



19th January, 2023

Stock Code BSE: 500696

NSE: HINDUNILVR

ISIN: INE030A01027

BSE Limited,  
Corporate Relationship Department,  
2nd Floor, New Trading Wing,  
Rotunda Building, P.J. Towers,  
Dalal Street,  
Mumbai – 400 001

National Stock Exchange of India Ltd  
Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block,  
Bandra – Kurla Complex,  
Bandra (E),  
Mumbai – 400 051

Dear Sir/Madam,

**Sub: Investor Presentation for the quarter ended 31st December, 2022**

This is further to our letter dated 12th January, 2023, intimating about an Earnings Conference Call to be hosted by the Company post announcement of Financial Results of the Company for the quarter ended 31st December, 2022.

Pursuant to the Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the presentation to Analysts / Investors on Unaudited Standalone and Consolidated Financial Results of the Company for quarter ended 31st December, 2022.

Please take the above information on record.

Thanking You.

Yours faithfully,

**For Hindustan Unilever Limited**

**Dev Bajpai**

Executive Director, Legal & Corporate Affairs  
and Company Secretary

DIN:00050516 / FCS No: F3354

# Hindustan Unilever Limited

DQ'22 Results : 19<sup>th</sup> January 2023



MATTE MORNINGS & GLAM EVENINGS

NEW LAKMÉ DUAL FINISH COMPACT

Advertisement for Lakmé Dual Finish Compact. It features a woman shown in two different looks: a matte finish for mornings and a glam finish for evenings. The text 'MATTE MORNINGS & GLAM EVENINGS' is prominently displayed. Below, the product name 'NEW LAKMÉ DUAL FINISH COMPACT' is shown along with a swatch of the product.



Goodness of Horlicks.  
Taste of Chocolate.

Horlicks CHOCOLATE DELIGHT FLAVOUR 300 g

Malt based food

Advertisement for Horlicks Chocolate Delight Flavour. It features a large chocolate splash graphic with the text 'Goodness of Horlicks. Taste of Chocolate.' Below, a large tin of the product is shown next to two children sitting on a bench, drinking from small cans of the product. The text 'Horlicks CHOCOLATE DELIGHT FLAVOUR 300 g' and 'Malt based food' is visible.



ANYONE CAN SHOOT, BUT NOT ALL CAN SCRUB

Vim BLACK

Advertisement for Vim Black disinfectant. It features a man in a suit holding a steaming pot. The text 'ANYONE CAN SHOOT, BUT NOT ALL CAN SCRUB' is displayed in green. The Vim Black logo is in the top right corner, and a bottle of the product is in the bottom right corner.



# 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 realised. 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

Chief Executive Officer and Managing Director



MATTE MORNINGS & GLAM EVENINGS

NEW LAKMÉ DUAL FINISH COMPACT

PRIME-MATTE  
FINISH-MATTE

CHOCOLATE DELIGHT FLAVOUR

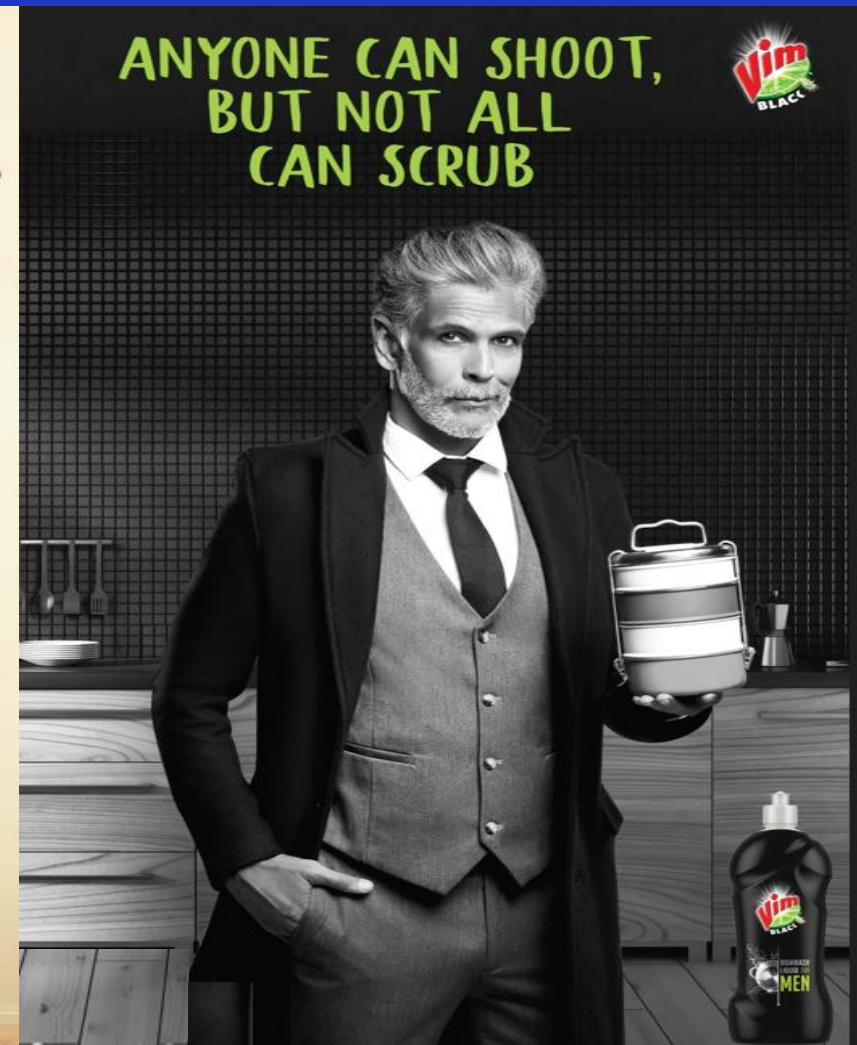


Goodness of Horlicks.  
Taste of Chocolate.

Horlicks

CHOCOLATE DELIGHT FLAVOUR  
300 g

Malt based food



ANYONE CAN SHOOT,  
BUT NOT ALL  
CAN SCRUB

VIM BLACK

VIM BLACK

MADE FOR MEN

# DQ'22 : Strong all-round performance

Turnover Growth YoY

16%

Underlying Volume Growth

5%

Market Share

>75%

Business winning shares

EBITDA Margin

23.6%

+30 bps sequential improvement

EPS

12%

YoY Growth

ESG

76



Best rated Indian FMCG co.

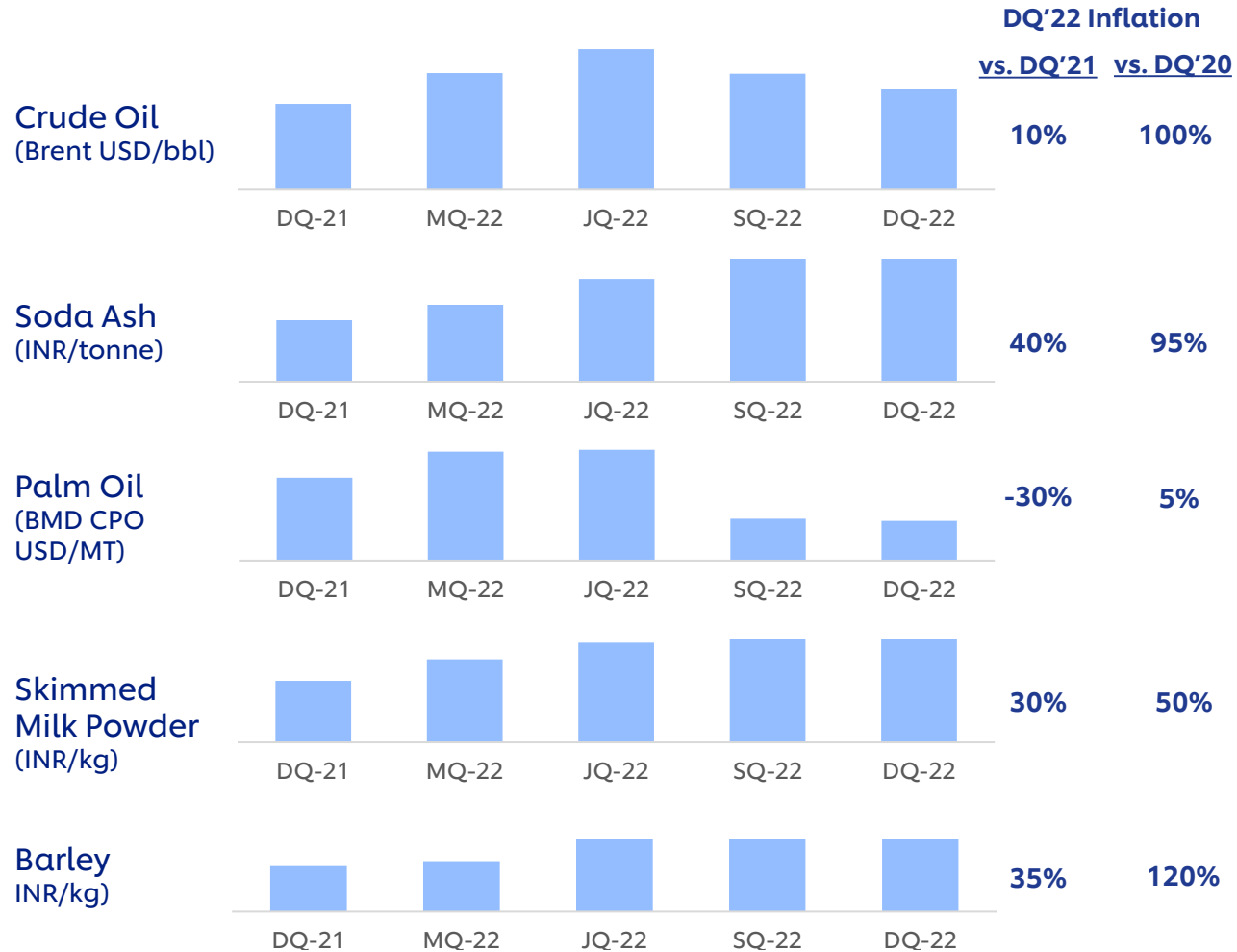
23.5



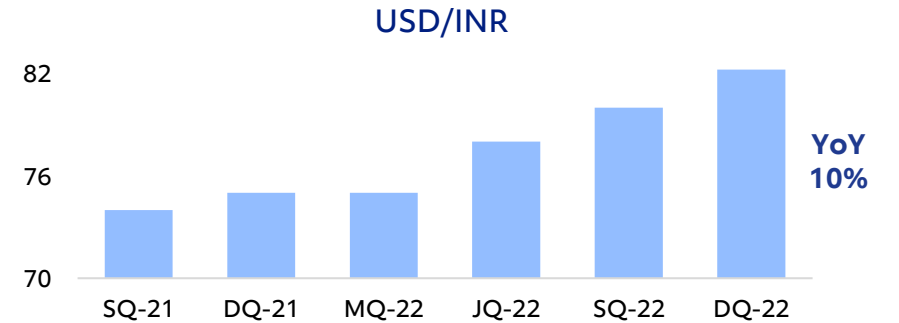


# Inflation moderating gradually

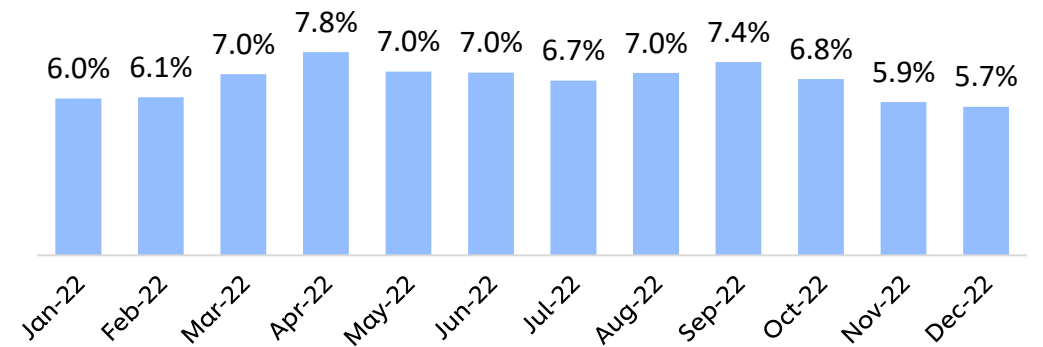
## Softening in few commodities notably Palm; Crude and Food Ingredients still elevated



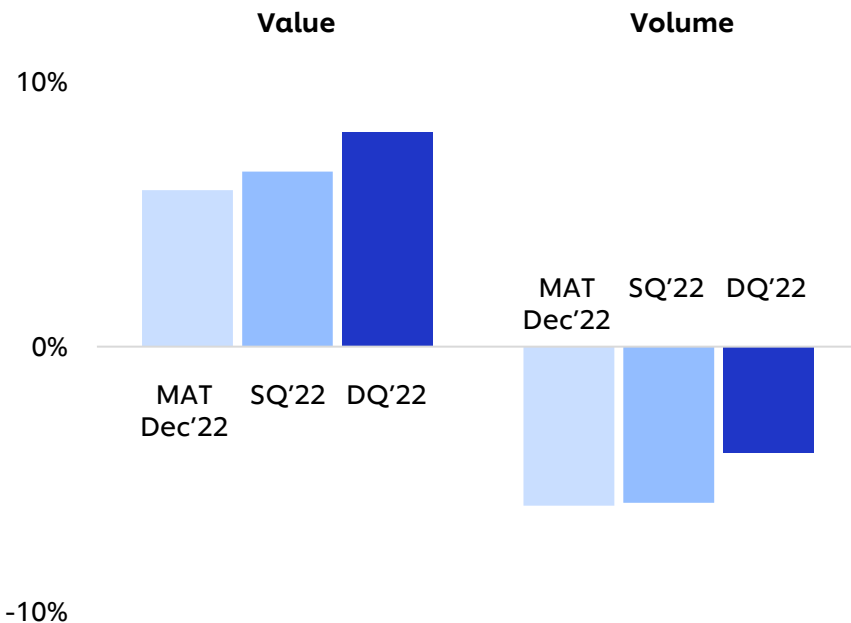
## USD strengthening adding to inflation



## CPI inflation moderating



## FMCG market growth (Urban + Rural)



## Delayed onset of winter

### Last December India's warmest in 122 years: IMD

Jayashree Nandi  
letters@hindustantimes.com

**NEW DELHI:** India recorded its warmest December in 122 years in 2022, the India Meteorological Department said on Wednesday.

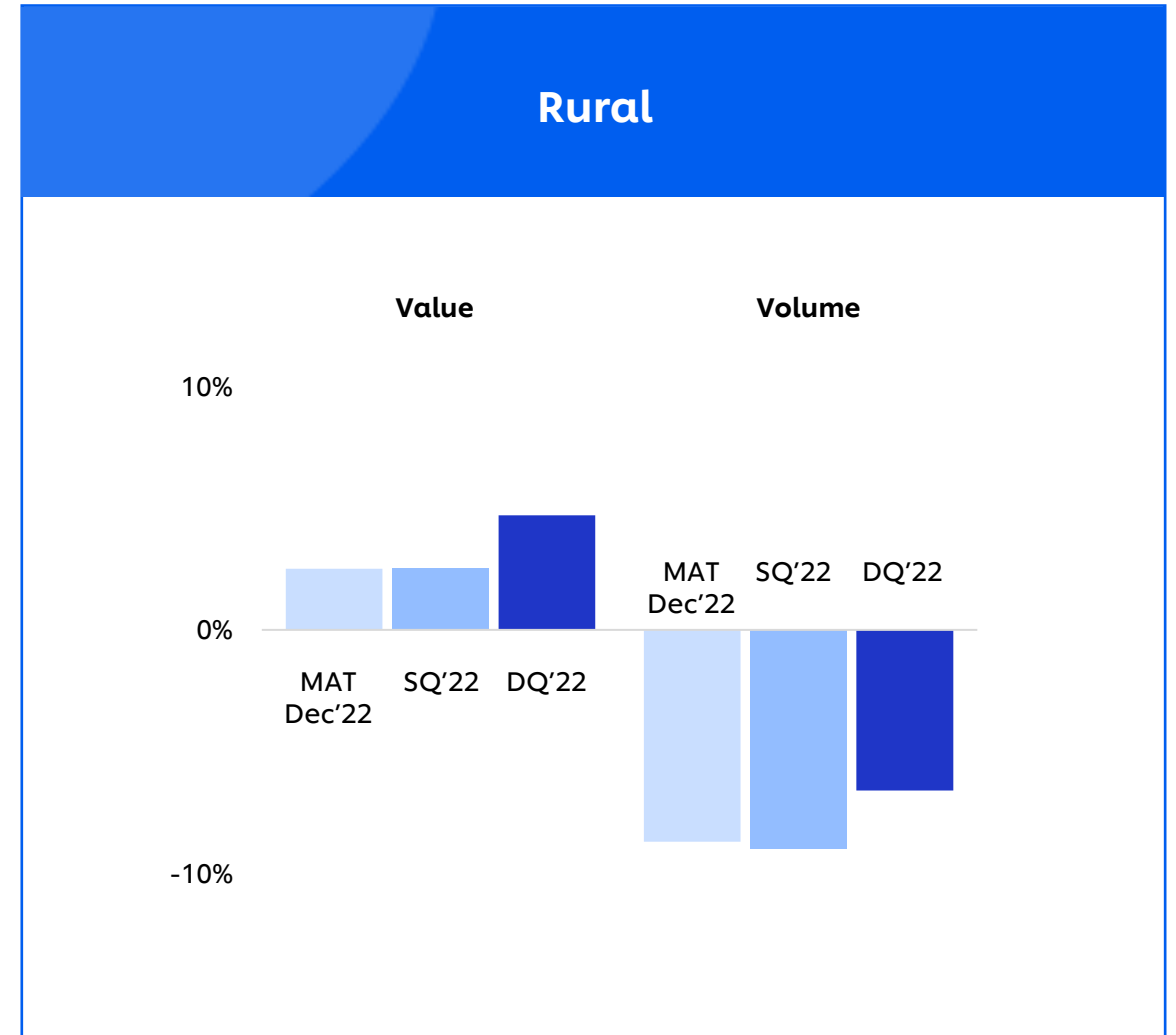
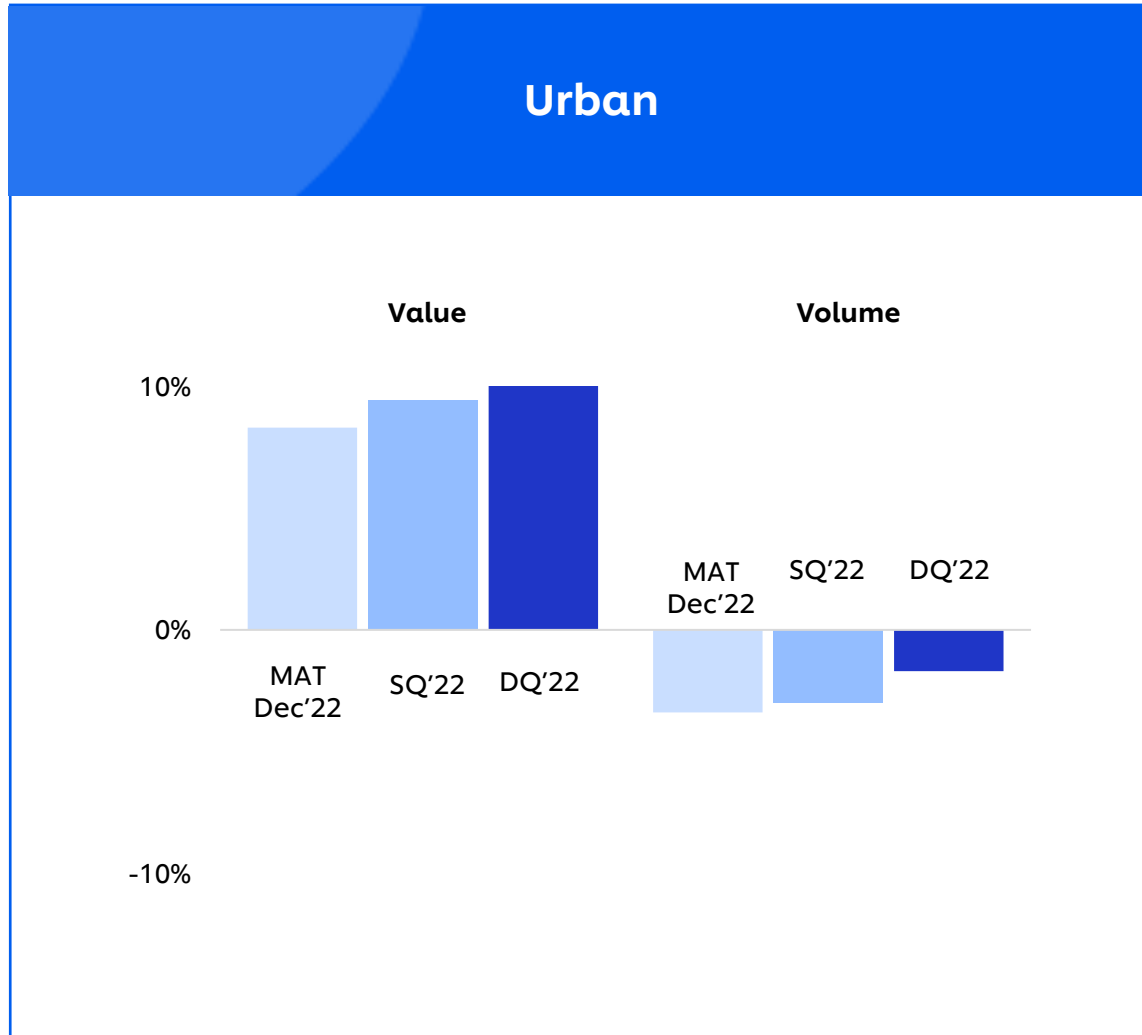
The average maximum, minimum and mean temperatures for the country as a whole during December 2022 were 27.32°C, 15.65°C and 21.49°C respectively, against the normal of 26.53°C, 14.44°C and 20.49°C. Climate experts and meteorologists said such records are to be expected in the context of climate crisis.

The average maximum temperature, minimum and mean temperatures were above normal by 0.79°C, 1.21°C and 1.00°C respectively. Across India, during December, the average maximum temperature was the second highest after the year 2016 and the average minimum temperature was also the second highest after 2008. The mean temperature was the highest. East, northeast, and central India recorded exception-

maximum temperature was the sixth highest (29.49°C). The average minimum temperature was the second highest (15.88°C) after 1967 (16.50°C). The mean temperature was the highest at 22.69°C. Over south Peninsular India, the average maximum temperature was the fifth highest and the average minimum temperature the third highest. Over northwest India, average maximum temperature was the 20th highest (21.23°C) and the average minimum temperature was the 24th highest (7.14°C) since 1901. Rainfall over the country for December was 13.6mm — 14% less than Long Period Average of 15.9mm.

There was no cold wave, cold day and dense fog conditions over northern and central parts of India till December 15. "This was mainly because no strong western disturbances impacted the northwest region which mainly causes a drop in temperatures in winter. So, temperatures continued to remain above normal through the month," said M

# Market growth led by urban; rural slowdown likely bottoming out







# Clear and compelling strategy

## Navigating the short term challenges with agility



Growing our consumer franchise

&



Protecting our business model

## While progressing well on our long-term strategic choices



Developing our portfolio



Win with our brands powered by purpose and innovation



Lead in the channels of the future



Build differentiated structures and capabilities



Build purpose-led, future-fit organisation

# Responsible growth : Doing well by doing good



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**Our community development initiative 'Prabhat' made a positive difference to nearly 9 million people**



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**Lifebuoy has reached over 500 million people to educate healthy habits**



# Foray into Health & Wellbeing

## Our strategy

- Build a portfolio of fast growing, lifestyle-led, science-driven brands
- Focused on attractive segments and product formats

## Strategic partnership



Deals completed

## Underpinned by our capabilities

- Consumer and Customer understanding
- Leading R&D and innovation capability
- Data & Analytics
- Rigorous Regulatory & Quality Assurance
- Best in class Supply Chain operations

From 'health as the absence of disease' to 'health as a lifestyle pursuit'

# Ritesh Tiwari

## Chief Financial Officer



MATTE MORNINGS & GLAM EVENINGS

NEW LAKMÉ DUAL FINISH COMPACT

The advertisement features a woman in two different looks. On the left, she is wearing a white sleeveless top and has a matte finish. On the right, she is wearing a dark, sequined dress and has a glam finish. A compact powder is shown at the bottom right, with a swatch of the product below it.

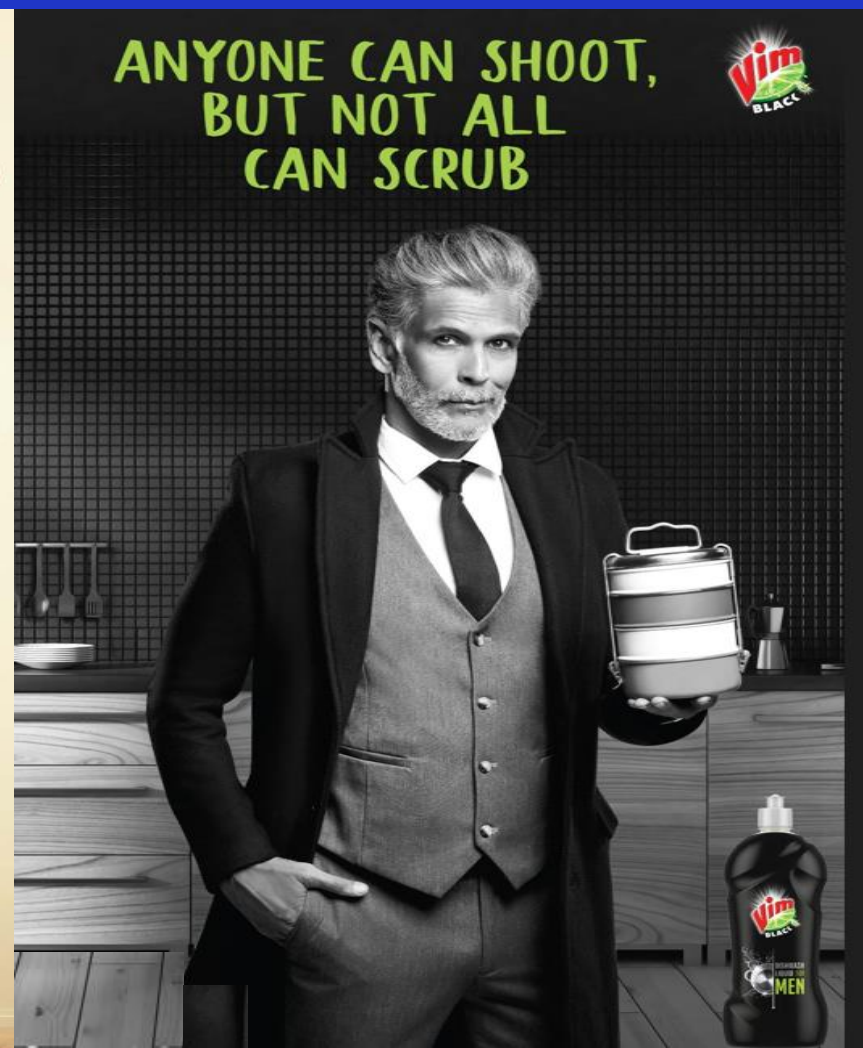


Goodness of Horlicks.  
Taste of Chocolate.

Horlicks CHOCOLATE DELIGHT FLAVOUR 300 g

Malt based food

The advertisement shows a large container of Horlicks Chocolate Delight Flavour. Above the container is a chocolate splash graphic containing the text 'Goodness of Horlicks. Taste of Chocolate.' Below the container, two children are sitting on a bench, drinking from blue cans. The text 'Malt based food' is visible at the bottom left.



ANYONE CAN SHOOT, BUT NOT ALL CAN SCRUB

VIM BLACK

The advertisement features a man in a dark suit and grey vest, holding a silver steamer. The background is a kitchen setting. The text 'ANYONE CAN SHOOT, BUT NOT ALL CAN SCRUB' is written in green at the top. The Vim Black logo is in the top right corner, and a bottle of Vim Black disinfectant is shown at the bottom right.



# DQ'22 : Strong all-round performance

## Turnover Growth

Growth

**16%**

**5%**

Underlying Volume Growth

## EBITDA

Margin

**23.6%**

**-180 bps**

Change YoY

## PAT (bei)\*

INR

**2,581 cr.**

**13%**

Growth YoY

## Net Profit

INR

**2,505 cr.**

**12%**

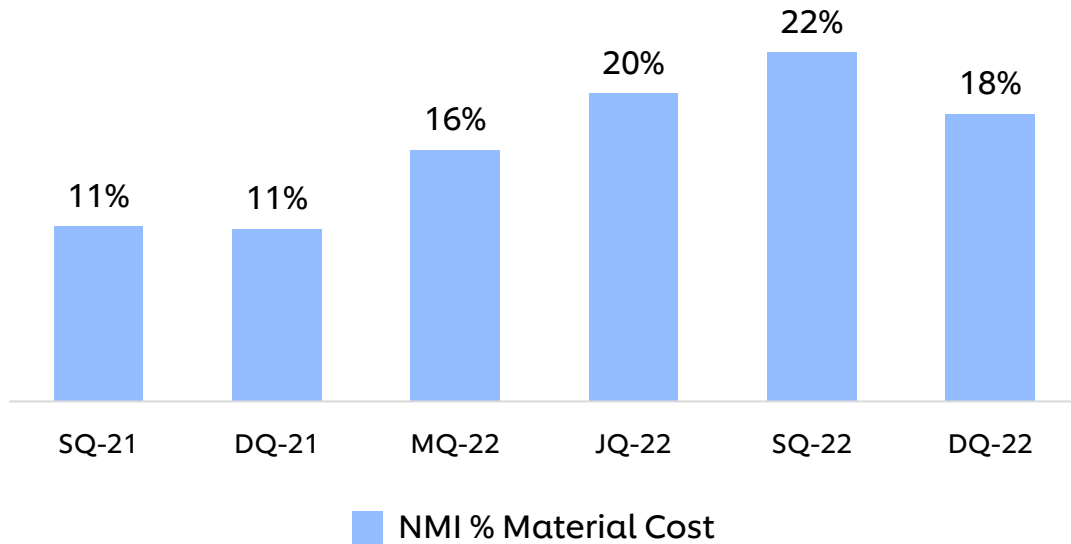
EPS Growth YoY

\*PAT (bei) : Profit After Tax before exceptional items

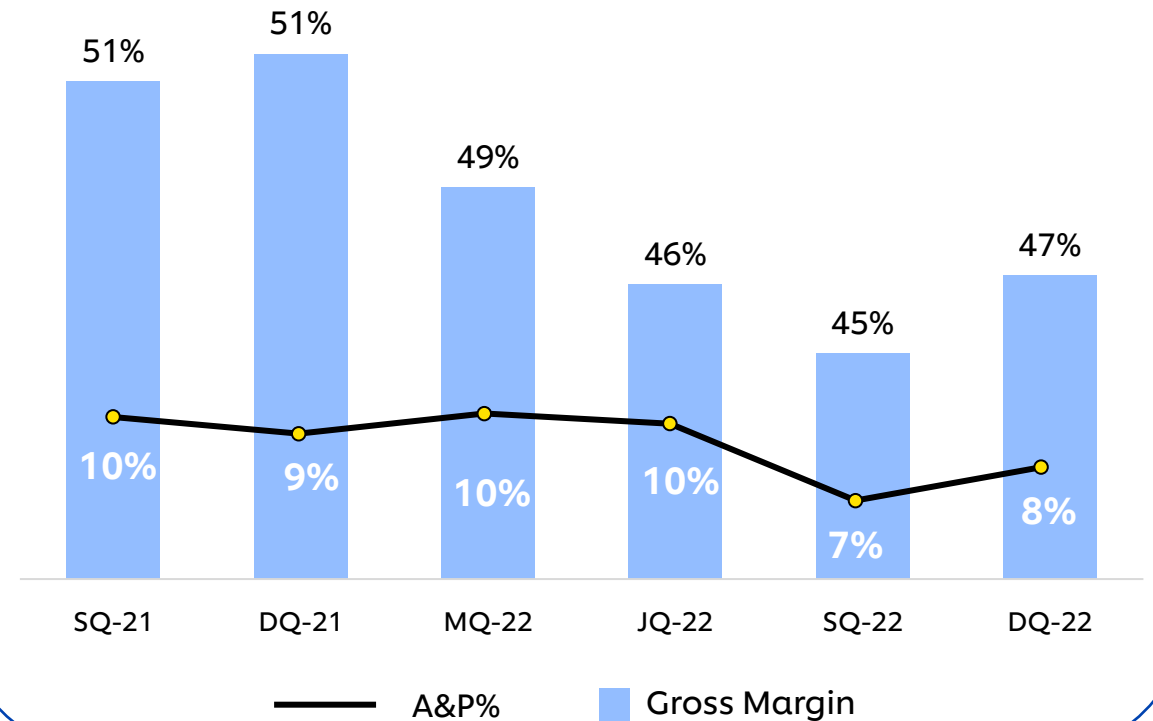


# Protecting business model through dynamic financial management

## Net Material Inflation (NMI) moderating sequentially



## Gross Margin up QoQ; step-up in A&P



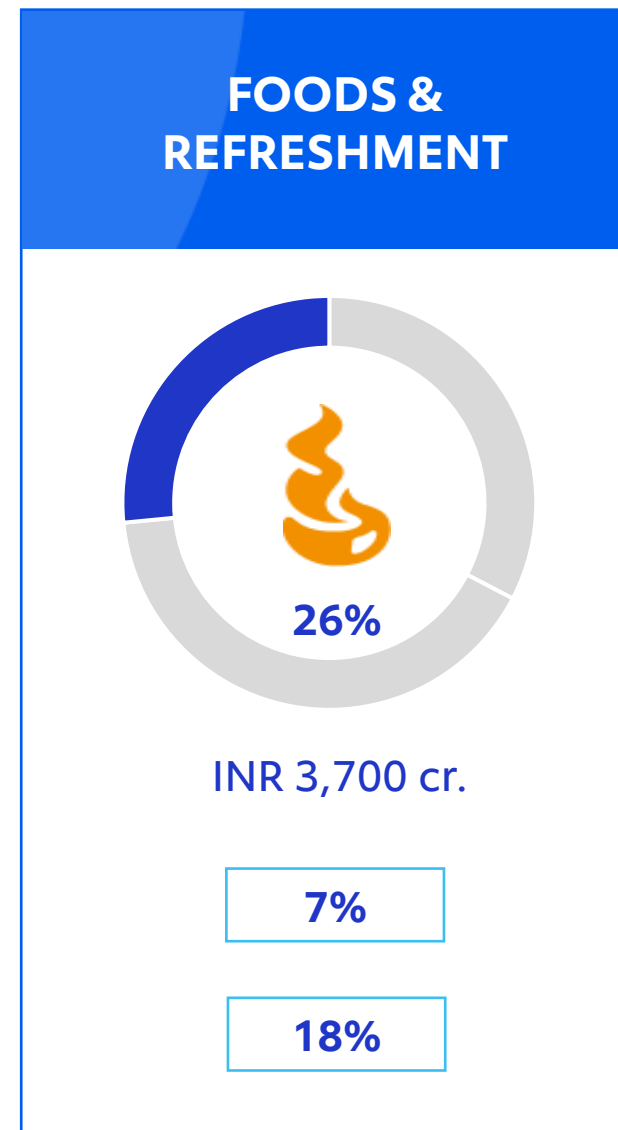
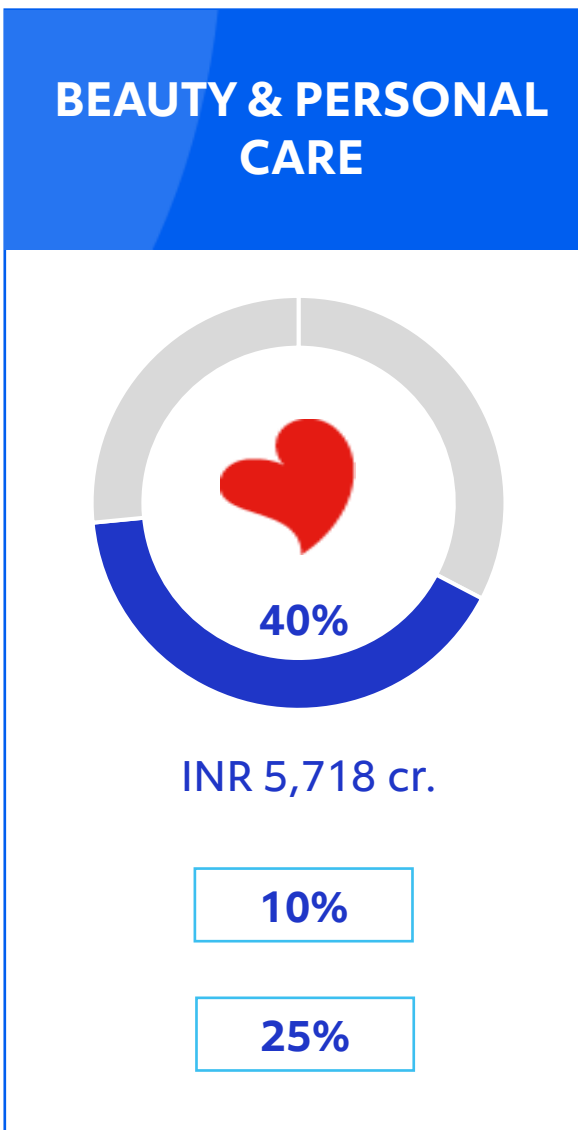
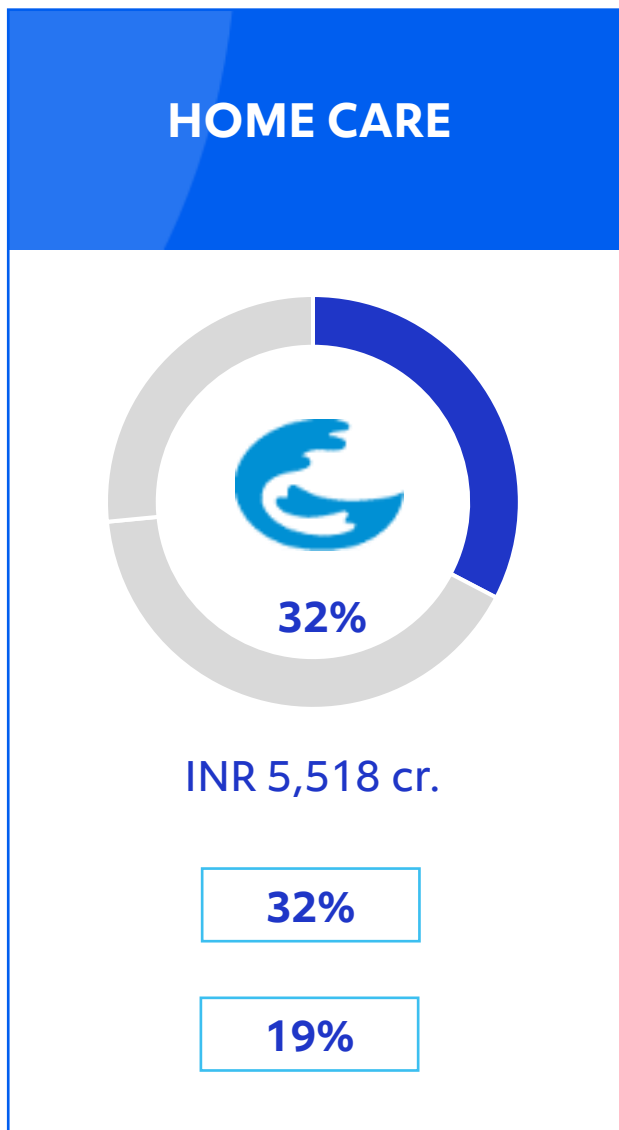
Continue to drive productivity improvement and pricing agility



# DQ'22 : Segmental performance

**Segmental Revenue Growth**

**Segmental Margins**



Segment Revenue Growth = Segment Turnover growth + Other Operating Income, Segment Margins (EBIT) excludes exceptional items

Excludes 'Others' segment, proportion of segments for same period last year

Sensitivity: Public



# DQ'22 : Innovations (1/2)

**TRESemmé**  
USED BY PROFESSIONALS

**NEW**

**PROTEIN BOND PLEX TECHNOLOGY**

**NEW**

**PROTEIN BOND PLEX HAIR STRENGTH**

**KERATIN REPAIR**

**BOND PLEX OIL**

**KERATIN REPAIR**

**HAIR SERUM**

## New St. Ives Scrub Soap

**St. Ives**  
VITAMIN C & ORANGE

**St. Ives**  
SCRUB SOAP  
COCONUT WATER, ALOE & WALNUT

**St. Ives**  
APRICOT & HONEY

DERMATOLOGIST TESTED  
NO SULPHATE SLS

**NEW**

Pureit Vital Max  
with

**FILTRA Power**  
TECHNOLOGY

Removes\* toxic substances

**pureit**  
Vital Max  
180 210 100

Based on 3<sup>rd</sup> lab tests

**LAKMÉ**

Skincare that  
**Glows, Brightens & Revitalizes**

**LAKMÉ**  
VIT C+  
FACE SERUM

**LAKMÉ**  
PERFECT RADIANCE  
CREAM

**LAKMÉ**  
YOUTH INFINITY  
SERUM

**Lifebuoy**

**NEW**

**LIFEBUOY WITH NEEM & ALOE**

PROVEN TO GIVE 100% BETTER PROTECTION AGAINST SKIN INFECTION CAUSING GERMS

**Lifebuoy**  
100% Better Skin Protection

**FIND YOUR HAPPY PLACE**

**SUNKISSED OCEAN WAVES**

THE PURE BLISS  
Bath & Body Refresh Kit

**FIND YOUR HAPPY PLACE**

**FIND YOUR HAPPY PLACE**

**FIND YOUR HAPPY PLACE**

**FIND YOUR HAPPY PLACE**

**FIND YOUR HAPPY PLACE**





# DQ'22 : Innovations (2/2)



Visualisation. 30% extra fruit implies relative % increase in fruit pulp content vs. previous formulation of Kissan Jam.





Hindustan Unilever Limited

# DQ'22 : Activations and communications

**TRESemmé**  
USED BY PROFESSIONALS

**SALON SMOOTH HAIR FOR 72 HOURS**

#GHARPESALON

KERATIN SMOOTH & ARGAN OIL SHAMPOO

KERATIN SMOOTH & ARGAN OIL CONDITIONER

Hindustan Unilever Limited

TOP LOAD

**Surf excel Matic**

20:00  
கறை காண்\*

\*பாலியஸ்டரில் சில குறிப்பிட்ட கறைகளின் மீது செய்யப்பட்ட ஆய்வக பரிசோதனையின் அடிப்படையில் சித்தரிப்பு

**Vim BLACK**

DISHWASH LIQUID FOR MEN

750 ml

EASY TO CLEAN. MORE TO BRAG.

Pears<sup>®</sup> BODYWASH

Pears<sup>®</sup> naturale

coconut water

pomegranate

aloe vera

Pure and Gentle

Soft and Fresh

Oil-Clear & Glow

100% SOAP FREE

100% SOAP FREE

100% SOAP FREE

100% Soap Free Dermatologically Tested

100% Soap Free Dermatologically Tested

100% Soap Free Dermatologically Tested

0% soap parabens

**Horlicks**

CLASSIC MALT 500 g

Taller  
Stronger  
Sharper

**sunsilk**

THIS PUJO SUNSILK CELEBRATES YOUR GIRL GANG

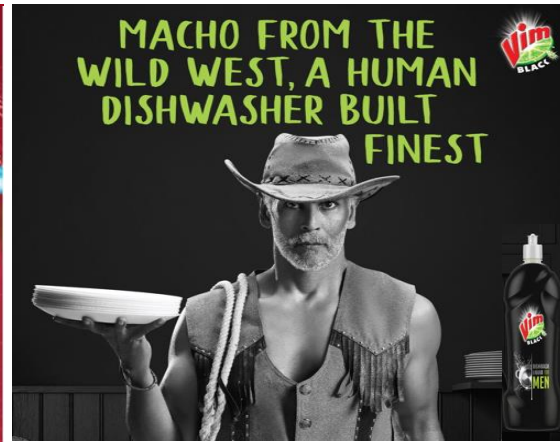
#SunsilkGirlGiri

upload photo with #SunsilkGirlGiri @sunsilkindia and be a part of our campaign

T&C Applicable as available on @sunsilkindia



# HC : Stellar performance continues, double digit volume growth



- ❑ **Fabric Wash:** High double-digit growth with robust performance across brands and formats. Double-digit volume growth.
  - Handsome market share gains continue, both value and volume
- ❑ **Household Care:** Grew in high double-digit with strong performance in both dishwash and surface cleaning
  - High-teens volume growth



# BPC : Double digit growth led by Skin Cleansing



- ❑ **Skin Cleansing:** Strong double-digit growth, broad based across the portfolio, volumes grew in mid-single digit. With softening in Palm Oil, price reductions taken in soaps portfolio
  - Market development actions in bodywash yielding good results
- ❑ **Hair Care:** High single-digit growth led by strong performance in Clinic Plus. Innovations and future formats continue to gain consumer relevance
- ❑ **Skin Care and Color Cosmetics:** Delayed winter impacts performance; double digit growth in non-winter portfolio
  - Continued focus on innovations & market development actions in emerging/ on-trend demand spaces
- ❑ **Oral Care:** Steady performance driven by Closeup



# F&R : Steady performance led by Foods, Coffee and Ice Cream



- ❑ **Beverages:** Continued value and volume market leadership in Tea. Business grew volumes in mid-single digit, price cuts soften overall value growth. Coffee continues to perform well delivering double-digit growth
- ❑ **Health Food Drinks:** Grew in mid-single digit with strong performance in Boost and Plus range. Market share and penetration gains continue on the back of focused market development actions
  - Market remains subdued due to the impact of inflation
- ❑ **Foods:** Volume led high teens growth driven by strong performance in Ketchup, Jams and Unilever Food Solutions (UFS)
- ❑ **Ice Cream:** Continues to perform well and delivered double-digit growth



# DQ'22 : Results summary

Rs. Crores

Particulars	DQ'22	DQ'21	Growth
Sales	14,986	12,900	16%
EBITDA	3,537	3,279	8%
EBITDA Margin	23.6%	25.4%	-180 bps
Other Income (Net)	202	66	
Exceptional Items – Credit / (Charge)	-102	-66	
PBT	3,377	3,024	12%
Tax	872	781	
PAT bei	2,581	2,292	13%
Net Profit	2,505	2,243	12%



# FY'23 : 9-month performance

## Turnover

INR

**43,516 cr.**

**17%**

Growth YoY

## EBITDA

INR

**10,161**

**10%**

Growth YoY

## PAT (bei)\*

INR

**7,249 cr.**

**13%**

Growth YoY

## Net Profit

INR

**7,410 cr.**

**14%**

EPS Growth YoY

\*PAT (bei) : Profit After Tax before exceptional items

# Outlook



Hindustan Unilever Limited





# Looking ahead

- ❑ **Cautiously optimistic in the near-term**
- ❑ **Worst of inflation likely behind us, will aid gradual recovery in consumer demand**
- ❑ **YoY material inflation still elevated, growth will continue to be price-led**
- ❑ **Focus on right price-value equation and building back gross margin**
  - **Step-up in A&P investments**

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

# Royalty and Central Services agreements



Hindustan Unilever Limited



# Overview of current arrangement with Unilever

- ❑ Current Technology & Trademark licensing and Central Services Agreement with Unilever was entered into in 2013. Term expires on 31st Jan 2023
- ❑ Contract grants right to use Unilever owned trademarks, technology, corporate logo and gives access to central services provided by Unilever Group
- ❑ Effective pay-out for this arrangement is c. 2.65% of turnover [FY'22]
- ❑ Unilever's global brands, innovations, technical know how, centralised services and functional expertise enables us to win in the marketplace
- ❑ During the contract tenure we doubled our turnover and improved our EBITDA margin by c.1000 bps

# Access to world class brands, technology and services

## Unilever brands



## Cutting edge technology and innovation



## Centralised services and expertise



Enabling HUL to meet emerging consumer needs with agility and win in the marketplace

# Unilever : A global FMCG powerhouse

**€ 52 bn**

Turnover



**12**

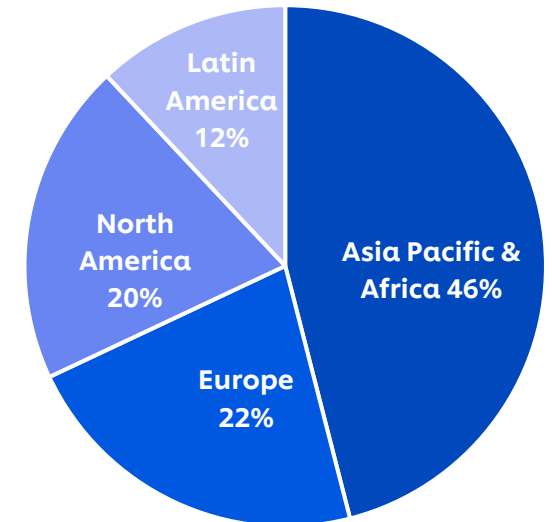
€1 bn brands

## Wide portfolio of iconic & on-trend brands



**12 of the top 50 global consumer brands**

## Worldwide presence

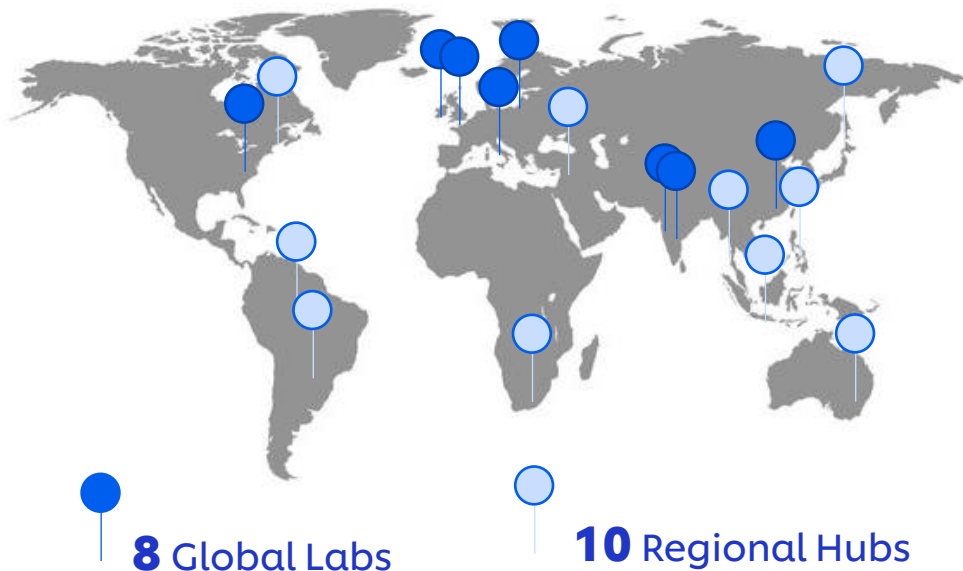


**190 countries, c.60% business in emerging markets**

Turnover for January-December 2021

## Deep science and technology expertise

### Global Scale, local knowledge



**5000 +  
R&D experts**

**>20,000  
Patents**

**€ 850m p.a.  
R&D Spends**

## Cutting edge R&D (examples)

### Renewable Ingredients

Bio-Surfactants  
& Eco-Design

Carbon Rainbow

Concentration  
& New Formats

### Next Generation Biology

Microbiome  
& Immunity

Skinification

Neurosignaling  
& Deposition

### Positive Nutrition

Non Dairy  
Plant Protein

Low Fat &  
No Saturated Fat

Low Sugar  
& Low Salt

## Illustrative examples

### Supply Chain



OEE Improvement Programmes



World class manufacturing capabilities



AERA Deeper Planning



Global Technical authority framework

### Marketing



Digital HUB



In-house creative agency

STUDIO



People data centre



### Procurement

### Net Revenue Management

### Talent Management



Leveraging Global scale and Commodity Risk Management practice



net revenue management



Learning and capability development



# Review of existing arrangement

## ❑ Request for review received from Unilever

- Expiry of current contract
- HUL receiving steady stream of benefits from Unilever - faster innovations, superior products and technology, greater expertise and enhanced services

## ❑ India : Priority market for Unilever

- Largest emerging market business for Unilever and second largest worldwide
- One of the top 3 strategically prioritized markets for Unilever with dialled up access to innovations, investments, capabilities, and talent development

## ❑ Review and evaluation

- Detailed due diligence led by senior HUL management and guided by HUL's Audit committee and Board
- Independent external benchmarking with comparable transactions



# New arrangement approved by HUL Board

- ❑ **HUL Board has approved new royalty and central services arrangements effective 1<sup>st</sup> February 2023 for a period of 5 years**
- ❑ **Staggered increase in effective rate over a period of 3 years from c. 2.65% to c.3.45% of Turnover**
  - c. 45 bps increase from Feb to Dec 2023, c. 25 bps from Jan to Dec 2024, c. 10 bps from Jan 2025
  - Rates continue to be competitive versus comparable transactions post factoring above increase
- ❑ **Positions HUL well to continue delivering Consistent, Competitive, Profitable and Responsible growth**
- ❑ **Subject to appropriate regulatory approvals**



# In Summary

## 1. DQ'22 :

- **Strong growth momentum : Topline growth 16%, Underlying volume growth 5%**
- **Gross Margin sequentially up 170 bps, A&P stepped up**
- **Healthy EBITDA margin at 23.6%, sequential improvement of 30 bps**

## 2. Outlook:

- **Cautiously optimistic in the near term**
- **Worst of inflation is likely behind us, will aid gradual recovery in consumer demand**
- **Priority is to ensure right price-value equation, build back gross margin, and step-up A&P investments**
- **Focus on delivering Consistent, Competitive, Profitable and Responsible growth**

## 3. HUL Board approves new Royalty and Central Services arrangement with Unilever group

- **c. 80 bps increase in effective rate staggered over next 3 years**
- **Positions us well to meet consumer needs with agility and win in the marketplace**

# Hindustan Unilever Limited

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