

Q1FY2024 Investor and Analyst Performance Update

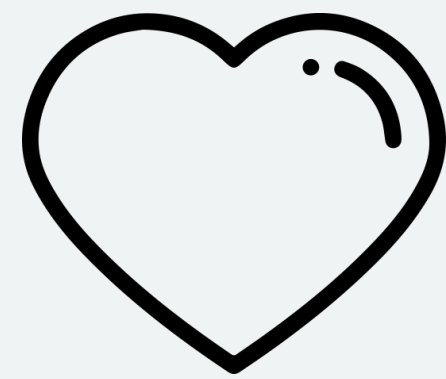
August 7, 2023



Disclaimer

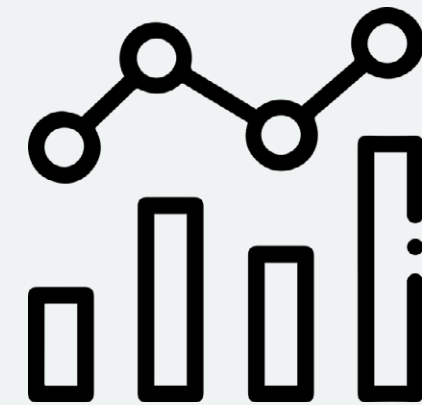
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Our purpose and strategy



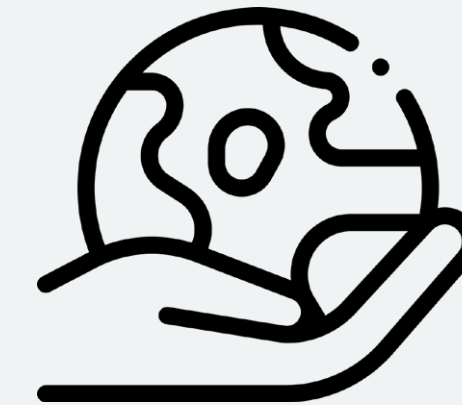
Purpose

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



Business aspiration

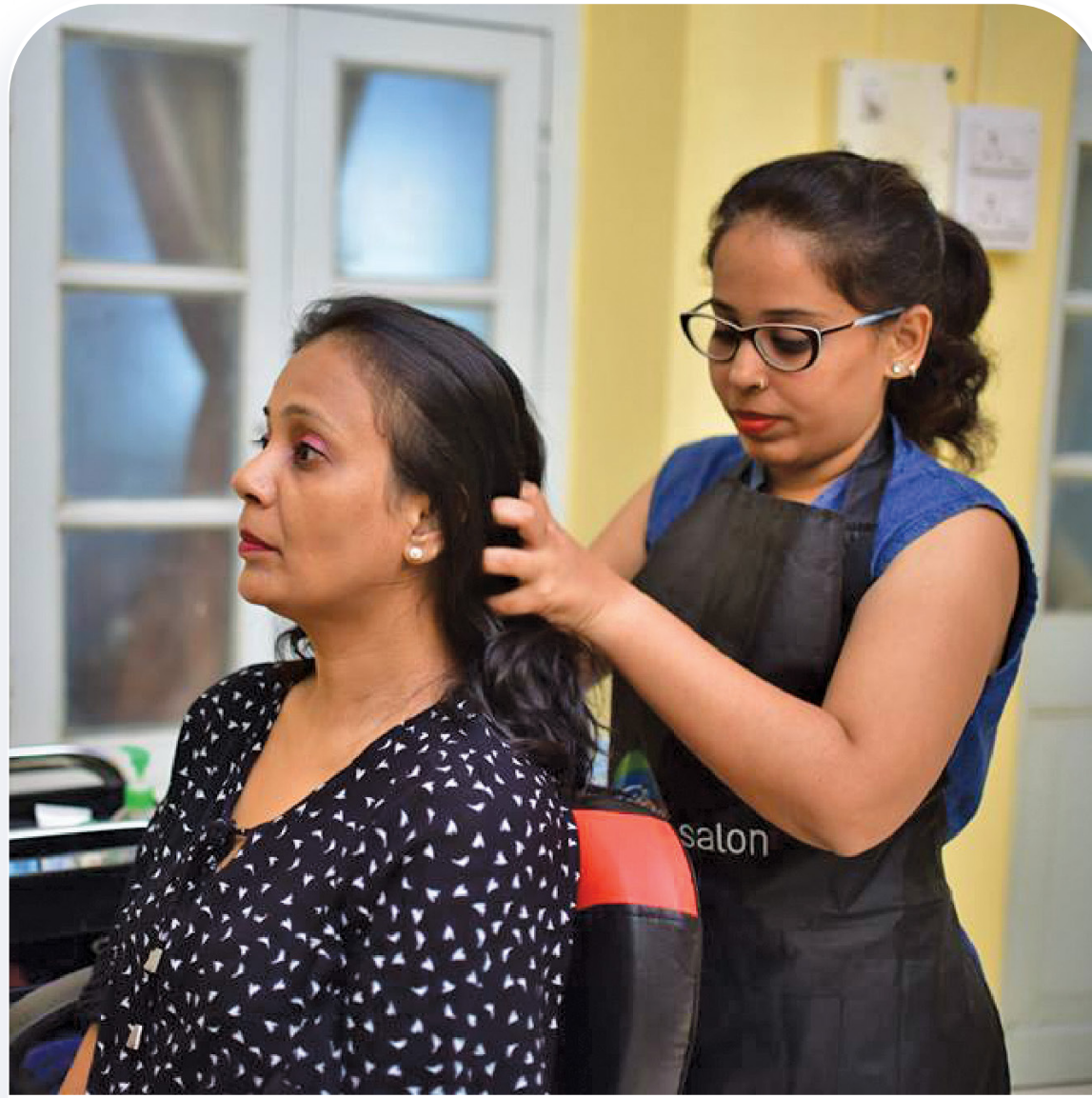
Drive penetration-led volume growth through category development



Environmental, social, and governance (ESG)

Become sustainability leaders, influence sustainable consumption, and drive social impact

Committed to our strategy



Lead through category development



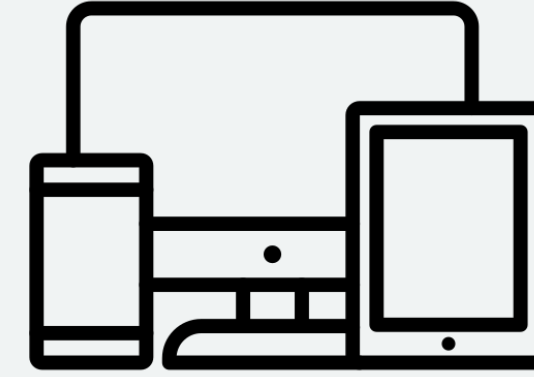
Funded by radical simplification



People and planet alongside profit



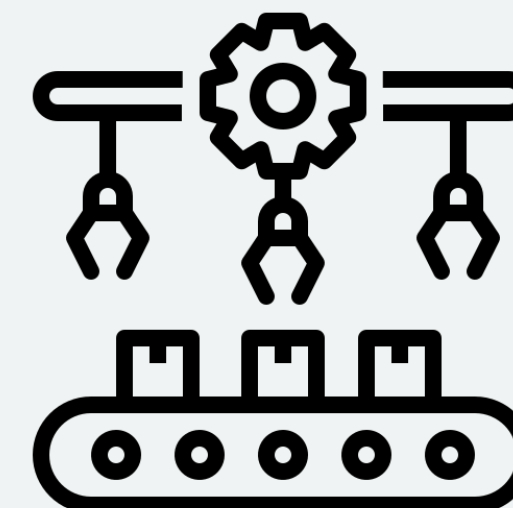
Lead through category development



+125%
increase in
Working Media



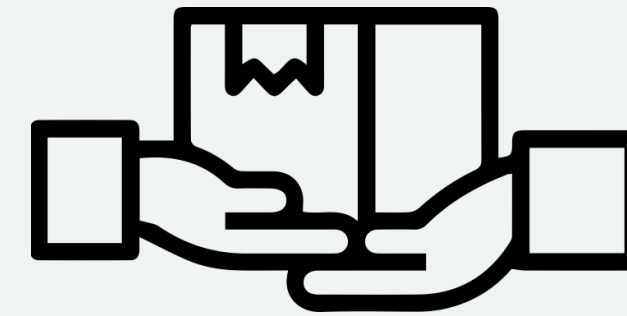
Launched **Aer O**
Car Air Fresheners



We plan to invest around
₹900 crores in organic
manufacturing capex over
the next **18-36 months**



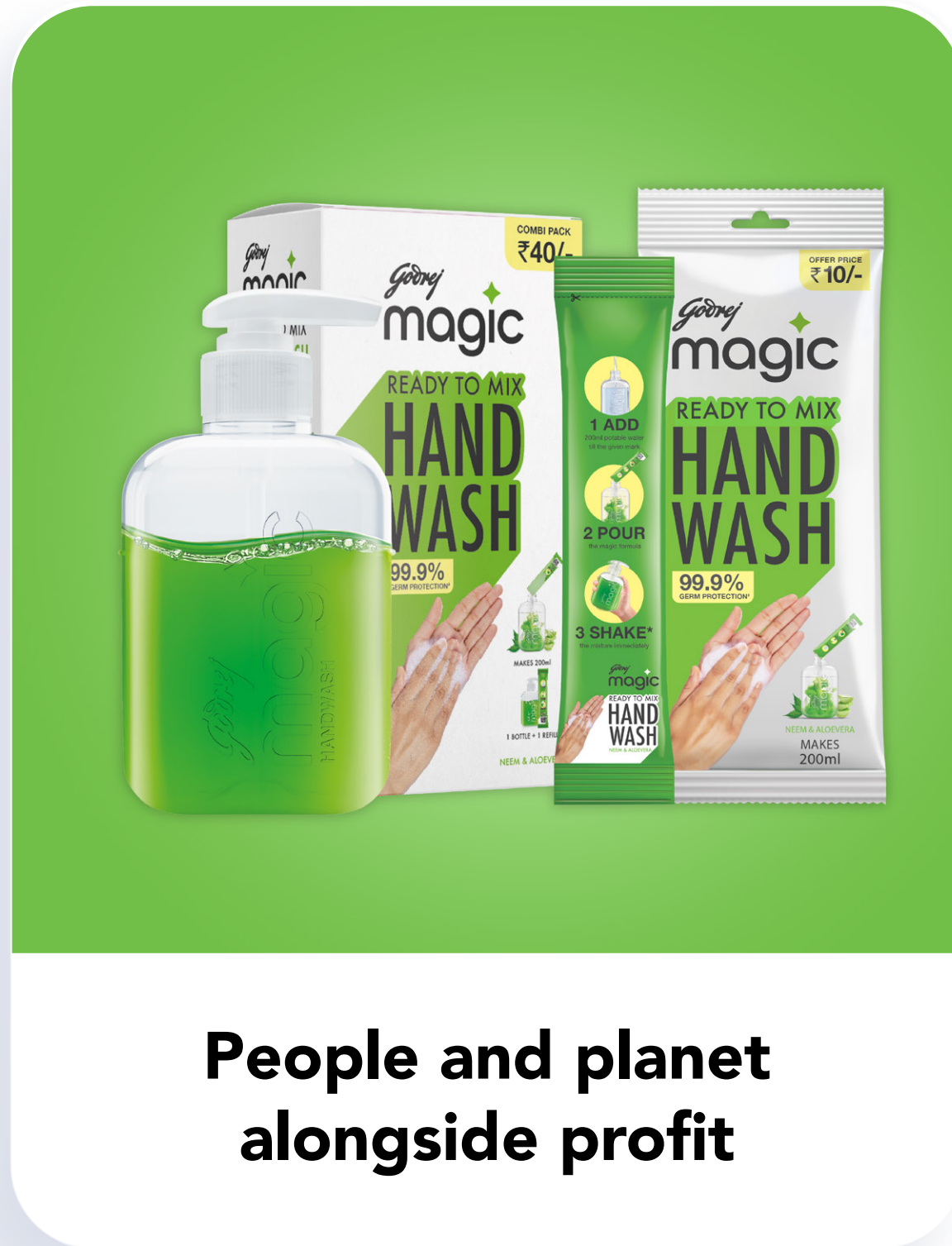
**Funded by radical
simplification**



Partnership with a **national distributor in Nigeria** is progressing well



**Reduced channel
inventory in Indonesia**



**People and planet
alongside profit**



**Launched Magic
Floor Cleaner**

FINANCIAL PERFORMANCE UPDATE

Double-digit volume growth along with robust EBITDA performance

Growth (year-on-year)	Consolidated Business		India Business	
	Reported	Organic	Reported	Organic
Underlying Volume Growth	10%	8%	12%	10%
Net Sales (Constant Currency)	15%	13%	-	-
Net Sales	10%	9%	9%	6%
EBITDA	28%	~36%	21%	~32%
EBITDA + Working Media	39%	~43%	40%	~46%
EBITDA incl. Forex	23%	~32%	20%	~31%
Net Profit (Reported)	(8)%	-	22%	-
Net Profit (Without exceptional and one-off items)	19%	-	11%#	-
Operating Cash Flow	4.9X	-	1.6X	-

Organic EBITDA on estimated basis
#India profit reduced by dividend income received from subsidiary

Broad-based sales performance across clusters

Geography		Sales (₹ crore)	Growth (Year-on-year)	Constant Currency Growth (Year-on-year)
India	Reported	1,971	9%	-
	Organic	1,924	6%	
Indonesia		450	20%	15%
Africa, USA and Middle East		847	9%	16%
Latin America and SAARC		178	18%	79%
Total Net Sales	Reported	3,418	10%	15%
	Organic	3,370	9%	13%

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

Strong margin expansion across key markets

	India		Indonesia	Africa, USA & Middle East	Latin America & SAARC
	Reported	Organic			
Q1FY24 Reported EBITDA Margin	25.2%	28.2%	19.1%	11.4%	0.8%
Business support charges, royalty and technical fees (₹ crore)	(5.1)	(5.1)	1.8	3.5	(0.2)
Q1FY24 Operating EBITDA Margin	25.0%	27.9%	19.5%	11.8%	0.6%
Change in EBITDA Margin (bps) (y-y)	+250	+540	+420	+350	(70)
Change in EBITDA + Working Media Margin (bps) (y-y)	+800	+1,030	+440	+300	(120)
Q1FY24 EBITDA incl. Forex margin	24.9%	27.8%	19.4%	7.8%	(0.4%)
Change in EBITDA incl. Forex Margin (bps) (y-y)	+240	+530	+410	+140	(140)

Exceptional and One-off Items

Consolidated Business	Q1 FY2024	Q1 FY2023
Net Profit (Reported)	319	345
Exceptionals (Post tax):		
Restructuring costs	2.8	1.8
Stamp duty and other costs (India)	57.0	-
Tax impact on dividend received from subsidiary	34.0	-
Others (Latin America)	0.6	(0.1)
Net Profit (Without exceptional and one-off items)	413	347

Note: All values are in ₹ crore and rounded off

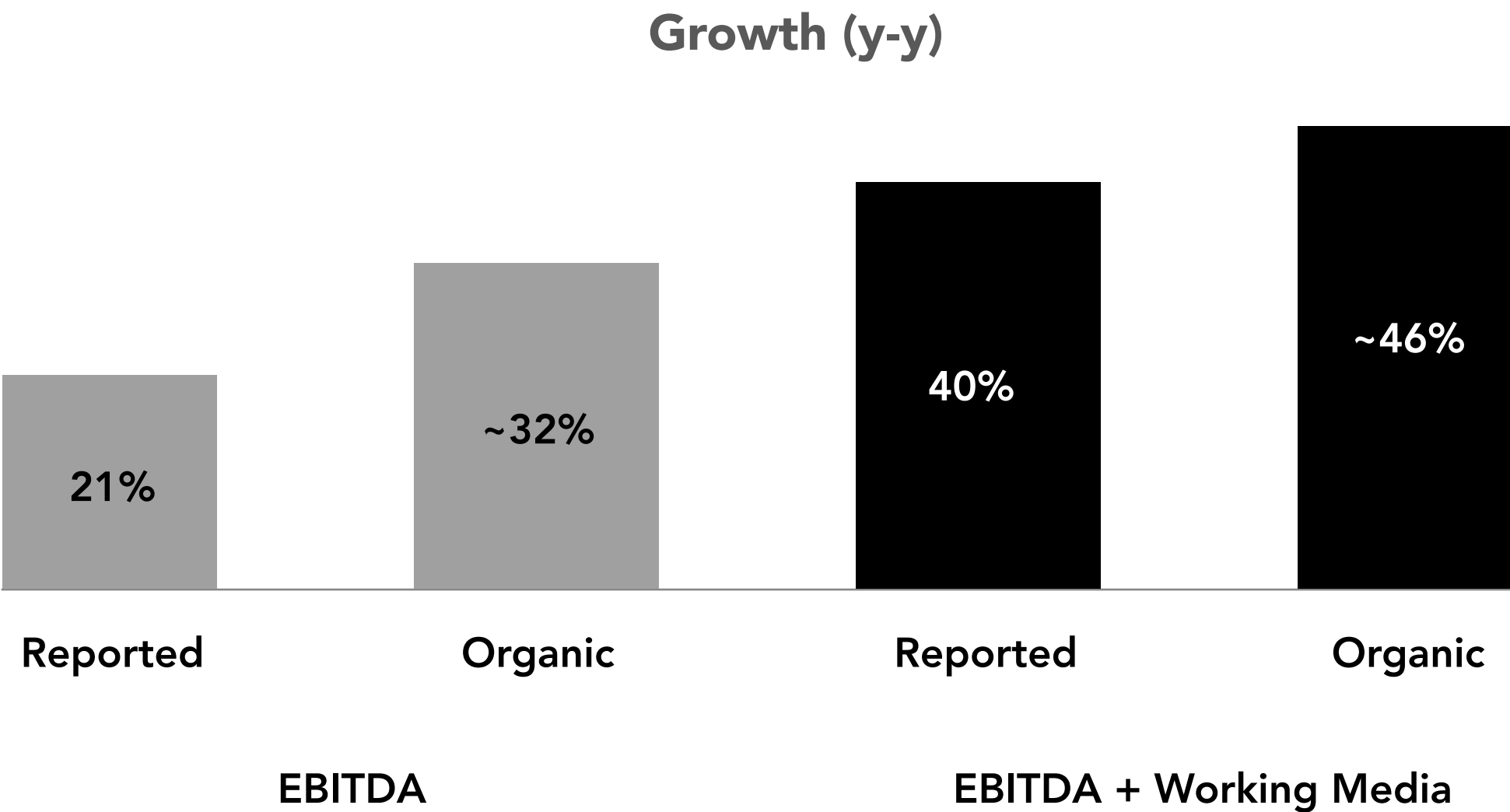
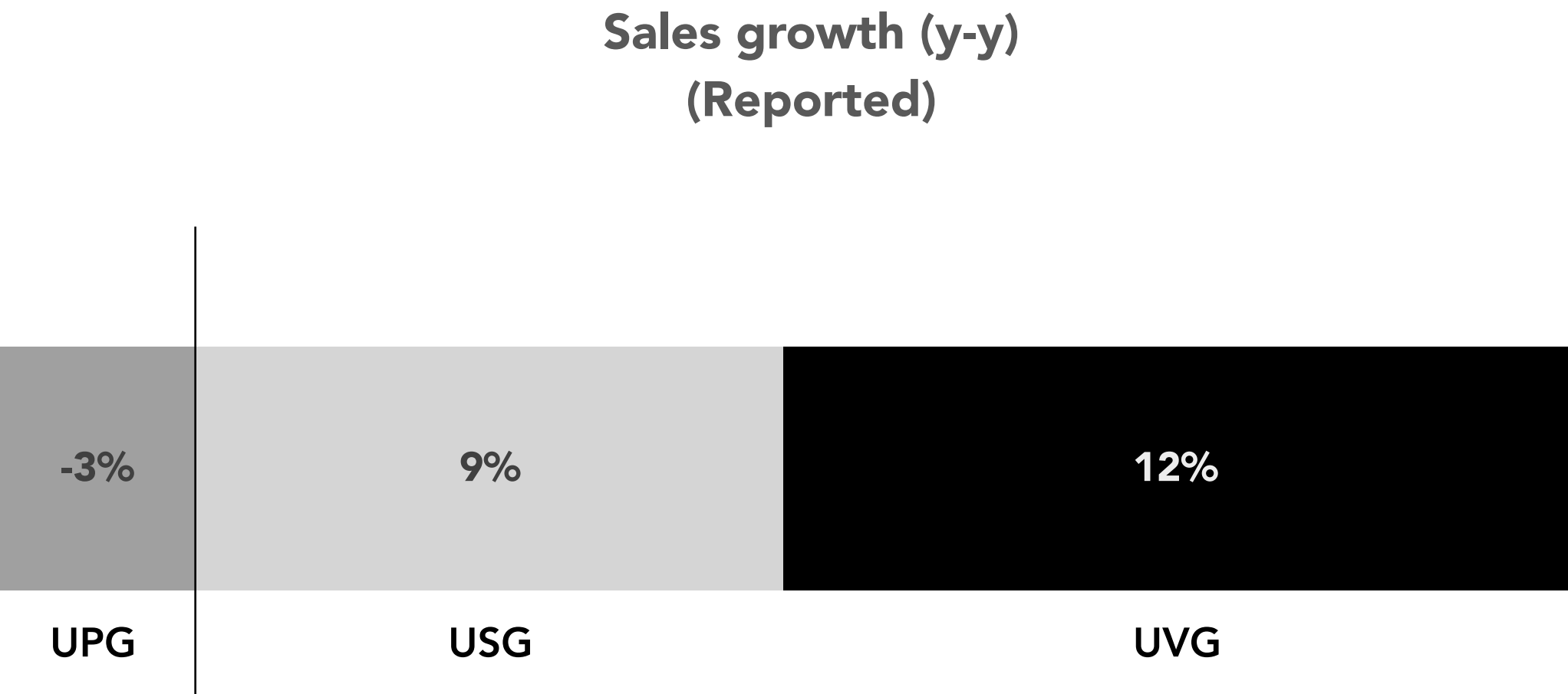
INDIA BUSINESS UPDATE

Double-digit volume growth momentum continues

- Double-digit UVG of 12% (Reported), 10% (Organic)
- Home Care volume growth in teens and Personal Care (Organic) in mid-single digits

Robust margin improvement (Reported) continues:

- Gross Margin up **1,130 bps** year-on-year
- Increase in Working Media investment by **125%** year-on-year
- EBITDA margins of **25.0%**, up **250 bps** year-on-year



Organic EBITDA on estimated basis
USG: Underlying Sales Growth; UPG: Underlying Pricing Growth; UVG: Underlying Volume Growth

Healthy volume-led growth across categories

Category	Sales (₹ crore)	Growth (Year-on-year)
Home Care	752	14%
Personal Care	1,109	2%
Total Branded	1,861	6%
Unbranded and Exports	62	1%
Total Net Sales (Organic)	1,924	6%
Personal Care (Inorganic)	48	-
Total Net Sales (Reported)	1,971	9%

Home Care (1/2): Household Insecticides continues double-digit growth momentum

- Household Insecticides sustain double-digit volume and value growth
- Performance led by strong growth in premium formats
- Scaling up distribution of access packs of **Goodnight Mini Liquid Vaporizer** and **HIT No-gas Spray**
- Continue to drive category adoption and penetration for long-term sustainable growth



Home Care (2/2): Consistently delivering double-digit growth in Air Fresheners

- **Air Fresheners** continue to consistently deliver strong double-digit growth
- Aer continues to gain share and enjoy market leadership
- Performance led by robust growth in Aer Pocket, Aer Matic and Car Range
- Continuing category development and relevance-building initiatives



Personal Care (1/2): Personal Wash delivers healthy volume-led growth

- **Personal Wash** delivers high-single digit volume growth; value growth in low-single digit as the benefit of lower input cost was passed on to consumers
- Growth ahead of category led by effective media campaigns and micro marketing initiatives
- Magic handwash delivers strong double-digit volume growth



Personal Care (2/2): Steady performance in Hair Colour

- **Hair Colour** grew in mid-single digits due to high base (launch of ₹15 Godrej Expert Crème access pack); 2-year CAGR in teens
- Growth led by steady performance across formats
- Scaling up distribution of the access pack of Godrej Selfie Shampoo Hair Colour



Integration of Park Avenue and KamaSutra brands on track

- Primary sales were ₹48 crore and secondary sales were more than 2x of primary sales
- Improvement in channel hygiene underway – reduced channel inventory and took stock returns
- Kicked off category development initiatives backed by media investments
- Completed ERP integration; distribution and manpower integration underway



INTERNATIONAL BUSINESS UPDATE

Indonesia business delivers improved performance

- Sales grew by 15% (constant currency) aided by structural initiatives taken last year
- EBITDA margins at 19.5%, up 420 bps year-on-year led by reduction in trade promotions and scale leverage
- EBITDA incl. Forex margin at 19.4%, up 410 bps year-on-year
- Continue to focus on category development initiatives, increase media investments and launch access packs to augment GT distribution



Double-digit sales growth continues in Africa, USA & Middle East

- Sales growth of 16% in constant currency terms
- Performance in INR terms was impacted by the devaluation of NAIRA
- Continue to deliver healthy double-digit growth in FMCG categories
- EBITDA margins at 11.8%, up 350 bps year-on-year led by gross margin expansion
- EBITDA incl. Forex margin at 7.8%, up 140 bps year-on-year



ENVIRONMENTAL, SOCIAL, AND GOVERNANCE UPDATE

Our ESG targets for FY2025 and Q4 FY2023 performance



Vision	Goals for FY2025	Performance update
Influence sustainable consumption	Ensure efficient waste management systems for 7 municipalities in India diverting over 5,000 MT of waste from landfills	Ongoing community waste management projects in 5 municipalities 1,786 MT municipal waste diverted from landfill and over 500 MT of plastic waste recycled
	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.	Over 34% of our plastic is recyclable Reduced our plastic packaging intensity by 17% from FY2019-20 baseline
	Ensure one-third of all products are greener than in 2020 by carrying out lifecycle assessments (LCA) for major products (80% coverage by revenue)	Completed LCAs of 7 products that cover over 50% of our revenues
	<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.	71% of India suppliers (by spend volume) covered under our sustainable supply chain policy and are being assessed

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

Our ESG targets for FY2025 and Q4 FY2023 performance



Vision	Goals for FY2025	Performance update
Lead in sustainability action	45% reduction in GHG emission intensity and carbon neutrality for Scope 1 and 2 from FY11 baseline	48% reduction in GHG emission intensity
	40% reduction in specific energy consumption from FY11 baseline	39% reduction in specific energy consumption
	Achieve 35% renewables in energy mix	31.6% of energy is from renewables
	Maintain 40% reduction in water intensity while maintaining water positivity	30% reduction in water intensity and continuing to be water positive
	Achieve zero liquid discharge and maintain zero waste to landfill	Continue to be zero waste to landfill
	Announce our commitment towards the global Science Based Targets initiative (SBTi) and publish our roadmap and targets for emissions reduction	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.
	Achieve 100% EPR compliance	We're plastic neutral and 100% EPR compliant

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

Our ESG targets for FY2025 and Q4 FY2023 performance

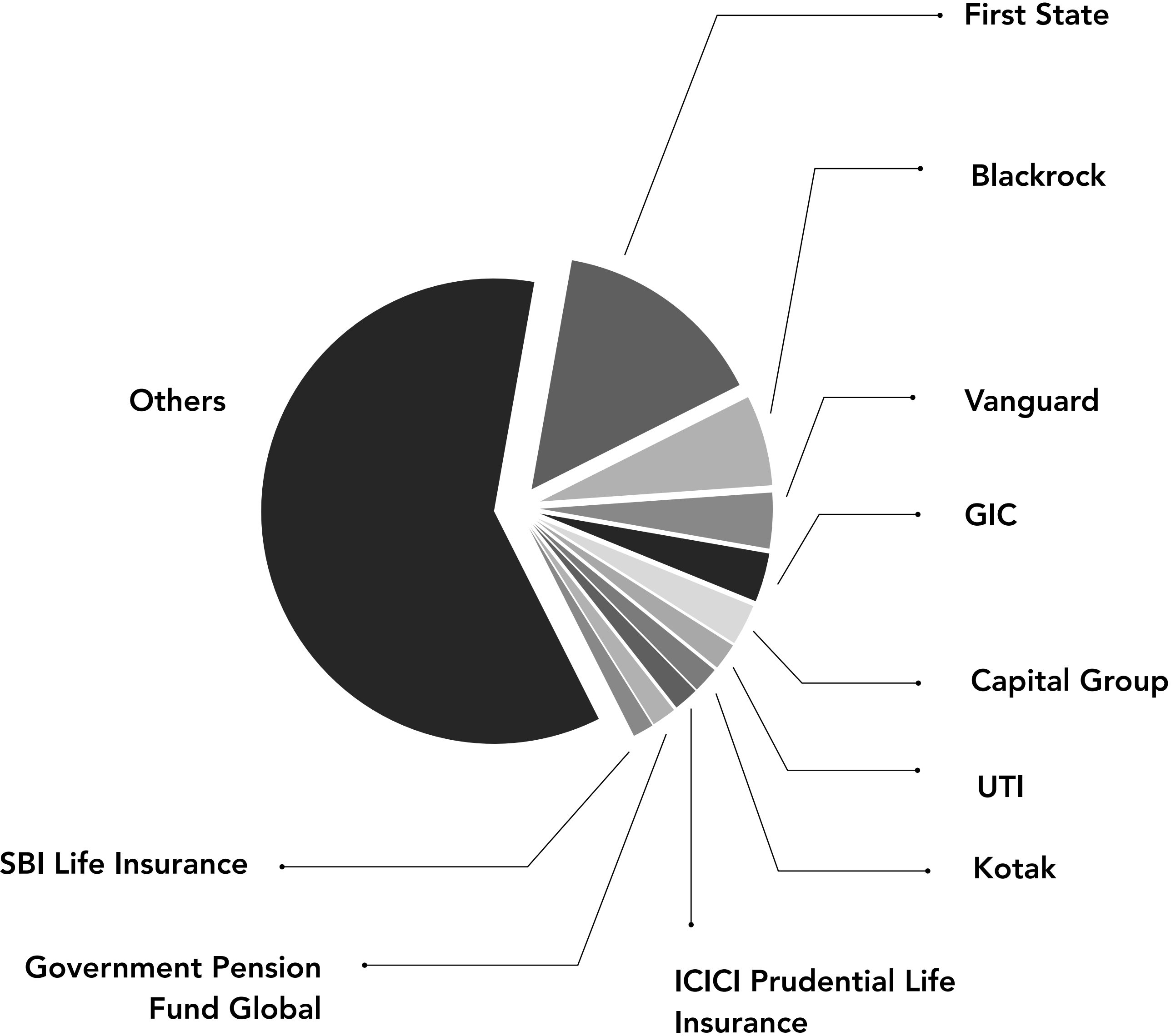
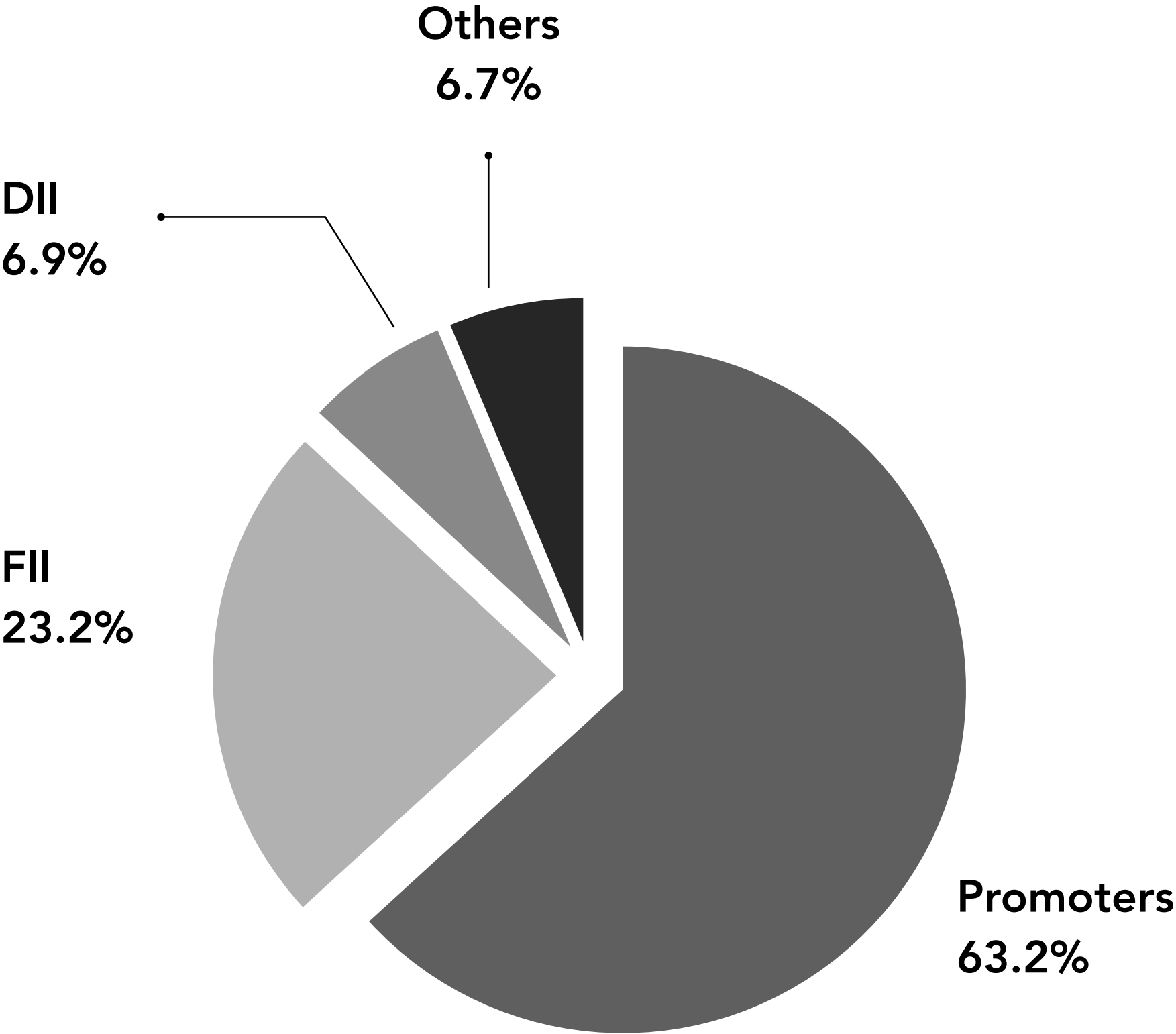


Vision	Goals for FY2025	Performance update
Equip communities with skills that empower	Empower 200,000 women in beauty skills, across emerging markets globally	<p>Trained and upskilled 14,6733 women beauty entrepreneurs, young girls, and men in India and Africa in beauty and hair styling skills and enterprise development</p> <p>17% Salon-i trained students placed with an average salary of INR 4,446; 13% self employed with average income INR 4,676</p>
Improve health and well-being	<p>Strengthen public healthcare systems in three states in India</p> <hr/> <p>Protect 30 million people against vector-borne diseases</p>	<p>Technical Support Unit for Integrated Vector Management (IVM): Supported NCVBDC to initiate national dengue control framework with inputs of best practices from endemic states</p> <hr/> <p>Reached out to 28.2 million people since FY16 Zero malaria cases reported in 4 out of 9 intervention districts in 3 years</p> <p>Malaria cases reduced by 54%; increase in reporting upto 44%; increase in treatment completion by 18%</p> <p>Dengue cases reduced by 39%; increase in testing for dengue increased by 332%; reduction in larvae sources by 9%</p>

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

APPENDIX

Shareholding pattern



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