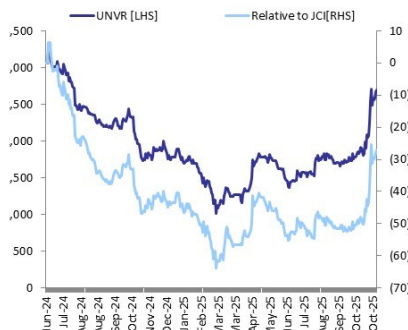


Buy

(Upgraded)

Last Price (Rp)	2,690		
Target Price (Rp)	▲ 3,200		
Previous Target Price (Rp)	1,750		
Upside/Downside	+19.0%		
No. of Shares (mn)	38,150		
Mkt Cap (Rpbn/US\$mn)	102,624/6,145		
Avg, Daily T/O (Rpbn/US\$mn)	73.4/4.4		
Free Float (%)	15.0		
Major Shareholder (%)	Unilever Indonesia Holding B.V. 85.0		
EPS Consensus (Rp)	2025F	2026F	2027F
BRIDS	113.5	116.2	116.6
Consensus	109.1	115.9	125.3
BRIDS/Cons (%)	4.1	0.3	(6.9)

UNVR relative to JCI Index



Source: Bloomberg

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Unilever Indonesia (UNVR IJ)

The Inflection Point is Here

- UNVR delivered a strong 3Q25 turnaround, driven by higher vol in all segments, resulting in +12.4% yoy sales and +117.2% yoy net profit jump.
- We expect the momentum to sustain into 4Q25, with management targeting better margins through cost discipline, efficiency and portfolio optimization.
- Thus, we are turning more positive on the stock and upgrade rating to Buy with a higher TP of Rp3,200, as we raise our FY25/26F EPS est. by 5.9%/4.7%.

3Q25 marked a key turning point driven by stronger volume

UNVR delivered a strong turnaround in 3Q25, delivering its first positive yoy growth since the downturn in 4Q23. Revenue rose 12.4% yoy and 7.7% qoq in 3Q25, primarily supported by higher volume across all business segments, signaling the improvement in consumer sentiment and domestic demand. Home & Personal Care (HPC) posted robust domestic sales growth of +14.7% yoy in 3Q25, driven by an +11.4% volume growth (vs. -6.9% in 2Q25). Meanwhile, Foods & Refreshment (F&R) recorded +9.4% yoy domestic sales growth, with volume up +8.5% (vs. +0.5% in 2Q25). Backed by strong sales and operational efficiency, earnings rebounded sharply by +117.2% yoy and +28.5% qoq in 3Q25. We attribute this solid turnaround to stronger execution, enhanced productivity, and disciplined cost control.

Strategic shift towards high-growth segments

To enhance its competitiveness and align with market trends, UNVR is focusing its portfolio on high-growth segments particularly in home care, personal care, and beauty & wellbeing (exhibit 9). The combined sales contribution from these segments has steadily increased from 7.7% in Sep24 to 9.5% in Sep25. As part of its Distributive Trade (DT) digital transformation, the company is also expanding its retail reach and improving contributions from both direct and indirect networks, while growing its Health & Beauty (HABA) and e-commerce businesses. However, management noted that restructuring costs will likely rise in 4Q25, though they should remain broadly in line with 4Q24 levels at ~Rp300-400bn.

Turning positive with attractive div; upgrade to Buy with higher TP of Rp3,200

Overall, we are turning more positive on the stock supported by 1) a strong volume recovery in both categories while ASPs continue to rise, and 2) the expectations of sustained improvement in 4Q25 and FY26F as the company's transformation and structural changes take full effect in FY26. Following the solid 3Q25 results, we raise our earnings estimates by +5.9%/4.7% in FY25/26F. The company also remains committed to distributing 100% of FY25 earnings as dividends, with potential upside from the ice cream business divestment, offering a total dividend yield of 6.9%. Given these factors, we upgrade our rating to Buy with higher TP of Rp3,200, implying 27.5x FY26F PE. The stock is currently trading at 23.2x PE FY26F, above -1std of its 3yr mean level.

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	38,611	35,139	35,725	36,114	36,748
EBITDA (Rpbn)	7,015	5,123	6,499	6,616	6,589
EBITDA Growth (%)	(11.0)	(27.0)	26.8	1.8	(0.4)
Net Profit (Rpbn)	4,801	3,369	4,330	4,433	4,449
EPS (Rp)	125.8	88.3	113.5	116.2	116.6
EPS Growth (%)	(10.5)	(29.8)	28.5	2.4	0.4
BVPS (Rp)	88.6	56.3	94.8	112.2	129.7
DPS (Rp)	125.3	75.1	96.5	98.8	99.1
PER (x)	21.4	30.5	23.7	23.2	23.1
PBV (x)	30.4	47.7	28.4	24.0	20.7
Dividend yield (%)	4.7	2.8	3.6	3.7	3.7
EV/EBITDA	14.5	20.2	15.8	15.4	15.4

Source: UNVR, BRIDS Estimates

The Inflection Point is Here

4Q25 outlook remains positive

During the call, the management reiterated its focus to deliver growth in 4Q25 and improve gross margin through cost disciplined management, further operational efficiency and portfolio optimization. We expect the sales momentum to sustain going into 4Q25 supported by the favorable 2H24 base effect, sequential recovery in demand, and cost optimization.

Ice cream divestment: margin improvement despite ST impact on sales

Management expects the divestment of its ice cream business to be completed by the end of this year. Based on some financial information given by the company post ice cream separation (based on 9M25 figures), both revenue and net profit will be impacted by -10.3% and -8.1%, respectively. Meanwhile, gross margin is expected to improve by 14bps to 48.6% and net margin by +28bps to 12.4%. On the balance sheet side, return on invested capital is expected to increase by ~800bps and cash conversion by ~1,600bps post separation, based on FY24 metrics. Overall, we see that the divestment is in line with the internal strategy toward higher growth categories and reinforcing long-term profitability despite the short-term pain impact.

Exhibit 1. Impact of Ice Cream Business Separation (as per 9M25 Figures)

UNVR U (Rpbn)	9M25	Proforma	Change
Revenue	27,613	24,769	-10.3%
Gross profit	13,386	12,043	-10.0%
Pre-tax profit	4,348	3,993	-8.2%
Net profit	3,335	3,065	-8.1%
Gross margin	48.5%	48.6%	
Pre-tax margin	15.7%	16.1%	
Net margin	12.1%	12.4%	

Source: Company, BRIDS Estimates

Exhibit 2. UNVR 3Q25/9M25 Earnings Summary

UNVR IJ	9M24	9M25	YoY, %	3Q24	2Q25	3Q25	QoQ, %	YoY, %	2025F	A/F, %	A/C, %
(in Rpbn)											
Net sales	27,417	27,613	0.7%	8,373	8,740	9,409	7.7%	12.4%	34,709	80%	79%
COGS	14,137	14,227	0.6%	4,561	4,541	4,780	5.3%	4.8%	17,902		
Gross profit	13,281	13,386	0.8%	3,813	4,199	4,628	10.2%	21.4%	16,807	80%	80%
Opex	9,367	8,931	-4.7%	3,090	2,920	3,073	5.2%	-0.5%	11,404		
Operating profit	3,913	4,455	13.8%	723	1,279	1,555	21.6%	115.0%	5,403	82%	82%
Pretax profit	3,864	4,348	12.5%	696	1,233	1,522	23.4%	118.7%	5,311	82%	84%
Net profit	3,010	3,335	10.8%	543	918	1,180	28.5%	117.2%	4,089	82%	77%
(in %)											
Gross margin	48.4%	48.5%		45.5%	48.0%	49.2%			48.4%		
Opex to revenue	34.2%	32.3%		36.9%	33.4%	32.7%			32.9%		
Operating margin	14.3%	16.1%		8.6%	14.6%	16.5%			15.6%		
Net margin	11.0%	12.1%		6.5%	10.5%	12.5%			11.8%		
Breakdown by divisions											
	9M24	9M25	YoY, %	3Q24	2Q25	3Q25	QoQ, %	YoY, %			
Revenue (Rpbn)											
HPC	17,593	17,530	-0.4%	5,312	5,587	6,085	8.9%	14.6%			
FNR	9,824	10,084	2.6%	3,062	3,153	3,323	5.4%	8.5%			
Segment result margin											
HPC	21.8%	22.5%		14.7%	20.6%	23.9%					
FNR	17.6%	18.8%		15.6%	17.7%	19.1%					

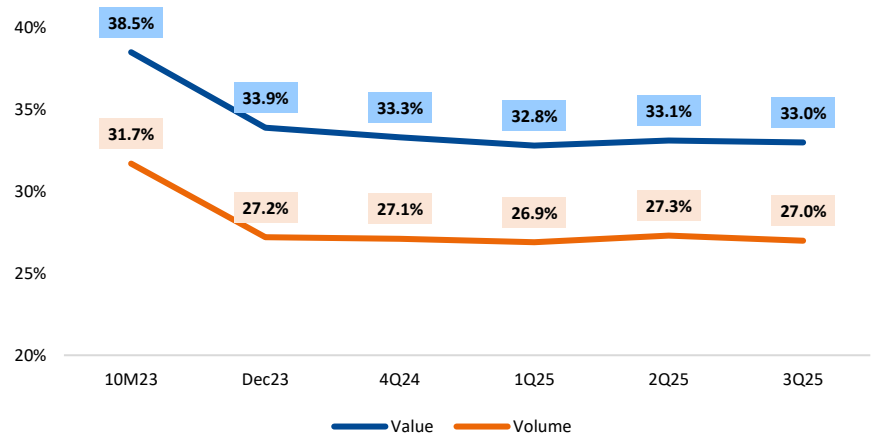
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 3. UNVR Earnings Estimate Revision

UNVR IJ (Rpbn)	Previous		New		Changes	
	2025F	2026F	2025F	2026F	2025	2026
Revenue	34,709	35,091	35,725	36,114	2.9%	2.9%
Gross profit	16,807	17,074	17,266	17,548	2.7%	2.8%
Operating profit	5,403	5,578	5,713	5,831	5.7%	4.5%
Pre-tax profit	5,311	5,497	5,624	5,757	5.9%	4.7%
Net profit	4,089	4,233	4,330	4,433	5.9%	4.7%
Gross margin	48.4%	48.7%	48.3%	48.6%		
Operating margin	15.6%	15.9%	16.0%	16.1%		
Net margin	11.8%	12.1%	12.1%	12.3%		
Changes in assumption						
	2025F	2026F	2025F	2026F		
ASP	2.1%	1.7%	2.1%	1.7%		
Volume	-3.2%	-0.6%	-0.4%	-0.6%		
Opex/revenue	32.9%	32.8%	32.3%	32.4%		
A&P/revenue	8.8%	8.8%	8.8%	8.7%		

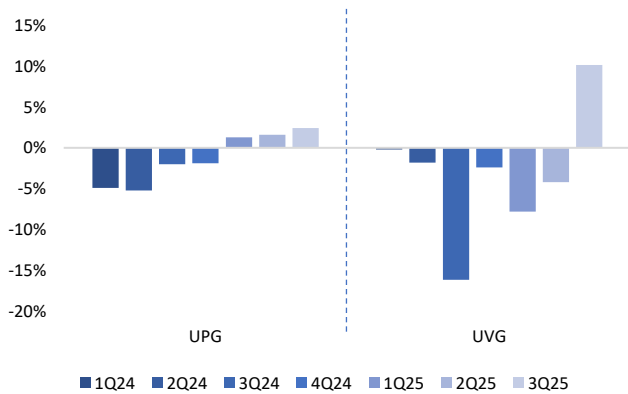
Source: BRIDS Estimates

Exhibit 4. UNVR Market Share



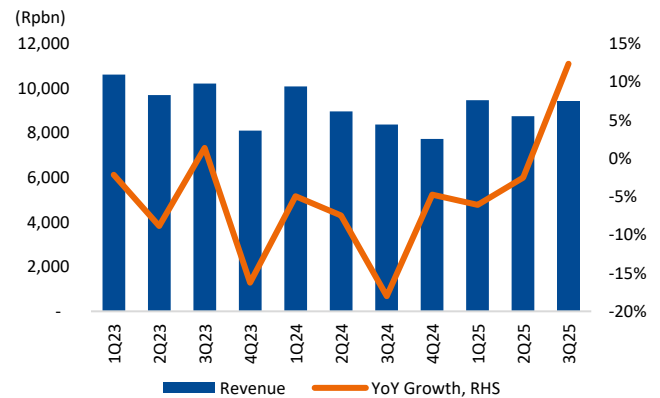
Source: Company, BRIDS

Exhibit 5. Quarterly ASP and Volume, 1Q24 – 3Q25



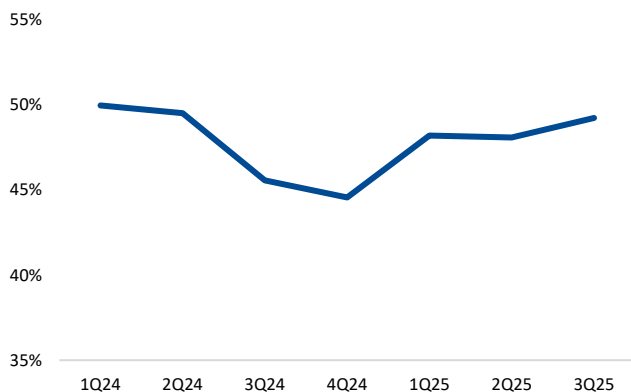
Source: Company, BRIDS

Exhibit 6. Quarterly Revenue and YoY Growth, 1Q24 – 3Q25



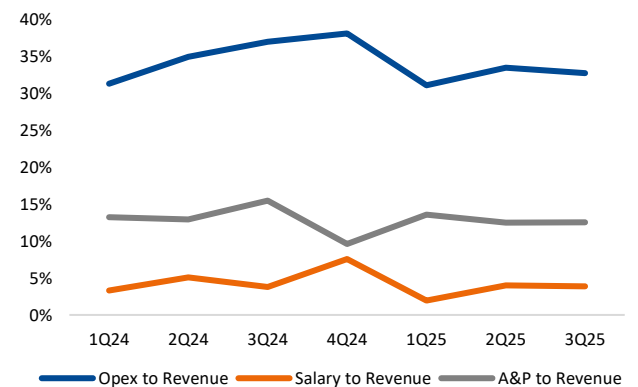
Source: Company, BRIDS

Exhibit 7. Quarterly Gross Margin, 1Q24 – 3Q25



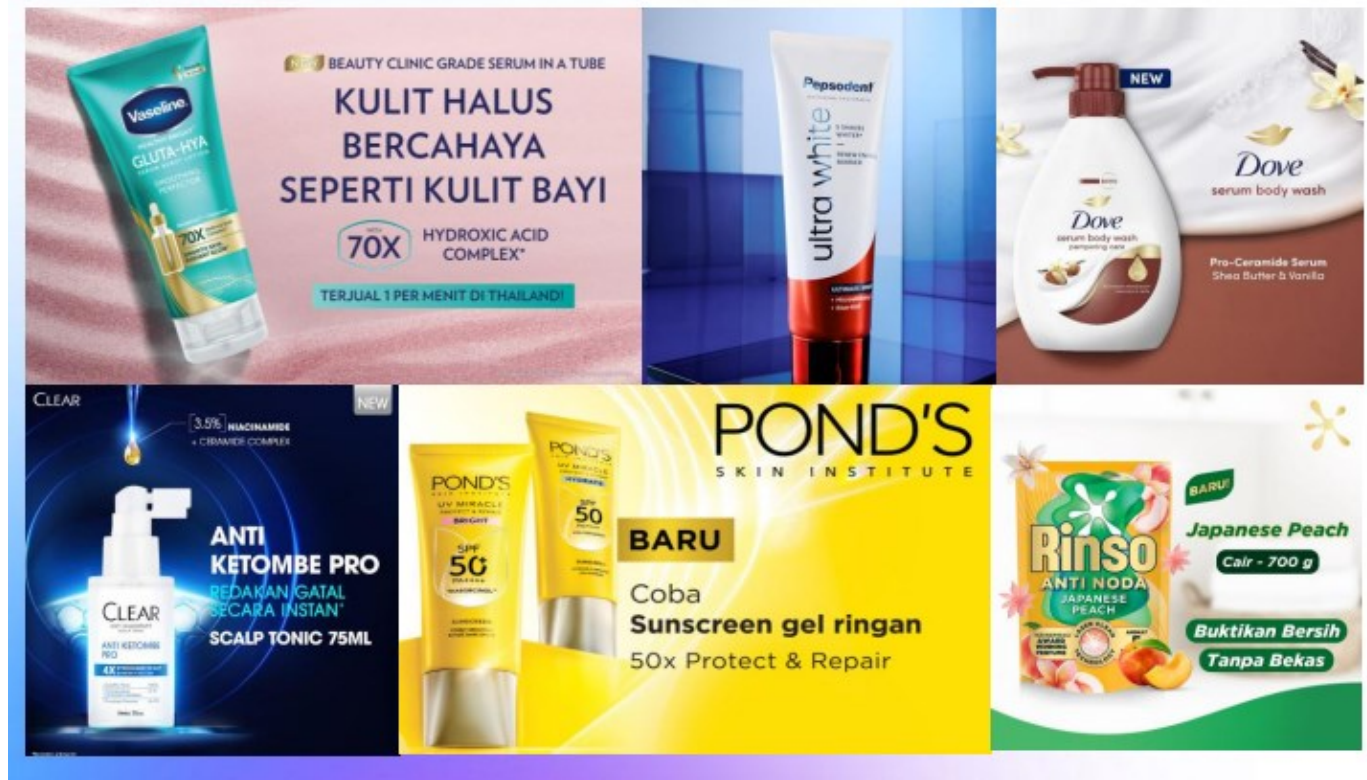
Source: Company, BRIDS

Exhibit 8. Quarterly Opex, Salary, and A&P to Revenue, 1Q24 – 3Q25



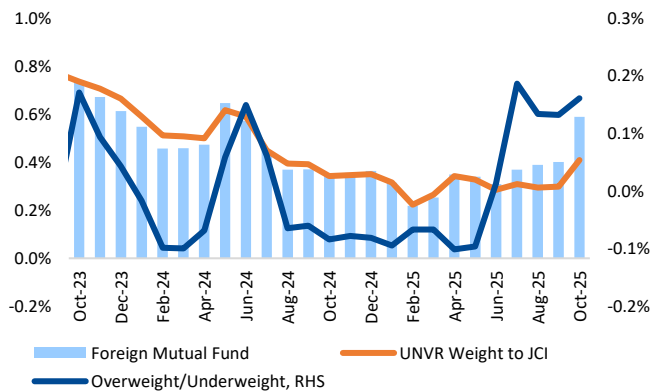
Source: Company, BRIDS

Exhibit 9. UNVR's High Growth Segments Portfolio



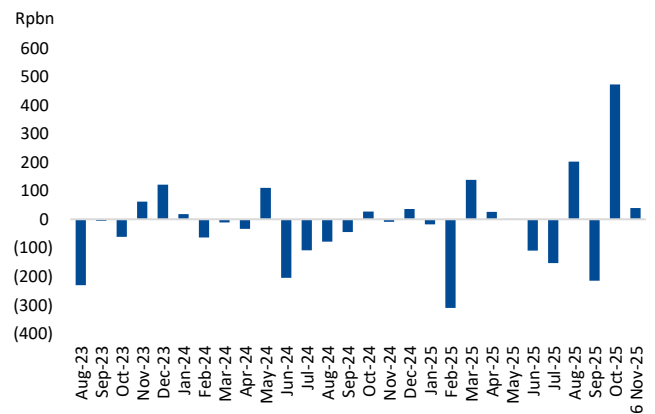
Source: Company

Exhibit 10. Weighting and Fund Position



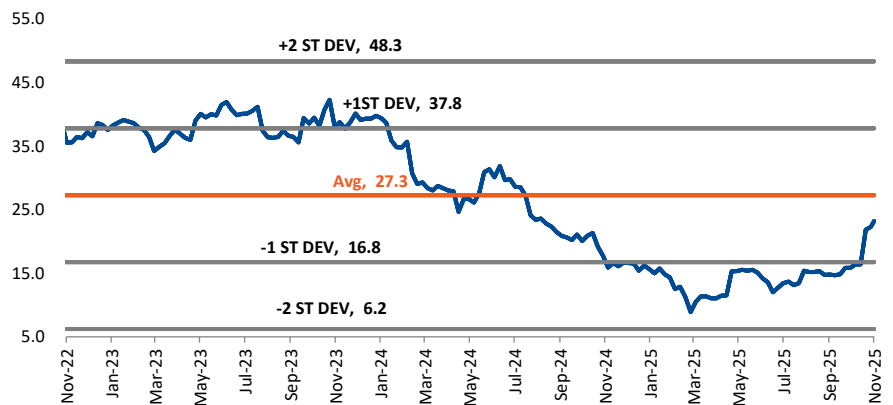
Source: KSEI, BRIDS

Exhibit 11. Historical Foreign Flows



Source: IDX, BRIDS

Exhibit 12. UNVR PE Band



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 13. Consumer Sector Valuation Table

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	12,000	101,458.6	10.4	9.2	2.0	1.8	20.2	3.7	37.7	12.7	(6.8)	8.3
UNVR IJ	Buy	3,200	102,623.5	23.7	23.2	28.4	24.0	150.2	3.6	28.5	2.4	28.5	2.4
INDF IJ	Buy	9,300	62,560.5	5.7	5.3	0.8	0.8	15.8	4.0	27.2	7.8	1.3	3.4
MYOR IJ	Buy	2,500	47,400.4	16.3	14.0	2.6	2.3	16.5	2.6	(2.9)	15.9	(1.2)	21.6
Sector - weighted				14.7	13.7	10.5	8.9	61.3	3.5	26.5	8.8	7.2	7.4

Source: Bloomberg, BRIDS Estimates

Exhibit 14. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Revenue	38,611	35,139	35,725	36,114	36,748
COGS	(19,417)	(18,419)	(18,459)	(18,566)	(18,988)
Gross profit	19,195	16,720	17,266	17,548	17,760
EBITDA	7,015	5,123	6,499	6,616	6,589
Oper. profit	6,279	4,415	5,713	5,831	5,805
Interest income	29	18	20	33	35
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	5,624	5,757	5,778
Income tax	(1,401)	(982)	(1,293)	(1,324)	(1,329)
Minority interest	0	0	0	0	0
Net profit	4,801	3,369	4,330	4,433	4,449
Core Net Profit	4,801	3,369	4,330	4,433	4,449

Exhibit 15. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	1,021	671	1,939	1,983	1,901
Receivables	2,598	2,065	2,350	2,578	2,912
Inventory	2,422	2,506	2,550	2,652	2,532
Other Curr. Asset	100	39	39	40	40
Fixed assets - Net	9,978	9,781	9,887	9,773	9,677
Other non-curr.asset	545	984	997	1,007	1,021
Total asset	16,664	16,046	17,763	18,034	18,083
ST Debt	0	1,450	1,900	1,400	500
Payables	4,064	3,983	4,304	4,454	4,395
Other Curr. Liabilities	4,421	4,025	4,100	3,853	4,124
Long Term Debt	0	0	0	0	0
Other LT. Liabilities	4,798	4,439	3,843	4,046	4,116
Total Liabilities	13,283	13,897	14,147	13,753	13,134
Shareholder's Funds	3,381	2,149	3,616	4,281	4,949
Minority interests	0	0	0	0	0
Total Equity & Liabilities	16,664	16,046	17,763	18,034	18,083

Exhibit 16. Cash Flow

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	4,801	3,369	4,330	4,433	4,449
Depreciation and Amort.	783	721	798	799	797
Change in Working Capital	1,252	154	218	19	(214)
Other Oper. Cash Flow	275	(864)	(668)	(176)	297
Operating Cash Flow	7,112	3,380	4,678	5,074	5,330
Capex	(1,086)	(996)	(1,005)	(824)	(836)
Others Inv. Cash Flow	76	81	16	30	31
Investing Cash Flow	(1,010)	(915)	(989)	(794)	(805)
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)	(3,768)	(3,782)
Other Fin. Cash Flow	128	238	(109)	(107)	(62)
Financing Cash Flow	(5,584)	(2,814)	(2,522)	(4,375)	(4,744)
Net Change in Cash	518	(349)	1,167	(94)	(218)
Cash - begin of the year	503	1,021	671	1,939	1,983
Cash - end of the year	1,021	671	1,939	1,983	1,901

Exhibit 17. Key Ratio

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Sales	(6.3)	(9.0)	1.7	1.1	1.8
EBITDA	(11.0)	(27.0)	26.8	1.8	(0.4)
Operating profit	(11.2)	(29.7)	29.4	2.1	(0.4)
Net profit	(10.5)	(29.8)	28.5	2.4	0.4
Profitability (%)					
Gross margin	49.7	47.6	48.3	48.6	48.3
EBITDA margin	18.2	14.6	18.2	18.3	17.9
Operating margin	16.3	12.6	16.0	16.1	15.8
Net margin	12.4	9.6	12.1	12.3	12.1
ROAA	27.4	20.6	25.6	24.8	24.6
ROAE	130.1	121.8	150.2	112.3	96.4
Leverage					
Net Gearing (x)	(0.3)	0.4	0.0	(0.1)	(0.3)
Interest Coverage (x)	59.3	53.2	52.5	54.4	94.0

Source: UNVR, BRIDS Estimates

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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

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