

HINDUSTAN UNILEVER LIMITED

MQ'20 Results Presentation

30th April, 2020

Sensitivity: Public



Hindustan Unilever Limited

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

30th April, 2020

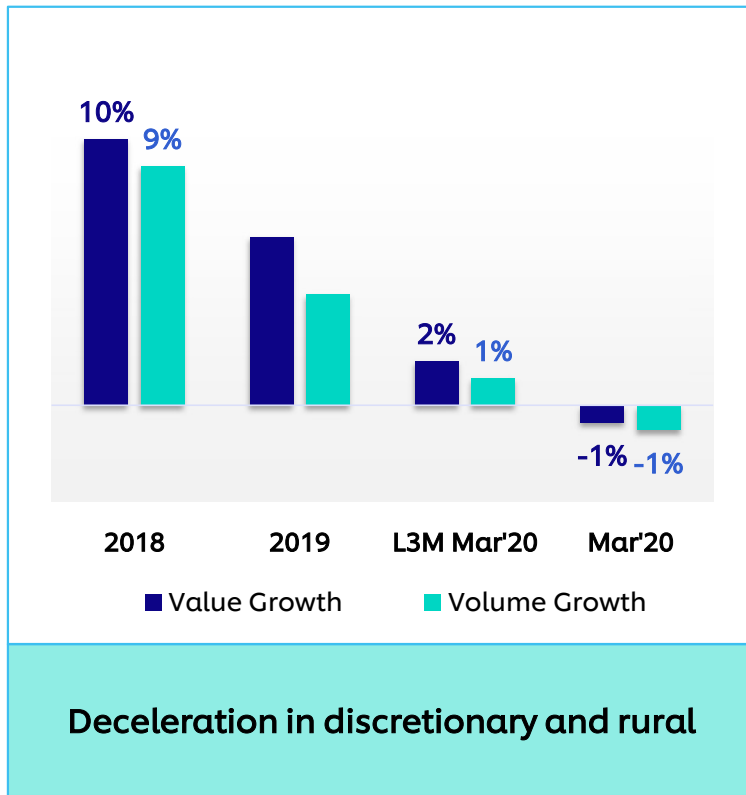
Sensitivity: Public



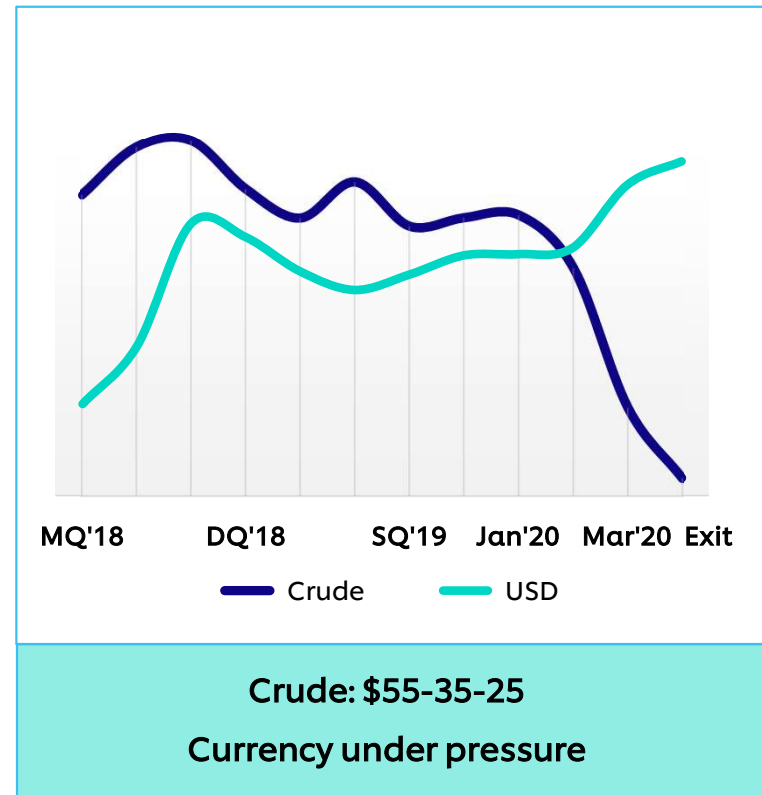
Hindustan Unilever Limited

Market context: Challenging

Slowing market growth

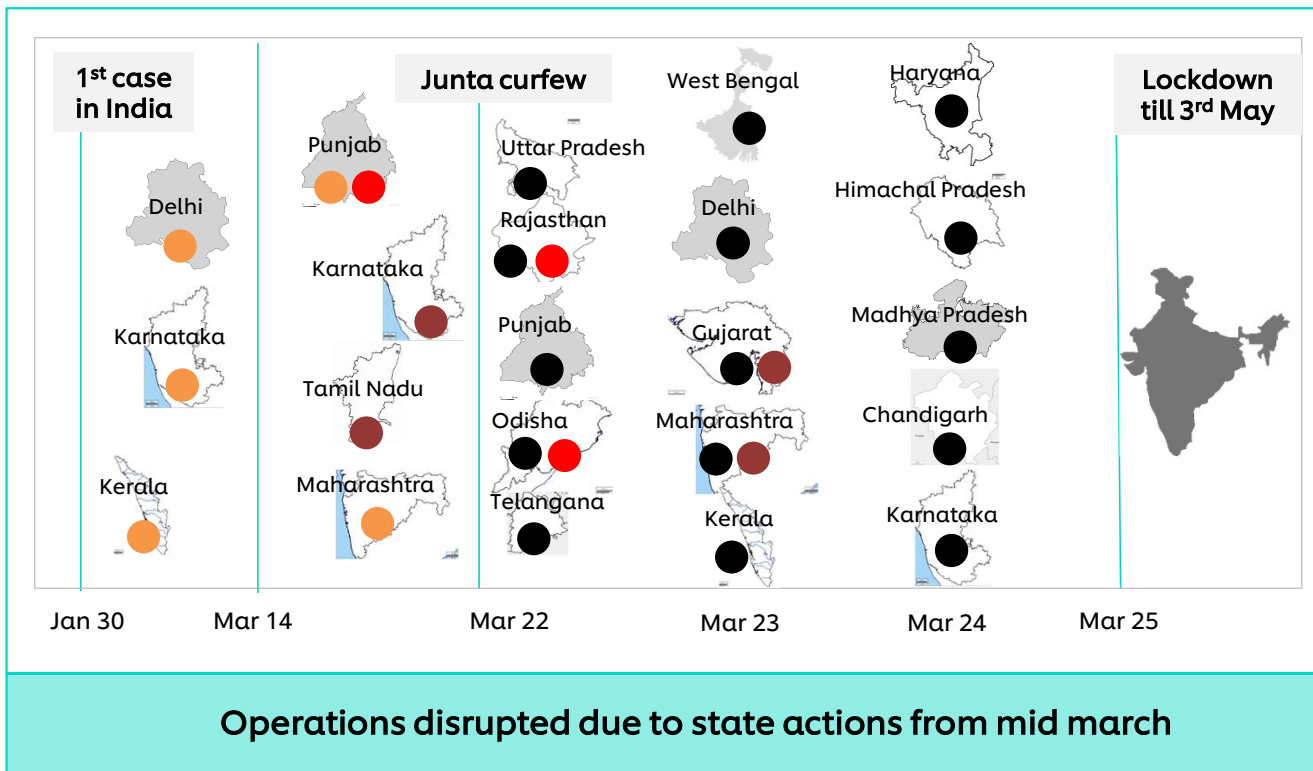


Heightened volatility in crude & currency

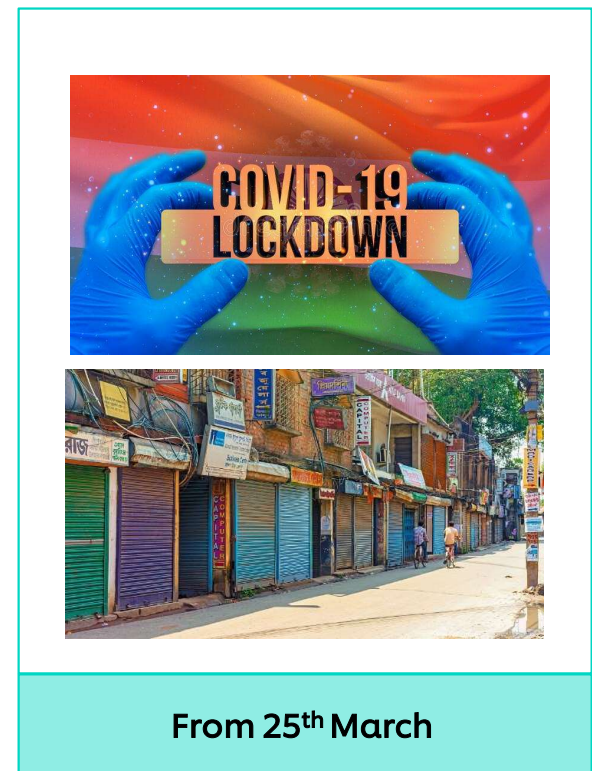


COVID-19: Adverse impact in March second half

State governments' response in fight against COVID-19



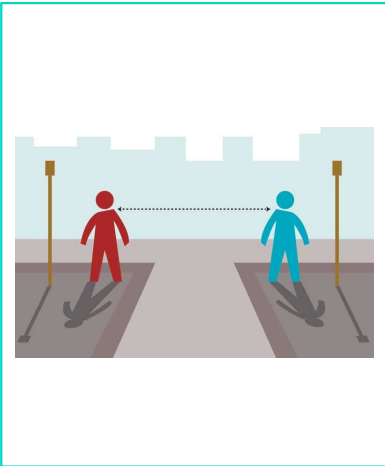
Nation-wide lockdown



- State lockdown
- Public transport suspended or private vehicles banned
- Partial / complete closure of borders
- Public places closed: *Theatres, malls, hotels, public gatherings, gyms, workplaces*

Clear imperatives and consistent strategy

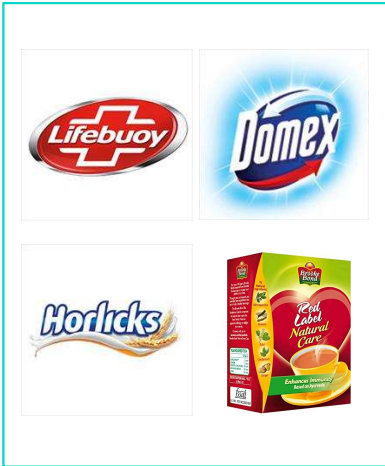
People



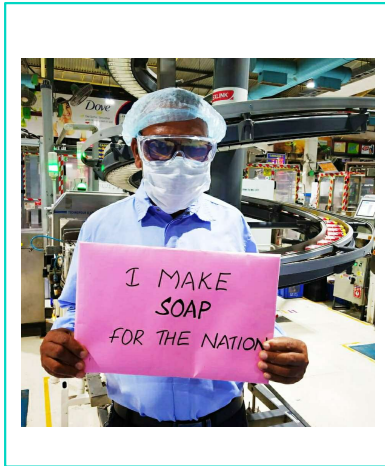
Supply



Demand



Community



Cost & Cash



Drive agility and responsiveness across the value chain

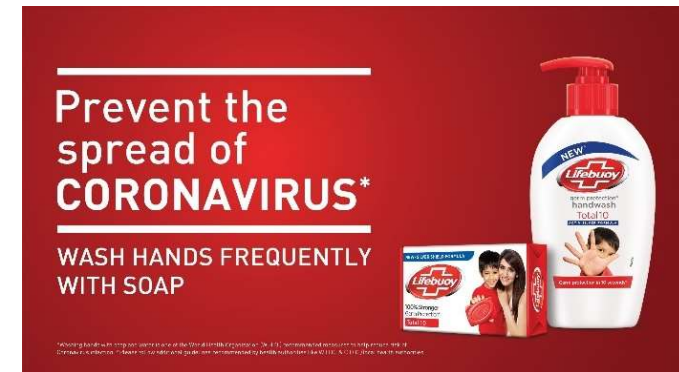
In a crisis like this, HUL stands with the nation...

Our consumers and customers



- Price reduction for Lifebuoy handwash and Domex floor cleaners
- Protect the interests of distributors & partners

Broader society



- Donating Lifebuoy soaps & sanitizers
- Upgrading health care facilities
- Creating large scale awareness

INR 100 Crore committed in the fight against COVID-19



In a crisis like this, HUL stands with the nation...

UNICEF
#VirusKiKadiTodo



National campaign to inform and empower general public

Apollo, SBI, Oyo & Others
Project Stay



5000 isolation rooms with medical supervision

BMC
Corona se mat darona



Arming people with corona prevention methods

Local administration partnerships
Strengthening infrastructure



Haridwar: Built 30-bed isolation facility in 3 days

Collaborations for better infrastructure and awareness



Our M&A: Enhances nutrition and hygiene

GSK CH merger effective 1st April 2020



Iconic brands and ~3500 strong nutrition team in Hindustan Unilever fold

Announced the proposed acquisition of VWash



Market leader in Intimate Hygiene category



FY 2019-20 : Growth competitive and profitable

2% USG for FY 20 with PAT increase of 12%

	F.Y. 2019-20
Domestic Consumer Growth	2%
Underlying Volume Growth	2%
Comparable* EBITDA Improvement (bps)	100
PAT Growth	12%
Cash from operations [^]	Rs. 9,770 Cr

* Comparable EBITDA improvement arrived after adjusting for Ind AS 116 impact
Reported EBITDA improvement of 210 bps at a reported margin of 25%

[^] before tax



Srinivas Phatak

Chief Financial Officer

30th April, 2020

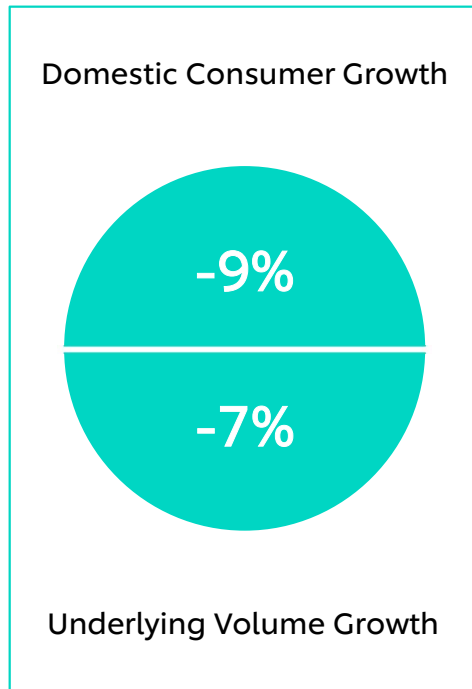
Sensitivity: Public



Hindustan Unilever Limited

MQ'2020: Performance impacted by COVID-19 disruptions

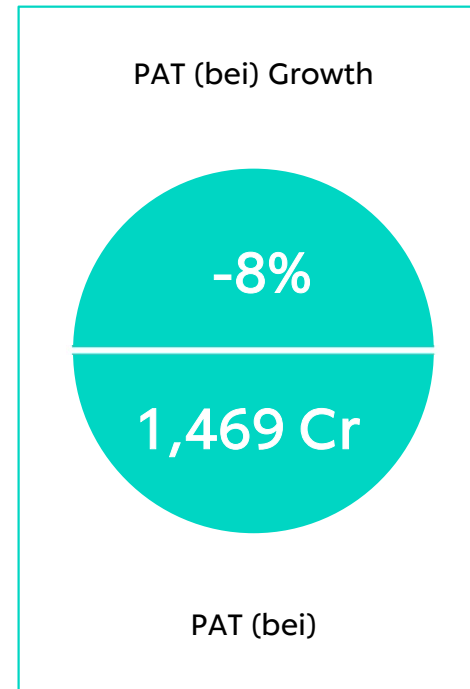
Growth



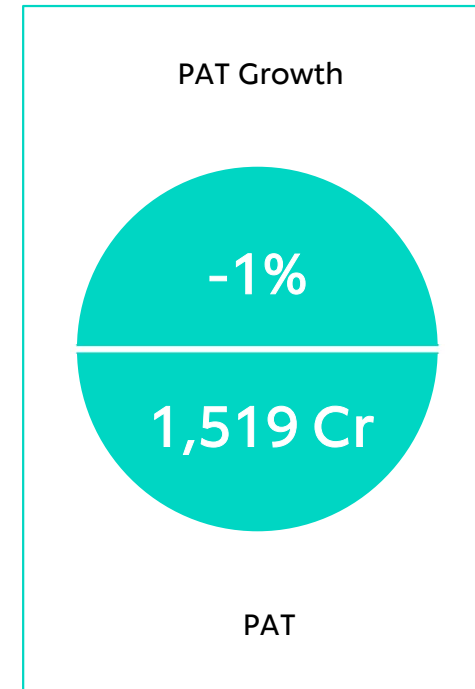
EBITDA



PAT (bei)



Net Profit

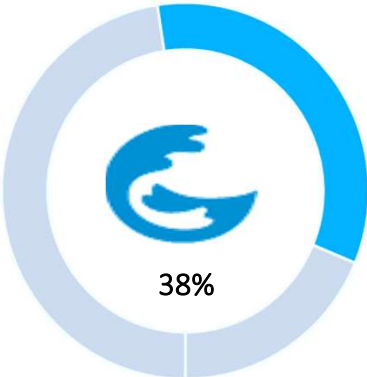


Our growths are competitive; corporate shares +50 bps



MQ'2020: Health, hygiene and foods resilient

HOME CARE

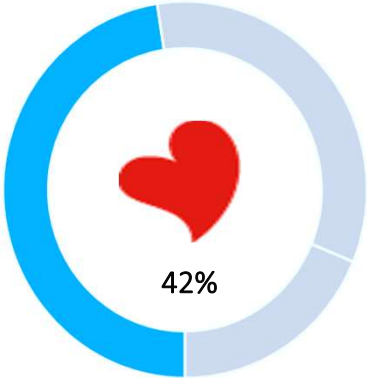


Sales Growth

-4%

Impacted: Water

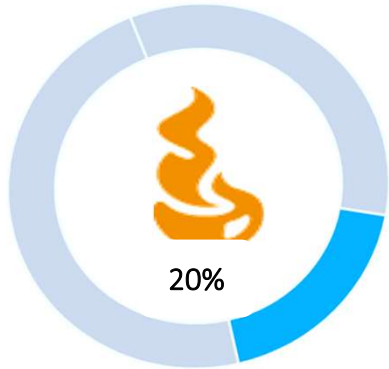
BEAUTY & PERSONAL CARE



-14%

Impacted: Skin, Hair, Color

FOODS & REFRESHMENT



-7%

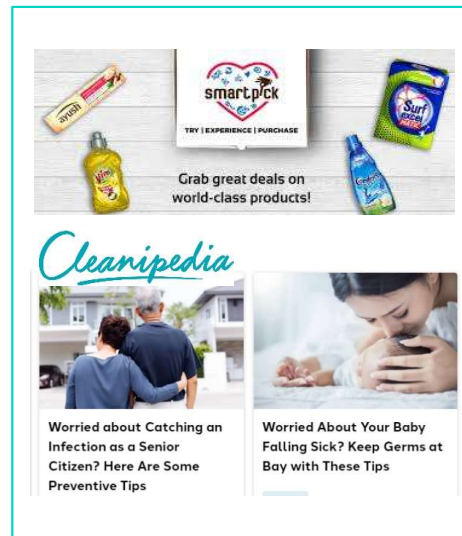
Impacted: ICD, OOH

Continued progress on fundamentals

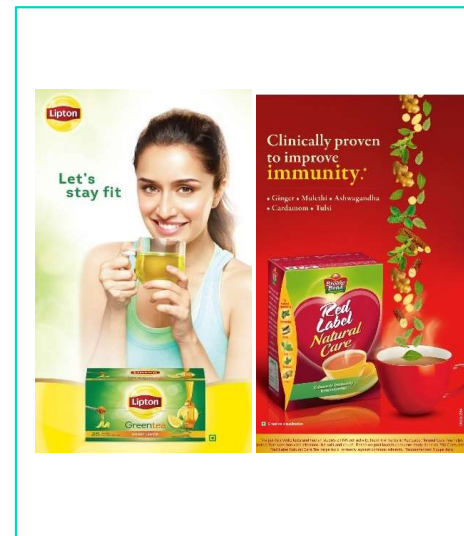
Core of the core



Market development



Premiumization

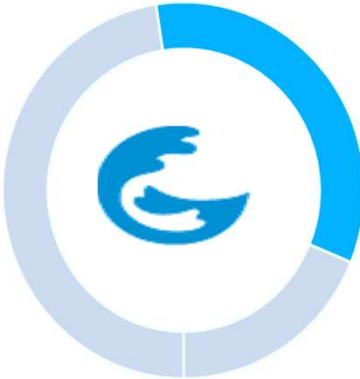


Execution prowess



Segmental Performance

HOME CARE



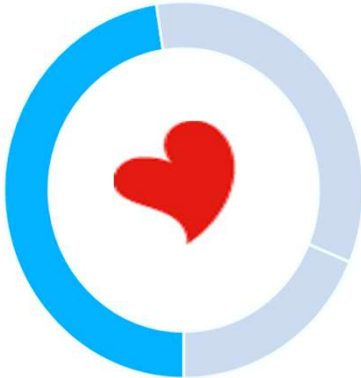
Segmental Revenue Growth*

-4%

Segmental Margins**

19%

BEAUTY & PERSONAL CARE



-13%

25%

FOODS & REFRESHMENT



-7%

13%

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

** Segment Margins (EBIT) excludes exceptional items

MQ'20: Results Summary

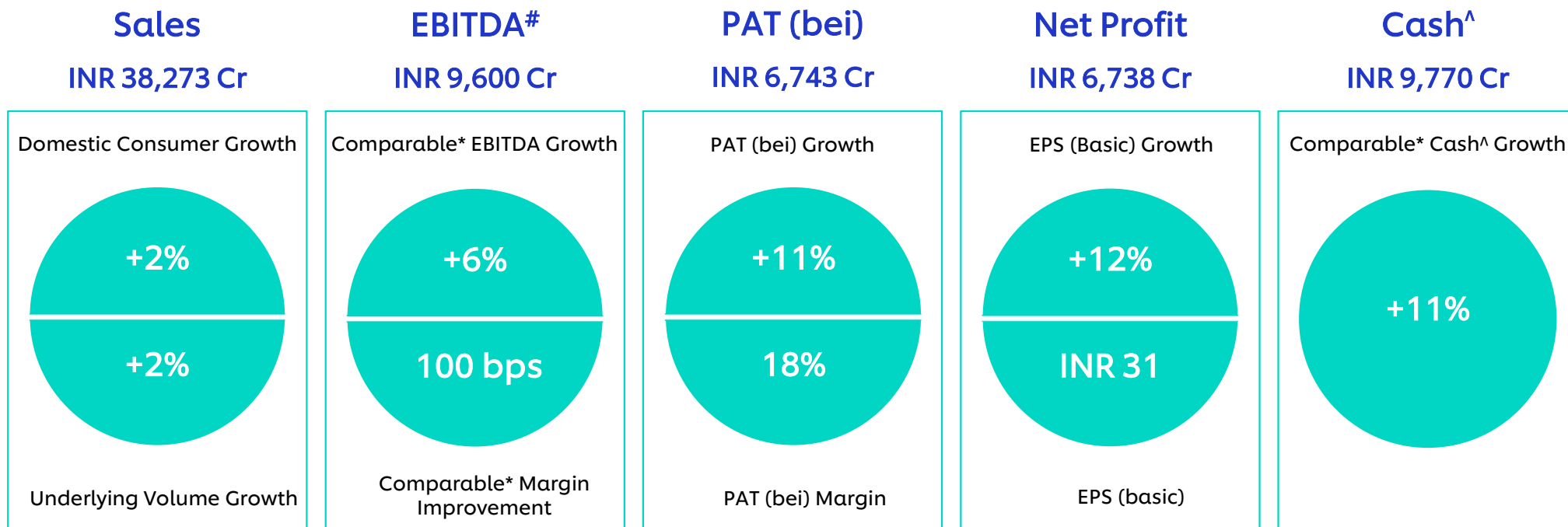
Rs. Crores

Particulars	MQ'20 (Reported)	MQ'19	Growth %
Sales	8,885	9,809	-9%^
EBITDA	2,065	2,321	-11%*
Other Income	266	118	
Exceptional Items – Credit / (Charge)	(58)	(71)	
PBT	1,992	2,227	-11%
Tax	473	689	
PAT bei	1,469	1,590	-8%
Net Profit	1,519	1,538	-1%

- Domestic Consumer Growth at -9%^
- Comparable* EBITDA declined by 15%



FY 19-20: Growth competitive and profitable



* Comparable improvement arrived after adjusting for Ind AS 116 impact

Reported EBITDA registered improvement of 210 bps

^ Cash from operations before tax **17**



Segmental Performance: FY 19-20

HOME CARE



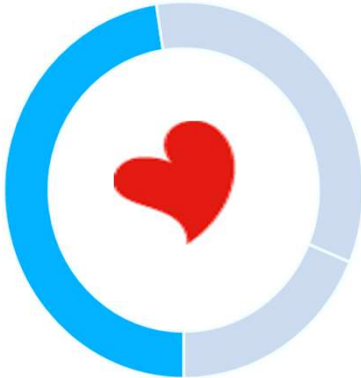
Segmental Revenue Growth*

6%

Segmental Margins**

19%

BEAUTY & PERSONAL CARE



-2%

28%

FOODS & REFRESHMENT



4%

17%

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

** Segment Margins (EBIT) excludes exceptional items

F.Y. 2019-20: Proposed Final Dividend

Particulars	F.Y. 2019-20	F.Y. 2018-19
Dividend per share	25	22
Interim	11	9
Final*	14	13
Total Dividend (Rs. Crores)	5671	4762



Looking ahead: Our strategy serves us well

Guiding framework



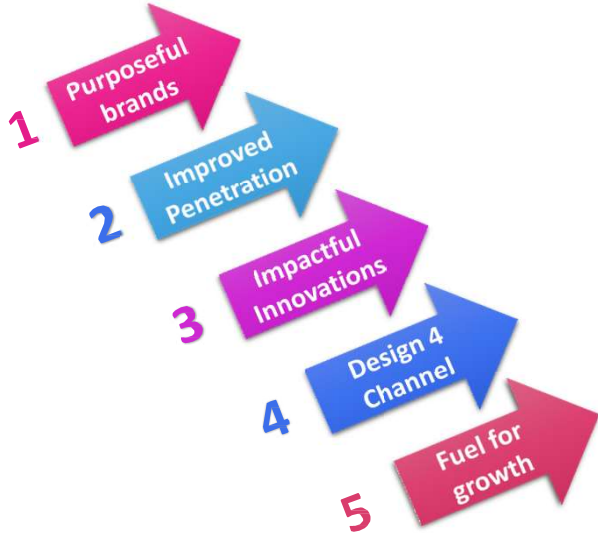
Purpose-led, Future-Fit

Consistent growth model



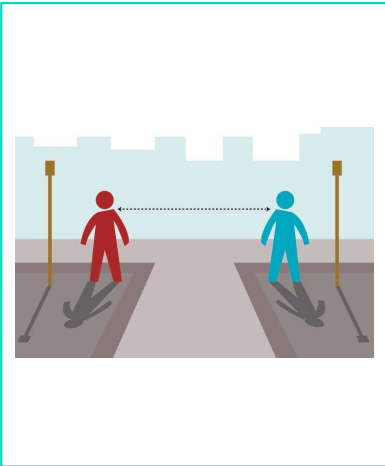
Consistent, Competitive, Profitable, Responsible Growth

Fundamentals of growth



Clear imperatives to navigate through COVID-19

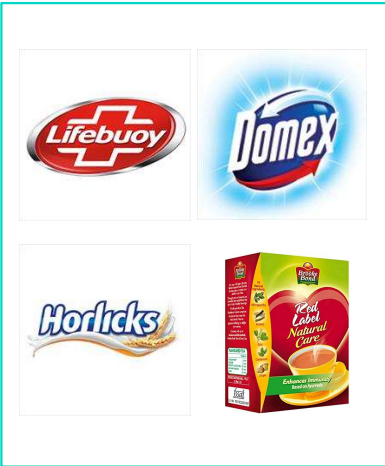
People



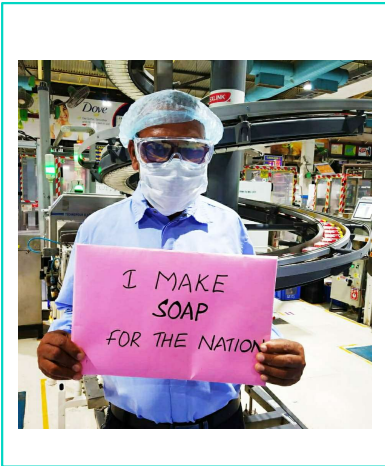
Supply



Demand



Community



Cost & Cash



Drive agility and responsiveness across the value chain

People: # 1 priority

Highest safety standards

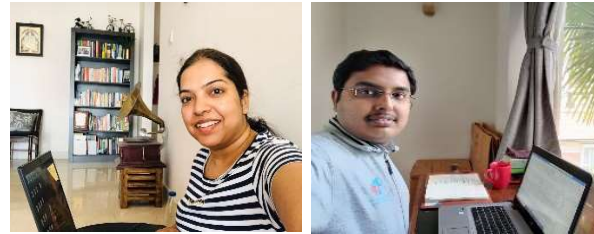


Thermal Screening At Gate



Employees Physical Distancing At Gate

Working from home



Support our partners



Supply chain and distribution resilience

Focus on key SKUs



Supply continuity



Innovative delivery models

Enhanced direct dispatch

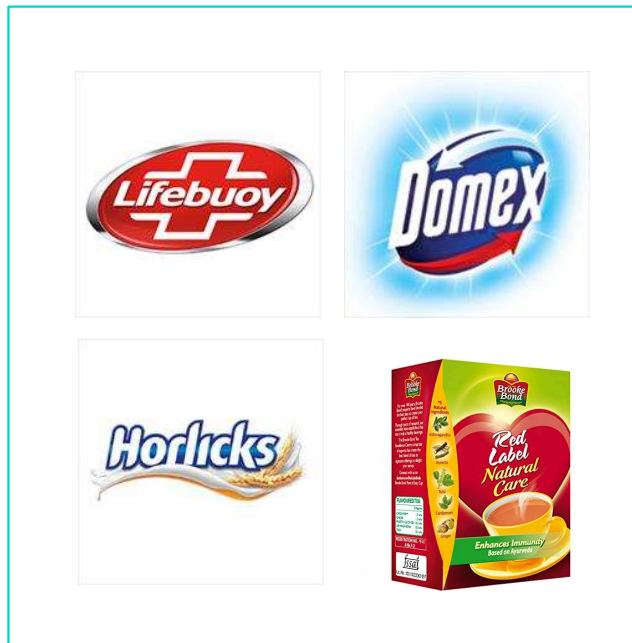


New last mile delivery models



Portfolio agility: Staying close to consumers

Essentials



Contextual communication



Consumer relevant innovations



Community: HUL stands with the nation

Price drop on essentials

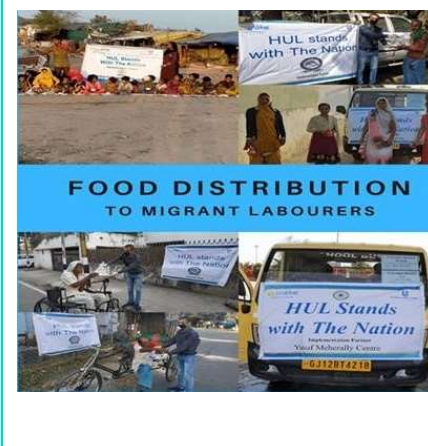


15% price cuts in essentials
Better value to consumers

Creating awareness



Helping the needy



Strengthening health infrastructure



Cash and Cost : Protect our financial model

Review sources and use of cash



Laser focus on receivables; judicious deployment of credit



Dynamic inventory management



Optimise capex & restructuring spends



Unlock cash from surplus assets



Safety & liquidity of our investments

Fuel for growth



Dial up savings across value chain; leverage our scale



Dynamic re-allocation our spends to optimise ROI



Operational cost discipline – drastic reduction in all non-essential spends



Realise year 1 synergy benefits from nutrition integration

Outlook and approach

Near term outlook

- Unprecedented times : Difficult to estimate market growths and / or consumer demand
- Volatility in inputs costs and currency to continue. Liquidity pressures to remain elevated

Our approach : Protect our business model, grow competitively and contribute to the nation

- People, Supply, Demand, Communities, Cost & Cash



