

PRESS RELEASE

4Q FY 2022 results – GCPL clocks sales of INR 2,894 crore in 4QFY2022 with 2-year CAGR in double-digits; full year sales growth also in double-digits

Mumbai, May 19, 2022: Godrej Consumer Products Limited (GCPL), a leading emerging markets FMCG company, today announced its financial results for the quarter ending March 31, 2022.

FINANCIAL OVERVIEW

4Q FY 2022 FINANCIAL PERFORMANCE SUMMARY:

- 4Q FY 2022 consolidated sales grew by 7% year-on-year; 2-year CAGR 17%
 - India business sales grew by 9% year-on-year, 2-year CAGR 21%
 - Indonesia sales declined by 15% in INR and 16% in constant currency terms, year-on-year; 2-year CAGR -7% in constant currency
 - Africa, USA and Middle East sales grew by 15% in INR and 14% in constant currency terms, year-on-year; 2-year CAGR 24% in constant currency
 - Latin America & SAARC sales grew by 19% in INR and 26% in constant currency terms, year-on-year; 2-year CAGR 40% in constant currency
- 4Q FY 2022 consolidated EBITDA declined by 9% year-on-year (without one-offs)
- 4Q FY 2022 consolidated net profit declined by 4% year-on-year (without exceptional items and one-offs)

MANAGING DIRECTOR AND CEO'S COMMENTS

Commenting on the business performance of 4Q FY 2022, Sudhir Sitapati, Managing Director and CEO, GCPL, said:

We delivered a weak performance in 4Q FY 2022. Overall sales grew by 7% and our full year sales grew in double-digits. However, this growth was driven by pricing. We continue to believe that with the relatively non-discretionary, mass pricing of our portfolio and very good performance on market shares, volume growth will return in the medium term. Our overall EBITDA declined by 9% (without one-offs) driven by unprecedented global commodity inflation and scale deleverage in Indonesia. PAT without exceptional items and one-offs declined by 4%.

From a category perspective, we saw a strong performance in Personal Care, which grew by 18%. Home Care delivered a weak performance and declined by 7%. From a geography perspective, India grew at 9%. Our Africa, USA and Middle East business continued its robust growth trajectory, growing at 15% in INR and 14% in constant currency terms. Performance in our Indonesian business was weak, declining by 15% in INR and 16% in constant currency terms.

We continue to have a healthy balance sheet and our net debt to equity ratio continues to come down. We are on a journey to reduce inventory and 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. We were recently ranked amongst BW Businessworld's list of India's top 10 sustainable companies for the second year in a row.

BUSINESS UPDATE – INDIA

Performance Highlights

- 4Q FY 2022 India sales grew by 9% to INR 1,604 crore; volume declined by 3%
- 4Q FY 2022 EBITDA grew by 14% to INR 378 crore
- 4Q FY 2022 Net Profit without exceptions and one-off grew by 39% to INR 348 crore

Category Review

Home Care

Home Care declined by 2% with a 2-year CAGR of 15%.

While we delivered a soft performance in Household Insecticides on the back of a high base and relatively muted season, we continued to deepen penetration and gain market share by 50bps on MAT basis. We are seeding in category development initiatives to drive sustainable growth. We recently launched Goodknight Jumbo Fast Card at INR 10 to drive recruitment, dual usage and target upgrades from other burning format users and Goodknight Activ Plus in select markets at INR 80 to drive upgradation and penetration in electric formats.

Air Fresheners continued to witness steady growth, led by gradual recovery in the category, and we gained market share by 130bps on MAT basis. Aer Power Pocket continues to perform well alongside driving new trials. We are premiumizing the category with significantly higher media investments. In order to build category relevance, launched new campaigns. Fabric Care witnessed strong growth.

Personal Care

Personal Care grew by 20% with a 2-year CAGR of 27%.

Personal Wash & Hygiene maintained its growth momentum, delivering double-digit sales growth and a 2-year CAGR in double-digits. We gained market share by 60 bps on MAT basis and touched our highest ever value and volume market shares in Soaps. We continue to navigate higher commodity inflation through calibrated price increases.

Hair Colours growth was steady with the 2-year CAGR in double digits. Godrej Expert Rich Crème continues to perform well and gain market share, backed by strong marketing campaigns. We launched Godrej Expert Rich Crème at INR 15 to drive recruitment, upgradation of powder users and increasing penetration

BUSINESS UPDATE – INDONESIA

Our Indonesia business delivered a weak performance with a sales decline of 16% in constant currency terms. Sales excluding Hygiene (Saniter) saw a decline of 10% in constant currency terms. EBITDA margins, though sequentially higher, contracted by 1,380 bps year-on-year due to higher commodity inflation, adverse mix, scale deleverage and a high base. We continue to put building blocks in place to drive category development and general trade distribution expansion.

BUSINESS UPDATE – AFRICA, USA AND MIDDLE EAST

Our Africa, USA and Middle East cluster delivered a broad based double-digit sales growth of 14% in constant currency terms (2-year CAGR of 24%). Our strong sales growth momentum continues in Southern Africa and West Africa. We are also seeing strong performance across categories and have continued building go-to-market initiatives in key markets. While EBITDA margins decreased by 630 bps year-on-year primarily driven by a decline in gross margins, we continue to introduce marketing initiatives to drive sustainable growth.

ABOUT GODREJ CONSUMER PRODUCTS

Godrej Consumer Products is a leading emerging markets company. As part of the 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 1.15 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.