

PRESS RELEASE

4Q FY 2021 results – Third consecutive quarter of double-digit sales growth

Mumbai, May 11, 2021: Godrej Consumer Products Limited (GCPL), a leading emerging markets FMCG company, today announced its financial results for the quarter ending March 31, 2021.

FINANCIAL OVERVIEW

4Q FY 2021 FINANCIAL PERFORMANCE SUMMARY:

- 4Q FY 2021 consolidated sales grew by 27% year-on-year
 - India business sales grew by 35% year-on-year
 - Indonesia sales growth was 5% INR and 4% in constant currency terms, year-on-year
 - Africa, USA and Middle East sales grew by 30% in INR and 36% in constant currency terms, year-on-year
 - Latin America & SAARC sales grew by 30% in INR and 54% in constant currency terms, year-on-year
- 4Q FY 2021 consolidated EBITDA grew by 21% year-on-year
- 4Q FY 2021 consolidated net profit grew by 20% year-on-year (without exceptional items and one-offs)

CHAIRPERSON AND MANAGING DIRECTOR'S COMMENTS

Commenting on the business performance of 4Q FY 2021, Nisaba Godrej, Chairperson and Managing Director, GCPL, said:

We delivered a third consecutive quarter of double-digit sales growth. Consolidated sales grew by 27% and EBITDA grew by 21%.

From a category perspective, we saw continued strong growth momentum in the Household Insecticides and Hygiene categories. Hygiene grew by 38%, Household Insecticides grew by 28% and Value For Money products grew by 27%.

From a geography perspective, India grew at 35%. Our Africa, USA and Middle East business continued its robust growth trajectory, growing at 30% in INR and 36% in constant currency terms. Our Indonesian business delivered growth of 5% in INR and 4% in constant currency terms, on a positive growth base.

Going forward, we will continue to focus our efforts where the demand is – in Household Insecticides, Hygiene, and Value For Money. We are investing behind consumer-centric innovations and serving our consumers across all price points. To enable this, we are strengthening our supply chain operations and distribution networks. We are also building up our digitisation capabilities and channels like e-commerce and chemists.

We remain confident of leveraging growth opportunities to drive sustainable, profitable sales growth across our portfolio in FY 2022. We will continue to carefully navigate the challenges of the second wave of COVID-19 in India by ensuring seamless supply chain deliveries, and closely tracking shifts in consumer behaviour to respond to.

Overall, I am extremely proud of our team and the remarkable agility and resilience they continue to demonstrate. We remain committed to doing our very best to truly live The Godrej Way and serve our people and communities.

BUSINESS UPDATE – INDIA

Performance Highlights

- 4Q FY 2021 India sales grew by 35% to INR 1,466 crore; volume grew by 29%
- FY2021 India sales grew by 14% to INR 6,133 crore; volume grew by 10%
- 4Q FY 2021 EBITDA grew by 10% to INR 331 crore
- 4Q FY 2021 Net Profit without exceptions and one-off grew by 13% to INR 251 crore

Category Review

Household Insecticides

Household Insecticides grew by 34%. We delivered broad-based growth across premium formats (aerosols, electrics and non-mosquito portfolio) and burning formats. Our focus is to drive premiumisation and innovation with the launch of Goodknight Gold Flash, Goodknight Smart Spray and Goodknight Natural Neem products. We have new launches within burning formats planned for the medium term. We will continue to build on our strategic pivots of taking the category beyond mosquitoes and scaling up our personal repellents range.

Soaps

Soaps delivered a third consecutive quarter of double-digit sales growth of 41%, and we continued to gain market share. We continue to focus on micro-marketing initiatives to fuel growth. Our new launches in Health are scaling up well. We continue to navigate high input costs through calibrated price increases.

Hair Colours

Hair Colours recorded a steady sales growth of 25%, driven by an uptick in overall category growth. Godrej Expert Rich Crème continues to perform well, driven by a strong marketing campaign. Godrej Expert Easy 5 Minute Shampoo Hair Colour is scaling up well.

BUSINESS UPDATE – INDONESIA

Our Indonesia business witnessed gradual recovery and delivered sales growth of 4% in constant currency terms (2-year constant currency CAGR of 5%). Performance was impacted by adverse macroeconomic factors. We had steady performance in Household Insecticides and a meaningful scale up of Hygiene. We continue to see gradual recovery in Air Fresheners and are strategically addressing higher competitive intensity in Wet Wipes. We continued to gain market share in Household Insecticides and have forayed into burning format within Household Insecticides with the launch of HIT Expert Piramida, a revolutionary 4-hour paper-based mosquito repellent. We are also seeing strong traction in Hygiene and have launched the Saniter Health Soap and Saniter Ecosense powder-to-liquid handwash. EBITDA margins expanded by 230 bps year-on-year.

BUSINESS UPDATE – AFRICA, USA AND MIDDLE EAST

Our Africa, USA and Middle East cluster delivered a robust 36% constant currency sales growth, with Southern Africa, West Africa and parts of East Africa recording strong sales growth. We are seeing strong performance across categories and have introduced new go-to-market initiatives in key markets. EBITDA margins increased by 710 bps year-on-year, driven by scale leverage and cost-saving initiatives.

BUSINESS UPDATE – LATIN AMERICA & SAARC

Our Latin America and SAARC business delivered a 54% constant currency sales growth.

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.

For further information, please contact:

Institutional investors:	Retail investors:	GCPL Investor Relations
Sameer Shah	R Shivshankar	
Email: sa.shah@godrejcp.com	Email: r.shivshankar@godrejcp.com	Email: ir@godrejcp.com
Tel: +91 22 2519 4467	Tel: +91 22 2519 4359	

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.