

Free your hair  
of pollution worries.  
Reverse up to 100% of pollution damage\*.

**Dove**  
NUTRITIVE  
SOLUTIONS

**NEW**

**Dove**  
NUTRITIVE  
SOLUTIONS  
Environmental  
Defence  
SHAMPOO

**Dove**  
NUTRITIVE  
SOLUTIONS  
Environmental  
Defence  
CONDITIONER

**Dove**  
Environmental  
Defence

**Hindustan Unilever Limited**  
SQ '17 Results Presentation : 25<sup>th</sup> Oct 2017

Dove  
Environmental  
Defence



# 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	Business Context
3	Current Quarter Performance
4	First Half 2017-18 Performance
5	Looking Ahead

# Clear and compelling strategy

Strategic Framework



**THE COMPASS**

**WE ARE UNILEVER...**

**VISION**

We are a successful, growing, sustainable business.

**MISSION**

We focus on consumers and customers with a love for what we do.

**WHERE WE WILL WIN...**

Our focus is on consumers, then customers, employees and communities. When we build our responsibility to them, our shareholders will be rewarded.

**HOW WE WILL WIN...**

1. Define superior products, design, branding and marketing

2. Engage, inspire, foster innovation

3. Appeal to more consumers across needs and price points

4. Lead market development

5. Win with existing customers

6. Be an essential partner

7. Lead, inspire and consumer-led value chain

8. Drive return on brand equity

9. Build a competitive organization

10. Reposition and diversify talent pipeline ready to match 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



## SQ'17: Market context

- ❑ Trade:
  - Transition to GST impacted trade in early part of the quarter; Now recovering
  - Wholesale and CSD channels stabilizing gradually
  
- ❑ Consumer offtake stable
  
- ❑ Input costs starting to inflate

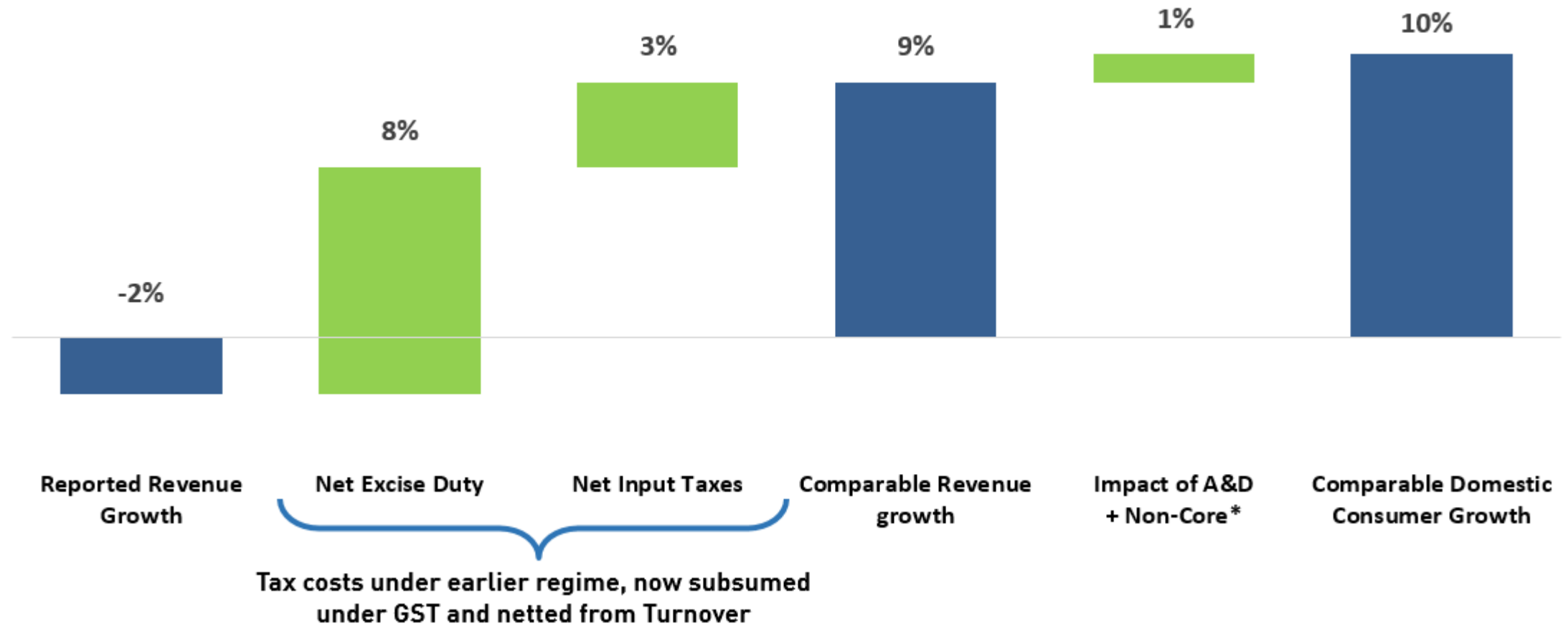
# ‘Accounting’ impact of GST

Net Excise Duty	
Pre GST	Post GST
Excise a cost; Turnover gross of excise	Turnover is net of GST
Impact Post GST	
<b>HUL Local results</b>	
<b>Reported Turnover:</b>	Lower
<b>Absolute EBITDA:</b>	No impact
<b>EBITDA margin:</b>	Higher
<b>EPS:</b>	No impact
<b>HUL as consolidated in Unilever</b>	
No impact ( <i>HUL Turnover under IFRS is net of excise</i> )	

Net Input taxes	
Pre GST	Post GST
Input tax credit availed partially. Balance accounted in costs	Input taxes subsumed under GST and netted from turnover <ul style="list-style-type: none"> <li>Costs lower as full input tax credit and full CENVAT in fiscal sites availed</li> </ul>
Impact Post GST	
<b>Local &amp; HUL as consolidated in Unilever</b>	
<b>Reported Turnover:</b>	Lower
<b>Absolute EBITDA:</b>	No impact
<b>EBITDA margin:</b>	Higher
<b>EPS:</b>	No impact

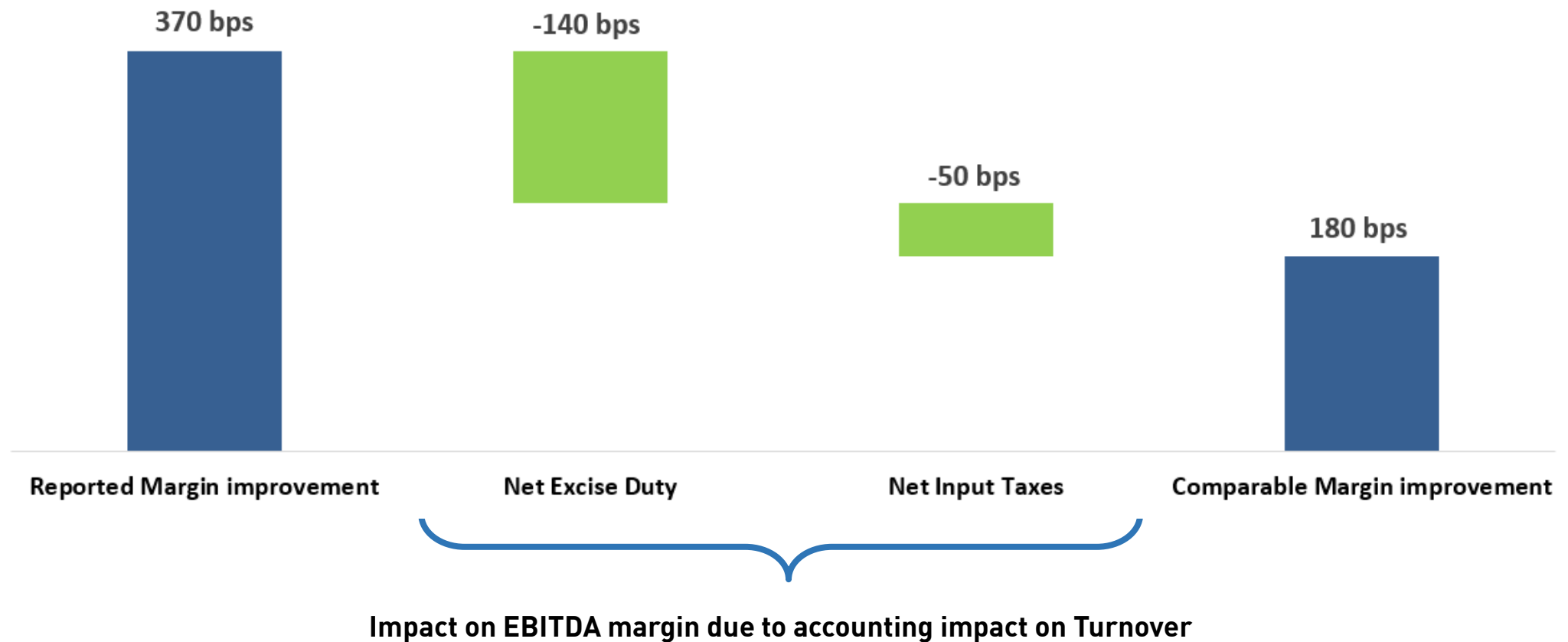


# 'Accounting' impact on Growth





# 'Accounting' impact on margins; No impact on absolute EBITDA





# SQ'17: Profitable volume-driven growth sustained

- ❑ **Comparable\* Domestic Consumer Growth 10%**
  - Prices reduced by 3-4% to pass on net GST benefits
  - Underlying Volume Growth 4%
  
- ❑ **EBITDA at Rs. 1682 Crores up 20%; Comparable\* margin up 180 bps**
  - High COGS\* in base quarter
  - Sequential margins sustained due to strong savings program
  - A&P\* spends stepped up to support innovations
  
- ❑ **PAT (bei) at Rs. 1236 crores up 14%; Net Profit at Rs. 1276 crores up 16%**

# Price reductions taken to pass on net GST benefits

## Personal Care

**LUX** BETTER BEFORE BEGINS

THANKS TO GST,  
*Fragrant*  
BEAUTIFUL SKIN NOW AT AN  
IRRESISTIBLE OFFER.

Get ₹14 off on 4x100g packs

Now get fragrant beautiful skin with an attractive GST offer.  
Buy a 4x100g pack of Lux and get Rs. 14 off.

\*Based on the benefit of reduction in the tax rate under the GST regime.

**Dove**

— Ankita, Gita and Swetha welcome GST.

Women of India welcome soft, smooth and glowing skin with more Dove.

Dove is passing on the GST benefit\* to every woman. By giving her more Dove, more care. Get 33% more\* on Dove.

**Dove** 33% FREE\*  
cream beauty bathing bar for soft, radiant skin

**Lifebuoy**

Lifebuoy means bad news for germs. GST means good news for you!

Lifebuoy with Activ Silver pack of 4, now at just ₹94\*

With GST, get great savings on Lifebuoy with Activ Silver, which offers our strongest protection\* against infection-causing germs.

**Lifebuoy** NEW ACTIV SILVER FORMULA  
Total 100% active germ protection  
500g.

**Lifebuoy** Total 10  
**LUX** Safe Touch  
**Dove** Deeply Nourishing  
**Pears** Pure and Gentle

Creamy & Luxurious Bath with Body Wash  
at **JUST ₹99/-**

**Pears**

98%  
PURE GLYCERIN,  
100%  
TRANSPARENCY.

Pears offers GST benefits\* that all can see with 33% extra.

\*Transparent Pears is all about the goodness of 98% pure glycerin. As we benefit from GST, we pass on a big share of this goodness to you. So, make the most of GST and get younger looking skin with even softer Pears.

Stay you, stay young.

**Pears** Buy 3 Get 1 Free\* 33% EXTRA

\*Based on benefit of reduction in the tax rate under the GST regime. \*\*Offer valid on 75g packs (25g x 3) & on 75g pack.

**closeup** EVER FRESH  
12 HOURS FRESH BREATH  
SAVE ₹10/-

**Pepsodent** OUR BEST EVER FLAVOR  
12 HOUR PROTECTION  
GERMI+ CHECK  
FREE\* 40% EXTRA  
HEALTHY FRESH

# Price reductions taken to pass on net GST benefits : Contd.

## Home Care



## Foods & Refreshment





# Broad based growth across segments

Segments	Reported Revenue Growth* (%)	Comparable Sales Growth^ (%)
Home Care	-1%	13%
Personal Care	-3%	8%
Refreshment	5%	10%
Foods	1%	11%
<b>HUL</b>	<b>-2%</b>	<b>10%</b>

- **Home Care:** Robust volume led growth sustained
- **Personal Care:** Broad based growth across Personal Products and Personal Wash
- **Refreshment :** Robust growth sustained
- **Foods:** Growth driven by Kissan

\*Revenue Growth = Sales and Other Operating Income

^Comparable Sales growth = Segment Turnover growth excluding Other Operational Income and net of excise & input tax costs in base quarter (Excludes impact of A&D) 12



Hindustan Unilever Limited

# Continued focus on innovations







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# Progressively building the naturals portfolio

## Within the existing portfolio



## Building a master brand



## Building specialist brands





# Home Care

*Robust volume led growth sustained*



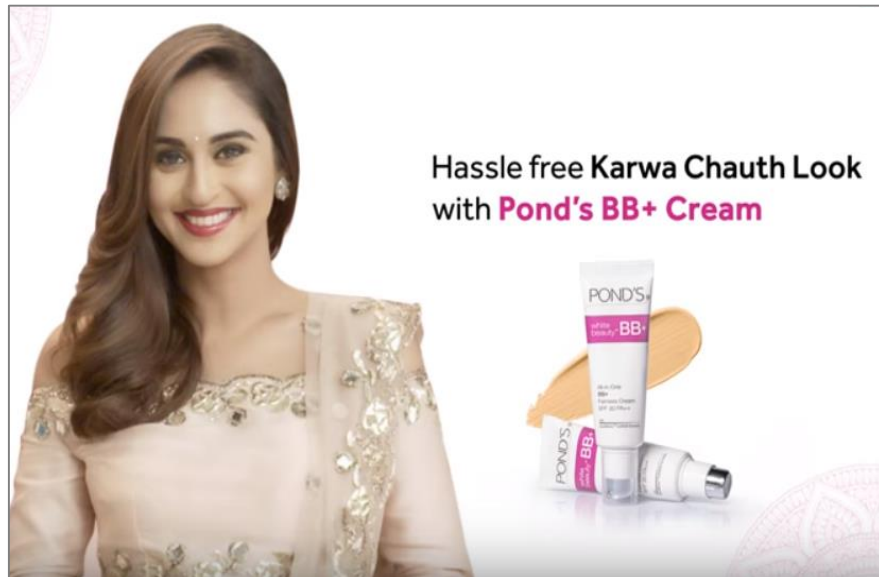
- ❑ **Fabric Wash:** Broad based double-digit growth across the category
- ❑ **Household Care:** Growth led by strong performance in Vim bar
- ❑ **Water:** New range of purifiers (RO 2-in-1) launched





# Personal Care

*Broad based growth across Personal Products & Personal Wash*



- ❑ **Personal Wash:** Broad based growth across key brands
  - Dove & Lux lead category growth
- ❑ **Skin Care:** Growth driven by buoyant winter sell-in
- ❑ **Hair Care:** Segment growth led by Dove; Indulekha hair oil witnesses strong growth

LUX

Dove

Pears®

Rexona

Hamam



NEW Fair & Lovely

POND'S

Vaseline

Citra

LAKMÉ

St. Ives

CLINIC PLUS+

! sunsilk

TRESemmé  
USED BY PROFESSIONALS®

indulekha

closeup

Pepsodent

ayush  
therapy

AXE





# Personal Care : Contd.

*Broad based growth across Personal Products & Personal Wash*



- ❑ **Colour Cosmetics:** Double-digit growth sustained
- ❑ **Oral Care:**
  - Performance remained subdued
  - Actions implemented during the quarter
    - GST led price reductions landed
    - Lever Ayush extended nationally
- ❑ **Deodorants:** Performance led by Axe

LUX

Dove

Pears®

Rexona

Hamam



NEW Fair & Lovely

POND'S

Vaseline

Citra

LAKMÉ

St. Ives

CLINIC PLUS+

sunsilk

TRESemmé

indulekha

closeup

Pepsodent

ayush therapy

AXE

# Refreshment

*Robust growth sustained*



- ❑ **Tea:** Continued strong broad based growth
  - Taj Mahal Tea relaunched during the quarter
- ❑ **Coffee:** Growth led by strong activations
- ❑ **Ice Cream & Frozen Desserts:** Festival sales drive robust volume led growth



# Foods

*Growth driven by Kissan*



- ❑ **Kissan:** Strong growth driven by Ketchup
- ❑ **Knorr:**
  - ❑ Multiple new variants launched in Soups
  - ❑ International flavour variants launched in noodles in select markets

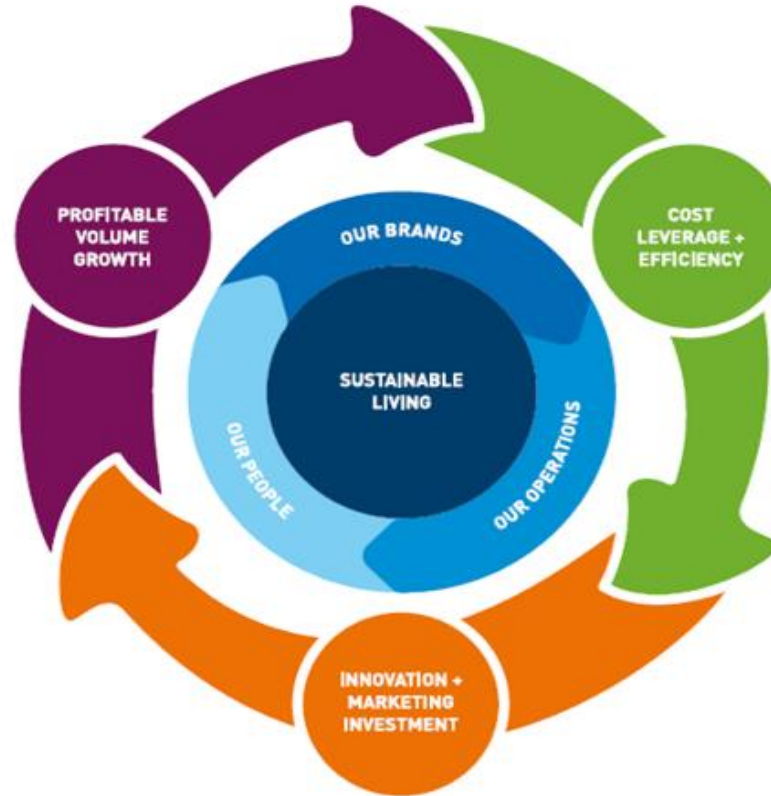




# Levers to drive 4G Growth

## Profitable Volume Growth

- Sustained focus on driving volumes
- Maximize Revenue realization (NRM)



## Cost savings + Leverage

- Project Symphony
  - Zero Based Budgeting
- Cost ownership

## Innovation + Marketing Investments

- Capability building
- Market development
- New brands



# SQ'17: Results Summary

Rs. Crores

Particulars	SQ'17	SQ'16 (Reported)	Growth %
Sales	8,199	8,335	-2^
EBITDA	1,682	1,405	20
Other Income	204	253	
Exceptional Items – Credit / (Charge)	36	18	
PBT	1,801	1,576	
Less : Tax	525	480	
PAT bei	1,236	1,082	14
Net Profit	1,276	1,096	16

- Comparable\* Domestic Consumer Growth at 10%^
- Exceptional income includes profit on sale of equity shares in KCLL Rs. 46 cr.

# FIRST HALF 2017-18



# First Half 2017-18 : Results Summary

Rs. Crores

Particulars	FH'17-18	FH'16-17 (Reported)	Growth %
Sales	17,293	16,998	2^
EBITDA	3,548	3,041	17
PAT bei	2,528	2,210	14
Net Profit	2,559	2,269	13

- Comparable\* Domestic Consumer Growth at 8%^
- Comparable\* EBITDA margin improvement at 170 bps

# Interim Dividend

Particulars	FH'17-18 Interim	FH'16-17 Interim
<b>Dividend Per Share (Rs.)</b>	<b>8.0</b>	<b>7.0</b>
No. of Share (Crs.)	216	216
Total Dividend (Rs. Crs.)	1,732	1,515
Div. Dist. Tax (Rs. Crs.)	352	308
<b>Total Div. Outflow (Rs. Crs.)</b>	<b>2,084</b>	<b>1,823</b>





# Looking ahead

## Near term

- ❑ Expect gradual improvement in rural demand
- ❑ Trade conditions to continue to improve
- ❑ Input costs to inflate further

## Our strategy

- ❑ Continue to remain agile in the face of uncertainty
- ❑ Focus on volume driven growth and improvement in operating margin
- ❑ Consistent, Competitive, Profitable, Responsible Growth

# Welcome the new CFO



**Mr. Srinivas Phatak**

Commercial Manager

Head of Treasury

GM Finance, Foods & Refreshment

Head, Investor Relations

VP Finance, Deodorants & Oral care categories

VP Supply Chain Finance, Americas

VP Finance Services



Hindustan Unilever Limited

# For more information & updates

Visit our website

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

## September Quarter 2017 results

Hindustan Unilever Limited will release its financial results for September Quarter 2017 on Wednesday 25 October, 2017.

[View more](#)



HUL Investor App

