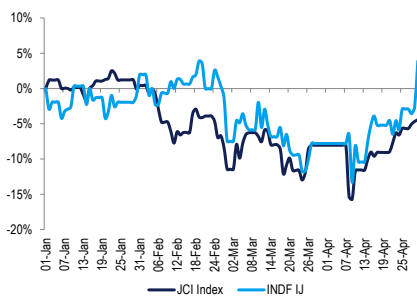


Stock Data

Target price	Rp11,200
Prior TP	Rp11,200
Current price	Rp8,000
Upside/downside	+40.0%
Shares outstanding (mn)	8,780
Market cap (Rp bn)	70,243
Free float	50%
Avg. 6m daily T/O (Rp bn)	59

Price Performance

	3M	6M	12M
Absolute	6.0%	5.6%	28.5%
Relative to JCI	11.5%	16.7%	33.4%
52w low/high (Rp)	5,875 – 8,200		



Major Shareholders

FPIML	50.1%
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Andrianto Saputra

PT Indo Premier Sekuritas
andrianto.saputra@ipc.co.id
+62 21 5088 7168 ext. 712

Nicholas Bryan

PT Indo Premier Sekuritas
nicholas.bryan@ipc.co.id
+62 21 5088 7168 ext. 722

1Q25: in-line profit as strong non-CBP segment could offset soft CBP's

- 1Q25 core profit of Rp3.4tr (+6.6% yoy) was in-line with our/consensus estimate at 30% (vs. 5yr avg of 28%), while 1Q25 sales was in-line.
- 1Q25 EBIT growth of 5.5% yoy was driven by non-CBP segment with EBIT growth of +50.9% yoy (vs. CBP's -6.5% yoy).
- Maintain BUY rating with unchanged TP of Rp11,200 based on SOTP valuation methodology.

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

INDF posted 1Q25 core profit of Rp3.4tr (+6.6% yoy) and this was in-line with our/consensus estimate at 30% (vs. 5yr avg of 28%). 1Q25 revenue of Rp31.5tr (+2.5% yoy) was also in-line. 1Q25 GPM slightly improved to 34.5% (+36bps yoy). Opex to sales slightly improved to 14.7% (-21bps yoy) due to lower salary to sales ratio of 4.5% (-30bps yoy), leading to EBIT margin improvement to 8.6% (+68bps yoy).

Robust non-CBP segments' profitability

In terms of segmental performance, CBP/Agribusiness recorded sales growth of +2.1/+28.7% yoy and +12.5/+1.6% qoq, while Bogasari's -4.6% yoy/+2.9% qoq. In terms of EBIT, CBP's EBIT margin declined by -203bps yoy to 21.9% (+36bps qoq) amid higher input cost. On the contrary, Agribusiness' EBIT margin improved to 20.7% (+814bps yoy) due to higher CPO price of +8.6% yoy. In addition, Bogasari's EBIT margin also improved to 7.9% (+161bps yoy). In sum, 1Q25 EBIT growth of 5.5% yoy was attributed by non-CBP segment with EBIT growth of +50.9% yoy vs. CBP segment's EBIT declined of -6.5% yoy.

Maintain Buy rating with unchanged TP of Rp11,200

Currently, we are awaiting for more details from the company's 1Q25 earnings call. For now, we maintain our BUY rating with unchanged TP of Rp11,200, based on SOTP valuation, implying 7.7x FY25F PE. INDF remains a cheaper proxy for gaining exposure to ICBP, while also serving as a soft proxy for higher CPO prices. Risk to our call: softer CPO price.

Financial Summary (Rpbn)	2023A	2024A	2025F	2026F	2027F
Revenue (Rp bn)	111,704	115,787	123,408	131,958	141,353
EBITDA (Rp bn)	23,048	26,698	28,976	31,503	34,483
EBITDA growth	-0.2%	15.8%	8.5%	8.7%	9.5%
Core profit (Rp bn)	9,780	11,340	12,696	14,724	16,888
Core EPS (Rp)	1,114	1,292	1,446	1,677	1,923
Core EPS growth	38.3%	16.0%	12.0%	16.0%	14.7%
ROE	17.3%	18.2%	18.3%	18.9%	19.5%
PER (x)	7.2	6.2	5.5	4.8	4.2
EV/EBITDA (x)	4.3	3.5	2.6	2.0	1.4
Dividend yield	3.5%	3.5%	3.7%	5.9%	6.3%
Forecast change			0%	0%	0%
IPS vs. consensus			110%	112%	121%

Source: Company, Indo Premier

Share price closing as of: 30 April 2025

Fig. 1: INDF 1Q25 earnings summary

(Rp bn)	1Q25	1Q24	% YoY	4Q24	% QoQ	IPS FY25F	% of IPS	Cons FY25F	% of Cons	5yr avg
Net sales	31,555	30,792	2.5%	28,843	9.4%	123,408	26%	123,673	26%	25%
COGS	(20,670)	(20,280)	1.9%	(18,400)	12.3%					
Gross profit	10,885	10,512	3.6%	10,443	4.2%					
Operating expense	(4,629)	(4,582)	1.0%	(3,885)	19.1%					
EBIT	6,256	5,930	5.5%	6,558	-4.6%	25,216	25%	23,711	26%	26%
Others	(1,363)	(1,457)	-6.4%	(5,365)	-74.6%					
PBT	4,893	4,473	9.4%	1,193	310.3%					
Tax	(979)	(931)	5.2%	(400)	144.8%					
Minorities	(1,190)	(1,092)	8.9%	(912)	30.5%					
NPATMI	2,724	2,450	11.2%	(119)	-2386.4%					
Core profit	3,411	3,200	6.6%	3,040	12.2%	11,499	30%	11,544	30%	28%
Margin (%)										
Gross margin	34.5%	34.1%	0.36%	36.2%	-1.71%					
EBIT margin	19.8%	19.3%	0.57%	22.7%	-2.91%					
Net margin	8.6%	8.0%	0.68%	-0.4%	9.05%					
Core profit margin	10.8%	10.4%	0.42%	10.5%	0.27%					
	-14.7%	-14.9%	0.21%	-13.5%	-1.20%					
Information segment										
Revenue										
CBP	19,970	19,557	2.1%	17,754	12.5%					
Bogasari	7,952	8,338	-4.6%	7,730	2.9%					
Agribusiness	4,795	3,726	28.7%	4,719	1.6%					
Distribution	2,008	1,979	1.5%	1,701	18.1%					
Elimination	(3,169)	(2,808)		(3,061)						
EBIT										
CBP	4,379	4,686	-6.5%	3,829	14.4%					
Bogasari	629	525	19.8%	851	-26.1%					
Agribusiness	995	469	111.9%	1,782	-44.2%					
Distribution	250	236	5.5%	93	169.6%					
Elimination	4	13		2						
EBIT margin										
CBP	21.9%	24.0%	-2.03%	21.6%	0.36%					
Bogasari	7.9%	6.3%	1.61%	11.0%						
Agribusiness	20.7%	12.6%	8.14%	37.8%						
Distribution	12.4%	12.0%	0.48%	5.4%						

Source: Bloomberg, Company, Indo Premier

Fig. 2: INDF SOTP valuation

	% stake	Valuation (Rp bn)	Note
Consumer branded products	80.5%	138,001	Indo Premier's TP of Rp14,700, P/E based Current market cap at SGD
Agribusiness	71.9%	3,920	
Total Mkt. Cap. of subsidiaries attributable to INDF		141,921	
Bogasari	100.0%	22,904	7x EV/EBITDA
Distribution	100.0%	3,433	6x EV/EBITDA
Total EV of Bogasari and Distribution		26,337	
<i>Net debt (parent only)</i>		(2,277)	
Total		165,982	
<i>Less: holding discount</i>		(68,053)	41% holding discount (Historical mean)
Equity value		97,929	
Equity value/share (Rp)		11,153	
Target price (Rp)		11,200	

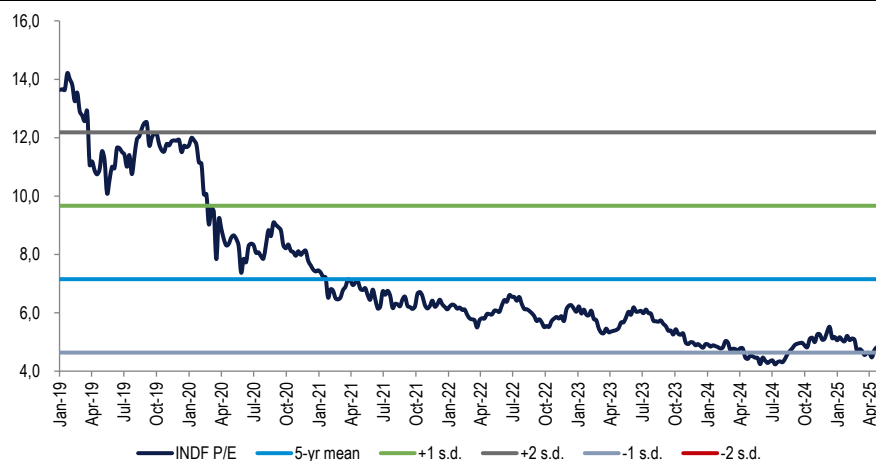
Source: Company, Indo Premier

Fig. 3: INDF FY25F Guidance

FY25F Guidance	
Sales volume growth	3-5%
EBIT margin (Bogasari)	6-8%
Capex	c. Rp8.5tr

Source: Indo Premier

Fig. 4: INDF is currently trading at 4.8x 12M fwd. P/E, or around 0.9 s.d. below its 5-year mean



Source: Bloomberg, Indo Premier

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net revenue	111,704	115,787	123,408	131,958	141,353
Cost of sales	(75,653)	(75,650)	(80,340)	(84,985)	(90,158)
Gross profit	36,050	40,137	43,068	46,973	51,195
SG&A Expenses	(16,372)	(17,307)	(17,852)	(19,384)	(20,780)
Operating profit	19,679	22,830	25,216	27,589	30,415
Net interest	(1,560)	(4,418)	(1,681)	(2,674)	(2,266)
Others	(2,519)	(1,113)	0	0	0
Pre-tax income	15,600	17,298	23,534	24,915	28,149
Income tax	(4,122)	(3,962)	(5,391)	(5,707)	(6,448)
Minority interest	(3,347)	(4,436)	(4,199)	(4,485)	(4,813)
Net income	8,132	8,900	13,945	14,724	16,888
Core profit	9,780	11,340	12,696	14,724	16,888

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalent	36,689	48,225	66,153	77,802	92,130
Receivable	8,674	10,017	9,961	10,651	11,409
Inventory	15,213	17,954	13,028	13,781	14,620
Other current assets	2,525	3,569	3,493	3,690	3,907
Total current assets	63,102	79,765	92,634	105,924	122,065
Fixed assets	47,295	47,814	48,009	48,050	47,937
Other non-current assets	56,352	56,352	56,352	56,352	56,352
Total non-current assets	123,486	121,948	122,053	122,009	121,816
Total assets	186,588	201,713	214,687	227,932	243,881
ST loans	16,240	20,951	20,951	20,951	20,951
Payable	5,354	5,802	5,923	6,266	6,647
Other payables	1,531	1,611	1,668	1,765	1,872
Current portion of LT loans	2,026	622	1,324	973	1,148
Total current liab.	32,915	37,094	38,275	38,921	40,181
Long term loans	46,192	49,235	48,264	48,264	48,264
Other LT liab.	6,902	6,255	6,350	6,446	6,544
Total liabilities	86,123	92,722	92,889	93,631	94,989
Equity	1,162	1,162	1,162	1,162	1,162
Retained earnings	47,164	53,536	62,145	70,163	79,941
Minority interest	41,272	43,878	48,077	52,562	57,374
Total SHE + minority int.	100,465	108,991	121,799	134,301	148,892
Total liabilities & equity	186,588	201,713	214,687	227,932	243,881

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
EBIT	19,679	22,830	25,216	27,589	30,415
Depr. & Amortization	3,384	3,610	3,760	3,914	4,068
Changes in Working Capital	1,787	(3,831)	5,538	(643)	(729)
Others	(6,389)	(5,100)	(7,072)	(8,381)	(8,714)
Cash Flow From Operating	18,461	17,508	27,442	22,479	25,040
Capital Expenditure	(3,688)	(5,417)	(3,822)	(3,822)	(3,822)
Others	(7,088)	(1,578)	(43)	(48)	(53)
Cash Flow From Investing	(10,776)	(6,995)	(3,865)	(3,870)	(3,875)
Loans	(649)	3,832	(270)	(351)	176
Equity	0	0	0	0	0
Dividends	(3,934)	(4,359)	(5,336)	(6,705)	(7,111)
Others	(307)	(153)	(43)	96	98
Cash Flow From Financing	(4,890)	(680)	(5,649)	(6,960)	(6,837)
Changes in Cash	2,630	10,134	17,928	11,649	14,328

Key Ratios	2023A	2024A	2025F	2026F	2027F
Gross Margin	32.3%	34.7%	34.9%	35.6%	36.2%
Operating Margin	17.6%	19.7%	20.4%	20.9%	21.5%
Pre-Tax Margin	14.0%	14.9%	19.1%	18.9%	19.9%
Net Margin	7.3%	7.7%	11.3%	11.2%	11.9%
ROA	4.4%	4.6%	6.7%	6.7%	7.2%
ROE	17.3%	18.2%	18.3%	18.9%	19.5%
Acct. Receivables TO (days)	28.9	29.5	29.5	29.5	29.5
Inventory TO (days)	76.5	59.2	59.2	59.2	59.2
Payable TO (days)	25.9	26.9	26.9	26.9	26.9
Debt to Equity	64.2%	65.0%	57.9%	52.3%	47.3%
Interest Coverage Ratio (x)	5.6	3.7	7.5	5.5	6.1
Net Gearing	27.6%	20.7%	3.6%	-5.7%	-14.6%

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

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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