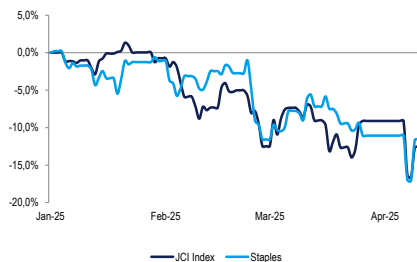


Sector Index Performance

	3M	6M	12M
Absolute	-14.0%	-23.7%	-19.8%
Relative to JCI	-2.5%	-7.2%	-5.7%



Summary Valuation Metrics

P/E (x)	2025F	2026F	2027F
ICBP IJ	11.2	10.0	8.7
MYOR IJ	13.1	11.1	9.5
ACES IJ	9.7	8.0	7.3
EV/EBITDA (x)	2025F	2026F	2027F
ICBP IJ	8.7	7.9	7.1
MYOR IJ	8.7	7.5	6.6
ACES IJ	6.7	5.7	5.2
Div. Yield	2025F	2026F	2027F
ICBP IJ	3.2%	4.7%	5.2%
MYOR IJ	2.5%	2.9%	3.5%
ACES IJ	7.9%	7.7%	9.3%

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Assessing Trump's tariffs: Staples to benefit from lower soft commodity

- Within our consumer coverage, staples indeed have some exposure to US market but we expect the tariff impact to be muted.
- We view staples companies to benefit from lower soft commodity price as US has imposed 10% additional tariff on 90 countries.
- Preference on staples > retailers with MYOR and ICBP as our top pick.

Direct impact from Trump's tariffs to be limited for staples

We assess the impact from Trump's tariff and among staples companies under our coverage, MYOR/ICBP/SIDO/KLBF have exposure to US market with their US export contribution to total sales at c.1.0/0.3/0.2/0.1%, respectively (Fig. 2). Meanwhile, retailers under our coverage have neither direct nor indirect sales exposure to US market. In sum, we view the 10% additional tariff from US to have a limited impact on staples companies.

Lower soft commodity expectation may benefit for staples companies

During Trump's first presidential term, only soybean was directly impacted by tariff which led to a price decline as China accounted for 44% of total US soybean exports in FY17/18. Meanwhile, other soft commodities (wheat, coffee, CPO, cocoa and sugar) remained unaffected. However, with US government now imposing an additional 10% tariff on more than 90 countries (except China at 125%), we expect soft commodity prices may decline in ST as US accounts for 29/25/15/8/6% of sugar/coffee/wheat/cocoa/CPO global export in FY24. Hence, we view the lower soft commodity price may give a tailwind for staples companies. We note that cocoa/CPO/coffee/sugar price have dropped by -7.5/-7.9/-6.7/-7.4% since Trump's tariff announcement (Fig. 5). Assuming all else being equal, our sensitivity analysis shows that every 5% decline in raw materials and packaging (wheat, coffee, CPO, crude oil, skimmed milk, cocoa, and sugar), it may add MYOR/ICBP/UNVR/KLBF's FY25F net profit by +18.1/8.4/6.0/1.3%, respectively (Fig. 6). Given ICBP/MYOR/UNVR/KLBF's FY24 inventory days of 53/66/50/123 days, we expect its GPM may start to improve in 2H25F.

US-China trade war escalation may result in stronger US\$

Despite the Trump tariff have limited impact on staples companies; however, we view the soft domestic purchasing power may persist in 2Q25F onwards, especially since government has not extended the electricity tariff discount in Jan-Feb25. In addition, we note that US-China trade war in FY18-19 has resulted in stronger US\$ (Fig. 7) with KLBF/UNVR are the most impacted (link to [note](#)).

Maintain Neutral for the sector with preference on Staples > Retailers

Despite a soft macro outlook, we view the lower soft commodity price outlook could serve as a tailwind for staples companies. In terms of fund positioning, local funds continue to be well positioned across consumers (Fig. 10-31); hence, the incremental buyers shall come from foreign funds. Moreover, most of staples and retailers stocks are trading at depressed valuations with FY25F PE of 12.1x (-2 sd from its 5yr avg) and 14.2x (-2.1 sd from its 3yr avg). For now, we reiterate Neutral call for the sector with our preference on Staples over Retailers. Our top picks are MYOR and ICBP.

Fig. 1: Indonesia staples valuation summary

Ticker	Rating	Current price	Target price	Earnings yoy growth		P/E		ROE	
		(Rp)	(Rp)	2025F	2026F	2025F	2026F	2025F	2026F
Staples									
ICBP	BUY	9,925	14,700	45.5%	11.9%	11.2	10.0	14.0%	14.8%
MYOR	BUY	2,050	3,400	16.4%	17.8%	13.1	11.1	16.8%	18.5%
SIDO	HOLD	555	625	7.3%	6.2%	13.3	12.5	33.5%	34.7%
INDF	BUY	6,900	11,200	56.7%	5.6%	4.3	4.1	10.9%	11.0%
KLBF	BUY	1,180	1,780	14.5%	7.7%	14.9	13.8	13.1%	13.7%
UNVR	HOLD	1,310	1,470	-8.3%	125.8%	16.2	7.2	81.0%	121.2%
Retailers									
ACES	BUY	492	810	-2.9%	21.6%	9.7	8.0	12.5%	14.8%
MAPI	BUY	1,305	1,950	28.3%	14.6%	9.6	8.3	11.7%	12.3%
AMRT	HOLD	2,210	3,050	33.8%	17.4%	21.8	18.6	21.6%	24.0%
LPPF	BUY	2,010	2,750	6.0%	11.5%	5.2	4.6	110.2%	91.8%
RALS	BUY	344	650	11.1%	17.2%	7.0	6.0	9.6%	11.1%

Source: Bloomberg, Indo Premier

Share price closes as 11 Apr 2025

Fig. 2: Staples exports to the US (as a % of sales)

Consumer	Direct
Staples	
ICBP*	c. 0.3% of total sales
INDF	X
KLBF	c. 0.1% of total sales
SIDO	c. 0.2% of total sales
UNVR	X
MYOR	Less than 1% of total sales

Source: Company, Indo Premier

*IPS estimate

Fig. 3: US Imports of agriculture commodities

Commodities	US Imports (in USD bn)	Total Global Exports (in USD bn)	% of Global Exports
Coffee	6.3	25.0	25.3%
Cocoa	1.1	14.5	7.8%
Sugar	1.9	6.8	28.7%
Wheat Flour	0.3	2.2	14.5%
CPO	2.0	31.5	6.3%

Source: World Bank, Indo Premier

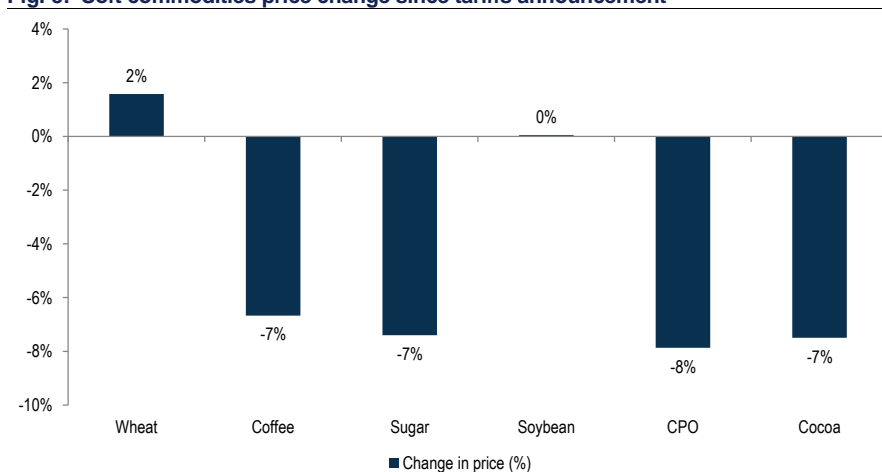
Fig. 4: Soft commodities trending forecast

Soft Commodity Prices	Spot	1Q25A	2Q25	3Q25	4Q25	1Q26
Wheat (cents/bu)	547	555	548	570	594	612
QoQ Price Change (%)			-1.3%	4.1%	4.2%	2.9%
Coffee (DF) \$/MT	5,000	5,436	4,921	4,847	4,744	4,655
QoQ Price Change (%)			-9.5%	-1.5%	-2.1%	-1.9%
Sugar#11 c/lb	18.1	19.4	18.0	18.0	18.4	18.1
QoQ Price Change (%)			-7.2%	0.3%	2.0%	-1.7%
Soybean c/bsh	1,030	1,025	1,033	1,017	1,011	1,022
QoQ Price Change (%)			0.8%	-1.5%	-0.6%	1.1%
Soybean meal \$/ST	297	298	301	305	308	310
QoQ Price Change (%)			0.9%	1.4%	0.7%	1.0%
Palm Oil RM/metric ton	4,461	4,674	4,289	4,082	4,072	4,095
QoQ Price Change (%)			-8.2%	-4.8%	-0.2%	0.6%
Cocoa \$/mt	8,293	9,668	8,081	7,768	7,266	7,025
QoQ Price Change (%)			-16.4%	-3.9%	-6.5%	-3.3%

Source: Bloomberg, Indo Premier

Price closes as 11 Apr 2025

Fig. 5: Soft commodities price change since tariffs announcement



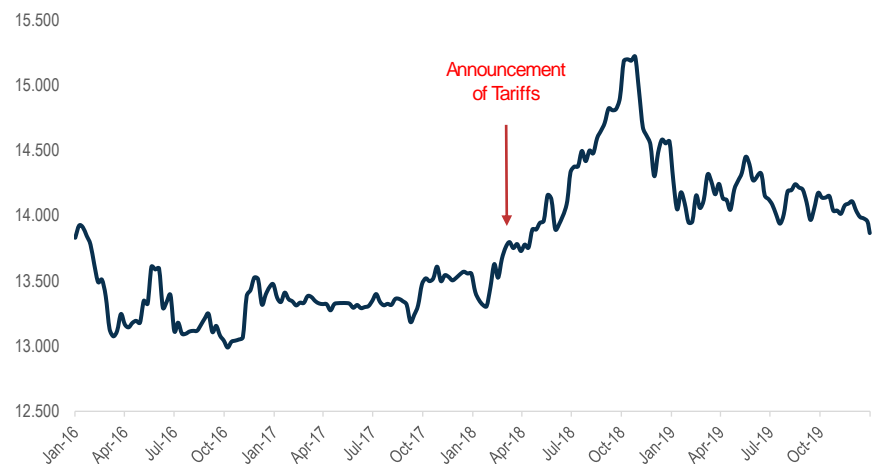
Source: Bloomberg, Indo Premier

Fig. 6: Sensitivity analysis for FY25F earnings

Net Profit impact from 5% decline in raw materials (Wheat, Coffee, CPO, Crude Oil, Skimmed Milk, Cocoa and Sugar)	
MYOR	+18.1%
ICBP	+8.4%
UNVR	+6%
KLBF	+1.3%

Source: Indo Premier

Fig. 7: USD/IDR appreciation due to the announcement of tariffs



Source: Bloomberg, Indo Premier

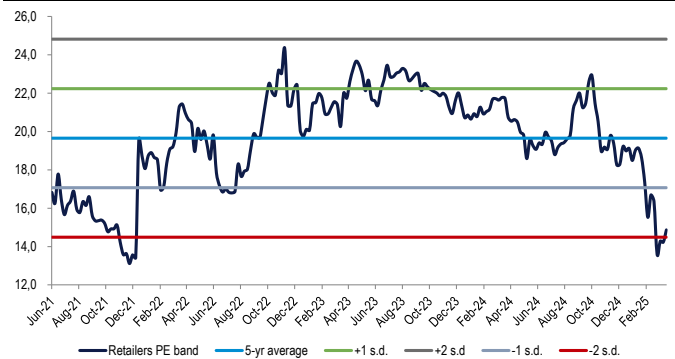
Share price closes as 11 Apr 2025

Fig. 8: Staples PE Band is currently trading at 12.1x 12M fwd. P/E, or around 1.9 s.d. below its 5-year avg



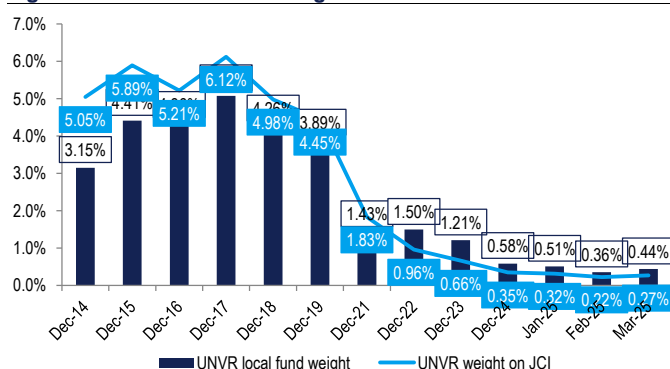
Source: Bloomberg, Indo Premier

Fig. 9: Retailers PE Band is currently trading at 14.9x 12M fwd. P/E, or around 1.9 s.d. below its 3-year avg



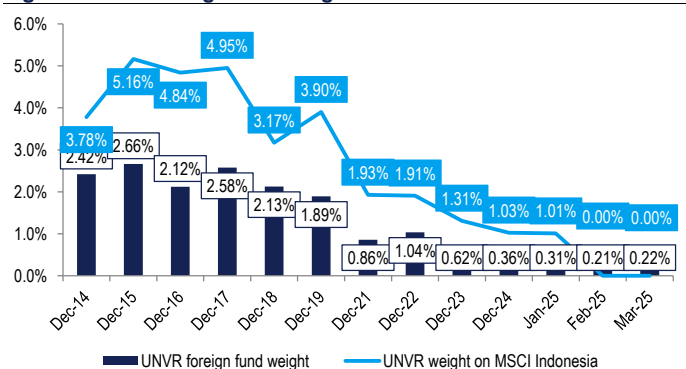
Source: Bloomberg, Indo Premier

Fig. 10: UNVR's local fund weight vs. JCI



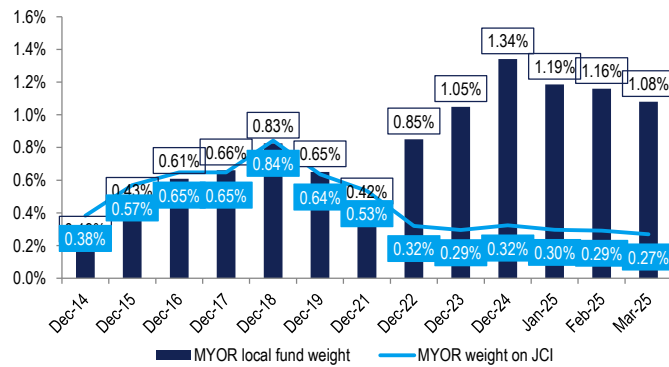
Source: KSEI, Indo Premier

Fig. 11: UNVR' foreign fund weight vs. MSCI



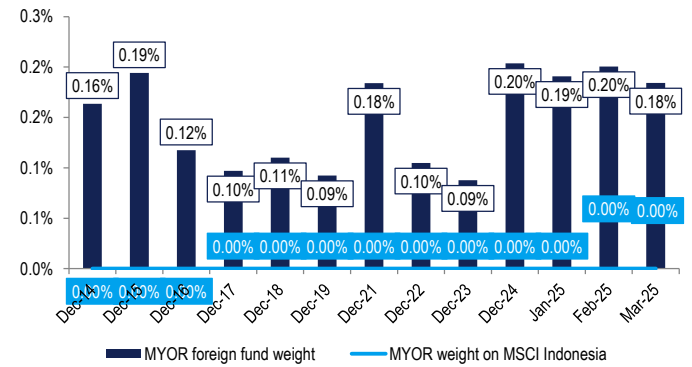
Source: MSCI, Indo Premier

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



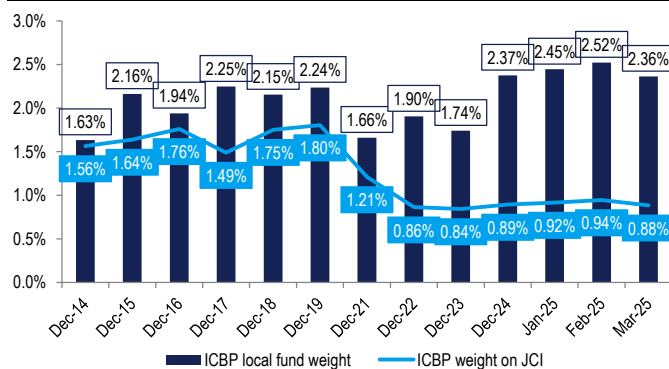
Source: KSEI, Indo Premier

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



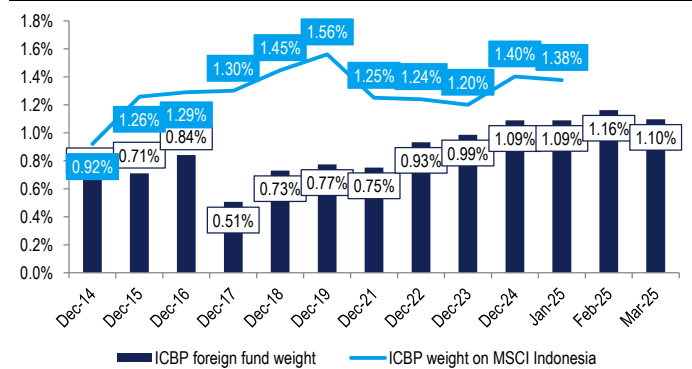
Source: MSCI, Indo Premier

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



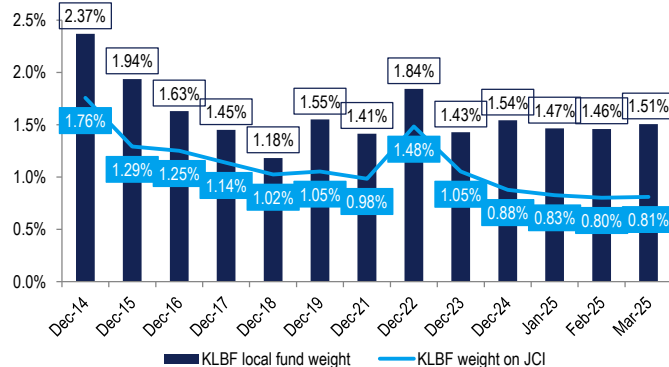
Source: KSEI, Indo Premier

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



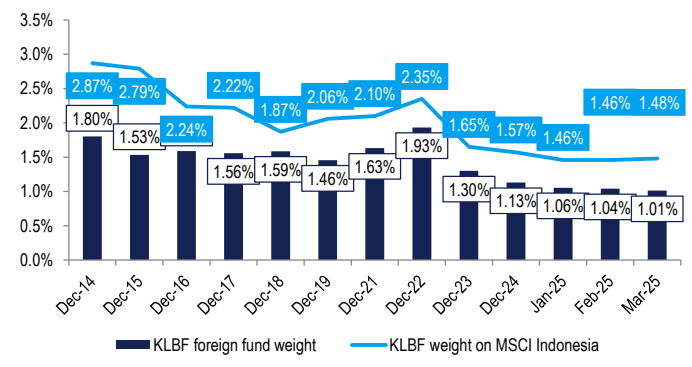
Source: MSCI, Indo Premier

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



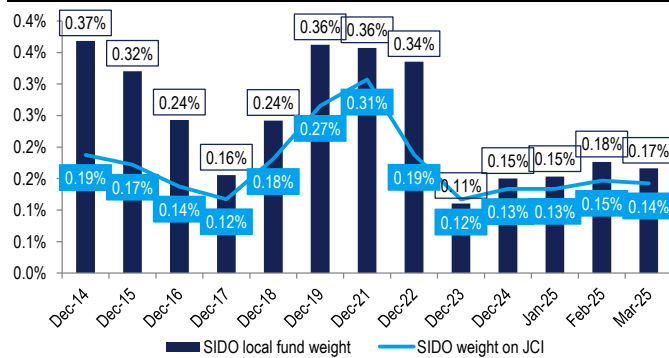
Source: KSEI, Indo Premier

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



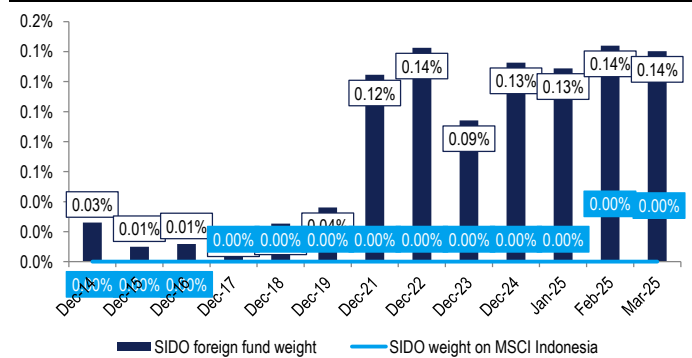
Source: MSCI, Indo Premier

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



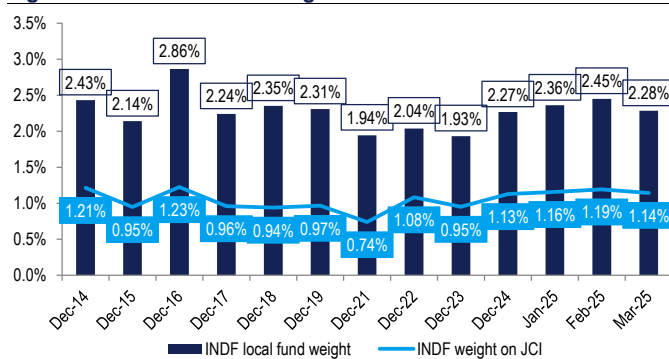
Source: KSEI, Indo Premier

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



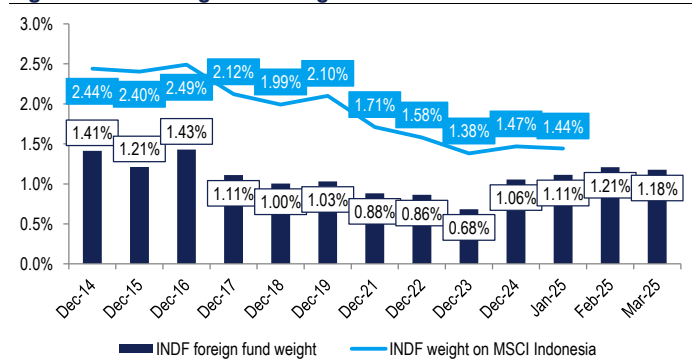
Source: MSCI, Indo Premier

Fig. 20: INDF's local fund weight vs. JCI



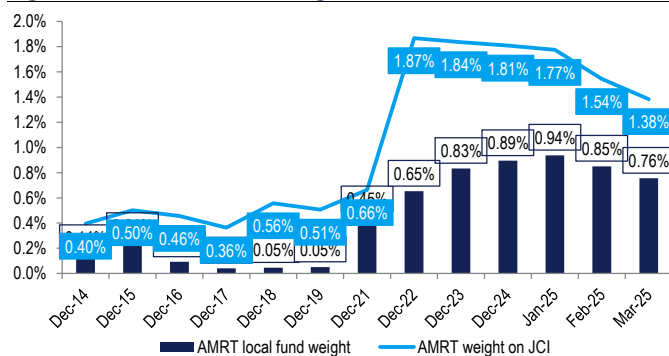
Source: KSEI, Indo Premier

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



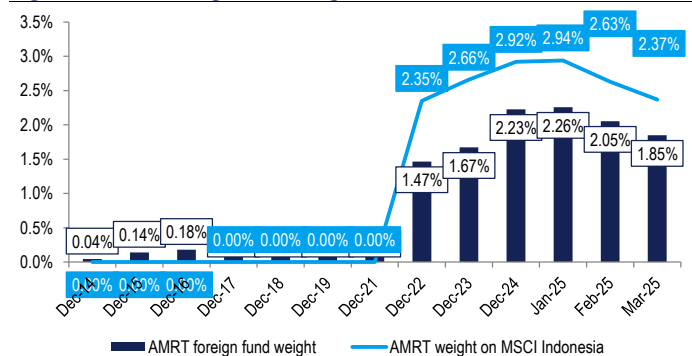
Source: MSCI, Indo Premier

Fig. 22: AMRT's local fund weight vs. JCI



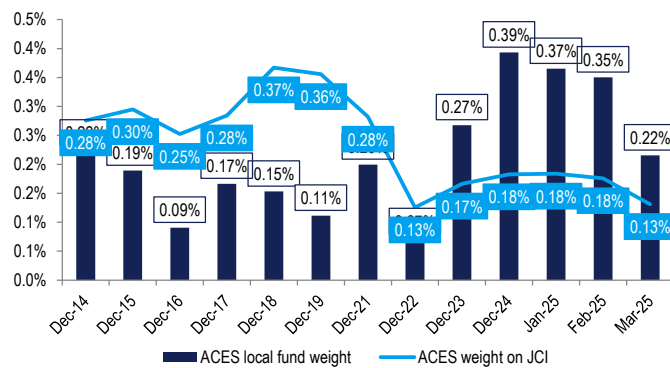
Source: KSEI, Indo Premier

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



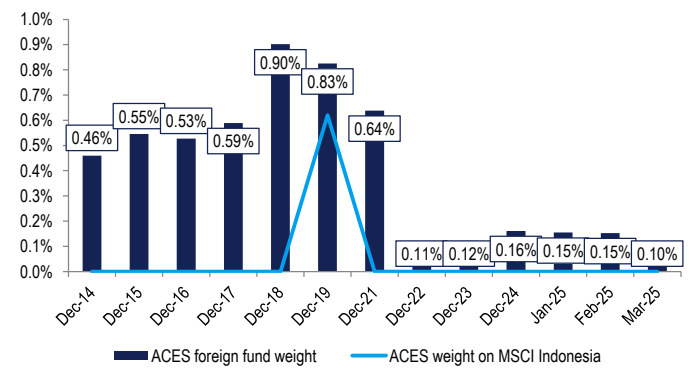
Source: MSCI, Indo Premier

Fig. 24: ACES's local fund weight vs. JCI



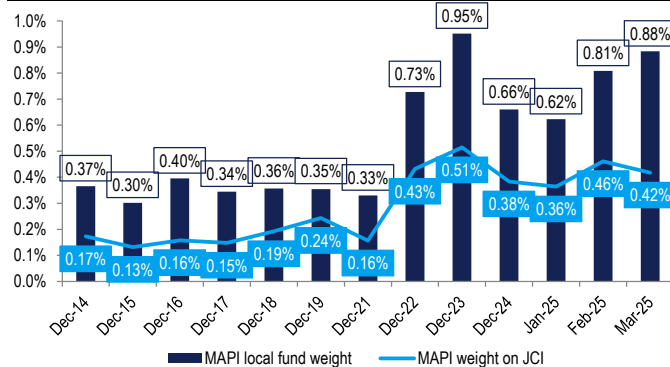
Source: KSEI, Indo Premier

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



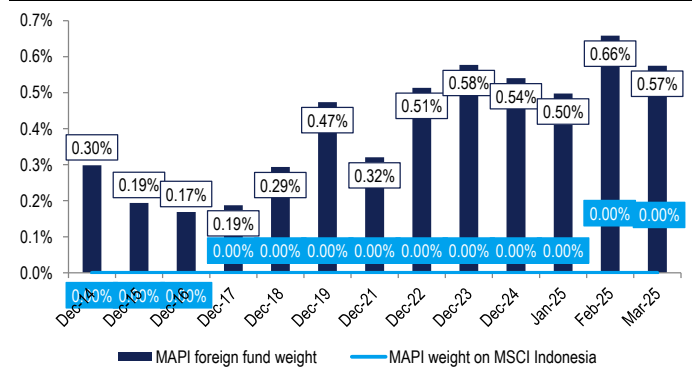
Source: MSCI, Indo Premier

Fig. 26: MAPI's local fund weight vs. JCI



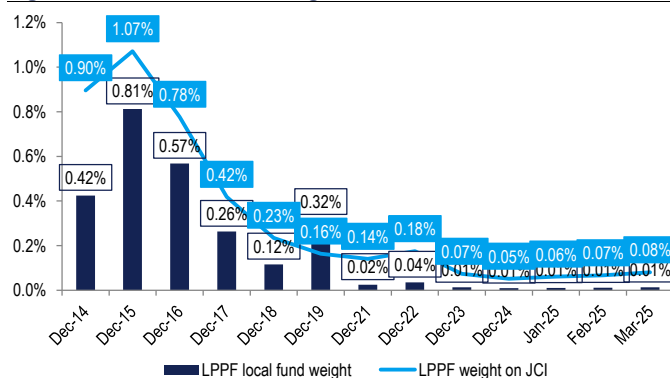
Source: KSEI, Indo Premier

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



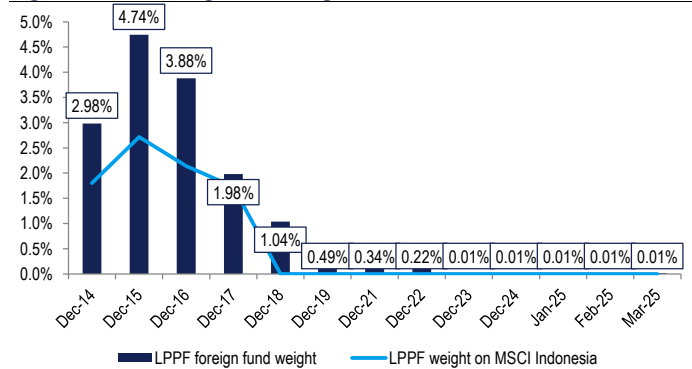
Source: MSCI, Indo Premier

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



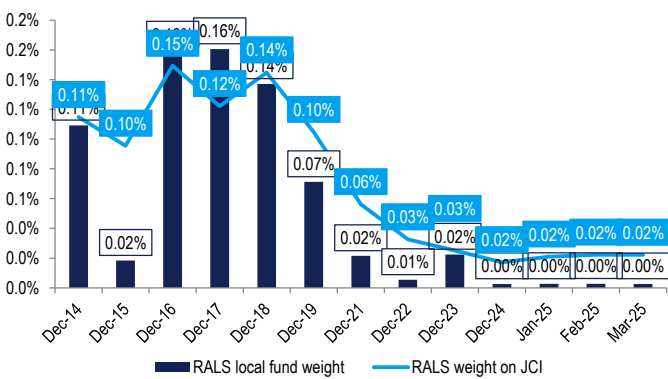
Source: KSEI, Indo Premier

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



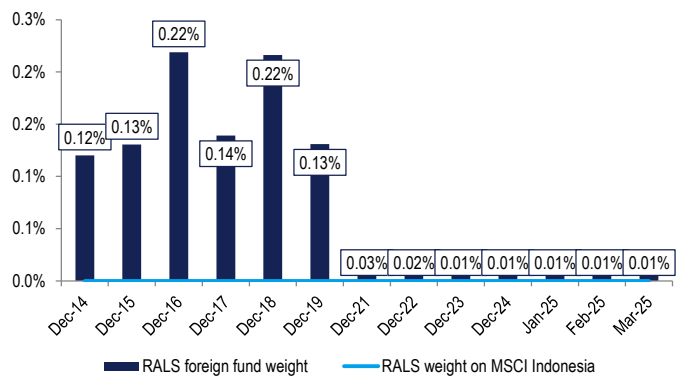
Source: MSCI, Indo Premier

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



Source: KSEI, Indo Premier

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



Source: MSCI, Indo Premier

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- 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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