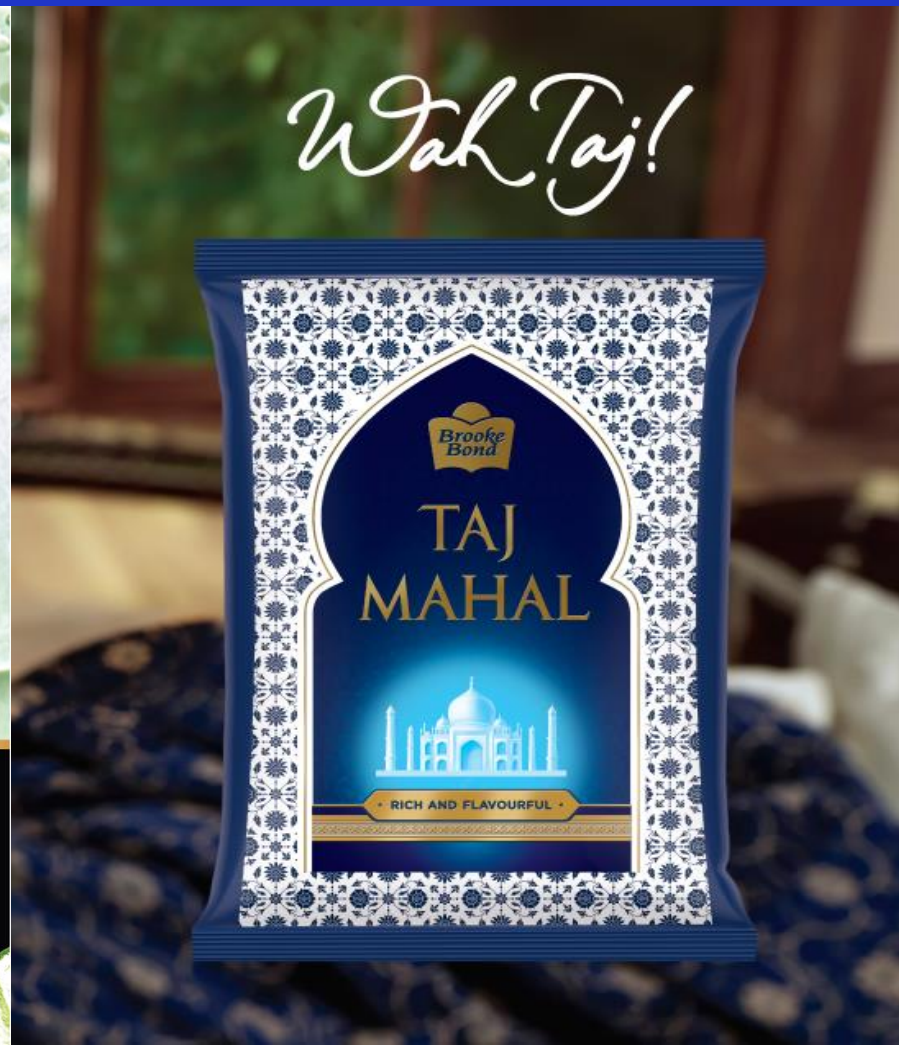


Hindustan Unilever Limited

JQ'22 Results : 19th July 2022

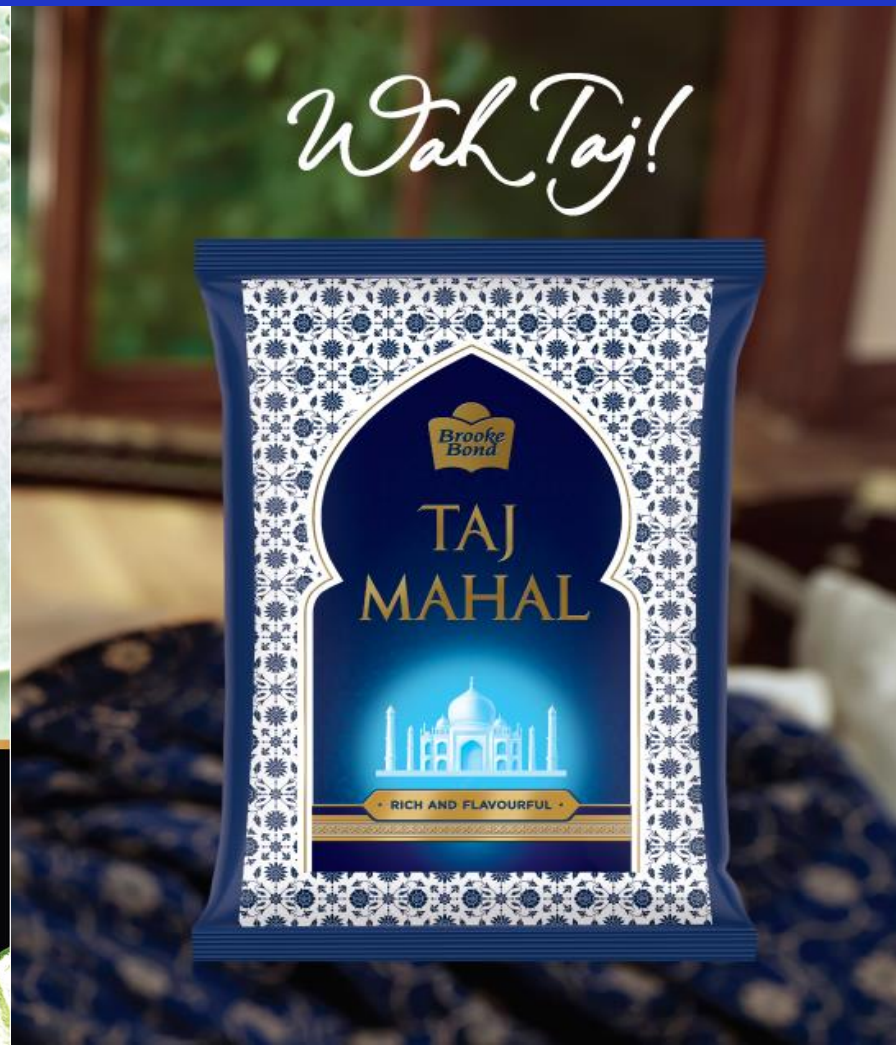


Safe harbour statement

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.

Sanjiv Mehta

Chief Executive Officer and Managing Director



JQ'22 : Strong start to the year

Turnover Growth YoY

19%

Underlying Volume Growth

6%

Market Share

>75%

Business winning shares

EBITDA Margin

23.2%

Healthy EBITDA margin despite
unprecedented inflation

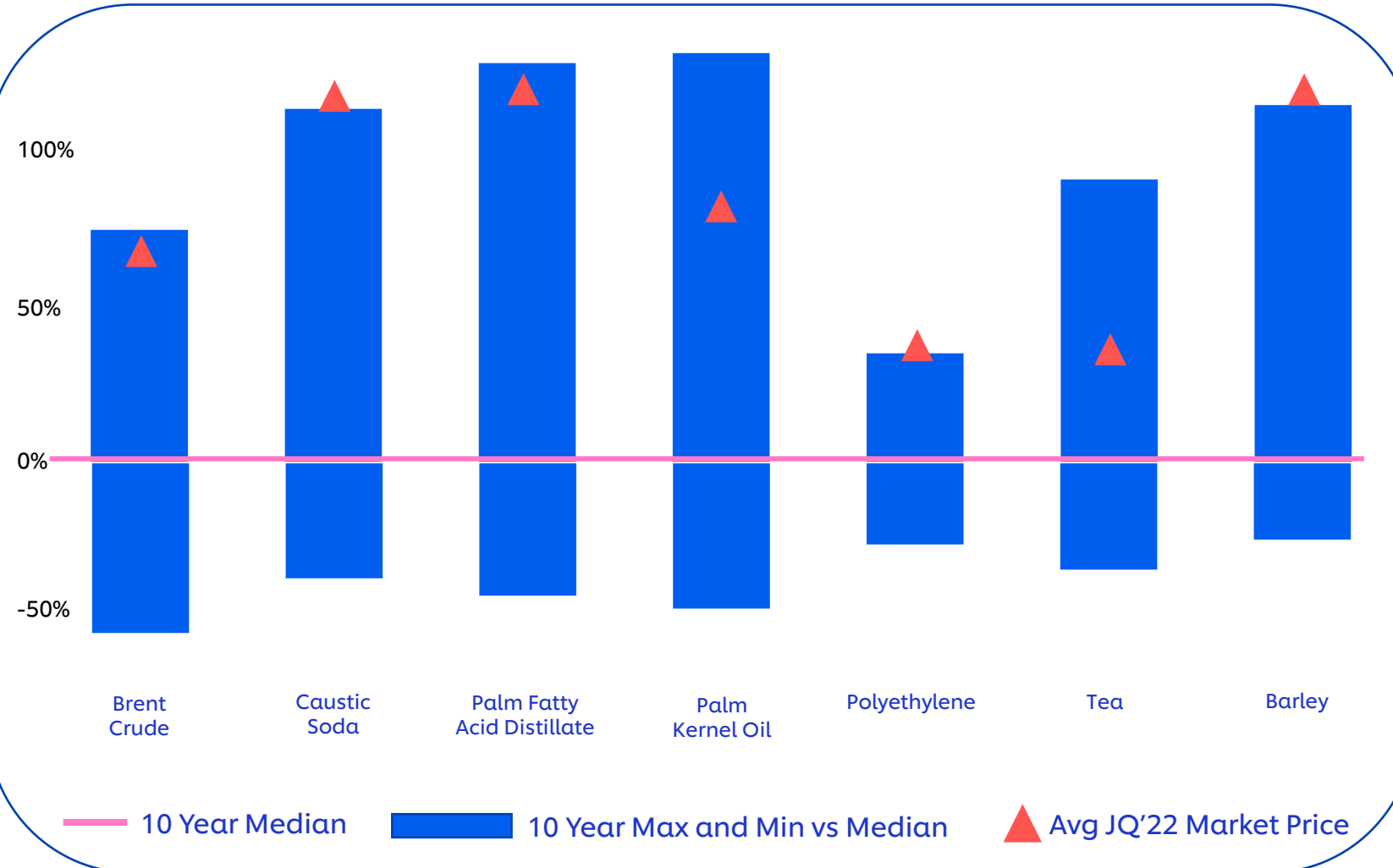
Earnings Per Share

11%

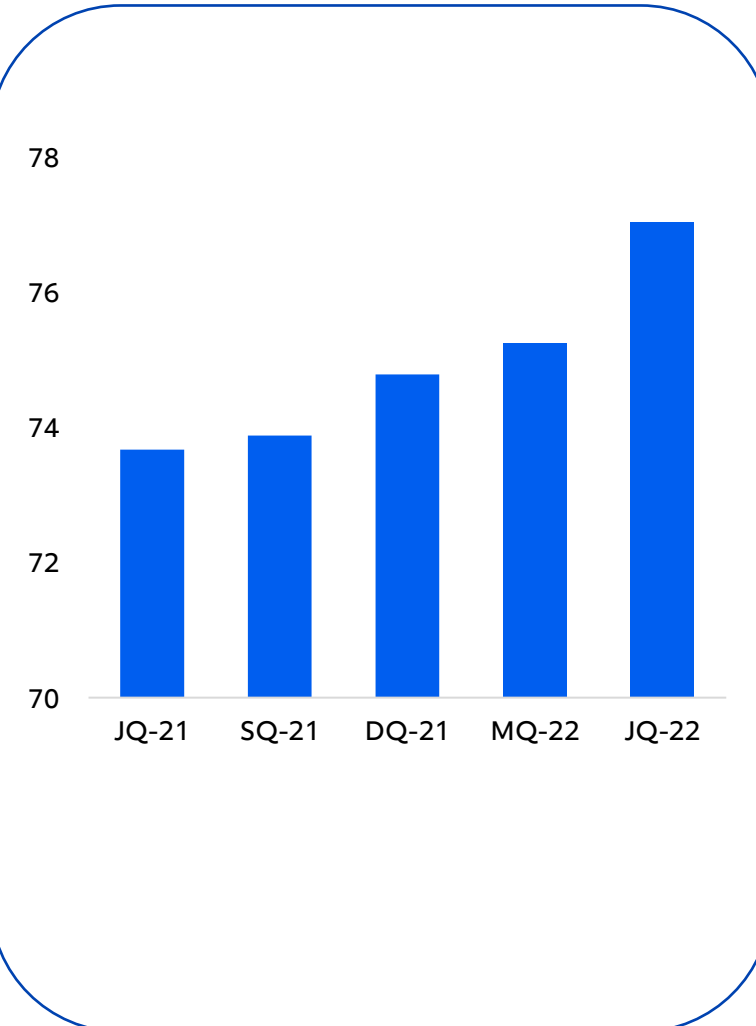
YoY Growth

Inflationary pressure continues

Key Commodities



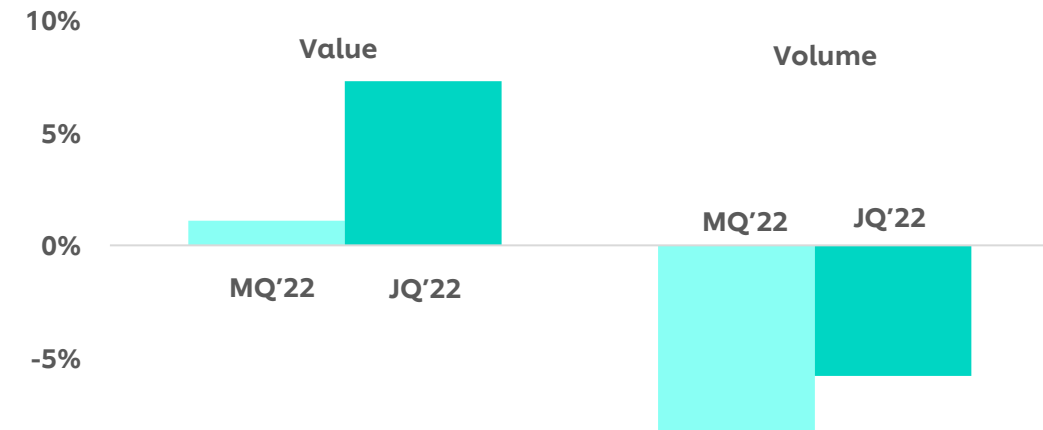
Currency (USD/INR)



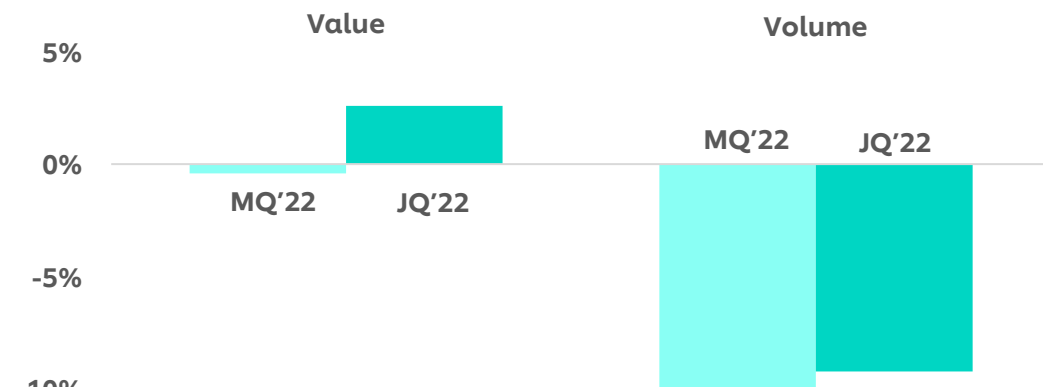
FMCG market growths

YoY market growth price led, volumes continue to decline

YoY Market Growth (Urban+Rural)

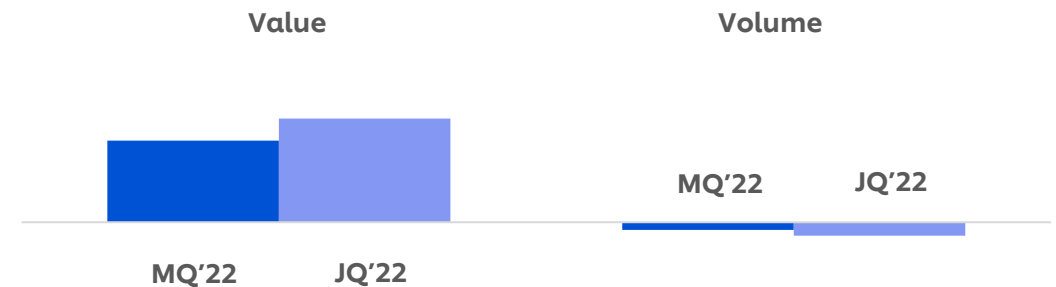


YoY Market Growth (Rural)

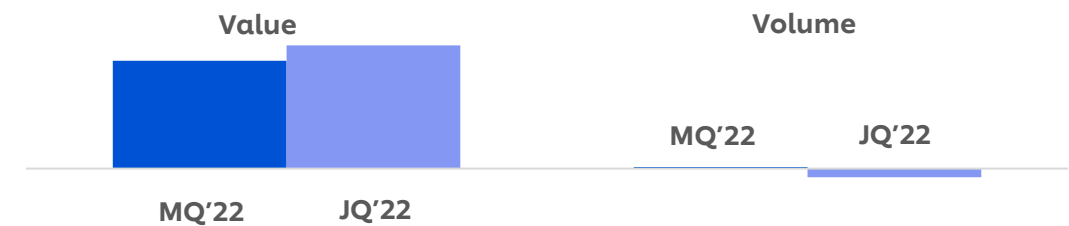


Market volumes flat vs 2019, value growth similar to MQ'22

3Y Market CAGR (Urban+Rural)



3Y Market CAGR (Rural)



Clear and compelling strategy

Navigating the short term challenges with agility

Growing our
consumer
franchise

Protecting our
business model

While also progressing well on our long term strategic choices

Developing our
portfolio

Win with our
brands as a force
for good, powered
by purpose and
innovation

Lead in the
channels of the
future

Build
differentiated
structures and
capabilities

Build
purpose-led,
future-fit
organisation



ESG : HUL Compass Commitments

Improve the health of the planet			Improve people's health, confidence and wellbeing		Contribute to a fairer, more socially inclusive world		
Climate action	Protect and regenerate nature	Waste-free world	Positive nutrition	Health and wellbeing	Equity, diversity and inclusion	Raise living standards	Future of work
Net zero emissions from all our products from sourcing to point of sale by 2039	Deforestation-free supply chain in palm oil, paper and board, tea, soy and cocoa by 2023	Collect and process more plastic than we sell	Double the number of products sold that deliver positive nutrition by 2025	Take action through our brands to improve health and wellbeing and advance equity and inclusion We will focus on: <ul style="list-style-type: none"> • Gender equity • Body confidence and self-esteem • Mental wellbeing • Hand hygiene • Sanitation • Oral health • Skin health and healing 	Achieve an equitable and inclusive culture by eliminating any bias and discrimination in our practices and policies	Ensure that everyone who directly provides goods and services to HUL will earn at least a living wage or income by 2030	Help equip 1.5 million young people with essential skills by 2030
Halve greenhouse gas impact of our products across the lifecycle by 2030	Help protect and regenerate land, forests and oceans by 2030	100% reusable, recyclable or compostable plastic packaging by 2025	70% of our portfolio to meet WHO-aligned nutritional standards by 2022		Accelerate diverse representation at all levels of leadership	Help 2 million small and medium-sized enterprises grow their business by 2025	Pioneer new models to provide our employees with flexible employment options by 2030
Zero emissions in our operations by 2030	Empower farmers and smallholders to protect and regenerate farm environments	15% recycled plastic by 2025	95% of packaged ice cream to contain no more than 22g total sugar per serving by 2025		5% of our workforce to be made up of people with disabilities by 2025		Reskill or upskill our employees with future-fit skills by 2025
Replace fossil-fuel derived carbon with renewable or recycled carbon in all our cleaning and laundry product formulations by 2030	Contribute to 3 trillion litres of water potential in India through HUF by 2025	Halve food waste in our operations by 2025	95% of packaged ice cream to contain no more than 250 kcal per serving by 2025		Spend ₹ 2000 crore annually with diverse businesses by 2025		
	Implement water stewardship programs in 12 locations in water stressed areas by 2030	Maintain zero waste to landfill in our factories	85% of our Foods portfolio* to help consumers reduce their salt intake to no more than 5g per day by 2022		Increase representation of diverse groups in our advertising		
	100% of our ingredients will be biodegradable by 2030		(*Excluding India Salt Business)				

Respect human rights

Respect and promote human rights and the effective implementation of the UN Guiding Principles, and ensure compliance with our Responsible Sourcing Policy

Our responsible business fundamentals



Business integrity



Safety at work



Employee wellbeing



Product safety and quality



Responsible innovation



Responsible advertising and marketing



Safeguarding data



Engaging with stakeholders



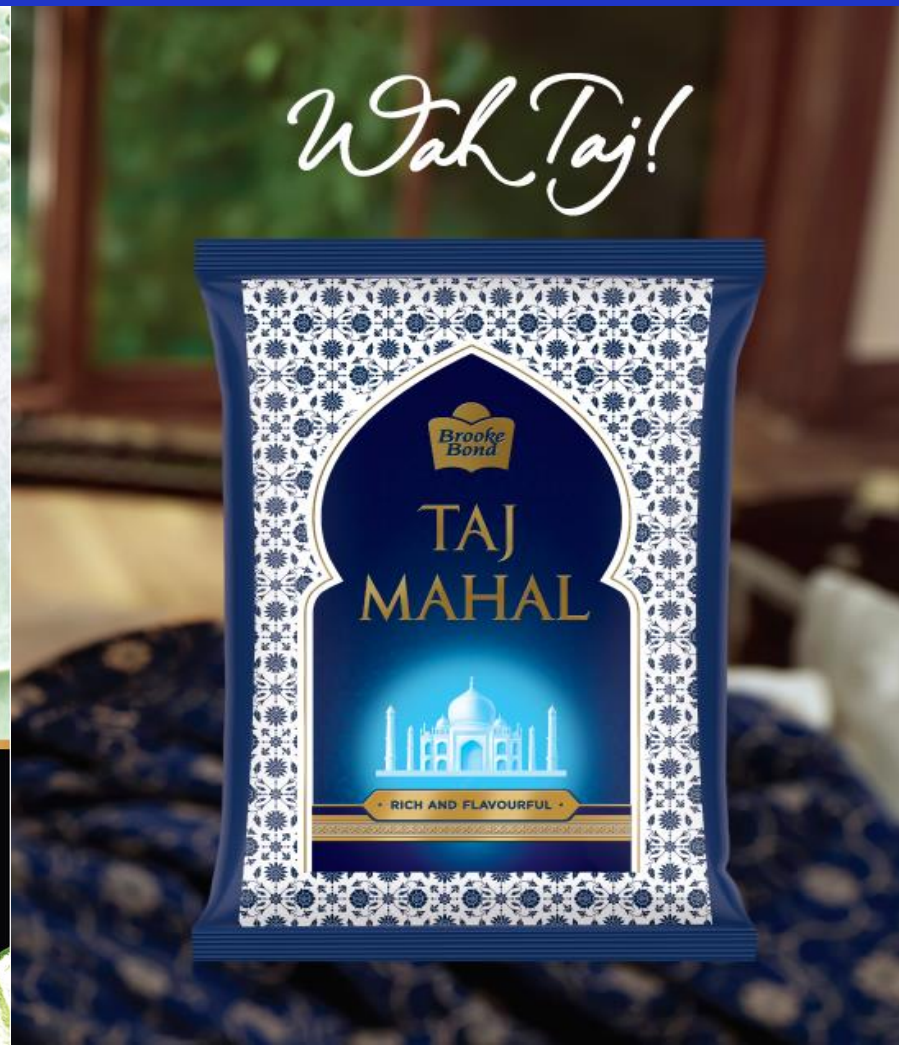
Responsible taxpayer



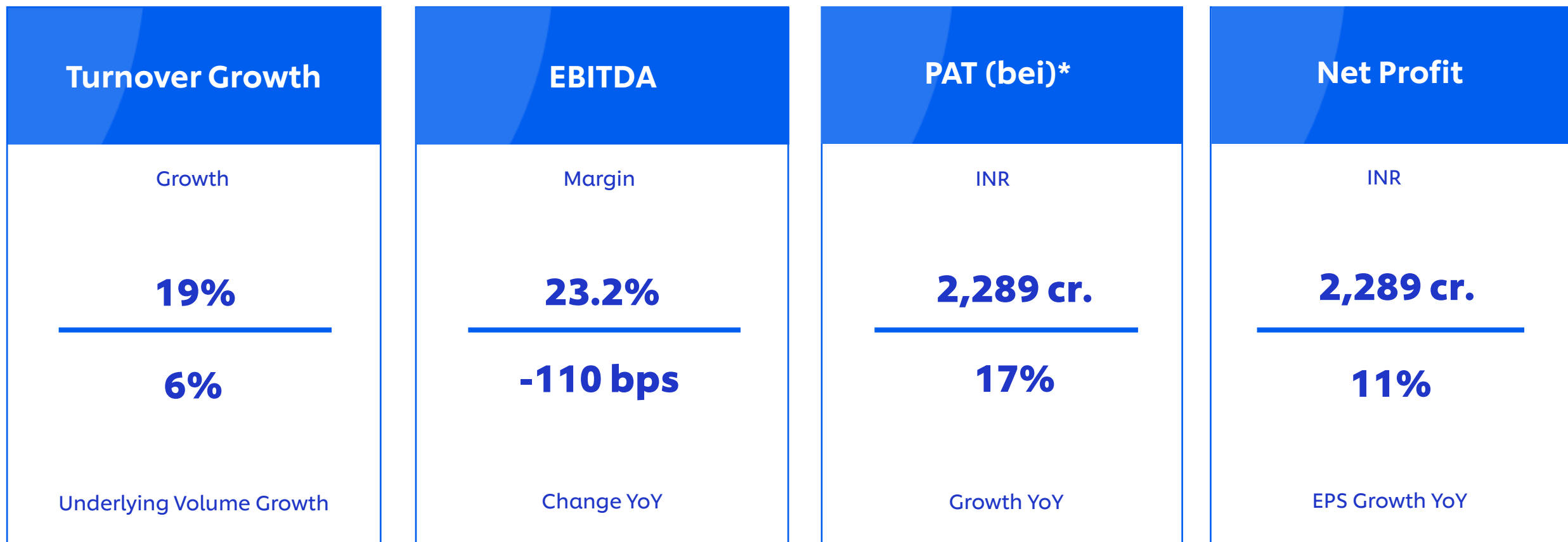
Committed to transparency

Ritesh Tiwari

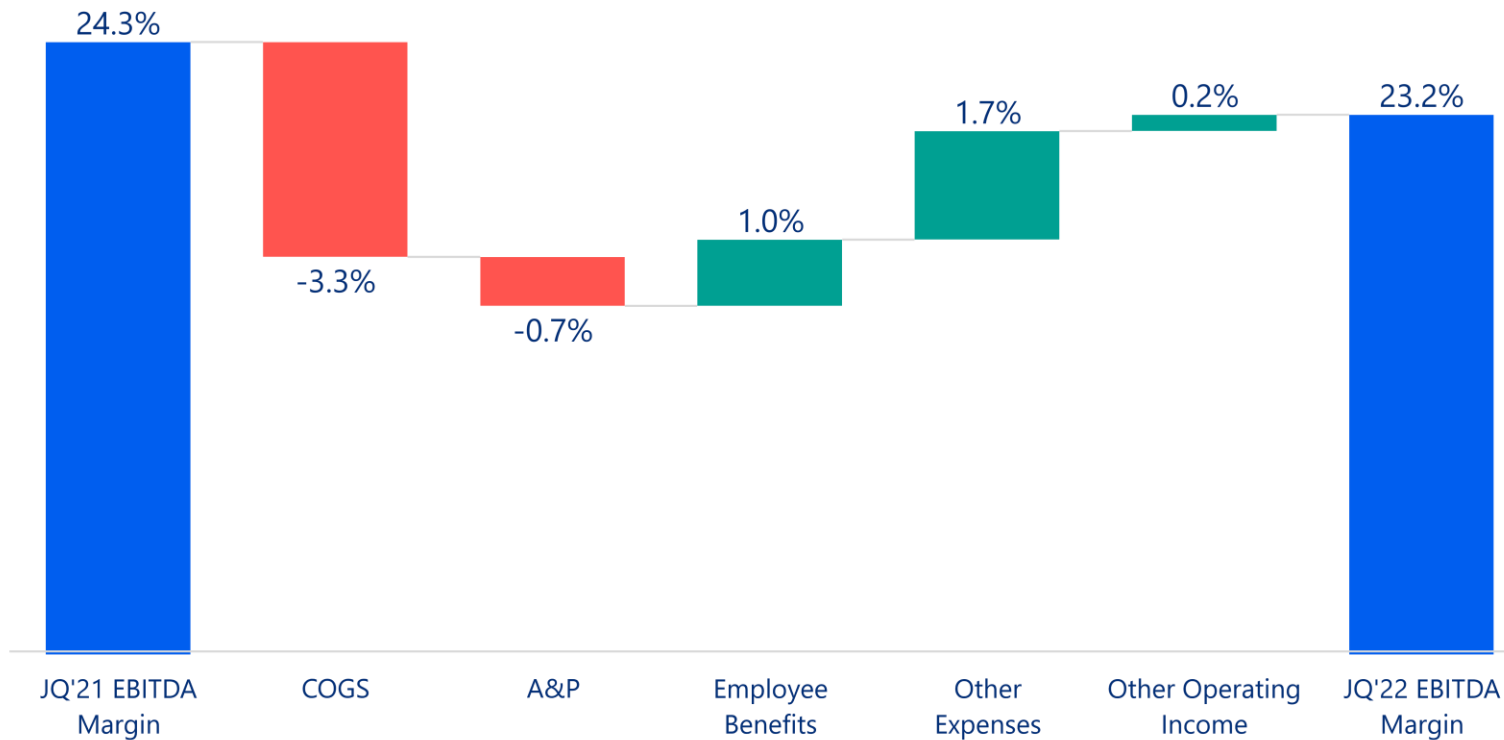
Chief Financial Officer



JQ'22 : Strong start to the year



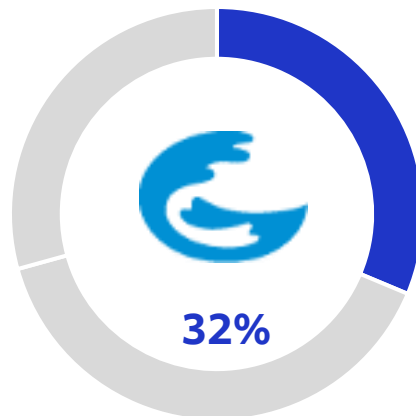
EBITDA Margin Movement (YoY)



- Investing in our brands : SOV>SOM
- Focus on product superiority
- Optimising non-consumer facing costs
- Savings across all cost lines of P&L
- Growth leverage
- Calibrated pricing actions

JQ'22 : Segmental performance

HOME CARE



INR 4,931 cr.

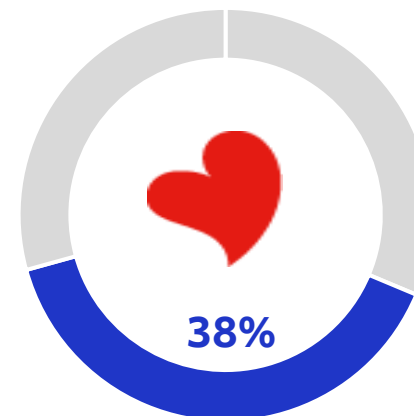
**Segmental Revenue
Growth**

30%

Segmental Margins

18%

BEAUTY & PERSONAL CARE

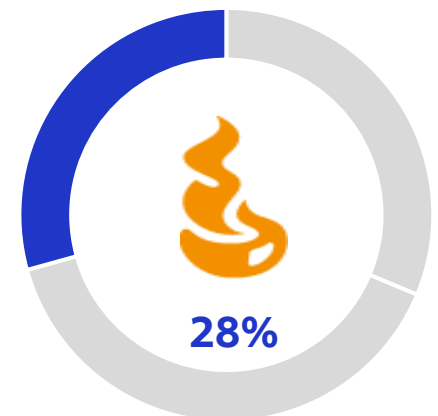


INR 5,364 cr.

17%

26%

FOODS & REFRESHMENT



INR 3,627 cr.

9%

16%

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

Excludes 'Others' segment, proportion of segments based on FY'22 revenue

Sensitivity: Public

JQ'22 : Innovations



JQ'22 : Activations and communications

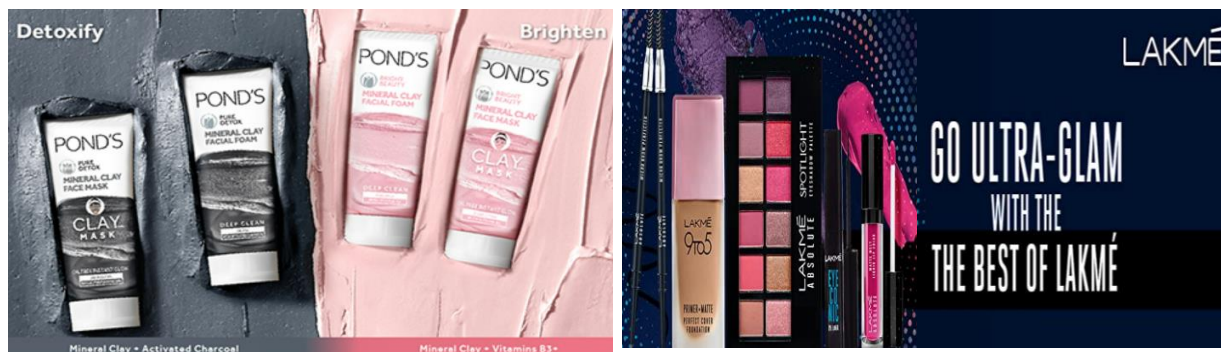


Home Care : Stellar performance continues



- ❑ **Fabric Wash:** High double-digit growth driven by robust performance across the portfolio; volumes grew high single-digit
 - Liquids and Fabric conditioner continue to outperform led by market development actions
- ❑ **Household Care:** Grew in high double-digit with both dishwash and surface cleaners performing well.
 - Vim recognised by Kantar for fastest growing consumer reach across FMCG brands globally in the last decade
- ❑ Significant input cost inflation across Fabric Wash and Household Care; calibrated pricing actions continue

BPC : High teens growth, ahead of the market



- ❑ **Skin Cleansing:** Soaps delivered price-led double-digit growth. Beauty and premium soaps had another strong quarter
- ❑ **Hair Care:** High double-digit growth led by premium portfolio; continue to strengthen market leadership
- ❑ **Skin Care:** Premium portfolio performed well and is significantly ahead of pre-Covid levels. Slowdown in discretionary consumption impacting Glow & Lovely and Talc
- ❑ **Color Cosmetics:** Strong YoY growth on a soft base, marginally below pre-COVID levels. Our innovations in Lakme continue to gain traction with consumers
- ❑ **Oral Care:** Closeup continues to grow consumer franchise

F&R : High single digit growth led by Ice Cream and Foods



- ❑ **Beverages:** Tea delivered steady performance on a high base and cemented its market leadership. Coffee performed well and grew in double-digit
- ❑ **Health Food Drinks:** Market share and penetration gains continue on the back of focused market development actions and new communications
- ❑ **Foods:** Double-digit growth led by Jams and Unilever Food Solutions (UFS) business
- ❑ **Ice Cream:** Stellar performance, broad based across brands and formats. ICNow and our innovations are delivering strong results and finding salience with consumers

JQ'22 : Results summary

Rs. Crores

Particulars	JQ'22	JQ'21	Growth
Sales	14,016	11,730	19%
EBITDA	3,247	2,847	14%
EBITDA Margin	23.2%	24.3%	-110 bps
Other Income (Net)	111	56	
Exceptional Items – Credit / (Charge)	-12	-26	
PBT	3,086	2,633	17%
Tax*	797	572	
PAT bei	2,289	1,962	17%
Net Profit	2,289	2,061	11%

*JQ'21 had the benefit of a one-off prior period tax adjustment

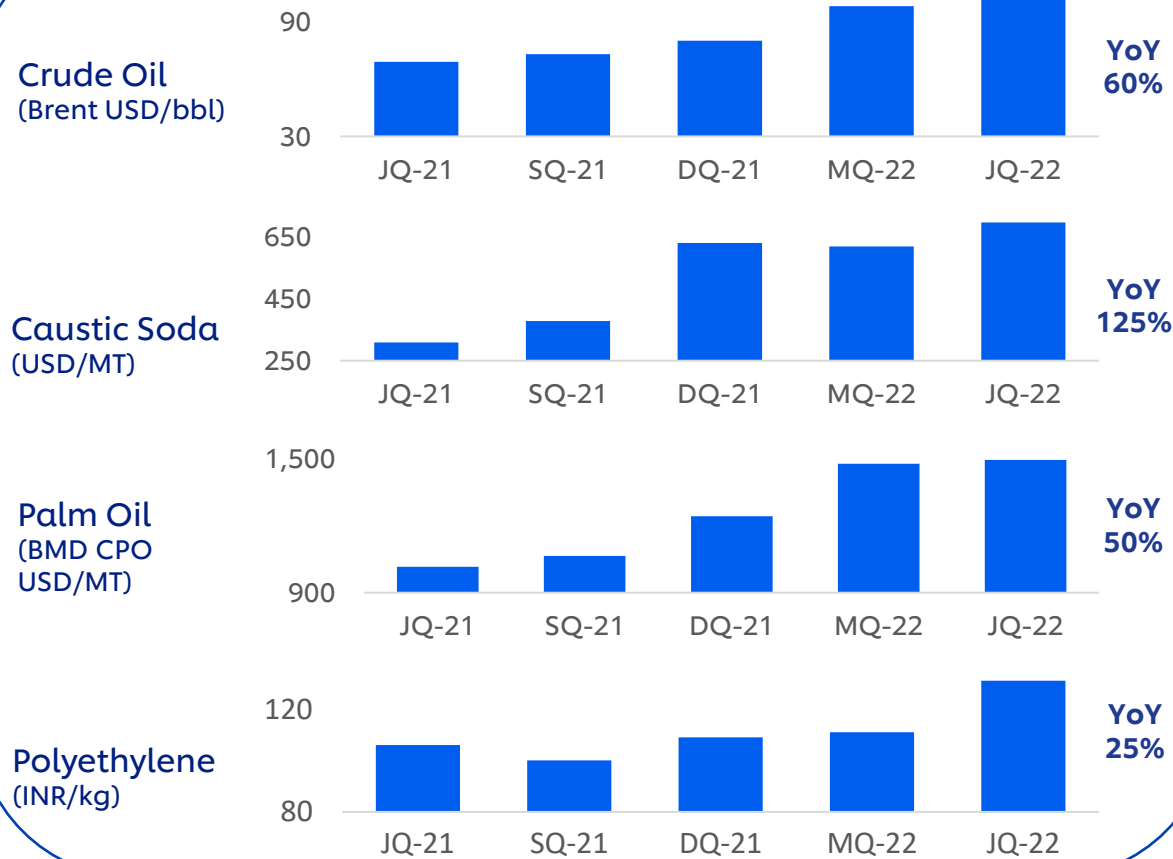
Outlook



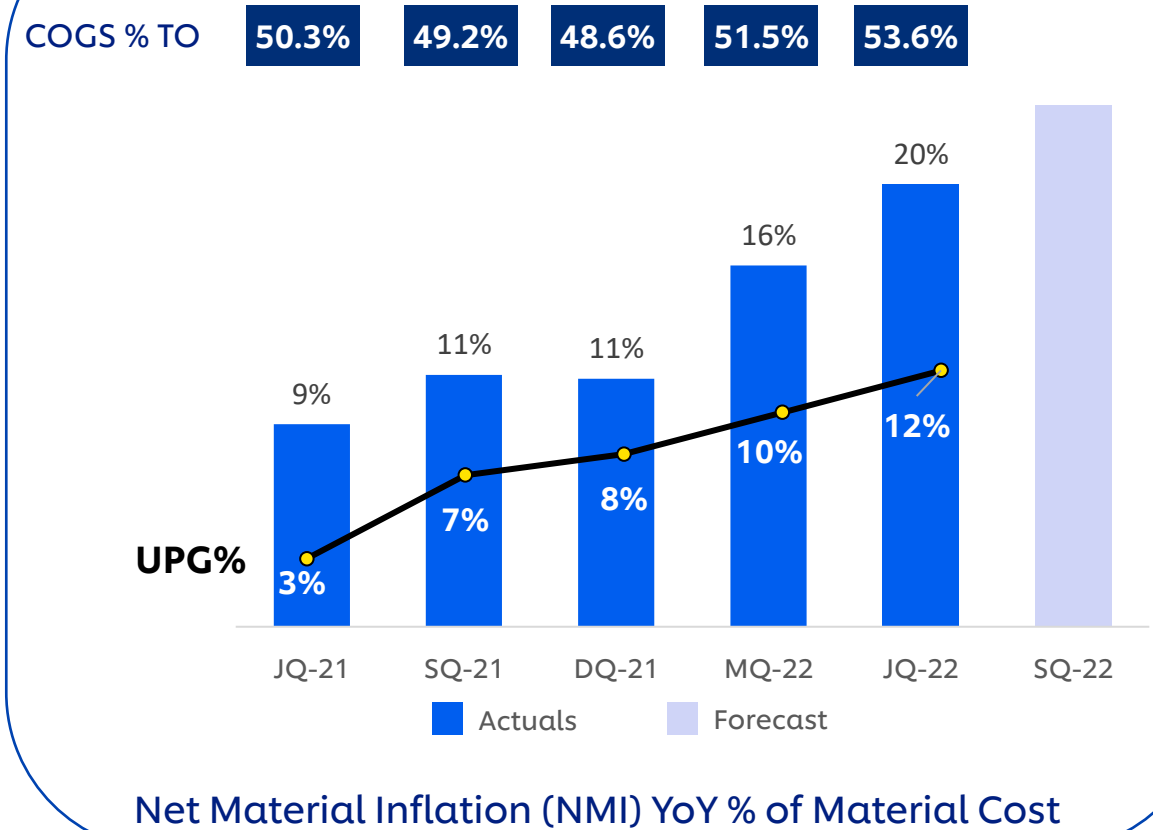
Hindustan Unilever Limited

Commodities up sequentially, higher cost impact to P&L in SQ

Commodities market remain elevated



Sequentially more inflation in SQ'22



Continue to drive productivity improvement and take calibrated pricing actions

❑ **Operating environment**

- Growth to be price-led in the near-term; Inflation to continue impacting consumption
- With most commodities remaining elevated and consumption of higher cost pipeline inventory, SQ P&L will see more inflation than JQ and margins will remain under pressure
- Softening of some commodities to positively impact sequential margins from DQ'22 onwards

❑ **Our priority is to grow consumer franchise and protect our business model**

- Savings and calibrated pricing actions
- Invest in our brands and long-term strategic priorities
- Confident of outpacing the FMCG market

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

In Summary

- 1. Strong start to the year: Topline growth 19%, EPS growth 11%**
- 2. Business winning shares >75%**
- 3. Healthy EBITDA margin at 23.2%, despite significant inflation**
- 4. In the near term, growth to be price-led**
- 5. SQ margins to remain under pressure; sequential improvement from DQ onwards**
- 6. Focus on delivering consistent, competitive, profitable, and responsible growth**

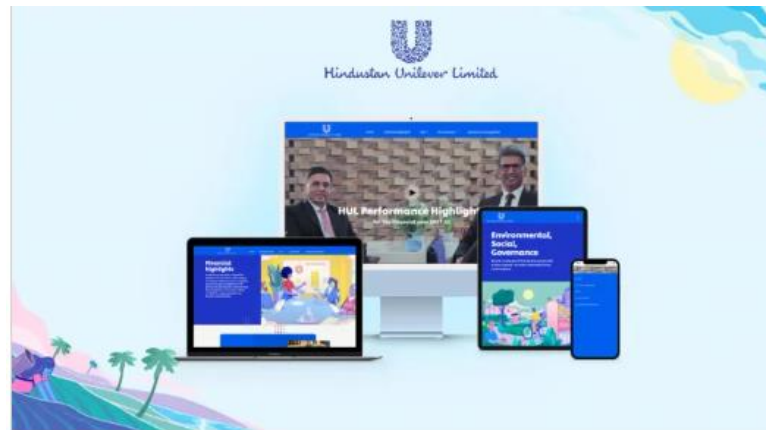
For more information and updates

Click to visit

IR Website



HUL Performance Highlights



HUL ESG Microsite

