

PT Unilever Indonesia Tbk (UNVR)

Consumer Goods

Seeing a strong performance rebound

10 May 2022

Recommendations : BUY

Laba bersih UNVR naik 19,0% YoY pada 1Q22 menjadi Rp2,02 triliun
Fokus pada produk premium dapat memitigasi kenaikan harga komoditas
Rekomendasi "BUY" dengan target harga Rp4.530 per saham

Stock

Price on 10/05/2022 (Rp)	4,010
12M target price (Rp)	4.530
Capital gain potential	13%

Peningkatan margin dan laba bersih yang kuat

Laba bersih UNVR tumbuh 19,0% YoY pada 1Q22 menjadi Rp2,02 triliun (+46,5% QoQ). Kenaikan laba bersih tersebut ditopang oleh kenaikan pendapatan 5,40% YoY pada 1Q22 menjadi Rp10,84 triliun (+13,9% QoQ). Akan tetapi, GPM turun dari 52,5% pada 1Q21 menjadi 48,7% pada 1Q22, ditengah kenaikan beban pokok 13,8% YoY ditengah depresiasi dan juga kenaikan material. EBITDA margin meningkat dari 24,2% pada 1Q21 menjadi 26,5% pada 1Q22. Kemudian, margin operasional berhasil meningkat dari 21,7% pada 1Q21 menjadi 24,4% pada 1Q22 ditengah beban operasional yang turun 16,9% YoY pada 1Q22 dari penurunan beban umum dan administrasi karena penurunan biaya merk, teknologi dan biaya jasa enterprise solution. Kemudian, UNVR mencatatkan penurunan beban keuangan 28,6% YoY pada 1Q22 seiring penurunan utang. UNVR mencatatkan posisi net cash pada 1Q22.

Stock Data

Outstanding shares	38,150,000,000
Market cap (Rp)	152,981,500,000,000
Weight vs IHSG (%)	0.83

Shareholders (%)

Unilever Indonesia Holding B.V.	85%
Public	15%
Outstanding Shares (unit)	38,150,000,000

Price Performance

52-week high/low	Rp6,000 /Rp3,280
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Capital gain/(loss) (in %)

1 month	3 month	6 month	1 Year	YTD
13.28	0.75	(8.24)	(29.65)	(2.43)

Summary of Financial Performance

In IDR bn	2021A	2022E	2023F
Revenue	39,546	41,333	43,163
Operating Income	7,679	8,208	8,808
OPM (%)	19.42%	19.86%	20.41%
EBITDA	8,756	8,718	9,397
EV to EBITDA (x)*	18.18	17.85	16.55
Net Income	5,758	6,013	6,458
NPM (%)	14.56%	14.55%	14.96%
EPS (Rp)	151	158	169
EPS Growth (%)	-19.6%	4.4%	7.4%
Price Earnings (x)*	27.23	25.44	23.69
Price to Book (x)*	36.28	35.14	34.99
Price to Sales (x)*	3.96	3.70	3.54
Return on Equity (%)	133.25%	138.11%	147.72%
Return on Assets (%)	30.20%	29.49%	29.79%
Tot Debt/Equity (x)	0.63	0.68	0.73

*) based on market price (10/05/2022) at Rp4,010

Sources : Company, Bloomberg and KB Valbury Sekuritas

Produk Food and Refreshment mendorong performa positif

Kenaikan penjualan UNVR didorong oleh segmen food and refreshment yang meningkat 8,2% YoY pada 1Q22. Brand seperti Royco, Bango dan Buavita menjadi brand utama yang menopang segmen ini. Peningkatan pertumbuhan brand food and refreshment juga diikuti oleh kenaikan EBIT margin segmen ini yang meningkat dari 18,5% pada 1Q21 menjadi 23,0% pada 1Q22. Adapun, kontribusi segmen food and refreshment meningkat dari 33,4% pada 1Q21 menjadi 34,2% pada 1Q22. Sementara itu, segmen HPC tumbuh 4,03% YoY pada 1Q22, ditopang oleh penjualan produk pasta gigi dan deodoran. EBIT margin segmen HPC meningkat dari 30,8% pada 1Q21 menjadi 32,0% pada 1Q22. Tetapi, kontribusi segmen HPC turun dari 66,6% pada 1Q21 menjadi 65,7% pada 1Q22.

Fokus pada produk-produk premium

Kami memproyeksi pertumbuhan pendapatan UNVR pada 2022 dapat bertumbuh 5% YoY ditengah pemulihan ekonomi yang didorong oleh peningkatan mobilitas dan daya beli konsumen yang menguat. Kami memperkirakan EBITDA margin dapat berada pada 25-26% pada tahun ini, ditengah efisiensi yang berkelanjutan, dan strategi UNVR untuk memperkuat produk dan perluasan segmen premium baik untuk segmen HPC dan food and refreshment. Selain itu, UNVR akan memperluas penerapan digital baik untuk distribusi penjualan dan data. Akan tetapi, kami menilai terdapat resiko dari peningkatan harga komoditas yang dapat menggerus margin UNVR. Di sisi lain, kami melihat kenaikan harga komoditas utamanya jika angka inflasi berada diatas proyeksi 34%, berdampak pada pelemahan daya beli, ditengah dengan rencana pemerintah untuk meningkatkan harga pertalite dan gas.

Rekomendasi BUY ditengah kepemimpinan pada segmen HPC

Kami mempertahankan rekomendasi BUY dengan target harga Rp4.530 per saham, yang merepresentasikan valuasi PER 2022E sebesar 25,44x. Adapun, pertimbangan atas rekomendasi kami, yakni 1) daya beli yang menguat ditengah pemulihan ekonomi; 2) inovasi dan diversifikasi produk yang menasar segmen premium sehingga dapat memperlebar margin; 3) posisi sebagai penguasa pasar terutama untuk produk HPC; 4) valuasi UNVR yang semakin murah dan 5) neraca yang kuat. Adapun, factor yang membatasi performa UNVR antara lain 1) kenaikan harga komoditas dan inflasi yang dapat menggerus daya beli 2) kompetisi yang cukup tinggi serta 3) bisnis yang sudah *mature* sehingga menyisakan ruang pertumbuhan yang terbatas.

Analyst(s)

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FINANCIAL OVERVIEW

Income Statement (Rp bn)	1Q2021	1Q2021	YoY Change	4Q2021	1Q2021	QoQ Change
Net Sales	10,283	10,838	5.4%	9,516	10,838	13.9%
Cost of Revenue	(4,890)	(5,565)	13.8%	(4,849)	(5,565)	11.7%
Gross Profit	5,393	5,273	(2.2%)	4,533	5,273	16.3%
Gross Margin (%)	52.4%	48.7%		47.6%	48.7%	
Operating Expenses	(3,166)	(2,633)	(16.9%)	(2,665)	(2,633)	(1.2%)
Operating Profit	2,226	2,640	18.6%	1,868	2,641	41.4%
Operating Margin (%)	21.7%	24.4%		19.6%	24.3%	
Non-Operating Income (Losses)	(46)	(33)	(29.1%)	(35)	(33)	(4.3%)
Pretax Income	2,180	2,608	19.6%	1,834	2,608	42.2%
Income Tax (Expense)/ Benefit	(482)	(587)	21.8%	(454)	(587)	29.2%
Profit for This Year	1,698	2,021	19.0%	1,379	2,021	46.5%
Net Profit (Losses)	1,698	2,021	19.0%	1,450	2,021	46.5%
Profit Margin (%)	16.5%	18.6%		14.5%	18.7%	

Sources : Company and KB Valbury Sekuritas

FINANCIAL TABLES

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Revenue	42,972	39,546	41,333	43,163	45,333
Revenue growth yoy	0.1%	-8.0%	4.5%	4.4%	5.0%
- Cost of Goods Sold	20,515	19,920	20,269	21,080	22,049
Gross Income	22,457	19,626	21,064	22,083	23,284
- Operating Expenses	13,007	11,948	12,856	13,275	13,902
Operating Income	9,450	7,679	8,208	8,808	9,381
Op income growth yoy	-6.7%	-18.7%	6.9%	7.3%	6.5%
- Non Operating Gains (Losses)	244	183	209	222	256
EBITDA	10,554	8,756	8,718	9,397	9,988
Pretax Income	9,206	7,496	7,998	8,585	9,125
- Income Tax Expense	2,043	1,738	1,985	2,127	2,257
Profit for This Year	7,164	5,758	6,013	6,458	6,868
Net Income	7,164	5,758	6,013	6,458	6,868
Net income growth yoy	-3.1%	-19.6%	4.4%	7.4%	6.3%
EPS (IDR)	188	151	158	169	180
Dividends Per Share (IDR)	187	150*	157	169	179

Sources: Company, Bloomberg and KB Valbury Sekuritas

*) Estimate

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Total Current Assets	8,828	7,642	8,049	8,688	9,123
+ Cash & Near Cash Items	844	325	325	591	625
+ Accounts & Notes Receivable	5,295	4,517	4,768	4,998	5,245
+ Inventories	2,463	2,454	2,590	2,715	2,850
+ Other Current Assets	226	347	366	384	403
Total Long-Term Assets	11,706	11,426	12,340	12,993	13,793
+ Property, Plant & Equip, Net	11,187	10,821	11,695	12,351	13,148
Property, Plant & Equip	16,667	17,042	18,771	19,521	20,157
Accumulated Depreciation	5,480	6,220	7,076	7,170	7,009
+ Other Long Term Assets	519	605	644	642	646
Total Assets	20,535	19,069	20,389	21,681	22,916
Total Current Liabilities	13,358	12,445	13,450	14,447	15,388
+ Payables & Accruals	10,142	10,389	11,156	11,969	12,672
+ Short Term Borrowings	3,128	1,933	2,140	2,300	2,506
+ Other Short Term Liabilities	87	123	153	177	210
Total Long Term Liabilities	2,240	2,302	2,585	2,863	3,128
+ Long Term Borrowings	847	804	840	877	917
+ Other Long Term Borrowings	1,393	1,498	1,745	1,985	2,212
Total Liabilities	15,597	14,747	16,035	17,309	18,516
+ Share Capital & APIC	172	172	172	172	172
+ Retained Earnings & Other Eq.	4,765	4,149	4,182	4,200	4,227
Total Equity	4,937	4,321	4,354	4,372	4,400
Total Liabilities & Equity	20,535	19,069	20,389	21,681	22,916
Book Value Per Share (IDR)	129	113	114	115	115

Sources: Company, Bloomberg and KB Valbury Sekuritas

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Net Income	7,164	5,758	6,013	6,458	6,868
+ Depreciation & Amortization	1,103	1,077	856	894	939
+ Other Non-Cash Adjustments	97	1,067	848	886	930
Cash From Operating Activities	8,364	7,902	7,717	8,238	8,737
+ Disposal of Fixed Assets	2	5	6	6	7
+ Capital Expenditures	(650)	(585)	(1,179)	(1,231)	(1,293)
+ Other Investing Activities	(42)	(102)	(39)	2	(3)
Cash From Investing Activities	(690)	(681)	(1,213)	(1,223)	(1,290)
+ Dividends Paid	(7,371)	(6,342)	(6,749)	(6,951)	(7,660)
+ Other Financing Activities	(87)	(1,397)	244	202	247
Cash From Financing Activities	(7,458)	(7,740)	(6,505)	(6,749)	(7,413)
Net Changes in Cash	215	(519)	(0)	266	34

Sources: Company, Bloomberg and KB Valbury Sekuritas

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RATIO ANALYSIS

Year End Dec	2020A	2021A	2022E	2023F	2024F
Valuation Ratios					
Price Earnings*	37.90	27.23	25.44	23.69	22.28
EV to EBIT*	29.06	20.73	19.80	18.29	17.21
EV to EBITDA*	26.02	18.18	17.85	16.55	15.60
Price to Sales*	6.32	3.96	3.70	3.54	3.37
Price to Book*	54.98	36.28	35.14	34.99	34.77
Dividend Yield*	2.6%	3.7%**	3.9%	4.2%	4.5%
Profitability Ratios					
Gross Margin	52.26%	49.63%	50.96%	51.16%	51.36%
EBITDA Margin	24.56%	22.14%	21.09%	21.77%	22.03%
Operating Margin	21.99%	19.42%	19.86%	20.41%	20.69%
Profit Margin	16.67%	14.56%	14.55%	14.96%	15.15%
Return on Assets	34.89%	30.20%	29.49%	29.79%	29.97%
Return on Equity	145.09%	133.25%	138.11%	147.72%	156.10%
Leverage & Coverage Ratios					
Current Ratio	0.66	0.61	0.60	0.60	0.59
Quick Ratio	0.48	0.42	0.41	0.41	0.41
Tot Debt/Capital	0.01	0.02	0.02	0.02	0.02
Tot Debt/Equity	0.81	0.63	0.68	0.73	0.78
Others					
Asset Turnover	2.09	2.07	2.03	1.99	1.98
Accounts Receivable Turnover	8.12	8.76	8.67	8.64	8.64
Accounts Payable Turnover	4.24	3.81	3.70	3.61	3.58
Inventory Turnover	17.45	16.12	15.96	15.90	15.91

*) based on market price (10/05/2022) at Rp4,010

**) Estimate

Sources: Company, Bloomberg and KB Valbury Sekuritas

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