

Strategic and Financial Analysis of Hindustan Unilever Ltd (2020–2023)

A Business Analysis Report

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Introduction to HUL

- Founded: 1933 | HQ: Mumbai
- Parent: Unilever PLC (UK)
- industry: Fast-Moving Consumer Goods (FMCG)
- Reach: Serves 90% of Indian households
- Mission: “To make sustainable living commonplace.”
- Vision: To grow business responsibly with environmental and social impact.
- Core Segments: Home Care Beauty & Personal Care
Foods & Refreshments
- Key Brands: Surf Excel, Dove, Lakmé, Lipton, Bru



Key Financial Highlights (From 2020 to 2023)



Dividend Payout Ratio

(64% → 70%)



ROE

(84.25% → 20.42%) -
2020 spike due to merger



EBITDA Margin

(22.2% → 21.4%)



Net Profit

(₹6,756 Cr → ₹9,900 Cr)



Earnings Per Share (EPS)

(₹33.85 → ₹48.14)



Revenue Growth

(₹38,273 Cr → ₹58,154 Cr)

Strategic Moves (2020–2023)

1. Horlicks & Boost Integration

- Strengthened HUL's position in the health & nutrition segment.
- Brought in ~Rs 3,000+ crore annual revenue from GSK portfolio.

3. Sustainability Drive

- 100% plastic-neutral status achieved in 2021.
- Net Zero carbon emissions target set for 2039.
- Water conservation initiatives through “Water for Public Good.”





2. Rural Penetration & Innovation

- Launched sachet and low-unit-price (LUP) packs for Tier-2/3 cities.
- Focused innovations in personal hygiene & immunity-boosting products post-COVID.,

4. E-commerce & Digital Expansion

- Launched ‘Shikhar’ – a B2B app for retailers.
- Boosted online sales channel (D2C model).
- Partnered with platforms like JioMart, BigBasket, Amazon.

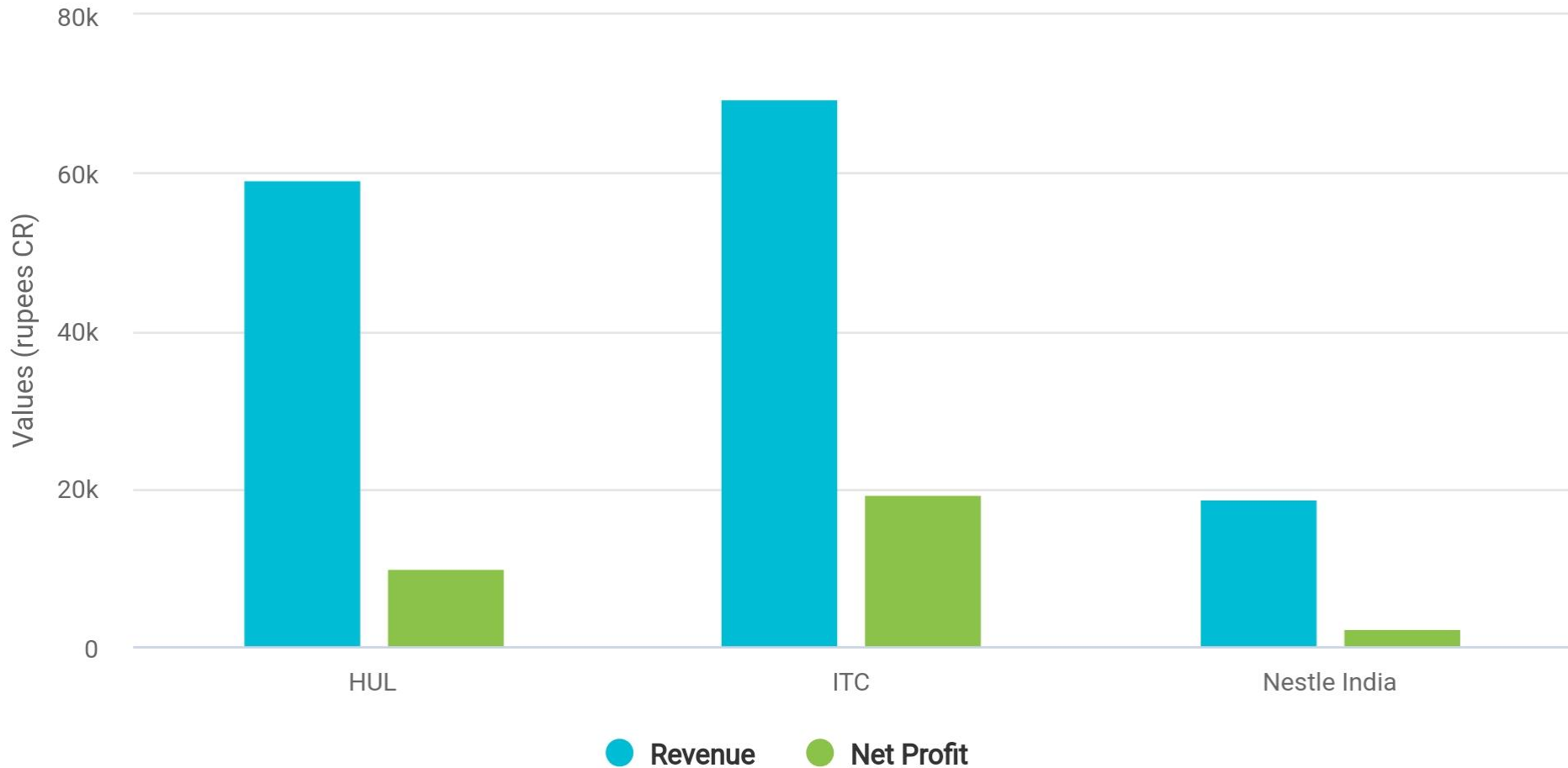
SWOT Analysis – HUL (2020–2023)

<ul style="list-style-type: none">• <u>Strengths</u> • Strong brand equity across diverse products• Extensive distribution network across rural and urban India• Backed by global R&D and innovation teams• Consistent financial performance, strong C.F	<ul style="list-style-type: none">• <u>Weaknesses</u> • Heavy dependence on the Indian market• Limited presence in premium or luxury FMCG segments• Vulnerability to fluctuations in raw material prices
<ul style="list-style-type: none">• <u>Opportunities</u> • Growing demand in Tier 2 and Tier 3 cities• Rise of health-conscious and eco-conscious consumers• Expansion in D2C (Direct-to-Consumer) and e-commerce channels• Demand for personalized, Ayurveda-based, or organic products	<ul style="list-style-type: none">• <u>Threats</u> • Aggressive local players with competitive pricing• High inflation and changing tax policies• Supply chain disruptions post-COVID• Increasing regulatory scrutiny on sustainability and ingredients

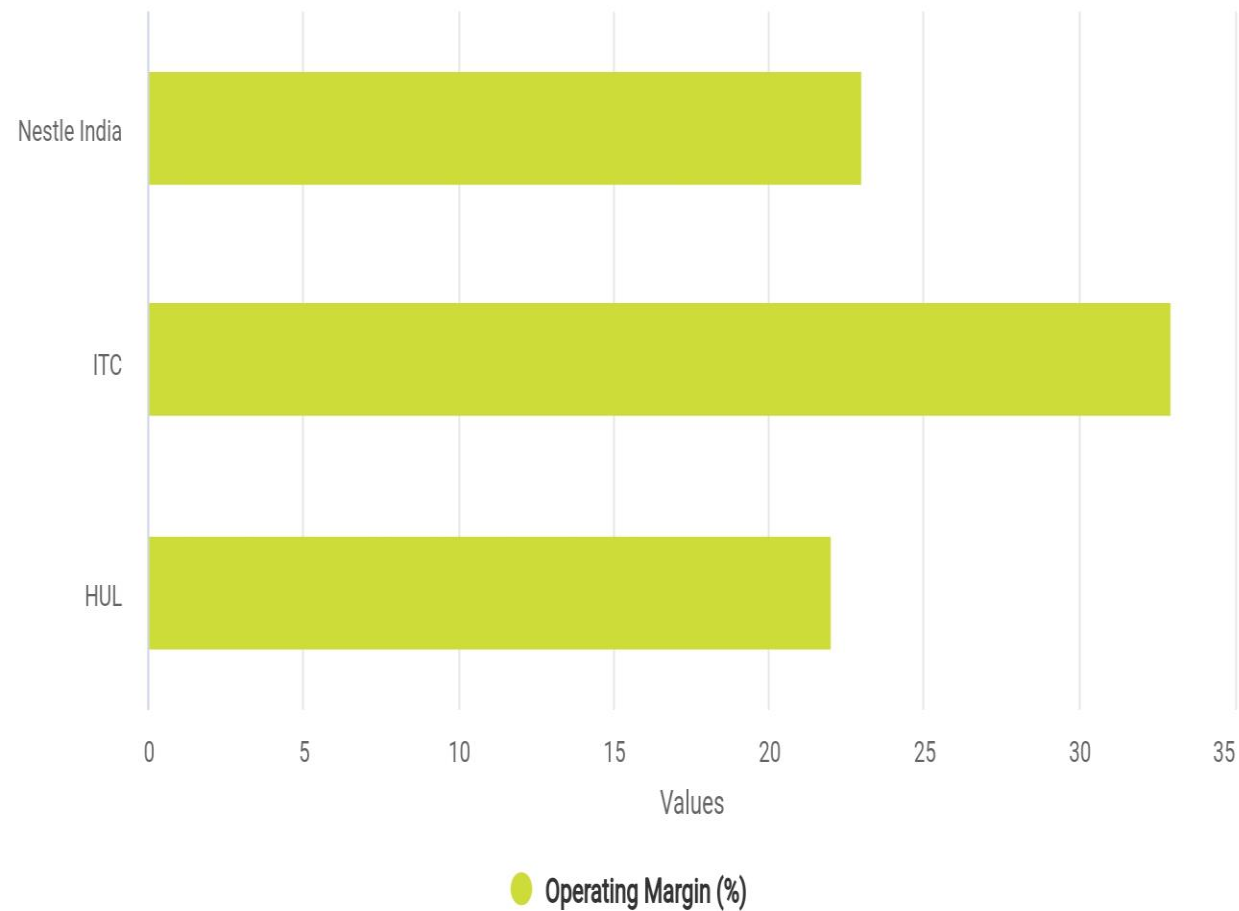
This section evaluates HUL against top players like ITC and Nestlé India in terms of Revenue, Net profit, Operating margins and Market cap.

Competitor comparison

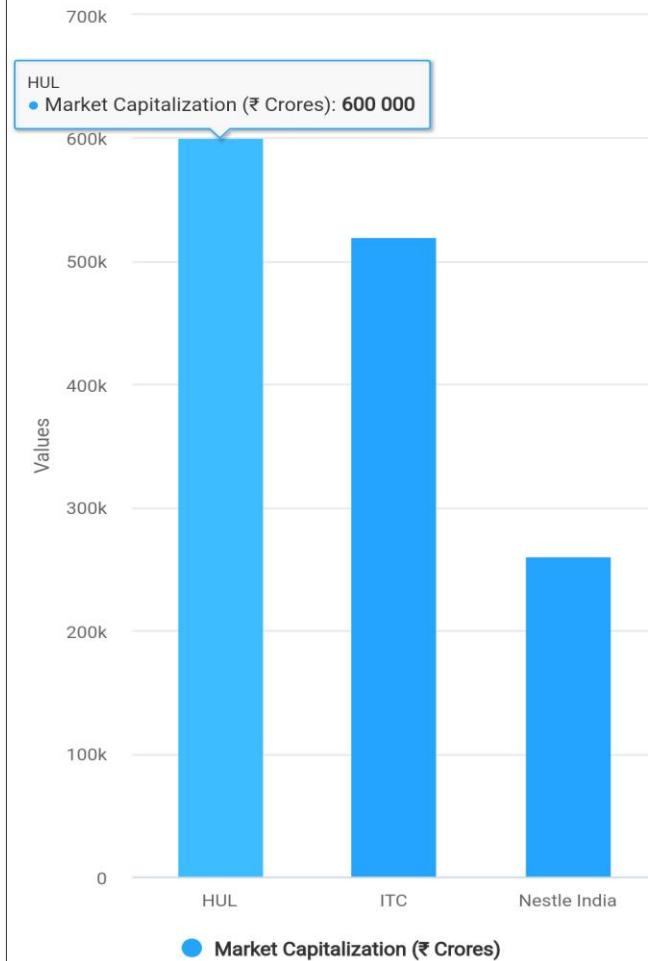
"HUL vs ITC vs Nestlé India (FY23): Financial Snapshot"



Operating Margins of HUL, ITC & Nestlé India (FY23)



Market Capitalization Comparison (FY2023)



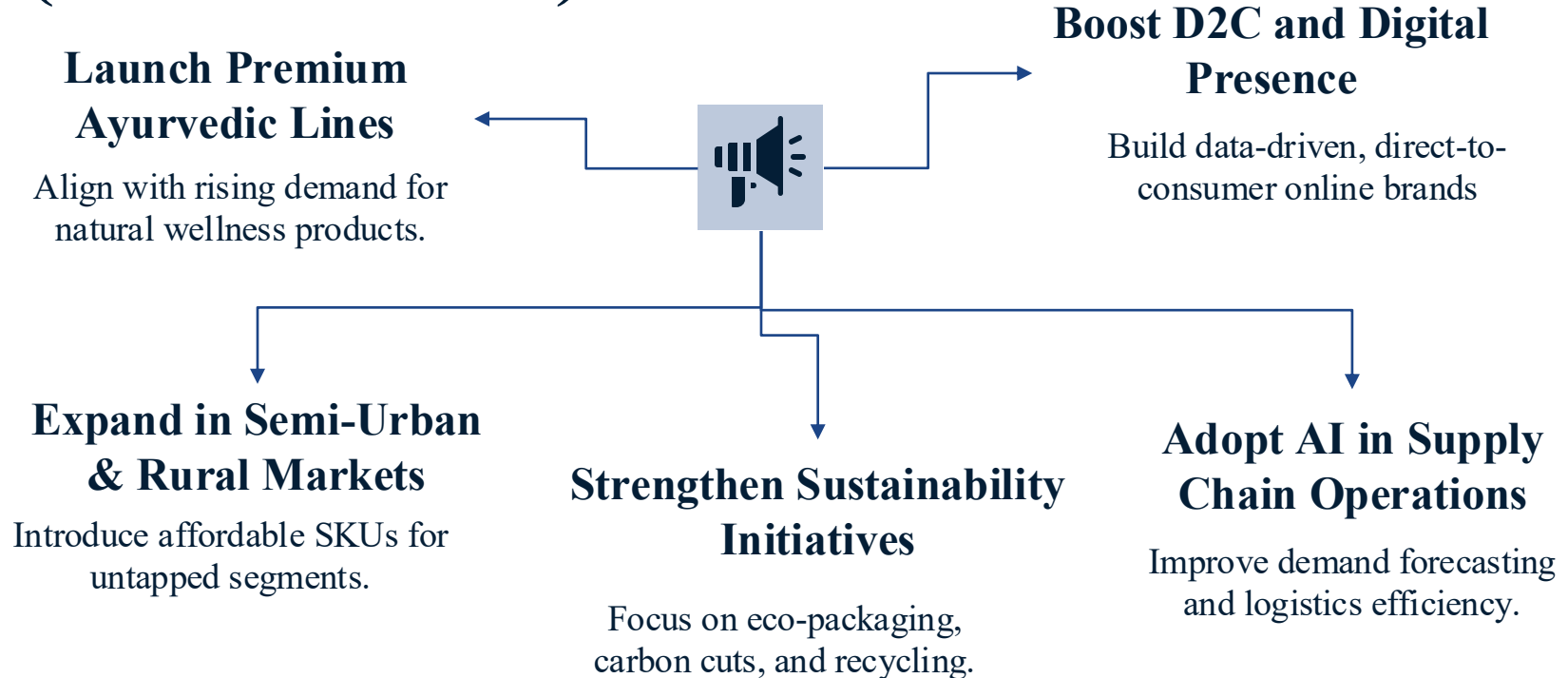
Key Insights from Financial Performance (FY2020–FY2023)

- Consistent revenue growth reflects strong demand and pricing power.
- Net profit increased steadily, indicating efficient cost and profit management.
- Stable operating margins show resilience despite inflation and rising input costs.
- Rising market capitalization signals investor trust and market leadership.

HUL is not just growing—it's dominating the game.



Strategic Recommendations for HUL (2024 Onwards)



Conclusion & Key Learnings

Financial Takeaways:

- Revenue & profits grew steadily despite market fluctuations.
- Strong EBITDA margin and ROE indicate efficient operations.



Strategic Insights:

- Digital innovation, rural reach, and sustainable branding were key growth pillars.
- Balanced risk and opportunity handling during pandemic/post-pandemic era.



Personal Learning:

- Understood how strategic moves impact financial performance.
- Improved analytical skills and business storytelling for MBA and real-world scenarios.



References

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***“Strategy without data is just an opinion.
Data with insight builds empires.”***

THANKS!

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