

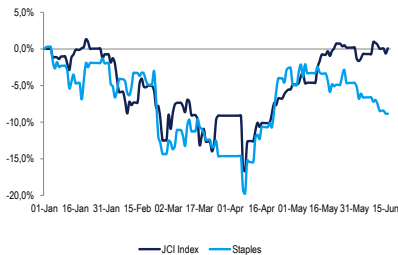
Consumer Staples

NEUTRAL (unchanged)

Sector Update | Consumer Staples | 17 June 2025

Sector Index Performance

	3M	6M	12M
Absolute	-2.4%	-7.5%	-9.9%
Relative to JCI	-11.2%	-10.2%	-14.1%



Summary Valuation Metrics

P/E (x)	2025F	2026F	2027F
KLBF IJ	19.5	18.1	16.8
ICBP IJ	11.0	9.9	8.7
MYOR IJ	15.0	11.9	9.7
EV/EBITDA (x)	2025F	2026F	2027F
KLBF IJ	12.6	11.7	10.9
ICBP IJ	8.0	7.0	5.9
MYOR IJ	9.3	7.5	6.0
Div. Yield	2025F	2026F	2027F
KLBF IJ	3.0%	3.4%	3.7%
ICBP IJ	3.0%	4.4%	4.9%
MYOR IJ	2.5%	2.6%	3.2%

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Oil price spike likely temporary, with limited earnings impact

- Apr-May25 domestic sales remained soft, suggesting weak purchasing power; but government stimulus should aid recovery.
- Our commodity analyst expects FY25F oil price to average at US\$60-70/bbl. We expect to see limited earnings impact from higher oil prices.
- Maintain Neutral rating on the sector, given the soft macro backdrop.

Overall Apr-May25 domestic sales was soft

Our conversation with several consumer staples names indicated soft domestic sales (flat to mid-single digit yoy) for Apr-May25, despite 6% yoy more working days in 2Q25F. This was due to a ban on truck deliveries during 4th week of Mar25 (vs. 1st week of Apr24). We view the soft Apr-May25 run-rate was driven by weaker purchasing power, coupled with a high base effect from 2Q24 with domestic sales grew by +5.4% yoy (vs. the 5-yr avg. of +2.4% yoy). Nonetheless, we expect domestic sales is likely to recover in Jun-Jul25F, supported by government stimulus (link to [report](#)). This recovery should be stronger than last year, which lacked comparable fiscal support.

GPM pressure from oil price spike likely limited and temporary

We expect the recent 13.8% MTD spike in Brent oil prices could negatively impact MYOR/ICBP/KLBF/UNVR/SIDO, as their packaging costs—linked to oil—represent 4.5%/2.7%/2.7%/20.0%/7.9% of COGS, respectively. Additionally, Brent oil also indirectly affects active pharmaceutical ingredient (API), with a typical 6-9 months lag. For KLBF, we estimate API material contributed 5.2% of COGS, posing medium-term risk to its GPM. However, our commodity analyst estimates the oil price spike to be temporary, and Brent oil price to stabilize at US\$60-70/bbl in FY25F (see [report](#)); thus, we estimate the impact of the recent Brent oil price spike will likely to be limited. Our sensitivity analysis shows that every 5% increase in Brent oil price could reduce FY25F earnings for MYOR/ICBP/KLBF/UNVR/SIDO by -2.0/-0.5/-0.6/-3.9/-0.5%, respectively (Fig. 4).

Higher CPO and sugar prices may pressure GPM in 3Q25F

We note that Brent oil's spike has begun to affect CPO prices, which are up 3.4% MTD. Meanwhile, sugar prices have yet to react, though we believe an upward adjustment may follow. This is based on positive correlation between Brent oil and ethanol prices (sugar derivative product) – (Fig. 2). To note, sugar and CPO combined account for 15.9/11.7/14.2% of COGS for MYOR/ICBP/UNVR, respectively. With inventory days at 59/55/51 days for MYOR/ICBP/UNVR, we expect GPM pressure from higher input costs to begin materializing in 3Q25F. Based on our sensitivity analysis, every 5% increase in combined CPO and sugar prices may reduce FY25F earnings for MYOR/ICBP/UNVR by -7.1/-2.2/-2.3%, respectively.

Maintain sector Neutral rating

On fund positioning, local funds are already well-positioned across staples names (Fig. 6-17); suggesting incremental buyers of the sector will likely come from foreign funds. In sum, we maintain our Neutral rating on the sector, with KLBF remaining our top pick, as we estimate its FY25F earnings could exceed the consensus estimate by 5.1%. (Fig. 3). Our pecking order for the sector is: KLBF>ICBP>MYOR>SIDO>UNVR. Risk to our call: elevated raw material prices.

Fig. 1: Indonesia staples valuation summary

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Ticker	Rating	Current	Target	Earnings yoy		P/E		ROE	
		price	price	growth					
		(Rp)	(Rp)	2025F	2026F	2025F	2026F	2025F	2026F
Staples									
ICBP	BUY	10,625	14,700	7.7%	11.6%	11.0	9.9	26.2%	25.5%
MYOR	BUY	2,070	2,750	2.7%	25.9%	15.0	11.9	16.5%	18.5%
SIDO	HOLD	500	625	7.3%	6.2%	11.9	11.2	35.1%	35.5%
INDF	BUY	8,200	11,200	12.0%	16.0%	5.7	4.9	18.3%	18.9%
KLBF	BUY	1,595	1,780	13.5%	7.8%	19.5	18.1	14.4%	14.4%
UNVR	HOLD	1,480	1,570	1.5%	-0.6%	16.4	16.5	157.3%	176.2%

Source: Bloomberg, Indo Premier

Fig. 2: Brent and ethanol price exhibits a positive correlation



Source: Bloomberg, Indo Premier

Fig. 3: Earnings upgrade

(Rp bn)	IPS FY25F	Consensus FY25F	Difference
MYOR	3,082	3,107	-0.8%
ICBP	11,215	10,104	11.0%
UNVR	3,437	3,839	-10.5%
KLBF	3,732	3,550	5.1%
SIDO	1,256	1,143	9.9%

Source: Company, Indo Premier

Fig. 4: Sensitivity analysis for brent oil

	Packaging cost related to oil as a % of total COGS	FY25F Earnings impact from 5% increase in Brent oil price
MYOR	4.5%	-2.0%
ICBP	2.7%	-0.5%
KLBF	2.7%	-0.6%
UNVR	20.0%	-3.9%
SIDO	7.9%	-0.5%

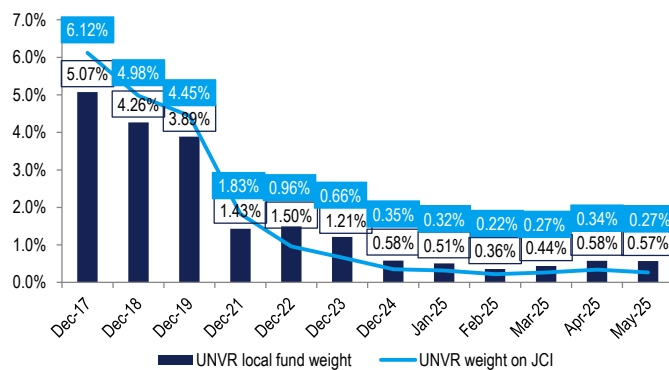
Source: Bloomberg, Indo Premier

Fig. 5: Sensitivity analysis for Sugar and CPO

	Sugar and CPO as a % of total COGS	FY25F Earnings impact from 5% increase in sugar and CPO price
MYOR	15.9%	-7.1%
ICBP	11.7%	-2.2%
UNVR	14.2%	-2.3%

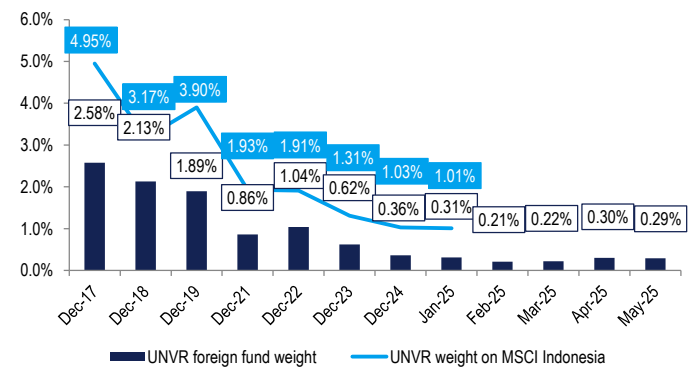
Source: Bloomberg, Indo Premier

Fig. 6: UNVR' local fund weight vs. JCI



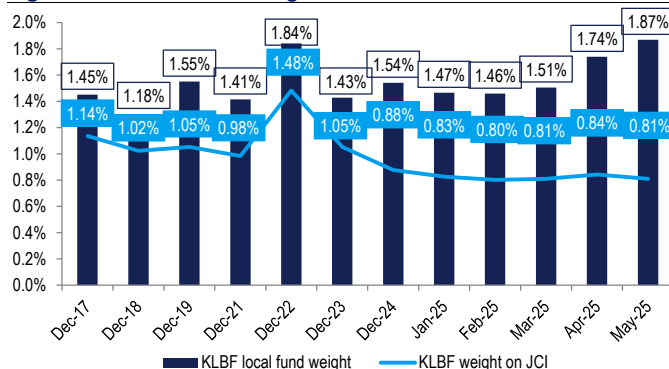
Source: KSEI, Indo Premier

Fig. 7: UNVR' foreign fund weight vs. MSCI



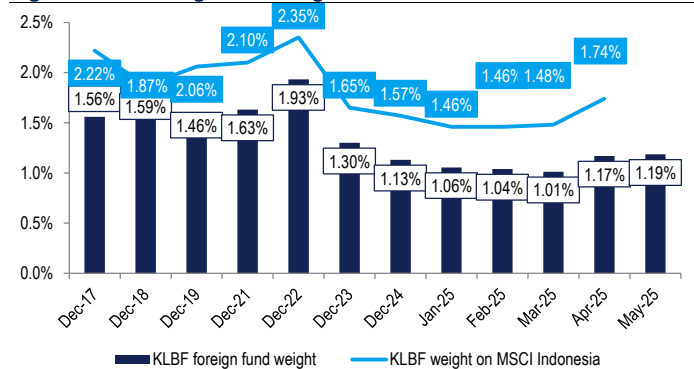
Source: KSEI, MSCI, Indo Premier

Fig. 8: KLBF' local fund weight vs. JCI



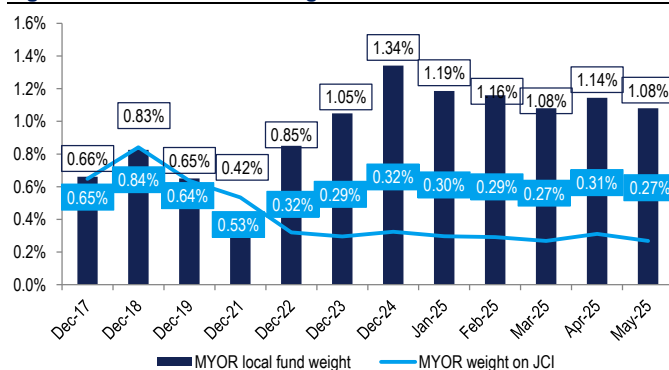
Source: KSEI, Indo Premier

Fig. 9: KLBF' foreign fund weight vs. MSCI



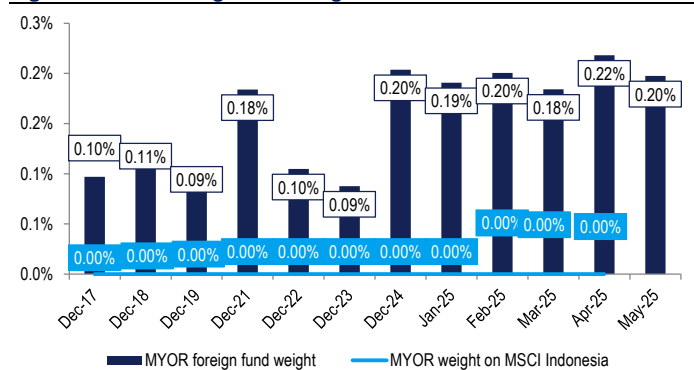
Source: KSEI, MSCI, Indo Premier

Fig. 10: MYOR' local fund weight vs. JCI



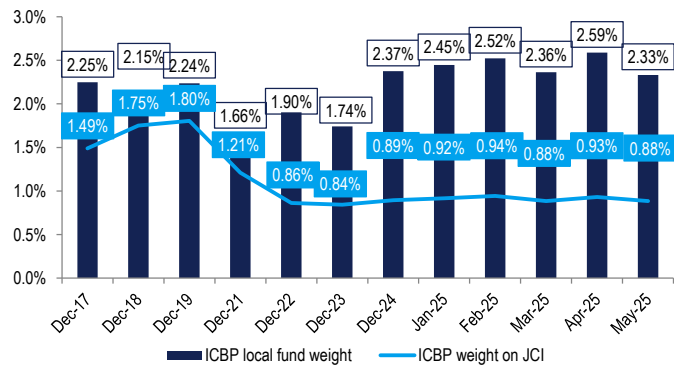
Source: KSEI, Indo Premier

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



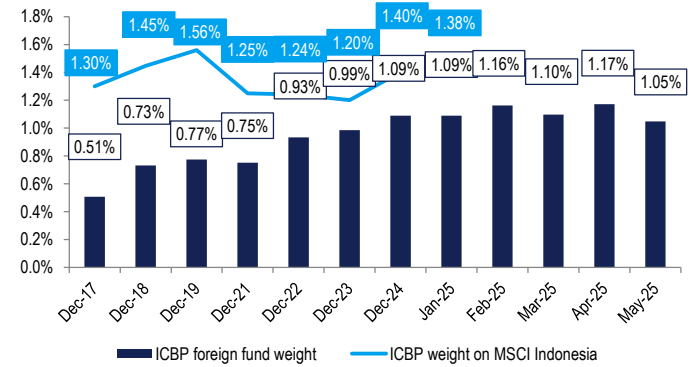
Source: KSEI, MSCI, Indo Premier

Fig. 12: ICBP' local fund weight vs. JCI



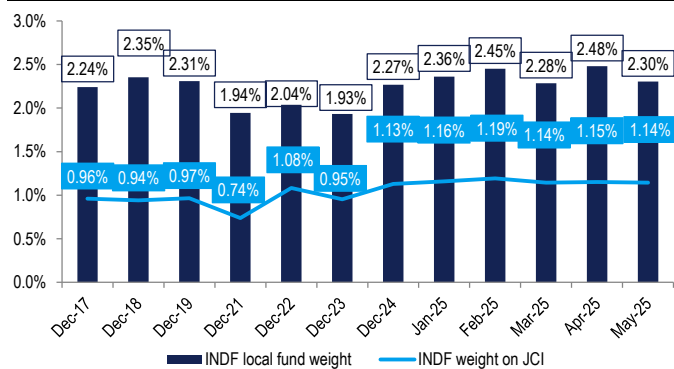
Source: KSEI, Indo Premier

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



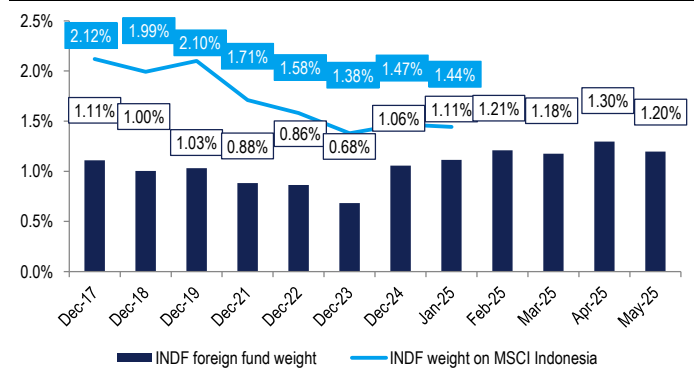
Source: KSEI, MSCI, Indo Premier

Fig. 14: INDF' local fund weight vs. JCI



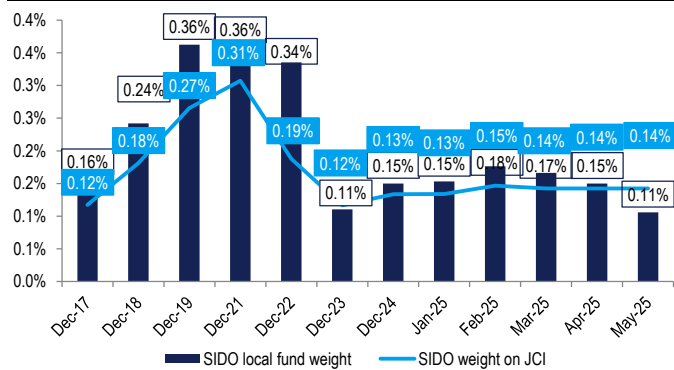
Source: KSEI, Indo Premier

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



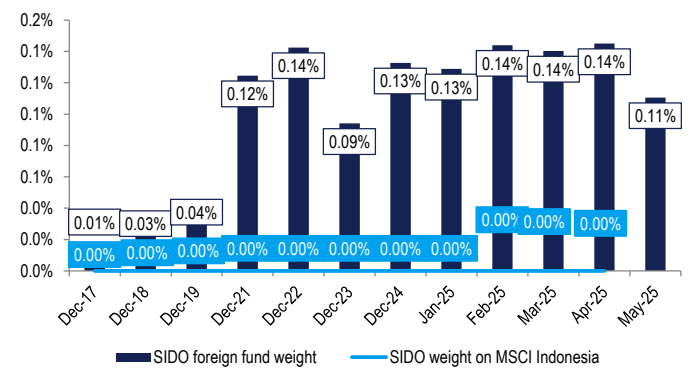
Source: KSEI, MSCI, Indo Premier

Fig. 16: SIDO' local fund weight vs. JCI



Source: KSEI, Indo Premier

Fig. 17: 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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