

Investors are increasingly turning to consumer stocks, and HUL stands out: CEO Rohit Jawa

We represent a top-tier global company in the consumer sector, poised to thrive as the Indian market expands two or threefold in the foreseeable future, said Jawa.

[Deborshi Chaki](#) & [Bodhisatva Ganguli](#)

August 08, 2024 / 09:35 IST

-
-
-
-
-
-



Investors are increasingly turning to consumer stocks, and HUL stands out: CEO Rohit Jawa

Hindustan Unilever Limited (HUL), the biggest FMCG player in the country, is the best bet for investors looking to take benefit of the long-term growth story of India and the FMCG industry, with the industry poised to grow two to threefold, HUL CEO Rohit Jawa told Moneycontrol in an exclusive interaction.

“I believe HUL is the best pick for anyone looking to invest in the long-term growth story of both India and FMCG industry given we are very well placed to leverage this opportunity. We represent a top-tier global company in the consumer sector, poised to thrive as the Indian market expands two or threefold in the foreseeable future,” Jawa said when asked about what message he would like to give to the stock markets.

The HUL CEO's comments come at a time when the FMCG major's stock price has underperformed the benchmark index Sensex, rising just 3 percent since the start of the year, as compared to the Sensex, which is up 10 percent so far this year. The underperformance comes on the back of low volume growth, especially with tepid rural demand in the last couple of years in the face of inflationary pressures.

The HUL share closed at Rs 2,743.65 on Wednesday, down marginally by 0.24 percent. Since Monday, HUL has outperformed the broader markets rising 1.8 percent even as the Sensex fell 1.86 percent.

On Monday, when the benchmarks Sensex and Nifty crashed almost 2.7 percent following weak global cues, several FMCG stocks closed in the green. The HUL stock closed Monday's trading session with a gain of 0.83 percent, Nestle gained 0.61 percent and Tata Consumer Products closed with a gain of 0.47 percent.

You May Like

[Walmart CFD: A Simple Way to Earn ExtraCPX](#)

[Learn More](#)

—

[by Taboola](#)

[Sponsored Links](#)

Related stories

•



[Quick commerce is now one-sixth of HUL's e-commerce sales, says CEO Rohit Jawa](#)

•



[The trend of premiumization has been consistent and resilient and will continue: HUL CEO](#)



[Our priority is to grow our core brands or introduce Unilever brands to the market: HUL CEO](#)

According to Bloomberg data, 24 brokerages have a 'buy' rating on the HUL stock, 13 have a 'hold' rating and only 5 have a 'sell' rating on the stock.

Following its Q1 FY25 earnings announcement on July 23, several brokerages such as Axis Securities, Motilal Oswal, Emkay and Anand Rathi have put a 'buy' rating on the stock.

Jawa added that with per capita consumption still low in India, he anticipates continuous growth across urban, suburban, and rural areas.

"I've witnessed similar growth patterns during my time in China and Southeast Asia. The potential in India is enormous. We shouldn't focus too much on short-term fluctuations; our track record over the last decade shows nearly double digit EPS growth. We must remain strategically disciplined and focused on the long term," he said.

The HUL CEO added that the FMCG major's strengths lie in its extensive reach, proprietary advantages, strong brands, and exceptional talent.

"This positions us well to capitalize on the growing consumer market. Investors are increasingly turning to consumer stocks, and HUL stands out," said Jawa.

"We don't react to daily stock market movements; instead, we focus on what we can control. Our strategy is to consistently drive our core brands and cover all price points, from mass to prestige. We ensure our brands are superior in every aspect, maintaining both mental and physical availability, and constantly enhancing quality and benefits," he added.

Jawa said that HUL's strategy is to adopt a patient and disciplined approach to building product categories to drive long term growth.

"Take the example of liquid detergents and fabric conditioners, which were niche markets 20 years ago but now represent a ₹4,000 crore business for HUL. This growth resulted from decades of effort, gradually building momentum. We expect similar trajectories for other categories, and by staying focused and diligent, we'll continue to lead this growth," he said.