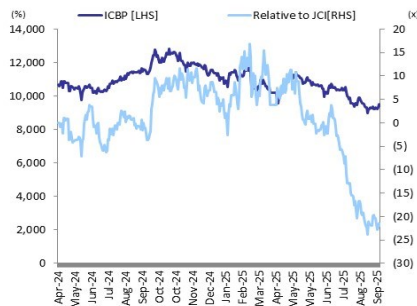


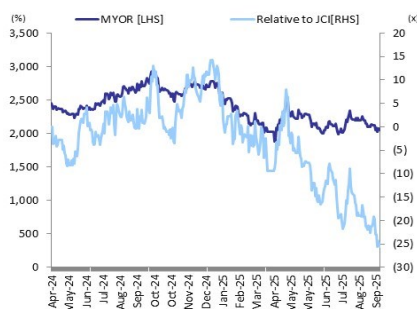
Overweight

(Maintained)

ICBP relative to JCI Index



MYOR relative to JCI Index



Source: Bloomberg

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Consumer

Stimulus on the Horizon

- The newly launched “8+4” program stimulus should serve as a catalyst for consumer spending recovery and support Consumer sector’s growth.
- While we expect the stimulus impact may take place in 4Q25 onwards, we maintain our rev/core earnings growth of +4.8/+0.4% yoy in FY25F.
- Reiterate our Overweight stance on the sector. Our top pick is ICBP (Buy, TP Rp12,000), followed by MYOR (Buy, TP Rp2,500).

Subdued consumer sentiment weighs on sector performance in 2Q25

Domestic demand remained weak in 2Q25, leading to a soft quarter for most consumer companies. The listed companies under our coverage reported -2.1% yoy rev. decline in 2Q25, with core profit down 21.7% yoy due to sluggish post-Eid recovery and elevated raw material costs. Our recent checks to some consumer companies suggest generally marginal improvement in Jul and Aug25 from 2Q25 run rate, and we believe Sep25 performance will be critical in determining the overall strength of the quarter.

A fresh round of year-end government stimulus

The Government has unveiled the long-awaited stimulus for 2H25, being the third stimulus rollout this year, aimed at boosting economic growth and household consumption. The “8+4” program covers multiple sectors to support workers, students, and key industries. We believe Consumer sector is one of the beneficiary sectors, with food assistance (i.e., rice distribution) and cash-for-work programs expected to directly support disposable income, while the internship program could help reduce unemployment and lift household income over time.

Near-term stability with upside potential from the stimulus

We estimate positive impact of food assistance program to monthly disposable income (Exh. 4 and 5) from the latest govt stimulus, although we think the impact may only take place the earliest in 4Q25 onwards, with execution and delivery remaining key factors in ensuring effective trickle-down benefits. We maintain our forecasts for the consumer companies under our coverage for now, projecting +4.8% yoy revenue growth in FY25F, mainly volume-driven, with modest ASP increases. However, GPM is expected to contract by 40bps to 35.1% due to commodity price volatility. On the bottom line, we expect net profit to grow by 27% yoy, while core profit is projected to increase by a modest +0.4% yoy, before improving to +7% in FY26F.

Reiterate Overweight on Consumer; top pick on ICBP

The Consumer sector remains a laggard with ytd underperformance of -11.9%, given the lack of growth catalyst, weak purchasing power and margin pressure. Nonetheless, the current sector’s valuation at 12.0x PE FY25F remains attractive. We think the newly introduced Government stimulus may serve as a catalyst to support the sector going forward, reinforcing our Overweight stance based on its undemanding valuations and stable growth outlook. Our pecking order within the sector is ICBP > MYOR > INDF > UNVR. We favor ICBP (Buy, TP Rp12,000) for its defensive noodle segment and easing wheat costs should help to cushion the margin pressure. We also like MYOR (Buy, TP Rp2,500) for its solid topline growth, although margin risks from rising coffee prices remain a concern. Key risks to our call: 1) execution on Government stimulus may take longer than expected, resulting to longer weak consumption trends, 2) higher soft commodity prices, which may further compress margin.

Company	Ticker	Rec	Target Price	Market Cap.	P/E (x)		P/BV (x)		ROE (%)
			(Rp)	(RpBn)	2025F	2026F	2025F	2026F	2026F
Indofood CBP	ICBP IJ	BUY	12,000	113,120.5	11.6	10.3	2.2	2.0	20.3
MAYORA	MYOR IJ	BUY	2,500	45,611.7	15.7	13.5	2.5	2.2	17.2
INDOFOOD	INDF IJ	BUY	9,300	68,706.8	6.2	5.8	0.9	0.8	15.2
Unilever Indonesia	UNVR IJ	HOLD	1,750	65,427.3	16.0	15.5	19.4	16.3	114.6

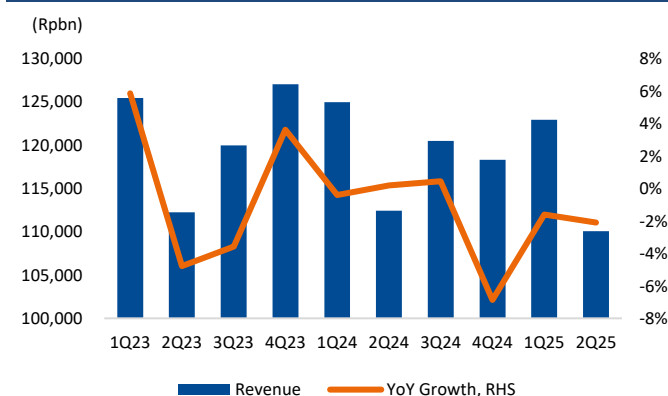
Subdued Consumer Sentiment Weighs on Sector Performance in 2Q25

In line with our previous sector report, the slowdown in domestic demand has led to another subdued quarter for most consumer companies. Ongoing economic uncertainty and rising living costs continue to shape Indonesian consumer behaviour and priorities. GDP growth for 2Q25 came in at 5.12%, while household consumption grew at 4.97%. However, there are mounting signs that purchasing power remains soft, especially among mid and lower income households.

Some of the indicators reflecting softer real consumption trends include 1) malls operators reporting stable/higher traffic but with fewer transactions as shoppers increasingly visiting malls/stores without purchases, 2) a clear shift towards value products, with lower-priced goods outperforming premium offerings, and 3) weaker volume growth in some of the listed consumer companies. Consumer sentiment surveys, such as *PwC's Voice of the Consumer 2025* – which surveyed ~21k consumers across 28 countries, indicate that nearly half of Indonesian respondents are concerned about the economy and rising cost of living. Consequently, many are prioritizing essential spending and opting for more affordable alternatives.

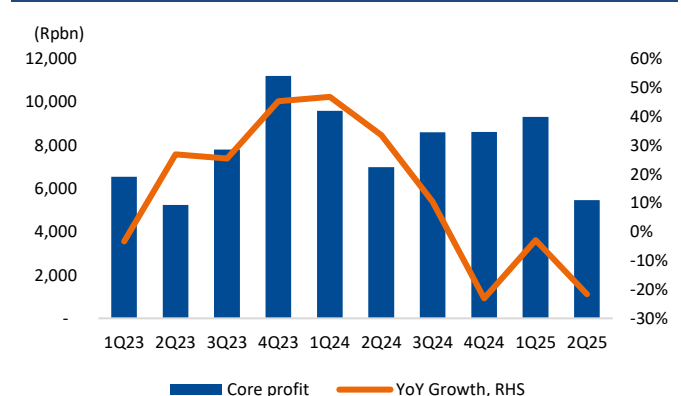
The latest results of listed consumer companies under our coverage posted -2.1% yoy revenue growth in 2Q25 and +3% yoy in 1H25, reflecting ongoing weak consumption and slower-than-anticipated recovery post Eid. At the same time, rising raw material costs, i.e.CPO, cooking oil, coffee, cocoa, have led to unavoidable margin pressure, with core profit down by 21.7% yoy in 2Q25 and 10.8% yoy in 1H25.

Exhibit 1. Quarterly Revenue & Yoy Growth (ICBP, MYOR, UNVR, INDF), 1Q23 – 2Q25



Source: Company, BRIS

Exhibit 2. Quarterly Core Profit & Yoy Growth (ICBP, MYOR, UNVR, INDF), 1Q23 – 2Q25



Source: Company, BRIS

Our recent check to some consumer companies generally suggests limited improvement compared to the 2Q25 run rate. MYOR indicates its sales saw high single-digit yoy growth in Aug25; we believe this was partly driven by the rebound in its export business due to the Chinese Mooncake festival. Meanwhile, ICBP indicates a sluggish recovery post Eid in May and Jun during their earnings call. However, we believe its instant noodles volume may show some rebound in Jul and Aug25, in line with the industry's trend.

A Fresh Round of Year-End Govt Stimulus

The long-awaited Government stimulus for the 2H25 has finally been unveiled, aimed to spur economic growth and support household consumption. **The “8+4” stimulus program (see exhibit 3), which comprises 8 main programs for FY25, and 4 additional programs set to extend into FY26, spans multiple sectors to support workers, students, and key industries.** This marks the third stimulus rollout this year, following earlier packages launched in Jan and Jun. Among the notable measures were the electricity subsidy in Jan-Feb25 for over 79mn low-power households below 1,300 VA and wage subsidy assistance (BSU) of Rp300k/month for two months in Jun-Jul25.

Exhibit 3. Government Stimulus “8+4” Package

8 Main Government Stimulus Programs

No	Program	Beneficiary	Amount	Est. Budget	Est. Budget/Person/Month
1	Internship program for fresh graduates (max 1 year after graduation)	20,000 beneficiaries	Monthly allowance equal to the provincial minimum wage, around Rp3.3 mn, for six months.	Rp198bn (2025) Rp198bn (2026)	2,475,000
2	Expansion of PPh DTP	552,000 workers	100% for three months in the remaining 2025 tax year	Rp120bn (3 months late 2025) Rp480bn (Full 2026)	
3	Food Assistance Program	18.3mn beneficiaries	Food aid for two months in the form of 10 kg of rice, with possible extension in December if budget realization is below target.	Rp7tr (assuming rice price Rp18,500 include distribution price)	
4	Subsidy on JKK and JKM contributions for non-wage workers, including online transport drivers, motorcycle taxi riders, drivers, couriers, and logistics workers.	731,361 workers	50% subsidy on JKK and JKM contributions for six months - JKK: Death benefit = 48x wage, disability benefit = 56x wage, scholarship of Rp174mn for 2 children - JKM: Total benefit Rp42mn	Rp36bn funded by BPJS Ketenagakerjaan	
5	BPJS Ketenagakerjaan Additional Housing Benefits program (MLT)	1,050 units	- Mortgage/loan interest subsidy (KPR/KPA/PUMP/PP) capped at BI Rate +3%. - Developer loans capped at BI Rate +4% with OJK credit relaxation.	Rp150 bn interest subsidy borne by BPJS Ketenagakerjaan	
6	Cash for Work Program through the Ministry of Transportation and the Ministry of Public Work	609,465 people	Daily wages for projects running September–December 2025.	Ministry of Transportation: Rp1.7tr Ministry of Public Work: Rp3.5tr	2,133,018
7	Acceleration of deregulation under Government Regulation (PP) No. 28/2025	2025: 50 region 2026: 300 region	Acceleration of PP 28 implementing rules (Ministerial/Agency Regulations): - Digital RDTR integrated into OSS system - Rp3.5 bn per RDTR (Rp3 bn central, Rp0.5 bn regional)	2025: Rp175bn (M/A and region) 2026: Rp1.05tr	
8	Urban program to improve housing quality and provide a marketing platform for the gig economy, especially MSMEs.		Pilot project in Jakarta will be expanded to West Java, Central Java, East Java, Banten, Bali, Manado, and Makassar.	Funding sources: Rp2.7tr contingency fund from Jakarta's local government and the Ministry of Tourism & Creative Economy.	
TOTAL 2025 BUDGET				Rp16,23 tr	

4 Additional Government Stimulus Programs

No	Program	Beneficiary	Amount	Est. Budget
1	Extension of 0.5% Final Income Tax for MSME taxpayers and adjustment of eligible recipients	542k recipients	The government extended the 0.5% final income tax for MSMEs earning up to Rp4.8bn annually until 2029, to be regulated through a revision of PP 55/2022.	2025: Rp2tr
2	Extension of PPh 21 DTP for tourism sector workers		Provision of Article 21 Income Tax (borne by the government) incentives in the tourism-related sector for workers earning up to Rp10mn per month.	2026: Rp480bn
3	PPh 21 DTP for labor-intensive industry workers.	1.7mn workers	For workers earning up to Rp10mn per month.	2025: Rp800bn
4	Discounted JKK and JKM contributions for all non-wage workers (BPU).	10mn workers (as of August 2025)	The program is proposed to continue and potentially be expanded to other non-wage workers such as farmers, traders, fishermen, construction workers, domestic workers, and others.	Rp753bn

Source: Ministry of Coordinating Economy

We believe consumer is one of the sectors to benefit from the Govt stimulus. Among the key initiatives outlined, we think the food assistance program (10kg rice distribution per month) and the cash-for-work scheme targeting approx. 609k workers are likely to offer the most direct support, effectively boosting disposable income. Additionally, the internship program for recent graduates is expected to help reduce unemployment, raise household income, and over time contribute to stronger economic growth.

We performed a simple calculation to estimate the potential impact from the food assistance program to current estimated disposable income, where it suggests ~12-18% of the disposable income in rural and urban areas, or 8% in Jakarta that can be spent elsewhere. This is under the assumption that the family has three members, with two of them being employed.

Exhibit 4. Impact on Food Assistance Program to Monthly Disposable Income for Rural and Urban Area

	Rural	Urban
Average UMP/Month (2 workers/HH)	4,400,000	6,600,000
Total Expenditure for Food/Month (3 person/HH)	2,047,259	2,478,132
Total Expenditure for Non Food/Month (3 person/HH)	1,511,352	2,838,395
Disposable Income	841,388	1,283,473
Saving from Food Assistance	149,000	149,000
% of Food Assistance from Disposable Income	17.7%	11.6%

Note:

*Rural area using average UMP in Java (West Java, East Java, and Central Java)

*Urban area using average UMP in ex-Java

Source: BPS, BRIDS Estimates

Exhibit 5. Impact on Food Assistance Program to Monthly Disposable Income for DKI Jakarta Household

Component (Jakarta)	Amount (Rp)	Assumption/ Reference
Average Monthly Wage per Month (2 workers/HH)	10,793,522	BPS 2025
Food (3 person/HH)	3,441,713	Data of Monthly Expenditure Average BPS DKI JKT 2024 + inflation 3.5%
Rent	990,122	Data of Monthly Expenditure Average BPS DKI JKT 2024 + inflation 3.4%
Utilities and Internet	700,000	Dealls Platform
Transportation (3 person/HH)	2,250,000	Kompas
Others (3 person/HH)	1,500,000	
Disposable Income	1,911,687	
Saving from Food Assistance	149,000	10kg rice/month at highest retail price of premium rice
% of Food Assistance from Disposable Income	7.8%	

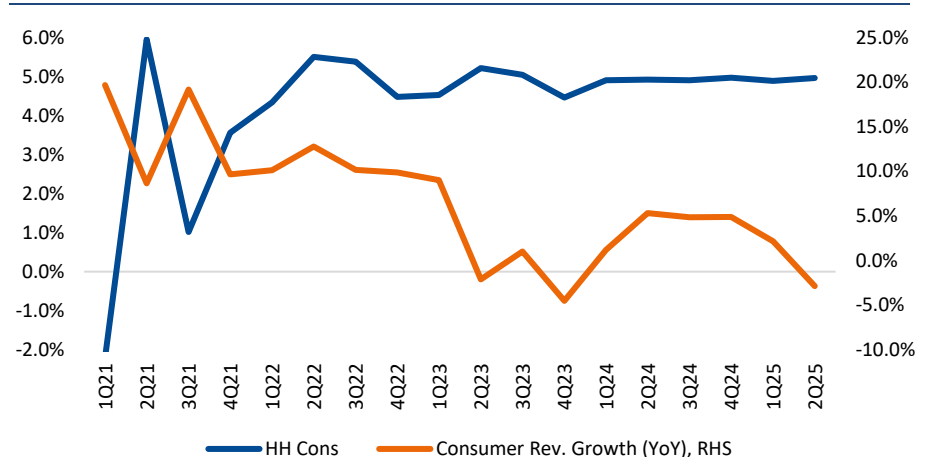
References

Dealls Platform: <https://dealls.com/pengembangan-karir/biaya-hidup-di-jakarta>

Kompas: <https://www.kompas.id/artikel/komuter-menjerit-ongkos-transportasi-makan-sepertiga-gaji>

Source: Various Sources, BRIDS Estimates

Exhibit 6. Household Consumption vs Consumer Rev YoY Growth



Source: BPS, Company

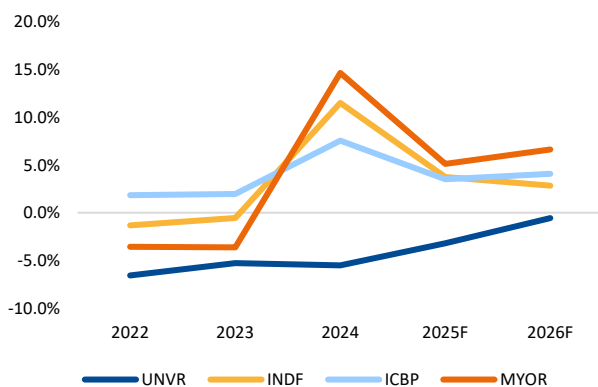
Financial Outlook

While we acknowledge that the stimulus programs mentioned above have the potential to enhance purchasing power and support broader economic growth, we think the impact can only be seen the earliest in 4Q25 as the execution may take some time after the programs have been approved. Key risk remains on the execution and ensuring effective delivery to generate a meaningful trickle-down effect.

For now, we are maintaining our forecasts for the consumer companies under our coverage. We project aggregate revenue growth of +4.8% yoy in FY25F, largely driven by higher volume (MYOR's +5.1%, ICBP's +3.5%, INDF's Bogasari +3.7%, except for UNVR still expected to post negative vol growth of -3%), while ASP are anticipated to rise modestly.

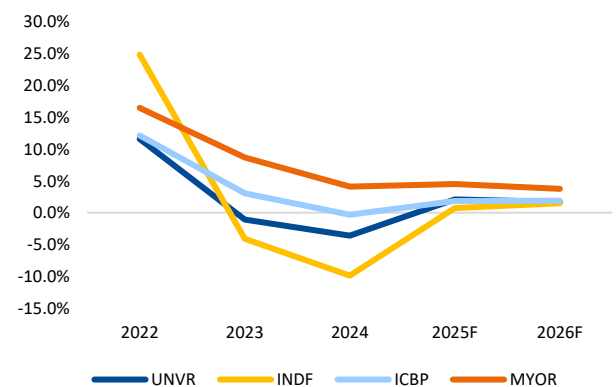
We still foresee that some of the Consumer companies' GPM could still be further pressured this year given the volatility in soft commodity prices. Thus, we estimate 40bps contraction in aggregate GPM, from 35.5% in FY24 to 35.1% in FY25F. Nonetheless, we expect net profit to grow by 27% yoy, while core profit is projected to increase by a modest +0.4% yoy.

Exhibit 7. Volume Growth YoY, 2022-26F



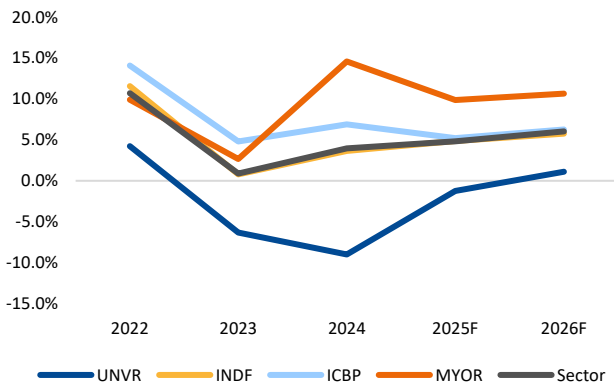
Source: Company, BRIDS Estimates

Exhibit 8. ASP Growth YoY, 2022-26F



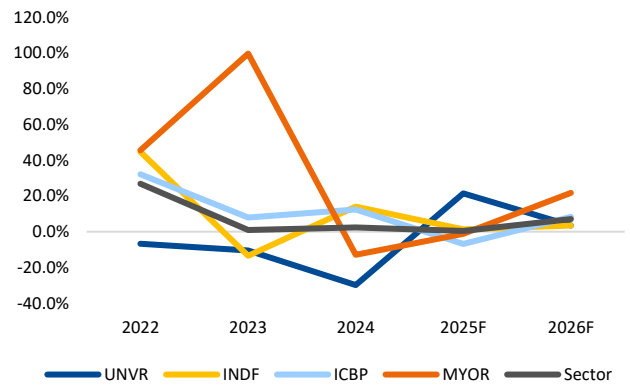
Source: Company, BRIDS Estimates

Exhibit 9. Revenue Growth YoY, 2022-26F



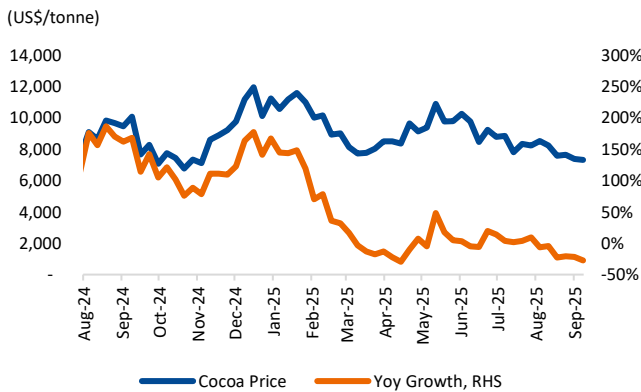
Source: Company, BRIDS Estimates

Exhibit 10. Core Profit Growth YoY, 2022-26F



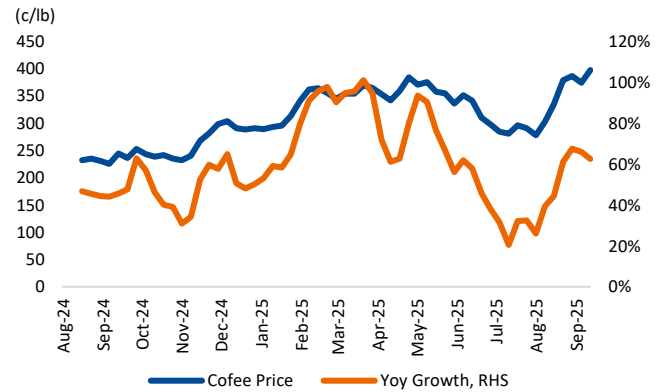
Source: Company, BRIDS Estimates

Exhibit 11. Weekly Cocoa Price



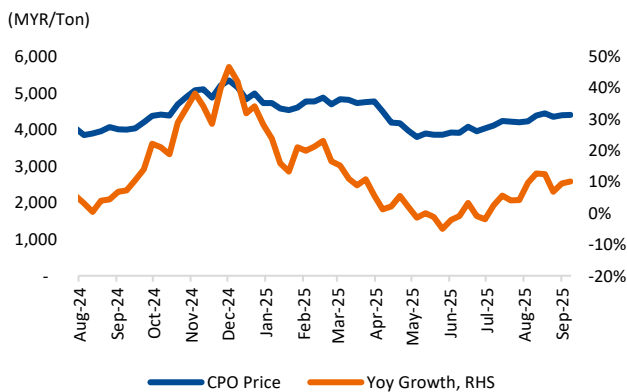
Source: Bloomberg

Exhibit 12. Weekly Coffee Price



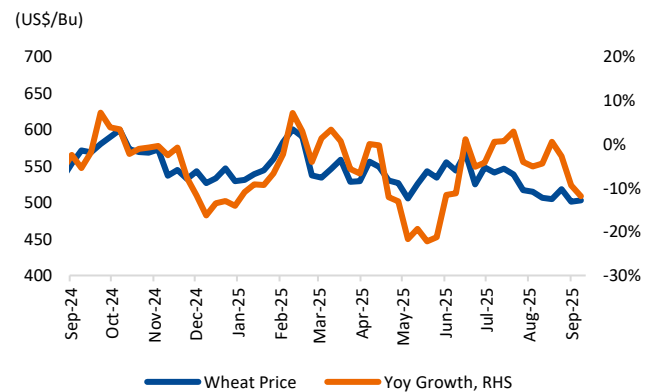
Source: Bloomberg

Exhibit 13. Weekly CPO Price



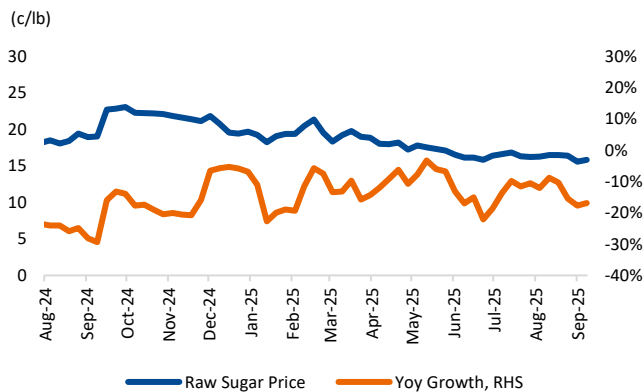
Source: Bloomberg

Exhibit 14. Weekly Wheat Price



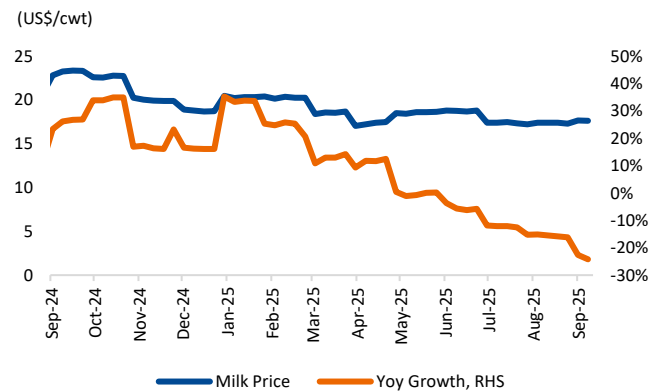
Source: Bloomberg

Exhibit 15. Weekly Raw Sugar Price



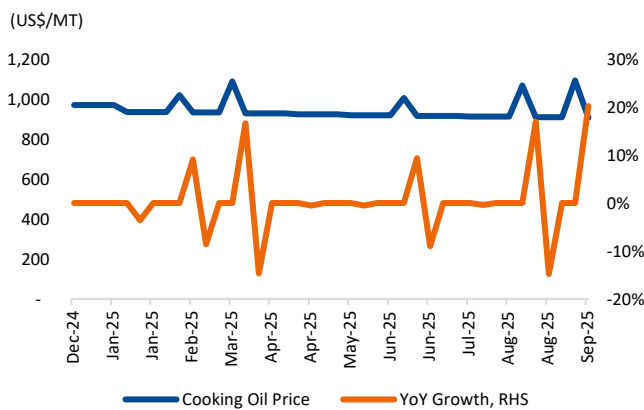
Source: Bloomberg

Exhibit 16. Weekly Milk Price



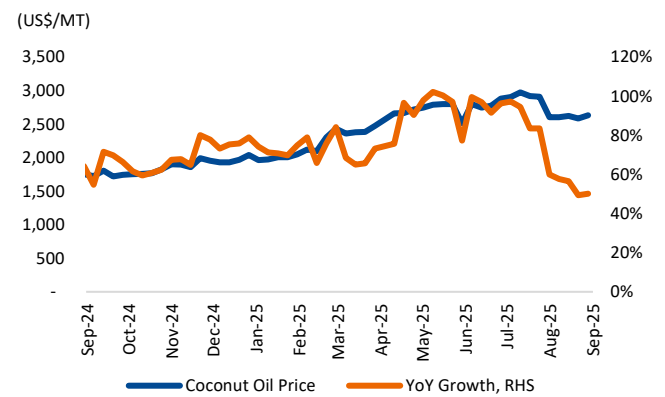
Source: Bloomberg

Exhibit 17. Weekly Cooking Oil Price



Source: Bloomberg

Exhibit 18. Weekly Coconut Oil Price



Source: Bloomberg

Reiterate Overweight, Top Picks ICBP, MYOR

The Consumer sector continues to underperform, with ytd decline of -11.9%, making it one of the laggards in the market. We think its underperformance was partly due to the absence of strong growth catalyst, subdued topline growth due to soft purchasing power, and some degree of margin compression. However, we believe the newly introduced Govt stimulus in the 2H25 could serve as a catalyst to support the sector growth going forward. Therefore, **we reiterate our Overweight stance on Consumer sector**, underpinned by its attractive valuation, resilient revenue growth outlook, and the potential uplift from Govt stimulus programs.

We project modest aggregate sector's revenue growth of +4.8% yoy this year given the challenging consumption environment, yet we believe effective implementation of the Government stimulus could pave the way for stronger performance in FY26.

Our pecking order within the Consumer sector is ICBP > MYOR > INDF > UNVR. We maintain ICBP (Buy, TP Rp12,000) as our top pick, given that its core instant noodles tend to be resilient during economic downturn. Furthermore, the normalization in wheat prices (down 11% from the peak) should help ease margin pressure in the upcoming quarters.

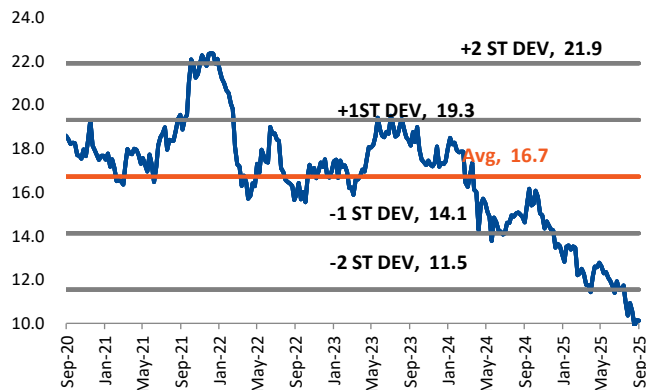
We also like MYOR (Buy, TP Rp2,500) for its strong topline growth outlook of +10% yoy, the highest among peers, despite the weak consumer sentiment. However, we think investor's main concern over margin pressure may persist, especially after coffee prices surged again in Aug25, nearing the peak level – largely driven by the 50% import tax imposed by the U.S. on Brazilian goods. On a positive note, the continued normalization in cocoa and coconut oil prices should help cushion some of the margin impact.

Exhibit 19. Consumer Sector Valuation Table

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	2026F	2025F	2026F
ICBP IJ	Buy	12,000	113,121	11.6	10.3	2.2	2.0	20.2	3.3	37.7	12.7	(6.8)	8.3
UNVR IJ	Hold	1,750	65,427	16.0	15.5	19.4	16.3	148.0	5.3	21.4	3.5	21.4	3.5
INDF IJ	Buy	9,300	68,707	6.2	5.8	0.9	0.8	15.8	3.6	27.2	7.8	1.3	3.4
MYOR IJ	Buy	2,500	45,612	15.7	13.5	2.5	2.2	16.5	2.7	(2.9)	15.9	(1.2)	21.6
Sector - weighted				12.0	10.9	5.8	4.9	47.2	3.7	25.3	10.0	2.3	8.1

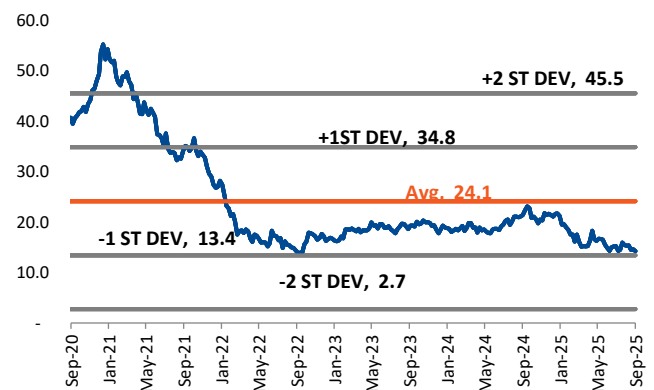
Source: Bloomberg, BRIDS Estimates

Exhibit 20. PE Band - ICBP



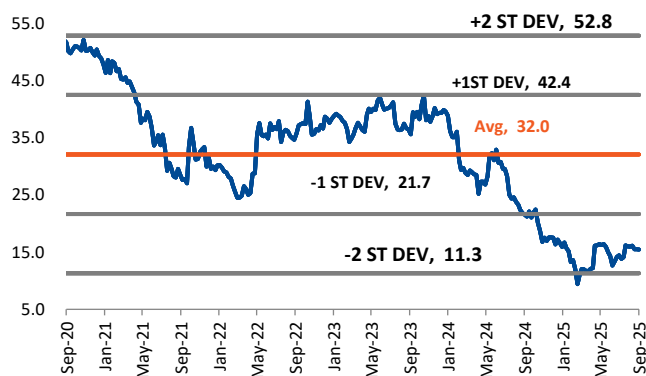
Source: Bloomberg, BRIDS Estimates

Exhibit 21. PE Band - MYOR



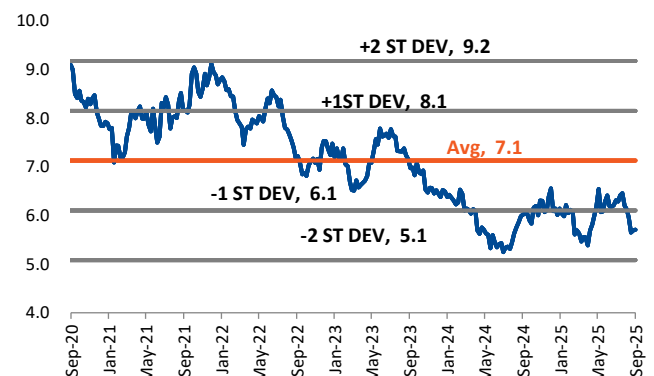
Source: Bloomberg, BRIDS Estimates

Exhibit 22. PE Band - UNVR



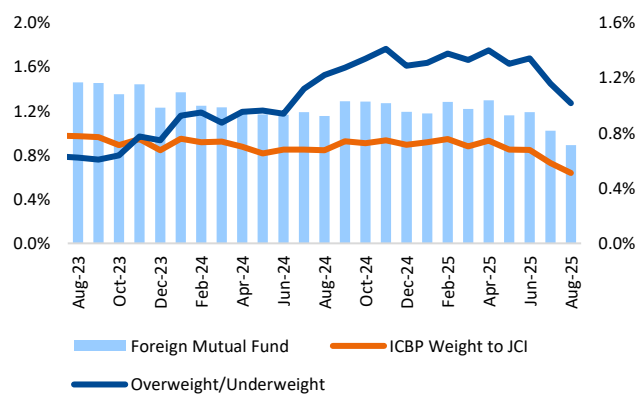
Source: Bloomberg, BRIDS Estimates

Exhibit 23. PE Band - INDF



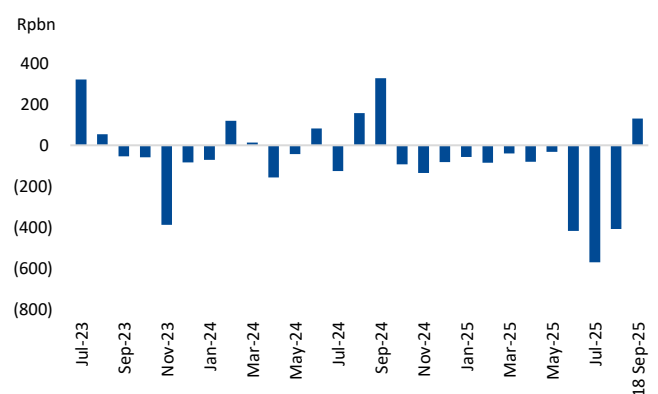
Source: Bloomberg, BRIDS Estimates

Exhibit 24. Weighting and Fund Position - ICBP



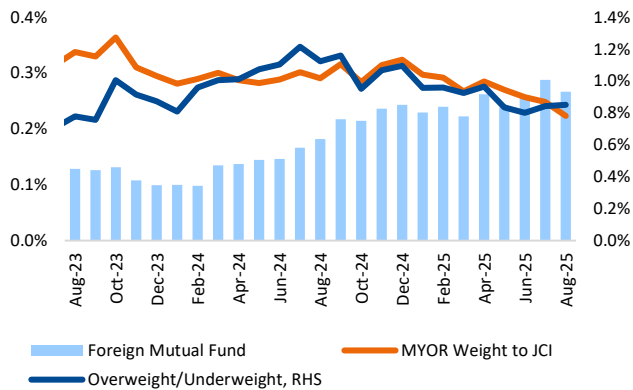
Source: KSEI, BRIDS

Exhibit 25. Historical Foreign Flows - ICBP



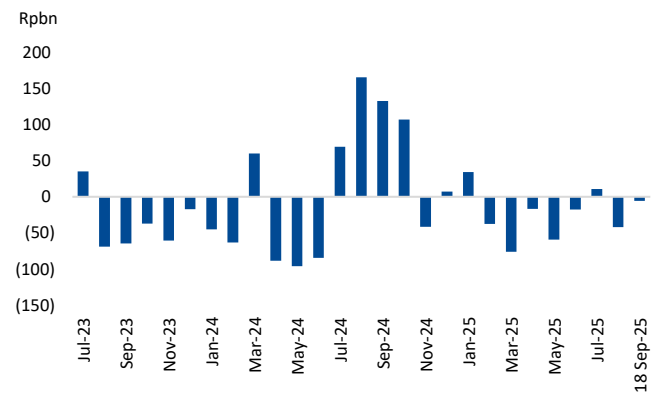
Source: IDX, BRIDS

Exhibit 26. Weighting and Fund Position - MYOR



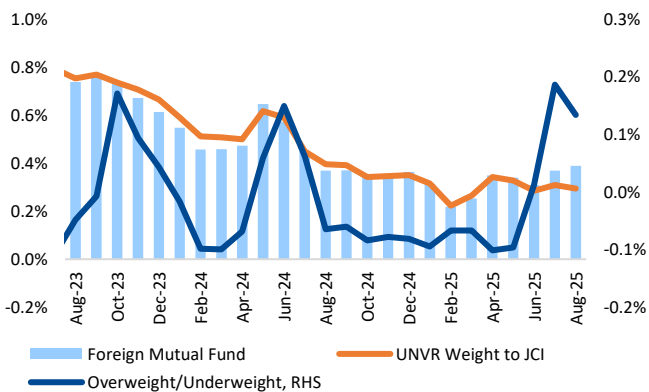
Source: KSEI, BRIDS

Exhibit 27. Historical Foreign Flows - MYOR



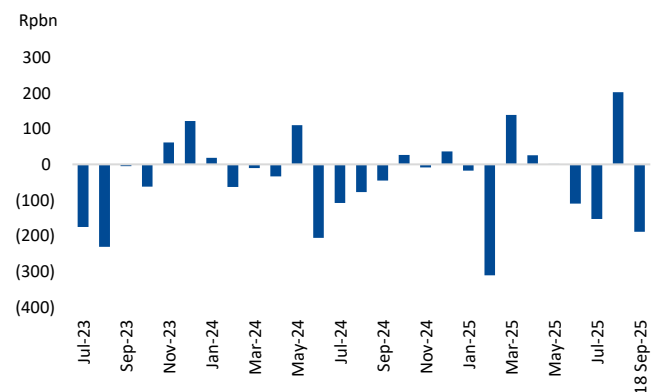
Source: IDX, BRIDS

Exhibit 28. Weighting and Fund Position - UNVR



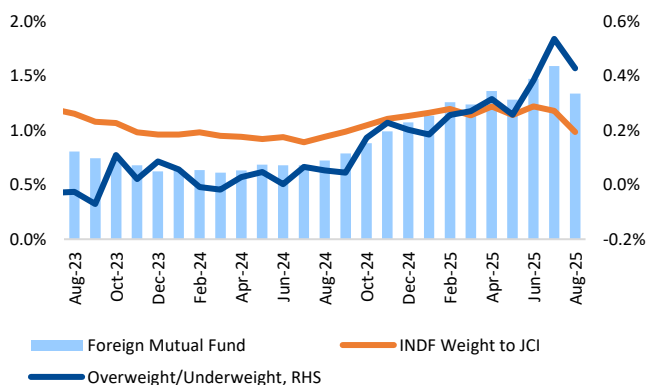
Source: KSEI, BRIDS

Exhibit 29. Historical Foreign Flows - UNVR



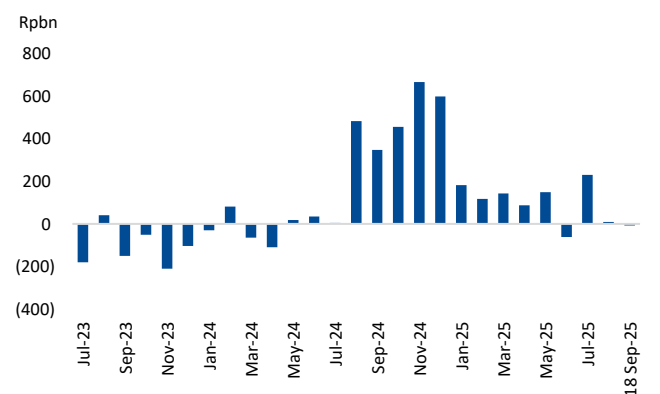
Source: IDX, BRIDS

Exhibit 30. Weighting and Fund Position - INDF



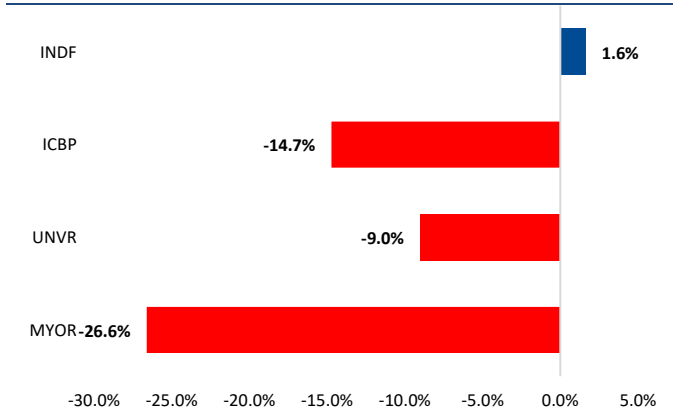
Source: KSEI, BRIDS

Exhibit 31. Historical Foreign Flows - INDF



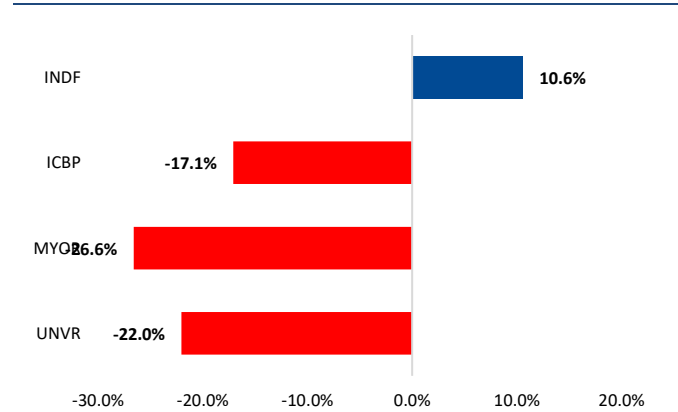
Source: IDX, BRIDS

Exhibit 32. Share Price Performance - YTD



Source: Bloomberg

Exhibit 33. Share Price Performance – 12M



Source: Bloomberg

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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

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