



19th January, 2023

Stock Code BSE: 500696

NSE: HINDUNILVR

ISIN: INE030A01027

BSE Limited,  
Corporate Relationship Department,  
2nd Floor, New Trading Wing,  
Rotunda Building, P.J. Towers,  
Dalal Street,  
Mumbai – 400 001

National Stock Exchange of India Ltd  
Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block,  
Bandra – Kurla Complex,  
Bandra (E),  
Mumbai – 400 051

Dear Sir/Madam,

**Sub: Investor Presentation for the quarter ended 31st December, 2022**

This is further to our letter dated 12th January, 2023, intimating about an Earnings Conference Call to be hosted by the Company post announcement of Financial Results of the Company for the quarter ended 31st December, 2022.

Pursuant to the Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the presentation to Analysts / Investors on Unaudited Standalone and Consolidated Financial Results of the Company for quarter ended 31st December, 2022.

Please take the above information on record.

Thanking You.

Yours faithfully,

**For Hindustan Unilever Limited**

DEVOPAM  
NARENDRA  
BAJPAI

Digitally signed by  
DEVOPAM NARENDRA  
BAJPAI  
Date: 2023.01.19 16:32:57  
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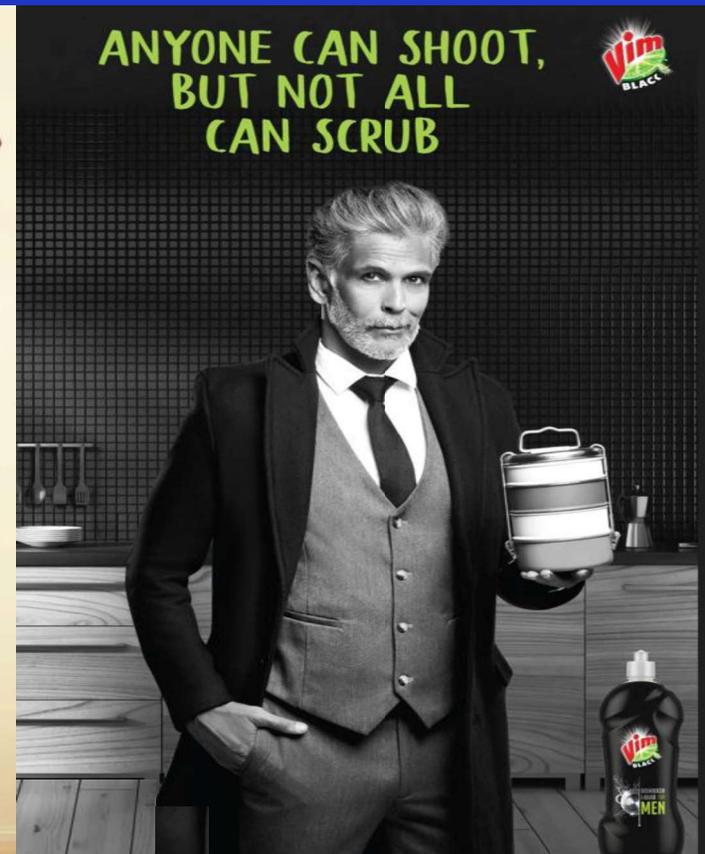
**Dev Bajpai**

Executive Director, Legal & Corporate Affairs  
and Company Secretary

DIN:00050516 / FCS No: F3354

# Hindustan Unilever Limited

DQ'22 Results : 19<sup>th</sup> January 2023



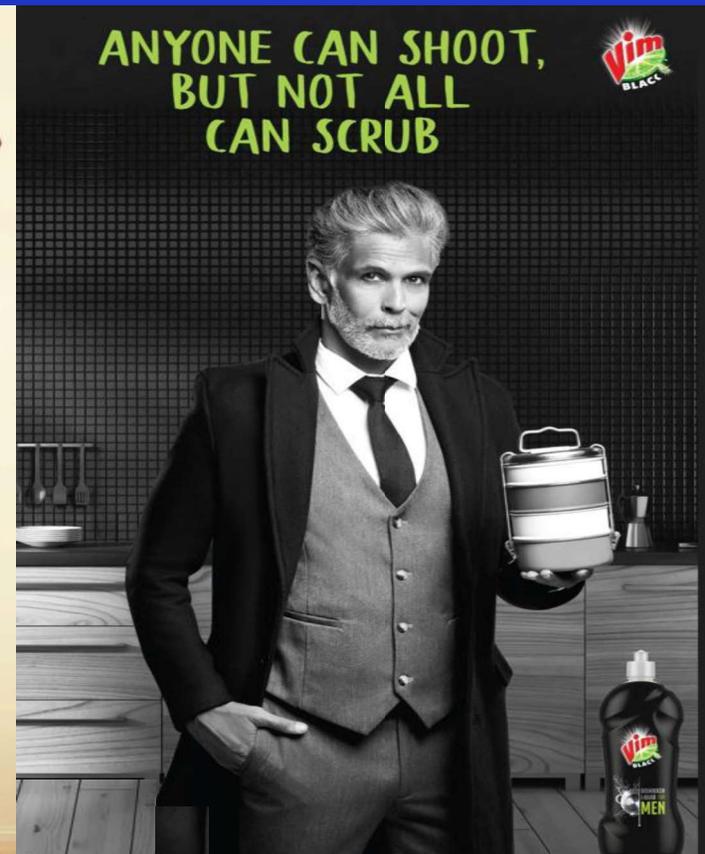


## Safe harbour statement

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





# DQ'22 : Strong all-round performance

Turnover Growth YoY

16%

Underlying Volume Growth

5%

Market Share

>75%

Business winning shares

EBITDA Margin

23.6%

+30 bps sequential improvement

EPS

12%

YoY Growth

ESG

76



Dow Jones Sustainability Indexes

23.5

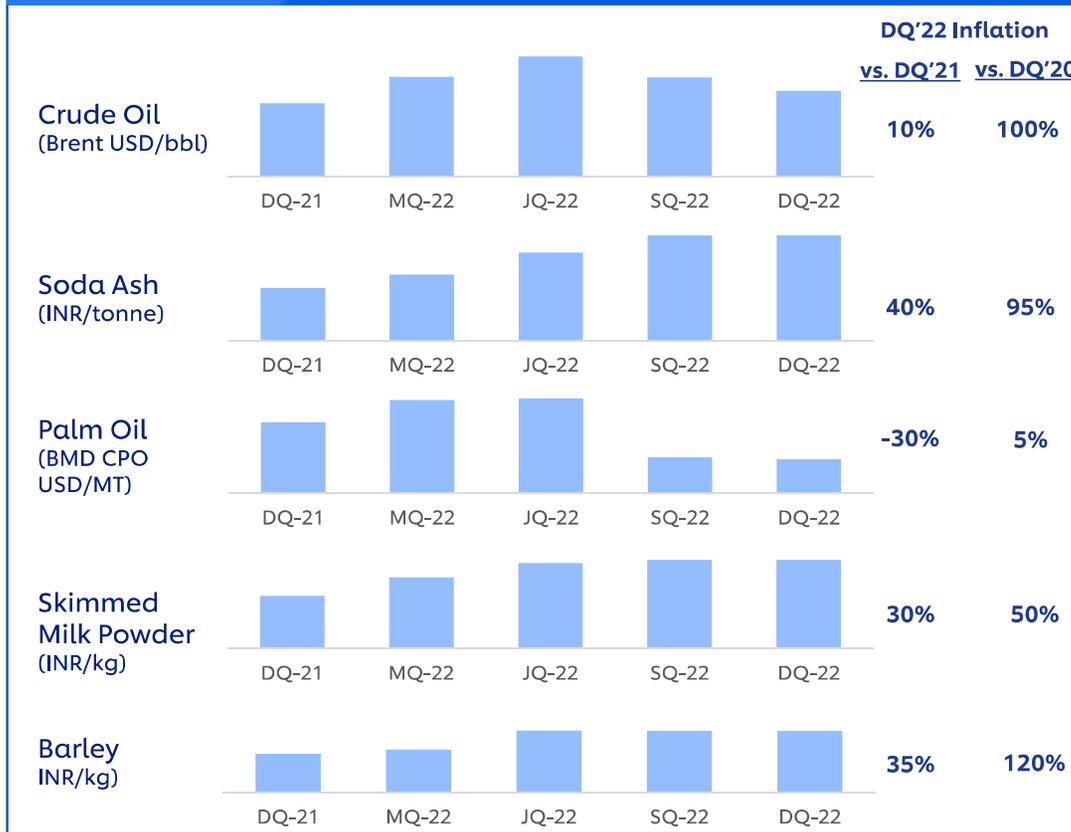


Best rated Indian FMCG co.



# Inflation moderating gradually

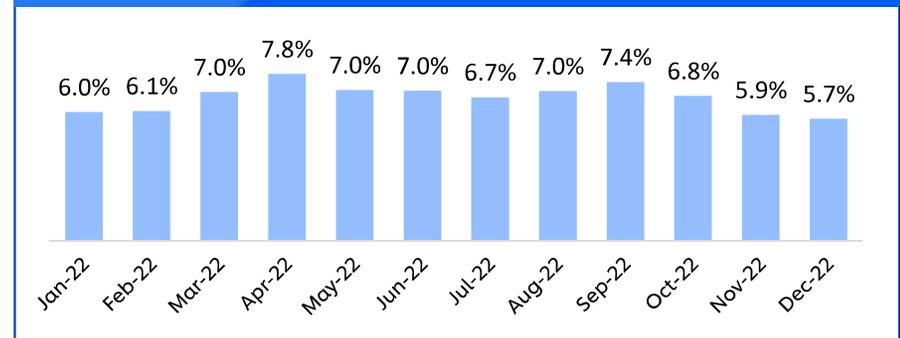
## Softening in few commodities notably Palm; Crude and Food Ingredients still elevated



## USD strengthening adding to inflation



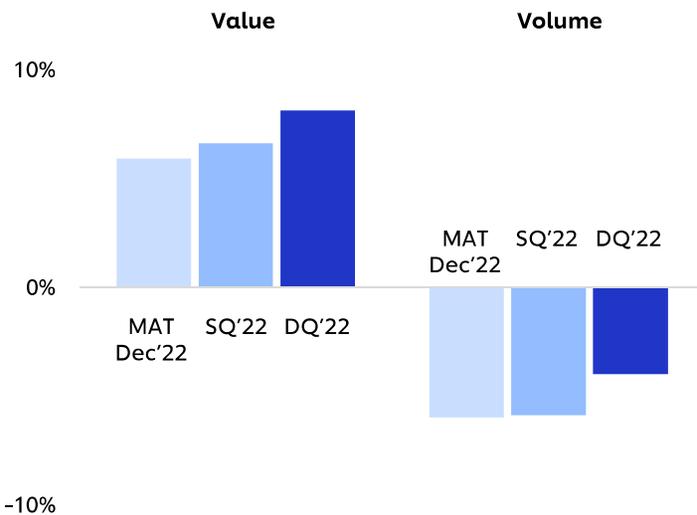
## CPI inflation moderating





# FMCG market growth improving sequentially; volumes still declining

## FMCG market growth (Urban + Rural)



## Delayed onset of winter

### Last December India's warmest in 122 years: IMD

Jayashree Nandi  
letters@hindustantimes.com

**NEW DELHI:** India recorded its warmest December in 122 years in 2022, the India Meteorological Department said on Wednesday.

The average maximum, minimum and mean temperatures for the country as a whole during December 2022 were 27.32°C, 15.65°C and 21.49°C respectively, against the normal of 26.53°C, 14.44°C and 20.49°C. Climate experts and meteorologists said such records are to be expected in the context of climate crisis.

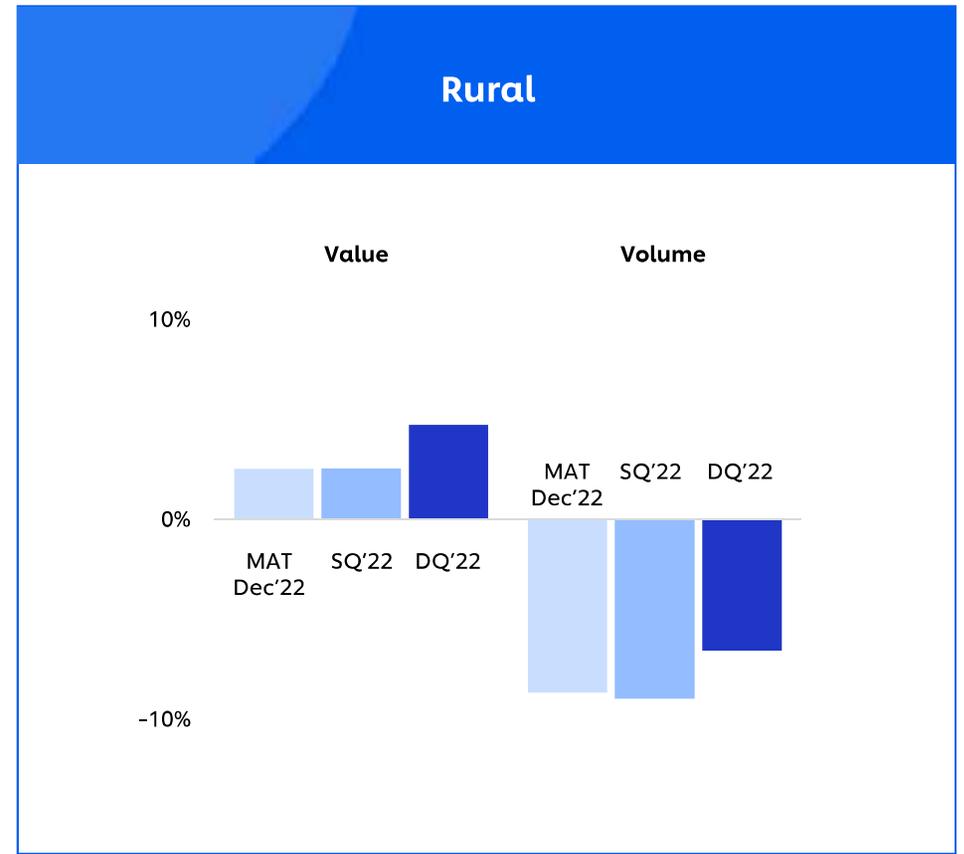
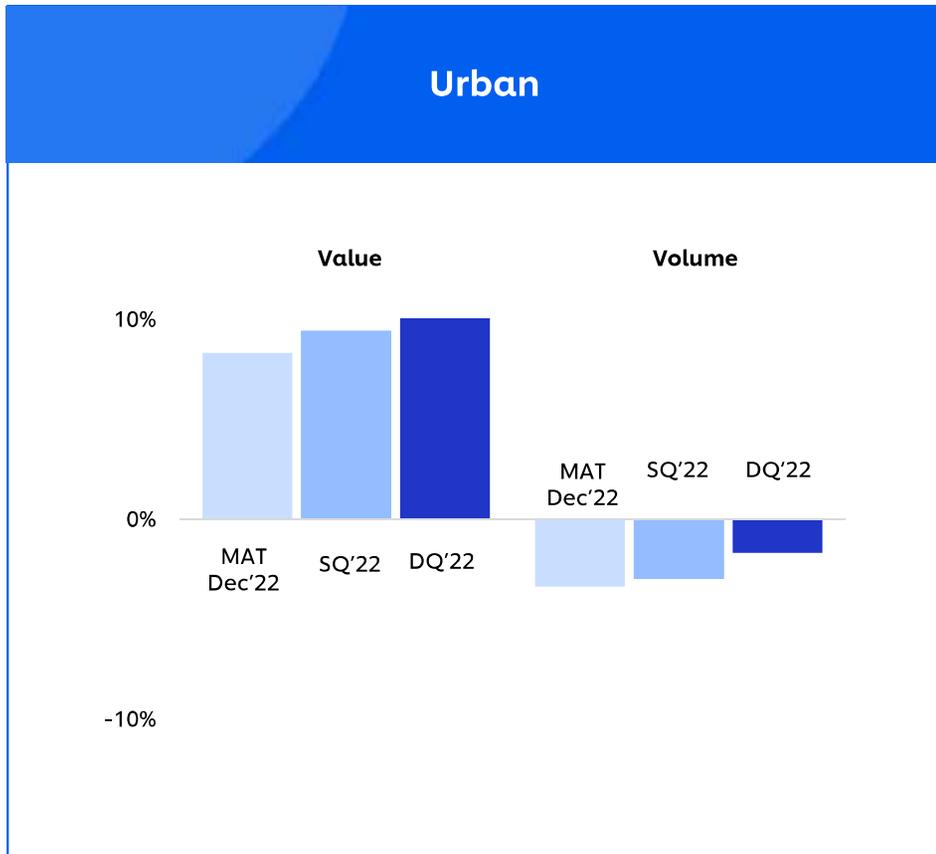
The average maximum temperature, minimum and mean temperatures were above normal by 0.79°C, 1.21°C and 1.00°C respectively. Across India, during December, the average maximum temperature was the second highest after the year 2016 and the average minimum temperature was also the second highest after 2008. The mean temperature was the highest. East, northeast and central India recorded exception-

maximum temperature was the sixth highest (29.49°C). The average minimum temperature was the second highest (15.88°C) after 1967 (16.50°C). The mean temperature was the highest at 22.69°C. Over south Peninsular India, the average maximum temperature was the fifth highest and the average minimum temperature the third highest. Over northwest India, average maximum temperature was the 20th highest (21.23°C) and the average minimum temperature was the 24th highest (7.14°C) since 1901. Rainfall over the country for December was 13.6mm — 14% less than Long Period Average of 15.9mm.

There was no cold wave, cold day and dense fog conditions over northern and central parts of India till December 15. "This was mainly because no strong western disturbances impacted the northwest region which mainly causes a drop in temperatures in winter. So, temperatures continued to remain above normal through the month," said M



# Market growth led by urban; rural slowdown likely bottoming out



Source : Nielsen market data for December'22 (HUL relevant categories)

Sensitivity: Public



# Clear and compelling strategy

## Navigating the short term challenges with agility



Growing our consumer franchise

&



Protecting our business model

## While progressing well on our long-term strategic choices



Developing our portfolio



Win with our brands powered by purpose and innovation



Lead in the channels of the future



Build differentiated structures and capabilities



Build purpose-led, future-fit organisation



# Responsible growth : Doing well by doing good



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**Our community development initiative 'Prabhat' made a positive difference to nearly 9 million people**



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**Lifebuoy has reached over 500 million people to educate healthy habits**



# Foray into Health & Wellbeing

## Our strategy

- Build a portfolio of fast growing, lifestyle-led, science-driven brands
- Focused on attractive segments and product formats

## Strategic partnership



Deals completed

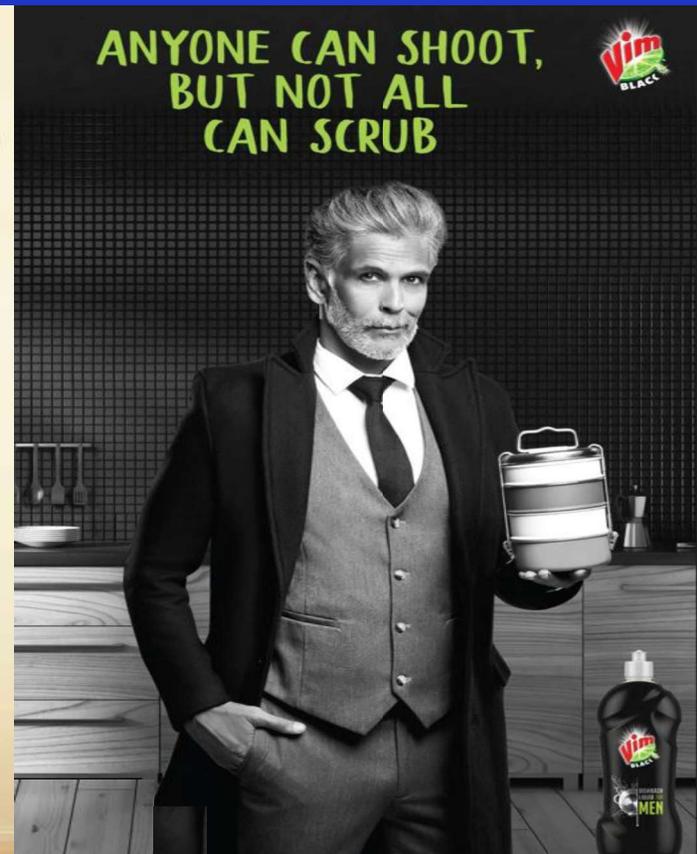
## Underpinned by our capabilities

- Consumer and Customer understanding
- Leading R&D and innovation capability
- Data & Analytics
- Rigorous Regulatory & Quality Assurance
- Best in class Supply Chain operations

From 'health as the absence of disease' to 'health as a lifestyle pursuit'

# Ritesh Tiwari

## Chief Financial Officer





## DQ'22 : Strong all-round performance

### Turnover Growth

Growth

**16%**

**5%**

Underlying Volume Growth

### EBITDA

Margin

**23.6%**

**-180 bps**

Change YoY

### PAT (bei)\*

INR

**2,581 cr.**

**13%**

Growth YoY

### Net Profit

INR

**2,505 cr.**

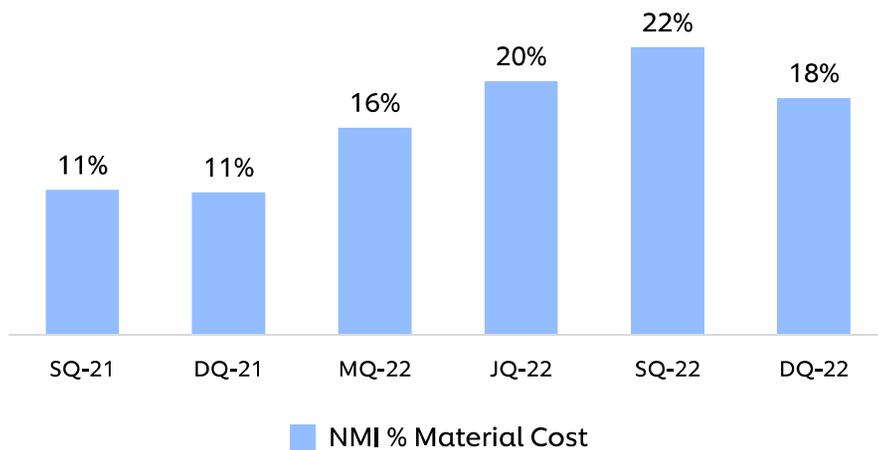
**12%**

EPS Growth YoY

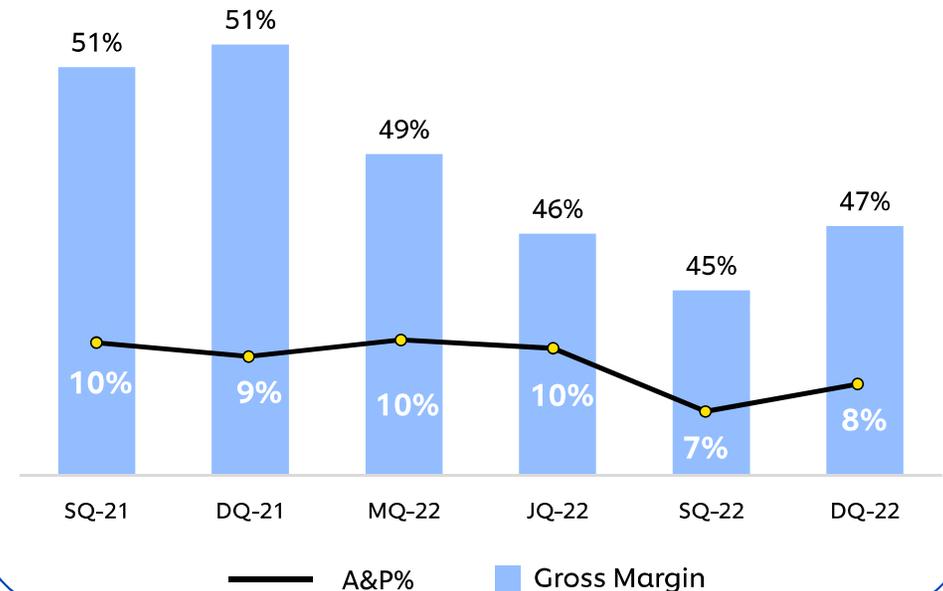


# Protecting business model through dynamic financial management

## Net Material Inflation (NMI) moderating sequentially



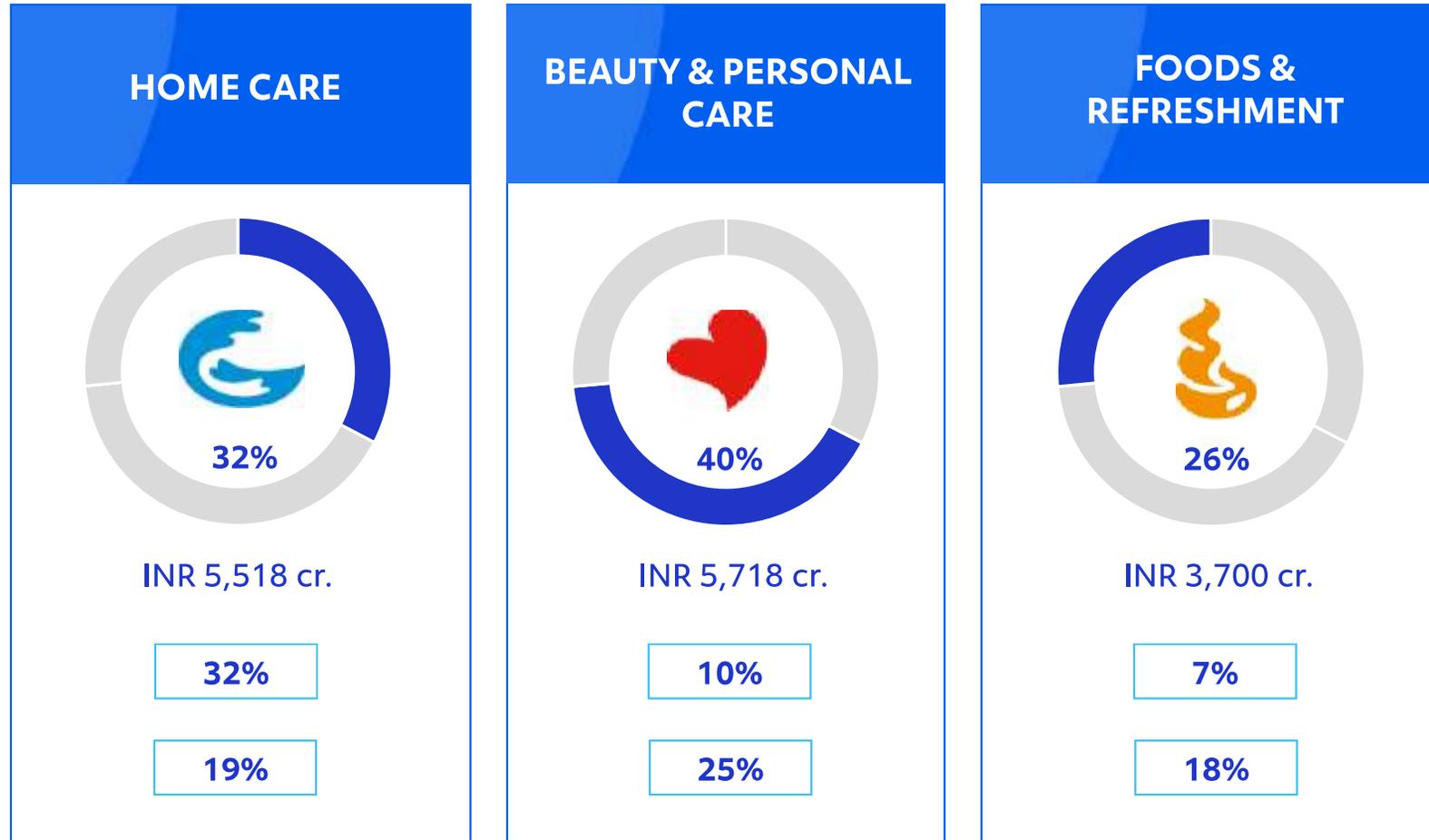
## Gross Margin up QoQ; step-up in A&P



## Continue to drive productivity improvement and pricing agility



## DQ'22 : Segmental performance



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

Excludes 'Others' segment, proportion of segments for same period last year  
Sensitivity: Public



# DQ'22 : Innovations (1/2)

**TRESemmé**  
USED BY PROFESSIONALS

**NEW**

**PROTEIN BOND PLEX TECHNOLOGY**

**TRESemmé**  
Bond Strength  
KERATIN REPAIR  
PROTEIN BOND PLEX  
KERATIN REPAIR  
BOND PLEX OIL  
KERATIN REPAIR  
PROTEIN BOND PLEX  
KERATIN REPAIR

**New St. Ives Scrub Soap**

**St. Ives**  
VITAMIN C & ORANGE  
SCRUB SOAP  
COCONUT WATER, ALOE & WALNUT  
APRICOT & HONEY

**NEW**

Pureit Vital Max  
with  
**FILTRA Power**  
TECHNOLOGY

Removes toxic substances

**pureit**  
Vital Max  
4.88L (1.3 Gallons)

**LAKMÉ**

Skincare that  
**Glow, Brightens & Revitalizes**

**LAKMÉ**  
9to5  
VIT C  
LAKMÉ  
ABSOLUTE  
LAKMÉ  
ABSOLUTE

**Lifebuoy**

**NEW**

**LIFEBUOY WITH NEEM & ALOE**

PROVEN TO GIVE 100% BETTER PROTECTION AGAINST SKIN INFECTION CAUSING GERMS

**100% Better**  
Sun Protection

**FIND YOUR HAPPY PLACE**

**THE PLAKE BLUE**  
Sun & Body Protection

**FIND YOUR HAPPY PLACE**  
SUNSCREEN  
SUNSCREEN  
SUNSCREEN



Hindustan Unilever Limited

# DQ'22 : Innovations (2/2)

**kissan**  
YUMMY TASTE OF  
**30% EXTRA FRUITS**

**kissan**  
MIXED FRUIT

Visualisation. 30% extra fruit implies relative % increase in fruit pulp content vs. previous formulation of Kissan Jam.

**Horlicks**  
READY MIX

କେବଳ ପାଣି ମିଶାନ୍ତୁ !

₹10 only

WITH MILK ADDED

**BRU**  
Instant Decoction

200 ml

Make a delicious cup of Filter Coffee, without a Filter!

From the House of Bru, Experts in South Indian Coffee, since 1968.

\*Contains Instant Coffee - Chicory Mix

**Knorr**

**KOREAN MEAL POT. MICROWAVEABLE IN 6 MINS.**

**Knorr**  
KOREAN MEAL POT

**Red Label Maa Care**

**80% LESS CAFFEINE**

Globally, Guidelines recommend limiting Caffeine during pregnancy!

#Expectant and nursing mothers to limit total daily caffeine from all sources to max 200 mg.

Creative Visualization. Ravoured Tels.

**Knorr**

**CREAM OF BROCCOLI**



Hindustan Unilever Limited

# DQ'22 : Activations and communications

**TRESemmé**  
USED BY PROFESSIONALS

**SALON SMOOTH HAIR FOR 72 HOURS**

#GHARPESALON

**Surf excel MATIC**

20:00  
கறை காண்\*

\*பாலியஸ்டரில் சில குறுப்பிட்ட கறைகளின் மீது செய்யப்பட்ட ஆய்வக பரிசோதனையின் அடிப்படையிலான சித்தரிப்பு

**Vim BLACK**

EASY TO CLEAN. MORE TO BRAG.

750 ml

**Pears BODYWASH**

0% soap parabens

**Horlicks**

Taller  
Stronger  
Sharper

**sunsilk**

THIS PUJO SUNSILK CELEBRATES YOUR GIRL GANG

#SunsilkGirlGiri

upload photo with #SunsilkGirlGiri @sunsilkindia and be a part of our campaign

T&C Applicable as available on @sunsilkindia

Sensitivity: Public



## HC : Stellar performance continues, double digit volume growth



- ❑ **Fabric Wash:** High double-digit growth with robust performance across brands and formats. Double-digit volume growth.
  - Handsome market share gains continue, both value and volume
- ❑ **Household Care:** Grew in high double-digit with strong performance in both dishwasher and surface cleaning
  - High-teens volume growth



## BPC : Double digit growth led by Skin Cleansing



- ❑ **Skin Cleansing:** Strong double-digit growth, broad based across the portfolio, volumes grew in mid-single digit. With softening in Palm Oil, price reductions taken in soaps portfolio
  - Market development actions in bodywash yielding good results
- ❑ **Hair Care:** High single-digit growth led by strong performance in Clinic Plus. Innovations and future formats continue to gain consumer relevance
- ❑ **Skin Care and Color Cosmetics:** Delayed winter impacts performance; double digit growth in non-winter portfolio
  - Continued focus on innovations & market development actions in emerging/ on-trend demand spaces
- ❑ **Oral Care:** Steady performance driven by Closeup



## F&R : Steady performance led by Foods, Coffee and Ice Cream



- ❑ **Beverages:** Continued value and volume market leadership in Tea. Business grew volumes in mid-single digit, price cuts soften overall value growth. Coffee continues to perform well delivering double-digit growth
- ❑ **Health Food Drinks:** Grew in mid-single digit with strong performance in Boost and Plus range. Market share and penetration gains continue on the back of focused market development actions
  - Market remains subdued due to the impact of inflation
- ❑ **Foods:** Volume led high teens growth driven by strong performance in Ketchup, Jams and Unilever Food Solutions (UFS)
- ❑ **Ice Cream:** Continues to perform well and delivered double-digit growth



## DQ'22 : Results summary

Rs. Crores

Particulars	DQ'22	DQ'21	Growth
Sales	14,986	12,900	16%
EBITDA	3,537	3,279	8%
EBITDA Margin	23.6%	25.4%	-180 bps
Other Income (Net)	202	66	
Exceptional Items – Credit / (Charge)	-102	-66	
PBT	3,377	3,024	12%
Tax	872	781	
PAT bei	2,581	2,292	13%
Net Profit	2,505	2,243	12%



## FY'23 : 9-month performance

### Turnover

INR

**43,516 cr.**

**17%**

Growth YoY

### EBITDA

INR

**10,161**

**10%**

Growth YoY

### PAT (bei)\*

INR

**7,249 cr.**

**13%**

Growth YoY

### Net Profit

INR

**7,410 cr.**

**14%**

EPS Growth YoY

# Outlook



*Hindustan Unilever Limited*



## Looking ahead

- ❑ **Cautiously optimistic in the near-term**
- ❑ **Worst of inflation likely behind us, will aid gradual recovery in consumer demand**
- ❑ **YoY material inflation still elevated, growth will continue to be price-led**
- ❑ **Focus on right price-value equation and building back gross margin**
  - **Step-up in A&P investments**

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

# Royalty and Central Services agreements



*Hindustan Unilever Limited*



## Overview of current arrangement with Unilever

- ❑ Current Technology & Trademark licensing and Central Services Agreement with Unilever was entered into in 2013. Term expires on 31st Jan 2023
- ❑ Contract grants right to use Unilever owned trademarks, technology, corporate logo and gives access to central services provided by Unilever Group
- ❑ Effective pay-out for this arrangement is c. 2.65% of turnover [FY'22]
- ❑ Unilever's global brands, innovations, technical know how, centralised services and functional expertise enables us to win in the marketplace
- ❑ During the contract tenure we doubled our turnover and improved our EBITDA margin by c.1000 bps

## Access to world class brands, technology and services

### Unilever brands



### Cutting edge technology and innovation



### Centralised services and expertise



Enabling HUL to meet emerging consumer needs with agility and win in the marketplace



# Unilever : A global FMCG powerhouse

## € 52 bn

Turnover



## 12

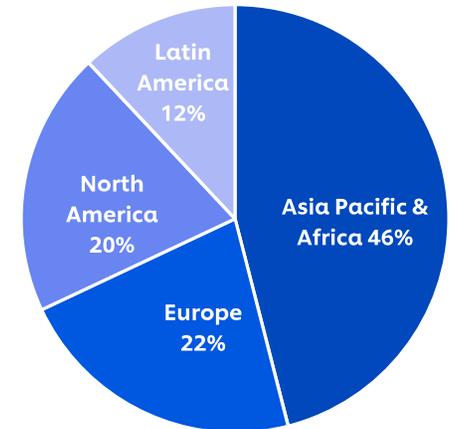
€1 bn brands

## Wide portfolio of iconic & on-trend brands



## 12 of the top 50 global consumer brands

## Worldwide presence



## 190 countries, c.60% business in emerging markets

Turnover for January-December 2021



# Unilever : World-class R&D

## Deep science and technology expertise

### Global Scale, local knowledge



**8** Global Labs

**10** Regional Hubs

<b>5000 + R&amp;D experts</b>	<b>&gt;20,000 Patents</b>	<b>€ 850m p.a. R&amp;D Spends</b>
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## Cutting edge R&D (examples)

### Renewable Ingredients

Bio-Surfactants & Eco-Design	Carbon Rainbow	Concentration & New Formats
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### Next Generation Biology

Microbiome & Immunity	Skinification	Neurosignaling & Deposition
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### Positive Nutrition

Non Dairy Plant Protein	Low Fat & No Saturated Fat	Low Sugar & Low Salt
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# Unilever expertise : Access to best practices, standards and tools

## Illustrative examples

### Supply Chain



OEE Improvement Programmes



World class manufacturing capabilities



AERA Deeper Planning



Global Technical authority framework

### Marketing



Digital HUB



In-house creative agency



People data centre



the marketing academy

### Procurement



Leveraging Global scale and Commodity Risk Management practice

### Net Revenue Management



net revenue management

### Talent Management



Learning and capability development



## Review of existing arrangement

### ❑ Request for review received from Unilever

- Expiry of current contract
- HUL receiving steady stream of benefits from Unilever - faster innovations, superior products and technology, greater expertise and enhanced services

### ❑ India : Priority market for Unilever

- Largest emerging market business for Unilever and second largest worldwide
- One of the top 3 strategically prioritized markets for Unilever with dialled up access to innovations, investments, capabilities, and talent development

### ❑ Review and evaluation

- Detailed due diligence led by senior HUL management and guided by HUL's Audit committee and Board
- Independent external benchmarking with comparable transactions



## New arrangement approved by HUL Board

- ❑ **HUL Board has approved new royalty and central services arrangements effective 1<sup>st</sup> February 2023 for a period of 5 years**
- ❑ **Staggered increase in effective rate over a period of 3 years from c. 2.65% to c.3.45% of Turnover**
  - c. 45 bps increase from Feb to Dec 2023, c. 25 bps from Jan to Dec 2024, c. 10 bps from Jan 2025
  - Rates continue to be competitive versus comparable transactions post factoring above increase
- ❑ **Positions HUL well to continue delivering Consistent, Competitive, Profitable and Responsible growth**
- ❑ **Subject to appropriate regulatory approvals**



## In Summary

### 1. DQ'22 :

- **Strong growth momentum : Topline growth 16%, Underlying volume growth 5%**
- **Gross Margin sequentially up 170 bps, A&P stepped up**
- **Healthy EBITDA margin at 23.6%, sequential improvement of 30 bps**

### 2. Outlook:

- **Cautiously optimistic in the near term**
- **Worst of inflation is likely behind us, will aid gradual recovery in consumer demand**
- **Priority is to ensure right price-value equation, build back gross margin, and step-up A&P investments**
- **Focus on delivering Consistent, Competitive, Profitable and Responsible growth**

### 3. HUL Board approves new Royalty and Central Services arrangement with Unilever group

- **c. 80 bps increase in effective rate staggered over next 3 years**
- **Positions us well to meet consumer needs with agility and win in the marketplace**

# Hindustan Unilever Limited

DQ'22 Results : 19<sup>th</sup> January 2023

