

August 7, 2024

BSE Limited

Corporate Relations Department
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Fort, Mumbai - 400 001
Scrip Code: 532424

The National Stock Exchange of India Ltd

Exchange Plaza, 4th Floor, Bandra-Kurla Complex,
Mumbai 400 051
Symbol: GODREJCP

Dear Sirs,

Subject: Investor Note

We attach herewith a copy of the Investor Note on Unaudited Financial Results of the Company for the quarter ended June 30, 2024.

Please take the above information on record.

Thank you.

Yours faithfully,

For Godrej Consumer Products Limited

Rahul Botadara

Company Secretary & Compliance Officer



Godrej | CONSUMER PRODUCTS

Q1 FY2025 Performance Update

August 7, 2024



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.

The Goodness Manifesto

OUR PURPOSE

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

OUR VALUES



OUR STRATEGY

Lead through category development



Funded by simplification



OUR 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 People and planet, alongside profit

OUR MEASURES

- 1 Industry beating UVG
- 2 More spends on brands, Less on cost to serve
- 3 More automation, Less working capital
- 4 More diversity, Less environmental impact

Building blocks of our strategy



Lead through category development

Relevance

Access

Availability

Trials



Funded by simplification

Fewer SKUs

Fewer people

Fewer operations

Simpler processes

**FINANCIAL
PERFORMANCE
UPDATE**

Key highlights

8%

**India*
UVG[^]**

7%

**Indonesia
UVG[^]**

13%

**Consolidated
EBITDA
growth**

Steady performance

| Growth (year-on-year) | Consolidated Business | India Business |
|--|-----------------------|----------------|
| Organic Underlying Volume Growth | 2% | 8% |
| Net Sales | -3% (-1%*) | 9% (6%*) |
| Net Sales (Constant Currency) | 9% (11%*) | - |
| EBITDA | 13% | 8% |
| Net Profit (Reported) | 41% | (6%) |
| Net Profit (without exceptional and one-off items) | 14% | 5% |

*Organic

Currency depreciation impacted strong underlying sales growth

| Geography | | Sales (₹ crore) | Growth (Year-on-year) | Constant Currency Growth (Year-on-year) |
|---------------------------|----------|--------------------|--------------------------|--|
| India | Reported | 2,140 | 9% | - |
| | Organic | 2,091 | 6% | |
| Indonesia | | 465 | 3% | 11% |
| Africa, USA & Middle East | Reported | 543 | (36%) | (23%) |
| | Organic | 543 | (25%) | (10%) |
| Latin America and SAARC | | 191 | 7% | 147% |
| Total Net Sales | Reported | 3,311 | (3%) | 9% |
| | Organic | 3,262 | (1%) | 11% |

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

Strong EBITDA margin expansion across international geographies

| | Consolidated | India | Indonesia | Africa, USA & Middle East | Latin America & SAARC |
|--|--------------|-------|-----------|---------------------------|-----------------------|
| Q1FY25 Operating EBITDA margin* | 21.9% | 24.7% | 23.3% | 14.4% | 4.8% |
| <i>Change in EBITDA margin (bps) (y-y)</i> | +310 | (20) | +400 | +660 | +520 |
| <i>Change in EBITDA + Working Media margin (bps) (y-y)</i> | +340 | (50) | +390 | +740 | +430 |

* After adjusting business support charges, royalty and technical fees

Net profit reconciliation statement

| Consolidated Business | Q1 FY2025 | Q1 FY2024 |
|--|------------|------------|
| (A) Net Profit (Reported)* | 451 | 319 |
| (B) Exceptionals (Post tax): | | |
| Restructuring costs | 19.2 | 2.8 |
| Stamp duty and other costs | - | 57.0 |
| Tax impact on dividend received from subsidiary | - | 34.0 |
| Others | - | 0.6 |
| (C) Net Profit (Without exceptional and one-off items) (A+B)* | 470 | 413 |

*All values are in ₹ crore and rounded off

INDIA BUSINESS UPDATE

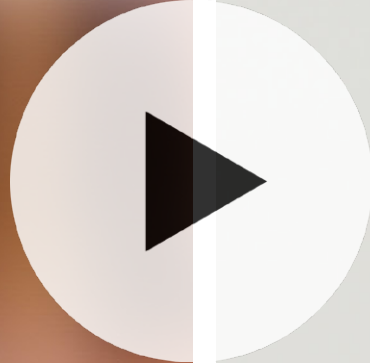
Home Care (1/4): Stable performance in Household Insecticides; launched new Goodknight Liquid Vaporiser

- Household Insecticides volume growth stable at low-single digit, impacted by severe heatwaves
- Launched new Goodknight Liquid Vaporiser, with our exclusive RNF molecule, across India (refer Appendix 1 for details)
- Goodknight Agarbatti is scaling up well and gaining market share from illegal incense stick players



Home Care (2/4): Launched the all-new HIT Spray Matic; automatic 'Set-and-Forget' mosquito solution

- HIT Spray Matic - India's only registered automatic mosquito spray; most convenient instant kill mosquito solution available in India
- Launched in July in select channels at a premium price point of ₹650 with good initial consumer traction



Home Care (3/4): Air Fresheners delivers consistent double-digit growth

- Air Fresheners continue to consistently deliver **double-digit volume growth**
- Continue to **gain market share and enjoy market leadership**
- Aer O continues to perform significantly ahead of expectations



Home Care (4/4): Strong performance in Liquid Detergents

- Fabric Care delivered strong double-digit volume growth
- After a strong performance, **Godrej Fab** has been scaled up nationally in select channels and in general trade in select states
- Genteel continues to deliver robust performance and has more than doubled its salience in the last two years



Personal Care (1/3): Personal Wash delivers steady performance

- Personal Wash delivers stable volume growth at low single-digit; **continue to gain market share**
- Magic Handwash continues to **deliver strong double-digit volume growth and gain share**
- Cinthol Foam Body Wash pilot launched in select states and on e-commerce platforms; received encouraging initial response

अच्छाई
से भरपूर

Godrej
No.1



Personal Care (2/3): Hair Colour delivers soft performance

- Hair Colour volumes were flat; we continue to **gain market share**
- Overall, the category was impacted by lesser wedding dates in this quarter which is expected to normalise in the coming quarters
- Godrej Expert Rich Crème access packs continues to outperform, making it the **highest distributed Hair Colour product in India**
- Shampoo Hair Colour continues to grow in **strong double-digit volume terms**



Personal Care (3/3): Park Avenue and KamaSutra performance on track

- Post portfolio simplification and rationalisation of SKUs, Park Avenue and KamaSutra continue to deliver a healthy performance; delivered sales of ₹153 crore
- Sexual Wellness is delivering ahead of expectations and **continues to gain market share**
- On track to achieve full-year ambition

TIME FOR YOU TO FLY



High single-digit reported sales growth

| Category | Sales (₹ crore) | Growth (Year-on-year) |
|------------------------|--------------------|--------------------------|
| Home Care | 815 | 8% |
| Personal Care | 1,248 | 6% |
| Total Branded | 2,063 | 7% |
| Unbranded and Exports | 77 | 121% |
| Total Net Sales | 2,140 | 9% |

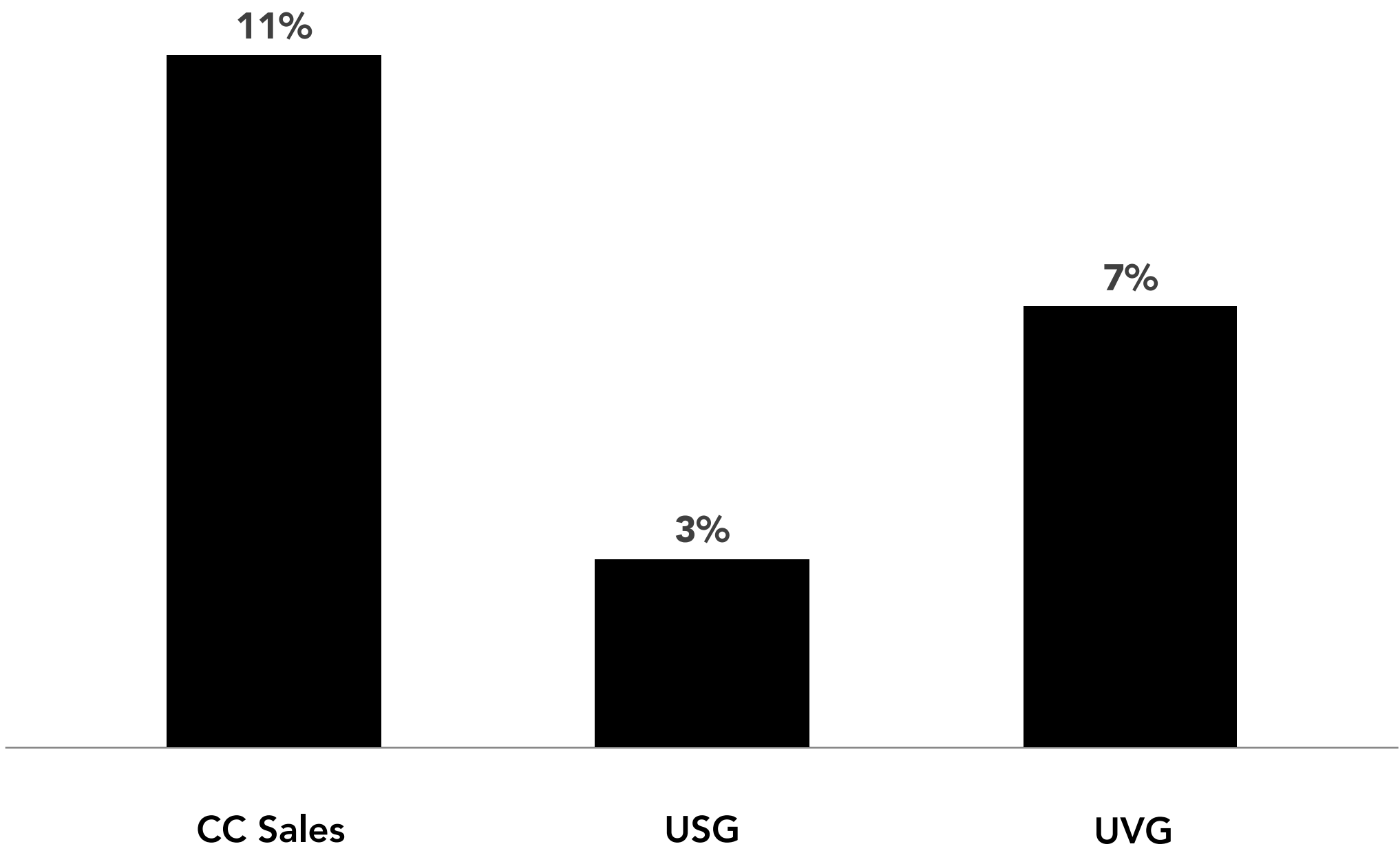
**INTERNATIONAL
BUSINESS
UPDATE**

Indonesia sees strong volume growth and margin expansion

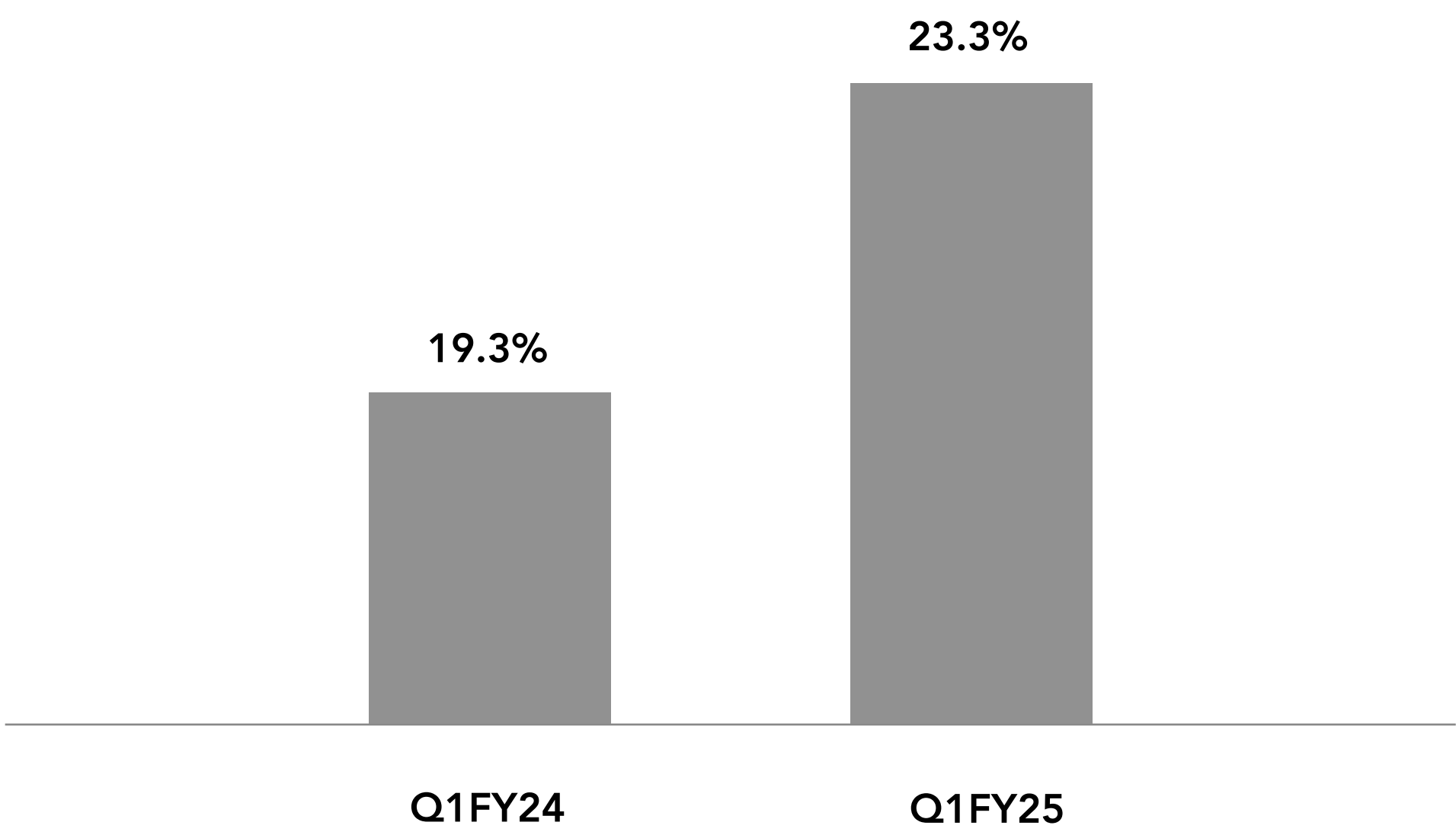
- Constant Currency sales growth of 11% and INR sales growth of 3%; INR sales impacted by significant currency depreciation
- Delivered UVG of 7%

- Margin improvement continues
- EBITDA margin of 23.3%, up ~400 bps year-on-year

Growth (y-y)



EBITDA margin (y-y)



CC: Constant Currency, USG: Underlying Sales Growth, UVG: Underlying Volume Growth

Strong performance across categories in Indonesia

- Stella **volume grew in strong double-digit** led by focused media and marketing interventions
- Stella Electric Diffuser launched in Q1 FY25; received strong initial response from both trade and consumers
- HIT delivered stable low-single digit volume growth on a high base
- Hair Colours recorded **strong double-digit volume growth**, driven by Shampoo Hair Colour

BARU



Stella
AIR FRESHENER
Electric

Wangi Mewah Sepanjang Hari

Africa, USA & Middle East oftakes sustained; impact due to one-offs in base

- Organic sales declined by 10% in constant currency terms; performance in INR terms was further impacted by the devaluation of Naira
- Volume decline led by one-time sell-in in base and streamlining of trade inventory leading to a leaner and more profitable supply chain; certain actions to be completed in the next few months
- EBITDA margin at 14.4%, up ~660 bps year-on-year led by gross margin expansion and mix improvement



**BREAK-FREE
DAILY LEAVE-IN
STRENGTHENER**



Continue to focus on improving absolute INR profit in Africa, USA & Middle East



Funded by simplification

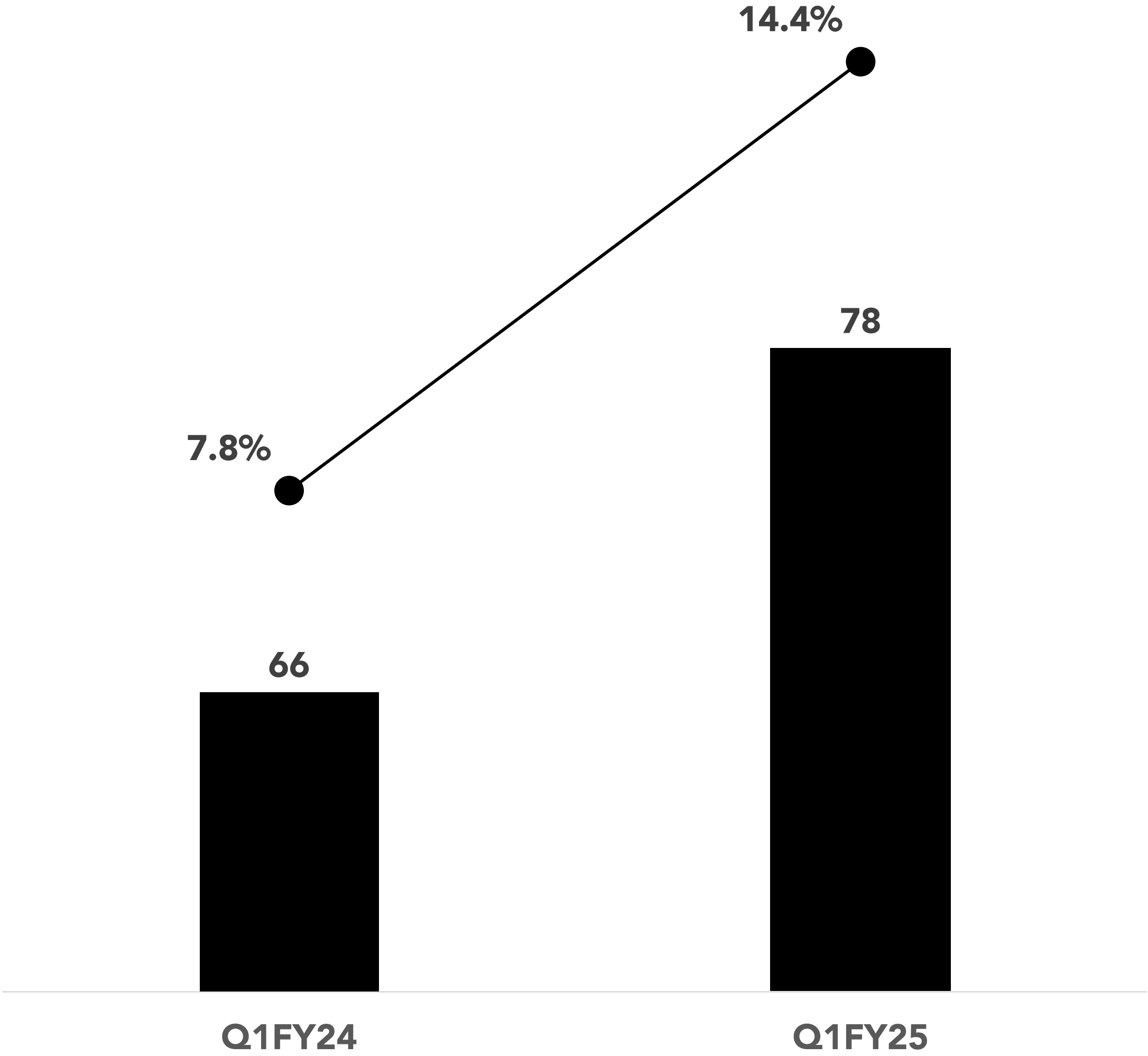
Fewer SKUs

Fewer people

Fewer operations

Simpler processes

■ EBITDA (₹ crore) ● EBITDA margin



APPENDIX 1

Liquid Vaporiser has huge headroom to grow

Household Insecticides penetration in India



~7,500 crore

Household Insecticides market

Liquid Vaporiser penetration in India



~2,500 crore

Liquid Vaporiser market

Good Knight is launching India's most efficacious Liquid Vaporiser



Effective

~2x more effective formulation

Residual effect

Effect lasts **upto 2 hours** after machine is switched off*

Pricing

Similar price for enhanced product

*When the machine is used for 2 hours in Flash mode 27

Powered by exclusive RNF molecule

RNF

~2x

more effective



GCPL exclusivity
for medium term



Made in India
molecule

Better than other Liquid Vaporisers in the market

**GoodKnight
Liquid Vaporiser**

**Other
Liquid Vaporiser**

~2x

Efficacy

x

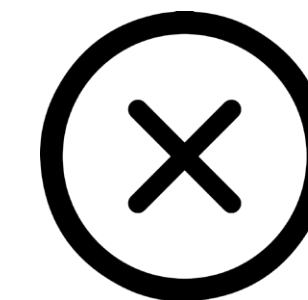
RNF

Molecule

TFT, MFT



**Residual impact
upto 2 hours***



*When the machine is used for 2 hours in Flash mode

Godrej

Good Knight



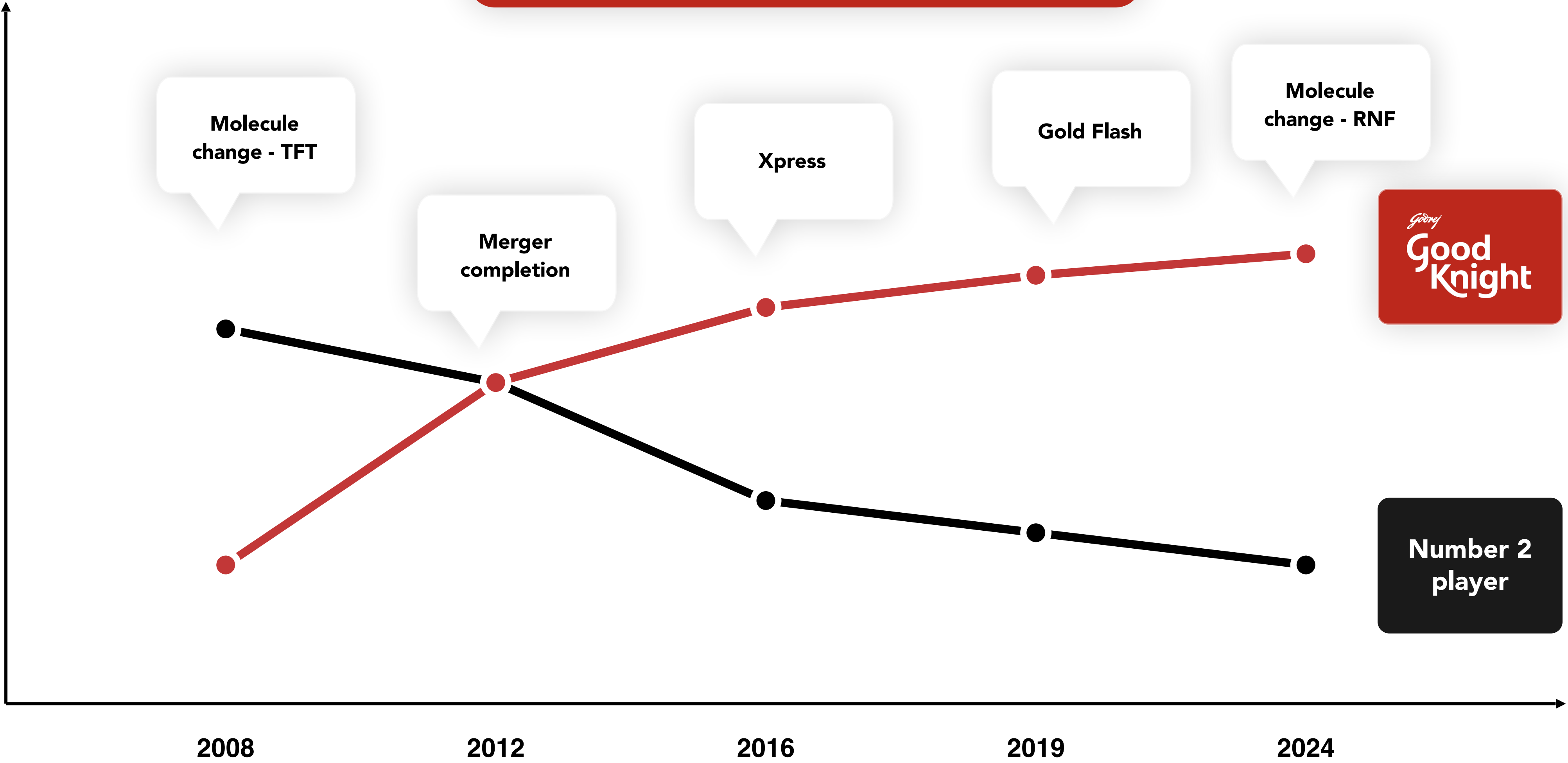
Effect lasts for up to **hours***

*Basis standard lab test conditions.

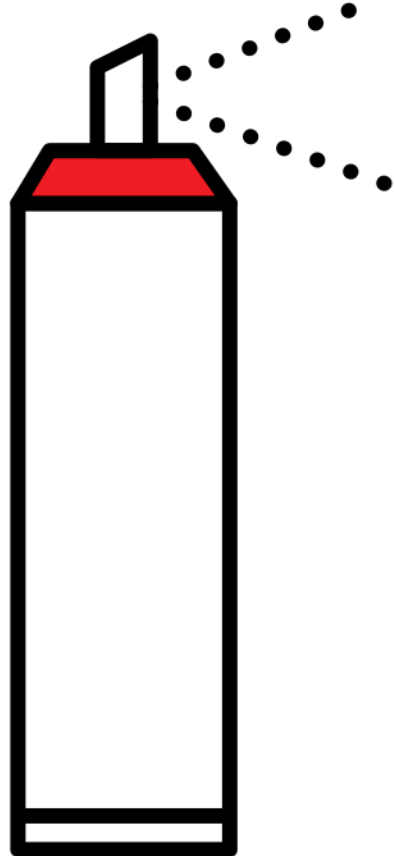
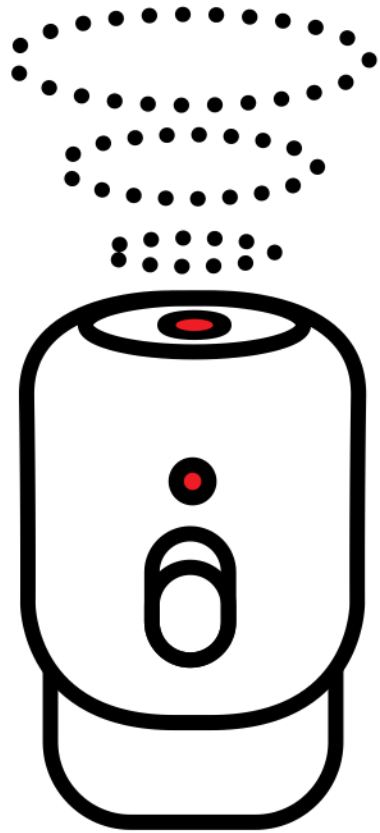
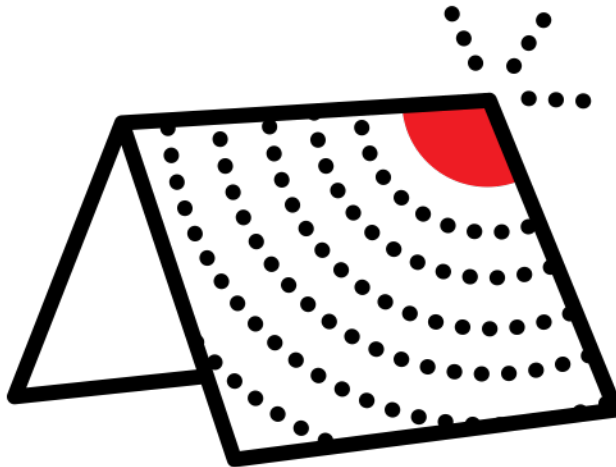
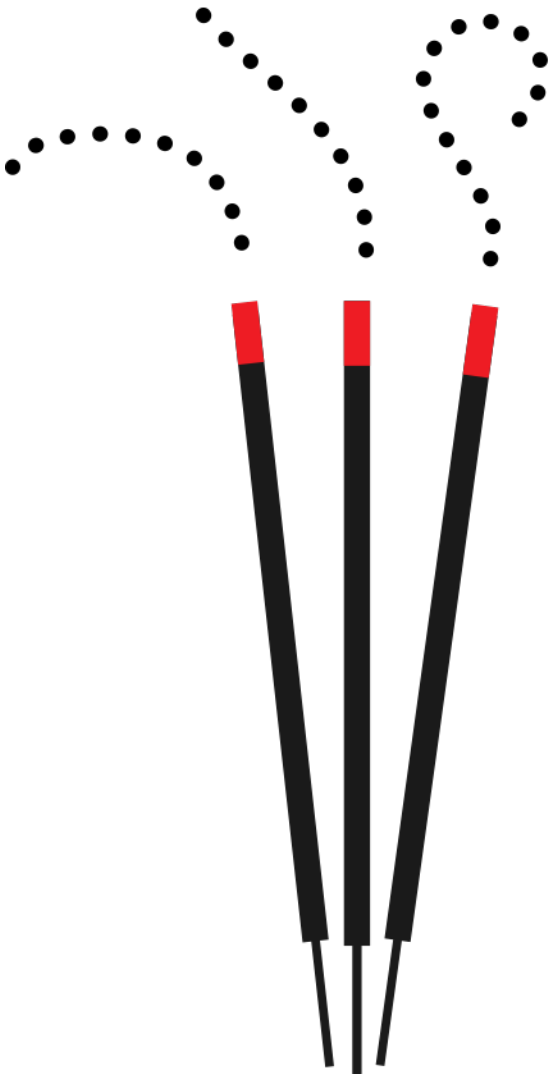


Molecule change had led to significant outperformance in the past

Electrics Market Share



Goodknight continues to innovate and protect India for over 40 years



1 ~110 million households are protected by Goodknight from vector borne diseases

2 Market leader in ~90% States in India

3 Presence in every 3rd household across the country

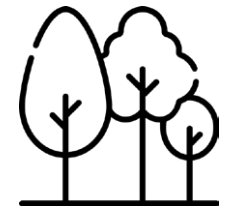
APPENDIX 2

Reported EBITDA margin to Operating EBITDA margin bridge

| | Consolidated | India | Indonesia | Africa, USA & Middle East | Latin America & SAARC |
|--|--------------|-------|-----------|---------------------------|-----------------------|
| Q1FY25 Reported EBITDA Margin | 21.9% | 25.0% | 22.9% | 13.7% | 5.0% |
| Business support charges, royalty and technical fees (₹ crore) | - | (5.1) | 1.7 | 3.8 | (0.4) |
| Q1FY25 Operating EBITDA Margin | 21.9% | 24.7% | 23.3% | 14.4% | 4.8% |

**ENVIRONMENTAL,
SOCIAL, AND
GOVERNANCE
UPDATE**

Our ESG targets for FY2025-26 and Q4 FY2024 performance

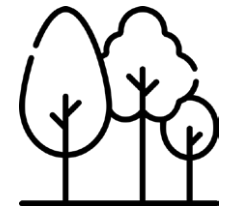


Environment*

| Vision | Goals for FY2025-26 | Performance update |
|---|---|---|
| <p>Influence sustainable consumption</p> | <p>Ensure efficient waste management systems for 7 municipalities in India, diverting over 8,000 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 fiscal year 2025-26. Flexible plastics to be replaced by 10% recycled plastic by fiscal year 2026-27 and multi-layer plastics to be replaced by 5% recycled plastic by 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 Over 7,200 MT waste diverted since inception of the initiative</p> <hr/> <p>Reduced plastic intensity by 22% Plastic recyclability is at 40%</p> <hr/> <p>Completed LCAs coverage of products covering 60% of our revenues</p> <hr/> <p>76% of India suppliers (by spend volume) covered under our Sustainable Supply Chain Policy and assessed for FY24</p> |

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

Our ESG targets for FY2025-26 and Q4 FY2024 performance



Environment*

| Vision | Goals for FY2025-26 | Performance update |
|---|--|--|
| <p>Lead in sustainability action</p> | <p>45% reduction in GHG emission intensity and carbon neutrality for Scope 1&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>41% reduction in GHG emission intensity</p> <hr/> <p>35% reduction in specific energy consumption</p> <hr/> <p>27% of energy is from renewables</p> <hr/> <p>39% reduction in water intensity and continuing to be water positive</p> <hr/> <p>Continue to be zero waste to landfill and maintain liquid discharge at 90%</p> <hr/> <p>Re-evaluating Scope III emissions and resubmitting for SBTi validation. We've also committed to internal Scope 1 and 2 net zero by 2035, inline with SBTi.</p> <hr/> <p>Plastic neutral and 100% EPR compliant</p> |

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

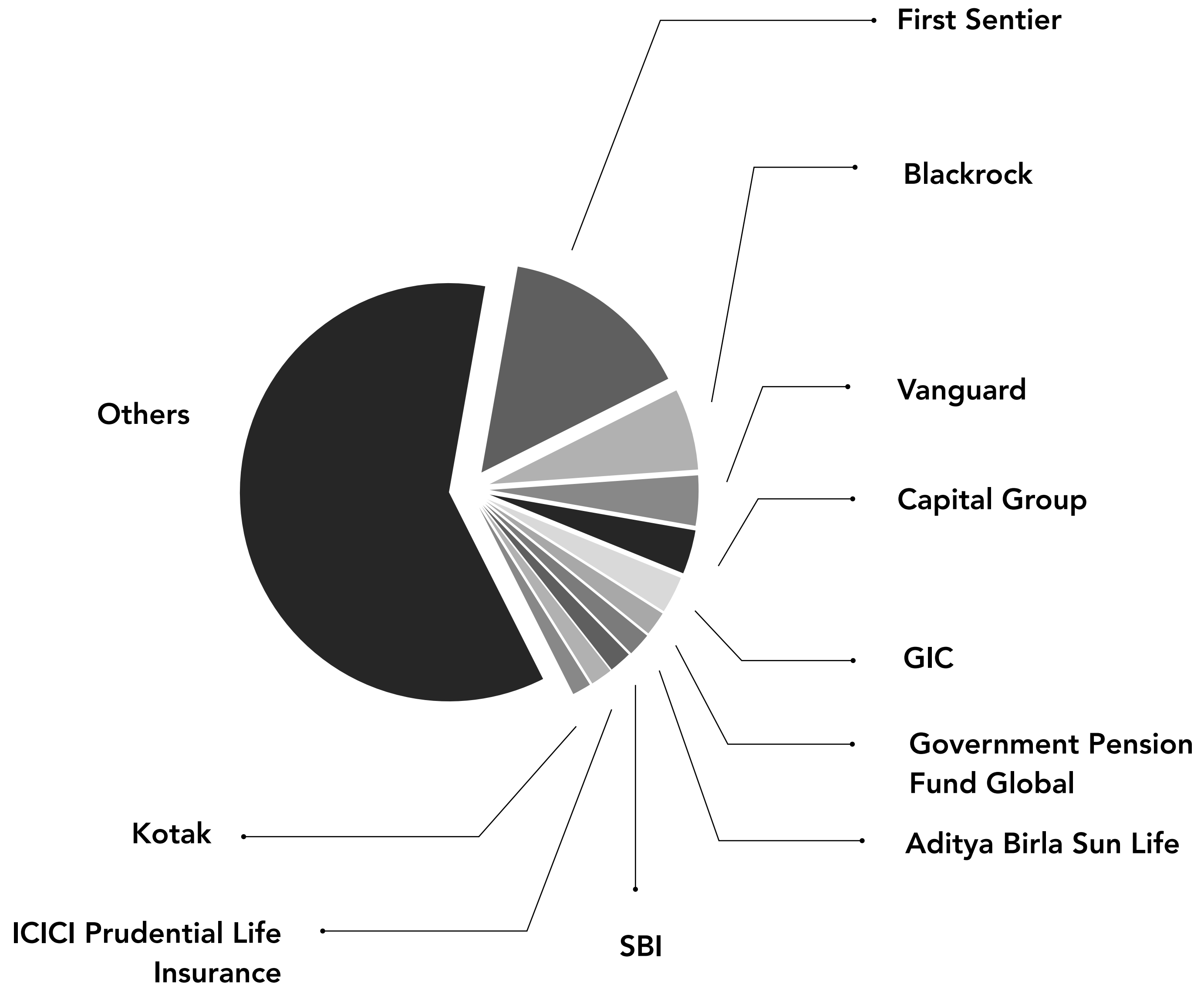
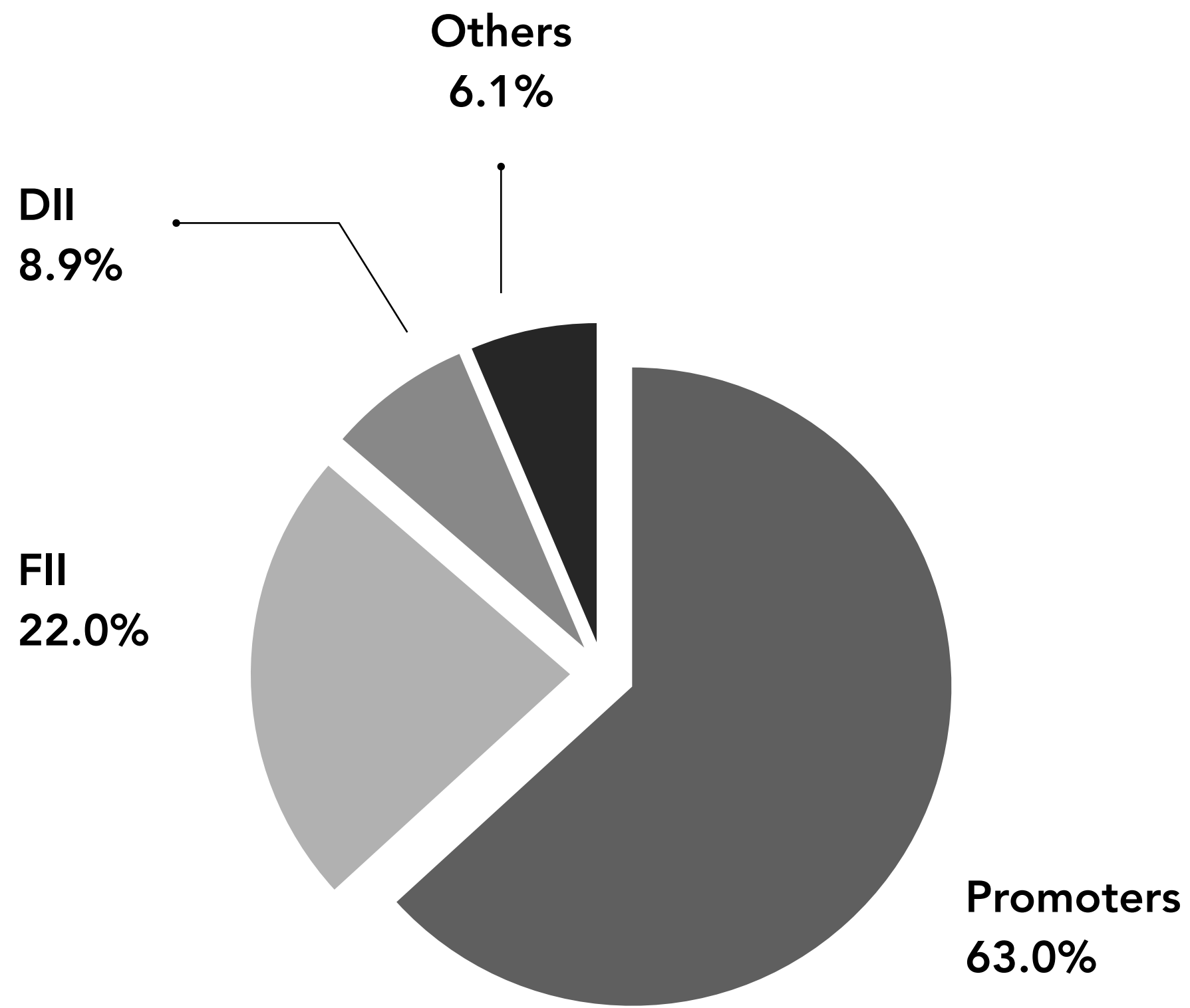
Our ESG targets for FY2025-26 and Q4 FY2024 performance

 **Social***

| Vision | Goals for FY2025 | Performance update |
|--|--|---|
| <p>Equip communities with skills that empower</p> | <p>Empower 60,000 women in beauty skills, across emerging markets globally</p> | <p>Trained, upskilled and reached out to 24,565 women beauty entrepreneurs, young girls, and men in India and Africa in beauty and hair styling skills and enterprise development</p> <p>Completed and wrapped up the project</p> |
| <p>Improve health and well-being</p> | <p>Protect 30 million people against vector-borne diseases</p> | <p>Reached out to over 28.4 million individuals by the end of the fiscal year 2023-24 since FY16</p> <p>5,225 villages out of 11,000 villages we supported became malaria free in fiscal year 2023-24.</p> |
| <p>Nature - carbon</p> | <p>Develop 3,000 ha of land for water and carbon management</p> | <p>Treated 2,950 hectares of land</p> <p>9.2 million m3 water sequestered; offsetting 15X GCPL's annual global water use</p> <p>Captured 15,252 tCO2 emission which is GCPL's 21% of global carbon emissions</p> |

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

SHAREHOLDING PATTERN



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Thank you

