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BUY
TP: Rs 2,549 | ⮝ 29%

HINDUSTAN UNILEVER | Consumer Staples | 07 September 2026

Investing for next Growth Leg

- **Volume-led growth, with 80% incremental growth from core consumption and premiumisation**
- **Capex intensity to rise to 3%, supporting capacity and future growth investments**
- **Sharper focus on premiumisation, market creation and new-age categories through digital and AI-led execution**

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We attended HUL's Capital Markets Day, where management laid out its "Winning in New India" strategy, centred on accelerating volume-led growth by capturing structural consumption opportunities across distinct consumer cohorts, categories and channels.

Premiumisation and market creation emerge as key growth levers: HUL sees India nearing an income inflection point that should accelerate premiumisation, where it is structurally advantaged with premium market share ~1.3x its mass portfolio. Premium brands receive ~2x higher investment intensity, while over 60% of media spends are directed towards digital. Simultaneously, underpenetrated categories such as hair masks, body wash, dishwash liquids and laundry liquids offer significant market-creation opportunities, leveraging HUL's established category-building capabilities.

Growth investments to step up while maintaining profitability: Management expects FY27 performance to be better than FY26, with the focus firmly on delivering competitive volume-led growth. The 40:40:20 growth framework comprising consumption/premiumisation, market making and new spaces will underpin the next phase of growth. Productive capex is set to increase to ~3% of turnover from ~2% over the last five years, while the company revised its medium-term EBITDA margin band of 22–24%. Overall, management's commentary signals a greater willingness to reinvest internally generated savings towards growth while maintaining its profitability framework.

Our View: We view HUL focused on restoring growth through higher investments, sharper resource allocation and a clear preference for volume growth over near-term margin maximisation. Higher capex, disproportionate investments behind premium brands, channel specialisation and the 40:40:20 growth framework provide better visibility on future growth drivers. While the strategy is directionally positive, execution and the conversion of investments into sustained volume growth remain critical. We maintain BUY rating, valuing the stock at 50x June'28 EPS with a TP of Rs 2,549

Key changes

Target	Rating
◀ ▶	◀ ▶

Ticker/Price	HUVR IN/Rs 1,973
Market cap	US$ 48.8bn
Free float	38%
3M ADV	US$ 36.2mn
52wk high/low	Rs 2,673/Rs 1,950
Promoter/FPI/DII	62%/10%/17%

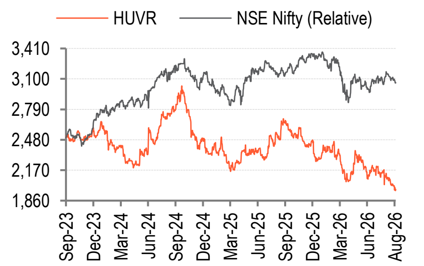
Source: NSE | Price as of 4 Sep 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	644,680	704,166	757,336
EBITDA (Rs mn)	150,540	162,540	171,158
Adj. net profit (Rs mn)	106,520	113,569	119,771
Adj. EPS (Rs)	45.3	48.3	51.0
Consensus EPS (Rs)	45.3	48.1	53.0
Adj. ROAE (%)	21.6	22.9	23.6
Adj. P/E (x)	43.5	40.8	38.7
EV/EBITDA (x)	30.8	28.5	27.1
Adj. EPS growth (%)	(0.3)	6.6	5.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

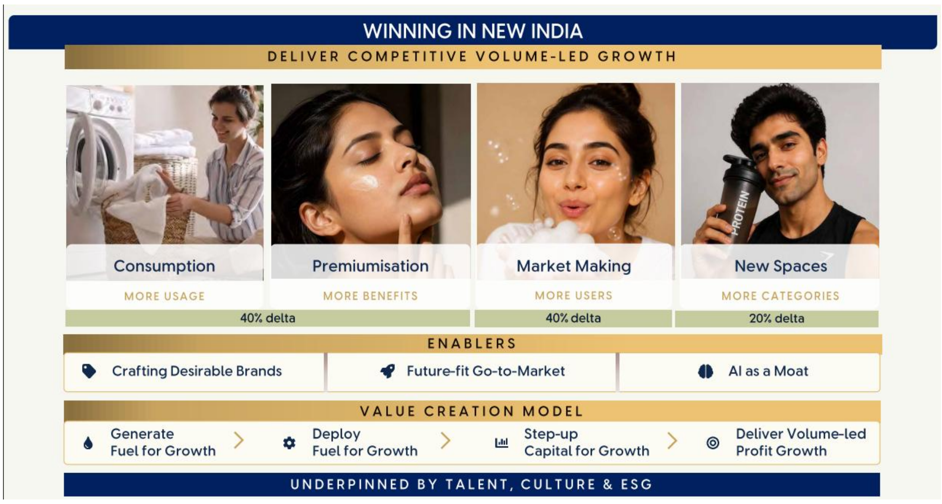
KTA's from Capital Markets Day

Winning in New India: HUL outlines a sharper roadmap for competitive volume-led growth

HUL's Capital Markets Day marked a strategic reset, with management outlining its roadmap to deliver competitive volume-led revenue and profit growth by targeting distinct consumer cohorts, geographies and channels. The company has moved away from a broad-based approach towards identifying specific growth cells across India, categorised broadly into democratisers, premiumisers and power spenders. Management sees the growth opportunity emerging from four key levers—higher consumption, premiumisation, market making and entry into new spaces.

The company provided a clear growth algorithm, wherein ~40% of incremental turnover growth is expected to come from consumption and premiumisation, another ~40% from market making, while the remaining ~20% would be driven by entry into new categories and emerging spaces. Importantly, management reiterated that it does not provide an absolute revenue growth target but expects FY27 performance to be better than FY26 and remains focused on delivering competitive volume-led revenue and profit growth.

Fig 1 – 40-40-20 Strategy



Source: Company, BOBCAPS Research

Home Care:

Multiple levers to drive growth across consumption, premiumisation and format upgradation

Home Care, HUL's largest business contributing Rs 23,672cr (~37% of FY26 revenue), offers significant structural growth headroom given India's low per-capita consumption. Growth will be driven by higher household consumption, premiumisation, format migration towards liquids and market creation. Rising affluence, washing machine penetration and evolving lifestyles should support higher usage frequency, while ~57% of the laundry market (~3mn tonnes) remains in the Tier-3 segment, providing a sizeable premiumisation opportunity. Low penetration of laundry and dishwash liquids further expands the long-term growth runway.

Fig 2 – Roadmap to scale in Home care

Source: Company, BOBCAPS Research

1) Wheel: Reinvigorating the mass franchise

- Management highlighted Wheel as a key example of how HUL is revitalising its core brands through product improvement, contemporary positioning and sharper consumer targeting.
- Wheel has emerged as the largest brand in the Tier-3 laundry segment and currently enjoys the highest brand equity amongst peers.
- HUL has repositioned the brand to improve its relevance amongst Bharat Gen Z consumers, with digital-first media deployment increasingly being used to target rural and smaller-town consumers.
- The company believes Wheel's stronger product mix and improved brand equity will help it capture incremental consumption growth in rural India while also improving its competitiveness in the mass laundry segment.
- The strategy is important as Tier-3 continues to account for the majority of laundry volumes in India. Hence, improving Wheel's positioning allows HUL to participate in consumption growth without relying solely on premium products.

2) Surf Excel: Premiumisation remains a significant growth runway

- Surf Excel continues to be HUL's key premium laundry franchise and management highlighted substantial headroom to upgrade consumers from mass powders and bars. The company estimates that ~3mn tonnes of mass powder and bar consumption represents the addressable premiumisation opportunity.
- Surf Excel has already demonstrated strong scaling potential, with its volume growing ~3x and turnover increasing ~4x over CY15-25. The next phase of growth will be driven by format and benefit upgradation, including expansion of Surf Excel Easy Wash and other specialised propositions.
- Management highlighted that Surf Excel's strong brand equity provides a structural advantage in converting consumers from mass products towards premium formats.
- The company is also using differentiated propositions and pack-price architecture to improve affordability and widen the consumer funnel.

3) Laundry liquids: A major market-making opportunity

- Management identified laundry liquids as one of the most significant format upgradation opportunities within Home Care. While washing machine penetration continues to rise, liquid penetration remains low at only ~13% quarterly penetration.
- The company highlighted that liquid penetration is ~3x higher amongst washing machine owners, reinforcing the strong linkage between appliance adoption and liquid detergent consumption. HUL expects rising washing machine penetration, particularly in urban and affluent households, to act as a key trigger for category expansion.
- Surf Excel Liquid is expected to play a central role in this transition. Management highlighted that liquids remain significantly under-indexed in India compared to other markets and the category has already witnessed faster adoption in countries such as China and Thailand.
- The opportunity is attractive not only from a category growth perspective but also from a portfolio-mix standpoint, as format upgradation towards liquids should improve realisations and structurally enhance the value mix of the laundry portfolio.

4) Vim Liquid: Expanding the dishwash liquid opportunity

- HUL is similarly targeting market development in dishwash liquids through Vim. Quarterly penetration of dishwash liquids remains only ~7%, despite a large potential consumer base and changing food consumption patterns.
- Management highlighted that Vim enjoys a strong relative market share of ~6x in dishwash liquids, providing HUL a significant competitive advantage as the category scales. The company is using specific consumer triggers—including malodour concerns associated with utensils—to drive trial and adoption.
- The market development strategy includes superior product formulation, consumer education, sampling, partnerships and wider distribution of trial packs. HUL also plans to leverage consumer touchpoints around appliance purchases and lifestyle changes to accelerate category adoption.

Beauty & Wellbeing:

Building a portfolio across both ends of the consumption pyramid

Beauty & Wellbeing, with FY26 revenue of Rs 14,990cr, is emerging as one of HUL's most important structural growth engines. Management highlighted that the next phase of Indian beauty growth will occur at both ends of the consumer pyramid through democratisation of aspirational brands for a wider consumer base and through expansion into premium, masstige and prestige categories for affluent consumers. A major theme was HUL's transformation from being primarily a traditional beauty company towards building a broader beauty ecosystem encompassing hair care, skincare, specialised treatments, beauty regimes and wellbeing.

Fig 3 – Strategy playbook

Source: BOBCAPS Research, Company

Fig 4 – Category wise playbook

Source: BOBCAPS Research, Company

1) Hair Care: Moving consumers beyond basic shampoo consumption

- Management highlighted significant scope to increase consumer value within the hair care category through premiumisation and regime expansion. While HUL already has a strong presence across shampoo price tiers, the next phase of growth will come from increasing the number of products used within a consumer's hair care routine.
- The strategy is based on four levers: 1)Increasing shampoo usage frequency;, 2) Premiumising consumers towards better formulations and benefits 3) Expanding the hair care regime into conditioners, masks and serums 4) Participating in masstige and prestige formats.
- Management highlighted that rural consumers will drive incremental growth through rising consumption and premiumisation, while affluent urban consumers are expected to expand their beauty regimes by adopting multiple specialised products.

2) Dove: Key premium growth engine

- Dove remains one of HUL's strongest premium brands and management reiterated its ambition to substantially scale the masterbrand across categories. The company is moving beyond Dove's traditional presence in soaps and shampoo towards building a broader beauty and personal care ecosystem spanning bodywash, hair treatments and skincare-led propositions.

- Management highlighted that Dove is among HUL's fastest-growing premium brands and sees significant headroom for further expansion. The strategy is centred on building stronger damage expertise in hair care, accelerating consumer upgradation from mass shampoos and expanding into specialised treatment formats.
- The importance of Dove also extends beyond premiumisation. It provides HUL with an aspirational brand that can capture consumers as their income levels rise, creating a natural upgrade path from the company's mass and mid-tier portfolio.

3) Sun Care: Market-making opportunity supported by structural tailwinds

- HUL identified sun care as one of the fastest-growing skincare segments in India. The category remains significantly underpenetrated but is benefiting from multiple structural drivers, including rising temperatures, changing weather patterns and increasing participation of women in the workforce.
- Management highlighted that more than 200mn women are stepping out for work, creating a significantly larger addressable market for daily sun protection. HUL is building a portfolio across different consumer segments and price points to capture both mass-market and premium demand.
- The company has also materially scaled its influencer ecosystem and advocacy-led model to improve category education and discovery.

4) Minimalist: Scaling HUL's masstige skincare play

- Minimalist was highlighted as one of the strongest examples of HUL's successful portfolio reshaping strategy. Since acquisition, the brand's ARR has doubled and it has become HUL's fastest brand to cross Rs 900cr+ ARR.
- Management's strategy has been to retain the brand's core positioning while leveraging HUL's capabilities in innovation, distribution and scale. The company sees significant potential in active-based skincare, where consumer interest continues to increase rapidly.
- Minimalist also provides HUL exposure to the fast-growing masstige skincare segment and improves the company's relevance amongst digitally native and younger consumers.

5) Wellbeing: Building beyond traditional beauty

- HUL is expanding Beauty & Wellbeing beyond conventional personal care into broader consumer wellness spaces. Management highlighted increasing consumer interest in hydration, supplements and functional wellbeing products.
- The company has strengthened its portfolio through acquisitions and brands from the Unilever ecosystem. Its wellbeing portfolio has grown ~4x over FY23-26, supported by global R&D capabilities, differentiated brands and increasing Gen Z adoption.

- This reflects HUL's broader strategy of selectively entering higher-growth adjacencies where it has a clear right to win and can leverage its existing distribution and brand-building infrastructure.

Personal Care:

Increasing consumer value through benefit and format upgradation

Personal Care generated FY26 revenue of Rs 9,564cr and accounts for ~15% of HUL's overall business. Management outlined a strategy to increase consumer value by moving consumers up the benefit ladder—from basic hygiene and protection towards beauty, aspiration and specialised solutions. The portfolio transformation will be driven by increased consumption in core categories, premiumisation of soaps and oral care, development of bodywash and expansion into specialised functional categories.

Fig 5 – Opportunity at core Personal Care

Source: Company, BOBCAPS Research

1) Core categories: Consumption opportunity remains intact

- Management highlighted that rural consumption growth is benefiting from structural improvements in lifestyle and infrastructure. Rural growth is currently ~1.8x that of urban growth in certain categories, supported by increased access to running water and changing hygiene habits.

The company sees significant opportunity to increase per-capita consumption, particularly as Indian usage remains materially below several emerging markets. HUL's broad distribution network and strong mass brands position it well to capture this opportunity.

2) Premium soaps: Scaling Dove and Pears

- While mass soaps remain a large market, management sees increasing opportunity to premiumise consumers towards Dove and Pears. India continues to have a sizeable base of mass soap consumption, creating a substantial addressable upgrade opportunity.

- HUL highlighted that its premium soap brands are growing faster than the overall premium market, reflecting stronger brand equity and execution. The company is using the SASSY framework—Science, Aesthetics, Sensorials, Said by Others and Youthful—to modernise both established and emerging brands.

3) Bodywash: Significant market development opportunity

- Bodywash remains one of the most underpenetrated categories within Personal Care. India's penetration is materially lower than markets such as Vietnam, providing a sizeable opportunity for category creation.
- HUL highlighted that its bodywash turnover has grown ~4x over the last three years. The company plans to accelerate category development through:1) Higher media investments; 2) Large-scale consumer sampling; 3) Skincare-led product propositions`;3) Wider distribution and visibility.
- Management has increased media investments by ~2x and distribution by ~1.5x to accelerate category adoption.

4) Oral Care: Driving higher consumption and specialised benefits

- Management highlighted that Indian toothpaste consumption remains ~1.7x lower than Indonesia, indicating significant room to increase frequency and per-capita consumption.
- HUL's strategy will focus on driving more frequent usage, increasing penetration and expanding specialised propositions such as freshness and whitening. The whitening segment remains significantly smaller in India compared to China and Turkey, creating another market development opportunity.
- Closeup will remain a key youth-focused brand within this strategy, with greater emphasis on sensorial experiences and contemporary communication.

5) Functional Deodorants: New market-making opportunity

- HUL plans to invest behind the functional deodorant category, which remains underdeveloped despite India being a hot and humid market with increasing consumer need for sweat and odour management.
- Management highlighted HUL's global leadership in deodorants and access to patented anti-perspirant technology as key competitive advantages. Increasing participation of women in the workforce is expected to further expand the addressable market.
- The company intends to invest in market development rather than merely compete for share in the existing deodorant category.

Foods:

Portfolio transformation and entry into emerging nutrition spaces

Foods generated FY26 revenue of Rs 14,061cr and remains one of HUL's most profitable businesses. Management highlighted that the next growth phase will be driven by strengthening core brands, premiumisation and expanding into emerging nutrition and food consumption occasions. The company is increasingly repositioning its food brands beyond their traditional use cases. This is visible in the transformation of Kissan from a conventional ketchup and jam brand towards a broader flavour platform and the expansion of Horlicks into protein.

Fig 6 – Key Drivers in Foods segment

Source: BOBCAPS Research, Company

1) Horlicks Protein: Entry into the large protein opportunity

- One of the most important announcements at the CMD was HUL's expansion of Horlicks into the protein category. Management has launched Horlicks Protein in both powder and ready-to-drink formats.
- The strategy is differentiated from conventional gym-oriented protein products. HUL is positioning Horlicks Protein as an everyday nutrition proposition targeted at mainstream consumers.
- Management highlighted that the product combines protein with fibre to improve digestibility, leveraging HUL's existing nutrition science capabilities. The Horlicks brand is expected to play a critical role in democratising protein consumption given its strong consumer awareness and distribution reach.
- The Horlicks Protein launch is strategically important because it represents HUL's willingness to extend established brands into structurally faster-growing adjacencies rather than build categories solely through acquisitions. If successfully scaled, the company can leverage Horlicks' mass reach to create a much larger mainstream protein market.

2) Kissan: Transforming from a condiment brand to a flavour platform

- Management showcased Kissan as another example of its brand transformation strategy. Traditionally associated with ketchup and jams, the company is repositioning Kissan as a broader flavour platform through the launch and expansion of chutneys.
- The strategy is based on creating more contemporary and versatile usage occasions. Management highlighted that Kissan chutneys can be used beyond traditional consumption—as marinades and cooking ingredients—thereby increasing consumption occasions.
- The company is using its SASSY framework to modernise the brand through improved product science, packaging, sensorials, social media engagement and youth-focused communication.

International business

Leveraging India capabilities while maintaining focus on profitable growth

HUL's international business remains relatively small within the overall portfolio but provides an additional avenue to leverage India's manufacturing capabilities, innovation ecosystem and brand portfolio across global markets. Management highlighted that international expansion will remain selective, with focus on markets and categories where HUL has a clear right to win and can generate sustainable profitability.

The broader strategy is also supported by HUL's scale in India, with FY26 turnover of ₹63,763cr, operating cash flow of ₹10,999cr and ROCE of 110.9%. This provides the company with significant financial capacity to invest in growth opportunities, including international adjacencies, without compromising its capital efficiency.

Future-fit Go-to-Market: Moving from scale to specialised execution

- One of the more important strategic changes announced at the CMD was HUL's effort to move beyond traditional distribution scale towards specialised execution across channels.
- Management has created dedicated capabilities for:1) Quick commerce; 2) Specialised channels such as beauty, chemists and open-format stores; 3) General trade expansion, particularly in deeper rural markets.
- The company has created a dedicated cross-functional quick commerce organisation supported by joint business planning, AI-enabled availability management and targeted performance marketing. Management is also focusing on category-building partnerships with quick commerce platforms rather than treating them solely as another distribution channel. For specialised channels, HUL is building differentiated execution across beauty stores, cosmetics outlets and chemists. This is particularly important for scaling premium beauty and skincare brands where traditional general trade distribution may not be sufficient.

AI as a moat: Leveraging proprietary data to improve execution

Management positioned AI as a potential competitive moat rather than merely a productivity tool. The focus will be on combining AI capabilities with HUL's proprietary consumer, distribution and operational datasets.

AI is expected to support: 1) Consumer foresighting; 2) Demand forecasting; 3) Content creation; 4) Media effectiveness; 5) Product availability; 6) Supply chain and operational efficiency. The company highlighted that it already has more than 26,000 hours of deep consumer research feeding its consumer understanding and is supplementing this with AI-enabled foresighting and social listening capabilities. HUL has also developed AI-enabled content studios and built a creator ecosystem of ~30,000 creators in India.

Fig 7 – AI led growth in the future

Source: Company, BOBCAPS Research

AI's near-term impact is likely to be more visible through improved execution and productivity rather than direct revenue generation. However, HUL's large proprietary dataset and scale could provide an advantage if AI helps the company combine scale with faster decision-making and greater consumer-level customisation.

Capex intensity to increase from ~2% to ~3% of turnover

A major takeaway was HUL's decision to increase productive capex intensity from ~2% of turnover over the last five years towards ~3%. Management clarified during Q&A that the higher capex will support both growth and cost savings. Investments will include capacity creation and distributed manufacturing infrastructure, particularly in premium and liquid formats. Management cited an example of ~Rs 2,000cr investment in premium liquid formats in South India, which is expected to support growth, improve customer service and generate logistics savings through a more distributed manufacturing footprint. This indicates a meaningful shift in HUL's investment philosophy from prioritising capital efficiency and margin delivery towards more actively investing behind future growth capacity.

Portfolio reshaping: Fewer, bigger bets

HUL reiterated its strategy of actively reshaping the portfolio towards structurally faster-growing and higher-potential categories. Recent portfolio actions include:1) Disposal of Pureit; 2) Demerger of Ice Cream; 3) Divestment of Nutritionalab; 4) Acquisition of OZiva; 5) Acquisition of Minimalist.

Going forward, HUL will pursue new spaces through three routes:1) Extension of existing brands; 2) Leveraging brands from the Unilever portfolio; 3) Bolt-on acquisitions. Management emphasised that it will selectively enter categories based on three filters—right to win, profit pool and sustainable long-term growth.

Management also widened its medium-term EBITDA margin range to 22–24%, versus FY26 EBITDA margin of 23.6%. The wider range reflects HUL's willingness to absorb higher investment intensity while maintaining its focus on competitive profitability. The company plans to generate fuel for growth through productivity initiatives, portfolio mix improvement, operating leverage and AI-led efficiencies, before reinvesting these savings back into growth opportunities

Valuation methodology

We view HUL focused on restoring growth through higher investments, sharper resource allocation and a clear preference for volume growth over near-term margin maximisation. Higher capex, disproportionate investments behind premium brands, channel specialisation and the 40:40:20 growth framework provide better visibility on future growth drivers. While the strategy is directionally positive, execution and the conversion of investments into sustained volume growth remain critical. We maintain BUY rating, valuing the stock at 50x June'28 EPS with a TP of Rs 2,549

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Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**613,280**	**644,680**	**704,166**	**757,336**	**833,773**
EBITDA	147,060	150,540	162,540	171,158	200,939
Depreciation	12,530	13,330	14,043	14,923	15,387
EBIT	134,530	137,210	148,497	156,235	185,552
Net interest inc./(exp.)	3,810	4,100	4,113	4,114	4,116
Other inc./(exp.)	10,170	7,510	7,042	7,573	8,338
Exceptional items	3,470	(2,350)	0	0	0
EBT	144,280	138,120	151,426	159,694	189,774
Income taxes	(37,480)	(31,600)	(37,856)	(39,924)	(47,444)
Extraordinary items	3,470	(2,350)	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**106,800**	**106,520**	**113,569**	**119,771**	**142,331**
Adjustments	0	0	0	0	0
Adjusted net profit	**106,800**	**106,520**	**113,569**	**119,771**	**142,331**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	113,150	133,250	115,753	124,494	137,059
Other current liabilities	9,590	7,360	7,360	7,360	7,360
Provisions	22,030	19,490	19,490	19,490	19,490
Debt funds	10	0	11	12	13
Other liabilities	16,840	12,190	12,190	12,190	12,190
Equity capital	2,350	2,350	2,350	2,350	2,350
Reserves & surplus	491,670	485,040	495,883	507,318	520,907
Shareholders' fund	494,020	487,390	498,233	509,668	523,257
Total liab. and equities	**798,800**	**797,520**	**790,837**	**811,013**	**837,169**
Cash and cash eq.	75,540	25,830	4,918	15,345	27,793
Accounts receivables	38,190	33,790	28,938	31,123	34,265
Inventories	44,150	47,890	47,059	50,613	55,721
Other current assets	9,550	11,590	11,590	11,590	11,590
Investments	37,530	43,590	43,590	43,590	43,590
Net fixed assets	86,250	81,820	101,731	105,742	111,200
CWIP	10,090	8,800	8,800	8,800	8,800
Intangible assets	457,100	492,460	492,460	492,460	492,460
Deferred tax assets, net	170	140	140	140	140
Other assets	22,740	27,020	27,020	27,020	27,020
Total assets	**798,800**	**797,520**	**790,837**	**811,013**	**837,169**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**118,860**	**109,990**	**119,871**	**141,810**	**166,149**
Capital expenditures	(12,750)	(13,610)	(33,954)	(18,933)	(20,844)
Change in investments	0	0	11	1	1
Other investing cash flows	(4,980)	(5,070)	0	0	0
Cash flow from investing	**64,730**	**(36,840)**	**(33,954)**	**(18,933)**	**(20,844)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	0	0	11	1	1
Interest expenses	(1,300)	(1,790)	(4,113)	(4,114)	(4,116)
Dividends paid	(124,730)	(101,240)	(102,726)	(108,336)	(128,742)
Other financing cash flows	(4,980)	(5,070)	0	0	0
Cash flow from financing	**(131,010)**	**(108,100)**	**(106,829)**	**(112,449)**	**(132,856)**
Chg in cash & cash eq.	**52,580**	**(34,950)**	**(20,912)**	**10,427**	**12,448**
Closing cash & cash eq.	**60,700**	**25,830**	**4,918**	**15,345**	**27,793**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	45.3	45.3	48.3	51.0	60.6
Adjusted EPS	45.5	45.3	48.3	51.0	60.6
Dividend per share	0.0	41.0	43.7	46.1	54.8
Book value per share	210.3	207.4	212.1	216.9	222.7

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	7.6	7.2	6.6	6.1	5.6
EV/EBITDA	31.5	30.8	28.5	27.1	23.1
Adjusted P/E	43.4	43.5	40.8	38.7	32.6
P/BV	9.4	9.5	9.3	9.1	8.9

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	74.0	77.1	75.0	75.0	75.0
Interest burden (PBT/EBIT)	107.2	100.7	102.0	102.2	102.3
EBIT margin (EBIT/Revenue)	21.9	21.3	21.1	20.6	22.3
Asset turnover (Rev./Avg TA)	76.8	80.8	89.0	93.4	99.6
Leverage (Avg TA/Avg Equity)	1.6	1.6	1.6	1.6	1.6
Adjusted ROAE	21.1	21.6	22.9	23.6	27.4

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	(0.9)	5.1	9.2	7.6	10.1
EBITDA	0.3	2.4	8.0	5.3	17.4
Adjusted EPS	3.9	(0.3)	6.6	5.5	18.8
Profitability & Return ratios (%)					
EBITDA margin	24.0	23.4	23.1	22.6	24.1
EBIT margin	21.9	21.3	21.1	20.6	22.3
Adjusted profit margin	17.4	16.5	16.1	15.8	17.1
Adjusted ROAE	21.1	21.6	22.9	23.6	27.4
ROCE	23.5	24.3	26.0	26.9	31.2
Working capital days (days)					
Receivables	15	15	15	15	15
Inventory	24	24	24	24	24
Payables	60	60	60	60	60
Ratios (x)					
Gross asset turnover	1.1	1.1	1.2	1.2	1.3
Current ratio	1.3	1.2	1.2	1.2	1.3
Net interest coverage ratio	(17.8)	(25.1)	36.1	38.0	45.1
Adjusted debt/equity	0.0	0.0	0.0	0.0	0.0

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

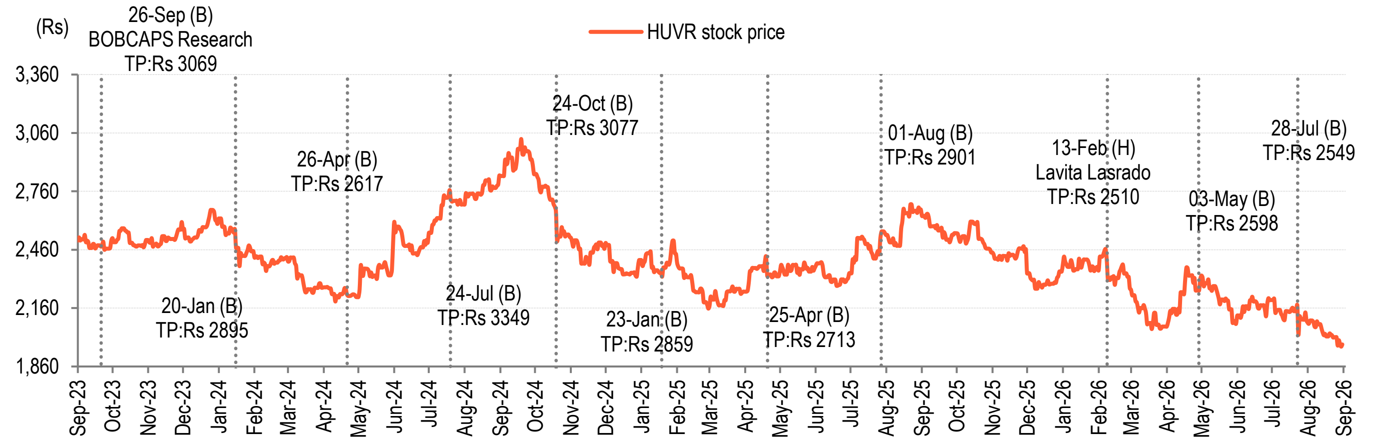
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): HINDUSTAN UNILEVER (HUVR IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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