

# Hindustan Unilever Limited

Sanjiv Mehta, Chairman & Managing Director

Goldman Sachs: India CIO Tour | 4<sup>th</sup> December 2019



Hindustan Unilever Limited

**Vaseline**

**SUN + POLLUTION PROTECTION**

**PROTECT YOUR SKIN. RESTORE ITS NATURAL GLOW.**

**Vaseline**  
healthy white sun-pollution protection  
SPF 24 PA++

**VASELINE SUN & POLLUTION PROTECTION LOTION**

**PPF FORMULA**

Pollution Protection Formula works as a shield which protects your skin from pollutants and blocks them from causing further damage.

**SPF 24 PA++**

SPF 24 PA++ blocks & protects your skin from UVA and UVB rays of the sun.

**love & care**  
EXPERT CARE WASH

**SHINING SILKS**

**FINE COTTONS**

**SOFT WOOLLENS**

**love & care**  
EXPERT CARE WASH

**TAJ MAHAL**

*Wah Taj!*

**NIRALI KARTIK**  
Mewati Gharana

# 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.

# OUR STRATEGY

## BUILDING BLOCKS

### PORTFOLIO

Strengthen the Core



Create categories of future



Drive premiumization



### RIGOUR AND DISCIPLINE

Generate fuel for growth



Execute brilliantly



## ENABLED BY

### STRUCTURE



- De-average India
- Nimble & Empowered teams

### CULTURE



- Be Human
- Be Purposeful
- Be Accountable

### PEOPLE & CAPABILITIES



- Diverse & Inclusive
- Re-imagining HUL

## PURPOSE-LED, FUTURE-FIT

# OUR STRATEGY

## BUILDING BLOCKS

### PORTFOLIO

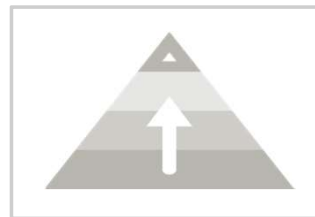
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Create categories of future



Drive premiumization

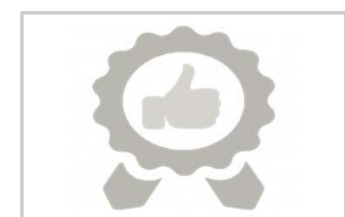


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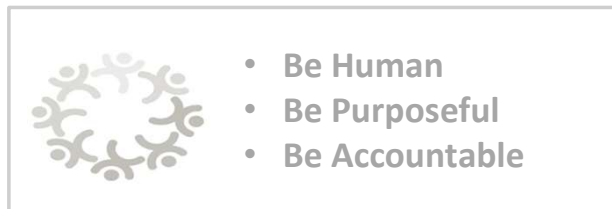


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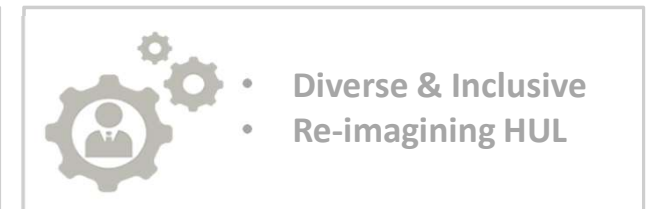
### STRUCTURE



### CULTURE



### PEOPLE & CAPABILITIES



## PURPOSE-LED, FUTURE-FIT

# PURPOSEFUL BRANDS STRENGTHENING OUR CORE



Hindustan Unilever Limited

## Laundry

## Surf Excel: Dirt is Good!

CAGR 10%



Profitability

Building brands with purpose;  
Driving premiumization



HUL IS THE NO.1 LAUNDRY COMPANY IN INDIA



Hindustan Unilever Limited

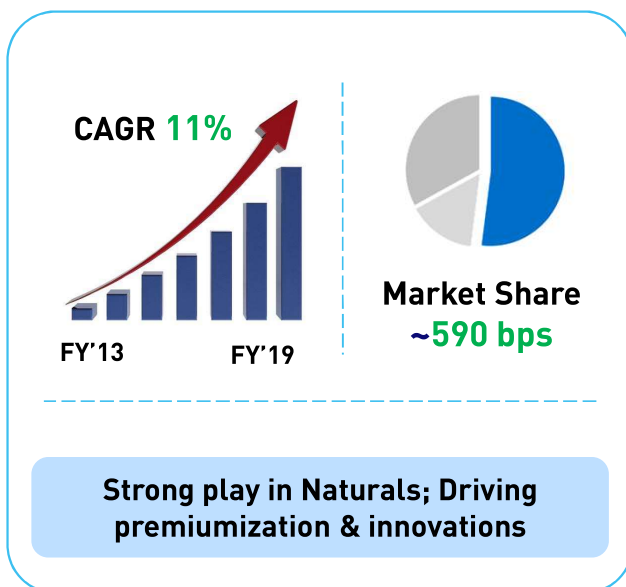
 **AV 1: Surf Excel #RangLaayeSang**

# PURPOSEFUL BRANDS STRENGTHENING OUR CORE



Hindustan Unilever Limited

## Hair Care



## Clinic Plus #Meri Beti Strong



HUL IS THE NO.1 HAIR CARE COMPANY IN INDIA



Hindustan Unilever Limited

 **AV 2: Clinic Plus #MeriBetiStrong**



# PURPOSEFUL BRANDS STRENGTHENING OUR CORE

## Tea



## Red Label: Taste of togetherness



HUL IS THE NO.1 TEA COMPANY IN INDIA



Hindustan Unilever Limited

 **AV 3: Red Label #TasteOfTogetherness**

# OUR STRATEGY

## BUILDING BLOCKS

### PORTFOLIO

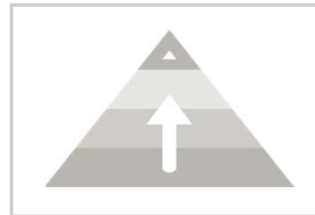
Strengthen the Core



Create categories of future



Drive premiumization

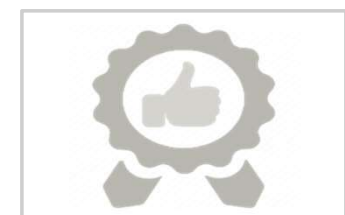


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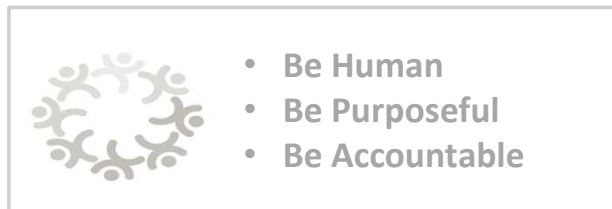


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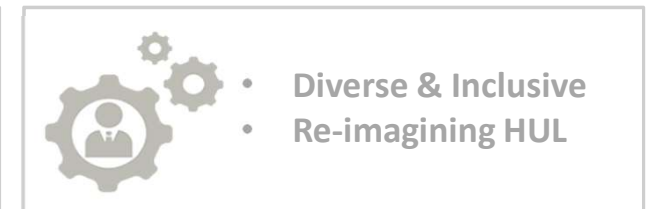
### STRUCTURE



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## PURPOSE-LED, FUTURE-FIT

# MARKET DEVELOPMENT

## Drive category penetration

**EXPLODE**



**ACCELERATE**



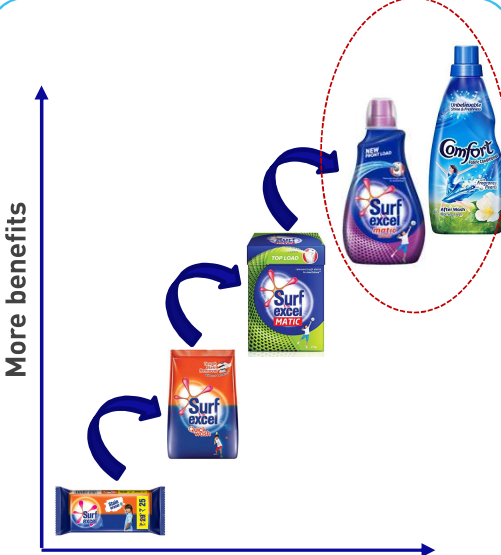
**SEED**



Increasing penetration in Nascent Categories

## More benefits

More benefits



Rising Income


Building Liquids Portfolio

## Expansion across sub-categories



Foraying into Body wash and Anti-perspirants

## Powered by consumer connects – online & offline



May I take a picture of yours?

**5X** scale up in consumer contacts\*

**20% OF HUL'S BUSINESS GROWING AT 2X OF HUL AVERAGE**

\* From 2014 to 2018

# LEVERAGE M&A TO EXPAND PORTFOLIO

Naturals play in Hair Care



Strengthen Ice Cream portfolio



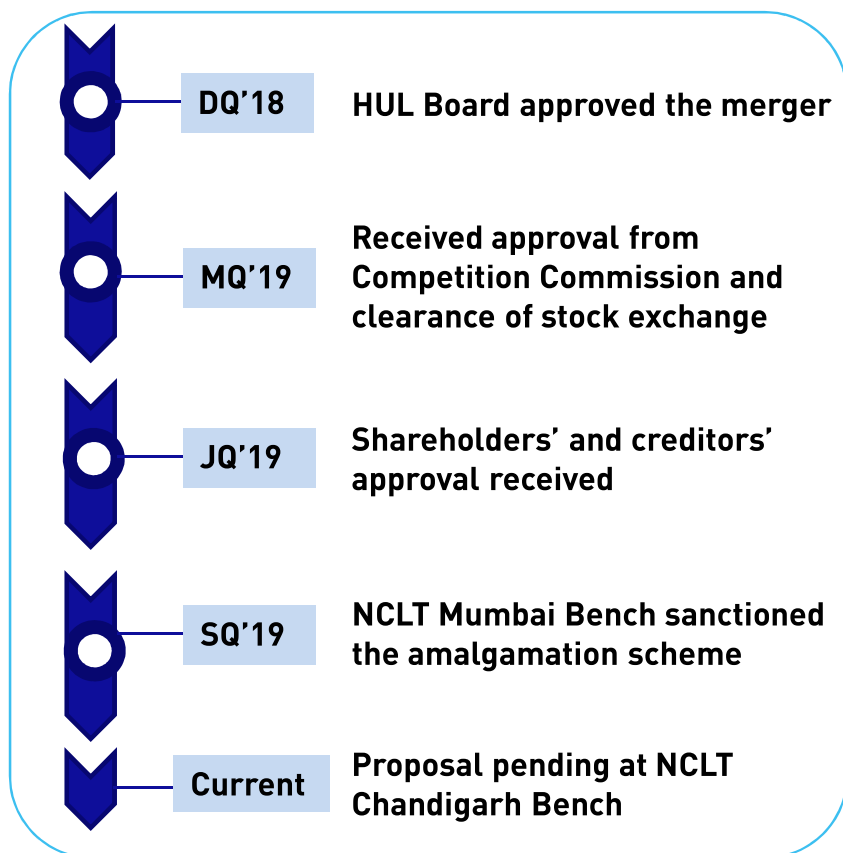
Leverage Health & Wellness trend



\* Subject to regulatory approvals coming through; proposal pending with NCLT

# GSK UPDATE

## Current status of regulatory approvals



## State of readiness for integration



**VERTICAL TAKE-OFF  
ON DAY 1**

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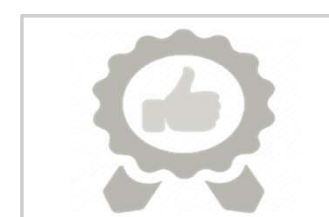


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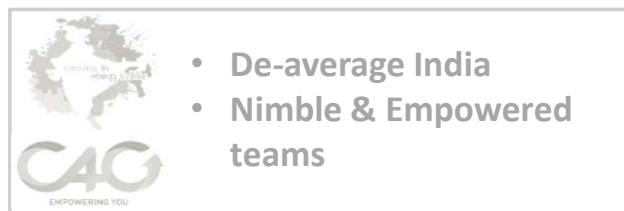


Execute brilliantly

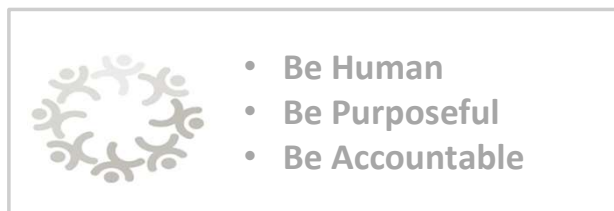


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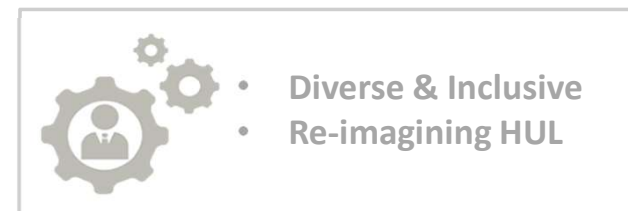
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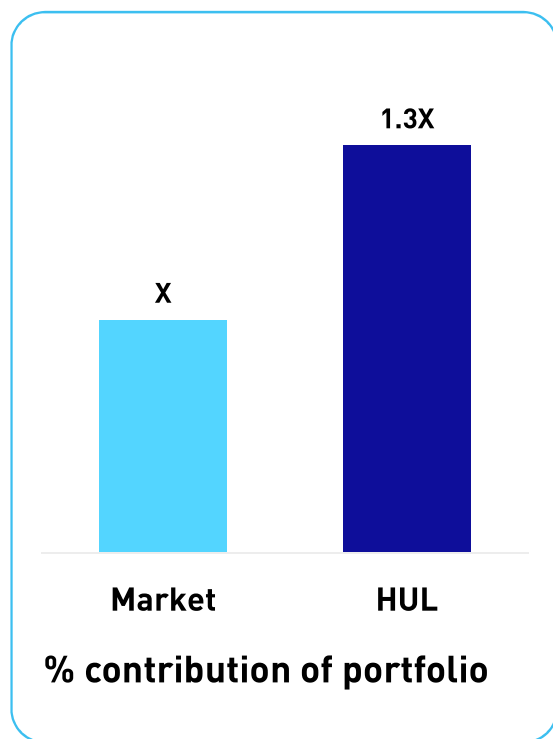
### PEOPLE & CAPABILITIES



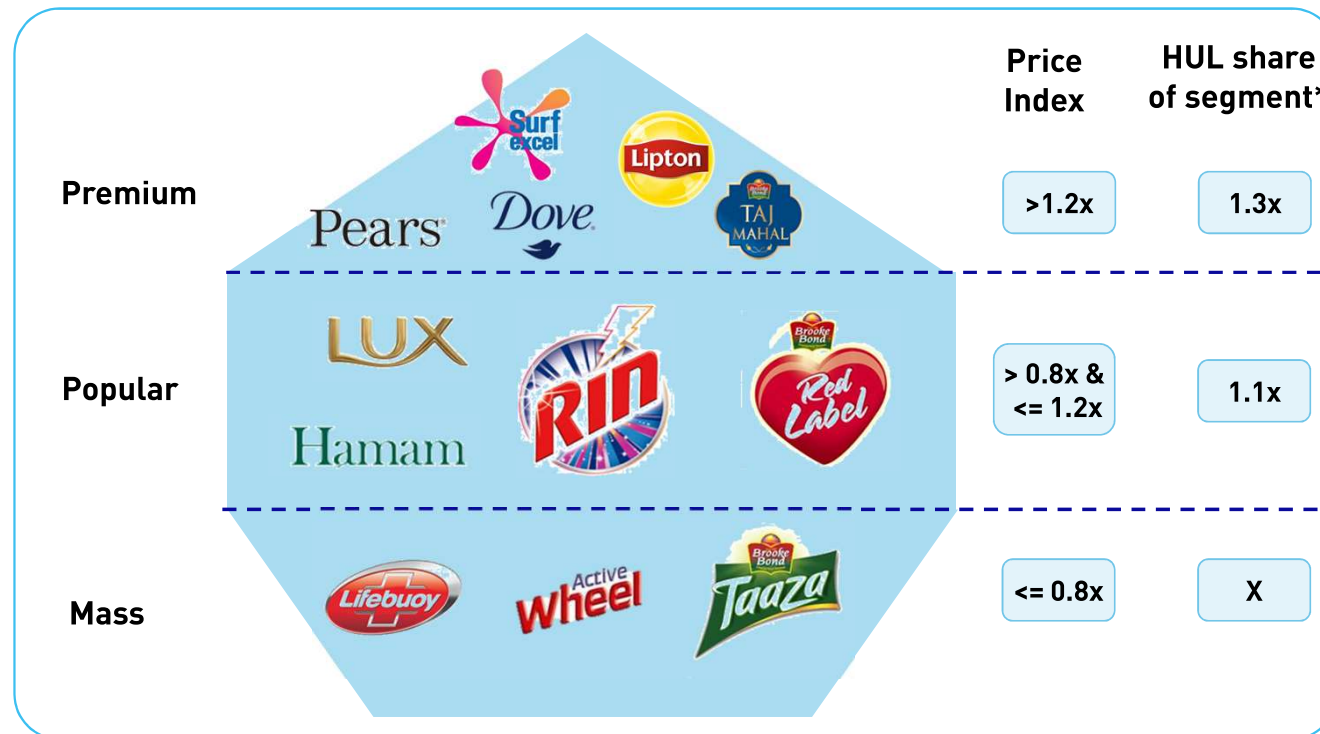
## PURPOSE-LED, FUTURE-FIT

# DRIVE PREMIUMIZATION

Our premium portfolio is over-indexed to market



Portfolio straddling the pyramid



\*Source: Nielsen (Urban + Rural) 16



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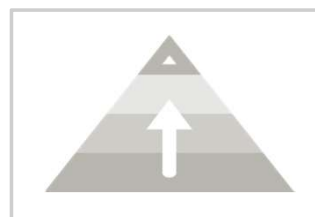
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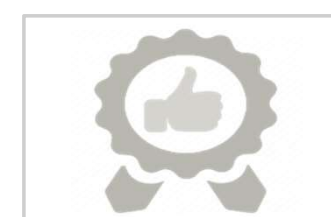


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## ENABLED BY

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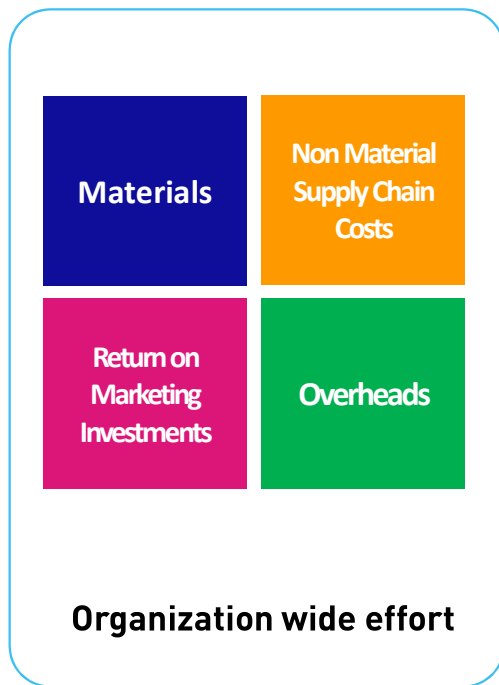


- Diverse & Inclusive
- Re-imagining HUL

## PURPOSE-LED, FUTURE-FIT

# GENERATE FUEL FOR GROWTH

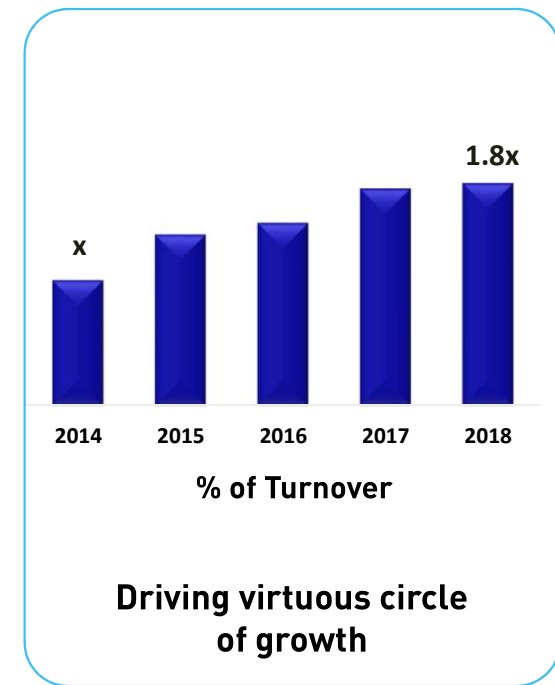
## End-to-end cost focus



## Powered by



## Savings



**TOTAL SAVINGS > 7% OF TURNOVER**

# OUR STRATEGY

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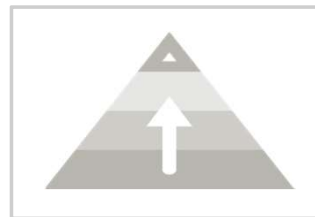
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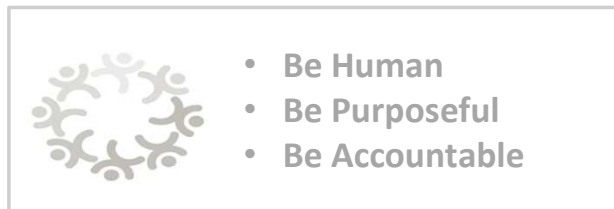


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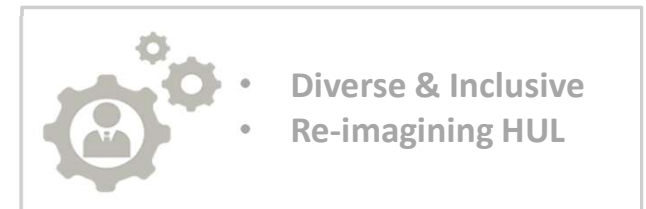
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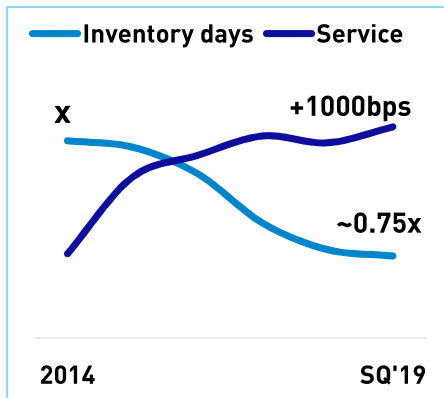
### PEOPLE & CAPABILITIES



## PURPOSE-LED, FUTURE-FIT

# EXECUTE BRILLIANTLY

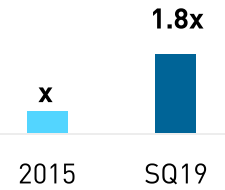
## Agile supply chain



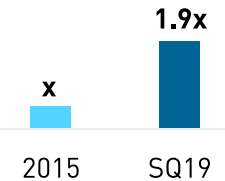
Optimized Inventory holding while sustaining high service levels

## Systematic expansion in coverage and assortment

### Effective Coverage\*



### Assortment



## Our tailwinds in channels of future



Market share  
**1.2X**



Growth  
**2X-5X**



Margin  
**ACCRETIVE**

Our share & profitability in Ecommerce > MT > GT

\*No. of outlets with monthly average billing >INR 500

# OUR STRATEGY

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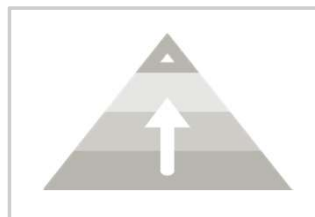
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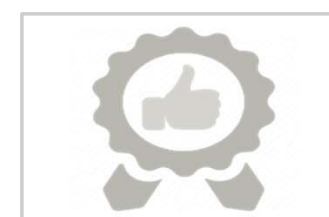


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## PURPOSE-LED, FUTURE-FIT

# WINNING IN MANY INDIAS

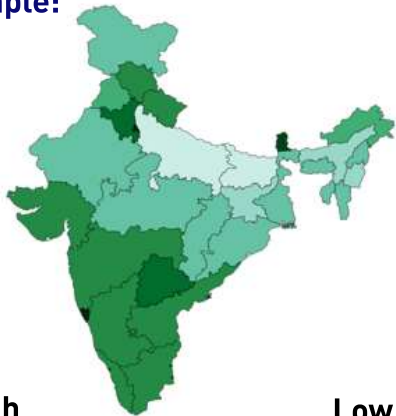


Hindustan Unilever Limited



**India**  
A heterogeneous country

Example:



High Low



Nominal Gross Regional Domestic Product Per Capita (US\$)



**WiMI-led distinctive premiumization strategy**

Majority Mass :  
Uttar Pradesh



Upgradation through mid and premium bars and powders

Majority Mid:  
Tamil Nadu



Upgradation through top end formats – Matic liquids



**WiMI-led distinctive product strategy**

Punjab & Karnataka

Beverages portfolio designed for different color and taste preferences in the clusters



**CENTRAL BRANCH GROWING AT ~1.5X OF HUL AVERAGE**

# NIMBLE AND EMPOWERED TEAMS BY C4G

COUNTRY CATEGORY BUSINESS TEAM : 3 DIVISIONS SPLIT INTO **15 MINI-BOARDS**



**Functions in a CCBT**



**Merger of Brand Building and Brand Development**



**Empowered to deliver in-year P&L**



**More consumer & customer centric**



**Land bigger, faster innovations**

**Liberating HUL Management Committee to focus on longer term goals, exploring inorganic growth opportunities and managing disruptions**

**LANDING INNOVATIONS FASTER WITH 1.4X SPEED TO MARKET**

# OUR STRATEGY

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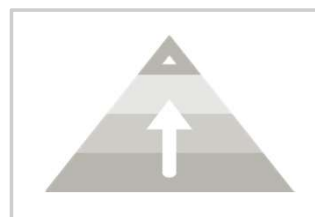
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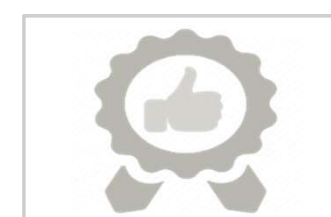


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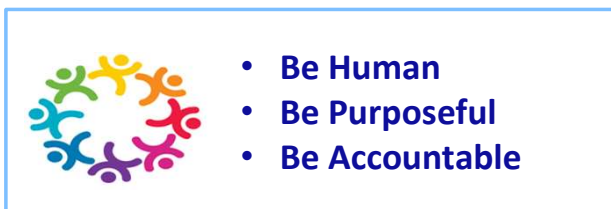


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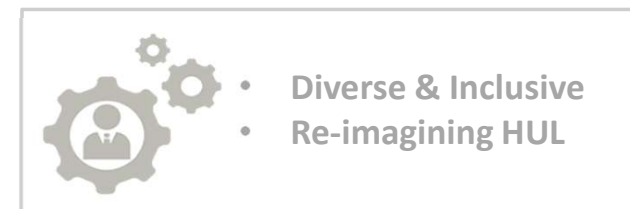
### STRUCTURE



### CULTURE



### PEOPLE & CAPABILITIES



## PURPOSE-LED, FUTURE-FIT




# BE HUMAN




Hindustan Unilever Limited


## Leaders building leaders




**Nurturing future leaders**




**Curated personalized learning**



**Talent immersions**



**Cross-laning**



## Holistic wellbeing



**People with purpose**



**Physical and mental wellbeing**



**HUL Awarded 'Unilever Health and Wellbeing' Gold Category Award**

## Partnering with Customers & Sales force



**Skilling distributors HUL + IIM Ahmedabad**



**Securing salesman with insurance schemes**



**Strengthening Shakti through Direct Benefit Transfer**



Hindustan Unilever Limited

 **AV 4: Shakti**

# BE PURPOSEFUL



Hindustan Unilever Limited

## Water conservation



**HINDUSTAN UNILEVER FOUNDATION**

**> 900 BILLION LITRES  
of water saved**

## Driving community sanitation and hygiene



- Making slums clean, hygienic and habitable
- Using circular economy principles to reduce water use

## Becoming plastic neutral



**REDUCE  
REUSE  
RECYCLE  
RECOVER**



Hindustan Unilever Limited

## AV 5: HUF Water conservation + Suvidha

 **AV 6: Plastics – Start a little good**

# BE ACCOUNTABLE

## Flexible goals



Empowering individuals & teams to re-prioritize and respond with agility



Compassionate & direct feedback

## Pioneering Growth Culture



## Assessment & Rewards



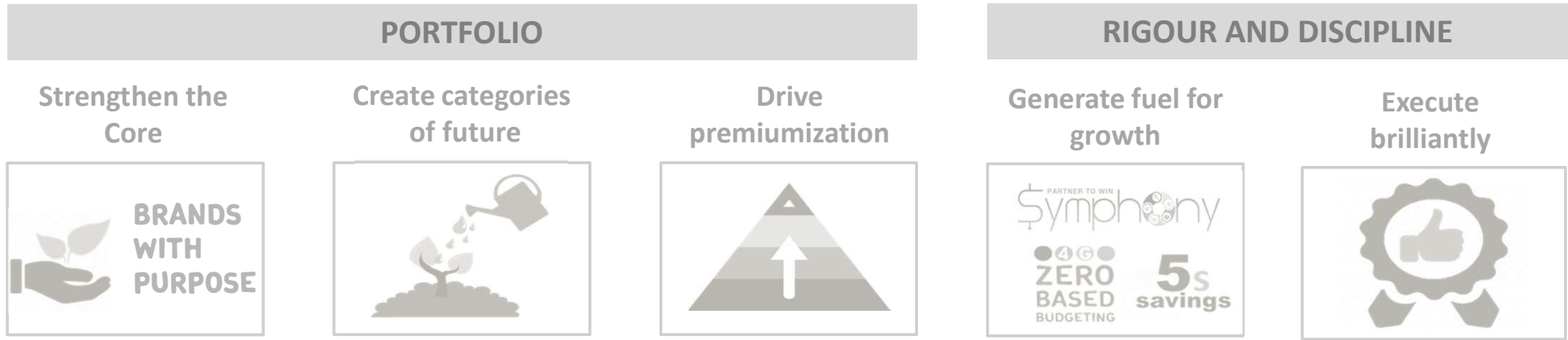
One performance signal



Differentiated reward scheme

# OUR STRATEGY

## BUILDING BLOCKS



## ENABLED BY



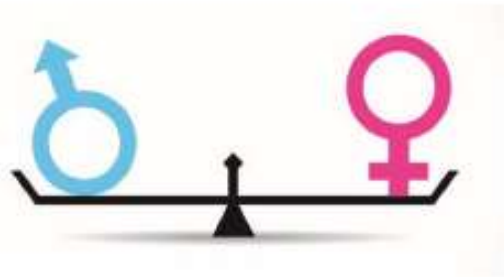
## PURPOSE-LED, FUTURE-FIT

# DIVERSE & INCLUSIVE



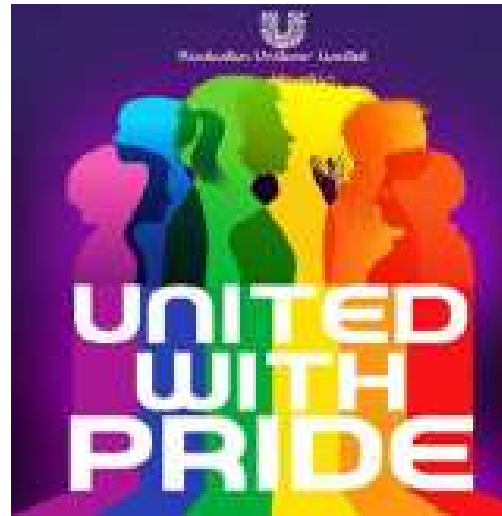
Hindustan Unilever Limited

## Gender balance



**+2000 BPS**  
improvement in gender balance  
in last 8 years

## LGBT inclusion



## Breaking stereotypes

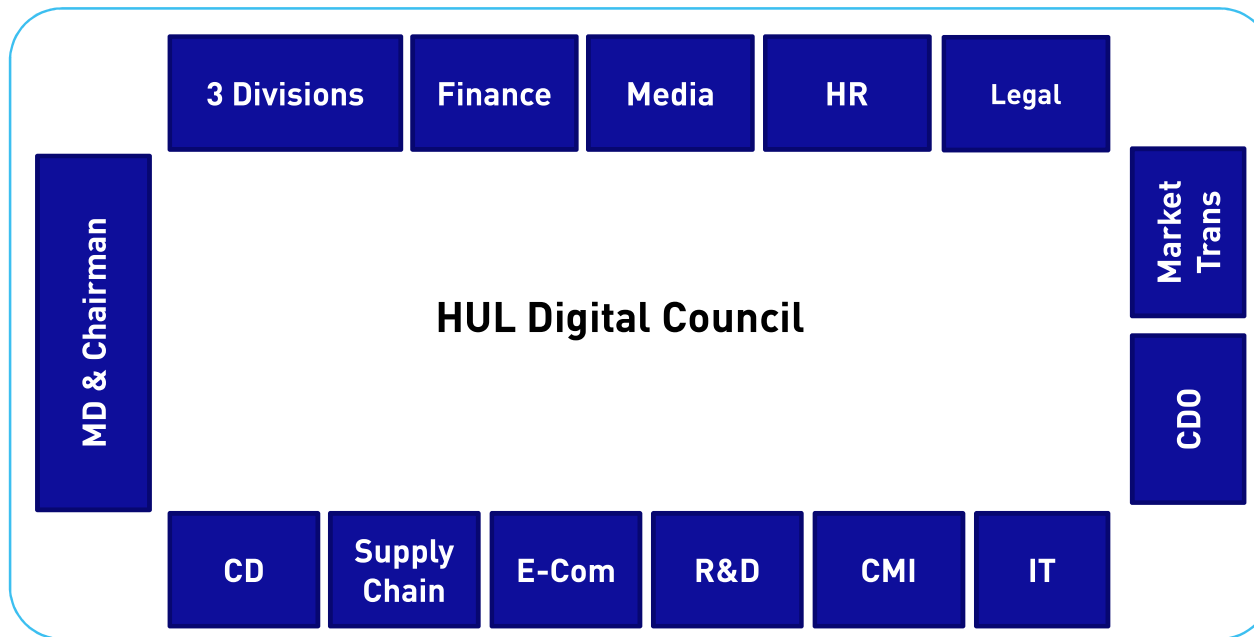




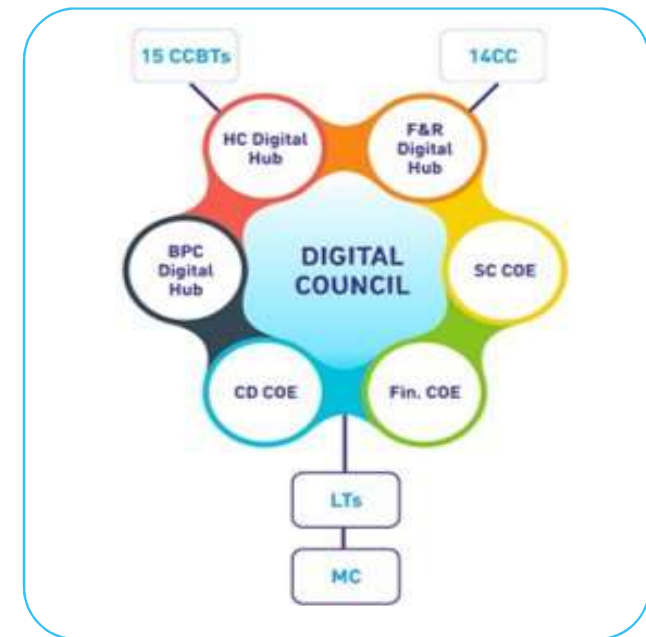
# RE-IMAGINING HUL

## AN INTEGRATED E2E PROGRAM ACROSS BUSINESS

HUL Digital Council: Representation across functions



Organization designed to enable digital transformation



## PARTNERSHIP WITH START-UP ECOSYSTEM

CD: Customer Development | CMI: Customer Marketing Insights | CDO: Chief Data Officer | Market Trans: Market Transformation  
COE: Centre Of Excellence | LT: Leadership Team | CC: Consumer Cluster | MC: Management Committee

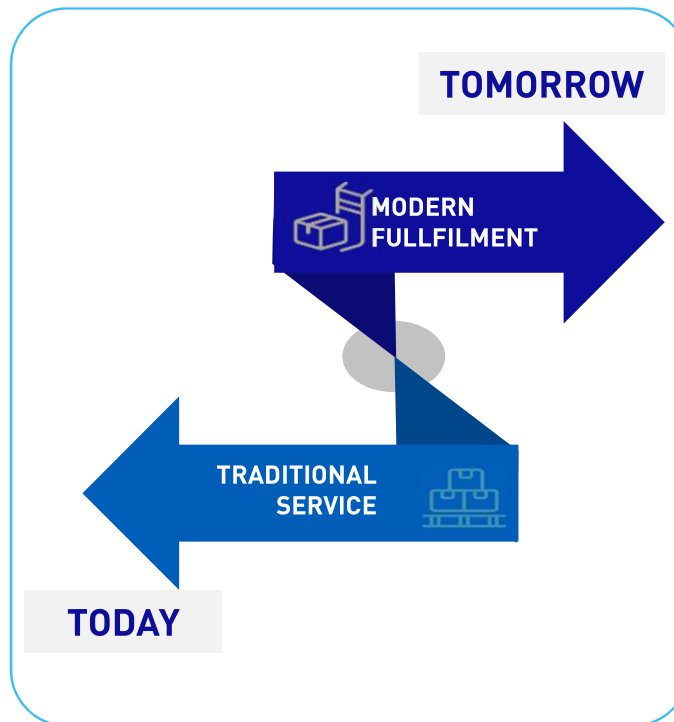
# SUPPLY CHAIN TRANSFORMATION

## Robotic factory & warehouse



IoT enabled optimising to  
'Perfect operating conditions'  
'No touch operations'  
'Energy management'

## From service to fulfilment



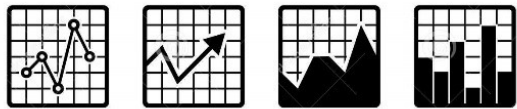
## Strengthening distributor & retail business



# ASSISTED & PREDICTIVE DECISION MAKING

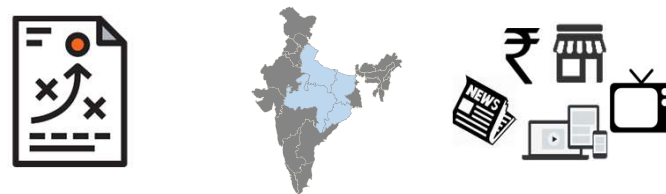
## Livewire: Democratizing data

**LIVE WIRE**



**CAPTURE ANALYSE LEVERAGE**

## Jarvis: Enabling decisions



**WHAT → WHERE → WHO**



Embedding in the business decisions

**PRICE PLACE PROMOTIONS**



### Jarvis in action

#### Differential investment choices



Reallocating Media Investments across WIMI Clusters

#### What-if scenario planning



Competitive actions Vs. our actions

# PRECISION MARKETING



Hindustan Unilever Limited

## Data driven creative generation

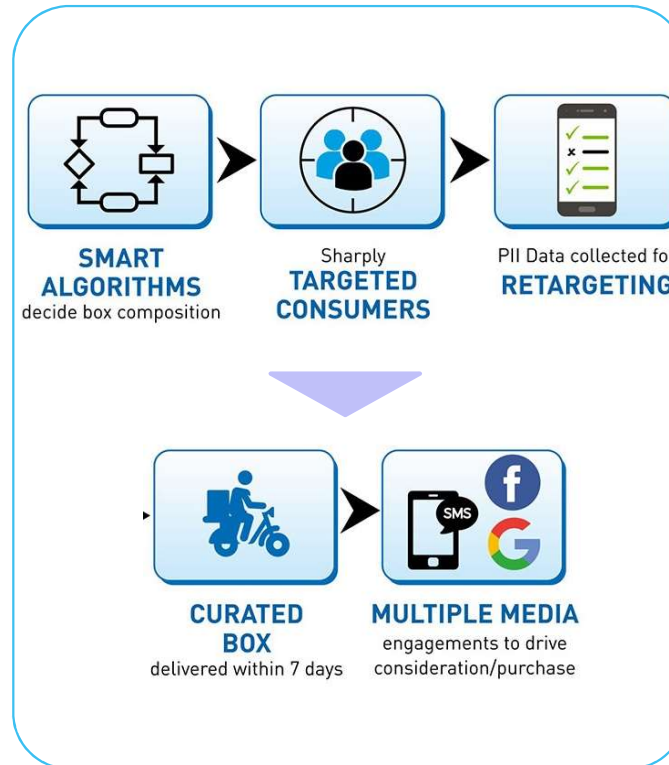
**Axe: Mapped out high stakes moments in a guy's life**

**15 cohorts with 82 short form creatives**

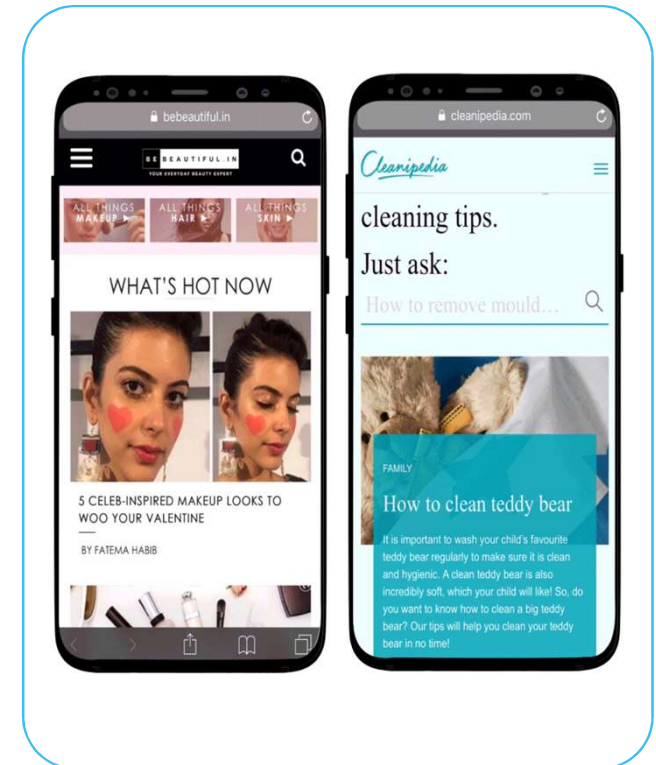
EARLY MORNING WORKOUT	COMMUTE	WATCH MUSIC VIDEOS	PLAN YOUR NEXT TRIP	CATCH UP WITH YOUR GANG
PLAY VIDEOGAMES	GO SWIPING ON TINDER	CATCH THE EVENING GAME	GO OUT ON A DATE	CATCH A MOVIE

**Top performing routes taken forward**

## Smartpick: Targeted digital sampling



## Expert content curation



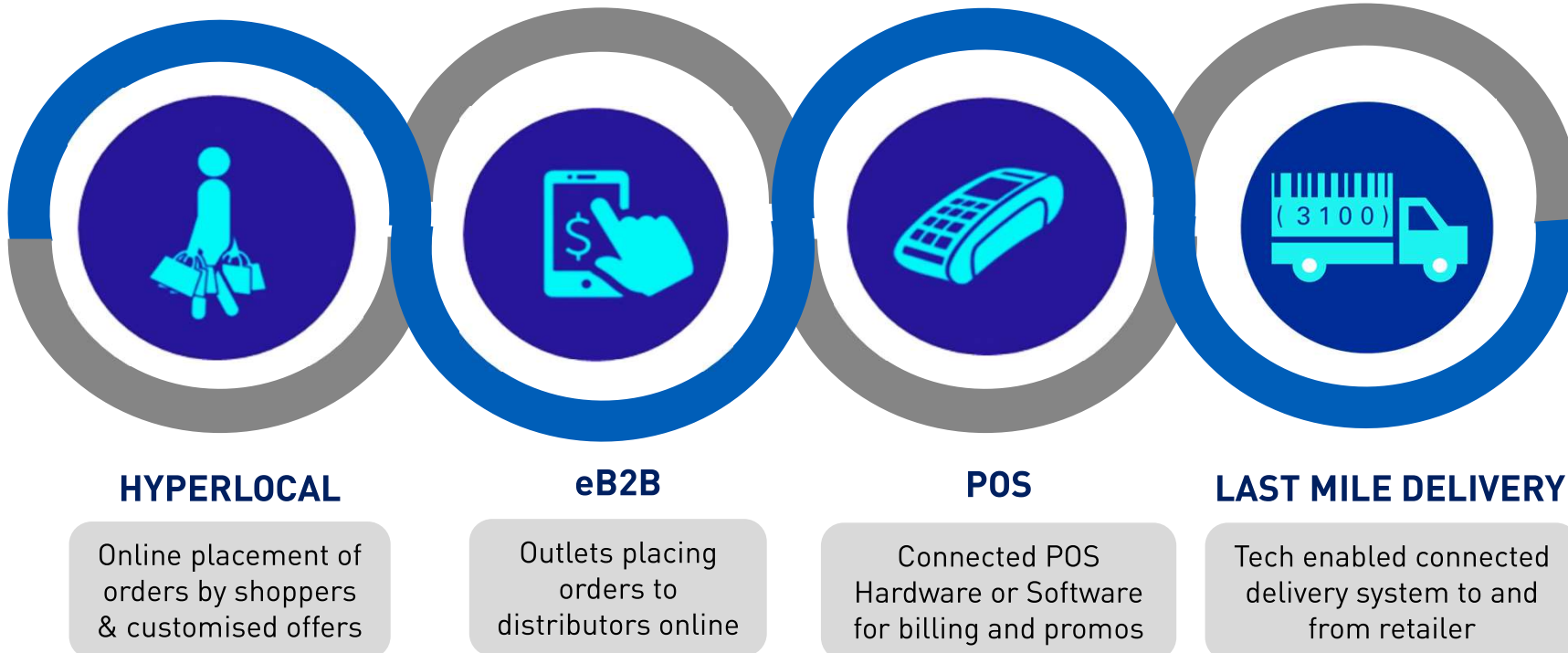


Hindustan Unilever Limited

 **AV 7: Axe Ticket**

# CONNECTED STORES

Wire up to disrupt before we get disrupted





**OUR CLEAR AND  
CONSISTENT STRATEGY  
MANIFESTS INTO A  
RESILIENT BUSINESS...**

# CONSISTENT HIGH PERFORMANCE

## Delivered market beating growths



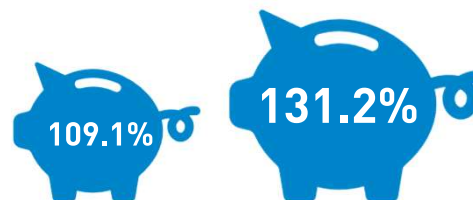
**9% CAGR**  
over 10 years\*

## Consistent margin improvement



**32 OUT OF 33**  
**QUARTERS**  
EBITDA improvement

## High return on capital employed

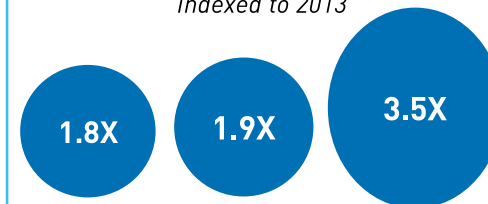


FY 2012-13      FY 2018-19

ROCE (%)

## Leading value creation

### Share price appreciation *Indexed to 2013*



BSE FMCG  
Index

Sensex

HUL



**4<sup>TH</sup> LARGEST**  
Indian company by  
market cap of  
**\$61B\*\***

\*HUL performance as per India local reporting  
\*\*Market capitalization converted to USD based on rate as of 20<sup>th</sup> Nov 2019



# LEADING WITH EXTERNAL RECOGNITIONS

2018



**Business Standard  
Company of the year**

2018



**ET Corporate Citizen  
of the year**

2018



**#8 Globally  
#1 in India**

2009-18



**'Employer of Choice'  
in the industry  
for 10 years in a row**

# CREATING A PURPOSE-LED AND FUTURE-FIT HUL



# THANK YOU

For More Information

## VISIT OUR WEBSITE

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

Investor Relations

### Goldman Sachs CIO India Tour 2019

Chairman & Managing Director, Mr. Sanjiv Mehta presented on 4<sup>th</sup> December 2019

