

## PRESS RELEASE

### Q1 FY 2025 results – GCPL India delivers double-digit volume growth; Consolidated EBITDA grew 13%

**Mumbai, August 7, 2024:** Godrej Consumer Products Limited (GCPL), a leading emerging markets FMCG company, today announced its financial results for the quarter ending June 30, 2024.

#### FINANCIAL OVERVIEW

##### Q1 FY 2025 FINANCIAL PERFORMANCE SUMMARY:

- Segment wise results as under
  - India business organic volume grew by 8% and reported volume grew by 10%; reported sales grew by 9% year-on-year
  - Indonesia volumes grew by 7% and sales grew by 11% in constant currency terms, year-on-year
  - Africa, USA and Middle East (organic) sales declined 25% in INR terms and 10% in constant currency terms, year-on-year
  - Latin America and SAARC sales grew by 7% in INR terms and grew by 147% in constant currency terms, year-on-year
- Q1 FY 2025 consolidated EBITDA grew by 13% year-on-year
- Q1 FY 2025 consolidated net profit grew by 14% year-on-year (without exceptional items and one-offs)

#### GCPL ENTERS NEW BUSINESS OF PET CARE ORGANICALLY

- Enter the Pet Care business in India through Godrej Pet Care (GPC), a subsidiary of GCPL
- Pet care is a ~₹5,000 crore category, with a potential of strong double-digit growth for the next few decades
- GCPL will invest ₹500 crore in GPC over a period of 5 years; GAVL will be the manufacturing and R&D partner
- Plan to commence in second half of FY 2026

## MANAGING DIRECTOR AND CEO'S COMMENTS

Commenting on the business performance of Q1 FY 2025, Sudhir Sitapati, Managing Director and CEO, GCPL, said:

*We started the year with a healthy volume growth in our key geographies of India and Indonesia. In India, we delivered an organic volume growth of 8% and reported volume growth of 10%. The performance was broad-based across Home Care and Personal Care. In Indonesia, we continue to deliver robust performance with 7% volume growth. In organic terms, Africa, USA and the Middle East sales declined by 10% in constant currency terms while 25% in INR terms due to depreciating Naira, however, offtakes continue to remain strong. This translated in organic consolidated revenue to decline by 1% while in constant currency terms sales was up by 11%.*

*Our quality of profits has been improving consistently over the last few quarters with reported Consolidated gross margin improving by 230 bps year-on-year. Our EBITDA Margin, too, improved by 310 bps year-on-year.*

*We remain focused on driving volume-led growth along with healthy investments in our brands and improvement in profitability. We continue to have a strong balance sheet. We are on track in our journey to reduce wasted cost and are deploying this to drive profitable and sustainable volume growth across our portfolio through category development.*

*Today, we are announcing the formation of Godrej Pet Care (GPC), a subsidiary of GCPL. Pet foods is already a ₹5,000 crore category with many decades of late teens growth ahead. To give a perspective, only ~10% of Indians own a pet of which only 10% feed packaged food and that too only 40% of the time. Calorie conversion in India is only 4%. China, which was remarkably similar to India 15 years ago, has 20% pet ownership with a calorie conversion of 25%.*

*While the opportunity is clear, we believe that our right to win as a group is high. GAVL, our group company, is the market leader in animal feed and has a good understanding of pet foods R&D, with competitive advantages in supply chain. GCPL will invest the entire capital of ₹500 crore in GPC over a period of 5 years, post which we see GPC becoming cash flow positive. GAVL will be our manufacturing and R&D partner. Lead times to set up capex are long, and we hope to commence manufacturing in the second half of next year.*

## BUSINESS UPDATE – INDIA

### Performance Highlights

- Q1 FY 2025 India (organic) sales grew by 6%; volume grew by 8%
- Q1 FY 2025 EBITDA grew by 8%
- Q1 FY 2025 net profit without exceptions and one-offs grew by 5%

### Category Review

#### Home Care

Home Care grew by 8%

- Household Insecticides volume growth was stable at low-single digit, impacted by severe heatwaves. Goodknight Agarbatti is scaling up well and gaining market share from illegal Incense Stick players.
  - We launched the new Goodknight Liquid Vaporiser, with our exclusive RNF molecule, across India.
  - We launched the all-new **HIT Spray Matic**, which is India's only registered automatic mosquito spray. It is the most convenient instant kill mosquito solution available in India. It was launched in July in select channels at a premium price point of ₹650, and has, so far, received with good initial consumer traction.
- Air Fresheners continue to consistently deliver double-digit volume growth. It continues to gain market share and enjoy market leadership. Aer O continues to perform significantly ahead of expectations.
- Fabric Care delivered strong double-digit volume growth. After a strong performance, **Godrej Fab has been scaled up nationally across select channels and general trade in select states**. Genteel continues to deliver robust performance and has more than doubled its salience in the last two years.

#### Personal Care

Personal Care grew by 6%

- Personal Wash delivers stable volume growth at low single-digit. We continue to gain market share. Magic Handwash continues to deliver strong double-digit volume growth and gain share. Cinthol Foam Body Wash pilot was launched in select states and on e-commerce platforms and has received an encouraging initial response.
- Hair Colours volume was flat; we continue to gain market share. Overall, the category was impacted by lesser wedding dates in this quarter which is expected to normalise in the coming quarters. Godrej Expert Rich Crème access packs continue to outperform, making it the highest distributed Hair Colour product in India. Shampoo Hair Colour continues to grow in strong double-digit in volume terms.
- Park Avenue and KamaSutra: Post portfolio simplification and rationalisation of SKUs, Park Avenue and KamaSutra continue to deliver a healthy sales run-rate; delivered sales of ₹153 crore. Sexual Wellness delivered ahead of expectations and continue to gain market share. We are on track to achieve full-year ambition.

## BUSINESS UPDATE – INDONESIA

- Sales grew by 11% in constant currency terms and 3% in INR terms. INR sales was impacted by significant currency depreciation. Volumes grew by 7%.
- We continue to improve EBITDA margins, up ~400 bps year-on-year to 23.3%.
- Stella volume grew in strong double-digit led by focused media and market interventions. Stella Electric Diffuser launched in Q1 FY25 has received a strong initial response from both trade and consumers. HIT delivered stable low-single digit growth on a high base. Hair Colours recorded strong double-digit volume growth driven by Shampoo Hair Colour.

## BUSINESS UPDATE – AFRICA, USA AND MIDDLE EAST

- GAUM organic sales declined by 10% in constant currency terms and performance in INR terms was further impacted by the devaluation of Naira. The volume decline was led by one-time sell-in in base and streamlining of trade inventory leading to leaner and more profitable supply chain; certain actions to be completed in the next few months.
- EBITDA margin at 14.4%, up ~660 bps year-on-year led by gross margin expansion and mix improvement. Absolute EBITDA has increased from ₹66 crore to ₹78 crore.

## 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.

### **Disclaimer:**

*The financials disclosed above may differ from the reported financials to reflect the real business financial performance. Some of the statements in this communication may be forward looking statements 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.*