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# We are much ahead of market in premiumisation: Mehta

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1 Hindustan Unilever (HUL), the country's largest fast-moving consumer goods company, is much ahead of market in premiumisation and, on average over the past 10 years, the firm has increased its contribution from premiumisation by 100 basis points every year, Sanjiv Mehta, managing director and chief executive officer, told analysts after its earnings conference call.

The maker of LUX soaps expects its premium products will keep driving margins.

He said: "I don't think premiumisation as a trend will stop so long as the country keeps growing at 6 per cent (or) 7 per cent ... and then when you take into account the inflation you're talking about a nominal growth rate of 13 per cent (or) 14 per cent even when you look at the salaried class. All surveys are

**ELITE CLUB**

**OVER ₹5K-CR**  
Surf Excel and Brooke Bond

**OVER ₹2K-CR (9 BRANDS)**  
Lux, Ponds, Dove, Lifebuoy

**OVER ₹1K-CR (19 BRANDS)**  
Lakmé, Clinic Plus, Pears, Comfort



**“OUR HOME CARE BUSINESS NOW HAS A TURNOVER OF OVER ₹21,000 CRORE, WHICH IS BIGGER THAN MOST FMCG BUSINESSES IN INDIA”**

**SANJIV MEHTA,**  
MD & CEO, HUL

indicating that salary increases this year are going to be anywhere in the vicinity of 8 per cent to 10 per cent. So money will definitely come in if the economy keeps growing."

"We are talking about premiumisation relative to the average of the market and relative in that sense, above 1.2 times to the average of the market."

While talking about FY23 performance in the conference call, Mehta said: "What a fabulous year this has been for our home care business! We delivered 28 per cent revenue growth and grew volumes at near double digits, despite high inflation. Growth was led by our premium portfolio."

"Our home care business now has a turnover of over ₹21,000

crore, which is bigger than most FMCG businesses in India."

Last financial year, its premium product Surf Excel became its first billion-dollar brand.

The company has two brands with revenues over ₹5,000 crore, over nine brands with ₹2,000 crore, and 19 brands with over ₹1,000 crore in FY23.

Mehta said because of its thrust on market development in premiumisation, the company had created a business of liquids detergents of ₹3,000 crore, which is a testament to its ability to create segments for the future.

Ritesh Tiwari, chief financial officer, told analysts fabric wash, led by the premium portfolio, delivered double-digit growth during the quarter.

While talking about the beauty and personal care space, Mehta said it was driving premiumisation through innovation and entry into fast-growing demand spaces.

In the previous financial year, HUL launched three brands in the premium beauty space. They were Acnesquad, Find Your Happy Place, and skin care brand Novology.

Tiwari said its skin care segment grew in double digits in the quarter ended March, led by strong performance in the premium portfolio.

"We continue to make excellent progress in our portfolio transformation journey, especially in the hair and beauty categories, with the launch of several premium and on-trend innovations and entry into high-growth demand spaces."

Also, the company now captures 30 per cent of its sales digitally through Shikhar, e-commerce and 14 direct-to-consumer websites.

The company's Shikhar app, which is a B2B app for retailers to place orders for the company's products, has been adopted by 1.2 million retail outlets.