

Unilever Indonesia Tbk (UNVR)

Perkuat Posisi Pada Segmen Premium

Pada 3Q21, UNVR masih membukukan penurunan baik dari segi pendapatan maupun laba bersih. Segmen Food and Refreshment mengalami pertumbuhan namun belum mampu menopang kinerja UNVR. Ke depan, perseroan berencana untuk memperluas portofolio bisnisnya ke segmen premium.

Segmen HPC Masih Mengalami Penurunan

- Pada 3Q21, UNVR membukukan pendapatan sebesar Rp9,85 tn atau turun 0,42% secara QoQ dan turun 7.79% secara YoY. Segmen HPC dan F&R mencatatkan pendapatan masing-masing sebesar Rp6,56 tn dan Rp3,29 tn. Penjualan domestik tercatat sebesar Rp9,43tn (-0,32% QoQ), dikarenakan situasi *second wave* Covid-19 di Indonesia.
- Secara YoY, segmen F&R tumbuh 9.82% menjadi Rp3,29 tn sedangkan HPC turun 14,64% menjadi Rp6,56tn. Segmen F&R dinilai lebih tangguh apalagi penjualan pada segmen ini didukung oleh penjualan Unilever Food Solution (UFS) serta adanya pembatasan sosial PPKM yang memicu peningkatan penjualan bahan makanan. Penurunan pada segmen HPC terjadi karena semakin ketatnya persaingan pada produk-produk tersebut dan masih lemahnya daya beli masyarakat; dimana segmen ini memiliki kontribusi paling besar terhadap pendapatan UNVR sebesar 70%.
- Laba kotor UNVR, baik secara QoQ maupun YoY turun masing-masing 0,19% dan 14,18% sebesar Rp4,85 tn. Kami melihat bahwa penurunan ini terjadi karena naiknya harga komoditas, sehingga mempengaruhi biaya produksi. Laba bersih UNVR pada kuartal III 2021 juga mengalami penurunan 1,1% QoQ dan 27% YoY menjadi Rp1,33 tn. Kami memproyeksikan laba bersih UNVR untuk 2021F dan 2022F masing-masing sebesar Rp6,69 tn dan Rp6,74 tn.

Perluas Portofolio Bisnis

- Sejak kuartal III 2021, UNVR telah meluncurkan berbagai produk inovasinya dan juga memperluas portofolio bisnisnya ke segmen premium (produk beauty dan personal care). Selain itu, UNVR akan menggarap *lower segment* dengan merilis produk dengan harga terjangkau seperti *Royco*, *Bango*, *Rinso*, *Sunlight*, *Sunsilk* dan *Clear*.
- UNVR berencana untuk investasi lebih banyak pada A&P, sebagian besar pada media. Pada 3Q21, porsi A&P terhadap pendapatan tercatat sebesar 20,3%.

Rekomendasi Buy dengan TP Rp5.800

- Kami memberikan rekomendasi BUY untuk UNVR, dengan target price Rp5.800/saham, yang kami peroleh berdasarkan target P/E 2022F sebesar 32,8x. Risiko utama rekomendasi kami adalah naiknya harga komoditas, depresiasi nilai tukar Rupiah, serta berlanjutnya pandemi Covid-19.

Unilever Indonesia Tbk | Summary (IDR bn)

	2020A	2021F	2022F	2023F
Sales	42,972	40,008	40,157	41,079
Growth	0.1%	-6.9%	0.4%	2.3%
Net Profit	7,164	6,690	6,738	6,777
Growth	-3.1%	-6.8%	0.9%	0.9%
EPS (IDR)	188	175	177	178
P/E	39.1x	33.1x	32.8x	32.6x
P/BV	56.8x	47.2x	46.8x	49.0x
EV/EBITDA	26.4x	22.4x	22.4x	21.6x
ROE	145.1%	142.6%	142.6%	150.2%
DER	0.6x	0.6x	0.6x	0.6x
Dividend Yield	2.6%	3.1%	3.0%	3.1%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

BUY

Target Price (IDR)	5,800
Consensus Price (IDR)	4,772
TP to Consensus Price	+21.5%
vs. Last Price	+36.5%

Shares data

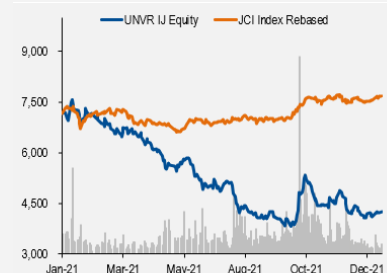
Last Price (IDR)	4,250
Price date as of	Jan 10, 2022
52 wk range (Hi/Lo)	8,000 / 3,800
Free float (%)	15.0
Outstanding sh.(mn)	38,150
Market Cap (IDR bn)	162,140
Market Cap (USD mn)	11,205
Avg. Trd Vol - 3M (mn)	27.31
Avg. Trd Val - 3M (bn)	130.94
Foreign Ownership	3.6%

Consumer Staples

Household & Personal Products

Bloomberg	UNVR IJ
Reuters	UNVR.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	0.5%	-4.1%	-10.7%	-40.8%
Rel. Ret.	0.1%	-4.6%	-13.9%	-47.7%

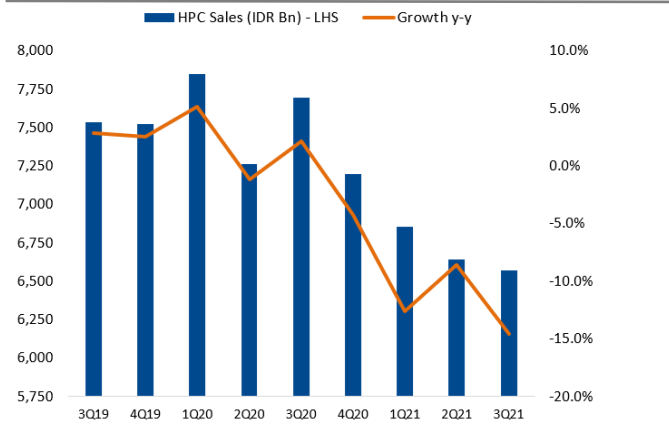
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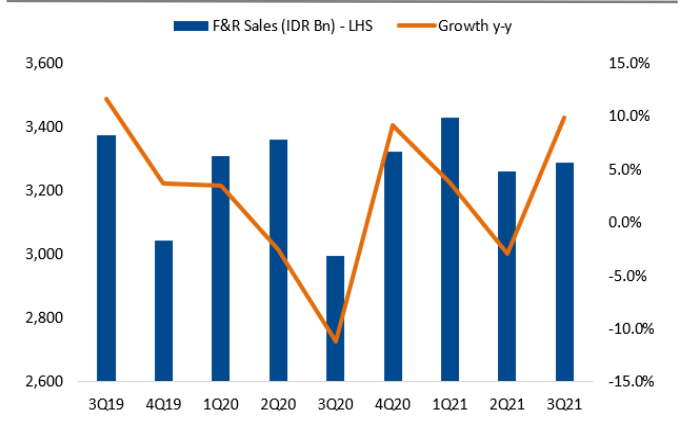
Performance Highlights

HPC Division Quarterly Sales | 3Q19 - 3Q21



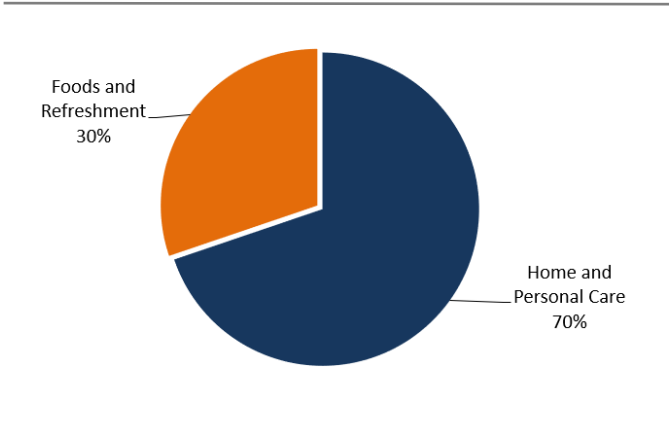
Source: Company, NHKSI Research

F&R Division Quarterly Sales | 3Q19 - 3Q21



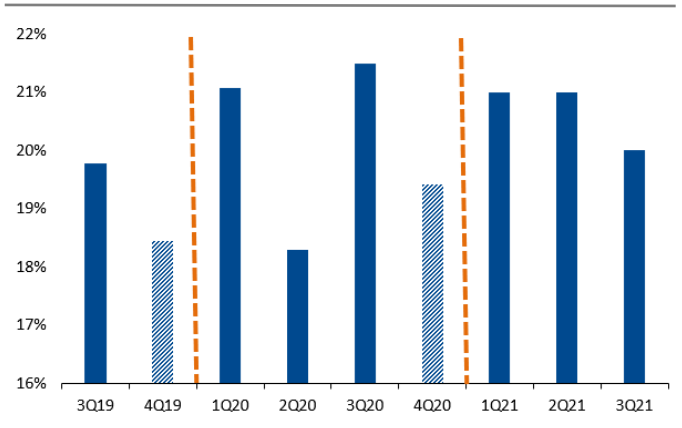
Source: Company, NHKSI Research

Revenue Breakdown | 12M20



Source: Company, NHKSI Research

Total A&P to Revenue | 3Q19 - 3Q21



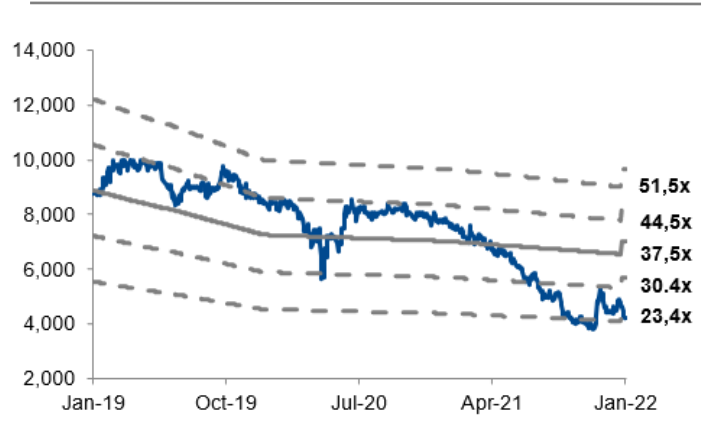
Source: Company, NHKSI Research

Forward P/E Band | Last 3 Years



Source: NHKSI Research

Dynamic Forward P/E Band | Last 3 Years



Source: NHKSI Research

Summary of Financials

INCOME STATEMENT

(IDR bn)	2020/12A	2021/12E	2022/12E	2023/12E
Sales	42,972	40,008	40,157	41,079
<i>Growth</i>	0.1%	-6.9%	0.4%	2.3%
COGS	(20,515)	(19,066)	(19,108)	(19,784)
Gross Profit	22,457	20,942	21,050	21,295
<i>Gross Margin</i>	52.3%	52.3%	52.4%	51.8%
Operating Expenses	(13,007)	(12,110)	(12,155)	(12,029)
EBIT	9,450	8,833	8,895	9,266
<i>EBIT Margin</i>	22.0%	22.1%	22.2%	22.6%
Depreciation	1,103	967	892	891
EBITDA	10,554	9,799	9,787	10,157
<i>EBITDA Margin</i>	24.6%	24.5%	24.4%	24.7%
Interest Expenses	(248)	(239)	(239)	(419)
EBT	9,206	8,597	8,660	8,851
Income Tax	(2,043)	(1,907)	(1,921)	(2,073)
Minority Interest	-	-	-	-
Net Profit	7,164	6,690	6,738	6,777
<i>Growth</i>	-3.1%	-6.6%	0.7%	0.6%
<i>Net Profit Margin</i>	16.7%	16.7%	16.8%	16.5%

PROFITABILITY & STABILITY

	2020/12A	2021/12E	2022/12E	2023/12E
ROE	145.1%	142.6%	142.6%	150.2%
ROA	34.9%	34.4%	34.9%	34.9%
Inventory Turnover	8.3x	8.3x	8.3x	8.3x
Receivable Turnover	8.1x	8.1x	8.1x	8.2x
Payables Turnover	4.8x	4.7x	4.8x	4.7x
Dividend Yield	2.6%	3.1%	3.0%	3.1%
Payout Ratio	103.3%	103.4%	99.5%	102.1%
DER	0.6x	0.6x	0.6x	0.6x
Net Gearing	0.6x	0.6x	0.6x	0.6x
Equity Ratio	24.0%	24.1%	24.5%	23.2%
Debt Ratio	14.7%	14.5%	13.7%	13.7%
Financial Leverage	4.0x	4.0x	4.1x	4.2x
Current Ratio	66.1%	63.5%	66.9%	67.3%
Quick Ratio	0.5x	0.5x	0.5x	0.5x
Par Value (IDR)	10	10	10	10
Total Shares (mn)	38,150	38,150	38,150	38,150
Share Price (IDR)	7,350	5,800	5,800	5,800
Market Cap (IDR tn)	280.4	221.3	221.3	221.3

BALANCE SHEET

(IDR bn)	2020/12A	2021/12E	2022/12E	2023/12E
Cash	843	591	751	908
Receivables	5,295	4,953	4,924	5,038
Inventories	2,463	2,309	2,274	2,393
Total Current Assets	8,827	8,035	8,153	8,532
Net Fixed Assets	11,187	10,860	10,611	10,377
Other Non Current Assets	519	549	533	531
Total Non Current Asset	11,706	11,409	11,144	10,908
Total Assets	20,534	19,444	19,297	19,441
Payables	4,278	4,049	4,021	4,227
ST Bank Loan	3,015	2,816	2,645	2,664
Total Current Liabilities	13,358	12,511	12,334	12,688
LT Debt	-	-	-	-
Total Liabilities	15,597	14,751	14,573	14,928
Capital Stock	172	172	172	172
Retained Earnings	4,765	4,521	4,551	4,341
Shareholders' Equity	4,937	4,693	4,724	4,513

CASH FLOW STATEMENT

(IDR bn)	2020/12A	2021/12E	2022/12E	2023/12E
Operating Cash Flow	8,364	7,580	7,672	7,668
Investing Cash Flow	(690)	(670)	(627)	(655)
Financing Cash Flow	(7,459)	(7,119)	(6,878)	(6,900)
Net Changes in Cash	215	(303)	260	111

VALUATION INDEX

	2020/12A	2021/12E	2022/12E	2023/12E
Price /Earnings	39.1x	33.1x	32.8x	32.6x
Price /Book Value	56.8x	47.2x	46.8x	49.0x
PE/EPS Growth	-12.6x	-5.0x	45.2x	56.4x
EV/EBITDA	26.4x	22.4x	22.4x	21.6x
EV/EBIT	29.5x	24.8x	24.6x	23.7x
EV (IDR bn)	278,480	219,393	219,192	219,421
Sales CAGR (3-Yr)	1.4%	-1.5%	-2.2%	-1.5%
Net Income CAGR (3-Yr)	0.8%	-9.7%	-3.0%	-1.8%
Basic EPS (IDR)	188	175	177	178
BVPS (IDR)	129	123	124	118
DPS (IDR)	194.00	181.39	175.82	181.34

OWNERSHIP

Top Shareholders	%
Unilever Ind. Holding	96.0
Investment Advisor	3.8
Sovereign Wealth Fund	0.2
Pension Fund	0.0
By Geography	
Indonesia	96.4
United States	1.9
Luxembourg	0.4
Ireland	0.3

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1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
 - Buy : Greater than +15%
 - Overweight : +5% to 15%
 - Hold : -5% to +5%
 - Underweight : -5% to -15%
 - Sell : Less than -15%

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