

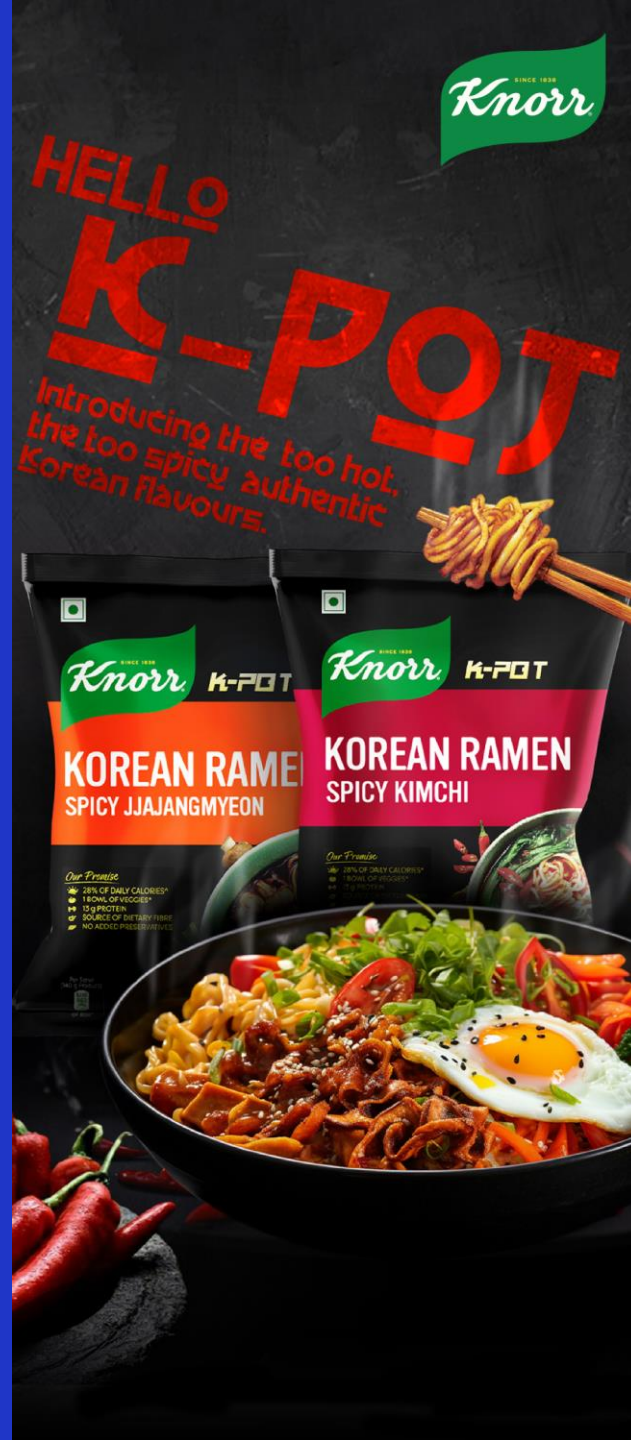
Hindustan Unilever Limited

DQ'23 Results

19th January 2024



Hindustan Unilever Limited



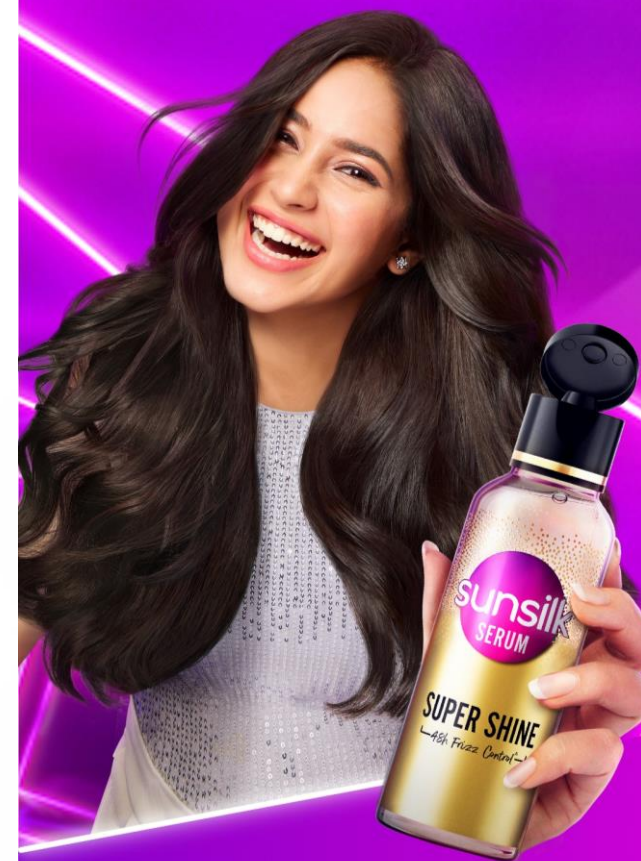
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ACTIVE SKIN BARRIER CARE
with Ceramide Boosters

a new generation of cleansers & creams
visibly soft, supple & replenished skin
from 1st use



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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.

Rohit Jawa

Chief Executive Officer
and Managing Director



Hindustan Unilever Limited



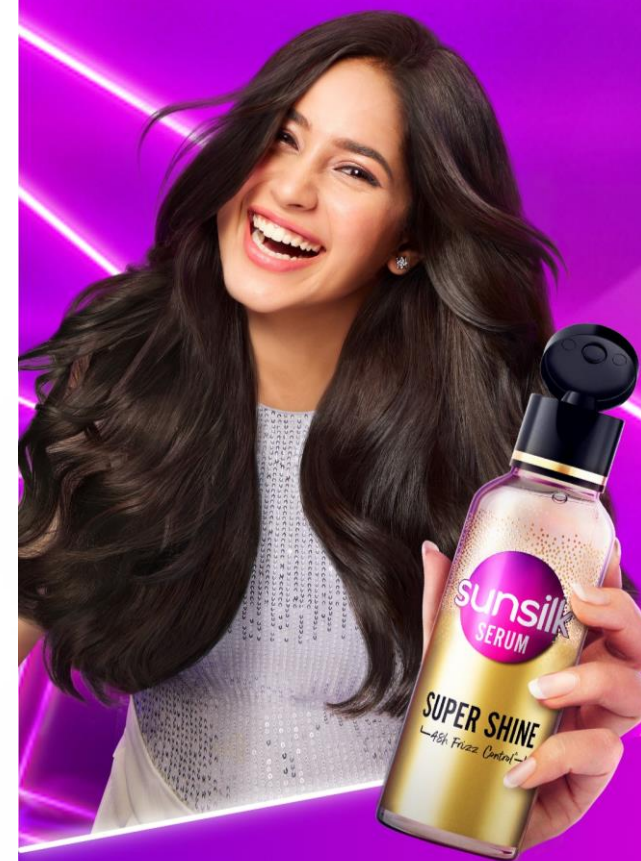
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Operating environment remains challenging

Weather vagaries



Uneven monsoon | Delayed winter

Subdued festive season



Weak consumer sentiment

Uneven economic recovery

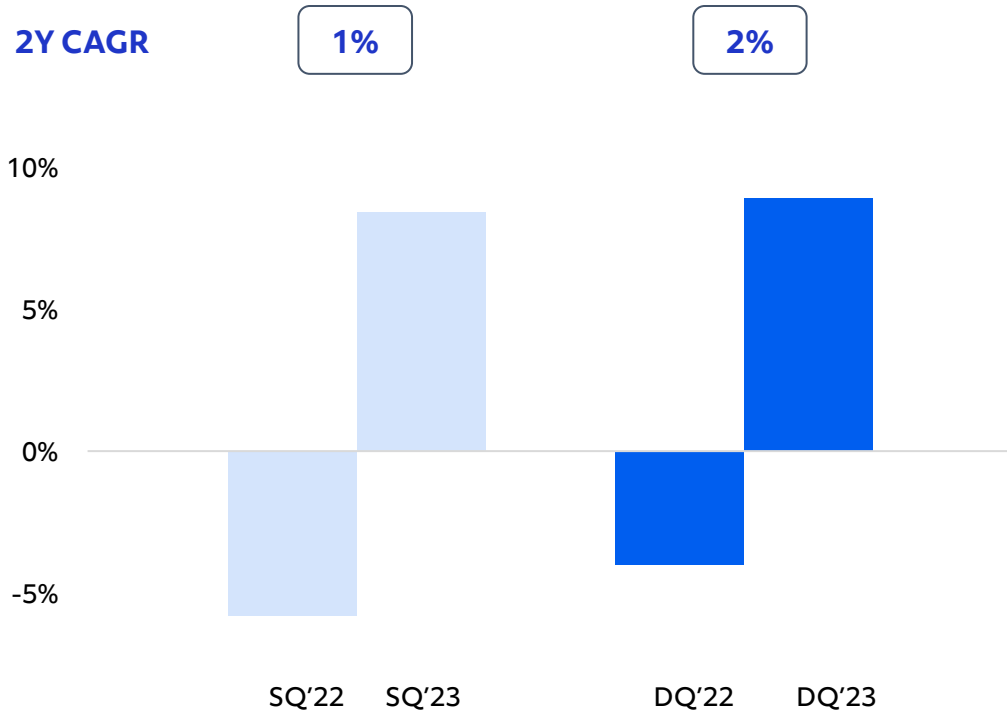


Urban > Rural | Premium > Mass

FMCG demand trends remain stable

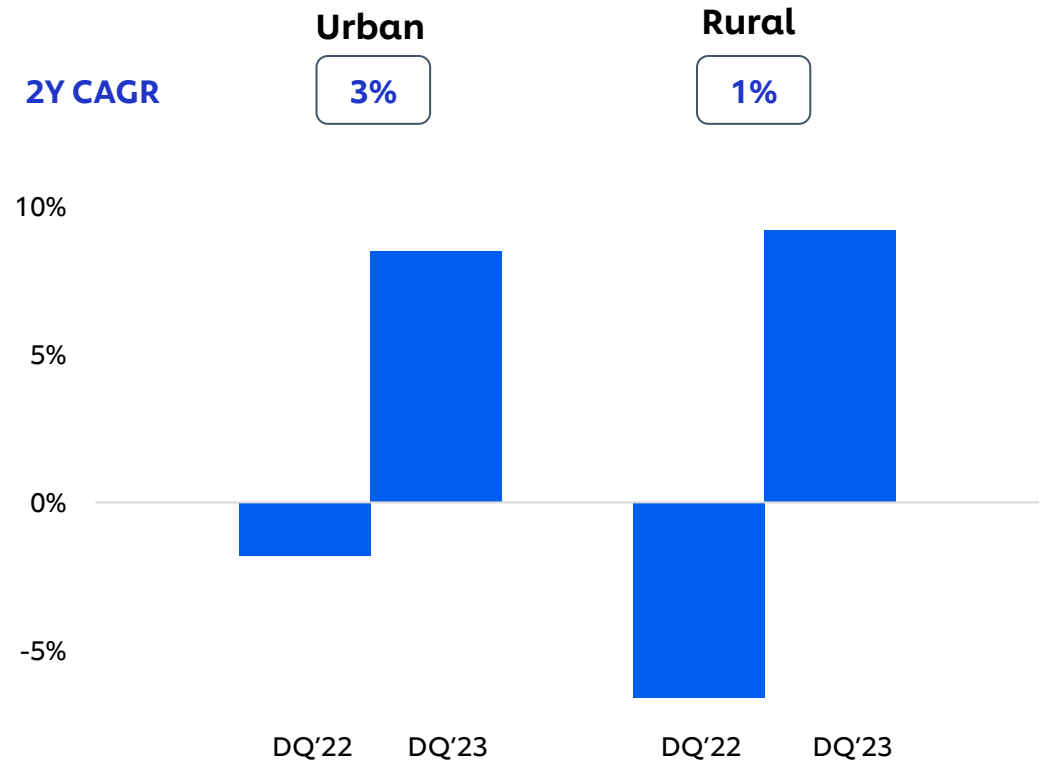
Gradual recovery in volumes albeit on a soft base

Market Volume Growth (Urban + Rural)



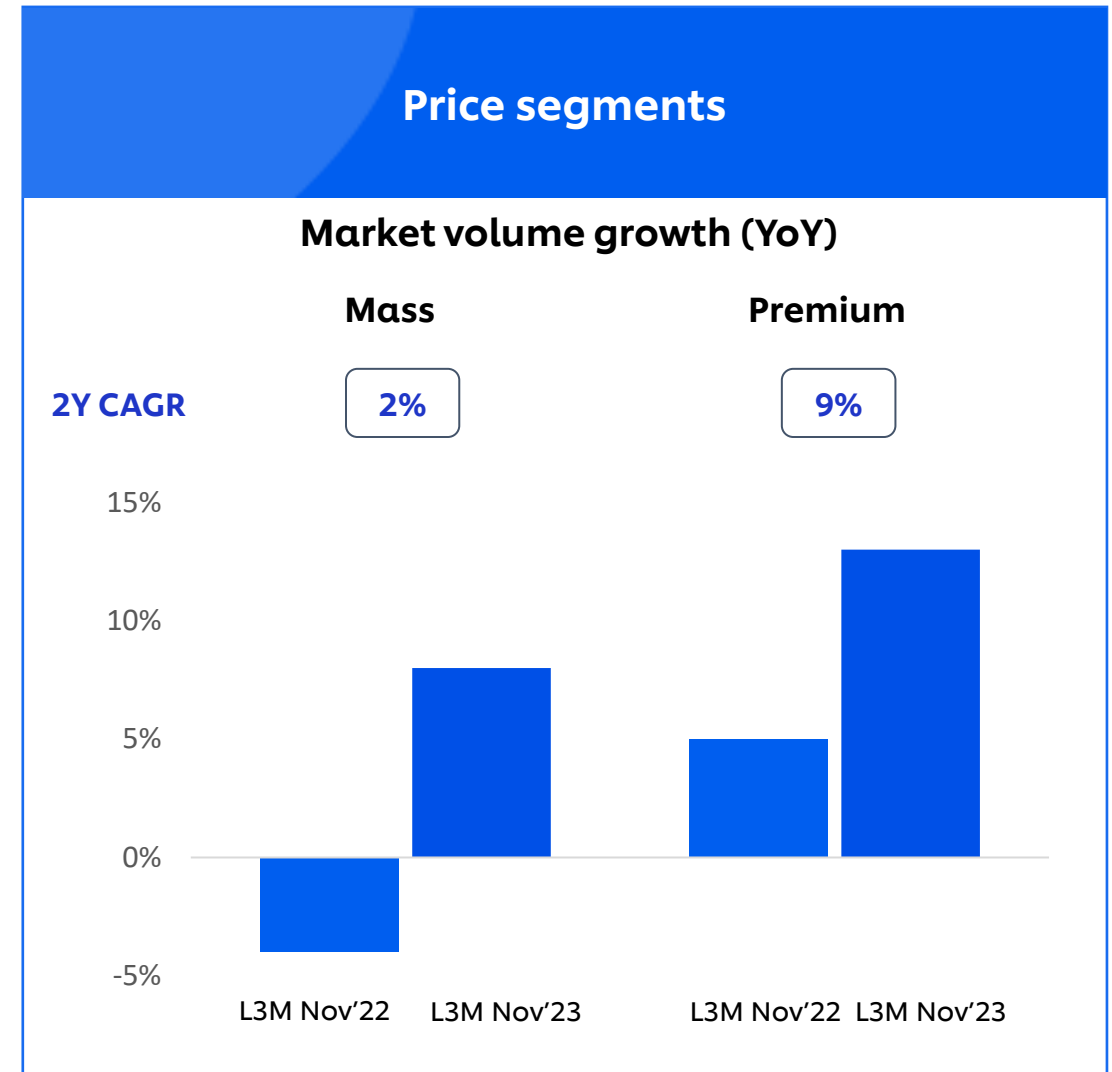
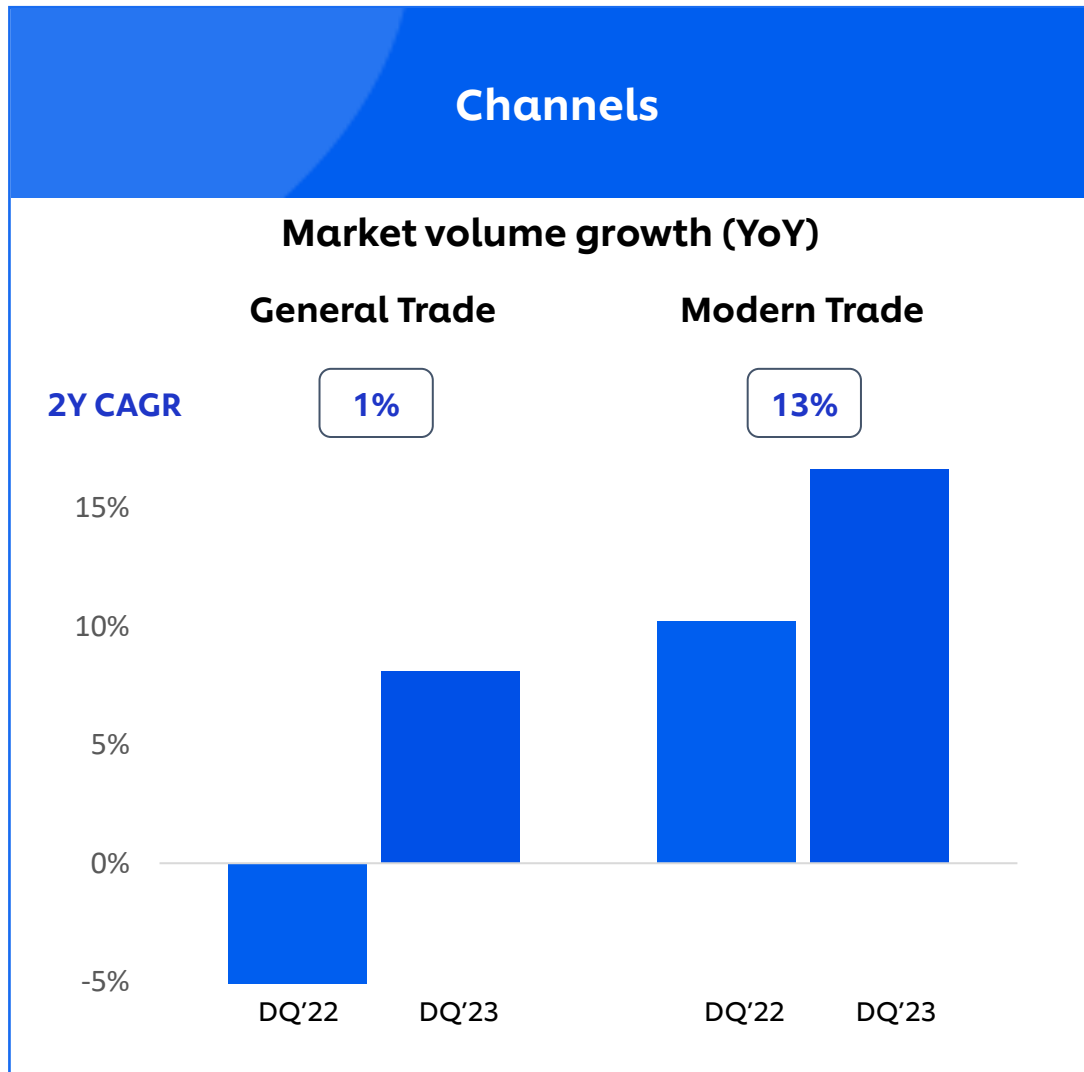
Urban resilience continues while Rural remains subdued

Market Volume Growth



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

Modern Trade and Premium lead market growth



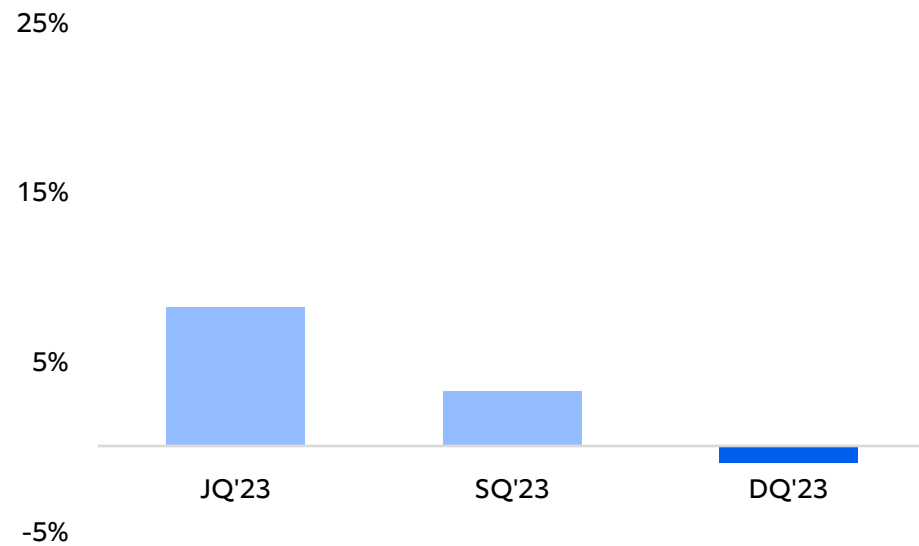
Channel - Market growth as per Nielsen FMCG Market Report December 2023 (HUL relevant categories)
 Price segments - Market growth as per Nielsen FMCG Market Report November 2023 (HUL relevant categories)

Sensitivity: Public

Market price growth tailing off albeit remains high on a 3-year basis

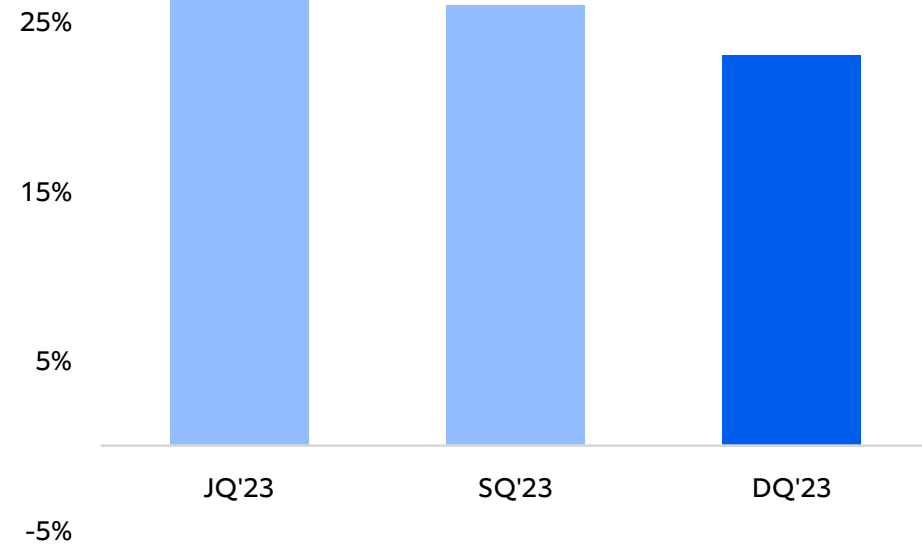
FMCG market price growth

YoY



FMCG market cumulative price growth

vs 2020



DQ'23 Financial highlights

Turnover

14,928 cr.

Underlying Sales Growth

Flat

Underlying Volume Growth

2%

EBITDA Margin

23.7%

+10 bps YoY

PAT bei

-2%

YoY growth

Net Profit

1%

YoY Growth

Underlying Sales Growth (USG) refers to increase in turnover for the period, excluding any change resulting from acquisitions, disposal
Underlying Volume Growth (UVG) refers to volume growth including the impact of mix of turnover realization of products sold
PAT (bei) : Profit After Tax before exceptional items

Sensitivity: Public

Strong business fundamentals

Business Winning Shares

c.60%

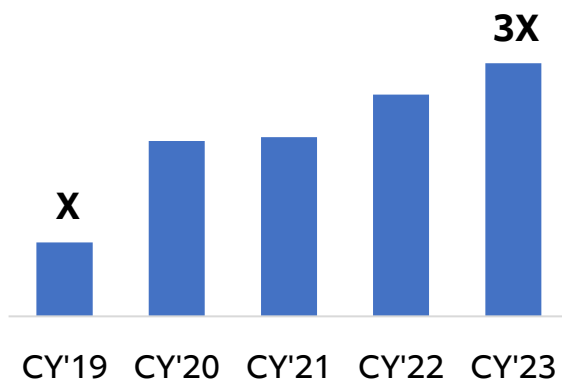
Business Gaining Penetration

>75%

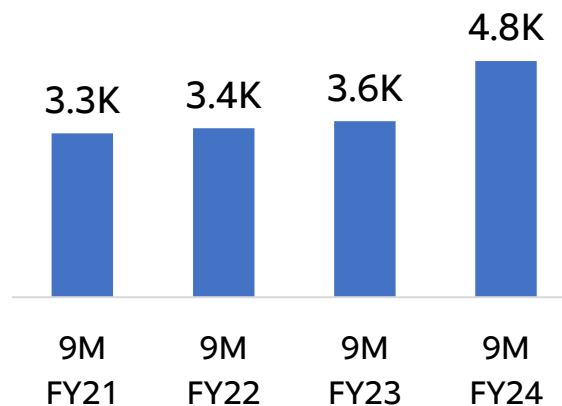
Business with growing / stable Brand Power

>80%

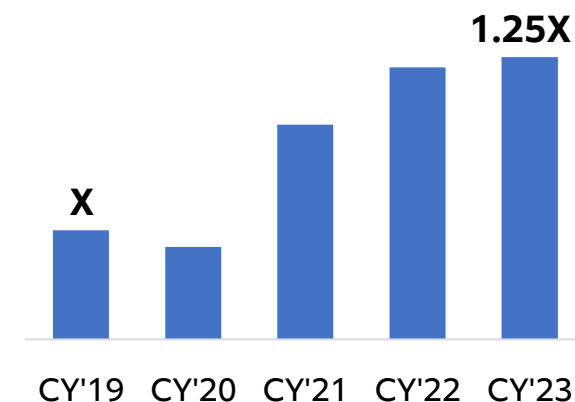
Product Superiority



A&P Investments (₹ crs.)



Coverage



Building for the future

Deepening Category focus : Beauty and Personal Care

BEAUTY & WELLBEING



Skin Care | Colour
Cosmetics | Hair Care |
Health & Wellbeing
c. ₹12K Cr.

PERSONAL CARE



Skin Cleansing |
Oral Care | Deodorants
c. ₹10K Cr.

Diverging Business models, Competitive
landscape and Innovation rhythm

Next phase of HUL's digital journey : Enhance consumer and customer experience

DIGITAL ACCELERATION



Appointment of Chief Digital
Officer

Scalable Foundations | Exploding digital
ecosystems

FY 23 Annual Turnover

Responsible growth : Doing well by doing good

ESG ratings



75



64



ICAI award for excellence
in BRSR

Best rated Indian FMCG company

Green energy partnership

Brookfield



32% equity investment

Solar energy park : 45MW capacity

10 years of Prabhat



c.10 Mn people, >1200 villages

Ritesh Tiwari

Chief Financial Officer



Hindustan Unilever Limited



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DQ'23 Results

Topline

Underlying Sales Growth

Flat

2%

Underlying Volume Growth

EBITDA

Margin

23.7%

+10 bps

Change YoY

PAT (bei)

INR

2,541 cr.

-2%

Growth YoY

Net Profit

INR

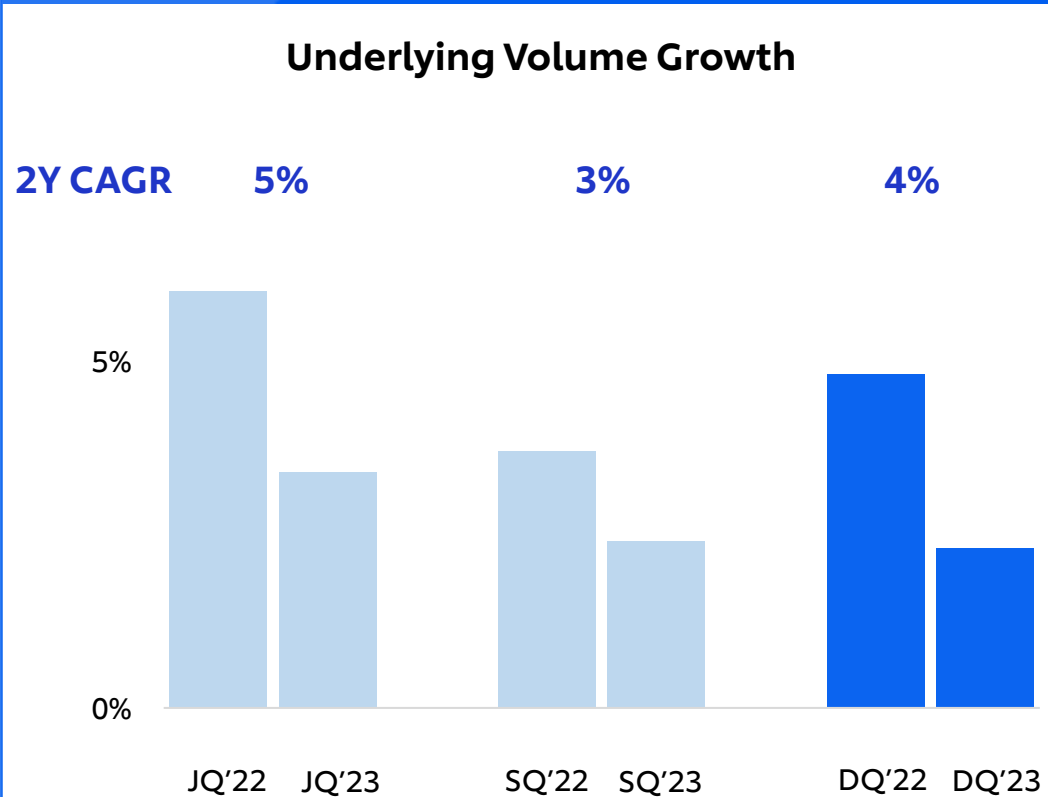
2,519 cr.

1%

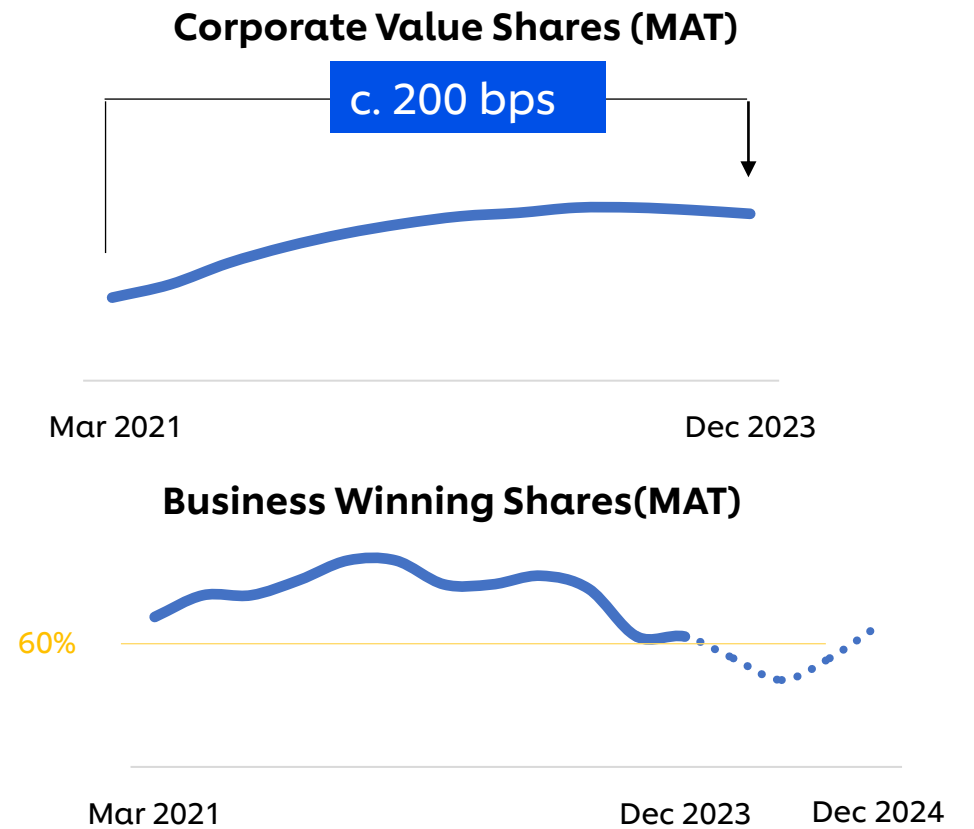
Growth YoY

Competitive growth

Strong volume growth on a 2-year basis



Healthy market share gains



Premium portfolio continues to outperform

Premium vs Mass

YTD Dec'23 Value

>2.5X

Strong double-digit value growth



Premium Laundry



Premium Beauty Business Unit



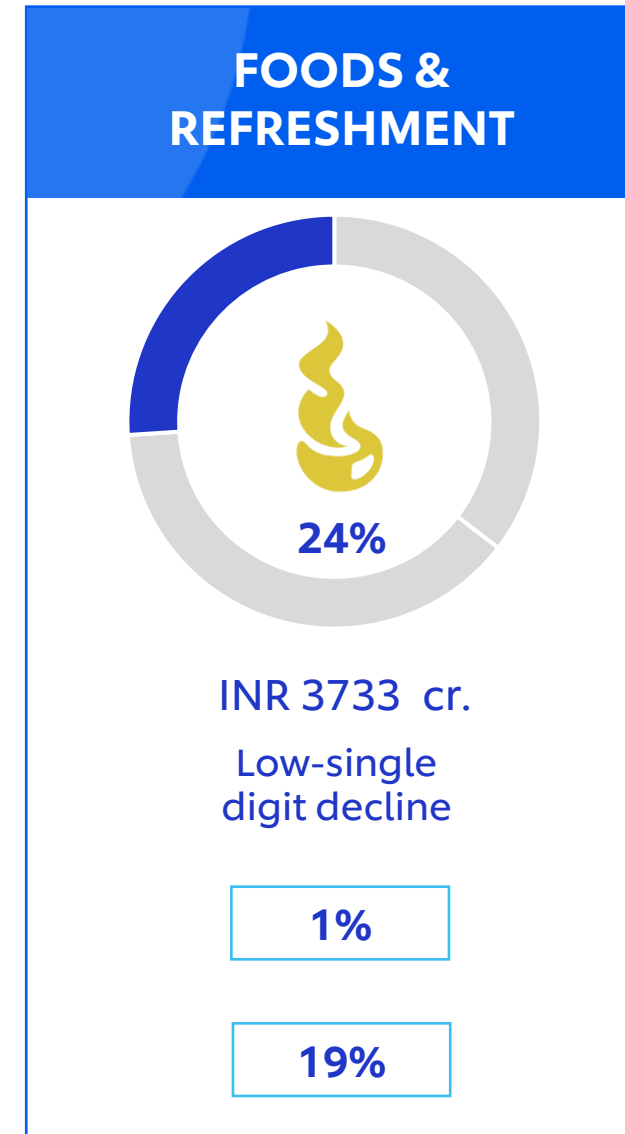
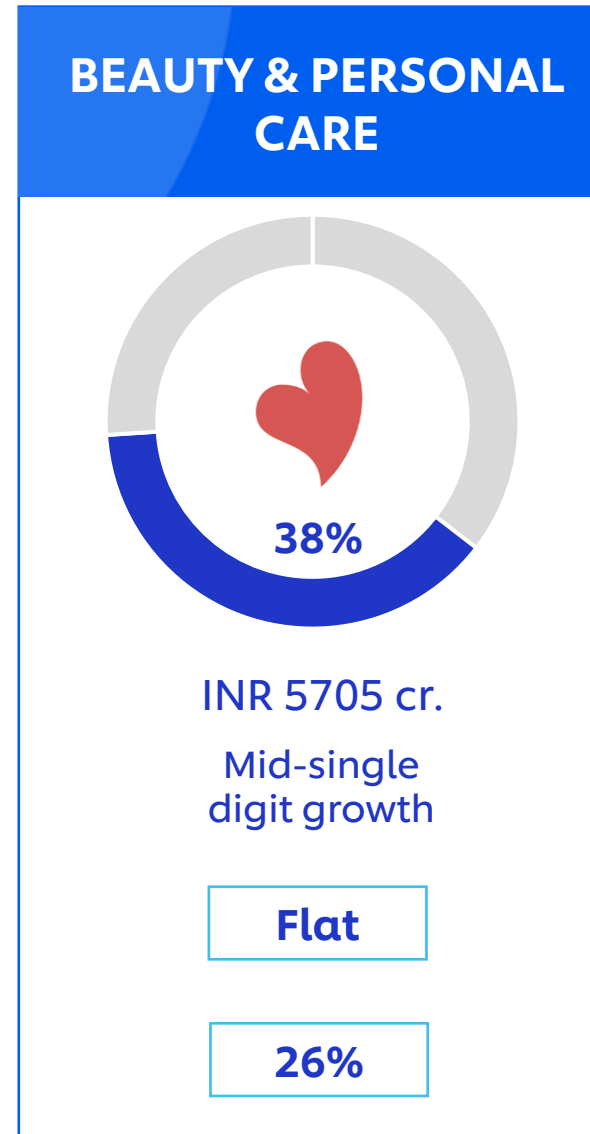
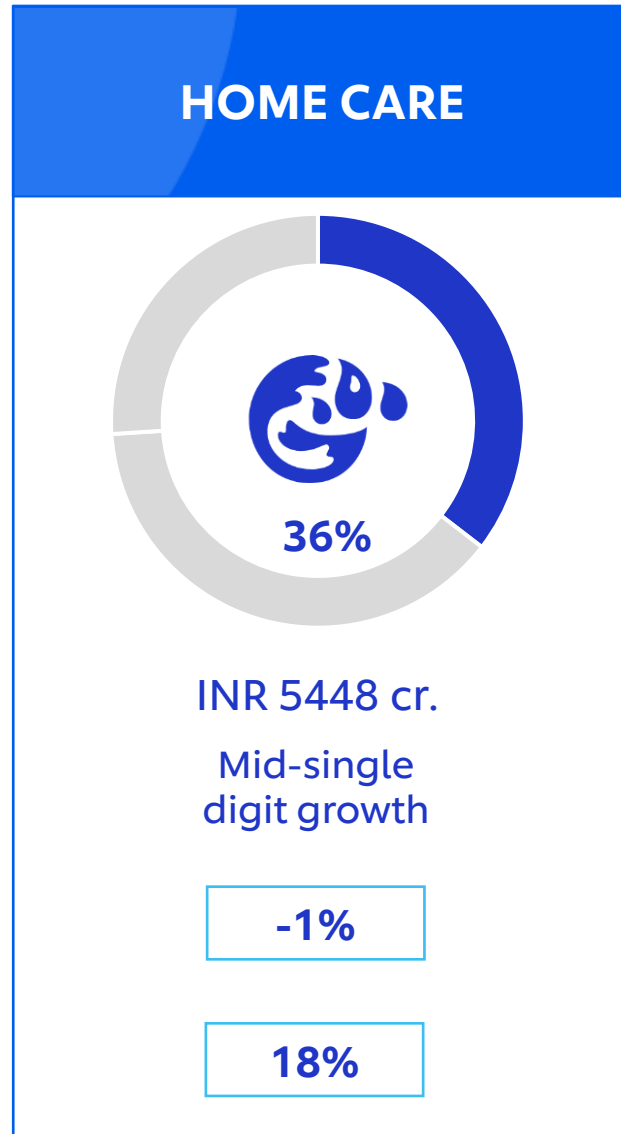
Mayonnaise & Peanut butter



Horlicks Plus Range

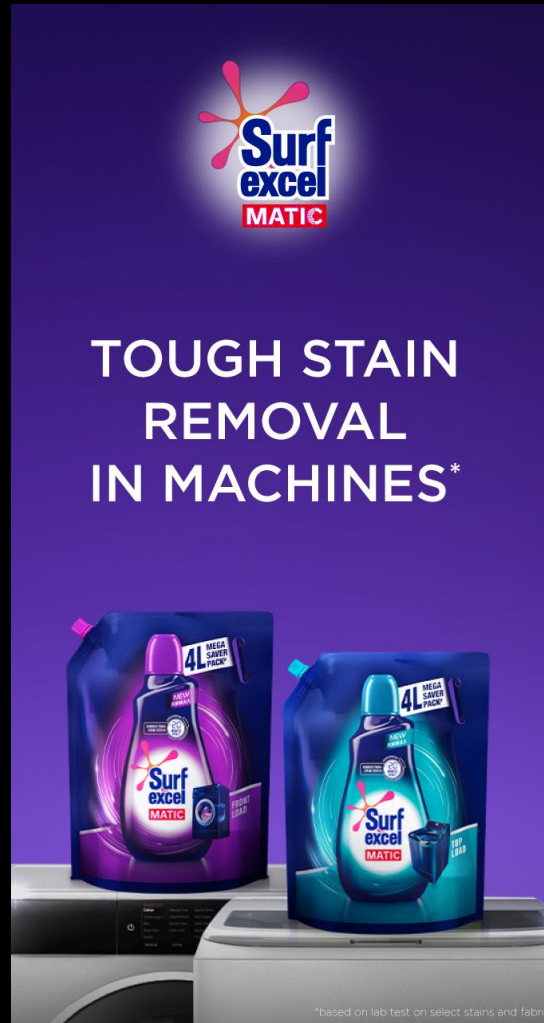
DQ'23 : Segmental performance

| |
|--------------------------|
| Underlying Volume Growth |
| Underlying Sales Growth |
| Segmental Margins |



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 Sales Growth (USG) refers to the increase in turnover for the period, excluding any change in turnover resulting from acquisitions, disposal
 Underlying volume growth (UVG) refers to volume growth including the impact of mix of turnover realization of products sold

HC : Innovations and Activations

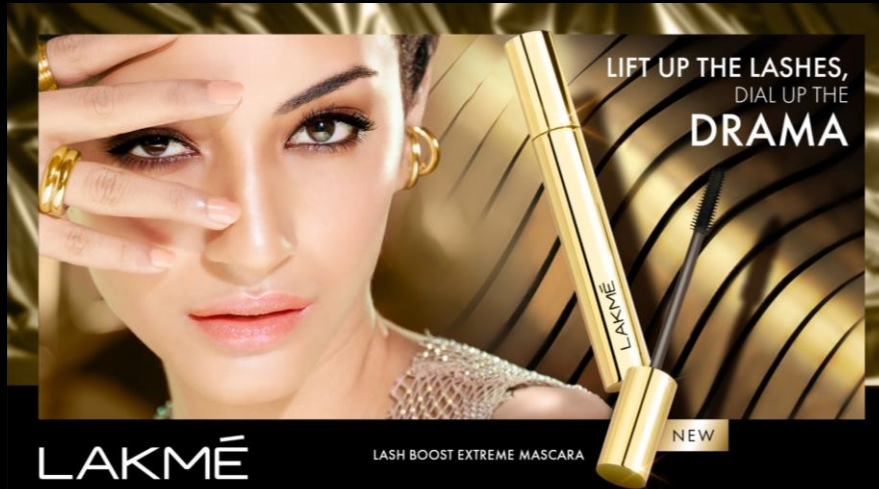


HC : Robust volume led performance on a very high base



- ❑ **Fabric Wash:** Volumes grew in mid-single digit driven by outperformance in premium portfolio
- ❑ **Household Care:** Low-single digit volume growth led by Dishwash
- ❑ Both categories delivered a strong double-digit growth on a 2-year CAGR basis driven by high single digit UVG

BPC : Innovations and Activations



BPC : Mid-single digit volume growth led by Hair and Premium Skin



- ❑ **Skin Cleansing:** Declined versus prior year due to impact of price cuts. Market development actions in bodywash continue to yield good results
- ❑ **Hair Care:** Volume led double-digit growth with broad based performance across brands. Future formats including serums, masks and conditioners continue to gain traction
- ❑ **Skin Care and Colour Cosmetics:** Impacted by delayed winter. Premium non-winter portfolio continues to do well.
- ❑ **Oral Care:** Mid-single digit growth led by Closeup

F&R : Innovations and Activations

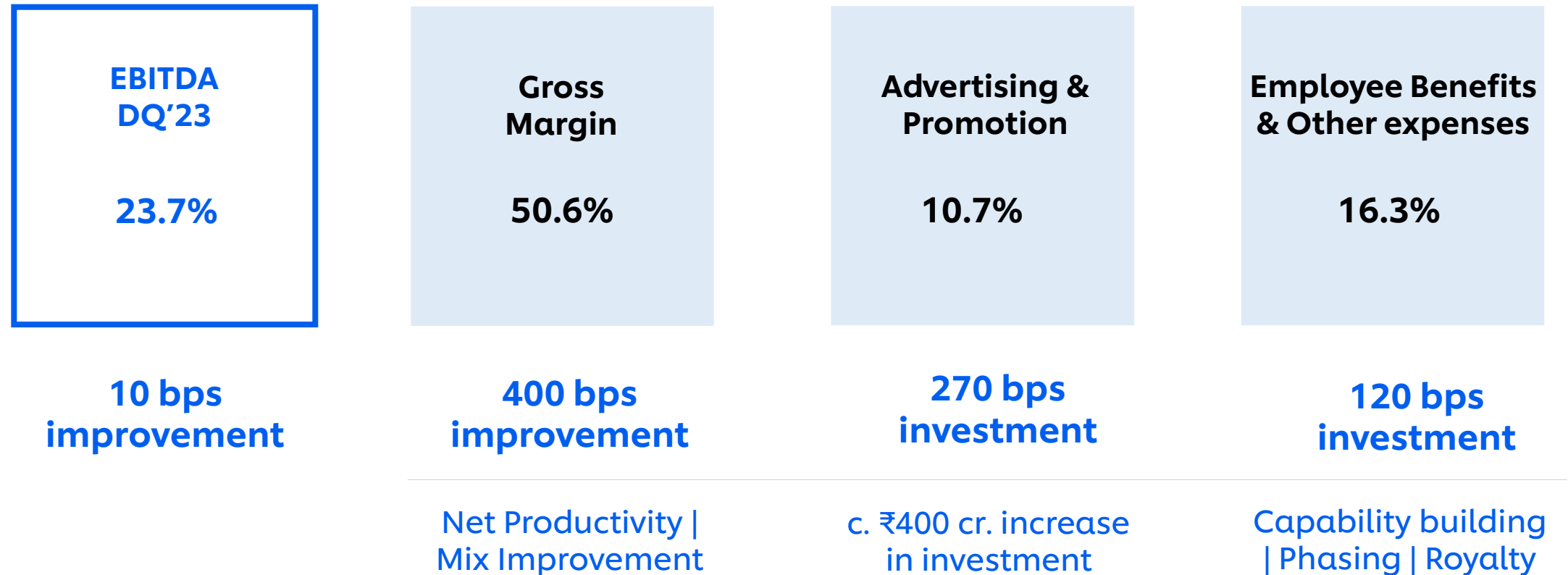


F&R : Price led growth driven by Market Development portfolio



- ❑ **Beverages:** Tea further strengthened value and volume market leadership. Muted performance in the quarter as category continued to witness consumers downgrading. Green Tea and flavoured tea performed well. Coffee grew in double-digits driven by pricing
- ❑ **Health Food Drinks:** Delivered competitive modest price-led growth driven by Plus range
- ❑ **Foods:** Food Solutions, Mayonnaise and Peanut Butter continue to deliver strong growth
- ❑ **Ice Cream:** Mid-single digit growth on a high base

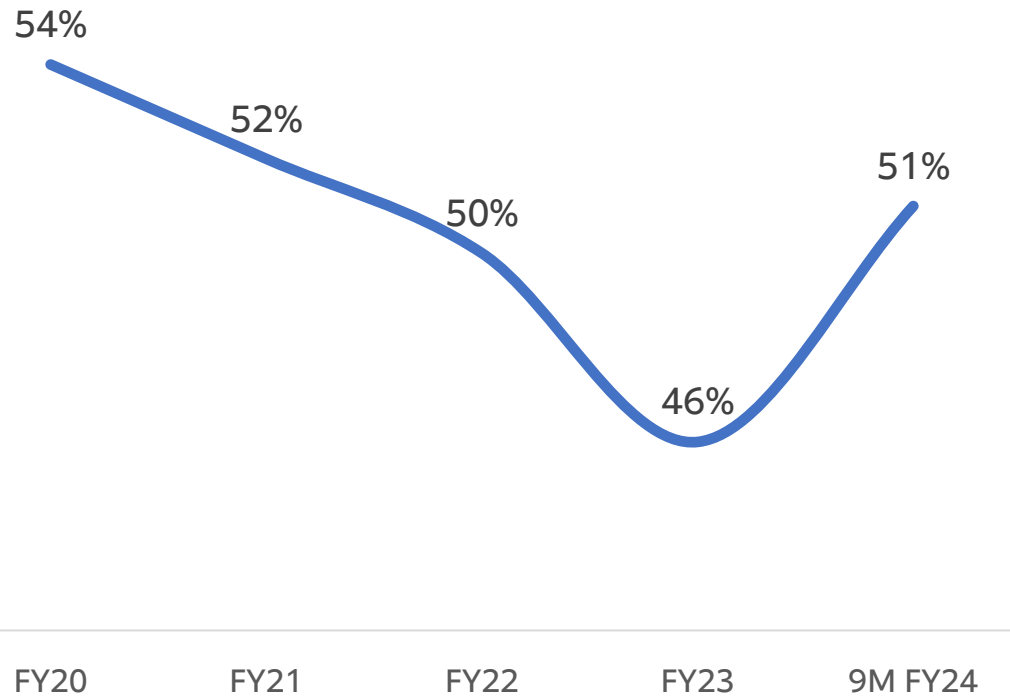
Stepping up gross margin, investing behind brands and capabilities



Other expenses is net of other operating income

Gross Margin : Fuel to invest behind brands and capabilities

Gross Margin



End-to-end net productivity focus

- ❑ Right price-value equation enabled by 'Net Revenue Management'
- ❑ Premiumisation led mix improvement
- ❑ Simplification and Digital acceleration
- ❑ Cost competitiveness
- ❑ Effectiveness of spends

DQ'23 : Results summary

Rs. Crores

| Particulars | DQ'23 | DQ'22 | Growth |
|------------------------------|--------------|--------------|-----------|
| Sales | 14,928 | 14,986 | Flat |
| EBITDA | 3,540 | 3,537 | Flat |
| EBITDA Margin | 23.7% | 23.6% | +10 bps |
| Other Income (Net) | 204 | 202 | |
| Exceptional Items | -30 | -102 | |
| PBT | 3,432 | 3,377 | 2% |
| Tax | 913 | 872 | |
| PAT before exceptional items | 2,541 | 2,581 | -2% |
| Net Profit | 2,519 | 2,505 | 1% |

FY'24 : 9-month performance

Turnover

INR

44,886 cr.

3%

Growth YoY

EBITDA

INR

10,755 cr.

6%

Change YoY

PAT (bei)

INR

7,709 cr.

6%

Growth YoY

Net Profit

INR

7,708 cr.

4%

Growth YoY

Outlook



Hindustan Unilever Limited

Cautiously optimistic in the near term

❑ **Operating environment:**

- Expect gradual demand recovery to continue. Rural income growths and winter crop yields key factors determining pace of recovery
- With commodity prices remaining benign, competitive intensity likely to stay high

❑ **Our outlook:**

- Focused on driving competitive volume growth
- Price growth to be marginally negative if commodity prices remain where they are
- Stepping up investments behind our brands and long-term strategic priorities whilst maintaining EBITDA margins in a healthy range

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

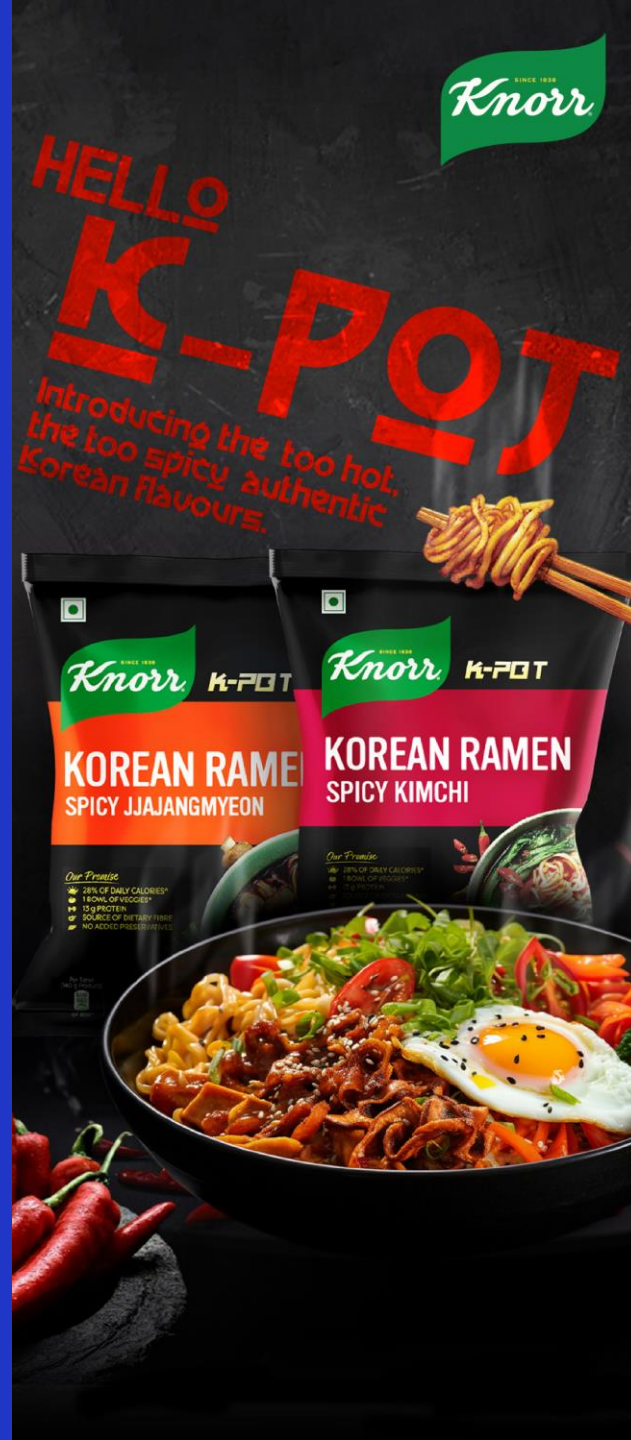
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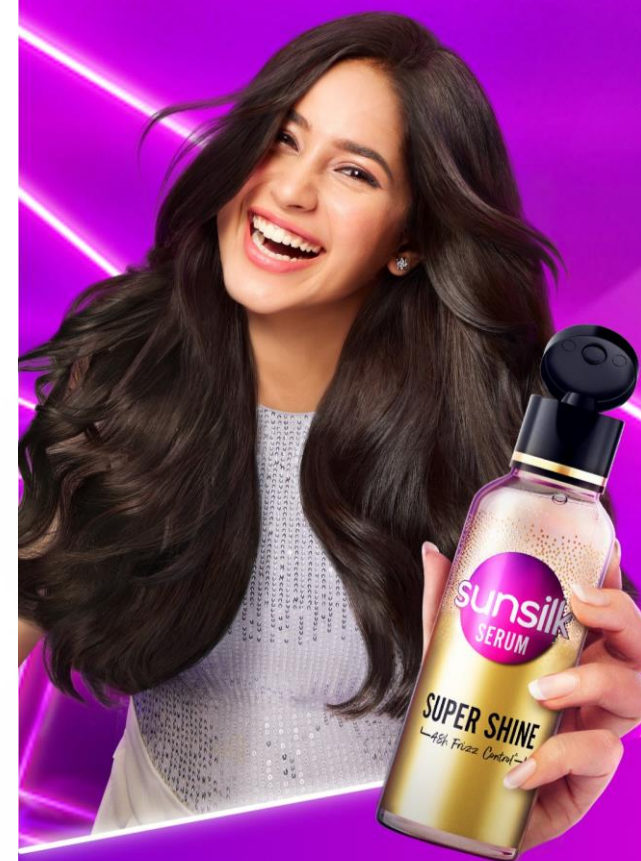
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