

Indofood Sukses Makmur

BUY (unchanged)

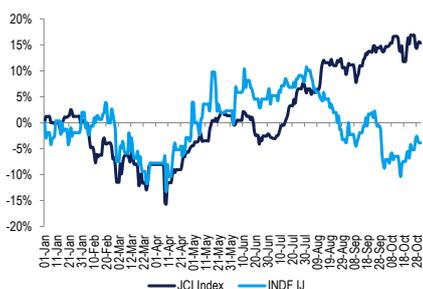
Company Update | Consumer Staples | INDF IJ | 31 October 2025

Stock Data

Target price	Rp11,200
Prior TP	Rp11,200
Current price	Rp7,400
Upside/downside	+51.4%
Shares outstanding (mn)	8,780
Market cap (Rp bn)	64,975
Free float	50%
Avg. 6m daily T/O (Rp bn)	59

Price Performance

	3M	6M	12M
Absolute	-13.2%	-7.5%	1.4%
Relative to JCI	-22.3%	-28.1%	-7.4%
52w low/high (Rp)	6,675 – 8,525		



Major Shareholders

FPIML	50.1%
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3Q25 result: CPO margin softness led to earnings miss; in-line with consensus

- 9M25 core profit of Rp8.4tr (+1.4% yoy) was in-line with consensus estimates at 76% (vs. 5yr avg of 76%), but below ours at 66%.
- 3Q25 EBIT growth of +12.4% yoy was driven by non-CBP segments (+25.3% yoy) versus CBP's +6.8% yoy.
- Maintain BUY rating with an unchanged TP of Rp11,200, pending further details from the earnings call.

9M25 core profit was in-line with consensus estimate

INDF booked 9M25 core profit of Rp8.4tr (+1.4% yoy), in-line with consensus estimate at 76% (vs. 5yr avg of 73%) but below ours at 66%. This was mainly due to softer 3Q25 Agriculture EBIT margin of -327bps yoy despite higher CPO price of +6.9% yoy. 9M25 revenue grew by 4.6% yoy to Rp90.9tr, in-line with our/consensus estimates at 74/75% (vs. 5yr avg of 74%). 9M25 GPM declined to 33.3% (-89bps yoy), while opex-to-sales improved to 14.5% (-90bps yoy), resulting in a stable EBIT margin of 18.7% (+1bps yoy).

3Q25 sales growth was driven by agribusiness segment

3Q25 revenue increased to Rp31.1tr (+5.0% yoy), primarily driven by agribusiness sales growth of +31% yoy, compared to CBP/Distribution/Bogasari at +0.4%/+5.1%/+5.1% yoy, respectively. 3Q25 GPM increased to 33.5% (+15bps yoy), while opex-to-sales declined to 14.5% (-109bps yoy), supported by lower A&P-to-sales (-88bps yoy) and freight-to-sales (-26bps yoy) ratios. In sum, 3Q25 core profit stood at Rp2.6tr (+0.4% yoy).

Non-CBP segment drives overall profitability

The agribusiness segment posted 3Q25 EBIT of Rp1.1tr (+11.8% yoy), supported by higher CPO price of +6.9% yoy, though EBIT margin declined to 19.2% (-327bps yoy). Meanwhile, Bogasari's EBIT margin rose significantly to 9.5% (+274bps yoy), benefiting from lower wheat prices (-4.0% yoy), and came in above the company's FY25F guidance of 6–8%. CBP's EBIT margin also improved to 21.0% (+127bps yoy) – [link](#). Overall, non-CBP EBIT growth of +25.3% yoy outpaced the CBP's +6.8% yoy.

Maintain Buy rating with unchanged TP of Rp11,200

We are reviewing our forecasts pending details from the upcoming earnings call. For now, we maintain our BUY rating with an unchanged TP of Rp11,200, based on SOTP valuation methodology, implying 7.7x FY25F PE. Risk to our call: weaker-than-expected CPO prices.

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
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)	6.6	5.7	5.1	4.4	3.8
EV/EBITDA (x)	4.0	3.3	2.4	1.8	1.3
Dividend yield	3.8%	3.8%	4.0%	6.4%	6.8%
Forecast change			0%	0%	0%
IPS vs. consensus			115%	122%	125%

Source: Company, Indo Premier

Share price closing as of: 31 October 2025

Fig. 1: INDF 3Q25 earnings summary

(Rp bn)	3Q25	3Q24	% YoY	2Q25	% QoQ	9M25	9M24	% YoY	IPS FY25F	% of IPS	Cons FY25F	% of Cons	5yr avg
Net sales	31,138	29,647	5.0%	28,288	10.1%	90,981	86,944	4.6%	123,408	74%	121,608	75%	74%
COGS	(20,705)	(19,760)	4.8%	(19,345)	7.0%	(60,720)	(57,250)	6.1%					
Gross profit	10,432	9,888	5.5%	8,943	16.7%	30,261	29,694	1.9%					
Operating expense	(4,530)	(4,636)	-2.3%	(4,070)	11.3%	(13,229)	(13,422)	-1.4%					
EBIT	5,903	5,252	12.4%	4,873	21.1%	17,032	16,272	4.7%	25,216	68%	22,987	74%	69%
Others	(1,410)	3,115	-145.3%	439	-420.9%	(2,334)	(425)	449.4%					
PBT	4,493	8,367	-46.3%	5,313	-15.4%	14,698	15,847	-7.2%					
Tax	(1,225)	(1,924)	-36.3%	(1,126)	8.8%	(3,330)	(3,562)	-6.5%					
Minorities	(1,225)	(1,536)	-20.3%	(1,073)	14.2%	(3,487)	(3,524)	-1.1%					
NPATMI	2,043	4,907	-58.4%	3,114	-34.4%	7,881	8,761	-10.0%					
Core profit	2,640	2,630	0.4%	2,509	5.2%	8,420	8,300	1.4%	12,696	66%	11,036	76%	73%
Margin (%)													
Gross margin	33.5%	33.4%	0.15%	31.6%	1.89%	33.3%	34.2%	-0.89%					
EBIT margin	19.0%	17.7%	1.24%	17.2%	1.73%	18.7%	18.7%	0.01%					
Net margin	6.6%	16.5%	-9.99%	11.0%	-4.45%	8.7%	10.1%	-1.41%					
Core profit margin	8.5%	8.9%	-0.39%	8.9%	-0.39%	9.3%	9.5%	-0.29%					
	-14.5%	-15.6%	1.09%	-14.4%	-0.16%	-14.5%	-15.4%	0.90%					
Information segment													
Revenue													
CBP	18,864	18,792	0.4%	17,572	7.4%	56,406	55,567	1.5%					
Bogasari	7,795	7,418	5.1%	7,086	10.0%	22,833	22,827	0.0%					
Agribusiness	5,526	4,222	30.9%	4,568	21.0%	14,889	11,239	32.5%					
Distribution	1,787	1,702	5.1%	1,781	0.4%	5,576	5,301	5.2%					
Elimination	(2,834)	(2,485)		(2,720)		(8,723)	(7,990)						
EBIT													
CBP	3,966	3,713	6.8%	3,486	13.8%	11,832	12,252	-3.4%					
Bogasari	744	505	47.5%	644	15.6%	2,017	1,719	17.3%					
Agribusiness	1,058	947	11.8%	652	62.3%	2,705	1,884	43.6%					
Distribution	121	84	44.5%	89	36.2%	459	397	15.7%					
Elimination	14	5		2		20	20						
EBIT margin													
CBP	21.0%	19.8%		19.8%		21.0%	22.0%						
Bogasari	9.5%	6.8%		9.1%		8.8%	7.5%						
Agribusiness	19.2%	22.4%		14.3%		18.2%	16.8%						
Distribution	6.8%	4.9%		5.0%		8.2%	7.5%						

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>		<i>(2,277)</i>	
Total		165,982	
<i>Less: holding discount</i>		<i>(68,053)</i>	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 4.5x 12M fwd. P/E, or around 1.4 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

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