

Unilever Indonesia (UNVR): IDR 1,375 — HOLD, SSI TP: IDR 1,400 (From IDR 1,800); Cons. TP: IDR 1,822

4Q24 Results: (IDR Bn)	4Q24	4Q23	QoQ (%)	YoY (%)	12M24	12M23	YoY (%)	SSI (%)	Cons (%)
Revenue	7,721	8,106	(7.8)	(4.7)	35,139	38,611	(9.0)	96.7	107.1
Gross Profit	3,439	3,921	(9.8)	(12.3)	16,720	19,195	(12.9)	96.2	110.4
Operating Profit	515	824	(29.4)	(37.5)	4,435	6,279	(29.4)	79.4	124.1
Net Profit	359	612	(33.9)	(41.3)	3,369	4,801	(29.8)	82.1	84.3
Key Ratios									
GPM (%)	44.5	48.4	-	-	47.6	49.7	-	-	-
OPM (%)	6.7	10.2	-	-	12.6	16.3	-	-	-
NPM (%)	4.6	7.6	-	-	9.6	12.4	-	-	-

SWOT Analysis of the Results (Below Ours and Cons.)

Strength

Slight YoY recovery in market share to 34.7% (Dec-23: 33.9%; Oct-23: 38.5%), mainly driven by the HPC segment, with Tresemme, Ponds, and Vaseline contributing to market share gains of +60-250 bps; shorter receivable days, supported by transformation initiatives (pricing harmonization, customer reduction & DT digital transformation) leading to greater efficiencies

Opportunity

Easing geopolitical tensions could drive higher sales volumes; UNVR's planned ASP increase in 2025F could provide margin support; centralized raw materials procurement strategy should help mitigate margin pressure, particularly amid elevated commodity prices

Weakness

Transformation costs pressured profitability cutting 4Q24 gross margin to 44.5% (3Q24: 45.5%, 4Q23: 48.4%); rising contribution from value-segment to caused lower margins; 4Q24 OPM fell to 6.7% (3Q24: 8.7%, 4Q23: 10.2%), mainly on higher G&A costs, particularly trademark +8.8% QoQ and remuneration +170% QoQ, leading to all-time low quarterly earnings

Threat

Intense competition and weak purchasing power are expected to continue weighing on UNVR's performance; disappointing FY24 results could lead further analyst earnings downgrades, driving continued share price underperformance

Peer Comparables

Company	Rating	Market Cap	Last Price	TP	EPS Gwt	P/E	P/B	Div. Yield	ROE
Ticker		(IDR Tn)	(IDR)	(IDR)	(%)	(x)	(x)	(%)	(%)
ICBP IJ	BUY	135.9	11,650	14,000	25.9	13.6	2.0	2.9	14.4
INDF IJ	BUY	70.2	8,000	9,100	33.2	5.0	1.0	4.9	19.5
KLBF IJ	BUY	57.9	1,235	1,600	3.2	16.5	2.2	2.3	13.5
UNVR IJ	HOLD	52.5	1,375	1,400	8.9	14.3	19.7	13.3	137.9
SIDO IJ	BUY	18.3	610	700	20.9	14.0	4.8	6.3	34.6
Sector		334.8			20.6	12.5	4.7	5.0	35.8

Relative Performance vs JCI

