

| | | | |
|-----------------|------------|--------------|--------------------------------|
| Published Date: | 1 Jul 2025 | Publication: | The Economic Times [New Delhi] |
| Journalist: | Bureau | Page No: | 12 |
| | | | |

Market Sentiment to Improve on Rural Boost, Lower Inflation: HUL Chairman

Monetary and govt policy steps, normal monsoon forecast to help, says Nitin Paranjpe

Our Bureau

Mumbai: Hindustan Unilever (HUL) chairman Nitin Paranjpe expects improvement in market conditions in the near and medium term, driven by better agricultural yield, lower inflation and normal monsoon forecast.

"Rural economy should continue to do well, but the reduced inflation, along with the taxation changes, which puts more money in people's pockets, as well as some changes in the monetary policy, will benefit the economy and the sentiment in this market. As a result of which we should see an improvement, a gradual improvement, but an improvement nonetheless, in the overall environment," he said at the 92nd annual general meeting of India's largest fast-moving consumer goods company.

HUL, whose performance is considered a proxy for broader consumer sentiment in India, has been grapp-

ling with slow value sales growth, which has been between flat and 4% for almost two years now. Its volume, or the number of packs sold, increased just 2% in the March quarter as well as the entire 2024-25. On May 1, the company revised its guidance for near-term margin to 22-23% from its previous forecast of 23-24%.

"During FY25, HUL has done a good job in very difficult circumstances. This doesn't mean we are satisfied. We are trying to work to strengthen our performance as we move forward. It was a difficult year. Market growth was muted. Rural growth was recovering, but slowly; and urban growth was moderating right through the course of the year," he said. "There were also very significant fluctuations in commodity prices. As a consequence of this, price-led

growth did not happen in this year. Now in that context, your company did very well. We restored volume led growth." He said, "Our aspiration is to deliver earnings growth of about 10%-plus as we move forward."

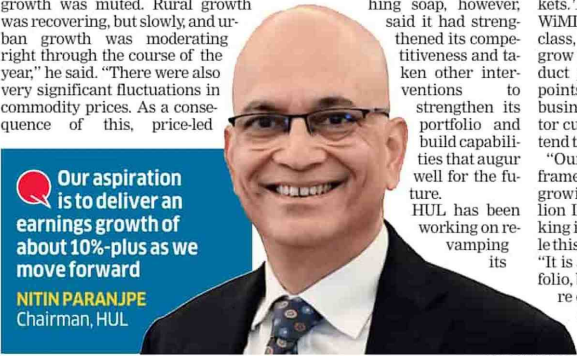
Over the past year, demand in urban markets — which account for nearly two-thirds of HUL's sales — moderated owing to a high base, low wage growth and consumers cutting down on discretionary spending amid inflationary pressure. The maker of the Horlicks malted food drink and Dove bathing soap, however, said it had strengthened its competitiveness and taken other interventions to strengthen its portfolio and build capabilities that augur well for the future.

HUL has been working on re-vamping its

portfolio to modernise big brands such as Lifebuoy, Horlicks and Glow & Lovely. Nearly a decade ago, it had launched 'Winning in Many Indias' (WiMI), a strategy aimed at transforming the company from a four-branch structure at the front end into 14 distinct consumer clusters. This resulted in consistent market share gains and deeper reach, especially in central India.

This was followed by another initiative within WiMI in 2021 to target non-metro states and understand consumption habits in these markets. The company is now looking at WiMI 2.0 to tap into the affluent class, part of its wider strategy to grow the share of its premium product portfolio by nine percentage points in the beauty and wellbeing business — its biggest profit generator currently — although it will extend to other categories as well.

"Our strategy codenamed Aspire framework is designed to meet the growing aspirations of over a billion Indian consumers through taking interventions which will enable this company to succeed," he said. "It is about strengthening our portfolio, both the core, but also the future core and new segments which are going to be developed. It is about finding new ways of demand generation."



COMPANY PHOTO