

Hindustan Unilever Ltd

MQ '17 & FY '16-17 Results Presentation



Hindustan Unilever Limited

Fair & Lovely | ADVANCED MULTI VITAMIN

FAIRNESS LIKE LASER LIGHT TREATMENT

FAIRNESS LIKE IPL TREATMENT*

Fair & Lovely ADVANCED MULTI VITAMIN™ EXPERT FAIRNESS SOLUTION

*Laser Light Treatment refers to IPL Treatment

OUR BEST FORMULA

Fair & Lovely

ADVANCED MULTI VITAMIN™

OUR BEST FORMULA

Fair & Lovely

ADVANCED MULTI VITAMIN™

EXPERT FAIRNESS SOLUTION

EXPERT FAIRNESS SOLUTION



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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	Business Context
3	Current Quarter Performance
4	Financial Year Performance
5	Looking Ahead



Clear and compelling strategy

Strategic Framework

THE COMPASS

WE ARE UNILEVER...

VISION	We are a successful growing sustainable business.	WE WORK TO CREATE A BETTER FUTURE EVERY DAY We take pride in our work and we are proud of the brands and services that we offer to our customers and partners. We will continue to take small steps every day that will add up to a big difference for the world. We will develop new ways of doing business with the aim of doubling the size of our company while reducing our environmental impact.
VALUES	We focus on customer and employee well-being and are committed to the highest standards of integrity.	Our first priority is to our customers, then our employees and communities. When we fulfil our responsibilities to them, our shareholders will be rewarded. We will win through a growth mentality and a positive approach to all our stakeholders, based on clear accountability and fair for all.

WHERE WE WILL WIN...

PRIORITIES

Win share and grow volume in every category and country

HOW WE WILL WIN...

NON-NEGOTIABLES	Winning with brands and innovation	1 Define superior products, design, branding and marketing 2 Better, better, better innovation 3 Appeal to more consumers across needs and price points
	Winning in the marketplace	4 Lead market development 5 Win with existing customers 6 Be innovative powerhouses
	Winning through continuous improvement	7 Lean, responsive and consumer led value chain 8 Drive value on brand equity 9 Agile, cost competitive organization
Winning with people	10 Organization and diverse talent pipeline ready to meet our growth ambitions 11 Performance culture which supports our vision 12 Leverage our operating framework for competitive advantage	

Sustainable Living Plan



Goals

Consistent Growth

Competitive Growth

Profitable Growth

Responsible Growth



MQ '17: Summary

- ❑ Market conditions stabilize in the quarter
- ❑ Input cost inflation moderates
- ❑ HUL : Profitable volume driven growth delivered



MQ'17: Profitable volume driven growth delivered

- ❑ **Domestic Consumer growth at +8%; underlying volume growth at +4%**

- ❑ **EBITDA at Rs. 1,651 Crores up by 12%; margin up 90 bps**
 - COGS lower by 20 bps as inflation moderates
 - Brand communication objectives met, while delivering 80 bps of BMI savings

- ❑ **PAT (bei) at Rs. 1,118 crores up 8%; Net Profit at Rs. 1,183 crores up 6%**

Segmental Performance

Segments	Sales Growth* (%)
Home Care	8%
Personal Care	8%
Foods	2%
Refreshment	11%
Domestic Consumer	8%

Home Care: Broad based growth driven by premiumization

Personal Care: Growth rebounds in both Personal Products & Personal Wash

Foods: Modest growth in packaged foods

Refreshment: Robust growth sustained

Sales growth = Segment Turnover growth excluding Other Operational Income

**Excludes impact of A&D*



Continued focus on innovations

TAAZGI ZABARDAST, AB SIRF ₹10!

closeup
EVER FRESH
12 cavity FRESH BREATH
closeup
₹10/only

LAKMÉ SUN EXPERT

BLOCKS UPTO 97% HARMFUL SUNRAYS

LAKMÉ
LAKMÉ
LAKMÉ
SPF 24
SPF 30
SPF 30

The world will notice your shine.

Rin
Keep shining

AXE SIG NATURE

AXE SIG NATURE
SPORT
AXE SIG NATURE
SPORT
AXE SIG NATURE
CORPORATE
AXE SIG NATURE
CORPORATE

BE FRESH BE FRAGRANT

LUX
BETTER PERFUME BLOOM

NEW FROM WALL'S

DISC RED VELVET

PATAKA

WALL'S

FRUITS KA YUMMY TASTE

Kissan
MIXED FRUIT JAM

AQUAFRESH



Progressively building the naturals portfolio

Within the existing portfolio



Natural variants introduced in existing brands

Extending to new geographies



Expanding footprint to North & Central India

Building a master brand



LEVER Ayush launched in South India in DQ'16 well received



Home Care

Broad based growth driven by premiumization



- ❑ **Fabric Wash:** Growth driven by the premium segment
 - Surf sustains strong volume led growth momentum
- ❑ **Household Care:** Vim liquids sustain strong performance
- ❑ **Water:** Strong volume led growth delivered





Personal Care

Growth rebounds in both Personal Products and Personal Wash



- ❑ **Personal Wash:** Broad Based growth across all brands
 - Input costs stable
 - Dove and Pears lead premiumization
 - Lux new variant well received
- ❑ **Skin Care:** Robust growth driven by Fair & Lovely relaunch
- ❑ **Hair Care:** Broad-based double digit growth delivered

LUX

Dove

Pears®

Rexona

Hamam



NEW Fair & Lovely

POND'S

Vaseline

LAKMÉ

St. Ives

CLINIC PLUS+

sunsilk

TRESemmé
USED BY PROFESSIONALS

indulekha

Closeup

Pepsodent

ayush
therapy

AXE



Personal Care : Contd.

Growth rebounds in both Personal Products and Personal Wash



- ❑ **Colour Cosmetics:** Lakmé delivers strong innovation led growth
- ❑ **Oral Care:** Subdued performance
 - Close up relaunched
 - Lever Ayush oral range well received
- ❑ **Deodorants:** Axe delivers strong growth

LUX

Dove

Pears®

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NEW Fair & Lovely

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AXE

Foods

Modest growth in Packaged Foods



- ❑ Continued focus on market development
- ❑ **Kissan:** Strong growth delivered in Ketchups and Jams
- ❑ **Knorr:** Growth impacted by strong comparator





Refreshment

Robust growth sustained



- ❑ **Tea:** Broad based double-digit growth
- ❑ **Coffee:** Bru Gold continues to drive premiumization
- ❑ **Ice Cream & Frozen Desserts:** Robust innovation led growth delivered





MQ 2017: Results Summary

Rs. Crores

Particulars	MQ'17	MQ'16	Growth %
Sales	8,773	8,193	7*
EBITDA	1,651	1,470	12
EBITDA Margin (%)	18.8%	17.9%	90 bps
Other Income	83	101	
Exceptional Items – Credit / (Charge)	(1)	51	
PBT	1,619	1,534	
Less : Tax	436	420	
PAT bei	1,118	1,039	8
Net Profit	1,183	1,114	6

- Domestic Consumer growth at 8% (*Reported growth includes impact of A&D)
- Exceptional item includes sale of Modern Foods business in the base



Full Year Performance FY '16-17



FY 2016-17: Results Summary

Rs. Crores

Particulars	FY'15-16	FY'16-17	Growth %
Sales	32,929	33,895	3*
EBITDA	5,749	6,047	5
EBITDA margin (%)	17.46	17.84	38 bps
PAT bei	4,116	4,247	3
Net Profit	4,137	4,490	9

- Domestic Consumer growth at 4%, underlying volume growth at 1%
- Improvement in operating margins delivered for 6th consecutive year

(*Reported growth includes impact of A&D)
Base numbers adjusted as per IND AS

Final dividend

Particulars	FY'15-16	FY'16-17
Dividend Per Share	16	17
Interim	6.5	7
Final*	9.5	10
No. of Shares (Cr.)	216.39	216.43
Total Dividend (Rs. Cr.)	3462	3679
Div. Dist. Tax (Rs. Cr.)	677	715
Total Dividend Outflow (Rs. Cr.)	4140	4394

**Final Dividend number for FY 2016-17 is subject to approval by the shareholders at the AGM*



GST – Welcome reform; Transitional challenges to be addressed

In the Short Term

- Trade pipelines likely to thin down
 - Presumptive credit percentage, a key concern
- Impact to vary across channels

Open Items

- Final rates for various products
- Formal confirmation of start date
- Compensation for fiscal benefits
- Other operational details
 - E.g.: GST return formats

Transition to GST

- Net benefits on tax rates to be passed on
- HUL & our eco system targeting to be ready on time for July 1st transition
- However, smooth and timely transition requires early clarification on open items



Looking ahead

Near term

- ❑ Consumer sentiment improving
- ❑ Input costs stable
- ❑ **GST** : Welcome reform; Transitional challenges to be addressed

Strategy unchanged

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



For more information & updates

Visit our website

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

March Quarter 2017 results

Hindustan Unilever Limited will release its financial results for March Quarter 2017 on Wednesday 17 May, 2017.

> View more



HUL Investor App

