

# Hindustan Unilever Limited

## DQ'19 Results Presentation : 31<sup>st</sup> January 2020



**Surf excel MATIC**

### SURF EXCEL MATIC LIQUID

#### 100% TOUGH STAIN REMOVAL IN MACHINES.\*

\*ON LAB TEST ON RED CHUTNEY, CHOCOLATE PASTRY STAIN ON POLYESTER FABRIC



A woman in a teal dress holds up a light blue shirt with a dark brown stain. A young boy sits on a white washing machine, holding a small container. Two bottles of Surf excel Matic liquid detergent are in the foreground: one purple labeled "NEW FRONT LOAD" and one green labeled "NEW TOP LOAD".





Hindustan Unilever Limited

## Safe Harbor Statement

This Release / Communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments, political instability, change in international oil prices and input costs and new or changed priorities of the trade. The Company, therefore, cannot guarantee that the forward looking statements made herein shall be realized. The Company, based on changes as stated above, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward looking statements as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements that may be made from time to time by or on behalf of the Company to reflect the events or circumstances after the date hereof.

# Sanjiv Mehta

## Chairman & Managing Director



**Dove**  
NOURISHING  
SECRETS

**Surf excel  
MATIC**

### SURF EXCEL MATIC LIQUID

#### 100% TOUGH STAIN REMOVAL IN MACHINES.\*

\*ON LAB TEST ON RED CHUTNEY, CHOCOLATE PASTRY STAIN ON POLYESTER FABRIC



The advertisement shows a woman in a teal dress holding up a light blue denim shirt that has a dark brown stain on it. She is standing in a laundry room with a washing machine. A young boy is sitting on the counter of the washing machine, looking at the shirt. Two bottles of Surf Excel Matic liquid detergent are shown in the foreground.

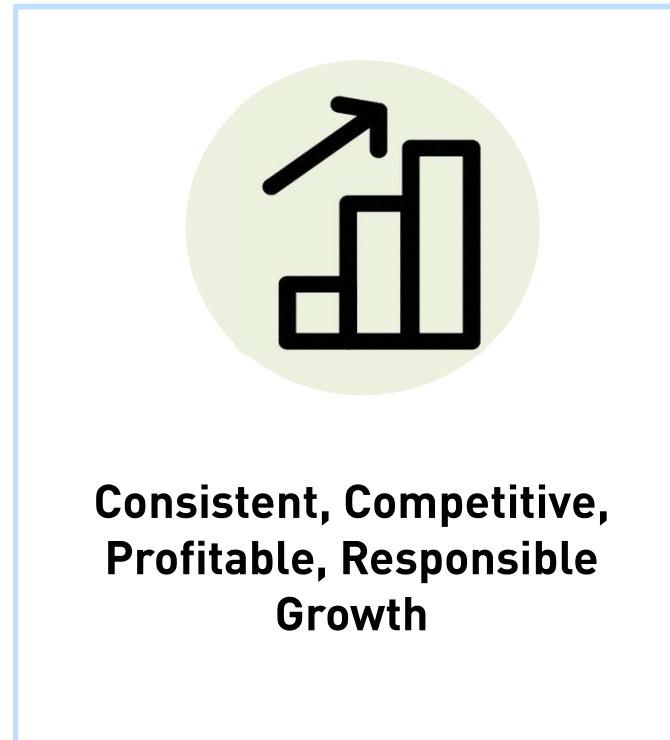


# Clear and compelling strategy

Purpose-led, Future-Fit



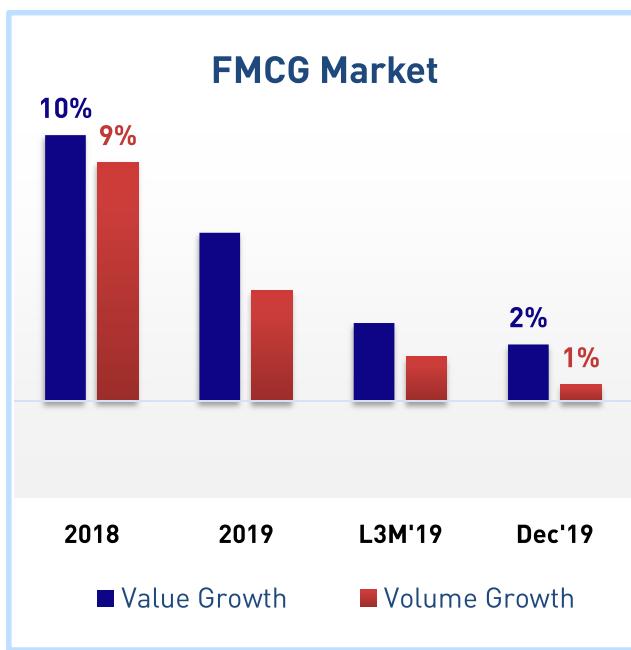
Growth



**Consistent, Competitive,  
Profitable, Responsible  
Growth**

# Market Context

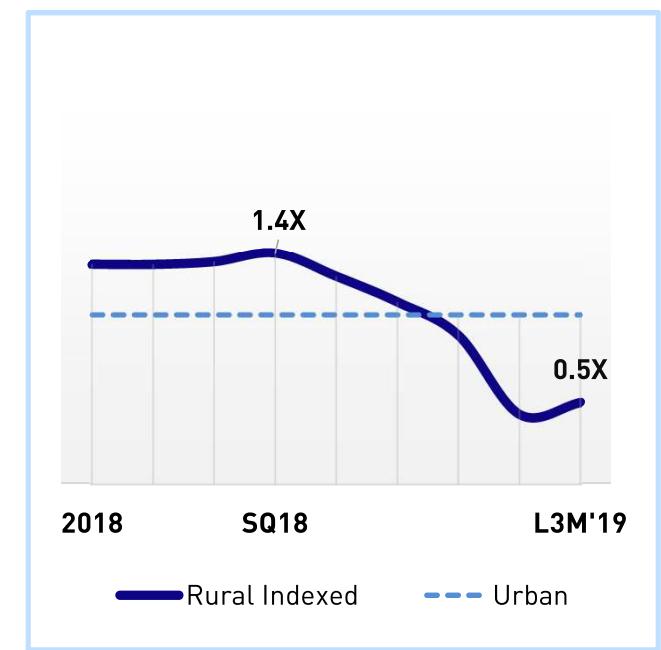
## Slowing market growth



## Steeper in discretionary categories



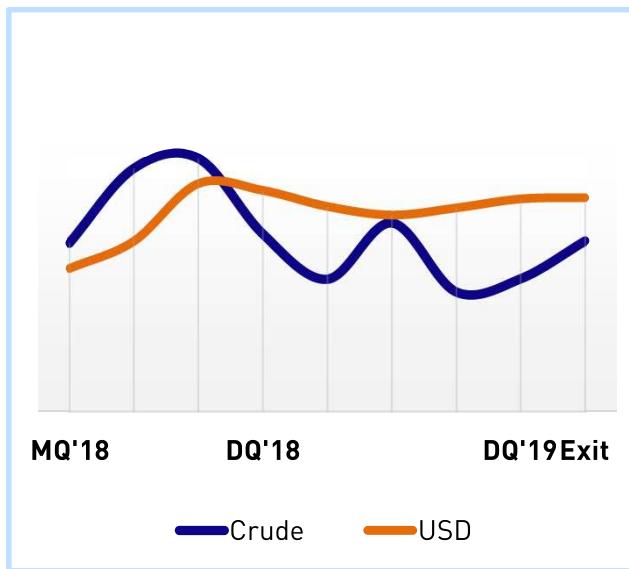
## Rural growth at 0.5X urban



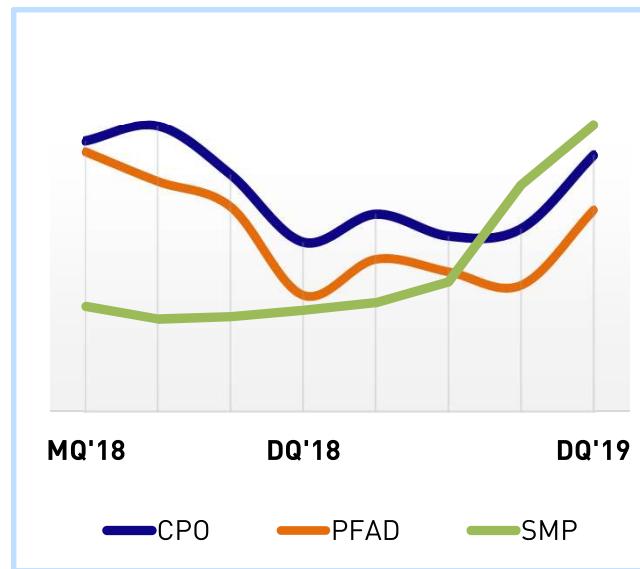
\* Market growth for relevant categories data source Nielsen

# Market Context

## Crude and Currency volatile



## Inflationary trend in select commodities



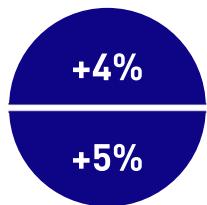
## Challenging environment impacting consumer confidence



# Performance Summary

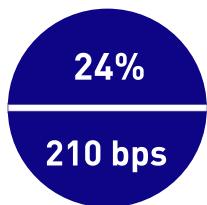
## DQ'19

Domestic Consumer  
Growth



Underlying Volume  
Growth

Comparable EBITDA  
Margin\*



Comparable EBITDA  
Improvement\*

## Sustainable Living



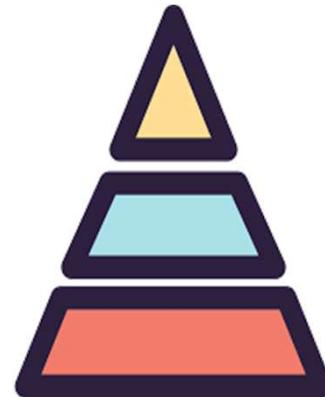
\* Reported EBITDA improvement of 335 bps at a reported margin of 25%; Comparable EBITDA improvement arrived after adjusting for Ind AS 116 impact

# Our performance drivers

## Focus on Core



## Driving premiumization & Market Development



## Innovate for the Future



## Execution Prowess



Re-imagine HUL: Build Digital Capabilities across the Value Chain

# Srinivas Phatak

Chief Financial Officer



**SURF EXCEL  
MATIC LIQUID**  
**100% TOUGH STAIN REMOVAL  
IN MACHINES.\***

ID ON LAB TEST ON RED CHOCOLATE STAIN ON POLYESTER FABRIC

The Surf Excel Matic logo is at the top left. In the center, a woman holds up a light blue shirt stained with red chocolate. A young boy sits on a washing machine, holding a small container of detergent. Two bottles of Surf Excel Matic liquid detergent are shown in front of the washing machine: one purple bottle labeled 'NEW FRONT LOAD' and one green bottle labeled 'NEW TOP LOAD'.



## DQ'19: Steady performance in a tough market

### Growth

Domestic Consumer Growth

+4%

+5%

Underlying Volume Growth

### EBITDA

Comparable EBITDA Growth\*

+14%

210 bps

Comparable Margin Improvement\*

### PAT (bei)

PAT (bei) Growth

+21%

1,691cr

PAT (bei)

### Net Profit

PAT Growth

+12%

1,616cr

PAT

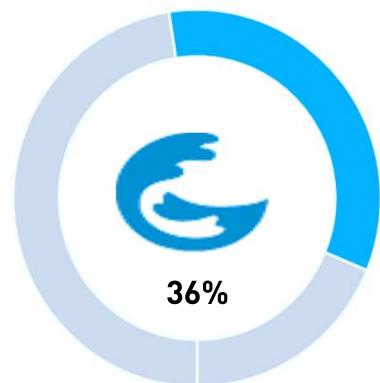
\* Reported EBITDA improvement of 335 bps at a reported margin of 25%; Comparable EBITDA improvement arrived after adjusting for Ind AS 116 impact



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## Good performance in HC and F&R

### HOME CARE

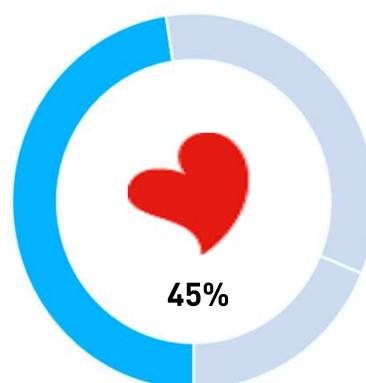


Sales Growth

10%

*Continued good performance*

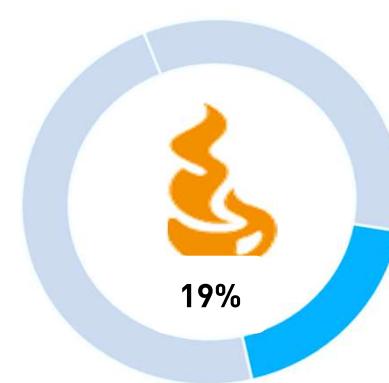
### BEAUTY & PERSONAL CARE



-1%

*Growth impacted by delayed winter and Personal Wash*

### FOODS & REFRESHMENT



8%

*Robust growth across categories*



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## Segmental Performance

### HOME CARE



### BEAUTY & PERSONAL CARE



### FOODS & REFRESHMENT



Segmental Revenue Growth\*

10%

Segmental Margins\*\*

18%

-3%^

28%

8%

18%

\*Segment Revenue Growth = Segment Turnover growth including Other Operating Income (Excludes impact of A&D)

^Revenue growth impacted by accounting for government Grant in DQ18

\*\* Segment Margins (EBIT) excludes exceptional items 12

# Innovations and activations in the quarter

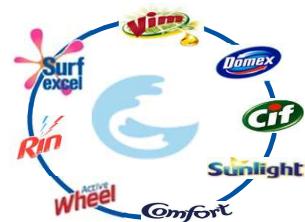


**LAKMÉ FOREVER MATTE LIQUID LIP COLOR**



# Home Care

## Continued good performance



- **Fabric Wash:** Focus on core and premiumization yielding strong results
  - *Wheel* advanced its purpose 'Think Fresh' with a digital campaign
  - Launched *Comfort Perfume Deluxe* in select geographies
- **Household Care:** Good delivery led by market development
  - Liquids upgradation continues to build momentum
- **Purifiers:** Sustained focus on the premium segment

# Beauty & Personal Care

Growth impacted by delayed winter and Personal Wash



- **Personal Wash:** Negative market growth and strategic pricing actions impact topline
- **Skin Care:** Delayed winter impacts category performance;  
Good growth in non-winter portfolio
  - Focus on innovation and premiumization continues
- **Hair Care:** Healthy performance across portfolio
  - Launched *Love Beauty & Planet* in Ecommerce channel and *Indulekha Neemraj Oil* all India

# Beauty & Personal Care : Contd.

Growth impacted by delayed winter and Personal Wash



- **Colour Cosmetics:** Innovation focus continues; Unlocking the rising aspirations of women across India
  - Launched *Lakme Absolute Ultimate Kohl, 9 to 5 Naturale Makeup Remover* and *Primer+Crème Lipstick*
- **Oral Care:** Steady delivery by *Close Up* and *LEVER Ayush*
- **Deodorants:** Market development continues to be key amidst intense competitive environment

# Foods & Refreshment

Robust growth across categories



- **Beverages:** Broad-based growth across brands
  - New communication on *Lipton Green tea* strengthening its purpose of making India healthier
- **Ice Cream & Frozen Desserts:** Focus on distribution expansion and building innovation pipeline for season
- **Foods :** Good growth led by sharper activations basis differentiated consumer insights
  - Launched *Hellmann's Mayonnaise* in Kolkata



## DQ'19: Results summary

Particulars	DQ'19 (Reported)	DQ'18	Growth %
Sales	<b>9696</b>	<b>9357</b>	<b>4%^</b>
EBITDA	<b>2445</b>	<b>2046</b>	<b>19%*</b>
Other Income	<b>115</b>	<b>99</b>	
Exceptional Items – Credit / (Charge)	<b>-99</b>	<b>-62</b>	
PBT	<b>2229</b>	<b>1950</b>	<b>14%</b>
Tax	<b>613</b>	<b>506</b>	
PAT bei	<b>1691</b>	<b>1401</b>	<b>21%</b>
Net Profit	<b>1616</b>	<b>1444</b>	<b>12%</b>
EPS	<b>7.47</b>	<b>6.67</b>	<b>12%</b>

- Domestic Consumer Growth at 4%^
- Comparable\* EBITDA growth at 14% with a comparable improvement of 210 bps



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## NINE MONTHS 2019 – 20



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## Nine Months 2019-20: Results Summary

Rs. Crores

Particulars	YTD DQ'19	YTD DQ'18	Growth %
Sales	29388	27851	6%^
EBITDA	7535	6316	19%
PAT bei	5274	4490	17%
Net Profit	5219	4498	16%

- Domestic Consumer Growth at 6%^
- Comparable\* EBITDA improvement of 190 bps

\* Reported EBITDA improvement of ~300 bps; Comparable EBITDA arrived after adjusting for Ind AS 116 impact 20



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## Looking ahead

### Near term

- ❑ Market growth continues to be sluggish; Demand outlook challenging
- ❑ Commodities and currency will continue to be volatile

### Our focus

- ❑ Drive agility and responsiveness across the value chain given the challenging environment
- ❑ Deliver Consistent, Competitive, Profitable, Responsible Growth



Hindustan Unilever Limited

## For more information and updates

Visit our website

### December Quarter 2019 results

Hindustan Unilever will release its financial results for December Quarter 2019 on Friday, 31st January, 2020.

[› December Quarter 2019 results](#)

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DQ'19 Results Presentation : 31<sup>st</sup> January 2020

Dove SECRETS  
Surf EXCEL MATIC LIQUID  
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Lipton  
Let's stay fit with Lipton