

# **GODREJ CONSUMER PRODUCTS LIMITED**

## **PERFORMANCE UPDATE**

Q4 FY 12-13

April 30, 2013



# PERFORMANCE UPDATE

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EXECUTIVE SUMMARY : MAJOR HIGHLIGHTS

PERFORMANCE HIGHLIGHTS : CONSOLIDATED

BUSINESS OVERVIEW : INDIAN SUB-CONTINENT

BUSINESS OVERVIEW : INTERNATIONAL

# STRONG BUSINESS MOMENTUM CONTINUES

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## Consolidated net sales grows 30%

- Consolidated organic business grows 19%
- Indian sub-continent business grows 18% with strong growth across categories
- International organic business grows 23%

## Several key launches, backed by strong marketing investments

- Consolidated advertising and publicity expenses up by 48%
- Impact on EBITDA margin (-) 120 bps

## Consolidated EBITDA grows 12%; net profit\* grows 73%

- Consolidated EBITDA plus A&P up by 23%

## Healthy balance sheet with Debt / Equity ratio at 0.46

# PERFORMANCE UPDATE

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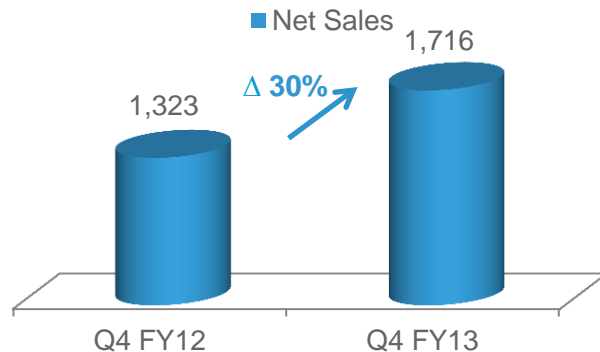
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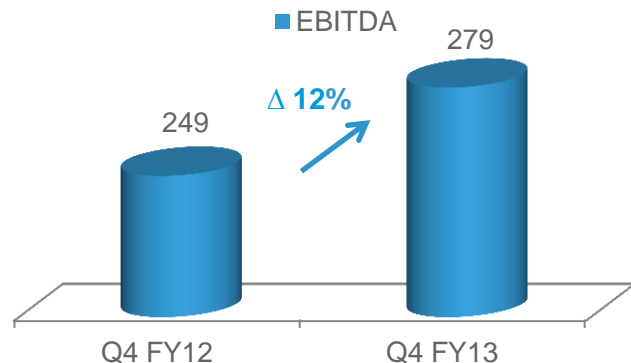
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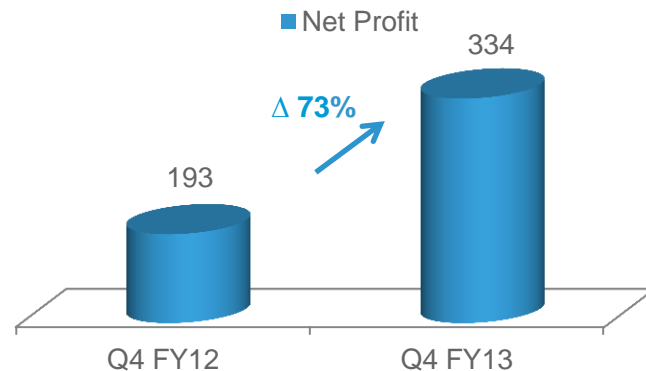
# DRIVING STRONG SALES GROWTH



**EBITDA + A&P growth +23%**

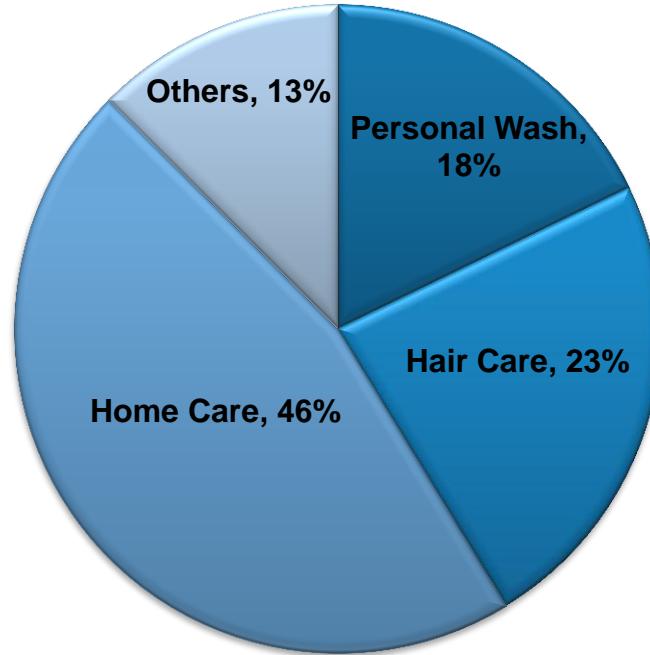


**Net profit w/o exceptional grows 19%**



## BALANCED CATEGORY MIX

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# PERFORMANCE UPDATE

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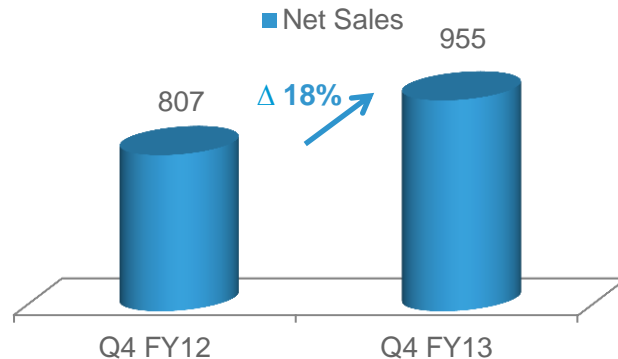
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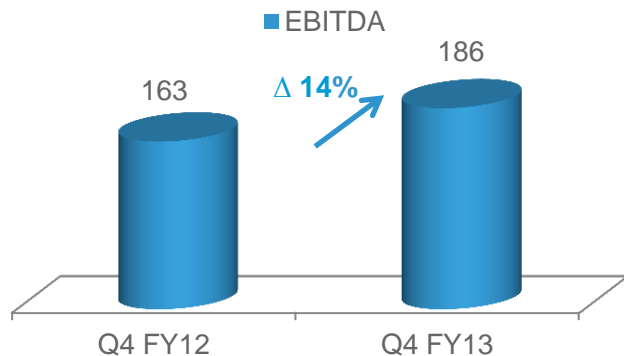
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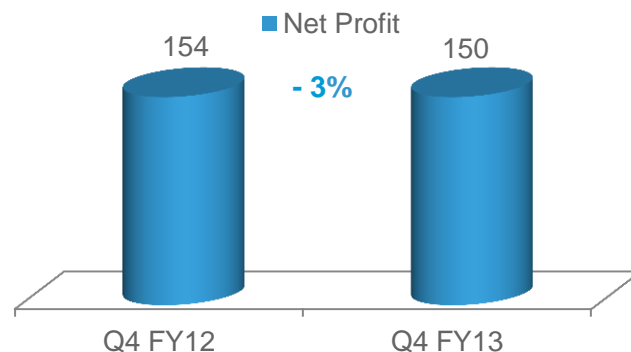
# INTENSIFIED MARKETING FOCUS DRIVING STRONG GROWTH



**EBITDA + A&P growth +20%**



**Net profit w/o exceptional grows 11%**





# FOCUS ON INNOVATION - STRATEGIC GROWTH DRIVER

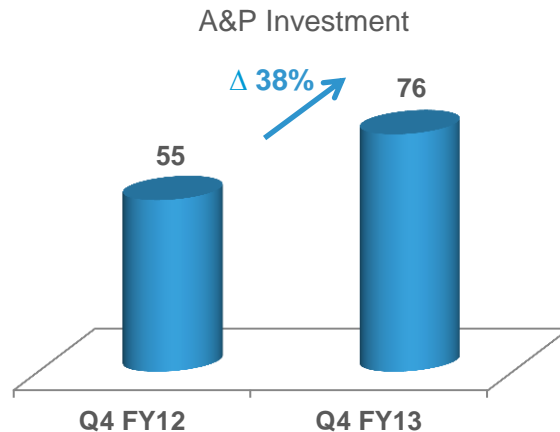
Accelerated pace of innovation

Meaningful differentiation through brand platforms

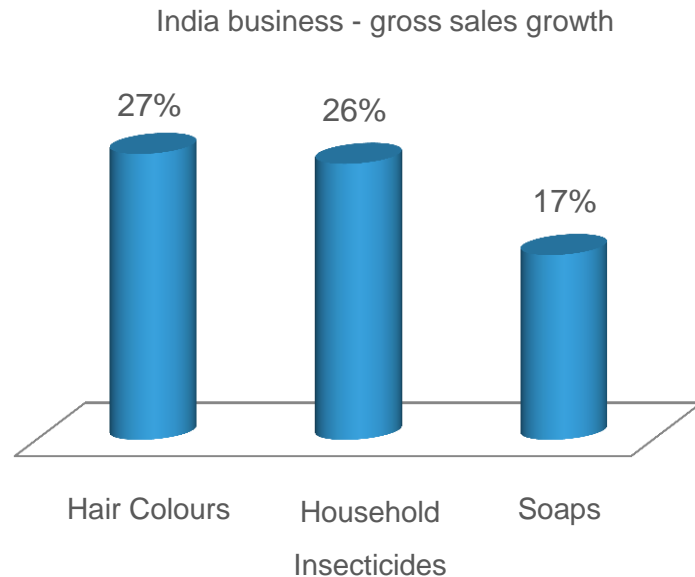
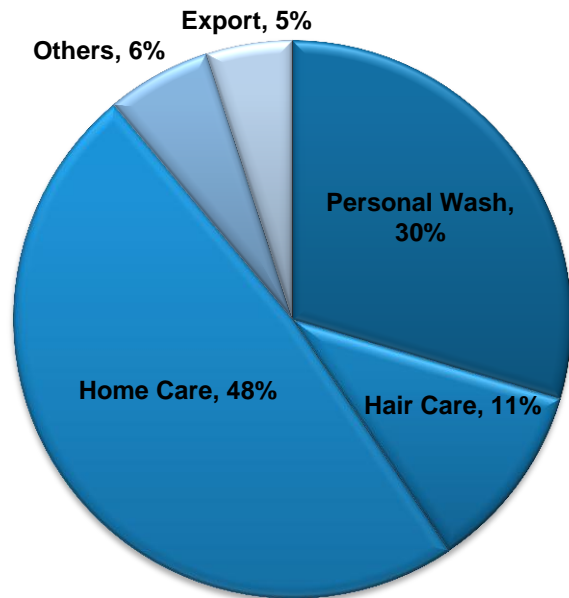
- Cinthol refresh
- Godrej expert rich crème hair colour
- HIT Anti Roach GEL

New launches supported by 360° marketing campaign

A&P % to sales moves up by 120 bps to 8.2%



## STRONG GROWTH ACROSS CORE CATEGORIES WITH A BALANCED CATEGORY MIX



# HOUSEHOLD INSECTICIDES CONTINUES TO OUT PERFORM THE CATEGORY GROWTH

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Value growth at 2.1x of the category growth

Continue to gain share and enjoy market leadership position across all formats

Continue to leverage distribution synergies

Initial response to newly launched 'HIT Anti Roach GEL' has been very positive



## NEW LAUNCH - HIT ANTI ROACH GEL



# SUSTAINED GROWTH IN SOAPS

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Value growth at 1.3x of the category growth

Underlying volume growth of 4% versus category growth of around 1%

Improvement in yoy and sequential gross margins

Recently launched new variant under Godrej No.1  
'Aloe Vera and White Lily'



# STRONG TURNAROUND IN HAIR COLOURS GROWTH

YOY Growth %	Q1	Q2	Q3	Q4
Reported Category	21%	23%	21%	13%
GCPL	5% →	10% →	17% →	27%

Value growth at 2x of the category growth

Strong growth registered across all the formats

Response to newly launched Godrej expert rich crème hair colour has been very encouraging

Continue to support Godrej expert rich crème hair colour 'OHH MY GOD' marketing campaign



# PERFORMANCE UPDATE

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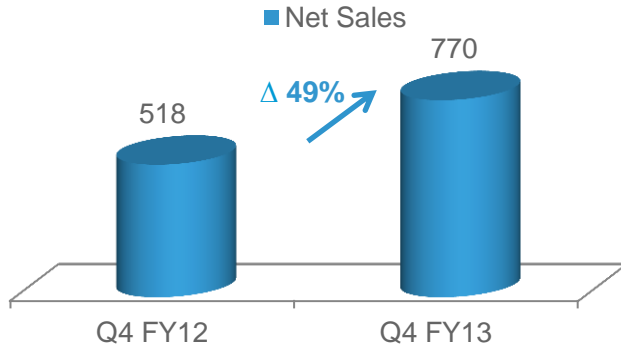
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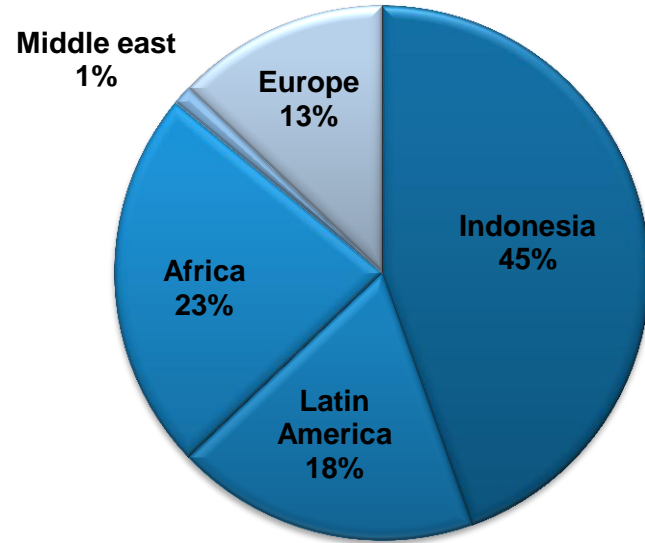
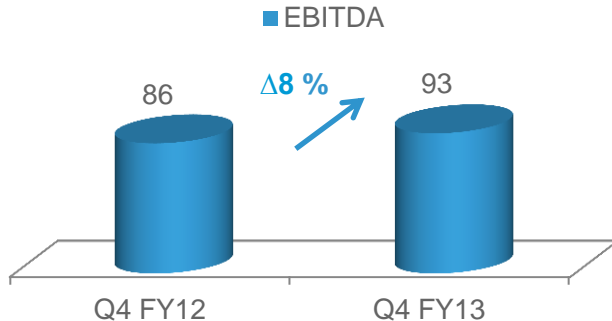
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# STRONG GROWTH MOMENTUM MAINTAINED



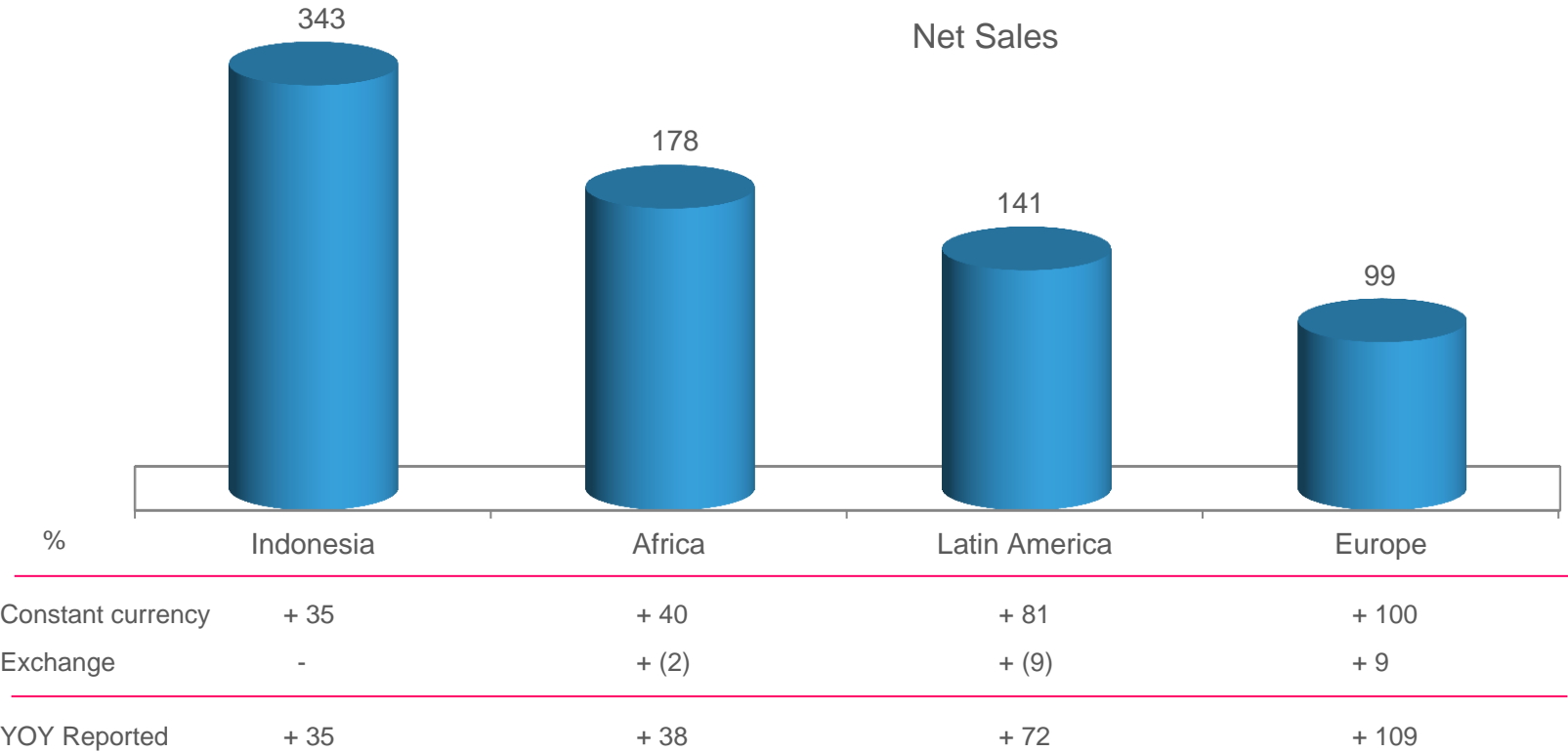
**EBITDA + A&P growth +27%**



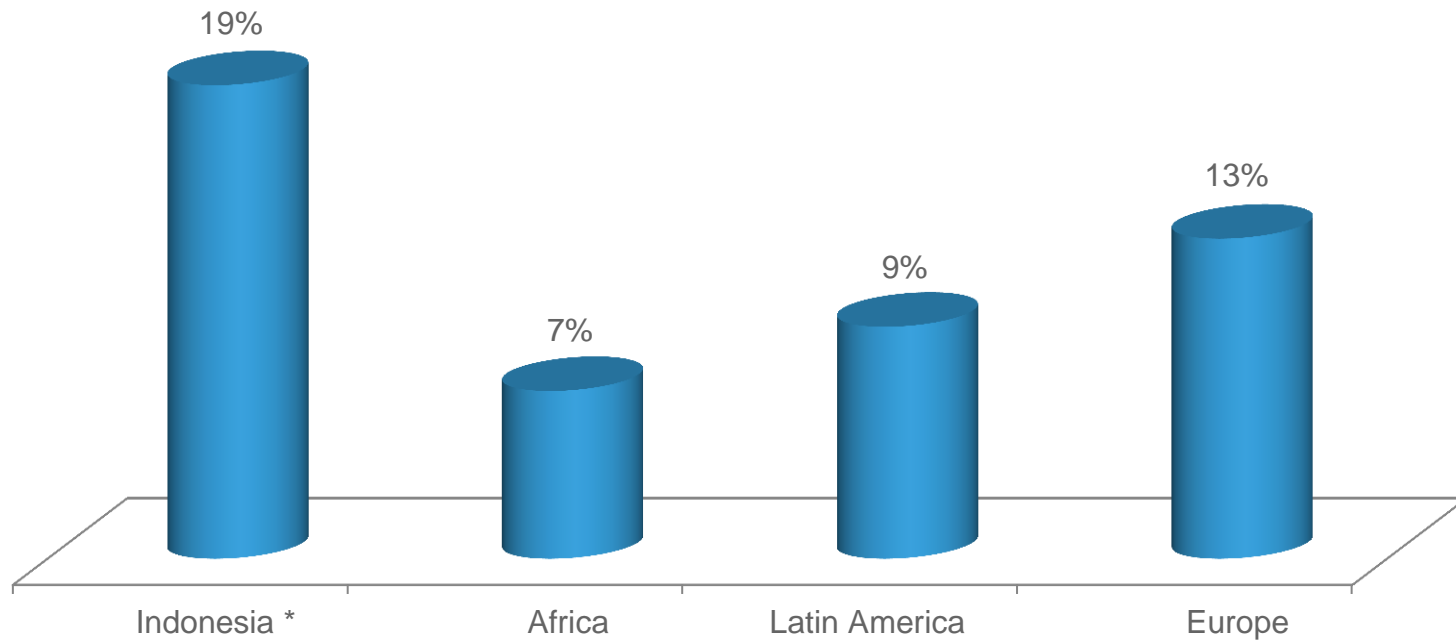
EBITDA + A&P growth lower than sales growth  
mainly due to drop in Africa margin



# STRONG SALES GROWTH ACROSS GEOGRAPHIES



## EBITDA MARGINS



YoY change

- 200 bps

- 1290 bps

- 430 bps

+ 230 bps

# INDONESIAN BUSINESS CONTINUE TO OUTPERFORM

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Sales growth led by

- Continuous marketing investments
- New product launches
- Distribution expansion

Margins in the quarter impacted by ~55% minimum wage hike

Continue to gain market share across categories

HIT magic paper continues to perform well

Implemented SAP



# SCALE UP OF AFRICA BUSINESS CONTINUES

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Business presence in South Africa, Mozambique, Nigeria and Kenya across hair extensions, hair colours, household insecticides and personal wash category

Several initiatives executed in Hair extension category –

- Direct Go to Market model in Nigeria in two states
- Launch of Brazilian Wave – new style in South Africa
- New warehouse and supply chain infrastructure in Kenya to service modern trade on a replenishment basis

Implemented SAP in hair colours business in South Africa



## TEMPORARY DROP IN AFRICA EBITDA MARGINS

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Quarter margins saw a drop on the back of:

- Closure of business for around 4 weeks due to elections and election results in Kenya, resulting in sales loss thus impacting margins. *Estimated EBITDA margin Impact around 500 bps*
- Liquidation of the stocks at discounted prices in Kinky's hair extension business, with intent of closing non profitable stores. *Estimated EBITDA margin impact around 200 bps*
- Continued marketing investments on new product launches in the continent

# NEW PRODUCT LAUNCHES DRIVING STRONG GROWTH IN ARGENTINA

Sales growth led by

- Continuous marketing investments
- New product launches
- Chile consolidation

Continue to maintain market share across categories

Several new products launches got strong marketing support

Drop in EBITDA margin driven by

- tougher regulatory norms on imports, capital flows and high on ground inflation in Argentina
- tactical response to hyper competitive activities in Chile



# UK CONTINUES TO OUTPERFORM

Innovation and brand investments driving healthy growth in tough environment

Several new products launches got strong marketing support

Soft and Gentle brand successfully integrated



# GODREJ RANKED 6<sup>TH</sup> MOST TRUSTED BRAND IN INDIA

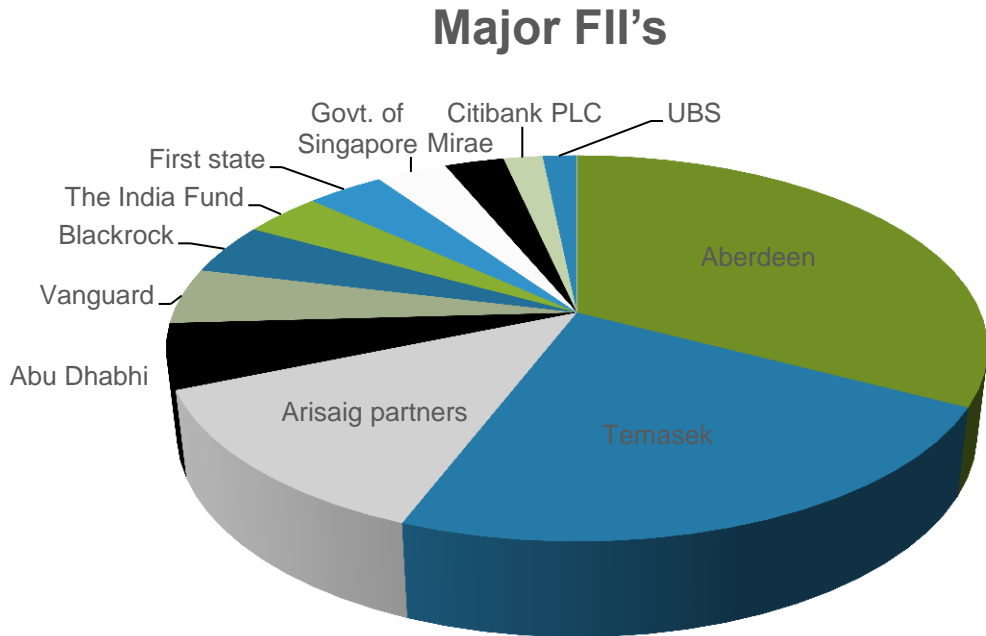
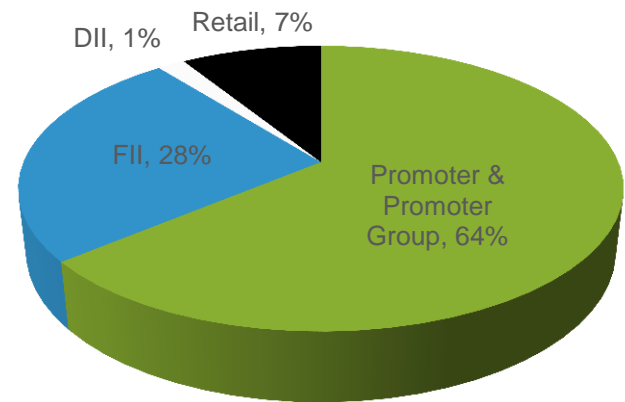
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*Godrej has been ranked 6<sup>th</sup> most  
trusted brand in India  
- Brand trust report 2013*





# STOCKHOLDING PATTERN



# SUMMARY: WE REMAIN LASER FOCUSED ON EXECUTING OUR KEY PRIORITIES

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Core category leadership

International growth

Innovation and Renovation

Future ready sales system

Best in class supply chain

Agility and professional entrepreneurialism

## CONTACT US @

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