

Update : Impact of de-monetisation

Hindustan Unilever Ltd | November 2016



Hindustan Unilever Limited

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Demonetization and GST: Win-win for all, HUL welcomes them

Consumer

Lower inflation

Country / Economy

Higher investment led growth

Government

Lower fiscal deficit,
higher tax base

Industry

Simpler & effective compliance,
Level playing field

However temporary pain likely in the near term

Consumers

- ❑ Impacted by lower cash on hand
- ❑ Cautious with their spend. Initially spend only on basic necessities

Trade

- ❑ Trade down-stocking due to liquidity squeeze
- ❑ Wholesale impacted the most
- ❑ Varied impact across geographies

Others

- ❑ Logistics – Impacted particularly in long distance routes
- ❑ Media heat likely to be lower

Steps taken to address the challenge

Consumers

- ❑ Rapid planning and replenishment to capture fast changing consumer demand
- ❑ Differentiated channel and geography focus ; Leverage WIMI
- ❑ Dynamically play the portfolio to deliver value to the consumer
- ❑ Maintain competitive ad spends to drive offtake

Trade

- ❑ Work closely with distributors & retailers to mitigate impact of cash crunch
- ❑ Enhance our direct coverage and assortments further

In Summary : Outlook & Response

HUL strongly believes that

- ❑ De-monetisation & GST are significant growth drivers for India and a win-win for everyone

In the short term

- ❑ Market growths to be adversely impacted for a few months
- ❑ Gradual improvement expected led by urban
- ❑ Speed of recovery will be dependent on liquidity build up across the chain

HUL response

- ❑ Near term performance under pressure, however we will continue to
 - Stay close to consumers
 - Invest behind growth
 - Enhance our direct coverage further
- ❑ We are well positioned as channels and consumers evolve : portfolio, talent, capabilities
- ❑ Our strategy of 4G growth remains unchanged

For more information & updates

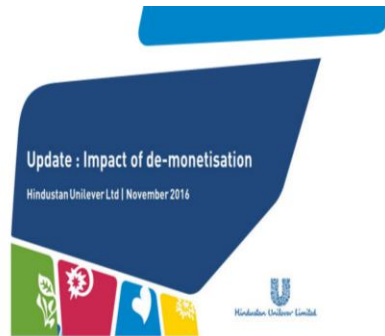
Visit our website

<http://www.hul.co.in/investorrelations/>

Impact of De-
monetisation

A teleconference / webcast will be hosted by
Mr. P.B. Balaji – Chief Financial Officer on
28th November, 2016.

> View more



HUL Investor App

