

# Hindustan Unilever Limited

JQ'24 Results

23<sup>rd</sup> July 2024



Hindustan Unilever Limited



**NEW**

All Day Nourish  
+ UV Protect  
Hair Serum

**Dove**

all day nourish  
UV protect  
HAIR SERUM  
100 ml

Navya,  
Marketing Consultant



**LAKME**

MAKEUP + SKINCARE  
VIT C SUPERGLOW  
SKIN PERFECTING  
WATER  
1% VITAMIN C  
1% NO COMPLEX

MAKEUP + SKINCARE  
VIT C SUPERGLOW  
SKIN PERFECTING  
CREAM  
3% VITAMIN C  
1% NO COMPLEX

MAKEUP + SKINCARE  
VIT C SUPERGLOW  
SKIN PERFECTING  
LIPSTICK  
3% VITAMIN C  
1% NO COMPLEX

**MAKEUP WITH  
VITAMIN C**



**BRIGHT  
LIKE NEW**



BRIGHT  
LIKE NEW<sup>®</sup>

**Rin**  
MATIC

TOP LOAD  
BRIGHT LOCK  
Technology

Introducing

**BRU**

**Southern  
TRAILS**



**Lifebuoy**  
WORLD'S NO. 1  
SELLING SOAP



**Lifebuoy**  
VITAMINS  
100% PROTECTION

## 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





# 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

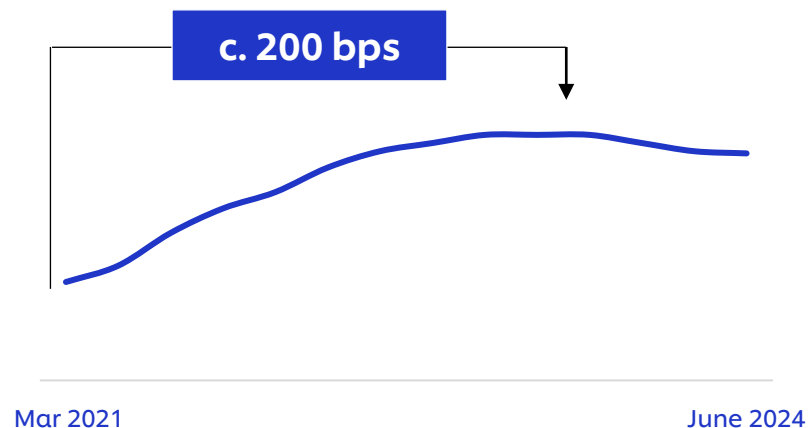
**₹ 2,538 cr.**  
Net Profit

**3%**  
EPS Growth vs JQ'23

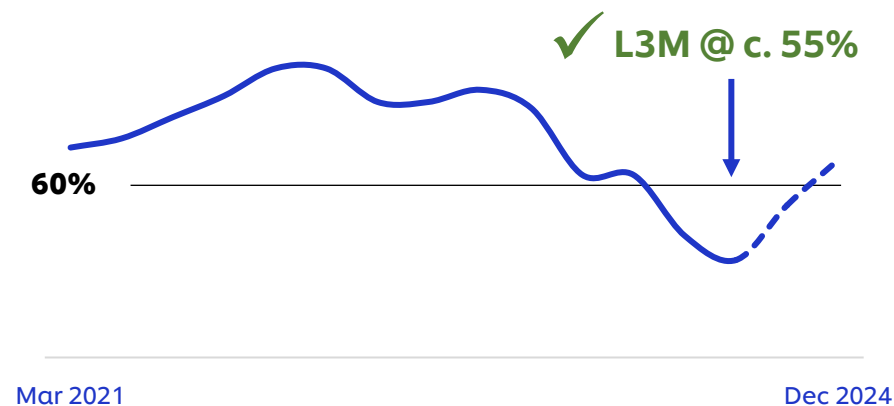
*Underlying Sales Growth (USG) - increase in turnover for the period, excluding any change resulting from acquisitions and disposal  
Underlying Volume Growth (UVG) - volume growth including the impact of mix of turnover realization of products sold*

# 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

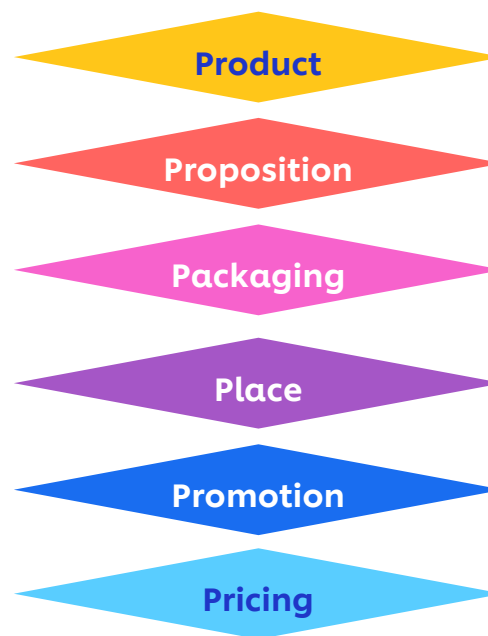


Growing Brand Power

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



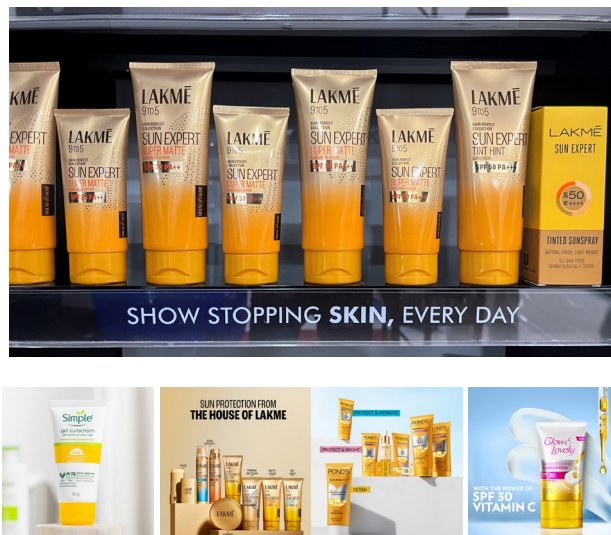
## International Cuisine



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

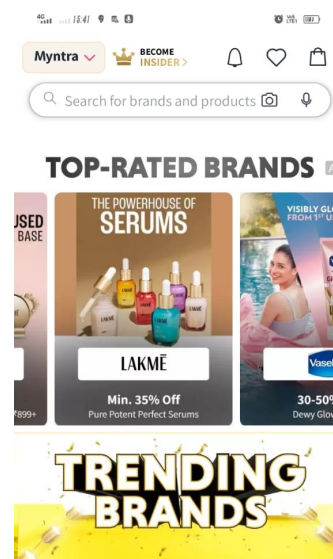
# JQ'24 Update: Lead in Channels of the Future

## Leading category growth in Modern Trade



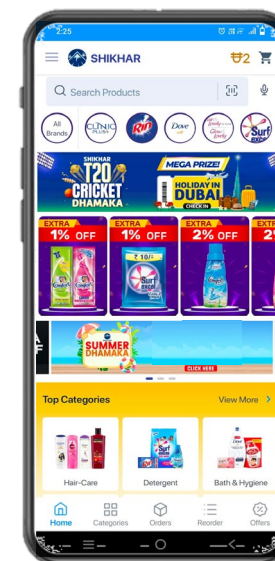
MT shares > GT shares

## Designing for customer in E-com



Growing 3X of Modern Trade

## Digital Selling Hub



High Net Promoter Score >70%



Ritesh Tiwari

Chief Financial Officer



Hindustan Unilever Limited

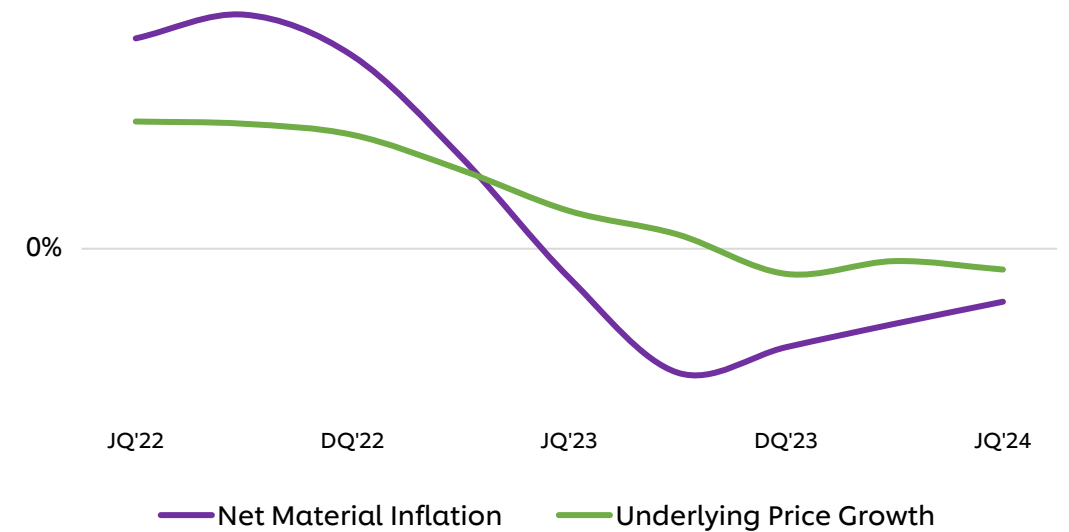


# Commodity price trends

## Commodity prices remain benign on a deflationary base

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

## Strategic pricing inline with Material Cost movement



Dynamic pricing to provide right price-value equation to consumers





# JQ'24 Results

Topline	Gross Margin	EBITDA	PAT (bei)
Underlying Sales Growth	Margin	Margin	INR
<b>2%</b>	<b>50.9%</b>	<b>23.8%</b>	<b>₹ 2,572 cr.</b>
<b>4%</b>	<b>+170 bps</b>	<b>+20 bps</b>	<b>3%</b>
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**



## JQ'24 Segment Results

	Home Care	Beauty & Wellbeing	Personal Care	Foods & Refreshment
				
Revenue	₹ 5,675 cr.	₹ 3,199 cr.	₹ 2,386 cr.	₹ 3,850 cr.
Margins	20%	31%	18%	19%



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# 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







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# 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

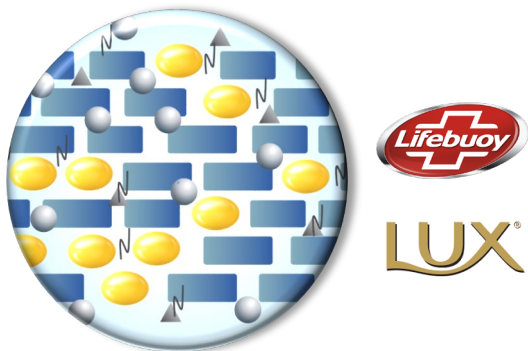
- ❑ **Oral Care:** Mid-single digit broad-based growth driven by pricing
- ❑ **Skin Cleansing:** Low-single digit volume growth while revenue declined due to pricing actions. Bodywash continues to strengthen market leadership. Visible early green shoots in bars indicate positive results from recent actions



# 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  $\neq$  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

Rs. Crores			
Particulars	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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SELLING GERM PROTECTION SOAP

