

January 20, 2024



Hindustan Unilever Limited

Current Price: ₹ 2564.75

STOCK DATA

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

VALUE PARAMETERS

52 W H/L(Rs)	2768.50/2393.00
Mkt. Cap.(Rs Cr)	602611.44
Latest Equity(Subscribed)	234.96
Latest Reserve (cons.)	50129.00
Latest EPS (cons.) -Unit Curr.	43.97
Latest P/E Ratio -cons	58.33
Latest Bookvalue (cons.) -Unit Curr.	214.35
Latest P/BV - cons	11.97
Dividend Yield -%	1.52
Face Value	1

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/09/2023
Foreign	14.53
Institutions	11.97
Non Promoter Corp. Hold.	0.35
Promoters	61.9
Public & Others	11.26

Consolidated Financial Results

In Cr.

	Qtr Ended Dec. 23	Qtr Ended Dec. 22	Var. (%)
Net Sales (including other operating income)	15567.00	15597.00	-0.19
OPM (%)	23.55	23.68	-13 bps
OP	3666.00	3694.00	-0.76
Other Inc.	214.00	110.00	94.55
PBIDT	3880.00	3804.00	2.00
Interest	91.00	29.00	213.79
PBDT	3789.00	3775.00	0.37
Depreciation	313.00	293.00	6.83
PBT	3476.00	3482.00	-0.17
Share of Profit/(Loss) from Associates	-1.00	0.00	-
PBT before EO	3475.00	3482.00	-0.20
EO Income	-30.00	-103.00	70.87
PBT after EO	3445.00	3379.00	1.95
Taxation	937.00	898.00	4.34
PAT	2508.00	2481.00	1.09
Minority Interest (MI)	-1.00	7.00	LP
Net profit	2509.00	2474.00	1.41
EPS (Rs)	10.77	10.85	

Net profit flat at Rs 2,509 crore, revenue falls marginally, misses estimates

For the quarter ending Dec 2023, consolidated net sales (including other operating income) of Hindustan Unilever has declined 0.19% to Rs 15567 crore compared to quarter ended Dec 2022. Sales of Home Care segment has gone down 1.27% to Rs 5,444.00 crore (accounting for 34.97% of total sales). Sales of Personal Care segment has gone up 0.31% to Rs 5,782.00 crore (accounting for 37.14% of total sales). Sales of Foods segment rose 0.89% to Rs 3,733.00 crore (accounting for 23.98% of total sales). Sales of Others segment has gone down 1.78% to Rs 608.00 crore (accounting for 3.91% of total sales).

Profit before interest, tax and other unallocable items (PBIT) has slumped 1.41% to Rs 3,353.00 crore. PBIT of Home Care segment fell 9.35% to Rs 989.00 crore (accounting for 29.50% of total PBIT). PBIT of Personal Care segment rose 1.17% to Rs 1,465.00 crore (accounting for 43.69% of total PBIT). PBIT of Foods segment rose 7.56% to Rs 711.00 crore (accounting for 21.20% of total PBIT). PBIT of Others segment fell 6.47% to Rs 188.00 crore (accounting for 5.61% of total PBIT).

PBIT margin of Home Care segment fell from 19.79% to 18.17%. PBIT margin of Personal Care segment rose from 25.12% to 25.34%. PBIT margin of Foods segment rose from 17.86% to 19.05%. PBIT margin of Others segment fell from 32.47% to 30.92%. Overall PBIT margin fell from 21.81% to 21.54%.

Operating profit margin has declined from 23.68% to 23.55%, leading to 0.76% decline in operating profit to Rs 3,666.00 crore. Raw material cost as a % of total sales (net of stock adjustments) decreased from 32.83% to 31.85%. Purchase of finished goods cost fell from 18.00% to 16.90%. Employee cost decreased from 4.74% to 4.47%. Other expenses rose from

Hindustan Unilever: Consolidated Segment Results

In Cr.

	Qtr Ending Dec. 23	Qtr Ending Dec. 22	Var.(%)	% of (Total)
Sales				
Home Care	5444.00	5514.00	-1.27	34.97
Personal Care	5782.00	5764.00	0.31	37.14
Foods	3733.00	3700.00	0.89	23.98
Refreshments	0.00	0.00	-	0.00
Others	608.00	619.00	-1.78	3.91
Total Reported Sales	15567.00	15597.00	-0.19	100.00
Less: Inter segment revenues	0.00	0.00	-	
Net Sales	15567.00	15597.00	-0.19	100.00
PBIT				
Home Care	989.00	1091.00	-9.35	29.50
Personal Care	1465.00	1448.00	1.17	43.69
Foods	711.00	661.00	7.56	21.20
Refreshments	0.00	0.00	-	0.00
Others	188.00	201.00	-6.47	5.61
Total PBIT	3353.00	3401.00	-1.41	100.00
Less : Interest	91.00	29.00	213.79	
Add: Other un-alloable	183.00	7.00	2514.29	
PBIT Margin(%)				
Home Care	18.17	19.79	-161.92	
Personal Care	25.34	25.12	21.58	
Foods	19.05	17.86	118.15	
Refreshments	0.00	0.00	0.00	
Others	30.92	32.47	-155.07	
PBT	3445.00	3379.00	1.95	100.00

** Margins numbers are in bps

20.18% to 23.55%. Selling and administration expenses rose from 7.94% to 10.30%.

Other income rose 94.55% to Rs 214 crore. PBIDT rose 2% to Rs 3880 crore. Provision for interest rose 213.79% to Rs.91 crore. PBDT rose 0.37% to Rs 3789 crore. Provision for depreciation rose 6.83% to Rs 313 crore. Profit before tax down 0.17% to Rs 3,476.00 crore. Share of profit/loss were nil in both the periods. Extraordinary items were increased to Rs - 30.00 crore. Provision for tax was expense of Rs 937 crore, compared to Rs 898 crore. Effective tax rate was 27.20% compared to 26.58%. Net profit attributable to owners of the company increased 1.41% to Rs 2,509.00 crore.

Other Highlights

In Q3 FY24, company delivered volume growth of 2% YoY. Management reported that operating environment was challenging during the quarter due to uneven monsoon, delayed winter and subdued festive season.

Company acquired 27.73% stake in the equity share capital of Transition Sustainable Energy Services One.

Management Comments :

Rohit Jawa, CEO and Managing Director commented: "HUL has delivered another quarter of resilient performance with strong operating fundamentals amidst a challenging operating environment. Our focus on providing the right consumer value, excellence in execution, increased investments behind brands and capabilities, premiumisation and market development continues to serve us well. Looking forward we expect gradual recovery in market demand to continue aided by increased Government spending, recovery in winter crop sowing and better crop realization. Rural income growths and winter crop yields are key factors that will determine the pace of recovery. In this context, our focus remains on driving competitive volume growth whilst stepping up investment behind our brands and long-term strategic priorities. We remain confident of the mid to long term potential of Indian FMCG sector and HUL remains well positioned to unlock this opportunity whilst navigating the short-term challenges."

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