

Hindustan Unilever Ltd

04-05-2019

CMP	1694
SENSEX	38,963
NIFTY	11,712
DECISION ON STOCK	Hold

Result Update-Q4FY2019

India's largest FMCG company, Hindustan Unilever Ltd reported 9% YOY revenue growth to 9945 crore and 14% YOY jump in profits to 1538 crores. EBITDA margin expanded by 90 bps despite of increasing raw material costs, company kept a lid on employee costs and advertising, promotion and selling costs to compensate for higher input costs. Considering the strong product and brand portfolio we recommend to HOLD the stock.

STOCK DETAILS	
Sector	FMCG
Market cap. (Rs. Cr)	3,66,441
Beta	1.20
52 Week High/Low	1871/1442
Face Value (Rs.)	1

SHAREHOLDING PATTERN (%)	
Promoters	67.19%
MF / Banks / DII	7.03%
FPI	11.83%
Public / Others	13.95%

PRICE PERFORMANCE			
	3M	6M	12M
NIFTY	8.12%	12.08%	14.51%
HUL	-6.46%	6.87%	22.77%

Key highlights

1. Domestic consumer growth was 9% with underlying volume growth at 7%.
2. Homecare segment delivered another quarter of strong volume led growth. Revenue up by 13% YOY to 3502 crores and operating profit up to 619 crores.
3. Beauty care segment's growth was driven by premium brand and revenue grew by 7% YOY to 1220 crore while operating profit was up to 1,220 crores.
4. Food and refreshment segment showed steady growth with revenue growing at 10% YOY with operating profit at 346 crores from 288 crores.

Future Outlook

1. Near term market has moderated given macroeconomic indicators
2. Volume growth trends and demand scenario in urban and rural geographies, market share trends, outlook for raw materials/pricing actions, currency depreciation are the key watch outs.



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