

PT Unilever Indonesia Tbk

Q1 2023 Result
Earnings Call
Apr 19th, 2023



 Bersih Berseri di Bulan Suci
RINSO MICELLAR SOFT
Tangguh Angkat Noda
Lembut di Tangan & Pakaian



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 Novianti

President Director



Unilever



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BARU



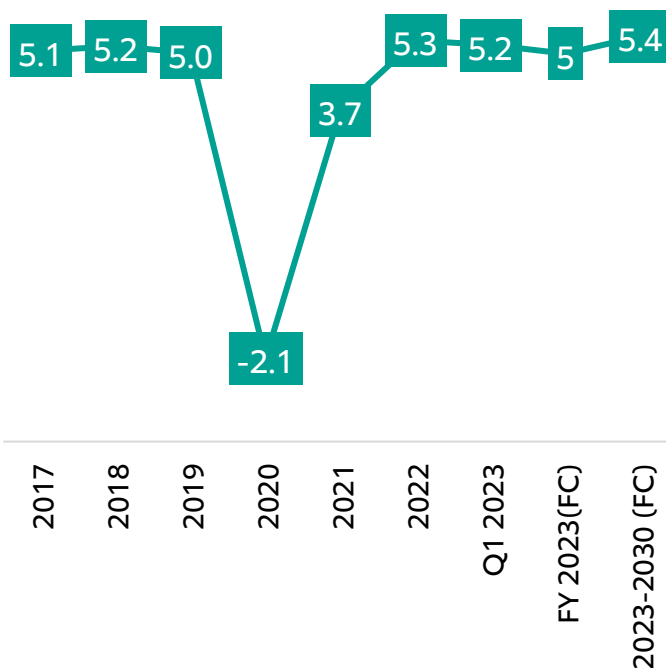
Dengan
Teknologi
Micellar

BERANI KOTOR DEMI KEBAIKAN ✂

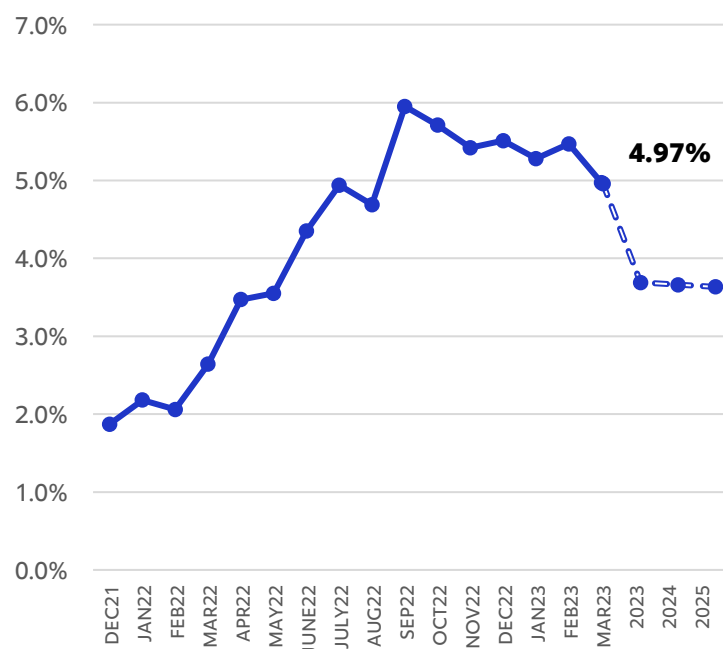


2023: Macro economic outlook shows solid growth and slows down in inflation

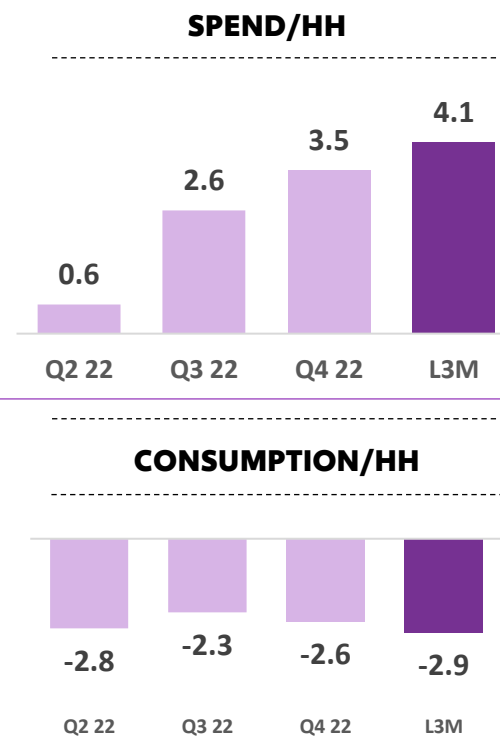
GDP growth remains resilience at 5% onwards driven by household domestic consumption



After the peak in Q3'22, inflation is expected to be maintained at around 3-4% in 2023 onwards



Household FMCG basket continues to increase in value while managing the volume as impact of price increase.



Based on Kantar Homepanel report

Q1 2023 Performance Highlights

1

Competitiveness continued to increase in L3M 2023 at 38.4% in value (+119 bps vs P3M) and at 31.9% in volume (+164 bps vs P3M).

2

11 out of 15 categories gaining share in L3M vs P3M.

3

Completion of Trade Stock Reduction.

4

Gross Margin improvement YoY by +66 bps with significant increase in Net Profit compared to Q3/Q4 2022.

5

Growth drivers in line with strategic priorities.

Consistent Growth

Net Sales: -2.2%

Domestic Sales

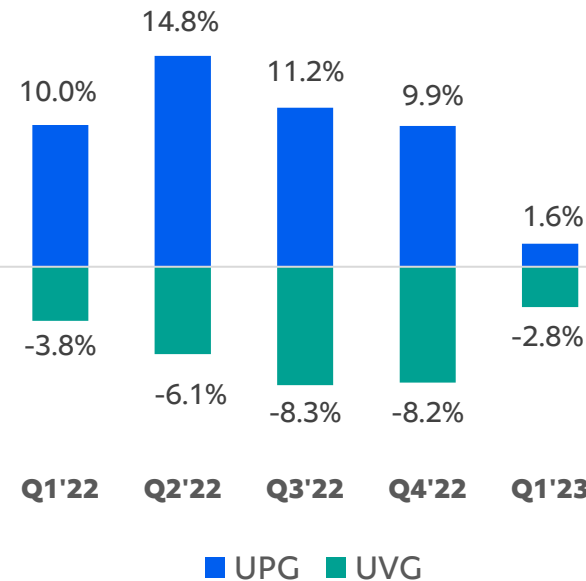
IDR 10.3 T
-1.2%

Export Sales

IDR 0.3 T
-24.3%

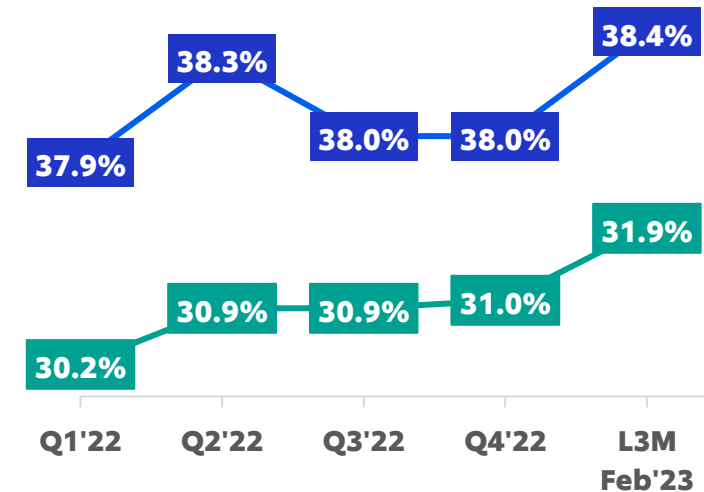
Final quarter of Trade
Stock Reduction

Domestic Price and Volume



Competitive Growth

Stronger L3M is driven by 11 out of 15 categories

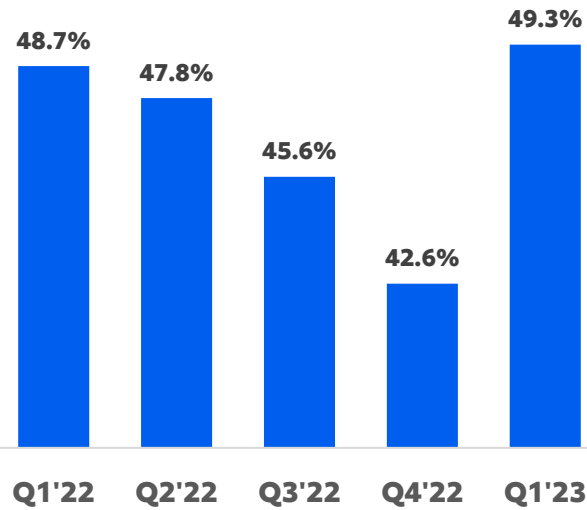


Increase in Gross Margin and reinvest it behind our brands

Profitable Growth

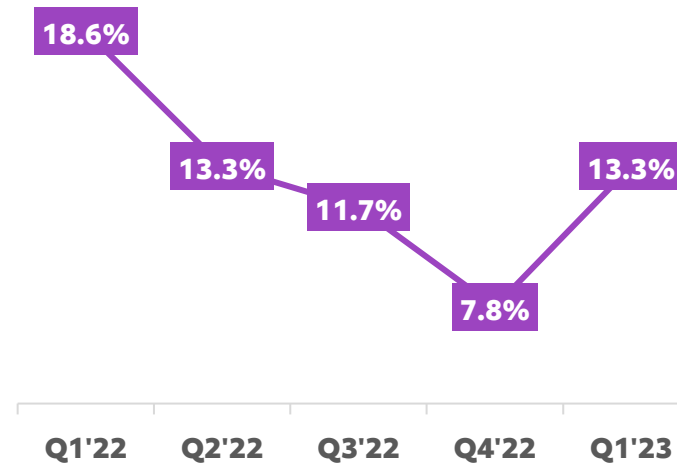
Gross Margin

Improvement in GM% as commodity prices eased



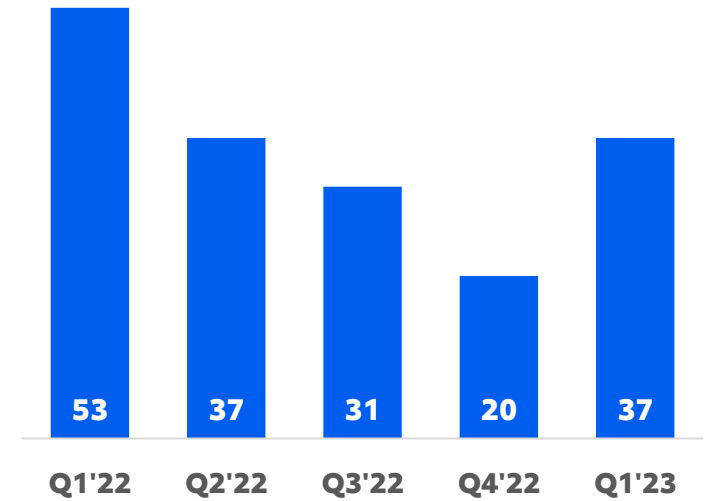
Net Profit Margin

Continue to invest behind our brands



Reported EPS

Higher EPS compared to last 2 quarters



Include One-Off in Q1'22 and Q4'22

Excellent Execution of Five Strategic Priorities has restored our performance

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

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1. Strengthen & Unlock Core

Offer Superior Benefits



Stronger and Better Communications



More User, More Usage

Optimizing festive momentum

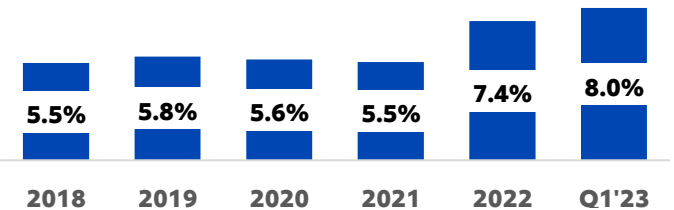


68% TO brands gain higher share in seq. L3M



Increasing media investment

Advertising as % of Net Sales



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REACH UP: DRIVE PREMIUMIZATION

Premium segment
sales grew by **17.7%**
in Q1'23

Driving Serum & Micellar as the growing segments in Beauty Category



Vaseline Gluta-Hya



Pond's Sun Serum



Dove Micellar Shampoo

Driving Core+ benefits, riding on the natural trend in Personal Care



Lifebuoy natural



Pepsodent Herbal

2. Play Full Portfolio

REACH DOWN: SERVE VALUE SEGMENT

COMPLETE PORTFOLIO in
Home Care and Skin
Cleansing with launching
value brands in Q1'23.

Right asset in place to
continue gaining market
share in 2023 onward.

Tier 1



Tier 2



Lifebuoy Dishwash

Tier 1



Tier 2



Glow&Lovely Body Wash

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STRONGER FUNDAMENTAL

Partner to Win in DT



More stores

Better stores



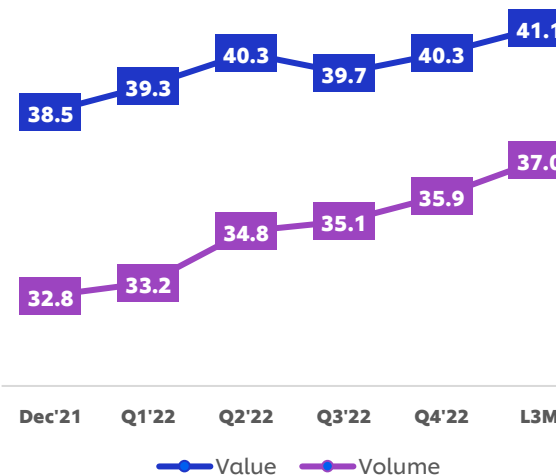
Healthier inventory



Healthier Distributors

Continue increasing competitiveness in MT

Increased market share in MT channel every quarter while maintaining DT market share

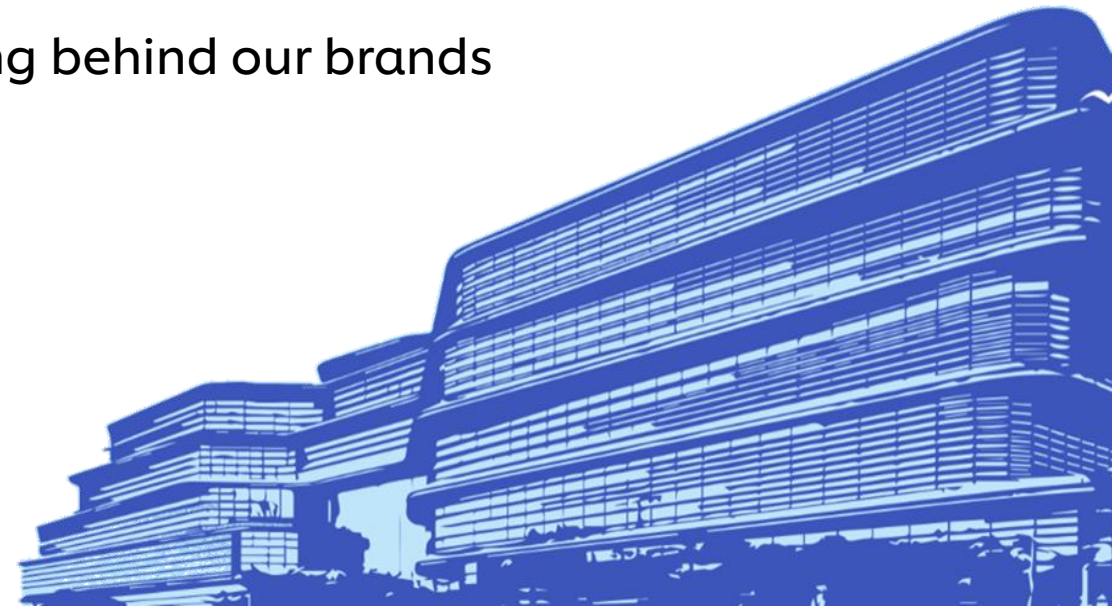


View of 2023

We remain cautiously optimistic in 2023.

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

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



Vivek Agarwal

Chief Financial Officer



Unilever



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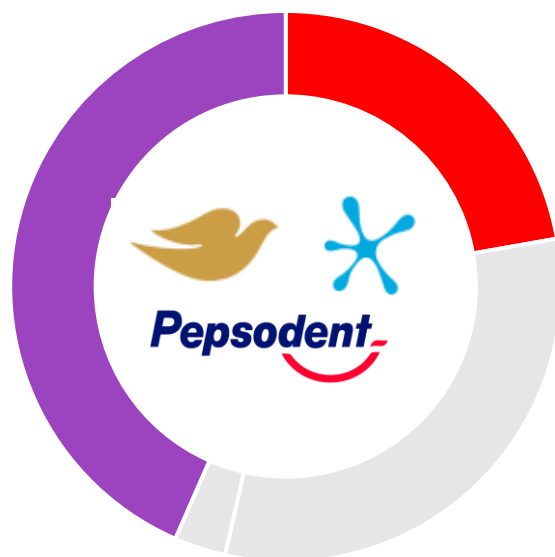


BERANI KOTOR DEMI KEBAIKAN ✂



2023 Domestic Sales Growth by Division

HOME & PERSONAL CARE

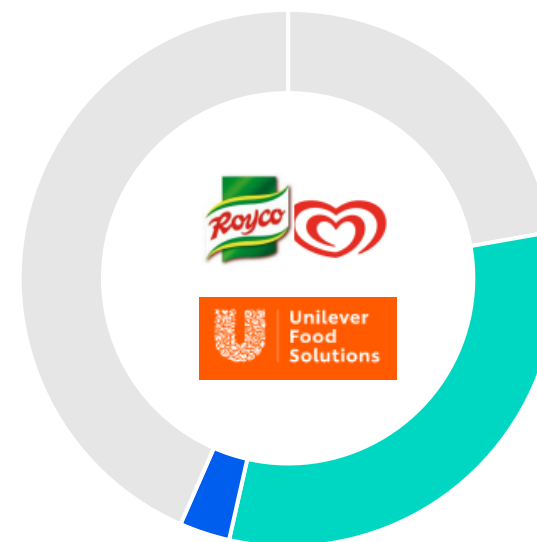


Q1 -3.6%

**BEAUTY & PERSONAL
CARE**
Q1 -2.3%

HOME CARE
Q1 -6.1%

FOODS & REFRESHMENT



Q1 3.4%

**FOODS &
REFRESHMENT**
Q1 2.8%

**UNILEVER FOOD
SOLUTION**
Q1 13.1%

Result Summary

- Total BPC gaining market share in L3M vs P3M both in value (+105 bps) and volume (+222 bps).
- Skin Cleansing: Double digit sales growth with significant market share progression in Skin Cleansing Liquid in L3M vs P3M with value +680 bps and volume +750 bps.
- Oral Care: Toothpaste gaining share +135 bps in L3M vs P3M with 75% market share.
- Significant progress in Premiumization with 19.5% sales growth supported by various innovations such as Vaseline Gluta-Hya and Pond's Serum.

Play Full Portfolio



Market Development



Home Care : Significant growth both in value and volume in all Categories

Result Summary

- Total Home Care gaining market share in L3M vs P3M both in value (+115 bps) and volume (+142 bps).
- Dishwash: Significant increase in both value and volume market share (+150 bps) in L3M vs P3M through establishing competitive pricing.
- Market share improvement in Fabric categories value +81 bps, volume +102 bps.
- Completed portfolio transformation with T2 brand launch in Dishwash (Lifebuoy) and introducing new value variant under Rinso.

Superior Products



Play Full Portfolio



Result Summary

- Total F&R gained market share in L3M vs P3M in both value (+128 bps) and volume (+166 bps).
- Foods: Mid single digit sales growth with strong communication and activation during Lebaran festive driven by Bango & Royco.
- Beverage: Continue powering the growth by launching relevant innovation from Buavita and Brand Collaboration from Sariwangi.
- Ice Cream: started the turnaround with positive sales growth by driving more users & usage by creating moments and occasion through Market Development (OOH, Menu Collab, School Activity, TGIF).

Win in Festive Season with Stronger Communication and Massive Activations



Market Development



Target: 500 school



Target: 2k touchpoints

Result Summary

- Continue to become growth engine for Unilever Indonesia.
- Continuing growth momentum with strong reach & penetration, offline and online.
- Strong growth from Top 10 products, driven by improved penetration of Bango, Knorr & Royco in independent and chain restaurants.

Improved Reach & Penetration Through Digital Selling Acceleration

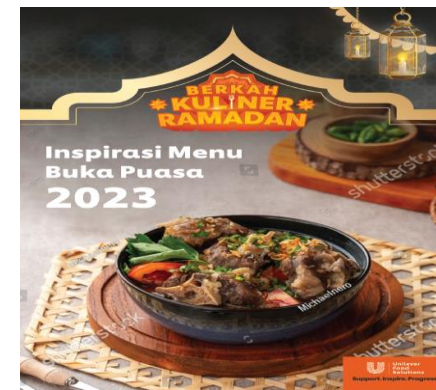


Digital Content that converts, in addressing operator's pain point through our products & services



Continuous sampling & cooking demo that drive conversion, in both online & offline channels

Win in Festive



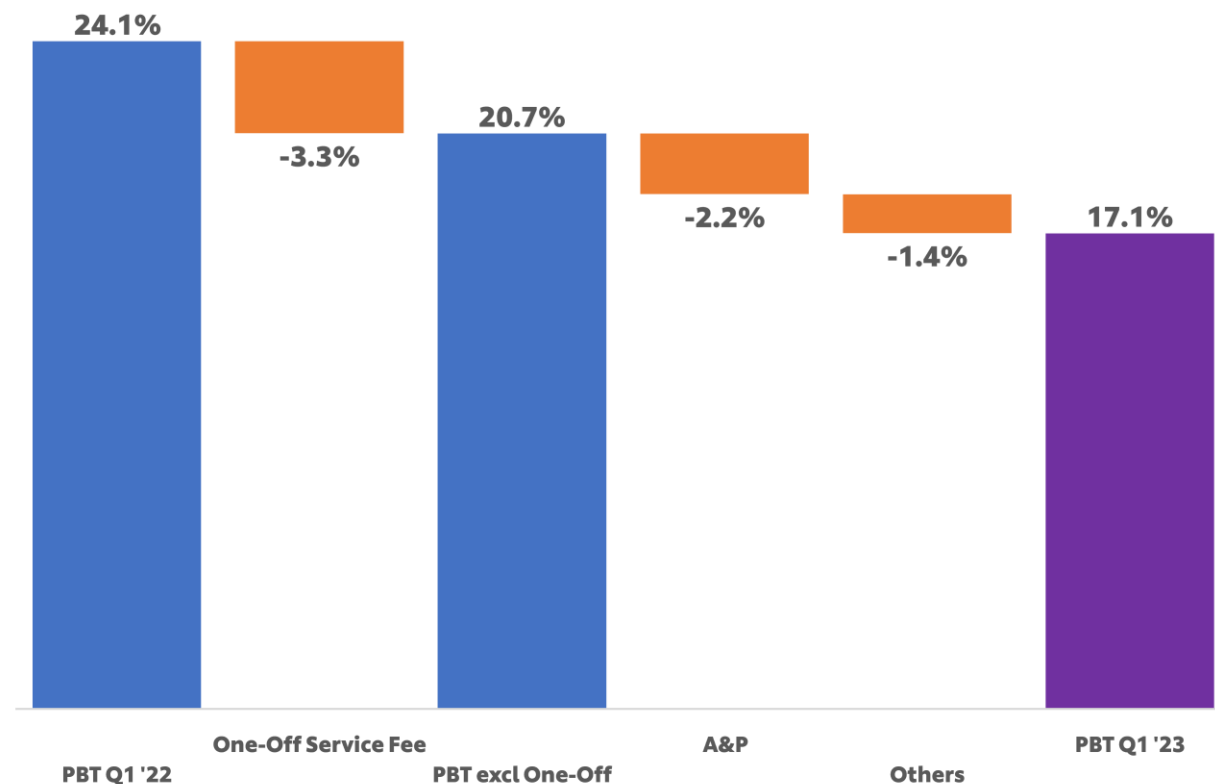
Festive campaign: sharing tips & tricks to help operators optimizing Ramadan and Lebaran season

Design for Channel



Exciting and on-trend menu in Chain Restaurants to sustain and strengthen brand presence

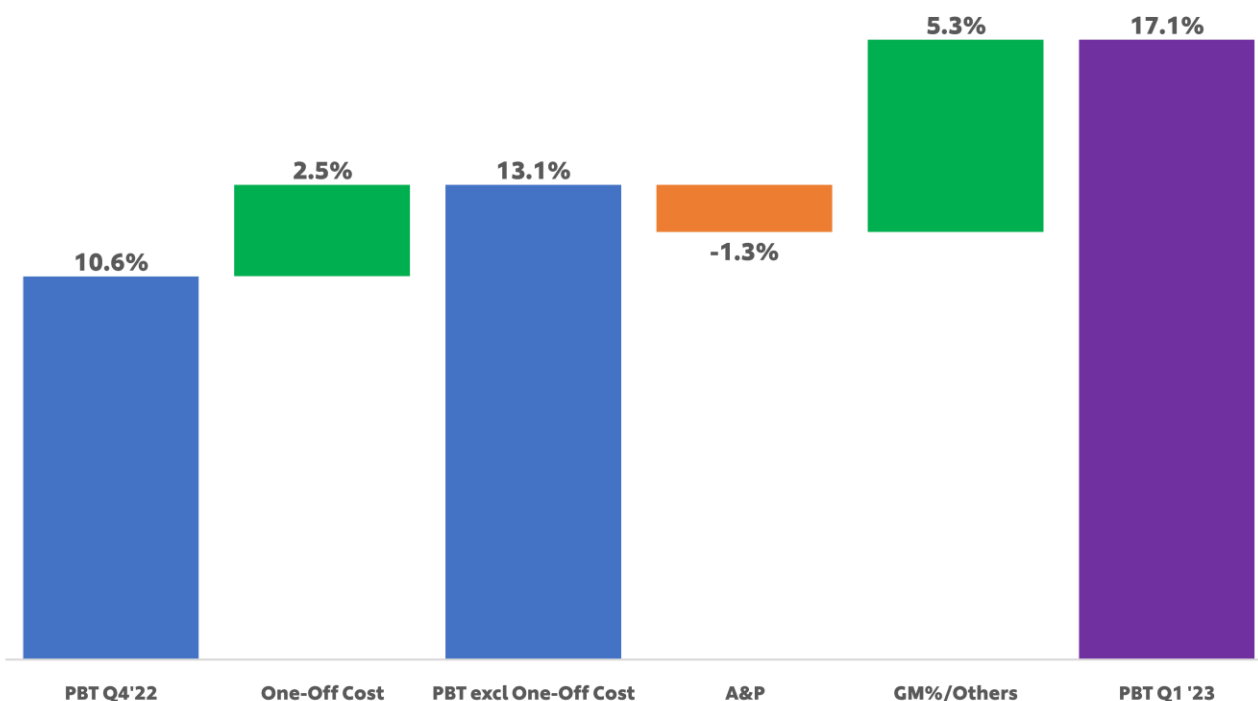
PBT Q1'23 vs Q1'22



Q1 2023 Profit Before Tax

- 3.3% PBT impact from One-Off Central Service Fee in Q1'22.
- Gross margin improvement as result of Cost and Saving discipline.
- Continue to step up in advertising by investing 8.0% of sales in order to strengthen the brand power.

PBT Q1'23 vs Q4'22



Q1 2023 Profit Before Tax

- Gross Margin improved from the impact of lower commodity cost and omission of one-off cost in Q4'22.
- Continue to step up in advertising by investing 8.0% of sales in order to strengthen the brand power.
- Lower in Other P&L Expenses from lower royalty costs.

Thank you



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