

Investor Note

Q4 FY24 has been a solid quarter for GCPL. Our consolidated reported numbers stand strong at 12% underlying volume growth, 6% sales growth (30% constant currency sales growth), 18% EBITDA* growth and 22% PAT (before exceptions and one-offs) growth. We have taken an exceptional charge of ₹2,378 crore on our GAUM business. Hence, our reported PAT is negative ₹1,893 crore.

Our organic consolidated volume growth has been 9% and organic sales growth has been 4% (28% constant currency sales growth). Sales growth is lagging behind volume growth due to currency fluctuations in Africa and low soap prices in India.

India volume growth was 15% and sales growth was 12% and EBITDA* growth was 12%. The organic volume growth was 7%, while the organic sales growth was 5%. Household Insecticides category had a poor quarter due to an extended winter in North and parts of East. However, we had a strong performance driven by high single digit volume growth in Personal Wash and double-digit volume growth in Hair Colors, Air Freshners, Fabric Care, etc. Incense Sticks launch has been extremely encouraging so far. RCCL did a strong ₹137 crore in a seasonally weak quarter and grew at 22% year-on-year.

We are launching new products in accordance with our purpose to bring the goodness of health and beauty to consumers - Cinthol Foam Bodywash, has been launched in select markets in India in April at ₹120. This product is aimed at the fast-growing segment of Bodywash that is currently ~₹700 crore and growing at more than 20% per annum.

Indonesia had a very strong quarter with volume growth of 12% and EBITDA* growth of 34%. This has been driven by continuing good performance on Household Insecticides but also a benefit of the Lebaran season shifting to Q4. We are launching Stella Electric Diffuser in Indonesia at IDR 35,000. This product is aimed at rapidly expanding the penetration of the Air Freshener category and is a first of its kind product in Indonesia.

GAUM organic volumes grew 10% while reported volumes grew at 2%, EBITDA* grew at 60%. We have now completed the re-organization of our business in East Africa. We are happy to report that there will be a positive impact on PAT of ~₹50 crores per annum despite the negative impact on revenue of ~₹470 crores per annum. We have taken an exceptional accounting charge of ~₹2,378 crore in our consolidated P&L statement. The impact of this charge is cash positive (NPV of ₹200 crore).

We remain on track in our journey to reduce wasted cost and are deploying this to drive profitable and sustainable volume growth across our portfolio through category development.

We remain committed to our purpose of bringing the goodness of health and beauty to consumers in emerging markets.

Appendix

1. Q4 FY24 Financial Performance

Growth (year-on-year)	Consolidated Business	India Business
Underlying Volume Growth	12% (9%^)	15% (7%^)
Net Sales	6% (4%^)	12% (5%^)
Net Sales (Constant Currency)	30% (28%^)	-
EBITDA*	18%	12%
EBITDA* + Working Media	24%	20%
Net Profit (Reported)	-519%	-272%
Net Profit (without exceptionals and one-off items)	22%	14%

^Organic results in brackets

2. Sales performance across clusters

Geography		Sales (₹ crore)	Growth (year-on-year)	Constant Currency growth (year-on-year)
India	Reported	2,007	12%	-
	Organic	1,870	5%	
Indonesia		498	15%	17%
Africa, USA, and Middle East	Reported	593	-23%	16%
	Organic	593	-15%	28%
Latin America and SAARC		287	41%	262%
Total Net Sales	Reported	3,365	6%	30%

*EBITDA incl. forex

	Organic	3,228	4%	28%
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3. EBITDA margin across clusters

	Consolidated	India	Indonesia	Africa, USA, and Middle East	Latin America and SAARC
Q4FY24 Reported EBITDA* Margin	22.5%	27.0%	24.8%	13.6%	4.1%
Business support charges, royalty and technical fees (₹ crore)	-	-6.3	2.1	4.3	-0.1
Q4FY24 Operating EBITDA* Margin	22.5%	26.7%	25.2%	14.3%	4.0%
Change in EBITDA* Margin (bps) (y-y)	+225	+10	+360	+720	(400)
Change in EBITDA* + Working Media Margin (bps) (y-y)	+430	+240	+400	+870	(260)

*EBITDA incl. forex

4. Net Profit reconciliation statement

Consolidated business	Q4 FY2024	Q4 FY2023
(A) Net Profit reported	(1,893)	452
(B) Exceptionals (post-tax)		
GAUM - Q4	2,372	-
Others	95	17
(C) Net Profit (without exceptionals and one-off items)	574	469

*EBITDA incl. forex

ABOUT GODREJ CONSUMER PRODUCTS

Godrej Consumer Products is a leading emerging markets company. As part of the over 125-year young Godrej Group, we are fortunate to have a proud legacy built on the strong values of trust, integrity, and respect for others. At the same time, we are growing fast and have exciting, ambitious aspirations.

Today, our Group enjoys the patronage of 1.2 billion consumers globally, across different businesses. We rank among the largest Household Insecticide and Hair Care players in emerging markets. In Household Insecticides, we are the leader in India, the second largest player in Indonesia and are expanding our footprint in Africa. We are the leader in serving the Hair Care needs of women of African descent, the number one player in Hair Colour in India and Sub-Saharan Africa, and among the leading players in Latin America. We rank number two in Soaps in India and are the number one player in Air Fresheners and Wet Tissues in Indonesia.

But for us, it is very important that besides our strong financial performance and innovative, much-loved products, we remain a good company. Approximately 23 per cent of the promoter holding in our Group is held in trusts that invest in the environment, health, and education. We are also bringing together our passion and purpose to make a difference through our 'Good & Green' approach to create a more inclusive and greener India.

At the heart of all of this, is our talented team. We take much pride in fostering an inspiring workplace, with an agile and high-performance culture. We are also deeply committed to recognising and valuing diversity across our teams.

Disclaimer:

The financials disclosed above may differ from the reported financials to reflect the real business financial performance. 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.