

PT Unilever Indonesia Tbk

Q2 2023 Result
Earnings Call
July 24th, 2023



Unilever



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Ira Novianti

President Director



Unilever



NEW



MADE WITH
BELGIAN
CHOCOLATE

BARU

MAGNUM
true to pleasure

MATCHA
CRUMBLE

抹茶アイスクリーム



3 KEKUATAN JUARA
DALAM 1 KAPSUL
ANTI NODA, ANTI BAU,
JAGA WARNA BAJU



BERANI KOTOR DEMI KEBAIKAN

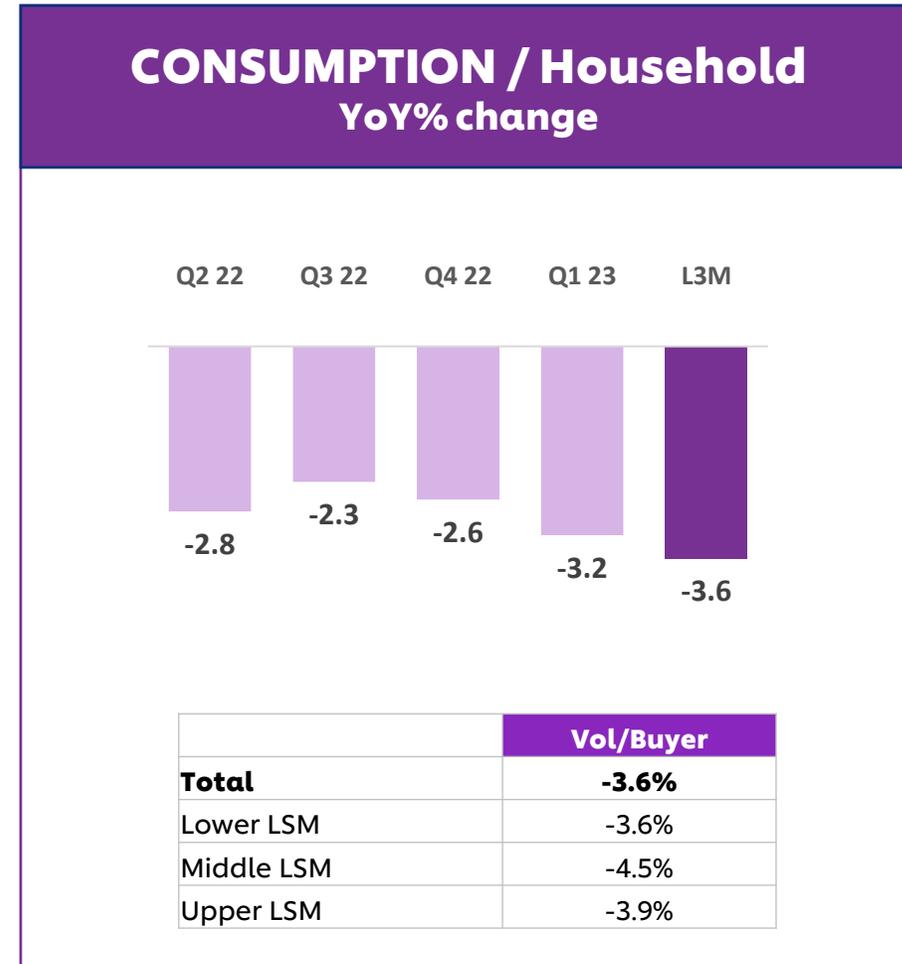
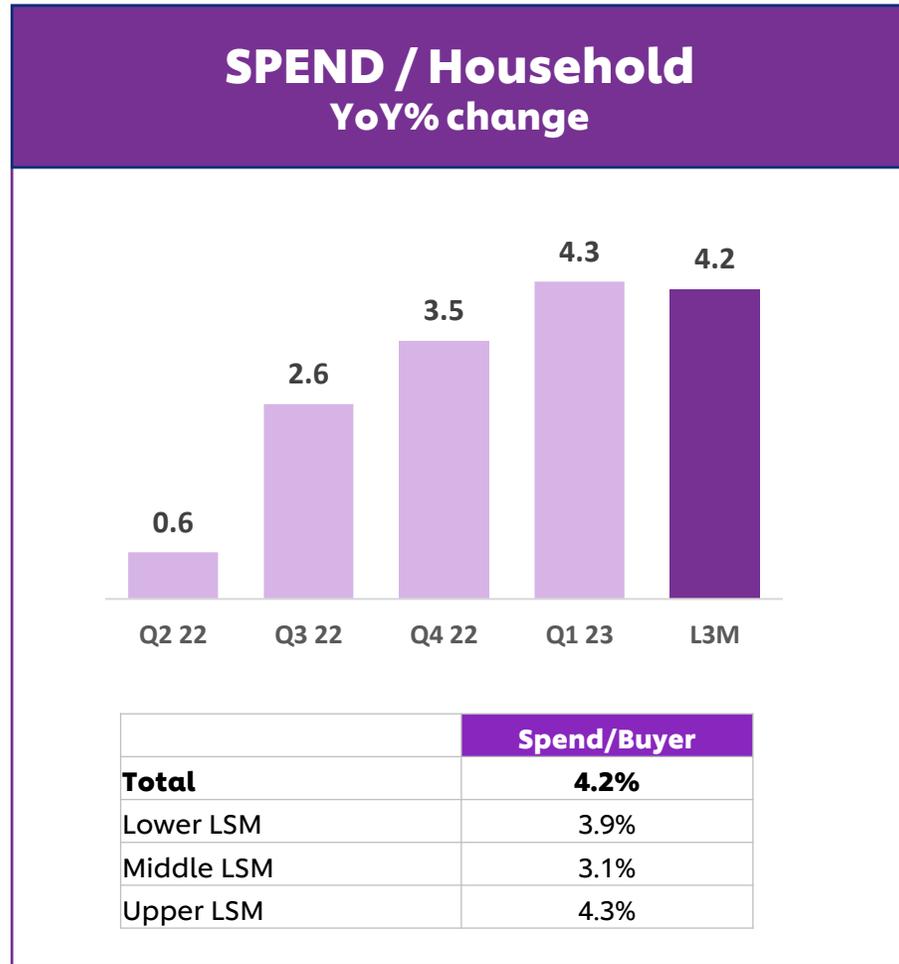


MARIE BISCUIT
& CHOCOLATE





FMCG household consumption is still within the negative territory due to inflation with spend/household is driven by the price increase across consumer segments

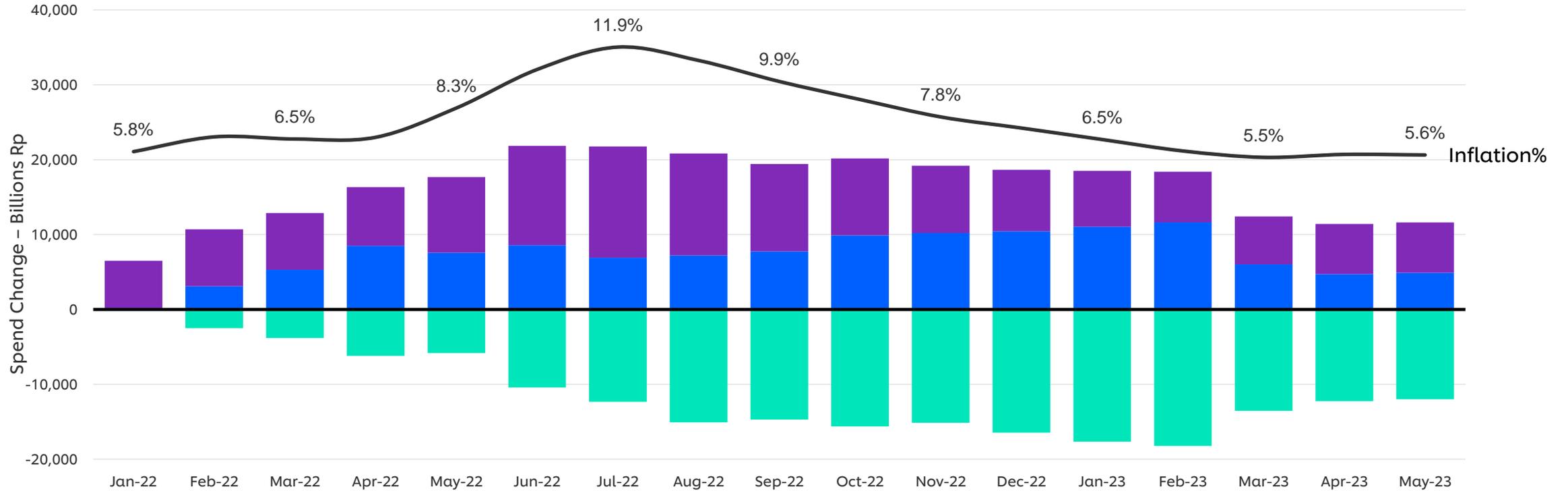


LSM: Living Standards Measure



Downtrading continues and more obvious in the middle and lower segment of consumers

Rolling Quarter vs YA Contribution to Total Indonesia FMCG Grocery Spend Change



Increase Spending
Premiumize and able to cope with price increase

Maintain Spending
Maintain brand but downsizing

Reduce Spending
Downgrading (buy cheaper products)



UNILEVER INDONESIA: Volume grew ahead of market as per Nielsen. Value growth impacted by B&W

Market Growth and ULI Growth YTD June 2023

Business Unit	VALUE		VOLUME	
	Market Growth	ULI Growth	Market Growth	ULI Growth
Personal Care	4.6%	6.7%	-4.0%	-0.5%
Nutrition	4.8%	3.6%	0.9%	1.2%
Home Care	1.3%	0.3%	-1.0%	2.4%
Beauty & Well-Being	4.7%	-3.4%	-2.1%	-7.5%
Total exclude Ice Cream	3.5%	2.0%	-1.3%	0.8%

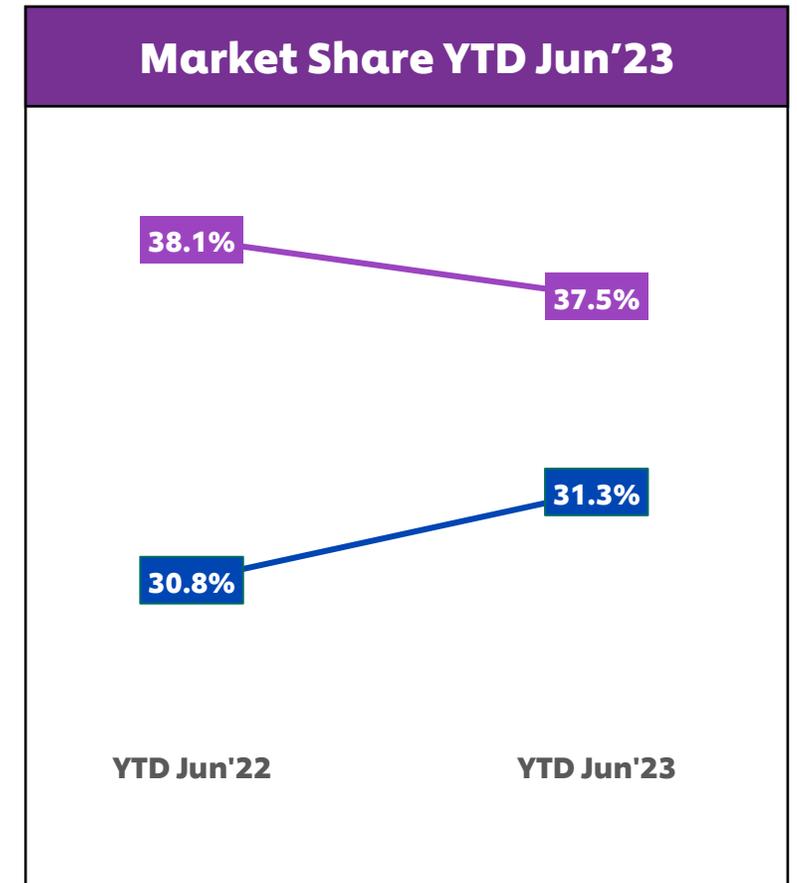
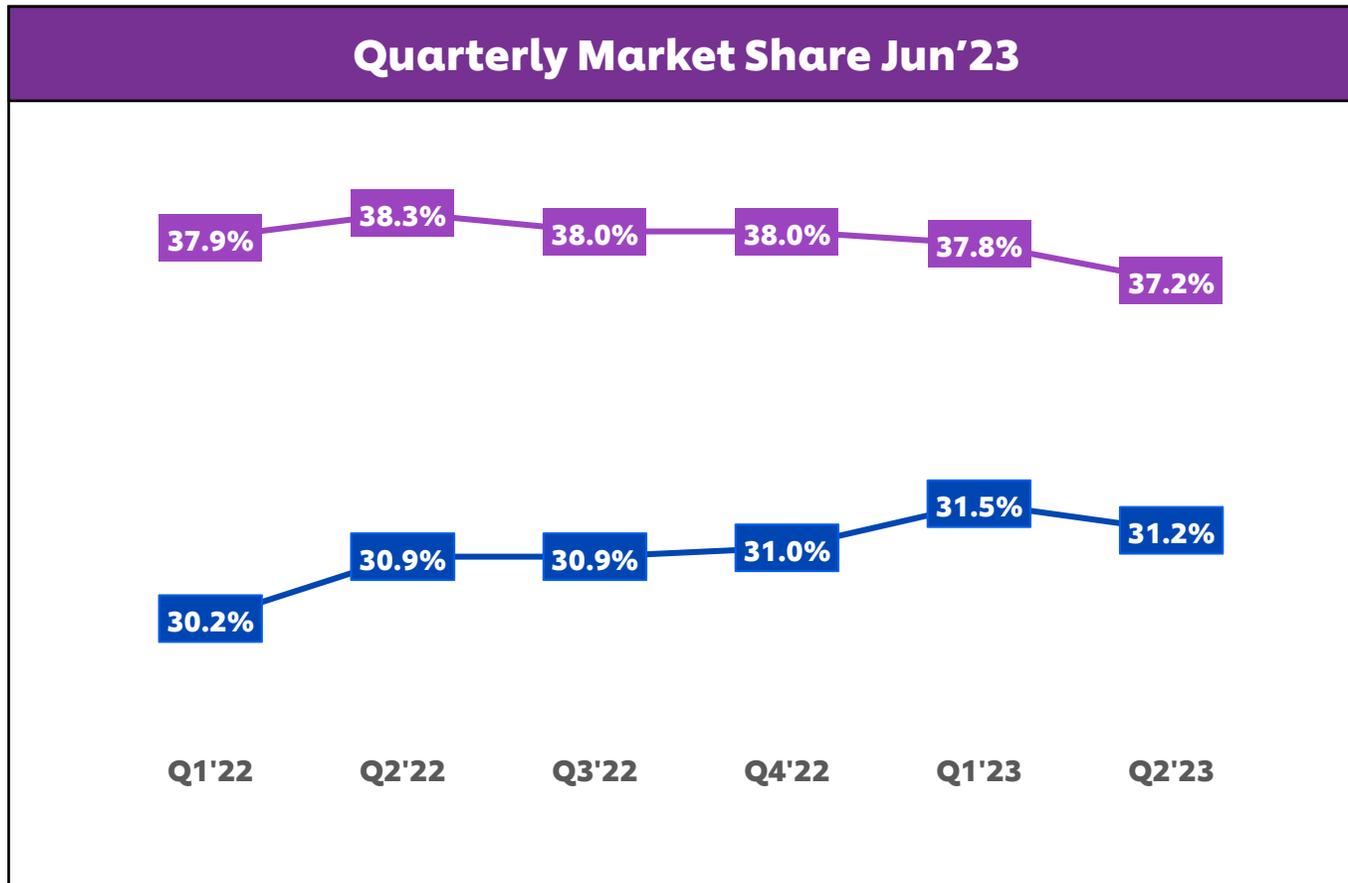
Rank based on sales contribution

Note: Ice Cream delivered positive sales growth in H1'23. Market data information is not completed (only available for MT)



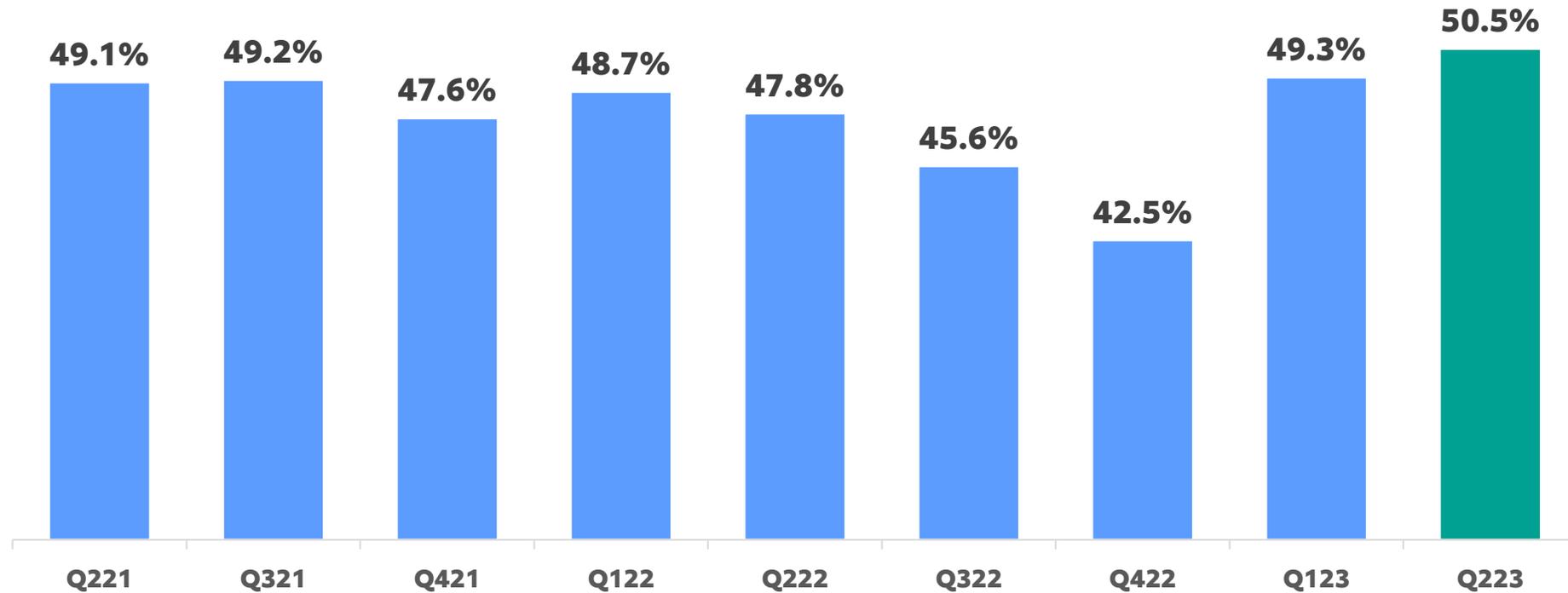
Continue gaining more volume in YTD June 2023, indicating more users / usage towards our products

Protecting VOLUME for long-term growth of the business



Value Volume

Highest Gross Margin in the last eight quarters

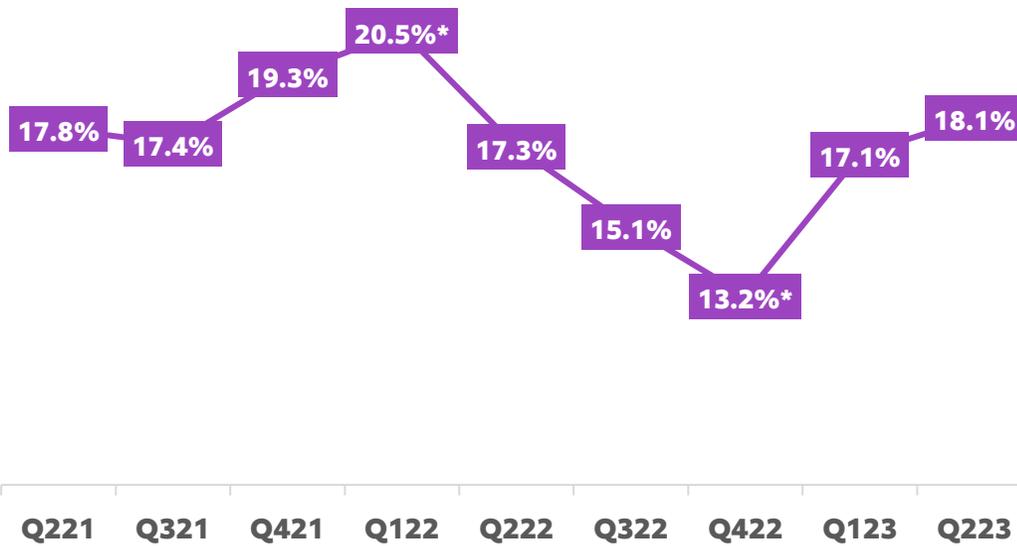




Delivered strong Profit Before Tax and EPS while continued to invest competitively behind brands

Profit Before Tax %

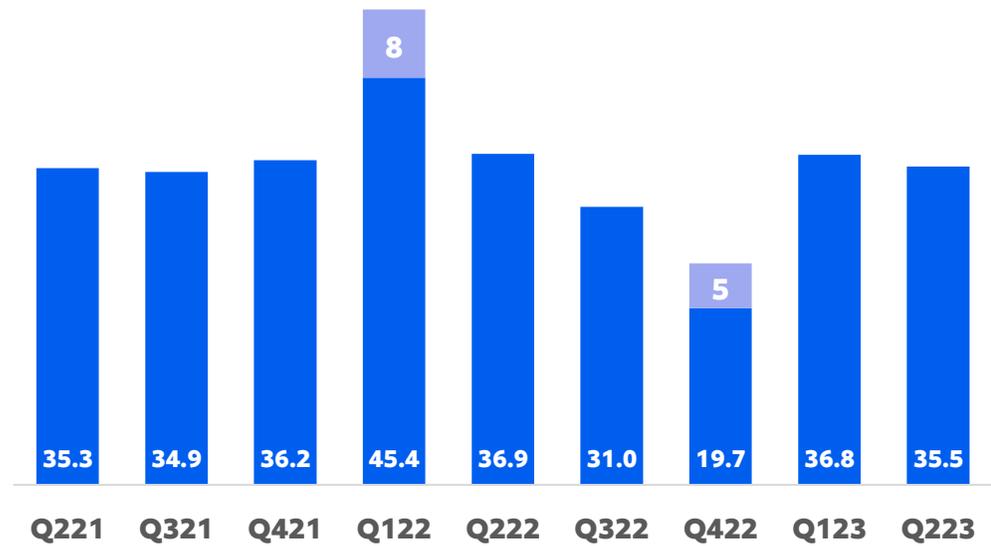
Continue reinvestment in Advertising for long-term of our brands



* Exclude one-off Central Service Fee in Q1'22

Earning Per Share (in IDR)

Strong EPS delivery in 2023



One-Off in Q1'22 and Q4'22

Sales H1'23

IDR 20.3 T

(-5.5% YoY)

Domestic: -4.7%

UPG -0.6% | UVG -4.2% | Vol Growth -1.2%

Export: -23.1%

Sales Q2'23

IDR 9.7 T

(-8.8% YoY)

Domestic: -8.3%

UPG -3.0% | UVG -5.5% | Vol Growth -3.1%

Export: -21.9%

Net Profit H1'23

IDR 2.8 T

(-19.6% YoY*)

**exclude one-off Central Service Fee
adjustment in Q1'22: -12%*

Net Profit Q2'23

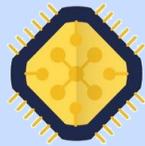
IDR 1.4 T

(-3.9% YoY)



Excellent Execution of Five Strategic Priorities to deliver Competitive, Consistent, Profitable and Sustainable Growth

UNILEVER INDONESIA: 2025 STRATEGIC THRUSTS



Strengthen and unlock Core

Product superiority

Market Development

Bigger – Better Innovations



Play Full Portfolio

Drive Premiumization

Build Tier-2 portfolio
in select categories



Build Execution Powerhouse

Win in Minimarket &
eCommerce

Future-Fit Distributive Trade



Transformational Capabilities

Capabilities in Modern Trade
& eCommerce

Drive Cost Leadership

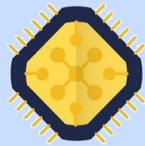
Integrated Operations (iOps)
for Operational Effectiveness

Sustainability at Our Core



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Sustainability at Our Core

Offer Superior Benefits



Stronger and Better Communications

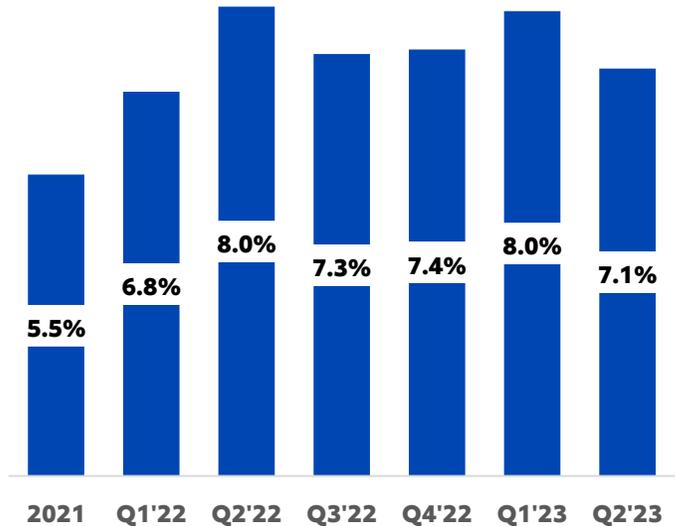


More User, More Usage



Strong Media Investment

Advertising as % of Net Sales



Recovering Proposition in the market

Stable or Gaining Brand Power ULI
Turnover-Base

22%
(FY 22)

43% ↑
(MAT Q1'23)



AXE

And many more...

Our brand portfolio has recruited back more household buyers

Relative Penetration Movement
Turnover Base

14%
(L3M Dec22)

42% ↑
(L3M May23)



POND'S



And many more...

Premium segment contribution to domestic sales has increased to > 27% in Q2'23



LIFEBUOY Dishwash



- Good performance in term of share and penetration.
- **World's number #1** Selling Antibacterial Soap
- **4x Stronger Brand Awareness** from average new brand launch in the FMCG Industry

GLOW & LOVELY



- Glow and Lovely Bodywash showed good performance in term of share and penetration.
- **#1 Face Moisturizer** used in Indonesia (in volume)
- **#1 Most Chosen Beauty Brand** of 2023 by Brand Footprint 2023 Indonesia, Kantar Worldpanel

Strong Saving Initiatives as the key driver of margin improvement

Supply Chain Cost



SCC Initiatives

- Commodity price management with Global Procurement support.
- Factory Automation and Cost Benchmarking.
- Pack Optimization.

Non-Supply Chain Cost



Non-SCC Initiatives

- Promotion ROI Optimization: reduced RED promotion, unmissable Point of Sales Materials.
- Logistic and Distribution Saving: right truck sizing, direct dispatch.
- Efficiency from Process Transformation.

View of H2 2023

Our focus on fixing all the fundamentals has resulted to competitiveness in volume share. Value share was still slightly behind due to the price reset that we did over a very high base of pricing in Q2 last year.

Coming into H2, we are confident with the outlook on growth since the volume is protected. Gross Margin is looking solid, again the strong base to get into H2 2023.

We remain optimistic about long term of FMCG market in Indonesia.

Continue with our strategy on leading Market Development and winning the consumers.

Focus remains on growing competitively and investing behind our brands while continue managing inflationary pressure.



Vivek Agarwal

Chief Financial Officer



NEW



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true to pleasure

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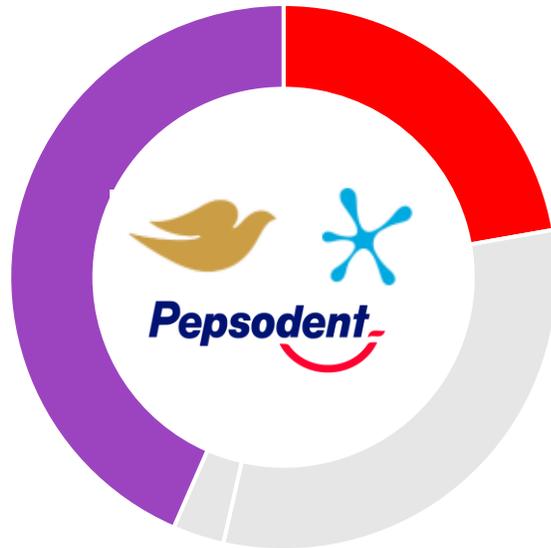
BERANI KOTOR DEMI KEBAIKAN



MARIE BISCUIT & CHOCOLATE



HOME & PERSONAL CARE



H1 -6.4% | Q2 -9.3%

BEAUTY & PERSONAL CARE
H1 -6.0% | Q2 -9.6%

HOME CARE
H1 -7.4% | Q2 -8.7%

FOODS & REFRESHMENT



H1 -1.3% | Q2 -6.2%

FOODS & REFRESHMENT
H1 -2.3% | Q2 -7.6%

UNILEVER FOOD SOLUTION
H1 15.0% | Q2 17.2%

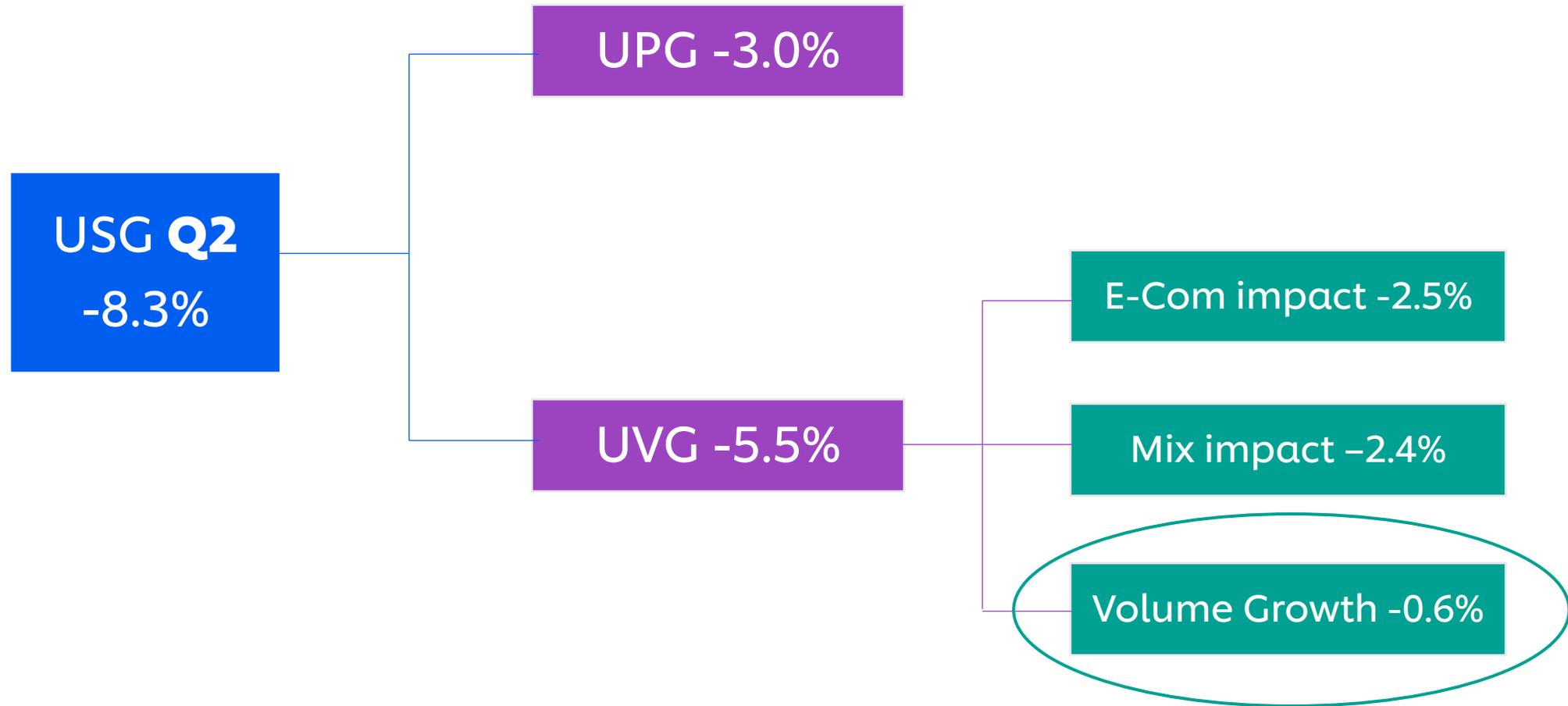


Price intervention required to maintain our price competitiveness while at the same time protecting gross margin





Domestic Volume almost flat



USG: Underlying Sales Growth refers to increase in sales for the period, excluding any changes in sales resulting from acquisitions and disposals

UPG: Underlying Price Growth refers to increase in sales directly attributable to price growth

UVG: Underlying Volume Growth refers to volume growth ***including the impact of the mix*** of sales realization of products sold

Result Highlights

- Strong Personal Care performance YTD Jun'23: value share +89 bps, volume share +147 bps.
- Premium segment contributed more than 27% domestic sales supported by various innovation.
- **Skin Cleansing:** Significant market share progression in Liquid, value share +466 bps, volume share +673 bps.
- **Oral Care:** Toothpaste value share +136 bps, volume +97 bps with 75% market share.
- **Skin Care:** reverse the decline and successfully maintained market share in L3M.
- **Hair:** Price correction started to deliver result progression in the last 2 months.

Play Full Portfolio



Market Development



Result Highlights

- Well progressing in competitiveness with Total Home Care gaining volume share +86 bps in YTD Jun'23.
- **Dishwash:** liquid continued to perform better with value share maintained and volume share +48 bps.
- Good performance of new dishwash brand.
- **Fabric:** Maintain value and volume share in Fabric categories.
- **Cleaners:** gained value share +138 bps, volume share +300 bps.

Superior Products to reach all consumer segments



Result Highlights

Foods

- Competitiveness in Bango and Royco continued: value share +59 bps and volume share +99 bps in YTD Jun'23, supported by strong communication and activation during Lebaran festive.

Ice Cream

- Strong H1'23 growth driven by stronger fundamentals in GT and MT, driving more users & usage through Market Development and Owning Festive season.
- Successful festive shown by MT share gain +117bps vs pre festive; and GT gain +52bps share vs pre festive.
- Launched powerful innovation in Q2: Magnum Matcha Crumble and Wall's Marie Biscuit & Chocolate.

F&R maintain Gross Margin as per LY despite of cost inflation.

Win in Festive Season with Stronger Communication and Massive Activations



Market Development



Target: 500 school



Impactful Innovation



Thank you



Ira Noviarti (President Director), Vivek Agarwal (CFO)