

Lifebuoy, Horlicks virus-proof HUL's June quarter

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A bunch of brands of Hindustan Unilever (HUL), the country's largest consumer goods company, aided sales growth in the June quarter (Q1) at a time when the overall market conditions have been challenging. These star performers included names such as Lifebuoy, Horlicks, Kissan, Brooke Bond, Domex and Bru.

Thanks to in-home consumption and a focus on hygiene and health, HUL said these brands contributed significantly to growth within its essentials portfolio, which constitutes 80 per cent of its business. The essentials portfolio grew 6 per cent in April-June, the company disclosed in its June quarter results on Tuesday.

The balance 20 per cent of HUL's business, which includes beauty, ice creams, water purifiers and food solutions, de-grew sharply.



HUL'S HERO BRANDS IN Q1

- Lifebuoy ■ Kissan ■ Domex
- Brooke Bond ■ Horlicks ■ Bru

Rate of growth in Q1:
In double digits

Near-term outlook:
Positive for these brands

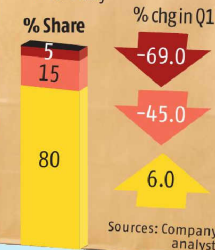
Lifebuoy, in particular, grew in double digits across formats in Q1, said Sanjiv Mehta, chairman and managing director, HUL. While brands such as Horlicks, Kissan, Brooke Bond and Bru did well during the period, and deep

cleaning products such as Domex floor cleaners saw high demand, he said.

According to analysts, HUL's food and refreshment brands — Kissan jams and sauces, Brooke Bond tea and Bru coffee — have clocked double-digit

BREAK-UP OF HUL BUSINESS

- Out-of-home
- Discretionary
- Essentials



growth in Q1, given the 52 per cent overall sales growth registered by the segment within the company. Apart from food and refreshments, the other two segments within HUL include beauty and personal care and home care.

Demand for Lifebuoy hand wash and hand sanitisers, on the other hand, has made HUL to ramp up its manufacturing capacity by five times and 100 times, respectively in Q1, the company said. The company also quickly fortified Brand Horlicks with zinc and other multi-vitamins to build immunity,

it added. "The Covid-19 infection rate remains high and people are waiting for a vaccine," Mehta said. "The focus remains on health, hygiene and nutrition. And, the most trusted names within these categories have benefit-

ed from this trend," he said. Last week, market research agency Nielsen said sales of fast-moving consumer goods (FMCG) rebounded to pre-Covid levels in June, led by categories such as beauty, hygiene, food and rural areas.

While Mehta said rural was clipping higher than urban areas in terms of sales for his company, he would still wait for the September quarter to give an assessment of demand.

"We are pleased with what the government is doing to improve demand, especially, in the rural areas. However, uncertainty remains, which will last until a vaccine is found. If supply-side disruptions ease, the September quarter should give us a good picture of underlying demand," he added.

HUL gets 40 per cent of its sales from rural areas, ahead of the industry average of 33-35 per cent. According to experts, higher demand in rural areas and sustained demand for essentials will continue to drive sales in the near term.