

Godrej Consumer Products Ltd.
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CIN : L24246MH2000PLC129806

February 19, 2024

BSE Ltd

Corporate Relations Department
1st Floor, Rotunda Bldg., P.J. Towers,
Dalal Street, Mumbai 400 023.

The National Stock Exchange of India Ltd

Exchange Plaza, 4th Floor,
Bandra - Kurla Complex, Mumbai 400 050.

Dear Sirs,

Sub: Divestment of stake in certain subsidiaries

The Exchanges are hereby informed that the Company along with one of its wholly owned subsidiary has entered into an agreement for divesting its entire stake in wholly owned subsidiary viz. Godrej East Africa Holdings Limited, Mauritius.

Upon the completion of the deal, Godrej East Africa Holdings Limited alongwith its step down subsidiaries viz. DGH Tanzania Ltd, Mauritius, Charm Industries Ltd, Kenya and Sigma Hair Industries Ltd, Tanzania will cease to be subsidiaries of the Company. The deal shall be subject to various regulatory approvals in the respective countries.

The disclosure under Para A of Part A of Schedule III of the Listing Regulations with respect to the above divestment is given in Annexure 1.

A presentation on Godrej Africa, USA, Middle East (GAUM) business is also attached.

Thank you.

Yours faithfully

For Godrej Consumer Products Limited

Asif Malbari
Chief Financial Officer



Annexure 1

Disclosure under Para A of Part A of Schedule III of the Listing Regulations

| | | | |
|---|--|--|---|
| The amount and percentage of the Revenue and Net worth contributed by the entity divested. | <i>(Amount in Rs. Crore)</i> | | |
| | Revenue | | FY 2022-23 (Audited) |
| | | Revenue | Revenue % to GCPL consolidated revenue |
| | Godrej East Africa Holdings Ltd, Mauritius | - | 0.00% |
| | DGH Tanzania Ltd, Mauritius | - | 0.00% |
| | Charm Industries Ltd, Kenya | 1.06 | 0.01% |
| | Sigma Hair Industries Ltd, Tanzania | 137.24 | 1.03% |
| | Consolidated of Godrej Consumer Products Ltd (GCPL) | 13,315.97 | |
| | <i>(Amount in Rs. Crore)</i> | | |
| | Net Worth | As on March 31, 2023 (Standalone Audited) | |
| | Net worth | % to GCPL consolidated net worth | Net worth |
| Godrej East Africa Holdings Ltd, Mauritius | 642.47 | 4.66% | ~ 65 |
| Date on which the agreement for sale has been entered into. | February 19, 2024 | | |
| The expected date of completion of sale/ disposal | Q4 of FY 2023-24 or Q1 of FY 2024-25 | | |
| Consideration received from such sale/disposal | USD 3.5 Million | | |
| Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof. | HKG Africa Weave Limited. The buyer doesn't belong to promoter/ promoter group/ group companies. | | |
| Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length". | Not a related party transaction | | |
| Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/ merger, shall be disclosed by the listed entity with respect to such slump sale. | Not applicable | | |



Godrej | CONSUMER PRODUCTS

GAUM Business Update

Godrej Africa, USA & Middle East

February 19, 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.

GAUM: 5 business verticals with divergent historical performance

| Business verticals | Sales growth | Profitability (EBITDA margin) | Plan for future |
|--|--|----------------------------------|----------------------------|
| Southern Africa <hr/> Godrej International / GAUM export geographies | ~ Double digit | High (~20%) | Sustain robust performance |
| USA | Low single digit | Medium | Improve profitability |
| Western Africa | Double digit local currency; Volatile forex | Low to medium | |
| Eastern Africa | Negative | Low | Re-organise business model |

Plan to strengthen financial shape



Target EBITDA margin >15% (from historic ~9%) in next two years

Pan Africa: Support green shoots in the portfolio

Mega Growth



Goodknight



Southern Africa: Sustain robust performance

Market leader in Hair Colour

Bold. Black. Beautiful.

It's the original INECTO SuperBlack, for rich hair colour that lasts.
INECTO SuperBlack, guaranteed permanent hair colour.



Market leader in premium Hair Fashion



Godrej International / GAUM export geographies: Continue portfolio and geography expansion

Morocco Saudi Arabia
Sudan Qatar Bahrain **DRC**
United Arab Emirates
Cameroon Kuwait
Angola Ethiopia Uganda

Serves Indian and African diaspora consumers across the geography

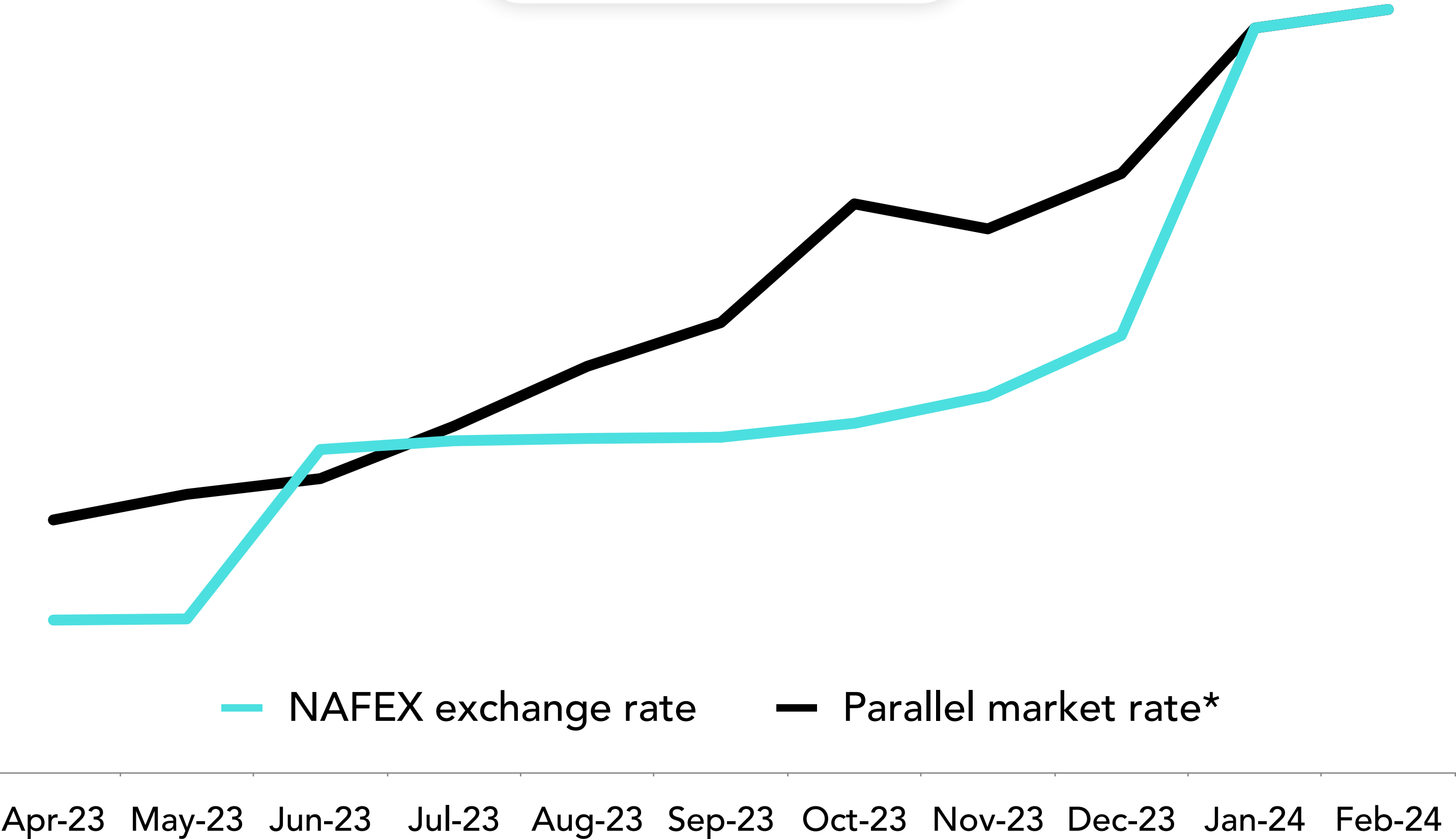
FMCG categories

Distributor led model

Low overheads, high EBITDA margin

Nigeria#: Deliver 'profitable growth' in the context of currency volatility

Naira to USD



Nigerian Central Bank is attempting to unify the official and parallel market forex rates

New Government actions are progressive and can lead to improved long-term fiscal and economic growth

- If currency unification sustains:
- Accounting impact on consolidated INR revenue of ~200 bps (~₹60 crores decline per quarter for next four quarters)
 - Insignificant impact on profit

Our focus in Nigeria remains to improve profitability on the back of underlying volume growth

#Part of Western Africa | *Source: Aboki forex rate

USA and Western Africa: Improve profitability through Simplification



Simplification

Less SKUs

Simpler
business model

Leaner
organisation

Optimised
manufacturing

Simplification actions to improve GAUM margin by ~200bps over the next two years

Eastern Africa: Progress on 'Re-organisation Actions'

Divesting our stake in Subsidiary 'Godrej East Africa Holdings Limited, Mauritius' along with its step-down subsidiaries viz. (operating companies in Kenya and Tanzania)

DGH Tanzania Ltd., Mauritius

Charm Industries Ltd., Kenya

Sigma Hair Industries Ltd., Tanzania

Buyer
HKG Africa Weave Limited

Consideration
~₹30 crores

Timeline
Q4FY24 to Q1FY25

Impact: Revenue negative ~₹500 crores p.a. and PAT positive ~₹50 crores p.a. Quarterly phasing of revenue impact will be shared post deal completion (Q4FY24 likely re-organisation impact negative ~₹70 crores on revenue)

GAUM one-off accounting impact

Re-assessment of long term financial projections basis economic conditions and business plans underway

GAUM Cash Generating Unit (CGU) impairment testing (including accounting loss on sale of entities), if any, to be concluded in Q4FY24

Any one-time restructuring cost (cash and non-cash) to be assessed in Q4FY24

Likely positive cash flow impact

Emphasis on improving GAUM business fundamentals



Currency and geopolitical volatility may continue in the near to medium term in Africa



Volume Growth

INR Profit Growth

INR Cash Growth

Focus remains on strengthening business fundamentals on an annualised basis

GAUM revenue salience is expected to decline from ~26% in FY23 to <20% in FY25 with improved absolute INR profit

Contact Us

Institutional investors

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Retail investors

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Thank you

