

Performance Update - 3Q FY19

January 29, 2019



PERFORMANCE UPDATE

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3Q FY19 FINANCIAL PERFORMANCE

Growth y-y	Consolidated Business	India Business	International Business
Net Sales – Reported	4%	6%	1%
Net Sales – Constant Currency	4%	6%	2%
Net Sales – Comparable*	7%	6%	9%
Net Sales – Constant Currency – Comparable*	8%	6%	10%
EBITDA – Comparable*	5%	11%	(9%)
EBITDA – Comparable – Constant Currency*	2%	11%	(16%)
Net Profit – Reported	(1%)	11%	(30%)
Net Profit without exceptional and one-off items*	(2%)	11%	(32%)

*Adjusted for Europe business divestment w.e.f Sept'18

EXCEPTIONAL AND ONE-OFF ITEMS

	3QFY19			3QFY18		
	Consolidated	India	International	Consolidated	India	International
Reported net profit	424	332	92	430	299	131
<i>Exceptional (post tax):</i>						
Restructuring cost in Latin America	3		3	1		1
Gain on divestment of Europe business	(6)		(6)			
Foreign currency translation led revaluation of payout liability (USA)	(3)		(3)			
Restructuring cost and loss on sale of fixed assets in Africa				0.5		0.5
<i>One-offs (post tax):</i>						
Profit on Indonesia asset sale				(8)		(8)
Net Profit without exceptional and one-off items	418	332	86	423	299	125

BRIDGE BETWEEN REPORTED TO OPERATING EBITDA

	India	International	Indonesia	GAUM	Others
3QFY19 Reported EBITDA Margin	30.0%	13.9%	22.9%	12.7%	-2.3%
Business support charges, Royalty & Technical fees (₹ crore)	(9.1)	9.1	1.8	6.2	1.2
3QFY19 Adjusted EBITDA Margin	29.4%	14.7%	23.4%	13.6%	-1.6%
3QFY18 Adjusted EBITDA Margin*	28.0%	17.7%	25.0%	14.4%	13.6%
Change in EBITDA Margin (bps)	140	(300)	(160)	(80)	(1520)

*Adjusted for Europe divestment w.e.f. Sept'18

KEY BALANCE SHEET DATA

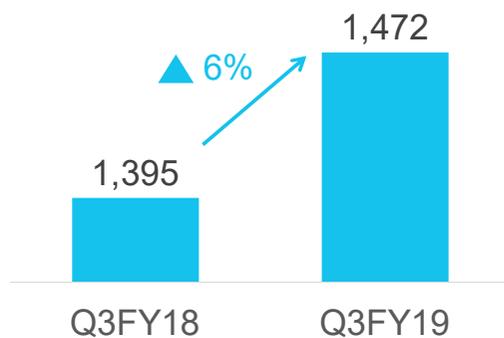
Particulars	Units	December 31, 2018	December 31, 2017	September 30, 2018
Working Capital ex-Cash & Equivalents	₹ crore	365	456	573
Working Capital	Days	13	17	22
Cash & Equivalents	₹ crore	1,574	1,919	1,618
Debt denominated in INR	₹ crore	312	228	298
Debt denominated in USD	₹ crore	3,203 (USD 455 m)	3,446 (USD 540m)	3,001 (USD 414m)
Debt denominated in other currencies	₹ crore	167	204	205
Total Debt	₹ crore	3,682	3,878	3,504
Other Financial Liabilities	₹ crore	483	1,162	864
Shareholder's Equity	₹ crore	6,639	5,698	6,871
Capital Employed	₹ crore	10,805	10,739	11,239
Net Debt / Equity	x	0.39	0.55	0.40
ROE	%	26.7%*	23.9%*	23.5%*
ROCE	%	18.4%*	17.8%*	16.1%*
Operating ROCE	%	60.3%*	52.7%*	51.4%*

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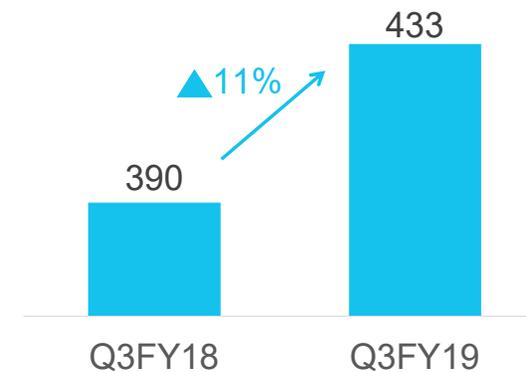
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HEALTHY DOUBLE DIGIT GROWTH OF 11% ON A 2 YEAR CAGR BASIS

- Sales growth of 6% (2 year CAGR of 11%)
- Sales volume growth of 1% (2 year CAGR of 10%)
- EBITDA growth of 11% (margin expansion of 140 bps y-y) driven by cost saving initiatives (Project Pi)



Net Sales



Adjusted EBITDA

INDIA BUSINESS CONTINUES TO PERFORM WELL ON A HIGH BASE

India Business	Sales ₹ crore	Growth year-on-year	2 year CAGR
Household Insecticides	598	-	3%
Soaps	433	2%	13%
Hair Colours	161	-	17%
Other Brands	275	26%	28%
Unbranded and Exports	87	11%	34%
Total	1,553	5%	12%
Sales and trade promotion spends, etc. to be netted off from Sales as per Ind AS	(81)	(7%)	
Sales	1,472	6%	11%
Branded Volume Growth		1%	10%

SOFT QUARTER FOR HOUSEHOLD INSECTICIDES

- Flat growth mainly driven by unfavorable season in South and share of growth getting diverted to incense sticks
- Premium formats like Aerosols and Personal Repellents continue to grow in high single digits
- Launched naturals neem incense stick in Andhra Pradesh and Telangana
- Continue to make effective brand and trade investments for scaling up growth



SOAPS CONTINUE TO PERFORM WELL ON A HIGH BASE

- Sales growth flat off a high base (24% growth in 3QFY18); 2 year sales CAGR of 13%
- Continue to gain market share
- Performance driven by effective micro-marketing initiatives, focus on new states and strong on-ground execution



CRÈME FORMAT LEADS GROWTH IN HAIR COLOURS

- Sales growth flat off a high base (33% growth in 3QFY18); 2 year sales CAGR of 17%
- Godrej Expert Rich Crème continues to deliver robust growth and gain market share
- Godrej Nupur Herbal Based Powder hair colour doing well
- Continue to focus on activations, effective media campaigns and price offs to recruit new consumers into the category

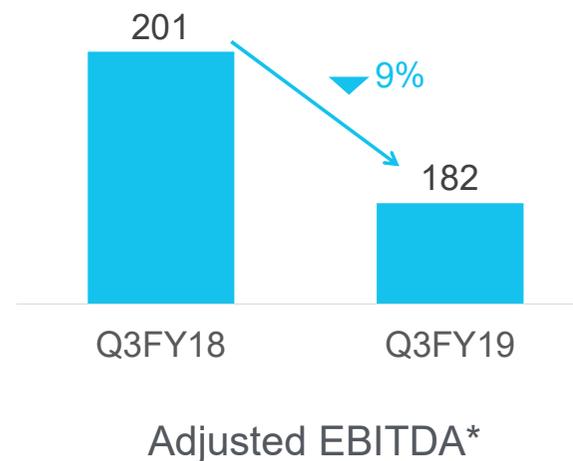
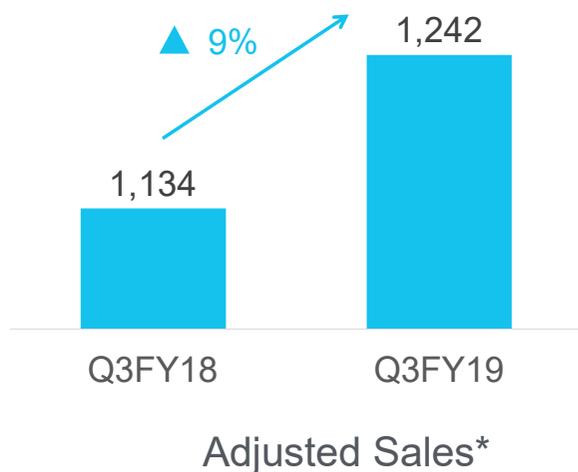


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MIXED PERFORMANCE IN INTERNATIONAL BUSINESS

- International business delivers constant currency sales growth* of 10%
- Adjusted EBITDA* margin of 15% decreases by 300 bps year-on-year, driven by temporary impact of crude oil and currency depreciation. International business EBITDA margin adversely impacted by around 70 bps due to adoption of hyperinflation accounting in Argentina.



*Adjusted for Europe business divestment

All values in ₹ crore

DOUBLE DIGIT SALES GROWTH IN INTERNATIONAL BUSINESS

International Business	Sales ₹ crore	Growth year-on-year	Constant Currency Growth year-on-year
Indonesia	395	9%	7%
GAUM	680	14%	4%
Others	166	(3%)*	41%*
Total Net Sales	1,242	9%*	10%*

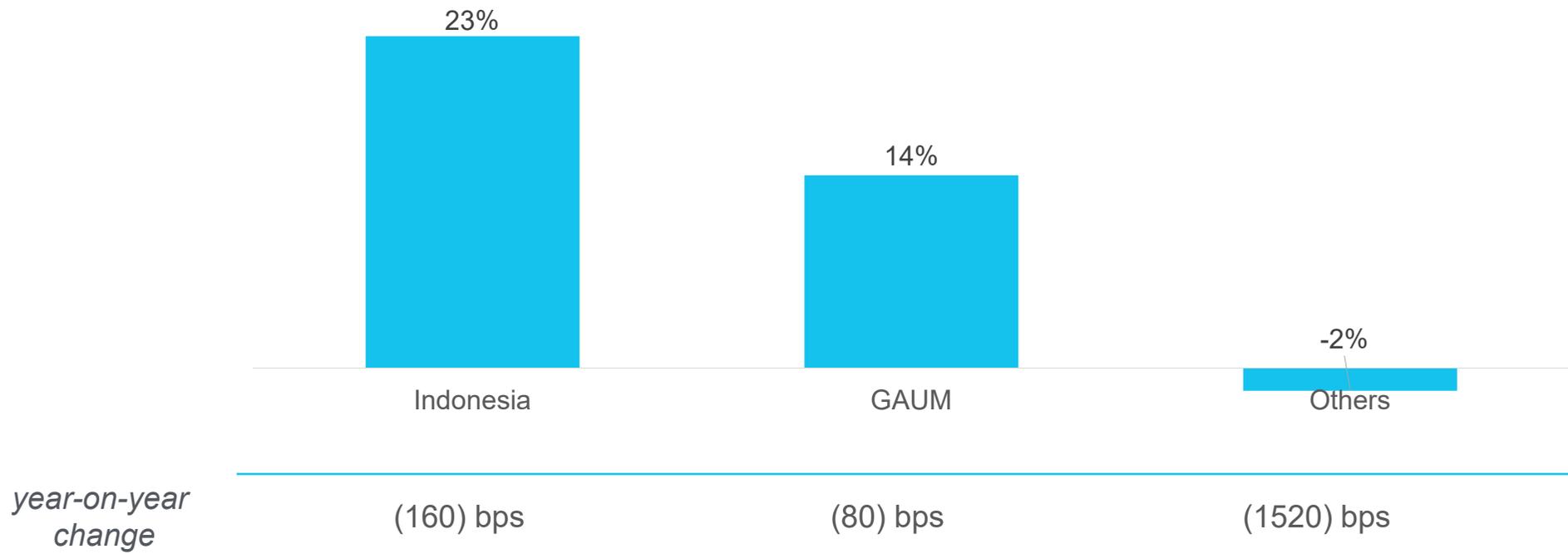
GAUM includes Africa, USA and Middle East
Others include Latin America and SAARC

Adjusted for Europe business divestment w.e.f. Sept'18
All values in ₹ crore

*

WEAK MARGINS DRIVEN BY TEMPORARY IMPACT OF CRUDE OIL AND CURRENCY DEPRECIATION

Adjusted EBITDA Margin*



GAUM includes Africa, USA and Middle East

Others include Latin America and SAARC

*Adjusted for Europe business divestment w.e.f Sept'18

CONTINUED GROWTH MOMENTUM IN INDONESIA WITH HIGH SINGLE-DIGIT SALES GROWTH

- Sales growth of 7% in constant currency terms led by improvement in Household Insecticides; expect to end the year with a double digit growth rate
- Stepping up innovation momentum- taking current Household Insecticides category beyond mosquitoes by cross pollinating HIT anti roach spray from India
- Maintained market leadership position and continue to gain market share on y-y basis for the quarter in Household Insecticides
- Adjusted EBITDA margin contracted by 160 bps led by temporary impact of crude oil and upfront marketing and trade promotion investments



MIXED PERFORMANCE IN GAUM CLUSTER

- Sales growth of 4% in constant currency terms
- South Africa continues to be soft, gradual recovery seen in Kenya. West and US cluster deliver strong growth. Business ex-South cluster grew close to double digits on constant currency basis
- Adjusted EBITDA margin contracted by 80 bps y-y; meaningful expansion in sequential margins
- Darling brand re-launch and scale up of Wet hair care in East and West cluster progressing well



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INDIA: FORAYING INTO INCENSE STICKS WITH A 100% NATURAL VARIANT



Natural and efficacious

Safe product with 100% natural ingredients using plant based technology - Neem and Turmeric (Curcuma)



Longevity

Burns upto 3 hours (6x more than competition)



Sensorials & Low smoke

Pleasant fragrance and releases less smoke



Affordability

₹15 for 10 sticks

INDIA: INTRODUCED FIRST-EVER POWDER TO LIQUID HANDWASH AT DISRUPTIVE PRICE

Opportunity size

- ₹8,000 crore potential of handwash category

Reason to buy

- low put down cost
- value for money
- differentiated / unique product

Product features

- first-ever powder to liquid handwash with natural ingredients
- disruptive price point of ₹15 for 200ml refill and ₹35 for combi-pack (with dispenser)



INDIA: ENTERED MALE GROOMING CATEGORY

Opportunity size

- ₹3,500+ crore of male grooming category

Reason to buy

- superior multi-benefit products
- value-for-money proposition
- attractive design
- Cinthol's strong 'masculine' brand equity

Product features

- multi-benefit, functionally superior products that simplify men's grooming regime



INDIA: INTRODUCED NEW FORMAT IN HOUSEHOLD INSECTICIDES TO UP-TRADE COIL USERS AND RECRUIT NEW USERS

Opportunity size

- ₹1,700+ crore of coils format

Reason to buy

- more efficacious than coils
- unique gel technology; no smoke
- affordability

Product features

- lasts for 15 days
- disruptive price point of ₹30 for PowerChip and ₹45 for combi-pack (PowerChip system)



INDIA: FORAYED IN HERBAL BASED POWDER (HBP) HAIR COLOURS

Opportunity size

- ₹1,000+ size of Herbal Based Powder format

Reason to buy

- strong naturals credentials
- goodness of natural henna
- easy application, works in 30 minutes
- affordability

Product features

- available in 3 shades
- disruptive price point of ₹10



INDONESIA: TAKING CATEGORY BEYOND MOSQUITOES

Hit Anti Roach Spray
Cross pollinated from India



Unique deep reach nozzle with instant kill formulation

INDONESIA: INTRODUCED NEW PAPER BASED MOSQUITO REPELLENT TO DISRUPT COILS SEGMENT

Opportunity size

- USD 100+ million of coils format where we do not currently participate

Reason to buy

- more efficacious than coils (kills mosquitoes)
- safety with less smoke
- better sensorial experience with fragrance
- affordability

Top box scores in consumer insights that are significantly higher than coils

Product features

- instant action and overnight protection
- better sensorial experience with fragrance
- disruptive price point of IDR 2,000 for pack of 4 and IDR 4,000 for pack of 10



GAUM: INTRODUCED AFRICAN PRIDE MOISTURE MIRACLE WET HAIR CARE RANGE IN THE USA

Opportunity size

- USD 0.8 billion of Wet Hair Care in the USA

Reason to buy

- specially formulated for Type 4 hair
- quality that compares to premium brands
- unique ingredient stories inspired by real home remedies
- value price points

Product features

- no parabens / sulphates / mineral oils / petrolatum
- superior moisture for coily / kinky hair
- delightful fragrances



GAUM: DARLING BRAND RE-LAUNCHED IN NIGERIA



New brand architecture and visual identity based on style



New launches targeting the natural and crochet trend

GAUM: WET HAIR CARE LAUNCHES



New product launches in Kenya under TCB brand covering pomades, oils, treatments and sheens



New product launches in Nigeria under Mega Growth brand covering conditioners, oils and treatments

GAUM: WET HAIR CARE LAUNCHES

TCB launched in Nigeria in December



Relaxers, Hair Foods and Leave In Treatments

TCB Sheen Sprays Launched across East Africa in October



Strong initial feedback from trade

GAUM: WET HAIR CARE LAUNCHES

Curl Peace - Range of Natural Products for Kids (USA)



Product range covering detangling, hair and scalp moisture and cleansing

Africa Pride Black Castor Miracle targeting extension users



Product range covering cleansing, styling and maintenance

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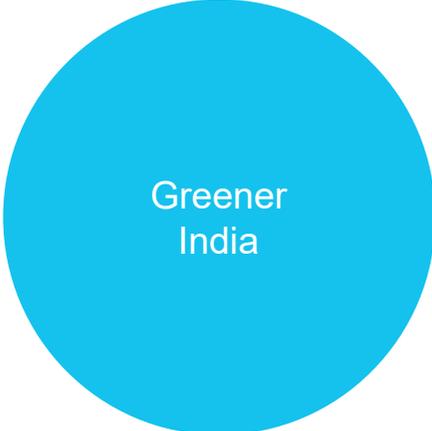
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OUR GOOD & GREEN COMMITMENT



Ensuring
Employability

Train 1 million youth in skills
that will enhance their
earning potential



Greener
India

Achieve zero waste to landfill,
carbon neutrality and a positive
water balance, while reducing
specific energy consumption
and optimising the use of
renewable energy



Product
Innovation

Generate a third of our portfolio
revenues from 'good' and/or
'green' products

WE HAVE BEEN CONSISTENTLY RECOGNISED AS A GREAT PLACE TO WORK



Ranked #1 FMCG company in India in 2018

Amongst the top 25 places to work in Asia in 2018



Ranked among the Best Employers in India in 2017



Godrej South Africa has been certified amongst the Top Employers of South Africa in 2017

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

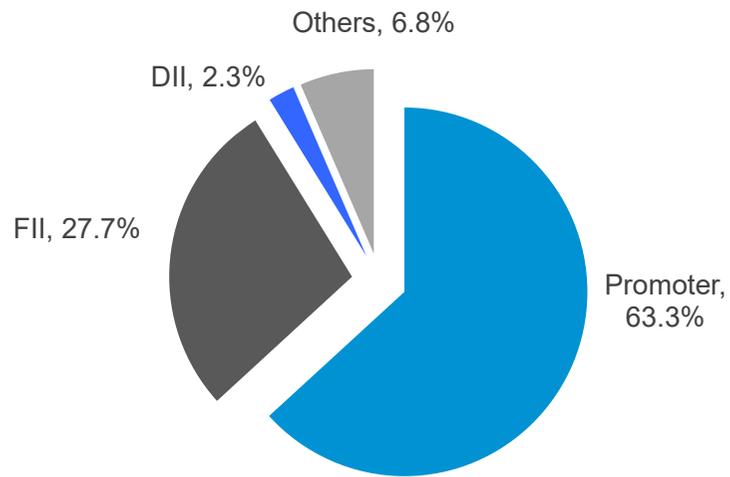


GCPL efforts to mitigate climate change have been recognised by CDP with GCPL being ranked A- on CDP India A List 2017

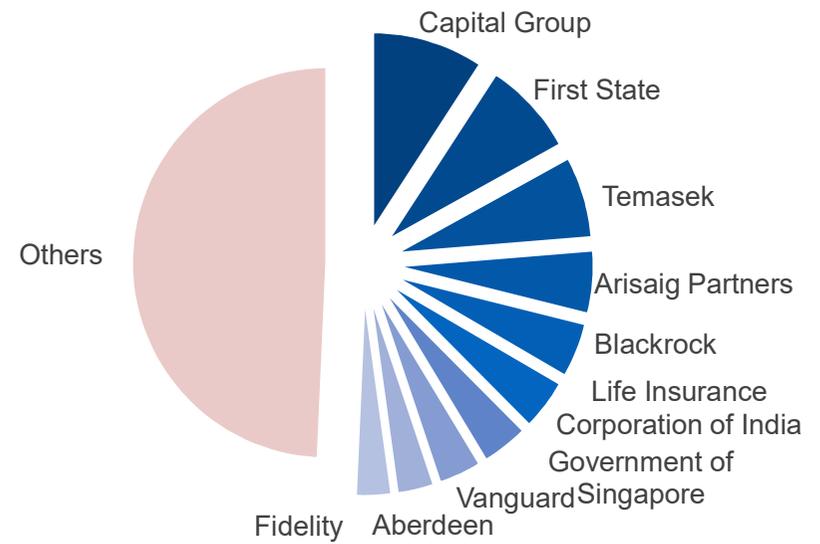


Received Porter Prize for Creating Shared Value 2016

SHAREHOLDING PATTERN



Major investors



WE REMAIN LASER FOCUSED ON EXECUTING OUR KEY PRIORITIES

#1 Extending leadership in our core categories and geographies

#2 Accelerating innovation and renovation

#3 Leveraging the power of digital

#4 Building a future ready sales system

#5 Making our supply chain best-in-class

#6 Fostering an agile and high-performance culture

#7 Becoming more Good & Green

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