

Hindustan Unilever

GSK CONSUMER HEALTHCARE MERGER
TRANSACTION UPDATE

1ST APRIL 2020



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.

Recap Dec 2018 : Announced merger of GSK Consumer Healthcare India with HUL

#1 HFD portfolio in largest HFD market



Nourishing Malt-based Drinks

20+ different products and flavors

Strategic Rationale

- ❑ **Market development opportunity**
 - ❑ Low penetration
 - ❑ Opportunity to drive premiumization
 - ❑ Leverage HUL distribution capabilities

- ❑ **Double digit growth potential for medium term and margin expansion of 800-1000 bps**
(on March 2018 financials)

Leverage on the Mega-Trend of Health & Wellness

India Transaction Highlights as at 3rd Dec 2018



Value Equation

- Share Swap Ratio: 4.39 HUL shares for every 1 share held in GSK CH India



Ownership post-merger

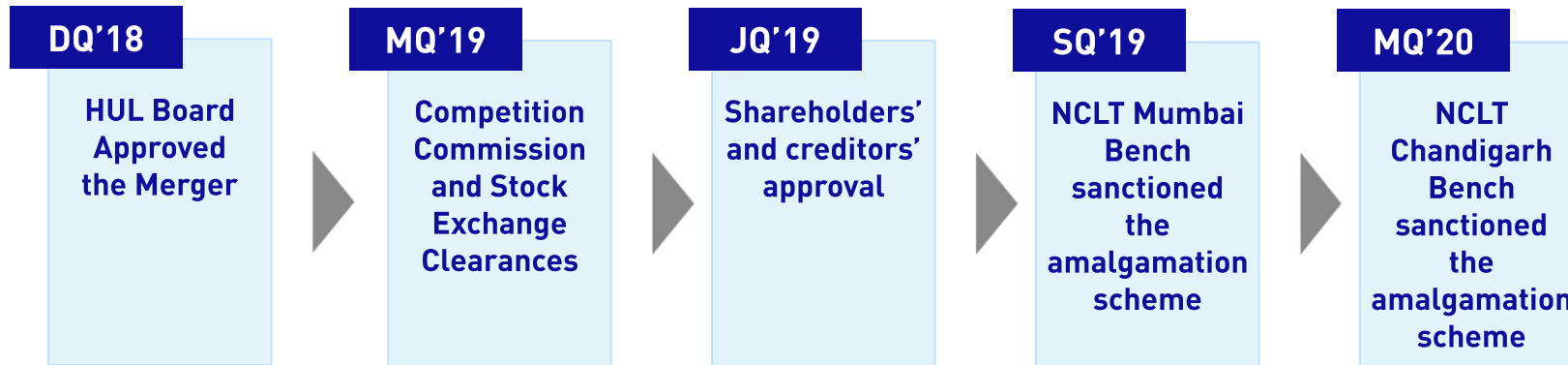
- GSK Plc (including Group Companies) to own 5.7% of merged entity
- Unilever shareholding in merged entity will be 61.9% vs. 67.2% prior to the merger



OTC / OH

- HUL will distribute GSK's Over-the-Counter & Oral Health products under a consignment selling agreement (5years, mutually renewable)

Merger effective 1st April



1st April 2020
Merger becomes effective
with Board approval



We are delighted to welcome the Nutrition team into HUL family



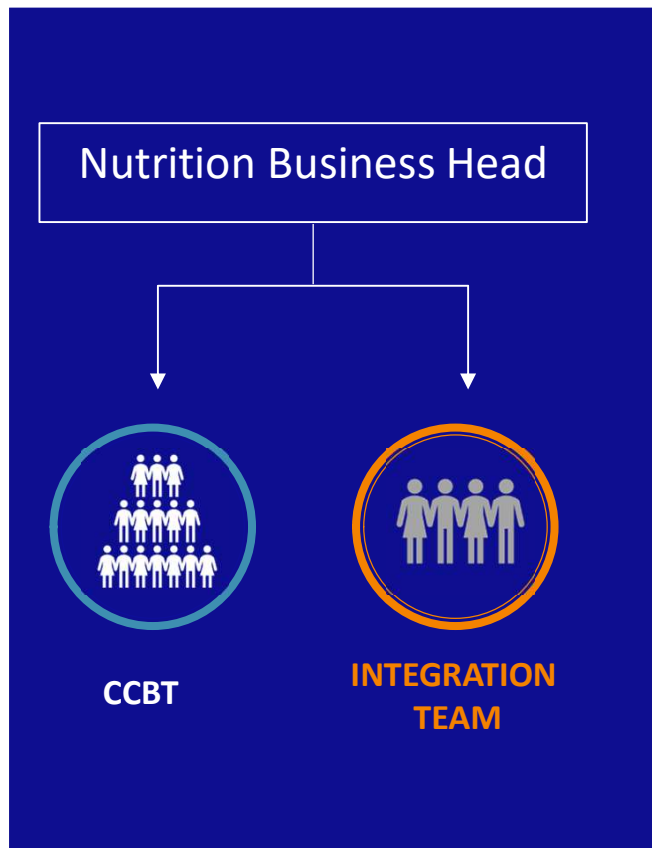
Sanjiv Mehta, Chairman and CEO, Hindustan Unilever

“Brands such as Horlicks and Boost are iconic, and we are excited to have them in the Hindustan Unilever fold. The merger gives us a **unique opportunity to live our purpose and serve India** where Nutrition related challenges form the largest causes of disease – Malnutrition and Micronutrient deficiency and aligns well with the Government’s ambitious Swasth Bharat and Poshan Abhiyan programs. **I am delighted to welcome the ~3500 strong Nutrition Team to the HUL family**. Both organizations have common values coming from a lineage of respected parent companies and a shared heritage of building iconic trusted brands.”

Transaction Update: Key Next Steps



Immediate focus to ensure a smooth transition, drive growth



Sensitivity: Public

The icon shows a group of 12 stylized human figures in a circle on the left, a large grey arrow pointing right in the center, and a stylized orange flame in a circle on the right.

Nutrition a separate CCBT within F&R Division

- Business strategy & execution – Unlock the market development opportunity

The icon shows a group of 4 stylized human figures in a circle in the center, with two grey curved arrows forming a loop around it, one pointing right and one pointing left.

Integration team continues for next 18 months

- Charting of synergy plans
- Business Process and IT Harmonisation – Full IT integration likely to be completed by June 2021

Horlicks Brand Acquisition Update



- ✓ HUL to acquire Horlicks brand for India from Horlicks Limited, a GSK Group entity based in UK for a consideration of Euro 375.6 million (Rs. 3,045 Cr.)
- ✓ Optimal utilization of cash on balance sheet to unlock value for HUL shareholders
- ✓ Ownership of the Brand will strengthen our ability to drive salience and serve the Indian consumers better

THANK YOU

For More Information



VISIT OUR WEBSITE

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

**If you're an institutional investor: contact our IR Team
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**All other shareholders: contact Corporate Communications
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