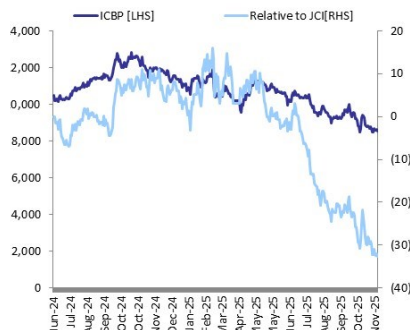


Buy

(Maintained)

Last Price (Rp)	8,525
Target Price (Rp)	11,500
Previous Target Price (Rp)	12,000
Upside/Downside	+34.9%
No. of Shares (mn)	11,662
Mkt Cap (Rpbn/US\$mn)	99,418/5,952
Avg, Daily T/O (Rpbn/US\$mn)	65.9/3.9
Free Float (%)	19.5
Major Shareholder (%)	
Indofood Sukses Makmur Tbk	80.5
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	798.4 893.4 986.6
Consensus	817.0 913.2 992.6
BRIDS/Cons (%)	(2.3) (2.2) (0.6)

ICBP relative to JCI Index



Source: Bloomberg

Indofood CBP (ICBP IJ)

From Demand Headwinds to Fiscal Tailwinds

- Softer domestic and some overseas demand weighed on ICBP's topline in 3Q25, though margins improved on easing input costs.
- While FY25F topline may fall short of the management's 7-9% guidance, we believe EBIT margin may reach the upper end of the target (~22%).
- We maintain our Buy call with a revised TP of Rp11,500. We think its current valuation of 9.7x PE FY26F has largely priced in the ST growth softness.

Soft domestic demand weighed on ICBP's 3Q25 performance

ICBP posted muted sales growth of +0.8% yoy in 3Q25 (vs. 2.2% in 2Q25), reflecting weaker demand particularly in the noodle segment, which contributed ~73% to total sales. With revenue only up by +1.4% yoy in 9M25, we think its FY25 growth may fall short of the company's 7-9% target. Management noted softer performance in several overseas markets, including Europe, Australia and the U.S, while regions like Asia, Africa and the Middle East continued to post solid growth of +6.2% yoy in 9M25. Despite the soft topline, ICBP delivered sequential margin improvement in 3Q25, supported by normalization in some input costs. With an EBIT margin of 22.6% in 9M25, we expect ICBP to reach the upper end of its 20-22% target range.

Expect better sales performance in 4Q25

We expect the sales performance in 4Q25 to be better compared to 3Q25, partly supported by the Government's cash handout stimulus which was distributed at the end of Oct25 and potential early orders towards the end of 4Q25 for the upcoming Eid festive season in 1Q26.

FY25-26F earnings forecast revision

We lowered our topline growth assumptions slightly by -1.6/-1.9% in FY25/26F, reflecting the modest 9M25 performance. This results in FY25F rev growth of +3.5% yoy, driven by +2.7% vol growth and +1.0% ASP increase (vs. +3.5% and +1.8% prev). Rising CPO and potato prices continued to post margins risk, particularly for noodles and snack foods' segments. Consequently, we project gross margin to decline by 100bps yoy to 36% in FY25F. Nonetheless, at the operating level, we believe ICBP may reach its upper range of 22% EBIT guidance, supported by optimized opex. All in all, we lowered our FY25/26F core profit forecast by -4.4/-5.3%, translating to core profit growth of -11% in FY25F before improving to +7.3% in FY26F.

Reiterate Buy with lower TP of Rp11,500

Despite near-term growth headwinds stemming from macroeconomic challenges, we believe ICBP stands to benefit from a potentially more stable fiscal stimulus in FY26. We think ICBP's current valuation of 9.7x have largely priced in the short-term growth softness. We lowered our TP to Rp11,500 as we roll-forward our valuation to FY26F, still based on 11.7x PE (-1.5sd to 3year mean).

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	67,910	72,597	75,125	79,604	84,799
EBITDA (Rpbn)	16,151	17,656	17,851	18,881	20,565
EBITDA Growth (%)	17.5	9.3	1.1	5.8	8.9
Net Profit (Rpbn)	6,991	7,079	9,310	10,419	11,505
EPS (Rp)	599.4	607.1	798.4	893.4	986.6
EPS Growth (%)	52.4	1.3	31.5	11.9	10.4
BVPS (Rp)	3,494.2	3,877.4	4,351.5	4,833.2	5,346.3
DPS (Rp)	276.6	317.7	321.7	423.1	473.5
PER (x)	14.3	14.1	10.7	9.6	8.7
PBV (x)	2.4	2.2	2.0	1.8	1.6
Dividend yield (%)	3.2	3.7	3.8	4.9	5.5
EV/EBITDA	7.7	6.8	6.5	5.9	5.2

Source: ICBP, BRIDS Estimates

BRI Danareksa Sekuritas Analysts

Christy Halim

(62-21) 5091 4100 ext. 3512
christy.halim@brids.co.id

Sabela Nur Amalina

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

Exhibit 1. ICBP 3Q25/9M25 Earnings Result Summary

ICBP IJ (Rpbn)	9M24	9M25	YoY	3Q24	2Q25	3Q25	YoY	QoQ	FY25F	A/F	A/C
Revenue	55,486	56,267	1.4%	18,525	17,415	18,666	0.8%	7.2%	76,383	74%	74%
COGS	34,842	36,362	4.4%	11,864	11,587	11,884	0.2%	2.6%	48,559	75%	
Gross profit	20,644	19,905	-3.6%	6,661	5,828	6,782	1.8%	16.4%	27,824	72%	72%
Operating profit	12,405	11,943	-3.7%	3,738	3,458	4,013	7.3%	16.0%	16,915	71%	72%
Pretax profit	11,958	10,531	-11.9%	6,426	4,012	2,789	-56.6%	-30.5%	15,100	70%	
Net profit	8,149	7,108	-12.8%	4,612	2,879	1,572	-65.9%	-45.4%	9,748	73%	74%
Core profit	7,397	8,541	15.5%	1,109	1,928	2,778	150.5%	44.1%	9,737	88%	90%
Gross margin	37.2%	35.4%		36.0%	33.5%	36.3%			36.4%		
Opex to revenue	14.8%	14.1%		15.8%	13.6%	14.8%			14.3%		
Operating margin	22.4%	21.2%		20.2%	19.9%	21.5%			22.1%		
Pretax margin	21.6%	18.7%		34.7%	23.0%	14.9%			19.8%		
Net margin	14.7%	12.6%		24.9%	16.5%	8.4%			12.8%		
ICBP - Revenue by Divisions											
	9M24	9M25	YoY	3Q24	2Q25	3Q25	YoY	QoQ	FY25F		
Noodles	40,261	40,926	1.7%	13,659	12,737	13,668	0.1%	7.3%	55,574		
Dairy	7,070	7,173	1.5%	2,150	2,132	2,367	10.1%	11.0%	9,469		
Snack food	3,337	3,379	1.3%	1,153	1,076	1,140	-1.2%	6.0%	4,585		
Beverage	1,271	1,099	-13.5%	427	370	358	-16.3%	-3.2%	1,708		
Nutrition & special food	1,025	953	-7.0%	377	284	308	-18.3%	8.5%	1,461		
Food Seasoning	2,523	2,736	8.5%	759	817	825	8.7%	1.0%	3,587		
EBIT Margin	9M24	9M25		3Q24	2Q25	3Q25					
Noodles	26.5%	25.4%		23.8%	23.9%	25.7%					
Dairy	9.8%	7.7%		5.8%	3.2%	8.1%					
Snack food	10.6%	5.4%		12.3%	7.0%	5.5%					
Beverage	15.3%	13.6%		15.4%	13.6%	13.5%					
Nutrition & special food	8.8%	10.1%		9.8%	8.0%	11.5%					
Food Seasoning	15.7%	20.0%		15.5%	23.5%	19.2%					

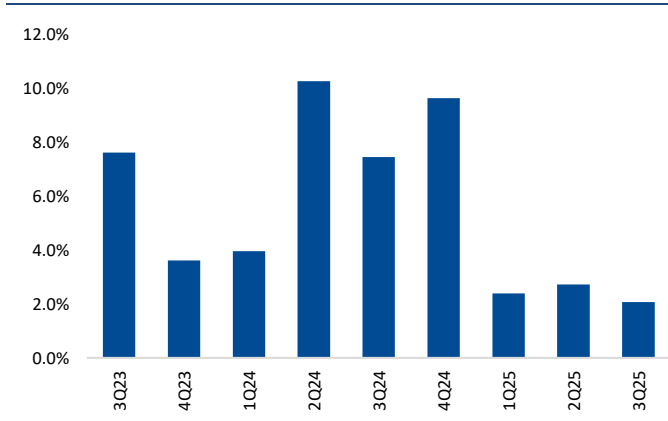
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 2. ICBP Earnings Revision Summary

ICBP U (Rpbn)	Previous		New		Changes	
	2025F	2026F	2025F	2026F	2025	2026
Revenue	76,383	81,176	75,125	79,604	-1.6%	-1.9%
Gross profit	27,824	29,876	27,048	28,881	-2.8%	-3.3%
Operating profit	16,915	18,124	16,316	17,353	-3.5%	-4.3%
Net profit	9,748	10,988	9,310	10,419	-4.5%	-5.2%
Core profit	9,737	10,542	9,307	9,982	-4.4%	-5.3%
Gross margin	36.4%	36.8%	36.0%	36.3%		
Operating margin	22.1%	22.3%	21.7%	21.8%		
Net margin	12.8%	13.5%	12.4%	13.1%		
Changes in assumption						
USD IDR	16,250	16,100	16,250	16,100		
Sales volume						
Noodles	4.3%	4.6%	3.2%	4.7%		
Dairy	0.0%	2.0%	1.5%	2.0%		
Snack	2.0%	3.0%	2.0%	3.0%		
Beverages	2.0%	1.0%	-2.0%	1.0%		
Nutritional	5.0%	5.0%	-2.0%	5.0%		
Seasoning	2.0%	3.0%	2.0%	3.0%		
A&P/sales	3.5%	3.5%	3.5%	3.5%		
Blended ASP	1.8%	1.9%	1.0%	1.6%		
Blended volume	3.5%	4.1%	2.7%	4.1%		

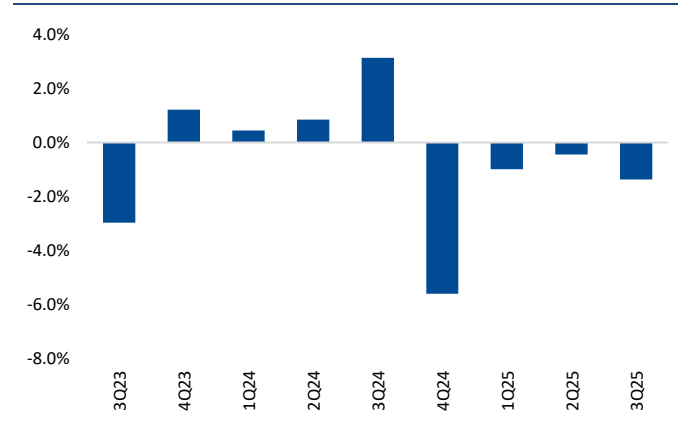
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 3. ICBP Quarterly Volume Growth, 3Q23-3Q25

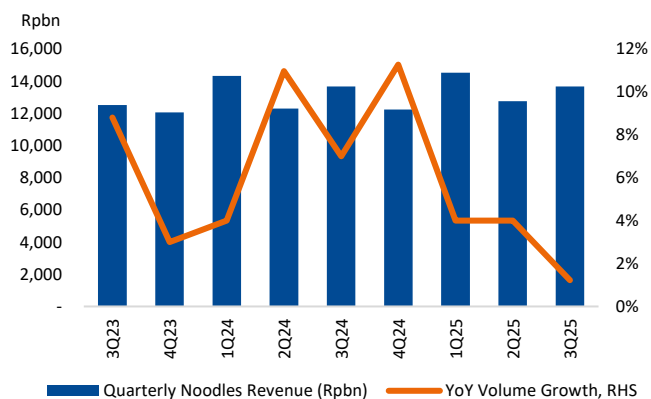


Source: Company, BRIDS

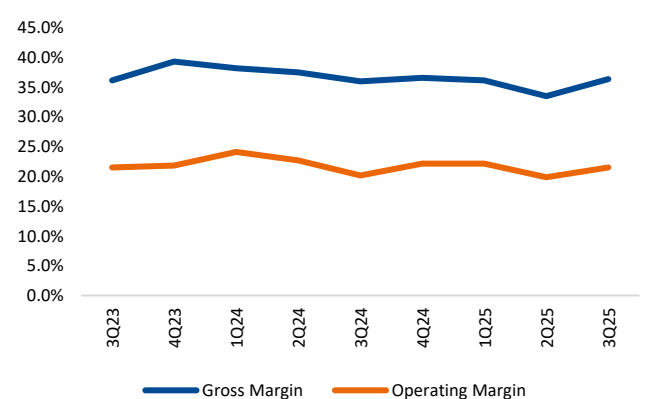
Exhibit 4. ICBP Quarterly ASP Growth, 3Q23-3Q25



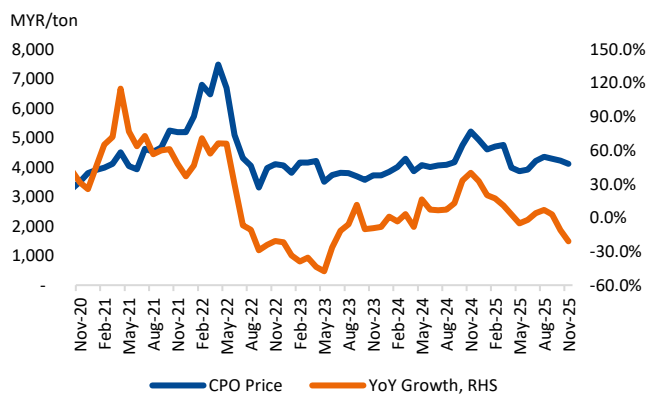
Source: Company, BRIDS

Exhibit 5. ICBP Quarterly Noodle Revenue and Volume Growth, 3Q23-3Q25


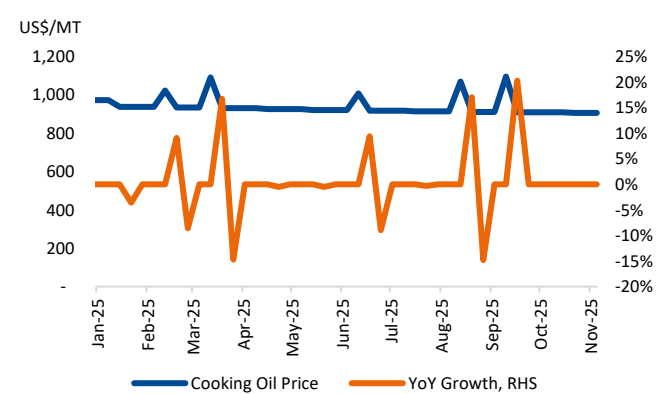
Source: Company, BRIDS

Exhibit 6. ICBP Quarterly Gross and Operating Margin, 3Q23-3Q25


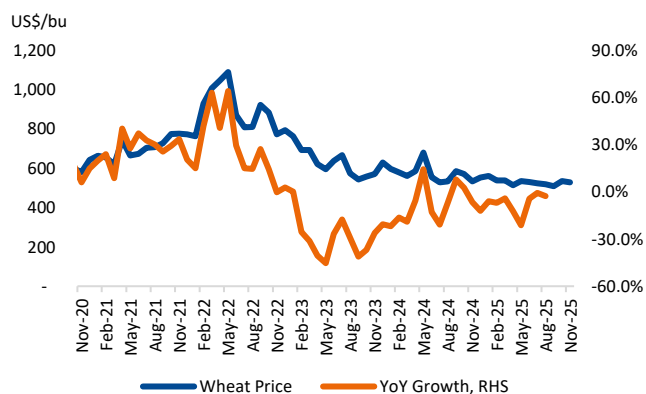
Source: Company, BRIDS

Exhibit 7. Monthly CPO Price


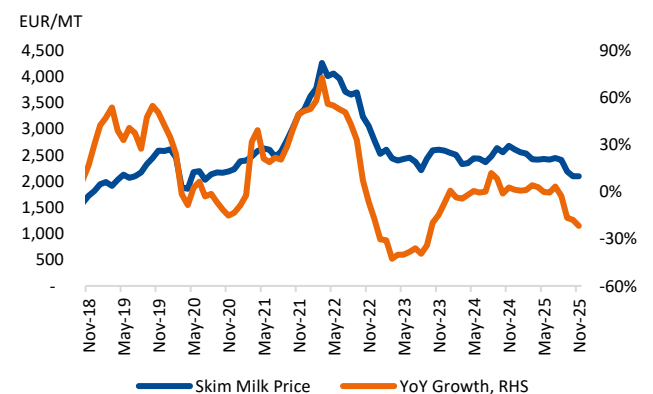
Source: Bloomberg, BRIDS

Exhibit 8. Monthly Cooking Oil Price


Source: Bloomberg, BRIDS

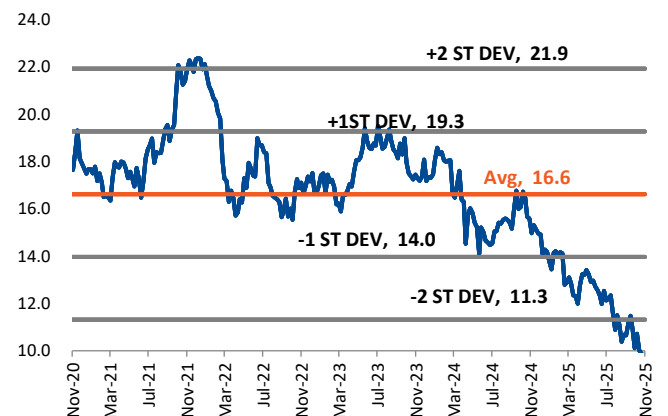
Exhibit 9. Monthly Wheat Price


Source: Bloomberg, BRIDS

Exhibit 10. Monthly Skim Milk Price


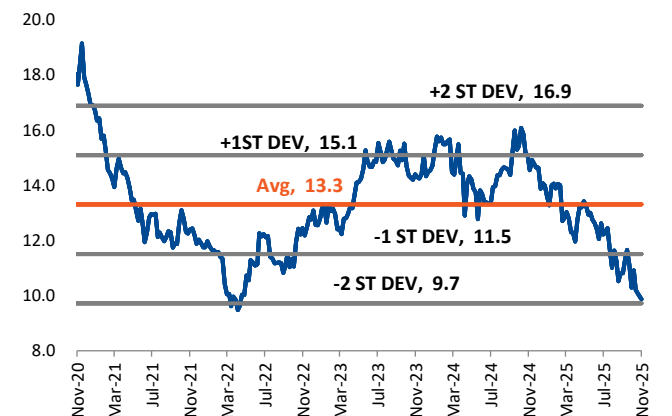
Source: Bloomberg, BRIDS

Exhibit 11. ICBP PE Band – Net Profit



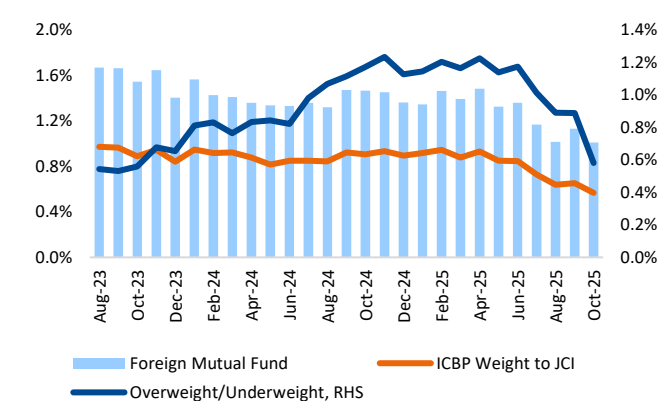
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 12. ICBP PE Band – Core Profit



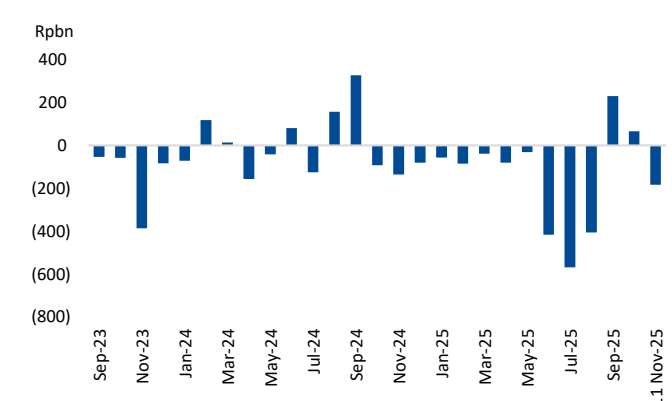
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 13. Weighting and Fund Position



Source: KSEI, BRIDS

Exhibit 14. Historical Foreign Flows



Source: IDX, BRIDS

Exhibit 15. Consumer Peers Valuation

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	11,500	99,418	10.7	9.5	2.0	1.8	19.4	3.8	31.5	11.9	(6.8)	8.3
UNVR IJ	Buy	3,200	97,283	22.5	21.9	26.9	22.7	150.2	3.8	28.5	2.4	28.5	2.4
INDF IJ	Buy	9,400	63,000	5.9	5.5	0.9	0.8	15.4	3.9	23.6	7.5	1.3	3.4
MYOR IJ	Buy	2,500	47,400	16.3	14.0	2.6	2.3	16.5	2.6	(2.9)	15.9	(1.2)	21.6
Sector - weighted				14.3	13.3	9.7	8.3	59.6	3.6	23.6	8.6	6.9	7.5

Source: Company, Bloomberg, BRIDS Estimates

Exhibit 16. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Revenue	67,910	72,597	75,125	79,604	84,799
COGS	(42,784)	(45,704)	(48,076)	(50,724)	(53,444)
Gross profit	25,126	26,893	27,048	28,881	31,355
EBITDA	16,151	17,656	17,851	18,881	20,565
Oper. profit	14,775	16,191	16,316	17,353	19,056
Interest income	523	824	733	758	774
Interest expense	(2,025)	(2,142)	(2,564)	(2,472)	(2,390)
Forex Gain/(Loss)	875	(2,113)	(149)	251	0
Income From Assoc. Co's	(2,316)	(1,390)	148	157	167
Other Income (Expenses)	(387)	130	5	29	47
Pre-tax profit	11,445	11,499	14,489	16,075	17,654
Income tax	(2,980)	(2,686)	(3,384)	(3,755)	(4,124)
Minority interest	(1,475)	(1,734)	(1,794)	(1,901)	(2,025)
Net profit	6,991	7,079	9,310	10,419	11,505
Core Net Profit	6,116	9,193	9,459	10,168	11,505

Exhibit 17. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	19,353	25,293	28,970	34,189	39,562
Receivables	7,524	8,792	9,098	9,640	10,269
Inventory	6,329	7,060	7,426	7,835	8,255
Other Curr. Asset	1,232	1,106	1,145	1,213	1,292
Fixed assets - Net	14,949	15,504	16,945	18,000	19,039
Other non-curr.asset	67,544	65,870	65,492	65,187	65,007
Total asset	119,267	126,041	131,494	138,482	145,842
ST Debt	113	185	185	185	185
Payables	4,952	5,167	5,435	5,735	6,042
Other Curr. Liabilities	4,511	4,646	4,808	5,095	5,427
Long Term Debt	43,878	45,439	45,747	45,862	45,905
Other LT. Liabilities	3,712	3,559	3,729	3,939	4,160
Total Liabilities	57,164	58,997	59,905	60,814	61,720
Shareholder's Funds	40,749	45,217	50,747	56,364	62,348
Minority interests	21,354	21,827	20,842	21,303	21,775
Total Equity & Liabilities	119,267	126,041	131,494	138,482	145,842

Exhibit 18. Cash Flow

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	6,991	7,079	9,310	10,419	11,505
Depreciation and Amort.	1,377	1,465	1,535	1,528	1,509
Change in Working Capital	1,191	(1,493)	(291)	(452)	(510)
Other Oper. Cash Flow	764	730	2,229	1,807	1,893
Operating Cash Flow	10,321	7,781	12,783	13,303	14,397
Capex	(1,413)	(1,802)	(3,005)	(2,450)	(2,548)
Others Inv. Cash Flow	1,258	2,825	892	1,197	921
Investing Cash Flow	(155)	1,023	(2,113)	(1,253)	(1,627)
Net change in debt	(2,016)	1,634	307	114	43
New Capital	713	(43)	(985)	461	472
Dividend payment	(3,226)	(3,705)	(3,752)	(4,934)	(5,522)
Other Fin. Cash Flow	(2,025)	(2,142)	(2,564)	(2,472)	(2,390)
Financing Cash Flow	(6,554)	(4,256)	(6,993)	(6,831)	(7,397)
Net Change in Cash	3,613	4,549	3,677	5,219	5,373
Cash - begin of the year	15,741	19,353	25,293	28,970	34,189
Cash - end of the year	19,353	25,293	28,970	34,189	39,562

Exhibit 19. Key Ratio

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Growth (%)					
Sales	4.8	6.9	3.5	6.0	6.5
EBITDA	17.5	9.3	1.1	5.8	8.9
Operating profit	19.0	9.6	0.8	6.4	9.8
Net profit	52.4	1.3	31.5	11.9	10.4
Profitability (%)					
Gross margin	37.0	37.0	36.0	36.3	37.0
EBITDA margin	23.8	24.3	23.8	23.7	24.3
Operating margin	21.8	22.3	21.7	21.8	22.5
Net margin	10.3	9.8	12.4	13.1	13.6
ROAA	6.0	5.8	7.2	7.7	8.1
ROAE	18.1	16.5	19.4	19.5	19.4
Leverage					
Net Gearing (x)	0.4	0.3	0.2	0.2	0.1
Interest Coverage (x)	7.3	7.6	6.4	7.0	8.0

Source: ICBP, BRIDS Estimates

BRI Danareksa Equity Research Team

Erindra Krisnawan, CFA	Head of EQR, Strategy, Automotive, Telco, Technology	erindra.krisnawan@brids.co.id
Victor Stefano	Banks, Poultry	victor.stefano@brids.co.id
Ismail Fakhri Suweleh	Healthcare, Property, Cement, Tollroad	ismail.suweleh@brids.co.id
Christy Halim	Consumer, Retailers	christy.halim@brids.co.id
Nashrullah Putra Sulaeman	Automotive	nashrullah.sulaeman@brids.co.id
Kafi Ananta Azhari	Research Associate, Co-coverage (Telco, Technology)	kafi.azhari@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

BRI Danareksa Economic Research Team

Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Relindya Yurisdwari S.	Economist	relindya.salehaningtyas@brids.co.id
Ebenezer Mesotuhu Harefa	Junior Economist	ebenezer.harefa@brids.co.id

BRI Danareksa Institutional Equity Sales Team

Novrita Endah Putrianti	Head of Institutional Sales and Dealing	novrita.putrianti@brids.co.id
Ehrlich Suhartono	Institutional Sales Associate	ehrliech@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@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

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