

Hindustan Unilever Limited

DQ'19 Results Presentation : 31st January 2020



Safe Harbor 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 realized. 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

Chairman & Managing Director



Clear and compelling strategy

Purpose-led, Future-Fit



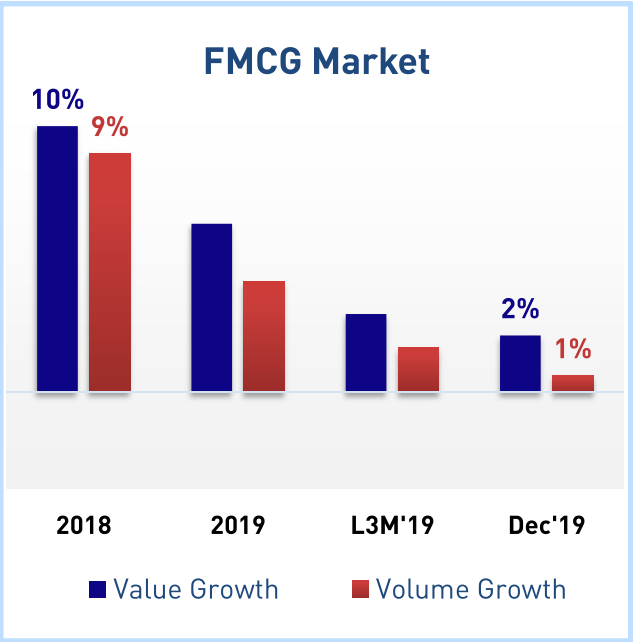
Growth



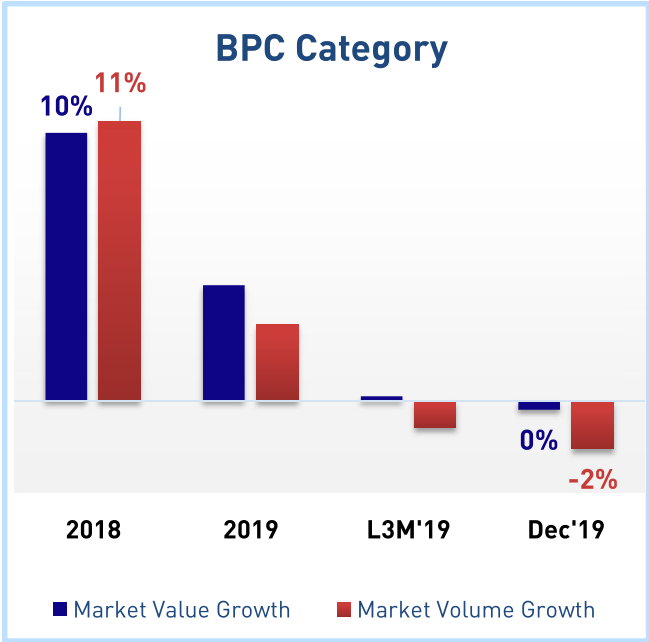
**Consistent, Competitive,
Profitable, Responsible
Growth**

Market Context

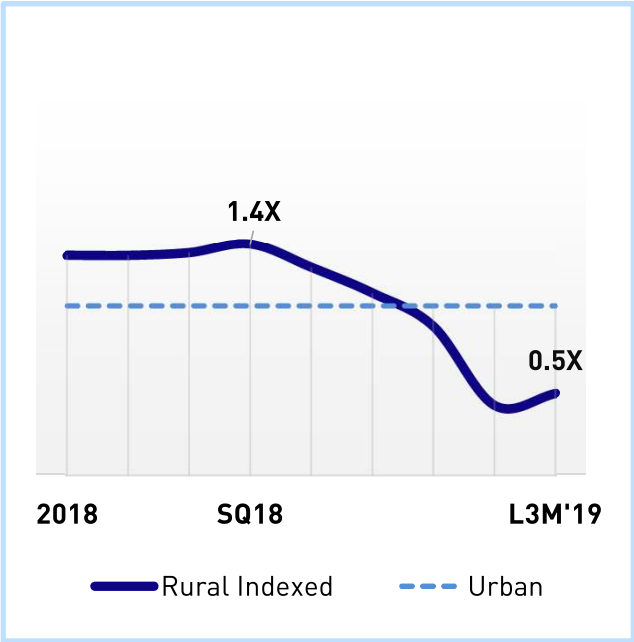
Slowing market growth



Steeper in discretionary categories



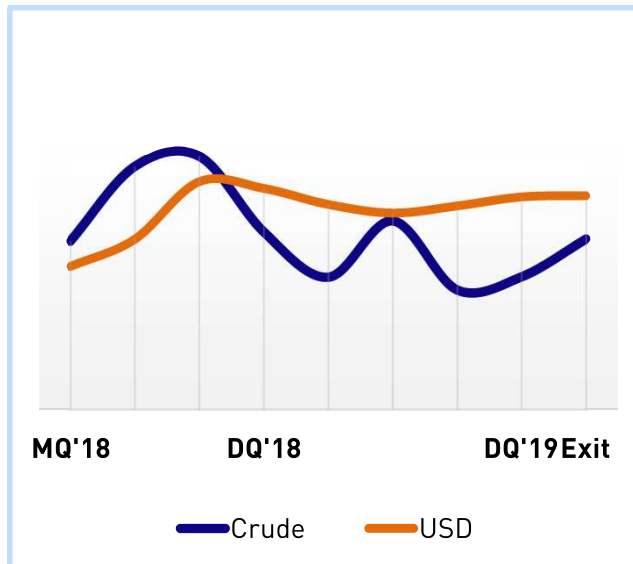
Rural growth at 0.5X urban



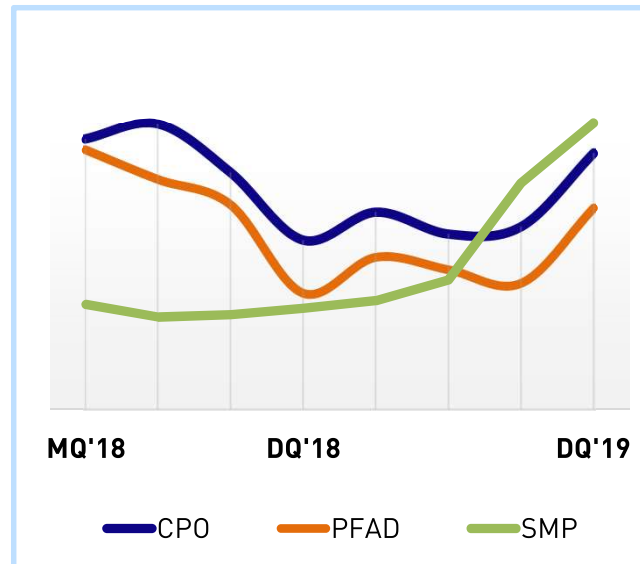
* Market growth for relevant categories data source Nielsen

Market Context

Crude and Currency volatile



Inflationary trend in select commodities



Challenging environment impacting consumer confidence



Performance Summary

DQ'19

Domestic Consumer
Growth

+4%

Underlying Volume
Growth

+5%

Comparable EBITDA
Margin*

24%

Comparable EBITDA
Improvement*

210 bps

Sustainable Living



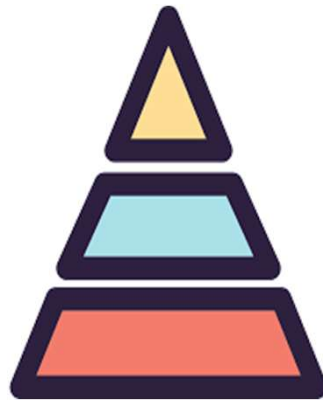
* Reported EBITDA improvement of 335 bps at a reported margin of 25%; Comparable EBITDA improvement arrived after adjusting for Ind AS 116 impact

Our performance drivers

Focus on Core



Driving premiumization & Market Development



Innovate for the Future



Execution Prowess



Re-imagine HUL: Build Digital Capabilities across the Value Chain

Srinivas Phatak

Chief Financial Officer



DQ'19: Steady performance in a tough market

Growth

Domestic Consumer
Growth

+4%

+5%

Underlying Volume Growth

EBITDA

Comparable EBITDA
Growth*

+14%

210 bps

Comparable Margin
Improvement*

PAT (bei)

PAT (bei) Growth

+21%

1,691cr

PAT (bei)

Net Profit

PAT Growth

+12%

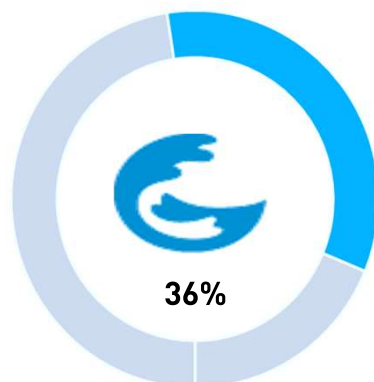
1,616cr

PAT

** Reported EBITDA improvement of 335 bps at a reported margin of 25%; Comparable EBITDA improvement arrived after adjusting for Ind AS 116 impact*

Good performance in HC and F&R

HOME CARE

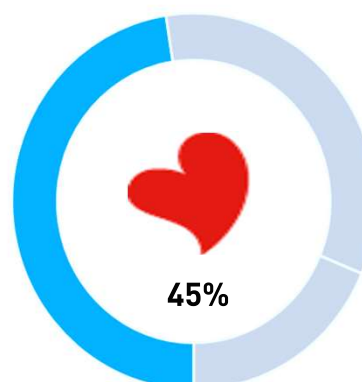


Sales Growth

10%

Continued good performance

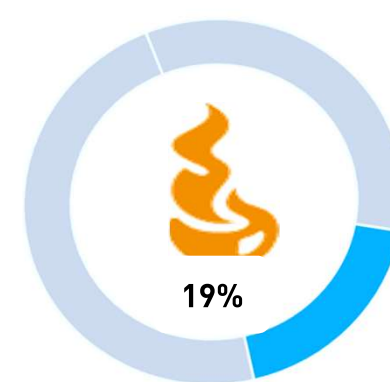
BEAUTY & PERSONAL CARE



-1%

*Growth impacted by delayed winter
and Personal Wash*

FOODS & REFRESHMENT

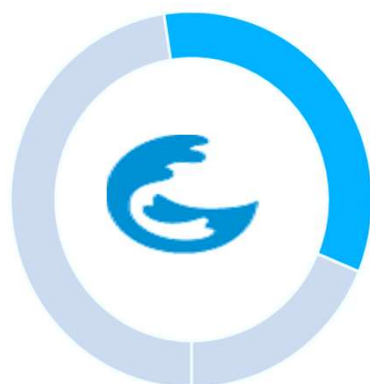


8%

*Robust growth across
categories*

Segmental Performance

HOME CARE



Segmental Revenue Growth*

10%

Segmental Margins**

18%

BEAUTY & PERSONAL CARE



-3%^

28%

FOODS & REFRESHMENT



8%

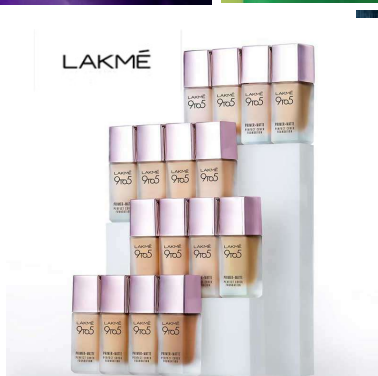
18%

*Segment Revenue Growth = Segment Turnover growth including Other Operating Income (Excludes impact of A&D)

^Revenue growth impacted by accounting for government Grant in DQ18

** Segment Margins (EBIT) excludes exceptional items

Innovations and activations in the quarter



Home Care

Continued good performance



- ❑ **Fabric Wash:** Focus on core and premiumization yielding strong results
 - *Wheel* advanced its purpose 'Think Fresh' with a digital campaign
 - Launched *Comfort Perfume Deluxe* in select geographies
- ❑ **Household Care:** Good delivery led by market development
 - Liquids upgradation continues to build momentum
- ❑ **Purifiers:** Sustained focus on the premium segment

Beauty & Personal Care

Growth impacted by delayed winter and Personal Wash



- ❑ **Personal Wash:** Negative market growth and strategic pricing actions impact topline
- ❑ **Skin Care:** Delayed winter impacts category performance; Good growth in non-winter portfolio
 - Focus on innovation and premiumization continues
- ❑ **Hair Care:** Healthy performance across portfolio
 - Launched *Love Beauty & Planet* in Ecommerce channel and *Indulekha Neemraj Oil* all India

Beauty & Personal Care : Contd.

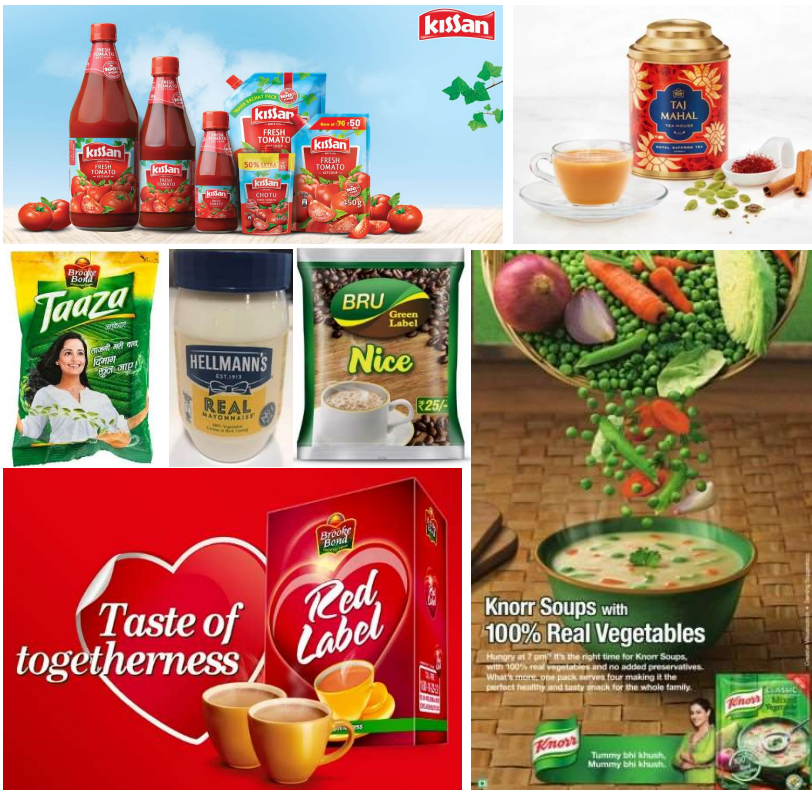
Growth impacted by delayed winter and Personal Wash



- ❑ **Colour Cosmetics:** Innovation focus continues; Unlocking the rising aspirations of women across India
 - Launched *Lakme Absolute Ultimate Kohl*, *9 to 5 Naturale Makeup Remover* and *Primer+Crème Lipstick*
- ❑ **Oral Care:** Steady delivery by *Close Up* and *LEVER Ayush*
- ❑ **Deodorants:** Market development continues to be key amidst intense competitive environment

Foods & Refreshment

Robust growth across categories



- ❑ **Beverages:** Broad-based growth across brands
 - New communication on *Lipton Green tea* strengthening its purpose of making India healthier
- ❑ **Ice Cream & Frozen Desserts:** Focus on distribution expansion and building innovation pipeline for season
- ❑ **Foods :** Good growth led by sharper activations basis differentiated consumer insights
 - Launched *Hellmann's Mayonnaise* in Kolkata

DQ'19: Results summary

Particulars	DQ'19 (Reported)	DQ'18	Growth %
Sales	9696	9357	4%^
EBITDA	2445	2046	19%*
Other Income	115	99	
Exceptional Items – Credit / (Charge)	-99	-62	
PBT	2229	1950	14%
Tax	613	506	
PAT bei	1691	1401	21%
Net Profit	1616	1444	12%
EPS	7.47	6.67	12%

- Domestic Consumer Growth at 4%^
- Comparable* EBITDA growth at 14% with a comparable improvement of 210 bps

NINE MONTHS 2019 – 20

Nine Months 2019-20: Results Summary

Rs. Crores

Particulars	YTD DQ'19	YTD DQ'18	Growth %
Sales	29388	27851	6%^
EBITDA	7535	6316	19%
PAT bei	5274	4490	17%
Net Profit	5219	4498	16%

- Domestic Consumer Growth at 6%^
- Comparable* EBITDA improvement of 190 bps

** Reported EBITDA improvement of ~300 bps; Comparable EBITDA arrived after adjusting for Ind AS 116 impact* 20

Looking ahead

Near term

- ❑ Market growth continues to be sluggish; Demand outlook challenging
- ❑ Commodities and currency will continue to be volatile

Our focus

- ❑ Drive agility and responsiveness across the value chain given the challenging environment
- ❑ Deliver Consistent, Competitive, Profitable, Responsible Growth

For more information and updates

Visit our website

December Quarter 2019 results

Hindustan Unilever will release its financial results for December Quarter 2019 on Friday, 31st January, 2020.

[> December Quarter 2019 results](#)



The slide features a dark blue header with the Hindustan Unilever Limited logo and the text "Hindustan Unilever Limited" and "DQ'19 Results Presentation : 31st January 2020". Below the header, there are three main visual elements: a Dove Secrets perfume bottle, a Surf Excel washing machine advertisement, and a Lipton advertisement. The Dove Secrets bottle is shown with a large water droplet behind it. The Surf Excel advertisement shows a woman and a child in a laundry room, with the text "SURF EXCEL MATIC LIQUID" and "100% TOUGH STAIN REMOVAL IN MACHINES". The Lipton advertisement shows a woman running up stairs, with the text "Let's stay fit with Lipton".