

# Hindustan Unilever Limited

JQ'23  
Results

20<sup>th</sup> July 2023



Hindustan Unilever Limited



Dove  
MEN  
+CARE

SPECIALLY DESIGNED FOR MEN'S HAIR

2<sup>IN</sup>1 SHAMPOO +  
CONDITIONER



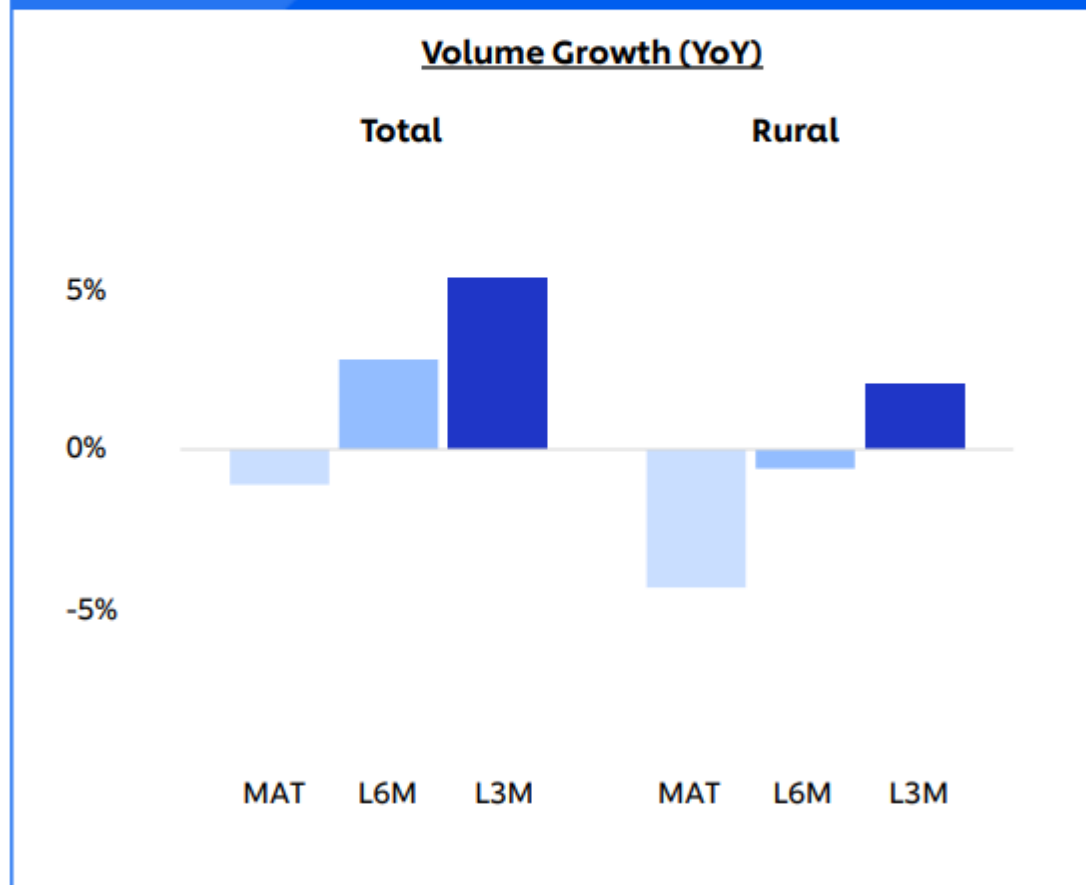
# Safe harbour statement

This Release / Communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments, political instability, change in international oil prices and input costs and new or changed priorities of the trade. The Company, therefore, cannot guarantee that the forward-looking statements made herein shall be realised. The Company, based on changes as stated above, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward looking statements as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements that may be made from time to time by or on behalf of the Company to reflect the events or circumstances after the date hereof.

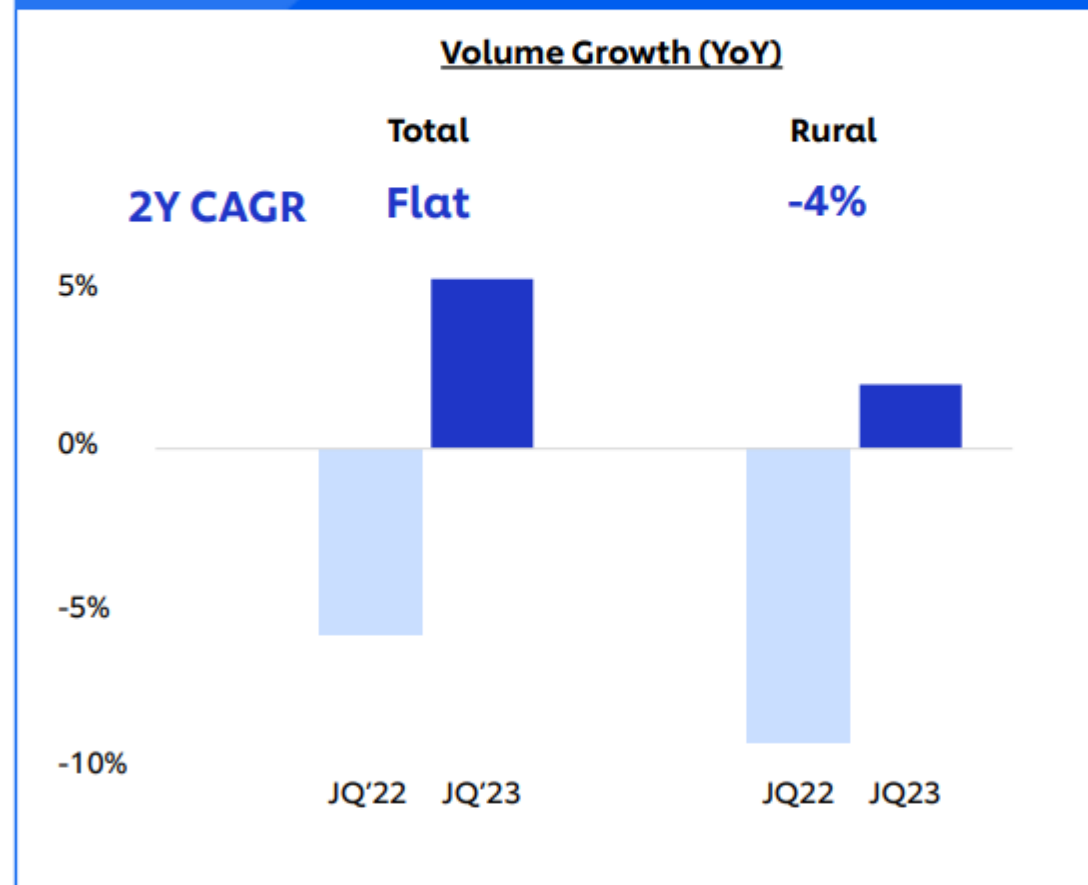


# FMCG demand trends gradually improving

## Market volumes recovering...



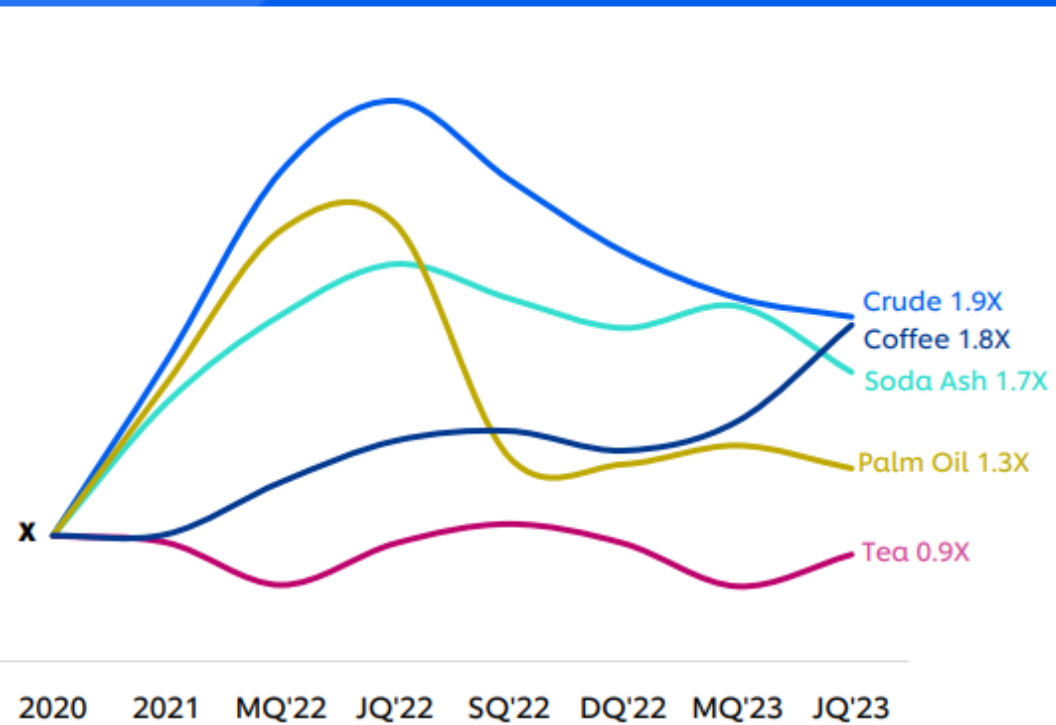
## ...albeit on a soft base



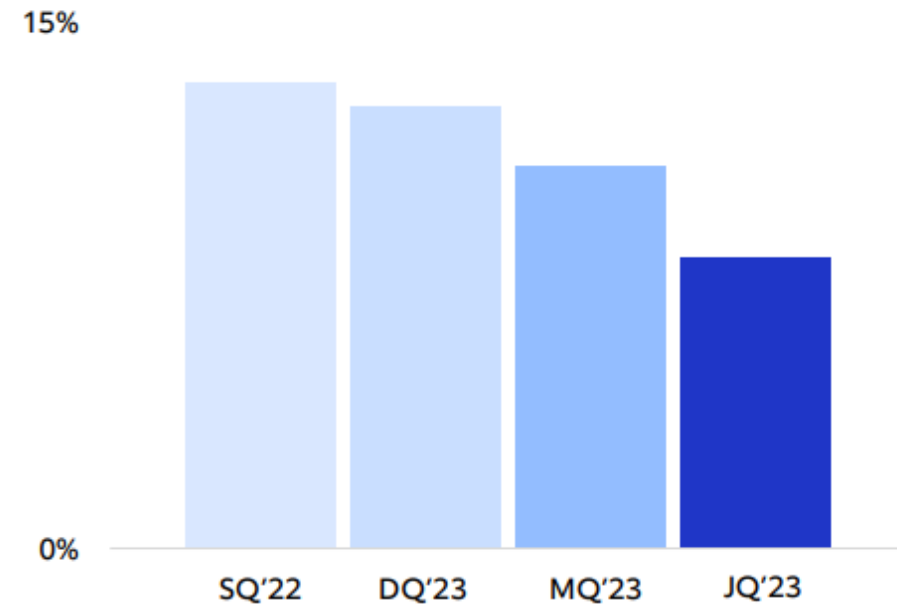


# Inflation softening on a YoY basis

## Commodities remain stable



## Market price growth tailing off



Trade destocking |  
Consumers consuming high price inventory

Commodity prices as per relevant market index

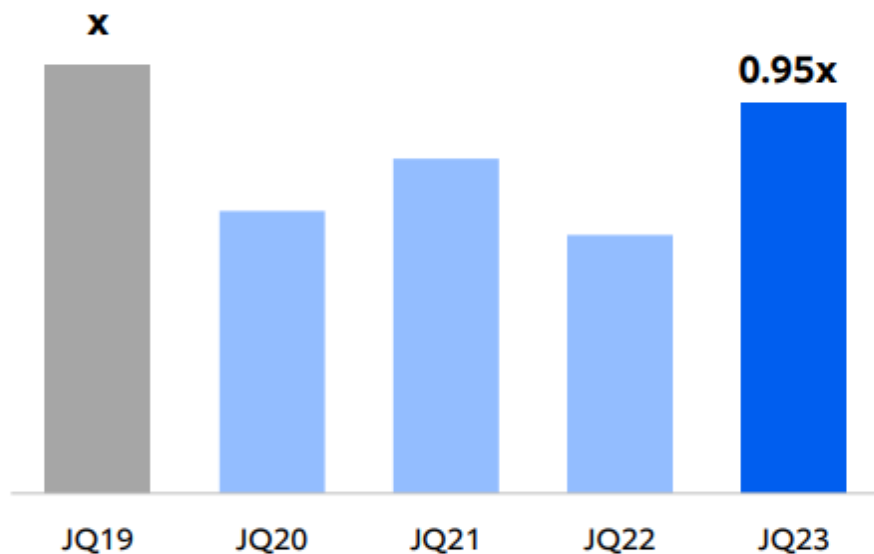
Market growth as per Nielsen FMCG Market Report June 2023 (HUL relevant categories)

Sensitivity: Public

# Increased competitive intensity

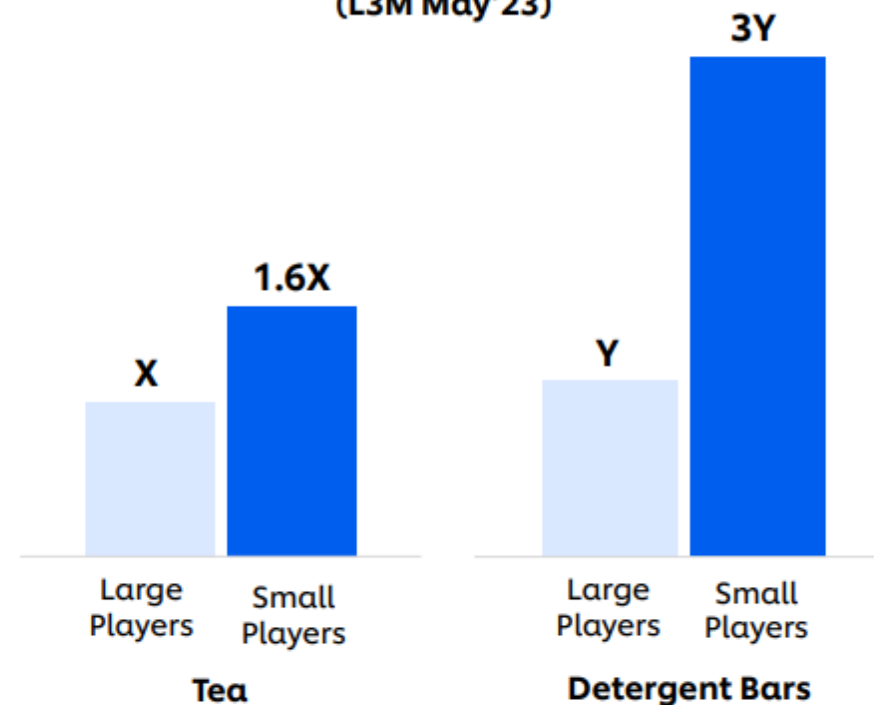
## Media intensity up

Media GRPs for FMCG Market  
(HUL relevant categories)



## Resurgence of small players in select categories

Market Value Growth (YoY)  
(L3M May'23)



# HUL JQ'23 results

## Topline

Underlying Sales Growth<sup>1</sup>

**7%**

**3%**

Underlying Volume Growth<sup>2</sup>

## EBITDA

Margin

**23.6%**

**+40 bps**

Change YoY

## PAT (bei)<sup>3</sup>

INR

**2,500 cr.**

**9%**

Growth YoY

## Net Profit

INR

**2,472 cr.**

**8%**

EPS Growth YoY

1. Underlying Sales Growth (USG) refers to the increase in turnover for the period, excluding any change in turnover resulting from acquisitions, disposal

2. Underlying Volume Growth (UVG) refers to volume growth including the impact of mix of turnover realization of products sold

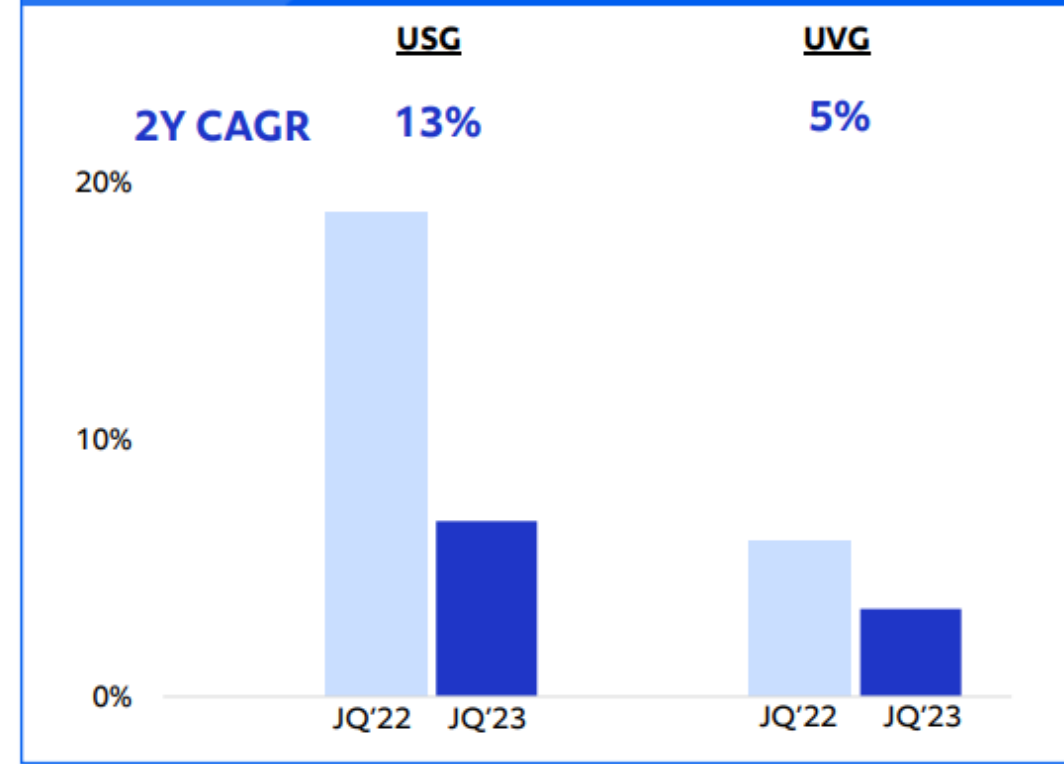
3. PAT (bei) : Profit After Tax before exceptional items

# Competitive growth

## Business winning market shares

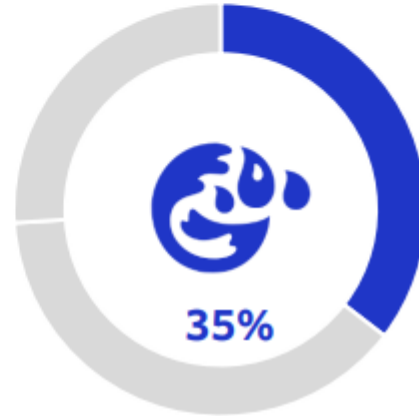


## Significantly outperformed the market on a 2-year basis



# JQ'23 : Segmental performance

## HOME CARE



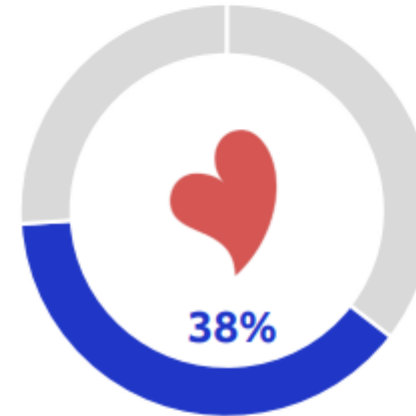
INR 5,425 cr.

10%

18%

Mid  
single-digit

## BEAUTY & PERSONAL CARE



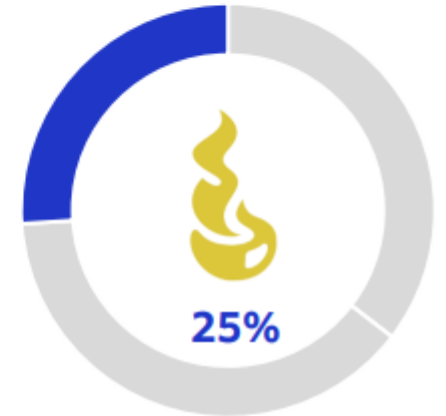
INR 5,601 cr.

4%

26%

Mid  
single-digit

## FOODS & REFRESHMENT



INR 3,797 cr.

5%

18%

Near flat

Segmental Revenue  
Growth

Segmental Margins

Underlying Volume  
Growth

Segment Revenue = Segment Turnover + Other Operating Income, Segment Margins (EBIT) excludes exceptional items.

Excludes 'Others' segment, proportion of segments for same period last year

Underlying Volume Growth (UVG) refers to volume growth including the impact of mix of turnover realization of products sold





# JQ'23: Underlying Volume Growth composition





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# JQ'23 : Innovations (1/2)





# JQ'23 : Innovations (2/2)







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# JQ'23 : Activations and communications







# HC : Double digit growth on a high base



- ❑ **Fabric Wash:** Double-digit growth balanced between price and volume. Premium portfolio outperforms
  - Market share gains continue
- ❑ **Household Care:** Double-digit volume led growth driven by outperformance in Dishwash



# BPC : Volume led growth



- ❑ **Skin Cleansing:** Modest volume-led growth driven by Lux and Hamam. Price reductions taken in soaps portfolio
  - Market development actions in bodywash continue to yield good results
- ❑ **Hair Care:** Mid-single digit volume growth led by Tresemme, Indulekha and Clinic Plus
  - Innovations and future formats continue to do well
- ❑ **Skin Care and Colour Cosmetics:** Double-digit growth driven by strong performance in premium portfolio
- ❑ **Oral Care:** High double-digit growth led by Closeup

# F&R : Steady performance led by HFD and Food Solutions

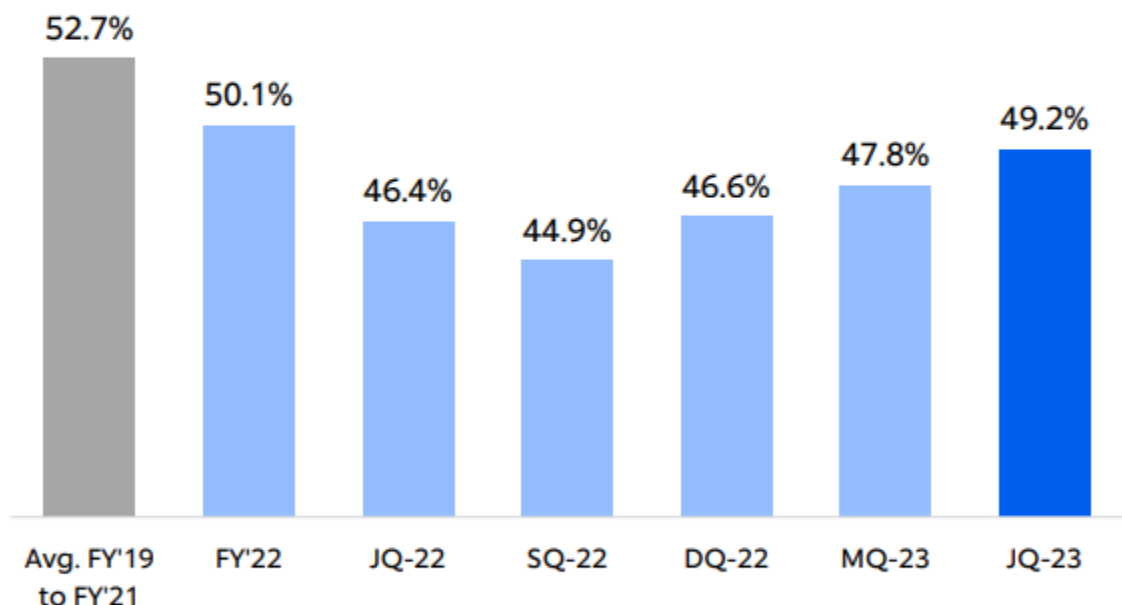


- ❑ **Beverages:** Modest growth as consumers downgrading continued due to inflation differential between premium and loose tea. Coffee grew in mid-single digit
- ❑ **Health Food Drinks:** Price led growth with both Horlicks and Boost performing well
- ❑ **Foods:** Mid-single digit growth led by Ketchup and Food Solutions. Mayonnaise and Peanut Butter continue to deliver strong growth
- ❑ **Ice Cream:** Mid-single digit growth on a high base. Unseasonal rains impacted consumption

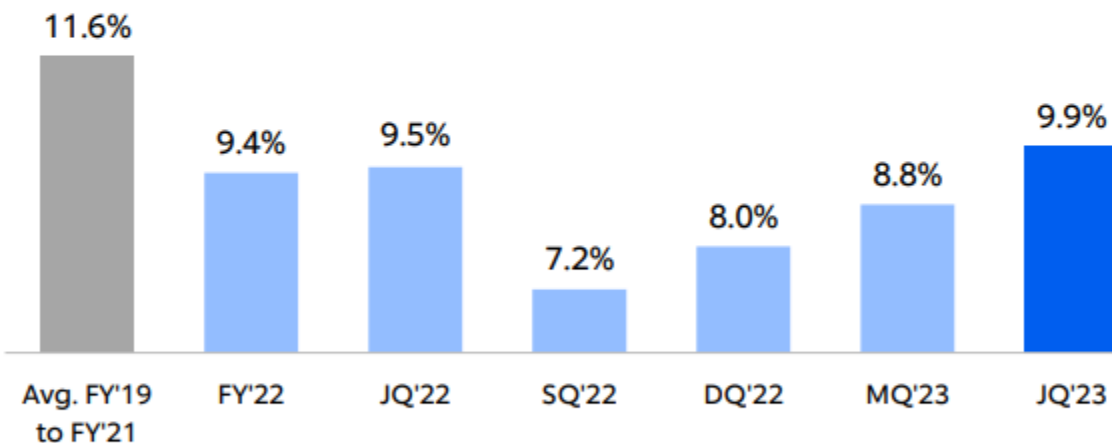


# Building back gross margins, stepping up A&P

## Gross Margin up sequentially



## Stepped-up A&P investments



**Continue to drive productivity improvement and pricing agility**

# JQ'23 : Results summary

Rs. Crores

Particulars	JQ'23	JQ'22	Growth
Sales	14,931	14,016	7%
EBITDA	3,521	3,247	8%
EBITDA Margin	23.6%	23.2%	+40 bps
Other Income (Net)	138	111	
PBT	3,365	3,086	9%
Tax	893	797	
<b>Net Profit</b>	<b>2,472</b>	<b>2,289</b>	<b>8%</b>
PAT before exceptional items	2,500	2,289	9%

# Doing well by doing good



**10 new Suvidha Centres  
to be set up**



**'Be.Seen': scaling minority-  
owned businesses**



**'Centre for Sustainability  
Leadership'**



# Looking ahead



*Hindustan Unilever Limited*



# Operating environment remains volatile

## Weather related risks continue



Impact on inflation and rural demand to be monitored

## Gradual recovery in volumes



High levels of cumulative inflation, consumption to recover gradually



## Near-term outlook

- ❑ If commodities remain where they are, our price growth to be flattish/negative in the coming quarters
- ❑ Competitive intensity to go up further, focused on growing our consumer franchise and sustaining our volume growth momentum
  - Right price-value equation and building back gross margin
  - Step-up in A&P investments

**Our focus remains on delivering Consistent, Competitive, Profitable and Responsible Growth**



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