MANAGEMENT:

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Mr. Aditya Desai

Hello, everyone. Good evening. Welcome to the Colgate-Palmolive Investor Day 2026. I, Aditya Desai along with the Colgate-Palmolive leadership team, would like to extend a warm welcome to all of you, those who are present here and those who have joined us virtually. Happy to meet you all again. The session today will be approximately 90 minutes. We'll start with a presentation from Ms. Prabha, our Managing Director & CEO, and Mr. Jacob, our Whole Time Director & CFO. And after that we will have a 45 minute Q & A session. Those in the room can just raise their hand, and those who have joined us virtually, there is a chat box option, you can put your questions there and we will try to address most of them. Please note that today's presentation may contain some forward looking statements. These statements are made on the basis of the company's views and assumptions as of this time, and are not guarantees of future performance. I would now like to request Prabha to share her thoughts. Thank you.

Ms. Prabha Narasimhan

Thanks very much, Aditya. Good evening and thank you all to those who are in the room for braving this absolutely wonderful weather and making it all the way to Powai. We really appreciate it, and it's lovely to see all of you here in person. So much nicer to present in person than virtually. To those of you who couldn't make it and have joined us virtually, Welcome. I hope we'll be able to see and hear you during the Q&A.

Jacob and I are excited to share an update about this organization. But before I get into the update, this is really a milestone year for Colgate. Whether it is Colgate globally or Colgate India. Colgate Global has been in existence and just celebrated his 220th birthday. A shade older than everybody in the room and Colgate in India has celebrated its 90th year. So, we're just actually as of September, going to head into our 90th year celebration. So two fantastic milestones. And I think what underpins such longevity is the strength of the brand Colgate. And that's really what we're going to spend a lot of time talking about.

Here is the agenda. We'll talk about our view of the oral care category. What's our strategy and what's the action that we've taken against it. Jacob will then cover the financial performance. We'll get into a very, very brief summary and then hand it over to you for your questions.

So starting with the oral care category, we always like to start with why are we here? And as a Company we're here and have been here for 90 years for this one simple reason, which is to help people improve their oral health and beauty. And sometimes these mission statements are just a statement in the case of this organization, actually, it's deeply embedded in everything that we do. And as we go through this, you will see how this mission comes to life every day. But the context of India continues to be as far as oral health is concerned, a little bit challenged. The blue boxes on the top are really the incidence of gum disease, of cavities, and of people who are recommended to visit a dentist 55%, 80% and 100%. And the red numbers at the bottom are really the number of people who actually do something about the problems that they have. And obviously the gap, therefore, is the gap. And as you can see, relatively poor oral health habits in this country means that there is quite a significant gap between the incidence and the actual problem. And this is where squarely sits our job and our brand.

And so why is this important? Yes, of course, it's great to have a lovely smile like Kriti Sanon does and we would all love it, but it's actually a little bit more fundamental than that. There is now a significant link across numerous studies between systemic health and your oral health. Oral health, you know, being the gateway to your overall body, those who have diabetes. And we know that India, unfortunately, has a large number of people who suffer from diabetes and are at 2.7 times greater risk of gum issues. And gum issues, in turn, lead to other systemic issues. It's been linked to many other diseases. Tobacco, this is an obvious one. If you smoke, then your teeth tend to get stained and obviously that rate is very high. Snacking, we are a snacking country. Lots of amazing snacks and we tend to eat. I think at last count, the average number of meals in urban India, or the average number of times a person was eating in urban India was four and a half times a day. So we are a snacking country, and snacking also increase gum risk because after snacking you're not brushing your teeth and therefore it's staying in your mouth, leading to some issues and sweets, obvious link again, your mom would have told that when you eat sweets, you increase the risk of cavities.

And the category today is at absolutely universal penetration. So every household in this country has toothpaste and toothbrush. But the consumption remains low. So if you index India's consumption to the Philippines consumption, urban India is at 0.7X, rural India is even less at half X. And the middle box actually is the numbers that matter to us. For those of you who have heard us before, when I first took over this job, we were talking about 80% of urban Indians not brushing twice a day. I'm happy to say that 80% has become 76%. So there is a movement there. But like we've discussed, consumption is not something that moves overnight. You have to keep at it, and so there is progress, but obviously there is a long way to go. And if you remember the number in rural India, that number was 55% who don't brush daily. And that number has now become 45%. A lot more macro tailwinds working in our favour in rural India. Firstly, the availability of information. Secondly, the fact that younger consumers have been exposed to the practices of better oral health and therefore brush every day. Thirdly, the rising affluence of rural India, and fourthly, the increasing availability of toothpaste and toothbrushes everywhere. So a combination of all of these has meant that that 55 has become 45, which is actually great news, leading to the per capita increases that you see in toothpaste consumption on the right.

When we look at toothbrushes, a similar story, India replaces their toothbrush on an average once in nine months. This is once in six months in Philippines. And if you talk to your dentist, they will tell you to try and replace it once in three months. So both Philippines and us have a long way to go. Again, in urban India, the replacement of toothbrushes has not actually moved a lot. What has moved is the quality of toothbrushes that's being bought. And in rural India, however, the same macro tailwind that I talked about on toothpaste consumption also affects toothbrush replacement. Unfortunately, the numbers there are exceptionally high. This led us to this campaign, which I'm going to play. One of my favourite pieces of advertising. It's actually a Cannes winning piece of communication, and I think what it does, it certainly did it for me, is every time I go to my bathroom and I see the blooming Indianis dentris, I'm reminded that I need to change my toothbrush. And I think that's exactly what it's done for many consumers in India as well.

The other lever. So we have an opportunity to increase toothpaste consumption. We have an opportunity to increase the replacement rate of toothbrushes. We have an opportunity to drive premiumisation in toothpaste and toothbrush, our premiumisation percentage as a category. So the toothpaste category, about 19%, or about a fifth of the category is above the 140 index. If you take a look at toilet soap and shampoo, those numbers are in order of magnitude 2X and 3X. So I think as a community of toothpaste brand owners, we certainly have an opportunity to do more and Colgate can be at the forefront of this. And it's an exceptionally important pillar for us. So I'm going to spend quite a bit of time on premiumisation today. The good thing is that at least we're moving in the right direction. So over the last three years, that number has moved from 14.8 to 18.6, which is reasonable movement. But many miles to go before we sleep.

We discussed how there is a toothpaste and a toothbrush in every home in the country, and what makes that possible is obviously a retail footprint that reaches absolutely everybody within. The toothpaste store footprint is about 5.5 million or 56 lakh there. As you see the number, still an opportunity for that footprint to keep increasing. Sorry, it's 56%, 8.5 million still opportunity for us to keep increasing that because the head room for FMCG universe obviously remains quite a bit and we are the most distributed toothpaste brand and therefore if that 8.4 number is to move, then it is a little bit up to this brand. And then like every other category and every other FMCG company in this country, the business is moving towards modern trade and e-commerce, particularly quick commerce. So Nielsen data, along with the e-commerce data married into it, suggests that traditional trade is about 80. Modern trade is about 14, e-commerce is about 6, and off e-commerce, about 40% sits within the world of quick commerce.

So this is what we see as our responsibility, linked to our mission. Our responsibility is to grow the oral care category. We believe we have an exceptional right to win in this category for a whole host of reasons. A lot of you would have seen these numbers before, but you've got to indulge us a little bit because we love these numbers, and so they need to be presented again and again in terms of how exceptionally strong this brand is. So 67% top of mind when you ask a consumer, when you think of toothpaste, what brand do you think of? Two out of three consumers will tell you Colgate. When you ask them, what brand do you consider? 90% of them will tell you, Colgate. We are the most distributed brand. We reach 1.7 million outlets directly and a 7.1 million total reach, which is the most reach of any toothpaste brand in this country. And we have a portfolio that spans across all benefits. So starting with cavities ending with gums and everything in between, we have a brand that sits across every single benefit spectrum, and you will see that the other players in the category are a bit more choosy in terms of which segments in which they operate. We are three times the size of the second toothpaste brand. And there are segments where we are not number one, like freshness, for example. But we're certainly making inroads with a view of us getting to that number one position.

And why does all of this work? It works because every single Colgate product actually is built on a foundation of superior technology. We had the joy of having

Abhinav Bindra here on Friday, so he's very fresh in my mind and he gave a quote which I absolutely loved. He said, “A shot is not shot, It is built.” And I think that's actually true of everything that we do here at Colgate. It's not just about putting some paste in a tube, but it's actually built ground up from superior technology, superior packaging that leads to superior consumer experiences.

Okay. With that, I'm going to shift gears. So that was a little bit about the category. I'm going to shift gears into what has been our strategy, I hope starting of course, with the first half of the year performance. All of you know this probably in greater detail than I do. So I'm not going to labour the point other than to say that we are quite happy with the way that we've started the year, and our strategy remains absolutely consistent. This has been the strategy for the last shade over three years. Our job is to grow the toothpaste category and by growing our core, make sure that we are transformatively taking the opportunity to make premium toothpaste much bigger, lead the category growth in toothbrushes, and build personal care underpinned by a set of key enablers.

So starting with leading toothpaste category growth. And the first part of that is about driving category consumption. This is something like I told you that for the you know, for the last little while, we've been doggedly at it, the 80% to 76% percent people who brush twice a day in urban India might not seem like a lot, but we are actually feeling very proud that we've been able to at least move this needle And the various things that go towards it is foundational oral health in schools, through the Bright Smiles Bright Future program. We've been at this version of this program, certainly for five decades or more in this country. The Oral Health Movement, which we restarted two years ago after a gap with Covid in its first year, got about 4.5 million people to take the virtual test on their phones. This year, we have brought it back, adding a layer of virtual dental consultations, and we've been really excited by the fact that people in the most remote of areas are now opting for a free dental consultation. The Brush Twice A Day campaign, many of you, I hope, would have been. The don't go to bed at night with sweets on your teeth campaign. I hope you would have seen it. And the fact that if you brush at night, you have 50% less chance of cavities. And then we've done a lot of work on rural India and driving behaviour change. A lot of effort that's gone into us going absolutely to the grassroots.

So BSBF our Bright Smiles Bright Future program. Like I said, it's been running a multi-decadal program that is partnering now with eight state governments who have given us access to all the government schools. Last year we covered about

40,000 schools in that ballpark. And when I say we covered the school, it's not just a, you know, a light touch. It means that we physically went to the school, did the entire program, had the demonstration of what good oral health looks like, gave each of the children in that school a tooth paste and a toothbrush and a brushing calendar to take home so that they can make sure that they're cementing their habits. In 1200 of these schools, we also left behind a wall painting that reminds them about brushing twice a day, because it's interesting that while 45% of rural India brushes daily, what hides under that number is actually most school children brush daily. Now we need to get the school children to move to twice a day brushing while we get their parents to brush at all, and they are actually great bringers of change.

I touched upon the Oral Health Movement, 4.5 million people who have scanned the roughly almost a billion packs that we have put our QR code on over the two versions of the oral health movement. The little blue dots represent the pin code, so you can see it comes across the length and breadth of India. Over 1 million people have taken a dental checkup. If you remember the number for my first slide, only 9% of people actually go to a dentist. So for one brand to get a million people to go to the dentist, I think is quite sizable. And we are exceptionally grateful to the 60,000 plus dentists who actually give us their time, absolutely free of cost. So this is a no cost activity for consumers, which we're very, very grateful that they are availing of. And then the brushing at night piece in a little bit more detail, the Sweet truth campaign that we've discussed already, we had integrated it into IPL of different sweets league or the competition between different geographies and different sweets, and the fact that you can reduce your cavities by 50%. So we're very excited about this partnership. I mean very, very credible voices adding their weight to the fact and the need to brush your teeth twice a day.

And then in rural India, we have realized we've tried a few models in rural India. We have realized, however, that the level of intervention that you require to move this in rural India, in some communities is actually quite intense. And the model that we found to be most successful actually is an almost small crowd contact model. We've gone back to physical street play. So where people go from village to village actually doing the street play and explaining it. And then of course we have a pre and post measurement and we're very excited by the outcomes of that. And so you will keep hearing us doing more of this.

The second leg of the first pillar is to grow core three parts to it, superior technology, superior consumer experience and improving physical availability. The superior technology part, I say it like it's something that it's quite simple, but actually this is where the mind and the heart of the Colgate brand sits, which is superior science. And if I can just take the cavity one as the example, the inclusion of arginine actually means that in clinical research, Colgate strong Teeth is better at prevention of cavities and remineralization by a factor of 8X versus the number two player. So this is not a minor difference in technology saying it's a slightly better product. This is actually significant clinically proven superiority which we then package into a product that consumers also believe is superior. And similarly, the case across Max Fresh and Colgate Active Salt as well.

And then there is the consumer experience apart from the superior products is of course the packaging because that's the moment of truth. And that's what you pick up on the shelf. And I think we've made significant leaps in making our portfolio look more premium and more desirable on the shelf. All of it tested, and then all of that backed up by communication. And what we've learned over the last little while, particularly in the premium space, is the use of digital communication. And we'll talk about it shortly.

Second pillar going straight into premiumisation. We have three key brands that sit here: Colgate total, Colgate Visible White Purple and Colgate PerioGard. These are our three key focus areas for premiumisation underpinning that all identically are the same pillars of superior technology. Actually the Colgate total is the most patented toothpaste in the entire world. It is also and I love saying this the most used toothpaste by Colgate employees. So maybe they know something. And then we have Colgate Visible White Purple which is the newest launch, this is a launch that's now a shade under two years. It will be two years in the next quarter. The single most successful innovation of Colgate-Palmolive India, and a toothpaste that has a really simple premise that on the color wheel, purple is at the opposite end of yellow. And therefore when you brush with the purple toothpaste, you cancel yellow, giving you whiter teeth. What's been really exciting about driving this entire premium mix is actually the way to take communication to India these days. Gone are the days where you could put a TV asset and watch it for a few months. Now we have a model that really takes a single advertising idea, breaks it up into many ideas, and then explodes those mini ideas with influencers, key opinion leaders, and of course, brand led communication as well. And for total, underpinned by a cultural platform of sport and for visible white, underpinned really by a cultural platform of beauty arbiters and beauty occasions. And this is how it comes to life. So you have a TV asset, you have a multiplicity of social assets and a multiplicity of other touchpoints where all of this comes to life. And we're very excited about the fact that each of our brands now has a hook in culture that allows it to sit where consumers are, rather than becoming an interruption to their lives, as erstwhile advertising was. And we've really been excited to do the IPL. I'm a big cricket fan, so really excited to do the IPL. We continue to do these kinds of partnerships, and the wedding activation for Visible White is now in year two and this is the outcome. So the proof of the pudding is really in the eating so what we've done all of this. And so what's been the outcome. The purple line is where we started last year with visible white brand health. And this is spontaneous awareness of brand health. So when you ask a consumer what brands of toothpaste do you know. And she tells you Colgate that's top of mind. She tells you Colgate visible White. That's spontaneous awareness. So it can be a lot of brands that she tells you as spontaneous awareness. But this is without us prompting the brand. And so to get visible white and Total to come up spontaneously is quite exceptional. And the outcome is that we now grow 5X faster than our key competitor in premium toothpaste. And the fun doesn't stop or the magic doesn't stop in this case. So we now have a whole range of Harry Potter toothpaste and toothbrushes that are going into market as we speak. The kids version is already in market. The adult versions follow in just a couple of weeks, and then we've all seen the toothpaste tube. It's been the same tube that we've used for a while. So there is a format innovation as well, which is the tooth paste pump, vacuum sealed. So it makes sure that it constantly gives you absolutely the best flavor of toothpaste. And we are expecting to launch this across both adults and kids. And in kids we have a whole new cartoon theme called Bluey, which I believe my kids are a little bit older than this, which I believe is quite the rage amongst people who have young children.

And then of course, improving availability. We need to make sure that we are driving it at the right, right price point. So both Visible White and Total now have a pack that's been priced under a 100 Rupees at sweet spot pricing. And that's really what we are taking to the indirect trade or to the general trade, to make sure that we can multiply the distribution. And I'm sure most of you shop in modern trade, so an opportunity for us to drive discovery in modern trade. This is actually an area where I feel the execution prowess of Colgate has come to the fore, and over the last 3 or 4 years has made a material impact on how we appear.

And coming to e-commerce. It's been discussed a lot, the ability and the desire to win on screen supercritical for a brand like ours. I'm really happy to say I've said this before. I'm going to say it again, really happy to say that e-com for us is growth accretive, margin accretive, premiumisation accretive, share accretive. So it is a channel that is actually full of goodness on absolutely every count. And as we look at quick commerce, we then say that quick commerce is growth accretive, margin accretive, premiumisation accretive, share accretive to our e-com business. So as channels evolve, actually we are in a really, really good position.

And then of course there is Sensitive. We've discussed this before. We are very much the challenger here to another brand, but we have an opportunity because underpinned by science, Colgate Sensitive actually has some exceptional technology that works to give instant relief as well as 24 hour sensitivity protection. Lots of work that's been done on repackaging this, as well as a demand creation platform. And as a result of this, we've just started in January this year. We actually, be it on a very small base, grow ten times faster than the sensitivity category.

We discussed this the last time we spoke in May on how we are keen to build a therapeutics business. We believe we have a right to win over here very recently. Actually, this is, I think, really hot off the press. Colgate is the only brand that has been certified by the Indian Society of Periodontology, or the people who manage gum disease. We are the first people to get this seal, the only brand to have this seal on our PerioGard brand. And we're using this along with the fact that we have an outstanding regimen of paste, brush and mouthwash to ensure that we drive prescriptions. And for this, we are doing a massive amount of investment in both sampling as well as increasing our feet on street or increasing our oral care experts who go to dentists.

I come now to the third pillar, which is leading category growth in toothbrushes. We are the number one toothbrush brand in India. We play across a range of price handles, so it starts at Rs. 10 and ends at our most recent launch, which is the Rs. 299 Colgate Total Toothbrush, and everything in between for every benefit segment in between. Like I told you, we are seeing an uptick in volume in rural India because people are replacing their handles more often. And in urban

India, we are seeing our ability to drive people up this pyramid, because the growth in the premium and super premium segment far outstrips the growth in the value and mid-tier segments. And given that most people keep their toothbrush for nine months, a 200-300 Rupees investment actually on a monthly basis is not that much. And here are some of our key actions on driving toothbrush growth value tier, mid-tier. Obviously, availability is the answer. The wider we get, and there's still a gap between toothbrush availability and toothpaste availability in this country. So the wider we get the better. Regimen is a great opportunity for us. So every premium toothpaste of ours has the matching toothbrush that makes the regimen work. And then of course, children's toothbrushes remain an opportunity also because children are just learning how to brush and the better the quality of their toothbrush, the better the quality of their oral care outcomes.

Lastly, I come to personal care. I must confess that this has been an area of disappointment. We've not done a great job with Palmolive. There are some green shoots, one of which is that we now lead the premium handwash segment, which is great, but it is a relatively small segment and we have an opportunity to grow it. We have recently entered into a partnership with Bombay Shaving Company to help make sure that the two of us can work together to build the digital presence of Palmolive Body Wash, and to make sure that we are taking the learnings that has made Bombay Shaving Company so successful into Palmolive to help us to grow this brand. So I hope that as we go forward, we will have better and better news on Palmolive. So that brings me to the end of my section on the strategy. I'm going to hand it over to Jacob to cover the financial performance. Thank you very much.

Mr. M.S. Jacob

Thank you Prabha, and good evening everybody. So a quick glance back at what we achieved in the first quarter of sales was Rs. 1591 crores, which was 12% and for, that means for the first six months of the calendar year, we are 10.5% ahead of our oral care peers. Profitability at Rs. 343 crore was up 10.6% excluding one off on a comparable basis. So this excludes the IDS related to GST impact and some restructuring impact. And profit after tax at 22.3% is at very high levels.

So in terms of driving efficiency, building best in class profitability. So you will vouch that we have among the best financial ratios in the industry. And we've achieved this through continuously strengthening our margin profile, driving efficiency through funding the growth program, which I will cover in a moment, and stepped up brand investments.

Our balance sheet continues to be as strong as it was ever, bolstered by efficient working capital, and our networking capital continues to inch further lower in terms of the negative per cent to sales and sustained cash generation. In terms of shareholder returns or return on capital employed continues to inch upwards. Dividend payout has been consistent over the years and since, listing at 22% CAGR, we've given very good returns to the shareholders.

So if you look at our margin profile over the last few years, if you take the first block FY21 to FY23, where in the 65 to 68% levels, and if you look at FY24 to FY26, 69 to 70%, and Q1, we reported 69.7%. And how did we deliver this, identifying manufacturing efficiencies, localization of sourcing that's replacing imported material with local material, automation initiatives at the plant and right through the supply chain up to the warehouses and favourable product mix. And at the same time, while we've garnered all the savings, we've also put a lot of it invested, a lot of it back through product superiority. Prabha talked about the Arginine formula for CDC or Max fresh formula was upgraded or CAS formula was upgraded. So we continuously continue to keep our formula ahead of eyeball competition.

Trade and consumer spends at the same time have been competitive and we've also been contributing to this ESG piece not service in terms of compliance with what the government needs us to do. But going beyond that, we talked about the recyclable tubes 100%; now technology that we've developed and we've opened it up to a competitor free of cost now.

So this is the funding the growth program as gross margin savings. We get between 4 and 5%. And this is something that's muscle memory to this company. People across the chain, whether it's marketing, sales, not just supply chain, finance, everybody talks about efficiencies. And every day when they come to work, it's always at the back of their mind. How do we find an additional rupee to put back into the business? So what it's allowed us to do is a bit of margin profile and our profitability.

We've been investing on our business and we've invested significantly behind our premium business. And you can see it's up to 2.5X as a percentage contribution to overall toothpaste sales. And we are seeing a great level of elasticity here. The more we invest here, the more uptake we are seeing in terms of incremental sales.

And so what we've done recently, a lot of this increase in advertising, you saw 15.8%, we reported a lot of the incremental is going into the premium portfolio into new channels. And we will continue to invest here with the upward bias. Given the returns we are seeing, it gives us a good leg to further accelerate growth in our business. And so we think it is the right way, the right thing to do. Plough back some of the savings that we've got from higher margins and higher profitability into growing a premium business even faster than the level at which we are growing. So you saw Q1 was 252 crore in advertising, which was 34% up year on year.

So again, just to illustrate the same point, or EBITDA is 500 bps clear of the nearest competitor. If you look at this, look at that chart. And what this allows us to do is make that call on investing and growing faster, or continue to grow at profitability at a higher level. Right now, we are making the call that will invest more and grow the business faster and accelerate it.

I covered a bit of this in the balance sheet section, so cash gen continues to improve. So the last financial year it was Rs. 1800 crore and working capital. We've always been at negative. But FY '26 we ended at -15% and this frees up a lot of cash for us to, Plow back into CapEx or rep it as dividend to our shareholders. In terms of enhancing shareholder value or return on capital employed stable at 121% among the highest in the industry again. Dividend payouts have been consistent for all the last few years. And we've returned like 10,000 crore in the last ten years to shareholders.

So to sum up our objective, going forward, a goal would be to drive growth and profitability. We've been investing at higher levels than the historical levels. We see good elasticity in the premium business, and we're going to double down in that area. So we're going to step up investments, drive consumption, drive premiumisation. And at the same time, the focus on strong governance and value creation will continue. Thank you. With that I hand it over to Aditya to chair the Q&A session.

Mr. Aditya Desai

Thank you Jacob. We'll start with Q&A, just allow us few minutes to set up. I would request Prabha and Jacob to come on stage, please. Thank you. We'll start with the Q&A. We'll first begin with the questions in the room. So we have a few questions but we'll start with Abneesh.

Mr. Abneesh Roy, Nuvama

Yeah. Thank you. I have two questions. My first question is on the year which went by. So in the last two quarters, we have seen very good improvement. Prior to that, the competitive intensity in the sector was very high, can that come back and derail the last two quarters strong outperformance? Because generally it is very easy to copy paste what you are doing with other players. So what can prevent that from our side?

Second is when I see Sensodyne, 2000 crore CapEx, their whitening toothpaste currently has very high advertising, and I think they are very differentiated because you, the other player all are violet packaging, similar toothpaste similar. But Sensodyne Whitening toothpaste is different. It is actually looking white also. Plus I think their overall connect with chemistry is also very good, just like yours. So your thoughts on growth and market share in the whitening part of the toothpaste.

And third of course is in terms of sensitive, although you are very under index versus the market leader, why is it not in the top three premium focus? Is it because it's too small? Ultimately you can't take everything as a topic.

So I just wanted to understand that is my first question.

Ms. Prabha Narasimhan

Starting with last year, I don't think our last year's performance, which was very, very subdued, was a function of competitive intensity. Actually, our last year's performance was more to do with the fact that we saw a significant slowdown in the urban markets in the first part of last year, which actually led us to a lot of the interventions that you saw in terms of superiority, the work particularly done on things like Colgate Strong Teeth and Max fresh, which are significantly paying off dividends now. So I don't see that competitive intensity as either gone up or gone down, this is a great category to be in and people are giving it their all.

To your question on our Competitor's Whitening toothpaste, actually, when you own a segment, it's a good idea to have more competition come in and talk about it. Whitening penetration in this country remains around the 2% mark. If you see other countries and let me take, you know, the US as an example. Whitening toothpastes I think are about 20-25% of the market. So penetration obviously will be of higher magnitude. So when we see more people come into the whitening market, and it's not just the competitor that you named, it's pretty much everybody who is attempting to bring in a whitening toothpaste. It will, what it will do is serve to grow the market. As you can imagine, our shares in whitening are like massively ahead of our overall shares, like massively ahead because we were the pioneers in this segment. I think Colgate Visible White kind of defines the segment. So it's not a bad thing when somebody comes in and, you know, attempts to help us to grow the segment. So are we worried? No, I don't think we are worried.

To the last question on sensitivity, where we actually absolutely play the challenger role. I think the interesting thing about sensitivity is that it is a problem solution. It's the kind of product that you use when you have a problem, you're looking for a solution, and there is a finite limit to that problem, because it's not everybody in this room who suffers from sensitivity and therefore looks for a sensitivity toothpaste. So in that finite problem solution space, for us to be able to carve out a portion of that I think is absolutely a viable proposition. And in terms of priority for us in premiumisation, Colgate Total, Visible White and PerioGard remain key priorities. This one we see as a challenger opportunity.

Mr. Abneesh Roy, Nuvama

One quick follow up on this. So Sensodyne earlier in India and globally was owned by a pharma company and now by Haleon. So I wanted to understand in terms of the chemist touchpoints and the referral by the dentist how over index or under index will be versus with that player.

Ms. Prabha Narasimhan

I think you might want to ask that in Delhi. So I'm going to not comment so much on what they do, but I'm going to give you a perspective on what we do. And I think we still remain the number one dentist used toothpaste in India. We have actually, over the last little while, significantly increased our feet on the street to drive the dentist advocacy. We have a robust multi-year partnership with the Indian Dental Association. And that's why we get, you know, in the oral health movement, 60,000 plus dentists generously offering their time. And now we have the ISP seal of recognition for PerioGard as well. So I think from a dentist and Colgate relationship perspective, I think we are in a really strong position. I think the team does an amazing job, and it's actually going from strength to strength, both in terms of investment and in terms of the outcomes that we see.

Mr. Abneesh Roy, Nuvama

Last quick question on Palmolive. You were candid enough about not being satisfied. I wanted to understand here will a D2C acquisition help what purpose Bombay Shaving Company is serving here? Because they themselves might be having some level of a challenge in the current context. And second is in your read, when you tried on your own without this tie up, what was the lacking thing because clearly differentiated product and premium products.

Ms. Prabha Narasimhan

So I think our learning has actually been that the flywheel over D2C brand is slightly different from the flywheel of the kind of brand that we are used to doing. We did try it on our own, and honestly, I don't think we were best in class. We like to be the best in class at pretty much everything that we do, from what we are seeing of the partnership so far and it's early days, we are very, very optimistic about what Bombay Shaving Company brings to the table already early green shoots in terms of performance, and it's like I told you, it's a very nascent partnership. So I'm optimistic. Also, as I said before, it comes off a base that we are not happy with as a company. And so there are miles to go, and I think the early wins will be easy. We'll see where it goes in the next 2-3 years. But right now optimism is very high.

Mr. Abneesh Roy, Nuvama

If you could clarify what they are bringing to the table, they are handling the media spend?

Ms. Prabha Narasimhan

They are actually handling the entire brand for us at the moment end to end.

Mr. Mihir Shah, Nomura

Hi Prabha, Hi Jacob, Mihir from Nomura. Thank you for taking my question. And firstly, congrats on tying up with KBC and getting Harry Potter both for kids and adults. I'm looking forward to it. Firstly, while the category has seen universal penetration, there seems to be still significant headroom opportunity in both premiumisation and per capita consumption. So firstly on premiumisation now one has the tailwind of quick-com, E-com which is relatively very accretive for the business and which way. But when you see the, you know, contribution is still at 6% versus many food categories we've seen, you know, E-com contribution going upwards of double digits, etc. what more can be done here? I understand the products are any which way they're in place and largely distributed, but is there anything else that can be done to accelerate this? And on the per capita consumption bit, you know, you have a very large, Bright Smiles Bright Future program where you're tapping into a very large, newer consumer set in the rural areas. Any sense you have with dual brushing, you know, for rural kids, how much adoption has that happened there? And what do you think are the thoughts as this generation comes in? What can we think about the contribution to the overall. So that's question number one.

Ms. Prabha Narasimhan

So I'm going to take the first part first. The 6% contribution of e-commerce is actually the market, it's not us. Our contribution is actually double digit. So just to shade over I mean early double digits actually. And so and that's why it is share accretive growth accretive etc. that I mentioned. So I think we are in a good position. We're actually driving this forward. And what e-commerce quick commerce allows us to do actually, is the discovery of products that we will not be able to distribute across the 1.7 million outlets. So what you mentioned the Harry Potter's, the pumps, the Max fresh as a sensorial range which includes watermelon and rainbow toothpaste, etc., all of that. What e-commerce, quick commerce allows us to do is to drive discovery of that, and when we see it get traction there, we are then able to travel it into the modern trade environment.

On per capita consumption, to your question, we don't at the moment measure dual brushing or twice a day brushing in rural India, we think we have a massive enough task of getting everybody to brush every day. We are really excited to see 55 becoming 45, which I think is fantastic. I mean, 10% in three years is quite substantial for India's rural population. So quite a dramatic improvement. I think our first job will be to get near universal, you know, brush every day before we start measuring the twice a day. But to your point, the Bright Smiles Bright Future program when it teaches oral health, one of the pillars is brush twice a day. So we do expect that some children are hopefully taking home that habit. I don't have a measure of it.

Mr. Mihir Shah, Nomura

Understood. Secondly, you know Colgate's reach and brand equity is relatively quite strong. You know, any thoughts on how one can leverage that by getting, you know, into some mass market sub category in personal care. And I know that probably getting into a mass market category can be margin dilutive. But I just want you to know your thoughts around are you open to entering in or getting into maybe like just an example, mass market soaps significantly large category can be touched upon. Yes, dilutive. But it can bring in a lot of growth which is what the country gives you. So your thoughts around that.

Ms. Prabha Narasimhan

So a two part answer. If you mean with the Colgate brand, then I must tell you that I had an interesting story that when I first walked into this company, there was a poster of something called Colgate Lasagna that got launched, I think, in the US some many, many decades ago. We are very much as Colgate, though all joking apart, we are very much focused on oral care. So Colgate will be an oral care brand. If you are asking me, is there potential for us to get into other brands in this country from the global Colgate portfolio? I've said this repeatedly that I think the answer is yes as this trajectory and performance continues in oral health. I do imagine that we will see more.

Mr. Mihir Shah

Understood, that was more specifically on the mass categories, not on getting it from the global.

Ms. Prabha Narasimhan

I think there are opportunities for us in categories that make money as well. So I'm not sure we necessarily need to go into the low margin mass category. That's not necessarily the direction we would travel in, but there's enough opportunity. We are relatively limited portfolio company, so there are enough opportunities in categories that have the opportunity to make money.

Mr. Mihir

Understood, if I may just ask one to Jacob. Jacob, If one looks at the past couple of years, the quarterly volume growth trend, you know, for a category which is significantly higher penetration, a daily consumption category, the volatility is a bit too much for one's comfort. You know, we have seen high single digit growth. We've seen early declines. And you know and now again coming back. How should one think about with everything that you know Prabha highlighted what she's doing. How should one think about, you know, a steady state growth on volume side, you know, for a medium term for a category and maybe in the near term also if you can talk about you have a significantly lower base that you will start lapping now. So should one expect higher growth in the near term because of that?

Mr. Jacob M. S.

See the category growth in the over the long term has been a bit soft. I mean, if you look at the last five years or even a little bit longer, so, you know, the growth mainly comes from pricing over the last few years, right? And could have been one year up and down. But if you just smoothen it over time. But we are now looking at a much more balanced growth, which is, you know, not entirely price driven but more balanced with volume and mix. Mix would mean premiumisation. And you saw we are growing at 6X and we need to continue the premium growth because ASPs you know, 2X-3X. That's one way to grow the portfolio. The same unit pack that a consumer buys. They are paying much more and therefore the sales growth, right? But that would need higher levels of sustained advertisements across channels, digital, TV etc.. So that's what we are focusing on. So what we are saying is that we will deliver higher levels of growth, but it will be a more balanced mix of these three than you know you've seen in the past.

Mr. Amit Sachdeva, UBS

Yeah, Hi. Prabha I have a small question on the growth template that has emerged. So first of all, congratulations on return to double digit growth. And I assume that that sort of a template that you would like to follow staying in double digit, because that should be the kind of growth that consumer companies should deliver in India. My assumption is that having covered it for a while now, if I sort of double click on that expectation, and I clearly see that premium side is doing very well, if I assume that it is mid to high single digit, even if it's growing 20%, it can add about 2% to the overall that double digit expectation. But despite doing exceptionally 20% kind of growth, I just do the rough maths and then comes in pricing and mix. So unless pricing is part of the equation, the double digit expectations become still elusive because category volume will be two, three, four. You can have good cycles and bad cycles. Now with ANP going up, QC supporting you, which is margin accretive, growth accretive, urban doing better than even rural. If I look at the last presentation, is it safe to say that rising in ANP consistent 4-5% pricing and delivering that volume and then mix improving, is that formula that you have discovered that double digit is here to stay with that template, because we have seen past patches. So having done that for, you know, price increases, do you feel comfortable in that template now and should one make that expectation as double digit is here to stay? That's the kind of I just would like your thoughts on that.

Ms. Prabha Narasimhan

So I think, you know, I just want to talk a little bit about premium because I think when you peg premium at 20% growth, you're actually massively under pitching it and there is significantly more opportunity. We talked about the fact that in the toothpaste category, only 19% of toothpaste sits at the above 140 index, and that number could be anywhere between 40 to 60%. Even if we take a look at the shampoo, soap, etc., etc. categories. So we are also seeing that our premium business is growing 6X the market so much faster than the levels that you're growing that that you were building into your model. But your model at an overall level actually is right, which is that we will we are we have found a way of delivering a balanced growth between mix, volume and price, like Jacob talked about. And that's exactly the model that we will continue to drive as we go forward. And that will be the focus where the volume will come from us, ensuring that we keep our core brand superior and competitive, because that's where really the volume comes from. Mix obviously comes from the premiumisation part. And then of course, pricing. There will be good years on pricing and there will be not so good years on pricing depending on what competition does, what inflation does, what the market overall does. So that will then become the third leg of the wheel. But if you're looking for me to give you a comment on the exact amount of growth, we never do that. Not going to start now. But that's absolutely the formula.

Mr. Amit Sachdeva, UBS

I'll just hope that you do double digits. We have well-wishes on this side.

Ms. Prabha Narasimhan

Thank you.

Mr. Amit Sachdeva

Yeah. My second question Prabha is on. For example, last year when I was here in this room, you showed a slide where a lot of international brands would, you know, kind of share that this is the kind of portfolio we have. And it sort of signalled an expectation that some of these are coming and maybe in a one year or two year time frame, but not much progress has been made, or at least narrative has not been built by you. Why is this the parent not interested? Or you feel it's not required to do it at this stage because QC, e-com and D to C, so a lot of excitement is being built in PPC or at least many other categories. And why would Colgate not want to participate in it when every new company which has no right to exist also they are building 1000 crore brands. I'm just surprised.

Ms. Prabha Narasimhan

So Amit, I think that's a great question. And I'm just going to say that I don't think it's a matter of either the parent or us not being interested, because both parent and us are very interested. It's just a matter of the right timing for us to do this in the context of everything that's happening with oral care and with Palmolive. So it's more than a case of lack of interest.

Mr. Amit

But do you have any sort of time frame when such things could happen?

Ms. Prabha Narasimhan

Not one that I can share here.

Ms. Latika Chopra, JP Morgan

Yeah. My question was actually just to get more color from you on this arrangement with the Bombay Shaving Company. If I recollect correctly, I think the parent invested into that company and you just mentioned, you know, end to end, Palmolive will be managed by them. So if you could, you know, throw some more light on what the arrangement looks like. And if you could also share anything on financial terms, you know how this is going to work.

The second question also let me just add it to Jacob. You know, you mentioned that growth is going to be ahead of profitability. So are we kind of calling out that, you know, we should be prepared for, you know, operating margins to moderate from FY 26 levels. Thank you.

Mr. M.S. Jacob

Yeah. So on the second question, first, you know, we expect gross margins to be in the range, but EBITDA would be a function of what we are going to invest. And you know we invested at the high level of 15.8%. We've seen great growth on premium. We're going to double down there. So the bias here would be on higher advertising and EBITDA percentage may be impacted. We are not working towards any particular level of EBITDA. But as I said, the advertising levels in the short term, we should expect it could be going north and the monitorable would be the premium growth, because that's where really we think there's an opportunity is the most elastic form of demand that in that segment is the most elastic. And that's where we go into double down.

Ms. Latika Chopra, JP Morgan

Operating leverage to kind of be there to support your operating margins.

Mr. M. S. Jacob

Yeah. So you're talking gross margin

Ms. Latika Chopra, JP Morgan

No, I am talking about the operating leverage if you get higher growth. Right. Because you're so conscious. You just talked about like almost 4.5- 5% of savings. Gross margin is going to be pretty healthy. So I was just trying to wonder whether there is enough scope for or unless we are thinking about the 16% range also to step up from here.

Mr. M. S. Jacob

Yeah. As I mentioned, you know, there would be an upward bias even on the currently reported quarter advertising numbers. And therefore, in the short term, we're not going to, you know, be held by the EBITDA levels, no target at a specific level. If we think, spending X more on Total and Visible White is going to give you Y growth then you know we are open to doing that. You know, we are not going to be constrained because we believe, you know, this is the way we build brands. And you know, while in a few quarters, we may be a little bit short on some of those ratios over the long term, you know, we build brands. We know how this takes time to stick, premium brands will take back by technology like the technology we have on Total. You know once consumers start using it over and over again, they will be habituated to use that. So, you know, we are doing it a little bit for the longer term. And therefore, you know, while we will continue to maximize all the efficiencies that a company of a size offers, at the same time, we think sometimes we may need to still invest further ahead of the curve.

Ms. Prabha Narasimhan

And if I take your Palmolive question, what I mean by end to end is really all the consumer facing advertising and the customer relationships on Palmolive is being handled by Bombay Shaving Company. The innovation, the product quality, the supply chain, all of that remains with us. And so why we are looking to leverage this partnership, like I said, is because we believe that they have a better understanding of how this entire D2C flywheel works. It's not a flywheel that we understand as a Company, so we're looking to learn from them. And that's why we've entered into this partnership.

Mr. M. S. Jacob

Yeah. Just to add to that, when we mean end to end, it's for e-com and D2C only. So modern trade, traditional trade, those will stay with Colgate. We continue to manage that piece. Traditional advertising all that stuff will be ours. They will do only the e-com and D2C.

Mr. Jay Doshi, Kotak Securities

Hi, this is Jay from Kotak. Thanks for the opportunity. I've got a couple of questions. First, the bookkeeping one. Could you give us your salience for modern trade e-commerce, quick commerce channels. And again if you can share, you know, once in a year the salience of premium because X to 2X-5X if you could actually share actual numbers.

Mr. M. S. Jacob

So we don't typically give them. So what we showed was the Nielsen numbers where you know, e-com, direct modern trade is shown as like 15%

Mr. Jay

Those number are incorrect, right? It was 6% if you are 50% of the market and so it means that others are zero.

Mr. Jacob M. S.

As Prabha mentioned, we've crossed double digit on E-com as a contribution. So we don't call out the splits because that's internal. We normally quote Nielsen, but you are right, the numbers are a little bit different there as to what we are seeing internally.

Mr. Jay Doshi, Kotak Securities

Modern trade if you can share. Because again how do we see those numbers are not reliable anymore. It was relevant a few years ago. But basically that is why we are requesting you for

Mr. M. S. Jacob

Further splits we are not calling out

Mr. Jay Doshi, Kotak Securities

Premium if you can share.

Mr. M. S. Jacob

Yeah, I mean we said we are growing at 6X of the core brands. So you know.

Mr. Jay Doshi, Kotak Securities

On a lighter note sir, if you don't share any data, it's difficult to write a one page note sometimes. Anyway, last one and I hope you can share some qualitative color. See, when you started this journey it was 12-13% A&P spends. Now today it's almost 16% right? So can you give us some qualitative color on you know how A&P has moved from traditional to digital. How much of your A&P for the programs that you, you know, continue over years and how much of your A&P today is, you know, directed towards the premiumisation, you know journey.

Ms. Prabha Narasimhan

So I think if you see the way A&P has evolved and this I am sure, true of pretty much every company, what we are seeing is a steep drop off in TV viewership and therefore our consumers, particularly at the top of the pyramid in the bottom of the pyramid, neither of them are watching television. One, because it's so much easier to access their phones at the bottom of the pyramid with electricity always on and the phone is always available, and everybody now has a phone. And at the top of the pyramid, obviously they're just opting out of advertising and so they're moving into non advertised sources. So these two sets of consumers are now almost entirely reached by digital. And the middle continues to watch television. And we continue to advertise particularly our core brands to this middle India on television. If I was going to give you some numbers, I think we're about roughly 60% of our money now goes behind digital and the remaining behind television. And a significant proportion of our money actually goes behind premium, far in excess of the size of the business. So premium tends to have advertising ratios that are in the ballpark of 50-60% of our business being plowed back into advertising, which gives us the flywheel to allow us to generate this 6X growth that we are talking about.

Our ongoing programs. That's ring fenced investment and that grows steadily year on year to make sure that we can continuously reach more and more children. So last year we reached 12 million children. And I'm looking at Shilpa to keep me honest on this number. So 12 million children that we reach through the BSBF program. The previous year it was 10% less than that. This year we expect it will be 12-10%, roughly more than the 12 million children. So that for us is a non-negotiable, ring fenced spend that doesn't move. The way we deliver, that investment could move, but the spend and the reach just increases because it's the right thing to do.

Mr. Jay Doshi, Kotak Securities

Sorry, I didn't understand 50-60% in premium. So what is that number? It's higher than

Ms. Prabha Narasimhan

50-60% of the turnover of premium. Is the A to S on premium.

Mr. Jay Doshi, Kotak Securities

Oh wow! Thank you.

Mr. Aditya Soman, CLSA

Yeah, hi. Thanks Aditya from CLSA. So just one question in terms of increasing the gross margin versus a higher spend on A&P, and particularly now that you said about half of that higher spend is on premium brands, would it just make more sense to cut price for the premium brand? And if not, why not?

Ms. Prabha Narasimhan

Okay, so firstly I just want to make sure that we understood. I didn't say we spend half our money on premium. I said that premium has an A to S ratio in that ballpark. So not the same thing. I think the joy of selling a premium brand is that you deliver value at a premium, because otherwise you will just cut the price of everything and everything will be the same price, right? So the logic is that the consumer sees value in a better proposition and a better product, which allows her to pay more, pay you more money. And that's why pricing is a lever on our premium business. It's not the only lever on our premium business. And in fact, we are seeing in toothpaste the opportunity to pull in the other direction. So if you see in toothbrushes, for example, the cheapest toothbrush being 10 Rupees and the most expensive toothbrush being 300 Rupees, that's a 30X multiple. We don't have a 30X multiple in toothpaste, but there are consumers who have the desire and the wherewithal to pay more money for more benefits. So actually the intention is to push in the other direction, which is to make sure that we are constantly innovating so that we get more and more benefits that are worth paying more money for.

Mr. Harit Kapoor, Investec

Yes. Hi. Good evening. This is Harit from Investec. Just two questions. The first one was on distribution expansion. So your oral care slides mentioned that the category is still under indexed on distribution. And distribution is still moving up. Also you are adding premium. You're adding products to the portfolio. Yet our directory has been in the same ballpark of 1.7 million over several years. I just wanted to understand whether there is a, you know, an actionable trigger here in terms of growth in distribution, or do you think that 1.7 can still, you know, it's more throughput per store than anything else that can drive? So there is distribution expansion in terms of direct or any other reach a lever for growth? That's my first question.

Ms. Prabha Narasimhan

So I think the answer is kind of a qualified yes. Because if you see our premium business, it will in the first instance go to these 1.7 million stores, because these 1.7 million stores are the cream of the entire retail universe in India. Having said that, if you see the way India is evolving, particularly the city to city corridors, you see where urban adjuncts or urban agglomerations are increasing, like where Mumbai ended a couple of years ago and where Mumbai ends now, or any other large city. You're seeing the expansion and you're seeing consumers again who have the ability to buy for us to reach the service, the store directly and therefore higher quality retail that is available there. That's where we will be judiciously adding coverage. So it's not a blanket. Let me add coverage across the entire country. But we're definitely seeing an opportunity in urban and city to city corridors that are getting created across the country.

Mr. Harit Kapoor, Investec

All right. And the second question was more, you know, on ground kind of question over the last decade, you saw, you know, this naturals category really pick up and ayurveda, the herbal, etc. over the last say 12, 18 months, even in D2C or last two years, we're seeing science backed to being a larger share. Now then you know, herbal, ayurveda, natural you know your premium products are also doing exceptionally well. Obviously you're driving that. Just wanted to get your sense. When you look at the competitors who you don't play in that category, but just your feedback on how is the consumer moving back to a kind of more science based as compared to ayurveda, herbal, natural? Is there a trend? You're starting to see some feedback on that.

Ms. Prabha Narasimhan

So I think, you know, I've always been a firm believer in the fact that consumers buy benefits and just a product having great science or great natural credentials doesn't make that a benefit. She wants the product to do something for her fresher breath, whiter teeth, prevention of cavities. You know, stop my gums from bleeding, what do you have? And I think the company that convinces her that the offering that they have delivered to that benefit will win. And I don't think it is about the source of that delivery where it comes from. So that's always been my belief. I think what we found as we have got the mixes right on Total, Visible White, PerioGard, is that it is absolutely coming alive, that as we tell the story correctly, as we talk to the consumers about the superior science that these products have. And most importantly, as these products deliver in her hands, that makes all the difference. And that's why we are actually seeing a resurgence here.

Mr. Aditya Desai

Thanks. Prabha, there are a couple of questions on the chat box.

What is the demand outlook amid deficit monsoons and commodity volatility. And are we going to take any more price hikes? And have we seen any demand softness in the rural areas?

Ms. Prabha Narasimhan

These kind of macro questions I always look at Jacob. So yeah.

Mr. Jacob M.S.

So we I mean we don't know how this is going to pan out there is the headwinds of inflation. There is you know a lot of stuff happening on macro. But you know we delivered good growth in the last few quarters. And we continue to see good growth coming in. And we believe it's also because of all the stuff we are doing on, you know, our communication, the premiumisation and upping of advertising, all this stuff. Inflation will be an issue. And, you know, we also keep a close tab on pricing. We've taken around the low single digit level of price increases in the last little while. We will keep an eye on costs because, you know, gross margin is something we are looking to keep in the range and not let it slip by given, you know, the advertising investments we are looking to do. But we are going to look at this very closely and definitely, you know, not look at increases every few months, etc. You know, we know in our line of businesses and given traditional trade is a big part of our business, you need to space out price increases, etc. and all that learnings from the past will incorporate as we address some of these challenges.

Ms. Prabha Narasimhan

And if I can also add that I think one of the things that we've taken rightly, a decision on is to ring fence the most vulnerable consumers. So with GST, we had the opportunity to increase grammage on our 10 and 20 Rupees SKUs. We actually increased the grammage by more than the GST cut, making sure that we are softening the blow for those consumers who buy price point packs. And even within the face of this inflation, we continue to hold that grammage. And as a result of which our Rs. 10 and Rs. 20 actually now offer fantastic value, which I think is important at the other end of the pyramid, as much as we look to drive the top end towards premiumisation.

Mr. Aditya Desai

There is one more. It seems that Colgate's marketing investments to improve brushing are helping other players, so how can you ensure that benefits remain to you?

Ms. Prabha Narasimhan

So I'm not sure where the source of that data is going to come from, but I'm going to tell you our, I think, a philosophical answer and a real answer. So I think the philosophical answer is that our mission is to improve the oral health of this country, and we will take the necessary steps to do that, whether it's brushing twice a day or Bright Smiles Bright Future. The less philosophical answer, I think, is that if you take a look at growth over the last little while, maybe the numbers there are not quite true.

Mr. Aditya Desai

We will take last one from Avi

Mr. Avi Mehta, Macquarie

Hi. This is Avi from Macquarie. I just wanted to kind of understand your perspective on the premium side, because you did highlight that. You said, you believe that the consumer looks at benefits. So do you see this, you know, when you look at this premium segment right now you have three bets. But is there an opportunity across each benefit case that one should look at from a premium category over time? Is that how you see the premium category? And second, if you could share your thoughts on how you see it from an urban rural perspective or a channel perspective? Is this largely a, you know, e-com or largely urban? Or any thoughts over there would be helpful? Thank you.

Ms. Prabha Narasimhan

Sorry. Could you just help me to understand the first part of your question better?

Mr. Avi Mehta, Macquarie

See, when you say, the consumer looks at it from a benefit perspective, right. And then logically, the consumer buying decision is from a benefit perspective is how you see it. Then is it fair to say that over time this premiumisation lever would be along the benefit use cases? Is that the right thought process? And hence would you see this as an opportunity going forward versus what you have or no? You know, so your thoughts on that would be helpful first, and second, as I said from a rural perspective, how do you kind of look at that. Thank you.

Ms. Prabha Narasimhan

So I think, you know, do we see this as a benefit-led opportunity. The answer is yes. And that's why if you see our three focus premium plays play in three very different spaces. So there is the everyday prevention that is Colgate Total which is meant to be absolutely family everyday toothpaste. There is a whitening toothpaste which delivers all your basic dental health. But the spike is on whitening. And therefore if you're looking for something that's a little bit more outward, then you're going to sit in that segment. And then there is PerioGard, which is again problem-solution, which is that if you have gum issues, which unfortunately many people in this country do, then that is the toothpaste for you. So we are seeing them as three independent benefits. Could there be other premium benefits? Of course they could. And could those benefits come? Of course they will as well. But for now, in terms of prioritization, this is where we are prioritizing the benefits.

In terms of the consumer space. Of course, premiumisation is higher in quick com than e-com, than modern trade, than general trade. That's the hierarchy of the way it's going. But what's interesting really, is that unlike the earlier India, where all of this would start in the metros and percolate its way down, what we are seeing is that this is quite democratic. We are seeing the uptake of premium in tier two towns. We're seeing the uptake of premium in, you know, rural villages. And this is really aided by the fact that physical reach no longer needs to be there in that town for consumers to be able to access this benefit. And the fact that the phone allows us to or digital allows us to communicate to people almost on a one on one basis, like, I don't have to do an entire state to get to a certain audience. I can just get to the audience that is more likely to buy premium. So we are certainly seeing a more democratized desire for premium, which we are then able to fulfil through some of these channels.

Mr. Aditya Desai

Thanks. I know there are some more questions, but you can connect with me and Neethi separately, and we are happy to answer all your questions. That was the last question Prabha, any closing remarks?

Ms. Prabha Narasimhan

I want to thank you all for coming. And I want to just reiterate the position that Jacob left you with, which is that we are very pleased with the way the business is progressing over the last little while. We do think that we found a space where our key priorities are being able to be delivered in the way that we would like it to be delivered, and the key messages that he left you with, which is the great governance of this organization, will continue. And we intend to drive growth ahead of profitability as we go forward. So thank you again for making the trip. It's really been a pleasure to have all of you here, thanks Jacob.

Mr. Jacob M. S.

Thank you.

Mr. Aditya Desai

Thanks Prabha. Thanks Jacob. And thank you all for your time and great interaction. I would also like to thank Prabha and Jacob for all your time and sharing your thoughts. And Shilpa and the entire team here for this wonderful event. Monica, thanks for the presentation and request you all to collect your smile hampers outside this room and please do share our feedback. Thanks again for your time. Thank you.

Disclaimer - This transcript has been edited for readability and grammatical accuracy while preserving the original intent.