

# PT Unilever Indonesia Tbk

Q2 2023 Result  
Earnings Call  
July 24<sup>th</sup>, 2023



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Ira Novianti

President Director

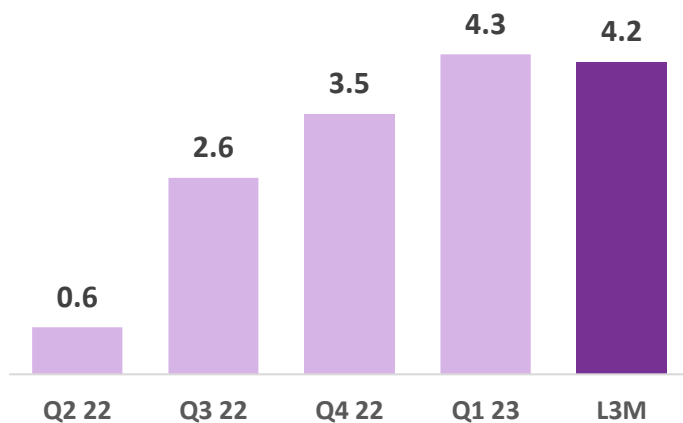


Unilever



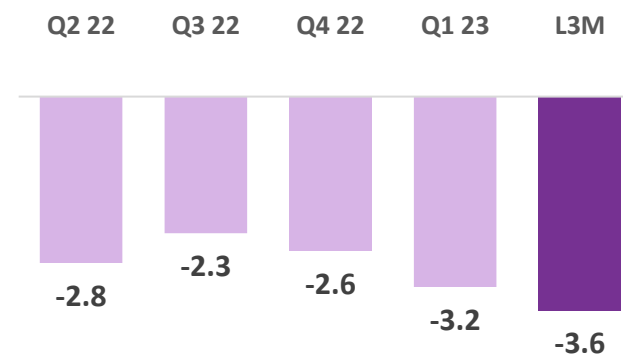
# FMCG household consumption is still within the negative territory due to inflation with spend/household is driven by the price increase across consumer segments

## SPEND / Household YoY% change



	Spend/Buyer
<b>Total</b>	<b>4.2%</b>
Lower LSM	3.9%
Middle LSM	3.1%
Upper LSM	4.3%

## CONSUMPTION / Household YoY% change

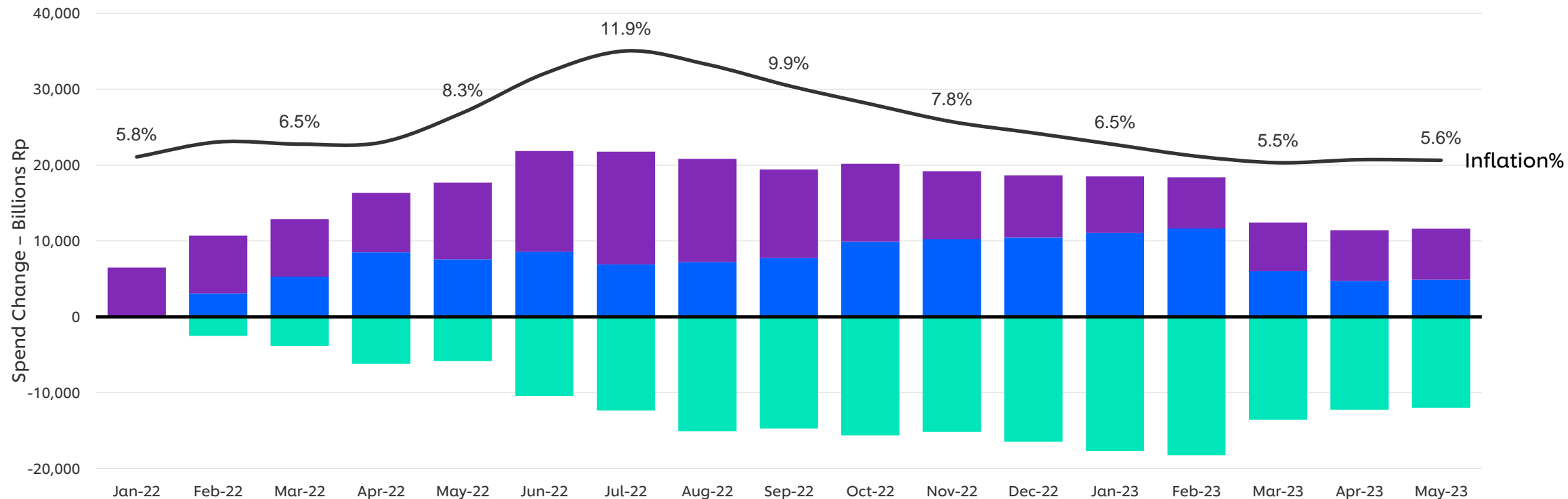


	Vol/Buyer
<b>Total</b>	<b>-3.6%</b>
Lower LSM	-3.6%
Middle LSM	-4.5%
Upper LSM	-3.9%

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

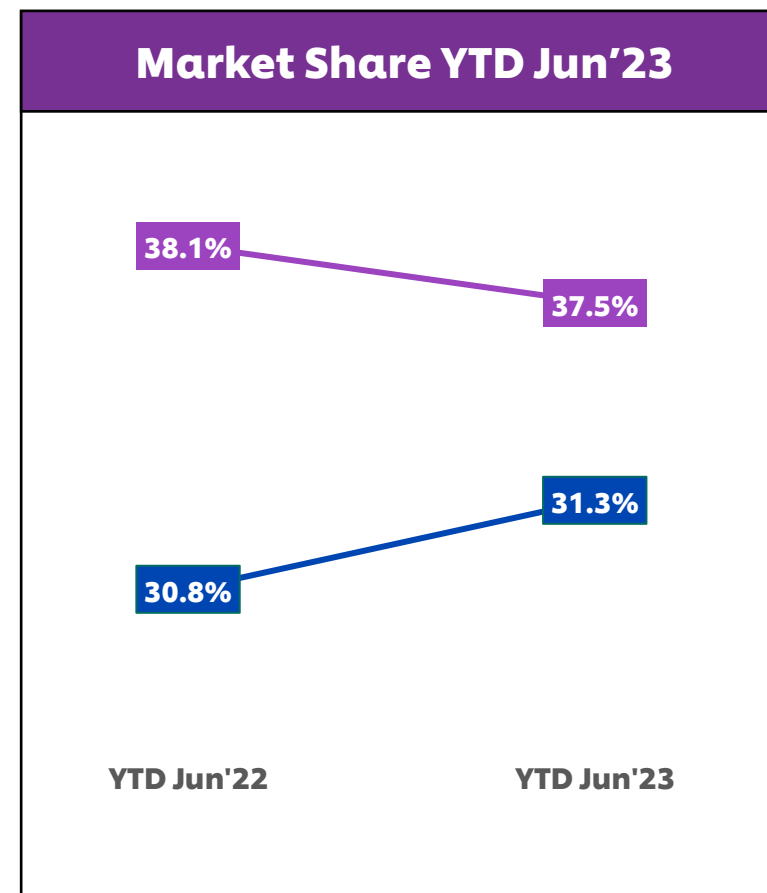
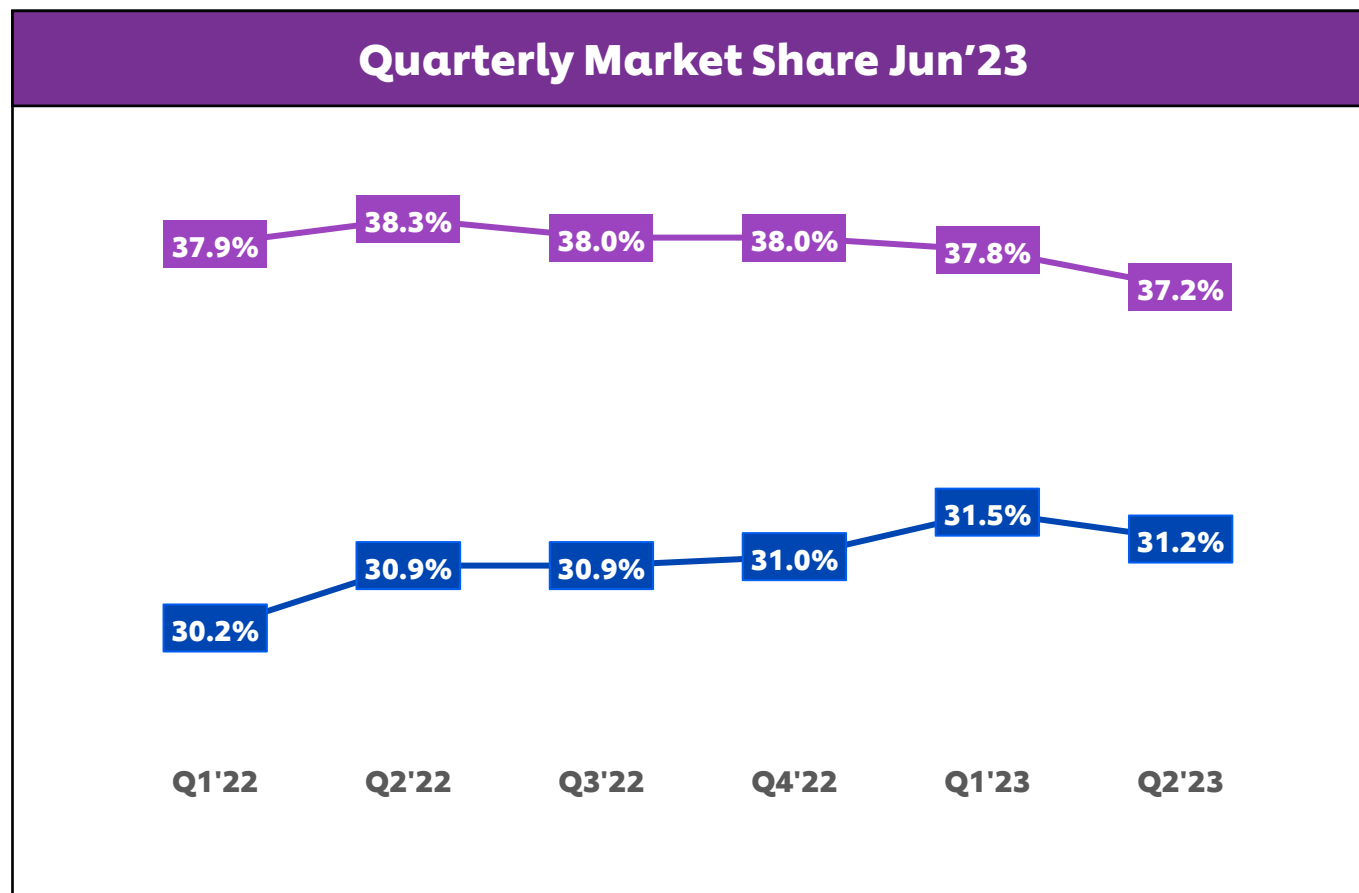
## Market Growth and ULI Growth YTD June 2023

	VALUE		VOLUME	
Business Unit	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%
<b>Total exclude Ice Cream</b>	<b>3.5%</b>	<b>2.0%</b>	<b>-1.3%</b>	<b>0.8%</b>

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)

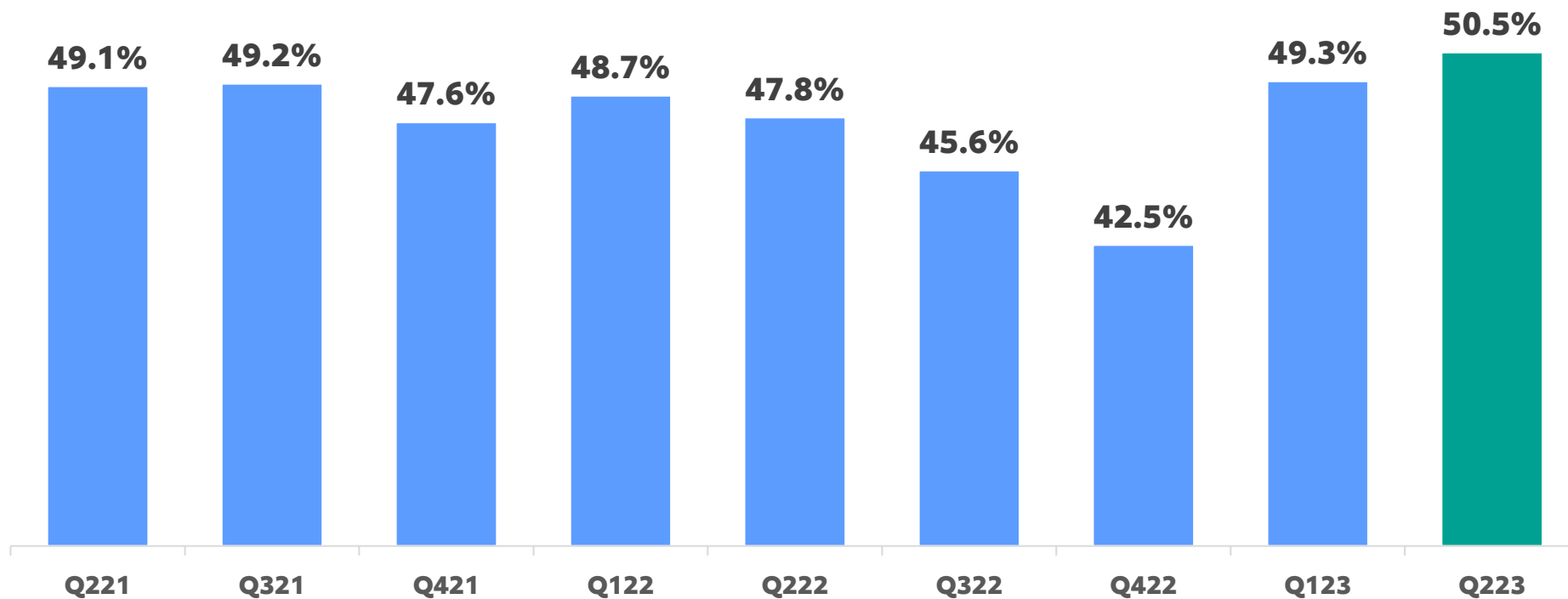
## Protecting VOLUME for long-term growth of the business



Value Volume

## Gross Margin was protected despite price adjustment in the last four quarters

### Highest Gross Margin in the last eight quarters

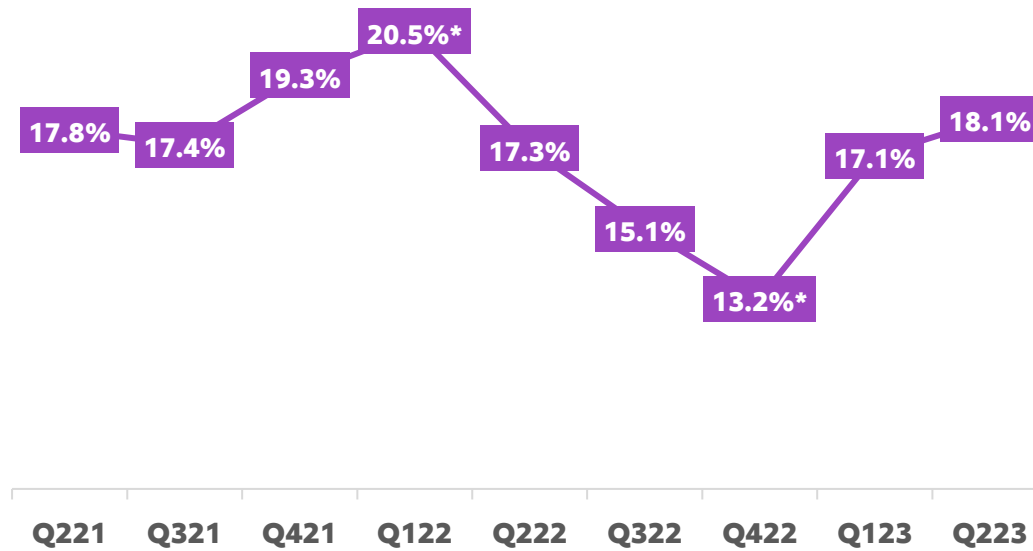




# Delivered strong Profit Before Tax and EPS while continued to invest competitively behind brands

## Profit Before Tax %

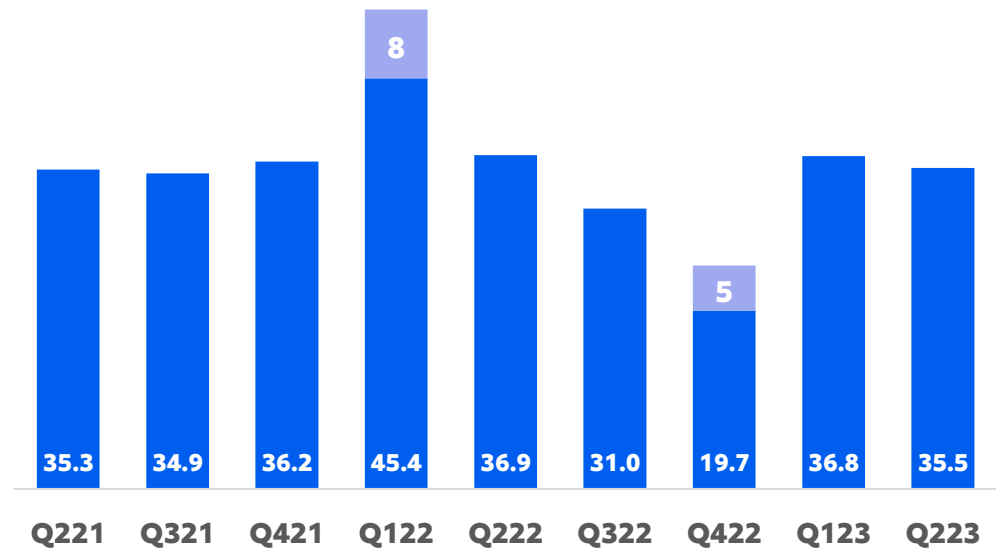
Continue reinvestment in Advertising for long-term of our brands



\* 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)

## 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

## UNILEVER INDONESIA: 2025 STRATEGIC THRUSTS



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**Product superiority**

**Market Development**

**Bigger – Better Innovations**



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### **Transformational Capabilities**

Capabilities in Modern Trade  
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**Sustainability at Our Core**



## Offer Superior Benefits



## Stronger and Better Communications

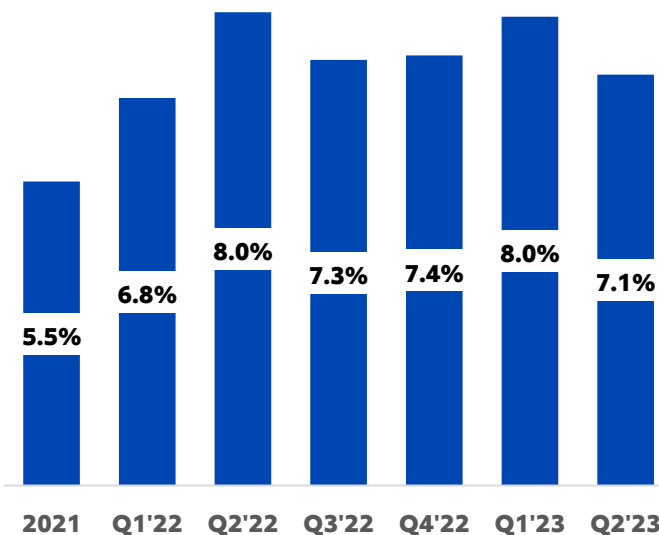


## More User, More Usage



## Strong Media Investment

Advertising  
as % of Net Sales



# Moreover, we manage to improve penetration and recovering proposition in the market

## 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

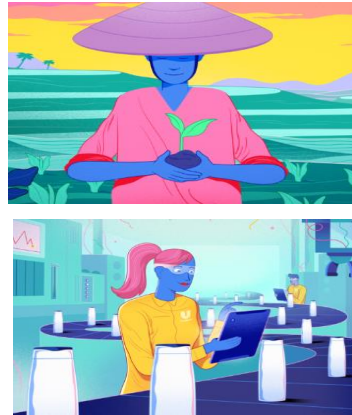


- Glow and Lovely Bodywash showed good performance in term of share and penetration.
- **#1 Face Moisturizer** used in Indonesia (in volume)
- **#1 Most Chosen Beauty Brand** of 2023 by Brand Footprint 2023 Indonesia, Kantar Worldpanel



## Strong Saving Initiatives as the key driver of margin improvement

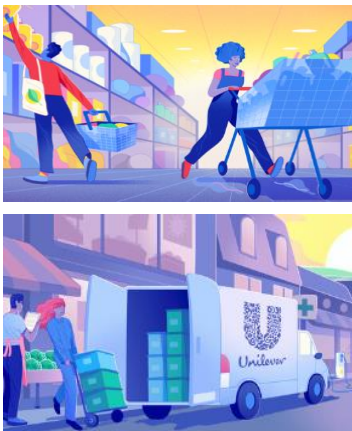
### Supply Chain Cost



### 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

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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.

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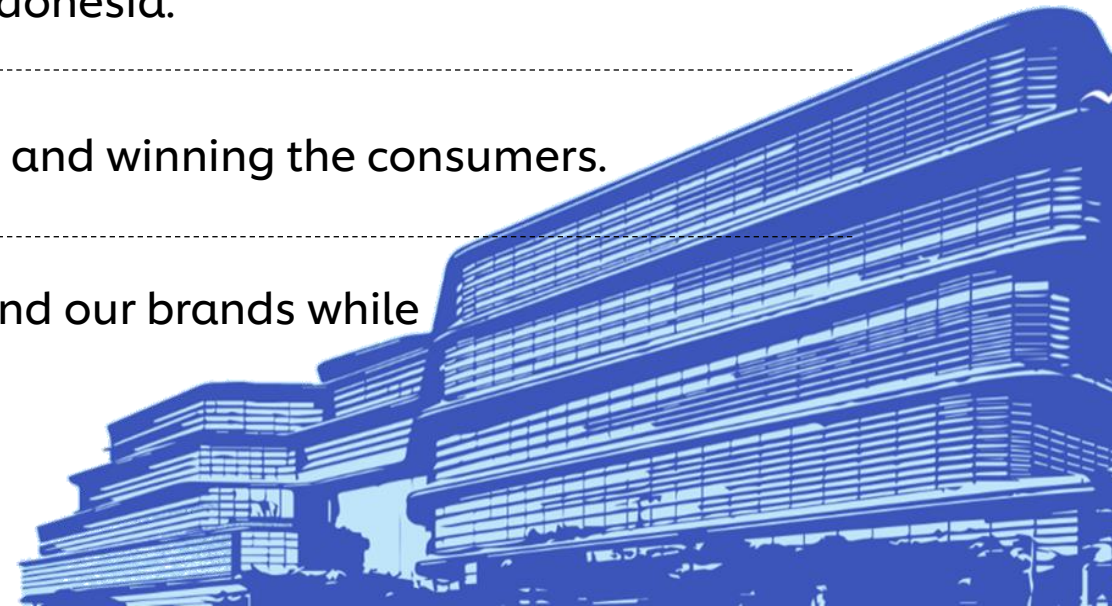
We remain optimistic about long term of FMCG market in Indonesia.

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

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





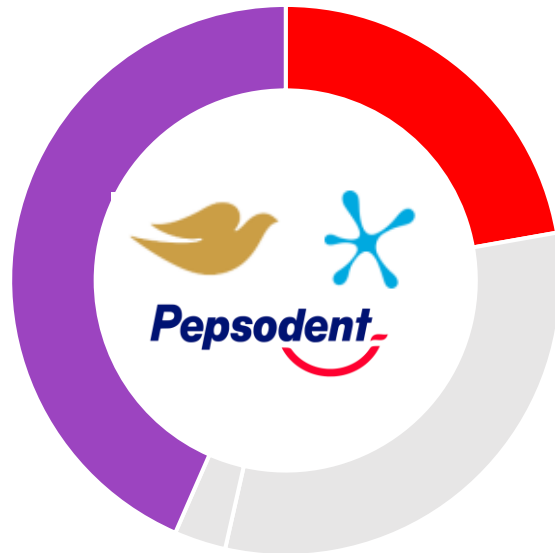
# Vivek Agarwal

## Chief Financial Officer



# 2023 Domestic Sales Growth by Division

## HOME & PERSONAL CARE

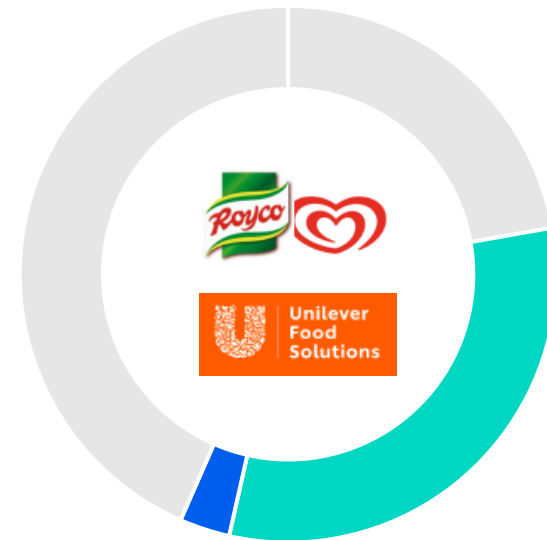


**H1 -6.4% | Q2 -9.3%**

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

**HOME CARE**  
H1 -7.4% | Q2 -8.7%

## FOODS & REFRESHMENT



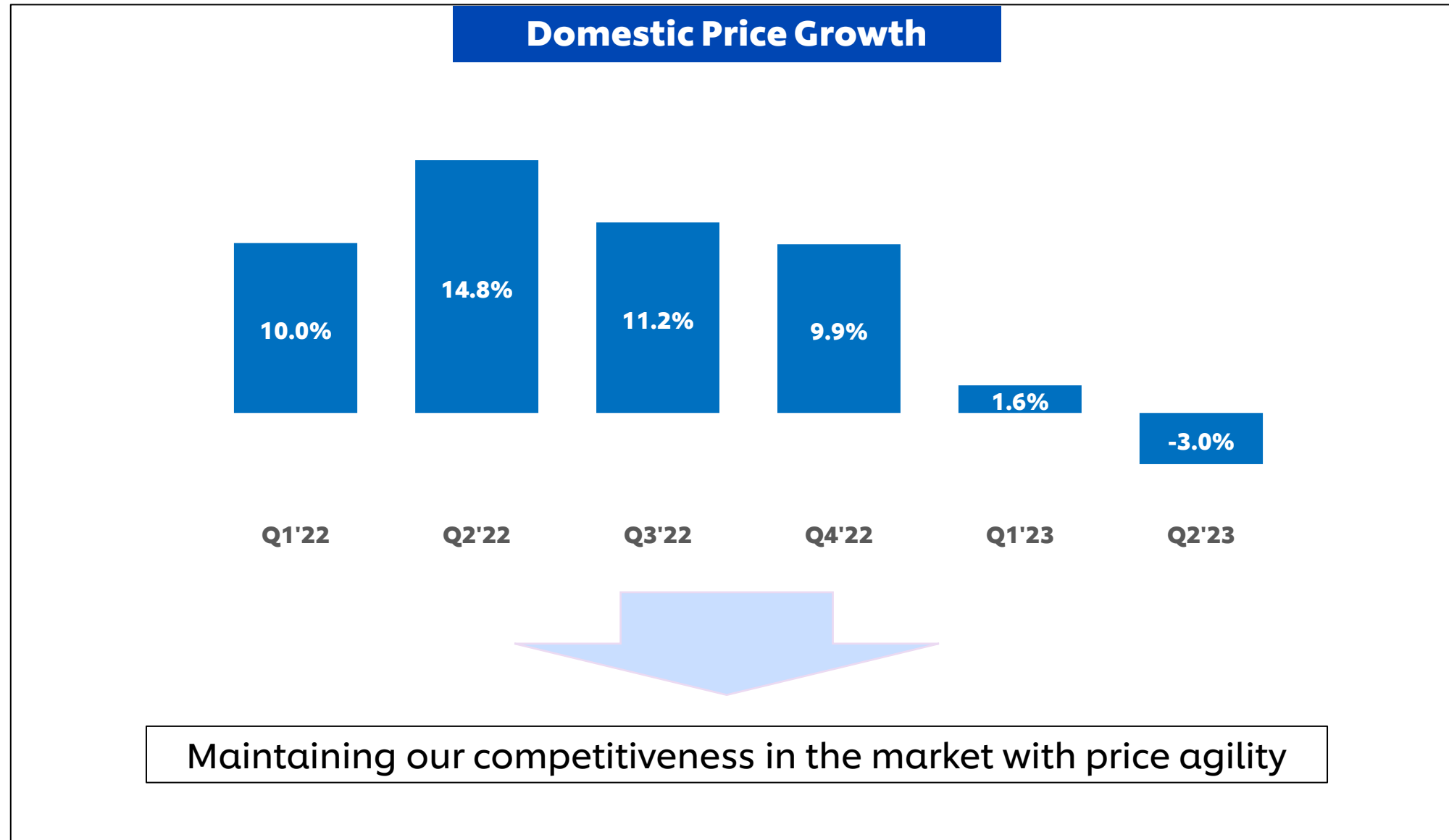
**H1 -1.3% | Q2 -6.2%**

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

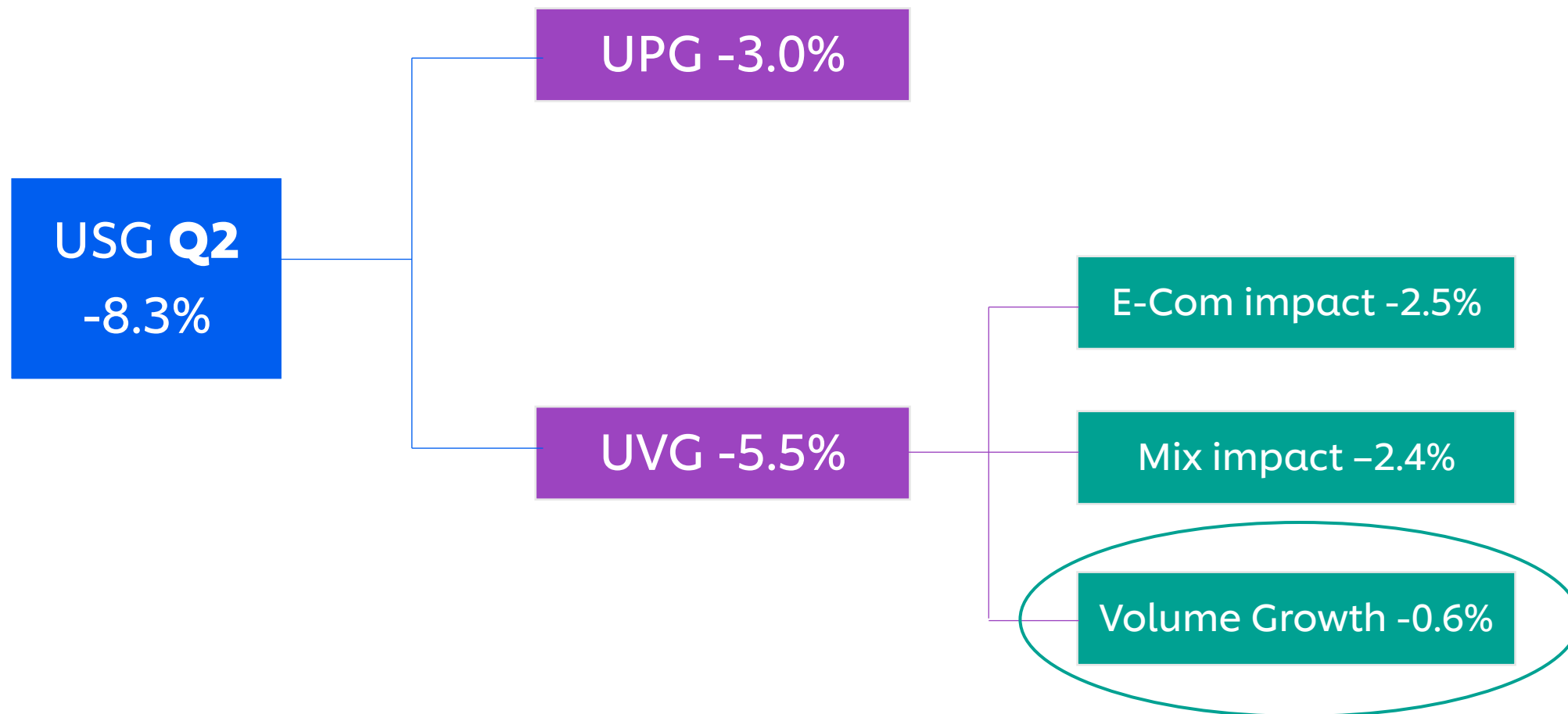
**UNILEVER FOOD SOLUTION**  
H1 15.0% | Q2 17.2%



# 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



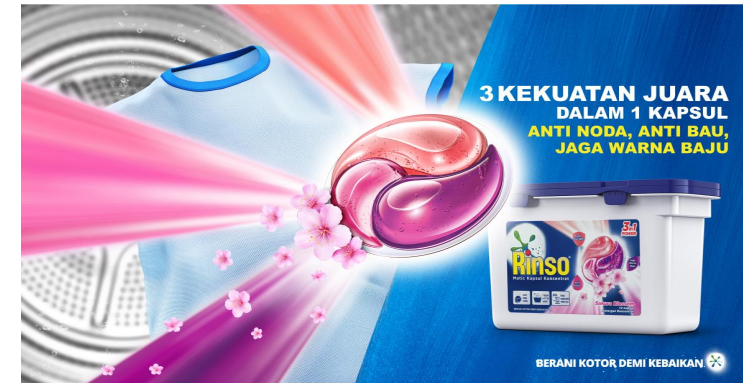
## Market Development



## 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)**