

PT Unilever Indonesia Tbk.

J.P. Morgan ASEAN CEO-CFO Forum 2022



Lifebuoy

BARU! LIFEBUOY FRESH COCONUT WATER & MINT

KESEGRAN HINGGA 12 JAM
MELAWAN 99,9% KUMAN BERBAHAYA*

#PerlindunganMenyegarkan

*BERDASARKAN HASIL UJI COBA LABORATORIUM



Pepsodent



LEZATNYA ROYCO BARU

dengan ayam yang direbus lama dan garam beriodium

✓ Garam Beriodium #BantuTumbuhSesuai

Royco

BUMBU KALDU RASA AYAM

Kemudahan Kemudahan

Resep Ayam yang Direbus Lama dan Garam Beriodium



BEAT THE HEAT WITH THE POWER OF NATURE

NATURAL TEA TREE OIL OLIVE OIL HONEY

LUX

HIJAB SERIES



Rinso

ANTI NODA ANTI BAKTERI & VIRUS*

BERANI KOTOR DEMI KEBAIKAN

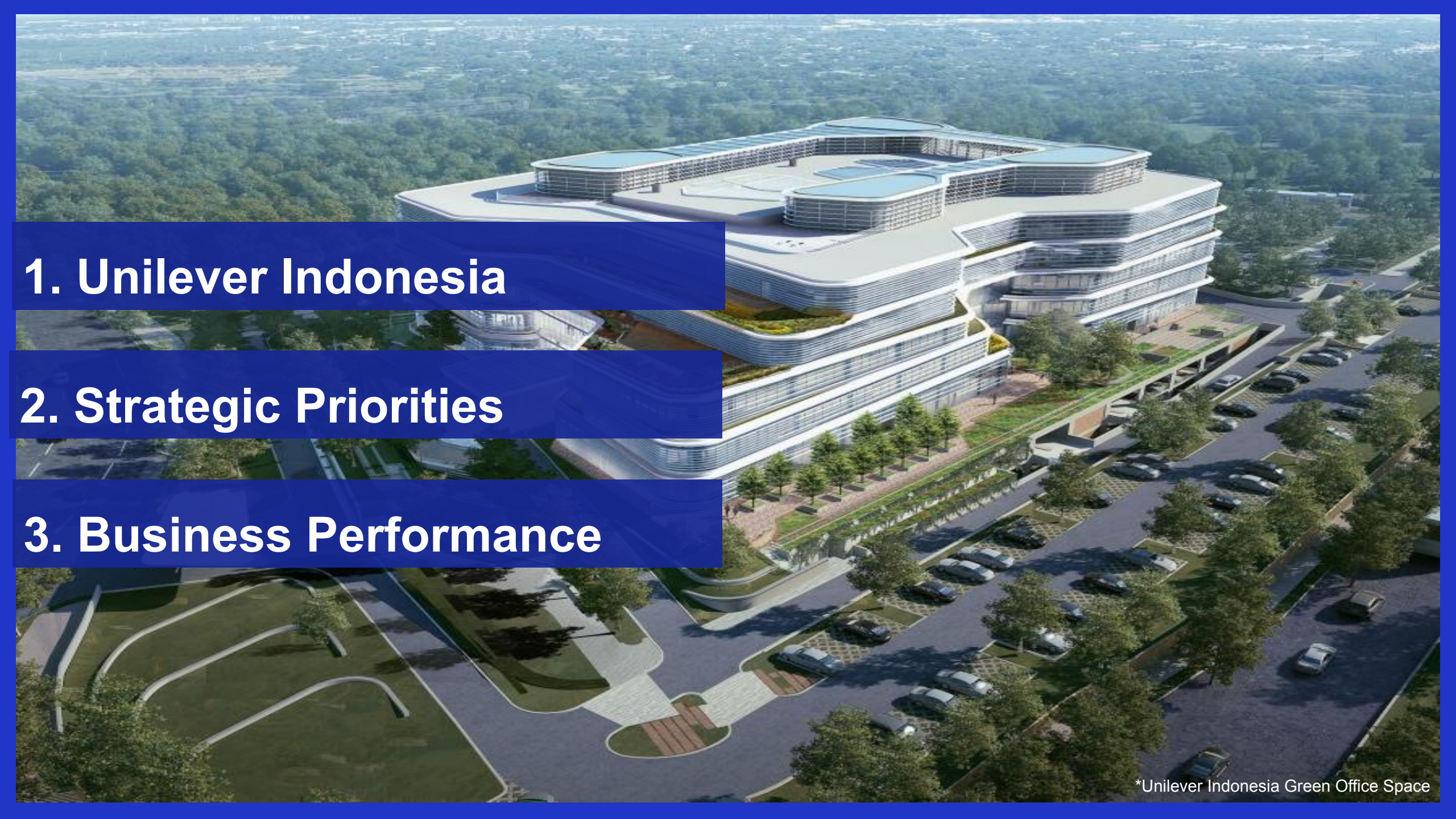
PLASTIK DAUR ULANG

FRESH

PROTEKSI KECIL & ANTI BAKTERI

*Berdasarkan uji coba terhadap bakteri E. coli dan virus SARS-CoV-2. Dengan 1 liter Rinso dapat membunuh 1 juta bakteri E. coli dan virus SARS-CoV-2. *Kandungan Rinso 250 ml memiliki 100 juta bakteri E. coli.

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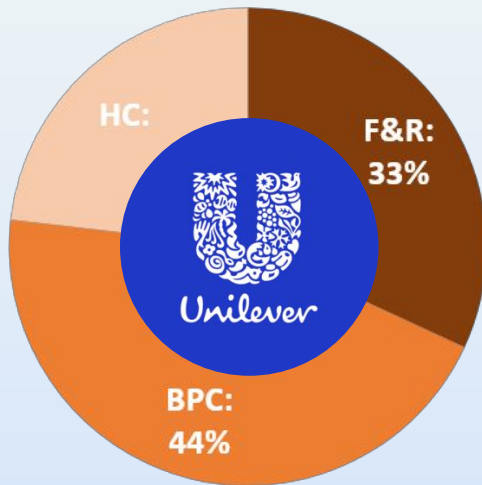
1. Unilever Indonesia

2. Strategic Priorities

3. Business Performance

\$ 2.8 Bn

Turnover FY 2021



\$ 12 Bn Market Capitalization

Top 10 Listed Stock in Indonesia
(as per June 2022)

HC : Home Care
F&R: Foods & Refreshment
BPC: Beauty & Personal Care

100% Penetration

There is at least one ULI product in every Indonesian Household



Multi-category Leaderships

43 Brand Citadels

that reach >3 million stores in Indonesia
(80% distribution) and market leader in 13 out of 15 categories



1. Scaled Brands Across Categories



Market Leader
in 13 out of 15 categories

67%
UL categories with market share >40%

US\$ 2.0 Bn
from our top 15 brands in 2021(77% contribution)

15 Brands
are part of Kantar Indonesia's Top 100 Most Chosen Brands

2. Purpose-led and Inclusive Talents



8 years

#1 Employer of Choice

79%

of senior leadership team starts as MT in ULI

44%

middle-senior management are female.
Full gender-balance at BOD level

The Culture

Resilient,
Winner Mindset,
Committed to **Diversity & Inclusion**

3. Sustainability at our Core



145%

Plastic Waste Collected & Recycled in 2021 vs Target

(45k ton vs 31k ton target)

3Mn

people reached through health, wellbeing, and women empowerment programs in 2021

Strategy

fully embedded in our business and brands with purpose

>70%

of our Brands are scored over-indexed in sustainable attribute*

**based on Kantar survey*



OUR VISION

To earn the love and respect of every Indonesian by positively impacting their life everyday, everywhere

OUR AMBITION BY 2025

Growth
**Above
Market**

Market
Position
#1 FMCG

Unilever Indonesia

Our Strategy

to Unleash the full potential of Indonesia



Unleashing the Full Opportunity of **INDONESIA**



GDP will continue strong with c.5% pa until 2025, driven by private consumption and investment



Inflation will remain around 3-4%, continue to be below peer countries



c.70% of the population in the cities
by 2030 producing 86% of GDP



Indonesia digital economy is predicted to grow up to eightfold
by 2030, driven by Ecommerce

Potential to be the 7th Largest Economy
in the World by 2030

The Country with huge room for FMCG growth



Massive Market Development Opportunities

Indonesia consumption today in Core categories is only 2/3 of other markets like Thailand



Two-Speed Economy

53% Middle-Upper Class by 2025 (vs 49% today) with more affluent consumers seeking new and higher benefit

Lower Class continue to be sizeable and seeking value for money benefit across brands, price, and portfolio



Channel Digitalization

E-commerce will be 15-16% of total FMCG channel (CAGR +30%) vs only 6% today.

Potential big disruptions in **Distributive Trade** driven by **marketplace digitalization of B2B**



Proximity Channel

Shoppers will continue to move to Mini Market at 6-7% CAGR at the expense of MT Large Format Stores

1. **Growing Core** with Impactful Innovation & Market Development Agenda

STRONGER CORE TOP 15 BRANDS

77%
Turnover Cont.

Solid Growth
with 6.3% USG in H1 2022

5 out 15 Brands
with Market Share > 40%

40% growth contribution from New Innovations to Total ULI.
56% of core turnover tested winning vs competition



More Users

8 categories where UL plays have =< 60% Category Penetration

Liquid Soap, Body Care, Deo, Face, IC, Juice, Toilet Cleaners



More Usage

Indonesia Consumption per Household in Core Categories is only 2/3 of Thailand



More Benefit



Five Strategic Priorities To Deliver Strong Long-term Business Performance

1.
Growing Core with
Impactful Innovation &
Market Development
Agenda

2.
Develop our **full**
portfolio across
consumers' segment

DRIVE PREMIUMIZATION

Rising mid-upper consumers, which will be 53% of population (vs today 49%), and **seek for benefits beyond affordability**

High Growth Space. 200Mn EUR Incremental Revenue by 2025



SERVE VALUE SEGMENT

Sizeable consumers at lower class (>120mio population) will continue to **seek for best value for money** they spend (lower price or bigger pack with right price)

Secure the price competitiveness through innovation and price/pack.



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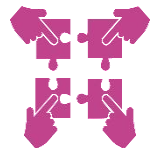
3.
Build the **execution**
powerhouse

WINNING IN THE CORE CHANNELS WITH EXCELLENT EXECUTION

Win in Modern Trade (MT), (especially Minis)



Design4Minis



Partner For Growth

Be #1 preferred supplier via
Stronger Category
Management



Step Up in Omnichannel

A+ Content to drive demand
creation & conversion.

Future-Fit Distributive Trade (DT)



A collaborative partnership
program with DTs to sustain
competitive advantage in our
direct distribution



Digitalized DT program



Unleash the growth in Local
Modern Trade and Outer
Island

LEADING IN CHANNEL OF FUTURE

Lead & Turbocharge E-commerce

**E-commerce will be 15-16% of total FMCG
channel (CAGR +30%) vs only 6% today.**



To Grow Ahead of Market with Driving
Demand Creation &
Designed4Ecommerce Portfolio

Market Leadership

40% Corporate Value Share in General Trade (GT) with 7 categories has share > 40%

60% Corporate Distribution in GT, with universe of 3mn GT stores in Indonesia.

600+ Distributors (Dry + Ice Cream)



Key Strategies in DT

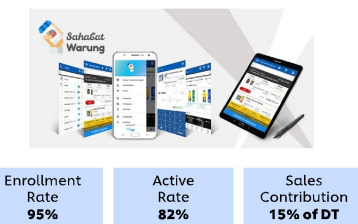


Portfolio Designed for GT Shoppers



A collaborative partnership

Distributive Trade: Order Management Digitalization



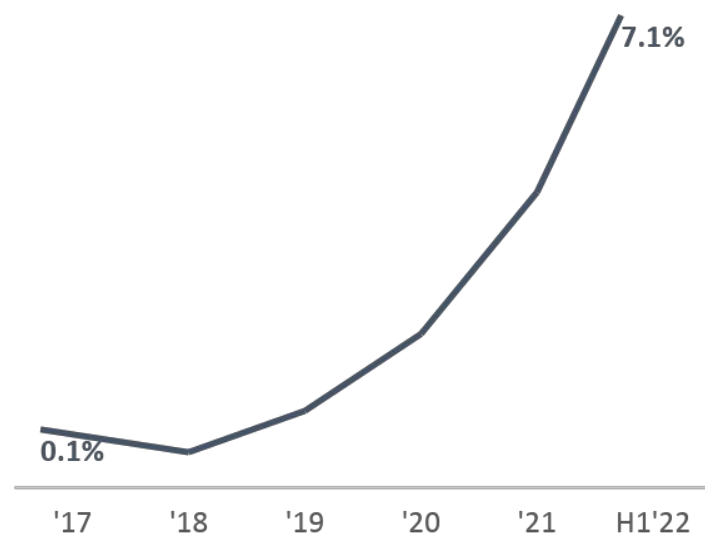
Digitalized DT



Unleash the growth in Local Modern Trade and Outer Island

ULI e-Commerce
+91%
 H1 2022 Growth

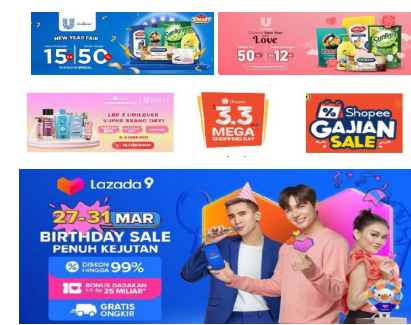
eCom contribution



Key Strategies in Digital Commerce



Designed for E-comm Portfolio



Create & Capture Demand

Perfect Store Online

Improve Data Partnership



Execution Excellence

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3.
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powerhouse

4.
E-everything, including
Data Driven
Capabilities



End to End Customer Portal (order, payment, tracking)



Insight & Intelligent
(data - based)

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5. Sustainability at Our Core

UNILEVER SUSTAINABLE LIVING PLAN

Improve Health, Hygiene and Well Being of Indonesia

In 2021, we reached **at least 3 Mn people** to improve health, hygiene, and wellbeing through our brands.

2.4Mn

students reached in School Health Program.

500k

women reached Family Health Program (BU KARSA)

100k

Mosques participated in Mosque Cleaning Movement

3,2k

girls reached via Sunsilk Explore More Program

60

Recipients of GAL's Star Scholarship

Further, we continue to:



Educate dental health with school program and free dentist consultation



Nutrimenu campaign for complete daily nutrition with Royco

Reducing Environment Impact

OUR COMMITMENT BY 2025

BY 2025, ALL OF OUR PLASTIC PACKAGING WILL BE REUSABLE, RECYCLABLE OR COMPOSTABLE



BY 2025, 25% OF PLASTIC PACKAGING WILL COME FROM RECYCLED PLASTIC CONTENT (POST CONSUMER RESIN, PCR)

BY 2025, HELP COLLECT AND PROCESS MORE PLASTIC PACKAGING THAN WE SELL

BY 2025, WE WILL REDUCE OUR VIRGIN PLASTIC PACKAGING BY 50%. ONE THIRD OF THIS WILL COME FROM AN ABSOLUTE PLASTIC REDUCTION

In 2021:

45k ton

Plastics collected & processed. We target to reach 50k annually from 2022-2025.

4000

Waste Bank that we collaborate with

0%

Waste dumped to landfill (maintained).

-85%

Reduction in CO2 emission from 2015, or reduction 29% from 2020

Enhancing Livelihoods for Millions



Fostering and prospering 10,050 black soybean farmers via Bango "Black Soybean Farmers Development Program"



In agriculture, we partnered with almost 20,000 small palm oil, black soybeans, and coconut sugar farmers.



Women across Indonesia have improved their entrepreneurship through the digital platform of WeLearn, an initiative from UN Women supported by Sunlight .

Unilever Indonesia Business Performance

Sales Growth

Growth of Net Sales

Q2 2022

+7.4%

IDR 10.6 T (\$0.7 B)

H1 2022

+6.4%

IDR 21.5 T (\$1.4 B)

Strong growth in domestic sales

Gross Margin

Reported GM

Q2 2022

47.7%

-133 bps

H1 2022

48.2%

-259 bps

Pressure in commodity prices continues

Net Profit Margin

Reported Net Profit Margin

Q2 2022

13.3%

-36 bps

H1 2022

16.0%

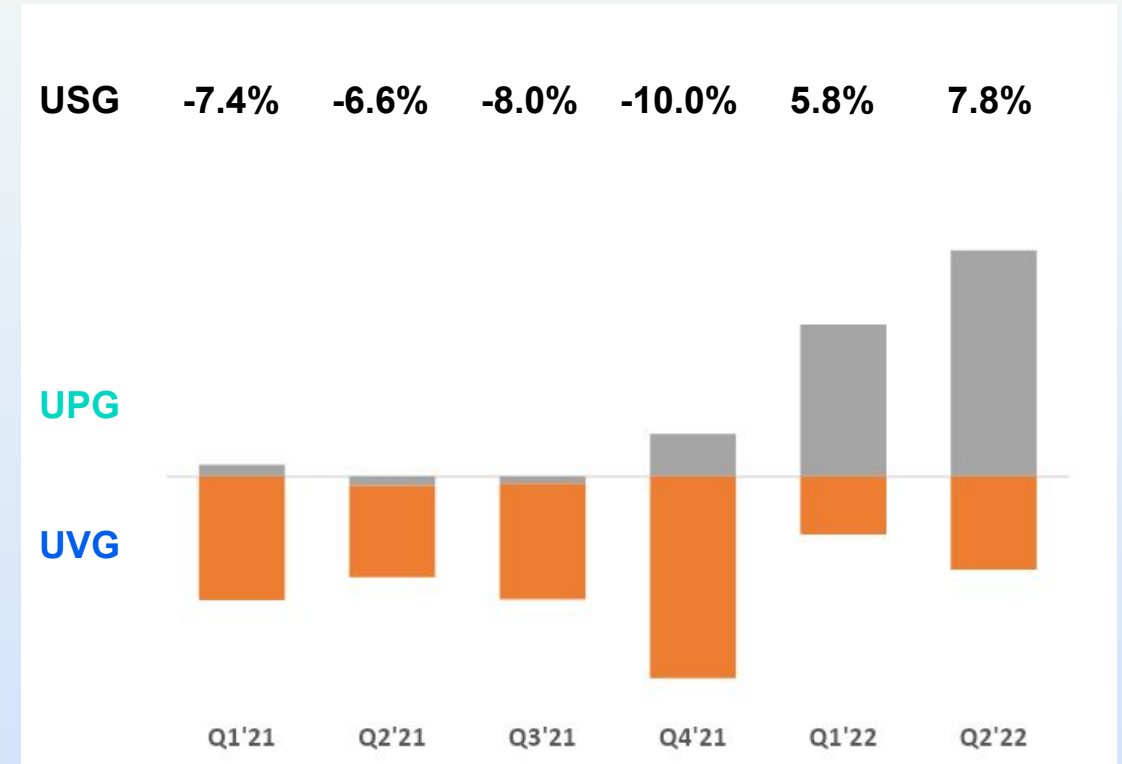
+88 bps

Lower Central Service Fee and Cost Agility

Result Summary

	USG	UPG	UVG	Vol Growth in unit
Q2 2022	+7.8%	+14.8%	-6.1%	7.7%
H1 2022	+6.8%	+12.3%	-4.9%	6.6%

- A solid quarter with a strong topline (domestic sales) and bottom line.
- Landing pricing in response to high inflation on input costs.
- Managing volume impact in the business.
- Driving profitability with +4.5% reported net profit growth and strong cash flow.
- Delivering IDR 37 EPS in Q2.



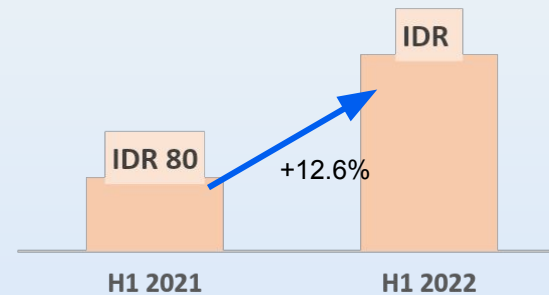
Net Profit H1

IDR 3.4 T
(\$240m)

+12.6% REPORTED*

**Include One-Off Adjustment from
2021 Central Service Fee*

EPS H1

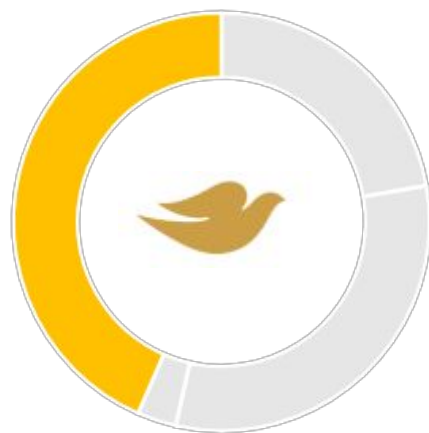


Strong cashflow delivery in H1

+ IDR 1.9 T
(\$134m)

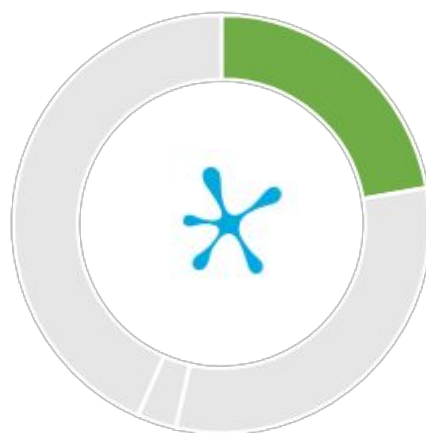
Maintain profit despite high inflation and stepping up in brand investments

BEAUTY & PERSONAL CARE



Q2 YoY 10.7%
H1 YoY 8.7%

HOME CARE



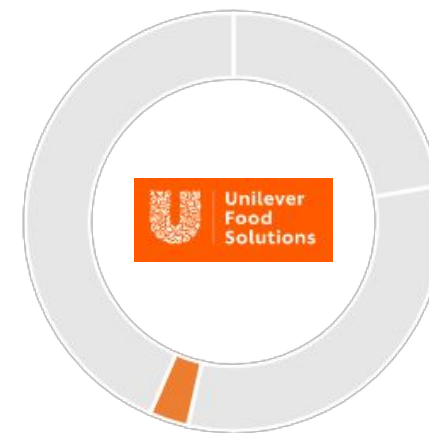
Q2 YoY 2.3%
H1 YoY 1.4%

FOODS & REFRESHMENT



Q2 YoY 7.5%
H1 YoY 7.5%

UNILEVER FOODS SOLUTION



Q2 YoY 16.5%
H1 YoY 21.0%

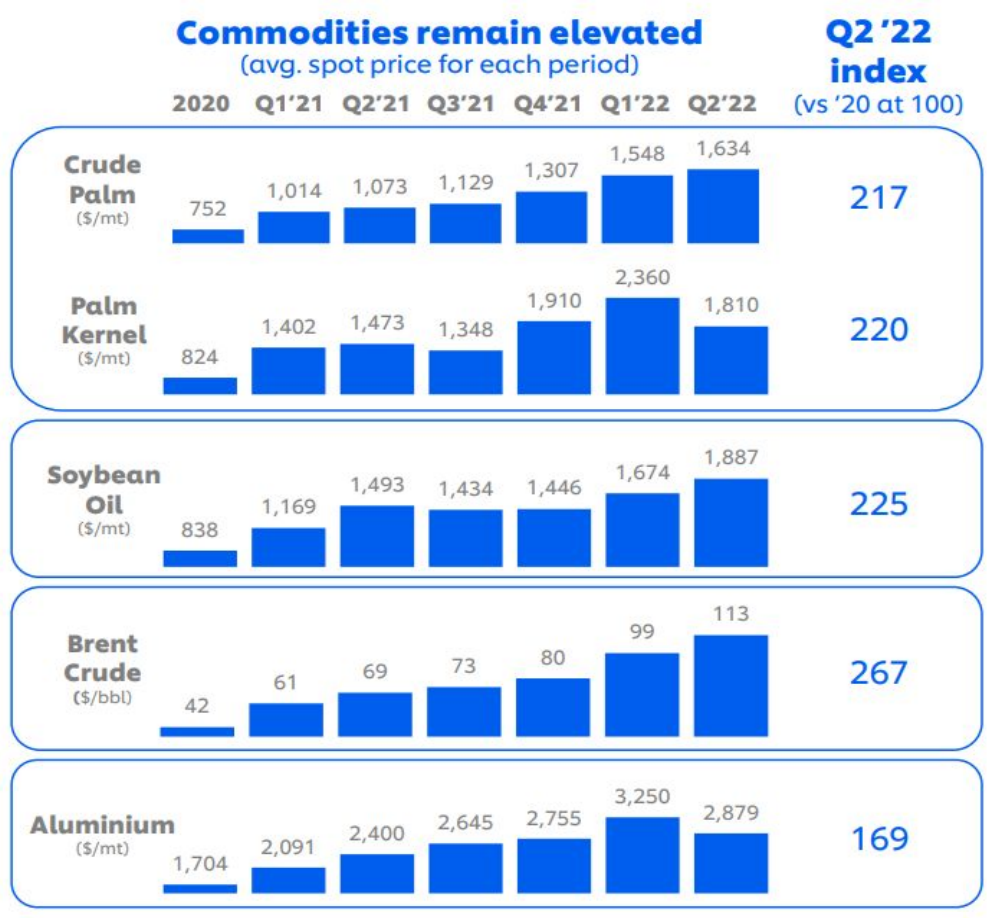
TOTAL HPC

Q2 YoY USG 7.7% | H1 YoY 6.0%

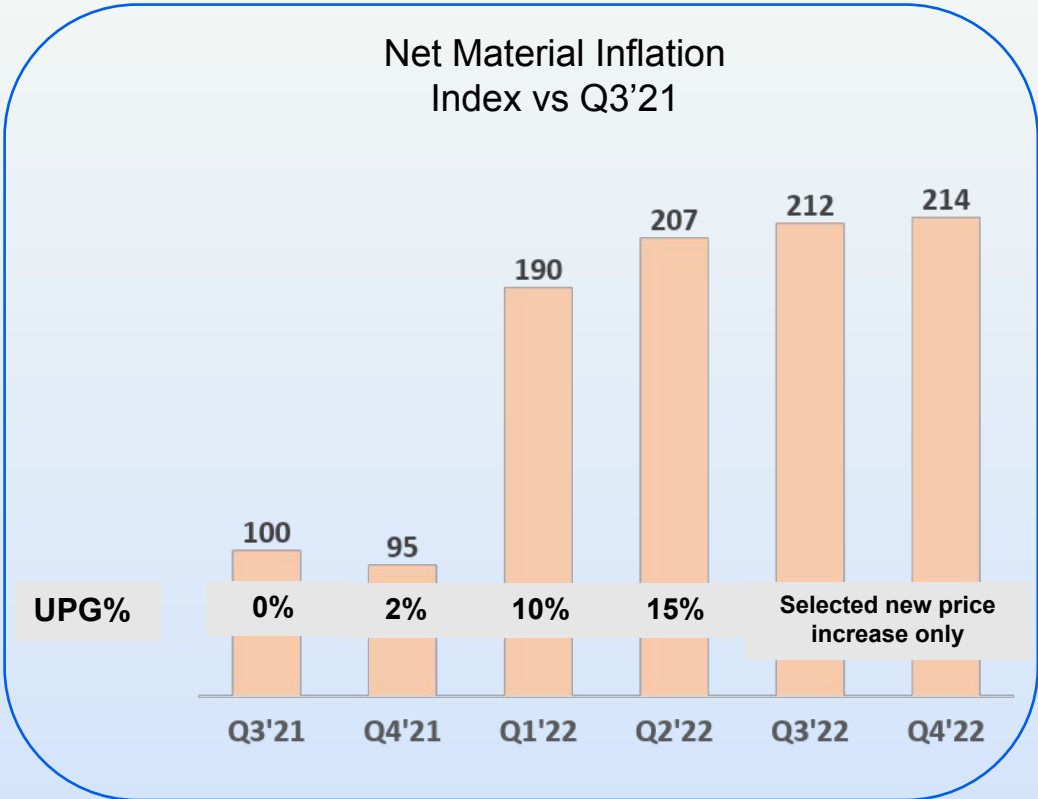
TOTAL F&R

Q2 YoY 8.0% | H1 YoY 8.2%

Commodity prices remain high: higher cost impact to P&L in H2'22



Sequentially more inflation ahead

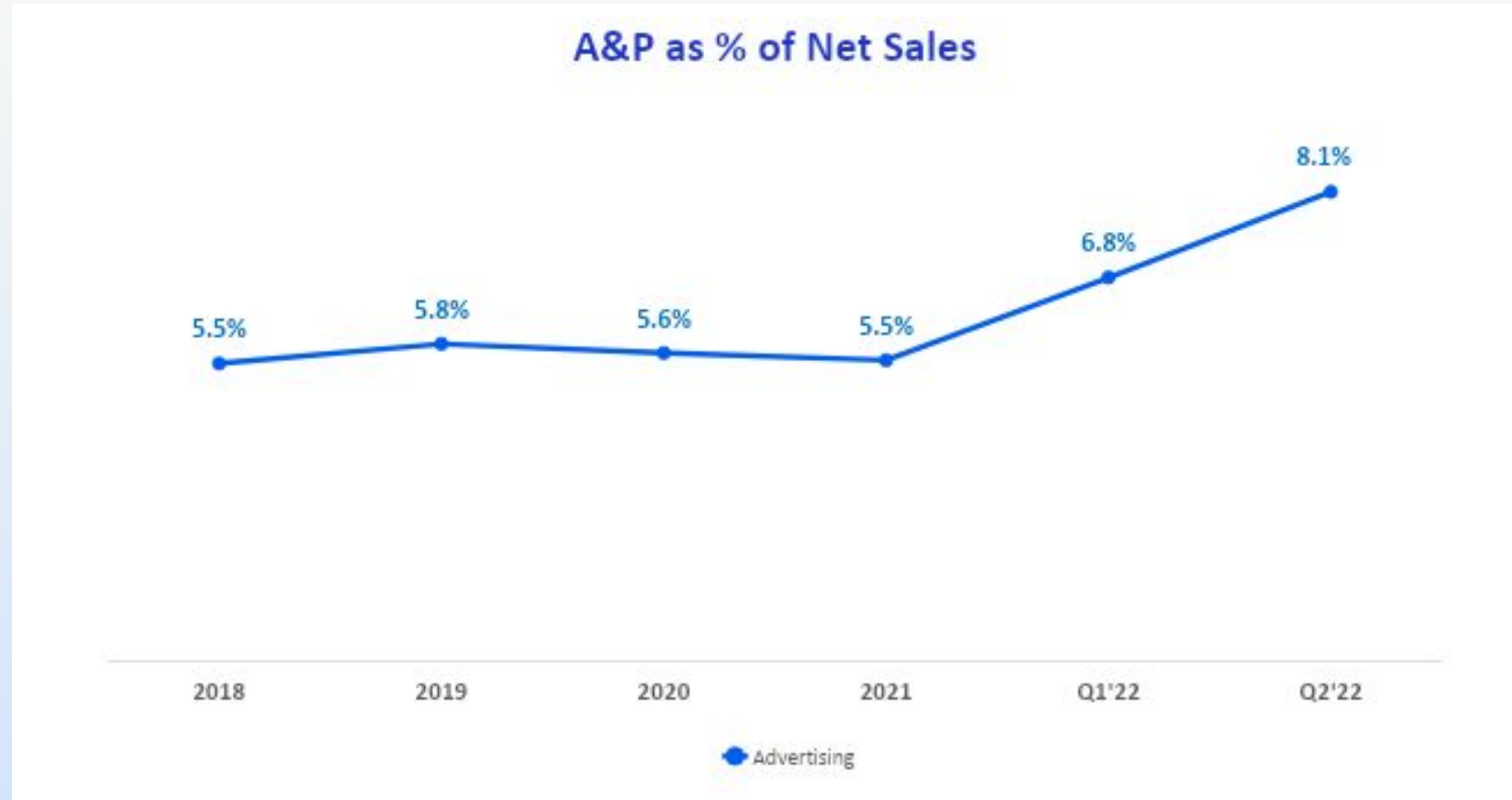


ACTION PLANS

ACCELERATE MATERIAL SAVINGS

PRICING WHERE APPLICABLE

UNLOCK NON-MATERIAL SAVINGS



Advertising investments increased by **64%** Q2 YoY, **39%** H1 YoY

View of H2 2022

We remain cautiously optimistic in the near term:

- Normalization of economic activities and mobility
- Impact of Inflation

Commodities will remain volatile:

- Prudent pricing actions balancing with accelerate material savings and cost agility to continue

Our FOCUS in 2022 remains the same



Continuing growth momentum and hunt for competitive growth



Invest for growth while managing inflationary pressure



Maintaining cost and saving discipline

Thank you



Ira Noviarti (CEO), Enny Sampurno(Director)