

PT Unilever Indonesia Tbk.

Q3 2022 Earnings Call: Oct 27th, 2022

VASELINE GLUTA-HYA SERUM BURST LOTION



Lotion serum terkonsentrasi pertama dengan
GLUTA GLOW™ dan **HYA LURON**

WALL'S®

Feast POP

BARU!

CARA BARU
BUAT BERBAGI

X4 PCS

The advertisement features several Feast Pop ice cream bars with a chocolate coating and nuts. One bar is shown in cross-section, revealing a vanilla ice cream filling. The background is a vibrant blue and yellow diagonal pattern. A small box of Feast Pop Vanilla & Caramel is shown at the bottom right.

Sunlight

Piring Bersih Kesat & Segar DAEBAK!

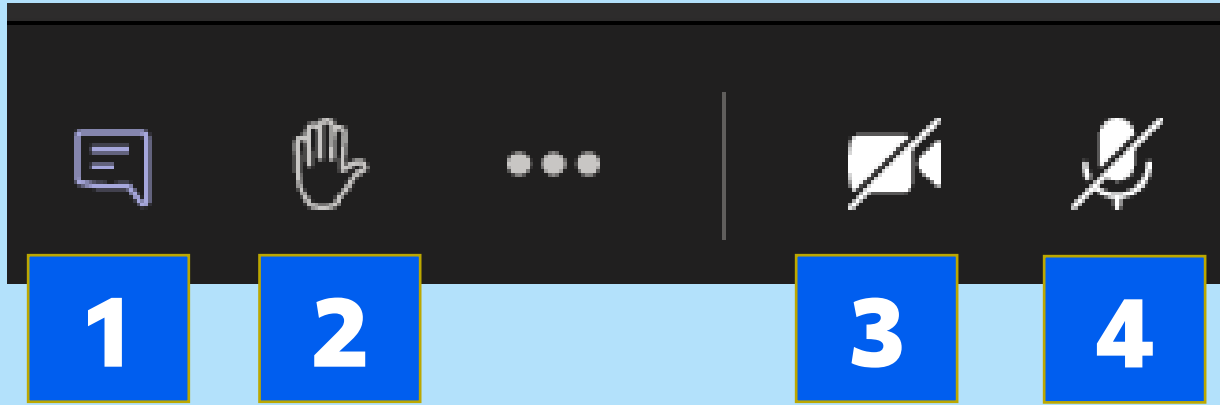
딸기

BERSIH KESAT SEGAR Rp 13.500

Sunlight
EXTRA
KOREAN
STRAWBERRY

Cairan Pencuci Piring

The advertisement shows a woman in a white shirt and red apron holding a clean white plate. Next to her is a box of Sunlight Extra Korean Strawberry dish soap. The box is red and white with images of strawberries and a lemon. The background is a soft-focus kitchen setting.



1. Type questions in chat box
2. Raise hand (if you wish to ask directly)
3. Video always in “off-mode” (unless allowed by moderator)
4. Always on-mute (unless allowed by moderator)



This Release / Communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments, political instability, change in international oil prices and input costs and new or changed priorities of the trade. The Company, therefore, cannot guarantee that the forward-looking statements made herein shall be realized. The Company, based on changes as stated above, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward looking statements as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements that may be made from time to time by or on behalf of the Company to reflect the events or circumstances after the date hereof.

Ira Noviarti

President Director of Unilever Indonesia

VASELINE GLUTA-HYA SERUM BURST LOTION

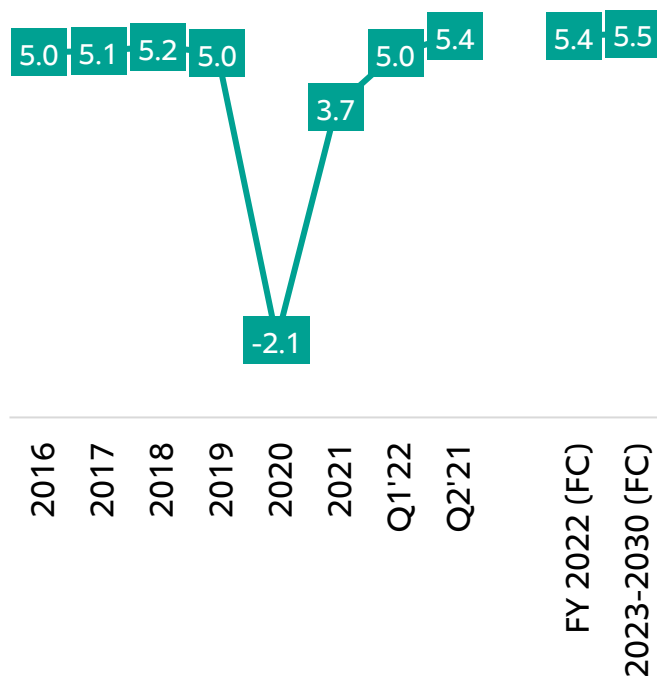


Lotion serum terkonsentrasi pertama dengan
GLUTA GLOW™ dan **HYA LURON**

An advertisement for Feast Pop ice cream. It features a large, broken piece of the ice cream bar, showing a chocolate coating with nuts and a vanilla ice cream filling. The background is a vibrant blue and yellow diagonal pattern. The text 'Feast POP' is written in a large, stylized font. A pink banner in the top right corner says 'BARU!'. At the bottom, it says 'CARA BARU BUAT BERBAGI' and 'X4 PCS'. The Wall's logo is in the top left corner.

An advertisement for Sunlight dish soap. It features a woman in a white shirt and red apron, smiling and holding a white plate. Next to her is a box of Sunlight dish soap, labeled 'BERSIH KESAT SEGAR', 'Rp 13.500', and 'EXTRA KOREAN STRAWBERRY'. The background is a soft, pinkish-white. The text 'Piring Bersih Kesat & Segar DAEBAK!' is written in a stylized font. There are also some strawberries and a lime wedge in the foreground.

GDP remains resilience at 5% driven by domestic consumption.

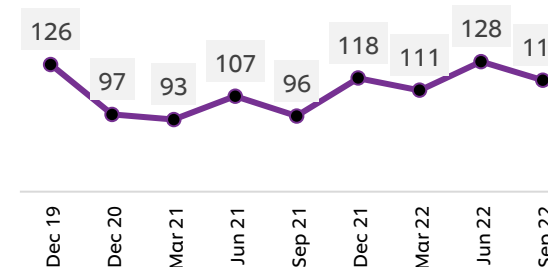


Inflation rate was rising in Sep 2022 due to the fuel price increase

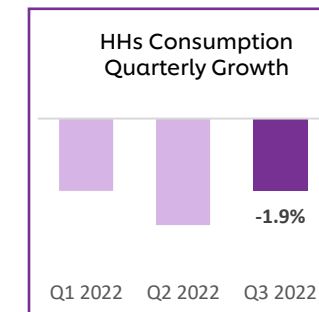
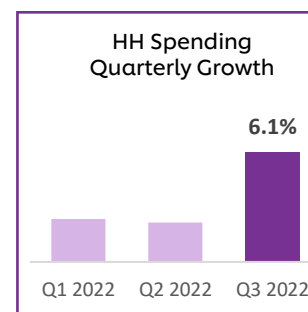


Inflation has impacted to consumers spending

Consumer Confidence Index is deemed steady...





...while household consumption continues to grow in value but not in volume.



 SEARCH


THE | DIPLOMAT
READ THE DIPLOMAT. KNOW THE ASIA-PACIFIC

SIGN IN 

SUBSCRIBE 




Why Indonesia Reduced Petrol Subsidies

The move will be unpopular, but could well generate considerable economic benefits over the long run.




By [James Guild](#)


September 06, 2022





Over the weekend, President Joko Widodo announced that the government would be [reducing fuel subsidies](#) and that the price of gasoline in Indonesia would be going up. One liter of the widely used Pertalite gasoline was raised from IDR 7,650 (\$0.51) to 10,000 (\$0.67). Higher octane Pertamax, which already saw a price increase earlier this year, went from IDR 12,500 to 14,500.

The decision has touched off lively debate about whether



 **REUTERS**

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Asia Pacific

4 minute read · September 4, 2022 12:35 AM GMT+7 · Last Updated 2 months ago

Indonesia hikes fuel prices to rein in ballooning subsidies

By Stanley Widiyanto and Gayatri Suroyo



1

Net sales grew +2.3% and EPS -11.4% in Q3, including impact of reduced trade-in-stock level. Domestic selling-out grew at 7.1%.

2

Total Corporate market share was increasing in the last 3 months, both in value and volume, compared to previous 3 months (value: +72 bps, volume: +128 bps)

3

The good result in the past 3 quarters were driven by our focus in landing the Strategic Priorities

4

Price vs Cost Agility: Deploying competitive pricing to consumers while balancing with cost inflation and saving initiatives.

Consistent & Profitable Growth

Competitive Growth

Q3'22

Domestic Sell-Out Growth +7.1%

Net Sales

2.3%

Net Profit Margin

11.7%

Pressure in commodity prices continues

9M'22

Net Sales

5.0%

Net Profit Margin

14.6%

Lower Central Service Fee and Cost Agility

Total Corporate Market share was increasing in L3M

ULI VALUE & VOLUME SHARE

— Value Share — Volume Share

37.9 38.3 38.7

30.2 30.9 31.6

Q1 22

Q2 22

L3M 22

1.
Strengthen & Unlock Core with Market Development program & impactful innovation

2.
Developing our **full portfolio play** across consumers' segment

3.
Build the **execution powerhouse**

4.
E-everything, including **Data Driven Capabilities**

5. Sustainability at Our Core

Drive Market Development

MORE USERS



Bango Hitam Gurih

Penetration
+120bps

9.1mn pieces sold
since launched



Lifebuoy Liq. 5k

Penetration
+190bps

33.2mn pieces sold
since launched

MORE USAGE



Total Royco Ayam

Consumption per HH +3.8%

Volume Share increase 34.0%
to 34.7%

MORE BENEFIT



Pepsodent Core+ Natural

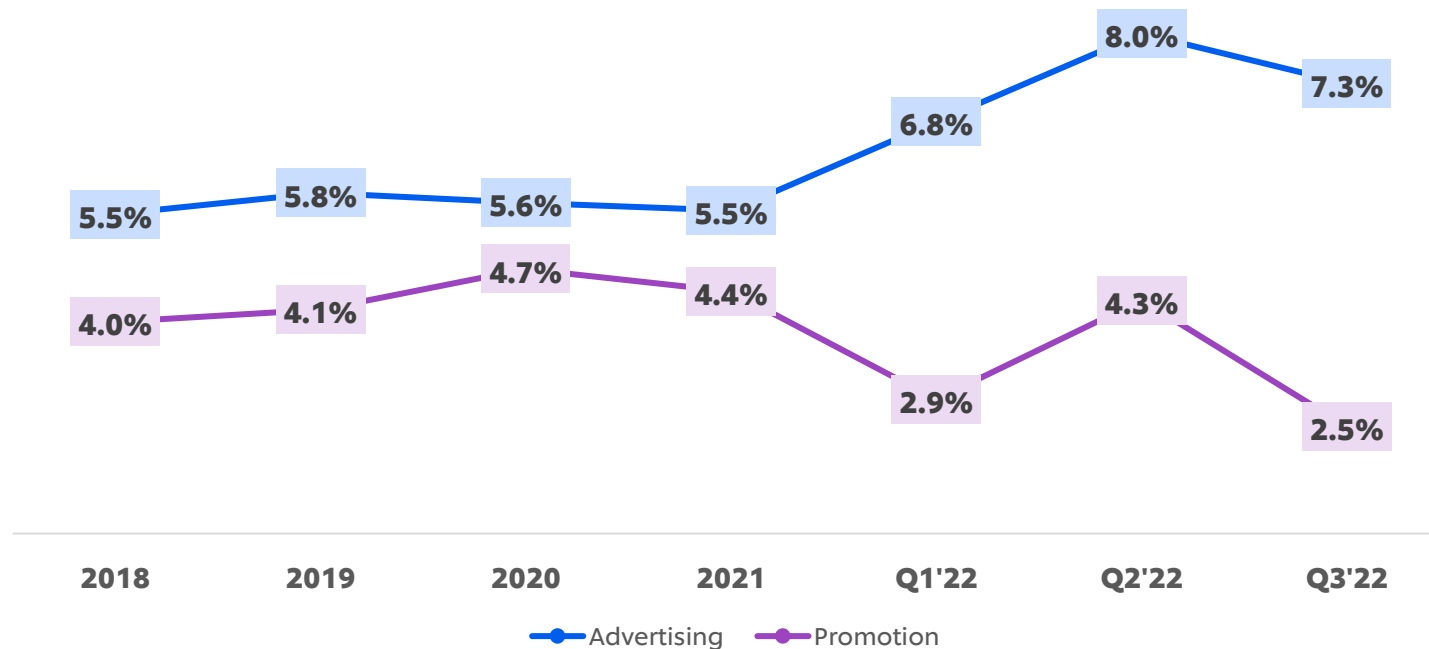
Spending per Buyers
+4%

Spend Behind Media To Strengthen The Brand

+35% Media Spending YTD Sep'22

88% Green TVC Airing

A&P as % of Net Sales



1.
Strengthen & Unlock
Core with Market
Development
program & impactful
innovation

2.
Developing our **full**
portfolio play
across consumers'
segment

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Build the **execution**
powerhouse

4.
E-everything,
including **Data**
Driven Capabilities

Drive Premiumization

7.7% USG in YTD 2022
25% Contribution to total ULI TO



*TO of SKU in API 120+

Serve Value Segment

7.6% USG in YTD 2022



*TO of SKU in API <80 and coinage price GT

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TURBOCHARGE dCOMMERCE

Unilever Indonesia dCommerce: +50% Growth in Q3

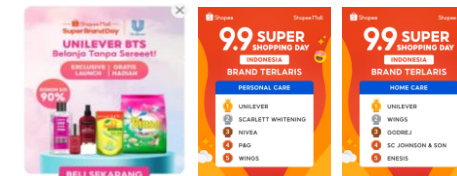
DESIGNED 4 ECOMM PORTFOLIO

Across Business Unit

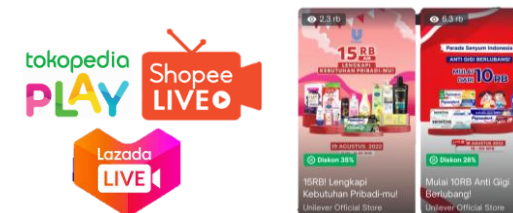


CREATE & CAPTURE DEMAND

- Best in class execution to **win in Mega Campaigns**



- Turbocharged eB2B** growth through emerging partners (53K Monthly Active Outlets in 6 Islands**)
- Routine **multi-platform livestreaming**



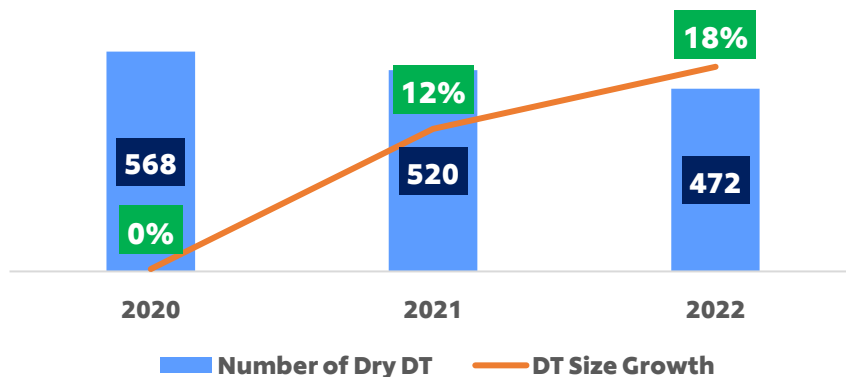
CHANNEL TRANSFORMATION JOURNEY

Phase 1 – FUTURE FIT DT

H2 2021 - 2022

Scale Up Business Model

DT Growth 0.5% -5.1% 9.9% YTD



Distributor Profitability: improved almost double

Phase 2 – TRADE STOCK REDUCTION

Q3 - Q4 2022



Future Fit DT and MT Channels



Higher agility and innovation speed to the market



Higher focus with customers to drive competitive sell-out growth



Efficiency

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Driven Capabilities

THE TRANSFORMATION PILLAR

**Edge-to-edge
Integration
Process**

**Enabled By Simplified,
Connected Through
Technology**

**Outcome- Focused
Organization**

**Partnership that
unlock value**

BE THE GAME CHANGER IN E2E CUSTOMER OPERATION



2022: Automation. Consolidation.
Elimination in Planning Process

- Forecast Accuracy + 240 bps



Billing Automation

- Reduced 50% effort
- -3 days invoice submission

Vivek Agarwal

Chief Financial Officer of Unilever Indonesia

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An advertisement for Feast Pop ice cream. It shows several chocolate-coated ice cream bars with a bite taken out of one, revealing a vanilla ice cream center. The background is blue and yellow with scattered chocolate chips and almonds. The text 'Feast POP' is in large, stylized letters. A pink banner in the top right says 'BARU!'. At the bottom, it says 'CARA BARU BUAT BERBAGI' and 'X4 PCS'. The Wall's logo is in the top left.

An advertisement for Sunlight dish soap. It features a woman in a white shirt and red apron holding a white plate. Next to her is a box of Sunlight Extra Korean Strawberry dish soap. The box is red and white with images of strawberries and a lime. Text on the box includes 'BERSIH KESAT SEGAR', 'Rp 13.500', 'Sunlight', 'EXTRA KOREAN STRAWBERRY', and 'Cairan Pencuci Piring'. The background is a soft-focus kitchen setting.

Sales

Growth of Net Sales

Q3 2022

+2.3%

9M 2022

+5.0%

Q3 Domestic Sell-Out
Growth 7.1%

Gross Margin

Reported GM

Q3 2022

45.6%
-3.6%

9M 2022

47.4%
-2.9%

Pressure from commodity
prices continues

Net Profit

Reported Net Profit

Q3 2022

IDR 1.2 Tn
-11.4%

9M 2022

IDR 4.6 Tn
+5.3%

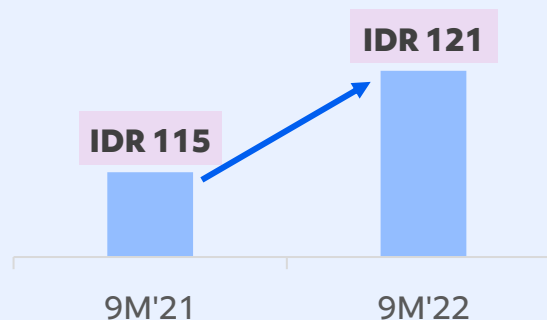
Continue invest behind the
brands

Net Profit 9M 2022

IDR 4.6 T
+5.3% REPORTED*

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

EPS 9M 2022

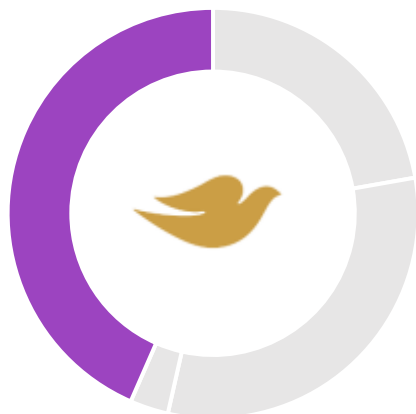


Strong cashflow delivery in 9M 2022

IDR 6.1 T
+27% y-o-y

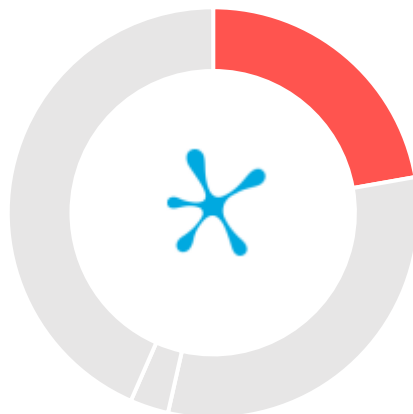
Maintain profit despite high commodity inflation and stepping up in brand investments

BEAUTY & PERSONAL CARE



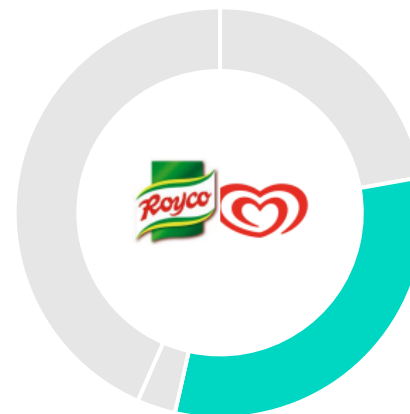
Q3 YoY 3.1%
9M YoY 6.8%

HOME CARE



Q3 YoY -5.2%
9M YoY -0.7%

FOODS & REFRESHMENT



Q3 YoY 2.5%
9M YoY 5.9%

UNILEVER FOODS SOLUTION



Q3 YoY 56.9%
9M YoY 31.4%

TOTAL HPC
Q3 YoY 0.4% | 9M YoY 4.2%

TOTAL F&R
Q3 YoY 4.9% | 9M YoY 7.2%

Result Summary

- USG Q3 +3.1% | Sell-out growth +5%
- High single digit growth in Skin Care and continue strong growth in Deo.
- Competitive growth in BPC where total BPC gaining market share in L3M compared to P3M.
- Continue focus on driving Stronger core and Market Development, especially in Oral Care, Deo and Hair Care

Superior Products



Play Full Portfolio



Market Development



Purposeful Innovation



Result Summary

- USG Q3 YoY -5.2% | Sell-out growth +11%
- Double-digit sales growth in Fabric Cleaning led by price and volume growth.
- Growth competitively with total HC gaining more than 250bps market share supported with share growth in Fabric Cleaning, Fabric Sensation and Dishwash.
- Significant market share gain in Dishwash > 600bps
- Continue to focus on delivering product superiority across categories in HC.

Superior Products



Play Full Portfolio



Market Development



Purposeful Innovation



Result Summary

- USG Q3 +2.5% | Sell-out growth +4%
- Continue strong growth in Savoury.
- Sustaining market leadership in Foods.
- Ice Cream continues to face challenge and several actions to address the competitiveness issue is in progress.

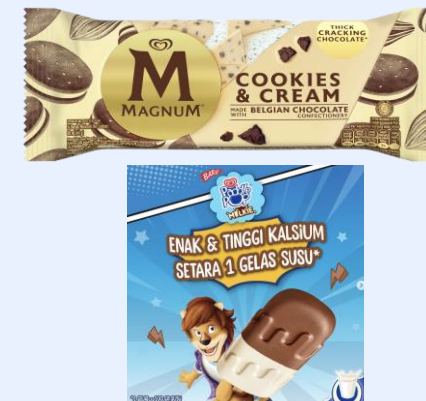
Superior Products



Market Development



Play Full Portfolio



Purposeful Innovation



Result Summary

- USG Q3 +57% | Sell-out growth +57%
- Riding on market recovery with strong reach & penetration drive, offline and online.
- Strong growth from Top 10 products, driven mainly by improved penetration led by Bango, Knorr & Royco.
- Continue to become growth engine for Unilever Indonesia.

Improved Penetration



Customer cooking demos/ ideation 87 internal team's trainings

Design for Channel



New customers & menu in Chain Restaurants

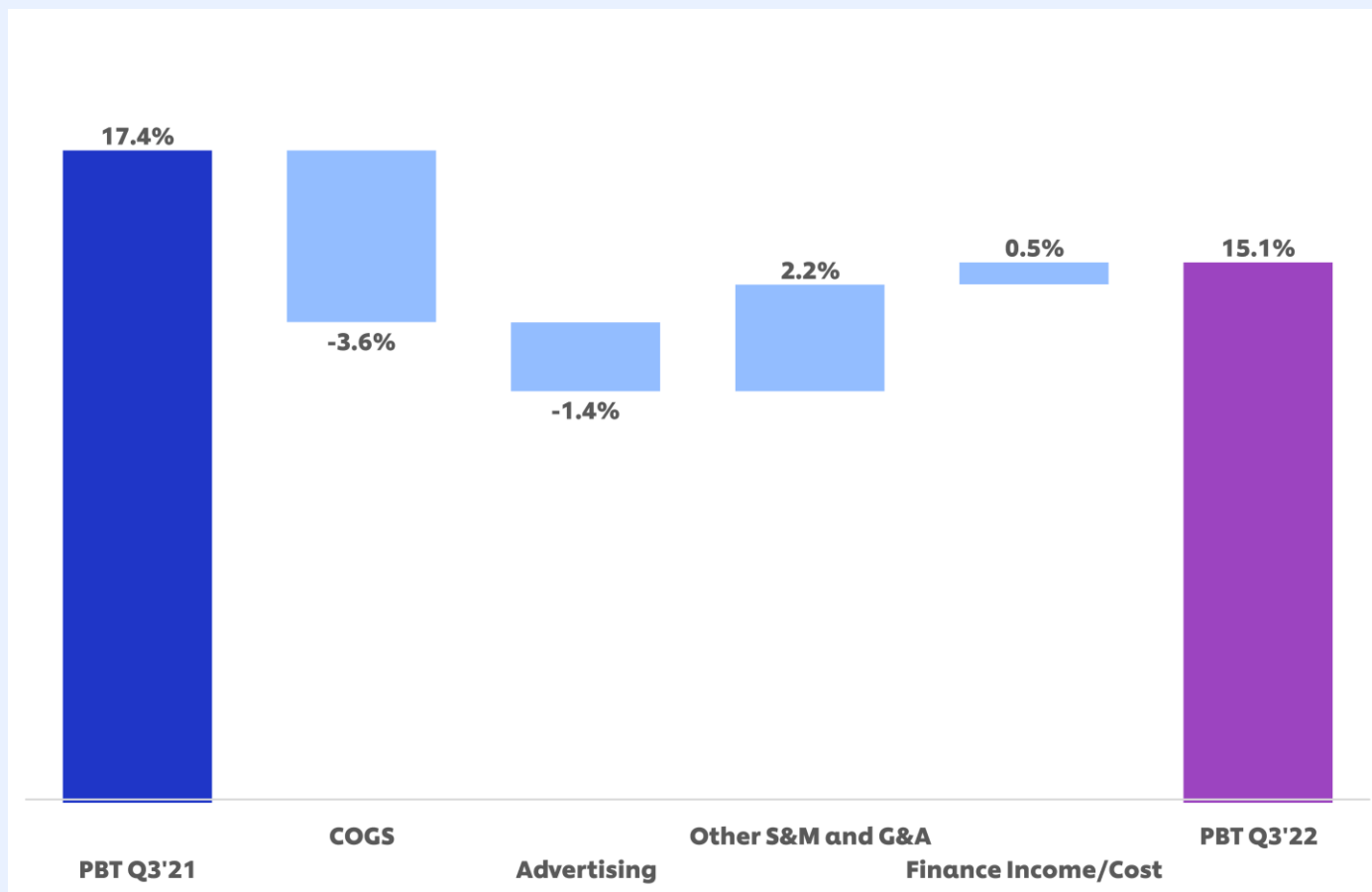
Purposeful Brands



Knorr Mushroom & Vegetables Seasoning, and Knorr relaunch into Knorr Professional



Campaign to encourage chefs to be innovative through new menu concepts, techniques & healthier ingredients



Q3 Profit Before Tax

- Gross Margin pressure continues, balancing between material inflations, consumer price competitiveness and savings.
- Continue our commitment to step up Advertising, SOV>SOM.
- Reduced gift and red promotions.
- Lower financing cost from better working capital management.

View of Q4 2022

We remain cautiously optimistic in the near term:

- Normalization of economic activities and mobility.
- Sell-out growth outpace market growth, resulting to further increase in Market Share
- Trade stock reduction to be continued in Q4'22 for stronger fundamental.

Commodities will remain volatile:

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

View of 2023



Continue our growth momentum and hunt for competitive growth. Our ambition to grow faster compared to market growth.



Continue invest for growth while managing inflationary pressure.



Maintaining cost and saving discipline.

Thank you



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