

Performance Update - 2Q FY20

November 6, 2019



PERFORMANCE UPDATE

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2QFY20 FINANCIAL PERFORMANCE

Growth y-y	Consolidated Business	India Business	International Business
Net Sales – Reported	(1%)	1%	(4%)
Volume		7%	
Net Sales – Comparable*	2%	1%	4%
Net Sales – Constant Currency – Comparable*	3%	1%	7%
EBITDA – Comparable*	9%	2%	30%
EBITDA – Constant Currency – Comparable*	9%	2%	30%
Net Profit – Reported	(28%)	13%	(72%)
Net Profit without exceptional and Comparable*	11%	2%	70%

EXCEPTIONAL AND ONE-OFF ITEMS

	2QFY20			2QFY19		
	Consolidated	India	International	Consolidated	India	International
Reported net profit	414	335	78	578	296	280
<i>Exceptional (post tax):</i>						
Restructuring cost in LAT AM and GAUM	9	-	9	(1)		(1)
Release of escrow and forex impact on gains from divestment of Europe business	(6)	-	(6)			
Gain on divestment of Europe business				(70)		(70)
Deferred tax - change in maximum marginal tax rate on intangibles in India	(33)	(33)				
Revaluation of Payout Liability	-	-	-	(189)		(189)
Inventory provision (Africa)	-	-	-	38		38
Receivables provision (LAT AM)	-	-	-	2		2
Net Profit without exceptional and one-off items	384	301	82	358	296	61

BRIDGE BETWEEN REPORTED TO OPERATING EBITDA

	India	International	Indonesia	GAUM	Others
2QFY20 Reported EBITDA Margin	26.9%	15.3%	24.0%	11.4%	4.3%
Business support charges, Royalty & Technical fees (₹ crore)	(8.7)	8.7	2.0	5.4	1.2
2QFY20 Adjusted EBITDA Margin	26.3%	16.1%	24.5%	12.3%	5.3%
2QFY19 Adjusted EBITDA Margin*	25.9%	12.9%	24.0%	8.5%	0.6%
Change in EBITDA Margin (bps)	40	320	50	380	470

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

KEY BALANCE SHEET DATA

Particulars	Units	September 30, 2019	September 30, 2018	June 30, 2019
Working Capital ex-Cash*	₹ crore	457	477	347
Working Capital*	Days	17	18	14
Cash & Equivalents	₹ crore	1,330	1,618	1,101
Debt denominated in INR	₹ crore	423	298	273
Debt denominated in USD	₹ crore	2,903 (USD 409 m)	3,001 (USD 414 m)	2,696 (USD 388 m)
Debt denominated in other currencies	₹ crore	220	205	243
Total Debt	₹ crore	3,546	3,504	3,213
Other Financial Liabilities	₹ crore	390	864	459
Shareholder's Equity	₹ crore	7,583	6,871	7,381
Capital Employed*	₹ crore	10,772	10,788	10,295
Net Debt / Equity	x	0.34	0.40	0.35
ROE*	%	19.4%	19.3%	17.6%
ROCE*	%	18.2%	16.7%	16.7%
Operating ROCE*	%	60.8%	59.0%	59.1%

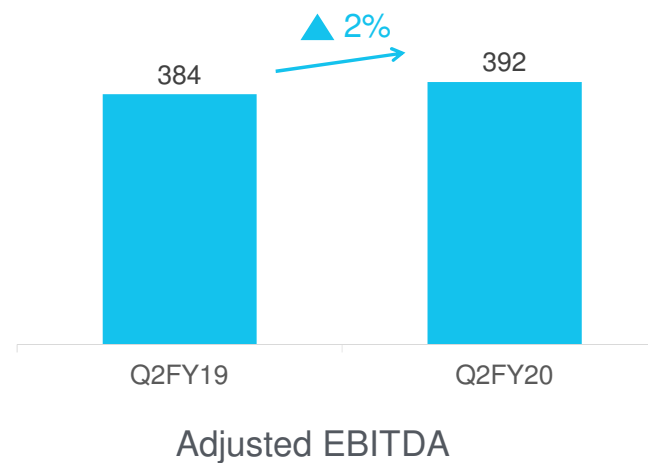
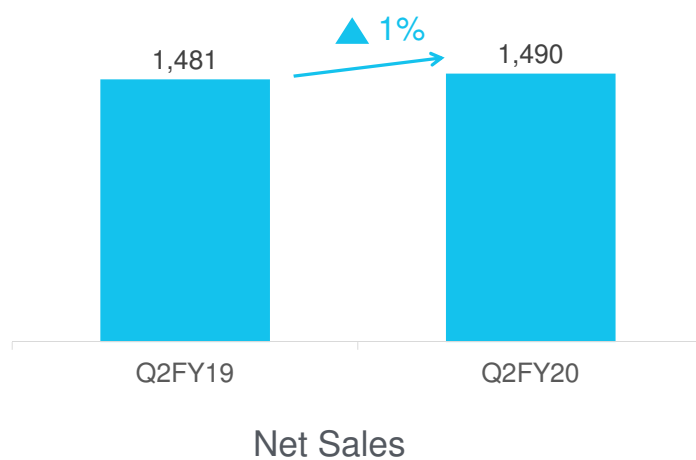
* Excluding MAT credit entitlement and one time deferred tax

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VOLUME LED PROFITABLE SALES GROWTH

- India delivers 7% volume growth; sequential pick in volume (Q1FY20 volume growth of 5%)
- Volume growth led by new product launches, effective marketing campaigns and consumer offers
- EBIDTA growth of 2% (margin expansion of 40 bps y-y)



ROBUST VOLUME GROWTH

India Business	Sales ₹ crore	Growth year-on-year
Household Insecticides	683	4%
Soaps	491	(4)%
Hair Colours	160	2%
Other Categories	179	8%
Unbranded and Exports	62	4%
Total	1,575	1%
Sales and trade promotion spends, etc. to be netted off from Sales as per Ind AS	(85)	18%
Sales	1,490	1%
Volume Growth		7%

STRONG VOLUME GROWTH IN SOAPS

- Higher than mid single digit volume growth; price offs and consumer offers resulting in sales decline of 4%
- Continue to gain market shares (MAT Sep19 gain of 60 bps)
- Focus on micro marketing initiatives with regional launches

Godrej No 1 Chandan Abhyang Snaan in Maharashtra

Godrej No.1 Extra Strong Lime in Punjab

Godrej No 1 pack of 5 (57gm) in Gujarat

Godrej No 1 125gm box pack in Kerala



GRADUAL RECOVERY IN HOUSEHOLD INSECTICIDES

- Higher than mid single digit volume growth resulting in 4% value growth
- Price off in Liquid Vapourizer driving growth and market share gains
- Illegal incense sticks salience plateauing at 11-12% over last 8 months; Home Insect Control Association (HICA) issued advertisement on illegal incense sticks to safeguard consumer interest ([https://www.youtube.com/watch?v= u58PXmAUuA](https://www.youtube.com/watch?v=u58PXmAUuA))
- Recently launched Good Knight Gold Flash in South, HIT Anti Mosquito Racquet in e-commerce and HIT Rat Glue pad in select markets



SOFT PERFORMANCE IN HAIR COLOUR

- Growths impacted by general slowdown in hair colour category; high base and soft performance in Godrej Expert Rich Crème
- Relaunching Expert Crème hair colour
- Godrej Expert Easy 5 minute shampoo hair colour in Southern states scaling up well; launched nationally at the fag end of Q2FY20
- Relunched Godrej Anoop Ayurvedic anti hairfall Oil on e-commerce

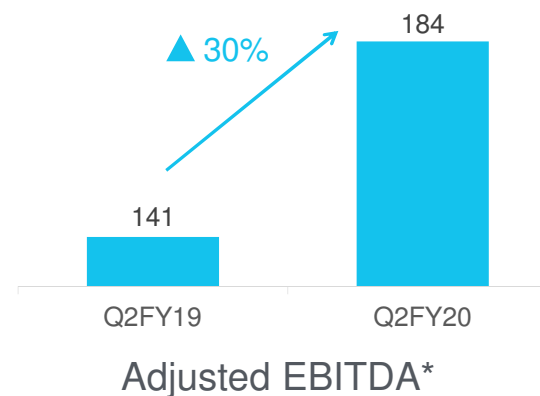
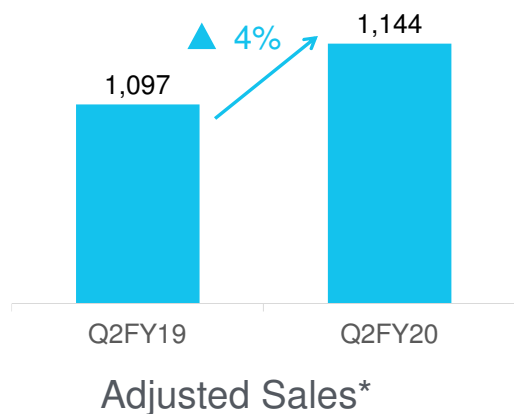


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MIXED PERFORMANCE IN INTERNATIONAL BUSINESS

- International business delivers constant currency sales growth* of 7%
- Adjusted EBITDA* margin of 16.1% increases by 320 bps year-on-year



*Q2FY19 base quarter adjusted for Europe divestment w.e.f Sept 18; SLOB provision of ₹ 51.7 cr in GAUM, receivables provision of ₹ 3.4 cr in Argentina

MIXED PERFORMANCE IN INTERNATIONAL BUSINESS

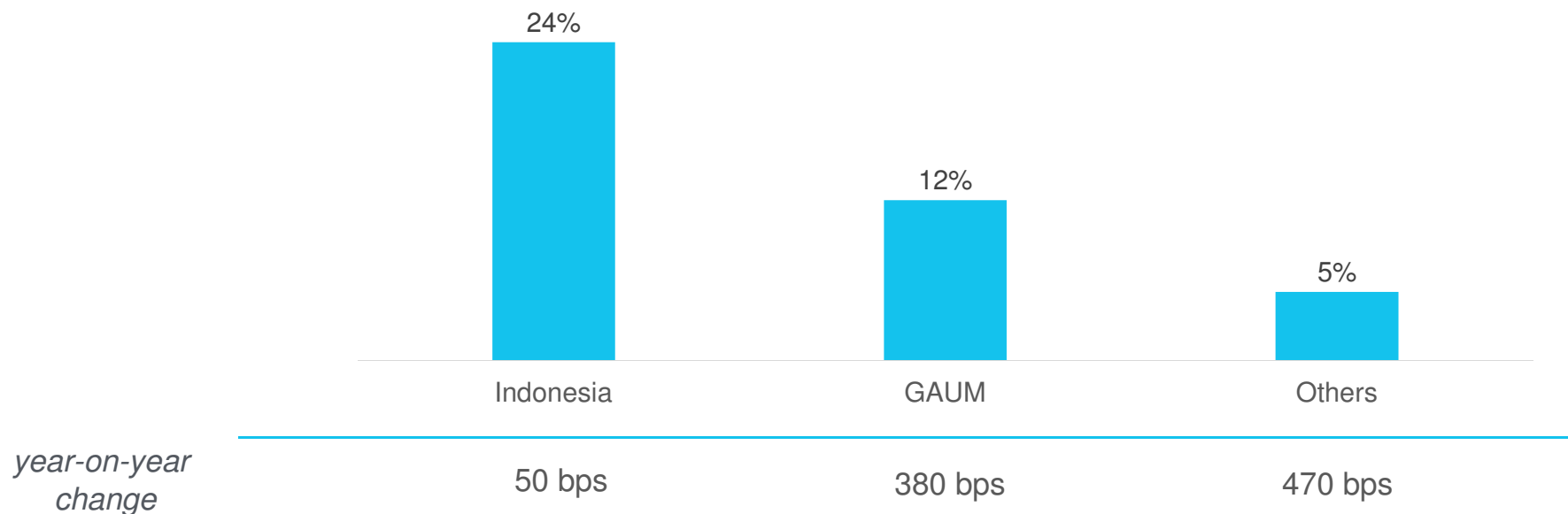
International Business	Sales ₹ crore	Growth year-on-year	Constant Currency Growth year-on-year
Indonesia	425	17%	13%
GAUM	591	(6%)	(2%)
Others*	128	24%	38%
Total Net Sales	1,144	4%	7%

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

*Q2FY19 base quarter adjusted for Europe divestment w.e.f Sept 18

MARGIN EXPANSION ACROSS CLUSTERS

Adjusted EBITDA Margin*



GAUM includes Africa, USA and Middle East
Others include Latin America and SAARC
*Q2FY19 base quarter adjusted for Europe divestment w.e.f Sept 18; SLOB provision of ₹ 51.7 cr in GAUM, receivables provision of ₹ 3.4 cr in Argentina

DELIVERED DOUBLE DIGIT PROFITABLE SALES GROWTH IN INDONESIA

- Sales growth of 13% in constant currency terms; broad based across Household insecticides, Air fresheners and Baby wipes
- Continue to gain market share in Household insecticide
- Focus on stepping up innovation momentum across categories and gradual expansion of General trade distribution (Project RISE)
- Adjusted EBITDA margin expanded by 50 bps led by strong gross margin expansion partially offset by increase in advertisement and promotion expense



MIXED PERFORMANCE IN GAUM CLUSTER

- Sales decline of 2% in constant currency terms
- South Africa and Rest of Africa & Middle East (ROAME) cluster performed well on the back of new product developments
- West Africa cluster reported a slowdown in sales
- In Dry hair (57% of the overall sales), gained market share in Nigeria and Kenya
- Continue to drive the scale up of wet hair care and the relaunch of the Darling brand in the dry hair category
- Adjusted EBITDA margin increases 380 bps y-y mainly driven by expansion in gross margin



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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

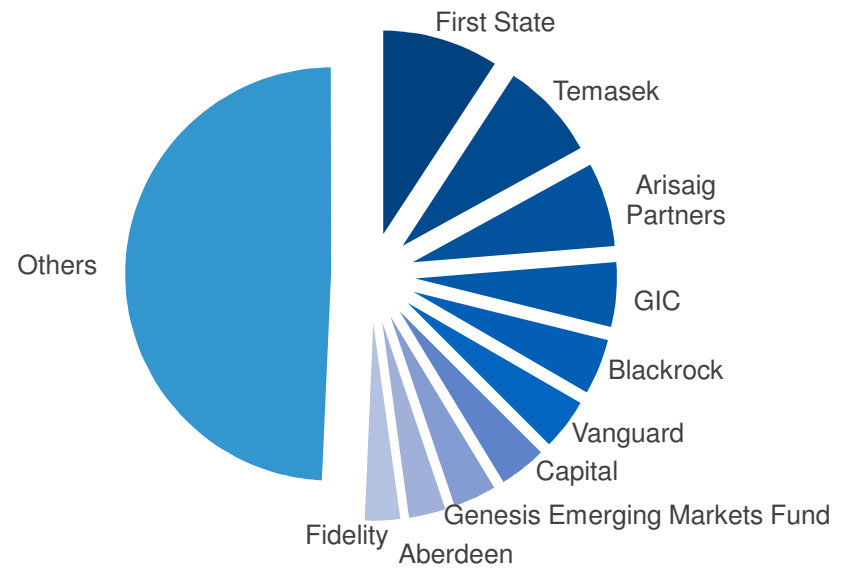
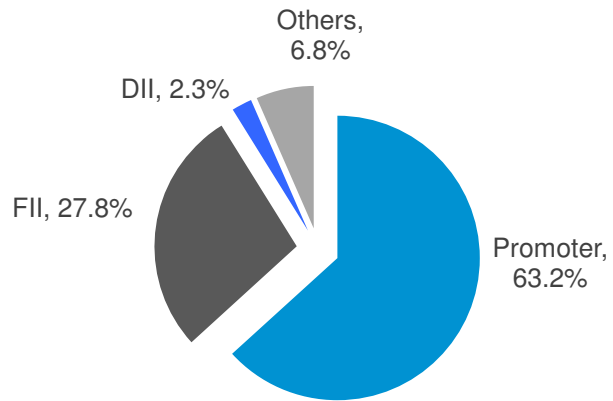
GCPL SELECTED AS AN INDEX COMPONENT OF THE DOW JONES SUSTAINABILITY INDICES (DJSI)

We are one of the twelve Indian companies to be selected as a member of DJSI in Sep'19



Over 800 companies from emerging markets were assessed out of which 98 companies including 12 from India made it to the DJSI Emerging markets 2019 index

SHAREHOLDING PATTERN



WE REMAIN LASER FOCUSED ON EXECUTING OUR KEY PRIORITIES

- #1 Extending leadership in our core categories and geographies
- #2 Accelerating innovation and building purposeful brands
- #3 Leveraging digital
- #4 Enhancing go-to-market
- #5 Making our supply chain best-in-class
- #6 Fostering an inclusive, agile and high-performance culture
- #7 Building a more inclusive and greener world

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THANK YOU FOR YOUR TIME AND CONSIDERATION