

Unilever Indonesia Tbk (UNVR)

Ruang Tumbuh Terbatas

Rekomendasi kami didasari oleh ekspektasi tekanan pada segmen F&R dan HPC untuk membalikkan keadaan di tengah kondisi ekonomi yang tidak menentu. Karena itu, kami mempertahankan sikap konservatif terhadap pertumbuhan pendapatan UNVR.

Kinerja 4Q20 sedikit di bawah ekspektasi kami dan konsensus

- Pada 4Q20, pendapatan turun tipis -0,4% YoY menjadi Rp10,5tn. Secara kumulatif, UNVR membukukan penjualan Rp42,9tn (0,1% YoY), mencapai 98% dari perkiraan kami dan konsensus FY20.
- Sementara itu, lonjakan biaya operasional akibat peningkatan belanja A&P ditambah beban keuangan mengakibatkan laba bersih turun -8,4% YoY menjadi Rp1,7 triliun. Sebagai catatan, A&P terhadap pendapatan mencapai 20,1% di FY20 (vs. 18,8% di FY19).
- Meskipun demikian, kami masih melihat GPM sedikit meningkat sebesar 28 bps menjadi 53,2% pada 4Q20, yang diuntungkan oleh biaya bahan baku yang lebih rendah. Namun, margin laba usaha dan laba bersih semuanya dibukukan menurun secara YoY.

Tantangan Utama di 2021

- Segmen F&R tumbuh 9,1% YoY menjadi Rp 3,3 triliun, yang kami perkirakan diakibatkan pembatasan sosial berskala besar dalam periode libur panjang. Kondisi ini menuntut masyarakat untuk tinggal di rumah dan memicu peningkatan penjualan bahan makanan.
- Dalam pandangan kami, segmen F&R kemungkinan akan terus menghadapi tekanan karena kami yakin kafe, hotel dan restoran belum akan sepenuhnya pulih dalam waktu singkat.
- Sementara itu, segmen HPC mengalami kontraksi -4,3% YoY menjadi Rp7,1tn. Kami melihat daya beli masih lemah sehingga konsumen cenderung beralih ke barang yang lebih murah.
- Reli harga komoditas baru-baru ini dapat membatasi margin UNVR di masa mendatang. Namun, penurunan laba bersih dapat diatasi oleh penguatan nilai tukar rupiah.

Menahan Rekomendasi Overweight, TP lebih rendah di Rp7.600

- Kami mempertahankan sikap konservatif dalam pertumbuhan laba ke depan karena kondisi ekonomi yang tidak mendukung dan ketatnya persaingan antar perusahaan barang konsumsi.
- Selain itu, kami tidak melihat UNVR akan menaikkan harga jual secara agresif untuk menyeimbangkan kenaikan biaya mengingat prospek ekonomi yang tidak menentu.
- Oleh karena itu, kami menahan rekomendasi overweight kami untuk UNVR, dengan target harga yang lebih rendah di Rp7.600/ saham, yang kami capai dengan menerapkan forward P/E 40.0x (-1SD dari P/E rata-rata 3 tahun) untuk EPS 2021F kami.
- Risiko rekomendasi kami termasuk peningkatan signifikan dalam permintaan produk dengan margin rendah, nilai tukar rupiah yang melemah, dan kekuatan harga yang terbatas.

Unilever Indonesia Tbk | Summary (IDR bn)

	2019	2020A	2021F	2022F
Sales	42,923	42,972	44,036	44,668
Growth	2.7%	0.1%	2.5%	1.4%
Net Profit	7,393	7,164	7,349	7,486
Growth	-18.8%	-3.1%	2.6%	1.9%
EPS (IDR)	194	188	193	196
P/E	43.3x	39.1x	39.5x	38.7x
P/BV	60.7x	56.8x	57.6x	56.9x
EV/EBITDA	28.2x	26.2x	26.8x	26.6x
ROE	140.0%	145.1%	146.1%	146.8%
DER	0.6x	0.6x	0.6x	0.6x
Dividend Yield	2.9%	2.6%	2.5%	2.6%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia

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Company Report | Feb 10, 2021

Overweight

Target Price (IDR)	7,600
Consensus Price (IDR)	8,394
TP to Consensus Price	-9.5%
vs. Last Price	+7.0%

Shares data

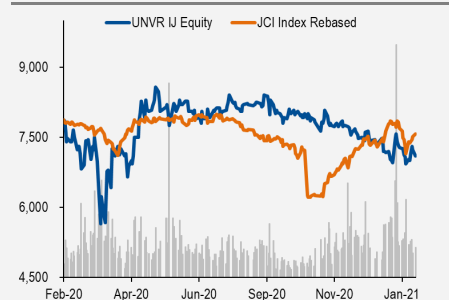
Last Price (IDR)	7,100
Price date as of	08-Feb-21
52 wk range (Hi/Lo)	8575/5650
Free float (%)	15.0
Outstanding sh.(mn)	38,150
Market Cap (IDR bn)	269,911
Market Cap (USD mn)	19,330
Avg. Trd Vol - 3M (mn)	20.03
Avg. Trd Val - 3M (bn)	149.86
Foreign Ownership	3.9%

Consumer Staples

Household & Personal Products

Bloomberg	UNVR IJ
Reuters	UNVR.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-5.0%	-1.0%	-10.7%	-9.8%
Rel. Ret.	-6.3%	-0.3%	-6.7%	-6.0%

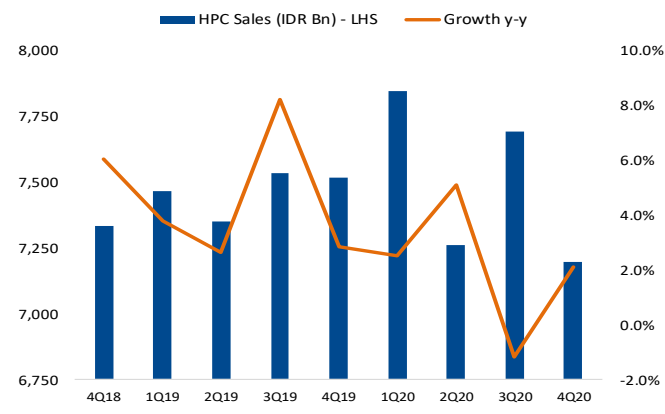
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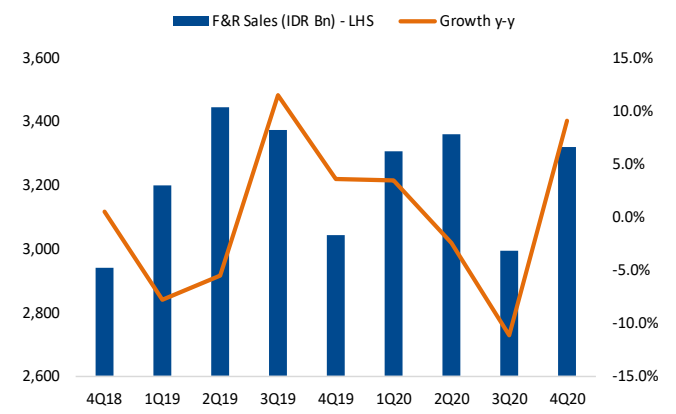
Performance Highlights

HPC Division Quarterly Sales | 4Q18 - 4Q20



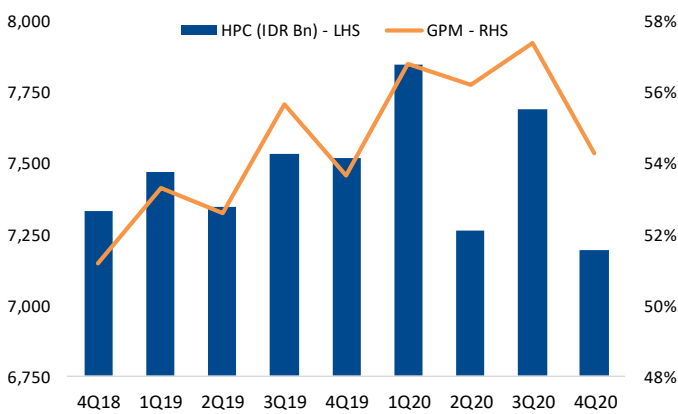
Source: Company, NHKSI Research

FR Division Quarterly Sales | 4Q18 - 4Q20



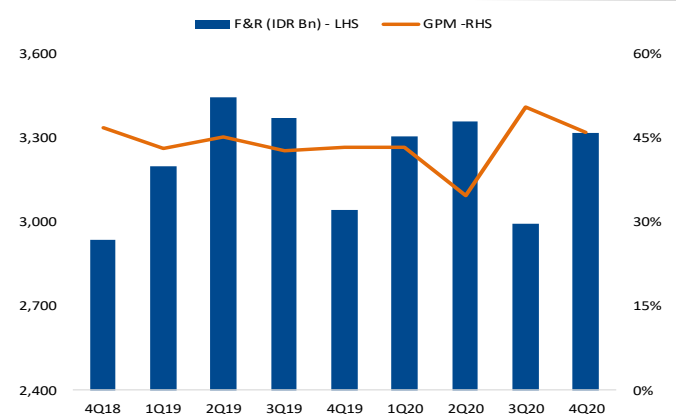
Source: Company, NHKSI Research

HPC Division Gross Profit & Margin | 4Q18 - 4Q20



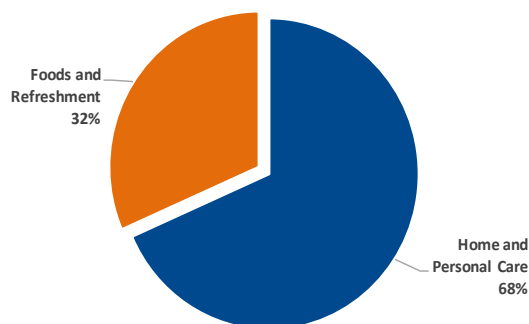
Source: Company, NHKSI Research

FR Division Gross Profit & Margin | 4Q18 - 4Q20



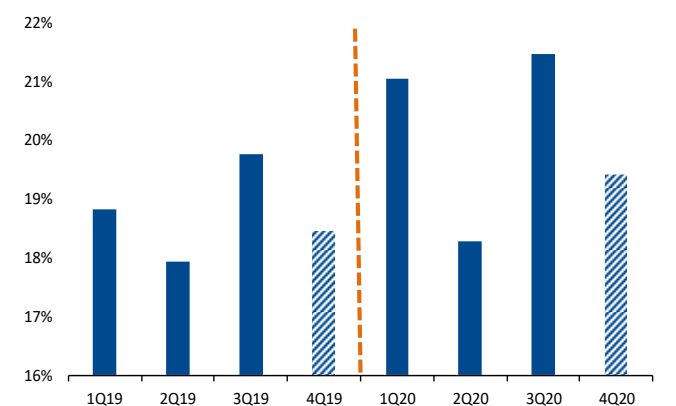
Source: Company, NHKSI Research

Revenue Breakdown | 12M20



Source: BI, Bloomberg, NHKSI Research

Total A&P to Revenue (%) | 4Q18 - 4Q20



Source: Bloomberg, NHKSI Research

Sekilas Perusahaan



Didirikan pada tanggal 5 Desember 1933, Unilever Indonesia telah berkembang menjadi salah satu perusahaan FMCG terkemuka di Indonesia. Menawarkan berbagai macam merek — terkenal di luar negeri — seperti Pepsodent, Lux, Lifebuoy, Dove, Sunsilk, Clear, Rexona, Vaseline, Rinso, Molto, Sunlight, Wall's, Blue Band, Royco, Bango.

Sahamnya awalnya ditawarkan kepada publik pada tahun 1981 dan tercatat di Bursa Efek Indonesia sejak 11 Januari 1982. Pada akhir tahun 2017, UNVR dinobatkan sebagai 5 perusahaan terbesar berdasarkan kapitalisasi pasar di Bursa Efek Indonesia.

Perusahaan memiliki 9 pabrik yang terletak di sejumlah kawasan industri seperti Jababeka, Cikarang, dan Rungkut di Surabaya. Produknya yang terdiri dari 39 merek utama dan 1.000 unit penyimpanan stok (SKU) virtual dipasarkan melalui lebih dari 800 distributor independen untuk menjangkau seratus toko di Indonesia.

Consumer Companies Peers Analysis

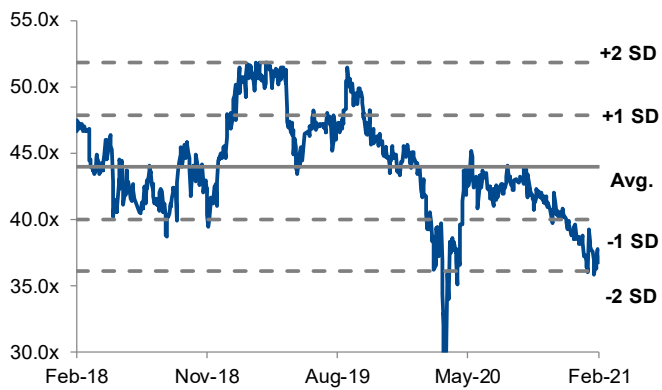
Company	Market Cap (USD mn)	Asset (USD mn)	Sales LTM (USD mn)	Net Profit LTM (USD mn)	Net Profit Growth LTM	Net Margin	ROE LTM	P/E LTM	P/BV
Indonesia									
Unilever Indonesia	19,331	1,475	2,953	492	-3.10%	16.7%	140.2%	37.6x	54.7x
Mayora Indah	4,165	1,375	1,703	169	42.99%	9.9%	25.3%	23.8x	5.5x
Indofood Sukses Makmur	3,854	6,947	5,357	354	5.18%	6.6%	13.5%	10.5x	1.4x
Indofood CBP Sukses Makmur	7,470	2,796	2,999	354	2.80%	11.8%	20.1%	20.5x	3.9x
London									
Unilever PLC	143,260	82,713	57,913	6,372	-0.78%	11.0%	39.2%	21.2x	7.7x
India									
Hindustan Unilever Ltd	72,259	2,674	5,536	952	11.46%	17.2%	83.8%	71.8x	58.8x
Godrej Consumer Products	10,380	1,984	1,386	211	-36.09%	15.2%	19.7%	50.5x	9.6x
Marico Ltd	7,370	664	1,024	144	-8.35%	14.1%	34.0%	52.6x	17.8x
Proctor & Gamble Hygiene	5,697	242	414	60	3.33%	14.4%	41.9%	95.9x	35.9x
Colgate Palmolive (India)	5,972	345	633	115	5.27%	18.2%	53.7%	53.3x	27.3x
Emami Ltd	3,050	355	369	43	-0.10%	11.6%	15.5%	75.0x	12.4x
Gillette India Ltd	2,527	179	232	32	-8.99%	13.7%	27.2%	80.0x	20.2x
Jyothy Labs Ltd	778	244	241	24	-16.94%	10.0%	13.3%	33.3x	4.6x
Eveready Industries India	240	167	170	25	272.79%	14.8%	38.3%	9.8x	3.2x

Unit: USD mn, %, X

Source: Bloomberg, NHKSI research

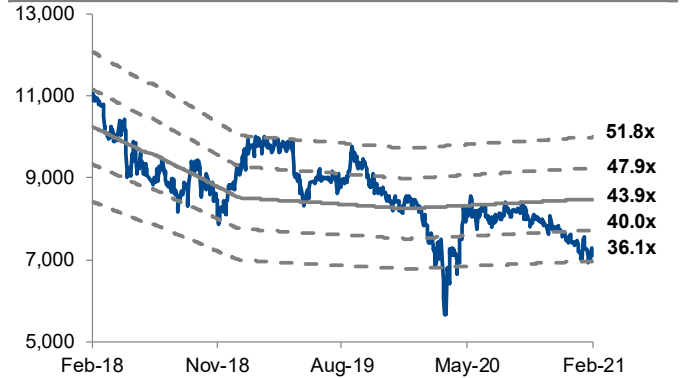
Valuation Highlight in Charts

Forward P/E band | Last 3 years



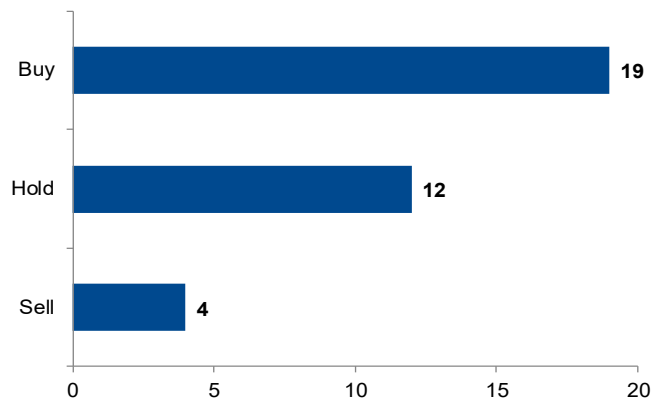
Source: NHKSI research

Dynamic Forward P/E band | Last 3 years



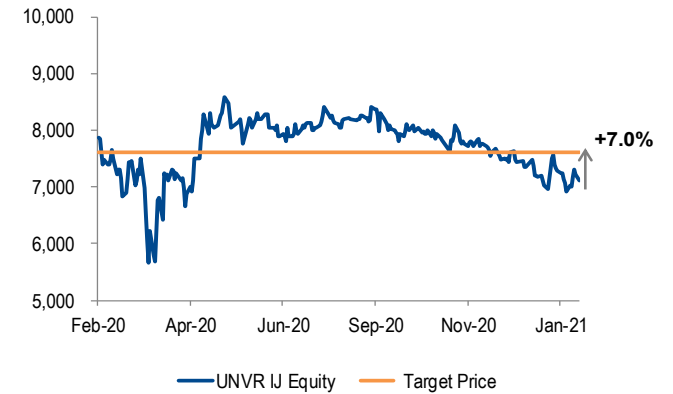
Source: NHKSI research

Recommendations by Analysts



Source: Bloomberg, NHKSI research

Closing and Target Price Update



Source: Bloomberg, NHKSI research

Rating and Target Price Update

Target Price Revision

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
11/11/2020	Overweight	8,600	7,900	8,896	+8.9%	-3.3%
10/02/2021	Overweight	7,600	7,100	8,394	+7.0%	-9.5%

Source: NHKSI research, Bloomberg

Summary of Financials

INCOME STATEMENT				
(IDR bn)	2019/12A	2020/12A	2021/12E	2022/12E
Sales	42,923	42,972	44,036	44,668
<i>Growth</i>	2.7%	0.1%	2.5%	1.4%
COGS	(20,894)	(20,452)	(20,946)	(21,217)
Gross Profit	22,029	22,520	23,090	23,450
<i>Gross Margin</i>	51.3%	52.4%	52.4%	52.5%
Operating Expenses	(11,902)	(13,000)	(13,322)	(13,513)
EBIT	10,126	9,520	9,768	9,937
<i>EBIT Margin</i>	23.6%	22.2%	22.2%	22.2%
Depreciation	1,140	1,103	967	896
EBITDA	11,266	10,623	10,734	10,833
<i>EBITDA Margin</i>	26.2%	24.7%	24.4%	24.3%
Interest Expenses	(230)	(248)	(256)	(248)
EBT	9,902	9,206	9,444	9,621
Income Tax	(2,509)	(2,043)	(2,095)	(2,135)
Minority Interest	-	-	-	-
Net Profit	7,393	7,164	7,349	7,486
<i>Growth</i>	-18.8%	-3.1%	2.6%	1.9%
<i>Net Profit Margin</i>	17.2%	16.7%	16.7%	16.8%

PROFITABILITY & STABILITY				
	2019/12A	2020/12A	2021/12E	2022/12E
ROE	140.0%	145.1%	146.1%	146.8%
ROA	35.8%	34.9%	35.2%	35.7%
Inventory Turnover	8.6x	8.3x	8.3x	8.3x
Receivable Turnover	8.0x	8.1x	8.0x	8.1x
Payables Turnover	4.6x	4.8x	4.7x	4.7x
Dividend Yield	2.9%	2.6%	2.5%	2.6%
Payout Ratio	124.3%	103.3%	98.7%	99.1%
DER	0.6x	0.6x	0.6x	0.6x
Net Gearing	0.6x	0.6x	0.6x	0.6x
Equity Ratio	25.6%	24.0%	24.1%	24.3%
Debt Ratio	14.1%	14.7%	14.0%	13.6%
Financial Leverage	3.3x	4.0x	4.2x	4.1x
Current Ratio	65.3%	66.1%	69.1%	71.1%
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)	8,400	7,350	7,600	7,600
Market Cap (IDR tn)	320.5	280.4	289.9	289.9

BALANCE SHEET				
(IDR bn)	2019/12A	2020/12A	2021/12E	2022/12E
Cash	629	844	1,153	1,430
Receivables	5,335	5,295	5,526	5,507
Inventories	2,429	2,463	2,523	2,555
Total Current Assets	8,530	8,828	9,383	9,696
Net Fixed Assets	11,610	11,187	10,925	10,744
Other Non Current Assets	509	519	549	533
Total Non Current Asset	12,119	11,706	11,474	11,277
Total Assets	20,649	20,535	20,857	20,973
Payables	4,517	4,278	4,455	4,475
ST Bank Loan	2,920	3,015	2,917	2,855
Total Current Liabilities	13,065	13,358	13,587	13,635
LT Debt	-	-	-	-
Total Liabilities	15,368	15,597	15,827	15,874
Capital Stock	172	172	172	172
Retained Earnings	5,110	4,765	4,858	4,926
Shareholders' Equity	5,282	4,937	5,030	5,099

VALUATION INDEX				
	2019/12A	2020/12A	2021/12E	2022/12E
Price /Earnings	43.3x	39.1x	39.5x	38.7x
Price /Book Value	60.7x	56.8x	57.6x	56.9x
PE/EPS Growth	-2.3x	-12.6x	15.3x	20.7x
EV/EBITDA	28.2x	26.2x	26.8x	26.6x
EV/EBIT	31.4x	29.3x	29.5x	29.0x
EV (IDR bn)	318,098	278,480	287,827	287,697
Sales CAGR (3-Yr)	2.3%	1.4%	1.8%	1.3%
Net Income CAGR (3-Yr)	5.0%	0.8%	-6.9%	0.4%
Basic EPS (IDR)	194	188	193	196
BVPS (IDR)	138	129	132	134
DPS (IDR)	240.94	194.00	190.20	194.43

OWNERSHIP	
Top Shareholders	%
Unilever Ind. Holding	85.0
Blackrock	0.6
Vanguard Group	0.3
Schroder Investment	0.3
By Geography	%
Indonesia	96.2
United States	2.0
United Kingdom	0.5
Luxembourg	0.3

CASH FLOW STATEMENT				
(IDR bn)	2019/12A	2020/12A	2021/12E	2022/12E
Operating Cash Flow	8,669	8,364	8,397	8,455
Investing Cash Flow	(1,446)	(690)	(734)	(699)
Financing Cash Flow	(6,977)	(7,459)	(7,354)	(7,480)
Net Changes in Cash	246	215	309	277

Source: Bloomberg, NHKSI research

NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

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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