



# Hindustan Unilever Limited Analysis

*-By Faizan Ahmed (NIT-JSR)*



# OVERVIEW

MCAP Cr  
Market Leader 482,171.4

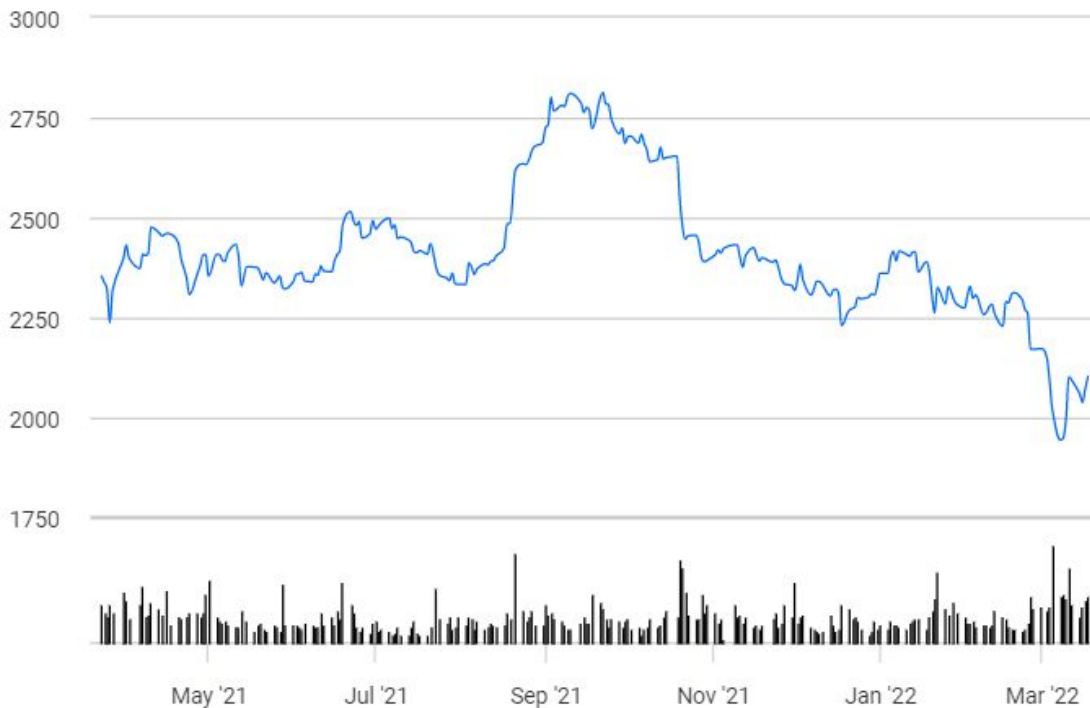
PE TTM  
Above industry Median 55

PEG TTM  
Above industry Median 2.8

Price to Book  
Below industry Median 10.1

Operating Profit Margin Qtr %  
Above industry Median 25.4

## 1 Year Price Trend



# STRENGTHS

- Growth in Net Profit (QoQ)
- Increasing Profit Margin (YoY)
- No debt
- Zero Promoter pledged shares
- Cash Flows from operation improving
- Book value of share improving for last 2 year
- ROE AND ROCE Improving

# OPPORTUNITIES

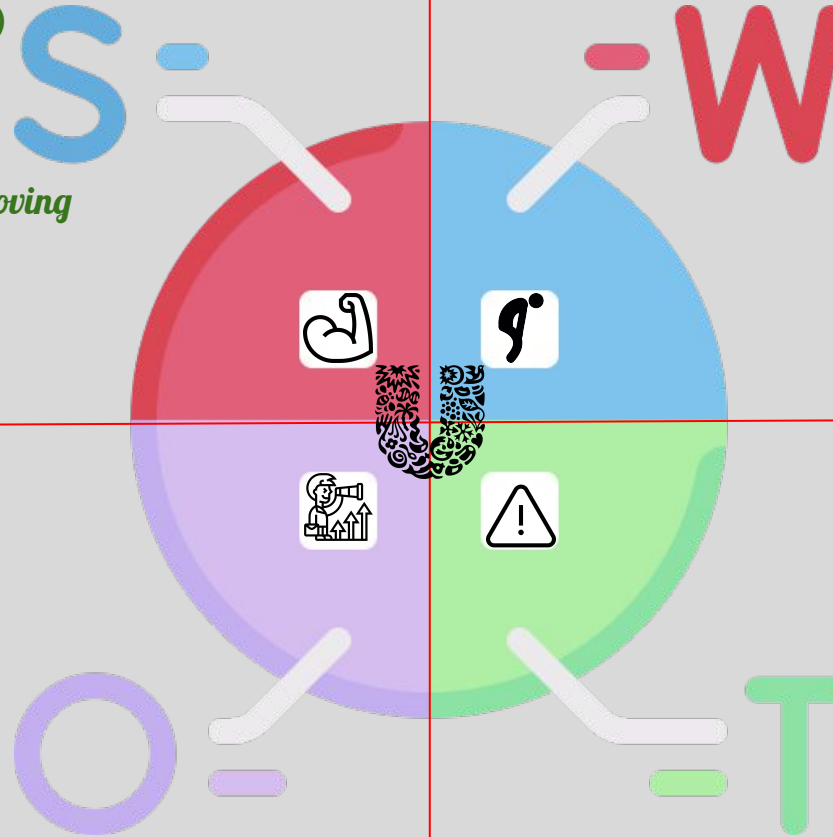
- Street Favorite: High Analyst Rating with at least 20% upside
- Leader of FMCG and Strong brand value therefore can increase prices without hurting volume

# WEAKNESS

- Declining Net Cash Flow : Companies not able to generate net cash
- Weak Momentum: Price below Short, Medium and Long Term Averages

# THREATS

- Increasing Trend in Non-Core Income
- Stock p/e>40



# Why HUL??

## *1. Strong Monopoly*

### MARKET SHARE



54.00% (as of Mar 18)

Skin Care Segment Market Share



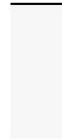
55.00% (as of Mar 18)

Dishwashing Detergents Market Share



47.00% (as of Mar 18)

Shampoo - Market Share



37.00% (as of Mar 18)

Personal Care Segment Market Share



## *2. Very Strong Brand Value*

High brand awareness: HUL generated positive word of mouth over the years by signing famous celebrities for the ads of their brands, which allowed them to socially embrace their brands that were intelligently tailored and intended for various income classes.



# POND'S

# CLINIC PLUS+

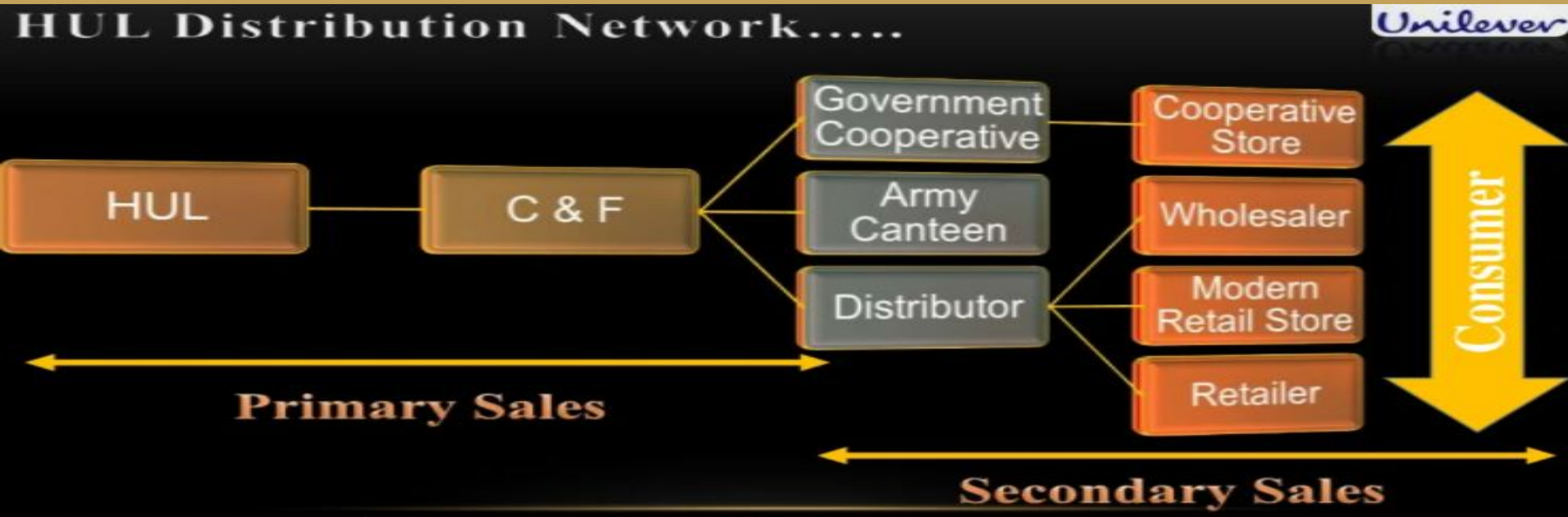




### 3. Distribution

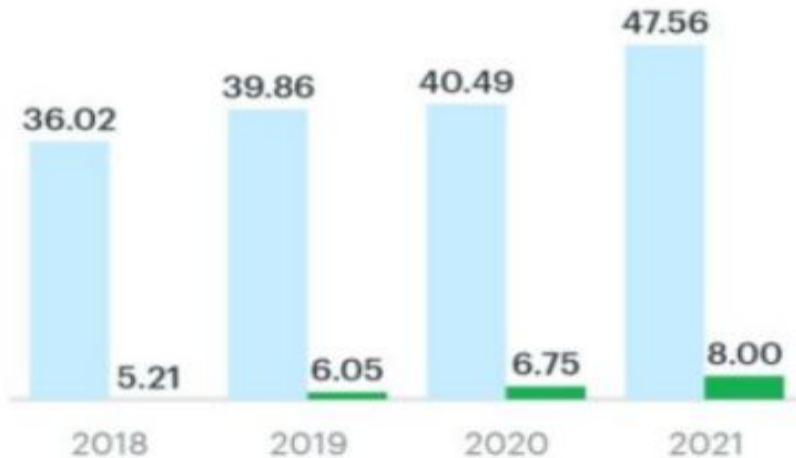
HUL has strong distribution network and rural penetration, coupled with strong and efficient supply chain

Dealer Community: HUL has a good partnership with its dealers which not only supplies them but also focuses on promoting the products and training of the company



#### 4.STRONG FINANCIALS

##### Financial Trend



Revenue Profit

All values in ₹ Thousand cr.

#### 5.PROVEN ITSELF IN THE PAST

##### Hindustan Unilever Ltd

HINDUNILVR

2.1k

Consumer Staples

Largecap

Low Risk

**2,170.70** ▼ 0.03% (-0.70)

High

₹ 2,859.30

Low

₹ 854.25

Returns

▲ 150.53%



Mar '17

Jan '18

Jan '19

Jan '20

Jan '21





*THANK-YOU*