

# Q2FY2021 Investor and Analyst Performance Update



5 November, 2020

# KEY HIGHLIGHTS

# Strong performance; all clusters deliver positive sales growth

83% of global portfolio grows at 17%

Consolidated sales growth	<b>11% (11% CC)</b>	Consolidated EBITDA growth	<b>19%</b>
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India Sales growth	<b>11%</b>	India EBITDA growth	<b>17%</b>
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- 1** 83% of global portfolio comprises Household Insecticides, Hygiene and Value For Money products, delivering 17% growth
- 2** All clusters deliver positive sales growth; India 11%, Indonesia 3% (CC), Africa, USA & Middle East 10% (CC), Latin America & SAARC 46% (CC)
- 3** Continue to drive steady performance in Household Insecticides, delivering 6% growth globally
- 4** Strong growth momentum continues in Hygiene (including Soaps) of 27%; strong Value For Money products growth of 22%
- 5** Continue to support Godrejites and communities; ₹ 50 crore Godrej Group commitment (~90% deployed)

# 1 83% of our global portfolio comprises Household Insecticides, Hygiene and Value For Money products, delivering 17% growth

83% contributing to 17% growth



**HOUSEHOLD INSECTICIDES**



6%



**HYGIENE**



27%



**VALUE FOR MONEY**



22%



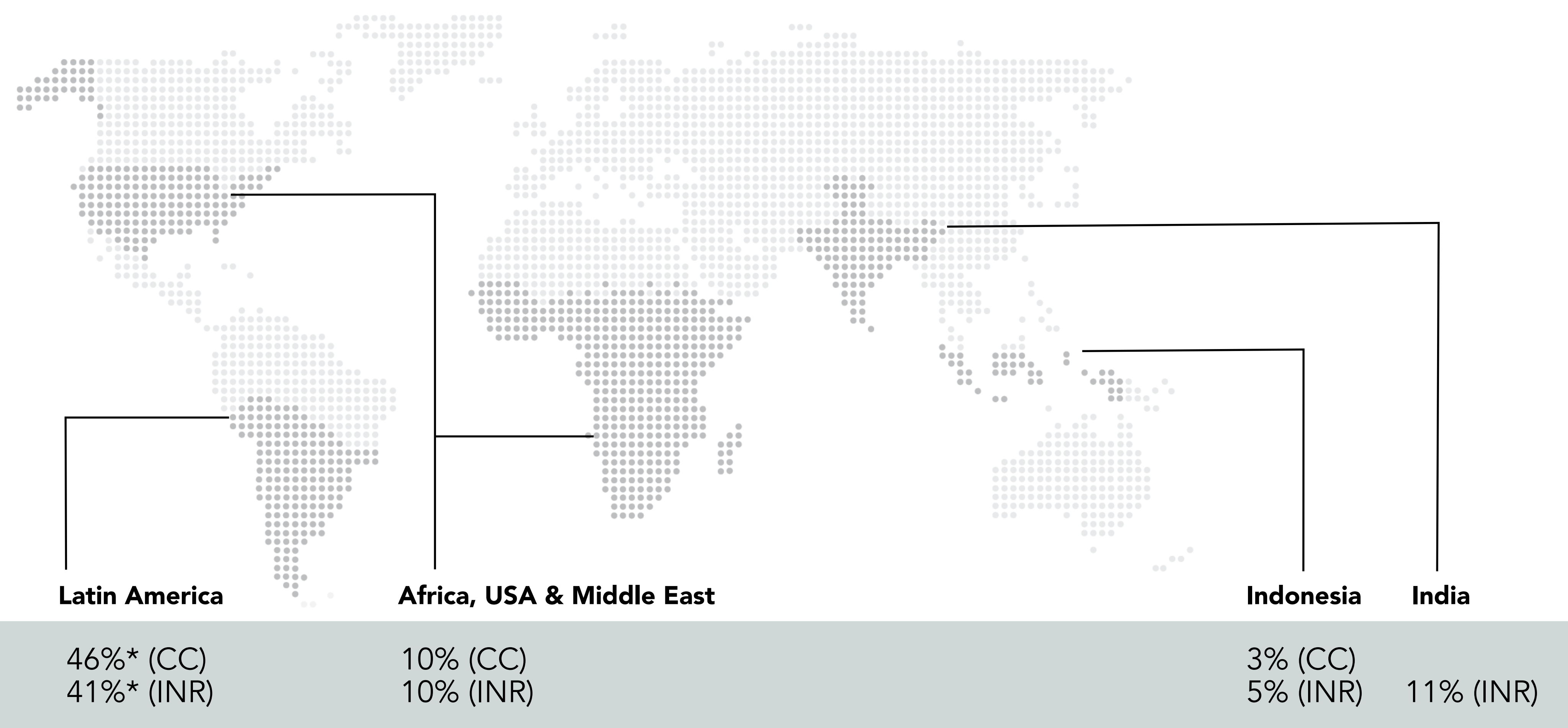
**OTHERS**



- 9%



**2** All clusters deliver positive sales growth; **India 11%, Indonesia 3% (CC), Africa, USA & Middle East 10% (CC), Latin America & SAARC 46% (CC)**



Q2FY2021  
Performance

Note: \*Includes SAARC; CC - Constant Currency



# 3 Continue to drive steady performance in Household Insecticides, delivering 6% growth globally

- Consumers do not want to take any chances with their health; vigilance against mosquitos and protecting themselves against malaria and dengue has gone up
- Full portfolios across formats and price points in India and Indonesia
- Pivoting advertising more towards disease prevention
- Taking the category beyond mosquitoes; cockroach solution products grew in early double digits

## Consumers continue to be vigilant

### Malaria bites Mumbai again, claims 2 lives, breaks 2019's zero death record

**Sumitra.DebRoy**  
@timesgroup.com

**S L Shanth Kumar**

Mumbai: Malaria has claimed two lives ending the city's short-lived streak of zero casualties caused by the mosquito-borne disease. In 2019, Mumbai, for the first time in a decade, had zero malaria deaths despite reporting over 4,110 cases.

In Maharashtra, Mumbai and the tribal-populated Gadchiroli currently account for 83% of the malaria cases, followed by Thane and Nagpur.

Experts had cautioned against the disruption of anti-malarial activities due to Covid-19 and how that could set back the small victories against the disease in decades. In Mumbai, malaria cases have more than doubled between the months of June (328) and July (872), partly due to incessant rainfall on several days. About 29% of the state's malaria cases are in Mumbai.

BMC officials acknowledged that there was a marginal increase four-fold to 3,150. Last year, between January and July, 765 cases were reported. A micro plan has been drawn up to tackle the surge, which involves screening the entire population under five primary health centres that have been reporting majority of the cases. A wider spread can be worrying in the district as plasmodium falciparum, a variant known to cause severe malaria, is predominant there. In fact, of the 3,150 cases reported this year, 2,912 (92%) are of falciparum. In comparison, only 2% cases in Mumbai are of falciparum.

"We have begun screening for asymptomatic carriers and will ensure they finish their three-day treatment course. Surveillance and vector-control activities are a big challenge there as people live near their rice fields in the sowing season," said state entomologist Dr Mahendra Jagtap, adding that Gadchiroli district has recorded two confirmed and two suspected malaria deaths.

lower compared to the corresponding period last year when 1,719 cases were reported.

Malaria casualties had dropped to single digits in 2017, when there were six deaths and 6,019 cases. That year also marked Mumbai's entry into the elimination phase. In 2018, malaria deaths further fell to three, and in 2019, there were none.

The situation is grim in Gadchiroli, where cases have



A civic worker carries out fumigation in a narrow lane in Dharavi

## Disease prevention advertising

ప్రజాహితం కోసం జాబీ

Good knight

ఈ వర్షాకాలంలో డంగూ, మలేరియాల నంచి ఎలా రక్షించుకోవాల

**STEP 1** వీరు నిలవ కాకండా చూసుకోండి

**STEP 2** దోమ తెరలన వాడండి

**STEP 3** చేతుల పూరిగా కప్పి ఉంచే దునులి న వేసుకోండి

**STEP 4** ఇంట్లో చెతి వీరుకోకండా పొరేయండి

**STEP 5:** ఏదైనా ప్రభుత్వ త దోమల నివారణ ప్రంద్ న వాడండి

The power of **pest\* control,** now in **your hands.**

HIT

NOW AT **₹249\*** ONLY

NEW HIT **Anti Roach GEL**

ONLY **₹249**

45 DAYS | Odourless Gel

\*Effective against German and American cockroaches

HIT

खतरा दिखते ही उसे तुरंत मारिए

असमय मच्छर होने से मलेरिया और डेंगू जैसी बीमारियों का खतरा रहता है। काला हिट लार्ज मच्छरों को तुरंत मार कर यह खतरा मिटा देता है।

मच्छरों का अंत, तुरंत

\*200 मि.ली.

HIT

એક મચ્છર પણ તમને મલેરિયા આપી શકે છે

એને ભગાડો નહીં, તરત મારી નાંખો.

\*200 ml

સતત રહેતો લીધ તાવ મલેરિયા ની પણ નિશાની ઘોઈ શકે. તમારા ઘરમાં બધાં જ મચ્છરોને તરત જ મારી નાંખો અને તમારા પરિવારને સુરક્ષિત રાખો.

HIT તરત જ મારે ક્રેડિટ અને મલેરિયા રૂલાવતા મચ્છરોને.

\*99



**4** Strong growth momentum continues in Hygiene (including Soaps) of 27%; strong Value For Money products growth of 22%



**Saniter in Indonesia**



**Darling Empress range in Nigeria**



**Protekt in India**



**Godrej Expert Rich Crème in India**



# 5 Serving our communities



Godrej Group:  
**₹ 50 crore** fund to support relief efforts in India (~90% deployed)



**Partnerships** and **community support** across geographies



**#ProtektIndiaMovement**  
 A multi-media, multi-channel campaign on hand washing and public health

- Food relief and hygiene kits for contract workers and local communities around manufacturing plants in 14 countries and over 44,000 families across India and Indonesia
- PPE kits, medical equipment and healthcare support worth ₹ 2.6 crores provided to governments
- Medical insurance for over 4,000 business partners in the larger operating ecosystem



# FINANCIAL PERFORMANCE UPDATE

# Q2 FY2021: Financial Performance

Growth (Year-on-Year)	Consolidated Business	India Business
Net Sales (Reported)	11%	11%
Net Sales (Constant Currency)	11%	-
EBITDA	19%	17%
Net Profit (Reported)	11%	5%
Net Profit (Without exceptional and one-off items)	19%	16%



## Q2 FY2021: Exceptional and One-off Items

Consolidated Business	Q2 FY2021	Q2 FY2020
<b>Net Profit (Reported)</b>	<b>458</b>	<b>414</b>
<i>Exceptional (Post tax)</i>		
Restructuring cost in Latin America and Africa, USA & Middle East	0.1	9.2
Forex impact on reversal of financial payout liability in USA	0.3	-
Escrow release, forex impact on gains and reversal of excess provision relating to divestment of Europe business	-	(5.7)
Deferred Tax – Change in maximum marginal tax rate in India	(0.1)	(33.3)
<b>Net Profit (Without exceptional and one-off items)</b>	<b>458</b>	<b>384</b>

## Q2 FY2021: India and Africa, USA & Middle East record strong growth; Indonesia delivers soft performance

Geography	Sales (₹ Crore)	Growth (Year-on-Year)	Constant Currency Growth (Year-on-Year)
India	1,650	11%	11%
Indonesia	445	5%	3%
Africa, USA and Middle East	652	10%	10%
Latin America and SAARC	180	41%	46%
<b>Total Net Sales</b>	<b>2,894</b>	<b>11%</b>	<b>11%</b>

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



## Q2 FY2021: Bridge between Reported to Operating EBITDA

	India	Indonesia	Africa, USA & Middle East	Latin America & SAARC
Q2FY21 Reported EBITDA Margin	28.3%	25.4%	10.7%	19.3%
Business support charges, Royalty & Technical fees (₹ crore)	(7.0)	1.8	4.6	0.6
Q2FY21 Operating EBITDA Margin	<b>27.9%</b>	<b>25.8%</b>	<b>11.4%</b>	<b>19.6%</b>
Q2FY20 Operating EBITDA Margin	26.3%	24.5%	12.5%	5.2%
Change in EBITDA Margin (bps)	160	130	(110)	1,440

## Q2 FY2021: Key Balance Sheet data

Particulars	Units	Sep 30, 2020	Sep 30, 2019	June 30, 2020
Working Capital ex-Cash*	₹ crore	130	457	213
Working Capital*	Days	5	17	8
Cash & Equivalents	₹ crore	913	1,330	1,292
<b>Total Debt</b>	₹ crore	2,036	3,546	3,023
Debt denominated in INR	₹ crore	125	423	70
Debt denominated in USD	₹ crore	1,744 (USD 236 m)	2,903 (USD 409 m)	2,796 (USD 370 m)
Debt denominated in other currencies	₹ crore	167	220	157
<b>Other Financial Liabilities</b>	₹ crore	344	447	346
<b>Shareholder's Equity</b>	₹ crore	8,653	7,583	8,381
<b>Capital Employed*</b>	₹ crore	10,175	10,829	10,841
<b>Net Debt / Equity</b>	x	0.17	0.35	0.25
<b>ROE*</b>	%	19.5%	19.4%	16.1%
<b>ROCE*</b>	%	21.2%	18.1%	16.4%
<b>Operating ROCE*</b>	%	89.2%	59.8%	61.1%

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



# INDIA BUSINESS UPDATE

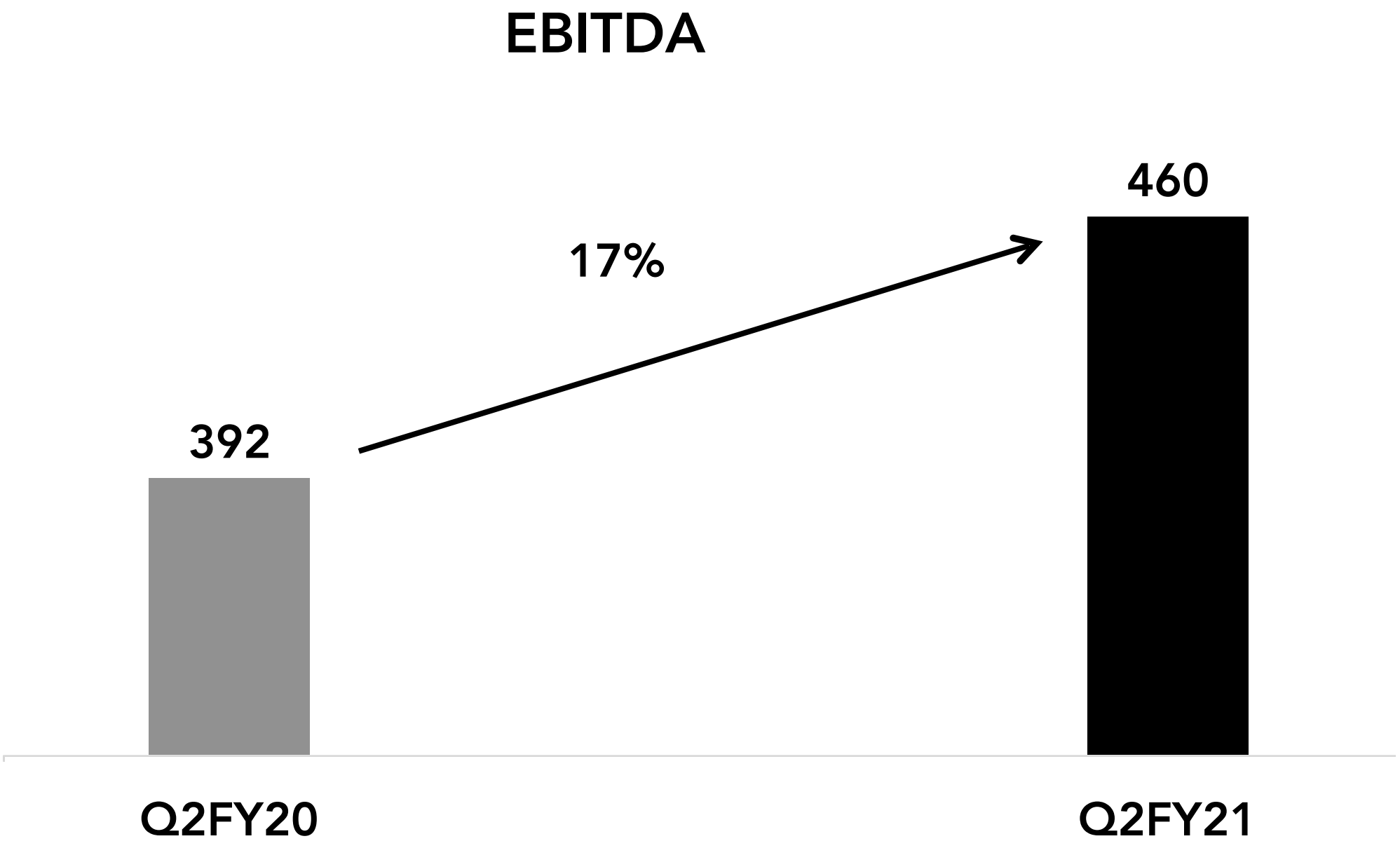
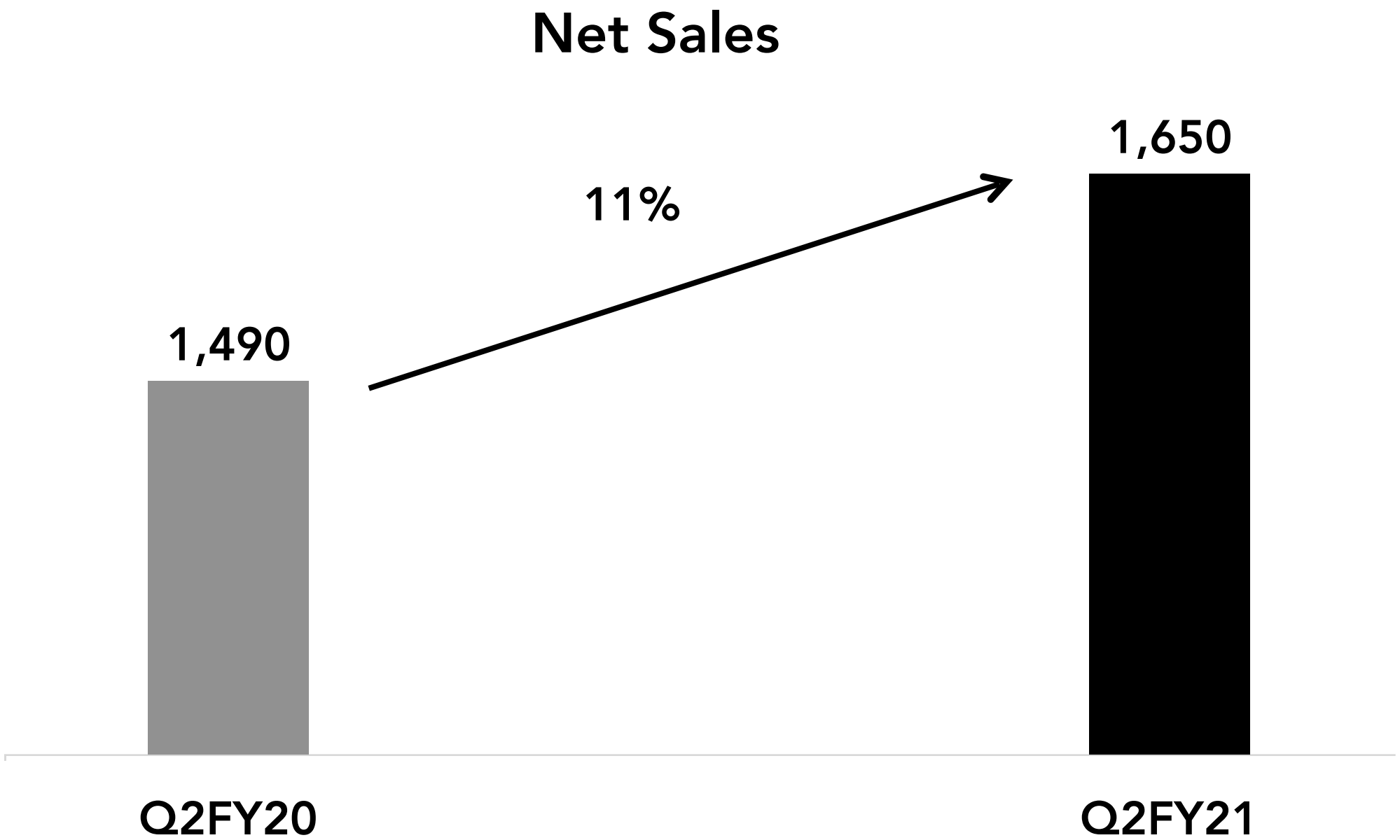
# Strong performance led by Soaps; steady performance in Household Insecticides

## Financial performance

- Sales growth of 11%
- EBITDA margins at 27.9%, increase of 160 bps year-on-year

## Operating performance

- Strong growth led by Soaps
- Robust scale up of Hygiene portfolio
- Steady performance in Household Insecticides
- Sequential recovery in Hair Colour
- Doubling down on chemists and ecommerce; ramping up rural distribution
- Manufacturing units operating at ~90% capacity



Note: All values in ₹ crore

# Strong performance led by Soaps; steady performance in Household Insecticides

	Sales (₹ Crore)	Growth (Year-on-Year)
Household Insecticides	712	4%
Soaps	582	18%
Hair Colours	152	(5%)
Other Categories	200	12%
Unbranded and Exports	76	22%
<b>Total</b>	<b>1,722</b>	<b>9%</b>
Sales and trade promotion spends, etc. (To be netted off from Sales as per Ind AS)	72	(16%)
<b>Sales</b>	<b>1,650</b>	<b>11%</b>
<b>Branded Volume Growth</b>		<b>5%</b>



# Steady performance in Household Insecticides

- Sales growth of 4% partially impacted by supply issues due to regional lockdowns
- Underlying consumer demand continues to be robust
- Pivoting advertising more towards disease prevention
- Goodknight Gold Flash liquid vaporiser continues to receive an excellent response post the national scale up





# Strong performance in Soaps

- Sales growth of 18% driven by market share gains
- Continued focus on micro marketing initiatives to drive growth
- New launches in Health scaling up well



CINTHOL

**GERM PROTECTION YOU CAN TRUST.  
FRAGRANCE YOU'LL LOVE.**

GO FOR  
**CINTHOL  
HEALTH+**

99.9% GERM PROTECTION WITH  
REFRESHING FRAGRANCE.

A black soap box and a glass deodorant bottle. The soap box is labeled "CINTHOL HEALTH SOAP" and "99.9% GERM PROTECTION\*" with a large yellow cross. The deo bottle is labeled "Intense Deo Fragrance".

**99.9% GERM PROTECTION\***

\*As per lab test on select organism.







# Godrej Protekt scaled up into full Hygiene portfolio

**We'll protect the joy of your favourite festival, every time you step out.**  
Presenting, Godrej protekt on the go range.

The festive season is here and we know that your family's protection is on your mind. That's why, we bring you products that ensure that all of you stay protected, wherever you go. So, be it wearing a mask, sanitizing hands or disinfecting surfaces, Godrej protekt goes all the way to make your festivities safer and happier.

**germ protection**

- + 99.9% germ kill\*
- + Alcohol-based
- + 99.9% germ kill\*
- + Anti-bacterial
- + 95% Bacteria filtration
- + 95% Particle filtration
- + 95% Dust filtration
- + 99% Splash & droplet resistance

\*Tested on selected microorganisms.

**इस ग्लोबल हैंडवॉशिंग डे,**  
आइए नियमित रूप से अपने हाथ धोने का संकल्प लें।  
और कीटाणुओं और वायरस के खिलाफ इस जंग को जीतें।

**भारत के सबसे किरायाती हैंडवॉश के साथ।\***

**refill ₹15**

**protekt India movement**

\*हर सैरो का यज़न 9g.

\*सूत्र के अन्तर्गत हर भारत के टॉप 99.9% किरायाती वाले लिमिटेड हैंडवॉशिंग की तुलना में।

**এবারের পুজোয়, বাইরে যান সঙ্গে নিয়ে Godrej protekt.**

সুরক্ষা করুন আপনার পরিবারের উৎসব উদ্‌যাপনের আনন্দ।

ঠিক আপনারই মতন, আপনার পরিবারের সুরক্ষার কথাও আমাদের মাথায় আছে। আপনি বাইরে গেলে, সামাজিক দূরত্ব বজায় রাখুন, ঘনঘন স্যানিটাইজ করুন, প্রয়োজন মতো পরিতল ডিসইনফেক্ট করুন আর সব সময় আপনার মাস্ক পরে থাকুন। আপনার উৎসব উদ্‌যাপন নিরাপদ ও আনন্দময় হওয়া নিশ্চিত করতে, আমরা আপনার পরিবারকে জীবাণু এবং ভাইরাস থেকে সুরক্ষা দেবো।

**99.9% জীবাণু মারে\***

**99.9% জীবাণু মারে\***

**99.9% জীবাণু মারে\***

- + 95% ব্যাক্টেরিয়া ফিল্ট্রেশন
- + 95% পার্টিকেল ফিল্ট্রেশন
- + 95% ডাস্ট ফিল্ট্রেশন
- + 99% স্প্লাশ এবং ড্রপলেট প্রতিরোধক

**কিভাবে আপনার বাড়ী আর পরিবারকে সুরক্ষিত রাখবেন চিন্তা করছেন? হ্যাঁ, আমরা আছি আপনাকে সাহায্য করতে। এলো নতুন. Godrej protekt হোম প্রোটেকশন রেঞ্জ।**

আমরা আছি আপনার ও আপনার প্রিয়জনদের জন্যে আপনার বাড়ীকে সবসময় সুরক্ষিত রাখতে। আর আমাদের ডিসইনফেক্ট্যান্টস আপনার বাড়ীর সবকিছু সুরক্ষা করতে আপনাকে সাহায্য করবে - ফার্ণিচার, ডোরনবস, অ্যাপ্রায়েলেশন এবং এমনকি বাতাসও। কারন আপনার পরিবারের সুরক্ষার ক্ষেত্রে, কোনোরকমের অবহেলা চলবে না।

**99.9% জীবাণু মারে\***

- + কোন্ড অ্যান্ড হু ভাইরাস মারে
- + অ্যান্টি-ব্যাক্টেরিয়াল + হোম অ্যান্ড পার্সোনাল হাইজিন
- + অ্যান্টি-ব্যাক্টেরিয়াল



# Pivoting other categories for more relevance



Travel Home Fabric

**Air Freshener  
+ Sanitiser**



**Bathroom Air Freshener  
+ Hygiene and Protection**



**Liquid Detergent  
+ Fabric Sanitiser**



**Bathroom and  
Floor Cleaners**

# INDONESIA BUSINESS UPDATE



# Indonesia delivers 5% INR sales growth (3% constant currency growth)

## Financial performance

- Sales growth of 3% (constant currency) impacted by large scale social restrictions in last fortnight of September
- Sales got impacted due to down stocking by select modern trade retailers
- EBITDA margin at 25.8% expanded by 130 bps year-on-year

## Category performance

- Market share gains in Household Insecticides continues
- Strong traction in Hygiene
- Gradual recovery in Air Fresheners
- Witnessing higher competitive intensity in the wipes category



Saniter, the new range of Hygiene products

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



# Robust recovery in Africa, USA & Middle East

## Financial performance

- Sales growth of 10% (constant currency)
- EBITDA margin decreased by 110 bps year-on-year driven by higher salience of Braids

## Country and Category performance

- Strong sales growth in South and West Africa
- Witnessing strong performance in Dry Hair
- Continue to drive the scale up of Wet Hair Care
- Seeding in new go-to-market initiatives





**LATIN AMERICA  
& SAARC  
BUSINESS  
UPDATE**

# Profitable, sustainable constant currency sales growth

## Financial performance

- Sales grew by 46% (constant currency)
- Latin America business recorded highest ever EBITDA margins of 21% in the last few years, driven by our cost saving programme
- SAARC business continues to deliver healthy sales performance





# APPENDIX

# Actively championing social responsibility



23% of the promoter holdings in the Godrej Group is held in trusts that invest in education, environment and health



Creating a more inclusive and greener world through Godrej Good & Green

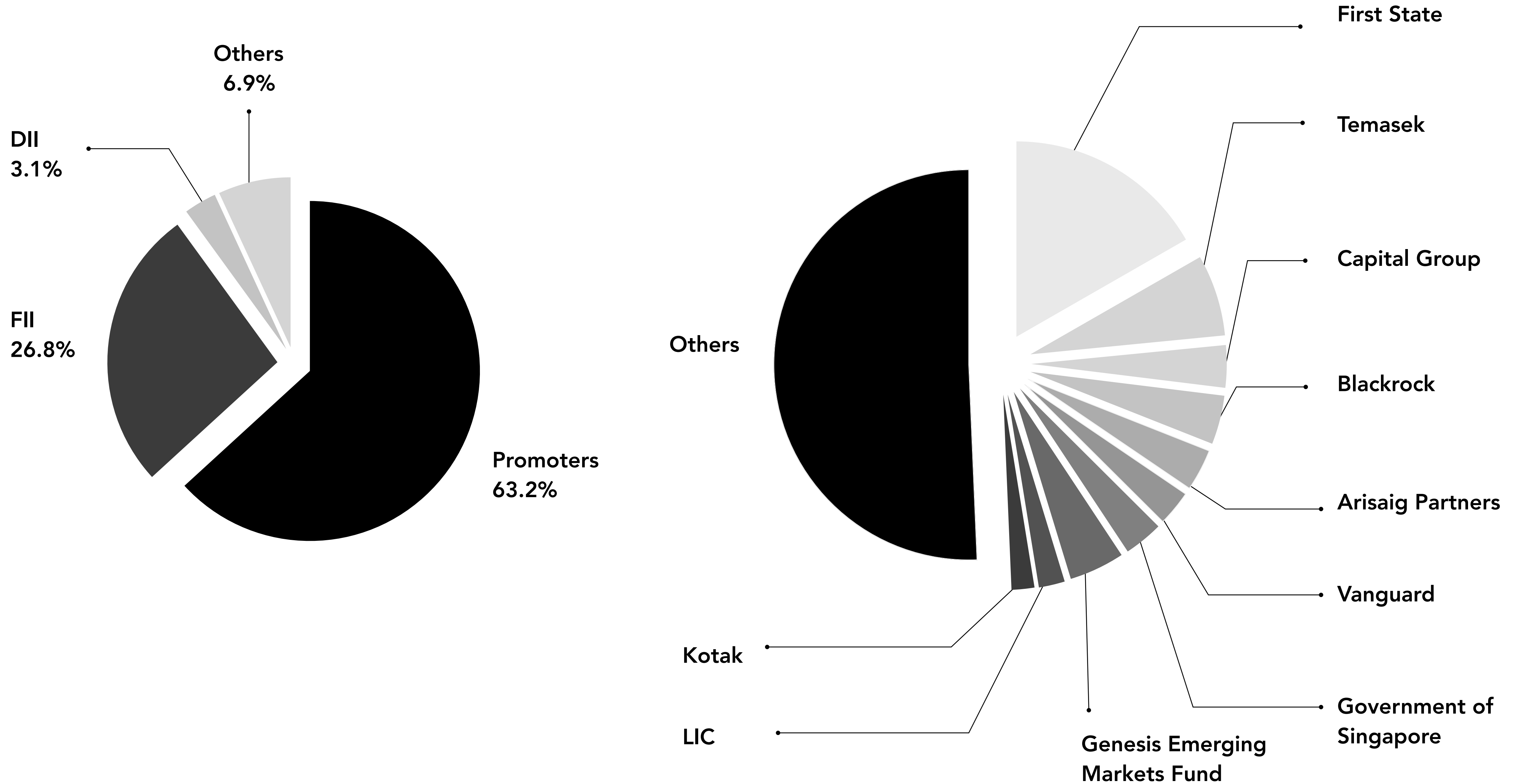


Aligned with the UN's Sustainable Development Goals, and the needs of local communities

[Read more about our commitment](#)



# Shareholding Pattern



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# 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*

**Thank you**

[www.godrejcp.com](http://www.godrejcp.com)