

# Consumer Staples

NEUTRAL (unchanged)

Sector Update | Consumer Staples | 27 May 2025

## Sector Index Performance

	3M	6M	12M
Absolute	-1.0%	-11.9%	-2.9%
Relative to JCI	-1.4%	-5.5%	-3.5%



## Summary Valuation Metrics

P/E (x)	2025F	2026F	2027F
KLBF IJ	19.2	17.8	16.5
ICBP IJ	11.6	10.4	9.1
MYOR IJ	16.6	13.2	10.7
EV/EBITDA (x)	2025F	2026F	2027F
KLBF IJ	12.4	11.5	10.7
ICBP IJ	8.4	7.3	6.2
MYOR IJ	10.2	8.3	6.7
Div. Yield	2025F	2026F	2027F
KLBF IJ	3.0%	3.4%	3.7%
ICBP IJ	2.9%	4.2%	4.7%
MYOR IJ	2.3%	2.3%	2.9%

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## Stimulus tailwind from government shall help 2Q purchasing power

- Government recently introduced economic assistance programs which we expect to benefit ICBP/MYOR more than the rest of our coverage.
- Our sensitivity analysis showed that every 5% Rupiah appreciation may increase KLBF/UNVR's FY25F earnings by +5.1/3.4%.
- Maintain Neutral for the sector as we wait for tangible evidence of purchasing power recovery.

### Mild purchasing power recovery from upcoming government stimulus

Government plans to launch 6 economic assistance programs to boost economic growth ([news](#)) starting on 5<sup>th</sup> Jun25 which include (i) 50% electricity discount for low-income households (up to 1,300 VA) in Jun-Jul25, (ii) wage subsidy assistance for workers earnings below Rp3.5mn/month and honorary teachers. We note that household with capacities up to 1,300 VA represent 94.3% of Indonesia's household population with average maximum electricity discount at Rp362.5k/month/household (Fig. 2) in Jun-Jul25. Moreover, the government will distribute wage subsidy assistance of Rp150k/month in Jun-Jul25 for 20.4 million recipients. In sum, we expect a mild purchasing power recovery to occur in 2Q25F.

### ICBP & MYOR shall be the main beneficiaries

Within our coverage, only MYOR benefited from the 50% electricity discount (which increased household spending power by Rp406k/month in Jan-Feb25) as reflected on its 1Q25 domestic sales growth of 10.5% yoy (vs. UNVR/ICBP/SIDO/KLBF's -6.6/+0.5/-31.1/+4.1% yoy). To note, soft overall 1Q25 domestic sales was impacted from fewer working days at c.6% impact of its 1Q25 domestic sales. Historically, we note that ICBP/MYOR's 3Q22 domestic sales grew significantly by +15.5/+10.2% yoy (vs. UNVR/KLBF/SIDO's +1.9/+6.8/-10.7% yoy) amid wage subsidy assistance of Rp600k in Sep22. Given a higher working days in 2Q25 of 78 days (vs. 2Q24's 71 days) coupled with this stimulus, we expect positive impact for both ICBP and MYOR.

### KLBF/UNVR will benefit the most from Rupiah appreciation

In light of recent Rupiah appreciation against US\$ (+2.5% QTD), we view KLBF/UNVR are the main beneficiaries as their COGS linked to US\$ stood at 20.3/28% in 1Q25 (vs. US\$ revenue contribution of 5.5/3.1% in 1Q25). Although ICBP/MYOR's COGS linked to US\$ was at 50/43%, however; it shall be offset by its US\$ revenue contribution of 23/34% in 1Q25. Our sensitivity suggests +5.1/+3.4/+2.4/+2.5% FY25F core earnings impact for KLBF/UNVR/ICBP/MYOR for every 5% Rupiah appreciation (Fig. 3).

### Recent raw material trend to benefit KLBF

We note that recent CPO/sugar/oil price has dropped by -8.3/-16.2/-18.7% YTD, while coffee/cocoa rose by +9.9/+20.2% YTD. KLBF management also noted that API raw materials remained stable due to the lower oil price. Meanwhile, Bogasari has not adjusted its wheat ASP since FY23. With the current raw material trend, we expect consensus needs to adjust its KLBF/MYOR FY25F earnings by +5.1/-5.1%, respectively.

### Maintain sector Neutral call

In sum, we maintain Neutral on the sector as we await tangible evidence of purchasing power recovery. Our pecking order for staples is as follow: KLBF>ICBP>MYOR>SIDO>UNVR.

Fig. 1: Indonesia staples valuation summary

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Ticker	Rating	Current price	Target price	Earnings yoy growth		P/E		ROE	
		(Rp)	(Rp)	2025F	2026F	2025F	2026F	2025F	2026F
Staples									
ICBP	BUY	11,125	14,700	7.7%	11.6%	11.6	10.4	26.2%	25.5%
MYOR	BUY	2,290	2,750	2.7%	25.9%	16.6	13.2	16.5%	18.5%
SIDO	HOLD	530	625	7.3%	6.2%	12.7	11.9	35.1%	35.5%
INDF	BUY	7,875	11,200	12.0%	16.0%	5.4	4.7	18.3%	18.9%
KLBF	BUY	1,570	1,780	13.5%	7.8%	19.2	17.8	14.4%	14.4%
UNVR	HOLD	1,740	1,570	1.5%	-0.6%	19.3	19.4	157.3%	176.2%

Source: Bloomberg, Indo Premier

Fig. 2: Maximum savings per month per household from electricity discount

Maximum Capacity (VA)	Electricity Tariff (per kWh)	Maximum Spending per household (Rp/month)	Maximum Savings per household (Rp/month)	Total Households (mn)	Total Savings (mn)
450	415	134,460	67,230	24.7	1,660,581
900	1352	876,096	438,048	38.0	16,645,824
1,300	1445	1,352,239	676,120	14.1	9,533,286
<b>Avg Savings per Month per Household (Rp)</b>			<b>362,496</b>		

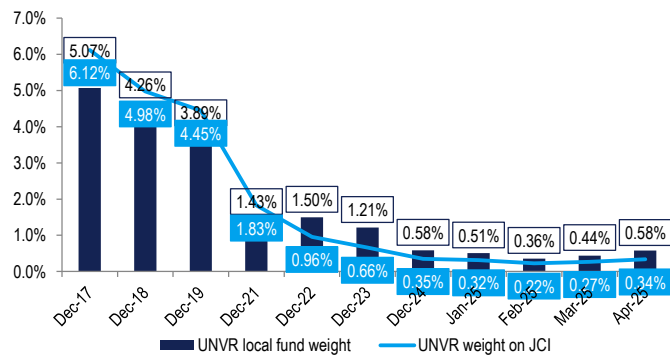
Source: Minister of Economy, Indo Premier

Fig. 3: Core profit impact from 5% appreciation of US\$ against Rupiah

	% 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)	1.2%
MYOR	20-30% (based on company's, and this refers to veg oil's exposure only excluding w heat, sugar and coffee). With w heat & sugar, we estimate total US\$ exposure may be c.43%	c. 40% of sales (export excluding China) in US\$	2.5%
ICBP	c.50-60% of total COGS linked to US\$ (Wheat, CPO and packaging)	c. 24% of sales (overseas market)	2.4%
UNVR	30-40% (oil related and packaging)	c. 2.5%	3.4%
KLBF	60-70% of RM in US\$ 21% of total cogs	c. 5%	5.1%

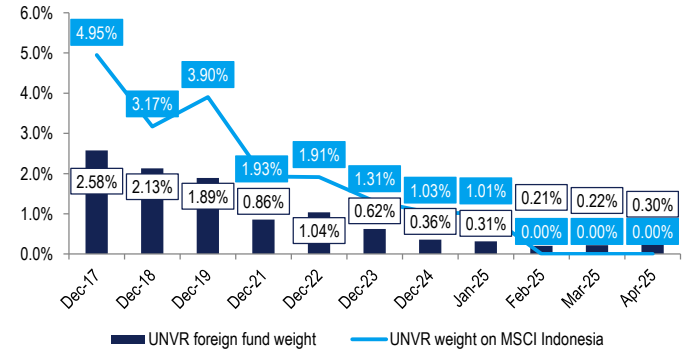
Source: Company, Indo Premier

**Fig. 4: UNVR' local fund weight vs. JCI**



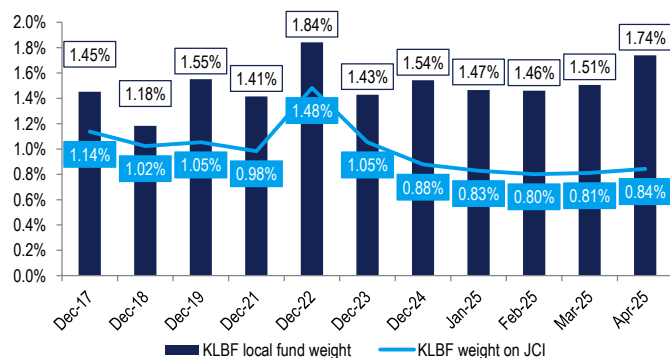
Source: KSEI, Indo Premier

**Fig. 5: UNVR' foreign fund weight vs. MSCI**



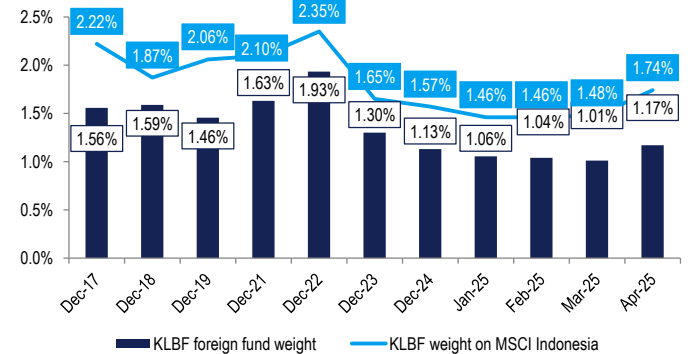
Source: KSEI, MSCI, Indo Premier

**Fig. 6: KLBF' local fund weight vs. JCI**



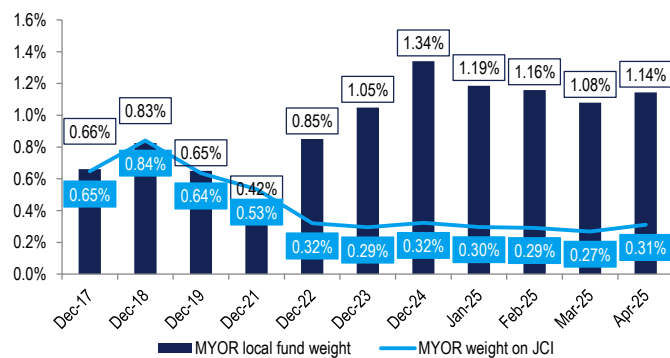
Source: KSEI, Indo Premier

**Fig. 7: KLBF' foreign fund weight vs. MSCI**



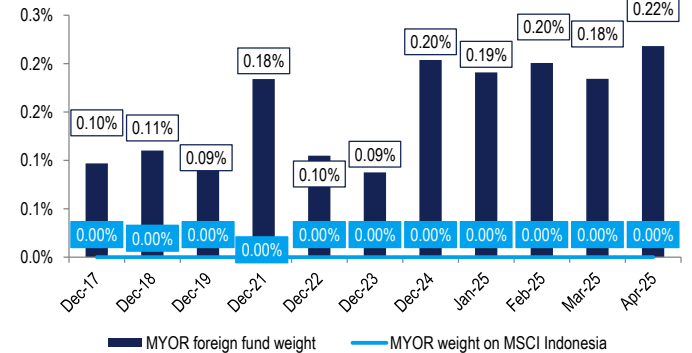
Source: KSEI, MSCI, Indo Premier

**Fig. 8: MYOR' local fund weight vs. JCI**



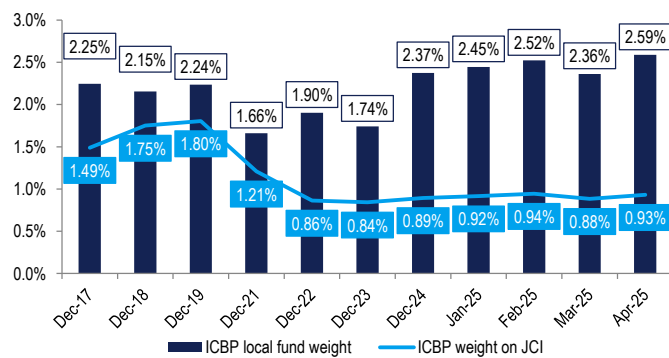
Source: KSEI, Indo Premier

**Fig. 9: MYOR' foreign fund weight vs. MSCI**



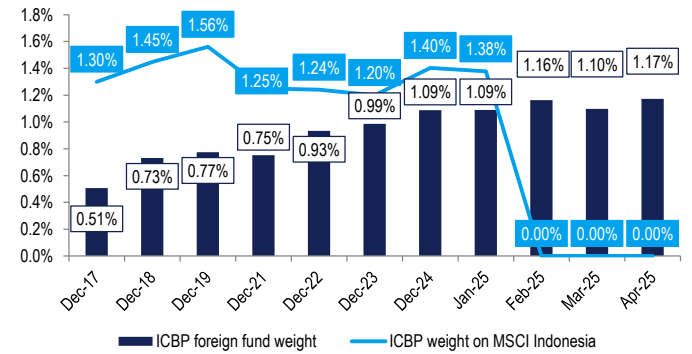
Source: KSEI, MSCI, Indo Premier

**Fig. 10: ICBP' local fund weight vs. JCI**



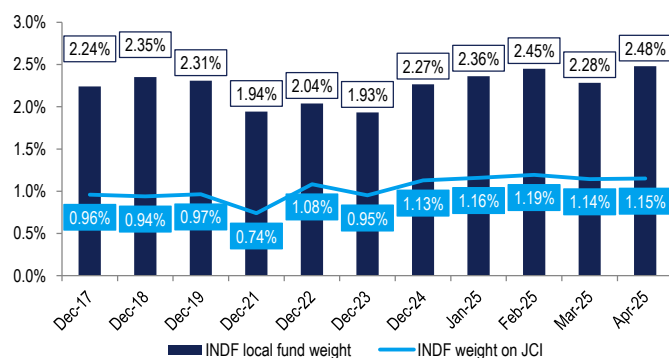
Source: KSEI, Indo Premier

**Fig. 11: ICBP' foreign fund weight vs. MSCI**



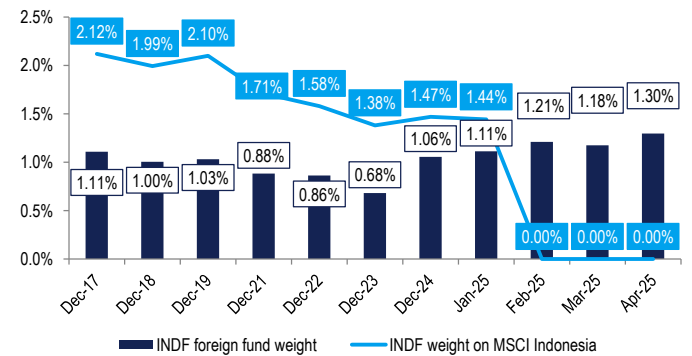
Source: KSEI, MSCI, Indo Premier

**Fig. 12: INDF' local fund weight vs. JCI**



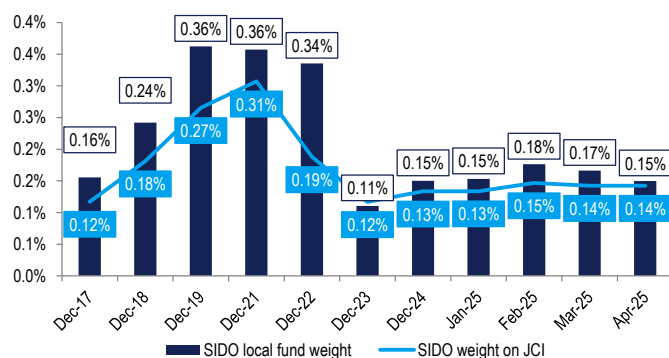
Source: KSEI, Indo Premier

**Fig. 13: INDF' foreign fund weight vs. MSCI**



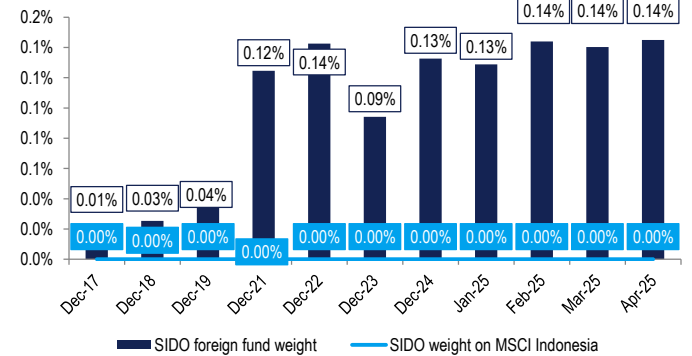
Source: KSEI, MSCI, Indo Premier

**Fig. 14: SIDO' local fund weight vs. JCI**



Source: KSEI, Indo Premier

**Fig. 15: SIDO' foreign fund weight vs. MSCI**



Source: KSEI, 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

## ANALYSTS CERTIFICATION

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