Buy

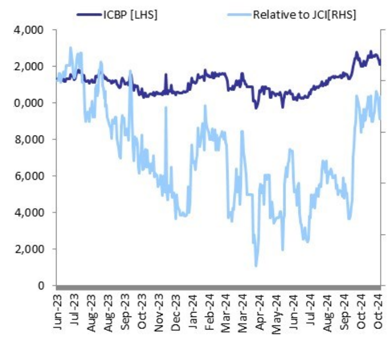
(Maintained)

Last Price (Rp)	**12,150**
Target Price (Rp)	**14,000**
Previous Target Price (Rp)	***13,400***
Upside/Downside	**+15.2%**
No. of Shares (mn)	**11,662**
Mkt Cap (Rpbn/US$mn)	**146,940/9,338**
Avg, Daily T/O (Rpbn/US$mn)	**57.2/3.6**
Free Float (%)	**80.5**
Major Shareholder (%)	
Indofood Sukses Makmur Tbk	80.5

EPS Consensus (Rp)

	2024F	**2025F**	**2026F**
BRIDS	810.1	981.5	1,068.6
Consensus	783.4	871.2	1,033.0
BRIDS/Cons (%)	**4.1**	**12.7**	**4.6**

ICBP relative to JCI Index



Source: Bloomberg

BRI Danareksa Sekuritas Analysts

Natalia Sutanto
(62-21) 5091 4100 ext. 3508
natalia.sutanto@brids.co.id

Sabela Nur Amalina
(62-21) 5091 4100 ext. 4202
sabela.amalina@brids.co.id

Indofood CBP Sukses Makmur (ICBP IJ)

Positive Outlook for FY24-25F Intact with Potential Boost from Festive Season Demand

- **Following the solid 9M24 results, we raise our FY24-25F revenue growth forecast to 8% yoy, primarily driven by stronger volume expectation.**
- **We also expect demand from overseas markets, coupled with stable margins, to support FY24/25F core profit growth of 7%/11% yoy.**
- **Maintain Buy rating with a higher TP of Rp14,000. We expect positive momentum to continue into 4Q24 and 1Q25, backed by Eid festivities.**

9M24 solid revenue driven by volume and strong overseas markets

ICBP reported solid 9M24 revenue growth of 8.1% yoy, mainly driven by volume growth (no ASP adjustment in 9M24 YTD). Domestic rev. grew 5% yoy in 9M24, while overseas rev. grew 15% yoy, supported not only by the Pinehill market (Middle Eastern and African countries) but also by other regions, such as the U.S., Canada, and North America. With a sustained GPM of 37.2% in 9M24, ICBP reported higher opex primarily due to increased A&P spending to support new product launches and higher freight costs from rising export sales volume. Below operating, ICBP recorded a forex gain of Rp753bn from financing activities. Combined with Rp1.5tr financing costs and Rp535bn forex loss from operating activities, this led to 9M24 core profit of Rp7.6tr (+14% yoy).

Expect solid FY24/25F core profit growth of 7%/11% yoy

Following the release of 9M24 results, we have revised up our FY24/25F revenue forecasts to Rp73.5tr/Rp79.4tr, respectively, reflecting higher volume growth estimates of 6.6% yoy (5.5% yoy prev.) and 5.7% (prev. 5.3% yoy). We expect strong demand from the overseas market, which contributes 30% to ICBP's revenue, along with solid growth in the domestic market, to drive improved sales volume and maintain a solid gross margin at 37%/36.8% in FY24/25F. We project ICBP will keep A&P spending steady at 3.6% to FY24/25F revenue. However, due to higher freight costs and forex losses from operations, we have revised down our FY24 core profit forecasts by 5.7%. Nonetheless, this translates to FY24 and FY25F core profit of approximately Rp10tr (+7% yoy) and Rp11tr (+11% yoy), respectively.

Maintain Buy rating with a higher TP of Rp14,000

We rolled over our DCF-based valuation to FY25, assumed revenue CAGR 2026-30F of 7% (vs. 6% prev. and FY24-26F CAGR: 8%) and arrived at higher TP of Rp14,000, (implied FY25F PE of 14.3x). We maintain our Buy rating as we expect ICBP to continue benefiting from the positive sales trend in Pinehill/overseas markets, with momentum extending to 1Q25 due to Eid festivities at the end of Mar25. The downside risks to our recommendation include rising commodity prices, which could pressure margins, and weakening purchasing power.

Key Financials

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (Rpbn)	64,798	67,910	73,507	79,404	86,130
EBITDA (Rpbn)	13,743	16,151	17,590	18,940	20,578
EBITDA Growth (%)	7.2	17.5	8.9	7.7	8.6
Net Profit (Rpbn)	4,587	6,991	9,447	11,446	12,602
EPS (Rp)	393.4	599.4	810.1	981.5	1,080.6
EPS Growth (%)	(28.3)	52.4	35.1	21.2	10.1
BVPS (Rp)	3,131.4	3,494.2	4,017.8	4,612.1	5,235.0
DPS (Rp)	188.0	286.5	387.2	469.1	516.4
PER (x)	31.3	20.6	15.2	12.6	11.4
PBV (x)	3.9	3.5	3.1	2.7	2.4
Dividend yield (%)	1.5	2.3	3.1	3.8	4.2
EV/EBITDA	12.7	10.4	9.4	8.4	7.4

Source: ICBP, BRIDS Estimates

Exhibit 1. ICBP's 9M24/3Q24 Earnings Result

ICBP IJ	9M23	9M24	yoy	3Q23	2Q24	3Q24	yoy	qoq	2024F	A/F	A/C
Revenue - Rpbn	51,307	55,486	8.1%	16,829	17,039	18,525	10.1%	8.7%	73,507	75%	76%
COGS	32,702	34,842	6.5%	10,754	10,658	11,864	10.3%	11.3%	46,312		
Gross profit	18,605	20,644	11.0%	6,075	6,381	6,661	9.6%	4.4%	27,196	76%	76%
Opex	7,450	8,238	10.6%	2,459	2,516	2,923	18.8%	16.2%	10,961		
Operating profit	11,155	12,405	11.2%	3,616	3,865	3,738	3.4%	-3.3%	16,234	76%	76%
Pretax profit	10,471	11,958	14.2%	2,108	2,133	6,426	204.8%	201.3%	14,240		
Net profit	7,060	8,149	15.4%	1,335	1,186	4,612	245.5%	289.0%	9,447	86%	85%
Core profit	6,611	7,559	14.3%	2,406	2,400	1,846	-23.3%	-23.1%	9,965	76%	80%
Gross margin	36.3%	37.2%		36.1%	37.5%	36.0%			37.0%		
Opex to revenue	14.5%	14.8%		14.6%	14.8%	15.8%			14.9%		
Operating margin	21.7%	22.4%		21.5%	22.7%	20.2%			22.1%		
Pretax margin	20.4%	21.6%		12.5%	12.5%	34.7%			19.4%		
Net margin	13.8%	14.7%		7.9%	7.0%	24.9%			12.9%		
ICBP - Revenue by divisions											
	9M23	9M24	yoy	3Q23	2Q24	3Q24	yoy	qoq			
Noodles	37,179	40,261	8.3%	12,500	12,295	13,659	9.3%	11.1%			
Dairy	6,656	7,070	6.2%	1,900	2,216	2,150	13.2%	-3.0%			
Snack food	3,134	3,337	6.5%	1,120	1,065	1,153	2.9%	8.3%			
Beverage	1,204	1,271	5.5%	422	417	427	1.3%	2.3%			
Nutrition & special food	890	1,025	15.2%	280	313	377	34.6%	20.6%			
Food Seasoning	2,243	2,523	12.5%	607	734	759	25.0%	3.4%			
EBIT margin	**9M23**	**9M24**		**3Q23**	**2Q24**	**3Q24**					
Noodles	26.4%	26.5%		25.3%	27.1%	23.8%					
Dairy	6.7%	9.8%		6.4%	9.3%	5.8%					
Snack food	10.1%	10.6%		13.9%	11.3%	12.3%					
Beverage	12.7%	15.3%		14.0%	14.0%	15.4%					
Nutrition & special food	7.7%	8.8%		6.6%	6.4%	9.8%					
Food Seasoning	16.2%	15.7%		14.9%	17.1%	15.5%					

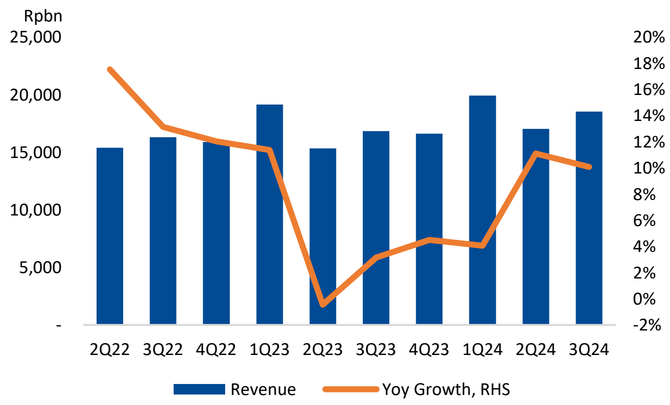
Source: Company, BRIDS Estimates

Exhibit 2. ICBP's Earnings Estimates Revision

(Rpbn)	Previous 2024F	Previous 2025F	Previous 2026F	New 2024F	New 2025F	New 2026F	Changes 2024	Changes 2025	Changes 2026
Revenue	72,868	78,526	84,887	73,507	79,404	86,130	0.9%	1.1%	1.5%
Gross profit	27,538	29,537	31,910	27,196	29,245	31,703	-1.2%	-1.0%	-0.6%
Operating profit	16,670	17,809	19,375	16,234	17,546	19,159	-2.6%	-1.5%	-1.1%
Net profit	10,308	11,306	12,726	9,447	11,446	12,602	-8.3%	1.2%	-1.0%
Core profit	10,570	11,306	12,726	9,965	11,039	12,602	-5.7%	-2.4%	-1.0%
Gross margin	37.8%	37.6%	37.6%	37.0%	36.8%	36.8%			
Operating margin	22.9%	22.7%	22.8%	22.1%	22.1%	22.2%			
Net margin	14.1%	14.4%	15.0%	12.9%	14.4%	14.6%			
A&P/sales	3.5%	3.6%	3.5%	3.6%	3.6%	3.5%			
Blended ASP	1.8%	2.4%	2.5%	1.5%	2.2%	2.3%			
Blended volume	5.4%	5.3%	5.5%	6.6%	5.7%	6.1%			

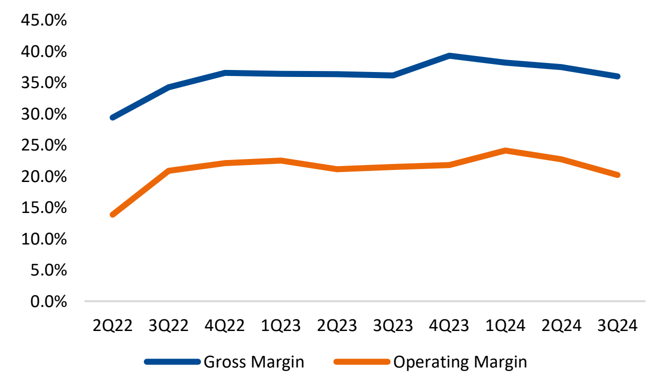
Source: BRIDS Estimates

Exhibit 3. Quarterly Revenue and Yoy Growth, 2Q22-3Q24



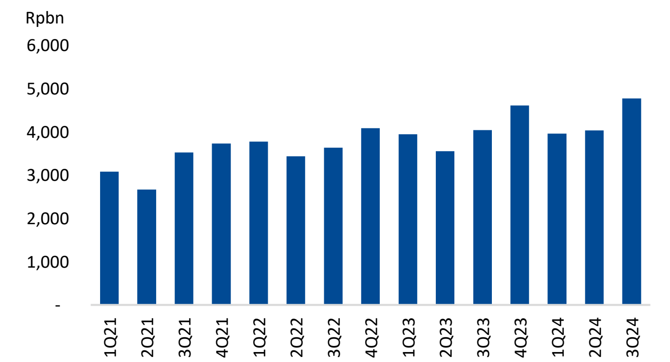
Source: Company, BRIDS

Exhibit 4. Gross and Operating Margin, 2Q22-3Q24



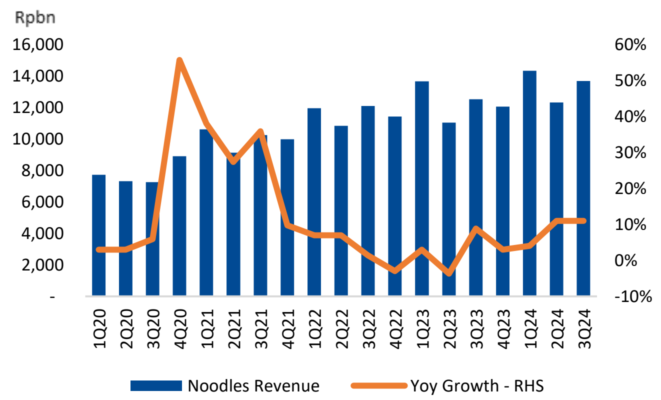
Source: Company, BRIDS

Exhibit 5. Quarterly Rev. Middle East and Africa, 1Q21-3Q24



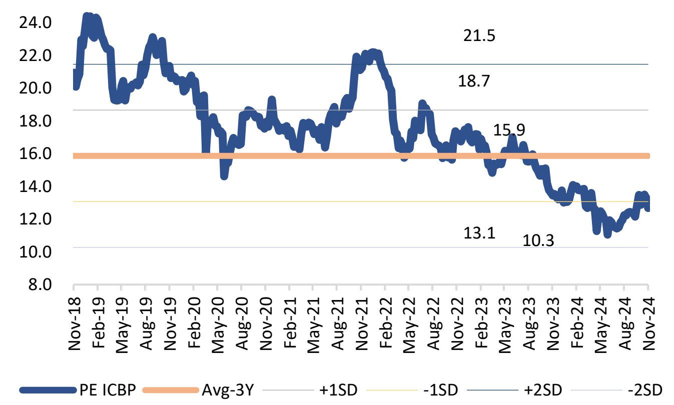
Source: Company, BRIDS

Exhibit 6. Quarterly Rev Noodles and Vol Yoy, 1Q21-3Q24



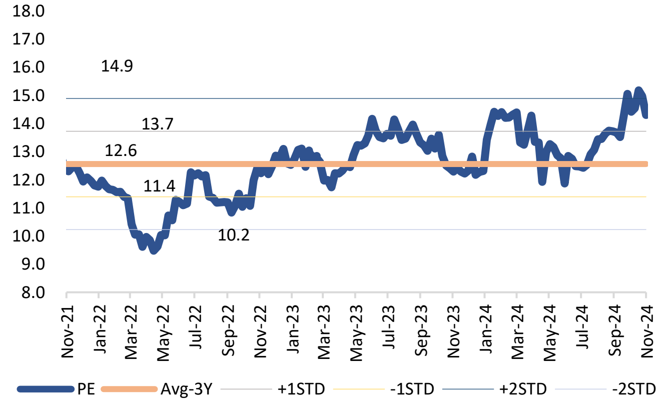
Source: Company, BRIDS

Exhibit 7. ICBP's PE Band – Net Profit



Source: BRIDS Estimates, Bloomberg

Exhibit 8. ICBP's PE Band – Core Profit



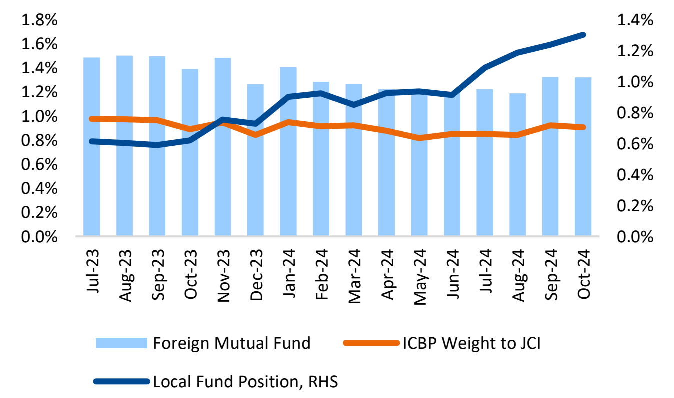
Source: BRIDS Estimates, Bloomberg

Exhibit 9. ICBP's Peers Comparison

Ticker	Rec	Target (Rp)	Market Cap (Rpbn)	P/E (x) 2024F	P/E (x) 2025F	P/BV (x) 2024F	P/BV (x) 2025F	ROE (%) 2024F	Dividend yield (%) 2024F	EPS growth (%) 2024F	EPS growth (%) 2025F	Core profit growth (%) 2024F	Core profit growth (%) 2025F
ICBP IJ	Buy	14,000	146,940	15.0	12.4	3.0	2.6	21.6	3.2	35.1	21.2	7.1	10.8
UNVR IJ	Sell	1,900	67,910	18.5	18.2	19.7	19.6	107.1	5.4	(24.4)	1.3	(24.4)	1.3
KLBF IJ	Buy	1,800	75,000	22.8	21.3	3.2	3.0	14.6	2.0	18.0	7.4	12.3	8.5
INDF IJ	Buy	8,800	69,150	6.8	5.9	1.0	0.9	16.1	4.2	24.4	14.9	5.8	9.3
MYOR IJ	Buy	3,350	58,130	17.5	15.8	3.5	3.1	21.0	2.7	4.6	11.2	(3.0)	14.6
SIDO IJ	Hold	640	17,700	16.6	15.3	5.0	4.8	30.3	5.5	9.1	8.6	9.4	8.8
Sector - weighted				**16.0**	**14.3**	**5.4**	**5.2**	**32.9**	**3.5**	**16.0**	**12.9**	**1.8**	**9.2**

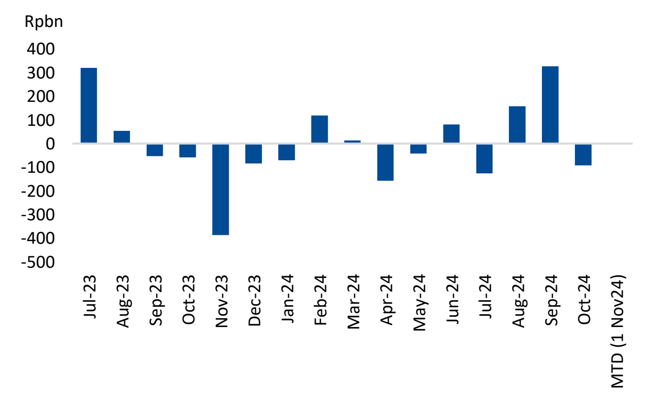
Source: BRIDS Estimates, Bloomberg

Exhibit 10. ICBP's Weighting and Fund Position



Source: KSEI, BRIDS

Exhibit 11. ICBP's Historical Foreign Flows (as of 1 Nov24)



Source: KSEI, BRIDS

Exhibit 12. Income Statement

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Revenue	**64,798**	**67,910**	**73,507**	**79,404**	**86,130**
COGS	(43,005)	(42,784)	(46,312)	(50,159)	(54,427)
Gross profit	**21,792**	**25,126**	**27,196**	**29,245**	**31,703**
EBITDA	**13,743**	**16,151**	**17,590**	**18,940**	**20,578**
Oper. profit	**12,414**	**14,775**	**16,234**	**17,546**	**19,159**
Interest income	205	523	862	1,020	1,268
Interest expense	(2,149)	(2,025)	(2,105)	(2,165)	(2,165)
Forex Gain/(Loss)	(4,036)	875	(518)	407	-
Income From Assoc. Co's	128	(2,316)	147	147	147
Other Income (Expenses)	964	(387)	(381)	25	57
Pre-tax profit	**7,525**	**11,445**	**14,240**	**16,979**	**18,467**
Income tax	(1,803)	(2,980)	(3,175)	(3,786)	(4,118)
Minority interest	(1,135)	(1,475)	(1,617)	(1,747)	(1,747)
Net profit	**4,587**	**6,991**	**9,447**	**11,446**	**12,602**
Core Net Profit	**8,624**	**6,116**	**9,965**	**11,039**	**12,602**

Exhibit 13. Balance Sheet

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	15,741	19,353	21,717	26,837	33,553
Receivables	7,228	7,524	8,145	8,798	9,543
Inventory	7,132	6,329	6,616	7,166	7,775
Other Curr. Asset	812	1,232	1,334	1,441	1,563
Fixed assets - Net	14,725	14,949	16,534	18,316	20,408
Other non-curr.asset	69,510	67,544	67,455	69,688	68,532
Total asset	**115,306**	**119,267**	**124,134**	**132,245**	**141,374**
ST Debt	825	113	0	0	0
Payables	4,725	4,952	5,313	5,754	6,244
Other Curr. Liabilities	3,553	4,511	4,882	5,274	5,721
Long Term Debt	45,181	43,878	42,760	42,820	43,031
Other LT. Liabilities	3,549	3,712	3,482	3,769	4,090
Total Liabilities	**57,833**	**57,164**	**56,437**	**57,617**	**59,085**
Shareholder'sFunds	36,519	40,749	46,855	53,786	61,050
Minority interests	20,954	21,354	20,842	20,842	21,239
Total Equity & Liabilities	**115,306**	**119,267**	**124,134**	**132,245**	**141,374**

Exhibit 14. Cash Flow

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	4,587	6,991	9,447	11,446	12,602
Depreciation and Amort.	1,329	1,377	1,355	1,394	1,419
Change in Working Capital	(1,581)	1,191	(302)	(505)	(573)
OtherOper. Cash Flow	1,557	764	1,009	1,428	1,212
Operating Cash Flow	**5,893**	**10,321**	**11,510**	**13,763**	**14,660**
Capex	(1,454)	(1,413)	(2,940)	(3,176)	(3,379)
Others Inv. Cash Flow	370	1,258	983	1,153	2,461
Investing Cash Flow	**(1,084)**	**(155)**	**(1,958)**	**(2,023)**	**(918)**
Net change in debt	(5,021)	(2,016)	(1,230)	60	211
New Capital	231	(321)	(512)	-	397
Dividend payment	(2,507)	(2,192)	(3,341)	(4,515)	(5,470)
Other Fin. Cash Flow	(2,149)	(2,025)	(2,105)	(2,165)	(2,165)
Financing Cash Flow	**(9,446)**	**(6,554)**	**(7,188)**	**(6,620)**	**(7,027)**
Net Change in Cash	**(4,637)**	**3,613**	**2,364**	**5,120**	**6,715**
Cash - begin of the year	20,378	15,741	19,353	21,717	26,837
Cash - end of the year	15,741	19,353	21,717	26,837	33,553

Exhibit 15. Key Ratio

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Growth (%)					
Sales	14.1	4.8	8.2	8.0	8.5
EBITDA	7.2	17.5	8.9	7.7	8.6
Operating profit	7.5	19.0	9.9	8.1	9.2
Net profit	(28.3)	52.4	35.1	21.2	10.1
Core profit growth	32.1	7.9	7.1	10.8	14.2
Profitability (%)					
Gross margin	33.6	37.0	37.0	36.8	36.8
EBITDA margin	21.2	23.8	23.9	23.9	23.9
Operating margin	19.2	21.8	22.1	22.1	22.2
Net margin	7.1	10.3	12.9	14.4	14.6
ROAA	3.9	6.0	7.8	8.9	9.2
ROAE	13.0	18.1	21.6	22.7	21.9
Leverage					
Net Gearing (x)	0.5	0.4	0.3	0.2	0.1
Interest Coverage (x)	5.8	7.3	7.7	8.1	8.9

Source: ICBP, BRIDS Estimates

BRI Danareksa Equity Research Team		
Erindra Krisnawan, CFA	Head of Equity Research, Strategy, Coal	erindra.krisnawan@brids.co.id
Natalia Sutanto	Consumer, Cigarettes, Pharmaceuticals, Retail	natalia.sutanto@brids.co.id
Niko Margaronis	Telco, Tower, Technology, Media	niko.margaronis@brids.co.id
Timothy Wijaya	Metal, Oil and Gas	timothy.wijaya@brids.co.id
Victor Stefano	Banks, Poultry	victor.stefano@brids.co.id
Ismail Fakhri Suweleh	Healthcare, Property, Industrial Estate	ismail.suweleh@brids.co.id
Richard Jerry, CFA	Automotive, Cement	richard.jerry@brids.co.id
Ni Putu Wilastita Muthia Sofi	Research Associate	wilastita.sofi@brids.co.id
Naura Reyhan Muchlis	Research Associate	naura.muchlis@brids.co.id
Sabela Nur Amalina	Research Associate	sabela.amalina@brids.co.id
Kafi Ananta Azhari	Research Associate	kafi.azhari@brids.co.id

BRI Danareksa Economic Research Team		
Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Dr. Telisa Aulia Falianty	Senior Advisor	telisa.falianty@brids.co.id
Kefas Sidauruk	Economist	kefas.sidauruk@brids.co.id

BRI Danareksa Institutional Equity Sales Team		
Yofi Lasini	Head of Institutional Sales and Dealing	yofi.lasini@brids.co.id
Novrita Endah Putrianti	Institutional Sales Unit Head	novrita.putrianti@brids.co.id
Ehrliech Suhartono	Institutional Sales Associate	ehrliech@brids.co.id
Yunita Nababan	Institutional Sales Associate	yunita@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@brids.co.id
Christy Halim	Institutional Sales Associate	christy.halim@brids.co.id
Jason Joseph	Institutional Sales Associate	Jason.joseph@brids.co.id

BRI Danareksa Sales Traders		
Mitcha Sondakh	Head of Sales Trader	mitcha.sondakh@brids.co.id
Suryanti Salim	Sales Trader	suryanti.salim@brids.co.id

INVESTMENT RATING	
BUY	Expected total return of 10% or more within a 12-month period
HOLD	Expected total return between -10% and 10% within a 12-month period
SELL	Expected total return of -10% or worse within a 12-month period