

Hindustan Unilever

Sector: FMCG

Market Cap (Cr.): 5,47,828

52 weeks High / Low: 2,614 / 1,660

Current Price: 2,333

Stock P/E: 81.30

Book Value: 34

Dividend Yield: 1.07%

P/B: 68.19

Key Highlights

Positives

1. Strong brands like Surf, Dove, Lakme, Brooke Bond, Vim, Lifebouy, Vaseline, etc.
2. Robust distribution of more than 60 lakh retail outlets. One of the best rural presence among all FMCG players.
3. Complete FMCG player - Presence across multiple segments: skincare, personal care, health and nutrition
4. Unilever, the parent company has given lot of freedom to cultivate India specific brands and products
5. Keep acquiring new brands from Pharma companies or smaller FMCG players. Recent merger with GSK Consumer added more strong brands: Horlicks, Crocin, Sensodyne
6. One of the best ROCE & ROE in the industry
7. Zero Debt company

Negatives

1. High Promoters holding which keeps the free float low and hence mostly high premiums
2. Hasn't given great sales growth in last 5 years.

Quarterly Results

Particulars	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Sales	9097	9487	9234	9558	9945	10114	9852	9808	9011
Other Income	100	135	305	106	118	147	180	140	266
Expenses	7049	7236	7215	7512	7624	7467	7409	7363	6946
Operating Profit	2148	2386	2324	2152	2439	2794	2623	2585	2331
Interest & Depreciation	132	134	137	140	141	238	268	257	281
Profit Before Tax	1952	2193	2152	1950	2227	2563	2308	2229	1992
Tax%	31	30	29	26	31	32	20	28	24
Net Profit	1351	1529	1525	1444	1538	1755	1848	1616	1519
PATM%	15	16	17	15	15	17	19	16	17

Profit & Loss

Particulars	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20
Sales	30,806	31,061	31,890	34,525	38,224	38,785
Other Income	640	564	526	569	664	733
Expenses	25,620	25,312	25,843	27,249	29,587	29,185
Operating Profit	5,826	6,313	6,573	7,845	9,301	10,333
Interest & Depreciation	303	336	418	498	552	1,044
Profit Before Tax	6,187	5,946	6,396	7,285	8,522	9,092
Tax%	30	30	30	28	29	26
Net Profit	4,315	4,137	4,490	5,237	6,036	6,738
PATM%	14	13	14	15	16	17

Ratios

Particulars	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20
ROCE %	177.25	119.18	100.52	107.7	116.06	117.25
ROE %	124.81	83.43	70.73	77.56	82.24	86.11
ROA %	32.85	30.43	31.68	33.27	35.07	36.55
Interest Coverage Ratio	368.86	397.4	291.73	365.25	305.36	86.77
D/E	0	0	0	0	0	0
P/B	51.3	30.12	30.42	40.96	48.32	61.93

Major Shareholders

Particulars	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
Foreign Promoters	67.19	67.18	67.18	67.18	67.18	61.9
Indian Promoters	0	0	0	0	0	0
DII's	7.03	6.93	6.67	6.68	6.67	8.34
FII's	11.83	12.06	12.4	12.32	12.1	14.81
Others	13.95	13.83	13.75	13.82	14.05	14.95

Overall Our Opinion

1. Company : Great
2. Industry : Undoubtedly Everyday Need
3. Management : Good
4. Financials : Good
5. Valuation: ☺ Over Priced