

Q3FY2023 Investor and Analyst Performance Update

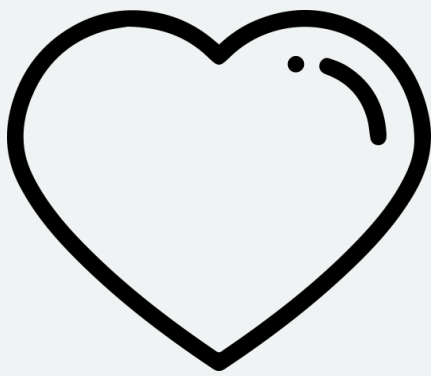
31 January, 2023



Disclaimer

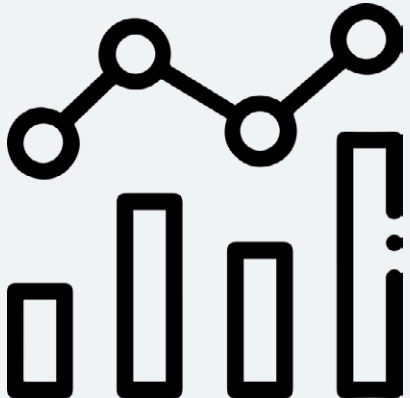
Some of the statements in this communication may be forward looking within the meaning of applicable laws and regulations. Actual results might differ substantially from those expressed or implied. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation, and labour relations.

Our purpose and strategy



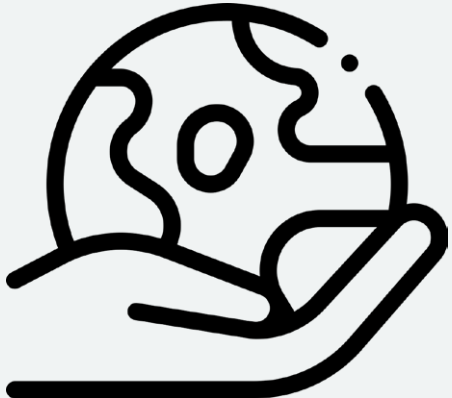
Purpose

Bring the goodness of health and beauty to consumers in emerging markets



Business aspiration

Drive penetration-led volume growth through category development



Environmental, social, and governance (ESG)

Become sustainability leaders, influence sustainable consumption, and drive social impact

KEY HIGHLIGHTS

Double-digit constant currency sales growth with margin expansion

Consolidated Sales growth **9% (15% CC)**

India Sales growth **11%**

Consolidated Volume Growth **1%**

India Volume Growth **3%**

Consolidated EBITDA growth **10%**

India EBITDA Growth **20%**

1

Sharp sequential uplift in Underlying Volume Growth:
Consolidated 1% year-on-year
India 3% year-on-year

2

Broad-based growth:
India 11%
Africa, USA & Middle East 23% CC
Indonesia (3)% CC; ex-Hygiene 2% CC
Latin America & SAARC 47% CC

3

Meaningful recovery in Consolidated EBITDA Margins at **21.5% (10% growth)**; 440 bps increase sequentially and 20 bps year-on-year
EBITDA + Working Media Margins increase 110 bps (13% growth)

Healthy quality of profits with **Gross Margin expansion of 330 bps quarter-on-quarter, 50 bps year-on-year** and increase in **Working Media investment by 28% year-on-year**

**FINANCIAL
PERFORMANCE
UPDATE**

Q3 FY2023: Financial performance

Growth (year-on-year)	Consolidated Business	India Business
Underlying Volume Growth	1%	3%
Net Sales (Reported)	9%	11%
Net Sales (Constant Currency)	15%	-
EBITDA	10%	20%
EBITDA + Working Media	13%	22%
Net Profit (Reported)	4%	21%
Net Profit (Without exceptional and one-off items)	13%	28%

Q3 FY2023: Exceptional and One-off Items

Consolidated Business	Q3 FY2023	Q3 FY2022
Net Profit (Reported)	546	528
<i>Exceptionals (Post tax)</i>		
Restructuring cost	6.3	1.6
Deferred Tax - Change in maximum marginal tax rate in India and Indonesia	0.2	(24.4)
Reversal of impairment on investment (BBLUNT in India)	-	(15.4)
Net Profit (Without exceptional and one-off items)	553	489

Note: All values are in ₹ crore and rounded off

Q3 FY2023: Double-digit constant currency sales growth driven by healthy performance across clusters

Geography	Sales (₹ crore)	Growth (Year-on-Year)	Constant Currency Growth (Year-on-Year)
India	1,975	11%	-
Indonesia	433	(3)%	(3)%
<i>Indonesia ex-Hygiene</i>	-		2%
Africa, USA and Middle East	1,006	14%	23%
Latin America and SAARC	181	(8)%	47%
Total Net Sales	3,568	9%	15%

Note: Total Net Sales includes the impact of contra and inter company eliminations

Q3 FY2023: Healthy quality of profits

	India	Indonesia	Africa, USA & Middle East	Latin America & SAARC
Q3FY23 Reported EBITDA Margin	27.6%	19.7%	12.7%	5.4%
Business support charges, Royalty & Technical fees (₹ crore)	(4.9)	1.9	3.7	(0.7)
Q3FY23 Operating EBITDA Margin	27.3%	20.1%	13.0%	5.0%
Q3FY22 Operating EBITDA Margin	25.2%	21.2%	14.7%	12.6%
Change in EBITDA Margin (bps)	210	(100)	(160)	(760)
Change in EBITDA + Working Media Margin (bps)	320	(50)	(40)	(850)

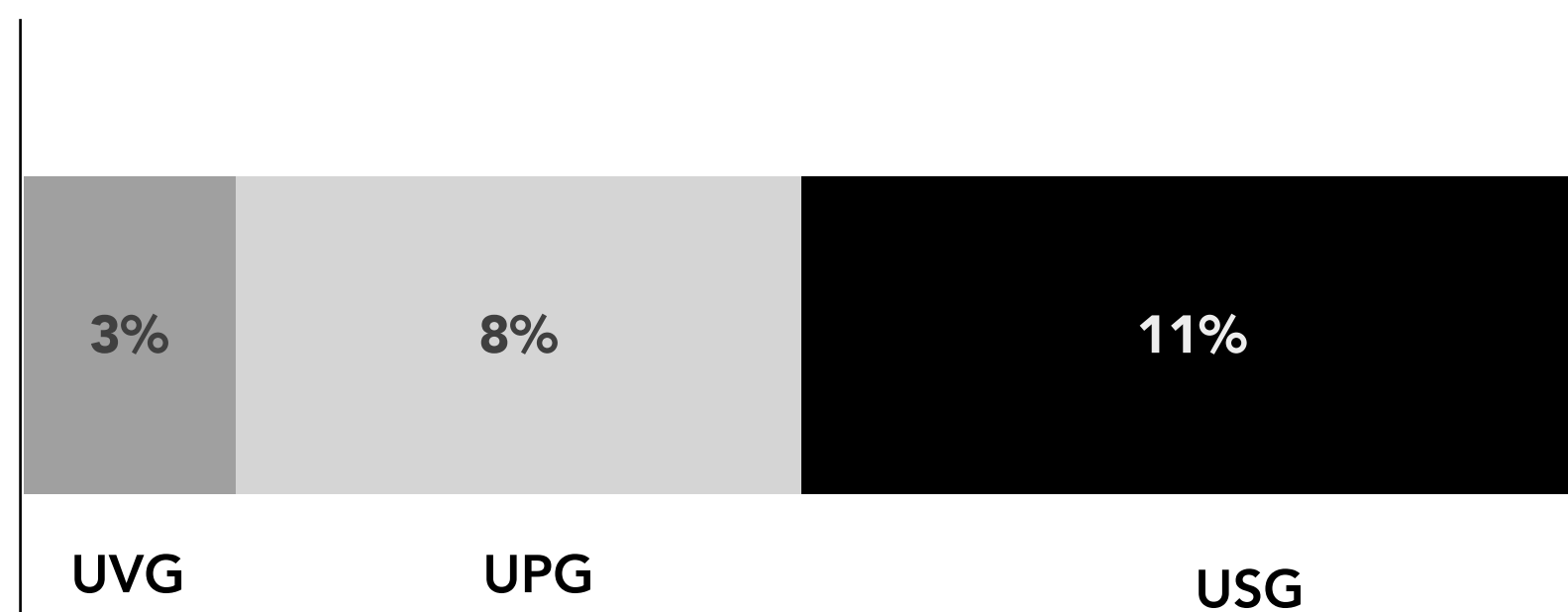
INDIA BUSINESS UPDATE

Double-digit sales growth and robust margin improvement

Financial performance

- **Double-digit sales growth of 11%**
- **Broad-based double-digit growth in both Home Care and Personal Care**
- **Robust margin recovery; EBITDA margins in India at 27.3%**; expanded by **210 bps** year-on-year. Quality of profits continue to improve with significant Gross Margin expansion of 590 bps quarter-on-quarter, 250 bps year-on-year and increase in Working Media investment by 28% year-on-year

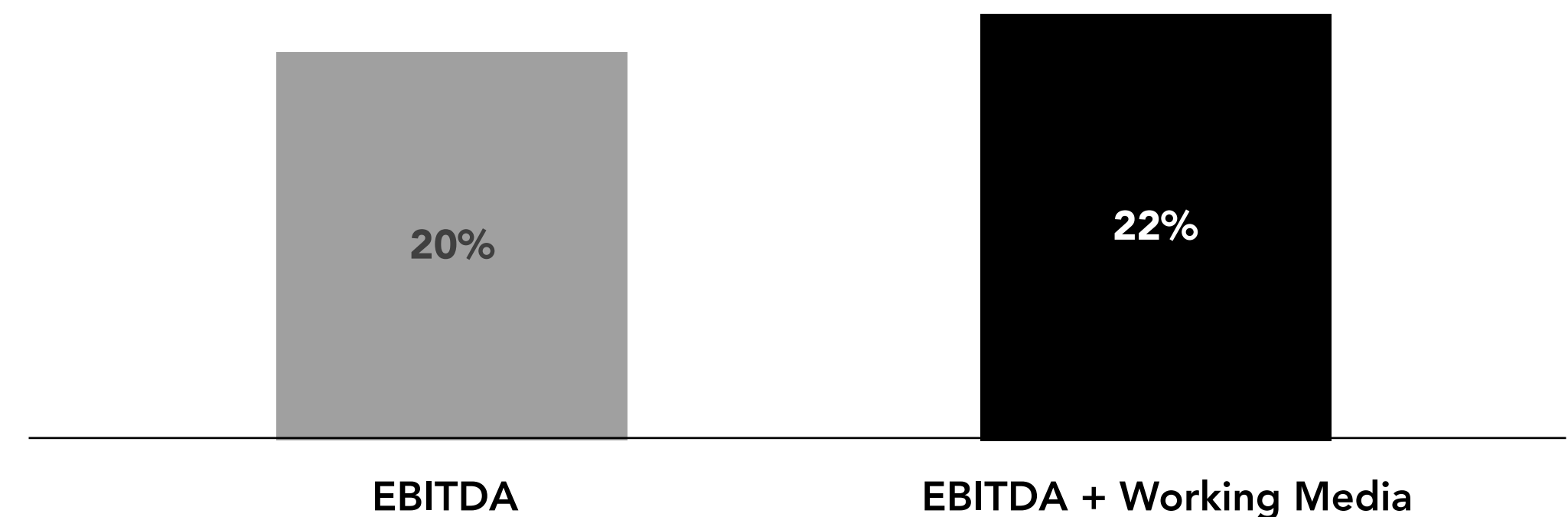
Sales growth



Operating performance

- With commodity pressures abating, we expect gradual recovery in consumption, expansion in gross margins, upfront marketing investments and improvement in profitability in the coming quarters.

Growth



Broad-based double-digit growth in both Home Care and Personal Care

Category	Sales (₹ crore)	Q3 Growth (Year-on-year)
Home Care	1,000	10%
Personal Care	875	14%
Unbranded and Exports	100	(9)%
Total Net Sales	1,975	11%
Volume Growth	–	3%

Home Care (1/2): Steady Household Insecticides performance

- Third consecutive quarter of improvement in **Household Insecticides** performance
- Growth during the quarter was led by premium formats of electrics and aerosols
- Non-mosquito portfolio continues to grow ahead of mosquito portfolio
- We continue to drive category adoption and penetration for long-term sustainable growth



Home Care (2/2): Robust performance in Air Fresheners

- **Air Fresheners** continue to deliver strong double-digit growth momentum
- We continue to grow ahead of the category and enjoy market leadership position
- Aer Matic is scaling up well, backed by category development investments and an increase in penetration and distribution



Personal Care (1/2): Double-digit growth in Personal Wash & Hygiene continues

- Continued double-digit growth momentum and share gains in **Personal Wash & Hygiene**
- Growth driven by micro-marketing initiatives and consistent marketing investments
- Godrej No. 1 becomes the second largest brand by volume



Personal Care (2/2): Strong performance continues in Hair Colour

- Hair Colour witnessed growth in teens
- Godrej Expert Rich Crème continues to perform well, driven by strong marketing and influencer campaigns
- Access pack of Godrej Expert Rich Crème at INR 15 is receiving an encouraging response, driving penetration and upgrades from other formats



GERC Festive Influencer Campaign

Ft. Daisy Shah, Nikki Tamboli, Hina Khan and 28 other regional influencers



Daisy Shah

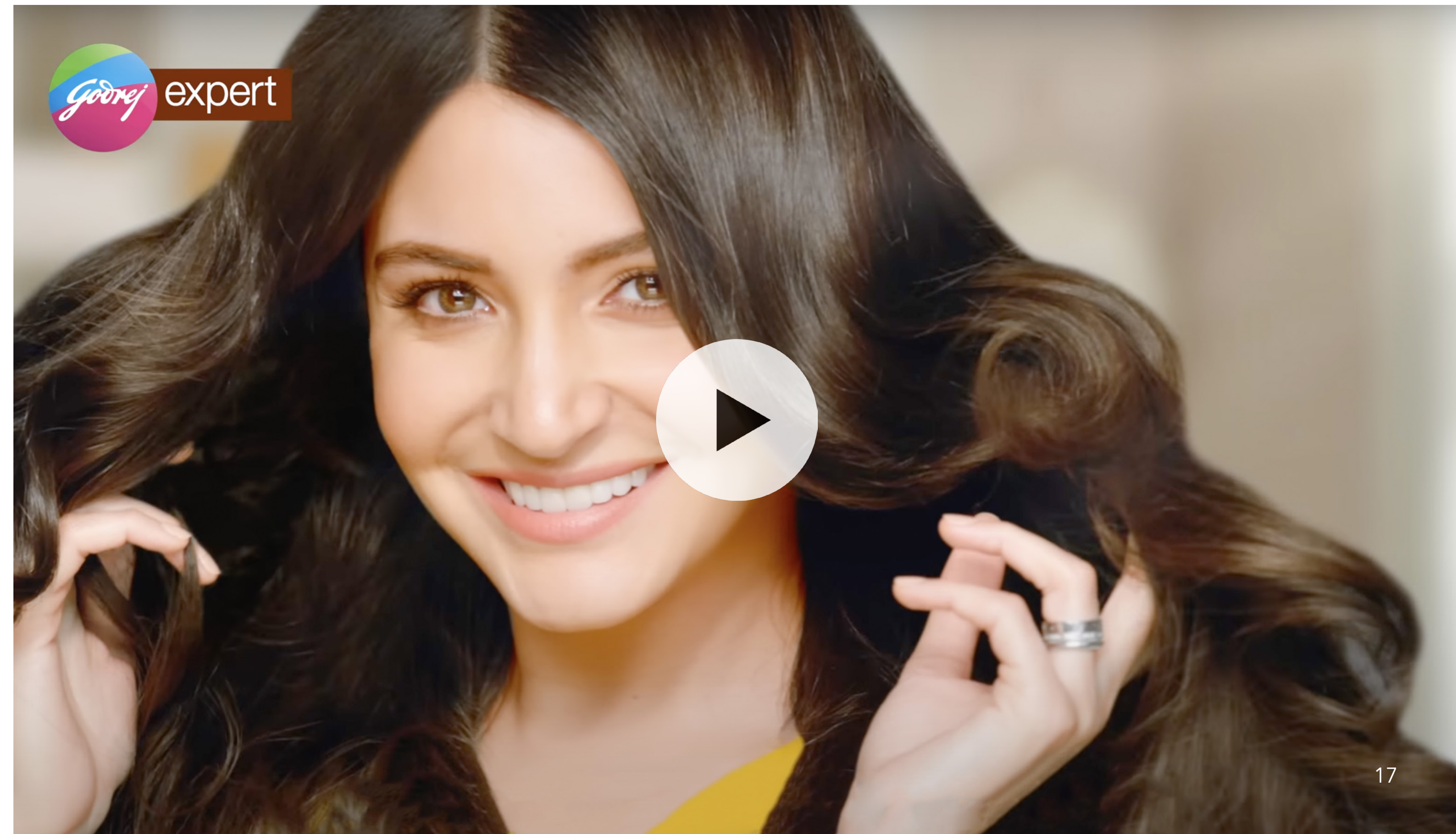


Nikki Tamboli



Hina Khan

#TyohaarMeinDekhbhaal
#GodrejExpertRichCrème



**NEW LAUNCH
HOUSEHOLD
INSECTICIDES**

Household Insecticides presents immense long-term potential to increase penetration and up-trade Burning Format households

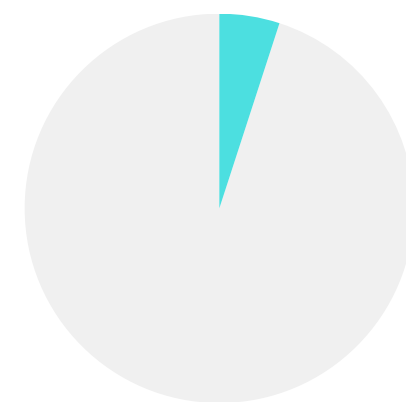
27%

All-India penetration of Liquid Vapourisers



5%

Urban penetration of Aerosols



~110mn

Households still use only Burning Formats



~120mn

Households do not use any Household Insecticide product



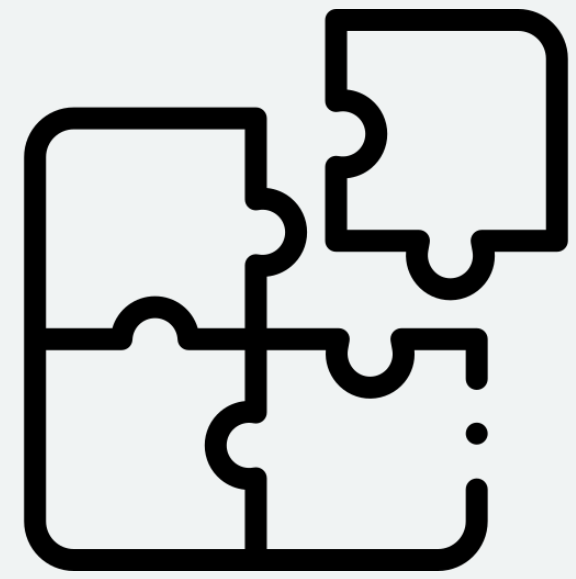
Reasons for low penetration of the Household Insecticides category:

Affordable burning format solutions risk fire hazards and emit smoke

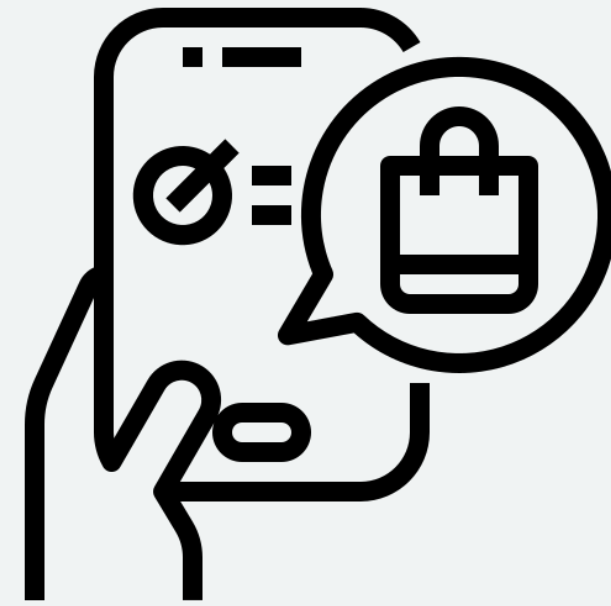
Premium solutions are expensive

Lack of awareness

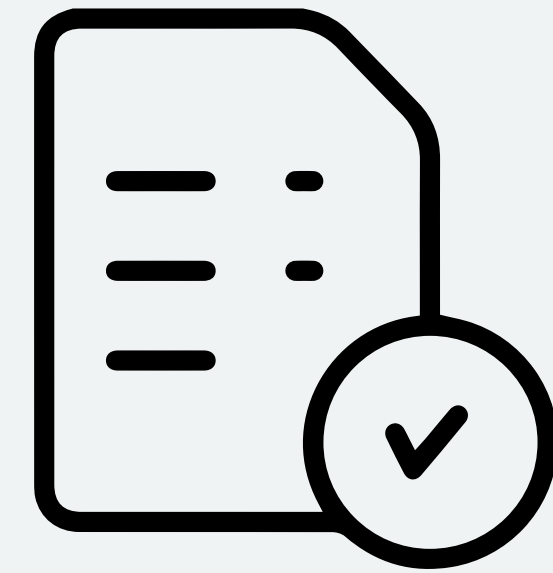
Pivots of driving category development and penetration



Relevance



Accessibility



Trials

With impetus on building relevance and driving accessibility, we reimagined product design to meet consumer needs at a disruptive price point and democratise the premium formats.

Democratising Liquid Vapourisers

Affordable

Breaks the price barrier of premium formats

Safe

No smoke

Effective

All-night protection

Convenient

Simple plug- and-play format

Who will this product appeal to:

Up-trade
Burning Format households

Recruit new households



Introducing the world's most affordable anti-mosquito spray solution

Affordable

Cheapest spray solution in the world

No-gas spray

A concentrated solution that lasts longer

Convenient

Easy-to-use format

Effective

Instant protection and knock-down effect

Who will this product appeal to:

Instant protection during high-mosquito infestation

Recruit new households

₹50



**INTERNATIONAL
BUSINESS
UPDATE**

Gradual recovery in Indonesia

- Sales declined by 3% (CC); growth ex-Hygiene (Saniter) was 2% (CC)
- EBITDA margins at 20.1%, decreased by 100 bps year-on-year due to upfront higher marketing investments and scale deleverage
- Continue to put building blocks in place to drive category development and general trade distribution expansion

AIR FRESHENER

Stella

Matic

Menebarkan **keharuman istimewa** secara otomatis.



Jika ruangan bisa bicara, mintanya pasti **Stella**.

The image shows a white Stella Matic air freshener on a wooden table in a living room. A blue sofa with two orange heart-shaped cushions is visible in the background. Purple light trails emanate from the device, suggesting it is dispersing fragrance.

Jika ruangan bisa bicara, mintanya pasti **Stella**.



Stella
Fresh + Protect
Pocket

5 keharuman istimewa untuk kamar mandi wanginya tahan hingga 30 hari.

The image shows a white Stella Fresh + Protect Pocket air freshener in a bathroom. The toilet has a red rose on the seat and a pair of eyes on the tank. Purple light trails emanate from the device. A purple box with floral patterns and the Stella logo is shown in the foreground.

HIT

BUNUH NYAMUK SEKETIKA*



Gratis
Generasi **BARU**
HIT
Anti Nyamuk dan Kecoa
Wangi Lily Blossom

BARU
Rp 12.000
UKURAN 180ML

Rp 12.000
UNTUK 30 MALAM

*nyamuk Aedes aegypti, jatuh pada menit ke 1

The image shows a woman in a black outfit performing a high kick, with a large mosquito silhouette in the background. Two cans of Hit mosquito repellent are shown in the foreground. The cans are purple and blue, with the Hit logo and product details.

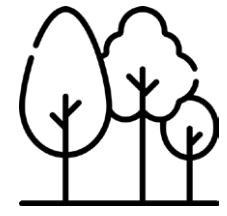
Africa, USA & Middle East continues to consistently deliver double-digit sales growth

- Robust double-digit sales growth of 23% (CC); eleventh running quarter of double-digit sales growth
- Broad-based double-digit growth in the Dry Hair and FMCG categories
- Strong sales growth momentum continues in Southern and West Africa
- EBITDA margins at 13%; contracted by 160 bps year-on-year due to significant increase in working media investment



**ENVIRONMENTAL,
SOCIAL, AND
GOVERNANCE
UPDATE**

Our ESG targets for FY2025 and Q2 FY2023 performance



Environment*

Vision	Goals for FY2025	Performance update
<p>Influence sustainable consumption</p>	<p>Ensure efficient waste management systems for 3 municipalities in India impacting 3 million people</p> <hr/> <p>Achieve Sustainable Packaging targets - 20% intensity reduction; 10% post consumer recycled plastic (this target will be revised based on the new, more stringent plastic use guidelines); 100% reusable, recyclable and compostable packaging</p> <hr/> <p>Ensure one-third of all products are greener than in 2020 by carrying out lifecycle assessments (LCA) for major products (80% coverage by revenue)</p> <hr/> <ul style="list-style-type: none"> • Cover 75% of GCPL suppliers in India (by procurement spends), and 50% for our other geographies, under our sustainable supply chain policy. • Source 100% of paper packaging from sustainable sources. <hr/> <p>Partner with consumers and customers to promote sustainable consumption of our green products</p>	<p>Community waste management project ongoing in 1 municipality. Covered 1,74,000 people and diverting over 2 MT of waste per day.</p> <hr/> <p>3.5% virgin plastic replaced with PCR 6% reduction in plastic intensity</p> <hr/> <p>Completed LCAs of 7 products that cover over 50% of our revenues</p> <hr/> <p>72% of India suppliers (by spend volume) covered under our sustainable supply chain policy and are being assessed.</p> <hr/> <p>–</p>

Note: *India targets reported. We have similar targets for international locations.

Our ESG targets for FY2025 and Q2 FY2023 performance



Environment*

Vision	Goals for FY2025	Performance update
<p>Lead in sustainability action</p>	<p>45% reduction in GHG emission intensity (to be revised based on SBTi) and carbon neutrality for Scope 1 & 2 from FY11 baseline</p> <hr/> <p>40% reduction in specific energy consumption from FY11 baseline</p> <hr/> <p>Achieve 35% renewables in energy mix</p> <hr/> <p>Maintain 40% reduction in water intensity while maintaining water positivity</p> <hr/> <p>Achieve zero liquid discharge and maintain zero waste to landfill</p> <hr/> <p>Announce our commitment towards the global Science Based Targets initiative (SBTi) and publish our roadmap and targets for emissions reduction</p> <hr/> <p>Achieve 100% EPR compliance</p>	<p>39.5% reduction in GHG emission intensity</p> <hr/> <p>39.5% reduction in specific energy consumption</p> <hr/> <p>26.7% of energy is from renewables</p> <hr/> <p>29% reduction in water intensity and continuing to be water positive</p> <hr/> <p>Continue to be zero waste to landfill</p> <hr/> <p>SBT emissions reduction targets and roadmap have been created and submitted to SBTi, they are under validation</p> <hr/> <p>On track</p>

Note: *India targets reported. We have similar targets for international locations.

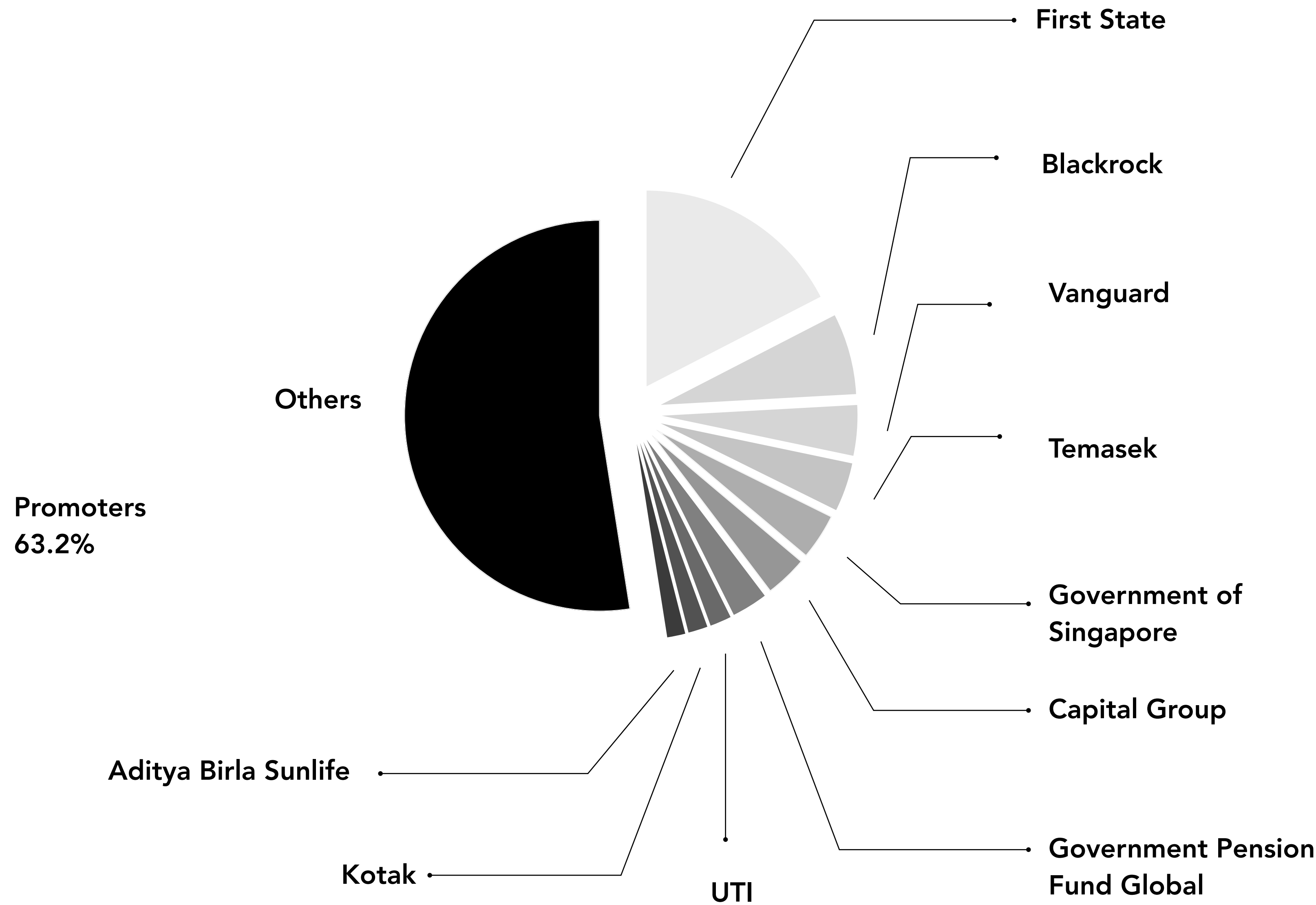
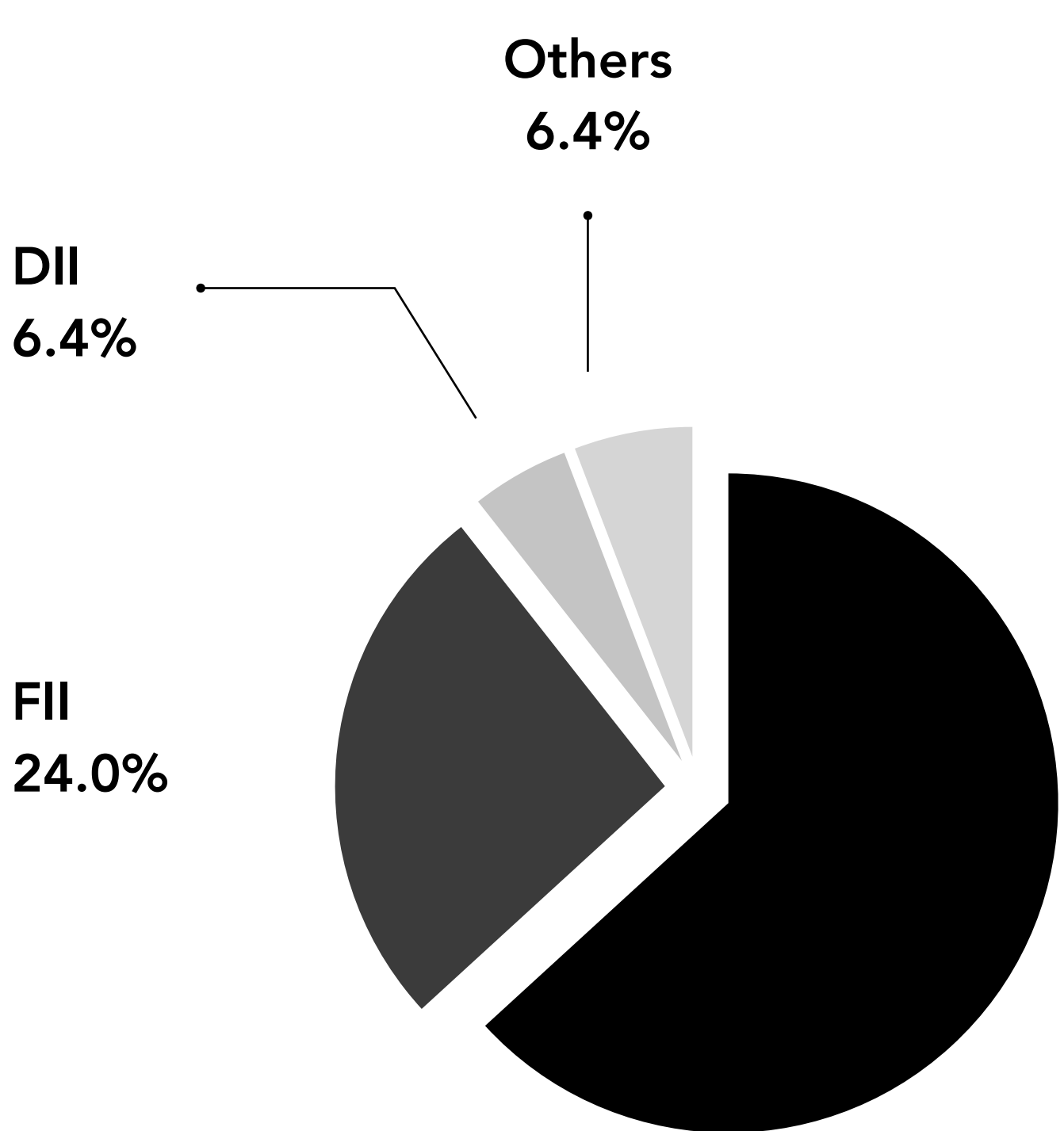
Our ESG targets for FY2025 and Q2 FY2023 performance



Vision	Goals for FY2025	Performance update
<p>Equip communities with skills that empower</p>	<p>Empower 200,000 women in beauty skills, across emerging markets globally</p>	<p>Trained and upskilled 9,968 women beauty entrepreneurs, young girls, and men in India and Africa in beauty and hair styling skills and enterprise development. For our Salon-i programme with young girls, we reported an average income increase between 23-35%.</p> <p>Initiated Salon-i training for young people with disabilities and transgender communities in Mumbai and Lucknow.</p>
<p>Improve health and well-being</p>	<p>Strengthen public healthcare systems in three states in India</p> <hr/> <p>Protect 30 million people against vector-borne diseases</p>	<p>Due to the efforts of the Uttar Pradesh (UP) government and our EMBED programme, the state transitioned to Category-1 from Category-2 and is one of the top 10 states with the lowest malaria cases. EMBED’s contribution has been formally acknowledged by the Health Ministry of Uttar Pradesh. Moreover, there is a 4% reduction in incidence of dengue and chikungunya in the state and a 48% reduction in case fatality rate for dengue.</p> <hr/> <p>On track. Reached out to over 11.5 million people. In Q1, covered over 1,108 villages and 1,84,000 households for urban dengue in Madhya Pradesh, Uttar Pradesh and Chhattisgarh. Our Urban dengue programme has helped reduce incidence by 39% in intervention geographies.</p>

APPENDIX

Shareholding pattern



Contact Us

Institutional investors

Tapan Joshi

Email: Tapan.joshi@godrejcp.com

Tel: +91 22 2519 5433

Retail investors

R Shivshankar

Email: r.shivshankar@godrejcp.com

Tel: +91 22 2519 4359

Thank you

