

PRESS RELEASE

Q2 FY 2026 results - Strong performance despite GST transition impact; signs definitive agreement to acquire "Muuchstac"

Mumbai, October 31, 2025: Godrej Consumer Products Limited (GCPL), a leading emerging markets FMCG company, today announced its financial results for the quarter ended September 30, 2025.

FINANCIAL OVERVIEW

Q2 FY 2026 FINANCIAL PERFORMANCE SUMMARY:

- Q2 FY 2026 consolidated sales grew by 4% in INR and 4% in constant currency terms year-on-year on the back of underlying volume growth of 3%,
 - Standalone business underlying volume grew by 3%, sales grew by 4% year-on-year
 - Indonesia underlying volume growth grew by low mid-single-digit, sales de-grew by 7% in constant currency and INR terms, year-on-year
 - Africa, USA, and Middle East organic sales grew 25% in INR and 15% in constant currency terms, year-on-year
 - Latin America and Others de-grew sales by 9% in INR and grew by 5% in constant currency terms, year-on-year
- Q2 FY 2026 consolidated EBITDA* margins stood at 19.3%
- Q2 FY 2026 consolidated net profit de-grew by 2% year-on-year (without exceptional items and one-offs) due to temporary headwinds

*EBITDA incl. forex

MANAGING DIRECTOR AND CEO'S COMMENTS

Commenting on the business performance, Sudhir Sitapati, Managing Director, and CEO, GCPL, said:

Q2 FY26 has been a resilient quarter for Godrej Consumer Products Limited (GCPL), especially given the backdrop of the GST transition in India and continued macroeconomic challenges in Indonesia. Despite these headwinds, our India business, excluding soaps, has delivered double-digit underlying volume growth, reflecting the strength of our core portfolio and execution.

Our international portfolio faced macro and competitive pressures in Indonesia, which were offset by robust performance in Africa. On a consolidated basis, our revenues grew 4% in INR terms, supported by 3% underlying volume growth. Our EBITDA margin stood at 19.3%, and net profit before exception declined by 2%.

In India, sales grew by 4% and volumes by 3%. The recent GST rate reduction is a welcome structural reform that will strengthen long-term consumer demand. However, this transition led to short-term trade disruptions as the channel adjusted to new pricing and cleared old inventory, particularly impacting Soaps and Hair colour. Despite this, we continue to gain market share in Soaps and other key categories.

In Home Care, we delivered 6% growth, led by strong performance in Air Fresheners and Fabric Care. Personal Care declined by 2%, largely reflecting the GST-related impact on soaps. As guided earlier, this was the last weak quarter for margins, and we expect a return to normative levels in the second half of FY26 for India.

Across our portfolio, our new launches are performing well and gaining traction. Godrej Fab and Goodknight Agarbatti are now among the leading players in their categories and continue to strengthen their market positions. Aer Plug, Amazon Woods 4X, and KS 99 have all met or exceeded launch expectations and are now being scaled up.

In October, we also entered the Toilet Cleaner category – a close to ₹3,000 crore segment growing at strong double digits. Our new brand, Godrej Spic, has been launched in select South Indian states, priced competitively at ₹79 for 500 ml, marking an important step in expanding our Home Care portfolio.

Our Indonesia business continues to face macro and pricing pressures, but delivered a stable UVG of 2%, with market share gains across all key categories. Revenue growth remained negative due to ongoing pricing challenges at -7%. In contrast, Africa, USA, and Middle East (GAUM) delivered 25% sales growth in INR terms and 15% in constant currency and EBITDA growth of 20%, led by Hair Fashion and Air Fresheners. The launch of Aer Pocket has seen strong consumer response across these markets.

As shared during our Investor Meet, we expect our performance to strengthen sequentially through FY26, with the second half delivering a stronger trajectory than the first. Demand trends are improving, and we remain confident of achieving high single-digit underlying volume growth (UVG) in our Standalone business and high single-digit revenue growth at a consolidated level. On profitability, our India (Standalone) and GAUM businesses are expected to deliver double-digit EBITDA growth. We faced unanticipated macroeconomic headwinds in both Indonesia and Latin America. Given the temporary pressures in these international markets, consolidated EBITDA growth may be marginally lower. Nevertheless, we remain firmly confident in our strategy, the resilience of our portfolio, and the strength of our brands. With disciplined execution and continued focus on innovation and operational excellence, we are well positioned to deliver sustainable and profitable growth in the periods ahead.

Godrej Consumer Products Limited to acquire men's grooming brand "Muuchstac"

Godrej Consumer Products Limited (GCPL) today announced that it has signed definitive agreement to acquire the FMCG business under the 'Muuchstac' brand via slump sale from Trilogy Solutions Private Limited. This brand is one of the India's fastest-growing men's grooming brands with a strong leadership position in the men's facewash segment. This acquisition marks a strategic step in GCPL's journey to strengthen its Personal Care portfolio and expand its footprint in high-growth, high-margin categories.

The Muuchstac business has a distinctive position in the men's skincare space through its digital-first approach and, unique influencer-led marketing model. The Muuchstac brand is currently among the top two players in online men's facewash and top three overall, supported by a sharp value proposition and an online go-to-market strategy. Over the twelve months ending September 2025, Muuchstac business recorded revenues (Ind AS) of approximately ₹80 crore and EBITDA (adjusted for one-offs) of around ₹30 crore, reflecting its strong operating discipline and profitability.

The Indian facewash market, estimated at ₹6,000-7,000 crore, is growing at 15-20% per annum, driven by rising awareness of skincare and an ongoing shift from soaps to more specialized cleansing formats. Within this, the men's facewash category, valued at about ₹1,000 crore, is growing at over 25% annually, making it one of the fastest-growing segments in personal care. The upgradation trend from soaps to facewash, supported by higher disposable incomes, and changing grooming preferences, is expected to sustain strong momentum in the coming years.

Muuchstac has demonstrated scalability in digital channels and holds significant potential for offline expansion, where penetration remains low, but opportunities are large. GCPL intends to leverage its pan-India distribution network, category expertise, and innovation capabilities to accelerate Muuchstac's next phase of growth.

The acquisition is expected to deliver strategic and financial benefits, including:

- Strengthening GCPL's presence in the fast-growing men's grooming segment.
- Expanding participation in the premium skincare market with a profitable, digitally native brand.
- Leveraging GCPL's distribution, supply chain, and innovation strengths to scale Muuchstac across offline channels.
- Enhancing portfolio profitability with a high-margin business that aligns with GCPL's long-term value creation framework.

Speaking on the announcement, Sudhir Sitapati, Managing Director & CEO, said:

"We are delighted to welcome Muuchstac brand to Godrej Consumer Products. The brand's strong resonance among younger consumers, high profitability, and proven digital execution model make it a powerful addition to our Personal Care portfolio. This acquisition enhances our participation in the fast-growing men's grooming segment and supports our vision of building a future-ready, innovation-led GCPL."

Ronak Bagadia and Vishal Lohia, founders of Muuchstac, said:

"It's a proud moment for us and our teams to see Muuchstac become part of the Godrej family. We look forward to the business scaling ahead, on our vision of redefining men's skincare in India and we will work closely with the team at Godrej towards this."

*As per internal estimates

BUSINESS UPDATE - INDIA

Performance Highlights

- Q2 FY 2026 sales grew by 4% to ₹2,362 crore; UVG grew by 3%
- Q2 FY 2026 EBITDA declined by 8% to ₹512 crore

Category Review

GST Changes strengthening long term demand, though with near term impact

- The GST reforms represent an encouraging step towards strengthening consumer demand, as nearly one-third of GCPL's portfolio—primarily toilet soaps as well as smaller categories like talcum powders, shampoos, and shaving creams—now benefits from a reduced GST of 5%. In line with the operating philosophy of "Consumer first, Business second", have already passed on these benefits of GST effective September 22, 2025.
- GST rate reductions impacted trade beyond directly affected categories. For Soaps, significant short-term adjustments across trade channels, as distributors and retailers focused on liquidating existing inventories. Household Insecticides and Hair Colour were impacted significantly by confusion in trade around similar HSN categories getting rate reduction. Other categories saw moderate impact driven by trade adjustments & reallocation of funds.
- Demand to normalise in the coming months as trade channels return to normal. Reforms will serve as a structural growth driver, enabling volume-led expansion and reinforcing long-term value creation for all stakeholders.

Home Care

Home Care grew by 6%

- For Household Insecticides, all actions in line with the plan. Electrics gaining market share and Incense Sticks continue to scale up and are the largest branded stick in the category. Non-mosquito portfolio delivers solid growth.
- Air Fresheners continues strong growth trajectory. Continue to gain market share and enjoy market leadership. New launch of Aer Plug has scaled very well and gained significant consumer traction and repeat sales.
- Fabric Care continued to deliver strong growth momentum like previous quarters. Continue to gain market share on the back of strong performance in Godrej Fab.
- Launched Godrej Spic, entry into Toilet Cleaners. Toilet Cleaners is a ~3K Cr category in India, growing in strong double digits. Launched in select states of South India; priced at INR 79 for 500 ml.

Personal Care

Personal Care de-grew by 2%

- Personal Wash was most impacted by GST transition and continued to gain market share. GST rate reduction from 18% to 5%; new pricing implemented from September 22, 2025. This resulted in some short-term adjustments across trade channels, as distributors and retailers focused on liquidating existing inventories.
- Hair Colour continues to gain market share across our key bets on both Crème and Shampoo Hair Colour. Shampoo Hair Colour continues strong growth performance.
- Perfumes & Deodorants delivers strong performance. New launch of Amazon Woods 4X has witnessed good repeat rates. KS99 continues to perform well and scaled up to other states of Southern India.
- Deo lotion launched in select markets of South India, priced at an attractive INR 20; aimed at driving penetration of fragrances & deodorants.

BUSINESS UPDATE - INDONESIA

- Market share gains backed by volume growth. Indonesia delivered 2% UVG and sales declined by 7% in constant currency and INR terms and EBITDA declined by 6%. Expect pricing pressure to ease in a few months.
- Hair Colours continued its strong run of performance and delivered double-digit growth led by Shampoo Hair Colour. Baby Care continued to grow and gain market share.

BUSINESS UPDATE - AFRICA, USA AND MIDDLE EAST

- Strong growth led by Hair Fashion and scale up of Air Fresheners.
- Strong topline growth at 25%; EBITDA growth at 20%. Continuing strong performance in Hair Fashion across key markets
- Aer Pocket continues strong traction for the second quarter across markets. Hair Care range continued to deliver strong double-digit growth across Africa.

ABOUT GODREJ CONSUMER PRODUCTS

Godrej Consumer Products is a leading emerging markets company, driven by the purpose of bringing the goodness of health and beauty to consumers in emerging markets. As part of the Godrej Industries Group, we are fortunate to have a proud legacy of over 125 years, 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, we enjoy the patronage of 1.4 billion consumers globally. 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.

We believe that we are only as good as what we do next. So, we strive to continuously improve how we do business, and how we live in the world, shaping a more sustainable and responsible future by placing our planet and people alongside profit. Through Godrej Good & Green, we are helping create a more inclusive and greener planet, in line with the United Nation's Sustainable Development Goals, and the needs of local communities. At the Godrej DEI (Diversity, Equity, Inclusion) Lab, we work on empowering inclusion, help build DEI ecosystems across corporate India and aim to bring ideas and innovation related to DEI to the mainstream.

Disclaimer:

Some of the statements in this communication may be "forward looking statements" within the meaning of applicable laws and regulations. These forward-looking statements are based on currently available information, current assumptions and expectations and projections about future trends, which are inherently subject to risks and uncertainties that may cause actual results to differ substantially from those expressed or implied in those statements. Such risks and uncertainties include, but are not limited to, general industry and market conditions, changes in industry structure, changes in Indian and international political and economic environment, domestic and global demand and supply conditions, changes in tax regimes, government regulations, import duties, exchange rate fluctuations, corporate actions including acquisitions, litigation or regulatory proceedings and labour relations. Investors are advised to exercise caution and not place undue reliance on any forward-looking statements. The Company does not undertake to update, amend, or revise any forward-looking statement, whether as a result of any new information, subsequent development, future events or otherwise.