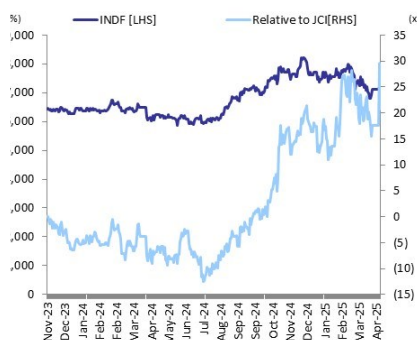


Buy

(Maintained)

Last Price (Rp)	6,900
Target Price (Rp)	8,800
Previous Target Price (Rp)	8,800
Upside/Downside	+27.5%
No. of Shares (mn)	8,780
Mkt Cap (Rpbn/US\$mn)	60,585/3,607
Avg, Daily T/O (Rpbn/US\$mn)	73.7/4.4
Free Float (%)	49.9
Major Shareholder (%)	
FIRST PACIFIC COMPANY LIMITED	50.1
VANGUARD GROUP	1.6
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	1,250.3 1,449.6 1,537.5
Consensus	1,300.0 1,497.2 1,659.0
BRIDS/Cons (%)	(3.8) (3.2) (7.3)

INDF relative to JCI Index



Source: Bloomberg

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Indofood Sukses Makmur (INDF JJ)

Resilient Fundamentals Backed by ICBP; Upside from CPO Export Duty Tailwind

- We expect FY25F revenue to grow 7% yoy, driven by ICBP, Bogasari, and stable CPO prices in agribusiness.
- We forecast FY25F core profit to grow 7.4% yoy, driven by ICBP's strong margins and stable commodity cost outlook.
- A 5% reduction in CPO export duty may serve as a positive catalyst for INDF's share price. Maintain our Buy rating with a TP Rp8,800.

FY25F Top Line Estimated to Grow by +7% yoy

We forecast FY25F rev. growth of +7% yoy, mainly driven by ICBP (+8.5% yoy). We expect Bogasari's rev. to grow by +5% yoy in FY25F, supported by 4% vol. growth and minimal ASP adjustments. As of end-Mar25, CPO prices declined by 3.5% YTD but were still up 11% yoy. Soft oil prices and tepid demand from China may continue to weigh on CPO price growth, despite a slower replanting process that could help support prices going forward. Therefore, for the Agribusiness division, our projection of steady CPO prices at MYR4,205/ton (vs. MYR4,264/ton in FY24) and 3% yoy growth in CPO sales vol. lead to our estimated +4.6% yoy rev. growth.

Driven by ICBP, FY25F Core Profit to Grow 7.4% yoy

We expect ICBP to maintain its EBIT margin at 22.4%, supported by vol. growth (+5.3% yoy) and ASP (+3.3% yoy). For Bogasari, we project stable wheat prices (US\$580/bushel – Bloomberg) and volume growth to normalize the FY25F EBIT margin at 7.6%. Given the expectation of stable CPO prices (FY24 +32% yoy), we estimate a lower FY25 EBIT margin of 16.7% (vs. 23% in FY24). Against this backdrop, we forecast FY25F NP growth of 27% yoy, supported by the absence of associate impairments under ICBP. For core profit, we estimate 7.4% yoy growth to Rp11.8tr. We trim our FY25F net profit forecast by 13%, reflecting changes to our USD/IDR assumption and the impact of higher opex.

Maintain Buy rating with a TP of Rp8,800

To address the issue of the US reciprocal tariff, the government plans to implement meaningful deregulation, including an adjustment to the CPO export duty—potentially equivalent to a 5% tariff reduction—which is expected to support CPO prices. While this would serve as a positive catalyst for INDF, a potentially higher US tariff could weaken global demand, including from China, which is the second-largest importer of Indonesia's CPO. Higher CPO prices present an upside risk, as we observe that rising prices tend to have a favorable impact on the share price and profitability of INDF's Agribusiness division. Therefore, we maintain our Buy rating with an unchanged TP of Rp8,800, based on the midpoint of our SOTP and a 45% valuation discount to ICBP.

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	111,704	115,787	124,024	132,749	142,413
EBITDA (Rpbn)	23,063	26,304	27,436	30,065	31,451
EBITDA Growth (%)	5.1	14.1	4.3	9.6	4.6
Net Profit (Rpbn)	8,147	8,642	10,978	12,728	13,500
EPS (Rp)	927.9	984.2	1,250.3	1,449.6	1,537.5
EPS Growth (%)	28.1	6.1	27.0	15.9	6.1
BVPS (Rp)	6,741.5	7,415.8	8,388.8	9,484.7	10,611.3
DPS (Rp)	257.0	267.0	283.2	359.8	417.1
PER (x)	7.4	7.0	5.5	4.8	4.5
PBV (x)	1.0	0.9	0.8	0.7	0.7
Dividend yield (%)	3.7	3.9	4.1	5.2	6.0
EV/EBITDA	4.2	3.5	3.1	2.6	2.3

Source: INDF, BRIDS Estimate

Exhibit 1. INDF's Earnings Estimates Revision

	Previous		New		Changes	
	2025	2026	2025F	2026F	2025	2026
Revenue	123,370	131,987	124,024	132,749	0.5%	0.6%
Gross profit	41,258	45,025	42,253	45,963	2.4%	2.1%
Operating profit	22,566	25,027	23,514	25,905	4.2%	3.5%
Net profit	12,662	12,315	10,978	12,728	-13.3%	3.4%
Core profit	10,834	12,315	11,848	12,728		
Gross margin	33.4%	34.1%	34.1%	34.6%		
Operating margin	18.3%	19.0%	19.0%	19.5%		
Net margin	10.3%	9.3%	8.9%	9.6%		
Assumption						
Revenue growth						
ICBP	8.0%	8.5%	8.5%	8.9%		
Bogasari	6.1%	6.1%	5.0%	4.5%		
Plantation	-2.8%	-0.1%	4.6%	1.2%		
Distribution	4.0%	5.1%	4.2%	5.3%		
EBIT margin						
ICBP	22.0%	23.2%	22.4%	23.5%		
Bogasari	7.1%	7.2%	7.6%	7.4%		
Plantation	15.0%	12.9%	16.7%	15.0%		
Distribution	6.9%	6.6%	7.0%	6.7%		
Changes in raw mat assumption						
CPO price	3,825	3,700	4,205	4,163		
Wheat price	615	650	580	613		
USD IDR - avg	15,283	15,283	16,381	16,600		

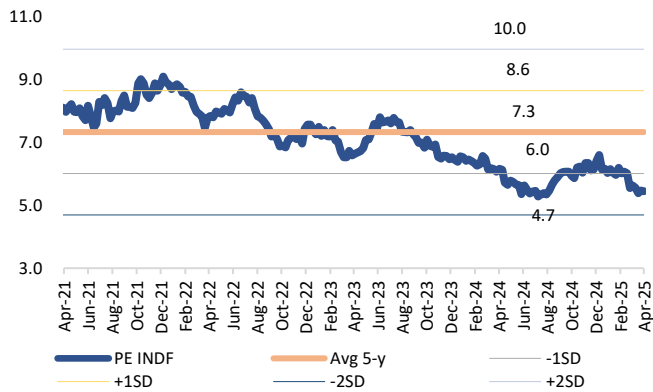
Source: Company, BRIDS Estimates

Exhibit 2. INDF SOTP Valuation

Valuation					
SOTP	Stake	EV IDR bn	Effective valuation IDR bn	%	Method
ICBP	80.5%	179,018	144,110	84%	Based on BRIDS' TP of IDR14,000
Bogasari	100.0%	17,059	17,059	10%	7x EV/EBIT
Agribusiness	71.8%	7,617	5,469	3%	Market
Distribution	100.0%	5,165	5,165	3%	10.1x EV/EBIT
Net debt - holding Co			(25,430)		
Total EV			146,373		
Holding company disc	30%		(58,549)		
Equity value (Rp bn)			87,824		
Per share (Rp)			10,100		
Based on PE - 45% discount to PE ICBP			7,451		
Target price - based on mid value			8,800		
Implied P/E - 2025			7.0		

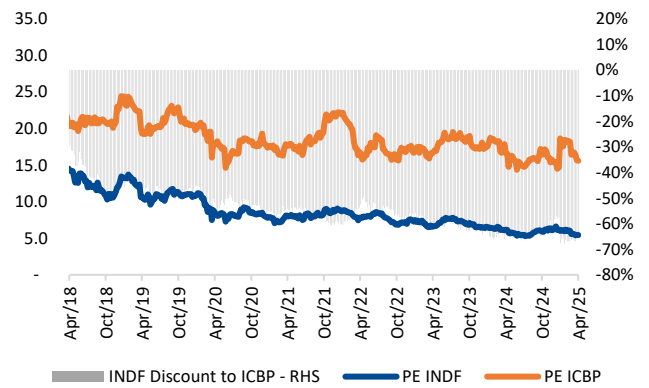
Source: Company, BRIDS Estimates

Exhibit 3. INDF's PE band



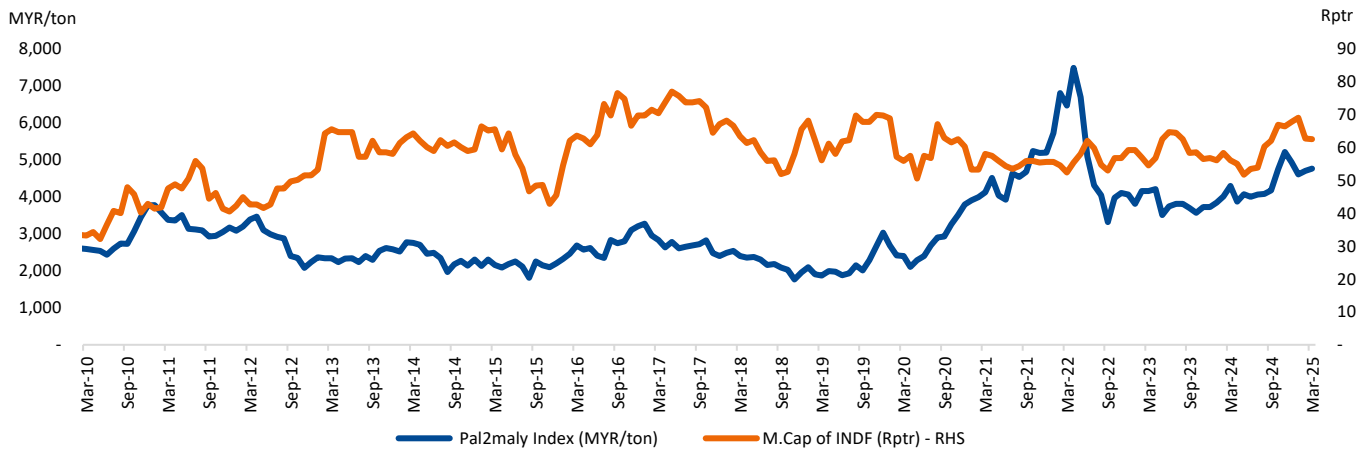
Source: Company, BRIDS Estimates

Exhibit 4. PE band INDF, ICBP, and Discount



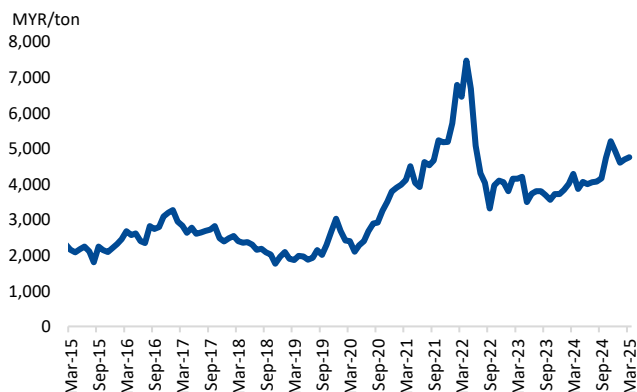
Source: Company, BRIDS Estimates

Exhibit 5. CPO Price and INDF' Share Price



Source: Bloomberg, BRIDS

Exhibit 6. Monthly CPO Price



Source: Bloomberg

Exhibit 7. Monthly Wheat Price



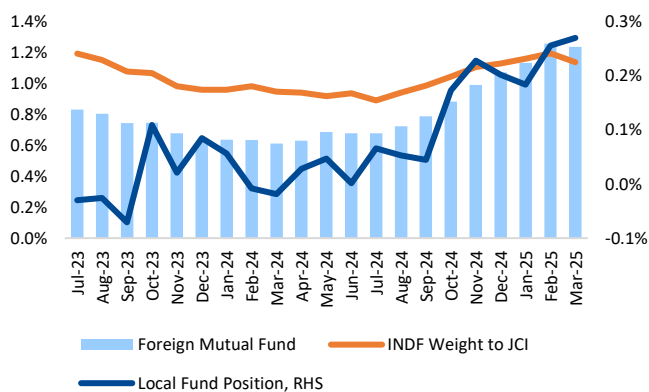
Source: Bloomberg

Exhibit 8. INDF's Peers Comparison

Ticker	Rec	Target Price	Market Cap	P/E (x)		P/BV (x)		ROE (%)	Dividend	EPS		Core profit	
		(Rp)	(Rpbn)	2025F	2026F	2025F	2026F	2025F	Yield (%)	2025F	2026F	2025F	2026F
ICBP IJ	Buy	14,000	115,740	11.1	9.5	2.2	2.0	21.4	3.2	46.8	17.6	4.8	9.5
UNVR IJ	Hold	1,500	49,980	15.1	14.5	19.2	16.1	139.5	5.6	(1.7)	4.1	(1.7)	4.1
INDF IJ	Buy	8,800	60,585	5.5	4.8	0.8	0.7	15.8	4.1	27.0	15.9	7.4	7.4
KLBF IJ	Buy	1,800	55,313	16.3	15.2	2.2	2.1	14.1	3.0	4.5	7.3	8.0	7.3
MYOR IJ	Buy	3,050	45,835	13.7	12.5	2.4	2.2	18.6	2.6	11.1	10.4	14.1	13.0
SIDO IJ	Buy	640	16,650	13.3	12.2	4.6	4.5	35.5	7.0	7.3	8.9	8.8	10.5
Sector - weighted				12.0	10.8	4.6	4.0	36.7	3.8	22.8	12.3	6.3	8.5

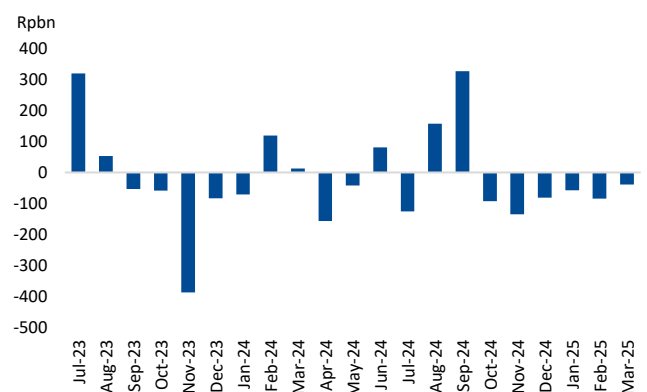
Source: BRIDS Estimates, Bloomberg

Exhibit 9. INDF's Weighting and Fund Position



Source: KSEI, BRIDS

Exhibit 10. INDF's Historical Foreign Flows (as of Mar25)



Source: IDX, BRIDS

FY24 results

INDF reported FY24 core profit growth of 16% yoy while FY24 net profit grew +6.1% yoy, due to margin expansions from Agribusiness and Bogasari despite a Rp2.4tr forex loss (FY23 forex gain Rp791bn). As a result, FY24 net profit accounted for 92% of our FY24F and 84% of the consensus estimate (below). In FY24, Bogasari reported solid growth of 14% yoy with lower ASP due to lower wheat prices, leading to flat FY24 revenue of Rp24tr. While Agribusiness reported negative volume growth in CPO (-7% yoy) and PK, PKO, PKE (14% yoy). Thus, FY24 Agribusiness EBIT margin improvement to 26% (FY23: 13.3%) supported by 16% higher CPO price. For 2025, INDF provides guidance of 3-5% volume growth for Bogasari with EBIT margin of 6-8% and Rp8.5tr capex.

Exhibit 11. INDF's 4Q24/FY24 Earnings Result Summary

INDF IJ (Rpbn)	FY23	FY24	yoy	4Q23	3Q24	4Q24	yoy	qoq	A/F	A/Cons
Revenue	111,704	115,787	3.7%	27,815	29,647	28,843	3.7%	-2.7%	100%	99%
Gross profit	36,050	40,137	11.3%	9,867	9,888	10,443	5.8%	5.6%	102%	101%
Operating profit	19,679	22,830	16.0%	5,551	5,252	6,558	18.1%	24.9%	105%	103%
Net profit	8,147	8,642	6.1%	1,064	4,907	(119)	na	na	92%	84%
Core profit	9,784	11,336	15.9%	1,488	1,399	4,268	186.8%	205.1%		
Gross margin	32.3%	34.7%		35.5%	33.4%	36.2%				
Operating margin	17.6%	19.7%		20.0%	17.7%	22.7%				
Pretax margin	14.0%	14.7%		10.1%	28.2%	4.1%				
Net margin	7.3%	7.5%		3.8%	16.5%	-0.4%				
By divisions										
	FY23	FY24	yoy	4Q23	3Q24	4Q24	yoy	qoq		
Net revenue (Rpbn)										
ICBP	68,250	72,954	6.9%	17,243	18,711	17,659	2.4%	-5.6%		
Bogasari	24,183	23,997	-0.8%	5,623	5,805	6,119	8.8%	5.4%		
Agribusiness	12,315	11,834	-3.9%	3,316	3,430	3,364	1.4%	-1.9%		
Distribution	6,956	7,002	0.7%	1,633	1,702	1,701	4.1%	-0.1%		
Operating margin										
ICBP	21.5%	21.9%		21.9%	19.8%	21.6%				
Bogasari	7.5%	8.4%		9.2%	6.8%	11.0%				
Agribusiness	13.3%	23.0%		23.3%	22.4%	37.8%				
Distribution	6.9%	7.0%		7.4%	4.9%	5.4%				

Source: Company, BRIDS Estimates, Bloomberg

Exhibit 12. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Revenue	111,704	115,787	124,024	132,749	142,413
COGS	(75,653)	(75,650)	(81,771)	(86,786)	(94,041)
Gross profit	36,050	40,137	42,253	45,963	48,372
EBITDA	23,063	26,304	27,436	30,065	31,451
Oper. profit	19,679	22,830	23,514	25,905	27,139
Interest income	974	1,505	1,502	1,733	1,966
Interest expense	(3,499)	(3,804)	(3,902)	(3,853)	(3,877)
Forex Gain/(Loss)	791	(2,389)	(870)	0	0
Income From Assoc. Co's	(2,314)	(1,362)	0	0	0
Other Income (Expenses)	(15)	258	216	142	136
Pre-tax profit	15,615	17,040	20,460	23,927	25,364
Income tax	(4,122)	(3,962)	(5,079)	(6,221)	(6,595)
Minority interest	(3,347)	(4,436)	(4,403)	(4,978)	(5,269)
Net profit	8,147	8,642	10,978	12,728	13,500
Core Net Profit	9,670	11,030	11,848	12,728	13,500

Exhibit 13. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	28,576	38,710	45,292	51,621	58,330
Receivables	8,674	10,017	10,028	10,785	11,592
Inventory	15,213	17,954	17,803	19,709	20,906
Other Curr. Asset	2,525	3,569	3,293	3,466	3,559
Fixed assets - Net	47,295	47,814	48,853	50,003	51,387
Other non-curr.asset	76,191	74,134	74,911	75,014	76,016
Total asset	186,588	201,713	209,694	220,112	231,305
ST Debt	18,266	21,573	20,951	20,951	20,951
Payables	6,885	7,412	7,612	8,152	8,929
Other Curr. Liabilities	7,764	8,109	7,765	8,209	8,880
Long Term Debt	46,307	49,373	49,707	49,707	49,707
Other LT. Liabilities	6,902	6,255	6,124	5,936	5,789
Total Liabilities	86,123	92,722	92,159	92,955	94,256
Shareholder's Funds	59,193	65,114	73,657	83,280	93,172
Minority interests	41,272	43,878	43,878	43,878	43,878
Total Equity & Liabilities	186,588	201,713	209,694	220,112	231,305

Exhibit 14. Cash Flow

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	8,147	8,642	10,978	12,728	13,500
Depreciation and Amort.	2,868	3,205	3,922	4,160	4,312
Change in Working Capital	1,793	(4,199)	903	(2,082)	(944)
Other Oper. Cash Flow	3,079	2,242	1,770	2,349	2,206
Operating Cash Flow	15,887	9,889	17,573	17,156	19,074
Capex	(2,753)	(3,724)	(4,961)	(5,310)	(5,697)
Others Inv. Cash Flow	(4,208)	2,161	725	1,630	965
Investing Cash Flow	(6,961)	(1,563)	(4,236)	(3,680)	(4,732)
Net change in debt	(1,582)	6,373	(288)	0	0
New Capital	951	2,229	52	53	55
Dividend payment	(2,257)	(2,344)	(2,487)	(3,159)	(3,663)
Other Fin. Cash Flow	(3,410)	(4,450)	(4,033)	(4,041)	(4,025)
Financing Cash Flow	(6,296)	1,807	(6,755)	(7,146)	(7,633)
Net Change in Cash	2,630	10,134	6,582	6,329	6,709
Cash - begin of the year	25,946	28,576	38,710	45,292	51,621
Cash - end of the year	28,576	38,710	45,292	51,621	58,330

Exhibit 15. Key Ratio

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Sales	0.8	3.7	7.1	7.0	7.3
EBITDA	5.1	14.1	4.3	9.6	4.6
Operating profit	5.3	16.0	3.0	10.2	4.8
Net profit	28.1	6.1	27.0	15.9	6.1
Core profit	(13.5)	14.1	7.4	7.4	6.1
Profitability (%)					
Gross margin	32.3	34.7	34.1	34.6	34.0
EBITDA margin	20.6	22.7	22.1	22.6	22.1
Operating margin	17.6	19.7	19.0	19.5	19.1
Net margin	7.3	7.5	8.9	9.6	9.5
ROAA	4.4	4.5	5.3	5.9	6.0
ROAE	14.4	13.9	15.8	16.2	15.3
Leverage					
Net Gearing (x)	0.4	0.3	0.2	0.1	0.1
Interest Coverage (x)	5.6	6.0	6.0	6.7	7.0

Source: INDF, BRIDS Estimates

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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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