

Indofood CBP

BUY (unchanged)

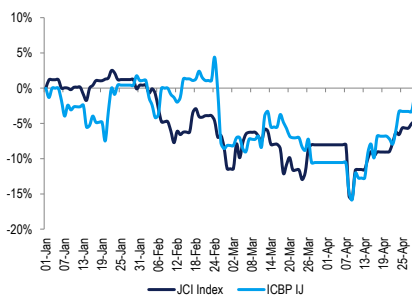
Company Update / Consumer Staples / ICBP IJ / 30 April 2025

Stock Data

Target price	Rp14,700
Prior TP	Rp14,700
Current price	Rp11,350
Upside/downside	+29.5%
Shares outstanding (mn)	11,662
Market cap (Rp bn)	132,363
Free float	19%
Avg. 6m daily T/O (Rp bn)	47

Price Performance

	3M	6M	12M
Absolute	-0.7%	-9.7%	8.4%
Relative to JCI	4.9%	1.3%	13.3%
52w low/high (Rp)	9,575 – 12,800		



Major Shareholders

Indofood SM	80.5%
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1Q25 Result: in-line profit despite EBIT margin decline

- 1Q25 core profit of Rp3.6tr (+10.4% yoy) was in-line with our/consensus estimate at 32/34% (vs. 5yr avg of 32%).
- 1Q25 domestic sales only grew by +0.5% yoy, indicating a softer 2025 Lebaran despite a low base effect in 1Q24's +3.3% yoy.
- ICBP's valuation remains attractive at 11.7x FY25F PE (vs. peers' 14.1x). Maintain BUY with TP of Rp14,700/sh.

1Q25 core profit was in-line our/consensus estimate

ICBP booked 1Q25 core profit of Rp3.6tr (+10.4% yoy) and this was in-line with our/consensus estimate at 32/34% (vs. 5yr avg of 30%). 1Q25 net sales grew by 1.3% yoy to Rp20.2tr, also in-line but was below FY25F company guidance of +7-9% yoy. 1Q25 GPM dropped by -202bps yoy to 36.1% (-39bps qoq) due to higher input cost. Opex to sales remains stable at 14.0% (+7bps yoy). In sum, EBIT margin stood at 22.2% (-195bps yoy), in-line with FY25F company guidance of 20-22%.

Soft 1Q25 domestic sales from weak Lebaran festive

We note that 1Q25 domestic sales only grew by +0.5% yoy, indicating a softer 2025 Lebaran's despite a low base in 1Q24's (+3.3% yoy). In terms of segment, 1Q25 noodles sales only grew by 1.6% yoy despite 3-4% ASP hike in Feb25. In addition, dairy's sales declined by -1.6% yoy amid tightening competition on UHT milk market.

EBIT margin declined amid higher raw material cost

1Q25 EBIT declined of -6.9% yoy was attributed by Noodles/Dairy with EBIT decline of -5.9/-19.2% yoy, respectively. Noodles 1Q25 EBIT margin declined to 25.8% (-205bps yoy) amid higher CPO price of +13.5% yoy; while Dairy's EBIT margin of 10.7% (-233bps yoy) was driven by higher skim milk price (+13.9% yoy).

ICBP is benefited from lower soft commodities

As discussed in our recent note (link to [note](#)), we highlight that ICBP is benefited from lower soft commodities amid 10% additional Trump tariff. Our sensitivity shows that ICBP's core profit may improve by 8.4% for every 5% raw material decline.

Maintain BUY with unchanged TP of Rp14,700

In sum, we maintain our BUY rating with unchanged TP of Rp14,700/sh based on 15.0x FY25F PE (5yr mean). risk to our call: softer top-line growth and higher raw material cost.

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)	14.3	12.7	11.7	10.5	9.2
EV/EBITDA (x)	9.7	8.4	8.5	7.4	6.3
Dividend yield	2.3%	2.8%	2.8%	4.1%	4.6%
Forecast change			0%	0%	0%
IPS vs. consensus			107%	105%	111%

Source: Company, Indo Premier

Share price closing as of: 30 April 2025

Fig. 1: ICBP 1Q25 Results

(Rp bn)	1Q25	1Q24	% YoY	4Q24	% QoQ	IPS FY25F	% of IPS	Cons FY25F	% of Cons	5yr avg
Net sales	20,186	19,922	1.3%	17,111	18.0%	78,616	26%	77,973	26%	27%
COGS	(12,891)	(12,321)	4.6%	(10,862)	18.7%					
Gross profit	7,294	7,601	-4.0%	6,249	16.7%					
Operating Cost	(2,822)	(2,800)	0.8%	(2,464)	14.6%					
Operating Cost (inc. operating FX)	(2,822)	(2,800)	0.8%	(2,464)	14.6%					
Operating FX	681	66	N/A	540	26.2%					
EBIT	4,472	4,802	-6.9%	3,786	18.1%	17,822	25%	17,310	26%	29%
EBIT ex-FX	5,153	4,868	5.9%	4,326	19.1%					
Finance expense	(1,678)	(1,740)	-3.5%	(2,713)	-38.2%					
Interest income	179	211	-15.4%	(577)	-131.0%					
Associates Income	76	8	N/A	(1,494)	N/A					
Others	681	117	N/A	540	N/A					
PBT	3,730	3,399	9.7%	(459)	-913.4%					
Tax	(695)	(675)	3.0%	(101)	588.7%					
Minorities	(378)	(372)	1.6%	(510)	-26.0%					
Net profit	2,657	2,352	13.0%	(1,070)	N/A					
Core profit	3,576	3,240	10.4%	2,380	50.2%	11,287	32%	10,561	34%	32%
Margin (%)										
Gross margin	36.1%	38.2%	-2.02%	36.5%	-0.39%					
EBIT margin	22.2%	24.1%	-1.95%	22.1%						
EBIT margin ex-FX	25.5%	24.4%		25.3%						
Net profit margin	13.2%	11.8%		-6.3%						
Core profit margin	17.7%	16.3%		13.9%						
	14.0%	14.1%	-0.07%	14.4%						
Information segment										
Revenue										
Noodles	14,910	14,678	1.6%	12,548	18.8%					
Dairy	2,720	2,765	-1.6%	2,419	12.4%					
Snack Foods	1,208	1,164	3.8%	1,072	12.6%					
Seasonings	1,372	1,302	5.4%	998	37.5%					
Nutrition and Special Foods	361	335	7.7%	333	8.5%					
Beverages	372	426	-12.7%	404	-7.8%					
Elimination	(757)	(748)		(662)						
EBIT										
Noodles	3,851	4,093	-5.9%	3,261	18.1%					
Dairy	292	361	-19.2%	235	24.1%					
Snack Foods	44	89	-50.9%	105	-58.2%					
Food Seasonings	196	153	28.6%	68	189.0%					
Nutrition and Special Foods	38	33	13.2%	24	57.3%					
Beverages	51	70	-27.7%	91	-44.2%					
Elimination	0	2		1						
EBIT Margin										
Noodles	25.8%	27.9%	-2.055%	26.0%						
Dairy	10.7%	13.1%	-2.336%	9.7%						
Snack Foods	3.6%	7.7%		9.8%						
Food Seasonings	14.3%	11.7%		6.8%						
Nutrition and Special Foods	10.4%	9.9%		7.2%						
Beverages	13.6%	16.5%		22.5%						
Domestic sales	14,655	14,585	0.5%	11,299	29.7%					
Overseas sales	5,531	5,337	3.6%	5,812	-4.8%					

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 11.2x 12M fwd. P/E, or c.1.1 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%	29.3%	18.4%	8.1%

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

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