



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
CIN: L15140MH1933PLC002030

18th July, 2017

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 analysts/investors on financial results of the Company for the quarter ended 30th June, 2017.

Please take the above information on record.

Thanking You.

Yours faithfully,
For Hindustan Unilever Limited

Dev Bajpai
Executive Director, Legal & Corporate Affairs
and Company Secretary
DIN:00050516



Hindustan Unilever Limited

JQ '17 Results Presentation : 18th July 2017



Citra

Nature's Best kept secrets
for healthy glowing skin

Citra
PIMPLE-CLEAR
FACE WASH
JAPANESE GREEN TEA

Citra
PEARL FAIR
FACE CREAM
KOREAN PINK PEARL

The advertisement features a close-up of a woman's smiling face on the left. In the center, the Citra logo is displayed in a golden, stylized font. Below the logo, the tagline 'Nature's Best kept secrets for healthy glowing skin' is written in a green, sans-serif font. On the right, two white tubes of Citra skincare products are shown. The first tube is labeled 'PIMPLE-CLEAR FACE WASH' and 'JAPANESE GREEN TEA', with a green tea branch and white flowers as a visual element. The second tube is labeled 'PEARL FAIR FACE CREAM' and 'KOREAN PINK PEARL', with a pink pearl and a splash of white liquid as a visual element. The background is a soft, light green gradient.



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

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 help people feel good, look good and get more out of life with brands and services that are good for them and good for others. We will inspire people to take small everyday actions that can 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 (customers) and (employees) and (communities) with a bias for action.	Our first priority is to our customers, then customers, employees and communities. When we fulfil our responsibilities to them, our shareholders will be rewarded. We will act through a growth mindset and a positive approach to all our stakeholders, based on clear accountability and bias for action.

WHERE WE WILL WIN...

PRIORITIES

Win share and growth volume in every category and country

HOW WE WILL WIN...

HOW WE WILL WIN...	Winning with brands and innovation	<ul style="list-style-type: none"> 1 Define superior products, design, branding and marketing 2 Righter, better, faster innovation 3 Appeal to more consumers across needs and price points
	Winning in the marketplace	<ul style="list-style-type: none"> 4 Lead market development 5 Win with existing customers 6 Be an execution powerhouse
	Winning through sustainable engagement	<ul style="list-style-type: none"> 7 Green, responsible and consumer led relationships 8 Drive return on brand equity 9 Agile and competitive organization
Winning with people	<ul style="list-style-type: none"> 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



JQ'17: Market context

- ❑ In the run up to GST, cautious sentiment in trade despite high promotional intensity
- ❑ Input costs stable
- ❑ Rural markets remained challenging



HUL JQ'17:

Resilient & Profitable growth delivered in a volatile environment

- ❑ **Domestic Consumer growth 6%; underlying volume growth flat**
 - Price growth from actions in previous quarters
 - Trade spends and stocks optimized to manage GST transition

- ❑ **EBITDA at Rs. 1,866 Crores up by 14%; margin up 160 bps**
 - COGS down by 75 bps;
 - Competitive A&P spends maintained; ZBB drives % A&P down by 20 bps;
 - Overall strong savings delivery continues

- ❑ **PAT (bei) at Rs. 1,292 crores up by 15%; Net Profit at Rs. 1,283 crores up by 9%**



Differential impact on segments

Segments	Sales Growth* (%)
Home Care	6%
Personal Care	3%
Refreshment	11%
Foods	4%
Domestic Consumer	6%

- ❑ **Home Care & Refreshment** continued their strong growth momentum
- ❑ **Personal Care & Foods impacted disproportionately** by thinning of trade pipelines, particularly in CSD

CSD : Canteen stores department

Sales growth = Segment Turnover growth excluding Other Operational Income

**Excludes impact of A&D*

HUL's transition to GST has been swift and smooth

Invoicing to trade

- No disruption in trade servicing
- First GST invoice at 00:08 hrs on 1st July

Internal systems

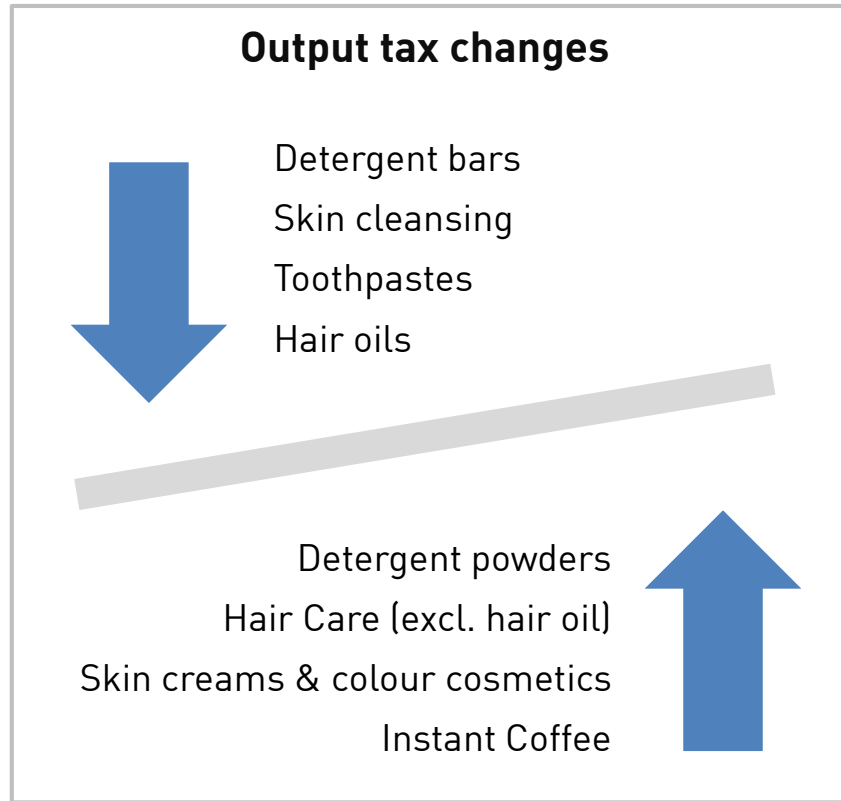
- HUL systems working normally from Day 1

Vendors

- In-bound supplies normal
- Payments from the 1st working day

GST led pricing actions start to land

Net benefits at a company level to be passed on



Pricing landed with impactful press advertisements from Day 1



Further changes underway

Initial days – Issues & Our response

Consumer

Footfalls and off-takes normal, however trade pipelines are thin

Response

Restore trade pipelines on priority

Trade

Sections of trade, particularly wholesale and small retailers still unclear on rules, delaying return to normalcy

Response

Step up communication to trade and their advisors

'Accounting' impact of GST (w.e.f SQ 2017)

Reporting for excise		Impact for input taxes & fiscal	
Pre GST	Post GST	Pre GST	Post GST
Excise a cost; Turnover gross of excise	Turnover is net of GST	Input tax credit availed partially	1. Costs lower as full input tax credit availed 2a. CENVAT availed fully in fiscal sites 2b. Fiscal refund @58% of CGST on value add. Net of 1&2 + Input tax benefit passed on
Impact Post GST		Impact Post GST*	
HUL Local results		Local & HUL as consolidated in Unilever	
Reported Turnover:	Lower by ~750 bps	Reported Turnover:	Lower (Impacts price growth)
Absolute EBITDA:	No impact*	Absolute EBITDA:	No impact
EBITDA margin:	Higher by ~ 150 bps	EPS:	No impact
EPS:	No impact*		
HUL as consolidated in Unilever			
No impact (<i>HUL Turnover under IFRS is net of excise</i>)			



Continued focus on innovations

FRUITS KA KHATTA MEETHA BLAST

PRESENTING NAYA KISSAN TROPICAL BLAST

kissan

NEW Vaseline SPRAY MOISTURISER
ABSORBS IN SECONDS

Spray Lotion that absorbs and moisturises in seconds to give Refreshed, Soft skin

Vaseline

AXE SIGNATURE GROOMING RANGE

AXE SIGNATURE
CORPORATE AFTERSHAVE LOTION SHAVING CREAM SPORT

DAY HO YA NIGHT, SHINE RAHE BY YOUR SIDE

sunsilk

Irresistible Aroma. Irresistible Coffee.

DIRECTOR

BRU Green Label

#sketchyourlips at 185/-

NEW LAKME ENRICH LIP CRAYON
REINVENT

New Dove Almond Cream
Pamper yourself with delicious care

Dove
PURELY pampering almond cream



Progressively building the naturals portfolio

Within the existing portfolio



Multiple natural variants introduced in existing brands across categories

Building specialist brands



Launched 12 SKUs under Citra in the Face Care segment

Building a master brand





'Lever Ayush' going national



Oral Care



Skin Care*



Body Lotions



Hand Wash



Hair Care



Soaps

After a successful South launch, Lever Ayush now being rolled out nationally

Home Care



- ❑ Strong growth across mass & premium laundry
- ❑ Surf sustains robust volume led growth momentum
- ❑ Water witnessed a muted quarter due to challenges in trade, pre - GST





Personal Care



- ❑ Growth subdued due to thinning of trade pipelines, particularly in CSD
- ❑ Broad based growth across all brands in Personal Wash
- ❑ Fair & Lovely relaunch well received
- ❑ Colour cosmetics delivered yet another robust quarter

LUX

Dove

Pears®

Rexona

Hamam



NEW Fair & Lovely

POND'S

Vaseline

LAKMÉ

St. Ives
FRESH, BETTER, NATURALLY™

CLINIC PLUS+

!
sunsilk
RESEARCH & INNOVATION

TRESemmé
USED BY PROFESSIONALS™

indulekha™

closeup

Pepsodent

ayush
therapy

AXE



Foods & Refreshment



- ❑ Refreshments delivered broad based growth
- ❑ Tea continues to deliver robust double- digit growth by leveraging WiMI
- ❑ Soups & Jams drive category growth for Foods





Strong margin delivery aided by savings agenda



Ownership With
No Functional Silos



Zero Based Approach



Blue Sky Thinking



Organisation Wide
Engagement



Market Competitive
Business Model

Thinking and delivering end to end savings of ~6% of turnover

JQ'17: Results Summary

Rs. Crores

Particulars	JQ'17	JQ'16	Growth %
Sales	9,094	8,662	5
EBITDA	1,866	1,636	14
EBITDA Margin (%)	20.5%	18.9%	160
Other Income	113	108	
Exceptional Items – Credit / (Charge)	(13)	71	
PBT	1,846	1,715	
Less : Tax	(563)	(541)	
PAT bei	1,292	1,128	15
Net Profit	1,283	1,174	9

- Domestic Consumer growth at 6%
- Exceptional item in the base includes one-time write back of provision for employee benefits



Looking ahead

Near term

- ❑ Expect gradual improvement in rural demand
- ❑ Trade stocks to build back to normative levels over the next few months
- ❑ Input costs to remain stable

Our strategy

- ❑ 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/>

June Quarter 2017
results

Hindustan Unilever Limited will release its financial results for June Quarter 2017 on Tuesday 18 July, 2017.

> View more



HUL Investor App

