

PRESS RELEASE

2Q FY 2021 results – Strong performance; all clusters deliver positive sales growth

Mumbai, November 5, 2020: Godrej Consumer Products Limited (GCPL), a leading emerging markets FMCG company, today announced its financial results for the quarter ending September 30, 2020.

FINANCIAL OVERVIEW

2Q FY 2021 FINANCIAL PERFORMANCE SUMMARY:

- 2Q FY 2021 consolidated sales grew by 11% year-on-year
 - India business sales grew by 11% year-on-year
 - Indonesia sales grew by 5% in INR and 3% in constant currency terms, year-on-year
 - Africa, USA and Middle East sales grew by 10% in INR and constant currency terms, year-on-year
 - Latin America & SAARC sales grew by 41% in INR and 46% in constant currency terms, year-on-year
- 2Q FY 2021 consolidated EBITDA grew by 19% year-on-year; consolidated EBITDA margins expanded to 23.7%
- 2Q FY 2021 consolidated net profit grew by 19% year-on-year (without exceptional items and one-offs).

CHAIRPERSON AND MANAGING DIRECTOR'S COMMENTS

Commenting on the business performance of 2Q FY 2021, Nisaba Godrej, Chairperson and Managing Director, GCPL, said:

We delivered a strong performance this quarter with double-digit, profitable sales growth. Consolidated sales grew by 11% and EBITDA grew by 19%. All our geographic clusters also recorded positive sales growth.

From a category sales perspective, Household Insecticides, Hygiene and Value For Money (which contributed to 83% of our global portfolio) grew by 17%. Household Insecticides grew by 6%, Hygiene grew by 27% and Value For Money grew by 22%.

From a geography sales perspective, India grew at 11%. Our Africa, USA and Middle East business showed robust recovery, growing at 10% in both constant currency and INR terms. Our Indonesian business delivered a soft performance, growing at 3% in constant currency and 5% in INR terms.

Going forward, we will continue to focus our efforts where the demand is – in Household Insecticides, Hygiene, and Value For Money. We are ramping up innovation and have launched several new products, strongly price-enabled, across geographies. Across channels too, we are making a shift; doubling down on digitisation and platforms like e-commerce and chemists. We are also strengthening our supply chain operations and distribution. Overall, the situation we are in calls for an extraordinary level of agility and resilience. I am extremely proud of our team for bringing out the best in themselves to push onwards at this difficult time.

As always, our values matter the most at this time. We are committed to enabling the safety and wellbeing of all Godrejites, and serving our consumers and communities with our full hearts and minds.

BUSINESS UPDATE – INDIA

Performance Highlights

- 2Q FY 2021 India sales grew by 11% to INR 1,650 crore; volumes grew by 5%
- 2Q FY 2021 EBITDA grew by 17% to INR 460 crore
- 2Q FY 2021 Net Profit without exceptions and one-off grew by 16% to INR 351 crore

Category Review

Household Insecticides

Household Insecticides grew by 4%, partially impacted by supply issues due to regional lockdowns. Underlying consumer demand in the category continues to remain robust. Goodnight Gold Flash Liquid Vapouriser received an excellent response post the national scale up.

Soaps

Soaps delivered a strong performance and grew by 18%, driven by market share gains. New launches in Health are scaling up well. We continue to focus on micro-marketing initiatives to fuel growth.

Hair Colours

Hair Colours witnessed a gradual recovery. Sales declined by 5% due to the discretionary nature of the category. Sequential recovery continues, with market share gains. Godrej Expert Rich Crème continues to perform well by leveraging Do-It-Yourself (DIY) trends through influencers, resulting in strong market share gains.

BUSINESS UPDATE – INDONESIA

Our Indonesia business delivered a 3% constant currency sales growth. This was impacted by large scale social restrictions in the last fortnight of September and down stocking by select modern trade retailers. We are witnessing strong traction in the Hygiene category. EBITDA margins expanded by 130 bps year-on-year.

BUSINESS UPDATE – AFRICA, USA AND MIDDLE EAST

Our Africa, USA and Middle East cluster showed robust recovery, with 10% constant currency sales growth. South and West Africa recorded strong sales growth. We are seeing strong performance in the Dry Hair category and have introduced new go-to-market initiatives. EBITDA margins decreased by 110 bps year-on-year driven by higher salience of Braids.

BUSINESS UPDATE – LATIN AMERICA & SAARC

Our Latin America and SAARC business delivered a 46% constant currency sales growth. In Latin America, we recorded our highest ever EBITDA margins of 21% in the last few years. This was driven by our cost saving programmes. The SAARC business continues to deliver healthy sales growth.

ABOUT GODREJ CONSUMER PRODUCTS

Godrej Consumer Products is a leading emerging markets company. As part of the 123-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. In line with our 3 by 3 approach to international expansion at Godrej Consumer Products, we are building a presence in 3 emerging markets (Asia, Africa, Latin America) across 3 categories (home care, personal wash, hair care). 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:

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Disclaimer:

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