



**GODREJ INDUSTRIES LIMITED**

Performance Update – Q2 & H1 FY 2016-17

NOVEMBER 14, 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 or materially from those expressed or implied. Important developments that could affect the Company’s operations include changes in industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.”*

# AGENDA

- Results
  - Financial Highlights – Consolidated
  - Segment Performance
- Business Performance
  - Performance highlights including Subsidiaries and Associates
- Other information

# FINANCIAL HIGHLIGHTS – CONSOLIDATED

# FINANCIAL HIGHLIGHTS - CONSOLIDATED

Particulars (₹ crore)	Q2 FY 2016-17	Q2 FY 2015-16	% Growth	H1 FY 2016-17	H1 FY 2016-17	% Growth
<b>Total Income *</b>	<b>2,295</b>	<b>2,676</b>	<b>(14)</b>	<b>4,421</b>	<b>4,278</b>	<b>3</b>
<b>PBDIT *</b>	<b>225</b>	<b>232</b>	<b>(3)</b>	<b>439</b>	<b>420</b>	<b>5</b>
<b>Depreciation</b>	<b>35</b>	<b>26</b>		<b>71</b>	<b>51</b>	
<b>PBIT*</b>	<b>189</b>	<b>206</b>	<b>(8)</b>	<b>369</b>	<b>370</b>	<b>-</b>
<b>Interest</b>	<b>106</b>	<b>92</b>		<b>206</b>	<b>169</b>	
<b>Net Profit *#</b>	<b>82</b>	<b>52</b>	<b>56</b>	<b>144</b>	<b>115</b>	<b>26</b>

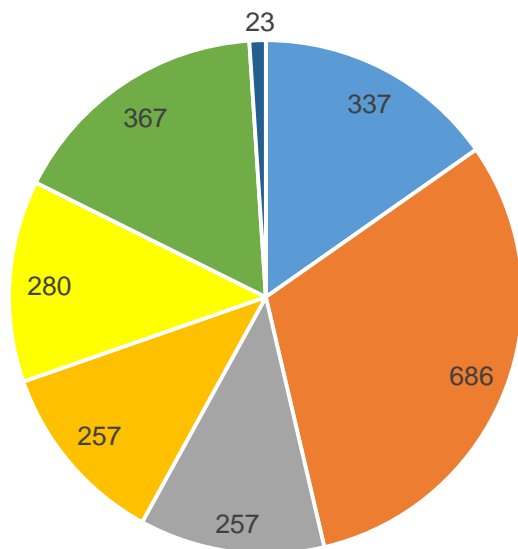
\* Including other income and exceptional items;

# With share of profit in associate companies, other comprehensive income and post reduction of non-controlling interest

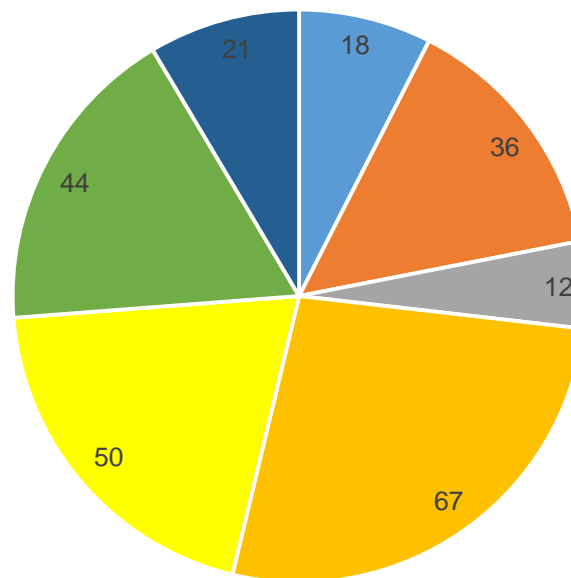
# **CONSOLIDATED RESULTS – SEGMENT PERFORMANCE**

# SEGMENT-WISE CONTRIBUTION TO FINANCIALS: Q2 FY 2016-17

Revenue \* (₹ crore)



PBIT \* (₹ crore)



\*net of inter-segment revenue & excluding others segment.

■ CHEMICALS

■ DAIRY

■ VEG OILS

■ FINANCE & INVESTMENTS

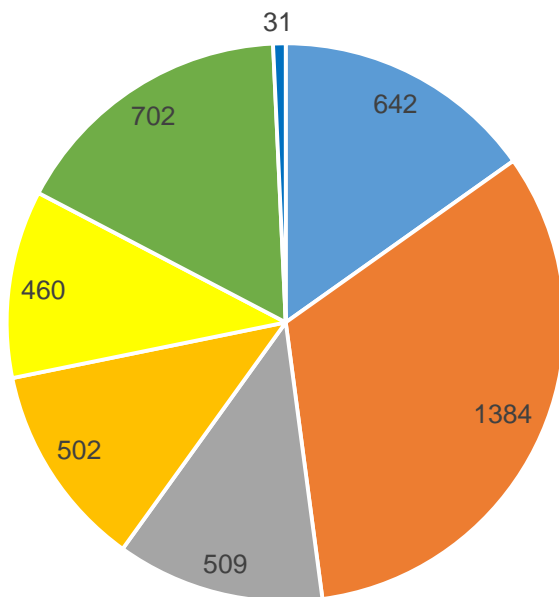
■ ANIMAL FEEDS

■ AGRI

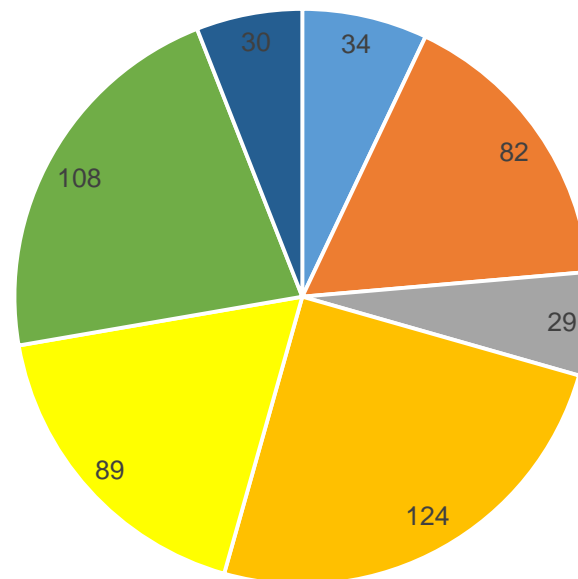
■ ESTATE & PROPERTY DEVELOPMENT

# SEGMENT-WISE CONTRIBUTION TO FINANCIALS: H1 FY 2016-17

Revenue \* (₹ crore)



PBIT \* (₹ crore)



\*net of inter-segment revenue & excluding others segment.

■ CHEMICALS

■ DAIRY

■ VEG OILS

■ FINANCE & INVESTMENTS

■ ANIMAL FEEDS

■ AGRI

■ ESTATE & PROPERTY DEVELOPMENT



**BUSINESS PERFORMANCE: Performance Highlights  
incl. subsidiaries, JVs and Associates**

# OUR “CREATE” GROUP PORTFOLIO STRATEGY

**C**onsumer & **C**hemicals

**R**eal

**E**state

**A**gri

**T**ransformation

**E**mergent

→ 4 core businesses

→ Drive to full potential

→ Focused incubation of new businesses

# CONSUMER (GCPL)

## Business and Financial Highlights for Q2 FY 2016-17:

- Consolidated constant currency net sales increased by 15%.
- Consolidated constant currency EBITDA increased by 17%, driven by a 12% growth in India business and 26% growth in international business,
- Consolidated reported net profit increased by 44%.
- **Category Review**
  - **Household Insecticides** – Delivered a resilient performance with double-digit volume led sales growth of 18%.
  - **Hair Colours** – Sales were flat due to a high base of 17% growth in Q2 FY16.
  - **Soaps**– Had a weak quarter as sales declined by 10% and volume growth to mid-single digits.
  - **Air Fresheners** – Godrej aer now ranks number 2 in overall air care market. It continues to gain share in overall air freshener market, aided by innovations and strong execution.
- Declared interim dividend of 100% (₹ 1.00 per share).

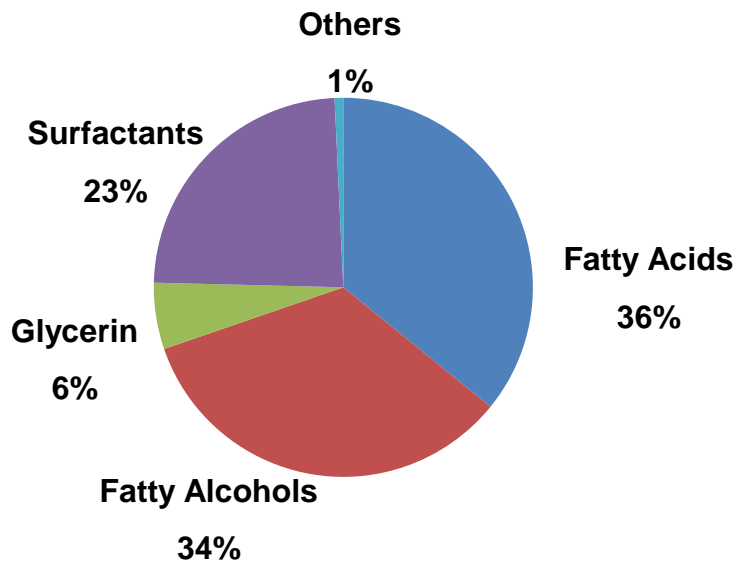


## Financial Highlights for Q2 2016-17:

₹ crore		FY 2016-17	FY 2015-16
Revenue	Q2	337	311
PBIT	Q2	18	24

- Q2 FY17 Revenues increased by 8% compared to Q2 FY16.
- PBIT for the quarter was impacted due to higher raw material prices relative to corresponding quarter of the previous year.

### Product Portfolio Q2 FY 2016-17



Valia Plant awarded the 'Energy Efficient Unit for second time in a row at CII National Awards for Excellence in Energy Management 2016.

## Godrej Properties Limited (GPL) - Consolidated Financial Highlights:

₹ crore		FY 2016-17	FY 2015-16 (Excl. BKC deal)	FY 2015-16
Revenue	Q2	368	175	1,357
	H1	703	403	1,585
Net Profit after tax (after minority interest)	Q2	23	4	104
	H1	67	44	144

## Business & Sales Highlights for Q2 FY 2016-17

- Added 1 new project with 1 million sq.ft. of saleable area at Sarjapur Road, Bengaluru
- Successfully launched Godrej Emerald in Mumbai; sold 269 apartments with total sales of 301,796 sq.ft. and a booking value of ₹ 259 crore.
- Commercial sales stood at ~ 51,000 sq.ft with a booking value of ₹ 122 crore.
- Construction Highlights: Delivered 288 apartments measuring 0.37 million sq.ft. at Godrej Garden City, Ahmedabad.
- Ranked 2nd in Asia & 5th globally by GRESB (Global Real Estate Sustainability Benchmark)

**Awards and Recognitions:** GPL received 11 awards in Q2 FY17 & 25 awards in H1 FY17, including India's most reputed Real Estate Brands 2016, IFC Mint Award in construction, Developer of the year-Residential.

## Godrej Agrovet Limited (GAVL) - Consolidated Financial Highlights

### GAVL

- Revenues continued to grow by 53% through a healthy mix of organic and acquisitive growth and PBT grew by 73% as compared to Q2 FY16. Revenues for H1 FY17 grew by 52% and PBT by 51% as compared to H1 FY16.

### Oil Palm business

- The Oil Palm business sustained the revenue growth momentum by growing at 34% in the quarter as compared to Q2 FY16.
- This has helped the business in H1FY17 to grow by 43% in revenues as compared to the corresponding period of previous financial year

### Agri Inputs Business

- Agri Inputs business grew by 28% in this quarter as compared to Q2 FY16 and by 23% in H1 FY17 as compared to the corresponding period of previous financial year
- Astec LifeSciences showcased a great quarter by clocking revenue growth at 31% as compared to Q2 FY16 and 21% as compared to H1 FY16

### Feed Business

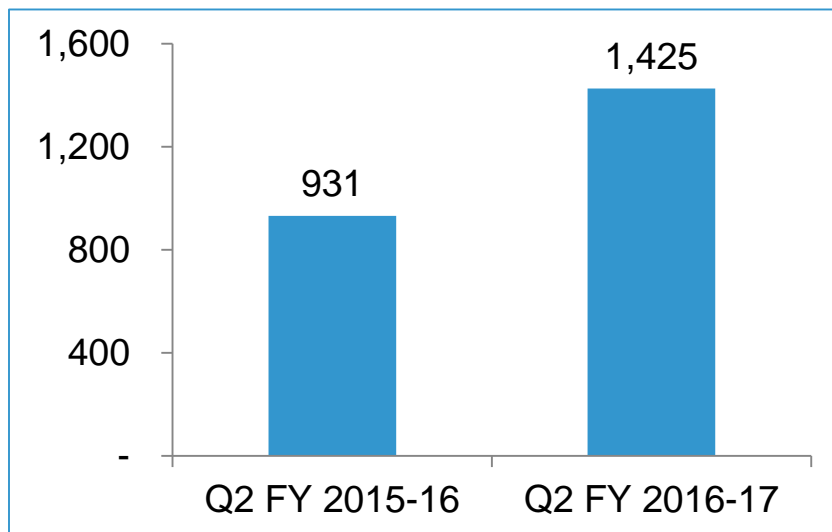
- Animal feed business had a steady growth in revenues of 10% in the quarter as compared to Q2 FY16 and 10% growth as compared to H1 FY16
- The Bangladesh feed business revenues grew at 13% as compared to Q2 FY16 and at 16% as compared to H1 FY16

### Food business

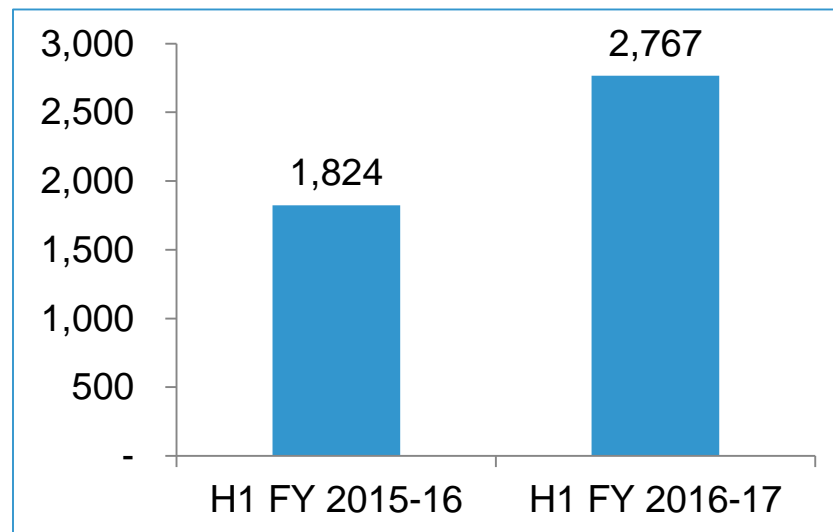
- Our processed poultry business GTFL sales were steady in Q2 FY17 ,sales for H1FY17 grew by 8% as compared to H1 FY16 .
- Creamline Dairy recorded a steady 8% revenue growth in this quarter aided by strong performance of value added products which grew by 33%. This helped the business grow by 10% in H1 FY17 over corresponding period in FY16

## Godrej Agrovet Limited (GAVL) - Consolidated Financial Highlights

Q2 Consolidated Total Income (₹ crore)



H1 Consolidated Total Income (₹ crore)



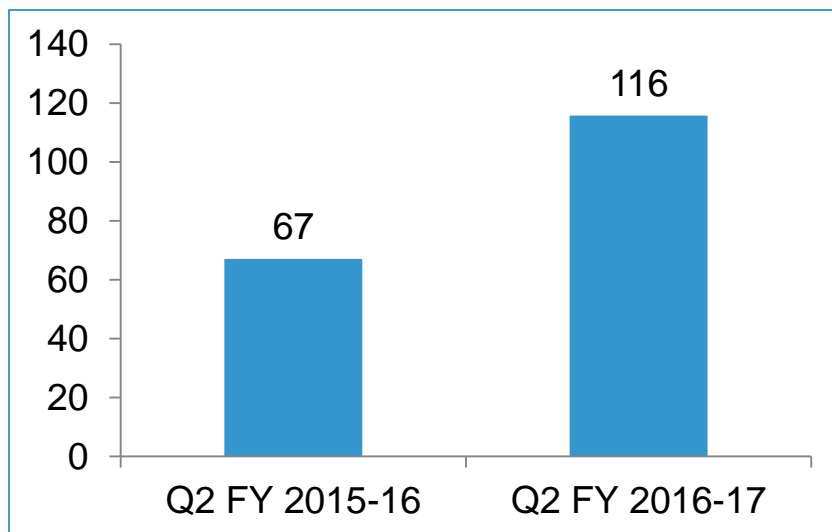
- Strong performance in Agri Inputs and Palm Oil Business
- Both acquisitions delivering as per expectations as the integration continues
- Animal feed business showing steady growth despite headwinds

**Note:**

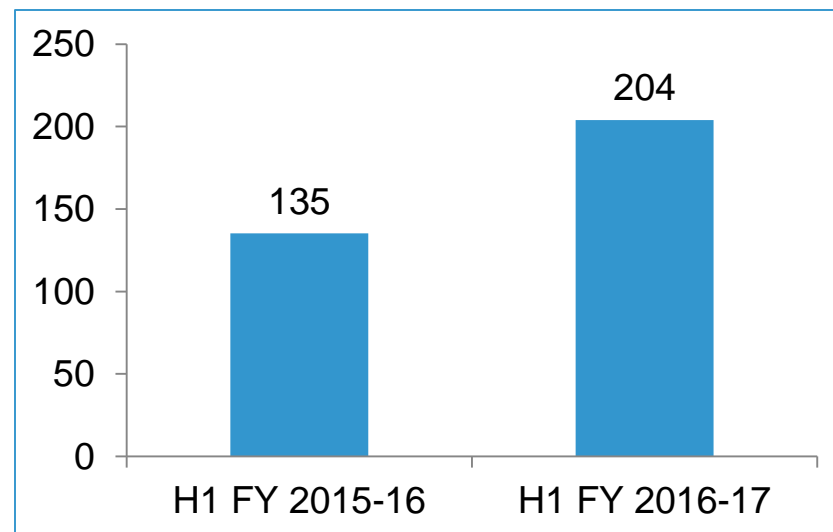
Consolidated financials shown above do not include contribution from JV's (GTFL and ACI)  
FY'16 consolidated financials do not include CDPL and Astec performance.

## Godrej Agrovet Limited (GAVL) - Consolidated Financial Highlights

Q2 Consolidated PBT (₹ crore)



H1 Consolidated PBT (₹ crore)



- PBT grew by 73% in Q2 FY'17 as compared to Q2 FY'16
- PBT grew by 51% in H1 FY'17 as compared to the corresponding period in FY 16
- Strong performance aided by Palm Oil Business, Agri Inputs, Creamline Dairy and Astec LifeSciences

**Note:**

Consolidated financials shown above do not include contribution from JV's (GTFL and ACI)

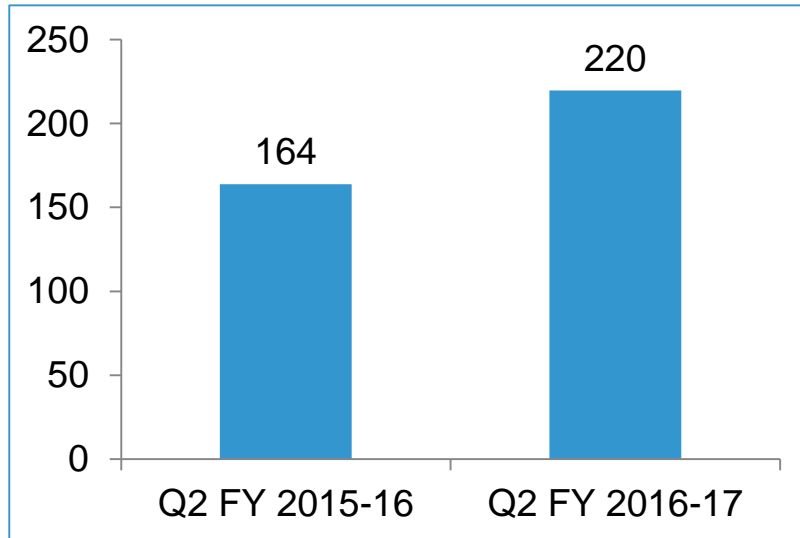
FY'16 consolidated financials do not include CDPL and Astec performance.



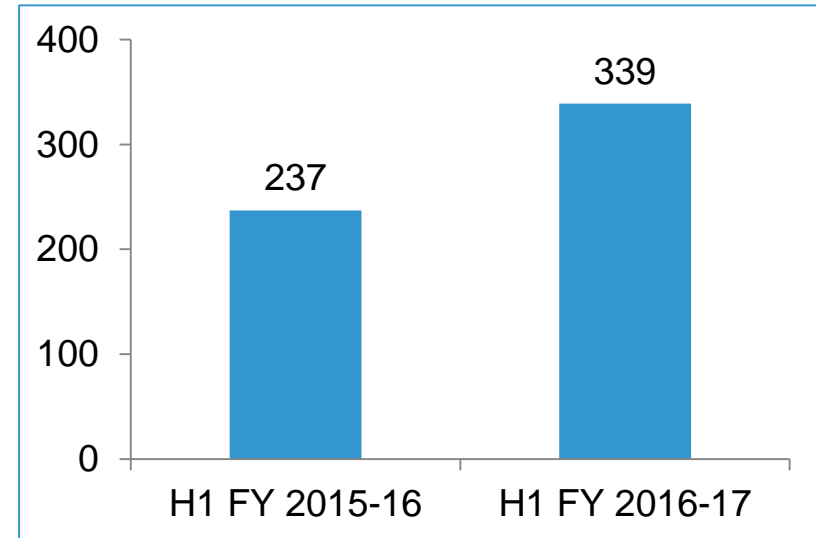


## Oil Palm Business: Strong Crude Palm Oil prices continue

Q2 Oil Palm Sales (₹ crore)



H1 Oil Palm Sales (₹ crore)

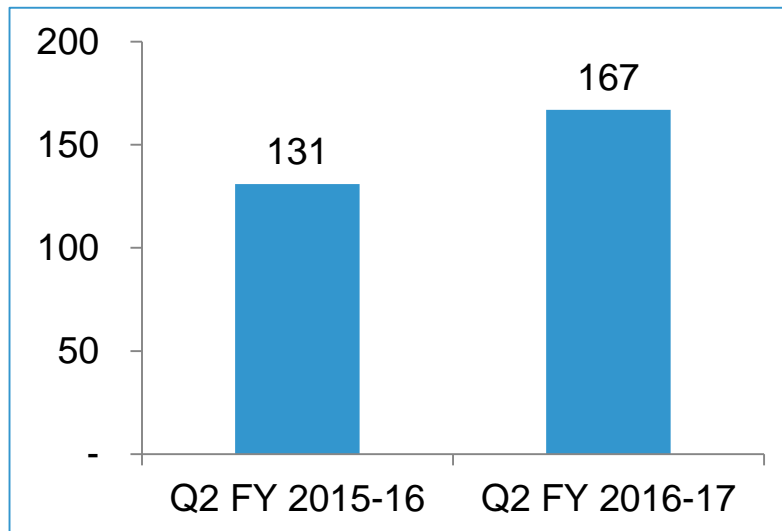


- Robust revenue growth at 34% in the quarter
- Price of FFB in Q2 continued to be remunerative for the farmers and shall help in bringing sizeable area under Oil Palm this year

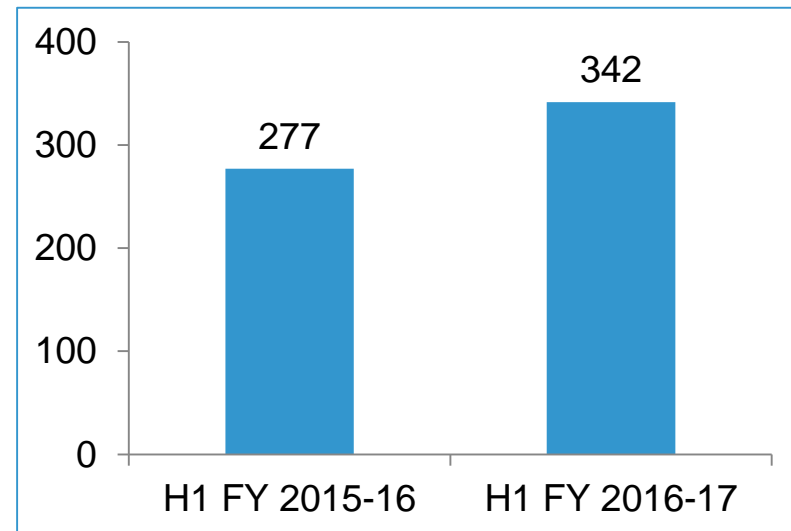


## AGRI INPUTS Business: Improved domestic demand aided by monsoon revival

Q2 Agri Inputs Sales (₹ crore)



H1 Agri Inputs Sales (₹ crore)

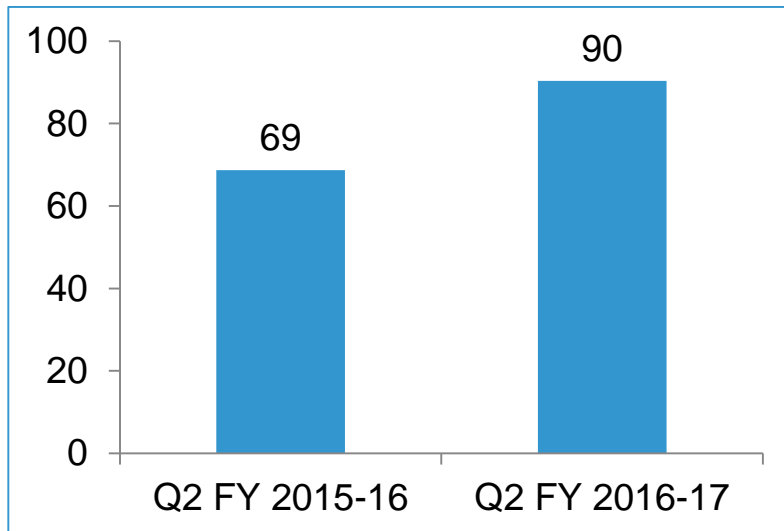


- The business grew by 28% in the quarter and 23% in the first six months of FY17 as compared to the corresponding quarter and half year in FY16 respectively.
- Y-o-Y Sales growth driven by Hitweed, Pesticides and Plant Growth Promoters
- The business will continue to focus on building synergies this year with Astec LifeSciences

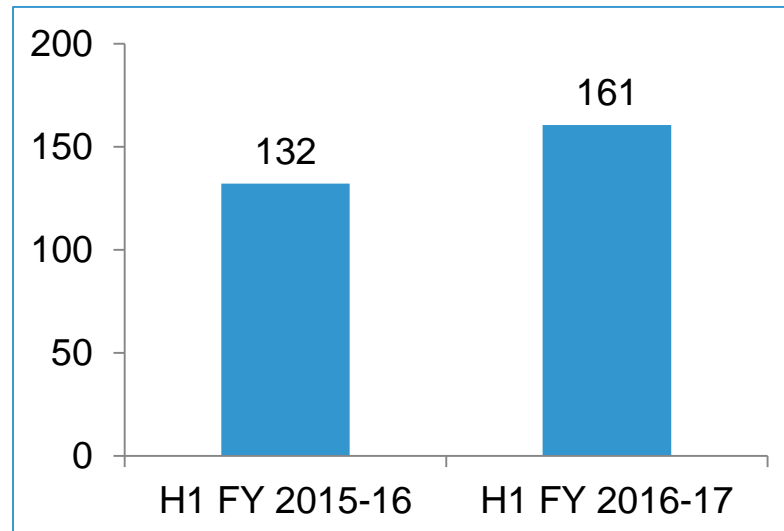


## ASTEC LifeSciences: Promising growth spurred by domestic sales

Q2 Astec Total Income (₹ crore)



H1 Astec Total Income (₹ crore)

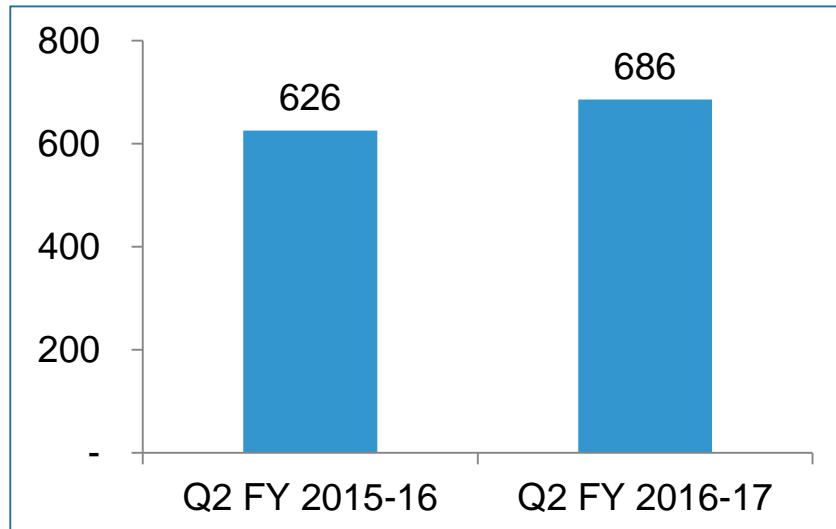


- Buoyed by both domestic as well as export sales Astec LifeSciences ended the quarter at a 31% growth as compared to Q2 FY16 and a 21% growth in H1FY17 as compared to H1 FY16
- The sales growth was also backed by improved profitability

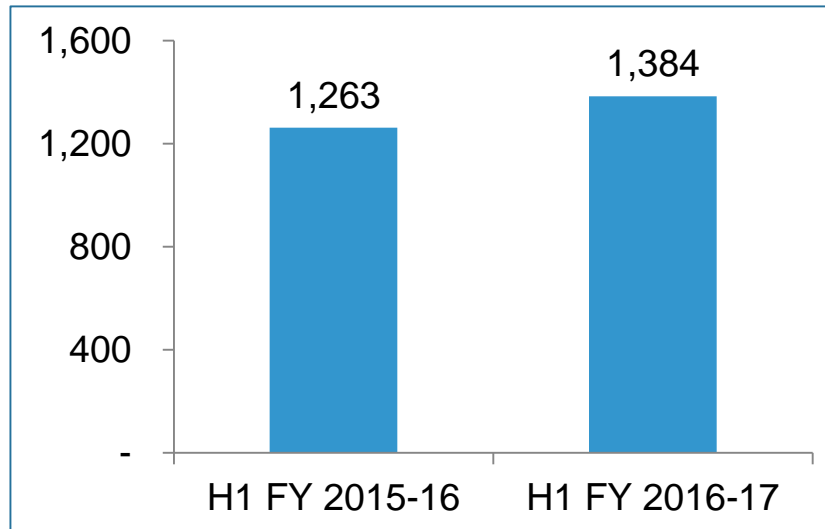


## Animal Feed Business: Steady performance despite headwinds in few categories

Q2 Animal Feed Sales (₹crore)



H1 Animal Feed Sales (₹crore)



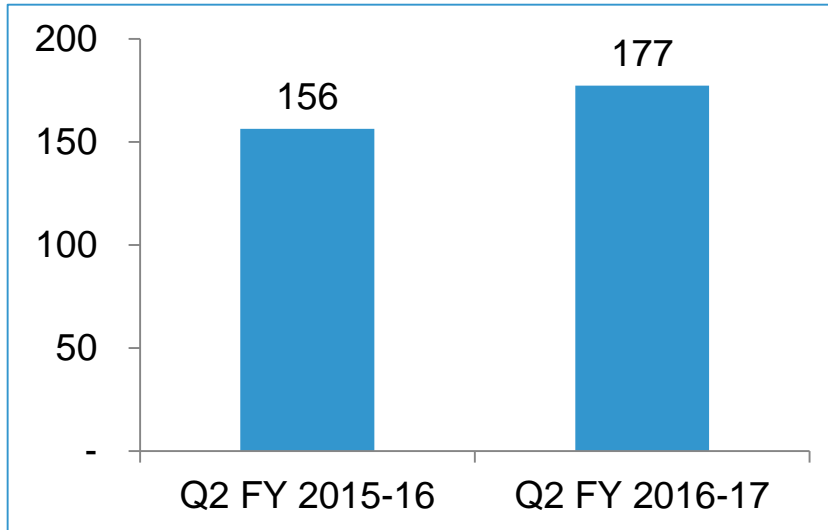
- Steady performance by the Animal Feed business despite a challenging environment in Shrimp and Broiler feed
- GAVL working on multiple sales initiatives to improve future business performance across all categories

# AGRI BUSINESS

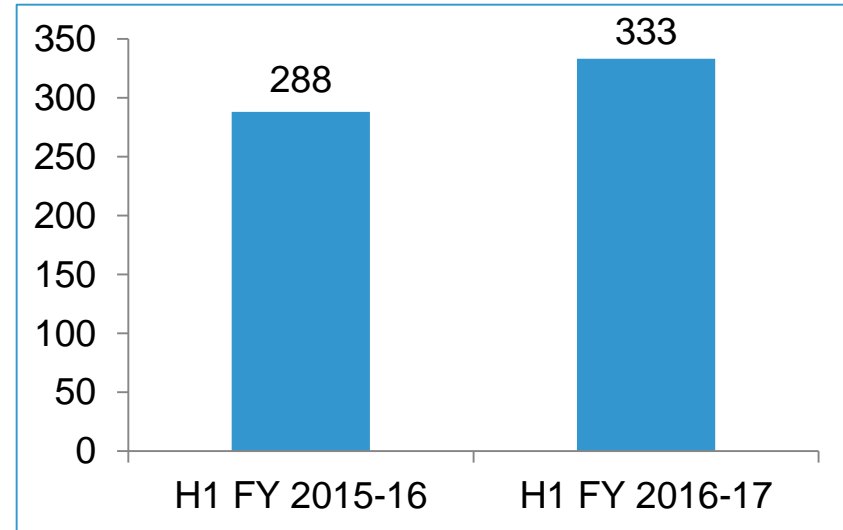


**ACI GODREJ (Bangladesh): Continued volume growth sustaining growth momentum**

Q2 ACI - Godrej Sales (₹ crore)



H1 ACI - Godrej Sales (₹ crore)

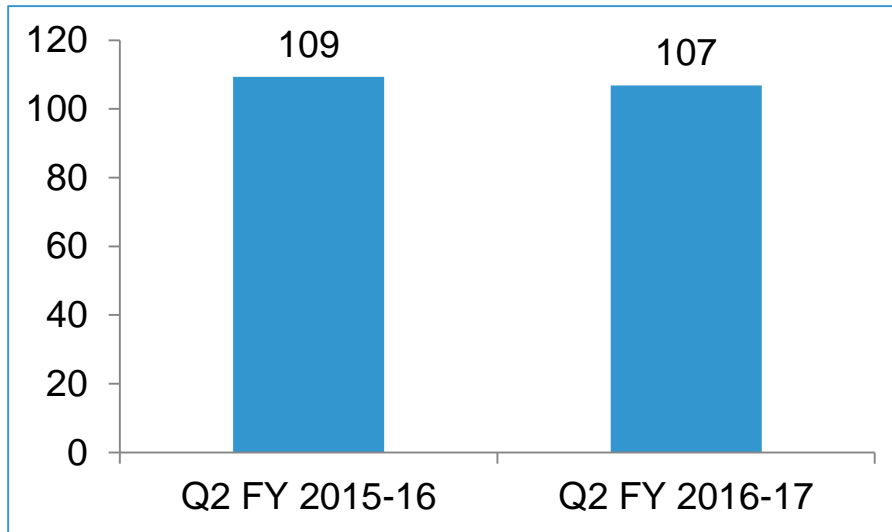


- Robust volume growth of 13% in Q2'FY17 as compared to Q2'FY16
- Significant volume growth in Cattle Feed at 48% and Fish Feed at 20%
- Sales growth of 16% in H1 FY 17 as compared to H1 FY16

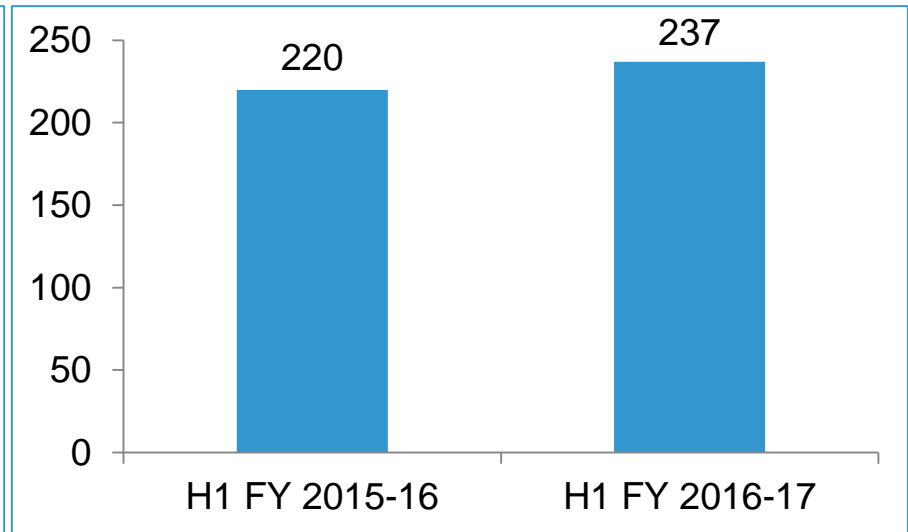


## GODREJ TYSON: Steady performance despite pressure on bird prices

Q2 Godrej Tyson Sales (₹ crore)



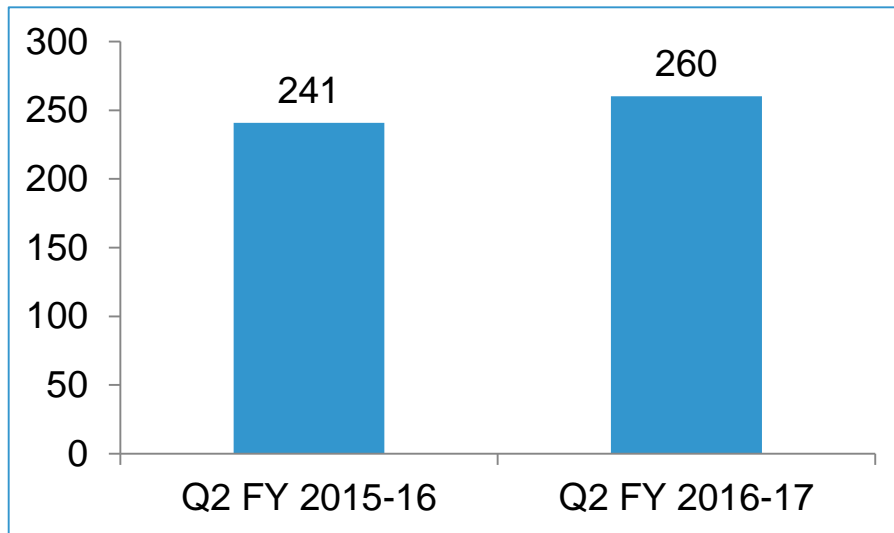
H1 Godrej Tyson Sales (₹ crore)



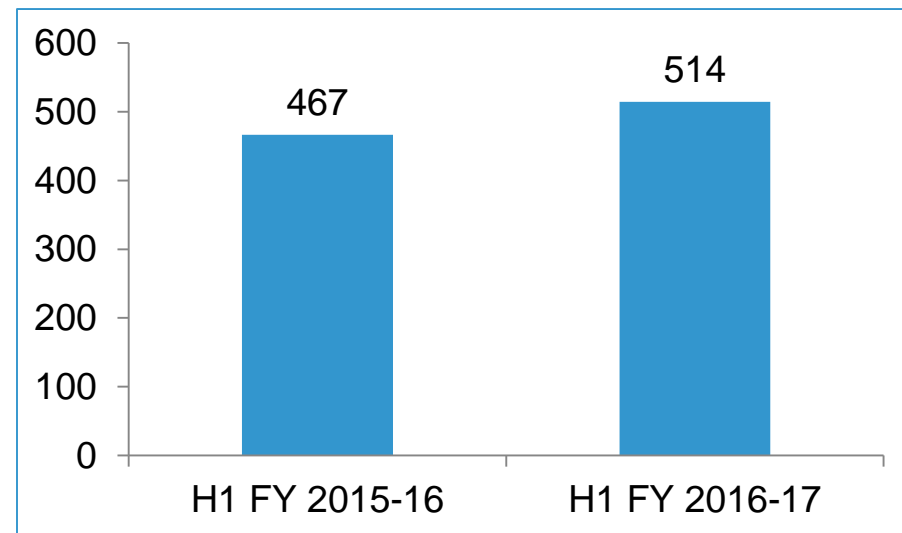
- Revenues were steady despite headwinds in terms of lower live prices during festive season
- Expansion to newer cities for Real Good Chicken underway
- Work started on proposed capex in Punjab, likely to be commissioned by April'17

## Creamline Dairy Pvt Ltd: Value added products drive growth

Q2 Creamline Dairy Total Income (₹ crore)



H1 Creamline Dairy Total Income (₹ crore)



- The business grew by 10% in H1 FY17 as compared to H1 FY16
- Value added products constitute nearly 25% of revenue.

# EMERGENT NATURES BASKET

## (FRESH FOOD AND GOURMET STORES)



- Sales performance at ₹ 155 Cr and growth of 28% in H1 .
- Online business clocked sale of ₹ 11 Cr in H1 FY17, a growth of 285% over corresponding period of the previous year.
- Hubs for online sales, intergraded with stores.
- Bagged two awards in CMO Asia
  - Brand excellence in retail sector
  - Best Loyalty program
- Awarded 'Specialty e-retailer of the year' at the Franchisee retail awards 2016

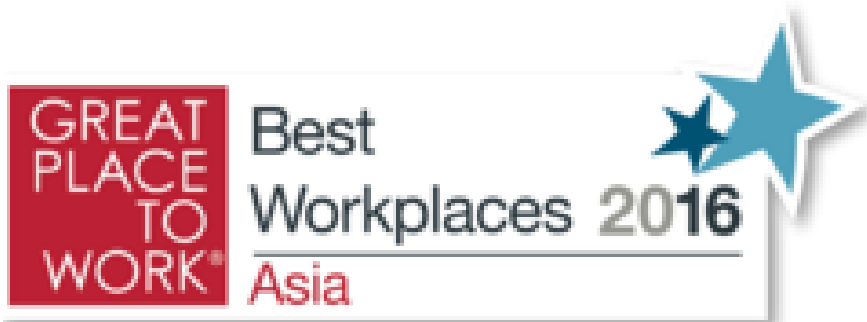
### Financial Highlights

- Net Sales in H1 was ₹ 155 Cr .
- Net sales in H1 FY 16-17 grew by 28 % as compared to H1 FY 15-16.

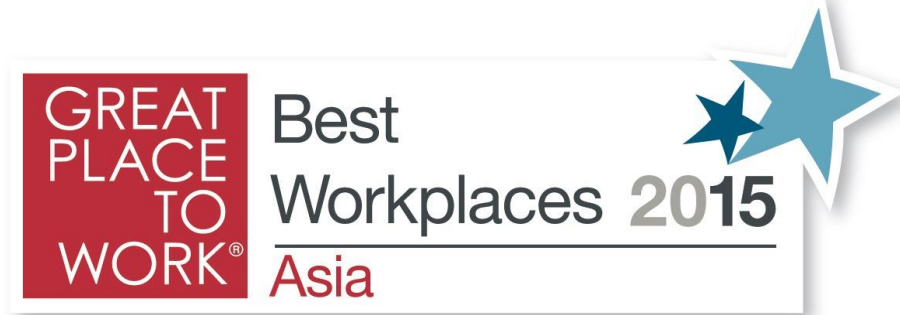




# TRANSFORMATION – FOSTERING AN INSPIRING PLACE TO WORK



- GCPL ranked No. 9 in Asia's Best Places to Work



- GCPL ranked No.1 in the FMCG sector
- GPL ranked No. 2 in the Real Estate sector
- GAVL recognized for the fairness in its performance management system



**BEST EMPLOYERS**

INDIA | 2016



# TRANSFORMATION – CONTINUED COMMITMENT ON OUR ‘GOOD & GREEN’ VISION

1

## ENSURING EMPLOYABILITY

Train 1 million youth in skills that will enhance their earning potential

2

## GREENER INDIA

Achieve zero waste to landfill, carbon neutrality, a positive water balance, 30% reduction in specific energy consumption & increase renewable energy utilization

3

## INNOVATING FOR GOOD & GREEN

Generate a third of our portfolio revenues from ‘good’ &/or ‘green’ products

4

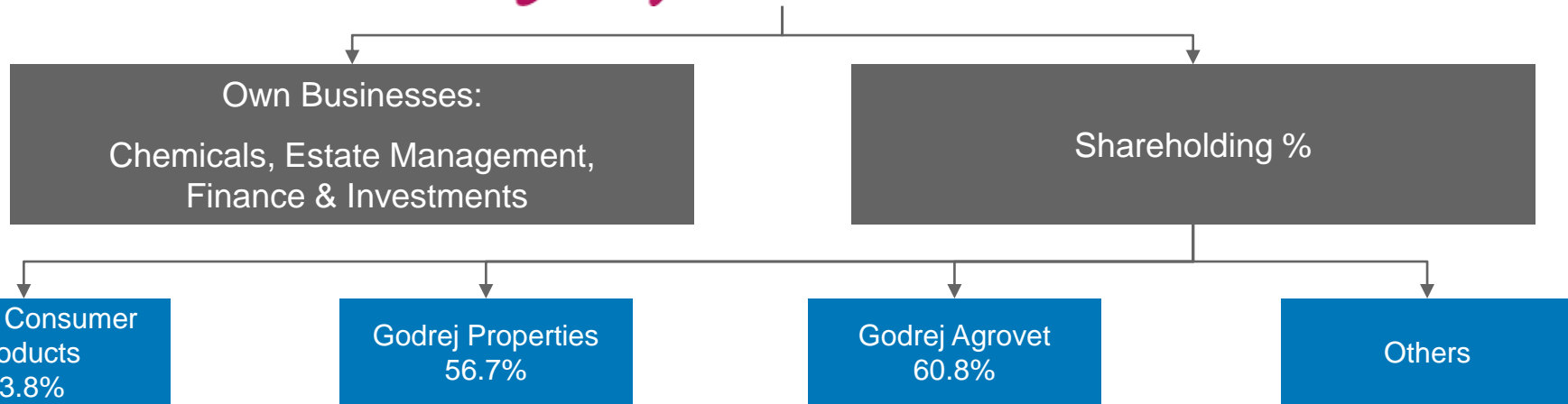
## BRIGHTER GIVING

Structured Employee Volunteering

**OTHER INFORMATION**

# GODREJ INDUSTRIES LIMITED

## CORPORATE STRUCTURE



- Nature's Basket (100%)
- Other investments

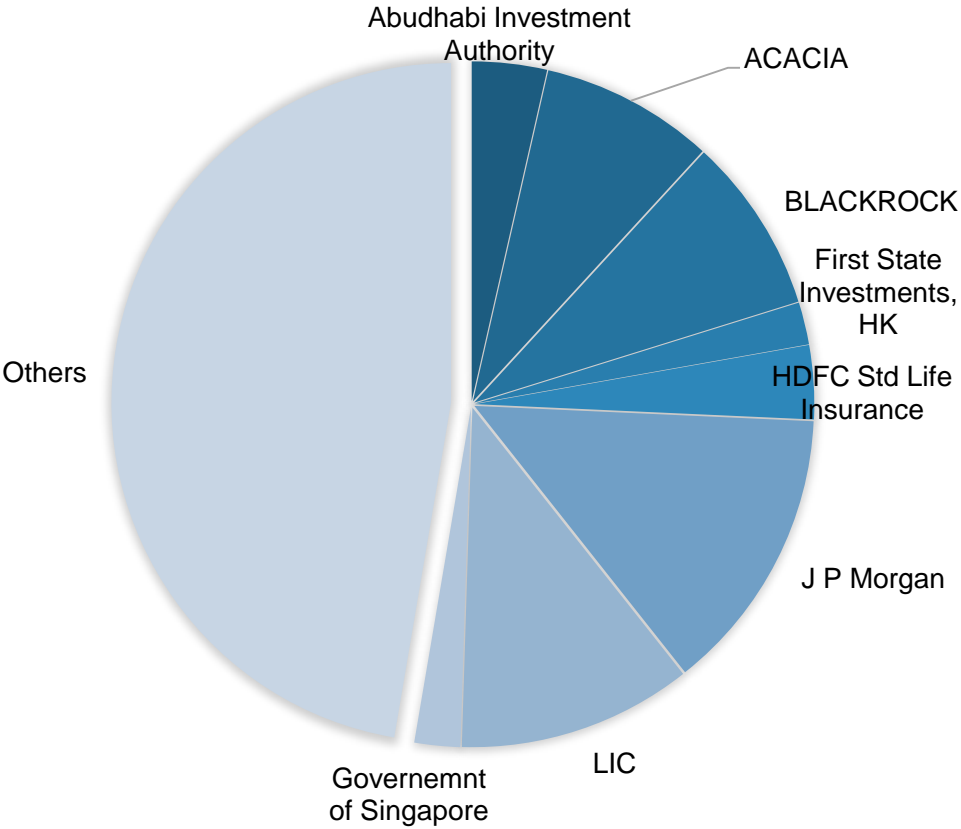
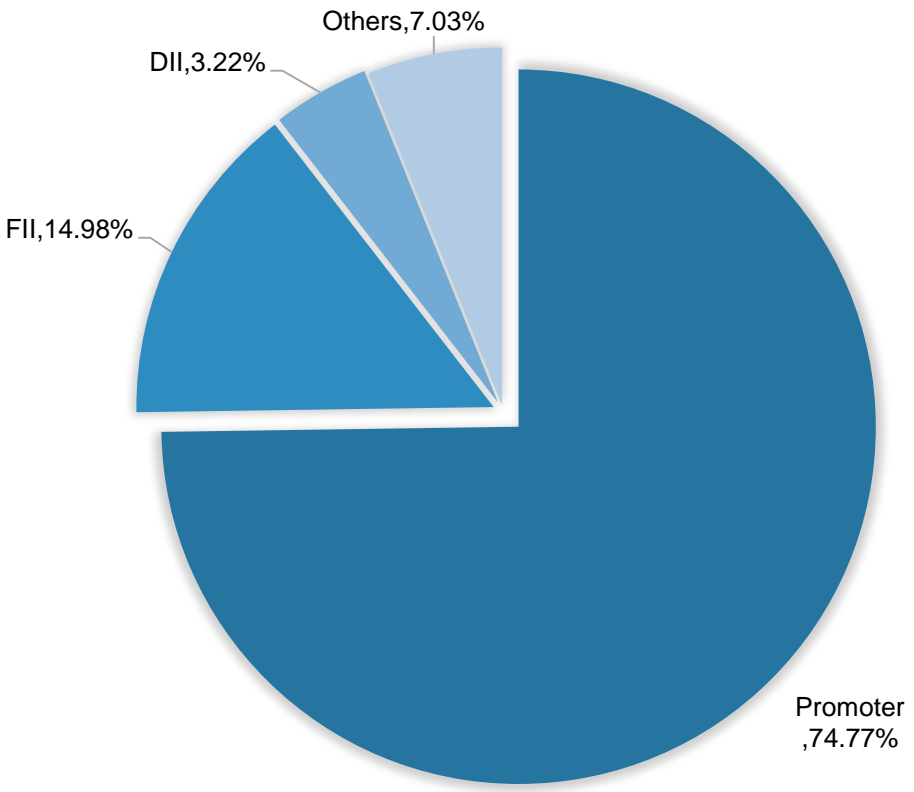
# SIGNIFICANT APPRECIATION IN INVESTMENT VALUE

Company	Business	Holding (%)	Investment at cost (₹ crore)	Market Value <sup>^</sup> of investment (₹ crore)
Godrej Consumer Products (GCPL)	FMCG, Personal and Household Care products	23.8%	1,366	12,825
Godrej Properties (GPL)	Real Estate and Property Development	56.7%	727	4,257
Godrej Agrovet	Animal Feed, Agri-inputs, Poultry, Dairy & Oil Palm	60.8%	144	
Godrej International	International Trading	100%	15	
Godrej International & Trading	International Trading & Investments	100%	4	
Natures Basket	Fresh Food & Gourmet Stores	100%	260	
Others		--	15	
	<b>Total</b>		<b>2,531</b>	

**Market Value of GIL's investment in GCPL + GPL increased by ~ ₹ 3,623 crore (27%) on YoY basis**

**Market Capitalization of GIL has increased by ₹ 2,773 Cr, (24%) on YoY basis**

# SHAREHOLDING PATTERN AS ON SEPTEMBER 30, 2016



Major Institutional Investors



THANK YOU FOR YOUR TIME AND CONSIDERATION