



7th May, 2026

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Dear Sir/Madam,

Sub: Transcript of the Earnings Call for the quarter and financial year ended 31st March, 2026

This is further to our letter dated 30th April, 2026, whereby the Company had submitted the link to the audio/video recording of the Earnings Call held post announcement of Financial Results for the quarter and financial year ended 31st March, 2026.

Pursuant to Regulation 30(6) read with sub-para 15, Para A, Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find enclosed the Transcript of the said Earnings Call, for your information and records.

The transcript of the Earnings Call is also available on the Company's website at <https://www.hul.co.in/files/mq-26-earnings-call-transcript.pdf>.

Please take the above information on record.

Thanking You.

Yours faithfully,

For Hindustan Unilever Limited

Radhika Kartik Digitally signed by Radhika
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Shah Date: 2026.05.07 19:20:32
+05'30'

Radhika Shah
Company Secretary & Compliance Officer
Membership No: A19308



Hindustan Unilever Limited

**“March Quarter & Financial Year 2026
Earnings call of
Hindustan Unilever Limited”**

April 30th, 2026

Speakers:

Ms. Priya Nair - Chief Executive Officer & Managing Director

Mr. Niranjan Gupta - CFO, Executive Director, Finance

**Mr. Yogesh Mulgaonkar - Head of Investor Relations & Head of Finance,
Personal Care**

Moderator: Ladies and gentlemen, good day and welcome to the Hindustan Unilever Limited Conference Call for the results of quarter and financial year ended 31st March 2026. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing the star key followed by zero on your touchscreen phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Yogesh Mulgaonkar, Head of Investor Relations and Head of Finance, Personal Care. Thank you and over to you, sir.

Yogesh Mulgaonkar: Thank you, Neerav. Good afternoon, everyone. Welcome to the conference call of Hindustan Unilever Limited. This evening we will be covering the results for the Quarter and Financial Year ended 31st March 2026. On the call with me is Priya Nair, CEO and Managing Director, and Niranjan Gupta, our CFO.

We will start with prepared remarks from Priya and Niranjan. We expect this to take around 20 minutes, leaving us approximately an hour for the Q&A. We will look to end the call by 5:15. Before we get started with the presentation, I would like to draw your attention to the safe harbor statement included in the presentation for good order's sake.

With that, over to you, Priya.

Priya Nair: Good afternoon, everyone. Thank you for joining us on the call today. Let me briefly set the context in which we operated in this quarter.

During the period, demand conditions remained stable across the market. This stability was aided by a supportive macroeconomic environment shaped by a series of fiscal and monetary measures implemented through the course of the year. These actions, combined with lower headline inflation for a large part of the period, provided some relief to household budgets, creating a more enabling backdrop for consumption.

March Quarter & Financial Year 2026 Earnings call of Hindustan Unilever Limited

In March, the escalation of the Middle East crisis led to a sharp spike in crude and crude-linked commodity costs, along with supply-side disruptions and continued rupee depreciation. We are navigating this geopolitical volatility with operational agility to protect our consumer franchise. Niranjana will elaborate on this later in the presentation.

Against this operating backdrop, we delivered an 8% Consolidated Revenue Growth. This was supported by 7% Underlying Sales Growth, primarily driven by volumes. Importantly, this represents our highest quarterly growth in 12 quarters, reflecting both the ongoing transformation of our portfolio and the step-up of on-ground execution.

Performance was broad-based with all segments delivering healthy growth. From a profitability perspective, EBITDA grew 6% year-on-year with EBITDA margin at 23.7%, coming in at the higher end of our guidance. Profit After Tax before exceptional items at Rs. 2,711 crores grew 4% year-on-year.

Moving to our financial year performance, with a turnover of Rs. 63,763 crores, we delivered 5% USG driven by 4% UVG. Importantly, this headline performance reflects a clear and consistent step-up in growth through the year, with the second half of the year being better than the first half. We exited March quarter '26 with 7% USG, accelerating from the 2% USG in FY'25.

The improved momentum is on account of a series of decisive actions that were taken over the last few quarters on portfolio, execution, and investment. First, we crafted sharper priorities with a clear focus on volume-led growth. Across categories, we have invested to make our brands more desirable and strengthened execution at the point of sale, ensuring growth is broad-based and sustainable.

Recognizing the rapid evolution of shopping behaviour, we have intensified our omni-channel execution. The creation of a dedicated Quick Commerce organization enables us to step up our effectiveness while maintaining a strong focus on General Trade and Modern trade. Resource allocation has become

March Quarter & Financial Year 2026 Earnings call of Hindustan Unilever Limited

more deliberate with a focus on making fewer, bigger bets in areas with the highest growth potential. For instance, we have recently committed Rs. 2,000 crores of capex investments in premium formats of Beauty and Home Care.

We have actively rotated our portfolio to sharpen the quality and growth profile of the business. Strategic actions such as the demerger of Ice Cream, along with the investments at OZiva and Minimalist, are already enhancing the growth mix of the portfolio.

The company has also been reorganized to drive speed and sharper execution. The move to a Unified India organization, including the introduction of a Chief Marketing Officer role and the creation of a dedicated India R&D structure, has simplified decision-making and enabled faster response to market and channel dynamics.

Taken together, these actions have further strengthened the fundamentals of the business and are translating into a consistent step-up in the growth momentum that you see today.

Our growth agenda is anchored on our four key priorities. Let me share the progress we have made against each of these. The first pillar is radical consumer segmentation. This is deeply embedded in every decision that we take, whether it is product, proposition, pricing, or the channel we use to reach and persuade our consumers. It is the foundation of our approach towards brand building and sales.

We have been consistent in our objective of creating desire at scale through the SASSY framework. This is not about isolated initiatives on selective brands; it is about fundamentally stepping up how our brands show up across the pillars of Science, Aesthetics, Sensorials, Said by others, and Youthful.

Vim Liquid exemplifies how deep science and innovation power our brands. RhamnoTech, our proprietary bio-surfactant technology, delivers breakthrough grease cutting while remaining gentle on hands and advance sustainability, thus creating a science-backed competitive advantage. Driven by multiple such

March Quarter & Financial Year 2026 Earnings call of Hindustan Unilever Limited

initiatives aimed at elevating desirability, Vim Liquids has achieved robust double-digit growth this year.

On Aesthetics, Dove illustrates how we are upgrading on-shelf appeal. For instance, we elevated the packaging of Dove versus the core range using premium design cues, refined finishes that enhance perceived value and signal care, expertise, and quality. Combined with a similar pivot across other SASSY elements, the brand delivered competitive double-digit growth for the year.

On Sensorials, Vaseline demonstrates how enhancing in-use experience can meaningfully improve desirability with an iconic large brand. Vaseline has upgraded its sensorials with a weightless technology. It has a richer texture that absorbs fast, feels light, and disappears on the skin, yet works deeply beneath. Supported by innovations and portfolio expansion that meets evolving consumer preferences, Vaseline has surpassed the Rs. 1,000 crore milestone this year and delivered healthy double-digit growth.

The strong performance of these brands reinforces our belief that desire, when built at scale backed by execution, is the powerful driver of both growth and portfolio quality.

The two other elements of the SASSY brand framework are Said by others and Youthful, both critical to build contemporary relevant brands at scale. We have sharpened the effectiveness and efficiency of our reach and persuasion models. We are deploying a more integrated media mix using television and outdoor effectively in rural and mass markets, while stepping up targeted digital and social advertising where it delivers the highest impact.

On social and digital platforms, we have built a strong, distinct influencer-led ecosystem. Today we work with a network of 30,000 creators, which has almost doubled year-on-year. This has resulted in a sharp increase in the volume and diversity of the brand assets we are creating.

As Gen Z influence on purchasing decisions continues to rise, we are reshaping our brands to be more contemporary, experiential, and youthfully relevant. This

March Quarter & Financial Year 2026 Earnings call of Hindustan Unilever Limited

is reflected in how we design. For instance, we are leveraging high-reach platforms such as sports, also while experimenting with AI-led campaigns like that of Closeup and Bru. Together, these efforts are strengthening how our brands are perceived and talked about. We are seeing a deeper engagement across platforms, reinforcing the role of modern brand building in sustaining growth momentum.

Futureproofing and accelerating our frontline machine through an omni-channel approach is a key priority. In General Trade, we are expanding reach and availability and have increased our direct coverage by around 2 lakh outlets in the year. Beyond overall coverage, we are also investing in dedicated infrastructure to serve speciality retail channels at scale, enabling sharper execution in high-value outlets like open format stores, chemists, and cosmetic stores.

In Modern Trade, our priority is to build category captaincy and drive category growth. We are doing so by scaling market development cells, premiumizing the portfolio through in-store demand generation, and deeper joint business planning with key customers. As a result of these focused actions, we have continued to gain market share in these channels.

E-commerce continues to be a strong growth engine. The digital-first approach to assortment, data-led demand generation, and improved availability and fulfilment has resulted in this channel delivering over 25% growth during the financial year.

In Quick Commerce, we have significantly scaled our capability and execution. The creation of a dedicated cross-functional organization along with tech investments have enabled us to respond faster and operate with greater relevance for this channel.

Overall, we are aligning our frontline and omni-channel consumer journeys, ensuring our brands are present and competitive wherever consumers choose to shop across physical and digital touchpoints.

March Quarter & Financial Year 2026 Earnings call of Hindustan Unilever Limited

Another important shift we have made is to be far more choiceful in where we invest, doubling down on a few bigger bets that can meaningfully move the growth needle.

In Beauty & Wellbeing, this strategy has translated into an acceleration of our Masstige & Wellbeing portfolio through a combination of organic and selective inorganic actions. We have quadrupled our business over the last year, creating a platform with an annual revenue run rate of Rs. 1,200 crores.

Our Skin Care market development cell has grown double-digit by expanding into new benefit spaces and creating regimes with sun care, light moisturizers, and facial cleansing. We are expanding category participation and strengthening long-term growth momentum.

In Personal Care, we continue to premiumize the portfolio in a disciplined manner. Premium Skin Cleansing Bars led by Pears and Dove delivered double-digit USG and UVG for the year, supported by dedicated investments to reinforce proposition and product superiority. Our Bodywash portfolio has also recorded strong double-digit growth while simultaneously gaining share, reflecting successful market development along with premiumization.

In Home Care, the liquids portfolio stands out as another big bet success story. The business delivered double-digit growth, crossed the Rs. 4,000 crores turnover mark, and is gaining share, reinforcing the benefits of sustained investment behind format innovation and execution. Within powders, our action to successfully upgrade consumers from mass to premium offerings is proving to be a strong tailwind. These are driving sustained market share gains, taking us to the highest ever share in this format of powders.

Turning to Foods, we are seeing a clear shift in the growth trajectory, supported by broad-based performance across the portfolio. Lifestyle Nutrition has delivered four consecutive quarters of positive UVG, growing at double-digit in the second half. This reflects multiple actions taken during the year, from pack-price architecture changes to expansion into newer formats like RTD, protein,

March Quarter & Financial Year 2026 Earnings call of Hindustan Unilever Limited

and the relaunch of Horlicks. We will continue to stay the course on these actions and increase consumption in this category.

Coffee is another example of delivering double-digit growth supported by sustained investments towards superior sensories, elevated aesthetics, and high-impact activations.

Collectively, these examples highlight the transformation of our portfolio as we pivot towards higher growth demand spaces and strengthen our competitive positioning, ensuring we are well-placed to capture emerging opportunities and drive sustainable growth.

Looking back, full year '26 has been a year where we have made clear progress, strengthened the foundations of our business. At the same time, we are clear that this is just the beginning of a longer journey. There remains a significant headroom for us and much more to be done. Despite a dynamic external environment, we are entering in full year 2027 with greater clarity, stronger fundamentals, and a clear sense of direction. We remain committed to staying the course, continuing to sharpen execution and build on this momentum to deliver sustainable competitive growth over the long term.

With this, let me hand over to Niranjan to take you through the quarter results in detail.

Niranjan Gupta:

Thank you, Priya. Good afternoon, everyone. Let me share a detailed overview of our quarterly performance, followed by a full year update, and I'll conclude that with the outlook.

As Priya mentioned earlier, March quarter'26 we delivered 8% Consolidated Revenue growth, driven by a robust UVG of 6%. Our EBITDA margin stood at 23.7% at the higher end of our guidance, and in absolute terms, our EBITDA grew 6% on year-on-year basis.

Our Profit After Tax before exceptional item grew 4% on year-on-year basis, while the Reported Profit After Tax grew by 20% year-on-year. The reported

March Quarter & Financial Year 2026 Earnings call of Hindustan Unilever Limited

profit includes the combined impact of proceeds from divestment of Nutritionalab Private Limited in the current quarter and OZiva fair valuation in the base period.

Moving to segmental performance for the quarter, Home Care delivered 9% Underlying Sales Growth driven by high-single digit UVG. This marks the segment's strongest performance in 11 quarters.

Fabric Wash delivered double-digit growth that was broad-based across formats. Liquids portfolio delivered robust double-digit growth, building on an already strong base of the previous year. This performance further consolidates our leadership in this emerging category.

Household Care posted another quarter of double-digit volume growth supported by outperformance in Vim Liquid.

Given heightened commodity inflation in crude-linked derivatives, we have implemented calibrated price increase across Fabric Wash and Household Care in June quarter as well. This may lead to some rebalancing between volume and price growth in the short term.

Moving on to Beauty & Wellbeing, this segment delivered 8% USG driven by mid-single digit UVG.

Within this, Hair Care recorded strong double-digit volume-led growth. The performance was broad-based across brands and formats. We have continued to strengthen our market leadership in this category, anchored in relevant propositions and superior technology-led innovation. As market leaders, driving premiumization remains a fundamental priority. During the quarter, we intensified our market development initiatives resulting in a 25% increase in the distribution of shampoo bottles in General Trade. This is key to ensuring sustained and healthy growth in this portfolio.

In Skin Care and Colour Cosmetics, the premium segment delivered double-digit growth driven by investment in our market development cells. However, this was

March Quarter & Financial Year 2026 Earnings call of Hindustan Unilever Limited

softened by the mass skin portfolio. In Channels of the Future, we continued our strong double-digit growth resulting in sustained market share gains in this dynamic and competitive space. We continued to build our Masstige portfolio in Beauty and Wellbeing with Minimalist delivering strong double-digit growth and Simple scaling to an annual revenue run rate of more than Rs. 160 crores.

Overall, we continue to step up our play in Beauty & Wellbeing led by volume growth in premium portfolio and Channels of the Future.

Personal Care delivered 5% Underlying Sales Growth during the quarter driven by pricing.

Skin Cleansing within this posted high-single digit growth, the highest in 12 quarters. Our priority in this segment is to drive market development in premium cleansing bars and Bodywash. By prioritizing evolving consumer needs for skin-related benefits in soap and broadening consumer reach through access packs, we are committed to achieving sustained growth and strengthening our leadership within this category. As a result, premium skin cleansing delivered double-digit volume-led growth and gained market share.

Oral Care recorded low-single digit growth for the quarter with Closeup delivering competitive results. We are focused on expanding into new demand spaces and broadening our portfolio to address evolving consumer needs. In line with this, we launched Pepsodent's Sensitive Care toothpaste, further strengthening our presence in higher-benefit spaces.

Coming to Foods now, this segment delivered 5% USG driven by high single-digit UVG.

In Beverages, Tea delivered low single-digit volume growth. Coffee continued its strong double-digit growth momentum supported by both volume and price.

Lifestyle Nutrition delivered double-digit growth during the quarter driven by Horlicks and Boost. Over the last year, we have taken a series of actions to rebuild consumption in this segment. More recently, we relaunched Horlicks as Horlicks

March Quarter & Financial Year 2026 Earnings call of Hindustan Unilever Limited

Superfoods and also expanded into new demand spaces including ready-to-drink and protein, which is available in select online platforms. These actions are beginning to show momentum, even as we recognize there is more work ahead. We remain focused on consistently executing against our agenda as we continue to transform Horlicks into a lifestyle essential.

Packaged Foods reported mid-single digit growth driven by Unilever Food Solution, Ketchup, Chutneys, and Mayonnaise. Kissan's expansion into chutneys is seeing encouraging early traction.

Moving on to our full year performance, on a consolidated level, we delivered 5% USG driven by 4% UVG. EBITDA margin at 23.6% was at the higher end of the guidance. Our overall EBITDA grew by 2%. We stepped up investments in A&P for the full year with Rs. 270 crores increase in absolute spends. Profit After Tax before exceptional item was at Rs. 10,324 crores.

Looking at segment-level performance for full year'26, as you can see, we delivered broad-based growth.

Home Care delivered 4% USG powered by high-single digit UVG as attractive propositions and doubling down on market development activities drove continued market share gains through the year and reinforced our leadership.

Beauty & Wellbeing recorded 6% USG for the year supported by ongoing portfolio transformation and premiumization as we reposition the business towards high-growth demand spaces.

Personal Care for the year delivered 4% USG driven by premiumization and sustained investment behind brands alongside consistent execution across channels.

And Foods reported 5% USG led by mid-single digit UVG, marking a step-up driven by portfolio expansion into high-growth demand spaces and sharper propositions.

March Quarter & Financial Year 2026 Earnings call of Hindustan Unilever Limited

Across segments, margins remained healthy as we balanced cost discipline with investments to drive competitive volume-led growth.

Our robust balance sheet remains a key pillar of our strategic and financial growth model. Our total reserves for HUL as at the end of financial year '26 stood close to Rs. 49,000 crores. A strong reserve provides us the financial flexibility to navigate volatility while continuing to invest behind growth priorities.

Our cash flow from operations stood close to Rs. 10,500 crores, underpinned by strong execution across the business, robust cash conversion, and focus on working capital discipline.

Both our ROCE and ROE have improved on year-on-year basis. Together, these metrics reinforce the robustness of our financial growth model.

We are sharpening capital allocation to do two things in parallel: fuel growth and sustain strong shareholder returns. During the year, we deployed significant capital of Rs. 3,500 crores into bolt-on acquisitions that strengthen our presence in attractive fast-evolving demand spaces, including digital-first premium Beauty & Wellbeing platforms such as Minimalist and OZiva.

In parallel, we have also signed off a Rs. 2,000 crores planned capex investment to expand capacity in the premium formats. These are tangible examples of how we are allocating capital to build the businesses of the future.

Our dividend approach reflects a conscious outcome of the choices we are making, redirecting capital into opportunities we believe will be growth accretive while still maintaining sustainable returns for shareholders. The Board has declared a final dividend of Rs. 22 per share, subject to approval of shareholders, taking the total dividend for the year to Rs. 41 per share.

Before closing, let me briefly outline the impact of the ongoing Middle East situation on our business. Crude oil-linked supply chains were impacted, creating disruptions in the supply and rise in the commodity prices. This, combined with continued currency depreciation, increased the input costs.

March Quarter & Financial Year 2026 Earnings call of Hindustan Unilever Limited

First, from a supply-side perspective, we responded with operational discipline, leveraging our global procurement and supply chain network. And while the situation remained volatile, we were focused on supply continuity and fulfilling consumer demand. We are happy to report that we were able to manage our production and supplies without any disruption.

As regards to the cost, we have stepped up in parallel the savings funnel and equally we have taken pricing to the extent of 2% to 5% already. And as we navigate this, depending on how the costs pan out, we will be taking further price increases as may be necessary.

While doing that, we continue to optimize all our lines of P&L and the cost savings and looking at non-working media in particular to look at optimization while ensuring that our key brands remain fully funded on key media investments.

Coming to mid-term outlook, from a demand standpoint, as we said, the demand environment remains stable, the rural and urban both increasing. There are short-term volatilities which could be created by the geopolitical situation, but as of now, India stands out as the key emerging country with even IMF forecasting 6.5% growth.

This, combined with the strength of our brands and our robust financial position, we expect FY'27 to be better than FY'26. The choices we have made around portfolio, organization simplification, channel expansion, and execution will continue to deliver results for us.

As far as margins are concerned, our approach remains consistent and disciplined, and we expect the mid-term margin guidance to remain around our current guided range of 22.5% to 23.5%.

Our focus is clear and unchanged. Competitive volume-led growth is our number one priority.

With this, we conclude our prepared remarks, and I will now hand back to Yogesh to commence the Q&A session.

Yogesh Mulgaonkar: Thank you, Priya and Niranjana. With this, we now move to the Q&A. We request you to kindly restrict the number of questions to a maximum of two at a time. In case you have any further questions, please join the queue again. In addition to the audio, our participants have an option to post the questions through a web option on the screen. We will take those questions just at the end.

With that, I would like to hand the call back to Neerav to manage the next session for us.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Manoj Menon from ICICI Securities. Please go ahead.

Manoj Menon: Hi team, my first question is actually on the volume drivers. One, if you could just help us understand, because it's been a good six months after the GST price cuts etc. in certain categories. If you talk about, let's say, the positive effects of price elasticity gains, let's say for example in a shampoo bottle, one example which comes to my mind, or any other example you want to highlight, what's actually happening in terms of consumption?

Secondly, over the last three months, six months, if you could just help us understand the drivers of UVG, is it more tonnage, more mix, etc.? That's question number one. Thank you.

Priya Nair: Yeah, thanks Manoj. So, you know Manoj, I think I will break this up into a few parts. The first is we are doubling down behind market development and market making. For HUL, this has always been the largest part of our volume-led growth. So really what you're seeing also is a reflection of us intrinsically going behind those few big bets that we are talking about.

Just to give you an example, we talked about liquids. Liquids in Home Care has now become Rs. 4,000 crores, growing at strong double-digit. This is all mostly volumetric. So therefore, those are the examples of the kind of actions. So, the first bucket is market development.

March Quarter & Financial Year 2026 Earnings call of Hindustan Unilever Limited

The second is really in terms of, our core brands and getting penetration gains on our core brands in terms of share gains. Overall, we are turnover weighted gaining shares, and this is both volumetric and value, but even volume-led share gains. That's the second bucket of how we are getting volume gains. So really becoming more competitive.

The reason and how we are doing that is really by doubling down behind our brands, ensuring we step up both the marketing, the execution on the ground across the omni-channel environment in which we play. And the channels focus is the third bucket where across channels we have built our capabilities and that's beginning to bear fruit.

So therefore, we really see this, the three buckets of volume-led growth and that's the outcome and the fruit we are beginning to see. So that sort of I hope answers the question, Manoj.

Manoj Menon:

Sure, just one quick clarification if I may. If I understood the response for the, let's say, the elasticity gains etc. post the GST cuts, what I understood is that yes, there are gains, but all of it is probably being reinvested for even faster growth. Is that the right takeaway?

Priya Nair:

That is absolutely the right takeaway. So there are more macro factors which are resulting in the right favourable conditions. But Manoj, what I am saying is we are doubling down behind our capability and initiative so that we are able to really benefit from favourable conditions, but it's really about our stepping up our competitiveness and doubling down behind market development across the channels and really improving our channel capabilities and footprint. So, three sort of buckets I would give you.

Manoj Menon:

Okay, got it. Now second and the last question, I will come back in the queue. It's quite pleasing to see the turnaround in Lifestyle Nutrition from a revenue perspective, even double-digits current quarter. Now obviously there are three elements to the growth, which is the core, you know, the I would say the higher value products and probably the newer products what you would have done.

But to get to double-digit growth, I would presume that the core has to really fire, right?

And if yes, if you could, you know, let's spell out a couple of, let's say, drivers for that growth and your confidence because this turnaround has happened after a long time. So just would be quite helpful if you could just comment about your confidence of, let's say, sustaining a double-digit growth, let's say over the next one year and beyond. Thank you.

Priya Nair:

Sure. So, I think, we are quite pleased with, you know, the trajectory of improvement we are seeing on our Lifestyle Nutrition business. Three, four buckets of what are the actions behind it. The first is an improvement in our pack-price architecture. So, we have improved our overall pack-price architecture and that is giving us gains. The second is we have relaunched Horlicks in the South of India with the Horlicks Superfoods mix with a new technology. The early signs of that have been extremely positive for us.

And the third bucket is the new areas which Horlicks has entered. We have entered into RTDs, we have doubled down behind biscuits, and we have just launched Horlicks Protein. That's a very new limited launch into almost as we speak into the premium Quick Commerce and modern trade channels. So very early start to the protein. So, you are absolutely right, Manoj, that it's firstly the core and the new segments are beginning well, but they are still small and huge headroom for us to grow those new segments.

Our focus will be to first roll out the Superfoods launch across the country, which is what we will be in the process of doing. And secondly, really double down behind these new segments we have entered. I also want to give a mention to Boost, which continues to perform very well for us. And we have also with Boost core we have doubled down, but also entered into RTDs on Boost, and the early signs of that have been good for us as well.

Manoj Menon:

Thank you and have a good day. Thank you.

Priya Nair:

Yeah, thanks Manoj.

Moderator: Thank you. Next question is from the line of Abneesh Roy from Nuvama Wealth Management. Please go ahead.

Abneesh Roy: Yeah, thanks and congrats on recovery. My first question is again on Lifestyle Nutrition. In the past, we have seen that whenever milk is inflationary, Horlicks and Boost also suffer in demand because obviously a large part of the consumption is linked. Now in an El Nino year, generally we see fodder availability being impacted and that does drive up the milk prices.

Would you see that as a big challenge in terms of this growth recovery? Because you have seen good recovery, but can this derail, say in H2 or that kind of a timeframe when milk becomes inflationary? That is my first question.

Priya Nair: Yeah, Abneesh, actually Horlicks gets drunk both in milk and in water. So that's the first thing I wanted to mention. Yes, it's absolutely true that it gets drunk with milk, but it also in the East of the country, in fact, mostly it is put into water. So that's the first thing you need to know. The second thing is I actually think we are in a time in which, you know, nutrition is actually a key trend. So, I think the focus and that's what we are doubling down behind, which is to, you know, remind consumers of the nutritive benefits of Horlicks and Boost. And that's our key focus.

The third is the new modern areas in which we are expanding the brand, whether it is RTD, whether it is protein, and we are only just beginning honestly. With, you know, the democratization that we can do of nutrition across the length and breadth of the country. So that's how I see it as really returning to the basic fundamentals of the category, which is nutrition-led benefits, which is what, you know, is the value of this category.

Abneesh Roy: Sure. My last question is overall macro. If we see HUL as a company, in Q3, Q4 has seen a good recovery and the recovery has accelerated. In Q4, if I see almost every staples company has done well and better than expectation. Now if I see outlook, clearly one or two challenges are there. El Nino challenge mostly I think H2 rural demand will get tested. And H1 obviously inflation is there.

I think post May 4th, the petrol-diesel price hike extremely likely and FMCG price hikes are happening. So, if you combine all this, how confident are you that FY'27 can still be better than FY'26 for you and maybe for the sector also?

Priya Nair:

Yeah, first let's talk about the rainfall prediction and I will ask Niranjan also to weigh in. You know, while absolutely, we have all seen the rainfall forecast and the monsoon forecast for the country at 92% and below normal. I think it's important to look at other factors as well, including the reservoir levels in the country. The reservoir levels in the country are at significantly above the normal levels of last year. So that sort of bodes well for the country as well.

So, if you look at factors like that, you have to look at the issues like the spread of the rainfall. So, there are many factors to be taken into consideration, including the MSP price of food grains and how that pans out in terms of rural wage income. So, you know, we are going to watch that closely, Abneesh, very simply. But we remain positive that, in the end, even if there is more inflation in the country overall, we are still talking about headline inflations of 4% to 5%, which as a staples company, we believe that our products are relatively low elasticity on price in comparison with other categories. So, we remain quite confident about that.

The second area that you are talking about is the overall inflation, and I think that's what I was trying to address, that listen, yes, we will have more pricing that will come in, but overall staples tends to be more low price elasticity as compared to other categories because we are in the end talking about everyday categories, right? Detergents, soaps, shampoos, tea. These are everyday categories and therefore low on elasticity. Niranjan, if you would like to add?

Niranjan Gupta:

No, absolutely Priya. And I mean, if we look at the H1 inflation, Abneesh, as you pointed out, the answer is the elasticity. And if we talk about H2, which is more rural income-based demand pattern that we are talking about, just to again reiterate that what we have seen is there are three counter-factors to the El Nino effect this time. We talked about reservoirs being 10% higher, then MSP, 5%-6% higher. Apart from that, the grain stocks which are with the government because

March Quarter & Financial Year 2026 Earnings call of Hindustan Unilever Limited

of the last two years' record production, they are also at a record high. So effectively speaking, there are wherewithal available for equalizing, neutralizing the rural income dent part of it. And eventually it also depends on the dispersion of the rainfall month-wise and the geographical phasing.

So as of now, given the reservoirs, given the grain stocks, and given the MSPs, we don't expect, unless the rainfall is like below 85%, we don't expect any impact on the rural demand on the H2 as of now.

Priya Nair: And probably maybe I will just add, Abneesh, that in the end, listen we can't control the macroeconomic uncertainty or volatility, but what we are going to focus on and this has always been the case in these kind of volatile times, that we are very strongly placed as HUL because of the financial strength, the overall operational agility, our scale, we are well-placed to navigate this short-term sort of, medium to short-term volatility, but stay focused on our long-term opportunities.

Niranjan Gupta: Plus, the fact that our portfolio straddles across price pyramid. So therefore, we are able to capture even in case, in the outer case, where if there is some down-trading that happens in some parts of India.

Abneesh Roy: Sure, thanks. One very last small follow-up. So last two, three years we have seen every state election, all parties promise the populist programs and all this Mahila, Ladli Behna Yojana etc. So, have you seen rural demand for you still faster than urban? And within rural also, whichever state is say giving that Rs. 2,000, Rs. 3,000 subsidies to the women, is the growth faster there versus states where I think still if it has not happened?

Priya Nair: Overall, we have seen rural and urban demand to be more or less equal, Abneesh.

Abneesh Roy: And any colour on rural subsidy versus non-subsidy states?

Priya Nair: I wouldn't be able to comment on that.

Abneesh Roy: Sure, thanks. That's all from my side.

Moderator: Thank you very much. Next question is from the line of Vivek from Jefferies India. Please go ahead.

Vivek: Thank you. My first question is, you have mentioned volume growth is the top priority, which is great, and you have also retained your margin guidance. And you have explained some of this, in the previous questions also, responses also. But how do you plan to manage, especially in the context of the volatility that we are seeing in the input prices?

I mean, we are speaking on a day when Brent has crossed \$120, rupee has depreciated below 95. How do you get that margin confidence also, and if the priority is volume growth, do you not think you may have to take some chance with the margins?

Niranjan Gupta: So, Vivek, the way we are navigating this space, as I said already, is that we have seen a cost inflation of around 8% to 10% so far on our material cost base. Against that, we have already taken a price increase to the extent of 2% to 5% depending on portfolio to portfolio.

And we are continuing to navigate. See, the Brent going up to \$120 on a single day, as you know, nobody can forecast because they are not fundamentals of demand and supply that are guiding the Brent prices or the currency right now. So, they are fluctuating in a wide range. But we will continue to navigate and take appropriate pricing, so that is one part of it.

The second, of course, is the accelerating the savings funnel and given our operating leverage, given our huge base of the cost and the supply chain that we operate, there are elements where we are optimizing far more. We talked about, let's say, non-working media without impacting the media behind the brands or, let's say, overheads. And the margin is effectively a band that we are operating.

So, we have said a band of 22.5% to 23.5%. Now that band allows us to operate at sometimes a higher end of the band when things are favourable in terms of cost scenario, and maybe lower end of the band when things are not so favourable.

So, we do feel at this point in time confident enough that we will be able to guide with that band that we have.

Vivek: Got it. My second question is, can you just briefly elaborate a bit more on what you are planning to do under Quick Commerce as you mentioned, and this Rs. 2,000 crores capex towards premium formats? Can we have a bit more details?

Priya Nair: Sure. So, Vivek, let me talk about the capex first. The capex is essentially focused on premium formats, liquids across Home Care, Personal Care, and Beauty. So that's where we have invested. So, it's a Rs. 2,000 crores capital investment that we are making towards growth of these formats, which is in line with our strategy and our big bets that we've shared. So that's sort of to give you a colour on the capital investment.

The second thing is on Quick Commerce. So essentially our Quick Commerce organization we created, which is working well for us as you can see, to focus on driving our capability building for what is right for that channel. So it is focused on both the demand generation side in terms of how we market, availability, supply, technology, and really the end-to-end go-to-market and ensuring that we are able to build our capability to serve Quick Commerce very different from how we will serve General Trade and as equally important or more important in terms of scale and size, but really ensuring that we build the right capabilities for the right channel.

So, it was really doubling down to create new capabilities with Quick Commerce, and this has augured well for us. We shared last quarter that our customer availability has gone up almost 1,400 basis points, and that's been a good vindication of really putting together the kind of capabilities it takes to win in Quick Commerce.

Vivek: Okay, and just a follow-up if I may. On the Quick Commerce bit, Priya, does that mean because you will have more dedicated resources, if there is a white space, does that also mean that you would be open to, let's say, bolt-on small acquisitions wherever white spaces are there?

Priya Nair: I mean, in line with our strategy, we have always maintained we are open to bolt-on acquisitions, Vivek, and that continues.

Vivek: Perfect. Thank you, wishing you all the very best.

Moderator: Thank you. Next question is from the line of Latika Chopra from JP Morgan. Please go ahead.

Latika Chopra: Yeah, hi. Thank you for the opportunity. My first question was on broader top line and market share. Just wanted to quickly clarify if you came across any pre-buying from channel partners ahead of anticipated price increases in some of your categories which you took in March and April.

And second bit was, we have come across reports regarding how smaller players may be finding it difficult to operate amidst supply disruption and raw material availability and of course in an associated commodity inflation environment. Are you witnessing any such trends in your core categories which in turn are aiding market share gain momentum for you, in the recent months? So that's the first question.

Priya Nair: Yeah, Latika, I will answer and also ask Niranjana to add. So, in terms of pre-buying, we did not witness any pre-buying from traders in the quarter. So that's simply the answer to that question. As regards, what we are witnessing whenever there have been challenges and disruptions, in volatile times, organizations and we have a strong position.

So, let's take categories in which we have a strong position like Home Care. We are well-positioned because of both our overall financial position, we operate in premium parts of Home Care, we are well-positioned because of the scale in which we operate to really navigate volatility.

So, in that sense are we well-positioned to navigate volatility? Absolutely. But we will also double down behind costs which doesn't matter to consumers, go behind all the lines of the P&L where consumers are not affected and ensure that we have a very, very strong disciplined and over the years we have done this in

March Quarter & Financial Year 2026 Earnings call of Hindustan Unilever Limited

many, many times of disruption where we have gone behind shaving off costs that do not matter to consumers. So, in that sense, you know, it's the discipline of the organization combined with the capability and scale of the organization, we believe we are well-placed.

Niranjan, is there anything you would like to add? Yeah, go on Latika.

Latika Chopra: Yeah, the second question I had was on Personal Care. You know, this vertical has continued to see volume decline. Just wanted to understand, how should we think about your confidence in growth returning here, if you could share some more colour on the trends and the initiatives? Thank you.

Priya Nair: So, Latika, overall Personal Care for us and, you know, let's break it down as soaps has been inflationary over now almost a year. It has been an inflationary commodity and therefore we have taken up prices as has the industry. And we continue to get therefore USG growth. Our focus has been on really premiumizing our portfolio. So, Dove and Pears are growing strong double-digit. In Bodywash again, not only have we grown strong double-digit, but we have also gained almost 400 basis points of share in Bodywash, so it's now becoming very material for our Personal Care category.

And with that, we are moving in the same way consumers are moving to truly ensure that we premiumize our portfolio. We are also doubling down behind Lux, which is our core brand in mass. And that's really sort of the actions we are taking across our Personal Care business. So just to give you a sense. I don't know, Niranjan, if you would like to add anything?

Niranjan Gupta: No, absolutely Priya. So, I think our focus is on driving the premiumization in Personal Care and we are already seeing double-digit across the premium brands of Personal Care, Bodywash, market development that's working well, gaining market share there. So that's the strategy there and it's auguring well. And of course, we will gain increasingly moving forward the volumes on the core base as well.

Latika Chopra: Thank you so much.

Moderator: Thank you. Next question is from the line of Arnab Mitra from Goldman Sachs. Please go ahead.

Arnab Mitra: Hi, thanks for taking my questions. My question was first on Home Care. Now Home Care obviously has the maximum input cost inflation that you would be facing. And if I look at the post-Ukraine FY'23 year, HUL had taken high double-digit price increases in Home Care almost very immediately after the input cost inflation came in. This time, I think from what I heard from Niranjan on TV, the price hikes are a lot more modest.

Is there any reason for that in the sense that is the input cost inflation not yet hit you to that extent as of now, or is there anything different in the operating environment like liquid detergents is now there in the category or any competitive situation why the price hikes are lower this time compared to the past?

Niranjan Gupta: So, Arnab, these are two different situations actually. When you looked at the previous situation of the increased inflation that happened, that was more structural and therefore more longer-term in terms of how it was to pan out and that's how it panned out. As far as the current situation is concerned, it's not one-way street, it's very volatile. We have already seen crude going up to \$110, moving down to \$85, moving up, moving down.

So, it's a very short-termish situation as of now, which is not dependent on structural demand or supply issues. It's based on the geopolitical war issue that's happening. And that is why we have to be measured in the price increases that we take and therefore we are taking in steps. Of course, we are also helped by the covers that we have and therefore that allows us to ensure that we take modest while ensuring that we have a decent focus also on our operating profit growth.

So that's the reason, Arnab, in terms of taking modest price increases. And of course, it's also backed by the savings program that Priya talked about, accelerating. And of course, if it continues to happen, then we will consider more

price increases moving forward. But we will navigate the space given that it's not structurally demand-supply led.

Priya Nair: But Arnab, if your question is will we take price if, crude inflation continues? Yes. Simply we will take price because we operate at the premium end of Home Care and we have strong brands; they are relatively low on elasticity. And we will of course do it judiciously always between price, costs, as we have always done. But if, we find that this becomes more structural, we continue to take price. So, I think what Niranjana mentioned was the first round of pricing we have taken based on the cost impact that we had for that quarter.

Arnab Mitra: Sure, thanks. That's helpful. And my second question is also on Home Care that in this inflationary environment, what is your experience normally in terms of how the volume growth behaves in the category of premiumization? Does it get affected in the category and are you able to typically gain share from local or regional players in this environment? So, any colour on how you think the top line or the volume and the mix and market share could do in this environment?

Priya Nair: Yeah, I think, I mentioned it but maybe I will just explain how we see this. The first is that overall, in these moments, the strength of our portfolio that it spans across the pyramid right from Wheel at the bottom to Surf excel Liquid, Fabric Conditioners at the top, sort of helps us navigate the volatility.

The second is the strength of our brands and the fact that we have pricing power in these categories versus, other players. And the third is that our financial operating sort of agility, which allows us to navigate this volatility, puts us as we believe in a very strong place to navigate the times, we are in.

Arnab Mitra: Sure. Thanks, that's it from my side.

Priya Nair: Thanks, Arnab.

Moderator: Thank you. Next question is from the line of Avi Mehta from Macquarie Group. Please go ahead.

Avi Mehta: Yeah, hi. I just had one clarificatory question, which was on if you could give us some details on what has weighed on the mass skin care segment and any actions that you have taken which could help offset these pressures?

Priya Nair: Yeah, I think, first I want to put colour totally on our Beauty & Wellbeing business. Our Beauty & Wellbeing business grew USG at 8%. Remember that the USG does not include at this moment Minimalist, which lies at the revenue line, not yet in the USG line. And underlying level our overall Beauty & Wellbeing business will be growing double-digit. And therefore, that's how revenue growth should be close to double-digit. So that's how you need to see our overall Beauty & Wellbeing business.

Within that, in Skin Care as you are asking, the skin care market is premiumizing and we are seeing now very strong double-digit growth and market share gains in our premium skin care portfolio across formats, whether it's sun care, light moisturizers, facial cleansers, we are now seeing very strong momentum there. Our premium skin beauty portfolio is now operating between Minimalist, Simple, OZiva, and Nexus at an ARR of close to Rs. 1,400 crores. And therefore, you know, this augurs well as it gets larger in terms of size. So that's really how we are driving the portfolio.

Within the mass skin care portfolio, it was subdued both on Glow & Lovely and especially on talcum powders because talcum powders in March quarter given the seasonality had a very weak quarter. So, we will look as we go into this quarter how that fares. But our focus is really on driving, this up-trading premiumization which is now getting to scale in our business.

Avi Mehta: So Priya, if I may, just to read and correct me if I understand is wrong, but what you are saying is that the industry structure demands that we focus more on the premium end and that is why some of it is natural, some of it is seasonal, this whole change that we are witnessing in this Skin Care segment of Beauty. Is that a right understanding or I would be inaccurate?

Priya Nair: Yeah, I mean, that's absolutely right. That's how the way consumers are behaving in the category is consumers add more products to their Skin Care regime. And therefore, by nature that's what happens in Skin Care, the market tends to grow through addition of new formats, new benefits, and that's really where our focus is, in line with how consumers are moving.

Avi Mehta: Got it, got it. That clarifies. That's all from my side. Thank you very much for this.

Priya Nair: Thank you.

Moderator: Thank you. Next question is from the line of Mihir Shah from Nomura. Please go ahead.

Mihir Shah: Thank you for taking my question. Congrats on a great set of numbers. Firstly, just one clarification. If this 8% to 10% cost inflation that you are witnessing, is there any low-cost inventory in that? And if one is to strip that out, what is the kind of cost inflation that you are seeing here?

Niranjan Gupta: I'm not sure I got the question. I think this is the 8% to 10% cost inflation is on our material cost, accounting for our normal covers that we have. So that's the cost inflation that we see and that's the way we see. Of course, there may be players who may be facing more than that depending on how efficient or non-efficient their buying's are on the market. But we do have an efficient procurement system, based on which we are seeing 8% to 10% material cost increase.

Mihir Shah: Got it. No, I was asking basically in this 8% to 10%, do you also have certain low-cost inventory that you had bought earlier, and that is why the cost inflation seems to be lower versus the kind of prices that we see in our RM basket? So that was the question.

Niranjan Gupta: No, we are operating with normal covers.

Mihir Shah: Understood. Secondly, if you can throw some insights on the steps that you have taken when you say you have rewired go-to-market capabilities. Is this confined to only quick commerce and all these steps are now behind? And if so, which are the categories that have seen the most change and the benefit due to this?

Priya Nair: Yes. Our steps in terms of rewiring our GTM are not just in quick commerce, but across the channels. So, one of the areas we have invested in, in the quarter and we will continue to drive this investment is in GT specialist stores. So, these are open format stores, chemist and cosmetic stores where we are investing to create a specialized force and drive up our assortment.

So, our investments are not just in quick commerce, which we have invested, but also in general trade. And we continue to invest, of course, in modern trade, where we have a strong business. So, it's across the channel. So, it's really this omnichannel portfolio. And frankly, it's reflecting across our business. So, I don't want to say it's affecting one category more than the other, which is why you've seen a more holistic result across our segments.

Mihir Shah: Understood. And lastly, if I can just put in one more. If one has to presently split portfolio into two buckets, core and growth, can you share what is the saliency of your growth portfolio and the growth rate that it is growing at?

Priya Nair: I'm not clear. You will have to explain again what you mean.

Mihir Shah: So, Priya, I mean, so there are certain categories and brands that have been growing closer to 20%, 30% plus growth rate. I just wanted to understand if you can split the future growth categories or power spender categories if you accumulate that into one bucket, what is the kind of contribution it gives to the overall sales? And what is the kind of growth rate that it is growing at, aggregating at?

Priya Nair: **Honestly**, we don't split our business in this fashion. It's very difficult for me to answer this question. So, I will not be able to split for you the business like that. We have given some colour to it as we have gone. So, for example, in soaps, we have explained to you that our brands like Dove and Pears are growing double digit. These are actually premium brands. Or in Bodywash, we are growing double digit. But I don't want to put a colour to number. We don't split our business in that fashion.

Mihir Shah: Understood. No, I thought you mentioned Rs. 1,200 crores in Beauty & Wellness?

Priya Nair: Beauty & Wellness.

Mihir Shah: Correct. So, if I aggregate for all the other segments, like how you have put Rs. 1,200 crores for Beauty & Wellness, I was probably hoping to get a mix from there. But no problem. I'll take this off-line later on. Thank you and all the very best.

Priya Nair: Thank you so much.

Moderator: Thank you. Next question is from the line of Amit Sachdeva from UBS Securities. Please go ahead.

Amit Sachdeva: Yeah, hi. Thank you so much for taking my question. My first question, Priya, is on Beauty & Wellbeing growth rate. Clearly, I see that mass is dragging the growth rate of Skin Care, which is led by premium, which is growing very well. But mass is a given, which is a very large category for us. So, in that sense, it needs to be crowded out by newer brands. And so, the pace of crowding out this very resilient but slow growing portfolio or no growing portfolio seems to be still lacking.

So, do you need to aggressively build more brands or benefit spaces there? Is the pace you are comfortable with? Or you need to bridge both portfolio gaps? But this is like despite trying several alternatives last year as well, this has not worked. So how this overall portfolio could grow in double digits? Given QC is there are, so many barriers to entries are broken and there's a new opportunity, how we should think about this business growing into double digits?

Priya Nair: The biggest opportunity for us in Skin Care is to democratize formats that are today very niche at the top end of the portfolio. So, if you take, for example, sunscreen, you take light moisturizer, you take even face washes, the penetration of these categories is still low. So, our opportunity and that is what we are focusing, so it's not just about more brands. It's about driving and democratizing at scale, which only HUL can do given our scale and size, these formats are across the length and breadth of the country.

So, I will give you an example of that to bring it to light. We have launched Lakme Sun Gel in the quarter. It's at a Rs. 10 price point for a sun gel. That certainly democratizes. It's a 2% penetration format, to give you a sense of how lower the penetration is. For all the new brands that we talk about, the penetration of sunscreen is 2%. So, the real opportunity to educate India on what is required in Skin Care.

The first format in a hot country like India is sunscreen and sun protection is required, and therefore, educating and making them accessible. So, it's not just about access, it's about educating about the needs of sunscreens. And that's really how we will democratize the format. And we are doing this with Lakme, and we will do this with us by other brands, Pond's. So really how we democratize this kind of format.

So that's how we should think about it. So, is there a role for premium brands? Sure, and that's why we have built Minimalist and Simple. Simple is now at an ARR of Rs. 160 crores. So that's how we are building our portfolio at the top. But it's also, in addition to that, the way to think about Skin Care and what HUL can do given our scale and size in Skin Care, is to democratize our new formats at scale.

We have launched now across Vaseline, Pond's, light moisturizers, and these are what we are scaling up, and really de-seasonalizing the moisturization category, which is currently very much a winter category into across the seasons of the country. So just think about it in that fashion. I can go on and on. I can talk about this for half an hour. But let's take, Vaseline.

We have launched Vaseline Gluta-Hya, which is a format which is designed for an Indian humid, hot kind of condition versus thick heavy moisturizer, and then we democratize it with pack-price architecture. So that's how we should think of how the Skin Care category will grow. It's not just all about new brands, but it is certainly about many new formats, segments that will emerge in Skin Care. And that's the nature of the Skin Care category all over the world.

Amit Sachdeva: Got it. Yes, that was very helpful. Just if I may just a small follow-up here on DTC is that what, is the Minimalist revenue sizes? And I didn't see the mention of cosmetics growth this quarter. What was that?

Priya Nair: So, our overall revenue size of Minimalist is about Rs. 850 crores ARR. So that's about the revenue size of Minimalist. It's performed extremely well for us.

Amit Sachdeva: Sure. And what was the cosmetics growth for the quarter?

Priya Nair: We don't break down the growth of all our sub-categories.

Amit Sachdeva: Got it. And my second question, Priya, is on pricing environment. Given the pricing is very volatile and given Niranjan said that you are judiciously taking a view on that, but we are also coming out of the negative pricing which we saw in Home Care. And I assume that, continues to sort of benefit you in some way. How should we think about FY'27?

I just want a broad-based thought on that because should we look at like pricing could be 4% to 5% for the full year, given where the environment is? Or could it be still low single digits like we saw in last couple of quarters? At least, I would think that incrementally pricing environment becomes more conducive for you and probably competitively as well. If you can sort of, give some guidance on overall pricing one should think about for the full year next year.

Niranjan Gupta: Let me pick this up. So, you are right. I mean, there's a negative UPG is anniversarizing as we speak on Home Care, and because of the cost inflation, there's a pricing which is coming in. There would be some balancing of volume and price as well as we move forward, although the elasticity in our categories is low. And we have to navigate this.

What cost inflation you are seeing is as of now as we speak because these are not structural cost inflation based on demand and supply. So, I think we will have to navigate this space, it's very difficult to give out a number or b number for the full year. All we can say is that on the top line, we are confident of fiscal year'27

to be better than fiscal year'26 despite all the volatility that we are seeing in the market.

Priya Nair: And I think the only thing we can control is our performance. We can't control the volatility of the environment. And our focus is, we believe we are making the fundamental corrections that we need to do to accelerate our performance, which is why we have quoted, as Niranjan was saying, that FY'27 will be better than FY'26. And we remain confident about that. And in a volatile environment, we remain confident about our ability to navigate. But we will always be judicious about how to navigate this.

Amit Sachdeva: Thanks so much and all the best. Thanks a lot.

Moderator: Thank you. Next question is from the line of Aditya Soman from CLSA India. Please go ahead.

Aditya Soman: Hi, thanks for the opportunity. So, three questions, I mean, two questions and a clarification. So firstly, on was there any restocking effect in the quarter given that we had some destocking and channel effect in the previous quarter? Second question on tea, we have seen sort of on a relative weak base again softer volume growth.

So, is there anything specific in this quarter that impacted tea growth given that now input costs also seem to be under control? And then just a clarification on what you mentioned on the sort of 400 basis point market share gain in Bodywash. Is this based on Nielsen data or does this include sort of broader data on market share on Quick Commerce and the likes of that?

Niranjan Gupta: So as far as restocking is concerned, we actually had alluded to that there's been no restocking as far as our March quarter is concerned. So, these are the underlying sales as you see. On tea, there's no specific reason for this one. I mean, more importantly, it's more around the deflation that year-on-year that you see on pricing, which has impacted the sales growth as far as tea is concerned. But there's no fundamental reason for tea volumes.

And the third, which is the market share, which is Bodywash, yes, it's based on Nielsen data, but we also know from overall that across the all the channels we are able to grow Bodywash faster and there's a specific focus of market development as far as body wash is concerned.

Aditya Soman: Thanks, Niranjan. And just on tea, so the volume growth is low-single digit, right? That's the number you sort of gave.

Niranjan Gupta: Yes, yes. That's true. That's true. Within that, the premium brands have grown faster.

Aditya Soman: Okay, clear. Okay.

Moderator: Thank you. Next question is from the line of Nihal Jham from HSBC. Please go ahead.

Nihal Jham: Yes, good evening, Priya and Niranjan. Two questions. Niranjan, the first one was a clarification that if we assume the current spot prices of our commodities, what would be the inflation for us at present?

Niranjan Gupta: It's very speculative to take the current spot because the current spot what is today may not be tomorrow because I have seen the last 30 days the way it moves. So, I don't think, Nihal, by doing those calculations one actually can get led to very wrong decision-making. So, what we are doing is we are watching the space and not reacting to any knee-jerk current spot prices. As we said, when we have looked at the balance of the cost elements that are coming in the June quarter, we are seeing 8% to 10% cost inflation on overall material basket for HUL.

Nihal Jham: Sure, Niranjan. Niranjan, the second question was again on the Home Care part that, you know, we look at the earlier inflation cycle and at that point of time you had taken price hikes commensurate to the point where our margins had also been maintained. So, in line of the current competitive intensity, in case we end up taking hikes, is it the case that the current environment gives us the opportunity of maintaining margins, or maybe the environment in terms of

competitive intensity is different and maybe the other competition doesn't end up following our price hikes? Just wanted to understand your thoughts on that.

Priya Nair: Listen, our number one priority will be to be competitive, very simply. We cannot predict what our competition does, but it will be our number one priority to stay competitive. We believe that we have enough flex between the guided range that we have given to ensure that, if the challenges continue in terms of inflation, we might well be at the lower end of the guided range and that's how this quarter will be.

The range guidance we give is for the medium term and not necessarily just for the next quarter and that's the way for you to think about it, is that guidance is a full-year medium-term guidance. And listen, if the volatility continues, our priority, and I want to make that clear, will be to protect our competitiveness and our consumer franchise and to strengthen our consumer franchise and in that sense drive profit through revenue accretion.

Nihal Jham: Got it. Priya, just a clarification where I was coming from is that, in that phase the EBIT or the EBITDA growth for the Home Care segment was actually very strong. So, is there a possibility that this time around the inflation cycle actually ends up benefiting us?

Priya Nair: I think listen; we have a portfolio that is across four segments. So, we use the total segment across our four segments we will navigate and that creates a natural sort of ability to manage the environment because of the strength of our portfolio across our four segments, across our categories. You know, that's how we will look at it as totally the enterprise.

Nihal Jham: Understood. Sure. Thank you so much.

Moderator: Thank you very much. Ladies and gentlemen, I will now hand the conference over to Mr. Yogesh Mulgaonkar to take questions from the web. Over to you, sir.

Yogesh Mulgaonkar: Yeah, in the web there's one question for you, Priya. It says Unilever globally is moving away from foods, yet HUL is doubling down on Horlicks, Boost, and

Coffee. How aligned is HUL's food strategy with the global direction and do we read more in this?

Priya Nair: Yeah, I think the HUL Foods business is very distinctively different from the Unilever Foods business. Our business of HUL is firstly a Beverage business in Tea and Coffee, a Lifestyle Nutrition business, and in Foods, Kissan is our large brand, a very different local brand, very well entrenched in the segments in which it operates. And as you know, we have launched into chutneys and extended the brand recently.

So therefore that, combined with the opportunities that exist in India in Foods, is the reason why Foods is outside the perimeter of the Unilever transaction that we have done, and Foods continues to be a very important area and focus of strategy for HUL.

Moderator: Thank you very much. With this, I now hand the conference over to Mr. Yogesh Mulgaonkar for closing comments.

Yogesh Mulgaonkar: Yeah, with that we now come to the end of the Q&A session. Before we end, let me remind you that the playback of this event will be available on the Investor Relations section of our website in a short while. Thank you, everyone, for the participation and have a great evening.

Moderator: Thank you very much. On behalf of Hindustan Unilever Limited, that concludes this conference. Thank you for joining us and you may now disconnect. Thank you.

Disclaimer: *This transcript has been edited to remove any grammatical inaccuracies or inconsistencies of English language that might have occurred inadvertently while speaking.*