# Reimagine HUL:
# Our Journey to an Intelligent Enterprise

Hindustan Unilever Limited

23rd November 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.

# India's Largest FMCG Company

**130+ years**
of proud history in India

**5th Largest**
Indian company
by market capitalisation of
**₹5.6 Tn**

**Top 15**
Foods & HPC company
**Globally**

**15**
Categories

**>80%**
Category Leadership

**9 out of 10**
Households use one or more of our brands

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Brands in
**8 Mn**
stores

**50+** Brands

**14**
In India's 100 most trusted brands

**#1 Employer of choice**
For more than a decade
Across industries

**> 15%**
Demand captured digitally

**>1.3 Tn**
litres
Water conservation potential created

**Plastic neutral**
By 2021

Hindustan Unilever Limited

# 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

# Consistent High Performance over the Past Decade

## Consistent growth

**₹ 450 Bn**

FY 2021 turnover

**9%**

CAGR growth

## Profitable growth

**25%**

FY 2021 EBITDA margin

**>1000 Bps**

margin improvement

## Long term value creation

**9X**

Market Capitalisation

# 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.

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# Five 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**

| Improve penetration | Impactful innovation | Design for channel | Purposeful brands | Fuel for growth |
|---|---|---|---|---|

# Reimagine HUL : Our Journey to an Intelligent Enterprise

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# Factors Enabling India's Growth as a Digital Powerhouse

## Meteoric Rise in Digital Adoption

**761 Mn**
Internet Penetration

**439 Mn**
Smartphone Users

**14 GB**
**$ 0.6/GB**
Daily data Consumption

## Robust Data Ecosystems & e-governance

Aadhaar UID
DigiLocker
UPI
e-Sign
e-KYC

1.2bln biometric IDs

GST
Goods & Services Tax

12mln GST onboarding

National Health Stack

National Health Digital Mission

## 3rd Largest Start-Up Ecosystem

#startupindia

25K + Start-ups, 51 Unicorns

$45 Bn PE-VC Investments in Indian Companies*

*Jan-Sept 21

# Rapidly Evolving FMCG Environment

## CONSUMER DISRUPTIONS

e-Everything: communicating, working, shopping & entertaining

Heightened hygiene, in-home cooking & consumption

DIY videos, streaming TV and social media

## CONSUMER FRAGMENTATION

## CHANNEL SHIFTS

eCommerce and Omni-Channel

D2C

Direct to Consumers

Renaissance of Proximity Stores

## CUSTOMER CONSOLIDATION

## CUSTOMER SERVICING

Navigating turbulence

Resilience to fight back

Customer Centricity

## AGILITY & RESILIENCE

# Reimagine HUL: Our Digital Transformation Journey

**2014**

**2015**

14 Consumer Clusters

**2016**

C4G

15 CCBTs

REIMAGINE HUL

LIVE WIRE

*Pulling disparate data to support WiMi*

***eB2B2C***

Humara Shop

**2017**

Culture of Experiments

***Bayesian Machine Learning Model***

**2018**

LIVE WIRE

Global Roll Out

Digital Council

*Coalition of willing to transform from within*

***eB2B***

**2019**

Shikhar

*Automated Warehousing for delivery to Stores*

People Digital Capability Reboot

**2020**

DTC

Robotics Process Automation in *Bill to Cash*

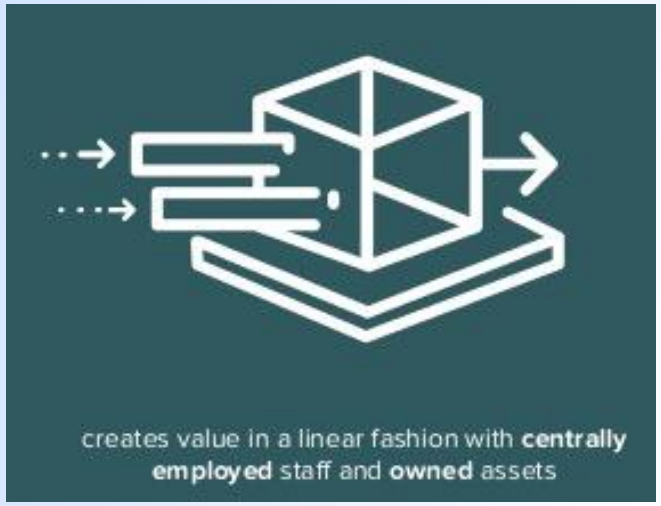
**2021**

Premium Beauty Business Unit

Intelligent Enterprise

# Reimagine HUL in 2021 & Beyond: The Intelligent Enterprise

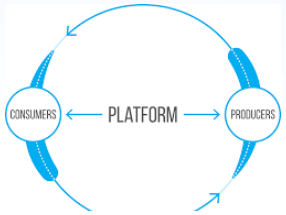
## Smarter Big




Pipes becoming data led and machine augmented

+

## New Value Creators




Platforms

Ecosystem

Platforms Creating Distinctive Value

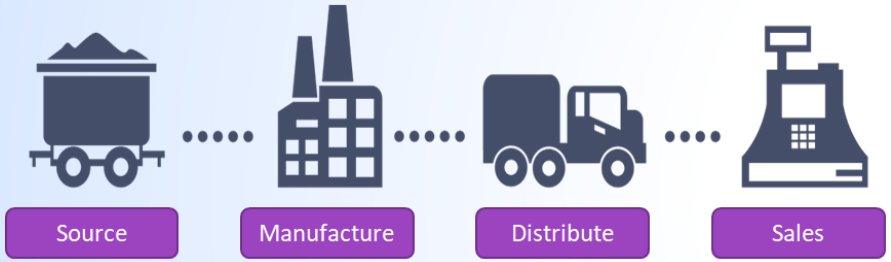
=

**Intelligent Enterprise**

**Building Ecosystems to maximise value delivery to consumer and customer**

# Reimagine HUL: Journey to an Intelligent Enterprise

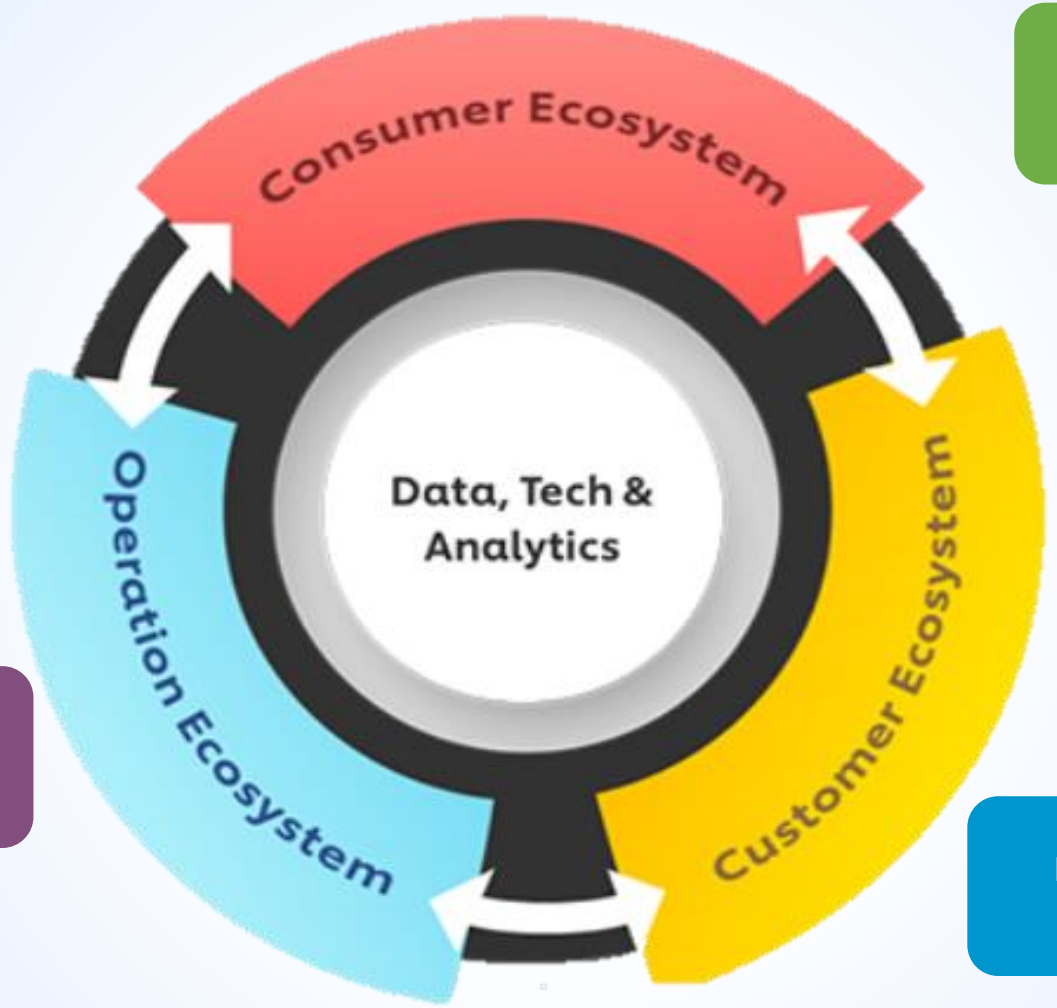
## Yesterday




## Tomorrow

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

# Reimagine HUL: The Four Inter-connected Ecosystems




Tech-powered, On-Trend Innovations Creating Consumer Experiences

Agile and Hi-Tech Operations

Enhancing Customer Experience for Growth

# Bringing it to Life with Premium Beauty Business Unit

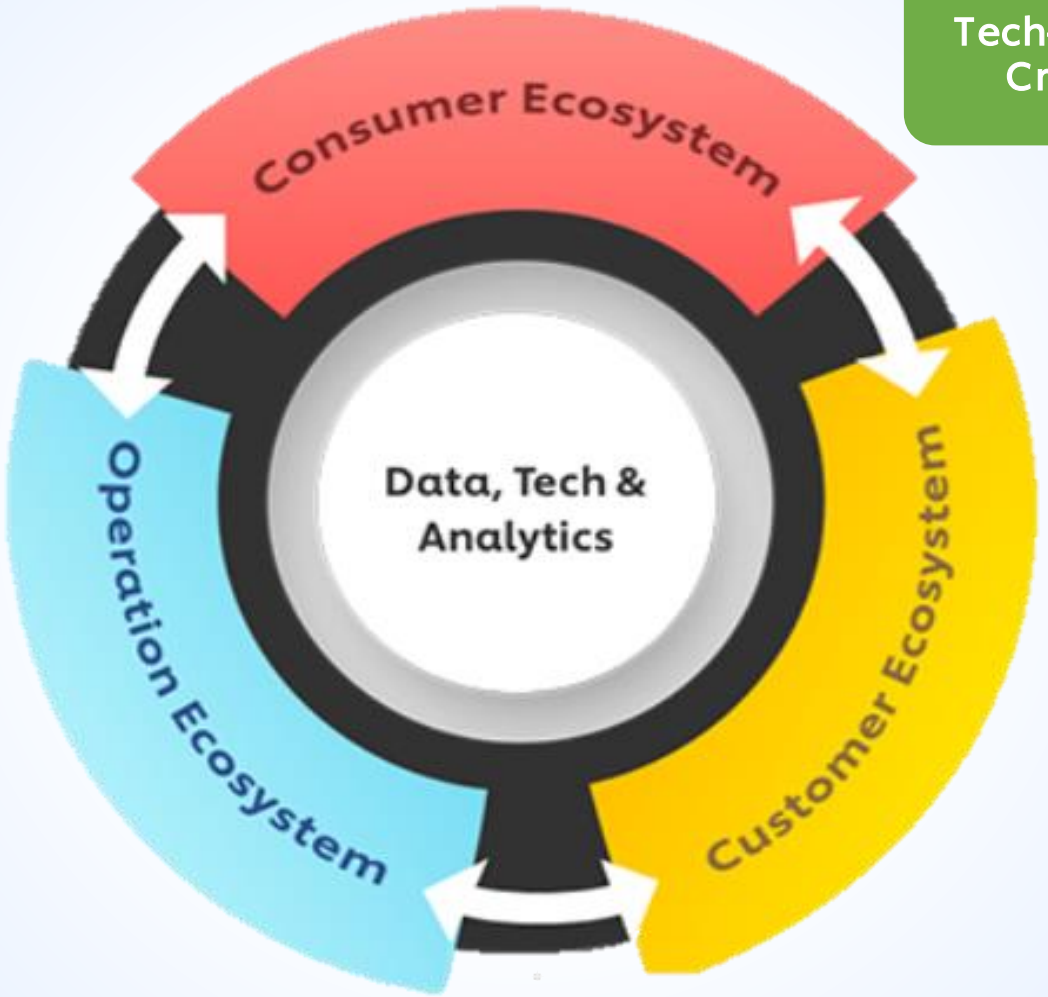
PREMIUM BEAUTY BUSINESS UNIT

## Building Digital First Beauty Brands with On Trend Innovations

**Agile Innovation | Supply Chain for Small | D2C & Performance Marketing | Digital-first Model**

# Consumer Ecosystem

Tech-powered, On-Trend Innovations Creating Consumer Experiences



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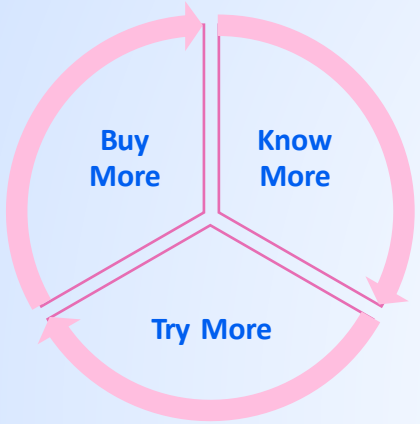
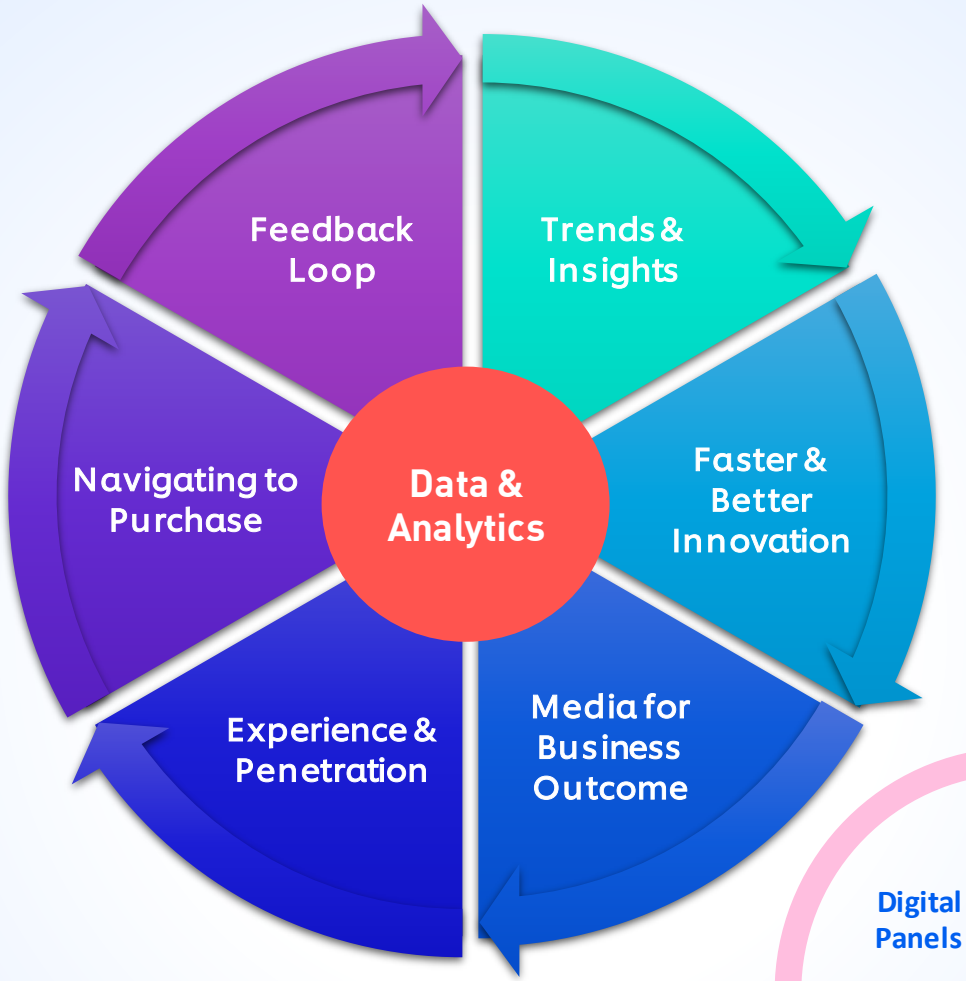
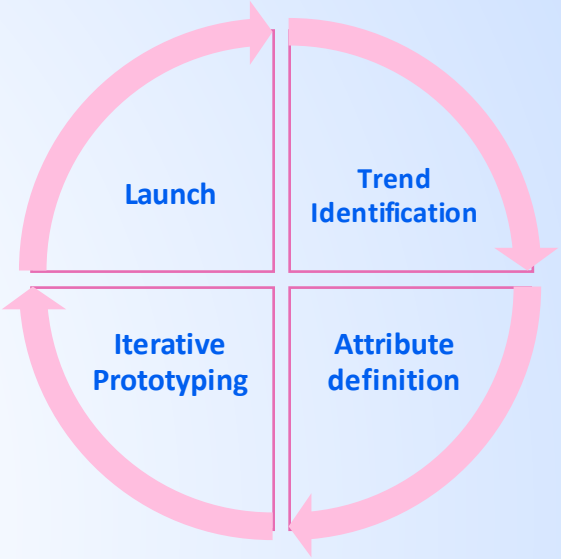
# Connected Consumer Ecosystem

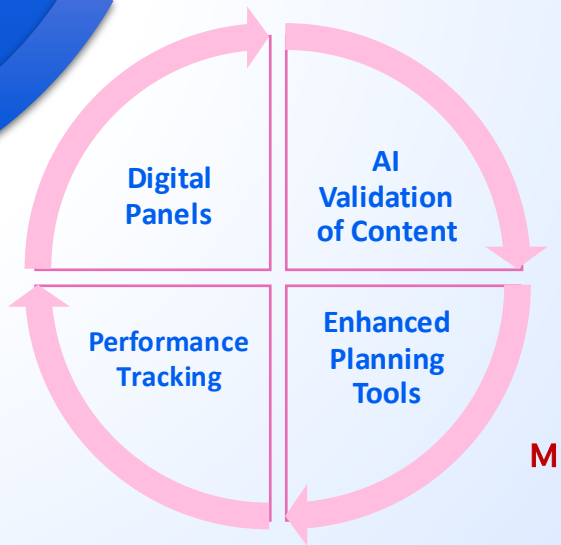
## INTERCONNECTED PLATFORMS
Engaging consumer across purchase cycle




## AGILE INNOVATION HUB
Lean and Agile Mindset




## SMART MEDIA
Media for Business Outcome

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# Agile Innovation Model

## Always-on trend spotting

Online Trend Identification and Sizing:
Claims, Ingredients, Formats

Apple Cider Vinegar & Onion Shampoos + Conditioners

Argan Hair Mask

Onion Hair Mask

## Agile product crafting and testing

Digital prototyping

Eliminate factory trials through advanced manufacturing centres

Consumers on “speed dial”

## Rapid manufacturing with Nano factories

Mobile design

Smaller batch sizes

Collaborative manufacturing

**‘Signal to deployment’ in half the time**

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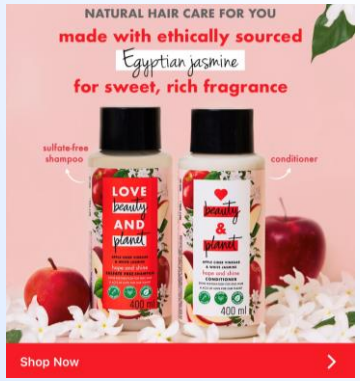
# Interconnected Consumer Engagement

## Content that Converts: Social, eCom & Influencer Marketing




FAQs, Ingredient & benefit focus eCom & Social

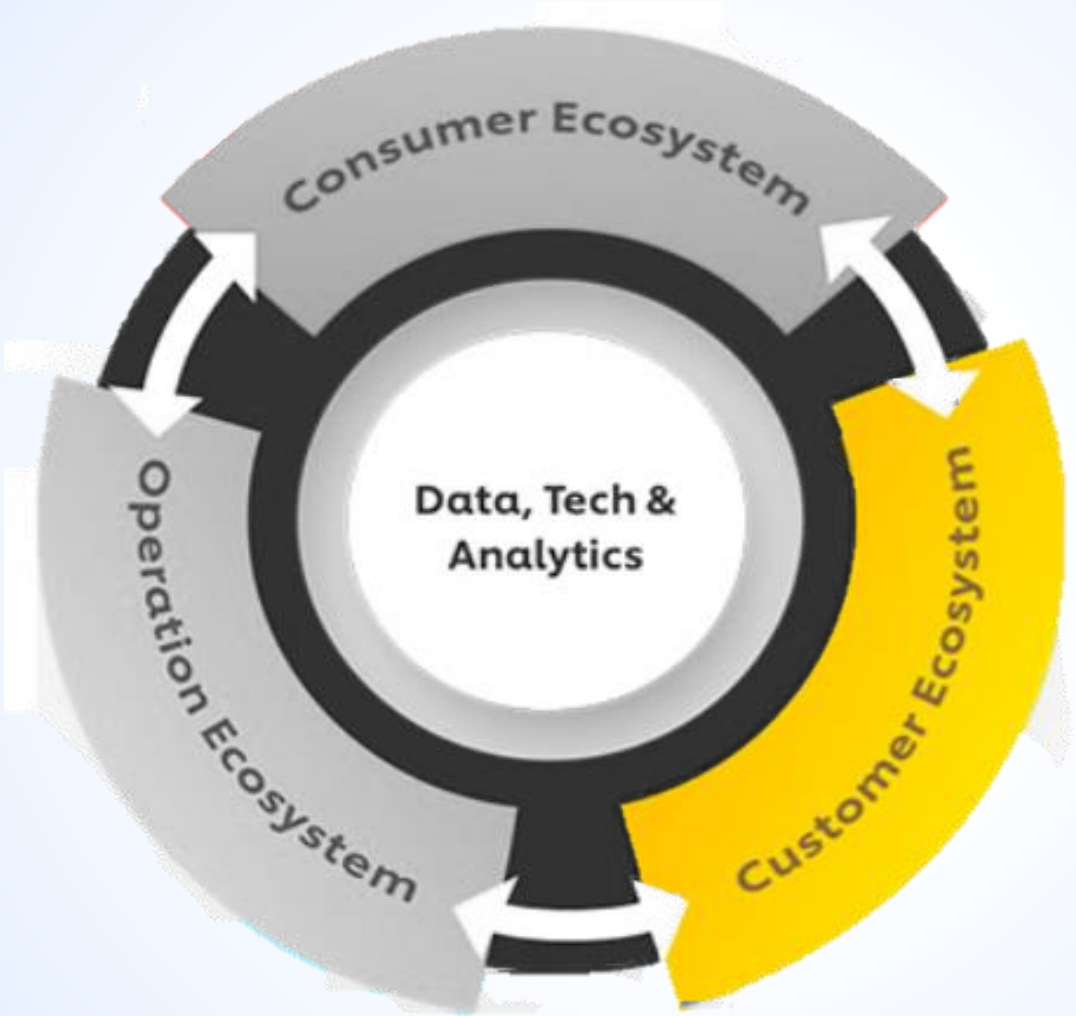
Integrated Influencer Marketing

## Delivering Superlative Brand Experience on D2C

Front-end experience

Delivering delight

# Connected Customer Ecosystem




**Enhancing Customer Experience for Growth**

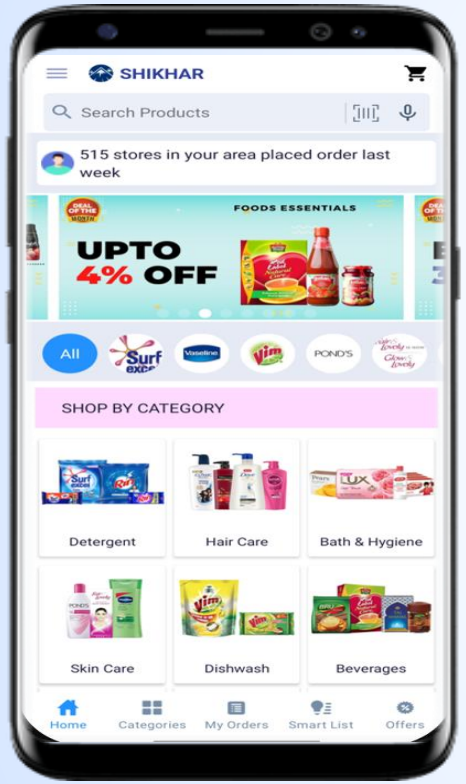
# Connected Customers

Demand Generation | Demand Capture | Demand Fulfilment

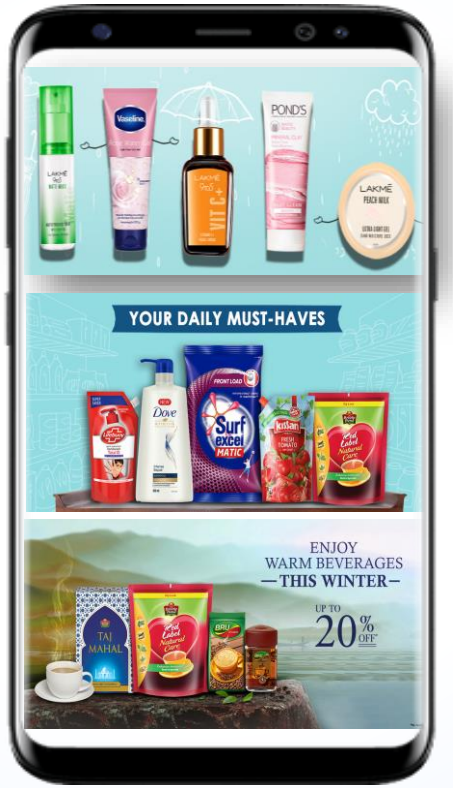
| eComm, U Shop | Shikhar eB2B Ordering | Digi Payment | Data & Analytics | Last Mile Delivery |
|---|---|---|---|---|
| Multiplying Business Contribution | Digitization of General Trade | Partnering for Working Capital | Optimization on operations | Certified Next Day Delivery |

# Digitised Demand Capture >15%

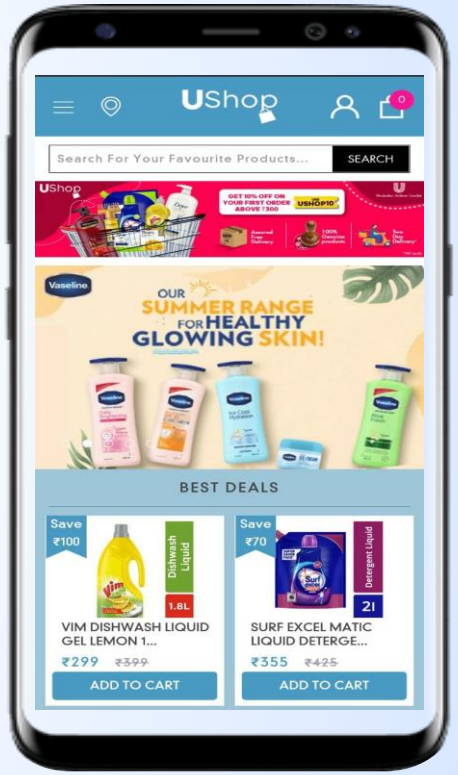
## eRTM - Shikhar



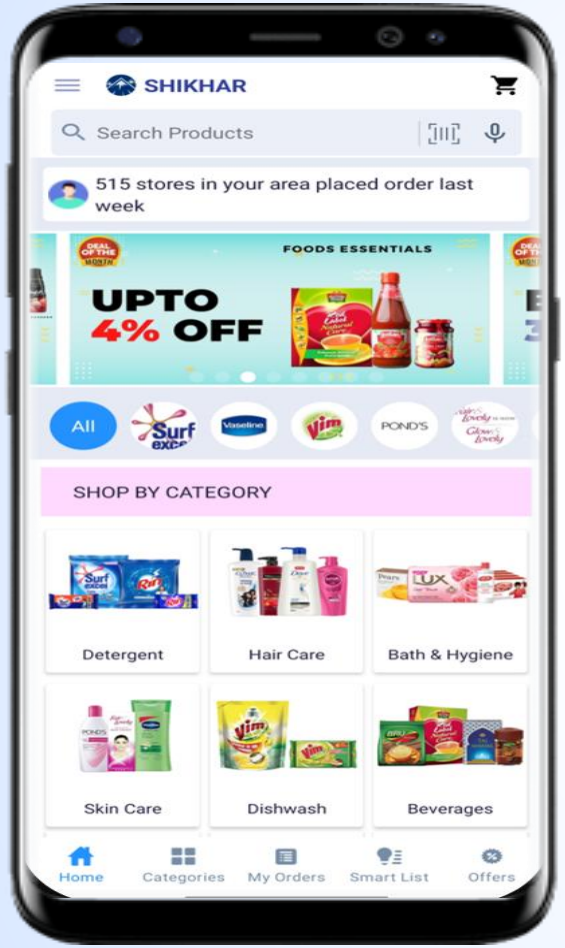

## Accelerating eCommerce




## Direct to Consumer



# eRTM with Shikhar : Winning Customer Proposition




- Anytime Ordering
- Transparent Pricing
- On-time Delivery
- Guaranteed Returns
- Easy No/Low Cost Credit

# Rapid Scale-up

## Backed by New age Intelligence

- App Centric Integrated Sales Call Process (Sales Rep + App)
- Multi-lingual Interface customized for eB2B
- Customised Offerings for stores to maximise their sales and earning – Smart Basket
- Value added services like Shop Khata, Loyalty Programme
- Analytics based Recommendations with high conversion

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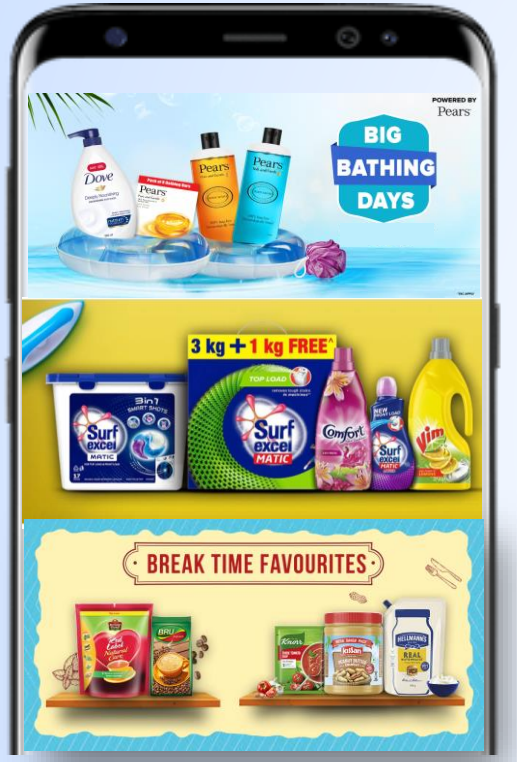
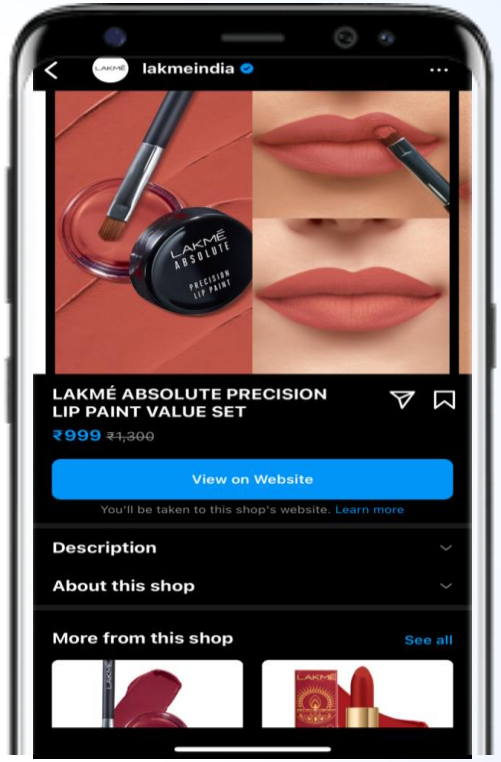
# Ecommerce: Best-in-class Digital Capability Stack

## Design for Channel

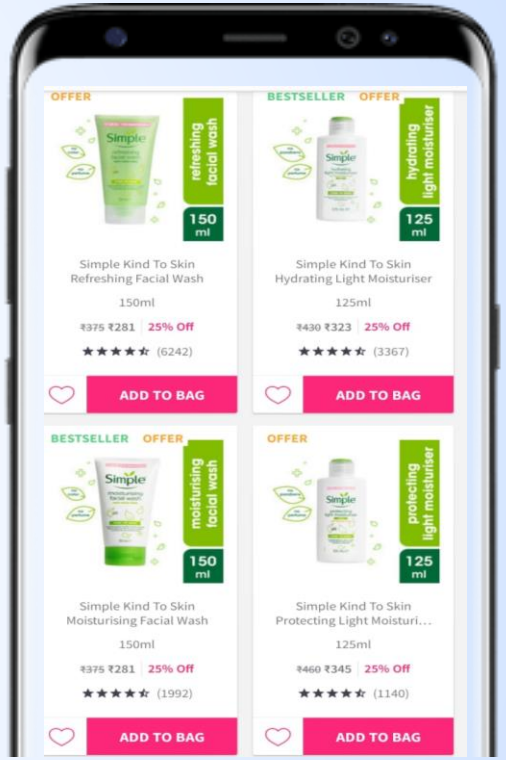



## Content that Converts

## Performance Marketing

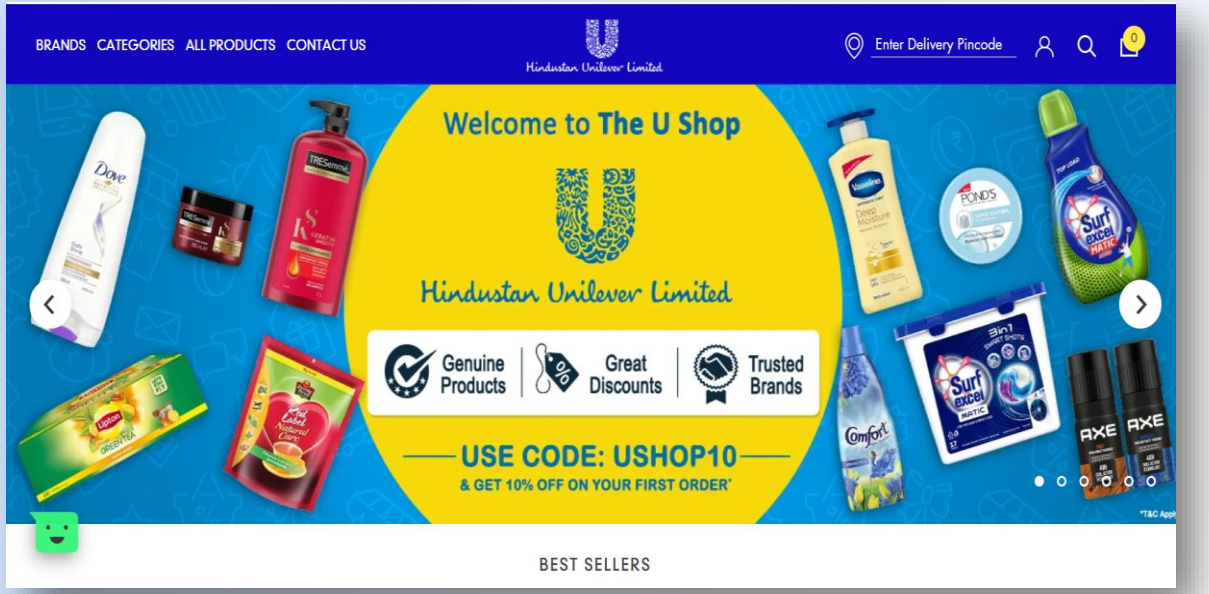


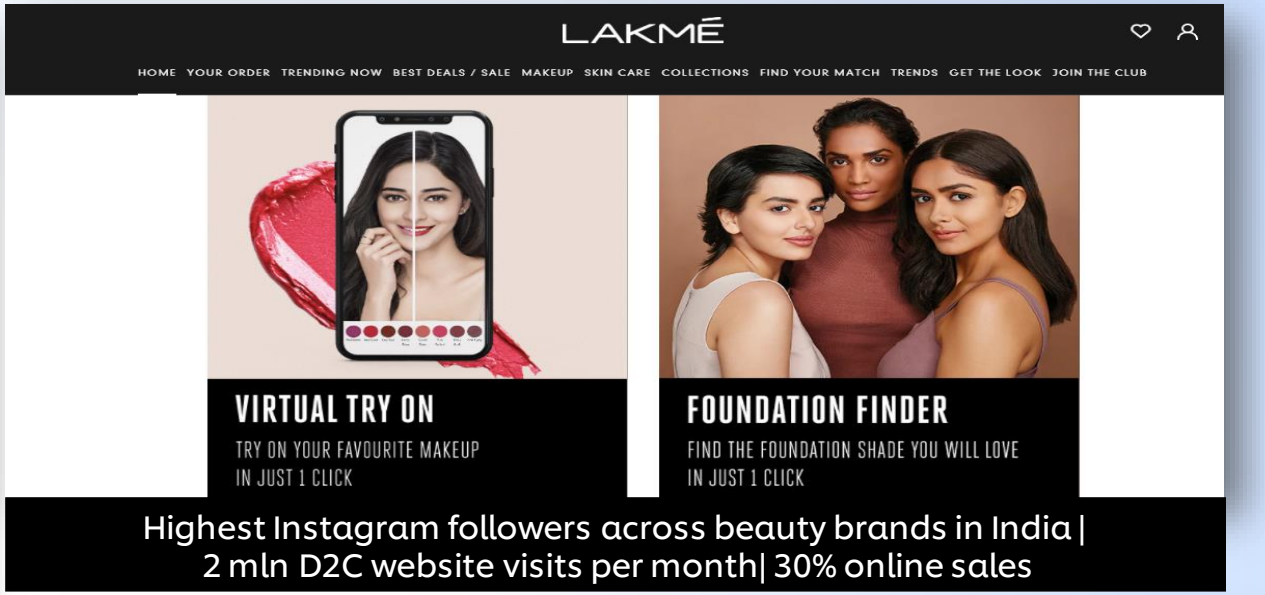

## Flawless Execution



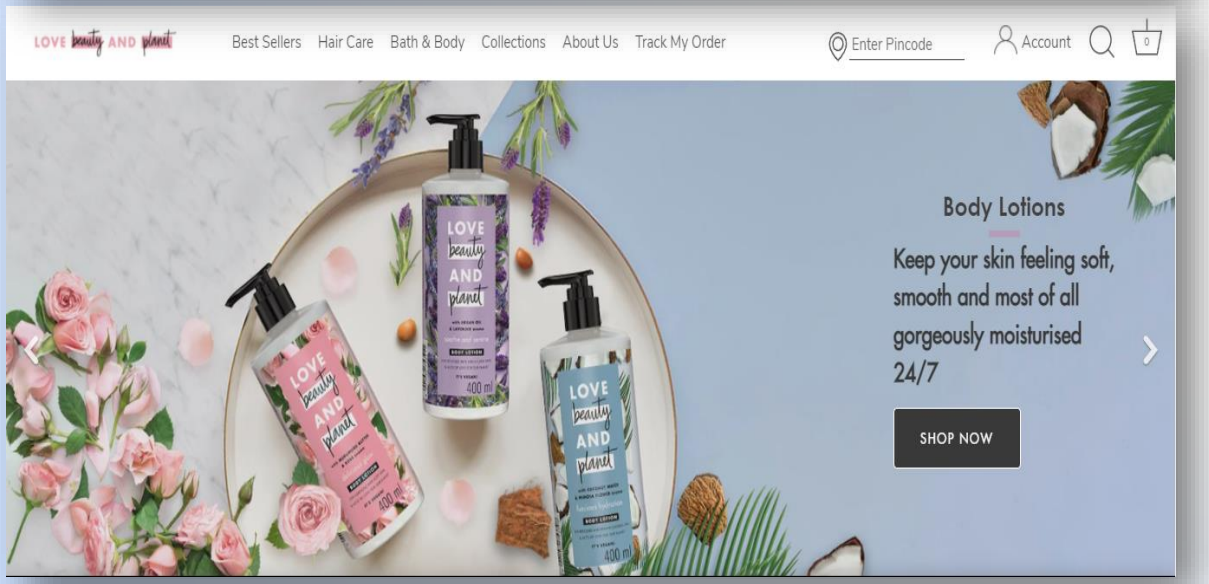

TALENT, DIGITIZATION & AUTOMATION

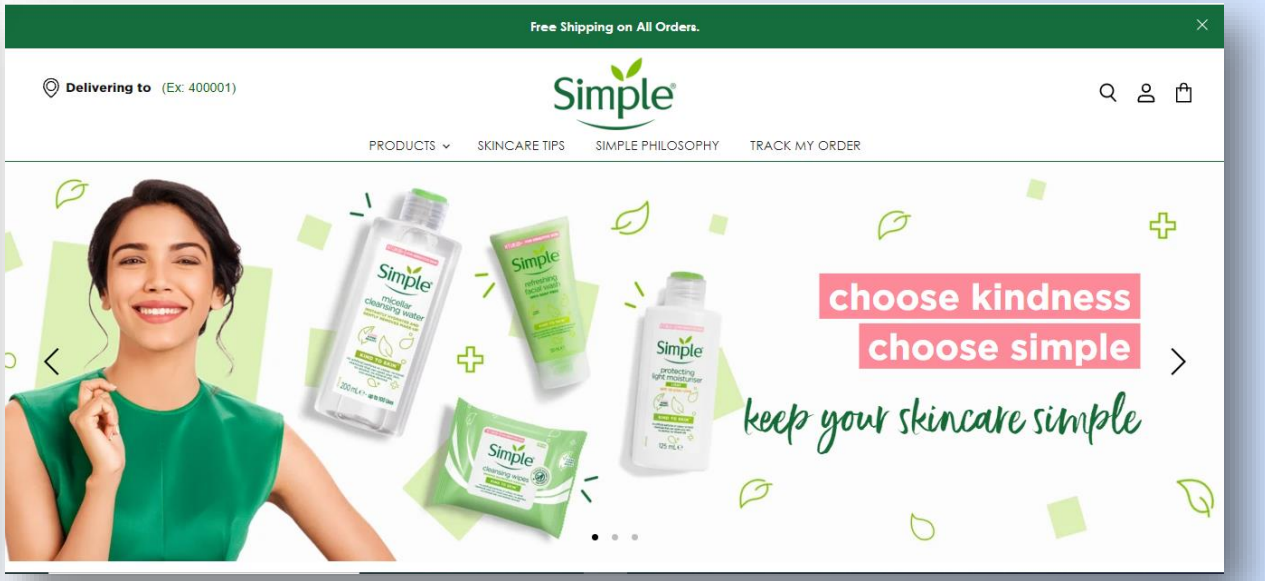
# Building a D2C presence, especially for Premium Beauty Brands



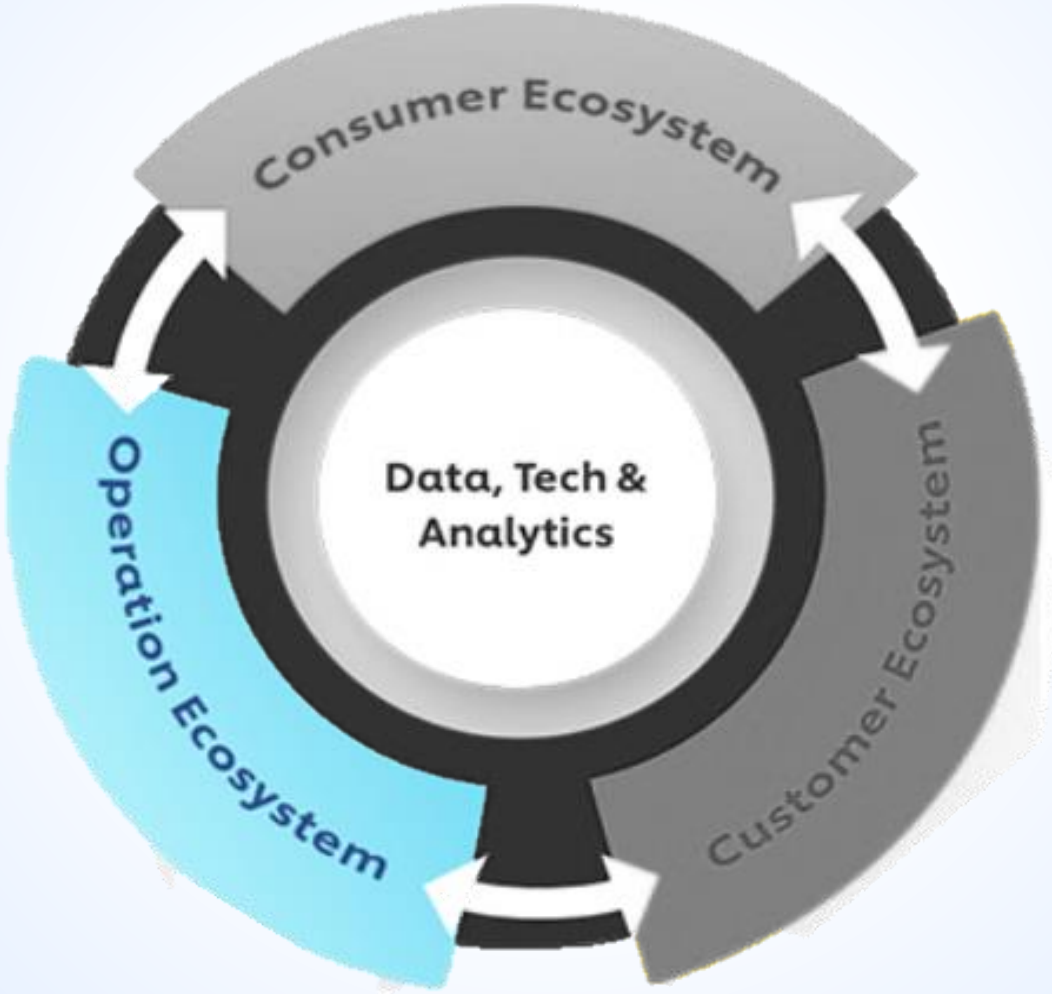

Highest Instagram followers across beauty brands in India | 2 mln D2C website visits per month| 30% online sales



# Connected Operations Ecosystem

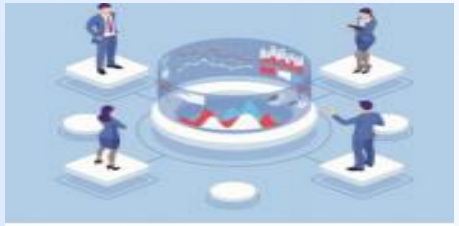
Agile and Hi-Tech Operations



# Connected Operations

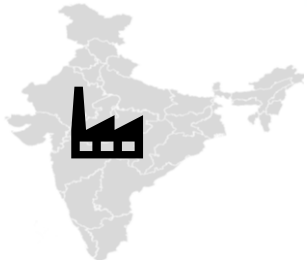
## Plan & Source

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**

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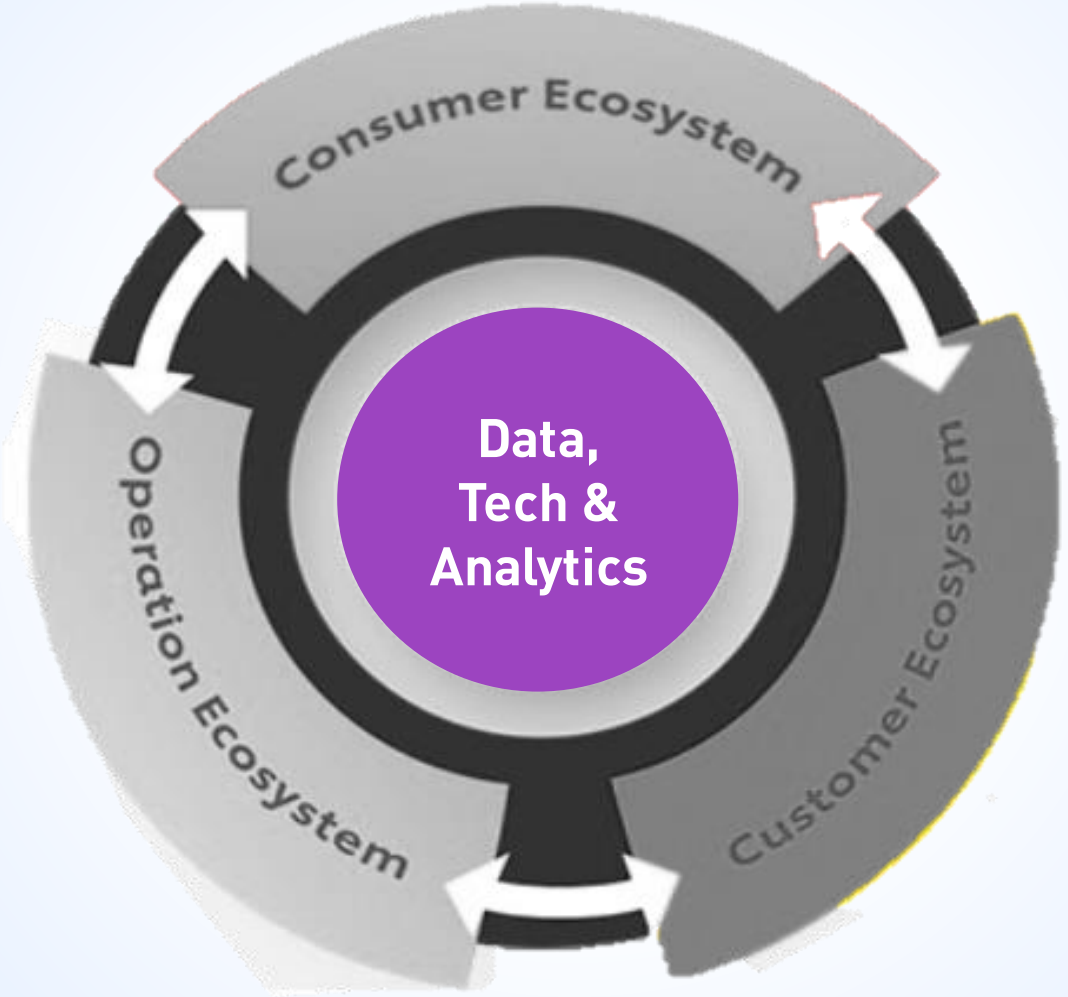
# Leveraging Agile Manufacturing with Nano Factory

# Data, Tech & Analytics



# Intelligent Data Ecosystem at the Heart of our Business

We are managing data as an *enterprise asset* to *maximize value realization*, minimize its cost and *ensure continued trust and compliance*

## HUL Data Strategy

**Harnessing External Ecosystem signals to inform deaveraged decisions**

| Mobility | Government Spend | Weather | Micro geography signals |
|---|---|---|---|

**Data Lake to join up most *granular* data across functions**

| Consumer Ecosystem | Customer Ecosystem | Operations Ecosystem |
|---|---|---|

**Continued consumer trust on privacy**

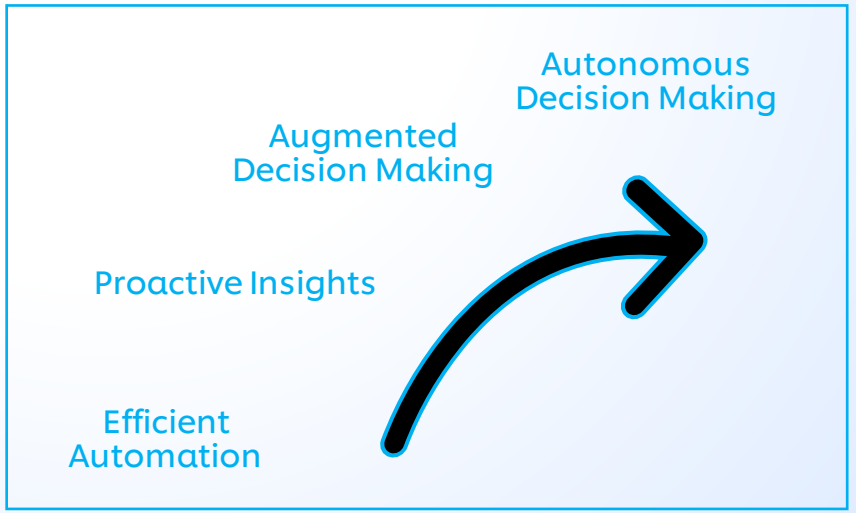
# Decisions Augmented by AI / ML

## Across our Consumer, Customer, Operations Ecosystems

- Scientific Whitespace Mapping
- Machine Learning led Demand Planning
- Decision Support AI Systems
- Automated Warehousing
- AI Recommender Systems
- Tech Ad Predictor
- Innovation Early Performance Signals

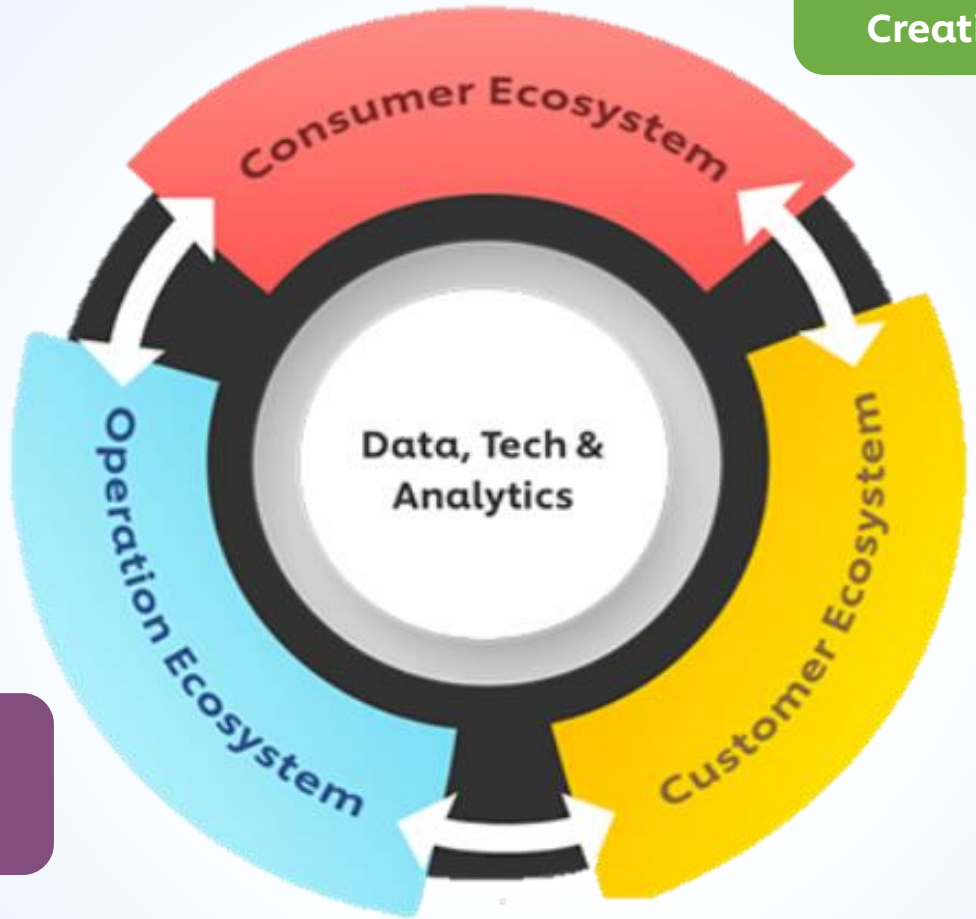
LIVE WIRE · Chanakya Powered by LIVE WIRE · JARVIS · ADVAntaGE

Building Towards an Embedded Intelligence Journey



# Reimagine HUL: The Four Inter-connected Ecosystems

Tech-powered, On-Trend Innovations Creating Consumer Experiences




Agile and Hi-Tech Operations

Enhancing Customer Experience for Growth

# Thank you

Hindustan Unilever Limited

Sensitivity: Internal