Hindustan Unilever Limited

Hindustan Unilever Limited
Unilever House
B D Sawant Marg
Chakala, Andheri East
Mumbai 400 099

Tel: +91 (22) 3983 0000
Web: www.hul.co.in
CIN: L15140MH1933PLC002030

16th November, 2018

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,

Sub: Investor Presentation

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the presentation to be made at CLSA India Forum, 2018 at Gurgaon today.

You are requested to take the above information on record.

Thanking You.

Yours faithfully,
For Hindustan Unilever Limited

Hindustan Unilever Limited Mumbai 400 099

Dev Bajpai
Executive Director, Legal & Corporate Affairs
and Company Secretary
DIN: 00050516 / FCS No. F3354

RE-IMAGINING HUL

CLSA 2018 INDIA FORUM | 16 NOV 2018

Srinivas Phatak, Chief Financial Officer

Hindustan Unilever Limited

SAFE HARBOUR STATEMENT

Hindustan Unilever Limited

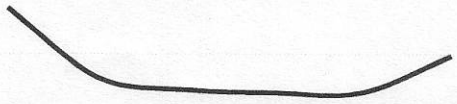
This Release / Communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations 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.

RAPID PACE OF CHANGE : LAST 5 YEARS

Hindustan Unilever Limited

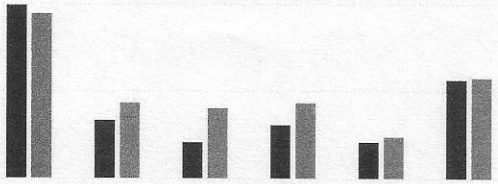
Market Context

Market Growth



2012 2013 2014 2015 2016 2017

Urban – Rural Growth



2012 2013 2014 2015 2016 2017

■ Urban ■ Rural

Rural Growth subdued till 2017

Disruptions & Climate Extremities



GST: Biggest Tax reform in India

Foods safety

Demonetization of 86% currency in circulation



Floods and Droughts

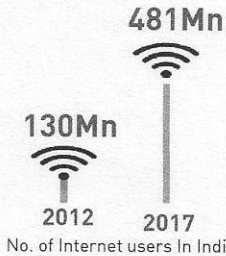


Consumers & Competition



Growing affluence and aspirations

Rapid increase in Internet and mobile usage



No. of Internet users In India*



Increased competitive intensity

*Source : IAMAI

PERFORMANCE IN THE LAST 6 YEARS

Hindustan Unilever Limited

Net Sales

~$1.9bn added^



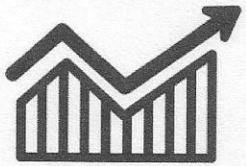
EBITDA

~$573 Mn added



Market Capitalization

~$38bn* added



All nos compared with FY'11-12 which is reinstated to reflect key IND AS accounting impact
^Not adjusted for GST accounting impact & hence the net sales number looks deflated
** Difference in market capitalization converted to USD based on rate as of 13th Nov 2018*

A FEW EXAMPLES OF CONSISTENT HIGH PERFORMANCE

Hindustan Unilever Limited

Laundry

Surf excel, Sunlight, Comfort, RIN, Active Wheel

Consistent Growth in Topline & Bottom line

Hair Care

sunsilk, ayush therapy, PURE DERM ANTI-DANDRUFF SHAMPOO, CLINIC PLUS+, indulekha, TRESemmé USED BY PROFESSIONALS, Dove

Consistent delivery on all fronts powered by strong portfolio

Tea

TAJ MAHAL, 3ROSES, Brooke Bond Taaza, Red Label, Lipton

No. 1 Tea Company in India

All nos are basis internal management reporting & compared with FY'11-12

BEING RECOGNISED

Hindustan Unilever Limited



Best Performing Unilever Business
2014

Aon Hewitt
Top Companies for Leaders 2014

3 Company globally for building leaders
2014



Economic Times – Company of the year
2015

Forbes
THE WORLD'S MOST INNOVATIVE COMPANIES
2018
Powered by THE INNOVATOR'S DNA

#8 Globally and #1 in India
2018



Corporate Citizen of the year
2018



'Dream Employer' for 9 years in a row among top Indian universities

HUL SHARE PERFORMANCE

Hindustan Unilever Limited

Performance vs Indices



Market Capitalization

$ 12 billion 2012 → 4.1 X → $ 50 billion Current*

HUL among the top 5 most valuable companies in India*

Markets rewarding our Consistent, Competitive, Profitable and Responsible Growth

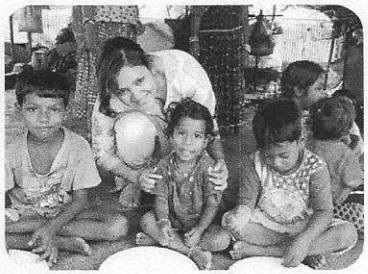
USD to INR conversion rate used as of 13th Nov 2018
**Based on market capitalization as of 13h Nov 2018*

IT'S AN AGE OF CHANGE AND DISRUPTION

Hindustan Unilever Limited



Millennials / Gen Z



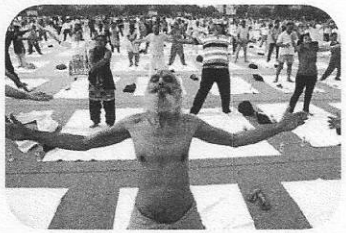
There is a thrill of purpose



Changing family dynamics



Uncertainties and Volatility are the new normal



Globally connected but there is a search for authenticity



Digital disruptions reshaping business models

AND HENCE THERE IS A NEED FOR...

Hindustan Unilever Limited

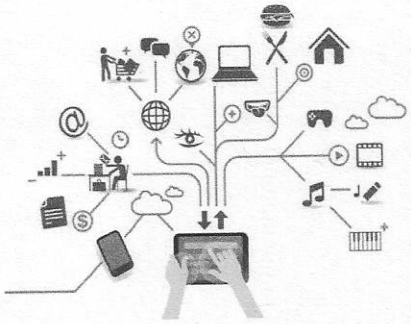
Consumer Centricity



Speed & Agility



Digital Connectivity

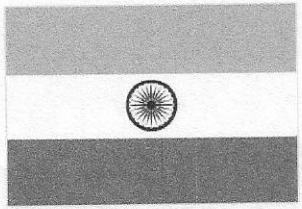


Being Glocal



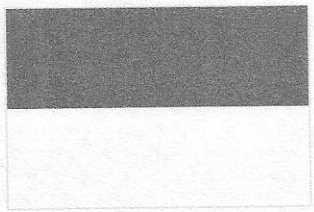
FMCG CONTINUES TO BE A BIG OPPORTUNITY IN INDIA

Hindustan Unilever Limited



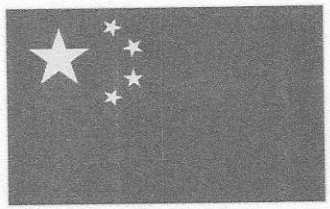
INDIA

US$ 29



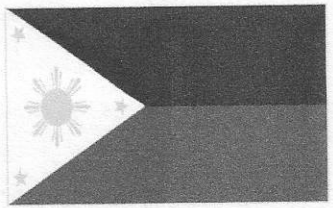
INDONESIA

~2X INDIA



CHINA

~4X INDIA



PHILIPPINES

~ 5X INDIA

PER CAPITA FMCG CONSUMPTION

To tap this big opportunity, we need more money in the hands of more people i.e. Inclusive Growth

Source: Nielsen as of MAT March'18

MARKETS SHOWING EARLY SIGNS OF REVIVAL

Hindustan Unilever Limited

Tailwinds



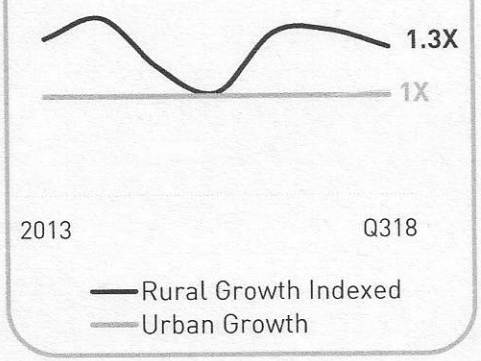
Good monsoon

Increasing MSP*



Upcoming elections

Rural vs Urban value growth



Currency & Crude



Rural growth on an upward trajectory; Gradual improvement in demand

** MSP : Minimum Support Price*
Source: Nielsen


WINNING IN THE FUTURE NEEDS A
DIFFERENT APPROACH


RE-IMAGINING HUL FOR THE FUTURE

RE-IMAGINING HUL

Hindustan Unilever Limited

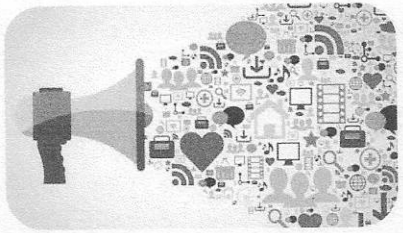
Re-imagining our structure



Re-imagining our portfolio



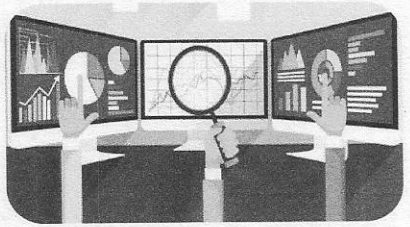
Re-imagining magic in marketing



Re-imagining our trade channels



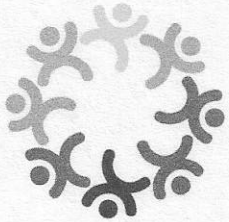
Re-imagining the value chain



Re-imagining fuel for growth



Re-imagining culture of the organisation



RE-IMAGINING HUL

Hindustan Unilever Limited

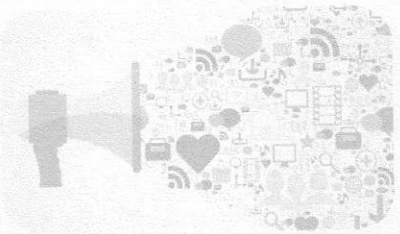
Re-imagining our structure



Re-imagining our portfolio



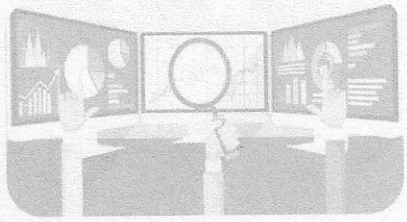
Re-imagining magic in marketing



Re-imagining our trade channels



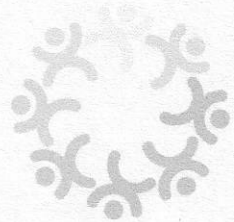
Re-imagining the value chain



Re-imagining fuel for growth



Re-imagining culture of the organisation



INDIA IS A HETEROGENOUS COUNTRY

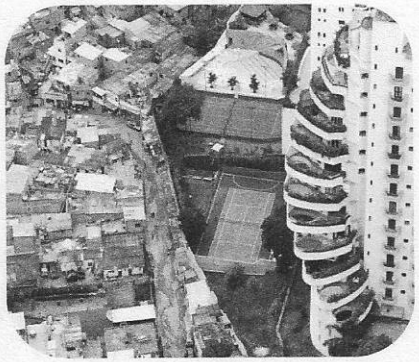
Hindustan Unilever Limited

Diverse demographics



Multiple languages
8 Major religions

Varied affluence levels



LSM 7+ = 9% nationally
(Range of 5-48%)

Different media habits

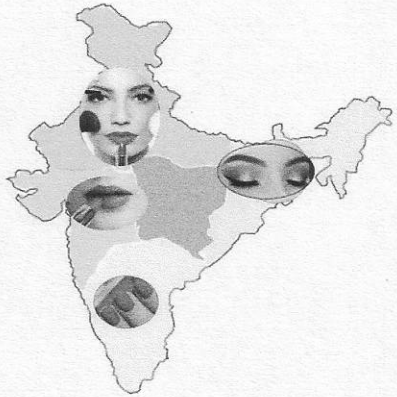






Mobile internet penetration:
Rural- 18%*; Urban- 59%*

Differential category adoption

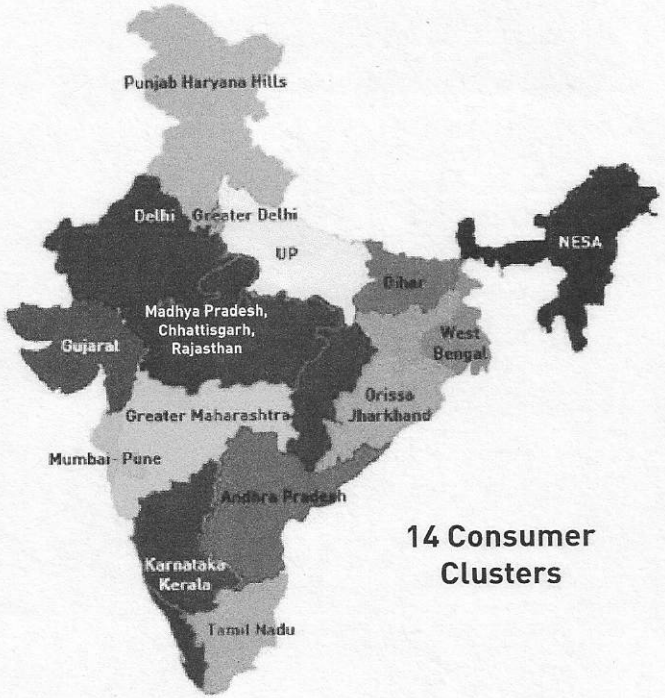


Market share in adjacent states also not the same

*A report published jointly by the Internet and Mobile Association of India (IAMAI) and KANTAR-IMRB: March'18

WINNING IN MANY INDIAS (WiMI)

Hindustan Unilever Limited



14 Consumer Clusters



WiMI in action

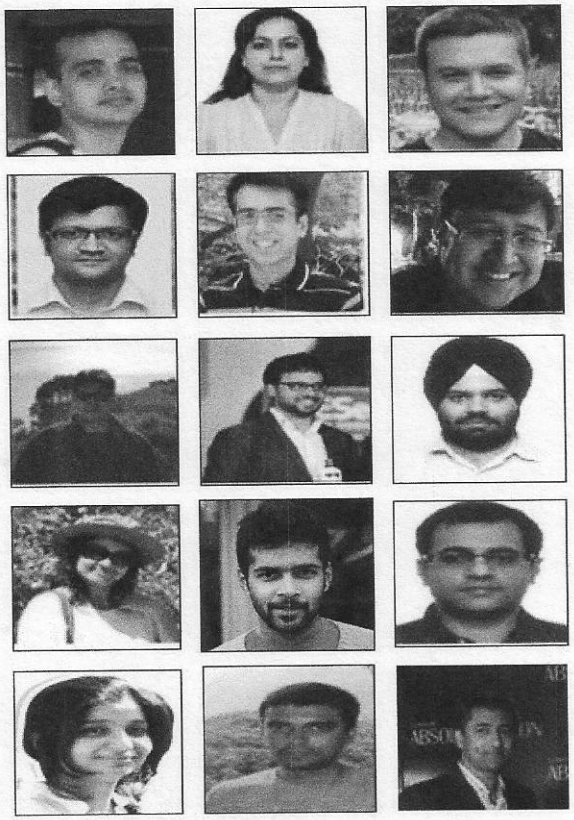
Distinctive strategy at a cluster level

Customized product propositions & media deployment for every cluster

Empowered Cluster Heads enabling faster decision making closest to the point of action

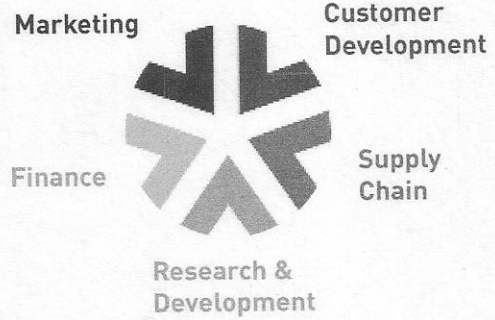
CCBTs: 15 MINI-BOARDS IN ACTION

Hindustan Unilever Limited

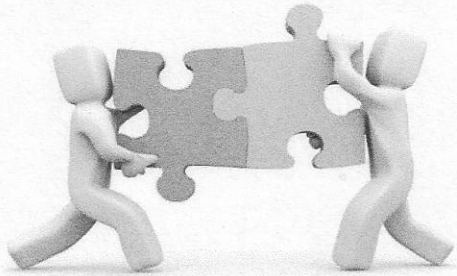


Building a stronger sense of empowerment & ownership

Multi functional representations in CCBTs



Merger of Brand Development & Brand Building



Responsible for delivering in-year P&L

*CCBT: Cluster Category Business Teams

RE-IMAGINING HUL

Hindustan Unilever Limited

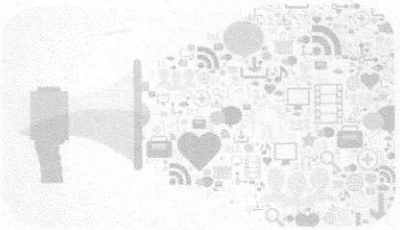
Re-imagining our structure



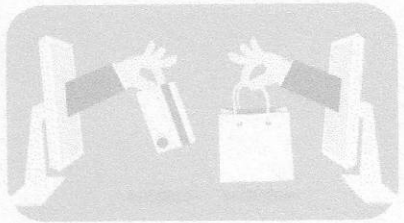
Re-imagining our portfolio



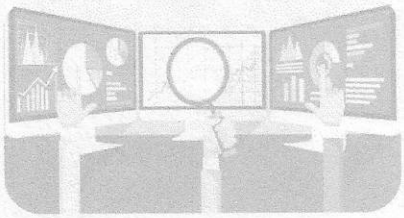
Re-imagining magic in marketing



Re-imagining our trade channels



Re-imagining the value chain



Re-imagining fuel for growth



Re-imagining culture of the organisation



STRENGTHENING THE CORE

Hindustan Unilever Limited

Focus on driving penetration & weighted distribution

Constantly innovating and renovating the core

Focused SKUs at cluster level to address demands of all Indias

Making the core more aspirational

Offering multiple value additions across the core portfolio





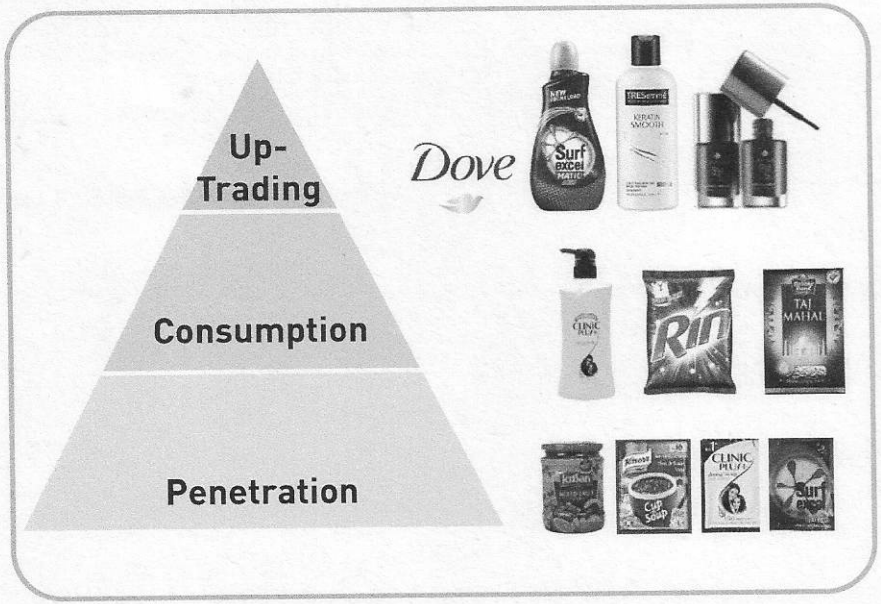


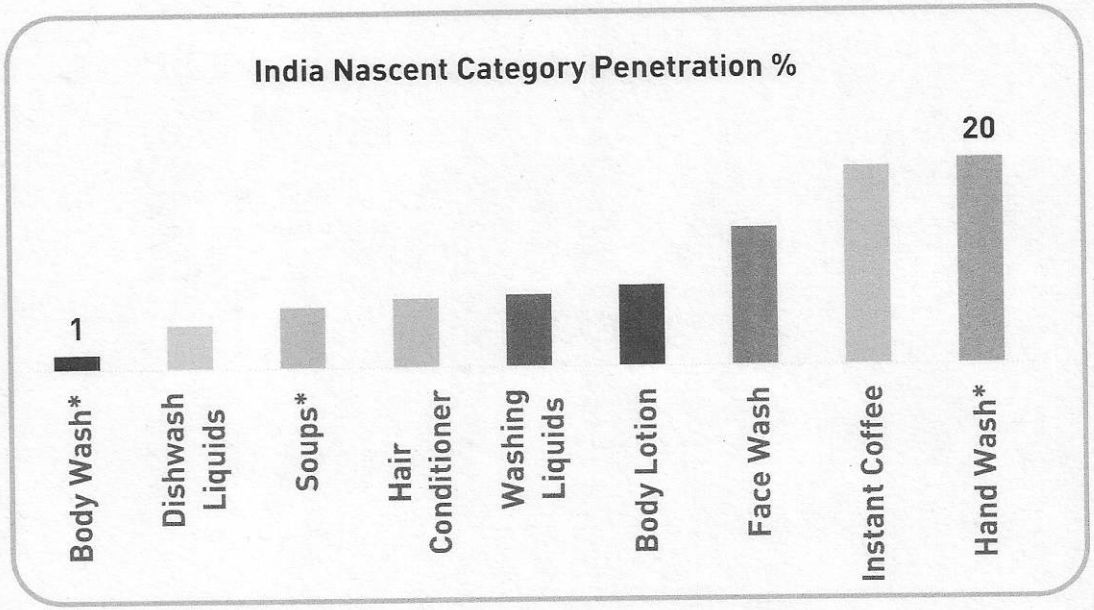


CREATING CATEGORIES OF THE FUTURE

Hindustan Unilever Limited

Opportunities to premiumize and up trade; huge headroom to grow





*Source: IMRB As of MAT June'18 (Urban + Rural) ; *Urban only*

MARKET DEVELOPMENT & PREMIUMIZATION

Hindustan Unilever Limited

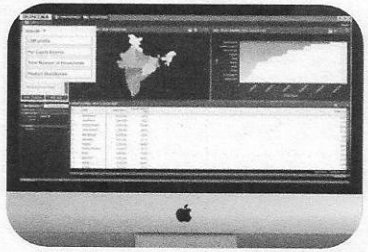
Powered by education demos and sampling

Business Results



Growing at ~2X HUL Average

Science of Sampling





X

Consumer contacts

8X

2014

2017

BUILDING NATURALS

Hindustan Unilever Limited

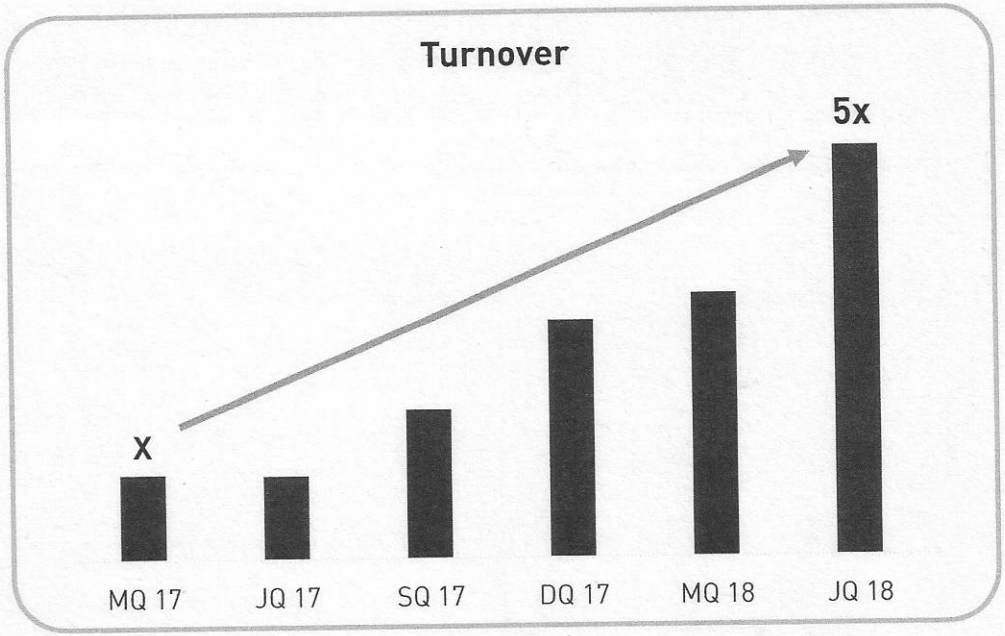


Naturals portfolio growing ~2.5X of overall HUL average

BUILDING SPECIALIST BRANDS - INDULEKHA

Hindustan Unilever Limited





Growth exceeding our acquisition business case

RE-IMAGINING HUL

Hindustan Unilever Limited

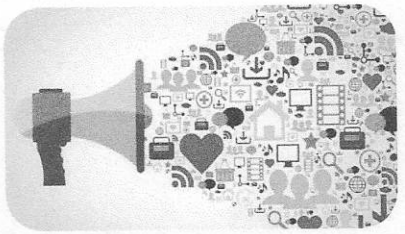
Re-imagining our structure



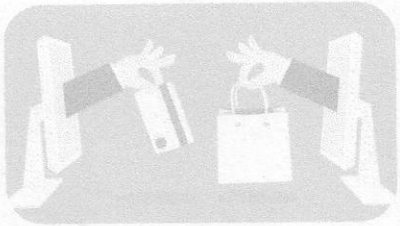
Re-imagining our portfolio



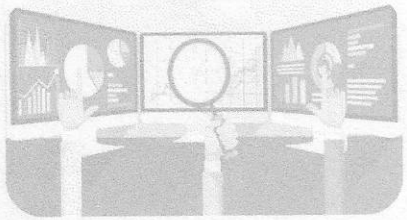
Re-imagining magic in marketing



Re-imagining our trade channels



Re-imagining the value chain



Re-imagining fuel for growth

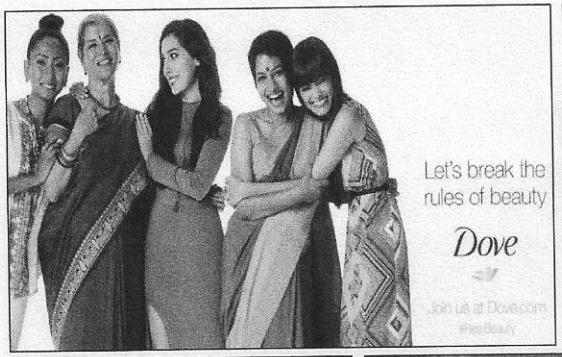


Re-imagining culture of the organisation

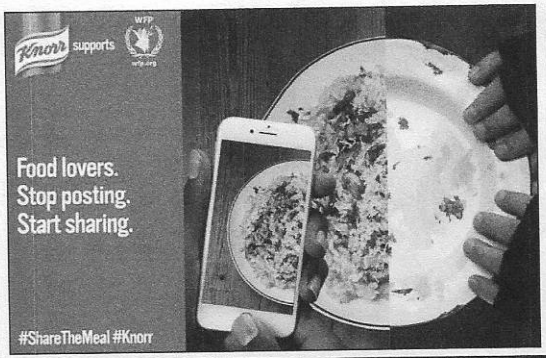


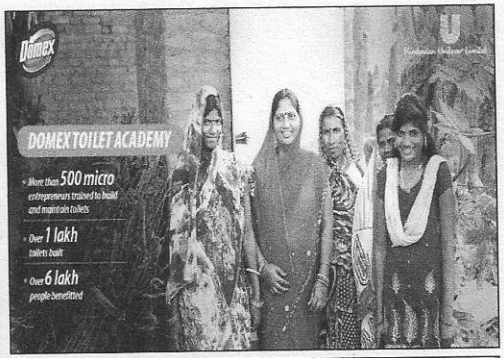
BUILDING BRANDS WITH PURPOSE

Hindustan Unilever Limited



















CONSISTENTLY EVOLVING BRAND COMMUNICATION

Hindustan Unilever Limited

Surf excel

2005



Pride

2011



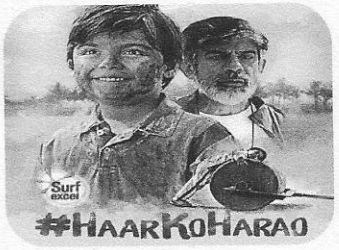
Loyalty & Forgiveness

2013



Empathy and Love

2017



Learning from Failure

Brooke Bond

Cheers Your Senses

2005



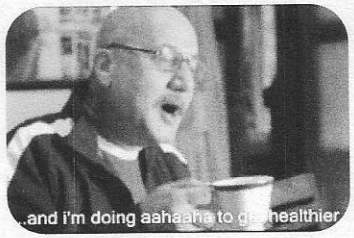
A cup of motherly love

2008



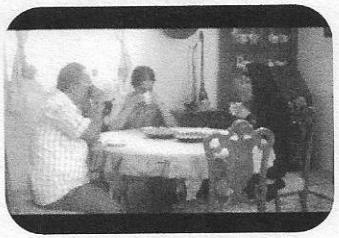
A cup with little sips of life

2010



Health & Taste

2014



Taste & Togetherness

2017



Taste & Togetherness

Surf AV

BUILDING ICONIC ENGAGEMENT PLATFORMS

Hindustan Unilever Limited

Lux Golden Rose Awards



Lakmé Fashion Week

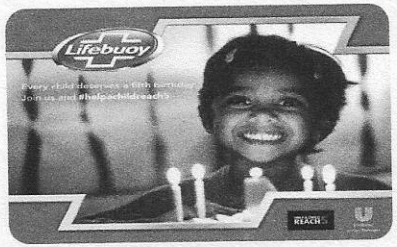


FAL Foundation

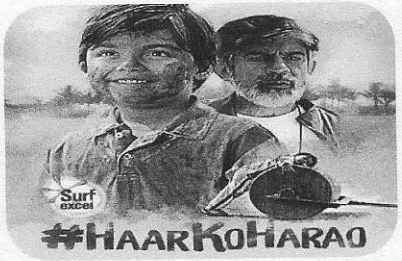
Fair & Lovely | Foundation



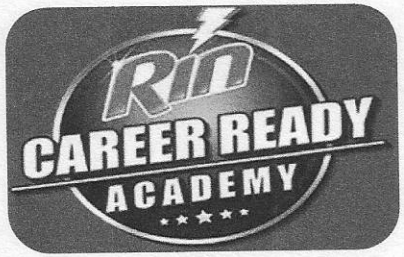
Lifebuoy help a child reach 5



Surf Excel Haar Ko Harao



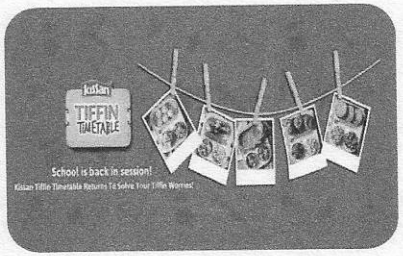
Rin Career Academy



Red Label Taste and Togetherness



Kissan Tiffin Timetable



RE-IMAGINING HUL

Hindustan Unilever Limited

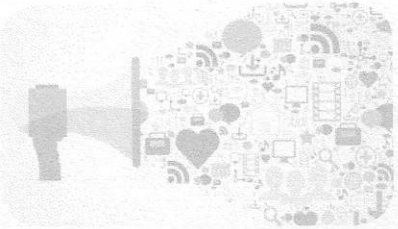
Re-imagining our structure



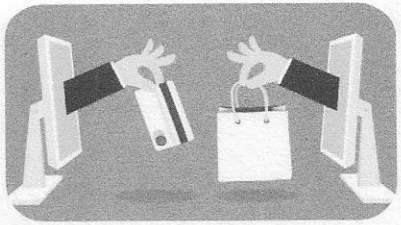
Re-imagining our portfolio



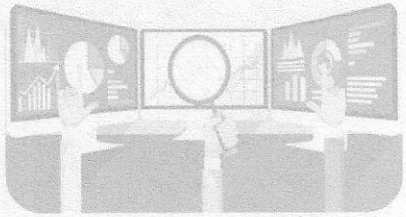
Re-imagining magic in marketing



Re-imagining our trade channels



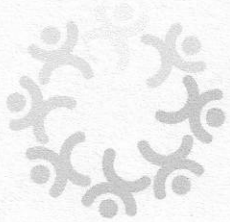
Re-imagining the value chain



Re-imagining fuel for growth



Re-imagining culture of the organisation



GENERAL TRADE WILL CONTINUE TO REMAIN BIG

Hindustan Unilever Limited

More throughput from more stores

All GT channels will remain relevant

Wholesale



Aids ↑ Width of distribution

Retail



Accessibility at arm's reach of desire

Shakti



Deep Rural distribution

Driving effective coverage & assortment



In a country of ~600k villages & 10Mn outlets, GT even after 10 years, will remain an important channel

**Effective coverage is measured as no. of outlets with monthly average billing >INR 500 ($7.0); 2018 nos are as of July'18*

BUILDING CHANNELS OF THE FUTURE

Hindustan Unilever Limited

Modern Trade







Driving visibility across Modern Trade

ECommerce







Exclusive male grooming range co-created with partner

Our Growth & Profitability in ECommerce > Modern Trade > Traditional Trade

RE-IMAGINING HUL

Hindustan Unilever Limited

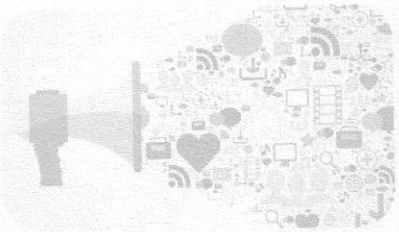
Re-imagining our structure



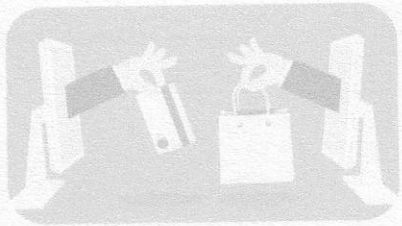
Re-imagining our portfolio



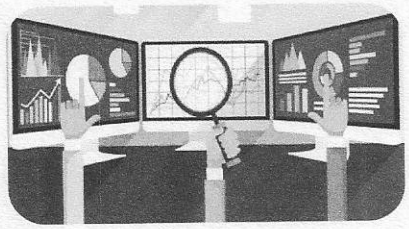
Re-imagining magic in marketing



Re-imagining our trade channels



Re-imagining the value chain



Re-imagining fuel for growth

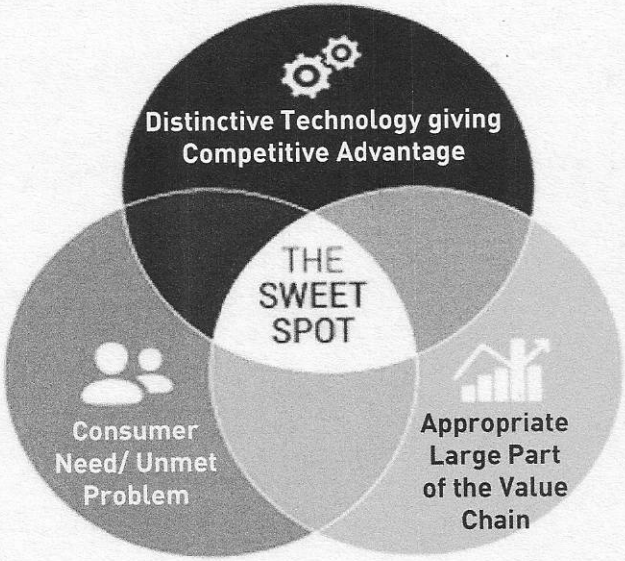


Re-imagining culture of the organisation

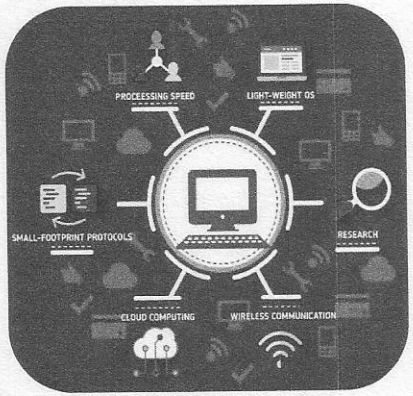


TECHNOLOGY AVAILABLE TODAY, OPENS UP A LOT OF OPPORTUNITIES

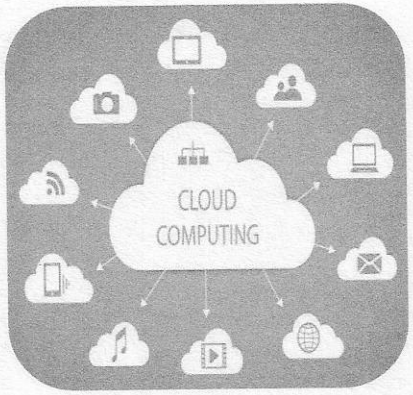
Hindustan Unilever Limited



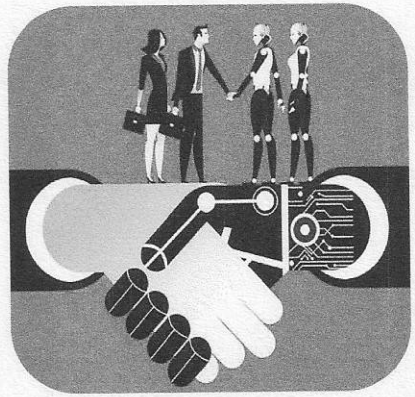
Internet of Things



Cloud Technology



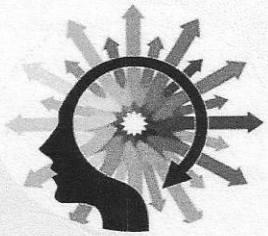
Artificial intelligence



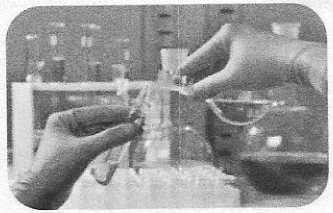
WE CHOSE TO DISRUPT THAN BE DISRUPTED

Hindustan Unilever Limited

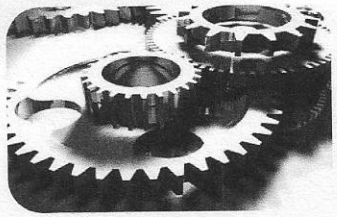
Insights



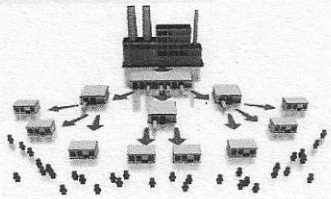
R&D



Manufacturing



Distribution



Communication



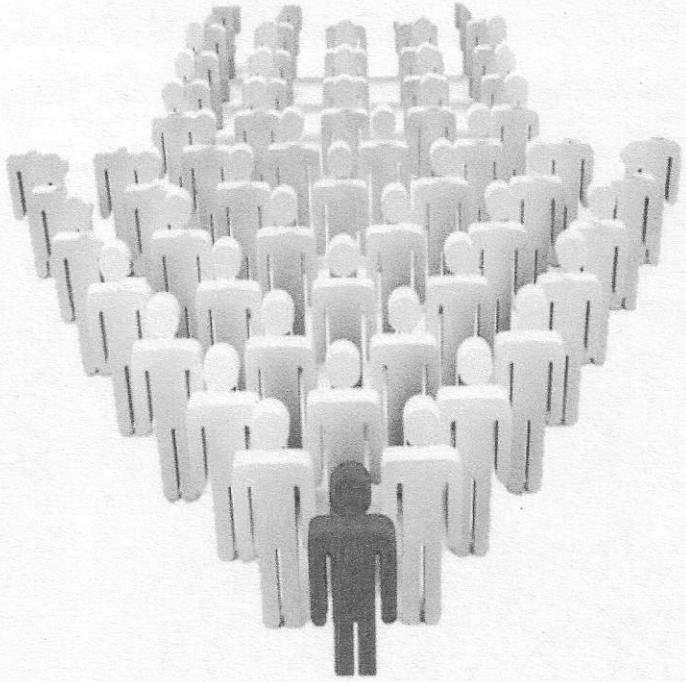
Consumer Journey



RE-IMAGINING HUL: OUR VISION

Hindustan Unilever Limited

"Re-imagine HUL of the future by choreographing a holistic approach across the value chain to completely transform the way we do business in a connected world"



RE-IMAGINING SUPPLY CHAIN

Hindustan Unilever Limited

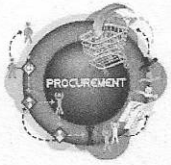


Plan



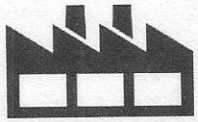
- 1 Day Planning Cycle (real-time)
- Integrated S&OP
- Segmentation 2.0

Source



- Integrated e-tendering
- Realtime Forecast
- Smart Inventory modelling

Make



- Digital Factory
- Smart Robotics
- Network redesign

Deliver



- New Logistic models
- Efficient Fulfilment Centres

RE-IMAGINING MARKETING

Hindustan Unilever Limited

Granular data analysis and tracking

LIVE WIRE

Advanced Analytics & Decision Support System

JARVIS

Social Listening: Always on Conversation

PEOPLE DATA CENTRE

Precision Marketing: Consumer Journey

smartpick

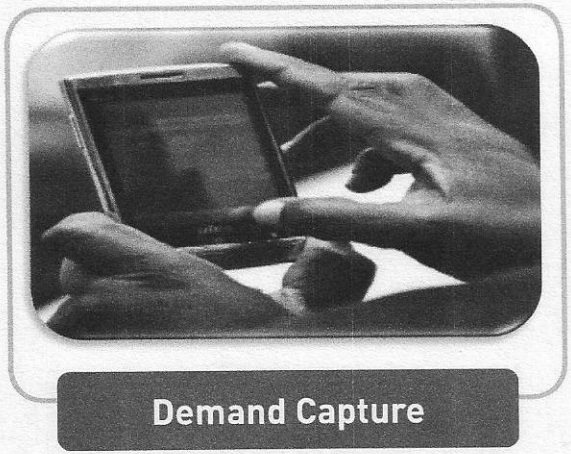
Precision Targeting and Deployment

MAXIMA

Re-imagining Marketing AV

RE-IMAGINING CUSTOMER DEVELOPMENT

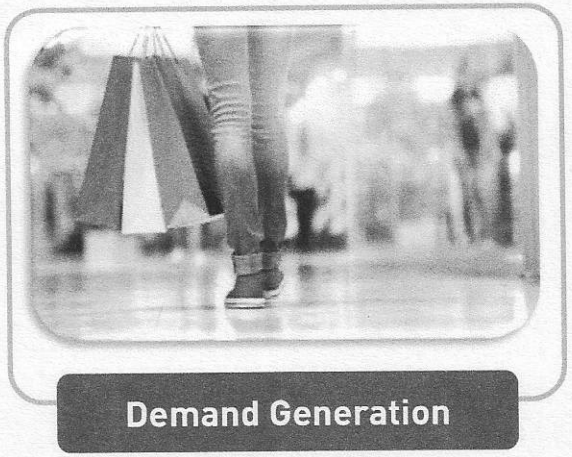
Hindustan Unilever Limited



Demand Capture



Demand Fulfilment



Demand Generation

Providing superior customer service through vertical task specialization across the three pillars interlinked through modular IT capabilities

DEMAND CAPTURE

Hindustan Unilever Limited

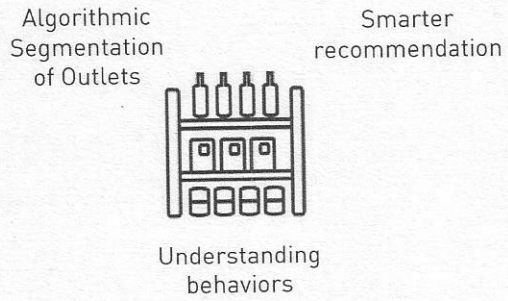
Salesman Chatbots

Enhance salesman productivity with chatbots



Advanced Analytics / AI

Driving better and sharper assortment



Shikhar app

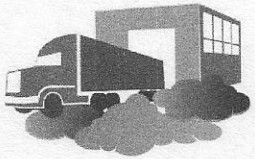
All inclusive retailer engagement tool



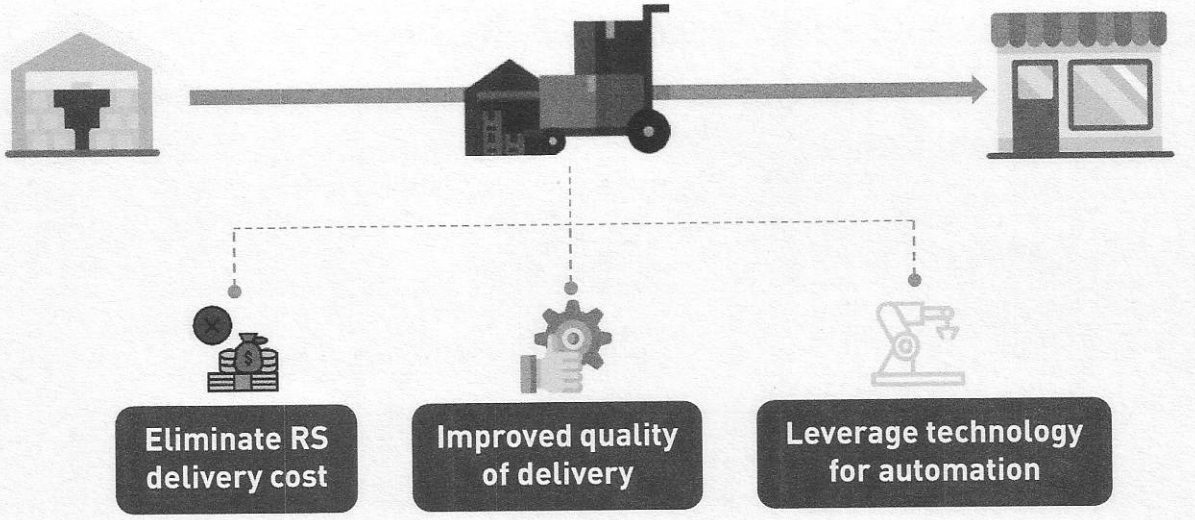
DEMAND FULFILMENT

Hindustan Unilever Limited

Demand Fulfilment



- **Project Shogun: Deliver with speed to trade and ensure efficient fulfilment**
- **Impact App : A delivery interface to unlock benefits for retail stockist**



DEMAND GENERATION

Hindustan Unilever Limited

Demand Generation

- Scaling up B2C (HumaraShop)
- Leverage technology to improve shelf presence



RE-IMAGINING HUL

Hindustan Unilever Limited

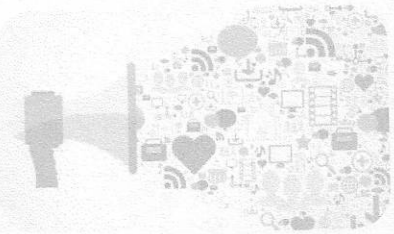
Re-imagining our structure



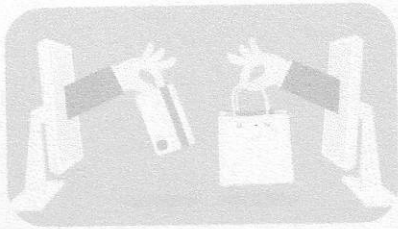
Re-imagining our portfolio



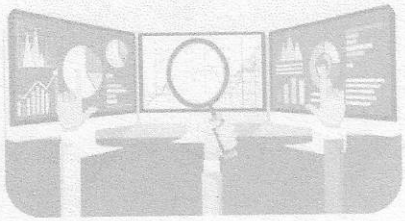
Re-imagining magic in marketing



Re-imagining our trade channels



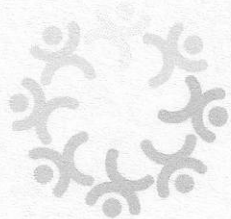
Re-imagining the value chain



Re-imagining fuel for growth



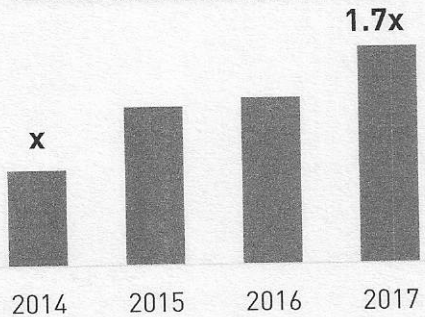
Re-imagining culture of the organisation



GENERATING FUEL FOR GROWTH BY CONSTANT REINVENTION

Hindustan Unilever Limited

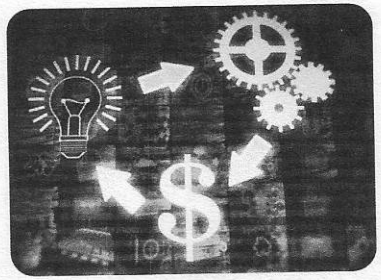
Savings as a % of Turnover



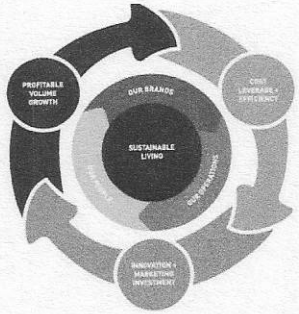
End-to-end cost focus

- Materials
- Non Material Supply Chain Costs
- Return on Marketing Investments
- Overheads

Leveraging Technology



Investing back into virtuous cycle of growth



Powered by PARTNER TO WIN Symphony · ZERO BASED BUDGETING · NRM NET REVENUE MANAGEMENT

RE-IMAGINING HUL

Hindustan Unilever Limited

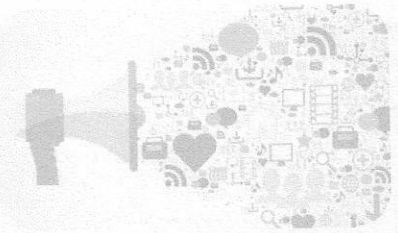
Re-imagining our structure



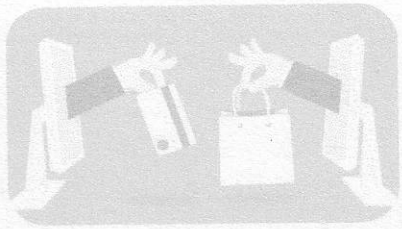
Re-imagining our portfolio



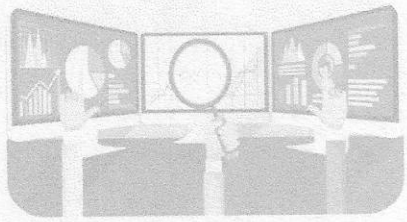
Re-imagining magic in marketing



Re-imagining our trade channels



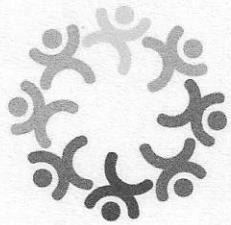
Re-imagining the value chain



Re-imagining fuel for growth



Re-imagining culture of the organisation



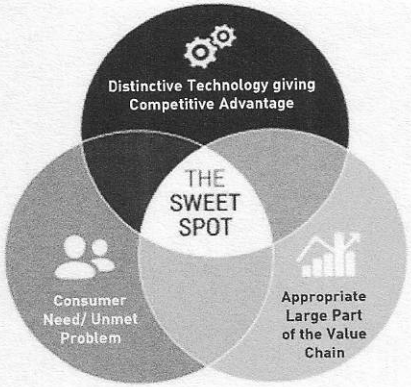
BRINGING AN ORGANIZATION WIDE CHANGE

Hindustan Unilever Limited

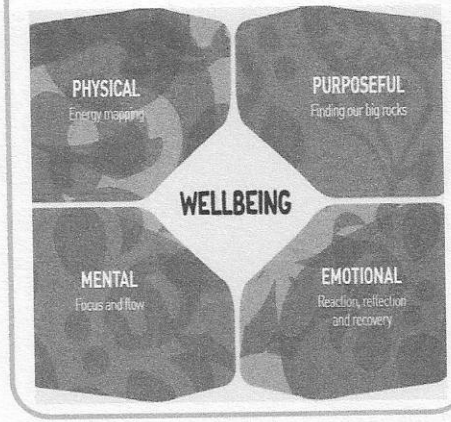
Building an Owner's mindset



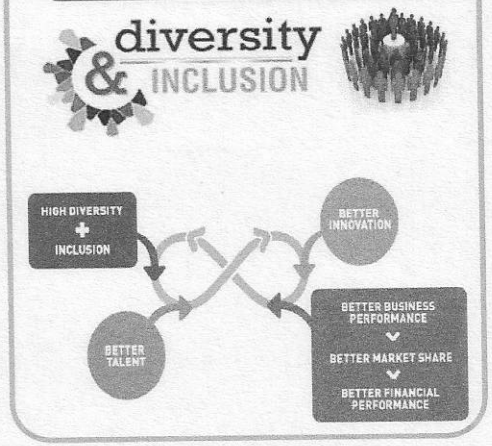
Nurturing an experimentation culture



Holistic Wellbeing



Diversity and Inclusion



Hindustan Unilever Limited

WHILE WE RE-IMAGINE HUL, WHAT WE WILL NOT CHANGE IS

OUR PURPOSE & VALUES

UNILEVER SUSTAINABLE LIVING PLAN

Hindustan Unilever Limited

Health & Wellbeing



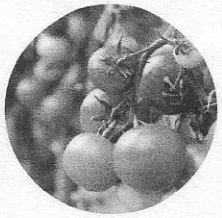
>67 million people reached - **Lifebuoy Handwashing Programme**

83 billion litres of safe drinking water provided by **Pureit**

~1.1 million people impacted through **Domex Toilet Academy**

Sustainable Sourcing

100% TOMATOES are sourced from sustainable sources





52% TEA is sourced from estates certified as sustainable

Water Conservation



450 billion litres of water potential created

Hindustan Unilever Limited

Hindustan Unilever Foundation

Enhancing Livelihoods



80,000+ Shakti entrepreneurs network

1.7 million people benefitted

prabhat
A community initiative of Hindustan Unilever Limited

RD CAREER READY ACADEMY

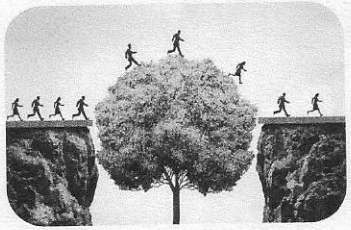
Over **420,000 people** trained

200,000 women enrolled

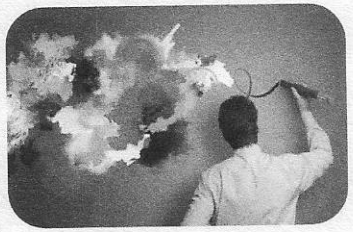
Fair & Lovely FOUNDATION

IN SUMMARY

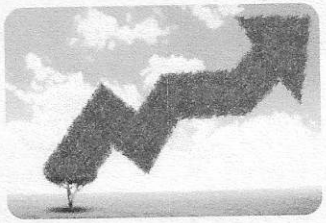
Hindustan Unilever Limited



The external context is fast evolving and FMCG in India continues to be an immense opportunity



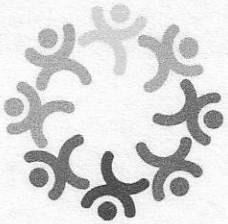
The new structure (WIMI, CCBTs) has made HUL more agile and resilient



Focussed on delivering consistent, competitive, profitable and responsible growth



Leveraging technology to re-imagine our ways of working across the value chain



Building capabilities and re-imagining our culture to be future ready

Our purpose and values remain unchanged

THANK YOU

For More Information

Hindustan Unilever Limited

VISIT OUR WEBSITE

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