

# GODREJ CONSUMER PRODUCTS

INVESTOR PRESENTATION





# GODREJ CONSUMER PRODUCTS SNAPSHOT



largest home grown HPC company

**US \$1.3 billion**  
in sales in FY 14

**India  
business**

leading market  
share  
in core  
categories

**1**

hair colours  
household insecticides  
liquid detergents

**2**

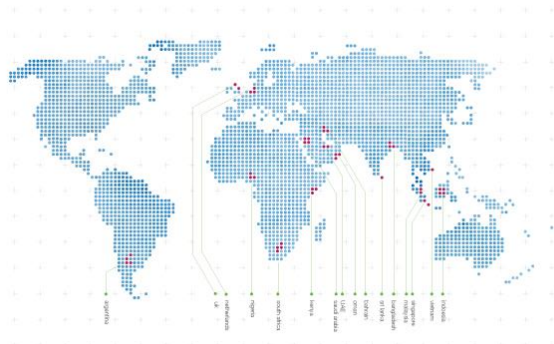
soap



strong positions  
in core categories

home care  
hair care

**internationally**



**Nearly 44%**

revenues come from  
international businesses

acquisitions established  
a platform for a leading

emerging markets  
FMCG company

excellent track record of

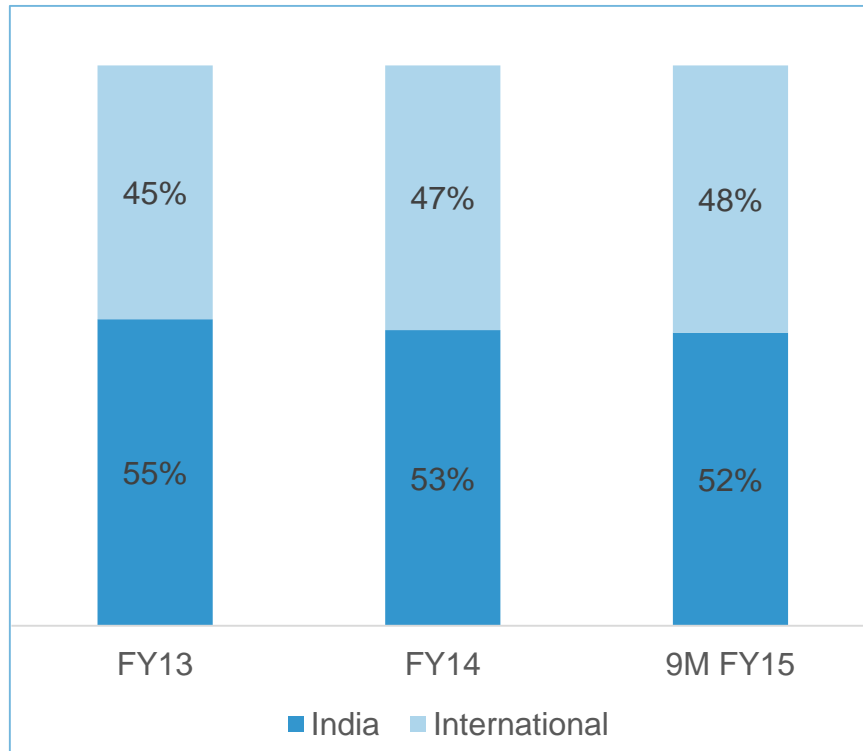
**value  
creation**



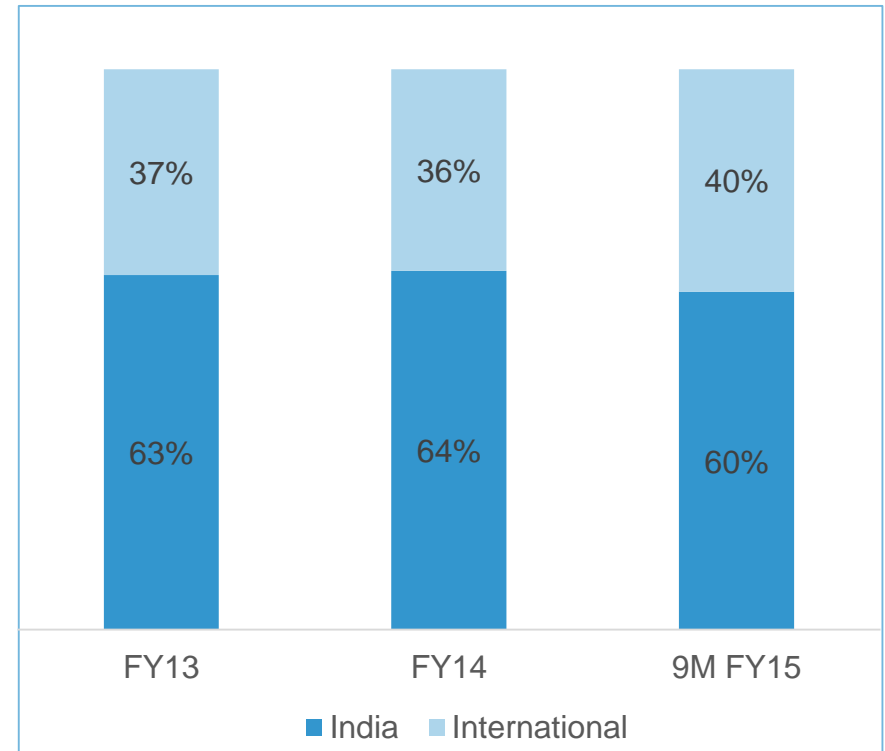
among FMCG companies in India



# INTERNATIONAL BUSINESS IS CONTRIBUTING NEARLY HALF OF OUR CONSOLIDATED REVENUES NOW



**REVENUE**



**EBITDA**



# WE HAVE LEADING MARKET POSITIONS IN MOST OF OUR GEOGRAPHIES

## INDIA

- 1 hair colours  
household insecticides  
liquid detergents
- 2 soaps



## SAARC

- 1 hair colours (Sri Lanka)
- hair colours (Bangladesh)
- 3 household insecticides (Sri Lanka & Bangladesh)



## INDONESIA

- 1 air fresheners  
wet tissues
- 2 household insecticides



## UK

- 1 stretch marks skin treatment
- 2 sanitisers
- 4 sun care  
female deodorants





# WE HAVE LEADING MARKET POSITIONS IN MOST OF OUR GEOGRAPHIES

## LATIN AMERICA

1 hair colours\*  
(Argentina, Uruguay,  
Paraguay, Bolivia)



2 hair colours &  
colour cosmetics  
(Chile)



## SUB SAHARAN AFRICA

1 ethnic hair colours  
(14 countries)  
hair extensions  
(10 countries)

2 hair extensions  
(1 country)

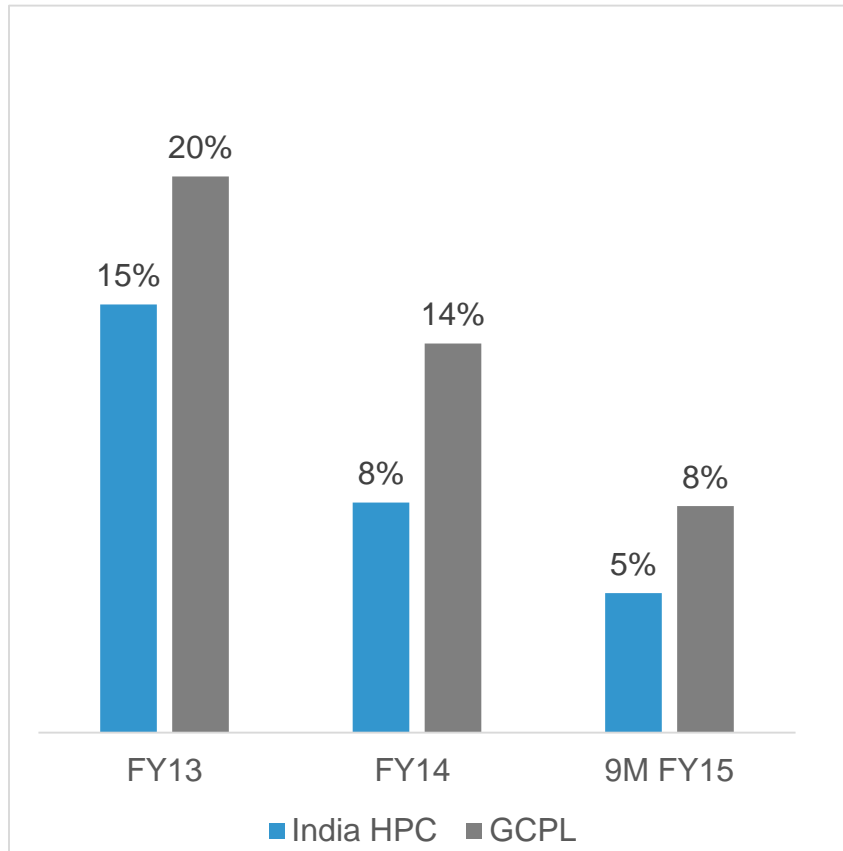
3 caucasian hair colours  
(South Africa)



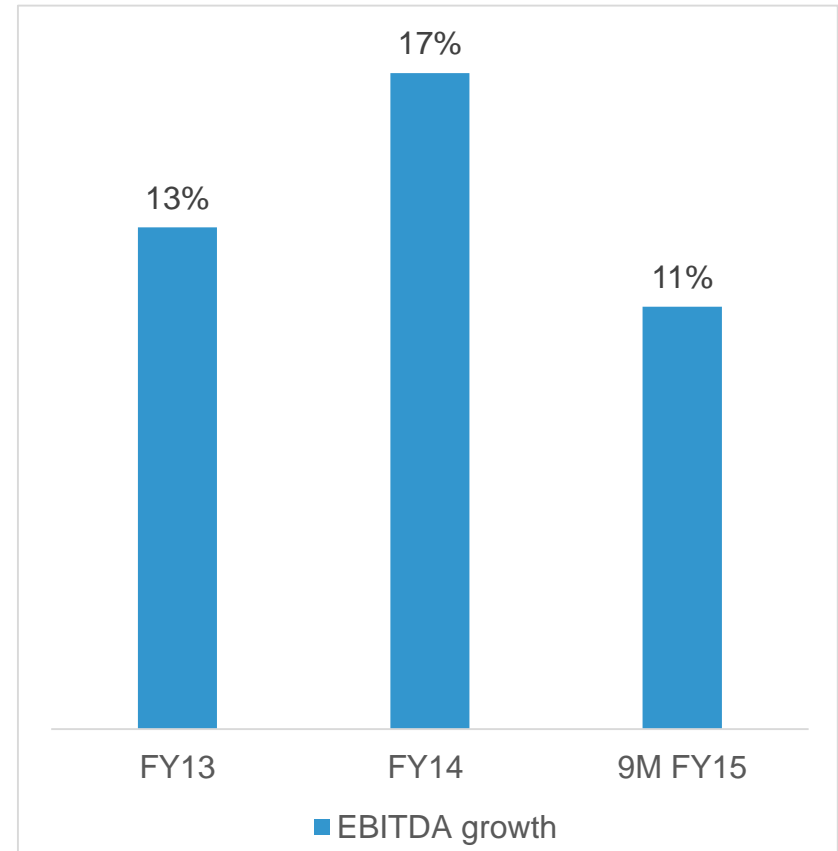


# IN INDIA, WE HAVE DELIVERED CONSISTENT, HEALTHY AHEAD OF THE CATEGORY SALES GROWTH

## INDIA NET SALES GROWTH\*



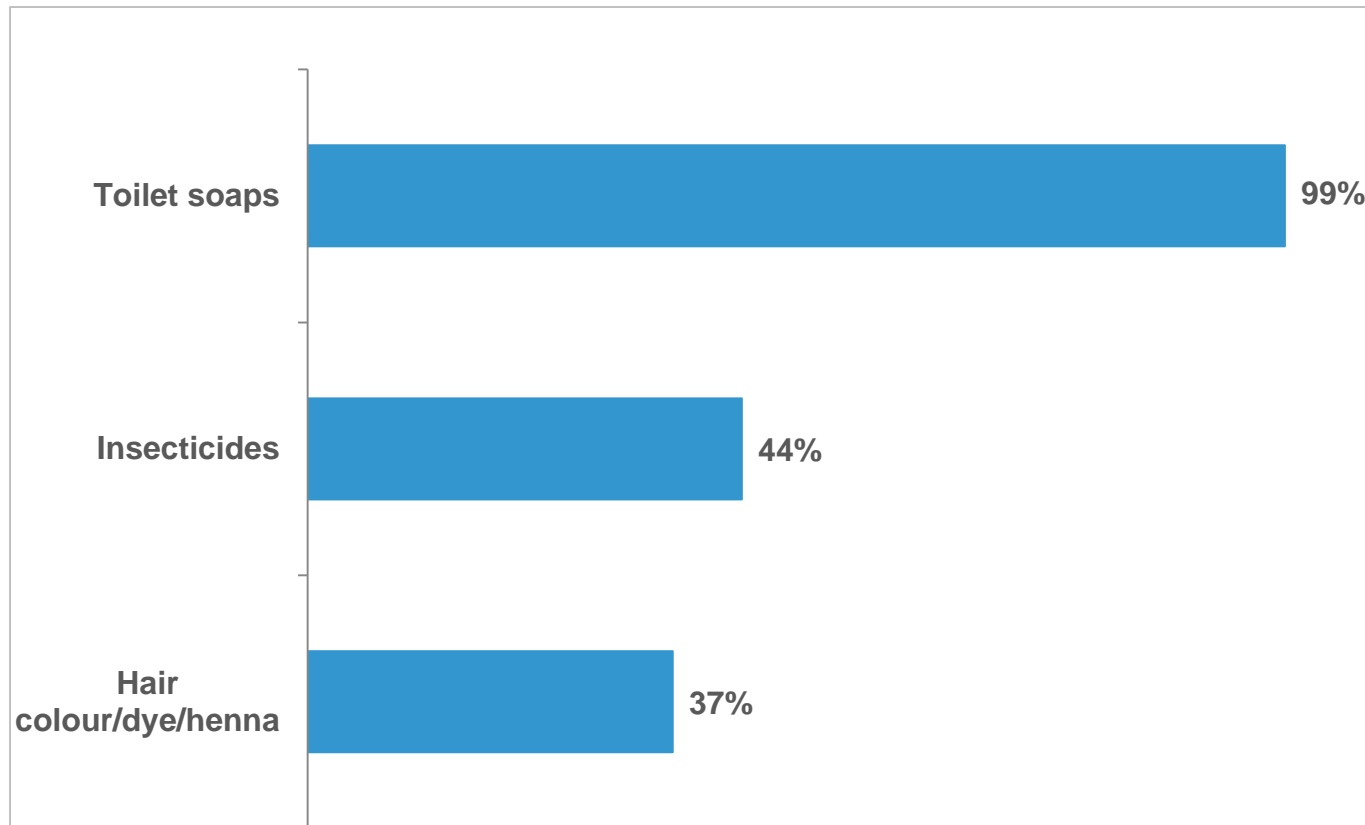
## EBITDA GROWTH (%)





# THERE IS SIGNIFICANT HEADROOM FOR GROWTH IN HAIR COLOURS AND HOUSEHOLD INSECTICIDES

PENETRATION - % OF HOUSEHOLDS

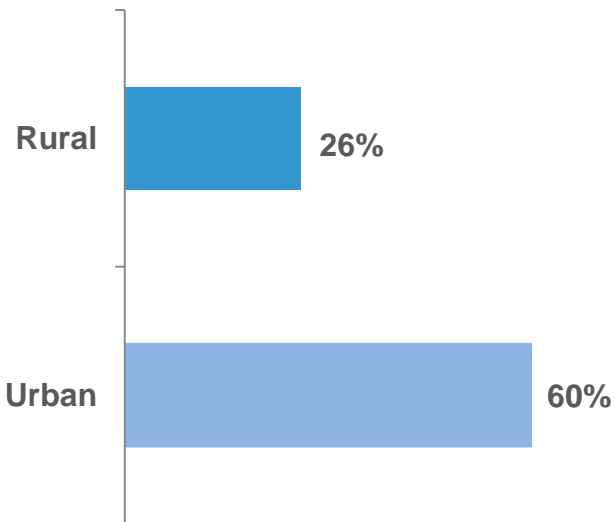




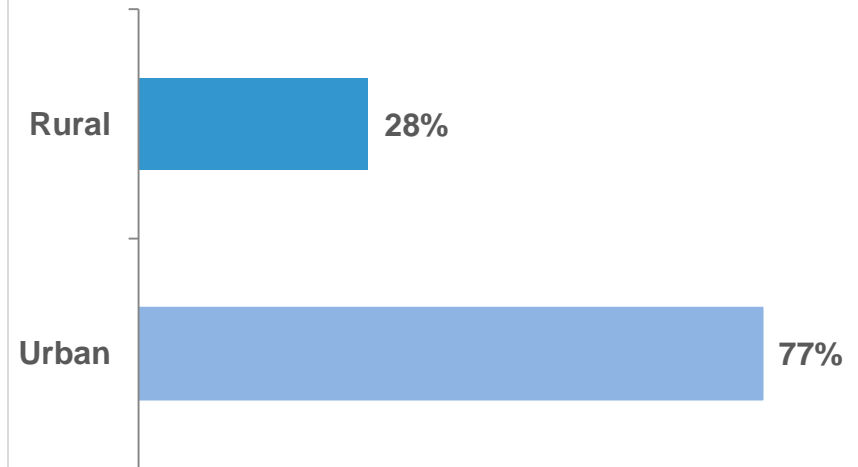
# PARTICULARLY A LOT OF POTENTIAL TO INCREASE PENETRATION IN RURAL FOR HAIR COLOURS AND HOUSEHOLD INSECTICIDES

## PENETRATION - % OF HOUSEHOLDS

### HAIR COLOURS



### HOUSEHOLD INSECTICIDES

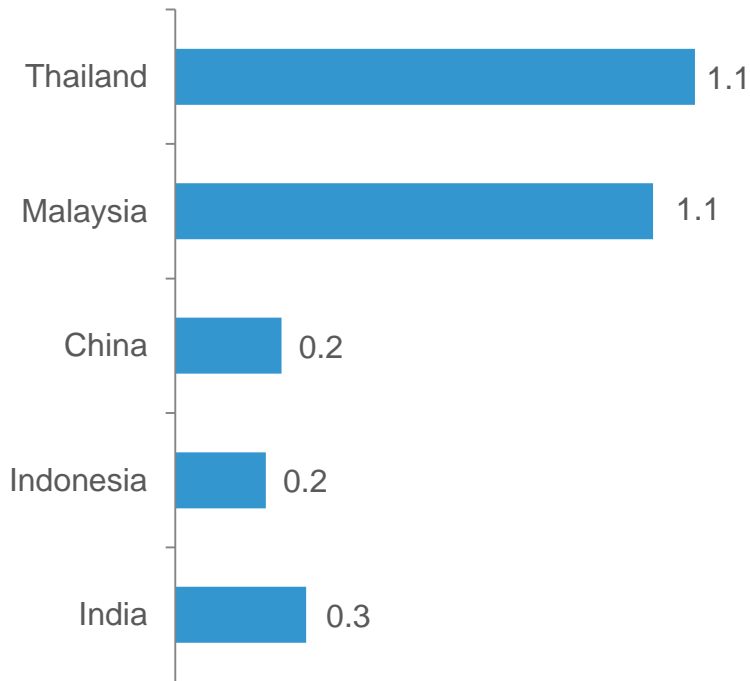




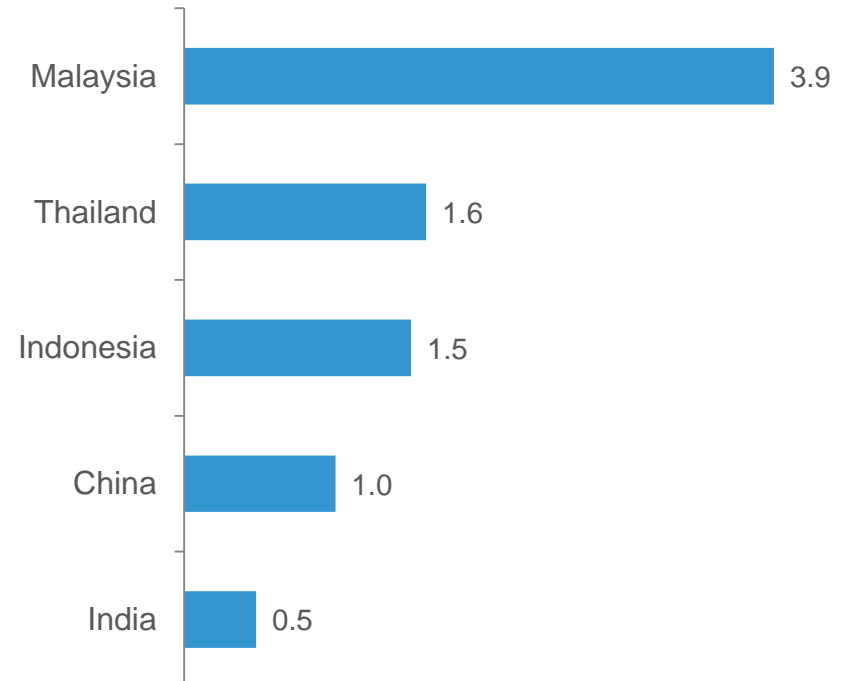
# SIGNIFICANT UPSIDE IN DRIVING CONSUMPTION

## CONSUMPTION / CAPITA (USD)

### HAIR COLOURS



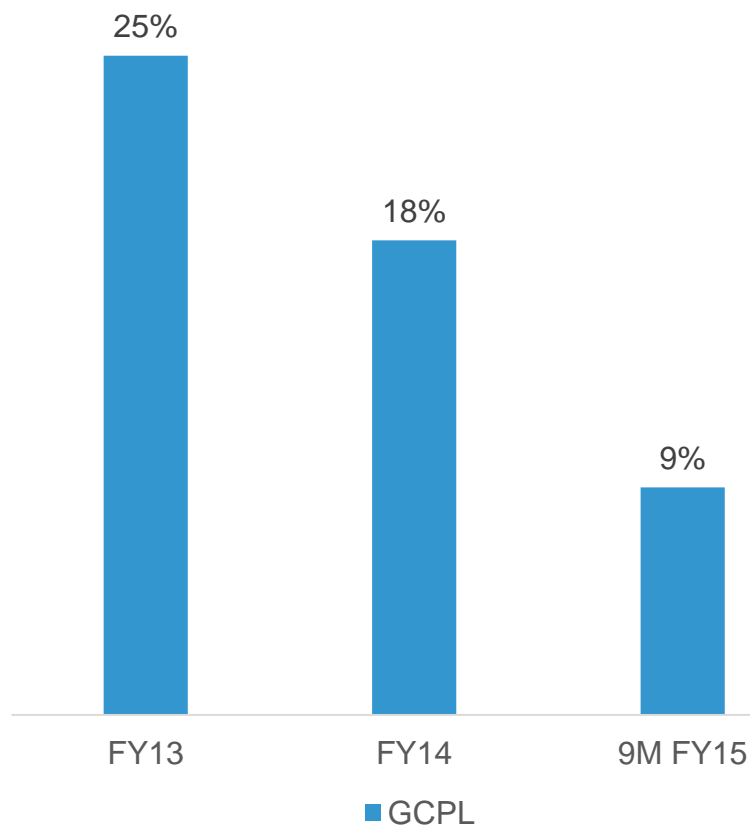
### HOUSEHOLD INSECTICIDES





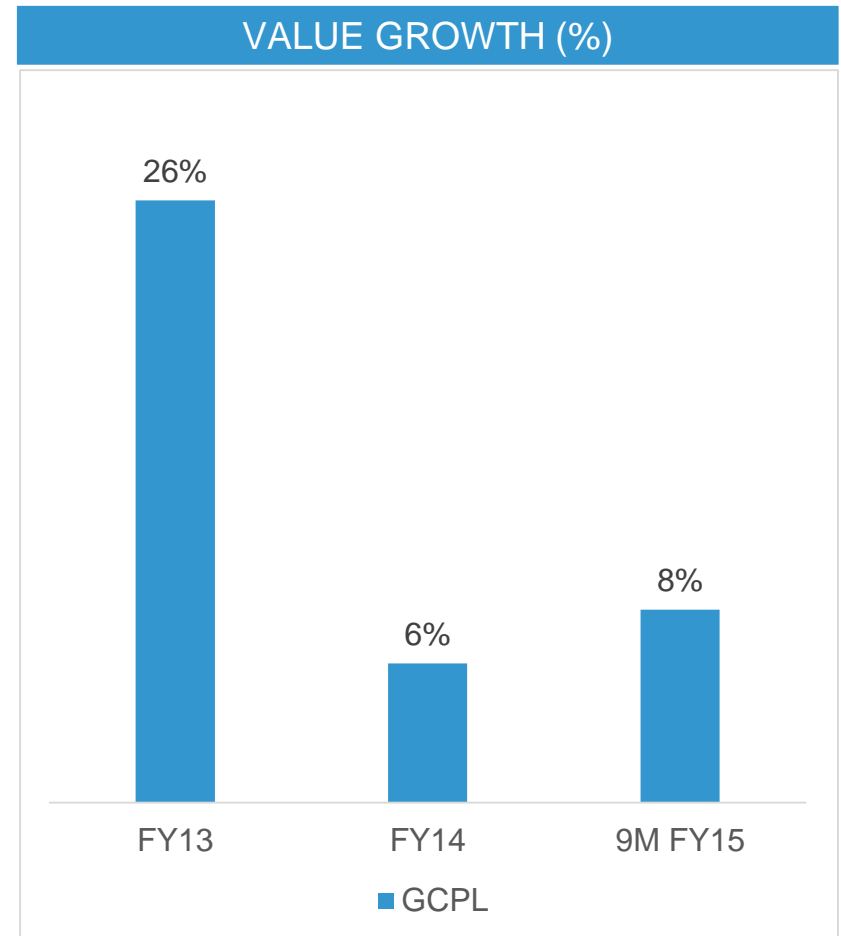
# OUR HOUSEHOLD INSECTICIDES BUSINESS CONTINUES TO PERFORM WELL AHEAD OF THE MARKET

VALUE GROWTH (%)\*





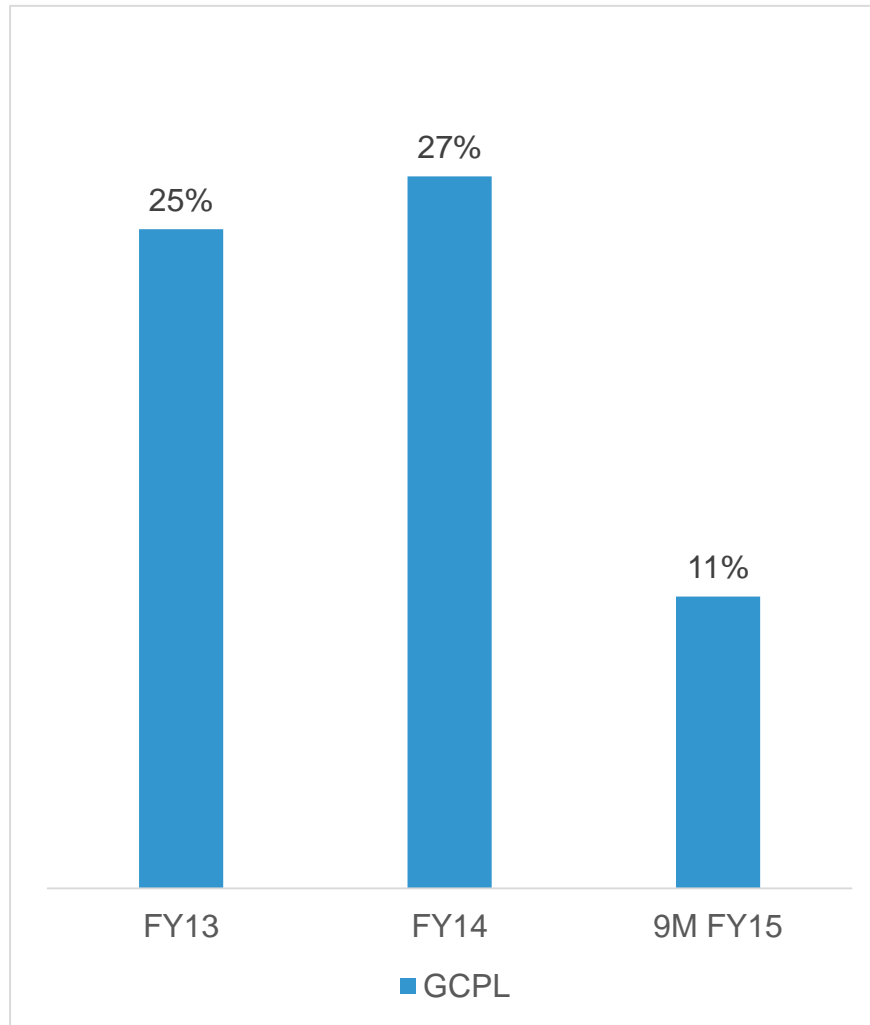
# OUR SOAPS BUSINESS TOO, OUTPERFORMED THE MARKET





# NEW INNOVATIONS IN HAIR COLOURS ARE DRIVING GROWTH AHEAD OF THE CATEGORY

VALUE GROWTH (%)\*



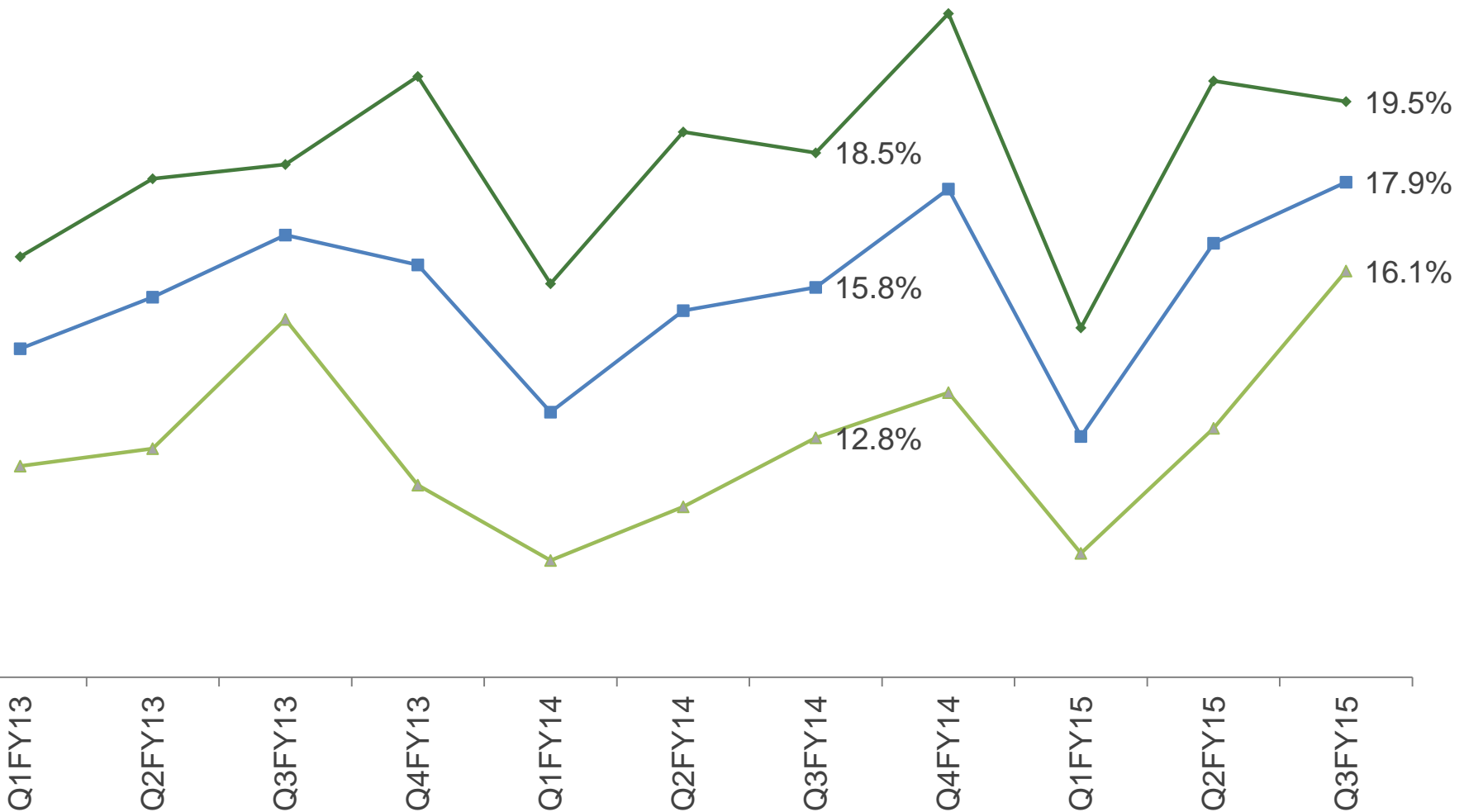
Godrej Expert  
crème hair  
color features in  
Nielsen  
Breakthrough  
Innovation  
Report 2014





# EBITDA MARGIN ARE ON RECOVERY PATH WITH TAILWINDS IN NEAR TERM

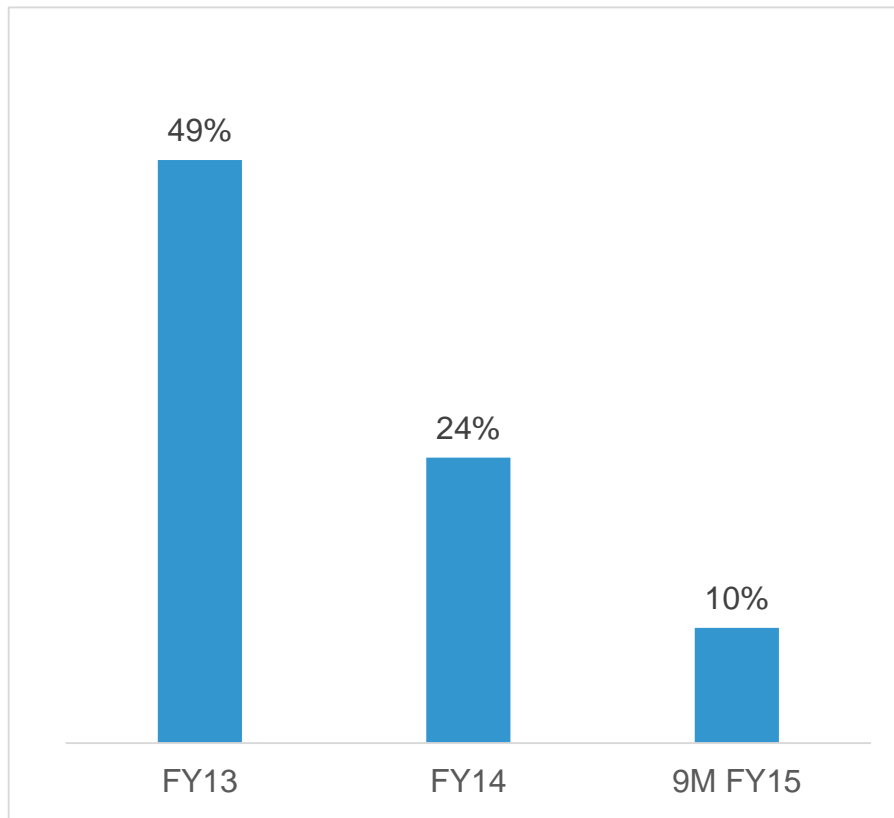
Consolidated India International



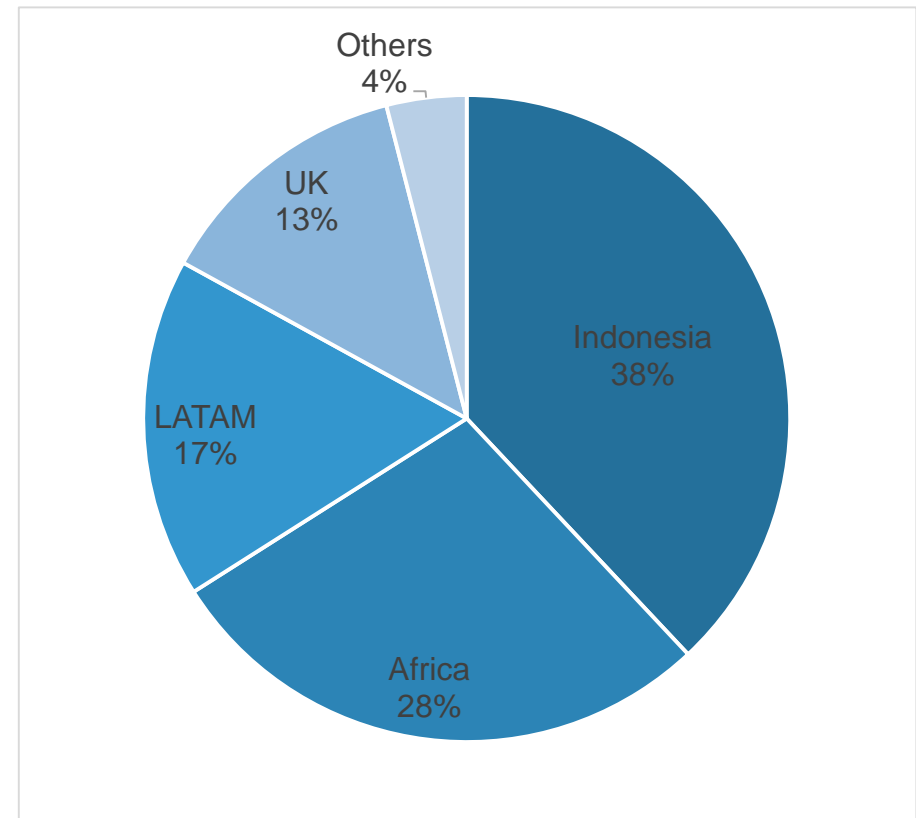


# OUR INTERNATIONAL BUSINESS IS SCALING UP WELL

## INTERNATIONAL NET SALES GROWTH



## INTERNATIONAL SALES BREAKUP\*



\* FY14



# WE ARE ACTIVELY CROSS POLLINATING THE PORTFOLIO

## Hair Colour

### INDIA



Hair colour creme in sachet  
(Argentina)

### SOUTH AFRICA



Renew hair colour  
(India)

## Household Insecticides

### INDIA



Hit Magic, paper based mosquito repellent  
(Indonesia)

### NIGERIA



Good knight coils & aerosols  
(India)

## Air Fresheners

### INDIA



Aer air fresheners  
(Indonesia)



# OUR INNOVATION PIPELINE CONTINUES TO REMAIN ROBUST



Godrej Expert  
crème hair  
color becomes  
the highest selling  
crème color by  
units within 20  
months of its  
launch



Good knight  
Fast Card  
becomes INR 100  
crore brand in  
less than a year



# GCPL FORAYS INTO FACE WASH CATEGORY WITH INNOVATIVE PACKAGING AT DISRUPTIVE PRICES





# BBLUNT: OUR FORAY IN PREMIUM HAIR CARE IN INDIA

## PREP

Shampoo-conditioner systems for every hair type.  
Prepare your hair for great styling.



## STYLE

Styling products and tools bringing salon smarts into  
your hands. Switch up your look - do it your way.

## TRANSFORM

Hair colour and hair extensions. for makeovers,  
short-term, long-term or just a few hours.





# OUR SIX KEY PRIORITIES

1

**Core category  
leadership**



2

**International  
growth**



3

**Innovation  
and  
renovation**



4

**Future ready  
sales system**



5

**Best in class  
supply chain**



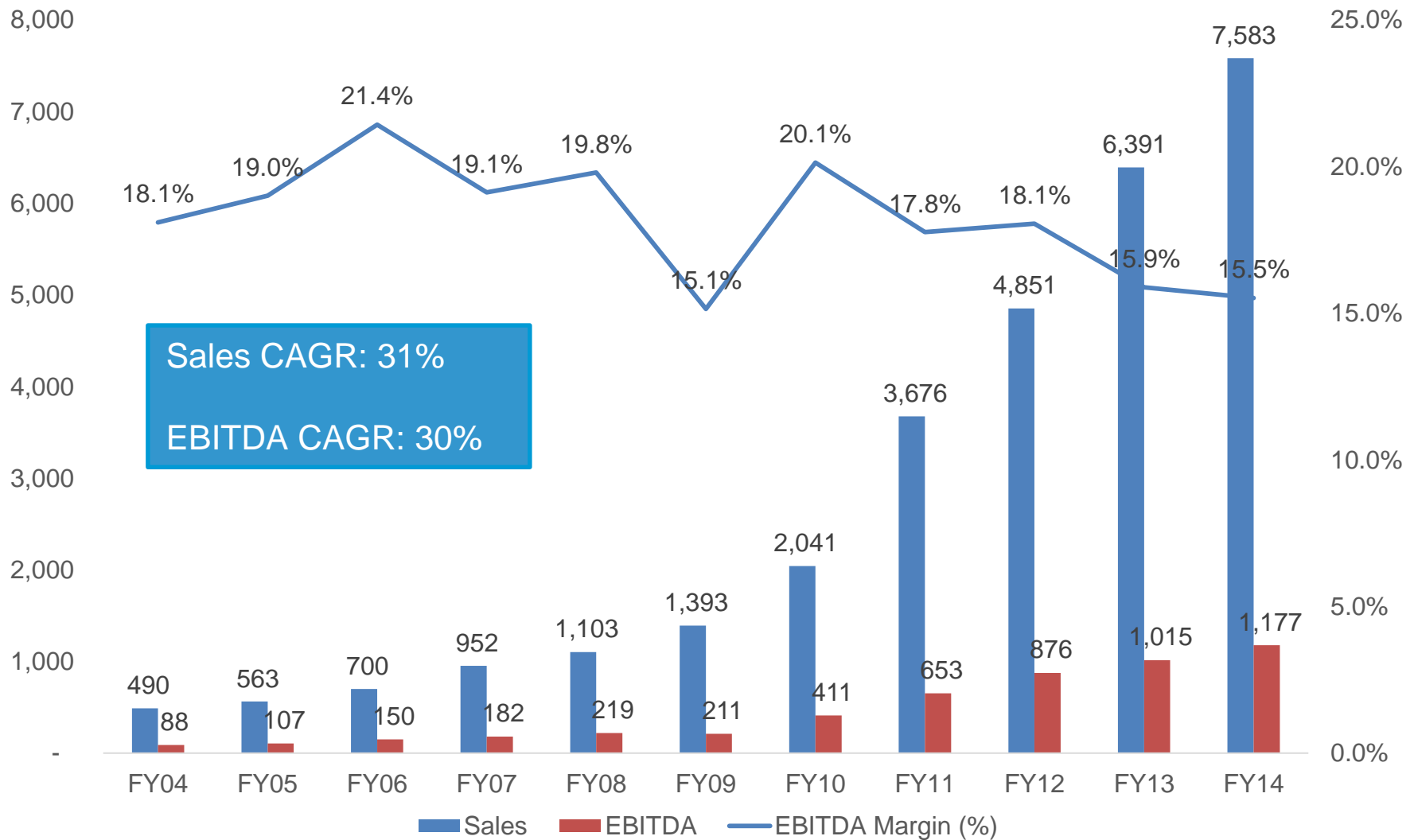
6

**Agility and  
high  
performance  
culture**





# WE HAVE CONSISTENTLY DELIVERED STRONG PERFORMANCE





## 3Q FY2015 SNAPSHOT



# 3Q FY2015 PERFORMANCE OVERVIEW

3Q FY2015			
Growth	Consolidated	India	International
Net Sales	12%	12%	13%
Net Sales – Organic*	12%	12%	12%
Net sales - Organic constant currency*	16%	12%	20%
EBITDA	27%	18%	43%
EBITDA – Organic**	25%	18%	35%
EBITDA - Organic constant currency**	28%	18%	43%
Net profit	35%	16%	90%

\* Excludes inorganic sales of ~INR 10.7crs from Darling Ghana

\*\* Excludes - Darling trademarks licensing fees and Ghana profitability aggregating to ~INR 9 crs



# BUSINESS SNAPSHOT

## STRONG RECOVERY IN DOMESTIC BUSINESS ALONG WITH EXPANSION IN MARGINS

Growth well ahead of the category  
across three categories



Continue to drive premiumisation strategy and cost  
efficiencies



New launches witnessing good success and  
driving penetration in relatively underpenetrated  
categories





# BUSINESS SNAPSHOT

## INTERNATIONAL BUSINESS PERFORMANCE REMAINS STRONG AND ON TRACK

**Indonesia** business continues to grow in double-digits and further extend its market leadership



**Africa** business – strong outperformance in Darling business; new product rollouts such as household insecticides, wet hair care product to leverage existing distribution capabilities



Significant margin improvement in **Latin America**; business holding up market share amidst tough competition



**UK** business impacted by grey and counterfeits related issues in one of the lead brands that we distribute





# 3Q FY2015 REPORTED PERFORMANCE SNAPSHOT

	India			Consolidated		
	3Q FY14	3Q FY15	Y/Y	3Q FY14	3Q FY15	Y/Y
Sales	1,045	1,167	12%	1,979	2,226	12%
Gross Profit	539	644	19%	1,054	1,194	13%
Gross Margin (%)	51.6%	55.1%	350 bps	53.3%	53.6%	30 bps
EBITDA	193	228	18%	313	398	27%
EBITDA Margin (%)	18.5%	19.5%	100 bps	15.8%	17.9%	210 bps
Net Profit	148	172	16%	196	264	35%
Net Profit Margin (%)	14.2%	14.7%	50 bps	9.9%	11.8%	190 bps

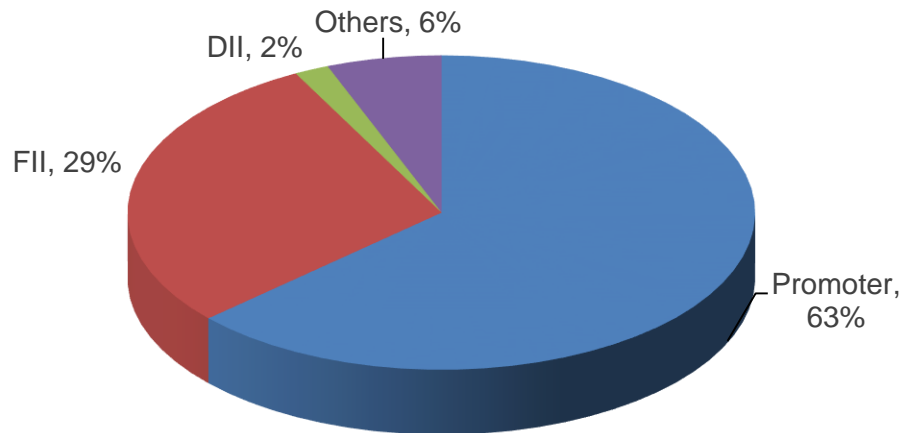


# WAY AHEAD

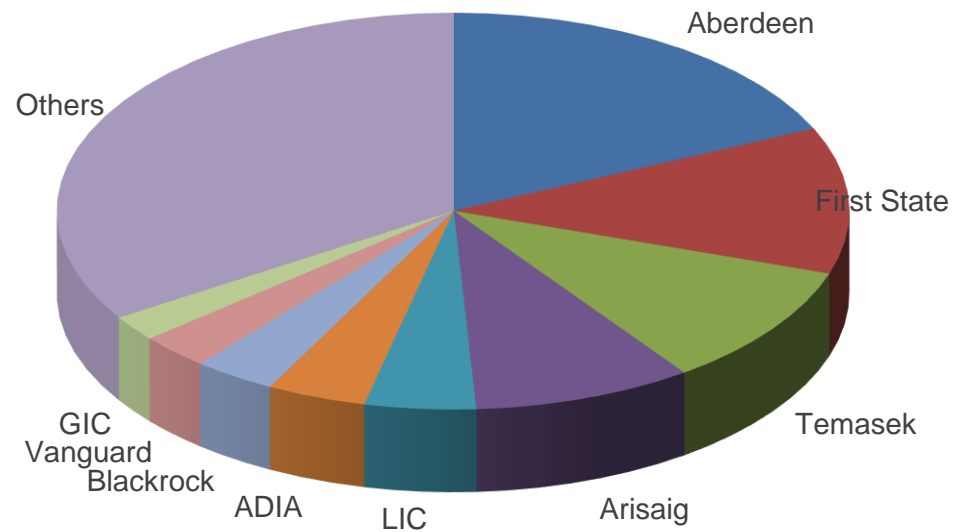
- Expect competitive, consistent and ahead of the category growth rate across businesses
- Benign commodity cost environment to aid margin expansion
- Macro environment headwinds in few of the countries we operate in
- Currency volatility – ZAR, IDR, Argentine Peso



# STOCKHOLDING PATTERN



## MAJOR INVESTORS





# THREE OF OUR BRANDS FEATURED IN THE MOST TRUSTED BRANDS 2014

3 of our brands ranked in 100 Most Trusted Brands 2014 by Brand Equity

- Goodknight
- Cinthol
- Godrej No.1



## PERSONAL CARE

**Cinthol** Ranked 11<sup>th</sup>

**Godrej No. 1** Ranked 15<sup>th</sup>

**Godrej Expert Powder Hair Colour** Ranked 26<sup>th</sup>

## HOUSEHOLD CARE

**Goodknight** Ranked 1<sup>st</sup>

**HIT** Ranked 8<sup>th</sup>

**Godrej Aer** Ranked 11<sup>th</sup>

**Jet** Ranked 12<sup>th</sup>



## OPPORTUNITIES GOING FORWARD



## Domestic Business

## Drive penetration and consumption in core categories

## Expand into adjacencies

Drive margin improvement through cost saving initiatives and better product mix

# International Business

Drive margins through scale up of international business and cost saving initiatives

Cross pollination initiatives to harness distribution and product technology strengths



## CONTACT US @

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THANK YOU FOR YOUR TIME AND CONSIDERATION