



# GODREJ INDUSTRIES LIMITED

Performance Update – Q3 & 9M FY 2014-15

FEBRUARY 11, 2015



## DISCLAIMER

*“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 or materially from those expressed or implied. Important developments that could affect the Company’s operations include changes in industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.”*

# AGENDA

- Results
  - Financial Highlights – Consolidated
  - Segment Performance
- Business Performance
  - Performance highlights including Subsidiaries and Associates
- Other information

## **FINANCIAL HIGHLIGHTS – CONSOLIDATED**

## FINANCIAL HIGHLIGHTS - CONSOLIDATED

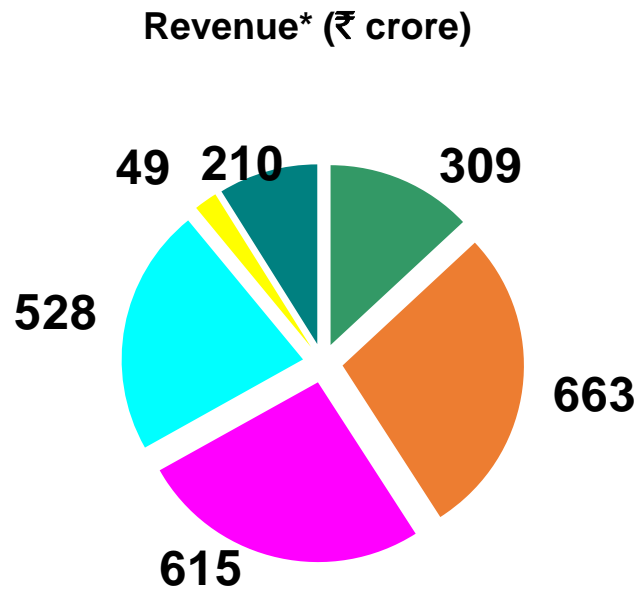
Particulars (₹ crore)	Q3 FY 2014-15	Q3 FY 2013-14	% Growth	9M FY 2014-15	9M FY 2013-14	% Growth
<b>Total Income *</b>	<b>2,374</b>	<b>2,026</b>	<b>17%</b>	<b>7,120</b>	<b>6,041</b>	<b>18%</b>
<b>PBDIT *</b>	<b>183</b>	<b>142</b>	<b>28%</b>	<b>563</b>	<b>466</b>	<b>21%</b>
<b>Depreciation</b>	<b>25</b>	<b>16</b>		<b>69</b>	<b>49</b>	
<b>Interest</b>	<b>48</b>	<b>31</b>		<b>133</b>	<b>83</b>	
<b>PBT *</b>	<b>110</b>	<b>95</b>	<b>16%</b>	<b>361</b>	<b>334</b>	<b>8%</b>
<b>Net Profit #</b>	<b>91</b>	<b>65</b>	<b>39%</b>	<b>264</b>	<b>212</b>	<b>24%</b>

*\* Including other income and exceptional items ;*

*# Post share of profit in associate companies and minority interest*

## **CONSOLIDATED RESULTS – SEGMENT PERFORMANCE**

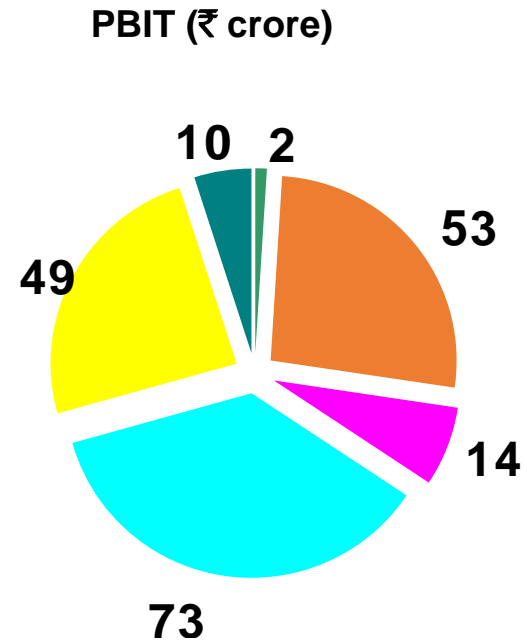
# SEGMENT-WISE CONTRIBUTION TO FINANCIALS: Q3 FY 2014-15



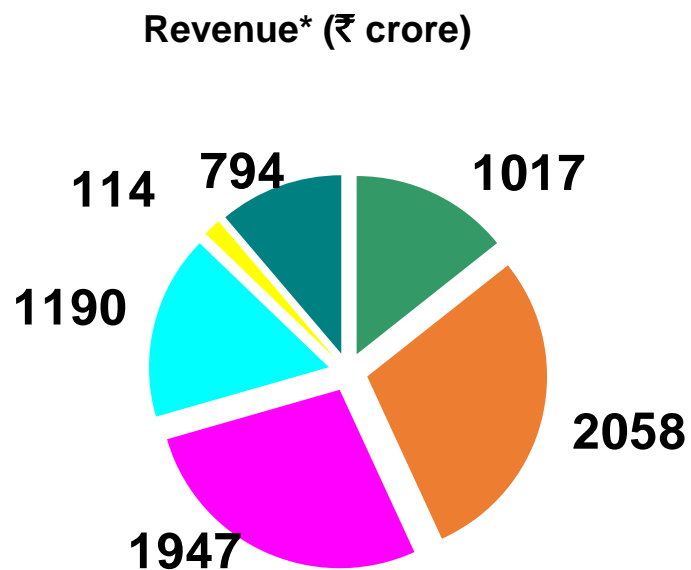
\*net of inter-segment revenue

■ CHEMICALS  
■ VEGOILS  
■ FINANCE & INVESTMENTS

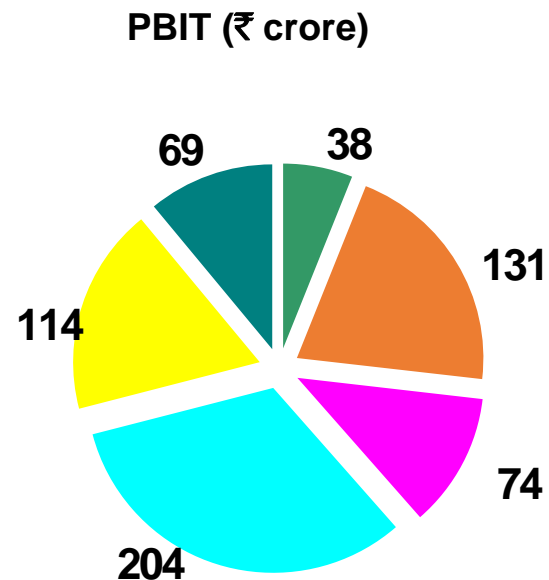
■ ANIMAL FEEDs  
■ ESTATE & PROPERTY DEVELOPMENT  
■ OTHERS



# SEGMENT-WISE CONTRIBUTION TO FINANCIALS: 9M FY 2014-15



\*net of inter-segment revenue



■ CHEMICALS

■ VEGOILS

■ FINANCE & INVESTMENTS

■ ANIMAL FEEDs

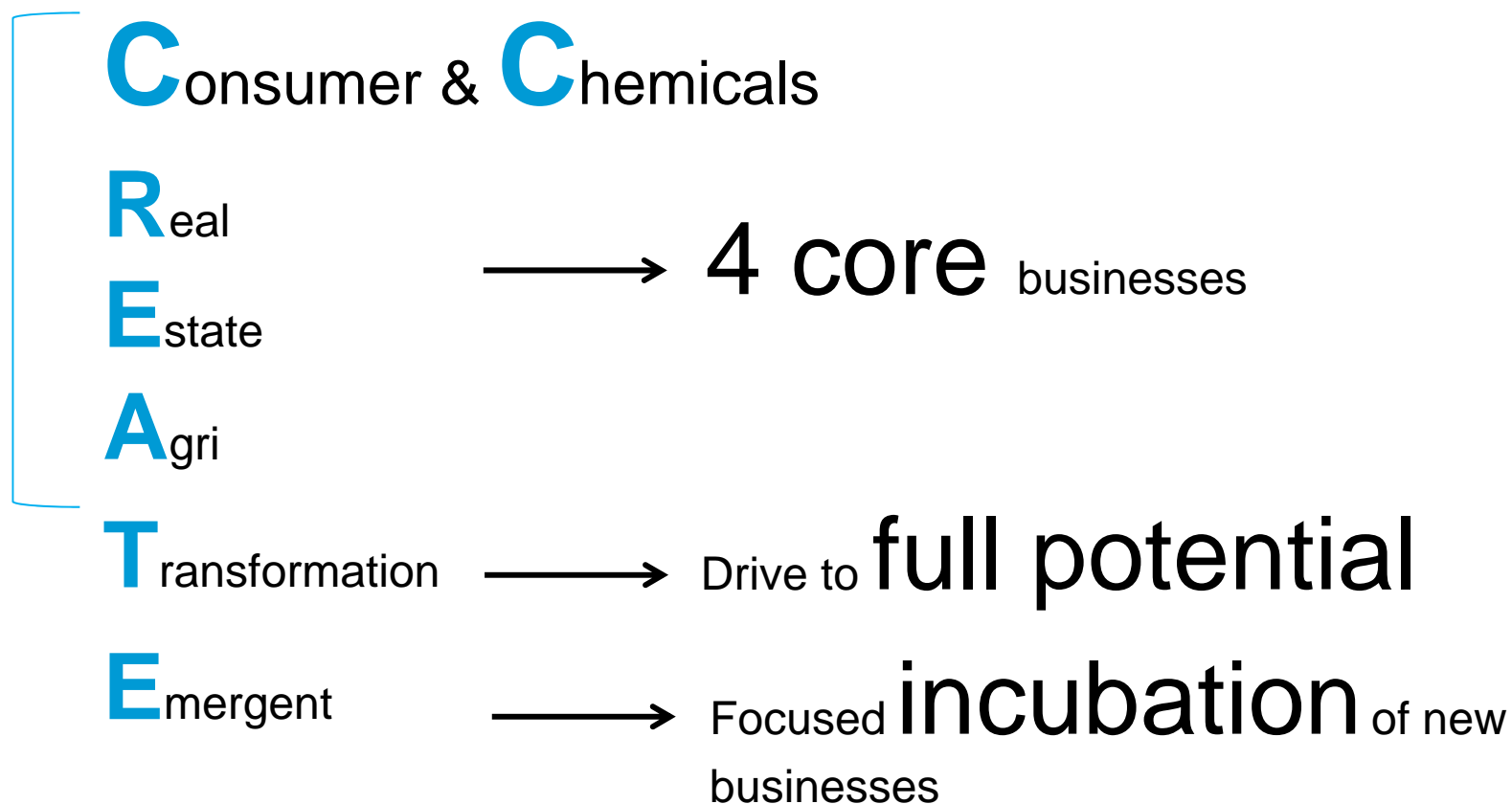
■ ESTATE & PROPERTY DEVELOPMENT

■ OTHERS



**BUSINESS PERFORAMCE: Performance Highlights incl.  
subsidiaries, JVs and Associates**

# OUR “CREATE” GROUP PORTFOLIO STRATEGY



# CONSUMER (GCPL)

## Business and Financial Highlights for Q3 FY 2014-15:

- Consolidated organic constant currency net sales increased by 16%.
  - India business grew by 12%; nearly 1.6x of the overall household and personal care sector growth.
  - International business grew by 20% on an organic constant currency basis.
- Consolidated net profit grew by 35%
- GCPL continues to gain market share across its core categories across geographies
  - Household Insecticides clocked a growth of 16%; well ahead of category growth.
  - Soaps value growth at 11%, well ahead of the category growth which was in low single digit.
  - Hair colour volume led sales growth of 10%, despite a significantly higher base from last year.
- Three brands (**Goodknight**, **Cinthol** and **Godrej No. 1**) ranked in 100 Most Trusted Brands 2014 by Brand Equity.
- Declared an interim dividend of 100% (₹ 1 per share).

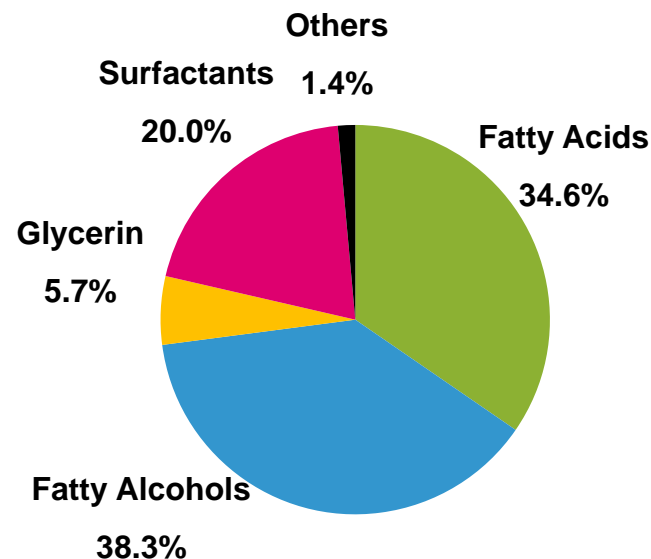
# CHEMICALS

## Financial Highlights for 9M & Q3 FY 2014-15:

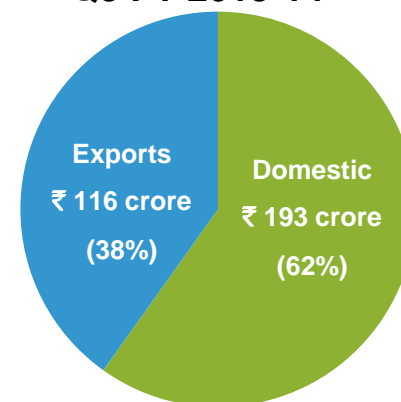
₹ crore		FY 2014-15	FY 2013-14
Revenue	9M	1,017	930
	Q3	309	335
PBIT	9M	38	32
	Q3	2	10

- The business performance during the quarter was impacted by lower margins due to high inventory costs on account of sharp fall in commodity prices as well as subdued demand.
- Revenue for 9M FY 2014-15 grew 9% over 9M FY 2013-14.
- PBIT for 9M FY 2014-15 grew 18% over 9M FY 2013-14.
- Exports in 9M FY 2014-15 at ₹ 400 crore grew 8%.
  - Amounting to 39% of division's turnover.

## Product Portfolio Q3 FY 2014-15



## Revenue distribution by Category Q3 FY 2013-14



# REAL ESTATE

## Godrej Properties Limited (GPL) - Consolidated Financial Highlights:

₹ crore		FY 2014-15	FY 2013-14
Revenue	9M	1,209	819
	Q3	539	254
Net Profit after tax (after minority interest)	9M	140	111
	Q3	47	37

## Business & Sales Highlights for Q3 FY 2014-15:

- Added 1 new project at Vikhroli, Mumbai with 1.2 million sq. ft. of saleable area
- 37% growth in volume and 28% growth in value of sales bookings.
  - Residential projects recorded booking value of ₹ 370 crore and booking volume of 0.64 million sq.ft.
  - Commercial projects witnessed booking value of ₹ 178 crore and booking volume of 0.06 million sq.ft.

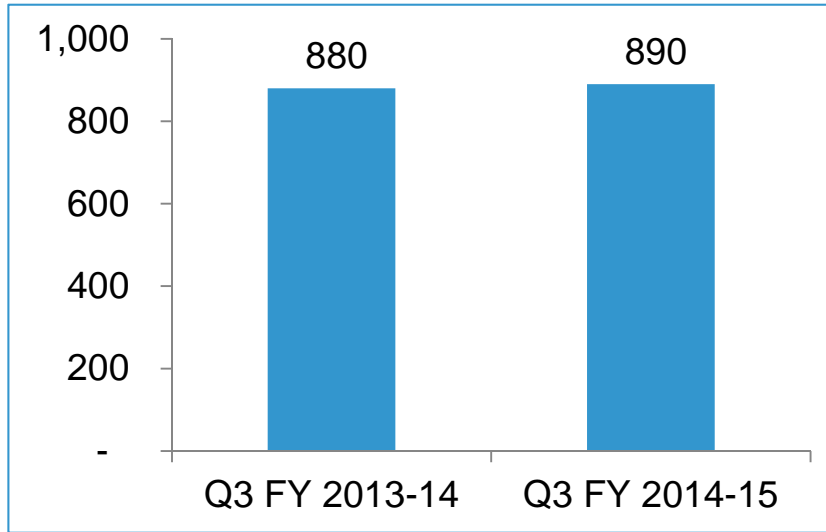
## Awards and Recognitions:

- GPL received 35 awards in 9M FY 2014-15 and 13 awards in Q3 FY 2014-15, some of which are:
  - **Most Reliable Builder** : CNBC AWAAZ Real Estate Awards 2014
  - **Emerging Developer of the year – Residential** : 6th Realty Plus Excellence Awards 2014
  - **Most Promising Brand of the year (Residential Real Estate Developers)** : World Brands Summit 2014

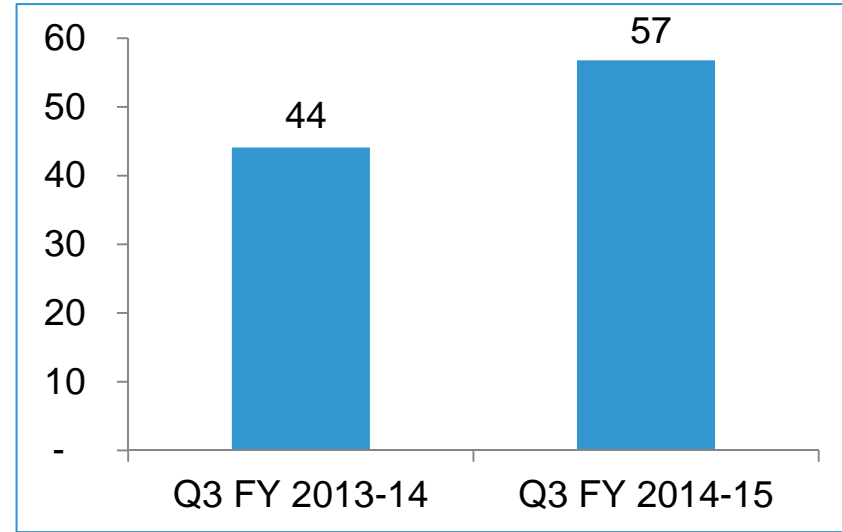
# AGRI BUSINESS

## Godrej Agrovet Limited (GAVL) - Consolidated Financial Highlights

Q3 Consolidated Total Income (₹ crore)



Q3 Consolidated PBT (₹ crore)

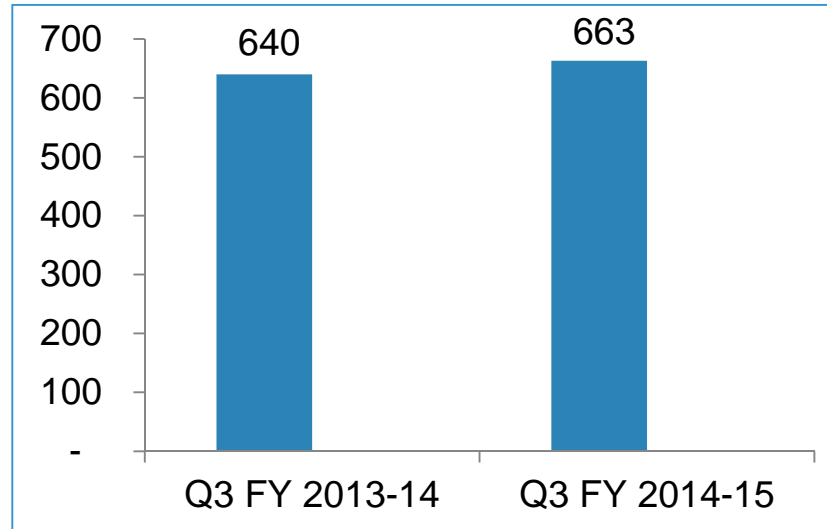


- Q3 FY 2014-15 PBT grew 29% over Q3 FY 2013-14.
- Total Income was flat on account of sharp fall in CPO & PKO prices and other commodities. However, Sales volume recorded a growth of 9% in animal feeds and 1% in Oil Palm business
- Animal feed and Agri Input businesses have shown robust PBT growth over last year.
- JVs have shown significant growth in profitability by focusing on improving operational efficiency.

# AGRI BUSINESS

## Animal Feed Business: Cattle feed and Layer feed volumes key growth drivers for the business

Q3 Animal Feed Sales (₹ crore)

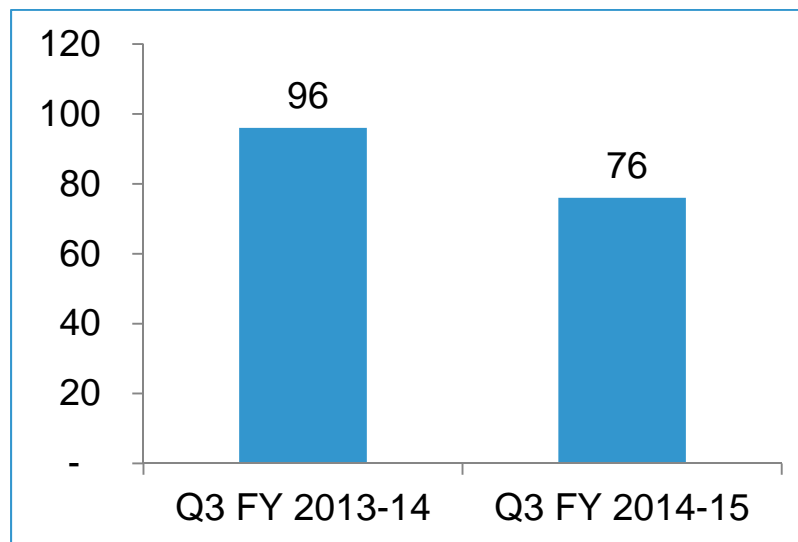


- Sales growth of 4% in Q3 FY 2014-15 over Q3 FY 2013-14. Sales volume grew by 9%
- Cattle feed and Layer feed volume grew significantly. These segments expected to maintain the growth momentum.
- This quarter is a lean period for Aqua feed business – uptick of demand in Aqua feed volume is expected from the next quarter onwards.
- Adverse prices of broiler has resulted in slowdown in broiler feed sales.

# AGRI BUSINESS

## Oil Palm Business: Price correction in CPO and PKO severely impacted the business

Q3 Oil Palm Sales (₹ crore)



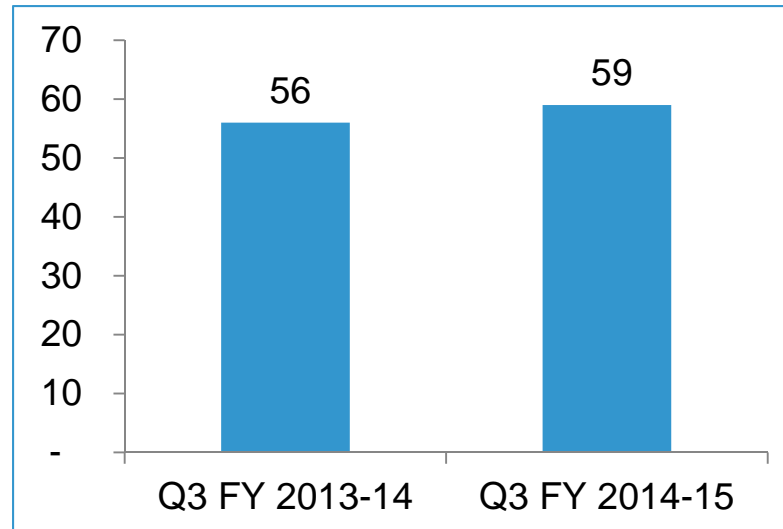
- Oil Palm business sales declined by 21% over Q3 FY 2013-14 primarily on account of subdued CPO and PKO prices.
- Focused on driving further operational efficiency in this business.
- Exploring the options of developing additional revenue streams by enhancing the value of Biomass generated in the business.



# AGRI BUSINESS

**Agri Inputs Business: Diverse product portfolio helped the business register a modest growth in a subdued Rabi season**

Q3 Agri Inputs Sales (₹ crore)

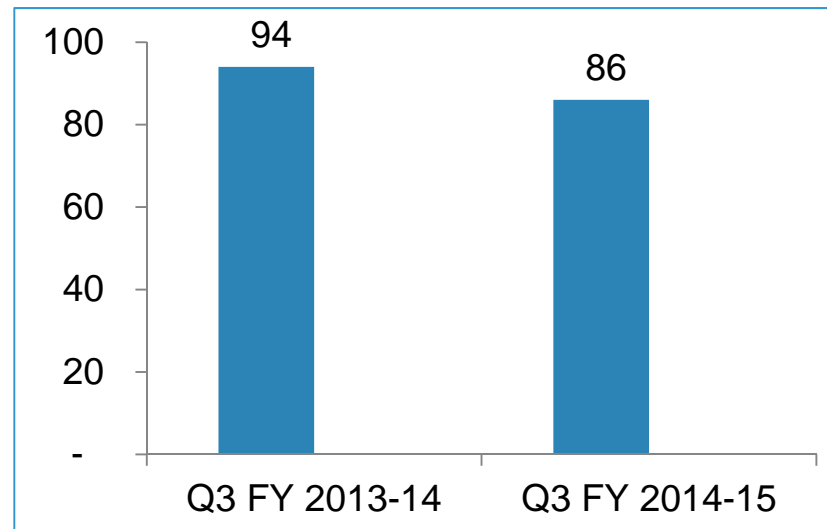


- Agri Inputs business grew by 7% in Q3 FY 2014-15 over Q3 FY 2013-14 despite a bleak Rabi season.
- Diverse product mix and an agile supply chain helped counter variations in crops taken up by farmers in the season.

# AGRI BUSINESS

**ACI GODREJ (Bangladesh): Prolonged non remunerative output prices for customers has impacted the sales performance**

Q3 ACI - Godrej Sales (₹ crore)

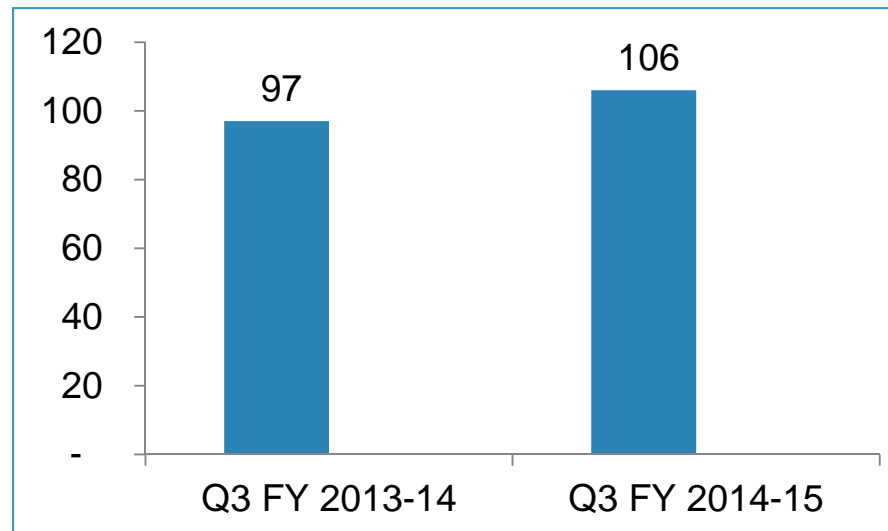


- The topline of the business declined by 10% in Q3 FY 2014-15 over Q3 FY 2013-14.
- Non-remunerative egg, broiler and fish prices and volatile political environment led to overall shrinkage in the market for the third quarter of FY 2014-15.
- Operational efficiency measures have started showing overall improvement in business performance.

# AGRI BUSINESS

## GODREJ TYSON: Continuing focus on building brand based business

Q3 Godrej Tyson Sales (₹ crore)



- Robust sales growth of 9% in Q3 FY 2014-15 despite sluggish consumer demand.
- Team focusing on strengthening the ***Real Good Chicken*** and ***Yummiez*** brands. Several innovative products been launched under the ***Real Good Chicken*** and ***Yummiez*** brands (veg and non-veg).

# TRANSFORMATION – FOSTERING AN INSPIRING PLACE TO WORK

2014 Economic Times “Great Place to Work” survey:

**GCPL**

**1<sup>st</sup>** in FMCG category  
Overall rank **#7**

**GPL**

**1<sup>st</sup>** in real estate industry  
Overall rank **#45**

**GIL**  
**Chemicals**

Overall rank **#64**

**GAVL**

Overall rank **#97**



# TRANSFORMATION – CONTINUED COMMITMENT ON OUR 'GOOD & GREEN' VISION

1

## ENSURING EMPLOYABILITY

Train 1 million youth in skills that will enhance their earning potential

99,549 youth trained as of Dec. 31, 2014  
(40,646 youth trained YTD, in FY15):

9 Training Programs  
24 Unique Partners  
362 Training Locations (148 Schools)

2

## GREENER INDIA

Achieve zero waste to landfill, carbon neutrality, a positive water balance, 30% reduction in specific energy consumption & increase renewable energy utilization

Progress of our factories compared to 2011 baseline:

- Specific Energy -31%
- Specific Water -31%
- Specific GHG -20%
- Specific Waste to Landfill -61%
- % Renewable Energy 34%

3

## INNOVATING FOR GOOD & GREEN

Generate a third of our portfolio revenues from 'good' &/or 'green' products



4

## BRIGHTER GIVING

Structured Employee Volunteering in Mumbai, Bangalore and Kolkata



## **NATURES BASKET (FRESH FOOD AND GOURMET STORES)**

- Total store count at 32 Pan-India
  - across 5 key metros (Mumbai, Delhi / NCR, Pune, Hyderabad, and Bengaluru).
- Surge in gifting sales helped improve brand sales in Q3 FY 2014-15
- Private label portfolio strengthened with new additions across categories
- Online business continues to surge over 205% in Q3 FY 2014-15 over Q3 FY 2013-14.
- Easing of FSSAI norms for imported packaged food helped improve product availability towards end of quarter

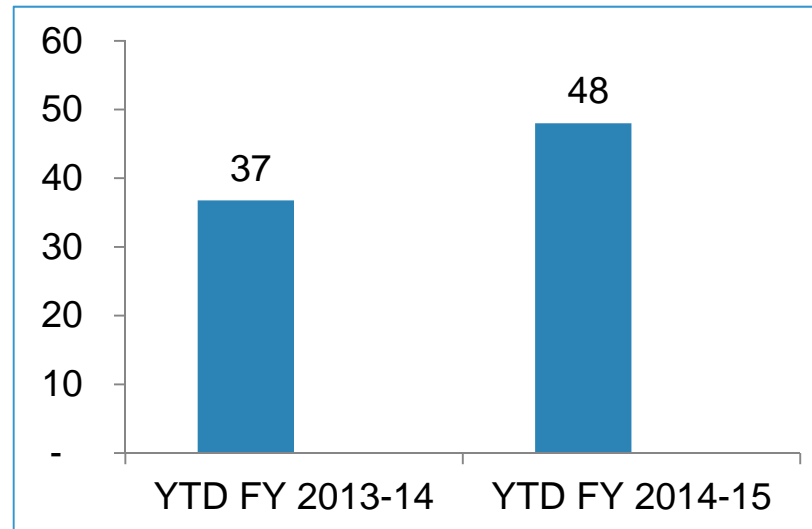
### **Financial Highlights:**

- Net Sales in Q3 FY 2014-15 grew by 22% to ₹ 58 crore.
- Net Sales in 9M FY 2014-15 grew by 21% to ₹ 154 crore.

# EMERGENT

## GODREJ SEEDS: Healthy growth despite lower Rabi acreage and unattractive commodity prices

YTD Godrej Seeds and Genetics Sales (₹ crore)



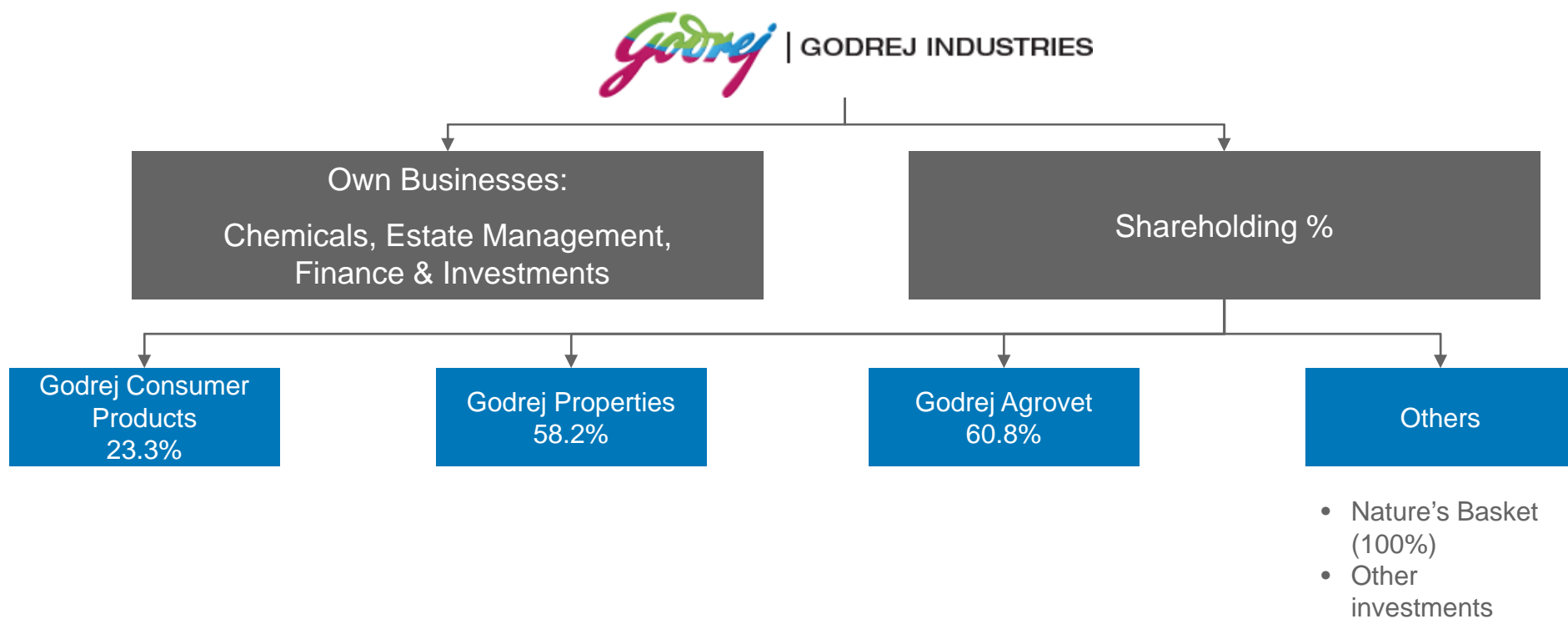
- Godrej Seeds and Genetics – our new business has shown impressive growth of 30% till date in light of poor monsoons in its critical markets at critical time.
- Our mainstay in the seeds business will be developing and strengthening our position in Maize across the country

**OTHER INFORMATION**



# GODREJ INDUSTRIES LIMITED

## CORPORATE STRUCTURE



## SIGNIFICANT APPRECIATION IN INVESTMENT VALUE

Company	Business	Holding (%)	Investment at cost (₹ crore)	Market Value <sup>^</sup> of investment (₹ crore)
Godrej Consumer Products (GCPL)	FMCG, Personal and Household Care products	23.3%	1,197	7,710
Godrej Properties (GPL)	Real Estate and Property Development	58.2%	629	2,978
Godrej Agrovet	Animal Feed, Agri-inputs, Poultry & Oil Palm	60.8%	144	
Godrej International	International Trading	100%	15	
Godrej International & Trading	International Trading & Investments	100%	4	
Godrej Vikhroli LLP	Real Estate and Property Development	40%	144	
Natures Basket	Fresh Food & Gourmet Stores	100%	149	
Others		--	13	
	<b>Total</b>		<b>2,295</b>	

<sup>^</sup> as on December 31, 2014

## SHAREHOLDING PATTERN AS ON DECEMBER 31, 2014

Category	Shares held (nos.)	% of holding
Promoter holding	25,12,34,174	74.89
Institutional investors :		
- Mutual funds & UTI	13,68,939	0.41
- Banks, financial institutional investors & Insurance companies	1,04,42,483	3.11
- Foreign Institutional Investors	3,83,59,848	11.44
Others :		
- Private corporate bodies	1,21,04,524	3.61
- Indian Public	2,06,03,707	6.14
- NRI/OCBs	13,41,585	0.40
<b>Total</b>	<b>33,54,55,260</b>	<b>100.00</b>



THANK YOU FOR YOUR TIME AND CONSIDERATION