

# *P&G*

## *Procter & Gamble*

11th December, 2024

## Procter & Gamble Hygiene and Health Care Limited

- Procter & Gamble (P&G) India has established itself as a leading name in the health and hygiene industry, backed by a legacy of trust, innovation, and consumer-centric products. Since its entry into the Indian market, P&G has successfully built a portfolio of iconic brands across categories like baby care, feminine hygiene, health care, fabric care, grooming, home care, oral care, and skin and personal care. Each of these brands not only addresses specific consumer needs but also stands out for its quality and consistent commitment to enhancing the well-being and lifestyle of millions of Indian households.

- P&G's approach to health and hygiene goes beyond just product offerings. The company has implemented a robust Risk Management Policy that includes a Risk Management Committee and Business Contingency Plans, ensuring resilience and sustainability in its operations. By aligning with the parent company's global guidelines, P&G India has created a structure that proactively addresses risks, protects assets, and maintains continuity in a dynamic business environment. Furthermore, the company's dedication to regulatory compliance ensures that it operates with integrity, adhering to the highest standards of ethical and legal conduct across all its business practices.

- The financial strength of P&G India underscores its ability to invest in growth, innovation, and community impact. With substantial revenue from operations, robust profit margins, and consistent dividend payments, P&G has demonstrated financial resilience, allowing it to reinvest in product development, marketing, and social responsibility initiatives. The company's stock performance on the BSE and NSE reflects strong investor confidence, as it consistently performs well against key indices like the Nifty 200. This financial stability enables P&G India to expand its market reach, innovate its product lines, and support impactful social campaigns that resonate with consumers across the country.

- P&G India's focus on health and hygiene is also evident in its dedication to addressing critical social issues. Through educational campaigns and public health initiatives, particularly in menstrual health and period education, P&G has taken on a role that goes beyond commercial interests, showing a commitment to the social well-being of Indian communities. Whisper's #KeepGirlsInSchool campaign, which aims to reduce school dropout rates among young girls by addressing menstrual taboos, is a powerful example of how P&G India combines product innovation with social responsibility.

- In summary, P&G India has positioned itself as a pillar of health and hygiene in the Indian market, driven by a diverse portfolio of brands that cater to the multifaceted needs of Indian consumers. Its commitment to quality, innovation, and community impact has not only strengthened its market presence but also built lasting trust among its consumers. By continuously evolving its product offerings to meet changing health and hygiene needs and prioritizing sustainable business practices, P&G India is well-poised to lead the industry and contribute to a healthier, cleaner, and more empowered India.

Stock Data	
CMP	₹15,760
52 Week : High/Low	₹15,931.40 / ₹1637.55
Face Value	₹10
Market Cap (In Crs )	₹514,424 Crs
NSE	PGHH
BSE	500459
Bloomberg	PG:IN
Sector	FMCG

Shareholding Pattern (in %)		
Metrics	June 2024	Sep 2024
Promoters	70.64%	70.64%
FIIs	1.56%	1.48%
DIIIs	15.16%	15.28%
Public	12.65%	12.60%
No. of Shareholders	40,671	42,348

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	-0.26%	5.86%	22 %
PGHH	0.23%	0.74%	-9.5%

Key Ratios	
Net capital turnover	19.2
Trade payables turnover	1.78
Current ratio	1.22
Operating profit margin %	23%
Net profit margin %	16%
Return on Net worth	78%

## Investment Rationale

### 1. Market Leadership and Trusted Brand Portfolio

P&G India is home to some of the most iconic and trusted brands in the Indian market, such as Whisper, Vicks, Ariel, Tide, Gillette, and Pampers. These brands hold dominant positions in their respective categories, benefiting from decades of consumer trust and loyalty. With a diversified product portfolio spanning essential needs like feminine hygiene, health care, fabric care, and grooming, P&G enjoys a stable and recurring revenue base. Its premium offerings cater to the growing middle-class and affluent consumers, while targeted campaigns ensure rural market penetration.

### 2. Strong Financial Performance

P&G India has consistently delivered robust financial results, reflecting its operational efficiency and market strength. In FY 2023-24, the company reported:

- Revenue from Operations: ₹4,206 Cr.
- Profit Before Tax (PBT): ₹939 Cr.
- Profit After Tax (PAT): ₹675 Cr.
- Operating Profit Margin: 23%.
- Cash Generated from Operations: ₹749 Cr.

This financial resilience enables P&G to reinvest in innovation, sustain shareholder returns through dividends, and maintain its leadership position.

### 3. Alignment with Consumer Trends

P&G India is well-positioned to capitalize on key consumer trends, such as:

- Increased Health and Hygiene Awareness: The pandemic has significantly boosted demand for hygiene-related products, a core area for P&G.
- Premiumization: Rising disposable incomes and urbanization have led to increased demand for premium-quality products, where P&G excels with brands like Whisper Ultra, Pampers Premium Care, and Olay.
- Sustainability: With a growing emphasis on eco-friendly products, P&G's initiatives in recyclable packaging and sustainable practices align with consumer preferences.

### 4. Stable Dividend Policy

P&G India has a strong track record of returning value to shareholders through attractive dividends. For FY 2023-24, the company paid significant dividends, reflecting its financial stability and commitment to rewarding investors. This makes it an appealing choice for income-focused investors seeking consistent returns.

## Company Overview

- Procter & Gamble (P&G) India is a leading player in the health, hygiene, and personal care industry, known for its diverse portfolio of trusted brands, including Whisper, Vicks, Ariel, Tide, Gillette, and Pampers. With a presence spanning essential categories such as feminine hygiene, health care, baby care, grooming, and fabric care, P&G caters to the needs of millions of Indian households.
- The company's focus on innovation, quality, and consumer satisfaction has positioned it as a market leader in India. P&G is committed to driving growth through product innovation, strategic rural penetration, and alignment with global sustainability practices. Its initiatives, like Whisper's #KeepGirlsInSchool campaign, underscore its dedication to social responsibility and community impact.
- Financially, P&G India remains robust, delivering consistent revenue growth, healthy profit margins, and attractive shareholder returns through dividends. With a strong foundation of consumer trust and a commitment to meeting evolving market demands, P&G India continues to set benchmarks in the Indian consumer goods industry.

## Business Verticals



## Company History

Year	Milestone Description
1837	P&G founded by William Procter & James Gamble
1879	Ivory soap developed
1890	P&G opens first R&D Lab
1904	King C. Gillette patents safety razor
1924	P&G performs first consumer research
1931	Neil McElroy creates brand management
1946	Tide laundry detergent introduced
1955	Crest toothpaste launched
1961	Pampers diapers introduced
1961	Head & Shoulders shampoo launched
1983	Always pads debut
1999	Swiffer launched
2003	Olay Regenerist debuts
2012	Downy Unstoppables introduced
2012	Tide PODS debut
2012	Vicks ZZZ Quil introduced
2018	GilletteLabs launches its Heated Razor
2019	Oral-B iO electric toothbrush introduced
2019	Dawn Powerwash dish spray launched
2020	Microban24 24-hour cleaning products debut
2021	Crest Whitening Emulsions launched

## Global Economy

- The global economy showed more resilience than expected in 2023-24 despite the after-effects of the prolonged Russia-Ukraine conflict, though the growth outlook remained weak.
- Despite the cost-of-living crisis in several countries, sharp currency devaluations, and a spike in commodity prices driven largely by attacks on container ships in the Red Sea, the global economy grew by 3.1% in 2023.
- With deflation and steady growth, IMF stated that the likelihood of a hard landing has receded, and risks to global growth are broadly balanced.
- While faster deflation could lead to further easing of financial conditions on the one hand, new commodity price spikes from geopolitical shocks like the Red Sea conflict and resultant supply chain disruptions could prolong tight monetary conditions.
- In its World Economic Outlook released in January 2024, the IMF stated that the world's economy would match 2023's growth of 3.1% in 2024 and rise to 3.2% in 2025.
- Global headline inflation is expected to fall to 5.8% in 2024 and 4.4% in 2025

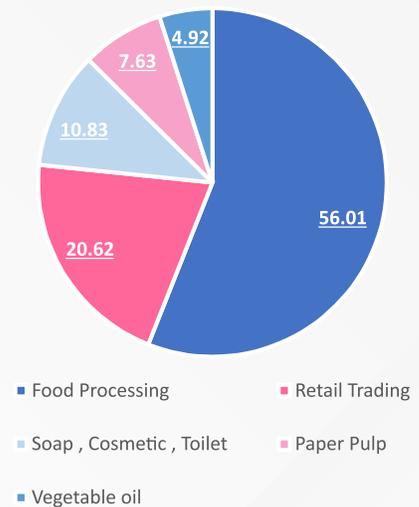
## Indian Economy

- The World Bank forecasts India's output growth to reach 7.5 percent\* in FY24, driven by resilient activity in services and industry.
- Over the medium term, the fiscal deficit and government debt in India are projected to decline, supported by robust output growth and consolidation efforts by the Central Government.
- The high visibility of structural demand and healthier corporate and bank balance sheets will likely be the galvanizing forces for growth going forward.
- This performance is especially commendable against the backdrop of geopolitical tensions, unsettled financial conditions, and stubborn inflation which is plaguing the major economies\*.
- Towards this, it has launched the National Oral Health Programme to address India's varied oral health challenges.
- The program aims to enhance oral health determinants, diminish morbidity rates related to oral diseases, and seamlessly integrate oral health promotion into the existing healthcare framework.
- Moreover, it encourages the adoption of Public-Private Partnerships ("PPPs") to bolster oral health outcomes\*.
- To accomplish these goals, the Central Government has provided assistance to State Governments in delivering dental care alongside other existing health programs at different levels of the primary healthcare system.

## Indian FMCG Sector

- Despite softening inflation and a general improvement in consumer sentiments, the domestic Fast-Moving Consumer Goods (FMCG) sector witnessed sluggish demand during the year, mainly led by a rural slowdown.
- As per Kantar, the household consumption trends suggested a reduction in bulk purchases by consumers to manage expenses, allowing for some discretionary spending which saw a pickup.
- Low wage growth in the rural economy led to down trading and weak consumption trends in FMCG categories. That said, demand is expected to progressively improve in 2024, helped by a good harvest and the expectation of an above-normal monsoon.
- While rural demand continued to lag behind urban markets for most of the year, the gap between the two narrowed progressively.
- As per Nielsen, rural growth in sales of FMCG products in villages outpaced that in cities for the first time since Covid in December 2023, an early indication of demand recovery in the hinterland.
- Rural markets grew 7.6% by volume in the quarter ending on 31st March 2024 according to Nielsen IQ data, while urban markets, in comparison, grew by 5.7% in the same period.

Cumulative FDI Inflow Share %  
From April 2000 – March 2024



## Industry Overview

- The health, hygiene, and personal care industry in India is a rapidly growing sector, fueled by increasing health awareness, rising disposable incomes, urbanization, and evolving consumer preferences. This industry includes essential categories such as baby care, feminine hygiene, health care, grooming, oral care, and fabric care, catering to everyday needs with consistent demand even during economic downturns.
- India's large and diverse population, including a growing middle class and a significant rural base, drives demand for quality and affordable health and hygiene products. The post-pandemic era has further heightened the focus on hygiene-related products, such as disinfectants, sanitary napkins, cold relief solutions, and personal care items. Additionally, consumers are increasingly seeking premium, sustainable, and innovative products, aligning with global trends.
- The industry is highly competitive, with multinational corporations like P&G, Unilever, and Reckitt competing with domestic players such as Dabur, Godrej, and ITC. While urban markets dominate consumption, rural penetration is steadily increasing due to improving infrastructure, digital access, and targeted marketing campaigns. Challenges such as price sensitivity, sustainability demands, and regulatory compliance persist, but companies that focus on innovation and social impact are thriving.
- Government initiatives like Swachh Bharat Abhiyan and awareness programs for menstrual health provide additional support to the industry's growth. With a shift towards digital sales and e-commerce, companies are also leveraging online platforms to expand their reach and engage with tech-savvy consumers. Procter & Gamble India, with its strong brand portfolio, consistent innovation, and focus on health and hygiene, is well-positioned to capitalize on these opportunities and drive growth in this evolving market.

## Key Drivers and Challenges

### Key Drivers for Procter & Gamble (P&G) India

- **Strong Brand Portfolio and Market Leadership:** P&G's portfolio includes some of the most trusted and iconic brands in the Indian market, such as Whisper, Vicks, Pampers, Ariel, Tide, and Gillette. These brands hold leadership positions in their respective categories, benefiting from strong consumer trust, loyalty, and decades of presence. The company's established reputation helps it maintain consistent demand and strong market visibility across diverse demographics.
- **Diverse Product Offerings:** Operating across multiple categories, including baby care, feminine hygiene, fabric care, grooming, oral care, and health care, P&G addresses a broad spectrum of essential consumer needs. This diversification reduces reliance on any single segment, making the company more resilient to sector-specific risks. The essential nature of its products ensures consistent demand, even during economic slowdowns.
- **Rising Health and Hygiene Awareness:** The pandemic has significantly increased consumer focus on hygiene and health. Products like sanitary napkins, cold-relief solutions, and home cleaning essentials have witnessed a surge in demand. P&G, with its strong presence in the hygiene space through Whisper, Vicks, and Ariel, is well-positioned to capitalize on this shift in consumer behavior.
- **Urbanization and Growing Disposable Incomes:** As urbanization accelerates and disposable incomes rise, consumers are increasingly seeking premium products that enhance their quality of life. P&G's premium offerings, like Olay and Whisper Ultra, cater to this segment, allowing the company to expand its consumer base in urban and semi-urban areas.
- **Expanding Rural Market Penetration:** India's rural markets represent a significant growth opportunity, with improving infrastructure and growing awareness about health and hygiene. P&G has expanded its distribution network and launched targeted campaigns to increase brand penetration in these areas. Rural consumers are increasingly adopting products like sanitary napkins and branded detergents, creating new avenues for growth.
- **Commitment to Innovation and Product Development:** P&G is known for its continuous innovation, introducing new and improved products to cater to evolving consumer preferences. Examples include the launch of Whisper Ultra Hygiene+ Comfort XL for superior menstrual protection and Vicks Cough Drops Badi Goli with an Ayurvedic twist. Such innovations keep P&G's offerings relevant and competitive in a dynamic market.
- **Digital Transformation and E-commerce Growth:** With the rise of e-commerce platforms and increasing internet penetration, P&G has adopted digital-first strategies to reach tech-savvy consumers. Its strong presence on e-commerce platforms and use of digital marketing enable it to connect with a broader audience, especially in semi-urban and rural regions where traditional retail penetration may be limited.
- **Sustainability and Social Responsibility:** P&G's focus on sustainability and impactful initiatives enhances its brand equity and aligns with the values of socially conscious consumers. Campaigns like Whisper's #KeepGirlsInSchool, which promotes menstrual health education, and its commitment to recyclable packaging highlight its dedication to environmental and social causes. Such efforts not only build goodwill but also resonate with younger demographics who prioritize purpose-driven brands.
- **Financial Strength and Stability:** P&G India's robust financial performance, with steady revenue growth, high profit margins, and strong cash flows, underpins its ability to reinvest in the business and return value to shareholders. For FY 2023-24, the company reported a Revenue from Operations of ₹4,206 Cr, a Profit Before Tax of ₹939 Cr, and a Profit After Tax of ₹675 Cr, reflecting its financial resilience and efficient operations.

## Key Challenges for Procter & Gamble (P&G) India

- **Intense Competition:** P&G operates in a highly competitive industry with strong players like Unilever, Reckitt, and domestic brands like Dabur and Godrej. These competitors often engage in aggressive pricing strategies, which puts pressure on P&G to balance quality with affordability while protecting its margins.
- **Price Sensitivity in the Indian Market:** The Indian market, especially in rural areas, is extremely price-sensitive. While P&G's premium products appeal to urban and affluent consumers, penetrating the lower-income segments requires carefully priced offerings. Striking this balance remains a challenge, particularly when competing with cost-effective local brands.
- **Sustainability and Environmental Regulations:** With growing awareness of environmental issues, consumers and regulators increasingly expect sustainable practices. P&G must invest in eco-friendly packaging, waste reduction, and greener supply chains, which may increase costs and impact margins. Balancing these expectations with profitability is an ongoing challenge.
- **Supply Chain and Raw Material Volatility:** Fluctuations in raw material prices, logistics disruptions, and import dependencies can impact production costs and operational efficiency. For a company like P&G, managing these supply chain challenges while maintaining price competitiveness is critical.
- **Regulatory Compliance and Quality Standards:** The Indian regulatory environment is stringent, especially for health and hygiene products. Ensuring compliance with all laws, maintaining quality standards, and addressing any regulatory changes add complexity to P&G's operations.
- **Rural Market Constraints:** While rural areas offer immense potential, challenges such as low purchasing power, limited infrastructure, and lower brand awareness pose hurdles to market penetration. P&G must invest heavily in education and marketing to drive adoption in these regions.
- **Economic Volatility:** Inflation, currency fluctuations, and geopolitical risks can impact consumer spending and raw material procurement. During economic downturns, consumers may prioritize cost over brand loyalty, affecting demand for P&G's premium offerings.
- **Dependency on Consumer Sentiment:** P&G's performance is heavily reliant on consumer sentiment and purchasing behavior. Economic slowdowns, rising inflation, or a shift in consumer priorities can impact demand for its products, particularly in discretionary categories like grooming and premium skincare.

## Conclusion

Procter & Gamble India is well-positioned to leverage its strong brand portfolio, innovation capabilities, and focus on health and hygiene to capitalize on market opportunities.

However, navigating challenges like intense competition, price sensitivity, and sustainability expectations will require strategic investments, efficient operations, and continued focus on consumer engagement.

With its financial resilience and commitment to innovation, P&G India remains a strong player in the health and hygiene industry.

## Comprehensive Investment Rationale

### 1. Market Leadership and Trusted Brand Portfolio

- Procter & Gamble (P&G) India is a dominant force in the Indian health and hygiene industry, primarily due to its unparalleled portfolio of iconic and trusted brands. The company has cultivated a reputation for quality and innovation through brands like Whisper, Vicks, Pampers, Ariel, Tide, and Gillette, which hold leadership positions in their respective categories.
- These brands, synonymous with reliability and effectiveness, have been instrumental in building decades of consumer trust and loyalty.
- Whisper, for instance, has revolutionized the feminine hygiene market in India. Its campaigns, such as #KeepGirlsInSchool, not only highlight the functional benefits of its products but also address critical social issues like menstrual health awareness and education. By empowering young girls and breaking societal taboos, Whisper has positioned itself as more than just a product—it's a movement. This level of engagement strengthens consumer loyalty, making Whisper the go-to choice in the category.
- Similarly, Vicks has become a household staple, trusted for cold and cough relief across generations. From Vicks VapoRub to Vicks Throat Drops and Vicks Headache Roll-On, the brand has diversified its offerings to cater to evolving consumer needs while retaining its core identity as a trusted solution for respiratory health.
- In the fabric care segment, Ariel and Tide are synonymous with effective cleaning and stain removal. Ariel's positioning as a premium detergent resonates with urban, affluent consumers, while Tide offers affordable, high-quality solutions for price-sensitive markets. Together, they ensure P&G's dominance in the laundry care category, addressing the needs of diverse consumer segments.
- Gillette, a leader in the grooming segment, caters to the growing focus on personal grooming among Indian men. With technologically advanced razors and shaving products, Gillette has set the standard for quality and innovation in the category. Its premium positioning appeals to consumers willing to invest in superior grooming solutions.
- Pampers dominates the baby care category, offering products that prioritize the comfort and safety of infants. With features like superior absorbency and skin-friendliness, Pampers has become the trusted choice for parents, further strengthening P&G's foothold in this essential category.
- P&G's ability to maintain leadership across such diverse categories stems from its strategic approach to product innovation, targeted marketing, and consumer engagement. The company effectively caters to the growing middle class and affluent consumers with premium offerings like Whisper Ultra and Pampers Premium Care, while simultaneously penetrating rural markets through tailored campaigns and affordable products. This dual strategy ensures P&G's relevance across urban and rural India, reinforcing its position as a market leader.
- By consistently delivering quality, addressing societal needs, and staying ahead of consumer trends, P&G India has built a brand portfolio that not only drives revenue growth but also commands enduring consumer loyalty. This trusted brand portfolio is one of the company's strongest competitive advantages, ensuring long-term stability and resilience in a dynamic market.

## 2. Strong Financial Performance

P&G India's financial performance is a testament to its operational efficiency, market strength, and strategic focus on long-term growth. The company has consistently delivered robust results, reflecting its ability to navigate challenges, capitalize on opportunities, and maintain profitability in a competitive environment. For FY 2023-24, P&G India reported:

- Revenue from Operations: ₹4,206 Cr, showcasing steady growth across its product categories.
  - Profit Before Tax (PBT): ₹939 Cr, highlighting its focus on operational excellence and cost efficiency.
  - Profit After Tax (PAT): ₹675 Cr, underscoring strong profitability.
  - Operating Profit Margin: 23%, demonstrating effective cost management and a focus on high-margin products.
  - Cash Generated from Operations: ₹749 Cr, reflecting robust cash flow management.
- This financial resilience is a result of P&G's diversified product portfolio, which caters to essential consumer needs. Products like sanitary napkins, baby care items, and cold-relief solutions ensure consistent demand, even during economic downturns. This stability is further supported by the company's strategic investments in innovation and marketing, which drive consumer engagement and brand loyalty.
  - One of P&G's key strengths is its ability to balance revenue growth with cost control. By leveraging economies of scale, optimizing supply chains, and focusing on high-margin categories, the company maintains healthy profit margins while reinvesting in its business. For instance, P&G's commitment to product innovation, such as the launch of Whisper Ultra Hygiene+ and Vicks Cough Drops Badi Goli, ensures continued relevance and differentiation in a competitive market.
  - In addition to driving growth, P&G's financial strength enables it to reward shareholders through attractive dividends. The company's ability to distribute significant dividends while maintaining strong cash reserves highlights its disciplined financial management and commitment to creating value for investors. This makes P&G an appealing choice for both growth-oriented and income-focused investors.
  - P&G India's financial performance also reflects its resilience in navigating challenges such as rising raw material costs, regulatory compliance, and intense competition. By consistently delivering strong results, the company has established itself as a reliable and stable player in the health and hygiene industry, offering long-term growth potential and attractive returns.

## 3. Alignment with Consumer Trends

P&G India's success is deeply rooted in its ability to identify and align with evolving consumer trends, ensuring its products remain relevant and desirable in a dynamic market. Some of the key trends driving the company's growth include:

- **Increased Health and Hygiene Awareness:**

The COVID-19 pandemic has significantly heightened consumer focus on health and hygiene, driving demand for products like sanitary napkins, cold-relief solutions, and laundry detergents. As a leader in these categories, P&G is well-positioned to capitalize on this trend. For instance, Whisper's innovative offerings, combined with awareness campaigns, have elevated menstrual hygiene standards in India, making it the preferred choice for millions of women.

- **Premiumization**

With rising disposable incomes and urbanization, Indian consumers are increasingly seeking premium-quality products that enhance their lifestyle. P&G caters to this demand with brands like Whisper Ultra, Pampers Premium Care, and Olay, which offer superior features and performance. This focus on premiumization not only drives revenue growth but also strengthens P&G's positioning as a leader in quality and innovation.

- **Sustainability**

Consumers are becoming more environmentally conscious, demanding products and practices that align with sustainability goals. P&G has responded by incorporating recyclable packaging, reducing waste, and developing eco-friendly products. These initiatives resonate with socially conscious consumers, particularly younger demographics, and enhance P&G's reputation as a responsible brand.

P&G's ability to stay ahead of these trends ensures its continued relevance and competitiveness in the market. By addressing evolving consumer needs and preferences, the company creates long-term opportunities for growth and consumer loyalty.

#### **4. Stable Dividend Policy**

- P&G India's dividend policy is a cornerstone of its appeal to investors, reflecting the company's financial strength and commitment to delivering consistent returns. Over the years, P&G has established a strong track record of paying attractive dividends, supported by its robust cash flow generation and disciplined financial management.
- For FY 2023-24, the company paid significant dividends, underscoring its ability to generate surplus cash even after reinvesting in innovation, marketing, and infrastructure development. This focus on shareholder returns highlights P&G's investor-centric approach, making it an appealing choice for income-focused investors seeking regular and predictable returns.
- The stability of P&G's dividends is underpinned by its essential product portfolio, which provides consistent revenue streams. Products like sanitary napkins, baby care essentials, and cold-relief solutions are staples, ensuring steady demand regardless of economic conditions. This resilience makes P&G a reliable investment, particularly during periods of market volatility.
- In addition to financial stability, P&G's dividend policy reflects its commitment to long-term growth. By maintaining a healthy balance between reinvestment and shareholder returns, the company ensures sustained value creation for its investors. This approach, combined with its strong market position and alignment with consumer trends, makes P&G India an attractive investment for those seeking a blend of stability, growth, and income.

#### **Conclusion**

- Procter & Gamble (P&G) India presents a compelling investment opportunity underpinned by its market leadership, trusted brand portfolio, robust financial performance, alignment with evolving consumer trends, and shareholder-friendly dividend policy. Its iconic brands, such as Whisper, Vicks, Ariel, Tide, Gillette, and Pampers, dominate their respective categories, ensuring consistent demand and a stable revenue base. The company's commitment to product innovation and strategic market expansion enables it to stay ahead in a competitive landscape.
- Financially, P&G India's strong revenue growth, healthy profit margins, and efficient cash flow management highlight its operational excellence and ability to navigate challenges. Its stable dividend policy reflects a commitment to rewarding investors while reinvesting in future growth. Moreover, the company's alignment with key consumer trends, including health awareness, premiumization, and sustainability, positions it to capitalize on the rapidly evolving demands of the Indian market.
- With a diversified product portfolio catering to essential consumer needs, P&G India is resilient to economic downturns, offering both stability and growth potential. Its trusted reputation, backed by decades of consumer loyalty, makes it a reliable choice for long-term investors. In a dynamic and expanding health and hygiene market, P&G India's ability to combine innovation, financial strength, and social impact ensures it remains a market leader and a valuable addition to any investment portfolio.

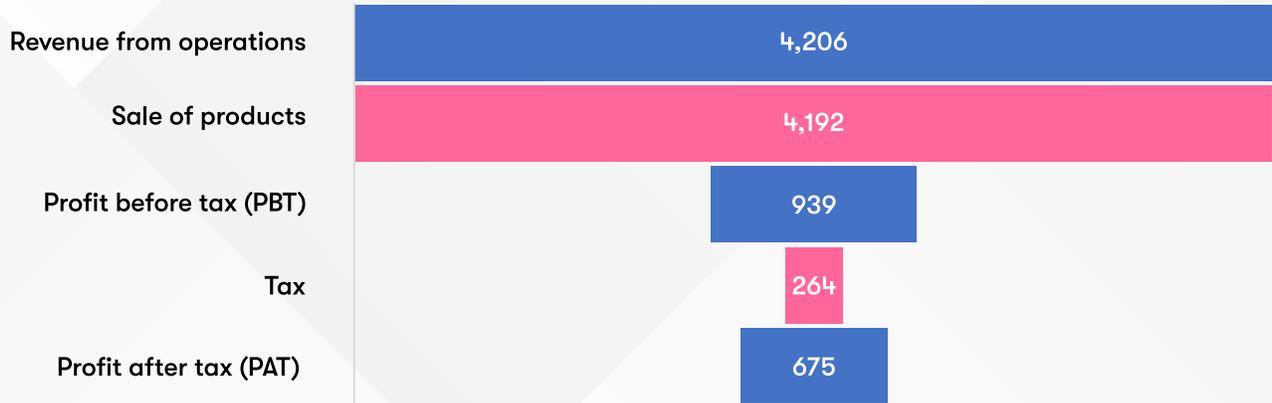
## Quarter-wise Performance

<b>Quarterly Results</b>					
<b>Figures in Rs. Crores</b>					
	<b>Sep 2023</b>	<b>Dec 2023</b>	<b>Mar 2024</b>	<b>Jun 2024</b>	<b>Sep 2024</b>
<b>Sales</b>	<b>1,138</b>	<b>1,133</b>	<b>1,002</b>	<b>932</b>	<b>1,135</b>
YOY Sales Growth %	8.94%	-0.35%	13.48%	9.29%	-0.28%
<b>Expenses -</b>	<b>853</b>	<b>824</b>	<b>745</b>	<b>813</b>	<b>845</b>
Material Cost %	39.10%	39.79%	33.70%	40.82%	37.11%
Employee Cost %	5.60%	4.83%	6.00%	7.20%	5.33%
<b>Operating Profit</b>	<b>285</b>	<b>310</b>	<b>257</b>	<b>118</b>	<b>290</b>
<b>OPM%</b>	<b>25%</b>	<b>27%</b>	<b>26%</b>	<b>13%</b>	<b>26%</b>
Other Income +	16	16	14	7	8
Interest	2	3	22	0	2
Depreciation	14	14	15	13	12
<b>Profit before tax</b>	<b>284</b>	<b>309</b>	<b>234</b>	<b>112</b>	<b>285</b>
Tax %	26%	26%	34%	28%	26%
<b>Net Profit +</b>	<b>211</b>	<b>229</b>	<b>154</b>	<b>81</b>	<b>212</b>
<b>EPS in Rs</b>	<b>64.91</b>	<b>70.52</b>	<b>47.56</b>	<b>24.97</b>	<b>65.28</b>

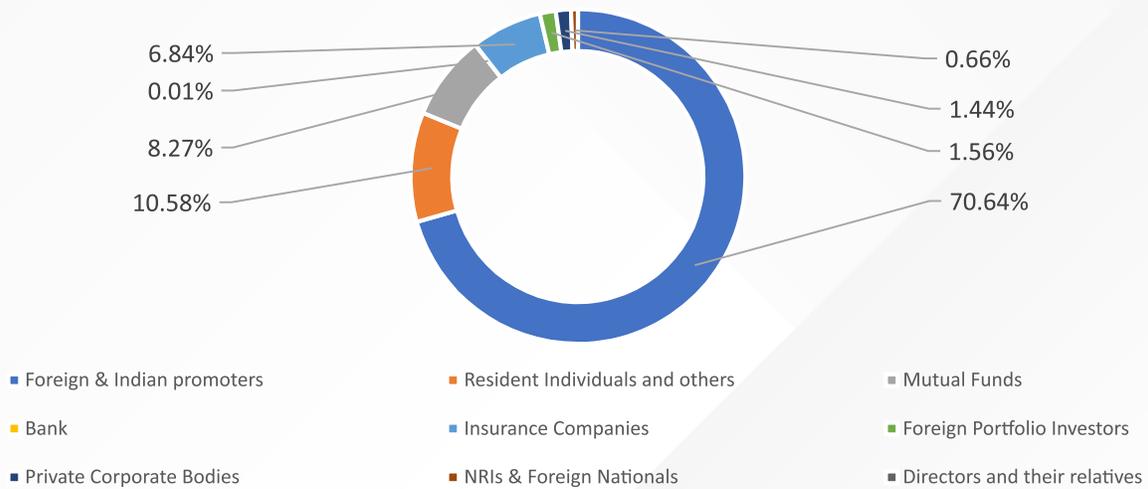
## Annual Cashflow Performance

<b>Cash Flows</b>												
<b>Figures in Rs. Crores</b>												
	<b>Jun 2013</b>	<b>Jun 2014</b>	<b>Jun 2015</b>	<b>Jun 2016</b>	<b>Jun 2017</b>	<b>Jun 2018</b>	<b>Jun 2019</b>	<b>Jun 2020</b>	<b>Jun 2021</b>	<b>Jun 2022</b>	<b>Jun 2023</b>	<b>Jun 2024</b>
Cash from Operating Activity	104	335	426	352	445	415	413	474	863	573	826	471
Cash from Investing Activity	-31	-135	28	221	149	-19	34	75	7	-27	-10	1
Cash from Financing Activity	-85	-95	-105	-122	-1,559	-106	-314	-190	-1,106	-569	-477	-862
<b>Net Cash Flow</b>	<b>-12</b>	<b>105</b>	<b>349</b>	<b>452</b>	<b>-964</b>	<b>290</b>	<b>134</b>	<b>358</b>	<b>-236</b>	<b>-23</b>	<b>339</b>	<b>-390</b>

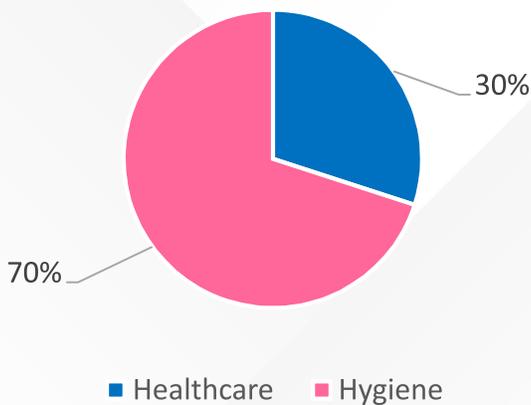
### Income Statement Breakdown



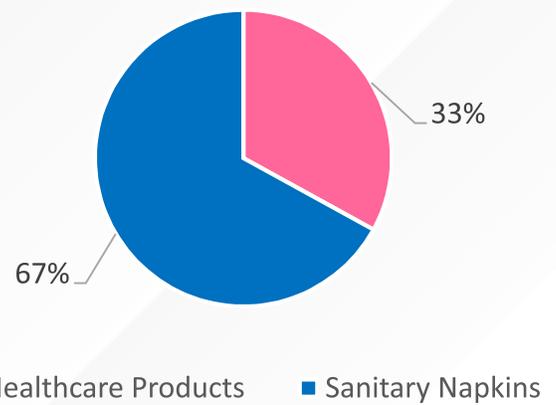
### Shareholding Pattern %



### Revenue Break-Up - Business Segment (%)

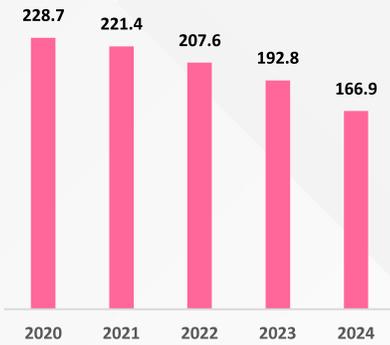


### Revenue Break-Up - Products (%)

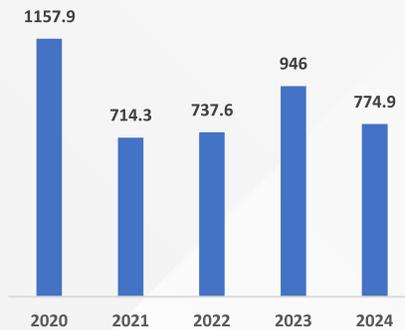


## Company Performance

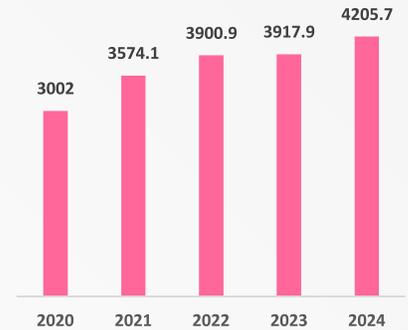
Net Fixed Assets (₹ Cr)



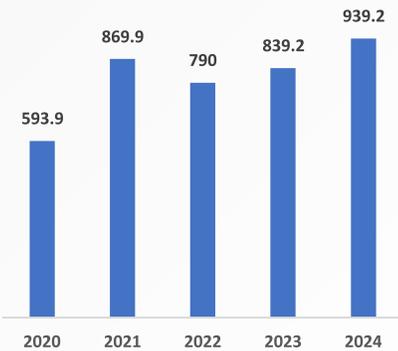
Net Worth (₹ Cr)



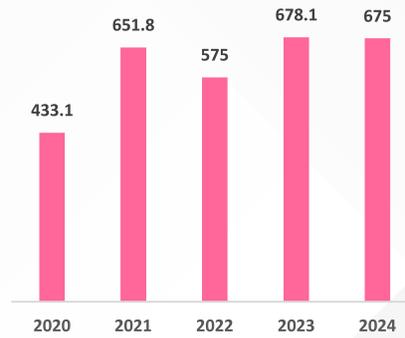
Revenue from Operations (₹ Cr)



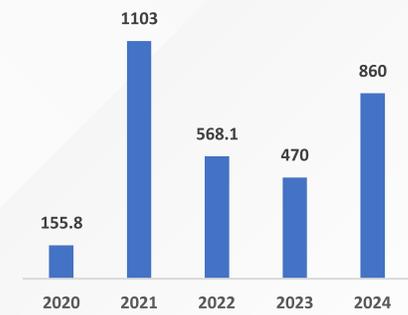
Profit before Tax (₹ Cr)



Profit after Tax (₹ Cr)



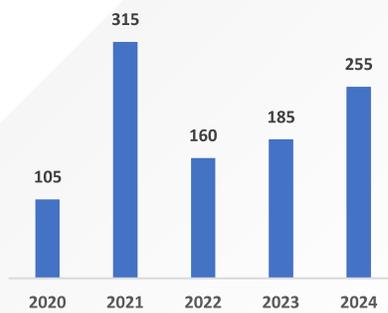
Dividend paid in Financial Year (₹ Cr)



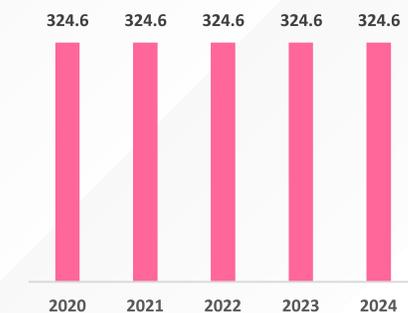
EPS (₹)



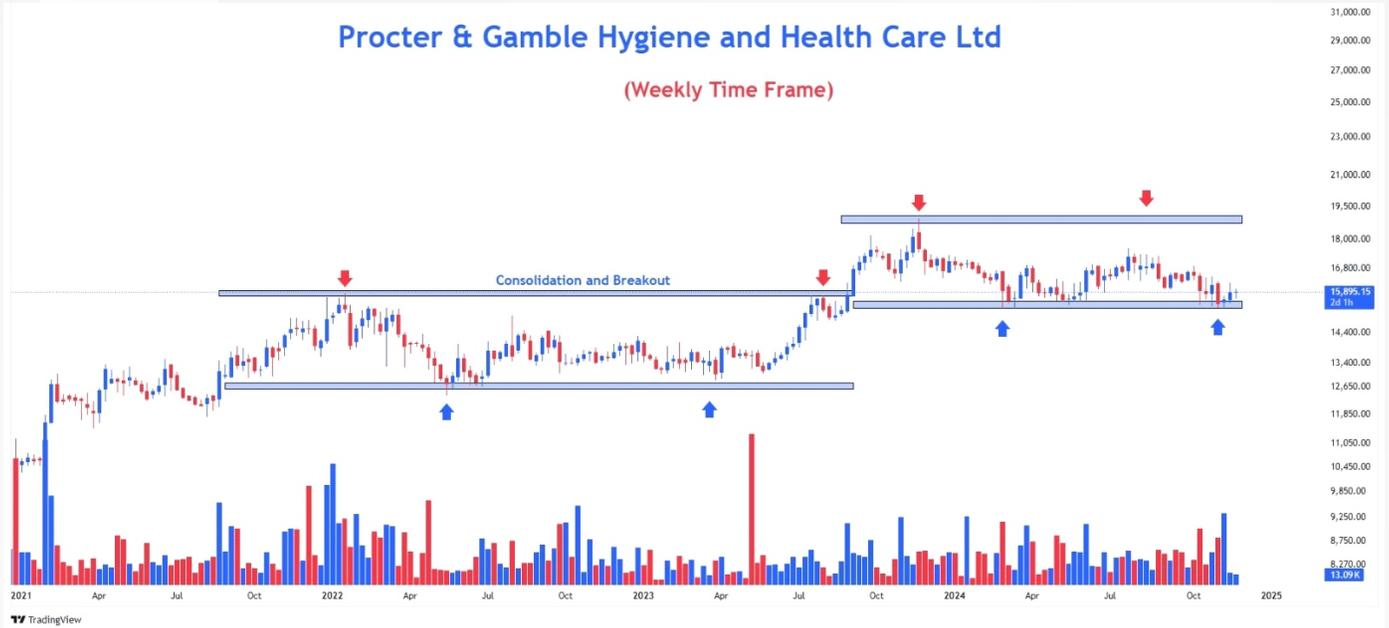
DPS (₹)



Shares (Lakhs)

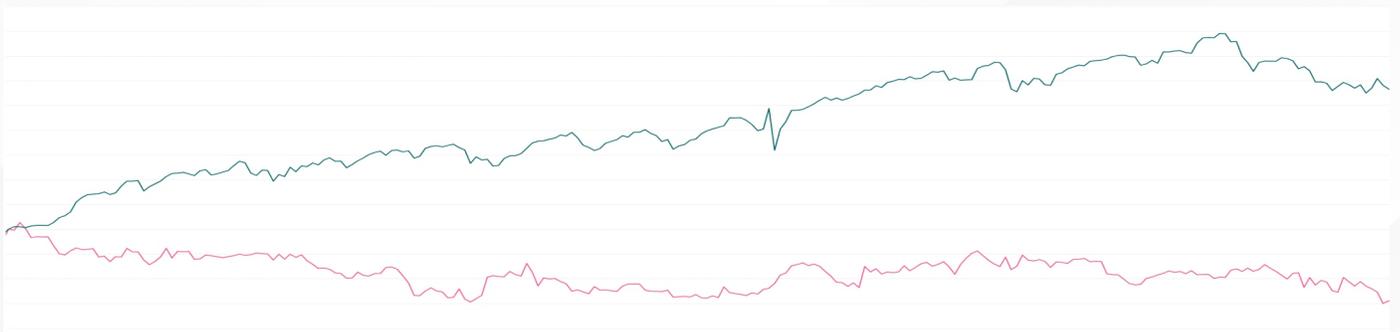


## Technical Outlook



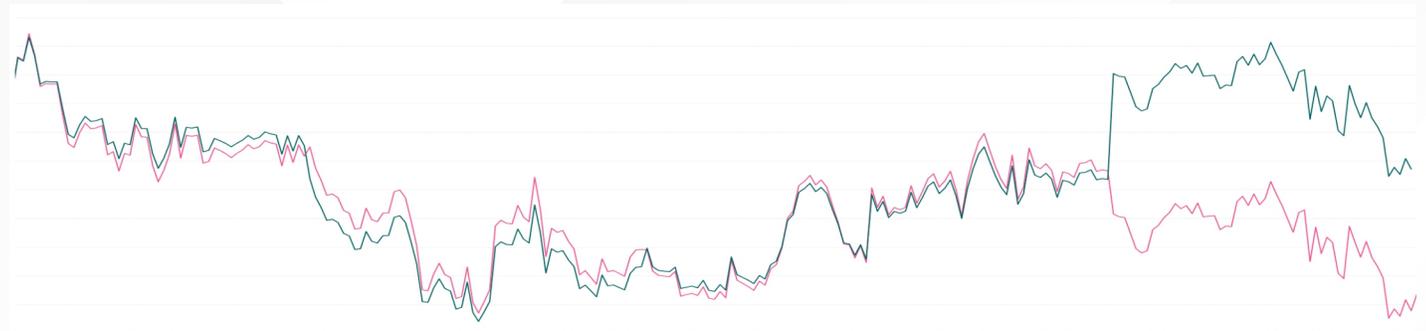
### NIFTY 200 VS PGHH NSE

PGHH NIFTY200



### P/E VS PRICE

PGHH PRICE P/E



## Peer Comparison

Parameters	Procter & Gamble Hygiene and Health Care Ltd	Hindustan Unilever Ltd	Nestle India Ltd
Market Cap (Rs Crs)	50,538	5,78,211	2,15,672
Current Price (Rs)	15,569	2,461	2,237
High / Low (Rs)	? 19,250 / 15,306	? 3,035 / 2,170	? 2,778 / 2,216
Stock P/E	74.7	56.4	67.9
Book Value (Rs Crs)	239	216	41.4
Dividend Yield %	1.25	1.71	0.7
ROCE %	112	27.2	169
ROE %	78.9	20.2	135
Face Value Rs	10	1	1
Price to book value	65.2	11.4	54.1
PEG Ratio	7.59	5.32	3.47
Debt to equity	0	0.03	0.09
Price to Sales	12	9.26	10.9
Price to Earning	74.7	56.4	67.9
Enterprise Value (Rs Crs)	49,953	5,71,219	2,15,902
Market Cap to Sales	12	9.26	10.9
Industry PE	62.1	62.1	56.4
Dividend Payout	123	96	78.9
EV / EBITDA	48.9	36.5	44.7
Debt To Profit	0	0.16	0.09
Debt preceding year	4.03	1,219	271
Return on assets %	34	13.6	40.2
Number of equity shares (In Crs)	3.25	235	96.4
Current ratio	1.22	1.64	0.75
Interest Coverage Ratio	36	36	38.7
Asset Turnover Ratio	2.11	0.82	2.5
Intrinsic Value	2,341	978	472
Cash Conversion Cycle	-121	-70.3	-24.3
Days Payable Outstanding	193	143	112
Days Receivable Outstanding	20.9	17.7	4.5
Working Capital Days	-31.8	-19.4	-18.2
Days Inventory Outstanding	51	54.8	83.3

## Financial Snapshot

Indicator	Jun '24	Jun '23	Jun '22	Jun '21	Jun '20
Book Value Per Share	238.7	291.4	227.2	220.1	356.7
RoA %	36.31%	31.72%	34.24%	39.92%	23.68%
ROE %	87.11%	71.68%	78.06%	91.25%	37.40%
ROCE %	110.03%	80.85%	97.31%	109.87%	48.64%
<u>Profitability Ratio</u>					
EBDIT Margin %	24.31%	23.20%	21.89%	25.84%	21.57%
EBIT Margin %	22.96%	21.71%	20.54%	24.50%	19.98%
PBT Margin %	22.33%	21.42%	20.25%	24.33%	19.78%
Net Profit Margin %	16.05%	17.30%	14.75%	18.23%	14.42%
Asset Turnover	2.1	2.1	2.4	2.1	1.7
<u>Liquidity Ratio</u>					
Current Ratio	1.2	1.4	1.3	1.3	2.2
Quick Ratio	1	1.2	1.1	1	1.9
Dividend Payout to NP	1.3	0.7	1	1.7	0.4
Earning Retention %	-27.43%	30.60%	1.34%	-69.32%	64.03%
Cash Earning Retention %	-17.59%	36.10%	9.64%	-57.79%	67.61%
<u>Valuation Ratio</u>					
Enterprise Value (In Crs)	53,361.80	45,454.10	42,869	42,606.70	32,061
EV Per Net Sales	12.7	11.6	11	11.9	10.7
EV Per EBITDA	52.2	50	50.2	46.1	49.5
Market Cap Per Sales	12.8	11.9	11.2	12.1	11
Retention Ratio %	-27.43%	30.59%	1.33%	-69.32%	64.02%

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