

## HUL's Q2 profit rises 9% amid high inflation

TIMES NEWS NETWORK

**Mumbai:** FMCG bellwether Hindustan Unilever (HUL) posted 9% growth in standalone net profit of Rs 2,187 crore in the second quarter ended September 30 as compared to Rs 2,009 crore in the corresponding period of the previous fiscal, while sales grew by 11% to Rs 12,516 crore (Rs 11,276 crore last year).

Total expenses were up nearly 12% at Rs 9,883 crore during the quarter that was marked by unprecedented inflation, which the company's CMD **Sanjiv Mehta** described as something "not seen in many years". A high inflationary environment has brought margins under pressure. While ebitda margin at 25% was stepped up sequentially as compared to the June quarter this year, the YoY margin

was down by 40 basis points (100bps = 1 percentage point) as compared to the corresponding quarter last year.

HUL said the growth in bottom line was aided by net revenue management and savings that enabled the firm to manage inflationary pressures with the objective of keeping consumers in its franchise. Nearly 70% of HUL's growth comes from volumes, while the balance is from pricing actions taken by the FMCG major. Sequentially, HUL has raised prices by 2% even as the company remains cautiously optimistic about demand recovery.

HUL said its performance was broad-based with all three divisions growing competitively — more than 75% of the business gained market share and penetration. Calibrated price increases were taken across fa-

bric wash and household care portfolios to partly offset the high inflation in input costs. The same approach towards price increase has helped protect the beauty and personal care business model as vegetable oil prices remain at elevated levels.

"September quarter witnessed a sequential improvement in trading conditions, albeit remained challenging with unprecedented levels of input cost inflation and subdued consumer sentiments. In this backdrop, we have delivered a strong performance growing top line in double digits and stepping up profitability sequentially," said Mehta. He added, "Calibrated price increases and laser sharp focus on savings have helped us protect our business model while ensuring the right price-value equation for our consumers."

