

PT. Unilever Indonesia Tbk.

HOLD

Investment Consideration

Sales continue to decline, but show some improvement in Q4 2024

- UNVR's sales continued to decline in Q4 2024, but the Food & Refreshment (FR) segment showed slight improvement. Total sales fell -4.7% YoY and -7.8% QoQ to IDR 7.72 trillion. For FY 2024, total sales dropped -8.99% YoY to IDR 35.14 trillion, the lowest level since 2014. Domestic sales declined -7.5% YoY to IDR 7.57 trillion in Q4 2024 and -8.7% YoY to IDR 34.15 trillion for FY 2024. Export sales saw a steeper drop of -17.7% YoY.
- The decline, partly due to lower volume growth and lower price growth in line with management actions by correcting misaligned pricing across channels and resetting stock levels impacted to customer stock reduction in Q4 2024 and booked the lowest stock level in more than 10 year in December 2024.
- Price declines: -1.9% YoY, while volumes dropped -2.4% YoY—both showing slight improvement from Q3 2024.
- 2024 full-year: Prices fell -3.0% YoY, while volumes declined -5.2% YoY.

Segment Performance

- Food & Refreshment (FR): Sales grew +0.4% YoY but declined -5.7% QoQ to IDR 2.88 trillion. Gross profit margin (GPM) slipped from 45% in Q4 2023 to 44%, though it improved from 43% in Q3 2024.
- Home & Personal Care (HP): Sales declined -7.6% YoY and -9.0% QoQ to IDR 4.83 trillion. GPM dropped significantly from 50% to 45%.

Strategic Outlook

- Looking ahead, UNVR remains focused on addressing operational inefficiencies through a go-to-market transformation, expanding store coverage, enhancing distribution trade digitalization, and strengthening brand investments. Management anticipates gradual improvements by H2 2025.

Q4 2024 Results: Transformation Costs Pressure Margins

- UNVR's bottom line was significantly impacted by transformation costs, stock reductions, and other operational adjustments:
- Net profit fell -41.3% YoY and -33.9% QoQ to IDR 358.9 billion, bringing the net profit margin (NPM) down to 4.6%.
- FY 2024 net profit stood at IDR 3.36 trillion, with an NPM of 9.6%.
- Advertising & market research expenses rose to 8.8% of FY 2024 revenue and 5.8% in Q4 2024, while higher one-off remuneration costs further pressured profitability.
- Operating profit margin declined to 12.6% in 2024, largely due to increased marketing and transformation-related expenses.
- Gross profit margin (GPM) dropped from 49.7% in 2023 to 47.6% in 2024, reflecting the impact of stock reductions and pricing adjustments.

Valuation: Maintained hold with lower TP 1,590

- We expect UNVR's transformation initiatives to yield long-term operational improvements. However, given near-term challenges, we lower our target price to IDR 1,590, reflecting a +10% upside and a 17.4x PE target over the next year. We maintain our Hold recommendation.

Financial Highlights	2021A	2022A	2023A	2024A	2025F	2026F
Revenue (IDR Bn)	39.546	41.219	38.611	35.139	35.333	36.726
EBITDA (IDR Bn)	10.554	8.123	7.233	5.292	5.323	6.307
Net Profit (IDR Bn)	5.758	5.365	4.801	3.369	3.488	4.191
EPS (IDR)	151	141	126	88	91	110
GPM (%)	49,6%	46,3%	49,7%	47,6%	48,0%	48,0%
OPM (%)	19,4%	17,1%	16,3%	12,6%	13,0%	15,0%
NPM (%)	14,6%	13,0%	12,4%	9,6%	9,9%	11,4%
Ebitda Margin (%)	26,7%	19,7%	18,7%	15,1%	15,1%	17,2%
ROE (%)	133,3%	134,2%	142,0%	156,7%	109,1%	94,1%
PER (x)	27,2	33,4	28,2	21,3	17,4	14,5
PBV (x)	36,3	44,9	40,1	33,5	19,0	13,6
Current Ratio (x)	0,6	0,6	0,6	0,4	0,4	0,5
Tot. Debt / Equity (x)	3,4	3,6	3,9	6,5	4,2	3,0

Source: Company and Binaartha

20 February 2025
Consumer Goods

Price	IDR	1,440
Target Price	IDR	1,590
JKSE Index		6,794.870



Stock Information

Bloomberg Code	UNVR IJ
Market Cap (IDR bn)	55,510.0
52-week high (IDR)	3,970
52-week low (IDR)	1,290
Shares issued (mn)	38,150
Free float	15.01%

Major share holders

Unilever Indonesia Holding B.V	84.99%
Public	15.01%

USD/ IDR – YE (IDR)

2024	16,193
2025F (6m-avg)	16,287

Analyst
eka.rahmah@binaartha.com

Table: UNVR's Sales Performances YoY in IDR Mn

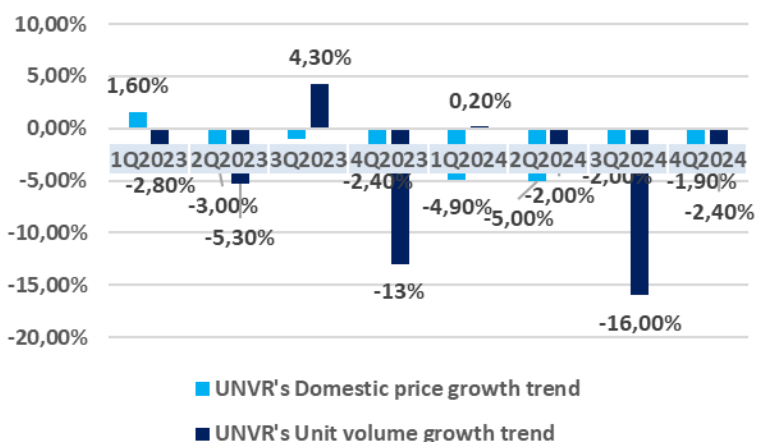
	1Q2024	2Q2024	3Q2024	4Q2024	QoQ	4Q2023	YoY	2023A	2024A	YoY
Domestic	9.793.089	8.713.451	8.125.109	7.517.053	-7,5%	7.854.248	-4,3%	37.408.161	34.148.702	-8,7%
Export	286.452	250.895	248.356	204.238	-17,8%	251.399	-18,8%	1.203.240	989.941	-17,7%
Total	10.079.541	8.964.346	8.373.465	7.721.291	-7,8%	8.105.647	-4,7%	38.611.401	35.138.643	-9,0%

Source: Company

Table: UNVR's Business Segment GPM & OPM YoY

	1Q2024	2Q2024	3Q2024	4Q2024	2023A	2024A
HP Segment						
GPM	53,3%	52,3%	46,9%	44,9%	52,5%	49,7%
OPM	26,7%	23,0%	14,7%	16,6%	24,6%	20,7%
FR Segment						
GPM	44,0%	44,3%	43,2%	44,0%	44,5%	43,9%
OPM	19,9%	16,8%	16,5%	19,0%	18,9%	18,1%

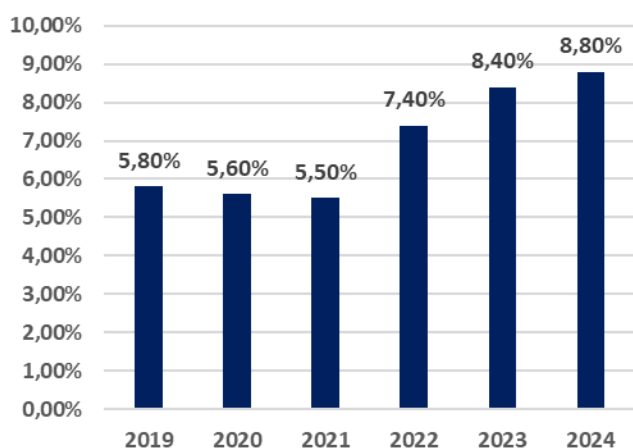
Chart: UNVR's Domestic price growth and Unit volume growth trend



Source: Company

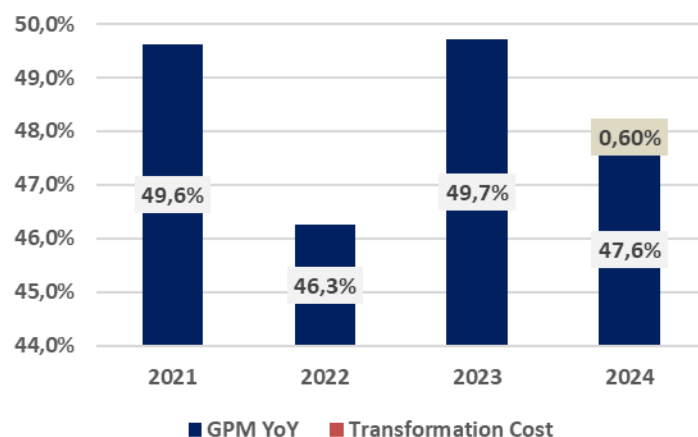
Source: Company

Chart: Advertising as % of Net Sales



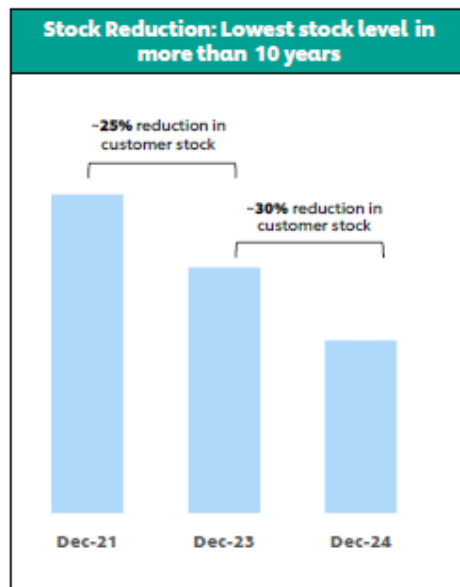
Source: Company

Chart: GPM YoY and Transformation cost

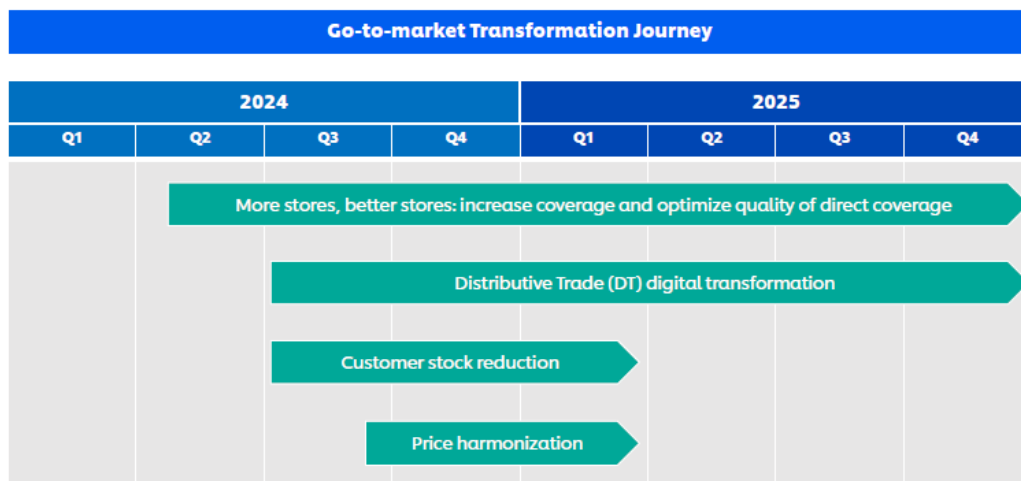


Source: Company

Chart: UNVR stock reduction and transformation Journey



Source: Company



Source: Company

Table: Income Statement in IDR Million YoY & QoQ

Income Statement (In IDR Mn)										
	1Q2024	2Q2024	3Q2024	4Q2024	QoQ	4Q2023	YoY	2023A	2024A	YoY
Sales	10.079.541	8.964.346	8.373.465	7.721.291	-7,8%	8.105.647	-4,7%	38.611.401	35.138.643	-9,0%
Cost of Sales	-5.046.838	-4.529.071	-4.560.646	-4.282.407	-6,1%	-4.185.035	2,3%	-19.416.887	-18.418.962	-5,1%
Gross Profit	5.032.703	4.435.275	3.812.819	3.438.884	-9,8%	3.920.612	-12,3%	19.194.514	16.719.681	-12,9%
Operating Expenses	-3.150.869	-3.127.002	-3.089.592	-2.937.338	-4,9%	-3.096.674	-5,1%	-12.915.231	-12.304.801	-4,7%
Operating Profit	1.881.834	1.308.273	723.227	501.546	-30,7%	823.938	-39,1%	6.279.283	4.414.880	-29,7%
Other Income (Expenses)	-22.425	919	-27.633	-15.317	-44,6%	-13.110	16,8%	-77.407	-64.456	-16,7%
PBT	1.859.409	1.309.192	695.594	486.229	-30,1%	810.828	-40,0%	6.201.876	4.350.424	-29,9%
Tax	-410.692	-291.251	-152.554	-127.234	-16,6%	-198.745	-36,0%	-1.400.936	-981.731	-29,9%
NIAT	1.448.717	1.017.941	543.040	358.995	-33,9%	612.083	-41,3%	4.800.940	3.368.693	-29,8%
Non-controlling Interest	0	0	0	0		0		0	0	
Net Income	1.448.717	1.017.941	543.040	358.995	-33,9%	612.083	-41,3%	4.800.940	3.368.693	-29,8%
EPS	38	27	14	9	-33,9%	16	-41,3%	126	88	-29,8%
GPM	49,9%	49,5%	45,5%	44,5%		48,4%		49,7%	47,6%	
OPM	18,7%	14,6%	8,6%	6,5%		10,2%		16,3%	12,6%	
NPM	14,4%	11,4%	6,5%	4,6%		7,6%		12,4%	9,6%	

Source: Company

Table: Income Statement in IDR Million YoY

Income Statement (In IDR Mn)	2020A	2021A	2022A	2023A	2024A	2025F	2026F
Sales	42.972.474	39.545.959	41.218.881	38.611.401	35.138.643	35.332.927	36.725.834
Cost of Sales	-20.515.484	-19.919.572	-22.153.944	-19.416.887	-18.418.962	-18.373.122	-19.097.433
Gross Profit	22.456.990	19.626.387	19.064.937	19.194.514	16.719.681	16.959.805	17.628.400
Operating Expenses	-13.005.978	-11.946.936	-11.996.129	-12.915.231	-12.304.801	-12.366.524	-12.119.525
Operating Profit	9.451.012	7.679.451	7.068.808	6.279.283	4.414.880	4.593.280	5.508.875
Other Income (Expenses)	-244.143	-182.859	-75.005	-77.407	-64.456	-63.599	-66.107
PBT	9.206.869	7.496.592	6.993.803	6.201.876	4.350.424	4.529.681	5.442.769
Tax	-2.043.333	-1.738.444	-1.629.042	-1.400.936	-981.731	-1.041.827	-1.251.837
NIAT	7.163.536	5.758.148	5.364.761	4.800.940	3.368.693	3.487.855	4.190.932
Non-controlling Interest							
Net Income	7.163.536	5.758.148	5.364.761	4.800.940	3.368.693	3.487.855	4.190.932
EPS	188	151	141	126	88	91	110
EBITDA	11.250.251	10.554.448	8.122.793	7.232.830	5.292.454	5.322.964	6.307.112

Source: Company and Binaartha

Table: Cash Flow in IDR Million YoY

Cash Flow (In IDR Mn)	2021A	2022A	2023A	2024A	2025F	2026F
Net Income	5.758.148	5.364.761	4.800.940	3.368.693	3.487.855	4.190.932
Depreciation	992.507	1.271.163	1.049.022	708.484	708.484	820.273
Change in WC	-245.111	249.196	675.390	1.168.106	-159.914	-428.027
Cash From Operating Activities	6.505.544	6.885.120	6.525.352	5.245.283	4.036.424	4.583.177
Change on Non-current Asset	-712.559	-595.185	-770.923	-1.001.884	-1.386.243	-1.638.321
Cash From Investing Activities	-712.559	-595.185	-770.923	-1.001.884	-1.386.243	-1.638.321
Others Noncurrent Liabilities	3.118	-160.249	-195.140	-597.894	560	4.318
Long-term Liabilities	59.265	-263.227	375.385	605.741	-191.109	69.645
Equity	-6.374.247	-5.688.774	-5.416.958	-4.600.664	-2.441.498	-2.933.652
Cash From Financing Activities	-6.311.864	-6.112.250	-5.236.713	-4.592.817	-2.632.047	-2.859.689
Net Changes in Cash	-518.879	177.685	517.716	-349.418	18.135	85.168
Beginning Balance	844.076	325.197	502.882	1.020.598	671.180	689.315
Ending Balance	325.197	502.882	1.020.598	671.180	689.315	774.482

Source: Company and Binaartha

Table: Statement of Financial Position in IDR Million YoY

IDR mn.	2021A	2022A	2023A	2024A	2025F	2026F
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	325.197	502.882	1.020.598	671.180	689.315	774.482
Trade Accounts Receivable	4.516.555	3.924.499	2.104.729	1.880.942	1.908.522	1.983.761
Inventories	2.453.871	2.625.116	2.422.044	2.505.852	2.391.226	2.485.494
Others Current Assets	346.585	515.271	644.468	222.574	223.805	232.628
Total Current Assets	7.642.208	7.567.768	6.191.839	5.280.548	5.212.867	5.476.364
NONCURRENT ASSETS						
Fixed Assets	10.102.086	9.536.027	9.310.734	9.321.605	10.030.089	10.792.421
Other Noncurrent Assets	1.324.238	1.214.319	1.161.513	1.444.042	1.413.317	1.469.033
Total Noncurrent Assets	11.426.324	10.750.346	10.472.247	10.765.647	11.443.406	12.261.454
TOTAL ASSETS	19.068.532	18.318.114	16.664.086	16.046.195	16.656.273	17.737.818
LIABILITIES AND EQUITY						
LIABILITIES						
CURRENT LIABILITIES						
Short-term Bank Loans	1.850.000	600.000	0	1.450.000	1.413.317	734.517
Trade Account Payable	4.571.352	4.699.974	4.063.637	3.983.297	3.953.995	4.077.340
Accruals	2.631.421	3.998.399	3.892.014	3.797.590	3.602.523	3.805.206
Others Current Liabilities	3.392.379	3.143.850	3.268.317	2.599.314	2.614.637	2.717.712
Total Current Liabilities	12.445.152	12.442.223	11.223.968	11.830.201	11.584.472	11.334.774
NONCURRENT LIABILITIES						
Others Noncurrent Liabilities	1.062.255	902.006	706.866	108.972	109.532	113.850
Long-term Liabilities	1.239.856	976.629	1.352.014	1.957.755	1.766.646	1.836.292
Total Noncurrent Liabilities	2.302.111	1.878.635	2.058.880	2.066.727	1.876.178	1.950.142
TOTAL LIABILITIES	14.747.263	14.320.858	13.282.848	13.896.928	13.460.650	13.284.915
EQUITY	4.321.269	3.997.256	3.381.238	2.149.267	3.195.623	4.452.903
TOTAL LIABILITIES & EQUITY	19.068.532	18.318.114	16.664.086	16.046.195	16.656.273	17.737.818

Source: Company and Binaartha

Table: Ratio Highlights YoY

	2021A	2022A	2023A	2024A	2025F	2026F
Growth (% YoY)						
Sales	-8,0%	4,2%	-6,3%	-9,0%	0,6%	3,9%
OP	-18,7%	-8,0%	-11,2%	-29,7%	4,0%	19,9%
EBITDA	-6,2%	-23,0%	-11,0%	-26,8%	0,6%	18,5%
NP	-19,6%	-6,8%	-10,5%	-29,8%	3,5%	20,2%
EPS	-19,6%	-6,8%	-10,5%	-29,8%	3,5%	20,2%
Profitability (%)						
Gross Margin	49,6%	46,3%	49,7%	47,6%	48,0%	48,0%
Operating Margin	19,4%	17,1%	16,3%	12,6%	13,0%	15,0%
EBITDA margin	26,7%	19,7%	18,7%	15,1%	15,1%	17,2%
NET Profit margin	14,6%	13,0%	12,4%	9,6%	9,9%	11,4%
ROA	30,2%	29,3%	28,8%	21,0%	20,9%	23,6%
ROE	133,3%	134,2%	142,0%	156,7%	109,1%	94,1%
Solvability (x)						
Net debt/ equity	2,7	3,2	3,5	4,9	3,2	2,4
Tot. debt/ Tot.equity	3,4	3,6	3,9	6,5	4,2	3,0
Debt Ratio	0,8	0,8	0,8	0,9	0,8	0,7
Liquidity (x)						
Current Ratio	0,6	0,6	0,6	0,4	0,4	0,5
Cash Ratio	0,0	0,0	0,1	0,1	0,1	0,1
Per Share data						
EPS (IDR)	151	141	126	88	91	110
PBV	36	45	40	33	19	14
PER	27	33	28	21	17	14
EBITDA/share	277	213	190	139	140	165

Source: Company and Binaartha

Stock Ratings:

- Buy : a recommendation to purchase the security with upside potential of **11,50% or greater**
- Hold : a recommendation to neither buy nor sell a security with upside potential of **5.75%-11.49%**.
- Sel : a recommendation to close out a long position in a security with upside potential **below 5.74% or negative**.

RESEARCH TEAM
(62 21) 520 6678 ext. 611

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