

## Soaring PATMI (56% yoy) on forex loss nosedive

6 August 2025

# Indofood CBP

ICBP IJ	BUY
Sector	Consumer
Price at 5 Aug 2025 (IDR)	9,575
Price target (IDR)	13,990
Upside/Downside (%)	46.1

### Stock Information

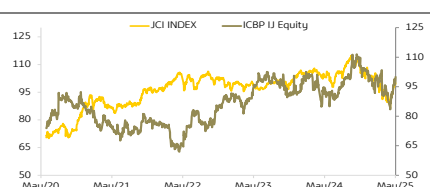
Indofood CBP Sukses Makmur (ICBP) is leading consumer company, engaged in diverse business categories, including noodles, dairy, snack foods, food seasonings, nutrition and special foods, and beverages. It also operates a packaging business, producing flexible and corrugated packaging for its products.

Market cap (IDR bn)	111,663
Shares outstanding (mn)	11,662
52-week range (IDR)	9,450–12,875
3M average daily vol. ('000)	6,047
3M average daily val. (IDR mn)	63,227

### Shareholders (%)

Indofood Sukses Makmur	80.5
Public	19.5

### Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	(10.6)	(15.5)	(13.4)

### Analyst

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ICBP's 1H25 results show a mixed performance. While revenue grew 2% yoy, operational profitability was challenged by higher raw material costs, causing a 7% drop in gross profit and a 5% decline in EBIT. Net income, however, soared 56% due to a one-time forex net loss significant dip (made ICBP's 1H25 earnings surpassed both our and the consensus forecasts), as core profit actually fell by 5%. Segment-wise, noodles and snack foods saw top-line growth, while food seasonings and nutrition and special foods delivered strong EBIT growth. Dairy and beverages were under pressure. Profitability margins for GPM and EBIT contracted, but ICBP's strategic focus on innovation and softening of input costs as well as asp adjustment are expected to drive a recovery, in our view. Maintain BUY with a blended TP of IDR 13,990 (20.6x '25F P/E), while currently trading at 14.1x '24F P/E, slightly below its -2SD of 14.7x '25F P/E.

### ICBP's 1H25 Results: A Tale of Two Profits

ICBP's latest results tell a story of mixed performance. While the top line inched up 2% yoy to IDR 37.60tn, driven by volume growth and a strong 5% increase in overseas sales, operational profitability was challenged. Gross profit fell 7% yoy due to higher raw material costs, leading to a 5% decline in EBIT to IDR 8.47tn. Despite these operational pressures, net income soared 56% yoy. This impressive jump, however, was not due to the core business. Instead, it was fueled by a significant gain from a foreign exchange difference on financing activities, swinging from of IDR 2.75tn to a much smaller number of IDR0.22 trillion. As a result, ICBP's 1H25 earnings surpassed both our and the consensus forecasts. However, a deeper look reveals that core profit, which excludes this one-time gain, actually declined by 5% yoy, highlighting ongoing challenges on the company's fundamental profitability.

### A Mixed Bag of Growth and Profitability

A deeper dive into ICBP's segment performance reveals a dichotomy in growth drivers. Noodles remain the core powerhouse, with revenue climbing to IDR 27.98tn fueled by both domestic and overseas operations. Snack foods also showed strength, with a top-line rise to IDR 2.33tn on higher volume. The standout performer was food seasonings, which delivered a robust 7% yoy revenue growth. Conversely, the dairy and beverages segments are clearly under pressure. On the EBIT front, the narrative is more nuanced. While noodles, dairy, and snack foods saw softer growth due to elevated raw material costs, food seasonings delivered a spectacular +40% yoy EBIT growth. Additionally, nutrition and special foods booked a solid +14% yoy EBIT increase, driven by an improved product mix despite flat revenue growth. This highlights a successful strategy of optimizing product offerings to boost profitability in a challenging environment, in our view.

### Key segment margin pressure on higher raw material

ICBP's profitability came under pressure, with GPM contracting to 34.9% from 37.8% in 1H24, a direct result of elevated raw material costs. This pressure cascaded down, causing the EBIT margin to soften by 150 basis points to 22.5% from 24.1% a year ago. Despite the overall decline, this EBIT margin remains ahead of our '25F of 21.8%. The divergence in segment performance is notable: food seasonings and nutrition & special foods showed remarkable resilience, with their margins expanding to 16.1% (from 12.2%) and 9.4% (from 8.12%), respectively. In contrast, the margins for key segments like noodles, dairy, and snack foods all contracted due to rising input costs.

### ICBP's Innovation Strategy: A Driver for Future Growth

We maintain a positive view on ICBP's strategic focus on continuous innovation and product development. In 1H25, the company demonstrated this commitment by introducing new products like yogurt kids and spaghetti, signaling an entry into new categories. Furthermore, ICBP has been actively strengthening its existing product lines across its key divisions, including noodles, snack foods, nutrition & special foods, dairy, and beverages. This strategy of relaunching products and introducing new flavors and packaging formats is crucial for maintaining market relevance and driving future growth. These initiatives are expected to be key drivers of competitive advantage and market share expansion in a challenging environment, in our view.

### Maintaining our '25F EBIT margin for ICBP

We expect a stronger 2H25 for ICBP, driven by a softer average cost of inputs and asp adjustment expectation. This should provide a significant tailwind, supporting a recovery in both gross profit and EBIT margins. Our '25F forecast for ICBP remains a top-line growth of 5.8% to IDR76.78 trillion, fueled by a combination of better volume growth and strategic price adjustments. We project EBIT to reach IDR16.7 trillion, translating to an EBIT margin of approximately 21.8% (1H25: 22.5%). Worth noting that the '25F cons. earnings has been revised down (9.58%) and now aligns more closely with our projections.

### Maintain BUY TP of IDR13,990.

Our blended TP of IDR13,990 implies 20.6x '25F P/E, while it is currently trading at 14.1x '25F P/E, or slightly below its -2SD of 14.7x '25F P/E. Risks to our call: a) lower-than-expected purchasing power, volume, asp growth, and EBIT achievement; b) higher than expected input costs, which could pressure and drag down margin further; c) intensifying competition from substitute brands.

### Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Revenue	67,910	72,597	76,787	82,851	88,779
Operating profit	14,388	16,321	16,747	18,129	19,226
Net profit	6,991	7,079	7,906	8,887	10,082
EPS (Rp)	599	607	678	762	865
EPS growth (%)	52.4	1.3	11.7	12.4	13.5
ROE (%)	18.1	14.0	16.5	16.7	17.3
ROA (%)	6.0	5.8	6.1	6.4	6.9
PER (x)	16.0	15.8	14.1	12.6	11.1
PBV (x)	2.7	2.5	2.2	2.0	1.9
EV/EBITDA (x)	8.5	7.3	7.2	6.3	6.1
Div Yield (%)	2.5	2.2	2.5	2.8	4.5

Source: Company, KBVS Research

# Indofood CBP Sukses Makmur (ICBP)

Exhibit 2: ICBP 1H25 financial and key performance metrics results

Profit and Loss (IDRbn)	6M24	6M25	YoY (%)	2Q24	2Q25	YoY (%)	1Q25	QoQ (%)	KBVS '25F	% to KBVS	Cons. 25F	% to Cons.
Net revenue	36,961	37,601	1.7	17,039	17,415	2.2	20,186	-13.7	76,787	49.0	78,846	47.7
COGS	-22,979	-24,478	6.5	-10,658	-11,587	8.7	-12,891	-10.1	-48,326	50.7	-49,673	49.3
Gross Profit	13,983	13,123	-6.2	6,381	5,828	-8.7	7,294	-20.1	28,460	46.1	29,173	45.0
Opex	-5,316	-5,193	-2.3	-2,516	-2,370	-5.8	-2,822	-16.0	-11,713	44.3	-11,601	44.8
Other operating income	404	686	69.5	180	-64	-135.6	749	-108.5				
Other operating expenses	-178	-140	-21.8	-71	-71	0.6	-68	4.3				
EBIT	8,893	8,476	-4.7	3,974	3,323	-16.4	5,153	-35.5	16,747	50.6	17,572	48.2
EBITDA	9,772	9,374	-4.1	4,424	3,775	-14.7	5,599	-32.6	18,415	50.9	19,212	48.8
Net finance income (expenses)	-3,331	-808	-75.7	-1,840	659	-135.8	-1,467	-144.9				
Finance income	517	487	-5.9	306	276	-9.9	211	30.7				
Finance expenses	-3,849	-1,295	-66.4	-2,146	383	-117.8	-1,678	-122.8				
Pre-tax income	5,532	7,742	40.0	2,133	4,012	88.1	3,730	7.6				
Taxes	-1,156	-1,536	32.9	-481	-841	75.0	-695	21.0				
Net Income	3,538	5,536	56.5	1,186	2,879	142.9	2,657	8.4	7,906	70.0	9,703	57.1

Geographic sales (IDRbn)	6M24	6M25	YoY (%)	2Q24	2Q25	YoY (%)	1Q25	QoQ (%)
Indonesia	26,469	26,582	0.4	11,884	11,926	0.4	14,655	(18.6)
Middle east and Africa	9,009	9,701	7.7	5,044	5,500	9.0	4,201	30.9
Other Asia	1,484	1,318	(11.2)	112	(11)	(110.0)	1,329	(100.8)
Total	36,961	37,601	1.7	17,039	17,415	2.2	20,186	(13.7)

Segmentation sales (IDRbn)	6M24	6M25	YoY (%)	2Q24	2Q25	YoY (%)	1Q25	QoQ (%)
Noodles	26,602	27,258	2.5	12,295	12,737	3.6	14,521	(12.3)
Dairy	4,920	4,806	(2.3)	2,216	2,132	(3.8)	2,675	(20.3)
Snacks	2,184	2,239	2.5	1,065	1,076	1.1	1,163	(7.5)
Food Seasonings	1,764	1,911	8.3	734	817	11.4	1,094	(25.3)
Nutrition foods	648	645	(0.5)	313	284	(9.2)	361	(21.3)
Beverages	844	742	(12.1)	417	370	(11.5)	372	(0.7)
Total	36,961	37,601	1.7	17,039	17,415	2.2	20,186	(13.7)

Segmentation EBIT (IDRbn)	6M24	6M25	YoY (%)	2Q24	2Q25	YoY (%)	1Q25	QoQ (%)
Noodles	7,426	6,896	(7.1)	3,333	3,045	(8.7)	3,851	(20.9)
Dairy	568	361	(36.5)	207	69	(66.8)	292	(76.5)
Snacks	210	120	(43.0)	121	76	(37.2)	44	73.0
Food Seasonings	278	388	39.6	125	192	53.0	196	(2.1)
Nutrition foods	53	61	13.7	20	23	14.6	38	(39.4)
Beverages	128	101	(21.3)	58	50	(13.6)	51	(0.8)
Elimination	3	4	12.7	1	3	209.4	0	905.2
EBIT	8,893	8,476	(4.7)	3,974	3,323	(16.4)	5,153	(35.5)

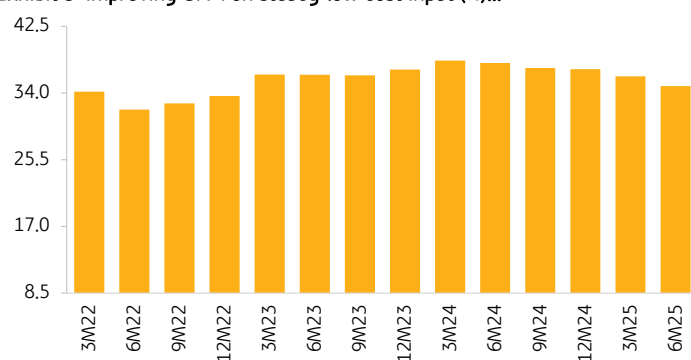
Margins (%)	6M24	6M25	YoY (%)	2Q24	2Q25	YoY (%)	1Q25	QoQ (%)
Gross Profit	37.8	34.9	(2.9)	37.5	33.5	(4.0)	36.1	(2.7)
EBIT	24.1	22.5	(1.5)	23.3	19.1	(4.2)	25.5	(6.4)
EBITDA	26.4	24.9	(1.5)	26.0	21.7	(4.3)	27.7	(6.1)
Pretax	15.0	20.6	5.6	12.5	23.0	10.5	18.5	4.6
Net Profit	9.6	14.7	5.2	7.0	16.5	9.6	13.2	3.4

Segmentation margin (%)	6M24	6M25	YoY (%)	2Q24	2Q25	YoY (%)	1Q25	QoQ (%)
Noodles	27.9	25.3	(2.6)	27.1	23.9	(3.2)	26.5	(2.6)
Dairy	11.5	7.5	(4.0)	9.3	3.2	(6.1)	10.9	(7.7)
Snacks	9.6	5.3	(4.3)	11.3	7.0	(4.3)	3.8	3.3
Food Seasonings	15.8	20.3	4.6	17.1	23.5	6.4	17.9	5.6
Nutrition foods	8.2	9.4	1.2	6.4	8.0	1.7	10.4	(2.4)
Beverages	15.2	13.6	(1.6)	14.0	13.6	(0.3)	13.6	(0.0)
Unallocated income	24.1	22.5	(1.5)	23.3	19.1	(4.2)	25.5	(6.4)

Source: Company, KBVS Research

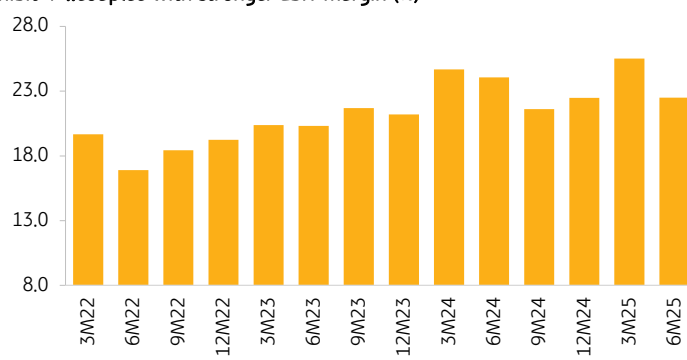
# Indofood CBP Sukses Makmur (ICBP)

Exhibit 3: Improving GPM on steady low cost input (%)...



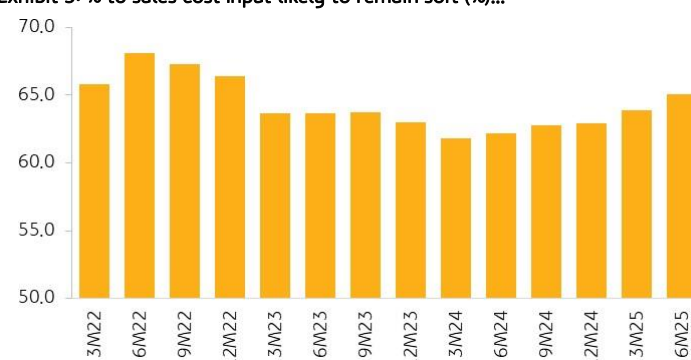
Source: Company, KBVS Research

Exhibit 4: ..coupled with stronger EBIT margin (%)



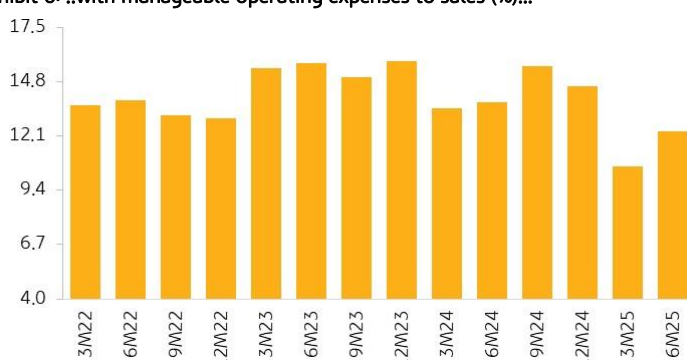
Source: Company, KBVS Research

Exhibit 5: % to sales cost input likely to remain soft (%)...



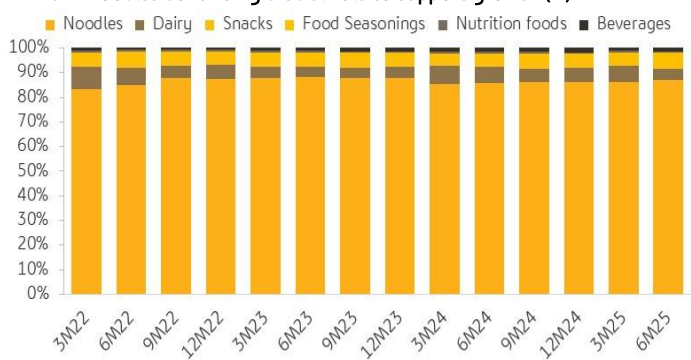
Source: Company, KBVS Research

Exhibit 6: ..with manageable operating expenses to sales (%)...



Source: Company, KBVS Research

Exhibit 7: Noodles continuing crucial role to support growth (%)



Source: Company, KBVS Research

Exhibit 8: Currently trading at 14.1x '25F P/E, slightly below -2SD of 14.7x '25F



Source: Company, KBVS Research

## FINANCIAL TABLES

Exhibit 9: Profit & Loss

Year End Dec (IDR bn)	2022A	2023A	2024F	2025F	2026F
Revenues	67,910	72,597	76,787	82,851	88,779
Cost of revenues	(42,784)	(45,704)	(48,326)	(52,419)	(56,541)
Gross profit	25,126	26,893	28,460	30,432	32,238
Operating expenses	(10,739)	(10,572)	(11,713)	(12,303)	(13,012)
EBIT	14,388	16,321	16,747	18,129	19,226
EBITDA	16,082	18,096	18,415	19,894	21,258
Net finance income (expenses)	(531)	(3,292)	(3,094)	(2,584)	(1,517)
Other income/(expenses)	(2,412)	(1,529)	(797)	(917)	(1,113)
Pretax profit	11,445	11,499	12,856	14,628	16,596
Tax expenses	(2,980)	(2,686)	(3,214)	(3,657)	(4,149)
Net profit	6,991	7,079	7,906	8,887	10,082

Source: Company, KBVS Research

**Exhibit 10: Balance Sheet**

Year End Dec (IDR bn)	2022A	2023A	2024F	2025F	2026F
Cash and other investments	21,687	27,710	26,731	37,053	38,737
Receivables	7,524	8,792	8,192	8,042	8,206
Inventories	6,329	7,060	7,163	7,821	8,506
Other current assets	1,232	1,106	1,041	1,145	1,239
<b>Total current assets</b>	<b>36,773</b>	<b>44,668</b>	<b>43,126</b>	<b>54,062</b>	<b>56,688</b>
Deferred tax assets	320	270	488	452	448
Long term investments	8,369	6,419	11,737	12,614	12,827
Fixed assets	14,711	15,266	15,800	16,333	16,880
Rights of use assets	238	237	227	234	233
Deferred charges – net	54	53	88	80	79
Goodwill	54,006	54,006	57,123	53,853	57,706
Intangible assets	1,446	1,313	2,150	2,097	2,136
Other non current assets	3,351	3,809	3,361	3,531	3,824
<b>Total non-current assets</b>	<b>82,495</b>	<b>81,373</b>	<b>90,974</b>	<b>89,194</b>	<b>94,132</b>
<b>Total assets</b>	<b>119,269</b>	<b>126,041</b>	<b>134,100</b>	<b>143,256</b>	<b>150,821</b>
Current liabilities					
Short-term debts	113	185	195	204	215
Payables	4,952	5,167	5,587	5,961	6,343
Curr matt LT Loans	456	352	0	0	0
Other current liabilities	4,944	5,220	5,425	5,740	6,000
<b>Total current liabilities</b>	<b>10,464</b>	<b>10,925</b>	<b>11,206</b>	<b>11,905</b>	<b>12,558</b>
Non-current liabilities					
Long-term debts	1,059	663	696	731	767
Bonds payable	42,125	44,211	46,422	49,671	52,155
Other non-current liabilities	3,514	3,198	3,888	3,250	3,507
<b>Total non-current liabilities</b>	<b>46,699</b>	<b>48,072</b>	<b>51,006</b>	<b>53,652</b>	<b>56,429</b>
<b>Shareholder's Equity</b>	<b>40,752</b>	<b>45,217</b>	<b>50,350</b>	<b>56,176</b>	<b>60,284</b>
<b>Total liabilities and equity</b>	<b>119,269</b>	<b>126,041</b>	<b>134,100</b>	<b>143,256</b>	<b>150,821</b>

Source: Company, KBVS Research

**Exhibit 11: Cash Flow**

Year End Dec (IDR bn)	2022A	2023A	2024F	2025F	2026F
Net profit	6,991	7,079	7,906	8,887	10,082
Depreciation & amortization	1,229	1,275	1,388	1,485	1,572
Changes in working capital	1,261	(1,380)	1,186	75	(300)
<b>CF from operating activities</b>	<b>9,480</b>	<b>6,974</b>	<b>10,480</b>	<b>10,447</b>	<b>11,354</b>
Decr. (incr.) in fixed assets	(1,419)	(1,830)	(1,922)	(2,018)	(2,119)
Decr. (incr.) in non-current assets	1,930	1,677	(9,066)	2,312	(4,391)
Other investing activities	381	337	969	337	337
<b>CF from investing activities</b>	<b>892</b>	<b>184</b>	<b>(10,019)</b>	<b>631</b>	<b>(6,173)</b>
Net change in gross debt	(2,076)	1,659	1,901	3,294	2,530
Dividends paid	(2,739)	(2,478)	(2,767)	(3,110)	(5,041)
Other financing activities	232	(316)	(574)	(940)	(986)
<b>CF from financing activities</b>	<b>(4,583)</b>	<b>(1,136)</b>	<b>(1,440)</b>	<b>(756)</b>	<b>(3,497)</b>
<b>Cash at end of period</b>	<b>21,687</b>	<b>27,710</b>	<b>26,731</b>	<b>37,053</b>	<b>38,737</b>

Source: Company, KBVS Research

**Exhibit 12: Key performance metrics**

Year End Dec (%)	2022A	2023A	2024F	2025F	2026F
Gross profit margin (%)	37.0	37.0	37.1	36.7	36.3
Operating profit margin (%)	21.2	22.5	21.8	21.9	21.7
EBITDA margin	23.7	24.9	24.0	24.0	23.9
Net profit margin (%)	10.3	9.8	10.3	10.7	11.4
ROAE (%)	18.1	14.0	16.5	16.7	17.3
ROAA (%)	6.0	5.8	6.1	6.4	6.9
Net gearing (x)	59.9	44.5	40.9	24.1	23.9
Interest coverage ratio (x)	7.1	3.8	4.0	4.3	5.6
PER (x)	18.7	18.4	16.5	14.7	13.0
PBV (x)	3.2	2.9	2.6	2.3	2.2
EV/EBITDA (x)	9.6	8.3	8.2	7.2	7.0
Dividend Yield (%)	2.1	1.9	2.1	2.4	3.9

Source: Company, KBVS Research

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### Semarang

Candi Plaza Building Lt. Dasar  
Jl. Sultan Agung No. 90-90A  
Semarang 50252  
T. (024) 8501122

### Makassar

Komplek RUKO Citraland City Losari  
Business Park, Blok B2 No. 09  
Jl. Citraland Boulevard Makassar 90111  
T. (0241) 16000818

### Medan

Komplek Jati Junction No. P5-5A  
Jl. Perintis Kemerdekaan  
Medan 20218  
T. (061) 88816222

### Denpasar

Jl. Teuku Umar No. 177  
Komplek Ibis Styles Hotel  
Denpasar Bali 80114  
T. (0361) 225229

## Investment Gallery

### Jakarta

Citra Garden 6 Ruko Sixth Avenue  
Blok J.I A/18, Cengkareng  
Jakarta Barat 11820  
T. (021) 522392181

### Semarang

Jl. MT Haryono 637  
Semarang 50242  
T. (024) 8415195

### Salatiga

Jl. Diponegoro No. 68  
Salatiga 50711  
T. (0298) 313007

### Solo

Jl. Ronggowarsito No. 34  
Surakarta 57118  
T. (0271) 6726306