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

26th October, 2016

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 the 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 analysts/investors on financial results of the Company for the quarter ended 30th September, 2016.

Please take the above information on record.

Thanking You.

Yours faithfully,
For Hindustan Unilever Limited

HINDUSTAN UNILEVER LTD. MUMBAI

Dev Bajpai
Executive Director (Legal & Corporate Affairs)
and Company Secretary
Membership No. F3354

Hindustan Unilever Limited

SQ 2016 Results Presentation, 26th October 2016

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.

Analysts' Feedback

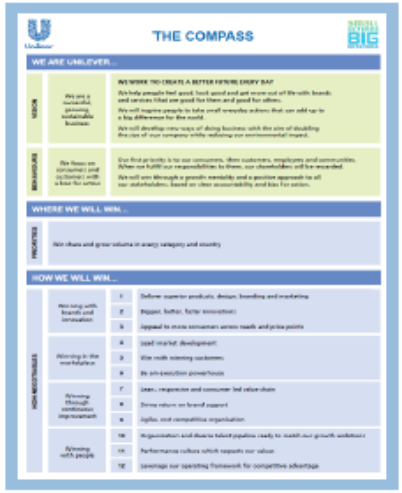
	Views sought on	Response	✓ Published by HUL
1	Results before or after market hours	After market hours	After market hours
2	Report EBIT/ EBITDA	EBITDA	EBITDA
3	Standalone/ Consolidated financials	Standalone	Standalone

Agenda

1. Strategy
2. Business Context
3. Current Quarter Performance
4. First Half 2016 -17 Performance
5. Looking Ahead

Clear and compelling strategy

Strategic Framework



Sustainable Living Plan

Goals

Consistent **Growth**

Competitive **Growth**

Profitable **Growth**

Responsible **Growth**

SQ 2016: Quarter Summary

- **Challenging business environment**
  - Market growth continues to be soft
  - Input costs inflate further

- **HUL : Profitable growth sustained in a challenging market**

SQ 2016 : Profitable growth in a challenging market

- **Domestic Consumer growth +2%, underlying volume growth -1%**
  - Price increase in Personal Wash impacts volumes

- **EBITDA at Rs. 1405 Crores up 5%; margin expands +60 bps**
  - EBIT at Rs. 1310 Crores up 4%; margin expands +40 bps
  - COGS higher due to rising input costs (10 bps yoy, 190 bps qoq)
  - Competitive spends maintained across segments
  - Continue to focus on driving cost efficiencies & return on marketing investments

- **PAT (bei) at Rs. 1082 crores up 9%; Net Profit up 12% at Rs. 1096 crores**

Impact of change in presentation

Rs. Crores

	SQ '16	SQ '15	Bps
Sales (Net of Excise Duty)	7,698	7,596	
Add: Excise duty	638	617	
Sales (Gross of Excise Duty)	**8,335**	**8,213**	
EBITDA	**1,405**	**1,337**	
EBITDA Margin (on Net Sales)	18.2%	17.6%	65 bps
EBITDA Margin (on Gross Sales)	**16.9%**	**16.3%**	**60 bps**

'Income from operations' reported inclusive of excise duty as per recent SEBI circular

Gross sales numbers (including segmental information) for the last 5 quarters provided as an annexure to the quarterly results

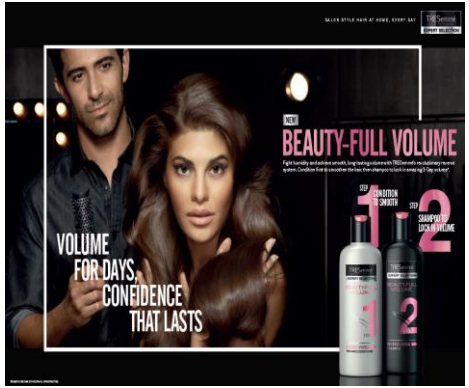
Mixed performance across segments

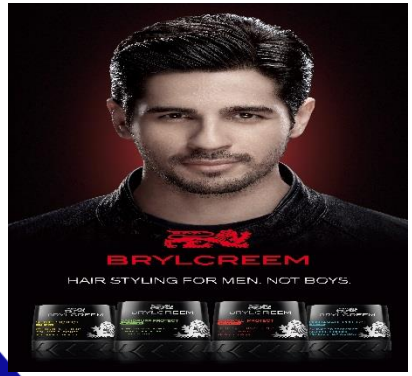
Segments	Sales Growth (%)
Home Care	4
Personal Care	(1)
Refreshment	8
Foods	2
Domestic Consumer	**2**

- **Home Care:** Robust growth with continued momentum on premium laundry
- **Personal Care:** Growth impacted by slowing markets and Personal Wash volumes
- **Refreshment:** Strong growth led by Tea
- **Foods:** Modest growth in a challenging market

Sales growth = Segment Turnover growth excluding Other Operational Income

Continued focus on innovations





Personal Wash: Strengthening the Core

Building Naturals

Within the existing portfolio

Extending to new geographies

indulekha™

Building a master brand

Home Care

Fabric Wash | Household Care | Water

Home Care

Robust growth with continued momentum on premium laundry

- **Fabric Wash:** Growth continues to be driven by the premium segment
  - Surf maintains its strong volume-led growth
- **Household Care:** Vim liquid does well on back of sustained market development
- **Water:** Strategic interventions working well; strong growth on RO-UV devices

Personal Care

Personal Wash | Skin Care | Hair Care | Oral Care | Deodorants | Color Cosmetics

Personal Care

Growth impacted by slowing markets and Personal Wash volumes

- **Personal Wash:** Performance impacted by price increases in the quarter
- **Skin Care:** Growth driven by BB & CC creams
- **Hair Care:** Dove and TREsemme sustain robust growth
  - Indulekha doing well; extended to 4 new states

Personal Care ....(contd.)

- **Oral Care:** Subdued performance; Pepsodent starts recovering post relaunch
- **Colour Cosmetics:** Broad based innovation led growth
- **Deodorants:** Axe Signature continues to gain ground

Refreshment

Tea | Coffee | Ice Cream & Frozen Desserts

Refreshment

Strong growth led by Tea

- **Tea:** Broad based growth across brands
  - Green Tea & Natural Care sustain their strong growth momentum
- **Coffee:** Bru Gold continues to lead category premiumisation
- **Ice Cream & Frozen Desserts:** Magnum Minis introduced during the quarter

Foods

Foods

Modest growth in a challenging market

- Continued focus on market development
- **Kissan:** premium range of Jams gaining traction with consumers
- **Knorr:** growth driven by Instant Soups

SQ 2016 : Results Summary

Rs. Crores

Particulars	SQ'16	SQ'15	Growth %
Sales	8,335	8,213	1.5
EBITDA	1,405	1,337	5.1
Add : Other Income	253	194	30.4
Exceptional Items – Credit / (Charge)	18	(12)	
PBT	1,576	1,438	9.6
Less : Tax	481	456	
PAT bei	1,082	990	9.3
Net Profit	1,096	982	11.6

- Reported Domestic Consumer growth 2%
- Exceptional item includes profit on sale of businesses (INR 20 Crores)
- Other income includes dividend from subsidiaries (SQ'16: INR 167 Crores, SQ'15: INR 90 Crores)

FIRST HALF 2016-17

First Half 2016-17 : Results Summary

Rs Crores

Particulars	FH'16-17	FH'15-16	Growth %
Net Sales	16,998	16,510	3.0
EBITDA	3,041	2,849	6.7
EBITDA margin (%)	17.9	17.3	
PAT bei	2,210	2,053	7.6
Net Profit	2,270	2,051	10.6

Reported Domestic Consumer growth 3%; Underlying volume growth 1%

Base numbers adjusted as per IND AS

Interim Dividend

Particulars	FH'16-17 Interim	FH'15-16 Interim
Dividend Per Share (Rs.)	7.0	6.5
No. of Share (Crs.)	216	216
Total Dividend (Rs. Crs.)	1,515	1,407
Div. Dist. Tax (Rs. Crs.)	308	286
Total Div. Outflow (Rs. Crs.)	1,823	1,693

Looking Ahead

Near term outlook:

- Gradual improvement expected in market growth – good monsoon
- Sales growth will be positively impacted by recovery in markets
- Rising trend in input costs; Price- Volume likely to rebalance

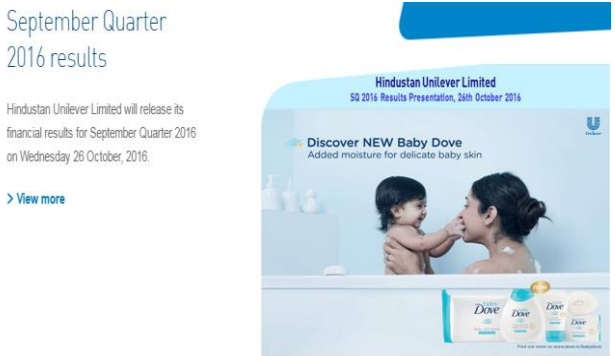
Strategy unchanged:

- Focus on volume growth and improvement in operating margin
- Consistent, Competitive, Profitable, Responsible Growth

For more information & updates

Visit our website

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



HUL Investor App

Hindustan Unilever Limited

Available on the App Store

ANDROID APP ON Google play