

# HUL posts 8.86% rise in Q2 profit

Suneera Tandon

suneera.t@livemint.com

NEW DELHI

**H**industan Unilever Ltd (HUL) on Tuesday reported an 8.86% increase in quarterly profit from a year earlier on measured price hikes to offset rising raw material costs and improving demand.

Net profit at India's largest consumer goods maker rose to ₹2,187 crore in the three months ended 30 September from ₹2,009 crore a year ago. That compares with the ₹2,195.40 crore median estimate of 10 analysts surveyed by *Bloomberg*.

Revenue of the maker of Rin detergent and Lux soaps rose 11.2% to ₹12,724 crore from ₹11,442 crore a year ago. Analysts expected sales of ₹12,660 crore.



Sanjiv Mehta, chairman and managing director, HUL. MINT

“The September quarters saw a sequential improvement in trading conditions, albeit remained challenging with unprecedented levels of input cost inflation and subdued consumer sentiments. Against this backdrop, we have

TURN TO PAGE 6

# HUL posts near 9% rise in profits

FROM PAGE 1

delivered a strong performance, growing top-line in double digits and stepping up profitability sequentially," Sanjiv Mehta, chairman and managing director, HUL, said in a note.

HUL said sales in discretionary categories such as skincare, coloured cosmetics, detergents and ice-creams rose during the quarter, reflecting the drop in covid-19 cases, a rise in vaccinations, and improved mobility. Growth was largely led by price hikes made to balance costlier inputs.

However, the company cited data from researcher Nielsen to flag moderating growth within the fast-moving consumer goods industry in August and September, especially in the rural markets. Consumer sentiment remains subdued, it said, while commodity prices remain at "elevated levels".

Performance was broad-based, with all three HUL divisions growing competitively. HUL reported underlying volume growth of 4% during the quarter against 1% a year earlier. However, this was sharply lower than the 9% volume growth in the June quarter.

Mehta said calibrated price increases and its "laser-sharp focus on savings" helped HUL protect its business model while ensuring the right price-value equation for consumers.

"We remain cautiously optimistic about demand recovery," he said.

HUL's earnings come against the backdrop of rising mobility across India. Consumers are stepping out, driving demand for personal care products

and those linked to out-of-home consumption. The improvement comes after a ferocious wave of covid infections wrecked consumer spending in April and May.

Revenue of HUL's home care brands grew 15%, driven by high double-digit growth in fabric wash. "Household care continued to perform well and grew on a strong base. Liquids and fabric sensations continue to outperform. Calibrated price increases

were taken across fabric wash and household care portfolios to partly offset the high inflation in input costs," HUL said.

Beauty and personal care revenue grew 10%, led by skincare, colour cosmetics and hair care products. The segment drives 40% of the company's domestic business.

"Soaps grew on a high base led by strong growth in beauty and premium segment. Calibrated approach towards price increase has helped protect the business model as vegetable oil prices remain at elevated levels," the com-

**Revenue of HUL's home care brands grew 15%, driven by high double-digit growth in fabric wash**

---

pany said.

Revenue in the foods and refreshment portfolio grew 7%.

Volume growth during the quarter was "muted" at 4%, while the steep increase in raw material prices led to a sharper pricing growth of 7%, ICICI Direct Research said in a note.

Abneesh Roy, an analyst at Edelweiss Securities, said the laggards in volume were sanitation and hygiene products, apart from food and tea.