

**BUY**  
 TP: Rs 2,598 | ▲ 15%

**HINDUSTAN UNILEVER** | Consumer Staples | 03 May 2026

### Resilient Growth Momentum

- Strong market share gains with broad-based growth across segments, driven by execution and premiumisation
- Acquisition portfolio (Minimalist, Simple, OZiva, Nexxus) scales to ~Rs1,400 cr ARR, strengthening presence in high-growth segments
- Premiumisation accelerating across Liquids, Bodywash and Hair Care categories, driving mix improvement. BUY with TP of Rs 2,598

**Result highlights:** HUL reported consolidated revenue of Rs 163.5 bn; down 1% YoY with 6% volume growth for the quarter. Gross margin at 50.3% declined 108 bps YoY, while EBITDA came in at Rs 38.4bn; EBITDA margin at 23.5%, up 40bps YoY. Further, mid-term EBITDA margin guidance remains consistent at 22.5% to 23.5%. PAT grew 21% YoY at Rs 29.9bn. Home Care/Beauty/Personal Care/Foods delivered USG of 9/8/5/5% respectively. HUL continued investing in brands with Management has committed ~INR 2,000 crore CapEx towards scaling premium formats (especially liquids) across Home, Personal Care, and Beauty. This aligns with its strategy of making “fewer, bigger bets” in high-growth segments to build future growth drivers.

**Company outlook:** During the quarter, the company undertook ~2–5% price hikes; going ahead, amid Middle East tensions, the company expects ~8–10% cost inflation and will take further calibrated, step-wise price increases accordingly. HUL continues to gain market share (volume and value-led), driven by strong brand investments and omni-channel execution. Its scale, agility, and a diversified portfolio (mass to premium) — all position it well to navigate the volatility and downtrading risks. Management remains focused on maintaining competitiveness, with continued share gains in Modern Trade.

**Our view:** We believe HUL’s performance in Q4FY26 reflects resilient execution amid a volatile cost environment, with continued market share gains and broad-based growth across segments. Moreover, the company is benefiting from premiumisation, strong innovation pipeline, and scaling of emerging channels like Quick Commerce, which are supporting competitive outperformance. While near-term pressures from commodity inflation and pricing actions persist, HUL’s strong portfolio, pricing discipline, and cost management initiatives position it well to navigate volatility. Overall, we remain positive on its medium-term growth trajectory, driven by demand recovery and strategic execution. We upgrade to BUY, valuing the stock at 51.6x Mar27 EPS with a revised TP of Rs 2,598.

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### Key changes

Target	Rating
▲	▲

Ticker/Price	HUVR IN/Rs 2,251
Market cap	US\$ 55.7bn
Free float	38%
3M ADV	US\$ 48.0mn
52wk high/low	Rs 2,750/Rs 2,023
Promoter/FPI/DII	62%/11%/16%

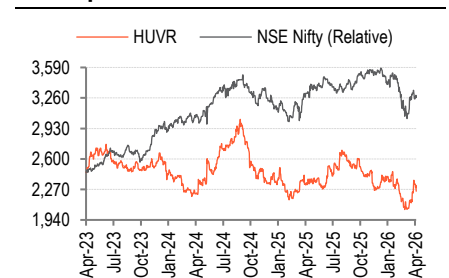
Source: NSE | Price as of 30 Apr 2026

### Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	644,680	710,333	763,897
EBITDA (Rs mn)	150,540	164,797	179,516
Adj. net profit (Rs mn)	106,520	121,123	130,800
Adj. EPS (Rs)	45.3	51.6	55.7
Consensus EPS (Rs)	45.3	49.0	54.0
Adj. ROAE (%)	21.6	24.4	25.8
Adj. P/E (x)	49.6	43.7	40.4
EV/EBITDA (x)	35.1	32.1	29.5
Adj. EPS growth (%)	(0.3)	13.7	8.0

Source: Company, Bloomberg, BOBCAPS Research

### Stock performance



Source: NSE



## Earnings Call KTAs

### Macro Environment and Demand Outlook

- Demand remained stable, supported by favourable macros, easing inflation, and policy support, with both rural and urban showing improvement.
- On the macro front, liquidity conditions are expected to improve, supported by the recent RBI repo rate cuts and ongoing fiscal measures, which should aid consumption. Moreover, the transition to GST 2.0 has largely stabilised, with trade inventory levels now normalised and secondary sales trends becoming smoother.
- Management expects FY'27 to be better than FY'26, driven by strong brands, financial position, and strategic choices in portfolio, organisation, and channel expansion.

### Segment-wise:

**Home Care:** Home Care delivered 9% USG with high-single-digit UVG, alongside highest-ever market share gains, reflecting strong competitive performance. Fabric Wash recorded double digit growth, with the Liquids portfolio accelerating to strong double-digit growth, driven by premiumisation and consumer shift from powders to liquids. Household Care sustained high single digit UVG, led by robust performance in dishwash categories, indicating strong in-home consumption trends. Pricing remained negative YoY, given the prior price cuts. However, calibrated price hikes are now being implemented to mitigate input cost pressures. Going ahead, growth is expected to be driven by premiumisation (Liquids), category upgrades, and pricing normalisation, while maintaining leadership in core categories.

**Beauty & Wellbeing:** The segment reported 8% USG, led by strong double-digit growth in Hair Care and continued strong momentum in Health & Wellbeing. Premium brands such as Dove and TRESemmé outperformed, reflecting strong consumer preference for high-efficacy products. Digital-first brands OZiva and Minimalist sustained strong growth, reinforcing HUL's presence in masstige and D2C segments. Skincare saw double-digit growth in winter portfolio, while non-seasonal products remained relatively subdued. Moreover, Lakmé introduced a Rs 10 Sun Gel to drive mass penetration in sunscreen. Channels of the Future (modern trade + e-commerce) continued to deliver strong growth, supporting premium portfolio expansion. Further, outlook remains positive, supported by innovation, premiumisation, and digital channel expansion. In Beauty & Wellbeing, the company saw strong double-digit growth in channels of the future, resulting in sustained market share gains.

**Personal Care:** Personal Care delivered 5% USG, driven by high single-digit growth in premium Skin Cleansing. Brands like Dove and lux led the premiumisation journey, while Bodywash continued strong momentum and category leadership, benefiting from rising consumer adoption. Growth in Oral Care was broad-based, led by Closeup, while deodorants registered double-digit growth on a smaller base, indicating improving discretionary demand. Moreover, premium skin cleansing delivered high single-digit volume-led growth and gained market share, while the bodywash portfolio recorded strong double-digit growth and gained approximately 400 basis points of share. Going forward, growth will be supported by a premium product mix, category upgrades

(bodywash), and innovation-led expansion; alongside the increasing penetration in underdeveloped segments.

**Foods:** Foods delivered 5% USG with high-single-digit UVG, reflecting broad-based growth across categories. Tea recorded low-single-digit volume growth, though revenue was impacted by the earlier price cuts in a deflationary environment. Coffee continued its strong double-digit growth trajectory, supported by premium offerings and rising consumption trends. Lifestyle Nutrition posted double-digit growth, led by Horlicks and Boost. Packaged Foods performed well across Ketchup, Mayonnaise, Soups, and Food Solutions, with entry into Chutneys under Kissan expanding the portfolio. Further, outlook remains strong, on the back of premiumisation, innovation, and expansion into adjacent categories; particularly in nutrition and packaged foods. Moreover, Horlicks was relaunched as Superfoods with expansion into RTD and protein formats, Kissan entered chutneys with a strong early traction.

**New launches, innovation & premiumisation:** HUL continues to drive premium-led growth through science-backed innovation and portfolio expansion. Key launches included: 1) TRESemmé Hydra Matrix (Hair Care) 2) Horlicks Superfoods & Zero Added Sugar variants (Nutrition) 3) Closeup Intense Cool (Oral Care) and 4) Kissan Chutneys (New category entry). Premium segments across Dove, Pears, Bodywash, and Liquids maintained strong traction. Digital-first brands Minimalist and OZiva strengthened their presence in the high-growth masstige and D2C segments. HUL remains focused on building modern, aspirational brands with superior product performance, which will be a key long-term growth driver.

### Category Insights:

**Tea –** Tea delivered low-single-digit volume growth, indicating stable mass consumption and improving rural demand. However, revenue growth remained muted given the earlier price cut taken in a deflationary commodity environment. Further, focus remains on driving value growth through calibrated pricing actions, strengthening premium offerings, and maintaining category leadership amid volatile input costs.

**Coffee –** Coffee continued its strong double-digit growth trajectory, supported by premium products and rising in-home consumption trends. The category is benefiting from premiumisation and evolving consumer preferences, particularly in urban markets. Focus will likely remain on expanding premium formats and driving penetration, making Coffee a key growth engine within the Foods portfolio.

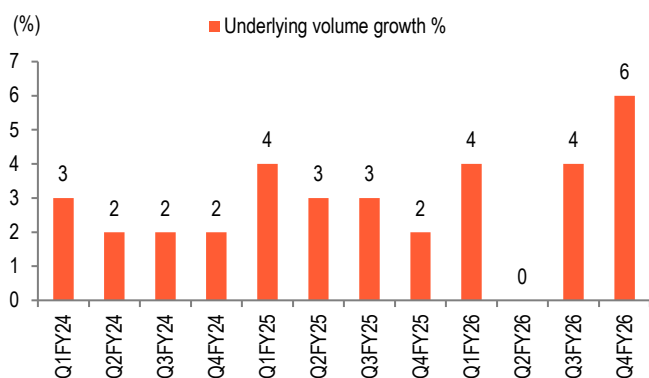
**Premiumisation** remains a key strategic lever across high-penetration categories, with strong traction seen in Liquids (Laundry and Dishwash), Bodywash, and Premium Soaps (Dove, Pears). Consumers are increasingly upgrading to higher-value formats and benefit-led products, aiding expansion in both volumes and margin. HUL continues investing in innovation and brand building to accelerate this premium shift.

**Fig 1 – Quarterly Table**

Particulars (Rs mn)	Q4FY26	Q3FY26	%QoQ/bps	Q4FY25	% YoY/bps	FY26	FY25	% YoY/bps
Sales	163,510	164,410	(0.5)	156,700	4.3	644,680	613,280	5.1
COGS	81,310	79,910	1.8	76,230	6.7	316,650	297,700	6.4
GP	82,200	84,500	(2.7)	80,470	2.1	328,030	315,580	3.9
Gross Margin (%)	50.3	51.4	(112bps)	51.4	(108bps)	51	51	(58bps)
Employee	8,470	9,140	(7.3)	8,560	(1.1)	31,750	29,520	7.6
Other expenses	35,320	37,480	(5.8)	35,720	(1.1)	145,740	139,000	4.8
EBITDA	38,410	37,880	1.4	36,190	6.1	150,540	147,060	2.4
EBITDA margin (%)	23.5	23.0	45bps	23.1	40bps	23	24	(63bps)
Interest	760	880	(13.6)	800	(5.0)	4,100	3,810	7.6
Depreciation	3,480	3,370	3.3	3,470	0.3	13,330	12,530	6.4
Other income	2,640	1,390	89.9	3,090	(14.6)	7,510	10,170	(26.2)
PBT	36,810	35,020	5.1	35,010	5.1	138,120	144,280	(4.3)
Tax	(9,220)	(7,560)	22.0	(8,870)	3.9	(31,600)	(37,480)	(15.7)
Reported PAT	29,940	66,030	(54.7)	24,750	21.0	106,520	106,800	(0.3)

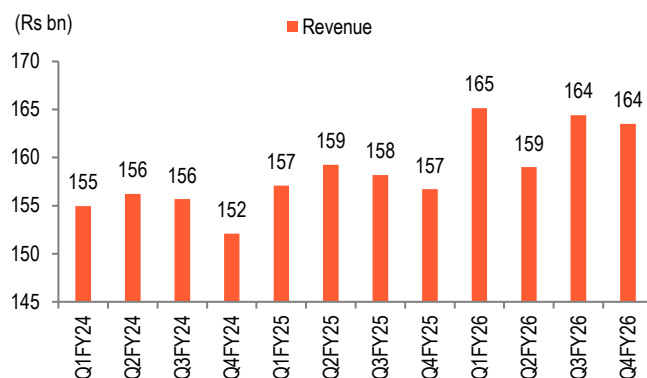
Source: Company, BOBCAPS Research

**Fig 2 – Volume Growth**



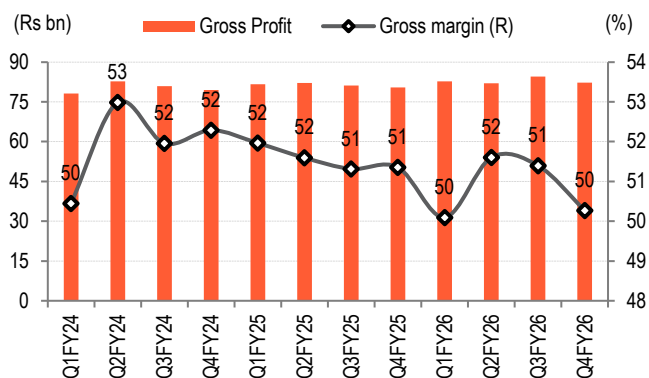
Source: Company, BOBCAPS Research

**Fig 3 – Revenue Trend**



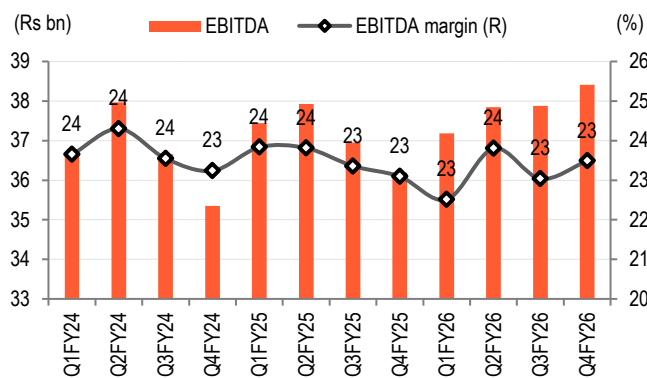
Source: Company, BOBCAPS Research

**Fig 4 – Gross profit and its margins**



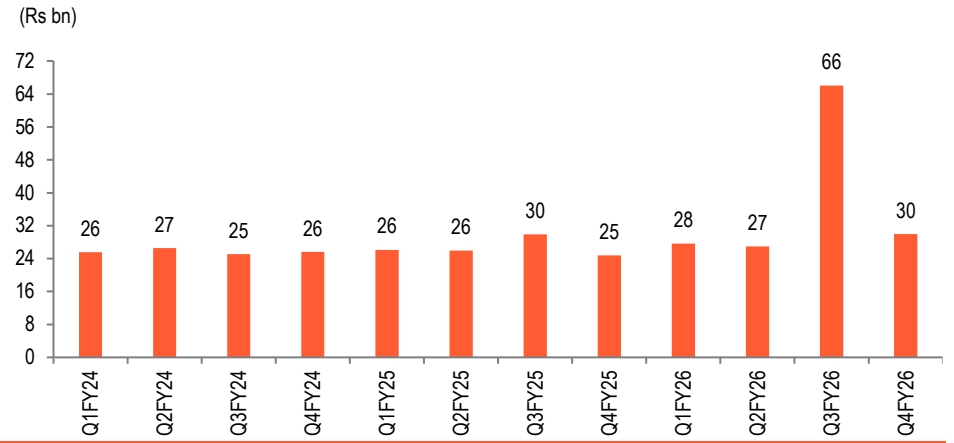
Source: Company, BOBCAPS Research

**Fig 5 – EBITDA & its margins**



Source: Company, BOBCAPS Research

**Fig 6 – PAT Trend**



Source: Company, BOBCAPS Research

## Valuation Methodology

We believe HUL's performance in Q4FY26 reflects resilient execution amid a volatile cost environment, with continued market share gains and broad-based growth across segments. Moreover, the company is benefiting from premiumisation, strong innovation pipeline, and scaling of emerging channels like Quick Commerce, which are supporting competitive outperformance. While near-term pressures from commodity inflation and pricing actions persist, HUL's strong portfolio, pricing discipline, and cost management initiatives position it well to navigate volatility. Overall, we remain positive on its medium-term growth trajectory, driven by demand recovery and strategic execution. We upgrade to BUY, valuing the stock at 51.6x Mar27 EPS with a revised TP of Rs 2,598.

**Fig 7 – Actual vs Estimates**

(Rs mn)	Q4FY26A	Q4FY26E	Deviation (%)
Revenue	163,510	163,818	7.10
EBITDA	38,410	36,526	16.00
EBITDA Margin (%)	23.49	22.30	202bps
PAT	29,940	27,321	15.10

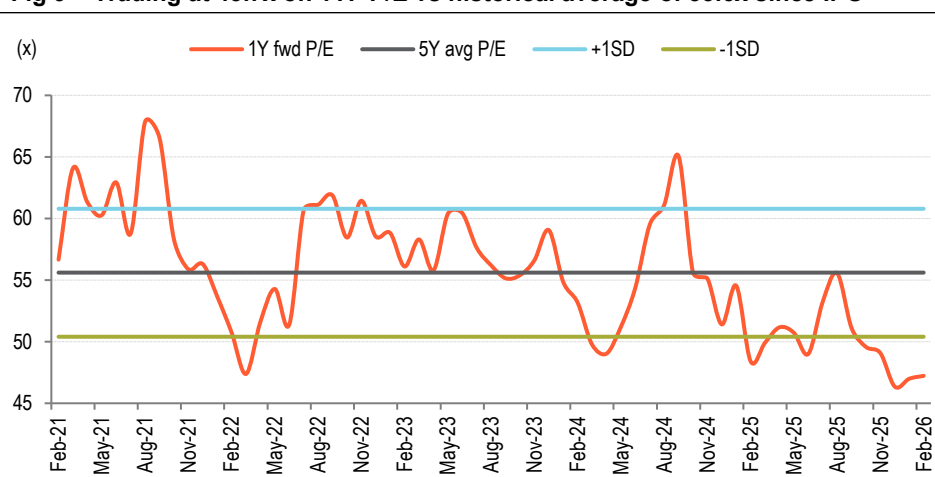
Source: Company, BOBCAPS Research

**Fig 8 – Revised estimates**

(Rs mn)	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Sales	710,333	763,897	841,145	703,114	767,332	NA	1.03	(0.45)	NA
EBITDA	164,797	179,516	202,716	165,935	181,858	NA	(0.69)	(1.29)	NA
EBITDA Margin (%)	23.2	23.5	24.1	23.6	23.7	NA	(40 bps)	(20 bps)	NA
Adj PAT	121,123	130,800	148,730	117,934	129,920	NA	2.70	0.68	NA
Adj EPS	51.55	55.67	63.30	50.19	55.29	NA	2.71	0.69	NA

Source: BOBCAPS Research

**Fig 9 – Trading at 43.7x on 1YF P/E vs historical average of 55.6x since IPO**



Source: Company, BOBCAPS Research

## Key Risks

Key upside/downside risks to our estimates:

- Volatility in raw material prices
- Competition from regional players
- Weak consumer spending

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
<b>Total revenue</b>	<b>613,280</b>	<b>644,680</b>	<b>710,333</b>	<b>763,897</b>	<b>841,145</b>
EBITDA	147,060	150,540	164,797	179,516	202,716
Depreciation	12,530	13,330	14,055	14,946	15,422
EBIT	134,530	137,210	150,743	164,569	187,294
Net interest inc./(exp.)	3,810	4,100	4,292	4,079	4,474
Other inc./(exp.)	10,170	7,510	10,655	9,167	10,094
Exceptional items	3,470	(2,350)	0	0	0
EBT	144,280	138,120	157,105	169,658	192,914
Income taxes	(37,480)	(31,600)	(35,983)	(38,858)	(44,184)
Extraordinary items	3,470	(2,350)	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>106,800</b>	<b>106,520</b>	<b>121,123</b>	<b>130,800</b>	<b>148,730</b>
Adjustments	0	0	0	0	0
<b>Adjusted net profit</b>	<b>106,800</b>	<b>106,520</b>	<b>121,123</b>	<b>130,800</b>	<b>148,730</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	113,150	133,250	116,767	125,572	138,270
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	127	137	151
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	496,604	509,092	523,292
Shareholders' fund	494,020	487,390	498,954	511,442	525,642
<b>Total liab. and equities</b>	<b>798,800</b>	<b>797,520</b>	<b>792,689</b>	<b>813,992</b>	<b>840,904</b>
Cash and cash eq.	75,540	25,830	17,602	28,973	41,941
Accounts receivables	38,190	33,790	29,192	31,393	34,568
Inventories	44,150	47,890	47,471	51,051	56,214
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	90,234	94,385	99,991
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
<b>Total assets</b>	<b>798,800</b>	<b>797,520</b>	<b>792,689</b>	<b>813,992</b>	<b>840,904</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
<b>Cash flow from operations</b>	<b>118,860</b>	<b>109,990</b>	<b>127,963</b>	<b>152,849</b>	<b>172,987</b>
Capital expenditures	(12,750)	(13,610)	(22,468)	(19,097)	(21,029)
Change in investments	0	0	127	10	14
Other investing cash flows	(4,980)	(5,070)	0	0	0
<b>Cash flow from investing</b>	<b>64,730</b>	<b>(36,840)</b>	<b>(22,468)</b>	<b>(19,097)</b>	<b>(21,029)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	0	0	127	10	14
Interest expenses	(1,300)	(1,790)	(4,292)	(4,079)	(4,474)
Dividends paid	(124,730)	(101,240)	(109,559)	(118,312)	(134,530)
Other financing cash flows	(4,980)	(5,070)	0	0	0
<b>Cash flow from financing</b>	<b>(131,010)</b>	<b>(108,100)</b>	<b>(113,723)</b>	<b>(122,381)</b>	<b>(138,990)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>52,580</b>	<b>(34,950)</b>	<b>(8,228)</b>	<b>11,371</b>	<b>12,968</b>
<b>Closing cash &amp; cash eq.</b>	<b>60,700</b>	<b>25,830</b>	<b>17,602</b>	<b>28,973</b>	<b>41,941</b>

### Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	45.3	45.3	51.6	55.7	63.3
Adjusted EPS	45.5	45.3	51.6	55.7	63.3
Dividend per share	0.0	41.0	46.6	50.4	57.3
Book value per share	210.3	207.4	212.4	217.7	223.7

### Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	8.6	8.2	7.4	6.9	6.3
EV/EBITDA	36.0	35.1	32.1	29.5	26.1
Adjusted P/E	49.5	49.6	43.7	40.4	35.6
P/BV	10.7	10.9	10.6	10.3	10.1

### DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	74.0	77.1	77.1	77.1	77.1
Interest burden (PBT/EBIT)	107.2	100.7	104.2	103.1	103.0
EBIT margin (EBIT/Revenue)	21.9	21.3	21.2	21.5	22.3
Asset turnover (Rev./Avg TA)	76.8	80.8	89.6	93.8	100.0
Leverage (Avg TA/Avg Equity)	1.6	1.6	1.6	1.6	1.6
<b>Adjusted ROAE</b>	<b>21.1</b>	<b>21.6</b>	<b>24.4</b>	<b>25.8</b>	<b>28.5</b>

### Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
<b>YoY growth (%)</b>					
Revenue	(0.9)	5.1	10.2	7.5	10.1
EBITDA	0.3	2.4	9.5	8.9	12.9
Adjusted EPS	3.9	(0.3)	13.7	8.0	13.7
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	24.0	23.4	23.2	23.5	24.1
EBIT margin	21.9	21.3	21.2	21.5	22.3
Adjusted profit margin	17.4	16.5	17.1	17.1	17.7
Adjusted ROAE	21.1	21.6	24.4	25.8	28.5
ROCE	23.5	24.3	26.4	28.2	31.4
<b>Working capital days (days)</b>					
Receivables	15	15	15	15	15
Inventory	24	24	24	24	24
Payables	60	60	60	60	60
<b>Ratios (x)</b>					
Gross asset turnover	1.1	1.1	1.2	1.3	1.4
Current ratio	1.3	1.2	1.3	1.3	1.3
Net interest coverage ratio	(17.8)	(25.1)	35.1	40.3	41.9
<b>Adjusted debt/equity</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

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## Disclaimer

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CIN: **U65999MH1996GOI098009**



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

**BUY** – Expected return >+15%

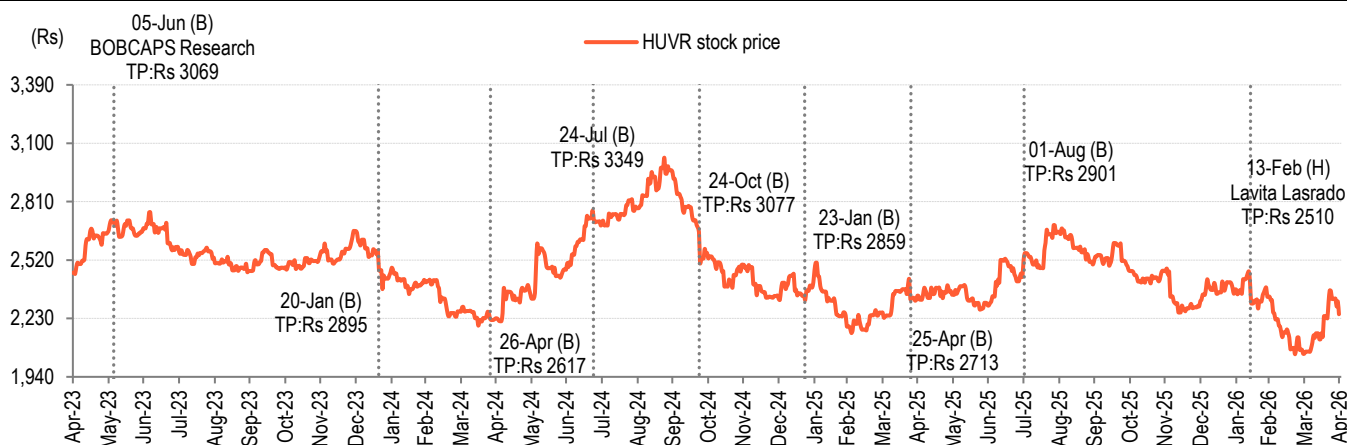
**HOLD** – Expected return from -6% to +15%

**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

### Analyst certification

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