

Performance Update - 2Q FY18

November 1, 2017



PERFORMANCE UPDATE

- 1 *Executive Summary - Key Highlights*
- 2 Business Overview - India
- 3 Business Overview - International

2Q FY18 FINANCIAL PERFORMANCE

Growth y-y	Consolidated Business	India Business	International Business
Net Sales	2%	3%	2%
Net Sales – Constant Currency	6%	3%	9%
Net Sales – Comparable*	6%	11%	2%
Net Sales – Constant Currency – Comparable*	10%	11%	9%
EBITDA	16%	24%	3%
EBITDA – Constant Currency	19%	24%	10%
Net Profit	14%	20%	(5%)
Net Profit without exceptional items	15%	20%	(2%)

*Assuming GST in the base quarter sales

EXCEPTIONAL ITEMS

	2QFY18			2QFY17		
	Consolidated	India	International	Consolidated	India	International
Reported net profit	362	256	103	319	213	108
<i>Exceptional post tax</i>						
Restructuring cost in Latin America	1		1	2		2
Restructuring cost in Africa and loss on sale of fixed asset	2		2			
Others				(2)		(2)
Net Profit without exceptional items	366	256	106	319	213	109

All values in ₹ crore

BRIDGE BETWEEN REPORTED TO OPERATING EBITDA

	India	International	Indonesia	Africa, USA & ME	LATAM	Europe
2QFY18 Reported EBITDA Margin	25.5%	16.6%	23.1%	14.7%	19.6%	13.6%
Business support charges, Royalty & Technical fees (₹ crore)	(7.9)	7.9	1.6	5.2	0.4	0.7
2QFY18 Adjusted EBITDA Margin	24.9%	17.3%	23.5%	15.6%	19.9%	14.2%
2QFY17 Adjusted EBITDA Margin	22.3%*	17.2%	22.0%	17.1%	14.4%	12.0%
Change in EBITDA Margin (bps)	260*	10	150	(140)	550	220

*Assuming GST in the base quarter sales

KEY BALANCE SHEET DATA

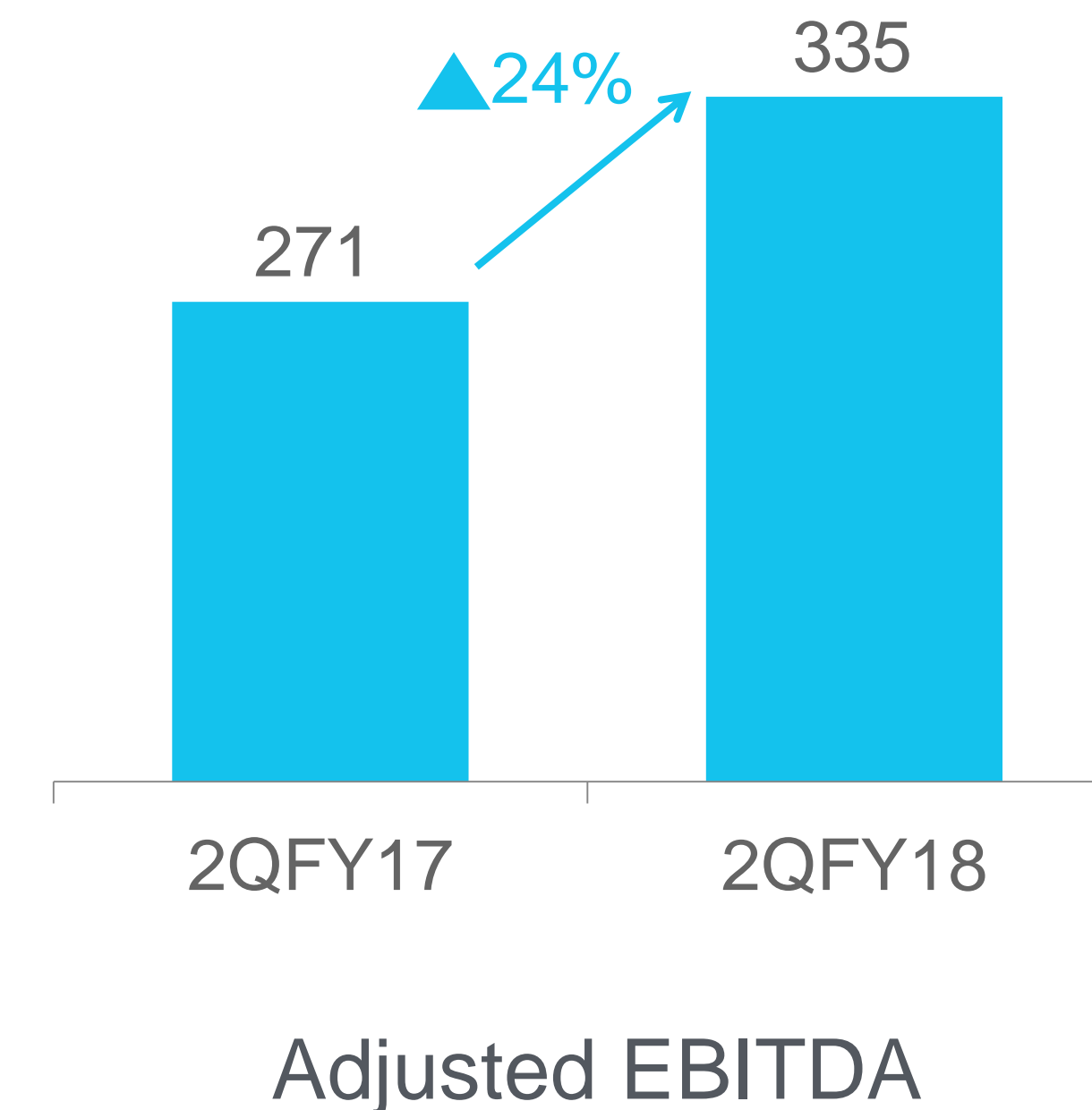
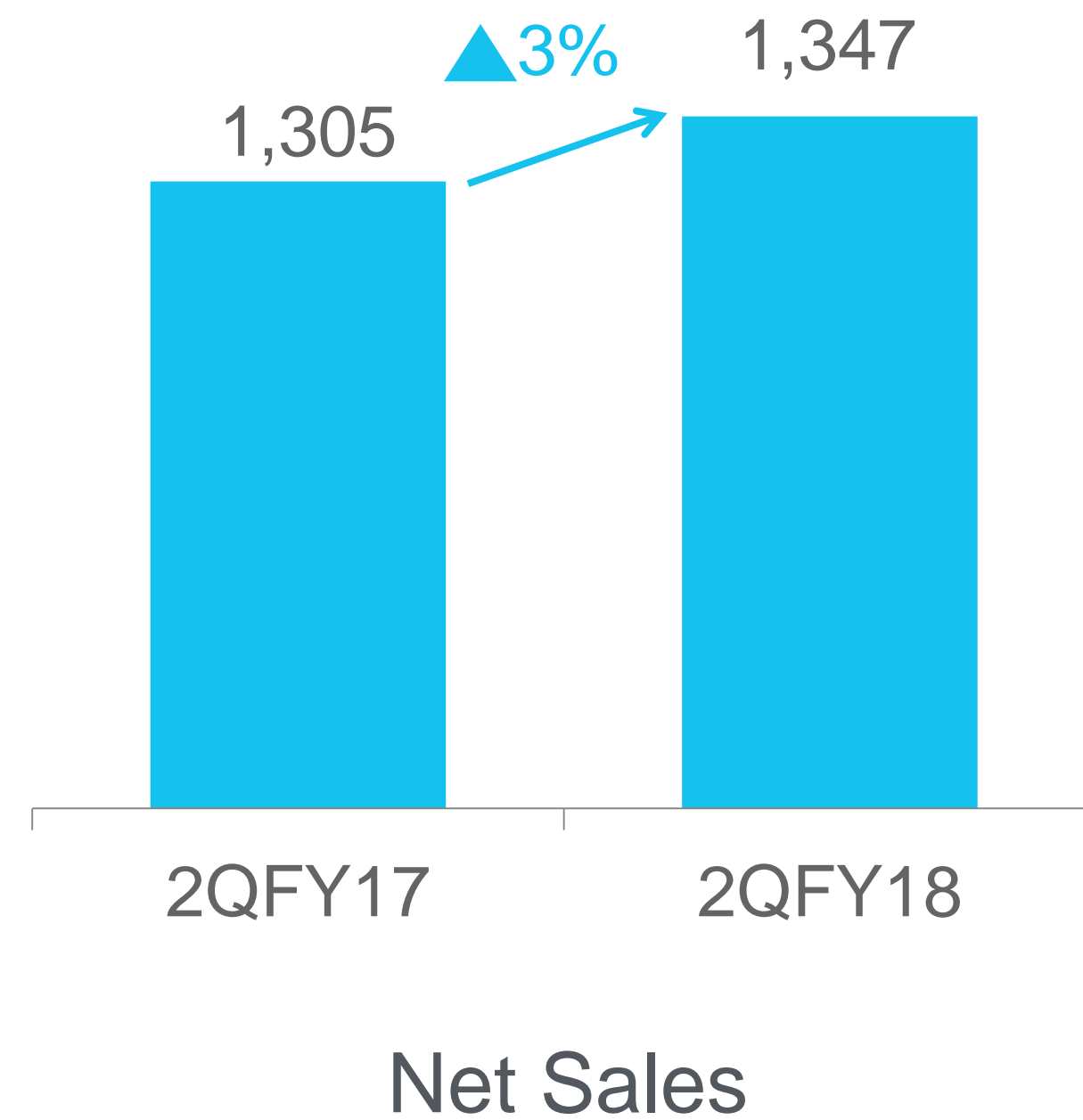
Particulars	Units	September 30, 2017	June 30, 2017
Working Capital ex-Cash & Equivalents	₹ crore	603	689
Working Capital	Days	23	28
Cash & Equivalents	₹ crore	1,293	1,329
Debt denominated in INR	₹ crore	124	447
Debt denominated in USD	₹ crore	3,565 (USD 546m)	3,590 (USD 556m)
Debt denominated in other currencies	₹ crore	78	8
Total Debt	₹ crore	3,767	4,045
Other Financial Liabilities	₹ crore	1,180	1,200
Shareholder's Equity	₹ crore	5,373	5,036
Capital Employed	₹ crore	10,320	10,282
Net Debt / Equity	x	0.68	0.78
ROE	%	22.2*	18.3*
ROCE	%	16.4*	13.1*
Operating ROCE	%	54.2*	42.0*

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SUSTAINED ROBUST AND AHEAD OF MARKET TOPLINE GROWTH DESPITE SOME GST RELATED CHANNEL DISRUPTION

- Sales growth of 11%* driven by volume growth of 10%



HEALTHY VOLUME GROWTH

India Business	Sales ₹ crore	Growth* year-on-year
Household Insecticides	671	4%
Soaps	460	26%
Hair Colours	130	4%
Other Brands	121	27%
Unbranded and Exports	43	(9%)
Total	1,424	12%
Sales and trade promotion spends, etc. to be netted off from Sales as per Ind AS	(78)	31%
Sales	1,347	11%
Branded Volume Growth	-	10%

*Comparable growth assuming GST in the base quarter sales

OPTICALLY SOFT PERFORMANCE IN HOUSEHOLD INSECTICIDES

- Sales growth of 4%* off a strong base of 18% growth in 2QFY17 (2 year CAGR of ~11%)
- Growth to some extent impacted by weakness in the bottom of pyramid formats like coils, which are more dependent on wholesale channel
- Continue to gain market share across key formats
- Personal Repellents scaling up well with market share in teen digits (on exit basis)
- Continue to improve penetration rates in rural and urban markets and make competitive brand investments



DOUBLE-DIGIT VOLUME LED GROWTH IN EXPERT CRÈME CONTINUES

- Sales growth of 4%* completely led by volume growth
- Double-digit volume led sales growth in hair colour crème format
- Growth to some extent impacted by weakness in the bottom of pyramid formats like powder hair colours, which are more dependent on wholesale channel
- Godrej Expert Rich Crème reaches highest ever market share in crème format
- Godrej Professional range is being rolled out in the salon channel



ROBUST GROWTH IN SOAPS

- Sales growth of 26%* led by strong double-digit volume growth
- Benefits of lower GST rates passed on to the consumers through price cuts
- Robust growth and market share gains in Godrej No. 1 driven by focus on the core positioning of the brand, along with effective micro marketing initiatives and 360 degree media activations
- Cinthol continues to deliver consistent growth and increase market share



NEW LAUNCHES CONTINUE TO PERFORM WELL



PREMIUMISING OUR PORTFOLIO

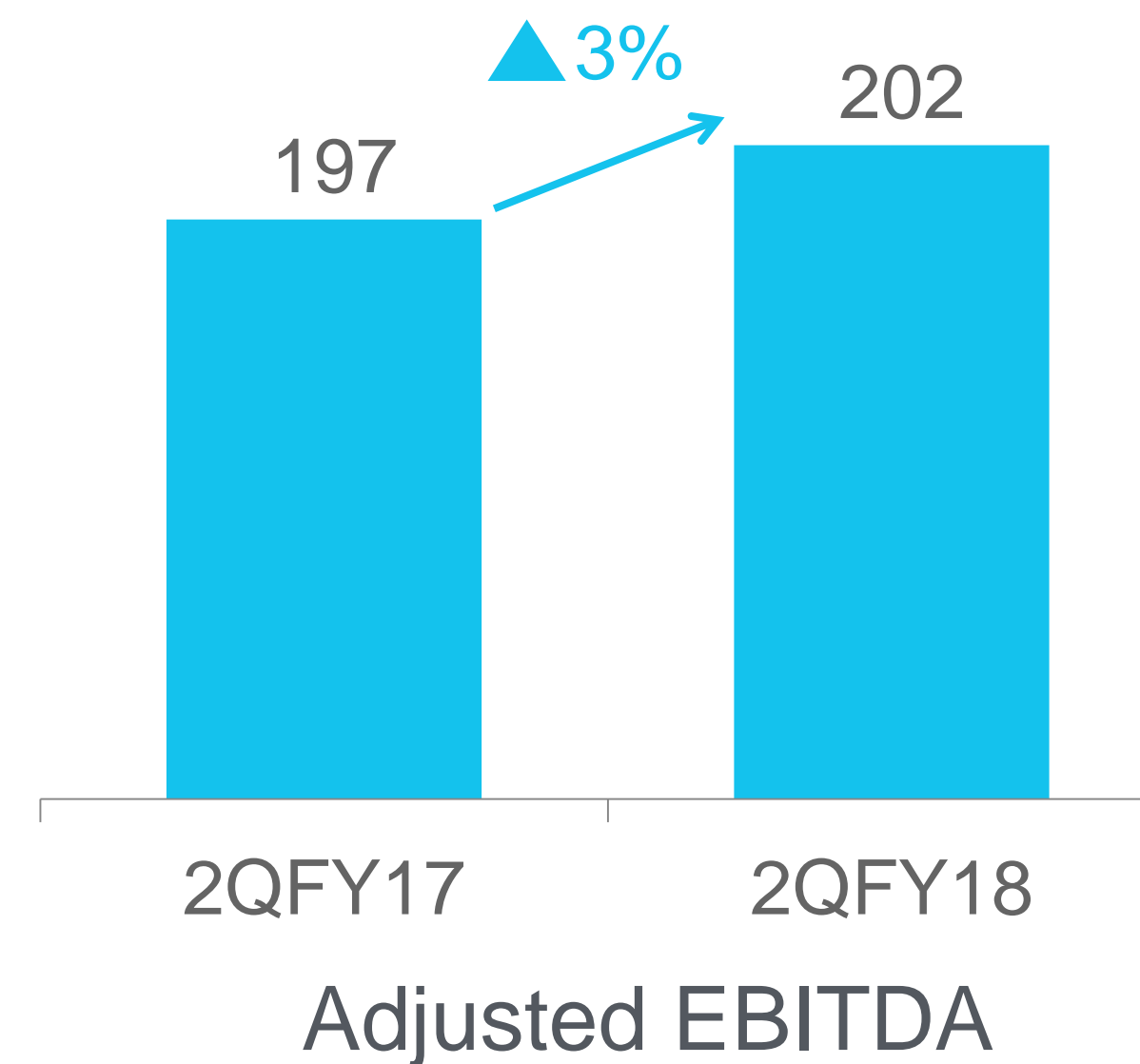
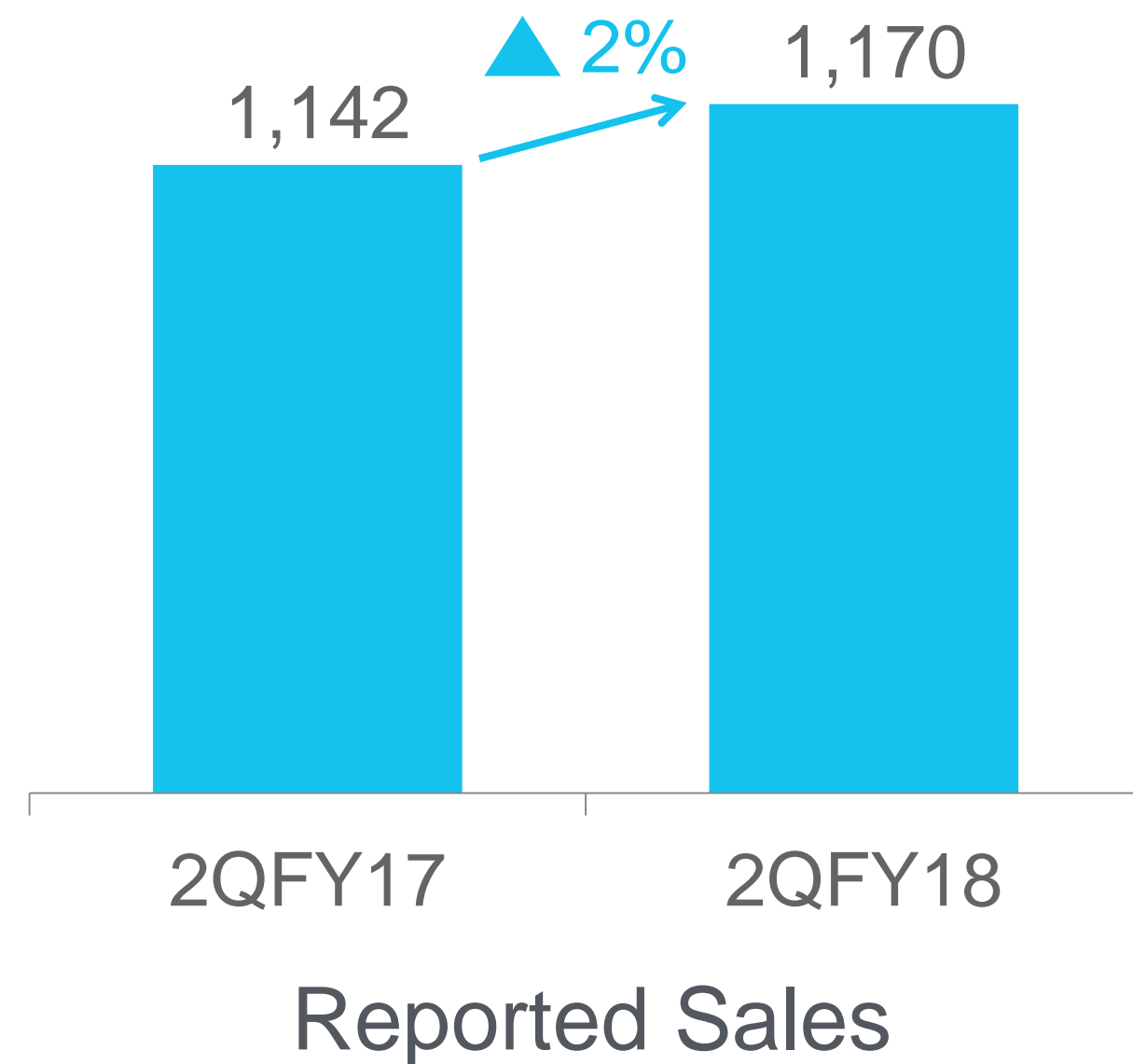


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MIXED PERFORMANCE IN INTERNATIONAL BUSINESS

- International business delivers constant currency sales growth of 9% driven by Africa, Latin America and Europe
- Adjusted EBITDA margin of 17.3% increases by 10 bps year-on-year



All values in ₹ crore

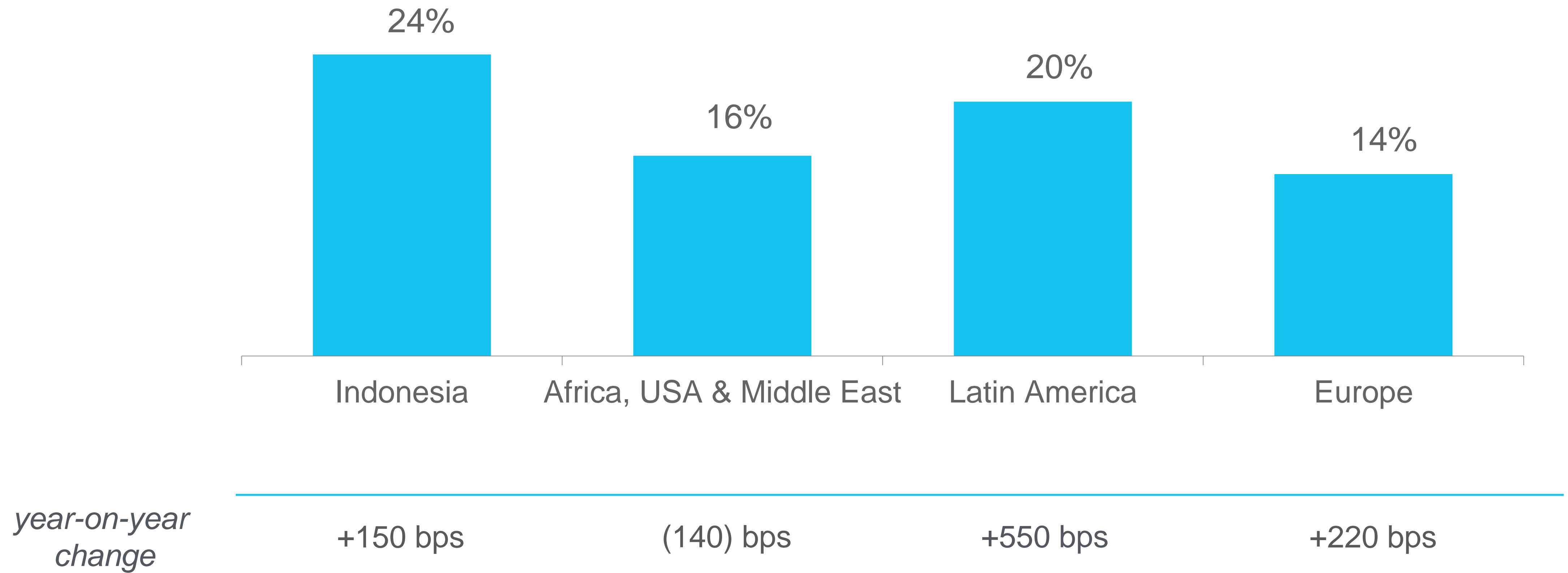
STRONG GROWTH ACROSS MOST GEOGRAPHIES

International Business	Sales ₹ crore	Growth year-on-year	Constant Currency Growth year-on-year
Indonesia	322	(12%)	(7%)
Africa, USA & Middle East	558	8%	13%
Latin America	149	13%	30%
Europe	116	11%	15%
Others**	26	8%	22%
Total Net Sales	1,170	2%	9%

** Others include Sri Lanka and Bangladesh

ROBUST MARGIN EXPANSION

Adjusted EBITDA Margin



ROBUST MARGIN EXPANSION IN INDONESIA RECOVERY UNDERWAY ALTHOUGH SALES PERFORMANCE WEAK

- Indonesia constant currency sales decline by 1% before sales promotion spends and 7% after netting off of sales promotion spends
- Sales growth impacted by higher sales promotion spends in Household Insecticides in response to high sales promotion intensity by competition
- Adjusted EBITDA margin increases by 150 bps behind rationalised A&P investments, Project PI (a cost savings initiative) and lower overheads
- Launched HIT Expert aerosol during the quarter with better efficacy and delivery mechanism (a double nozzle that covers more area in each spray) to shift the market focus from promotion led competitive intensity to innovation



CONSISTENT, DOUBLE-DIGIT GROWTH CONTINUES IN AFRICA, USA & MIDDLE EAST

- Africa, USA & Middle East constant currency sales increase by 13%
- Hair extensions continue to deliver growth in high-teens in constant currency terms
- Adjusted EBITDA margin declines by 140 bps y-y behind upfront A&P investments in scaling up wet hair care



STRONG RECOVERY IN LATIN AMERICA

- Constant currency sales growth of 30% driven by double-digit growth in Argentina and Chile
- Adjusted EBITDA margin increases by 550 bps y-y driven by benefits of scale leverage and lower employee costs



SUSTAINED ROBUST PERFORMANCE IN EUROPE

- Constant currency sales increase by 15% led by strong performance in own brands
- Adjusted EBITDA margin increases by 220 bps y-y driven by benefits of scale leverage and phasing of A&P spends



2Q FY2018 PERFORMANCE SNAPSHOT

	India			Consolidated		
	2QFY17	2QFY18	Y/Y	2QFY17	2QFY18	Y/Y
Sales*	1,216	1,347	11%	2,348	2,497	6%
Gross Profit	679	775	14%	1,297	1,400	8%
<i>Gross Margin %*</i>	<i>55.8%</i>	<i>57.6%</i>	<i>170 bps</i>	<i>55.3%</i>	<i>56.1%</i>	<i>80 bps</i>
EBITDA	271	335	24%	467	543	16%
<i>EBITDA Margin %*</i>	<i>22.3%</i>	<i>24.9%</i>	<i>260 bps</i>	<i>19.9%</i>	<i>21.7%</i>	<i>180 bps</i>
Net Profit	213	256	20%	319	362	14%
<i>Net Profit Margin %*</i>	<i>17.5%</i>	<i>19.0%</i>	<i>150 bps</i>	<i>13.6%</i>	<i>14.5%</i>	<i>90 bps</i>
EPS (₹)	3.12	3.76	20%	4.68	5.31	14%

*Comparable numbers assuming GST in the base quarter sales
All values in ₹ crore

FOUR OF OUR BRANDS FEATURED IN THE MOST TRUSTED BRANDS 2016

4 of our brands ranked in 100 Most Trusted Brands 2016 by Brand Equity



CINTHOL



HOUSEHOLD CARE

Goodnight Ranked 1st
HIT Ranked 8th

PERSONAL CARE

Cinthol Ranked 11th

FABRIC CARE

Godrej Ezee Ranked 9th

WE HAVE BEEN CONSISTENTLY RECOGNISED AS A GREAT PLACE TO WORK



Recognised among the top 25 Best Workplaces in Asia
Ranked **#12**



Ranked among the Best Employers in India in 2017



Godrej South Africa has been certified amongst
the Top Employers of South Africa

OTHER RECOGNITIONS



FTSE4Good Emerging Index is an extension to the FTSE4Good Index series, which is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance ESG practices

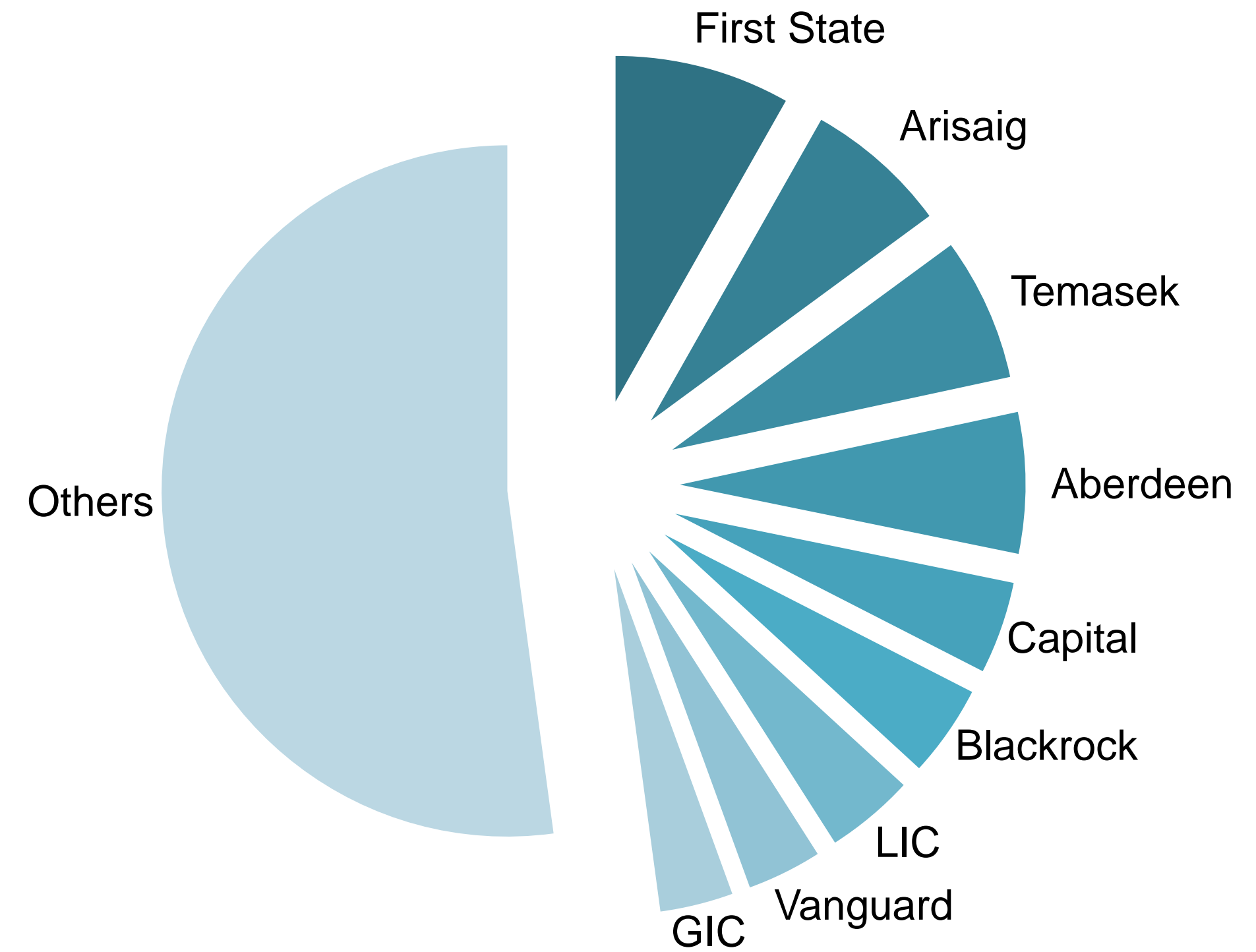
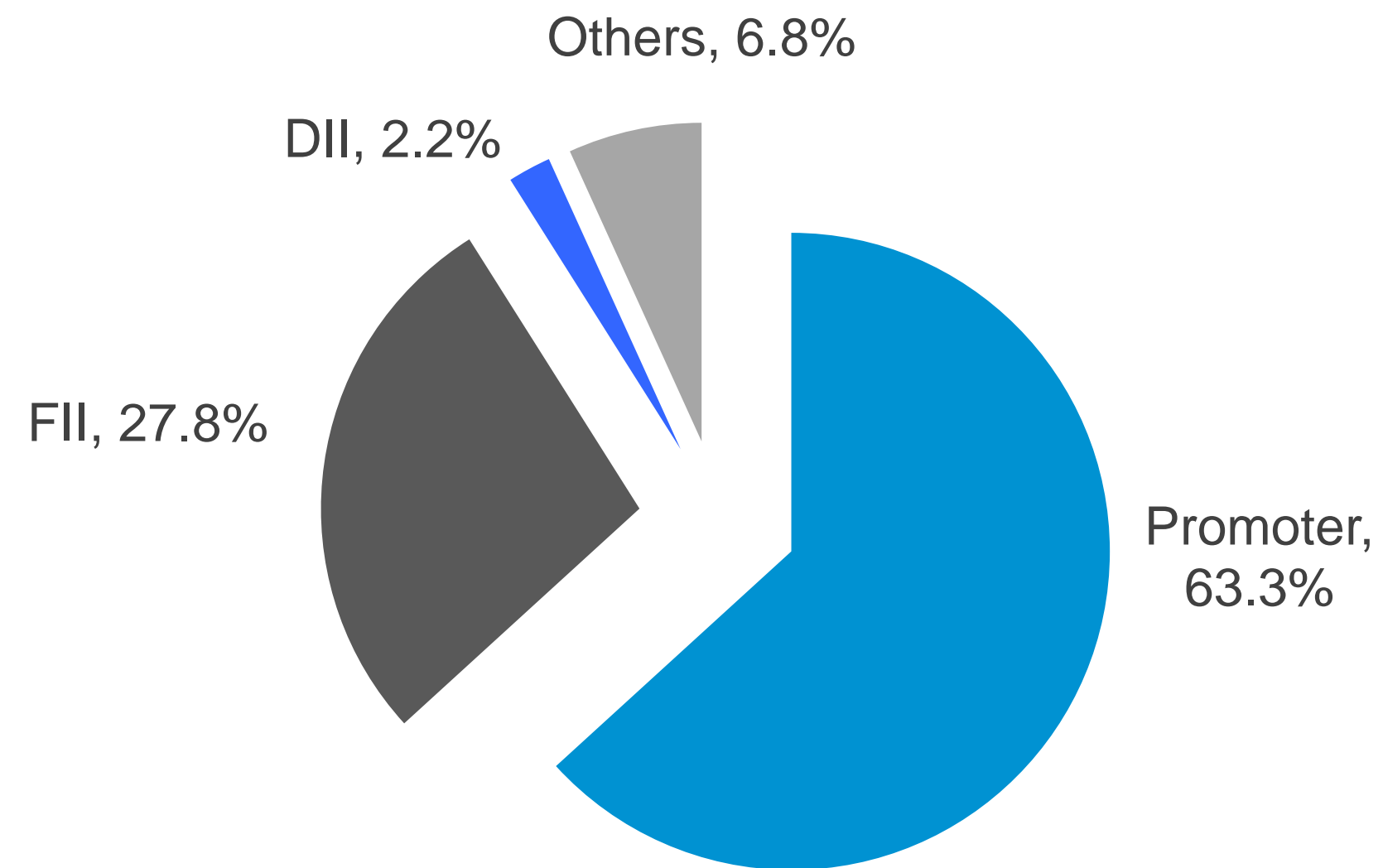


GCPL efforts to mitigate climate change have been recognised by CDP with GCPL being ranked A- on CDP India A List 2017



Received Porter Prize for Creating Shared Value 2016

SHAREHOLDING PATTERN



Major investors

WE REMAIN LASER FOCUSED ON EXECUTING OUR KEY PRIORITIES

- #1 Extending leadership in our core categories
- #2 Capitalising on international growth potential
- #3 Accelerating innovation and renovation
- #4 Building a future ready sales system
- #5 Making our supply chain best in class
- #6 Building an agile and high performance culture
- #7 Strengthening our commitment to Godrej Good & Green

CONTACT US

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THANK YOU FOR YOUR TIME AND CONSIDERATION