

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 8040/8065/8069  
Website : www.godrejcp.com  
CIN : L24246MH2000PLC129806

May 4, 2016

**The Bombay Stock Exchange Limited**  
Corporate Relations Department  
1st Floor, Rotunda Bldg., P.J. Towers, Dalal Street,  
Mumbai 400 023.

**The National Stock Exchange of India Ltd**  
Exchange Plaza, 4<sup>th</sup> Floor,  
Bandra-Kurla Complex, Mumbai 400 050

**Scrip Code : 532424**

**Fax Nos : 22723121/ 22722037 /  
22722041/ 22722061/  
22722039 /2272 3719**

**Fax No 26598237/38**

Dear Sirs,

**Sub: Analyst Meet Presentation**

We attach herewith the presentation being made to the sell side Analyst today.

Yours Faithfully,  
For Godrej Consumer Products Ltd



**V. Srinivasan**  
**Chief Financial Officer & Company Secretary**



---

# ANALYST MEET

04 May, 2016

---



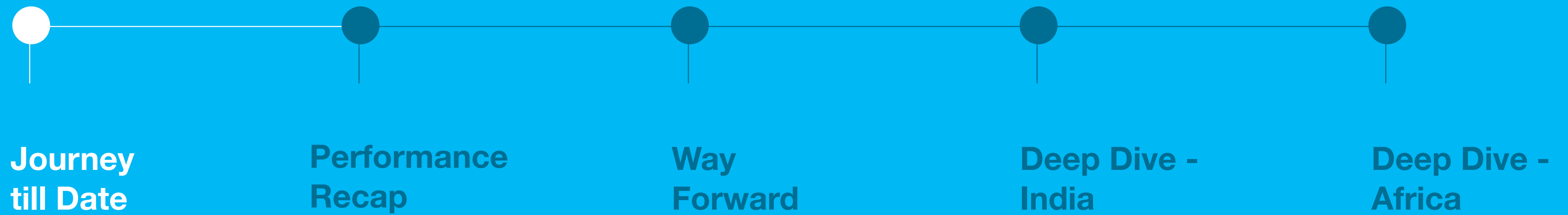
## Disclaimer

*Some of the statements in this communication may be forward looking statements 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.*

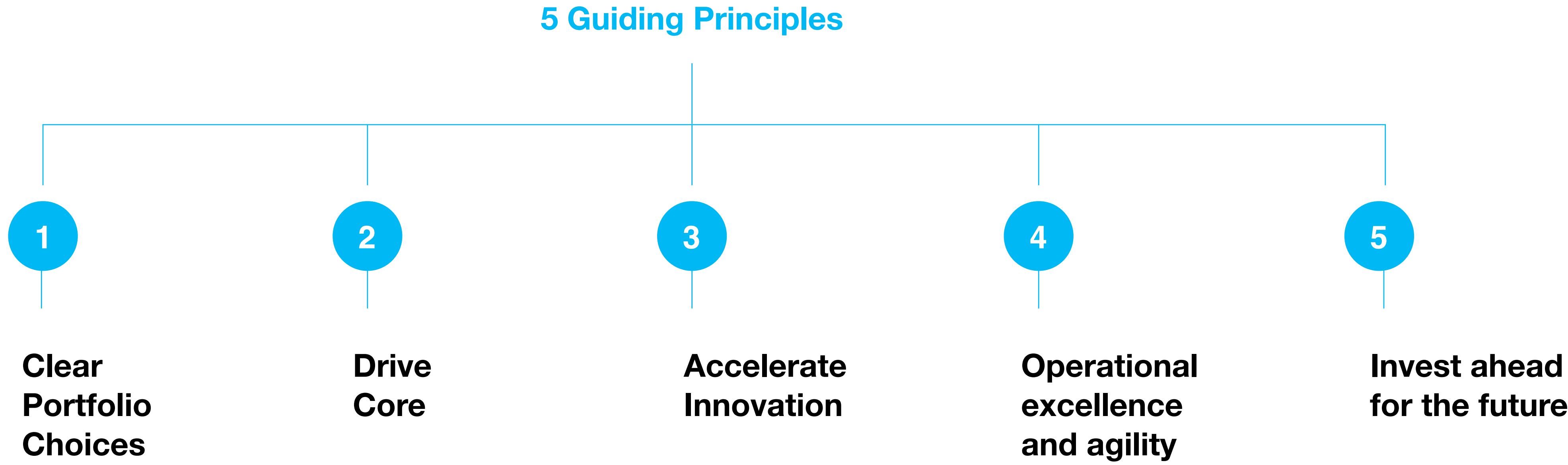
# Agenda



# Journey till Date



# Back in 2007, we defined Project Leapfrog to articulate a future strategic roadmap for our business



5 Guiding Principles

# Clear Portfolio Choices

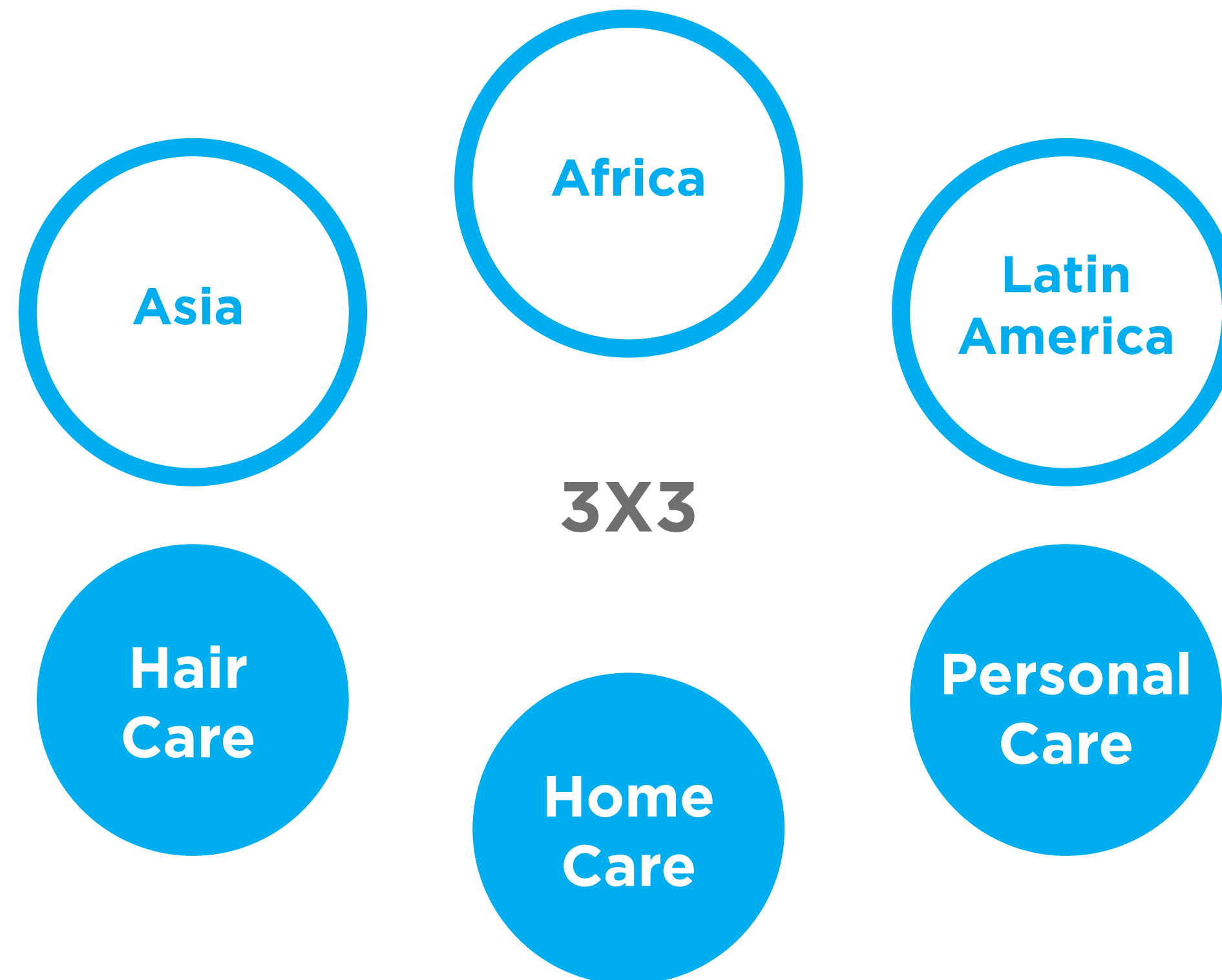


1

## Clear Portfolio Choices

We follow a 3 X 3 approach to international expansion

A presence in 3 categories, across 3 emerging geographies



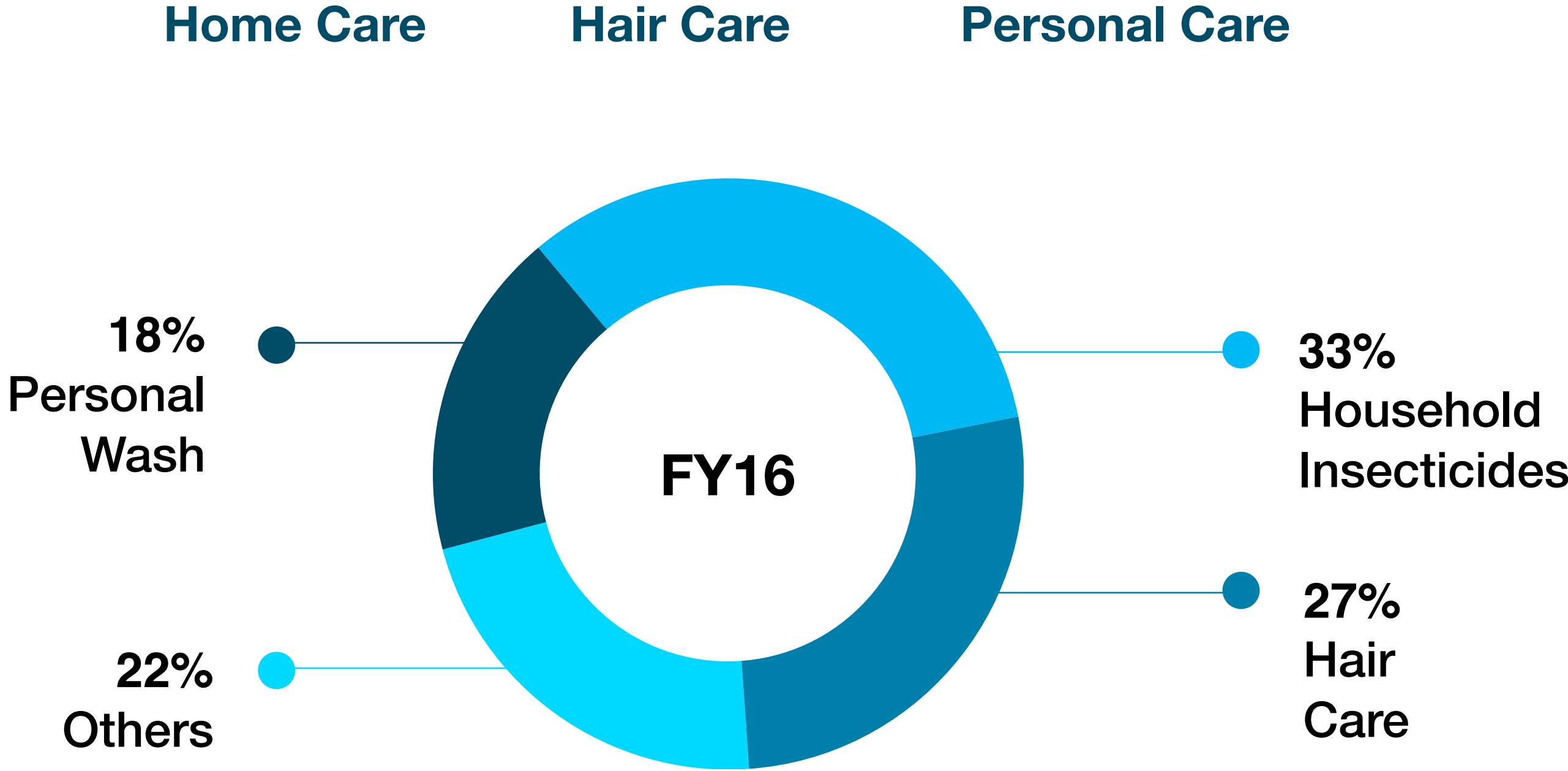


1

# Clear Portfolio Choices

We focus on three core categories

Home and Personal Care player



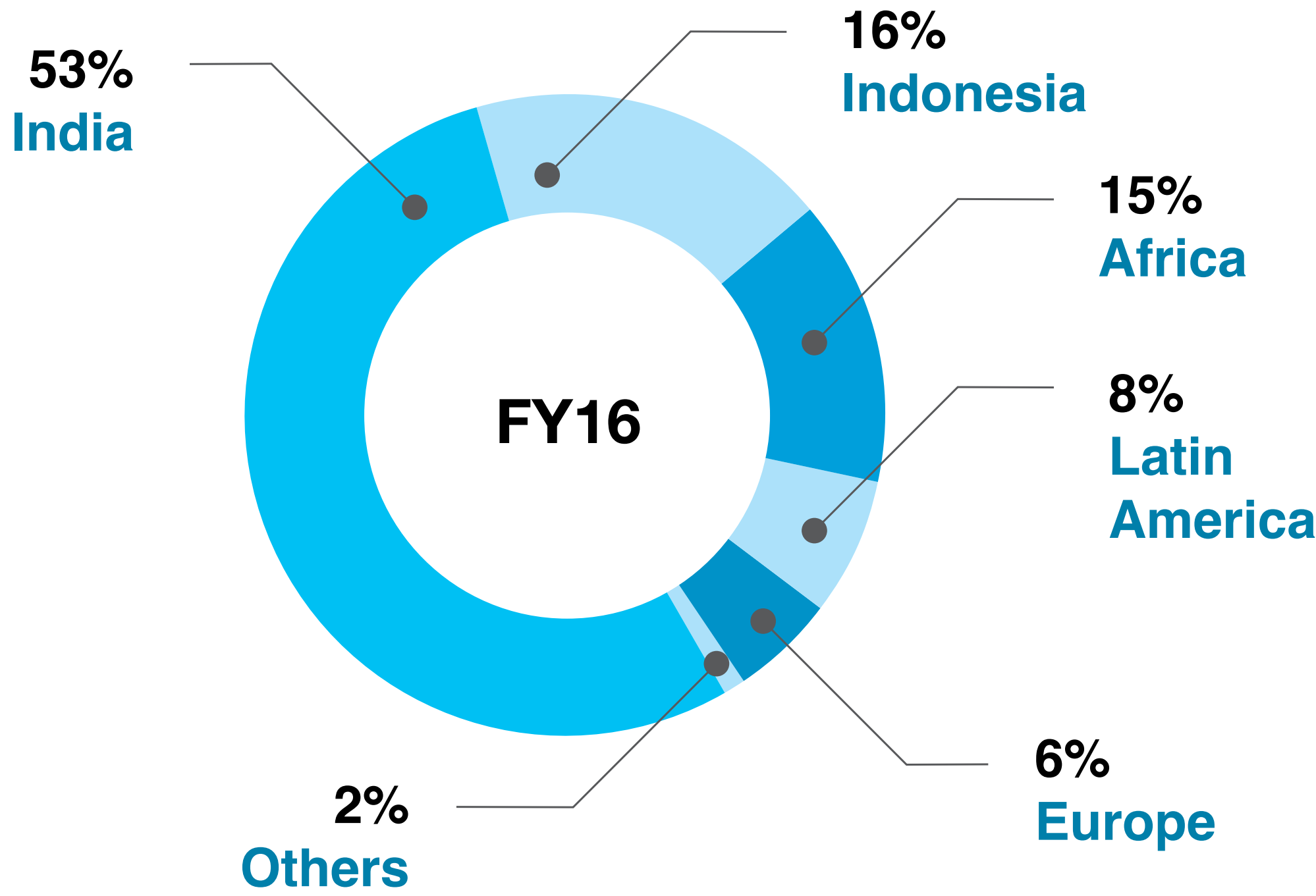
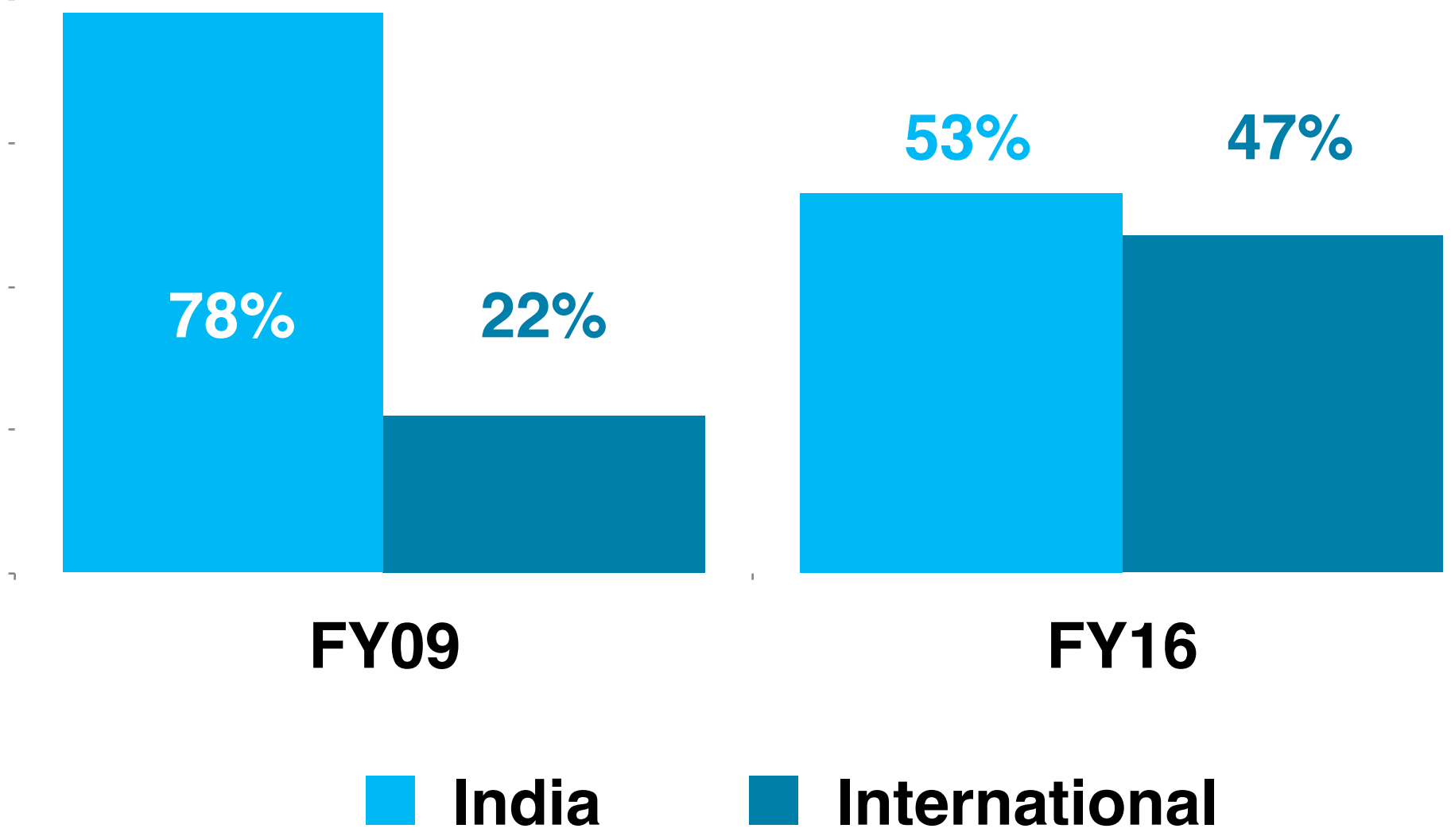
Categories with **low penetration** and **consumption**

1

# Clear Portfolio Choices

We now have a compelling international footprint

Saliency of revenue



Tremendous headroom for growth with **disruptive innovation**

1

## Clear Portfolio Choices

We have a unique operating model, centred on values based partnering with selective integration

### Values based partnering / Operational autonomy

- Drive local agility and tailored innovations
- Tap into backend synergies, leverage common insights
- Stay away from a typical MNC approach of standardisation
- Put necessary controls in place

### Leveraging our strengths

- Strong systems and processes
- Value orientation
- Expertise in dealing with fragmented distribution systems
- Innovation and R&D

5 Guiding Principles

# Drive Core

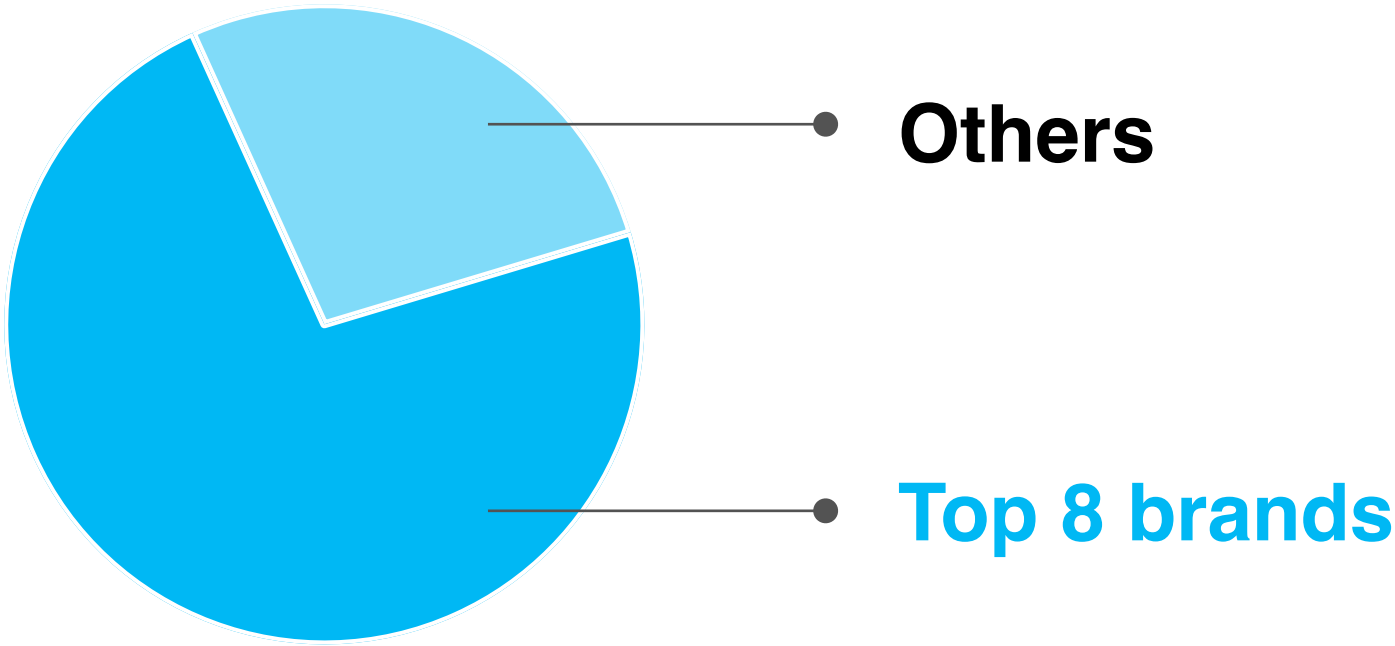


2

## Drive core

### Be distinctive, scale up brands

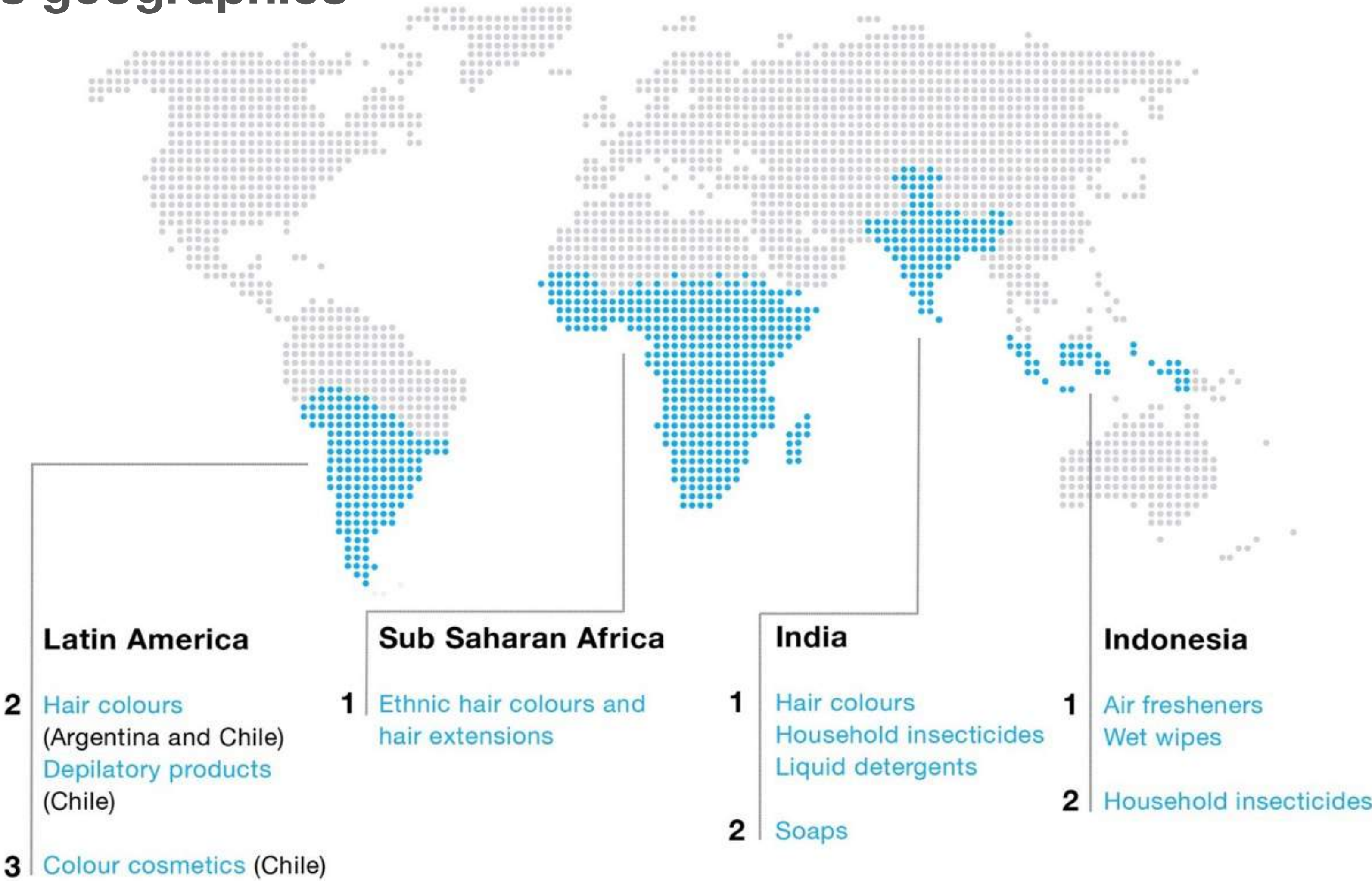
Our top 8 brands contribute to nearly 3/4 of our global business



2

## Drive core

Today, we hold leading market positions in our key categories, across geographies

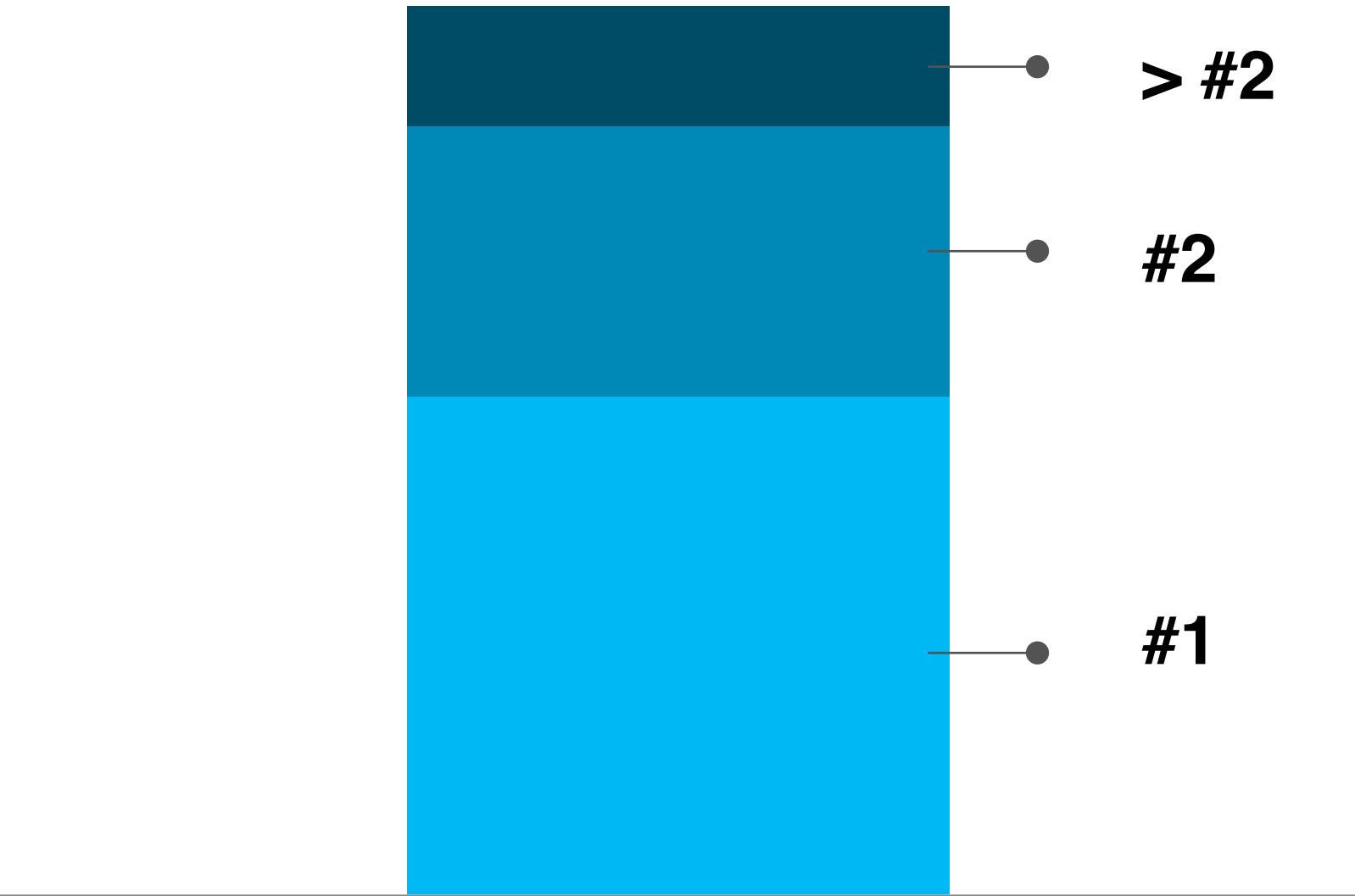


2

## Drive core

Today, we hold leading market positions in our key categories, across geographies

Revenue share by category market share position



Note: Based on figures as of March 2016

5 Guiding Principles

# Accelerate Innovation

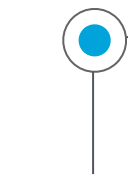
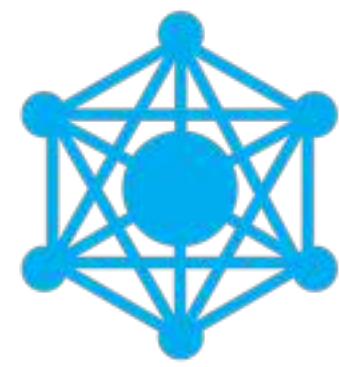




3

## Accelerate innovation

We follow a design-driven innovation approach



**Design driven**  
thinking



**Cross**  
**functional**  
teams



More  
**prototyping**



Meaningful  
**differentiation**

3

# Accelerate innovation

## We follow a design-driven innovation approach



5 Guiding Principles

# Operational Excellence and Agility



4

## Operational Excellence and Agility

### Building a future ready sales system

#### Quality expansion

- Direct coverage - 1 million+ outlets, 60,000+ villages
- Total reach of 4.5 million outlets

#### Urban efficiency

- Range selling through hand held devices
- Building up capabilities of Distributor Sales Representatives
- Outlet segmentation

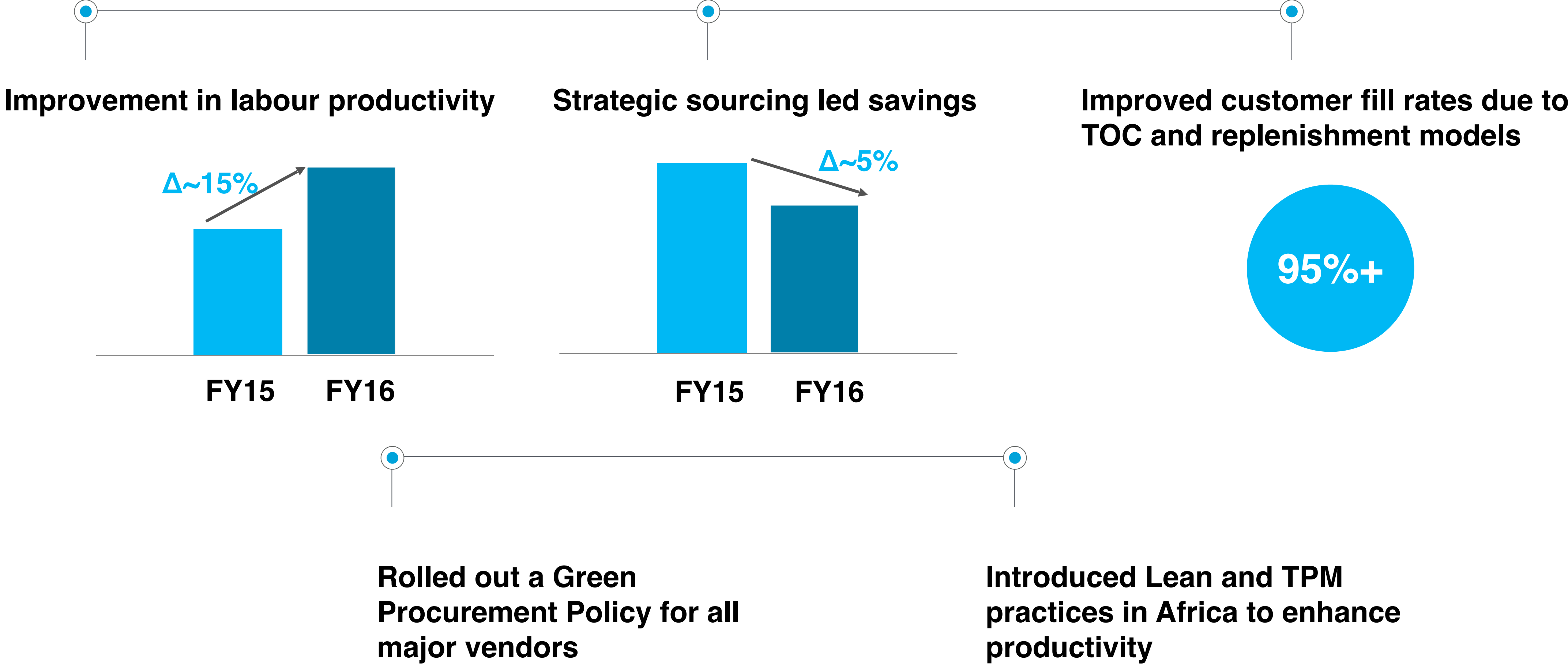
#### Enhanced go to market execution

- Split line roll out in urban
- Deployment of hand held devices in rural
- Move towards Godrej Ideal Stores

4

# Operational Excellence and Agility

We have been making our global supply chain best-in-class



4

# Operational Excellence and Agility

## Localised manufacturing gives us a competitive edge

**Manufacturing locations in our international geographies**

**Manufacturing locations in India**

- Jakarta** Indonesia
- Mozambique** Maputo, Nampula, Beira
- South Africa** Durban, Johannesburg
- Ghana** Accra
- Nigeria** Lagos
- Kenya** Nairobi, Nakuru, Mombasa

- Tanzania** Dar es Salaam
- Uganda** Kampala
- Argentina** Buenos Aires
- Chile** Santiago
- Bangladesh** Dhaka
- Sri Lanka** Colombo

- Pondicherry**
- Goa**
- Assam**
- Meghalaya**
- Jammu and Kashmir**
- Tamil Nadu**

- Madhya Pradesh**
- Himachal Pradesh**
- Sikkim**
- Maharashtra**
- Uttaranchal**

4

## Operational Excellence and Agility

We follow a unique cluster based approach

Cluster-based structure centered on federated decision making and operational autonomy

Decentralise  
**decision making**

Establish stronger **local entrepreneurial cultures**, supported by global functions

Binding all our businesses with a common set of **values and principles**

4

# Operational Excellence and Agility

We are actively cross pollinating our portfolio



Indonesia



India



Argentina



India



India



South Africa



India



Nigeria





5 Guiding Principles

# Invest Ahead for the Future



5

# Invest Ahead for the Future

## We are creating platforms for the future: Air fresheners

Indonesia



India



5

# Invest Ahead for the Future

## We are creating platforms for the future

Health and Wellness (India)



Hair Care for women of African descent



Hair Styling (India)



Baby Tissues (Indonesia)



Liquid Detergents (India)



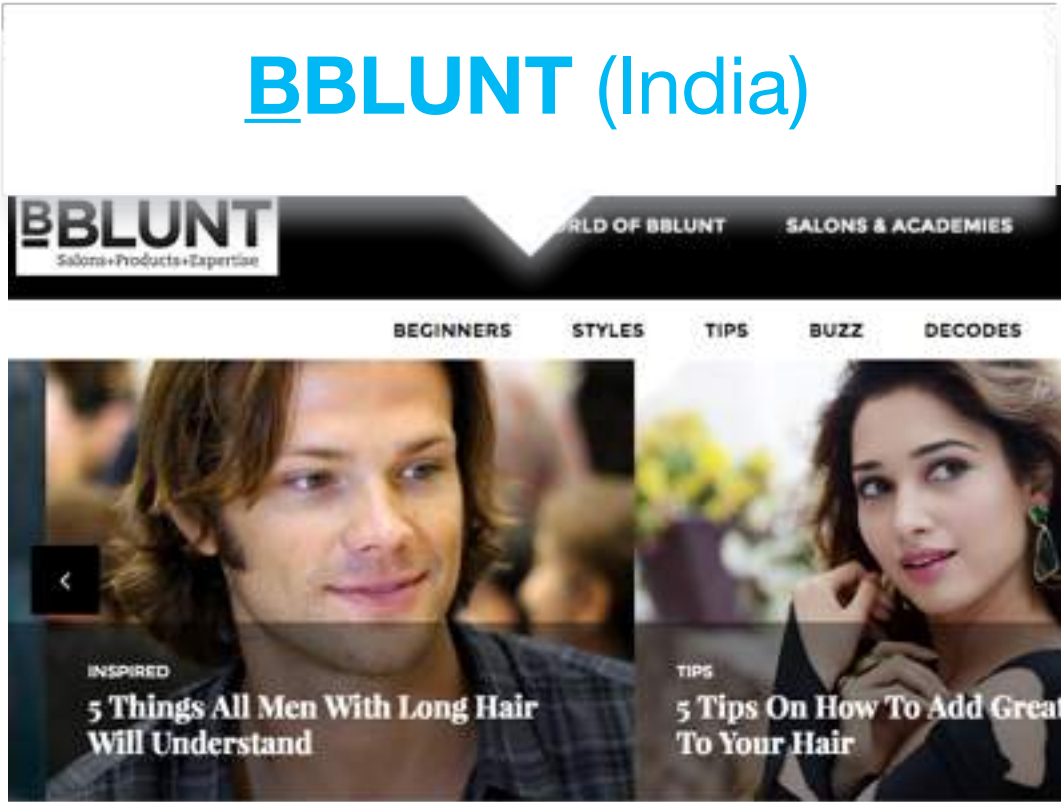
Make Up (Chile)



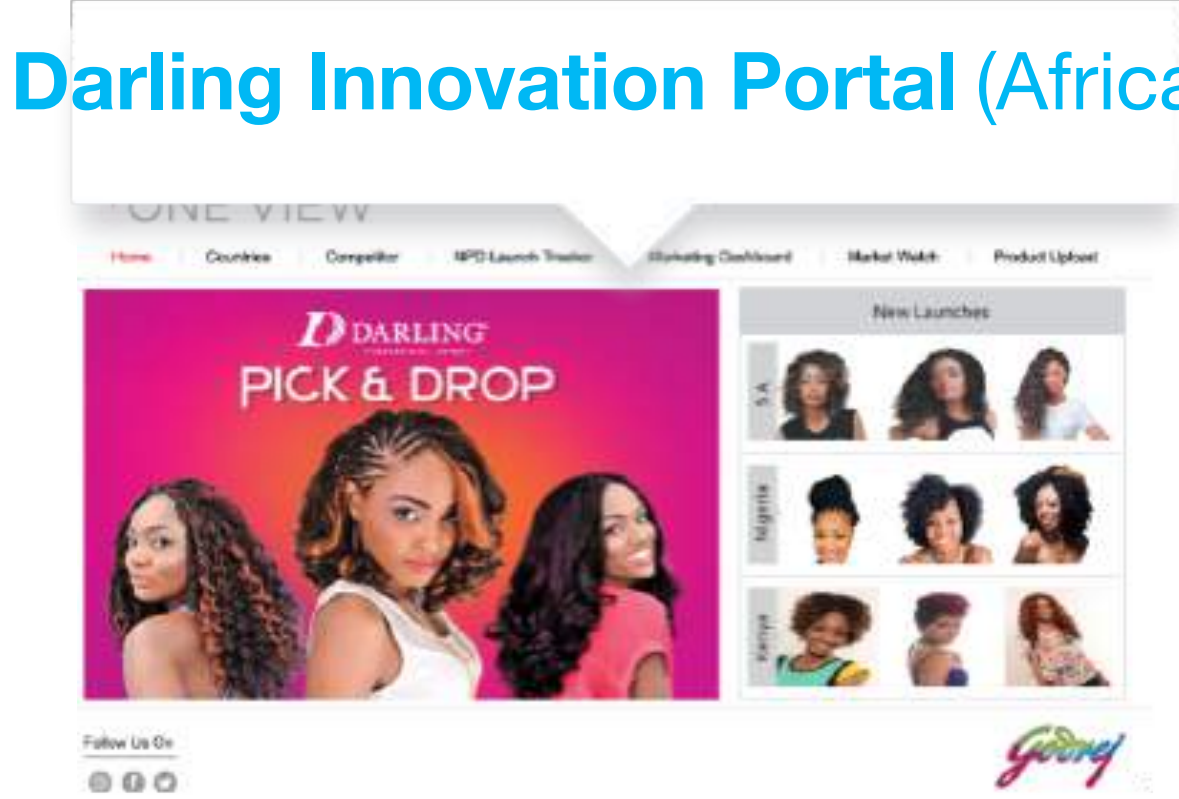
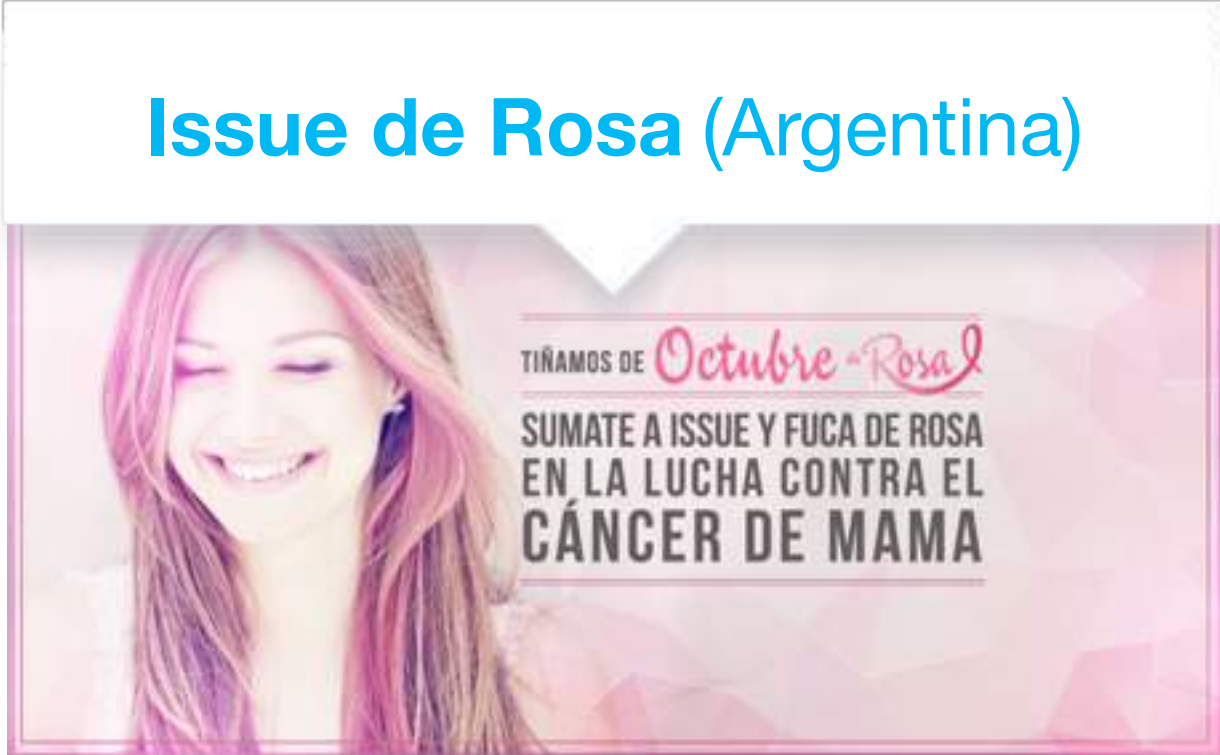
5

# Invest Ahead for the Future

## We have taken the first steps in digital



HIT Track the bite (India)



5

## Invest Ahead for the Future

We continue to focus on talent and people



Recognised among the top 10 best large workplaces in Asia. This is highest rank for any FMCG company.



Ranked among the best employers in India in 2016

5

# Invest Ahead for the Future

We continue to build an inspiring place to work



Your Canvas



Whole Self



Tough Love

### Diversity & Inclusion

Careers 2.0, LGBT allies, Godrej Alliance for Parents, Godrej Women’s Leadership Network

### 100 Leaders Programme

Identifying future potential leaders of GCPL to build strong talent bench strength

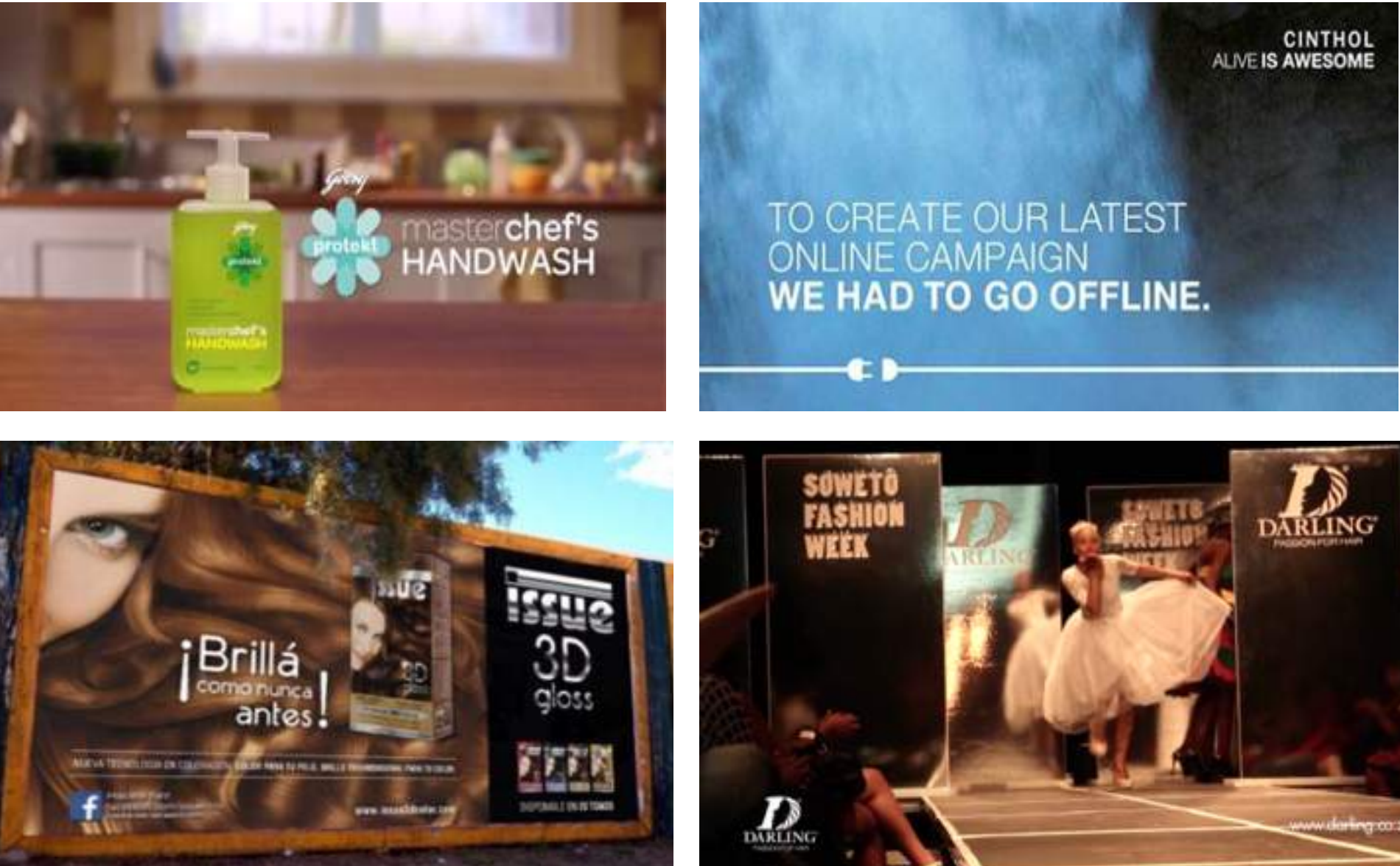
### Godrej LOUD

Helping business school students and Godrejites to live out their dreams

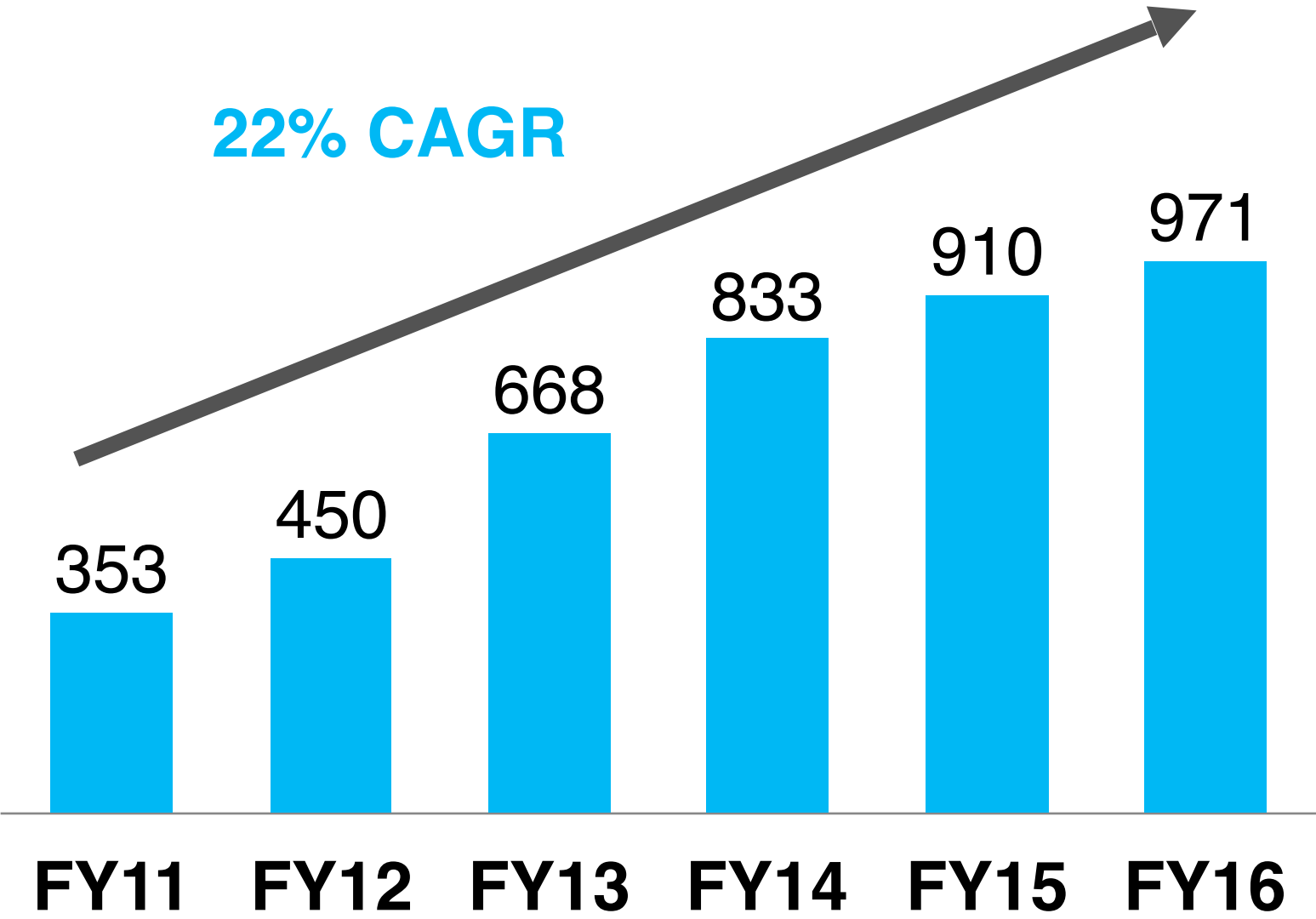
5

# Invest Ahead for the Future

We are making competitive investments in brand building

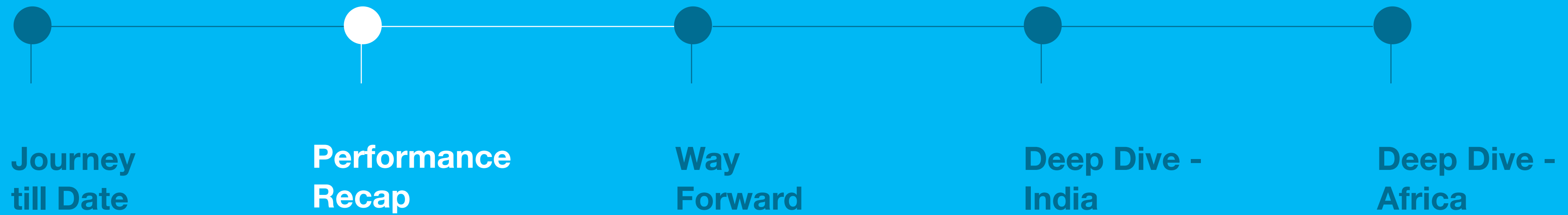


Advertisement & Publicity (INR Cr.)



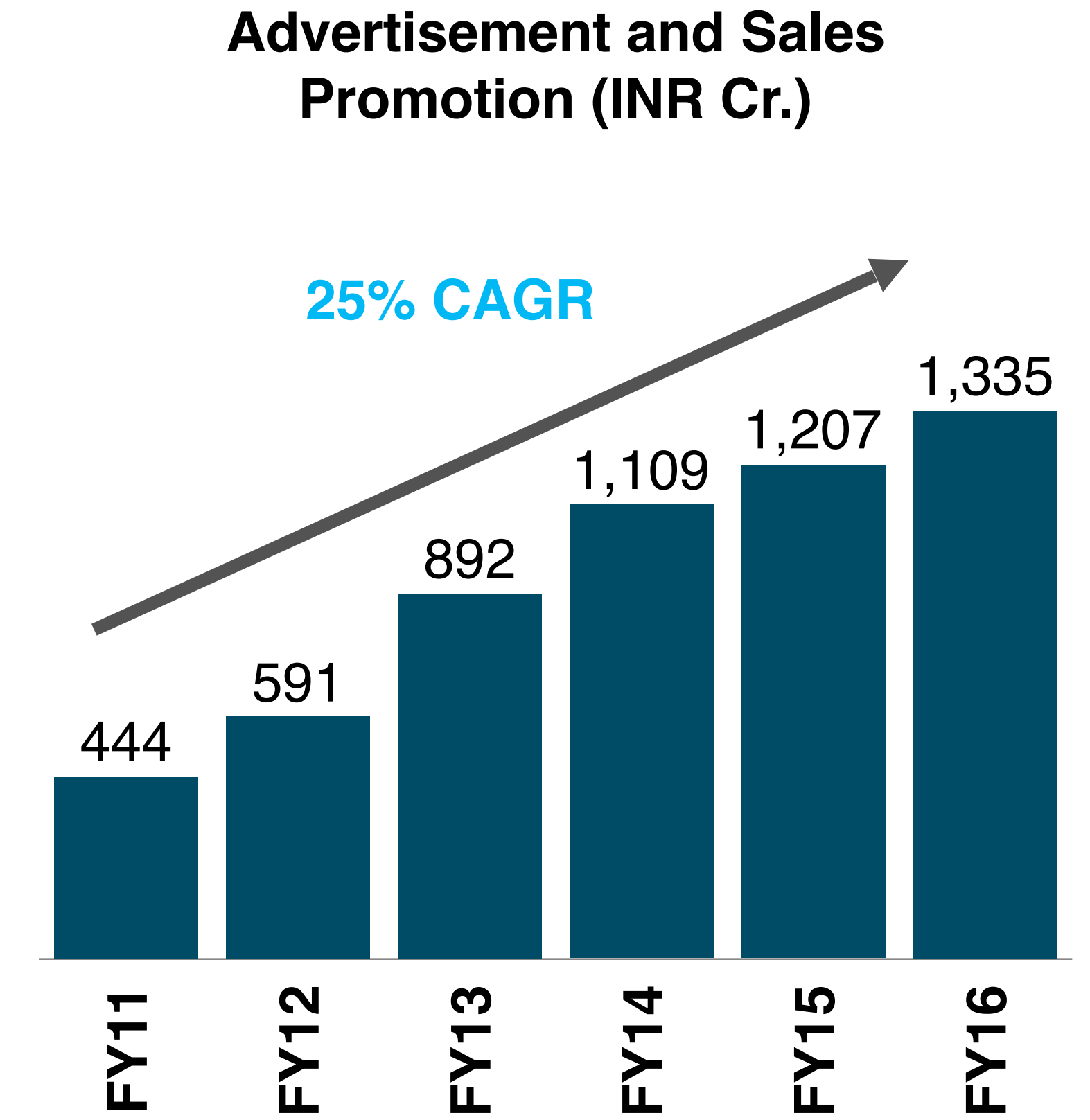
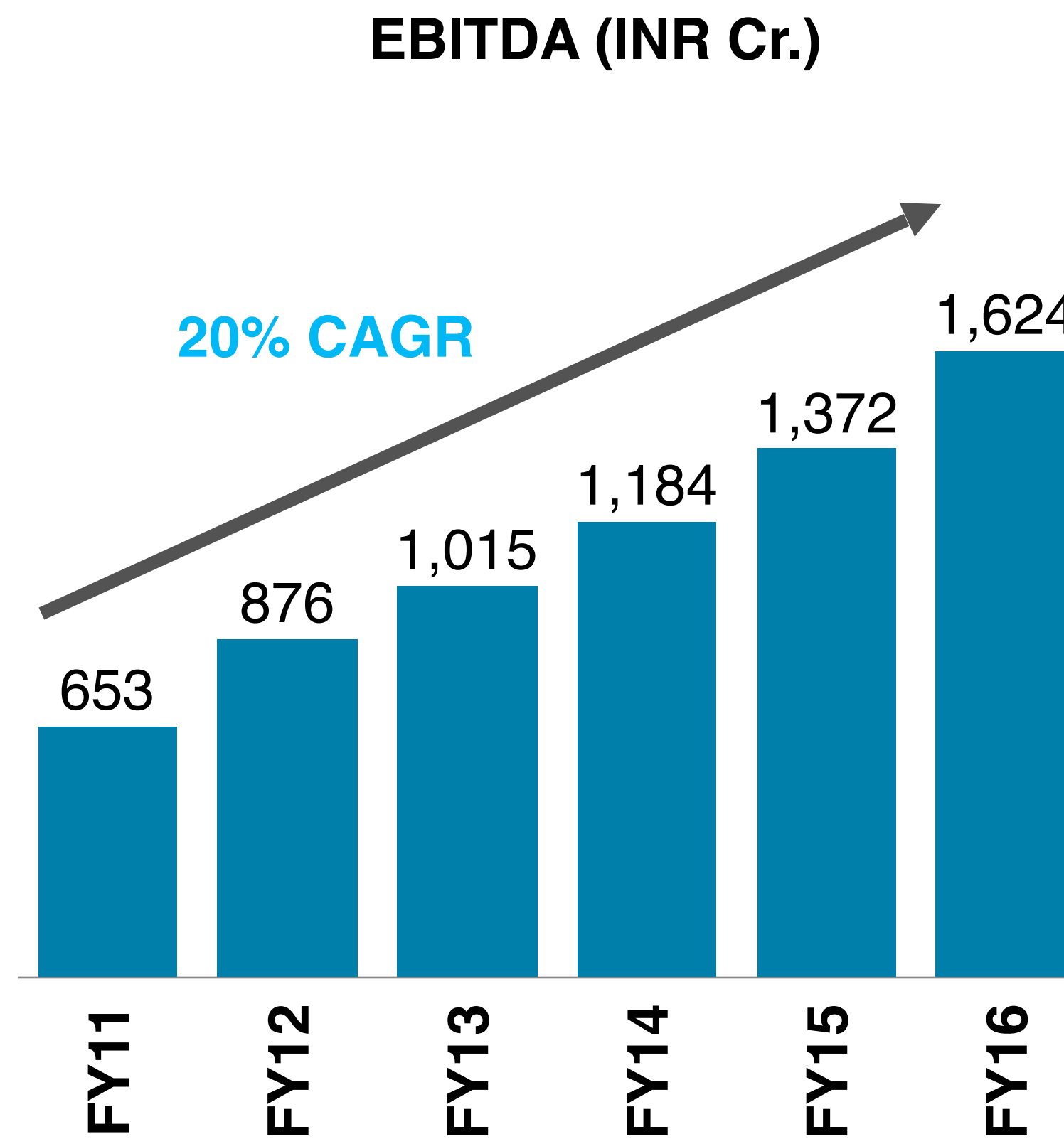
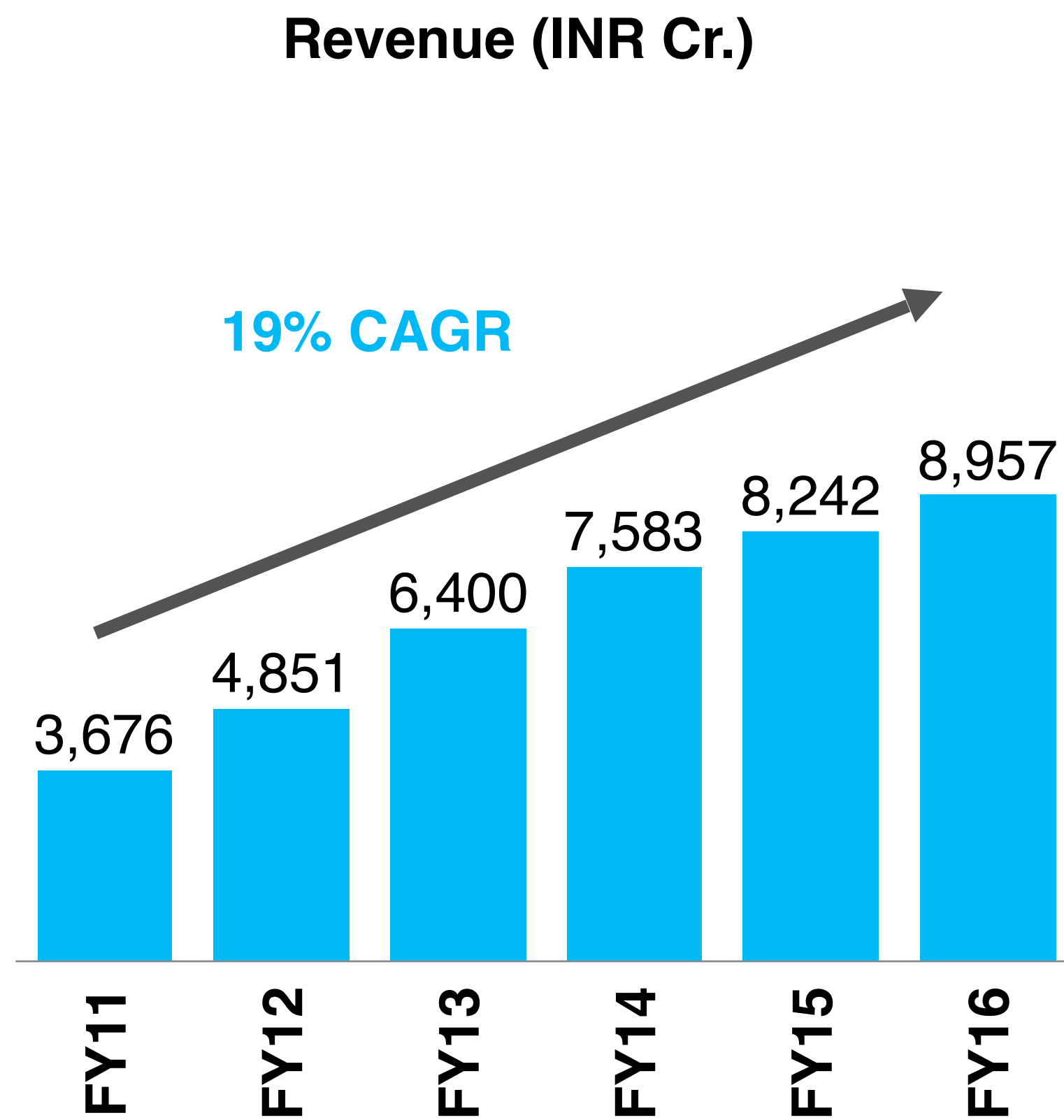
# Performance Recap

Robust business performance driven by Leapfrog I

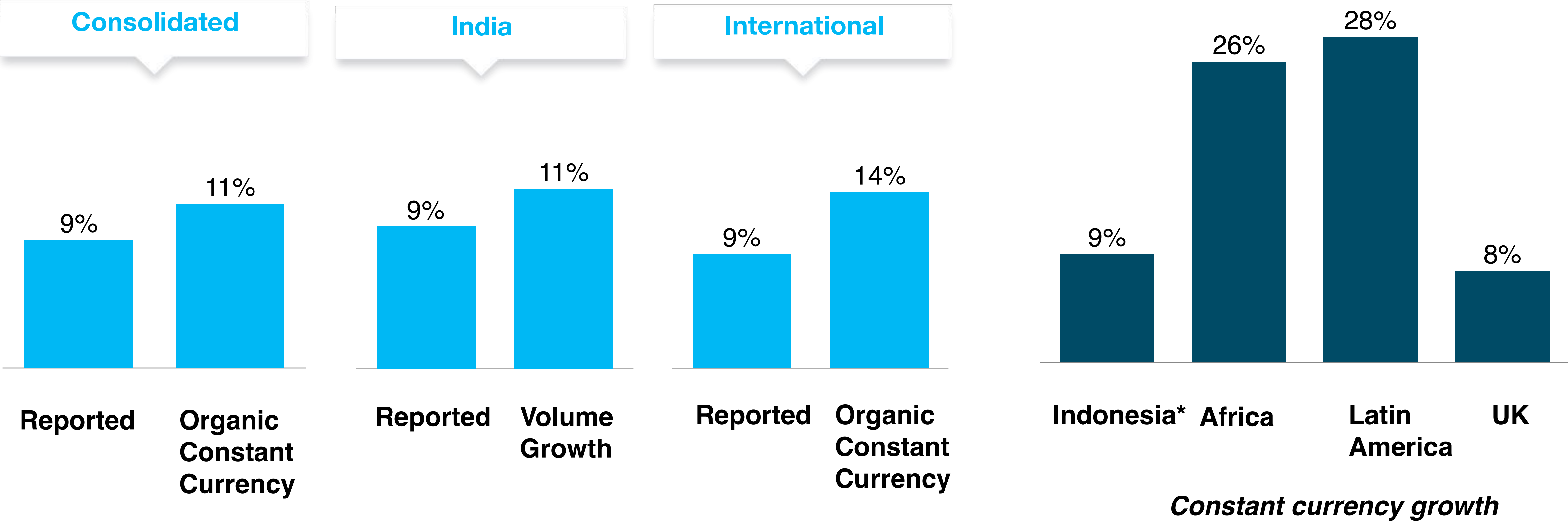




# We have been consistently driving ahead of category, profitable growth

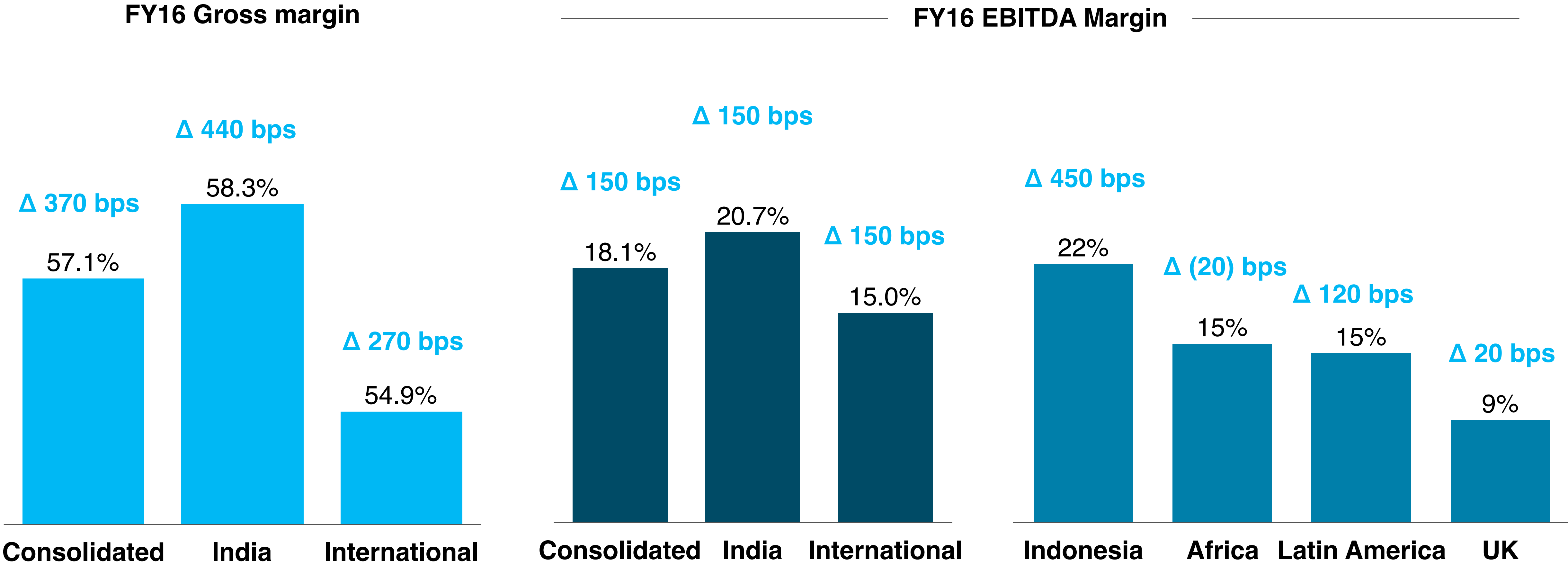


# We have delivered robust, ahead of market performance in tough operating environment



\* ex-Foods

# We have delivered robust, ahead of market performance in a tough operating environment



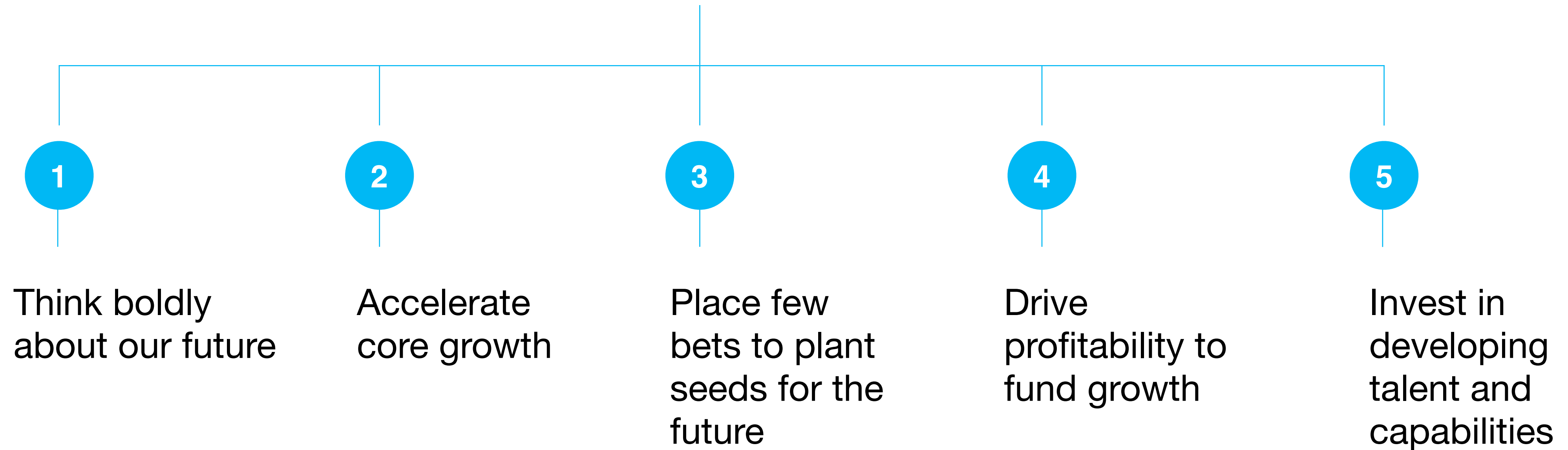
# Way forward

We are initiating Leapfrog II to define the roadmap for the next 5 years





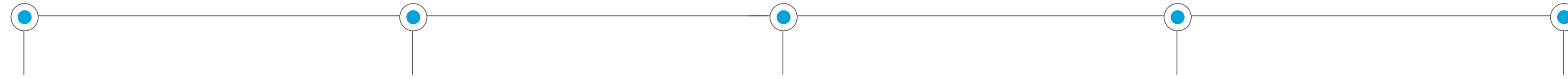
## Our key imperatives



1

# Think boldly about our future

## We have ambitious aspirations



Top **3 HPC**  
companies  
in India

Top **3 HPC**  
companies  
in Indonesia

**#1 HPC**  
company in Sub  
Saharan Africa

**Global leader**  
in serving hair  
care needs of  
women of  
African descent

**Leading hair**  
colouring company  
in Latin America  
(ex Brazil)

2

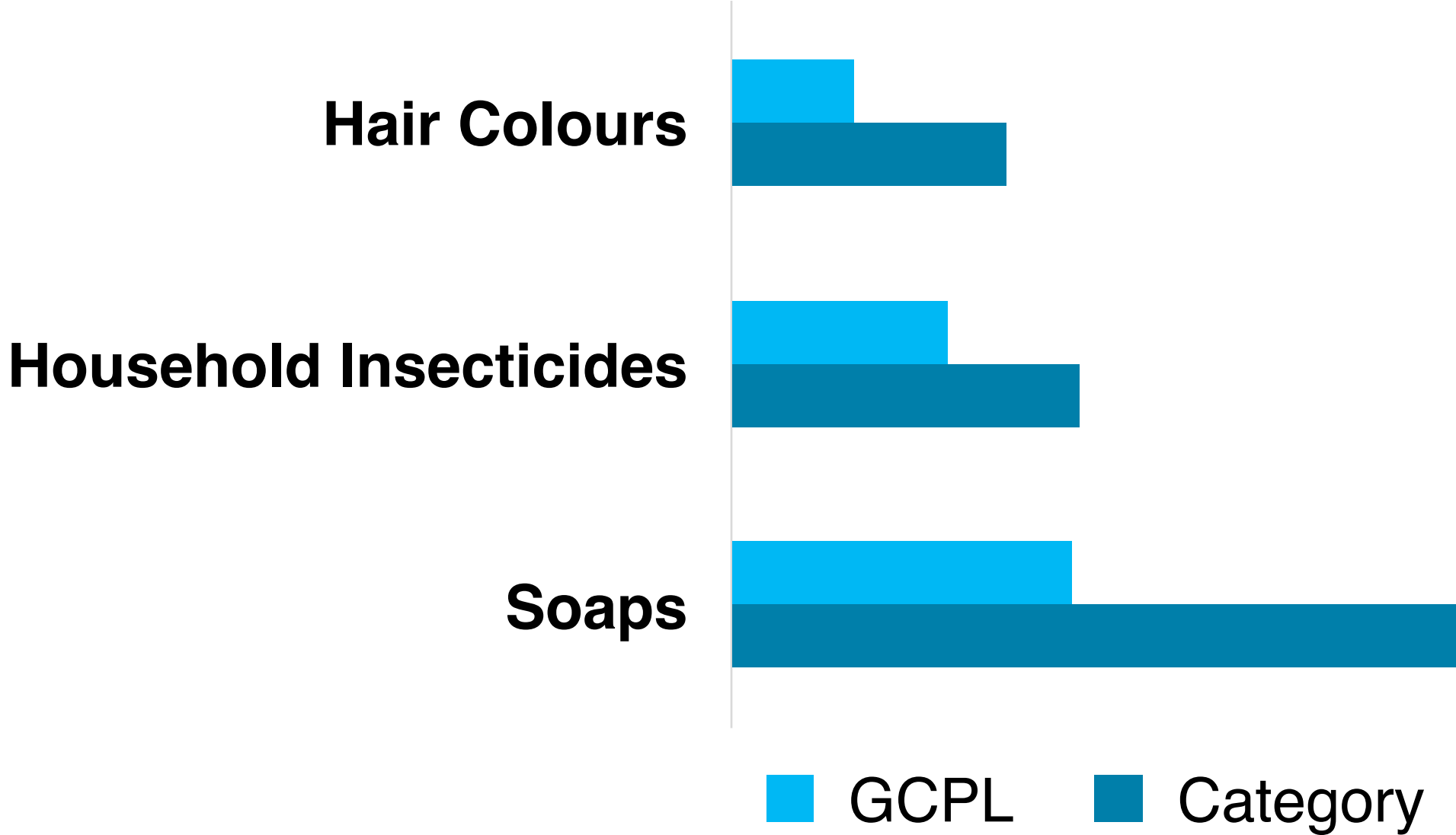
# Accelerate core growth

## Significant headroom for growth

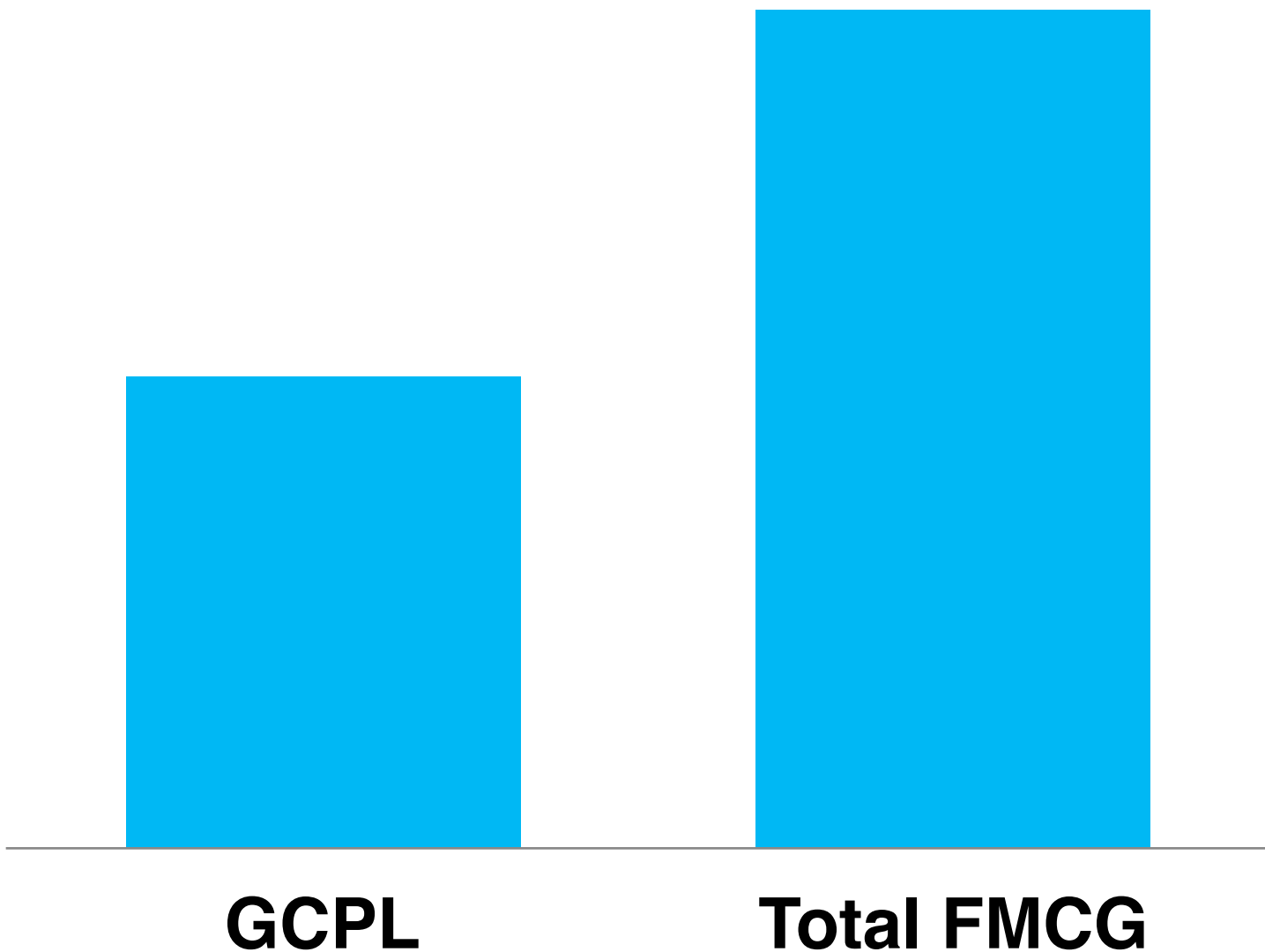
Huge opportunity to drive the category and our penetration rates

Currently, we reach only little over 50% of total FMCG outlets

Penetration rates in India



Distribution reach in India



3

# Planting seeds for the future

We are extending into newer categories

## India

- Air Care
- Hair Styling
- Health & Wellness

## Indonesia

- Baby Care
- Hair Care

## Africa

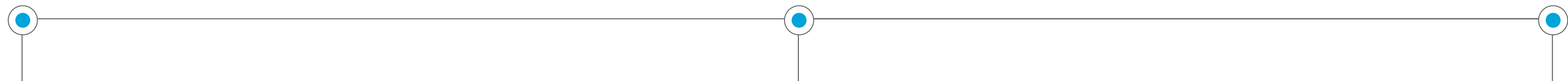
- Hair Care
- Household Insecticides



4

## Drive profitability to fund growth

Gross margin expansion and tighter overheads management will be key drivers to fund growth



Continued **gross margin improvement** through cost savings projects, revenue growth management, mix improvement and premiumisation

Competitive **Advertisement & Sales Promotion investments** through Marketing Mix Modelling and Trade Promotion Optimisation

**Tighter management** of general and administrative expense overheads

EBITDA growth in-line or ahead of sales growth

5

# Invest in developing talent and capabilities

We continue to focus on strengthening our Employee Value Proposition

## Key focus areas



## Our outlook for FY 2017

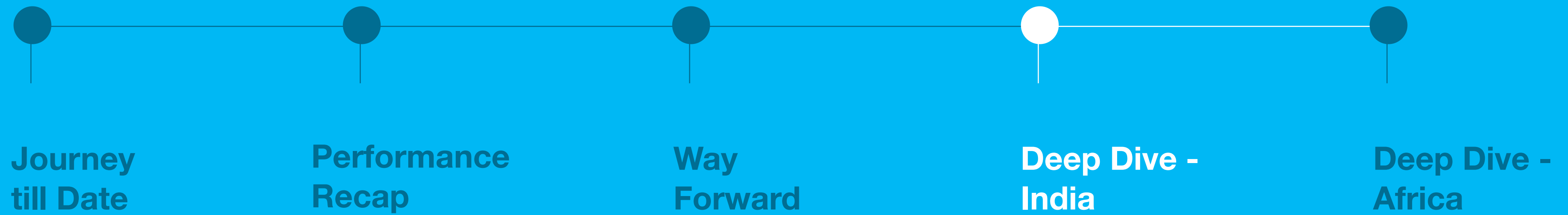
### Maintain ahead of category growth

- Ramp up innovation and premiumisation
- Invest in new growth vectors:
  - Hair Colours (Indonesia)
  - New markets for Dry Hair (Africa)
  - Wet Hair (Africa)
  - Household Insecticides (Africa)
- Focus on sales and distribution initiatives across key markets

### Aim to maintain EBITDA growth in-line or ahead of revenue growth

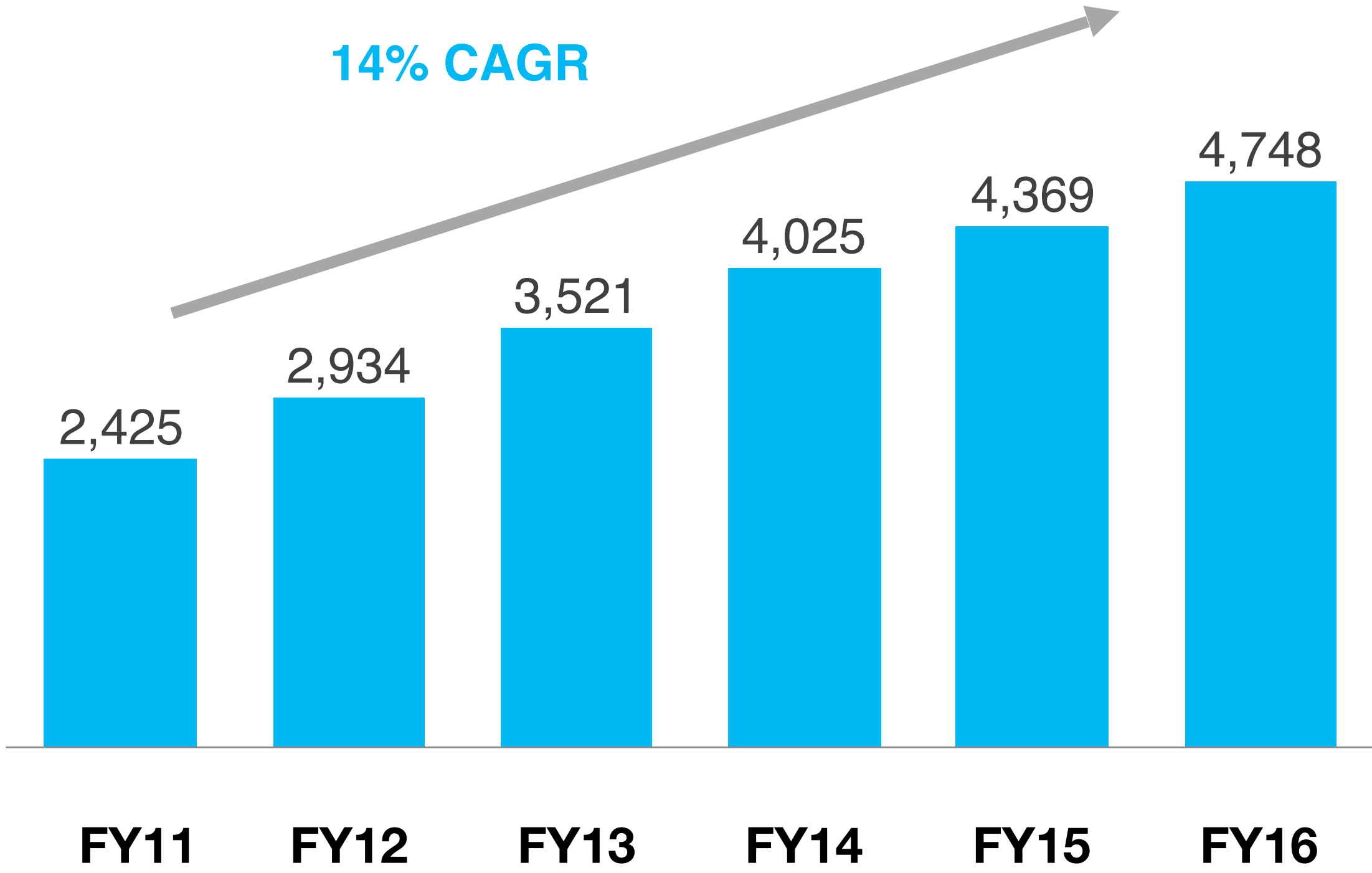
- Accelerate cost saving programme 'Project PI' in India and Indonesia
- Premiumisation, mix improvement and select price increases
- Stringent control over overheads across businesses

# Deep Dive - India

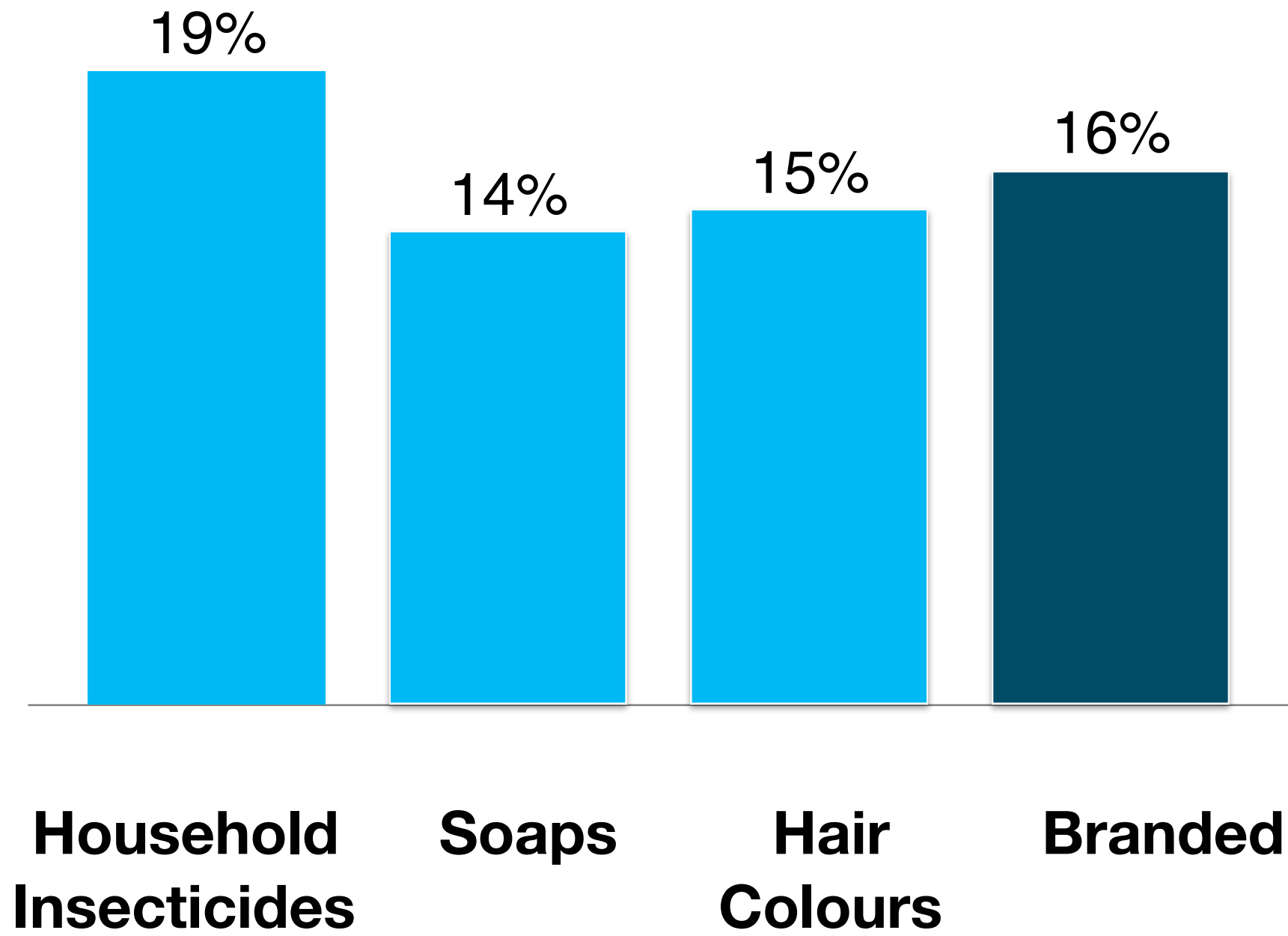


# We have consistently delivered robust performance across our categories

### Sales (INR Cr.)

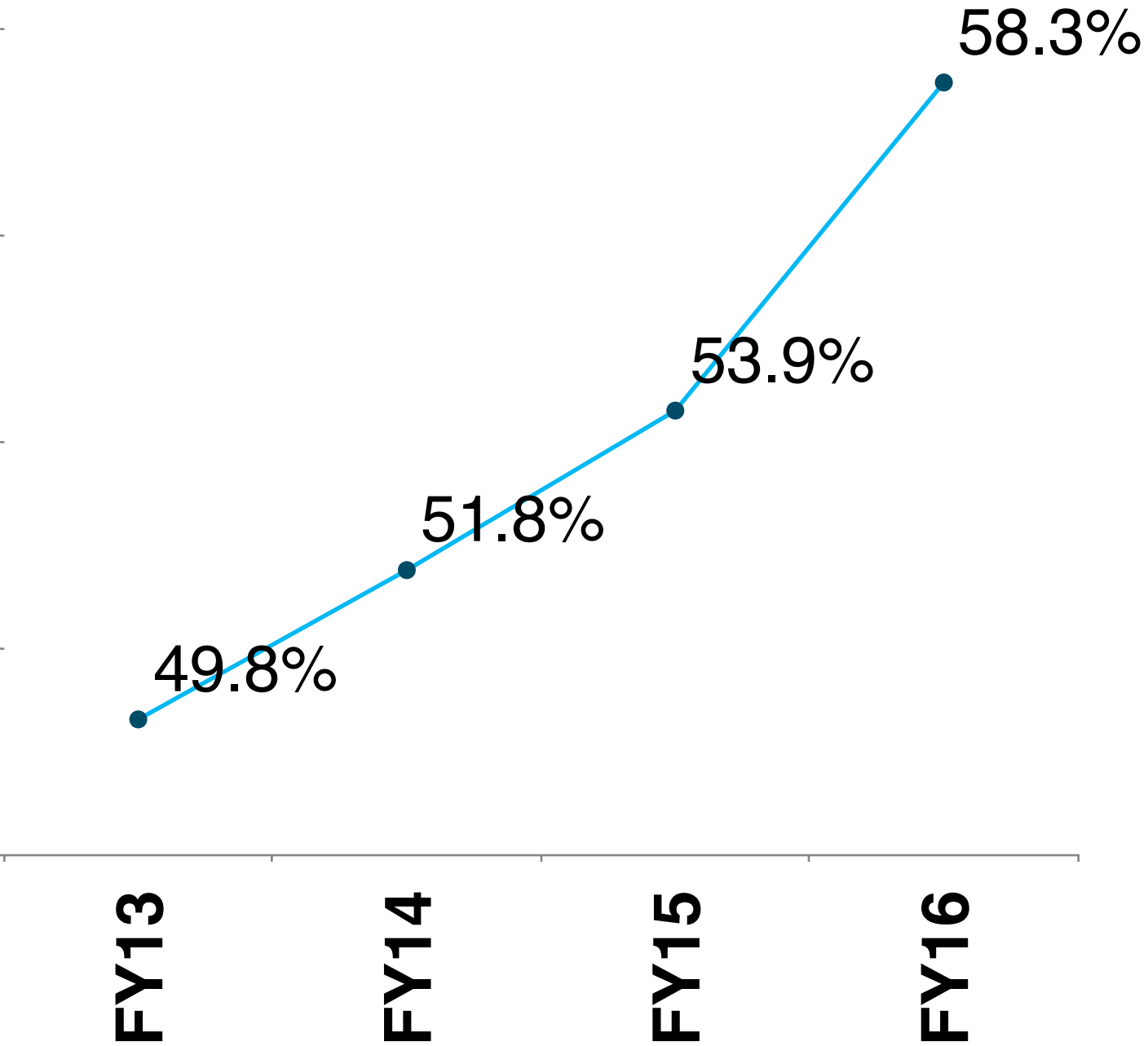


### Sales CAGR (FY11-16)

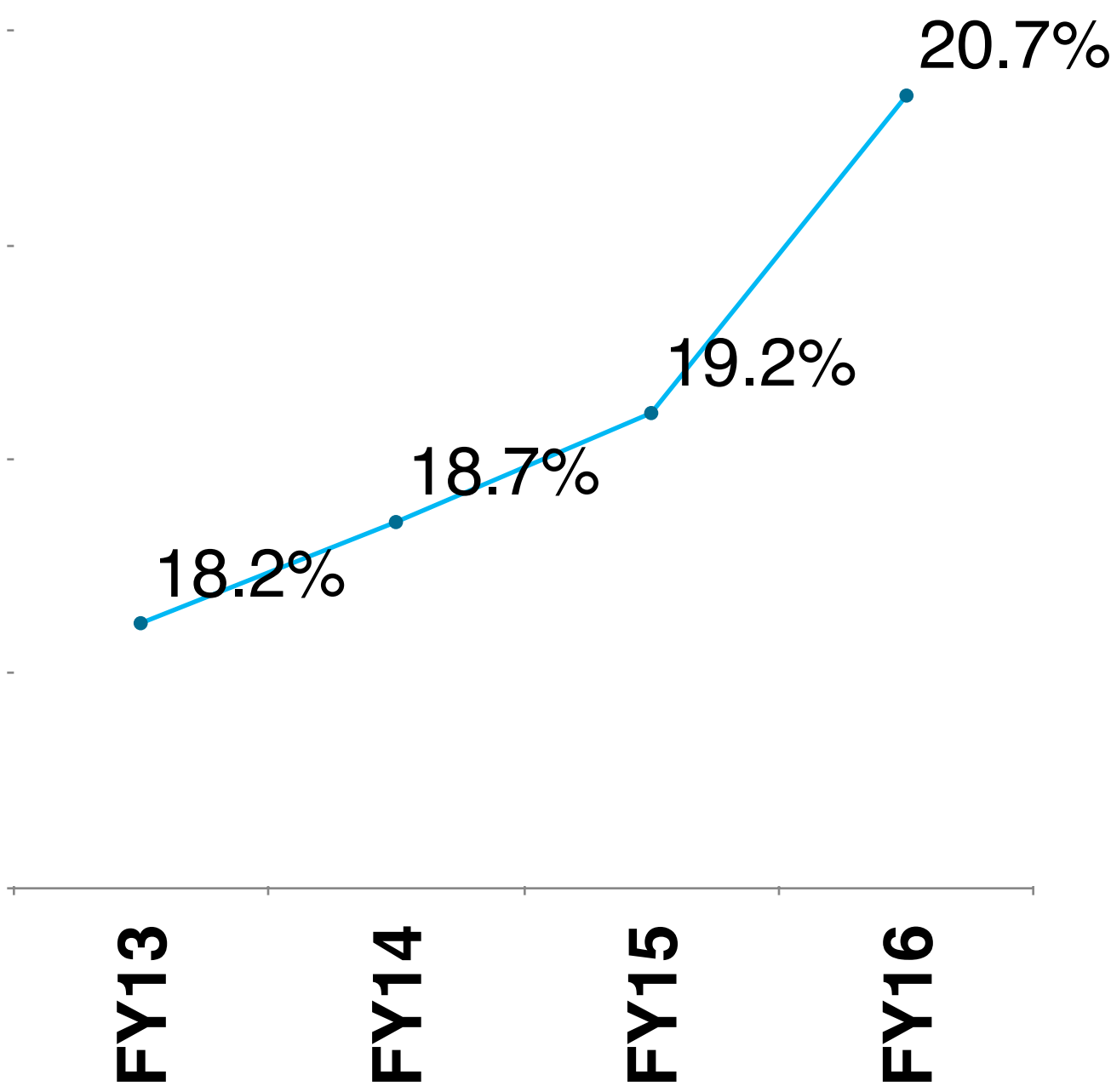


**We have significantly improved profitability, while also investing more in our brands**

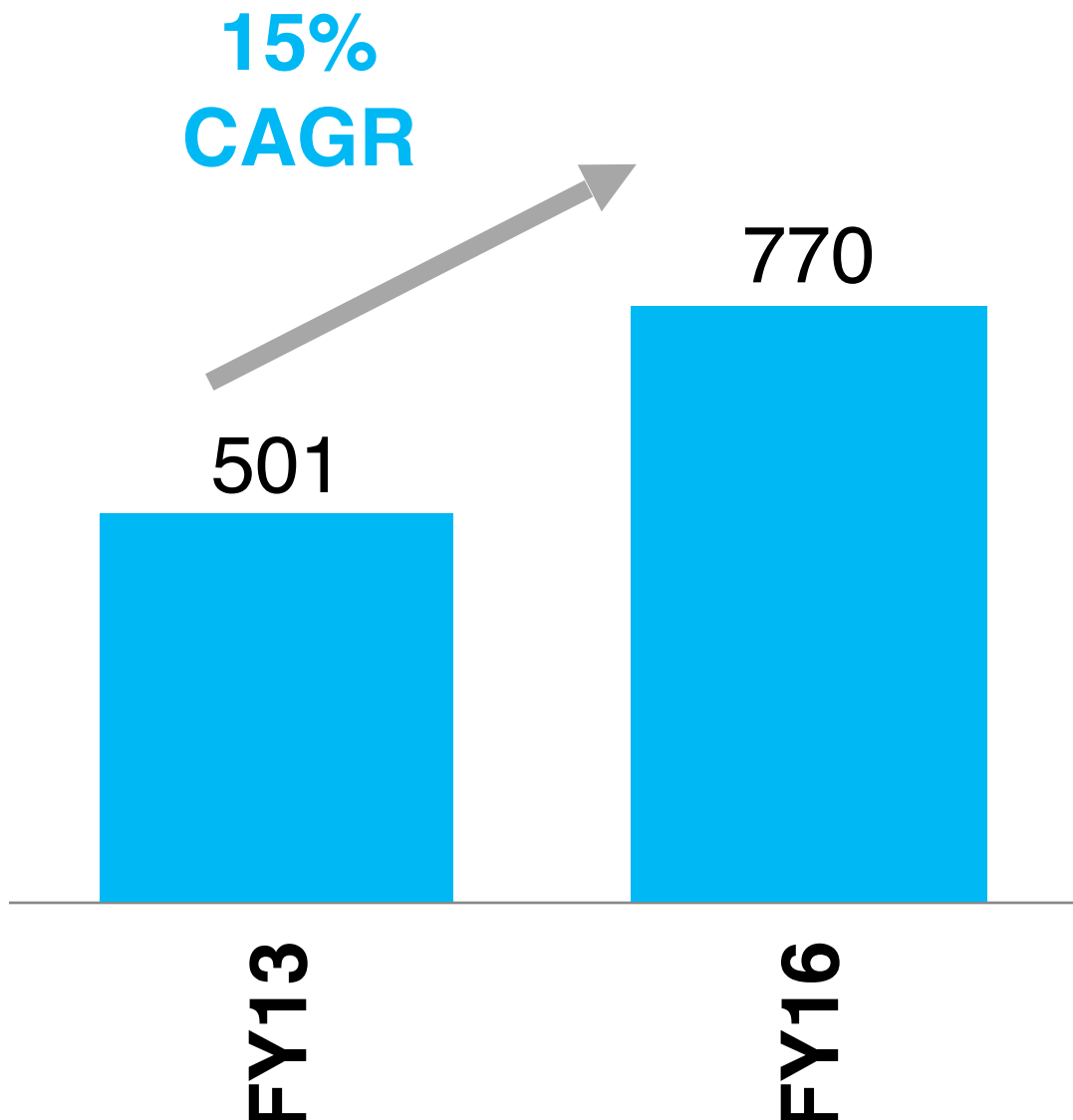
**Gross Profit**



**EBITDA**

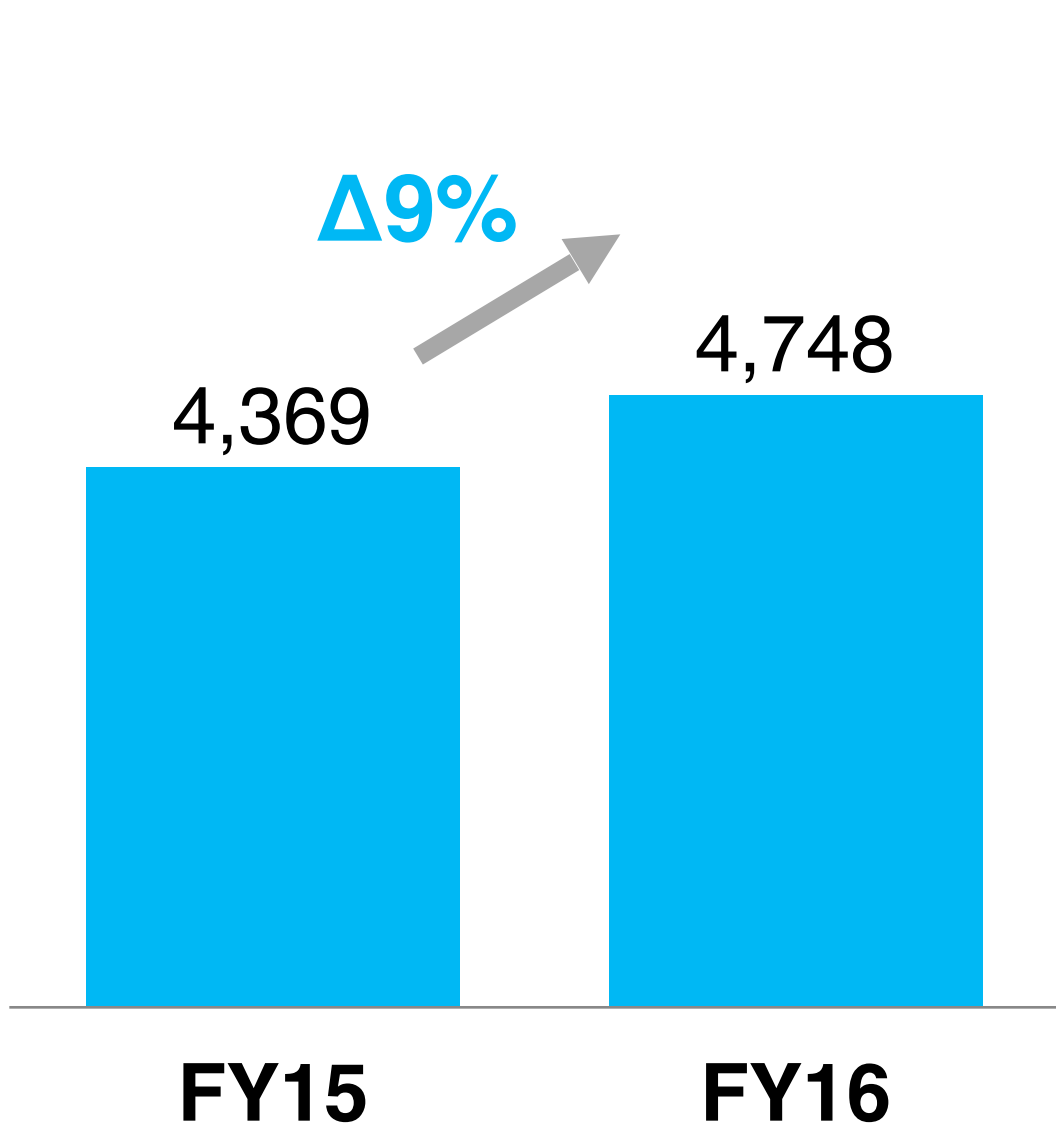


**Advertisement & Sales Promotion (INR Cr.)**



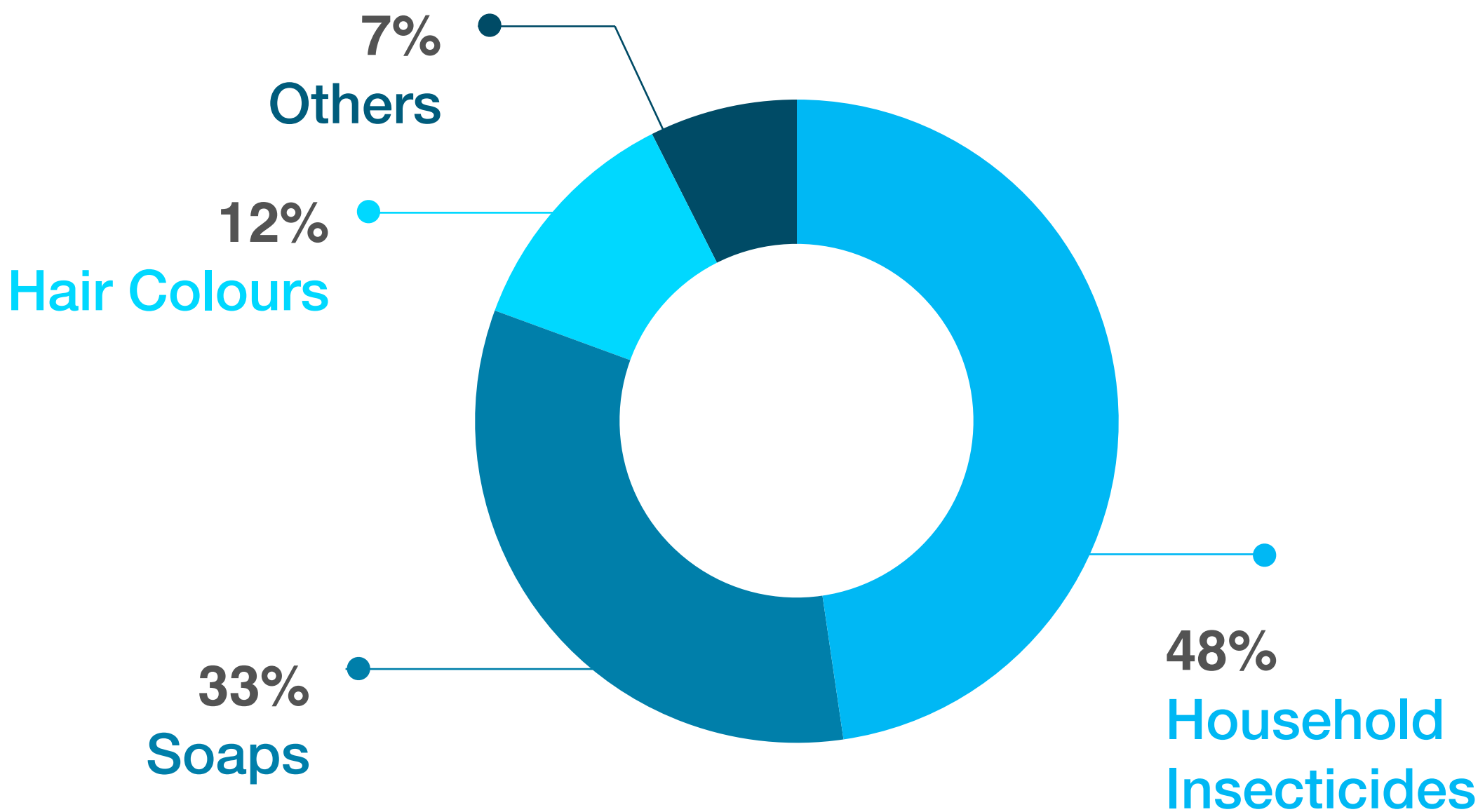
# We have delivered consistent, healthy volume-led ahead of category sales growth in FY 2016

Sales (INR Cr.)

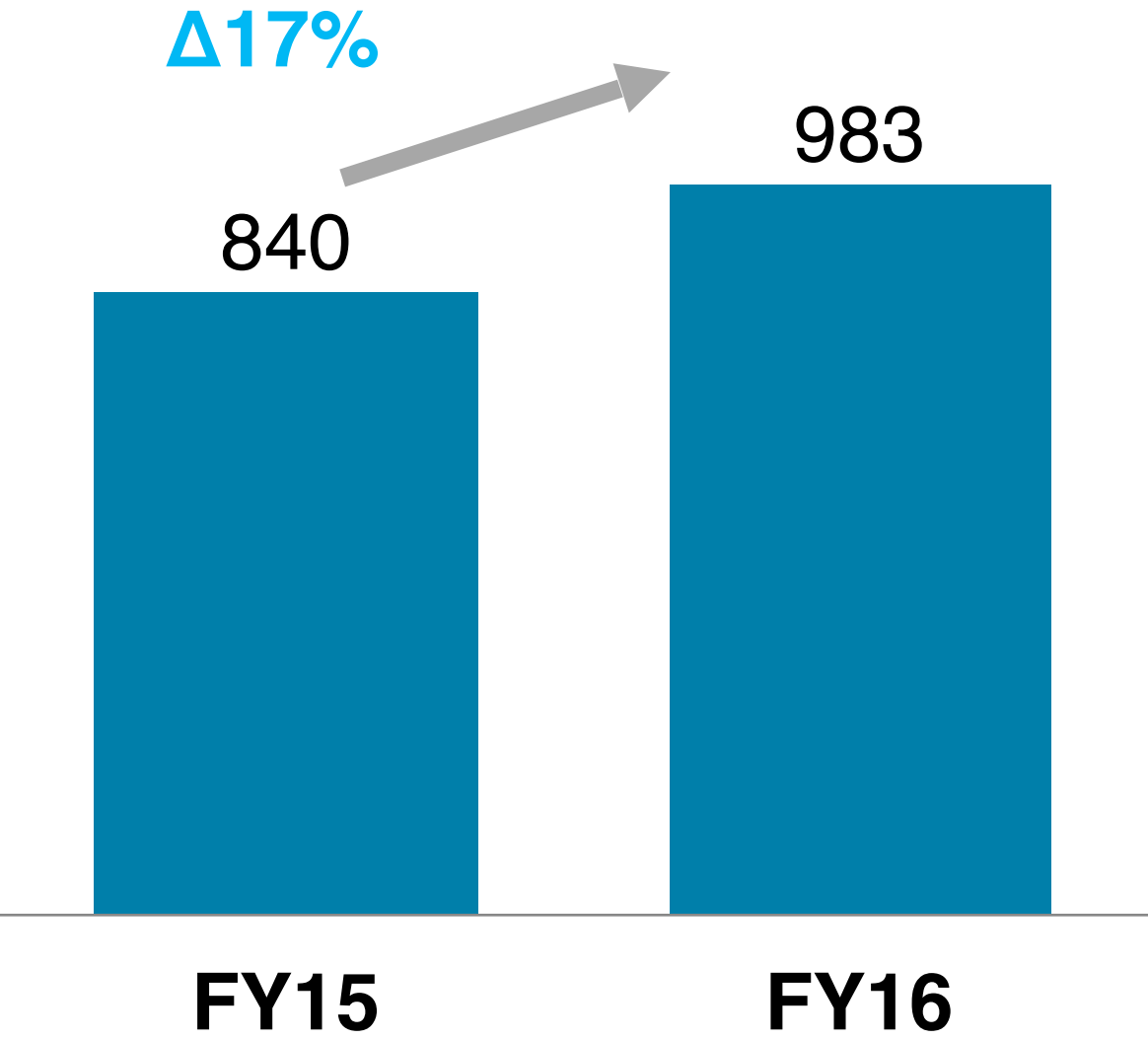


11%  
Volume Growth

Branded Sales FY16



EBITDA (INR Cr.)



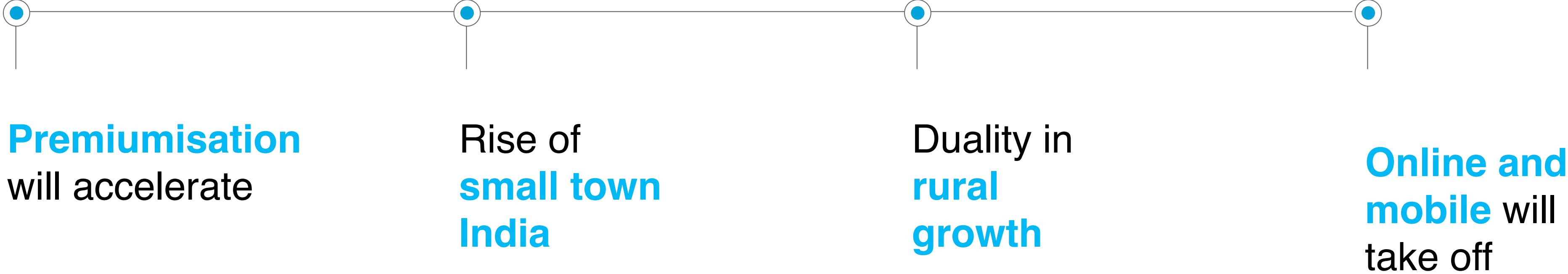
# We have realised significant cost savings from Project PI

Savings of ~INR 75 crore in FY 2016



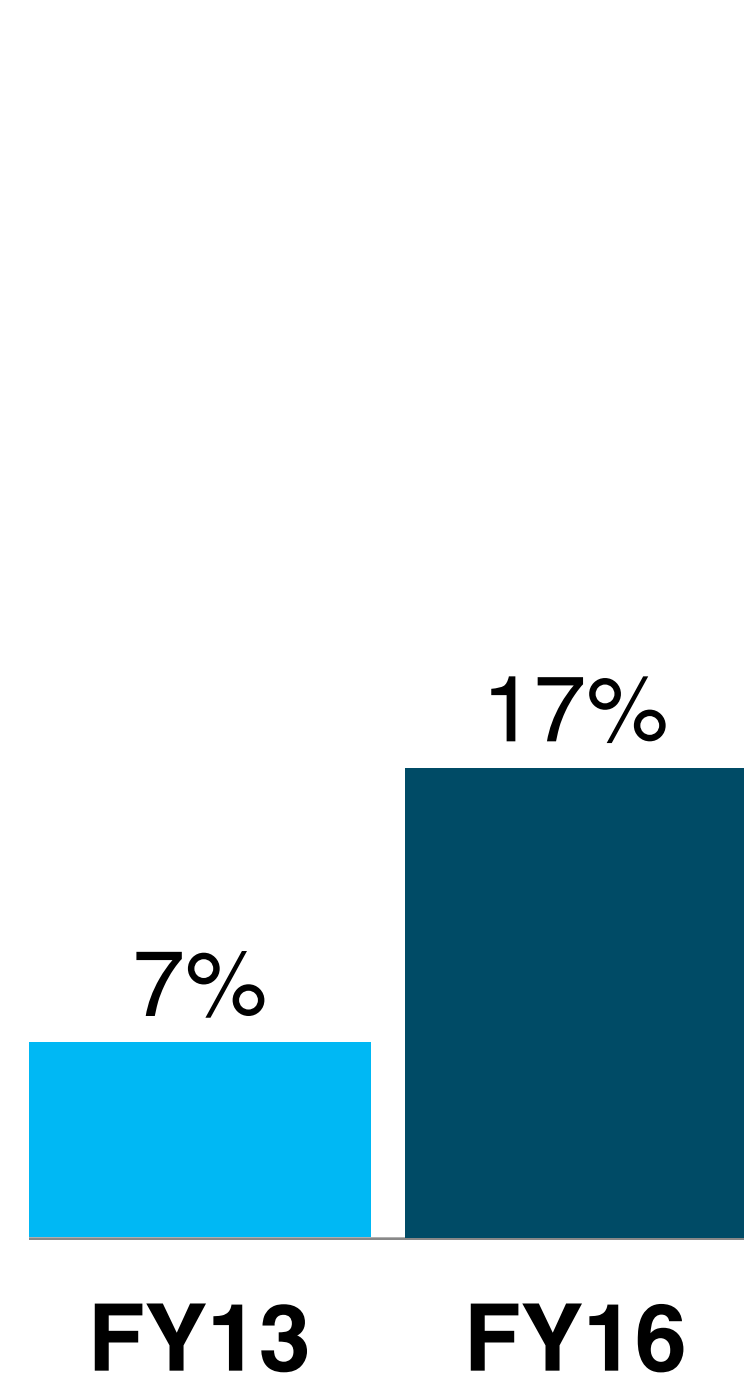


# We are anticipating and responding to evolving future trends

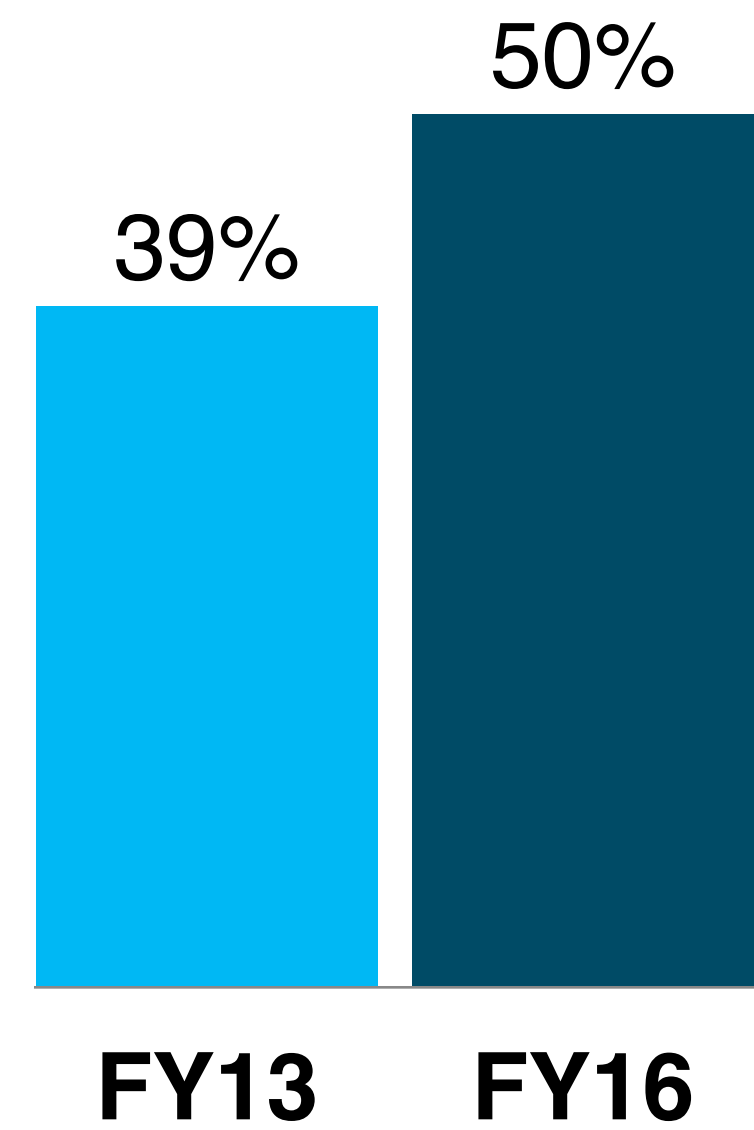


# Driving a continued focus on premiumisation

### Innovation rate

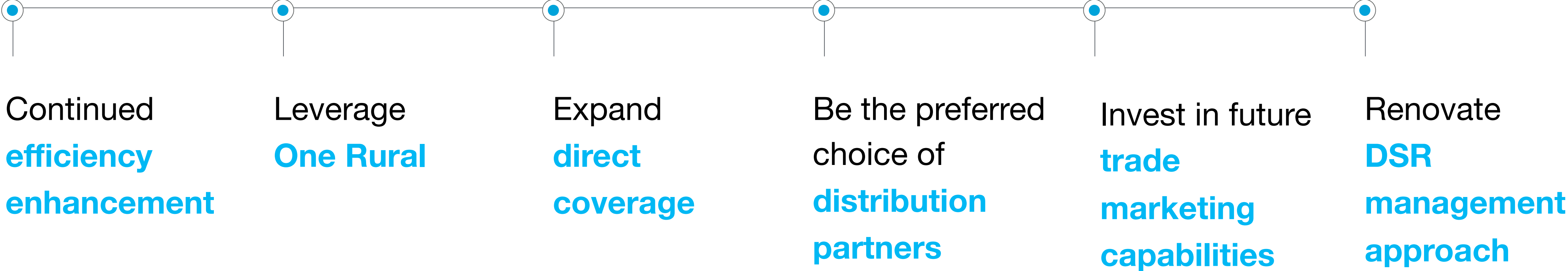


### Salience of premium products



Note: A product is considered an NPD for up to 3 years post launch

# Enhancing our go-to-market infrastructure



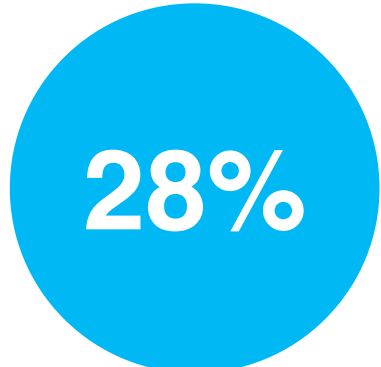
# Leveraging deeper analytics for decision making

• Predictive and integrated analytics for business improvement

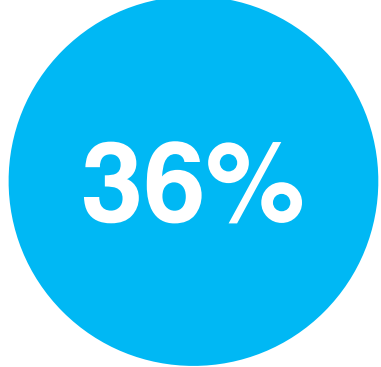
• Initial focus areas:

- Price elasticity modelling
- Trade spend optimisation
- Market basket analytics
- Shopper insights
- Marketing ROI
- Retail execution

# Strengthening our presence through One Rural to focus on generating and fulfilling demand



GCPL



HPC\*

Significant scope to further increase rural contribution



Build on our existing strong rural sales and distribution foundation

Drive category penetration

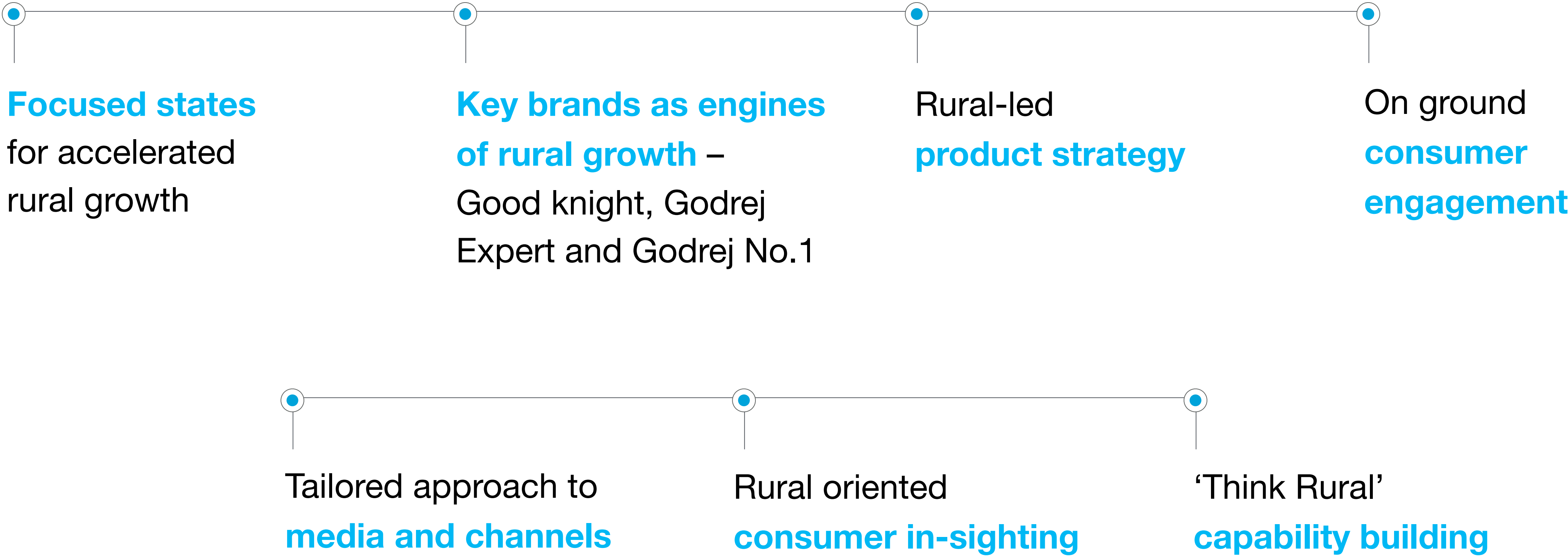
Drive rural growth ahead of urban growth ~1.5-1.7x

Increase rural salience to ~40% by 2022

Future ready sales and distribution and activation model

\*As per AC Nielsen

# One Rural: Generating demand



# One Rural: Fulfilling demand



**Distribution model** for effective last mile reach

Engage with **indirectly serviced smaller retailers**

**Tech enabled** rural sales organisation for effective selling

Sales capability building through **rural trade in-sighting**

**Leverage rural analytics** for competitive trade planning

Strong **in-market execution**

# Establishing a strong footprint in emerging channels like e-commerce

Presence across all key players

Cost effective cross branding and joint promotions

Tailored approach



- Customised go-to-market approach for different formats
- Format specific product portfolio assortments
- E-commerce friendly product packaging
- E-commerce specific product launches

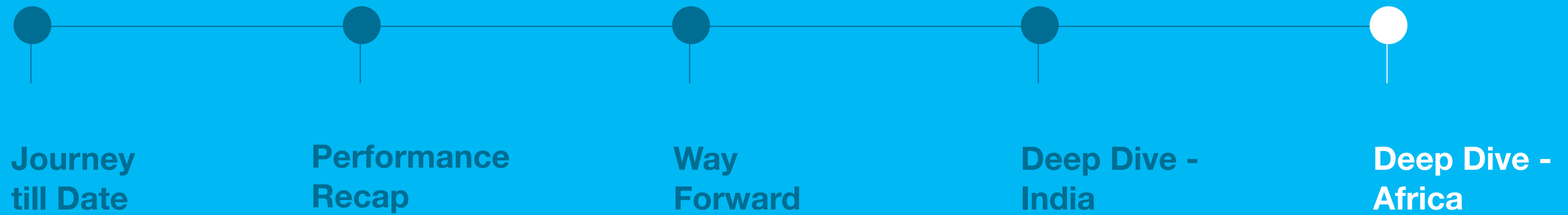


# Our key priorities for FY 2017

- Continue to **drive ahead of category and profitable growth**
  - Accelerate the journey of 'Reimagining Household Insecticides'
  - Increase the penetration of Hair Colours
  - Grow Soaps through value-added offerings
- Scale up new launches and retain focus on **innovation led growth**
- **Enhance profitability**
  - Project PI
  - Stringent control over overheads
  - Better working capital management

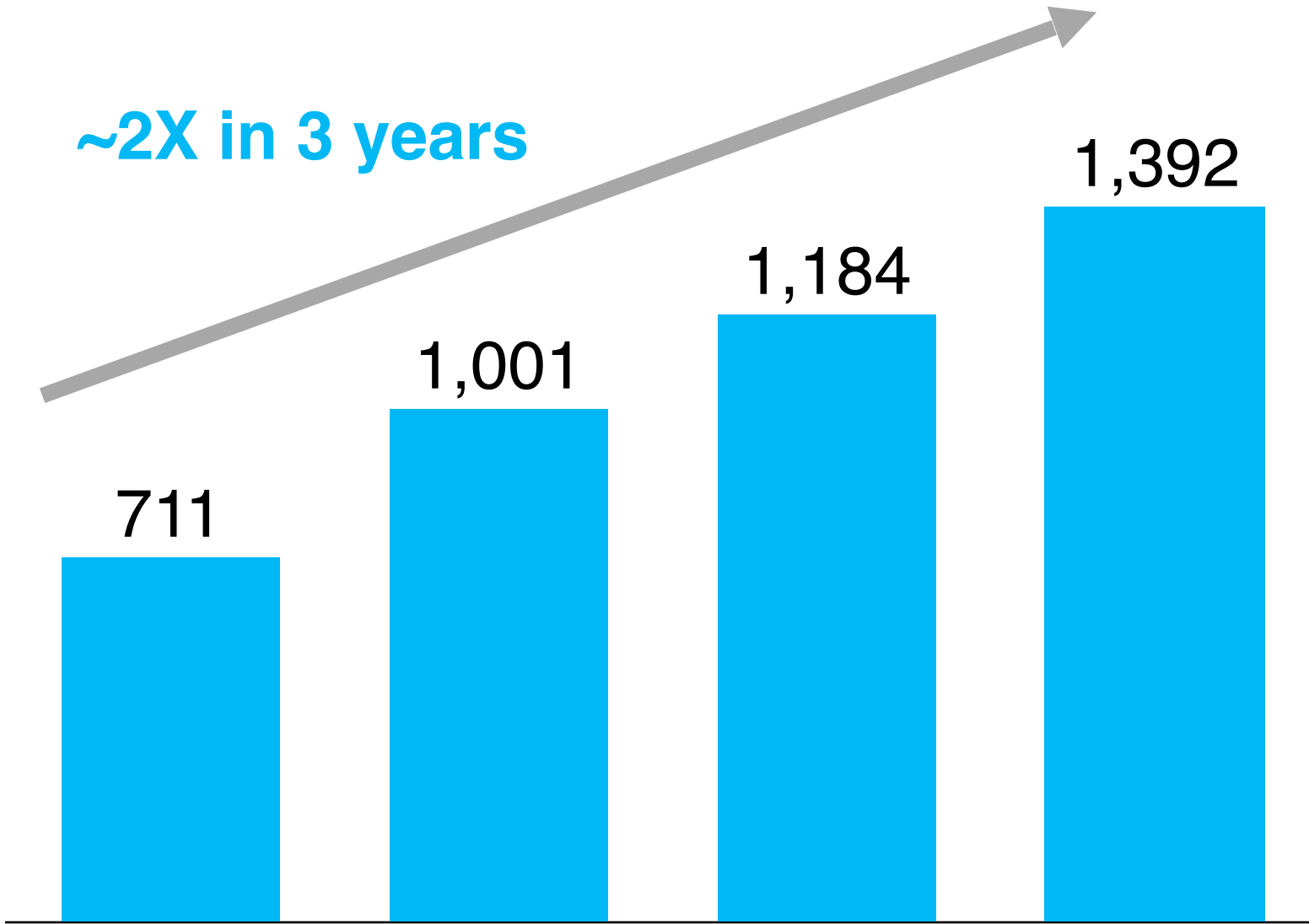
- Continue to invest in our **Future Ready Sales System 2.0**
  - Split lines approach
  - One Rural
  - Expand distribution reach
  - Invest in trade marketing capabilities
- Create the blueprint for **future-ready manufacturing**
- Accelerate **Digifit competencies**

# Deep Dive - Africa

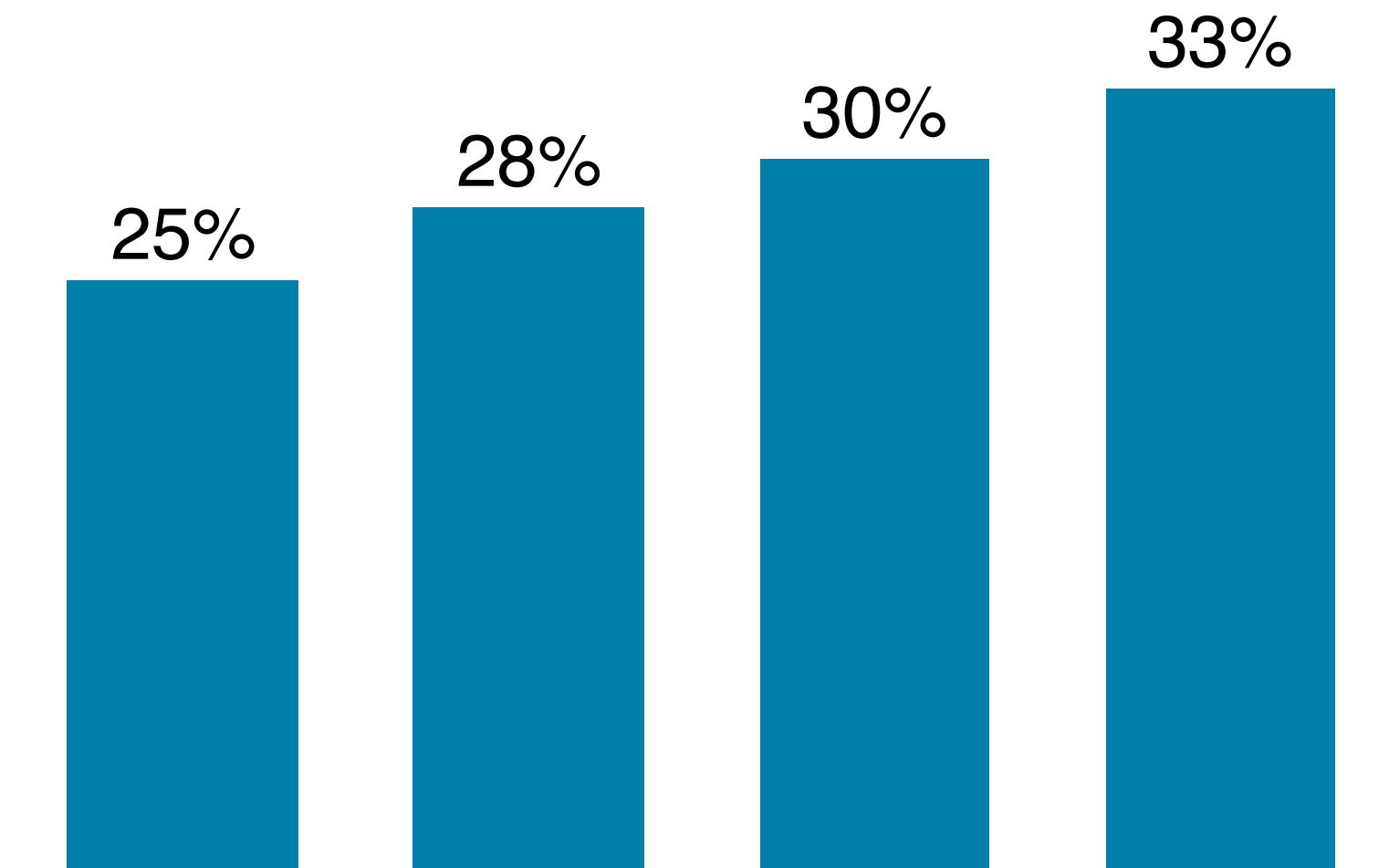


Africa is one of our key priorities and we have been focusing strongly on growing our business

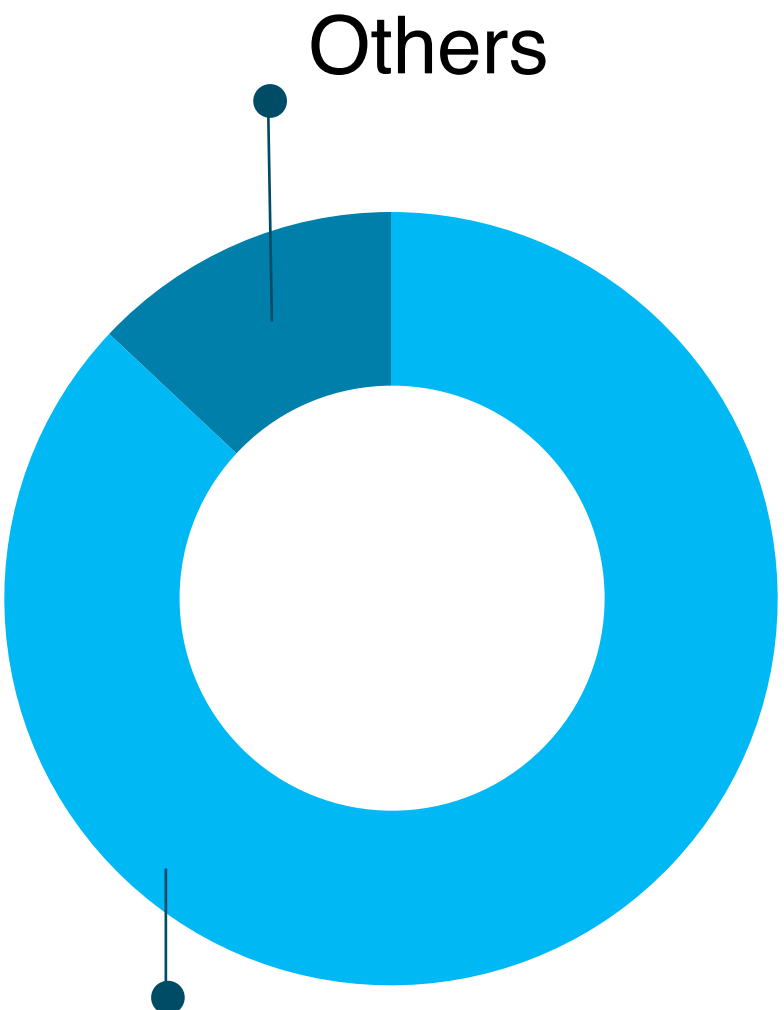
Africa Sales (INR Cr)



Percentage of Africa contribution to GCPL International Sales



Africa Sales FY 16

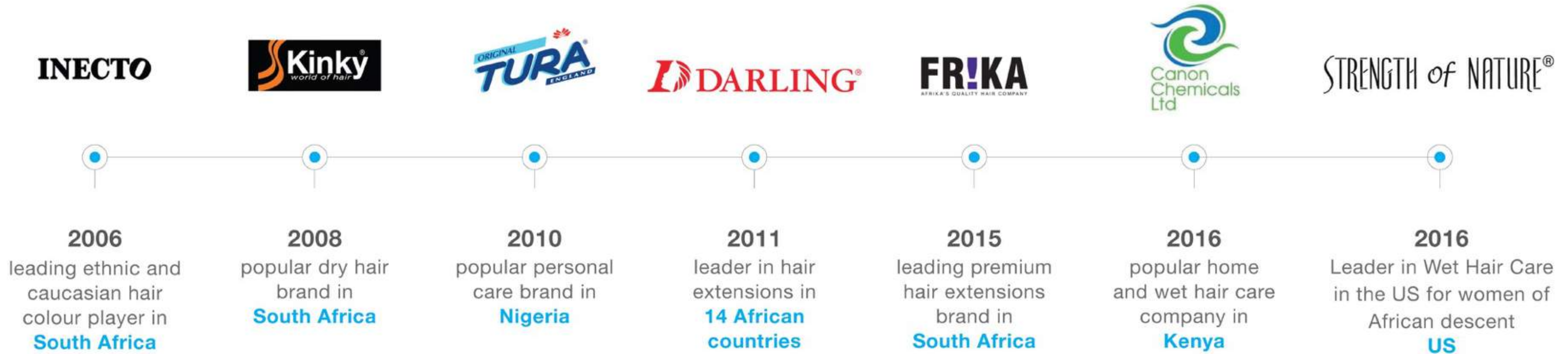


FY13    FY14    FY15    FY16

16%    15%    16%    15%

EBITDA Margin

# The foundation of our Africa business has been built over the last decade

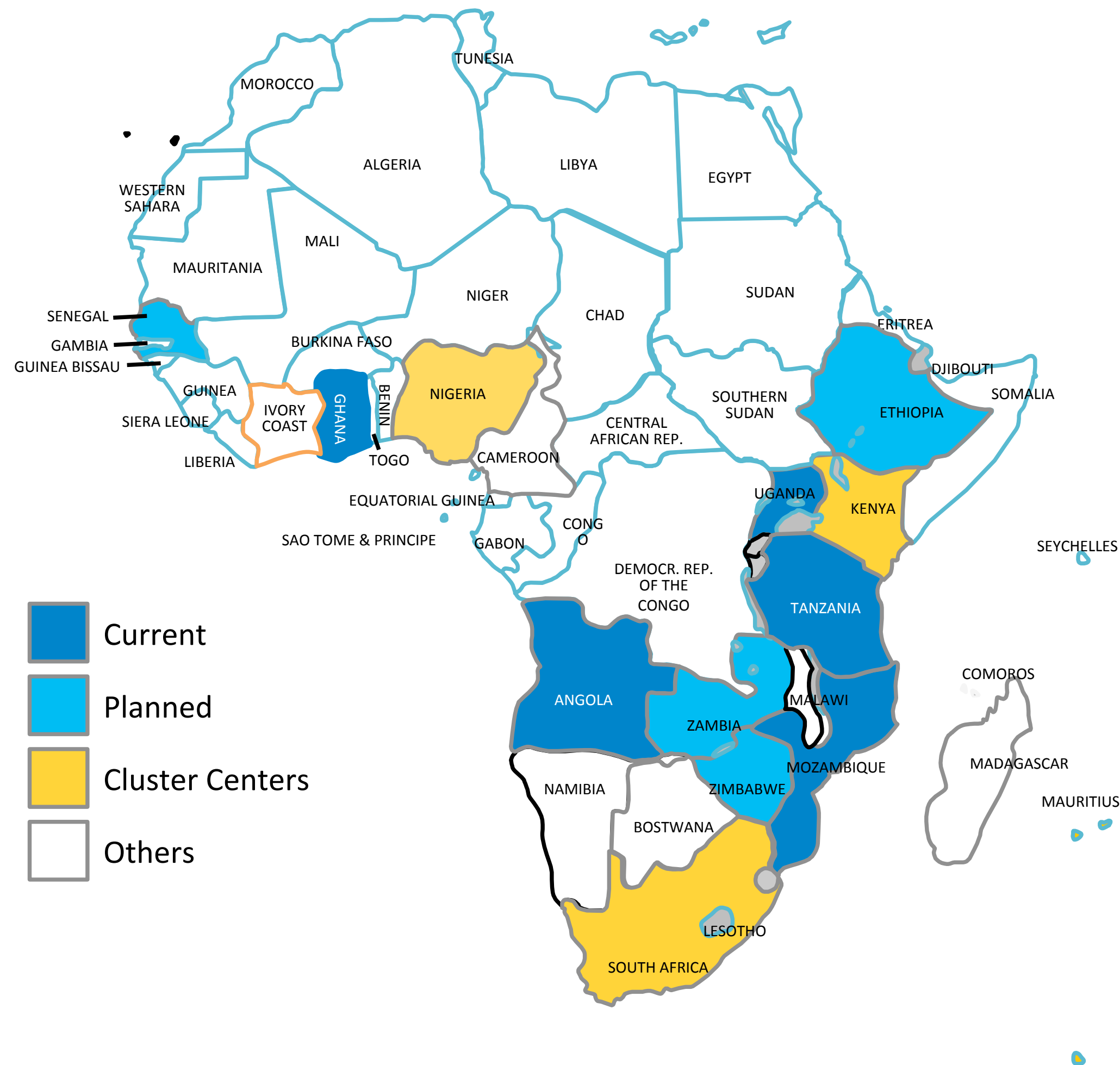


# We see tremendous opportunities to further accelerate our growth in Africa



We aspire to become the **#1 HPC company in Africa** and be a **global leader in Hair Care for women of African descent**

# We have a growing presence in the HPC market in Sub Saharan Africa



Africa HPC market estimated to be ~ \$ 18 billion

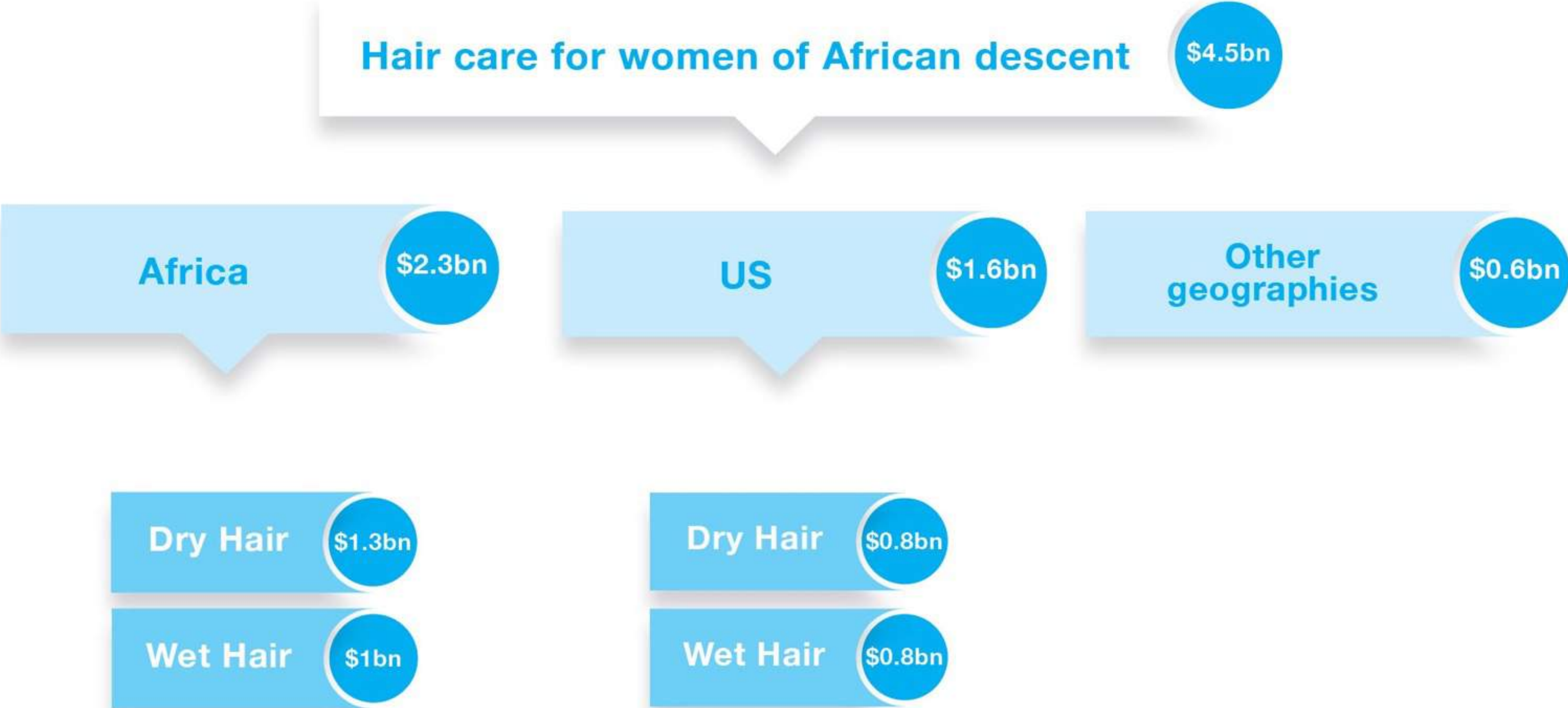
Dry Hair Extensions, Wet Hair Care and Household Insecticides account for ~ \$ 3 billion

Current presence in 8 countries, plan to add 4 more – will have a presence in ~90% of the HPC market of Sub Saharan Africa

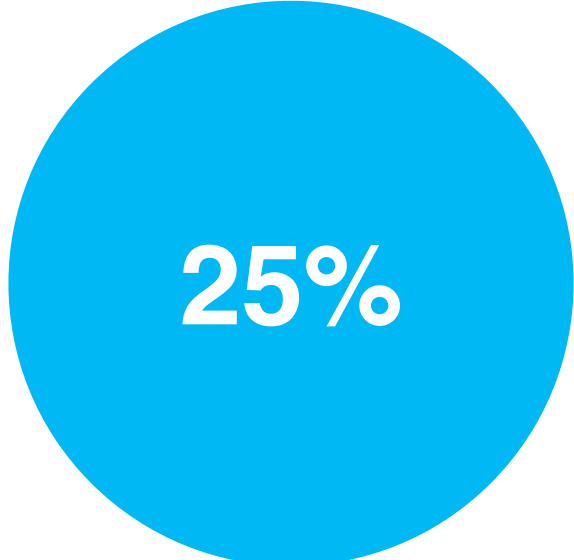
Expand to new categories and leverage our global platform

Use innovation to differentiate, with relevant products and formats and competitive cost structures

# Hair Care for women of African descent is a \$ 4.5 billion market



# We will further scale up our leadership position in Dry Hair Care



Market share in Sub Saharan Africa

## Product Management

## Effective Communication

## Channel Strategy

**Adding  
new customers**

- New Dry Hair categories
- NPD focused on white spaces

- Digital media and campaigns targeting first time youth users

- E-commerce and direct to salon sales
- Activating white spaces

**More  
per customer**

- Accelerating renovation and innovation

- On ground activations

- Trade and salon focus



# We have significant opportunities to extend into Wet Hair Care

**Relaxers**



**Maintenance**



**Styling**



**Shampoos**



Cater to the **complete Hair Care needs of women of African descent**

# A presence in the US can be highly beneficial

Sizeable market of  
**\$ 1.6 billion**

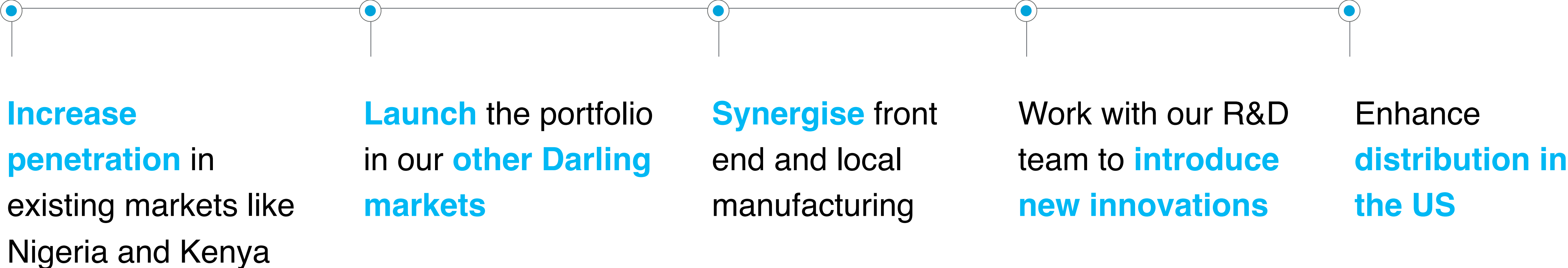
The US greatly influences  
Hair Care trends for women of African  
descent – both in the US and Africa

The US serves as the source of  
innovation in Hair Care

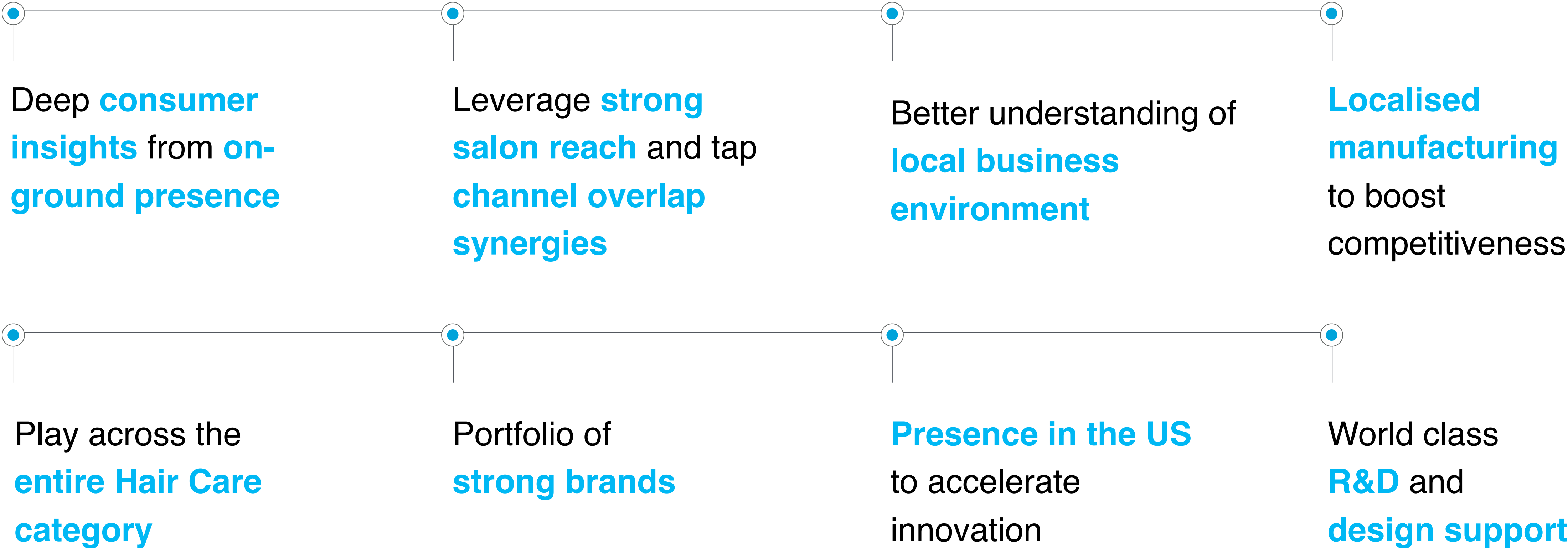


# We will leverage Strength of Nature to turbo charge our Hair Care platform

## Key opportunities



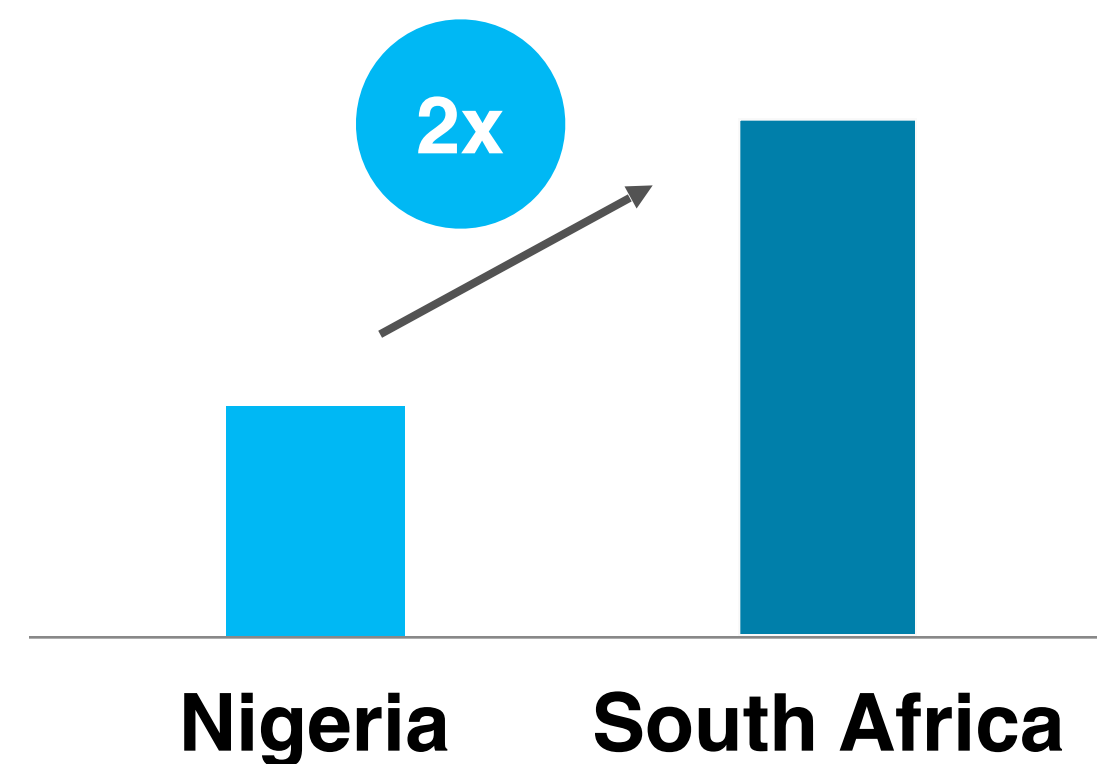
# We believe that we are well poised to achieve our aspiration of being a global leader in Hair Care for women of African descent



# Beyond Hair Care, we intend to foray into Household Insecticides in Africa

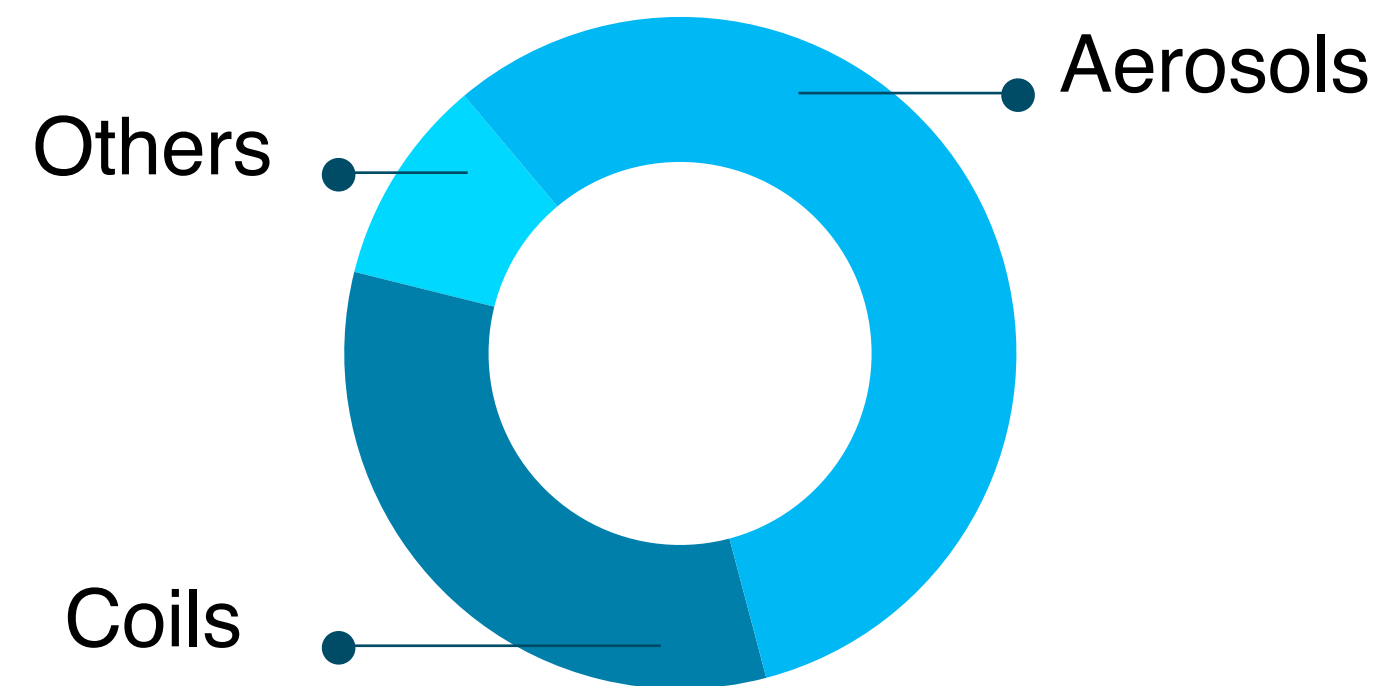
**Household Insecticides** is an under developed category in Africa with an estimated opportunity of **over \$ 600 million**

**Immense potential to drive consumption**



In 2012, malarial deaths per 100,000 people were 128 in Nigeria compared to none in South Africa, yet Nigeria's per capita consumption half of South Africa.

**Opportunity to develop the category**



**Under served consumers**

- Poor satisfaction from current solutions, both on efficacy and safety
- Lack of effective solutions at affordable price points
- Limited brand building efforts by existing players

# We have strong credentials to participate in Household Insecticides

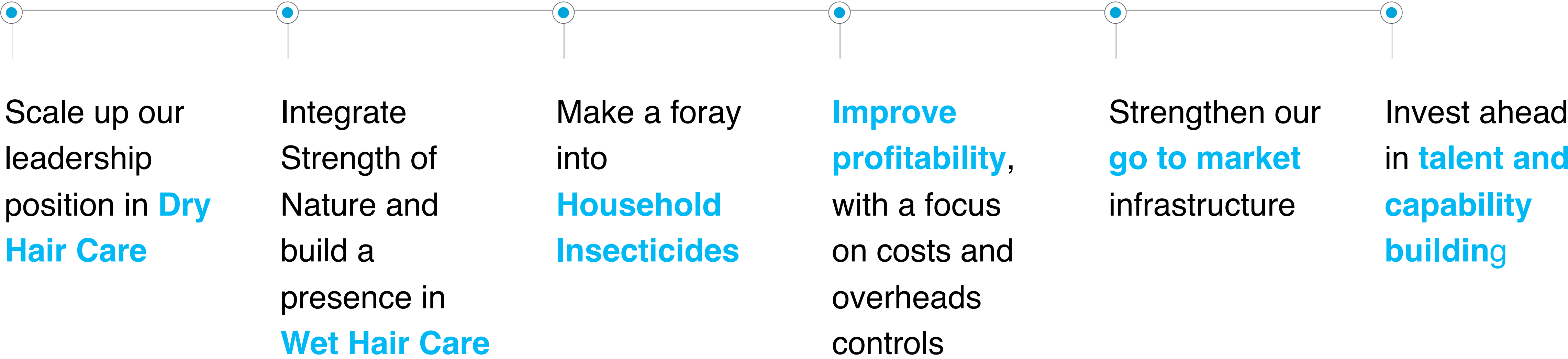
## Innovation led strategy

- Leverage our understanding of African consumers and R&D expertise to develop products specifically for Africa
- Launch in Nigeria and Tanzania; to be extended to 5 countries
- Product registrations underway

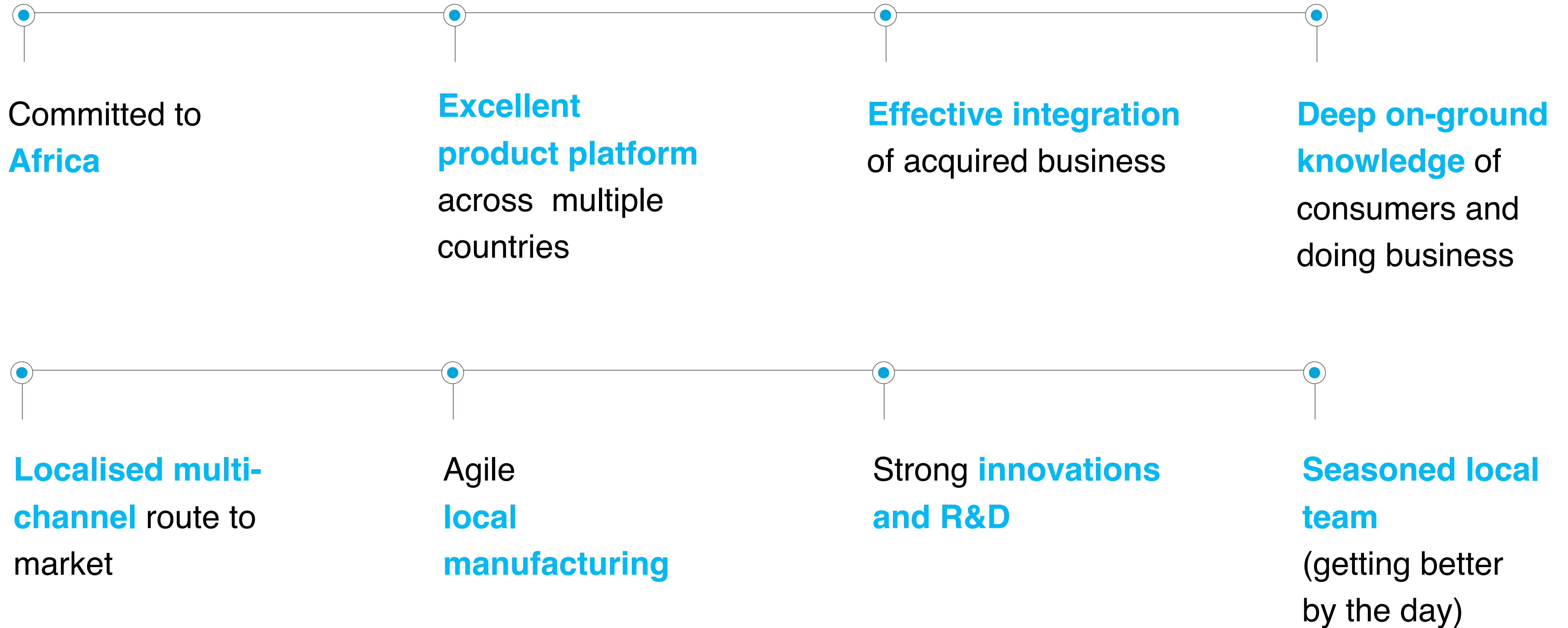
## Leveraging our Africa presence

- Build on distribution network to increase penetration
- Stronger in-market execution through local teams
- Establish local manufacturing hubs
- Insight led communication campaign planned across traditional and digital media

# Our key priorities in FY 2017



# We are strategically well positioned to capitalise on the massive opportunity





---

**Thank You!**

---

