



Hindustan Unilever Limited

Hindustan Unilever Limited

MQ '19 & FY' 18-19 Results Presentation : 3rd May 2019



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Hindustan Unilever Limited

Sanjiv Mehta

Chairman & Managing Director



Clear and compelling strategy

Purpose-led, Future-Fit



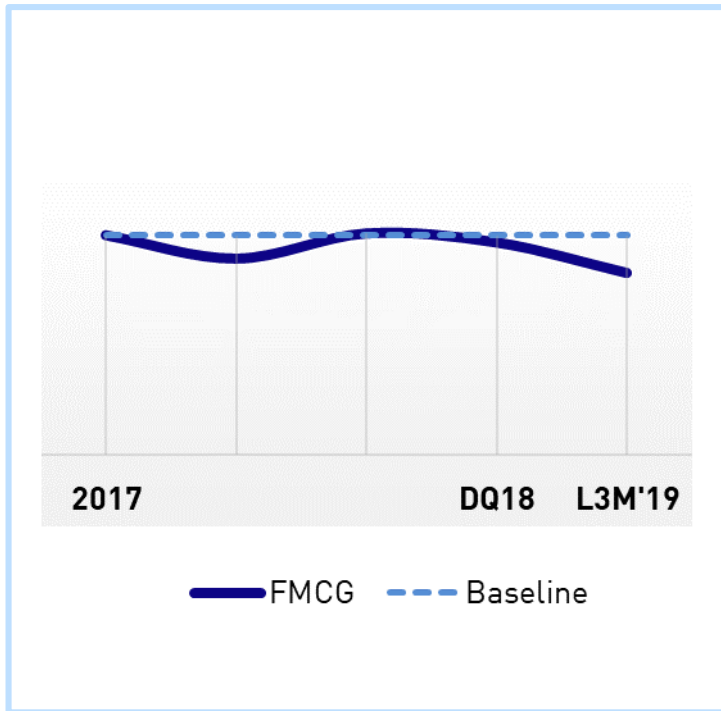
Growth



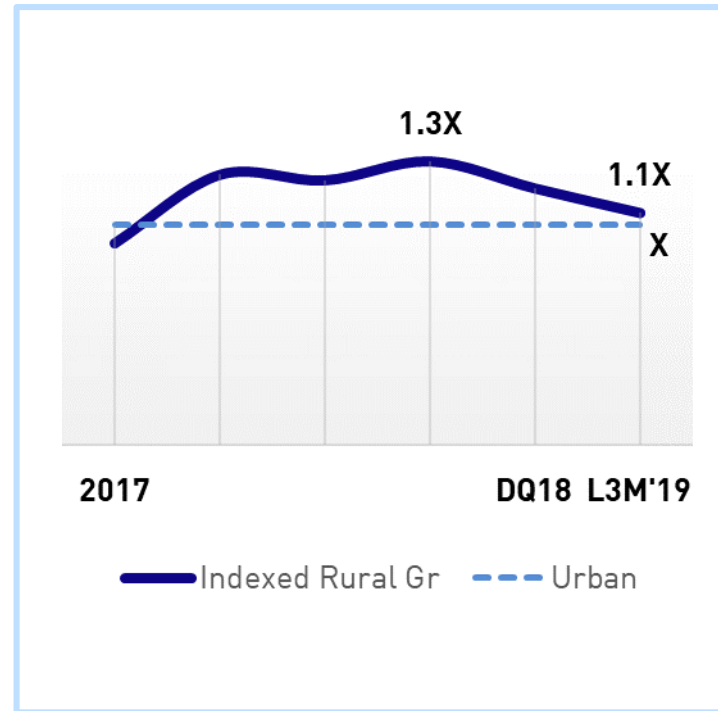
**Consistent, Competitive,
Profitable, Responsible
Growth**

Market Context

Market growth



Rural vs Urban



Macro Environment

A collage of four icons representing macro environment factors:

- GDP:** Green 3D letters 'GDP' on a calculator and financial documents.
- WAGE RATE:** A bar chart with an upward-trending line graph above it.
- GRUNCH:** A stylized Indian Rupee symbol (₹) with a bolt and nut, and the word 'GRUNCH' below it.
- GENERAL ELECTION 2019:** A graphic showing the Indian Parliament building and the year '2019'.

Performance Summary

MQ'19

Domestic Consumer
Growth

+9%

Underlying Volume
Growth

+7%

EBITDA Margin

24%

EBITDA
Improvement

+90 bps

FY 2018 - 19

Domestic Consumer
Growth*

+12%

Underlying Volume
Growth

+10%

EBITDA Margin

23%

EBITDA
Improvement**

+130 bps

M&A



Merger proposal pending
regulatory approvals

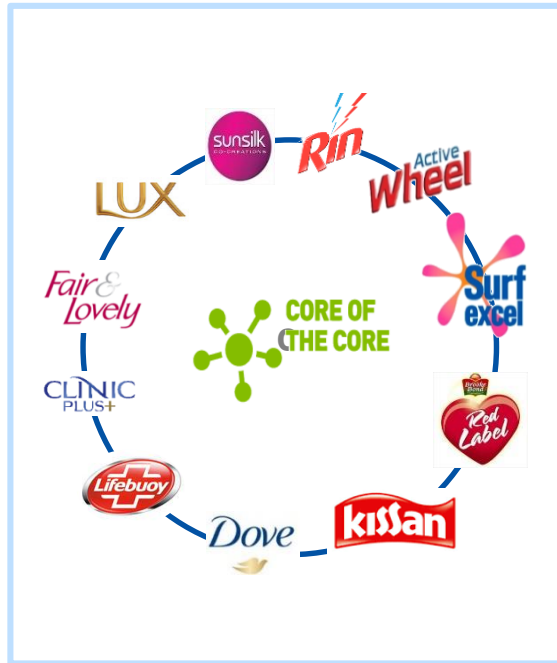
GlaxoSmithKline
Consumer Healthcare

*Reported growth 9%; Comparable growth arrived after adjusting for accounting impact of GST

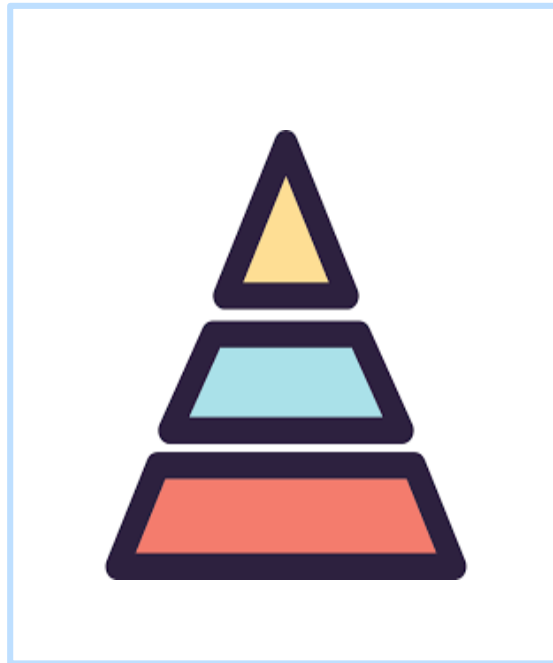
** Reported EBITDA improvement of 190bps; Comparable EBITDA improvement arrived after adjusting for accounting impact of GST 6

Our performance drivers

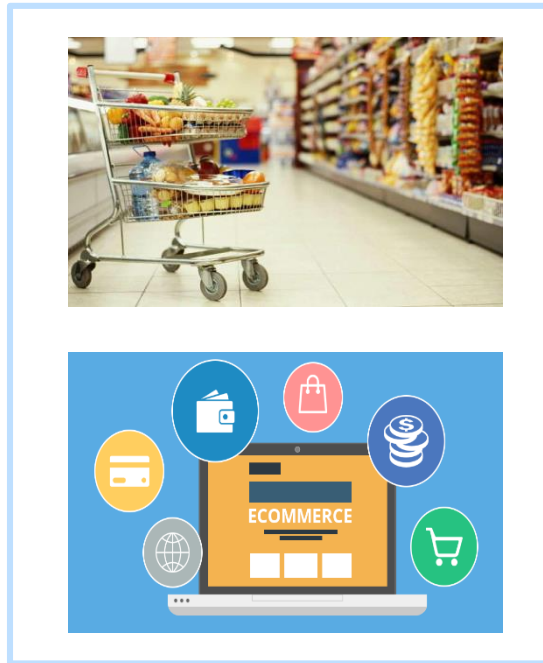
Focus on Core



Driving premiumization & Market Development



Channels of Future



Flawless Execution



Re-imagine HUL: Build Digital Capabilities across the Value Chain

Srinivas Phatak

Chief Financial Officer



MQ'19: Solid sales and margin delivery in the quarter

Growth

Domestic Consumer
Growth

+9%

+7%

Underlying Volume Growth

EBITDA

EBITDA Growth

+13%

+90 bps

Margin Improvement

PAT (bei)

PAT (bei) Growth

+13%

1,590cr

PAT (bei)

Net Profit

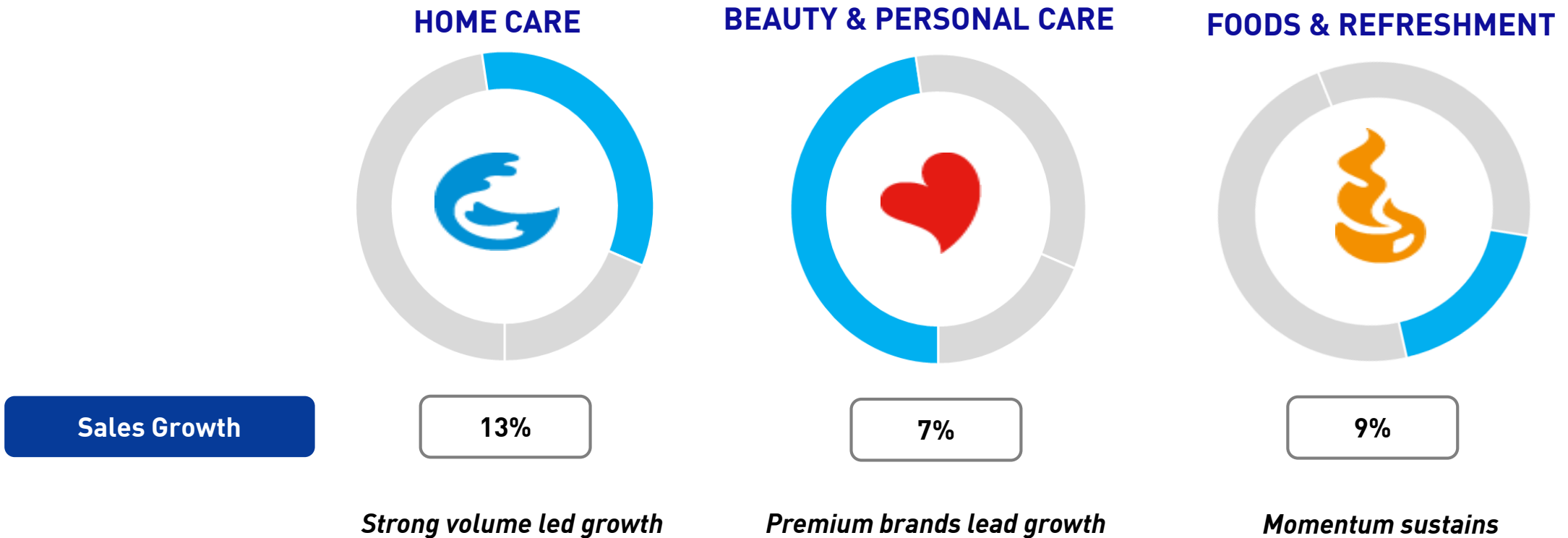
PAT Growth

+14%

1,538cr

PAT

Broad based growth across divisions



Innovations and activations in the quarter



Home Care

Strong volume led growth



- ❑ **Fabric Wash:** Growth driven by premiumization and market development initiatives
 - Launched *Surf Excel Easy Wash liquid* nationally
- ❑ **Household Care:** Sustained double digit growth performance driven by Liquids upgradation and increased penetration on bars
 - Launched *access pack of Domex liquid* in Tamil Nadu to aid market development
- ❑ **Purifiers:** Steady progress on reshaping portfolio and Go to Market model re-design

Beauty & Personal Care

Premium brands lead growth



- ❑ **Personal Wash:** Premium brands performed well; Popular segment delivery below expectations
 - Launch of Liril body wash & bar variants – strong freshness proposition
- ❑ **Skin Care:** Double digit growth on the back of steady performance across the portfolio
 - Relaunched FAL with renewed communication and product; launched *Pond's Sun Protect*
- ❑ **Hair Care:** Good growth delivery across brands
 - Launched new *Dove Nourishing secrets* nationally with natural ingredients

Beauty & Personal Care : Contd.

Premium brands lead growth



- ❑ **Colour Cosmetics:** Consistent delivery; focus on “emerging trends” drives performance
 - Launched *Lakmé Absolute Matte Ultimate with Argan Oil* nationally

- ❑ **Oral Care:** Momentum on Close Up and Ayush Oral Care continues to build

- ❑ **Deodorants:** Focus on market development in highly competitive market
 - *Axe Signature Dark Temptation* launched nationally

Foods & Refreshment

Momentum sustains



- ❑ **Beverages:** Consistent, secular growth led by WiMI actions
 - Purpose led campaigns underpin brand communication and drive salience
- ❑ **Ice Cream & Frozen Desserts:** Strong performance across all formats
 - Exciting range of innovations launched for season
- ❑ **Foods :** Steady growth sustained; good performance in Kissan range

Segmental Performance

HOME CARE



Segmental Revenue Growth*

13%

Segmental Margins**

18%

BEAUTY & PERSONAL CARE



7%

28%

FOODS & REFRESHMENT



10%

18%

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

** Segment Margins (EBIT) excludes exceptional items 16

MQ'19: Results summary

Particulars	MQ'19	MQ'18	Growth %
Sales	9809	9003	9
EBITDA	2321	2048	13
Other Income	118	100	
Exceptional Items – Credit / (Charge)	(71)	(64)	
PBT	2227	1952	14
Less : Tax	689	601	
PAT bei	1590	1409	13
Net Profit	1538	1351	14

- Domestic Consumer Growth at 9%
- EBITDA improvement 90bps
- Exceptional Item in current quarter includes true up of deferred consideration payable on account of Indulekha acquisition



FULL YEAR PERFORMANCE

FY' 18-19

FY 2018 - 19: Strong performance delivered

Growth

Comparable* Domestic
Consumer Growth

+12%

+10%

Underlying Volume
Growth

EBITDA

EBITDA Growth

+19%

130 bps

Comparable** Margin
Improvement

Margin

Net Profit Growth

+15%

+18%

PAT (bei) Growth

EPS

EPS (Basic) Growth

+15%

Rs. 28

EPS (basic)

Cash

Cash from operations[^]

+8413 crs.

**Reported growth 9%; Comparable growth arrived after adjusting for accounting impact of GST*

*** Reported EBITDA improvement of 190bps; Comparable EBITDA improvement arrived after adjusting for accounting impact of GST*

^ (before tax) 19

Segmental Performance

HOME CARE



Comparable Revenue Growth*

15%

Segmental Margins**

17%

BEAUTY & PERSONAL CARE



10%

27%

FOODS & REFRESHMENT



11%

17%

*Comparable Segment Revenue Growth = Segment Turnover growth including Other Operational Income (Excludes impact of A&D) adjusted for GST impact

** Segment Margins (EBIT) excludes exceptional items 20

FY 2018-19: Results summary

Rs. Crores

Particulars	FY 18-19	FY 17-18	Growth %
Sales	37,660	34,619	9 [^]
EBITDA	8,637	7,276	19
EBITDA Margin (%)	22.9	21.0	
PAT bei	6,080	5,135	18
Net Profit	6,036	5,237	15

- Comparable* Domestic Consumer Growth at 12%[^]; underlying volume growth at 10%
- Comparable** EBITDA margin improvement at 130 bps

**Reported growth 9%; Comparable growth arrived after adjusting for accounting impact of GST*

*** Reported EBITDA improvement of 190bps; Comparable EBITDA improvement arrived after adjusting for accounting impact of GST*

Proposed Final Dividend

Particulars	FY'17-18	FY'18-19
Dividend per share	20	22
Interim	8	9
Final*	12	13
No. of Shares (Cr.)	216.45	216.47
Total Dividend (Rs. Cr.)	4329	4762
Dividend Distribution Tax (Rs. Cr.)	848	958
Total Dividend Outflow (Rs. Cr.)	5177	5720

**Final Dividend number for FY 2018-19 is subject to approval by the shareholders at the AGM*

Looking ahead

Near term

- ❑ Near term market growth has moderated given macro economic indicators
- ❑ Commodities and currency will continue to be volatile

Our strategy

- ❑ Company well positioned and our strategy remains unchanged
- ❑ Consistent, Competitive, Profitable, Responsible Growth



For more information and updates

Visit our website

March Quarter 2019 results

Hindustan Unilever will release its financial results for March Quarter 2019 on Friday 3rd May, 2019.

[> March Quarter 2019](#)

