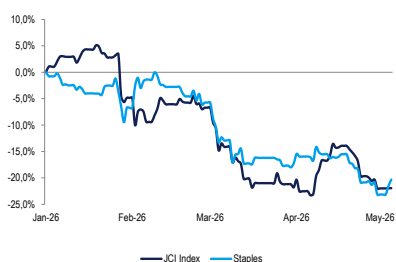


Sector Index Performance

	3M	6M	12M
Absolute	-17.9%	-22.9%	-25.0%
Relative to JCI	-0.9%	-3.7%	-28.8%



Summary Valuation Metrics

	2026F	2027F	2028F
<b>P/E (x)</b>			
CMRY IJ	16.1	13.8	12.0
ICBP IJ	7.1	6.6	6.1
MYOR IJ	11.9	10.5	9.3
<b>EV/EBITDA (x)</b>			
CMRY IJ	12.0	10.0	8.5
ICBP IJ	4.6	4.0	3.4
MYOR IJ	7.5	6.2	5.5
<b>Div. Yield</b>			
CMRY IJ	2.8%	3.2%	3.8%
ICBP IJ	7.1%	7.5%	8.2%
MYOR IJ	2.9%	3.4%	3.9%

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1Q26 recap: early sign of recovery; but risk from higher oil prices remains

- 1Q26 aggregate domestic sales growth of +4.4% yoy (vs. 5yr avg of +4.5% yoy) was partly dragged down by timing difference of Lebaran.
- Despite 2Q26F provides a favorable base effect, we remain cautious on prolonged higher Brent oil prices.
- Maintain Overweight, with top pick being MYOR and CMRY.

1Q26 domestic sales was impacted by the shift in Lebaran

1Q26 aggregate domestic sales grew by +4.4% yoy (vs. 5yr avg of +4.5% yoy) as the performance was partly dragged down by timing difference of Lebaran stock-up in Dec25 (vs. Jan25 for FY25 Lebaran). Our discussion with companies indicated that purchasing power showed signs of recovery in 1Q26, driven by the ramp-up in government spending (MBG program), which aided consumption. In terms of profitability, MYOR 1Q26 net profit was above consensus estimate, while ICBP/KLBF/CMRY/UNVR's were in-line and SIDO's below (Fig. 5).

MYOR recorded yoy GPM improvement, while others declined

Within our coverage, only MYOR recorded 1Q26 GPM improvement of +461bps yoy on the back of lower input costs (coffee/sugar/cocoa: -28.8/-24.6/-59.7% yoy). Meanwhile, CMRY/KLBF's 1Q26 GPM declined by -132/-288bps yoy amid higher skim milk prices (+8.6% yoy) and USD/IDR appreciation of +3.1% yoy. Moreover, ICBP/UNVR's 1Q26 GPM dropped to 34.8/48.2% (-137/-19bps yoy) due to higher CPO price (+12% yoy). SIDO's 1Q26 GPM fell to 50.5% (-178bps yoy) driven by change in product mix.

Remains cautious on near-term outlook

We note that 1Q26 was affected by fewer working days due to truck delivery ban from 13<sup>th</sup> to 29<sup>th</sup> Mar26 (vs. 24<sup>th</sup> Mar to 8<sup>th</sup> Apr25), suggesting that 2Q26F will have more working days at 58 days (vs. 53 days in 2Q25). Moreover, 2Q26F domestic sales will benefit from a favourable low base (2Q25's +0.9% yoy). Despite this, we remain cautious, particularly if government raises subsidized fuel (Pertalite) prices, which previously weighed on staples domestic sales in FY22-23 (Fig. 6).

KLBF/UNVR are the most impacted from higher CPO/brent oil prices

2Q26F Coffee/cocoa/sugar prices dropped by -9.6/-14.5/-2.9% qoq, which should positively impact MYOR (raw material contribution at 15/11/12.5% each). However, commodities affected by US-Iran war are wheat/CPO/brent oil which have risen by +8.8/8.8/32.2% since 1Q26. We note that Bogasari has yet to raise wheat prices as we estimate it still has a buffer of c.5% from the current price. Our sensitivity analysis showed that every 5% increase in CPO/brent oil price, it may decrease MYOR/KLBF/CMRY/ICBP/UNVR/SIDO's FY26F earnings by -5.3/-4.7/-1.9/-4.2/-6.4/-0.4%.

Maintain OW

In terms of fund positioning, most local funds are already well-positioned in the staples sector; hence, incremental buyers are likely to come from foreign funds. Interestingly, aggregate staples' earnings yield has reached 9% (vs. 10yr Indonesia Government bonds return of 6.8%). Overall, we maintain our OW rating with pecking order of: MYOR>CMRY>ICBP>KLBF>UNVR>SIDO. Risk to our call: prolonged ME tension and soft purchasing power.

**Fig. 1: Indonesia staples valuation summary**

Ticker	Rating	Current price (Rp)	Target price (Rp)	Earnings yoy growth		P/E		ROE		FY26F earnings yield
				2026F	2027F	2026F	2027F	2026F	2027F	
ICBP	BUY	6,725	12,600	10.0%	8.7%	7.1	6.6	22.9%	22.7%	14.1%
MYOR	BUY	1,785	2,700	17.2%	13.6%	11.9	10.5	16.0%	16.4%	8.4%
SIDO	HOLD	480	625	6.1%	4.9%	11.0	10.5	41.6%	43.4%	9.1%
INDF	BUY	6,950	9,300	10.2%	10.8%	4.9	4.4	16.4%	16.7%	20.4%
KLBF	BUY	850	1,980	0.2%	7.7%	10.4	9.7	13.8%	13.3%	9.6%
UNVR	HOLD	1,640	2,100	13.7%	7.0%	15.6	14.5	150.5%	253.7%	6.4%
CMRY	BUY	4,700	6,300	13.7%	16.7%	16.1	13.8	31.1%	30.6%	6.2%

Source: Bloomberg, Indo Premier

**Fig. 2: Indonesia staples 1Q26 sales summary**

Ticker	1Q26	1Q25	% YoY	4Q25	% QoQ	IPS FY26F	% of IPS	Cons FY26F	% of Cons	5yr avg
ICBP	21,716	20,186	7.6%	18,584	16.9%	78,348	28%	79,689	27%	27%
MYOR	9,392	9,860	-4.7%	11,524	-18.5%	41,834	22%	41,638	23%	26%
SIDO	640	789	-18.8%	1,351	-52.6%	4,355	15%	4,261	15%	23%
UNVR	8,443	8,210	2.8%	4,330	95.0%	33,112	26%	34,565	24%	26%
KLBF	9,678	8,788	10.1%	9,336	3.7%	38,491	25%	37,857	26%	25%
CMRY	3,117	2,437	27.9%	2,851	9.3%	12,407	25%	12,364	25%	23%
<b>Indo's Staples</b>	<b>44,543</b>	<b>42,060</b>	<b>5.9%</b>	<b>43,646</b>	<b>2.1%</b>	<b>175,436</b>	<b>25%</b>	<b>175,809</b>	<b>25%</b>	

Source: Bloomberg, Indo Premier

**Fig. 3: Indonesia staples 1Q26 GPM summary**

Ticker	1Q26	1Q25	% YoY	4Q25	% QoQ
ICBP	34.8%	36.1%	-138 bps	34.7%	3 bps
MYOR	26.6%	21.9%	461 bps	23.7%	287 bps
SIDO	50.5%	52.3%	-178 bps	60.6%	-1011 bps
UNVR	48.2%	48.4%	-19 bps	37.2%	1100 bps
KLBF	38.3%	41.2%	-289 bps	37.5%	84 bps
CMRY	43.2%	44.5%	-132 bps	44.9%	-170 bps
<b>Indo's Staples</b>	<b>34.6%</b>	<b>34.7%</b>	<b>-4 bps</b>	<b>33.9%</b>	<b>75 bps</b>

Source: Company, Indo Premier

**Fig. 4: Indonesia staples 1Q26 EBIT margin summary**

Ticker	1Q26	1Q25	% YoY	4Q25	% QoQ
ICBP	20.8%	22.2%	-137 bps	20.0%	76 bps
MYOR	12.5%	8.6%	395 bps	11.6%	94 bps
SIDO	26.7%	35.0%	-830 bps	39.1%	-1248 bps
UNVR	18.9%	17.5%	141 bps	4.1%	1480 bps
KLBF	13.6%	15.7%	-216 bps	14.3%	-71 bps
CMRY	20.2%	20.7%	-59 bps	16.7%	343 bps
<b>Indo's Staples</b>	<b>17.5%</b>	<b>17.8%</b>	<b>-27 bps</b>	<b>16.9%</b>	<b>57 bps</b>

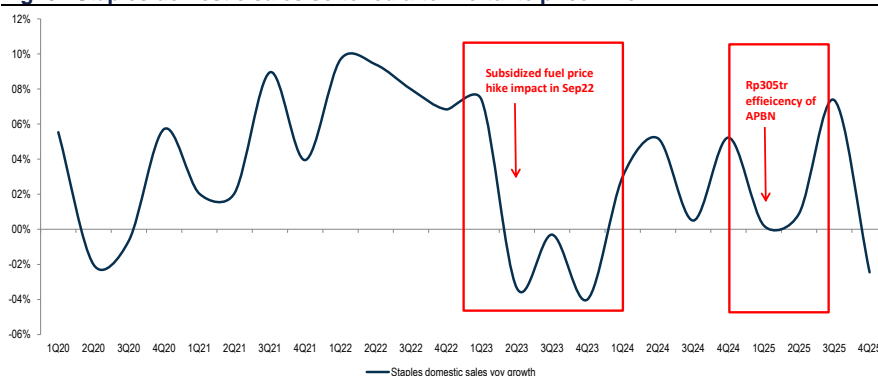
Source: Company, Indo Premier

**Fig. 5: Indonesia staples 1Q26 net profit summary**

Ticker	1Q26	1Q25	% YoY	4Q25	% QoQ	IPS FY26F	% of IPS	Cons FY26F	% of Cons	5yr avg
ICBP*	2,950	3,076	-4.1%	2,290	28.8%	10,979	27%	10,137	29%	31%
MYOR	946	689	37.2%	1,016	-6.9%	3,388	28%	3,299	29%	25%
SIDO	147	233	-36.8%	411	-64.2%	1,304	11%	1,271	12%	26%
UNVR*	1,253	1,098	14.1%	199	528.0%	4,022	31%	4,394	29%	28%
KLBF	1,029	1,077	-4.4%	1,034	-0.5%	3,950	26%	3,866	27%	27%
CMRY	555	480	15.7%	432	28.5%	2,311	24%	2,263	25%	24%
<b>Indo's Staples</b>	<b>5,627</b>	<b>5,555</b>	<b>1.3%</b>	<b>5,182</b>	<b>8.6%</b>	<b>21,932</b>	<b>26%</b>	<b>20,836</b>	<b>27%</b>	

Source: Bloomberg, Indo Premier

**Fig. 6: Staples domestic sales softened after Peralite price hike**



Source: Company, Indo Premier

**Fig. 7: Sensitivity analysis on FY26F earnings**

FY26F Net Profit impact from 5% increase in CPO/Brent prices	
MYOR	-5.3%
ICBP	-4.2%
KLBF	-4.7%
UNVR	-6.4%
SIDO	-0.4%
CMRY	-1.9%

Source: Company, Indo Premier

**Fig. 8: Indonesia's staples is traded at 9.5x fwd. 12M PE (-2.3 s.d. from its 5yr mean)**



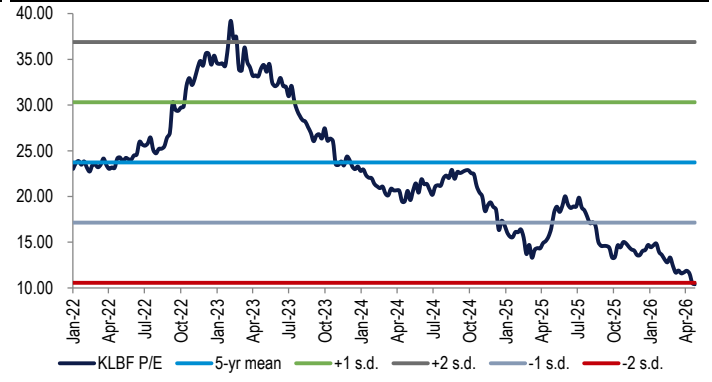
Source: Bloomberg, Indo Premier

**Fig. 9: MYOR is traded at 10.7x fwd. 12M PE (-2.7 s.d. from its 5yr mean)**



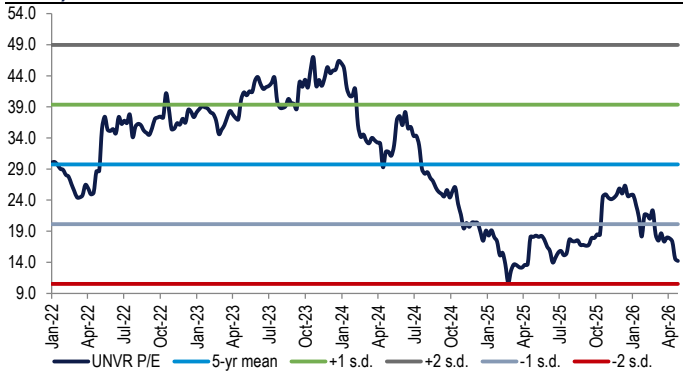
Source: Bloomberg, Indo Premier

**Fig. 10: KLBF is traded at 10.4x fwd. 12M PE (-2.0 s.d. from its 5yr mean)**



Source: Bloomberg, Indo Premier

**Fig. 11: UNVR is traded at 14.2x fwd. 12M PE (-1.6 s.d. from its 5yr mean)**



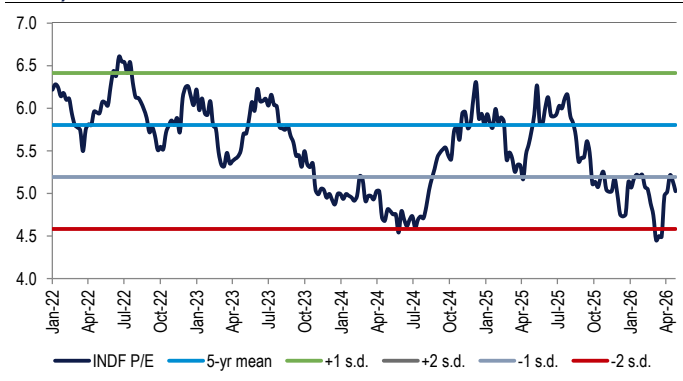
Source: Bloomberg, Indo Premier

**Fig. 12: ICBP is traded at 7.0x fwd. 12M PE (-3.0 s.d. from its 5yr mean)**



Source: Bloomberg, Indo Premier

**Fig. 13: INDF is traded at 5.0x fwd. 12M PE (-1.3 s.d. from its 5yr mean)**



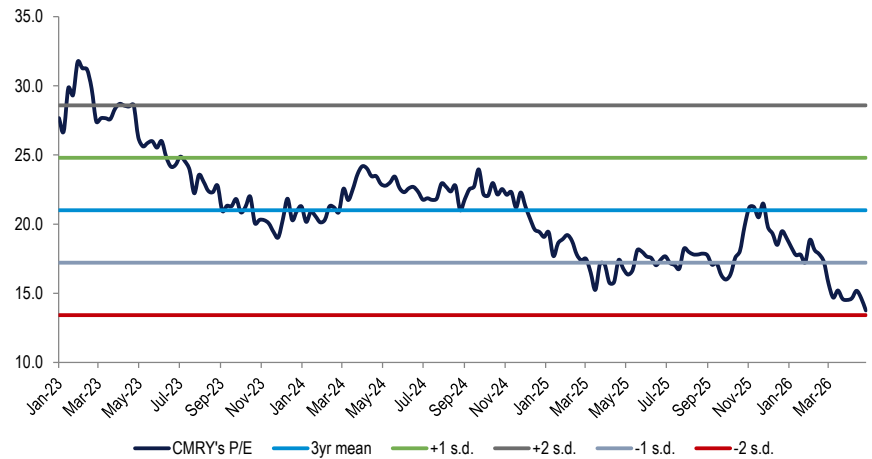
Source: Bloomberg, Indo Premier

**Fig. 14: SIDO is traded at 11.3x fwd. 12M PE (-1.4 s.d. from its 5yr mean)**



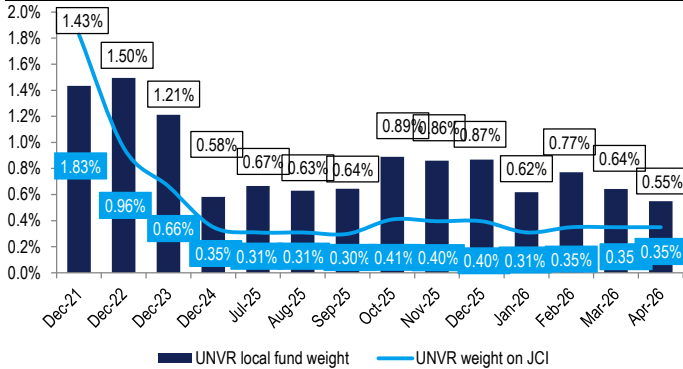
Source: Bloomberg, Indo Premier

**Fig. 15: CMRY is traded at 13.8x fwd. 12M PE (-1.9 s.d. from its 5yr mean)**



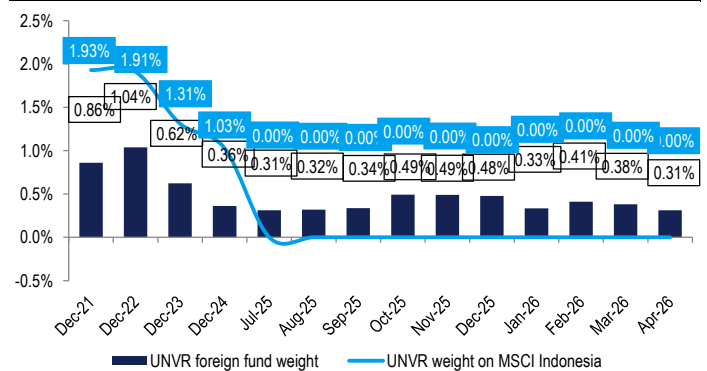
Source: Bloomberg, Indo Premier

**Fig. 16: UNVR's local fund weight vs. JCI**



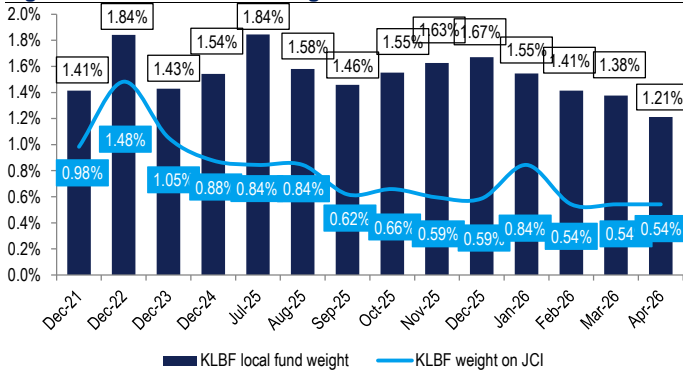
Source: KSEI, Indo Premier

**Fig. 17: UNVR's foreign fund weight vs. MSCI**



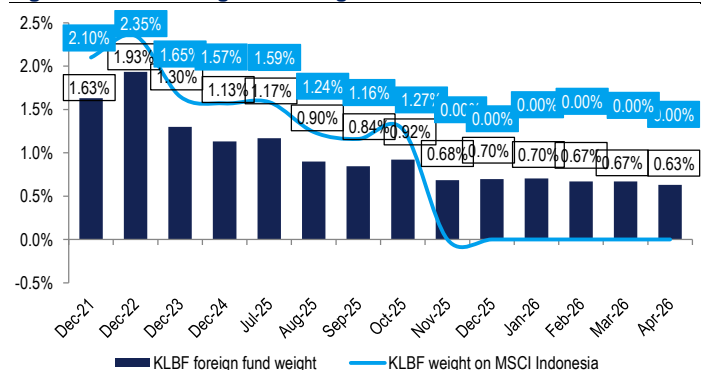
Source: KSEI, MSCI, Indo Premier

**Fig. 18: KLBF's local fund weight vs. JCI**



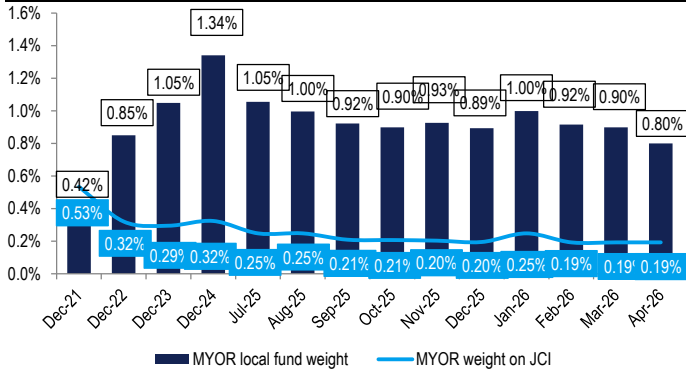
Source: KSEI, Indo Premier

**Fig. 19: KLBF's foreign fund weight vs. MSCI**



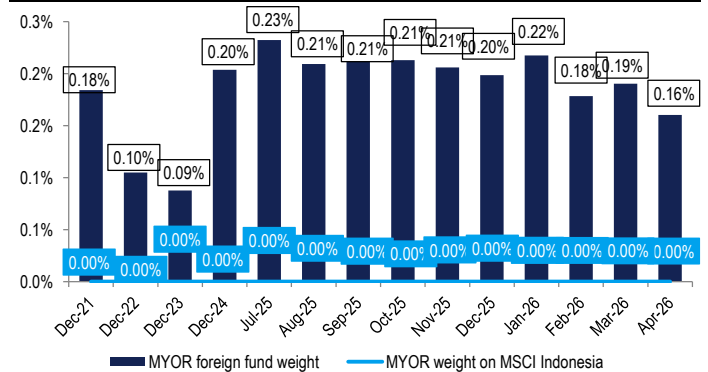
Source: KSEI, MSCI, Indo Premier

**Fig. 20: MYOR's local fund weight vs. JCI**



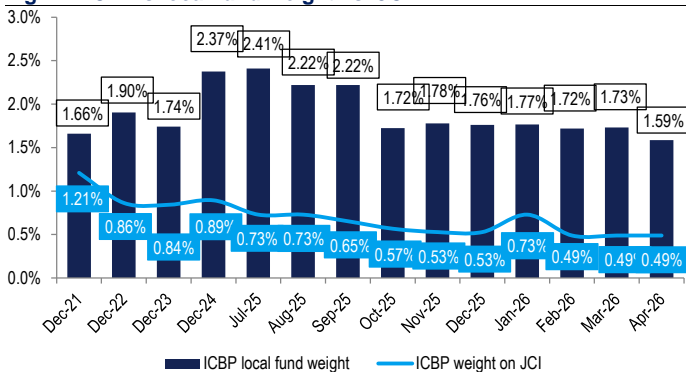
Source: KSEI, Indo Premier

**Fig. 21: MYOR's foreign fund weight vs. MSCI**



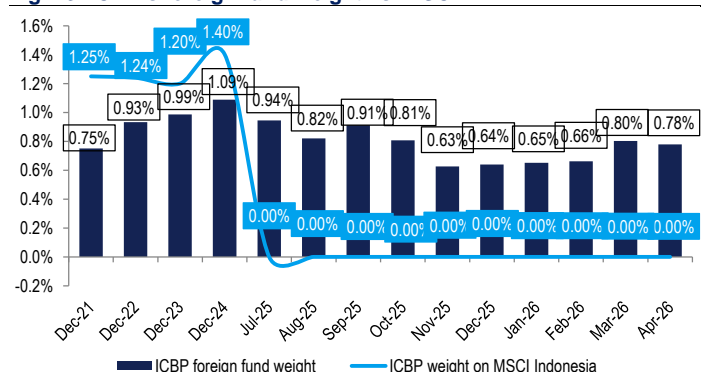
Source: KSEI, MSCI, Indo Premier

**Fig. 22: ICBP's local fund weight vs. JCI**



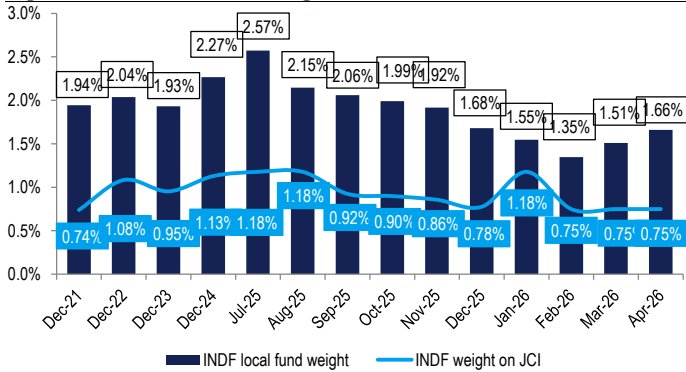
Source: KSEI, Indo Premier

**Fig. 23: ICBP's foreign fund weight vs. MSCI**



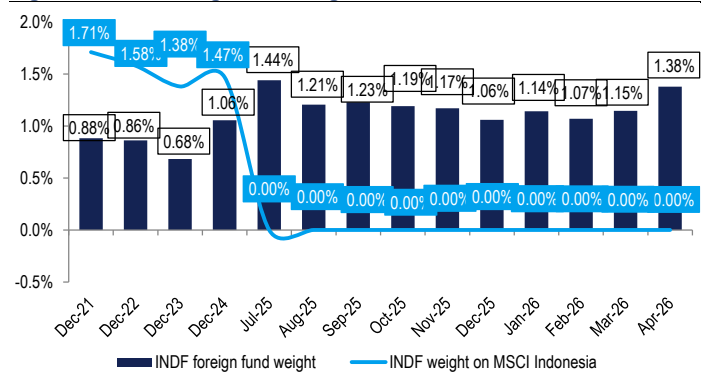
Source: KSEI, MSCI, Indo Premier

**Fig. 24: INDF's local fund weight vs. JCI**



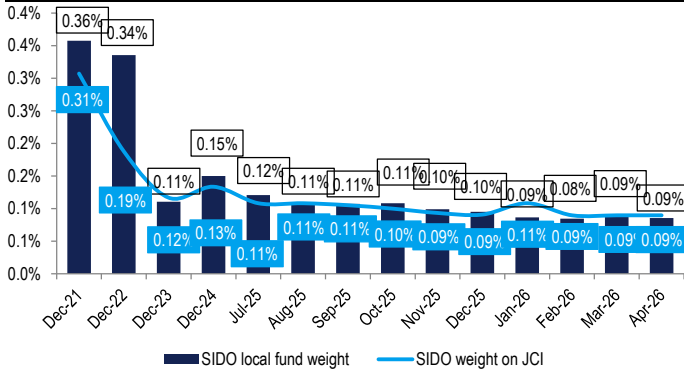
Source: KSEI, Indo Premier

**Fig. 25: INDF's foreign fund weight vs. MSCI**



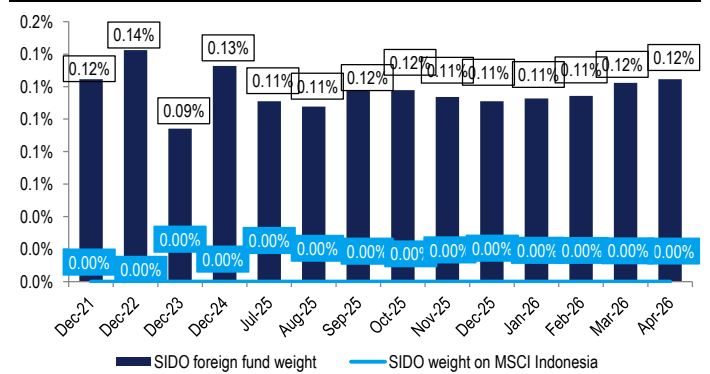
Source: KSEI, MSCI, Indo Premier

**Fig. 26: SIDO's local fund weight vs. JCI**



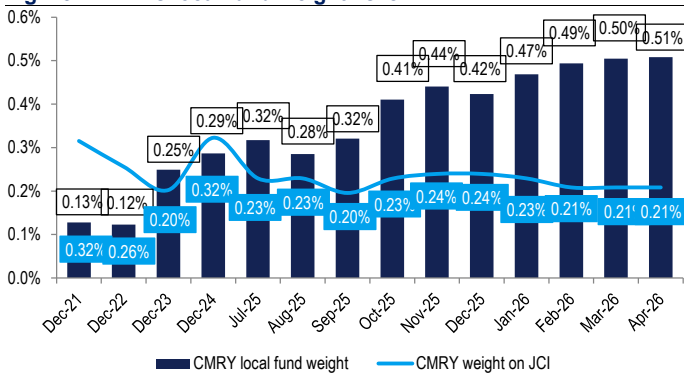
Source: KSEI, Indo Premier

**Fig. 27: SIDO's foreign fund weight vs. MSCI**



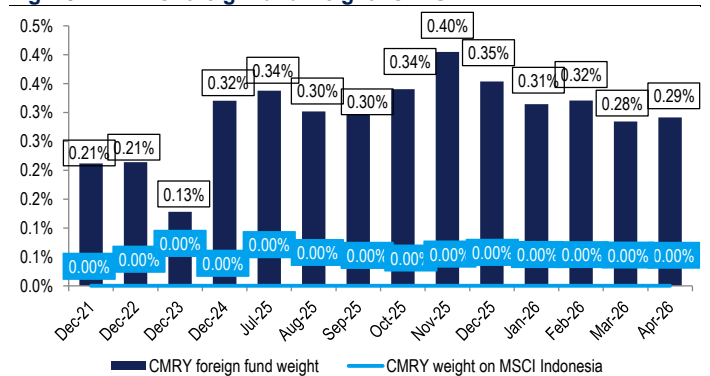
Source: KSEI, MSCI, Indo Premier

**Fig. 28: CMRY's local fund weight vs. JCI**



Source: KSEI, Indo Premier

**Fig. 29: CMRY's 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

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