

Indofood CBP

BUY (unchanged)

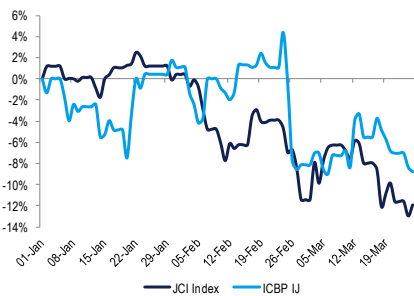
Company Update | Consumer Staples | ICBP IJ | 25 March 2025

Stock Data

Target price	Rp14,700
Prior TP	Rp14,700
Current price	Rp10,375
Upside/downside	+41.6%
Shares outstanding (mn)	11,662
Market cap (Rp bn)	120,992
Free float	19%
Avg. 6m daily T/O (Rp bn)	43

Price Performance

	3M	6M	12M
Absolute	-9.2%	-15.0%	-5.7%
Relative to JCI	2.9%	4.8%	9.0%
52w low/high (Rp)	9,725 – 12,800		



Major Shareholders

Indofood SM	80.5%
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4Q24 result: profit beat from opex improvement

- FY24 core profit of Rp10.4tr (+12.3% yoy) was above our/consensus estimate at 103/113%; FY24 sales of Rp72.5tr (+6.9% yoy) was in-line.
- 4Q24 core profit growth of 3.5% yoy as opex improvement of +308bps yoy fully offset a GPM decline (-275bps yoy).
- ICBP's valuation remains attractive at 10.7x FY25F PE (vs. peers' 14.1x). Maintain BUY with TP of Rp14,700/sh.

FY24 core profit was above our/consensus estimate

ICBP recorded FY24 core profit of Rp10.4tr (+12.3% yoy) and this was above our/consensus estimate at 103/113%. However, FY24 net profit came at Rp7.1tr (+1.3% yoy) due to impairment loss of Rp1.5tr attributable to associate Dufil in Nigeria. Meanwhile, Pinehill posted net profit of Rp2.1tr (+10% yoy) and Pinehill's earnings (included interest expenses) contributed 3% of ICBP's FY24 core profit. FY24 revenue of Rp72.6tr (+6.9% yoy) was in-line with our/consensus estimate. GPM remained stable at 37% while opex to sales improved by 52bps yoy to 14.6%, leading to EBIT margin of 22.3% (+55bps yoy).

4Q24 core profit was driven by opex improvement

4Q24 revenue grew by 3.1% yoy to Rp17.1tr as this was driven by domestic sales growth of +4.0% yoy (vs. overseas' 1.4% yoy). 4Q24 GPM reached 36.5% (-275bps yoy) from increase in CPO price of 31.3% yoy. Opex to sales improved to 14.4% (vs. 17.5% in 4Q23) amid lower salary to sales ratio of -152bps yoy and A&P to sales ratio of -94bps yoy. Moreover, it experienced a forex loss of Rp2.7tr in 4Q24; excluding this forex loss and impairment loss of Rp1.5tr, ICBP booked core profit of Rp2.4tr (+3.5% yoy).

Noodle segment remains the profit engine

ICBP introduced a US\$0.1/pack noodle product for African market (vs. existing product pricing of US\$0.2/pack), resulting a robust overseas sales growth of 18% yoy in 4Q24. Despite overseas sales only grew by 1.4% yoy, we expect this lower-priced product to offer a higher margin, resulting in higher blended 4Q24 noodles EBIT margin of 26.0% (+50bps yoy).

Maintain BUY with unchanged TP of Rp14,700

The management guided FY25F consolidated top-line to grow by 7-9% yoy and EBIT margin at range of 20-22% (Fig. 2). The higher FY25F guidance, compared to FY24, is largely driven by 3-4% noodle price adjustment in Feb25 (link to [note](#)). In sum, we fine tune our forecast and maintain our BUY rating with unchanged TP of Rp14,700/sh, based on 15.0x FY25F (5yr mean). Risk to our call: softer top-line growth and higher CPO price.

Financial Summary (Rpbn)	2023A	2024A	2025F	2026F	2027F
Revenue	67,910	72,597	78,616	85,407	92,854
EBITDA	15,897	17,919	17,955	19,797	22,028
EBITDA growth	7.1%	12.7%	0.2%	10.3%	11.3%
Core profit	9,270	10,410	11,287	12,590	14,331
Core profit growth	26.8%	12.3%	8.4%	11.5%	13.8%
ROE	24.2%	26.0%	26.4%	25.6%	25.7%
PER (x)	13.1	11.6	10.7	9.6	8.4
EV/EBITDA (x)	9.0	7.7	7.7	6.6	5.6
Dividend yield	2.5%	3.1%	3.1%	4.5%	5.1%
Forecast change			1%	3%	N/A
IPS vs. consensus			104%	104%	N/A

Source: Company, Indo Premier

Share price closing as of: 25 March 2025

Fig. 1: ICBP FY24 Results

(Rp bn)	4Q24	4Q23	% YoY	3Q24	% QoQ	12M24	12M23	% YoY	IPS FY24F	% of IPS	Cons FY24F	% of Cons
Net sales	17,111	16,603	3.1%	18,525	-7.6%	72,597	67,910	6.9%	72,580	100%	73,146	99%
COGS	(10,862)	(10,082)	7.7%	(11,864)	-8.4%	(45,704)	(42,784)	6.8%				
Gross profit	6,249	6,521	-4.2%	6,661	-6.2%	26,893	25,126	7.0%				
Operating Cost	(2,464)	(2,902)	-15.1%	(2,923)	-15.7%	(10,702)	(10,352)	3.4%				
Operating FX	540	(19)	N/A	(501)	-207.7%	130	112	16.2%				
EBIT	3,786	3,619	4.6%	3,738	1.3%	16,191	14,775	9.6%	16,598	98%	16,066	101%
EBIT ex-FX	4,326	3,601	20.1%	3,237	33.6%	16,321	14,886	9.6%				
Finance expense	(2,713)	(551)	392.4%	2,306	-217.6%	(4,256)	(2,025)	110.2%				
Interest income	(577)	464	-224.3%	962	-160.0%	824	1,398	-41.1%				
Associates Income	(1,494)	(2,432)	N/A	55	N/A	(1,390)	(2,316)	N/A				
PBT	(459)	974	-147.1%	6,426	-107.1%	11,499	11,445	0.5%				
Tax	(101)	(619)	-83.7%	(1,429)	-92.9%	(2,686)	(2,980)	-9.9%				
Minorities	(510)	(424)	20.3%	(490)	4.2%	(1,734)	(1,475)	17.6%				
Net profit	(1,070)	(69)	1440.9%	4,507	N/A	7,079	6,991	1.3%				
Core profit	2,380	2,300	3.5%	2,410	-1.2%	10,410	9,270	12.3%	10,063	103%	9,236	113%
Margin (%)												
Gross margin	36.5%	39.3%		36.0%		37.0%	37.0%					
EBIT margin	22.1%	21.8%		20.2%		22.3%	21.8%	0.55%				
EBIT margin ex-FX	25.3%	21.7%		17.5%		22.5%	21.9%					
Net profit margin	-6.3%	-0.4%		24.3%		9.8%	10.3%					
Core profit margin	13.9%	13.9%		13.0%		14.3%	13.7%					
Information segment												
Revenue												
Noodles	12,548	12,327	1.8%	14,029	-10.6%	53,870	50,438	6.8%				
Dairy	2,419	2,308	4.8%	2,207	9.6%	9,662	9,127	5.9%				
Snack Foods	1,072	1,016	5.6%	1,203	-10.8%	4,539	4,246	6.9%				
Seasonings	998	820	21.7%	1,032	-3.3%	4,301	3,674	17.1%				
Nutrition and Special Foods	333	329	1.2%	377	-11.8%	1,358	1,219	11.4%				
Beverages	404	404	-0.2%	427	-5.5%	1,674	1,609	4.1%				
Elimination	(662)	(601)		(751)		(2,807)	(2,402)					
EBIT												
Noodles	3,261	3,142	3.8%	3,248	0.4%	13,936	12,951	7.6%				
Dairy	235	243	-3.1%	125	88.2%	928	686	35.3%				
Snack Foods	105	93	12.3%	142	-26.3%	457	409	11.7%				
Food Seasonings	68	53	28.5%	118	-42.3%	464	417	11.2%				
Nutrition and Special Foods	24	23	3.0%	37	-35.3%	114	92	24.0%				
Beverages	91	62	46.8%	66	38.0%	285	215	32.7%				
Elimination	1	3		2		7	4					
EBIT Margin												
Noodles	26.0%	25.5%		23.2%		25.9%	25.7%					
Dairy	9.7%	10.5%		5.7%		9.6%	7.5%					
Snack Foods	9.8%	9.2%		11.8%		10.1%	9.6%					
Food Seasonings	6.8%	6.4%		11.4%		10.8%	11.3%					
Nutrition and Special Foods	7.2%	7.1%		9.8%		8.4%	7.6%					
Beverages	22.5%	15.3%		15.4%		17.0%	13.4%					
Domestic sales	11,299	10,869	4.0%	12,258	-7.8%	50,026	47,623	5.0%				
Overseas sales	5,812	5,733	1.4%	6,267	-7.3%	22,572	20,287	11.3%				
Pinehill - sales (95% of ME Africa sales)						16,491	16,434	0.4%				
Pinehill profit attributable to ICBP						1,881	1,817	3.5%				

Source: Company, Indo Premier

Fig. 2: ICBP FY25F Guidance

FY25F Guidance	
Revenue growth	7-9%
EBIT Margin	20-22%
Capex	c. Rp5.5tr (including for noodle and snack segments)

Source: Company, Indo Premier

Fig. 3: ICBP is currently trading at 10.6x 12M fwd. P/E, or c.1.2 s.d. below its 5yr mean



Source: Bloomberg, Indo Premier

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net revenue	67,910	72,597	78,616	85,407	92,854
Cost of sales	(42,784)	(45,704)	(49,406)	(53,507)	(57,888)
Gross profit	25,126	26,893	29,209	31,901	34,965
SG&A Expenses	(10,352)	(10,702)	(11,388)	(12,237)	(13,071)
Operating profit	14,775	16,191	17,822	19,664	21,895
Net interest	(626)	(3,432)	(2,106)	(2,156)	(1,956)
Others	(2,703)	(1,260)	0	0	0
Pre-tax income	11,445	11,499	15,716	17,507	19,939
Income tax	(2,980)	(2,686)	(3,615)	(4,027)	(4,586)
Minority interest	(1,475)	(1,734)	(1,799)	(1,948)	(2,111)
Net income	6,991	7,079	10,302	11,533	13,241
Core profit	9,270	10,410	11,287	12,590	14,331

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalent	21,687	27,710	26,222	33,325	41,626
Receivable	7,524	8,792	8,834	9,598	10,434
Inventory	6,329	7,060	7,237	7,837	8,479
Other current assets	1,232	1,106	1,266	1,376	1,495
Total current assets	36,773	44,668	43,559	52,136	62,035
Fixed assets	14,711	15,266	20,871	22,371	23,871
Other non-current assets	54,006	54,006	54,006	54,006	54,006
Total non-current assets	82,494	81,373	86,845	88,211	89,578
Total assets	119,267	126,041	130,404	140,347	151,614
ST loans	113	185	825	825	825
Payable	4,952	5,167	5,469	5,923	6,408
Other payables	2,956	3,245	3,352	3,630	3,927
Current portion of LT loans	456	352	0	0	0
Total current liab.	10,464	10,925	11,685	12,586	13,549
Long term loans	43,184	44,874	45,802	46,823	47,886
Other LT liab.	3,400	3,070	3,070	3,070	3,070
Total liabilities	57,163	58,997	60,685	62,607	64,633
Equity	6,569	583	583	583	583
Retained earnings	34,111	38,961	45,511	51,583	58,712
Minority interest	21,354	21,827	23,626	25,574	27,685
Total SHE + minority int.	62,104	67,044	69,719	77,740	86,980
Total liabilities & equity	119,267	126,041	130,404	140,347	151,614

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
EBIT	14,388	16,321	17,822	19,664	21,895
Depr. & Amortization	1,510	1,598	133	133	133
Changes in Working Capital	0	0	169	(572)	(635)
Others	(3,482)	(5,464)	(5,721)	(6,183)	(6,542)
Cash Flow From Operating	12,415	12,455	12,404	13,042	14,851
Capital Expenditure	(1,824)	(2,162)	(5,604)	(1,500)	(1,500)
Others	(2,164)	(90)	0	0	0
Cash Flow From Investing	(3,988)	(2,253)	(5,604)	(1,500)	(1,500)
Loans	(873)	(510)	1,215	1,021	1,063
Equity	0	0	0	0	0
Dividends	(3,065)	(3,705)	(3,752)	(5,460)	(6,112)
Others	(682)	(93)	(5,750)	0	0
Cash Flow From Financing	(4,620)	(4,308)	(8,287)	(4,439)	(5,050)
Changes in Cash	3,612	5,939	(1,488)	7,103	8,301

Key Ratios	2023A	2024A	2025F	2026F	2027F
Gross Margin	37.0%	37.0%	37.2%	37.4%	37.7%
Operating Margin	21.8%	22.3%	22.7%	23.0%	23.6%
Pre-Tax Margin	16.9%	15.8%	20.0%	20.5%	21.5%
Net Margin	10.3%	9.8%	13.1%	13.5%	14.3%
ROA	6.0%	5.8%	8.0%	8.5%	9.1%
ROE	24.2%	26.0%	26.4%	25.6%	25.7%
Acct. Receivables TO (days)	40	41	41	41	41
Inventory TO (days)	57	53	53	53	53
Payable TO (days)	41	40	40	40	40
Debt to Equity	70.5%	67.7%	66.9%	61.3%	56.0%
Interest Coverage Ratio (x)	7.1	3.8	5.6	6.0	6.5
Net Gearing	35.5%	26.4%	23.5%	13.3%	3.5%

Source: Company, Indo Premier

INVESTMENT 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

ANALYSTS CERTIFICATION

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