

Hindustan Unilever Limited

DQ'24 Results

22nd January 2025



Hindustan Unilever Limited

TRESemmé
HEAT OFF
STRAIGHT ON

TRESemmé
Cilk PRESS
20 AMINO-PEPTIDES

New

SERUM
SHOWER COLLECTION

The power of Vit C, AHA & Salicylic acid in your shower

Dove
ACNE CLEAR
1% Salicylic Acid

Dove
EXFOLIATE AWAY
4% Salicylic Acid

Dove
GLOW RECHARGE
3% Vitamin C

UP TO 10 HRS OF
Bloom

100% WEIGHTLESS

LAKMÉ

NEW ROUGE BLOOM
MATTE LIPSTICK

NEW
SUN
DISHWASHING GEL

2X POWER OF
BAKING SODA
& ORANGE*

ONLY AT
₹99/1L

SUN
DISHWASH GEL
NEW
2X POWER OF BAKING SODA & ORANGE

*Based on average price of dishwash liquid as per Nielsen data for 32 months period 2023-2024 | *Limited period offer in select stores only

Knorr KOREAN RAMEN × NETFLIX SQUID GAME 2

... DARE TO SLURP ...

ARE YOU GAME?

Knorr
KOREAN RAMEN
SPICY BOKCHONG CHICKEN



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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BY AHA PROFESSIONALS

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Knorr

KOREAN RAMEN

NETFLIX SQUID GAME 2

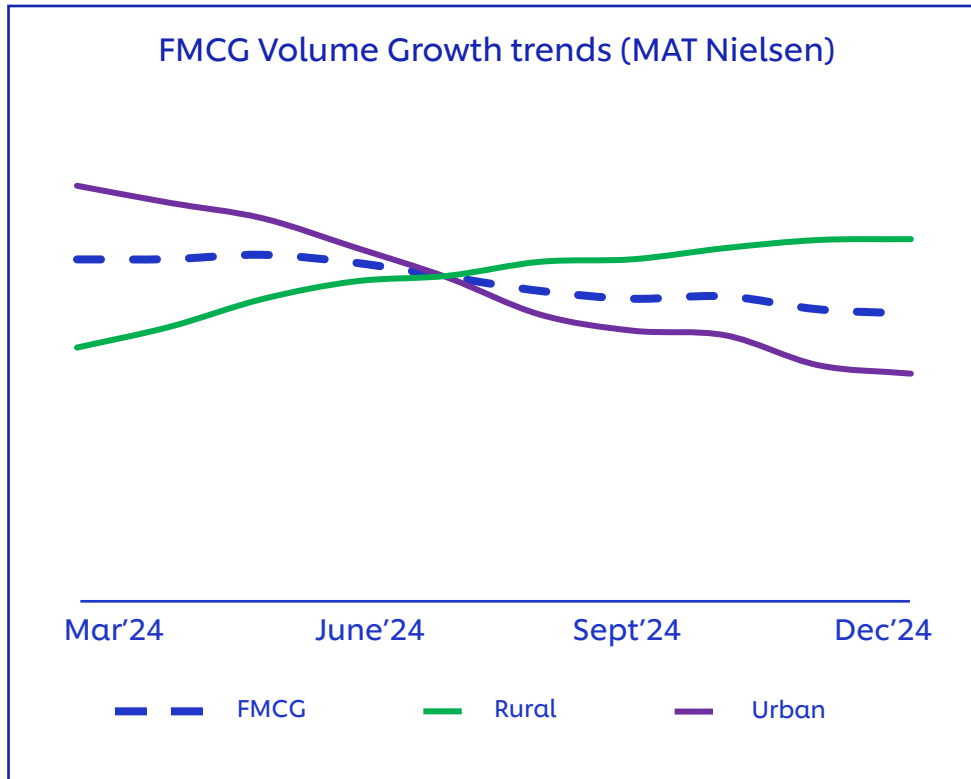
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DQ'24: Operating environment

Subdued consumption climate



Market dynamics that characterized this growth

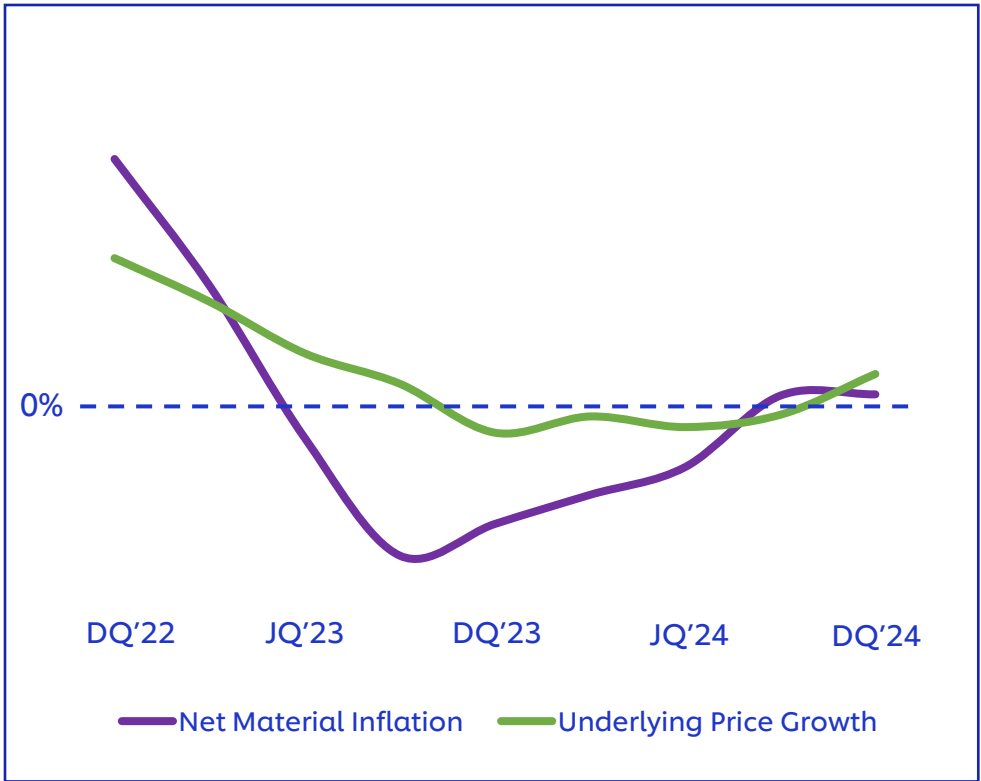
- ❑ Sustained gradual rural recovery
- ❑ Moderation in urban growth
- ❑ Small packs growing faster than large packs
- ❑ Secular trend of premiumisation remains

DQ'24: Pricing

Tea and Crude Palm Oil prices remain inflated Y-o-Y, Crude Oil continues to deflate

	DQ'24 Inflation	
	vs. DQ'23	vs. SQ'24
Crude Oil (Brent USD/bbl)	-11%	-6%
Soda Ash (INR/ton)	-3%	0%
Palm Oil (BMD CPO USD/MT)	40%	22%
Tea (INR/kg)	24%	-7%
USD/INR	1%	1%

Pricing actions taken in line with Net Material Inflation



Negative number indicates deflation

DQ'24: Financial highlights

Growth

₹ 15,195 cr.

Turnover

2%

Underlying Sales Growth

Flat

Underlying Volume Growth

Margins

50.0%

Gross Margin % of TO

23.5%

EBITDA % of TO

Earnings

Flat

PAT bei vs DQ'23

19%

EPS Growth vs DQ'23

DQ'24: Strengthened competitive position

Moving to Turnover weighted market share to measure competitiveness

c. 60%
Business winning
value Dec'24 (MAT)



+ve gains
Turnover weighted market shares
Dec'24 (MAT)

Backed by strong business fundamentals

Elevated brand superiority

>80%

Turnover of business superior in UBS

Competitive brand investments

SOV > SOM

Total media investments

Strong market position

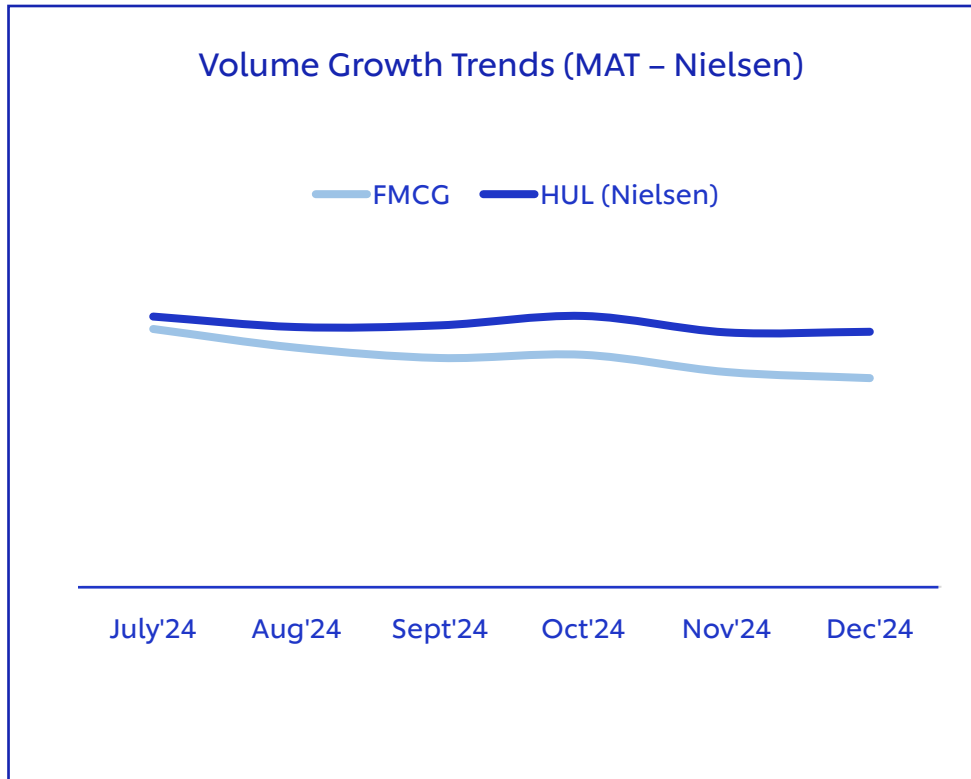
>70%

Business gaining penetration

*Business Winning as per Dec'24 MAT, based on Nielsen market data (HUL relevant categories)
UBS: Unmissable Brand Superiority score as on SQ'24 for >95% of the business where assessment has been completed
Business gaining penetration as per Kantar as of Nov'24 (L3M)*

DQ'24: Positive absolute volume (tonnage) growth

Sustained competitive absolute volume growth



However, UVG was impacted by negative mix

- Home Care growing ahead of the rest of the business
- Small packs growing ahead of large packs
- Partially offset by secular trend of premiumisation

Nielsen MAT volume growth as of Dec'24 (HUL relevant categories) for FMCG and HUL

ASPIRE: Unlocking a billion aspirations



Focussing on our portfolio transformation journey



Maintaining a healthy core



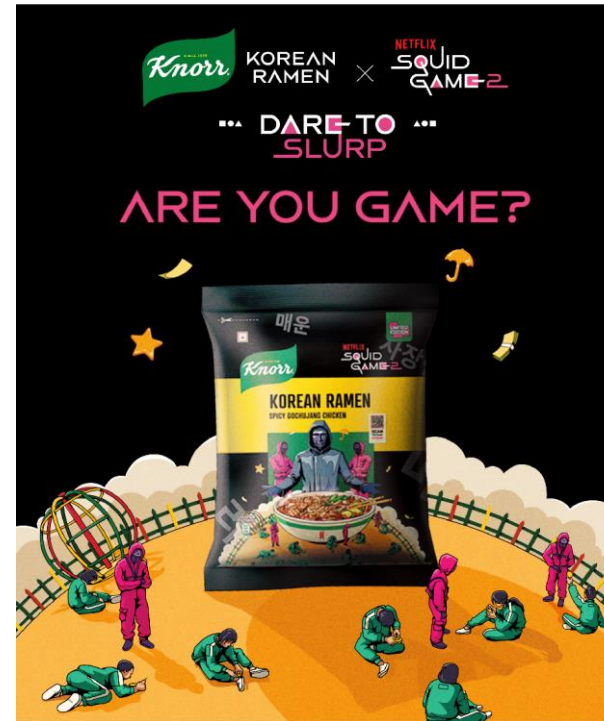
Contemporising our core, stepping up meaningfulness and relevance

Premiumising the future core



Creating an expert brand, expanding into high growth spaces

Leading trends with market making innovations



Extending our portfolio to address emerging trends and consumer needs

Making sharper portfolio choices

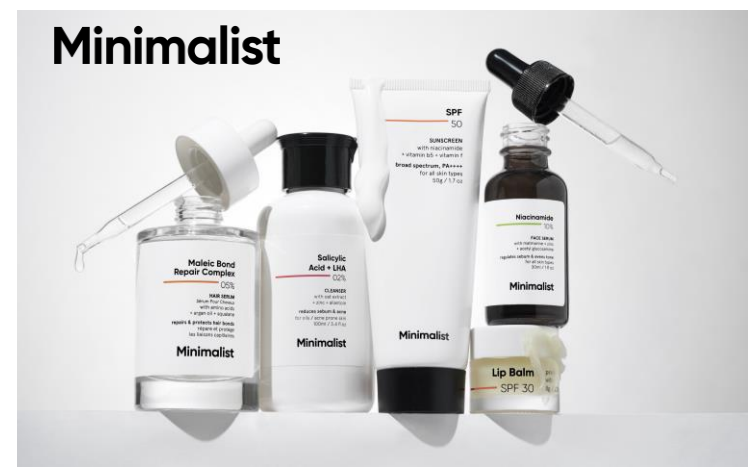
Pureit divestment



Ice-cream demerger



Acquisition of Minimalist



Ritesh Tiwari

Chief Financial Officer



Hindustan Unilever Limited

TRESemmé
BY A PROFESSIONALIST

**HEAT OFF
STRAIGHT ON**

TRESemmé
SILK PRESS
20 AMINO-PEPTIDES
SOOTHING SHAMPOO
200 ML

TRESemmé
SILK PRESS
20 AMINO-PEPTIDES
NOURISHING CONDITIONER
200 ML

TRESemmé
SILK PRESS
20 AMINO-PEPTIDES
PROTECTANT SERUM
100 ML

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SPICY DOCHJANG CHICKEN

DQ'24 Results

Topline	Gross Margin	EBITDA	PAT
Underlying Sales Growth	Margin	Margin	INR
2%	50.0%	23.5%	₹ 3,001 cr.
Flat	- 70 bps	- 20 bps	19%
Underlying Volume Growth	Change YoY	Change YoY	Growth YoY

Underlying Sales Growth (USG): Increase in turnover for the period, excluding any change resulting from acquisitions and disposals
 Underlying Volume Growth (UVG) : Volume growth including the impact of mix of turnover realization of products sold



DQ'24 Segment Results

Home Care



₹ 5,742 cr.

18%

Beauty & Wellbeing



₹ 3,438 cr.

29%

Personal Care



₹ 2,246 cr.

18%

Foods



₹ 3,745 cr.

20%

Revenue

Margins

Segment Revenue = Segment Turnover + Other Operating Income; Segment Margins (EBIT) exclude exceptional item.
Excludes 'Others' segment



Home Care

Strong volume led growth

USG : 6%

UVG : High-single digit growth

- ❑ **Fabric Wash:** High-single digit volume growth driven by strong broad-based performance across formats. Liquid continues to outperform
- ❑ **Household Care:** High-single digit volume growth led by dishwash portfolio. Launch of Sun dishwash in line with strategic intent to further develop this category





Beauty and Wellbeing

Modest performance, Skin Care impacted by delayed winter

USG : 1%

UVG : Low-single digit decline

- ❑ **Hair Care:** Delivered robust mid-single digit volume growth. Performance was broad-based across sachets and formats of the future. Continued share gain momentum
- ❑ **Skin Care and Colour Cosmetics:** Muted performance, impacted by delayed winter and mass skin portfolio. Sequential improvement in mass skin performance supported by portfolio expansion. Non-winter portfolio delivered mid-single digit growth. 6 big-bets and channels of the future continued to deliver double-digit growth





Personal Care

Impacted due to decline in hygiene segment of Skin Cleansing

USG : -4%

UVG : Mid-single digit decline

- ❑ **Skin Cleansing:** Strategic actions led to improved competitive performance. Positive momentum in non-hygiene segment. Lifebuoy being relaunched to address declining hygiene segment. Bodywash delivered strong double-digit growth and strengthened its market leadership
- ❑ **Oral Care:** Mid-single digit growth led by Closeup





Foods

Sequential improvement in Packaged Foods and Beverages

USG : Flat

UVG : Mid-single digit decline

- ❑ **Beverages:** Low-single digit growth in Tea led by pricing. Premium brands delivered mid-single digit growth. Tea maintained value and volume market leadership. Coffee continues to deliver double-digit growth
- ❑ **Nutrition Drinks:** Strengthened value and volume market leadership while category declined due to subdued consumption. Actions to accelerate consumption through adjustments to pricing architecture for consumption packs executed in the quarter
- ❑ **Packaged Foods:** Mid-single digit growth led by strong performance in Future Core and Market Makers portfolio. Ketchup, Mayonnaise, Food Solutions, International Sauces and Cuisines delivered strong volume performance
- ❑ **Ice Cream:** Revenue remained flat year-on-year



Making sharper portfolio choices

Pureit divestment



Ice-cream demerger



Acquisition of Minimalist



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Pureit divestment



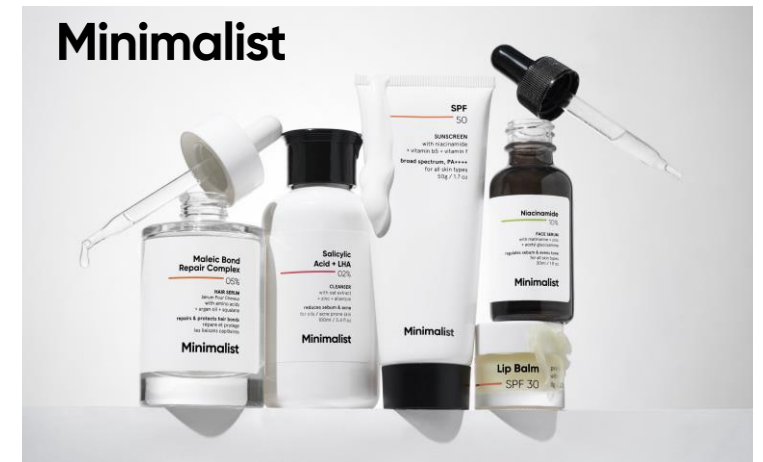
✓ Transaction completed

Ice-cream demerger



Demerger approved by the Board

Acquisition of Minimalist



Acquisition announced



Ice-cream demerger

Kwality Wall's (India) Limited incorporated on 10th January 2025

- ❑ Scheme of arrangement, for demerger, approved by Board of Directors
- ❑ Opportunity for all shareholders to participate in future value creation with a 1:1 Share Entitlement Ratio
- ❑ Great business with significant growth potential
- ❑ Focused management with greater flexibility to deploy strategies suited to Ice Cream's distinctive business model
- ❑ Equipped with the portfolio, brand and innovation expertise from the largest global Ice Cream business
- ❑ Smoother transition for business as well as our people while securing a better talent outcome



HAZELNUT
CHOCOLATE ICE CREAM



Minimalist





About Minimalist

Actives-led premium beauty brand

- ❑ Founded in 2020 by Mohit Yadav and Rahul Yadav
- ❑ One of the fastest growing digital-first brands
- ❑ Sits at the intersection of beauty and actives-led science with a sharp positioning and masstige pricing
- ❑ With an annual revenue run rate of ₹500cr +, the business has been profitable since inception
- ❑ Has a strong eCommerce play



The India Beauty Opportunity

Large market at ₹68 K Crore

Under-indexed on per-capita beauty spends today






Regime adoption already on the rise



Developed counterparts at **>15x Per Capita Spends** vs. India | Headroom for Premiumization



of Products used at par with Developed countries for Affluent consumers

Strata	Affluent	Affluent+
USA 	4.0	4.1
China 	4.3	4.9
Indonesia 	4.0	4.9
India 	5.1	7.3
Thailand 	5.9	9.8

Face Care



HUL B&W Strategy | Building the #1 Portfolio for Beauty - Our 6 big bets



FACE CLEANSING



LIGHT MOISTURISER



**SERUMS &
TREATMENTS**



SUN CARE

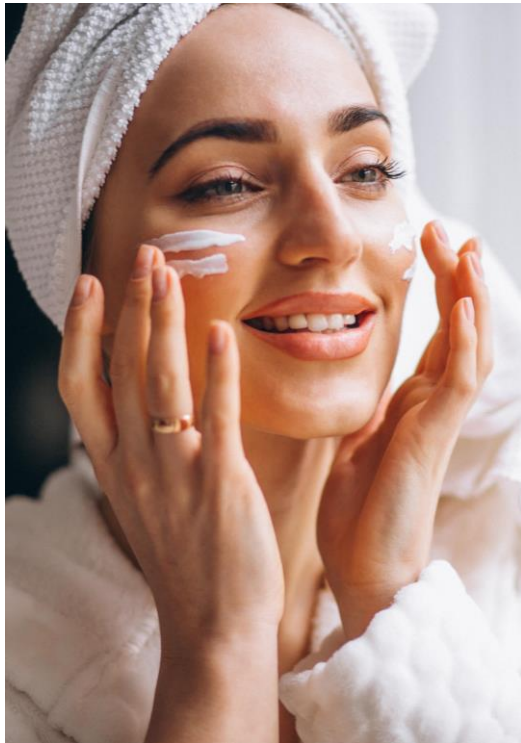


**DESEASONALISE
BODY**



MASSTIGE

Minimalist is a good strategic fit for HUL B&W



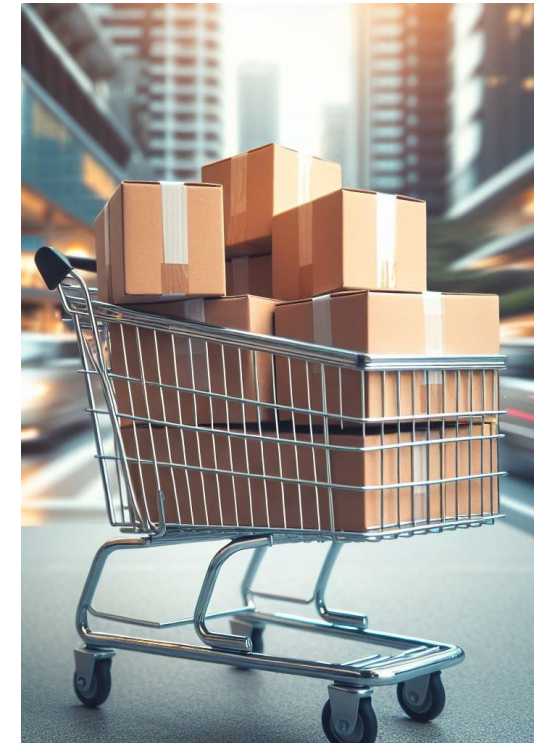
Plays in fast growing affluent beauty market



Complementarity in portfolio

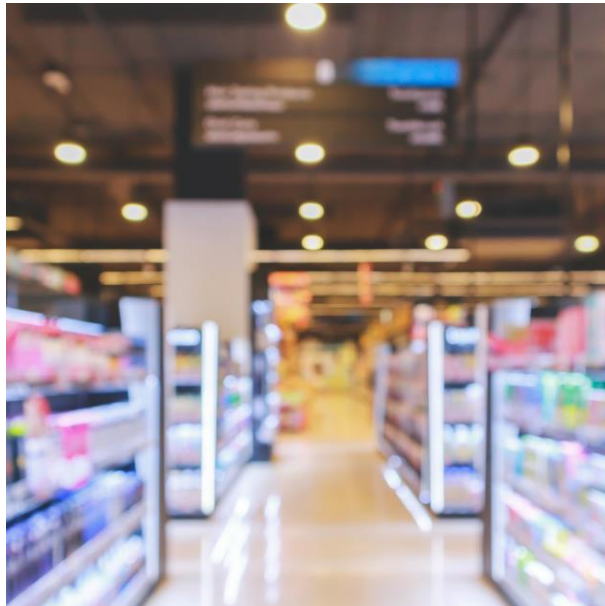


Efficacious products with a distinct and sharp positioning



Strengthens our eCommerce & masstige presence

Synergy opportunities by leveraging HUL capabilities



R&D capabilities to enable portfolio expansion

Distribution capabilities to build offline presence

Leverage Unilever presence for international expansion

HUL Supply Chain for capacity and cost efficiencies



Transaction overview

Deal structure

- ❑ HUL to acquire 90.5% stake in the business through secondary buy-outs at a pre-money enterprise value of ₹ 2,955 cr. (subject to adjustments as per the transaction documents) and primary infusion
- ❑ Balance 9.5% will be acquired from the founders in two years as per terms set out in the transaction documents
- ❑ Minimalist team led by Mohit and Rahul will continue to run the business for a period of two years
- ❑ HUL and Minimalist team will partner to unlock value through synergies and complementary capabilities
- ❑ Transaction is expected to close in JQ'25, subject to applicable regulatory approvals and customary closing conditions



DQ'24 Results summary

Particulars	Rs. Crores		
	DQ'24	DQ'23	Growth
Sales	15,195	14,928	2%
EBITDA	3,570	3,540	
EBITDA Margin	23.5%	23.7%	-20 bps
Other Income (Net)	207	204	
Exceptional Items	509	(30)	
PBT	3,978	3,432	16%
Tax	977	913	
Effective Tax Rate	24.6%	26.6%	
Net Profit	3,001	2,519	19%
PAT before exceptional items	2,540	2,541	Flat

Effective Tax Rate is inclusive of Prior Period Adjustment

FY'25: 9-month performance

Topline	Gross Margin	EBITDA	PAT
Underlying Sales Growth	Margin	Margin	INR
2%	50.4%	23.7%	₹ 8,151 cr.
2%	- 20 bps	- 30 bps	6%
Underlying Volume Growth	Change YoY	Change YoY	Growth YoY

Underlying Sales Growth (USG): Increase in turnover for the period, excluding any change resulting from acquisitions and disposals
 Underlying Volume Growth (UVG): Volume growth including the impact of mix of turnover realization of products sold



Looking Ahead: Near term

Outlook

- ❑ Moderation in consumption trends to continue in near term
- ❑ If commodity prices remain where they are, low-single digit price growth expected
- ❑ EBITDA to be maintained at the lower end of our range of 23-24%

Our priorities

- ❑ Continue to drive competitive volume led growth
- ❑ Sharper prioritisation of investments across core, future core and market makers to maximise growth
- ❑ Driving cost savings through Net Productivity Programme
- ❑ Executing completion of announced M&A and ice-cream demerger activities

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