

Q3FY2022 Investor and Analyst Performance Update

8 February, 2022



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 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.

Our Purpose and Strategy



Purpose

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



Business Aspiration

Drive profitable double-digit growth led by innovation and distribution opportunities



Environmental, Social, and Governance (ESG)

Become sustainability leaders, influence sustainable consumption, and drive social impact

KEY HIGHLIGHTS

Steady sales growth of 8%; double-digit year-to-date sales growth

Consolidated
Sales growth

8% (8% CC)

India Sales
growth

8%

Consolidated
EBITDA growth

(2)%

- 1

Steady growth in both Home Care and Personal Care
- 3

Home Care delivers growth of 3%
- 5

Consolidated EBITDA margins at 21.4% (2% degrowth); margins decrease by 210 bps year-on-year

- 2

Steady growth in India 8%, Africa, USA & Middle East 12% (CC) and Latin America & SAARC 19% (CC); soft performance in Indonesia (2)% (CC)
- 4

Strong growth momentum continues in Personal Care; 12% growth
- 6

Ranked #1 among top 100 companies in India for CSR and sustainability in 2021

1 Steady growth in both Home Care and Personal Care

HOME CARE



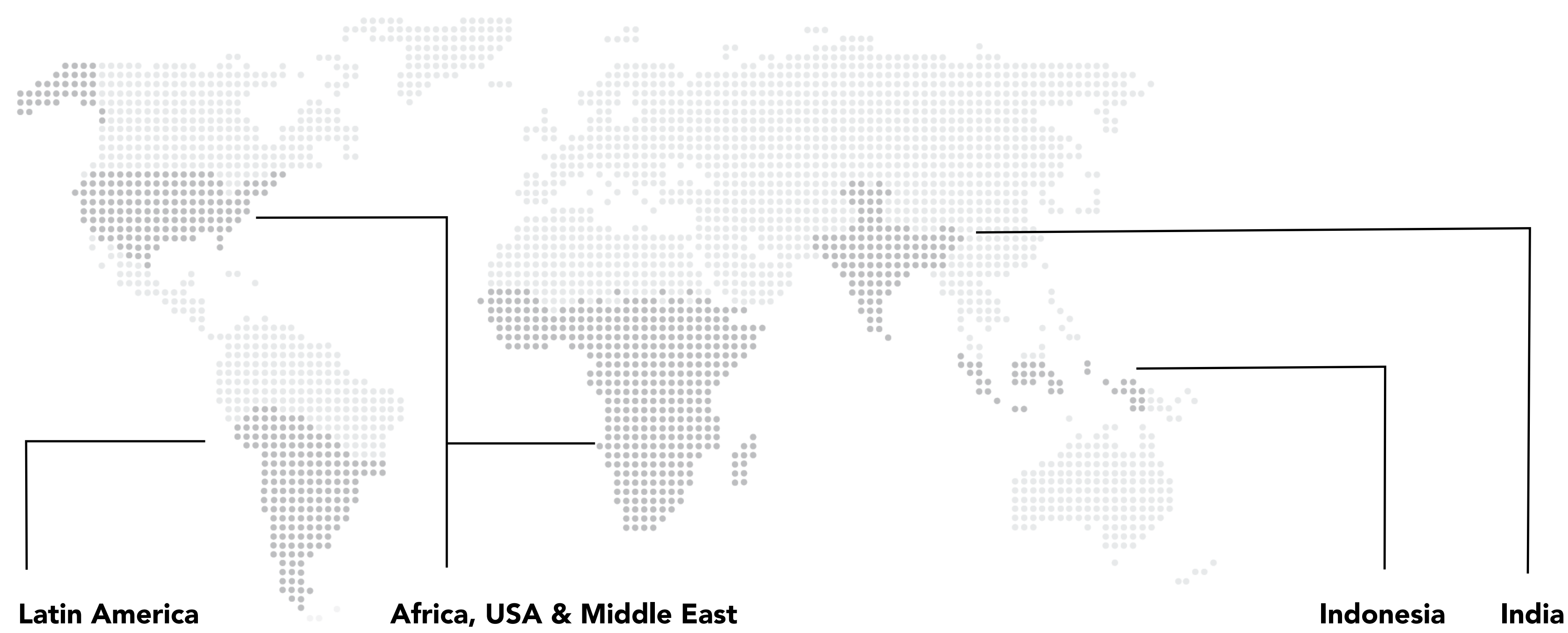
3%

PERSONAL CARE



12%

2 Steady growth in India 8%, Africa, USA & Middle East 12% (CC) and Latin America & SAARC 19% (CC); soft performance in Indonesia (2)% (CC)



Latin America

Africa, USA & Middle East

Indonesia

India

19%* (CC)
10%* (INR)

12% (CC)
13% (INR)

(2)% (CC)
0% (INR)

8% (INR)

Q3FY2022
Performance

Note: *Includes SAARC; CC - Constant Currency

3 Home Care delivers growth of 3%

- **Household Insecticides:** Steady growth driven by successful innovation and full portfolios across formats and price points
- **Air Fresheners:** Expect gradual recovery to continue

Disease prevention advertising



Good Knight
GOLD FLASH

YOU MAY NOT SEE THE DENGUE CAUSING MOSQUITO BUT IT SEES YOUR LOVED ONES!

Even one mosquito is dangerous. Protect your family with Goodknight Gold Flash, **India's most powerful* Liquid Vapouriser!**

*In comparison with combi pack machines + Liquid Vapouriser TTF 0.88 / 1.6% w/w available in the market. Basis the tests carried out on the leading Liquid Vapourisers available in the market which are operating in their highest/strongest modes.

Good Knight
HUM NIDAR, HAPPY HAR GHAR!



HIT aerosol sprays in India



Goodknight Power Shots in Nigeria

Aer range in India



4 Strong growth momentum continues in Personal Care; 12% growth

- **Personal Wash & Hygiene:** Growth driven by strong Personal Wash performance in India
- **Hair Colours:** Soft performance; expecting gradual recovery
- **Hair Care:** Continued robust growth in Africa, USA & Middle East

Cinthol Soaps in India



Godrej Expert Shampoo Hair Colour in India



Protakt in India



Darling in Africa

5 Consolidated EBITDA margins at 21.4% (2% degrowth); margins decrease by 210 bps year-on-year

- **Consolidated EBITDA decline of 2%; 2-year CAGR of 5%**
- In line with our strategy of **driving category development and improving quality of profits**, we have witnessed sequential expansion of consolidated gross margins of **70 bps** and higher Advertisement & Publicity spends of **90 bps**
- In India, EBITDA margins sequentially expanded by **60 bps**, driven by gross margin expansion of **270 bps** and higher Advertisement & Publicity spends of **170 bps**
- **Consolidated EBITDA margins at 21.4%**; decrease of **210 bps** year-on-year, driven largely by decline in India and Indonesia margins
- **EBITDA margins in India at 25.2%**; decrease of **290 bps** year-on-year, driven by gross margins drop of **~560 bps** (due to lag between increase in input cost and end consumer price increases), mitigated partly through decline in employee benefit expenses (**~130 bps**) and Advertisement & Publicity spends (**~160 bps**)
- **EBITDA margins in International business at 16.3%**; decrease of **~120 bps** year-on-year largely driven by decline in Indonesia margins

6 Ranked #1 among top 100 companies in India for CSR and sustainability in 2021

- Ranked number 1 among the [top 100 companies in India](#), for sustainability and CSR initiatives in 2021, in a survey conducted by Futurescape and published by The CSR Journal
- Achieved zero waste-to-landfill and water positivity in FY 2020-21 and also scored an 'A' rating in climate disclosure, securing a place among top 25 per cent of all global companies
- Spent INR 34 crore on CSR initiatives in FY 2020-21, reaching over 2.77 lakh people from the most vulnerable communities in India and initiated medium and long-term support to over 9,000 nano entrepreneurs

BUSINESS ETHICS & PHILANTHROPY | HEADER NEWS

Top 100 companies in India for CSR and Sustainability in 2021

By Kasmin Fernandes and Hency Thacker - December 30, 2021

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TOP 10 COMPANIES FOR CSR IN 2021

Godrej Consumer Products, Infosys, TATA CHEMICALS, vedanta, TATA POWER, JSW Steel, ADITYA BIRLA GRASIM, ITC Limited, wipro, JUBILANT LIFE SCIENCES

In 2021, for the first time, Godrej Consumer Goods has topped the CSR ranking list, followed by consistent star performers Infosys and Wipro. In addition to this, two Tata companies appear in the top 10. Overall, IT is the top-performing industry for CSR in FY 2021.

Top 100 Companies for CSR in 2021

1. Godrej Consumer Products Limited

Godrej Consumer Products Ltd. (GCPL) spent Rs. 34.08 crore on CSR initiatives in FY 2020-21. The company's CSR initiatives reached over 2.77 lakh people from the most vulnerable communities.

During the last financial year, GCPL diverted 63 per cent of its CSR budget to initiate medium to long-term livelihood recovery programmes to support over 9000 nano entrepreneurs.

FINANCIAL PERFORMANCE UPDATE

Q3 FY2022: Financial Performance

Growth (year-on-year)	Consolidated Business	India Business
Net Sales (Reported)	8%	8%
Net Sales (Constant Currency)	8%	-
EBITDA	(2%)	(3%)
Net Profit (Reported)	5%	8%
Net Profit (Without exceptional and one-off items)	(1%)	4%

Q3 FY2022: Exceptional and One-off Items

Consolidated Business	Q3 FY2022	Q3 FY2021
Net Profit (Reported)	528	502
<i>Exceptional (Post tax)</i>		
Restructuring cost in Latin America	1.6	2.9
Reversal of impairment on investment (BBLUNT in India)	(15.4)	
Reversal of contingent consideration in USA	-	(9.4)
Deferred Tax – Change in maximum marginal tax rate in India and Indonesia	(24.4)	(0.03)
Net Profit (Without exceptional and one-off items)	489	496

Note: All values in ₹ crore and rounded off

Q3 FY2022: Steady growth in India, Africa, USA & Middle East; soft performance in Indonesia

Geography	Sales (₹ crore)	Growth (Year-on-Year)	Constant Currency Growth (Year-on-Year)
India	1,785	8%	-
Indonesia	447	0%	(2)%
Africa, USA and Middle East	884	13%	12%
Latin America and SAARC	198	10%	19%
Total Net Sales	3,274	8%	8%

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

Q3 FY2022: Bridge between Reported and Operating EBITDA

	India	Indonesia	Africa, USA & Middle East	Latin America & SAARC
Q3FY22 Reported EBITDA Margin	25.7%	20.8%	14.1%	12.0%
Business support charges, Royalty & Technical fees (₹ crore)	(8.3)	1.7	5.4	1.2
Q3FY22 Operating EBITDA Margin	25.2%	21.2%	14.7%	12.6%
Q3FY21 Operating EBITDA Margin	28.1%	25.3%	14.1%	12.5%
Change in EBITDA Margin (bps)	(290)	(410)	60	10

Q3 FY2022: Healthy Balance Sheet

Particulars	Units	Dec 31, 2021	Dec 31, 2020	Sep 30, 2021
Working Capital ex-Cash*	₹ crore	853	499	994
Working Capital*	Days	25	17	30
Cash & Equivalents	₹ crore	1,923	972	1,826
Total Debt	₹ crore	1,627	1,997	2,135
Debt denominated in INR	₹ crore	99	100	99
Debt denominated in USD	₹ crore	1,196 (USD 160 m)	1,706 (USD 232 m)	1,703 (USD 230 m)
Debt denominated in other currencies	₹ crore	332	191	333
Other Financial Liabilities	₹ crore	145	251	138
Net Debt	₹ crore	(151)	1,276	446
Shareholder's Equity	₹ crore	11,046	9,168	10,477
Capital Employed*	₹ crore	11,954	10,572	11,940
Net Debt / Equity	x	(0.01)	0.14	0.04
ROE*	%	18.1%	20.1%	18.5%
ROCE*	%	20.5%	21.9%	20.1%
Operating ROCE*	%	58.5%	81.4%	56.8%

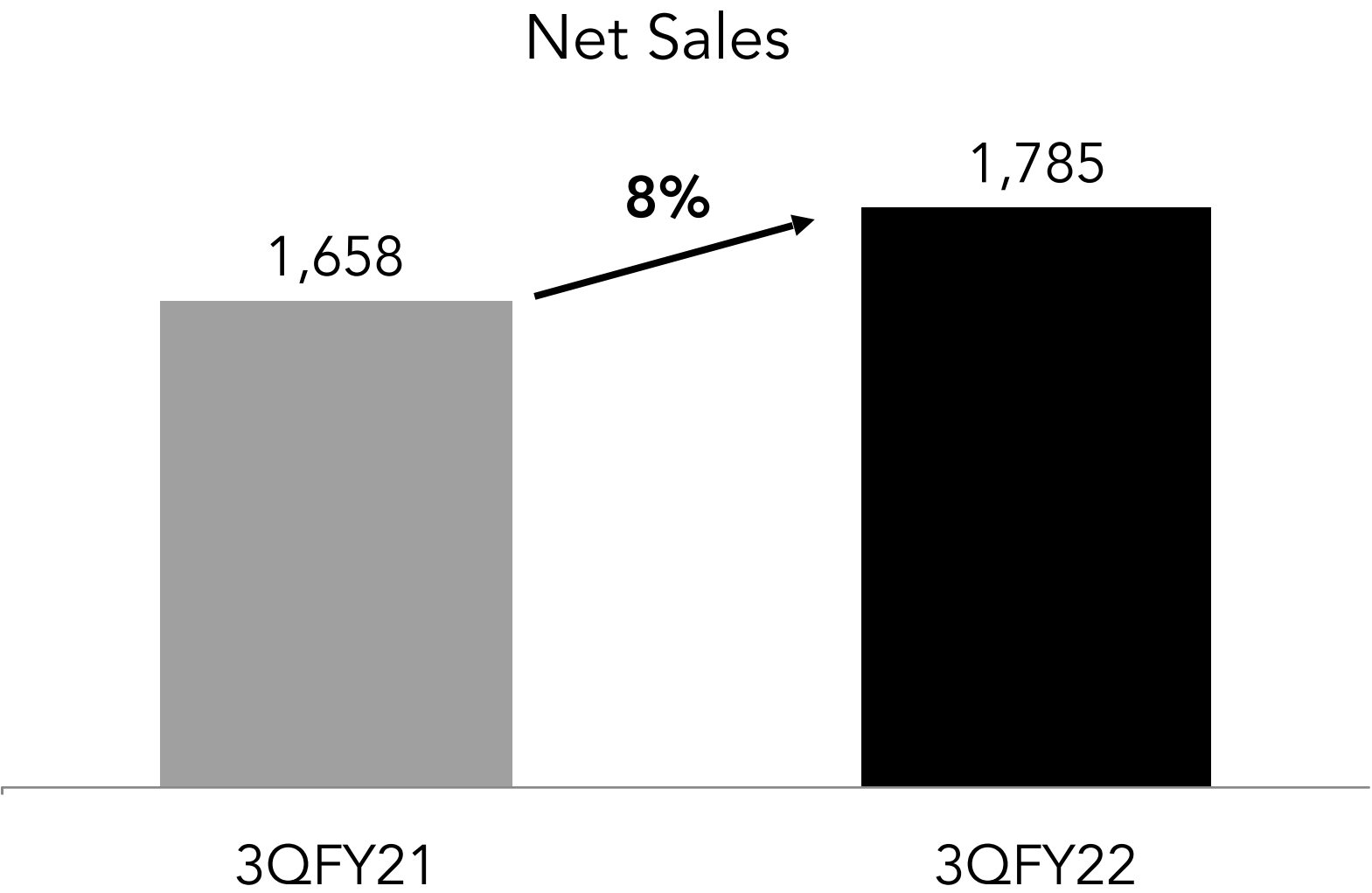
Note: *Excluding MAT credit entitlement, one time deferred tax and other one time exceptions

INDIA BUSINESS UPDATE

Steady sales growth

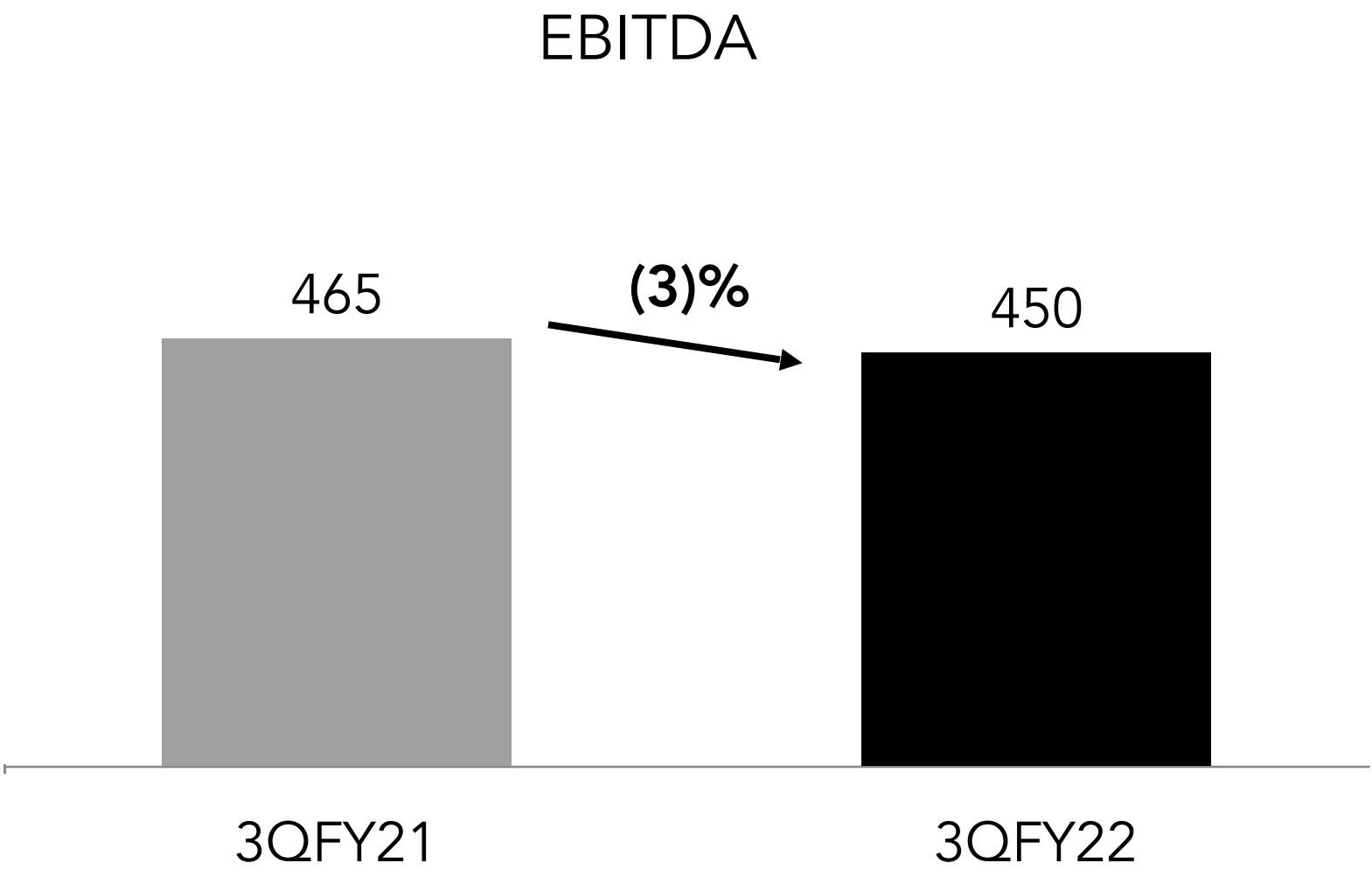
Financial performance

- **Sales growth of 8%**; 2-year CAGR of 9%
- **EBITDA margins** expanded by **60 bps** sequentially driven by gross margin expansion of **270 bps** and higher Advertisement & Publicity spends of **170 bps**
- **EBITDA margins in India at 25.2%**; decrease of **290 bps** year-on-year, driven by gross margins drop of **~560 bps** (due to lag between increase in input cost and end consumer price increases), mitigated partly through decline in employee benefit expenses (**~130 bps**) and Advertisement & Publicity spends (**~160 bps**)



Operating performance

- Steady growth in Home Care and Personal Care
- Strong innovation led growth; **innovation rate in the early twenties**
- Continue to **strengthen E-commerce; contributes to ~5% of Branded Sales**



Note: All values in ₹ crore

Strong momentum in Personal Care; steady growth in Home Care

Category	Sales (₹ crore)	Q3 Growth (Year-on-Year)
Home Care	908	4%
Personal Care	768	12%
Total Branded Sales	1,676	7%
Unbranded and Exports	109	17%
Total Net Sales	1,785	8%
Branded Volume Growth	—	0%

Home Care (1/3): Seeding in category development initiatives to drive sustainable growth

- **Household Insecticides** delivered a relatively soft performance
- Continue to deepen penetration and gain market share
- Jumbo Fast Card, our innovative paper based mosquito repellent, is scaling up well
- Continue to leverage digital platforms to create awareness around disease prevention and build on strategic pivots; taking the category beyond mosquitoes and scaling up the personal repellents portfolio



Home Care (2/3): Gradual recovery in Air Fresheners continues

- **Air Fresheners** continues to witness steady growth led by gradual recovery in the category
- Aer Power Pocket continues to perform well and drive new trials post relaunch
- Continue to leverage digital to drive relevance

To make
your bathroom
smell amazing
and festive-ready

#PowerPocketZarooriHai



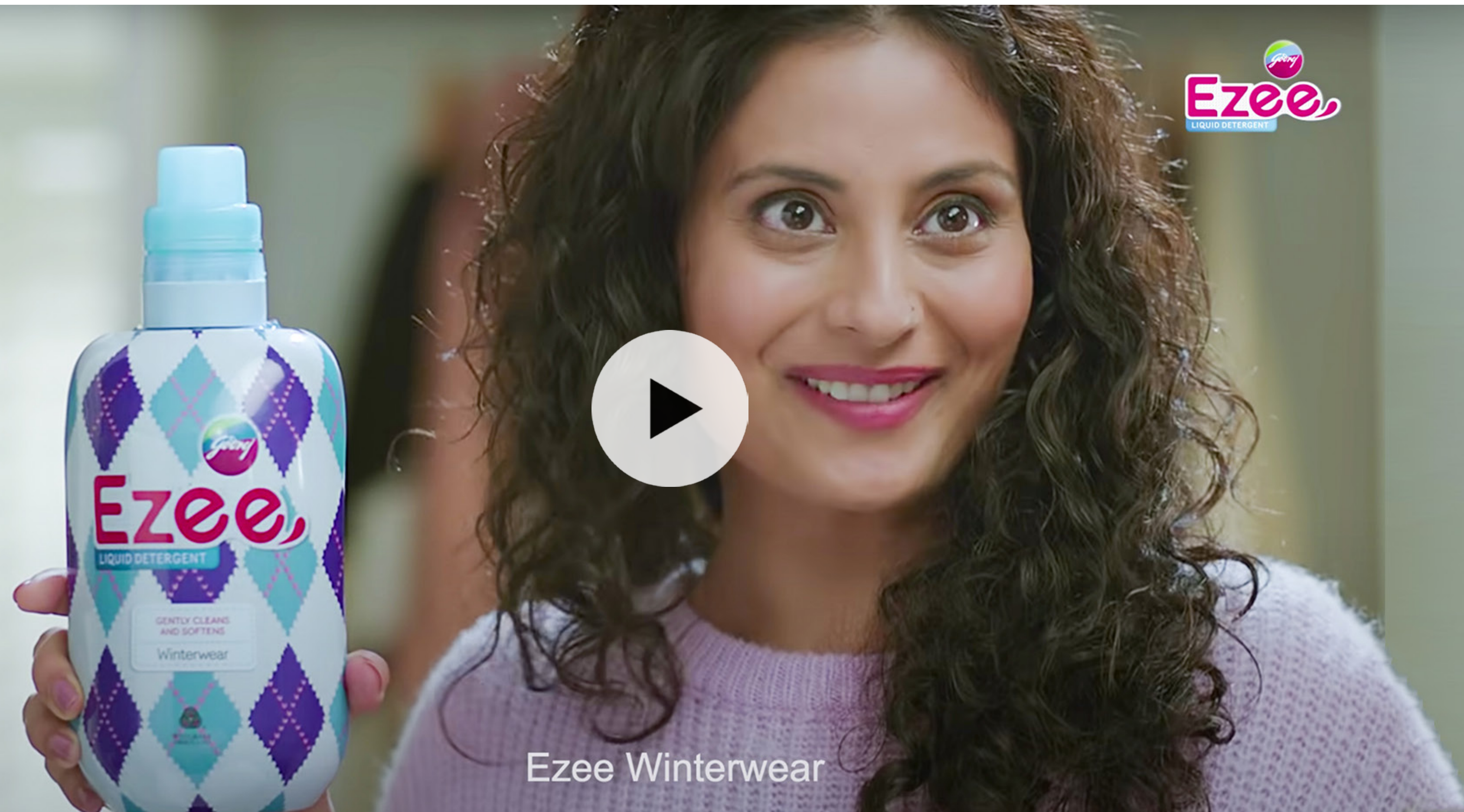
amazing
fragrance



lasts up to
30 days

Home Care (3/3): Strong performance in Fabric Care

- **Fabric Care** witnessed strong growth
- Continue with digital communications; 'SardiyonKiTaiyyari' campaign worked well



Ezee Winterwear

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

- **Personal Wash & Hygiene** continued momentum with double-digit sales growth; 2-year CAGR in double-digits
- Continue to gain market share in Soaps led by micro marketing initiatives
- Continue to leverage digital platforms; 'Wake Up Alive' campaign on Cinthol continues to yield positive results
- Continue to strengthen the value-for-money proposition for Protekt Magic handwash through digital communications and distribution expansion
- Navigating high input cost through calibrated price increases



Personal Care (2/2): Soft performance in Hair Colours

- **Hair Colours** growth was relatively soft; continue to gain market share
- Godrej Expert Rich Crème continues to perform well driven by strong marketing campaigns and influencer programmes
- Godrej Expert Easy 5 Minute Shampoo Hair Colour is scaling up well



INDONESIA BUSINESS UPDATE

Soft performance in Indonesia

- Sales declined by 2% (constant currency); sales growth excluding Hygiene (Saniter) was 2% (constant currency)
- EBITDA margins at 21.2%; decreased by 410 bps year-on-year because of increase in input costs, lag in end-consumer pricing, and adverse mix due to low Hygiene saliency
- Recent launches scaling up well
- Continue to put building blocks in place to drive category development and general trade distribution expansion



AFRICA, USA & MIDDLE EAST BUSINESS UPDATE

Africa, USA & Middle East delivers double-digit profitable sales growth

- Broad based double-digit sales growth of 12% (constant currency); 2-year constant currency CAGR of 14%
- EBITDA margin increased by 60 bps year-on-year driven by scale leverage and cost saving initiatives
- Broad based performance across Dry Hair and Wet Hair Care portfolios
- Strong sales growth momentum continues in Southern Africa and West Africa
- Continue seeding new go-to-market initiatives in key countries
- Goodknight Power Shots aerosol in Nigeria continues to perform well



ENVIRONMENTAL, SOCIAL, AND GOVERNANCE UPDATE

Our ESG targets for FY2025 and Q2 FY2022 performance



Vision	Goals for FY2025	Performance update
Influence sustainable consumption	<p>Ensure efficient waste management systems for 3 municipalities in India impacting 3 million people</p> <hr/> <p>Achieve Sustainable Packaging targets (20% intensity reduction; 10% post consumer recycled plastic (PCR); 100% reusable, recyclable and compostable)</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">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. <hr/> <p>Partner with consumers and customers to promote sustainable consumption of our green products</p>	<ul style="list-style-type: none">Processing 10MT/day of waste from community waste management projects with local municipalities diverting 6,600 kg of dry waste from landfillReached out to 6 wards in 2 zones covering 31,000 people in Pondicherry; up to 60% source segregation achieved in serviced areas <hr/> <ul style="list-style-type: none">3% virgin plastic replaced with PCR6% reduction in plastic intensity <hr/> <ul style="list-style-type: none">LCA of Aer Pocket is under progress (with reach to 6 products that cover over 50% of India revenues) <hr/> <ul style="list-style-type: none">Covered 72% of India suppliers (by spend volume) under our sustainable supply chain policy, who are being assessed. <hr/> <p>—</p>

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

Our ESG targets for FY2025 and Q2 FY2022 performance



Vision	Goals for FY2025	Performance update
Lead in sustainability action	45% reduction in GHG emission intensity (to be revised based on SBTi) and carbon neutrality for Scope-1&2 from FY11 baseline	41% reduction in GHG emission intensity
	40% reduction in specific energy consumption from FY11 baseline	32% 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	37% reduction in water intensity
	Achieve zero liquid discharge and maintain zero waste to landfill	Achieved zero waste to landfill
	Announce our commitment towards the global Science Based Targets initiative (SBTi) and publish our roadmap and targets for emissions reduction	First draft of the SBT emissions reduction roadmap has been created and is under review
	Achieve 100% Extended Producer Responsibility (EPR) compliance	Covered equivalent to 36% of plastic packaging waste

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

Our ESG targets for FY2025 and Q2 FY2022 performance

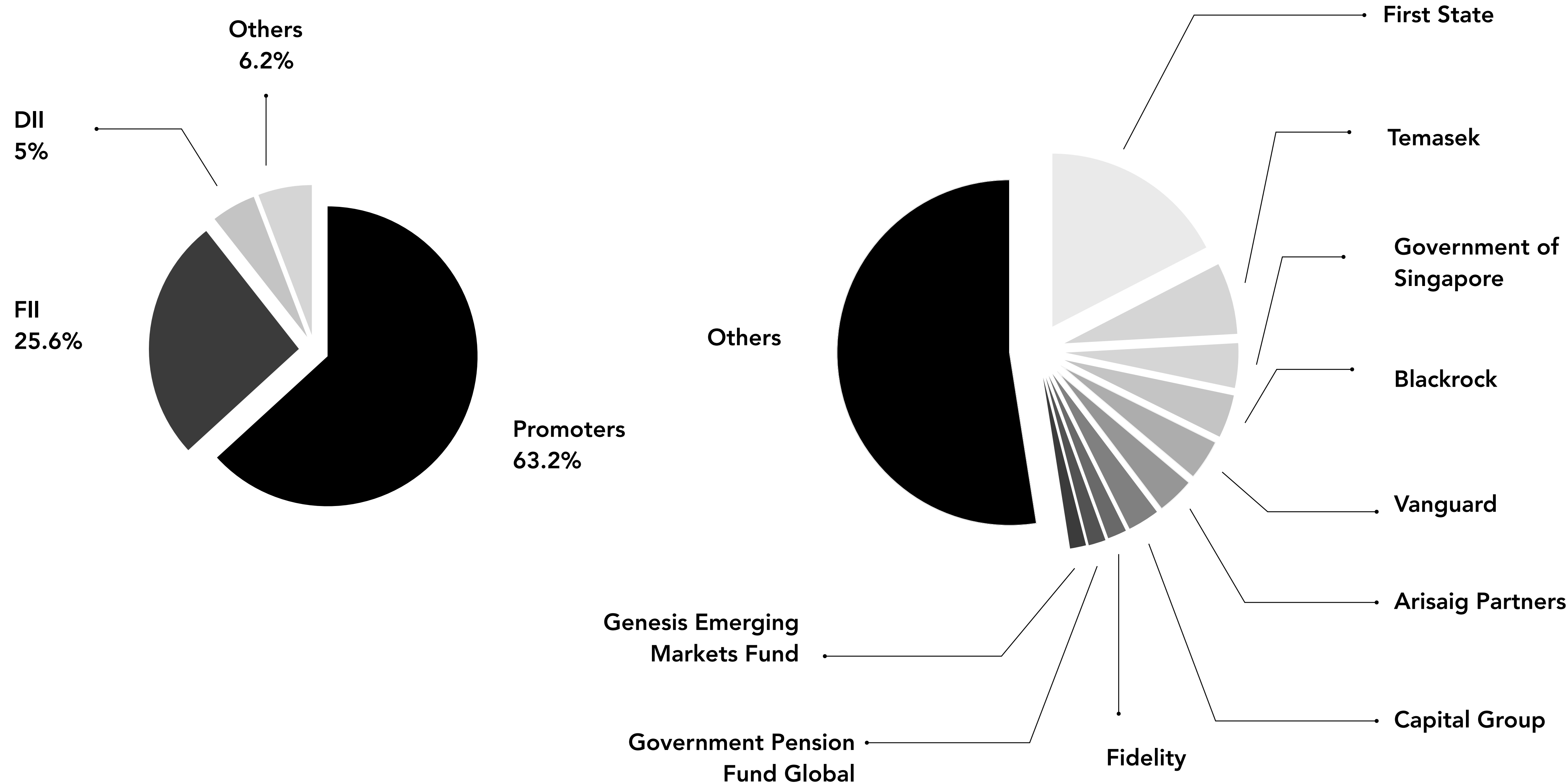


Vision	Goals for FY2025	Performance update
Equip communities with skills that empower	Empower 120,000 women in beauty skills, across emerging markets globally	325 beauty-entrepreneurs (400+ in pipeline) and 42 hairdressers trained
Improve health and well-being	<div>Strengthen public healthcare systems in three states in India</div> <div>Protect 10 million people against vector-borne diseases</div>	<div>Our rural and urban malaria programme is on track; covering 100% households in intervention villages</div> <div>Outbreak investigations report submitted for Agra, Meerut, and Gorakhpur. Data from 56 malaria sentinel hospitals and 75 districts compiled and submitted to National Vector Borne Disease Control Programme (NVBDGP).</div>

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

APPENDIX

Shareholding Pattern



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