

Buy

(Maintained)

Indofood CBP (ICBP IJ)

A Compelling Entry Point Ahead of the Expected FY26 Recovery

Last Price (Rp)	8,125
Target Price (Rp)	11,500
Previous Target Price (Rp)	11,500
Upside/Downside	+41.5%

No. of Shares (mn)	11,662
Mkt Cap (Rpbn/US\$m)	94,753/5,700
Avg, Daily T/O (Rpbn/US\$m)	86.0/5.2
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	816.1	909.4	989.0
BRIDS/Cons (%)	(2.2)	(1.8)	(0.2)

- ICBP’s recent selloff appears overdone, while fundamentals remain intact and 4Q25 should see a seasonal uplift from festive demand.
- We maintain our expectation of improving growth outlook in FY26F, with +6% revenue growth and gradual margin recovery.
- Low funds positioning and trough-level valuation make ICBP an appealing Buy ahead of an improving outlook.

Market reaction overshoots fundamentals?

ICBP’s share price fell another 3.8% this week, extending its YTD correction to – 28.6%. While part of the derating reflects 1) muted growth amid soft domestic demand, 2) margin pressure, and 3) its recent MSCI exclusion, we believe the latest move is excessive given no further deterioration in underlying fundamentals. Looking ahead, we expect a better sales performance in 4Q25 vs. 3Q25, supported by the Govt’s cash handout stimulus disbursed in Nov25 to bolster year-end consumption, as well as potentially early orders towards the end of 4Q25 for upcoming Eid festive season in 1Q26.

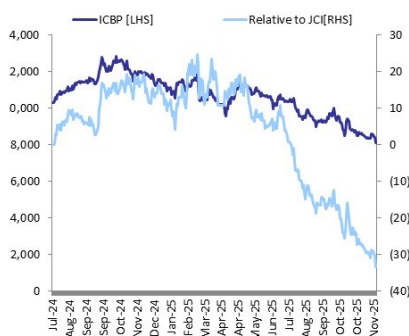
Improving growth outlook in FY26F

With a more expansionary fiscal stance, higher social assistance, and the Govt’s pro-growth policy pivot, we expect purchasing power to gradually improve in FY26 to benefit consumer staple companies including ICBP. We forecast ICBP’s FY26 revenue to grow by +6.0% yoy, driven by +4.1% vol growth and +1.6% ASP increase, driving a +7.3% yoy core profit growth – a rebound from -11% in FY25F. We also expect a gradual improvement in margins in FY26, supported by slightly moderating to stable potato and CPO prices, alongside continued favorable wheat prices. Additionally, the affordable price positioning of ICBP’s instant noodles should provide greater flexibility for further price adjustments, in our view.

Under-owned, attractive valuation; ICBP remains as top pick in Consumers space

Following the recent sell-off, ICBP has seen a net foreign outflow of Rp217bn mtd bringing the cumulative ytd outflow to Rp2.6tr. Domestic fund positioning in ICBP has reached an all-time low in the past 2 years, before showing a slight uptick since Oct25. Meanwhile, foreign ownership of 0.27% has also reached lowest level in 10 years. From valuation perspective, ICBP remains attractive at 9.1x PE FY26F, trading below -2std of 3yr historical mean. Its valuation premium to INDF has also narrowed, currently standing at ~39% (vs. 5-year average of ~55%). Given the improving growth outlook and the company’s demonstrated resilience during downtrading tactical environments, we view current valuation as unwarranted and present a tactical buying opportunity for investors. Maintain Buy with an unchanged TP of Rp11,500.

ICBP relative to JCI Index



Source: Bloomberg

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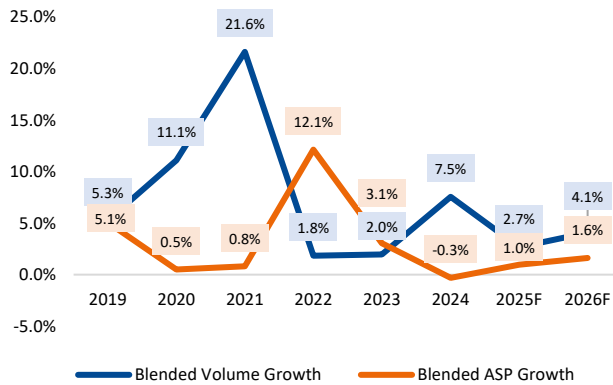
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Key Financials

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)	13.6	13.4	10.2	9.1	8.2
PBV (x)	2.3	2.1	1.9	1.7	1.5
Dividend yield (%)	3.4	3.9	4.0	5.2	5.8
EV/EBITDA	7.4	6.5	6.3	5.6	4.9

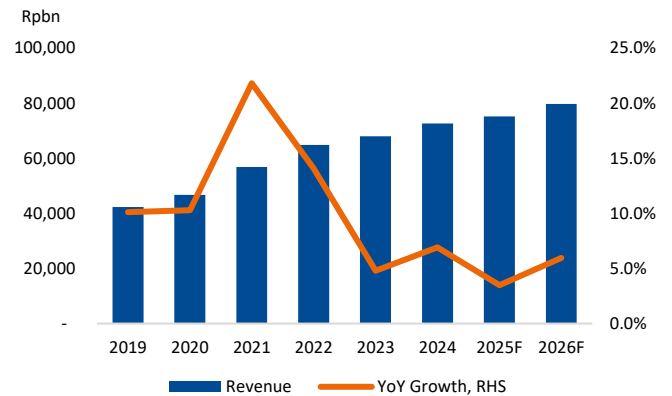
Source: ICBP, BRIDS Estimates

Exhibit 1. Yearly ASP and Volume Growth, 2019-26F



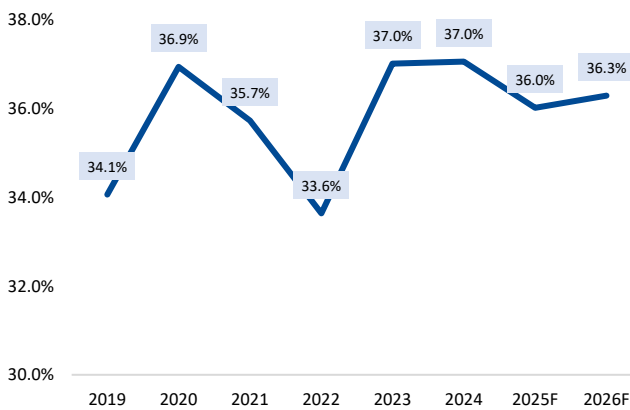
Source: Company, BRIDS Estimates

Exhibit 2. Revenue and YoY Growth, 2019-26F



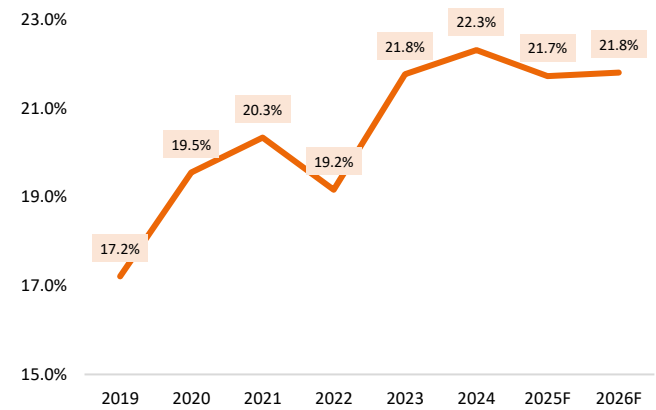
Source: Company, BRIDS Estimates

Exhibit 3. Yearly Gross Margin, 2019-26F



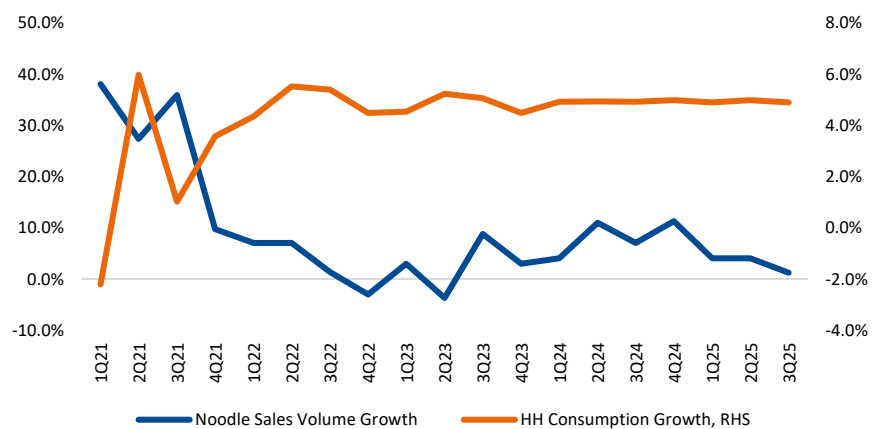
Source: Company, BRIDS Estimates

Exhibit 4. Yearly Operating Margin, 2019-26F



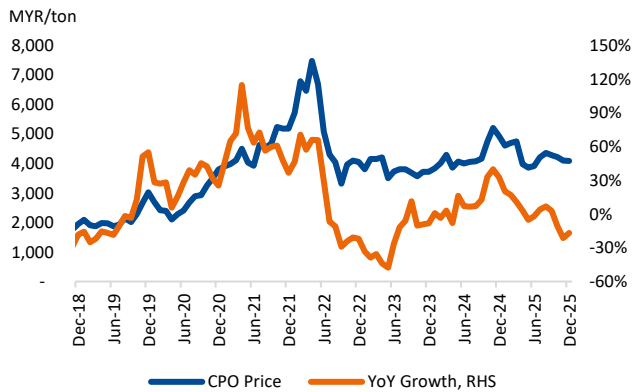
Source: Company, BRIDS Estimates

Exhibit 5. Quarterly Noodle Sales Volume and HH Consumption Growth, 1Q21-3Q25



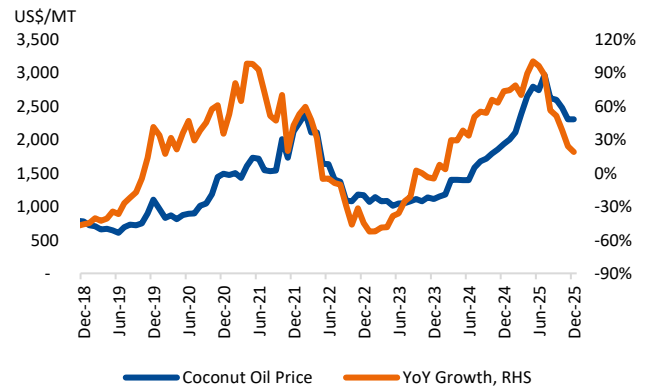
Source: Company, BPS, BRIDS

Exhibit 6. Monthly CPO Price



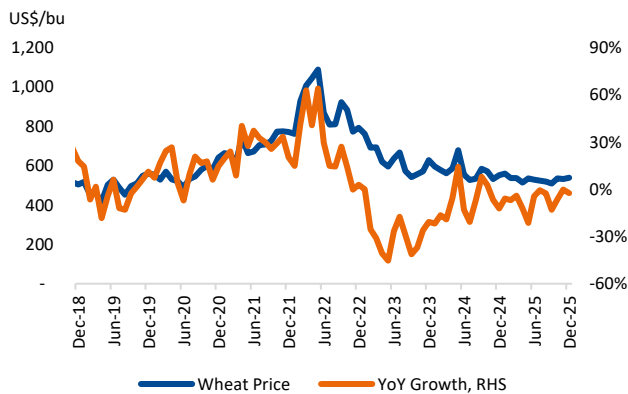
Source: Bloomberg

Exhibit 7. Monthly Coconut Oil Price



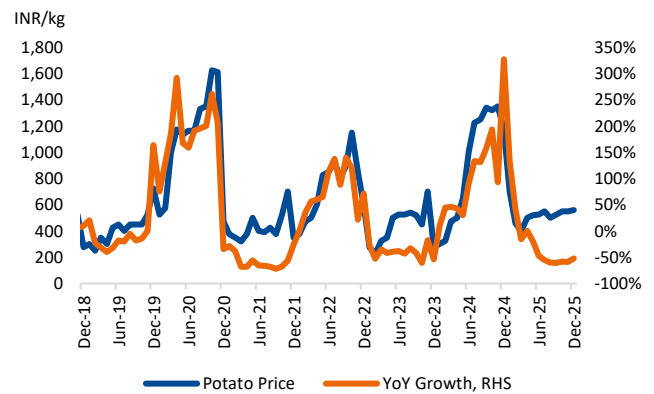
Source: Bloomberg

Exhibit 8. Monthly Wheat Price



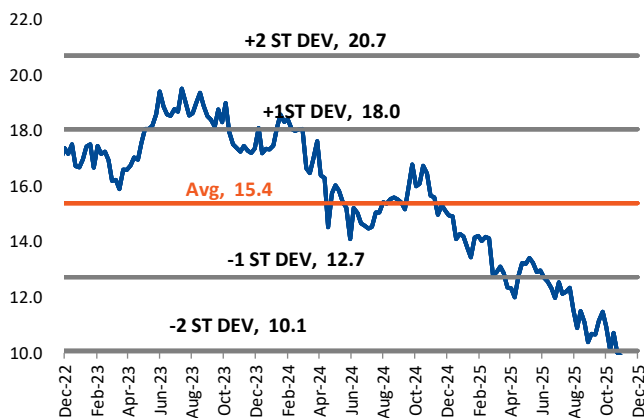
Source: Bloomberg

Exhibit 9. Monthly Potato Price



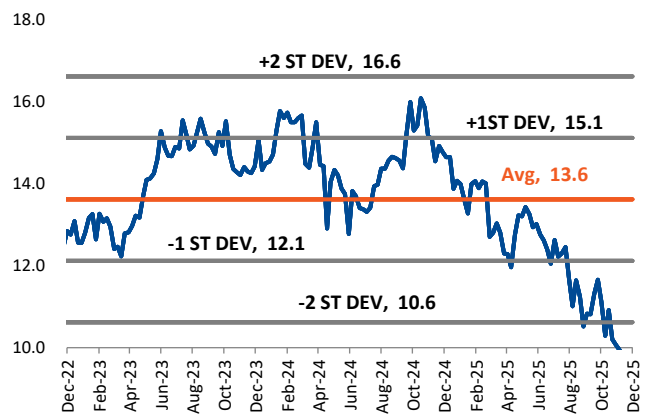
Source: Bloomberg

Exhibit 10. PE Band – Net Profit



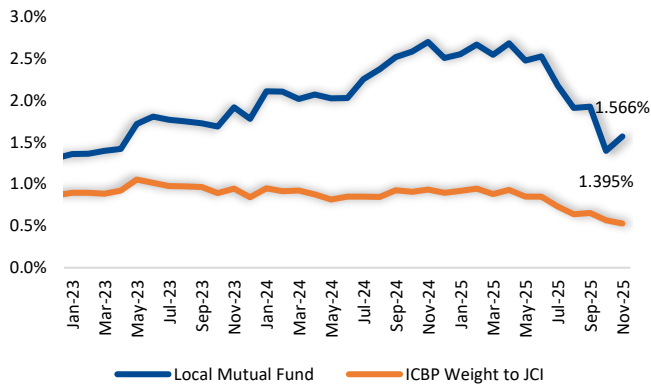
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 11. PE Band – Core Profit



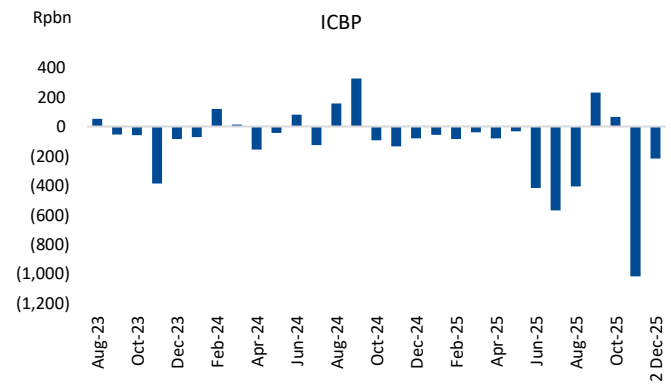
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 12. ICBP's Local Fund Position



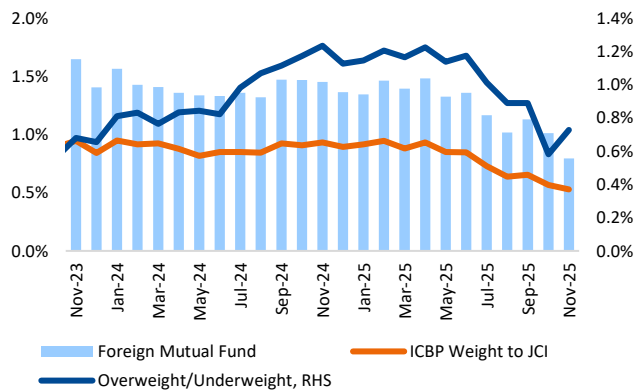
Source: KSEI, BRIDS

Exhibit 13. ICBP's Historical Foreign Flows



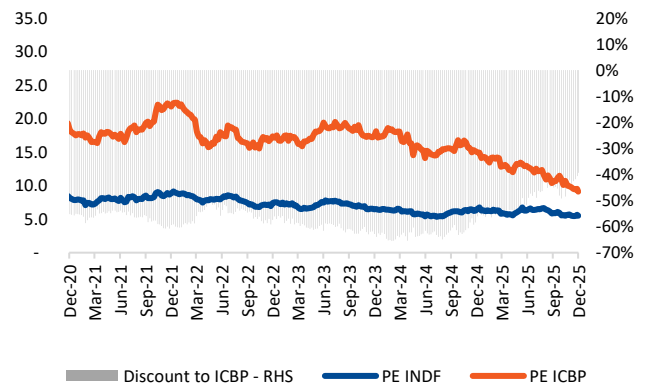
Source: IDX, BRIDS

Exhibit 14. ICBP's Weighting and Fund Position



Source: KSEI, BRIDS

Exhibit 15. Valuation Discount INDF vs ICBP



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 16. 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)	(Rpbm)	2025F	2026F	2025F	2026F	2025F	2025F	2025F	2026F	2025F	2026F		
ICBP IJ	Buy	11,500	94,753	10.2	9.1	1.9	1.7	19.4	4.0	31.5	11.9	(11.0)	7.3		
UNVR IJ	Buy	3,200	105,676	24.4	23.8	29.2	24.7	150.2	3.5	28.5	2.4	28.5	2.4		
INDF IJ	Buy	9,400	61,902	5.8	5.4	0.8	0.8	15.4	4.0	23.6	7.5	(12.4)	3.0		
MYOR IJ	Buy	2,700	47,624	17.3	14.8	2.6	2.3	15.6	2.5	(8.3)	16.9	(5.4)	19.4		
Sector - weighted						15.2	14.3	11.1	9.4	62.6	3.6	22.8	8.5	3.1	6.6

Source: Bloomberg, BRIDS Estimates

Exhibit 17. 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	9,307	10,453	9,307	9,982	11,292

Exhibit 18. 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 19. 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 20. 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

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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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