

PT Indofood CBP Sukses Makmur Tbk (ICBP)

Company Focus

Monday, September 15, 2025

Profitability Holds Firm Despite Rising Input Costs

Resilient sales performance driven by exports. In 1H25, ICBP recorded sales of IDR 37.6tn (+1.7% YoY), underpinned by steady growth in the Noodles segment to IDR 27.2tn (+2.5% YoY). Food Seasonings posted the strongest performance (+8.3% YoY), while Beverages saw the sharpest decline (-12.1% YoY). On a quarterly basis, 2Q25 revenue slipped to IDR 17.4tn (-13.7% QoQ), though still edged up YoY (+2.2%) amid weaker purchasing power and a sluggish post-Eid recovery. Importantly, exports continued to act as the main growth driver, with Middle East & Africa sales jumping to IDR 9.7tn (+21.3% YoY), effectively offsetting flat domestic sales of IDR 26.6tn (+0.4% YoY).

Margin pressure from higher raw material costs. Gross profit came under pressure in 1H25, with COGS rising to IDR 24.5tn (+6.5% YoY) and gross profit falling to IDR 13.1tn (-6.1% YoY). Gross margin narrowed to 34.9% (vs. 37.8% in 1H24), driven by higher raw material costs, particularly CPO (+16.5% YoY). The surge in CPO prices was fuelled by India's May 2025 decision to halve the import duty on crude edible oils, coupled with stronger crude oil prices amid geopolitical tensions. As CPO accounts for ~20% of noodles COGS, margin pressure was inevitable, though partly mitigated by ICBP's ~3% ASP increase in February 2025.

Sharp decline in financial expenses boosted earnings. Financial expenses dropped sharply to IDR 1.29tn (-66% YoY), primarily due to a steep reduction in forex losses from financing activities (IDR 227.3bn vs. IDR 2.7tn in 1H24). ICBP's long-term debt, including current maturities, stood at IDR 44.6tn in US Dollar terms as of 1H25. Supported by lower financing costs, profit before tax climbed to IDR 7.74tn (+40.0% YoY), alongside higher other operating income of IDR 685bn (+69.5% YoY). Consequently, net profit jumped to IDR 5.54tn (+56.5% YoY), with 2Q25 earnings surging to IDR 2.9tn (+142.9% YoY). Net margin improved markedly to 14.7% in 1H25 (vs. 9.6% in 1H24).

Macroeconomic resilience and government stimulus. Despite rising commodity costs, softer consumer purchasing power, and political uncertainties, Indonesia's economy showed resilience in 2Q25. GDP growth came in at 5.12% YoY, exceeding expectations, while consumer confidence stayed above the 100 threshold, recovering from 117.5 in May to 118.1 in July 2025. To further support demand, the government rolled out IDR 24.4tn in stimulus during June–July 2025, including transport subsidies, toll discounts, electricity tariff cuts, and accelerated infrastructure spending. These measures are expected to provide a buffer for household consumption, helping to stabilize demand for consumer staples.

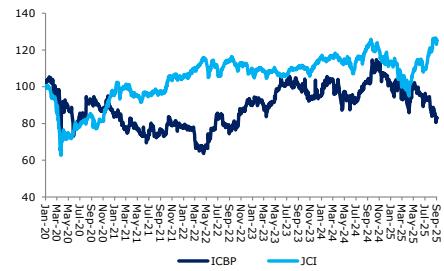
Strong export momentum to drive growth. We forecast ICBP's revenue to reach IDR 80.1tn (+37.4%) in FY25F and IDR 85.2tn (+18.6% YoY) in FY26F, supported by the growing strength of its instant noodles franchise in international markets. Export contribution rose to 25.8% of 1H25 sales (vs. 21.7% in 1H23), with noodle volumes up 13% YoY abroad compared to just 1% domestically. Profitability is expected to remain resilient despite commodity price fluctuations, underpinned by the company's strong pricing power, as evidenced in 1Q25 when ASP hikes were absorbed without volume erosion.

Valuation. We reiterate our Buy rating on ICBP with a TP of IDR 12,450 (+38.7% upside), based on a blended DCF approach. This implies FY25F and FY26F P/E multiples of 14.9x and 12.6x, respectively, while the stock currently trades at just 9.6x FY25F P/E, below -2SD of its 5-year historical mean. With robust export growth, resilient margins, and an undemanding valuation, ICBP remains well-positioned. Key downside risks include slower consumer recovery, persistent commodity inflation, and Rupiah depreciation against the USD.

Year	Revenue	OP	Pre-tax	NP	EPS	BPS	PER	EV/EBITDA	PBV	ROE
	(Bn Rp)	(Bn Rp)	(Bn Rp)	(Bn Rp)	(Rp)	(Rp)	(x)	(x)	(x)	(%)
2023	67,910	14,388	11,445	6,991	599	3,494	17.6	8.9	3.0	17.2%
2024	72,597	16,321	11,499	7,079	607	3,877	18.7	8.1	2.9	15.7%
2025F	80,102	18,013	15,747	9,727	834	4,509	17.3	8.8	3.2	18.5%
2026F	85,194	19,260	18,424	11,533	989	5,220	14.6	7.9	2.8	18.9%
2027F	90,541	20,281	19,738	12,432	1,066	5,956	13.5	7.3	2.4	17.9%

Buy	
Current Price (IDR) (12/9)	9,250
Target price (IDR)	12,450
Upside/Downside (%)	34.6%
52 Week High (IDR)	12,875
52 Week Low (IDR)	8,650
Major Shareholders:	
PT Indofood Sukses Makmur	80.53%
Public	19.47%

Stock Price Movement



Source: Bloomberg, Shinhan Sekuritas Indonesia

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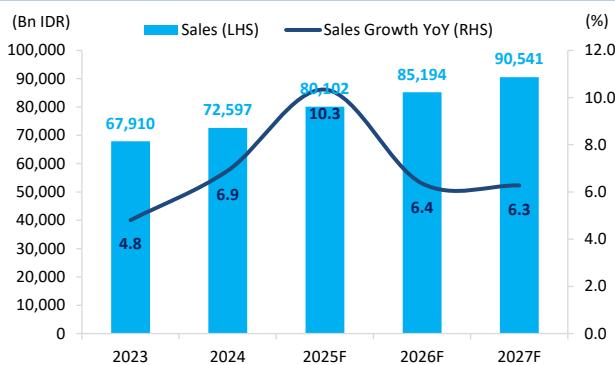
Company Focus

Financial highlights

Bn IDR	1Q25	2Q25	QoQ	2Q24	YoY	6M24	6M25	YoY
Revenue	20,186	17,415	-13.7%	17,039	2.2%	36,961	37,601	1.7%
Gross Profit	7,294	5,828	-20.1%	6,381	-8.7%	13,983	13,123	-6.2%
Operating Expenses	2,141	2,505	17.0%	2,407	4.1%	5,090	4,647	-8.7%
Operating Income	5,153	3,323	-35.5%	3,974	-16.4%	8,893	8,476	-4.7%
Pretax Income	3,730	4,012	7.6%	2,133	88.1%	5,532	7,742	40.0%
Net Income	2,657	2,879	8.4%	1,186	142.9%	3,538	5,536	56.5%
%								
Gross Margin	36.1%	33.5%			37.5%		37.8%	34.9%
Operating Margin	25.5%	19.1%			23.3%		24.1%	22.5%
Net Income Margin	13.2%	16.5%			7.0%		9.6%	14.7%

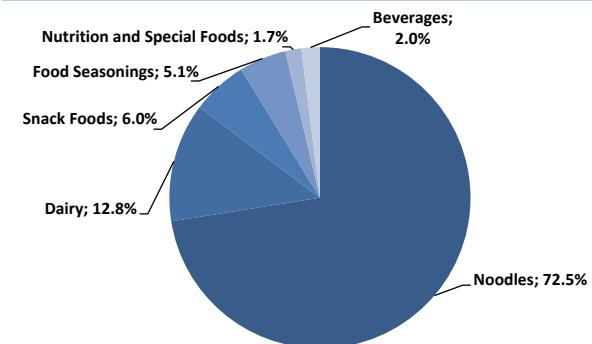
Source: Company, Shinhan Sekuritas Indonesia

ICBP revenue trend



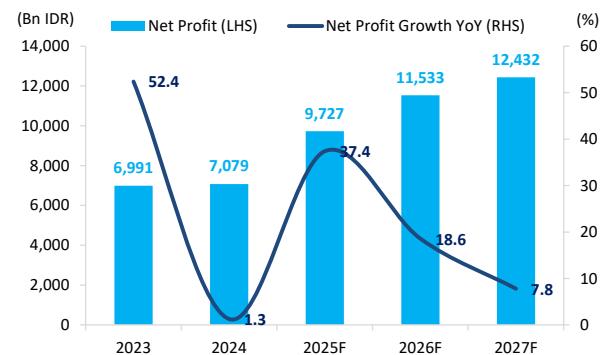
Source: Company, Shinhan Sekuritas Indonesia

ICBP revenue breakdown (6M25)



Source: Company, Shinhan Sekuritas Indonesia

ICBP net profit trend



Source: Company, Shinhan Sekuritas Indonesia

ICBP profitability trend



Source: Company, Shinhan Sekuritas Indonesia

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ICBP P/E Band



Source: Company, Shinhan Sekuritas Indonesia

ICBP P/BV Band



Source: Company, Shinhan Sekuritas Indonesia

Income Statement

Year-End 31 Dec (Bn IDR)	2023	2024	2025F	2026F	2027F
Revenue	67,910	72,597	80,102	85,194	90,541
COGS	-42,784	-45,704	-50,382	-53,435	-56,894
Gross Profit	25,126	26,893	29,720	31,759	33,647
EBITDA	15,764	17,786	19,602	20,966	22,097
Operating Expenses	-10,739	-10,572	-11,707	-12,499	-13,366
Operating Profit	14,388	16,321	18,013	19,260	20,281
Pre-Tax Profit	11,445	11,499	15,747	18,424	19,738
Income Tax Expenses	-2,980	-2,686	-3,963	-4,237	-4,462
Net Profit	6,991	7,079	9,727	11,533	12,432
EPS (IDR)	599	607	834	989	1,066

Source: Company, Shinhan Sekuritas Indonesia

Balance Sheet

Year-End 31 Dec (Bn IDR)	2023	2024	2025F	2026F	2027F
Assets					
Cash & Cash Equivalents	19,353	25,293	23,916	25,820	26,327
Accounts Receivable	7,524	8,792	8,569	9,068	10,601
Inventories	6,329	7,060	7,417	7,905	9,259
Other Current Assets	3,566	3,524	3,625	3,650	3,784
Total Current Assets	36,773	44,668	43,526	46,443	49,970
Net Fixed Assets	14,711	15,266	15,604	15,960	16,350
Other Assets	67,783	66,107	66,382	66,659	66,937
Total Assets	119,267	126,041	125,513	129,063	133,258
Liabilities and equities					
Accounts Payables	6,505	6,569	4,763	5,305	5,366
Other Short-Term Liabilities	3,959	4,356	4,806	5,112	5,433
Total Current Liabilities	10,464	10,925	9,570	10,416	10,798
Long-Term Borrowings	43,184	44,874	38,337	32,752	27,980
Other Long-Term Liabilities	3,514	3,198	3,198	3,198	3,198
Total Liabilities	57,163	58,997	51,104	46,366	41,976
Minority Interest	21,354	21,827	21,827	21,827	21,827
Total Equity	62,104	67,044	74,409	82,697	91,281
BVPS (IDR)	3,494	3,877	4,509	5,220	5,956

Source: Company, Shinhan Sekuritas Indonesia

Cash Flows

Year-End 31 Dec (Bn IDR)	2023	2024	2025F	2026F	2027F
Net Profit	6,991	7,079	9,727	11,533	12,432
Change in Working Capital	2,456	-68	-65	1,497	-868
CFs from Operating	9,446	7,012	9,662	13,030	11,564
CFs from Investing	-1,665	-238	-2,203	-2,339	-2,483
CFs from Financing	-4,140	-937	-8,836	-8,787	-8,574
Net Inc./ (Dec.) in Cash	3,642	5,837	-1,377	1,904	507
Cash at End. Period	19,353	25,190	23,916	25,820	26,327

Source: Company, Shinhan Sekuritas Indonesia

Key Ratio

Year-End 31 Dec	2023	2024	2025F	2026F	2027F
Profitability					
Gross Margin	37.0%	37.0%	37.1%	37.3%	37.2%
Operating Margin	21.2%	22.5%	22.5%	22.6%	22.4%
EBITDA Margin	23.2%	24.5%	24.5%	24.6%	24.4%
Profit Margin	10.3%	9.8%	12.1%	13.5%	13.7%
ROAA	5.9%	5.6%	7.7%	8.9%	9.3%
ROAE	17.2%	15.7%	18.5%	18.9%	17.9%
Growth					
Revenue	4.8%	6.9%	10.3%	6.4%	6.3%
Gross Profit	15.3%	7.0%	10.5%	6.9%	5.9%
Operating Profit	7.5%	13.4%	10.4%	6.9%	5.3%
EBITDA	7.2%	12.8%	10.2%	7.0%	5.4%
Net Profit	52.4%	1.3%	37.4%	18.6%	7.8%
Solvability					
Current Ratio (x)	3.51	4.09	4.55	4.46	4.63
Quick Ratio (x)	2.79	3.34	3.65	3.58	3.64
Debt to Equity (x)	0.9	0.9	0.7	0.6	0.5
Interest Coverage (x)	7.2	7.7	9.1	11.4	13.9

Source: Company, Shinhan Sekuritas Indonesia

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