

# Godfrey Phillips India Limited (GPIL)

(BSE: 500163; NSE: GODFRYPHLP)

**EARNINGS PRESENTATION**

**Q3 & 9 Months FY 2021-22**



**W E B U I L D U S**



**GODFREY PHILLIPS  
INDIA LIMITED**

# 9 Months FY22 Highlights



GODFREY PHILLIPS  
INDIA LIMITED

## Company

**Rs. 5,349 Cr.**  
Gross Sales Value

**Rs. 1068 Cr.**  
Gross Profit

**20.0%**  
Gross Profit Margin

**Rs. 328 Cr.**  
Net Profit

## Tobacco

**Rs 4,503 Cr.**  
Domestic Cigarette Gross Sales Value

**Rs. 436 Cr.**  
International Gross Sales Value

**93%**  
Tobacco contribution to Gross sales  
Value

## Consumer & Retail

**Rs. 310 Cr.**  
TFS Gross Sales Value

**94**  
TFS stores

**Rs. 76 Cr.**  
Chewing Products Gross Sales Value

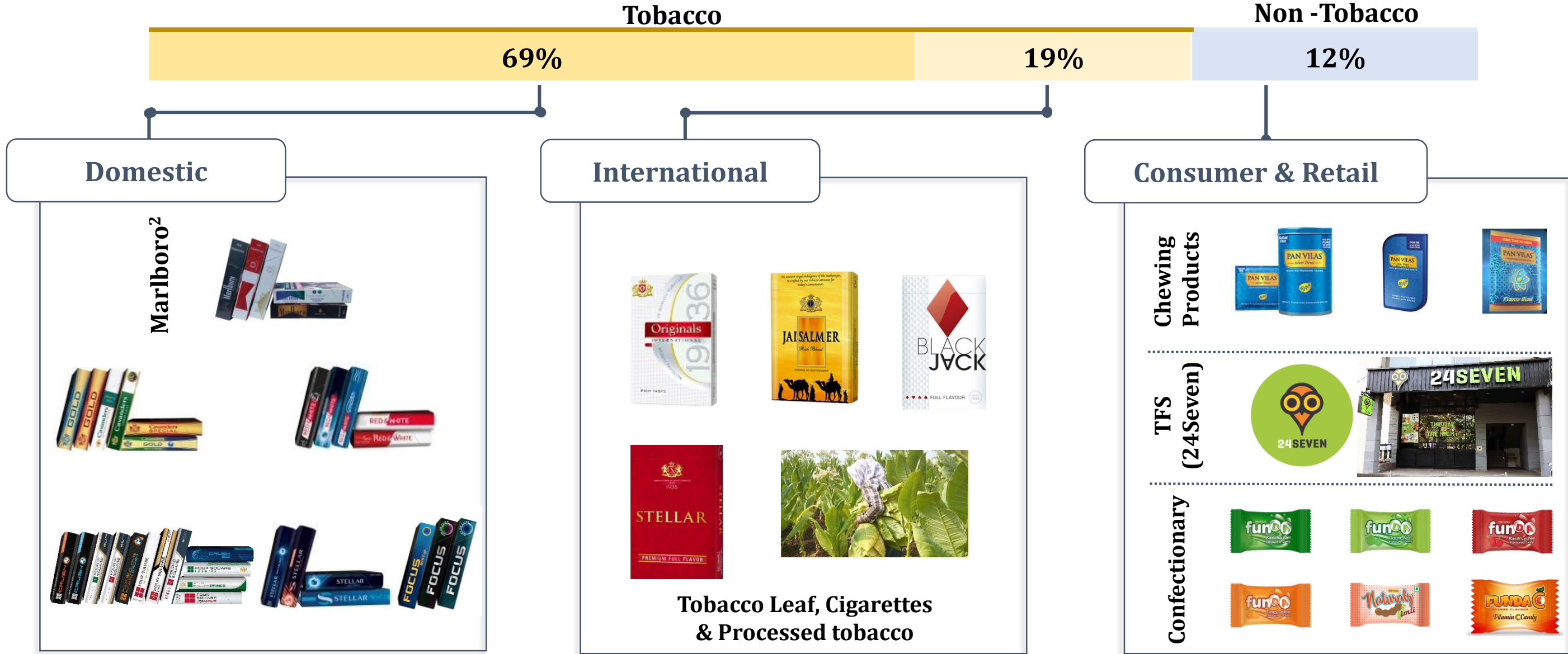
- 1 Above values are based on standalone financials
- 2 Gross Sales Value is inclusive of all applicable indirect taxes
- 3 Margins are calculated on Gross Sales Value

# Godfrey Phillips Product Portfolio - 9 Months FY22



GODFREY PHILLIPS  
INDIA LIMITED

Net Sales: Rs. 2,340 Cr



1 The ratios shown above are based on Net Sales  
 2 Marlboro is manufactured and distributed under exclusive procurement and supply agreements with Philip Morris International



**Mr. Sharad Aggarwal**  
**Chief Executive Officer**

The current financial year presented its own set of challenges after the second wave of COVID hit us in Q1. Despite this headwind, the Company reported Gross Sales Value of Rs. 5,349 Crores and Net Profit of Rs. 328 Crores during nine months FY22. Also, our EBITDA margin has improved to 8.7%. The targeted efforts from the organization and simultaneous improvement in external environment helped us to achieve this. We are hoping to carry the momentum forward to rest of FY22.

Godfrey Phillips delivered cigarette domestic gross sales value of Rs 4,503 Crores. Domestic sales are improving sequentially quarter over quarter as the economic recovery is moving towards normalization. Our topline performance has been supported by an increase in export of unmanufactured tobacco with the international business growing to Rs. 436 Crores.

Gross Sales from 24Seven Convenience Stores (TFS) during nine months FY22 was Rs. 310 Crores, an increase of 19%. The number of stores stand at 94 at the end of December 2021. TFS remained open during the 2<sup>nd</sup> and 3<sup>rd</sup> waves of Covid and provided all types of essential goods to consumers. However, the TFS business is now trying to address the opportunity of consumers buying online and is working on offering similar solutions.

Amidst the pandemic, the safety of our workforce always remained our top priority and therefore, we continued to have in place a set of safety guidelines to ensure their well being. It gives me immense pleasure to see that the employees have adapted to the new working norms and have shown full dedication to ensure continuity of business operations.

Godfrey Phillips was yet again certified as India's Best Companies to Work For in June 2021 and improved its ranking to 28 from 29 in 2020. Also, we are amongst India's Best Workplaces in Manufacturing in the Great Place to Work survey in 2022, a feat achieved third time in a row.



- **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**



## Growth Priorities

**1**

**Target New Markets  
for Cigarettes**

**2**

**Focus on Exports /  
International Business**

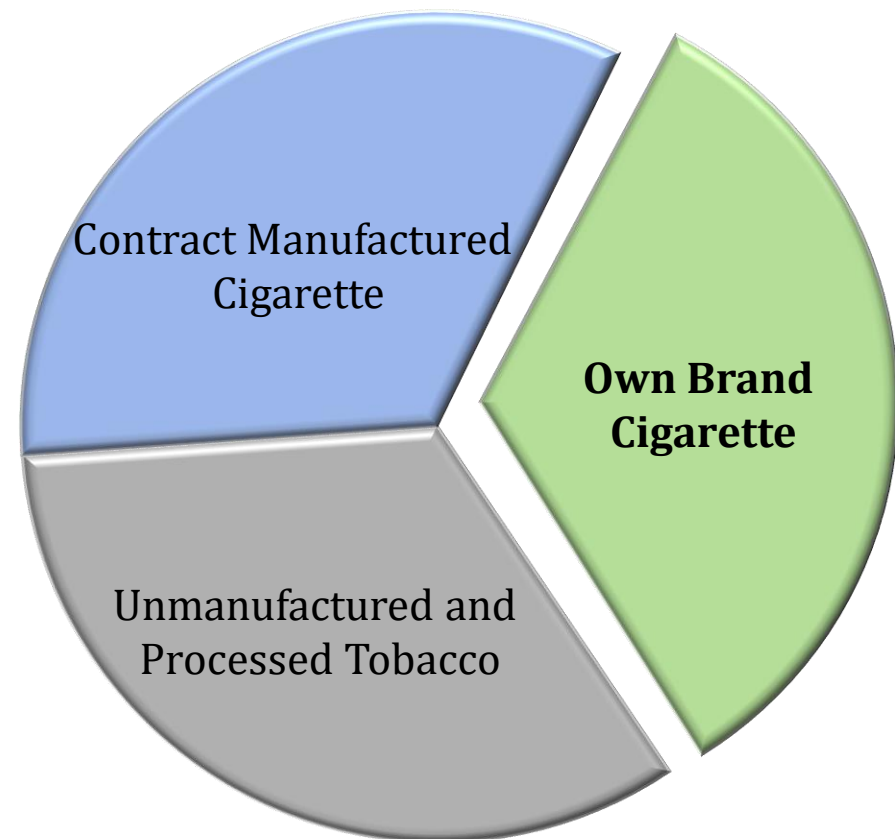
**3**

**24Seven Convenience  
Stores (TFS)**

## Strategic Direction

- ✓ Recover sales volume across all markets to prepare a base for future growth
- ✓ Strengthen partnership with Philip Morris International in the manufacture and distribution of Marlboro brand cigarettes in India – recently thru launch of 64 mm Pocket Filter in weak geographies
- ✓ Build on existing cigarettes export markets to enhance own brand sales
- ✓ Expand chewing and confectionary product offerings through innovative products
- ✓ Capitalise on the fast growing retail space through 24Seven's innovative approach
- ✓ Contribute to the socio-economic growth across the value chain through programs for tobacco farmers

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

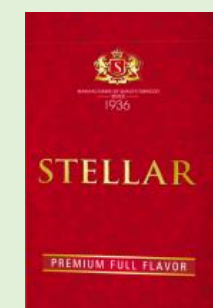
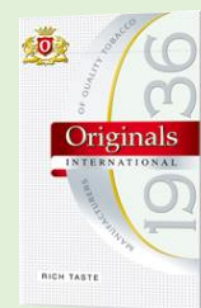


**Rs. 436 Cr.**  
9 months FY22 Gross Sales Value

**19%**  
Contribution to 9 months FY22 Net Sales



### Strategic Focus



### **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 – 24Seven Convenience Stores (TFS)



GODFREY PHILLIPS  
INDIA LIMITED

## 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 FY19, 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

**Rs. 310  
Cr**

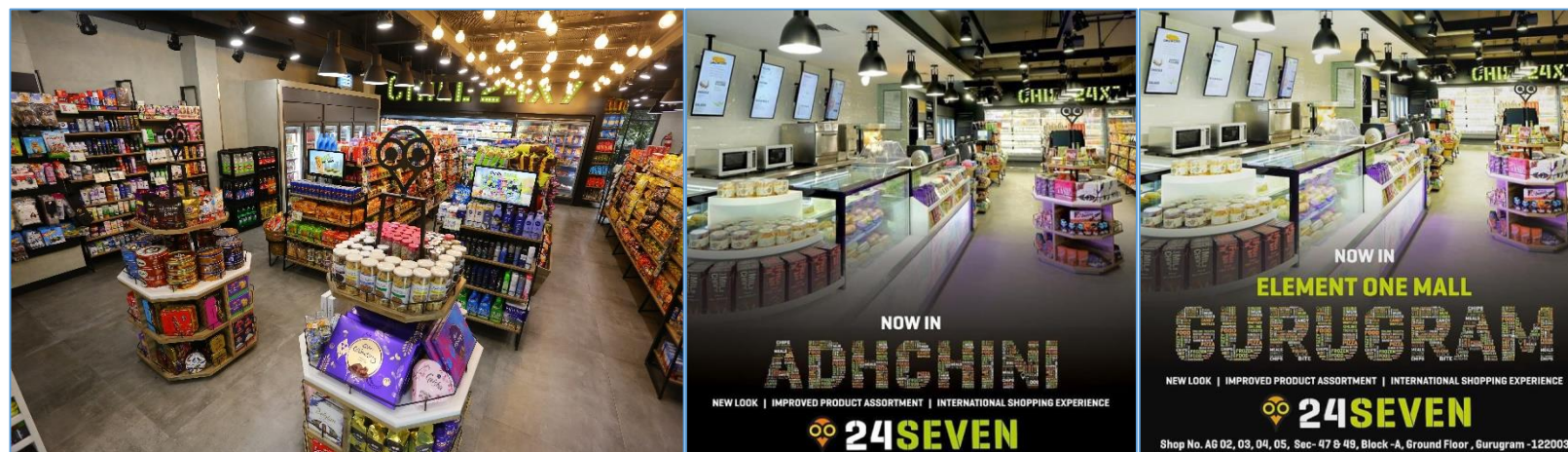
**9 months FY22 Gross Sales Value  
Increased by 19%**

**10.3%**

**Contribution in 9 months  
FY22 to Net Sales**

**94**

**Total stores as on 31-Dec- 2021**



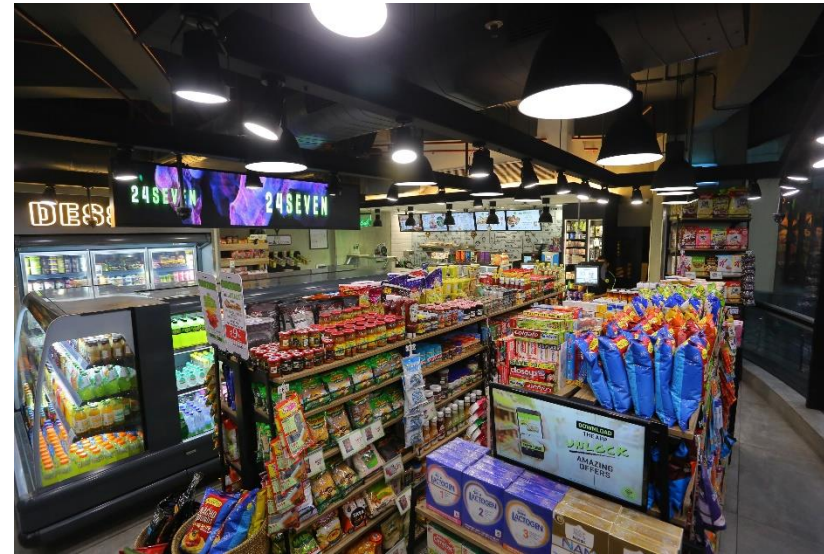


# Growth Priorities – 24Seven Convenience Stores (TFS)



GODFREY PHILLIPS  
INDIA LIMITED

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



# Growth Priorities – Chewing Products & Confectionary



GODFREY PHILLIPS  
INDIA LIMITED

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
- GPI is more focused on Pan Vilas as a key product offering and expected to further drive revenue and profitability
- An innovative product using flavour blast technology has been launched recently and is showing encouraging results



## 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

Confectionary



## Funda Goli

- With the introduction of the Funda Goli range of candies, GPIL 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



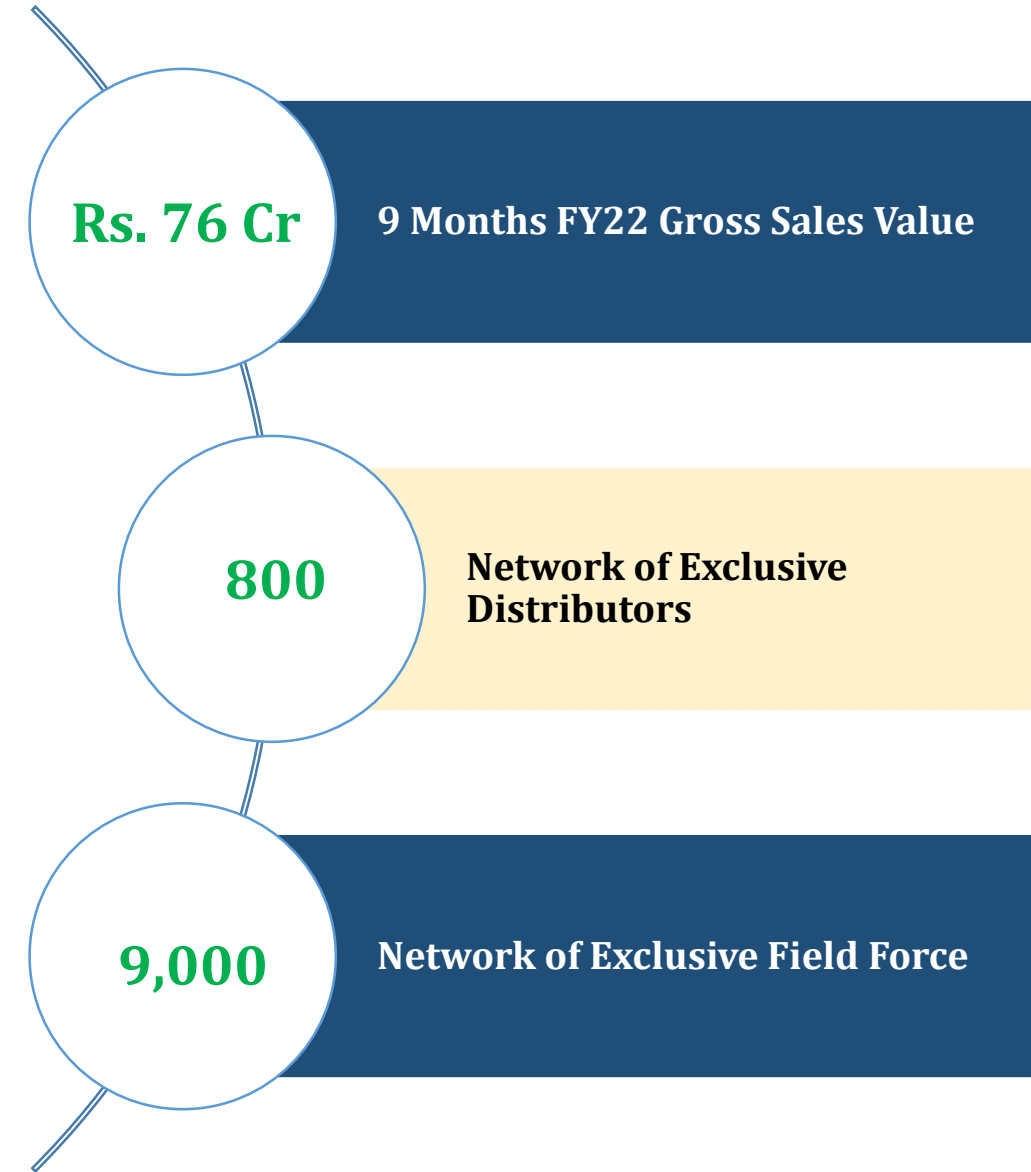
## Imli Naturalz

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



## Funda C

- First of its kind candy proposition with Vitamin C

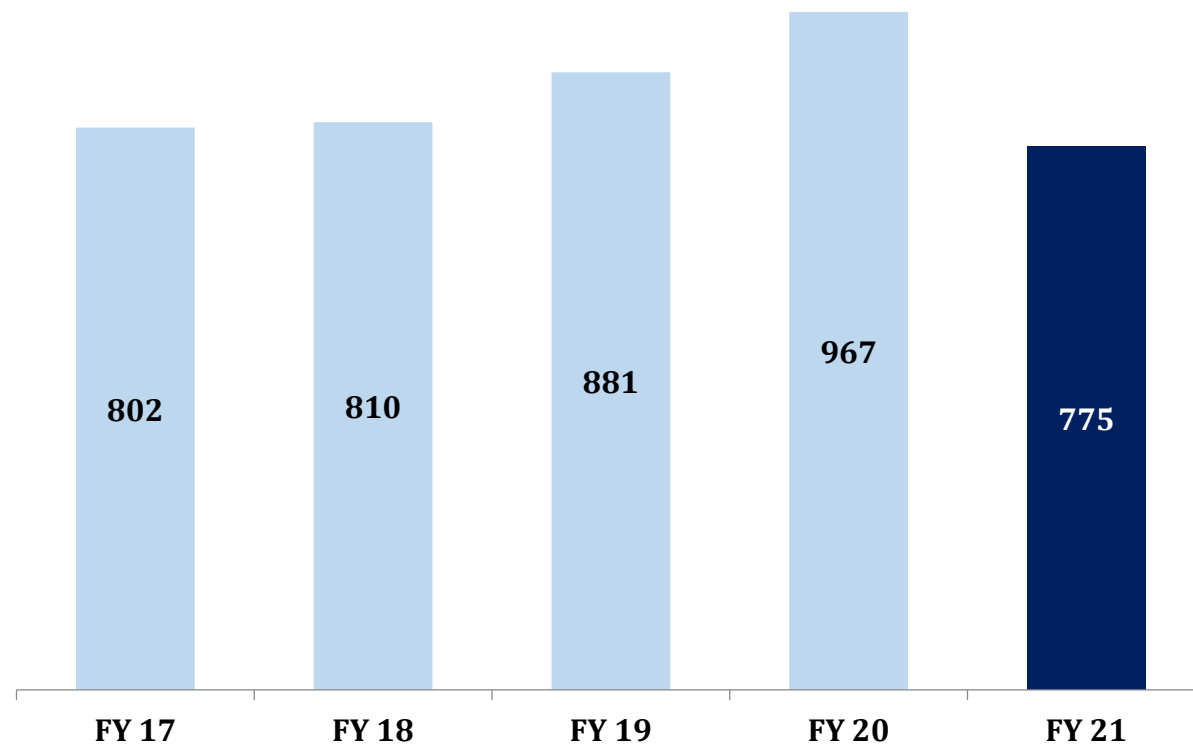


# Cigarette Domestic Volume

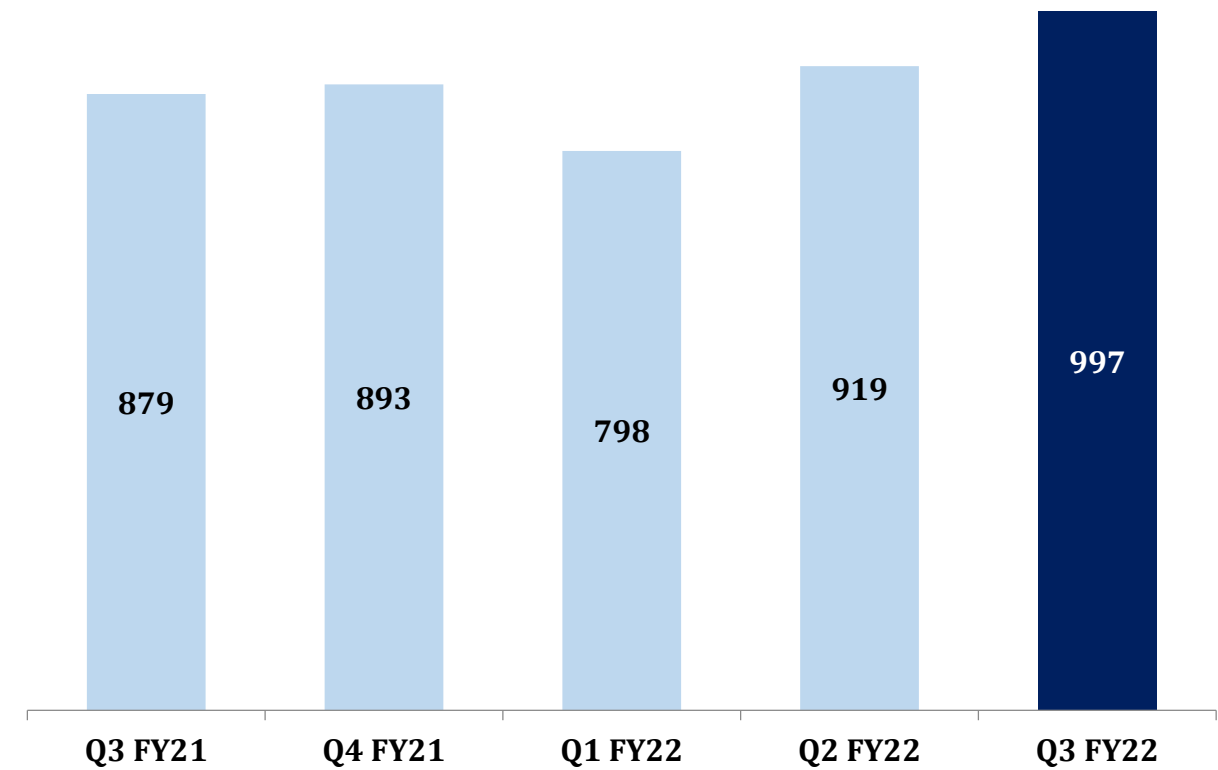


GODFREY PHILLIPS  
INDIA LIMITED

Annual Volumes (million per month)



Quarterly Volumes (million per month)



- Outbreak of Covid wave 2 has impacted our core markets in Western and Northern India during H1 FY22

# 9 Months FY22 Financial Summary

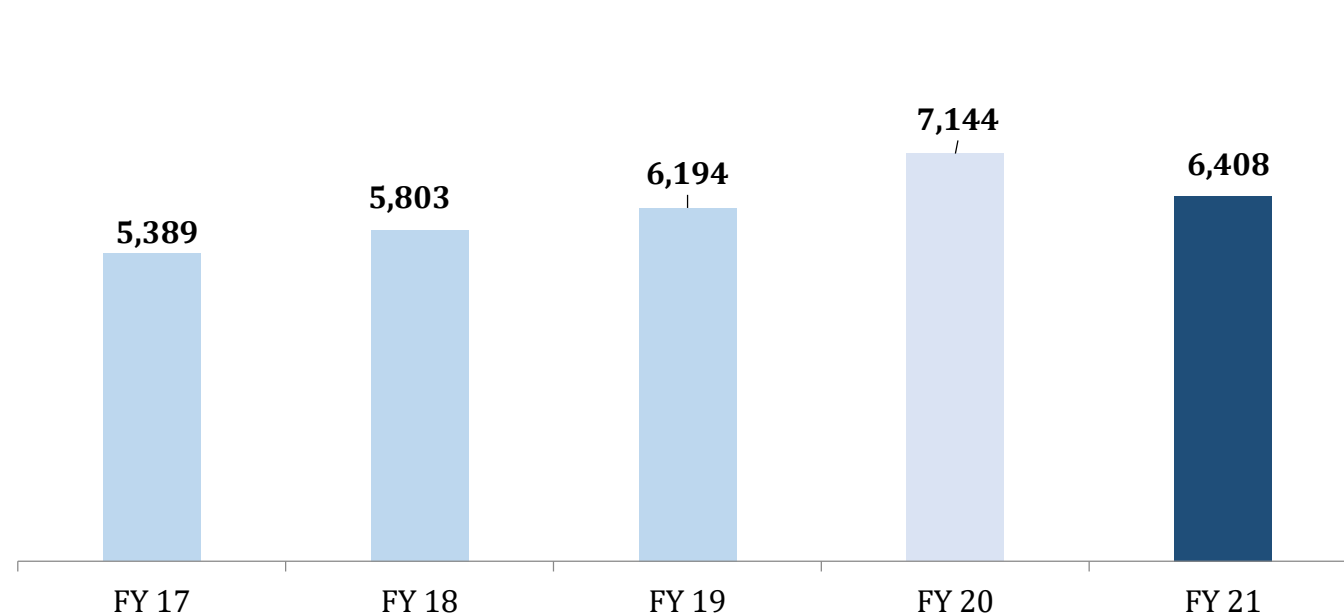


GODFREY PHILLIPS  
INDIA LIMITED

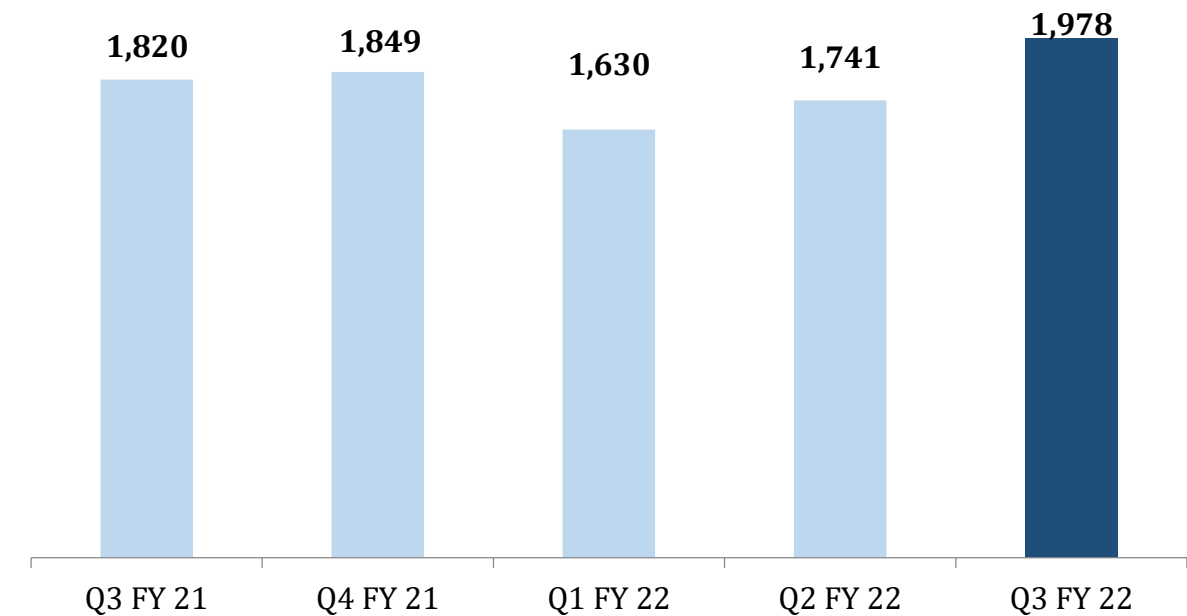
Rs. Crore		Standalone										Consolidated			
		Q3 FY22	Q-o-Q%	Q3 FY21	Q2 FY22	Q-o-Q%	9M FY22	Y-o-Y%	9M FY21	FY21	Y-o-Y%	FY20	FY21	Y-o-Y%	FY20
1	<b>Gross Sales income</b>	<b>1978</b>	<b>8.7%</b>	<b>1820</b>	<b>1741</b>	<b>13.6%</b>	<b>5349</b>	<b>17.3%</b>	<b>4560</b>	<b>6408</b>	<b>(10.3)%</b>	<b>7144</b>	<b>6426</b>	<b>(10.3)%</b>	<b>7167</b>
2	<b>Gross Revenue</b>	<b>867</b>		<b>827</b>	<b>767</b>		<b>2364</b>		<b>2095</b>	<b>2926</b>		<b>3045</b>	<b>2961</b>		<b>3068</b>
	Less- Excise duty	161		135	127		412		306	436		191	436		191
	<b>Net Revenue</b>	<b>706</b>	<b>2.0%</b>	<b>692</b>	<b>640</b>	<b>10.3%</b>	<b>1952</b>	<b>9.1%</b>	<b>1789</b>	<b>2490</b>	<b>(12.8)%</b>	<b>2854</b>	<b>2525</b>	<b>(12.2)%</b>	<b>2877</b>
3	COGS	317	(5.7)%	336	291	8.9%	884	(1.1)%	894	1218	(2.8)%	1253	1223	(3.0)%	1261
4	<b>Gross Profit</b>	<b>389</b>	<b>9.3%</b>	<b>356</b>	<b>349</b>	<b>11.5%</b>	<b>1068</b>	<b>19.3%</b>	<b>895</b>	<b>1272</b>	<b>(20.5)%</b>	<b>1601</b>	<b>1302</b>	<b>(19.4)%</b>	<b>1616</b>
	<b>% to Sales</b>	<b>19.7%</b>		<b>19.6%</b>	<b>20.0%</b>		<b>20.0%</b>		<b>19.6%</b>	<b>19.9%</b>		<b>22.4%</b>	<b>20.3%</b>		<b>22.5%</b>
5	Employee Benefits	69	19.0%	58	65	6.2%	201	17.5%	171	235	(6.0)%	250	267	(4.0)%	278
	% to Sales	3.5%		3.2%	3.7%		3.8%		3.8%	3.7%		3.5%	4.2%		3.9%
6	Advertising & sales promotion	18	0.0%	18	20	(10.0)%	52	18.2%	44	67	(57.1)%	156	67	(57.1)%	156
	% to Sales	0.9%		1.0%	1.1%		1.0%		1.0%	1.0%		2.2%	1.0%		2.2%
7	Other expenses (Net)	127	2.4%	124	121	5.0%	352	9.7%	321	453	(24.9)%	603	427	(27.6)%	590
	% to Sales	6.4%		6.8%	7.0%		6.6%		7.0%	7.1%		8.4%	6.6%		8.2%
8	<b>EBITDA (Operating)</b>	<b>175</b>	<b>12.2%</b>	<b>156</b>	<b>143</b>	<b>22.4%</b>	<b>463</b>	<b>29.0%</b>	<b>359</b>	<b>516</b>	<b>(12.8)%</b>	<b>592</b>	<b>541</b>	<b>(8.6)%</b>	<b>592</b>
	% to Sales	8.8%		8.6%	8.2%		8.7%		7.9%	8.1%		8.3%	8.4%		8.3%
9	<b>Net Profit/(Loss)</b>	<b>118</b>	<b>3.5%</b>	<b>114</b>	<b>102</b>	<b>15.7%</b>	<b>328</b>	<b>25.7%</b>	<b>262</b>	<b>357</b>	<b>(8.0)%</b>	<b>388</b>	<b>377</b>	<b>(1.8)%</b>	<b>384</b>
	% to Sales	6.0%		6.3%	5.9%		6.1%		5.7%	5.6%		5.4%	5.9%		5.4%

1 Margins are calculated based on Gross Sales Value

## Gross Sales Value –Annual (Rs. Crore)



## Gross Sales Value – Quarterly Standalone (Rs. Crore)



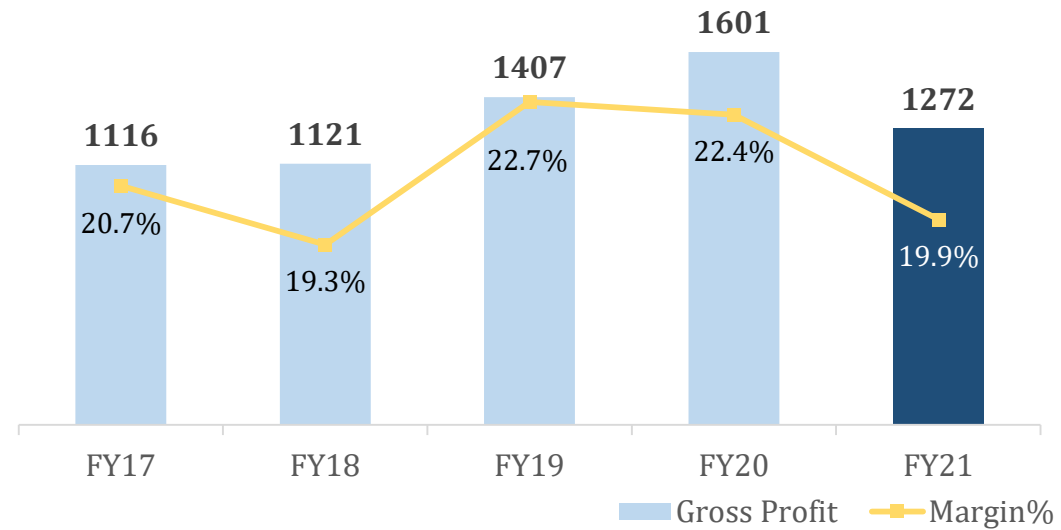
- Gross Sales Value includes Excise Duty, NCCD, GST, GST Compensation Cess and VAT as applicable in the corresponding reporting period
- Outbreak of Covid wave 2 has impacted our core markets in Western and Northern India during H1 FY22

# Gross Profit and Net Profit Contribution

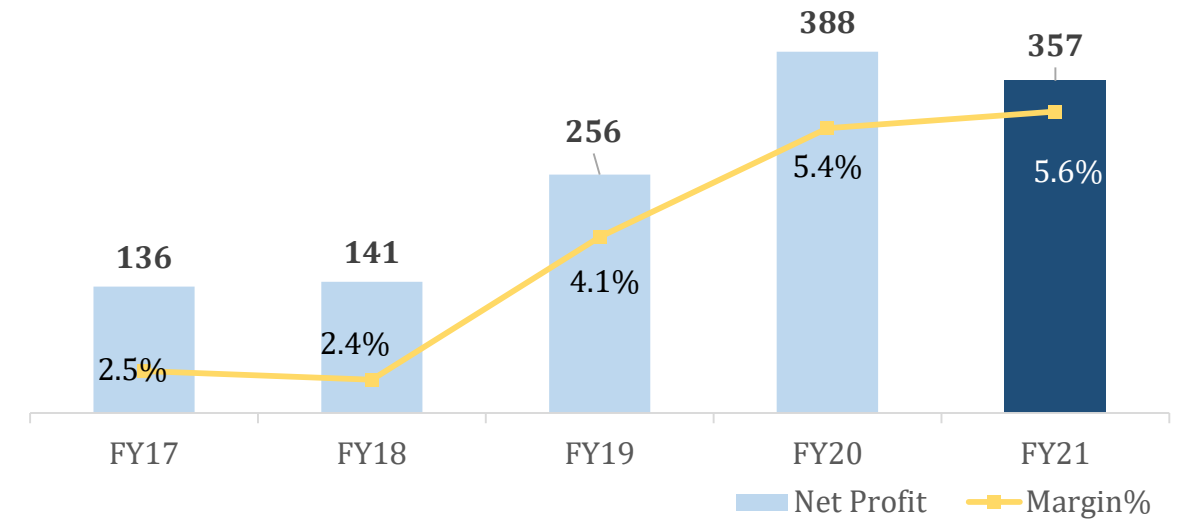


GODFREY PHILLIPS  
INDIA LIMITED

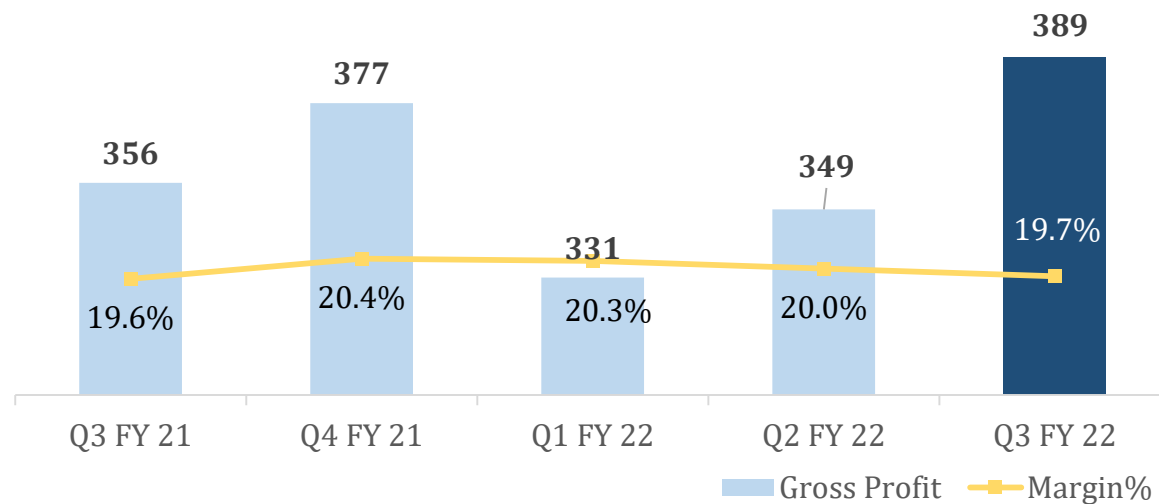
Gross Profit (Rs. Crore) and Margin (%)



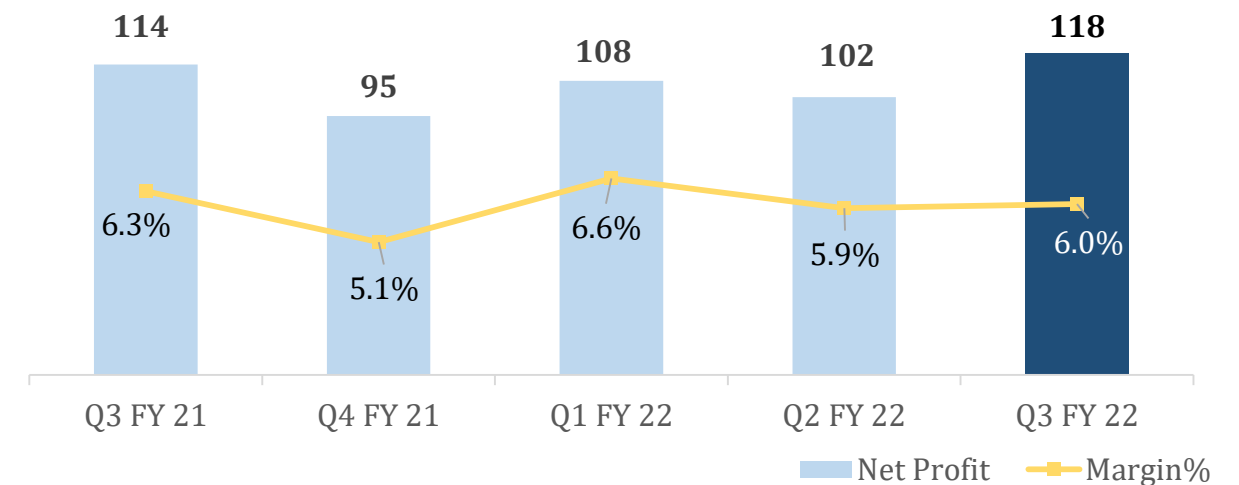
Net Profit (Rs. Crore) and Margin (%)



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



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



## Safety and Reassurance

Working guidelines created and cascaded across all offices to ensure safety of human capital

Vaccination camps setup at key business locations

## People Connect & Engagement

Individual dialogue channels established for their wellbeing

Mental wellbeing as key agenda was supported through online sessions

## Information Hub

Set up for employees to resolve queries, create awareness and action in emergency situations, way forward and contact details

## Business Continuity

Centrally facilitated guidelines to ensure business continuity and employee well being across in-office and WFH scenarios

## Capability Building

Skilling and reskilling initiatives were accelerated through online medium

## Health Support System

Set up infra in select premises to deal with basic covid care of employees and their families

# GPI as Great Place to Work – consistently for 3 years in a row



GODFREY PHILLIPS  
INDIA LIMITED

Godfrey Phillips India was again recognized as a Great Place to Work for in June 2021; recently it was again recognized as Best Workplaces in Manufacturing for 2022



Great Place to Work for 3 years in a row; Ranked #28 nationally in June'21

India's Best Companies to Work For 2021; Recognized for 3 years in a row

Best Workplaces™  
in FMCG

Great Place To Work.

INDIA  
2021

India's Best Workplaces in FMCG  
2021

Recognized for 3 years in a row!



Godfrey Phillips India Ltd.

*For inspiring trust among your people, instilling pride in them, creating an environment that promotes camaraderie,  
and delivering a great workplace experience for all your employees*

Yashasini Ramaswamy  
Chief Executive Officer  
Great Place to Work™ Institute, India

India's Best Workplaces in  
Manufacturing 2022.

Recognized for 3 years in a row!



## Community Development Program for Burley Tobacco Farmers

**Program Objective :** Tobacco is the core component of Company's product.

The marginalized farmers community need to be protected to ensure;

- Sustainable livelihood,
- Sustainable tobacco farming
- Business growth and sustainability with an empowered and participatory community as partner

**Context:** Area falls under drought prone area and the poor farmers/labourers are caught in the trap of seasonal employment, low income leading to lower bargaining power, increased debts and downward trend in labour wages. These issues drive larger community issues such as low access to safe potable water as the region has high fluoride content, lack of community sanitation and hygiene, limited access to education and skills beyond farming, and with non-availability of social protection, the children of farmers & labourers get pushed into child labour.

### Program Goals

- Short term goals are to ensure farming efficiencies to provide sustainable livelihood.
- Long term plans, a necessity for sustainable business, are aimed at water and environment conservation to manage climate change that impact agriculture.

**156 villages** in Guntur district have been identified in total for outreach.

The social initiatives of Godfrey Phillips are in line with the UN SDG's for livelihood, education, water & sanitation, environment and climate change.



## Initiatives under Community Development Program for Burley Tobacco Farmers



### Elimination of Child Labour

- 50 After School programs keeping children back after school
- School infrastructure development
- Awareness workshops on child labour
- Over 3000 children impacted directly



### Augmented Earning

- 56 Farmers Development Society
- Women empowerment program through micro entrepreneurship, 200 women in the SHGs



### Water & Soil Conservation

- 20 check dams & 9 farm ponds
- 22 de-siltations to increase tank capacity and extract fertile top soil
- Borewell recharges for RO plants
- Waste water usage of RO plants
- 20 plus acres of bio diverse plantation, 2300 trees planted
- Pilot Solar Plant



### Safe Water & Health

- 35 Community RO Water Plants
- 45 Health camps annually
- Awareness camps on COVID care



## Impact , Awards & Recognitions for Godfrey Phillips Program

### Impact :

- Better quality and higher volume of tobacco produce for farmers who are now earning more. More farmers want to enroll with improved tobacco farming.
- Check Dams have led ground water table increase by about 28 ft.
- Desiltation enabled increase in storage capacity of the tanks.
- Villagers are getting to drinking RO water. Water related diseases are down.
- Solar Plant saved energy consumption for Panchayat.
- Zero cases of child labour reported. Higher enrollment and lower dropout noted with infrastructure.
- Attendance reaches 92 % in after school programs.

**About 2,00,000 villagers are direct and indirect beneficiaries with outreach in 85 villages.**



### Awards :

The GPI CSR program has been formally recognized by the office of District Magistrate & Collector, Andhra Pradesh Govt.

- Mahatma Award 'CSR Excellence' 2020 (initiative by Aditya Birla Group)
- Greentech Foundation CSR Gold Award 2018, 2019 & 2020,
- Apex CSR Excellence Award 2019 & 2020,
- CSR Leadership Award 2019



## Promotion of education and healthcare through 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



GODFREY PHILLIPS  
—INDIA LIMITED—

## Godfrey Phillips India Limited

CIN: L16004MH1936PLC008587

### Registered Office:

Macropolo Building, Ground Floor  
Dr. Babasaheb Ambedkar Road  
Lalbaug, Mumbai 400033

### Corporate Office:

14, Omaxe Square,  
Jasola District Centre  
New Delhi 110025

*For more information, please contact:*

### **Sunil Agrawal**

*Chief Financial Officer*  
Godfrey Phillips India

[isc-gpi@modi-ent.com](mailto:isc-gpi@modi-ent.com)

+91 11 2683 2155

### **Sanjay Gupta**

*Company Secretary & Compliance Officer*  
Godfrey Phillips India

[isc-gpi@modi-ent.com](mailto:isc-gpi@modi-ent.com)

+91 11 2683 2155

### **Ravi Gothwal**

Churchgate Partners

[GPIL@churchgatepartners.com](mailto:GPIL@churchgatepartners.com)

+91 22 6169 5988

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 (“GPIL” 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. GPIL undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.



**GODFREY PHILLIPS**  
INDIA LIMITED

**GODFREY PHILLIPS INDIA LIMITED**

**HEAD OFFICE**

Godfrey Phillips India Limited, 14, Omaxe Square, Jasola District Centre New Delhi 110025  
Tel.: +91 11-2683 2155, 2631 8400 Fax: +91 11-2683 5803

**REGISTERED OFFICE**

'Macropolo Building', Ground Floor, Dr. Babasahed Ambedkar Road, Lalbaug, Mumbai - 400033

For more information, log on to [www.godfreyphillips.com](http://www.godfreyphillips.com)