

Winning in the new normal

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Hindustan Unilever Limited

9th September, 2020

Sensitivity: Internal



Hindustan Unilever Limited

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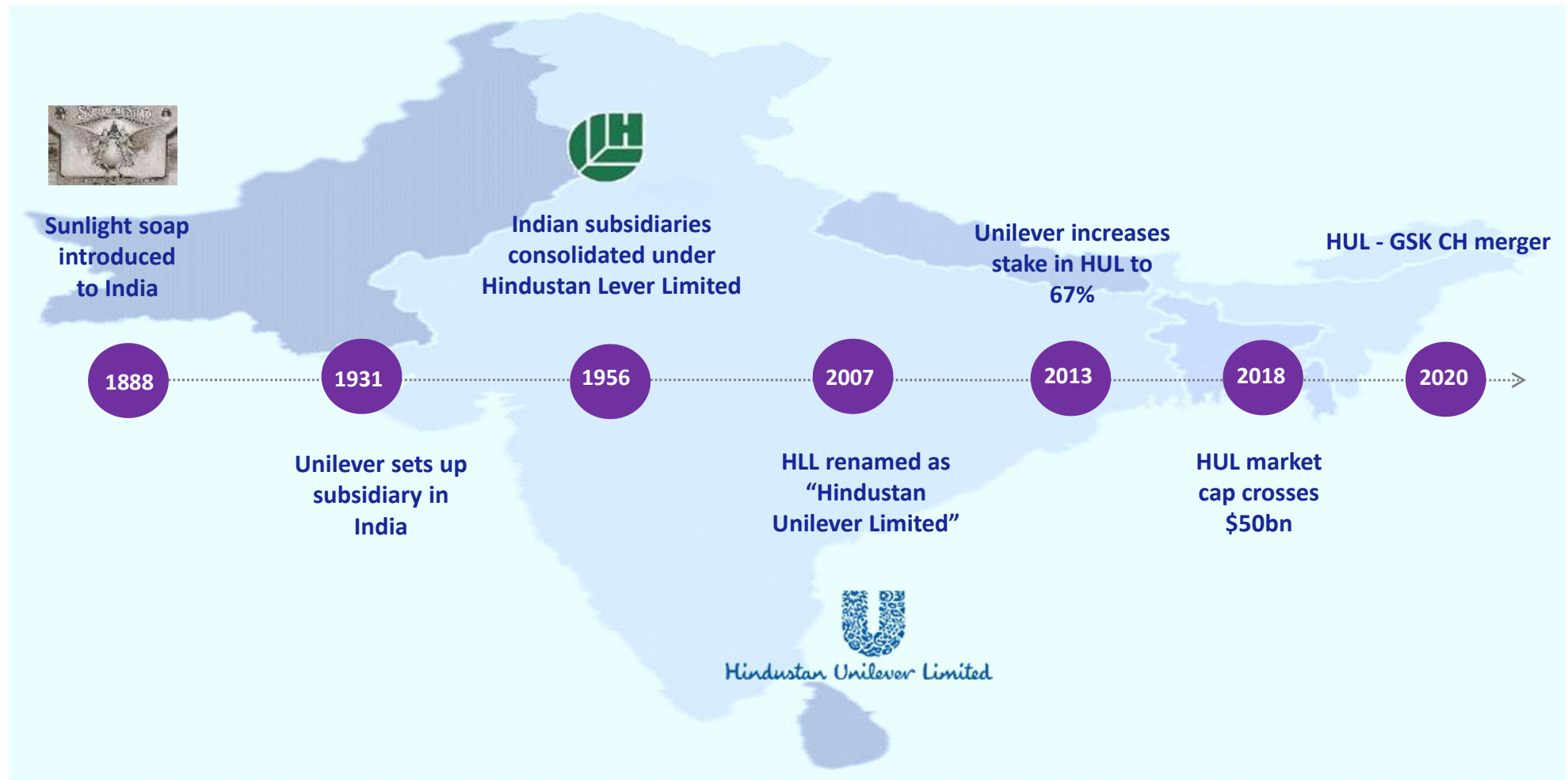


Hindustan Unilever Limited

INDIA'S LARGEST FMCG COMPANY



130+ years of presence in India



A \$6bn execution powerhouse

Our footprint



**9 OUT OF 10
HOUSEHOLDS**
use one or more of
our brands

Our brands are
available in
8 MN+ STORES



21,000
Employees working
across 31 owned
factories & 15 offices

Recognition



'EMPLOYER OF CHOICE'
in the industry
for 11 years in a row

**MOST INNOVATIVE
COMPANIES**
#8 Globally
#1 in India



14 HUL BRANDS
in India's Top 100 Most
Trusted Brands 2019



With category leadership in >90% of our business



#1

Skin
Cleansing



#1

Skin
Care



#1

Hair
Care



#1

Fabric
Wash



#1

Household
Care



#1

Tea



#1

Health Food
Drinks



#1

Ketchup



Consistent track record of high performance

Consistent growth



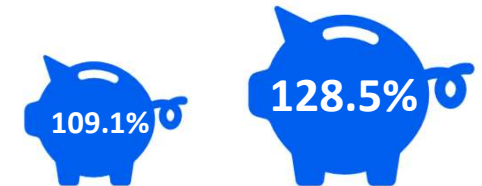
9% CAGR
over 10 years*

Profitable growth



890 BPS
EBITDA improvement over 10 years^

High return on capital employed



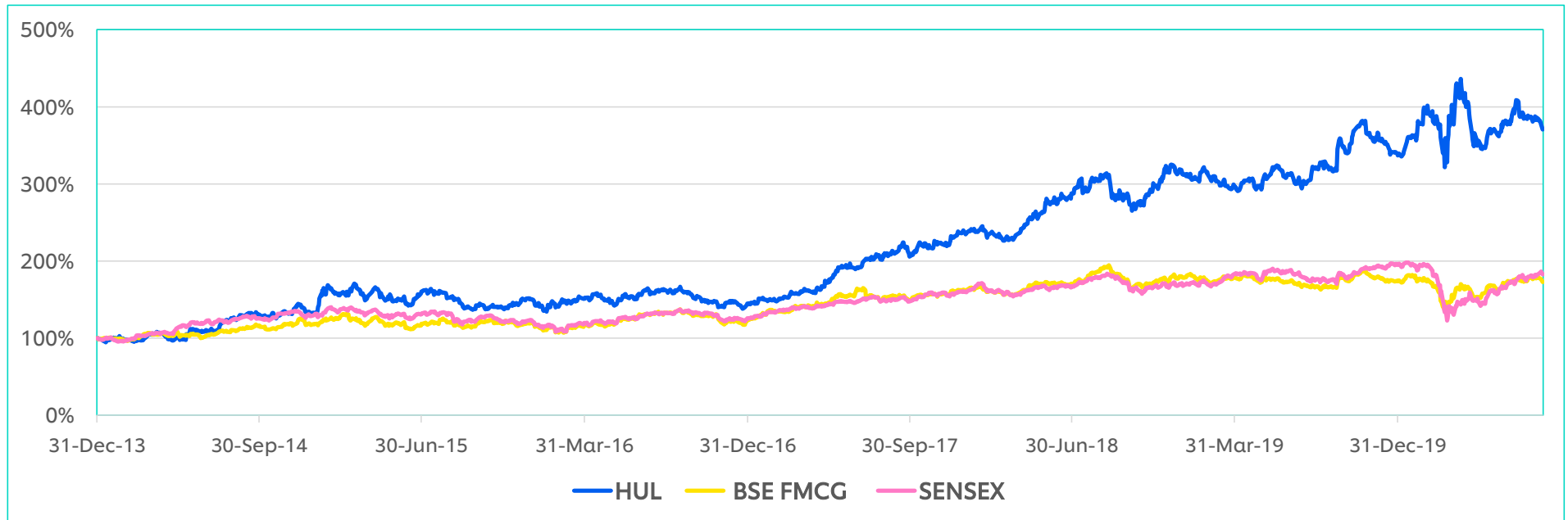
FY
2012-13

FY
2019-20

ROCE



Leading value creation



MARKET
CAPITALISATION

\$17 bn
2013

4X

+ \$51 bn

\$ 68 bn
Current*

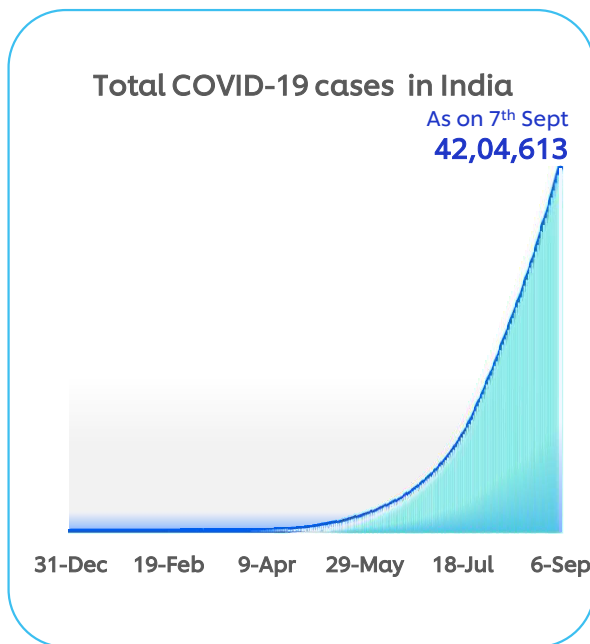


Navigating the crisis

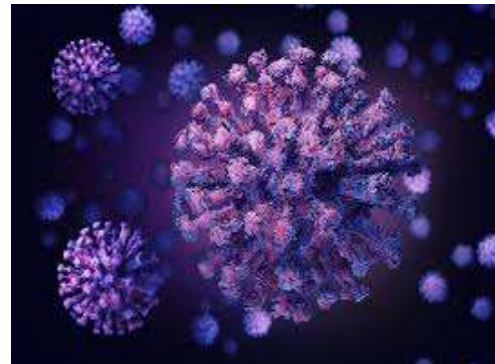


Social and economic toll of the virus

Rising COVID-19 cases

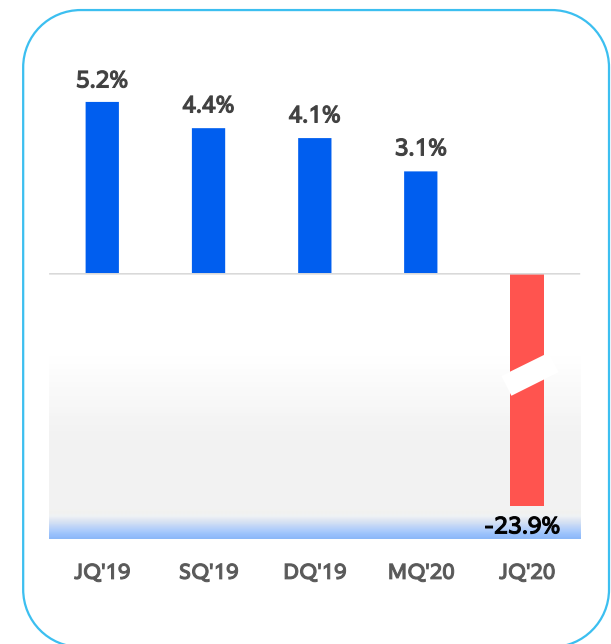


Wide range of unknowns

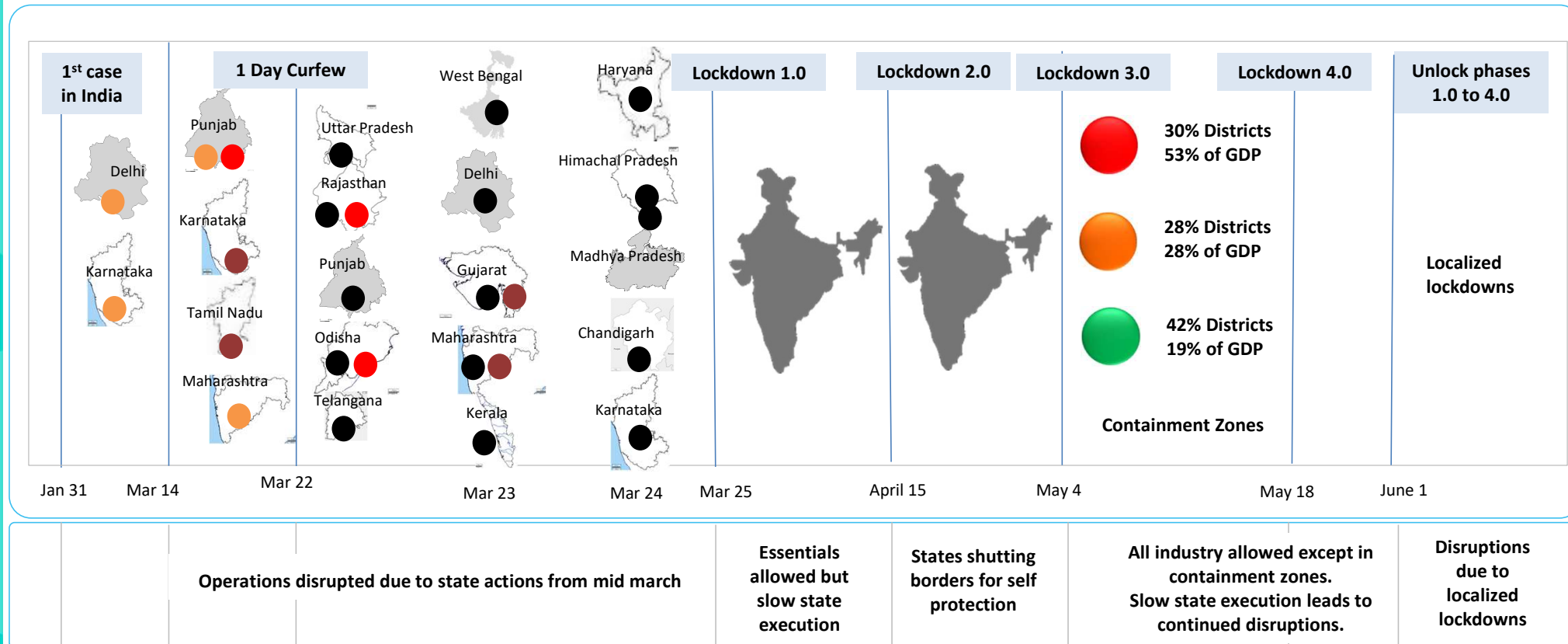


Vaccine | Containment | Recovery

Uncertain economic outlook



Progression of lockdowns and unlocks



Businesses across industries disrupted

People: Fearful and confined to home



On-ground operational challenges

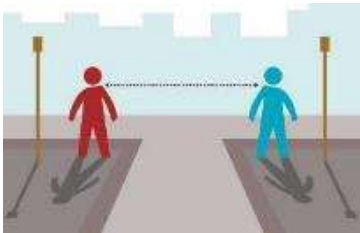


Cost and liquidity constraints



Our five priorities

People



Supply



Demand



Community



Cost & Cash



A close-up photograph of two hands, one on the left and one on the right, holding several small, white, paper-cut human figures. The figures are arranged in a circle, holding hands, and are being held up by the fingers of the two hands. The background is a soft, out-of-focus light blue. The text "#1 Priority : People" is overlaid in the center in a white, sans-serif font.

#1 Priority : People

Health and safety remains our #1 priority



Highest safety standards



Working from home



Supporting our partners



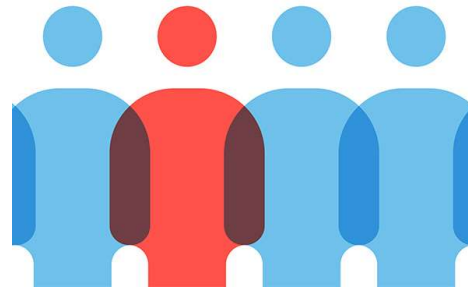
Stringent safety protocols

Rigorous operating guidelines



Proactive testing
Shutdowns & full sanitization

Special care for high risk group



Maximum attention to people with
co-morbidity or >50 years of age

Trade operations with social distancing



One of 1st to provide medical insurance
Best operating practices shared

We look after our people and they look after our business



Energised and engaged

Virtual connects



Leadership check-ins | Team Rituals

Health & wellbeing



Empowering holistic wellbeing

Learning at fingertips



Strengthening learning culture

Creating milestones

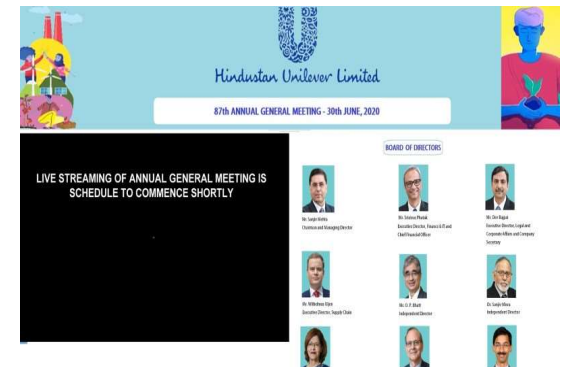
Seamless virtual integration



VWash acquisition: E2E virtual execution



Fully virtual annual close and AGM



#2 Priority : Rebuilding Supply Lines



Multitude of operational challenges

Permits and Permissions



~1,000 notifications complied

Operational constraints



Operations | Containment zones
Manpower | Logistics

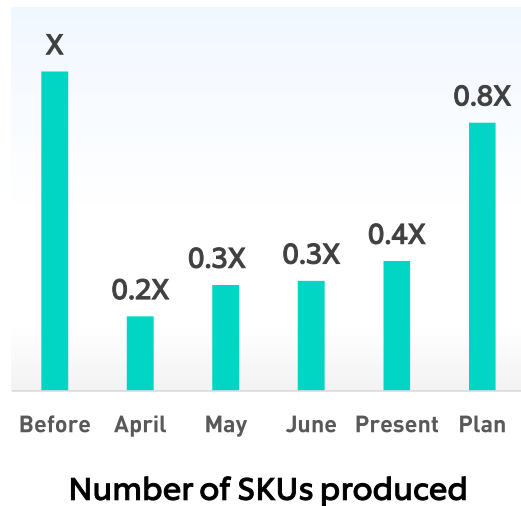
Supply Security



Material availability | Alternative
suppliers | Formulation flexibility

Navigated with agility and nimbleness

Portfolio prioritization



Capacity unlocks



Sanitizer ~120X | Handwash ~6X

New demand capture and fulfilment models



Disrupt before we get disrupted

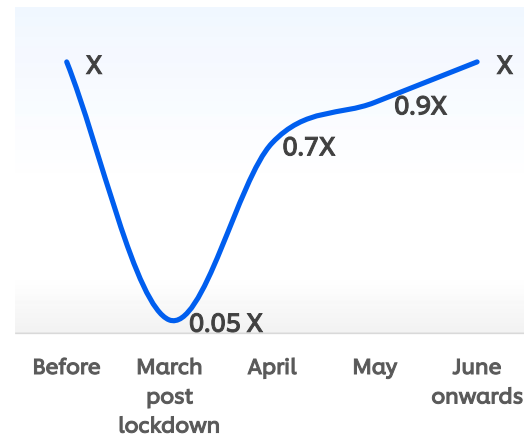
Enabling business turnaround

Fast tracking innovations



50+ product & pack innovations

Sequential improvement in operations



100% operations restored

Contactless operations

LAKMÉ SALON
YOUR SAFETY
IS OUR FIRST PRIORITY.
YOUR BEAUTY
IS A CLOSE SECOND.

Measures employed in consultation with doctors to make your favourite salon, a safe one.

C.90% salons now operational





#3 Priority: Emerging Demand Spaces



Future normal: Evolving consumer needs

CONSUMER PULSE

Clean living



Protective measure

Preventive immunity



Cocooning



Fear Factor



Value seeking



E-everything



Fear factor

Creating social awareness

COVID relevant innovations



Public service message



Safe hygiene practices



Clean living, protection & immunity

>90% portfolio relevant or repurposed for COVID times

Repertoire of trusted and purpose-led brands



Contextual communications



Cocooning

Catering to confined living

Dialing up in-home portfolio



Building relevance through propositions & activations



Value seeking

Well placed to meet all our consumer needs

Portfolio straddling the price pyramid
across categories

₹ ₹ ₹

High income



₹ ₹

Mid income



₹

Low income



c.50% of GT business from
price point and access packs



E-everything

Winning in a rapidly evolving channel landscape

Accelerating E-Commerce journey



Market shares



Margins

E-Comm

&

MT



GT

Digitizing general trade

Creating the connected store



eB2B: A competitive advantage

2.3 LAKH

Outlets onboarded



2X

Order value &
#SKUs ordered

Vs. pre-COVID levels

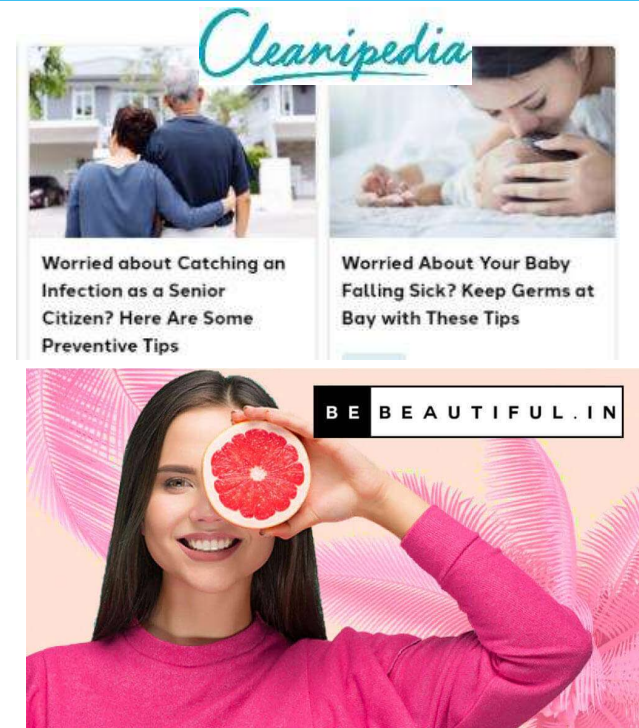
E-everything

Pivot to digital marketing models

New models of market development



Data driven marketing via content platforms



#4 Priority: Serving Communities



#HULStandsWithTheNation

INR100 Cr committed to fight COVID-19

Price reductions on essentials



 **15%**
price cuts in essentials
Better value to consumers

Product donations



#HULStandsWithTheNation

INR100 Cr committed to fight COVID-19

Healthcare support



Helping the underprivileged



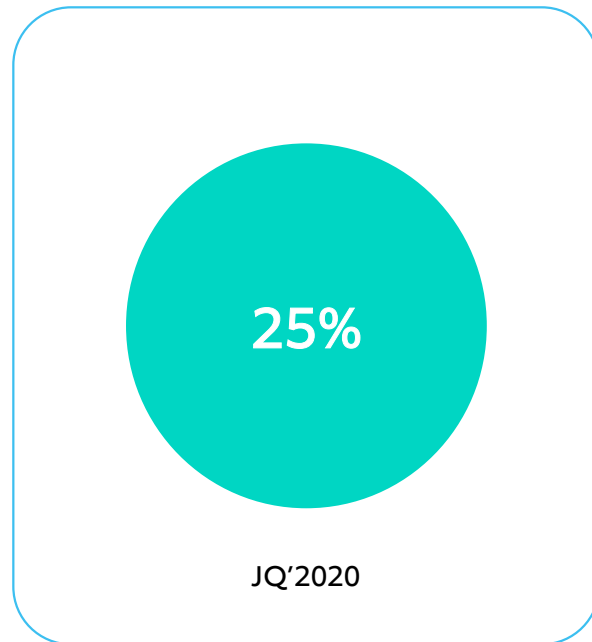


#5 Priority: Cost and Cash Agility

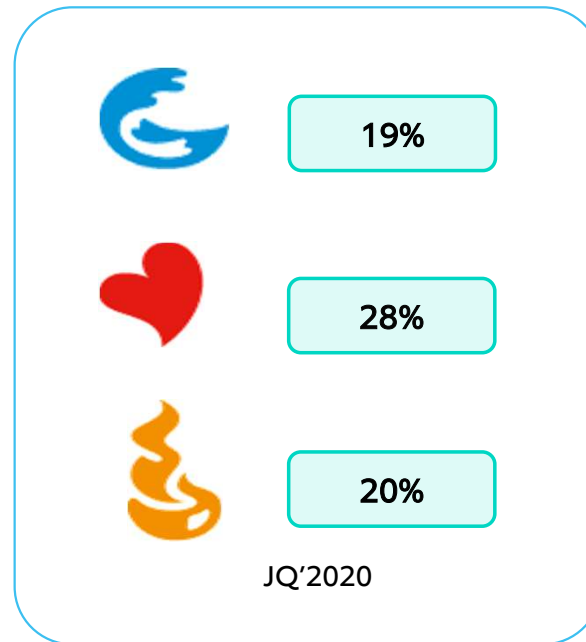


Profitable and cash generating business model

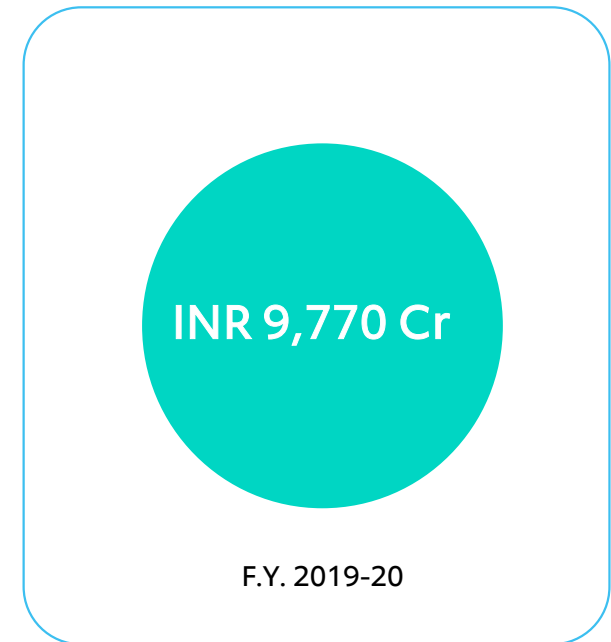
Healthy EBITDA margins



Robust margins across divisions

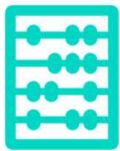


Strong cash flow from operations



Deft P&L management to address volatility & support growth

Headwinds due to COVID-19



Adverse mix



De-leverage



COVID-related on-cost

Cost agility



Savings agenda dialled up



BMI spends recalibrated, competitiveness maintained



Unlocking synergies from Nutrition business

Our five priorities are serving us well

Our five priorities



Resilient performance in challenging times

97%

Business gaining volume share

90%

Business increasing/maintaining Spont

+200 bps

Step-up in brands share of voice
JQ'20 vs JQ'19

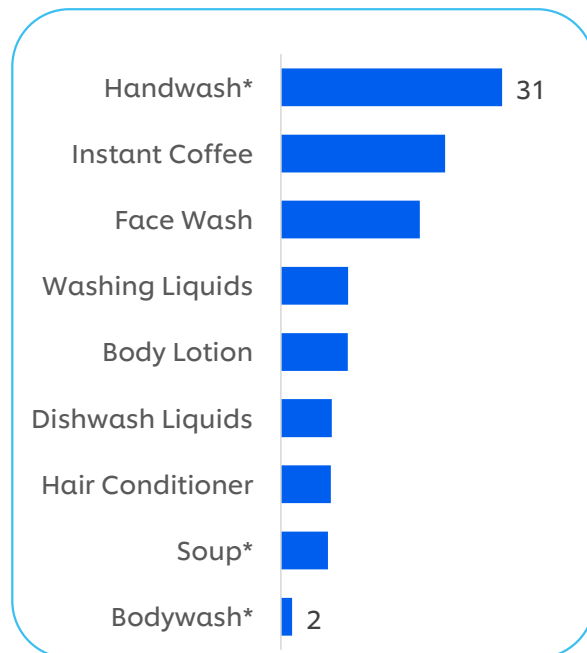




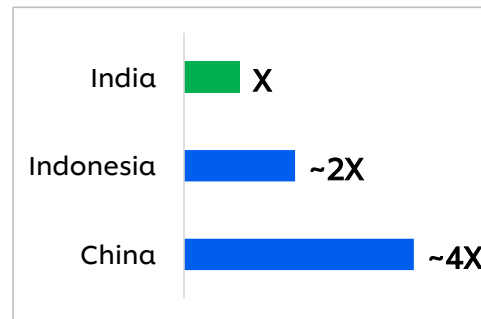
FMCG India: Long-term potential remains intact

Headroom to grow

Grow penetration



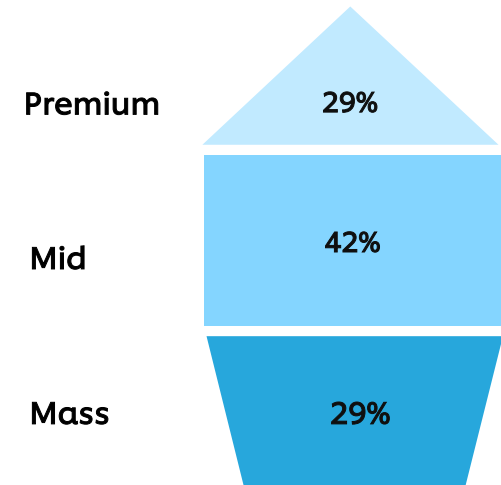
Increase consumption



FMCG per capita consumption

Drive premiumization

Indian FMCG Market Price Segmentation 2019**



* Urban Only

** FMCG Market where HUL has a presence

Sources: Penetration Data – Household Panel data from IMRB – MAT July'20
FMCG Consumption and Market Price Segmentation - Nielsen



Our strategy remains consistent

Guiding framework



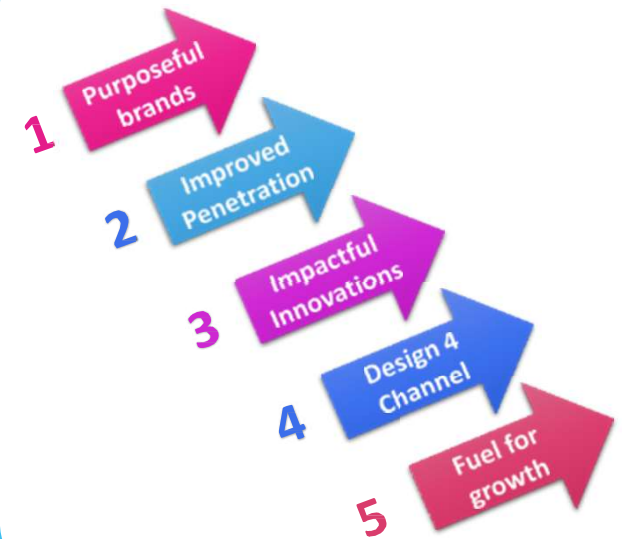
Purpose-led, Future-Fit

4G growth model



Consistent, Competitive, Profitable,
Responsible Growth

Fundamentals of growth



HUL #ComeOutStronger

Organizational strengths



Brand portfolio fit for future normal



Bench strength of talent and experience to manage turbulence



Growth fundamentals remain robust



Nimble and agile organization

Key metrics



Competitive volume-led growth



Absolute profit



Cash delivery

Thank you!



Hindustan Unilever Limited
Sensitivity: Internal