

Date: 18th November, 2019

- 1. The Secretary**
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001
- 2. The Manager**
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (E), Mumbai – 400 051

Sub: Earnings Presentation

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to the provisions of Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of Earnings Presentation with reference to the last published unaudited financial results of the Company for the quarter and half year ended 30th September, 2019 which were already submitted to you on 14th November, 2019 in the prescribed format.

The presentation is also placed on the website of the Company i.e., <https://www.godfreyphillips.com/company/investor-relation/financials/earnings-presentation/>.

Request you to take the above information on records.

Yours faithfully,

For Godfrey Phillips India Limited



Sanjay Gupta
Company Secretary

Encl:As above



Godfrey Phillips India Limited (GPIL)

(BSE: 500163; NSE: GODFRYPHLP)

EARNINGS PRESENTATION

H1 FY 2019-20

W E B U I L D U S



H1 FY2020 Highlights



Company

Rs. 3,621 Cr.
Gross Sales Value

Rs. 1,567 Cr.
Net Sales Value

Rs. 839 Cr.
Gross Profit

23.2%
Gross Profit Margin

Rs. 230 Cr.
Net Profit
(excluding exceptional income)

Tobacco

24.1% (Y-o-Y)
Cigarette Gross Sales Value increase

12.8%
Cigarette domestic market share

Rs. 362 Cr.
International Gross Sales Value

Consumer & Retail

Rs. 202 Cr.
TFS Gross Sales Value

103
TFS stores
increased from 89 Last Year

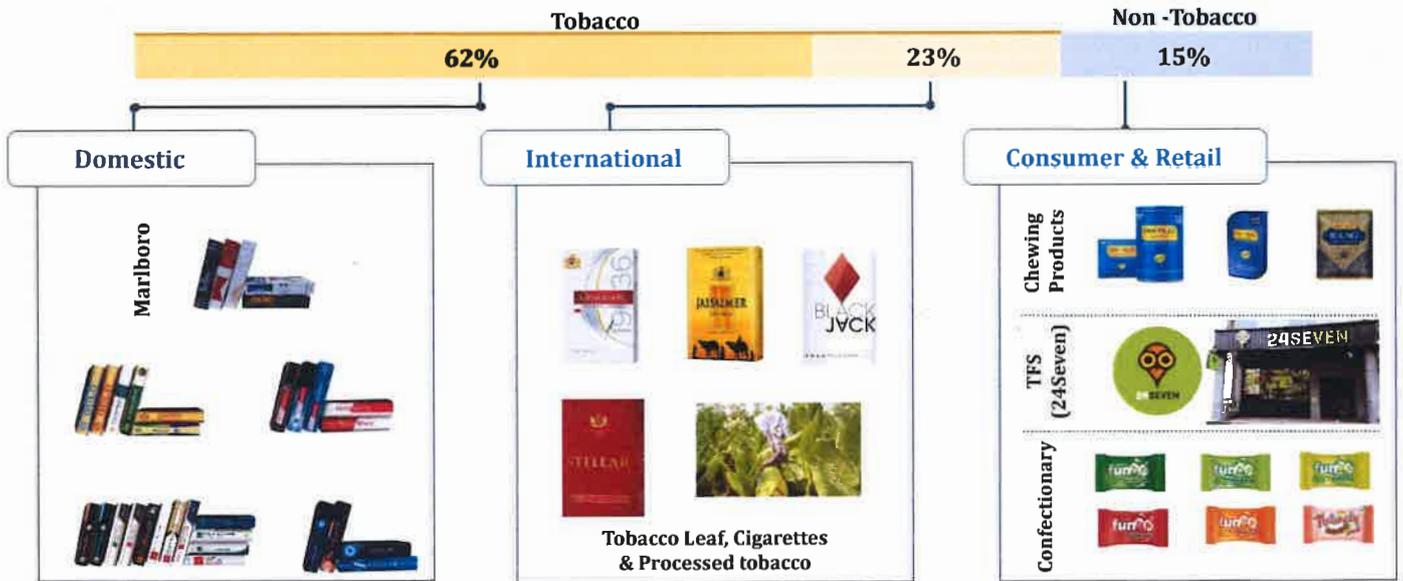
Rs. 131 Cr.
Chewing Products Gross Sales Value

- 1 Above values are based on standalone financials
- 2 Gross Sales Value is inclusive of all applicable Indirect taxes
- 3 Margins are calculated on Gross Sales Value
- 4 Market size and market share data is based on internal estimates

Godfrey Phillips Product Portfolio - H1 FY2020



Net Sales: Rs. 1,567 Cr



1 The ratios shown above are based on Net Sales

Management Perspective



Mr. Bisham Wadhera
Chief Executive Officer

"We are pleased to announce our H1 FY2019-20 financial results which reflects the growth momentum that has continued from last year. The Company reported Gross Sales Value of Rs. 3,621 Crores and Net Profit of Rs. 230 Crores representing increases of 22.2% and 81.1% respectively compared to the same period last year. Similarly, our Gross Profit margins increased to 23.2% from 22.9% and PAT margins increased to 6.4% from 4.3% compared to same period last year.

Godfrey Phillips delivered strong cigarette domestic volume growth of 15% during the half year, driven by new product launches, along with a better product mix and improved realizations. Our domestic cigarette market share also increased from 11.7% in H1 FY19 to 12.8% in H1 FY20. Management remains fully committed to its core business of cigarettes and accordingly, has opted for geographic expansion into the high potential markets of southern India by developing sales and distribution infrastructure there. The Company topline performance has been supported by an increase in the export of unmanufactured tobacco and cigarettes resulting in the International Business contributing Rs. 362 Crores and growing by 39.7%.

Gross Sales from 24Seven Convenience Stores (TFS) increased by 39.1% to Rs. 202 Crores with store outlets increasing from 89 to 103 on a year on year basis. In line with our strategy and focus on a route density model, all the new outlets in the quarter have been opened in Delhi, NCR and Chandigarh region. We continue to optimize our customer product offering and seek operational efficiencies at all levels to enhance profitability.

It clearly has been a difficult time for Godfrey Phillips and for me personally with the sad demise of Mr. KK Modi. He was truly an inspirational leader, strategic visionary and a philanthropist. His legacy and appointment of Dr Bina Modi as the President and Managing Director will continue to take Godfrey Phillips to new heights.

About Us



- **One of the leading FMCG Companies in India - flagship company of KK Modi Group**
- **Diversified business interests - Tobacco, Chewing Products, Convenience Stores & Confectionary**
- **Strong Credit Rating : CRISIL A1+ (Short Term Debt) and AA+/Stable (Long Term Loan)**
- **State-of-the-art Research & Development Facilities - ISO 17025 certification**
- **ISO 50001, ISO 14001, ISO 22000 and OSHAS 18001 certified manufacturing operations**

**FY2019
Gross Sales Value
Rs. 6,194 cr**

**1,000+
Employees**
*Amongst India's Best
Companies to Work
2019*

Global Presence
*India
Singapore
UAE*

**Corporate Social
Responsibilities**
*Farmers Community Program
Women Welfare Program*

Driving Future Growth



Growth Priorities

1

Target New Markets
for Cigarettes

2

Focus on Exports /
International Business

3

24Seven Convenience
Stores (TFS)

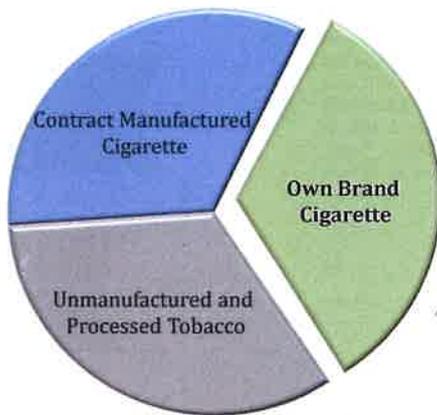
Strategic Direction

- ✓ Launch of own brands and Marlboro cigarettes in South India after careful evaluation of geographic expansion plans
- ✓ Build on existing cigarettes export markets to enhance own brand sales
- ✓ Launch series of successful new brands during the year to garner volume growth
- ✓ Strengthen partnership with Philip Morris International in the manufacture and distribution of Marlboro brand cigarettes in India
- ✓ Expand Consumer & Retail segment to significantly increase revenue contribution
- ✓ Continue to expand chewing and confectionary product offerings to suit varying consumer tastes and preferences
- ✓ Capitalise on the fast growing retail space through 24Seven's innovative approach
- ✓ Contributing to the socio-economic growth across the business value chain through programs for tobacco farmers

Growth Priorities – International Business Division



Build on existing contract manufactured cigarettes export markets to enhance own brand sales



Strategic Focus



Rs. 362 Cr.
 H1 FY2019-20 Gross Sales Value
increased by 39.7%

23%
 Contribution to H1 FY 2019-20 Net Sales

Global Operations
 Significant market presence across Latin America,
 Middle East, South East Asia and Eastern Europe

72 countries
 Exporting through more than 90 partners

Growth Priorities - Chewing Products & Confectionary



Chewing Products



Pan Vilas

- The premium pan masala market size is estimated to be Rs. 2,800 Crore and Pan Vilas has a 20% share in its key market of Gujarat



Raag

- Extending the Pan Vilas brand further, Raag, a pan masala in the popular price segment was launched in the mid-premium segment whose market size is estimated to be Rs 20,000 Crore. Within a short span of launch, Raag has gained significant market share



Pan Vilas Silver Dewz

- A premium mouth freshener made of silver-coated flavoured Elaichi – Silver Dewz is an extension of Pan Vilas brand's offering in the competitive mouth freshener category

Rs. 131 Cr

H1 FY2020 Gross Sales Value¹ decreased by 28.6%

800

Network of Exclusive Distributors

9,000

Network of Exclusive Field Force

Confectionary



Funda Goli

- With the introduction of the Funda Goli range of candies, GPI established a niche for itself as a unique confectionery brand
- Funda Goli's fun range includes flavours like Kachha Aam, Refreshing Green Apple, Mast Guava, Orange Mints and Slurpy Lychee



Imli Naturalz

- First of its kind candy with natural ingredients and unbeatable taste

1. Excludes sales value of chewing tobacco - 'Raaga'

Growth Priorities – 24Seven Convenience Stores (TFS)



India's only organised retail chain in the 'round-the-clock' convenience store format

- The 24Seven chain of convenience stores are another example of Godfrey Phillips India's innovative approach to business
- 24Seven stores deliver an international shopping experience, stocking a wide variety of products and providing a range of services, round the clock
- Stores offer daily needs groceries, ready-to-eat foods, beverages, cosmetics and personal care products, music and movies, magazines, domestic and international courier services, instant photo development, bill payments, mobile phone recharges, movie tickets and several other offerings
- 24Seven stores are giving India's young working people new and more comfortable options that meet their requirements and also fulfil the needs of today's modern Indian work culture
- In FY2019, the company set up a large scale kitchen hub in Faridabad (Delhi NCR) to prepare all kinds of ready to eat food items in a highly quality controlled environment, to meet growing demand



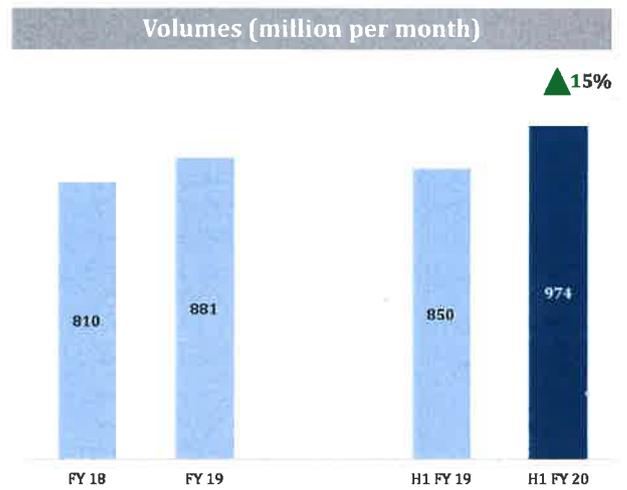
Growth Priorities – 24Seven Convenience Stores (TFS)



Offering a range of food products meeting requirements and also fulfilling the needs of today's modern Indian work culture



Cigarette Domestic Market Share and Volume Mix



Note: Market share data is based on internal estimates

H1 FY2020 Financial Summary



Rs. Crore	Standalone									Consolidated					
	Q2FY20	Q2FY19	Y-o-Y%	Q1FY20	Q-o-Q%	H1FY20	H1FY19	Y-o-Y%	FY19	Y-o-Y%	FY18	FY19	Y-o-Y%	FY18	
1	Gross Sales income	1769	1585	11.6%	1852	(4.5)%	3621	2962	22.2%	6194	6.7%	5803	6209	6.8%	5813
2	Gross Revenue	748	660		831		1579	1258		2592		2877	2612		2891
	Less- Excise duty	35	30		34		69	53		115		565	115		565
	Net Revenue	713	630	13.2%	797	(10.5)%	1510	1205	25.3%	2477	7.1%	2312	2497	7.4%	2326
3	COGS	308	276	11.6%	363	(15.2)%	671	528	27.1%	1070	(10.2)%	1191	1073	(10.2)%	1195
4	Gross Profit	405	354	14.4%	434	(6.7)%	839	677	23.9%	1407	25.5%	1121	1424	25.9%	1131
	% to Sales	22.9%	22.3%		23.4%		23.2%	22.9%		22.7%		19.3%	22.9%		19.5%
5	Employee Benefits	71	64	10.9%	58	22.4%	129	131	(1.5)%	252	20.0%	210	281	17.6%	239
	% to Sales	4.0%	4.0%		3.1%		3.6%	4.4%		4.1%		3.6%	4.5%		4.1%
6	Advertising & sales promotion	37	29	27.6%	40	(7.5)%	78	56	39.3%	146	11.5%	131	146	10.6%	132
	% to Sales	2.1%	1.8%		2.2%		2.2%	1.9%		2.4%		2.3%	2.4%		2.3%
7	Other expenses (Net)	154	144	6.9%	138	11.6%	291	275	5.8%	614	17.6%	522	595	18.5%	502
	% to Sales	8.7%	9.1%		7.5%		8.0%	9.3%		9.9%		9.0%	9.6%		8.6%
8	EBITDA (Operating)	143	117	22.2%	198	(27.8)%	341	215	58.6%	395	53.1%	258	402	55.8%	258
	% to Sales	8.1%	7.4%		10.7%		9.4%	7.3%		6.4%		4.4%	6.5%		4.4%
9	Net Profit/(Loss)-Adj.	115	70	64.3%	115		230	127	81.1%	256³	81.6%	141²	260	87.1%	139
	% to Sales	6.5%	4.4%		6.2%		6.4%	4.3%		4.1%		2.4%	4.2%		2.4%

¹ Margins are calculated based on Gross Sales Value

² Net Profit and EBITDA for FY18 is adjusted for Rs. 20 Crore realized on sale/assignment of trademarks associated with packaged tea business of the Company

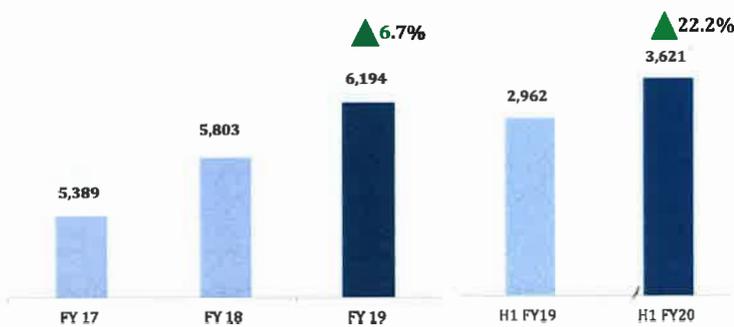
³ Net Profit and EBITDA for FY2019 is adjusted for Rs. 15.1 Crore charged as provision for decline in the value of non current investment

⁴ The company has exercised the option permitted under Section 115BAA of the Income Tax Act, 1961 and therefore Net profit includes a tax credit of Rs. 14 crores

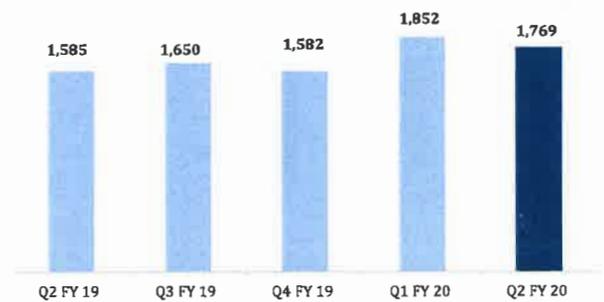
Revenue Analysis



Gross Sales Value – Annual & Half Yearly Standalone (Rs. Crore)



Gross Sales Value – Quarterly Standalone (Rs. Crore)



- Gross Sales Value includes Excise Duty, NCCD, GST, GST Compensation Cess and VAT as applicable in the corresponding reporting period
- Y-o-Y increase in H1 FY2019-20 Gross Sales was attributed to:
 - Increase in volume of cigarette sales driven by new product launches
 - Increase in export of unmanufactured tobacco, cigarettes and processed tobacco
 - Better product mix and higher realization
- TFS convenience stores continued to perform well and registered a 39.1% growth in H1 FY 2019-20 Gross Sales Value to reach Rs. 202 Crore

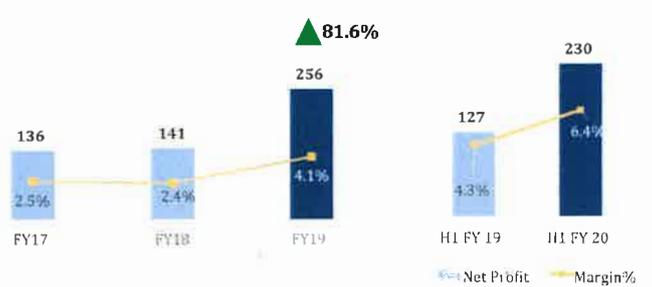
Gross Profit and Net Profit Contribution



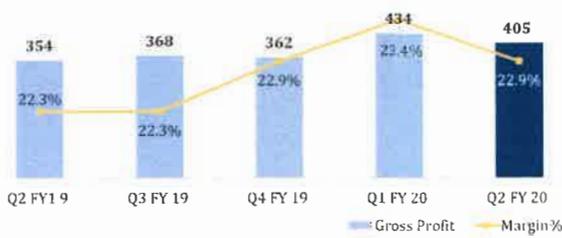
Gross Profit (Rs. Crore) and Margin (%)



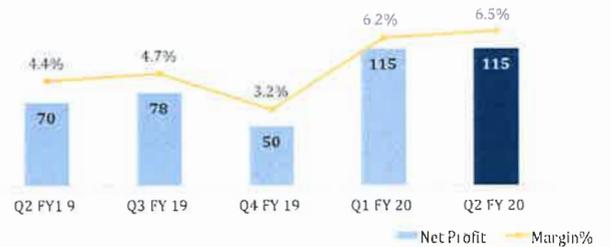
Net Profit (Rs. Crore) and Margin (%)



Gross Profit (Rs. Crore) and Margin (%)



Net Profit (Rs. Crore) and Margin (%)



Corporate Governance: GPI as India's Best Companies to Work For



Godfrey Phillips India has been certified as India's Best Companies to Work For

**India's Best Companies
To Work For 2019**



- GPI ranked among 900 companies that participated in the GPTW survey
- Of the 900, 100 were recognized as 'Best Companies to Work For'

**Great
Place
To
Work**

Best Workplaces™

in FMCG

INDIA

2019

**In the FMCG industry, GPI is one of the three Best
Workplaces**

Corporate Social Responsibility (CSR)



Modicare Foundation

Founded in 1996, Modicare Foundation's core focus areas are empowerment of children, adolescents and women by developing a holistic approach towards education, life skills and leadership

Vision

Modicare foundation strongly believes that every individual has the potential to transform his / her to life to grow and develop as an active citizen

Mission

Empower the marginalised population specially women, adolescents, youth and children with skills and knowledge to work as change agents for themselves and their community

Key Projects

Khwabgah



- Provide comprehensive development opportunities to children, adolescents / young adults and their families
- Over 1,500 children are directly benefitting while over 100,000 people are receiving services and support
- Location: Slums of South Delhi

Ambassadors of Change (AOC)



- Flagship programme since 2000, provides life skill education for in and out of school adolescents
- Empower 4200 adolescents every month and till date it has reached over 1.5 lakh adolescents and 130 institutions

Ehsaas



- Supported by Clinton Foundation, USA and works as coordinating agency on the National Pediatric Program which linked HIV+ children with government ART centres
- Supported over 1000 affected families and provided HIV related counselling services to 11,000 people

Partners in Change



- Provides training / capacity building on gender, sexual harassment at workplaces, reproductive health, HIV/AIDS
- Support includes activities such as awareness generation through community based camps, forming internal committees, master trainers

Corporate Social Responsibility (CSR)



Program for Tobacco Grading Women



Program

- About 650 women, engaged into tobacco leaf grading activity for cigarettes and tobacco exports in Ongole, Andhra Pradesh are direct beneficiaries
- The program was held over 3 tobacco grading units and 4 villages where majority of the women worker reside

Initiatives

- Edugundlapadu is now a model village - 100% open defecation free with toilets for all families, health camps, tree plantation, Community RO for safe water, child education and infrastructure of 2 primary school and Angaanwadi
- This village was officially recognized by the Govt. of Andhra Pradesh and awarded a Certificate of Merit by the Collector and District Magistrate on 26th January 2019
- We received the Greentech Foundation CSR Gold Award in 2018

Corporate Social Responsibility (CSR)



Program for Burley Tobacco Farmers

Program

- Burley tobacco producing farmers are important stakeholders of the Company and there is a direct impact on the business due to the various issues impacting the farmers
- CSR objectives are integrated with the Tobacco Leaf Division to facilitate stringent standards and expectations from farmers under the agriculture labor practices

Initiatives

- Since 2014 over 3,200 families in 60 villages have been directly impacted and 2 lakh population are enjoying the community initiatives
- Water and soil conservation through farm ponds, water harvesting and desiltations
- Reducing debt through Farmers Development Societies (FDS) and support to farmers with curing sheds that help protect the crop
- Access to safe water with community RO, health camps and toilets
- Solar power and watershed program to deliver sustainable comprehensive development
- An After School Program to eliminate child labour



Contact Us



GODFREY PHILLIPS
INDIA LIMITED



GODFREY PHILLIPS
INDIA LIMITED

Godfrey Phillips India Limited

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Disclaimer: This presentation contains statements that contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating Godfrey Phillips India Limited's ("GPII" or the Company) future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. GPII undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.



**GODFREY PHILLIPS
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