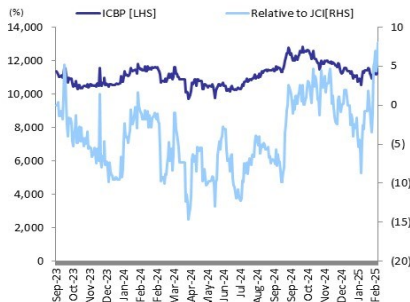


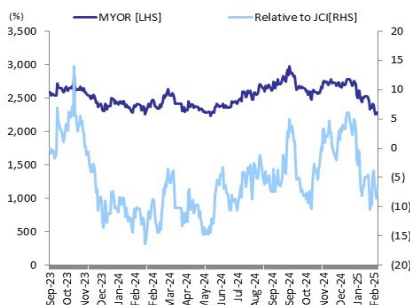
Overweight

(Maintained)

ICBP relative to JCI Index



MYOR relative to JCI Index



Source: Bloomberg

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Consumer

4Q24 Earnings Outlook: ICBP and INDF to be Robust, SIDO Eyes Upside

- We estimate that the Indofood group still reported strong net profit in FY24, while SIDO may exceed consensus expectations.
- Heading into 2Q25, we believe instant noodles sales volume will remain resilient. The recent ASP increase should also bode well for earnings.
- In Jan25, local funds increased their positions in ICBP and INDF. Foreign investor also increased position in INDF, driven to strong CPO price.

Recap of 4Q24 results: KLBF (In line) and UNVR (Below Expectations)

Within the consumer sector, two companies have already reported their FY24 results: **KLBF (unaudited FY24: in line)** and **UNVR (below expectations)**. Both companies saw improvements in certain segments in 4Q24 and we believe it will continue to offer value products to capture the downtrading market. Both KLBF and UNVR anticipate better performance in 2025; however, for UNVR, a more significant recovery is expected in 2H25.

4Q24 recap: Solid revenue growth with margin pressure, possibly above consensus for SIDO

- **ICBP – Solid revenue and profit growth**
We expect ICBP to meet revenue forecasts (4Q24: +8% yoy), but forex losses from a weaker Rupiah could weigh on profitability, with FY24F core profit increasing 18% yoy (FY24F net profit growth of 26% yoy).
- **MYOR – Strong revenue growth but margin pressure weighs on profitability**
MYOR also demonstrated strong sales growth in 4Q24 (+18% yoy) but we expect to see a net profit decline in FY24F (-11% yoy) due to lower-than-expected gross margin improvements.
- **SIDO – Strong 4Q24 performance could drive revenue and margin upside**
We expect SIDO's strong 4Q24 performance, driven by its "Last Bite" program supporting both revenue and margin expansion, to potentially beat consensus expectations.
- **INDF – Higher CPO prices and ICBP to support earnings growth**
We expect INDF to benefit from higher CPO prices and ICBP's performance, with FY24 net profit growth estimated at 15%/26% yoy (our forecast/consensus).

Reiterate ICBP as our top pick

Among consumer stocks, we believe the instant noodle sales volume will remain resilient from 2Q25 onward due to its affordability. **In mid-Feb25, ICBP adjusted the selling price of its instant noodle products by Rp100 per pack, which should support 2Q25 margins and earnings.** Indonesia reported household consumption growth below 5% in 4Q24 and FY24, marking the third consecutive year of sub-5% growth, with inflation at only 1.57%. Given the lack of strong catalysts for purchasing power ahead, this will sustain domestic instant noodle sales. Reiterate our Buy rating on ICBP as our top pick with TP Rp14,000, implying FY25F PE of 14.3x.

Ticker	Rec	Target Price (Rp)	Market Cap. (Rpbn)	P/E (x)		P/BV (x)		ROE (%)	Div. yield (%)	EPS growth	
				2025F	2026F	2025F	2026F	2025F	2025F	2025F	2026F
ICBP IJ	Buy	14,000	134,110	11.7	10.6	2.5	2.2	22.7	4.1	21.2	10.1
UNVR IJ	Hold	1,500	54,940	16.6	15.9	21.2	17.6	139.5	5.1	(1.7)	4.1
INDF IJ	Buy	8,800	68,710	5.9	5.6	0.9	0.8	16.5	5.2	14.9	5.7
KLBF IJ	Buy	1,800	60,230	17.8	16.6	2.4	2.3	14.1	2.8	7.3	7.3
MYOR IJ	Buy	3,050	50,750	16.3	14.1	2.8	2.5	18.0	2.2	12.6	15.8
SIDO IJ	Buy	640	18,450	16.4	15.0	5.2	5.1	32.1	5.6	8.6	8.8
Sector - weighted				13.2	12.1	5.0	4.3	36.7	4.1	12.9	8.7

4Q24 recap: Solid revenue with margin pressure, possible above consensus for SIDO

As we await the release of FY24 results for several companies within our coverage, below is a recap of what 4Q24 is expected to look like compared to consensus estimates and our forecast:

- ICBP – Solid revenue and profit growth**

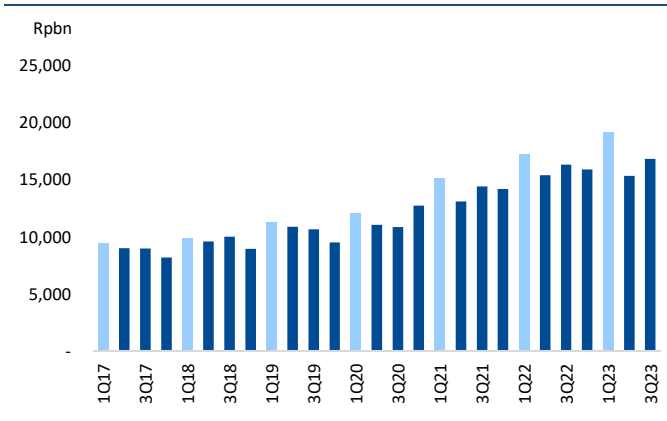
We believe ICBP's 4Q24 revenue is on track to meet our FY24 and consensus growth forecast of 8% yoy. However, we expect a lower 4Q24 gross margin (compared to consensus) due to higher CPO prices (+45% yoy in 4Q24). With approximately 90% of ICBP's total debt denominated in USD and the Rupiah weakening by 5% yoy, we forecast a forex loss of Rp1.3tr (versus a forex gain of Rp850bn in FY23). This is expected to result in FY24 net and core profit growth of 26% and 18% yoy, respectively. It is worth noting that in 2023, ICBP recorded a non-cash impairment of Rp2.4tr related to its investment in Dufill.

Exhibit 1. 4Q24/FY24 Earnings Preview – ICBP

ICBP (Rpbn)	4Q23	1Q24	2Q24	3Q24	4Q24 Cons	Yoy	Qoq	FY23	FY24 Cons	Yoy	4Q24F	Yoy	FY24F	Yoy
Revenue	16,603	19,922	17,039	18,525	17,792	7.2%	-4.0%	67,910	73,278	8%	18,021	9%	73,507	8%
Gross profit	6,521	7,601	6,381	6,661	6,580	0.9%	-1.2%	25,126	27,224	8%	6,552	0%	27,196	8%
Operating profit	3,619	4,802	3,865	3,738	3,840	6.1%	2.7%	14,775	16,245	10%	3,829	6%	16,234	10%
Net profit	(69)	2,352	1,186	4,612	1,346	na	-70.8%	6,991	9,495	36%	662	na	8,812	26%
Core profit	2,068	3,551	2,737	1,109	2,082	0.7%	87.8%	8,819	9,479	7%	2,972	44%	10,368	18%
Gross margin	39.3%	38.2%	37.5%	36.0%	37.0%			37.0%	37.2%		36.4%		37.0%	
Operating margin	21.8%	24.1%	22.7%	20.2%	21.6%			21.8%	22.2%		21.2%		22.1%	
Opex/revenue	17.5%	14.1%	14.8%	15.8%	15.4%			15.2%	15.0%		15.1%		14.9%	
Net margin	-0.4%	11.8%	7.0%	24.9%	7.6%			10.3%	13.0%		3.7%		12.0%	

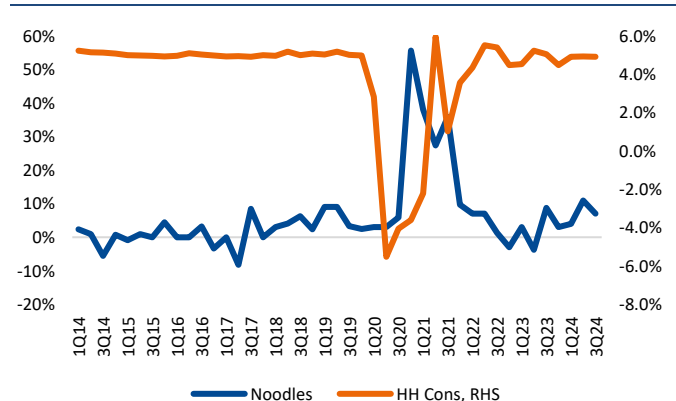
Source: Bloomberg, BRIDS Estimates

Exhibit 2. ICBP Quarterly Revenue, 1Q17 to 3Q23—1Q usually the highest quarter for ICBP



Source: Company, BRIDS

Exhibit 3. Noodles Sales Volume vs Household Consumption, 1Q14 – 3Q24



Source: Company, BPS

- **MYOR – Strong revenue growth but margin pressure weighs on profitability**

For MYOR, BRIDS and consensus estimate 18% and 17% yoy growth in 4Q24 revenue, which appears achievable based on our recent discussion with the company, indicating a sustained double-digit growth momentum through January 2025. However, **we note that consensus still expects a 450bps GPM improvement in 4Q24** despite higher palm oil prices, whereas our forecast assumes a more conservative 170bps increase, supported by ASP adjustments. Due to lower margins, we estimate MYOR's FY24F net profit and core profit to decline by 11% and 19% yoy, respectively.

Exhibit 4. 4Q24/FY24 Earnings Preview – MYOR

MYOR (Rpbn)	4Q23	1Q24	2Q24	3Q24	4Q24 Cons	Yoy	Qoq	FY23	FY24 Cons	Yoy	4Q24F	Yoy	FY24F	Yoy
Revenue	8,591	8,761	7,462	9,416	10,071	17.2%	6.9%	31,485	35,710	13%	10,097	18%	35,736	14%
Gross profit	2,296	2,435	1,755	1,926	2,515	9.5%	30.5%	8,408	8,631	3%	2,241	-2%	8,358	-1%
Operating profit	1,505	1,314	695	726	1,275	-15.2%	75.6%	4,299	4,010	-7%	997	-34%	3,732	-13%
Net profit	1,168	1,112	606	298	1,028	-12.0%	245.0%	3,194	3,043	-5%	817	-30%	2,833	-11%
Core profit	1,129	1,052	529	502	970	-14.1%	93.3%	3,310	3,053	-8%	597	-47%	2,679	-19%
Gross margin	26.7%	27.8%	23.5%	20.5%	25.0%			26.7%	24.2%		22.2%		23.4%	
Operating margin	17.5%	15.0%	9.3%	7.7%	12.7%			13.7%	11.2%		9.9%		10.4%	
Opex/revenue	9.2%	12.8%	14.2%	12.7%	12.3%			13.0%	12.9%		12.3%		12.9%	
Net margin	13.6%	12.7%	8.1%	3.2%	10.2%			10.1%	8.5%		8.1%		7.9%	

Source: Bloomberg, BRIDS Estimates

- **SIDO – Strong 4Q24 performance could drive revenue and margin upside**

Based on our latest meeting, SIDO's management remains optimistic about achieving at least 10% yoy revenue growth in FY24, exceeding both the consensus estimate (+8% yoy) and our FY24 forecast (0% yoy). If realized, this would allow SIDO to surpass its high 4Q23 revenue base. The strong 4Q24 performance was driven by the "Last Bite" program, which ran from November to December 2024 for Tolak Angin. Historically, higher growth in Tolak Angin has supported improved gross margins.

Exhibit 5. 4Q24/FY24 Earnings Preview – SIDO

SIDO (Rpbn)	4Q23	1Q24	2Q24	3Q24	4Q24 Cons	Yoy	Qoq	FY23	FY24 Cons	Yoy	4Q24F	Yoy	FY24F	Yoy
Revenue	1,205	1,053	843	730	1,216	1.0%	66.6%	3,566	3,843	8%	925	-23%	3,552	0%
Gross profit	751	625	478	384	718	-4.4%	87.0%	2,019	2,205	9%	506	-33%	1,993	-1%
Operating profit	506	492	260	217	449	-11.2%	107.1%	1,244	1,418	14%	317	-37%	1,286	3%
Net profit	364	390	218	170	355	-2.5%	109.2%	951	1,133	19%	259	-29%	1,038	9%
Gross margin	62.3%	59.3%	56.8%	52.6%	59.0%			56.6%	57.4%		54.7%		56.1%	
Operating margin	42.0%	46.7%	30.9%	29.7%	36.9%			34.9%	36.9%		34.3%		36.2%	
Opex/revenue	20.3%	12.7%	25.9%	22.9%	22.1%			21.7%	20.5%		20.4%		19.9%	
Net margin	30.2%	37.1%	25.9%	23.2%	29.2%			26.7%	29.5%		28.0%		29.2%	

Source: Bloomberg, BRIDS Estimates

- INDF – Higher CPO prices and ICBP to support earnings growth**
 For INDF, we expect margin support in 4Q24 from higher CPO prices and contributions from ICBP. This should support our FY24F/consensus net profit growth estimates of 15%/26% yoy. For core profit, we estimate a 12% yoy growth, while the consensus estimates a 6% yoy growth.

Exhibit 6. 4Q24/FY24 Earnings Preview – INDF

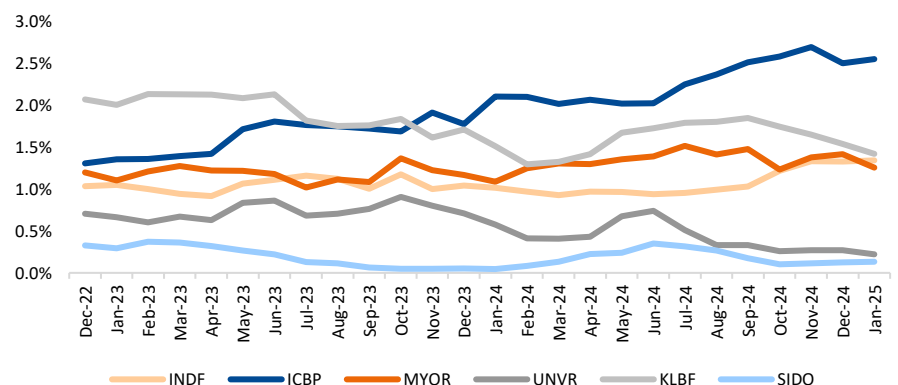
INDF (Rpbn)	4Q23	1Q24	2Q24	3Q24	4Q24 Cons	Yoy	Qoq	FY23	FY24 Cons	Yoy	4Q24F	Yoy	FY24F	Yoy
Revenue	27,815	30,792	26,505	29,647	29,815	7.2%	0.6%	111,704	116,759	5%	29,195	5%	116,139	4%
Gross profit	9,867	10,512	9,295	9,888	10,273	4.1%	3.9%	36,050	39,967	11%	9,871	0%	39,565	10%
Operating profit	5,551	5,930	5,090	5,252	5,781	4.1%	10.1%	19,679	22,053	12%	5,580	1%	21,852	11%
Net profit	1,064	2,450	1,404	4,907	1,519	42.8%	-69.0%	8,147	10,280	26%	616	-42%	9,376	15%
Core profit	3,101	3,849	3,152	359	2,846	-8.2%	691.8%	9,670	10,207	6%	3,498	13%	10,859	12%
Gross margin	35.5%	34.1%	35.1%	33.4%	34.5%			32.3%	34.2%		33.8%		34.1%	
Operating margin	20.0%	19.3%	19.2%	17.7%	19.4%			17.6%	18.9%		19.1%		18.8%	
Opex/revenue	15.5%	14.9%	15.9%	15.6%	15.1%			14.7%	15.3%		14.7%		15.3%	
Net margin	3.8%	8.0%	5.3%	16.5%	5.1%			7.3%	8.8%		2.1%		8.1%	

Source: Bloomberg, BRIDS Estimates

Funds flow: Local investors increased their position in ICBP and INDF, while foreign investors only increased in INDF and reduced their position in UNVR

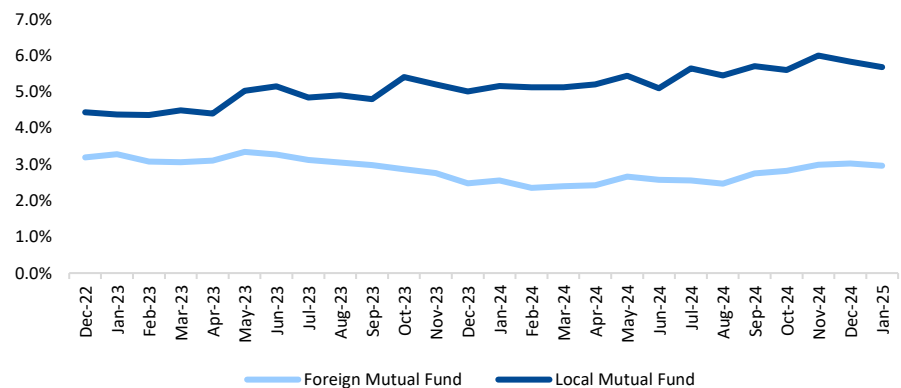
The consumer sector's domestic funds remained in an overweight position at 5.7% by the end of Jan25, while foreign funds maintained their position at 3.0%. Within our coverage, INDF has shown a gradual increase in domestic fund allocations over the past three months, while ICBP's weighting in the JCI led to a 4 bps increase in its domestic funds. In contrast, MYOR experienced a 16-bps decline in Jan25 compared to Dec24, returning to its Oct24 level.

Concerns over raw material prices (cocoa and coffee) seem to linger for MYOR, affecting both local and foreign fund positions. While ICBP's foreign position has been on a declining trend for several months, local sentiment remains strong, likely driven by positive revenue growth expectations fueled by festive demand, despite a high base from the same period last year.

Exhibit 7. Consumer Sector's Local Mutual Fund Position in Our Coverage


Source: KSEI, BRIDS

Exhibit 8. Consumer Sector's Local vs Foreign Mutual Fund



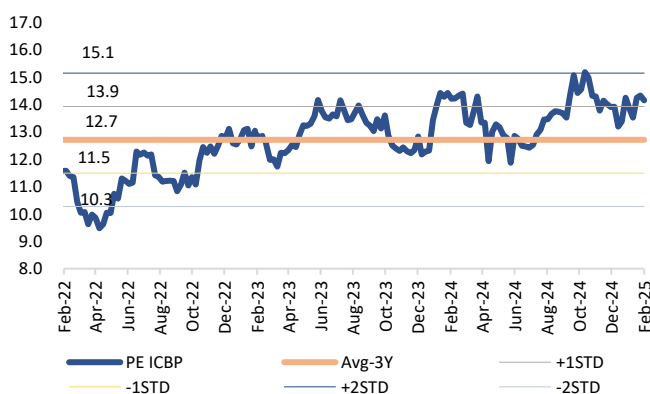
Source: KSEI, BRIDS

Exhibit 9. Consumer Sector Valuation Table

Ticker	Rec	Target	Market Cap	P/E (x)		P/BV (x)		ROE (%)	Dividend yield (%)	EPS growth (%)		Core profit growth (%)	
		(Rp)	(Rpbn)	2025F	2026F	2025F	2026F	2025F	2025F	2025F	2026F	2025F	2026F
ICBP IJ	Buy	14,000	134,110	11.7	10.6	2.5	2.2	22.7	4.1	21.2	10.1	10.8	14.2
UNVR IJ	Hold	1,500	54,940	16.6	15.9	21.2	17.6	139.5	5.1	(1.7)	4.1	(1.7)	4.1
INDF IJ	Buy	8,800	68,710	5.9	5.6	0.9	0.8	16.5	5.2	14.9	5.7	9.3	9.9
KLBF IJ	Buy	1,800	60,230	17.8	16.6	2.4	2.3	14.1	2.8	7.3	7.3	8.0	7.3
MYOR IJ	Buy	3,050	50,750	16.3	14.1	2.8	2.5	18.0	2.2	12.6	15.8	19.0	13.8
SIDO IJ	Buy	640	18,450	16.4	15.0	5.2	5.1	32.1	5.6	8.6	8.8	8.8	10.5
Sector-weighted				13.1	12.1	5.0	4.3	36.7	4.1	12.9	8.7	9.3	10.7

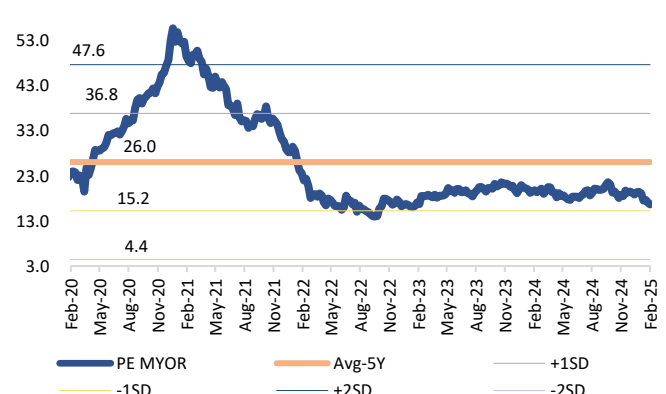
Source: BRIDS Estimates

Exhibit 10. PE Band - ICBP



Source: Bloomberg, BRIDS Estimates

Exhibit 11. PE Band - MYOR



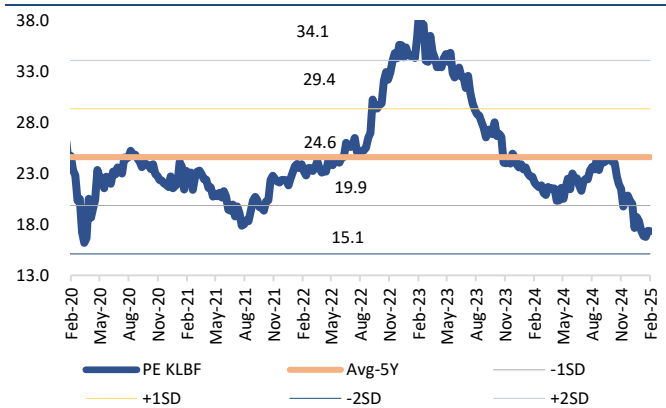
Source: Bloomberg, BRIDS Estimates

Exhibit 12. PE Band - SIDO



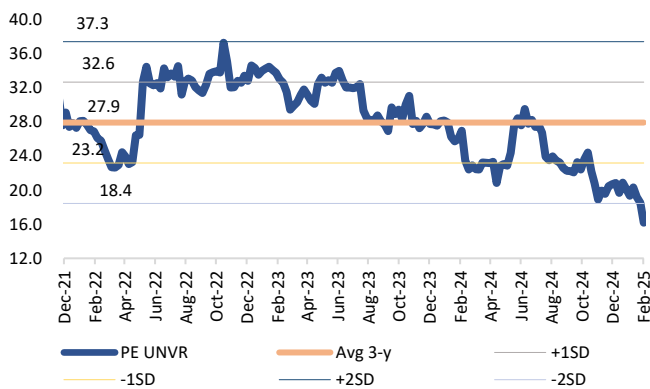
Source: Bloomberg, BRIDS Estimates

Exhibit 13. PE Band - KLBF



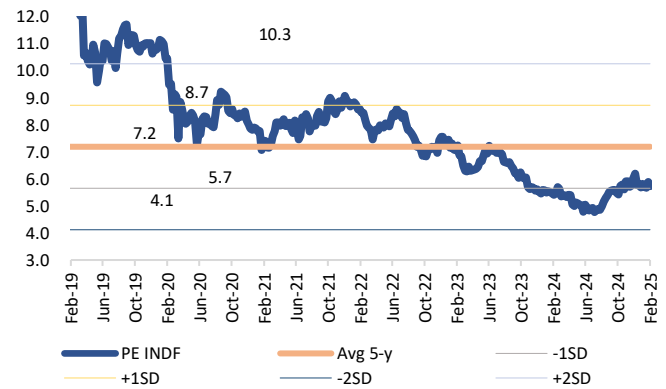
Source: Bloomberg, BRIDS Estimates

Exhibit 14. PE Band - UNVR



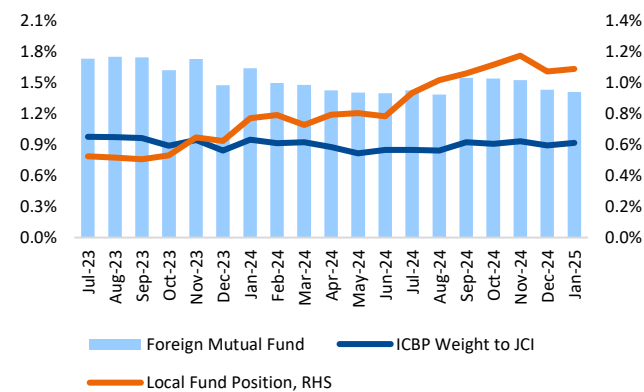
Source: Bloomberg, BRIDS Estimates

Exhibit 15. PE Band - INDF



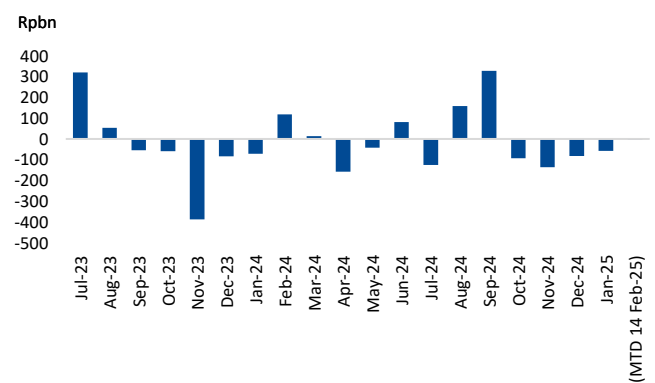
Source: Bloomberg, BRIDS Estimates

Exhibit 16. Weighting and Fund Position - ICBP



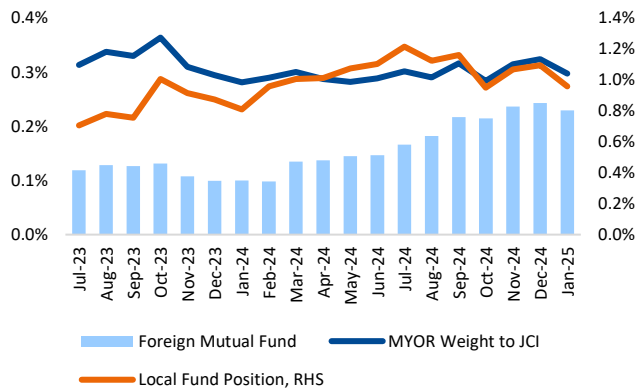
Source: KSEI, BRIDS

Exhibit 17. Historical Foreign Flows (as of 14 Feb25) - ICBP



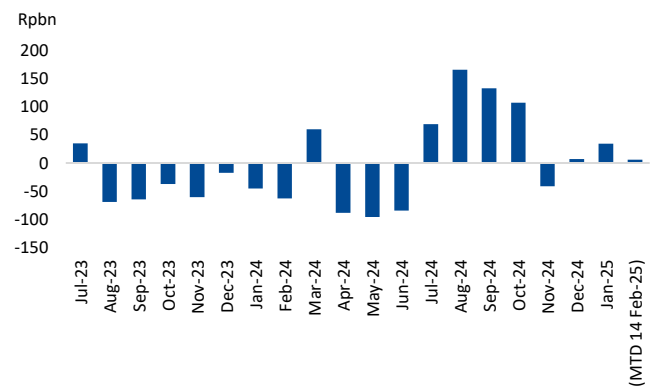
Source: IDX, BRIDS

Exhibit 18. Weighting and Fund Position - MYOR



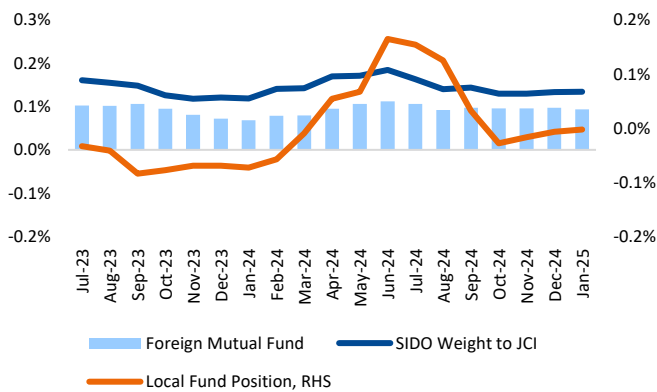
Source: KSEI, BRIDS

Exhibit 19. Historical Foreign Flows (as of 14 Feb25) - MYOR



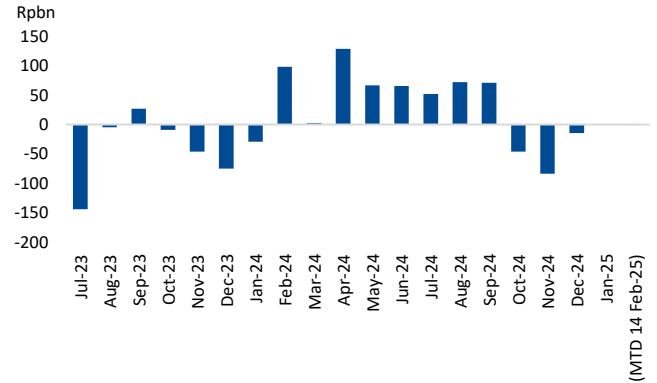
Source: IDX, BRIDS

Exhibit 20. Weighting and Fund Position - SIDO



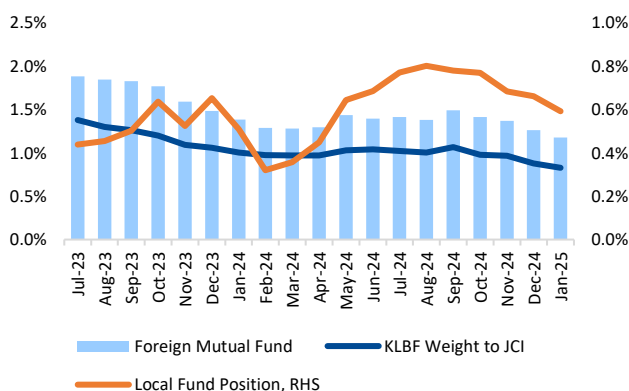
Source: KSEI, BRIDS

Exhibit 21. Historical Foreign Flows (as of 14 Feb25) - SIDO



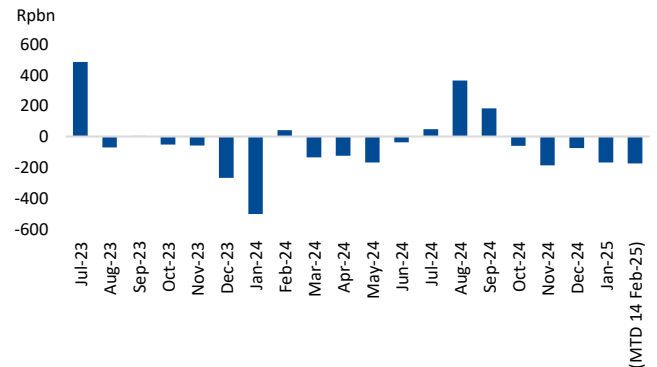
Source: IDX, BRIDS

Exhibit 22. Weighting and Fund Position - KLBF



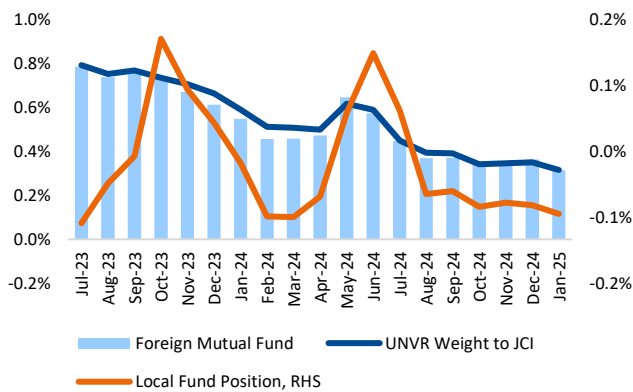
Source: KSEI, BRIDS

Exhibit 23. Historical Foreign Flows (as of 14 Feb25) - KLBF



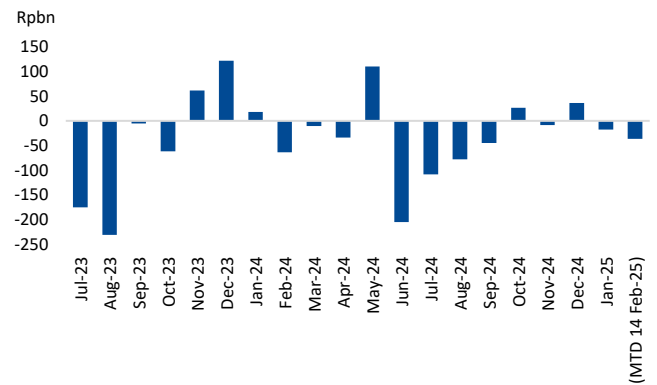
Source: IDX, BRIDS

Exhibit 24. Weighting and Fund Position - UNVR



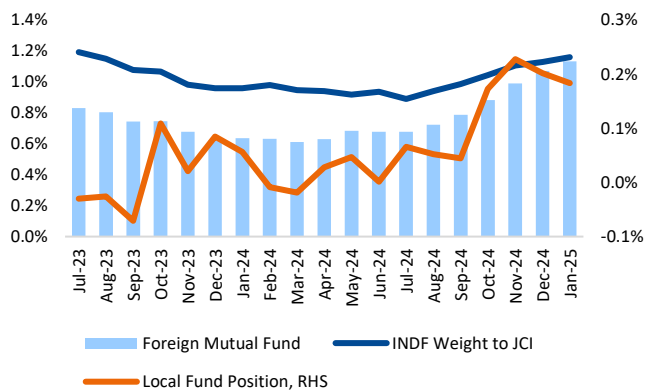
Source: KSEI, BRIDS

Exhibit 25. Historical Foreign Flows (as of 14 Feb25) - UNVR



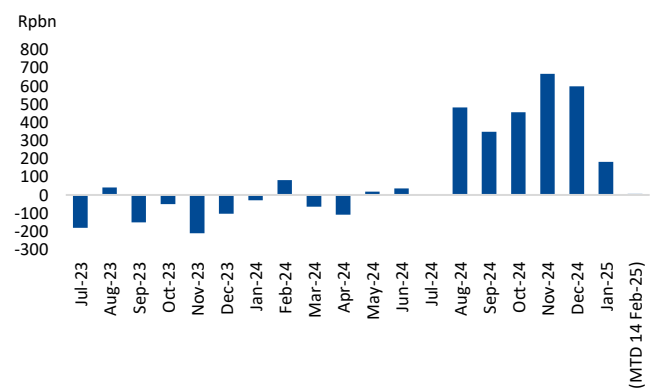
Source: IDX, BRIDS

Exhibit 26. Weighting and Fund Position - INDF



Source: KSEI, BRIDS

Exhibit 27. Historical Foreign Flows (as of 14 Feb25) - INDF



Source: IDX, BRIDS

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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

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