

## PRESS RELEASE

### 3Q FY 2023 results – GCPL clocks double-digit constant currency sales growth in 3QFY23

**Mumbai, January 31, 2023:** Godrej Consumer Products Limited (GCPL), a leading emerging markets FMCG company, today announced its financial results for the quarter ending December 30, 2022.

#### FINANCIAL OVERVIEW

##### 3Q FY 2023 FINANCIAL PERFORMANCE SUMMARY:

- 3Q FY 2023 consolidated sales grew by 9% INR and 15% constant currency year-on-year
  - India business sales grew by 11% year-on-year
  - Indonesia sales declined by 3% in INR and constant currency terms, year-on-year; Ex-hygiene growth of 2% in INR and constant currency
  - Africa, USA and Middle East sales grew by 14% in INR and 23% in constant currency terms, year-on-year
  - Latin America & SAARC sales declined by 8% in INR and grew 47% in constant currency terms, year-on-year
- 3Q FY 2023 consolidated EBITDA grew by 10% year-on-year
- 3Q FY 2023 consolidated net profit grew by 13% year-on-year (without exceptional items and one-offs)

## MANAGING DIRECTOR AND CEO'S COMMENTS

Commenting on the business performance of 3Q FY 2023, Sudhir Sitapati, Managing Director and CEO, GCPL, said:

*We delivered an all-round performance in 3Q FY 2023. Overall sales grew by 9% and we witnessed sharp sequential uplift in underlying volume growth. Consolidated volume grew by 1%. Our overall quality of profits has been healthy with double-digit EBITDA growth of 10%. Gross margins expanded by 330 bps quarter-on-quarter and 50 bps year-on-year. Continued upfront working media investments grew by 28%. PAT, without exceptional items and one-offs, grew by 13%.*

*We had a broad-based growth across geographies. India delivered double-digit sales growth of 11%. Our Africa, USA and Middle East business continued its strong growth trajectory, growing at 14% in INR and 23% in constant currency terms. Performance in our Indonesian business is gradually recovering, declining by 3% in INR and constant currency terms. Indonesia growth ex-Hygiene category was 2% in constant currency. From a category perspective, in India, we saw broad-based double-digit growth; Personal Care grew by 14% and Home Care grew by 10%.*

*With commodity pressures abating, we expect gradual recovery in consumption, expansion in gross margins, upfront marketing investments with a significant focus on reducing controllable costs and improvement in profitability in the coming quarters.*

*We continue to have a healthy balance sheet and are also net cash positive. We are on track in our 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.*

## BUSINESS UPDATE – INDIA

### Performance Highlights

- 3Q FY 2023 India sales grew by 11% to INR 1,975 crore; volume grew by 3%
- 3Q FY 2023 EBITDA grew by 20% to INR 540 crore
- 3Q FY 2023 Net Profit without exceptions and one-offs grew by 28% to INR 467 crore

### Category Review

#### Home Care

Home Care grew by 10%

Performance in Household Insecticides was steady. Growth during the quarter was led by premium formats of electrics and aerosols. Our non-mosquito portfolio continues to grow ahead of our mosquito portfolio.

Air Fresheners continue to deliver strong double-digit growth momentum. We continue to grow ahead of the category and enjoy market leadership. Aer Matic is scaling up well, backed by category development investments and increase in penetration and distribution.

#### Personal Care

Personal Care grew by 14%

Personal Wash & Hygiene maintained its growth momentum, delivering double-digit sales growth. We continue to gain market share on MAT basis led by category development initiatives. Godrej No. 1 becomes the second largest brand by volume.

Hair Colour witnessed growth in teens. Godrej Expert Rich Crème continues to perform well, backed by strong marketing campaigns. Furthermore, the response to Godrej Expert Rich Crème's at INR 15 is encouraging.

## BUSINESS UPDATE – INDONESIA

Our Indonesia business is recovering gradually. Sales declined by 3% in constant currency terms. Sales excluding Hygiene (Saniter) saw a growth of 2% in constant currency terms.

Our EBITDA margins, contracted by 100 bps year-on-year due to upfront marketing investments and scale deleverage. 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 double-digit sales growth of 23% in constant currency terms. Strong sales growth momentum continues in Southern and West Africa. Our Dry Hair and FMCG category both grew in double digits. EBITDA margins contracted 160 bps year-on-year due to significant increase in working media investments.

## 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.*