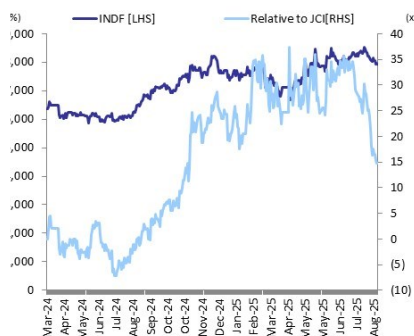


Buy

(Maintained)

Last Price (Rp)	7,925
Target Price (Rp)	9,300
Previous Target Price (Rp)	9,500
Upside/Downside	+17.4%
No. of Shares (mn)	8,780
Mkt Cap (Rpbn/US\$mn)	69,585/4,273
Avg, Daily T/O (Rpbn/US\$mn)	63.9/3.9
Free Float (%)	49.9
Major Shareholder (%)	
FIRST PACIFIC COMPANY LIMITED	50.1
VANGUARD GROUP	1.6
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	1,249.3 1,346.5 1,504.5
Consensus	1,257.9 1,405.9 1,573.0
BRIDS/Cons (%)	(0.7) (4.2) (4.4)

INDF relative to JCI Index



Source: Bloomberg

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Indofood Sukses Makmur (INDF JJ)

Constructive Outlook Amid Agribusiness Continued Recovery

- We believe ICBP will continue to be INDF's primary growth driver, with a projected +5.2% yoy revenue growth in FY25.
- We expect continued recovery in Agribusiness driven by both sustained elevated CPO prices and rising demand.
- We cut our FY25-26F earnings est. by 0.5-8.5% and TP to Rp9,300, but maintain our Buy rating on INDF's outlook remain constructive.

ICBP remains the backbone, with steady revenue growth

While we anticipate ICBP to grow at a slower pace this year amid current purchasing power conditions, it continues to serve as INDF's primary growth driver. We estimate ICBP's revenue to grow by +5.2% yoy in FY25F (contributing 63% to total INDF's sales) with the assumption of stronger top-line growth in 2H25, driven by our expectation of improving purchasing power due to higher govt spending. Noodles' margin pressures may persist due to elevated CPO and cooking oil prices along with the impact of the cheaper packaged noodle in Africa. Nevertheless, we believe ICBP can maintain its operational efficiency and thus, an EBIT margin of 20-22% remains achievable, in our view.

Robust Agribusiness is poised to support growth

Following the strong Agribusiness performance in 1H25 (rev +37.5% yoy), we project its FY25 revenue to grow by +7.3% yoy, assuming (2% vol. growth and 5% asp growth). The growth is expected to be driven by sustained elevated CPO prices and rising demand, supported by the ongoing B40 program and upcoming B50 mandate implementation by FY26. The Government plan to roll out B50 next year should further lift biodiesel demand, providing a tailwind for agribusiness sales volume. Additionally, we expect CPO prices to remain favorable underpinned by the IEU CEPA agreement, which will eliminate tariffs on palm oil exports to the EU starting FY27F. Our CPO price assumption stands at MYR4.253/ton for FY25F (vs. MYR4,218/ton in FY24).

Adjusted our earnings forecast by -0.5/-8.5% in FY25/26F

Given the 1H25 achievement, we maintain our revenue projections for FY25/26F, with Agribusiness expected to deliver the strongest growth at +7.3% yoy, followed by ICBP +5.2%, Bogasari +4.5% and Distribution +3.7%. However, at the operating level, we revised our operating profit projections downwards by -2.2/-6.7% in FY25/26F, reflecting adjustments to some key input costs and opex particularly freight & handling as well as salaries expenses.

Maintain Buy with lower TP Rp9,300

We reiterate our Buy rating on INDF with an SOTP-based TP of Rp9,300, as we think INDF's outlook remains constructive with continued recovery in agribusiness. Currently, the stock trades at 6.3x PE FY25F with 44.7% val. discount to ICBP (vs. 2-year average discount of 54.1%).

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	111,704	115,787	121,428	128,439	135,468
EBITDA (Rpbn)	23,063	26,304	26,930	28,378	31,104
EBITDA Growth (%)	5.1	14.1	2.4	5.4	9.6
Net Profit (Rpbn)	8,147	8,642	10,995	11,853	13,243
EPS (Rp)	927.9	984.2	1,252.2	1,350.0	1,508.2
EPS Growth (%)	28.1	6.1	27.2	7.8	11.7
BVPS (Rp)	6,741.5	7,415.8	8,390.7	9,386.4	10,512.4
DPS (Rp)	257.0	267.0	283.2	360.3	388.5
PER (x)	8.5	8.1	6.3	5.9	5.3
PBV (x)	1.2	1.1	0.9	0.8	0.8
Dividend yield (%)	3.2	3.4	3.6	4.5	4.9
EV/EBITDA	4.6	3.9	3.5	3.1	2.6

Source: INDF, BRIDS Estimates

See important disclosure at the back of this report

2Q25 was within expectations; agribusiness was the bright spot

INDF posted stronger revenue growth of +6.7% yoy (-10.4% qoq) in 2Q25, outperforming its consumer branded subsidiary, ICBP, of +2.2% yoy. Agribusiness division was the standout performer with a robust +47.7% yoy growth, supported by higher CPO price and sales volume. In contrast, Bogasari saw a moderate growth of +2.5% yoy driven primarily by higher volume. On the operating level, INDF kept its opex-to-revenue ratio at 14.4%, which helped contain the decline in op profit by only 4.3% yoy.

Exhibit 1. INDF's 1H25/2Q25 Earnings Results Summary

INDF IJ (Rpbn)	1H24	1H25	YoY	2Q24	1Q25	2Q25	YoY	QoQ	FY25F	A/F	A/Cons
Revenue	57,296	59,843	4.4%	26,505	31,555	28,288	6.7%	-10.4%	121,132	49.4%	48.5%
Gross profit	19,806	19,829	0.1%	9,295	10,885	8,943	-3.8%	-17.8%	41,771	47.5%	46.6%
Operating profit	11,020	11,130	1.0%	5,090	6,256	4,873	-4.3%	-22.1%	23,469	47.4%	46.2%
Net profit	3,854	5,838	51.5%	1,404	2,724	3,114	121.7%	14.3%	10,940	53.4%	51.3%
Core profit	7,001	6,166	-11.9%	3,152	4,211	1,955	-38.0%	-53.6%	11,826	52.1%	53.7%
Gross margin	34.6%	33.1%		35.1%	34.5%	31.6%			34.5%		
Opex to revenue	15.3%	14.5%		15.9%	14.7%	14.4%			15.1%		
Operating margin	19.2%	18.6%		19.2%	19.8%	17.2%			19.4%		
Pretax margin	13.1%	17.1%		11.3%	15.5%	18.8%			16.7%		
Net margin	6.7%	9.8%		5.3%	8.6%	11.0%			9.0%		
By Divisions											
	1H24	1H25	YoY	2Q24	1Q25	2Q25	YoY	QoQ			
Net revenue (Rpbn)											
ICBP	36,584	37,361	6.9%	17,116	19,874	17,487	2.2%	-12.0%			
Bogasari	12,073	11,762	-0.8%	5,428	6,195	5,566	2.5%	-10.2%			
Agribusiness	5,040	6,932	-3.9%	2,339	3,478	3,454	47.7%	-0.7%			
Distribution	3,600	3,789	0.7%	1,621	2,008	1,781	9.9%	-11.3%			
Operating margin											
ICBP	23.2%	21.0%		22.4%	21.9%	19.8%					
Bogasari	7.9%	8.5%		9.7%	7.9%	9.1%					
Agribusiness	13.4%	17.6%		14.2%	20.7%	14.3%					
Distribution	8.7%	8.9%		4.7%	12.4%	5.0%					

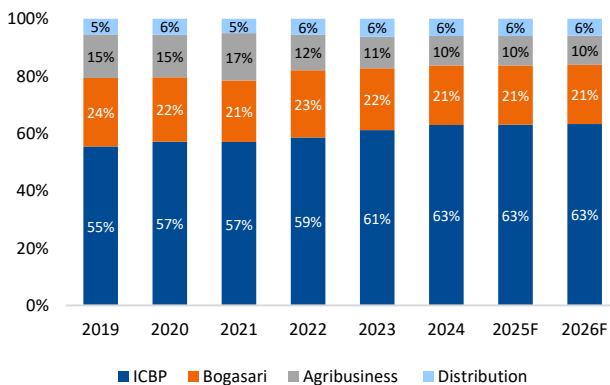
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 2. INDF's Earnings Estimates Revision

INDF U (Rpbn)	Previous		New		Changes	
	2025F	2026F	2025F	2026F	2025	2026
Revenue	121,132	127,491	121,428	128,439	0.2%	0.7%
Gross profit	41,771	45,175	41,956	44,485	0.4%	-1.5%
Operating profit	23,469	25,912	23,012	24,229	-1.9%	-6.5%
Net profit	11,055	12,955	10,995	11,853	-0.5%	-8.5%
Core profit	11,919	12,955	11,173	11,554	-6.3%	-10.8%
Gross margin	34.5%	35.4%	34.6%	34.6%		
Operating margin	19.4%	20.3%	19.0%	18.9%		
Net margin	9.1%	10.2%	9.1%	9.2%		
Assumption						
Revenue growth						
ICBP	4.7%	6.3%	5.2%	6.3%		
Bogasari	5.0%	4.5%	4.5%	5.6%		
Plantation	4.6%	1.2%	7.3%	4.0%		
Distribution	2.3%	3.8%	3.7%	4.4%		
EBIT margin						
ICBP	23.2%	25.0%	22.0%	22.2%		
Bogasari	7.7%	7.6%	7.6%	8.0%		
Plantation	16.7%	15.0%	16.7%	16.9%		
Distribution	6.2%	6.1%	7.3%	8.4%		

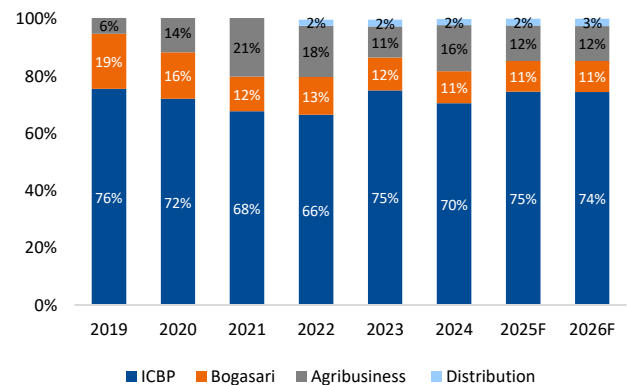
Source: BRIDS Estimates

Exhibit 3. Yearly Revenue Contribution by Division, 2019-26F



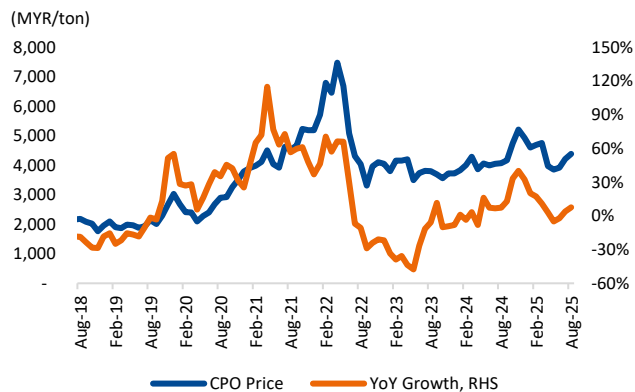
Source: Company, BRIDS Estimates

Exhibit 4. Yearly Operating Profit Contribution by Division, 2019-26F



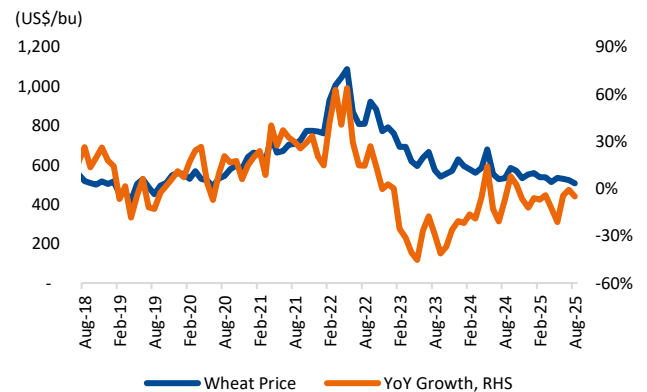
Source: Company, BRIDS Estimates

Exhibit 5. Monthly CPO Price



Source: Bloomberg

Exhibit 6. Monthly Wheat Price



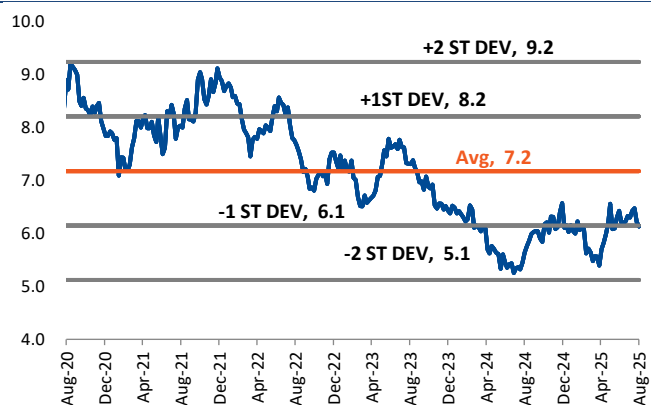
Source: Bloomberg

Exhibit 7. INDF' SOTP Valuation

Valuation SOTP	Stake	EBIT 2024	EV Rpbm	Effective valuation Rpbm	%	Method
ICBP	80.5%		128,968	103,819	77%	Based on BRIDS' TP of IDR14,000
Bogasari	100.0%	2,437	19,498	19,498	15%	8x EV/EBIT
Agribusiness	71.8%		7,527	5,404	4%	Market
Distribution	100.0%	527	5,538	5,538	4%	10.1x EV/EBIT
Net debt - holding Co				(24,748)		
Total EV				109,511		
Holding company disc	25%			(27,378)		
Equity value (Rp bn)				82,134		
Target price per share (Rp)				9,300		
Implied P/E - 2025				7.4		

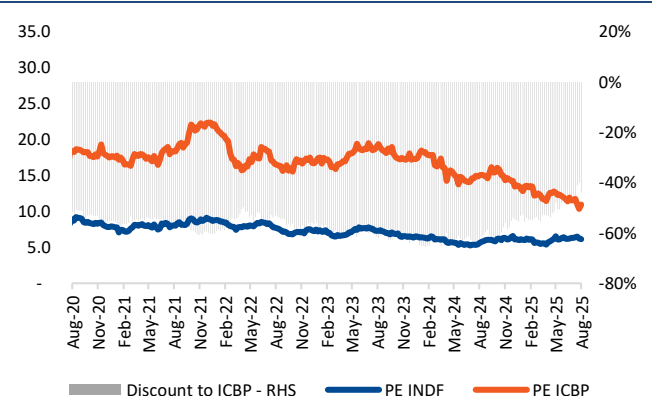
Source: BRIDS Estimates

Exhibit 8. INDF's PE Band



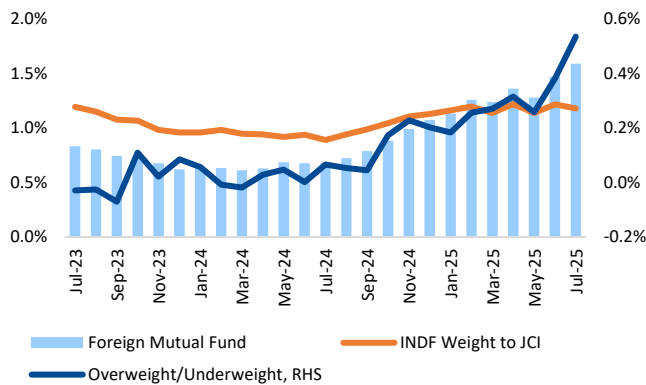
Source: Bloomberg, BRIDS Estimates

Exhibit 9. INDF vs ICBP Valuation Discount



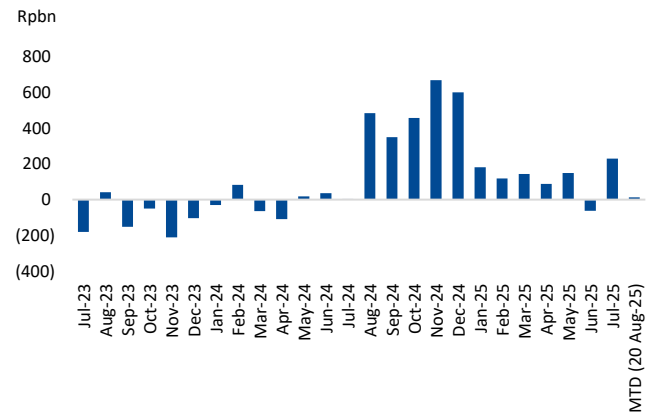
Source: Bloomberg, BRIDS Estimates

Exhibit 10. INDF's Weighting and Fund Position



Source: KSEI, BRIDS

Exhibit 11. INDF's Historical Foreign Flows



Source: IDX, BRIDS

Exhibit 12. INDF's Peers Comparison

Ticker	Rec	Target Price	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	12,000	111,371	11.4	10.1	2.2	1.9	20.2	3.4	37.7	12.7	(6.8)	8.3
UNVR IJ	Hold	1,750	69,242	16.9	16.4	20.5	17.3	148.0	5.0	21.4	3.5	21.4	3.5
INDF IJ	Buy	9,300	69,585	6.3	5.9	0.9	0.8	15.8	3.6	27.2	7.8	1.3	3.4
MYOR IJ	Buy	2,500	50,531	17.4	15.0	2.7	2.4	16.5	2.4	(2.9)	15.9	(1.2)	21.6
Sector - weighted				12.5	11.4	6.2	5.3	48.0	3.6	24.7	10.0	2.5	8.3

Source: Bloomberg, BRIDS Estimates

Exhibit 13. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Revenue	111,704	115,787	121,428	128,439	135,468
COGS	(75,653)	(75,650)	(79,472)	(83,955)	(87,428)
Gross profit	36,050	40,137	41,956	44,485	48,040
EBITDA	23,063	26,304	26,930	28,378	31,104
Oper. profit	19,679	22,830	23,012	24,229	26,812
Interest income	974	1,505	1,437	1,660	1,653
Interest expense	(3,499)	(3,804)	(3,967)	(3,885)	(3,926)
Forex Gain/(Loss)	791	(2,389)	(177)	299	0
Income From Assoc. Co's	(2,314)	(1,362)	0	0	0
Other Income (Expenses)	(15)	258	55	223	130
Pre-tax profit	15,615	17,040	20,360	22,527	24,669
Income tax	(4,122)	(3,962)	(5,054)	(5,857)	(6,414)
Minority interest	(3,347)	(4,436)	(4,311)	(4,816)	(5,012)
Net profit	8,147	8,642	10,995	11,853	13,243
Core Net Profit	7,356	11,030	11,173	11,554	13,243

Exhibit 14. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	28,576	38,710	45,957	51,828	59,507
Receivables	8,674	10,017	9,818	10,435	11,027
Inventory	15,213	17,954	17,302	19,066	19,436
Other Curr. Asset	2,525	3,569	3,248	3,390	3,441
Fixed assets - Net	47,295	47,814	48,752	49,741	50,868
Other non-curr.asset	76,191	74,134	74,746	74,743	75,578
Total asset	186,588	201,713	209,338	218,718	229,371
ST Debt	18,266	21,573	20,951	20,951	20,951
Payables	6,885	7,412	7,398	7,886	8,301
Other Curr. Liabilities	7,764	8,109	7,631	7,985	8,508
Long Term Debt	46,307	49,373	49,707	49,707	49,707
Other LT. Liabilities	6,902	6,255	6,100	5,895	5,723
Total Liabilities	86,123	92,722	91,786	92,423	93,190
Shareholder's Funds	59,193	65,114	73,674	82,417	92,303
Minority interests	41,272	43,878	43,878	43,878	43,878
Total Equity & Liabilities	186,588	201,713	209,338	218,718	229,371

Exhibit 15. Cash Flow

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	8,147	8,642	10,995	11,853	13,243
Depreciation and Amort.	2,868	3,205	3,919	4,149	4,292
Change in Working Capital	1,793	(4,199)	1,333	(1,889)	(330)
Other Oper. Cash Flow	3,079	2,242	1,877	2,433	2,529
Operating Cash Flow	15,887	9,889	18,124	16,546	19,734
Capex	(2,753)	(3,724)	(4,857)	(5,138)	(5,419)
Others Inv. Cash Flow	(4,208)	2,161	825	1,663	818
Investing Cash Flow	(6,961)	(1,563)	(4,032)	(3,475)	(4,601)
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)	(3,164)	(3,411)
Other Fin. Cash Flow	(3,410)	(4,450)	(4,122)	(4,090)	(4,098)
Financing Cash Flow	(6,296)	1,807	(6,844)	(7,200)	(7,454)
Net Change in Cash	2,630	10,134	7,247	5,871	7,679
Cash - begin of the year	25,946	28,576	38,710	45,957	51,828
Cash - end of the year	28,576	38,710	45,957	51,828	59,507

Exhibit 16. Key Ratio

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Sales	0.8	3.7	4.9	5.8	5.5
EBITDA	5.1	14.1	2.4	5.4	9.6
Operating profit	5.3	16.0	0.8	5.3	10.7
Net profit	28.1	6.1	27.2	7.8	11.7
Profitability (%)					
Gross margin	32.3	34.7	34.6	34.6	35.5
EBITDA margin	20.6	22.7	22.2	22.1	23.0
Operating margin	17.6	19.7	19.0	18.9	19.8
Net margin	7.3	7.5	9.1	9.2	9.8
ROAA	4.4	4.5	5.3	5.5	5.9
ROAE	14.4	13.9	15.8	15.2	15.2
Leverage					
Net Gearing (x)	0.4	0.3	0.2	0.1	0.1
Interest Coverage (x)	5.6	6.0	5.8	6.2	6.8

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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