

# GODREJ CONSUMER PRODUCTS

INVESTOR PRESENTATION



# GODREJ CONSUMER PRODUCTS SNAPSHOT



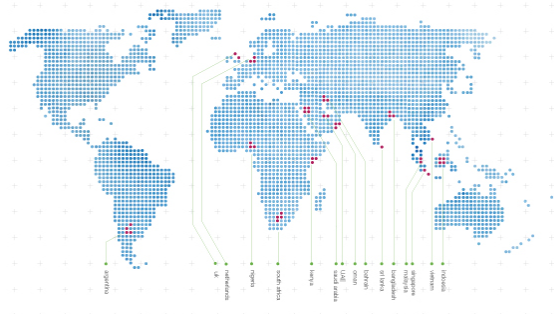
largest home grown HPC company

US \$1.2 billion  
in sales in FY 13

strong positions  
in core categories

home care  
hair care

internationally



over 45%  
revenues come from  
international businesses

acquisitions established  
a platform for a leading

emerging markets  
FMCG company

India  
business

leading market  
share  
in core categories

1

hair colours  
household insecticides  
liquid detergents

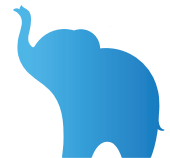
2

soap



excellent track record of

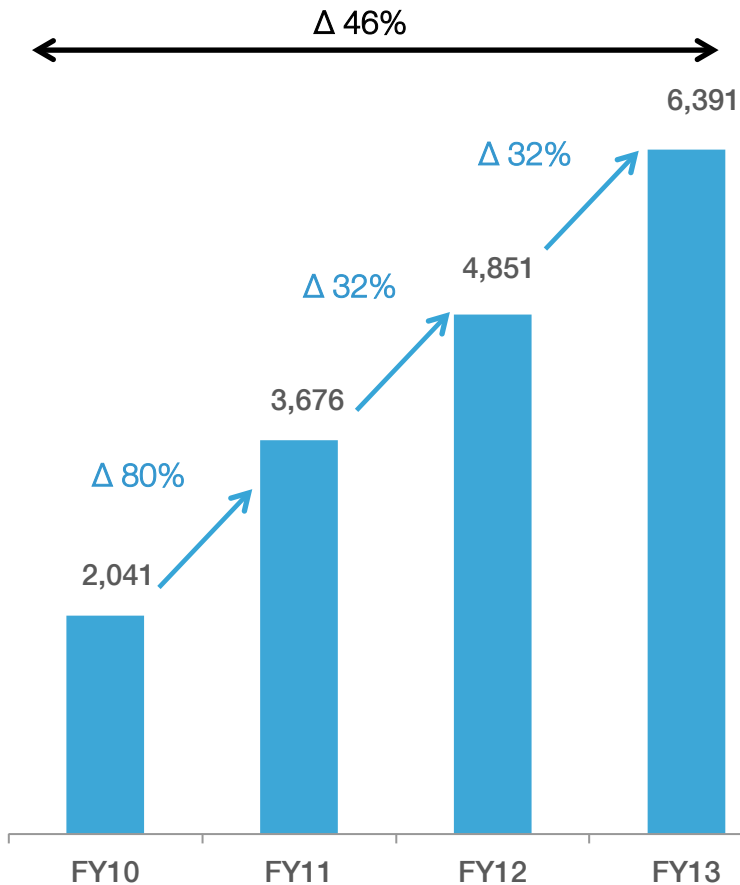
value  
creation



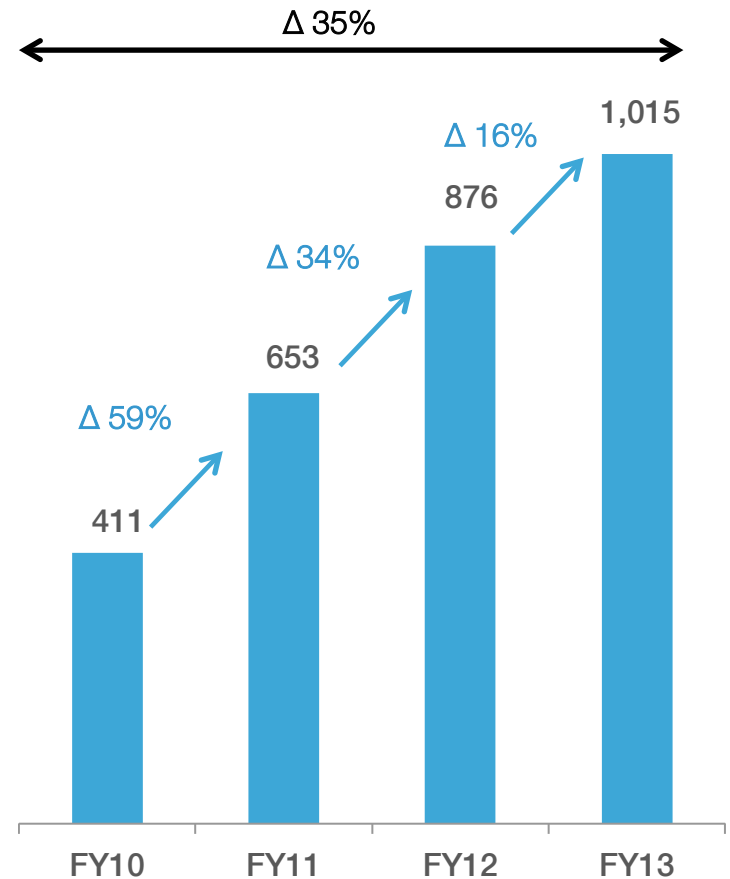
among FMCG companies in India

# WE HAVE DELIVERED ROBUST OPERATIONAL RESULTS OVER THE LAST FEW YEARS

## CONSOLIDATED NET SALES

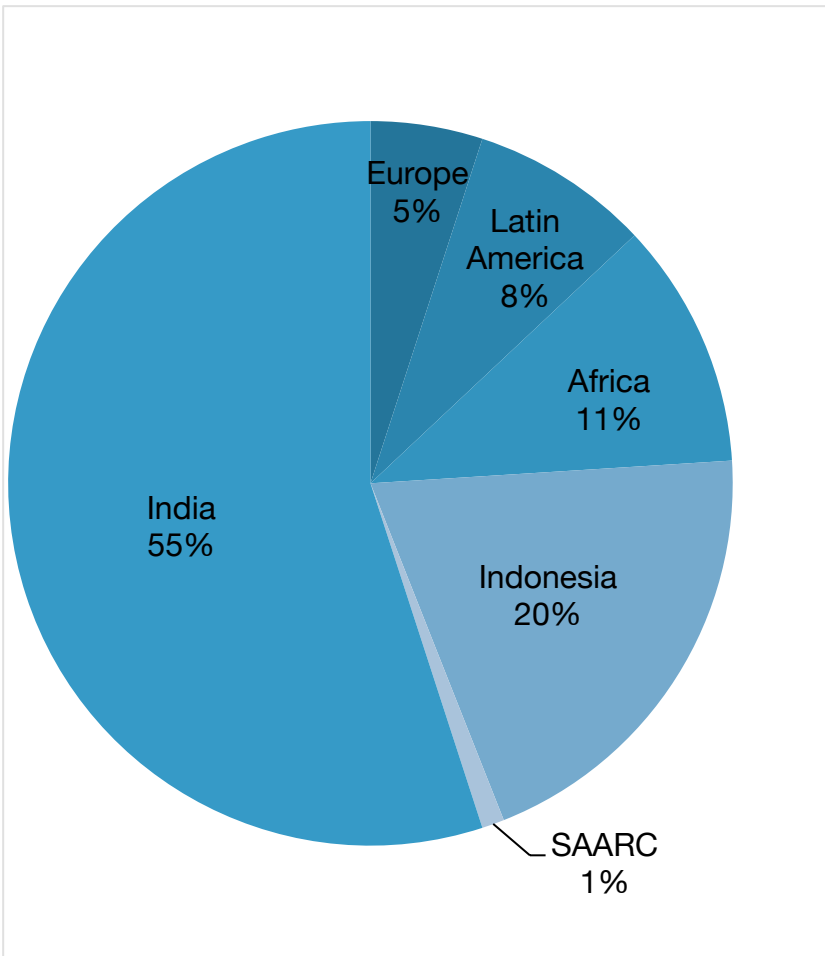


## CONSOLIDATED EBITDA

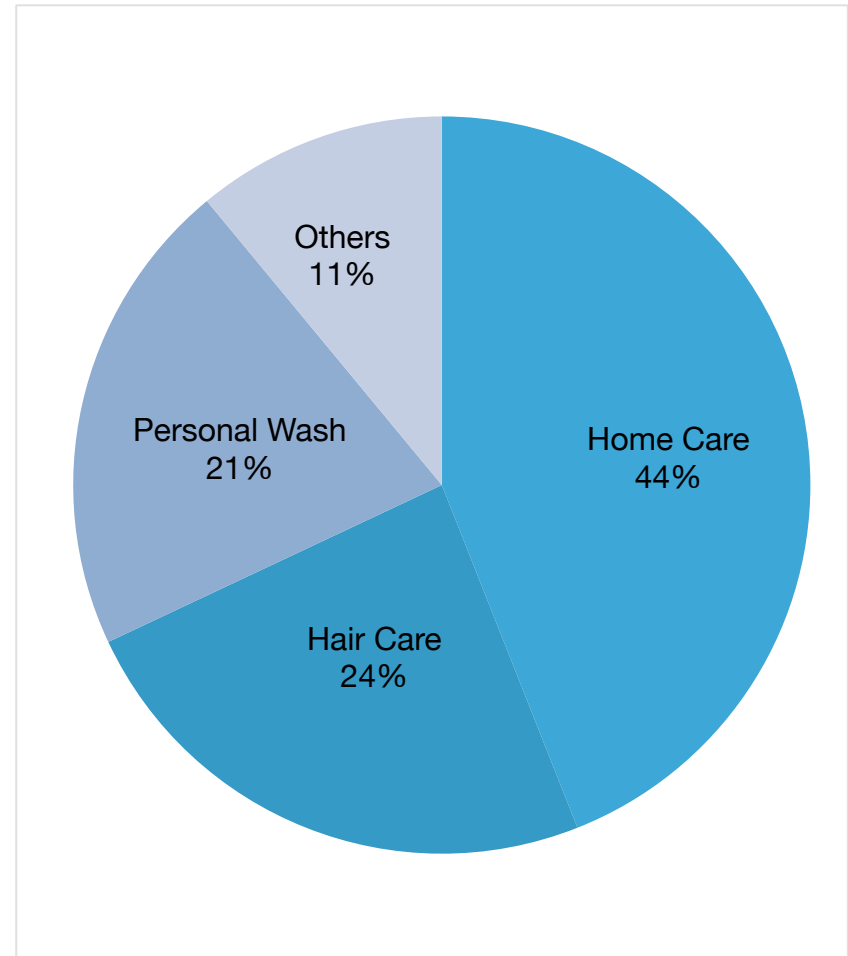


# WE HAVE A SCALE PRESENCE ACROSS MULTIPLE GEOGRAPHIES WITH A BALANCED MIX OF CATEGORIES

## GEOGRAPHYWISE SALIENCE\*



## CATEGORYWISE SALIENCE\*



# WE HAVE LEADING MARKET POSITIONS IN MOST OF OUR GEOGRAPHIES

## INDIA

- 1 hair colours  
household insecticides  
liquid detergents
- 2 soaps



## SAARC

- 1 hair colours (Sri Lanka)
- 2 hair colours (Bangladesh)
- 3 household insecticides (Sri Lanka & Bangladesh)



## INDONESIA

- 1 air fresheners  
wet tissues
- 2 household insecticides



## UK

- 1 stretch marks skin treatment
- 2 sanitisers
- 3 sun care
- 4 female deodorants



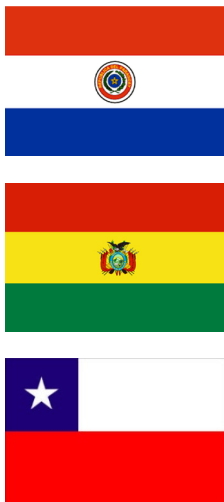
# WE HAVE LEADING MARKET POSITIONS IN MOST OF OUR GEOGRAPHIES

## LATIN AMERICA

**1** hair colours\*  
(Argentina, Uruguay, Paraguay, Bolivia)



**2** hair colours &  
colour cosmetics  
(Chile)



## SUB SAHARAN AFRICA

**1** ethnic hair colours  
(14 countries)  
hair extensions  
(10 countries)

**2** hair extensions  
(1 country)

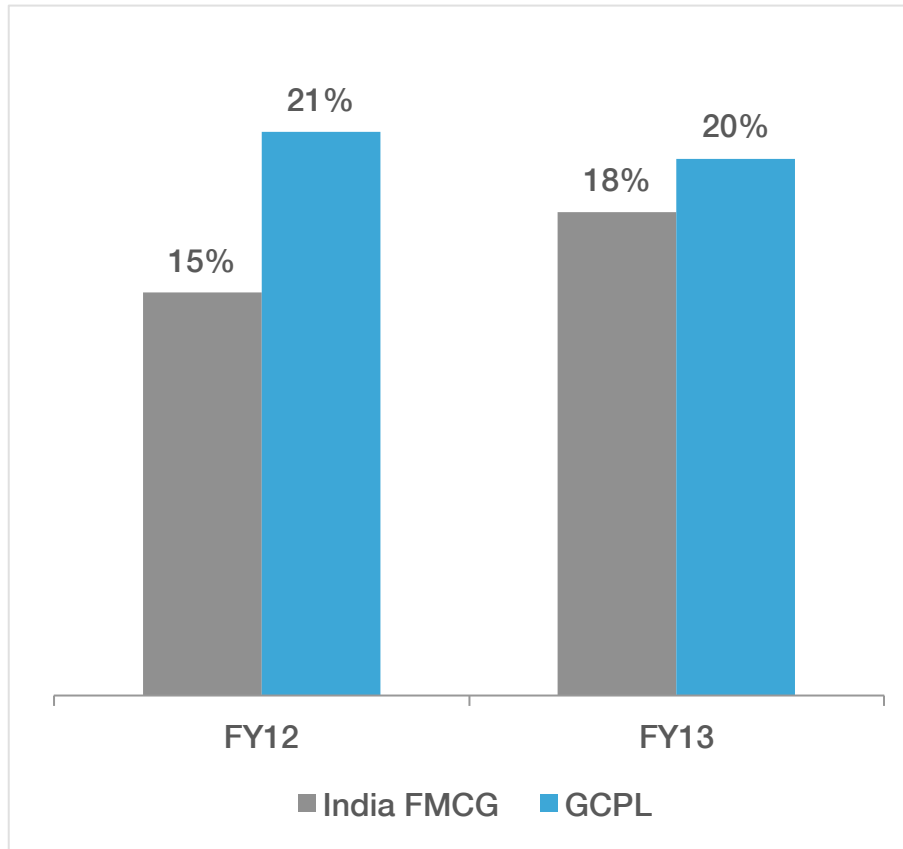
**3** caucasian hair colours  
(South Africa)



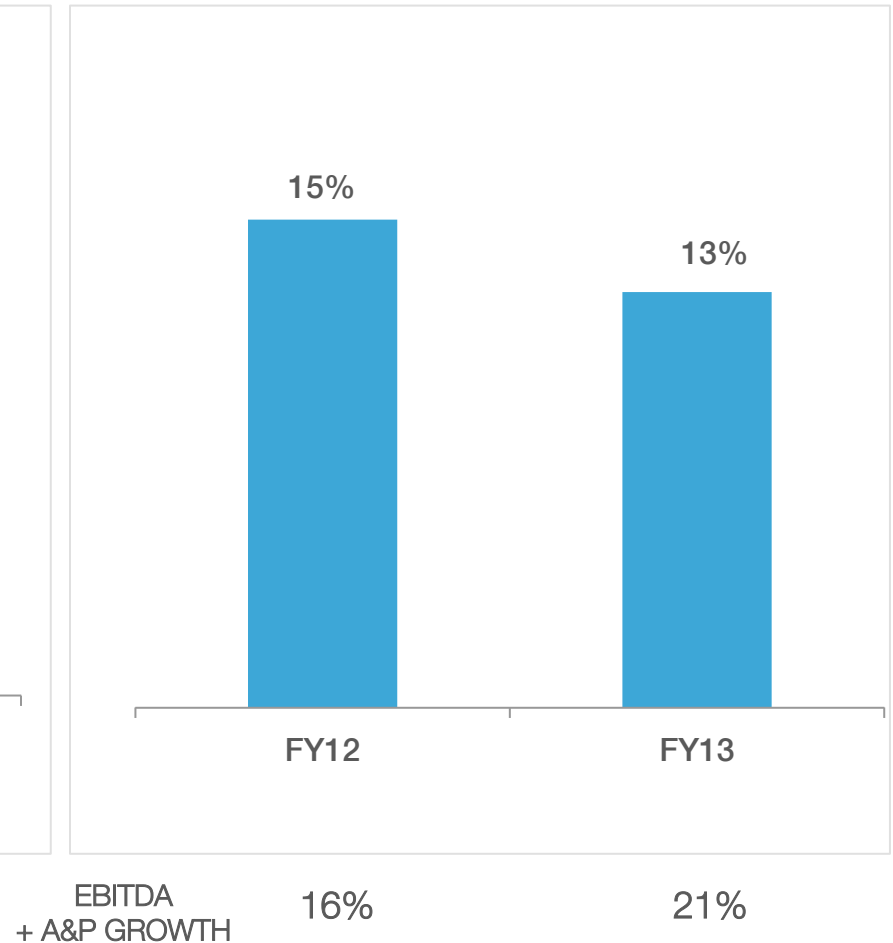
\* Volume Share

# IN INDIA, WE HAVE DELIVERED CONSISTENT, HEALTHY SALES GROWTH

## INDIA NET SALES GROWTH (%)\*

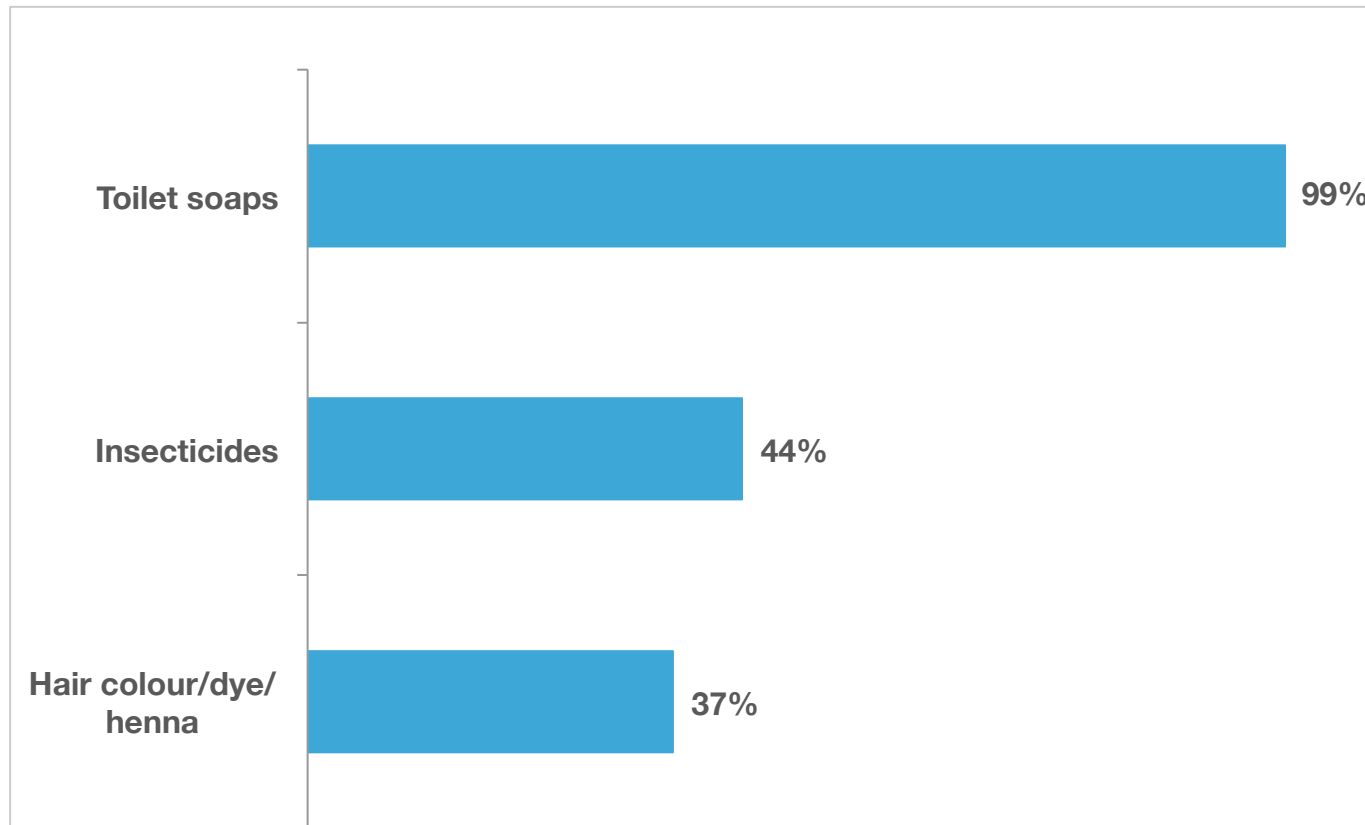


## EBITDA GROWTH (%)



# THERE IS SIGNIFICANT HEADROOM FOR GROWTH IN HAIR COLOURS AND HOUSEHOLD INSECTICIDES

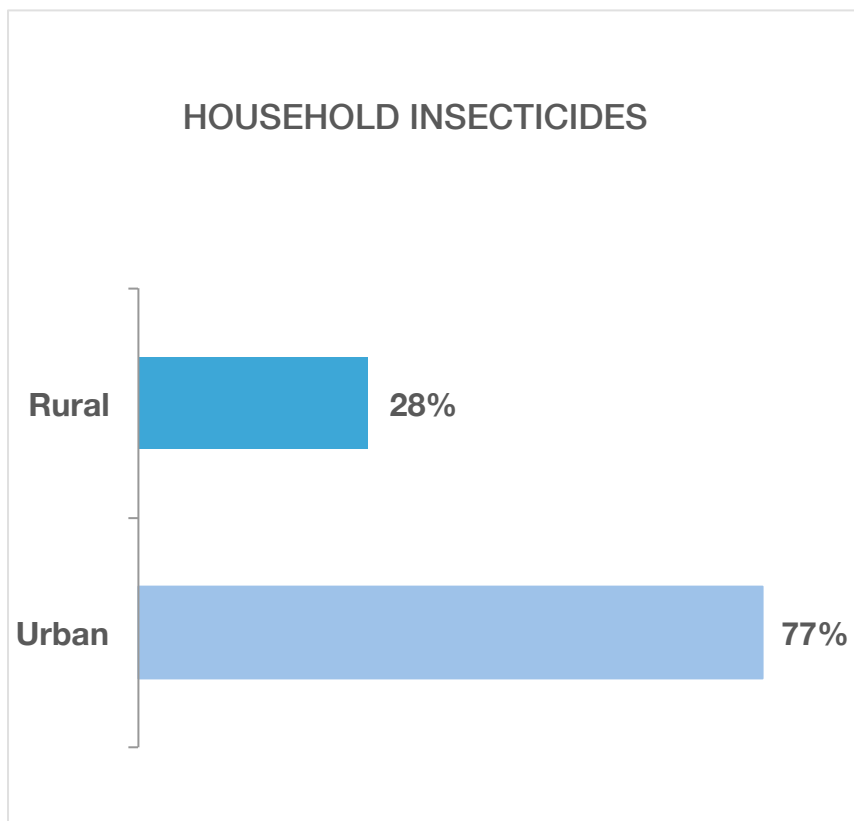
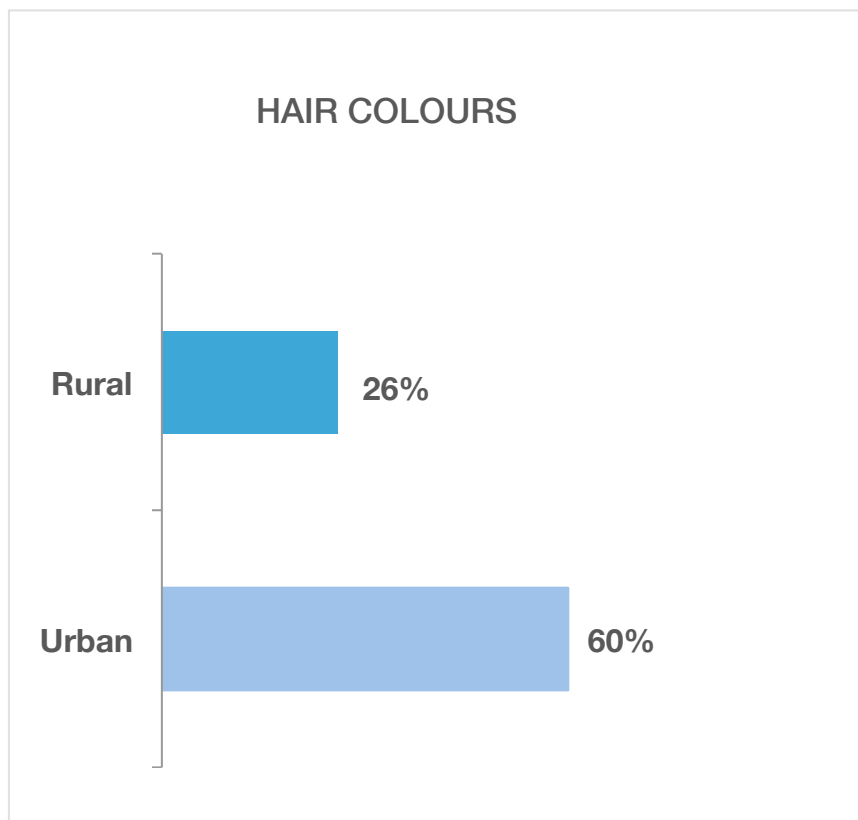
PENETRATION - % OF HOUSEHOLDS





# PARTICULARLY A LOT OF POTENTIAL TO INCREASE PENETRATION IN RURAL FOR HAIR COLOURS AND HOUSEHOLD INSECTICIDES

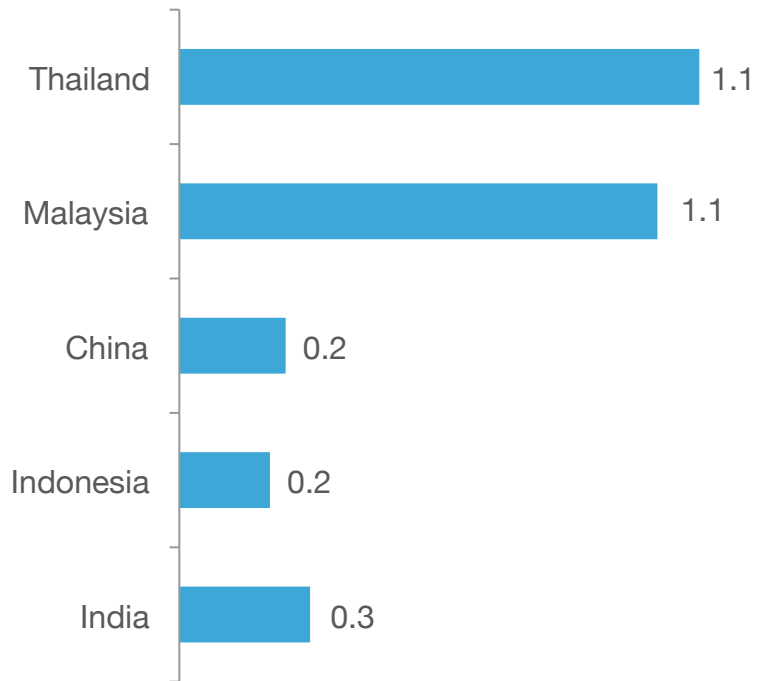
## PENETRATION - % OF HOUSEHOLDS



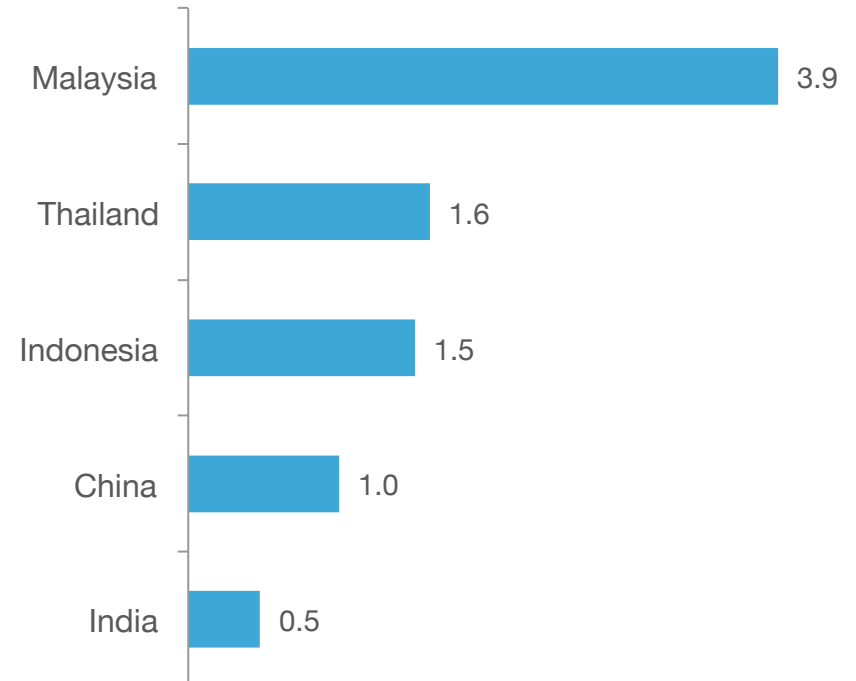
# SIGNIFICANT UPSIDE IN DRIVING CONSUMPTION

## CONSUMPTION / CAPITA (USD)

### HAIR COLOURS

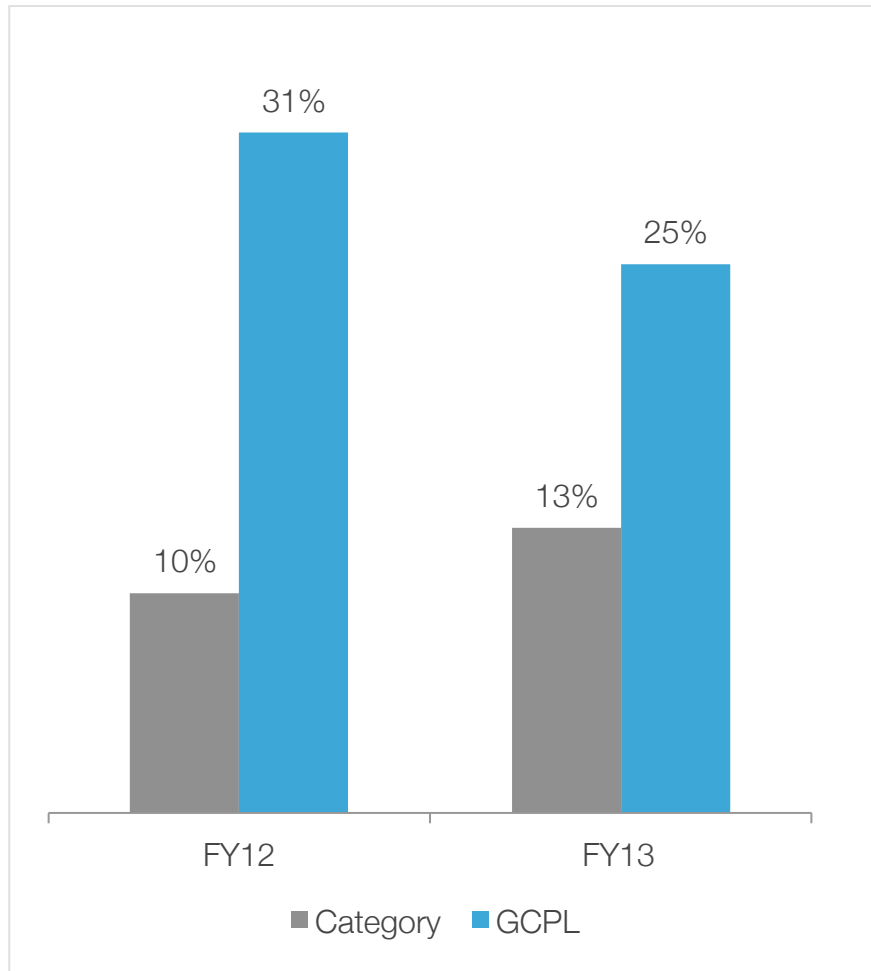


### HOUSEHOLD INSECTICIDES



# OUR HOUSEHOLD INSECTICIDES BUSINESS CONTINUES TO PERFORM WELL AHEAD OF THE MARKET

VALUE GROWTH (%)\*

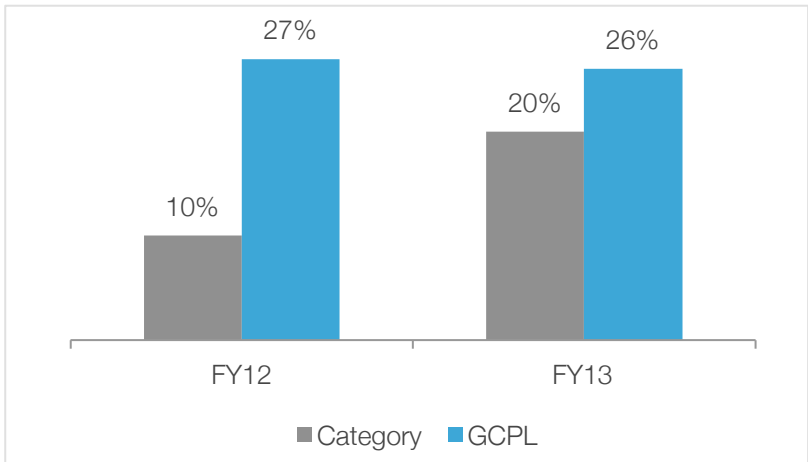


\* Nielsen data for category growth

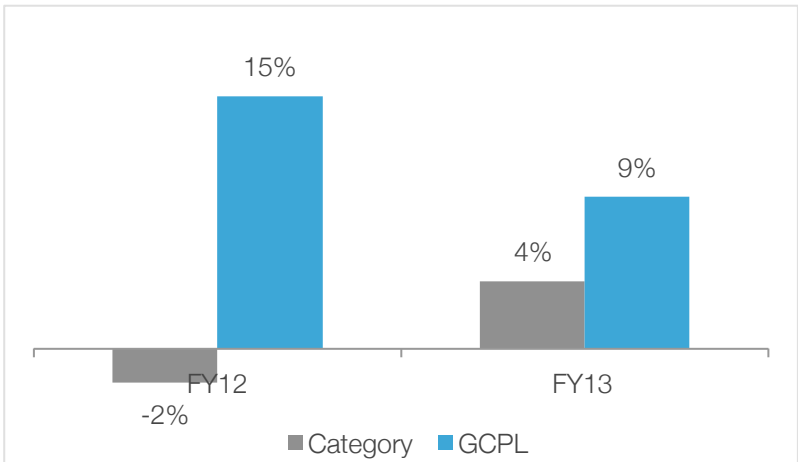
# OUR TOILET SOAPS BUSINESS TOO, OUTPERFORMED THE MARKET



VALUE GROWTH (%)\*



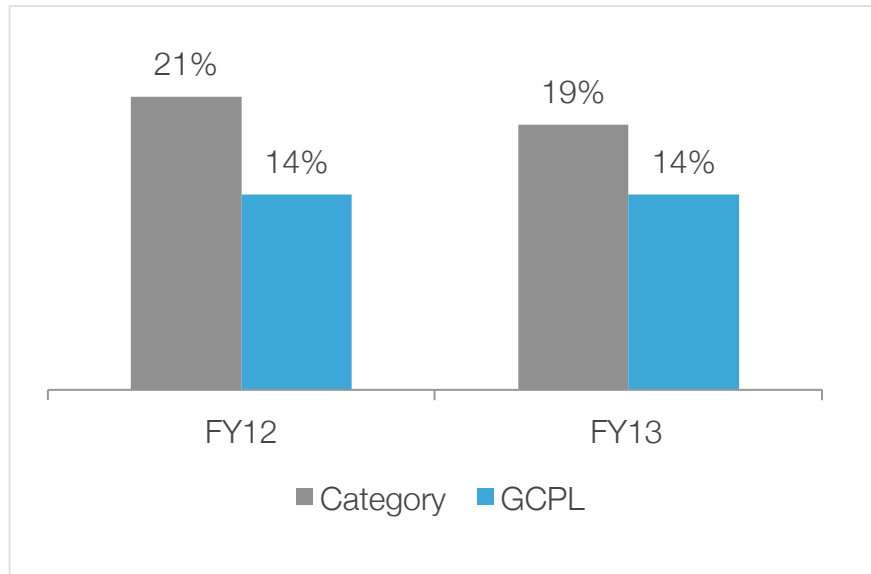
VOLUME GROWTH (%)\*



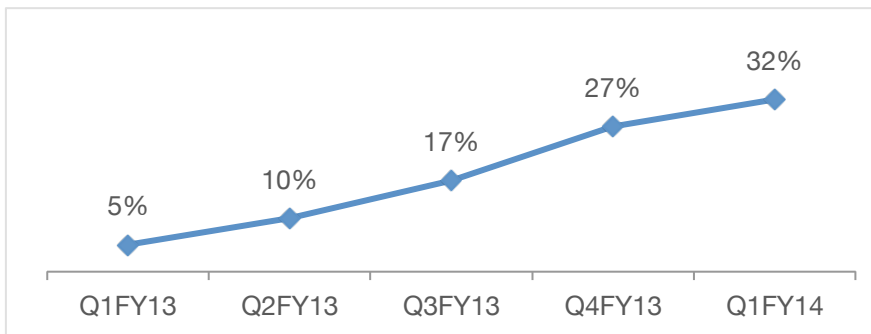
\* Nielsen data for category growth

# NEW INNOVATIONS ARE DRIVING AHEAD OF THE CATEGORY GROWTH IN HAIR COLOURS

ANNUAL VALUE GROWTH (%)\*



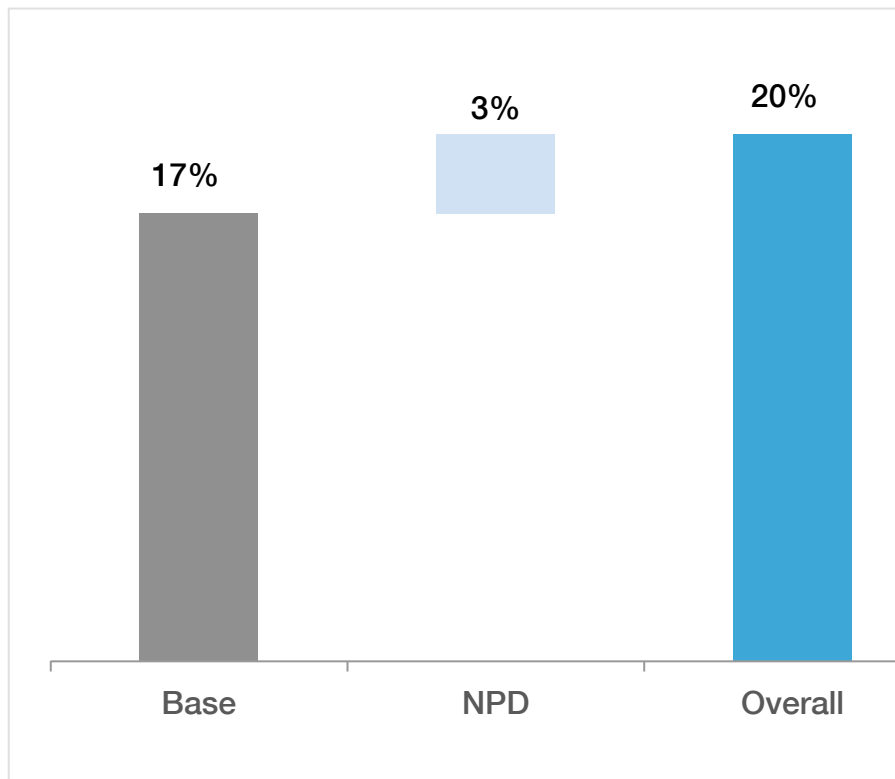
QUARTERLY VALUE GROWTH TREND (%)



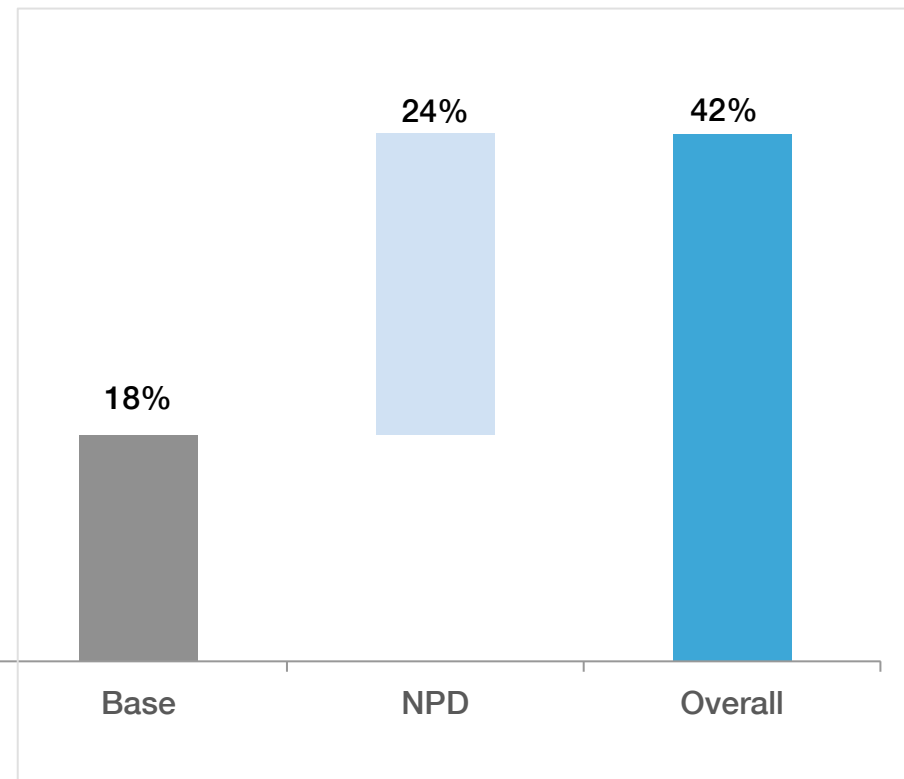
\* Nielsen data for category growth

# WE ARE AGGRESSIVELY BACKING OUR NEW LAUNCHES THAT WILL FURTHER STRENGTHEN OUR FUTURE GROWTH PLATFORM

## INDIA NET SALES GROWTH (%)



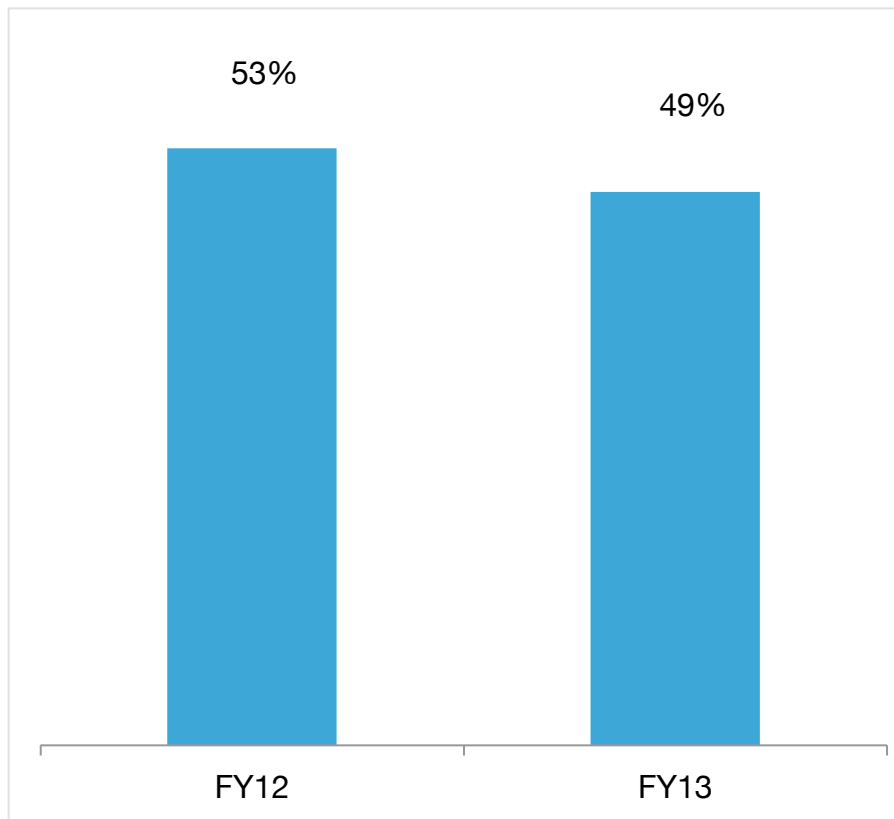
## A & P GROWTH (%)



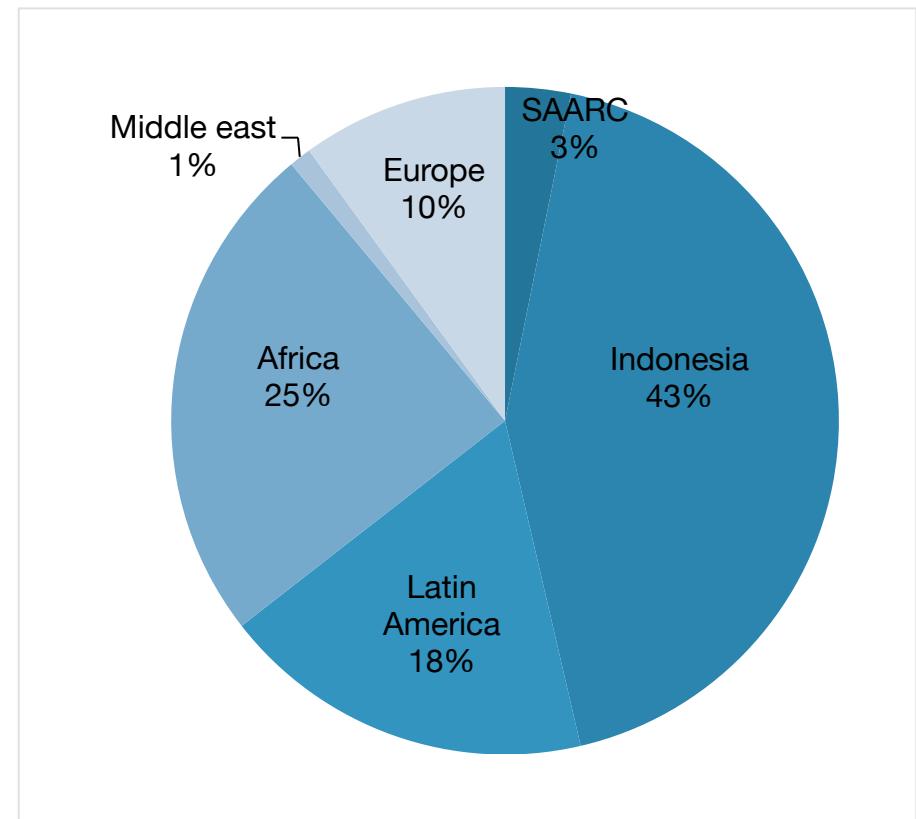
**Q1 FY14 - Over one third of our Net Sales Growth came from new product launches**

# OUR INTERNATIONAL BUSINESS IS SCALING UP WELL

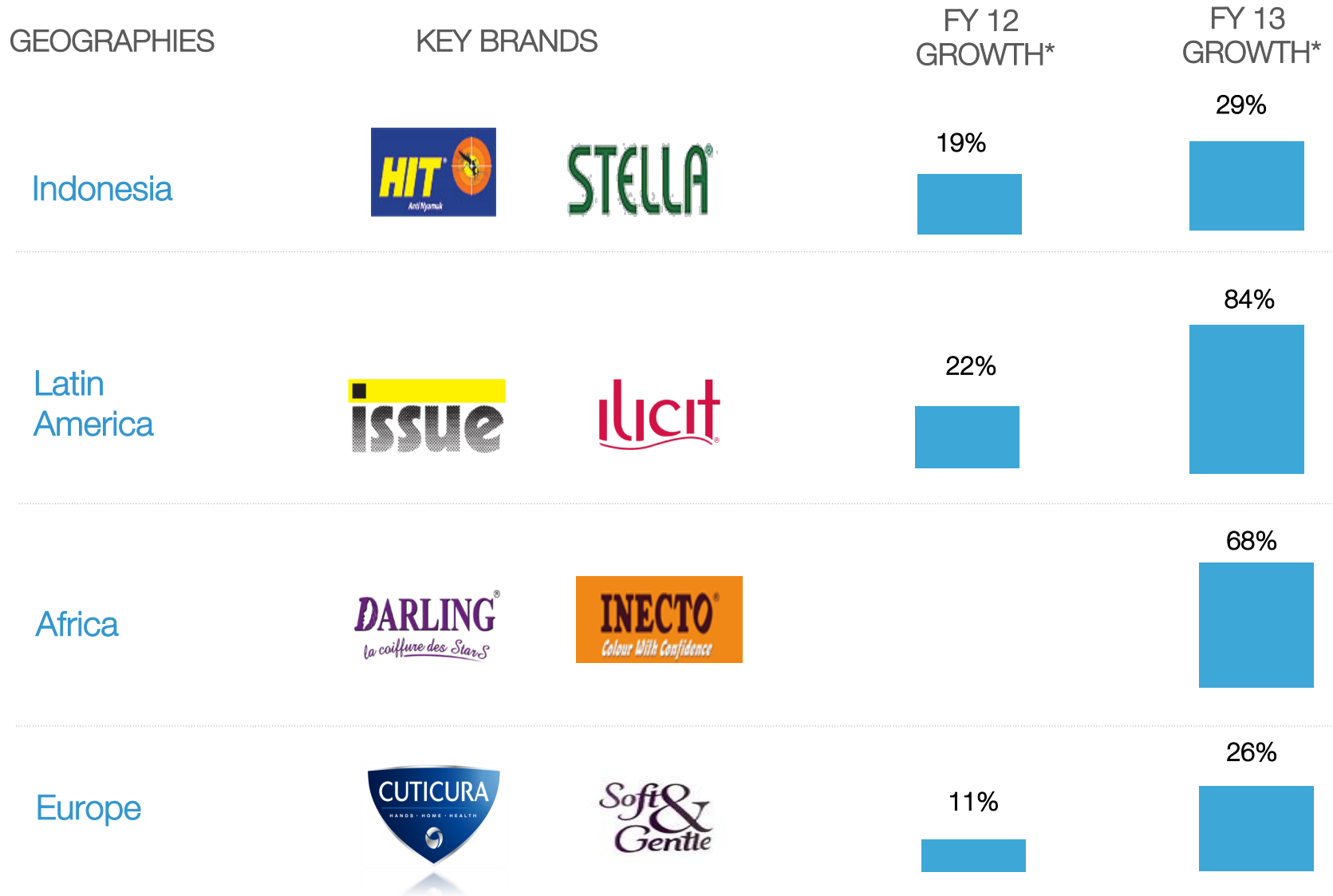
## INTERNATIONAL NET SALES GROWTH (%)



## INTERNATIONAL SALES BREAKUP\*



# GROWTH IN OUR INTERNATIONAL PORTFOLIO HAS BEEN STRONG ACROSS GEOGRAPHIES

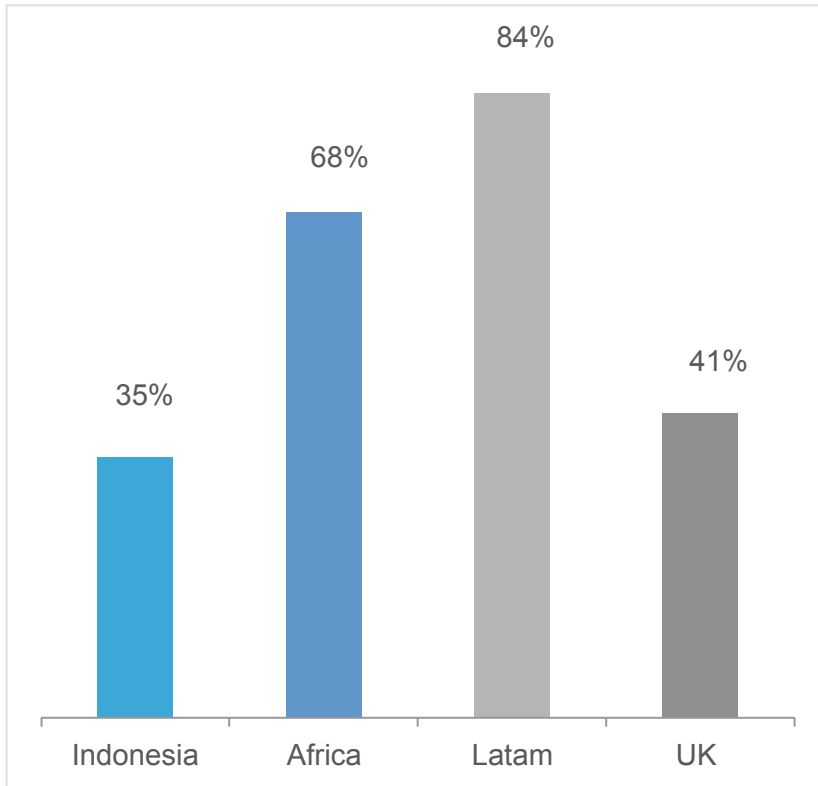


\*Constant currency sales growth

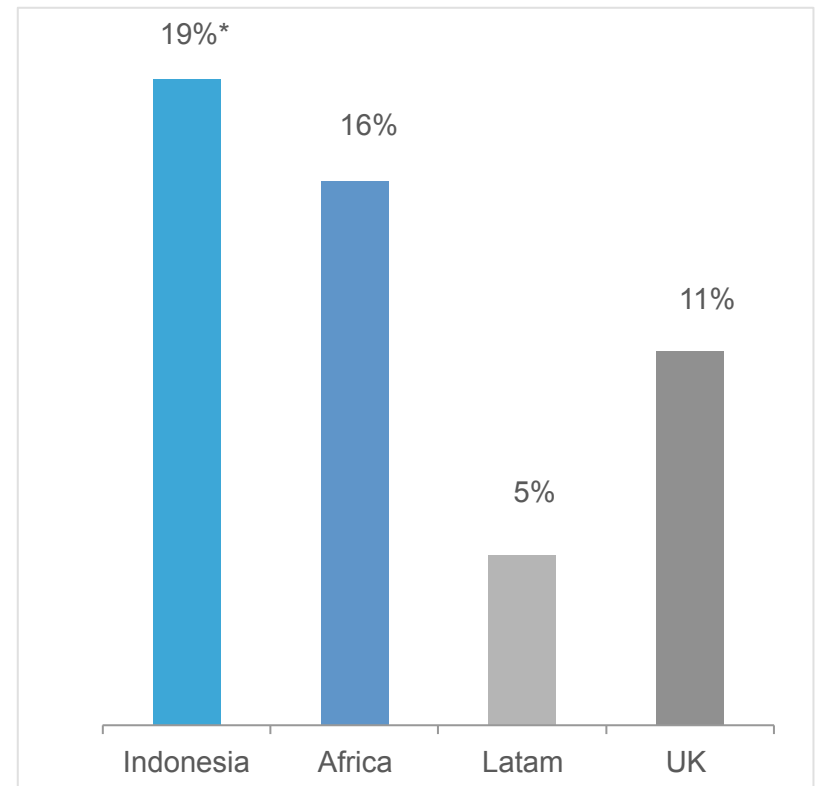


# INDONESIA AND AFRICA CONTINUE TO BE THE LEAD GROWTH DRIVERS

FY 13 SALES GROWTH (%) \*



FY 13 EBITDA MARGIN (%)



\*Sales growth in INR.

\*Indonesia EBITDA margin is before payment of technical & business support fee

# WE ARE ACTIVELY CROSS POLLINATING THE PORTFOLIO

## Hair Colour

### INDIA



Hair colour creme in sachet  
(Argentina)

### SOUTH AFRICA



Renew hair colour  
(India)

## Household Insecticides

### INDIA



Evaluating Hit Magic, paper  
based mosquito repellent  
(Indonesia)

### NIGERIA



Goodknight coils & aerosols  
(India)

## Air Fresheners

### INDIA



Aer air fresheners  
(Indonesia)

# WE CONTINUE TO FOCUS ON INTEGRATING OUR ACQUISITIONS

## Disciplined M&A approach based on 3 by 3

focus on emerging markets in Asia, Africa and Latin America in 3 core categories

## Successful integration of international businesses in the Godrej way,

maintaining the right balance between localization and creating the right Godrej culture

Implemented **one performance and rewards programme** across the globe

## Strong Controls & IT infrastructure

India best practices being incorporated in the operations processes. SAP Implementation underway

## International Centre

dedicated expertise in product supply chain, R&D, marketing, finance and human capital

**Investing in** training **and** development of talent

# OUR INNOVATION PIPELINE CONTINUES TO REMAIN ROBUST



# WE HAVE SIX KEY PRIORITIES

1

Core category leadership



2

International growth



3

Innovation and renovation



4

Future ready sales system



5

Best in class supply chain

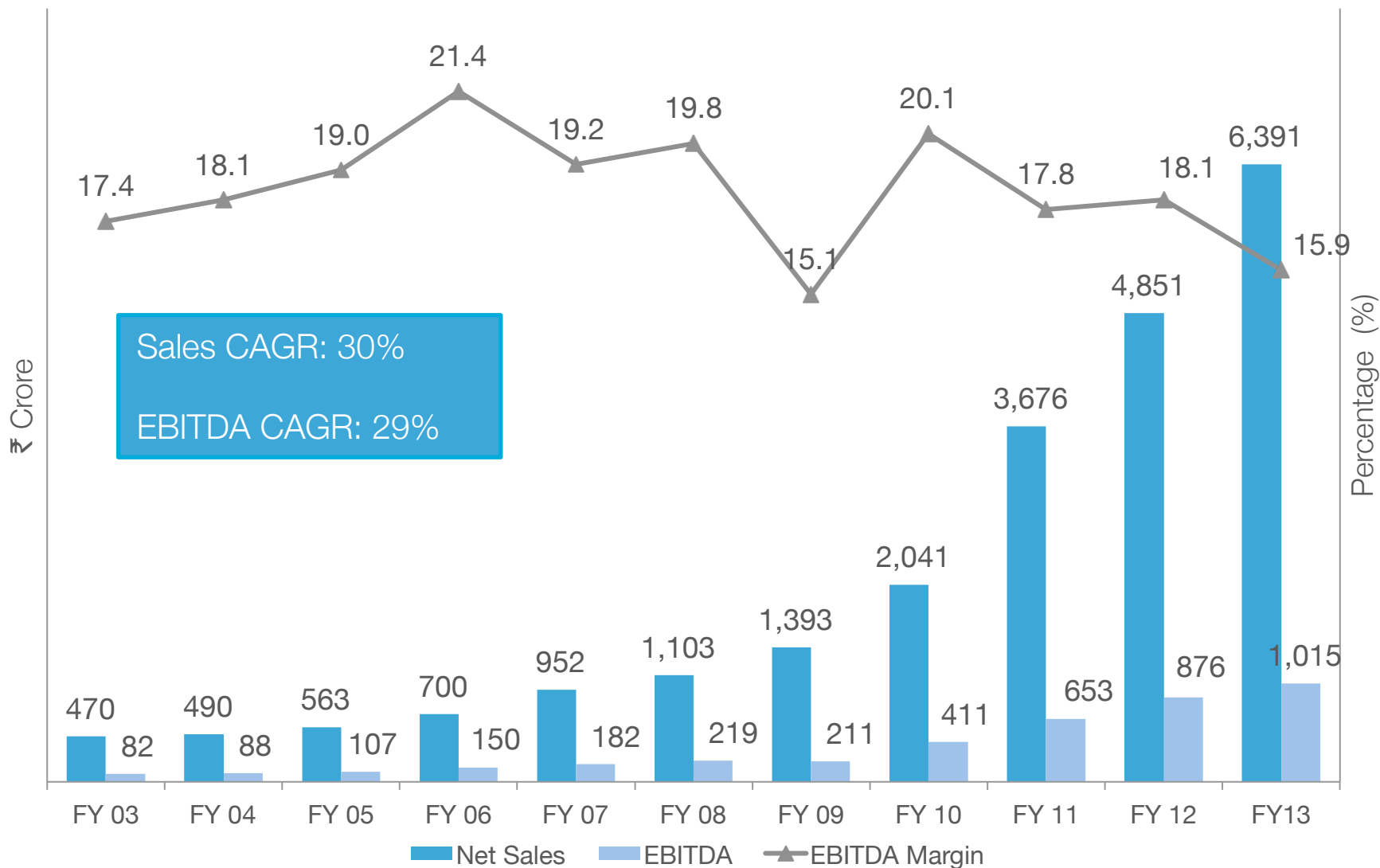


6

Agility and high performance culture

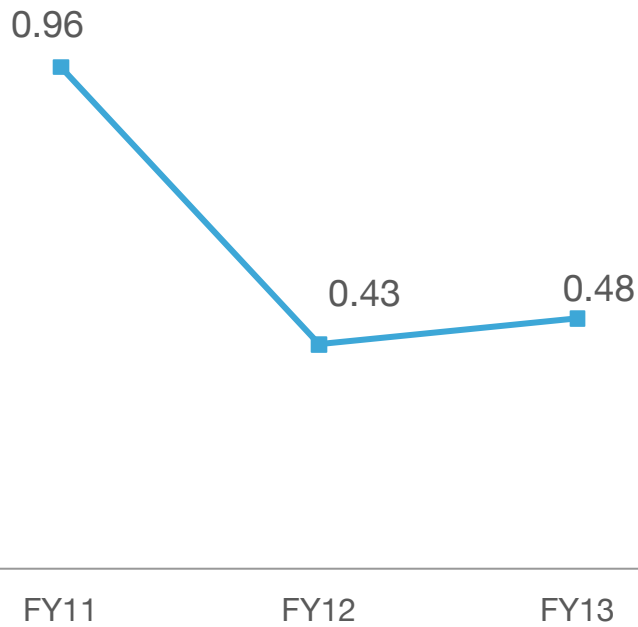


# WE REMAIN COMMITTED TO DELIVERING CONSISTENTLY STRONG PERFORMANCE

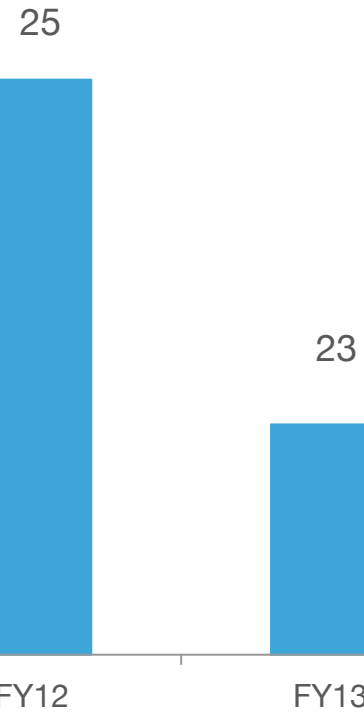


# OUR BALANCE SHEET IS ALSO HEALTHY AND IS IMPROVING

## NET DEBT TO EQUITY RATIO



## IMPROVEMENT IN WORKING CAPITAL DAYS



Note: NWC without Cash and Bank balances improves by ~ ₹ 40 Crore on organic businesses

## Q1FY14 Snapshot



# BUSINESS SNAPSHOT

## DOMESTIC BUSINESS CONTINUES TO DELIVER STRONG PERFORMANCE

Ahead of the category performance in all three categories



Improving product mix and lower palm oil prices is driving gross margin benefits



New launches witnessing good success and driving penetration in relatively underpenetrated categories





# BUSINESS SNAPSHOT

## INTERNATIONAL BUSINESS CONTINUES TO SCALE UP

Indonesia business continues to deliver robust growth rates while expanding market leadership



Africa business - new product rollouts such as household insecticides, wet hair care product to leverage existing distribution capabilities



Margin improvement projects in Latin America underway; business holding up market share amidst tough competition



UK business gains extra scale after acquisition of S&G while continuing to witness healthy organic growth rates





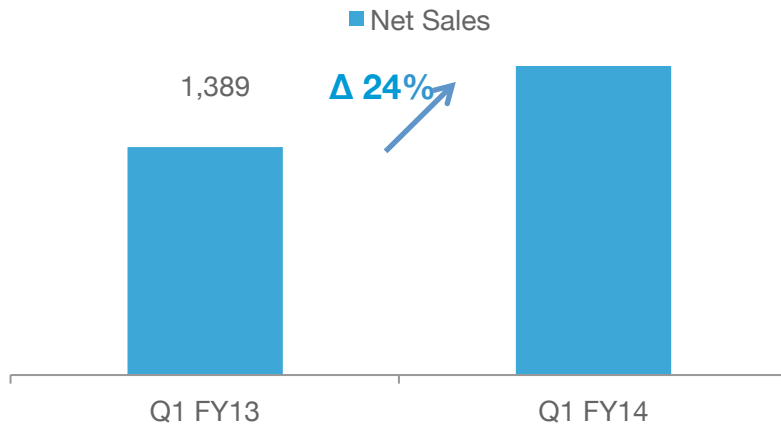
# BUSINESS SNAPSHOT

Weakening macro environment in a few of our operating countries

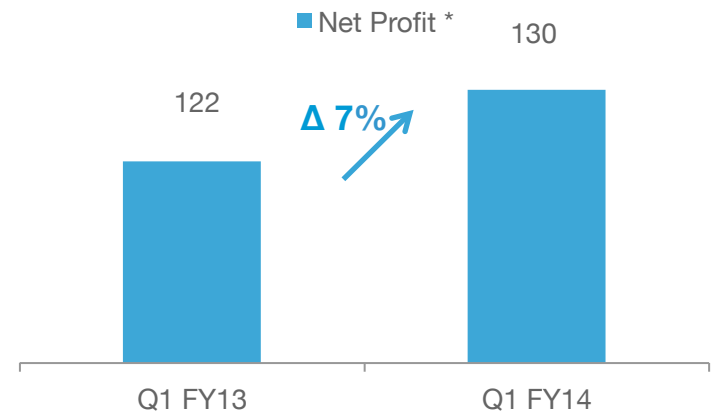
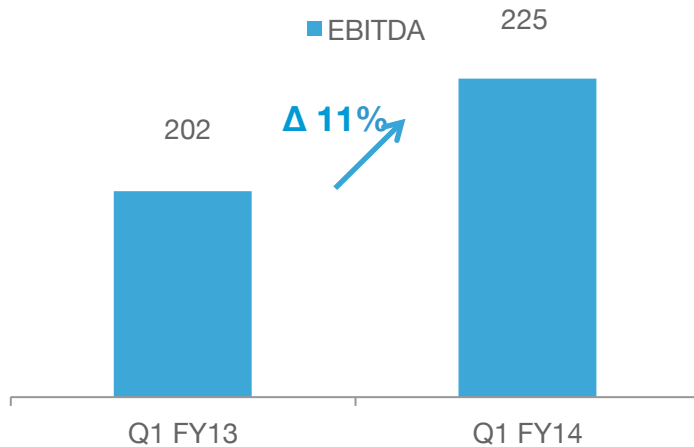
Currency volatility – Indian Rupee, South African Rand, Argentinian Peso, Indonesian Rupiah

Rising inflation – fuel costs, employee costs, etc.

# HEALTHY Q1FY14 OPERATING PERFORMANCE



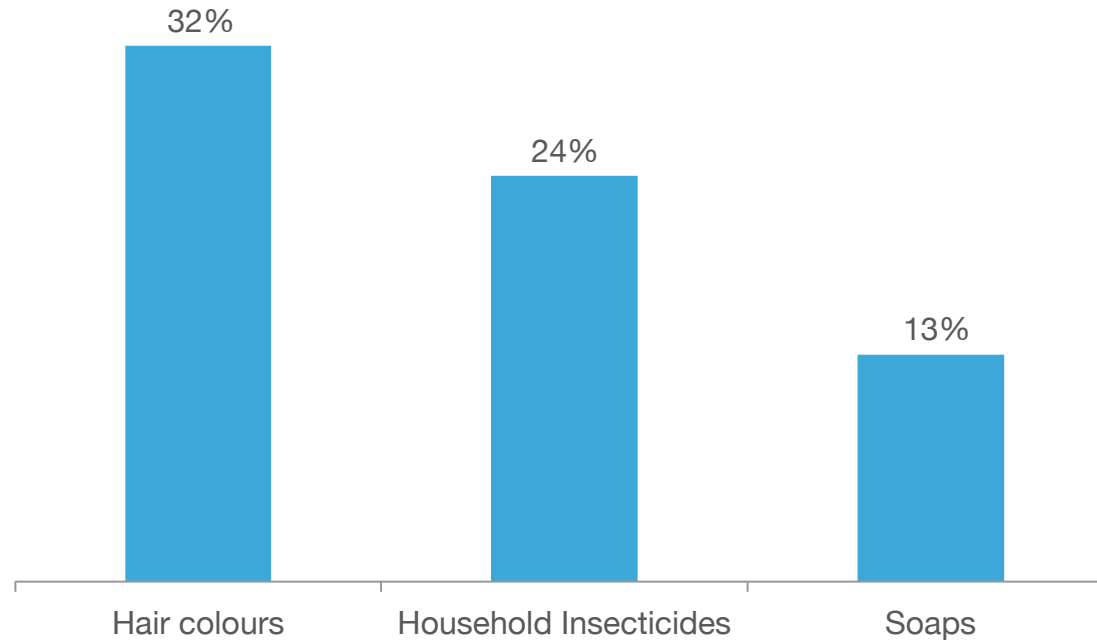
- Consolidated business at constant currency grows 27%
- Consolidated organic business at constant currency grows 19%
- Consolidated EBITDA + A&P grows 30%



\*Net profit w/o exceptional items and one time tax reversal  
All values ₹ cr

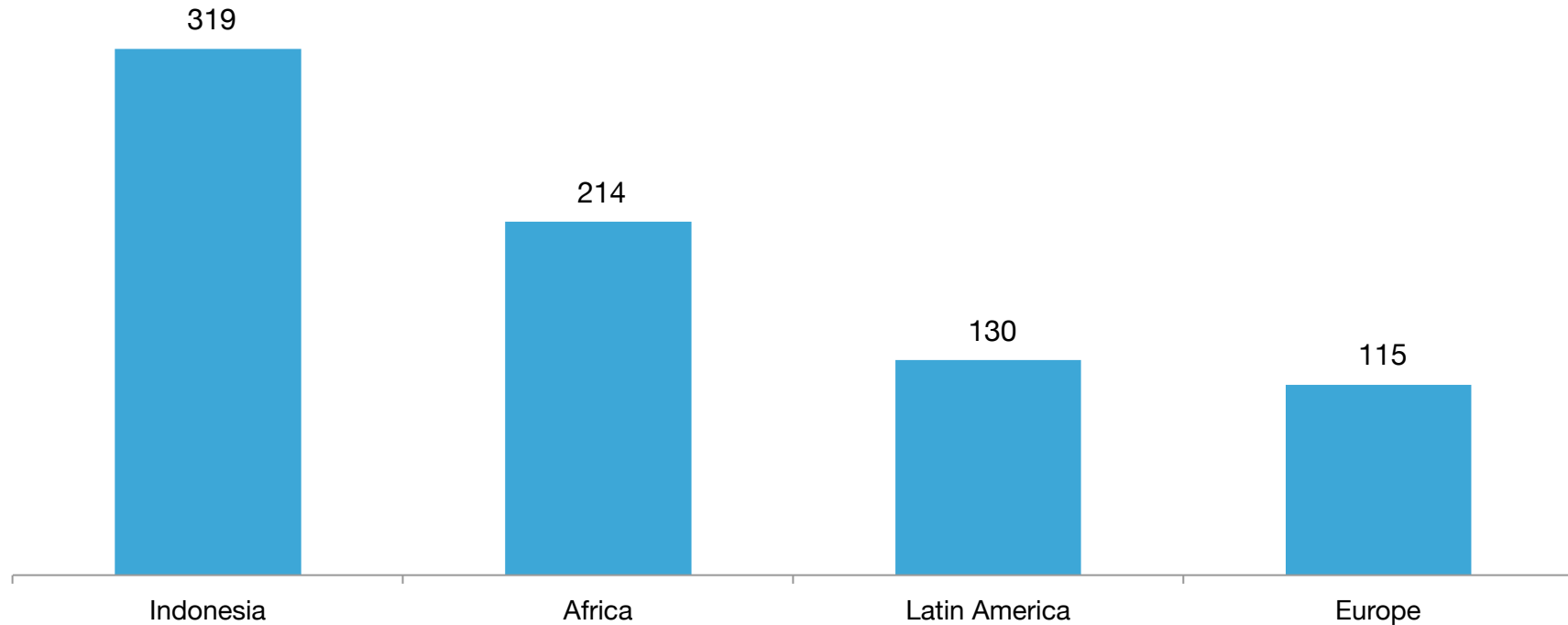
# DOMESTIC SALES GROWTH MOMENTUM INTENSIFIED IN Q1FY14

## India business gross sales growth (%)



- India business branded sales growth of 21% driven by ahead of the category performance for all core categories
- Domestic EBITDA + A&P spends grew +37%

# INTERNATIONAL BUSINESSES CONTINUES TO SCALE UP



Net Sales Growth (%)

Constant currency	+ 21	+ 58	+ 31	+ 59
Exchange	(4)	(9)	(10)	-
YOY Reported	+ 17	+ 49	+ 21	+ 59

International organic business at constant currency grows 19% in Q1FY14

# FORWARD OPPORTUNITIES

## Domestic Business



## International Business

Drive penetration and consumption in core categories

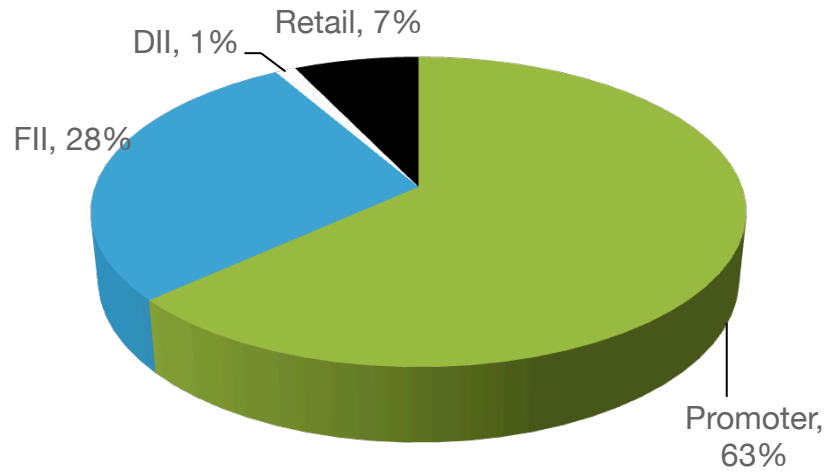
Expand into adjacencies under three core categories

Drive margin improvement through cost saving initiatives and better product mix

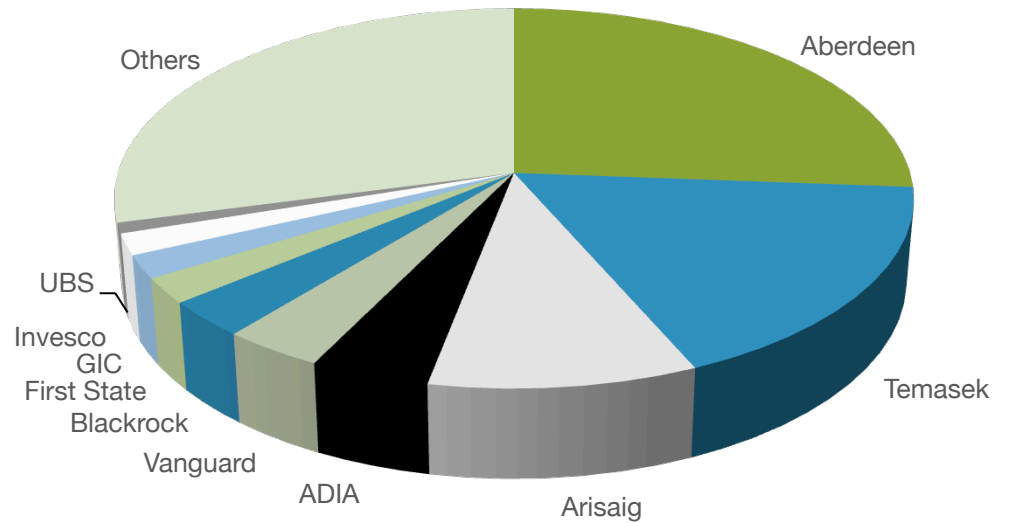
Drive margins through scale up of international business

Cross pollination initiatives to harness distribution and product technology strengths

# STOCKHOLDING PATTERN



## Major FII's





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THANK YOU FOR YOUR TIME AND CONSIDERATION