

PRESS RELEASE

3Q FY 2021 results – Second consecutive quarter of double-digit profitable sales growth

Mumbai, February 8, 2021: Godrej Consumer Products Limited (GCPL), a leading emerging markets FMCG company, today announced its financial results for the quarter ending December 31, 2020.

FINANCIAL OVERVIEW

3Q FY 2021 FINANCIAL PERFORMANCE SUMMARY:

- 3Q FY 2021 consolidated sales grew by 10% year-on-year
 - India business sales grew by 11% year-on-year
 - Indonesia sales growth was 0% INR and declined by 2% in constant currency terms, year-on-year
 - Africa, USA and Middle East sales grew by 15% in INR and 17% in constant currency terms, year-on-year
 - Latin America & SAARC sales grew by 12% in INR and 35% in constant currency terms, year-on-year
- 3Q FY 2021 consolidated EBITDA grew by 13% year-on-year; consolidated EBIDTA margins expanded by 60 bps to 23.5%
- 3Q FY 2021 consolidated net profit grew by 17% year-on-year (without exceptional items and one-offs).

CHAIRPERSON AND MANAGING DIRECTOR'S COMMENTS

Commenting on the business performance of 3Q FY 2021, Nisaba Godrej, Chairperson and Managing Director, GCPL, said:

We delivered a second consecutive quarter of double-digit, profitable sales growth. Consolidated sales grew by 10% and EBITDA grew by 13%.

From a category sales perspective, Household Insecticides, Hygiene and Value For Money (which contributes to 81% of our global portfolio) grew by 14%. Household Insecticides grew by 5%, Hygiene grew by 19% and Value For Money grew by 22%.

From a geography sales perspective, India grew at 11%. Our Africa, USA and Middle East business continued its robust growth trajectory, growing at 15% in INR and 17% in constant currency terms. Our Indonesian business delivered a soft performance; 0% sales growth in INR and 2% decline in constant currency terms.

We remain confident of leveraging growth opportunities and continuing this double-digit sales momentum in the medium term. Going forward, we will continue to focus our efforts where the demand is – in Household Insecticides, Hygiene, and Value For Money. We are investing behind consumer centric innovations and focusing on serving consumers at all price points. Across channels too, we are making a shift, doubling down on digitisation and channels like e-commerce and chemists. We are also strengthening our supply chain operations and distribution capabilities. Overall, I am extremely proud of our team and the remarkable agility and resilience they continue to demonstrate. We are committed to doing our very best to truly live The Godrej Way and serve our people and communities.

BUSINESS UPDATE – INDIA

Performance Highlights

- 3Q FY 2021 India sales grew by 11% to INR 1,658 crore; volumes grew by 7%
- 3Q FY 2021 EBITDA grew by 8% to INR 465 crore
- 3Q FY 2021 Net Profit without exceptions and one-off grew by 4% to INR 351 crore

Category Review

Household Insecticides

Household Insecticides grew by 7%. We delivered strong growth in aerosols, electric formats and non-mosquito portfolio, but a soft performance in burning formats and personal repellents. Our focus is to drive premiumisation and innovation with the launch of Good knight Gold Flash, Good knight Smart Spray and Good knight Natural Neem products. We will continue to build on our strategic pivots of taking the category beyond mosquitoes, and scaling up our personal repellents range.

Soaps

Soaps delivered a second consecutive quarter of double-digit sales growth of 15% and we continued to gain market share. Our new launches in Health are scaling up well. We continue to focus on micro-marketing initiatives to fuel growth.

Hair Colours

Hair Colours recorded a sharp recovery with growth of 14%, driven by an uptick in overall category growth. We continued to gain market share. Godrej Expert Rich Crème continues to perform well by leveraging Do-It-Yourself (DIY) trends and key influencer partnerships.

BUSINESS UPDATE – INDONESIA

Our Indonesia business delivered a soft performance, with sales growth declining by 2% in constant currency terms. This was impacted by adverse macroeconomic factors, the gradual recovery in a discretionary category like Air Fresheners, and higher competitive intensity in Wet Wipes. We continued to gain market share in Household Insecticides and Air Fresheners. We are also seeing strong traction in Hygiene. EBITDA margins expanded by 70 bps year-on-year.

BUSINESS UPDATE – AFRICA, USA AND MIDDLE EAST

Our Africa, USA and Middle East cluster delivered a robust 17% constant currency sales growth, with South and West Africa recording strong sales growth. We are seeing strong performance in the Dry Hair category and have introduced new go-to-market initiatives. EBITDA margins increased by 190 bps year-on-year, driven by scale leverage and cost saving programmes.

BUSINESS UPDATE – LATIN AMERICA & SAARC

Our Latin America and SAARC business delivered a 35% constant currency sales growth. The SAARC business continues to deliver a healthy financial performance.

ABOUT GODREJ CONSUMER PRODUCTS

Godrej Consumer Products is a leading emerging markets company. As part of the 123-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. In line with our 3 by 3 approach to international expansion at Godrej Consumer Products, we are building a presence in 3 emerging markets (Asia, Africa, Latin America) across 3 categories (Home Care, Personal Wash, Hair Care). 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.

For further information, please contact:

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Disclaimer:

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