



indulekha[®]
Bringha Oil

**AYURVEDIC MEDICINE FOR HAIRFALL.
HELPS GROW HAIR.***

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Agenda

1

Strategy

2

Business Context

3

Current Quarter Performance

4

Looking Ahead

Clear and compelling strategy

Strategic Framework

THE COMPASS	
WE ARE UNLIVER	
VISION	<p>WE ARE A SUCCESSFUL, GROWING, SUSTAINABLE BUSINESS</p> <p>WE WORK TO CREATE A BETTER FUTURE EVERY DAY</p> <p>We bring people that work hard and care about the world, brands and services that are good for them and good for others. We will inspire people to take small everyday actions that can add up to a big difference for the world.</p> <p>We will develop new ways of doing business with the aim of doubling the size of our company while reducing our environmental impact.</p>
MISSION	<p>We focus on customers and partners, with a focus on how to serve them.</p> <p>We find growth in the way we consume, how customers, employees and communities. When we fulfill our responsibilities to them, our shareholders will be rewarded.</p> <p>We will use thoughtful growth, responsibly and a positive approach to all our stakeholders. Based on clear accountability and bias for action.</p>
WHERE WE WILL WIN	
FOCUS	We share and grow volume in every category and country.
HOW WE WILL WIN	
WINNING WITH BRAND AND INNOVATION	1 Define superior products, design, branding and marketing
	2 Engage better, faster, passionate
	3 Invest in more consumers across needs and price points
	4 Lead market development
	5 Use multi-segment customers
	6 Be an essential provider
	7 Learn, replicate and consumer led value chain
	8 Drive return on brand equity
	9 Agile, and competitive organization
	10 Regeneration and diverse talent pipeline ready to match our growth ambitions
WINNING THROUGH OPERATIONAL EXCELLENCE	11 Performance culture which respects our value
	12 Leverage our operating framework for competitive advantage
WINNING WITH PEOPLE	

Sustainable Living Plan



Goals

Consistent **Growth**

Competitive **Growth**

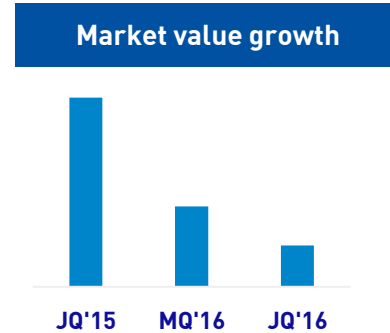
Profitable **Growth**

Responsible **Growth**

JQ 2016: Quarter Summary

❑ Challenging business environment

- Market growth further slows down – volume and value
- Higher commodity costs
- Competitive activity remains high



❑ Business tracking ahead of market with sustained margin improvement

JQ 2016 : Profitable volume-led growth sustained

- ❑ **Domestic Consumer growth at 4%, underlying volume growth at 4%**
 - Impact of phase out of Excise Duty benefits on topline -40 bps

- ❑ **Operating Profit (PBIT) at Rs. 1543 crores, up 7%; margin expands +70 bps**
 - Impact of phase out of Excise Duty benefits on PBIT -15 bps
 - COGS lower by 100 bps; driven by lower input costs and savings programs
 - Competitive spends maintained across segments; A&P at 11%, down 60 bps
 - Employee costs up 70 bps, arising from provision reversal in base quarter

- ❑ **PAT (bei) at Rs. 1128 crores up 6%; Net Profit up 10% at Rs. 1174 crores**

Financial Statements reported as per IND AS

New Reporting Segments

Old Segments	New Segments
Soaps and Detergents <ul style="list-style-type: none"> • Fabric Wash • Household Care • <u>Personal Wash</u> 	<ul style="list-style-type: none"> • Fabric Wash • Household Care • <u>Water</u> <p style="text-align: right;">Home Care</p>
Personal Products <ul style="list-style-type: none"> • Oral Care • Skin Care • Hair Care • Deodorant • Color Cosmetics 	<ul style="list-style-type: none"> • <u>Personal Wash</u> • Oral Care • Skin Care • Hair Care • Deodorant • Color Cosmetics <p style="text-align: right;">Personal Care</p>
Packaged Foods <ul style="list-style-type: none"> • Foods • Popular Foods • <u>Modern Foods</u> • <u>Ice Cream & Frozen Desserts</u> 	<ul style="list-style-type: none"> • Foods • Popular Foods <p style="text-align: right;">Foods</p>
Beverages <ul style="list-style-type: none"> • Tea • Coffee 	<ul style="list-style-type: none"> • Tea • Coffee • <u>Ice Cream & Frozen Desserts</u> <p style="text-align: right;">Refreshment</p>
Others <ul style="list-style-type: none"> • <u>Water</u> • Infant & feminine care • Exports 	<ul style="list-style-type: none"> • Infant & Feminine Care • Exports • <u>Modern Foods</u> <p style="text-align: right;">Others</p>

Broad based growth across segments in a slowing market

Segments	Sales Growth (%)
Home Care	7
Personal Care	2
Refreshment	5
Foods	4
Domestic Consumer	4

- **Home Care:** Growth led by healthy volumes
- **Personal Care:** Step up in Personal Products, offset by deflation in Personal Wash
- **Refreshment:** Continued steady growth
- **Foods:** Healthy underlying growth impacted by one-offs

Continued focus on innovations



Impactful 360 activation

FAL: Association with TV Series



Surf Excel: Ready for Life

Surf Excel attempts tearjerker, launches ad film #ReadyForLife

By Ashish Sharma, Jyoti, Shivakrishna
in Digital | April 23, 2016

75

The detergent brand from the ITC, earlier highlights the importance of sharing and caring.

As long as the every skills and qualities that make us ready for life, generosity and compassion are the ones that make us truly ready for life. With this, Surf Excel's latest ad film #ReadyForLife is a one-time, one-of-a-kind ad. Conceived by Ashish Sharma, the ad is an extension of the 'Share with Love' brand.



Bru: Summer thrills with taste



Axe: Movie tie up



Dove: Break the rules of Beauty



Knorr: World on a plate



Home Care



Fabric Wash | Household Care | Water

Home Care

Growth led by healthy volumes



- ❑ **Fabric Wash:** Growth driven by the premium segment
 - Surf, our largest brand, maintains its strong growth momentum
- ❑ **Household Care:** Vim liquids continues to do well
- ❑ **Water:** Strategic interventions starting to deliver; robust devices growth

Personal Care

LUX

Dove

Pears®

Rexona

Hamam



NEW Fair & Lovely

POND'S



LAKMÉ

St. Ives
FRESH, BETTER, NATURAL!™

CLINIC
PLUS+



TRESemmé
USED BY PROFESSIONALS™

indulekha™

closeup

Pepsodent

ayush
LEVER
therapy

AXE

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

Personal Care

Step up in Personal Products, offset by deflation in Personal Wash



- ❑ **Personal Wash:** Lifebuoy, Pears and Dove drive volume growth
- ❑ **Skin Care:** Growth led by the premium segment
 - BB & CC creams performing very well
- ❑ **Hair Care:** Volume led growth sustained; broad based across brands

Personal Care(contd.)

Step up in Personal Products, offset by deflation in Personal Wash



- ❑ **Oral Care:** Subdued performance
 - Sampling on Pepsodent core underway to drive trials on 'best ever flavor'
- ❑ **Colour Cosmetics:** Lakme delivers strong innovation led growth on premium make-up
- ❑ **Deodorants:** Axe does well, aerosol range relaunch in quarter

Indulekha acquisition completed in-quarter



INDULEKHA BRINGHA OIL — AYURVEDIC MEDICINE FOR HAIRFALL. HELPS GROW HAIR.*

Indulekha Bringha Oil is enriched with Bringhraj, a herb known in Ayurvedic Rasayanas as Keshraj – “King of Hair”. Extracts from the Bringhara plant are known for their medicinal properties that not only reduce hairfall but also revive and regenerate new hair growth. During the production of Indulekha Bringha oil, herbs like these are soaked in virgin coconut oil and matured under natural sunlight for up to 7 days. This makes Indulekha Bringha oil rich with the potent medicinal properties of these herbs.



Recommended Application

Indulekha Bringha Oil comes with an applicator – the Selfie comb*. It is a unique dispensing mechanism that deposits the medicinal oil directly on the scalp, reaching the roots of the hair. Squeeze the bottle gently and apply the oil using the selfie comb in smooth strokes all across the scalp, especially the affected areas. For best results massage the oil further into your scalp using your fingertips.



Recommended Dosage

Use regularly for at least twice a week. Apply and leave in for 3 to 4 hours. Wash and cleanse your scalp with a mild shampoo. If problem persists, please consult a physician.



Scalp with excessive hairfall

Healthy scalp with full hair



indulekha®
Bringha Oil

*Contains natural ingredients known to reduce hairfall and helps hair grow up to its natural potential.

Refreshment



Tea | Coffee | Ice Cream & Frozen Desserts

Refreshment

Steady growth



- ❑ **Tea:** Green Tea and Natural Care lead growth, driven by market development
- ❑ **Coffee:** Strong competitive position maintained in a deflationary cost environment
- ❑ **Ice Cream & Frozen Desserts:** Another quarter of robust growth

Foods



Foods

Healthy underlying growth driven by market development



- ❑ **Kissan** sustains strong growth on Ketchups; Jams impacted by one-off event
- ❑ **Knorr** delivers robust growth on Instant Soups and Noodles

JQ 2016 : Results Summary

Rs. Crores

Particulars	JQ'16	JQ'15	Growth %
Sales	7,988	7,713	4
PBIT	1,543	1,437	7
Add : Other Income	108	123	
Less : Finance Costs	6	5	
Exceptional Items – Credit / (Charge)	71	10	
PBT	1,715	1,565	10
Less : Tax	541	496	
PAT bei	1,128	1,063	6
Net Profit	1,174	1,069	10

- Exceptional item includes
 - One time write back of provision for pension benefits due to plan amendments of Rs. 115 Crore

HUL Ind AS transition : Points to note

1 Relaxations provided by SEBI (5th July '16) not availed

	SEBI Relaxation	Details	Published by HUL
1	Quarter Comparatives	Mandatory only for corresponding quarter of PY	All quarters published
2	FY15-16 (YTD) Comparatives	Mandatory only in MQ'17	Published
3	Limited Review for PY quarters	Mandatory from DQ'16	Completed
4	Audit for FY 15-16 (YTD)	Mandatory only in MQ'17	Completed

2 Excise duty treatment to change end of year

- **JQ, SQ & DQ'16 - As per SEBI circular dated 30-Nov-2015**
 - Excise duty will be shown *net of revenue*
- **MQ'17 - As per Schedule III of Companies Act,2013**
 - Excise duty *will be grossed in revenue and shown as cost of goods sold*

HUL Ind AS transition : Key impacts

	JQ '15			JQ '16
	IGAAP	Ind AS	Change	Ind AS
Net Sales (Rs cr.)	7973	7713	-261	7988
PBIT margin (%)	17.95%	18.63%	+ 68 bps	19.31%
Net Profit margin (%)	13.28%	13.86%	+58 bps	14.70%
* A&P % Sales	14.47%	11.57%	-289 bps	11.01%

* A&P – Advertising and Promotion

Outlook

- ❑ Near term market growth likely to remain muted; concern on recent volume trends
- ❑ Optimistic about medium term impact of Monsoon & 7th Pay Commission payouts
- ❑ Higher input costs likely
- ❑ Continued focus on driving volume led growth with improvement in operating margin
- ❑ Strategy unchanged: Consistent, Competitive, Profitable, Responsible Growth

Update 1: New Capital Investment in Assam



- ❑ Intend to set up a new manufacturing unit with an investment of about Rs.1000 crores
- ❑ Location planned near the existing factory in Doom Dooma, Upper Assam.
- ❑ Investment is subject to receipt of requisite approvals.
- ❑ New unit to be commissioned in early 2017.
- ❑ Reiterates HUL's commitment to Make in India and invest for growth in Personal Care.

Update 2: Intention to divest KCLL JV stake

- ❑ Intention to divest 50% shareholding in Kimberly-Clark Lever Pvt Ltd to JV partner, Kimberly-Clark Corporation (KCC)
 - 50:50 JV formed in 1995; Baby & Child Care and Feminine Care business in India under the brands 'Huggies' and 'Kotex'
- ❑ Decision is in line with HUL objective to focus on core business
- ❑ HUL and KCC will work together to define the terms and the future operating model for the business
- ❑ In the interim, business operations continue as usual

HUGGIES
BABY WIPES

kotex[®]


Hindustan Unilever Limited

 **Kimberly-Clark**

For more information & updates

Visit our website

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

June Quarter 2016
results

Hindustan Unilever Limited will release its financial results for June Quarter 2016 on Monday 18 July, 2016.

[> View more](#)



HUL Investor App

