

PRESS RELEASE

2Q FY 2022 results – Steady sales growth; continued double-digit, 2-year CAGR growth momentum

Mumbai, November 11, 2021: Godrej Consumer Products Limited (GCPL), a leading emerging markets FMCG company, today announced its financial results for the quarter ending September 30, 2021.

FINANCIAL OVERVIEW

2Q FY 2022 FINANCIAL PERFORMANCE SUMMARY:

- 2Q FY 2022 consolidated sales grew by 9% year-on-year
 - India business sales grew by 10% year-on-year
 - Indonesia sales growth was 0% INR and declined by 2% in constant currency terms, year-on-year
 - Africa, USA and Middle East sales grew by 15% in INR and 16% in constant currency terms, year-on-year
 - Latin America & SAARC sales declined by 3% in INR and grew by 11% in constant currency terms, year-on-year
- 2Q FY 2022 consolidated EBITDA declined by 1% year-on-year
- 2Q FY 2022 consolidated net profit grew by 5% year-on-year (without exceptional items and one-offs)

EXECUTIVE CHAIRPERSON'S COMMENTS

Commenting on the business performance of 2Q FY 2022, Nisaba Godrej, Executive Chairperson, GCPL, said:

We have delivered steady sales growth. Consolidated sales grew by 9% and EBITDA declined by 1%. We continued our growth momentum and delivered another quarter of double-digit 2-year CAGR of 10%.

We saw steady sales growth in the Home Care and Personal Care categories. Home Care grew by 5% and Personal Care continued its strong momentum, growing by 10%. The sub-categories within Home Care and Personal Care saw broad based growth.

From a geography perspective, India grew at 10%. Our Africa, USA and Middle East business continued its robust growth trajectory, growing at 15% in INR and 16% in constant currency terms. Our Indonesian business saw flat growth in INR while it declined by 2% in constant currency terms.

Going forward, we will continue to focus our efforts where the demand is in Home Care and Personal Care - in Household Insecticides, Personal Wash & Hygiene, and Hair Care. We remain focused on expanding our Total Addressable Market. We have a robust pipeline of consumer-centric innovations and are building out full portfolios across price points. To support this, we are strengthening our supply chain operations and ramping up new capabilities and channels in digital, e-commerce and chemists.

We remain confident of leveraging growth opportunities to drive sustainable sales growth across our portfolio in fiscal year 2022. I am very excited that Sudhir Sitapati has taken over as Managing Director and Chief Executive Officer of GCPL and I look forward to the leadership and growth he will bring along with our wonderful GCPL team. We continue to do our best to truly live The Godrej Way and serve our people and communities.

BUSINESS UPDATE – INDIA

Performance Highlights

- 2Q FY 2022 India sales grew by 10% to INR 1,809 crore (2-year CAGR 10%); volume grew 4%
- 2Q FY 2022 EBITDA declined by 3% to INR 445 crore on a high base
- 2Q FY 2022 Net Profit without exceptions and one-off grew by 2% to INR 356 crore

Category Review

Home Care

Home Care saw a steady growth of 7%.

We delivered single-digit growth in Household Insecticides. Growth was mixed driven by seasonality during the quarter. We have scaled up Goodknight Jumbo Fast Card nationally to drive penetration and growth in burning formats. We will continue to build on our strategic pivots of taking the category beyond mosquitoes and scaling up our personal repellents range.

Air Fresheners and Fabric care continued to see gradual recovery and grew in double-digits. We continue to scale up the ProClean range of home cleaners.

Personal Care

Personal Care grew by 12%.

Personal Wash & Hygiene maintained its growth momentum, delivering double-digit sales growth (our 2-year CAGR was also in double-digits). We continued to gain market share, led by micro-marketing initiatives to fuel growth. Even now, we navigate high input costs through calibrated price increases.

Hair Colours recorded double-digit growth. Godrej Expert Rich Crème continues to perform well, backed by strong marketing campaigns. Godrej Expert Easy 5 Minute Shampoo Hair Colour is scaling up well.

BUSINESS UPDATE – INDONESIA

Our Indonesia business delivered a soft performance with a sales decline of 2% in constant currency terms. The economy is witnessing gradual recovery. We continue to see strong traction in Hygiene. EBITDA margins expanded by 60 bps year-on-year.

BUSINESS UPDATE – AFRICA, USA AND MIDDLE EAST

Our Africa, USA and Middle East cluster delivered a broad based double-digit sales growth of 16% in constant currency terms (2-year CAGR 13%). Our strong sales growth momentum continues in Southern Africa and West Africa. We are also seeing strong performance across categories and have continued seeding go-to-market initiatives in key markets. EBITDA margins increased by 50 bps year-on-year, driven by scale leverage and cost-saving initiatives.

ABOUT GODREJ CONSUMER PRODUCTS

Godrej Consumer Products is a leading emerging markets company. As part of the 124-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.