BRI Danareksa Sekuritas

Buy

(Maintained)

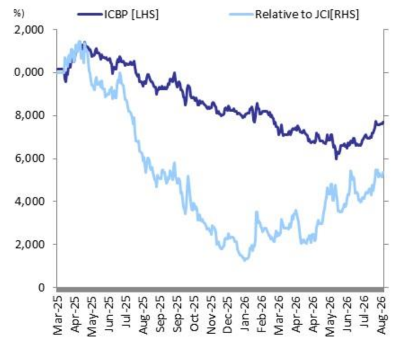
Tactical (3M): **N**

Last Price (Rp)		7,700
Target Price (Rp)	▲	10,600
Previous TP (Rp)		*10,500*
Upside/Downside		+37.7%
No. of Shares (mn)		11,662
Mkt Cap (Rpbn/US$mn)		89,797/5,060
Avg, Daily T/O (Rpbn/US$mn)		38.0/2.1
Free Float (%)		19.5
Major Shareholder (%)		
Indofood Sukses Makmur Tbk		80.5

EPS Consensus (Rp)

	2026F	2027F	2028F
BRIDS	778.5	914.5	1,032.9
Consensus	804.2	919.4	980.1
BRIDS/Cons (%)	**(3.2)**	**(0.5)**	**5.4**

ICBP relative to JCI Index



Source: Bloomberg

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Indofood CBP (ICBP IJ)

Riding the Strong Top Line Momentum

- **1H26 revenue grew 11.3% yoy, led particularly by overseas noodles & dairy, supporting potential for FY26 guidance upgrade.**
- **Possible El Nino disruptions in end of 2H26 is a risk, but the impact may be milder as it coincides with Indonesia's wet season.**
- **We raise FY26/27F earnings estimates by +6.2/6.2% and reiterate Buy rating, with a slightly higher TP of Rp10,600.**

Strong topline across segments; potential for guidance upgrade

ICBP's 1H26 strong revenue growth of +11.3% yoy was supported across all segments, with overseas noodle and dairy sales emerging as key growth drivers. Despite mgmt. maintaining its conservative FY26F topline growth of 5-7%, we see potential for an upgrade in the coming quarter, supported by expectations of sustained sales momentum in 2H26 and continued double-digit growth in overseas market. Overseas noodle sales grew 20.7% yoy in 1H26, significantly ahead of domestic growth of 7%, lifting their contribution to 28% of total sales. Growth should also be supported by the additional 1.5bn packs capacity from their latest Bogor plant, which commenced operations late last year, catering to both overseas growth and domestic demand.

Possible El Nino headwinds, but impact could be more manageable

With El Nino expected to peak in Oct-Dec26, weather-related commodities supply risks could become more pronounced toward the end of 2H26. However, as this year's El Nino is expected to coincide with Indo's wet season, the impact could be relatively milder. CPO remains the most exposed, as drier weather in Indonesia and Malaysia could weigh on palm yields and tighten supply. Meanwhile, sugar and wheat prices should be relatively less vulnerable given their geographically diversified production bases. Nevertheless, mgmt. retains some flexibility to pass through higher input costs should El Nino disruptions prove more prolonged or severe than anticipated.

Reiterate Buy with higher TP of Rp10,600

Following the strong 1H26 performance, we raise our FY26/27F earnings estimates by 6.2/6.2%, mainly reflecting 1) higher vol growth assumptions across segments, while factoring in limited ASP increases through year-end, 2) lower FX losses of Rp2.2tr in FY26F amid easing currency pressure, based on our economist's FY26F avg exchange rate assumption of Rp17,500/US$. We believe near-term margin pressure from elevated input and logistics costs is largely priced in. Given the stronger earnings outlook and resilient topline momentum, we raise our FY26F PE target multiple to 11.6x, equivalent to -0.5sd of the 3yr mean (from 11.2x prev), resulting in a slightly higher TP of Rp10,600. Key risks: weakening domestic and overseas demand, higher raw material prices, and volatility in exchange rate.

Key Financials

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Revenue (Rpbn)	72,597	74,851	81,251	87,826	94,483
EBITDA (Rpbn)	17,656	17,191	18,227	19,799	21,232
EBITDA Growth (%)	9.3	(2.6)	6.0	8.6	7.2
Net Profit (Rpbn)	7,079	9,225	9,079	10,664	12,045
EPS (Rp)	607.1	791.0	778.5	914.5	1,032.9
EPS Growth (%)	1.3	30.3	(1.6)	17.5	12.9
BVPS (Rp)	3,877.4	4,417.8	4,735.7	5,188.0	5,678.0
DPS (Rp)	317.7	360.4	469.6	462.2	542.9
PER (x)	12.6	9.7	9.9	8.4	7.4
PBV (x)	2.0	1.7	1.6	1.5	1.4
Dividend yield (%)	4.1	4.7	6.1	6.0	7.1
EV/EBITDA	6.2	6.3	5.8	5.1	4.6

Source: ICBP, BRIDS Estimates

Exhibit 1. ICBP 2Q26/1H26 Earnings Summary

ICBP IJ (Rpbn)	1H25	1H26	YoY	2Q25	1Q26	2Q26	YoY	QoQ	FY26F	A/F	A/C
Revenue	37,601	41,863	11.3%	17,415	21,716	20,148	15.7%	-7.2%	78,698	53%	53%
COGS	24,478	27,496	12.3%	11,587	14,166	13,330	15.0%	-5.9%	50,805		
Gross profit	13,123	14,367	9.5%	5,828	7,549	6,818	17.0%	-9.7%	27,892	52%	51%
Opex	5,193	6,085	17.2%	2,370	3,035	3,050	28.7%	0.5%	11,577		
Operating profit	7,930	8,282	4.4%	3,458	4,514	3,768	9.0%	-16.5%	16,315	51%	52%
Pretax profit	7,742	5,644	-27.1%	4,012	3,757	1,887	-53.0%	-49.8%	14,825		
Net profit	5,536	3,703	-33.1%	2,879	2,574	1,129	-60.8%	-56.1%	9,882	37%	40%
Core profit	5,070	5,600	10.4%	1,992	2,969	2,630	32.0%	-11.4%	10,023	56%	63%
Gross margin	34.9%	34.3%		33.5%	34.8%	33.8%			35.4%		
Opex to revenue	13.8%	14.5%		13.6%	14.0%	15.1%			14.7%		
Operating margin	21.1%	19.8%		19.9%	20.8%	18.7%			20.7%		
Pretax margin	20.6%	13.5%		23.0%	17.3%	9.4%			18.8%		
Net margin	14.7%	8.8%		16.5%	11.9%	5.6%			12.6%		
Core margin	13.5%	13.4%		11.4%	13.7%	13.1%			12.7%		
ICBP - Revenue by Divisions											
	1H25	**1H26**	**YoY**	**2Q25**	**1Q26**	**2Q26**	**YoY**	**QoQ**	**FY26F**		
Noodles	27,258	30,315	11.2%	12,737	15,720	14,594	14.6%	-7.2%	57,505		
Dairy	4,806	5,571	15.9%	2,132	2,858	2,713	27.3%	-5.1%	10,017		
Snack food	2,239	2,423	8.2%	1,076	1,241	1,182	9.8%	-4.8%	4,574		
Beverage	742	743	0.2%	370	361	382	3.4%	5.9%	1,386		
Nutrition & special food	645	750	16.4%	284	377	373	31.4%	-1.1%	1,331		
Food Seasoning	1,911	2,062	7.9%	817	1,158	904	10.6%	-22.0%	3,886		
EBIT Margin	**1H25**	**1H26**		**2Q25**	**1Q26**	**2Q26**					
Noodles	25.3%	23.5%		23.9%	24.5%	22.4%					
Dairy	7.5%	9.9%		3.2%	10.3%	9.4%					
Snack food	5.3%	3.4%		7.0%	4.5%	2.3%					
Beverage	13.6%	12.4%		13.6%	13.3%	11.5%					
Nutrition & special food	9.4%	8.4%		8.0%	10.8%	6.1%					
Food Seasoning	20.3%	17.7%		23.5%	18.4%	16.8%					

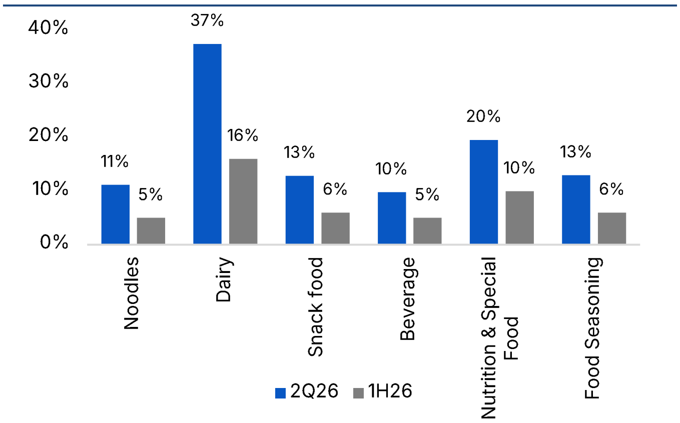
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 2. ICBP Earnings Estimate Revision

ICBP IJ	Previous		New		Changes	
(Rpbn)	2026F	2027F	2026F	2027F	2026	2027
Revenue	78,698	83,470	81,251	87,826	3.2%	5.2%
Gross profit	27,892	29,877	27,842	30,599	-0.2%	2.4%
Operating profit	16,315	17,555	16,647	18,257	2.0%	4.0%
Net profit	9,882	10,695	9,079	10,664	-8.1%	-0.3%
Core profit	10,023	10,836	10,640	11,508	6.2%	6.2%
Gross margin	35.4%	35.8%	34.3%	34.8%		
Operating margin	20.7%	21.0%	20.5%	20.8%		
Net margin	12.6%	12.8%	11.2%	12.1%		
Changes in assumption						
USD IDR	17,031	17,542	18,359	18,910		
Sales volume						
Noodles	4.3%	5.0%	8.5%	7.7%		
Dairy	4.0%	4.5%	17.0%	7.0%		
Snack	1.3%	1.7%	5.0%	4.5%		
Beverages	-5.0%	-1.0%	5.5%	5.0%		
Nutritional	1.0%	-2.0%	7.0%	4.0%		
Seasoning	4.4%	6.0%	5.0%	4.0%		

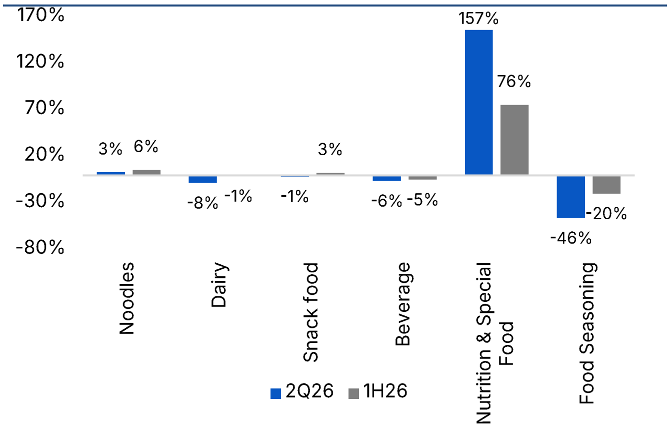
Source: BRIDS Estimates

Exhibit 3. Volume Growth by Product Segment



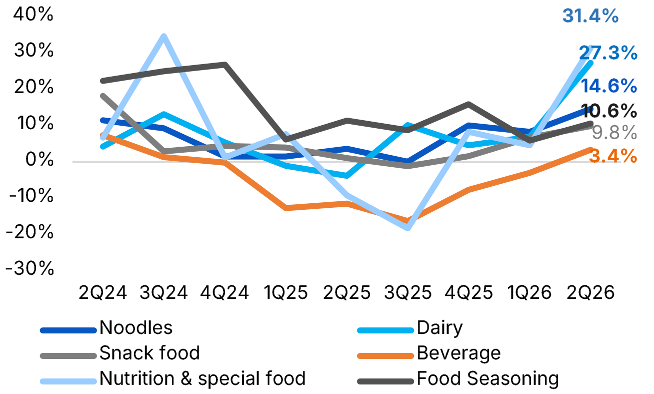
Source: Company, BRIDS

Exhibit 4. ASP Growth by Product Segment



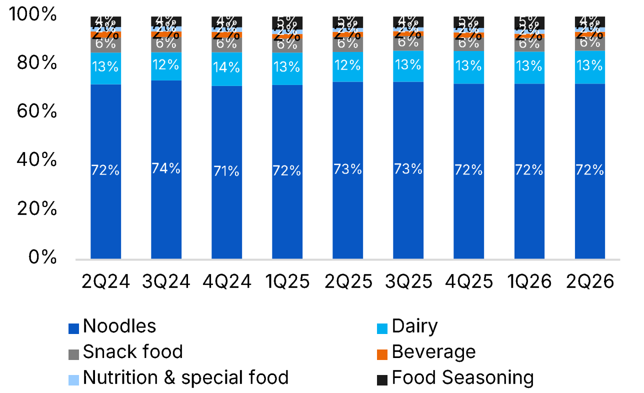
Source: Company, BRIDS

Exhibit 5. Quarterly Revenue Growth by Product Segment



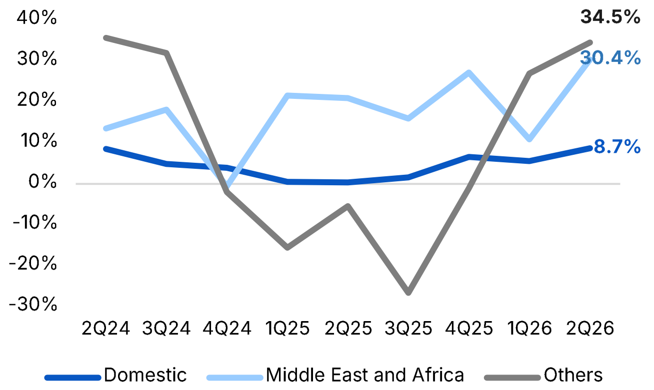
Source: Company, BRIDS

Exhibit 6. Quarterly Revenue Breakdown



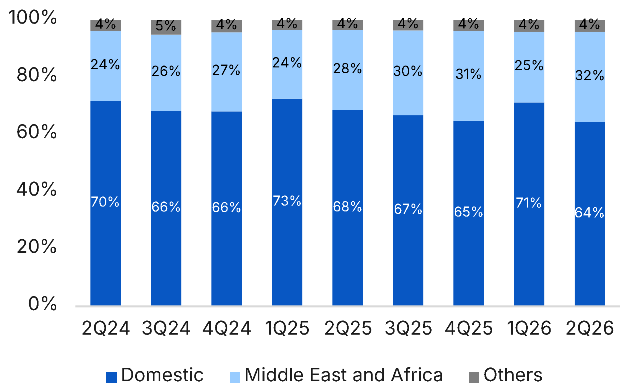
Source: Company, BRIDS

Exhibit 7. Quarterly Rev Growth by Geographical



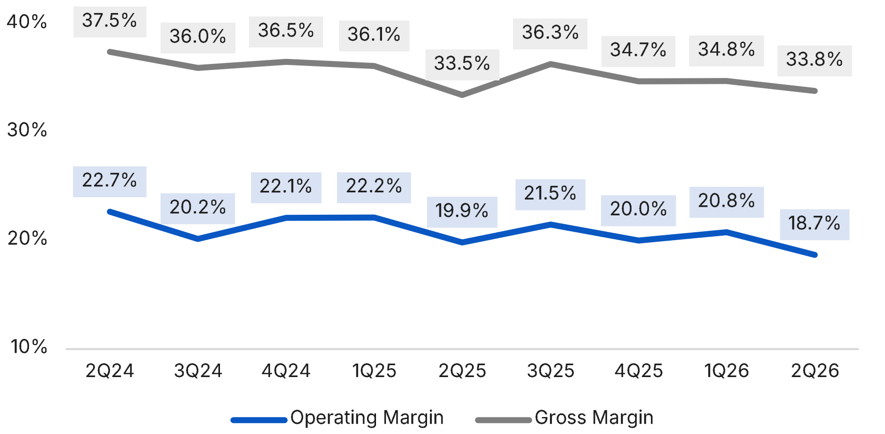
Source: Company, BRIDS

Exhibit 8. Quarterly Rev Contribution by Geographical



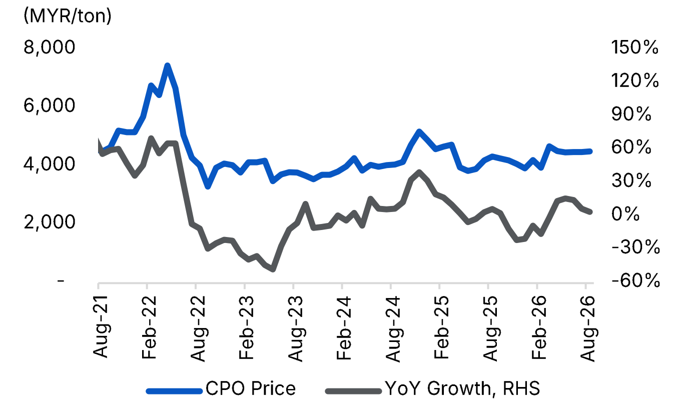
Source: Company, BRIDS

Exhibit 9. Quarterly Gross Margin and Operating Margin



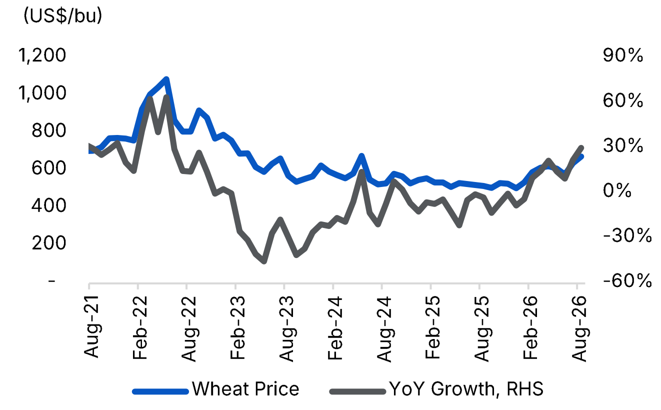
Source: Company, BRIDS

Exhibit 10. Monthly CPO Price



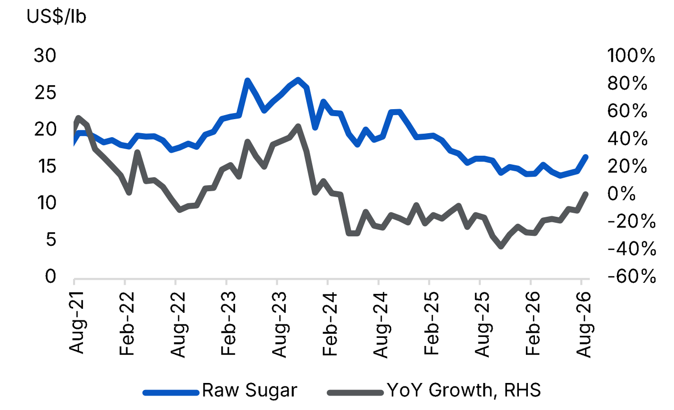
Source: Bloomberg

Exhibit 11. Monthly Wheat Price



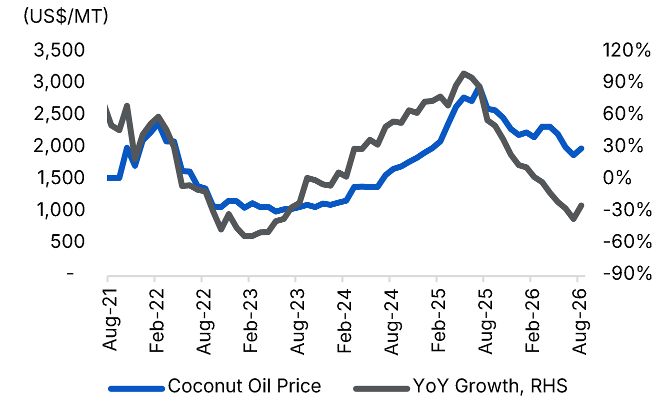
Source: Bloomberg

Exhibit 12. Monthly Sugar Price



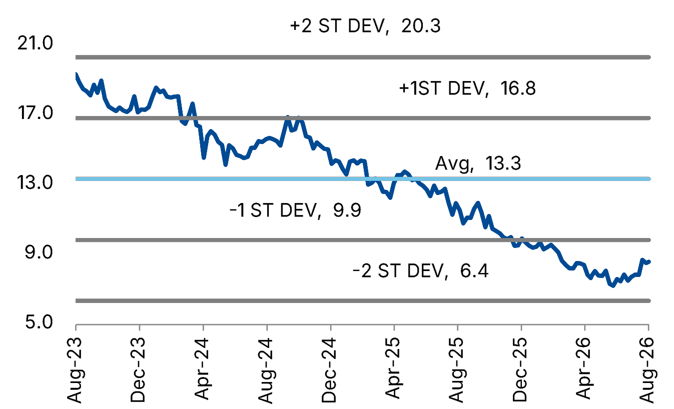
Source: Bloomberg

Exhibit 13. Monthly Coconut Oil Price



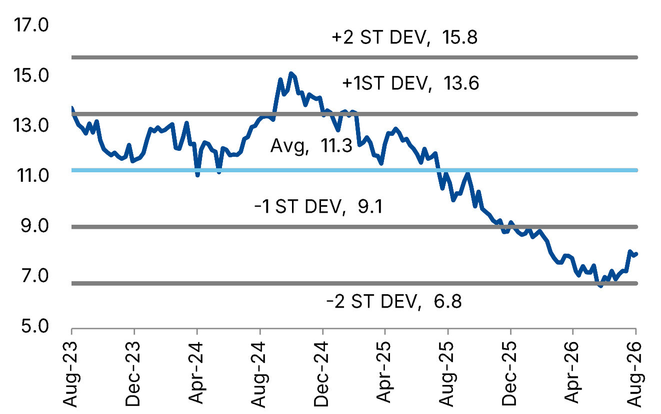
Source: Bloomberg

Exhibit 14. ICBP PE Band – Net Profit



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 15. ICBP PE Band – Core Profit



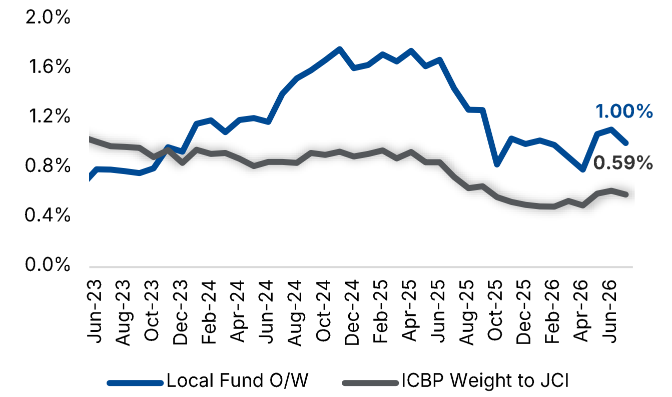
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 16. Consumer Peers Valuation

Ticker	Rec	Target Price (Rp)	Market Cap (Rpbn)	P/E (x)		P/BV (x)		ROE (%)	Dividend Yield (%)	Sales Growth (%)		Core Profit Growth (%)	
				2026F	2027F	2026F	2027F	2026F	2026F	2026F	2027F	2026F	2027F
ICBP IJ	Buy	10,600	89,796.7	9.9	8.4	1.6	1.5	17.0	6.1	8.6	8.1	6.6	8.2
UNVR IJ	Buy	2,500	70,196.0	16.1	15.0	40.0	46.2	139.9	10.5	5.8	5.5	22.3	12.6
INDF IJ	Buy	9,000	63,877.6	5.8	5.4	0.8	0.7	14.4	4.8	5.0	5.2	(11.7)	7.4
MYOR IJ	Buy	2,700	37,562.6	11.6	10.0	1.8	1.6	16.8	3.1	7.3	8.8	11.4	21.4
Sector - weighted				**10.8**	**9.7**	**11.8**	**13.3**	**49.3**	**6.5**	**6.7**	**6.8**	**7.0**	**11.0**

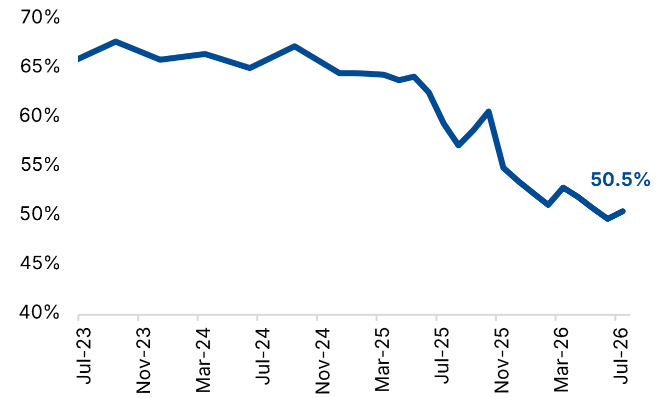
Source: Bloomberg, BRIDS Estimates

Exhibit 17. ICBP's Weighting and Local Fund Position



Source: KSEI, BRIDS

Exhibit 18. ICBP's Foreign Ownership (Ex-Corporate)



Source: KSEI, BRIDS

Exhibit 19. Income Statement

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Revenue	**72,597**	**74,851**	**81,251**	**87,826**	**94,483**
COGS	(45,704)	(48,491)	(53,409)	(57,227)	(61,330)
Gross profit	**26,893**	**26,360**	**27,842**	**30,599**	**33,153**
EBITDA	**17,656**	**17,191**	**18,227**	**19,799**	**21,232**
Oper. profit	**16,191**	**15,666**	**16,647**	**18,257**	**19,801**
Interest income	824	694	856	848	873
Interest expense	(2,142)	(2,153)	(2,087)	(2,276)	(2,087)
Forex Gain/(Loss)	(2,113)	(1,711)	(2,163)	(1,455)	(1,096)
Income From Assoc. Co's	(1,390)	236	257	277	298
Other Income (Expenses)	130	990	346	334	380
Pre-tax profit	**11,499**	**13,721**	**13,857**	**15,985**	**18,169**
Income tax	(2,686)	(2,965)	(3,116)	(3,524)	(4,046)
Minority interest	(1,734)	(1,531)	(1,662)	(1,797)	(2,079)
Net profit	**7,079**	**9,225**	**9,079**	**10,664**	**12,045**
Core Net Profit	**10,142**	**9,980**	**10,640**	**11,508**	**12,762**

Exhibit 20. Balance Sheet

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Cash & cash equivalent	25,293	29,216	31,961	35,895	40,047
Receivables	8,792	10,291	11,170	12,074	12,990
Inventory	7,060	7,999	8,810	9,440	10,117
Other Curr. Asset	1,106	1,241	1,347	1,456	1,567
Fixed assets - Net	15,504	17,660	19,159	20,703	22,474
Other non-curr.asset	65,870	66,730	66,495	66,387	66,283
Total asset	**126,041**	**135,544**	**141,350**	**148,362**	**155,883**
ST Debt	185	577	577	577	577
Payables	5,167	5,635	6,206	6,650	7,127
Other Curr. Liabilities	4,646	5,400	5,862	6,336	6,816
Long Term Debt	45,439	46,855	47,096	47,140	47,187
Other LT. Liabilities	3,559	3,395	3,727	4,001	4,292
Total Liabilities	**58,997**	**61,861**	**63,469**	**64,705**	**65,999**
Shareholder'sFunds	45,217	51,520	55,227	60,502	66,217
Minority interests	21,827	22,163	22,654	23,155	23,668
Total Equity & Liabilities	**126,041**	**135,544**	**141,350**	**148,362**	**155,883**

Exhibit 21. Cash Flow

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Net income	7,079	9,225	9,079	10,664	12,045
Depreciation and Amort.	1,465	1,525	1,580	1,543	1,431
Change in Working Capital	(1,493)	(1,269)	(782)	(743)	(764)
OtherOper. Cash Flow	730	1,230	1,549	1,696	1,494
Operating Cash Flow	**7,781**	**10,711**	**11,426**	**13,159**	**14,206**
Capex	(1,802)	(3,435)	(2,974)	(3,086)	(3,202)
Others Inv. Cash Flow	2,825	(269)	1,123	981	1,007
Investing Cash Flow	**1,023**	**(3,705)**	**(1,851)**	**(2,104)**	**(2,196)**
Net change in debt	1,634	1,807	242	44	46
New Capital	(43)	1,466	491	501	513
Dividend payment	(3,705)	(4,203)	(5,476)	(5,390)	(6,331)
Other Fin. Cash Flow	(2,142)	(2,153)	(2,087)	(2,276)	(2,087)
Financing Cash Flow	**(4,256)**	**(3,083)**	**(6,830)**	**(7,121)**	**(7,859)**
Net Change in Cash	**4,549**	**3,924**	**2,745**	**3,934**	**4,151**
Cash - begin of the year	19,353	25,293	29,216	31,961	35,895
Cash - end of the year	25,293	29,216	31,961	35,895	40,047

Exhibit 22. Key Ratio

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Growth (%)					
Sales	6.9	3.1	8.6	8.1	7.6
EBITDA	9.3	(2.6)	6.0	8.6	7.2
Operating profit	9.6	(3.2)	6.3	9.7	8.5
Net profit	1.3	30.3	(1.6)	17.5	12.9
Core profit	18.5	(7.1)	6.6	8.2	10.9
Profitability (%)					
Gross margin	37.0	35.2	34.3	34.8	35.1
EBITDA margin	24.3	23.0	22.4	22.5	22.5
Operating margin	22.3	20.9	20.5	20.8	21.0
Net margin	9.8	12.3	11.2	12.1	12.7
ROAA	5.8	7.1	6.6	7.4	7.9
ROAE	16.5	19.1	17.0	18.4	19.0
Leverage					
Net Gearing (x)	0.3	0.2	0.2	0.1	0.1
Interest Coverage (x)	7.6	7.3	8.0	8.0	9.5

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