Procter & Gamble Co. Q4 Income Rises, but misses estimates

CE Noticias Financieras English

July 29, 2022 Friday

Length: 130 words

Body

Procter & **Gamble Co**. (PG) released a profit for its fourth quarter that increased from last year but missed the Street estimates.

The company's earnings came in at $3.05 billion, or $1.21 per share. This compares with $2.91 billion, or $1.13 per share, in last year's fourth quarter.
Analysts on average had expected the company to earn $1.23 per share, according to figures compiled by Thomson Reuters. Analysts' estimates typically exclude special items.
The company's revenue for the quarter rose 3.0% to $19.52 billion from $18.95 billion last year.

Procter & **Gamble Co**. earnings at a glance (GAAP) :
-Earnings (Q4): $3.05 Bln. vs. $2.91 Bln. last year.
-EPS (Q4): $1.21 vs. $1.13 last year.
-Analyst Estimate: $1.23
-Revenue (Q4): $19.52 Bln vs. $18.95 Bln last year.

Load-Date: September 7, 2022

End of Document

US FDA Seeks Benzene Testing Of 200 Drug Products By Contract Lab

Rose Sheet

August 2, 2022 Tuesday 12:08 PM GMT

Length: 536 words

Body

The US Food and Drug Administration is calling for an accredited contract laboratory to assist in testing around 200 drug product samples for benzene contamination, according to a solicitation for quotes issued 27 July.

Published at SAM.gov, the announcement notes, "The FDA has become increasingly aware of the presence of benzene in some drug products. ... This contamination may be related to inactive ingredients such as carbomers (thickening agents), isobutane (a spray propellant), or other drug components made from hydrocarbons."

The agency points to recalls over the past year-plus of hand sanitizers as well as sunscreens sprays and other personal-care drug products in aerosol formats found to be tainted with benzene.

The issue has triggered a rush on independent testing labs and class action litigation in federal courts. ("Benzene Suits Against US Personal-Care Firms Appear Headed In One Direction Settlement" "HBW Insight")

The FDA issued a related alert in December 2021, urging firms to test for the problem and cooperate with the agency as needed to remove contaminated products from the US market. ("US FDA Advises Drug Firms To Test For Benzene Contamination As Root-Cause Investigation Continues" "HBW Insight")

"FDA is evaluating the root cause of benzene contamination in certain drugs and alerting drug manufacturers to the risk of benzene contamination from drug components and other potential risk factors. Benzene is a known human carcinogen that causes leukemia and other blood disorders," the FDA says in its call for proposals.

The agency is looking to partner with a lab accredited to ISO 17025 or equivalent that is equipped to handle significant input in the order of some 200 samples within a 12-month period.

"Drug product samples to test will be provided by the FDA, specifically gels and aerosols," the agency says, noting that gels could include ointments and creams, while aerosols could be sprays or foams.

The contractor will be expected to propose methods for preparing samples and quantitating benzene in such products. It may use the FDA's published method for detecting benzene and other impurities in hand sanitizers as a reference or starting point, the agency says.

The FDA's RFQ went out two days before Edgewell Personal Care Company announced a voluntary nationwide recall on the FDA's website of three batches of Banana Boat Hair & Scalp Sunscreen Spray SPF 30 due to findings of benzene.

"While benzene is not an ingredient in any Banana Boat products, the review showed that unexpected levels of benzene came from the propellant that sprays the product out of the can," Edgewell says, noting zero adverse health impacts reported and none expected, based on "an independent health assessment using established modeling guidelines."

Edgewell's comments are in keeping with statements from **Procter** & **Gamble Co**., Beiersdorf, Inc., and Unilever PLC, which also have voluntarily recalled aerosol personal-care products following widely publicized test results from analytical pharmacy Valisure, LLC, which the firms' own investigations more or less confirmed. ("Valisures Findings Of Benzene In Body Sprays Suggest Ongoing Aerosol Propellant Problem" "HBW Insight")

By Ryan Nelson

Load-Date: August 2, 2022

P&G Q4 Profit Up 5%, But Misses View; Provides Weak Outlook

CE Noticias Financieras English

July 29, 2022 Friday

Length: 554 words

Body

Consumer goods giant **Procter** & **Gamble Co**. (PG) reported on Friday that profit for the fourth quarter increased five percent from last year, driven by net sales growth and lower expenses.

Earnings per share for the quarter missed analysts' estimates, but quarterly topped it by a whisker. Looking ahead, the company initiated earnings and sales growth guidance for the full-year 2023, below expectations.

"The P&G team's execution of our integrated strategies delivered strong top-line growth, earnings growth, and significant cash return to shareowners in the face of severe cost and operational headwind," said Jon Moeller, Chairman, President and Chief Executive Officer.

Net earnings attributable to P&G for the quarter rose to $3.05 billion or $1.21 per share from $2.91 billion or $1.13 per share in the prior-year quarter.

On average, 19 analysts polled by Thomson Reuters expected the company to report earnings of $1.23 per share for the quarter. Analysts' estimates typically exclude special items.

Net sales for the quarter rose 3 percent to $19.52 billion from $18.95 billion in the same quarter last year. Analysts had a consensus revenue estimate of $19.40 billion for the quarter.

Excluding the net impacts of foreign exchange, acquisitions and divestitures, organic sales also increased 7 percent, driven by an eight percent increase in pricing, partially offset by a one percent decrease in volume primarily due to pandemic-related lockdowns in Greater China and reduced operations in Russia.

Beauty segment sales decreased 1 percent and Grooming segment sales declined 3 percent, while Health Care segment sales increased 5 percent, Fabric and Home Care segment sales improved 4 percent as well as Baby, Feminine and Family Care segment sales increased 3 percent from last year.

Selling, general and administrative expense (SG&A) as a percentage of sales decreased 340 basis points, driven by 180 basis points of leverage benefit due to increased sales and 200 basis points of overhead savings and marketing efficiencies, partially offset by 30 basis points of other impacts.

"As we look forward to fiscal 2023, we expect another year of significant headwinds. We remain committed to our integrated strategies of superiority, productivity, constructive disruption and an agile and accountable organization structure," added Moeller.

Looking ahead to fiscal 2023, the company now projects earnings per share growth in the range of 0 to 4 percent from the base fiscal 2022 earnings of $5.81 per share, implying earnings in a range of $5.81 to $5.83 per share.

The company also now projects annual all-in sales growth of 0 to 2 percent and organic sales growth of 3 to 5 percent.

The Street expects the company to report earnings of $6.12 per share on revenue growth of 2.2 percent to $81.81 billion for the year.

The Company added that its current outlook estimates headwinds of approximately $3.3 billion after-tax from unfavorable foreign exchange, higher commodity costs and higher freight costs.

The combined impact of commodities, freight and foreign exchange is approximately a $1.33 per share headwind to fiscal year 2023 earnings per share, or a 23 percentage point headwind to earnings per share growth.

For more earnings news, earnings calendar, and earnings for stocks, visit rttnews.com

Load-Date: September 7, 2022

Don't be fooled by market's bear rally

The Toronto Star

August 4, 2022 Thursday

ONT Edition

Section: BUSINESS; Pg. B1

Length: 816 words

Byline: David Olive Toronto Star OPINION

Body

The stock market is experiencing a bear market rally. And, of course, you know well enough to stay clear of it.

At this writing, the S&P/TSX Composite Index is up more than seven per cent from its most recent low, a big surge in just a few weeks' time.

The S&P 500 Index has gained more than 12 per cent in that period. And the tech-heavy Nasdaq Composite Index has jumped by about 16 per cent.

All bear markets have their bear market rallies, when investors scoop up stocks they believe to be undervalued.

The current rally is one of the strongest on record.

It's less impressive, though, when you consider what's causing it.

Among them is FOMO, investor fear of missing out on the chance to buy at the market bottom.

Another is a belief that central bankers will relax their interest-rate hiking cycle.

That's tough to figure given the unshakable resolve of the Bank of Canada and the U.S. Federal Reserve Board to drive inflation down to two per cent.

If that resolve tips the North American economy into a recession, so be it, in the greater cause of eradicating inflation.

Or did investors not hear Jerome Powell, chair of the Fed, when he said last week that "We think it's necessary to have a growth slowdown"?

In part because expectations of future corporate profits are too high, Lisa Shalett, chief investment officer for wealth management at Morgan Stanley, the New York securities firm, warns that there is "another five per cent to 10 per cent downside likely in stocks.

"Is this really the 'buyable bottom' in the 2022 bear market?" Shalett asks in a mid-July client note ahead of even further gains in the current bear market rally.

Don't be fooled by market's bear rally

"And might the Fed begin paring back its policy tightening? We don't think so."

With few exceptions, bear market rallies are value traps. Investors get stuck with stocks that either give up their recent gains or make no further ones, remaining dormant for long stretches after their brief pop.

Stock purchases are premised on future profit growth and a higher stock valuation that reflects it.

That scenario is unlikely here.

Economic slowdowns tend to reduce corporate profits and stock prices. And the U.S. is now in technical recession, having reported last week its second consecutive quarter of negative GDP growth.

GDP growth in Canada in May and June was practically nil.

Stock values are sharply down this year, of course. The so-called "tech wreck" humbling of former tech darlings began last year.

Even with that staggering wealth destruction, the biggest first-half downturn in the S&P 500 in decades, the market is still weaker than it looks.

Second-quarter earnings reports, which are coming in now, suggest that corporate profits for the S&P 500 are healthy enough.

But that image is distorted by several factors.

Among them is that the second quarter tends to be strong. And booming profits for energy firms, notably oil and gas, are propping up an otherwise slumping market.

So is the return to profitability of companies in the sectors hardest hit by the pandemic recession.

In the wider economy, meanwhile, the trifecta of inflation, soaring interest rates and declining real estate values has subdued both consumer and business sentiment.

Corporate bellwethers of the Canadian economy have recently reported weak second-quarter growth. And they expect continued heavy weather in the second half of the year.

Among those leading companies are Loblaw Cos. Ltd., Canadian Pacific Railway Ltd and Shopify Inc.

In the U.S., similar warnings have been issued by Walmart Inc., Amazon.com Inc., **Procter** & **Gamble Co**., Google parent Alphabet Inc., General Motors Co. and Microsoft Inc.

Ford Motor Co. is laying off workers and Stellantis N.V., parent of Chrysler and Fiat, is cutting jobs at its Windsor and Brampton plants.

To be sure, prospects for an eventual recovery from the trifecta are encouraging.

TD Economics, for one, forecasts average annual inflation of just 3.5 per cent next year, compared with the 8.1 per cent reported for June. And it sees Canada leading its G7 peers in GDP growth in 2023, at 1.7 per cent.

But for now, the stock market is vulnerable to more nasty surprises.

They include dismal corporate earnings reports later in the year, inflation that persists longer than forecast, bigger than expected interest rate hikes, and continued supply chain disruptions.

Hershey Co. warned investors last week that supply chain problems mean it won't be able to meet the usual demand for Halloween and holiday candy this year.

When a company with 125 years' experience in sourcing supplies cannot meet demand in its peak selling season, you know the economy is still too wonky to be betting your retirement funds on it.

It might be best to keep even your play money in cold storage until the market is once again a happy hunting ground for genuine bargains.

Twitter: @TheGrtRecession

Load-Date: August 4, 2022

David Olive: The stock market seems to be rallying. Here's why you shouldn't be fooled

thestar.com

August 4, 2022 Thursday

Section: BUSINESS

Length: 810 words

Byline: David Olive

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Load-Date: August 4, 2022

Don't be fooled by market's bear rally

The Toronto Star

August 4, 2022 Thursday

Section: BUSINESS; Pg. B1-B4

Length: 803 words

Byline: David Olive Toronto Star Opinion

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Twitter: @TheGrtRecession

Load-Date: August 4, 2022

Buying stronger companies in times of weakness can give investors edge; A great way to build wealth is to ride 'super compounders,' Tom Bradley writes

National Post's Financial Post & FP Investing (Canada)

July 23, 2022 Saturday

Early Edition

Section: FINANCIAL POST; Pg. NP8

Length: 809 words

Byline: Tom Bradley, Ottawa Citizen

Body

You may have heard investment managers talk about "high grading" a portfolio. They're likely referring to the idea that there's an opportunity to increase the average quality of your holdings in a market where all stocks are down. The implication is that the market isn't differentiating enough between the strong and weak and, as a result, there's little or no valuation gap between high-quality companies and their weaker brethren.

High grading has an intuitive appeal. Leading companies that have strong balance sheets can maintain their profitability in a slower economy, and are able to be counter-cyclical when others can't. They can raise money at reasonable rates, even if they don't need it immediately. They can hire great people when bonuses are down and stock options are worth less. They can expand when engineering and building costs are lower and less disruptive to their business.

And, like a good investor, they can provide liquidity when others desperately need it. That means buying a competitor when few if any bidders are at the table, or acquiring products, facilities and customers for pennies on the dollar.

A great way to build wealth is to ride what I call the "super compounders," companies that come out of each down cycle stronger than they went in. In Canada, I'm talking about the likes of Premium Brands Holdings Corp., Ritchie Brothers Auctioneers Inc., Constellation Software Inc., Canadian National Railway Co. and Franco Nevada Corp.

The list from south of the border is much longer and would include Visa Inc., Danaher Corp., Coca-Cola Co., **Procter** &; **Gamble Co**., tech giants such as Apple Inc., Alphabet Inc. and Microsoft Corp., and, of course, Warren Buffett's company, Berkshire Hathaway Inc.

There are definitely times when quality is on sale and I like the strong-get-stronger strategy, but the execution is more nuanced than it sounds. The price of highly profitable, well-financed companies may be down, but not by as much as the speculative stocks that got crushed. This year, for instance, companies that are struggling to achieve profitability and/or highly levered are down far more than the overall market.

Also, success is highly dependent on the length and depth of the economic malaise. Since the financial crisis in 2008, setbacks have been brief, with the United States Federal Reserve and other central banks coming to the rescue with lower interest rates. The economic declines were modest, and investors knew the Fed had their back.

In short and shallow slowdowns, everyone lives to fight another day and the biggest moves off the bottom are stocks that were left for dead. The quality stocks that held up better also rebound, but don't have as much recovery potential.

It would appear the economy is now in decline. If this slowdown is severe and drags out (that is, a recession), the weaker players may not survive, and those that do will be at the mercy of investors when they need to recapitalize. If they can issue more debt, the interest rate will be higher, and any equity raises will be at lower prices, which will cause severe dilution for existing shareholders.

To build a portfolio of leading companies, there are things you must do. You need to watch that their greatness is sustainable (and hopefully expandable), be careful you're not paying too much, and be prepared to stay patient when other companies are in vogue and roar ahead.

At this stage of the current cycle, investing in the strongest companies may maximize your returns over the next few years, but there are two huge benefits even if it doesn't.

First, the risk of permanent capital loss diminishes when paying a reasonable price for companies that provide something that's sure to be needed in five years and are likely to have a stronger competitive position after the slowdown. Some purchases may prove to be early, but you know you own a valuable asset.

Second, it helps you deal with the emotion and risk aversion that get in the way of making sound investment decisions. Like everyone, you want to take advantage of periods of market weakness, but it's extremely difficult to do when your portfolio is down and the economic outlook is grim. Buying bulletproof companies makes it a little easier to do what you promised yourself you would do, namely, buy low.

This behavioural crutch may not sound like much, but consider that most investors struggle with being counter-cyclical. They can't bring themselves to buy when stocks are on sale.

If you're wavering, perhaps buying strong companies will make you a little stronger in more ways than one. Financial Post Tom Bradley is chairman and co-founder of Steadyhand Investment Funds, a company that offers individual investors low-fee investment funds and clear-cut advice. He can be reached at tbradley@steadyhand.com

Graphic

Christinne Muschi, Bloomberg Files; By "high grading" your portfolio, you can increase the average quality of your holdings, says Tom Bradley. He says the likes of Canadian National Railway and Constellation Software are examples of companies that emerge from each down cycle stronger than they went in.;

Load-Date: July 23, 2022

Strong companies in weak times can be an opportunity

National Post's Financial Post & FP Investing (Canada)

July 23, 2022 Saturday

National Edition

Section: FP INVESTING; Pg. FP6

Length: 808 words

Byline: Tom Bradley, National Post

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Load-Date: July 23, 2022

Snack and deodorant manufacturers target cost-conscious shoppers with new brands and sizes

CE Noticias Financieras English

August 4, 2022 Thursday

Length: 1040 words

Body

Consumer-goods companies bracing for an economic downturn are bringing different size packages to market, launching new affordable products and promoting lower-priced items in some stores to attract increasingly cautious shoppers.

Official data released last Thursday showed the U.S. economy contracted for the second straight quarter - a common but unofficial definition of recession - in part because consumer spending slowed amid rising inflation. Meanwhile, quarterly earnings for manufacturers of everyday items, from snacks to shampoo, have shown some moderation or declines in sales volumes as companies raise prices to offset rising costs.

"The threat of recession is starting to affect consumer confidence and changing spending patterns and behaviors," Alan Jope, chief executive of Unilever, maker of Hellmann's mayonnaise, said in reporting its results last week.

Procter & **Gamble Co**. meanwhile announced Friday that consumers are running out of products they stocked during the pandemic and delaying replenishment of supplies, as well as switching to respective store brands. Tide's owner forecast that growth in the consumer goods industry would slow by a percentage point or more from 5% last fiscal year.

Executives at companies from Evian water owner Danone to Huggies diaper maker Kimberly-Clark Corp. say they have been watching shopper data and preparing for a possible downturn. Rising inflation means it's not as simple as increasing promotions.

Unilever has already launched U.S. package versions of brands such as Degree deodorant and Suave shampoo that are more affordable per ounce, while holding down prices on small sizes of some brands such as Dove soap. It has also introduced new variants of personal care brands-including premium ones such as SheaMoisture hair care-that it believes will appeal to consumers who cut back on salon visits.

"We're seeing a mix," noted Esi Eggleston Bracey, president of Unilever in the United States. "We're noticing that premium preference continues and demand is increasing at our more affordable price points," she explained.

Bracey said she and other company executives have been trying to determine what a recession might look like, given that many consumers still have jobs and high savings. During the pandemic, people became accustomed to staying comfortably at home rather than turning to professional services, a change that typically occurs during a recession.

"We've learned that the shower can be a place of retreat, people don't have to go to a spa," Bracey commented.

This year, Unilever began selling a new shea shampoo and conditioner-a virgin coconut oil-based product in a 34-ounce bottle for $17.99-to be sold only at Costco starting in early August. In January, it launched a new brand called "Madam," for Walmart, which includes hair care products for less than US$10 a bottle.

The company has also launched a collection of hairdressing products under its TRESemmé brand, aimed at consumers who might otherwise go to a salon. These tools, which were launched nationally in January, promise benefits such as volume, hold and heat protection.

During recessions, consumers make fewer impulse purchases and often plan shopping lists online, Bracey explained. As a result, Unilever has been working to optimize its content for search, including modifying the names of some of its products, he said. For example, it recently added the words "More Moisturizing Than Bar Soap" to its "Dove Beauty Bar Sensitive Skin" product name to take advantage of the relatively high ranking of the term bar soap.

Other companies are also tweaking their brands in anticipation of a recession. Kraft Heinz Co. is launching items such as $1 Lunchables and 10-packs of Kraft Mac & Cheese to appeal to cost-conscious consumers. PepsiCo is stocking some stores with more low-priced snacks, such as Santitas nachos.

While some shoppers, particularly from lower-income households, are cutting back on purchases as they face increased financial pressure, in other areas spending has held up and companies say they are seeing growth.

Many consumer goods companies are betting on what is sometimes called "the lip effect," the idea that during recessions people will buy affordable indulgences such as lipstick or chocolate while shying away from more expensive items.

"Our products really are an affordable luxury in the U.S.," Lavanya Chandrashekar, chief financial officer at Johnnie Walker maker Diageo PLC, said Thursday. Although the latest financial crisis led to some downward sales, it didn't take long for the more expensive spirits to recover, he said. So far, Diageo isn't seeing any signs that consumers are slowing sales, he added.

Kimberly-Clark CEO Michael Hsu commented last week that while some shoppers were saving, others were "still looking for better quality and premium preferences."

Now, to address shoppers who want to come down in price, Hsu said there were "a number of moves" the company could make, such as pushing for smaller package sizes. However, Kimberly-Clark is being "very conscious" not to move too far in this direction, as many consumers are still willing to buy high-quality products, he said.

The companies also stressed the importance of continuing to invest in marketing, research and development to convince consumers to continue to pay higher prices for their brands. In this vein, Danone announced on Wednesday that it had improved the formula and packaging of its Activia, Oikos and Silk yogurt ranges in North America.

Americans have so far been willing to pay more for its products, but executives are prepared for that to change, warned Shane Grant, who heads Danone's North American operations.

Danone has a number of products and promotions ready in case consumers start demanding cheaper offerings, Grant said. Because it can take months to introduce new items to store shelves, the Paris-based company has also prepared marketing strategies, promotional offers and smaller package sizes aimed at consumers looking to cut costs, he said.

Grant noted that the opposing forces of a contraction in purchasing power, but high employment and savings, made it difficult to discern what would happen. Consumer behavior "is certainly hard to predict," he concluded.

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P&G 'Clear-Eyed' On Challenges Ahead; Growth Will Soften, But Strategic Priorities Go Unchanged

Rose Sheet

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Body

Procter & **Gamble Co**. expects net sales and earnings growth to slow in fiscal 2023, but the firm vows to keep its strategic focus on innovation and brand building amid blustery macroeconomic headwinds.

"We're very clear-eyed about the trials ahead. The list of challenges we face heading into our new fiscal year is longer than any I can recall," chairman and CEO Jon Moeller noted during the firm's 29 July call on fiscal 2022 fourth-quarter and full-year results.

CFO Andre Schulten's outlook was no rosier. "The combined year-on-year profit headwinds from foreign exchange rates, freight costs, materials, fuel, energy and wage inflation are an even greater challenge in fiscal 2023 than they were in fiscal 2022," he said.

At the same time, the macroeconomic and market-level consumer challenges the firm is facing aren't unique to P&G. "We believe this is a rough patch to grow through, not a reason to reduce investment in the long-term health of the business," Schulten said.

For the fiscal year ended on 30 June, P&G recorded a 5% net sales increase, 7% organic, to roughly $80.2bn. The organic result reflects a 2% increase from volume, 4% from pricing, and 1% from positive mix.

In 2023, P&G expects organic sales to be level with prior year to up 2%, and is targeting flat to 4% diluted earnings-per-share growth compared with 6% growth in 2022.

"We began the new fiscal year with consumers facing inflation levels not seen in the last 40 years. We know one of the most pressing questions out there is how we plan to deal with the severe cost and currency impacts we're facing - $6.5bn after-tax in just two years, nearly an $8bn hit to operating profit," Moeller said.

He continued, "I'll repeat what I said on our April 2020 earnings call. The best response to uncertainties and challenges we face is to double down on the integrated set of strategies that are delivering very strong results."

The CEO cited four areas of particular focus, including supply chain, which has the firm making new rounds of investment to improve its agility, cost-efficiency and resilience when issues arise. Digital, including greater use of AI, is another priority for the company, whose e-commerce sales rose 11% in 2022, now accounting for 14% of sales overall.

The firm's environmental sustainability work will continue as well. "Our consumers increasingly rely on us to deliver superior solutions that are sustainable. Our world requires that we do our part in this regard. This challenge is also a wonderful opportunity to extend our margin of superiority further grow our categories and create more value, all while positively impacting the environment and society," Moeller said.

He cited new cardboard packaging for Gillette razors among recent winning plays for consumers and the environment.

Lastly, diversity, equity and inclusion will remain a key focus to ensure the company is attracting and retaining top talent. "To deliver a superior employee value equation, there must be something in it for everyone," Moeller said.

In addition to ongoing productivity efforts, P&G will continue exercising pricing power to offset soaring commodity costs. The firm's sales advanced 3%, reported, to $19.5bn in the fourth quarter, with an 8% increase in price driving 7% organic sales growth, consistent with a broad-based strategy announced in January. ("PG Widens Pricing Strategy To At Least 60 Of Products As Costs Soar" "HBW Insight")

Volumes slipped 1%, attributed to pandemic-related lockdowns in Greater China and reduced operations in Russia. Net earnings for the quarter grew 5% to $3.05bn, or $1.21 per share, slightly lower than analysts anticipated.

P&G's latest tranche of pricing actions, announced in June, is hitting the market broadly now and will continue into September. Increases are in the mid- to high-single-digits range, tailored by market, country, brand and SKU, according to company leadership.

Pricing will account for the bulk of organic growth in the coming year, while volumes will be slightly down, per Moeller. "That is a logical consequence of the broad-based pricing that we are seeing in the market, assuming there will be elasticity," which has been better than expected based on historical levels, he said.

The CEO acknowledged that private label is "reemerging" in some markets and categories, notably in family care in the US and more strongly in the UK, France and Germany. However, in most markets where it is making a comeback, P&G continues to grow share, he said.

Bernstein analyst Callum Elliott was less confident in a 29 July report, questioning whether cost cutting is eroding P&G's competitiveness. He pointed to uncharacteristic market share losses in the fourth quarter, including in the US. "It seems - to us - too much of a coincidence that PG's first market share losses for almost five years have come at a time when the company is taking a chainsaw to costs."

Health Care Up, While Beauty Slips

P&G's health care segment recorded 5% growth to $2.51bn, representing organic sales growth of 9%, according to the company's same-day release. Oral care organic sales grew high single digits owing to increased pricing and positive mix, offset by China lockdowns. Personal health care saw organic sales gains in the mid-teens, with disproportionate growth of respiratory products, P&G reported.

Beauty sales in the quarter slipped 1% (flat organically) to $3.46bn, with pricing up 6% and volume declining 1%. Hair care sales buoyed low single digits on an organic basis, while skin and personal care sales were down low single digits, affected by lower sales of the premium SK-II brand in China due to lockdowns.

Grooming segment sales fell 3%, but grew 3% organically, to reach $1.61bn, with shave care sales growing mid-single digits in organic terms.

P&G's largest division, Fabric and Home Care, recorded sales growth of 4% to $6.87bn, while Baby, Feminine and Family Care sales climbed 3% to $4.82bn.

On the year ahead, Moeller said, "We have full confidence in our ability to compete in this environment, our categories being daily-use categories that consumers don't de-select even when they see high levels of inflation."

He added, "It won't be easy, there will be bumps along the road. But we have the portfolio, superiority, productivity and, in my not-so-humble opinion, best organization in the world."

By Eileen Francis

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