



Hindustan Unilever Limited

Q4FY25 Highlights

- Consolidated revenue grew 2.7% YoY to ₹15,416crs with 2% underlying volume growth. The urban markets moderating and rural markets are gradually recovering
- Amongst segments, the Beauty & Wellbeing segment posted 6.6% YoY growth (low single digit volume growth) followed by the home care segment revenue growth (mid-single digit volume growth) of ~1.8% YoY.
- Gross margin contracted ~94bps to 51.4% YoY due to high raw material prices and higher investments across distribution channels. EBITDA margin at 23.1% contracted 20 bps YoY. High tea and palm oil prices continued to hurt margins. Reported PAT declined 3.4% YoY to ₹2475crs.
- In FY25, revenue grew by 2% to ₹60,680crs driven by UVG of 2%. EBITDA margin remained healthy at 23.5%. PAT at ₹10,644crs grew 5% YoY while PAT bei grew by 1%. The Board of Directors has proposed a final dividend of ₹24 per share. Together with the interim dividend of ₹19 per share and special dividend of ₹10 per share declared in Oct'24, the total dividend payout for the year will be ₹12,453crs.

Concall Highlights

- This year marked a step up in HUL's portfolio transformation with increased innovation in high-growth spaces, amplified investments in channels of the future, acquisition of Minimalist, divestment of Pureit, and the decision to demerge Ice Cream business. Looking ahead, management expects the demand conditions to gradually improve over the next fiscal year supported by robust business fundamentals, to continue winning competitively.
- Management has lowered its EBITDA margin guidance from 23-24% to 22-23% for the next few quarters as it looks to accelerate investments to transform its existing portfolio, while the demand rebounds. However, HUL expects growth to gradually improve during the year led out of portfolio transformation and improving macroconditions; H1 FY'26 > H2 FY'25 and continue to focus on driving volume led competitive growth.
- Muted performance across home care and personal care segments was offset by improved growth in the newly carved B&W (beauty & wellbeing) division. HUL took calibrated price hikes in Skin Cleansing and Beverages, which were largely offset by price reductions in the Home Care segment.
- EBITDA grew 2.4% YoY at ₹3619crs due to high raw material prices and employees' costs grew 2.9% YoY. A&P investments as a percentage of revenue decreased ~100bps in Q4FY25 to 9.7%. EBITDA margin at 23.1% contracted 20 bps.
- **Home Care (37% of revenue; segmental margin 18.8%):** grew 1.8% with mid-single-digit underlying volume growth. The segment witnessed negative price growth on account of pricing actions taken to pass on commodity led benefits to consumers. Fabric Wash delivered mid-single digit volume growth led by Premium Fabric Wash and Fabric Conditioners. Household Care segment grew volumes in the high-single digit. Liquids portfolio in Fabric Wash and Household Care continued to grow in double-digit driven by sustained market development activities and expansion into new formats and segments.
- **Beauty & Wellbeing (21% of revenue; segmental margin 32%):** Beauty & Wellbeing turnover grew by 3% with low-single digit UVG. Hair Care delivered double digit growth led by volume. The growth was broad based across Core, Future Core segments. Skin Care and Colour Cosmetics declined in low-single digit impacted by mass skin performance. To leverage the onset of the summer season, sun-care products under Lakme and Vaseline were launched. Glow & Lovely underwent a complete 6P relaunch to

Important Data

Nifty	24,247
Sensex	79,801
Close*(₹)	2,325
Market Cap (₹Cr)	5,46,282
52W High/Low	3034/2,136
Shares o/s (crs)	234.96
BSE Code	500696
NSE Code	HINDUNILVR
Bloomberg Code	HUVR:IN

Close* as on 24th April 2025

Shareholding Pattern (%) – Mar'25

Promoter	61.9
FII	10.6
DII	15.5
Public & Others	12.0

Financials

Particulars	FY23	FY24	FY25
Revenues	60,580	61,896	62,175
YoY Growth	16%	2%	2.2%
EBITDA	14,148	14,659	14,851
EBITDA Margin	23%	24%	23.6%
PAT	10,143	10,282	10,671
PAT Margin	17%	17%	16.9%
EPS	43.2	43.8	45.4
PE	53.8	53.1	51.2

Source: Company, Way2Wealth

Relative performance

Absolute Return (%)	1 Yr	3Yr	5 Yr
HUL	4	4	6
Nifty 50	7	41	144
Sensex	7	39	136

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reposition the brand with an elevated proposition, supported by extensive digital media deployment.

- **Personal Care (14% of revenue; segmental margin ~19%):** Personal Care grew 3% with low-single digit volume decline. Skin cleansing grew in low-single digit driven by calibrated pricing actions taken due to commodity inflation. The non-hygiene segment delivered high-single digit growth and bodywash continued to strengthen market leadership with double-digit growth. Oral Care witnessed low single-digit growth led by Closeup.
- **Foods & Refreshment (25% of revenue; segmental margin ~16%):** Foods turnover declined by 1% with low-single digit price growth offset by volume decline. Tea delivered low-single digit growth driven by pricing and maintained its value and volume leadership. Coffee sustained its double-digit growth momentum. Nutrition Drinks turnover declined, impacted by continued category headwinds and the transitionary impact of pack-price architecture change. Ice Cream delivered double-digit volume led growth, fuelled by innovations and activations. 3 new flavours of Hellman's Mayonnaise, a Ready-to-drink Bru tetra pack and an exciting range of Ice Creams including Magnum Pistachio and Kwality Walls Twister were launched in the quarter.
- Margins in the home care segment stood at 18.8% (-70bps YoY), personal care stood at 18.7% (30bps YoY), Foods & Refreshments was 16.1% (-280bps YoY), Beauty & Wellbeing was 32% (230bps YoY).
- The ice cream demerger is progressing well, and management expects it to be completed by the end of FY26.

Risk

- Slower recovery in demand
- Inflationary raw material prices

VIEW

HUL's revenue grew 3% with volume growth of 2% YoY led by the Beauty & Wellbeing segment followed by the home care segment's performance.

HUL expects growth trends to gradually improve as a result of its accelerated portfolio transformation and improving underlying macro conditions.

Management has lowered its EBITDA margin guidance from 23-24% to 22-23% for the next few quarters as it looks to accelerate investments to transform its existing portfolio, while the demand rebounds. The B&W segment remains a key growth driver from its accelerating investments, as company will also continue to focus on scaling up new categories within this segment.

With Minimalist brand acquisition, HUL aims to strengthen its position in the beauty and wellbeing market, tapping into the rising demand for D2C brands while strengthening its portfolio in high-growth categories.

A strong product profile, leadership positioning in key categories, and extensive distribution reach will enable HUL to achieve faster recovery. **At the current price of ₹2325, it is trading at a P/E 51.2 to FY25 EPS of ₹45.4. Investors should use the recent correction as an opportunity to accumulate the stock for the long term.**

Consolidated Financials

(₹ crs)

Particulars	Q4FY25	Q4FY24	VAR	Q3FY25	VAR	FY25	FY24	VAR
Sale of Products	15,416.0	15,013.0	2.7%	15,559.0	-0.9%	62,175.0	60,852.0	2.2%
Sale of Services	30.0	28.0		31.0		113.0	114.0	
Other Operating Income	224.0	169.0	32.5%	228.0	-1.8%	833.0	930.0	-10.4%
Total Operating Income	15,670.0	15,210.0	3.0%	15,818.0	-0.9%	63,121.0	61,896.0	2.0%
Other Income	309.0	231.0	33.8%	232.0	33.2%	1,017.0	811.0	25.4%
TOTAL INCOME	15,979.0	15,441.0	3.5%	16,050.0	-0.4%	64,138.0	62,707.0	2.3%
Cost Of Materials Consumed	4,830.0	4,611.0	4.7%	4,749.0	1.7%	19,458.0	19,257.0	1.0%
Purchase of stock in trade	2,802.0	2,568.0	9.1%	2,829.0	-1.0%	11,273.0	10,514.0	7.2%
Stock Adjustment	(9.0)	78.0	-111.5%	123.0	-107.3%	(153.0)	(11.0)	1290.9%
<i>RMC as a %age of sales</i>	<i>48.7%</i>	<i>47.8%</i>		<i>48.8%</i>		<i>48.5%</i>	<i>48.2%</i>	
Employee Benefit Expenses	856.0	832.0	2.9%	743.0	15.2%	3,077.0	3,009.0	2.3%
<i>EPC as a %age of sales</i>	<i>5.5%</i>	<i>5.5%</i>		<i>4.7%</i>		<i>4.9%</i>	<i>4.9%</i>	
Advertisement & Promotion	1,510.0	1,616.0	-6.6%	1,507.0	0.2%	6,199.0	6,489.0	-4.5%
<i>Advertisement Expenses as a %age of sales</i>	<i>9.7%</i>	<i>10.6%</i>	<i>-1.0%</i>	<i>9.5%</i>		<i>9.8%</i>	<i>10.5%</i>	<i>-0.7%</i>
Other Expenses	2,062.0	1,970.0	4.7%	2,172.0	-5.1%	8,416.0	7,975.0	5.5%
<i>Other Expenses as a %age of sales</i>	<i>13.2%</i>	<i>13.0%</i>		<i>13.8%</i>		<i>13.4%</i>	<i>12.9%</i>	
TOTAL EXPENDITURE	12,051.0	11,675.0	3.2%	12,123.0	-0.6%	48,270.0	47,233.0	2.2%
EBIDTA	3,619.0	3,535.0	2.4%	3,695.0	-2.1%	14,851.0	14,663.0	1.3%
EBIDTA Margins %	23.1%	23.3%	-0.1%	23.4%		23.6%	23.7%	-0.2%
Finance Costs	80.0	105.0	-23.8%	112.0	-28.6%	395.0	334.0	18.3%
PBDT	3,848.0	3,661.0	5.1%	3,815.0	0.9%	15,473.0	15,140.0	2.2%
Depreciation	347.0	320.0	8.4%	341.0	1.8%	1,355.0	1,216.0	11.4%
PBT before exceptional items	3,501.0	3,341.0	4.8%	3,474.0	0.8%	14,118.0	13,924.0	1.4%
Exceptional items	(139.0)	78.0	-278.2%	507.0	-127.4%	297.0	2.0	14750.0%
PBT	3,362.0	3,419.0	-1.7%	3,981.0	-15.5%	14,415.0	13,926.0	3.5%
Tax	887.0	858.0	3.4%	993.0	-10.7%	3,744.0	3,644.0	2.7%
<i>Tax Rate</i>	<i>26.4%</i>	<i>25.1%</i>		<i>24.9%</i>		<i>26.0%</i>	<i>26.2%</i>	
Reported Profit After Tax from Continuing Operation	2,475.0	2,561.0	-3.4%	2,988.0	-17.2%	10,671.0	10,282.0	3.8%
PATM %	15.8%	16.9%		18.9%		16.9%	16.6%	
Other Comprehensive Income (Net of tax)- net credit / (charge)	(22.0)	15.0		9.0		(19.0)	25.0	
Total Comprehensive Income	2,453.0	2,576.0	-4.8%	2,998.0	-18.2%	10,652.0	10,307.0	3.3%
EPS	10.5	10.9	-3.4%	12.7	-17.2%	45.4	43.8	3.8%
Equity	235.0	235.0		235.0		235.0	235.0	
Face Value	1.0	1.0		1.0		1.0	1.0	

Source: Company, Way2Wealth

Segmental Performance

(₹ Crs)

Particulars	Q4FY25	Q4FY24	VAR	Q3FY25	VAR	FY25	FY24	VAR
REVENUES								
Revenue from Operations	15,670.0	15,210.0	3.0%	15,818.0	-0.9%	63,121.0	61,896.0	2.0%
Home Care	5,815.0	5,709.0	1.86%	5,739.0	1.3%	22,958.0	21,882.0	4.92%
Mix %	37.1%	37.5%		36.3%		36.4%	35.4%	1.0%
Personal Care	2,126.0	2,063.0	3.1%	2,243.0	-5.2%	9,166.0	9,412.0	-2.6%
Mix %	13.6%	13.6%		14.2%		14.5%	15.2%	
Foods & Refreshments	3,896.0	3,910.0	-0.4%	3,745.0	4.0%	15,294.0	15,291.0	0.0%
Mix %	24.9%	25.7%		23.7%		24.2%	24.7%	
Beauty & Wellbeing	3,265.0	3,062.0	6.6%	3,556.0	-8.2%	13,523.0	13,036.0	3.7%
Mix %	20.8%	20.1%		22.5%		21.4%	21.1%	
Others	568.0	466.0	21.9%	535.0	6.2%	2,180.0	2,275.0	-4.2%
Mix %	9.8%	8.2%		9.3%		9.5%	10.4%	
Less : Inter Segment Revenues	0.0	0.0	#DIV/0!	0.0	#DIV/0!	0.0	0.0	-17.0%
Total Segment Revenue	15,670.0	15,210.0	3.0%	15,818.0	-0.9%	63,121.0	61,896.0	2.0%
Profit/Loss Before Interest and Tax	3,272.0	3,215.0	1.8%	3,354.0	-2.4%	13,496.0	13,447.0	0.4%
Margin %	20.9%	21.1%		21.2%		21.4%	21.7%	
Home Care	1,093.0	1,111.0	-1.6%	1,086.0	0.6%	4,429.0	4,127.0	7.3%
Margin %	18.8%	19.5%	-0.7%	18.9%		19.3%	18.9%	0.4%
Personal Care	398.0	379.0	5.0%	401.0	-0.7%	1,631.0	1,661.0	-1.8%
Margin %	18.7%	18.4%	0.3%	17.9%		17.8%	17.6%	0.1%
Foods & Refreshments	627.0	739.0	-15.2%	755.0	-17.0%	2,808.0	2,851.0	-1.5%
Margin %	16.1%	18.9%	-2.8%	20.2%		18.4%	18.6%	-0.3%
Beauty & Wellbeing	1,046.0	912.0	14.7%	1,018.0	2.8%	4,188.0	4,149.0	0.9%
Margin %	32.0%	29.8%	2.3%	28.6%		31.0%	31.8%	-0.9%
Others	108.0	74.0	45.9%	94.0	14.9%	440.0	659.0	-33.2%
Margin %	19.0%	15.9%		17.6%		20.2%	29.0%	
Less : Interest	80.0	105.0	-23.8%	112.0	-28.6%	395.0	334.0	18.3%
Other Un-allocable Expenditure	(1.0)	0.0		1.0		(8.0)	(4.0)	
Add : Other Un-allocable Income	309.0	231.0	33.8%	232.0	33.2%	1,017.0	811.0	25.4%
Extra-Ordinary Income/Expense	(138.0)	78.0		507.0		305.0	6.0	
Net Profit/Loss Before Tax	3,362.0	3,419.0	-1.7%	3,982.0	-15.6%	14,415.0	13,926.0	3.5%

Source: Company, Way2Wealth

Coverage

Date	Coverage	Report Price (₹)	Buy Range (₹)	Target Price (₹)
24-July-23	Quick Insight	2,604.0	2620 – 2670	3060 – 3080
23-Oct-23	Q2FY24	2,495.0		
26-Apr-24	Q4FY24	2,231.0		
25-July-24	Q1FY25	2,717.0		
25-Oct-24	Q2FY25	2,503.0		
28-Jan-25	Q3FY25	2,392.0		

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Disclosure of Interest Statement: HINDUSTAN UNILEVER LTD as on 25th April 2025

Name of the Security	HINDUSTAN UNILEVER LTD
Name of the analyst	Ashwini Sonawane
Analysts' ownership of any stock related to the information contained	NIL
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
Broking relationship with company covered	NIL
Investment Banking relationship with company covered	NIL

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