

October 20, 2021



Hindustan Unilever Limited

Current Price: **INR 2546.45**

## STOCK DATA

BSE Code	500696
NSE Symbol	HINDUNILVR
Reuters	HLL.BO
Bloomberg	HUVR IN

## VALUE PARAMETERS

52 W H/L(Rs)	2859.10/2043.80
Mkt. Cap.(Rs Cr)	598311.69
Latest Equity(Subscribed)	234.96
Latest Reserve (cons.)	47723
Latest EPS (cons.) -Unit Curr.	35.98
Latest P/E Ratio -cons	70.77
Latest Bookvalue (cons.) -Unit Curr.	204.11
Latest P/BV - cons	12.48
Dividend Yield -%	1.59
Face Value	1

## SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/06/2021
Foreign	15.62
Institutions	10.75
Non Promoter Corp. Hold.	0.36
Promoters	61.9
Public & Others	11.36

## Consolidated Financial Results

In Cr.

	Qtr Ended Sept. 21	Qtr Ended Sept. 20	Var. (%)
Sales	13046.00	11683.00	12
OPM (%)	24.70	25.00	
OP	3226.00	2925.00	10
Other inc.	53.00	93.00	-43
PBIDT	3279.00	3018.00	9
Interest	28.00	31.00	-10
PBDT	3251.00	2987.00	9
Dep.	281.00	265.00	6
PBT	2970.00	2722.00	9
EOExp	5.00	83.00	-94
PBT after EO	2965.00	2639.00	12
Taxation	783.00	665.00	18
PAT	2182.00	1974.00	11
P/(L) from discontinued biz	3.00	0.00	
NP	2185.00	1974.00	11
MI	4.00	0.00	
NP after MI	2181.00	1974.00	10
EPS (Rs)	9.30	8.66	

### Large parts of business continue to gain market shares and penetration

Consolidated net sales of Hindustan Unilever for the quarter ended September 2021 stood at Rs 13046 crore, a growth of 12% over a year ago. Operating profit margin has declined from 25.0% to 24.7%, leading to 10% rise in operating profit to Rs 3226 crore. Other income fell 43% to Rs 53 crore. PBIDT rose 9% to Rs 3279 crore. Provision for interest fell 10% to Rs 28 crore. PBDT rose 9% to Rs 3251 crore. Provision for depreciation rose 6% to Rs 281 crore. Profit before tax grew 9% to Rs 2970.00 crore. Share of profit/loss were nil in both the periods. Extraordinary items were an expense of Rs 5 crore, a fall of 94%. Effective tax rate was 26.4% compared to 25.2%. Minority interest was Rs 4 crore compared to nil in corresponding previous period. Profit from discontinued business was Rs 3 crore against nil in corresponding previous period. Net profit attributable to owners of the company increased 10 to Rs 2181 crore.

Sales of Home Care segment has gone up 15.67% to Rs 3,838.00 crore (accounting for 29.42% of total sales). Sales of Beauty & Personal Care segment has gone up 10.46% to Rs 5,026.00 crore (accounting for 38.53% of total sales). Sales of Foods & Refreshment segment rose 7.19% to Rs 3,622.00 crore (accounting for 27.76% of total sales). Sales of Others segment has gone up 28.44% to Rs 560.00 crore (accounting for 4.29% of total sales).

Profit before interest, tax and other unallocable items (PBIT) has jumped 10.71% to Rs 2,945.00 crore. PBIT of Home Care segment rose 7.37% to Rs 728.00 crore (accounting for 24.72% of total PBIT). PBIT of Beauty & Personal Care segment rose 5.35% to Rs 1,399.00 crore (accounting for 47.50% of total PBIT). PBIT of Foods & Refreshment segment rose 18.78% to Rs 664.00 crore (accounting for 22.55% of total PBIT). PBIT of Others segment rose 62.11% to Rs 154.00 crore (accounting for 5.23% of total PBIT).

PBIT margin of Home Care segment fell from 20.43% to 18.97%. PBIT margin of Beauty & Personal Care segment fell from 29.19% to 27.84%. PBIT margin of Foods & Refreshment segment rose from 16.54% to 18.33%. PBIT margin of others segment rose from 21.79% to

### Hindustan Unilever: Consolidated Segment Results

	Qtr Ending Sept. 21	Qtr Ending Sept. 20	VAR %	In Cr. % to Total
<b>Sales</b>				
Home Care	29	3838	3318	16
Beauty & Personal Care	39	5026	4550	10
Foods & Refreshment	28	3622	3379	7
Others (includes exports, infant & femince care etc.)	4	560	436	28
Total Sales	100	13046	11683	12
Inter Segment Revenue				
Net sales		13046	11683	
<b>PBIT</b>				
Home Care	25	728	678	7
Beauty & Personal Care	48	1399	1328	5
Foods & Refreshment	23	664	559	19
Others (includes exports, infant & femince care etc.)	5	154	95	62
Total PBIT	100	2945	2660	11
LESS: Interest expenses		28	31	-10
Unallocable expenses		-53	-93	-43
PBT before EO		2970	2722	9
Less EO Exp		5	83	
PBT		2965	2639	
Profit from discontinued operations				
PBT before profit from discontinued operations		2965	2639	

27.50%. Overall PBIT margin fell from 22.77% to 22.57%.

OPM declined by 30 bps was largely due to higher cost of purchased finished goods. Raw material cost as a % of total sales (net of stock adjustments) decreased from 35.92% to 32.12%. Purchase of finished goods cost rose from 12.11% to 16.95%. Employee cost decreased from 4.94% to 4.69%. Other expenses fell from 22.48% to 21.80%. Selling and administration expenses fell from 9.60% to 9.28%.

Loan funds rose to Rs 1,129.00 crore as of 30 September 2021 from Rs 187.00 crore as of 30 September 2020. Inventories rose to Rs 3,562.00 crore as of 30 September 2021 from Rs 3,485.00 crore as of 30 September 2020. Sundry debtors were higher at Rs 2,236.00 crore as of 30 September 2021 compared to Rs 2,068.00 crore as of 30 September 2020. Cash and bank balance rose to Rs 4,507.00 crore as of 30 September 2021 from Rs 3,974.00 crore as of 30 September 2020. Investments rose to Rs 2,308.00 crore as of 30 September 2021 from Rs 1,621.00 crore as of 30 September 2020.

Fixed assets increased to Rs 34,998.00 crore as of 30 September 2021 from Rs 34,564.00 crore as of 30 September 2020. Intangible assets stood at Rs 17,397.00 crore.

### Half-yearly performance

Net sales (including other operating income) for half year ended Sep 2021 has increased

12.61% to Rs 25240 crore. Operating profit margin has declined from 25.1% to 24.4%, leading to 9% rise in operating profit to Rs 6,147.00 crore. Other income fell 52% to Rs 119 crore. Provision for interest fell 34% to Rs 41 crore. PBDT rose 7% to Rs 6225 crore. Provision for depreciation rose 4% to Rs 541 crore. Profit before tax grew 7.59% to Rs 5,684.00 crore. Share of profit/loss were nil in both the periods. Extraordinary items were an expense of Rs 32 crore, a fall of 84%. Provision for tax was expense of Rs 1370 crore, compared to Rs 1210 crore. Effective tax rate was 24.24% compared to 23.81%. Profit from discontinued business was Rs 3 crore. MI was Rs 7 crore against a share of loss of Rs 1 crore in corresponding previous period. Thus net profit attributable to owners of the company increased 10% to Rs 4,278 crore.

Sales of Home Care segment has gone up 13.79% to Rs 7,635.00 crore (accounting for 30.25% of total sales). Sales of Beauty & Personal Care segment has gone up 11.85% to Rs 9,611.00 crore (accounting for 38.08% of total sales). Sales of Foods & Refreshment segment rose 9.53% to Rs 6,941.00 crore (accounting for 27.50% of total sales). Sales of Others segment has gone up 36.05% to Rs 1,053.00 crore (accounting for 4.17% of total sales).

Profit before interest, tax and other unallocable items (PBIT) has jumped 9.96% to Rs 5,606.00 crore. PBIT of Home Care segment rose 5.70% to Rs 1,390.00 crore (accounting for 24.79% of total PBIT). PBIT of Beauty & Personal Care segment rose 9.54% to Rs 2,686.00 crore (accounting for 47.91% of total PBIT). PBIT of Foods & Refreshment segment rose 10.78% to Rs 1,264.00 crore (accounting for 22.55% of total PBIT). PBIT of Others segment rose 40.00% to Rs 266.00 crore (accounting for 4.74% of total PBIT).

PBIT margin of Home Care segment fell from 19.60% to 18.21%. PBIT margin of Beauty & Personal Care segment fell from 28.53% to 27.95%. PBIT margin of Foods & Refreshment segment rose from 18.01% to 18.21%. PBIT margin of others segment rose from 24.55% to 25.26%. Overall PBIT margin fell from 22.74% to 22.21%.

## Other Highlights

Home care- continued to perform well and grew on a strong base. Calibrated price increases were taken by the company across Fabric Wash and Household Care portfolios to partly offset the high inflation in input costs.

Beauty & Personal Care- Skin Care and Colour Cosmetics delivered high double-digit growths as mobility improved. Lakme saw 30% of its sales come through digital platforms.

Foods & Refreshment- Health Food Drinks volumes grew double-digit and it continued to gain penetration sequentially. In this quarter, 'Horlicks' expanded its high sciences range with the launch of 'Horlicks Diabetes Plus'.

In Q2 FY22, homecare segment grew by 15%, beauty & personal care grew by 10% and foods & refreshments segment grew by 7% on YoY basis.

## Management Commentary

**Sanjiv Mehta, Chairman and Managing Director commented:** "September quarter witnessed a sequential improvement in trading conditions, albeit remained challenging with unprecedented levels of input cost inflation and subdued consumer sentiments. In this backdrop, we have delivered a strong performance growing topline in double digits and stepping up profitability sequentially. Large parts of our business continue to gain market shares and penetration. Calibrated price increases and laser sharp focus on savings has helped us protect our business model while ensuring the right price-value equation for our consumers. Through our 'Re-Imagine HUL' programme, we have further strengthened the digital capabilities across our organisation. We are making significant progress in our sustainable living journey. We are on track to collect and process more plastic waste than we sell in our packaging

this year through our network of partners. Looking forward, we remain cautiously optimistic about demand recovery. In these times of uncertainty and unprecedented input cost inflation, we continue to firmly focus in delivering Consistent, Competitive, Profitable and Responsible Growth.”

### To pay interim dividend of Rs 15 per share

The Board of Directors has declared an interim dividend of Rs15 per share for year ending 31st March 2022.

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