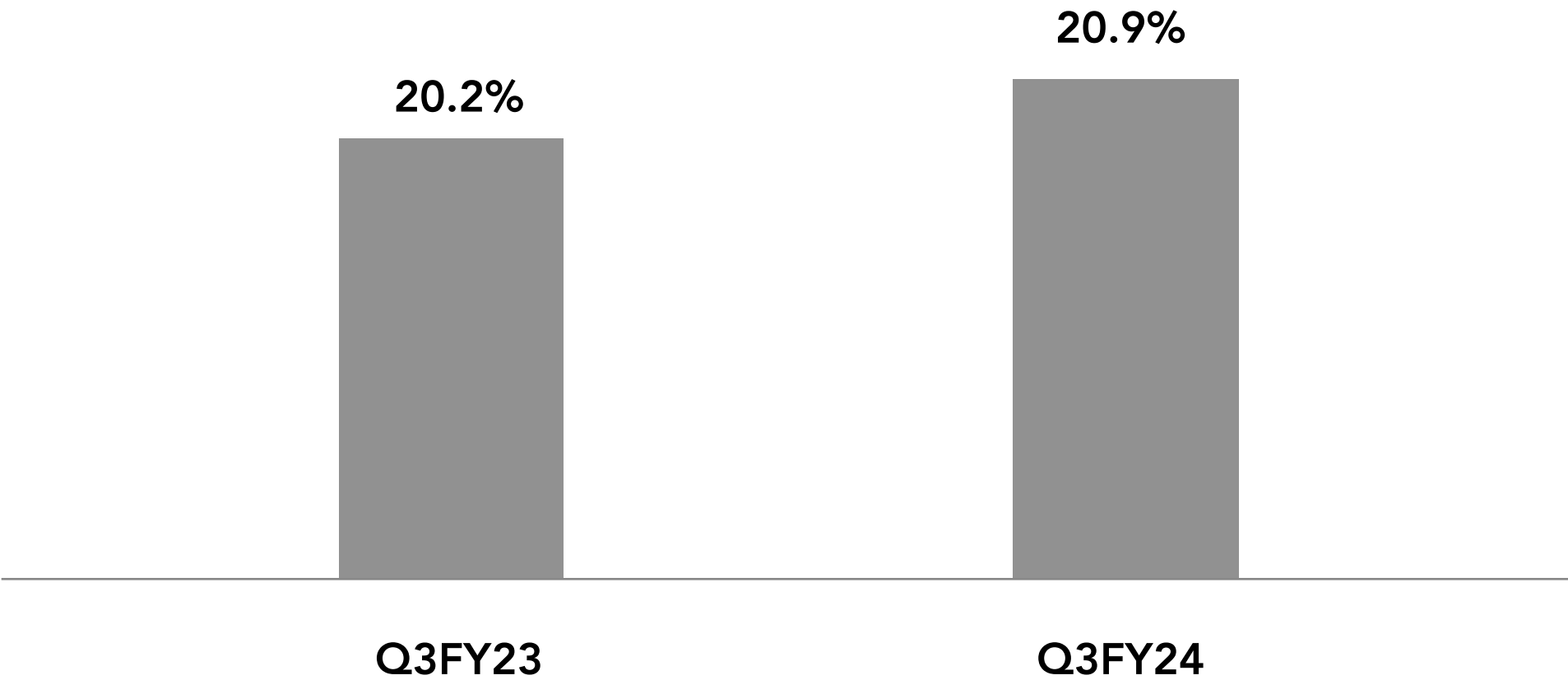
- Constant Currency sales growth of 7% and INR sales growth of 8%
- Delivered UVG of 9%

- Margin improvement continues
- EBITDA* margin of 20.9%, up 70 bps year-on-year

Growth (y-y)



EBITDA* margin (y-y)



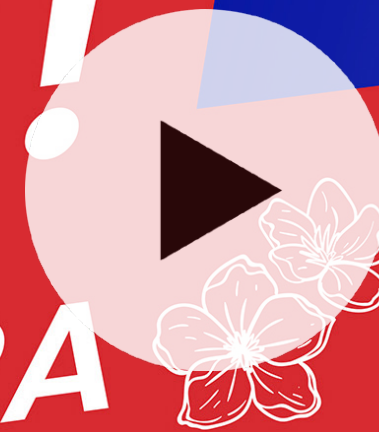
*EBITDA (incl. Forex)
CC: Constant Currency, USG: Underlying Sales Growth, UVG: Underlying Volume Growth

Broad-based performance across categories in Indonesia

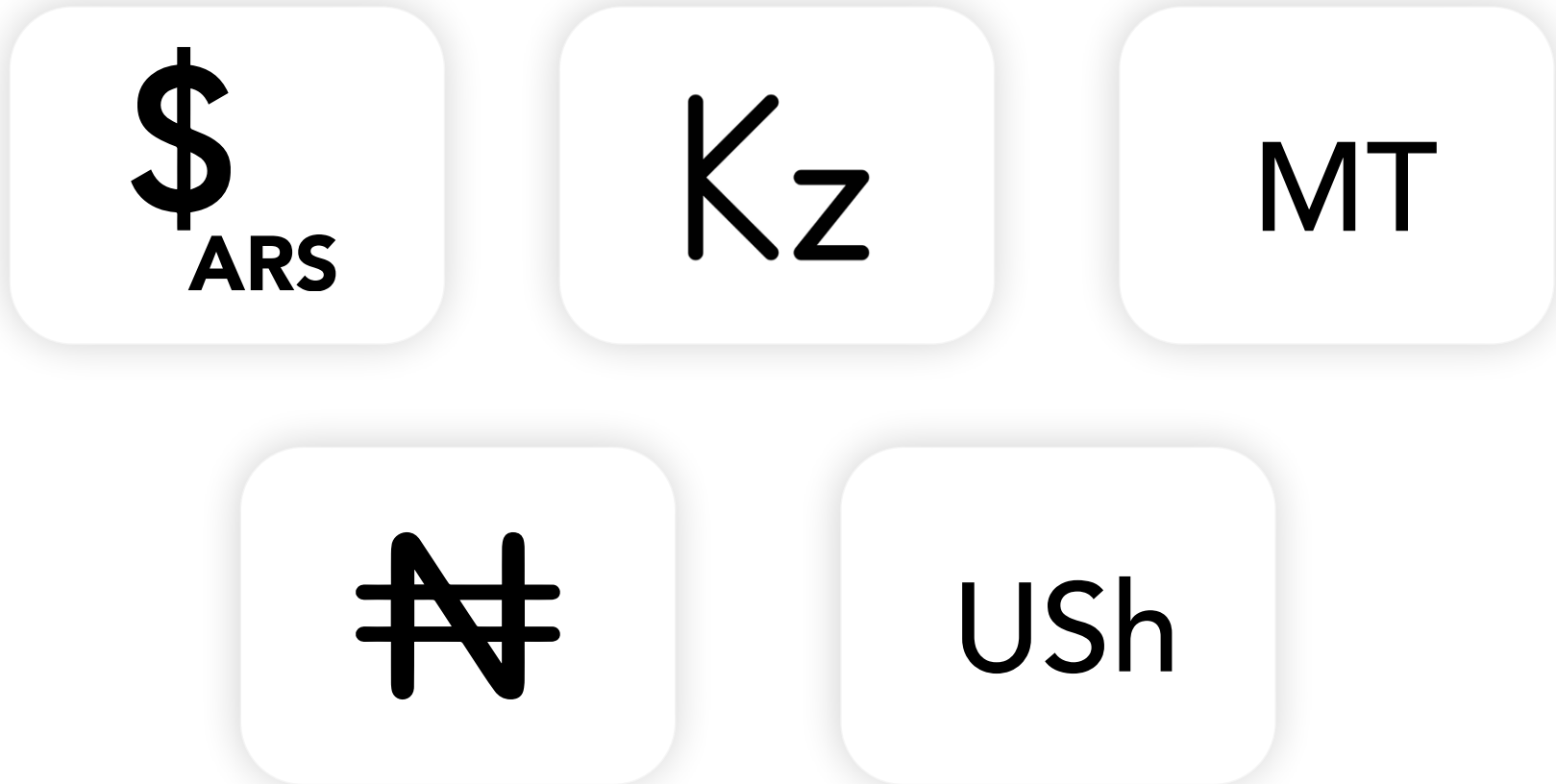
- Household Insecticides volume grew in strong double-digit led by aerosol and LV
- Household Insecticides continue to gain market share and penetration; enjoy market leadership
- Hair Colours recorded strong double-digit volume growth driven by Shampoo Hair Colour

HIT[®]

BARU!
WANGI
JAPANESE SAKURA



Emphasis on improving fundamentals despite volatility in Africa and Latin America



Currency and geopolitical volatility may continue in the near to medium term in Africa and Latin America



Volume Growth

INR Profit Growth

INR Cash Growth

Focus on strengthening business fundamentals on an annualised basis

GAUM sees strong constant currency sales growth and EBITDA margin expansion

- GAUM sales growth of 14% in constant currency terms; performance in INR terms was impacted by the devaluation of Naira
- FMCG categories continue to grow in double-digits
- EBITDA* margin at 11.4%, up 250 bps year-on-year led by gross margin expansion and mix improvement

*EBITDA (incl. Forex)



Reorganising in Africa on track

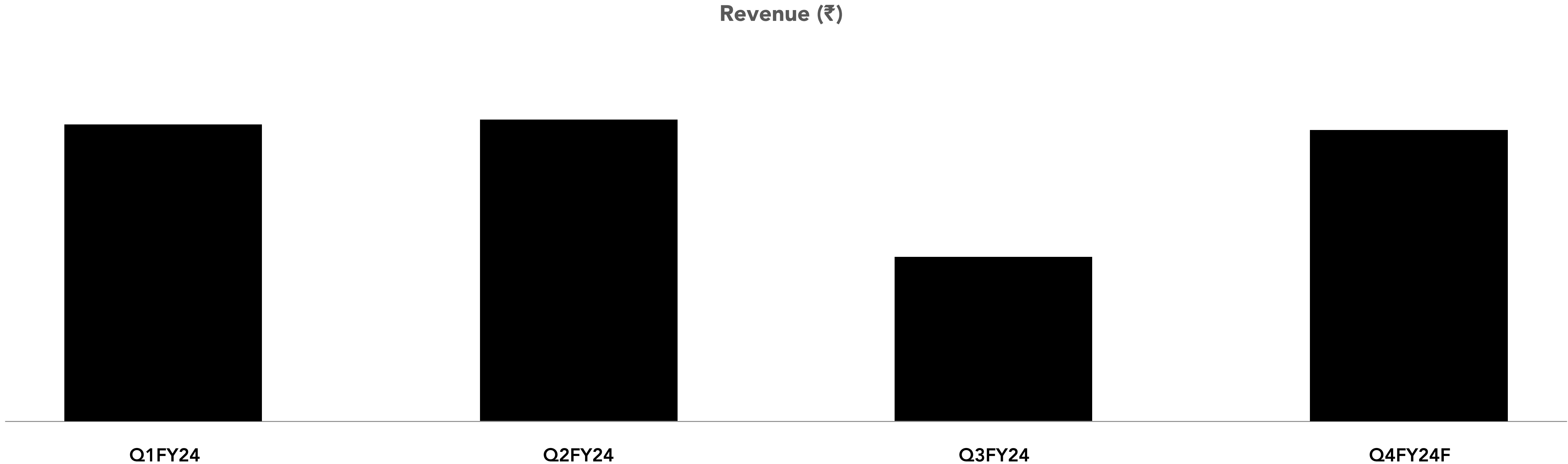
Simplifying Hair Fashion operations to a Royalty model in select markets (largely in East Africa)

Multiple actions underway; target closure is expected between Q4FY24 to Q1FY25

Expect profitability to improve in the medium term; PAT to move from ~₹0 to ~₹50 crore (excluding one-time cash and non-cash costs)

Latin America and SAARC businesses impacted by significant Argentine Peso devaluation

- LATAM business revenue has been severely impacted on account of the sharp devaluation in Argentine Peso, which has impacted nine months of revenue (due to hyper-inflation accounting).
- This has resulted in negative mid-single digit impact on consolidated revenue but minimal impact on operating profit.
- The actions taken by the Argentinian Government are progressive as they will aid economic growth in the long run, thereby further improving consumption.



APPENDIX

Incense Sticks is a large growing market dominated by illegal players

>1,200 crs

Size of market



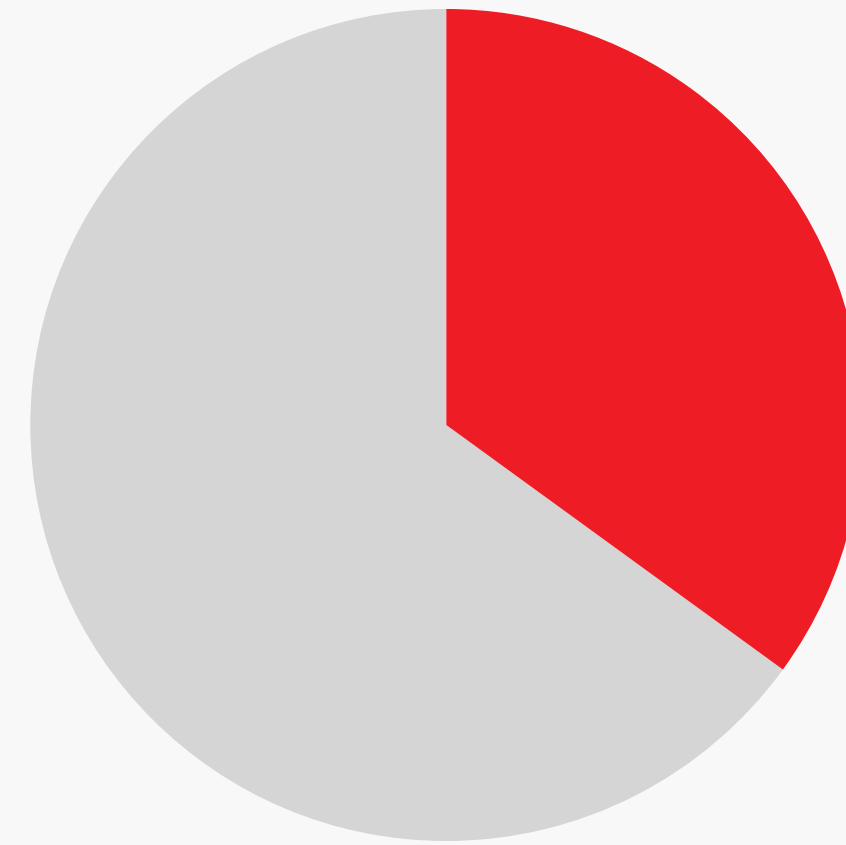
>10%

CAGR in last 3 years

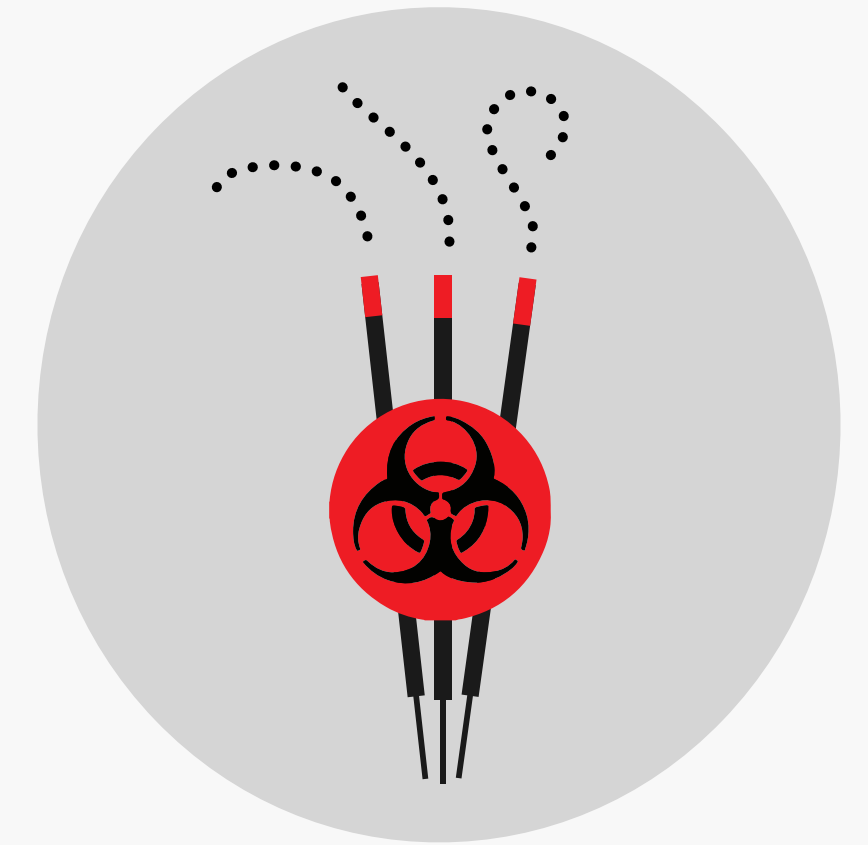


~35%

Penetration



**Dominated by
illegal players**



**GCPL LAUNCHES INDIA'S
ONLY GOVERNMENT
REGISTERED
ACTIVE BASED
ANTI-MOSQUITO
AGARBATTI**

Goodnight Agarbatti, best placed to formalise the Incense Sticks market

Safe

India's **only government registered** anti-mosquito agarbatti

Effective

2X more effective molecule

Affordable

Affordable price point
(₹10/pack)



RNF* molecule is 2x more effective than any other registered molecule; Exclusivity with GCPL

2x

more effective



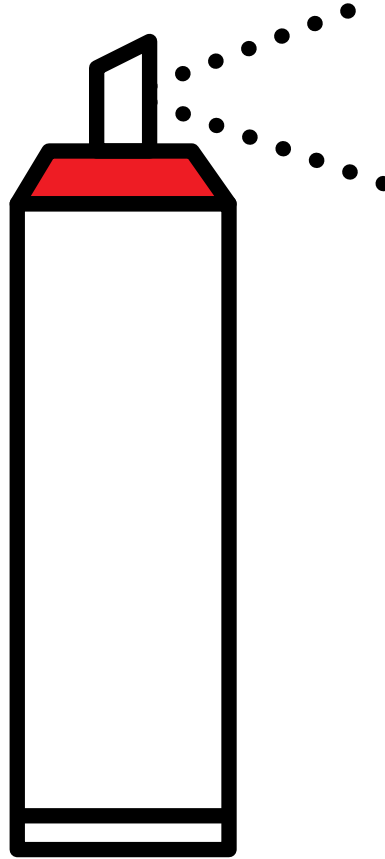
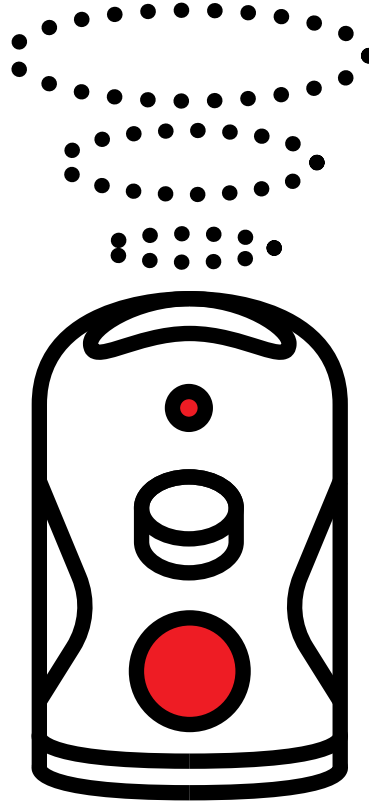
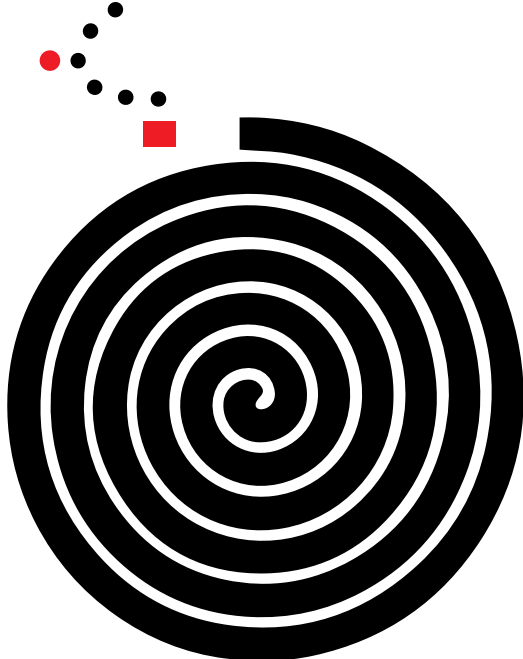
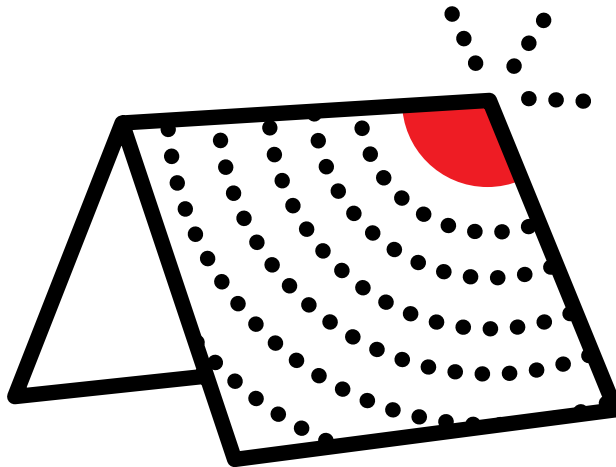
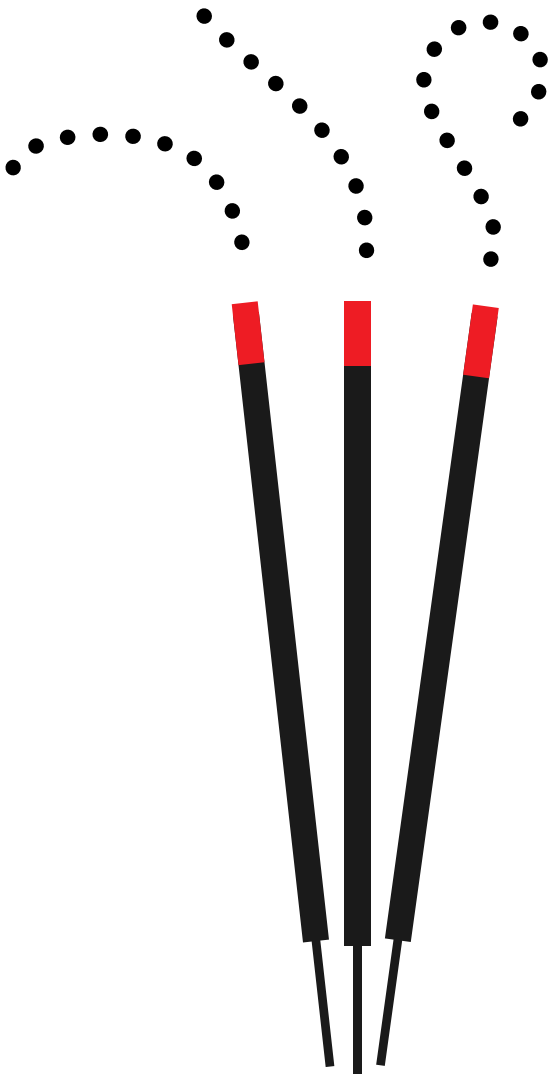
GCPL exclusivity
for medium term



Made in India
molecule



Goodknight continues to innovate and protect India for over 40 years



1

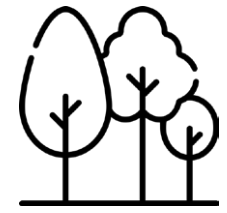
Meeting consumer needs across various use cases through innovative products

2

Offering products at various price points

**ENVIRONMENTAL,
SOCIAL, AND
GOVERNANCE
UPDATE**

Our ESG targets for FY2025 and Q2 FY2024 performance



Environment*

Vision	Goals for FY2025	Performance update
<p>Influence sustainable consumption</p>	<p>Ensure efficient waste management systems for 7 municipalities in India diverting over 5,000 MT of waste from landfills</p> <hr/> <p>20% reduction in packaging intensity. 80% of plastic used to be recyclable. Rigid plastics to be replaced by 30% recycled plastic by the fiscal year 2025-26. Flexible plastics to be replaced by 10% recycled plastic by the fiscal year 2026-27 and multi-layer plastics to be replaced by 5% recycled plastic by the fiscal year 2026-27.</p> <hr/> <p>Ensure one-third of all products are greener than in 2020 by carrying out lifecycle assessments (LCA) for major products (80% coverage by revenue)</p> <hr/> <ul style="list-style-type: none"> Cover 75% of GCPL suppliers in India (by procurement spends), and 50% for our other geographies, under our sustainable supply chain policy. Source 100% of paper packaging from sustainable sources. 	<p>Ongoing community waste management projects in 5 municipalities. Source segregation achieved inception till date: 40-90% (highest at 98% in Palashbari)</p> <p>3,926 MT municipal waste diverted from landfill</p> <hr/> <p>Plastic recyclability is at 38%</p> <p>Reduced our plastic packaging intensity by 13.4% from FY2017-18 baseline</p> <hr/> <p>Completed LCAs coverage of products covering 60% of our revenues</p> <hr/> <p>72% of India suppliers (by spend volume) covered under our Sustainable Supply Chain Policy and are being assessed for FY24</p>

Note: *India targets reported. We have similar targets for international locations.

Our ESG targets for FY2025 and Q2 FY2024 performance



Environment*

Vision	Goals for FY2025	Performance update
<p>Lead in sustainability action</p>	<p>45% reduction in GHG emission intensity and carbon neutrality for Scope-1&2 from FY11 baseline</p> <hr/> <p>40% reduction in specific energy consumption from FY11 baseline</p> <hr/> <p>Achieve 35% renewables in energy mix</p> <hr/> <p>Maintain 40% reduction in water intensity while maintaining water positivity</p> <hr/> <p>Achieve zero liquid discharge and maintain zero waste to landfill</p> <hr/> <p>Announce our commitment towards the global Science Based Targets initiative (SBTi) and publish our roadmap and targets for emissions reduction</p> <hr/> <p>Achieve 100% EPR compliance</p>	<p>48% reduction in GHG emission intensity</p> <hr/> <p>37% reduction in specific energy consumption</p> <hr/> <p>33% of energy is from renewables</p> <hr/> <p>34% reduction in water intensity and continuing to be water positive</p> <hr/> <p>Continue to be zero waste to landfill and reduced liquid discharge by 91%</p> <hr/> <p>SBT emissions reduction targets and roadmap have been created and submitted to SBTi, they are under validation. We're also committed to internal Scope 1 and 2 Net-zero by 2035, inline with SBTi.</p> <hr/> <p>Plastic neutral and 100% EPR compliant</p>

Note: *India targets reported. We have similar targets for international locations.

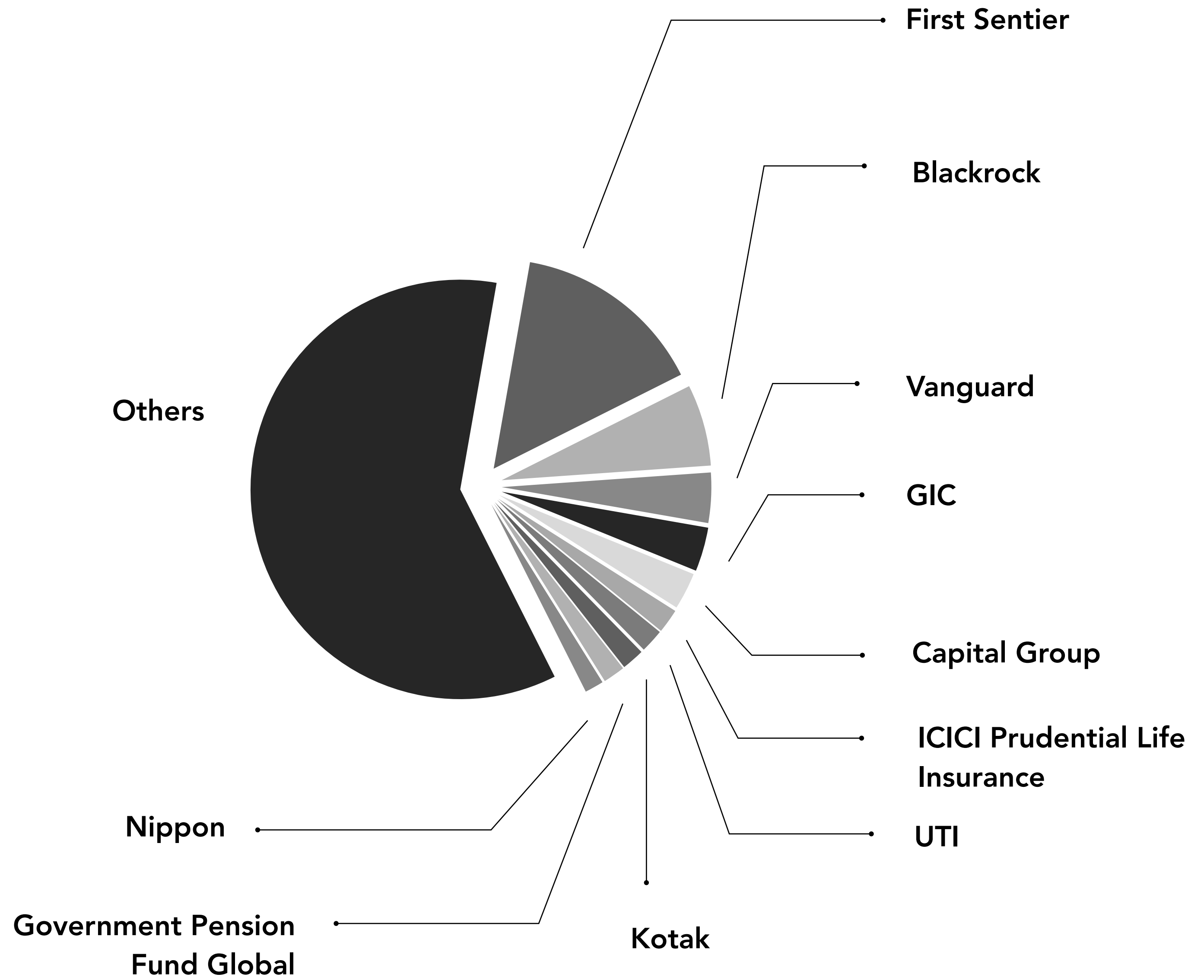
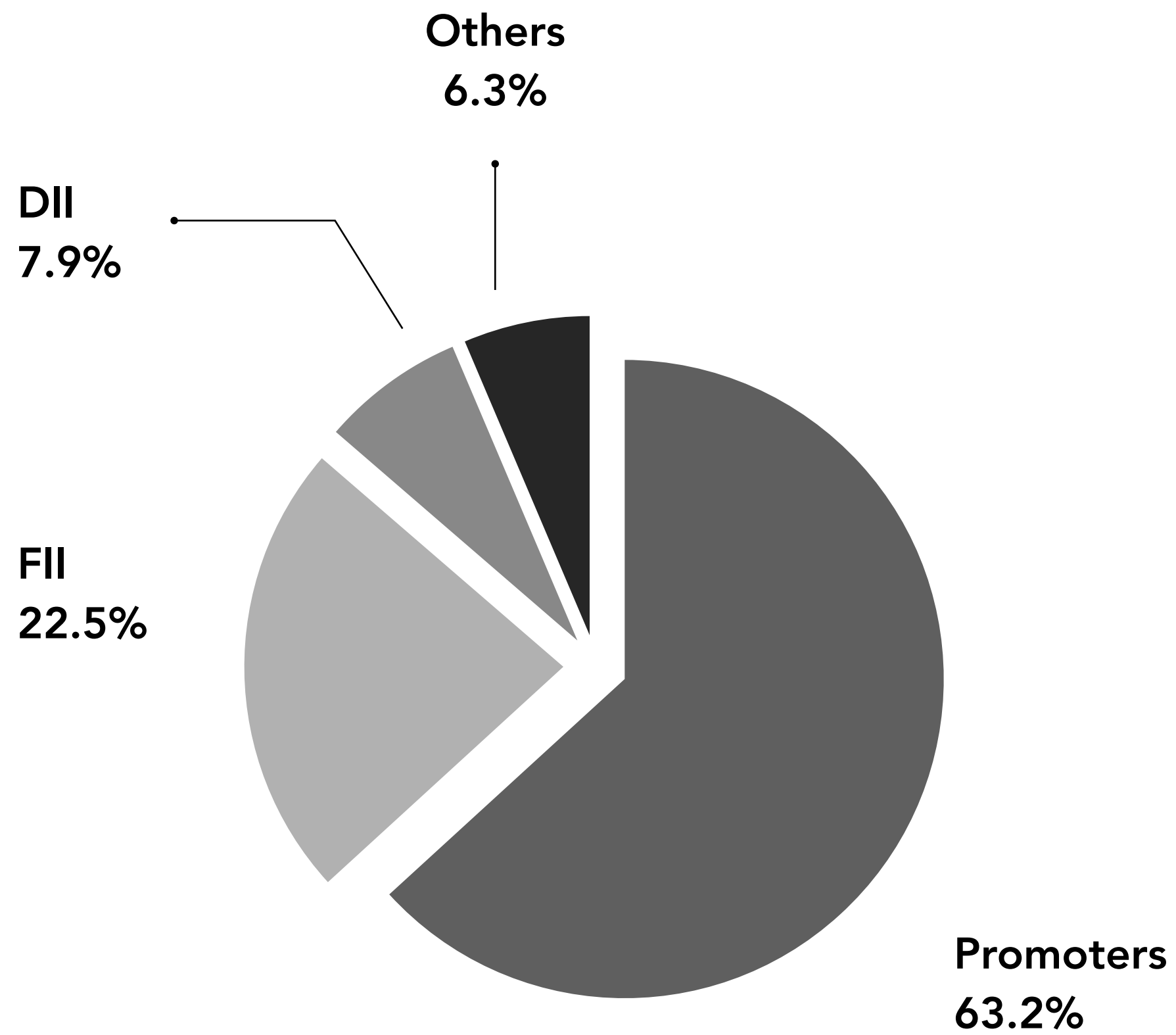
Our ESG targets for FY2025 and Q2 FY2024 performance



Social*

Vision	Goals for FY2025	Performance update
<p>Equip communities with skills that empower</p>	<p>Empower 200,000 women in beauty skills, across emerging markets globally</p>	<p>Trained, upskilled and reached out to 33,501 women beauty entrepreneurs, young girls, and men in India and Africa in beauty and hair styling skills and enterprise development</p>
<p>Improve health and well-being</p>	<p>Strengthen public healthcare systems in three states in India</p> <hr/> <p>Protect 30 million people against vector-borne diseases</p>	<p>Scaled EMBED in Maharashtra and commenced a state-level Technical Support Unit for vector-borne disease surveillance and on-ground community support to raise awareness and testing</p> <hr/> <p>Reached out to 28.2 million people since FY16</p> <p>Rural malaria: 12% increase in testing against the same period last year, 56% reduction in malaria cases from the same period last year</p> <p>Urban dengue: 2% reduction in larva breeding sites against the same period last year</p>

SHAREHOLDING PATTERN



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Thank you

