



## Hindustan Unilever Limited

Hindustan Unilever Limited  
Unilever House  
B D Sawant Marg  
Chakala, Andheri East  
Mumbai 400 099

Tel: +91 (22) 3983 0000  
Web: [www.hul.co.in](http://www.hul.co.in)  
CIN: L15140MH1933PLC002030

2nd August, 2019

Stock Code BSE: 500696  
NSE: HINDUNILVR  
ISIN: INE030A01027

BSE Limited,  
Corporate Relationship Department,  
2nd Floor, New Trading Wing,  
Rotunda Building, P.J. Towers,  
Dalal Street,  
Mumbai – 400 001

National Stock Exchange of India Ltd  
Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block,  
Bandra – Kurla Complex,  
Bandra (E),  
Mumbai – 400 051

Dear Sir,

**Sub: Investor Presentation**

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the presentation to be made to a group of investors at Mumbai today.

You are requested to take the above information on your record.

Thanking You.

Yours faithfully,

**For Hindustan Unilever Limited**

**Dev Bajpai**  
Executive Director, Legal & Corporate Affairs  
and Company Secretary  
DIN:00050516 / FCS No.: 3354



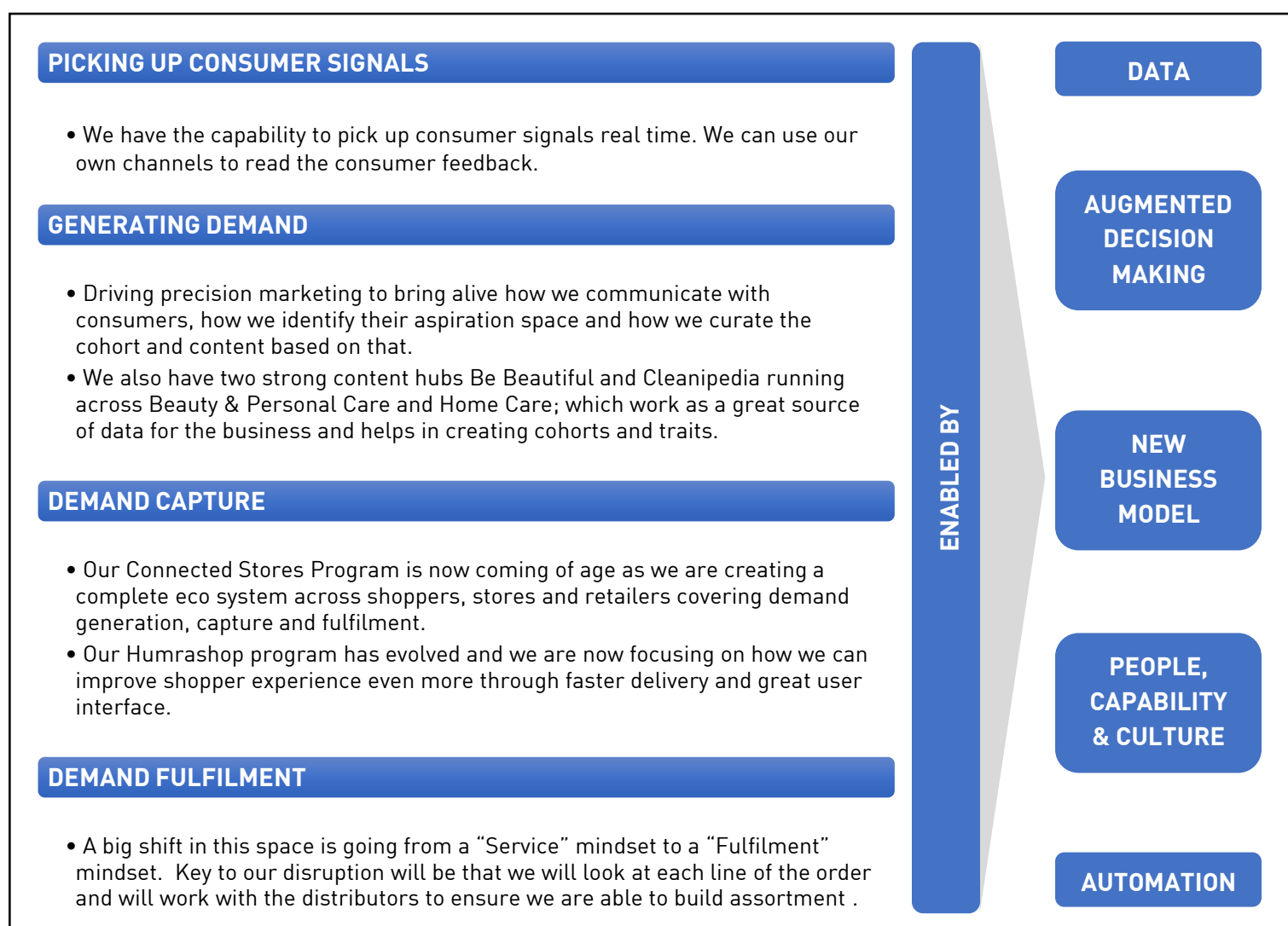
## ANNUAL INVESTOR MEET 2019: BREAKOUT SESSION

### RE-IMAGINING HUL: DIGITAL TRANSFORMATION TO BUILD A FUTURE FIT HUL

With a population 1.3 billion and a GDP of ~US\$2.6 trillion, India's ascend to the world economy is a well-known story. However, critical to India's next growth trajectory will be the surge in the digital ecosystem that will catapult it to a US\$ 10 trillion economy. Today the country has 1.2 billion\* mobile phone subscriptions and 560 million\* internet subscribers, making it one of the fastest digitising country. A mammoth 8.3 GB\* per capita data consumption/ month is making it one of the highest data consuming market. In 2018, Indians have downloaded 12 billion\* apps, changing the dynamics of consumer experience. Despite these staggering numbers, only ~50% of Indians are online, speaking volumes of the huge disparity across India. We call it 'the Great Divide', which is making it imperative for us to serve all of India.

With disruption becoming par for the course, we observe different retailer and distributor's business models and a non-linear consumer journey. To be at the forefront of such a changing ecosystem, we continue to put a big thrust on leveraging technology and data-led decision-making. We are choreographing an integrated end-to-end organization change program across functions as encapsulated in our vision 'Re-imagining HUL'. Today we don't have full visibility to the extent of growth potential in the market due to asymmetry of information across the value chain. An integrated solution will bring information together in a more harmonised manner which we believe will help us leverage the full potential of growth.

The 'Re-imagining HUL' program in summary:



Collectively, these initiatives will strengthen our data moat, and build an organization which is purpose led and future fit.

# Foods & Refreshment

Sudhir Sitapati, Executive Director F&R



Hindustan Unilever Limited



# FY 2018-19 PERFORMANCE HIGHLIGHTS

## Strong Brands



**4 Brands with  
Turnover > 500 Crores**

## Net Sales



**Double Digit Turnover  
Growth**

## Operating Margin



**17% Operating Margin\*  
~180 Bps# ▲**

*\* Segment Margins (EBIT) FY 2018-19 excludes exceptional items*

*# Operating margin improvement in one year (FY'19 Vs. FY'18)*

# STRONG POSITION IN ALL KEY CATEGORIES



**#1**

**Tea**



**#2**

**Coffee**



**#1**

**Ketchup**



**#1**

**Jams\***



**#2**

**Ice Creams\***

## OUR PURPOSE

### TO HELP SHAPE INDIA'S FOOD REVOLUTION

As one of India's largest Foods & Refreshment companies, we will use science & expertise to serve the majority of Indians by preserving the goodness of farm in a healthy, hygienic and sustainable way.



# OUR STRATEGY

## Growth Segments



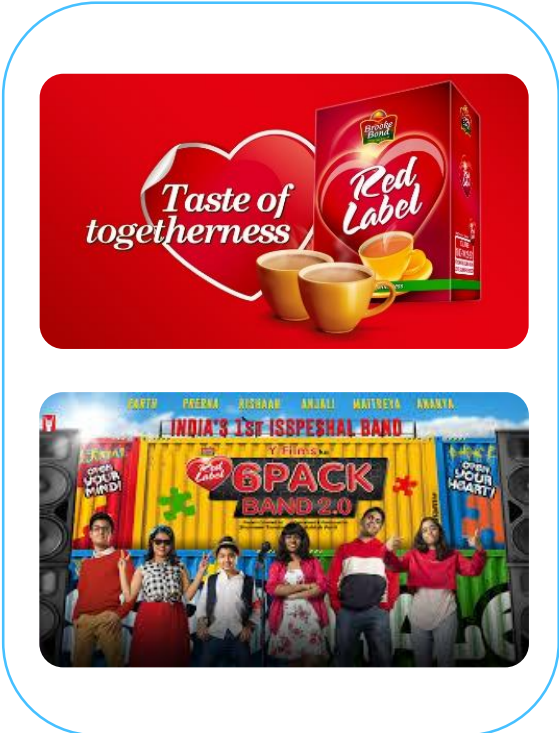
## Growth Channels



## M&A



## Purposeful Brands



# OUR STRATEGY

## Growth Segments



## Growth Channels

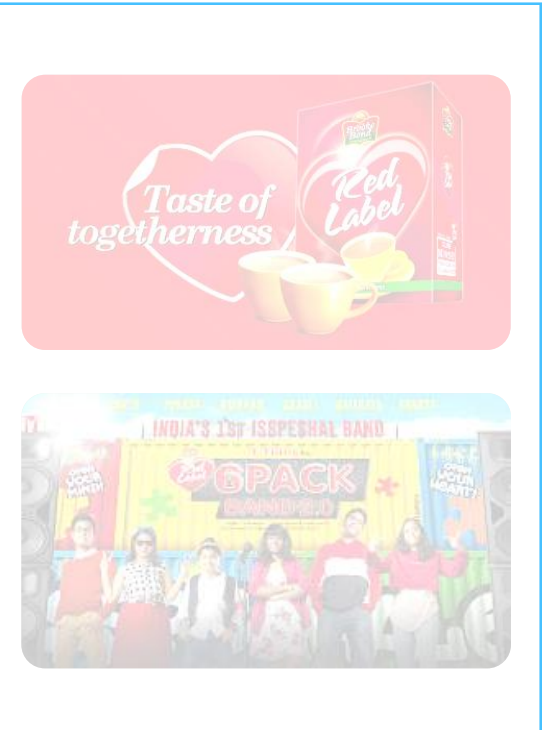


## M&A



\*Subject to regulatory approvals

## Purposeful Brands



# NATURAL CARE HAS SUCCESSFULLY LEVERAGED THE TREND OF HEALTH AND WELLNESS

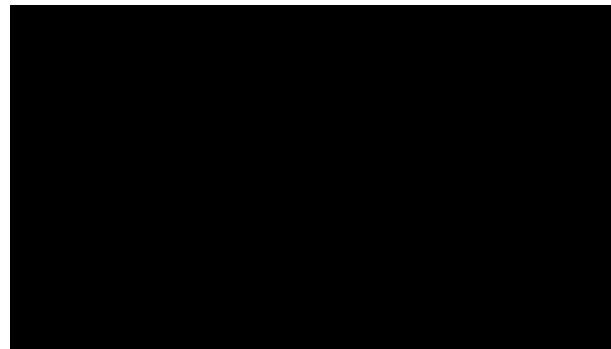


## Iconic brands

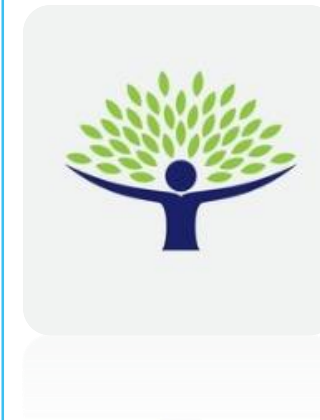


## Persuasive communication with strong claims

▶ AV 02: Red Label Natural Care



## Consistent results



Natural Care

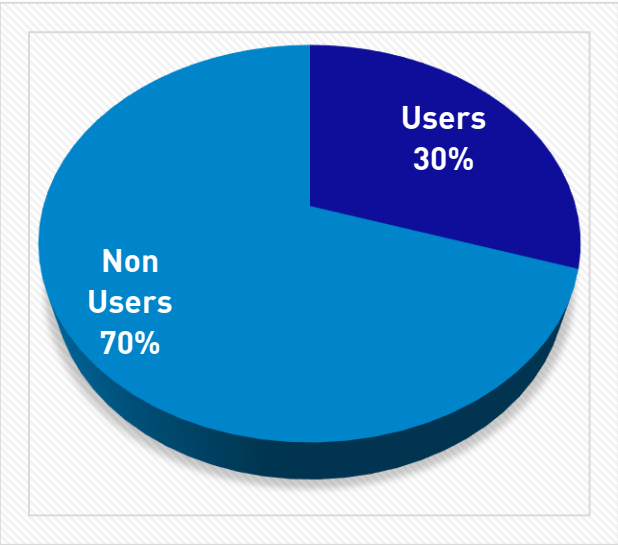
~2X

in the last 3 years

# DEVELOPING THE KETCHUP MARKET IN INDIA



## Underpenetrated category



## Communication aimed at market development

AV 03: Kissan TVC



## Leading the market development

4 out of every 5 category entrants through kissan



# REVISED STRATEGY HAS HELPED US DOUBLE OUR GROWTH RATES IN ICE CREAMS IN LAST 2 YEARS



## Organic expansion



X Towns



6X Towns

2014

2019

## Entering BOP



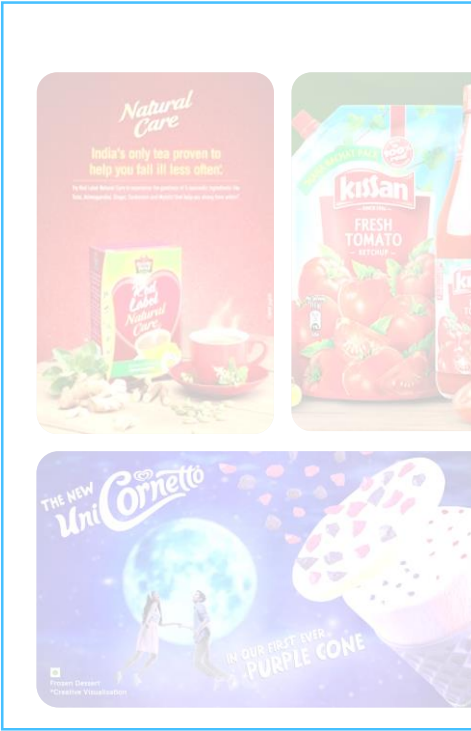
Kulfi Stick Rs. 10

## Blockbuster innovations



# OUR STRATEGY

## Growth Segments



## Growth Channels



## M&A



\*Subject to regulatory approvals

## Purposeful Brands



# UNILEVER FOOD SOLUTIONS



## Huge opportunity



Huge headroom to grow

## Our strategy



Bring global successes to India

## 8 quarters of strong growth



**3.5X**

Local Chain Accounts



**2X**

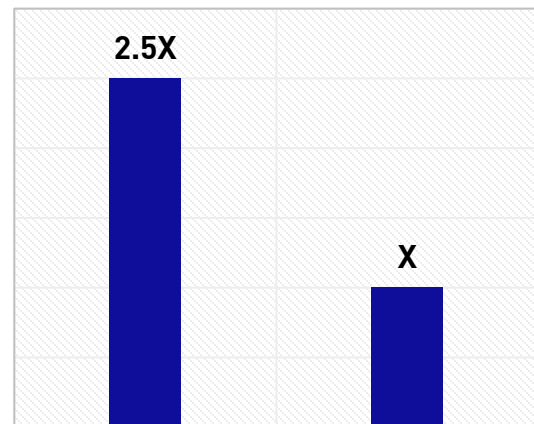
Star Hotels

# TEA: BRILLIANT BASICS UNLOCKED MASSIVE OPPORTUNITY IN RURAL



## Rural opportunity

HUL Tea market share



Under indexed rural share

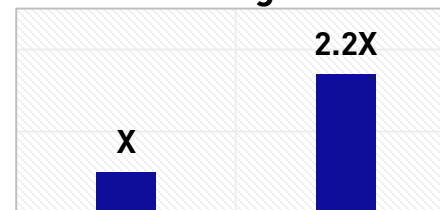
## Our strategy



AV 04: Brooke Bond Taaza TVC



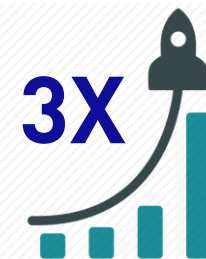
HUL Tea Direct Coverage



MQ 16

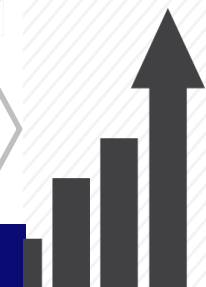
MQ 19

## Significant results in last 3 years



2X

HUL TEA PORTFOLIO



# OUR STRATEGY

## Growth Segments



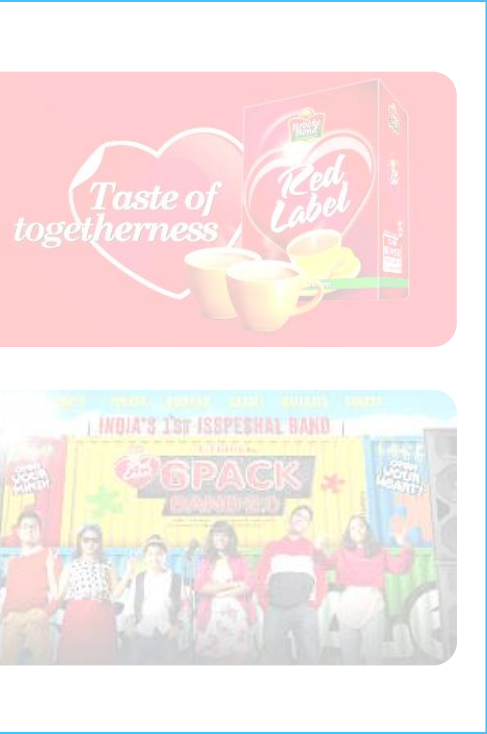
## Growth Channels



## M&A



## Purposeful Brands



# HUL F&R CONUNDRUM WAS

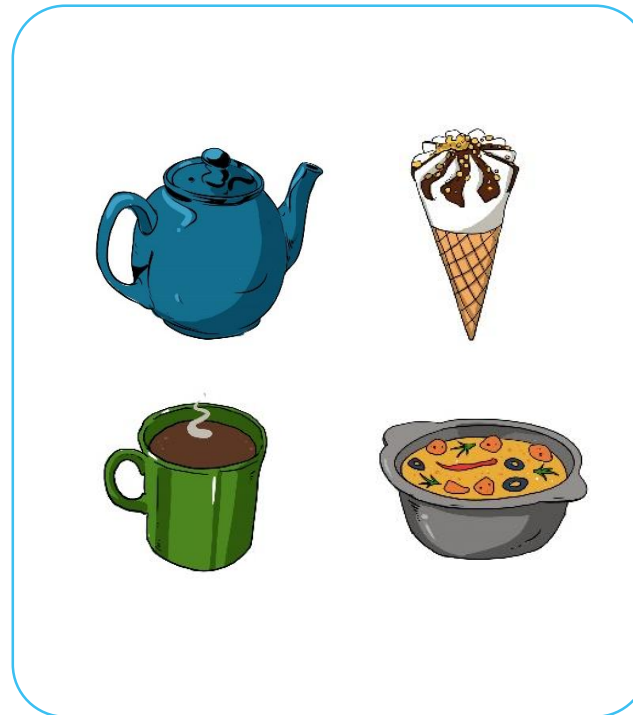


## STRONG EXISTING BUSINESS

~7000 Crore  
Double digit growth



Market leaders / winning shares



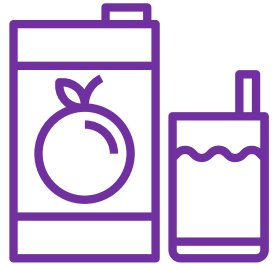
... BUT PLAYED IN SLOWER  
GROWING PARTS

HUL was playing in a  
relatively smaller, slower  
growing highly penetrated  
part of the market

# HEALTH FOOD DRINKS (HFD) MARKET IN INDIA



**Large & consolidated**



**1 Billion Euro Market  
With GSK dominance in  
Shares**

**Yet under-penetrated**



**25% Penetration**

**Brands with strong equity**



**Having strong margins**



**With scope for even  
higher margins**

# HUL-GSK DEAL



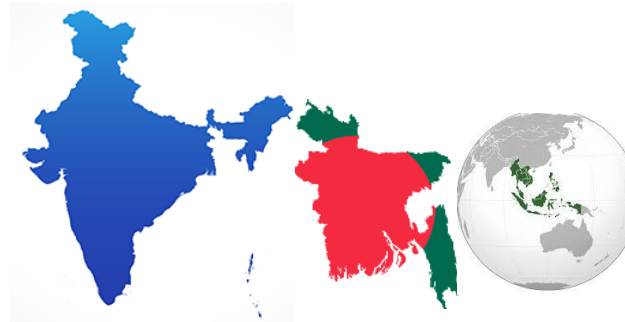
## Portfolio



**Broad portfolio of  
Nourishing Malt-based Drinks**

High EBIT margin

## HFD deal contours



**Deal is global in scope  
\$ 3.8 Bn - India**

20 Markets IPR & Commercial Op.

## OTC/OH



**OTC Portfolio**

On commission selling agent

**ON TRACK AS PER PLAN ON THE REGULATORY APPROVALS FOR THE MERGER**

# ADITYA ACQUISITION GIVES US Foothold IN NEWER MARKETS



## HUL acquires Adityaa Milk Ice Cream brand

Adityaa Milk is a fast-growing brand and brings in distribution and portfolio synergies to Kwality Wall's across Maharashtra, Goa, Karnataka and Kerala

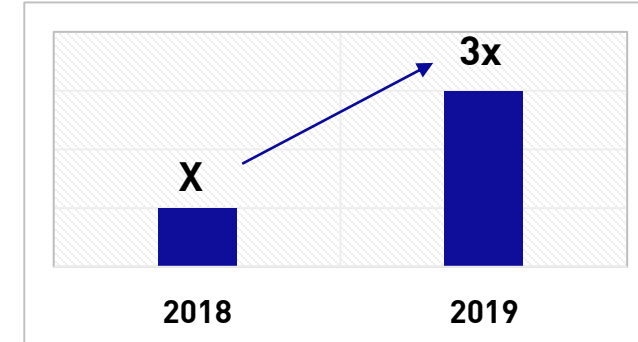


Enabled us to play BOP



Mini cone  
Rs. 10

Unlocked physical availability in new markets



HUL + Adityaa cabinets in key markets\*

\*Kerala, Rest of Karnataka & Rest of Maharashtra

# OUR STRATEGY



Hindustan Unilever Limited

## Growth Segments



## Growth Channels



## M&A



*\*Subject to regulatory approvals*



## Purposeful Brands



# RED LABEL: TASTE OF TOGETHERNESS



Hindustan Unilever Limited



▶ AV 05: Red Label Purpose



Purpose at the heart of all communications



Topics of relevance



Market leadership



External recognition

MARKET LEADERSHIP IN TEA UNDERPINNED BY PURPOSE-LED ENGAGEMENTS

# OUR STRATEGY



Hindustan Unilever Limited

## Growth Segments



## Growth Channels



## M&A



\*Subject to regulatory approvals



## Purposeful Brands



TO HELP SHAPE INDIA'S FOOD REVOLUTION

# THANK YOU



Hindustan Unilever Limited





TRANSFORMING  
DISTRIBUTIVE  
TRADE WITH  
TECHNOLOGY

# INDIA CD LANDSCAPE

3K+

Distributors

19k+

Sales  
Representatives

30k+

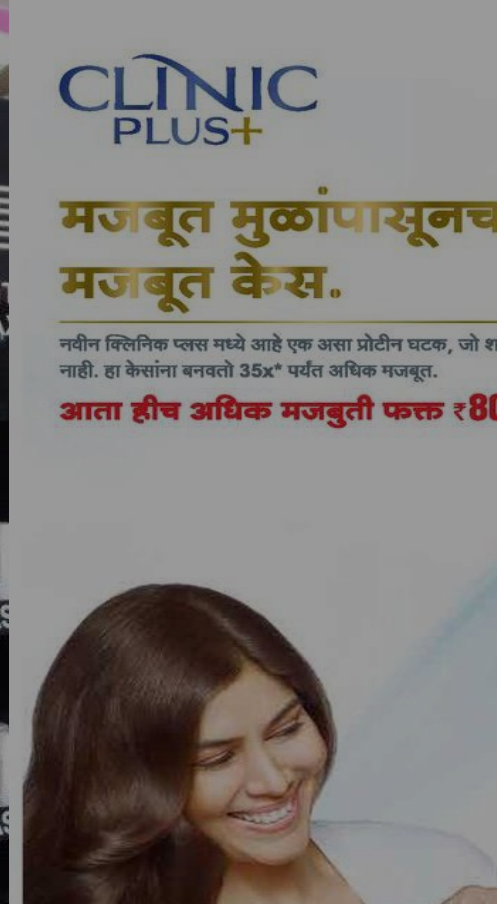
Logistics  
Manpower

4000+

Merchandisers

5000+

Beauty  
Advisors



120k+

Shakti Entrepreneurs

WIDEST RURAL REACH

140 Mn

Units Sold per Day



3 Units sold to every  
Indian Citizen monthly

600k Sq. Ft

of Trade Assets

BIGGEST IN STORE  
MERCHANDIZING

WIDEST DISTRIBUTION REACH (OL)

Many brands reach over  
million outlets

उपकरण कुली सीपटीविकसक पावत. वैरकिय/केनिकसक लपन निकतुत देत नही.  
\*क्लिनिक प्लस सिस्टिम विरुध्द गोन-केडिनिंग हाजुन कानटैल लैव टेस्टार आधारित. मकैन हे मनीन पाउनुं  
औसर निवडक राज्य/बाहेर कानग्ये स्टोक असेलत वैध राहील. ह्या औपतकियये सर्वसाधारत पैसळी उपलब्ध

infection causing germs Please follow any additional precautions recommended by health  
authorities. Avoid contact with infected person as far as possible.

**GENERAL TRADE**

**MODERN TRADE**

**E-COMMERCE**

**+**

**++**

**+++**

**MARKET SHARE**

**+**

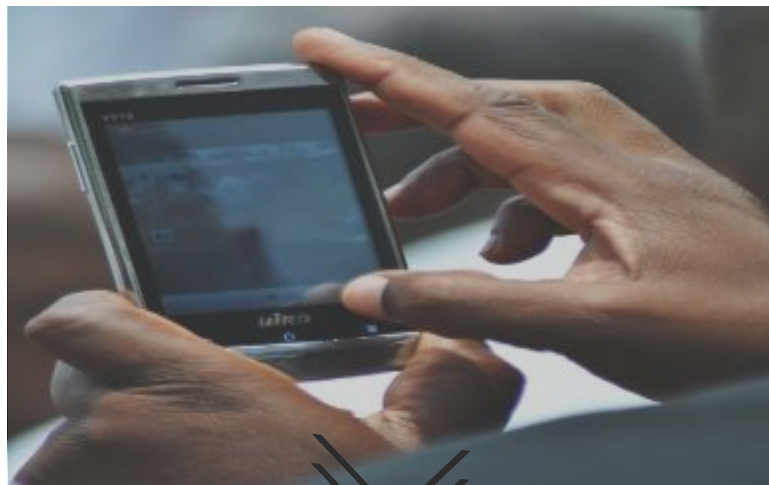
**++**

**+++**

**GROSS MARGIN**

# Pillars of CD Strategy

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## DEMAND CAPTURE

cover the right outlets at  
the right frequency with the  
right assortment



## DEMAND FULFILMENT

speedy delivery of  
order(s) to outlets at the  
most optimal cost



## DEMAND GENERATION

world class in store  
execution & shopper  
loyalty to win at the  
point of purchase



# DEMAND CAPTURE



—  
Increase  
Direct Reach  
Distribution  
—



More Stores



More  
Assortment



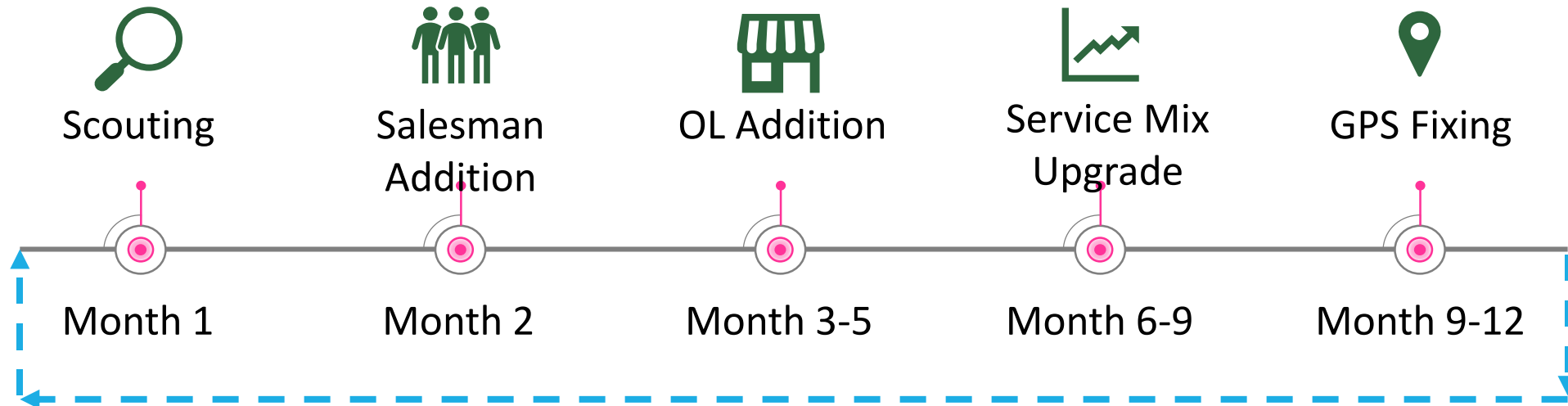
Democratize  
Ordering

# Adding Stores – following the sustainable rhythm

8

## Building a Rhythm of outlet addition

Streamlining the process of outlet addition – making it **repeatable, scalable & efficient**



—  
Increase  
Direct Reach  
Distribution  
—



More Stores



More  
Assortment

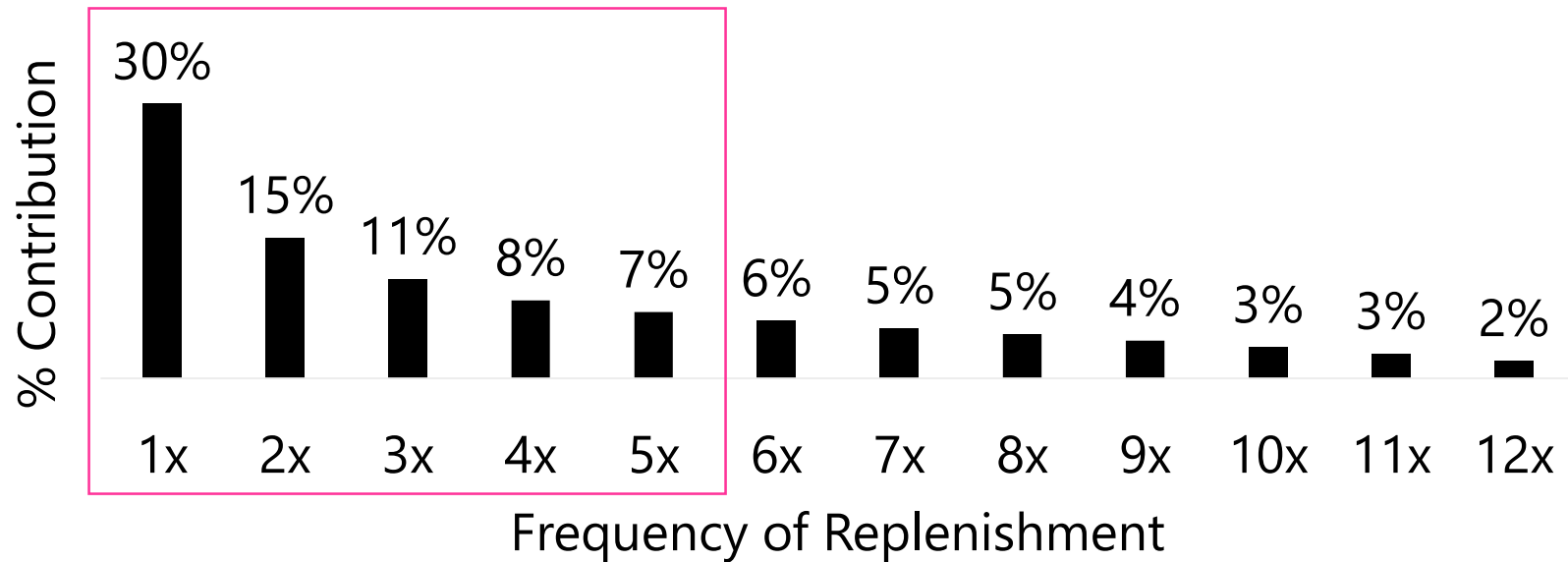


Democratize  
Ordering

# Better Replenishment is our biggest lever to grow assortment

10

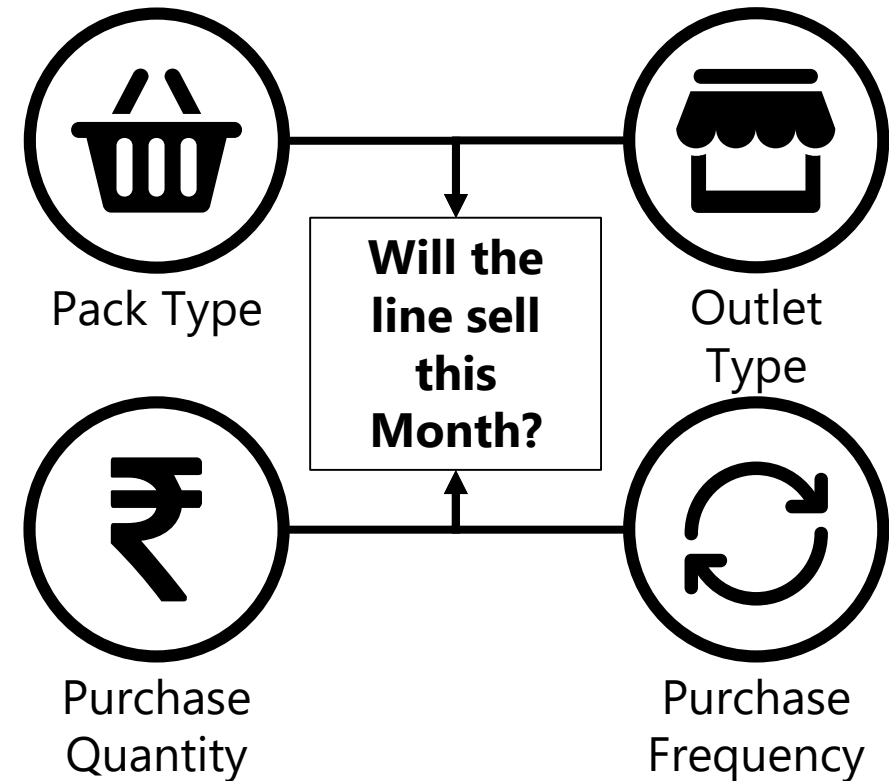
Spread of Replenishment Across our Universe



“ Assortment is not just about the sale of new packs but also **their subsequent replenishment** ”

# Leveraging **Bayesian networks** for improved replenishment modelling

A probabilistic model which learns outlet and pack behavior trends to provide more relevant tasks to the Salesman in the given month



# Simplified KPIs



Total Lines Sold Per Day



Total Assortment

 **Easy to Sell** Set of packs an outlet regularly buys

 **Easy to Earn** Set of incremental packs which have a priority

# Simplified Interface



—  
Increase  
Direct Reach  
Distribution  
—



More Stores



More  
Assortment



Democratize  
Ordering

# Democratize order taking from Salesman : B2B App<sup>14</sup>



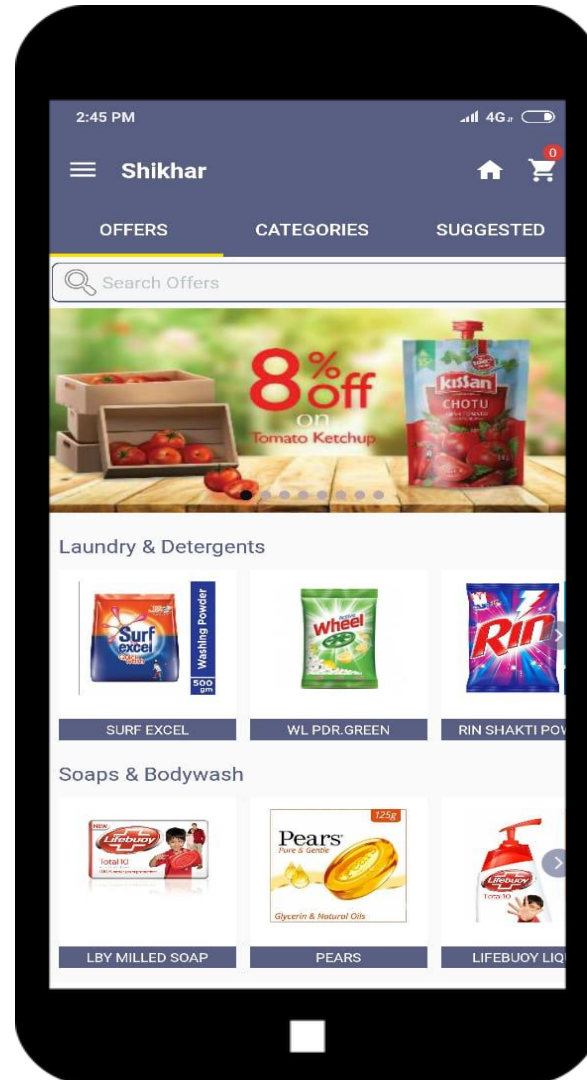
Any time  
ordering



Business  
Transparency



Customized  
Promotions



## RAPID SCALE UP



Q1'  
18

4  
Cities



Q4'  
18

15  
Cities



Q2'  
19

50  
Cities

An aerial photograph of a bustling street market in India. The street is filled with a dense crowd of people and numerous yellow and black auto-rickshaws. On the left side of the street, there is a large, ornate mosque with multiple domes and minarets. The background shows more buildings and a hazy sky. The overall scene depicts a vibrant and busy urban environment.

# DEMAND FULFILMENT



- N+2 Delivery

- Back end  
automation



Delivery  
Transparency

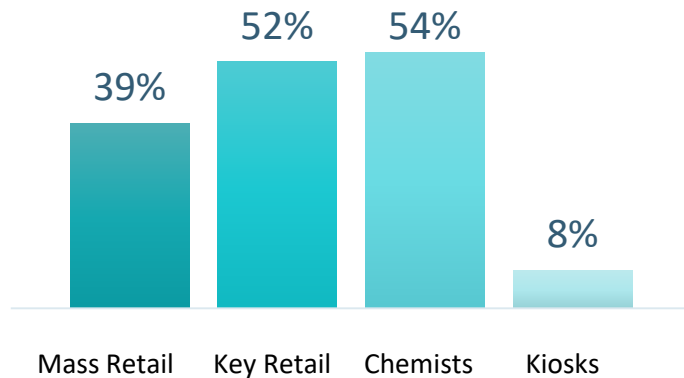


Automation

# Faster & on-time deliveries key for growth

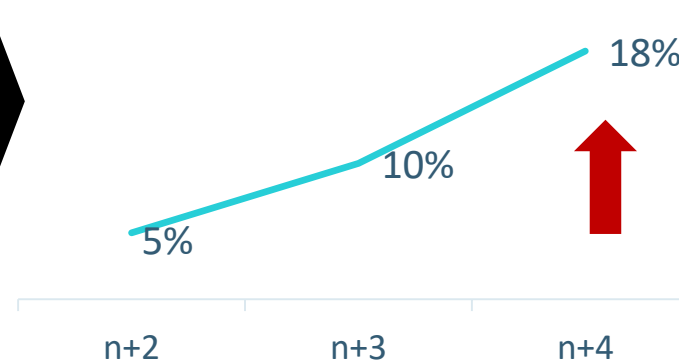
**+** Delivery Optimization is key to improve last mile efficiency

Higher the delay in delivery



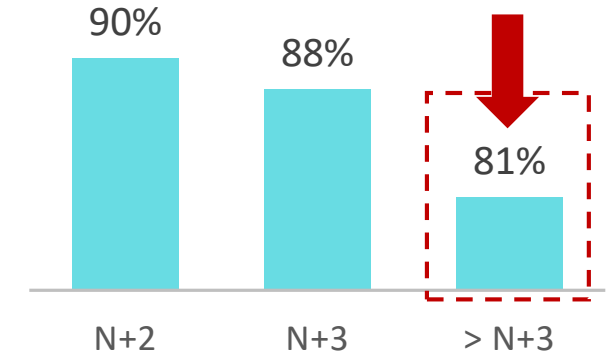
N+2 Delivery

Larger is the Cost of Delay

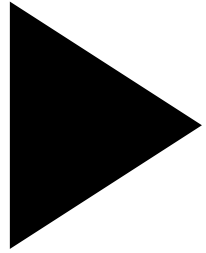


%age Return as per delivery date

Lesser is the Productivity



Probability of billing in next salesman visit



**AV : Demand Fulfilment**

- N+2 Delivery

- Back end  
automation



Delivery  
Transparency



Automation

# Handling Complexity through Robotization

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A high-angle, wide shot of a bustling street in a densely populated urban area, likely in South Asia. The street is filled with people walking, pushing carts, and riding bicycles. Several cars and buses are visible, including a prominent yellow car in the foreground and a blue and yellow bus. The buildings lining the street are multi-story and heavily cluttered with numerous colorful signs and advertisements in various languages, including Hindi. The overall atmosphere is one of intense activity and commercial density.

# DEMAND GENERATION



---

- Wiring up  
**Program Stores**

- Activate B2C

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Wire Up  
Stores



Direct to  
Consumer

# Wiring Up Stores & winning at scale

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Billing Solution

Cashless Payments

Shopper Retargeting

Loyalty Program

# Benefits from Wired Stores

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Shopper  
transaction level  
insights



Customized  
promotions



Stronger  
retailer  
relationship



Premiumizing  
shoppers and  
wider  
assortment



Zero response  
time on  
competitive  
actions



Improved  
Shopper  
loyalty

---

- Wiring up  
**Program Stores**

- Activate B2C

---



Wire Up  
Stores



Direct to  
Consumer

# B2B2C : Humarashop – The power of Hyperlocal

Your Local Kirana, Now Online

1800 419 1019

HumaraShop

SIGN IN / SIGN UP

Humara Shop

CATEGORIES

Search products & brands



OFFER ZONE

BASKET 0



Buy Dove Shampoo & Get  
FLAT  
₹100  
OFF\*

SHOP NOW

\*T & C apply.

Dove Shampoo  
Flat 100 Off

Winter Care  
Upto 20% Off

Surf Excel Matic  
Flat 100 Off

Lifebuoy Handwash  
Flat 40 Off

Indulekha  
Upto 15% Off

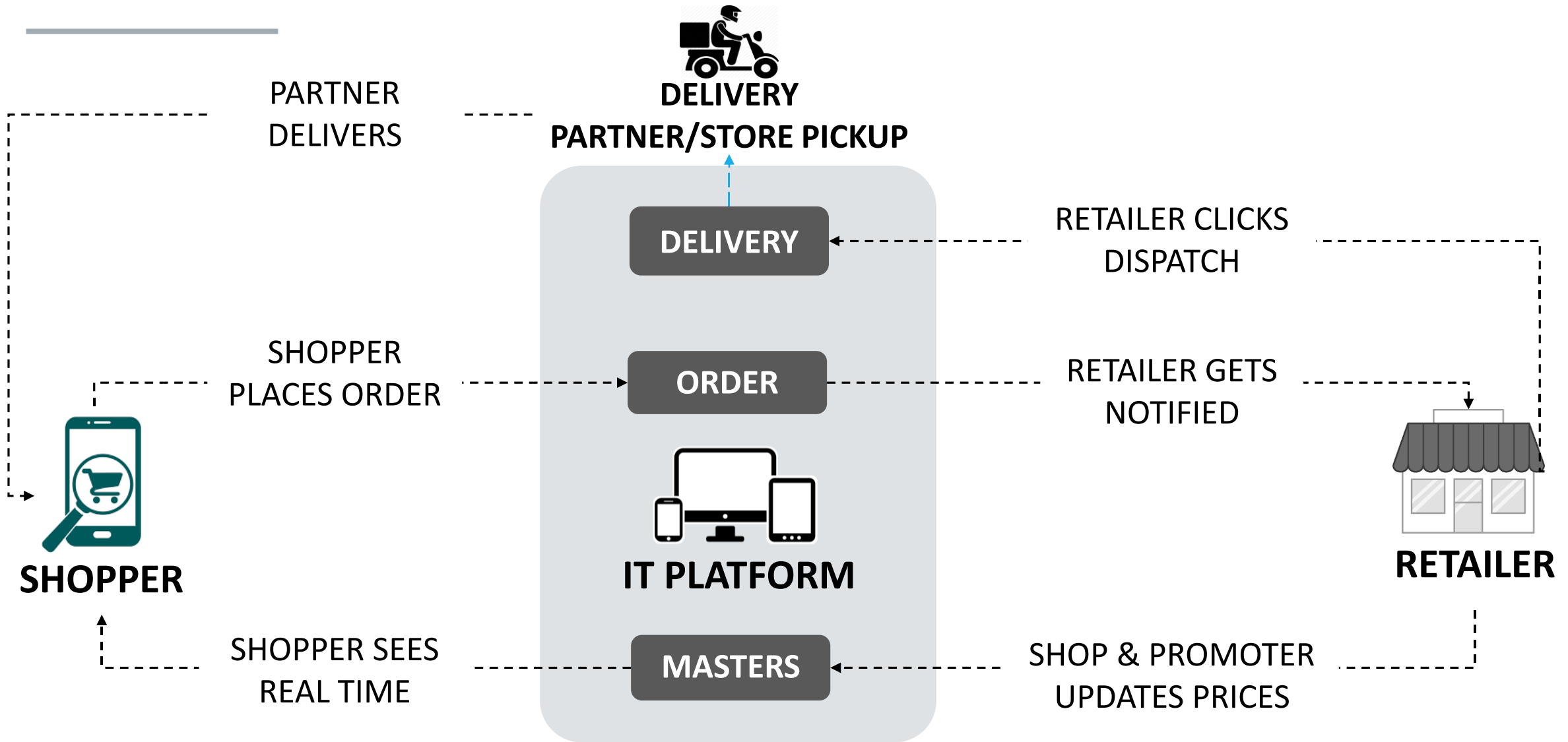
Vim Dishwash Gel  
Upto 15% Off

Recommended for You

Offers

Bestsellers

# B2B2C : Humarashop – The power of Hyperlocal



# CD Strategy : Summary

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## DEMAND CAPTURE

More Stores

More Assortment

Democratize Ordering



## DEMAND FULFILMENT

Delivery Transparency

Automation



## DEMAND GENERATION

Wire up Stores

Direct to Consumer

A woman with a joyful expression is holding several white shopping bags with red and gold striped handles. The background is softly blurred, showing warm, bokeh-style lights. A dark, semi-transparent rectangular area covers the right side of the image, serving as a backdrop for the text.

**THANK  
YOU**