

Q4FY2023 Investor and Analyst Performance Update

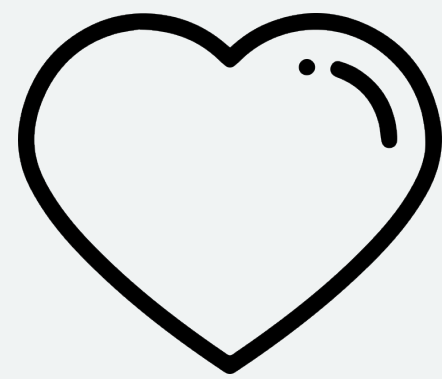
May 10, 2023



Disclaimer

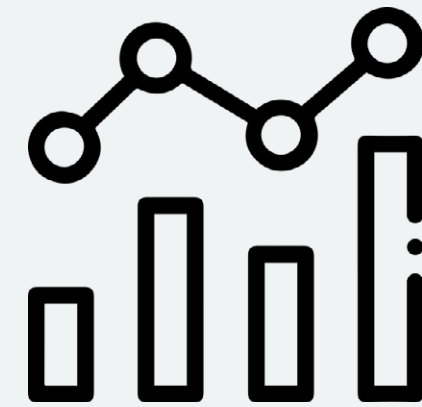
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Our purpose and strategy



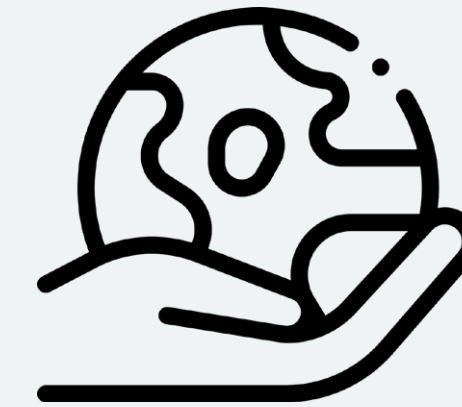
Purpose

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

KEY HIGHLIGHTS

Volume led double-digit sales growth with robust margin expansion

Consolidated Sales Growth	10% (14% CC)	India Sales Growth	12%
Consolidated Volume Growth	6%	India Volume Growth	11%
Consolidated EBITDA Growth	32%	India EBITDA Growth	26%

1 Sharp sequential uplift in Underlying Volume Growth:
Consolidated 6% year-on-year
Standalone 11% year-on-year
India Branded 13% year-on-year

2 Broad-based growth:
India 12%
Africa, USA & Middle East 8% CC
Indonesia 5% CC; ex-Hygiene 11% CC
Latin America & SAARC 64% CC

3 Meaningful recovery in Consolidated EBITDA Margins at 21% (32% growth); 360 bps increase year-on year.
EBITDA + Working Media Margins increase 400 bps (30% growth)

Quality of profits healthy with Gross Margin expansion of 180 bps quarter-on-quarter, 340 bps year-on-year and increase in Working Media investment by 20% year-on-year

Note: CC - Constant Currency

FINANCIAL PERFORMANCE UPDATE

Financial performance

Growth (year-on-year)	Consolidated Business	India Business
Underlying Volume Growth	6%	11%
Net Sales (Reported)	10%	12%
Net Sales (CC)	14%	-
EBITDA	32%	26%
EBITDA + Working Media	30%	31%
Net Profit (Reported)	24%	(2)%
Net Profit (Without exceptional and one-off items)	29%	17%

Exceptional and One-off Items

Consolidated Business	Q4 FY2023	Q4 FY2022
Net Profit (Reported)	452	363
Exceptionals (Post tax)		
Restructuring costs	13.2	0.1
Brand and Goodwill Impairment	4.5	47
Others	(0.8)	0.3
Profit from divestment of BBLUNT in India		(29.4)
Previous year tax reversals in India		(37.2)
Inventory pilferage in South Africa		20.4
Net Profit (Without exceptional and one-off items)	469	364

Note: All values are in ₹ crore and rounded off

Double-digit sales growth driven by healthy performance across clusters

Geography	Sales (₹ crore)	Growth (Year-on-year)	Constant Currency Growth (Year-on-year)
India	1,789	12%	-
Indonesia	434	8%	5%
Indonesia ex-Hygiene	-	14%	11%
Africa, USA and Middle East	770	6%	8%
Latin America and SAARC	203	(3%)	64%
Total Net Sales	3,172	10%	14%

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

Healthy quality of profits

	India	Indonesia	Africa, USA & Middle East	Latin America & SAARC
Q4FY23 Reported EBITDA Margin	26.9%	21.2%	9.8%	8.5%
Business support charges, Royalty & Technical fees (₹ crore)	(6.4)	1.5	5.0	(0.2)
Q4FY23 Operating EBITDA Margin	26.6%	21.5%	10.4%	8.4%
Q4FY22 Operating EBITDA Margin	23.6%	21.6%	1.8%	11.1%
Change in EBITDA Margin (bps)	300	(4)	860	(260)
Change in EBITDA + Working Media Margin (bps)	500	(40)	640	(360)

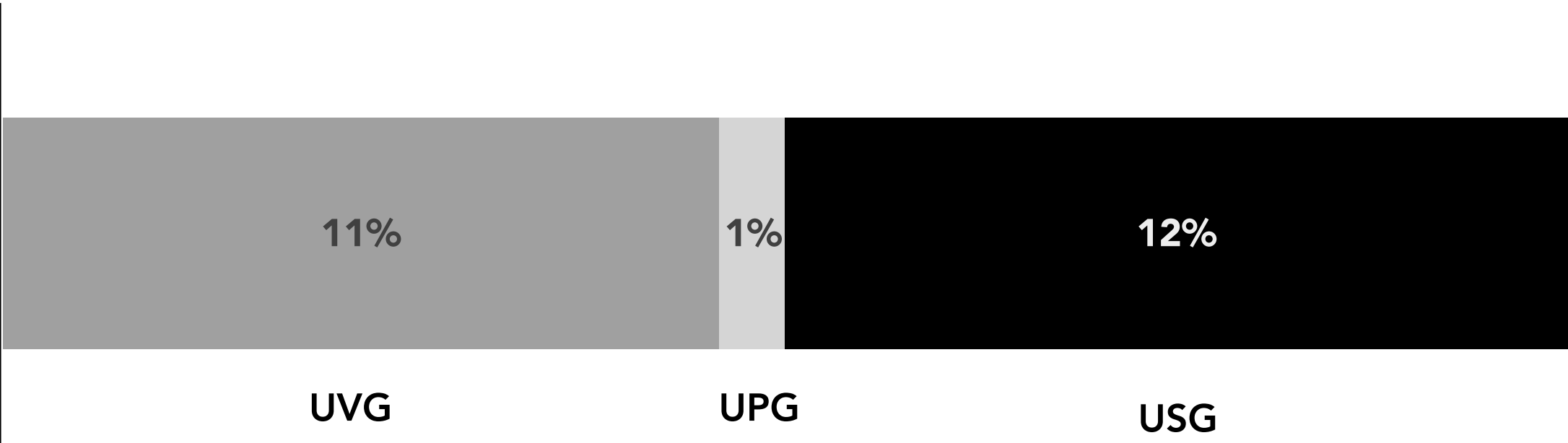
INDIA BUSINESS UPDATE

Double-digit volume and value growth with robust margin expansion

Financial performance

- **Double-digit UVG of 11% and USG of 12%**
- **India Branded UVG of 13% and USG of 16%**
- **Double-digit volume-led growth in both Home Care and Personal Care**
- **Robust margin recovery continues; EBITDA margins in India at 26.6%;** expanded by **300 bps** year-on-year. Quality of profits continue to improve with significant Gross Margin expansion of 550 bps year-on-year and 290 bps quarter-on-quarter. Increase in Working Media investment by 51% year-on-year.

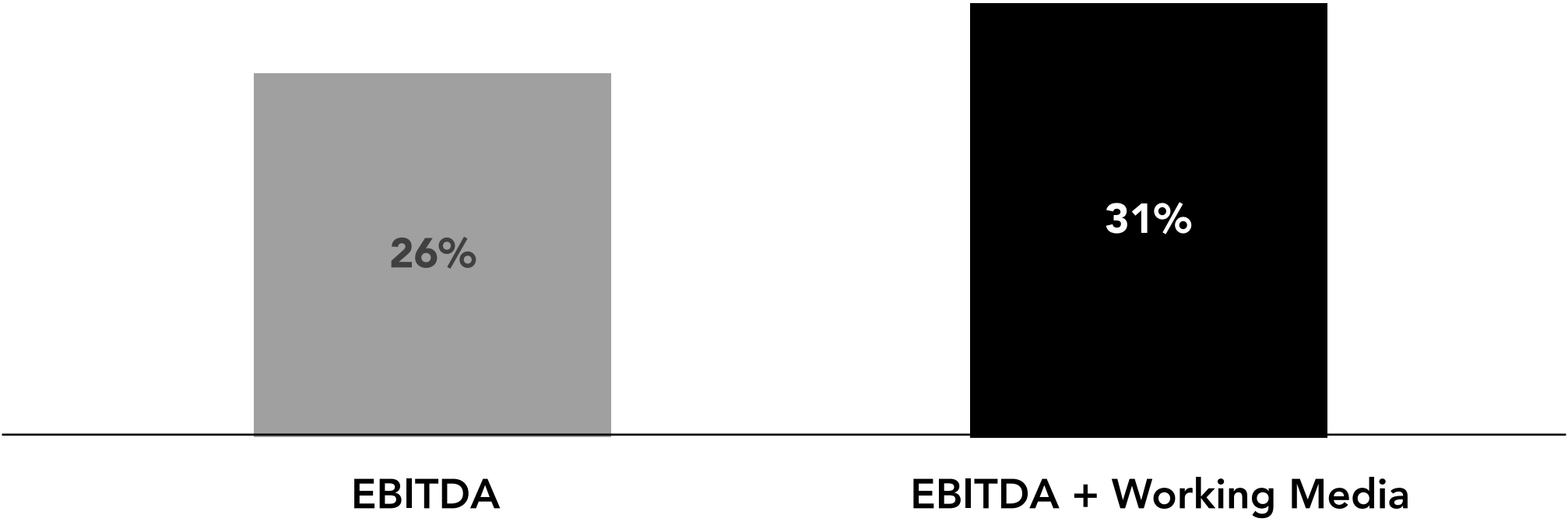
Sales growth



Operating performance

- We expect to build on current momentum and deliver volume-led growth driven by upfront marketing investments and improvement in profitability.

Growth



USG: Underlying Sales Growth; UPG: Underlying Pricing Growth; UVG: Underlying Volume Growth

Mid teens growth in both Home Care and Personal Care

Category	Sales (₹ crore)	Q4 Growth (Year-on-year)
Home Care	826	14%
Personal Care	872	17%
Total Branded	1,698	16%
Unbranded and Exports	91	(33)%
Total Net Sales	1,789	12%
Volume Growth	—	11%

Home Care (1/2): Household Insecticides growth in upward trajectory

- **Household Insecticides** continues to improve growth trajectory with growth in teens
- Scaling up distribution of access packs of **Goodnight Liquid Vaporizer** and **HIT No-gas Spray**
- Performance broad based with both mosquito and non-mosquito portfolio growing in double digits
- Continue to drive category adoption and penetration for long-term sustainable growth



Home Care (2/2): Robust 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 position
- Performance led by robust growth in both Aer Pocket and Aer Matic
- Continuing category development and relevance-building initiatives

Glory
aer
power
pocket

10X more
powerful
bathroom fragrance



Glory
aer
matic

**Automatic spray for
fragrant rooms.**



Personal Care (1/2): Double-digit growth in Personal Wash & Hygiene continues

- **Personal Wash** delivers double-digit growth led by healthy volume growth
- Continue to gain market share in Personal Wash
- Magic Handwash grew double digits in volume terms



Personal Care (2/2): Consistent double-digit growth in Hair Colour

- **Hair Colour** continues to consistently deliver strong double-digit growth
- Growth led by strong performance across formats
- Launched access pack of Godrej Selfie Shampoo Hair Colour at INR 15 predominantly in South market



INTERNATIONAL BUSINESS UPDATE

Core business performance improves in Indonesia

- Sales growth of 5% (CC); growth ex-Hygiene (Saniter) was 11% (CC)
- EBITDA margins at 21.5%, flat year-on-year
- Completed transition to distributor model



Sheila Monita
34 Tahun

HIT XPRESS
ANTI NYAMUK ELEKTRIK

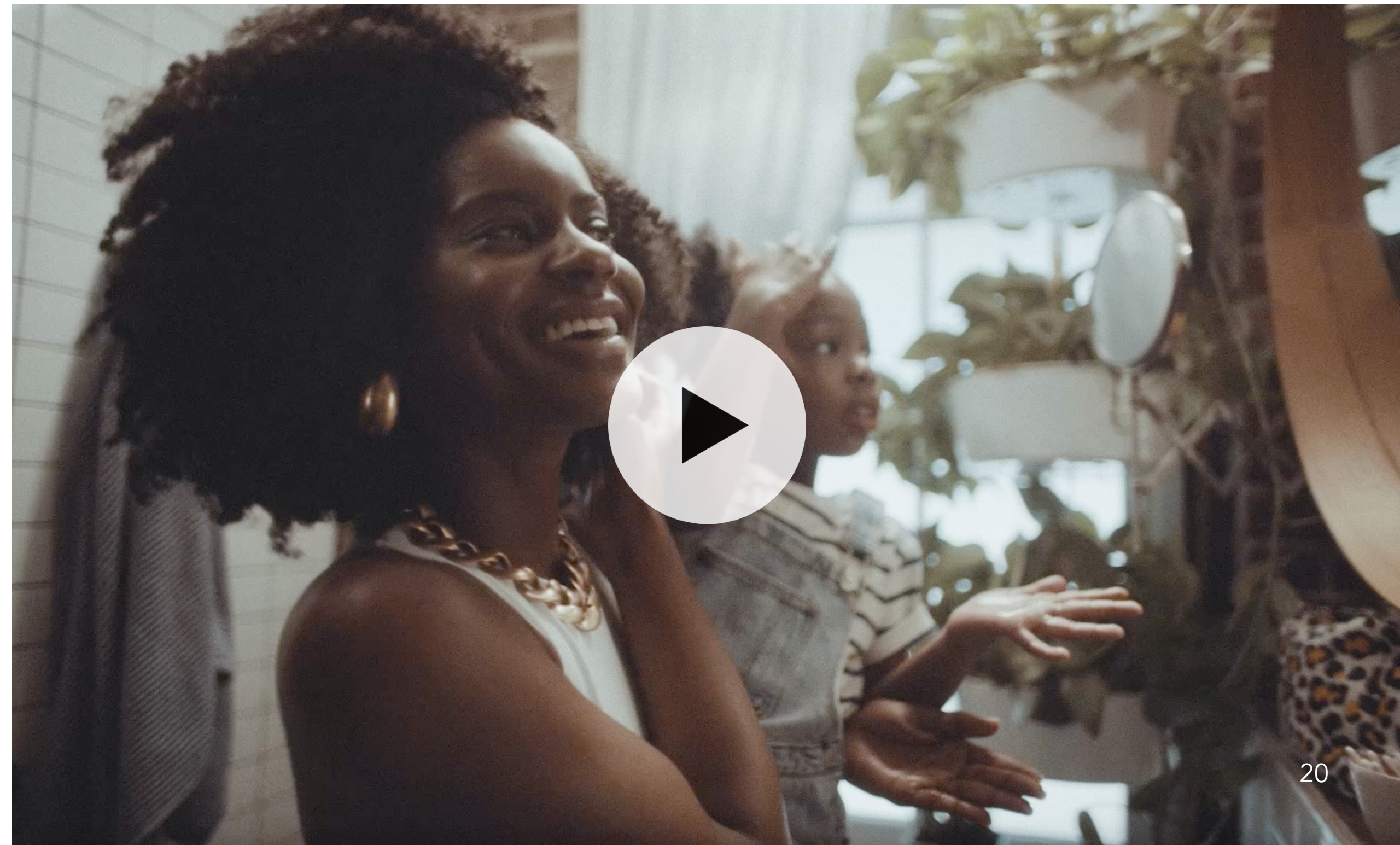
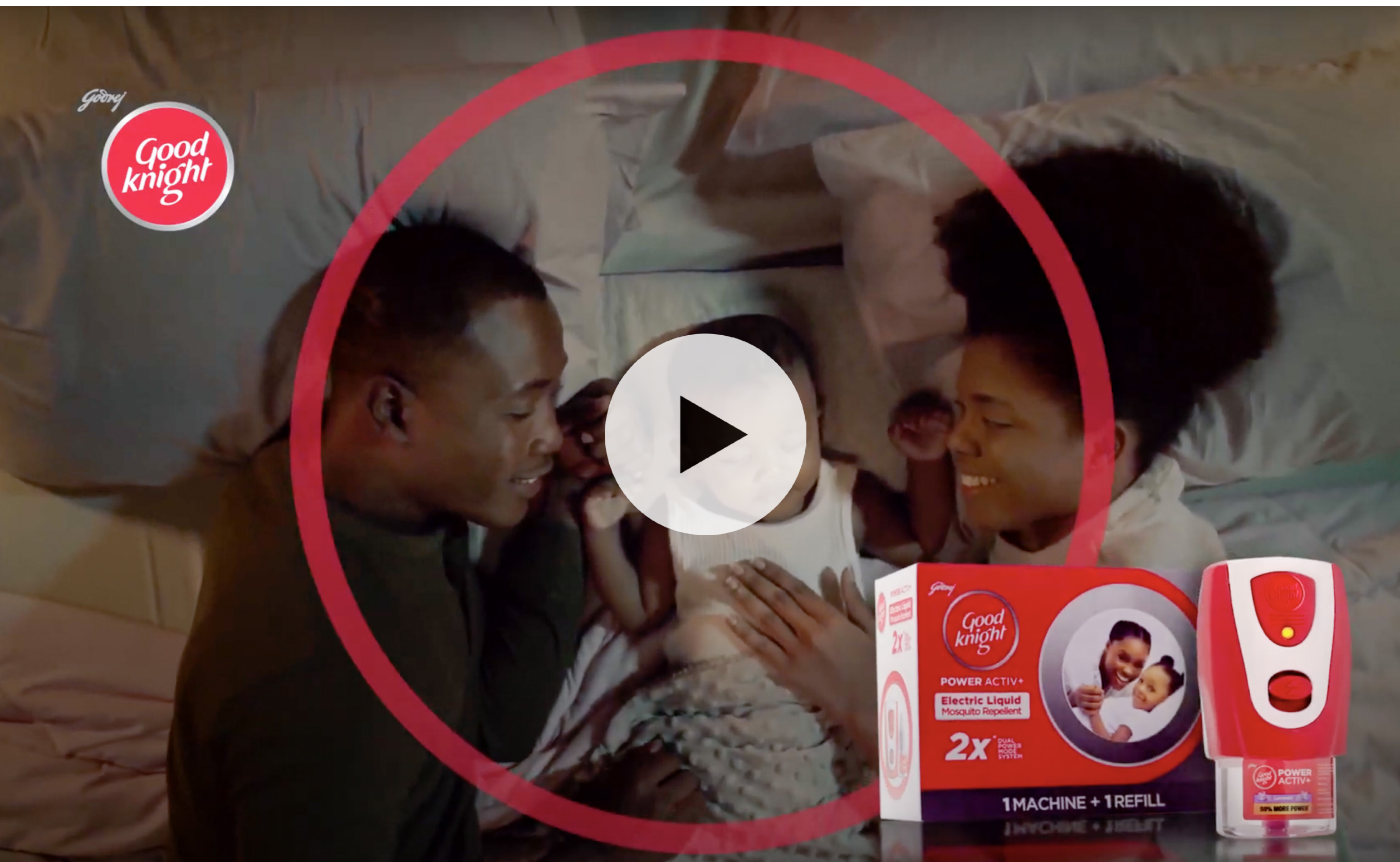
Goodknight

HIT Goodknight Elektrik.
Untuk kenyamanan tidur lelapmu.

Paket Alat+Refill hanya
Rp. 20.000

Double-digit sales growth momentum in Africa, USA & Middle East impacted due to Nigeria

- High single-digit sales growth of 8% in CC terms
- Performance impacted by election and demonetisation in Nigeria; however, business saw recovery in March 2023
- Continue to drive double-digit growth in FMCG categories
- EBITDA margins at 10%, an expansion of 860 bps year-on-year



ENVIRONMENTAL, SOCIAL, AND GOVERNANCE UPDATE

Our ESG targets for FY2025 and Q3 FY2023 performance



Vision	Goals for FY2025	Performance update
Influence sustainable consumption	Ensure efficient waste management systems for 3 municipalities in India impacting 3 million people	6.34 lakh people reached out with our community waste management projects in 5 municipalities
	Achieve Sustainable Packaging targets - 20% intensity reduction; 10% post consumer recycled plastic (this target will be revised based on the new, more stringent plastic use guidelines); 100% reusable, recyclable and compostable packaging	827 MT municipal waste diverted from landfill. 192.5 MT of plastics recycled, and 168 MT of wet waste processed
	Ensure one-third of all products are greener than in 2020 by carrying out lifecycle assessments (LCA) for major products (80% coverage by revenue)	3.5% virgin plastic replaced with PCR
	<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.	6% reduction in plastic intensity
	Partner with consumers and customers to promote sustainable consumption of our green products	Revised targets in line with new PWM rules
		Completed LCAs of 7 products that cover over 50% of our revenues
		72% 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 Q3 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	30% of energy is from renewables
	Maintain 40% reduction in water intensity while maintaining water positivity	31% 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	On track

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

Our ESG targets for FY2025 and Q3 FY2023 performance

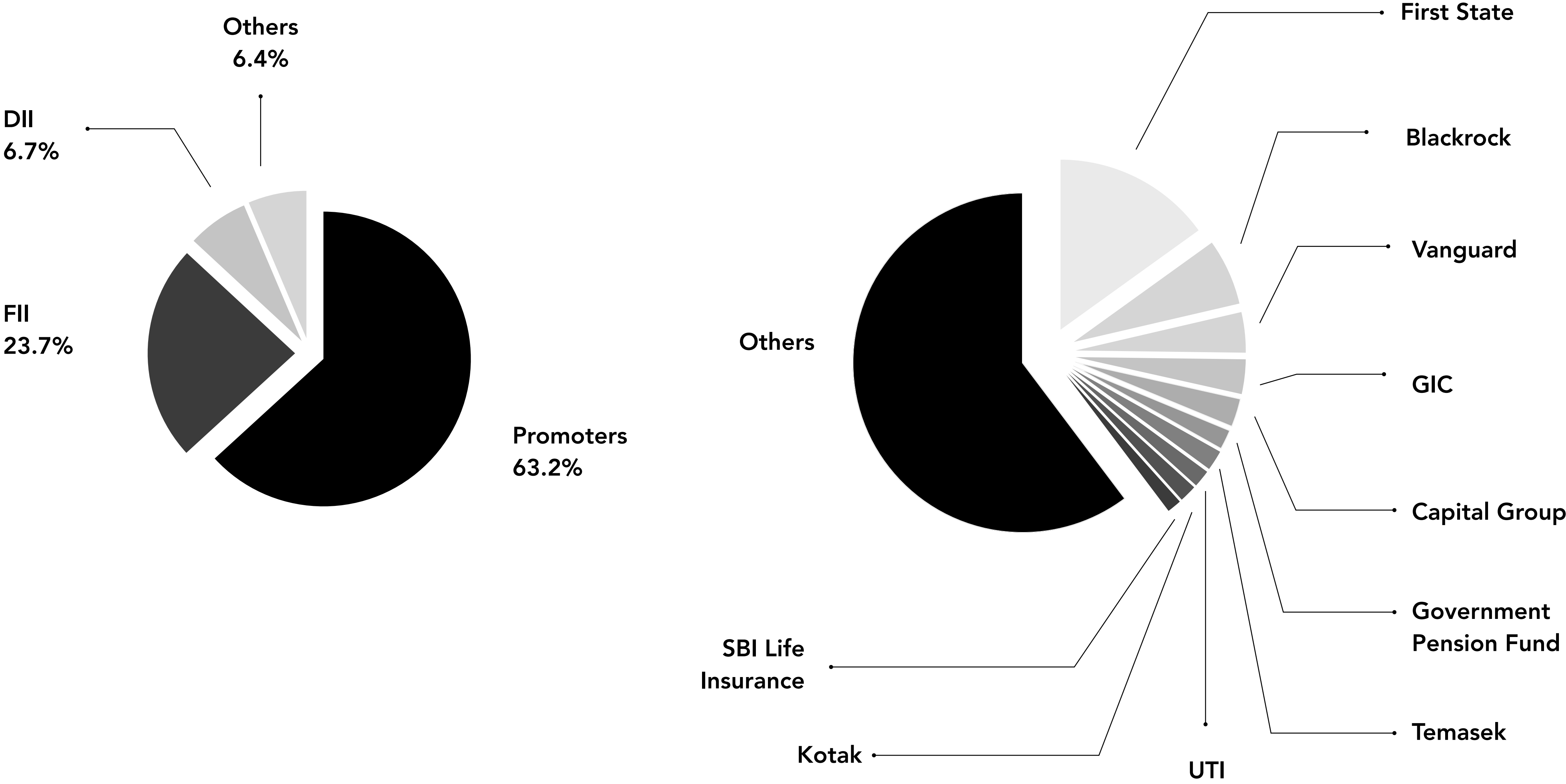


Vision	Goals for FY2025	Performance update
Equip communities with skills that empower	Empower 200,000 women in beauty skills, across emerging markets globally	<p>Trained and upskilled 12,698 women beauty entrepreneurs, young girls, and men in India and Africa in beauty and hair styling skills and enterprise development. For our Salon-i programme with young girls, the average salary reported is INR 4,500 pm.</p> <p>240 barbers trained, expected increase in net income by ~35%</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): 50% of high endemic states using toolkit; 50% of outbreaks managed successfully; all training participants reported increase in knowledge by 20% or more</p> <hr/> <p>On track.</p> <p>Rural malaria: 63% reduction in cases from same period last year</p> <p>Urban dengue: 464% increase in testing; 39% reduction in cases, 1.3% reduction in larva breeding sites</p>

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

APPENDIX

Shareholding pattern



Contact Us

Institutional investors

Tapan Joshi

Email: Tapan.joshi@godrejcp.com

Tel: +91 22 2519 5433

Retail investors

R Shivshankar

Email: r.shivshankar@godrejcp.com

Tel: +91 22 2519 4359

Thank you

