

Performance Update - 3Q FY20

January 29, 2020



PERFORMANCE UPDATE

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3QFY20 FINANCIAL PERFORMANCE

Growth y-y	Consolidated Business	India Business	International Business
Net Sales – Reported	2%	1%	3%
Volume		7%	
Net Sales – Constant Currency	6%	1%	11%
EBITDA	2%	flat	9%
EBITDA – Constant Currency	2%	flat	9%
Net Profit – Reported	5%	10%	(13%)
Net Profit without exceptional items & one-offs	1%	2%	(2%)

EXCEPTIONAL AND ONE-OFF ITEMS

	3QFY20			3QFY19		
	Consolidated	India	International	Consolidated	India	International
Net Profit - Reported	445	365	80	424	332	92
<i>Exceptional (post tax):</i>						
Restructuring cost in LAT AM	4	-	4	3	-	3
Escrow release and forex impact on gains from divestment of Europe business	-	-	-	(6)	-	(6)
Foreign currency led revaluation of pay out liability (US)	-	-	-	(3)	-	(3)
Deferred Tax – Change in maximum marginal tax rate on intangibles in India	(27)	(27)	-	-	-	-
Net Profit without exceptional and one-off items	423	338	84	418	332	86

BRIDGE BETWEEN REPORTED TO OPERATING EBITDA

	India	International	Indonesia	GAUM	Others
3QFY20 Reported EBITDA Margin	29.6%	15.0%	24.1%	12.0%	2.5%
Business support charges, Royalty & Technical fees (₹ crore)	(10.2)	10.2	2.3	6.4	1.5
3QFY20 Adjusted EBITDA Margin	28.9%	15.4%	24.6%	12.2%	3.5%
3QFY19 Adjusted EBITDA Margin	29.4%	14.6%	23.4%	13.5%	-1.7%
Change in EBITDA Margin (bps)	(50)	80	120	(130)	520

KEY BALANCE SHEET DATA

Particulars	Units	December 31, 2019	December 31, 2018	September 30, 2019
Working Capital ex-Cash*	₹ crore	435	365	457
Working Capital*	Days	16	13	17
Cash & Equivalents	₹ crore	1,535	1,574	1,330
Debt denominated in INR	₹ crore	422	312	423
Debt denominated in USD	₹ crore	2893 (USD 406 m)	3,203 (USD 455 m)	2,903 (USD 409 m)
Debt denominated in other currencies	₹ crore	236	167	220
Total Debt	₹ crore	3,551	3,682	3,546
Other Financial Liabilities	₹ crore	385	483	390
Shareholder's Equity	₹ crore	7,877	6,639	7,583
Capital Employed*	₹ crore	11,069	10,487	10,772
Net Debt / Equity	x	0.30	0.39	0.34
ROE*	%	20.5%	23.0%	19.4%
ROCE*	%	19.1%	19.0%	18.2%
Operating ROCE*	%	59.5%	66.8%	60.8%

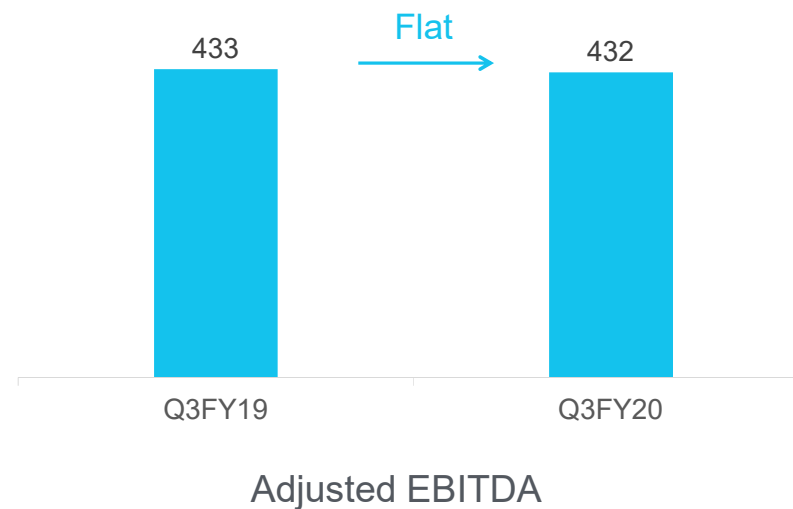
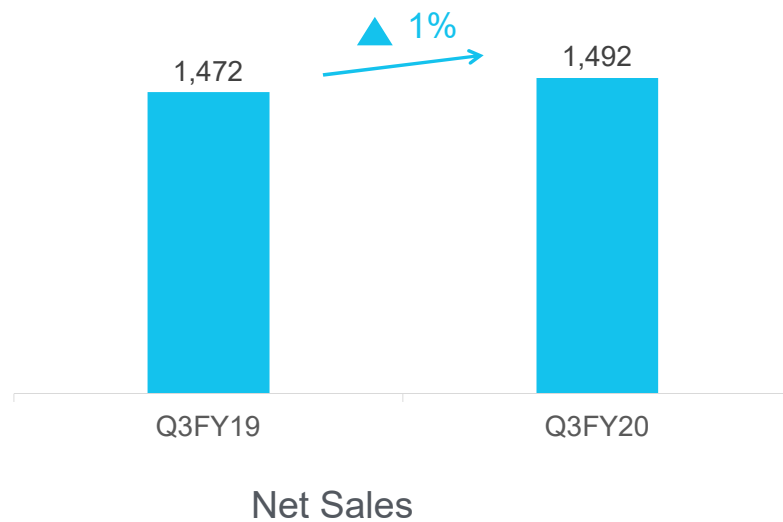
* Excluding MAT credit entitlement and one time deferred tax

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MOMENTUM OF STRONG VOLUME GROWTH CONTINUES

- India delivers 7% volume growth
- Robust volume growth led by new product launches, effective marketing campaigns and consumer offers
- EBITDA margins at 28.9%



ROBUST VOLUME GROWTH; GAINED MARKET SHARES ACROSS CATEGORIES

India Business	Sales ₹ crore	Growth year-on-year
Household Insecticides	617	3%
Soaps	416	(4)%
Hair Colours	155	(4)%
Other Categories	295	7%
Unbranded and Exports	84	(3)%
Total	1,568	1%
Sales and trade promotion spends, etc. to be netted off from Sales as per Ind AS	(76)	(6)%
Sales	1,492	1%
Volume Growth		7%

STRONG VOLUME GROWTH IN SOAPS CONTINUES

- Mid single digit volume growth; price offs and consumer offers resulting in sales decline of 4%
- Continue to gain market shares (40 bps gain in value share in Q3FY20)
- Continued focus on micro marketing initiatives for scaling up growth



CONTINUED RECOVERY IN HOUSEHOLD INSECTICIDES

- Higher than mid single digit volume growth resulting in 3% value growth
- Continue to gain market shares in overall category including incense sticks (70 bps gain in value share in Q3FY20)
- Initial response for recently launched Good Knight Gold Flash Liquid Vapouriser in South has been encouraging; plans to scale it up nationally in Q4FY20
- Rolling out Good Knight natural range of household insecticide products on select ecommerce platforms



SOFT PERFORMANCE IN HAIR COLOUR

- Growths impacted by general slowdown in hair colour category due its discretionary nature and consumers stretching consumption; secondary growth flat
- Maintained market share in Q3FY20
- Godrej Expert Easy 5 minute shampoo hair colour performing well in Southern states and has been scaled up nationally
- Continue to focus on activations and effective media campaigns to recruit new consumers into the category

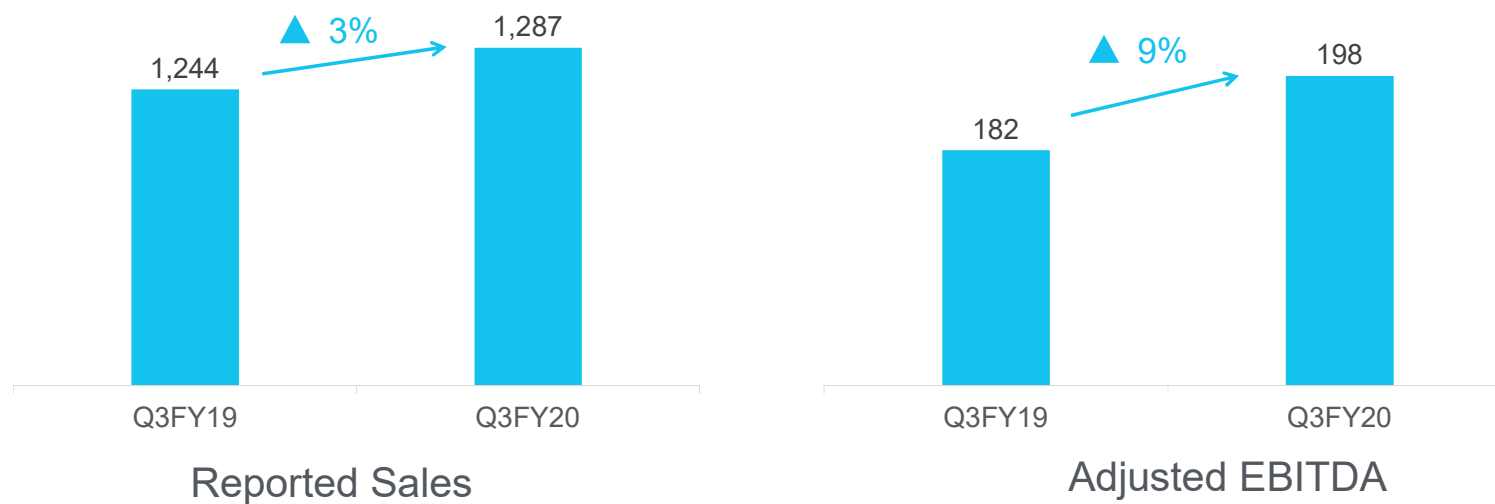


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MIXED PERFORMANCE IN INTERNATIONAL BUSINESS

- International business delivers constant currency sales growth of 11%
- Adjusted EBITDA margin of 15.4%; increase of 80 bps y-y



STRONG CONSTANT CURRENCY PERFORMANCE IN INTERNATIONAL BUSINESS

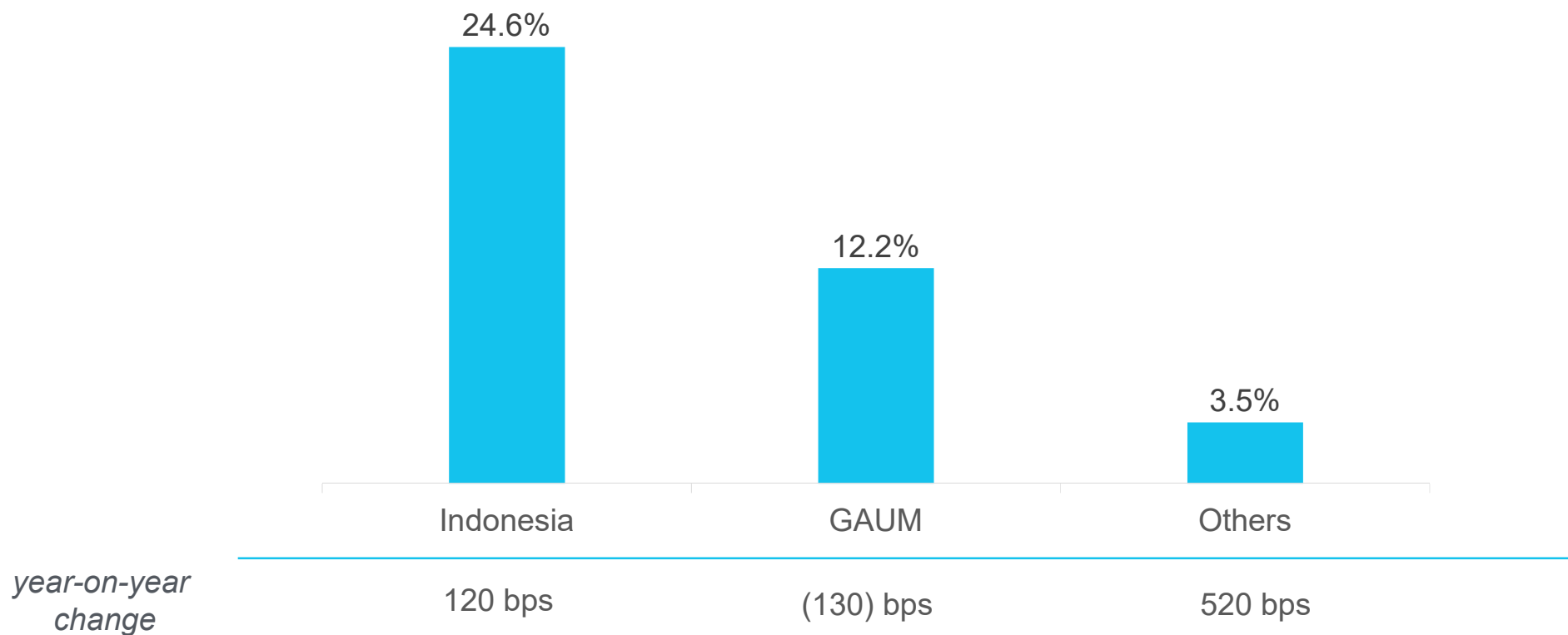
International Business	Sales ₹ crore	Growth year-on-year	Constant Currency Growth year-on-year
Indonesia	448	13%	9%
GAUM	679	(1%)	6%
Others*	161	(3%)	38%
Total Net Sales	1,287	3%	11%

GAUM includes Africa, USA and Middle East

*Others include Latin America and SAARC

MARGIN EXPANSION DRIVEN BY INDONESIA

Adjusted EBITDA Margin



GAUM includes Africa, USA and Middle East
Others include Latin America and SAARC

CONTINUED GROWTH MOMENTUM IN INDONESIA WITH HIGH SINGLE DIGIT CONSTANT CURRENCY SALES GROWTH

- Sales growth of 9% in constant currency terms driven by Household Insecticides and Baby wipes
- Continue to gain market share in Household insecticide
- Focus on stepping up innovation momentum across categories and gradual expansion of General trade distribution (Project RISE)
- Adjusted EBITDA margin expanded by 120 bps led by strong gross margin expansion



MIXED PERFORMANCE IN GAUM CLUSTER

- Sales increase of 6% in constant currency terms; Africa sales grew by 9%
- West and South cluster recorded healthy low double digit growth rates
- East cluster continued to witness degrowth on account of liquidity challenges and temporary impact of demonetization
- On MAT basis, in Dry hair (60% of the overall sales), gained volume market share in braids in South Africa and gained volume and value market share in braids in Kenya
- Continue to drive the scale up of wet hair care and the relaunch of the Darling brand in the dry hair category
- Adjusted EBITDA margin decreased 130 bps y-y; had one time waste water management expenses in US (~70 bps y-y impact)



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OUR GOOD & GREEN COMMITMENT



Ensuring
Employability

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



Greener
India

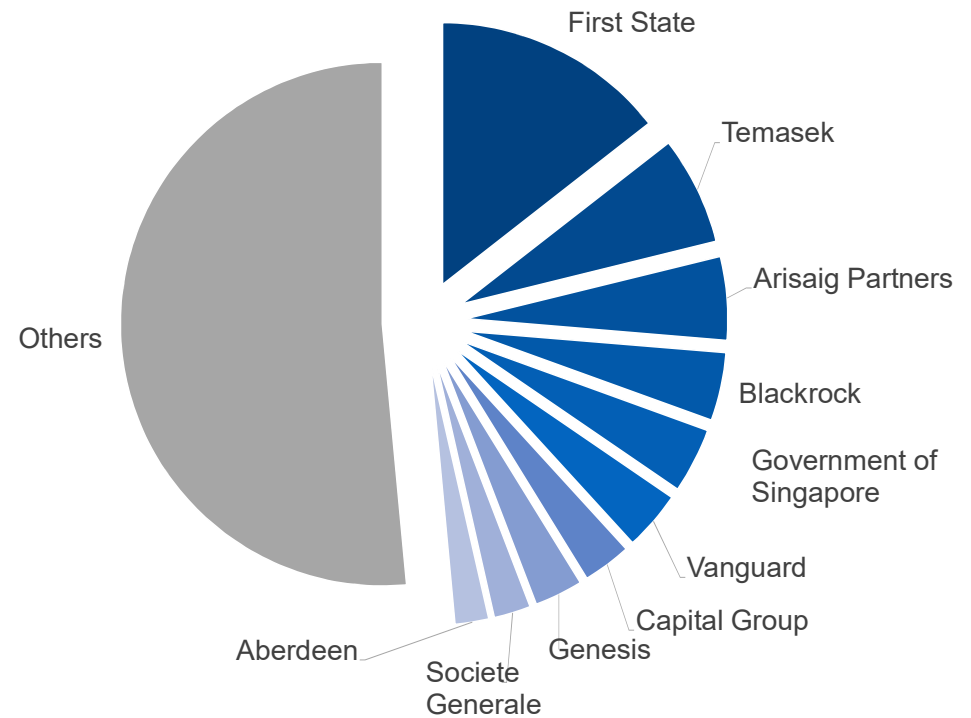
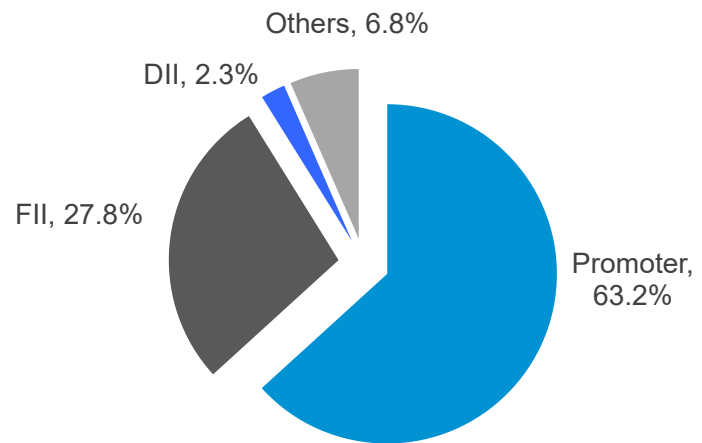
Achieve zero waste to landfill,
carbon neutrality and a positive
water balance, while reducing
specific energy consumption
and optimising the use of
renewable energy



Product
Innovation

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

SHAREHOLDING PATTERN



WE REMAIN LASER FOCUSED ON EXECUTING OUR KEY PRIORITIES

#1 Extending leadership in our core categories and geographies

#2 Accelerating innovation and building purposeful brands

#3 Leveraging digital

#4 Enhancing go-to-market

#5 Making our supply chain best-in-class

#6 Fostering an inclusive, agile and high-performance culture

#7 Building a more inclusive and greener world

CONTACT US FOR ANY QUERIES

Institutional investors

Sameer Shah

Email: sa.shah@godrejcp.com

Tel: +91 22 2519 4467

Retail investors

R Shivshankar

Email: r.shivshankar@godrejcp.com

Tel: +91 22 2519 4359

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