

Performance Update - 1Q FY20

August 1, 2019



PERFORMANCE UPDATE

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1QFY20 FINANCIAL PERFORMANCE

Growth y-y	Consolidated Business	India Business	International Business
Net Sales – Reported	(5%)	1%	(11%)
Volume		5%	
Net Sales – Comparable*	2%	1%	3%
Net Sales – Constant Currency – Comparable*	4%	1%	9%
EBITDA – Comparable*	7%	8%	5%
EBITDA – Comparable – Constant Currency*	8%	8%	8%
Net Profit – Reported	1%	9%	(9%)
Net Profit without exceptional and one-off items*	(3%)	6%	(27%)

EXCEPTIONAL AND ONE-OFF ITEMS

	1QFY20			1QFY19		
	Consolidated	India	International	Consolidated	India	International*
Reported net profit	408	240	167	405	220	184
Exceptional (post tax):						
Restructuring cost in LatAm & GAUM	3		3	4		4
Balance proceeds from divestment of UK business	(3)		(3)			
Others				0.4		0.4
Deferred Tax Asset	(116)	(7)	(110)	(96)		(96)
Net Profit without exceptional and one-off items	291	233	57	313	220	92

All values in ₹ crore

* Includes Europe business divested w.e.f Sept'18

BRIDGE BETWEEN REPORTED TO OPERATING EBITDA

	India	International	Indonesia	GAUM	Others
1QFY20 Reported EBITDA Margin	23.9%	14.1%	23.1%	11.1%	1.8%
Business support charges, Royalty & Technical fees (₹ crore)	(7.6)	7.6	1.7	4.7	1.1
1QFY20 Adjusted EBITDA Margin	23.3%	14.9%	23.6%	11.9%	2.6%
1QFY19 Adjusted EBITDA Margin*	21.9%	14.5%	22.2%	13.3%	(2.8)%
Change in EBITDA Margin (bps)	140	40	140	(140)	540

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

KEY BALANCE SHEET DATA

Particulars	Units	June 30, 2019	June 30, 2018	March 31, 2019
Working Capital ex-Cash*	₹ crore	347	591	272
Working Capital*	Days	14	22	10
Cash & Equivalents	₹ crore	1,101	2,053	1,376
Debt denominated in INR	₹ crore	273	495	-
Debt denominated in USD	₹ crore	2,696 (USD 388)	3,552 (USD 514)	3,160 (USD 455)
Debt denominated in other currencies	₹ crore	243	267	222
Total Debt	₹ crore	3,213	4,284	3,382
Other Financial Liabilities	₹ crore	459	1,059	460
Shareholder's Equity	₹ crore	7,381	6,089	7,267
Capital Employed*	₹ crore	10,295	11,336	10,405
Net Debt / Equity	x	0.35	0.54	0.34
ROE*	%	17.6%	20.6%	22.5%
ROCE*	%	16.7%	15.3%	19.8%
Operating ROCE*	%	59.1%	43.8%	68.9%

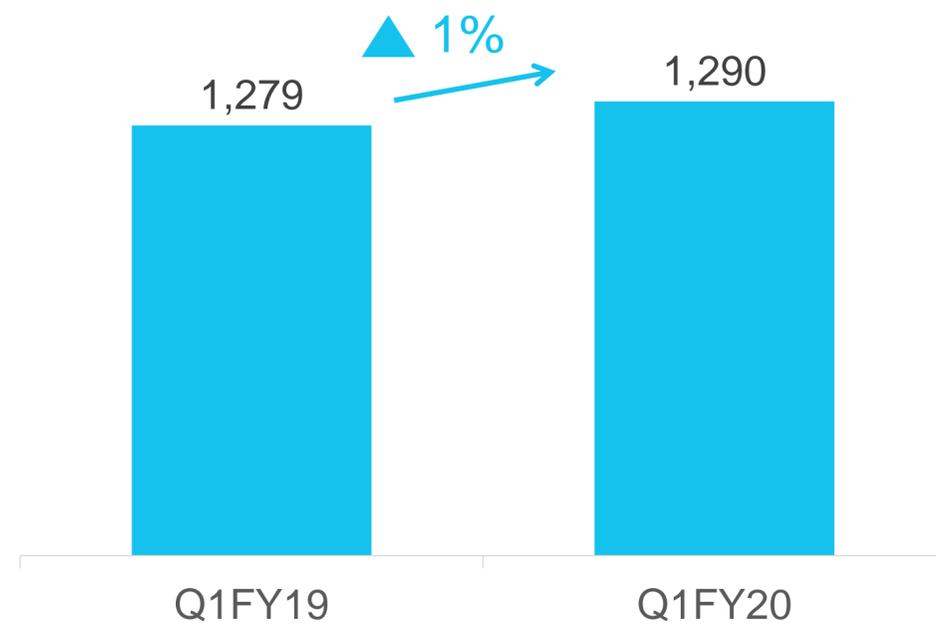
* Excluding MAT credit entitlement and one time deferred tax

PERFORMANCE UPDATE

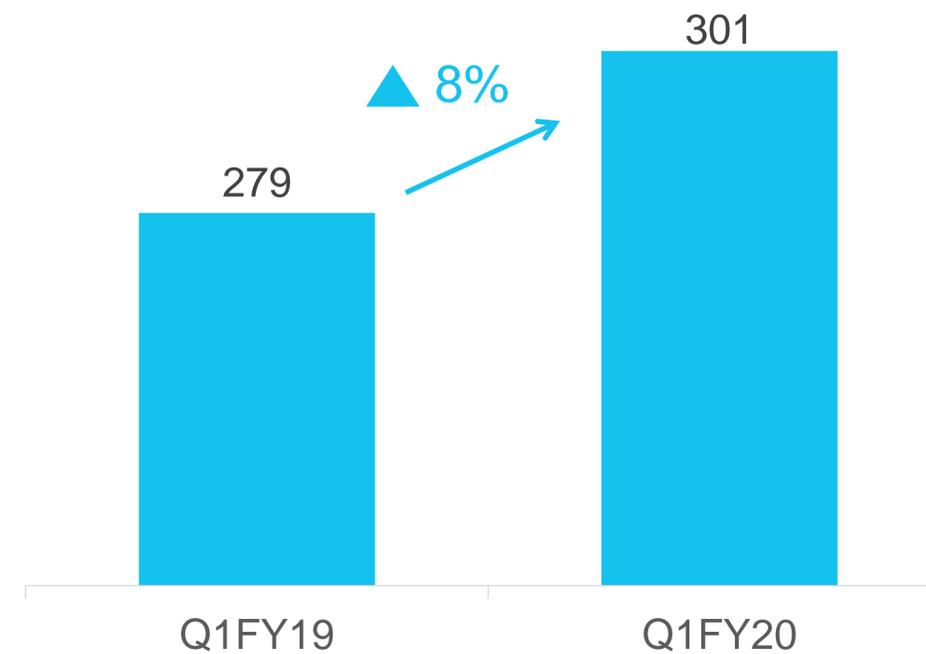
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STEADY SALES VOLUME GROWTH OF 5%

- Volume growth of 5% (2 year CAGR 10%); value growth of 1% (2 year CAGR 8%)
- Continue to witness general consumption slowdown; hopeful of gradual recovery in coming quarters
- Volume growth led by new product launches, effective marketing campaigns and consumer offers
- EBITDA growth of 8% (margin expansion of 140 bps y-y) driven by gross margin expansion and lower variable linked remuneration in employee cost



Net Sales



Adjusted EBITDA

IMPROVEMENT IN VOLUME GROWTH TRAJECTORY

India Business	Sales ₹ crore	Growth year-on-year
Soaps	556	3%
Household Insecticides	427	(4)%
Hair Colours	181	Flat
Other Brands	146	20%
Unbranded and Exports	62	13%
Total	1,372	2%
Sales and trade promotion spends, etc. to be netted off from Sales as per Ind AS	(82)	33%
Sales	1,290	1%
Volume Growth		5%

ALL ROUND STRONG PERFORMANCE IN SOAPS

- Sales growth of 3% led by strong volume growth; 2 year value CAGR of 7%
- Continue to gain market shares
- Focus on micro marketing initiatives for scaling up growth



EXPECT GRADUAL RECOVERY IN HOUSEHOLD INSECTICIDES

- Sales decline of 4%; 2 year sales CAGR of 7%
- Naturals neem incense stick scaled up to six states as of July'19 backed by marketing investments; accelerated PR efforts on illegal incense sticks
- Driving volume growths in electrics through consumer offers
- Strong NPD pipeline, innovations planned for H2FY20



SOFT PERFORMANCE IN HAIR COLOUR DRIVEN BY GENERAL SLOWDOWN

- Sales growth flat during the quarter; 2 year CAGR of 6%
- Godrej Expert Rich Crème performed well during the quarter
- Launched Godrej Expert Easy 5 minute shampoo hair colour in Southern states

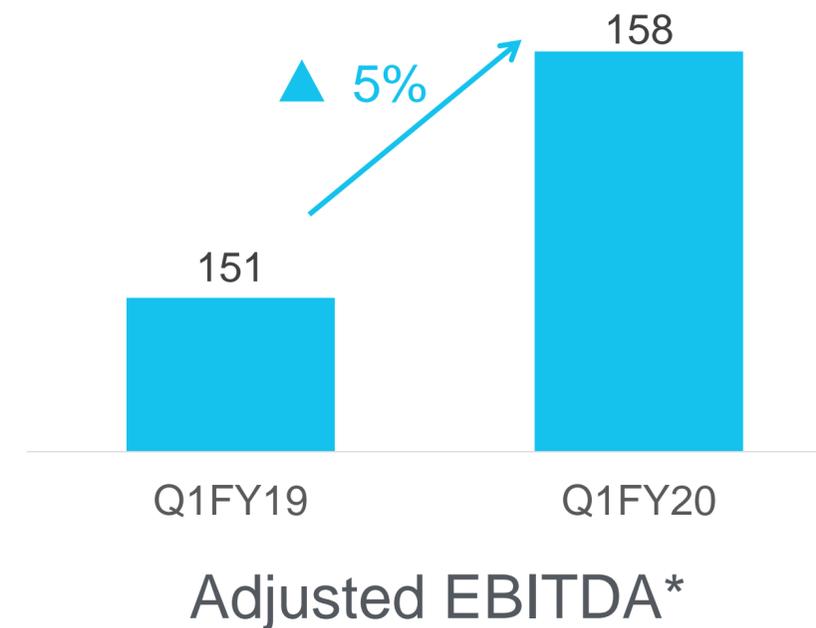
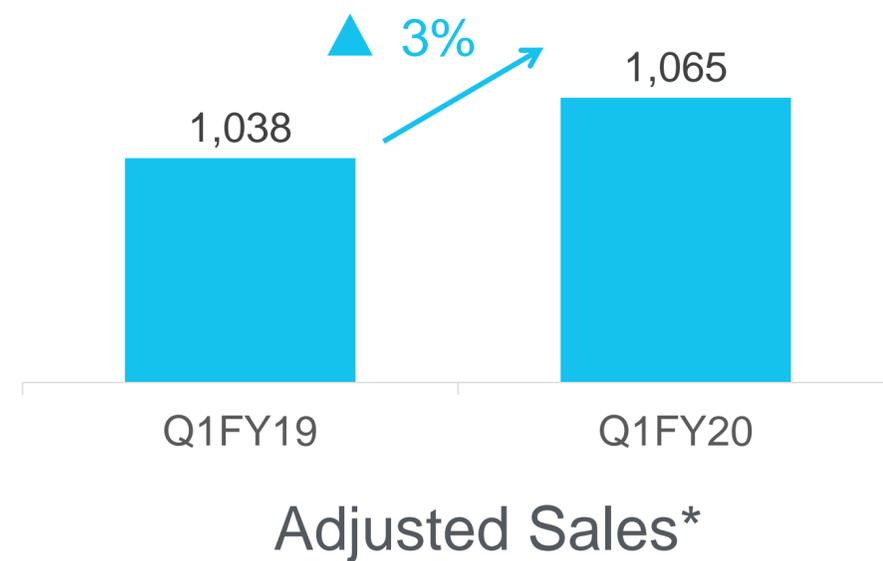


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MIXED PERFORMANCE IN INTERNATIONAL BUSINESS

- International business delivers constant currency sales growth* of 9%
- Adjusted EBITDA* margin of 14.9% increases by 40 bps year-on-year



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

All values in ₹ crore

MIXED PERFORMANCE IN INTERNATIONAL BUSINESS

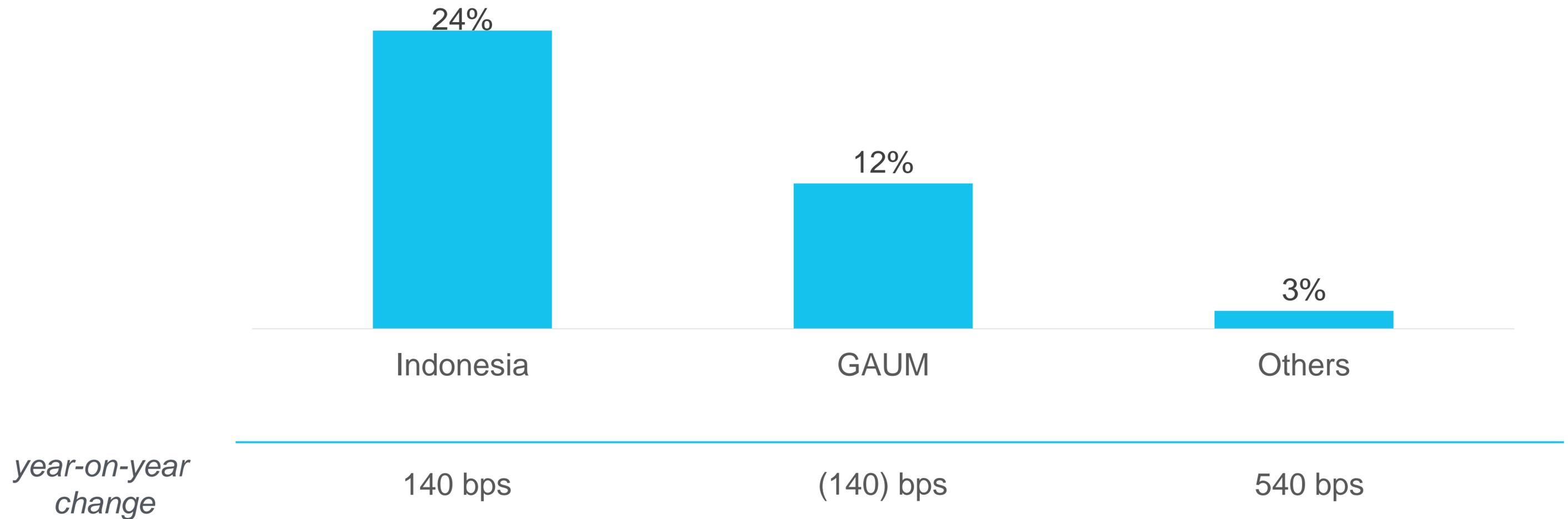
International Business	Sales ₹ crore	Growth year-on-year	Constant Currency Growth year-on-year
Indonesia	372	5%	4%
GAUM	562	(1)%	2%
Others	131	10%	56%
Total Net Sales	1,065	3%	9%

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

MARGIN EXPANSION IN INDONESIA AND LATAM; CONTINUE WITH UPFRONT MARKETING INVESTMENTS IN GAUM

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

DELIVERED MID SINGLE DIGIT PROFITABLE SALES GROWTH IN INDONESIA

- Sales growth of 4% in constant currency terms led by Air Fresheners
- Sales growth partially impacted by Modern Retail channel
- Focus on stepping up innovation momentum across categories and gradual expansion of General Trade distribution (Project RISE) to drive healthy growth going ahead
- Adjusted EBITDA margin expanded by 140 bps led by gross margin expansion



MIXED PERFORMANCE IN GAUM CLUSTER

- Sales growth of 2% in constant currency terms; Africa growth of 4% in constant currency terms
- South Africa off to a good start with double digit sales growth; adverse macro conditions in smaller markets impacted growth
- Both dry hair (~52% of the overall sales) and rest of the portfolio grew in low single digits
- Gained market share in Wet Hair Care in Kenya and South Africa
- Adjusted EBITDA margin decreases 140 bps y-y mainly driven by upfront marketing investment
- Scaling up Wet hair care and non-braids portfolio within dry hair to drive sustainable and profitable sales growth in coming quarters



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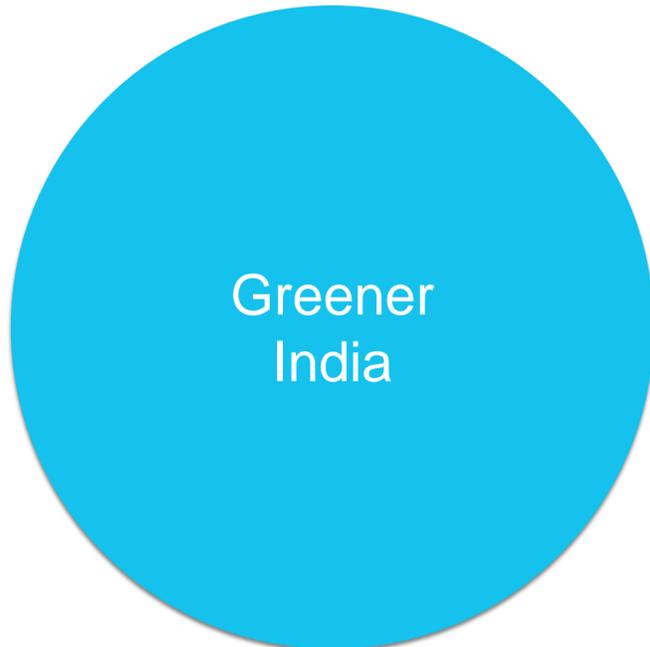
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OUR GOOD & GREEN COMMITMENT



Ensuring
Employability

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



Greener
India

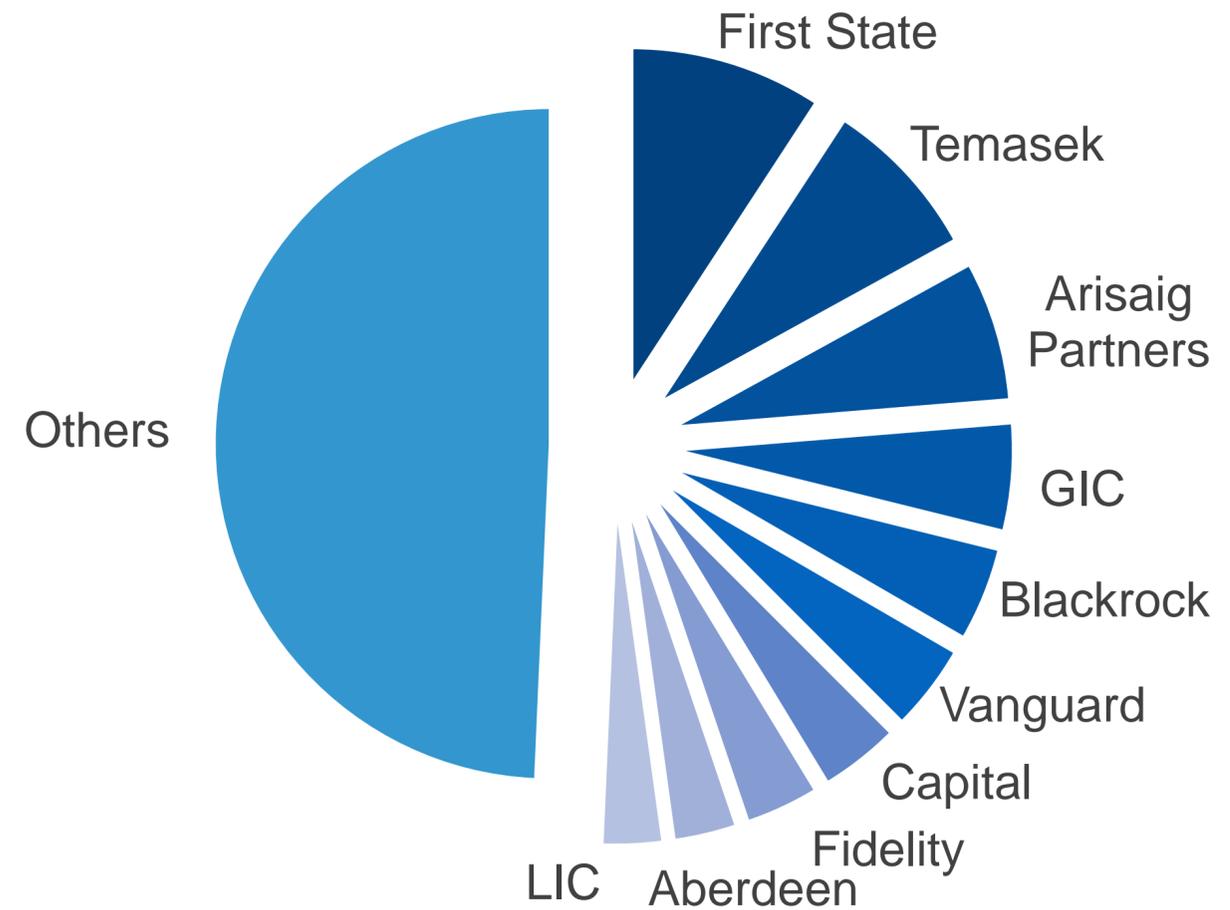
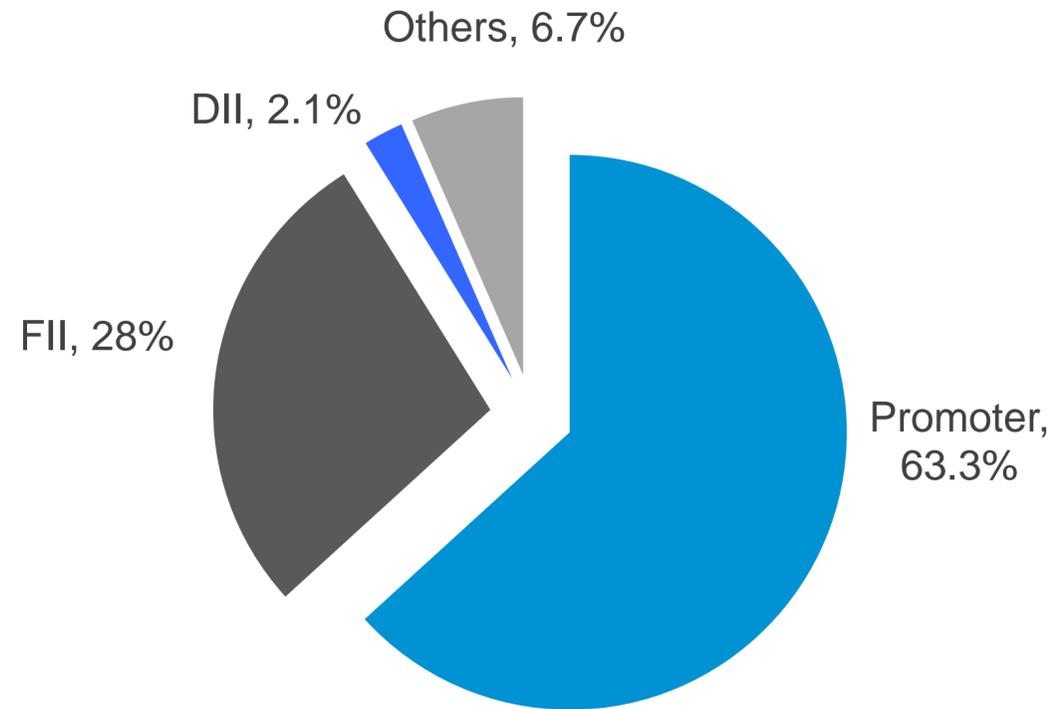
Achieve zero waste to landfill, carbon neutrality and a positive water balance, while reducing specific energy consumption and optimising the use of renewable energy



Product
Innovation

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

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