

Godrej Consumer Products Ltd.
Regd. Office: Godrej One,
4th Floor, Pirojshanagar,
Eastern Express Highway,
Vikhroli (E), Mumbai - 400 079, India.
Tel : +91-22-2518 8010/8020/8030
Fax : +91-22-2518 8040
Website : www.godrejcp.com

CIN : L24246MH2000PLC129806

December 20, 2021

BSE Limited

Corporate Relations Department
Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street,
Fort, Mumbai - 400 001
Scrip Code: 532424

The National Stock Exchange of India Ltd

Exchange Plaza, 4th Floor, Bandra-Kurla Complex,
Mumbai 400 050
Symbol: GODREJCP

Dear Sirs,

Schedule of Conference call

We attach herewith a presentation made to the Investors and Analysts today.

Thank you.

Yours faithfully,
For Godrej Consumer Products Limited



Rahul Botadara
Company Secretary & Compliance Officer





Godrej Consumer Products

**Volume Growth from
Category Development**

20 December, 2021

**I've spent the
last few months
getting to know
the company**



GCPL in a snapshot

\$13 bn
Market
Capitalisation

\$1.5 bn
Turnover

12%
CAGR in the
last decade

22%
Operating
margin

+490 bps
expansion in
the last decade



Among the
top 3
in categories
of presence



for 5 years
in a row



Presence in
6.1 mn
stores in India

After a few rough years, business performance is better

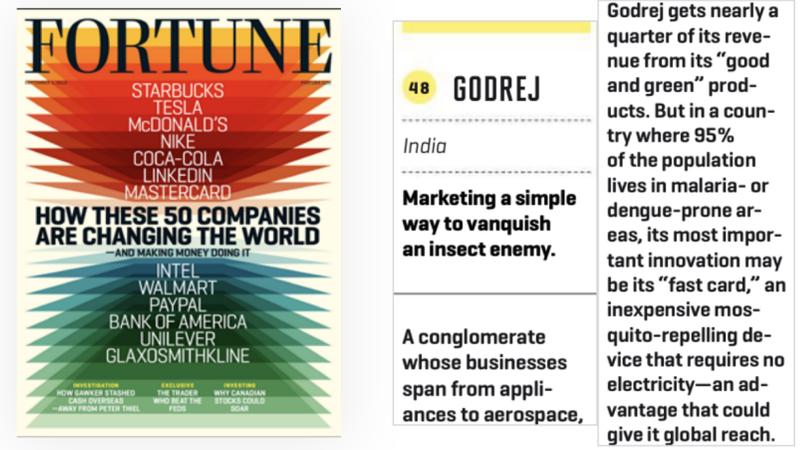
| | 2011-15 | 2016-20 | 2021-H1 FY22 |
|----------------|---------|---------|-----------------|
| Volume growth | 15% | 5% | 9% |
| Revenue growth | 20% | 5% | 13% |
| Avg. EBITDA | 17% | 20% | 22% |

Volume growth is improving

| | 2016-20 | FY21 | H1 FY22 |
|---------------|---------|------|---------|
| GAUM growth | 13% | 8% | 32% |
| Avg. EBITDA | 14% | 10% | 11% |
| Lat Am growth | (3%) | 19% | 11% |
| Avg. EBITDA | 13% | 14% | 17% |

Some of our old laggards are turning

We have some terrific strengths...

48 GODREJ
India

Marketing a simple way to vanquish an insect enemy.

A conglomerate whose businesses span from appliances to aerospace,

Godrej gets nearly a quarter of its revenue from its "good and green" products. But in a country where 95% of the population lives in malaria- or dengue-prone areas, its most important innovation may be its "fast card," an inexpensive mosquito-repelling device that requires no electricity—an advantage that could give it global reach.

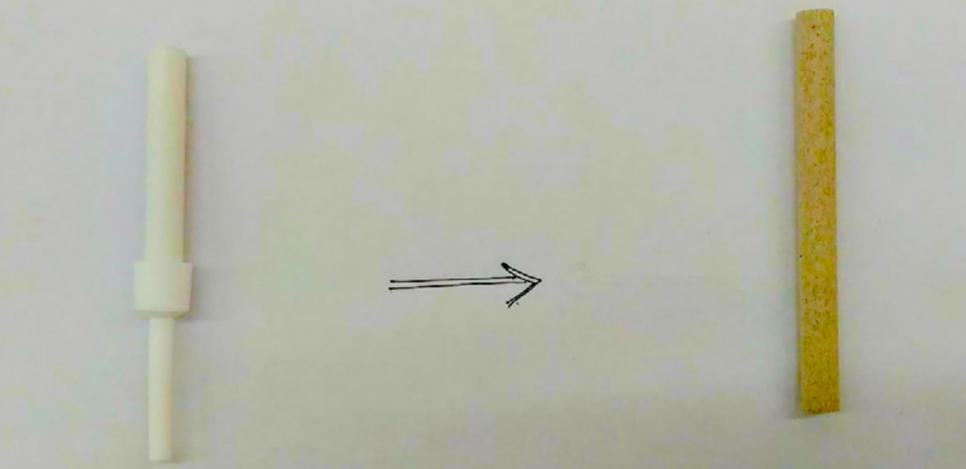


4 SOAPS x150g

Godrej

No.1

sandal turmeric natural oils



Plastic ➤ Biodegradable

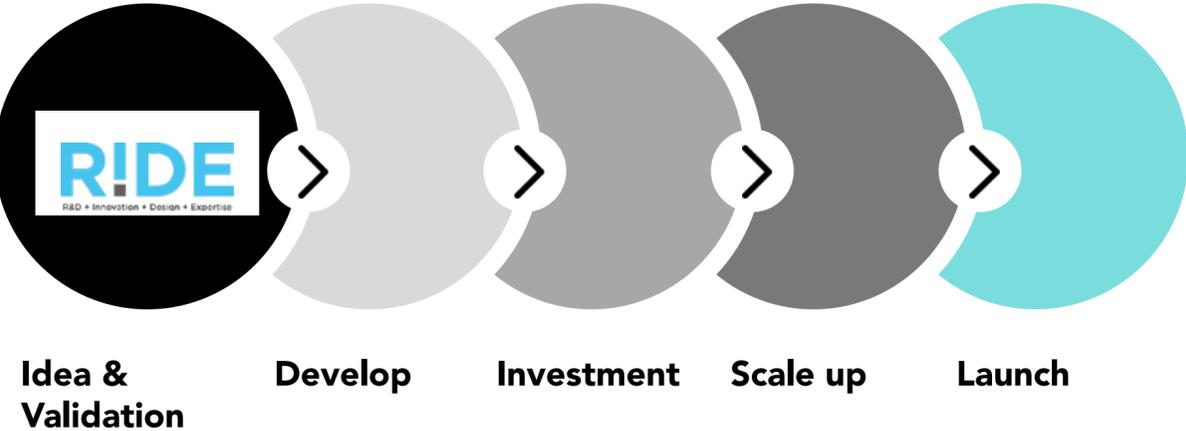
Cost X ➤ Cost 0.5X

1 Break through innovation

2 Quality Obsession

3 A frugal cost mindset

... and some more modest strengths



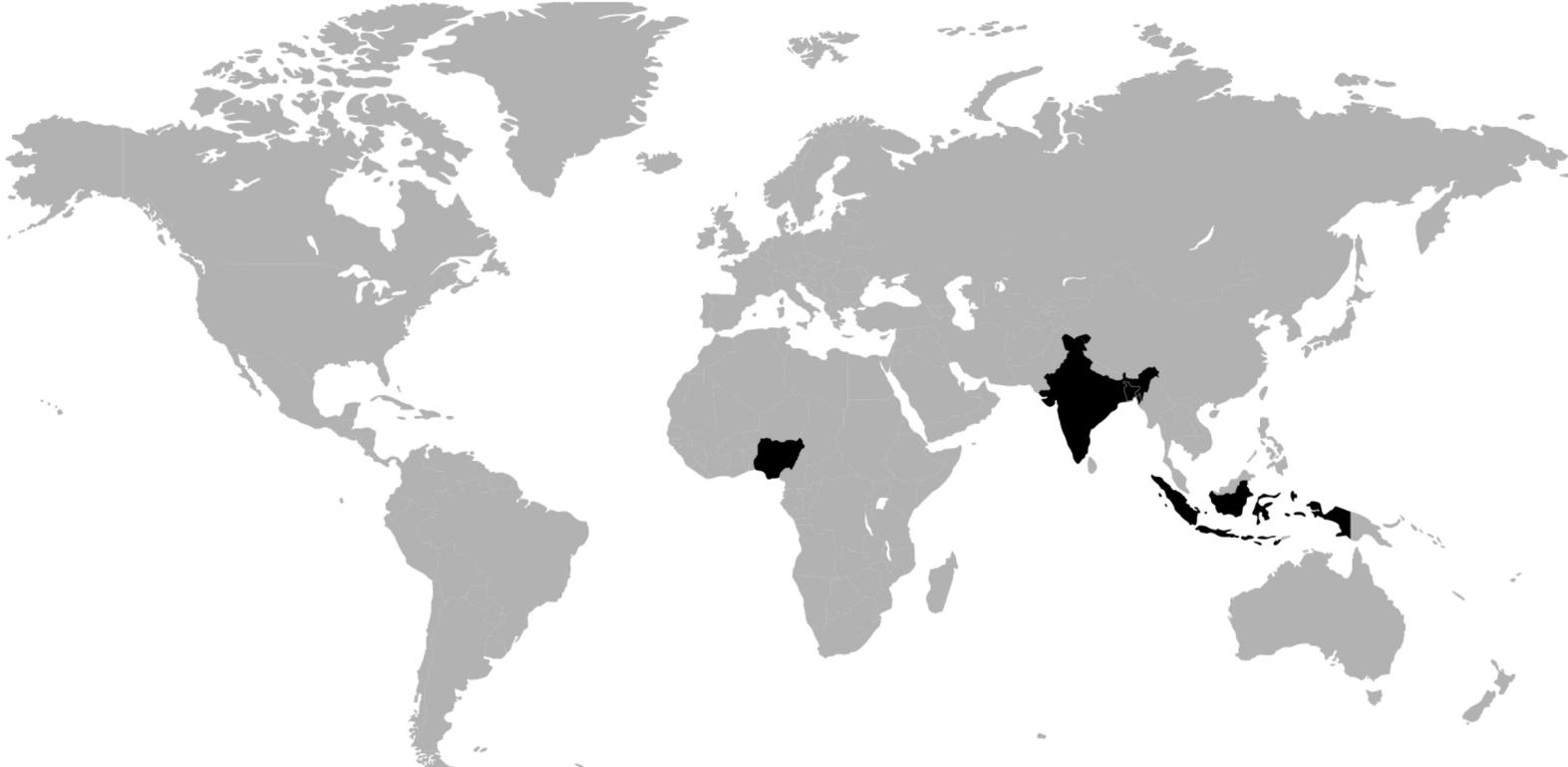
| Indonesia | MT | GT |
|-----------|-----|-----|
| GCPL | 70% | 30% |
| FMCG | 40% | 60% |

4 Strong Processes

5 Good in-market distribution

6 Though somewhat Urban centric

Most importantly, we are blessed to have a really great portfolio



4
Countries

80%
of revenues

30%
of the world's
population

2X
GDP
growth

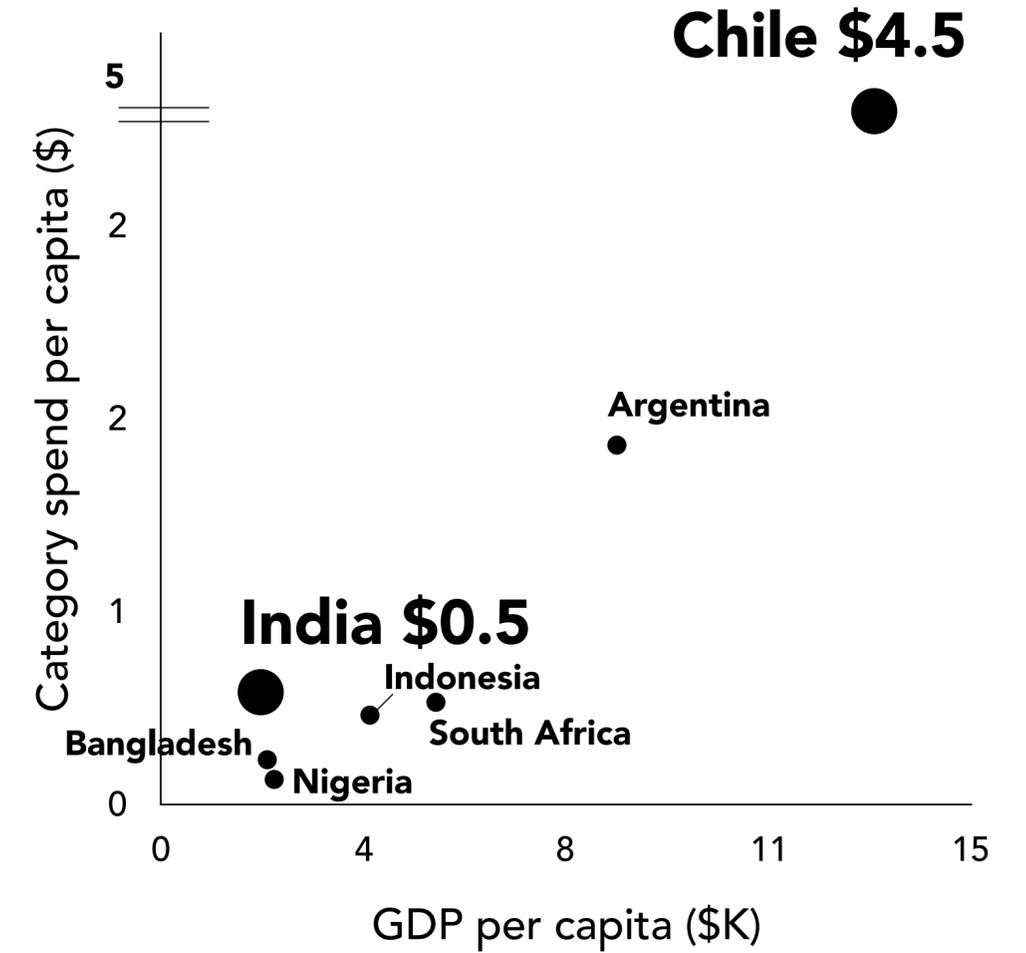
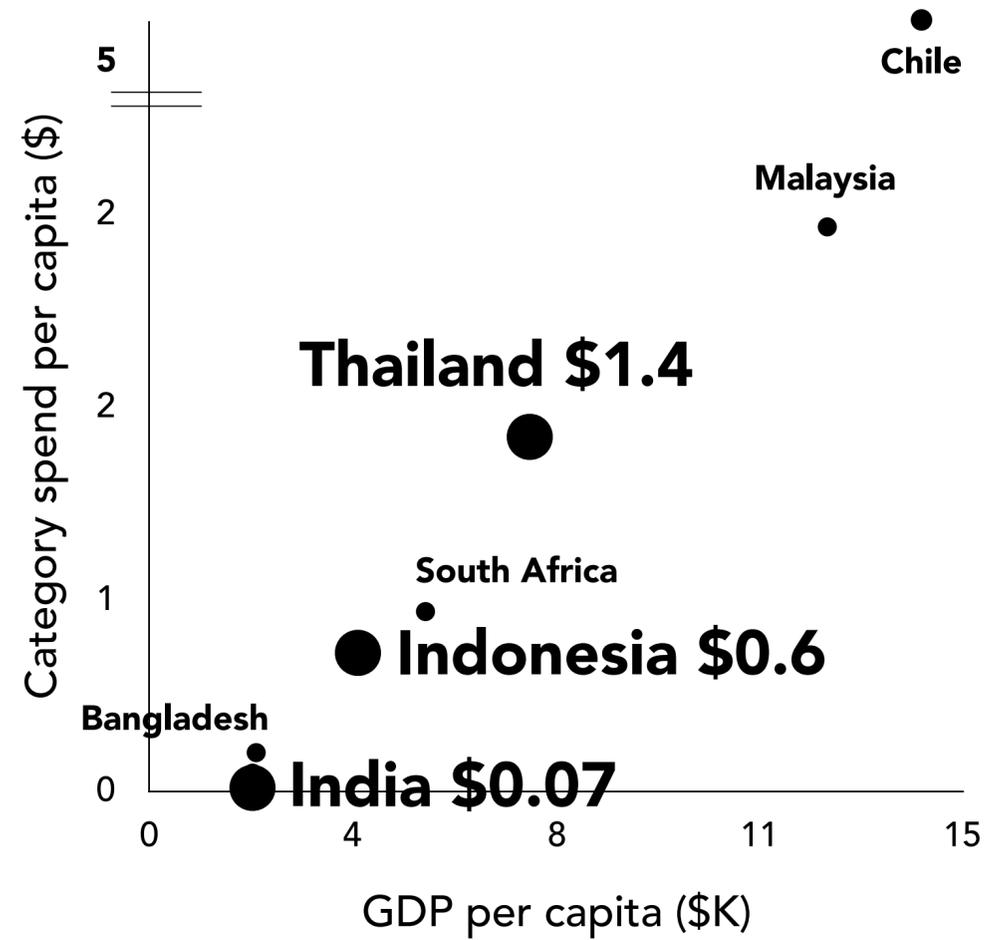
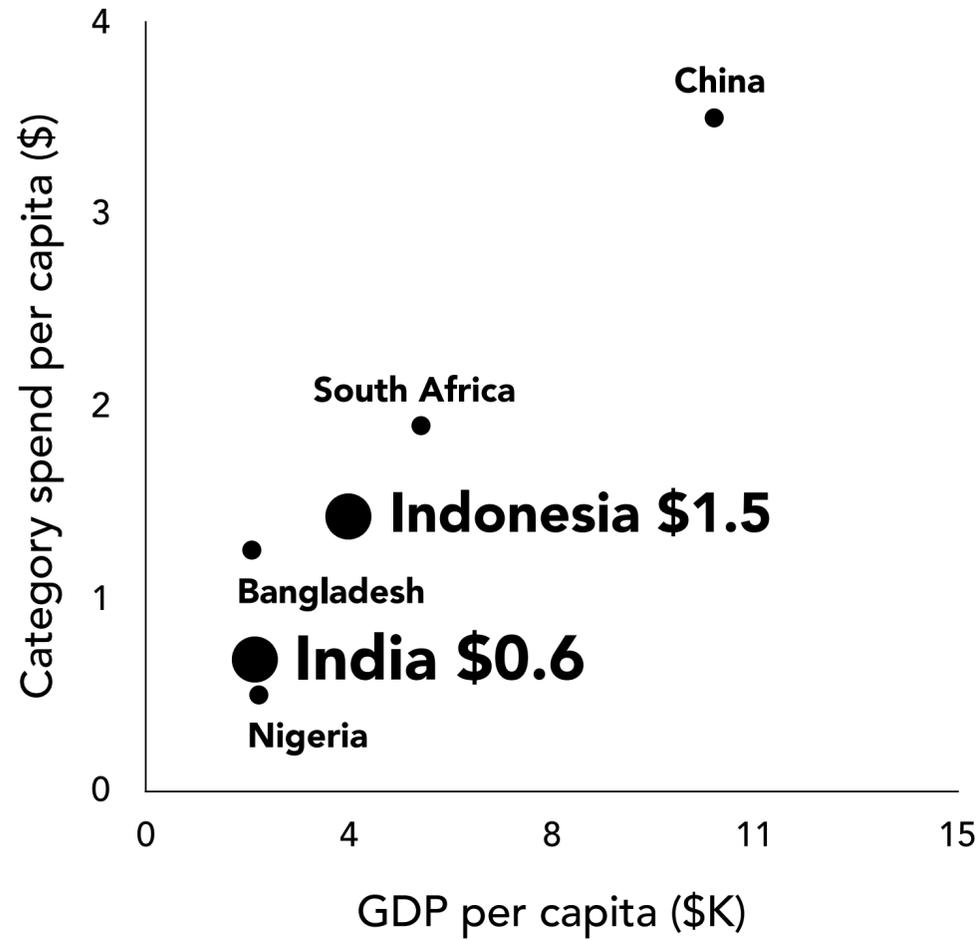
4
Products

~40%
of revenues

60%
of profit
pool

< 20%
penetration

And categories with non-linear growth potential



1 Household Insecticides

2 Air Care

3 Hair Colour

But like my dance moves, we have a few weaknesses too...



A key one is the inability to drive category development



| Category penetration | FY21 |
|--|------|
| Air Fresheners (Indonesia) | 28% |
| Household Insecticide Aerosols (Indonesia) | 23% |
| Liquid Vapourisers (India) | 28% |
| Hair Colour Crème (India) | 13% |



1 We acknowledge it

2 But stop at around a quarter of the population

3 Fear of downgrading

Complexity: Our Achilles' Heel

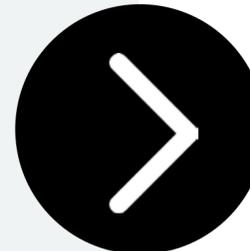
The one area we seem to be lacking across geographies and categories

Kenya: INR 60 Cr FMCG business has 13 brands

Indonesia: 43 innovations last year

India: 500 SKUs, but each store keeps only 12

Goal sheets: 4 Goals but 12 KPIs



Leads to higher cost and inventory



And loss of focus from the core business

| A core category in Indonesia | FY20 | FY21 | H1 FY 22 |
|------------------------------|------|-------|----------|
| Sales Growth | X% | 0.5X% | (X%) |
| Market Share (bps) | +X | +X | (1.2X) |
| GRPs | X | 0.5X | 0.4X |
| New Category GRPS | NA | 0.5X | 0.6X |

But when we focus, we really win big

Our consistent wins have the core of our business baked in



CINTHOL
ALIVE IS AWESOME



Ghana

Revenue is up **27%** and margins by **1,500 bps** based on **1 relaunch** and **1 innovation**

India Soaps

Consistent advertising, pricing and product quality has given us **300 bps** of share in **5 years**

Not enough global collaboration



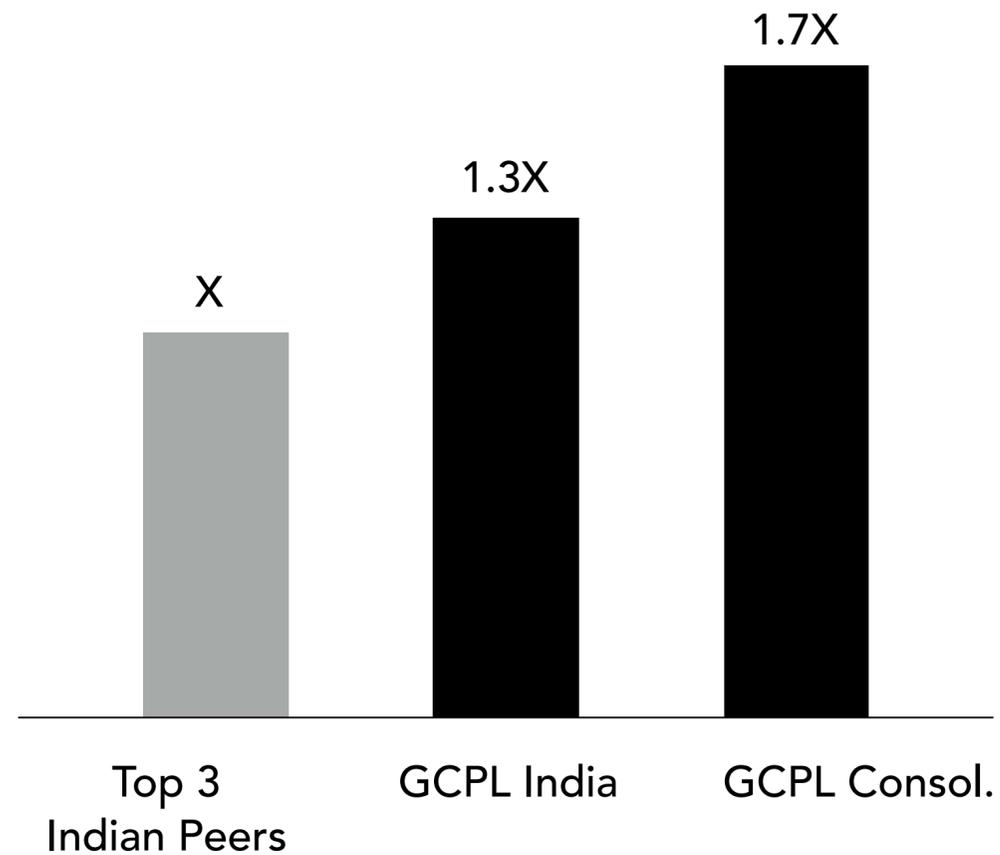
1 category, 1 benefit, many positions



Rollout of Goodknight in Nigeria shows promise

And being frugal is often expensive

Fixed Overheads



| | FY18 | FY21 |
|-----------------------------|------|------|
| Advertisement and Publicity | 8% | 7% |
| Sampling | 0.2% | 0.2% |

1 Fixed costs can be better

2 Not enough automation

3 Not enough media

To summarise: From Good to Great

All we need are few key changes to an already robust base

We already have

Top of the line ESG - deeply rooted in purpose, values, sustainability

A top-class geographic and product portfolio

Very strong R&D and innovations capability

A frugal cost structure

Robust processes required to take our game to the next level

We just need to

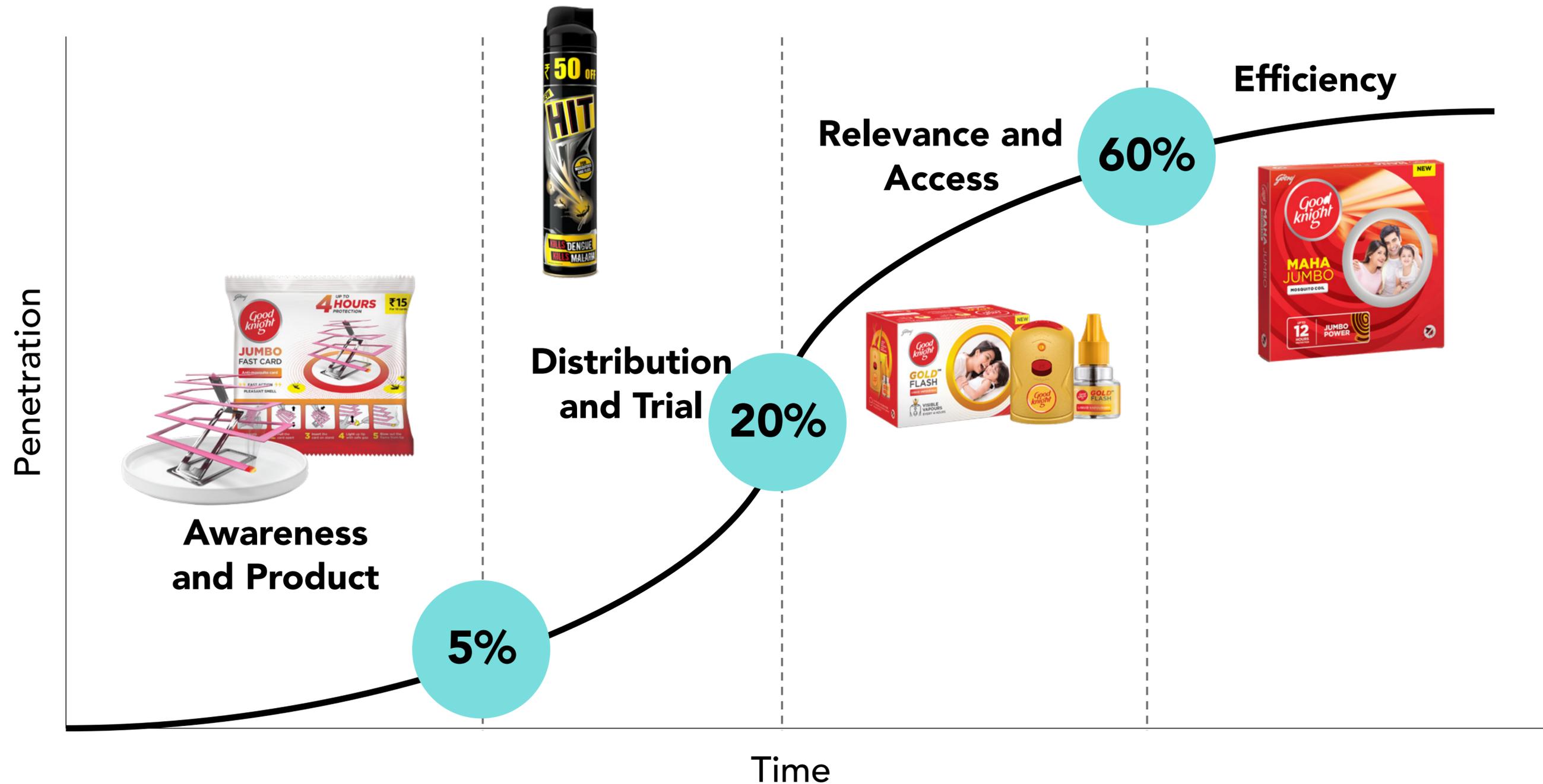
Focus on a few transformative consumer tailwinds

Work more collaboratively across the globe

Invest more in automation and media

Develop better category development capability

What does category development for mosquitoes mean?



The first 3 phases of category development need very high Advertisement & Publicity, Sampling and Distribution investment

At the heart of our success lies penetration led volume growth

The Growth Plan

| Driver | Contribution |
|---|--------------|
| Penetration gains on 50% of portfolio | 50% |
| Moderate share gain on 50% of portfolio | 15% |
| Consumption led market growth | 25% |
| Disruptive innovation | 10% |
| Total | 100% |



Fuel for Growth

| Save | Invest |
|-------------------------|------------------------|
| Gross Margins | Media and Sampling |
| Discounts | Salaries |
| Overheads | Digital and Automation |
| Non Media ATL | Distribution |
| ▲ 150-200 bps expansion | |
| Inventory | CAPEX |

But a transformative business plan needs a philosophy that we believe in

GODREJ'S BOX LOCKS.



$2\frac{1}{2}$ 3 $3\frac{1}{2}$ 4 Inches.

An Operating Philosophy

1. Less is more; Much less is much more
2. Consumer first, Business second
3. Think local, Act global
4. Tomorrow before Today
5. Better from within, Different from outside

1

**Less is more;
much less is much more**

**Fewer Bigger innovations,
Consumer tasks and SKUs**



1

**Less is more;
much less is much more**

It's not the green premium, it's the green discount



"We spent a small fortune buying all organic food to keep up with the Joneses."



2

Consumer first, Business second

Consumer investments delinked from short-term business performance

HIT

THIS FESTIVE SEASON
WHILE DEEP CLEANING, KILL ALL THE
DANGEROUS COCKROACHES TOO.

Your festive cleaning is incomplete without killing dangerous cockroaches. Use **LAL HIT** and kill the hidden cockroaches with its deep reach nozzle.

KILL HIDDEN COCKROACHES, STAY SAFE FROM DISEASES.

INSIDE THE SINK UNDER THE GAS CYLINDER NEAR GAS PIPE

99.9% असरदार
कोविड-19 वाइरस के खिलाफ

magic
powder to liquid
HANDWASH

इंडिया के सबसे किफ़ायती^{*}
हैंडवॉश को बनाओ अपना पहला हैंडवॉश।
₹30 में मैजिक हैंडवॉश बॉटल
और रीफिल।

हैंडवॉश
बॉटल + रीफिल^{*}
₹30/-

magic
powder to liquid
HANDWASH

magic
powder to liquid
HANDWASH

*स्टैंडर्ड टैस्टिंग प्रोटोकॉल के अनुसार। 1 मिनट संपर्क समय। * ₹15 के हर रीफिल सेरो का वजन 9g. मूल्य के आधार पर भारत में बिकने वाले टॉप 99.9% लिक्विड हैंडवॉश के मुकाबले।

Komal Rajpathak **Follow**
1/1

RICH COLOUR WITH
SOFT & SHINY HAIR

#ColourForGaneshChaturthi

rich crème
long lasting colour | 100% grey coverage
10x

rich crème
long lasting colour | 100% grey coverage
10x

3

Think
local, Act
global

Set up Global Category Team on 18 October, 2021 to manage 3 global categories



Central

Global category strategy,
Product development and
innovation, Brand communication

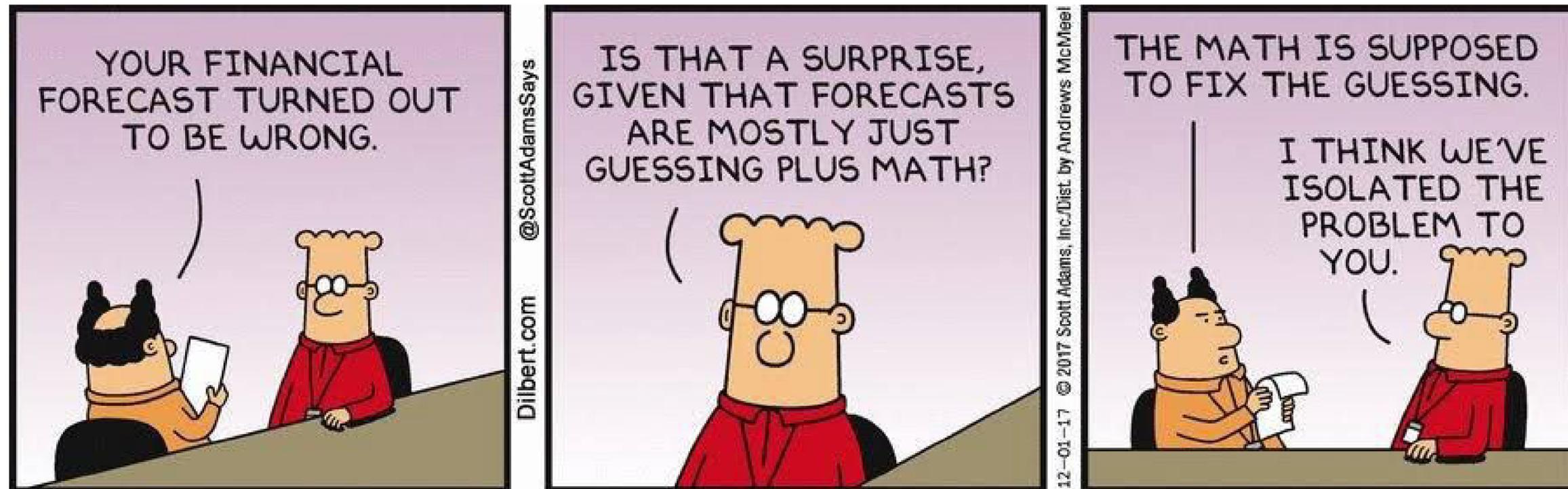
Local

Market development
and Brand building

4

Tomorrow before today

**Bonus paid for ambition, but forecast for reality
(98-102%)**



5

Better from within, Different from outside



**Robert
Menzies**

8 years at GCPL

Appointed Global Head of
Categories on 18 October



**Somasree
Bose**

18 years at GCPL

Appointed Chief Marketing
Officer (India) on 18 October



**Tom
Dawes**

10 years at GCPL

Appointed Global Head of Equity and
Communication on 25 November



**Amit
Jain**

10 years at GCPL

Added responsibility of Sales
Development to Customer
Marketing in India



**Adesola
Sotande-Peters**

Appointed Chief Financial
Officer of Africa, USA and
Middle East (15 years of
experience working at large
MNCs across Africa)

A simple strategy for the next 3-5 years

Double-digit Volume Growth

Led through category development

Funded by radical simplification



But what does it mean in the short term?

2 factors will affect our short term

Unprecedented cost inflation

| | Nov-20 | Nov-21 |
|-------------------|--------|--------|
| Crude (\$/barrel) | 40 | 80 |
| Palm Oil (MYR/t) | 1,500 | 3,500 |
| Tin (000 \$/t) | 18 | 36 |

Indonesia: Environment + Mistakes but not structural



What this means for our business if costs are at current levels

H2 FY22

**Low Volume
Growth**

**High Price
Growth**

**High GM dilution and
moderate EBITDA dilution**

FY23

**Moderate
Volume Growth**

**High Price
Growth**

**Good GM recovery and moderate
EBITDA recovery because of media
and distribution investment**



Thank you

www.godrejcp.com

Godrej | CONSUMER PRODUCTS