

Sector Index Performance

	3M	6M	12M
Absolute	-2.1%	1.3%	-7.3%
Relative to JCI	-2.4%	-1.9%	-14.0%



Summary Valuation Metrics

P/E (x)	2024F	2025F	2026F
SIDO IJ	14.9	13.6	12.7
ICBP IJ	13.9	12.4	11.2
MYOR IJ	21.2	17.1	15.0
ACES IJ	16.0	13.7	12.4
MAPI IJ	12.6	10.7	9.4

EV/EBITDA (x)	2024F	2025F	2026F
SIDO IJ	10.6	9.8	9.2
ICBP IJ	8.7	7.6	6.6
MYOR IJ	12.5	10.2	9.0
ACES IJ	8.5	7.2	6.5
MAPI IJ	4.5	3.6	2.9

Div. Yield	2024F	2025F	2026F
SIDO IJ	5.9%	7.6%	8.3%
ICBP IJ	3.4%	4.7%	5.4%
MYOR IJ	3.3%	2.8%	3.5%
ACES IJ	4.0%	4.7%	5.5%
MAPI IJ	0.8%	0.8%	0.9%

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Assessing Trump Policy impact to consumer sector

- We expect Trump's 2nd administration will have less impact on soft commodities, especially for soybean.
- KLBF/UNVR is the most impacted by a stronger US\$ as we estimate every 5% USD/IDR appreciation to reduce FY25F earnings by -5/-3%.
- Our preference on Staples > Retailers with ICBP and MYOR as our top pick.

Assessing Trump's 2nd presidential term on soft commodities

During Trump first presidential term, only soybean was impacted from Trump tariff which resulted in lower soybean price. Other soft commodities (wheat, CPO, coffee and sugar) were not impacted from the Trump tariffs. As of now, China accounted 44% of total US soybean export in FY24/25 or lower than FY16/17's at 55% – prior year for China imposed US soybean tariff. With a lower China's US soybean import; we expect the impact from 2nd US-China trade war will be not as severe compared to 1st US-China trade war. In sum, we expect the impact of Trump's 2nd presidential term will be less on soft commodity prices, especially for soybean.

KLBF/UNVR are the most impacted by a strengthening US\$

With the expectation of stronger US\$ against Rupiah during Trump's 2nd presidential term in FY25-29F (link to our commodity analyst' [note](#)), we expect KLBF will be the most impacted from a strengthening US\$ as 90% of KLBF's raw materials are linked to US\$. For ICBP/MYOR, wheat and CPO raw material represents their majority costs that are linked to US\$. For UNVR, 30-40% of UNVR's COGM may be related to US\$ through their oil-related cost components (packaging). Meanwhile, SIDO will be less impacted from US\$ cost pressure as the raw materials for its core herbal segment is locally sourced. On the other hand, ICBP/MYOR have US\$ revenue at 38/26% of their total revenue and this will partly offset higher input cost from US\$ appreciation. Assuming all else being equal, our sensitivity analysis shows that every 5% US\$ appreciation against Rupiah (Fig. 10), it may reduce KLBF/UNVR/MYOR/ICBP/SIDO's FY25F net profit by -5.5/-3.5/-2.0/-1.5/-0.4%, respectively.

Assessing strengthening US\$ into retailers

We analysed retailers' revenue and costs exposure to US\$ (Fig. 11), we note that ACES/MAPI import the majority of their merchandise as we estimate 25/70% are linked to US\$. Despite strengthening US\$ outlook, we expect ACES/MAPI shall fully pass-on higher input cost due to their mid-upper customer profile.

Maintain our preference on Staples > Retailer

In terms of fund positioning, local funds continue to be well positioned across staples (ex-SIDO), retailers and poultry (ex-JPFA). Hence, the incremental buyer shall come from foreign funds. We maintain Neutral for the sector due to lack of catalyst amid soft macro data. With current condition, we expect things may reverse into more defensive staples especially those name that benefited from lower commodity price and less impacted from a strengthening US\$. Our Top pick is ICBP and MYOR for the sector.

Fig. 1: Indonesia consumer valuation summary

Ticker	Rating	Current price (Rp)	Target price (Rp)	Earnings yoy growth		P/E		ROE	
				2024F	2025F	2024F	2025F	2024F	2025F
Staples									
ICBP	BUY	11,850	14,700	8.6%	10.6%	13.9	12.4	23.1%	23.1%
MYOR	BUY	2,590	3,400	-14.3%	24.1%	21.2	17.1	17.6%	20.2%
SIDO	HOLD	600	615	5.0%	8.7%	14.9	13.6	29.8%	32.9%
INDF	BUY	7,850	10,900	-17.4%	15.6%	8.4	7.3	13.3%	14.6%
KLBF	HOLD	1,500	1,620	19.9%	11.9%	21.2	18.9	13.7%	14.1%
UNVR	HOLD	1,825	1,750	-21.3%	-1.9%	18.4	18.8	131.6%	159.6%
Retailers									
ACES	BUY	830	1,120	16.7%	17.0%	16.0	13.7	14.0%	15.6%
MAPI	BUY	1,465	1,950	2.3%	17.1%	17.6	15.0	17.8%	17.6%
AMRT	HOLD	3,150	3,350	20.6%	17.9%	31.8	27.0	27.3%	28.9%
LPPF	BUY	1,410	2,750	18.4%	20.1%	7.0	7.2	373.1%	143.7%
RALS	BUY	384	660	13.9%	10.1%	8.2	7.4	8.8%	9.6%
Poultry									
CPIN	BUY	4,800	5,800	64.5%	9.0%	22.8	20.9	13.5%	13.5%
JPFA	BUY	1,765	2,050	134.6%	5.1%	8.0	7.6	15.2%	14.3%

Source: Indo Premier

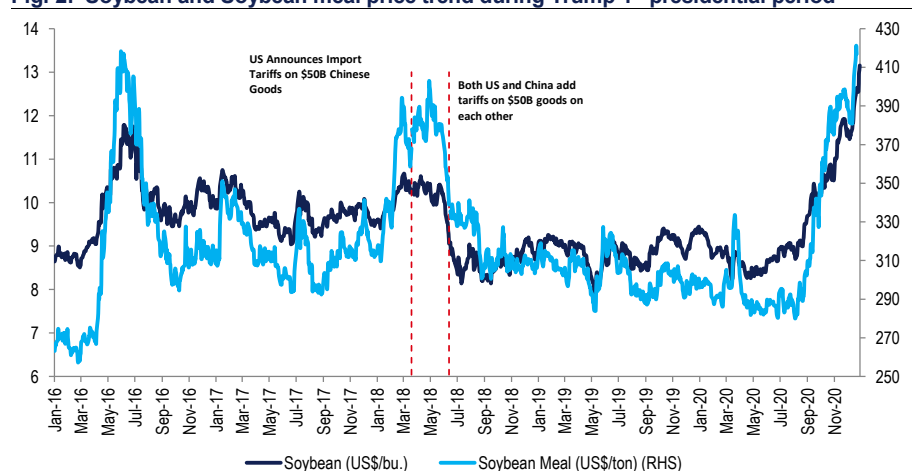
Soft commodities

Soybean

In 2018-2019, US soybean prices was heavily impacted by trade tensions with China, primarily due to tariffs imposed by the Trump administration. In retaliation to the Trump tariffs, China imposed 25% tariff on US soybeans. Prior tariff was imposed; China was the largest importer of US soybeans, purchasing about 55% of US exports. However, the US-China trade war significantly disrupted this flow, resulting in weaker US soybean export and US soybean price to drop by 22% within 1 month since China' impose 25% tariff on US soybeans (Fig. 2).

With expectation of US-China trade war to happen during Trump's 2nd presidential period, we expect the impact from Trump' administration on soybean will be less as China's US soybean import has dropped to 44% in FY24/25, compared to prior year for China imposed US soybean tariff at 55%. As such, we expect the impact of 2nd US-China trade war on soybean price will be less compared with 1st US-China trade war.

Fig. 2: Soybean and Soybean meal price trend during Trump 1st presidential period



Source: Bloomberg, Indo Premier

Fig. 3: Soft commodities future price

Soft Commodity Prices	Spot	4Q24	1Q25	2Q25	3Q25
Wheat (cents/bu)	563	576	593	605	620
QoQ Price Change (%)		2.3%	3.0%	2.0%	2.6%
Coffee (DF) \$/MT	4,382	4,378	4,318	4,216	4,122
QoQ Price Change (%)		-0.1%	-1.4%	-2.4%	-2.2%
Sugar#11 c/lb	21.9	21.9	21.4	19.8	19.2
QoQ Price Change (%)		0.0%	-2.5%	-7.5%	-2.7%
Soybean c/bsh	1,012	1,017	1,036	1,055	1,052
QoQ Price Change (%)		0.5%	1.9%	1.8%	-0.3%
Soybean meal \$/ST	295	299	300	306	309
QoQ Price Change (%)		1.3%	0.6%	1.9%	1.0%
Palm Oil RM/metric ton	4,909	4,771	4,687	4,420	4,219
QoQ Price Change (%)		-2.8%	-1.8%	-5.7%	-4.5%

Source: Bloomberg, Indo Premier

Wheat

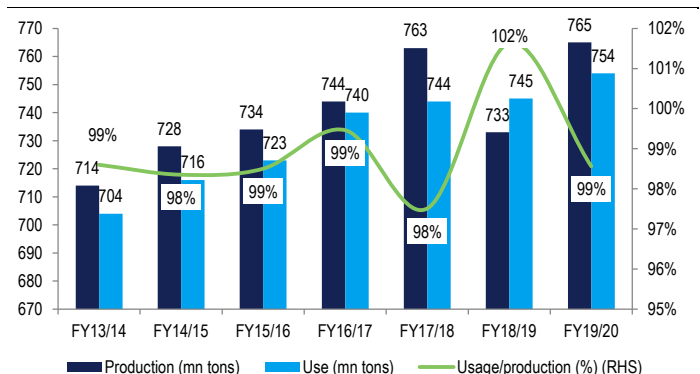
Wheat commodity was not impacted from Trump Tariffs. FY18-19 wheat price fluctuation was driven by global supply disruption, where major wheat producers such as Russia and Australia experienced unfavourable weather, resulting lower global production of -4% yoy.

Fig. 4: Wheat price trend during Trump 1st presidential period (US\$/bu.)



Source: Bloomberg, Indo Premier

Fig. 5: Wheat supply and demand



Source: USDA, Indo Premier

Crude Palm Oil (CPO)

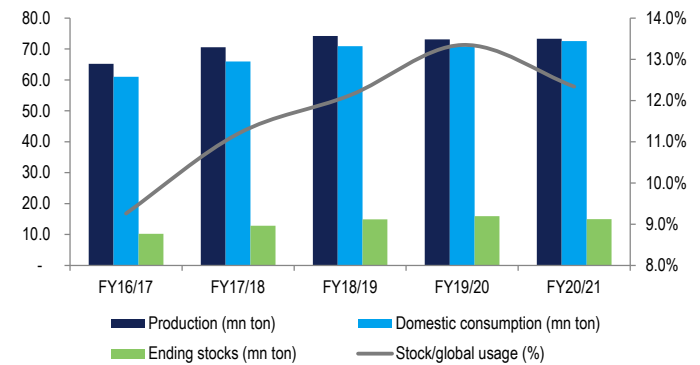
CPO commodity was not impacted from US-China trade war. In FY18/19, global CPO production increased by 7.9% yoy, while global CPO consumption grew by 7.0% yoy. Higher CPO production was driven by higher production yield due to favourable weather. Thus, stock/global usage increased to 12.1% (+93bps yoy) (Fig. 7), resulting in lower CPO price of -18.4% yoy in FY18/19. It is worth highlighting that CPO commodity was not impacted from US-China trade war.

Fig. 6: CPO price trend during Trump 1st presidential period (US\$/ton)



Source: Bloomberg, Indo Premier

Fig. 7: CPO supply and demand in FY16-21



Source: Bloomberg, Indo Premier

Coffee (Robusta)

Coffee commodity was not impacted from Trump tariff. Coffee price decline in FY18 (-17% yoy) was driven by higher global robusta production (+11.7% yoy) due to favourable weather conditions. At the same time, the overall coffee consumption merely grew 1.8%. Hence, robusta price decline was driven by supply and demand instead of Trump tariffs..

On the contrary, Sep24 coffee price increased significantly by 94% yoy due to a deceleration of global production (+2.1% yoy) on the back of dry weather conditions. Moreover, robusta global exports grew by 16%, indicating many importers are stocking up amid unfavourable weather conditions. With expectation of benign coffee future price (Fig. 3), we expect GPM pressure coming from coffee will be temporary, especially for MYOR.

Fig. 8: Coffee price trend during Trump 1st presidential period (US\$/ton)



Source: Bloomberg, Indo Premier

Sugar

Sugar commodity was also not impacted from Trump tariffs in FY18. Sugar price decline in FY18 was due to a higher world stock-to-use ratio of 55.2% (+390bps yoy), caused by a higher sugar production in FY17 (+8.1% yoy) coupled by a stable global sugar consumption. Hence, this elevated level of global sugar ending stock resulted in a lower sugar price of -20.6% yoy in FY18.

Fig. 9: Sugar price trend during Trump 1st presidential period (US\$/lb.)



Source: Bloomberg, Indo Premier

Fig. 10: Indonesia' staples US\$ exposure into Revenue & COGS

	% of COGS linked to US\$ (incl. indirectly linked)	% of revenue in US\$	Impact to net profit for every 5% US\$ appreciation against Rupiah
SIDO	20-30% (packaging and F&B RM)	1-2% (export to Nigeria)	-0.8%
MYOR	20-30% (based on company's, and this refers to veg oil's exposure only excluding wheat, sugar and coffee). With wheat & sugar, we estimate total US\$ exposure may be c.60%	c. 40% of sales (export excluding China) in US\$	-2.0%
ICBP	c.50-60% of total COGS linked to US\$ (Wheat, CPO and packaging)	c. 24% of sales (overseas market)	-1.5%
UNVR	30-40% (oil related and packaging)	c. 2.5%	-3.5%
KLBF	90% of RM in US\$ 75% of COGM (Cost of goods manufactured) 32% of total cogs	<1%	-5.5%

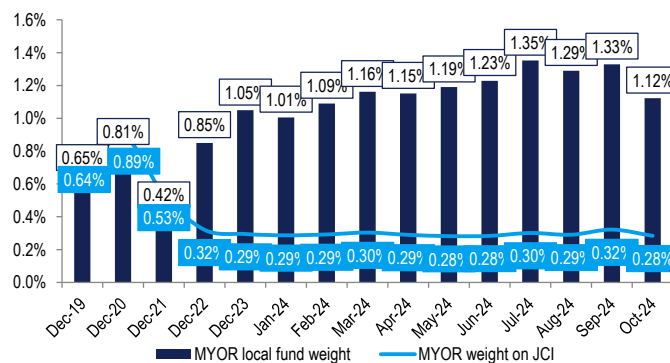
Source: Company, Indo Premier

Fig. 11: Indonesia' retailers US\$ exposure into Revenue & COGS

Ticker	% of COGS transacted in foreign currencies	% of revenue in foreign currencies
MAPI	USD: 70-71% EUR: 18-21% GBP: 7-9% Remaining: other ccy Countries origin: c.50% - China 30% - Southeast Asia 20% - Europe & Other countries	Overseas (regional) sales account for c.16% of total sales but it denominated in respective currencies
ACES	Merchandise mainly sourced from China - 25/75 in USD/RMB	NA
LPPF	Mostly IDR - cotton px may be indirectly linked to US\$	NA
RALS	Mostly IDR - cotton px may be indirectly linked to US\$	NA

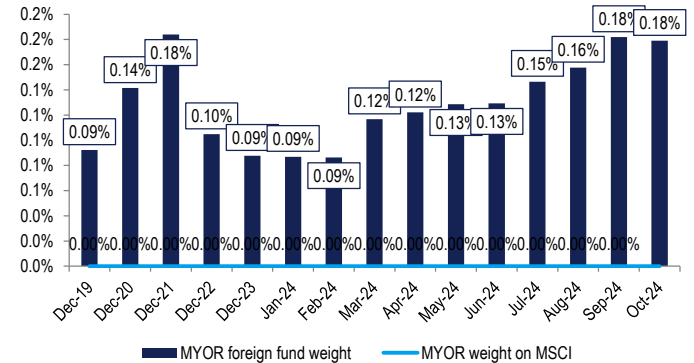
Source: Company, Indo Premier

Fig. 12: MYOR' local fund weight vs. JCI



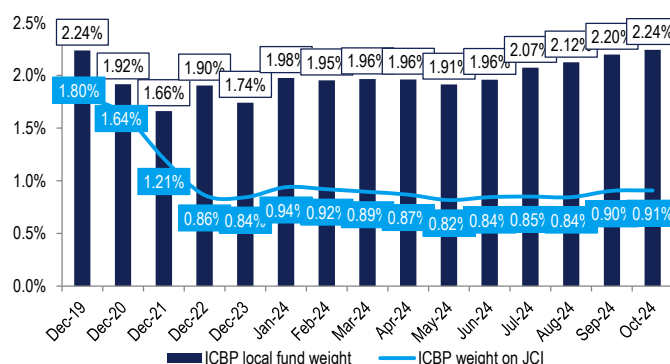
Source: KSEI, Indo Premier

Fig. 13: MYOR' foreign fund weight vs. MSCI



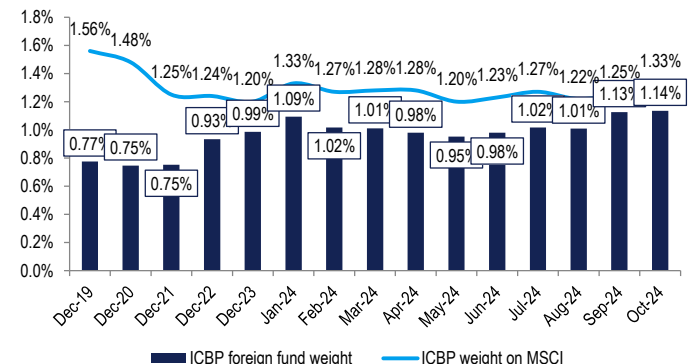
Source: MSCI, Indo Premier

Fig. 14: ICBP' local fund weight vs. JCI



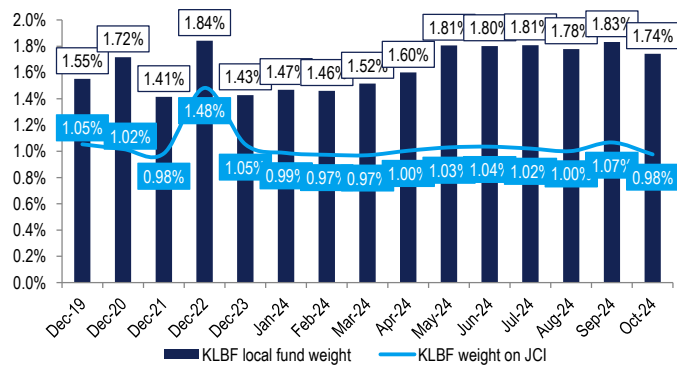
Source: KSEI, Indo Premier

Fig. 15: ICBP' foreign fund weight vs. MSCI



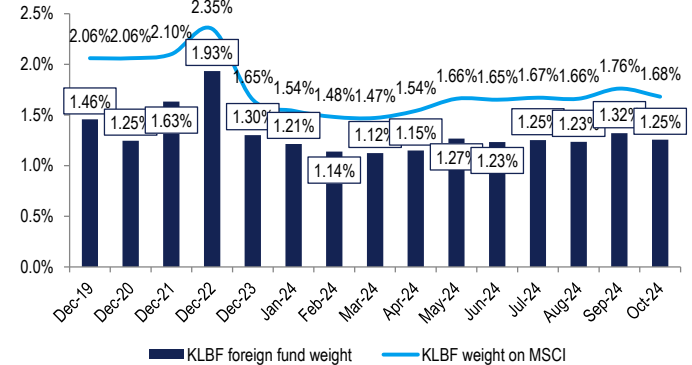
Source: MSCI, Indo Premier

Fig. 16: KLBF' local fund weight vs. JCI



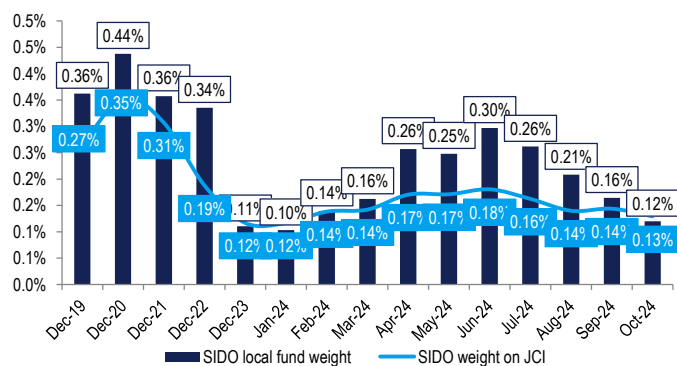
Source: KSEI, Indo Premier

Fig. 17: KLBF' foreign fund weight vs. MSCI



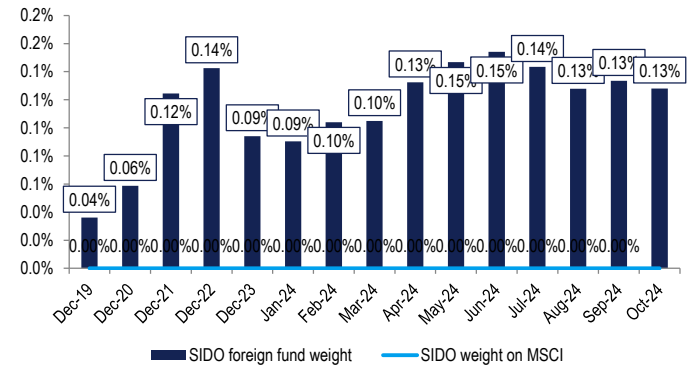
Source: MSCI, Indo Premier

Fig. 18: SIDO' local fund weight vs. JCI



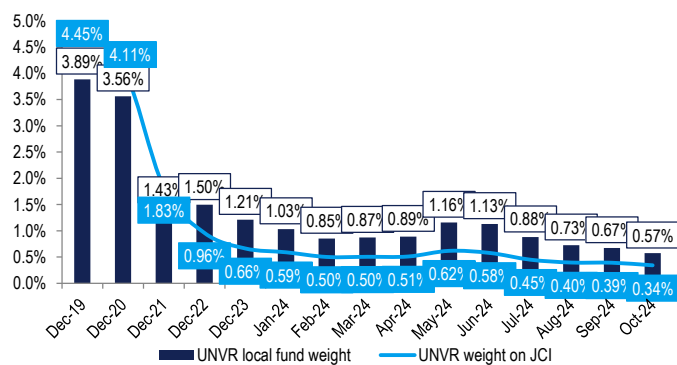
Source: KSEI, Indo Premier

Fig. 19: SIDO' foreign fund weight vs. MSCI



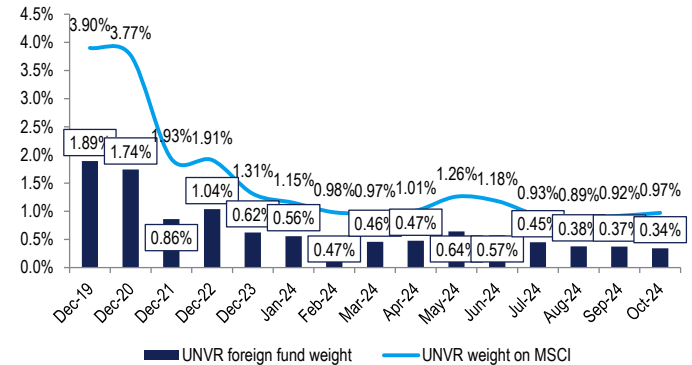
Source: MSCI, Indo Premier

Fig. 20: UNVR' local fund weight vs. JCI



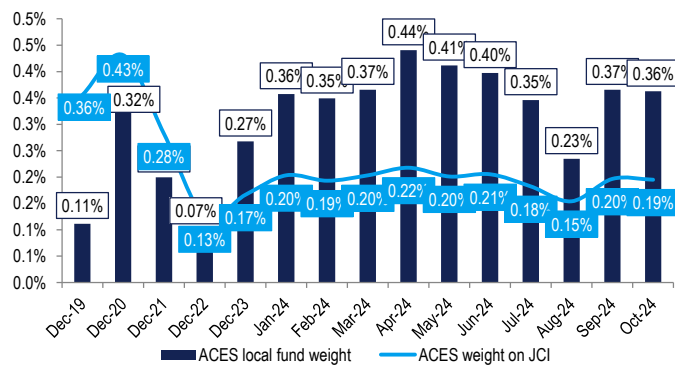
Source: KSEI, Indo Premier

Fig. 21: UNVR' foreign fund weight vs. MSCI



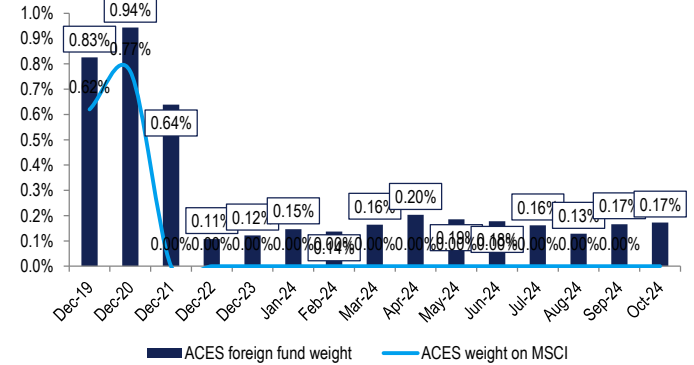
Source: MSCI, Indo Premier

Fig. 22: ACES' local fund weight vs. JCI



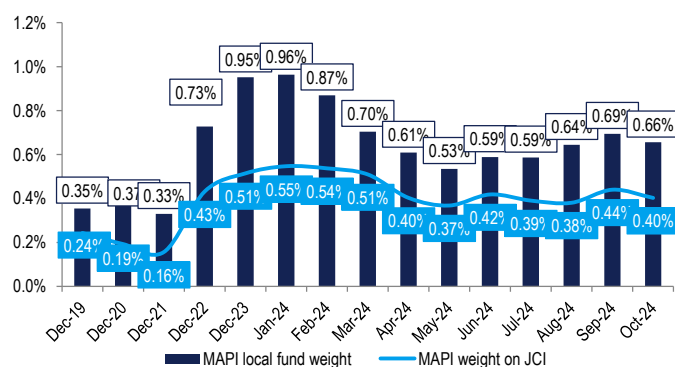
Source: KSEI, Indo Premier

Fig. 23: ACES' foreign fund weight vs. MSCI



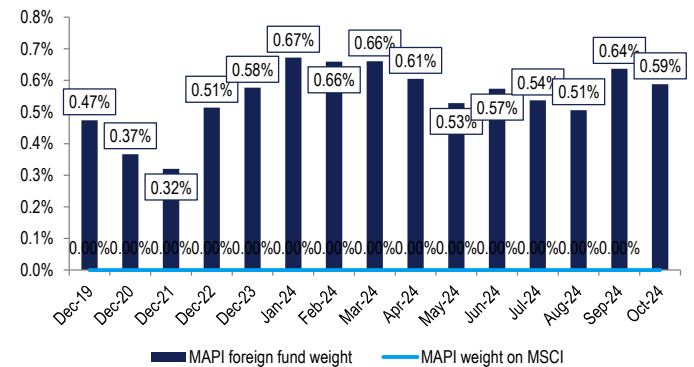
Source: MSCI, Indo Premier

Fig. 24: MAPI' local fund weight vs. JCI



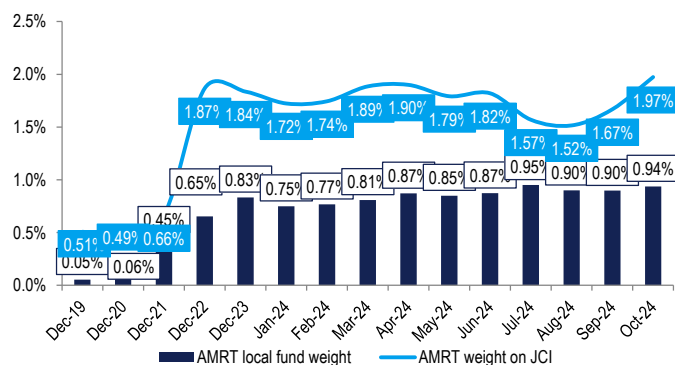
Source: KSEI, Indo Premier

Fig. 25: MAPI' foreign fund weight vs. MSCI



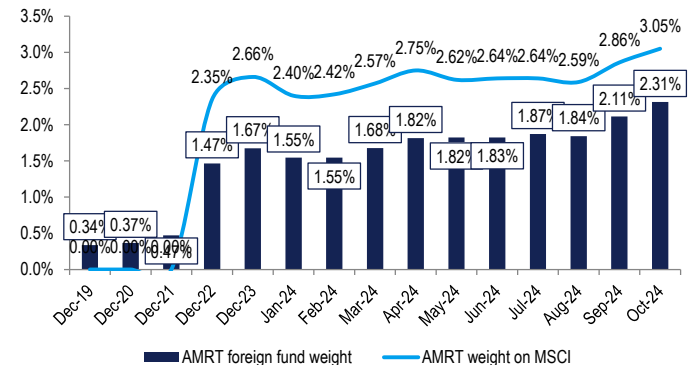
Source: MSCI, Indo Premier

Fig. 26: AMRT' local fund weight vs. JCI



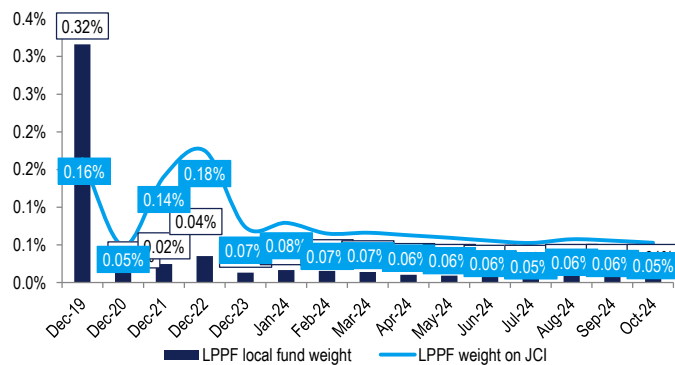
Source: KSEI, Indo Premier

Fig. 27: AMRT' foreign fund weight vs. MSCI



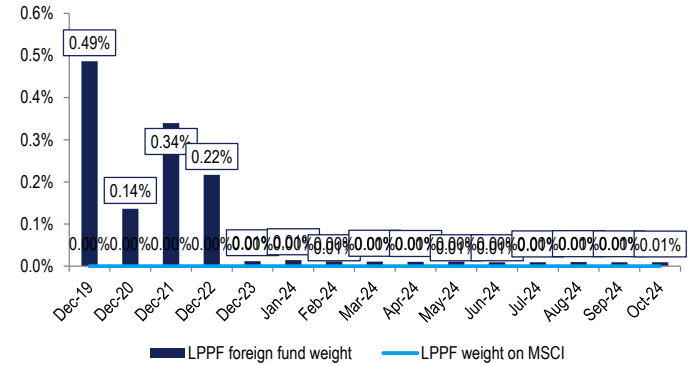
Source: MSCI, Indo Premier

Fig. 28: LPPF' local fund weight vs. JCI



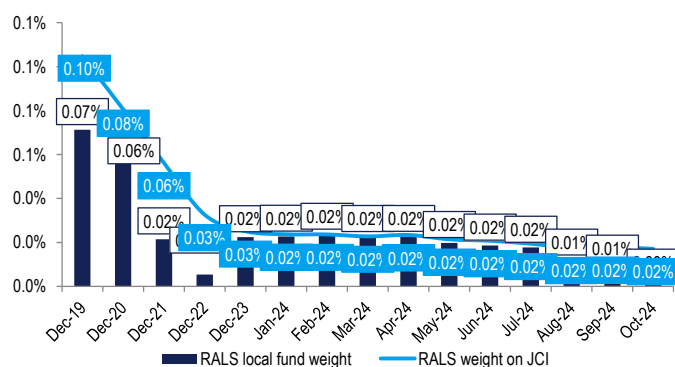
Source: KSEI, Indo Premier

Fig. 29: LPPF' foreign fund weight vs. MSCI



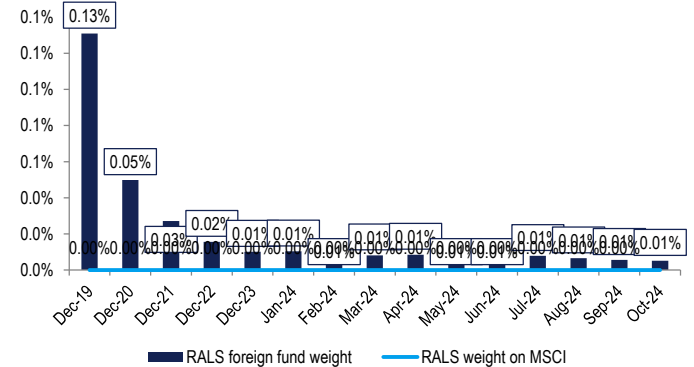
Source: MSCI, Indo Premier

Fig. 30: RALS' local fund weight vs. JCI



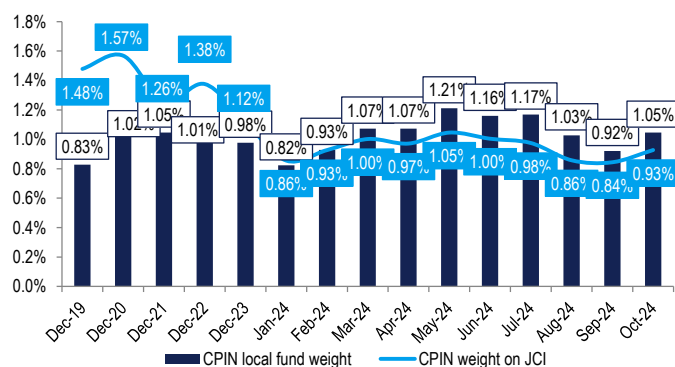
Source: KSEI, Indo Premier

Fig. 31: RALS' foreign fund weight vs. MSCI



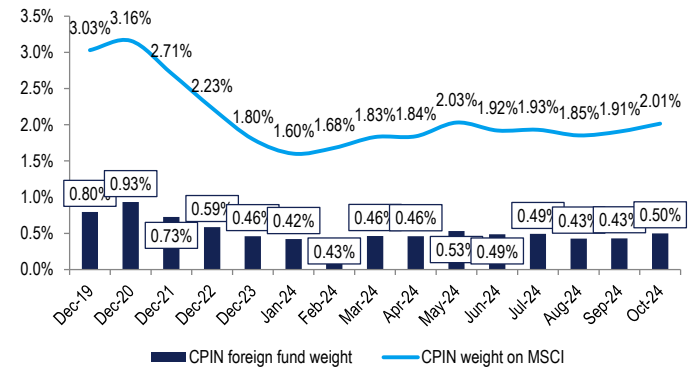
Source: MSCI, Indo Premier

Fig. 32: CPIN' local fund weight vs. JCI



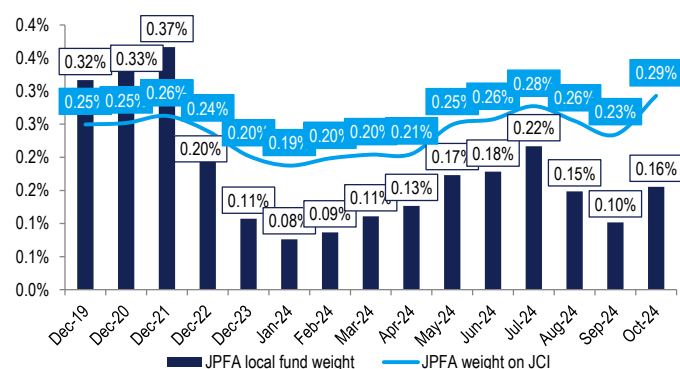
Source: KSEI, Indo Premier

Fig. 33: CPIN' foreign fund weight vs. MSCI



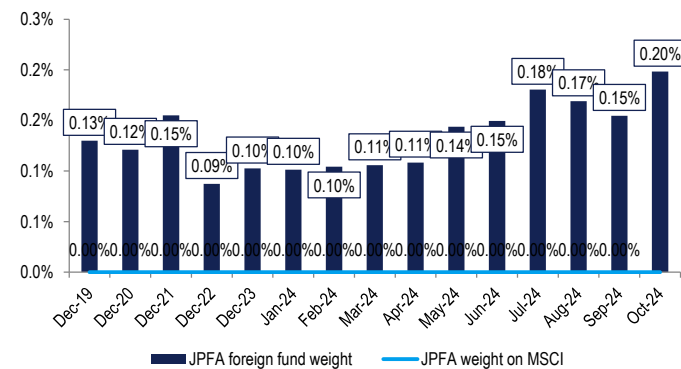
Source: MSCI, Indo Premier

Fig. 34: JPFA' local fund weight vs. JCI



Source: KSEI, Indo Premier

Fig. 35: JPFA' foreign fund weight vs. MSCI



Source: MSCI, Indo Premier

SECTOR RATINGS

- OVERWEIGHT : An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
- NEUTRAL : A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation
- UNDERWEIGHT : An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation

COMPANY RATINGS

- 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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