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HUL NET RISES 41% TO ₹2,143 CRORE



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per cent year-on-year jump in net profit to ₹2,143 crore for the quarter ended March 31, 2021, aided by a low base and an all-round recovery across segments. *Bloomberg* consensus estimates had pegged Q4 net profit at ₹1,967.9 crore. A year

ago, HUL's net profit stood at ₹1,519 crore. Sequentially, HUL reported a 11.6 per cent growth in net profit, though revenue grew only 2.3 per cent versus the December quarter. Revenue includes net sales and other operating income. ▶

HUL beats estimates on revenue, profit growth

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Mumbai, 29 April

Hindustan Unilever (HUL), the country's largest consumer goods company, reported a 41 per cent year-on-year (YoY) jump in net profit to ₹2,143 crore for the quarter ended March 31, 2021 (Q4), aided by a low base and an all-round recovery across segments.

Bloomberg consensus estimates had pegged Q4 net profit at ₹1,967.9 crore. A year ago, HUL's net profit stood at ₹1,519 crore.

Sequentially, HUL reported a 11.6 per cent growth in net profit, though revenue wasn't able to hold up that well, growing 2.3 per cent only versus the December quarter. Revenue includes net sales plus other operating income. HUL's stock closed at ₹2,409.05 per share on the BSE on Thursday, remaining largely flat compared to the previous day's close.

YoY, revenue jumped 35 per cent to ₹12,132 crore in Q4, against ₹9,011 crore reported in the previous year. Bloomberg consensus estimates had pegged Q4 revenue at ₹11,733.4 crore for the period.

Q4 volume growth came in at 16 per cent. But again, this was on a low base, since volumes had contracted sharply in the year-ago



SENTIMENT BOOSTER

Review period	Revenue	Change %		Net profit	Change %	
		QoQ	YoY		QoQ	YoY
Jun 2019	10,114	1.7	6.6	1,755	14.1	14.8
Sep 2019	9,852	-2.6	6.7	1,848	5.3	21.2
Dec 2019	9,808	-0.4	2.6	1,616	-12.6	11.9
Mar 2020	9,011	-8.1	-9.4	1,519	-6.0	-1.2
Jun 2020	10,560	17.2	4.4	1,881	23.8	7.2
Sep 2020	11,442	8.4	16.1	2,009	6.8	8.7
Dec 2020	11,862	3.7	20.9	1,921	-4.4	18.9
Mar 2021	12,132	2.3	34.6	2,143	11.6	41.1

Source: Capitaline

Compiled by BS Research Bureau

period. Earnings before interest, tax, depreciation and amortisation (Ebitda) for the March quarter stood at ₹2,957 crore against ₹2,065 crore posted a year ago, a jump of 43 per cent.

Ebitda margins, on the other hand, grew 150 bps YoY to 24.4 per cent against 24.2 per cent estimated by analysts. A Bloomberg consen-

sus estimate had pegged Ebitda at ₹2,835 crore for the quarter under review.

Going forward, challenges emerging from the second Covid wave would be a key monitorable, said Sachin Bobade, vice-president, research, at Mumbai-based brokerage Dolat Capital.

HUL has responded to the challenges by enhancing

manufacturing capacity by 30 per cent. It allowed 5 lakh small traders and shopkeepers to order directly online via the Shikhar app, a five-fold jump in a year.

HUL, said Sanjiv Mehta, chairman and managing director, had focused on being agile and resilient and enhancing its digital footprint across the value chain.

"We were riding a strong momentum going into the new fiscal (FY22) and the first two weeks of April reflected that sentiment. However, the last two weeks of April have seen some turbulence as coronavirus cases have surged. The focus of all stakeholders should be on taming the virus and ramping up the pace of vaccination," Mehta said.

HUL would facilitate and pay for the vaccination of almost 300,000 people, including employees, their families and trade partners, Mehta said, as the second wave raged.

Srinivas Phatak, chief financial officer (CFO) at HUL, said in the face of rising inflationary pressures, the company's focus would remain on volume growth. "Health, hygiene and nutrition, which formed 80 per cent of the business, grew in double digits for the third consecutive quarter, while discretionary and out-of-home categories improved sequentially," Phatak said.