

PRESS RELEASE

1Q FY 2022 results – Strong start to the year; double-digit profitable sales growth

Mumbai, August 4, 2021: Godrej Consumer Products Limited (GCPL), a leading emerging markets FMCG company, today announced its financial results for the quarter ending June 30, 2021.

FINANCIAL OVERVIEW

1Q FY 2022 FINANCIAL PERFORMANCE SUMMARY:

- 1Q FY 2022 consolidated sales grew by 24% year-on-year
 - India business sales grew by 19% year-on-year
 - Indonesia sales growth was 1% INR and 0% in constant currency terms, year-on-year
 - Africa, USA and Middle East sales grew by 59% in INR and 60% in constant currency terms, year-on-year
 - Latin America & SAARC sales grew by 26% in INR and 48% in constant currency terms, year-on-year
- 1Q FY 2022 consolidated EBITDA grew by 29% year-on-year
- 1Q FY 2022 consolidated net profit grew by 38% year-on-year (without exceptional items and one-offs)

CHAIRPERSON AND MANAGING DIRECTOR'S COMMENTS

Commenting on the business performance of 1Q FY 2022, Nisaba Godrej, Chairperson and Managing Director, GCPL, said:

We had a strong start to the year, delivering double-digit profitable sales growth. Consolidated sales grew by 24% and EBITDA grew by 29%. Our 2-year CAGR on consolidated sales was 11% and EBITDA was 15%.

We saw strong double-digit sales growth in the Home Care and Personal Care categories. Home Care grew by 14% and Personal Care grew by 29%. The sub-categories within Home Care and Personal Care saw broad based growth.

From a geography perspective, India grew at 19%. Our Africa, USA and Middle East business continued its robust growth trajectory, growing at 59% in INR and 60% in constant currency terms. Our Indonesian business grew 1% in INR while growth in constant currency terms remained flat.

Going forward, we will continue to focus our efforts where the demand is in Home Care and Personal Care – in Household Insecticides, Personal Wash & Hygiene, and Hair Care. We have a robust pipeline of consumer-centric innovations and are building out full portfolios across price points. At the same time, we are strengthening our supply chain operations and distribution networks. We are also ramping up digital capabilities and new channels like e-commerce and chemists.

We remain confident of leveraging growth opportunities to drive sustainable, profitable sales growth across our portfolio in fiscal year 2022. I am very proud of the exceptional agility and resilience with which our team is navigating the challenges of COVID-19 across geographies – ensuring seamless supply chain deliveries and responding to shifts in consumer behaviour. We continue to do our best to truly live The Godrej Way and serve our people and communities.

BUSINESS UPDATE – INDIA

Performance Highlights

- 1Q FY 2022 India sales grew by 19% to INR 1,621 crore (2-year CAGR 12%); volume grew 15%
- 1Q FY 2022 EBITDA grew by 15% to INR 425 crore
- 1Q FY 2022 Net Profit without exceptions and one-off grew by 13% to INR 325 crore

Category Review

Home Care

Home Care saw a robust growth of 21%.

We delivered strong double-digit growth in Household Insecticides. Growth was broad-based across premium formats (aerosols, electrics and non-mosquito portfolio) and burning formats. We launched Jumbo Fast Card in Maharashtra as a response to illegal incense sticks. We will continue to build on our strategic pivots of taking the category beyond mosquitoes and scaling up our personal repellents range.

Air Fresheners continued to see sequential recovery, though the overall category continues to face headwinds due to its discretionary nature. Home Hygiene witnessed strong demand amidst the second wave of COVID-19.

Personal Care

Personal Care grew by 17%.

Personal Wash & Hygiene continued momentum, delivering strong double-digit sales growth. We continued to gain market share, led by micro-marketing initiatives to fuel growth. We continue to navigate high input costs through calibrated price increases.

Hair Colours recorded strong double-digit growth on a low base. Godrej Expert Rich Crème continues to perform well, backed by a strong marketing campaign. Godrej Expert Easy 5 Minute Shampoo Hair Colour is scaling up well.

BUSINESS UPDATE – INDONESIA

Our Indonesia business delivered a weak performance with sales growth of 0% in constant currency terms (2-year constant currency CAGR of 3%). Recovery has been impacted by the second wave of COVID-19 and adverse macroeconomic factors. EBITDA margins contracted marginally by 20 bps year-on-year.

BUSINESS UPDATE – AFRICA, USA AND MIDDLE EAST

Our Africa, USA and Middle East cluster delivered a robust sales growth of 60% in constant currency terms. Our strong sales growth momentum continues in Southern Africa and West Africa. We are also seeing strong performance across categories and have introduced new go-to-market initiatives in key markets. EBITDA margins increased by 1170 bps year-on-year, driven by scale leverage and cost-saving initiatives.

ABOUT GODREJ CONSUMER PRODUCTS

Godrej Consumer Products is a leading emerging markets company. As part of the 124-year young Godrej Group, we are fortunate to have a proud legacy 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, our Group enjoys the patronage of 1.15 billion consumers globally, across different businesses. 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.

But for us, it is very important that besides our strong financial performance and innovative, much-loved products, we remain a good company. Approximately 23 per cent of the promoter holding in our Group is held in trusts that invest in the environment, health and education. We are also bringing together our passion and purpose to make a difference through our 'Good & Green' approach to create a more inclusive and greener India.

At the heart of all of this, is our talented team. We take much pride in fostering an inspiring workplace, with an agile and high performance culture. We are also deeply committed to recognising and valuing diversity across our teams.

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.