Hindustan Unilever

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Operator: Ladies and gentlemen, good day and welcome to the Hindustan Unilever Limited conference call for the results of the quarter ended December 31, 2025. 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, please signal an operator by pressing the star key followed by 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.

Management: Thank you, Robin. Good evening everyone. Welcome to the conference call of Hindustan Unilever Limited. This evening we will be covering the results for the quarter ended December 31, 2025. On the call with me is Priya Nayar, 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 20 minutes, leaving us with approximately an hour for the Q&A; session. We will look forward to end the call at 5:15. 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 sake. With that, over to you, Priya.

Management: Good afternoon everyone and thank you for joining us on the call today. I will begin by outlining the operating context for the quarter, followed by our performance highlights and key actions that we executed during this period. Subsequently, Niranjan will take you through our in-quarter results and conclude with the outlook. As we look at the operating environment for the quarter, we are seeing a steady improvement in underlying demand. Lower inflation over the last few months, especially the meaningful easing in food inflation, has supported this stability. Consumer confidence, as evidenced by the RBI consumer survey, is also seeing a consistent improvement, signifying a recovery in consumer sentiment and willingness to spend.

Macro policies remain supportive with the RBI implementing its 4th repo rate cut over the past year. Following the rollout of GST 2.0 last quarter, prices have now stabilized in the market. Both of these developments are expected to improve disposable income and boost consumption going forward. The input cost landscape has, however, remained volatile: depreciating rupee, increased cost pressure on imported materials, while commodity trends remain divergent. Palm oil, though stable in recency, is inflationary if viewed over a longer term. Tea has been deflationary for the season, but planters showed mild inflation this quarter. Crude link derivatives like kerosene and benzene have been benign to deflationary, but non-feedstock commodities and sulfuric acid are inflating, impacting our home care portfolio.

Given the evolving geopolitical dynamics, we will continue to closely monitor currency and commodity movements and take calibrated price increases wherever necessary, while continuing to drive strong savings delivery to minimize impact to consumers. In this backdrop, we delivered an underlying sales growth of 5%, driven by an underlying volume growth of 4%. This growth was broad-based with all categories contributing and it was competitive as we continue to gain turnover weighted market shares.

As you are aware, we have completed the demerger of the ice cream business this quarter. The numbers on the slide reflect performance of the continuing business excluding ice cream. EBITDA at 3,788 crores was up 3% year-on-year, while EBITDA margin at 23.3% was within the range that we have previously guided to. Profit after tax before exceptional items at 2,562 crores grew by 1% year-on-year. Reported profit after tax for the period at 6,603 crores grew 121% year-on-year. This includes several one-off impacts arising from the ice cream demerger and Oziva fair valuation in the quarter. It also includes the base effect of the income from the sale of the water business in December quarter 2024. Niranjan will provide more details on the financials later in the presentation.

In our last earnings call, I had outlined the key strategic priorities that will shape the organization's agenda moving forward. We are reshaping the engines of growth with one clear goal: competitive, volume-led revenue growth fueled by desired scale. Our four priorities reflect this ambition: consumer segmentation with deeper precision, crafting brands that are modern and have stronger relevance, future proofing our frontline marketing and sales engine, and doubling down on fewer, bigger bets to accelerate growth. I will talk about a few examples from the actions that we have already taken in our pursuit to drive this agenda. Let me first take an example on how we are building sassy brands.

The term sassy stands for five pillars that guide our product development, marketing, consumer engagement, and persuasion models. The Nexxus Hydrametrics range showcases sassy in action. The product category has category-leading science-backed ingredient polyglutamic acid that delivers 5 times more hydration. The campaign has been brought alive through dynamic visual demonstrations and is strengthened by celebrity stylist authority. Its contemporary aesthetic shifts beauty from polished perfection to authentic achievable glamour while sensorial and immersive storytelling make hydration queues come alive. We are building strong credibility and cultural relevance through diverse gender-inclusive representation and clutter-breaking communication. This is the playbook that will guide all our brands going forward, anchored in deep consumer insight, powered by science, and designed for strong consumer resonance.

We are investing to build the future modes of our marketing and sales engines while rewiring our current modes. On marketing, we are focusing on social-first demand generation, while equally ensuring that we continue to leverage traditional media more effectively. Similarly on sales, we are investing behind fast-growing channels while ensuring we also modernize and step up execution in general trade. Winning in India will always require an "and" strategy rather than an "or" strategy. At the forefront of channels of the future is quick commerce, the fastest scaling route to market and a structurally critical channel for the future. It is doubling every quarter and reshaping how consumers discover, shop, and replenish.

While it contributes around 3% of our business today, we expect it to scale meaningfully in the near term. To capture fully this opportunity and lead the channel shift, we have established a dedicated quick commerce organization. In this structure, the quick commerce lead directly reports into the HUL sales head, enabling faster decisions, sharper execution, and higher focus on this high-growth channel. In parallel, we are elevating category captaincy through deeper customer partnerships, stronger joint business planning, and consistent relevant activations.

As quick commerce expands, the operational complexity of serving the channel will increase materially. We are deploying our advanced supply chain capabilities to build an adaptive operative model for this channel, from collaborative forecasting and inventory management to real-time data integration. We are creating a highly agile, efficient, and connected supply chain designed for the speed and precision that this channel demands. We are already seeing very encouraging outcomes with service levels improving by 1,400 basis points over the past year and lead time taken from PO generation to servicing reduced by 20%.

Our ability as HUL to scale brands and formats and develop markets continues to be one of our strongest competitive advantages. We are leveraging this strength to shape our next engines of growth. Max Reach and within that D2C is a critical part of our fewer, bigger bets agenda and we are scaling our presence in this segment with speed and intent. We have been expanding our presence both through organic and inorganic roots, leveraging HUL scale to accelerate growth, while building a strong D2C playbook that can be replicated across other brands. With Minimalist, we are unlocking the next phase of growth by expanding into offline channels and by realizing synergies through media effectiveness, procurement, and manufacturing.

Oziva is another such example. The brand has scaled up significantly in the last 3 years, supported by a robust science-backed innovation portfolio. Between these two brands, we have now built an ARR of 1,100 crores business. With Kissan, we are extending the master brand into newer demand states such as chutneys. Based on internal study, chutneys offer significantly broader consumption potential with nearly 4 times as much consumption occasions as ketchups. This represents a significant opportunity to convert scratch cooking moments into branded packaged formats and thereby unlocking a large runway for growth.

Body wash is a core strategic priority and we have a strong differentiated portfolio across Lux, Pears, and Dove that addresses multiple consumer needs across price points. Our sharp execution and sustained brand investments has helped us triple our turnover over the last 3 years and firmly establish leadership in this fast-growing category. In laundry powders, while we have enabled a large cohort of consumers to upgrade to premium laundry brands and formats, a significant section of market still continues to use mass powders. To accelerate premiumization here, we have intensified our activations with the 99 Surf Excel pack this quarter. With an accessible price point and activations that highlight this, we intend to bring more first-time users into this premium segment and expand the category.

Starting January, we have made a few important changes to the HUL organization. The intent is to build a simpler, more agile organization that can execute our priorities with greater speed, accountability, and precision. All business unit heads will now directly report to me instead of the earlier dual reporting structure. This will strengthen empowerment, accelerate decision making, and ensure more "India for India" choices are taken closer to the consumer. There will also be a chief marketing officer appointed under each of the business units, who will play a pivotal role in building desirable brands and landing superior innovations.

Aligned with this unified India strategy, Unilever R&D; organization has also created an India-focused R&D; category design and deploy organization. This strengthens our ability to accelerate science-led consumer-centric sassy innovations, build stronger local design and deploy capabilities, while ensuring India R&D; stays fully connected with Unilever R&D; to leverage the best of global science and technology and global innovations for India. I believe these changes will underpin our growth ambitions by improving agility, driving sharper execution, and strengthening the fundamentals that matter for sustained momentum. At the same time, we will continue to maintain an important and mutually interdependent relationship with Unilever and will benefit fully from Unilever's global science, R&D; technology platforms, brand trademarks, and central services like procurement and manufacturing excellence to name a few. With that, let me now hand over to Niranjan who will take you through our in-quarter results in detail.

Management: Thank you, Priya. Good afternoon everyone. Let me share a detailed overview of our quarterly performance followed by our outlook. We delivered a revenue growth of 6%, which comprises of 5% underlying sales growth and 4% underlying volume growth for this quarter. Gross margin remained healthy at 50.8%, which was up 30 basis points year-on-year. The improvement in gross margin majorly reflects positive portfolio mix following the inclusion of Minimalist, which operates at structurally high margin and was not part of the base.

EBITDA margin at 23.3% remains within our guided range excluding ice cream. While absolute A&P; increased at 9.4% of turnover, on a basis point level it was down 30 basis points year-on-year due to phasing. If we look at the year-to-date level, our A&P; remains the same as 10% of revenue. We have invested on an absolute basis 185 crores higher versus last year and combined with the buying efficiencies we continue to get, the impact is even higher. We continue to remain competitive in terms of share of voice versus share of market.

Overall, EBITDA grew 3% year-on-year, while PAT before exceptional items grew by 1%. This reflects the impact of lower net other income due to softer interest rates combined with lower investable surplus post-recent acquisitions and payout of special dividend in November 2024. We also accounted for a gratuity impact of 113 crores in the quarter and this was accounted for in the normal items under employee benefit expenses. If you were to add that back, then our EBITDA would grow by 5% and our PAT before exceptional items, adjusted for that, would grow by 4%.

Let me take a couple of minutes to walk you through the bridge from PAT before exceptional item to reported PAT. As I mentioned, PAT BI at 2,562 crores grew 1% year-on-year after factoring the gratuity impact. The reported PAT includes the following items: Number 1 is the impact of increase in fair valuation of Oziva and Minimalist versus exceptional income from sale of Purit business in the base. The higher fair valuation is a reflection of continuing strong performance by Oziva and Minimalist over the last year. And the 2nd item is a one-time non-cash gain arising from the ice cream demerger accounted for in accordance with the approved scheme of demerger and applicable accounting standards. The detailed amounts on each of these is there in the notes to accounts. Consequently, the reported profit after tax for the period stood at 6,603 crores, up 121% year-on-year.

Moving on to our segment-wise performance for the quarter. Homecare posted mid-single digit UVG on a base of high-single digit UVG. USG at 3% reflects the continued impact of price reductions which were taken previously, which would be anniversarized by the June quarter. The segment fundamentals remain strong, underpinned by superior products, robust brand equity, and market development actions. As a result, the segment has continued to gain market share and has achieved its highest ever market share, further strengthening our leadership position. Fabric wash within this delivered competitive mid-single digit UVG, while household care continued its strong momentum delivering double-digit UVG.

Our liquids portfolio spanning laundry liquids, FabCon, and dish wash liquids accelerated its growth trajectory, recording strong double-digit growth driven by market development actions. While UPG for the segment remains negative due to pricing actions taken during the year, we are taking calibrated price increases given currency depreciation and sustained inflationary pressure in non-feedstock commodities.

Moving on, Beauty and Wellbeing delivered 6% USG, driven by outperformance in hair care and health and wellbeing. Hair care delivered double-digit growth supported by high-single digit UVG. The growth was led by outperformance in premium brands such as Dove and Nexxus. We also continued to strengthen our market leading position during the quarter. In skincare and color cosmetics, the winter portfolio continued its strong performance led by Vaseline. The winter portfolio delivered double-digit growth for the entire season, which includes part of the September quarter as well. This was offset by a weaker performance in the non-winter portfolio. Driven by our focused efforts to de-seasonalize the moisturizers category, our light moisturizing portfolio comprising Pond's and Lakmé recorded double-digit growth. Our decisive investments in channels of the future continue to unlock strong double-digit growth this quarter, while we continue to strengthen our market shares.

Health and Wellbeing posted another quarter of robust performance with high double-digit growth. On-trend science-backed innovations remain a key growth engine for us, enabling differentiated product superiority and greater consumer trust. Personal Care delivered 6% USG led by double-digit growth in premium skin cleansing and oral care. Skin cleansing posted mid-single digit growth driven by outperformance in our premium brands Pears and Dove. We continued to reinforce our market leadership with double-digit growth in body wash, another category where we are accelerating our market development activities.

Oral Care delivered double-digit growth supported by both price and volume. During the quarter, we further expanded our freshness portfolio with Closeup Intense Cool, formulated with zinc and cooling mint for an instant burst of long-lasting freshness. Our deodorant segment has grown in double digits, albeit on a small base. As official sponsors of ICC Women's Cricket, Rexona continues to champion for and elevate female athletes, providing a platform to encourage young women to participate in sports, break barriers, and pursue their potential.

Moving on to foods. Foods delivered 6% USG. This performance is broad-based and driven by high-single digit UVG. Within this, tea delivered mid-single digit UVG. Revenue recorded low-single digit growth which reflects the impact of price reductions taken in a deflationary commodity environment earlier. Coffee continued its strong momentum of double-digit growth, supported by both price and volume. Lifestyle nutrition grew high single digits driven by Boost and Horlicks Plus. As market leaders in this segment, we remain committed to our initiatives towards increasing consumption. In this quarter, we continued to modernize the Horlicks brand and strengthen its relevance with consumers through the launch of Horlicks Superfoods in two states.

Horlicks Superfoods brings together our proprietary Nutrimax technology, which enhances nutrient absorption, and superfoods that support gut health and immunity. We also introduced a zero added sugar variant with no artificial sweeteners or added sugar, aligned with emerging nutrition and wellness trends. Through this relaunch, we are combining the trusted taste of Horlicks with advanced science and modern nutrition. Packaged foods delivered high-single digit UVG. The performance was supported by Ketchup, Mayonnaise, Soups, and Unilever Food Solutions. We continue to deliver strong competitive double-digit growth in modern trade and e-commerce.

Coming to portfolio transformation and an update on the transformation agenda. With Minimalist, our current focus is to unlock the next phase of growth for the brand by realizing synergies. For instance, we already expanded the brand into 25,000+ offline stores from 3,000 since acquisition. We have also seen a marked improvement in brand awareness and media effectiveness as we move to a full-funnel marketing playbook. Lastly, we are also leveraging HUL technology to support creation of a robust pipeline of meaningful innovations. As a result of these actions, the brand has delivered strong double-digit growth in the quarter.

In line with our strategy of focusing on fewer and bigger bets, the board of directors approved the acquisition of the remaining 49% stake in Oziva at an investment of 824 crores. The brand has scaled up significantly in the last 3 years, driven by a steady flywheel of innovations and effective digital-first demand generation. The health and wellbeing segment presents significant headroom for growth and we will strengthen our participation here through Oziva. Continuing with our intent of sharpening portfolio, we have decided to divest our minority stake in Nutritionalab Private Limited. We are selling this stake to USV Private Limited for a consideration of 307 crores. We also recently concluded the ice cream demerger process in December.

With a dedicated management team and singular focus, we are confident that Kwality Wall's is well positioned to capitalize on the growing market opportunity in India and deliver sustained performance. Kwality Wall's will be listed on February 16, as noted from the BSE notice. We will continue to evaluate and transform our portfolio on an ongoing basis to ensure we are focusing and investing disproportionately in high-growth demand spaces.

Now coming to the outlook. As you could see from our quarter results, it reflects a step-up in growth and we are moving with speed on our strategic priorities. Our growth has also been broad-based as reflected by growth in all segments across our portfolio. Looking ahead, we expect the operating environment to remain conducive for a sustained recovery in consumption. Coupled with our internal actions which have been outlined by Priya, we expect growth in financial year 2027 to be better than financial year 2026. Growth will continue to remain our number one priority. We will invest in the business as needed to support sustained growth and hence we expect consolidated EBITDA margin to stay around the guided range. With this, we conclude our prepared remarks and I will now hand back to Yogesh to commence the Q&A; session.

Management: Thank you, Priya and Niranjan. With this, we now move to the 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. In addition to the audio, our participants have an option to post questions to the web option on your screen. We will take those questions just before we end. With that, I would like to hand the call back to the operator to manage the next session for us.

Operator: Thank you very much, sir. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to withdraw your question, you may press star and two. Participants are requested to please use handsets while asking a question. Ladies and gentlemen, we will now wait for a moment while the question queue assembles. Our first question is from the line of Manoj Menon from ICICI Securities. Please go ahead.

Manoj Menon – ICICI Securities: Hi, Priya, Niranjan, and Yogesh. Good performance and more importantly, good commentary. I just want to double-click on the positive comments from HUL after a fairly long period of time. You did allude to the macro factors and some internal actions you have taken in the presentation as well. Just a couple of points beyond that, if you could just help us understand. One, what is the tonnage growth within UVG? Are you finding early signs to have a forecast of 2 times better than 1 time in FY27 rather than FY26, based on your internal green shoots or analysis?

Point number 2, are there any early signs of elasticity gains which you are finding in the discretionary part of your staples portfolio? The reason I am asking is that in certain parts of the portfolio, the replacement cycle is probably 3 months or higher. So, in that context, what is your assessment at this point? If you could elaborate more on the optimism, that would be very helpful. Thank you and good luck.

Management: I can start and then of course Niranjan will add. I think firstly what I want to say is that we outlined two real key reasons why we believe we are beginning to see the gradual improvement in our performance. The first is the macro conditions as we mentioned. That is very critical to understand with a company of our scale and size that reaches 9 out of 10 consumers; the macro conditions indeed play a significant role. Whether it is lower inflation, more liquidity in the market, overall consumer sentiment change, it makes a huge difference along with all the reforms that have happened in the country. This plays a big role.

Coupled with that are the actions that we have taken, whether in the fewer bigger bets I called out, the sharper segmentation of our portfolio, or the double down in our channel capabilities—continuing strength in general trade while improving our resource allocation towards future channels. This, combined with our continued portfolio transformation, is indeed the reason why we are beginning to see this acceleration. This is where we will keep doubling down on driving volume-led revenue growth. Our UVG for the quarter is the highest UVG that we have recorded in the last 12 quarters. This bodes well for us and this is where we will keep focusing. Niranjan, if you would like to add?

Management: Absolutely, Priya. On the macro factors, if I just add, even the Union budget which is focusing on more investment-led growth and focus on manufacturing and employment, even that augurs well moving forward or in the long-term for consumption.

Manoj Menon – ICICI Securities: Sure, thank you. Just a couple of things I was trying to get: Are you finding that in categories which are mass-market oriented, the tonnage growth is also giving you that confidence? And secondly, are you seeing early signs of elasticity gains from the price cuts?

Management: Actually our growth is quite broad-based. I think that is the best way to see it is across our categories. Whether it is home care, personal care, foods, or beauty and wellbeing, what we feel happy about is the growth is broad-based.

Manoj Menon – ICICI Securities: Sure, thank you. And the second question: there is a mention about category partnership with the quick commerce players. Interestingly, all 3 of them are mentioned there. Is there anything more you could tell us, quantitatively and qualitatively, what that means? The reason I am asking is because one example which comes to mind is probably 20 or 30 years ago when Procter & Gamble used to have a partnership with Walmart, which included a lot of data sharing that helped both parties. Is that the sort of magnitude we could think of this partnership? What does it mean for Unilever and for those players?

Management: Fair enough. Firstly what I want to say is that we are in an omnichannel environment in India and all our channels are critical to us, especially given the scale of HUL and the number of brands we have even in a single category portfolio. It is important that we win across channels. In India, all channels grow. What is true is that the new channels grow faster; quick commerce growth is more at this moment and that is why we are doubling down. But it is also because the capabilities that you require for each channel are different.

As regards quick commerce, we have set up a new organization for quick commerce. It is now 3% of our business, growing almost 100% quarter-on-quarter. We are stepping up investments not just in people dedicated to the channel, but also in bespoke supply chain tech and digital marketing capability. Our partnerships are really working with these partners because the data system exchange we can now perform enables stronger forecasting and deeper platform exchange, ensuring we drive up availability. In quick commerce, availability is key to success. We are happy to see the early joy because we have seen 1,400 basis points of improvement in availability over this period as we have put these changes into place. It is absolutely a partnership which is data-based but much more than that as well.

Manoj Menon – ICICI Securities: Excellent, and all the best. I will stand back in the queue.

Management: Maybe I will just add one thing: it is also the opportunity now to innovate for SKUs, brands, and really segment our portfolio for the channel.

Manoj Menon – ICICI Securities: Loud and clear. Thank you so much.

Operator: Thank you. Our next question is from the line of Avnish Roy from Nomura. Please go ahead.

Avnish Roy – Nomura: Thanks. My first question is on beauty and wellbeing. I see two different poles of performance: hair care has double-digit growth, largely volume-led, while in skincare and color cosmetics, you have called out that excluding the winter portfolio, it has been a bit weak. Is there any takeaway from hair care which can be taken to skincare and color cosmetics? Is the D2C competition much higher in skincare and color cosmetics, and is that the reason?

Management: I think firstly, regarding our hair care business, we are distinct leaders in hair care. We have very strong positions that straddle the pyramid, from Nexxus at the top of the pyramid which we brought in recently from the Unilever stable, to Dove, TRESemmé, and Clinic Plus at the bottom. We have driven premiumization and developed the market; we are the leaders in conditioners. That is our playbook of success, and it continues to play out for us in hair care.

In skincare, we have actually had a story of two halves. Our winter portfolio had a very strong double-digit performance over the season. Our summer portfolio has been relatively challenged. It has been a very harsh winter. Whether it is talcum powder, sunscreens, or our mass skin brightening portfolio, these have been relatively challenged in the quarter. We believe this will bounce back as the season comes. We now have a portfolio in skincare that spans from Minimalist and Simple at the top to Vaseline, Lakmé, and Pond's in the middle, and Glow & Lovely at the bottom. We now have the entire play of segments and demand spaces across skincare as well, and that is what we will double down on. Very simply, with what is being built at the top end of India among the top 80 to 100 million consumers in skincare, our opportunity will be to democratize that at scale. This will be our focus going forward.

Avnish Roy – Nomura: Sure. My second question is on the overall strategy, in two parts. One, you called out "fewer, bigger bets" multiple times. I wanted to understand if any more portfolio rationalization is under consideration? Also, what was the thought process when HUL acquired Nutrition Lab 3 years ago and what changed? Was growth the challenge because it was such a small acquisition? You could have held onto it. Secondly, regarding your new step of direct reporting for category heads, has any other big global market of Unilever seen a similar change? How do you see this impacting growth for HUL in India?

Management: Avnish, I will pick up the portfolio part of it, and Priya can answer the organization part. Regarding the portfolio, the theme of sharpening and rotating the portfolio continuously will continue. This is a dynamic world, and therefore we determine where to put money on bets and where to double down. I would say we are being very swift in our action and more decisive. For example, Oziva has done exceedingly well. We had put money in both Oziva and Wellbeing Nutrition (WBN) at that time. We saw Oziva perform, where we had acquired 51%, and we decided to double down on Oziva and move decisively. This doesn't mean we will not do any bolt-on acquisitions in this category, but we will continue to rotate the portfolio. Since these are minority stakes, we decided to divest. It had nothing to do with the performance of WBN itself.

Management: I will pick up the organization bit. Our focus is to simplify the organization and create speed and agility. We moved from a dual reporting structure to a simplified one. We continue to benefit from all the advantages of being a global corporation, whether in technology, R&D;, or brand trademarks, but with simplified speed of decision making. HUL is a listed entity and the CEO takes decisions, but we have just simplified for speed.

Avnish Roy – Nomura: Thanks. That is all from my side.

Operator: Thank you. Our next question is from the line of Arnab Mitra from Goldman Sachs. Please go ahead.

Arnab Mitra – Goldman Sachs: Hi. I had a couple of questions. My first question: you mentioned in your outlook that you expect a better FY27 compared to 2026. Should we expect this to be a consistent improvement trend starting from what you delivered in the December quarter, or could there be ups and downs? I ask because we are not sure if there was any restocking benefit this quarter, and the base was quite low.

Management: Arnab, the way you should think about the guidance we have given is that the 2nd half of 2026 will be better than the 1st half of 2026, and 2027 will be better than 2026. For this quarter, we had guided previously that we saw some transitionary effects of GST in October. We saw the restocking in November. Overall, you should treat this quarter as normal regarding GST.

Arnab Mitra – Goldman Sachs: Got it. My second question was on home care. If you look at the home care numbers for an extended period, USG has been below UVG. You mentioned pricing as a lever as commodities have gone up, but has that negative pricing been largely due to competition? In that context, is the shift toward liquids a headwind or a tailwind for pricing, given it is a more premium format?

Management: Regarding our home care performance, the first thing I want to mention is that we are at our highest ever recorded share in home care this quarter. We continue to have good mid-single digit UVG. The pricing has been benign, which is partly linked to commodities and partly competitive pressure. We are seeing some non-feedstock commodities now inflate, and we have already begun to take low-single digit price increases in home care while staying competitive.

Regarding our overall liquid strategy, liquid is at a price premium to powders. This augurs well for us. We are the leaders in liquids. Our biggest focus is on market developing liquids to scale. Only 7% of the market in India is liquid, so there is huge headroom to grow. There is still also significant headroom in powders, as a large tonnage of mass powders remains in the country. Continuing to premiumize the powder category is a key focus. Additionally, we will begin to anniversary the previous pricing decisions next quarter, which augurs well for pricing growth in home care.

Arnab Mitra – Goldman Sachs: Okay, thanks so much for the detailed answer.

Operator: Thank you. The next question is from the line of Latika Chopra from JP Morgan. Please go ahead.

Latika Chopra – JP Morgan: Hi. My first question was on pricing itself at an aggregate portfolio level. You mentioned home care could see some pricing coming back. When you look at the rest of your portfolio, how do you expect price growth to play out in coming quarters given other commodities are relatively benign?

Management: If you look at commodities, you have divergent trends. Crude sequentially is up. Non-feedstock on the crude side has gone up. We also see palm which is stable to inflationary. Tea, which was deflationary, is showing signs of increase. While we don't see hyperinflation, we see a stable to inflationary trend returning. Overall for the year, we expect low-single digit price increases.

Latika Chopra – JP Morgan: Understood. My second question was on specific segments. First, personal care, where you saw mid-single digit growth for skin cleansing. Do you expect volume growth has potential to accelerate sequentially as GST rate cut benefits flow fully from Q4 onwards? Could you also comment on competitive dynamics and market share trends?

Management: Within skin cleansing, our premium brands like Dove and Pears have been growing very well at double digits, which augurs well for the mix. Regarding GST-led benefits, those will pan out over a long period because overall they lead to an increase in consumer confidence and sentiment. You will see a long-term benefit rather than a short-term price-based impact.

Latika Chopra – JP Morgan: I was just trying to understand whether the restocking benefits are still to show up in the numbers or if they were already there in November and December.

Management: For the December quarter, you can assume all benefits have come in. Since it came in November, it can be treated as a normal quarter of growth and a platform for the future.

Latika Chopra – JP Morgan: Lastly, on nutrition, Horlicks saw high single-digit growth. How sustainable is this and what is the confidence on growth revival?

Management: This is our third consecutive quarter of positive UVG on our lifestyle nutrition business. Boost, which is 20% of our business, has been growing strong double-digit. Horlicks has done very well this quarter and we are correcting our price-pack architecture. We have also relaunched Horlicks into two states with Horlicks Superfoods, which uses Nutrimax technology for better nutrient absorption. We also launched a Horlicks no added sugar variant. We will roll this out across the country. We also launched Horlicks into the ready-to-drink format and will continue to extend the brand into what is relevant for consumers.

Operator: Thank you. Our next question comes from the line of Mihir P Shah from Nomura. Please go ahead.

Mihir P Shah – Nomura: Hi team. A few clarifications. Post the divestment of the ice cream business, what is the margin guidance range? It used to be 22% to 23%. Should one expect it to inch up or are you holding that range?

Management: Our guided range has been 22% to 23%. We outlined that you will see a benefit from the ice cream demerger to the extent of 50 basis points. So we stay with that guidance.

Mihir P Shah – Nomura: Secondly, regarding the new 99 rupees Surf Excel pack, what is the grammage and are there any price changes?

Management: The focus of this pack is to bring the entry price close to mass powders, focusing on a monthly consumption pack. It is a new price point for the Easy Wash pack to bring more users into the premium segment.

Mihir P Shah – Nomura: While the December quarter is normalized post the October and November effects, should one consider similar volume growth to continue, or could it soften given the restocking that occurred in November and December?

Management: We have guided clearly that we see the 2nd half to be better than the 1st half of 2026, and we believe 2027 will be better than 2026.

Mihir P Shah – Nomura: Can you help us break down the algorithm for the double-digit earnings growth highlighted earlier? If pricing growth is low single digits and you are holding margin guidance, how do we reach double-digit earnings growth?

Management: Top-line growth remains our number one priority, specifically volume-led growth. We will prioritize growth over margins and stay within the current guidance. Our top-line guidance for fiscal year 2027 is to be better than fiscal year 2026.

Operator: Thank you. Our next question is from Aditya Soman from CLSA. Please go ahead.

Aditya Soman - CLSA: Hi. Regarding skincare, you mentioned growth is meaningfully lower than some D2C platforms. Is this mass skin care growing slower, or is there more context?

Management: It is important to look at the scale and depth of our portfolio that reaches across the country. We are the largest skincare business in India, spanning from D2C brands like Minimalist at the top, to Lakmé, Pond's, and Vaseline in the middle, to Glow & Lovely at the bottom. We will keep democratizing new formats and benefits across India. As the market leader, that is our key focus.

Aditya Soman - CLSA: Is growth at mass price points lower than premium ones?

Management: Growth across channels tends to be different because of channel size. New channels are growing faster than core channels. However, it depends on geography and segment, so it would not be correct to name specific price points.

Aditya Soman - CLSA: Regarding home care, between liquids and powders, are liquids being priced the same or lower on a price-per-use basis?

Management: The price per use of liquids on average is higher than powders. This is also dependent on consumption patterns, which change when moving from bucket wash to machine wash.

Operator: Thank you. Our next question is from Percy from IIFL. Please go ahead.

Percy - IIFL: Hi. Has the pipeline at the distributor and retailer level normalized to August levels?

Management: Yes, we can safely assume that.

Percy - IIFL: If October was bad but you did 5% organic growth for the quarter, it implies November and December were higher. Should we expect that run rate to continue?

Management: The right way is to take our overall December quarter numbers as the normalized foundation for moving forward. There was downstocking in October and restocking in November; balanced together, the quarter is normal.

Percy - IIFL: What is hindering growth? At 3-4% volume growth, what is the missing piece to be bullish on FMCG consumption?

Management: We delivered our highest UVG in 12 quarters with 6% revenue growth. Macros are improving, which plays a key role for a company of our scale. We maintain our outlook that 2027 will be better than 2026.

Percy – IIFL: Is double-digit top-line growth within the scope of imagination?

Management: The macro environment and consumption demand are on an improving trend. Combined with our strategic actions, we are guiding for fiscal year 2027 to be better than fiscal year 2026.

Operator: Thank you. Our next question is from Harit Kapoor from Investec. Please go ahead.

Harit Kapoor – Investec: Hi. Regarding margins, why focus on the 22.5-23.5% range? You are already in the high 23s if you adjust for the labor code impact. Will reinvestment rates go up?

Management: Top-line growth is our number one priority and our strategy is volume-led. We prioritize growth over margins, which is why we expect margins to stay within the guided range.

Harit Kapoor – Investec: On a consolidated basis, A&P; to revenue is 10%, but absolute A&P; has increased by approximately 200 crores. Is that driven by the D2C portfolio?

Management: ANP should be viewed over a longer horizon. For the first nine months of this fiscal, ANP is 10%, the same as last year. We will continue to invest behind brands, and there will be a step-up wherever required.

Harit Kapoor – Investec: How do margins differ between liquids and detergents?

Management: We are leaders in liquids, powders, and bars. We have healthy margins and maintain the price-value equation with consumers. Our mix in home care is premiumizing, so our margin shift is structural.

Operator: Our next question is from J Doshi from Kotak. Please go ahead.

J Doshi – Kotak: Hi. What has to change for HUL to deliver 10% revenue growth? Is it a macro constraint or a portfolio issue?

Management: Macros have shown improving trends in consumer sentiment and confidence. This quarter, we delivered 6% revenue growth and the highest UVG in 12 quarters. Based on this, we guide that fiscal year 2027 will be better than fiscal year 2026.

Operator: Our next question is from Nihal Jung from HSBC. Please go ahead.

Nihal Jung – HSBC: Hi. Regarding beauty and wellbeing, is it fair to assume this segment will drive the highest growth in FY27?

Management: All four categories drive growth. For beauty and wellbeing, our entire portfolio is critical. We move our portfolio toward high-growth spaces, which includes extending existing brands like Lakmé into sunscreens or Dove into hair masks. We grow through premiumization, portfolio rotation, and market development.

Nihal Jung – HSBC: Regarding quick commerce, is it just a demand shift or incremental demand generation? How is the profitability?

Management: It is a combination. It is not completely cannibalization because the portfolio in quick commerce is more margin-accretive and premiumized. From a gross margin perspective, quick commerce generates better margins than modern trade or general trade. It also aids discoverability of brands and expands consumer regimes.

Operator: The next question is from Manish Poddar from Invesco Mutual Fund. Please go ahead.

Manish Poddar – Invesco Mutual Fund: If you were to cut margins by 2%, would that entail higher growth?

Management: Our strategy is volume-led growth. We operate at a huge scale, and as we gain volume, scale efficiencies and operating leverage kick in. This allows us to fund our big bets while remaining within the guided margin range. Higher spend does not automatically equate to higher growth because you must maintain the price-value equation.

Operator: The next question is from Pejas Shah from Avendus Spark. Please go ahead.

Pejas Shah – Avendus Spark: Hi. Regarding the One India R&D; initiative, what was missing previously and how will this benefit growth?

Management: We will continue to benefit from global technology. The benefit of this change is speed, agility, and customization for consumers in India. You will see the benefit in more relevant consumer innovation.

Pejas Shah – Avendus Spark: You mentioned FY27 will be better than FY26. What macro scenario have you budgeted for?

Management: We have budgeted for improved consumer sentiment and confidence, consistent with current momentum. We have factored in risk-adjusted scenarios for both macros and internal actions to guide that FY27 will be better than FY26.

Management: We have no questions from the web. With that, we come to the end of the Q&A; session. The playback of this event will be available on our website. Thank you everyone for your participation.

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