PT Unilever Indonesia Tbk
Public Expose 2022
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UNILEVER INDONESIA – Our Vision

To earn the love and respect of every Indonesian by positively impacting their life everyday, everywhere

Market Position
#1 FMCG
Unilever Indonesia: IDR 40 trillion Company with strong presence in ID

88 Years
unwavering commitment to
grow with Indonesia

5,000 employees across
Indonesia, with commitment to
diversity and inclusion.

#1 Employer of
choice for 8 consecutive years

IDR 40T Company with Indonesia’s Favorite Brands

Market Leadership in 13 out of 15 categories

43 Brands
hold #1 & #2 position

9 factories have obtained halal
certification from The Indonesian Council
of Ulama

Wide distribution network, 500
distributors across Indonesia

100% Corporate Penetration.
At least 1 UL Product in every Household

Sustainability at our Core

39,000 Ton
Plastic Collected & Recycled in 2021

Commitment to diversity and
inclusion. 50% of our senior leaders
are women.
## Indonesia of Today and Tomorrow

### MACRO & DEMOGRAPHIC

- The Indonesian economy is expected to grow by c.5% pa in the next 5 years with GDP bouncing back after a low 2020
- Rising middle-upper class, 53% by 2025 with more affluent consumers seeking new and higher benefit
- Largest Muslim population in the world, with increasing desire to express the Islam faith in their daily life. >85% Hijab wearer

### CHANNEL

- E-commerce will be 15% of total FMCG channel (CAGR +30%) vs only 6% today
- Shoppers will continue to move to Mini Market at 6-7% CAGR at the expense of Large Format Stores
- Potential big disruptions in Distributive Trade driven by market place digitalization of B2B

### CATEGORY

- Massive Market Development opportunities: consumption today in Core categories* is only half of other markets like Thailand
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2025 STRATEGIC PRIORITIES
UNILEVER INDONESIA 2025 STRATEGIC PRIORITIES

Strengthen and unlock the Core
- Stronger brands
- Market Development
- Purpose-led innovation

Play the full Portfolio
- Premiumization in BPC & IC
- Value segment in selective categories

Build Execution Powerhouse
- Win in MT
- Future-Fit DT
- Lead & turbo-charge e-Com

Transformational Capabilities
- E – Everything
- Digital & Data Driven Organization

LEADING IN SUSTAINABILITY
#1. STRENGTHEN & UNLOCK THE CORE

**BUILD STRONGER BRANDS**

- **Rexona**

**DRIVE MARKET DEVELOPMENT**

- **UPGRADATION OR MORE CONSUMPTIONS**
  - Products: Rexona, Motto, Bango, etc.

- **GETTING MORE USERS**
  - Product: Lux

**PRODUCT SUPERIORITY & PURPOSEFUL INNOVATION**

- **70% of 2022 Core relaunch/innovation iTO is with technology-led superiority or better formulation.**

- **Continue to drive growth via Purpose-led initiatives.**
  - Examples: Pepsi, Dentadent, etc.
#2. PLAY THE FULL PORTFOLIO

**DRIVE PREMIUMIZATION**
200Mn EUR Incremental Revenue by 2025

Accelerate BPC Premium/ Masstige

Activate Premium Portfolio in Ice Cream

**Value Packs, designed for GT Shoppers** with limited spending per trip

**Different Portfolio** to serve mid-lower consumers

PLAY IN VALUE SEGMENT
#3. BE THE EXECUTION POWERHOUSE

LEADING IN THE CHANNEL WITH EXCELLENT EXECUTION

**Win in MT (especially Minis)**
- Design4Minis
- Partner For Growth
  - Be #1 preferred supplier via Stronger Category Management
- Step Up in Omnichannel
  - A+ Content to drive demand creation & conversion.

**Future-Fit DT**
- Complete DT 2025 program
  - Bigger, Profitable DT
  - Digitalization
  - eRTM, UMP scale Up
- GT – Execution Rigor to expand coverage to 350k+ stores, +10% Assortment, and TDP Growth
- Accelerate growth in Local supermarket & family grocers

**Lead & Turbocharge E-commerce**
- Purposeful Portfolio
  - 25% iTO from new portfolio & Double BPC masstige size
- Demand Creation
  - Data driven marketing & partnership with top customers.
- Transformational Capability
  - Digital marketing, e-NRM, and online category management while driving Omni & Social Commerce
**#4 TRANSFORMATIONAL CAPABILITIES**

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### Integrated End to End & Digitized Operation System

- **Forecasting Machine Learning**
- **End to End Customer Portal** (order, payment, tracking)
- **Insight & Intelligent (data-based)**

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### Data-Driven Capabilities

- **Data-Driven Marketing + Commerce**
  - Retailer Partnership in generating insight from data to drive traffic & conversion
  - Digital Center of Excellence
  - Digital presence, asset, and experience
LEADING IN SUSTAINABILITY

LEADING IN SUSTAINABILITY

COMPANY SUSTAINABILITY PROGRAM

Improve Health, Hygiene and Well Being of Indonesia

In 2021, we reached at least 3 Mn people to improve health, hygiene, and wellbeing through our brands.

- 2.4Mn students reached in School Health Program
- 500k women reached Family Health Program (BU KARSA)
- 100k Mosques participated in Mosque Cleaning Movement
- 3,2k girls reached via Sunsilk Explore More Program
- 60 Recipients of GAL’s Star Scholarship

Further, we continue to:

- Educate dental health with school program and free dentist consultation
- Nutrimenu campaign for complete daily nutrition with Royco

Reducing Environment Impact

OUR COMMITMENT BY 2025

BY 2025, ALL OF OUR PLASTIC PACKAGING WILL BE REUSABLE, RECYCLABLE OR COMPOSTABLE

BY 2025, HELP COLLECT AND PROCESS MORE PLASTIC PACKAGING THAN WE SELL

BY 2025, WE WILL REDUCE OUR VIRGIN PLASTIC PACKAGING BY 50%, ONE THIRD OF THIS WILL COME FROM AN ABSOLUTE PLASTIC REDUCTION

In 2021:

- 39k ton Plastics collected & processed. We target to reach 50k annually from 2022-2025.
- 4000 Waste Bank that we collaborate with
- 0% Waste dumped to landfill (maintained).

Enhancing Livelihoods for Millions

Fostering and prospering 10,050 black soybean farmers via Bango “Black Soybean Farmers Development Program”

In agriculture, we partnered with almost 20,000 small palm oil, black soybeans, and coconut sugar farmers.

Women across Indonesia have improved their entrepreneurship through the digital platform of WeLearn, an initiative from UN Women supported by Sunlight.
**Strong start with Sales Growth +5.4% YoY, +13.9% QoQ**

### NET SALES

**IDR 10.8 T**

**+5.4% TOTAL SALES,**
**+5.8% DOMESTIC SALES**

**Sales Trend**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>NET SALES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1'20</td>
<td>11,153</td>
</tr>
<tr>
<td>Q2'20</td>
<td>10,516</td>
</tr>
<tr>
<td>Q3'20</td>
<td>10,283</td>
</tr>
<tr>
<td>Q4'20</td>
<td>9,516</td>
</tr>
<tr>
<td>Q1'21</td>
<td>10,838</td>
</tr>
<tr>
<td>Q2'21</td>
<td>10,516</td>
</tr>
<tr>
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<td>10,283</td>
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<td>Q4'21</td>
<td>9,516</td>
</tr>
<tr>
<td>Q1'22</td>
<td>10,838</td>
</tr>
</tbody>
</table>

### GROWTH IN NET PROFIT

**IDR 2.0 T**

**+19.0% REPORTED,**
**+4.8% UNDERLYING**

*Excluding one off 2021 Central Service Fee adjustment*

### STRONG CASH FLOW DELIVERY

**IDR 1.7 T**

**+217.0%**
Q1 2022 Domestic Growth Performance by Division

**BEAUTY & PERSONAL CARE**
- USG +6.7%

**HOME CARE**
- USG +0.4%

**FOODS & REFRESHMENT**
- USG +7.5%

**UNILEVER FOODS SOLUTION**
- USG +25.1%

**TOTAL HPC +4.5%**
- UPG 13.1% | UVG -7.6% | VOL GROWTH -4.2%

**TOTAL F&R +8.5%**
- UPG 4.3% | UVG 3.9% | VOL GROWTH 8.1%
Stepping up Advertising for long-term investments behind our brands and decrease reliance on short-term promotions

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#1.

Brand investments increased by 18% vs LY (6.8% of net sales) and will continue to increase in the next few years
Q1’22 Gross Margin was protected through **Price Increase and Saving** initiatives despite high inflation in commodity prices.
Volatilitas harga komoditas akan memberikan lebih banyak tekanan di Q2'22 dan seterusnya

**Perang Rusia – Ukraina**
- 70% of Sunflower Oil
- 11% of Crude Oil
- 18% of Natural Gas
- 15% of Fertilizers
- 29% of total Wheat exports

**Crude Oil**
+35% Vs 1 month

**Coal**
+65% Vs 1 month

**Palm Oil**
+20% Vs 1 month

**Corn**
+20% Vs 1 month

**ACTION PLANS**
- ACCELERATE MATERIAL SAVINGS
- PRICING WHERE APPLICABLE
- UNLOCK NON-MATERIAL SAVINGS
Melanjutkan momentum pertumbuhan dan menghasilkan pertumbuhan yang kompetitif

Berinvestasi untuk pertumbuhan dengan terus mengelola tekanan inflasi

Mempertahankan disiplin biaya dan penghematan
PLAY FULL PORTFOLIO
BEAUTY PERSONAL CARE
Why is premiumization important?

### High Growth Upper Medium Consumer

<table>
<thead>
<tr>
<th>LSM</th>
<th>Contr.</th>
<th>CAGR 5Y</th>
<th>Spend/Trip Grw (%) vs. P3M</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-6</td>
<td>43%</td>
<td>-1.5%</td>
<td>2.3%</td>
</tr>
<tr>
<td>7-9</td>
<td>33%</td>
<td>4.4%</td>
<td>0.3%</td>
</tr>
<tr>
<td>10+</td>
<td>24%</td>
<td>5.4%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

### Consumers Shopping at Premium Sales Line

<table>
<thead>
<tr>
<th>Channel</th>
<th>Channel Cont.</th>
<th>CAGR 5Y</th>
<th>MAT Feb 22 vs. LY</th>
</tr>
</thead>
<tbody>
<tr>
<td>HPM/SPM</td>
<td>15%</td>
<td>-3.2%</td>
<td>-7.3%</td>
</tr>
<tr>
<td>Minis</td>
<td>44%</td>
<td>7.3%</td>
<td>4%</td>
</tr>
<tr>
<td>Cosmetic Store</td>
<td>10%</td>
<td>2.5%</td>
<td>18%</td>
</tr>
<tr>
<td>GT</td>
<td>31%</td>
<td>0.1%</td>
<td>21.2%</td>
</tr>
<tr>
<td>E-Comm</td>
<td>53.3%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Premiumization: Acceleration across business lines

Beauty & Personal Care

**Hair Care**
- Sunsilk & Clear Shampoo
  API: 100-120
- Tresemme Keratin Shampoo
  API: 140
- Dove Micellar & Hyaluron Shampoo
  API: 170-200

**Face Care**
- Pond’s FM & FC
  API: 111-130
- Pond’s Serum
  API: 270
- Pond’s Age Miracle
  API: 335

**Body Care**
- Citra
  API: 100
- Vaseline
  API: 160
- Vaseline Hijab Bright
  API: 200
- Vaseline Gluta-Hya
  API: 300

**Skin Cleansing**
- Preventive Pepsodent Cavity
  API: 100
- Pepsodent Natural & Close-Up
  API: 130-140
- Sensitive Mineral Expert
  API: 380

**Oral Care**
- Lifebuoy & Lux Core
  API: 100
- Lifebuoy & Lux Premium
  API: 110
- Love Beauty & Planet
  API: 210

**Deodorant**
- Rexona
  API: 100
- Dove Roll-On
  API: 140
- Dove Deo Serum
  API: 200
Implementation of premium

**PRODUCT INNOVATION**
- On trend: Ingredients & benefits
- Innovative winning formulation
- Premium pricing

**MEDIA INVESTMENT & PROMOTION**
- Quality ads and the right media (Digital & influencers)
- Interesting promotion
- Digital engagement platform: Skin Advisor Live

**PREMIUM SALES LINE**
- E-Commerce
- Health & Beauty
- Social commerce
CD DIGITALIZATION POWERFUL EXECUTION
Every year, Nielsen reports an increase in online buying trends. This can also be seen in Unilever’s two digitalization funnels.

**dCommerce**
Unilever’s funnel in entering the marketplace and omni

- **2018**
  - CAGR: 150%+

- **2021**
  - 5%
  - 2021 Contribution to Unilever

**e-RTM**
Unilever’s funnel to support digitization in GT

- **2020**
  - CAGR: 30%+

- **est 2022**
  - 9%
  - 2021 Contribution to Unilever
STRATEGY: Maintaining growth momentum and competitive advantage in distribution through increasing digital capabilities

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**dCommerce**

**Suitable Portfolio**
- Maximizing portfolio in high-traffic categories
- Explore new categories

**Request Creation**
- Data Driven Marketing
- Performance Marketing

**Capabilities Upgrade Digital**
- Strengthening the foundation of digital capabilities
- Building new capabilities such as online category management and social commerce

**e-RTM**

**Expanding Digital Reach**
- Convert all customers GT
- Increase online sales contribution

**Encouraging Digital Engagement**
- Personalization
- Drive more sessions and usage time

**Capabilities Upgrade Digital**
- Automatization
- Data Driven Analytics
Digitalization Strategy Application

**d-Commerce**

1. Encouraging Core & Value Density
   - Drive bundles and collectibles
   - Thematic offers
   - Hygiene products & value density

2. Collaboration with strategic e-Retailers
   - Shopee home care captaincy
   - Ponds’ Skin Advisor x Shopee

3. Win the Mega Event
   - 10.10, 11.11, 12.12
   - Retailer anniversary

**e-RTM**

1. Targeted Activation
   - Channel specific promotions
     - e-Coupon
     - Exclusive promotions

2. Data-Based Decision Making
   - Helping the customer growth cycle
     - Segmented approach

3. Exceptional Customer Experience
   - Web-engage application
   - Improved customer interface
Thank you

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