

Hindustan Unilever Limited

DQ'21 Results : 20th January 2022



Surf excel MATIC

3in1 SMART SHOTS

**TOUGH ON STAINS
SOFT ON FABRIC!**

A woman is smiling while holding a pink towel. In the foreground, there is a basket of laundry and a container of Surf Excel MATIC detergent.



Lifebuoy

PROTECTING KIDS FROM THE NEW CORONAVIRUS IS IN YOUR HANDS

Mask up

Sanitise or wash hands with any soap

Vaccinate

Keep social distance

PROVEN AGAINST COVID-19 CORONAVIRUS EFFECTIVE

Handwash 99.9% GERM PROTECTION

100% Stronger, Greater Protection

Hand Sanitizer

A man and a young girl are standing together, both with their hands raised in a "stop" gesture. The background is red with white text and icons.



Lipton

All taste, even without sugar.

Lipton DARJEELING LONG LEAF TEA

A large glass teapot filled with tea and a packet of Lipton Darjeeling Long Leaf Tea are shown. The background is light green.



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.

Sanjiv Mehta

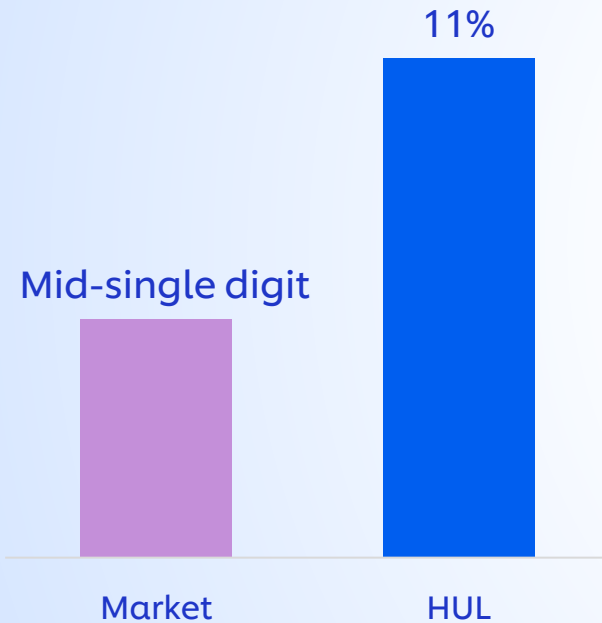
Chairman and Managing Director



HUL DQ'21 : Strong all-round performance

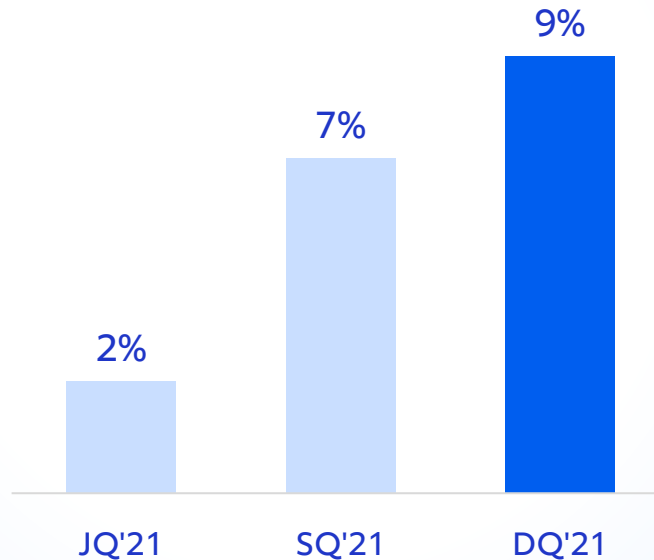
Double digit growth; ahead of the market

YoY Domestic Consumer Gr. (DQ'21)



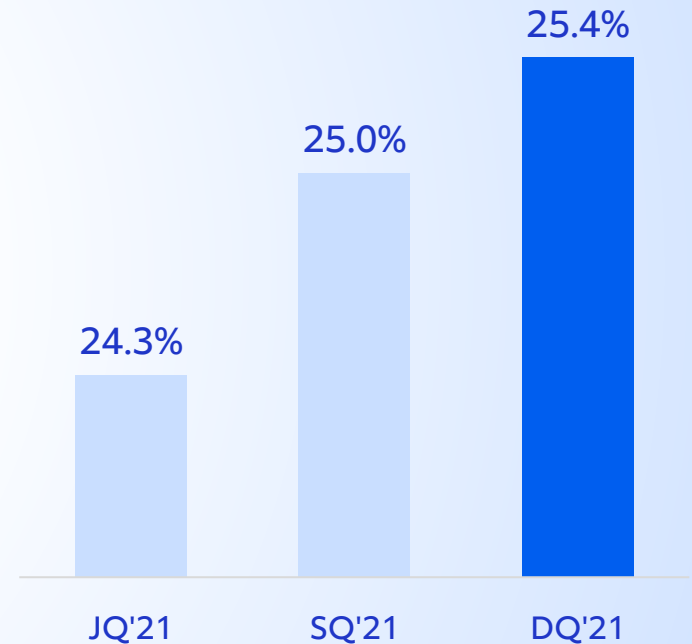
Consistent step-up in growths

2 year Sales CAGR



Profitable growth EBITDA +100 bps YoY

EBITDA %



>75% business winning shares

DQ'21 : Robust 2 year CAGR

2Y CAGR : Double Digit



Fabric Wash & Care



Beverages



Skin Cleansing



Household Care



Ice Cream

High-Mid Single Digit



Skin Care



Hair Care



Foods



Oral Care

Others



Color Cosmetics



Water Purifier

c. 67% of Portfolio

c. 30%

c. 3%

Strengthening our market leadership

- 1. Highest YoY market share gains in more than a decade**
- 2. Winning market shares in all Divisions**
- 3. Winning in both Urban and Rural in all our Regions**
- 4. Winning in mass, popular and premium segments**
- 5. Market shares are also above 2019 levels**

Waste-free World : Rethinking plastic

Our Commitment : By 2025, we will

Help collect and process more plastic packaging than we sell

Ensure 100% of our plastic packaging is reusable, recyclable or compostable

Reduce the amount of virgin plastic in our packaging

Plastic Neutral in 2021, 4 years ahead of target

Pan India network – 160 locations



Our partners



Less Plastic, Better Plastic, No Plastic

Few examples



Bottles with recycled plastic



'Smart fill' machine



Recyclable structures

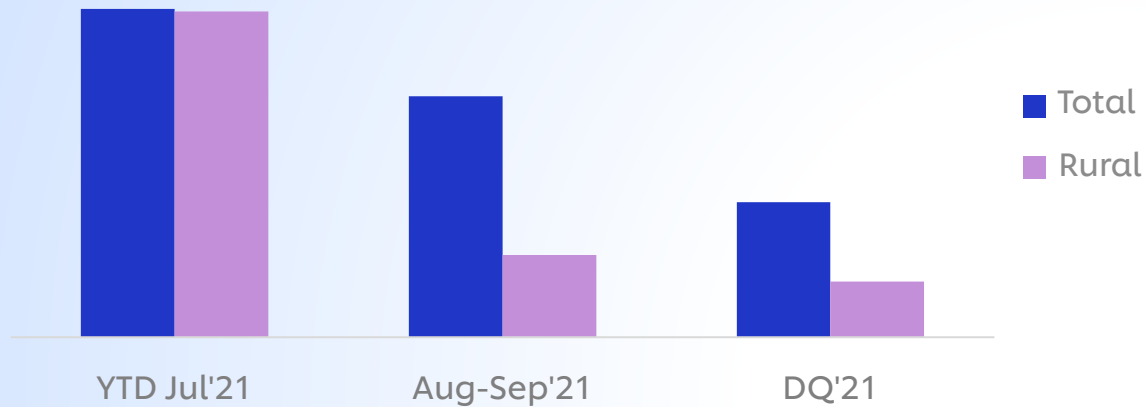


Refillable Lakme Creme

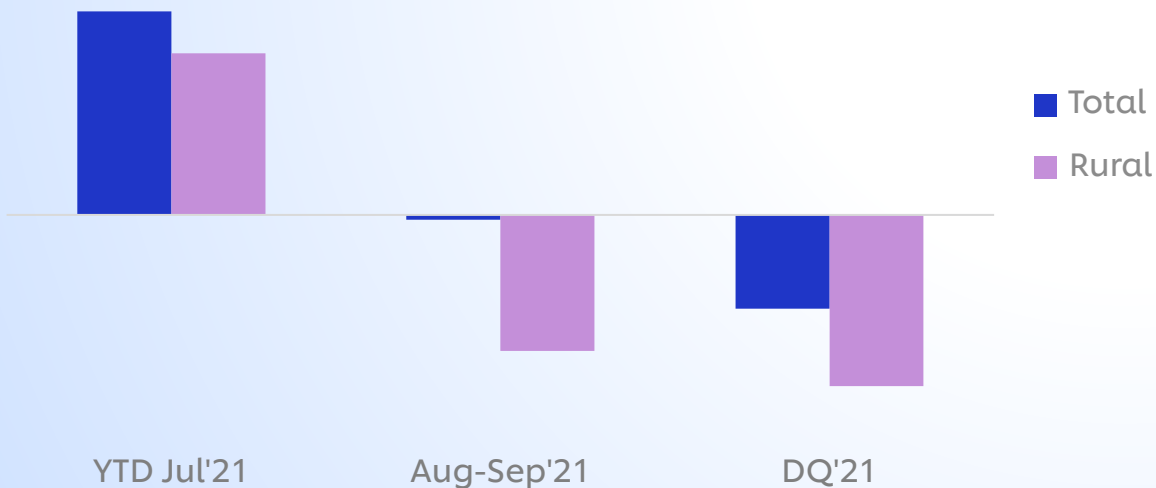
Operating environment remains challenging

FMCG market growth moderating; volumes declining

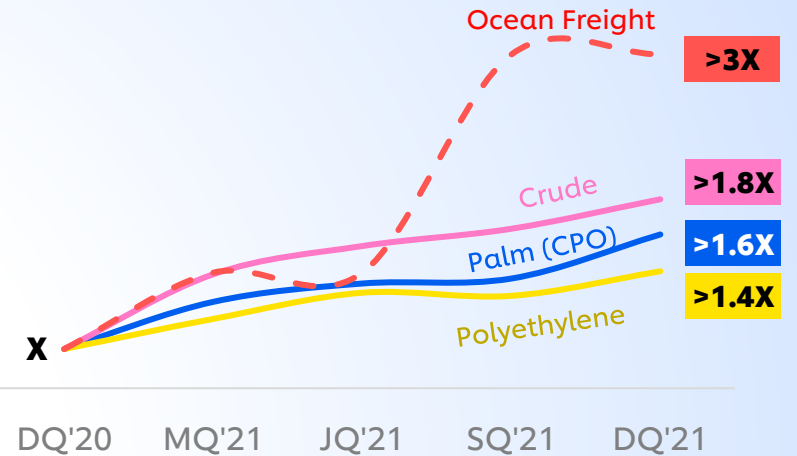
Nielsen Market Growth : Value



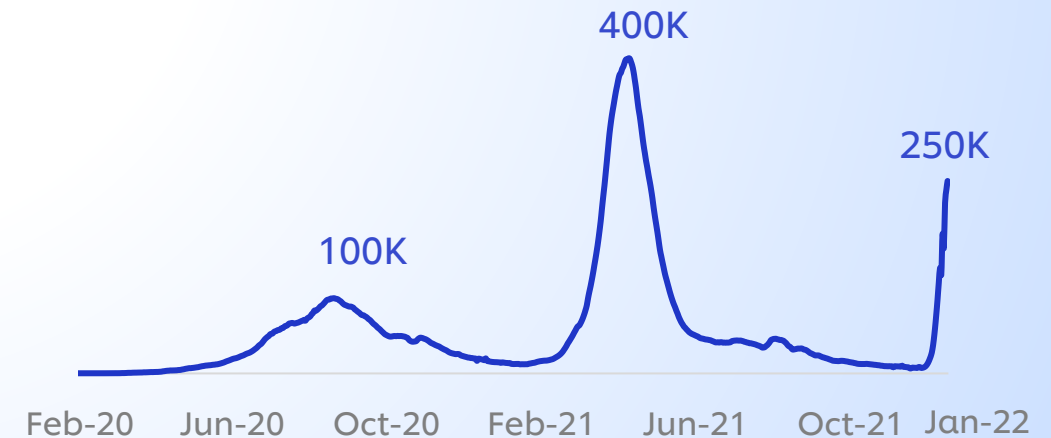
Nielsen Market Growth : Volume



Commodity prices remain elevated



Rising COVID cases



Clear and compelling strategy

1. Developing our portfolio

2. Win with our brands as a force for good, powered by purpose and innovation

3. Lead in the channels of the future

4. Build differentiated structures and capabilities

5. Build a purpose-led, future-fit organisation and growth culture



Operational Excellence

Improved
penetration

Impactful
innovation

Design for
channel

Purposeful
brands

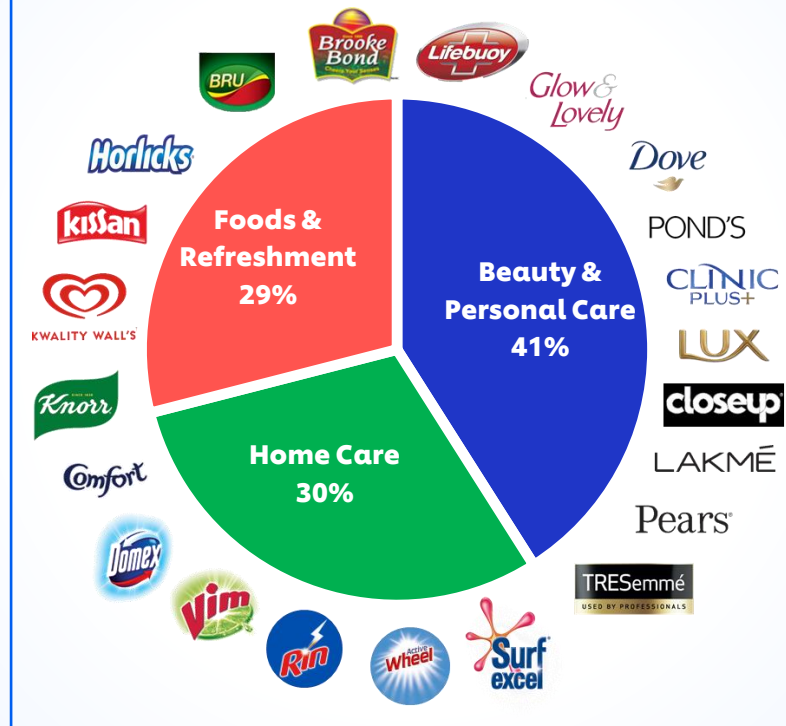
Fuel for
growth

We are well positioned

People : Our #1 priority



Trusted Brands; Wide Portfolio



Agile and flexible Supply Chain



Greater resilience | Better responsiveness

Near-term outlook

- ❑ Uncertain operating environment :
 - FMCG market growths moderating; inflation impacting volumes
 - COVID Wave 3, expect limited impact due to vaccine coverage and health & safety measures
- ❑ Commodities remain volatile and elevated; witnessing further sequential inflation in MQ'22
 - Margins to remain under pressure
 - Calibrated pricing actions coupled with cost agility and savings programmes to continue
- ❑ We are well prepared to :
 - Deal with the uncertainty
 - Protect our business model by growing consumer franchise and maintaining margins in a healthy range

Our focus remains on delivering Consistent, Competitive, Profitable and Responsible Growth

Ritesh Tiwari

Chief Financial Officer

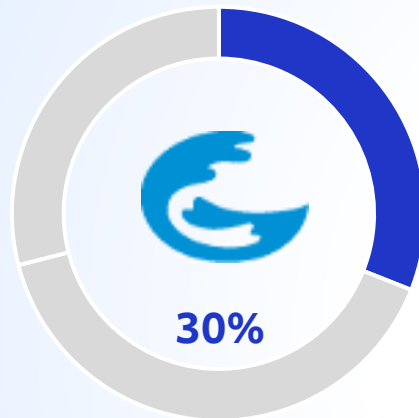


DQ'21 : Strong all-round performance



DQ'21 : Robust growths across Divisions

HOME CARE



**Competitive
Growth**



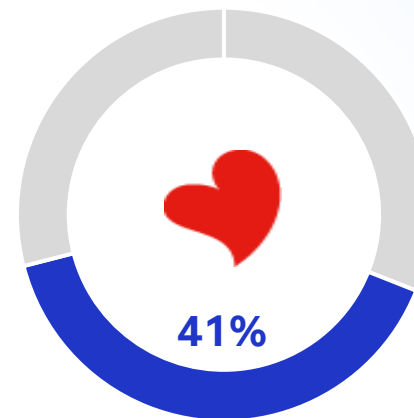
**Sales Growth
YoY**

23%

**Sales Growth
2 Year CAGR**

10%

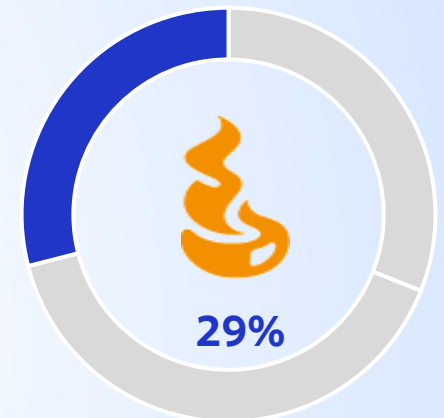
BEAUTY & PERSONAL CARE



7%

8%

FOODS & REFRESHMENT



3%

11%



Impactful innovations in DQ'21

Dove Body Love Range



Sensitive Mineral Active



Lakme Concealer & Volume Mascara



Simple Serums



Lipton Darjeeling Tea



Bru Beaten Coffee



Activations and communications in DQ'21

Horlicks Nutrimer



Horlicks NUTRIMER

Did you know?
Your child's daily Protein need equals
2 Eggs + 2 bowls of Paneer*

Click Here to Track & Improve
your child's nutrition

PROTEIN 95%
VITAMIN A 90%

CALCULATE NOW

* As per RDA 2020, 32.8 g of Protein for 10-12 year old girls. Nutrient content calculated as per IFCT, 2017. Standard weight* measures as per Basic Food Preparation-A Manual. 1 bowl=50 g Paneer & 1 whole boiled Egg = 50 g

Surf Excel Matic liquid



**NO DAAG.
NO POWDER
KE DHABBEY.**

Surf excel Matic

Kwality Wall's : Diwali Activation



**SURPRISE THEM
WITH A COOL GIFT
THIS DIWALI!**

CHOCO-AND-ROLL
CHOCO BROWNIE
FUDGE

DESI TWIST
CREAMY KULFI

Creative Visualization.

Dove : Cleans like soap; cares like cream



आपकी त्वचा की करे
क्रीम जैसी देखभाल!

Let's Change Beauty

Clinic Plus strong & long



என் மகள் ஸ்ட்ராங்

*சலுகை குறிப்பிட்ட மாநிலங்களில்/நகரங்களில்/அவுட்லெட்களில் மட்டுமே.
*எம்ஆர்பி (அனைத்து வரிசை உட்பட) 6.5 mlக்கு

Comfort : 14-day freshness



Comfort
Fabric Conditioner
**14-day
freshness**

चुनिदा फैब्रिक्स पर प्रयोगशालेय स्थितियों के अंतर्गत परखा गया

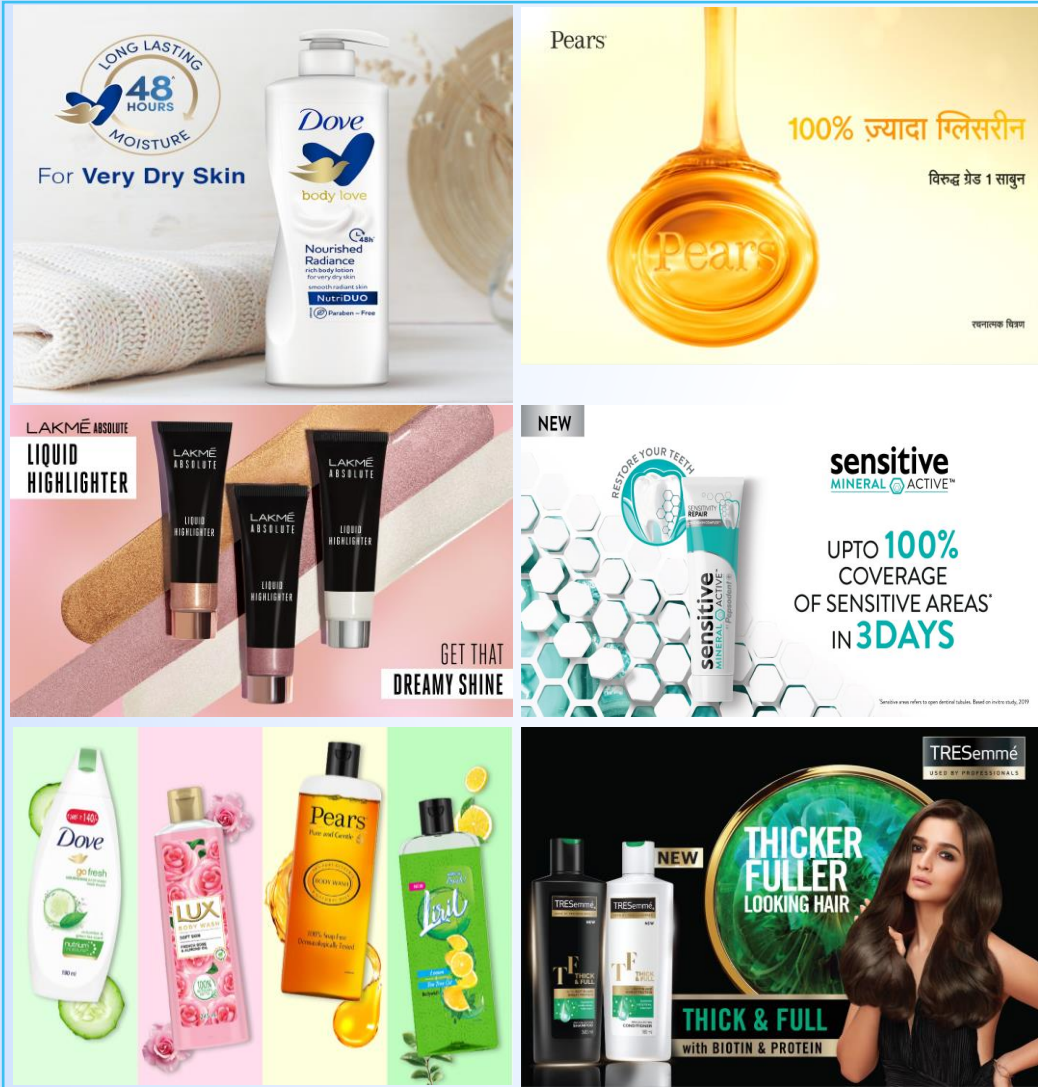


Home Care : Double-digit growth momentum sustained



- ❑ **Household Care:** High teens growth on a strong base; both dishwash and surface cleaners performing well
- ❑ **Fabric Wash:** Grew in strong double-digits driven by robust performance across the portfolio; volumes grew high single-digit
 - Liquids continue to outperform led by market development actions
- ❑ Significant input cost inflation across Fabric Wash and Household Care; **calibrated pricing actions** continue

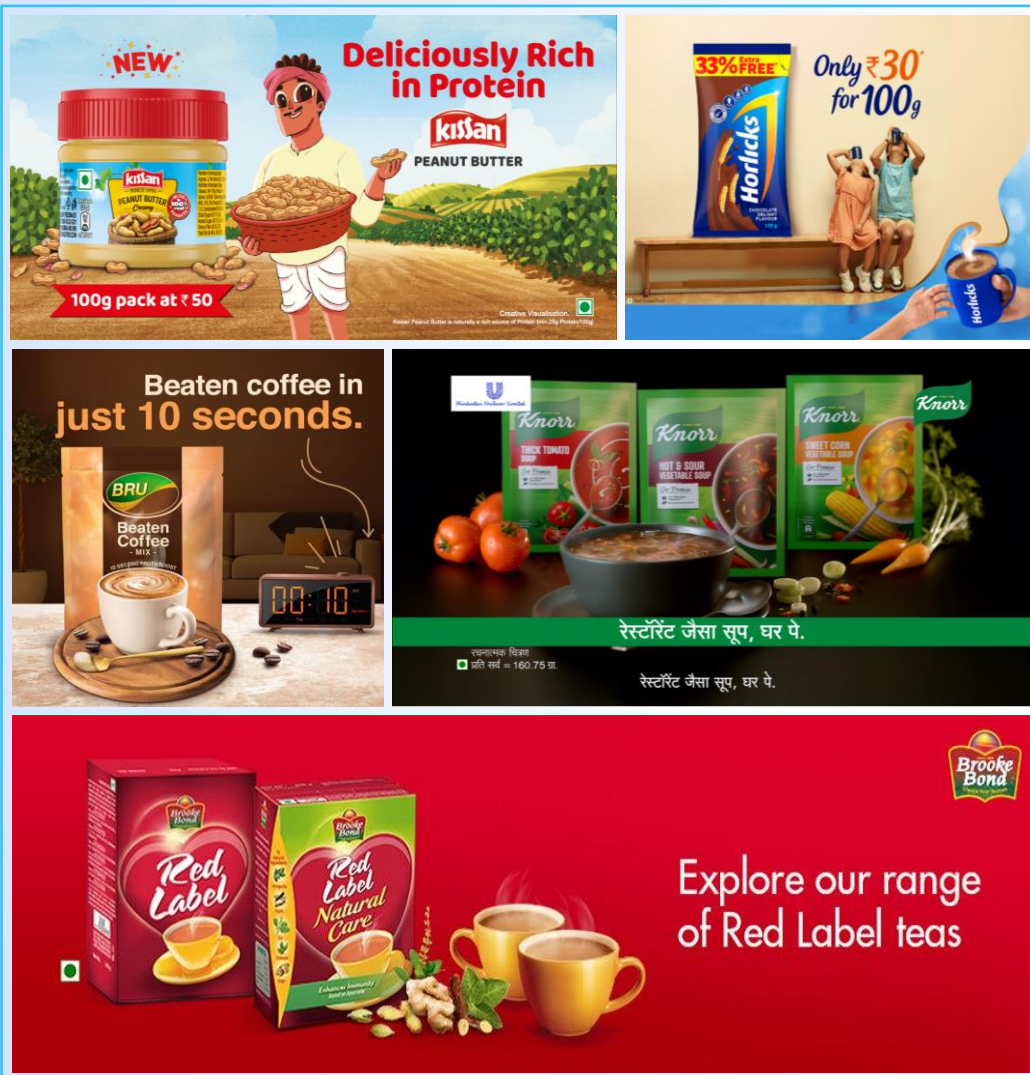
BPC : Skin Cleansing, Skin Care and Color Cosmetics lead growth



- ❑ **Skin Cleansing:** Strong quarter with double-digit growth driven by pricing. Beauty and premium soaps continue to perform well
- ❑ **Hair Care:** Steady performance led by premium portfolio; innovations continue to perform well. 'Clinic Plus', 'Dove' and 'Sunsilk' are the top 3 Hair Care brands in the country as per 'Kantar Brand Health Check'
- ❑ **Skin Care:** Strong performance led by double-digit growths in premium portfolio; Winter portfolio performed well on a high base
- ❑ **Color Cosmetics:** Strong YoY growth as mobility improved, Lakme 'Volume Mascara', 'Liquid Concealer' and 'Liquid Highlighter' launched in this quarter
- ❑ **Oral Care:** Soft quarter lapping a high base comparator; 'Sensitive Mineral Active' launched in this quarter



F&R : Steady performance on a strong base

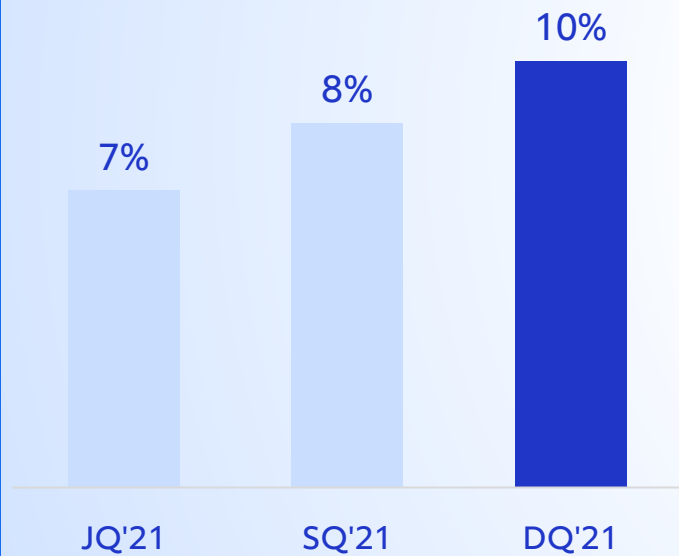


- ❑ **Beverages:** Tea continued its strong performance, 2Y CAGR in high teens. Coffee performed well and grew in high single-digit
- ❑ **Health Food Drinks:** Market development actions resulted in handsome market share and penetration gains. Soft quarter due to a high base, lower market growths and pockets of disruption linked to sales integration
- ❑ **Foods:** Grew on a strong base led by Jams and Ketchup. Both our innovations 'Hellman's Mayonnaise' and 'Kissan Peanut Butter' are performing well
- ❑ **Ice Cream:** Strong performance led by impactful innovations and effective activations; 2Y CAGR in high teens

Discretionary & OOH above pre-Covid levels

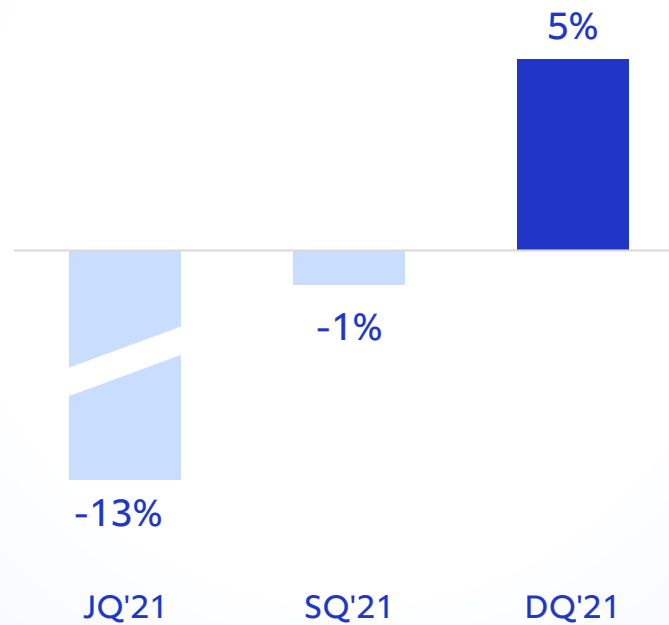
Health, Hygiene & Nutrition (c.85% of portfolio)

2 year Sales CAGR



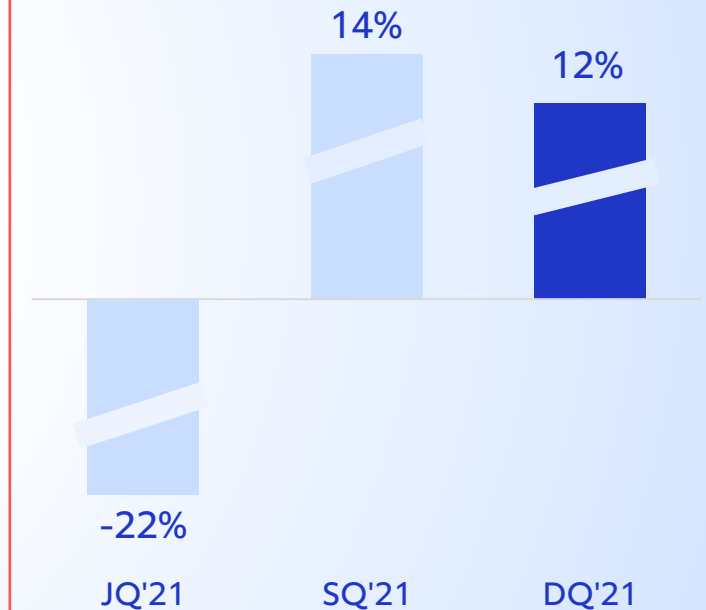
Discretionary (c.12% of portfolio)

2 year Sales CAGR



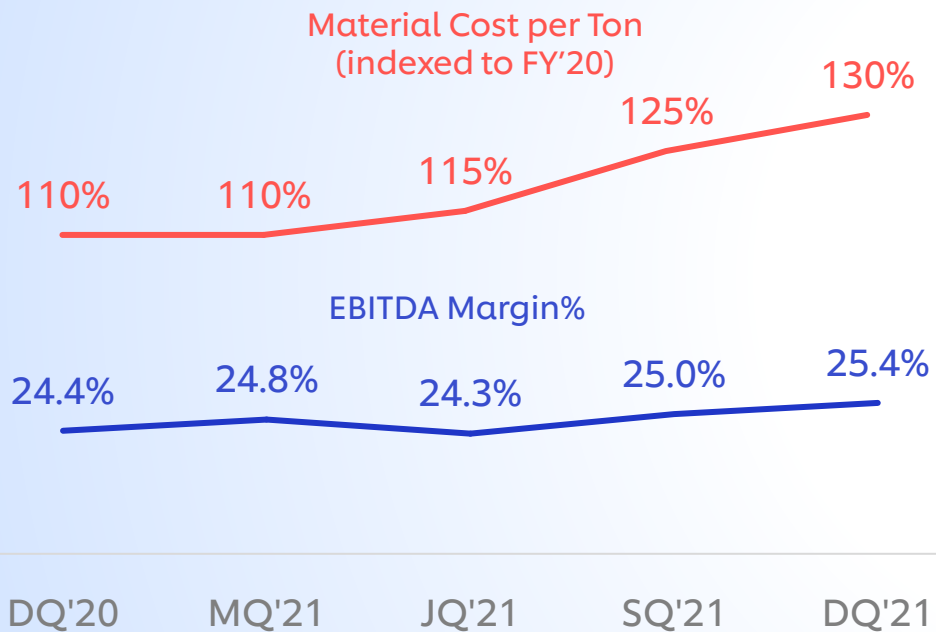
Out of Home (c.3% of portfolio)

2 year Sales CAGR

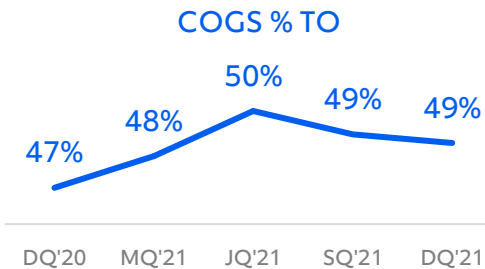


Protecting our business model

Unprecedented inflation: Dynamic Financial Management

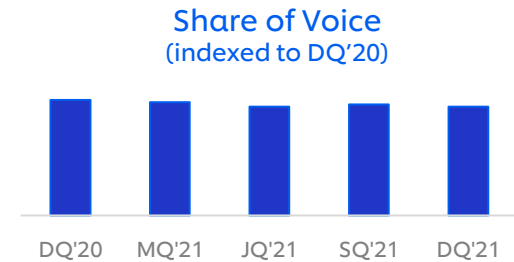


1. Improving COGS



- ✓ Savings and buying efficiencies
- ✓ Stepping-up Pricing
- ✓ Improving Mix

2. whilst investing in our brands, SOV > SOM



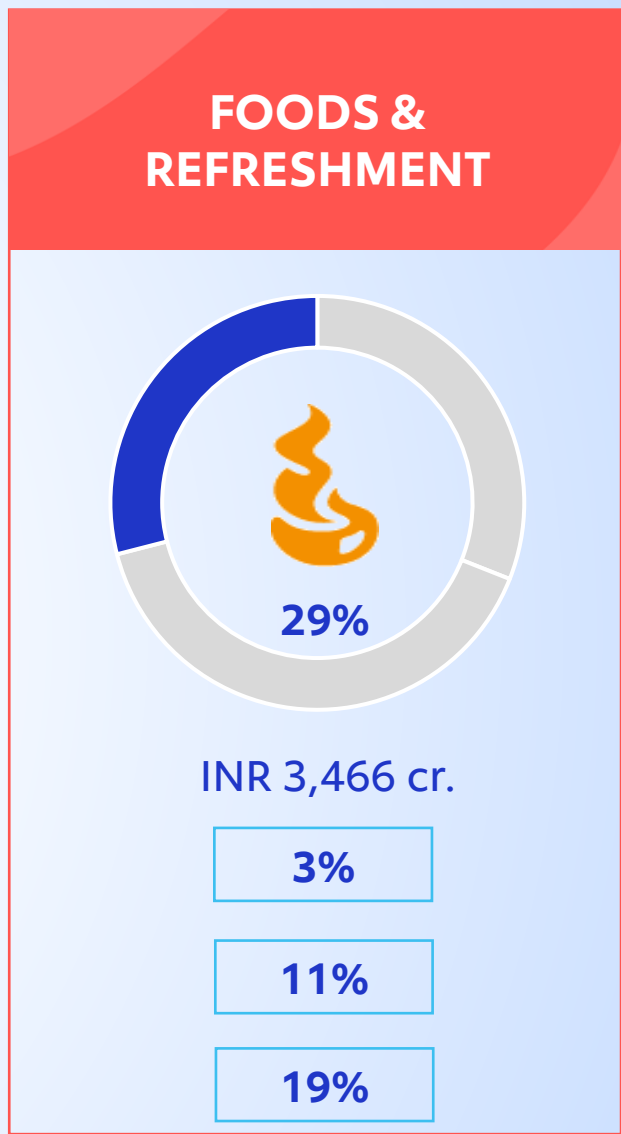
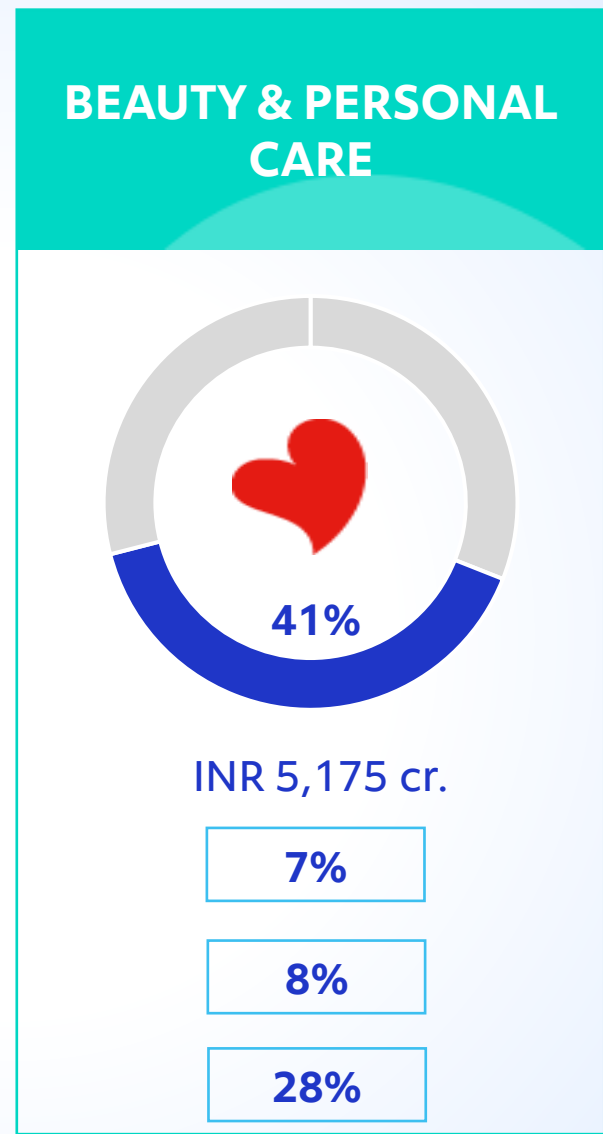
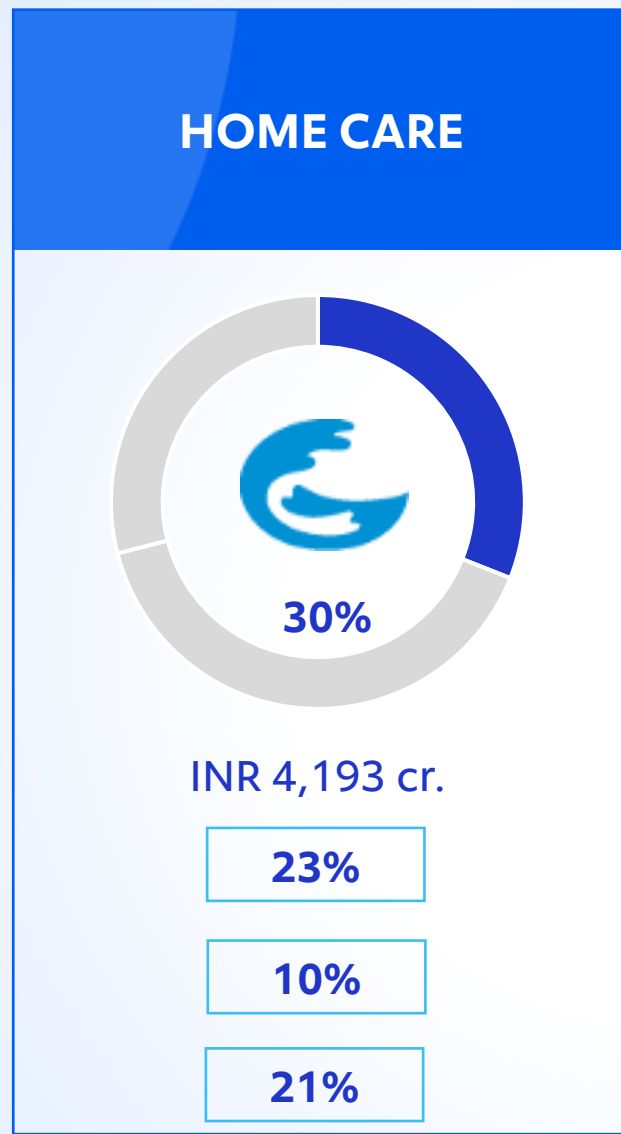
3. and expanding our consumer franchise

Gaining value & volume market shares

Expanding competitiveness and maintaining margins in a healthy range

DQ'21 : Segmental performance

Segmental Revenue Growth
Segmental Revenue 2Y CAGR
Segmental Margins



Segment Revenue Growth = Segment Turnover growth + Other Operating Income

Segment Margins (EBIT) excludes exceptional items

Segment Revenue 2Y CAGR considers like for like growth of 2020 over 2019 and 2021 over 2020

DQ'21 : Results summary

Rs. Crores

Particulars	DQ'21	DQ'20	Growth
Sales	12,900	11,682	10%*
EBITDA	3,279	2,854	15%
EBITDA Margin	25.4%	24.4%	+100 bps
Other Income (Net)	66	56	
Exceptional Items – Credit / (Charge)	(66)	(42)	
PBT	3,024	2,596	16%
Tax	781	675	
PAT bei	2,292	1,951	17%
Net Profit	2,243	1,921	17%

*Domestic Consumer Growth at 11%

FY'22 : 9-month performance

Rs. Crores

Particulars	YTD Dec'21	YTD Dec'20	Growth
Sales	37,146	33,364	11%
EBITDA	9,258	8,367	11%
PAT bei	6,441	5,859	10%
Net Profit	6,491	5,811	12%

Update on approval under Production Linked Incentive scheme

❑ Received approval for PLI scheme for Ready to Cook / Ready to Eat (RTC/RTE) and Processed Fruits & Vegetables (F&V)

- HUL Categories include Ice Cream, Ketchup, Jam, Soups, Mayonnaise, etc.

❑ Scheme details:

- Incentive is subject to meeting investment criteria and incremental sales thresholds
- Scheme from FY'22 to FY'27, Incentive for RTC/ RTE : 7.5% to 6%, Processed F&V (non spices) : 10% to 8%

❑ Business impact and Accounting

- Incentives will be invested behind our brands and in developing our capabilities
- Will be reported under 'Other Operating Income', no impact in this quarter

In Summary

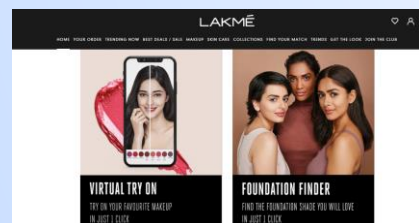
- 1. Solid DQ Performance: Double-digit growth ahead of market; Robust 2Y CAGR momentum**
- 2. EBITDA margins in a healthy range whilst continuing to invest in our brands**
- 3. Further strengthened our market leadership, highest market share gains in the decade**
- 4. In the near-term, operating environment will continue to remain challenging**
- 5. Our focus remains on delivering Consistent, Competitive, Profitable and Responsible Growth**

For more information and updates

Visit our IR website



Click to visit our D2C platforms



Lakme



U Shop



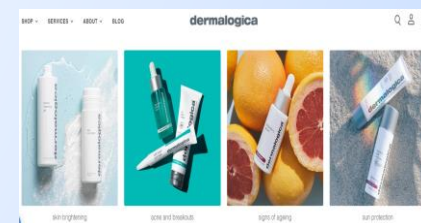
Indulekha



Simple



Love Beauty & Planet



Dermologica