

# HUL volume growth surprises, PBT up 14%

The firm's volume growth is ahead of overall FMCG sector

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The country's largest consumer goods company, Hindustan Unilever (HUL), on Friday reported a volume growth of 5 per cent in the third quarter, ahead of analysts' estimates of 3-4 per cent.

This came in a challenging market environment, according to HUL's chairman and managing director Sanjiv Mehta.

This is the fourth straight quarter of single-digit volume growth for HUL. Of the four quarters, three quarters in a row have seen HUL deliver volume growth at 5 per cent, Abneesh Roy, executive vice-president, research (institutional equities), Edelweiss, said.

HUL's Q3 volume growth is also ahead of the overall fast moving consumer goods



**HUL's chairman and MD Sanjiv Mehta**

(FMCG) sector's volume growth of 3 per cent for the three months ended December 31 2019, experts said, implying the firm was committed to driving sales volumes despite weak market conditions.

The company did this by cutting soap prices, driving low unit packs across categories and pushing penetration of its

products using its 'Winning in Many Indias' strategy, Mehta said.

While HUL's profit before tax (PBT) grew 14.3 per cent to ₹2,229 crore, its net profit grew nearly 12 per cent to ₹1,616 crore year-on-year.

A consensus estimate of analysts by *Bloomberg* had pegged net profit at ₹1,596 crore for the period. Revenue (which includes net sales plus other operating income) rose 2.6 per cent to ₹9,808 crore in the December quarter. Analysts had estimated ₹10,034 crore, according to *Bloomberg*.

Earnings before interest tax depreciation and amortisation (Ebitda) rose 19 per cent to ₹2,445 crore—higher than analysts' estimates of ₹2,241 crore.

Ebitda margin expanded to 24.9 per cent from 21.4 per cent, higher than the consensus projection of 22.3 per cent.