

July 27, 2020



Hindustan Unilever Limited

Current Price: **INR 2209.75**

STOCK DATA

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

VALUE PARAMETERS

52 W H/L(Rs)	2614.00/1701.20
Mkt. Cap.(Rs Cr)	519191.81
Latest Equity(Subscribed)	234.96
Latest Reserve (cons.)	8013.00
Latest EPS (cons.) -Unit Curr.	30.21
Latest P/E Ratio -cons	73.15
Latest Bookvalue (cons.) -Unit Curr.	35.10
Latest P/BV - cons	62.96
Dividend Yield -%	1.04
Face Value	1

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/06/2020
Foreign	15.32
Institutions	8.34
Non Promoter Corp. Hold.	0.54
Promoters	61.90
Public & Others	13.9

Financial Results

In Cr.

	Qtr Ended Jun. 20	Qtr Ended Jun. 19	Var. (%)
Sales	10731	10364	4
OPM (%)	25.1	26.3	
OP	2695	2724	-1
Other inc.	154	145	6
PBIDT	2849	2869	-1
Interest	31	27	15
PBDT	2818	2842	-1
Dep.	257	229	12
PBT	2561	2613	-2
EOExp	119	-7	PL
PBT after EO	2442	2620	-7
Taxation	545	825	-34
PAT	1897	1795	6
MI	-1	3	LP
NP after MI	1898	1792	6
EPS (Rs)	8.46	8.27	

Hindustan Unilever Ltd (HUL), India's largest listed consumer packaged goods reported Q1FY21 with Net profit rises 7% to ₹1,881 crore and merger with Glaxo Consumer drives growth in Foods segment, in line with estimates

Hindustan Unilever has registered 4% growth in consolidated sales to Rs 10731 crore for the quarter ended June 2020, which was marred by COVID-19 disrupting the market and operations of the company. But with operating profit margin (OPM) contract by 120 bps to 25.1%, the operating profit was down by 1% to Rs 2695 crore. Other income was up by 6% to Rs 154 crore and thus the PBIDT was down by 1% to Rs 2849 crore. After accounting for higher interest cost (up 15% to Rs 31 crore) and higher depreciation (up 12% to Rs 257 crore), the PBT was down by 2% to Rs 2561 crore. The EO expense was Rs 119 crore, a swing of RS 126 crore. Thus the PBT after EO was down by 7% to Rs 2442 crore. However with taxation stand lower by 34% to Rs 545 crore, the PAT was up by 6% to Rs 1897 crore. Eventually the net profit (after MI) was up by 6% to Rs 1898 crore with MI being share of loss of Rs 1.0 crore (against share of profit of Rs 3 crore).

- Domestic Consumer Growth (excluding impact of merger with GSK CH India) stood at -7%. Health, Hygiene and Nutrition constituting about 80% of company's portfolio delivered healthy mid-single digit domestic consumer growth.
- Early single digit fall in sales was largely driven by jump in revenue of Foods & Refreshment (F&R) business of the company. The segment revenue of F&R business which had the benefit of merger of GSKCH starting from this quarter has jumped up by 52% to Rs 2958 crore (or 28% of sales). However the segment revenue of Home Care was down by 2% to Rs 3392 crore (or 32% of sales) and that of Beauty & Personal care (BPC) was down by 13% to Rs 4043 crore. That of others (include exports, infant and feminine care) was up by 4% to Rs 338 crore.
- EBIT was down by 2% to Rs 2438 crore and that was largely due to lower profit reported by Home Care and BPC segment. The segment profit of home care was down by 9% to Rs 637

Hindustan Unilever: Consolidated Segment Results

	Qtr Ending Jun. 20	Qtr Ending Jun. 19	VAR %	In Cr. % to Total
Sales				
Home Care	3392	3464	-2	32
Beauty & Personal Care	4043	4626	-13	38
Foods & Refreshment	2958	1950	52	28
Others (includes exports, infant & femince care etc.)	338	324	4	3
Total Sales	10731	10364	4	100
Inter Segment Revenue				
Net sales	10731	10364		
PBIT				
Home Care	637	699	-9	26
Beauty & Personal Care	1124	1364	-18	46
Foods & Refreshment	582	379	54	24
Others (includes exports, infant & femince care etc.)	95	53	79	4
Total PBIT	2438	2495	-2	100
LESS: Interest expenes	31	27	15	
Unallocable expenses	-154	-145	6	
PBT before EO	2561	2613	-2	
Less EO Exp	119	-7		
PBT	2442	2620		
Profit from discontinued operations				
PBT before profit from discontinued operations	2442	2620		

crore driven by lower sales as well as 140 bps contraction in segment margin to 18.8%. Similarly impacted by lower sales and 170 bps contraction in segment margin to 27.8%, the segment profit of BPC was down by 18% to Rs 1124 crore. However the segment profit F&R was up by 54% (to Rs 582 crore) gained by higher sales as well as 30 bps expansion in segment margin to 19.7%. The segment profit of others was up by 79% to Rs 95 crore driven largely by higher sales as well as expansion in margin.

The integration of GSK-CH's nutrition business with the company was done seamlessly with good performance on both growth and margins.

Special Dividend

The Hon'ble National Company Law Tribunal, Mumbai Bench, pursuant to its order dated 30th August 2018 had approved the Scheme of Arrangement for transfer of the balance of Rs 2187.33 crore standing to the credit of the General Reserves to the Profit and Loss Account. In accordance with the terms of the scheme, the Board of Directors at the meeting held on 21st July 2020 approved the distribution by means of a special dividend of Rs. 9.50 per share of face value of Rs 1 each resulting in total dividend payout out Rs 2232 crore

Management comment

Sanjiv Mehta, Chairman and Managing Director commented: Our performance in the quarter has been resilient and reflective of the intrinsic strength of our portfolio, agility in operations, excellence in execution, purpose-driven leadership and our strong balance sheet. I take this opportunity to acknowledge the superlative efforts of thousands of our people in our factories and sales organization who have worked with a higher purpose of ensuring availability of essential products to the citizens of our country in these extremely challenging times. While constraints continue due to restrictions in several parts of the country and the near-term demand outlook remains uncertain, we remain well positioned to drive competitive, profitable, and responsible growth. The long-term structural opportunity of FMCG in India also remains intact.

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