

Goldman Sachs CIO Tour | Hindustan Unilever Limited

Sanjiv Mehta, Chairman and Managing Director

7th December 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.



Hindustan Unilever Limited

India's Largest FMCG Company

130+ years

of proud history in India

5th Largest

Indian company
by market capitalisation of

₹5.5 Tn

Top 15

Foods & HPC company
Globally

9 out of 10

Households use one or more
of our brands



Hindustan Unilever Limited

#1 Advertiser

With deepest reach in the
country

25%

Operating margin

+1000 Bps

In last decade

₹450 Bn

Turnover

9% CAGR

In last decade

Our Distinctive Strengths

1. Purposeful Brands and Wide Portfolio

2. World class R&D

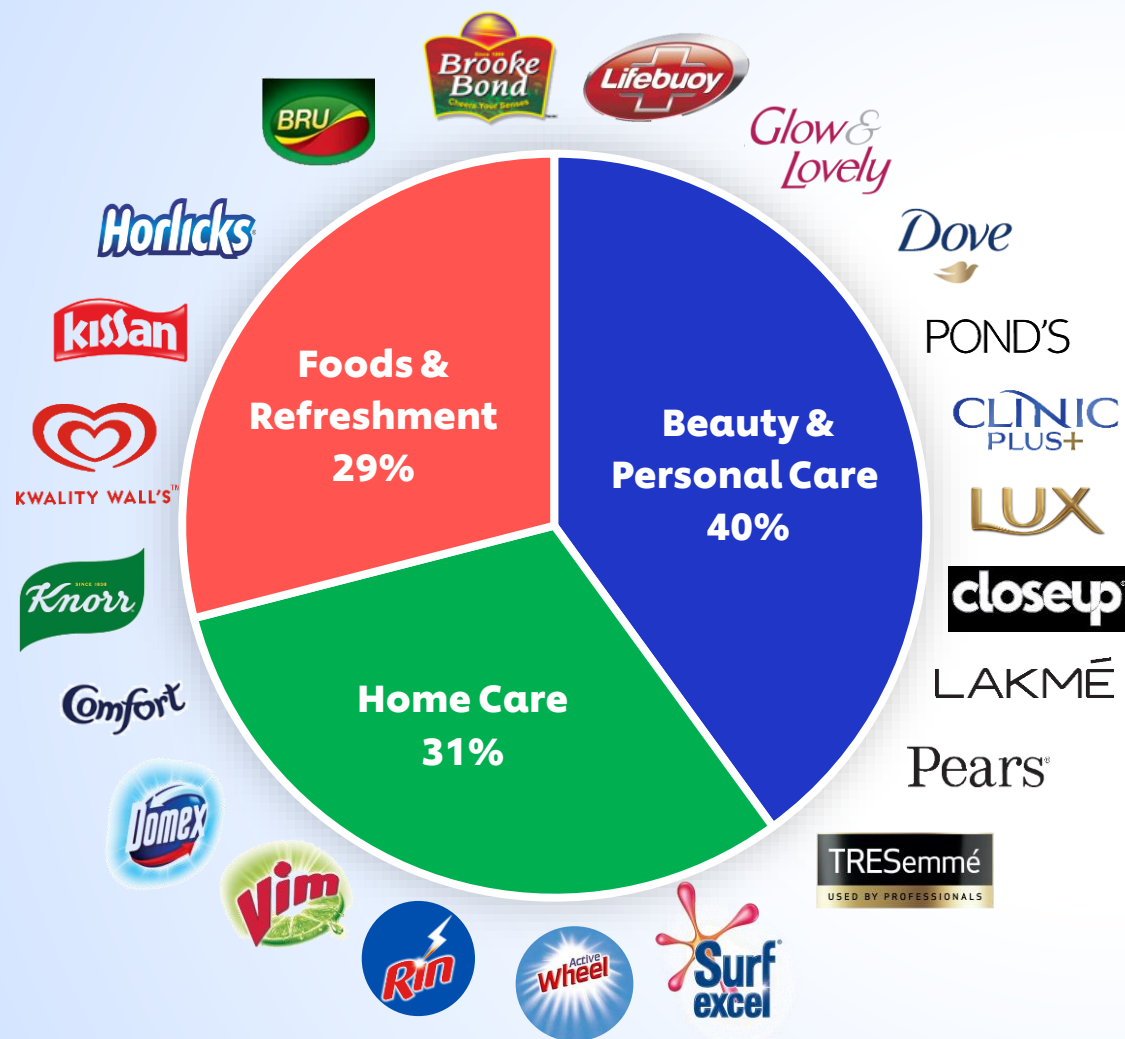
3. Extensive Distribution and Agile Supply Chain

4. Future-fit Talent and Organisational Culture

5. Sustainability at our Core



Wide and resilient portfolio of purposeful brands



We operate in **15** categories

Category leadership in **>80%** of business

50+ purposeful brands

14 brands with ₹10Bn+ Turnover

16 new brands added in the last decade

World class R&D and Supply Chain

India's largest R&D in FMCG



20K patents, **5K** professionals globally

650 professionals, **100+** PHDs in India

Manufacturing Scale



29 own factories,

40+ manufacturing partners

Digital and Nano manufacturing capabilities

Deep Distribution



8 million stores sell our products

15% digitised demand capture

136K Shakti entrepreneurs

Future-fit Talent and Organisational Culture

Purpose driven



21,000 Strong workforce |
Digital first mindset

Diverse & Inclusive



44% Managerial Gender balance |
+2300 BPS in last decade

High performance culture



Experimentation |
Pioneering

No.1 Employer of Choice across Industries

Differentiated structures and capabilities

WiMI Strategy



Harnessing the power of
De-averaging

Empowered teams



16 mini boards –
responsible for delivering in-year
results

HUL as a force for good



Consistent high performance over the past decade

Consistent growth

₹ 450 Billion

FY 2021 turnover

9%

CAGR growth

Profitable growth

25%

FY 2021 EBITDA margin

>1000 Bps

margin improvement

Long term value creation

₹ 5.5 Trillion

Market Capitalisation

9X

Vs 2011

#1 FMCG Company in India **#5** in India by Market Cap

Top 15 Foods & HPC Company Globally by Market Cap

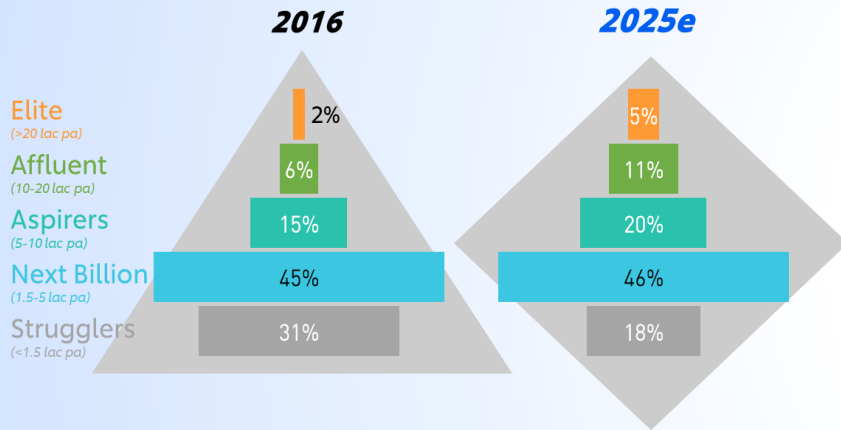


India : Poised for growth



India FMCG : Huge headroom for growth

Favorable demographics



Upward income mobility |
Large working-class population

Significant scope to increase penetration

Low penetration



Low FMCG per capita consumption



X

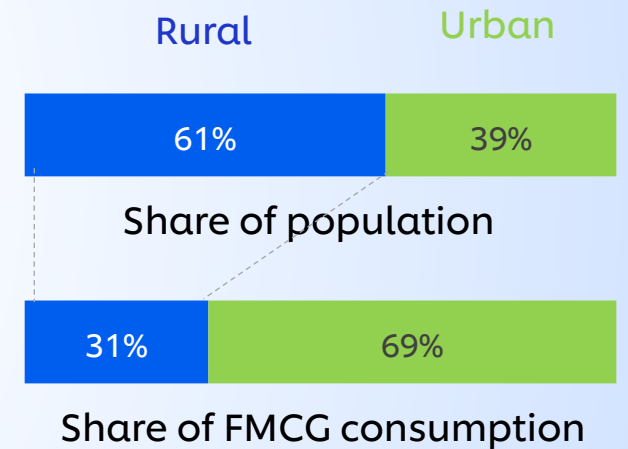


2X

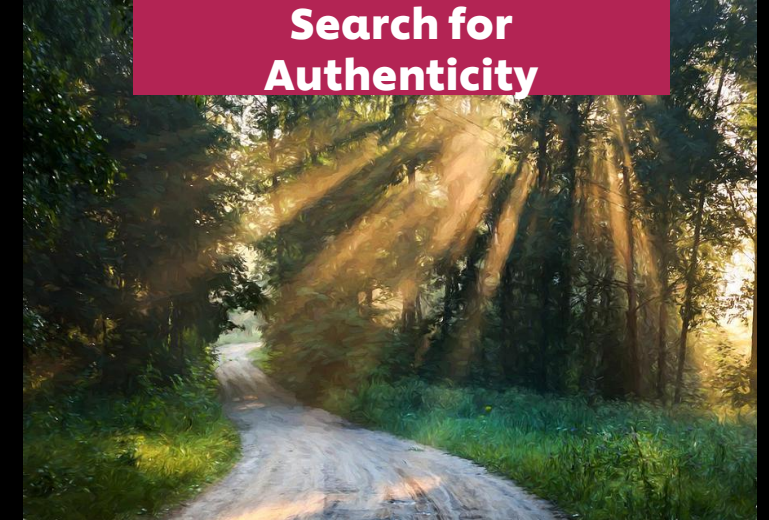


3X

Immense potential in rural



Consumer of the future : Some mega trends





Hindustan Unilever Limited

WINNING IN THE NEW DECADE





Clear and compelling strategy

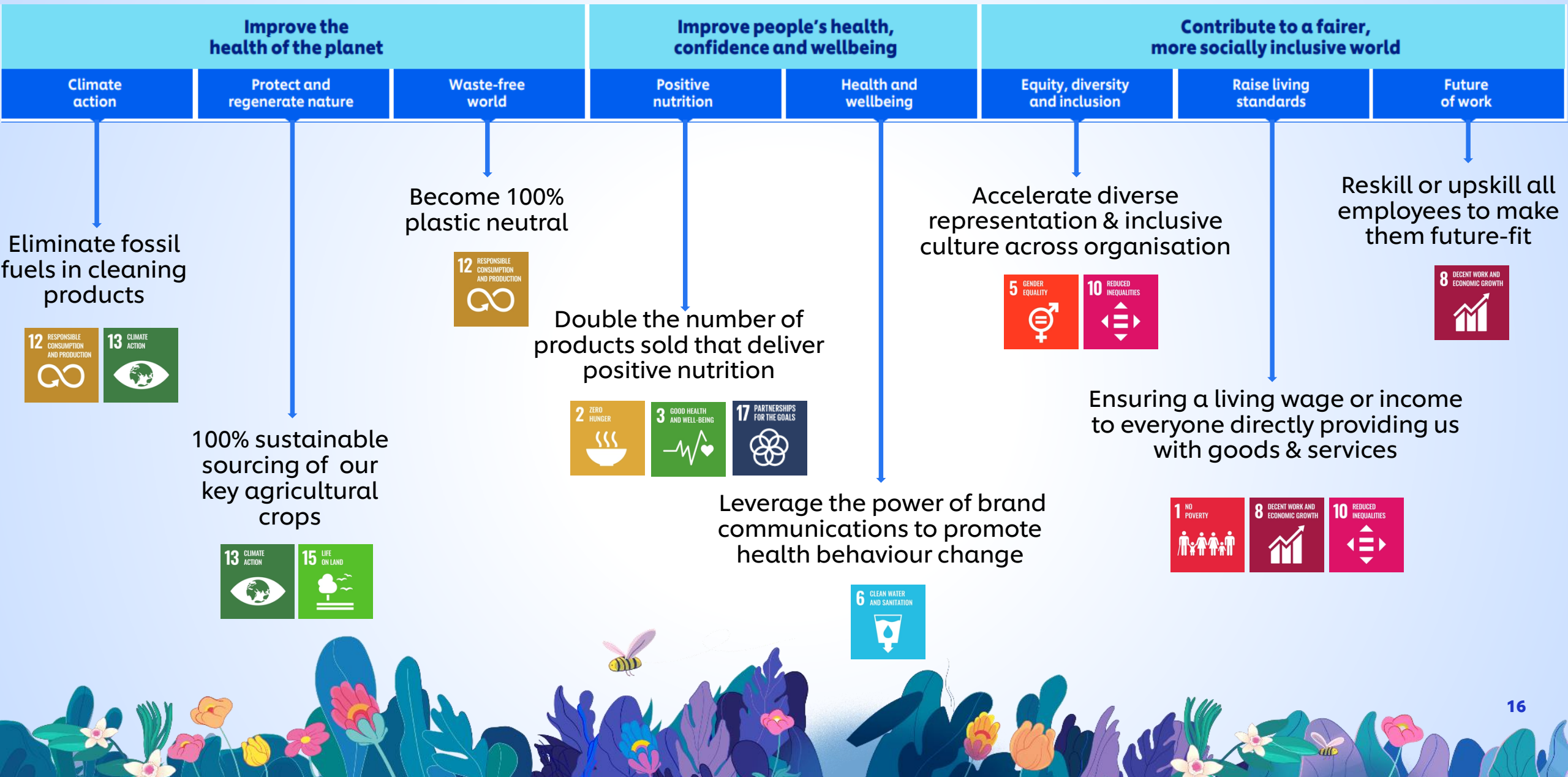


Our Vision

is to be a leader in sustainable business. We will demonstrate how our purpose-led, future-fit business model drives superior performance delivering consistent, competitive, profitable and responsible growth.



Compass commitments



Our strategic choices

1. Developing our portfolio

2. Win with our brands as a force for good, powered by purpose and innovation

3. Lead in the channels of the future

4. Build differentiated structures and capabilities

5. Build a purpose-led, future-fit organisation and growth culture



Operational Excellence

Improved
penetration

Impactful
innovation

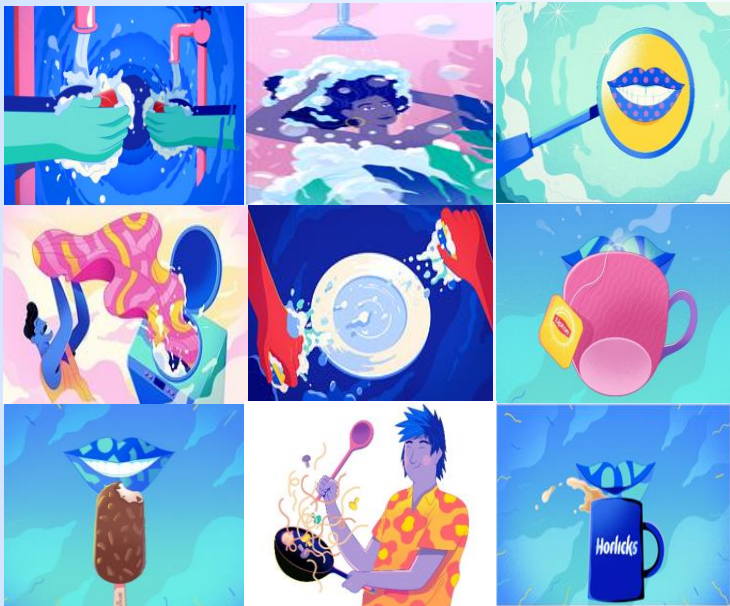
Design for
channel

Purposeful
brands

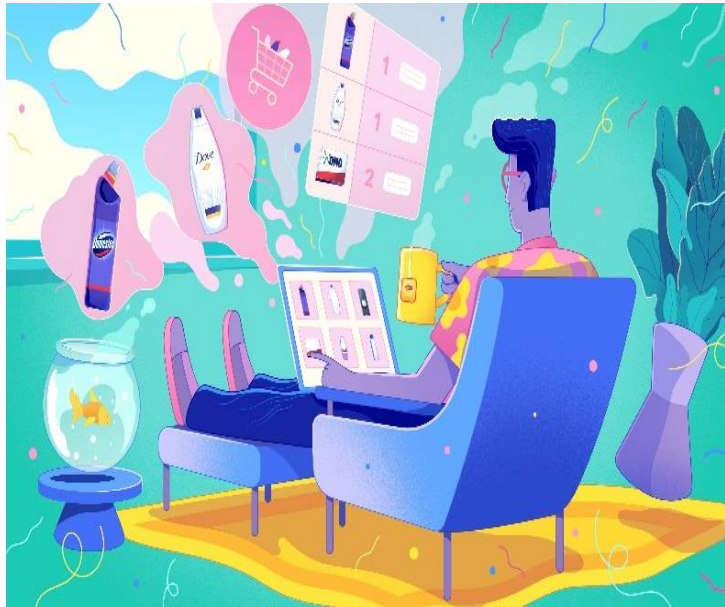
Fuel for
growth

Few of our strategic choices in more detail

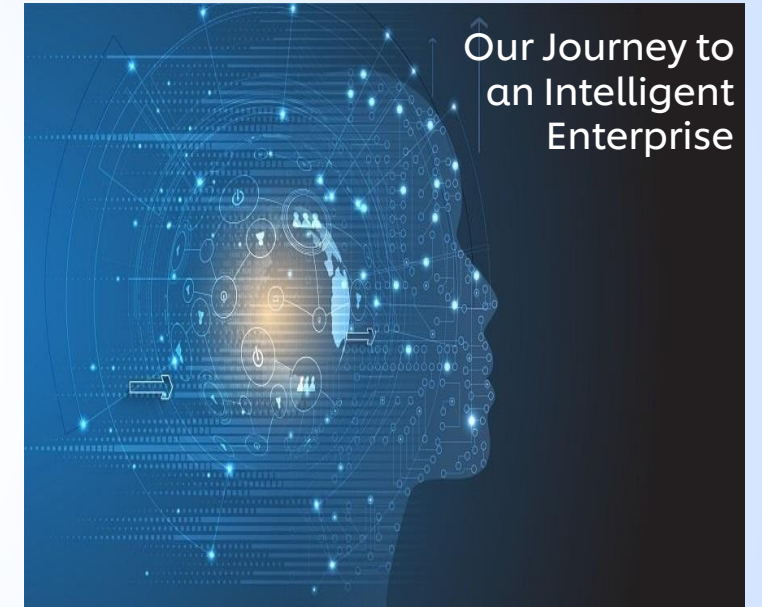
Developing our Portfolio



Lead in the Channels of the Future

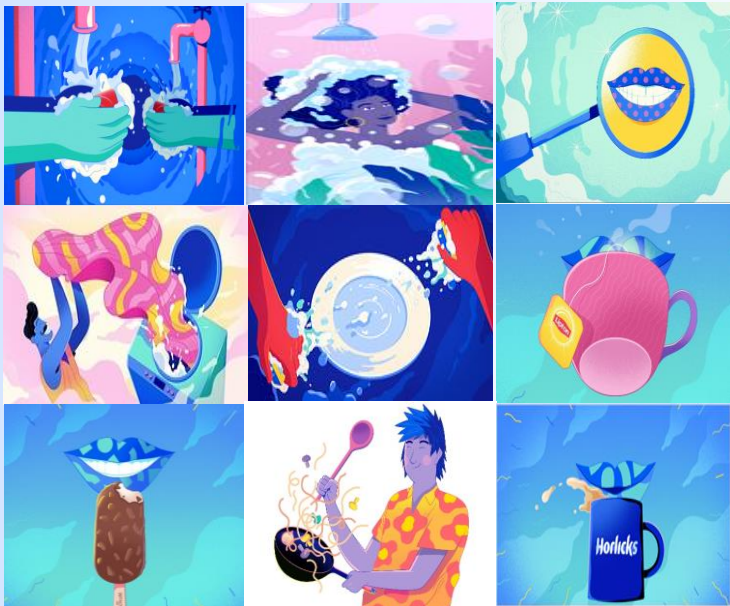


Reimagine HUL



Few of our strategic choices in more detail

Developing our Portfolio



Lead in the Channels of the Future



Reimagine HUL



Hair Care : 11% sales CAGR in last decade, 3X relative market share

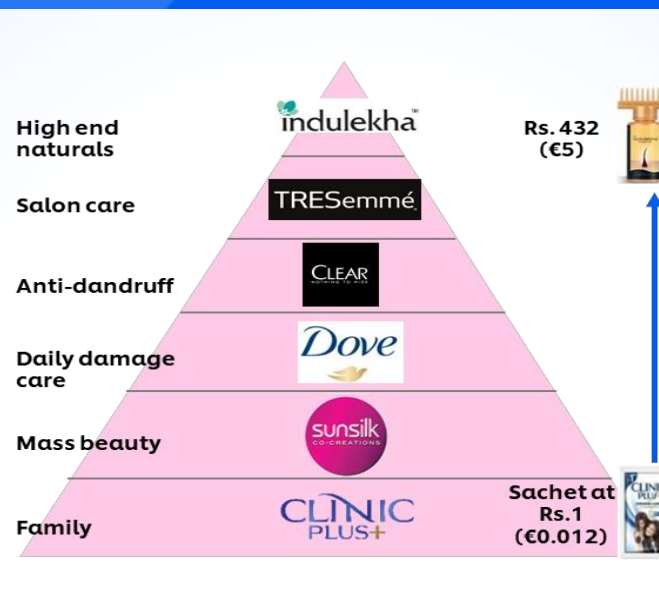
Brand power



Relative Brand Power 3X

Highest-ever market shares in the past decade

Straddling the price-benefit pyramid



Bolt-on acquisitions : Indulekha



Strong Ayurvedic credentials
Grew 6X in last 5 years



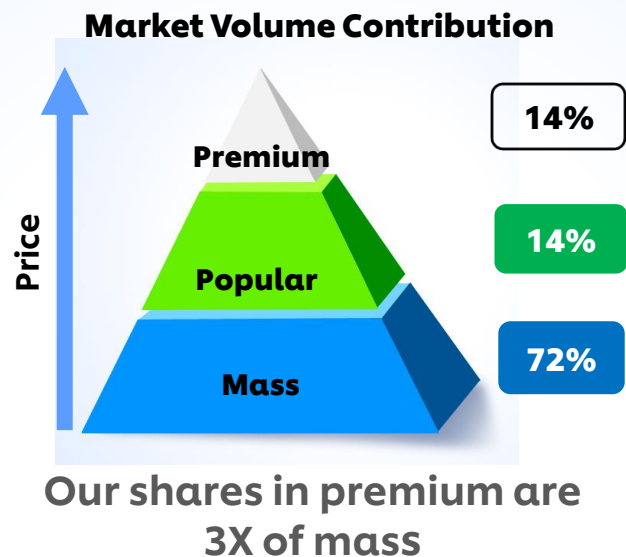
Laundry : 11% sales CAGR in last decade, profitability up 8X

Brand power



Relative brand power 2X
Highest-ever market shares in the past decade

Huge headroom to premiumise



Market development

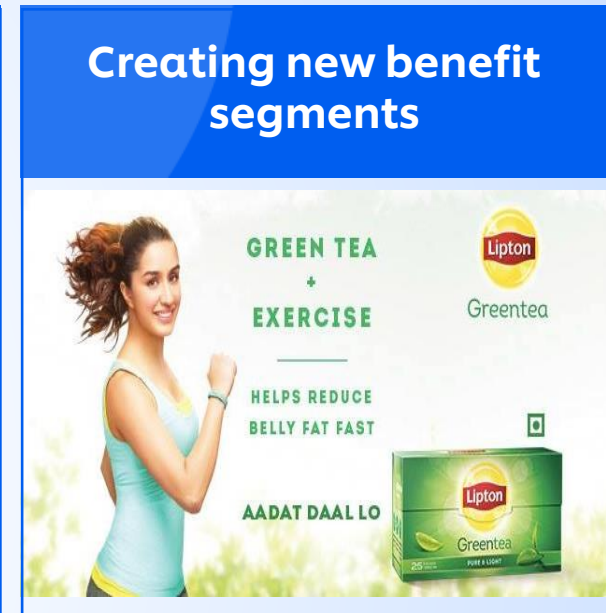
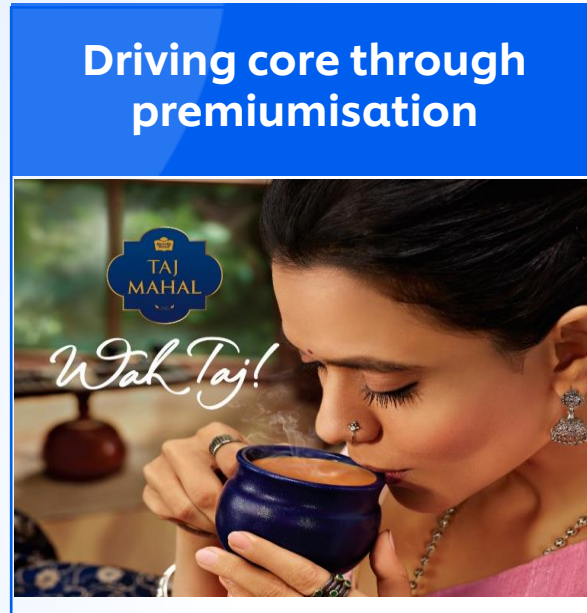
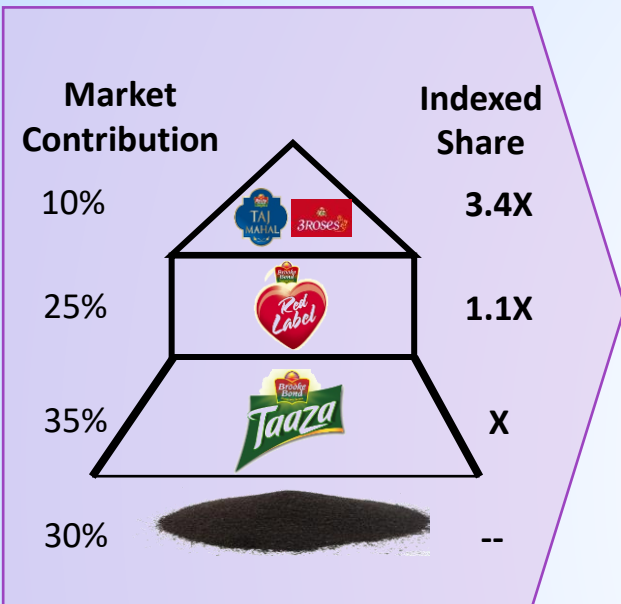


Liquid detergents and fabric conditioner >1500 cr. business



Tea : 12% CAGR in last decade, volume and value market leader

A proven flywheel strategy to deliver growth and market share



Bringing scale of HUL to augment Nutrition expertise

Talent and Culture

Nil Regretted attrition in 18 months

16th



0



IT and Process Integration

HUL Tech Suite implemented



Route to Market

>85% business on end state RTM



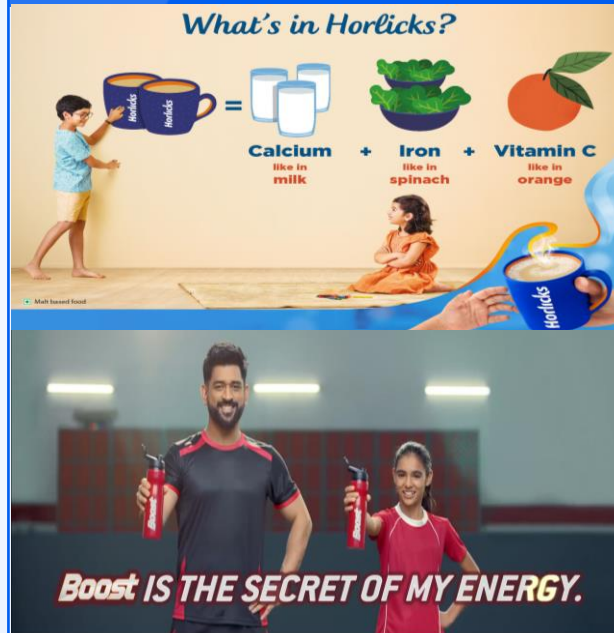
Year 3 margin synergies delivered in Year 1 | Cash delivery ahead of the business case

Investing in the business for sustainable growth

Making Nutrition accessible



Persuasive communication



Consumer connects (>5mn households in SQ'21)



Activated high sciences range



Market development at scale



Building Digital First Beauty Brands with On Trend Innovations

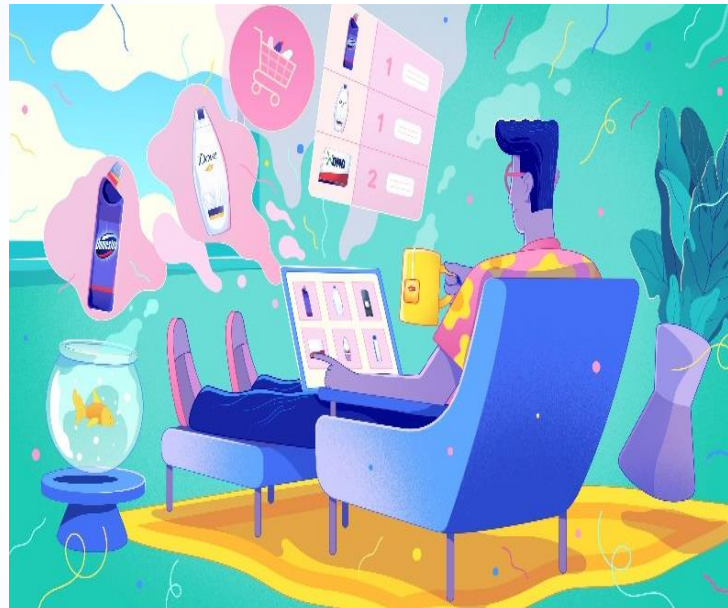


Few of our strategic choices in more detail

Developing our Portfolio



Lead in the Channels of the Future

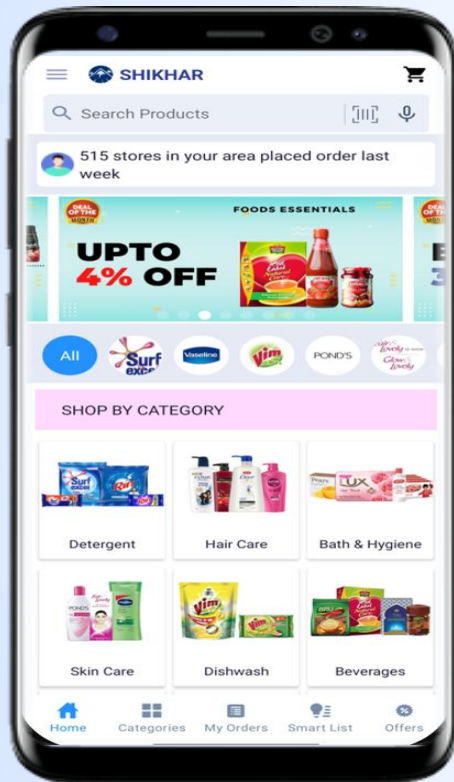


Reimagine HUL

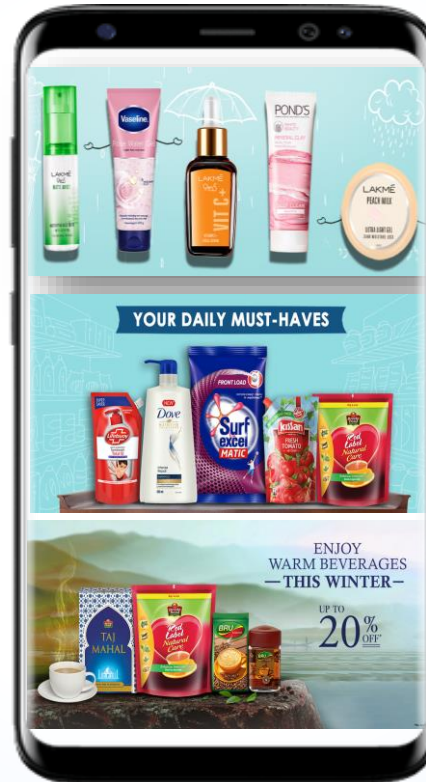


Digitised demand capture >15%

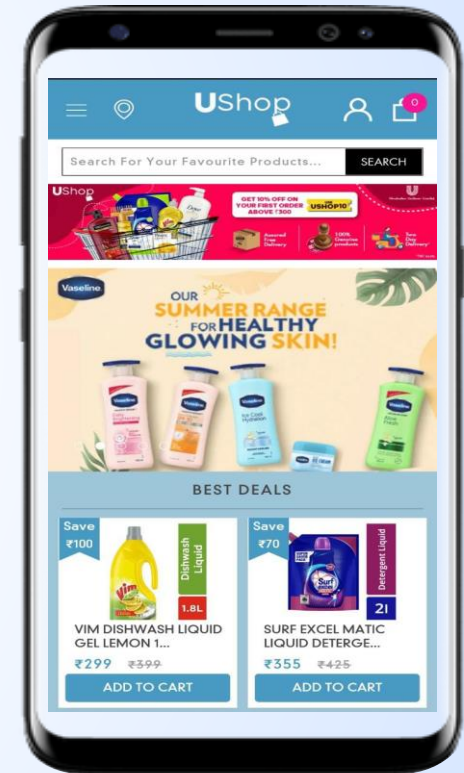
eRTM - Shikhar



Accelerating eCommerce



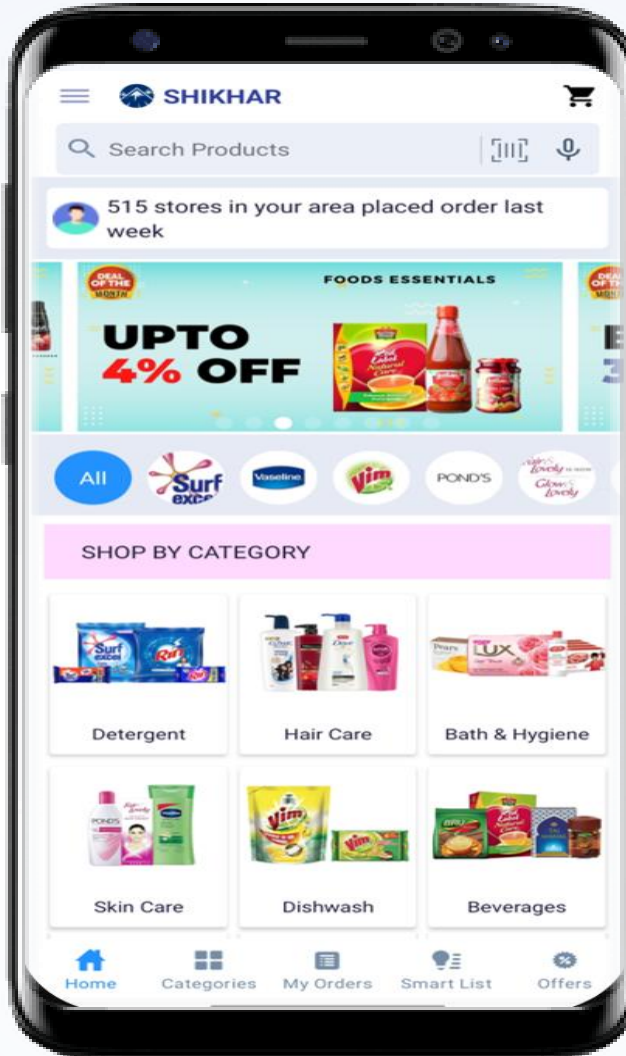
Direct to Consumer



HUL's Shikhar : An eB2B app to help retailers grow

Differentiated Proposition

- **Anytime ordering** complemented by sales representatives
- **Seamless** and **reliable** service supported by HUL's **cost efficient deep distribution**
- Better **Assortment** leading to **demand generation**
- Low cost **bank credit** through SBI



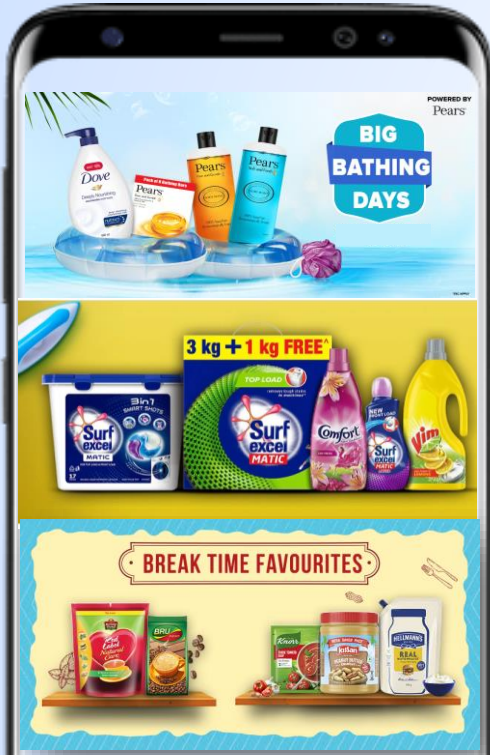
App features designed for grocery stores

- **Personalised** shop front for each retailer
- **Multi-lingual** interface
- **Analytics based** recommendations with high conversion
- Designed especially for grocery stores

680,000 stores use Shikhar App

eCommerce: Best-in-class digital capability stack

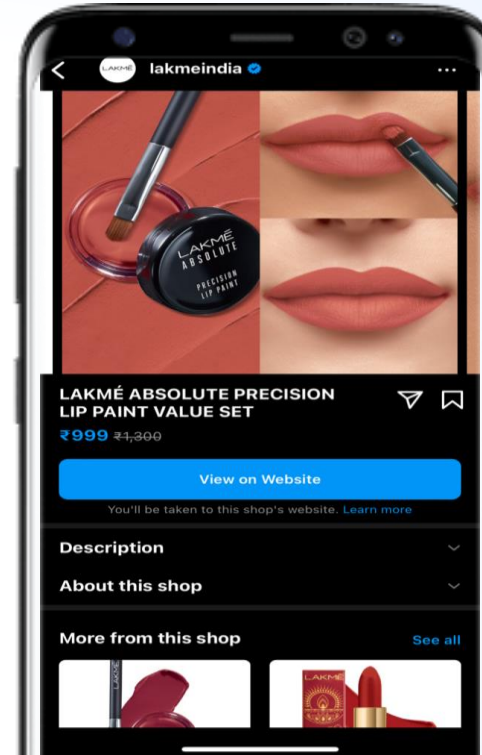
Design for Channel



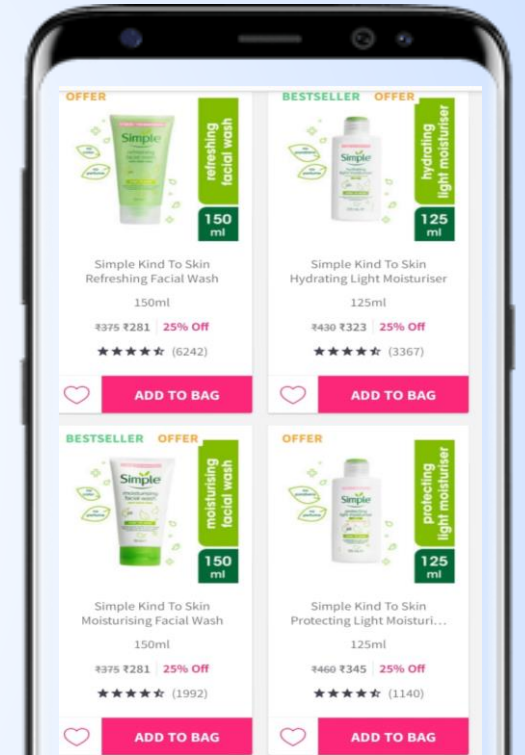
Content that Converts



Performance Marketing

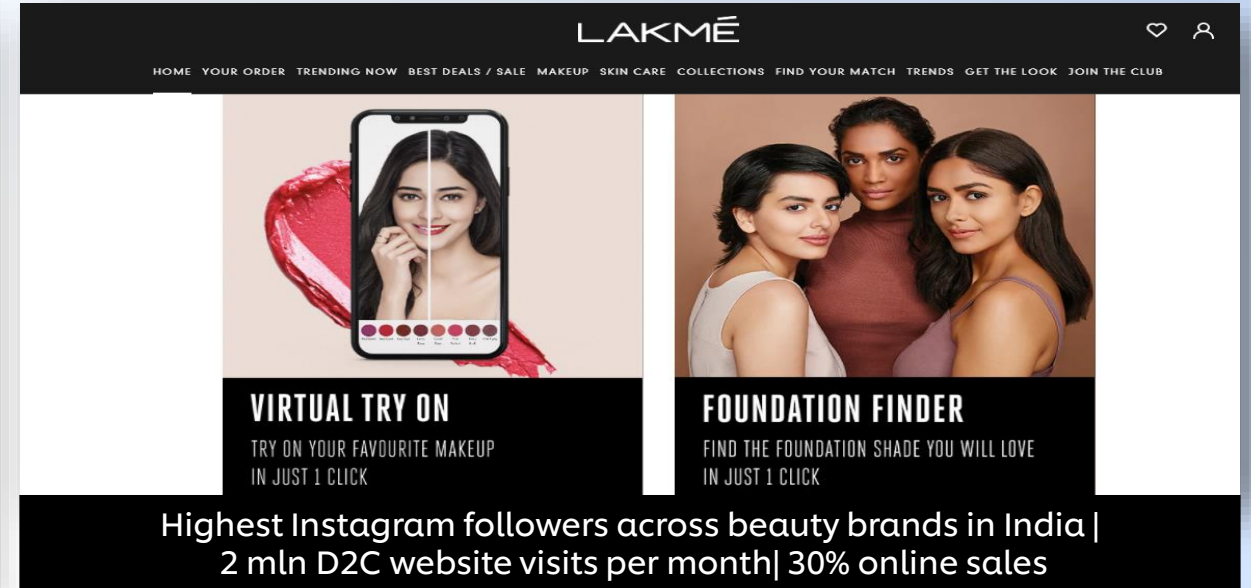
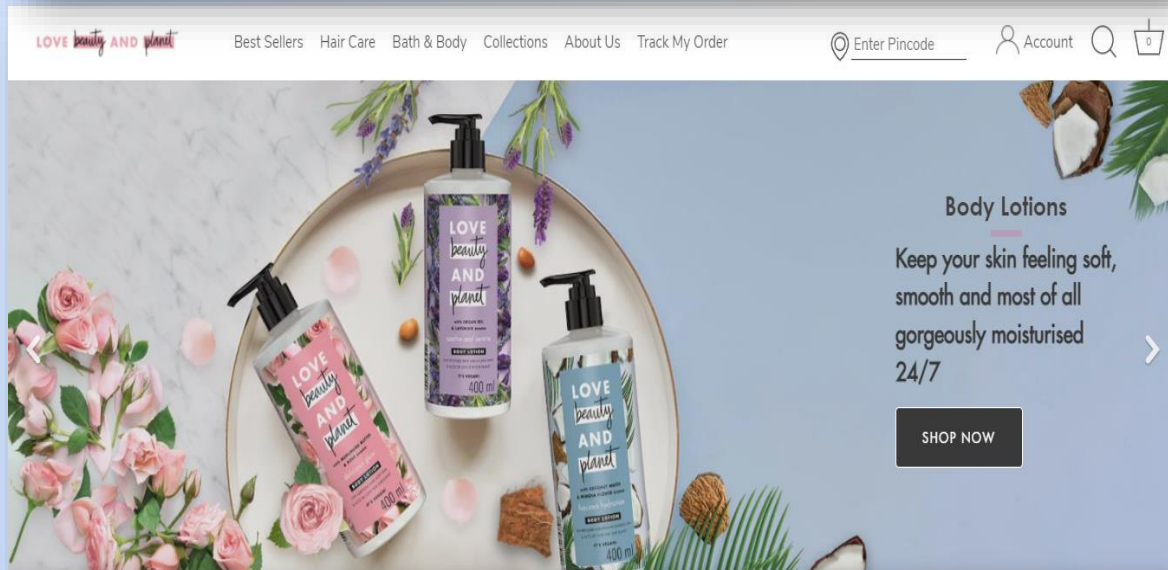
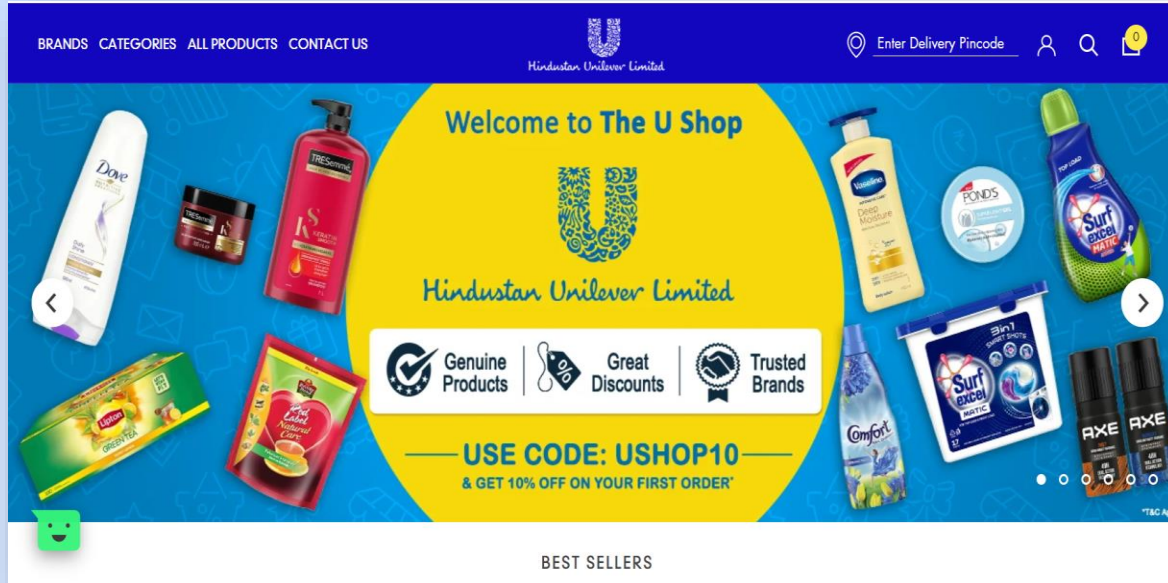


Flawless Execution



Talent | Digitization | Automation

Building D2C capabilities



Few of our strategic choices in more detail

Developing our Portfolio



Lead in the Channels of the Future



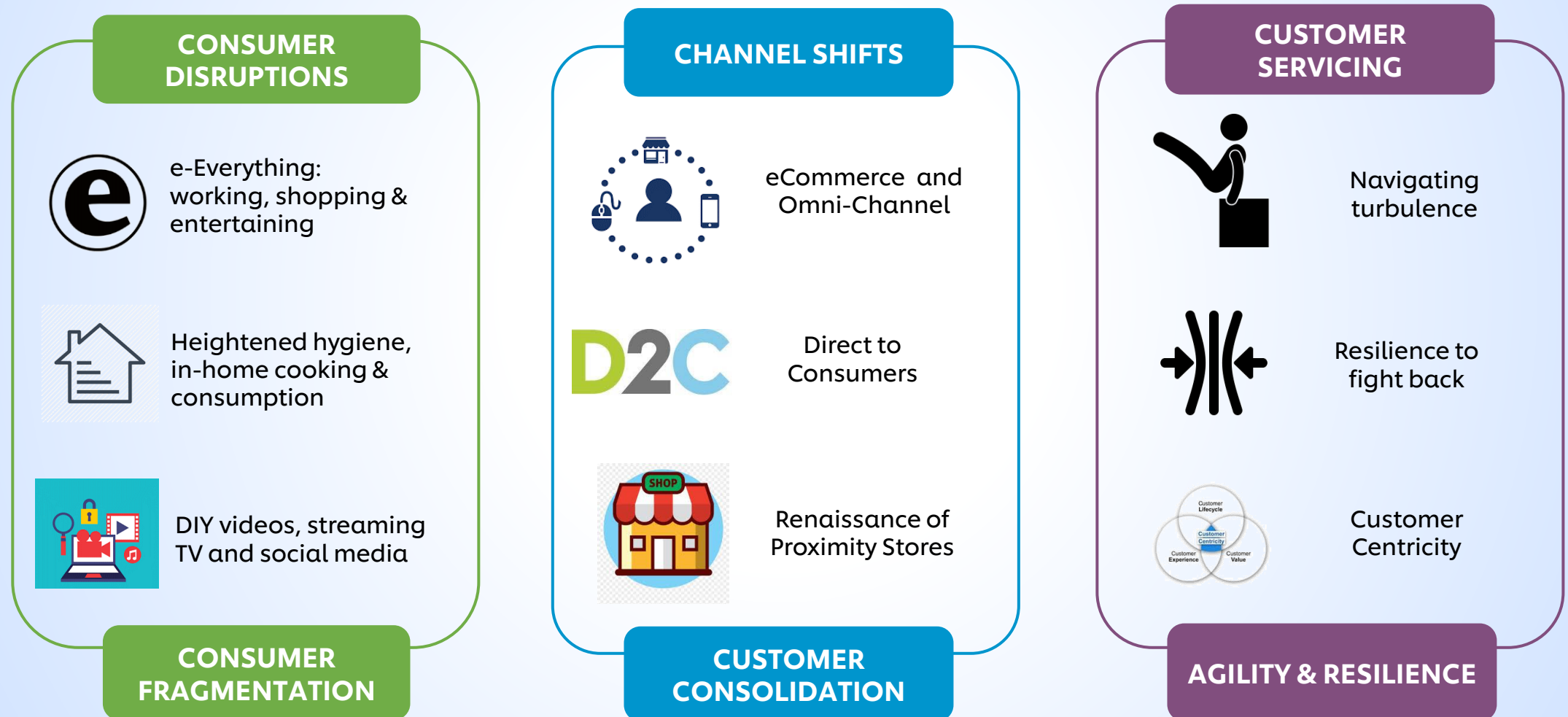
Reimagine HUL



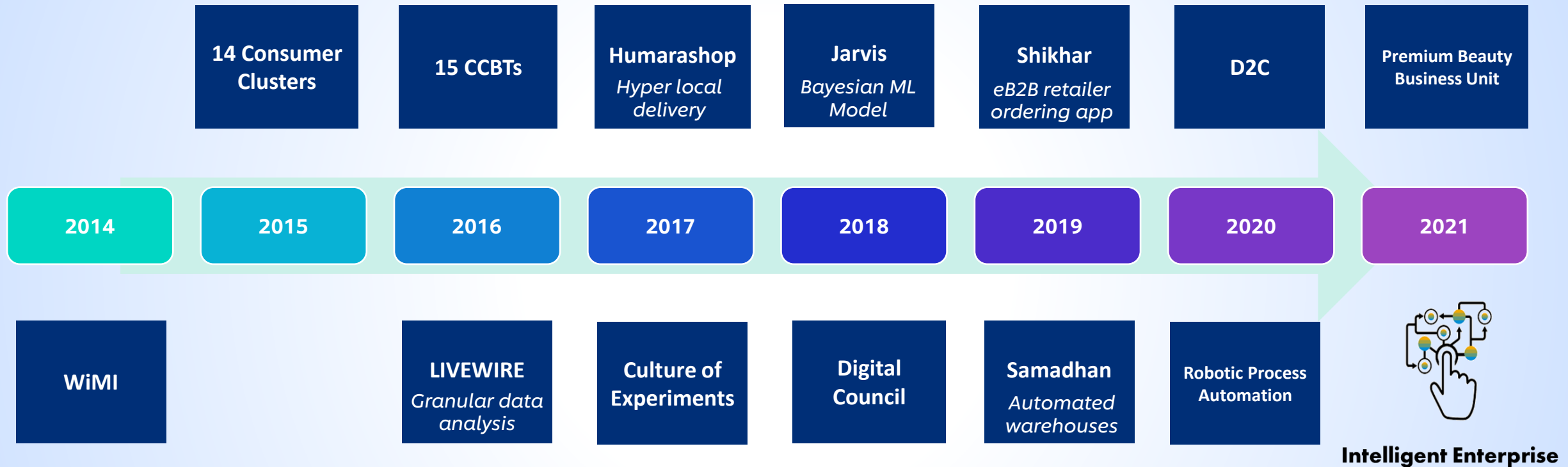
Rapidly evolving FMCG environment

Meteroic Rise in Digital Adoption in India

761 Mn Internet Penetration | 439 Mn Smartphone Users | 14GB data consumed per day

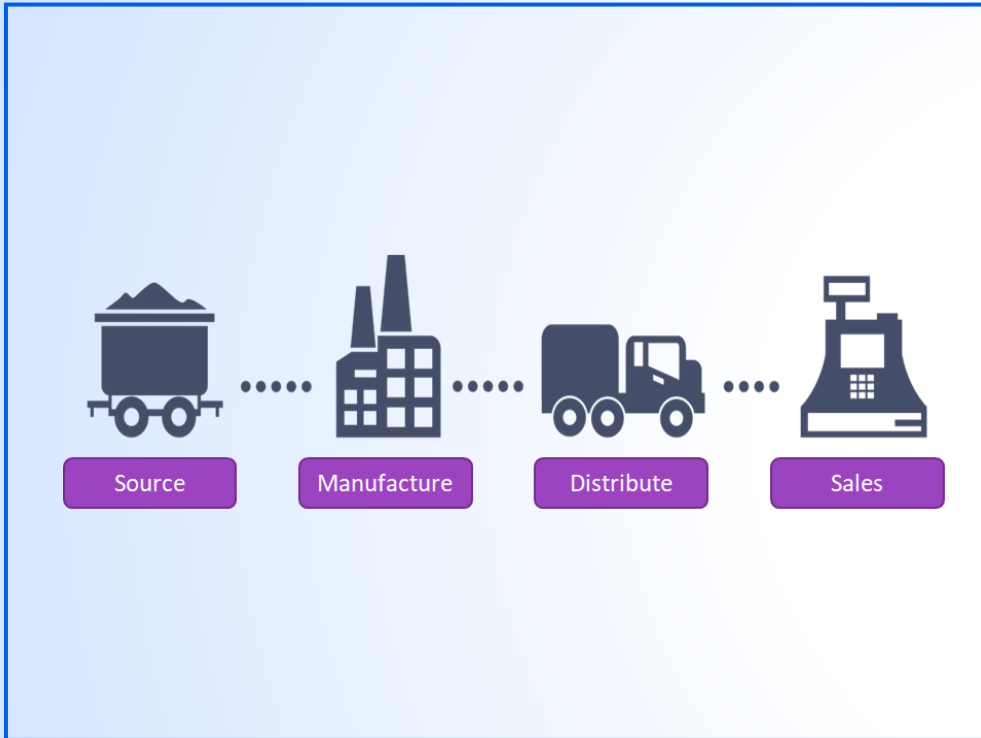


Reimagine HUL: Our Digital Transformation Journey

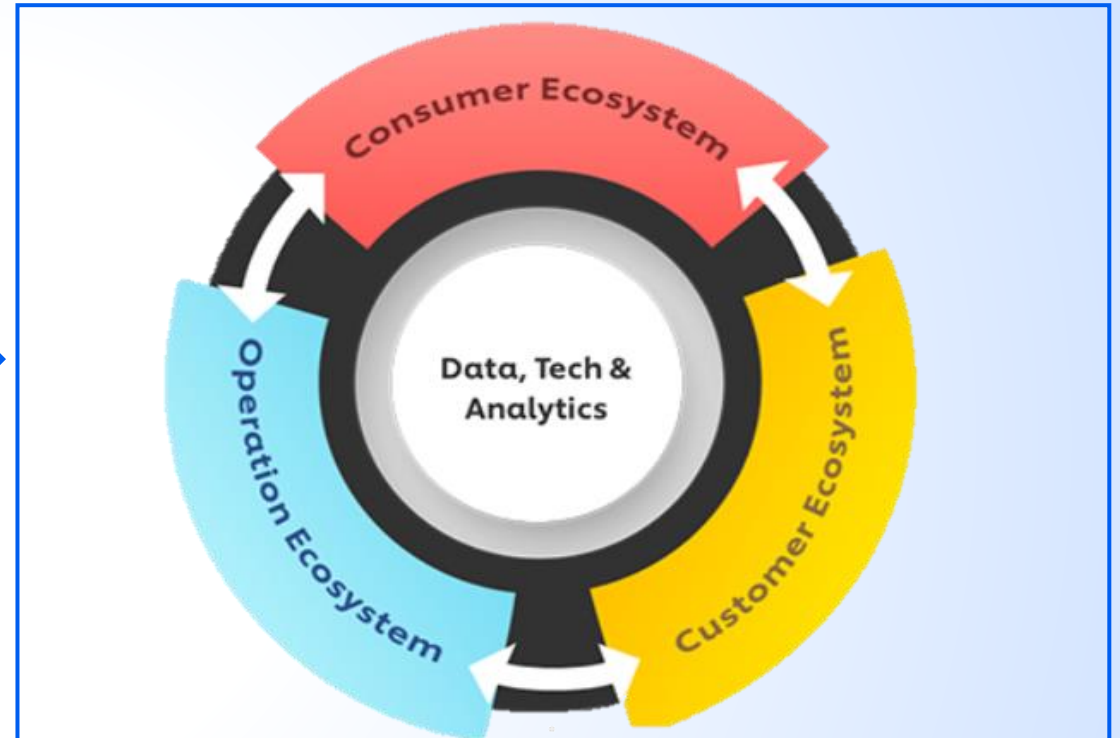


Reimagine HUL: Journey to an Intelligent Enterprise

Yesterday



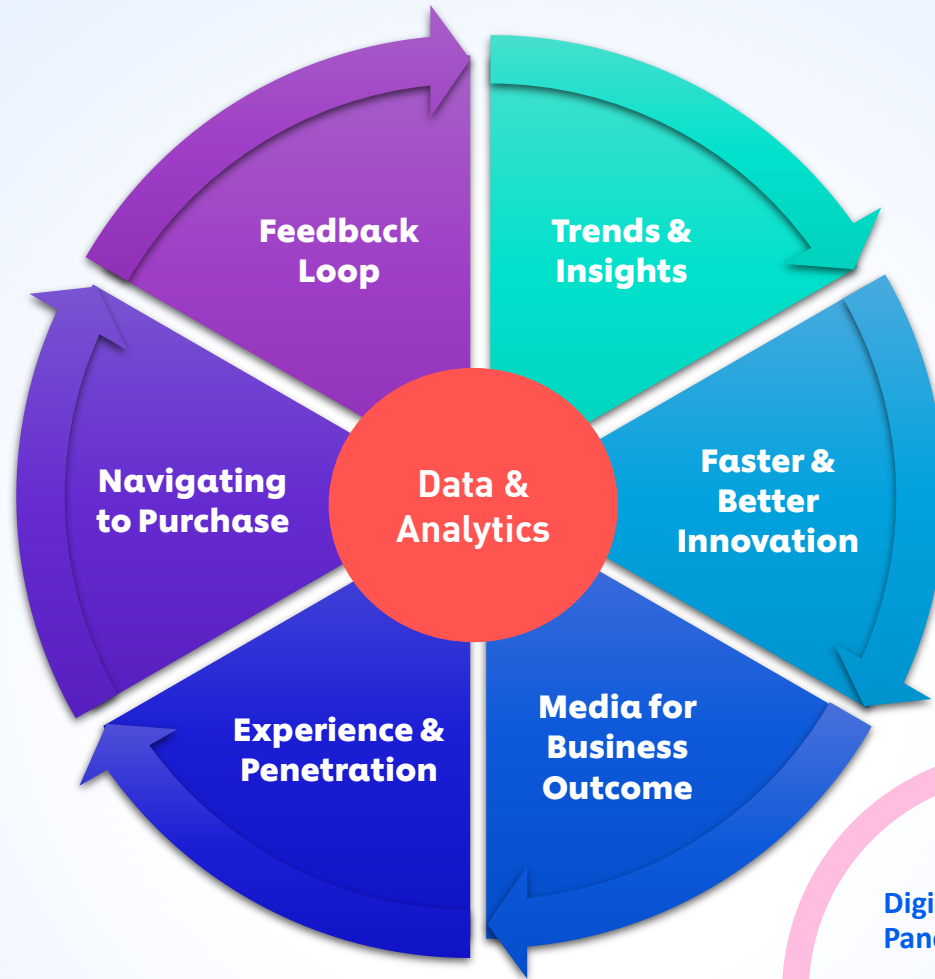
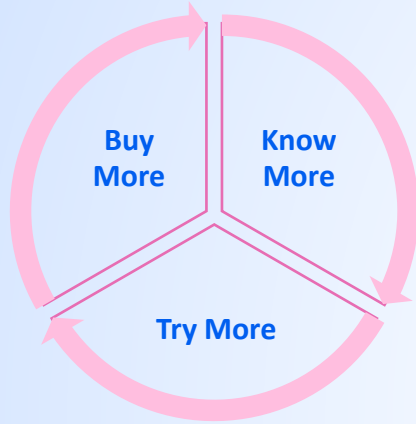
Tomorrow



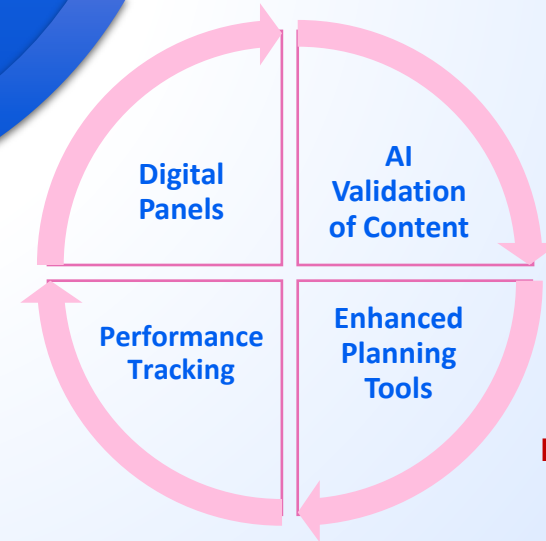
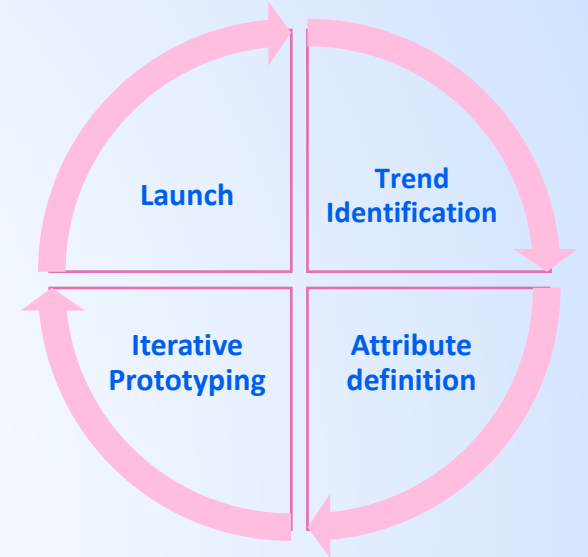
From Traditional Linear Value Chain to Non-Linear and Inter-connected Ecosystems

Connected Consumer Ecosystem

INTERCONNECTED PLATFORMS Engaging consumer across purchase cycle

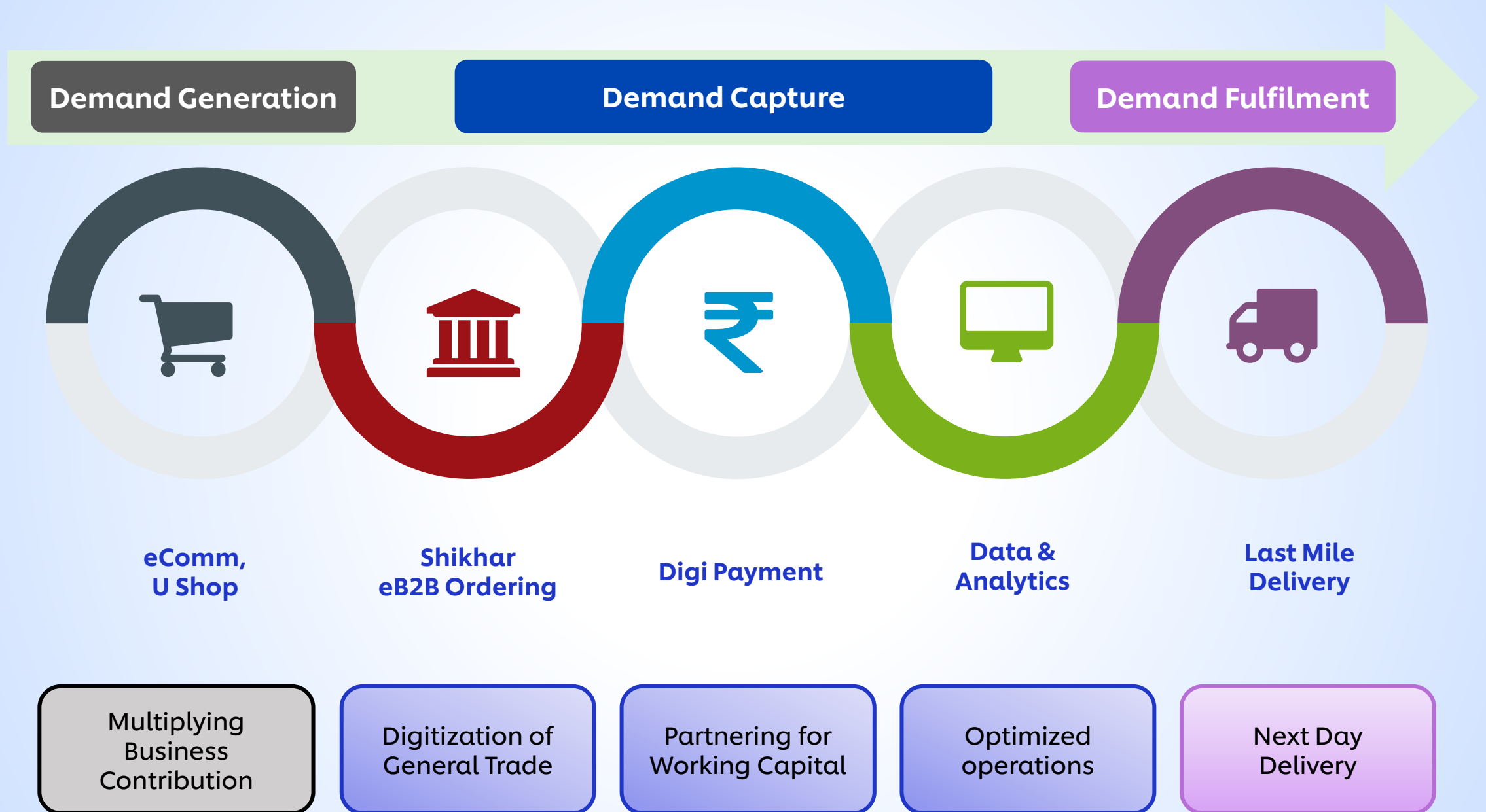


AGILE INNOVATION HUB Lean and Agile Mindset



SMART MEDIA Media for Business Outcome

Connected Customers Ecosystem

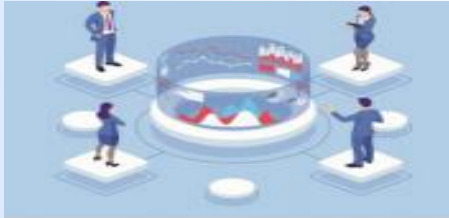


Connected Operations Ecosystem

Plan & Source

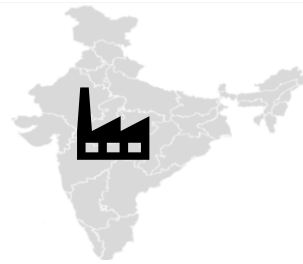


Artificial Intelligence led commodity and demand forecasting



Machine learning powered intelligent planning for distributors

Make



Manufacturing & distribution network transformation



Digitally enabled agile manufacturing

Deliver & Service



Automated storage & picking



Integrated routing & delivery

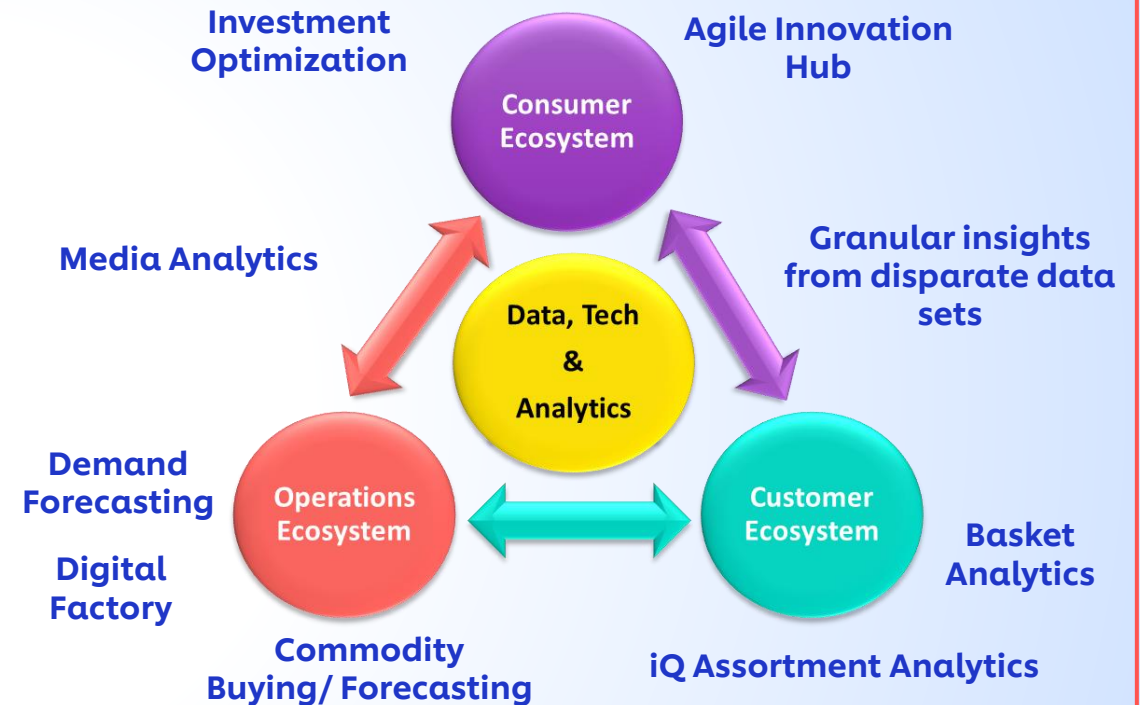
Superior products | Superior service | Superior value

Intelligent Data Ecosystem at the heart of our business

Data as an Enterprise asset



AI/ML powering transformation



Digital Culture & Talent



Partnerships with Startup Ecosystem, Industry bodies. Academia



Culture of Experimentation



Future fit Skills

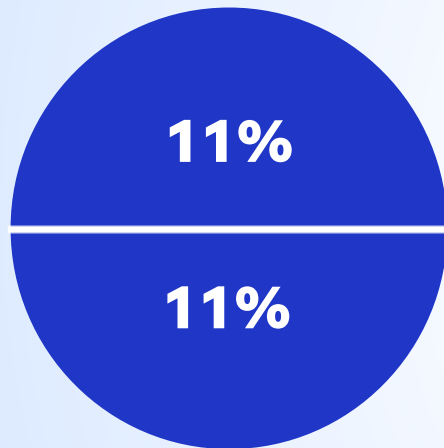


Looking at Near-term

Robust performance in a 'BANI' environment

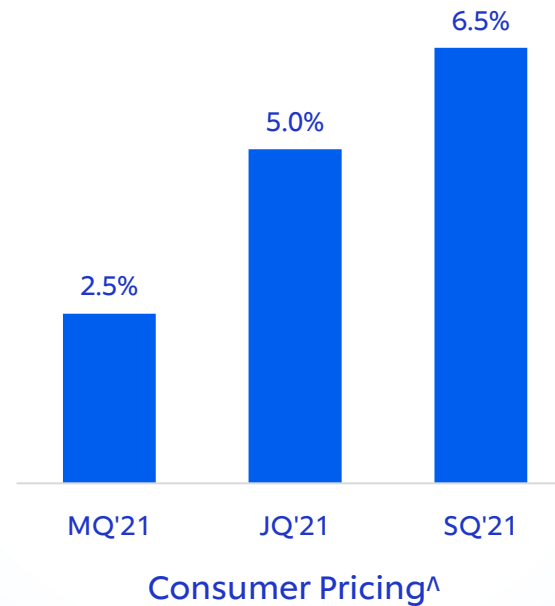
Double-digit growth, ahead of the market

SQ'21 USG YoY



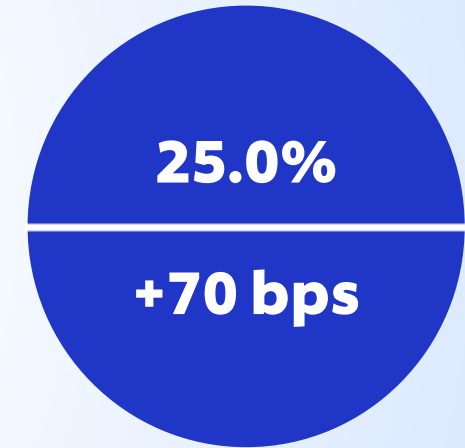
FH FY'22 USG

Stepping-up pricing



Healthy EBITDA Margins

EBITDA Margins



Vs JQ'21

>75% business winning value share, Highest volume market share in the last decade

Accelerating growth across the portfolio

Vs. 2019

Vs. 2020

**Health, Hygiene
and Nutrition**
c. 85%

SQ'21



19%

JQ'21



16%



7%



8%

Discretionary
c. 12%

SQ'21

-2%



31%

JQ'21



-24%



39%

Out of Home
c. 3%

SQ'21

31%



74%

JQ'21



-40%



91%

Market Context

- Uneven economic recovery
- Nielsen FMCG YoY growths in rural remain subdued
- Commodity volatile and at elevated levels
- Consumer volume titration in inflationary scenario

Our focus : Deliver 4G growth i.e. Consistent, Competitive, Profitable and Responsible Growth

- We remain confident in our ability to deliver market beating growth and healthy margins
 - Distinctive and hard to replicate capabilities
 - We have further strengthened our market leadership
 - Our brand strength allows us to price up, whilst we continue to drive savings even harder