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Hindustan Unilever Limited

4th August, 2026

*Stock Code: BSE: 500696*
*NSE: HINDUNILVR*
*ISIN: INE030A01027*

BSE Limited,
Corporate Relationship Department,
2nd Floor, New Trading Wing,
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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: <u>Transcript of the Earnings Call for the quarter ended 30th June, 2026</u>**

This is further to our letter dated 28th July, 2026, whereby the Company had submitted the link to the audio/video recording of the Earnings Call held post announcement of Financial Results for the quarter ended 30th June, 2026.

Pursuant to Regulation 30(6) read with sub-para 15, Para A, Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find enclosed the Transcript of the said Earnings Call, for your information and records.

The transcript of the Earnings Call is also available on the Company's website at https://www.hul.co.in/files/jq26-earnings-call-transcript.pdf.

Please take the above information on record.

Thanking You.

Yours faithfully,
**For Hindustan Unilever Limited**

Radhika Kartik Shah
Digitally signed by Radhika Kartik Shah
Date: 2026.08.04 16:55:50 +05'30'

**Radhika Shah**
**Company Secretary & Compliance Officer**
**Membership No: A19308**

# June Quarter 2026

# Earnings call of

# Hindustan Unilever Limited

## July 28th, 2026

**Speakers:**

**Ms. Priya Nair - Chief Executive Officer & Managing Director**

**Mr. Niranjan Gupta - CFO, Executive Director, Finance**

**Mr. Yogesh Mulgaonkar - Head of Investor Relations & Head of Finance, Personal Care**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Hindustan Unilever Limited Conference Call for the Results of Quarter ended 30th June 2026. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Yogesh Mulgaonkar, Head of Investor Relations and Head of Finance, Personal Care. Thank you, and over to you, sir.

**Yogesh Mulgaonkar:** Thank you, Dorwin. Good afternoon, everyone. Welcome to the conference call of Hindustan Unilever Limited. This evening, we will be covering the results for quarter ended 30th June 2026. On the call with me is Priya Nair, CEO and Managing Director; and Niranjan Gupta, our CFO. We will start with prepared remarks from Priya and Niranjan. We expect this to take around 15 minutes, leaving us around 45 minutes for the Q&A session. We will look to end the call by 5:00 PM.

Before we get started with the presentation, I would like to draw your attention to the safe Harbor Statement included in the presentation for good order's sake. With that, over to you, Priya.

**Priya Nair:** Good afternoon, everyone. Thank you for joining us on the call today. Welcome to the first earnings call of full year '26-'27. Let me begin with an update on the operating context, followed by key performance highlights. Subsequently, Niranjan will take you through the results and conclude with the outlook.

The quarter was shaped by an increasingly uncertain global environment, characterized by geopolitical tensions, volatile commodity markets and currency fluctuations. Against this backdrop, India demonstrated notable resilience. The country entered this period with solid macroeconomic foundations, supported by the policy measures implemented through FY26.

During the quarter, coordinated fiscal and monetary policy actions helped to manage energy security, inflation and currency volatility. These interventions helped to cushion the impact on households and business, aiding macroeconomic stability. The FMCG demand environment remained stable during the quarter, reflecting the underlying strength of consumption.

In this context, we delivered another quarter of progressively improving performance. Turnover for the quarter stood at INR17,184 crores, with an Underlying Sales Growth of 10%, driven equally by volume and price. This represents our highest growth in 13 quarters. It reflects the result of decisive actions taken to transform our portfolio, sharpen execution and strengthen market development.

What is particularly encouraging is the consistency of progress. Our growth trajectory has strengthened from 3% in the first half of FY'26 to 10% in this quarter. Equally important is that this growth is competitive as we continue to gain turnover weighted market share. The combination of accelerating growth, healthy volume contribution and strengthening competitiveness reinforces our conviction that we are building a future-fit business for long-term growth.

We have delivered this strong performance in a volatile environment with resilience and agility. This was enabled by the competitive moats we have built over time. Let me touch on a few of them.

First, our supply chain resilience proved to be a critical advantage. By harnessing the scale of our global procurement network, we ensured continuity of supplies without any disruption. Complementing this, our digitally powered agile R&D and flexible manufacturing capabilities helped us to maintain service levels throughout the quarter.

Second, our portfolio strength was a key source of resilience. With 50 brands in 15 categories straddling across the price-benefit pyramid, we are uniquely positioned to serve the diverse evolving needs of consumers. Given the strength of our brands and portfolio, we have been able to implement calibrated pricing while preserving our consumer franchise.

Third, despite the cost pressures, we continue to invest behind our brands to support long-term growth. In June quarter, we stepped our A&P spends up sequentially to INR1,657 crores, the highest in 11 quarters. Similarly, we continue to strengthen our omni-channel execution. Quick commerce continued to grow strong double digits, while in GT, we grew our distribution, led out of small towns and rural. Further, we continue to expand off-line expansion of our digital-first brands like Minimalist and Simple.

And finally, our financial agility enabled us to balance near-term pressure with long-term value creation. Our rigorous savings program, coupled with disciplined P&L management, helped us manage the cost inflation and generate fuel for growth. Backed by a strong balance sheet and healthy cash generation, we continue to invest behind our brands, innovation and market-making capabilities.

As we step up our performance, we are equally focused on building capabilities that will shape our next phase of growth. Our approach is to invest ahead of the curve, on innovation, technology, manufacturing, and digital transformation to ensure that we remain future-fit and create desire at scale.

A powerful example of this commitment is the launch of Unilever Fragrance House in India. It is a part of a global program to advance fragrance creation capabilities, both in-house and in partnership with key fragrance houses. It brings together the best of science, consumer insight and artificial intelligence close to one of the fastest-growing markets in the world.

Our Liquids Lab of the Future in Mumbai is another such example. It is built with advanced AI and digitally enabled facilities to accelerate innovation in future-facing high-growth formats. This lab can accelerate formulation development timelines by up to 6 times to respond with speed to consumer needs.

In supply chain, we are continuing to raise the bar on manufacturing excellence. In this quarter, the Haridwar and Sonepat factories were recognized by the World Economic Forum's Global Lighthouse Network in the Supply Chain Resilience and Sustainability categories, respectively. These recognitions reflect our ability to use advanced analytics and digital technologies to respond to changing demand conditions while reducing the environmental footprint. With these recognitions, HUL now holds 8 WEF Lighthouse designations across 6 sites, the highest for any company in India.

And finally, we are embedding artificial intelligence across our value chain, not just as a stand-alone initiative, but as a core enabler of how we operate. An example of this is our digital-first distribution centre in Vijayawada, where AI-enabled real-time visibility creates a digitally orchestrated fulfilment ecosystem. It improves accuracy and transparency through faster demand sensing, warehouse operations, truck tracking and digital proof of delivery. This fits very well into the rapidly evolving retail landscape and allows us to serve consumers and customers better.

Taken together, these investments are not only strengthening our capabilities for today but also building the foundations for a sustained competitive and long-term value creation.

While I have touched upon a few examples today, I really look forward to sharing more of our strategy at our Capital Markets Day in September.

With this, let me hand over to Niranjan to talk you through the quarter results in detail.

**Niranjan Gupta:** Thank you, Priya, and good afternoon, everyone. I will walk you through our quarter performance and then close with the outlook.

As Priya mentioned earlier, we delivered a strong performance with a revenue growth of 10%, underpinned by UVG of 5%.

We navigated external volatility through financial discipline across all the lines of P&L, delivering EBITDA Margin of 23%, which was within the guided range. Absolute EBITDA grew 8% year-on-year to INR3,947 crores, while Profit After Tax before exceptional items grew 9% year-on-year to INR2,731 crores. The strong growth in EBITDA and PAT(bei) reflects the quality of our earnings and the resilience of our business.

The reported Profit After Tax after exceptional items stood at INR2,680 crores, declining 2% year-on-year due to one-off tax credit of ~INR330 crores in the base period of June quarter'25. Adjusted for this, the Profit After Tax stands at 11% growth year-on-year basis.

Moving to segment performance for the quarter. Home Care delivered 14% USG, driven by high-single digit UVG. This is its strongest performance in 3 years.

Fabric Wash delivered a broad-based double-digit, volume-led growth. Bars and powders sustained their step-up, while liquids grew competitively and accelerated its double-digit growth trajectory.

Household Care also accelerated its performance, delivering double-digit USG and UVG. Vim Liquid reported another quarter of double-digit growth, with market development actions continuing to increase penetration.

Given the external volatility, we continue to see inflation in crude-linked derivatives and are taking calibrated price increases across the segment.

Turning now to Beauty & Wellbeing. This has been a strong quarter, with the segment delivering 12% USG, driven by high-single digit UVG.

Hair Care delivered another quarter of double-digit, volume-led growth. Premium Hair Care, including future-formats like hair mask and serums, continue to outperform, reinforcing the relevance of our propositions with consumers. We further strengthened our market leadership during the quarter.

Skin Care and Colour Cosmetics grew high-single digit, led by double-digit growth in Premium Skin Care. Minimalist strengthened its double-digit growth trajectory. We have expanded the brand aggressively in off-line channels since the acquisition last year. During the quarter, Vaseline Gluta-Hya franchise broadened its portfolio with the launch of smoothening body lotion, enabling category premiumization and de-seasonalization.

Health & Wellbeing saw a soft quarter as we transition OZiva business towards emerging consumer demand spaces. We remain committed to investing behind the portfolio and are confident of its long-term growth potential.

Turning now to Personal Care. The segment delivered 4% USG for the quarter, driven by price increases taken in response to continued palm oil inflation for the second consecutive year.

Skin Cleansing grew mid-single digit, driven by Premium Bars, such as Dove and Pears, delivering double-digit, volume-led growth. Sustained market development efforts in Bodywash accelerated its double-digit growth trajectory, while strengthening its category leadership.

Oral Care delivered mid-single digit growth, premium innovations like Closeup White Now, Pepsodent Gum Care and Sensitive Care continued to gain traction, enhancing our presence in higher-benefit demand spaces.

Talking about Foods, the segment delivered a USG of 7%, driven by mid-single digit UVG.

Premium Tea reported low-single digit UVG, while Coffee delivered double-digit, volume-led growth. Our ready-to-drink formats and Bru Gold continued to scale up, reinforcing the strength of our proposition in this space.

Lifestyle Nutrition continued its momentum with double-digit growth in Horlicks and Boost both. The category reported its fifth consecutive quarter of positive UVG. During the quarter, Boost crossed the INR1,000 crore annual turnover milestone, making it our 21st brand in our portfolio to be in the INR1,000 crore plus club. The relaunched Horlicks Superfoods and RTD offerings continue to see positive traction, while Horlicks Biscuits continued its double-digit growth momentum as well.

Packaged Foods delivered high-single digit growth, led by robust performance in Unilever Food Solutions, Mayonnaise and International Sauces. Kissan Chutney maintained encouraging momentum, and we expanded the portfolio with two new variants during the quarter.

Now coming to our outlook.

Indian economy continues to remain resilient while the global external environment remains a little bit uncertain, and we continue to monitor the progress of monsoon, but we do see continued stability in the FMCG demand space.

Backed by the continued action on market development, channel expansion and portfolio transformation, we remain confident that FY'27 will be better than FY'26.

While commodities and currencies remain elevated, our approach remains consistent and disciplined- driving structural savings, taking calibrated pricing actions and making judicious media investments. We, therefore, expect EBITDA Margin to remain around the current guided range.

Finally, our focus remains clear and unchanged, delivering competitive volume-led growth anchored to our key priorities.

With this, we conclude our prepared remarks, and I will now hand back to Yogesh to commence the Q&A session.

**Yogesh Mulgaonkar:** Thank you, Priya and Niranjan. With this, we will now move to Q&A. We request you to kindly restrict the number of questions to a maximum of two at a time. In case you have any further questions, please join the queue again. In addition to the audio, our participants have an option to post the questions through the web option on your screen. We will take those questions just before we end.

With that, I will now hand the call back to Dorwin to manage the next session for us.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Manoj Menon with ICICI Securities.

**Manoj Menon:** Just two questions only. One, when I look at the outlook statement of last quarter versus the current quarter, we do find, I don't think it's a subtle change, it's quite significant in my opinion, wherein you stated last time that let's say, well equipped to navigate market volatility.

Now actually stating that continue to monitor monsoons and geopolitics. Because, look, these two elements were definitely there a few months back as well. Is there a change in thought process or the confidence levels in terms of, let's say, how FY'27 should pan out, what you thought 3 months back versus today?

**Priya Nair:** So, Manoj, absolutely no change in what we said from last time. So, we continue to believe we are well positioned to navigate the volatility, whether it is in terms of our portfolio, procurement, supply chain savings. And similar to the way we have managed in June quarter going forward, we feel we are well placed. We are only cautioning for the economic scenario and how it might pan out. That remains volatile. We need to see how that pans out. We remain extremely confident in how we will be able to navigate.

**Manoj Menon:** That's fair. Secondly, just on the soaps business, if I am to think about the, let's say, the drivers or the reasons for the mid-single digit volume decline. If you could just help us understand -- is it how much is, let's say, the grammage reduction headwind? Let's say, how much is the category growth aspect versus, let's say, what it was last year? And point number 3, market share.

**Niranjan Gupta:** So as far as soaps is concerned, Manoj, we have seen soaps category impacted by palm oil inflation continued for 2 years. So, there is a price impact on the category as such. Having said that, what we are focused on, therefore, within this is to drive premiumization. And therefore, our Dove and Pears, if you look at it, has grown double-digits, and has grown since last quarter and this quarter as well.

Further, Bodywash also is continuing double-digit as we are doing market development and expanding Bodywash, which is actually very low penetration as of now. But we lead the Bodywash category and continue to expand the category. So that is on one side that we are leading on the premiumization and the format development that we are doing on the soap category. And on the other hand, obviously, we will continue to look to drive the volumes upwards as we move forward.

**Manoj Menon:** Just double clicking on only one point and I will come back in the queue. In your opinion, the reason I was saying in your opinion because nowadays, given the channel complexity, market shares is not that straightforward to calculate. In your opinion, do you have held shares in soaps? Or how that has moved actually in the bar category?

**Niranjan Gupta:** Yes. I mean we don't talk about the competitiveness given that there are so many data points that actually travel across. But it's fair to say that it is an overall category picture, which is impacted by the palm oil inflation. And within that, if you have to see that the way we are growing the premium, which is Dove and Pears, that's definitely in the premium category ahead of the others.

**Priya Nair:** Yes, Manoj, we don't guide, as you know, by segment. But at an overall level, we have continued to be competitive in the quarter and are winning turnover-weighted market shares.

**Moderator:** The next question comes from the line of Mihir Shah with Nomura.

**Mihir Shah:** First question is a clarification on your statement of a stable demand environment expected in the outlook. So, when you say that stable demand environment is expected, does it mean that one should see similar optical volume growth that is seen in 1Q? Or one should see it in conjuncture with the base of last year and see it on a 2-year CAGR basis because you have a flat volume in 2Q last year. So that was the first clarification.

**Priya Nair:** Yes. I think we won't guide you into a quarter guidance, Mihir, as you can imagine. What we have guided for is that full year '27 will be ahead of full year '26, and we are retaining that guidance. And overall, we see demand continuing to be stable going into the quarter.

**Niranjan Gupta:** Yes. Like there was apprehension earlier that there could be inflation-led impact on the FMCG demand. And we are not seeing that at all. The consumption continues to be strong, and which is the reason for us to believe that to guide for a stable demand environment moving forward as well.

**Mihir Shah:** Understood. I think to see it in that context will be much better. Secondly, on the commodity statement. When you say commodity volatility persists, would it be fair to assume that Gross Margins will continue to see sequential pressure as price hikes that we see are lower than the cost inflation. You had indicated that cost inflation was closer to 10%, pricing inflation is closer to 5%. And maybe on the pricing growth as well, can one expect it to inch up from these levels? Or there is any anniversarization that we should keep in mind when we think about pricing growth going forward?

**Niranjan Gupta:** So, I think I will tell you an overall picture that the commodities continue to remain, you also know, continue to remain elevated even now. We have been very measured in terms of passing the price increase to the consumers as you saw.

Equally, our leverage on the P&L and all the lines of P&L has still allowed us to deliver EBITDA within the guided range. And that gives us the confidence, along with the plans that we have, that with whatever little bit of inching up price or whatever judicious price you may have to take, even if it's far less than inflation, we'll be able to deliver EBITDA around the guided range. So, I would not comment on the Gross Margin, but I would comment on the EBITDA because these are all the lines of P&L that we are leveraging.

**Mihir Shah:** Understood. If I may just put on the same lines, just ask you about how should we think about ad spends? And I understand the EBITDA comment that you made, we are seeing that it has been growing slower than the sales growth since the past few quarters. I did hear Priya's comment on the absolute number on ad spend going up over the past couple of quarters. But when you see the growth rate in conjuncture with sales growth, it has been lower since. It seems like some under-investing is happening to maintain the margins. So wanted a quick comment on that, if you don't mind.

**Priya Nair:** Yes. I think when you look at our ad spend, you also have to factor in, Mihir, the return on investments that we are getting. We have a lot of AI-enabled return on marketing investment programs in place. That, along with our procurement leverage, given the inflationary conditions, are allowing us to get savings on our overall media cost.

So, looking at it just a single like-to-like basis would not be strictly comparable. So that's the first thing I want to say. And also, the mix of marketing that we are doing by channel and all the work that we are doing on return on investment allow us to get much more efficiency behind our media spend. Niranjan, anything you want to add?

**Niranjan Gupta:** Absolutely. And the best way to look at A&P also is that how is our competitive spend on the GRP levels. And actually, that has been going up. So that, therefore, when you look at the SOV, SOMs that have been going up and we are number one in most of the categories. So, the absolute spend size become sizable. And which is why we highlighted that on an absolute level, this is the highest in the 11-12 quarters of the A&P spends that we have done.

**Moderator:** Our next question comes from the line of Aditya Soman with CLSA.

**Aditya Soman:** So, two questions from me. Firstly, I think from your results, it seems evident that there's sort of a K-shaped growth pattern where the mass categories and mass segments seem to be growing slower, whereas the sort of more premium categories are growing faster. So, from your perspective, is this assertion true?

And second, are you making a concerted effort in sort of playing this trend? And secondly, if you can just comment on how sort of general trade and rural growth has done this quarter and what your outlook on that is, maybe for the rest of the year?

**Priya Nair:** Yes, I can start, and then Niranjan can add. So firstly, our mass growths are not behind, and it's not so at a total organization level, I mean, if you start looking at a subsegment level, you may find some differences in some categories. But at a total level, we continue to see competitive growths in mass as we see competitive growths in premium.

And of course, in India, you are at higher growth rates in some of the premium subsegments, that indeed is the case in the shape of the market. But the first thing, because it sounds like you're suggesting that we are pushing towards only premium growth. So, I want to correct that notion and say we continue to be competitive.

It's very important given our scale for us to continue to be competitive at the mass end of the portfolio and this is the reason why we have a large volumetric base, while continuing to drive premiumization in line with the trend line of the market. So that's the first thing I would say to you. And Niranjan, anything you want to add on that?

**Niranjan Gupta:** No. That's perfect.

**Priya Nair:** Yes. And the second thing in terms of rural versus urban growth for us, both rural and urban growth have been robust and continue to be strong. So therefore, in fact, in the last few quarters, we have seen a step-up in our rural growth and therefore, that's been the big change and driver for us over the last few quarters. But demand overall continues to be stable, both in rural and in urban. So, I hope that answers the question.

**Aditya Soman:** Yes, yes, it does. I think, just one follow-up on that. I mean, I totally understand. I didn't mean sort of that your sort of opportunities is lower, I just meant to ask if the growth for premium is faster. And in that context, since you mentioned rural growing faster, so even there, this trend would hold true, right, of premiumization and the premium category is generally growing faster?

**Priya Nair:** Absolutely. Across Pop Strata in the country today, consumer products tend to be in that direction over time. And we have a portfolio. The thing I want to clarify I wanted to underline the importance of our mass business for us. So, we have leadership because we have the portfolio we have with straddles across the price piano, and winning at each end of this market is very important. And that's the shape of growth that we are looking for is competitive growth at each end of the pyramid. And of course, the premium segment grows faster. So, I hope that clarifies.

**Aditya Soman:** Yes, it does.

**Moderator:** Our next question comes from the line of Nihal Jham with HSBC.

**Nihal Jham:** I had three questions. Will quickly take them. The first is, if I look at our Q1 volume growth of 5% versus, say, 6% in Q4, fair to say that it's mainly the moderation in tea volumes and soaps, which sort of explains this deceleration, right? And all the other subsegments would have seen a pickup in volume growth?

**Niranjan Gupta:** Yeah, from a trajectory perspective, yes.

**Nihal Jham:** That's helpful. The second one, Priya and Niranjan, was, say, on the El Nino impact. I know you have called that out, historically, when we have also seen the performance in, say, years when El Nino has been extremely strong that we have not seen that much of an impact in terms of how our overall top line or volume growth would have been impacted. So, it is fair to say that irrespective of how the El Nino impact sort of plays out, there wouldn't be much of an impact on the growth is what we are thinking at this point in time?

**Priya Nair:** Yes. I mean I will just give you some statistics and maybe that will help. Overall, I mean, since you guys will know this, but agriculture is now 15% of the GDP of India. And in a difficult year versus a good year, the impact will be 50-60 basis points to overall GDP growth. Within that, our portfolio, because of the spread both across categories and the depth in each subsegment, we feel very confident that we can navigate. Which is why we are not guiding differently.

**Niranjan Gupta:** Yes. And if I were to just build on Priya's point, the added thing is that while that's the quantum impact that happens, there's also been MSP increases that have happened around 5% to 6%. So therefore, in a sense, there is some sort of insulation to an extent on the rural income part of it.

And therefore, when you see the rainfall progression as of now, because this monsoon is important. It started with a huge deficit, but now it has now actually increased, and therefore, the deficit is now only 15% of the overall. Now as long as the deficit remains between 15% to 20%, we do not see any meaningful impact on the Indian economy.

**Nihal Jham:** Got that, Niranjan. Just one final question is on OZiva. Looking at FY26, the performance was very strong at, I think, at an 80% kind of growth the first full year when you were operating it. In Q1, when you are calling out the moderation, any specific aspects about what changes are we making that the growth has sort of moderated?

**Priya Nair:** No. Listen, in these kind of categories, growth doesn't tend to be linear, right? These are small businesses moving at sometimes at very high velocity. We just need to keep driving that curve of growth and innovation. We remain extremely bullish on the opportunity in wellness, and we will roll out a spate of innovations as we go forward to keep driving the wellness category.

It's at a very early stage, super nascent, right, the wellness category in India. So, I think we have had a huge inflection since acquisition, and this is an area in which we don't expect linear growth, to be honest.

**Moderator:** Ladies and gentlemen, I would now like to hand the conference over to Mr. Yogesh Mulgaonkar to take up questions from the web. Over to you, sir.

**Yogesh Mulgaonkar:** There are quite a bit of questions on growth. The questions are, congrats on the double-digit USG growth, especially the volumes in this context. Is this growth sustainable? And what's your outlook going forward?

**Priya Nair:** Yes. I mean, we will keep guiding for the way we have guided, which is full year '27 will be better than full year '26. What I want to share is why we feel that the progress is in the right direction, and it's basically because we believe it's behind a few key fundamentals. Let me lay them out for you.

The first is that we have been very sharp on allocating. We spoke about this in the last quarter, and I will repeat it, which is sharply allocating our resource within a few key bets, which we internally call power moves. These are really low penetration, high growth segments in each of our businesses, where we are driving resources towards. These are resources, both financial, in terms of human resources. So really allocating our resources behind a few bets.

The second is market development and really doubling-down as leaders in all the categories in which we are behind developing and growing the market. And really, whether it is our sampling activities, our resources towards growing penetration in these categories, the assortment of these low penetrated categories, that has been a big focus.

And related to that, the third is really doubling-down behind our execution in market. We are growing our distribution and our assortment, both in general stores and in organized trade. And this has come on the back of all the work we have done on creating a more specialist route to market.

We talked about some of them in the last quarter, like quick commerce and really the organization that we have created. But really, doubling-down behind execution in the market is the third area or the third vector.

And lastly, it's continuing to drive our portfolio towards the higher velocity areas, like the acquisitions we have done of Minimalist, OZiva, which provide us better exposure to growth.

**Niranjan Gupta:** I think if I may just build on that, Priya. So, also when you look at it, if the growth is actually narrow, then one can look at as to how do you address the medium and the longer term. Our growth, if you see in the quarter, has been very broad-based. So, on one hand, right, from Laundry to Dishwash, to Coffee, to Horlicks and Boost, to Beauty & Wellbeing, Hair Care, Skin Care. So, you look at across the Board, it's a very broad-based growth.

Second is the growth is also broad-based across channel. So GT has come back to the growth, a step-up of the growth, q-com or MT or e-com. If you look at rural and urban, even from that point of view, it's broad-based. And then Priya touched on the mass and the premium. So, the broad basing of growth gives us confidence that moving forward, that we are standing on a solid platform of taking it forward.

**Yogesh Mulgaonkar:** There's one more question which says there's a report by Bain, which points that there's a trend towards many D2C brands arriving in the market. But they saturate at INR500 crores top line? Is this an opportunity for a company like HUL, which is widely distributed.

**Priya Nair:** Yes. We look at our portfolio expansion in the following way. The first is, and we will always say, extending our current brands into new demand spaces. So, a great example of that in recency is what we have done with Horlicks as we have entered protein or what we have done with Vaseline as we have entered light moisturization.

So firstly, taking our existing -- and I'm just laying it out so that I can put it into 3 buckets for you. So, the first is extending our existing brands into new spaces. The second opportunity for us is to bring in more of our Unilever brands to occupy demand spaces.

And of course, the third is looking at acquisitions and bolt-on acquisitions of the nature of Minimalist, OZiva, as we have done, and providing them not just the leverage of scale, but actually a lot of the R&D capability, the synergy benefits that we offer, along with the deep understanding that we have of the categories in which we are leader. So, depending on our portfolio, we will always look at opportunities to help scale these brands.

**Niranjan Gupta:** Yes. I mean, absolutely. And just to build on that, obviously, we keep saying that the barriers to entry may have got reduced, Priya, what you keep saying, but the barrier to scale has only gone up, and that's also visible in some of the brands that we acquired like Minimalist that post our acquisition, it's really taken off in a big way.

**Yogesh Mulgaonkar:** What are your top risks to deliver your annual revenue outlook?

**Priya Nair:** I mean I think on this, we have to say that we are guiding towards the plan that we have, assuming those risks are built into plan, right? So, we assume that the risks that are there in the plan are built into it as we guide you towards full year '27, greater than full year '26.

**Niranjan Gupta:** Absolutely. I mean these are risk-adjusted guidance that we have put in, factoring in both the macroeconomic environment as well as any kind of portfolio risk.

**Yogesh Mulgaonkar:** Do you give some guidance on quick commerce? We are hearing some information on slowdown. How do you see this for Unilever?

**Niranjan Gupta:** So as far as commerce is concerned, quick commerce as a segment is also seeing entry of new players. So therefore, it's a segment that's evolving rapidly. As far as our growth is concerned, our growth has been very strong double-digit, 40%, 50% kind of growth that we are growing in Q-com.

And therefore, moving forward, also we see opportunities as far as Q-com is concerned, and what we are focusing on winning in Q-com is through improving availability through curated tech solutions, tailored assortments across our portfolio, also price pack architecture, which is being built specifically for Q-com.

Along with that sharper execution and partnership with these platform players because there's a lot of exchange of knowledge on how to operate happens. And finally, as we scale, we are also looking at, that how do you leverage data and insights to improve conversion, visibility and repeat usage. So, the channel remains fast growing. It is structurally attractive. It provides a deepening of scale and improving the quality of growth.

**Yogesh Mulgaonkar:** Dorwin, I will hand it back to you for any questions online.

**Moderator:** Our next question is an audio question from the line of Percy Panthaki with IIFL Capital.

**Percy Panthaki:** Just wanted to go deeper into the soaps performance. So, there is a 4% sales growth, and the volume decline is sort of a low-single digit kind of a volume decline, which means that the effective pricing is a single-digit pricing growth on a Y-o-Y basis.

Now given that the GST rate cuts have happened from 18% to a 5%, at a consumer price level, the Y-o-Y sort of pricing would still be flat to marginally negative only, even though at a net sales level, you are seeing a high single-digit kind of a pricing. So, from a consumer affordability point of view, Y-o-Y, I mean, it's flat to better. So why is there a volume decline in this segment?

**Niranjan Gupta:** So you have to look at sequential inflations over a period of 2 years. So, it's not just 1 year or let's say, the GST period, which you are right in pointing out that there is some part of netting off that happens. But it is over a couple of years that is a palm oil-led inflation that's been happening, and that's impacting the category overall as such.

What we are doing to counter, as we said, is to increase premiumization here. And therefore, the focus on Dove and Pears, which we are growing at strong double-digits, equally in the formats, upgrading people to Bodywash, which is actually very low penetration.

And again, there, we have a lead market share and actually increasing it also in double-digits. So that's the part of it. Other than that, we are also looking at ways and means to actually grow on Lux and Lifebuoy, which is the mass portfolio in soaps.

**Percy Panthaki:** Sir, if the inflation is so high that the consumer is not even able to buy the current brand that he is buying, then how is he going to able to premiumize? So, I understand that at a mathematical level, you are seeing premiumization because Dove and Pears are growing faster, but that doesn't mean that the consumer is really premiumizing, right, if inflation is the issue. And also, just wanted to understand at the mass end, apart from the macro issues in this segment, is there any market share loss at the mass end of the Soap segment?

**Priya Nair:** So firstly, when you look at the soaps market, you have to segment the market by pop strata type by consumer segment. There is a different kinds of trends in the market depending on where in the market you are referencing, right? Different trends in rural, different trends in metros, large towns.

So, I don't want to brush one brush across the entire market. Our focus is to continue to drive sequentially our volumes, continue to premiumize our business through Dove and Pears, and which is doing well, continue to do well and drive up the premiumization, and drive the Bodywash market and convert the market to liquid. So that's really how I will see it.

**Percy Panthaki:** Got it. Secondly, on Home Care and Beauty, I must congratulate you that you have posted really good growth both in value and in volume. In fact, the volume growth has probably accelerated at the same time that the pricing has accelerated, which is rather sort of fair and a good achievement.

So just wanted to understand, especially in Beauty, what has really started working for us? There was a drag from Glow & Lovely because the mass skin care as a segment overall and not just your brand was not doing well. So, have we seen that segment coming back to growth or the problems there remain and we have seen an even faster acceleration in the premium, which has led to the overall sort of growing well?

**Priya Nair:** Yes. So overall, across our Beauty business, we are seeing both things. We are seeing our mass business do better sequentially. We are also seeing our premium business accelerate. And that's the reason for the strong double-digit growth. It is both happening together.

And of course, our hair category has performed extremely strongly, double-digit growth, and with high-single digit growth in skin care. So, this combination of a return on sequential performance on mass and you're referencing Glow & Lovely, but acceleration of premium.

And in the end, it boils down to the moves that we are making, right? The first is that we have launched 3 of our brands are growing at extremely strong double-digits. So Simple, Vaseline, Pond's, all growing very strong double-digit. We are accelerating our online brands in Minimalist, Simple, very strongly, both online and off-line. The Channels of the Future as well are growing double-digit for us.

So, I think e-commerce, modern trade. These are growing double-digits as well. So, we are encouraged with the trajectory we are seeing, we will continue to double down when some of the measures that we have put in place like deseasonalizing of moisturization, democratization of sunscreens, all the areas that we have called out in our Beauty categories that we are going behind market developing.

**Percy Panthaki:** Got it. And lastly on margins, at what level does crude need to maintain if you had to, let's say, maintain margins at 23% without taking any further price increases?

**Niranjan Gupta:** So that question will be very difficult to answer. And even if I have the answer, I will not be able to provide that. But what I can give you is a general thing, which is that, again, we have got a playbook where when we have passed even half the inflation, we are able to maintain the margins, and which is what we have shown to be within the guided range.

And therefore, because we have the flex on all the lines of P&L, we do see the commodities remaining a bit elevated, and we will take measured steps on the pricing. And with that, we should be able to manage the EBITDA Margins. Of course, if you were to talk crudes of $140, $160, which is, of course, not feasible, as of now.

So, then it's a different discussion altogether. But when you look at the vicinity of -- because in the peak part of the June quarter, also crude went up to $100 per barrel. So, when we see that kind of economics, which are operating anywhere between $75, $80 to $100, within that, all of that ranges, it's feasible for us to maintain the EBITDA Margins.

**Moderator:** The next question comes from the line of Siddharth Negandhi with CWC.

**Siddharth Negandhi:** Congrats first on a great set of numbers in Beauty and Home Care. On a couple of things -- on quick-commerce, are you seeing this as more of a shopper channel shift or are you seeing incremental revenue coming from either higher consumptions or upgrades or share gains? That's question one.

Question two is on the competitive intensity headwinds that are possibly seen in the market from value players in liquid detergents, in hand wash and in beauty. How are you seeing those impacting your growth aspirations in the whole premiumization journey that you are seeing, right?

And the third question is on how do you see the salience of brand marketing spends and platform or POS marketing spends shifting, with the whole shift in shopper behaviour more towards organized trade, which is modern trade and quick commerce. Yes. Those are the 3 questions.

**Priya Nair:** Sure. Let me start with the first, which is a question you asked on quick commerce. Quick commerce actually allows us to segment consumers and that is a very powerful thing from our perspective, to actually create the right portfolio, channel architecture, which we are building with a lot of packs designed for that particular channel.

And therefore, in that sense, a huge opportunity for us to upsize, create new sub-segments, which hitherto, would have been difficult to segment. I think what quick commerce has allowed us to do is segment the route to market. And that's a very huge opportunity for us, and that's how we see the opportunity in quick commerce for us.

The second is you were talking about liquid detergents and various other liquids. I think the way to think about it is that these are very, very low penetration segments. So, our focus is to really develop the market. That is really the game that we are playing is to grow the market, to create that market.

And within that, we are by far leading the market development initiatives of these categories. So, there will always be competition. That's the nature of free markets, but we are very well placed because we are growing and developing the market. And we will have the right portfolio, price architecture as the market develops to fight as we have fought in other formats even in these formats. So that's really what I would say on liquid.

On the last thing, you asked on performance marketing spend, I believe, versus brand marketing spend. For us, it's always a very healthy balance of these spends of long-term brand building spends versus short-term acquisition spends.

And we maintain and we have a lot of return on marketing investment, long-term and short-term modelling on what are the right ratios to use to build brands, not just in the short term, but over time. And we use this knowledge and intellectual proprietary knowledge that we have of return on investment to decide by brand how to prioritize between short-term and long-term investments.

**Siddharth Negandhi:** Got it. Just a follow-up on the liquids piece, sorry, from what I understand specifically on the hand wash piece, post-COVID, there has been some consumer stickiness and there is reasonable penetration there. Are you seeing that being one of the reasons why Soap's volumes are being impacted?

And there again, in terms of the value play through those powder to liquid hand washes, are you seeing that sort of denting the whole premiumization on that part of the bars to liquids journey? That would be just a follow-up, yes.

**Priya Nair:** Yes, I think -- I'm not entirely clear, but I'm assuming you're talking about skin cleansing?

**Siddharth Negandhi:** Yes, that's right. Hand wash versus the bar soap?

**Priya Nair:** I see. Okay. I'm not clear whether you're talking about laundry or skin cleansing. So, in the skin cleansing category, the consumption that you have bathing versus hand wash are very, very different, and it will be a small subsection of what is used as liquid.

The biggest opportunity is to convert bathing products to liquids. And that's the bodywash opportunity that we were referencing a little earlier. For me, that is the huge opportunity of the consumption that happens in bathing and moving those consumers into liquid.

So that's really our priority and focus. That's the largest part of the market. And we are very well equipped to navigate as the leaders of the Bodywash segment.

But more importantly, we are driving those activations and initiatives to gain new consumers, to do the sampling, to educate consumers of the benefits of liquids over soap bars.

**Moderator:** Thank you. I will now hand the conference back over to Mr. Yogesh Mulgaonkar to take up questions from the web. Over to you, sir.

**Yogesh Mulgaonkar:** There are 3 questions on the web. One is on Home Care. While the top line has been good, the EBIT has fallen, would you take further pricing in the context of inflation?

**Priya Nair:** Yes. Can you repeat that again? Sorry, Yogesh?

**Yogesh Mulgaonkar:** Home Care has delivered a strong performance, EBIT has fallen. Would you take further pricing to ensure to cover for the inflation?

**Priya Nair:** Yes. I think we mentioned this, but the situation on crude remains volatile. So, we will be calibrated in what we need to do as we have done in this quarter, we remain confident given our Home Care portfolio. We will calibrate between price, savings, procurement benefits to ensure that we navigate competitively as we have done in this quarter.

**Yogesh Mulgaonkar:** The next question is on tea. Can you help us the commentary on tea inflation and what are your pricing actions, especially given the tea season is ongoing?

**Priya Nair:** Yes. The early read of the tea season indeed shows an inflationary trend. We will look as we go into the season and the buying season completely as to how the commodity pans out. And based on that, we will take the right calls on pricing.

**Yogesh Mulgaonkar:** Priya you have completed 1 year in the role. What are your reflections?

**Priya Nair:** Yes. Thanks for asking. Firstly, it's been a very exciting 1 year from an overall context. Listen, I remain happy with the progress but not satisfied. And that would be my top line answer to how I feel. You can never be satisfied in a company like this with what the opportunity is, but happy with the progress we see quarter-on-quarter.

I believe behind this, there are some strong fundamentals, I referenced them, so I will quickly touch on them. The first is all the work that's happening on the portfolio and gearing the portfolio towards higher growth spaces. The investment choices that we have made, sharpening them radically, ensuring that those get the lion's share of our investments.

The go-to-market progress that we made on assortment, distribution growth, but also the segmented channel architecture that we are putting in place and the channel capabilities that we are putting in place.

But mostly the work that's happening on brands and innovation. And that we will see going forward, not just in the few quarters that have gone by, but that is a multi-year plan. And so, I feel that the direction is right and the fundamentals start to fall in place. But like I said, happy with progress, but not satisfied.

**Yogesh Mulgaonkar:** With that, we now come to the end of the Q&A. Before we end, let me remind you that the playback of this event will be available on the IR section of our website in a short while. And I hand over to Niranjan for some closing remarks.

**Niranjan Gupta:** Thanks, Yogesh. If I may just summarize the key messages for the quarter from our side. One, as you have seen, it's been a double-digit growth with a continued step-up over the last few quarters.

Second is our underlying Profit After Tax adjusted for the one-off credit of last year grew by 11%. We have navigated well in June quarter with EBITDA Margin remaining in the guidance. While the volatility continues, we remain confident of the resilience of Indian economy and the stability of FMCG demand, and we remain well equipped with our portfolio to navigate this moving forward as well.

**Yogesh Mulgaonkar:** Thank you, everyone, for your participation, and have a great evening.

**Moderator:** Thank you. On behalf of Hindustan Unilever Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.

***Disclaimer: This transcript has been edited to remove any grammatical inaccuracies or inconsistencies of English language that might have occurred inadvertently while speaking.***