

Hindustan Unilever Limited

JQ'24 Results

23rd July 2024



Hindustan Unilever Limited

Dove **NEW**

All Day Nourish + UV Protect Hair Serum

Dove all day nourish + UV protect HAIR SERUM 100 PROTEIN COMPLEX 100 ml

Navya, Marketing Consultant

LAKMĒ

MAKEUP WITH VITAMIN C

Rin

BRIGHT LIKE NEW

BRIGHT LIKE NEW™

Rin Matic

TOP LOAD BRIGHT LOCK Technology

Introducing **BRU** Southern TRAILS

CHENNAI
MYSORE
MYSORE

Lifebuoy WORLD'S NO. 1 SELLING GERM PROTECTION SOAP

Lifebuoy VITAMINS 100% PROTECTION



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Rohit Jawa

Chief Executive Officer
and Managing Director



Hindustan Unilever Limited

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+ UV Protect
Hair Serum

Dove

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HAIR SERUM
100 ml

Navya,
Marketing Consultant

LAKME

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LAKME
MAKEUP + SKINCARE
VIT C SUPERGLOW
SKIN PERFECTING
WATER
3% VITAMIN C
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TRAILS

Lifebuoy
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*Based on Hindustan, India's Washing Soap (with whitener) and Skin Cleansing Bar & Liquid Hand Wash (with & without whiteners), claims to remain available till 2023.
**As per lab test on indicator organism as compared to soap bar without whiteners.



Operating environment

Market Demand



Gradual recovery in rural demand continued

Commodity Prices



Range-bound commodity prices following an inflation-deflation cycle

Consumption Trends



More aspirational, more premium, more digital

Our Priorities – Accelerate volume growth, Strengthen competitiveness and Maintain healthy margins



JQ'24: Financial Highlights

Growth

₹ 15,166 cr.

Turnover

2%

Underlying Sales Growth

4%

Underlying Volume Growth

Margins

23.8%

EBITDA % of TO

+170 bps

Gross Margin vs. JQ'23

Earnings

₹ 2,538 cr.

Net Profit

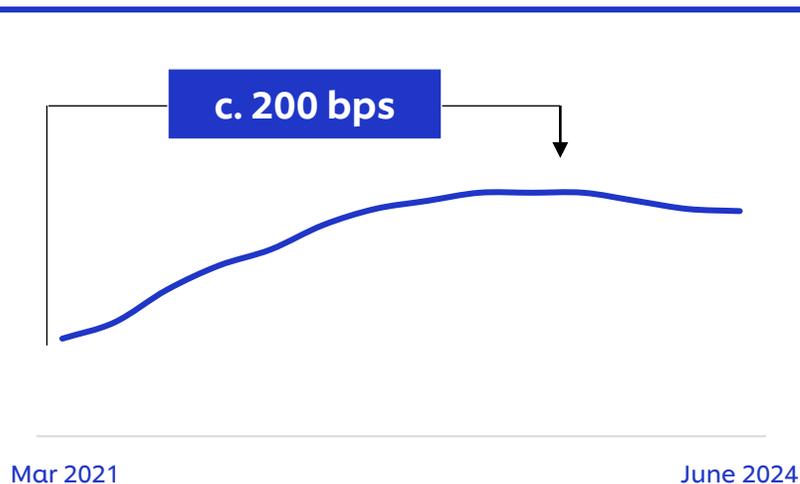
3%

EPS Growth vs JQ'23

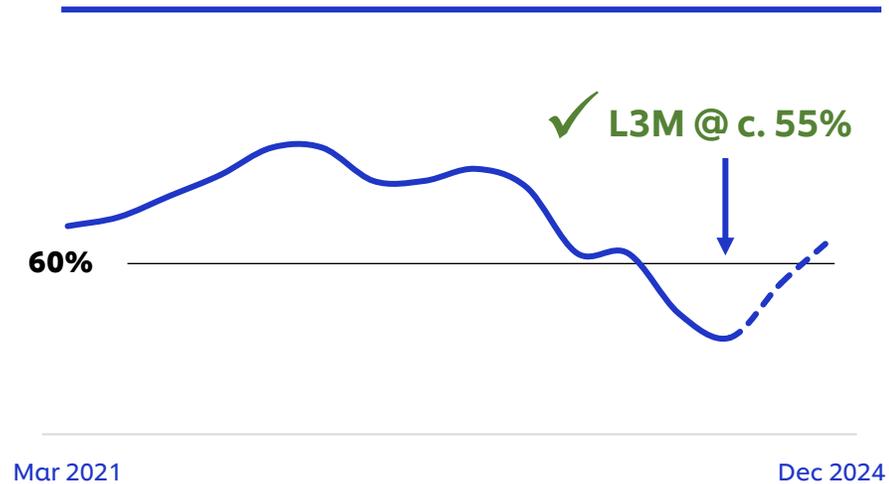
*Underlying Sales Growth (USG) - increase in turnover for the period, excluding any change resulting from acquisitions and disposal
Underlying Volume Growth (UVG) - volume growth including the impact of mix of turnover realization of products sold*

JQ'24: Competitive performance

Corporate Market Shares (MAT)



Business Winning Shares (MAT)



Backed by strong business fundamentals

95% + Value Weighted Distribution

75% + Business with stable/ gaining Brand Power

*Business winning shares and corporate value shares as per June'24 MAT based on Nielsen market data (HUL relevant categories)
Value Weighted Distribution as per May'24 Month based on Nielsen market data (HUL relevant categories)
Business with stable/ winning Brand Power as per Kantar for JQ'24 MAT*

Transform to Outperform: Key Thrusts

1 Grow the Core through Unmissable Brand Superiority

2 Drive Premiumisation

3 Reshape Portfolio in High Growth Spaces

4 Lead in Channels of the Future

Enabled by Distinctive Capabilities

Winning in Many Indias

Net Productivity

Digital Transformation

Sustainability

Future Fit Talent & Organisation

JQ'24 Update: Grow the Core through Unmissable Brand Superiority

Newly formulated dishwash bars providing superior performance

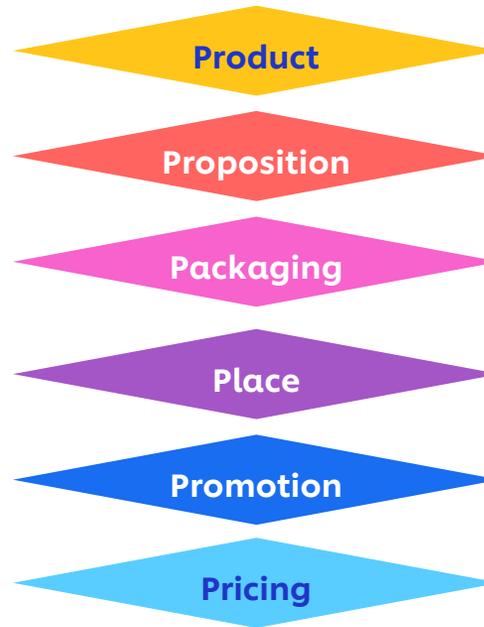


Growing Brand Power

Bringing science & desire to the forefront of our proposition



Gaining Market Share



JQ'24 Update: Drive Premiumisation

Leading trends



Leveraging technology



Delivering new formats & benefits



Premium portfolio contribution up by c.300 bps over the last 3 years

Premium contribution basis Nielsen categorization (HUL relevant categories with categorization available)



JQ'24 Update: Reshape Portfolio in High Growth Spaces

Home Care liquids



Big Bets in Beauty



Bodywash



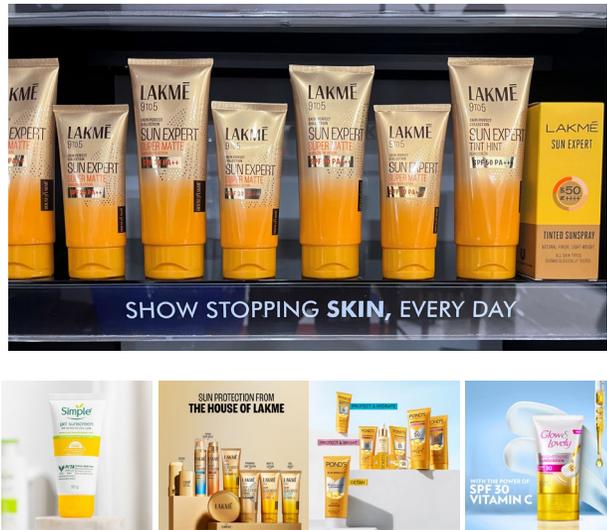
International Cuisine



Portfolio growth: c. 20% UVG & 50%+ in E-com

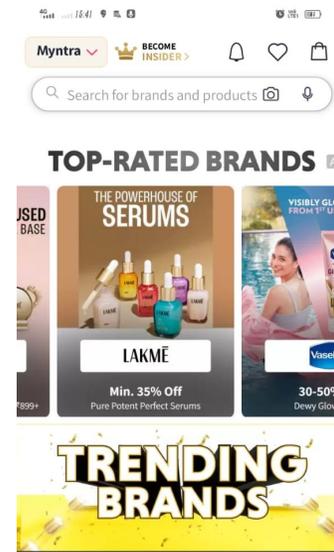
JQ'24 Update: Lead in Channels of the Future

Leading category growth in Modern Trade



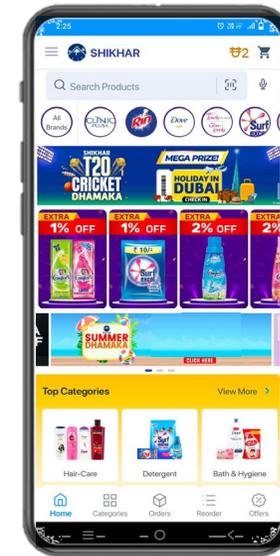
MT shares > GT shares

Designing for customer in E-com



Growing 3X of Modern Trade

Digital Selling Hub



High Net Promoter Score >70%

Ritesh Tiwari

Chief Financial Officer



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LAKME MAKEUP + SKINCARE VIT C SUPERGLOW SKIN PERFECTING WATER 1% VITAMIN C 1% CO-ENZYME Q10

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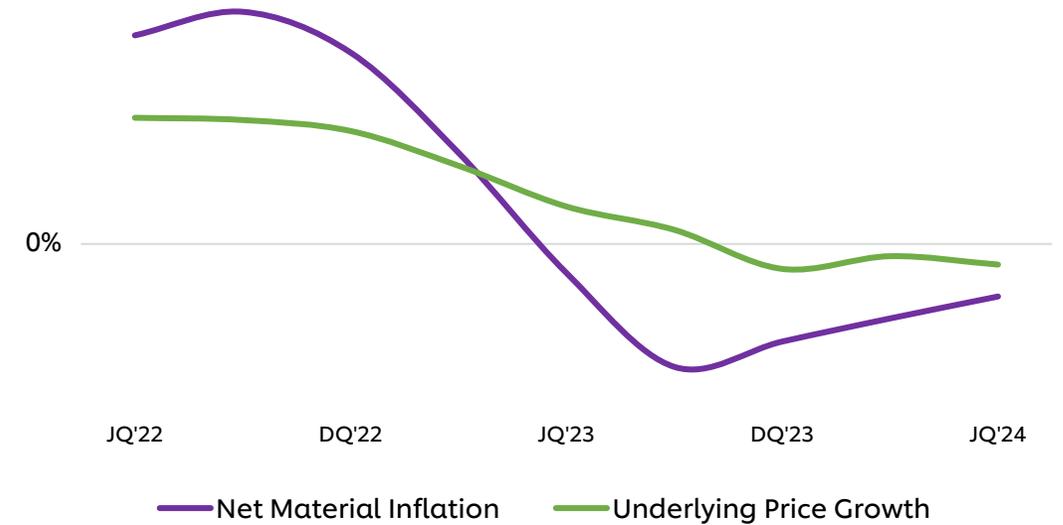
NEW IMPROVED FORMULA

Commodity price trends

Commodity prices remain benign on a deflationary base

	JQ'24 Inflation	
	vs. JQ'23	vs. JQ'22
Crude Oil (Brent USD/bbl)	10%	-25%
Soda Ash (INR/ton)	-15%	-15%
Palm Oil (BMD CPO USD/MT)	0%	-45%
Skimmed Milk Powder (INR/kg)	-15%	-10%
Tea (INR/kg)	15%	10%

Strategic pricing inline with Material Cost movement



Dynamic pricing to provide right price-value equation to consumers

+ve -Inflation, -ve - deflation
Commodity inflation/ deflation numbers rounded up



JQ'24 Results

Topline	Gross Margin	EBITDA	PAT (bei)
Underlying Sales Growth	Margin	Margin	INR
2%	50.9%	23.8%	₹ 2,572 cr.
4%	+170 bps	+20 bps	3%
Underlying Volume Growth	Change YoY	Change YoY	Growth YoY

A&P Investments at 10.8% is up by c.90 bps YoY as we continue to invest behind our brands

PAT bei : Profit After Tax before exceptional items



JQ'24 Segment Results





Home Care

Strong volume led performance

USG : 4%

UVG : High-single digit growth

- ❑ **Fabric Wash:** High-single digit volume growth. Broad based performance across segments and formats led by investments in premium and mass brands
- ❑ **Household Care:** Volumes grew in mid-single digit on the back of strong performance by premium dishwash portfolio.
- ❑ Both categories continue to have negative price growth reflecting commodity deflation
- ❑ Sale and divestment of 'Pureit' announced subject to customary closing conditions in line with our strategic intent to focus on our core portfolio





Beauty and Wellbeing

Volume driven growth led by Hair Care

USG : 3%

UVG : Mid-single digit growth

- ❑ **Hair Care:** Double-digit volume growth led by Clinic Plus, Sunsilk and Dove. Focus on innovations and market development actions in high growth demand spaces continues to yield results
- ❑ **Skin Care and Colour Cosmetics:** Muted volume performance in the quarter with mass portfolio declining. Growth momentum continues across premium skin portfolio and channels of the future





Personal Care

Resilient performance in Skin Cleansing

USG : -5%

UVG : Low-single digit growth

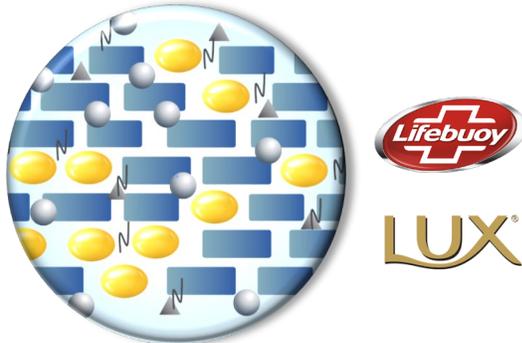
- ❑ **Oral Care:** Mid-single digit broad-based growth driven by pricing
- ❑ **Skin Cleansing:** Low-single digit volume growth while revenue declined due to pricing actions. Bodywash continues to strengthen market leadership. Visible early green shoots in bars indicate positive results from recent actions



Skin Cleansing: Introducing Stratos

A transformational sustainability-linked journey towards product superiority

Proprietary technology innovated over 5 years, 20+ patents filed



Re-formulated with added plant derived polysaccharides, vitamin blends, skin care actives and enhanced fragrance

Clinically and Consumer proven superior functional benefits

- ✔ Boosts Skin Barrier and Milder
- ✔ Superior Skin Glow and Even Tone
- ✔ More Efficacious Germ Protection

Winning in consumer blind tests, Proven in independent clinical studies and lab tests

Combining sustainable Palm while reducing wastage of Palm by up to 25%



100% No Deforestation, No Peat (NDP) Palm, Reduced commodity volatility, Reduced imports and Reduced greenhouse gases

Total Fatty Matter (TFM) content ≠ Quality of Soap



Foods & Refreshment

Stable performance, category impacted by a severe summer season

USG : 1%

UVG : Flat

- ❑ **Beverages:** Tea continued to cement its market leadership through value and volume share gains. Coffee grew in double digits driven by pricing and strong growth in channels of the future.
- ❑ **Nutrition Drinks (Horlicks & Boost):** Subdued performance in the quarter. Continue to gain market share and penetration on the back of sustained market development actions. Plus range maintains growth momentum.
- ❑ **Foods:** Low-single digit volume growth. Foods Solutions, Mayonnaise, Peanut Butter and International sauces continue to gain traction with consumers, boosted by partnerships, activations and product extensions
- ❑ **Ice Cream:** Double-digit volume growth aided by strong launches and sharp execution, in the season





JQ'24 Results summary

Particulars	Rs. Crores		
	JQ'24	JQ'23	Growth
Sales	15,166	14,931	2%
EBITDA	3,606	3,521	2%
EBITDA Margin	23.8%	23.6%	+ 20 bps
Other Income (Net)	172	138	
Exceptional Items	(48)	(37)	
PBT	3,432	3,365	2%
Tax	894	893	
Net Profit	2,538	2,472	3%
PAT before exceptional items	2,572	2,500	3%



Looking Ahead: Near term

Outlook

- ❑ FMCG and rural demand gradually improving

- ❑ Excluding the one-off indirect tax impact in the base:
 - Near-zero price growth, if commodity prices remain where they are
 - EBITDA margins to remain at current levels

Our priorities

- ❑ Focused on driving competitive volume led growth

- ❑ Continued investment behind brands and long-term strategic priorities

- ❑ Maintain cost savings and discipline through Net Productivity Programme

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