

Q1FY2022 Investor and Analyst Performance Update

4 August, 2021



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.

Our Purpose and Strategy



Purpose

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



Business Aspiration

Drive profitable double-digit growth led by innovation and distribution opportunities



Environmental, Social, and Governance (ESG)

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

KEY HIGHLIGHTS

Strong start to the year; double-digit profitable sales growth of 24%; 2-year CAGR of 11%

Consolidated
Sales growth

24% (25% CC)

India Sales
growth

19%

Consolidated
EBITDA growth

29%

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

3 **Home Care** delivers strong growth of **14%**

5 **Consolidated EBITDA margins** at **21.3%** (29% growth); margins increase by **90 bps**

2 Strong growth across clusters except Indonesia; **India 19%**; **Africa, USA & Middle East 60% (CC)**; **Latin America & SAARC 48% (CC)**; **Indonesia 0% (CC)**

4 Strong growth momentum continues in **Personal Care**; **29% growth**

6 Navigating the second wave of **COVID-19**

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

HOME CARE



14%

PERSONAL CARE



29%

2 Strong growth across clusters except Indonesia; **India 19%**; **Africa, USA & Middle East 60% (CC)**; **Latin America & SAARC 48% (CC)**; **Indonesia 0% (CC)**



Q1FY2022
Performance

Note: *Includes SAARC; CC - Constant Currency

3 Home Care delivers strong growth of 14%

- **Household Insecticides:** Strong performance; backed by successful innovation and full portfolios across formats and price points
- **Air Fresheners:** High growth on a low base; being discretionary, it should continue to witness gradual recovery
- **Home Hygiene:** Scaling up portfolio

Disease prevention advertising

HIT

THIS MONSOON, KILL THE KILLER

END DENGUE AND MALARIA BEFORE THEY STRIKE

KILLS MOSQUITOES INSTANTLY

*200ml

ప్రజాహితం కోసం జాబీ

Good knight

ఈ వర్షాకాలంలో డంగూ, మలేరియా నంచి ఎలా రక్షించుకోవాలి

STEP 1 నీరు నిలవ కాకండా చూసుకోండి

STEP 2 దోమ తెరలన వాడండి

STEP 3 చేతులన పూరింగ్ కమ్మ ఉంచే దుసులి న వేసుకోండి

STEP 4 ఇంట్లో చెతి పేరుకోకండా పొరేయండి

STEP 5: ఏదైనా ప్రఖ్యాత దోమల నివారణ ప్రొడక్ట్ న వాడండి



Goodknight Power Shots in Nigeria

Saniter in Indonesia



aer Power Pocket in India



ProClean in India



4 Strong growth momentum continues in Personal Care; 29% growth

- **Personal Wash & Hygiene:** Growth led by strong performance in India
- **Hair Colours:** High growth on a low base; witnessing recovery in India
- **Hair Care:** Continued robust growth in Africa, USA & Middle East

Godrej Expert Rich Crème in India



Cinthol Soaps in India



Darling Empress range in Nigeria



Protekt in India

5 Consolidated EBITDA margins at 21.3% (29% growth); margins increase by 90 bps

- **Consolidated EBITDA growth of 29%; 2-year CAGR of 15%**
- **Consolidated EBITDA margins at 21.3%**; increase of **90 bps** year-on-year, driven by improvement in Africa, USA & Middle East and Latin America & SAARC margins
- **EBITDA margins in India at 26.2%**; decrease of **110 bps** year-on-year, driven by gross margins drop of **~400 bps** (due to lag between increase in input cost and end consumer price increases), mitigated partly through scale leverage in employee benefit expenses (**~115 bps**) and other expenses (**~100 bps**)
- **EBITDA margins in International business at 14.8%**; increase of **~420 bps** year-on-year driven by scale leverage in Africa, USA & Middle East cluster and Latin America & SAARC margins

6 Navigating the second wave of COVID-19

Continued to adopt a safety-first principle across our ecosystem:

- Supporting team members, their families and our business partners across various geographies to get fully vaccinated
- Helped over 65,000 people get vaccinated at our drives in India
- Donated 100,000 doses of the vaccine to Brihanmumbai Municipal Corporation
- Procured and donated medical supplies to 17 hospitals, certified COVID-19 centres, and public health centres
- Distributed sanitation products worth INR 1.8 crores to strengthen the fight against COVID-19
- Donated an oxygen plant to a 180-bed COVID-19 hospital in Mumbai
- Provided food ration kits to over 7,000 people economically affected by COVID-19 in 9 cities across India
- Extended our InnerHour counselling and therapy support for employees, to frontline medical staff and non-profit partner teams to support their mental health and well-being



Helped over 65,000 people get vaccinated at our drives in India



Partnered with the Indonesian Chamber of Commerce & Industry (KADIN) to get our team members vaccinated

FINANCIAL PERFORMANCE UPDATE

Q1 FY2022: Financial Performance

Growth (year-on-year)	Consolidated Business	India Business
Net Sales (Reported)	24%	19%
Net Sales (Constant Currency)	25%	-
EBITDA	29%	15%
Net Profit (Reported)	5%	20%
Net Profit (Without exceptional and one-off items)	38%	13%

Q1 FY2022: Exceptional and One-off Items

Consolidated Business	Q1 FY2022	Q1 FY2021
Net Profit (Reported)	414	395
<i>Exceptional (Post tax)</i>		
Restructuring cost in Latin America	1.6	4.6
Impairment of investment (BBLUNT in India)	-	15.4
Reversal of contingent consideration in USA	-	(33.2)
Deferred Tax Asset - Indonesia	-	(81.6)
Deferred Tax – Change in maximum marginal tax rate in India	(0.2)	0.4
Net Profit (Without exceptional and one-off items)	415	300

Q1 FY2022: Strong double-digit growth in India, Africa, USA & Middle East and Latin America; weak performance in Indonesia

Geography	Sales (₹ crore)	Growth (Year-on-Year)	Constant Currency Growth (Year-on-Year)
India	1,621	19%	-
Indonesia	411	1%	0%
Africa, USA and Middle East	694	59%	60%
Latin America and SAARC	159	26%	48%
Total Net Sales	2,863	24%	25%

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

Q1 FY2022: Bridge between Reported to Operating EBITDA

	India	Indonesia	Africa, USA & Middle East	Latin America & SAARC
Q1FY22 Reported EBITDA Margin	26.6%	23.0%	9.2%	13.2%
Business support charges, Royalty & Technical fees (₹ crore)	(7.0)	1.6	4.9	0.5
Q1FY22 Operating EBITDA Margin	26.2%	23.4%	9.9%	13.6%
Q1FY21 Operating EBITDA Margin	27.3%	23.6%	(1.8)%	11.2%
Change in EBITDA Margin (bps)	(110)	(20)	1170	240

Q1 FY2022: Healthy Balance Sheet

Particulars	Units	June 30, 2021	June 30, 2020	Mar 31, 2021
Working Capital ex-Cash*	₹ crore	709	213	337
Working Capital*	Days	23	8	11
Cash & Equivalents	₹ crore	1,726	1,292	1,332
Total Debt	₹ crore	2,070	3,023	1,768
Debt denominated in INR	₹ crore	199	70	0.1
Debt denominated in USD	₹ crore	1,575 (USD 212 m)	2,796 (USD 370 m)	1,557 (USD 215 m)
Debt denominated in other currencies	₹ crore	296	157	211
Other Financial Liabilities	₹ crore	247	346	260
Net Debt	₹ crore	591	2,077	696
Shareholder's Equity	₹ crore	10,076	8,381	9,439
Capital Employed**	₹ crore	11,572	10,845	10,666
Net Debt / Equity	x	0.06	0.25	0.07
ROE**	%	17.9%	16.1%	18.9%
ROCE**	%	19.7%	16.4%	21.1%
Operating ROCE**	%	59.3%	61.0%	72.6%

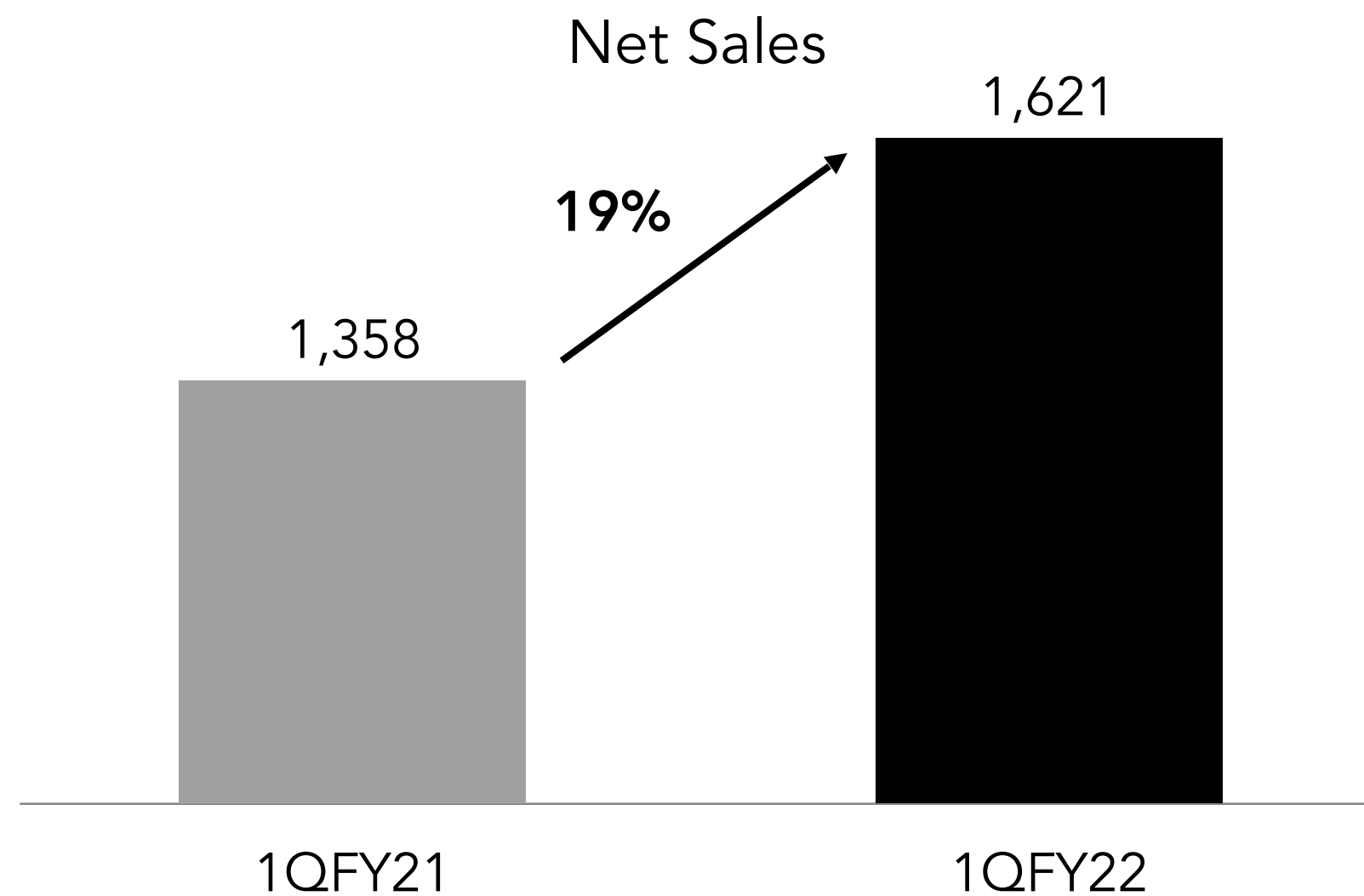
Note: *Excluding MAT credit entitlement, one time deferred tax and other one time exceptions

INDIA BUSINESS UPDATE

Strong double-digit sales growth

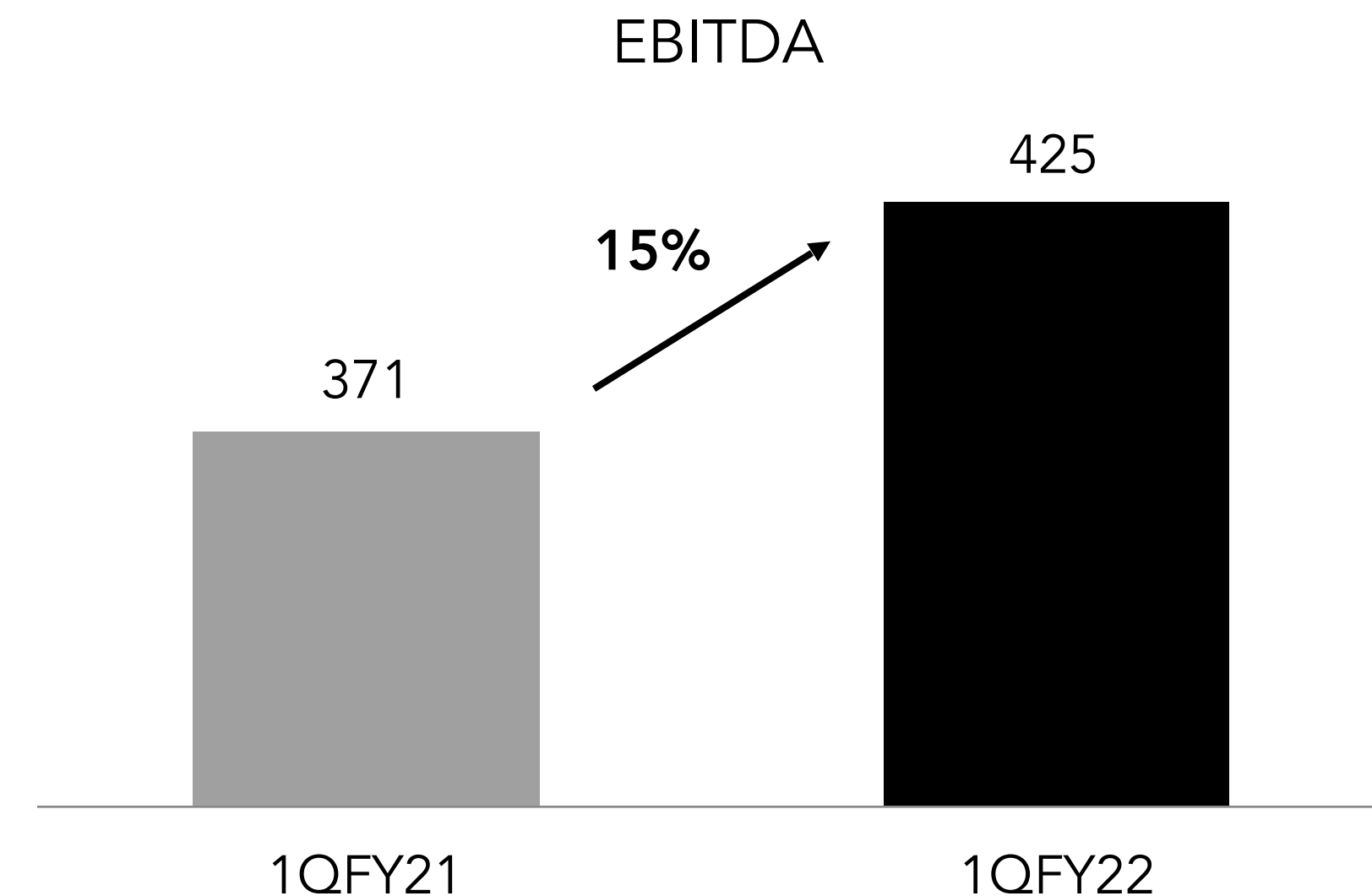
Financial performance

- **Sales growth of 19%**; 2-year CAGR of 12%
- **EBITDA growth of 15%**; 2-year CAGR of 19%
- **EBITDA margins in India at 26.2%**; decrease of **110 bps** year-on-year, driven by gross margins drop of **~400 bps** (due to lag between increase in input cost and end consumer price increases), mitigated partly through scale leverage in employee benefit expenses (**~115 bps**) and other expenses (**~100 bps**)



Operating performance

- Broad-based growth within categories of Home Care and Personal Care
- Focus on expanding Total Addressable Market (TAM); saliency of categories beyond core categories in low teens
- Strong innovation led growth; **innovation rate in the high teens**
- Continue to **strengthen E-commerce; grew 2X**



Note: All values in ₹ crore

Broad based double-digit sales growth

Category	Sales (₹ crore)	Q1 Growth (Year-on-Year)
Home Care	687	21%
Personal Care	868	17%
Total Branded Sales	1,555	18%
Unbranded and Exports	66	50%
Total Net Sales	1,621	19%
Branded Volume Growth	—	15%

Home Care (1/3): Strong growth in Household Insecticides

- Household Insecticides delivered strong double-digit growth; 2-year CAGR in double-digits
- Broad-based growth across premium formats (aerosols, electrics and non-mosquito portfolio) and burning formats
- Launched Goodnight Jumbo Fast Card in Maharashtra as a response to illegal incense sticks; driving penetration and growth in burning formats
- Leveraged digital to create awareness around disease prevention; launched the monsoon influencer campaign #MonsoonKiTaiyaari
- Continue to build on strategic pivots: taking the category beyond mosquitoes, scaling up personal repellents portfolio

Goodnight
JUMBO FAST CARD
Anti-mosquito card

UP TO 4 HOURS PROTECTION ₹15 For 10 cards

Goodnight
JUMBO FAST CARD
Anti-mosquito card

FAST ACTION
PLEASANT SMELL

- 1 Separate card at joints
- 2 Pull the card apart
- 3 Insert the card on stand
- 4 Light up tip with safe gap
- 5 Blow out the flame from tip

Goodnight हम निडर, HAPPY हर घर.

Goodnight
GOLD FLASH

THIS MONSOON, STAY PROTECTED FROM DENGUE AND MALARIA MOSQUITOES WITH INDIA'S MOST POWERFUL LIQUID VAPOURISER

FOR THE FIRST TIME EVER AUTOMATIC FLASH MODE

FLASH VAPOURS COME OUT EVERY 4 HRS AUTOMATICALLY

COMPLETE FAMILY PROTECTION AT ₹89* #45ml

Goodnight HUM NIDAR, HAPPY HAR GHAR!

HIT

आ परसाहनी मोसममां भारनारने भारो

डेन्ग्यु अने मलेरिया हुमलो करे ओ पहेलाज ओमने भतम करे

परसाहनी साथे बीमारी डेलापता भरखरो आवे छे. डेन्ग्यु अने मलेरियाधी नयवा आ जोभमी भरखरोने डाला हीट लाइमथी तरत ज भारी टी.

भरखरोने भारे तरत ज

₹15 OFF

₹109*

Goodnight HUM NIDAR, HAPPY HAR GHAR!

*₹200 मिली.

Home Care (2/3): Strong growth on a low base in Air Fresheners; expect gradual recovery

- **Air Fresheners** witnessed high growth on a low base; continue to see sequential recovery though the overall category continues to face headwinds due to its discretionary nature
- Launched aer Power Pocket, a bathroom fragrance, which lasts for up to 30 days
- Leveraging digital to drive relevance and new trials

Godrej
aer
power
pocket

लगातार
खुशबूदार!



नई खुशबुएँ

Godrej aer fresh+safe range.

For your home, your car and
wherever you are.



amazing
fragrance



99.9%
germ protection



Home Care (3/3): Strong performance in Home Hygiene; expect gradual recovery in Fabric Care

Home Hygiene

- Strong demand amidst the second wave of COVID-19
- Continue to scale up our ProClean range of home cleaners

Fabric Care

- High growth on a low base; expect gradual recovery
- Continue to build towards making Ezee a year-round play backed by digital communications on Ezee 2-in-1



Personal Care (1/2): Strong growth in Personal Wash & Hygiene

- **Personal Wash & Hygiene** continued momentum with strong double-digit sales growth; 2-year CAGR in double-digits
- Continue to gain market share in Soaps led by micro marketing initiatives
- Driving increase in consumption through tactical campaigns like 'Sabse Bada Sabun at INR 10' in select states
- Leveraging digital platforms to build on Health and Germ Protection variants
- Strengthening the value-for-money proposition for Protekt Magic handwash through '1 Magic = 3 Soaps'
- Navigating high input cost through calibrated price increases

सबसे बड़ा साबुन.*

63 ग्राम हल्दी और चंदन सोप ₹10 में

No.1

sandal turmeric soap

Healthier skin is happier skin.

Helps in reducing the risk of skin concerns by up to **95%**

Recommended by doctors

CINTHOL ORIGINAL
Deodorant and complexion soap

*Does not include skin diseases #RecommendedByDoctors Basis
Research conducted in Chennai & Trichy on 105 doctors in Q2 2019

CINTHOL ALIVE IS AWESOME

నింధాల్ లైమ్ మరియు సింధాల్ కూర్ యొక్క

తాజా దానవన్త మేల్కొనండి

CINTHOL CINTHOL
LIME COOL

हैंडवॉश ₹15* में

साबुन ₹30* में

99.9% असरदार
कोविड-19** वायरस के खिलाफ

*10 रुपये वाले तीन 40ग्राम के साबुन, कुल वज़न 120 ग्राम।

**स्टैंडर्ड टेस्टिंग प्रोटोकॉल के अनुसार। 1 मिनट संपर्क समय।

*₹15 के हर रीफिल सैशे का वज़न **9g.**

Personal Care (2/2): High growth on a low base in Hair Colours; witnessing recovery

- Hair Colours grew in strong double-digits on a low base
- Continue to gain market share
- Godrej Expert Rich Crème continues to perform well driven by strong marketing campaigns and influencer programmes for advocacy
- Godrej Expert Easy 5 Minute Shampoo Hair Colour scaling up well; launched new digital campaign with Saif Ali Khan



INDONESIA BUSINESS UPDATE

Weak performance in Indonesia

- Delivered sales growth of 0% (constant currency); 2-year constant currency CAGR of 3%
- EBITDA margin at 23.4% marginally decreased by 20 bps year-on-year, despite scale deleverage
- Recovery impacted by second wave of COVID-19 and adverse macroeconomic factors
- Mixed performance in Home Care and Personal Care
- Meaningful scale up of Hygiene portfolio under Saniter
- Recent launches scaling up well
- Launched no-ammonia NYU Henna Shampoo Hair Colour
- Continue to ramp up Project Rise (General Trade distribution expansion initiative); added ~10% retail outlets on a year-on-year basis



**AFRICA, USA &
MIDDLE EAST
BUSINESS
UPDATE**

Africa, USA & Middle East delivers double-digit profitable sales growth

- Broad based double-digit sales growth of 60% (constant currency); 2-year constant currency CAGR of 11%
- EBITDA margin increased by 1170 bps year-on-year driven by scale leverage and cost saving initiatives
- Strong sales growth momentum continues in Southern Africa and West Africa
- Seeding new go-to-market initiatives in key countries
- Goodnight Power Shots aerosol in Lagos, Nigeria continues to perform well
- Continue to make inroads into the hair fashion market in the USA with launch of Darling brand in Target; encouraging response from Walmart



**ENVIRONMENTAL,
SOCIAL, AND
GOVERNANCE
UPDATE**

Our 5-year ESG Strategy

Build a more diverse and inclusive workforce and a strong, stable, and sustainable supply chain

Continue to collaborate with government and civil society to create resilient communities in our ecosystem

Continue to constantly innovate to provide affordable and high quality products to consumers in emerging markets

Ensure highest degrees of integrity and transparency in how our business is managed and governed

Consistently lower our carbon footprint, water usage, waste, and use of plastic packaging; while improving our renewable energy portfolio

Build stronger communication channels with our stakeholders and report on progress

Our ESG goals

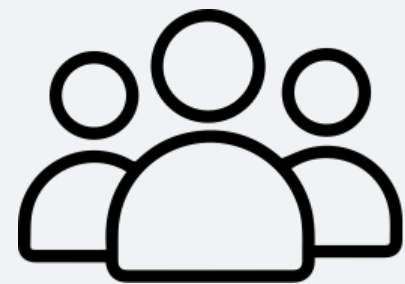


Environment

Monitor and track progress on environmental goals

Be global leaders in Sustainability

Influence sustainable consumption



Social

Health and Well-being that protects

Skills that empower

A Human Rights action plan that helps us move from “Do no harm” to “Do good”



Governance

Transparent reporting and stakeholder communication

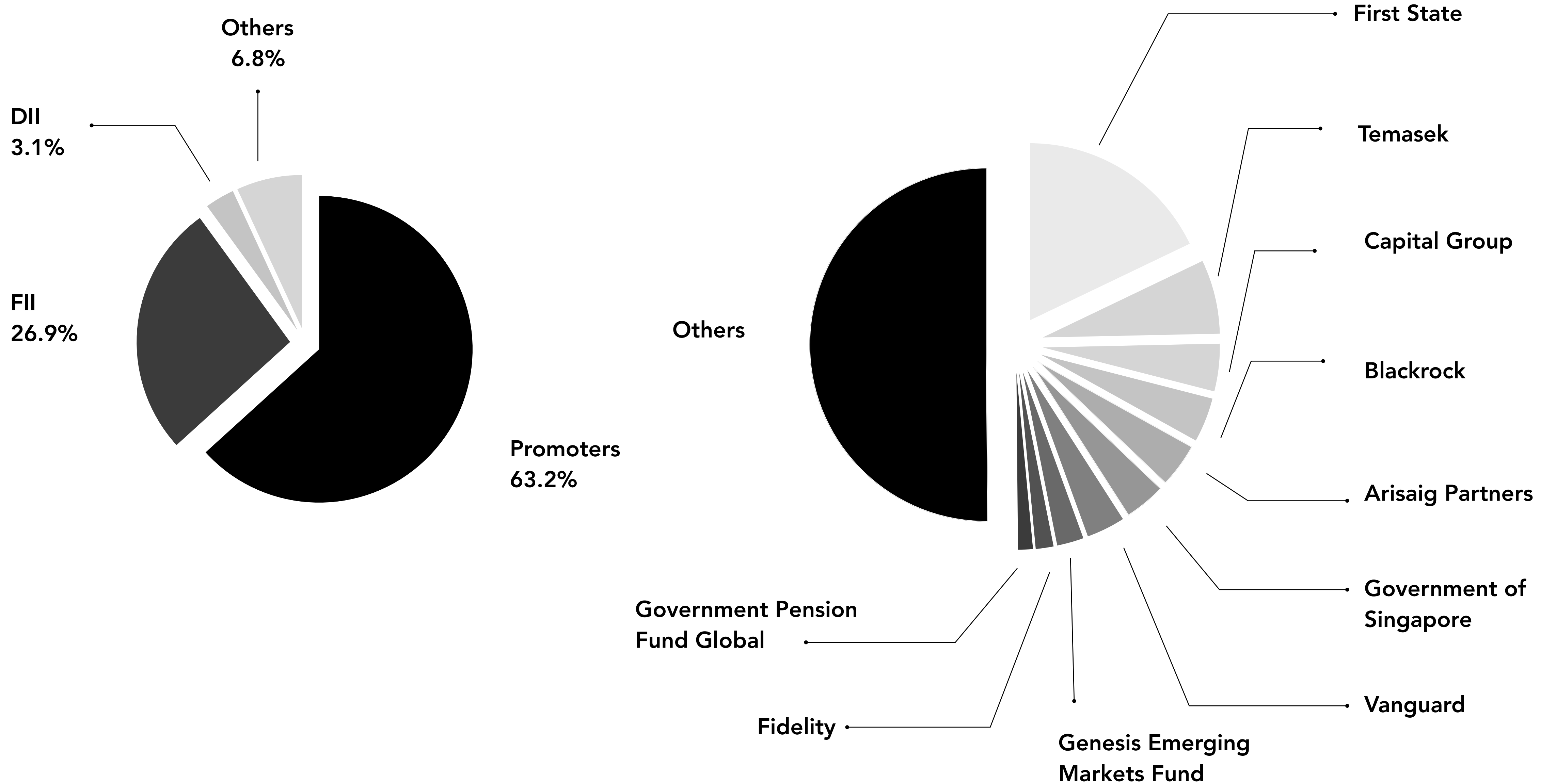
Board and leadership accountability for ESG

Our 5-year ESG targets

Skills that empower	Health and Well-being that protects	Influence sustainable consumption	Be global leaders in Sustainability
<ul style="list-style-type: none">• Empower 1.20 lakh women with beauty skills in emerging economies	<ul style="list-style-type: none">• Strengthen public healthcare systems in three states in India• Protect 10 million people against vector-borne diseases	<ul style="list-style-type: none">• Ensure one-third of all our products are greener than in 2020• Cover 75% of GCPL suppliers in India (by procurement spends), and 50% of those in our other geographies, under our Sustainable Procurement Policy• Ensure efficient waste management systems for 3 municipalities in India impacting 3 million people• Partner with consumers and customers to promote sustainable consumption of our green products	<ul style="list-style-type: none">• Achieve scope 1 and 2 carbon neutrality• Improve energy efficiency, in line with our EP100 commitment• Achieve 35% renewables in our energy mix• Maintain water positivity, achieve and maintain zero waste to landfill• Announce our commitment towards the global Science Based Targets initiative (SBTi) and publish our roadmap and targets for emissions reduction• Scale up disclosures in our ESG reporting, reaffirming our commitment to sustainability• Advance human rights and inclusion across our value chain

APPENDIX

Shareholding Pattern



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Thank you

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