

14 November 2022

Corporate Service Department <b>BSE Limited</b> 25 <sup>th</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	The Listing Department <b>National Stock Exchange of India Ltd</b> Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai 400051
<b>Script:</b> Equity 500135. NCDs 960310 & 960311	<b>Trading Symbol:</b> EPL

**Ref.: EPL Limited (EPL)**

**Sub.: Transcript of Investors' call held on 7 November 2022.**

Dear Sirs,

Please find attached Transcript for Investors call held on 7 November 2022.

The above-mentioned Transcript is available on the Company's website [www.epglobal.com](http://www.epglobal.com) in Investors, Shareholders Information, Investor call transcripts.

<https://www.epglobal.com/investors/shareholder-information/#investor-call-transcripts>

The above is pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, for your information and record.

Thanking You

Yours faithfully  
For EPL Limited



Suresh Savaliya  
SVP - Legal & Company Secretary

Encl.: As above

Filed online



# “EPL Limited Q2 FY2023 Results Conference Call”

November 07, 2022



**ANALYST: MR. PRATIK THOLIYA – SYSTEMATIX INSTITUTIONAL  
EQUITIES**

**MANAGEMENT: MR. ANAND KRIPALU – MANAGING DIRECTOR & CHIEF  
EXECUTIVE OFFICER – EPL LIMITED  
MR. M.R. RAMASAMY – CHIEF OPERATING OFFICER -  
EPL LIMITED  
MR. AMIT JAIN – CHIEF FINANCIAL OFFICER - EPL  
LIMITED  
MR. SURESH SAVALIYA - SENIOR VICE PRESIDENT  
LEGAL AND COMPANY SECRETARY - EPL LIMITED  
MR. DEEPAK GANJOO - PRESIDENT AMESA REGION -  
EPL LIMITED**



*EPL Limited*  
*November 07, 2022*

**Moderator:** Ladies and gentlemen, good day and welcome to Q2 FY2023 results conference call of EPL Limited hosted by Systematix Institutional Equities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing “\*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Pratik Tholiya from Systematix Institutional Equities. Thank you and over to you Sir!

**Pratik Tholiya:** Thanks you Lizaan. On behalf of Systematix Institutional Equities I would like to welcome all the participants who have logged into this conference call of EPL to discuss the second quarter and H1 FY2023. From the management team we have Mr. Anand Kripalu, MD & CEO, Mr. M.R. Ramasamy, COO, Mr Amit Jain, CFO, Mr. Suresh Savaliya, SVP Legal and Company Secretary and Mr. Deepak Ganjoo, President AMESA region. At the outset I would like to thank the management for giving us the opportunity to host this conference call. I would now like to request Anand Sir to kindly begin the proceedings by giving his opening remarks. Thank you and over to you Sir!

**Anand Kripalu:** Thank you very much Pratik and hello everybody and welcome to this earnings call. When you look at the previous quarter under review we had a persistent inflationary environment impacting energy and wages particularly in the western world coupled with higher commodity consumption cost and these have affected many businesses globally. In addition to this the quarter saw unprecedented currency devaluation versus the US dollar. While the impact of COVID in China is reducing the zero tolerance policy is still hurting day-to-day business. Despite all of these environmental challenges, I am pleased that we delivered double digit revenue growth at constant currency with significant sequential EBITDA margin improvement. At prevailing currency rates EPL grew by 9% with strong growth across AMESA at 16.9%, America at 19.7% and Europe at 8.9%. EAP delivered a growth 1.5% despite the COVID-related challenges.

During the quarter the category that we are now christening as personal care and beyond which includes B&C and pharma, etc., saw strong growth of 17.7%. Oral care grew by 6.7% predominantly affected by EAP. Over H1 EPL’s share of revenue for personal care and beyond improved to 47.8% which is 220 basis points better than last year. Excluding the impact of setup cost in Brazil EBITDA margin for the quarter stood at 16.3% an improvement of 119 basis points and a growth of 22.9% sequentially. Critically our efforts on pricing and cost savings programme has started to bear fruit and despite continued rising cost and currency devaluation, we delivered sequentially improved margin. In fact we are



*EPL Limited*  
*November 07, 2022*

pleased to report broad-based sequential improvement in absolute EBITDA across all regions.

Our net profit for sequential growth of 39.7% at Rs.482 million. Considering the widespread external challenges we are pleased with this set of numbers. EBITDA including setup cost in Brazil which is really the long-term growth stood at 16.1% and PAT stood at Rs.462 million. Speaking with the subject to Brazil I am pleased to share that the project is very much on track. Construction activity is in full swing and recruitment activity is very much in progress. As committed earlier we will commence commercial production by the end of this fiscal. What is exciting is that several local and global players are evincing interest in our Brazil supply base.

During the quarter we have also made good progress on winning new business and driving sustainability. As far as innovations and business wins is concerned, EPL continues to lead the industry in innovation and designed disruption with offerings like the **Neo Seam Tube** which minimizes the visual impact of the side seam. We are pleased to have received the first commercial order for this technology. We have also developed the dia 16 spin breaking tube which is a special tamper evidence design. Our focus remains on growing the laminated tube market by converting aluminium tubes and ridges. There are some more of these wins this quarter. We have recently been awarded for our anti-counterfeit tube and Platina eco-friendly tube.

Moving on to sustainability, sustainability remains our key focus area, be it product, process or people sustainability. We are pleased to announce that two variants of Platina PRO ME and Platina PRO Vision have been recognized by APR which is the Association of Plastic Recyclers in the USA. Platina PRO ME provides a metallic look to an eco-friendly tube while Platina PRO Vision is a transparent tube. Both these innovations provide aesthetically appealing tubes which are fully recyclable. In addition to five oral brands globally two additional brands in personal care and beyond has embraced the Platina solution. Our target is to double Platina volume in FY2023 and I am pleased to report that we are very much on track. We have persisted with our CSR programme to deliver benches made with recycled plastic spoons to accelerate the skill development programme and to invest in enhancing the quality of life for the communities who live around our plants.

Finally but importantly we have launched a company wide effort to go for gold on Ecovadis. Overall EPL will continue to drive sustainability in line with our long-term ambition of becoming the most sustainable packaging company in the world. We believe this will be our sustainable source of competitive advantage laying the foundation for long-



*EPL Limited*  
*November 07, 2022*

term profitable growth and finally looking ahead in recent quarters we have seen exceptional and unprecedented headwinds and every time when we felt that the worst is behind new challenges has emerged. These include COVID, volatile and inflating raw material prices, high energy cost exacerbated by the Ukraine conflict, wages and freight, general unprecedented inflation in the western world are devaluing currency across the board and these present new emerging challenges. Clearly volatility and unpredictability is the new norm and we need to stay even more vigilant and agile in this new world. The good news is that we know how to manage these situations as demonstrated in the last quarter. We will continue to keep one foot on the accelerator growth by hunting down new business while keeping the other foot firmly on the break of cost. Some of the intervention for the next quarter includes continuing the hunt for new business persisting with price increases specifically linked to inflation due to energy and minimum wage, sustaining the momentum on our margin improvement plan, continuing the effort on driving sustainability and managing raw material cost that has been adversely impacted by spiraling devaluation. Considering all these factors we remain cautiously optimistic about the future and are committed to our stated objective of delivering sustained profitable double digit growth with margin recovery. Thank you and with that we will now open this up for questions.

**Moderator:** Thank you. The first question is from the line of Sanjesh Jain from ICICI Securities. Please go ahead.

**Sanjesh Jain:** Good evening Sir. Thanks for taking my question. Couple of them first on this currency movement can you help us understand how exactly it hurts us and what are the geographies which are negatively as well as positively impacted from the currency particularly in the backdrop that a lot of raw materials is manufactured in India and China and again it is sold in Europe and other geographies except America where I think the currency depreciation should not have impacted it is only US geography but I would like to hear the complete currency movement and how it impacts us in each of the business? Thank you.

**Anand Kripalu:** Okay I am going to pass that on to Amit Jain to respond to that and if there is anything else then I will add to it. Amit you want to take the point on currency.

**Amit Jain:** So Sanjesh the currency movement actually when the currency devalues against dollar so you are aware that we are buying the polymers from various global suppliers so that impacts at the first level in India and China where we are manufacturing the laminate structure which is raw material and then it is an impact which goes in all countries because as a base cost which is landed cost has increased because of this currency movement so because of this devaluation the landed cost of material goes up so that is how it impacts in



*EPL Limited*  
*November 07, 2022*

each of the country and wherever we are buying the raw material from India, China and the polymers in India and China.

**Sanjesh Jain:** Basically you are telling there is no benefit because I think we also sell to US which should have positive at least not positive it should be neutral but I am still not very clear Amit on the currency impact because historically we have not seen currency hurting us if I take a long-term view of this business say if I look at last 5, 6, and 7 years where currencies against the dollar has been continuously devaluating but that has never shown up in the margin why this time that is different?

**Amit Jain:** Sanjesh there are two things, one is the currency movement this year and particularly if you see last 6 months it is enormous. It is not a normal devaluation which we see on a longer term but if you see for last 6 months all the currencies against dollars have moved substantially depreciation so that is one which is impacting and then there are two things one is on the cost side and there are pass through also for the contacted customers where landed prices also function of landed cost the revenue part so the major reason this year is basically the substantial movement in the currency and when you compare it with historically those movements are not that substantial.

**Anand Kripalu:** I can just add to what Amit is saying. See a large part of our polymers are bought in dollars just so that you are clear. Those polymers come into India and China and are converted to laminate so the input cost that go into India and China a large part of it are dollar denominated. Now only a small part of that goes to America right the rest of it goes to Europe where the euro and the Polish zloty have devalued comes into India for the rupee and goes into China itself where there is a small devaluation of the Chinese currency.

**Sanjesh Jain:** No that is the whole point because Europe has depreciated India has depreciated it is just transactional entry there should not be any major impact beyond the polymer conversion and polymer again I thought because the bite in the dollar my perception was that a lot of it is a dollar billing otherwise this problem creates a significant risk within the system where the buying currency and the selling currency is significantly different.

**Amit Jain:** So Sanjesh, if you see from India and China perspective India because we are buying the polymers in dollars we are net importer in India and these polymer purchases definitely impacts the landed cost of the polymer.

**Sanjesh Jain:** So basically you are telling that it always remains, but if currency depreciates the hit is on EPL or it gets passed on to the customer, the perception was that it is well known and that



*EPL Limited*  
*November 07, 2022*

conversions generally get passed on it is just a timing issue or you think this is a structural issue where we will have to face an impact on the margin because of the currency?

**Amit Jain:** It is a timing issue only for the contracted customer when we take the material prices it is a landed price which includes the foreign exchange also so it is only a timing difference.

**Sanjesh Jain:** It is just a transactional issue right, next or a quarter beyond that currency should not hit us incrementally correct we should normalize for the earlier level is that the assumption right?

**Amit Jain:** That is right Sanjesh but then when it gets into the timing difference there is always be a lag correct on the pass throughs and other things so that impacts.

**Sanjesh Jain:** No but the thing is that we have one side polymer prices falling in the absolute dollar term and then there is currency I thought in the rupee term it has not because I try a lot of polymer and I have seen in rupee term they have actual fallen despite currency being weaker so that makes me even more that the polymer price is dropped is much higher than the currency why this should happen right, we have taken a price hike for the higher polymer prices, now I understand there is a currency mismatch but I am telling we got a much bigger offset in terms of polymer prices itself falling, it is just we are sitting on high cost inventory and hence this is happening I am not able to reconcile because the results of other polymer companies and the reasoning is very different.

**Amit Jain:** Yes but this currency movement which has happened this quarter for the current which is going on the depreciation of rupee and dollar is huge and it is largely offsetting the softening of the prices.

**Sanjesh Jain:** Okay let me take it offline I will send you the prices probably we can have a more discussion but my second question is more on the freight side. I think I can understand power cost in Europe is elevated but fall in freight cost now should be an incremental margin driver in the quarters coming by will that be a fair assumption?

**Anand Kripalu:** Yes Sanjesh freight costs are coming down. This will help compared to the last three quarters prices are coming down freight is coming down.

**Sanjesh Jain:** So that will help improving the EBITDA margin in the quarters coming by right?

**Anand Kripalu:** Absolutely.



*EPL Limited*  
*November 07, 2022*

**Sanjesh Jain:** Great and on the EAP side Anand Sir if you can give us more colour in terms of how the market is shaping up. Sequentially we had a phenomenal growth 12% but we are still below the peaks what we have done in EAP how should one see the EAP shaping up from here with COVID restrictions slightly coming down at least it is moving on the easing side?

**Anand Kripalu:** So absolutely I think the worst is behind us but all the restrictions have not gone okay so what has happened is in Q1 we were kind of -6% revenue in EAP right now we are at +1% to 1.5% but we are not back to where we need to be and I think that is where some of the restrictions that are in the short term at least hurting business those restrictions are still there right we were expecting some big announcement post the communist party elections they have not happened and yes so therefore the zero tolerance policy continues. I think the silver lining for us in EAP and clearly the best is to come and the worst is behind us. I think the silver lining is that despite significant impact on topline the overall P&L is very, very robust and the confidence that certainly I take away is that as things start loosening up in terms of the restrictions I think we will get huge positive leverages as far as EAP is concerned. Now the question is longer term EAP remains a very, very big domestic market probably the largest domestic market in the world right and that is what we are all aiming to serve. Some of those geopolitical issues could impact EAP particularly China as a global sourcing hub for multinational right. Everyone is trying to build a plan B against sole China as a supply base so some business is going to shift from China, but our business I think is well setup to serve the local market, we have huge headroom to gain share and grow our business, I would say positive about how we manage the crisis in China, the fact that things will only improve as each subsequent month comes and that will help the business, so that is how I see it.

**Sanjesh Jain:** My last question is on the pharmaceutical side, that business looks like still not growing when we remain quite optimistic on aluminium tube shifting to laminate, but in terms of performance if I look at pharmaceutical it has really not delivered the anticipated results, but the growth in beauty and cosmetics are fantastic, but that is not replicating in the pharmaceutical, any one-offs or any challenges that we are facing in the pharmaceutical side?

**Anand Kripalu:** I will say this that the pharma has been really well in AMESA, but we have a lot of work to do to crack bigger unlock in the other regions as far as pharmaceuticals is concerned where our business is relatively small.

**Sanjesh Jain:** No, I am telling that even within AMESA we are not growing at industry..





*EPL Limited*  
*November 07, 2022*

- Anand Kripalu:** I do not know, have we shared the numbers there, Deepak you are there on the line?
- Deepak Ganjoo:** We do share that on the presentation.
- Anand Kripalu:** Have we shared pharma growth numbers for AMESA?
- Deepak Ganjoo:** You shared the mix number.
- Amit Jain:** Sanjesh there are lot of conversions in India when pharma is taken place, we are actually doing really well in pharma.
- Anand Kripalu:** If you see half yearly, pharma category has grown for us.
- Sanjesh Jain:** Thanks Sir. That is it from my side. Thank you for answering all the questions and best of luck.
- Anand Kripalu:** Do pickup this issue of effects offline because it is very simple and clear issue and maybe we have not given you enough clarity here right and the only point I want to leave is that FX challenges that are there are all built into contractual customers, so it will never be out of pocket apart from the phase we had that Amit spoke about, so it is not that it is going to be out of pocket if there are significant currency movements.
- Moderator:** Thank you. The next question is from the line of Sameer Gupta from India Infoline. Please go ahead.
- Sameer Gupta:** Thanks for taking my question. Just following up on the previous question, so what I notice is that most of the RM prices aluminium, HDPE, etc., we have been continuously declining in the past six months and there has been continuous effort towards price hikes from our end and crude price has also been range bound, so apart from currency just trying to understand the reasons for sequential decline in margin, AMESA, America, Europe, all three regions are sequentially declining, now Europe I understand there have been multiple issues in terms of energy, etc., but what exactly are the reasons in the other two geographies, is it mix, is it something apart from currency that we are missing?
- Anand Kripalu:** I will give a few lines there and then the team in the board room can elaborate on it. I just wanted to recognize that our consumption cost of inputs, which is the entire cocktail of polymers, aluminum all that put together, our consumption cost actually peaked in Q2 and that is based on the inventory that we carry, so I just want to clarify that point that consumption cost will come down, part of that it is going to be eaten up by the FX



*EPL Limited*  
*November 07, 2022*

movements that we have discussed as a response to the previous question, but in this quarter consumption cost actually peaked because this is what we consumed here between July and September what is bought three months prior, three, four, five months prior and that is when we actually hit the peak of input cost, over to Ram, Amit to comment anymore on that.

**Amit Jain:** You are right Anand that this quarter was a peak quarter for the consumption and Sameer for your question on the sequential I think from the sequential angle all the regions have grown in the EBITDA absolute and EBIT absolute, so I am not sure that on the sequential number why you are saying that.

**Sameer Gupta:** I was mentioning about the margin, not the absolute amount.

**Amit Jain:** Margins for all the regions and AMESA is a small dip, but on the other regions even margins have improved compared to June sequentially.

**Sameer Gupta:** On the other side what you have seen historically we have delivered 18% to 20% of EBITDA margin even in times which were challenging, now I know the reasons and we have seen a dip in margin to around 15%, 16%, what is our thought process here, so if you are let us say getting a double digit growth, are we okay with this kind of a margin or the strategy is clear that we have to claw back to our hygiene margin of around 18%, 20% even delivering with this double digit growth?

**Anand Kripalu:** I want to make this very clear. Now I am not going to get to 18% or 20%, but our absolute aim is to restore the profitability of this business. The profitability say for any translation losses that have happened because of pricing, because of the mathematics of the numerator going up and denominator going up as well by the theory or not, so that is our aim and we are not going to give quarterly guidance so on and so forth, but our strategy and all the efforts that we are putting in it is absolutely aiming for us to get there and as much of concern for us is that every time you put a complete plan in place and you feel that goal is around the corner, another big funny happens like this quarter was FX, just a bit funny that happened and it ate up and yes it is, if there is a pace lag but in this quarter it did eat up a sizeable amount of margin, so I think fundamentally the way you guy should look at this is to say that I am not going back to the denomination number, but sequentially and this business has moved forward. The last quarter Q1 was the worst margin we had in many, many years at 15.1 when I think we were in the midst of the perfect storm. Certain levers have started improving while certain levers have continued to pull us back, but the good news is that more things have taken us forward then pulled us back, therefore we are going to believe that some of the interventions have started very soon. Now I have pointed out the



*EPL Limited*  
*November 07, 2022*

kind of the scenario that we aim and the kind of things that we are doing and at some point in time uncertainties and unknowns that are going to disappear, there are only so many variables in the P&L finally and then our absolute aim I do not think this management team is going to rest till we get back to the levels of the profitability that we enjoyed say for any percentage losses due to transmission, so I just want to be very, very clear about that.

**Sameer Gupta:** Just a clarification, when you say profitability do you look at the margin or do you look at the EBITDA per tube kind of a metric?

**Anand Kripalu:** No, I am going to look at EBITDA per tube kind of metric for the moment because like I said percentage has translation losses.

**Sameer Gupta:** Great Sir. I will get back in the queue for any followups. Thanks a lot and all the best for the future.

**Moderator:** Thank you. The next question is from the line of Jenish Karia from Antique Stock Broking Limited. Please go ahead.

**Jenish Karia:** Thank you for the opportunity. The first question is with regards to Brazil opportunity, last quarter if I am not wrong we had announced the amount of investments, so what will be the full year investment amount in that, what is the market size and opportunity and some color on what revenue potential that we seek on this region?

**Anand Kripalu:** I just tell you that our interest in the Brazil opportunity actually have gone up in terms of excitement. Ever since we made the announcement and started the investment and our plant is kind of at least the shell of the plant is almost ready now and equipment is on the high, the amount of queries and interest that we have seen from multiple other local and global players is very, very encouraging, so we remain very excited if anything our excitement levels have improved ever since we made our announcement. Now we are not in a position because I do not think it is appropriate at this point in time to give you a sense of what the potential is for the revenue contribution that Brazil is going to take. I am conscious that you guys want to know something and we will do it at the right time, but I do not want to hazard giving you something now as this project is evolving now, obviously we have business case internally and the business case is to deliver a good quality of payback in line with the nature of business that we are in, but beyond that I do not think we would like to share at this stage more about the revenue or margin potential that the Brazil opportunity offers. Now Amit what have we said earlier is any more flavor that we are in a position to add on the investment that we are going to make in Brazil?



*EPL Limited*  
*November 07, 2022*

- Amit Jain:** No, I think you have covered and Jenish just to give you the comfort is that we are entering into the Brazil on the back of contractual customers, so that is in a starting point because normally the new geography entering into with an anchor customer is always good and once we are on the ground we will look for other customers and we already started that exercise and that is why Anand was saying that there are multiple customers which are showing interest on this project.
- Jenish Karia:** Great, for now what I understand is that our capex are 1.3 billion for FY2023 what has committed and as and when there will be developments you will be going up after?
- Anand Kripalu:** Yes.
- Jenish Karia:** Second question, on part of other expenses that have gone up sequentially, so is it only primary because of the forex loss?
- Anand Kripalu:** Again, in other expenses Jenish there are part of like taking material cost and the power and fuel also which is going higher sequentially and you know the Europe market and even in AMESA region there are some disruptions on the power supplies, so that is impacting the other expenses.
- Jenish Karia:** Next question was on the gross margin perspective so gross margin has declined sequentially a bit so correct me if I am wrong the polymer prices have declined and the benefit of that decline has been offset by increase in the dollar rate so is it because of that how do you look at the gross margins?
- Anand Kripalu:** If you want to see Q2 specifically the Q2 was the peak for material consumption because whatever we bought previous earlier that has come as consumption in this quarter so Q2 was a peak prices for materials.
- Jenish Karia:** So there will be some amount of inventory loss?
- Anand Kripalu:** Definitely, any business will keep some inventory so if you see Q2 is the peak on the prices and the softening impact we will see in the future but what we are saying is that because of the currency depreciation and devaluation against dollar those softening of the prices are getting largely affected by the exchange rate on the landed price.
- Jenish Karia:** Can you quantify the amount of inventory loss a broad figure on that also this time?
- Anand Kripalu:** Maybe we can take those off line because I cannot be those granular on the call.



*EPL Limited*  
*November 07, 2022*

- Jenish Karia:** No problem. Thank you so much and that is all from me.
- Moderator:** Thank you. The next question is from the line of Samridh Rela from Value Research. Please go ahead.
- Samridh Rela:** I just wanted to know the capex commitment that you have made for the Brazil project?
- Anand Kripalu:** I think that we have shared in the last meeting it is Rs.138 Crores for the Brazil project.
- Samridh Rela:** Thank you.
- Moderator:** Thank you. The next question is from the line of Shalabh Agarwal from Snowball Capital. Please go ahead.
- Shalabh Agarwal:** Thank you for giving this opportunity Sir. Sir just on Brazil without really going into the numbers qualitatively wanted to check do we get preference to supply tubes to our customers to whom we may be supplying tubes in another geography but some of the oral care customers would be the bigger customers across geographies I would believe?
- Anand Kripalu:** Yes you may or may not get preference. On this particular case you will obviously get preference from a customer who is our anchor customer based on whose commitment we have made the investment okay. Now on the back of that I said earlier that there are other players local and global who are evincing interest right and we are excited about that so there could be other players in oral care but also beyond oral care who may join the bandwagon. I think the preference could be because we have a good relationship and the anchor customer is obviously because we have a good relationship with them on certain categories in other geographies in the world okay because many of these companies are truly global in the way they operate. Again for some of the other customers it could be because we are the most credible local supply base that is available in the country like Brazil compared to other players who may not have the creditability that EPL has so they will come to us so I think it is a mix of both really.
- Shalabh Agarwal:** Sure and Sir secondly I also wanted to check how is the customer concentration for us like how big would be the biggest customer or the top five customers for us and what would be our wallet share with them some qualitative color if you can provide?
- Anand Kripalu:** Ram do you want to share a little bit about concentration of customers.



*EPL Limited*  
*November 07, 2022*

**M.R. Ramasamy:** I think we should see it from the category perspective and you know that the oral care is basically four major customers which are having the market share globally. There you might see some concentration because these four players are taking most of the shares of the market but if you see the personal care and beyond which is other categories there are a lot of customers because it is a fragmented market and different geographies will have different brands and other things so from that angle there is no concentration on those categories.

**Shalabh Agarwal:** What would be our wallet share broadly with some of these in the oral care segment?

**M.R. Ramasamy:** So that we cannot share but it is different for different customers. We cannot share the wallet share.

**Shalabh Agarwal:** But would we be bigger for all the four biggest players would that be a correct statement to make?

**Anand Kripalu:** In some regions we are bigger, in some regions we may be at second, most of them have two supplier policy right so in some regions we may be bigger, in some regions some else will be bigger, but overall in most of the markets we are market leaders.

**Shalabh Agarwal:** Lastly just wanted to check on Albia how big would Albia be in terms of the tubes they manufacture just trying to have a sense of where we are placed with respect to Albia and would their share in B&C would be higher than us?

**Anand Kripalu:** There are various types of business models. There is a big difference between Albia, we are predominantly Asia player right. Our market is very big in India and very big in China where large population lies right but their market play is they are larger in Western part of the world because Asia is much easier than us so that is the difference but then within the market there are segments. In some segments that we have started gaining even in Western part of the world that our share on the oral care is very large but their share of beauty and cosmetics that we are working on to catch up so that is how we need to see. In overall globally we are the largest.

**Shalabh Agarwal:** Sure. Thank you Sir for taking my questions and all the very best to the entire team.

**Moderator:** Thank you. The next question is from the line of Sumant Kumar from Motilal Oswal. Please go ahead.

**Sumant Kumar:** So my question is regarding USA business so kindly talk about considering high inflation and how is the demand side in USA and we have seen higher margin contraction



*EPL Limited*  
*November 07, 2022*

comparatively and slower single digit margin in USA business so how is the cost scenario in USA?

**Anand Kripalu:**

Broadly speaking the demand scenario in the US is I would say still solid right still strong. There are significant pressures on the cost side in the US right and therefore the need for inflation related price increases and some of which are still due to come in Q3 right which have now been approved by the customers. The cost side right the inflation-related costs which are largely to do with wages right has been very significant because you will speak to anybody in any industry in the US they are not able to find people to come to work right and you have got to pay more and yes you have absenteeism and things like that and then you have to end up paying overtime and so on so earlier it was COVID related and so on and now it seems that people going to come to work, we have to go pay higher wages and pay overtime when they do not come to get others to work so that we can produce, so there are cost-related challenges that are significant right in the US but we are now pushing very hard to get price increases to compensate for general inflation-related costs right and some of which are going to come and have been approved to come in the next quarter so that is the situation in the US so US is not a demand problem really.

**Sumant Kumar:**

Thank you so much.

**Moderator:**

Thank you. Ladies and gentlemen due to time constraint that was the last question. I now hand the conference over to Mr. Pratik Tholiya for his closing comments.

**Pratik Tholiya:**

Thanks Lizaan. On behalf of Systematix Institutional Equities I would like to thank all the participants who logged into this conference all. Thanks to the management for answering all the questions. I would request Anand if he has any closing comments to make.

**Anand Kripalu:**

No I just want to thank everybody for their engagement as I am inspired by the questions that they have asked and also for their continuing support and I think importantly patience as we have reeling through some of the most challenging phases in the history of this company right. I just hope people are beginning to see some of the silver lining that are now evident as the problems become more behind us rather than ahead of us right and start believing that this business is all set to start moving forward.

**Moderator:**

Thank you. Ladies and gentlemen on behalf of Systematix Institutional Equities that concludes this conference call. We thank you for joining us. You may now disconnect your lines.