Aldira | Equity Research

11 November 2026

Unilever Indonesia Tbk · UNVR IJ · Consumer Staples / Household & Personal Care

Financial Highlights	2024A	2025A	2026F	2027F	2028F
(IDR tn unless stated; core = continuing, ex disposal and asset-sale results)					
Revenue	30.6	31.9	34.1	35.4	37.0
Gross Profit	14.6	15.0	15.1	15.7	16.6
Core EBITDA	4.6	5.5	5.4	5.9	6.3
Core Operating Profit	4.0	4.9	4.8	5.2	5.6
Core Net Profit	3.0	3.7	3.9	4.1	4.4
Core EPS (IDR)	80	98	102	108	116
P/E (x)	19.1	15.5	14.9	14.1	13.2
EV/core EBITDA (x)	12.8	9.6	10.4	9.7	9.1
P/BV (x)	27.1	12.9	20.6	24.1	22.6
Dividend Yield	5.8%	13.2%	8.4%	7.1%	7.6%
ROA	19%	19%	23%	23%	24%
ROE	n.a.	113%	106%	157%	177%
Gross Margin	48%	47%	44%	44%	45%
Core EBITDA Margin	15%	17%	16%	17%	17%
Core Op. Margin	13%	15%	14%	15%	15%
Net Margin	10%	12%	11%	12%	12%
Net Cash (IDR tn)	-1.3	5.1	1.4	0.8	0.9

Stock Data	
Bloomberg Ticker	UNVR IJ
Last Price, 9-Nov-26 (IDR)	1,525
Target Price (IDR)	1,355
52-Week Range (IDR)	1,325 – 2,770
Market Cap (IDR tn)	57.9
Shares Outstanding, ex-treasury (bn)	38.0
Public, company register, 30-Sep-26 (%)	14.6
1-Year Price Change to 9-Nov (%)	-39.7
3M Avg Daily Value to 9-Nov (IDR bn)	32.7

Shareholders	(%)	Shares (bn)
Unilever Indonesia Holding B.V.	85.0%	32.4
Treasury shares	0.4%	0.2
Public Float	14.6%	5.6

All figures in local currency unless otherwise stated.

Analyst

Marlene
marlene@aldiracita.com

Initiating Coverage

UNVR IJ · Consumer Staples / Household & Personal Care

Volume Back, Re-rating Not Yet

Above our TP at IDR 1,525; the 8.4% yield keeps it a HOLD.

Investment Highlights

Volume-led turnaround, five quarters in

After underlying sales shrank 5.2% a year in 2020–2024, UNVR has delivered five straight quarters of volume-led growth. 9M26 sales from continuing operations rose 7.2% to IDR 25.8tn, with domestic volume up 7.0% and price up only 0.2%; Home and Personal Care (HPC) underlying sales grew 8.3% (segment sales +8.2%). Wider direct coverage (+32% since 1Q25), premium formats and e-commerce drive it. We forecast sales growth of 6.8% in FY26F and 3.7%–4.7% in FY27F–FY28F.

Outlook: pricing, not A&P cuts, must carry FY27F–FY28F

We expect 4Q26F core net profit to rise 22.0% y/y to IDR 653bn on a weak 4Q25 base, with gross margin still low at 41.9%. 2027 is a price year: HPC volume growth slows to 3.0% as UNVR takes about 1% of price, and with A&P already down to 10.5% of sales, margins must do the work. We forecast gross margin recovering to 44.9% by FY28F and core net profit growing 5.9%–6.8% a year to IDR 4.39tn, in line with consensus; every 50bp of FY27F gross margin moves core profit by about IDR 140bn.

Leaner after the disposals

Ice cream and SariWangi tea, sold for IDR 8.5tn, were 12% of FY25 revenue at an 8.9% pre-tax margin (rest of UNVR: 14.1%). Their IDR 4.7tn after-tax gain was paid out as dividends.

Valuation & Recommendation

HOLD (Initiation) | TP: IDR 1,355 (Current: IDR 1,525, Implied Upside: -11.1%)

We initiate with a HOLD and a TP of IDR 1,355 (consensus TP IDR 1,802), from a 70/30 blend of DCF (WACC 14.1% on a Bloomberg beta of 0.97, TGR 5.0%; IDR 1,297) and P/E (13.7x FY27F core EPS, the forward equivalent of 15.0x trailing, roughly where UNVR trades today and 1.5 SD below its five-year mean of 23.5x; IDR 1,488). The TP is 11.1% below the price, but IDR 128 a share of dividends is due in the next 12 months (8.4%), for a total return of -2.8%. UNVR becomes a BUY below about IDR 1,350. It trades at 14.1x FY27F, above local staples (8.1x) but about half the regional HPC average (26.2x).

Re-rating catalysts: pricing that lifts gross margin in 2027, a free-float fix before 31 March 2027, a Foods transaction update, and A&P-funded share gains. **Key risks:** oil and palm-oil prices, rupiah weakness, A&P returning to FY25 levels, foreign selling, the McCormick Foods combination, and growth earning less than today's returns (bear case, 25% probability: IDR 979, a total return of -27.4%; probability-weighted value IDR 1,293, -6.8%).

Investment Thesis

Five quarters of volume-led growth

The sales turnaround is done. Underlying sales shrank 5.2% a year in 2020–2024 and recovered to 4.3% growth in 2025 and 7.2% in 9M26 (company). Domestic sales fell 6.6% and 3.6% y/y in 1Q25 and 2Q25, then grew for five straight quarters: +12.6% in 3Q25, +17.2% in 4Q25, +3.5% in 1Q26, +11.0% in 2Q26 and +7.3% in 3Q26. In 9M26 domestic underlying volume grew 7.0% while price added only 0.2%, so the growth came from more consumers and more stores, not from price increases.

Execution, not the market, explains it. Direct coverage is up 32% since 1Q25, assortment per store is up 19% and customer service levels are up 600bp against FY24 (company, 3Q26). Offline value share has held at about 30.8% since 1H25 after falling from 32.6% in FY24, and around 60% of the portfolio was winning share in 2Q26. Production cost per ton is down 25% and SG&A overhead down 240bp of sales against FY24, and working-capital days improved from -44 to -53 **(Exhibits 1, 2).**

The earnings turnaround is not done. Profit has grown faster than sales, but not from margins: 9M26 gross margin fell 373bp while A&P was cut by IDR 575bn. We exclude every gain or loss on fixed-asset sales from core profit. UNVR books almost all of them in production costs (FY24A: IDR 173bn of an IDR 179bn loss; FY24 financial statements, Note 9d), so they also move reported gross margin: FY25A carried IDR 259bn of such losses and FY26F carries an IDR 107bn gain. If 9M26 follows the FY24A allocation, the swing from a loss of IDR 266bn in 9M25 to a gain of IDR 107bn is worth about 145bp of sales, and the underlying fall in 9M26 gross margin is about 525bp rather than the reported 373bp. Like-for-like, FY26F core profit grows 3.8%, against 12.1% for reported continuing profit. Gross margin, not volume, is now the test.

Exhibit 1. Domestic sales growth by quarter (% y/y)

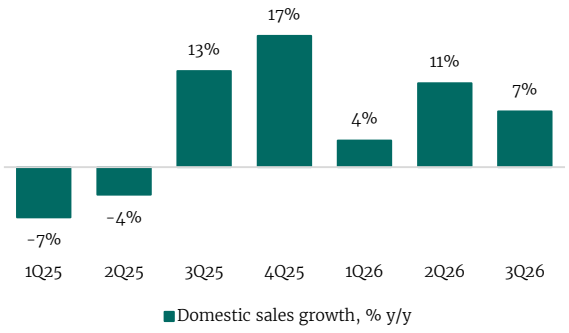
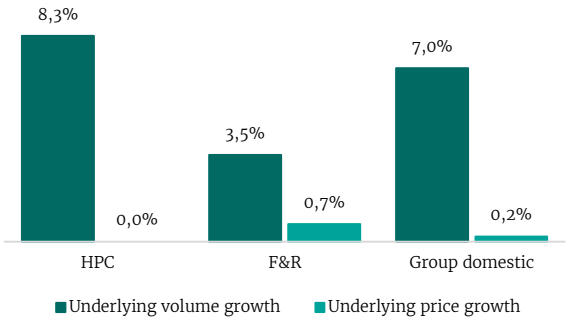


Exhibit 2. 9M26 underlying volume and price growth (%)



Source: Company (1Q26, 1H26 and 3Q26 earnings presentations from continuing operations, excluding ice cream and SariWangi tea), Aldiracita Sekuritas.

3Q26 showed both sides of the story. Sales rose 7.4% (domestic volume +6.4%, price +0.9%), but gross margin fell 766bp y/y to 42.3%, the steepest fall this year. A&P was cut 32.5% to 8.1% of sales, so operating profit still rose 2.8% and continuing net profit 11.1%, helped by a lower tax rate (18.8% against 22.5%). Excluding an IDR 96bn gain on fixed-asset sales in 3Q26 and an IDR 103bn loss in 3Q25, operating profit fell 10.2% **(Exhibit 3).**

Exhibit 3. 9M26 and 3Q26 results: volume up, gross margin down, A&P cut

IDR bn	9M25A	9M26A	y/y	3Q25A	3Q26A	y/y
Net sales	24,030	25,752	+7.2%	8,244	8,852	+7.4%
Gross profit	11,742	11,622	-1.0%	4,121	3,747	-9.1%
Gross margin	48.9%	45.1%	-373bp	50.0%	42.3%	-766bp
A&P (advertising, research and promotion)	3,180	2,605	-18.1%	1,066	720	-32.5%
A&P, % of sales	13.2%	10.1%	-312bp	12.9%	8.1%	-480bp
Distribution	925	1,250	+35.1%	313	480	+53.5%
Royalty and service fees	1,601	1,820	+13.7%	562	599	+6.6%
Operating profit	**3,999**	**4,088**	**+2.2%**	**1,459**	**1,500**	**+2.8%**
o/w gain / (loss) on sale of fixed assets	(266)	107	n.m.	(103)	96	n.m.
Operating profit excl. asset-sale gains / losses	4,266	3,980	-6.7%	1,562	1,403	-10.2%
Profit from continuing operations	**2,997**	**3,313**	**+10.6%**	**1,108**	**1,231**	**+11.1%**

Source: Company (1H26 and 9M26 interim financial statements), Aldiracita Sekuritas

Outlook: 4Q26F and FY27F–FY28F

4Q26F: slower sales, but a better quarter than 4Q25. We expect 4Q26F sales of IDR 8.4tn, up 5.8% y/y, below the 7.2% of 9M26 because 4Q25 is the toughest base of the year (domestic sales +17.2%). Gross margin should stay close to the 3Q26 level at 41.9% (4Q25: 41.1%) as input costs stay high (Exhibit 7). A&P returns to about IDR 980bn, flat y/y but 11.7% of sales against 8.1% in 3Q26. Operating profit still rises 39.5% to IDR 827bn and core net profit 22.0% to IDR 653bn, mainly because 4Q25 carried the peak of transformation costs (operating margin 7.5%).

FY27F: a price year with flat margins. HPC domestic volume growth slows to 3.0% as UNVR takes about 1.0% of price, and F&R grows 2.5%, mostly from price. Group sales rise 3.7% to IDR 35.4tn. Gross margin holds at 44.4% while A&P is rebuilt slightly to 10.6% of sales, so core operating profit grows 8.3% to IDR 5.2tn (5.9% as reported, because FY26F includes the IDR 107bn asset-sale gain). Core net profit grows less, 5.9% to IDR 4.11tn (core EPS IDR 108), as net finance income falls from IDR 93bn to IDR 30bn after the FY26F payouts and the tax rate rises to 21.5%.

FY28F: margins start to recover. Sales grow 4.7% to IDR 37.0tn and gross margin improves 50bp to 44.9% as pricing and savings catch up with costs. Operating margin reaches 15.1% and core net profit rises 6.8% to IDR 4.39tn (core EPS IDR 116). With a 100% payout, that is a 7.1%–7.6% dividend yield at IDR 1,525. Our FY27F–FY28F core profit is within 1% of consensus, so this path looks priced in; upside needs gross margin to beat, and every 50bp in FY27F is worth about IDR 140bn of core profit **(Exhibits 25, 26).**

Exhibit 4. Outlook: 4Q26F and FY27F–FY28F (IDR bn)

IDR bn	4Q25A	4Q26F	y/y	FY26F	FY27F	FY28F
Net sales	7,913	8,368	+5.8%	34,120	35,369	37,016
Net sales growth, y/y				+6.8%	+3.7%	+4.7%
Gross margin	41.1%	41.9%	+81bp	44.3%	44.4%	44.9%
A&P, % of sales	12.4%	11.7%	-67bp	10.5%	10.6%	10.8%
Operating profit (reported)	**593**	**827**	**+39.5%**	**4,914**	**5,207**	**5,600**
Operating margin (reported)	7.5%	9.9%	+239bp	14.4%	14.7%	15.1%
Core net profit	**535**	**653**	**+22.0%**	**3,881**	**4,111**	**4,392**
Core net profit growth, y/y				+3.8%	+5.9%	+6.8%

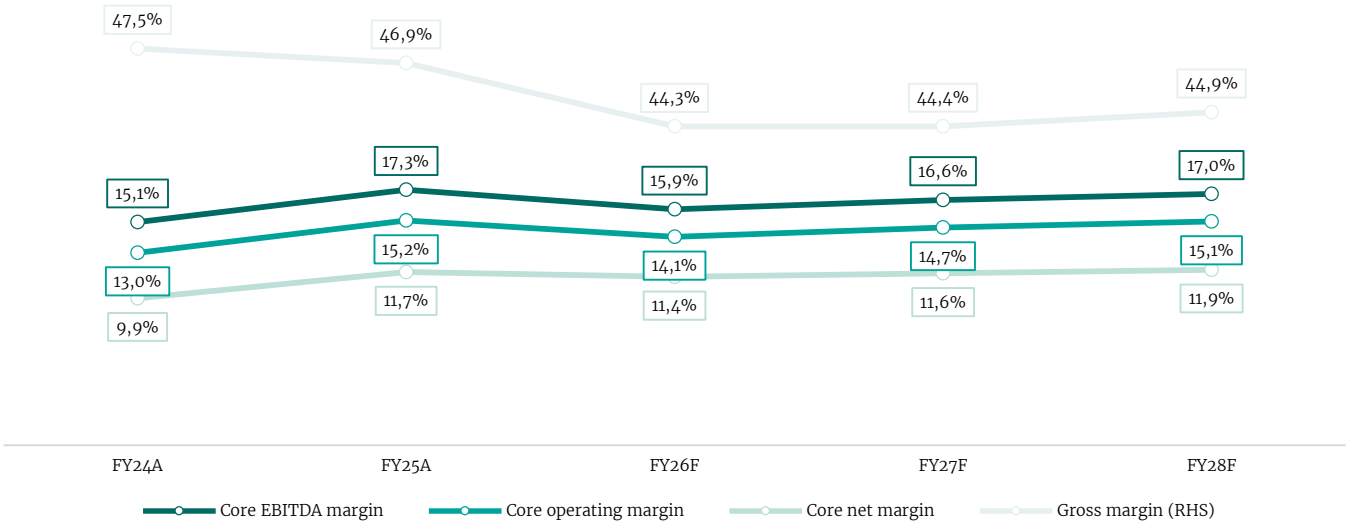
Source: Company, Aldiracita Sekuritas. 4Q26F = FY26F less 9M26A; 4Q25A core net profit is our estimate excluding asset-sale results.

Margins: inflation absorbed by lower brand spending

Gross margin is under pressure. Gross margin fell from 47.5% in FY24A and 46.9% in FY25A to 45.1% in 9M26 (46.1% before transformation costs), and HPC gross margin dropped from 48.8% in 1Q26 to 43.2% in 3Q26. Brent averaged USD 69/bbl in 2025 (EIA) but still settled at USD 92.8/bbl on 11 November (Bloomberg), after a 52-week high of USD 126.4/bbl, the rupiah was IDR 18,154/USD on Bank Indonesia's JISDOR rate on 11 November **(Exhibit 7),** and management expects Middle-East inflation to stay high into 2027. We forecast FY26F gross margin of 44.3% and hold it at 44.4% in FY27F before pricing and savings lift it to 44.9% in FY28F.

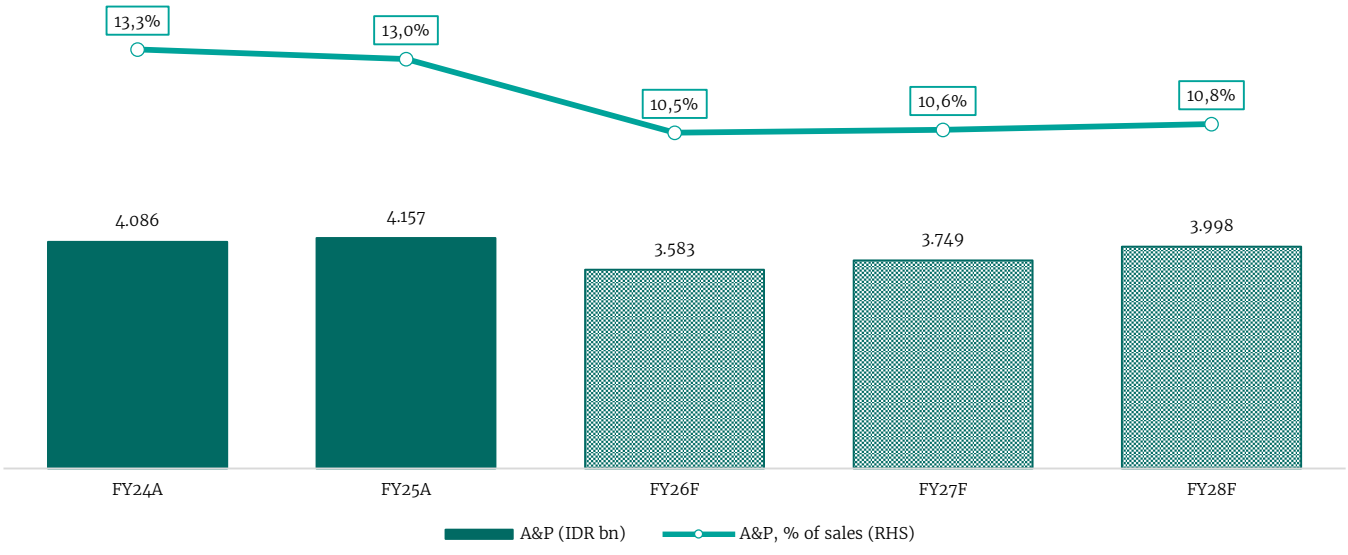
Lower A&P funded the profit growth. A&P fell to 10.1% of sales in 9M26 from 13.2% a year earlier, a saving of IDR 575bn, about six times the IDR 88bn rise in operating profit (before rounding). We assume A&P rebuilds only slowly, from 10.5% of sales in FY26F to 10.8% in FY28F, still about 200bp below FY24A–FY25A. Core operating margin stays at 14.1%–15.1% in FY26F–FY28F **(Exhibits 5, 6).**

Exhibit 5. Margins: gross margin bottoms in FY26F–FY27F (%)



Source: Company, Aldiracita Sekuritas

Exhibit 6. A&P (IDR bn) and A&P as % of sales



Source: Company, Aldiracita Sekuritas

What moved costs. Raw materials are 74% of cost of goods sold, and UNVR bought 13.5% more of them by value in 9M26 while sales rose 7.2%. Public prices show why: Brent averaged USD 91/bbl in August 2026 against USD 69 in 2025 (EIA), the Ministry of Trade's CPO reference price is 5.7% above December 2025 at USD 979/t for November 2026, down from USD 1,042/t in October, and the rupiah weakened 7.7% from IDR 16,752/USD on 25 September 2025 to IDR 18,154/USD on 11 November 2026 (JISDOR). Excluding transformation costs, gross margin fell 324bp **(Exhibit 7).**

Exhibit 7. Input-cost indicators

Indicator	Earlier	Latest	Change	Source
Brent crude, average (USD/bbl)	69.0 (2025)	91.0 (Aug-26)	+32%	EIA STEO, Sep-26
Brent crude, front-month settlement (USD/bbl)	–	92.8 (11-Nov-26)	–	Bloomberg (CO1 Comdty)
CPO reference price (USD/t)	926 (Dec-25)	978.9 (Nov-26)	+5.7%	Ministry of Trade
Rupiah, JISDOR (IDR/USD)	16,752 (25-Sep-25)	18,154 (11-Nov-26)	-7.7% (IDR)	Bank Indonesia
Raw materials used, % of COGS	–	73.6% (9M26)	–	9M26 FS, Note 24
Raw-material purchases (IDR bn)	9,273 (9M25)	10,522 (9M26)	+13.5%	9M26 FS, Note 24
Gross margin excl. transformation costs	49.3% (9M25)	46.1% (9M26)	-324bp	Company, 3Q26

Source: EIA (Short-Term Energy Outlook, September 2026), Bloomberg (ICE Brent CO1 Comdty and JISDOR Index, 11 November 2026), Ministry of Trade (November 2026 reference price: kemendag.go.id, 2 November 2026; December 2025: via IDX Channel), Company (9M26 financial statements; 3Q26 earnings presentation), Aldiracita Sekuritas

HOLD (Initiation) | TP: IDR 1,355 (Current: IDR 1,525, Implied Upside: -11.1%)

At IDR 1,525 the dividend is not enough. Our blended DCF and P/E value of IDR 1,354 rounds to a TP of IDR 1,355 at the IDR 5 tick. With a 7.7% risk-free rate, a 6.56% equity risk premium and a Bloomberg beta of 0.97, our cost of equity is 14.1%, and the DCF gives IDR 1,297, 15% below the share price: at IDR 1,525 the market implies terminal growth of 6.7%, above our 5.0%. The P/E leg (13.7x FY27F core EPS, IDR 1,488) lifts the blend, and the December 2026 interim and June 2027 final dividends, IDR 128 a share or 8.4%, take the total return to -2.8%, inside our HOLD band. UNVR becomes a BUY below about IDR 1,350 **(Exhibit 8).**

Exhibit 8. Blended TP sensitivity to WACC and terminal growth (IDR/share)

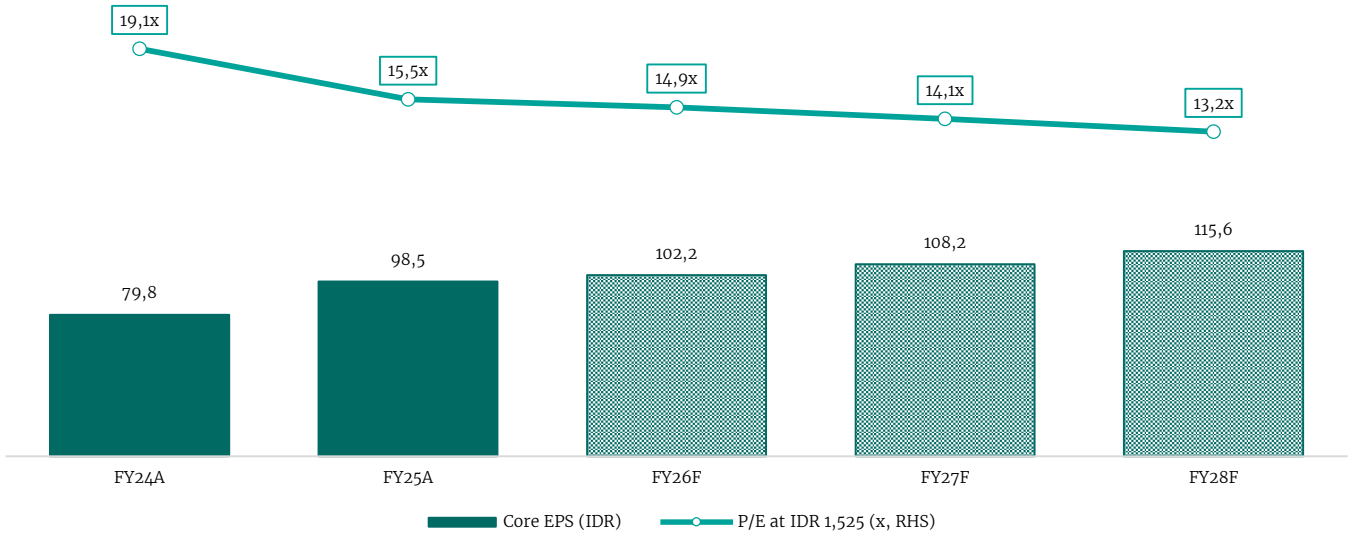
WACC \ terminal growth	4.0%	4.5%	5.0%	5.5%	6.0%
12.1%	1,488	1,543	1,604	1,675	1,758
13.1%	1,376	1,417	1,464	1,516	1,576
14.1%	**1,286**	**1,318**	**1,354**	**1,395**	**1,440**
15.1%	1,212	1,238	1,267	1,298	1,333
16.1%	1,150	1,172	1,195	1,220	1,248

Source: Aldiracita Sekuritas

Is UNVR cheap yet, and has momentum turned?

Cheap against its own history and regional peers, not against local staples or its cost of equity. UNVR trades at 15.4x our TTM core EPS and 14.1x our FY27F EPS (13.6x FY26F and 14.2x FY27F on Bloomberg consensus EPS), against a five-year average trailing P/E of 23.5x. Regional HPC peers average 29.7x trailing and 26.2x CY2027 earnings. But local staples de-rated harder after 16 October: ICBP, MYOR, KLBF, CMRY and INDF average 8.1x FY27F. A dividend-discount check is less kind: with a 100% payout, 5.0% growth and a 14.1% cost of equity, the justified P/E is 11.6x on trailing earnings (11.0x forward), below today's 15.4x trailing and 14.1x FY27F **(Exhibits 9–11).**

Exhibit 9. Core EPS (IDR) and P/E at IDR 1,525 (x)



Source: Company, Aldiracita Sekuritas

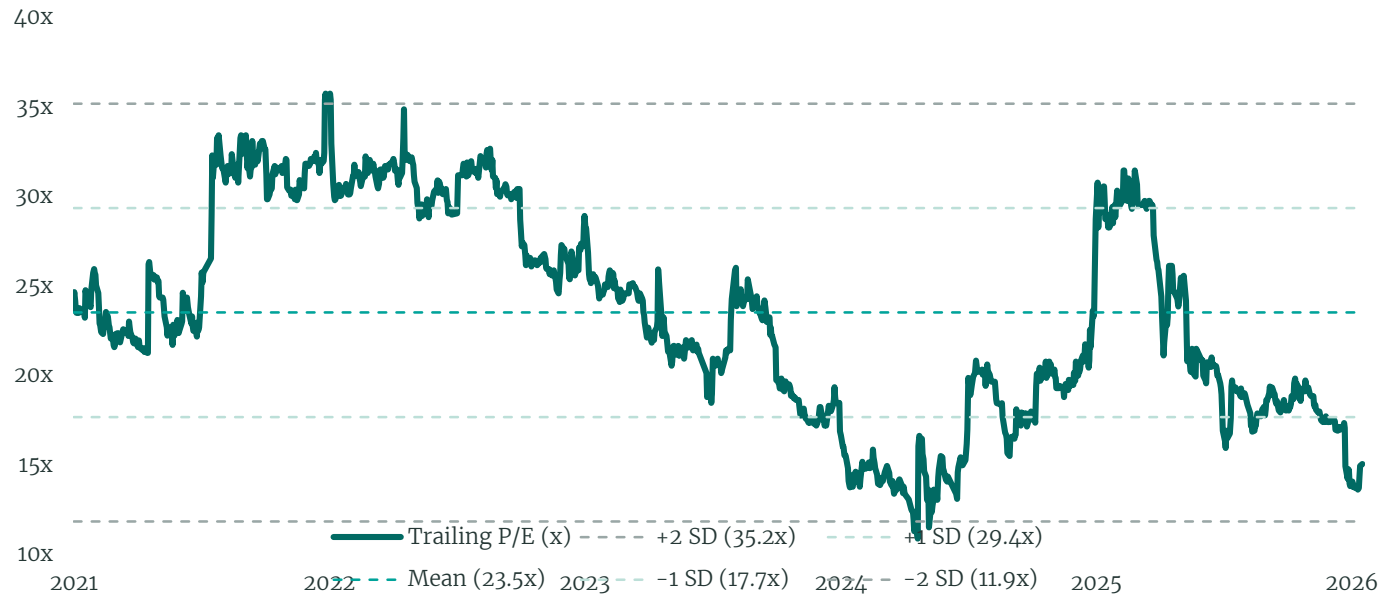
Exhibit 10. UNVR valuation reference points

Reference point	P/E (x)	Basis
UNVR at IDR 1,525 (9-Nov-26)	14.1 / 15.4	FY27F / TTM core EPS; FY27F DPS yield 7.1%
52-week range (IDR 1,325–2,770)	12.2–25.6	FY27F core EPS
Five-year average (trailing P/E band)	23.5 (-2 SD: 11.9)	Trailing, Oct-21 to 9-Nov-26
Justified P/E: payout x (1+g) / (Ke - g)	11.6	Payout 100%, g 5.0%, Ke 14.1%
Local staples average (ICBP, MYOR, KLBF, CMRY, INDF)	8.1	FY27F, Bloomberg, 9-Nov-26
Regional HPC peers average	26.2	CY27, Bloomberg, 9-Nov-26
Consensus TP (IDR 1,802)	16.6	FY27F, Bloomberg, 9-Nov-26
Our TP (IDR 1,355)	12.5	FY27F core EPS
10-year government bond yield		7.72%–7.74% (9-Nov-26)

Source: Bloomberg, Aldiracita Sekuritas.

The de-rating followed earnings, and we do not assume it reverses. On trailing earnings UNVR traded at 31.1x at end-2022 and 15.0x at end-2024, as net profit fell 41% from FY21 to FY24 and the growth premium disappeared; it rebounded to 29.5x at end-2025 on the turnaround. The five-year mean is 23.5x with a standard deviation of 5.8x, and the low was 10.9x on 12 February 2025, at IDR 1,375. At IDR 1,525 UNVR trades at 15.1x trailing EPS from continuing operations, 1.5 standard deviations below the mean. On our TTM core EPS the multiple is 15.4x, so our 15.0x trailing target is just below today's multiple, so the P/E leg assumes no re-rating from here; it still sits 1.5 SD below the five-year mean (Exhibit 11).

Exhibit 11. UNVR trailing P/E band (Oct-21 to Nov-26)



Source: Bloomberg, Aldiracita Sekuritas.

Company Overview

UNVR is a leading Indonesian home and personal care company. Founded in 1933 and listed on the IDX in 1981, it makes and distributes soaps, detergents, hair care, skin care, oral care and food products from factories in Cikarang (Jababeka) and Rungkut, Surabaya, and acts as the main distributor of its own products. It is 85.0% owned by Unilever Indonesia Holding B.V., and licenses brands, technology and central services from the Unilever group. The portfolio has been simplified by the sale of ice cream and SariWangi tea, and Foods may follow.

Exhibit 12. Shareholding structure, 30 September 2026

Shareholder	Type	Shares (mn)	%
Unilever Indonesia Holding B.V.	Majority holder (parent: Unilever PLC, UK)	32,424	85.0
Public	Includes other foreign investors: 6.53% of issued shares (KSEI, 3-Nov-26)	5,557	14.6
Treasury shares	–	169	0.4
Total		**38,150**	**100.0**

Source: Company (9M26 interim financial statements, Note 18), KSEI (3 November 2026).

Royalty and related parties

What flows to the parent. UNVR pays the Unilever group a 3% trademark royalty and a 2% technology royalty on third-party sales, plus central services at cost capped at 3% of turnover: 8% in total. Fees were 7.1% of sales in 9M26 (IDR 1.82tn), up from 6.8% in FY25, leaving about 90bp of headroom under the cap, or IDR 0.3tn of FY27F operating profit. Related-party purchases, mainly from Unilever Asia in Singapore, were 7.6% of raw-material and finished-goods purchases in 9M26, and exports to affiliates IDR 745bn. With 85.0% of the shares, the parent also receives about IDR 4.1tn of our FY26F dividends **(Exhibit 13).**

Exhibit 13. Royalty and related-party flows

Flow	FY24A	FY25A	9M26A	Basis
Royalty and service fees (IDR bn)	2,119	2,171	1,820	Trademark 3% + technology 2% + services at cost (cap 3%)
% of net sales	6.9%	6.8%	7.1%	Contractual cap 8.0%
Related-party purchases, % of raw materials and finished goods bought	6.5%	9.3%	7.6%	Mainly Unilever Asia Private Ltd
Export sales to affiliates (IDR bn)	805	941	745	2.9% of FY25A sales
Dividends to the parent (IDR bn, declared from the year)	2,854	6,517	–	85.4% of dividends (parent share of shares ex-treasury); FY26F about 4,144

Source: Company (FY25 financial statements, Notes 7, 24–25; 9M26 financial statements, Notes 7, 23–24), Aldiracita Sekuritas

After the Disposals: A Leaner, HPC-Led UNVR

Smaller, simpler and more profitable

The disposals removed businesses that earned less in FY25. Ice cream (sold to PT The Magnum Ice Cream Indonesia for IDR 7.0tn, completed 8 December 2025) and SariWangi tea (sold to PT Savoria Kreasi Rasa for IDR 1.5tn, completed 2 March 2026) generated IDR 4.43tn of FY25 revenue, 12.2% of the pre-disposal total, but only IDR 0.39tn of pre-tax profit. That is an 8.9% pre-tax margin, against 14.1% for the business that remains; in FY24 the disposed businesses still earned 13.3% against 12.2%, so the FY25 gap reflects how fast ice cream and tea profit was **falling (Exhibit 14).**

The cash went back to shareholders. The after-tax gains of IDR 3.79tn on ice cream and IDR 0.87tn on tea were paid out: FY25 DPS of IDR 201 included the ice cream gain, and our FY26F DPS of IDR 128 includes the tea gain. From FY27F dividends fall back to core earnings (IDR 108 per share), so the yield normalises from 8.4% in FY26F to 7.1% in FY27F at IDR 1,525.

Foods could be next. Unilever PLC agreed on 31 March 2026 to combine its Foods business with McCormick, with completion expected by mid-2027, and UNVR plans to update on Foods before year-end. Foods and Refreshment (F&R) was 27% of FY25A sales. A sale or carve-out would leave a near-pure HPC company and could return more cash; we keep F&R fully consolidated until terms are disclosed **(Exhibit 15).**

Exhibit 14. Continuing and disposed businesses (IDR bn)

IDR bn	FY24A	FY25A	FY25A vs FY24A
Continuing operations: revenue	30,623	31,943	+4.3%
Continuing operations: pre-tax profit	3,751	4,498	+19.9%
Continuing operations: pre-tax margin	12.2%	14.1%	+183bp
*Disposed (ice cream, SariWangi tea): revenue	4,516	4,431	-1.9%
*Disposed: pre-tax profit	599	394	-34.3%
*Disposed: pre-tax margin	13.3%	8.9%	-439bp
*Disposed, % of pre-disposal revenue	12.9%	12.2%	-67bp

Source: Company (FY25 audited financial statements, Note 39; 9M26 interim financial statements, Note 37), Aldiracita Sekuritas.

**Disposed = ice cream and the re-presented SariWangi tea business; sale proceeds IDR 7.0tn (ice cream, 8 December 2025) and IDR 1.5tn (tea, 2 March 2026).*

What Foods could be worth. McCormick is paying 13.8x FY25 underlying EBITDA for Unilever Foods (Unilever PLC, 31 March 2026); the excluded markets are India, Nepal and Portugal, not Indonesia. At that multiple UNVR's F&R, with FY27F EBITDA of about IDR 1.28tn after its share of central costs, would be worth IDR 17.7tn. If the full value were taxed at 22%, that is IDR 13.8tn, or IDR 363 a share, against about IDR 298 a share that F&R contributes to our TP. A sale would add only about IDR 64 a share (5%) to value, but paying the cash out, as with the ice cream and tea proceeds, would be a special dividend of about 24% of the share price. We include none of this **(Exhibit 15).**

Exhibit 15. Foods (F&R) at the McCormick deal multiple (illustrative)

IDR bn, FY27F	Value	Note
F&R segment result	1,679	Our forecast
Less: share of unallocated costs	(532)	Pro rata to sales
Add: share of D&A (excl. right-of-use)	133	Pro rata to sales
F&R EBITDA (proxy)	**1,280**	
Value at 13.8x EV/EBITDA	17,662	Unilever Foods / McCormick
Less: tax at 22% on the full value	(3,886)	Book value not disclosed
Net value	**13,777**	**IDR 363 per share**
F&R value in our TP (IDR per share)	298	Share of FY27F EBIT
Uplift (IDR per share)	64	+4.7% vs TP

Source: Unilever PLC (press release and Form 425, 31 March 2026), Aldiracita Sekuritas

Business Segmentation

Two segments, one distribution engine

HPC carries the business. Home and Personal Care (laundry, skin cleansing, hair, oral and skin care; brands include Rinso, Sunsilk and Vaseline) made 73% of FY25A sales and 71% of segment profit. Foods and Refreshment (F&R; savoury brands such as Royco and Bango after the tea and ice cream disposals) made the rest. Exports, almost all to Unilever affiliates, are 2.9% of sales.

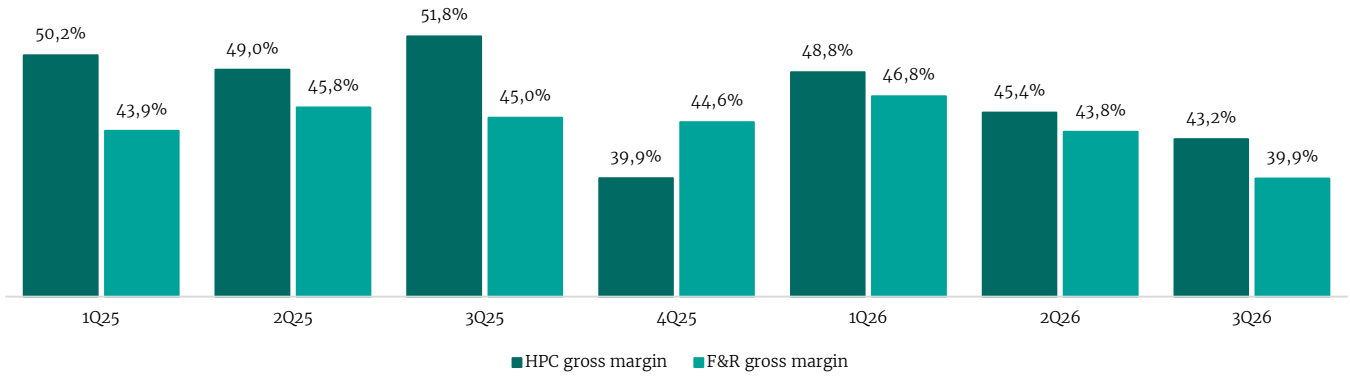
HPC now earns the higher margin. HPC's segment result margin rose to 21.6% in 9M26 as A&P fell, while F&R's fell to 17.7% from 22.1% as it spent to defend share and took the larger input-cost hit (3Q26 gross margin 39.9%). In the forecasts, segment gross margin is our input and segment result equals gross profit less allocated operating costs, so any input-cost shock flows straight through to profit.

Exhibit 16. Segment sales and margins

	FY24A	FY25A	9M26A	FY26F	FY27F	FY28F
HPC sales (IDR bn)	**22,426**	**23,359**	**18,973**	**25,169**	**26,193**	**27,516**
growth (%)		4.2%	8.2%	7.7%	4.1%	5.1%
gross margin	49.7%	47.7%	45.7%	44.9%	45.0%	45.6%
segment result margin	20.7%	21.4%	21.6%	20.7%	21.3%	21.6%
F&R sales (IDR bn)	**8,196**	**8,584**	**6,778**	**8,951**	**9,176**	**9,500**
growth (%)		4.7%	4.3%	4.3%	2.5%	3.5%
gross margin	41.7%	44.8%	43.5%	42.8%	42.5%	43.0%
segment result margin	20.6%	23.6%	17.7%	17.8%	18.3%	18.6%

Source: Company (segment notes, FY25 and 9M26 financial statements), Aldiracita Sekuritas

Exhibit 17. Quarterly gross margin by segment (%)



Source: Company (interim segment notes), Aldiracita Sekuritas

The brands that lead the volume recovery. In 3Q26 UNVR named two brands leading the recovery: Rinso grew at a high double-digit rate and gained 70bp of share and 200bp of penetration, and Sunsilk grew at a double-digit rate with 30bp of share and 150bp of penetration **(Exhibit 18)**. Both are premium relaunches, in line with the company's push for more premium and more online sales.

Exhibit 18. Categories and main brands

Category	Main brands	Latest evidence
Fabric and home care (HPC)	Rinso, Molto, Sunlight, Wipol	Rinso: high double-digit growth, +70bp share, +200bp penetration
Hair care (HPC)	Sunsilk, Clear, Dove, TRESemmé	Sunsilk: double-digit growth, +30bp share, +150bp penetration
Skin cleansing (HPC)	Lifebuoy, Lux, Dove	Within HPC underlying growth of 8.3% (9M26)
Skin care and deodorants (HPC)	Pond's, Glow & Lovely, Vaseline, Citra, Rexona	Premium and e-commerce led
Oral care (HPC)	Pepsodent, Close Up	Not disclosed
Foods (F&R)	Royco, Bango	F&R 9M26 sales +4.3%; ice cream and SariWangi tea sold

Source: Company (3Q26 earnings presentation; Nielsen Audit, MAT August 2026; brand portfolio), Aldiracita Sekuritas

Growth is broad across channels and fastest online. In 3Q26 general trade grew at a single-digit rate **(Exhibit 19)**, modern trade at a mid-single-digit rate and e-commerce with health and beauty stores at a high double-digit rate. In general trade the driver is reach: direct coverage is up 32% since 1Q25 and assortment per store 19%. Online is about 15% of the beauty and personal care market and growing at a double-digit rate (Cube), and UNVR's online share index rose from 1.0x in 1Q25 to 1.3x in 2Q26.

Exhibit 19. Sales channels

Channel	Growth, 3Q26	Driver	Evidence
General trade	Single digit	More and better stores	Direct coverage +32% and assortment +19% (3Q26 vs 1Q25); digital ordering 1.6x (1H26)
Modern trade	Mid-single digit	Perfect stores, in-store execution	No KPI disclosed
E-commerce and health & beauty	High double digit	Premium portfolio, creator-led demand	Online ~15% of the BPC market (Cube, Aug-26); online share index 1.0x (1Q25) to 1.3x (2Q26)

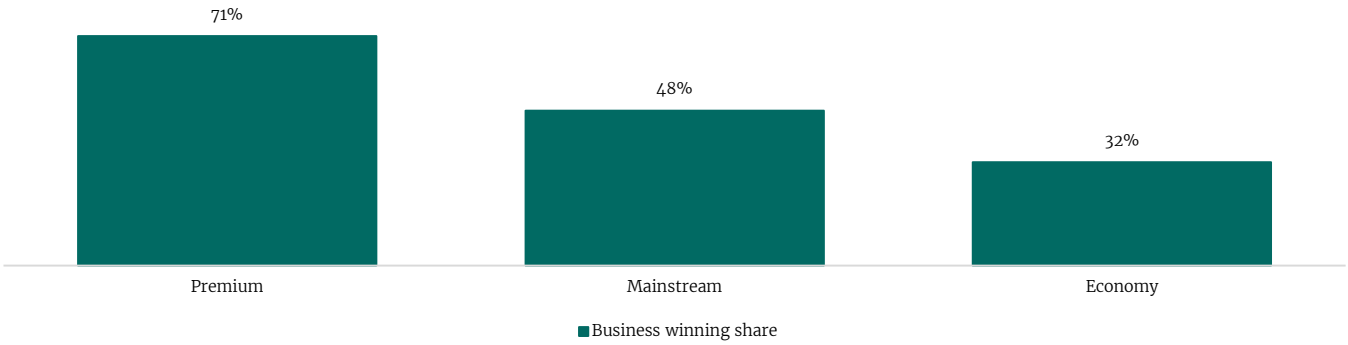
Source: Company (1H26 and 3Q26 earnings presentations), Cube (August 2026), Aldiracita Sekuritas

Industry Outlook

Premium and online are where the growth is

Premium grows faster than mainstream, and UNVR is in better position to capture it. Nielsen data cited by the company (MAT July 2026) show that premium products account for 32% of market value and are growing 1.9x faster than mainstream products, which represent 53% of the market. UNVR is also more competitive in this segment, with 71% of its premium businesses gaining market share, compared with 48% in mainstream and 32% in economy. This combination of faster category growth and stronger market-share performance supports UNVR's strategy to shift its portfolio towards higher-priced products, with potential benefits to revenue growth and product mix.

Exhibit 20. Share of UNVR business winning market share, by price tier, 2Q26 (%)



Source: Company (3Q26 earnings presentation; Nielsen audit, MAT July 2026), Aldiracita Sekuritas

Costs are the industry problem in 2027. Brent crude has eased to USD 92.8/bbl (11 November) from a 52-week high of USD 126.4/bbl but is still a third above its 2025 average, and the rupiah has weakened past IDR 18,100/USD, raising costs for surfactants, packaging resin and imported inputs. Every staples company faces the same squeeze, so pricing should hold across the category; the risk is that consumers trade down while incomes lag inflation.

Exhibit 21. Key industry, cost and market indicators

Indicator	Latest	Period	Source
UNVR offline value market share (ex-beverage)	30.8% (FY24: 32.6%)	2Q26	Company / Nielsen
Share of portfolio winning market share	~60%	2Q26	Company
Online share of the beauty and personal care market	~15%	2Q26	Company / Cube
Premium growth vs mainstream	1.9x	MAT Jul-26	Company / Nielsen
Direct store coverage	+32% vs 1Q25	3Q26	Company
Brent crude	USD 92.8/bbl	11-Nov-26	Bloomberg (CO1 Comdty)
Rupiah	IDR 18,154/USD (JISDOR)	11-Nov-26	Bank Indonesia
BI-Rate	5.75%	21-Oct-26 (RDG)	Bank Indonesia
10-year government bond yield	7.72%–7.74%	9-Nov-26 close	SUN closing yields

Source: Company (1H26 and 3Q26 earnings presentations), Nielsen, Cube, Bank Indonesia (BI-Rate), Bloomberg (Brent, JISDOR), EIA, Aldiracita Sekuritas

Financial Forecast and Outlook

FY26F: a cleaner base after two disposals

4Q26: better than 4Q25, still below 9M26 margins. We forecast FY26F sales of IDR 34.1tn (+6.8%) and continuing net profit of IDR 3.97tn. That implies 4Q26F sales growth of 5.8% y/y, a gross margin of 41.9% (3Q26: 42.3%; 4Q25: 41.1%), A&P back up to about 11.7% of sales from 8.1% in 3Q26, and an operating margin of 9.9%, up from 7.5% in 4Q25 when transformation costs peaked. Total net profit of IDR 4.85tn includes IDR 888bn of SariWangi discontinued profit (an IDR 870bn after-tax gain on sale plus IDR 18bn of January–February operations), which we exclude from core profit together with the IDR 107bn gain on fixed-asset sales.

Exhibit 22. FY26F cross-check against 9M26A (IDR bn)

IDR bn	4Q25A	FY26F	9M26A	4Q26F (implied)	4Q26F y/y
Net sales	7,913	34,120	25,752	8,368	+5.8%
Gross profit	3,255	15,132	11,622	3,510	+7.8%
Operating profit	593	4,914	4,088	827	+39.5%
Continuing NPAT	541	3,966	3,313	653	+20.7%
Gross margin	41.1%	44.3%	45.1%	41.9%	+81bp
Operating margin	7.5%	14.4%	15.9%	9.9%	+239bp

Source: Company, Aldiracita Sekuritas

Growth slows in FY27F as price replaces volume

2027 is a price year. Management expects Middle-East inflation to stay high into 2027, requiring further pricing, savings and investment choices. We expect HPC domestic volume growth to slow to 3.0% in FY27F (from 7.8% in FY26F) as UNVR takes 1.0% of price, and F&R to grow 2.5% with price doing most of the work. Group sales grow 3.7% in FY27F and 4.7% in FY28F, reaching IDR 37.0tn (Exhibit 23).

2028 is when margins should show the turnaround. Gross margin moves from 44.3% in FY26F to 44.4% in FY27F and 44.9% in FY28F as pricing and savings catch up with costs, while A&P is rebuilt only slowly, from 10.5% of sales to 10.8%. Core operating profit grows 8.3% and 7.6% (reported: 5.9% and 7.6%), and core net profit 5.9% and 6.8% to IDR 4.39tn in FY28F. Every 50bp of FY27F gross margin is worth about IDR 140bn of core profit, so pricing discipline matters more than volume from here **(Exhibits 24, 25).**

Exhibit 23. Net sales (IDR bn) and growth (%)

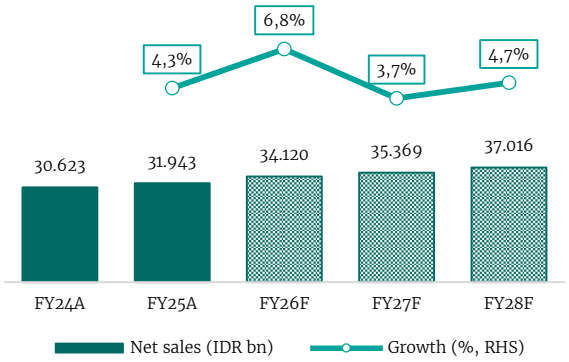
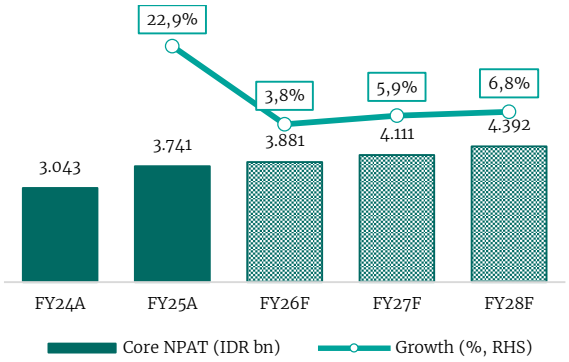


Exhibit 24. Core net profit (IDR bn) and growth (%)



Source: Company, Aldiracita Sekuritas

**UNVR's FY24A performance was pressured by declining volumes, price realignment and weaker competitiveness; higher raw material costs, manufacturing overheads and transformation expenses contributed to net profit drop.*

Where operating profit comes from. In FY26F, sales growth adds about IDR 1.0tn of gross profit, but the lower gross margin takes away IDR 0.9tn; the A&P cut adds IDR 0.6tn, while higher distribution and royalty costs take away IDR 0.7tn. From FY27F, sales growth and a modest gross-margin recovery carry the increase while A&P is rebuilt **(Exhibit 25).** The remaining marketing, selling and G&A costs fall to about 7% of sales in our forecast from 7.8% in 9M26, which needs transformation costs to fade as management expects.

Exhibit 25. Operating profit bridge, as reported (IDR bn)

IDR bn	FY25A	FY26F	FY27F	FY28F
Prior-year operating profit	**3,807**	**4,592**	**4,914**	**5,207**
+ Sales growth at prior-year gross margin	628	1,022	554	730
+ Gross-margin change	(191)	(887)	1	215
- Change in A&P	(72)	575	(166)	(249)
- Change in royalty and service fees	(52)	(251)	(124)	(119)
- Change in distribution	38	(429)	(25)	(77)
- Change in other marketing, selling and G&A	459	90	211	(107)
+ Change in other operating income	(27)	203	(158)	0
Operating profit	**4,592**	**4,914**	**5,207**	**5,600**

Source: Company, Aldiracita Sekuritas

Consensus: in line on operations, apart from FY26F one-offs

Our operating forecasts are close to consensus. Our sales are 1.1%–1.6% above consensus in FY26F–FY28F and our operating profit within 1.1%. Consensus FY26F sales imply 4Q26 sales up only 1.2% y/y despite five quarters of growth. The FY26F pre-tax and net profit gaps come from the tea gain: consensus pre-tax profit is IDR 226bn above consensus operating profit, and consensus Net Income Adj of IDR 4.40tn sits between our core (IDR 3.88tn) and total (IDR 4.85tn) profit. In FY27F–FY28F our core net profit is 0.3%–0.9% above consensus (Exhibit 26).

Exhibit 26. Aldiracita vs Bloomberg consensus (IDR bn)

IDR bn	FY26F Ours	FY26F Cons.	FY27F Ours	FY27F Cons.	FY28F Ours	FY28F Cons.
Net sales	34,120	33,757	35,369	34,931	37,016	36,425
Operating profit	4,914	4,968	5,207	5,215	5,600	5,579
EBITDA	5,548	5,510	5,866	5,773	6,289	6,146
Pre-tax profit	5,008	5,194	5,237	5,163	5,594	5,614
Core net profit (cons.: Net Income Adj)	**3,881**	**4,398**	**4,111**	**4,100**	**4,392**	**4,352**
Operating profit vs consensus (%)	-1.1%		-0.1%		+0.4%	

Source: Bloomberg consensus (10 November 2026; 14–18 contributors per line for FY26F–FY28F), Aldiracita Sekuritas

Cash flow: strong conversion, all of it paid out

Cash conversion is strong. FY26F operating cash flow of IDR 2.5tn is depressed by the 2026 payment of about IDR 1.8tn of tax and VAT on the ice cream sale. From FY27F we expect IDR 5.1tn–5.4tn a year and capex of 2.6%–2.8% of sales, giving free cash flow after leases of IDR 3.9tn–4.3tn. Payables run at about 110 days against 52 days of inventory and 20 days of receivables, so growth releases cash. Because UNVR pays out 100%, net cash after leases falls from IDR 5.1tn at end-FY25 to about IDR 0.8tn, and we assume small seasonal bank borrowings around the June final dividend **(Exhibits 27, 28).**

Exhibit 27. Operating cash flow, capex and FCF after leases (IDR bn)

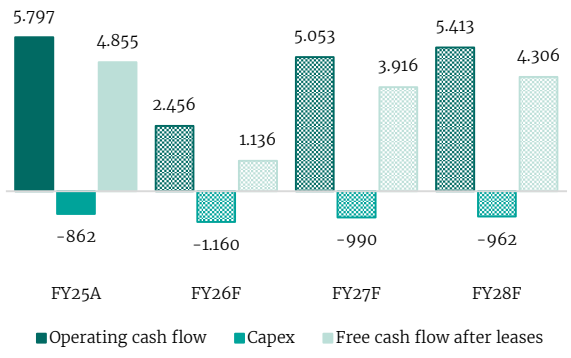
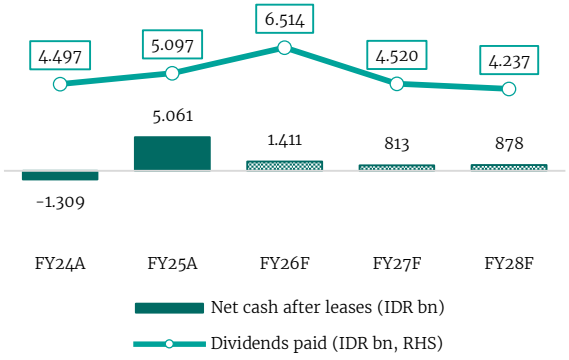


Exhibit 28. Net cash after leases and dividends paid (IDR bn)

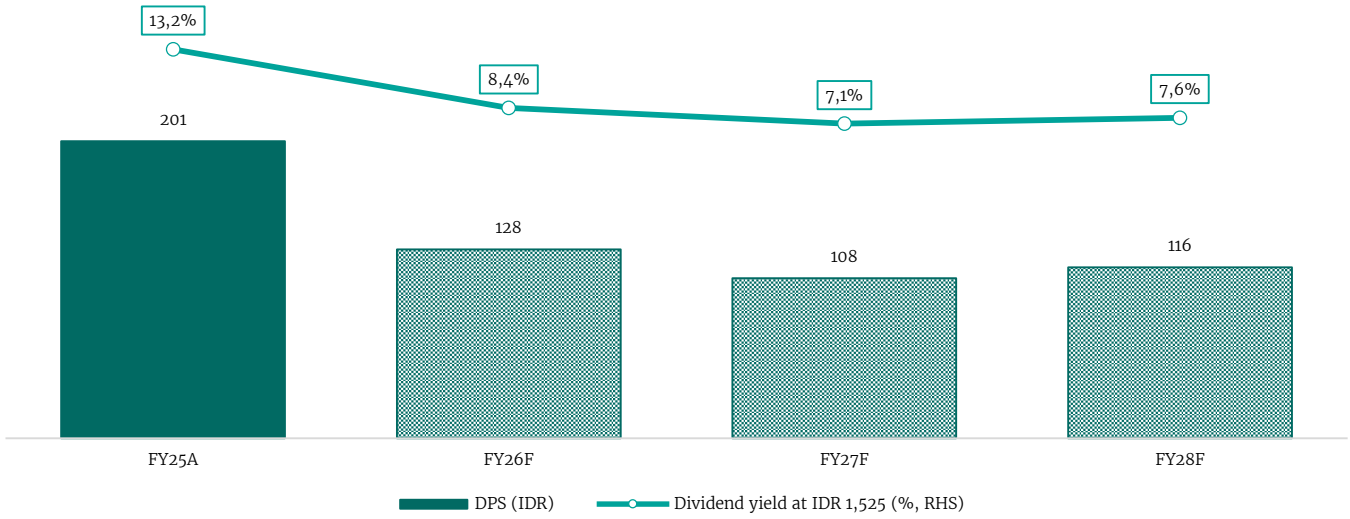


Source: Company, Aldiracita Sekuritas

Dividends: 100% payout

All profit is paid out. UNVR paid DPS of IDR 201 from FY25 profit (an IDR 87 interim and an IDR 114 final, including the ice cream gain). Management has committed to pay out 100% of the SariWangi gain, so we forecast FY26F DPS of IDR 128, of which about IDR 58 as a December 2026 interim, falling to IDR 108 in FY27F before rising with earnings. At IDR 1,525 the FY27F yield of 7.1% is about 60bp below the 10-year government bond yield of 7.72%–7.74% (as of 9 November 2026) **(Exhibit 29).**

Exhibit 29. DPS declared from each year's profit (IDR) and dividend yield (%)



Source: Company (Note 22 FY25, Note 21 9M26), Aldiracita Sekuritas

Valuation

Blended DCF and P/E: TP of IDR 1,355

We blend DCF (70%) and P/E (30%). With a 7.7% risk-free rate (10-year government bond yield as of 9 November), a 6.56% house equity risk premium and a Bloomberg beta of 0.97, our cost of equity and WACC are 14.1%, yielding a DCF value of IDR 1,297 per share. For the P/E valuation, we apply 15.0x trailing earnings, just below the 15.4x UNVR trades at today on our TTM core EPS (15.1x on the continuing EPS of the Bloomberg band) and 1.5 SD below its five-year mean of 23.5x, so we assume no re-rating.

To align it with our forecast period, we translate 15.0x TTM core EPS of IDR 99.2 into 13.7x FY27F core EPS of IDR 108.2, implying a value of IDR 1,488 per share, around 8% above CMRY's 12.7x, the highest-rated local peer. Weighting the DCF at 70% and the P/E at 30% gives IDR 1,354 per share, rounded to a target price of IDR 1,355 at the IDR 5 tick **(Exhibits 30–32).**

Exhibit 30. Target price derivation

Method	Value (IDR/share)	Weight	Contribution (IDR/share)
DCF (WACC 14.1%, TGR 5.0%)	1,297	70%	908
P/E, 13.7x FY27F core EPS (15.0x trailing)	1,488	30%	446
Blended value		**100%**	**1,354**
Target price (rounded to the IDR 5 tick)			**1,355**
Current price (9-Nov-26)			1,525
Capital upside			-11.1%
Dividends due in 12 months (IDR 128: Dec-26 interim, Jun-27 final)			8.4%
Total expected return			**-2.8%**

Source: Aldiracita Sekuritas

Exhibit 31. Key DCF assumptions

Assumption	Value
WACC (no structural debt)	14.1%
Terminal growth rate	5.0%
Explicit forecast period	FY27F–FY30F (valuation date 31-Dec-26)
Cost of equity (Rf 7.7%, ERP 6.56%, Bloomberg beta 0.97)	14.1%
FCFF, FY27F to FY30F (IDR tn)	3.9 to 5.0

Source: Aldiracita Sekuritas. Rf = 10-year government bond yield at the 9-Nov-26 close (7.72%–7.74%); ERP = house equity risk premium.

Exhibit 32. Target price under alternative method choices

Method choice	Setting	TP (IDR)	Total return
Base case	14.1% WACC, 13.7x forward P/E	1,355	-2.8%
Target P/E (trailing)	12.0x / 18.0x (11.0x / 16.5x forward)	1,265 / 1,445	-8.7% / +3.1%
WACC	13.1% / 15.1%	1,465 / 1,265	+4.5% / -8.7%
Terminal growth	4.0% / 6.0%	1,285 / 1,440	-7.4% / +2.8%
Method weight	100% DCF / 100% P/E	1,295 / 1,490	-6.7% / +6.1%

Source: Aldiracita Sekuritas. Total return includes 8.4% of dividends due in 12 months.

We treat rent as a cash operating cost. Leases are counted once, in free cash flow: we deduct the rent UNVR actually pays each year. Our valuation date is 31 December 2026, so we discount cash flows from FY27F onward and add end-FY26F net cash of IDR 2.0tn (cash and deposits less bank debt); FY26F itself, including the one-off IDR 1.8tn of disposal taxes, is captured in that year-end cash rather than discounted **(Exhibit 33).**

Exhibit 33. DCF valuation and equity bridge

Free cash flow build (IDR bn)	FY26F	FY27F	FY28F	FY29F	FY30F	DCF
Operating profit (EBIT)	4,914	5,207	5,600	6,031	6,452	23,290
Add: ROU depreciation, less cash lease payments	(32)	(30)	(30)	(30)	(31)	(121)
Less: tax at effective rate (20.8%–21.5%)	(1,016)	(1,113)	(1,198)	(1,290)	(1,381)	(4,981)
Add: D&A excl. right-of-use depreciation	474	512	543	571	600	2,227
Less: capex	(1,160)	(990)	(962)	(1,016)	(1,072)	(4,040)
Change in working capital and other items (inflow positive)	(1,701)	282	333	418	462	1,495
Free cash flow to the firm	**1,479**	**3,868**	**4,287**	**4,684**	**5,031**	**17,870**
Discount factor (end-year, from 31-Dec-26)	excl.	0.877	0.769	0.674	0.591	–
Present value	–	3,391	3,295	3,156	2,972	12,815
Equity bridge (IDR bn)						
Sum of PV of free cash flow, FY27F–FY30F						12,815
PV of terminal value (terminal value IDR 58,283bn)						34,432
Enterprise value						**47,246**
Add: net cash (cash + time deposits - bank), FY26F						2,016
Equity value						**49,262**
Shares outstanding, ex-treasury (mn)						37,981
DCF value per share (IDR)						**1,297**

Source: Company, Aldiracita Sekuritas

Returns are high, but the value depends on keeping them

UNVR earns returns far above its cost of capital. After-tax ROIC on operating capital is 52%–54% in FY26F–FY28F because negative working capital funds most of the business. That makes the terminal value sensitive to whether future growth keeps earning those returns: if new capital earns the FY30F ROIC our TP falls to IDR 1,300, and if growth only earns the 14.1% WACC it falls to IDR 1,130, a total return of -17.5%, a SELL even with the dividend. With no growth at all after FY30F (IDR 1,110) the total return is -18.8% (Exhibit 34).

Exhibit 34. Target price under tougher terminal-value assumptions

Terminal value assumption	Return on new capital	TP (IDR)	Total return
Base case (Gordon growth)	n.m.	1,355	-2.8%
New capital earns the FY30F ROIC	56.7%	1,300	-6.4%
Growth creates no value	14.1% (= WACC)	1,130	-17.5%
No growth after FY30F (g = 0%)	n.a.	1,110	-18.8%

Source: Aldiracita Sekuritas

Bull, base and bear: more downside than upside

The bear case matters more than the bull case. In the bear case (25% probability), crude-linked input costs rise 10% above our base (Brent back to about USD 102/bbl from USD 92.8 on 11 November) and the rupiah weakens 5% to about IDR 19,100/USD from FY27F; with half passed on in price, gross margin is 95bp lower every year to FY30F (Exhibit 42). FY27F core net profit falls 6.4% to IDR 3.85tn, below FY26F. We also assume growth after FY30F only earns the 14.1% WACC (Exhibit 34) and apply 11.0x FY27F EPS (12.0x on the trailing band, near its -2 SD of 11.9x), for a value of IDR 979 and a total return of -27.4% after the IDR 128 dividend. In the bull case (20%), pricing lifts gross margin 50bp above our base in FY27F and 100bp from FY28F (45.9% in FY28F), and the market pays 16.5x FY27F EPS (18.0x trailing, just above its -1 SD of 17.7x), for IDR 1,516 and a total return of +7.8%, still a HOLD. The probability-weighted value is IDR 1,293, a total return of -6.8% (Exhibit 35).

Exhibit 35. Bull, base and bear scenarios

IDR bn unless stated	Bear	Base	Bull
Probability	25%	55%	20%
Input costs vs our base, FY27F–FY30F	Crude-linked +10%, rupiah -5%	Base	Faster pricing
Gross margin, FY27F	43.5%	44.4%	44.9%
Gross margin vs base, FY28F–FY30F	-95bp	–	+100bp
Core net profit, FY27F (IDR bn)	3,847	4,111	4,250
Core EPS, FY27F (IDR)	101.3	108.2	111.9
Terminal value	Growth earns WACC	Gordon, g 5.0%	Gordon, g 5.0%
Target P/E on FY27F EPS (trailing band), x	11.0 (12.0)	13.7 (15.0)	16.5 (18.0)
DCF value (IDR)	922	1,297	1,374
Value per share, 70/30 blend (IDR)	**979**	**1,354**	**1,516**
Total return incl. dividends	-27.4%	-2.8%	+7.8%
Probability-weighted value (IDR)		**1,293 (-6.8%)**	

Source: Aldiracita Sekuritas

Peer comparison

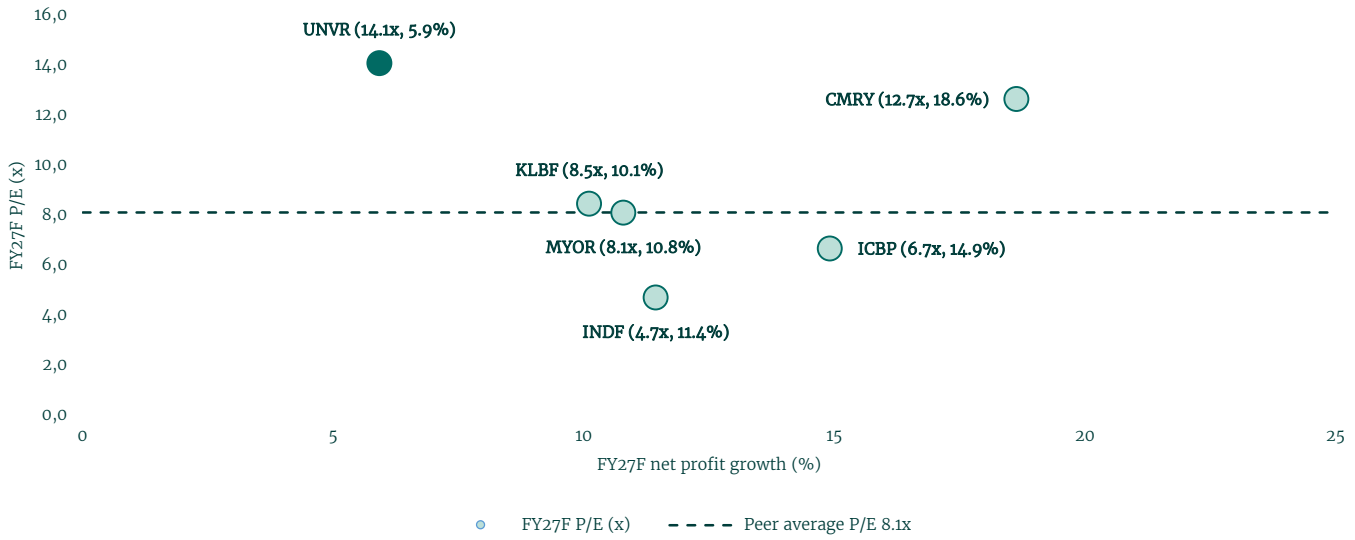
UNVR trades at a premium to local staples and a discount to the region. At 14.1x FY27F P/E, UNVR is 73% above the 8.1x average of ICBP, MYOR, KLBF, CMRY and INDF. The premium buys a different profile: ROE above 100%, a 100% payout and an FY27F dividend yield of 7.1%, but slower profit growth (5.9% in FY27F against 13% for peers) **(Exhibits 36, 37).**

Exhibit 36. Consumer staples peer comparison

Company	Ticker	Market cap (IDR bn)	P/E FY26F (x)	P/E FY27F (x)	P/BV FY26F (x)	Net profit growth FY27F (%)
Unilever Indonesia	**UNVR**	**57,921**	**14.9**	**14.1**	**20.6**	**5.9**
Indofood CBP Sukses Makmur	ICBP	70,875	7.7	6.7	1.2	14.9
Mayora Indah	MYOR	30,109	9.1	8.1	1.5	10.8
Kalbe Farma	KLBF	33,946	9.3	8.5	1.4	10.1
Cisarua Mountain Dairy	CMRY	33,795	15.0	12.7	4.5	18.6
Indofood Sukses Makmur	INDF	58,643	5.2	4.7	0.7	11.4
Peer average (ex-UNVR)		**45,474**	**9.3**	**8.1**	**1.9**	**13.2**
UNVR vs peers			+61%	+73%	n.m.	

Source: Bloomberg (peers as of 9 November 2026), Aldiracita Sekuritas

Exhibit 37. FY27F P/E (x) vs FY27F net profit growth (%)



Source: Bloomberg, Aldiracita Sekuritas

Against regional HPC peers UNVR is cheap. Hindustan Unilever, Unilever PLC, Kao, Colgate-Palmolive India and P&G Hygiene trade at an average 29.7x trailing and 26.2x CY2027 earnings (Bloomberg), so UNVR, at 15.4x and 14.1x, is 48% and 46% cheaper. The discount reflects five years of falling earnings, the 85% parent stake and Indonesia's higher cost of capital; it also leaves room for a re-rating if gross margin recovers **(Exhibit 38).**

Exhibit 38. Regional HPC peers

Company	Ticker	Trailing P/E (x)	FY27 P/E (x)	FY27 dividend yield (%)
Hindustan Unilever	HUVR IN	32.1	37.0	2.4
Unilever PLC	ULVR LN	n.a.	17.5	3.4
Kao	4452 JP	26.1	23.3	2.1
Colgate-Palmolive India	CLGT IN	34.1	29.2	3.3
P&G Hygiene and Health Care	PG IN	26.6	24.2	3.6
Regional average		**29.7**	**26.2**	**3.0**
Unilever Indonesia	**UNVR IJ**	**15.4**	**14.1**	**7.1**
UNVR vs regional average		-48%	-46%	

Source: Bloomberg, Aldiracita Sekuritas

Exhibit 39. UNVR valuation metrics

	FY24A	FY25A	FY26F	FY27F	FY28F
Core EPS (IDR)	79.8	98.5	102.2	108.2	115.6
Core EPS growth (%)		23.5	3.8	5.9	6.8
P/E (x)	19.1	15.5	14.9	14.1	13.2
BVPS (IDR)	56	118	74	63	67
P/BV (x)	27.1	12.9	20.6	24.1	22.6
ROE (%, core, average equity)	n.a.	112.9	106.5	157.5	176.8
EV/core EBITDA (x)	12.8	9.6	10.4	9.7	9.1
DPS (IDR)	88.0	201.0	127.8	108.2	115.6
Dividend yield (%)	5.8	13.2	8.4	7.1	7.6

Source: Company, Aldiracita Sekuritas

What could change our view

Upside triggers: a pullback below about IDR 1,350, where the 12-month return clears 10%; pricing that lifts gross margin back toward 46%; a free-float fix (treasury resale plus a placement of about 200mn shares) before 31 March 2027; a Foods sale that returns cash; and a lower Indonesian risk premium (Exhibit 40).

Downside triggers: Brent back above USD 100/bbl (USD 92.8 on 11 November) and a rupiah weakening further from IDR 18,154/USD into 2027, our bear case; a forced return of A&P to 13% of sales to defend share; royalty fees rising toward the 8% cap; and continued foreign selling.

Exhibit 40. Catalyst calendar

Timing	Event	What to watch
Dec-26	FY2026 interim dividend; Foods update (management: before year-end)	Interim of about IDR 58; scope of Indonesian Foods in the McCormick deal
Feb-27	FY2026 results	4Q26 gross margin vs our 41.9%; A&P rebuild; 2027 pricing
By 31-Mar-27	IDX free-float deadline (15%)	Treasury resale plus ~201mn shares placed by the parent
Apr-27	1Q27 results	First quarter of 2027 pricing; volume vs price
Jun-27	AGM and FY2026 final dividend	Final of about IDR 70
Mid-2027	Unilever Foods / McCormick completion	Treatment of Royco and Bango
Jul-27	1H27 results	Gross-margin recovery toward 45%

Source: Company, IDX, Unilever PLC, Aldiracita Sekuritas (expected timing)

SWOT Analysis

Exhibit 41. SWOT analysis

Strengths	Weaknesses
Leading HPC franchise (offline value share ~31%): Rinso, Sunsilk, Pepsodent, Vaseline Five quarters of volume-led growth; ~60% of portfolio winning share Negative working capital; ROIC above 50%; 100% payout Access to Unilever group brands, technology and sourcing	Gross margin down 373bp in 9M26 and 766bp in 3Q26; little pricing so far Profit growth relied on a 3.1pp cut in A&P Royalty and service fees ~7% of sales, cap 8% IDX free float 14.0%, below the 15% minimum
Opportunities	**Threats**
Premium tier growing 1.9x mainstream; 71% of premium business winning E-commerce and health & beauty growing at high double digits Price recovery in 2027 as input costs are passed on Foods/McCormick outcome could leave a near-pure HPC company and release cash	Brent back above USD 100/bbl and a rupiah weaker than IDR 18,154/USD Foods/McCormick combination may change the F&R perimeter Down-trading by consumers as prices rise

Source: Aldiracita Sekuritas

Key Risks

Input costs are the main risk to our numbers. We estimate that a 10% rise in palm-oil-linked inputs cuts FY27F gross margin by about 60bp and core net profit by about 4.0% after passing half of it on in price; similar shocks to crude-linked inputs and the rupiah cost 3.4% and 3.0%. UNVR does not disclose its commodity mix, so these are our estimates (Exhibit 42).

A&P and royalty could squeeze margins. If competition forces A&P back to its FY24A–FY25A level of about 13% of sales, FY27F operating profit would fall by roughly IDR 0.85tn. Royalty and service fees are 7.1% of sales against a contractual cap of 8%; each 10bp is about IDR 35bn of operating profit in FY27F.

Corporate actions and the market. The Foods combination with McCormick could change F&R's scope; we keep F&R fully consolidated until terms are disclosed. IDR 1.38tn of tax refund claims under dispute is excluded from our valuation.

Exhibit 42. Key risk sensitivities (FY27F)

Risk	Sensitivity	Impact
Palm-oil-linked inputs +10%	GM -60bp after 50% pass-through	Core NPAT -4.0%
Crude-linked inputs +10%	GM -50bp after 50% pass-through	Core NPAT -3.4%
Rupiah -5% vs USD	GM -45bp after 50% pass-through	Core NPAT -3.0%
A&P back to 13% of sales	+2.4pp of sales	Operating profit -IDR 0.85tn
Royalty +10bp of sales	IDR 35bn of cost	Core NPAT -0.7%
WACC +1pp (higher risk premium)	14.1% to 15.1%	TP IDR 1,265

Source: Aldiracita Sekuritas

Regulation: halal and plastic. Since 17 October 2026 cosmetics and chemical products sold in Indonesia must be halal certified (Government Regulation 42/2024; BPJPH), which covers most of the HPC portfolio (Exhibit 43). UNVR does not disclose its certification status, and uncertified products could have to be withdrawn. Under Ministry of Environment and Forestry Regulation P.75/2019, producers must cut the waste from their products and packaging by 30% by the end of 2029, which bears on sachets and flexible packaging. However, the implementing rules and sanctions are not yet in place.

Exhibit 43. Regulation and ESG items

Regulation	Requirement	Timing	Exposure for UNVR
Halal product assurance (Law 33/2014; GR 42/2024)	Halal certification of cosmetics, chemical products and medicines	Mandatory after 17-Oct-26 (BPJPH)	HPC portfolio (73% of FY25A sales); certification status not disclosed
Producer waste reduction (MoEF Reg. P.75/2019)	Waste-reduction roadmap; 30% reduction target	By end-2029	Sachets and flexible packaging; sanctions not yet set
IDX free-float rule	15% minimum free float	By 31-Mar-27	IDX free float 14.03%; gap of ~201mn shares

Source: BPJPH (2026), Ministry of Environment and Forestry, Kompas (17 February 2025), IDX, Aldiracita Sekuritas

Financial Statements

Income Statement

Income Statement (IDR bn)	FY24A	FY25A	FY26F	FY27F	FY28F
Revenue	30,623	31,943	34,120	35,369	37,016
Cost of goods sold	(16,063)	(16,946)	(18,988)	(19,682)	(20,383)
Gross profit	**14,560**	**14,997**	**15,132**	**15,687**	**16,632**
Operating expenses and other items, net	(10,752)	(10,405)	(10,217)	(10,480)	(11,032)
EBIT	**3,807**	**4,592**	**4,914**	**5,207**	**5,600**
EBITDA	4,439	5,261	5,548	5,866	6,289
o/w gain / (loss) on sale of fixed assets	(179)	(259)	107	0	0
Core EBIT (ex asset-sale results)	**3,986**	**4,851**	**4,807**	**5,207**	**5,600**
Core EBITDA (ex asset-sale results)	4,618	5,520	5,441	5,866	6,289
Net finance income / (cost)	(56)	(94)	93	30	(6)
Pre-tax profit	3,751	4,498	5,008	5,237	5,594
Tax	(846)	(961)	(1,042)	(1,126)	(1,203)
Profit from continuing operations	2,905	3,537	3,966	4,111	4,392
Discontinued operations	464	4,104	888	0	0
Net profit (total)	**3,369**	**7,641**	**4,854**	**4,111**	**4,392**
Core net profit (ex-discontinued and disposal results)	**3,043**	**3,741**	**3,881**	**4,111**	**4,392**
Core net profit growth (%)		22.9	3.8	5.9	6.8
Core EPS (IDR)	79.8	98.5	102.2	108.2	115.6
DPS (IDR, declared from the year's profit)	88.0	201.0	127.8	108.2	115.6

Balance Sheet

Balance Sheet (IDR bn)	FY24A	FY25A	FY26F	FY27F	FY28F
Cash and time deposits	671	5,706	2,016	1,875	1,875
Trade receivables	1,881	1,678	1,870	1,938	2,028
Inventories	2,506	2,453	2,705	2,804	2,904
Other current assets	223	708	546	566	592
Fixed assets, goodwill and intangibles	9,721	7,540	8,145	8,623	9,042
Right-of-use and other non-current assets	1,045	1,933	1,892	1,887	1,889
Total assets	**16,046**	**20,017**	**17,174**	**17,693**	**18,331**
Bank borrowings	1,450	0	0	463	395
Lease liabilities	531	645	604	599	602
Trade payables	3,983	4,695	5,722	5,932	6,143
Taxes, accruals and other current liabilities	6,188	9,099	6,929	7,190	7,528
Other long-term liabilities	1,745	1,103	1,103	1,103	1,103
Total liabilities	**13,897**	**15,542**	**14,359**	**15,286**	**15,771**
Total equity	**2,149**	**4,475**	**2,815**	**2,406**	**2,561**
Net cash after leases	(1,309)	5,061	1,411	813	878

Cash Flow

Cash Flow (IDR bn)	FY24A	FY25A	FY26F	FY27F	FY28F
Cash flow from operations	**3,960**	**5,797**	**2,456**	**5,053**	**5,413**
Capex	(1,073)	(862)	(1,160)	(990)	(962)
Free cash flow before leases	**2,887**	**4,935**	**1,296**	**4,063**	**4,451**
Lease payments (FY24A–FY25A: principal + interest; FY26F–: principal, with lease interest in CFO)	(247)	(80)	(160)	(147)	(145)
Proceeds from disposals	58	7,011	1,689	0	0
Dividends paid	(4,497)	(5,097)	(6,514)	(4,520)	(4,237)
Net change in bank borrowings	1,450	(1,450)	0	463	(68)
Free cash flow after leases	**2,640**	**4,855**	**1,136**	**3,916**	**4,306**

Source: Company, Aldiracita Sekuritas. FY24A–FY25A cash flows as reported for the total company, including discontinued operations; FY25A disposal proceeds are the IDR 7.0tn ice cream sale; FY26F proceeds are SariWangi tea (IDR 1,500bn) and fixed-asset sales (IDR 188.5bn in 9M26). From FY26F lease interest sits in cash flow from operations, so free cash flow after leases deducts lease principal only. FY24A core EBIT adds back the IDR 179bn loss on sale of fixed assets (FY24 financial statements, Note 9c–d).

Key Ratios

Key Ratios	FY24A	FY25A	FY26F	FY27F	FY28F
Profitability (%)					
Gross margin	47.5%	46.9%	44.3%	44.4%	44.9%
EBITDA margin	14.5%	16.5%	16.3%	16.6%	17.0%
Core EBITDA margin	15.1%	17.3%	15.9%	16.6%	17.0%
EBIT margin	12.4%	14.4%	14.4%	14.7%	15.1%
Core EBIT margin	13.0%	15.2%	14.1%	14.7%	15.1%
Core net margin	9.9%	11.7%	11.4%	11.6%	11.9%
Return on assets (core NPAT / year-end total assets)	19.0%	18.7%	22.6%	23.2%	24.0%
Return on equity (core NPAT / average equity)	n.a.	112.9%	106.5%	157.5%	176.8%
ROIC (after tax, operating capital)	n.a.	40.0%	52.1%	53.3%	54.4%
Cost structure (% of sales)					
A&P	13.3%	13.0%	10.5%	10.6%	10.8%
Royalty and service fees	6.9%	6.8%	7.1%	7.2%	7.2%
Distribution	4.1%	3.8%	4.8%	4.7%	4.7%
Stability					
Net cash after leases / equity (x)	-0.6	1.1	0.5	0.3	0.3
Payout ratio (total NPAT)	100%	100%	100%	100%	100%
Growth (%)					
Revenue growth		+4.3%	+6.8%	+3.7%	+4.7%
EBIT growth		+20.6%	+7.0%	+5.9%	+7.6%
Core EBIT growth		+21.7%	-0.9%	+8.3%	+7.6%
Core net profit growth		+22.9%	+3.8%	+5.9%	+6.8%
Multiples (x)					
P/E	19.1	15.5	14.9	14.1	13.2
P/BV	27.1	12.9	20.6	24.1	22.6
EV/core EBITDA	12.8	9.6	10.4	9.7	9.1
Dividend yield	5.8%	13.2%	8.4%	7.1%	7.6%

Source: Company, Aldiracita Sekuritas. Multiples at IDR 1,525 (9 November 2026).

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HOLD	Expected 12-month total return of -10% to +10%
SELL	Expected 12-month total return of < -10%

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