



Unilever

STOCK UPDATE

Result Update - Q3FY2026

SECTOR

Consumer Goods

COMPANY DETAILS

Market cap:	Rs. 5,43,930 cr
52-week high/low:	Rs. 2,682 / 2,061
NSE volume: (No of shares)	15.5 lakh
BSE code:	500696
NSE code:	HINDUNILVR
Free float: (No of shares)	89.5 cr

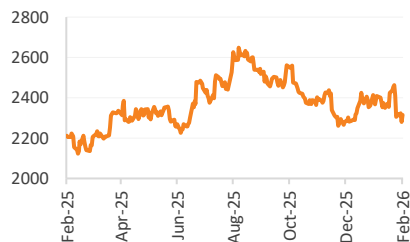
Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	61.9
FII	11.4
DII	15.8
Others	10.9

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-2.7	-3.1	-11.8	4.7
Relative to Sensex	-3.5	0.2	-13.0	-4.7

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **BUY**

CMP: **Rs. 2,315**

Price Target: **Rs. 2,750**

Quick Snapshot

- HUL posted 6% y-o-y consolidated revenue growth in Q3FY26 led by 4% y-o-y volume growth, with OPM lower by 67 bps y-o-y to 23%, leading to 2.6% y-o-y decline in the adjusted PAT.
- Management expects FY27 revenue growth to be better than FY26, led by portfolio and channel transformation, with low-single-digit price growth.
- OPM guidance maintained at 22-23% given investments to drive volume growth.
- Stock trades at 52x/49x/44x its FY26E/FY27E/FY28E EPS, respectively. We retain a Buy with a revised PT of Rs. 2,750.

Result overview

- Consolidated revenue (ex-ice cream business) grew 5.7% y-o-y to Rs. 16,441 crore driven by 4% y-o-y volume growth.
- October was hit by GST-led transition, which was offset by restocking in November/December.
- Homecare grew by 2.6% y-o-y (mid-single-digit volume growth), beauty & wellbeing grew by 10.5% y-o-y (low single-digit volume growth), while foods posted a 5.9% y-o-y growth (high single-digit volume growth) and personal care grew by 5.7% y-o-y (low single-digit volume decline).
- Gross margin rose 25 bps y-o-y to 51.4% mainly driven by a better mix, while OPM fell by 67 bps y-o-y to 23% on higher employee costs (up 28% y-o-y).
- Operating profit grew 2.7% y-o-y to Rs. 3,788 crore. Lower other income led to 2.6% y-o-y decline in the adjusted PAT to Rs. 2,556 crore.
- Exceptional items include - 1) Fair valuation of financial liabilities related to acquisitions, 2) Restructuring expenses, 3) Acquisition and disposal related costs and 4) Profit from sale of property. Reported PAT stood at Rs. 2,118 crore.

Our Call

HUL's management has re-iterated its focus on competitive volume-led growth and expects portfolio transformation and improving macro conditions to support near-term performance. Long term prospects are strong driven by management's focus on premiumisation, targeting high growth spaces through new launches, growing core and leading channels of the future. We have moved to consolidated reporting starting this quarter to provide a comprehensive view of the company's earnings. The stock trades at 52x/49x/44x its FY26E/FY27E/FY28E EPS, respectively. We retain a Buy with a revised PT of Rs. 2,750.

Key Risks

Delayed recovery in urban/rural markets, raw material inflation, and increase in the competitive intensity would act as key risks to our earnings estimates.

Valuation (Consolidated)

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Revenue	61,896	63,121	65,303	69,535	75,104
OPM (%)	23.7	23.5	23.1	23.3	23.5
Adjusted PAT	10,282	10,451	10,390	11,211	12,282
Adjusted EPS (Rs.)	43.8	44.5	44.2	47.7	52.3
P/E (x)	52.9	52.0	52.3	48.5	44.3
P/B (x)	10.6	11.0	11.5	12.1	12.5
EV/EBIDTA (x)	36.4	36.0	35.5	33.0	30.2
RoNW (%)	20.3	20.8	21.5	24.4	27.8
RoCE (%)	27.2	27.9	28.6	32.5	37.4

Source: Company; Mirae Asset Sharekhan estimates

Concall highlights

- Management stated that demand showed steady improvement supported by lower inflation (especially food), improving RBI consumer confidence survey signals, and supportive macro policy.
- HUL plans to focus on competitive volume-led revenue growth, with four priorities - 1) Consumer segmentation with deeper precision, 2) Building modern, more relevant brands, 3) Future-proofing marketing and sales engine and 4) Fewer, bigger bets to speed up growth.
- **Home care:**
 - Revenue grew 2.6% y-o-y to Rs. 5,887 crore with mid-single digit volume growth.
 - Pricing actions taken during the year led to negative price growth.
 - Fabric Wash delivered mid-single digit volume growth, with accelerated growth in the liquids portfolio, which grew in double-digits.
 - Household care strengthened its double-digit volume growth trend led by Vim liquid.
 - HUL intensified its market-development efforts to drive penetration and consumer upgradation to premium powders by sharpening focus on the Rs. 99 Surf excel Easy Wash pack.
 - Rising commodity inflation has prompted the company to initiate calibrated price hikes.
 - EBIT margin fell 24 bps y-o-y to 18.7%.
- **Beauty & Wellbeing:**
 - Revenue grew 10.5% y-o-y to Rs. 3,930 crore, with low-single digit volume growth.
 - Hair Care posted volume-led double-digit growth driven by outperformance in premium brands, Dove and TRESemmé and continued to strengthen its leadership position.
 - Skin Care and Colour Cosmetics saw a strong performance in light moisturisers and winter portfolio offset by subdued performance in the non-winter portfolio.
 - Channels of the Future maintained strong double-digit growth momentum and continued to gain market shares.
 - Health & Wellbeing recorded another quarter of robust performance, with high double-digit growth.
 - Minimalist expanded its skin and face portfolio with science-backed toners and serums for barrier support and advanced anti-ageing results, respectively.
 - Management guided that Minimalist and Oziva together form a Rs. 1,100 crore business.
 - EBIT margin contracted 255 bps y-o-y to Rs. 26.1%.
- **Personal Care:**
 - Revenue grew 5.7% y-o-y to Rs. 2,370 crore, with low-single digit volume decline.
 - Personal Care grew 6%.
 - Skin cleansing segment grew in mid-single digits, driven by strong double-digit growth in Pears and Dove.
 - Bodywash portfolio continued to outperform and further strengthened its market leadership.
 - Oral Care grew in double-digits led by outperformance in Closeup.
 - EBIT margin stood stable y-o-y at 17.8%.
- **Foods:**
 - Revenue grew 5.9% y-o-y to Rs. 3,689 crore, with high-single digit volume growth.
 - Tea delivered mid-single digit volume growth, while revenue recorded low-single digit growth, reflecting the impact of price reductions taken in a deflationary commodity environment.
 - Coffee continued its strong double-digit growth momentum supported by both price and volume.

- Lifestyle nutrition grew in high-single digit driven by both Boost and Horlicks.
- Packaged foods reported high-single digit growth led by volumes, with broad-based performance across ketchup, mayonnaise, soups and Unilever Foods Solutions.
- EBIT margin declined by 121 bps y-o-y to 21%.
- Quick commerce is emerging as a structurally critical channel, currently contributing ~3% of sales and scaling rapidly. Quick commerce portfolio is more premium, making it margin-accretive. Gross margins are higher in quick commerce than modern trade, and higher in modern trade than general trade.
- Management has guided for low single-digit price hikes in the near term as prices of certain commodities like palm oil and tea continue to be elevated.
- Ice cream division's demerger completed, with the new entity (Kwality Wall's India) set to list, enabling sharper management focus.

Results (Consolidated)

Particulars	Rs cr				
	Q3FY26	Q3FY25	Y-o-Y %	Q2FY26	Q-o-Q %
Total revenue	16,441.0	15,556.0	5.7	15,919.0	3.3
Raw Material cost	7,991.0	7,600.0	5.1	7,714.0	3.6
Employee expenses	914.0	712.0	28.4	725.0	26.1
Advertising and promotions	1,522.0	1,486.0	2.4	1,632.0	-6.7
Other expenses	2,226.0	2,069.0	7.6	2,063.0	7.9
Total expenditure	12,653.0	11,867.0	6.6	12,134.0	4.3
Operating Profit	3,788.0	3,689.0	2.7	3,785.0	0.1
Other income	139.0	232.0	-40.1	147.0	-5.4
Interest	88.0	109.0	-19.3	124.0	-29.0
Depreciation	337.0	318.0	6.0	322.0	4.7
PBT	3,502.0	3,494.0	0.2	3,486.0	0.5
Tax	946.2	870.4	8.7	855.8	10.6
Adjusted PAT	2,555.8	2,623.6	-2.6	2,630.2	-2.8
Extra-ordinary items	430.8	-402.4	-	-163.8	-
Share of profit/loss	7.0	-1.0	-	3.0	-
Reported PAT	2,118.0	3,027.0	-30.0	2,791.0	-24.1
Adjusted EPS (Rs.)	10.9	11.2	-2.6	11.2	-2.8
			bps		bps
GPM (%)	51.4	51.1	25	51.5	-15
OPM (%)	23.0	23.7	-67	23.8	-74
NPM (%)	15.5	16.9	-132	16.5	-98
Tax rate (%)	27.0	24.9	211	24.5	247

Source: Company; Mirae Asset Sharekhan Research

Segmental performance

Particulars	Q3FY26	Q3FY25	Y-o-Y	Q2FY26	Q-o-Q
Revenue (Rs. crore)			%		%
Home Care	5,887	5,739	2.6	5,664	3.9
Beauty & Wellbeing	3,930	3,556	10.5	3,732	5.3
Personal Care	2,370	2,243	5.7	2,425	-2.3
Food & Refreshments	3,689	3,483	5.9	3,547	4.0
Others	565	535	5.6	551	2.5
Total	16,441	15,556	5.7	15,919	3.3
PBIT margins (%)			bps		bps
Home Care	18.7	18.9	-24	19.1	-44
Beauty & Wellbeing	26.1	28.6	-255	28.4	-235
Personal Care	17.8	17.9	-11	20.3	-252
Food & Refreshments	21.0	22.2	-121	20.3	63

Source: Company; Mirae Asset Sharekhan Research

Additional Data
Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Life Insurance Corp. of India	6.74
2	Vanguard Group Inc.	1.72
3	Blackrock inc.	1.70
4	SBI Funds Management Ltd.	1.65
5	ICICI Prudential Asset Management Co. Ltd.	1.48
6	Nippon Life India AMC Ltd.	0.70
7	UTI Asset Management Co Ltd.	0.57
8	Norges Bank	0.37
9	Credit Agricole Group	0.34
10	Kotak Mahindra Asset Management Co Ltd.	0.30

Source: Bloomberg

Key management personnel

Name	Designation
Nitin Paranjpe	Chairman
Rohit Jawa	Chief Executive Officer and Managing Director
Niranjan Gupta	Executive Director (Finance) & Chief Financial Officer
Radhika Shah	Company Secretary and Compliance Officer

Source: Company Website

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Correspondence/Administrative Office Address: Gigaplex IT Park, Unit No 1001, 10th Floor, Building No. 9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai - 400708. Tel: 022 61169000 / 61150000, Fax No. 61169699.

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Research Analyst Regn No.: INH000006183. CIN: U99999MH1995PLC087498.

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Compliance Officer: Mr. Joby John Meledan; Tel: 022-4657 3809; email id: complianceofficer@sharekhan.com

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