

Q4FY2022 Investor and Analyst Performance Update

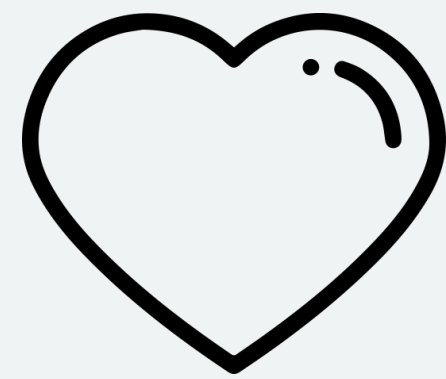
19 May, 2022



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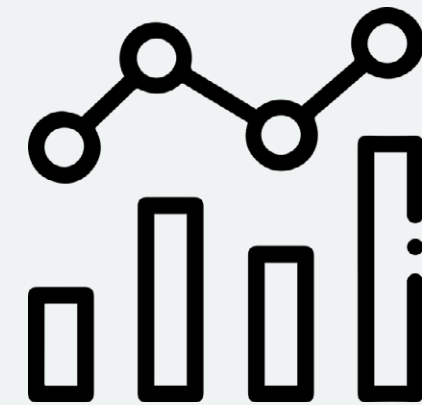
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Our Purpose and Strategy



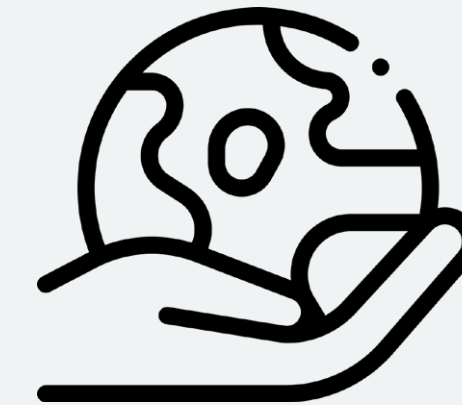
Purpose

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

Sales growth of 7% (2-year CAGR 17%); double-digit sales growth in full year (2-year CAGR 11%)

Consolidated Sales growth	7% (7% CC)	India Sales growth	9%
2-year CAGR	17% (18% CC)	2-year CAGR	21%
Consolidated EBITDA growth		(9)%*	

- 1

Strong performance in Personal Care and weak performance in Home Care
- 2

Steady growth in India 9% (2-year CAGR 21%), Africa, USA & Middle East 14% CC (2-year CAGR 24%) and Latin America & SAARC 26% CC (2-year CAGR 40%); weak performance in Indonesia (16)% CC (2-year CAGR -7%)
- 3

Home Care declines by 7% (2-year CAGR 8%)
- 4

Strong growth momentum continues in Personal Care; 18% growth (2-year CAGR 22%)
- 5

Consolidated EBITDA margins* at 18.1% (9% degrowth); margins decrease by 320 bps year-on-year
- 6

Among BW Businessworld list of India's top 10 sustainable companies for second year in a row

Note: *EBITDA adjusted for one time exception; CC - Constant Currency

1

HOME CARE



(7)%

3%

PERSONAL CARE



18%

17%

2 **Steady growth in India 9% (2-year CAGR 21%), Africa, USA & Middle East 14% CC (2-year CAGR 24%) and Latin America & SAARC 26% CC (2-year CAGR 40%); weak performance in Indonesia (16)% CC (2-year CAGR -7%)**



	Latin America	Africa, USA & Middle East	Indonesia	India
	26%* (CC) 19%* (INR)	14% (CC) 15% (INR)	(16)% (CC) (15)% (INR)	9% (INR)
	24%* (CC) 12%* (INR)	22% (CC) 22% (INR)	(5)% (CC) (4)% (INR)	11% (INR)

Note: *Includes SAARC; CC - Constant Currency

3 Home Care declines by 7% (2-year CAGR 8%)

- **Household Insecticides:** Weak performance driven by Indonesia, relatively muted season in India and a high base; 2-year CAGR in high single digits
- **Air Fresheners:** Steady performance; consumption picking up gradually

Disease prevention advertising



HIT aerosol sprays in India



Aer Matic range in India

Aer Power Pocket range in India



4 Strong growth momentum continues in Personal Care; 18% growth (2-year CAGR 22%)

- **Personal Wash & Hygiene:** Growth driven by strong Personal Wash performance in India and Nigeria
- **Hair Colours:** Strong performance led by gradual recovery
- **Hair Care:** Continued robust growth in Africa, USA & Middle East

Godrej No.1 range in India



Expert Crème range in India



Cinthol Soaps range in India



Darling Hair extension range in Africa

5 Consolidated EBITDA margins at 18.1% (9% degrowth); margins decrease by 320 bps year-on-year

- **Consolidated EBITDA decline of 9%**
- **Consolidated EBITDA margins at 18.1%**; decrease of **320 bps** year-on-year, due to higher commodity inflation and weak performance in Indonesia
- **EBITDA margins in India at 23.6%**; expanded by **100 bps** year-on-year, while gross margins declined by **~410 bps** (due to higher commodity inflation), however, the trend is improving as the year-on-year drop is lower sequentially.
- **EBITDA margins in International business at 10.7%**; decrease of **~820 bps** year-on-year largely due to weak performance in Indonesia

6 Among BW Businessworld list of India's top 10 sustainable companies for second year in a row

- GCPL is a water positive, plastic neutral, and zero waste-to-landfill company. This means, we capture more water than we take, we take back plastic waste equivalent to all plastic packaging we use in our products, and we send no waste to landfills.
- Through Project EMBED (Elimination of Mosquito Borne Endemic Diseases), we have enabled 11.5 million people to protect themselves against vector-borne diseases
- Trained and supported over 227,300 young women in beauty skills and helped them improve their employability and income



FINANCIAL PERFORMANCE UPDATE

Q4 FY2022: Financial Performance

Growth (year-on-year)	Consolidated Business	India Business
Net Sales (Reported)	7%	9%
Net Sales (Constant Currency)	7%	-
EBITDA	(9%)*	14%
Net Profit (Reported)	(1%)	67%
Net Profit (Without exceptional and one-off items)	(4%)	39%

Note: *EBITDA adjusted for one time exception of inventory pilferage in South Africa

Q4 FY2022: Exceptional and One-off Items

Consolidated Business	Q4 FY2022	Q4 FY2021
Net Profit (Reported)	363	366
<i>Exceptionals (Post tax)</i>		
Restructuring cost in Latin America & GAUM	0.1	1.9
Brand and goodwill impairment in GAUM & Latin America (adjusted for Deferred Tax)	47.0	32.2
Profit from divestment of BBLUNT in India (adjusted for tax)	(29.4)	-
Reversal of contingent consideration in USA	-	0.2
Deferred Tax Asset - Indonesia	-	(21.2)
Deferred Tax - Change in maximum marginal tax rate in India and Indonesia	0.3	0.1
Previous year tax reversals in India	(37.2)	-
Inventory pilferage in South Africa	20.4	-
Net Profit (Without exceptional and one-off items)	364	379

Note: All values in ₹ crore and rounded off

Q4 FY2022: Steady growth in India (2-year CAGR 21%), Africa, USA & Middle East (2-year CAGR 24% CC); weak performance in Indonesia (2-year CAGR -7% CC)

Geography	Sales (₹ crore)	Growth (Year-on-year)	Constant Currency Growth (Year-on-year)
India	1,604	9%	-
Indonesia	401	(15)%	(16)%
Africa, USA and Middle East	723	15%	14%
Latin America and SAARC	210	19%	26%
Total Net Sales	2,894	7%	7%

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

Q4 FY2022: Bridge between Reported and Operating EBITDA

	India	Indonesia	Africa, USA & Middle East	Latin America & SAARC
Q4FY22 Reported EBITDA Margin	24.1%	21.2%	1.1%	10.5%
Business support charges, Royalty & Technical fees (₹ crore)	(8.3)	1.5	5.5	1.2
Q4FY22 Operating EBITDA Margin	23.6%	21.6%	4.6%*	11.1%
Q4FY21 Operating EBITDA Margin	22.6%	35.4%	10.9%	3.6%
Change in EBITDA Margin (bps)	100	(1,380)	(630)	750

Note: *EBITDA adjusted for one time exception of Inventory pilferage in South Africa

Q4 FY2022: Healthy Balance Sheet

Particulars	Units	Mar 31, 2022	Mar 31, 2021
Working Capital ex-Cash*	₹ crore	979	337
Working Capital*	Days	29	11
Cash & Equivalents	₹ crore	2,123	1,332
Total Debt	₹ crore	1,608	1,768
Debt denominated in INR	₹ crore	-	0.1
Debt denominated in USD	₹ crore	1,142 (USD 150 m)	1,557 (USD 215 m)
Debt denominated in other currencies	₹ crore	466	211
Other Financial Liabilities	₹ crore	148	260
Net Debt	₹ crore	(368)	696
Shareholder's Equity	₹ crore	11,556	9,439
Capital Employed*	₹ crore	12,467	10,666
Net Debt / Equity	x	(0.03)	0.07
ROE*	%	16.3%	18.9%
ROCE*	%	18.4%	21.1%
Operating ROCE*	%	49.4%	72.6%

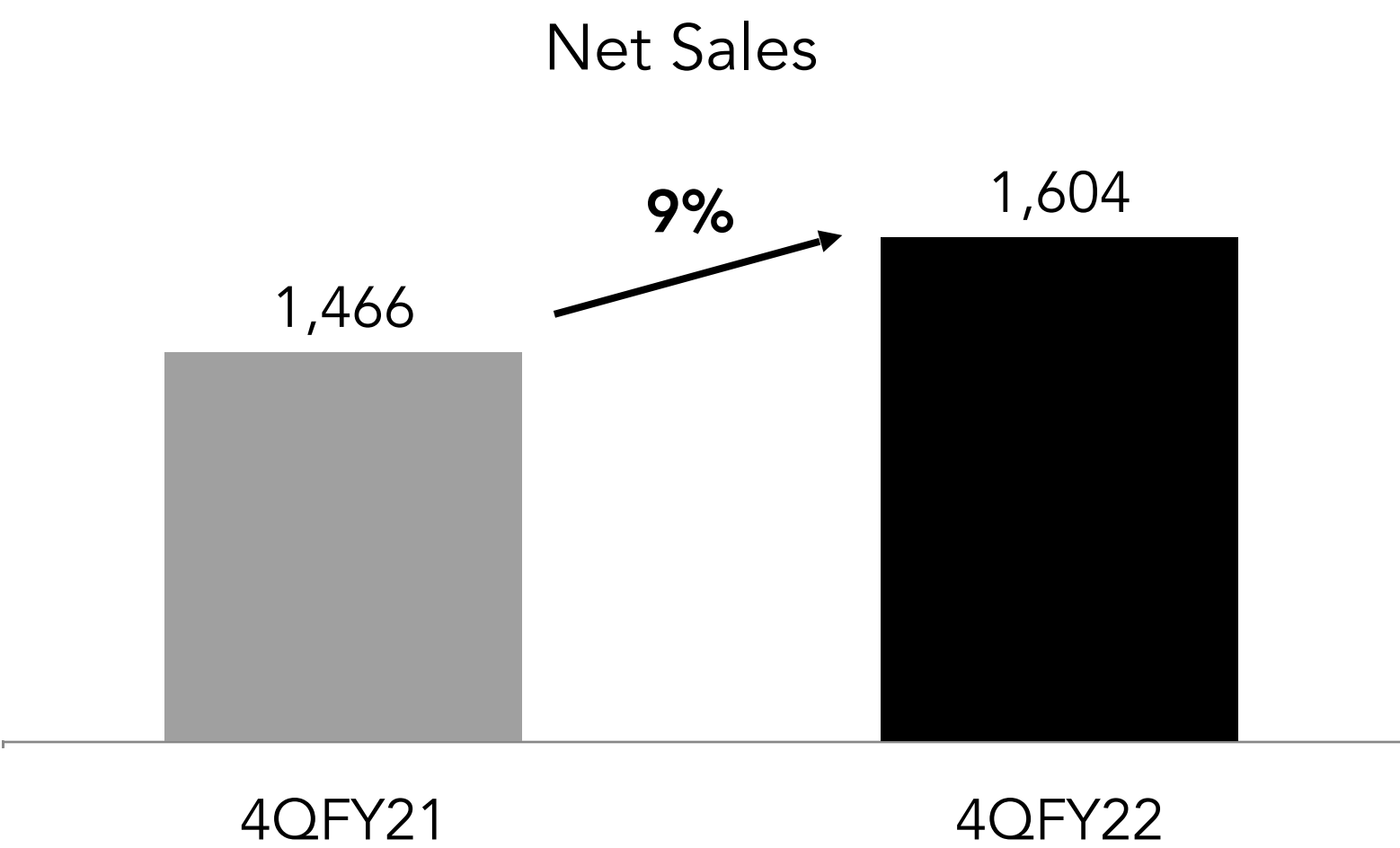
Note: *Excluding MAT credit entitlement, one time deferred tax and other one time exceptions

INDIA BUSINESS UPDATE

Steady sales growth

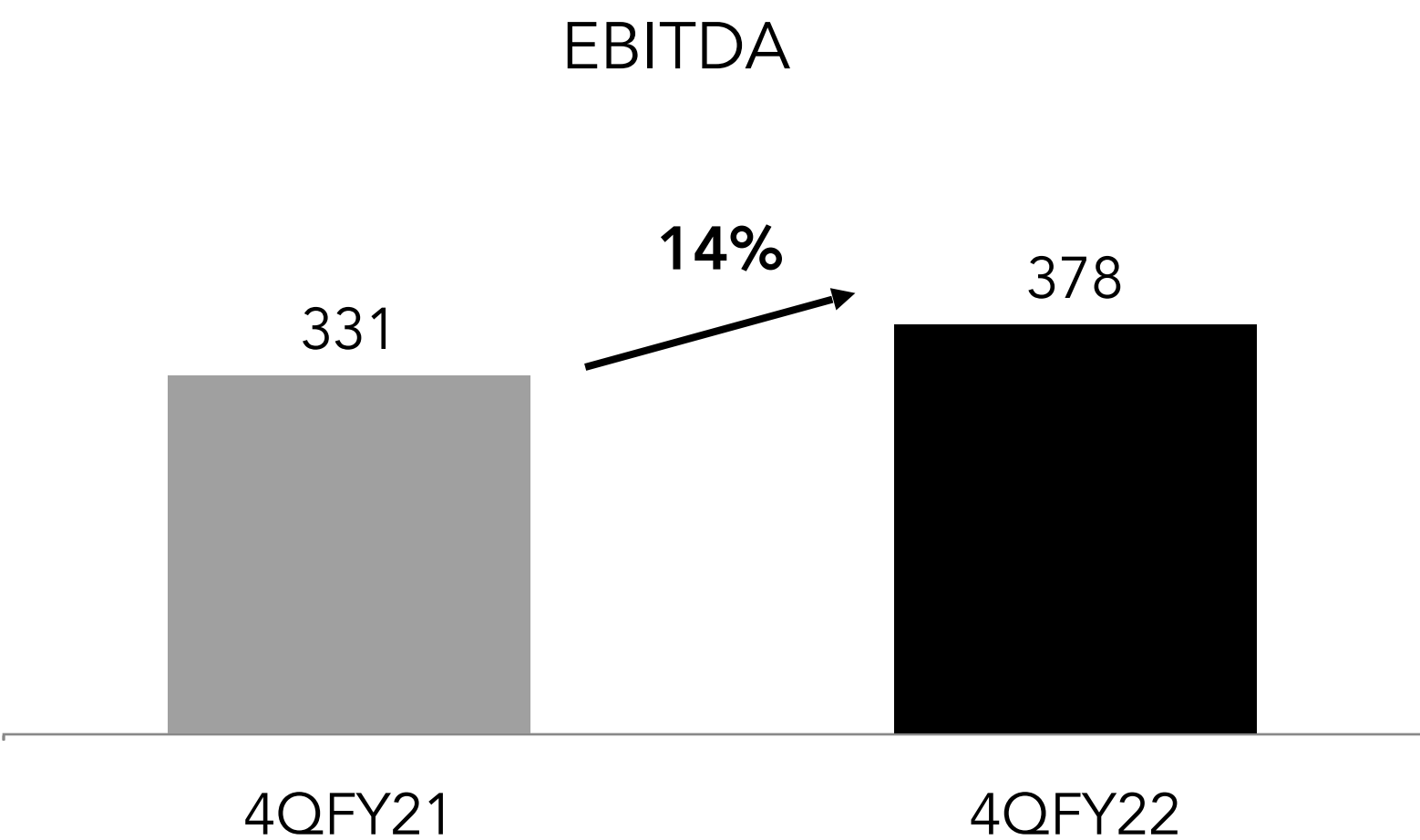
Financial performance

- **Sales growth of 9%** driven by pricing; 2-year CAGR of 21%
- **EBITDA margins in India at 23.6%**; expanded by **100 bps** year-on-year, while gross margins declined by **~410 bps** (due to higher commodity inflation), however, the trend is improving as the year-on-year drop is lower sequentially.



Operating performance

- Mixed performance in Home Care and Personal Care
- **Gaining shares** in **~85%** of our categories
- Continue to **strengthen E-commerce; contributes to ~6% of Branded Sales**



Note: All values in ₹ crore

Strong momentum in Personal Care; weak growth in Home Care

Category	Sales (₹ crore)	Q4 Growth (Year-on-year)	2-year CAGR
Home Care	724	(2)%	15%
Personal Care	744	20%	27%
Total Branded Sales	1,468	8%	21%
Unbranded and Exports	136	21%	31%
Total Net Sales	1,604	9%	21%
Volume Growth	—	(3)%	12%

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

- **Household Insecticides** delivered a soft performance on the back of a relatively muted season and high base (2-year CAGR in double-digits)
- Continue to deepen penetration and gained market share by 50 bps on MAT basis
- In line with our strategy of driving category development:
 - Launched Goodnight Jumbo Fast Card at INR 10 to drive recruitment, dual usage and target upgrades from other burning format users
 - Goodnight Activ Plus at INR 80 in select markets to drive upgradation and penetration in electrics
- Non-mosquito portfolio continues strong growth momentum with double-digit sales growth



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

- **Air Fresheners** continues to witness steady growth; 2-year CAGR in double-digits
- Gained market share of 130 bps on MAT basis
- Aer Power Pocket continues to perform well and drive new trials; launched a new campaign '*If bathrooms could talk*'
- In line with our strategy of driving category development, premiumising the category with significantly higher media investments, launched a new campaign '*If rooms could talk*'
- Continue to invest in digital to drive relevance



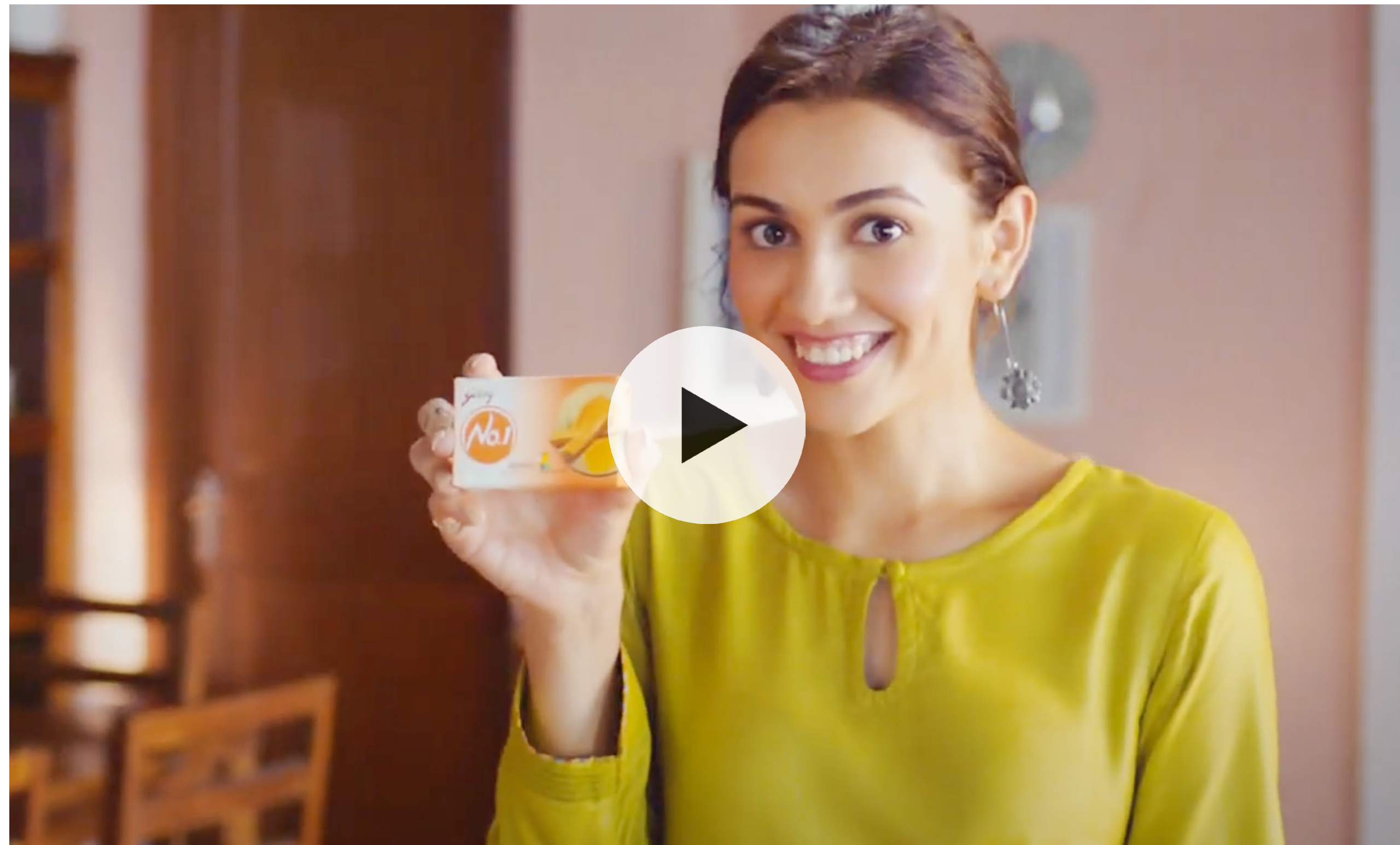
Home Care (3/3): Strong performance in Fabric Care

- **Fabric Care** witnessed strong growth; 2-year CAGR in double-digits
- Continued with digital communications centred around winter specialist brand



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 and deepen penetration in Soaps led by micro marketing initiatives
- Gained market share by 60 bps on MAT basis; touched highest ever value and volume market share in Soaps
- Leveraging digital platforms; *'Alive Is Awesome'* campaign on Cinthol yields positive results
- Strengthening the value-for-money proposition for Protakt Magic handwash through digital communications and distribution expansion
- Navigating high commodity cost through calibrated price increases



Personal Care (2/2): Witnessing recovery in Hair Colours

- **Hair Colours** growth was steady; 2-year CAGR in double-digits
- Godrej Expert Rich Crème continues to perform well with market share gains driven by strong marketing campaigns and influencer programmes
- In line with our strategy of driving category development:
 - Launched Godrej Expert Rich Crème at INR 15 to drive recruitment, upgradation of powder users and increase penetration



INDONESIA BUSINESS UPDATE

Weak performance in Indonesia

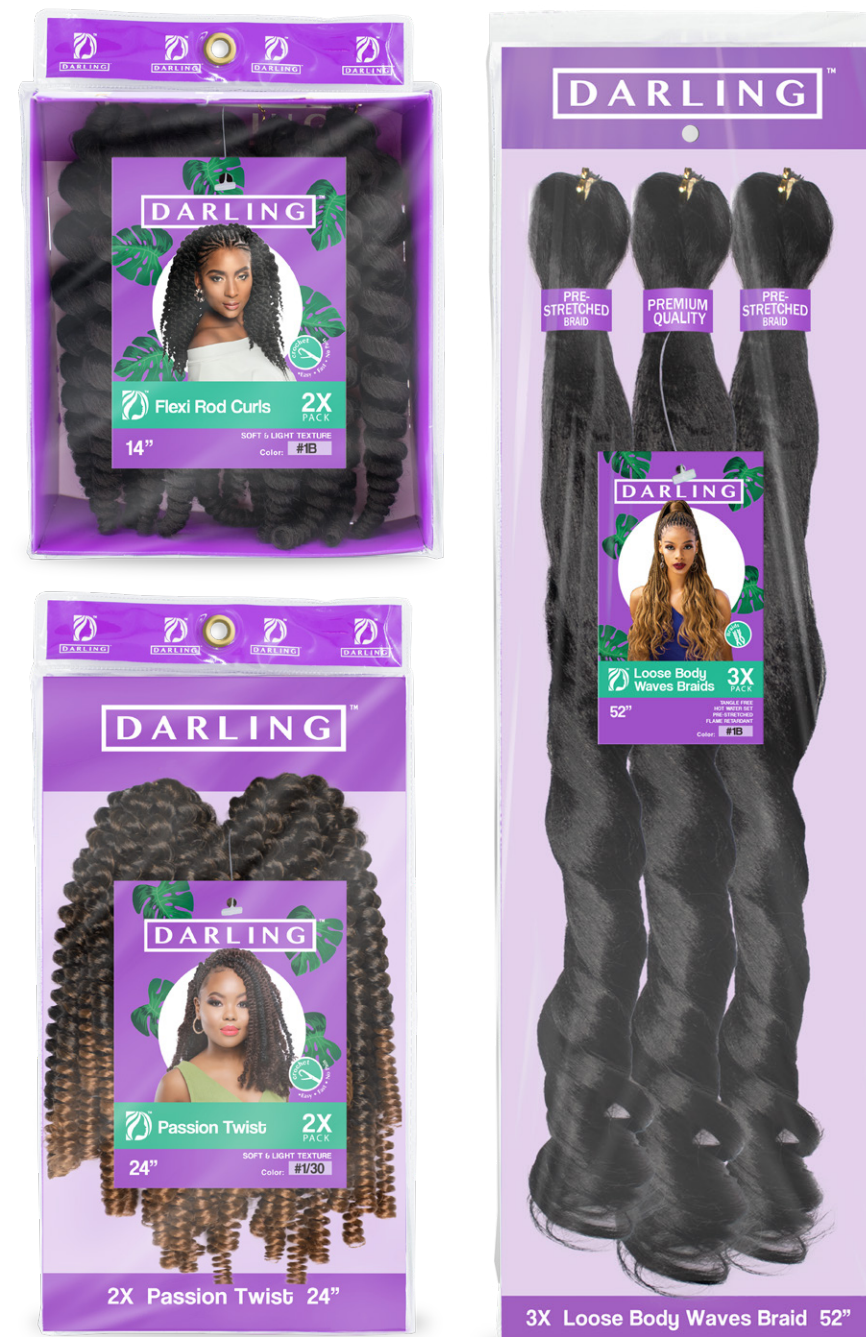
- Sales dropped by 16% (constant currency); sales decline excluding Hygiene (Saniter) was 10% (constant currency)
- EBITDA margins at 21.6%, sequentially higher, decreased by 1,380 bps year-on-year due to higher commodity inflation, adverse mix, scale deleverage and a high base
- Continue to put building blocks in place to drive category development and general trade distribution expansion
- Building category relevance; launched new campaign 'Make your bathroom atmosphere smell-free with Stella Pocket Bathroom'



AFRICA, USA & MIDDLE EAST BUSINESS UPDATE

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

- Broad based double-digit sales growth of 14% (constant currency); 2-year constant currency CAGR of 24%
- EBITDA margins* decreased by 630 bps year-on-year driven by lag between increase in commodity cost and end consumer price increases and increase in advertisement spends to seed marketing 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



Note: *EBITDA adjusted for one time exception of inventory pilferage in South Africa

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE UPDATE

Our ESG targets for FY2025 and Q3 FY2022 performance



Vision	Goals for FY2025	Performance update
Influence sustainable consumption	Ensure efficient waste management systems for 3 municipalities in India impacting 3 million people	<ul style="list-style-type: none">Community waste management projects with local municipalities diverted 7,300 kg of dry waste from landfills through clean-up drivesReached out to 16 wards in 3 zones covering 35,000 people in Pondicherry; over 60% source segregation is achieved in serviced areas
	Achieve Sustainable Packaging targets - 20% intensity reduction; 10% post consumer recycled plastic (this target will be revised based on the new, more stringent plastic use guidelines); 100% reusable, recyclable and compostable packaging	<ul style="list-style-type: none">3.5% virgin plastic replaced with PCR6% reduction in plastic intensity
	Ensure one-third of all products are greener than in 2020 by carrying out lifecycle assessments (LCA) for major products (80% coverage by revenue)	<ul style="list-style-type: none">Completed LCAs of 5 products that cover over 50% of India revenues
	<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.	<ul style="list-style-type: none">Covered 72% of India suppliers (by spend volume) under our sustainable supply chain policy and are being assessed
	Partner with consumers and customers to promote sustainable consumption of our green products	—

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

Our ESG targets for FY2025 and Q3 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	42% reduction in GHG emission intensity
	40% reduction in specific energy consumption from FY11 baseline	33% 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	38% reduction in water intensity and continuing to be water positive
	Achieve zero liquid discharge and maintain zero waste to landfill	Continue to be 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 compliance	Covered equivalent to 100% of plastic packaging waste; we are plastic neutral

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

Our ESG targets for FY2025 and Q3 FY2022 performance

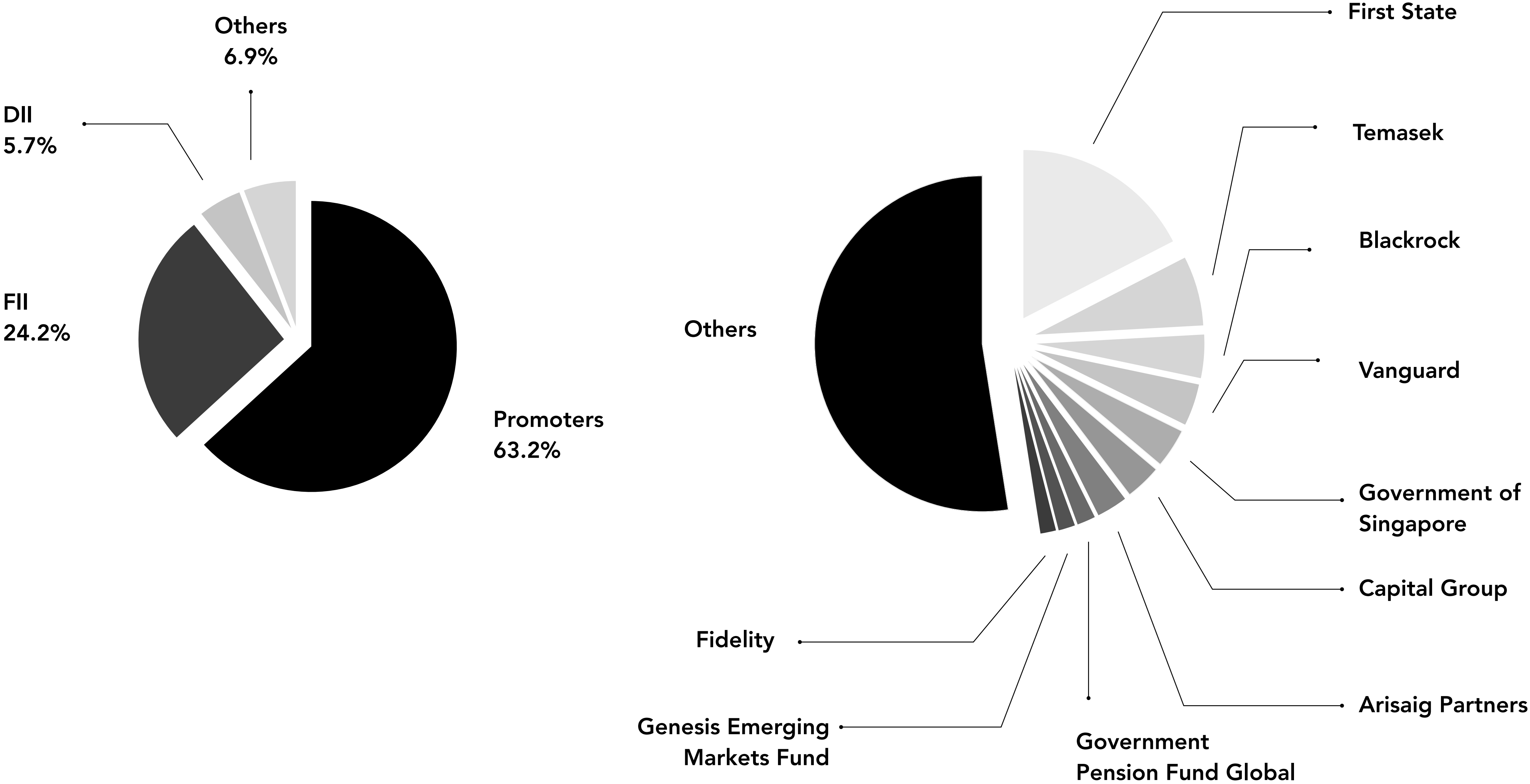


Vision	Goals for FY2025	Performance update
Equip communities with skills that empower	Empower 200,000 women in beauty skills, across emerging markets globally	705 beauty-entrepreneurs upskilled. Average incomes increase of 15%. 681 beautypreneurs took loans of which 35% recovered. INR 9 lakhs rotated back as loans to 36 beautypreneurs. Average income increase of 25% from 2019 baseline. 67 hairdressers upskilled.
Improve health and well-being	Strengthen public healthcare systems in three states in India <hr/> Protect 30 million people against vector-borne diseases	Vector management: 1,083 ASHA workers trained in prevention and control methods of vector-borne diseases. Trainings on entomological surveillance, clinical management of malaria and outbreak investigation attended by 522 participants. <hr/> Our rural and urban malaria programme is on track covering 100% households in intervention villages

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

APPENDIX

Shareholding Pattern



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