

## Q2 SCORECARD

### Hindustan Unilever consolidated net up 10% at ₹2,181 crore

#### OUR BUREAU

Mumbai, October 19

India's largest FMCG player Hindustan Unilever Ltd posted a consolidated net profit of ₹2,181 crore for the second quarter ending on September 30, a 10.4 per cent increase from a net profit of ₹1,974 crore in the same period last year. The company saw its revenue from operations rise by 11.3 per cent to ₹12,812 crore.

#### Dip in margins

Margins, however, dipped to 24.7 per cent compared to 25.1 per cent a year earlier. Rising commodity prices in crude, palm oil, packaging and freight front continue to be major headwinds for the FMCG market. Also, while the urban market has seen a major demand revival, rural market has started to become muted.

Sanjiv Mehta, Chairman and Managing Director, said, "The September quarter witnessed a sequential improvement in trading conditions, albeit remained challenging with unprecedented levels of input cost inflation and subdued consumer sentiments." Domestic sales in Q2 grew 11 per cent over a year earlier. Volume growth slowed sequentially to 4 per cent in Q2 compared to 9 per cent in the first quarter.

From a long-term perspective, Mehta believes rural market will see higher growth since per capita consumption in rural continues to be one-third of urban. Despite rising inflation, thus rising commodity prices, the company continues to have healthy EBITDA due to price hikes. Ritesh Tiwari, chief financial officer, told a post-earnings briefing the company will step up launches in the discretionary category that contributes 15 per cent to its overall portfolio.