

UNVR

PT Unilever Indonesia Tbk.

Refocused for Growth

- UNVR sharpened its portfolio focus with the Rp7 trillion ice cream divestment, reinforcing its shift toward high-growth, higher-margin segments under an asset-light model.
- Recovery gained traction in 9M25, with sales up 0.7% YoY to Rp27.6 trillion and gross margin improving to 48.5%, supported by 5.3% productivity gains and tighter cost control.
- Market leadership remains firm with 33.0% share by value and 27.0% by volume, while “Market Makers” contribution rose from 7.7% to 9.5%, showing effective category pivot.
- We initiate coverage on UNVR with a BUY rating and a target price of Rp3,100, implying a 2026F P/E of 24.1x (-0.5 std. deviation below its 5-year average).

Indonesia’s FMCG Titan with a Sharpened Strategic Focus

PT Unilever Indonesia Tbk (UNVR), one of Indonesia’s largest and most established FMCG companies under the Unilever Plc group, operates across manufacturing, distribution, and brand management. Managing 45 brands across Home & Personal Care (HPC) and Foods & Refreshment (F&R) categories, UNVR’s network of 34 depots and 3.5 million outlets ensures nationwide reach. The HPC segment (~67% of sales) remains the key driver through Lifebuoy, Pepsodent, and Vaseline, while F&R maintains growth via Royco, Bango, and Knorr. In 2025, UNVR sharpened its strategic focus on Category, Channel, and Cost, including the Rp7 trillion divestment of its ice cream business to pivot toward high-growth, higher-margin segments. Supported by an asset-light model, capex of ~2% of sales, a 100% dividend payout, and a Rp2 trillion share buyback program, UNVR is well positioned to sustain volume-led growth and deliver strong shareholder returns.

Recovering Growth and Expanding Margins

UNVR’s 2025 results signal recovery, marked by improving volumes and profitability after a tough 2024. As of 9M25, sales reached Rp27.6 trillion (+0.7% YoY), supported by a strong 3Q25 rebound (+12.4% YoY) driven by 10.1% volume and 1.4% price growth. The HPC segment (63.5% of revenue) led the turnaround with +14.7% YoY, while F&R sustained steady gains. The ice cream divestment approved in January 2025 enhanced focus on higher-margin products, lifting gross margin to 48.5% (+14 bps YoY). Productivity gains of 5.3% per ton, supply chain optimization, and leaner SG&A further supported margin recovery. Gross margin is projected to improve from 47.6% in 2024 to 50.1% by 2027F, driven by premiumization, scale efficiencies, and cost discipline.

Sustained Market Leadership and Transformation Progress

UNVR remains Indonesia’s most dominant FMCG leader, maintaining a 33.0% market share by value and 27.0% by volume as of 3Q25, reaffirming leadership in hygiene, oral care, and culinary categories. While share levels have normalized from 2023 highs, the pivot toward “Market Makers” (Home Care, Personal Care, Beauty & Wellbeing) raised their contribution from 7.7% to 9.5% in 9M25, reflecting effective portfolio renewal. Its transformation – built on Category, Channel, and Cost – continues to deliver results through “More Stores, Better Stores” (2Q24), DT Digital Transformation (to complete by 2H25), and Price Stabilization programs that enhance distribution quality and pricing discipline. With digital acceleration and cost productivity converging, UNVR is well placed to sustain volume growth, margin recovery, and market leadership.

Defensive Leader Entering a New Growth Cycle

We initiate coverage on UNVR with a **BUY** rating and a target price of **Rp3,100**, implying a 2026F P/E of 24.1x (-0.5 std. deviation below its 5-year average). Our positive view is underpinned by strong brand equity, solid cash generation, and structural transformation centered on high-growth, premium categories – notably Beauty & Wellbeing, Personal Care, and Home Care. The Rp7 trillion ice cream divestment unlocks margin potential, while “More Stores, Better Stores” and DT Digital Transformation strengthen route-to-market efficiency. Backed by an asset-light model, 100% dividend payout, UNVR stands out as a defensive, cash-generative consumer franchise, positioned for steady earnings recovery, margin expansion, and sustainable shareholder returns amid a gradually improving FMCG market. **Key risks:** slower consumption recovery, raw material cost pressures, and potential execution delays in transformation initiatives.

Key Financial Highlights

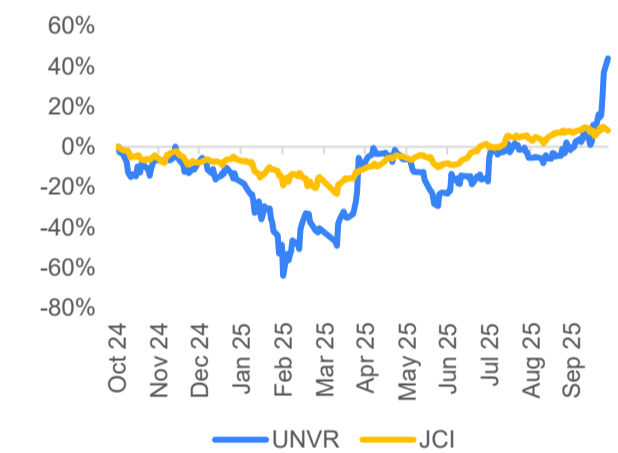
Key Metrics	2023	2024	2025F	2026F	2027F
Revenue (Rp bn)	38,611	35,139	35,427	36,621	38,316
EBITDA (Rp bn)	7,233	5,292	6,378	7,417	8,434
Net Profit (Rp bn)	4,801	3,369	4,240	5,041	5,819
EPS Growth (%)	-10.5	-29.8	25.9	18.9	15.4
P/E (x)	28.0	21.4	22.4	23.5	20.3
Dividend Yield (%)	4.0	7.4	3.5	3.6	4.2

BUY

Stock Information (as of October 29, 2025)

Last Price (Rp)	2,580
Target Price (Rp)	3,100
Potential Upside	20.2%
Market Cap (Rp tn)	98.4
52 Week Range (Rp)	2,840 - 985
Free Float	14.1%
Share Out. (bn)	38.2
Beta	1.0

1-Year Stock Performance Comparison vs JCI



Shareholders

UNVR's Shareholders	%
Unilever Indonesia Holding	84.99
Public	14.05
Others	0.96

Company Description

UNVR's Company Profile

PT Unilever Indonesia Tbk is an Indonesia-based company, which is engaged in the manufacturing, marketing and distribution of consumer goods, including soaps, detergents, dairy-based foods, ice cream, cosmetic products, tea-based beverages and fruit juice, and office space leasing. Its segments include Home and Personal Care and Foods and Refreshment.

Analyst

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BUSINESS DESCRIPTION

Indonesia’s FMCG Powerhouse with Unmatched Market Reach

PT Unilever Indonesia Tbk (UNVR) is one of Indonesia’s largest and most established fast-moving consumer goods (FMCG) companies, operating under the Unilever Plc global group. The Company engages in industrial manufacturing, large-scale distribution, import trade, marketing research, management consulting, and real estate leasing. Its main operations encompass the production, marketing, and distribution of essential consumer goods – including soaps, detergents, cosmetics, tea-based beverages, seasonings, soy sauce, ice cream, and fruit juices. As of end-2024, UNVR managed 45 brands across two key categories – Home & Personal Care (HPC) and Foods & Refreshment (F&R) – supported by five business units: Beauty & Wellbeing, Home Care, and Personal Care under HPC; and Foods and Ice Cream under F&R. The company’s extensive logistics footprint includes 34 distribution depots across Indonesia, ensuring nationwide product reach to 3.5 million retail outlets. The Home & Personal Care (HPC) segment – contributing around 67% of total revenue – began to stabilize, led by key brands such as Lifebuoy, Pepsodent, and Vaseline, while the Foods & Refreshment (F&R) segment maintained growth through strong performance in Royco, Bango, and Knorr.

Sharpening Focus, Driving Growth, Delivering Returns

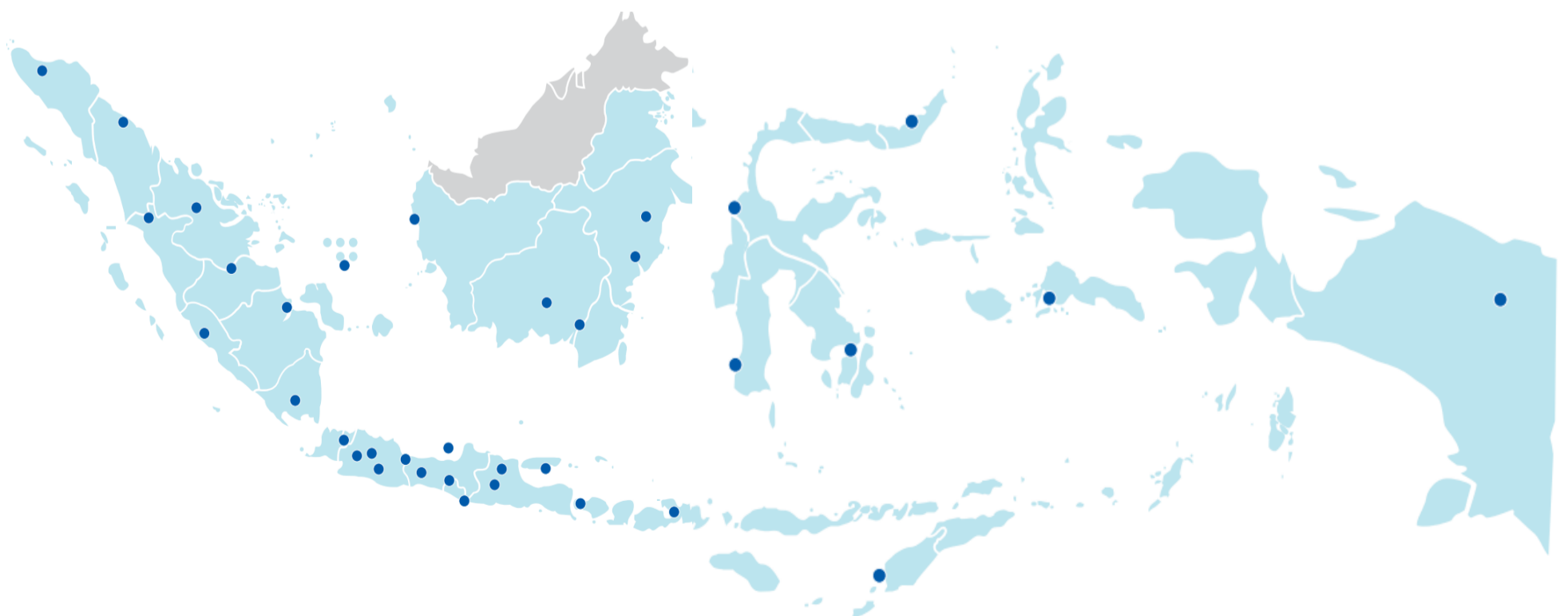
In 2025, UNVR continues to capitalize on its strong brand equity – anchored by market leaders such as Lifebuoy, Pepsodent, Sunsilk, Vaseline, Rinso, Royco, and Bango – while executing a focused strategic transformation built around three core pillars: Category, Channel, and Cost. Following shareholder approval in January 2025, the company is proceeding with the Rp7 trillion divestment of its ice cream business, aligning with Unilever Global’s portfolio restructuring and enabling a sharper focus on its core, high-growth product categories. Supported by an asset-light operating model and disciplined capital management – including capex of ~2% of sales, a 100% dividend payout ratio, and an ongoing share buyback program (Rp2 trillion authorized; 14.3% utilization) – UNVR remains firmly positioned for sustained, volume-led growth and gradual margin expansion.

Figure 1. UNVR’s Product Each Business Segment

Home and Personal Care			Food and Refreshment		Unilever Food Solution
Beauty & Wellbeing	Personal Care	Home Care	Foods	Ice Cream*	Products
Citra	Axe	Sunlight	Bango	Cornetto	Knorr
Clear	Dove	Lifebuoy	Buavita	Magnum	Hellmann’s
Clear Men	Close Up	Rinso	Royco	Paddle Pop	Bango
Baby Dove	Pepsodent	Molto	SariWangi	Wall’s	Lipton
Dove	Glow & Lovely	Superpell			Royco
Pond’s	Lifebuoy	Vixal			SariWangi
Pond’s Men	Lux	Wipol			Buavita
Sunsilk	Rexona				
TRESemmé	Rexona Men				
Vaseline	Zwitsal				
Glow & Lovely					
Lifebuoy					
Vaseline Men					

*Ice Cream separation is expected to complete in 2025
Source: Company, Ajaib Research

Figure 2. UNVR’s Operational Area



Source: Company

COMPANY POSITIONING

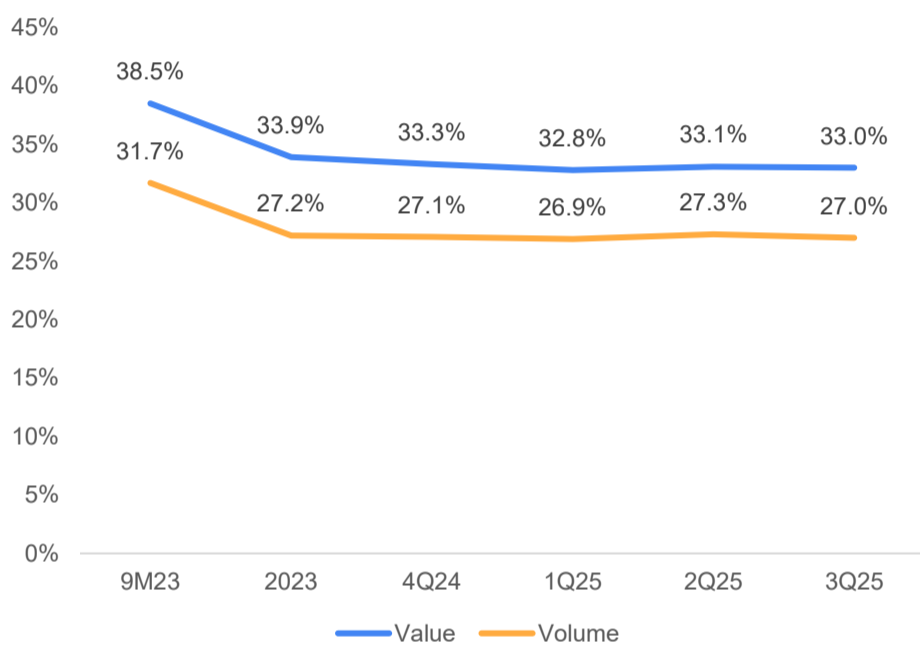
Strong Market Leadership Across Core Categories

UNVR remains one of Indonesia's most dominant and trusted FMCG companies, supported by an extensive portfolio of household brands and deep market penetration across Home & Personal Care (HPC) and Foods & Refreshment (F&R) categories. As of 3Q25, UNVR maintained a resilient 33.0% market share by value and 27.0% by volume, underscoring its sustained category leadership despite competitive pricing dynamics and ongoing portfolio rationalization. While share levels have normalized from the 38.9% (value) and 31.7% (volume) highs in 2023, UNVR continues to lead in key segments such as hygiene, oral care, and culinary products, anchored by flagship brands like Lifebuoy, Pepsodent, Vaseline, Royco, and Bango. The company's nationwide distribution network – spanning 34 depots and over 3.5 million retail outlets – ensures extensive consumer reach, while its increasing focus on high-growth segments under “Market Makers” (Home Care, Personal Care, and Beauty & Wellbeing) has raised their contribution from 7.7% to 9.5% in 9M25, signaling successful category pivot and innovation execution.

Strategic Transformation to Reinforce Competitive Edge

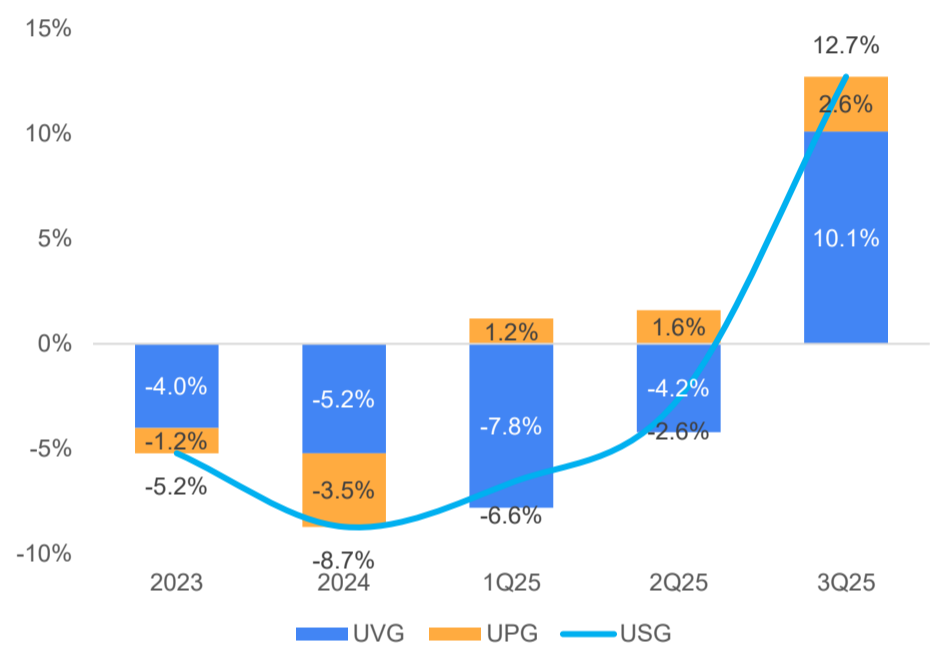
UNVR's ongoing transformation, anchored on the Category, Channel, and Cost pillars, continues to advance on schedule to strengthen competitiveness and operational agility. The “More Stores, Better Stores” initiative, launched in 2Q24, has expanded and enhanced direct trade coverage, driving improved in-store execution and distributor ROI. Meanwhile, the Distributive Trade (DT) Digital Transformation – initiated in 3Q24 and on track for completion by 2H25 – modernizes UNVR's route-to-market through data-driven selling and digital inventory visibility. Complementary efforts such as Customer Stock Reduction (3Q24–1Q25) and Price Stabilization (4Q24–1Q25) have helped normalize channel inventory and restore price discipline. Together, these initiatives support UNVR's market share stabilization and margin recovery, underpinned by a shift toward premium and high-growth categories. As digital acceleration, portfolio premiumization, and cost efficiency converge, UNVR is well positioned to deliver sustained, volume-led growth while reinforcing its standing as Indonesia's most adaptive and efficiently managed consumer goods leader.

Figure 3. UNVR's Market Share



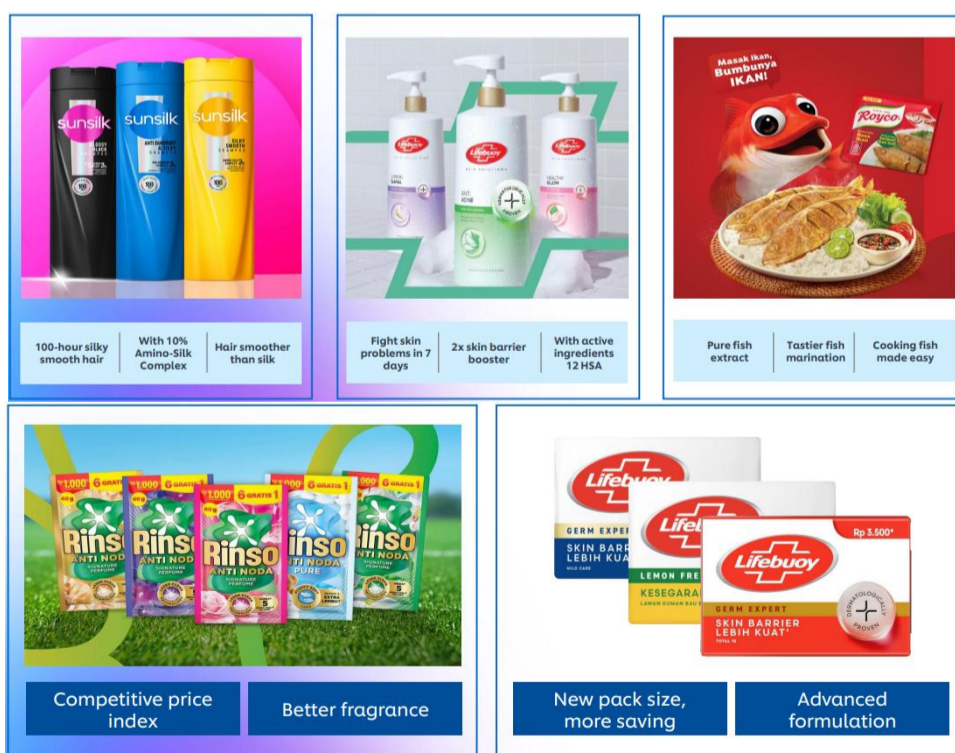
Source: Company, Ajaib Research

Figure 4. UNVR's Volume and Price Growth of Domestic Sales



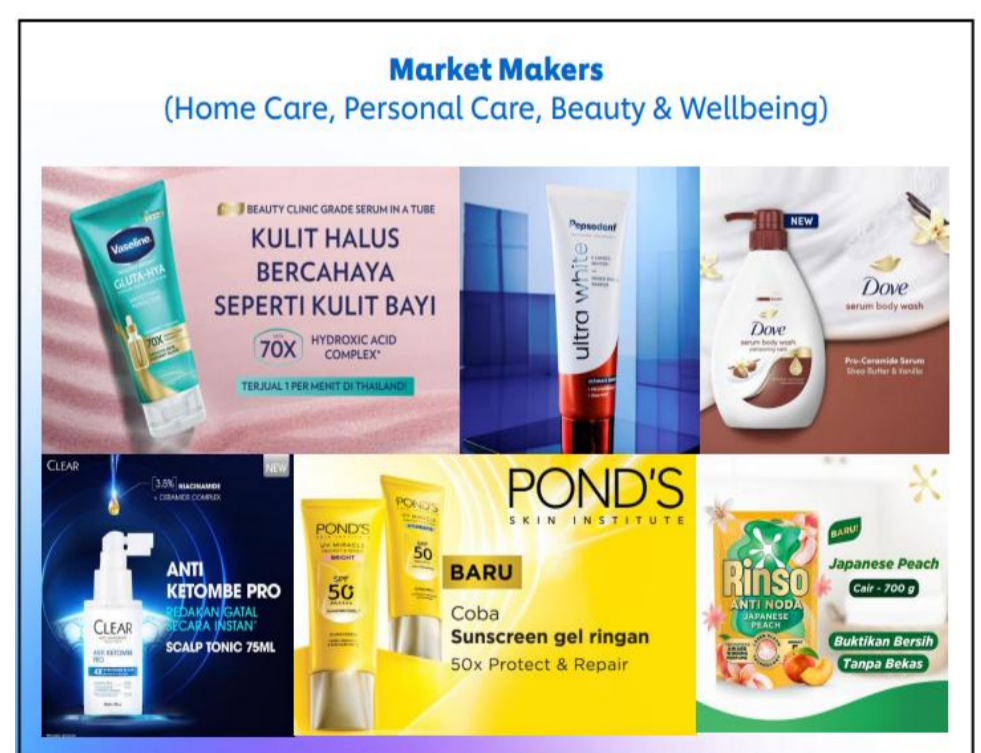
Source: Company, Ajaib Research

Figure 5. UNVR's Brand Innovation in 2025



Source: Company

Figure 6. UNVR's Market Makers Product



Source: Company

FINANCIAL ANALYSIS

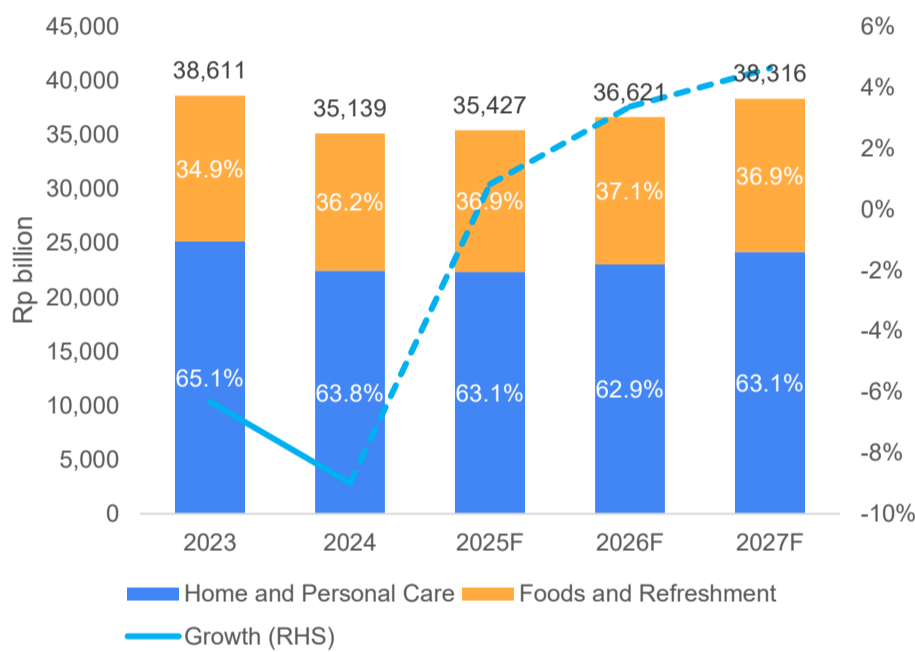
Revenue Recovery and Portfolio Realignment

UNVR's topline performance in 2025 reflects early signs of recovery following a challenging 2024. As of 9M25, the company recorded net sales of Rp27.6 trillion (+0.7% YoY), supported by a strong rebound in 3Q25 where sales grew to Rp9.4 trillion (+7.7 QoQ; +12.4% YoY), underpinned by 10.1% underlying volume growth (UVG) and 1.4% underlying price growth (UPG). HPC segment revenue rose to +14.7% YoY in 3Q25, contributing 63.5% of total revenue in 9M25, showed sequential stabilization after several quarters of volume contraction, led by renewed growth in Lifebuoy, Pepsodent, and Vaseline. Meanwhile, F&R segment sustained positive momentum (+9.4% YoY in 3Q25), supported by Royco, Bango, and Knorr. After a -9.0% YoY decline in 2024, sales are projected to rebound modestly by 0.8% in 2025F to Rp35.4 trillion, supported by a sequential improvement in both pricing and volume momentum. The recovery is expected to continue through 2027F, reaching Rp38.3 trillion, implying a three-year CAGR of 2.9%. HPC segment remains the backbone of UNVR's portfolio, contributing 63.1-63.8% of total sales across the forecast period, while F&R segment is set to gradually rise to 36.9% by 2027F, reflecting strong traction in core brands. The company's Rp7 trillion divestment of its ice cream business, approved in January 2025, will streamline operations, enhance focus on higher-margin categories, and strengthen its long-term growth profile.

Margin Expansion Driven by Cost Discipline

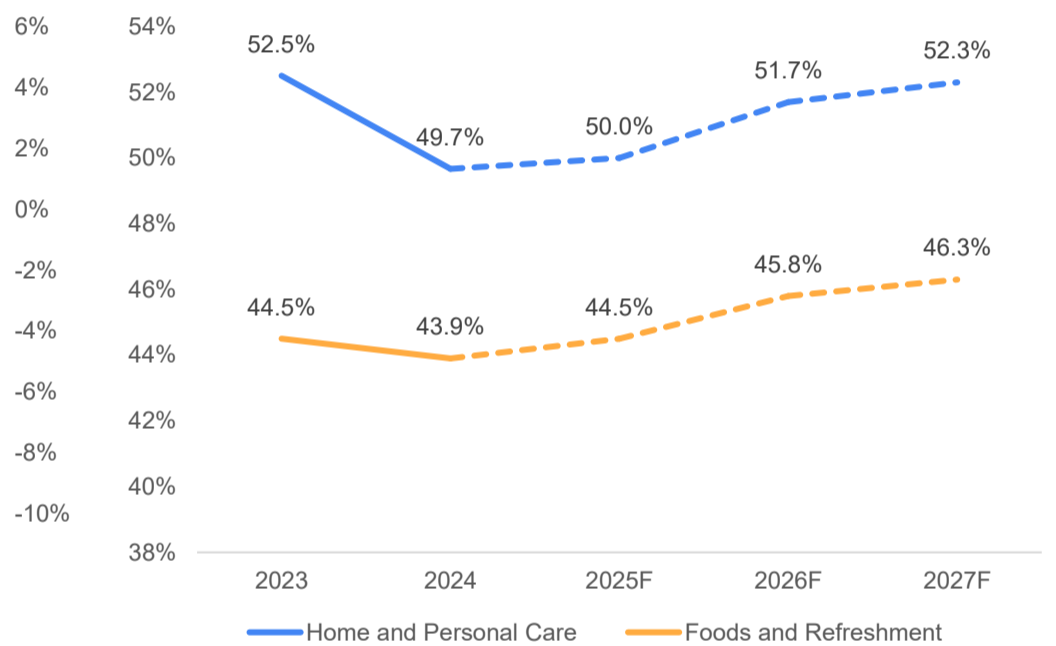
UNVR's profitability showed a clear rebound in 9M25, with gross margin expanding to 48.5% (+14 bps YoY), driven by supply chain transformation, productivity initiatives, and improved product mix management. This marks a strong recovery from 46.3% in 2022, underscoring management's effective execution on cost efficiency. The company delivered net productivity gains of 5.3% per ton, while maintaining pricing discipline amid persistent inflation and currency volatility. Operating efficiency also improved through tighter SG&A control and leaner promotional spending, reflecting sharper cost discipline without compromising brand support. Looking ahead, UNVR's profitability is projected to strengthen further, with gross margin expected to rise from 47.6% in 2024 to 50.1% by 2027F, supported by portfolio refocusing, mix improvement, and supply chain digitization. The HPC segment is forecasted to recover from 49.7% to 52.3%, driven by premiumization within Beauty & Wellbeing and Personal Care, while the F&R segment is set to expand from 43.9% to 46.3%, aided by operational leverage and the divestment of the lower-margin ice cream business. These structural gains reaffirm UNVR's improving profitability trajectory and resilience, underpinned by ongoing sourcing optimization, cost productivity, and scale efficiencies.

Figure 7. UNVR's Revenue Breakdown Projection



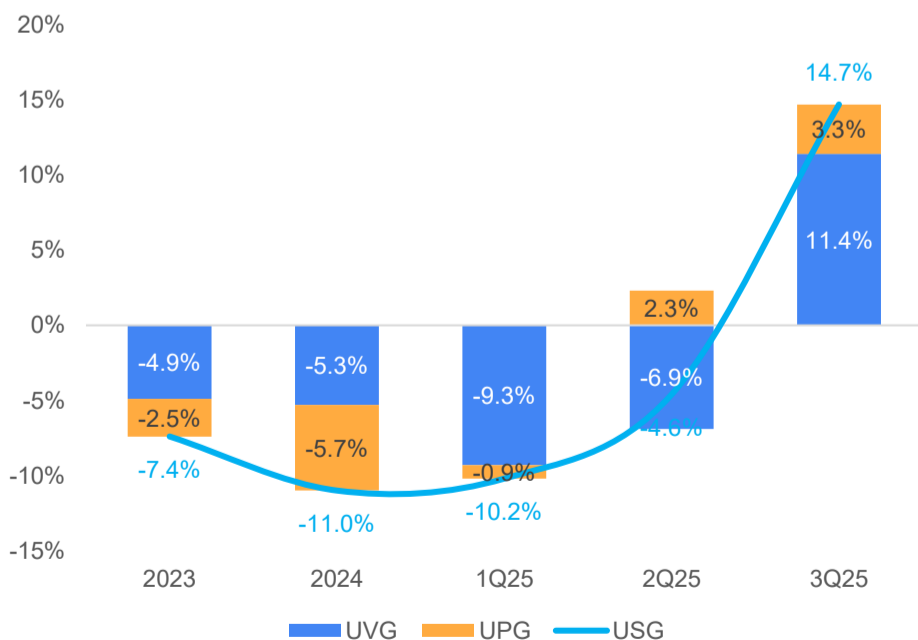
Source: Company, Ajaib Research

Figure 8. UNVR's Segment Gross Margin



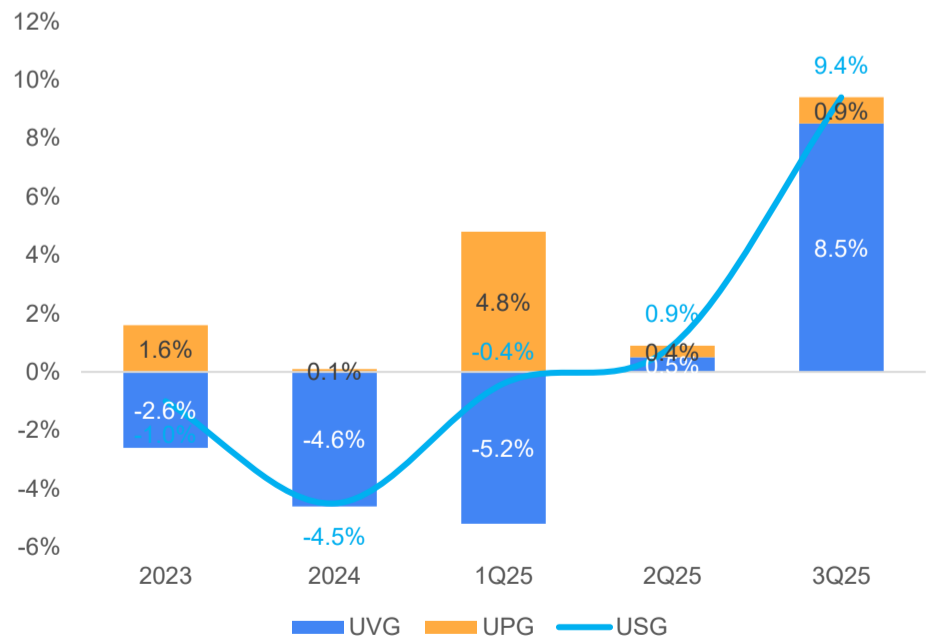
Source: Company, Ajaib Research

Figure 9. HPC's Volume and Price Growth



Source: Company, Ajaib Research

Figure 10. F&R's Volume and Price Growth



Source: Company, Ajaib Research

Operating Leverage and Expense Optimization

UNVR continues to demonstrate strong operating leverage, supported by disciplined cost management and targeted brand reinvestment. Operating margin rose to 16.1% in 9M25, (+186 bps YoY), as operating expenses declined to Rp8.9 trillion (-4.7% YoY), driven by leaner marketing structures, organizational streamlining, and improved cost productivity. SG&A (excluding A&P and royalty) fell to Rp3.5 trillion in 9M25 (-7.0% YoY), reflecting tighter expense control and operational efficiencies. Despite this discipline, UNVR maintained robust brand investment, with advertising spending steady at 8.8% of net sales and the share of digital media doubling since 2020. Marketing and sales expenses are projected at Rp8.3 trillion in 2025F (-5.2% YoY), while G&A costs ease to Rp3.1 trillion (-8.8% YoY) before normalizing to low single-digit growth through 2027F. These actions, supported by digital-led campaigns and commercial initiatives such as “More Stores, Better Stores” and Digital Trade Transformation, have expanded direct coverage by 18% and improved distributor ROI—underscoring UNVR’s balanced approach between cost optimization, marketing effectiveness, and sustainable margin recovery.

Strong Cash Flow and Shareholder Commitment

UNVR’s financial strength remains underpinned by its robust cash generation and conservative balance sheet. The company delivered Rp2.8 trillion in free cash flow as of 9M25, maintaining a lean capex level of ~2% of sales, reflecting an asset-light business model. UNVR continues to prioritize shareholder returns with a 100% dividend payout ratio and an ongoing share buyback program worth Rp2 trillion (14.3% utilization), signaling confidence in long-term fundamentals. Despite macroeconomic headwinds and foreign exchange volatility, management expects continued margin improvement through disciplined cost management, productivity initiatives, and mix optimization. With a renewed strategic focus post-ice cream divestment, UNVR is well positioned to sustain mid-single-digit revenue growth and incremental margin expansion through 2026–2027, while maintaining its legacy of stable cash generation and consistent dividend distribution.

Figure 11. UNVR’s Operational Expenses Breakdown Projection

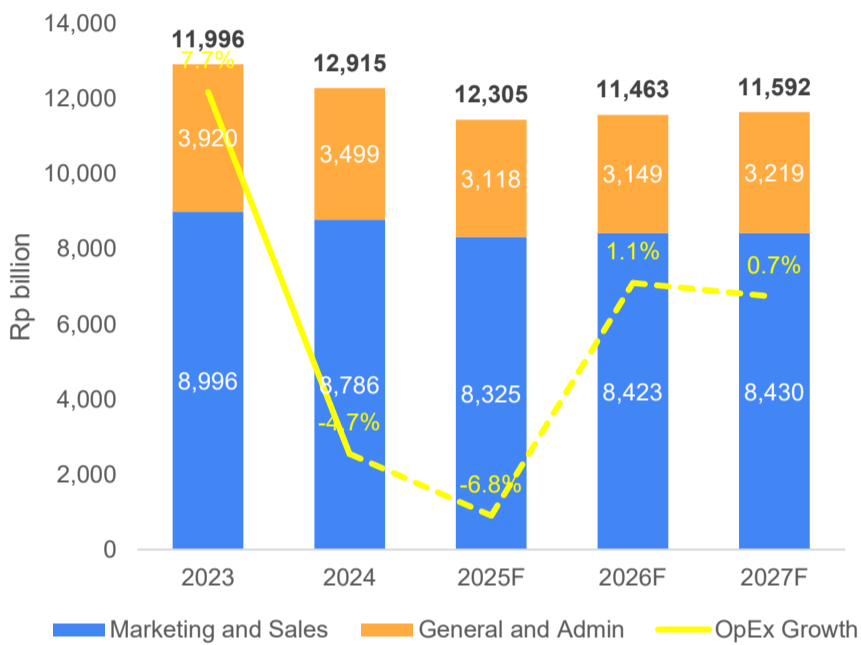
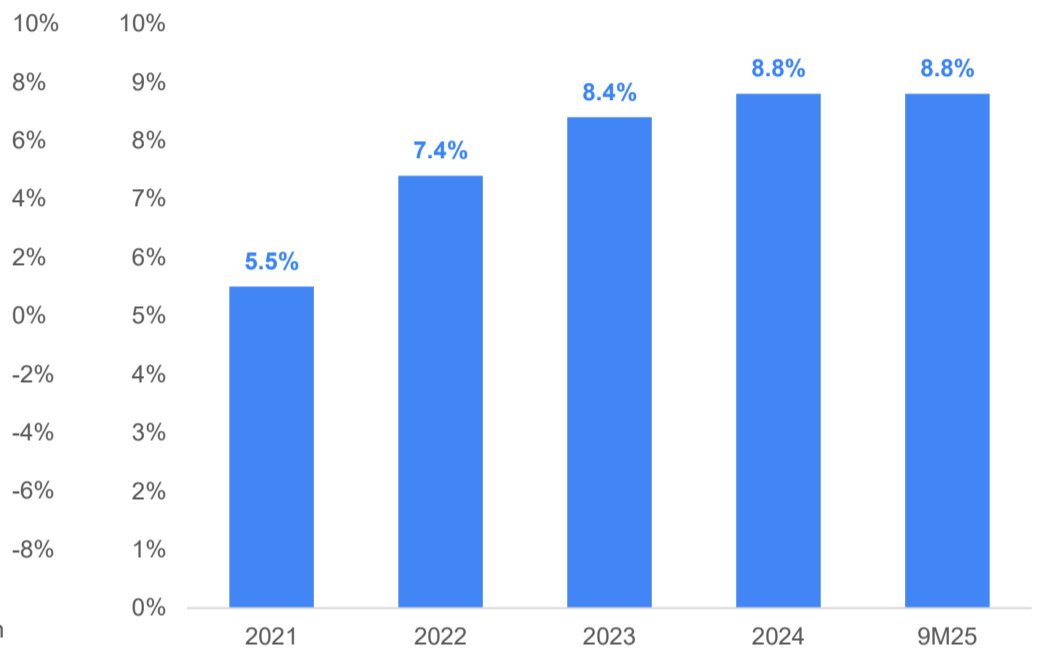


Figure 12. Advertising Cost to Net Sales Trend



Source: Company, Ajaib Research

Source: Company, Ajaib Research

Figure 13. SG&A exclude A&P and Royalty costs Trend

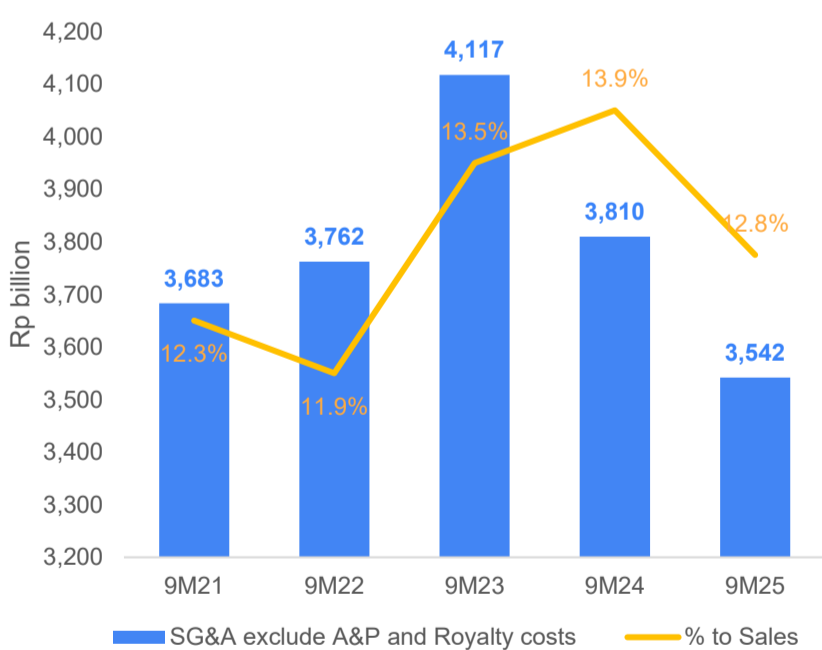
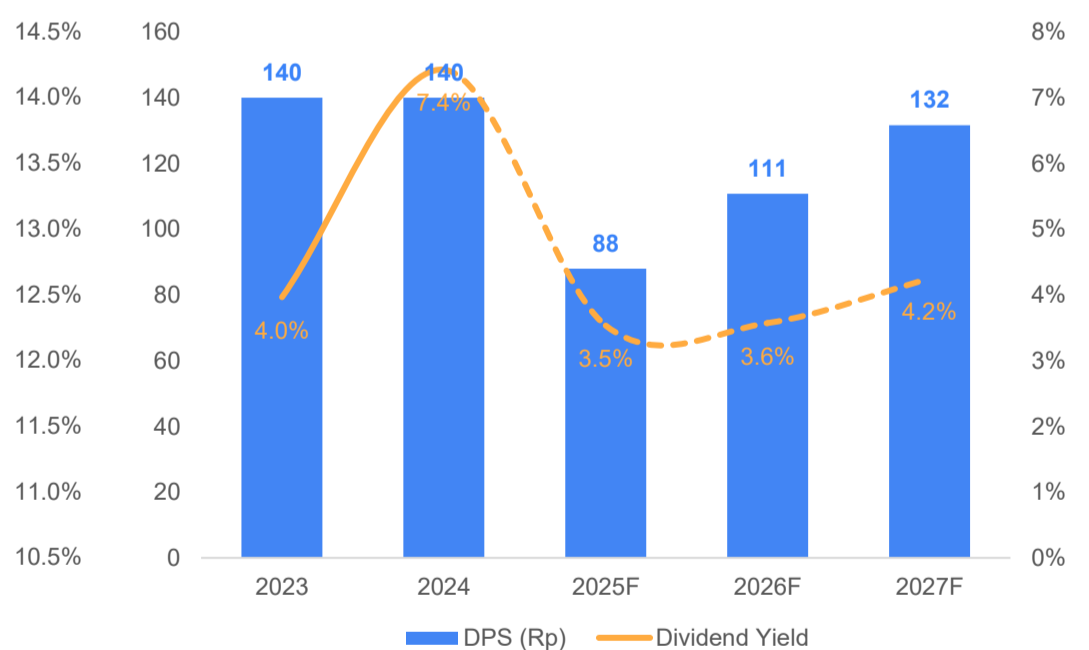


Figure 14. UNVR's Dividend Projections



Source: Company, Ajaib Research

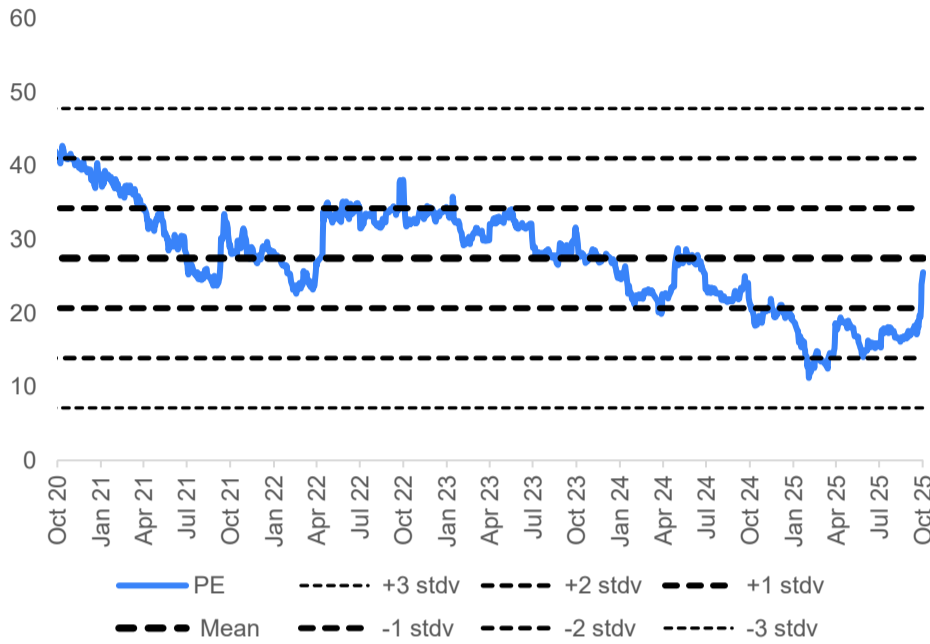
Source: Company, Ajaib Research

VALUATION

Revenue Recovery and Portfolio Realignment

We initiate coverage on UNVR with a **BUY** rating and a target price of **Rp3,100**, implying a 2026F PE of 24.1x (-0.5 std deviation 5-year historical average). Our positive stance reflects UNVR's strong brand equity, resilient cash generation, and ongoing structural transformation centered on three strategic pillars – Category, Channel, and Cost. The company's shift toward high-growth, premium segments (Beauty & Wellbeing, Personal Care, and Home Care), supported by innovation and portfolio rationalization following the Rp7 trillion divestment of its ice cream business, is expected to drive gradual earnings recovery and margin expansion. Meanwhile, enhanced channel execution through the "More Stores, Better Stores" initiative and ongoing Distributive Trade (DT) Digital Transformation are set to improve coverage quality and distribution efficiency through 2H25. Backed by an asset-light model, 100% dividend payout policy, and Rp2 trillion share buyback authorization, UNVR remains a highly defensive and cash-generative FMCG leader, well-positioned to deliver volume-led growth and sustainable shareholder returns. **Key risks:** slower consumption recovery, raw material cost pressures, and potential execution delays in transformation initiatives.

Figure 15. UNVR's Forward PE Band



Source: Bloomberg, Ajaib Research

Figure 16. Historical PE Multiple Valuation

Key Metrics	Value
Mean PE (x)	27.4
Std Deviation	6.8
-0.5 Std Deviation PE	24.1
EPS 2026F (Rp)	132
Target Price (Rp)	3,100
Current Price	2,580
Potential Upside	20.2%

Source: Bloomberg, Ajaib Research

Figure 17. Peers Comparison 2026F

Ticker	Market Cap (Rp tn)	PE (x)	PEG (%)	NPM (%)	Div Yield (%)	EPS Growth (%)
UNVR	95.0	23.2	12.6	11.5	3.4	-11.2
INDF	65.9	6.9	15.7	9.5	3.8	12.7
ICBP	102.3	14.3	30.8	12.6	2.9	11.6
MYOR	50.1	17.3	-5.6	8.1	2.3	19.5
Sector Average		15.4	13.4	10.4	3.1	8.1

Source: Bloomberg, Ajaib Research

Rating for Sectors:

Overweight : We expect the industry to perform better than the primary market index (JCI) over the next 12 months.

Neutral : We expect the industry to perform in line with the primary market index (JCI) over the next 12 months.

Underweight : We expect the industry to underperform the primary market index (JCI) over the next 12 months.

Rating for Stocks:

Buy : The stock is expected to give total return (price appreciation + dividend yield) of > +10% over the next 12 months.

Hold : The stock is expected to give total return of > 0% to ≤ +10% over the next 12 months.

Sell : The stock is expected to give total return of < 0% over the next 12 months.

Outperform : The stock is expected to do slightly better than the market return. Equal to “moderate buy”

Underperform : The stock is expected to do slightly worse than the market return. Equal to “moderate sell”

Analyst Certification:

The lead analyst(s) who prepared this equity research report confirm that the opinions stated herein genuinely represent their personal perspectives regarding all the securities or issuers discussed. Additionally, the analyst(s) assert that their remuneration was not, is not, and will not be tied, either directly or indirectly, to any specific recommendations or viewpoints presented in this report.

PREPARED BY AJAIB RESEARCH TEAM



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