

Abdul Azis Setyo Wibowo

Equity Research

+62-21 5010 5800

azis@kiwoom.co.id



Stock Rate

Industry

Buy

Overweight

Fair Value
vs Last Price

IDR 14,900
+16.4%

Stock Data

Ticker Code

ICBP

Sub Sector

Food & Beverage

Sector

Consumer Non-Cyclicals

Market Cap (IDR.Tn)

29.66

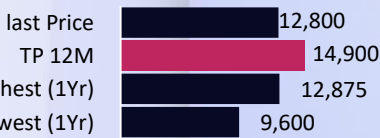
Shares Issued (Bn)

1.13

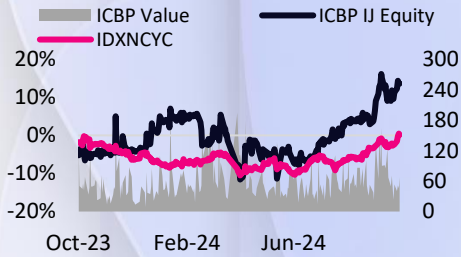
AVG 3M Turnover (Bn)

66.1

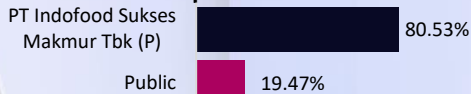
Price (IDR)



Price Performance, 1Yr (%)



Shareholders Composition



PT Indofood CBP Sukses Makmur Tbk (ICBP)

Surviving The Storm and Waiting for Improvement Opportunities

Maintained growth performance. ICBP recorded revenue of IDR 34.48 trillion (+7.2% YoY) during 1H24, but 2Q24 performance still maintained growth by recording revenue of IDR 17.04 trillion (+11% YoY, -14% QoQ). This growth was driven by increased revenue in the noodle segment, which in 1H24 recorded Rp26.60 trillion (+7.8% YoY) and 2Q24 amounted to Rp12.94 trillion (11% YoY, -14% QoQ). Meanwhile, the Dairy segment experienced limited growth on an annualized basis of 3.4% YoY/4% YoY in 1H24/2Q24. In terms of net profit, ICBP recorded IDR3.54 trillion (-38.2% YoY) in 1H24 or IDR17.04 trillion (+8.5% YoY, -18.5% QoQ).

Key Takeaways

- **Strong export sales growth.** ICBP's export sales grew significantly with sales in 2Q24 growing +17.6% YoY/3.4% QoQ. From the MEA market, sales reached Rp 4.03 trillion (+13.5% YoY, +1.8% QoQ). In terms of domestic sales, domestic sales reached +5.6% YoY/+8.5% YoY/-18.5% QoQ in 1H24/1Q24. The quarterly decline was indeed affected by the purchasing power of the people who returned to normal considering the end of the Ramadhan, but ICBP was still able to maintain sales growth on an annualized basis.
- **ICBP's margins remain stable.** Despite the decline in net profit due to the increase in foreign exchange losses, ICBP was still able to maintain its margin stability (Fig.4). We see that the stability of the exchange rate due to foreign exchange inflows has the potential to reduce foreign exchange losses and increase net profit.
- **New government policies are an opportunity to improve performance.** We see that there are several new government policies such as the lunch program which can be an opportunity to improve performance, on the other hand there will be an increase in civil servant salaries in 2025 which if this increase is significant we expect an increase in terms of purchasing power.

Recommendation "Buy"

Based on the P/E valuation and future opportunities, we calculate ICBP's fair value for a 12-month target of IDR14,900 per share. This price reflects a P/E of 13.1x and PBV of 0.9x. Down Risk: Global conditions such as war that could potentially increase raw material prices and operational costs, weakening Rupiah against US Dollar, low purchasing power.

Figure 1. Financial Highlight

(IDR Bn)	2022A	2023A	2024F	2025F	2026F
Revenue	64,798	67,910	73,453	80,645	90,696
Net Profit	4,587	6,991	8,072	10,163	11,429
EPS (Full)	393	599	692	871	980
EBITDA Margin	21%	24%	25%	26%	27%
NPM	7%	10%	11%	13%	13%
Div. Yield (%)	2%	2%	2%	2%	3%
ROE	66%	28%	17%	10%	110%
P/E (x)	26.3	17.6	18.2	13.1	11.7
P/BV (x)	1.0	1.0	1.1	0.9	0.8
EV/EBITDA (x)	12.7	11.9	11.3	8.9	7.3

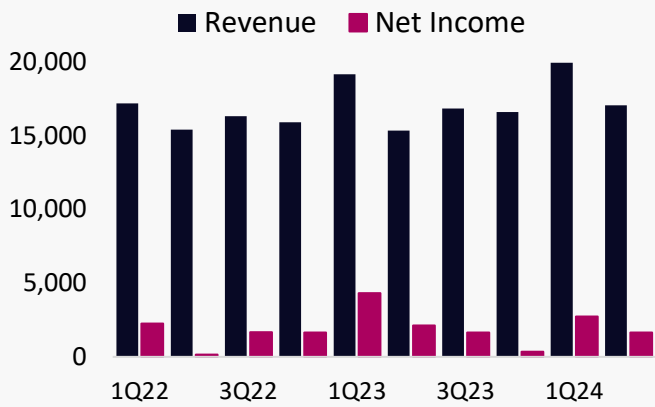
Source : Company & Bloomberg

Figure 2. ICBP Performance

IDR Bn	1H23	1H24	YoY	2023	2024	2024		
				Q2	Q1	Q2	YoY	QoQ
Revenue Segment								
Noodles	24,679	26,602	7.79%	11,028	14,307	12,295	11%	-14%
Dairy	4,757	4,920	3.43%	2,126	2,704	2,216	4%	-18%
Snack Foods	2,014	2,184	8.45%	901	1,119	1,065	18%	-5%
Food Seasonings	1,636	1,764	7.82%	600	1,030	734	22%	-29%
Beverages	783	844	7.78%	389	426	417	7%	-2%
Nutrition & Special Foods	610	648	6.21%	293	335	313	7%	-7%
Revenue by Geography								
Domestic	25,069	26,469	5.59%	10,952	14,585	11,884	8.5%	-18.5%
Middle East & Africa	7,502	7,999	6.62%	3,553	3,965	4,034	13.5%	1.8%
Others	1,121	1,484	32.38%	475	839	645	35.7%	-23.2%
Others Asia	787	1,010	28.28%	356	533	477	34.0%	-10.5%
Revenue	34,479	36,961	7.20%	15,336	19,922	17,040	11%	-14%
Gross Profit	12,530	13,983	11.60%	5,569	7,601	6,382	15%	-16%
Operating Profit	7,004	8,680	23.93%	3,102	4,793	3,887	25%	-19%
EBITDA	7,190	8,859	23.21%	3,193	4,882	3,977	25%	-19%
Net Income	5,725	3,538	-38.20%	1,771	2,352	1,186	-33%	-50%
EPS (Full IDR)	491	303	-38.29%	152	202	101	-33%	-50%
Asset	119,933	125,209	4.40%					
Liabilities	59,094	61,681	4.38%					
Equity	60,840	63,528	4.42%					
GPM %	36%	38%		36%	38%	37%		
OPM %	20%	23%		20%	24%	23%		
Ebitda Margin %	21%	24%		21%	25%	23%		
NPM %	17%	10%		12%	12%	7%		
ROE %	9.40%	5.60%						
ROA %	4.80%	2.80%						

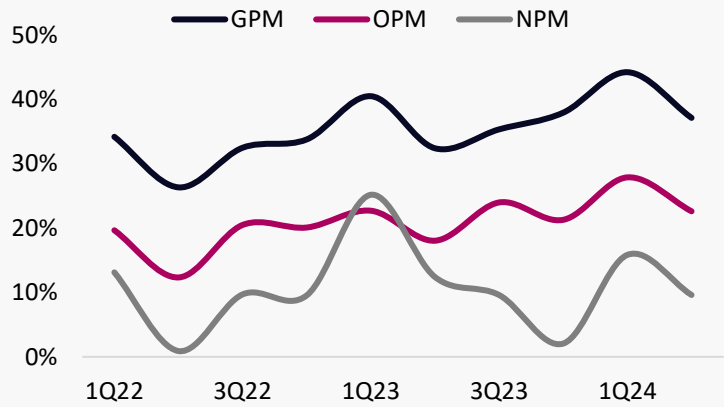
Source : Company & Bloomberg

Figure 3. Quarterly Revenue & Net Income (IDR Bn)



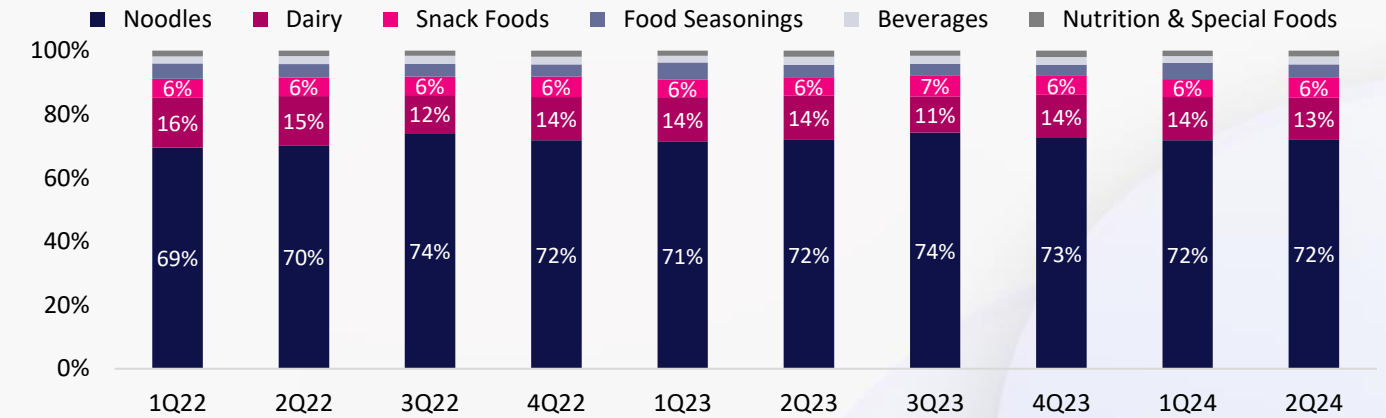
Source : Company & Bloomberg

Figure 4. Quarterly Margin



Source : Company & Bloomberg

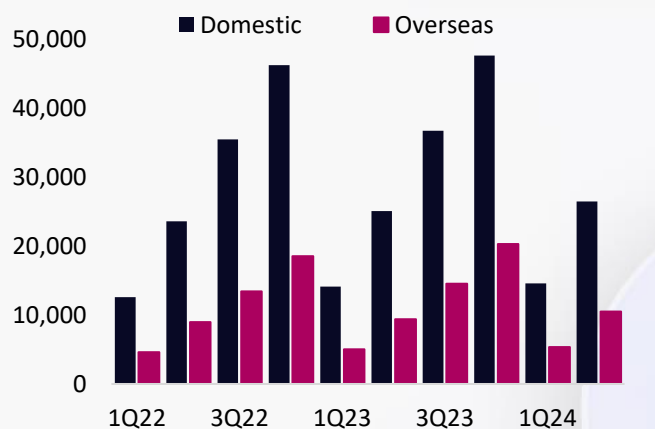
Figure 5. Quarterly Revenue Segment Contribution



Source : Company & Bloomberg

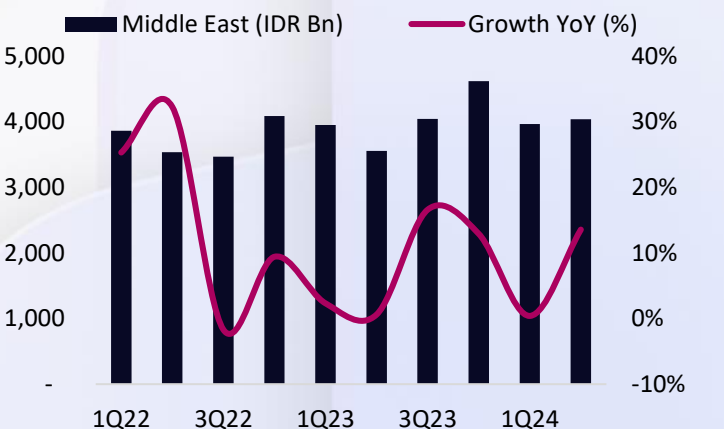
Source : Company & Bloomberg

Figure 6. Rev. Segment By Geography



Source : Company & Bloomberg

Figure 7. Quarterly Rev. Middle East & Africa



Source : Company & Bloomberg

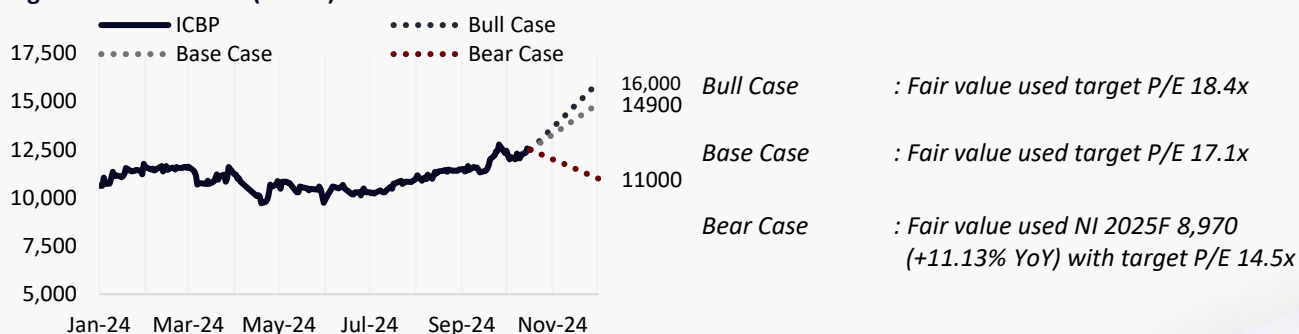
Valuation

Figure 8. P/E Valuation

Multiple Valuation	Base Amount	Target Multiple	Value	Weight (%)	The Value of the firm
PE	10,163 (NI 2025F)	17.1	173,780	100%	186,483
Total Value (Bn)					186,483
Share (Bn)					11.7
Target Price (IDR)					14,900
Current Price					12,800 (18/10/24)
Potential Upside (%)					16.4%

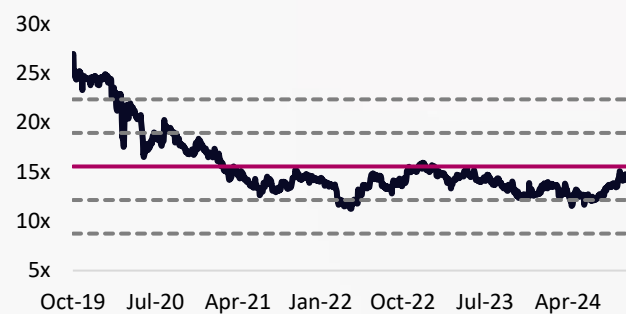
Source : KSI Research

Figure 9. Risk Reward (1:2.3x)



Source : KSI Research

Figure 10. Historical P/E – 5Y



Source : Company & Bloomberg

Figure 11. Historical PBV – 5Y



Source : Company & Bloomberg

Figure 12. ICBP vs Peers

Ticker	Mkt Cap (IDR)	P/B (x)	P/S (x)	P/E (x)	P/EBITDA (x)	EV/ EBITDA (x)	A/R Trnovr	Debt/Equity (%)	ROE (%)
ICBP IJ	147,231,589	3.5	2.1	30.6	8.1	10.0	7.7	73	11.8
Average	42,109,603	3.5	1.8	19.3	10.6	9.5	9.1	37.1	20.3
INDF IJ	63,438,581	1.0	0.6	9.9	2.5	4.8	12.6	72	10.9
MYOR IJ	59,250,554	3.8	1.8	16.0	10.8	10.1	6.8	36	25.8
STTP IJ	18,765,750	3.4	3.9	15.1	13.7	-	8.5	-	25.3
GOOD IJ	15,054,344	4.6	1.4	24.2	11.4	-	13.7	58	19.7
ROTI IJ	6,155,556	2.8	1.5	15.8	7.9	8.4	8.6	46	17.0
TGKA IJ	6,199,826	3.1	0.4	14.4	11.5	-	9.5	10	22.0

Source : Company & Bloomberg

Financial Exhibits

Year-end (IDR Bn)	2022A	2023A	2024F	2025F	2026F
Revenue	64,798	67,910	73,453	80,645	90,696
Costs of revenue	43,005	42,784	45,908	49,194	55,325
Gross profit	21,792	25,126	27,545	31,452	35,371
EBITDA	13,595	15,959	17,045	20,166	22,679
Operating profit	12,473	14,787	16,678	19,521	21,954
Income before tax	7,525	11,445	12,305	15,123	17,007
Tax expenses	1,803	2,980	2,461	3,025	3,401
Minority interests	1,135	1,475	1,772	1,936	2,177
Net income	4,587	6,991	8,072	10,163	11,429
EPS (Full IDR)	393	599	692	871	980

Balance Sheet

Year-end (IDR Bn)	2022A	2023A	2024F	2025F	2026F
Cash and equivalents	15,741	19,353	29,958	39,919	51,739
Account receivables	7,032	9,532	11,883	12,818	14,125
Inventories	7,132	6,329	6,846	7,516	8,453
Fixed assets	14,725	14,949	15,133	16,916	18,214
Other assets	70,675	69,103	70,176	71,641	73,993
Total assets	115,306	119,267	133,996	148,811	166,525
S-T liabilities	1,393	683	716	524	590
Other S-T liabilities	8,641	9,782	12,837	12,974	14,591
L-T liabilities	44,605	43,299	46,002	49,295	52,672
Other L-T liabilities	3,194	3,400	3,648	3,909	4,397
Total liabilities	57,833	57,163	63,204	66,702	72,248
Equity	57,473	62,104	70,792	82,109	94,277
BVPS (Full IDR)	4,928	5,325	6,070	7,041	8,084

Cash Flows Statement

Year-end (IDR Bn)	2022A	2023A	2024F	2025F	2026F
Net Income	4,587	6,991	8,072	10,163	11,429
Depreciation	1,122	1,172	1,393	1,560	2,446
Change in working capital	(4,862)	6,502	9,559	9,897	13,082
Operating cash flow	(10,572)	(1,660)	95	(1,826)	(793)
Capital expenditure	(1,463)	(1,396)	(1,577)	(3,343)	(3,744)
Others	1,297.07	3,137.46	446.60	259.55	324.85
Investing cash flow	(166)	1,742	(1,130)	(3,083)	(3,419)
Dividend paid	(2,507)	(2,192)	(2,377)	(2,744)	(3,455)
Net change in debt	3,767	(1,306)	2,703	3,292	3,377
Others	2,334	4,837	8,937	11,578	12,655
Financing cash flow	6,101	3,531	11,640	14,870	16,032
Change in cash	(4,637)	3,612	10,605	9,961	11,820
Beginning cash flow	20,378	15,741	19,353	29,958	39,919
Ending cash flow	15,741	19,353	29,958	39,919	51,739

Source : Company & Bloomberg

Key Ratios

Key Ratios	2022A	2023A	2024F	2025F	2026F
Revenue Growth (%)	14%	5%	8%	10%	12%
Gross Profit Growth (%)	7%	15%	10%	14%	12%
Operating Profit Growth (%)	7%	19%	13%	17%	12%
EBITDA Growth (%)	6%	17%	13%	17%	16%
Net Profit Growth (%)	-28%	52%	15%	26%	12%
EPS Growth (%)	-28%	52%	15%	26%	12%
Gross margin (%)	34%	37%	38%	39%	39%
EBITDA margin (%)	7%	10%	11%	13%	13%
EBIT margin (%)	19%	22%	23%	24%	24%
Net margin (%)	7%	10%	11%	13%	13%
ROE (%)	8%	11%	11%	12%	12%
ROA (%)	4%	6%	6%	7%	7%
Current ratio (x)	3.10	3.51	3.72	4.60	5.03
Quick ratio (x)	2.41	2.83	3.01	3.82	4.26
DER (x)	1.58	1.40	1.36	1.24	1.17
DAR (x)	0.50	0.48	0.47	0.45	0.43
Gross Interest Coverage (x)	5.80	7.30	8.41	8.97	8.66
AR turnover (x)	9.4	9.4	7.7	7.7	7.7
AR turnover (days)	38.73	36.01	37.31	37.31	37.31
Inventory turnover (x)	6.03	68.44	55.17	55.17	55.17
Inventory turnover (Days)	60.53	54.00	54.43	55.77	55.77
PE (x)	26.31	17.64	18.17	13.11	11.66
PBV (x)	1.05	1.03	1.09	0.90	0.80
EV/Revenue	2.87	2.49	2.65	2.18	1.91
EV/Ebitda	12.73	11.85	11.27	8.86	7.29

Source : Company & Bloomberg

Kiwoom Sekuritas Guide to Sector/Industry/Stock Ratings

Sector/Industry

OVERWEIGHT : Sector & Industry Outlook has potential and good condition
 NEUTRAL : Sector & Industry Outlook Stable or tend to be stagnant
 UNDERWEIGHT : Sector & Industry Outlook has challenges and bad condition

Stock

BUY	: Stock Performance > +15%	Over the next 12 month (excluding dividend)
TRADING BUY	: Stock Performance, range between +5% to +15%	Minor to Medium Term
HOLD	: Stock Performance, range between -10% to +15%	Over the next 12 month (excluding dividend)
SELL	: Stock Performance > -15%	Over the next 12 month (excluding dividend)
TRADING SELL	: Stock Performance, range between -5% to -15%	Minor to Medium Term
NOTE RATE	: Stock is not within regular research coverage	Over the next 12 month (excluding dividend)

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