

# RE-IMAGINING HUL

ANNUAL INVESTOR MEET | 6 JUNE 2018

Sanjiv Mehta, CEO & MD



*Hindustan Unilever Limited*

# SAFE HARBOUR 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.

# PERFORMANCE IN THE RECENT PAST

## Net Sales

**~Rs. 13,500 Crores  
added<sup>^</sup>**



## EBITDA

**~Rs. 4,000 Crores  
added**



## Market Capitalisation

**~Rs. 250,000 Crores  
added**



*\*All nos compared with FY'11-12 which is reinstated to reflect key IND AS accounting impact<sup>3</sup>*

*<sup>^</sup>Not adjusted for GST accounting impact & hence the net sales number looks deflated*

# A FEW EXAMPLES OF CONSISTENT HIGH PERFORMERS



Hindustan Unilever Limited

## Laundry



## Hair Care



## Tea



# LAUNDRY



Hindustan Unilever Limited



Turnover

1.8 X



Profitability

3.7 X



Consistent Growth in Topline & Bottom line

Drivers of growth

- Continuous focus on building purpose driven brands
- Driving premiumization & market development
- Consistent focus on profitable growth

# HAIR CARE



Hindustan Unilever Limited



Turnover

1.9 X



Consistent delivery on all fronts

Market share

~700bps ↑



Drivers of growth

- Strong play in the naturals space
- Undeterred focus on innovations, premiumization & building categories of the future
- Winning in channels of the future

# TEA



Hindustan Unilever Limited



Turnover

1.8 X



No. 1 Tea Company in India

Profitability

2.0 X



Drivers of growth

- Winning in Many Indias: customized cluster level propositions
- Market Development
- Strengthening the core
- Building brands with purpose

# BEING RECOGNISED



Hindustan Unilever Limited



**Best Performing  
Unilever Business  
2014**

**Aon Hewitt  
Top Companies  
for Leaders 2014**

**# 3 Company globally  
for building leaders  
2014**



**Economic Times –  
Company of the year  
2015**



**#7 Globally and  
#1 in India  
2017**



**‘Dream Employer’ for 9 years in a row among top Indian universities**

# THE WORLD AROUND US IS EVOLVING



Hindustan Unilever Limited



# IT'S AN AGE OF CHANGE AND DISRUPTION



Hindustan Unilever Limited



**Millennials / Gen Z**



**Globally connected  
but there is a search  
for authenticity**



**Changing family  
dynamics**



**There is a thrill of  
purpose**



**Uncertainties and  
Volatility are the new  
normal**



**Increased  
competition intensity**



**Digital disruptions  
reshaping business  
models**



**Evolving regulatory  
environment**

# AND HENCE THERE IS A NEED FOR...



Hindustan Unilever Limited

## Consumer Centricity



## Speed & Agility



## Digital Connectivity



## Being Glocal



# FMCG CONTINUES TO BE A BIG OPPORTUNITY IN INDIA



Hindustan Unilever Limited



INDIA

US\$ 29



INDONESIA

~2X INDIA



CHINA

~4X INDIA



PHILIPPINES

~ 5X INDIA

PER CAPITA FMCG CONSUMPTION

To tap this big opportunity, we need more money in the hands of more people i.e. Inclusive Growth

WINNING IN THE FUTURE  
NEEDS A DIFFERENT APPROACH





# RE-IMAGINING HUL FOR THE FUTURE



# RE-IMAGINING HUL



Hindustan Unilever Limited

## Re-imagining our structure



## Re-imagining our portfolio



## Re-imagining magic in marketing



## Re-imagining our trade channels



## Re-imagining the value chain



## Re-imagining fuel for growth



## Re-imagining culture of the organisation



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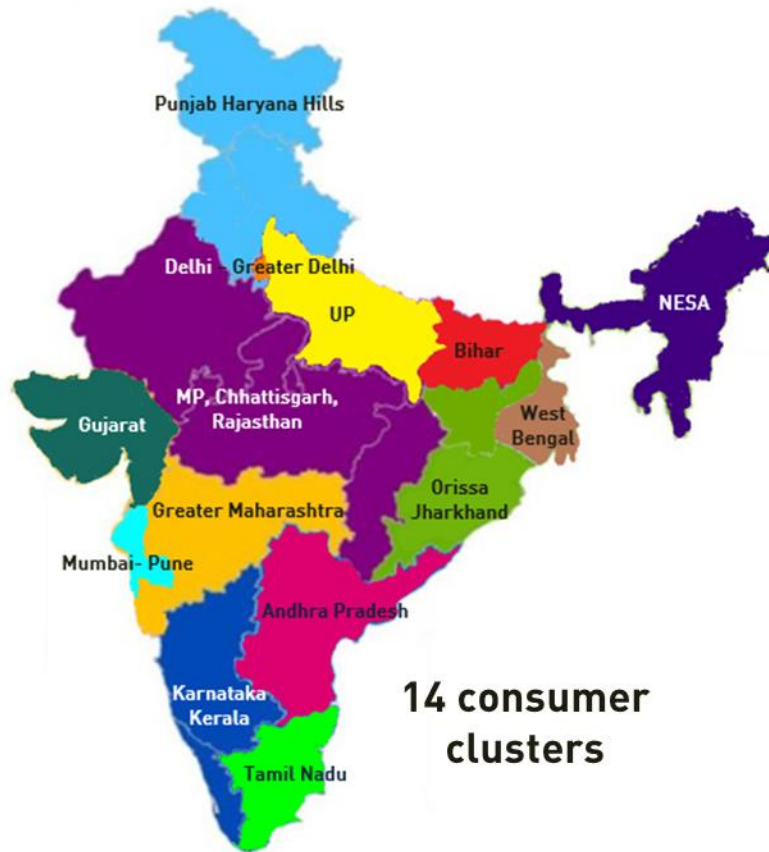


*\*A report published jointly by the Internet and Mobile Association of India (IAMAI) and KANTAR-IMRB: March '18*

# WINNING IN MANY INDIAS (WiMI)



Hindustan Unilever Limited



14 consumer clusters



## WiMI in action

Distinctive strategy at a cluster level

Customized product propositions & media deployment for every cluster

Empowered Cluster Heads enabling faster decision making closest to the point of action across the country

# CCBTs: 15 MINI-BOARDS IN ACTION



**Building a stronger sense of empowerment & ownership**

**Multi functional  
representations in CCBTs**



**Merger of Brand Development  
& Brand Building**



**Responsible for delivering in-year P&L**

# LIBERATING THE MANAGEMENT COMMITTEE TO FOCUS ON LONGER TERM GOALS

**Build new  
business models**



**Greater focus on  
talent & capabilities**



**Explore Inorganic  
growth opportunities**



**Coach & Mentor  
CCBTs**



# RE-IMAGINING HUL



Hindustan Unilever Limited

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# STRENGTHENING THE CORE



Hindustan Unilever Limited



Focus on driving  
penetration &  
weighted  
distribution



Constantly  
innovating and  
renovating the  
core



Focused SKUs at  
cluster level to  
address demands  
of all Indias



Making the core  
more aspirational

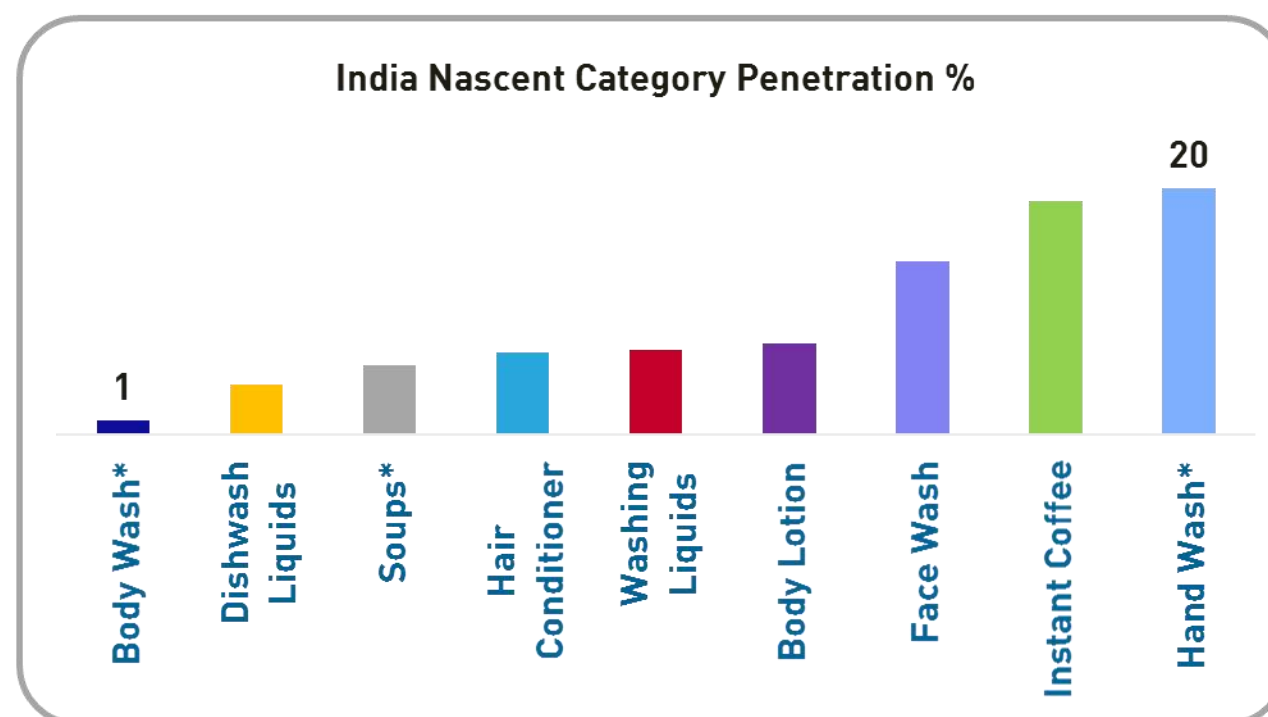
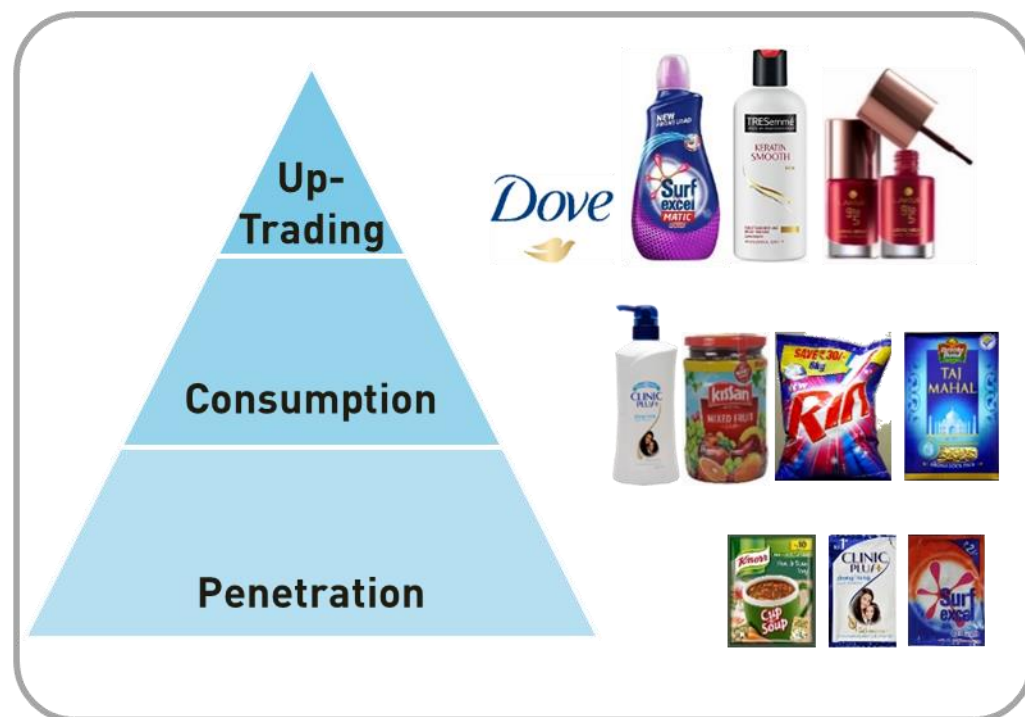


Offering multiple  
value additions  
across the core  
portfolio



# CREATING CATEGORIES OF THE FUTURE

Opportunities to premiumize and up trade; huge headroom to grow



# MARKET DEVELOPMENT & PREMIUMIZATION

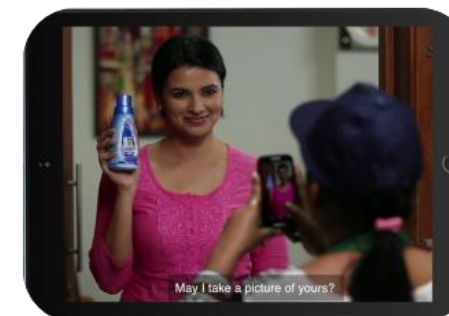
Powered by education demos and sampling

## Business Results



Growing at ~2X HUL Average

## Science of Sampling



2014

Consumer  
contacts



2017

# BUILDING NATURALS



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Naturals portfolio growing ~2.5X of overall HUL average

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# BUILDING BRANDS WITH PURPOSE



Hindustan Unilever Limited



# BUILDING ICONIC ENGAGEMENT PLATFORMS



Hindustan Unilever Limited

## Lux Golden Rose Awards



## Lakmé Fashion Week



## FAL Foundation



## Lifebuoy help a child reach 5



## Surf Excel Haar Ko Harao



## Rin Career Academy



## Red Label Taste and Togetherness



## Kissanpur



# CONSISTENTLY EVOLVING THESE PLATFORMS



Hindustan Unilever Limited



2005



Pride

2009



Empathy & Overt  
expression of love

2012



Loyalty & Forgiveness

2017



Learning from  
Failure

2005



*Pyar ka pyala*

2008



*Chuskiyan  
zindagi ki*

2010



*Health & Taste, Swasth  
rahein, mast rahein*

2014



*Taste &  
Togetherness*

2017



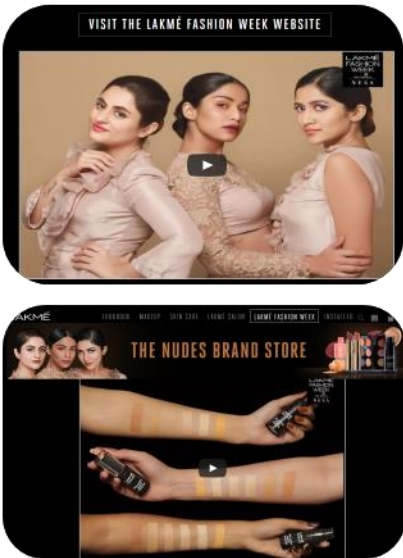
*Taste &  
Togetherness*

# BUILDING DIFFERENTIATED CONTENT

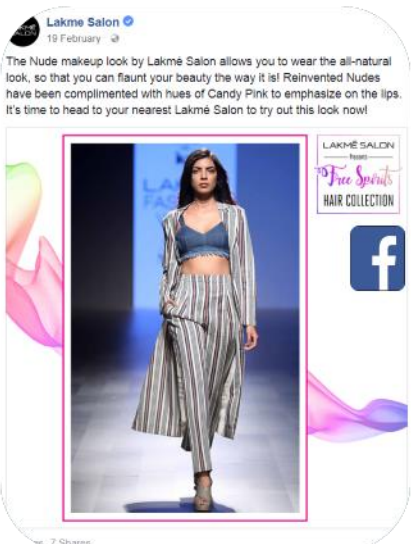
## Television



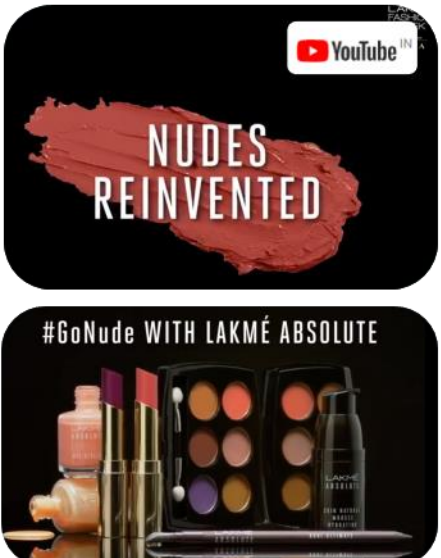
## Website



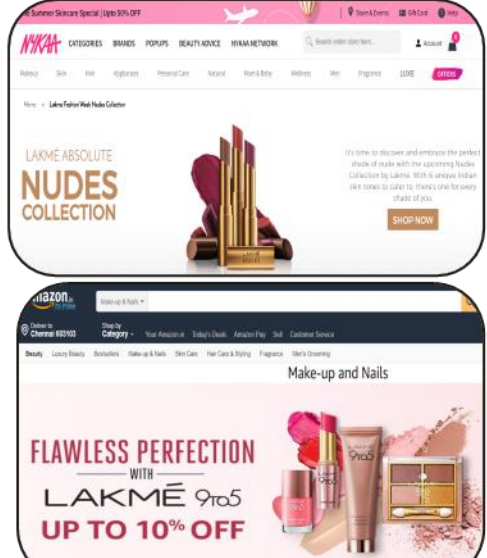
## Social Media



## Digital Video



## Ecommerce



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# GENERAL TRADE WILL CONTINUE TO REMAIN BIG

More throughput from more stores

## All channels will remain relevant

### Wholesale



Aids ↑ Width of distribution

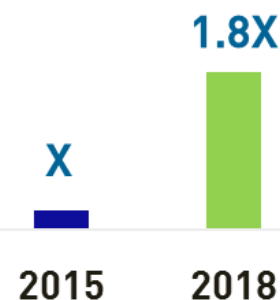
### Retail



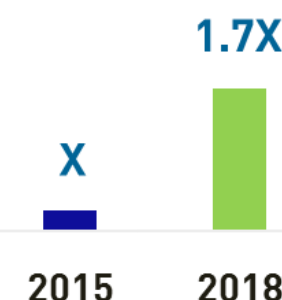
Accessibility at arm's reach of desire

## Driving effective coverage & assortment

### COVERAGE



### ASSORTMENT



In a country of ~6 LAKH villages & 10 MN outlets, GT even after 10 years, will remain an important channel

# BUILDING CHANNELS OF THE FUTURE



Hindustan Unilever Limited

## Modern Trade



**Driving visibility across Modern Trade**

## ECommerce



**Ecommerce business now ~1.5% of HUL**

**Our Growth & Profitability in ECommerce > Modern Trade > Traditional Trade**

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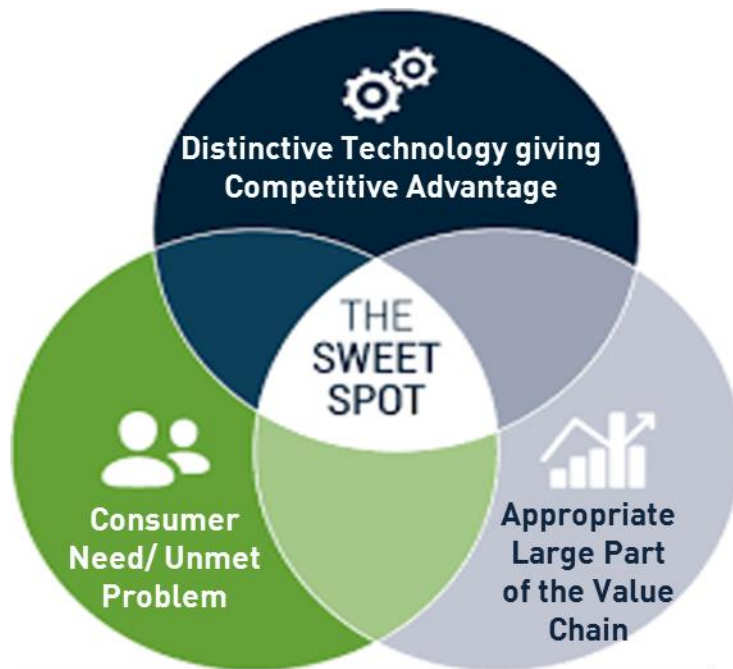
Re-imagining culture  
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# TECHNOLOGY AVAILABLE TODAY, OPENS UP A LOT OF OPPORTUNITIES



Hindustan Unilever Limited



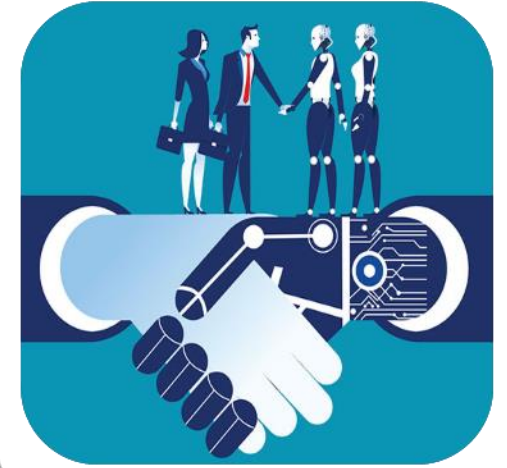
## Internet of Things



## Cloud Technology



## Artificial intelligence



# OUR DATA STRATEGY



Hindustan Unilever Limited



# WE CHOSE TO DISRUPT THAN BE DISRUPTED



Hindustan Unilever Limited

By looking at the full value chain end-to-end

Insights



R&D



Manufacturing



Distribution



Communication



Consumer Journey



# RE-IMAGINING HUL: OUR VISION



Hindustan Unilever Limited

*“Re-imagine HUL of the future by choreographing a holistic approach **across the value chain** to completely transform the way we do business in a connected world”*



# RE-IMAGINING SUPPLY CHAIN



Hindustan Unilever Limited

## Plan



- 1 Day Planning Cycle (real-time)
- Integrated S&OP
- Segmentation 2.0

## Source



- Integrated e-tendering
- Realtime Forecast
- Smart Inventory modelling

## Make



- Digital Factory
- Smart Robotics
- Network redesign

## Deliver



- New Logistic models
- Efficient Fulfilment Centres



Robotization AV

# RE-IMAGINING MARKETING



Hindustan Unilever Limited

Granular data analysis  
and tracking



Advanced Analytics &  
Decision Support System



Social Listening: Always  
on Conversation



Precision Marketing:  
Consumer Journey



Precision Targeting  
and Deployment



MAXIMA

# RE-IMAGINING CUSTOMER DEVELOPMENT



**Demand Capture**



**Demand Fulfilment**



**Demand Generation**

**Providing superior customer service through vertical task specialization across the three pillars interlinked through modular IT capabilities**

# DEMAND CAPTURE

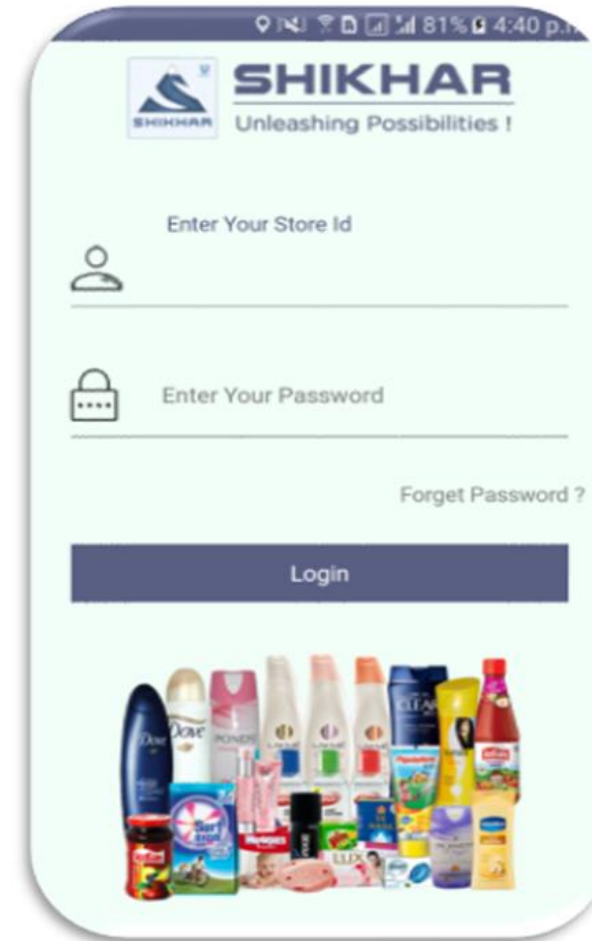


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## Demand Capture



- Enhance salesman productivity with chatbots
- Advanced Analytics/AI for assortment led growth
- Scale up Shikhar App



Shikhar App AV

# DEMAND FULFIL

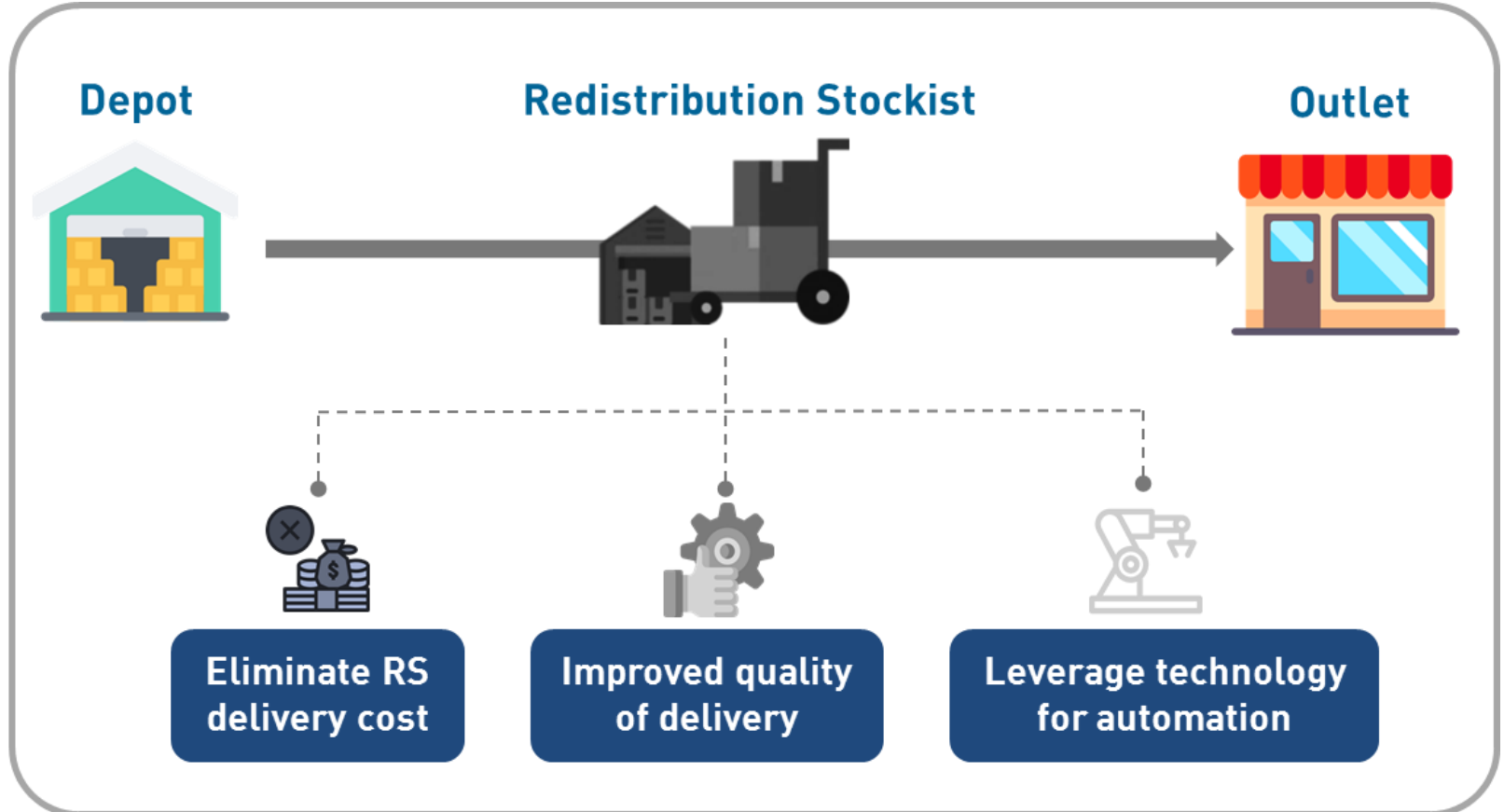


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## Demand Fulfil



- **Project Shogun: Deliver with speed to trade and ensure efficient fulfilment**
- **Scale up Impact App**



Project Shogun AV

# DEMAND GENERATE



Hindustan Unilever Limited

## Demand Generate



- Scaling up B2C (HumaraShop)
- Leverage technology to improve shelf presence

Your Local Kirana, Now Online | 1800 419 1019 | HumaraShop | SIGN IN / SIGN UP

Humara Shop | CATEGORIES | Search products & brands | OFFER ZONE | BASKET 0

**LAKMÉ Beauty Store**  
UP TO 15% OFF\*  
SHOP NOW

**Tea Coffee**  
UP TO 10% OFF\*  
SHOP NOW  
\*Offer valid till stocks last. T & C apply

**kissan JAM at ₹99/-\***  
only  
SHOP NOW  
\*Offer valid till stocks last. T & C apply

# RE-IMAGINING HUL



Hindustan Unilever Limited

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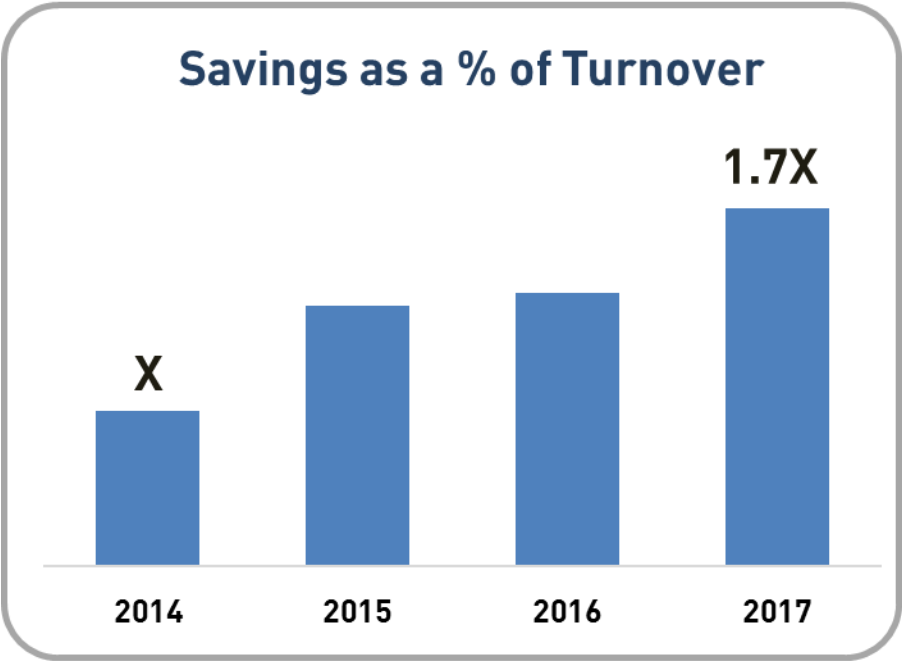
Re-imagining fuel for  
growth



Re-imagining culture  
of the organisation



# OUR HISTORY OF SAVINGS



Powered by 

**Cutting complexity & driving agility**



**Organisation wide initiative**



**Building an owners mindset**



# GENERATING FUEL FOR GROWTH BY CONSTANT REINVENTION

## A Business Model that Works



## Max the Mix



## End-to-end cost focus



## Organisation wide ownership mindset



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# CHANGING STRUCTURES AND PROCESSES IS NOT ENOUGH

**Change in mindset** enables us to continuously adapt



**EMPOWERMENT**



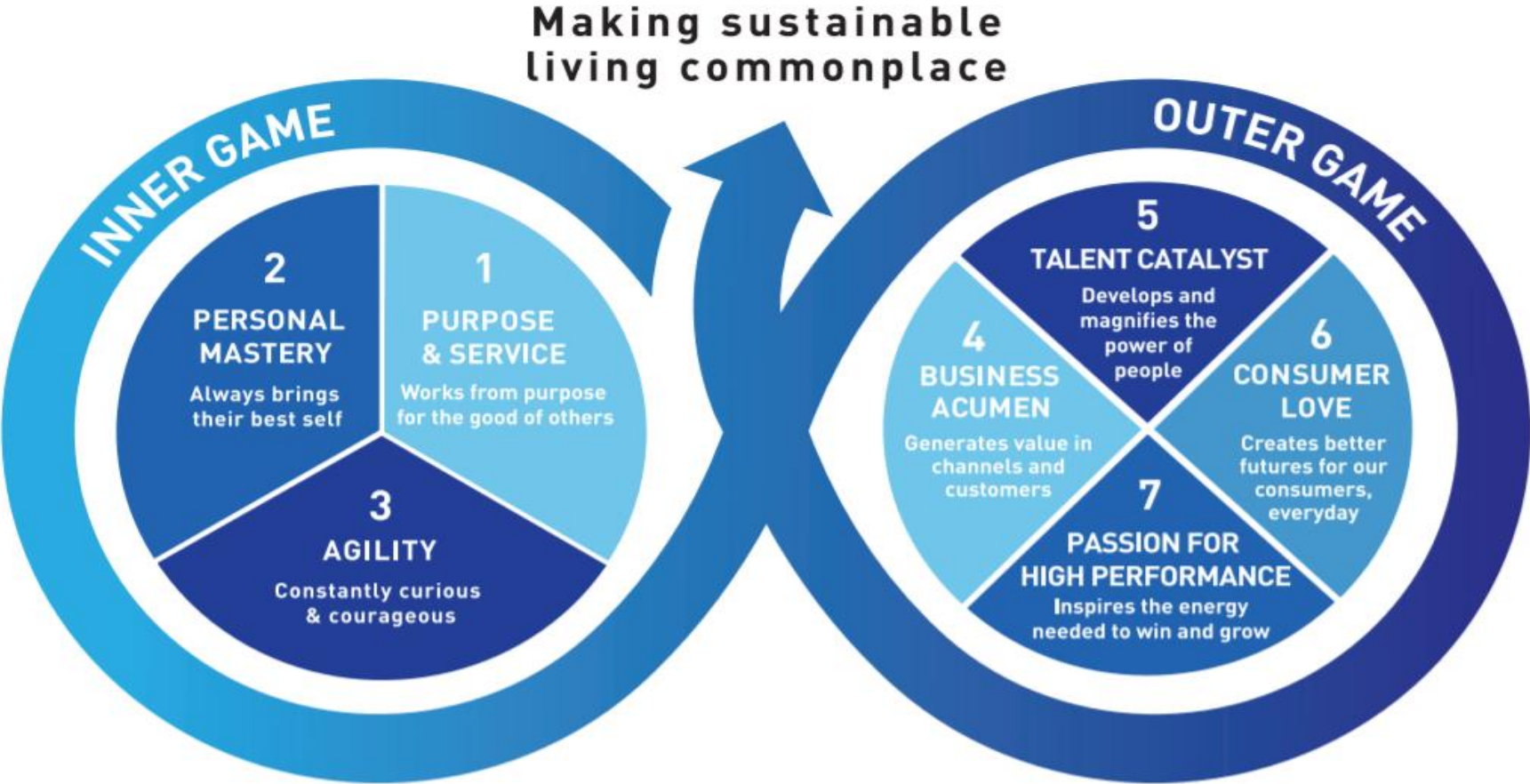
**COLLABORATION**



**EXPERIMENTATION**

**Change in mindset is key to landing transformation**

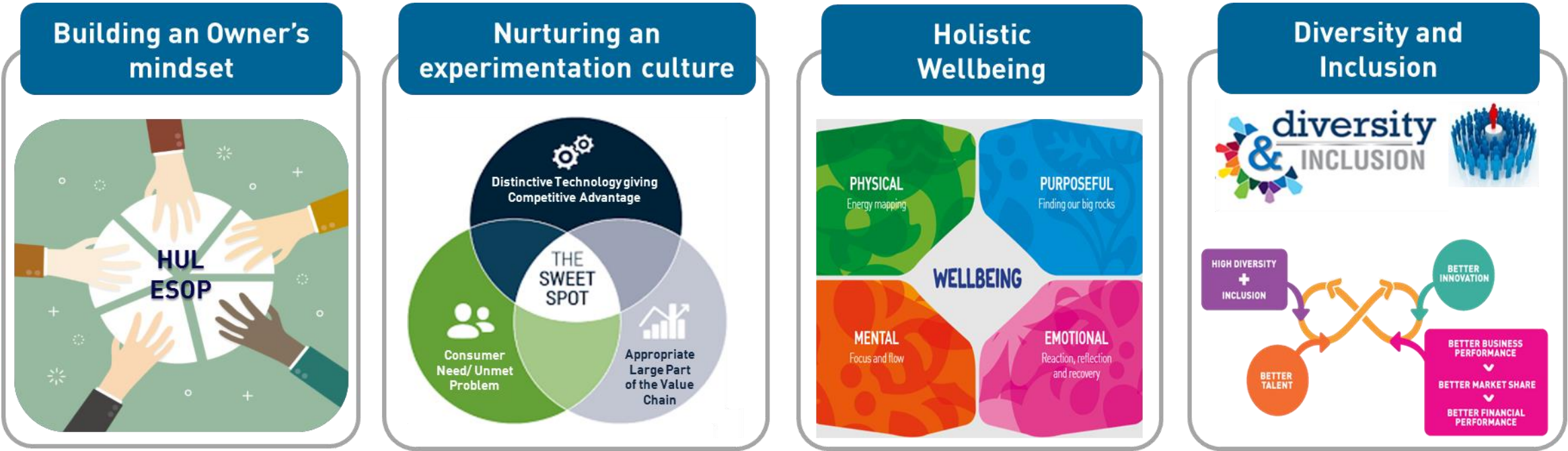
# NEW STANDARDS OF LEADERSHIP



Our Standards of Leadership sit alongside the enduring values of Unilever

**Respect   Responsibility   Integrity   Pioneering**

# BRINGING AN ORGANISATION WIDE CHANGE





Hindustan Unilever Limited

**WHILE WE RE-IMAGINE HUL, WHAT WE  
WILL NOT CHANGE IS  
OUR PURPOSE & VALUES**

# LEGACY OF DOING WELL BY DOING GOOD



Hindustan Unilever Limited

## Founder's Vision in the 19th century



## Our Purpose today



***"I believe that nothing can be greater than a business, however small it may be, that is governed by conscience; and that nothing can be meaner or more petty than a business, however large, governed without honesty and without brotherhood."***

**-William Hesketh Lever**

# LED BY VALUES



Hindustan Unilever Limited

## Values

**INTEGRITY**  
**RESPECT**  
**RESPONSIBILITY**  
**PIONEERING**

## Living the values

**THANK YOU, GST.**

**MUCH MORE VALUE ON YOUR FAVOURITE BRANDS.**

**Hindustan Unilever Limited**  
Serving India for over 80 years.

GST benefits on the above packs and across a wide range of products are being made available. Stock manufactured with reduced MRP (inclusive of all taxes/GST) or with higher grammage/volume have started reaching markets.

# UNILEVER SUSTAINABLE LIVING PLAN



Hindustan Unilever Limited

## Improving Health & Wellbeing

>67 million people reached - **Lifebuoy Handwashing Programme**

83 billion litres of safe drinking water provided by **Pureit**

~1.1 million people impacted through **Domex Toilet Academy**



## Reducing environmental footprint

100% TOMATOES



&



52% TEA

are sourced from sustainable sources



54% reduction in waste generated during manufacturing in 2017\*

## Enhancing Livelihoods



Project **Shakti** network grew to **80,000 entrepreneurs**

1.7 million people benefitted from **Prabhat's** USLP linked programmes



Over **420,000 people** benefitted from **Rin Career Ready Academy**

**200,000 women** enrolled for **Fair & Lovely Foundation's** online education programme



# POSITIVE IMPACT ON THE PLANET



Hindustan Unilever Limited

## Thought leadership on water conservation and plastics



Hindustan Unilever Limited

Hindustan Unilever Foundation

**450 billion litres\* of water potential created**



- Ensure all our plastics packaging is designed to be reusable, recyclable or compostable.
- 25% of all the plastic we use will come from recycled sources by 2025

# IN SUMMARY



Hindustan Unilever Limited



**The external context is fast evolving and FMCG in India continues to be an immense opportunity**



**The new structure (WIMI, CCBTs) has made HUL more agile and resilient**



**We are leveraging technology to re-imagine our current ways of working across the value chain**



**We are building capabilities and re-imagining our culture to be future ready**

**Our purpose and values remain unchanged**



**HUL IS RE-INVENTING ITSELF TO BE FUTURE READY !**

# THANK YOU

For More Information



Hindustan Unilever Limited

## VISIT OUR WEBSITE

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

### Investor Relations

#### HUL Annual Investor Meet 2018

HUL's Annual Investor Meet 2018 will be held on 6th June 2018, Wednesday, at the HUL Head Office in Mumbai

[> View more](#)

#### RE-IMAGINING HUL

ANNUAL INVESTOR MEET | 6 JUNE 2018

Sanjiv Mehta, CEO & MD



Hindustan Unilever Limited