

# GODREJ CONSUMER PRODUCTS LIMITED PERFORMANCE UPDATE

**Q3 FY 2011-12**

**January 21, 2012**



# DISCLAIMER

This release/ communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments in India and overseas, political instability, change in international oil prices and input costs and new or changed priorities of the trade. The Company, therefore, cannot guarantee that the forward looking statements made herein shall be realized. The Company, based on changes as stated above, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward looking statements as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements that may be made from time to time by or on behalf of the Company to reflect the events or circumstances after the date hereof.

# AGENDA

- Executive Summary : Major Highlights
- Performance Highlights : Consolidated
- Business Overview : Indian Subcontinent
- Business Overview : International
- Other developments

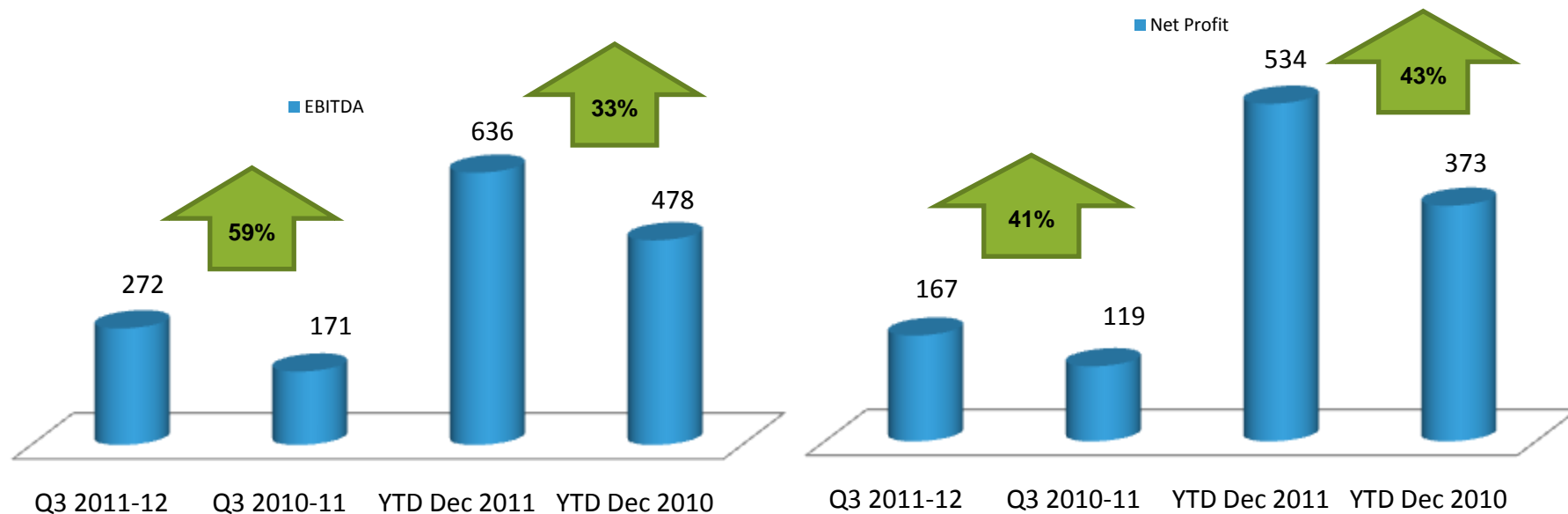
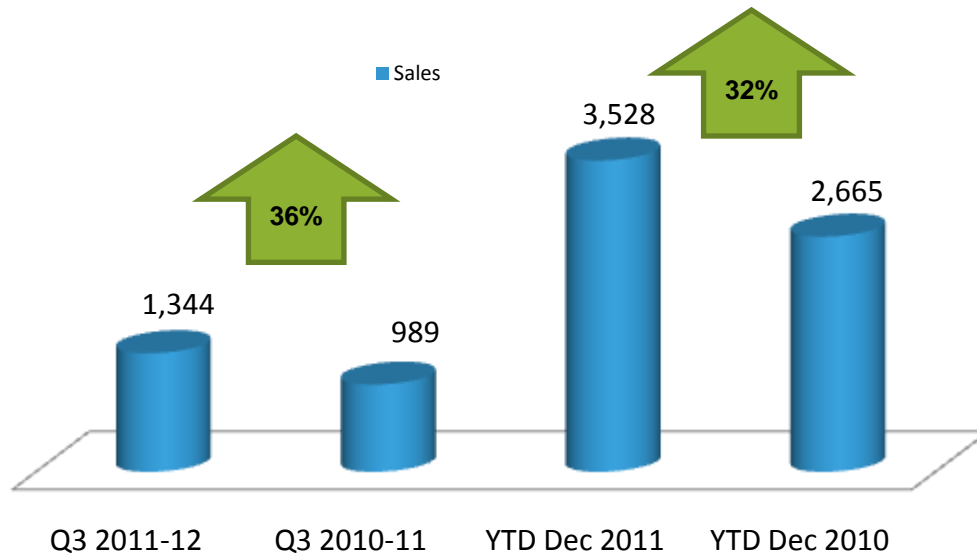
## **Executive Summary : Major Highlights**

## MAJOR HIGHLIGHTS - Q3 FY11-12

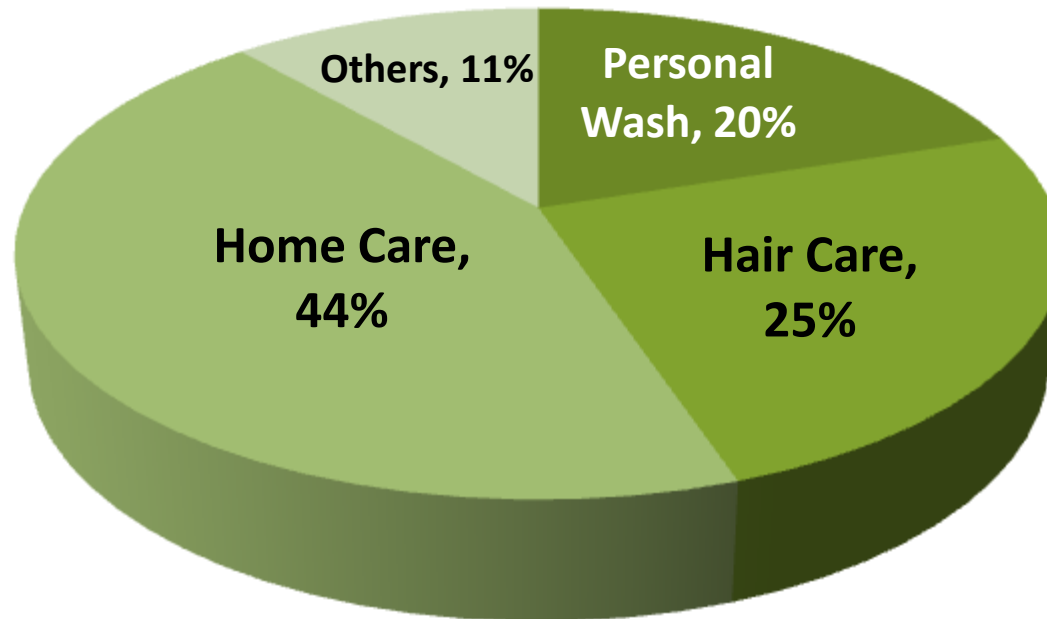
- Healthy sales momentum, with growth accelerating to 36%
  - Indian subcontinent business, clocking yet another strong quarterly growth of 20% in the quarter, led by smart growths across categories
  - International business also growing strongly with 30% organic sales growth
- EBITDA strengthens to 20.2%, an increase of 290 bps on yoy basis and sequential expansion of 210 bps
  - Favorable category sales mix
  - Integration led cost savings initiatives
  - Efficient commodities sourcing
  - Competitive and efficient advertising spends
- Interim dividend of ₹ 1.0 per share

## **Performance Highlights : Consolidated**

# PERFORMANCE HIGHLIGHTS - FINANCIALS (CONSOLIDATED)



## PERFORMANCE HIGHLIGHTS - CATEGORY SALIENCE (CONSOLIDATED)





# FOREX IMPACT

## Standalone

- As on 31st Dec11, GCPL had an import exposure of US\$ 21 million. The net exposure is US\$ 13 million, after revaluation of the export receivables. The net impact in the standalone financials is ₹ 7.5 crore

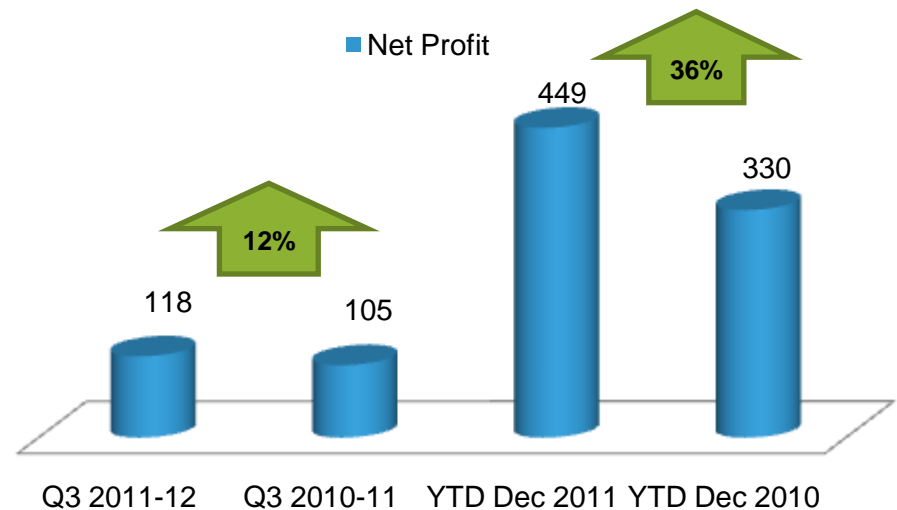
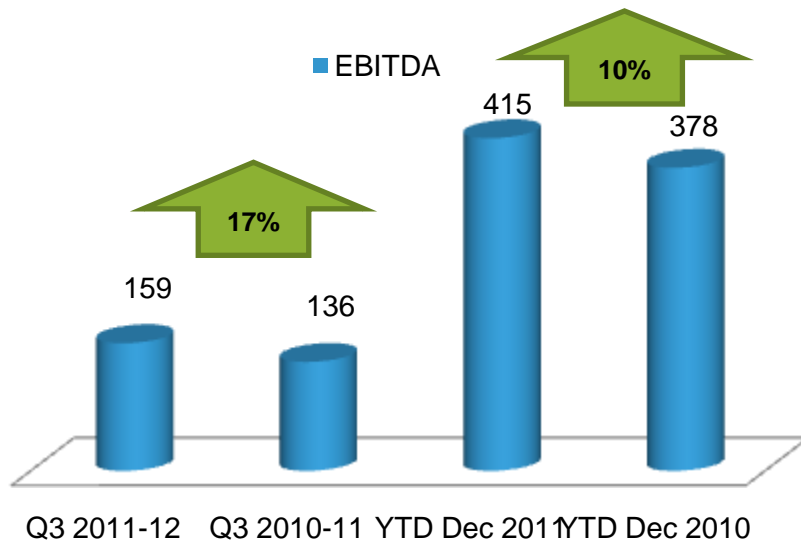
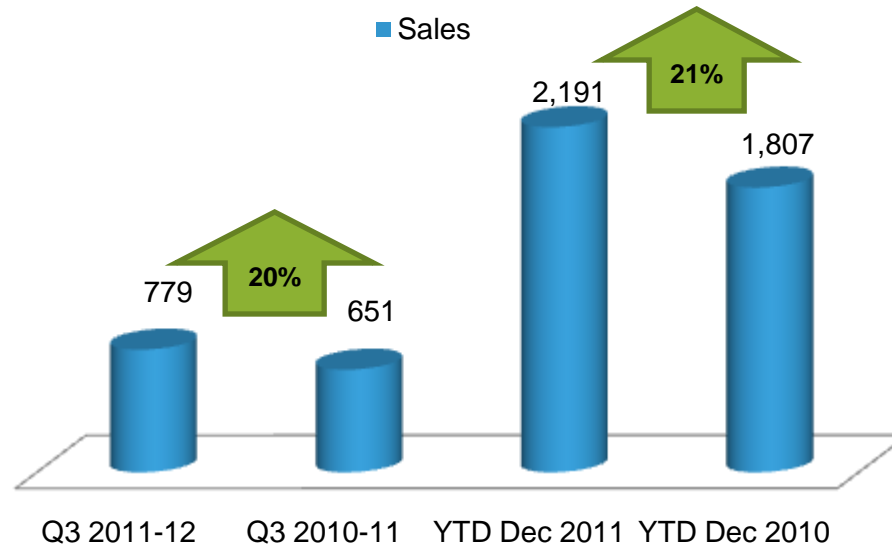
## Consolidated

- GCPL has adopted the notification issued by The ministry of corporate affairs on 29<sup>th</sup> December 2011, on amortization of forex impacts
- The total forex impact, including mark to market impact at consolidated level aggregates to ₹ 5.5 crore
- GCPL has a forex committee that monitors all the exposures and takes calls on hedging the exposures

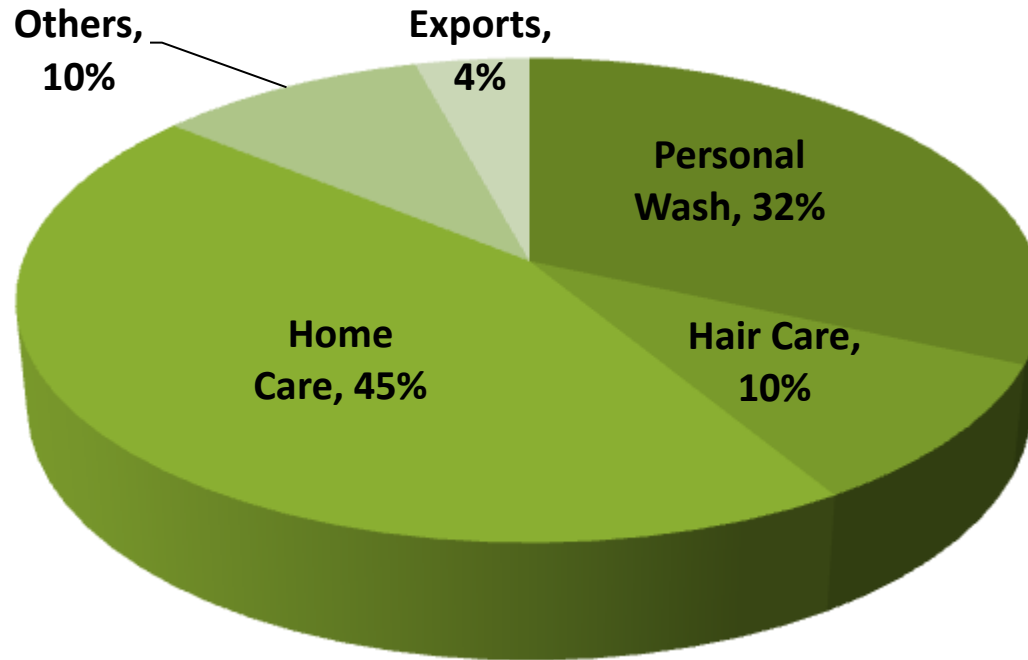
## **Business Overview : Indian Subcontinent**

# PERFORMANCE HIGHLIGHTS - FINANCIALS

*Indian Subcontinent business*



## PERFORMANCE HIGHLIGHTS - CATEGORY SALIENCE – INDIAN SUBCONTINENT



# CATEGORY HIGHLIGHTS - HOMECARE

## HOUSEHOLD INSECTICIDES

- Sales growth of **30%** during the quarter; seventh consecutive quarter of 25%+ growth rates and growing far ahead of the category growth
- Innovative marketing campaigns and new media campaign on for Goodknight
- Continue to leverage on rural strength enjoyed erstwhile GCPL distribution



## CATEGORY HIGHLIGHTS - PERSONAL WASH SOAPS

- Sales growth of **31%** during the quarter, way ahead of the 7% category growth
- Continued healthy advertisement spends on new launches
- Sequential expansion of gross margins led by full impact of price increase and efficient commodity buying



# CATEGORY HIGHLIGHTS - HAIR CARE

## HAIR COLOURS

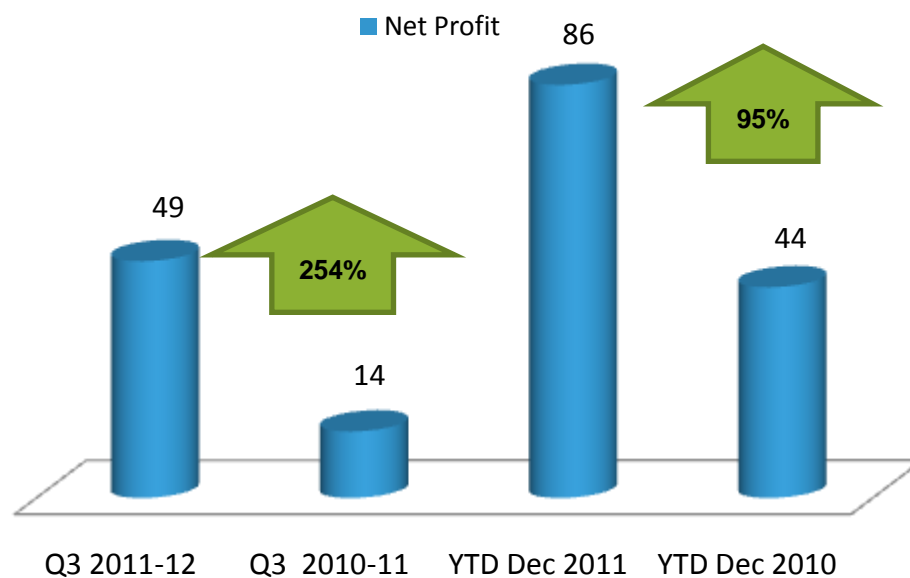
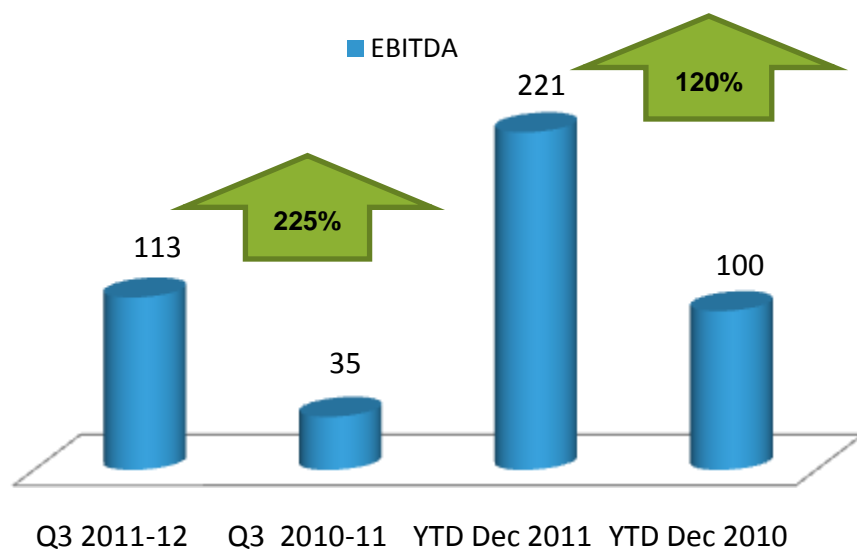
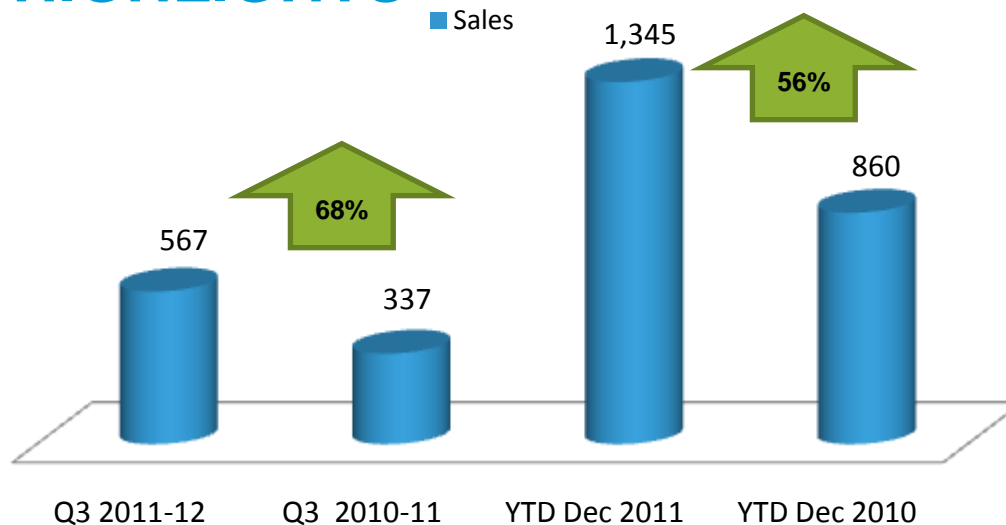
- Sales growth of **9%**, led by Godrej Expert powder hair colours and Nupur natural mehendi
- Special Value-Kit introduced in modern trade channel with Godrej Expert powder hair colours, conditioner, gloves & cape – at an attractive price.
- The newly launched Expert Care and Advance powder hair colours beginning to register good market response



## **Business Overview : International**



# FINANCIAL HIGHLIGHTS



# PERFORMANCE HIGHLIGHTS (Q3 FY11-12)

## Asia (ex Indian subcontinent)

- 45% of International business revenue
- Megasari registered strong sales growth of 35%, with sales at ₹ 250 crore, on the back of distribution expansion and healthy performance of new products launched
- EBITDA margin of 20.6% (before payment of technical & business support fee) expands sequentially by more than 120 bps and yoy 190 bps
- Launched HIT extra power electric mosquito repellant
- Middle east business registered sales of ₹ 5 crore



# PERFORMANCE HIGHLIGHTS (Q3 FY11-12) - AFRICA

- Business comprising Rapidol, Kinky, Tura and the newly acquired Darling group - contributes 33% to International business revenue
- Sales stood at ₹ 186 crore and EBITDA margin at around 31%
- EBITDA margin expansion on the back of favorable format mix sales within hair extension category ,good festive season sales and continuation of Darling's historical level of relatively lower A&P spends in the current quarter
- Integration of Darling on track



# PERFORMANCE HIGHLIGHTS (Q3 FY11-12) - LATIN AMERICA

- 14% of International business revenue
- Strong sales growth of 29%, with sales at ₹ 82 crore, led by distribution expansion and new product launches
- EBITDA margin of 9%, expands around 160 bps sequentially, due to stronger summer season sales and cost savings initiatives
- Initial response to the recently launched new products of last few quarters has been very positive. This along with developing business in neighboring countries continues to be backed by strong marketing investments



# PERFORMANCE HIGHLIGHTS (Q3 FY11-12) - EUROPE

- 8% of International business revenue
- Strong sales growth of 43%, with sales at ₹ 43 crore and 6% EBITDA margin
- This is the third running quarter of the strong sales growth performance led by Cuticura, Touch of Silver and Bio - Oil behind innovative marketing campaign
- Continue focus on innovation with launches of Touch of Silver Intensive Conditioner and Cuticura Vitamin E Night & Day Cream



# AWARDS AND RECOGNIZATION

- GCPL wins **NDTV Profit Business Leadership Awards 2011 in the 'Consumer Goods Category'**. Award has been instituted to recognize individual and organizational excellence in the sphere of corporate, industry, policy making and governance
- Bio-oil voted **best classic beauty product** at coveted Cosmetic Executive Women CEW (UK) 2011, Beauty awards

**Other Developments**

# PREFERENTIAL ALLOTMENT OF EQUITY SHARES

- Godrej Consumer Products Limited (GCPL) today announced that it has accepted a binding offer from Baytree Investments (Mauritius) Pte Ltd, to subscribe to 1,67,07,317 equity shares of face value ₹ 1 at a premium of ₹ 409 per equity share, for an aggregate issue size of ₹ 685 crore on preferential allotment basis pursuant to Chapter VII of SEBI ICDR Regulations
- Baytree is an indirect wholly-owned subsidiary of Temasek, an Asia investment company incorporated in 1974. Temasek is headquartered in Singapore and supported by 12 offices in Asia and Latin America
- The investment is subject to customary conditions including signing of a share subscription agreement, shareholders' approval etc



## DIVIDEND - Q3 FY11-12

Dividend per Share	₹ 1.0
Dividend %	100%
Total Dividend (including Dividend Distribution Tax)	₹ 37.6 crore
YTD Dividend payout % to YTD Standalone Net Profit	25.3%
Dividend % till date for 2011-12	300%

**Thank You**