

Hindustan Unilever Limited

SQ'18 Results Presentation : 12th October 2018

TRESemmé
USED BY PROFESSIONALS



NEW TRESemmé KERATIN SMOOTH WITH KERATIN AND ARGAN OIL.

Now prepare for smooth, frizz-controlled hair for up to 3 days.**
TRESemmé, used by professional stylists of the New York Fashion Week.

new*
pack &
formulation



GET SUPER SMOOTH HAIR.
TRESEMME, PROFESSIONAL QUALITY AT YOUR FINGERTIPS.

*Refers to new pack and formula. **Based on lab test with TRESemmé Keratin Smooth system vs non-conditioning shampoo.



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.



Agenda

1

Strategy

2

Current Quarter performance

3

First Half 2018-19 summary

4

Looking Ahead



Clear and compelling strategy

Strategic Framework

THE COMPASS

Winning through a time of exponential change

WE ARE UNILEVER

VISION	To grow our business whilst decoupling our environmental footprint from our growth and increasing our positive social impact	We will lead for profitable, consistent, competitive and sustainable growth, inspiring people to take small everyday actions that will add up to a big difference. We will grow by winning shares and building markets everywhere. Through our USLP we will deliver More Growth, Less Cost, Less Risk and More Trust.
PURPOSE	To make sustainable living commonplace	We work to create a brighter future every day, with brands and services that help people feel good, look good, and get more out of life. We put the consumer first - then customers, employees, suppliers, and communities. In this way we reward our shareholders.

HOW WE WILL WIN

NON-NEGOTIABLES	Winning with brands and innovation	1 Build stronger, more sustainable brands for a connected world 2 Drive penetration and distribution of our Core 3 Deliver bigger innovation, faster, in full, to more markets
	Winning in the marketplace	4 Lead market development, reaching up, down and wide 5 Win when and where shoppers choose, e-commerce a competitive advantage 6 Grow through excellence in Net Revenue Management
	Winning through continuous improvement	7 Step change organisation cost and agility, roll out zero based budgeting globally 8 Step change returns on capital, IT and capability investments 9 Step change cost and service levels in supply, leveraging global scale and local agility
	Winning with people	10 Build diversity of leadership and put it where it counts, for longer 11 Be faster, simpler, more market-facing 12 Build resilient, empowered and aligned teams

Sustainable Living Plan



Goals

Consistent Growth

Competitive Growth

Profitable Growth

Responsible Growth



SQ'18: Summary

- ❑ Demand sustained; rural grows ahead of urban
- ❑ Crude and currency headwinds partially offset by benign veg oil and food prices
- ❑ HUL : Strong performance in the quarter



SQ'18: Strong performance in the quarter

- ❑ **Domestic Consumer Growth 12%; Underlying Volume Growth 10%**

- ❑ **EBITDA at Rs. 2019 crores up 20%; margin up by 160 bps**
 - Strong savings program and leverage in other expenses mitigates material inflation and drives margin improvement

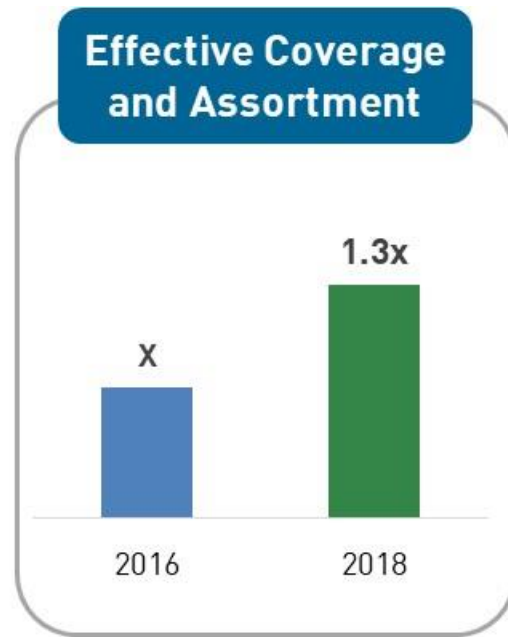
- ❑ **PAT (bei) at Rs.1522 crores up 23%; Net Profit at Rs. 1525 crores up 20%**



Speed and Agility across value chain is serving us well



Faster landing of **innovations** and **price changes**



Enhanced **reach** and improved **quality of distribution**

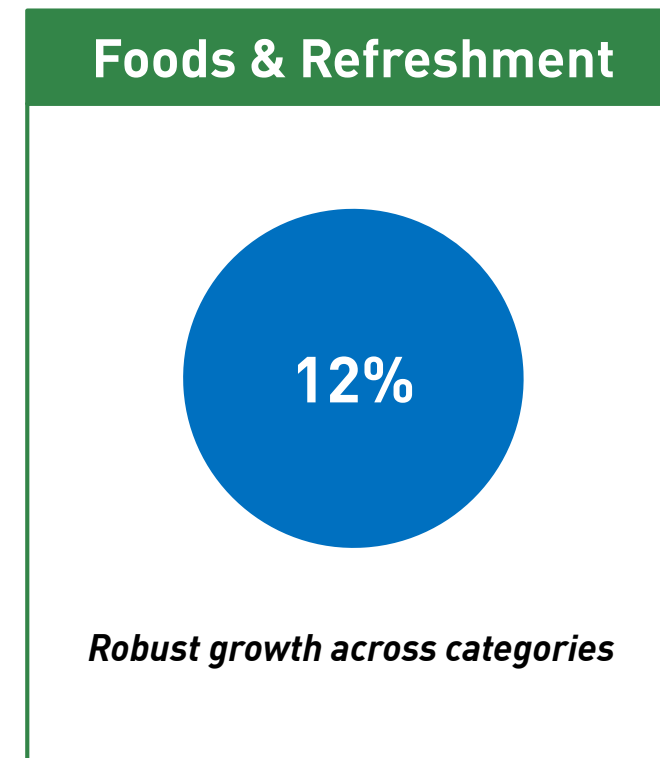
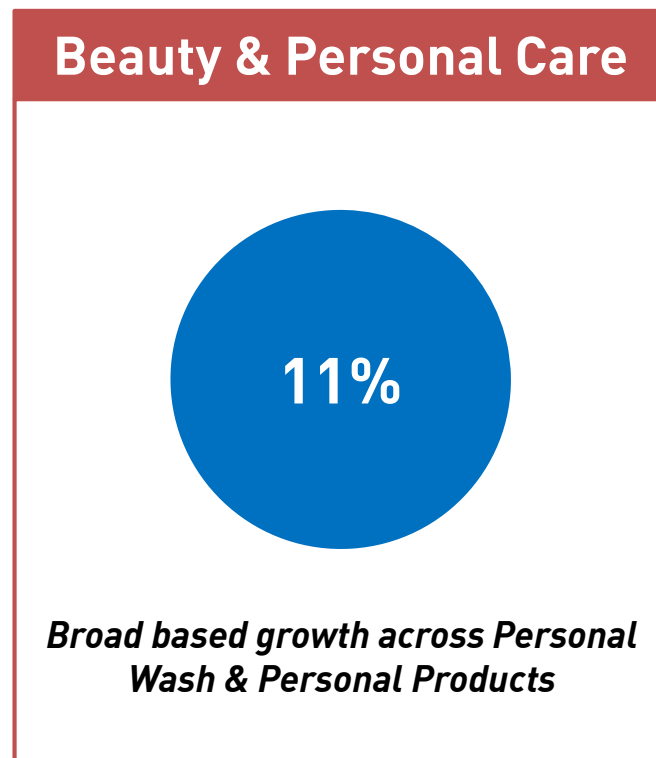
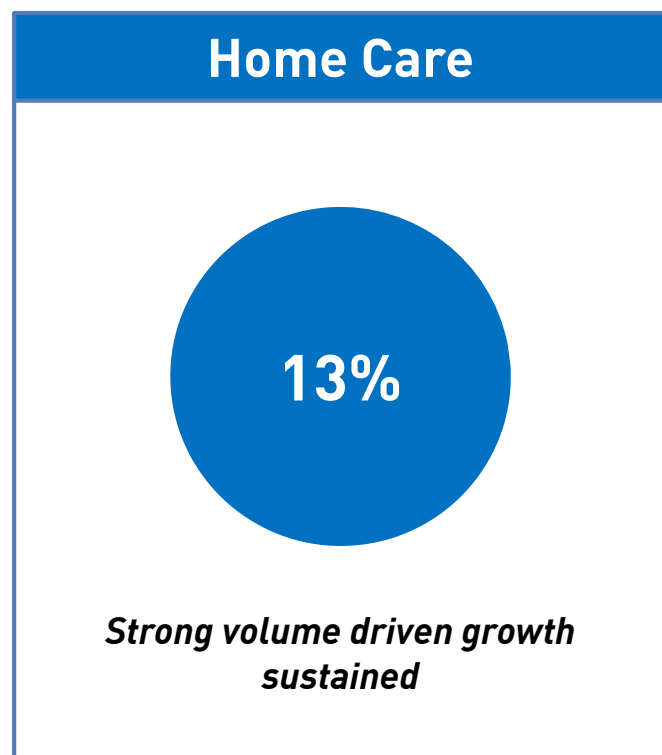


Optimized inventory holding while sustaining **high service levels**



Savings % Turnover dialled up

Strong growth across Divisions : Volume led

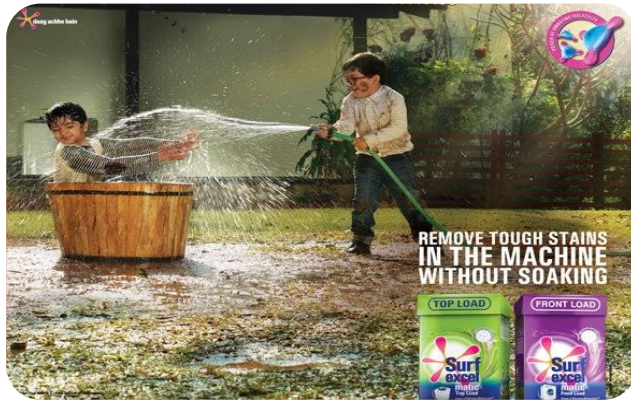


Reported Sales Growth



Home Care

Strong volume driven growth sustained



- ❑ **Fabric Wash:** Double digit growth across the portfolio led by premiumization and market development
- ❑ **Household Care:** Another quarter of strong volume growth
 - Domex – ‘Pick up the Brush’ campaign launched in South India
- ❑ **Purifiers:** Sharpening portfolio strategy in line with evolving consumer needs; performance impacted in the quarter





Beauty & Personal Care

Broad based growth across Personal Wash & Personal Products



- ❑ **Personal Wash:** Robust growth across premium portfolio; Dove and Pears lead category growth
 - Penetration step up- Lifebuoy Rs. 5 access pack launched
- ❑ **Skin Care:** Momentum across brands continued to deliver strong results
 - Men's Fair & Lovely relaunch well received
- ❑ **Hair Care:** Strong double digit growth across key brands
 - TRESemmé relaunched with superior fragrance and packaging



Beauty & Personal Care : Contd.

Broad based growth across Personal Wash & Personal Products



- ❑ **Colour Cosmetics:** Another quarter of double digit growth on the back of rollout of successful innovations
 - “Kareena Kapoor Khan by Lakmé Absolute” an exclusive makeup range launched

- ❑ **Oral Care:** Central and North markets performed well; overall delivery below expectations

- ❑ **Deodorants:** Impressive growth led by strong performance of innovations; Axe Ticket continued to gain traction





Foods & Refreshment

Robust growth across categories



- ❑ **Beverages:** Broad based double digit growth for the quarter
 - WiMI strategy delivering strong results
 - Focused market development accelerated green tea growth

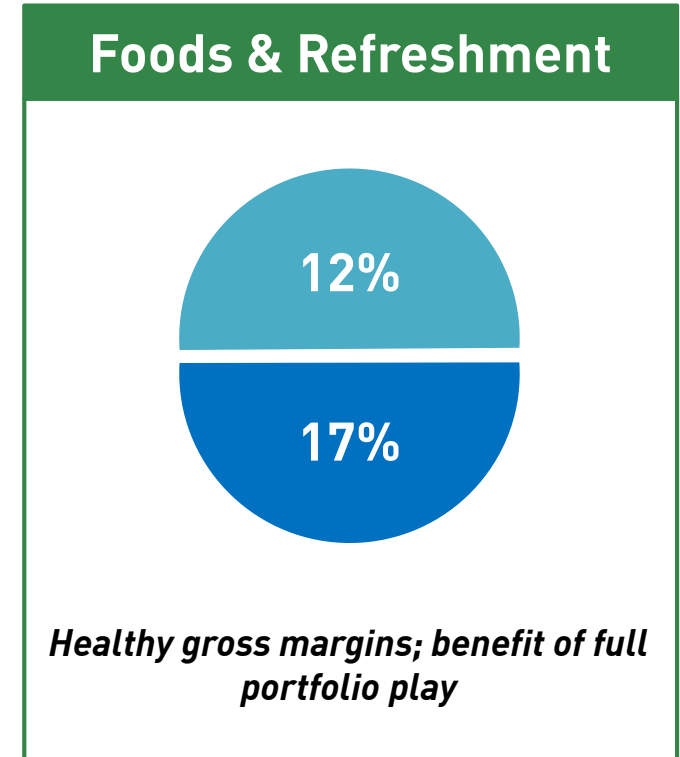
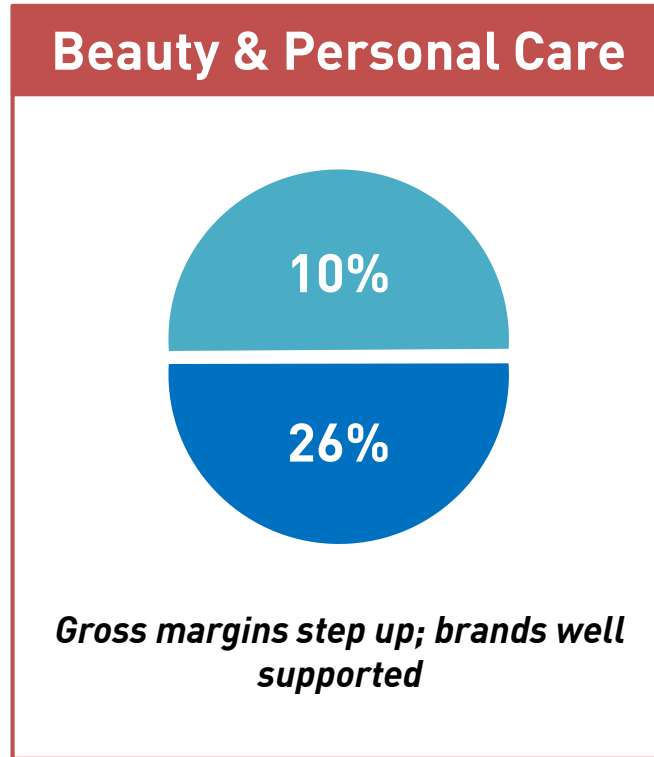
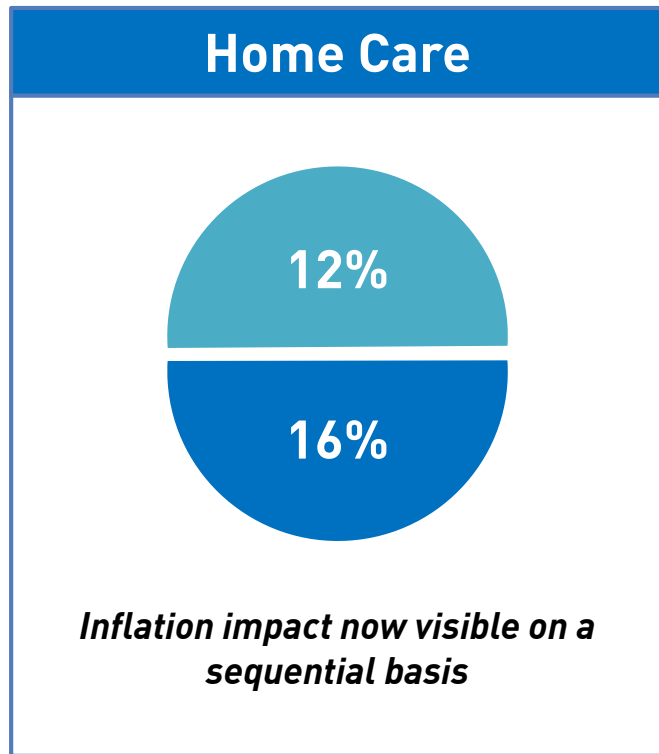
- ❑ **Ice Cream & Frozen Desserts:** Sustained strong growth momentum
 - Acquired Adityaa Milk Ice cream; integration commenced

- ❑ **Foods :** Double digit growth led by ketchups and jams





Segmental Performance



Segment Revenue Growth*

Segment Margins

*Segment Revenue Growth = Segment Turnover growth including Other Operational Income (Excludes impact of A&D) 14



SQ'18: Results Summary

Rs. Crores

Particulars	SQ'18	SQ'17 (Reported)	Growth %
Sales	9138	8199	11 [^]
EBITDA	2019	1682	20
Other Income	305	204	
Exceptional Items – Credit / (Charge)	(35)	36	
PBT	2152	1801	20
Less : Tax	627	525	
PAT bei	1522	1236	23
Net Profit	1525	1276	20

- Domestic Consumer Growth at 12%[^]
- EBITDA improvement 160bps
- Other Income up due to interest on prior period tax assessment order



FIRST HALF 2018 – 19

First Half 2018-19: Results Summary

Rs. Crores

Particulars	FH18-19	FH17-18 (Reported)	Growth %
Sales	18494	17293	7 [^]
EBITDA	4270	3548	20
PAT bei	3090	2528	22
Net Profit	3054	2559	19

- Comparable* Domestic Consumer Growth at 14%[^]
- Comparable* EBITDA improvement 130bps



Interim Dividend : Increase by 1 Re

Particulars	FH'18-19 Interim	FH'17-18 Interim
Dividend Per Share (Rs.)	9.0	8.0
No. of Shares (Cr.)	216	216
Total Dividend (Rs. Cr.)	1,948	1,732
Dividend Distribution Tax (Rs. Cr.)	400	352
Total Dividend Outflow (Rs. Cr.)	2,349	2,084

Looking ahead

Near term

- Demand outlook stable
- Crude increase and currency depreciation key watch outs

Our strategy

- Focus on volume driven growth and improvement in operating margin
- Consistent, Competitive, Profitable, Responsible Growth

Agile & responsive supply chain and data driven capabilities will enable us to best serve consumer needs



For more information and updates

Visit our website

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

September Quarter 2018 results

Hindustan Unilever Limited will release its financial results for September Quarter 2018 on Friday 12 October, 2018.

[> View more](#)

