Buy

(Maintained)

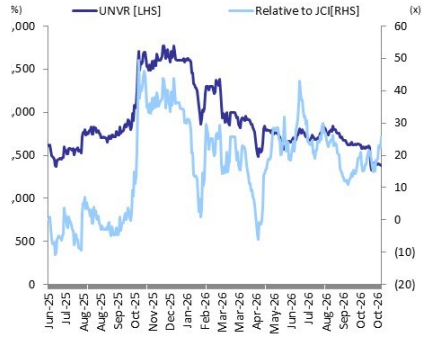
Tactical (3M): **N**

Last Price (Rp)	1,390
Target Price (Rp)	1,900
Previous TP (Rp)	***2,200***
Upside/Downside	+36.7%
No. of Shares (mn)	38,150
Mkt Cap (Rpbn/US$mn)	53,029/2,919
Avg, Daily T/O (Rpbn/US$mn)	33.7/1.9
Free Float (%)	15.0
Major Shareholder (%)	
Unilever Indonesia Holding B.V.	85.0

EPS Consensus (Rp)

	2026F	2027F	2028F
BRIDS	110.3	114.2	120.4
Consensus	112.6	108.2	116.1
BRIDS/Cons (%)	**(2.1)**	**5.6**	**3.7**

UNVR relative to JCI Index



Source: Bloomberg

Unilever Indonesia (UNVR IJ)

Topline Momentum Continues Amid Cost Headwinds

- **UNVR's topline recovery continued in 3Q26, driven by stronger volume and selective ASP hikes, amid ongoing cost pressures.**
- **UNVR continues to prioritize premiumization, while further ASP hikes are planned for 4Q26 and FY27 to offset input cost pressures.**
- **We cut our FY26-28F earnings est. by 3.4-7.2% and lower TP of Rp1,900; maintain Buy rating on strong vol play & op efficiency.**

Topline recovery continues despite challenging cost environment

UNVR continued to show encouraging progress in its ongoing business transformation, delivering 7.4% rev growth in 3Q26 (+7.2% yoy in 9M26), primarily driven by volume growth of 6.4%/7% in 3Q26/9M26. ASP growth also turned slightly positive at 0.9%/0.2% in 3Q26/9M26. It has implemented two rounds of selective ASP increase of ~5% in Jun and Aug26 across products with greater exposure to CPO and oil prices, particularly in the home care and skin cleansing segments. Nonetheless, 3Q26 gross margin still contracted to 42.3% due to higher CPO and crude oil prices, and rising logistics costs for outer-island distribution. On positive note, transformation costs remained relatively contained at Rp57bn in 3Q26 (Rp170bn in 1H26) and now mgmt. guides for a 40-50% yoy (30-40% prev.) reduction in FY26, followed by a further decline in FY27, subject to the Foods business separation. We believe these measures should help cushion margin pressure amid rising costs.

Premiumization remains a key focus, with further ASP hikes in the pipeline

Mgmt. reiterated its focus on premiumization, with the premium segment growing nearly 2x faster than the non-premium segment and accounting for 32% of total market mix in Jul26. UNVR also expects to implement further ASP increases in 4Q26 and FY27 to partially offset higher input costs, while maintaining product penetration and market share. Additionally, A&P spending is being increasingly prioritized towards higher-growth premium segments, alongside a reduction in spending on the foods and home care segments. We view this positively as stronger premium mix should support revenue growth and enhance UNVR's pricing flexibility for further ASP adjustments when needed.

Lowering our est; maintain Buy rating with a lower TP of Rp1,900

We lowered our FY26/27 earnings est by -3.4/-7.2%, reflecting lower gross margin assumptions amid higher input costs, as we expect cost inflation to persist beyond FY26. On EBIT front, we maintain our opex/rev ratio assumptions for FY26F, while lowering them for FY27F on more targeted A&P spending and better operational cost efficiencies. We maintain our Buy rating on the stock with a revised TP of Rp1,900 on our lower forecast and PE multiple target of 18.1x (-0.5sd of 3yr mean). Key risks are weakening in purchasing power, higher volatility in input costs.

Key Financials

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Revenue (Rpbn)	30,623	31,943	34,236	35,695	37,951
EBITDA (Rpbn)	4,516	5,056	5,140	5,438	5,764
EBITDA Growth (%)	(35.6)	12.0	1.7	5.8	6.0
Net Profit (Rpbn)	2,905	7,332	4,208	4,356	4,594
EPS (Rp)	76.1	192.2	110.3	114.2	120.4
EPS Growth (%)	(39.5)	152.4	(42.6)	3.5	5.4
BVPS (Rp)	56.3	117.3	42.0	36.3	42.3
DPS (Rp)	118.0	201.0	193.0	119.9	114.4
PER (x)	18.1	7.2	12.6	12.2	11.5
PBV (x)	24.5	11.8	33.1	38.3	32.8
Dividend yield (%)	8.6	14.5	13.9	8.6	8.2
EV/EBITDA	11.8	9.4	9.4	8.9	8.4

Source: UNVR, BRIDS Estimates

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Foods separation update

Following Unilever Global's plan to combine its foods business with McCormick & Co, the proposed transaction will also include Indonesia's foods business, comprising key brands such as Bango and Royco. Mgmt. indicated that the Foods business has already undergone significant operational separation, with the remaining overlaps related to GT distribution, warehousing, and back-office. These overlaps will be mitigated through the transitional service agreement (TSA) until McCormick establishes its own infrastructure. While mgmt. does not anticipate any permanent dis-synergies arising from the separation, they expect to provide further update regarding the transaction and financial impact before year-end.

Exhibit 1. UNVR 3Q26/9M26 Result Summary

UNVR IJ	9M25	9M26	YoY, %	3Q25	2Q26	3Q26	QoQ, %	YoY, %	2026F	A/F, %	A/C, %
(in Rpbn)											
Net sales	24,030	25,752	*7.2%*	8,244	8,457	8,852	*4.7%*	*7.4%*	33,785	*76.2%*	*76.5%*
COGS	12,289	14,130	*15.0%*	4,123	4,652	5,105	*9.7%*	*23.8%*	17,856		
Gross profit	11,742	11,622	*-1.0%*	4,121	3,805	3,747	*-1.5%*	*-9.1%*	15,929	*73.0%*	*72.9%*
Opex	7,743	7,534	*-2.7%*	2,662	2,784	2,248	*-19.3%*	*-15.6%*	10,705		
Operating profit	3,999	4,088	*2.2%*	1,459	1,021	1,500	*46.9%*	*2.8%*	5,224	*78.3%*	*80.8%*
Pretax profit	4,246	5,035	*18.6%*	1,502	1,941	1,499	*-22.8%*	*-0.2%*	5,250	*95.9%*	*92.5%*
Net profit	2,997	3,313	*10.6%*	1,108	829	1,231	*48.5%*	*11.2%*	4,357	*76.0%*	*71.6%*
(in %)											
Gross margin	48.9%	45.1%		50.0%	45.0%	42.3%			47.1%		
Operating margin	16.6%	15.9%		17.7%	12.1%	16.9%			15.5%		
Net margin	12.5%	12.9%		13.4%	9.8%	13.9%			12.9%		
Breakdown by Division (Cont. operation)	**9M25**	**9M26**	**YoY, %**	**3Q25**	**2Q26**	**3Q26**	**QoQ, %**	**YoY, %**			
Revenue (Rpbn)											
HPC	17,530	18,973	*8.2%*	6,085	6,048	6,604	*9.2%*	*8.5%*			
FNR	6,501	6,778	*4.3%*	2,159	2,394	2,248	*-6.1%*	*4.1%*			
Segment result margin											
HPC	22.5%	21.6%		23.9%	26.7%	22.8%					
FNR	22.1%	17.7%		25.0%	15.2%	17.6%					

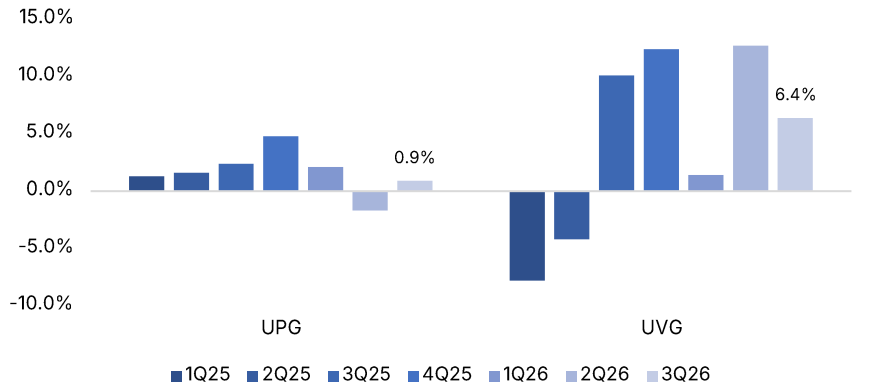
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 2. UNVR Earnings Estimates Revision

UNVR IJ (Rpbn)	Previous		New		Changes	
	2026F	2027F	2026F	2027F	2026	2027
Revenue	33,785	35,651	34,236	35,695	1.3%	0.1%
Gross profit	15,929	16,879	15,860	16,387	-0.4%	-2.9%
Operating profit	5,224	5,616	5,013	5,284	-4.0%	-5.9%
Pre-tax profit	5,250	5,653	5,039	5,313	-4.0%	-6.0%
Net profit	4,357	4,692	4,208	4,356	-3.4%	-7.2%
Gross margin	47.1%	47.3%	46.3%	45.9%		
Operating margin	15.5%	15.8%	14.6%	14.8%		
Net margin	12.9%	13.2%	12.3%	12.2%		
Changes in assumption	**2026F**	**2027F**	**2026F**	**2027F**		
ASP	1.3%	1.4%	0.3%	0.4%		
Volume	4.4%	4.1%	6.9%	3.9%		
Opex/revenue	31.7%	31.6%	31.7%	31.1%		
A&P/revenue	8.5%	8.5%	8.5%	8.4%		

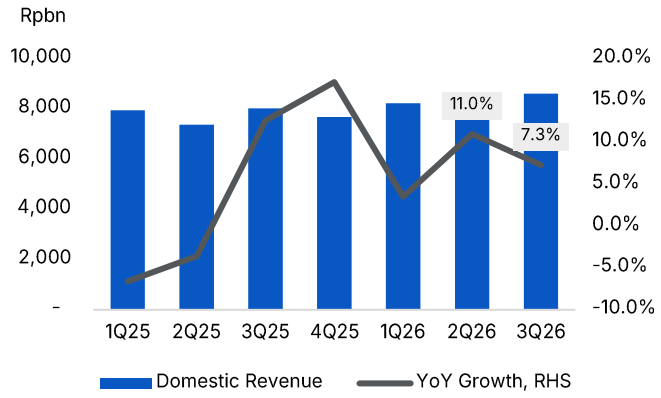
Source: BRIDS Estimates

Exhibit 3. Quarterly ASP & Volume Growth



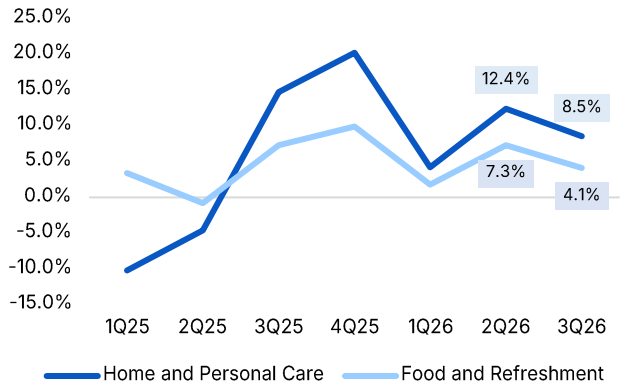
Source: Company, BRIDS

Exhibit 4. Quarterly Domestic Revenue and YoY Growth



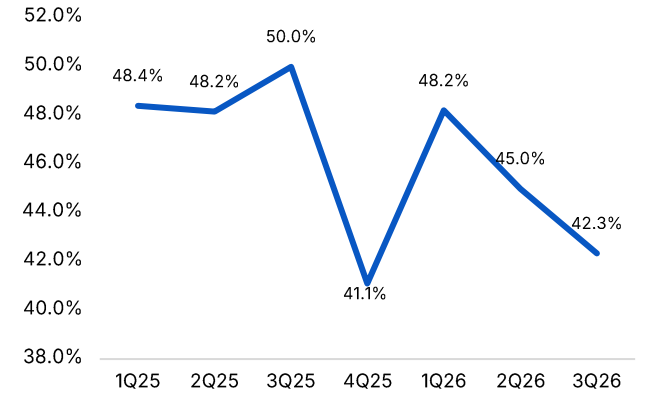
Source: Company, BRIDS

Exhibit 5. Quarterly HPC and F&R Yearly Revenue Growth



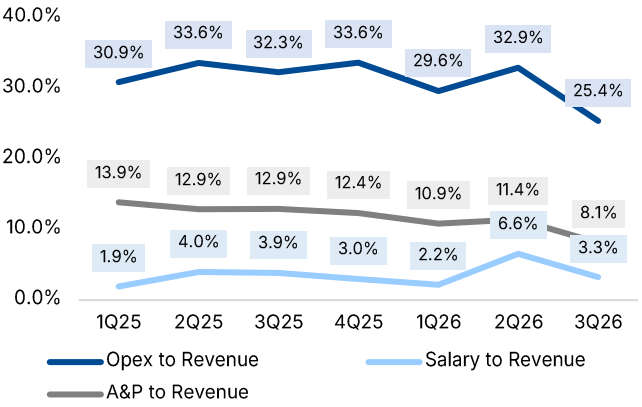
Source: Company, BRIDS

Exhibit 6. Quarterly Gross Margin



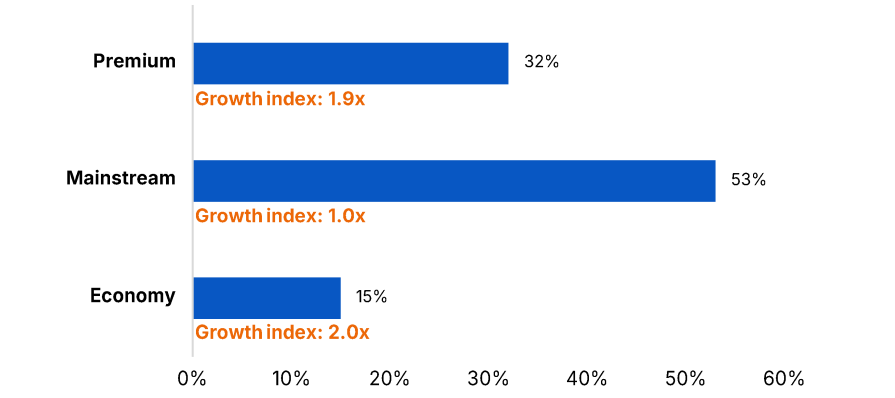
Source: Company, BRIDS

Exhibit 7. Quarterly Opex, Salary and A&P to Revenue



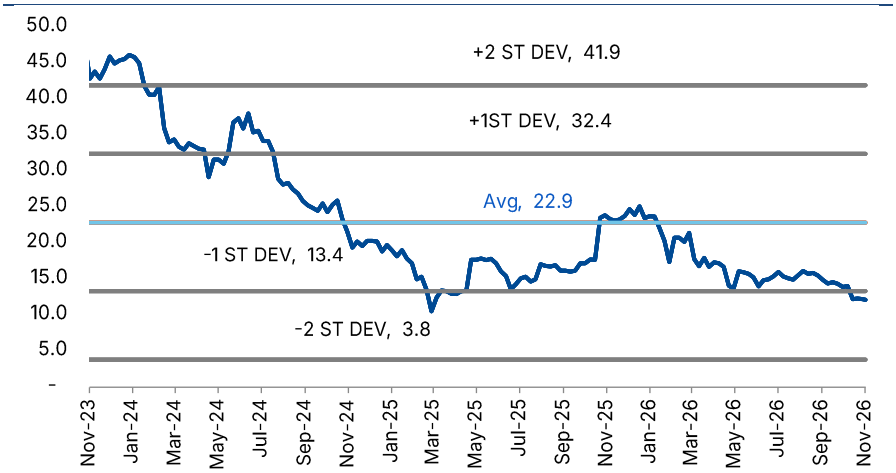
Source: Company, BRIDS

Exhibit 8. Market Mix and Growth Index



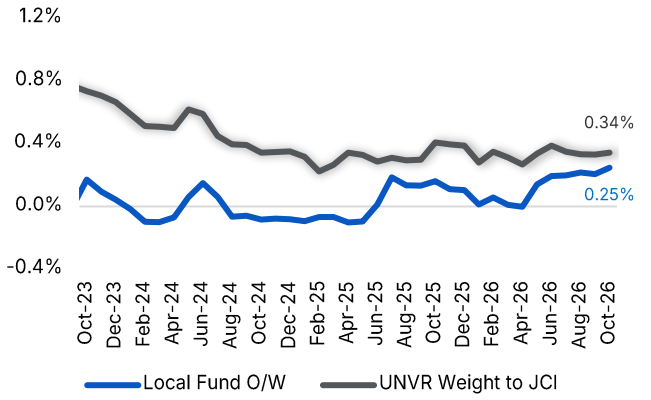
Source: Company

Exhibit 9. UNVR's PE Band



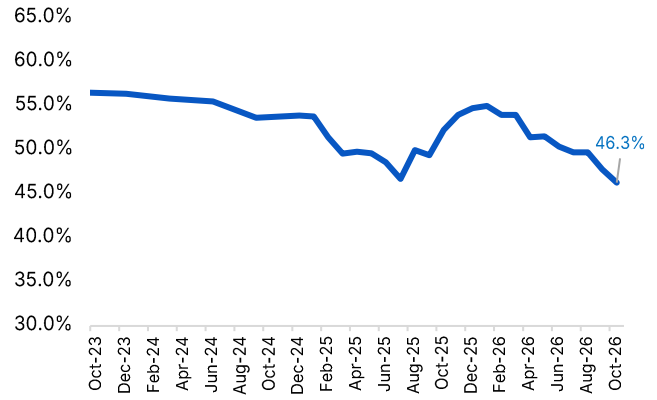
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 10. UNVR's Weighting and Local Fund Position



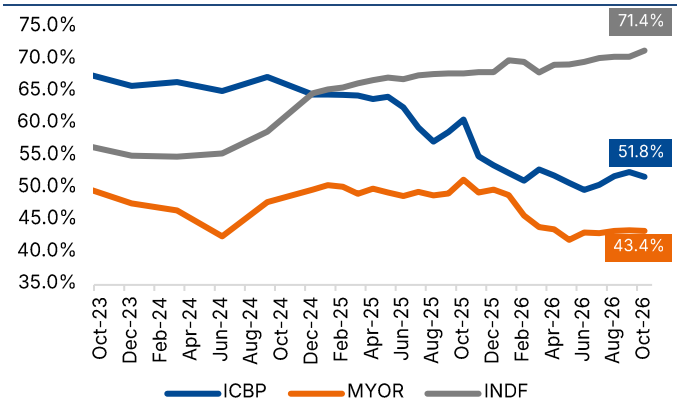
Source: KSEI,, BRIDS

Exhibit 11. UNVR's Foreign Ownership (Ex-Corporate)



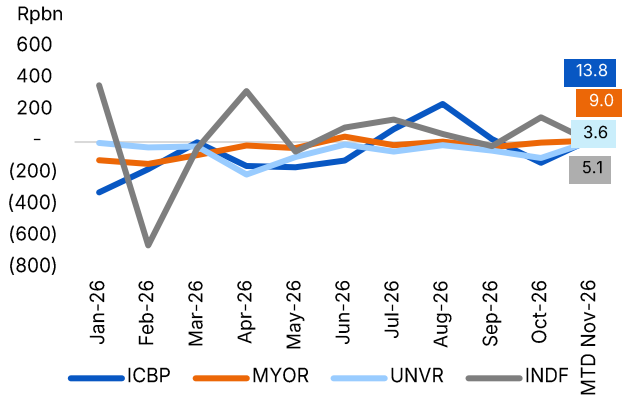
Source: KSEI, BRIDS

Exhibit 12. Foreign Ownership (Ex-Corporate) on Consumer Companies



Source: KSEI,, BRIDS

Exhibit 13. Monthly Foreign Flow in Consumer Companies



Source: IDX, BRIDS

Exhibit 14. Consumer Valuation Table

Ticker	Rec	Target Price	Market Cap	P/E (x)		P/BV (x)		ROE (%)	Dividend Yield (%)	Sales Growth (%)		Core Profit Growth (%)	
		(Rp)	(Rpbn)	2026F	2027F	2026F	2027F	2026F	2026F	2026F	2027F	2026F	2027F
ICBP IJ	Buy	10,600	69,096.8	7.6	6.5	1.3	1.1	17.0	7.9	8.6	8.1	6.6	8.2
MYOR IJ	Buy	2,500	29,289.9	11.5	10.9	36.1	30.9	291.5	9.2	4.3	6.3	11.3	21.2
UNVR IJ	Buy	1,900	53,028.5	12.6	12.2	33.1	38.3	138.4	13.9	7.2	4.3	23.2	7.7
INDF IJ	Buy	9,200	57,950.8	5.1	4.7	0.7	0.6	14.6	5.2	6.1	6.3	(10.1)	9.0
Sector - weighted				**8.7**	**8.0**	**14.0**	**14.6**	**85.5**	**8.9**	**6.9**	**6.4**	**6.8**	**10.1**

Source: Bloomberg, BRIDS Estimates

Exhibit 15. Income Statement

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Revenue	**30,623**	**31,943**	**34,236**	**35,695**	**37,951**
COGS	(16,063)	(16,946)	(18,375)	(19,308)	(20,402)
Gross profit	**14,560**	**14,997**	**15,860**	**16,387**	**17,550**
EBITDA	**4,516**	**5,056**	**5,140**	**5,438**	**5,764**
Oper. profit	**3,807**	**4,592**	**5,013**	**5,284**	**5,559**
Interest income	16	24	26	29	43
Interest expense	(72)	(118)	0	0	0
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	0	3,794	0	0	0
Pre-tax profit	**3,751**	**8,293**	**5,039**	**5,313**	**5,602**
Income tax	(846)	(961)	(831)	(956)	(1,008)
Minority interest	0	0	0	0	0
Net profit	**2,905**	**7,332**	**4,208**	**4,356**	**4,594**
Core Net Profit	**2,905**	**3,537**	**4,208**	**4,356**	**4,594**

Exhibit 16. Balance Sheet

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Cash & cash equivalent	671	5,706	4,736	4,766	4,850
Receivables	2,065	2,057	2,011	1,985	2,380
Inventory	2,506	2,453	2,321	2,145	2,267
Other Curr. Asset	39	52	56	58	62
Fixed assets - Net	9,782	7,922	8,113	8,602	9,124
Other non-curr.asset	984	1,827	617	464	478
Total asset	**16,046**	**20,017**	**17,853**	**18,020**	**19,161**
ST Debt	1,450	0	0	0	0
Payables	3,983	4,695	5,322	6,436	6,277
Other Curr. Liabilities	4,025	6,415	5,272	4,482	5,447
Long Term Debt	0	0	0	0	0
Other LT. Liabilities	4,439	4,432	5,656	5,717	5,820
Total Liabilities	**13,897**	**15,542**	**16,250**	**16,635**	**17,545**
Shareholder'sFunds	2,149	4,475	1,603	1,386	1,615
Minority interests	0	0	0	0	0
Total Equity & Liabilities	**16,046**	**20,017**	**17,853**	**18,021**	**19,160**

Exhibit 17. Cash Flow

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Net income	2,905	7,332	4,208	4,356	4,594
Depreciation and Amort.	155	(1,971)	129	158	212
Change in Working Capital	154	1,294	1,245	1,474	(490)
OtherOper. Cash Flow	(873)	818	979	(755)	824
Operating Cash Flow	**2,341**	**7,473**	**6,561**	**5,233**	**5,141**
Capex	(10)	4,107	(794)	(838)	(921)
Others Inv. Cash Flow	78	30	145	18	41
Investing Cash Flow	**69**	**4,137**	**(649)**	**(820)**	**(880)**
Net change in debt	1,450	(1,450)	0	0	0
New Capital	0	0	0	0	0
Dividend payment	(4,137)	(4,721)	(7,364)	(4,574)	(4,364)
Other Fin. Cash Flow	(72)	(118)	0	0	0
Financing Cash Flow	**(2,759)**	**(6,289)**	**(7,364)**	**(4,574)**	**(4,364)**
Net Change in Cash	**(349)**	**5,321**	**(1,453)**	**(161)**	**(103)**
Cash - begin of the year	1,021	671	5,706	4,736	4,766
Cash - end of the year	671	5,706	4,736	4,766	4,850

Exhibit 18. Key Ratio

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Growth (%)					
Sales	(20.7)	4.3	7.2	4.3	6.3
EBITDA	(35.6)	12.0	1.7	5.8	6.0
Operating profit	(39.4)	20.6	9.2	5.4	5.2
Net profit	(39.5)	152.4	(42.6)	3.5	5.4
Profitability (%)					
Gross margin	47.5	46.9	46.3	45.9	46.2
EBITDA margin	14.7	15.8	15.0	15.2	15.2
Operating margin	12.4	14.4	14.6	14.8	14.6
Net margin	9.5	23.0	12.3	12.2	12.1
ROAA	17.8	40.7	22.2	24.3	24.7
ROAE	105.0	221.4	138.4	291.5	306.1
Leverage					
Net Gearing (x)	0.4	(1.3)	(3.0)	(3.4)	(3.0)
Interest Coverage (x)	52.7	38.9	n.a	n.a	n.a

Source: UNVR, BRIDS Estimates

Equity Research – Company Update

Thursday, 05 November 2026

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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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