

## PRESS RELEASE

### 3Q FY 2022 results – Steady sales growth; double-digit year-to-date growth

**Mumbai, February 8, 2022:** Godrej Consumer Products Limited (GCPL), a leading emerging markets FMCG company, today announced its financial results for the quarter ending December 31, 2021.

#### FINANCIAL OVERVIEW

##### 3Q FY 2022 FINANCIAL PERFORMANCE SUMMARY:

- 3Q FY 2022 consolidated sales grew by 8% year-on-year
  - India business sales grew by 8% 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 13% in INR and 12% in constant currency terms, year-on-year
  - Latin America & SAARC sales grew by 10% in INR and 19% in constant currency terms, year-on-year
- 3Q FY 2022 consolidated EBITDA declined by 2% year-on-year
- 3Q FY 2022 consolidated net profit declined by 1% year-on-year (without exceptional items and one-offs)

## MANAGING DIRECTOR AND CEO'S COMMENTS

Commenting on the business performance of 3Q FY 2022, Sudhir Sitapati, Managing Director and CEO, GCPL, said:

*We delivered a mixed performance in Q3FY2022. While overall sales grew by 8%, and we remain on track to achieve double-digit sales growth for the full year, it was driven entirely by price led growth. We believe that with the relatively non-discretionary, mass pricing of our portfolio and very good performance on market shares, volume growth will return in the medium term. On the other hand, while our overall EBITDA de-grew by 2% and PAT declined by 1%, the quality of profits has improved. We have witnessed sequential expansion of consolidated gross margins of 70 bps and higher Advertisement & Publicity spends of 90 bps.*

*We saw steady sales growth in the Home Care and Personal Care categories, of 3% and 12%, respectively. From a geography perspective, India grew at 8%. Our Africa, USA and Middle East business continued its robust growth trajectory, growing at 13% in INR and 12% in constant currency terms. Our Indonesian business saw flat growth in INR, and declined by 2% in constant currency terms.*

*We continue to have a healthy balance sheet and our net debt to equity ratio continues to come down. We are on a journey to reduce inventory and wasted cost and deploy this to drive profitable and sustainable volume growth across our portfolio through category development.*

*As always, our values matter the most at this time. We were recently ranked number 1 among the top 100 companies in India, for sustainability and CSR initiatives in 2021. This ranking is based on a survey conducted by Futurescape and published by The CSR Journal. We remain committed to doing our best to truly live The Godrej Way and serving our people and communities.*

## BUSINESS UPDATE – INDIA

### Performance Highlights

- 3Q FY 2022 India sales grew by 8% to INR 1,785 crore; volume growth flat
- 3Q FY 2022 EBITDA declined by 3% to INR 450 crore
- 3Q FY 2022 Net Profit without exceptions and one-off grew by 4% to INR 366 crore

### Category Review

#### Home Care

Home Care saw a steady growth of 4%.

While we delivered a soft performance in Household Insecticides, we continued to deepen penetration and gain market share. Goodknight Jumbo Fast Card is scaling up well and driving growth in burning formats. We continue to build on our strategic pivots of taking the category beyond mosquitoes and scaling up our personal repellents portfolio.

Air Fresheners continued to witness steady growth, led by gradual recovery in the category. Aer Power Pocket continues to perform well alongside driving new trials. Fabric Care witnessed strong growth.

#### Personal Care

Personal Care grew by 12%.

Personal Wash & Hygiene maintained its growth momentum, delivering double-digit sales growth. We continued to gain market share, led by micro-marketing initiatives to fuel growth. We continue to navigate high input cost through calibrated price increases.

Hair Colours growth was relatively soft, while we continued to gain market share. 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. Sales excluding Hygiene (Saniter) saw a growth of 2% in constant currency terms. EBITDA margins contracted by 410 bps year-on-year because of increase in input cost, lag in end-consumer pricing, and adverse mix due to low Hygiene saliency.

## BUSINESS UPDATE – AFRICA, USA AND MIDDLE EAST

Our Africa, USA and Middle East cluster delivered a broad based double-digit sales growth of 12% in constant currency terms (2-year CAGR 14%). 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 60 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.*