

*Godrej* | CONSUMER PRODUCTS

# Q1 FY2025 Performance Update

August 7, 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.

# The Goodness Manifesto

## OUR PURPOSE

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

## OUR VALUES



## OUR STRATEGY

Lead through category development



Funded by simplification



## 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 People and planet, alongside profit

## 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

# Building blocks of our strategy



**Lead through category development**

Relevance

Access

Availability

Trials



**Funded by simplification**

Fewer SKUs

Fewer people

Fewer operations

Simpler processes

**FINANCIAL  
PERFORMANCE  
UPDATE**

## Key highlights

**8%**

**India\*  
UVG<sup>^</sup>**

**7%**

**Indonesia  
UVG<sup>^</sup>**

**13%**

**Consolidated  
EBITDA  
growth**

# Steady performance

| Growth (year-on-year)                              | Consolidated Business | India Business |
|--|-----------------------|----------------|
| Organic Underlying Volume Growth                   | 2%                    | 8%             |
| Net Sales  | -3% (-1%*)            | 9% (6%*)       |
| Net Sales (Constant Currency)                      | 9% (11%*)             | -              |
| EBITDA   | 13%                   | 8%             |
| Net Profit (Reported)                              | 41%                   | (6%)           |
| Net Profit (without exceptional and one-off items) | 14%                   | 5%             |

\*Organic

# Currency depreciation impacted strong underlying sales growth

| Geography                 |          | Sales<br>(₹ crore) | Growth<br>(Year-on-year) | Constant Currency Growth<br>(Year-on-year) |
|---------------------------|----------|--------------------|--------------------------|--|
| India                     | Reported | 2,140              | 9%                       | -  |
|                           | Organic  | 2,091              | 6%                       |  |
| Indonesia                 |          | 465                | 3%                       | 11%  |
| Africa, USA & Middle East | Reported | 543                | (36%)                    | (23%)                                      |
|                           | Organic  | 543                | (25%)                    | (10%)                                      |
| Latin America and SAARC   |          | 191                | 7%                       | 147%                                       |
| Total Net Sales           | Reported | 3,311              | (3%)                     | 9%   |
|                           | Organic  | 3,262              | (1%)                     | 11%  |

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

# Strong EBITDA margin expansion across international geographies

|  | Consolidated | India | Indonesia | Africa, USA<br>& Middle East | Latin America<br>& SAARC |
|--|--------------|-------|-----------|------------------------------|--------------------------|
| Q1FY25 Operating EBITDA margin*                                | 21.9%        | 24.7% | 23.3%     | 14.4%                        | 4.8%                     |
| <i>Change in EBITDA margin<br/>(bps) (y-y)</i>                 | +310         | (20)  | +400      | +660                         | +520                     |
| <i>Change in EBITDA + Working Media<br/>margin (bps) (y-y)</i> | +340         | (50)  | +390      | +740                         | +430                     |

\* After adjusting business support charges, royalty and technical fees

# Net profit reconciliation statement

| Consolidated Business  | Q1 FY2025  | Q1 FY2024  |
|--|------------|------------|
| <b>(A) Net Profit (Reported)*</b>                                    | <b>451</b> | <b>319</b> |
| <b>(B) Exceptionals (Post tax):</b>                                  |            |            |
| Restructuring costs  | 19.2       | 2.8        |
| Stamp duty and other costs   | -          | 57.0       |
| Tax impact on dividend received from subsidiary                      | -          | 34.0       |
| Others   | -          | 0.6        |
| <b>(C) Net Profit (Without exceptional and one-off items) (A+B)*</b> | <b>470</b> | <b>413</b> |

\*All values are in ₹ crore and rounded off

# INDIA BUSINESS UPDATE

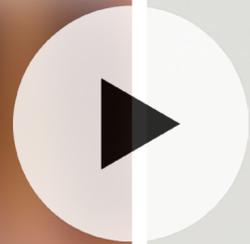
# Home Care (1/4): Stable performance in Household Insecticides; launched new Goodknight Liquid Vaporiser

- Household Insecticides volume growth stable at low-single digit, impacted by severe heatwaves
- Launched new Goodknight Liquid Vaporiser, with our exclusive RNF molecule, across India (refer Appendix 1 for details)
- Goodknight Agarbatti is scaling up well and gaining market share from illegal incense stick players



# Home Care (2/4): Launched the all-new HIT Spray Matic; automatic 'Set-and-Forget' mosquito solution

- HIT Spray Matic - India's only registered automatic mosquito spray; most convenient instant kill mosquito solution available in India
- Launched in July in select channels at a premium price point of ₹650 with good initial consumer traction



# Home Care (3/4): Air Fresheners delivers consistent double-digit growth

- Air Fresheners continue to consistently deliver **double-digit volume growth**
- Continue to **gain market share and enjoy market leadership**
- Aer O continues to perform significantly ahead of expectations



# Home Care (4/4): Strong performance in Liquid Detergents

- Fabric Care delivered strong **double-digit volume growth**
- After a strong performance, **Godrej Fab has been scaled up nationally in select channels and in 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 (1/3): Personal Wash delivers steady performance

- Personal Wash delivers stable volume growth at low single-digit; **continue to gain market share**
- Magic Handwash continues to **deliver strong double-digit volume growth and gain share**
- Cinthol Foam Body Wash pilot launched in select states and on e-commerce platforms; received encouraging initial response

अच्छाई  
से भरपूर

Godrej  
No.1



## Personal Care (2/3): Hair Colour delivers soft performance

- Hair Colour volumes were 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 continues to outperform, making it the **highest distributed Hair Colour product in India**
- Shampoo Hair Colour continues to grow in **strong double-digit volume terms**



# Personal Care (3/3): Park Avenue and KamaSutra performance on track

- Post portfolio simplification and rationalisation of SKUs, Park Avenue and KamaSutra continue to deliver a healthy performance; delivered sales of ₹153 crore
- Sexual Wellness is delivering ahead of expectations and **continues to gain market share**
- On track to achieve full-year ambition

TIME FOR YOU TO  FLY



# High single-digit reported sales growth

| Category               | Sales<br>(₹ crore) | Growth<br>(Year-on-year) |
|------------------------|--------------------|--------------------------|
| Home Care              | 815                | 8%                       |
| Personal Care          | 1,248              | 6%                       |
| <b>Total Branded</b>   | <b>2,063</b>       | <b>7%</b>                |
| Unbranded and Exports  | 77                 | 121%                     |
| <b>Total Net Sales</b> | <b>2,140</b>       | <b>9%</b>                |

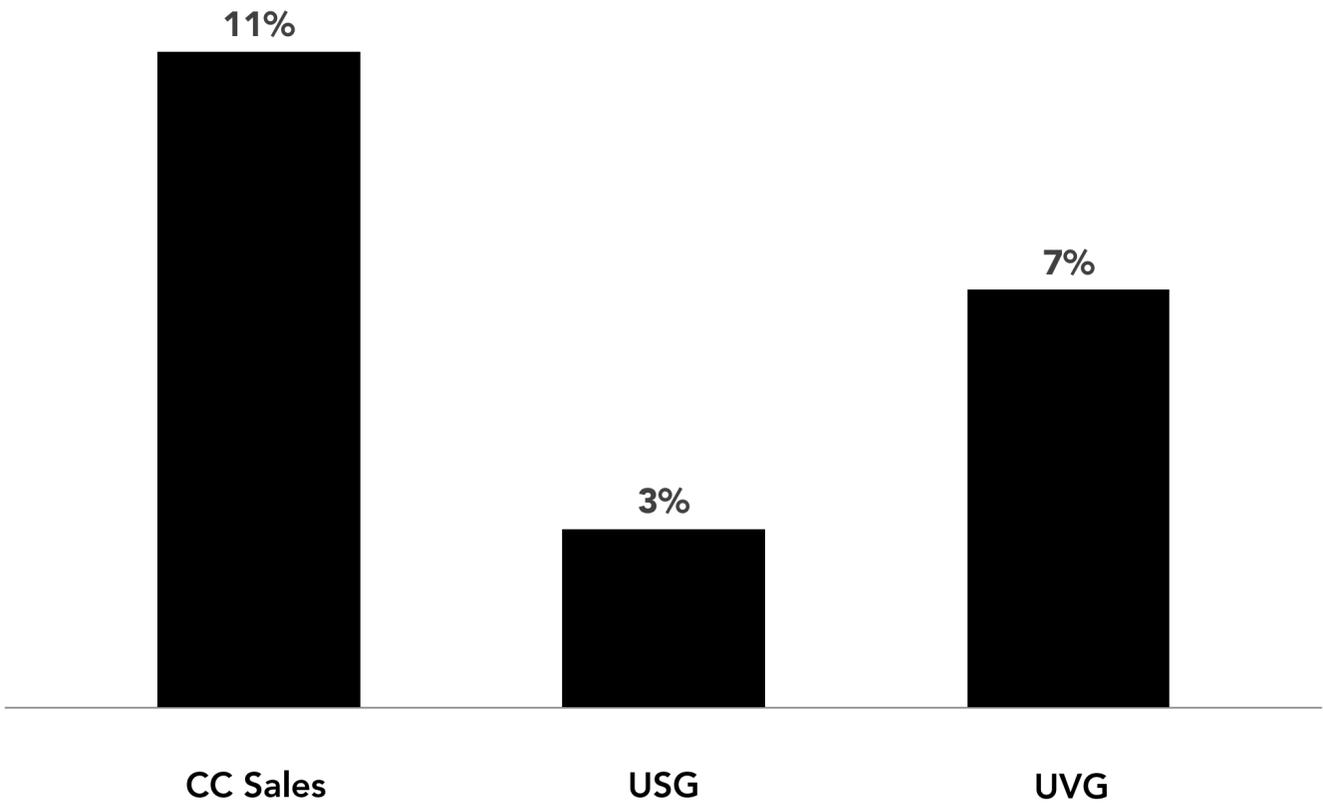
**INTERNATIONAL  
BUSINESS  
UPDATE**

# Indonesia sees strong volume growth and margin expansion

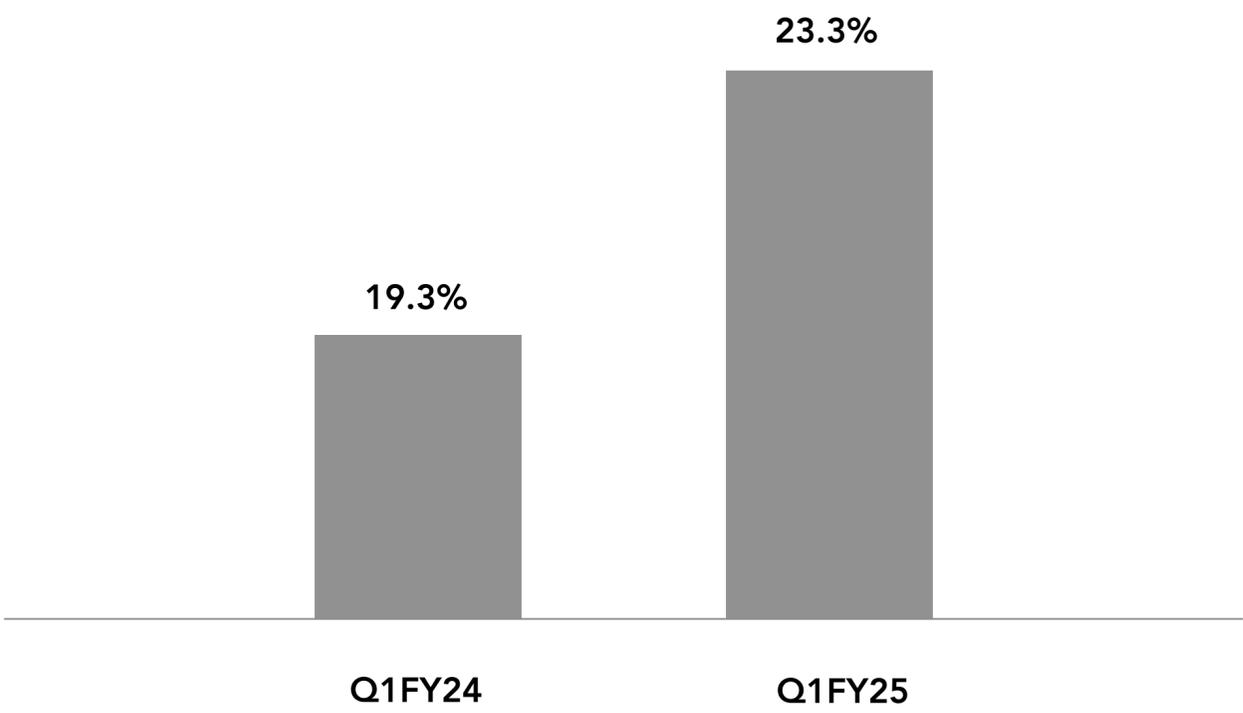
- Constant Currency sales growth of 11% and INR sales growth of 3%; INR sales impacted by significant currency depreciation
- Delivered UVG of 7%

- Margin improvement continues
- EBITDA margin of 23.3%, up ~400 bps year-on-year

Growth (y-y)



EBITDA margin (y-y)



CC: Constant Currency, USG: Underlying Sales Growth, UVG: Underlying Volume Growth

# Strong performance across categories in Indonesia

- Stella **volume grew in strong double-digit** led by focused media and marketing interventions
- Stella Electric Diffuser launched in Q1 FY25; received strong initial response from both trade and consumers
- HIT delivered stable low-single digit volume growth on a high base
- Hair Colours recorded **strong double-digit volume growth**, driven by Shampoo Hair Colour

BARU



Stella  
AIR FRESHENER  
Electric

Wangi Mewah Sepanjang Hari

# Africa, USA & Middle East oftakes sustained; impact due to one-offs in base

- Organic sales declined by 10% in constant currency terms; performance in INR terms was further impacted by the devaluation of Naira
- Volume decline led by one-time sell-in in base and streamlining of trade inventory leading to a 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



**BREAK-FREE  
DAILY LEAVE-IN  
STRENGTHENER**



# Continue to focus on improving absolute INR profit in Africa, USA & Middle East



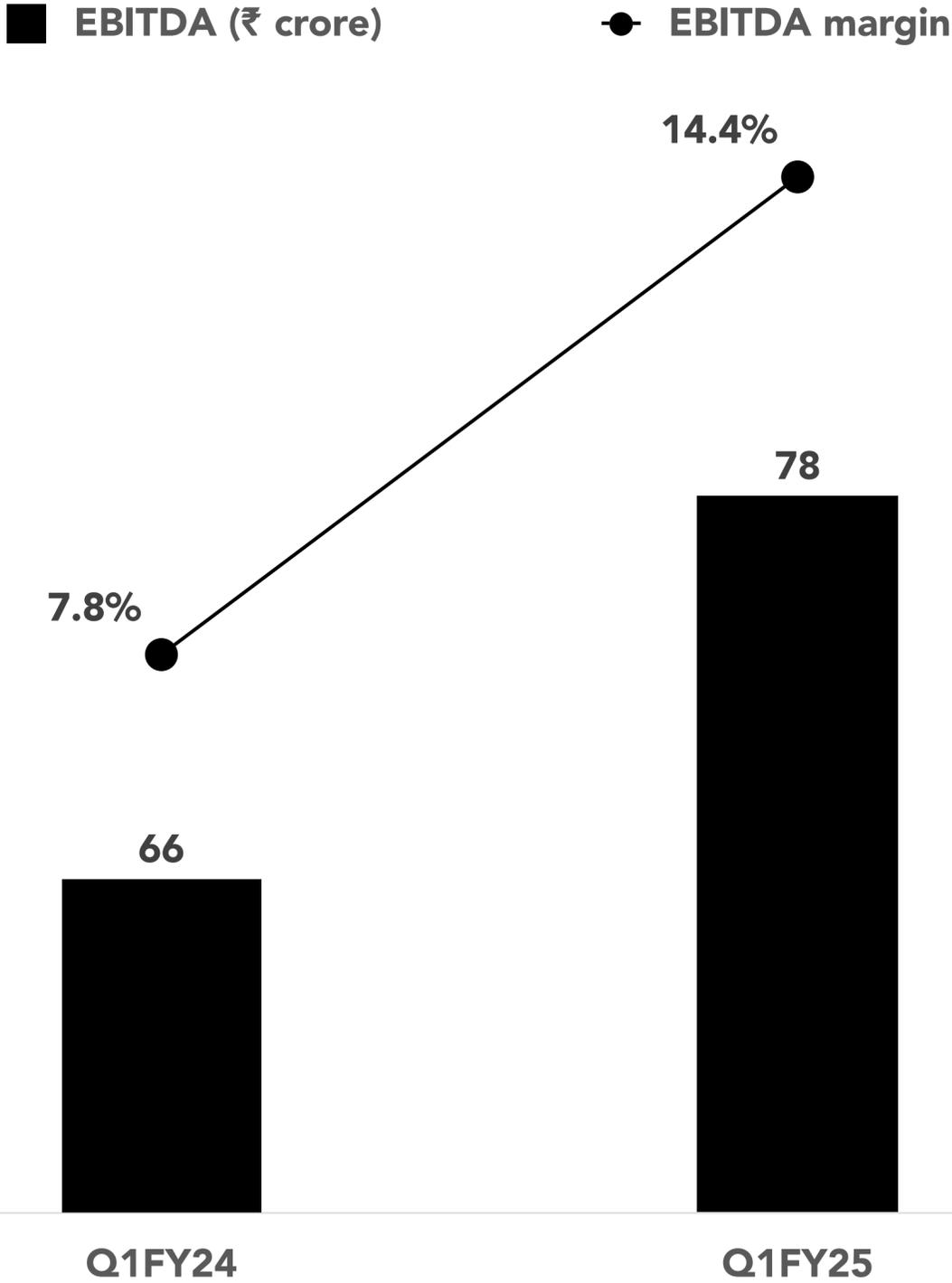
**Funded by simplification**

Fewer SKUs

Fewer people

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Simpler processes



# APPENDIX 1

# Liquid Vaporiser has huge headroom to grow

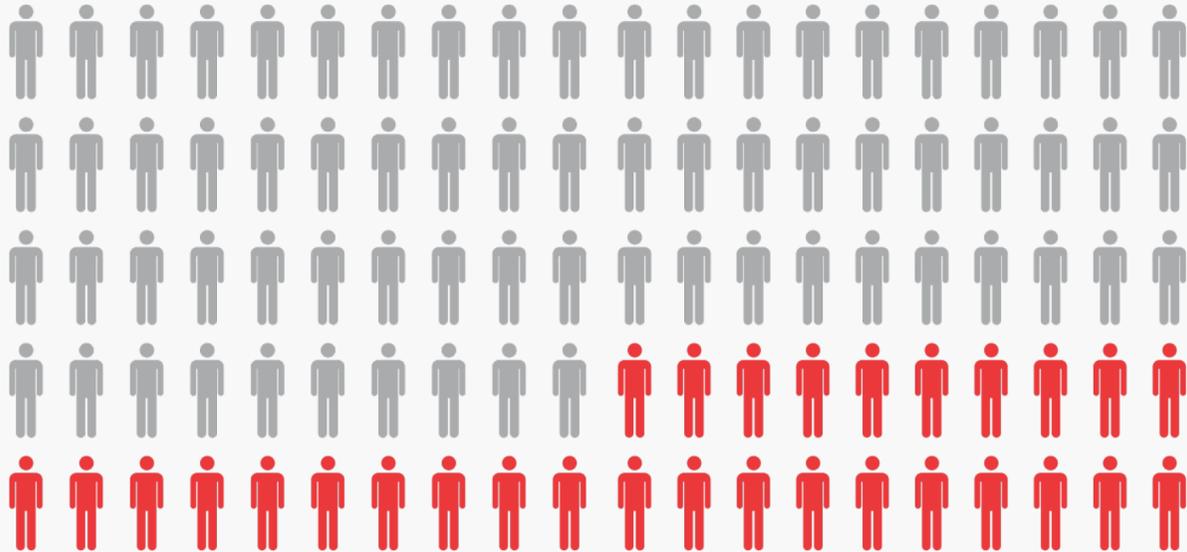
## Household Insecticides penetration in India



**~7,500 crore**

Household Insecticides market

## Liquid Vaporiser penetration in India



**~2,500 crore**

Liquid Vaporiser market

# Good Knight is launching India's most efficacious Liquid Vaporiser



## Effective

~2x more effective  
formulation

## Residual effect

Effect lasts **upto 2 hours**  
after machine is switched off\*

## Pricing

Similar price for  
enhanced product

# Powered by exclusive RNF molecule

**RNF**

**~2x**  
more effective



GCPL exclusivity  
for medium term



Made in India  
molecule

# Better than other Liquid Vaporisers in the market

**GoodKnight  
Liquid Vaporiser**

**Other  
Liquid Vaporiser**

**~2x**

**Efficacy**

**x**

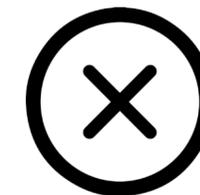
**RNF**

**Molecule**

**TFT, MFT**



**Residual impact  
upto 2 hours\***



\*When the machine is used for 2 hours in Flash mode

Godrej

# Good Knight



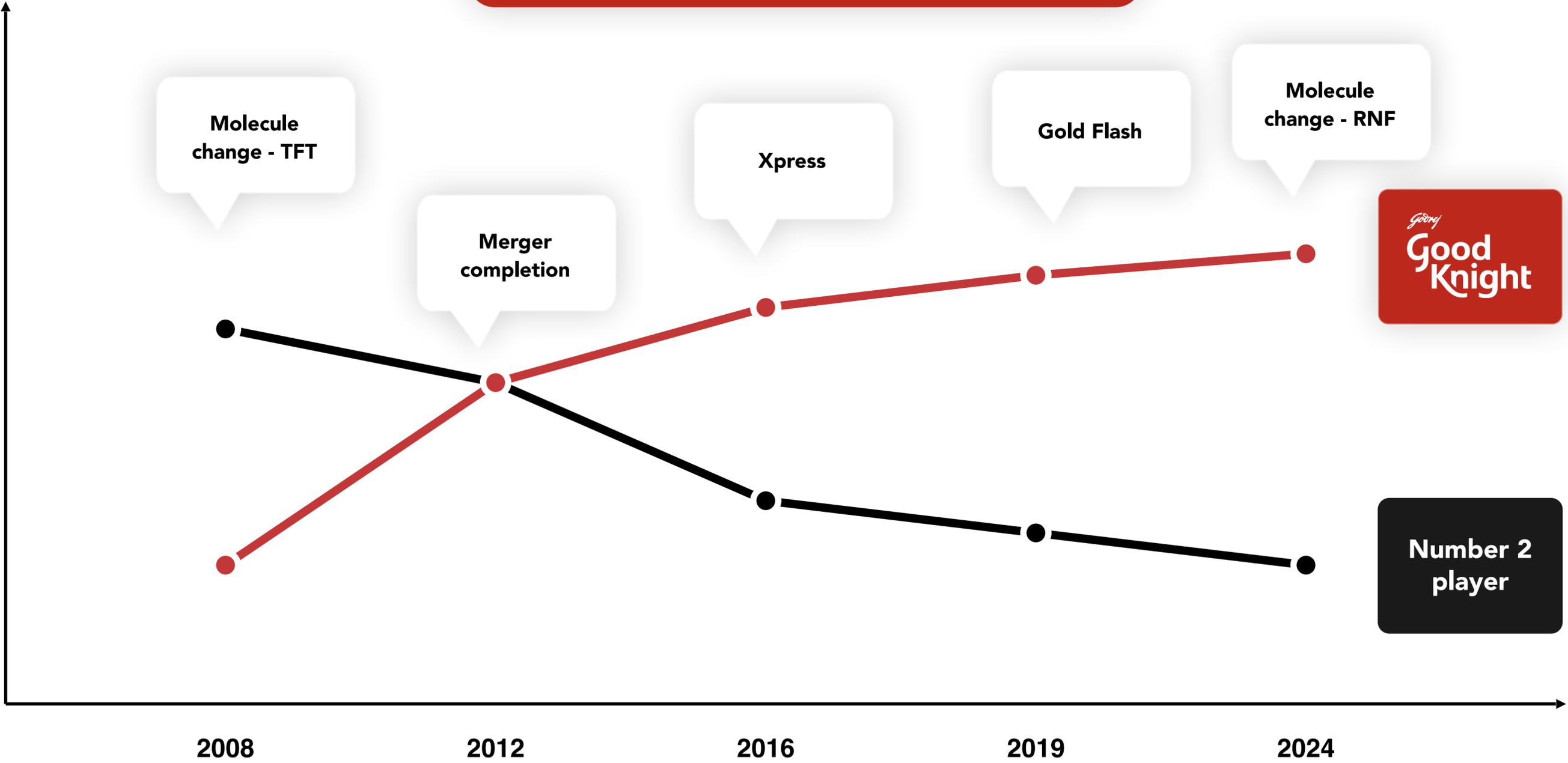
Effect lasts for up to **hours\***

\*Basis standard lab test conditions.



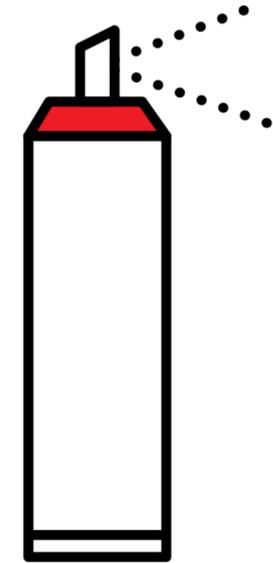
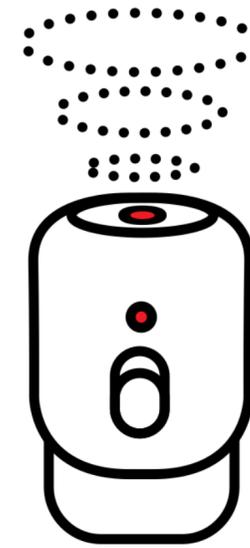
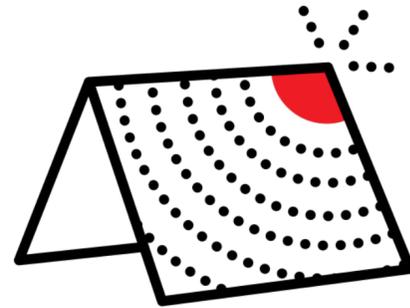
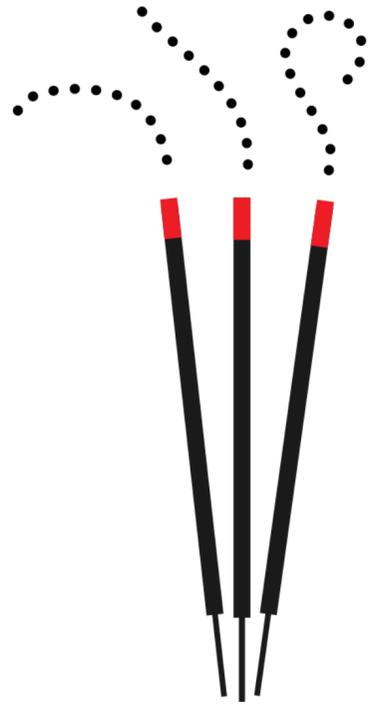
# Molecule change had led to significant outperformance in the past

## Electrics Market Share



Number 2 player

# Goodknight continues to innovate and protect India for over 40 years



**1** ~110 million households are protected by Goodknight from vector borne diseases

**2** Market leader in ~90% States in India

**3** Presence in every 3rd household across the country

# APPENDIX 2

# Reported EBITDA margin to Operating EBITDA margin bridge

|  | Consolidated | India | Indonesia | Africa, USA & Middle East | Latin America & SAARC |
|--|--------------|-------|-----------|---------------------------|-----------------------|
| Q1FY25 Reported EBITDA Margin                                  | 21.9%        | 25.0% | 22.9%     | 13.7%                     | 5.0%                  |
| Business support charges, royalty and technical fees (₹ crore) | -            | (5.1) | 1.7       | 3.8                       | (0.4)                 |
| Q1FY25 Operating EBITDA Margin                                 | 21.9%        | 24.7% | 23.3%     | 14.4%                     | 4.8%                  |

**ENVIRONMENTAL,  
SOCIAL, AND  
GOVERNANCE  
UPDATE**

# Our ESG targets for FY2025-26 and Q4 FY2024 performance



## Environment\*

| Vision  | Goals for FY2025-26   | Performance update  |
|---|---|---|
| <p><b>Influence sustainable consumption</b></p> | <p>Ensure efficient waste management systems for 7 municipalities in India, diverting over 8,000 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 fiscal year 2025-26. Flexible plastics to be replaced by 10% recycled plastic by fiscal year 2026-27 and multi-layer plastics to be replaced by 5% recycled plastic by 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"> <li>Cover 75% of GCPL suppliers in India (by procurement spends), and 50% for our other geographies, under our sustainable supply chain policy</li> <li>Source 100% of paper packaging from sustainable sources</li> </ul> | <p>Ongoing community waste management projects in 5 municipalities<br/>Over 7,200 MT waste diverted since inception of the initiative</p> <hr/> <p>Reduced plastic intensity by 22%<br/>Plastic recyclability is at 40%</p> <hr/> <p>Completed LCAs coverage of products covering 60% of our revenues</p> <hr/> <p>76% of India suppliers (by spend volume) covered under our Sustainable Supply Chain Policy and assessed for FY24</p> |

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

# Our ESG targets for FY2025-26 and Q4 FY2024 performance



## Environment\*

| Vision                                      | Goals for FY2025-26  | Performance update   |
|---|--|--|
| <p><b>Lead in sustainability action</b></p> | <p>45% reduction in GHG emission intensity and carbon neutrality for Scope 1&amp;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>41% reduction in GHG emission intensity</p> <hr/> <p>35% reduction in specific energy consumption</p> <hr/> <p>27% of energy is from renewables</p> <hr/> <p>39% reduction in water intensity and continuing to be water positive</p> <hr/> <p>Continue to be zero waste to landfill and maintain liquid discharge at 90%</p> <hr/> <p>Re-evaluating Scope III emissions and resubmitting for SBTi validation. We've 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 FY2025-26 and Q4 FY2024 performance

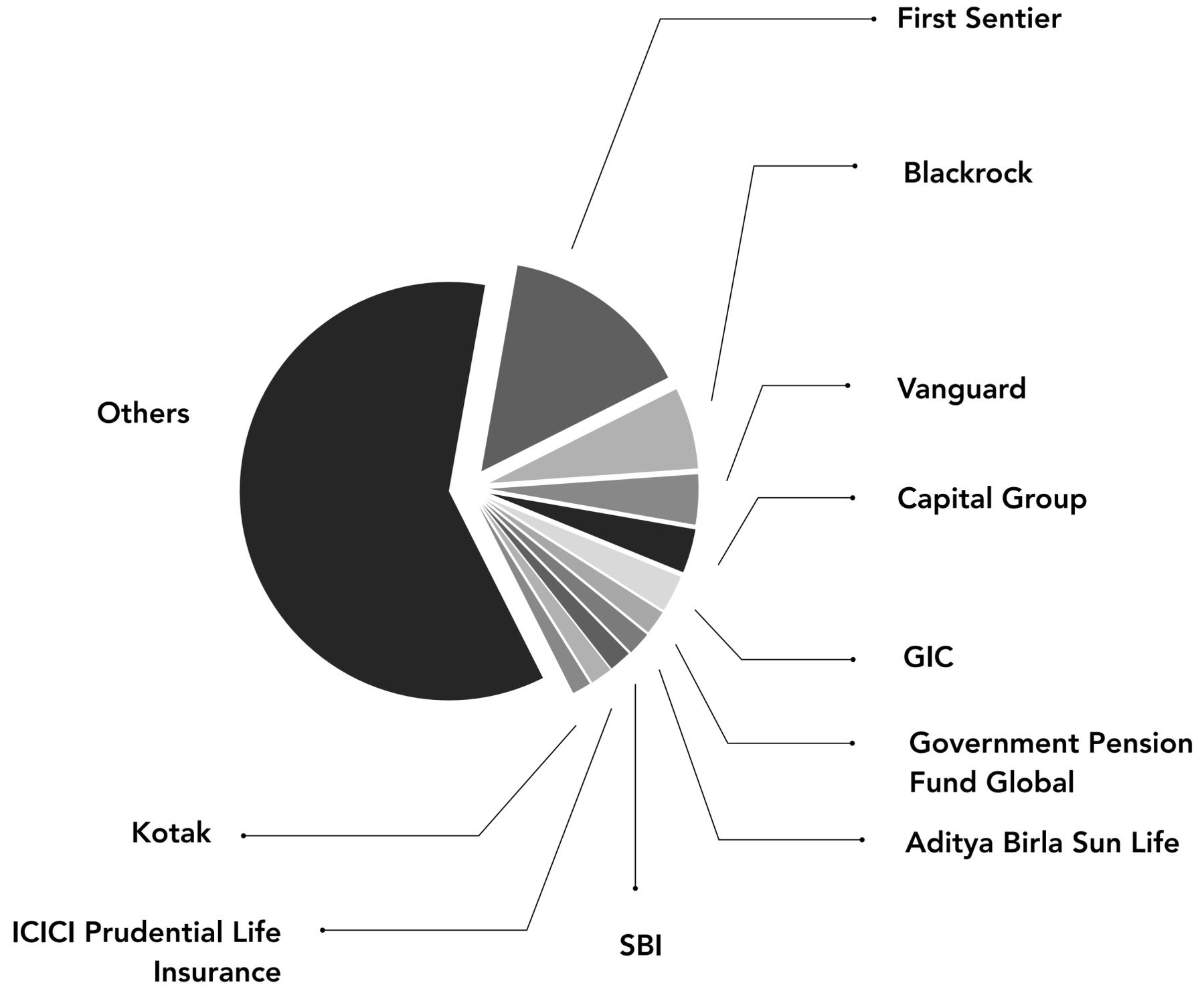
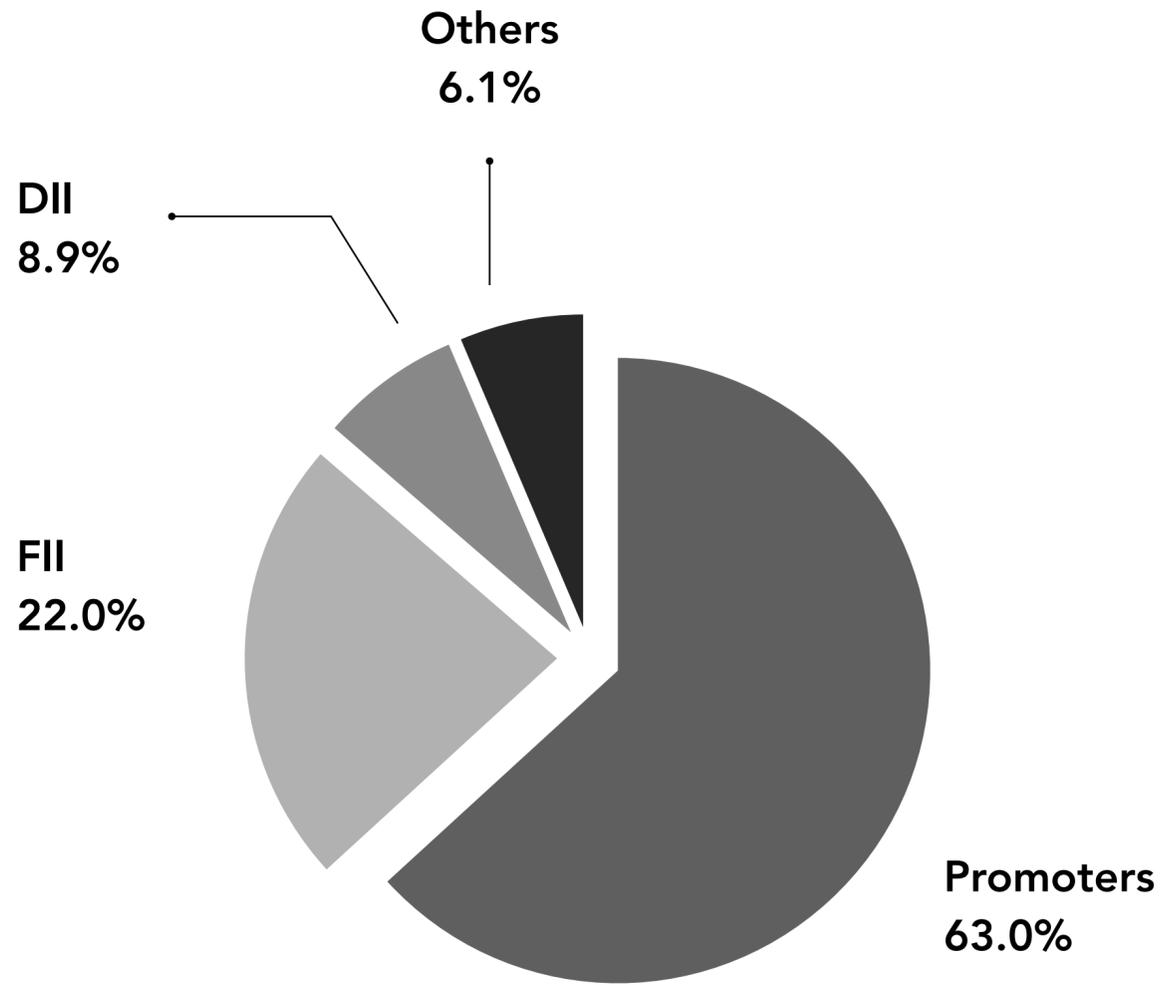


## Social\*

| Vision   | Goals for FY2025   | Performance update  |
|--|--|---|
| <p><b>Equip communities with skills that empower</b></p> | <p>Empower 60,000 women in beauty skills, across emerging markets globally</p> | <p>Trained, upskilled and reached out to 24,565 women beauty entrepreneurs, young girls, and men in India and Africa in beauty and hair styling skills and enterprise development</p> <p>Completed and wrapped up the project</p> |
| <p><b>Improve health and well-being</b></p>              | <p>Protect 30 million people against vector-borne diseases</p>                 | <p>Reached out to over 28.4 million individuals by the end of the fiscal year 2023-24 since FY16</p> <p>5,225 villages out of 11,000 villages we supported became malaria free in fiscal year 2023-24.</p>                        |
| <p><b>Nature - carbon</b></p>                            | <p>Develop 3,000 ha of land for water and carbon management</p>                | <p>Treated 2,950 hectares of land</p> <p>9.2 million m3 water sequestered; offsetting 15X GCPL's annual global water use</p> <p>Captured 15,252 tCO2 emission which is GCPL's 21% of global carbon emissions</p>                  |

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

# SHAREHOLDING PATTERN



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**Thank you**

