

# HUL Q1 net jumps 10.7% to ₹2,100 cr

But rising commodity prices seen as a cause for concern

## OUR BUREAU

Mumbai, July 22

Hindustan Unilever Ltd (HUL) posted a consolidated net profit of ₹2,100 crore in the first quarter of the current financial year. This was an increase of 10.7 per cent compared to the ₹1,897-crore profit posted at the same time last year.

The company's revenue from operations improved to ₹11,996 crore (₹10,570 crore). Volumes rose 9 per cent year on year. Volume growth, however, slowed sequentially.

According to Ritesh Tiwari, Chief Financial Officer, HUL, the company delivered a robust performance in a challenging environment, with domestic consumer growth of 12 per cent, and total sales growth of 13 per cent during the quarter.

Key trends to note are that segment revenue across all the



Sanjiv Mehta, Chairman and MD

three categories for the company — Homecare, Beauty & Personal Care and Foods & Refreshment — saw double-digit growth in Q1 FY22 compared to Q1 FY21.

## Rising commodity prices

HUL, however, continued to flag rising commodity prices as a cause of concern, which resulted in a calibrated price increase in the skin cleansing, tea and laundry segments.

“We are facing a multi-year high price in palm oil, and crude oil prices have also increased significantly in the past year. Tea is facing a massive hike,” Tiwari ex-

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plained. Products, for which demand is mobility driven, such as ice-cream and cosmetics, were also affected by the second wave, although a few recovered sharply from the weak base in the first quarter of FY21. Tiwari believes that once mobility resumes, demand would rise strongly again.

Premiumisation across all categories was also seen, with products priced above ₹120 faring better in sales in comparison to cheaper goods.

Overall, the company is cautiously optimistic in the near term, with volatile commodity prices and a surge in infections being major hurdles. However,

Tiwari maintains that green shoots remain, with rural India continuing to show resilience in driving growth in July. A bumper crop and strong monsoon are expected to further accelerate recovery.

## Strong performance

Sanjiv Mehta, Chairman, and Managing Director, said, ‘In a challenging environment, we have delivered a strong performance across topline and bottom line. Our performance in the quarter has been resilient and is reflective of our capabilities, the agility in our operations, and the intrinsic strength of our portfolio.’

Separately, HUL's parent Unilever said the second wave of the coronavirus pandemic and subsequent restrictions in India impacted its sales in the country.

The operating environment across its markets in H1 (January-June) has seen some improvements, but broadly it remains ‘volatile’, the company said in its post-earning statement for the first half.