



Gillette India Limited
CIN: L28931MH1984PLC267130
Registered Office:
P&G Plaza
Cardinal Gracias Road, Chakala
Andheri (E), Mumbai 400 099
Tel: (91-22) 2826 6000
Fax: (91-22) 2826 7337
Website: in.pg.com

September 22,2023

To,
The Corporate Relations Department
The BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
Ref:- Scrip Code:- 507815

To,
The Listing Department
The National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051
Ref:- Scrip Code:- GILLETTE

Dear Sir / Madam,

Sub: Analysts/Institutional Investors – outcome – transcript

This has reference to the intimation dated September 05, 2023 with respect to the virtual connect with analysts/ institutional investors held today, Friday, September 22, 2023 at 11:00 a.m. (IST).

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed herewith is the transcript of the meeting with analysts/ institutional investors.

This is for your record and appropriate dissemination.

Thanking you.

Yours faithfully,

For **Gillette India Limited**

Flavia Machado
Company Secretary

Gillette India Limited
Investors & Analysts Call

Friday, September 22, 2023

Start time: at 11:00 a.m.

Speakers:

Mr. L. V. Vaidyanathan, Managing Director
Mr. Gautam Kamath- Chief Financial Officer
Ms. Flavia Machado, Moderator – Company Secretary

❖ **Flavia Machado, Company Secretary:**

Good morning, everyone, and welcome to the Company's Investors and Analysts Call.

Thank you for joining us today.

Today we will begin with presentation by the management of the company on the company's performance, results, strategies and business outlook.

We have received questions submitted by the participants at the time of registration of the call.

The management will address the questions received after the presentation.

Let me introduce our presenters for today.

We have on the call, Mr. L. V. Vaidyanathan, Managing Director of the Company and Mr. Gautam Kamath, Chief Financial Officer.

All participants are played placed on mute and can participate in the Listen only mode.

Please note that during the course of the call, the presentation and information shared by the management may include forward looking statements. These statements are made on the basis of the company's current views and assumptions and are not guarantees of future performance and actual events or results may differ materially from those statements.

I now hand over the proceedings to Mr. L. V. Vaidyanathan.

Below Disclaimer was presented on screen:

This communication, except for the historical data, may contain forward-looking statements, including words, phrases, numbers that set forth anticipated results based on management's current plans and assumptions. Forward-looking statements are based on current expectations and assumptions, which are subject to risks and uncertainties that may cause results to differ materially from those expressed or implied in those statements. The Company cautions investors that any such forward-looking statements are not guarantees of future performance and that actual events or results may differ materially from those statements. Actual events or results may differ materially because of factors that affect international businesses and global economic conditions, as well as matters specific to the Company and the markets it serves. The Company undertakes no obligation to update these statements whether as a result of new information, future events or otherwise, except to the extent required by law.

❖ **Mr. L. V. Vaidyanathan, Managing Director**

Thank you all.

Good morning, everyone.

Thank you for joining us on the call today. Its our pleasure to interact with all of you today.

I will take you through the work that we have been leading at Gillette India Limited and what we have accomplished in the last fiscal year.

Over our 185 years globally, we have shown that our ability to grow is directly connected to our commitment to responsible business and doing good. Our ability to do good is in turn strengthened by our growth. Therefore, we aim to be a force for growth and a force for good in the communities that we serve, keeping our consumers at the core of it all.

We have been growing and creating value prior to, during, and following the pandemic through a strategy that drives growth and value creation through five integrated choices:

- 1) A portfolio of daily use products, where performance drives brand choice
- 2) Superiority across product, packaging, brand communication, retail execution and value
- 3) Productivity to fund this superiority
- 4) Constructive disruption of the entire value chain to future proof our business; and
- 5) A highly efficient and effective organization structure.

The model is dynamic and sustainable.

It adapts to the changing needs of the consumers, customers and society and is focused on growing markets - creating value versus taking business - the most sustainable and typically most profitable way to grow.

We believe that the best path forward is to double down on this integrated set of strategies that are driving our results.

Let me take this opportunity to talk more on the focus portfolio of daily use products of Gillette and Oral-B, both categories where performance plays a significant role in brand choice.

We concentrate our efforts and focus on delivering superior products with the best performance, in every price tier in which we compete in these categories.

We have continued to innovate to bring in a robust portfolio for our grooming category, delighting consumers with propositions from our global bouquet as well as designed-for-India-from-India. In our decades of serving the Indian consumers we have in return gained their trust, making Gillette a market leader.

Similarly, our Oral Care portfolio serves a diverse range of consumers and their unique needs, with an assortment of products - from sensitive to deep clean, special range for kids, to an advanced power oral care line-up.

Coming to Superiority, that is the formula to delight consumers and earn their chosen loyalty.

We know how to create value in these categories - by delivering irresistibly superior propositions to our consumers and retail partners across product performance, packaging, brand communication, retail execution and value. We continue to raise the bar on all aspects of superiority in all price tiers where we compete.

We are leveraging this superiority to grow markets and, as a result, P&G's share in these markets as a way to sustainably build the business.

Noticeable superiority is increasingly important in an inflationary environment as consumers reassess value across all elements of their budget.

We have been very intentional in building a strong presence across all relevant price tiers and retail channels, so consumers have a choice of different price points and value propositions within our portfolio.

Let me translate our strategy of superior products for you, through an example of Gillette Guard.

Guard is our most affordable system razor designed “in India for India”, especially for rural consumers. It is designed keeping in mind the context that these households may not have access to running water and couple with their aspiration of confidence and dignity, we have continued to upgrade our product. Today, Guard serves millions of consumers in the country, including the rural population, regarding the highest ever share in the rural market this year.

Taking the same example forward, I want to share the Guard commercial with you. Bringing the consumer inside of a clean but safe shaving experience to life, in a memorable way to truly resonate with our consumers.

Let's play the ad now. *(Audio Visual playing)*

Taking an example from Oral-B. With our Power oral care tooth brushes we have been able to provide our consumers with the most power packed brushing experience -a smarter way to brush that gives up to 100% more plaque removal*, whiter teeth, improved gum health and with 3D technology, visible pressure sensor and a 2-minute professional timer. But along with that, we are also educating our consumers on oral health practices.

Let me show you this with one of the recent ads. *(Audio Visual playing)*

We also continue to emphasize superior performance of our offerings through a strong value-based messaging in advertisement, on packaging and shelf - physical or virtual in terms of retail execution. Point of sale is an equally important touch point to engage and educate consumers, and by driving superior retail execution, we enter into intend to serve our consumers and customers.

Success in a highly competitive industry also requires agility that comes with a mindset of constructive disruption - a willingness to change, adapt and create new trends and technologies that will shape our industry for the future. It's a healthy dissatisfaction with the status-quo - and this mindset of constructive disruption is even more important in this challenging, ever-evolving macro-economic environment.

We are innovating how we innovate, moving faster by combining over 180 years of expertise with an entrepreneurial spirit of a startup.

100% of our brands are impacted by technology in some way or the other.

Be it mining for consumer insights and customizing our media outreach to reach consumers where they are, or enhancing our GoToMarket operations to create value for our partners, driving digital transformation within the within the organization for better productivity and expanding availability and service at stores using the power of AI and ML, tech is truly powering our engines.

**regular manual brushes vs. Oral B electric toothbrush*

We have moved away from media planning in silos (TV, digital, ecommerce separately) to an Integrated Media Approach where an algorithm power with the latest trends and historical data can bring up the best cross-screen media model that helps us achieve the maximum reach at the lowest cost.

We are also making headway with what we call SMART distribution. An in-house developed artificial intelligence and machine learning algorithm that analyzes consumer behavior and pattern to customize a range of P&G products at a store level. With this, we have transitioned from a cluster-based planning to a store/neighborhood-based planning. This win-win model is helpful for the consumer in making their desired products available and helpful for the store owners, helping them optimize inventory and significantly reducing non-moving stock. This is how we are improving how we serve our stakeholders.

The strategic need to keep investing in superiority, the short-term need to manage through a very challenging cost environment and the ongoing need to drive balanced top- and bottom-line growth, including margin expansion, underscore the importance of ongoing productivity.

We have developed a strong productivity muscle over the years. Productivity is now fully embedded in our operating model and is embraced in every part of our operation. Specifically, last year, through our productivity interventions, this company achieved savings of over Rs. 55 crores.

Our organization structure is designed to focus our human, technical and financial resources on our biggest opportunities for growth. The structure yields an empowered, agile and accountable organization with very little overlap or redundancy - flowing to new demands, seamlessly supporting each other to deliver against our priorities in the communities.

One aspect of our empowered organization is the organization focus on Citizenship - our intent of also being a #ForceForGood.

We have embedded Citizenship in the way we do business every day and our efforts are based on Community Impact, Equality and Inclusion and Environmental Sustainability, with a strong foundation of Ethics & Corporate Responsibility guiding everything we do.

Through this, we aspire to positively impact our people, communities, partners and leverage the voice of our branch, to maximize impact.

The journey of enabling starts with our people at P&G. For us, every individual matters. We know that one-size-fits-all approach will not work and does not work.

Therefore, we keep upgrading our bouquet of policies and programs to cater to our diverse workforce so that every single person can bring their whole authentic selves to work every day. For example, our Lead with Care program offers a holistic and support to employees who are caregivers to children with disabilities and special needs, including neurodevelopmental, cognitive, behavioral or physical impairments. The program includes medical coverage, specialized and trained day-care support via certified partners, and an employee assistant program (EAP) available 24X7 to all employees and their families to navigate this journey.

Similarly, we continue to be committed to accelerating the pace of change outside of P&G, be it removing barriers to education and economic opportunities, or advancing inclusion of LGBTQ+ community, and many other initiatives.

You can learn more about them in our citizenship report in our live on our website.

Our longstanding commitment to education is also a way of contributing to the social development of the country brought to life via our flagship CSR program, P&G Shiksha.

P&G Shiksha is a holistic educational program that addresses critical barriers to achieving universal education. Over 18 years, Shiksha has helped reach thousands of schools in communities, impacting over 35 lakh children.

Environmental sustainability has been embedded into P&G's business practices and we consistently strive to minimize our environmental impact, encouraging consumers and suppliers to do the same.

- We have committed to accelerated efforts to combat climate change as part of ambition 2030.
- We have committed to be Net-Zero by 2040.
- Our global water strategy aims to restore water in water-stressed areas around the world.
- Today, we are collecting back more plastic packaging waste than we put out in India and leverage renewable energy in our operations.
- Our brands are incorporating sustainability in serving consumers with superior products, for instance, by leading the use of recycled plastic.

Many of these efforts, have been recognised widely by prestigious institutions, which only reaffirms our belief for being a #ForceForGrowth and a #ForceForGood.

With that, I hand over to our CFO, Gautam.

❖ **Mr. Gautam Kamath, Chief Financial Officer**

Good morning, ladies and gentlemen. My name is Gautam Kamath and I'm the CFO of the Company.

LV spoke about our Integrated Growth Strategies and how they are making a difference to our business results. I will now share with you what exactly these business results have been in the past one year as well as over a longer period. I will also share with you our view on the long term outlook for the industry as a whole. Of course, many of you sent over questions, which I will address in the course of my session.

Our Integrated Growth Strategies are working. We have delivered yet another quarter and year of double-digit growth, in a year in which the industry faced several headwinds. The Apr/May/Jun quarter was our strongest in the fiscal year 22/23, delivering 12% topline growth while growing profits even faster at 36%, driven by premiumization and pricing, and an overall cost-reduction program that drove savings.

For the fiscal year too, our sales grew 10%. We saw strong growth across both our portfolios, despite the challenging situation on category demand growth, as well as the massive commodity headwinds in the industry. The profit grew a strong 18%. We were able to offset the headwinds through a combination of prudent pricing combined with our productivity program, which as LV earlier mentioned, delivered Rs 55 Cr in savings for the year.

Before I address some of your questions, I want to talk about the external landscape and how we see it evolving.

FMCG consumption in the Apr/May/Jun Quarter was the fastest we have seen in the past 6 quarters. Inflation is softening and volume growth is finally returning. The 7.5% volume growth in the quarter is great news for the industry and the economy in general because we know volume growth eventually unlocks capital investments and triggers a positive investment cycle. In another piece of good news, the rural growth is inflecting as well, with the quarter showing 1.4% volume growth in the non-food sector after four quarters of significant volume decline.

“Cautiously optimistic” is the term that best describes our outlook for market growth at the moment. While we are seeing the consumption trends to be broadly up, driving our optimism, retail inflation for the months of July and August have averaged 7% and August rainfall has shown a 11% negative deviation from norm, driving the caution. On anecdotal evidence, September rainfall appears to have bounced back – and might have a big say in how the rest of the year goes.

Commodity prices however remain high, and we have not seen the cost pressures receding as expected. The bars you see on this chart represent the three commodities that we use the most in terms of value. You can see the price upcharge in the fiscal year 22/23 was even higher than the increase in fiscal year 2122, and they are not showing signs of receding. This means bottom-line pressures will remain. Ofcourse this could differ based on the particular commodities that impact each industry.

I return now to more GIL statistics, and some long -term data.

Our Integrated Growth Strategies are working for us. We have delivered consistent mid single-digit sales growth over the past 10 years, with the evolving definition of male grooming. At the same time, we have delivered a cumulative annual profit growth of 15%, while becoming more and more asset efficient. Our return on equity has improved 24% during this period. Our operating profit margin during this period has increased by 830 basis points.

Another way to look at these numbers is in absolute. Our absolute sales have grown 1.7 times over the past 10 years, while profits have more than quadrupled, demonstrating our ability to consistently deliver superior execution of our strategies.

We have also created significant shareholder value over this period. Our dividend per share over the past 10 years has increased by nearly 3 times, and our share prices have reflected the consistency of business result delivery.

Once again, our integrated growth strategies enable us to bring consumer centricity to life, and have been the guiding forces enabling these results. We are confident that these are the right strategies to navigate the near-term.

I’m now going to move to the Q&A session, and would like to thank you for sending your questions in advance.

I'm going to start with a question on our growth prospects now.

There were many of you asked us in different ways about this question.

Mr. Pankaj Gupta from Ratnabali Investment, asked this on what the growth prospects are.

Mr. Yogesh Patel from LIC mutual funds asked the same question Mr. Jayesh Shah from Ohm Portfolio also asked about, you know, growth prospects in the medium and long term and Mr. Pradumn Bajaj from Chrys Capital also asked, what's the outlook on our categories?

We expect volume consumption growth within the FMCG category to be in the mid-single digits over the next 5-7 years. There are however several categories where consumption is underdeveloped, whether we look at the potential to further improve and impact consumer lives, or if we compare to other countries with similar per capita income. We see an opportunity to grow these categories double-digit. To make this a reality, the role we see companies like P&G play is to continue to drive awareness and education, make our products available to consumers at varied price points and retail channels, and continue to delight them with superior propositions at the right value.

A few of you had questions on our appliances businesses.

Mr. Krishnan Sambamoorthy from Nirmal Bang asked what's the right to win in appliances given the distribution model is different.

Mr. Rajeev Sampat asked us for strategy for future growth with the onset of electric shavers.

Mr. Ravi Purohit from SIMP asked, what's arrangement on distribution of Braun products?

Mr. Pradumn Bajaj, Chrys Capital asked for thoughts on the broader portfolio.

Mr. Vicky Punjabi from UTI Mutual Funds has again how much impact from consumers shifting towards electronic razors.

Similarly, Ms. Harini Dedhia, Tamohara Investment Managers, asked again. How will we differentiate the brand storytelling between Braun and Gillette?

And again, Mr. Senthil Manikandan, Ithought, also asked on strategy or electric electronic trimmers.

And finally, Mr. Roger Martin also asked, whether Braun and Braun products are part of the listed Company.

So let me let me answer all of these, but I mean, first start by categorically stating that yes, Braun is definitely part of this company.

At the moment, Appliances is a relatively small category and less than 2% of the category in value. While the consumer habit is evolving surely, the shift to electronic razors is also relatively small. But as many of you have rightly pointed out, this is likely to grow in the future, and we are learning early with the strength of our global might and a strong portfolio of offerings under Braun. Braun today has the world's best technology when it comes to Shaving and Trimming, and once again we will use our Integrated Growth Strategies to win with the consumer. Currently, basis the consumer habits and preferred platforms, we are making Braun range available primarily on ecommerce and digital platforms.

There was a question from Mr. Krishnan Sambamoorthy from Nirmal Bang on what is the royalty agreement with the parent?

The royal the royalty agreement is towards the use of intellectual property of the parent that we use here in India.

There was a question on distribution.

Mr. Vishal Punmiya from Yes Securities asked us if you can comment on the current directory each and what it was five years back and what our distribution expansion plans are.

We have expanded direct reach by over 65% vs where it was 5 years ago.

What is also enabling us to better engage and serve our customers, and eventually consumers, is our progress on what we call Smart Distribution. We have developed an in-house data science engine powered with artificial intelligence (AI) and advanced machine-learning models (ML), which enables it to equip its diverse store network with a customized range of product offerings, based on the demonstrated preferences and needs of the consumers in the vicinity of these stores. The innovation aims to help kirana store owners in efficiently optimizing their stock inventory, significantly reducing non-moving stock, and enhancing business operations by serving consumers better.

The next question again, there were a lot of you who asked on this and this is on the bearding trend.

Mr. Gokul Maheshwari from Awrig Capital, asked, consumer trends, show men today sport a stubble or a beard. How is the company planning to address this segment of the market?

Mr. Preeyam Tolia, from Axis Securities, asked if shaving culture coming back in trend.

Miss Priyanka Khandelwal, ICICI Prudential asked, "what is the company doing to capture the trend of beard grooming?"

Mr. Priyank Chheda of Vallum Capital, asked, "how Gillette has positioned itself to benefit out of this big trend shift?"

Mr. Vishal Gutka, Phillip Capital again asked a similar question.

The definition of Male Grooming has been evolving and changing, more rapidly now than before. What is important to note, is that in the recent past, there has been a trend not only towards men growing beards, but also towards men grooming their beards. The category is undergoing a transformation, and this presents an opportunity for us to play in premium systems and trimmers. Listening, addressing and catering to this, we have successfully evolved our propositions and communication to continue to delight consumers. The result? We are continuing to grow and drive category growth, recording our highest ever shares. On top, Our appliances portfolio as well as our highest end premium systems actually cater to the need of the beard trimming consumer. With our King C Gillette range of beard care products, we are also catering to the needs of beard care.

The next set of questions is on Oral-B:

Mr. Kahlik Randeria from Ruliad asked what is the Oral-B growth for the next decade and a couple of you also asked a very similar questions

We expect Oral care as a category to demonstrate market growth of mid-single digits, in line with FMCG market growth. Our aim will be to drive category growth by bringing more consumers into the oral health care portfolio and strive to grow faster than category.

Another favorite area for a lot of you was female shaving products, Mr. Gokul Maheshwari from Awriga Capital asked if he we can indicate the category, size and growth of the category in the last five years.

Mr. Vishal Gutka from Phillip Capital, asked what's the potential market size for female grooming segment?

Ms. Manasvi Shah from ICICI Prudential asked what's the work being done on women's and women's and value - added part of the portfolio?

Mr. Naveen Kulkarni from Axis securities, asked, "what's the strategy for expansion of women's growing grooming products?"

Female hair removal is actually a large market, but razors compete with creams, in-home waxes and salons. Our focus has been on the in-home hair removal segment. In the last 3 years, razors as a sub-segment have seen fastest growth.

Today, women are juggling multiple responsibilities at the same time, and considering the day is so jam-packed, they have no time for tasks like body hair removal the conventional way. Coupled with the on-the-move Gen-Z attitude, Venus has become her go to friend, which she can carry in her to-go pouches. Our strategy includes creating awareness about shaving for women, its benefits, busting myths and providing delightful experience to the consumer every single time.

Venus India has grown 10X in P10Y. Most recently, in our quest to provide the best possible shaving experience, we introduced Venus Swirl. This is a 5-bladed razor – 1st in the category with a rotating head that helps provide a clean, smooth shave.

There were a lot of questions on growth, especially in the mid to long term, Mr. Siddhanth Bhattacharya from Anvil asked what's the reason for low growth rate witnessed over the last seven years?

Mr. Rajeev Sampat from Otryx Fintrade asked the Reason for tepid growth in an otherwise buoyant economy up Mr. Vishal Gutka, Phillip capital, asked, "What are we doing to gain market share?"

Mr. Akshen Thakkar, from Fidelity asked, "What's your strategy to grow the market and your market share?"

Just to, you know, to remind everybody Over the past three years, we have now consistently delivered double-digit topline and bottom-line growth. Our market share for Gillette is at the highest ever level, upwards of 60%. We will continue to remain focused on our Integrated Growth Strategies to continue to deliver strong growth in both the category as well as our market share. This means focusing on delighting and serving consumers, customers, society and shareowners through the five strategic and integrated choices: a portfolio of daily-use products in categories where performance drives brand choice; superiority across product, package, brand communication, retail execution and value; productivity in everything we do; constructive disruption across the value chain; and an agile, accountable and empowered organization. We are confident these are the right strategies to help us navigate the times to come.

A lot of you asked questions on direct- to - consumer related questions, Ms. Manasvi Shah from ICICI Prudential branchial asked," what's the view on competition from D2C and other niche brands in in the space."

Mr. Mudit Minocha, M3 Investment, asked, "What are we doing to defend and grow market share over D2C players?"

Mr. Jayesh Poladia asked about competitive scenarios.

Mr. Ritesh Poladia, Girik Capital asked about comments on D2C business and Mr. Ajay Thakur, Anand Rathi Securities, also asked on how is delayed gearing to compete with new D2C competitors.

We believe the best way to win is to keep consumer at the centre – not competition. And the way to win with the consumer, is to deliver superior products at a price which delivers great value to the consumer. If we are able to consistently do that, we believe we would be able to not just win the love and loyalty of our consumers, but also grow the category, and win against competition.

Having said that, we are raising the bar on our e-commerce and digital presence, working closely with our eCommerce retailers and some of you may even have noticed certain eCommerce vendors offering subscription deals on Gillette when you shop on these platforms.

There were a few questions on new categories, Mr. Mudit Minocha, M3 Investment asked if there are other product categories which the company aims to invest in.

Mr. Rohit Kadam, Entrust, asked if there plans to enter in personal care categories.

Mr. Yogesh Patil from LIC asked if there are new product additions and distribution strategy.

While we can't talk about what is in the future, this year has been great in terms of our brands upgrading and introducing innovations across the portfolio. This includes Mach 3 Charcoal, Venus Swirl and Braun BT5 launches. On top, we witnessed the introduction of Oral-B SensitiveX – a premium sensitive toothbrush, and a relaunch of Gillette Fusion as a styling tool. We continued to upgrade our propositions, including Gillette Guard, Oral-B Criss Cross and Oral-B Kids electric toothbrushes.

There was a question there were a couple of questions actually on Advertising spends, Mr. Manish Bandari from Vallum Capital asked, "what's the long - term guidance on advertising and operating margins."

Mr. Nikunj Gala from Sundaram AMC, asked what's the sustainable ad spend management is comfortable with?

The ad spend is not determined by comfort, it is a function of the business need at hand and the right scale of consumer awareness needed to address it. Therefore, this could vary from year to year. The focus has always been, and remains, growing the category by delighting our consumers with superior propositions, and locating the relevant touchpoints to create awareness with the right consumer audience.

There were a few questions on margin as well.

Mr. Akshen Thakkar from Fidelity, asked, "what's your margin aspiration over the next three to five years?"

Ms. Fatema Pacha from Mahindra Manulife asked, "what is the steady state margin target?"

And then Mr. Rohit Seksaria from Sundaram Mutual funds asked, "with commodity price correction by when will we cross historically high?"

We will continue to drive both topline and bottom-line, as well as EBITDA margins. The exact band is difficult to predict but we aim to grow bottom-line ahead of topline in the foreseeable future. This will enable us to fund innovation, raise the bar on superiority, and absorb macro headwinds.

A couple of questions on manufacturing.

Mr. Kahlil Randeria, from Ruliad, asked focus on manufacturing for the men's grooming, given the largest hairy population on the planet.

Mr. Paresh Sangani from Club Millionaire also asked, "what are the plans to locally manufactured premium and high end systems?"

A substantial portion of our sales is locally manufactured, and we are always on the lookout to bring more parts of our business under local manufacturing. Given the immense scale of the capital investments required to manufacture the technologically advanced premium systems, that investment needs to be justified with sufficient scale and growth prospects. We will continue to look for such opportunities.

A few questions on premiumization.

Mr. Jayesh Poladia asked, "You know what's is India at the inflection point of premiumization?"

Mr. Prashant Kothari, Pictet Asset Management, also asked how the premiumization of the portfolio has been so far and how should we expect it to go moving forward.

So Mr. Arnab Mitra from Goldman Sachs also asked, " how do you access the growth headroom in the shaving market?"

As per capita incomes rise in the nation, discretionary spending rises accordingly, which is when consumers are able to pay higher for product superiority, a phenomenon we summarise as "premiumization" here in India. The premiumization trend has been positive for Gillette as well as Oral B, as we have seen per capita incomes rise in the country and consumers willing to pay for superiority. This is reflected in the growth of our premium portfolio, like the Fusion portfolio (also catering to beard grooming as a consumer need), Gillette Venus and Oral B Power Oral care.

There was a question on whether there are any strategic targets to increase contribution of non - shaving products.

This was from Mr. Nishad Karkare from Bay Capital.

We believe growth will come from both the shaving and non-shaving portfolio, and therefore there isn't a deliberate move to increase contribution of non-shaving products only. Even shaving has a large headspace for category growth in India. The focus is on serving the consumer needs and tap into them as they evolve, to be able to continuously and consistently delight our consumers.

Mr. Ketan Mehta from One Up Capital Ideas, asked about market share movement pre and post COVID, we have been consistently growing share for the past few years.

We have been consistently growing share for the past few years, but post COVID share growth has been faster, especially in the past 18 months. We have expanded our share leadership in the market and are today at record market share. What's great is that we are also driving category growth while doing this.

Ms. Geetika Gupta from ICICI Prudential asked, “how is P&G global looking at the Indian entity from a growth and profitability perspective. Is there any change in focus?”

P&G Global continues to see huge growth potential from the Indian subsidiaries. India is among top 10 markets for P&G globally. In fact, P&G Global COO has gone on record stating that he expects India to deliver consistent double-digit growth and become one of the top contributors of top-line and bottom-line for the company globally.

Few questions on merger, Mr. Ajay Garg from AM3 Ventures asked why do we have so many companies run by the same parent? Merging them may have several synergies and cost benefits.

Few of you had similar questions along the same lines.

While we can't comment on this price sensitive information, our current corporate structure in India is delivering strong results. We will continue to focus on creating value for all our stakeholders.

There was one of the questions on value on with the entry of competition and select prices much lower than ours. How do we see the growth of the company moving forward?

One of the vectors of superiority within our Integrated Growth Strategy is Value. There is a discernible shift in consumer behaviour – from price conscious to being truly VALUE conscious.. Consumers needs are becoming more aspirational as their access to information has increased. In this context, we believe continuing to deliver the best product that truly delivers against a consumer-meaningful job-to-be-done, made available at the right touchpoints and at the right price... is often appreciated by the consumer, especially in high involvement categories like ours.

There was a question from CNBC TV 18 asking with material costs on a declining trend.

“Do how do you see a recovery in gross margin and EBITDA margin and by when do you expect them to revert to earlier levels?”

As I mentioned earlier in my presentation, most of the commodities that impact us have not demonstrated a lasting downward trend. Given the volatility in the prices we expect the recovery (in any) to take longer than the immediate 9 to 12 months.

Further to the question on premiumization, Ms. Shilpa Ranipeta from CNBC TV 18 asked us, “what's the potential for premiumisation of oral care business where EBIT margins have also been better than grooming?”

There is definitely a lot of room for premiumisation within Oral care, whether it's the upgrading from mid-tier manual brushes to the premium-tier brushes, or the upgrade from manual brushes to electronic brushes, which do a much better job of cleaning. We have been definitely trying to grow the category at the top tier and electronic brushes with our communication campaigns and eCommerce partnerships and believe there is a lot of head space for premiumization in the category. For instance, looking at our Power Oral Care offering... you would have heard in LVs presentation. We provide our consumers with the most power packed brushing experience – a Smarter Way to Brush that gives upto 100% more plaque removal, whiter teeth, improved gum health with 3D technology, visible pressure sensor, and a 2-minute professional timer. The portfolio has found a loyal consumer base that continues to grow.

Mr. Ajay Garg from AM3 ventures, asked us what's the internal benchmark of growth?

We have a bouquet of benchmarks that we define for ourselves, including Top line and Bottom Line growth, Category Growth, Cost and Cash, Organization growth, with Ethics and Corporate Social Responsibility guiding everything we do.

Mr. Chanchal Khandelwal, Birla Mutual Fund asked us, "Will this be an annual update? This is a great initiative when we're looking forward to the same."

Thank you Chanchal. We hear you - and will assess accordingly.

Finally, we hope today's session was both informative and exciting for you.

We hope today's session was both informative and exciting for you. We have endeavored to respond to most of the questions that we received from you - either in the presentations or in the Q&A section at the end. Some questions, while not called out, would have also been addressed as part of what you heard from us today.

Once again, we thank you for joining us on the call today. You may disconnect now. Have a great day!

Disclaimer: This transcript has been edited to remove any grammatical inaccuracies or inconsistencies of English language that might have occurred inadvertently while speaking.