



Hindustan Unilever Limited

# Hindustan Unilever Limited

## DQ'19 Results Presentation : 31<sup>st</sup> January 2020

*Dove*  
NOURISHING  
SECRETS



**SURF EXCEL  
MATIC LIQUID**

**100% TOUGH STAIN REMOVAL  
IN MACHINES.\***



ON LAB TEST ON RED CHRISTINE CHOCOLATE SWIRLY STAIN ON POLYESTER FABRIC



## Safe Harbor 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.

# Sanjiv Mehta Chairman & Managing Director



# Clear and compelling strategy

## Purpose-led, Future-Fit



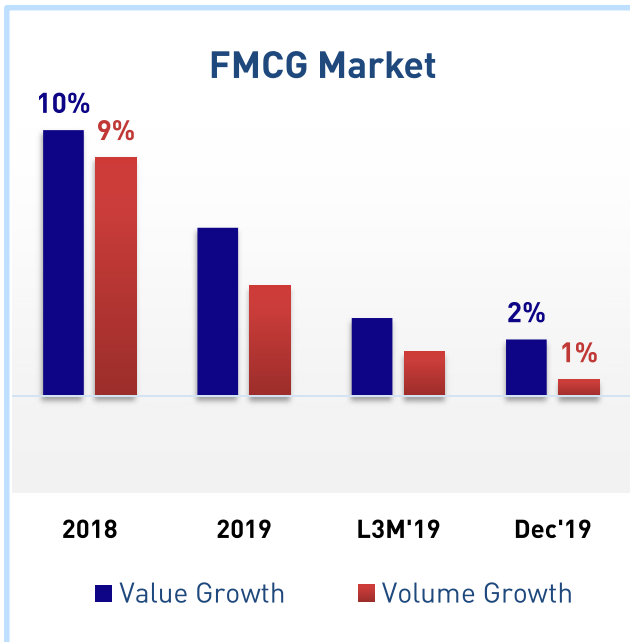
## Growth



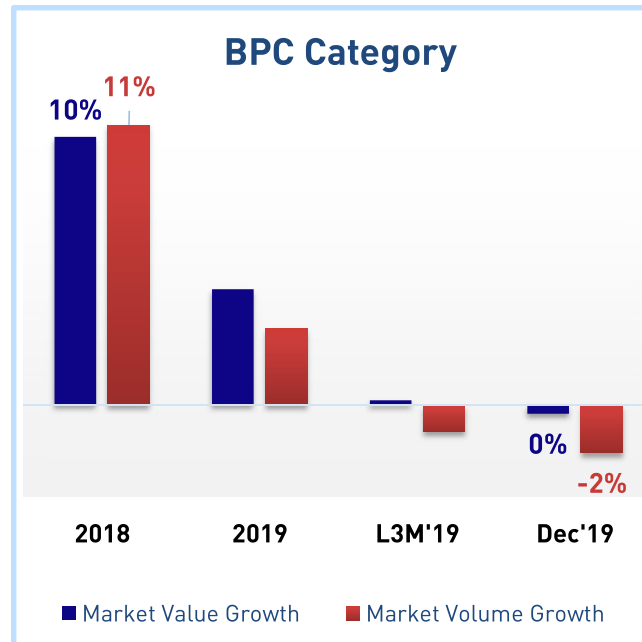
**Consistent, Competitive,  
Profitable, Responsible  
Growth**

# Market Context

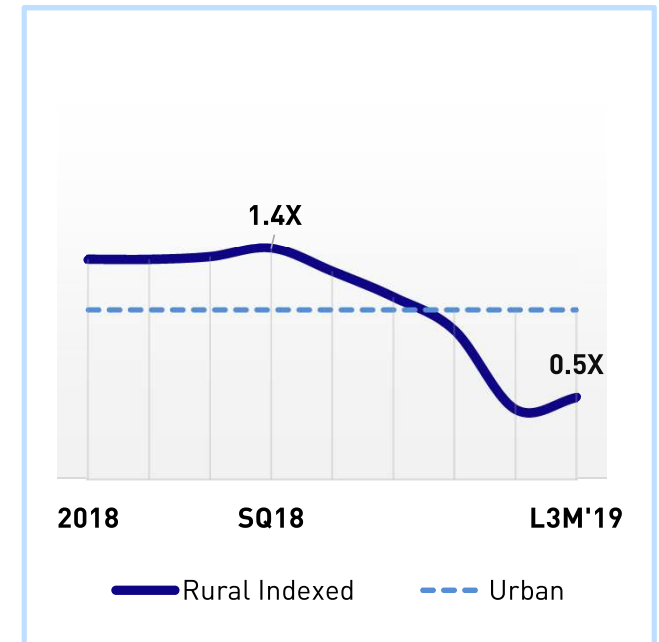
## Slowing market growth



## Steeper in discretionary categories



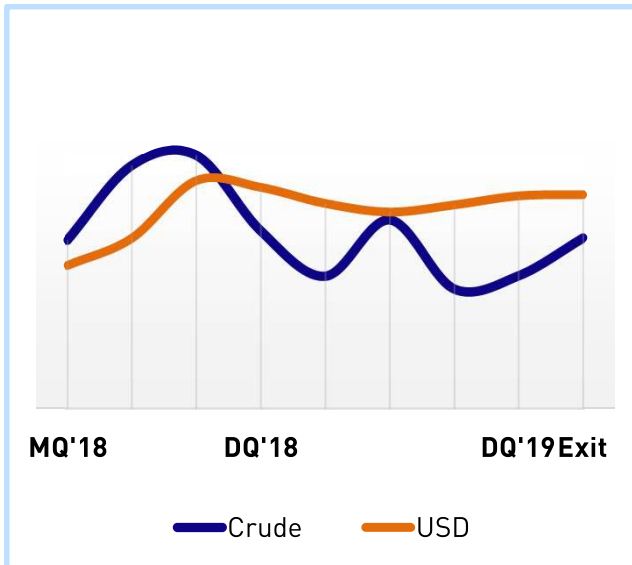
## Rural growth at 0.5X urban



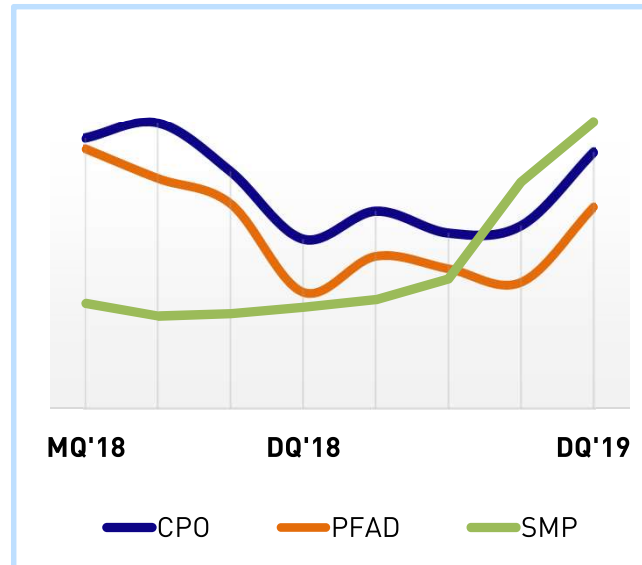
\* Market growth for relevant categories data source Nielsen

# Market Context

## Crude and Currency volatile



## Inflationary trend in select commodities

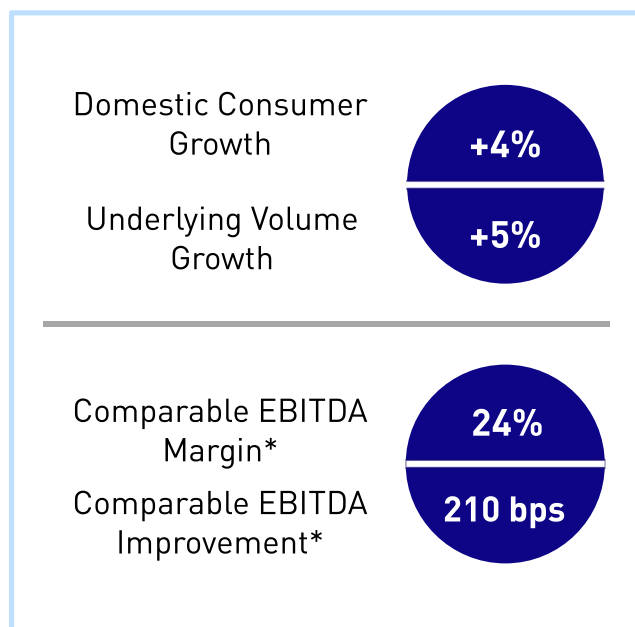


## Challenging environment impacting consumer confidence



# Performance Summary

## DQ'19



## Sustainable Living



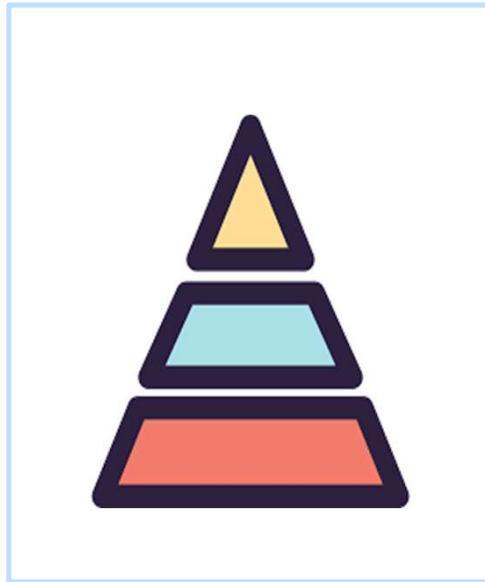
\* Reported EBITDA improvement of 335 bps at a reported margin of 25%; Comparable EBITDA improvement arrived after adjusting for Ind AS 116 impact

# Our performance drivers

## Focus on Core



## Driving premiumization & Market Development



## Innovate for the Future



## Execution Prowess



Re-imagine HUL: Build Digital Capabilities across the Value Chain





Hindustan Unilever Limited

# Srinivas Phatak

## Chief Financial Officer

Dove  
NOURISHING  
SECRETS



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**Let's  
stay fit  
with  
Lipton**

## DQ'19: Steady performance in a tough market

### Growth

Domestic Consumer  
Growth

**+4%**

**+5%**

Underlying Volume Growth

### EBITDA

Comparable EBITDA  
Growth\*

**+14%**

**210 bps**

Comparable Margin  
Improvement\*

### PAT (bei)

PAT (bei) Growth

**+21%**

**1,691cr**

PAT (bei)

### Net Profit

PAT Growth

**+12%**

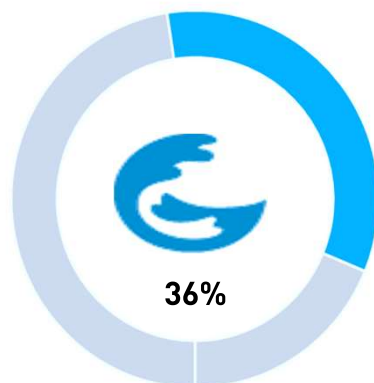
**1,616cr**

PAT

\* Reported EBITDA improvement of 335 bps at a reported margin of 25%; Comparable EBITDA improvement arrived after adjusting for Ind AS 116 impact

# Good performance in HC and F&R

## HOME CARE

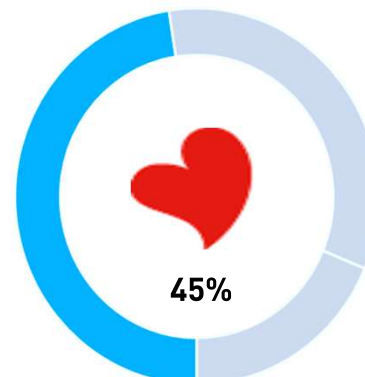


**Sales Growth**

10%

*Continued good performance*

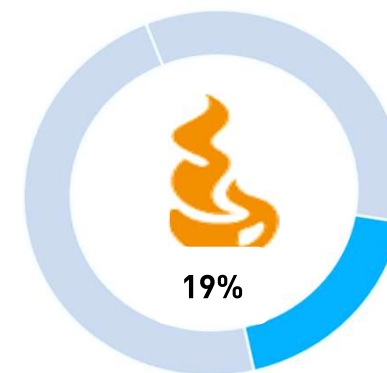
## BEAUTY & PERSONAL CARE



-1%

*Growth impacted by delayed winter and Personal Wash*

## FOODS & REFRESHMENT

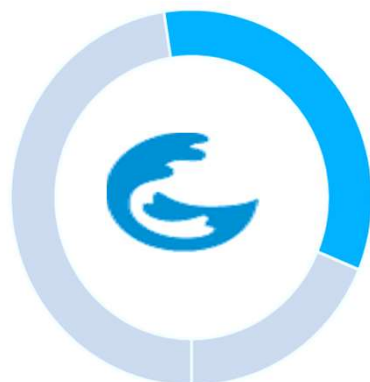


8%

*Robust growth across categories*

# Segmental Performance

## HOME CARE



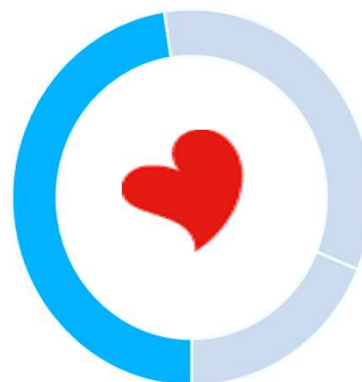
Segmental Revenue Growth\*

10%

Segmental Margins\*\*

18%

## BEAUTY & PERSONAL CARE



-3%^

28%

## FOODS & REFRESHMENT



8%

18%

\*Segment Revenue Growth = Segment Turnover growth including Other Operating Income (Excludes impact of A&D)

^Revenue growth impacted by accounting for government Grant in DQ18

\*\* Segment Margins (EBIT) excludes exceptional items

# Innovations and activations in the quarter



LAKME FOREVER MATTE LIQUID LIP COLOR

# Home Care

Continued good performance



Health benefits of  
Copper in 100% RO  
purified water



- ❑ **Fabric Wash:** Focus on core and premiumization yielding strong results
  - *Wheel* advanced its purpose 'Think Fresh' with a digital campaign
  - Launched *Comfort Perfume Deluxe* in select geographies
- ❑ **Household Care:** Good delivery led by market development
  - Liquids upgradation continues to build momentum
- ❑ **Purifiers:** Sustained focus on the premium segment

# Beauty & Personal Care

Growth impacted by delayed winter and Personal Wash



- ❑ **Personal Wash:** Negative market growth and strategic pricing actions impact topline
- ❑ **Skin Care:** Delayed winter impacts category performance; Good growth in non-winter portfolio
  - Focus on innovation and premiumization continues
- ❑ **Hair Care:** Healthy performance across portfolio
  - Launched *Love Beauty & Planet* in Ecommerce channel and *Indulekha Neemraj Oil* all India

# Beauty & Personal Care : Contd.

Growth impacted by delayed winter and Personal Wash



- ❑ **Colour Cosmetics:** Innovation focus continues; Unlocking the rising aspirations of women across India
  - Launched *Lakme Absolute Ultimate Kohl*, *9 to 5 Naturale Makeup Remover* and *Primer+Crème Lipstick*
- ❑ **Oral Care:** Steady delivery by *Close Up* and *LEVER Ayush*
- ❑ **Deodorants:** Market development continues to be key amidst intense competitive environment



# Foods & Refreshment

Robust growth across categories



- ❑ **Beverages:** Broad-based growth across brands
  - New communication on *Lipton Green tea* strengthening its purpose of making India healthier
- ❑ **Ice Cream & Frozen Desserts:** Focus on distribution expansion and building innovation pipeline for season
- ❑ **Foods :** Good growth led by sharper activations basis differentiated consumer insights
  - Launched *Hellmann's Mayonnaise* in Kolkata



## DQ'19: Results summary

Particulars	DQ'19 (Reported)	DQ'18	Growth %
Sales	9696	9357	4%^
EBITDA	2445	2046	19%*
Other Income	115	99	
Exceptional Items – Credit / (Charge)	-99	-62	
PBT	2229	1950	14%
Tax	613	506	
PAT bei	1691	1401	21%
Net Profit	1616	1444	12%
EPS	7.47	6.67	12%

- Domestic Consumer Growth at 4%^
- Comparable\* EBITDA growth at 14% with a comparable improvement of 210 bps



# **NINE MONTHS 2019 – 20**

## Nine Months 2019-20: Results Summary

Rs. Crores

Particulars	YTD DQ'19	YTD DQ'18	Growth %
Sales	29388	27851	6%^
EBITDA	7535	6316	19%
PAT bei	5274	4490	17%
Net Profit	5219	4498	16%

- Domestic Consumer Growth at 6%^
- Comparable\* EBITDA improvement of 190 bps

# Looking ahead

## Near term

- ❑ Market growth continues to be sluggish; Demand outlook challenging
- ❑ Commodities and currency will continue to be volatile

## Our focus

- ❑ Drive agility and responsiveness across the value chain given the challenging environment
- ❑ Deliver Consistent, Competitive, Profitable, Responsible Growth



# For more information and updates

Visit our website

## December Quarter 2019 results

Hindustan Unilever will release its financial results for December Quarter 2019 on Friday, 31st January, 2020.

[> December Quarter 2019 results](#)

**Hindustan Unilever Limited**  
DQ'19 Results Presentation : 31<sup>st</sup> January 2020

The slide features three product advertisements:

- Dove** SECRETS: A bottle of Dove Secrets body wash is shown inside a large, stylized water droplet. The text "Dove SECRETS" is visible on the bottle.
- SURF EXCEL MATIC LIQUID**: A woman is shown washing clothes in a front-loading washing machine. The text "SURF EXCEL MATIC LIQUID" and "100% TOUGH STAIN REMOVAL IN MACHINES" is displayed above the machine. Two bottles of Surf Excel Matic Liquid are shown in the foreground.
- Lipton**: A woman is running up a staircase. The text "Let's stay fit with Lipton" is written on the wall next to her.