

01 April, 2016

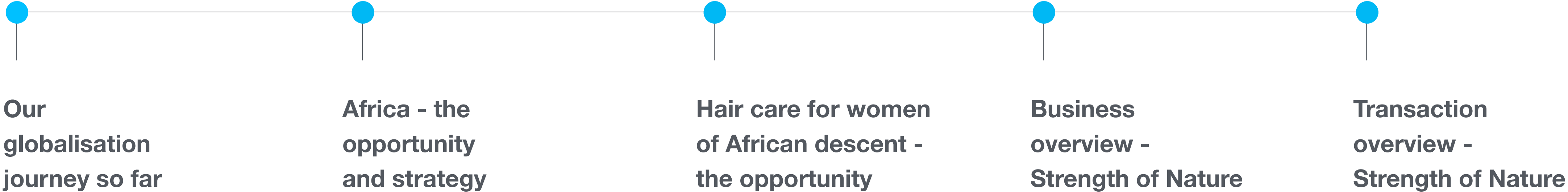
ACCELERATING LEADERSHIP IN AFRICAN HAIR CARE



Disclaimer

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.

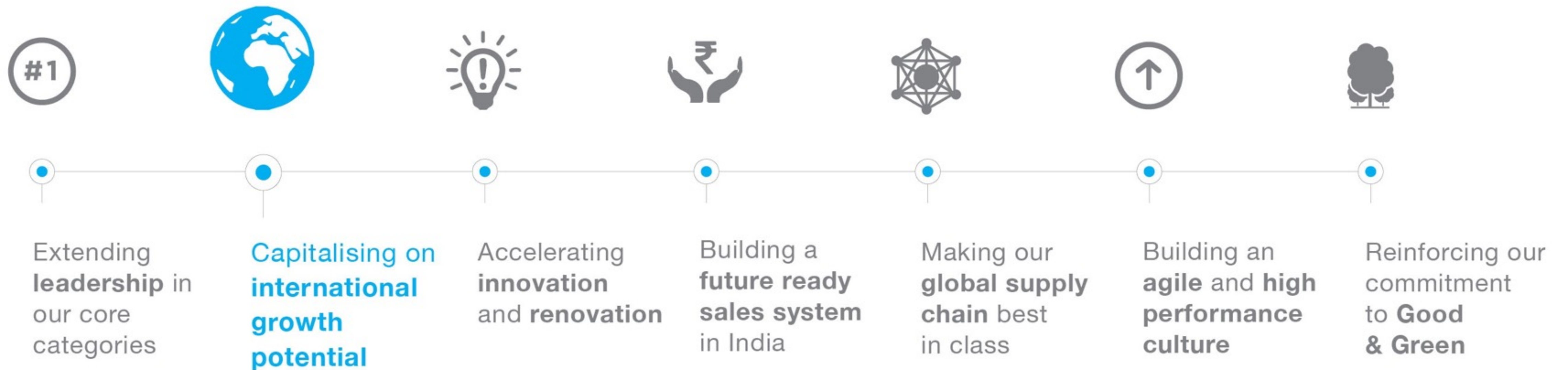
Overview



Our globalisation journey so far



Becoming more global is one of the seven pillars of our strategy



Acquisitions have been the most rewarding route to international growth

We follow a 3x3 strategy for international expansion; a presence across 3 emerging geographies in 3 categories



Our acquisitions have enabled us to extend our core

Home Insecticides



Hair Colour



Personal Wash



CINTHOL

Major acquisitions in Indonesia, Africa and Latin America



Home Care



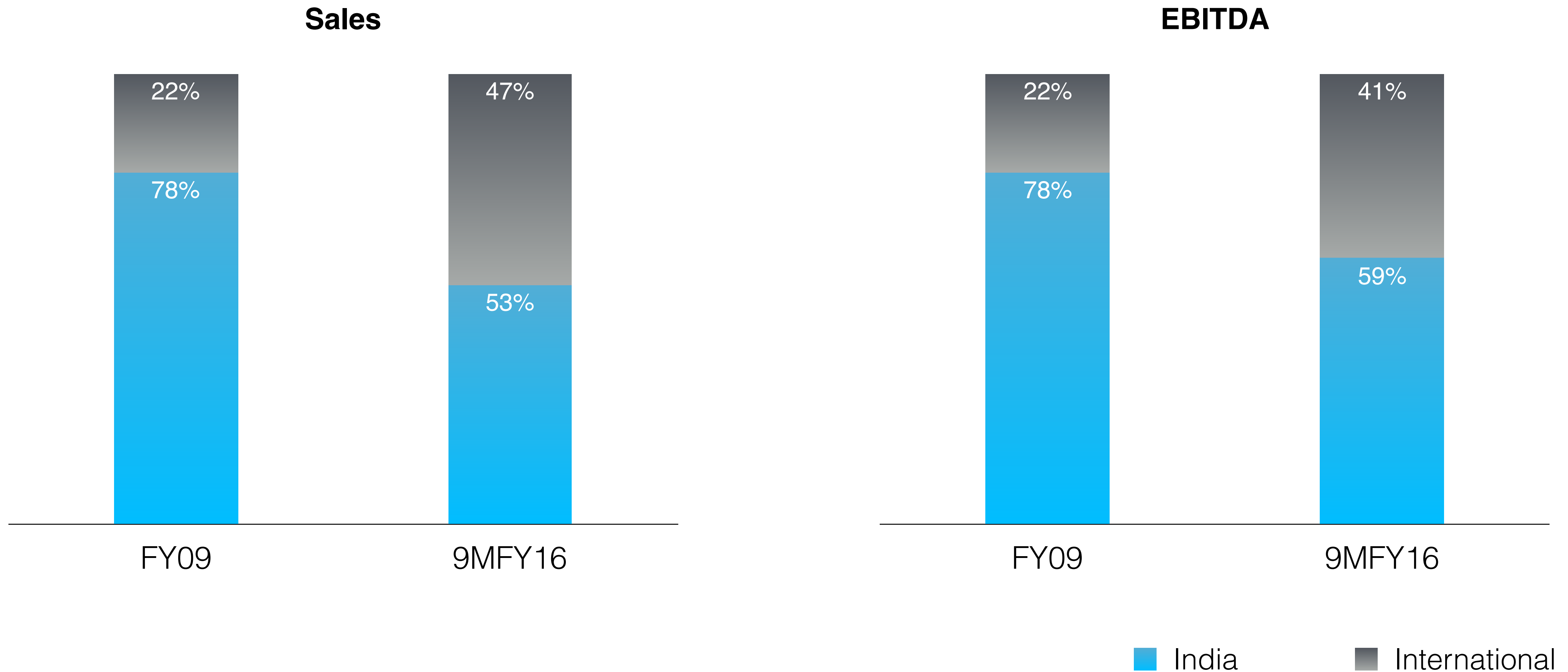
Hair Care



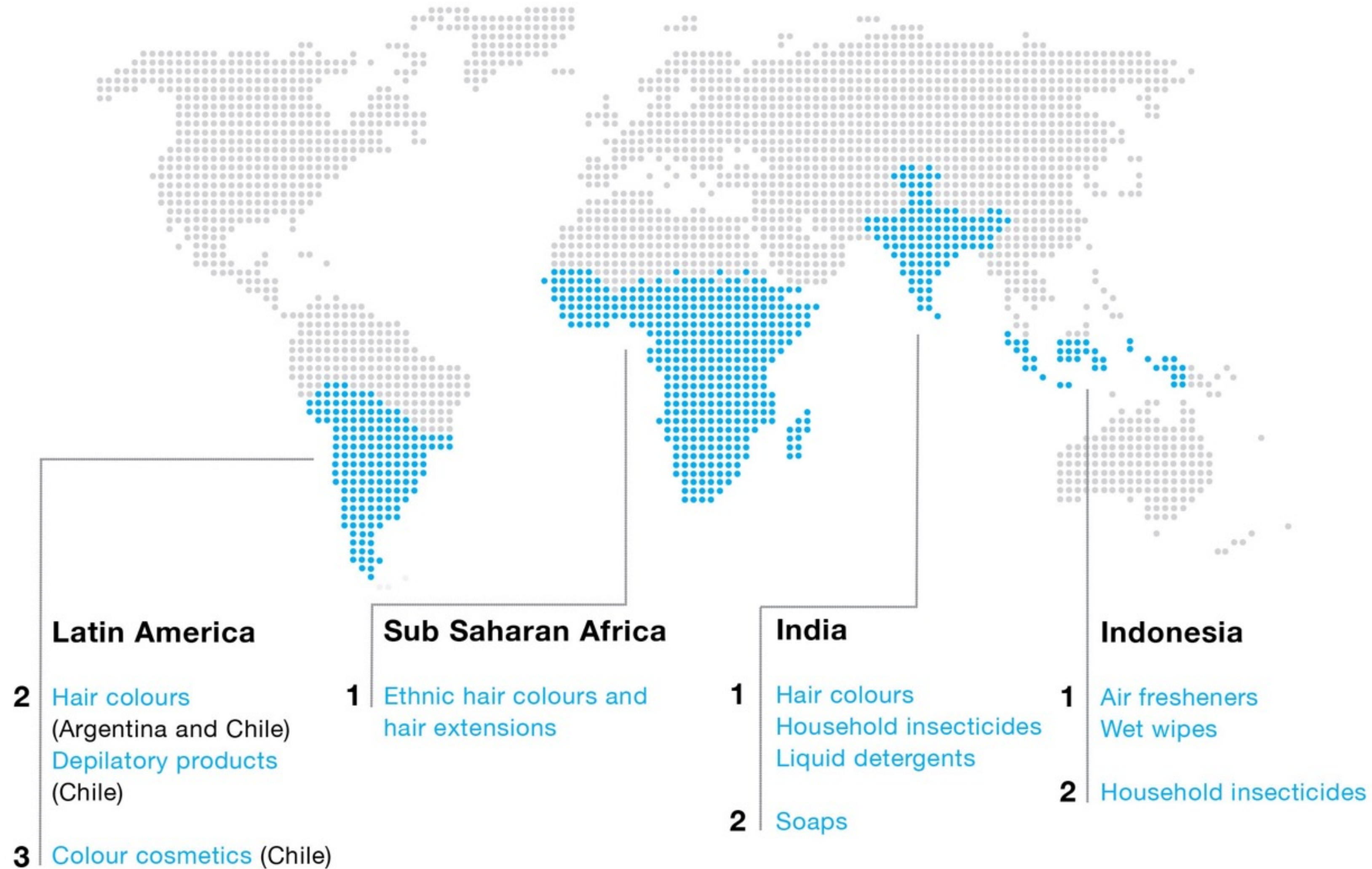
Personal Care

Strategic acquisitions have strongly aided our growth story

Significant contribution of international to sales and profit growth

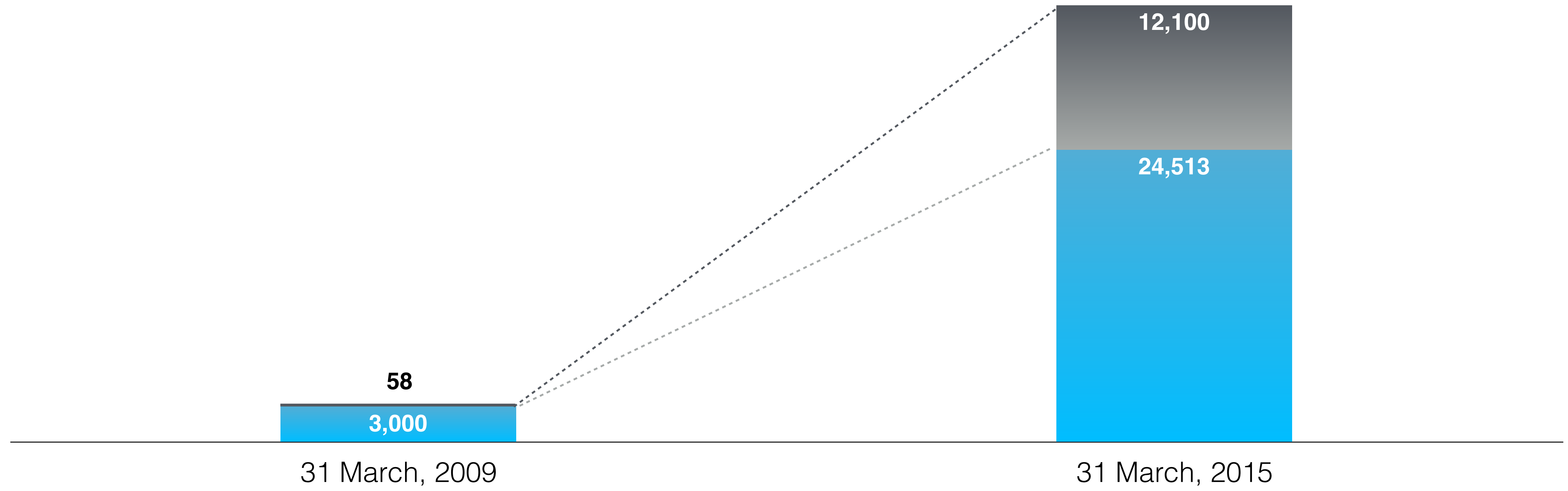


Today, we hold leading market positions in our key categories, across geographies



Our acquisitions have contributed significantly to value creation

Enterprise Value (INR Cr.)



EBITDA - India*	242
EBITDA - Acquisitions	4.7

EBITDA - India*	964
EBITDA - Acquisitions	476

We followed some key principles while integrating our acquisitions

Values based partnering with selective integration

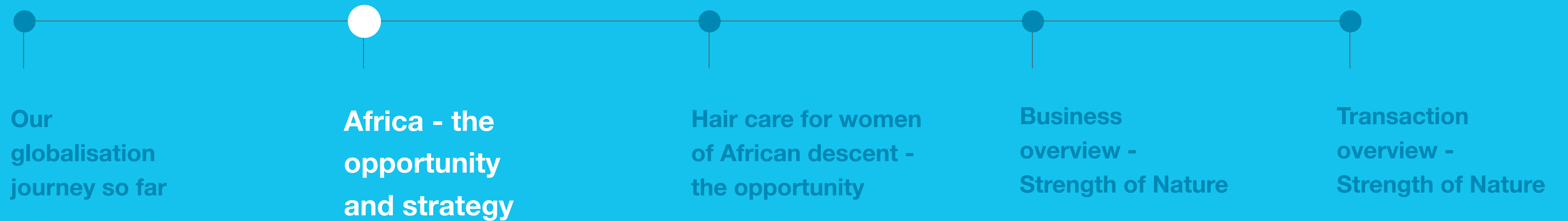
Maximise the potential of local brands and opportunities

Cluster-based structure centered on federated decision making and operational autonomy

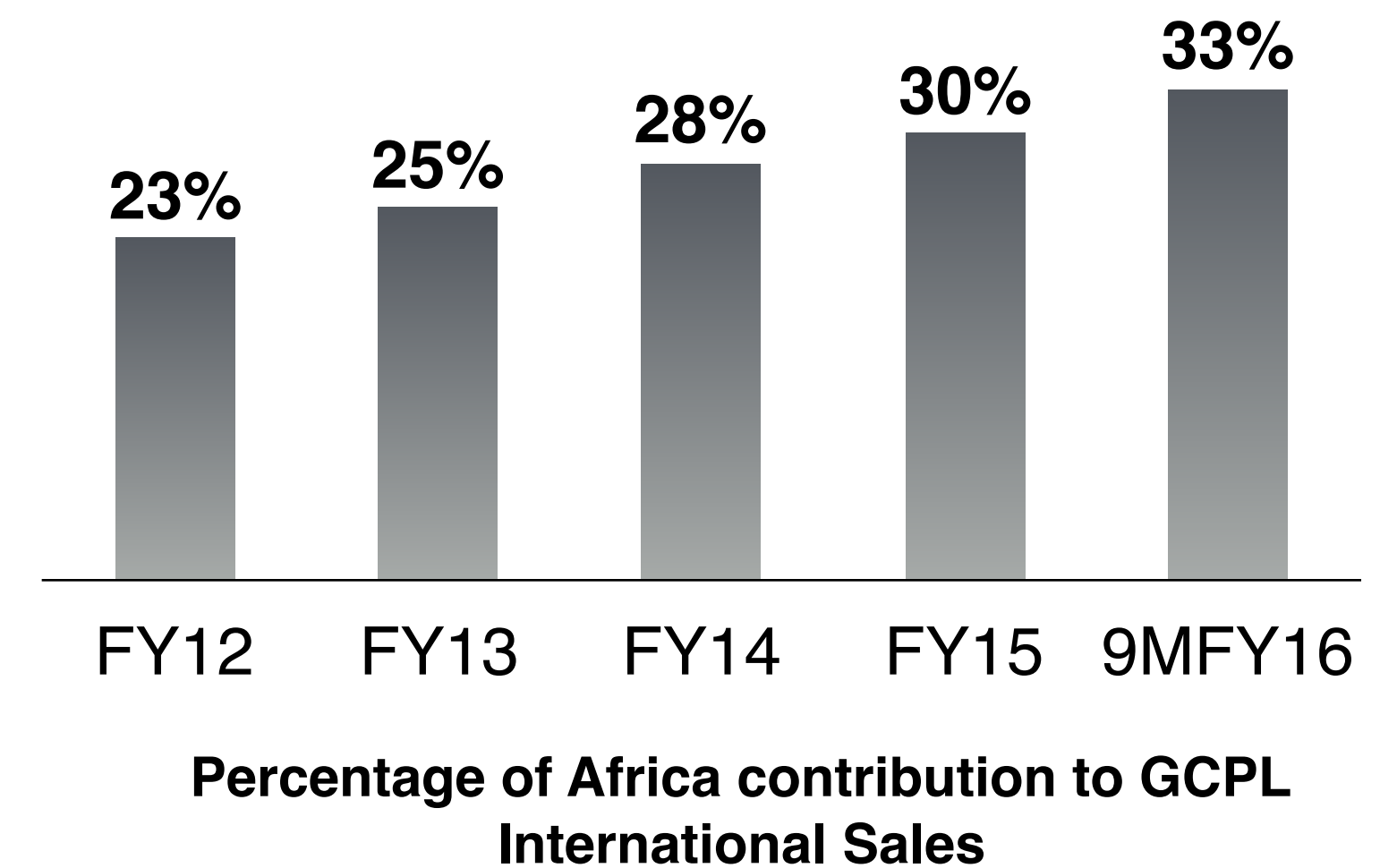
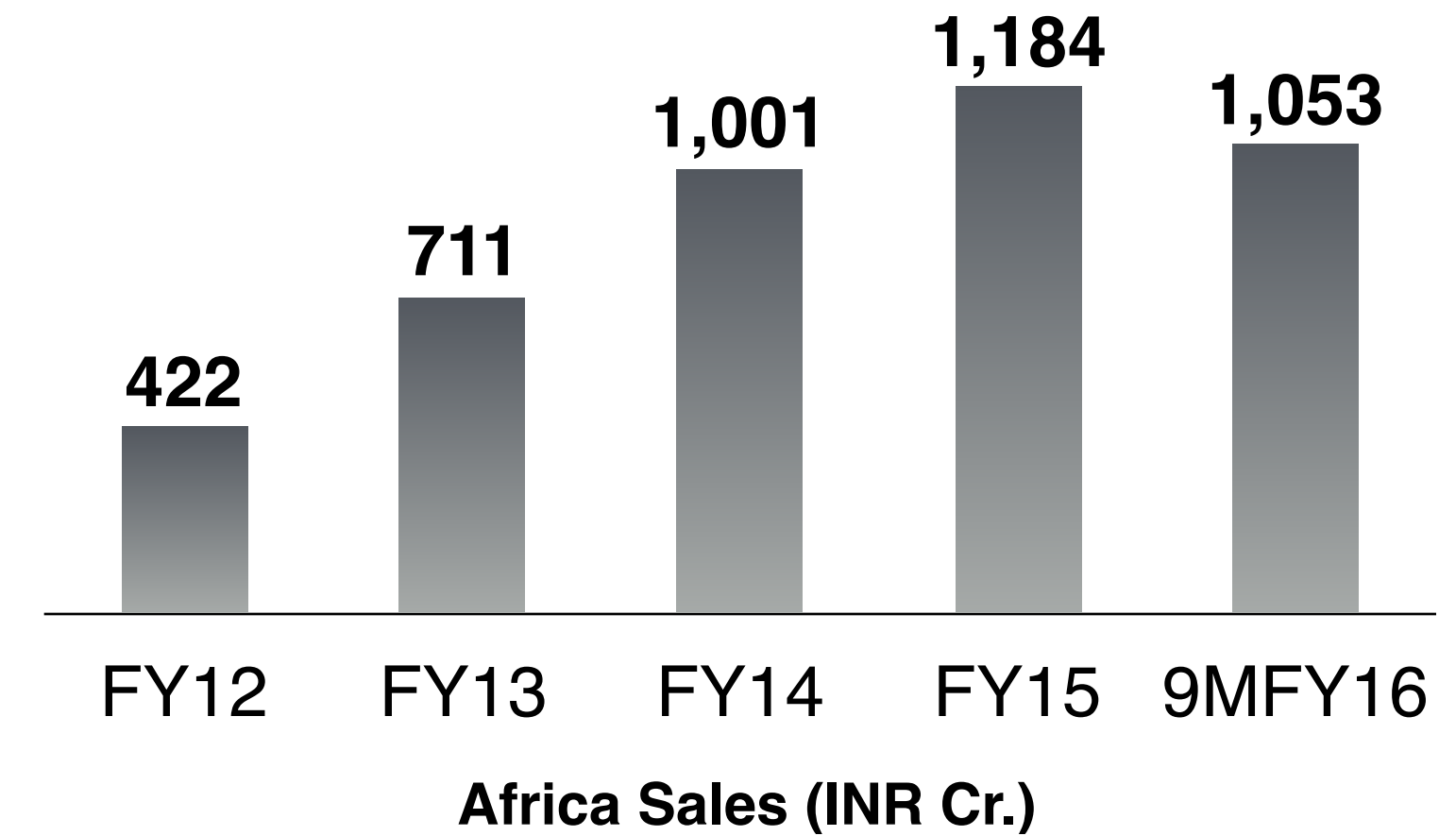
- Local innovations and local agility are key differentiators
- Tap into back-end synergies and leverage common insights about specific categories
- Stay away from the typical MNC approach of standardisation and consolidation; acquired company is a separate entity
- Put necessary controls in place and integrate key processes (HR, Finance, Risk Management) and systems (ERP)

- Decentralise decision making
- Establish stronger local entrepreneurial cultures, supported by global functions
- Retain top management and supplement the team over time
- Binding all our businesses with a common set of values and principles

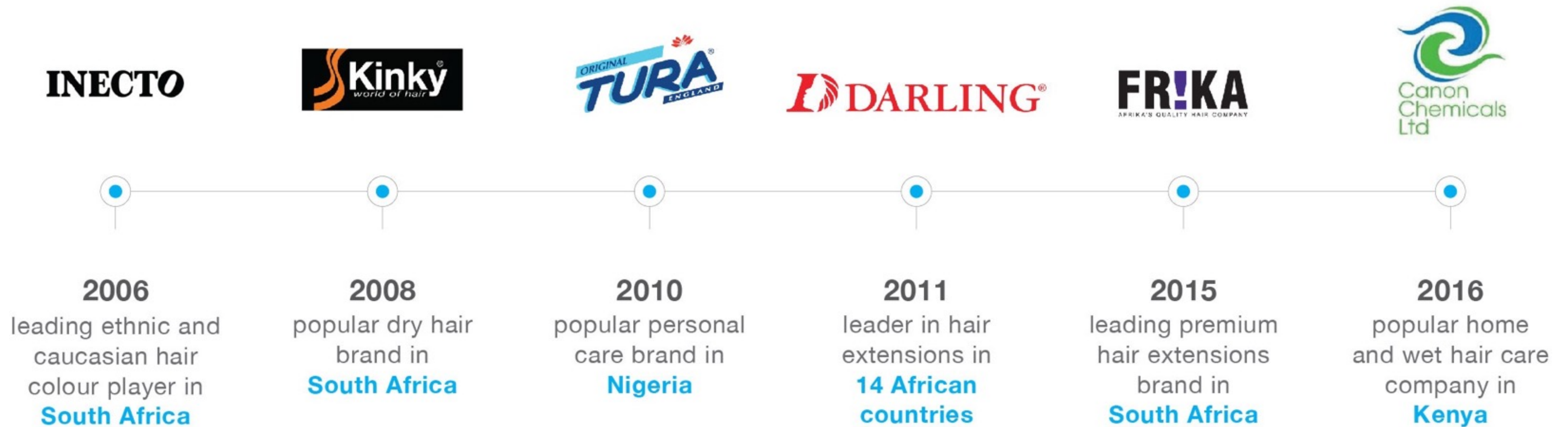
Africa - the opportunity and strategy



Africa is one of our key priorities and we have been focusing strongly on growing our business



The foundation of our Africa business has been built over the last decade



Despite macroeconomic challenges, Africa continues to hold tremendous potential



GDP Growth

- Africa has more than half of fastest growing economies in the world
- Expected real GDP growth of 5.1%



Exploding Population

- Fastest growing population
- Will account for 40% of the world's population by 2030
- By 2035, the number of Africans entering the working age population will be more than the rest of the world combined



Growing Middle Class and Increasing Urbanisation

- 34% Africans now classified middle class (300 million)
- Expected 500 million city dwellers by 2016
- Sub-Saharan Africa is among the fastest urbanising regions in the world; urbanisation increased to 37% in 2014 from 27% in 1990



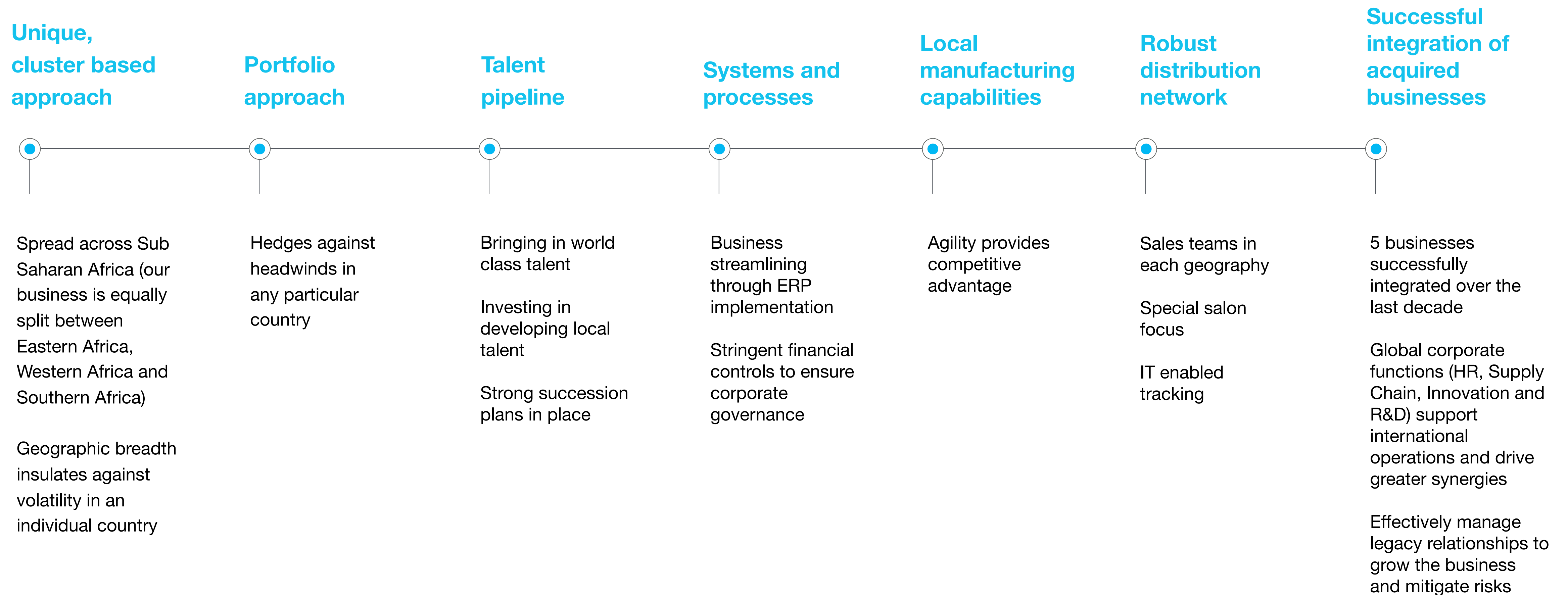
Political Stability and Improved Regulations

- All major African countries have witnessed stable governments for over a decade
- 30% of regulatory reforms which made it easier to do business in 2014-15, took place in Sub Saharan Africa

Source:
Euromonitor 2015
African Development Bank 2013
Cannock Global Income Distribution Database
World Bank & IMF

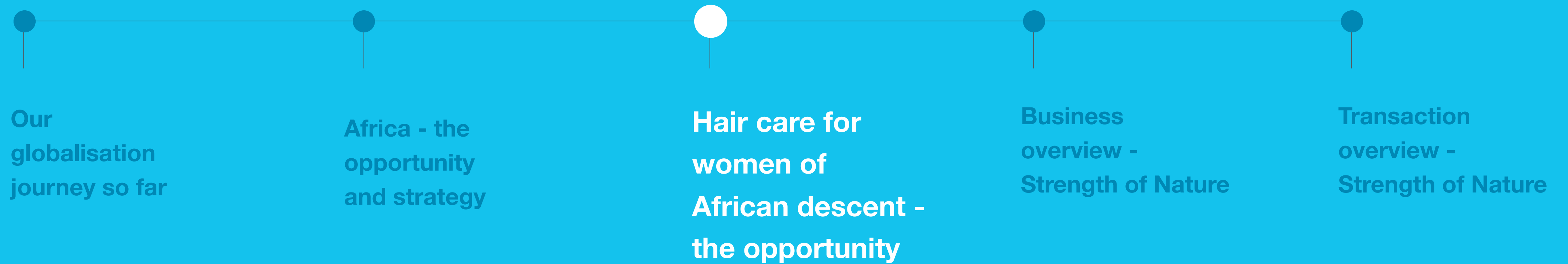
United Nations, Department of Economic and Social Affairs,
Doing Business 2016, : Measuring Regulatory Quality and Efficiency, a World Bank Group flagship publication

Our approach has enabled us to successfully navigate risks of currency and ease of doing business



**We see tremendous opportunities
to further accelerate our growth
in Africa**

Hair care for women of African descent - the opportunity



The world has about 1 billion people of African descent, predominantly located in Sub Saharan Africa, the US and Caribbean



The hair care category for women of African descent can be divided into two broad segments - Dry Hair Care and Wet Hair Care



Solution Desired

- Transform looks
- Prevent damage to hair
- Nourishment for scalp and hair



Dry Hair Care

Braids	Weaves
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Wet Hair Care

Relaxers	Styling
Maintenance	Shampoos*

Note: *Shampoos includes only brands specifically targeted to ethnic hair

The Dry Hair Care category

Braids



The oldest form of hair extensions, braids involve patterns formed by interlacing three or more strands of flexible material like fibres

Weaves



A pre styled form of hair extensions, weaves often come in multiple sections which are then either sewed or bonded on to the natural hair; offers Western styling options to women of African descent

The Wet Hair Care category

Relaxers



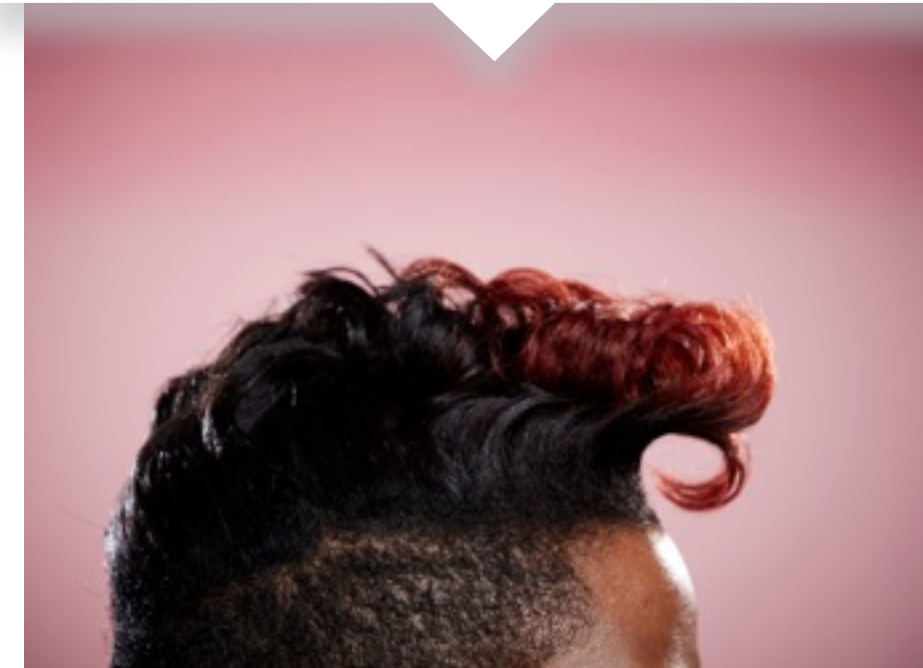
Relaxers are used to make curly hair more manageable through chemical straightening

Maintenance



Hair of people of African descent is fragile by nature and requires extensive maintenance; maintenance products (including conditioners and special treatment) keep hair hydrated and the scalp well nourished

Styling



Styling products nurture hair and create new textures, construct shapes and provide flexible hold and shine

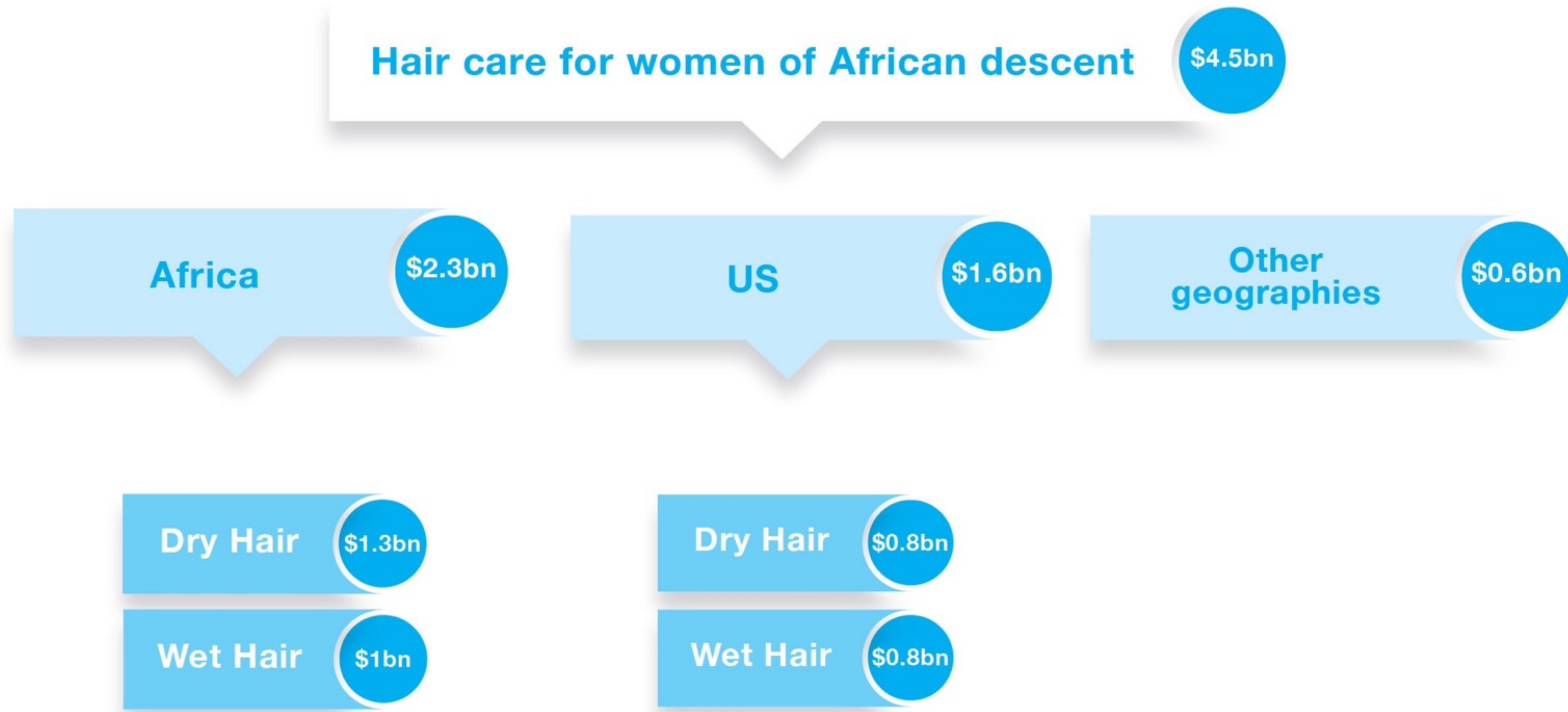
Shampoos*



Designed for frequent use and enriched with moisturisers to maintain natural oils

Note: *Shampoos includes only brands specifically targeted to ethnic hair
Image Source: Google Images

Hair care for women of African descent is a \$ 4.5 billion market



Note: As per internal estimates

So far, we have focused on driving leadership in Dry Hair Care in Africa



DARLING®

25%

**Darling pan-Africa
market share**



Our leadership position has been aided by innovative products, salon engagement and local manufacturing

Innovative products



Salon engagement



Local manufacturing



We seek to cater to the complete hair care needs of women of African descent and believe that there are significant opportunities for us in Wet Hair Care



Treat your hair to something extraordinary!

INTRODUCING ALIYANA

Any Hair. Any Style. Any Weather.



The US greatly influences hair care trends for women of African descent – both in the US and Africa

A presence in the US can be highly beneficial



US celebrities, publications and social media influence the style, colour and hair preferences of women of African descent

The US serves as the source of innovation in hair care

A presence in the US can be highly beneficial

Dry Hair styles originate in the US and move to Africa



US Wet Hair brands with global appeal



New formats



First crème sachet relaxer



Styling lotion

Attractive dynamics of the US market

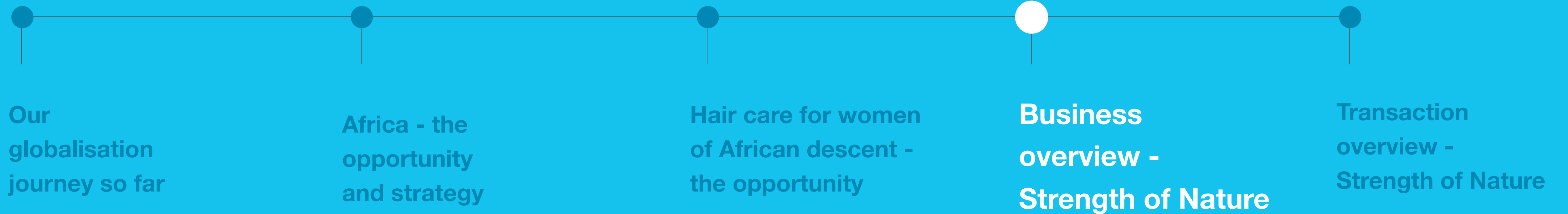
A presence in the US can be highly beneficial

Sizeable market of **\$ 1.6 billion**

- Growing at over 6% annually (faster than the general hair care market)
- Driven by an expanding population of people of African descent
- Fuelled by increasing purchasing power
- African women spend more than 3 times what Caucasian women spend on hair care
- Opportunity to participate in Dry Hair Care, given the fragmented market



Business overview - Strength of Nature



Company Overview

STRENGTH of NATURE®



Leader in **Wet Hair Care** in the US for women of African descent

Seasoned management with over **100 years of combined experience** in Hair Care

~12% share in the Wet Hair Care market in the US; **24% share** in hair relaxers in the US



Robust portfolio of brands across **relaxers, maintenance, styling** and **shampoos**

Portfolio of **heritage brands** targeted at **value-conscious consumers**

Superior quality at affordable prices



CY 2015 annualised Sales of **\$ 95 mn**

High single digit **organic growth** over last few years

EBIDTA margins >22% due to vertically integrated manufacturing

Consistent track record of inorganic growth



Extensive global retailer and distributor platforms; **120+ customers** spanning **six regions**

~40% of revenues come from its international business; expanding presence in **Africa** and the **Caribbean**



Vertically integrated manufacturing process is a competitive advantage

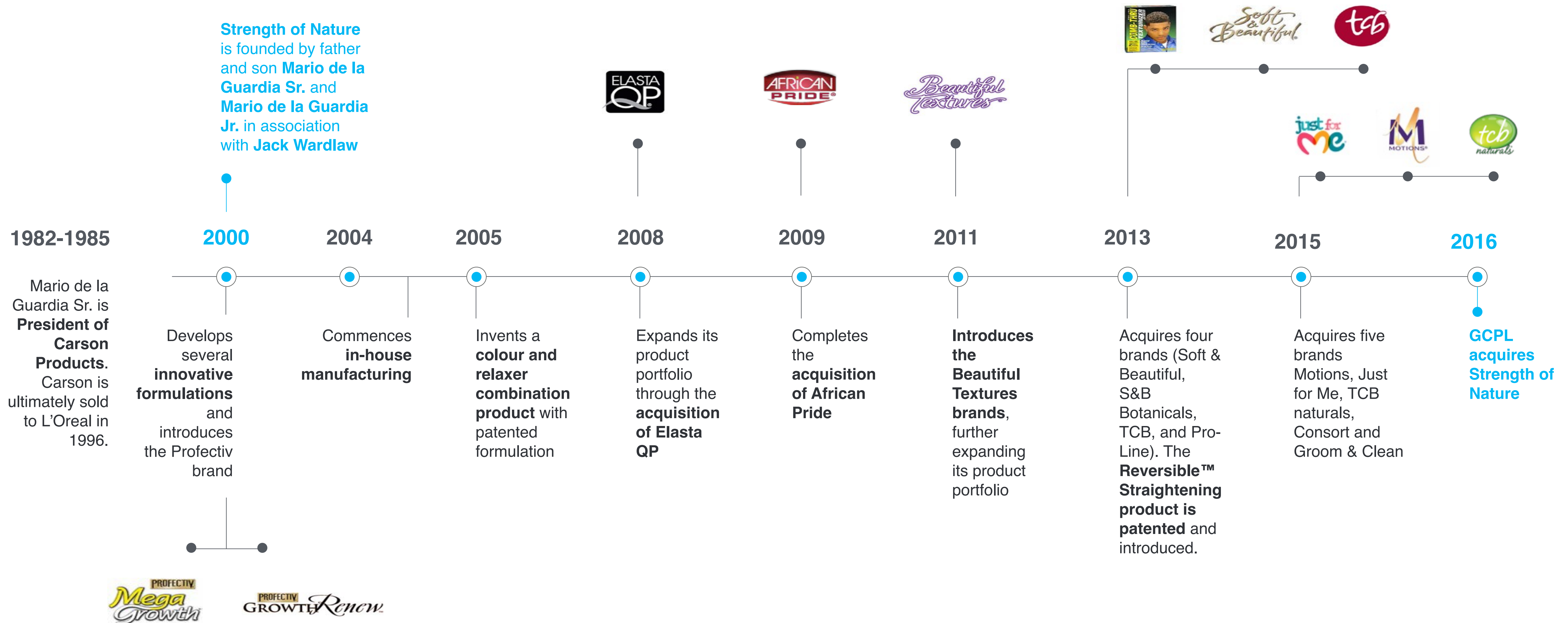
Manufacturing and warehouse space located in **Savannah, Georgia**



History of **innovation**; introduced many market firsts

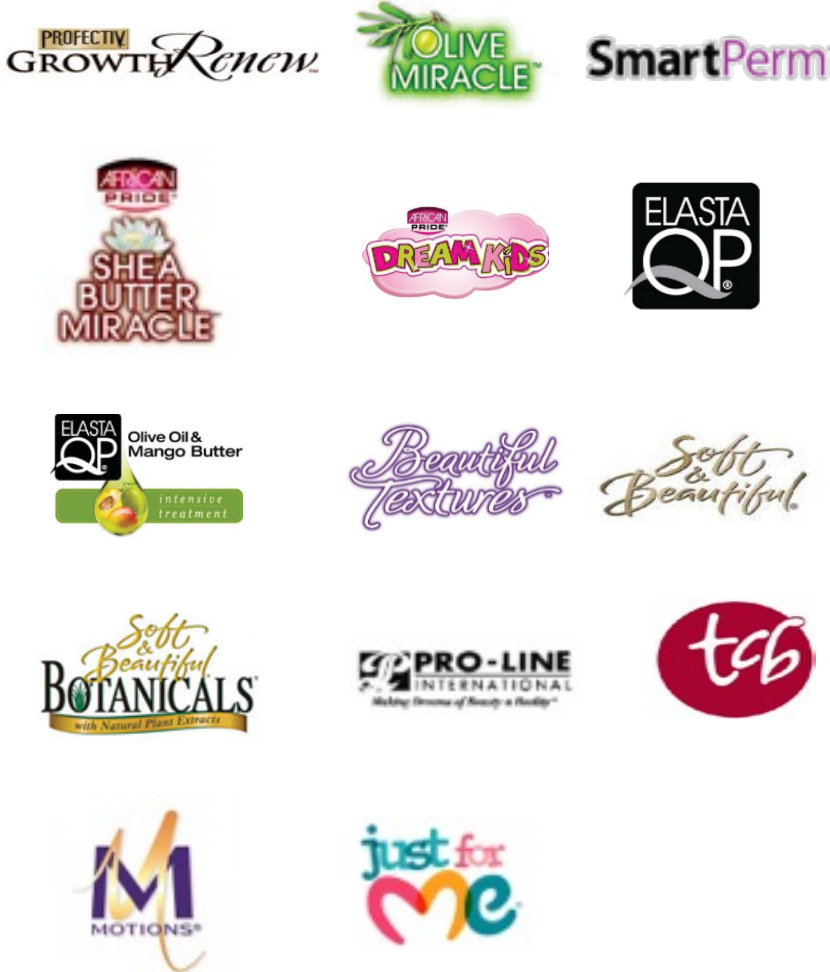
Proven track record of **brand acquisition** and **revitalisation capabilities**

Since being founded in 2000, it has grown into a leading independent manufacturer of hair care products for people of African descent



A strong, growing presence across geographies

United States



Caribbean



Europe



Middle East



Sub Saharan Africa



Heritage brands with over 15 year old legacies



Distinct Value Proposition

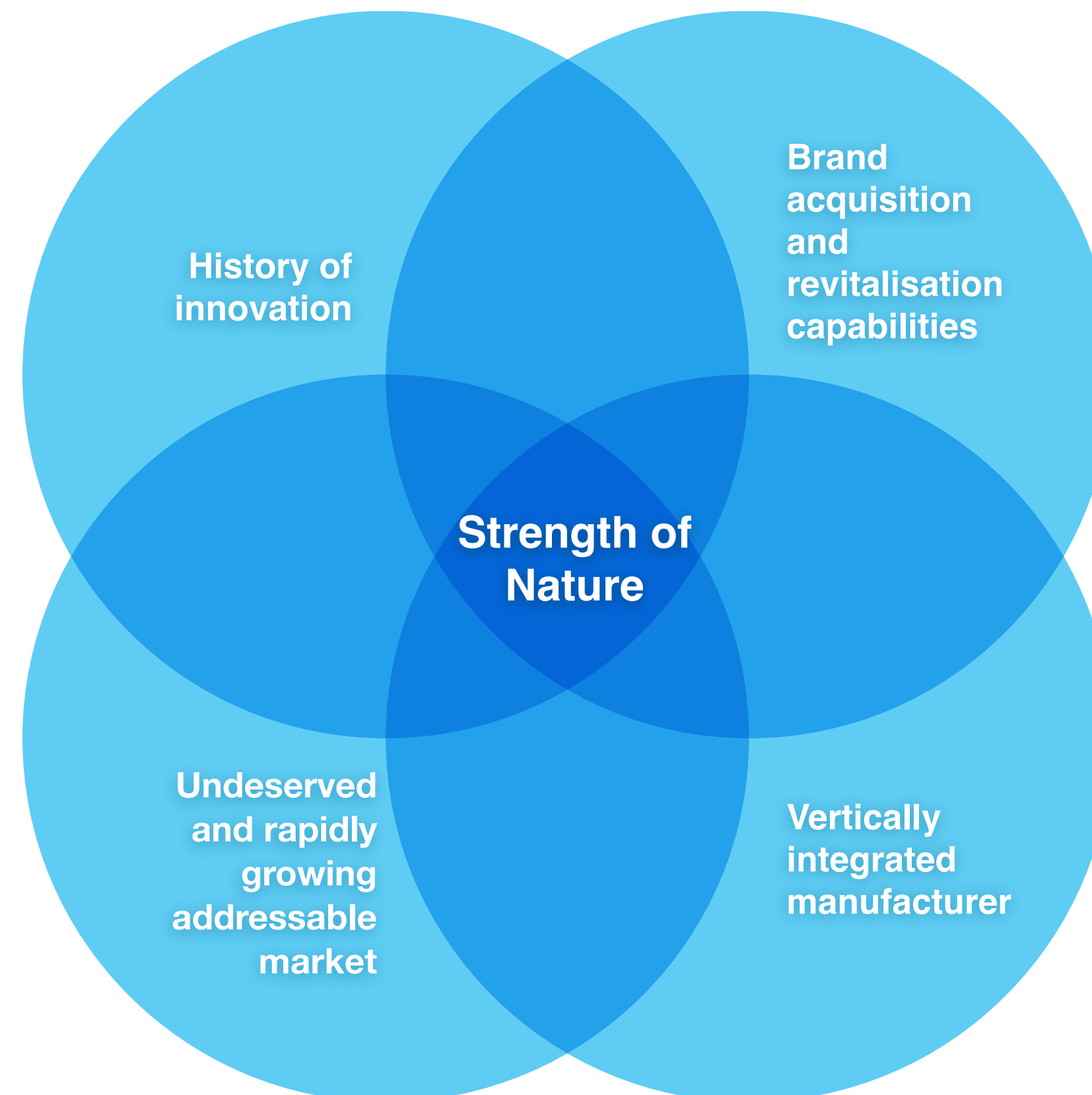
An outstanding platform for growth, driven by a commitment to innovation, brand acquisition and revitalisation capabilities and vertically integrated manufacturing

Holds three patents, three patents pending and over 85 trademarks

Numerous market firsts, including

- Pre-measured single-use relaxer packets
- Reversible straightening system
- Colouring relaxers

Portfolio is targeted at value conscious consumers across categories, who aspire for superior quality products at affordable prices

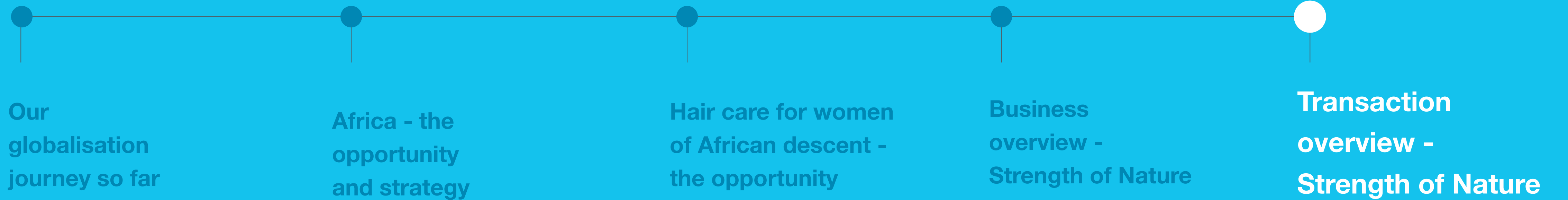


Portfolio of heritage brands across relaxers, maintenance, styling and shampoos, catering to people of African descent

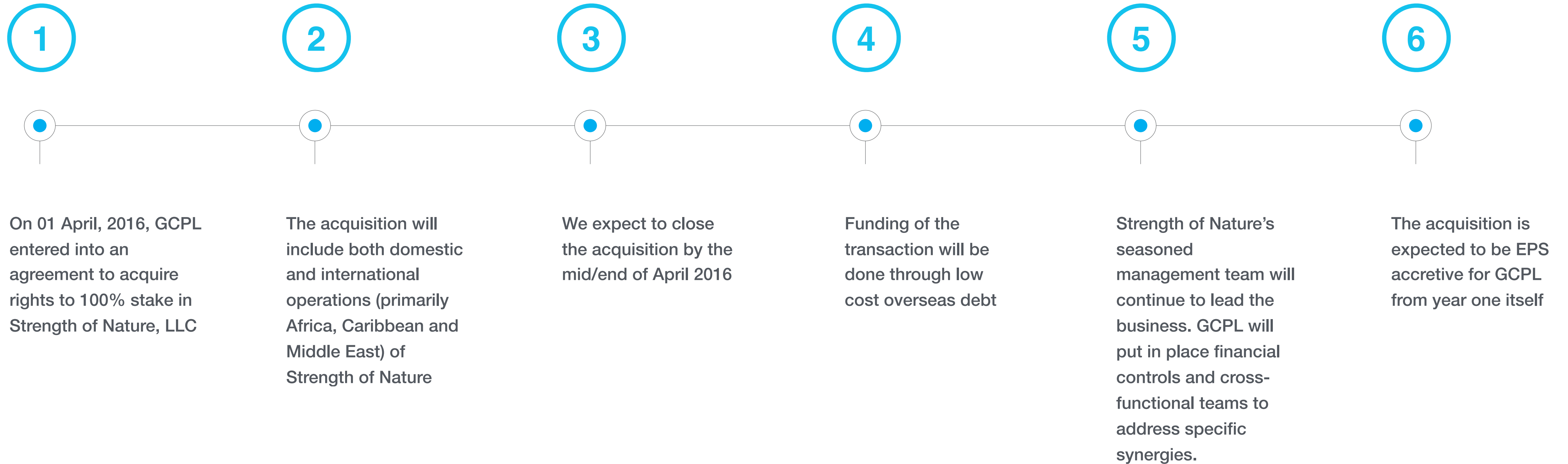
Ability to control a significant portion of the value chain enables costs savings, better quality control and accelerated introduction of new products to market

Results in higher gross margins than the industry average

Transaction overview - Strength of Nature



Key Transaction Highlights



Investment Thesis

Strategic Rationale

- Turbo charges the Wet Hair Care platform for Africa
- Provides a compelling portfolio of Wet Hair Care brands with strong positions and heritage
- Presence in the US helps us accelerate innovation with cutting edge products and R&D
- Seasoned management with over 100 years of combined experience in the Wet Hair Care category
- Provide a platform for a future play in global hair care for women of African descent

GCPL Value Add

- Deep knowledge of African consumers, along with an understanding of the local business environment
- Localised manufacturing in Africa
- Track record of establishing scale business operations and successfully running them in Africa
- Design and R&D support for innovation
- Stronger processes in functions like Finance, Sourcing, HR and IT

This acquisition catapults us to become one of the largest players globally serving the hair care needs of women of African descent. Over time, this will provide us the platform to further build and drive global leadership.

Thank you

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