




Hindustan Unilever Limited

BUY

Sector: Household Products

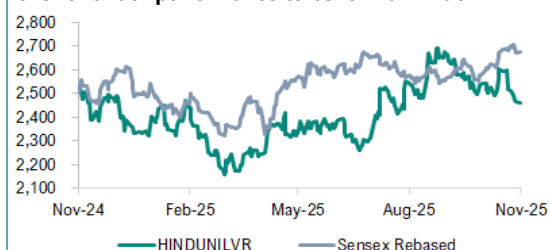
06th November, 2025

Key Changes		Target 	Rating 	Earnings 		Target	Rs. 2,776
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 2,446
Large Cap	HUVR:IN	83,459	HINDUNILVR	500696	12 Months	Return	+13%

Data as of: 04-Nov-2025, 16:00 hrs

Company Data			
Market Cap (Rs.cr)	5,74,722		
52 Week High — Low (Rs.)	2,780 - 2,136		
Enterprise Value (Rs. cr)	5,70,771		
Outstanding Shares (cr)	235.0		
Free Float (%)	37.7		
Dividend Yield (%)	2.9		
6m average volume (cr)	0.2		
Beta	0.8		
Face value (Rs.)	1.0		
Shareholding (%)	Q4FY25	Q1FY26	Q2FY26
Promoters	61.9	61.9	61.9
FII's	10.6	10.2	10.8
MFs/Institutions	15.5	16.1	15.7
Public	11.2	11.1	10.9
Others	0.8	0.7	0.7
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-3.8%	5.3%	-3.2%
Absolute Sensex	3.0%	3.7%	5.9%
Relative Return	-6.8%	1.6%	-9.1%

*over or under performance to benchmark index



Y.E March (cr)	FY25A	FY26E	FY27E
Sales	61,469	66,828	72,525
Growth (%)	1.7	8.7	8.5
EBITDA	14,297	15,150	16,909
EBITDA Margin (%)	23.3	22.7	23.3
PAT Adjusted	10,252	10,783	12,075
Growth (%)	0.7	5.2	12.0
Adjusted EPS	43.6	45.9	51.4
Growth (%)	0.7	5.2	12.0
P/E	64.6	53.3	47.6
P/B	13.5	12.1	12.7
EV/EBITDA	46.0	37.7	33.7
ROE (%)	21.7	22.9	26.7
D/E	0.0	0.0	0.0

E-commerce revolution reshaping strategy

Hindustan Unilever (HUL), a subsidiary of Unilever PLC, is a leader in the FMCG space in India. It has over 35 brands across 20 categories, such as soaps, detergents, shampoos and skin care.

- HUL's standalone revenue for Q2FY26 was up 0.5% YoY to Rs. 15,585cr, due to resilient volumes amid the recent cuts in the goods and services tax (GST) and softer demand due to prolonged monsoon.
- Revenue from the home care segment declined 1.2% YoY to Rs. 5,667cr, impacted by price cuts in the previous quarter and a deflation of over 10% in crude oil, which reduced realisation despite mid-single-digit volume growth.
- Revenue from beauty and personal care grew 1.4% YoY to Rs. 5,815cr, on gains in the skincare, premium soap, health and wellbeing segments.
- EBITDA fell 2.3% YoY to Rs. 3,563cr, while EBITDA margin contracted 60bps YoY to 22.9%, due to an increase in the cost of materials consumed.
- Structural demand recovery is expected in the second half of FY26 as GST reforms lead to an increase in disposable income and an improvement in affordability across the essential and premium categories.

Outlook & Valuation

HUL's performance during the quarter was stable due to strong execution abilities, GST adjustments and a moderate seasonal environment. GST cuts are expected to support consumption recovery and improve channel momentum during the festive period. HUL's strategic focus on premiumisation, science-led innovation and digital acceleration continues to reinforce brand leadership across key categories. By expanding its e-commerce presence and by using data-led marketing and supply chain digitisation, the company has enhanced execution agility and consumer reach. Portfolio expansion through innovative SKUs across beauty, wellness and home care is expected to drive growth. Hence, **we retain our BUY rating on the stock with a revised target price of Rs. 2,776 based on 54x FY27E adjusted EPS.**

Quarterly Finance Standalone

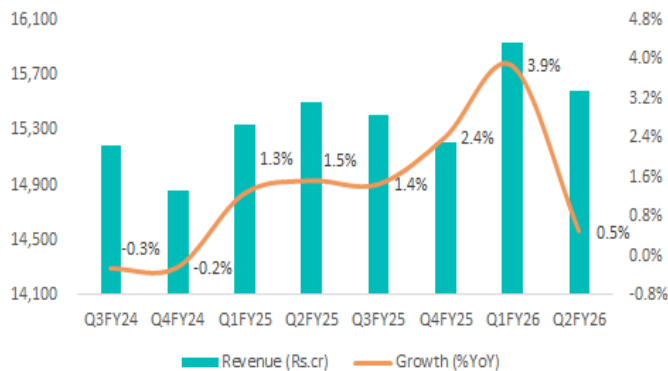
Rs.cr	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Sales	15,585	15,508	0.5	15,931	-2.2	31,516	30,847	2.2
EBITDA	3,563	3,647	-2.3	3,558	0.1	7,121	7,253	-1.8
Margin (%)	22.9	23.5	-60bps	22.3	60bps	22.6	23.5	-90bps
EBIT	3,239	3,342	-3.1	3,234	0.2	6,473	6,650	-2.7
PBT	3,540	3,536	0.1	3,244	9.1	6,784	6,968	-2.6
Rep. PAT	2,690	2,612	3.0	2,732	-1.5	5,422	5,150	5.3
Adj PAT	2,478	2,611	-5.1	2,490	-0.5	4,968	5,183	4.1
Adj. EPS (Rs)	10.5	11.1	-5.1	10.6	-0.5	21.1	22.1	-4.1



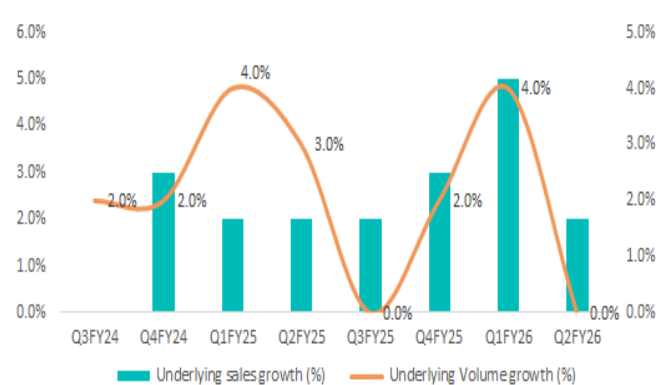
Key concall highlights

- Hindustan Unilever confirmed the ice cream division's demerger process is on schedule, with listing expected in Q4FY26, ensuring strategic portfolio simplification and capital efficiency benefits.
- The management expects normal trading in early November, with the second half growth being stronger than that of the first half, contingent on whether normalisation and GST impact moderate.
- It has signalled a structural pivot towards the beauty and well-being space by scaling up science-led brands such as Oziva and Fast and Up into mainstream FMCG channels through digital-first expansion.
- Hindustan Unilever has highlighted that the innovation pipeline new launches in FY26, focusing on premium skin care, functional nutrition and sustainable cleaning solutions.
- The company reiterated that GST rate benefit has been passed on to 1,200 SKUs, improving affordability and long-term volume-led premiumisation potential.
- The management has guided that the double-digit growth in e-commerce will be seen in FY26 also, with quick commerce channel expected to double its share from the current sales.

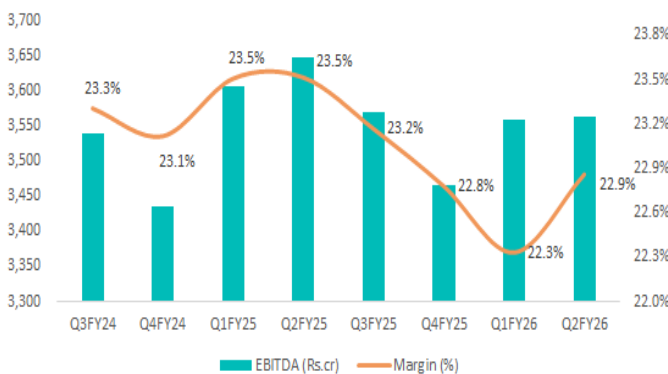
Revenue



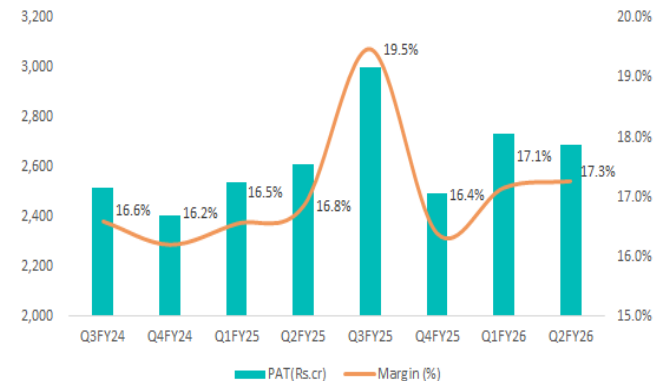
Volume Growth



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	66,444	72,049	66,828	72,525	0.6	0.7
EBITDA	15,193	16,391	15,150	16,909	-0.3	3.2
Margins (%)	22.9	22.8	22.7	23.3	-23bps	50bps
Adj. PAT	10,830	11,693	10,783	12,075	-0.4	3.3
EPS	46.1	49.8	45.9	51.4	-0.4	3.2



Standalone Financials

Profit & Loss

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	59,144	60,469	61,469	66,828	72,525
% change	15.5	2.2	1.7	8.7	8.5
EBITDA	13,647	14,190	14,297	15,150	16,909
% change	9.0	4.0	0.8	6.0	11.6
Depreciation	1,045	1,097	1,232	1,281	1,308
EBIT	12,602	13,093	13,065	13,869	15,602
Interest	101	302	364	446	463
Other Income	578	884	1,599	1,246	1,201
PBT	13,079	13,675	14,300	14,669	16,340
% change	11.4	4.6	4.6	2.6	11.4
Tax	3,117	3,561	3,656	3,829	4,265
Tax Rate (%)	23.8	26.0	25.6	26.1	26.1
Reported PAT	9,962	10,114	10,644	10,840	12,075
PAT att. to common shareholders	9,962	10,114	10,644	10,840	12,075
Adj.*	-242	66	-392	-57	-
Adj. PAT	9,720	10,180	10,252	10,783	12,075
% change	12.0	4.7	0.7	5.2	12.0
No. of shares (cr)	235.0	235.0	235.0	235.0	235.0
Adj EPS (Rs.)	41.4	43.3	43.6	45.9	51.4
% change	12.1	4.7	0.7	5.2	12.0
DPS (Rs.)	39.0	42.0	53.0	54.0	60.0

Cashflow

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	11,007	11,211	11,876	12,122	13,383
Non-cash adj.	-1,049	3,596	270	1,254	1,954
Other adjustments	-	-	-	-	-
Changes in W.C	-332	77	-540	795	742
C.F. Operation	9,626	14,884	11,606	14,171	16,079
Capital exp.	-861	-1,298	-541	-1,034	-1,076
Change in inv.	-400	-4,213	6,326	-362	-200
Other invest.CF	199	540	978	-100	-100
C.F - Investment	-1,062	-4,971	6,763	-1,497	-1,377
Issue of equity	-	-	-	-	-
Issue/repay debt	-	-	-	-	-
Dividends paid	-8,459	-9,398	-12,453	-12,688	-14,098
Other finance.CF	-507	-492	-578	-388	-402
C.F - Finance	-8,966	-9,890	-13,031	-13,076	-14,499
Chg. in cash	-402	23	5,338	-401	203
Closing Cash	586	609	5,947	5,546	5,749

Balance Sheet

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	586	609	5,947	5,546	5,749
Accts. Receivable	2,735	2,690	3,450	3,341	3,554
Inventories	4,031	3,812	4,161	4,365	4,460
Other Cur. Assets	8,697	13,185	7,341	8,193	8,200
Investments	983	983	988	1,089	1,191
Gross Fixed Assets	10,520	12,047	13,427	14,740	16,092
Net Fixed Assets	5,169	6,263	6,754	6,738	6,732
CWIP	1,020	915	956	1,004	1,054
Intangible Assets	45,216	45,201	45,197	44,918	44,642
Def. Tax -Net	-	-	-	-	-
Other Assets	3,388	3,418	3,519	3,681	3,857
Total Assets	71,825	77,076	78,313	78,875	79,440
Current Liabilities	11,334	12,063	15,292	16,363	17,611
Provisions	1,335	1,551	1,509	1,479	1,449
Debt Funds	1,039	1,374	1,537	1,595	1,656
Other Liabilities	7,896	11,115	10,822	12,133	13,441
Equity Capital	235	235	235	235	235
Res. & Surplus	49,986	50,738	48,918	47,071	45,048
Shareholder Funds	50,221	50,973	49,153	47,306	45,283
Minority Interest	-	-	-	-	-
Total Liabilities	71,825	77,076	78,313	78,875	79,440
BVPS	214	217	209	201	193

Ratio

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	23.1	23.5	23.3	22.7	23.3
EBIT margin (%)	21.3	21.7	21.3	20.8	21.5
Net profit mgn.(%)	16.8	16.7	17.3	16.2	16.6
ROE (%)	19.8	19.8	21.7	22.9	26.7
ROCE (%)	24.6	25.0	25.8	28.4	33.2
W.C & Liquidity					
Receivables (days)	16.9	16.2	20.5	18.3	17.9
Inventory (days)	47.2	47.4	50.3	46.9	44.2
Payables (days)	110.1	126.3	133.0	127.8	128.1
Current ratio (x)	1.4	1.6	1.3	1.3	1.2
Quick ratio (x)	0.9	1.2	0.9	0.8	0.8
Turnover & Leverage					
Gross asset T.O (x)	5.9	5.4	4.8	4.7	4.7
Total asset T.O (x)	0.8	0.8	0.8	0.9	0.9
Int. covge. ratio (x)	124.8	43.4	35.9	31.1	33.7
Adj. debt/equity (x)	0.0	0.0	0.0	0.0	0.0
Valuation					
EV/Sales (x)	10.2	8.8	10.7	8.5	7.9
EV/EBITDA (x)	44.1	37.6	46.0	37.7	33.7
P/E (x)	61.8	52.4	64.6	53.3	47.6
P/BV (x)	12.0	10.5	13.5	12.1	12.7



Recommendation Summary - (last 3 years)



Dates	Rating	Target
02-Nov-22	BUY	2,840
27-Jan-23	BUY	2,900
28-Jul-23	BUY	2,900
27-Oct-23	BUY	2,820
24-Jan-24	BUY	2,820
05-Nov-24	BUY	2,820
08-May-25	BUY	2,640
06-Nov-25	BUY	2,776

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

▲ Upgrade

● No Change

▼ Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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