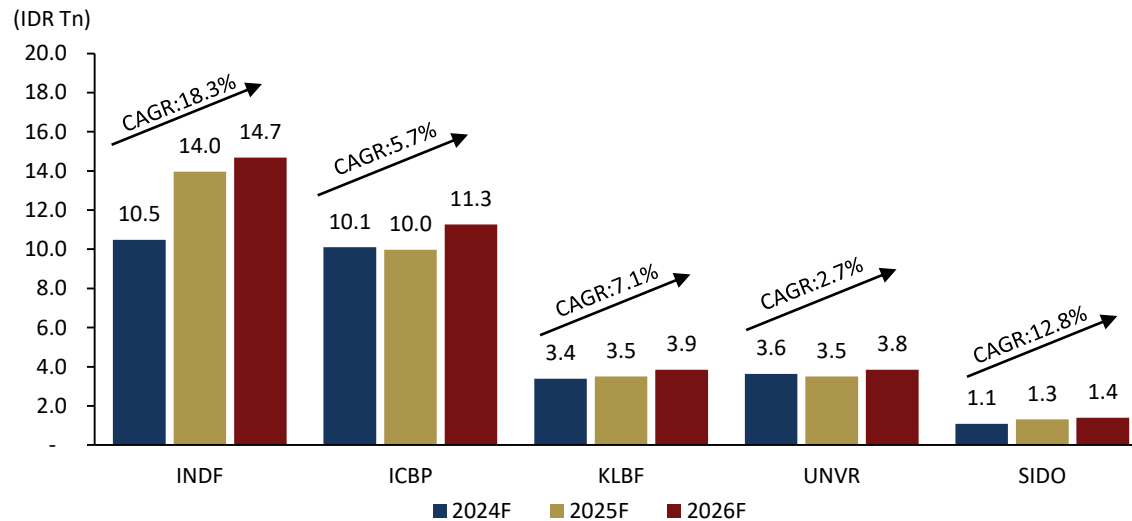


Consumer: Overweight with INDF & ICBP as Top-Picks

Consumer Sector Net Profit Outlook



SWOT Analysis: 2025 Outlook

Strength

In 2025, we continue to like the defensive nature of the sector with the exception of UNVR; Driven by government stimulus (free meal program) and 6.5% higher minimum wages should help support purchasing power particularly for low-income earners

Weakness

Weaker-than-expected purchasing power as a result of IDR depreciation on the back of higher for longer USD exchange rate may limit consumer companies' ability to pass on potentially higher raw materials costs such as CPO (2024: +33.7%)

Opportunity

Although price increases are unlikely to occur this year, lower raw materials prices such as wheat (2024: -14.8%) and sugar (2024: -5.6%) may still pave the way for margin improvements and price support towards market outperformance for some counters in 2025

Threat

Margin pressures to stem from: 1) trading down market effect by consumers may result in adverse sales mix and 2) fluctuating commodity prices due to La Nina and geopolitical tension; Sizeable 2024 market outperformance for some counters may cause profit taking

Peer Comparables

Company	Rating	Market Cap	Last Price	TP	2025F				
					EPS Gwt	P/E	P/B	Div. Yield	ROE
Ticker		(IDR Tn)	(IDR)	(IDR)	(%)	(x)	(x)	(%)	(%)
ICBP IJ	BUY	131.2	11,250	14,000	25.9	13.2	1.9	3.4	14.4
UNVR IJ	SELL	67.9	1,780	1,400	(2.8)	17.0	22.5	5.4	133.2
INDF IJ	BUY	65.4	7,450	9,100	33.2	4.7	0.9	5.5	19.5
KLBF IJ	BUY	62.3	1,330	1,600	3.2	17.8	2.4	2.6	13.5
SIDO IJ	BUY	17.4	580	700	20.9	13.3	4.6	6.5	34.6
Sector		344.3			17.3	13.1	6.0	4.2	39.7

2024 Relative Performance vs JCI

