

Q2FY2024 Investor and Analyst Performance Update

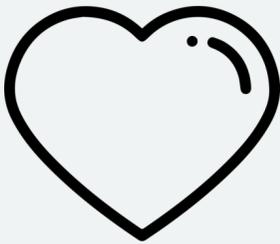
November 1, 2023



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



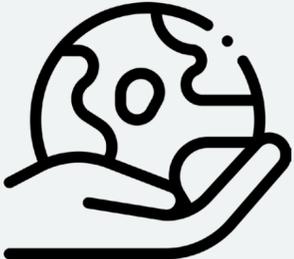
Purpose

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

Committed to our strategy



Lead through category development



Funded by simplification

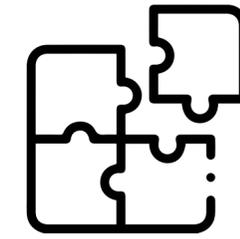


People and planet alongside profit

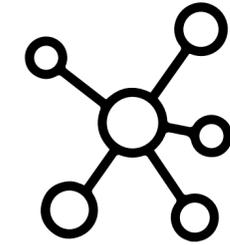


Lead through category development

Category Development



Build
relevance



Drive
accessibility



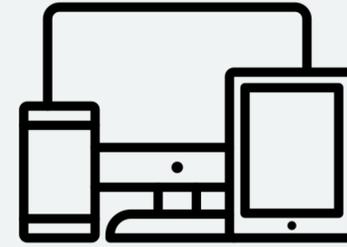
Generate
trials



Develop
innovative products



Lead through category development



+44%
Working Media increase
in India



Scaling up distribution of
Aer O Car Air Fresheners



Increase penetration in the
Household Insecticides category



**Funded by
simplification**

Simplification

SKU
rationalisation

Business model
enhancement

Changes in
organisational
structure

Optimising
manufacturing
footprint



Cost savings of ~400 bps



**Funded by
simplification**

Business model enhancement

Simplifying Hair Fashion operations to a Royalty model in select markets (largely in East Africa)

Target implementation
by Q4 FY24

Expect profitability to
improve in the medium term

Annualised

~₹500 Crore
Revenue

~₹0
PAT#

FY25

₹0
Revenue

~₹50 Crore
PAT#



Excludes one-time costs



**People and planet
alongside profit**



**Magic Floor
Cleaner**

Dividend

November 1, 2023

The Board of Directors have declared an interim dividend of 500% (₹5 per share).

This would result in a payout of ₹511 crore.

Outlook

We will strive to maintain a steady stream of dividend.

Expect the dividend payout ratio to average ~50% (range +/- 20%) of the annual Profit After Tax of the Company.

**FINANCIAL
PERFORMANCE
UPDATE**

Healthy volume growth and strong EBITDA performance

Growth (year-on-year)	Consolidated Business	India Business
Underlying Volume Growth	10% (6%#)	11% (4%#)
Net Sales	6% (2%#)	9% (2%#)
Net Sales (Constant Currency)	16% (12%#)	-
EBITDA*	30%	30%
EBITDA* + Working Media	31%	34%
Net Profit (Reported)	21%	48%
Net Profit (without exceptional and one-off items)	17%	10%^
Operating Cash Flow	1.2x	0.9x

Stable growth across markets

Geography		Sales (₹ crore)	Growth (Year-on-year)	Constant Currency Growth (Year-on-year)
India	Reported	2,129	9%	-
	Organic	1,987	2%	
Indonesia		473	16%	14%
Africa, USA and Middle East		816	(5%)	17%
Latin America and SAARC		181	5%	99%
Total Net Sales	Reported	3,568	6%	16%
	Organic	3,426	2%	12%

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

Strong margin expansion across key markets

	Consolidated	India	Indonesia	Africa, USA & Middle East	Latin America & SAARC
Q2FY24 Reported EBITDA* Margin	19.7%	26.2%	17.5%	8.1%	(0.8%)
Business support charges, royalty and technical fees (₹ crore)	-	(5.8)	1.9	3.9	-
Q2FY24 Operating EBITDA* Margin	19.7%	25.9%	17.9%	8.5%	(0.8%)
Change in EBITDA* Margin (bps) (y-y)	+360	+430	+80	+310	(250)
Change in EBITDA* + Working Media Margin (bps) (y-y)	+540	+700	+330	+200	(160)

Exceptional and One-off Items

Consolidated Business	Q2 FY2024	Q2 FY2023
Net Profit (Reported)	433	359
Exceptionals (Post tax):		
Restructuring costs	10.5	3.8
Settlement of VAT and amnesty scheme in India	-	14.6
Others	-	0.1
Net Profit (Without exceptional and one-off items)	443	377

Note: All values are in ₹ crore and rounded off

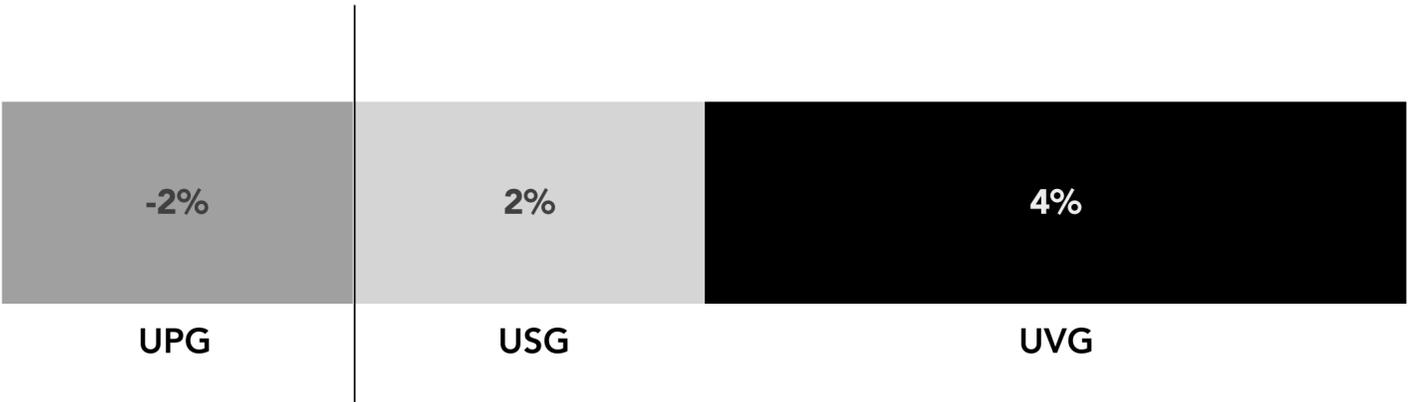
INDIA BUSINESS UPDATE

Volume growth in mid-single digit despite tough operating environment

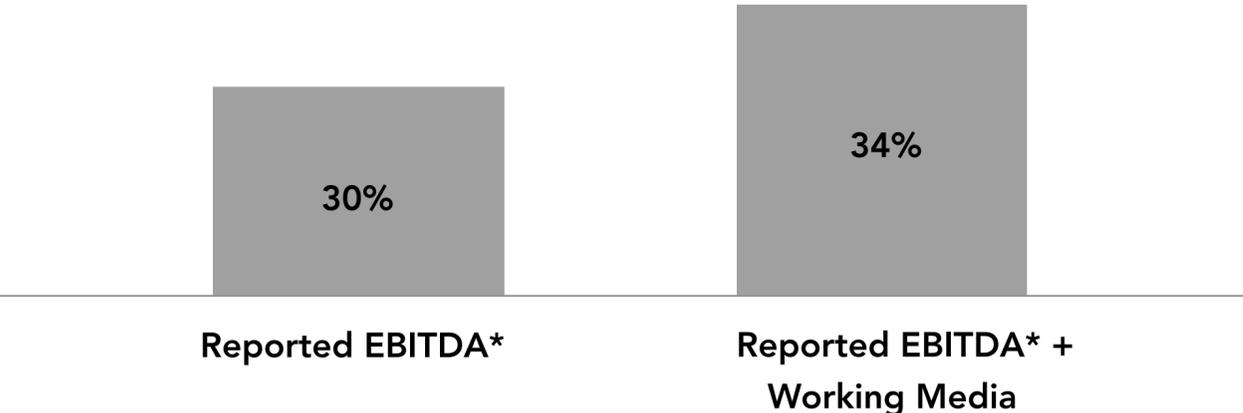
- Organic UVG of 4% and USG of 2%
- Home Care volume growth in mid-single digit and Personal Care (Organic) in low-single digit

- Robust margin improvement continues:
- Gross Margin up 980 bps year-on-year
 - Increase in Working Media investment by 44% year-on-year
 - EBITDA* Margin of 25.9%, up 430 bps year-on-year

Organic Sales growth (y-y)



Growth (y-y)



*EBITDA (incl. Forex)

USG: Underlying Sales Growth; UPG: Underlying Pricing Growth; UVG: Underlying Volume Growth

High single-digit reported sales growth

Category	Sales (₹ crore)	Growth (Year-on-year)
Home Care	913	5%
Personal Care	1,003	(1%)
Total Branded	1,916	2%
Unbranded and Exports	71	6%
Total Net Sales (Organic)	1,987	2%
Personal Care (Inorganic)	142	-
Total Net Sales (Reported)	2,129	9%

Home Care (1/2): Household Insecticides impacted due to seasonality

- Household Insecticides growth was flattish due to poor monsoons
- Non-mosquito portfolio continues to consistently perform well
- Our volume market share increased during the quarter, supported by category development activities



Home Care (2/2): Consistently delivering double-digit growth in Air Fresheners

- Air Fresheners continue to consistently deliver strong double-digit volume and value growth
- Aer continues to gain share and enjoy market leadership
- Aer O is performing well and receiving encouraging response



Personal Care (1/2): Personal Wash delivers steady performance

- Personal Wash delivers low single-digit volume growth
- Our market share increased, led by effective media campaigns and micro marketing initiatives
- Magic Handwash continues to deliver strong double-digit volume growth



Personal Care (2/2): Continue to gain market share in an externally impacted environment

- Hair Colour volumes grew in low single digit; growth was impacted due to one additional month of 'Shravan' (auspicious month according to the Hindu calendar) during the quarter
- INR 15 Godrej Expert Rich Crème continues to perform well and drive format penetration
- Continue to gain market share



₹15 short hair

Godrej Selfie shampoo hair colour

no ammonia natural black 1

enriched with aloe vera

5 minutes

Godrej Selfie shampoo hair colour *5ml+5ml



Godrej expert

अब कलर्ड बाल लगेंगे ज़्यादा MOISTURISED*

NEW Godrej expert natural black 1.00 crème hair colour

rich crème natural black ultra soft deep shine

long lasting colour | 100% grey coverage | no ammonia

10x ज़्यादा ऐलो वेरा

10x aloe vera

*गोदरेज एक्सपर्ट रिच क्रेम हेयर कलर की तुलना में। *फरवरी 2023 में किए गए स्वतंत्र अध्ययन के अनुसार।

Park Avenue and KamaSutra performance on track

- Sharp improvement in sequential sales run-rate, clocking sales of ₹142 crore
- Integration largely completed; cost synergies to flow from 2HFY24
- Estimate EBITDA to be positive despite scaling up media investments
- On track to achieve full-year ambition



PARK AVENUE

PARK AVENUE Original Collection

GOOD MORNING FRAGRANCE BODY SPRAY WAKE UP

UPTO 24 HR INTENSE FRAGRANCE*

SPRAY KAR AAGE BADH

*जुलाई 2022 में जाँच स्थितियों के तहत किए गए अध्ययन रिपोर्ट पर 3



KamaSutra

MAKE LOVE LIKE NEVER BEFORE

longlast

longlast

**INTERNATIONAL
BUSINESS
UPDATE**

Indonesia business delivers improved performance

- Sales grew by 14% (constant currency) and 16% in INR terms aided by media investments
- EBITDA* margin at 17.9%, up 80 bps year-on-year led by gross margin expansion
- Continue to scale up GT distribution, drive renovation in the portfolio and seed access packs

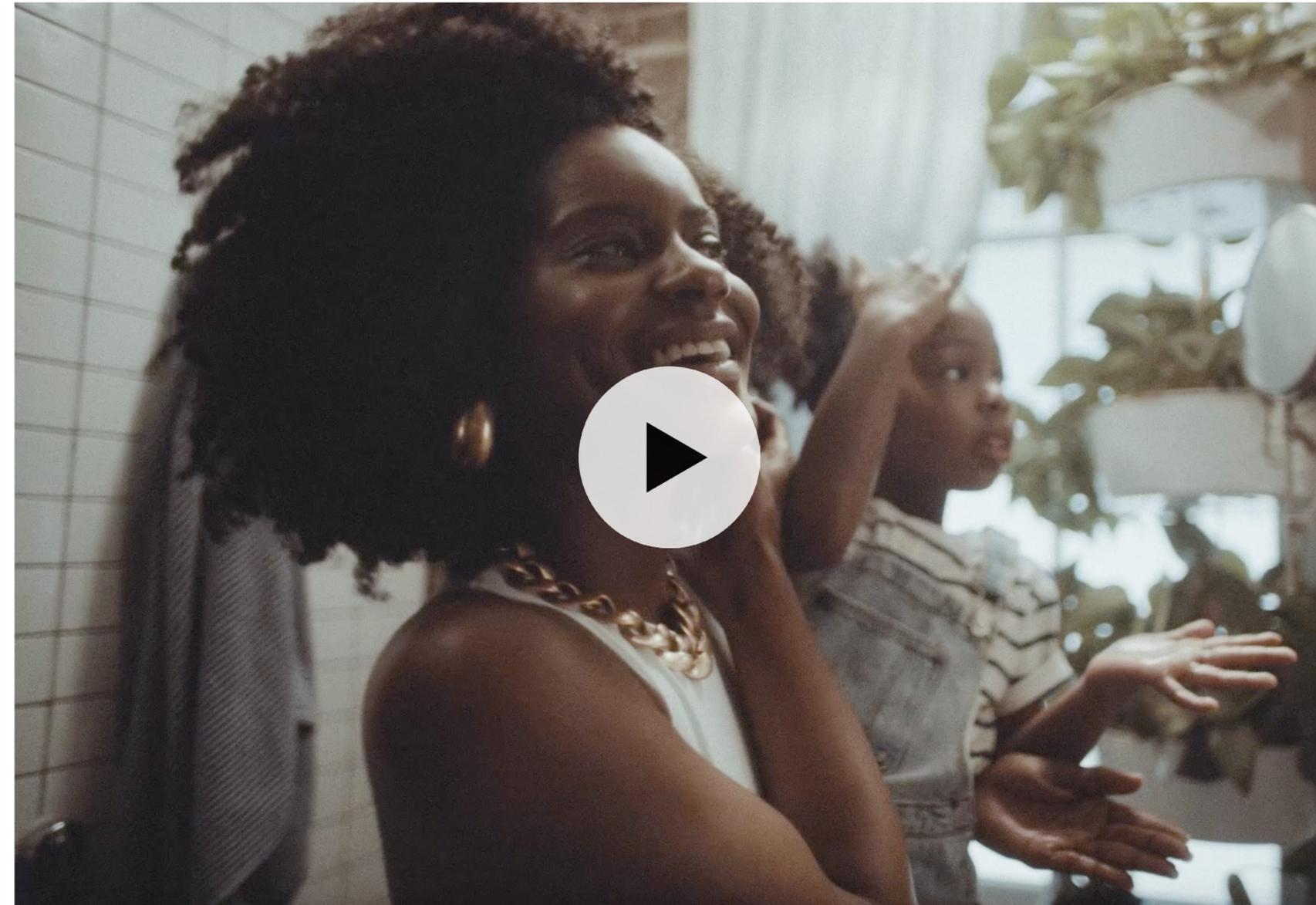
*EBITDA (incl. Forex)



Double-digit constant currency sales growth continues in Africa, USA & Middle East

- Sales growth of 17% in constant currency terms; performance in INR terms was impacted by the devaluation of Naira
- FMCG categories continue to outperform
- EBITDA* margin at 8.5%, up 310 bps year-on-year led by gross margin expansion

*EBITDA (incl. Forex)



APPENDIX

1QFY23 and 2QFY23 EBITDA Margin

	Consolidated	India	Indonesia	Africa, USA & Middle East	Latin America & SAARC
Q1FY23 Reported EBITDA* Margin	16.8%	23.0%	15.1%	5.8%	0.6%
Business support charges, royalty and technical fees (₹ crore)	-	(6.8)	1.2	5.1	0.5
Q1FY23 Operating EBITDA* margin	16.8%	22.7%	15.4%	6.4%	0.9%
Q2FY23 Reported EBITDA* Margin	16.1%	21.9%	16.9%	4.9%	1.8%
Business support charges, royalty and technical fees (₹ crore)	-	(5.9)	1.2	4.9	(0.2)
Q2FY23 Operating EBITDA* margin	16.1%	21.6%	17.2%	5.4%	1.7%

3QFY23 and 4QFY23 EBITDA Margin

	Consolidated	India	Indonesia	Africa, USA & Middle East	Latin America & SAARC
Q3FY23 Reported EBITDA* Margin	20.4%	27.7%	19.7%	8.5%	5.0%
Business support charges, royalty and technical fees (₹ crore)	-	(4.9)	1.9	3.7	(0.7)
Q3FY23 Operating EBITDA* margin	20.4%	27.4%	20.2%	8.9%	4.6%
Q4FY23 Reported EBITDA* Margin	20.2%	27.0%	21.3%	6.5%	8.1%
Business support charges, royalty and technical fees (₹ crore)	-	(6.4)	1.5	5.0	(0.2)
Q4FY23 Operating EBITDA* margin	20.2%	26.6%	21.6%	7.1%	8.1%

**ENVIRONMENTAL,
SOCIAL, AND
GOVERNANCE
UPDATE**

Our ESG targets for FY2025 and Q1 FY2024 performance



Environment*

Vision	Goals for FY2025	Performance update
<p>Influence sustainable consumption</p>	<p>Ensure efficient waste management systems for 7 municipalities in India, diverting over 5,000 MT of waste from landfills</p> <hr/> <p>20% reduction in packaging intensity. 80% of plastic used to be recyclable. Rigid plastics to be replaced by 30% recycled plastic by the fiscal year 2025-26. Flexible plastics to be replaced by 10% recycled plastic by the fiscal year 2026-27 and multi-layer plastics to be replaced by 5% recycled plastic by the fiscal year 2026-27.</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. 	<p>Ongoing community waste management projects in 5 municipalities</p> <p>Source segregation achieved inception till date: 40-90% (highest at 92% in Malanpur)</p> <p>2,660 MT municipal waste diverted from landfill and over 900 MT of plastic waste recycled</p> <hr/> <p>Over 34% of our plastic is recyclable</p> <p>Reduced our plastic packaging intensity by 17% from FY2019-20 baseline</p> <hr/> <p>Completed LCAs coverage of products covering 60% of our revenues</p> <hr/> <p>72% of India suppliers (by spend volume) covered under our sustainable supply chain policy and are being assessed for FY24</p>

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

Our ESG targets for FY2025 and Q1 FY2024 performance



Environment*

Vision	Goals for FY2025	Performance update
<p>Lead in sustainability action</p>	<p>45% reduction in GHG emission intensity and carbon neutrality for Scope1 and 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>49% reduction in GHG emission intensity</p> <hr/> <p>36% reduction in specific energy consumption</p> <hr/> <p>33% of energy is from renewables</p> <hr/> <p>33% reduction in water intensity and continuing to be water positive</p> <hr/> <p>Continue to be zero waste to landfill and reduced liquid discharge by 91%</p> <hr/> <p>SBT emissions reduction targets and roadmap have been created and submitted to SBTi, they are under validation</p> <p>We're also committed to internal Scope 1 and 2 net zero by 2035 inline with SBTi</p> <hr/> <p>We're plastic neutral and 100% EPR complied</p>

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

Our ESG targets for FY2025 and Q1 FY2024 performance

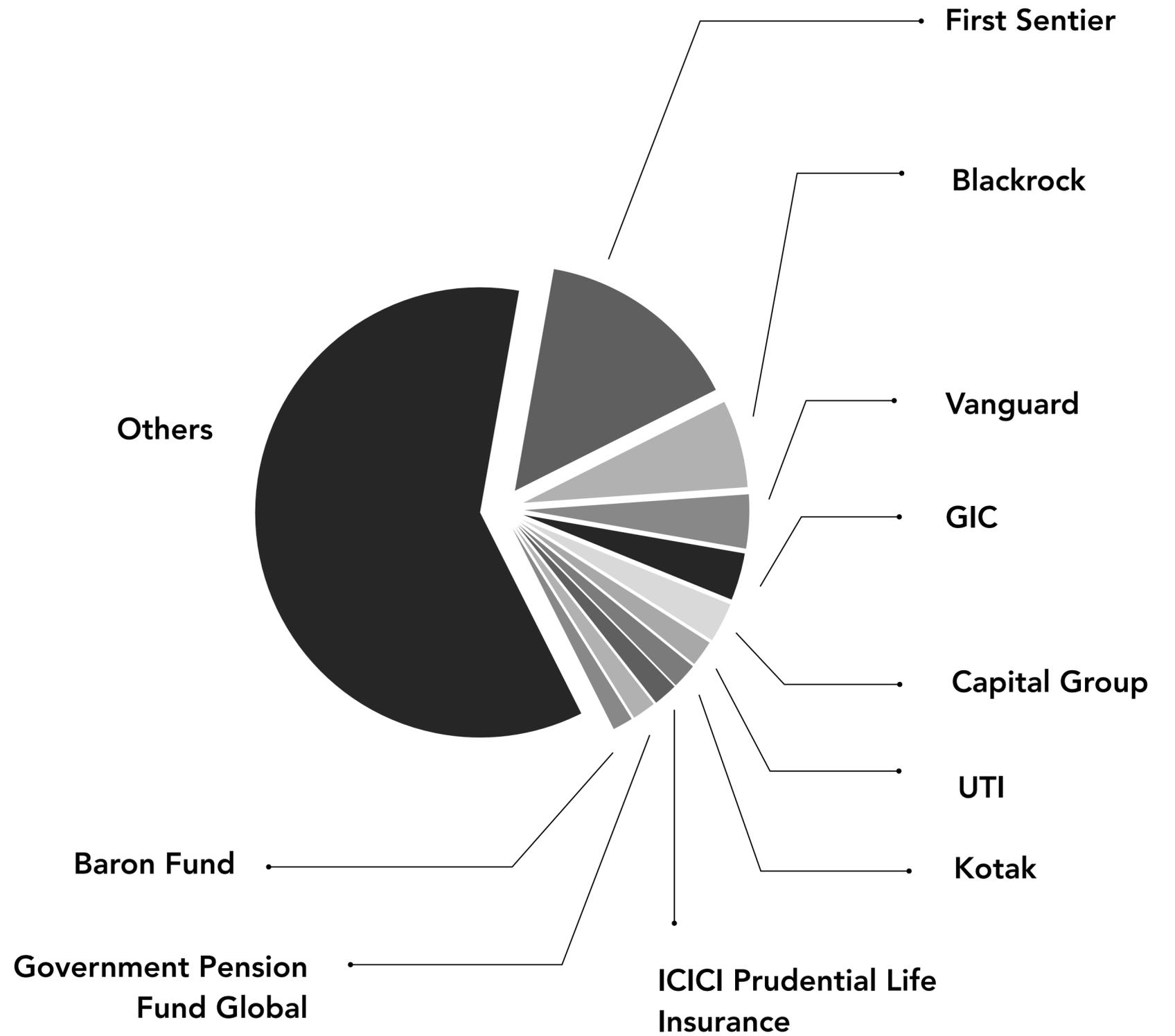
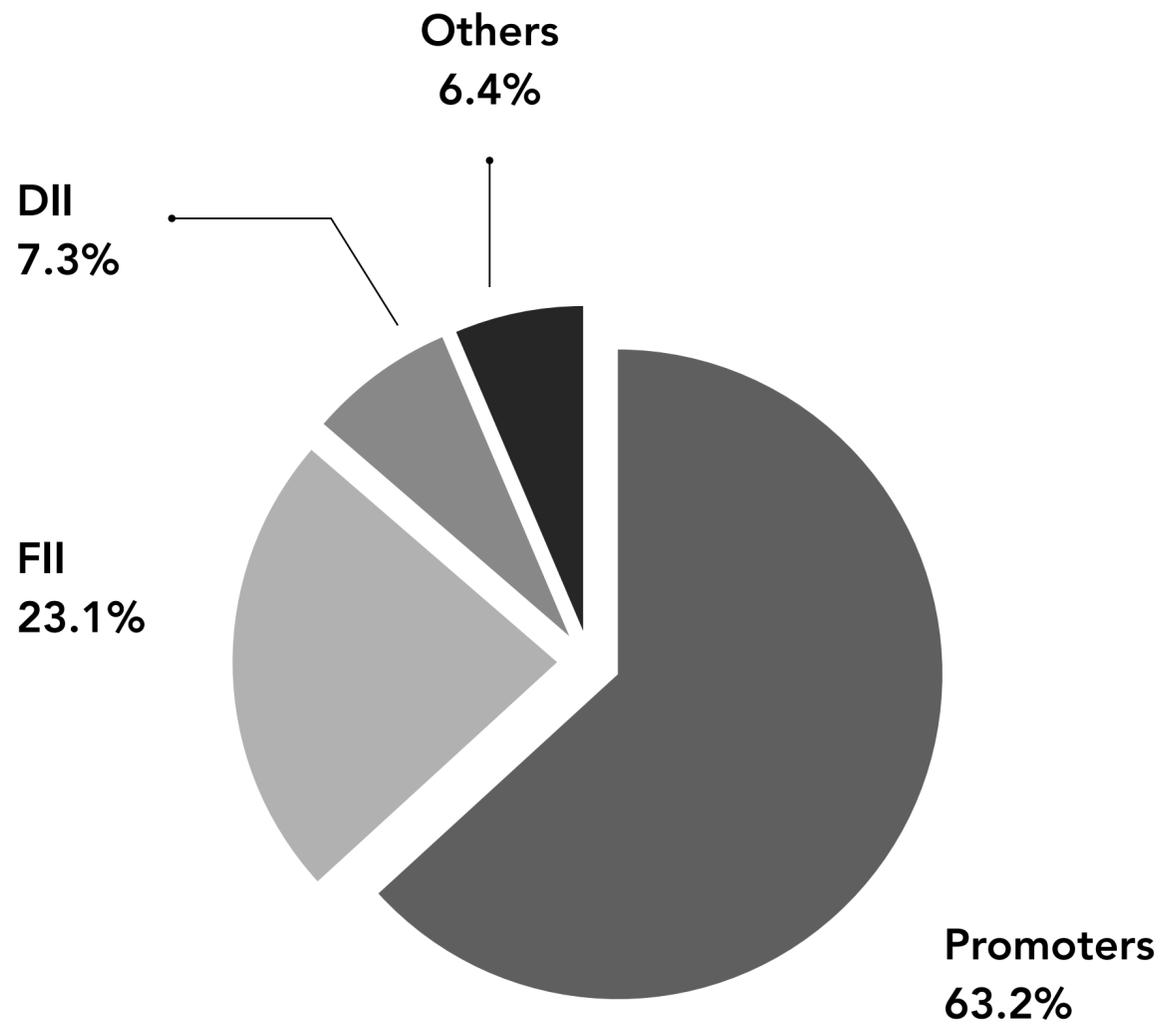


Social*

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, upskilled and reached out to 26,807 women beauty entrepreneurs, young girls, and men in India and Africa in beauty & hair styling skills and enterprise development</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>Dengue surveillance increased by 57% from 2020-2023 through the set up of a Technical Support Unit for Integrated Vector Management</p> <hr/> <p>Reached out to 28.2 million people since FY16</p> <p>Rural malaria: 228% reduction in cases in comparison to the same period last year</p> <p>Urban dengue: 245% reduction in vector borne diseases and 0.4% reduction in larva breeding sites in comparison to the same period last year</p>

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

SHAREHOLDING PATTERN



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Thank you

