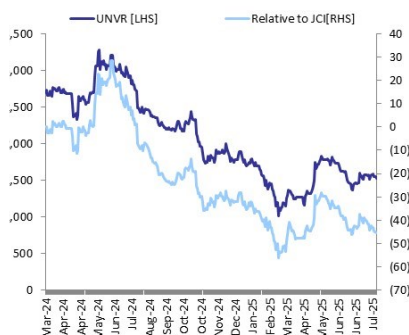


Hold

(Upgraded)

Last Price (Rp)	1,710
Target Price (Rp)	1,750
Previous Target Price (Rp)	1,500
Upside/Downside	+2.3%
No. of Shares (mn)	38,150
Mkt Cap (Rpbn/US\$mn)	65,237/3,561
Avg, Daily T/O (Rpbn/US\$mn)	70.7/4.3
Free Float (%)	15.0
Major Shareholder (%)	
Unilever Indonesia Holding B.V.	85.0
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	107.2 110.9 113.7
Consensus	99.9 97.6 105.0
BRIDS/Cons (%)	7.3 13.7 8.3

UNVR relative to JCI Index



Source: Bloomberg

BRI Danareksa Sekuritas Analysts

Christy Halim

(62-21) 5091 4100 ext. 3512
christy.halim@brids.co.id

Sabela Nur Amalina

(62-21) 5091 4100 ext. 4202
sabela.amalina@brids.co.id

Unilever Indonesia (UNVR IJ)

Signs of Stabilization Amid Ongoing Recovery; Upgrade Rating to Hold

- UNVR posted soft 2Q25 net profit (-9.8% yoy/-25.8% qoq), but exceeded our and consensus' conservative expectations.
- We adjusted our earnings estimates by +23.5%/22.8% in FY25/26F reflecting expectations of modest vol. improvement, higher ASP and cost efficiency.
- We upgraded our rating to Hold with TP Rp1,750, implying 16.3x PE FY25F.

Soft 2Q25 results yet surpasses estimates

UNVR posted a relatively soft 1H25 performance, despite having both revenue and earnings exceeding consensus' estimates given the conservative expectations. 2Q25 revenue fell 3% yoy and 8% qoq, primarily supported by a +1.6% increase in ASP. However, volume remained in negative territory of -4.2% yoy albeit improving from -7.8% yoy in 1Q25. At the operating level, opex fell 6.7% yoy in 1H25, driven by lower ads & marketing research and remuneration expenses, which partially offset the decline in operating margin to 15.9% (gross margin fell to 48.1%). Net profit dropped 12.6% yoy in 1H25 but accounted for 65% of our FY25F.

Eyeing sequential growth recovery in 2H25

Management highlighted several strategic initiatives during the call, which include: 1) strengthening the brand portfolio, 2) enhancing cost competitiveness, and 3) delivering growth from 3Q25 onwards. While we anticipate better topline performance in 2H25, supported by a favorable base from 2H24 and continued progress in distributive trade (DT) digital transformation as part of the initiatives, we prefer to see another 1-2 quarters of consistent improvement in volume growth before turning more optimistic.

Raise our FY25/26F net profit estimates by +21.4%/3.5%

Following the 2Q25 results, we raised our FY25/26F revenue by +2.6/0.3%, reflecting expectation of modest volume improvement and higher ASP. With the ongoing operational discipline and transformation, we expect further room for opex efficiency particularly from the normalization of service fees, royalties, and remuneration costs. Consequently, we raised our FY25/26F operating margin forecast to 15.6%/ 15.9% and net profit estimates by +23.5%/+22.8% yoy, which translates to net profit growth of +21.4%/+3.5% yoy.

Upgrade to Hold rating with a TP of Rp1,750

We upgrade our rating to Hold given the expectation of earnings turnaround in FY25F, supported by some volume recovery, firmer pricing, and ongoing cost efficiencies. UNVR has also announced a share buyback plan of up to Rp2tr with a maximum price of Rp1,700/share, offering a short-term boost to share price. Nonetheless, we think UNVR's current valuation at 16.0x PE FY25F remains demanding compared to its peers, which trades at an average of 11.9x. Upgrade to Hold with our DCF-based TP of Rp1,750.

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	38,611	35,139	34,709	35,091	35,711
EBITDA (Rpbn)	7,015	5,123	6,189	6,364	6,450
EBITDA Growth (%)	(11.0)	(27.0)	20.8	2.8	1.4
Net Profit (Rpbn)	4,801	3,369	4,089	4,233	4,336
EPS (Rp)	125.8	88.3	107.2	110.9	113.7
EPS Growth (%)	(10.5)	(29.8)	21.4	3.5	2.5
BVPS (Rp)	88.6	56.3	88.5	105.1	122.2
DPS (Rp)	125.3	75.1	91.1	94.3	96.6
PER (x)	13.6	19.4	16.0	15.4	15.0
PBV (x)	19.3	30.4	19.3	16.3	14.0
Dividend yield (%)	7.3	4.4	5.3	5.5	5.7
EV/EBITDA	9.2	12.9	10.6	10.2	10.0

Source: UNVR, BRIDS Estimates

Exhibit 1. UNVR's 1H25/2Q25 Earnings Result Summary

UNVR II	1H24	1H25	YoY, %	2Q24	1Q25	2Q25	QoQ, %	YoY, %	2025F	A/F, %	A/C, %
(in Rpbn)											
Net sales	19,044	18,205	-4.4%	8,964	9,465	8,740	-7.7%	-2.5%	33,837	54%	52%
Gross profit	9,468	8,758	-7.5%	4,435	4,559	4,199	-7.9%	-5.3%	16,088	54%	52%
Opex	6,278	5,858	-6.7%	3,127	2,937	2,920	-0.6%	-6.6%	11,731		
Operating profit	3,190	2,900	-9.1%	1,308	1,621	1,279	-21.1%	-2.3%	4,357	67%	53%
Pretax profit	3,169	2,827	-10.8%	1,309	1,594	1,233	-22.6%	-5.8%	4,276	66%	54%
Net profit	2,467	2,156	-12.6%	1,018	1,237	918	-25.8%	-9.8%	3,311	65%	59%
(in %)											
Gross margin	49.7%	48.1%		49.5%	48.2%	48.0%			47.5%		
Opex to revenue	33.0%	32.2%		34.9%	31.0%	33.4%			34.7%		
Operating margin	16.8%	15.9%		14.6%	17.1%	14.6%			12.9%		
Net margin	13.0%	11.8%		11.4%	13.1%	10.5%			9.8%		
Breakdown by divisions											
Revenue (Rpbn)											
HPC	12,282	11,444	-6.8%	5,839	5,858	5,587	-4.6%	-4.3%			
FNR	6,762	6,760	0.0%	3,125	3,607	3,153	-12.6%	0.9%			
Segment result margin											
HPC	24.9%	21.7%		23.0%	22.8%	20.6%					
FNR	18.5%	18.6%		16.8%	19.4%	17.7%					

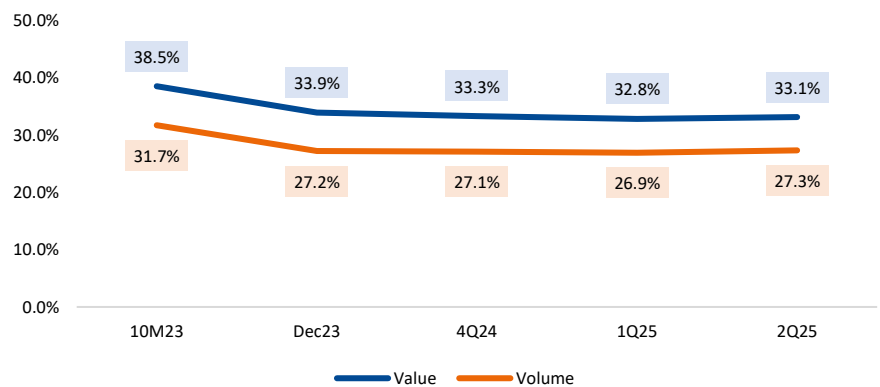
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 2. UNVR's Earnings Estimates Revision

UNVR II (Rpbn)	Previous		New		Changes	
	2025F	2026F	2025F	2026F	2025	2026
Revenue	33,837	34,985	34,709	35,091	2.6%	0.3%
Gross profit	16,088	16,688	16,807	17,074	4.5%	2.3%
Operating profit	4,357	4,525	5,403	5,578	24.0%	23.3%
Pre-tax profit	4,276	4,451	5,311	5,497	24.2%	23.5%
Net profit	3,311	3,447	4,089	4,233	23.5%	22.8%
Gross margin	47.5%	47.7%	48.4%	48.7%		
Operating margin	12.9%	12.9%	15.6%	15.9%		
Net margin	9.8%	9.9%	11.8%	12.1%		
Changes in assumption						
	2025F	2026F	2025F	2026F		
ASP	0.3%	0.8%	2.1%	1.7%		
Volume	-4.0%	2.5%	-3.2%	-0.6%		
Opex/revenue	34.7%	34.8%	32.9%	32.8%		
A&P/revenue	8.8%	8.8%	8.8%	8.8%		

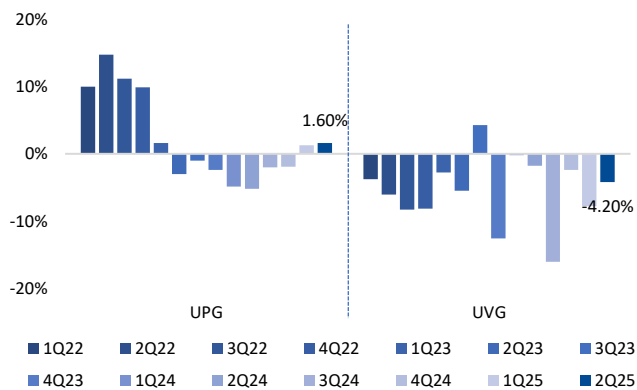
Source: BRIDS Estimates

Exhibit 3. UNVR's Market Share



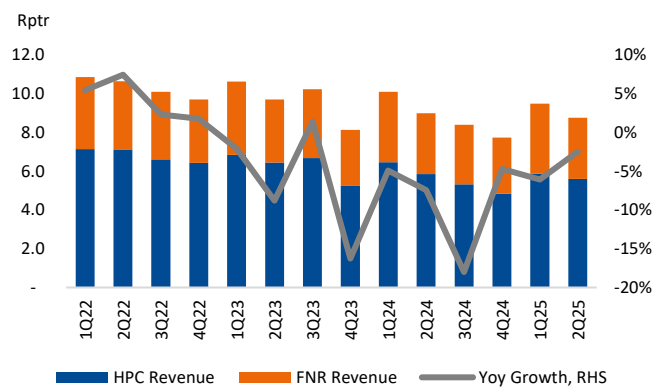
Source: Company, BRIDS

Exhibit 4. Quarterly ASP and Volume, 1Q22-2Q25



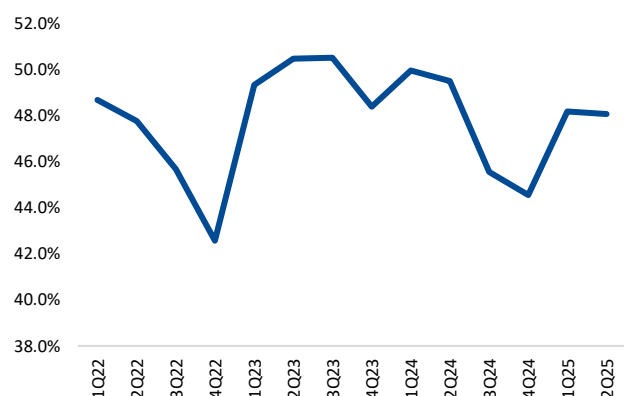
Source: Company, BRIDS

Exhibit 5. Quarterly Revenue and YoY Growth, 1Q22-2Q25



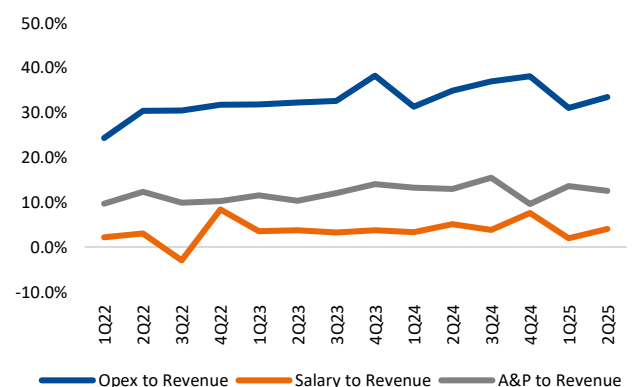
Source: Company, BRIDS

Exhibit 6. Quarterly Gross Margin, 1Q22-2Q25



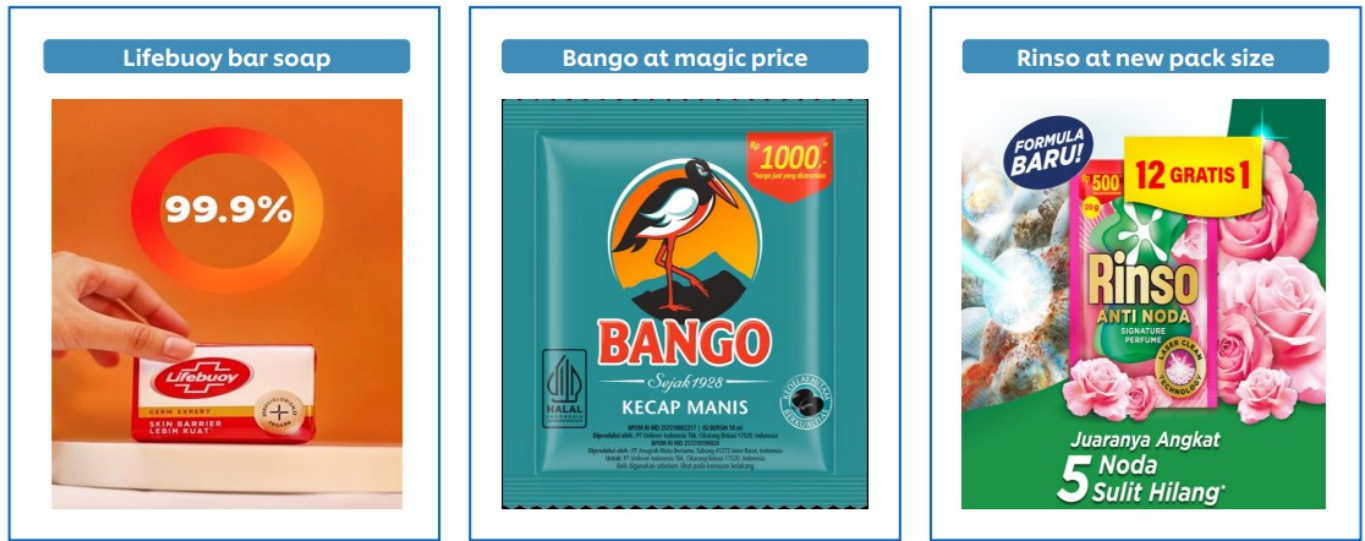
Source: Company, BRIDS

Exhibit 7. Quarterly Opex, Salary and A&P to Revenue, 1Q22-2Q25



Source: Company, BRIDS

Exhibit 8. UNVR's New Affordable Products Launch



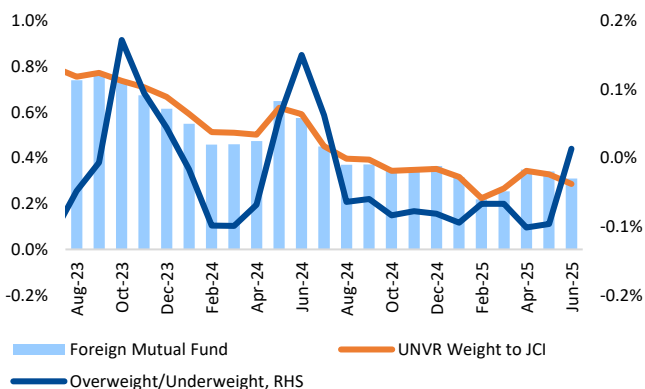
Source: Company

Exhibit 9. UNVR's Premiumization New Launches



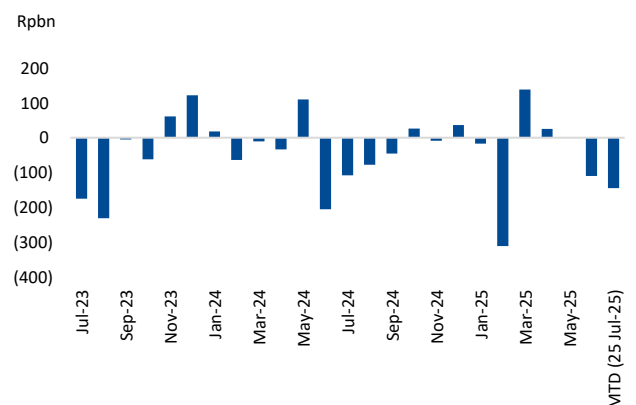
Source: Company

Exhibit 10. UNVR's Weighting and Fund Position



Source: KSEI, BRIDS

Exhibit 11. UNVR's Historical Foreign Flow



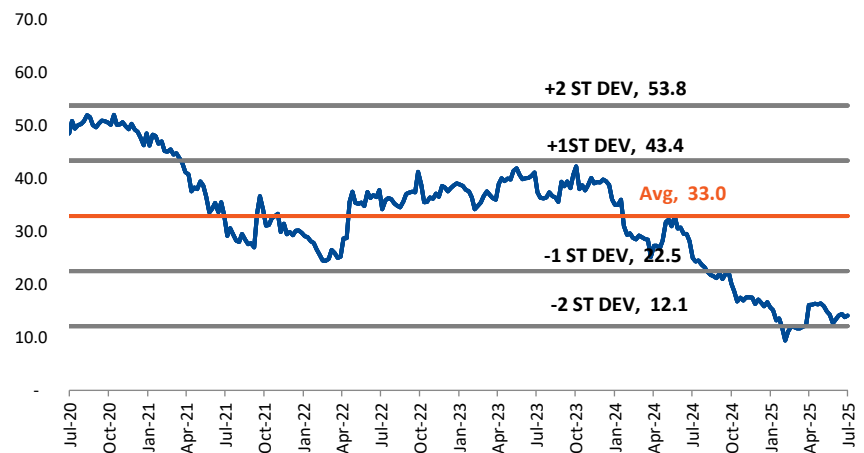
Source: IDX, BRIDS

Exhibit 12. UNVR's Peers Comparison

Ticker	Rec	Target Price	Market Cap	P/E (x)		P/BV (x)		ROE (%)	Dividend Yield (%)	EPS Growth (%)		Core Profit Growth (%)	
		(Rp)	(Rpbn)	2025F	2026F	2025F	2026F	2025F	2025F	2025F	2026F	2025F	2026F
ICBP IJ	Buy	14,000	114,287	11.3	9.5	2.2	2.0	21.0	3.3	43.3	18.7	2.5	10.3
UNVR IJ	Hold	1,750	65,237	16.0	15.4	19.3	16.3	148.0	5.3	21.4	3.5	21.4	3.5
INDF IJ	Buy	9,500	74,853	6.8	5.9	1.0	0.9	15.8	3.3	27.2	16.1	7.7	7.6
MYOR IJ	Buy	2,800	49,859.9	15.6	13.6	2.6	2.4	18.0	2.4	6.8	14.8	14.7	12.4
Sector - weighted				11.9	10.5	5.7	4.8	46.5	3.6	28.7	14.1	9.8	8.5

Source: Bloomberg, BRIDS Estimates

Exhibit 13. UNVR's PE Band



Source: Bloomberg, BRIDS Estimates

Exhibit 14. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Revenue	38,611	35,139	34,709	35,091	35,711
COGS	(19,417)	(18,419)	(17,902)	(18,016)	(18,386)
Gross profit	19,195	16,720	16,807	17,074	17,325
EBITDA	7,015	5,123	6,189	6,364	6,450
Oper. profit	6,279	4,415	5,403	5,578	5,666
Interest income	29	18	16	26	27
Interest expense	(106)	(83)	(109)	(107)	(62)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	0	0	0	0	0
Pre-tax profit	6,202	4,350	5,311	5,497	5,632
Income tax	(1,401)	(982)	(1,222)	(1,264)	(1,295)
Minority interest	0	0	0	0	0
Net profit	4,801	3,369	4,089	4,233	4,336
Core Net Profit	4,801	3,369	4,089	4,233	4,336

Exhibit 15. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	1,021	671	1,526	1,574	1,482
Receivables	2,598	2,065	2,283	2,505	2,830
Inventory	2,422	2,506	2,473	2,574	2,451
Other Curr. Asset	100	39	38	39	39
Fixed assets - Net	9,978	9,781	9,862	9,728	9,610
Other non-curr.asset	545	984	980	990	1,004
Total asset	16,664	16,046	17,162	17,409	17,416
ST Debt	0	1,450	1,900	1,400	500
Payables	4,064	3,983	4,174	4,322	4,255
Other Curr. Liabilities	4,421	4,025	3,969	3,734	3,995
Long Term Debt	0	0	0	0	0
Other LT. Liabilities	4,798	4,439	3,744	3,943	4,005
Total Liabilities	13,283	13,897	13,787	13,399	12,756
Shareholder's Funds	3,381	2,149	3,375	4,010	4,661
Minority interests	0	0	0	0	0
Total Equity & Liabilities	16,664	16,046	17,162	17,409	17,416

Exhibit 16. Cash Flow

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	4,801	3,369	4,089	4,233	4,336
Depreciation and Amort.	783	721	798	799	797
Change in Working Capital	1,252	154	160	20	(217)
Other Oper. Cash Flow	275	(864)	(805)	(157)	295
Operating Cash Flow	7,112	3,380	4,243	4,895	5,211
Capex	(1,086)	(996)	(979)	(803)	(816)
Others Inv. Cash Flow	76	81	13	23	24
Investing Cash Flow	(1,010)	(915)	(966)	(780)	(792)
Net change in debt	(600)	1,450	450	(500)	(900)
New Capital	0	0	0	0	0
Dividend payment	(5,112)	(4,502)	(2,863)	(3,598)	(3,686)
Other Fin. Cash Flow	128	238	(109)	(107)	(62)
Financing Cash Flow	(5,584)	(2,814)	(2,522)	(4,205)	(4,648)
Net Change in Cash	518	(349)	754	(90)	(228)
Cash - begin of the year	503	1,021	671	1,526	1,574
Cash - end of the year	1,021	671	1,526	1,574	1,482

Exhibit 17. Key Ratio

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Sales	(6.3)	(9.0)	(1.2)	1.1	1.8
EBITDA	(11.0)	(27.0)	20.8	2.8	1.4
Operating profit	(11.2)	(29.7)	22.4	3.2	1.6
Net profit	(10.5)	(29.8)	21.4	3.5	2.5
Profitability (%)					
Gross margin	49.7	47.6	48.4	48.7	48.5
EBITDA margin	18.2	14.6	17.8	18.1	18.1
Operating margin	16.3	12.6	15.6	15.9	15.9
Net margin	12.4	9.6	11.8	12.1	12.1
ROAA	27.4	20.6	24.6	24.5	24.9
ROAE	130.1	121.8	148.0	114.6	100.0
Leverage					
Net Gearing (x)	(0.3)	0.4	0.1	0.0	(0.2)
Interest Coverage (x)	59.3	53.2	49.6	52.0	91.8

Source: UNVR, BRIDS Estimates

BRI Danareksa Equity Research Team

Erindra Krisnawan, CFA	Head of EQR, Strategy, Automotive, Telco, Technology	erindra.krisnawan@brids.co.id
Victor Stefano	Banks, Poultry	victor.stefano@brids.co.id
Ismail Fakhri Suweleh	Healthcare, Property, Cement, Tollroad	ismail.suweleh@brids.co.id
Christy Halim	Consumer, Retailers	christy.halim@brids.co.id
Kafi Ananta Azhari	Research Associate, Co-coverage (Telco, Technology)	kafi.azhari@brids.co.id
Ni Putu Wilastita Muthia Sofi	Research Associate	wilastita.sofi@brids.co.id
Naura Reyhan Muchlis	Research Associate	naura.muchlis@brids.co.id
Sabela Nur Amalina	Research Associate	sabela.amalina@brids.co.id

BRI Danareksa Economic Research Team

Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Dr. Telisa Aulia Falianty	Senior Advisor	telisa.falianty@brids.co.id
Kefas Sidauruk	Economist	kefas.sidauruk@brids.co.id

BRI Danareksa Institutional Equity Sales Team

Yofi Lasini	Head of Institutional Sales and Dealing	yofi.lasini@brids.co.id
Novrita Endah Putrianti	Institutional Sales Unit Head	novrita.putrianti@brids.co.id
Ehrlicch Suhartono	Institutional Sales Associate	ehrliech@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@brids.co.id
Jason Joseph	Institutional Sales Associate	jason.joseph@brids.co.id

BRI Danareksa Sales Traders

Mitcha Sondakh	Head of Sales Trader	mitcha.sondakh@brids.co.id
Suryanti Salim	Sales Trader	suryanti.salim@brids.co.id

INVESTMENT RATING

BUY	Expected total return of 10% or more within a 12-month period
HOLD	Expected total return between -10% and 10% within a 12-month period
SELL	Expected total return of -10% or worse within a 12-month period

Disclaimer

The information contained in this report has been taken from sources which we deem reliable. However, none of PT BRI Danareksa Sekuritas and/or its affiliated and/or their respective employees and/or agents makes any representation or warrant (express or implied) or accepts any responsibility or liability as to, or in relation to, the accuracy or completeness of the information and opinions contained in this report or as to any information contained in this report or any other such information or opinions remaining unchanged after the issue thereof.

We expressly disclaim any responsibility or liability (express or implied) of PT BRI Danareksa Sekuritas, its affiliated companies and their respective employees and agents whatsoever and howsoever arising (including, without limitations for any claims, proceedings, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as results of acting in reliance upon the whole or any part of the contents of this report and neither PT BRI Danareksa Sekuritas, its affiliated companies or their respective employees or agents accepts liability for any errors, omissions or mis-statements, negligent or otherwise, in the report and any liability in respect of the report or any inaccuracy therein or omission therefrom which might otherwise arise is hereby expressly disclaimed.

The information contained in the report is not to be taken as any recommendation made by PT BRI Danareksa Sekuritas or any other person to enter into any agreement with regard to any investment mentioned in this document. This report is prepared for general circulation. It does not have regards to the specific person who may receive this report. In considering any investments you should make your own independent assessment and seek your own professional financial and legal advice.