Hindustan Unilever Limited

MQ'21 Results : 29th April 2021

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 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

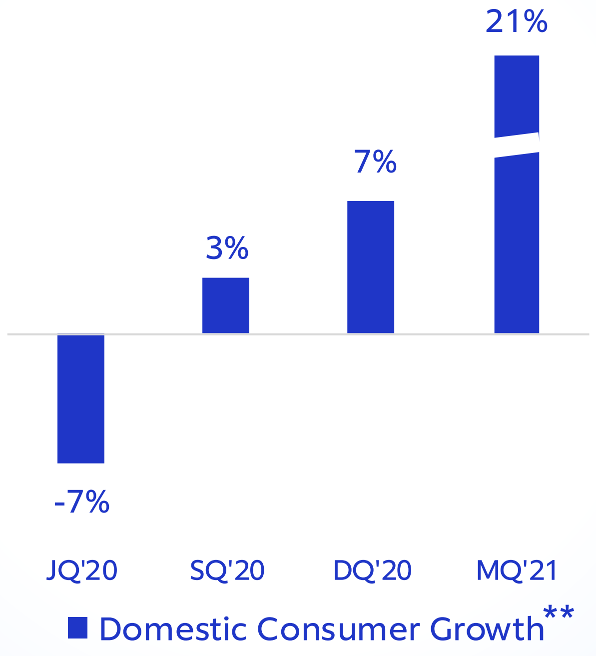
MQ'21 : Broad-based robust performance

Strong fundamentals

% Business Gaining Penetration*

87%

Accelerating momentum



Higher sales and profits

Reported TO Growth

34%

41%

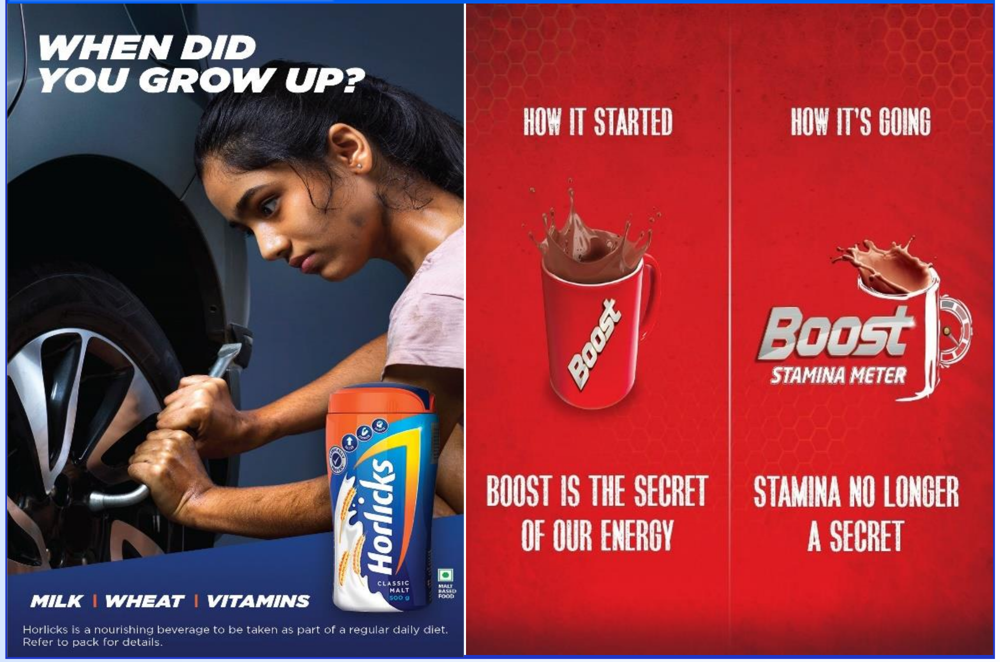
PAT Growth

Growth Competitive and Profitable

** As per Kantar Worldpanel for L3M February 2021 on relative basis*
*** Domestic consumer growth excludes the impact of merger of GSK CH and acquisition of VWash*

Nutrition : Best in class integration driving strong performance

1st Year of Nutrition



Seamless Integration

People - 1 HUL Team
Systems & processes
Synergies

Expanding Portfolio

Penetration & Volumes

EBITDA Margins

Ahead of business case

Significant progress on sustainability in the year of pandemic

COVID-19 response


Strategic partnerships

Apollo HOSPITALS
INDIA PROTECTORS ALLIANCE
unicef for every child
WaterAid
UNDP
Save the Children

~2 cr. soaps and sanitizers distributed

~15 cr. households reached via the #VirusKiKadiTodo campaign

+14 lacs individuals provided with healthcare and food support

Environmental impact

+400 bln litres of incremental water conservation potential created

+67% of plastics footprint is now recyclable

+58K tonnes of plastics recovered

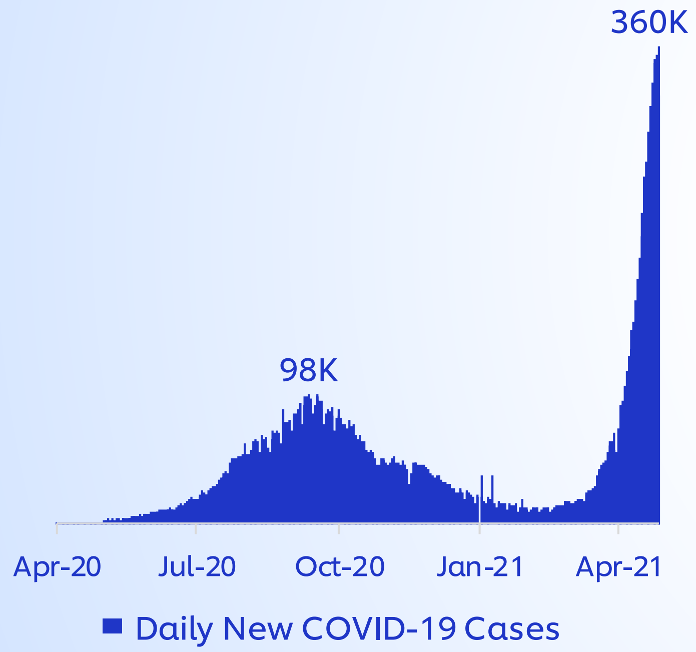
Enhancing livelihoods

~2 cr. additional person days employment generated by HUF

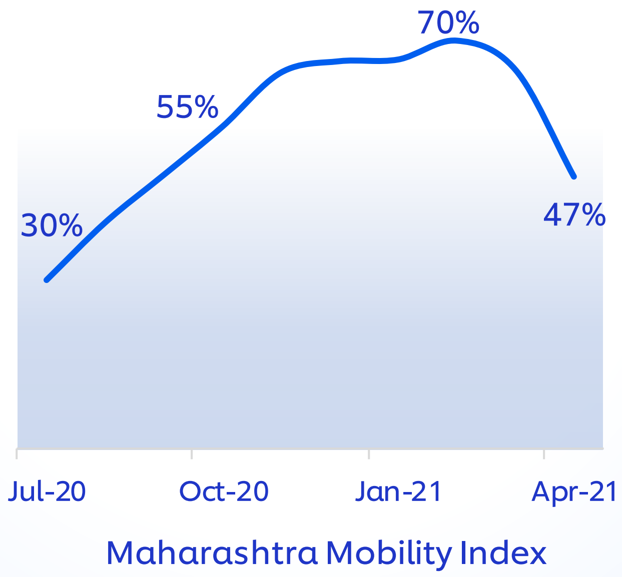
~16K 'Shakti Entrepreneurs' added

COVID Wave 2 : Brings a period of uncertainty

Increasing COVID-19 cases



Decreasing mobility



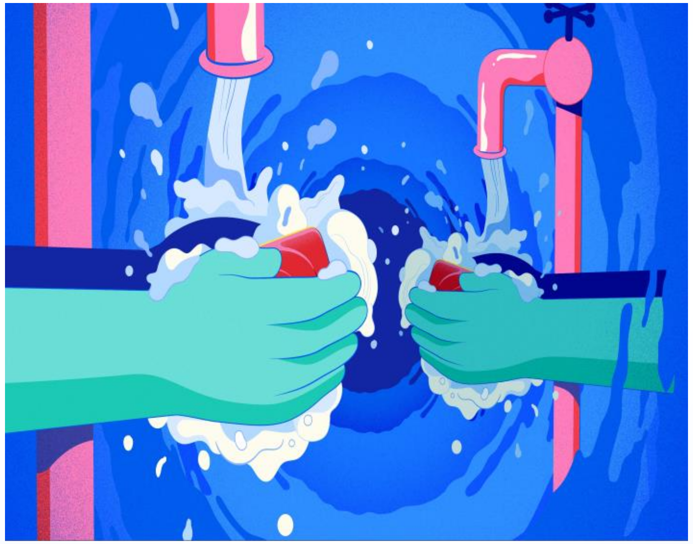
Localised restrictions

Sources:
COVID Cases: Ourworldindata as of 27th April
Mobility: Google LLC "Google COVID-19 Community Mobility Reports https://www.google.com/covid19/mobility/ Accessed: 26th April 2021

We know how to win against the Virus

Social distancing

Safe hygiene practices



Vaccinations

>145 million vaccinations

Source: Vaccination stats https://www.mohfw.gov.in/ as on 28th April 08:00 IST

HUL : Well positioned building on 2020 experiences

Fundamentals of growth

1 Purposeful brands

2 Improved Penetration

3 Impactful Innovations

4 Design 4 Channel

5 Fuel for growth

People

Supply

Demand

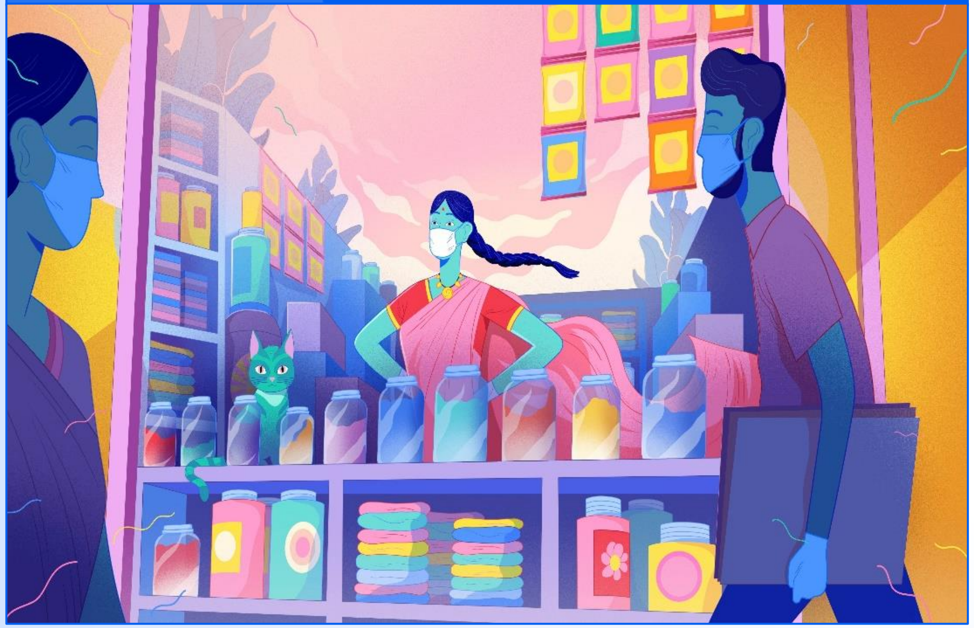
Cost & Cash

Fuel4 Growth

Underpinned by Technology

1. People : Our #1 priority

Safety and wellbeing



Tiered Operating Protocols

A Shot at Safety

90% of all eligible employees vaccinated with 1st dose

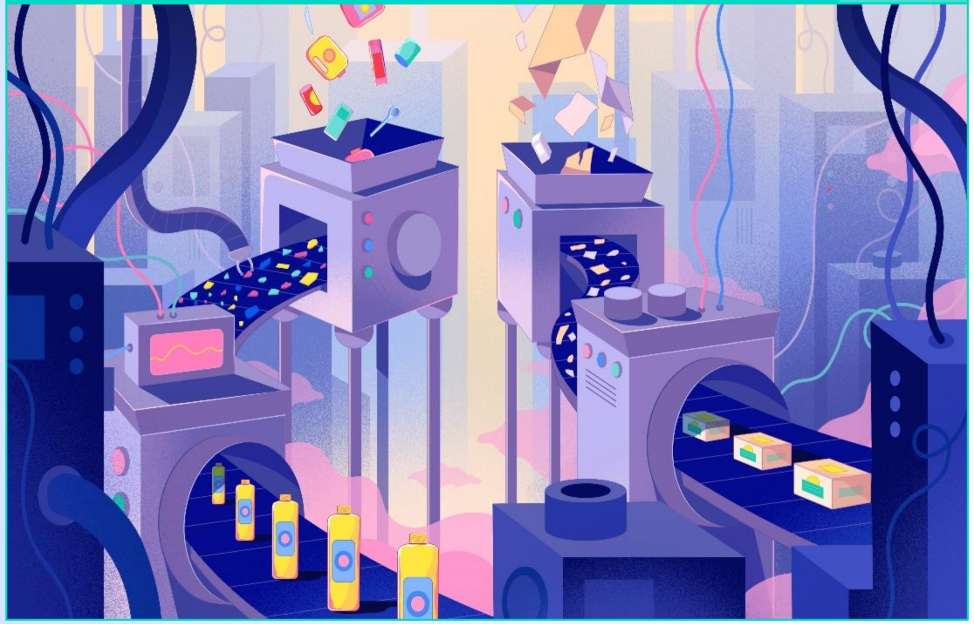
Flexible Models

Employer of Choice

12 years on a row

2. Supplies : Enhanced agility and responsiveness

Ensuring continuity of supplies



Agile & Resilient Supply Chain

1.3X capacity Vs pre COVID

Different Models

Stocks downstream
Liquidity support

5 lakh

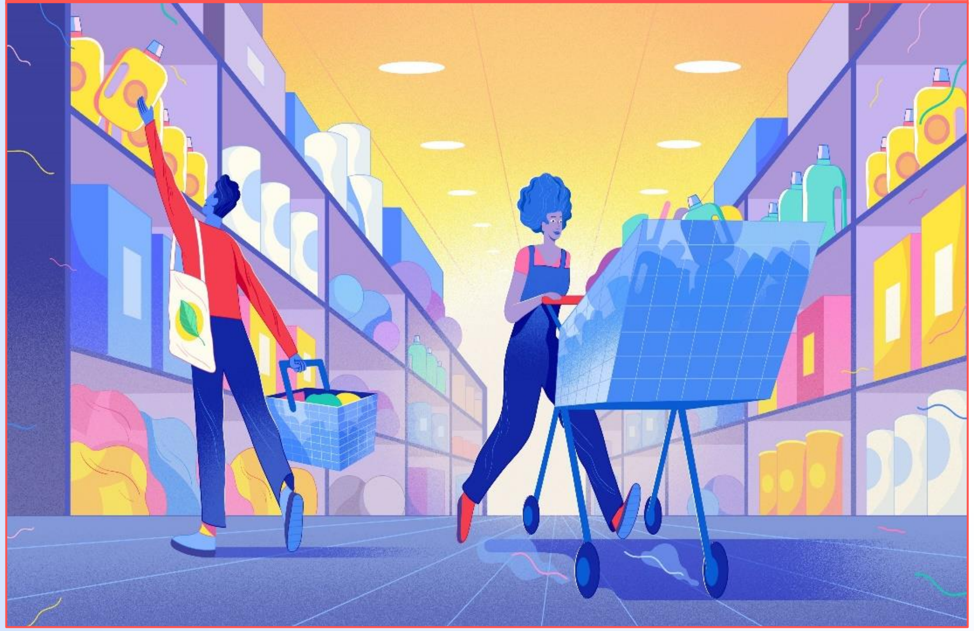
Shikhar outlets : rapid digitization

Focus E-comm, GT & Rural

3. Demand : Finger on the pulse of consumers

Hindustan Unilever Limited

Core, Innovations, Market Development & Premiumisation



Innovation Intensity +150 SKUs launched in FY'21	**Big Brands Accelerate** 5X Growth rates vs FY'20
Market Development & Premiumisation Grow 2X vs core; WiMI led opportunities	**Health, Hygiene & Nutrition continued priority** 12% Growth* in FY'21

Big brands = Annual Turnover >1000 cr. in FY'20

** Excludes the impact of merger of GSK CH and acquisition of VWash*

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4. Cost & Cash : Secure our business model

Manage headwinds, Strong Balance Sheet provides an edge

Fuel4 Growth

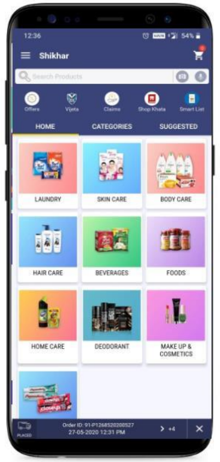
Ambitious Savings Agenda (>8%)	**Net Revenue Management** The science of pricing
R&D Capabilities Formulation flex, Resilience and Savings	**Sustain Investments** ROI models enabled by analytics

Re-Imagining HUL : Tech quotient significantly up in last 1 year

Consumers

People Data Centre | Agile Innovation Hub

Customers



Shikhar App

Digital Order Capturing

Operations

Digital Factories and Automated Warehouses

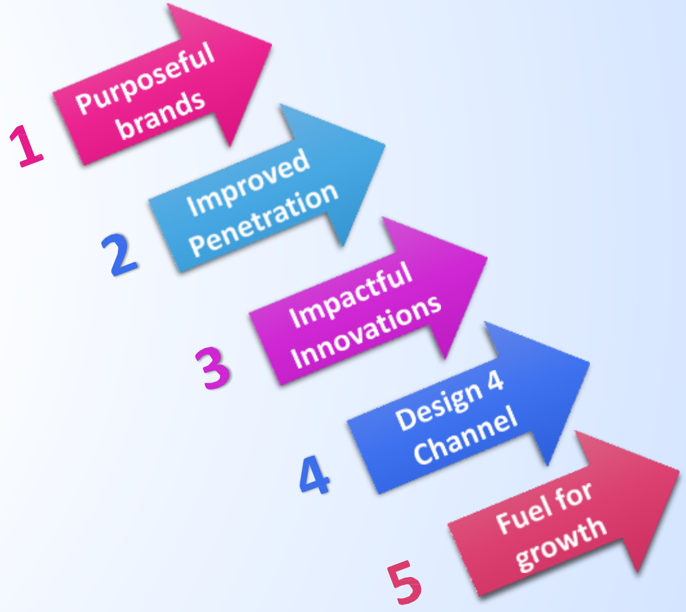
Powered by Intelligent Data Ecosystem

Strategy remains fit for purpose

Purpose-led, Future-fit

Consistent, Competitive, Profitable, Responsible Growth

Fundamentals of growth



Srinivas Phatak
Chief Financial Officer

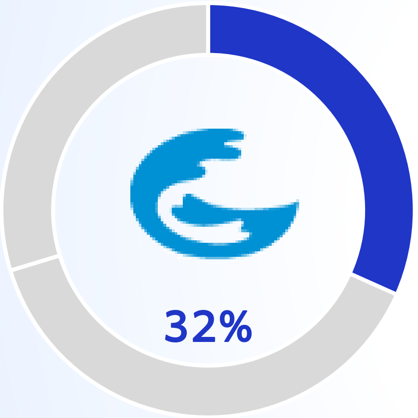
MQ'21 : Growth competitive and profitable

Growth	EBITDA	PAT (bei)	Net Profit
Reported Turnover Growth	Margin	Gr %	Gr %
34%	25%	43%	41%
21%	150 bps	2,103 cr.	2,143 cr.
Domestic Consumer Growth			

Difference between Reported Turnover Growth and Domestic Consumer Growth reflects the impact of merger of GSK CH and acquisition of VWash

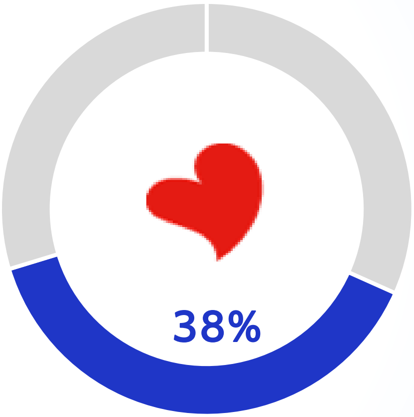
MQ'21 : Broad based performance across Divisions

HOME CARE



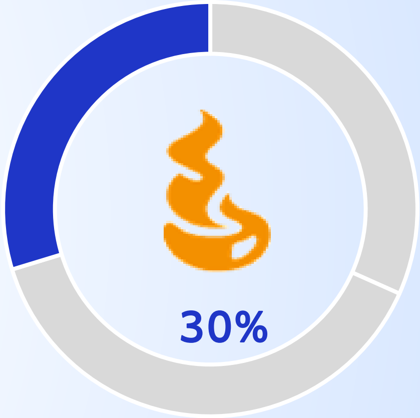
15%

BEAUTY & PERSONAL CARE



20%

FOODS & REFRESHMENT



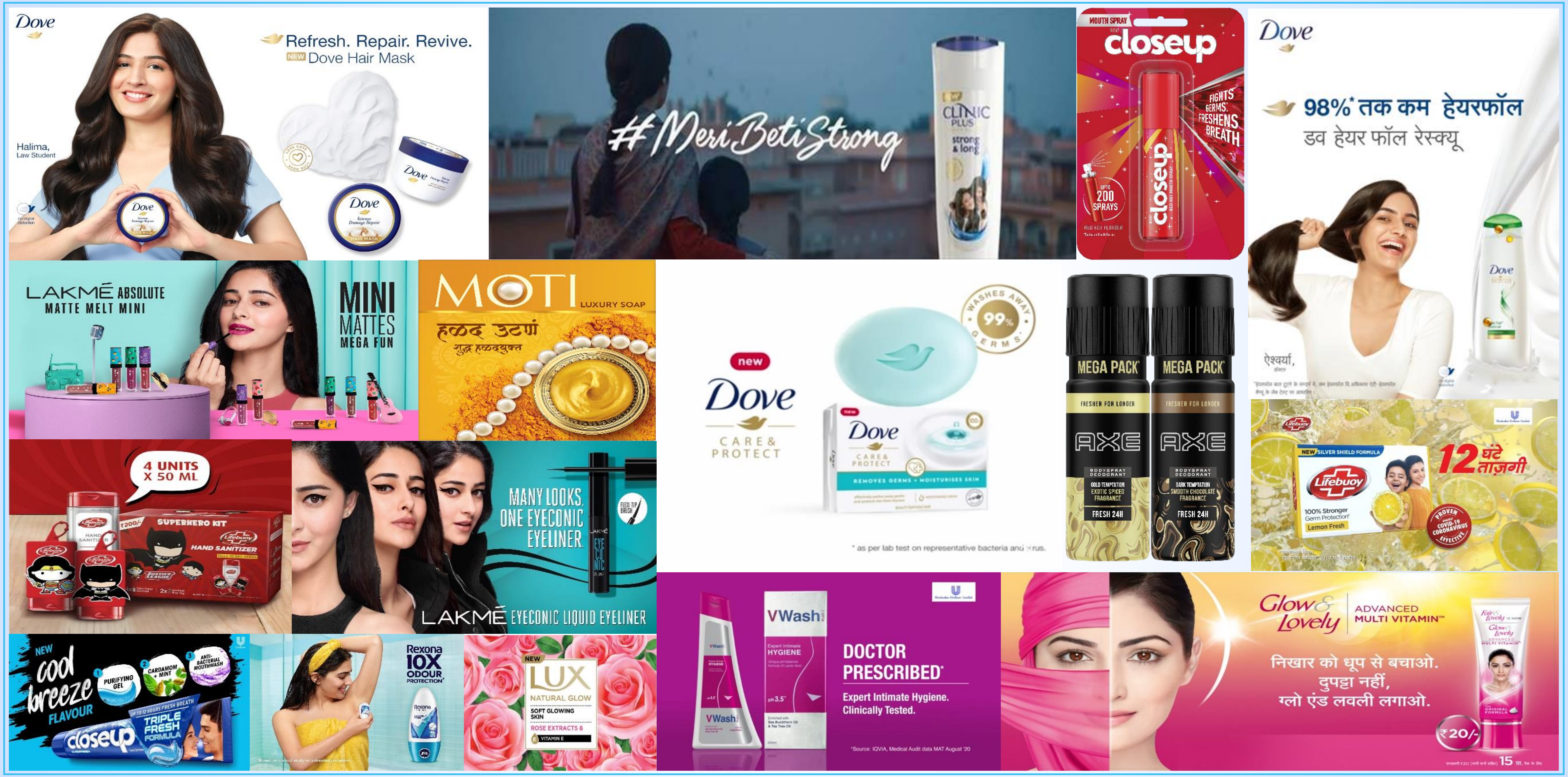
36%

Sales Growth*

**Sales growth excludes the impact of merger of GSK CH and acquisition of VWash*

Home Care : Innovations & Activations in the quarter

Beauty & Personal Care : Innovations & Activations in the quarter



Foods & Refreshment : Innovations & Activations in the quarter

Home Care : Strong performance in HHC, Fabric Wash rebounds

- **Household Care:** Continues to perform well. Strong double-digit growth led by Vim
- **Fabric Wash:** Strong sequential growth aided by increased mobility; Performance competitive
  - *Liquids and premium portfolio growing ahead of the category*
- **Purifiers:** Improving sequentially led by acceleration in E-commerce

Beauty & Personal Care : Strong performance across Categories

- **Skin Cleansing:** Robust performance led by high double-digit growth in Lifebuoy. Premium Skin Cleansing continues to do well, Lux stable. VWash momentum accelerates
  - *Inflationary pressures remain elevated; calibrated pricing actions to continue*
- **Oral Care:** Growth momentum sustained, Closeup continues to deliver strong results
- **Hair Care:** High double-digit growth & broad-based across brands. Contextual communications and focussed innovations drive performance
- **Skin Care:** Strong performance in winter portfolio led by Vaseline. Face Cleansing & Talc segments continue to do well. GAL sequential momentum picking up coupled with penetration gains
- **Color Cosmetics:** Demand continues to improve sequentially; category well positioned

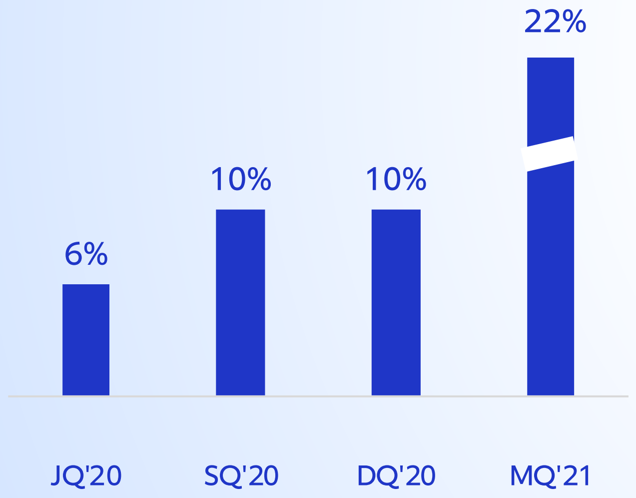
Foods & Refreshment : High growth momentum sustained

- **Foods:** Soups and Ketchups grow in high double-digits. With increased mobility we saw softening of 'In-home consumption' trend in the quarter
- **Beverages:** Tea share gain momentum continues. High double-digit growths across brands. Stable performance in Coffee
- **Nutrition:** Focus on volume led growth continues to yield strong results; volumes grow in teens, penetration* gains continue
  - *Horlicks and Boost Rs. 2 sachets launched to unlock penetration*
  - *ERP integration completed in current quarter; Sales systems go live in Quarter 2*
- **Ice Cream, Food Solutions & Vending:** Strong recovery in Ice cream
  - *Innovation intensity dialled up with launch of Cornetto Chokissimo, Trixy Cup and premium Kulfis*

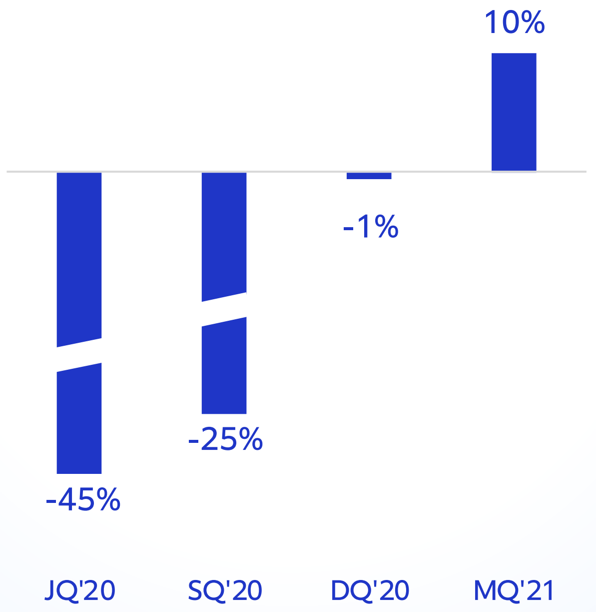
**Penetration on relative basis as per Kantar Worldpanel MAT February 2021*

HHN strong, Discretionary & OOH picking up

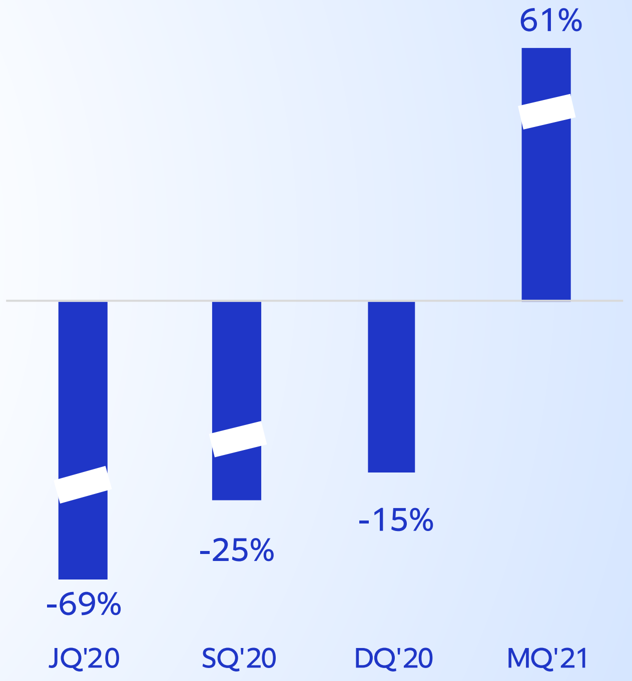
Health, Hygiene and Nutrition (FY'21 USG : 12%)



Discretionary (FY'21 USG : -15%)



Out of Home (FY'21 USG : -26%)



Domestic consumer growth and USG excludes the impact of merger of GSK CH and acquisition of VWash

Playing all lines of P&L to deliver profitable growth

Margin headwinds

Palm Oil

Tea

Crude Oil

Competitive Intensity

+2% Sequential step-up in consumer prices	Savings ↑
Nutrition Synergies	24.8% EBITDA

MQ'21 : Segmental performance

	HOME CARE	BEAUTY & PERSONAL CARE	FOODS & REFRESHMENT
	32%	38%	30%
	INR 3,840 Cr	INR 4,549 Cr	INR 3,511 Cr
Segmental Revenue Growth*	15%	20%	96%
Segmental Margins**	21%	28%	16%

*Segment Revenue Growth = Segment Turnover growth + Other Operating Income + Impact of merger of GSK CH + Acquisition of VWash

** Segment Margins (EBIT) excludes exceptional items

MQ'21 : Results summary

Rs. Crores

Particulars	MQ'21	MQ'20	Growth %
Sales	11,947	8,885	34%*
EBITDA	2,957	2,065	43%
Other Income (Net)	100	240	
Exceptional Items – Credit / (Charge)	14	(58)	
PBT	2,822	1,992	42%
Tax	679	473	
PAT bei	2,103	1,469	43%
Net Profit	2,143	1,519	41%

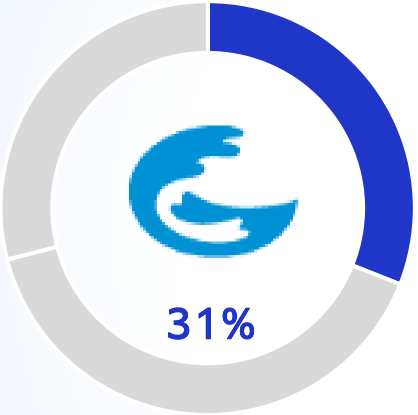
- *Domestic Consumer Growth at 21%
- Exceptional items include cost related to restructuring, integration of Nutrition business and profit from sale of property

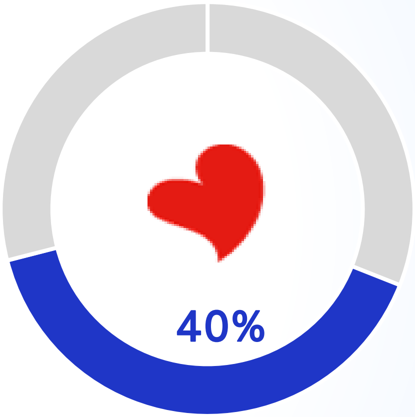
FY'21 : Strong performance in a challenging year

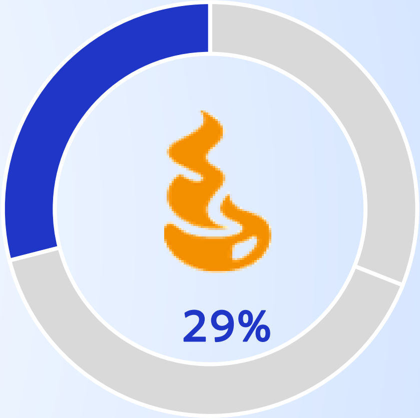
Sales INR 45,311 cr.	EBITDA INR 11,324 cr.	PAT (bei) INR 7,963 cr.	Net Profit INR 7,954 cr.
Reported Turnover Growth	Margin	Gr %	Gr %
18%	25%	18%	18%
Domestic Consumer Growth* of 6%			

* *Domestic consumer growth excludes the impact of merger of GSK CH and acquisition of VWash*

FY'21 : Segmental performance







	HOME CARE	BEAUTY & PERSONAL CARE	FOODS & REFRESHMENT
	31%	40%	29%
	INR 13,959 cr.	INR 17,964 cr.	INR 13,204 cr.
Segmental Revenue Growth*	2%	4%	77%
Segmental Margins**	20%	29%	17%

*Segment Revenue Growth = Segment Turnover growth + Other Operating Income + Impact of merger of GSK CH + Acquisition of VWash

** Segment Margins (EBIT) excludes exceptional items

FY'21 : Proposed Final Dividend

Particulars	FY 2020-21	FY 2019-20
Dividend per share	40.5	25
Special	9.5	-
Interim	14	11
Final*	17	14
Total Dividend (Rs. Crores)	9,516	5,671

**Final Dividend number for FY 2020-21 is subject to approval by the shareholders at the AGM*

Looking ahead

Near-term outlook

- ❑ COVID surge unprecented; demand outlook difficult to predict
  - Our agility and responsiveness across the value chain significantly better than pre COVID
- ❑ Elevated inflationary pressure in select large categories
  - Judicious pricing actions coupled with cost agility and savings programmes

Our focus

- ❑ Deliver volume led competitive growth
- ❑ Consumer centric innovations, market development and digital transformation 'Re-imagining HUL'
- ❑ Win in high growth channels of E-commerce and General Trade

For more information and updates

Visit our website

March Quarter 2021 results

Hindustan Unilever will release its financial results for March Quarter 2021 on Thursday, 29th April, 2021.

> March Quarter 2021 results